



## MARKET UPDATE PRESENTATION

# JUNE 2021

22 JULY 2021

A black and white photograph of a woman with a joyful expression, wearing a headband that says "NO DAYS OFF" and a dark athletic singlet, sitting on a rowing machine. The background is dark and out of focus.

Viva Leisure Limited  
ASX: VVA

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CLUBLIME



# Welcome

Welcome to the second bi-monthly market update from Viva Leisure.

This regular report to the market and our shareholders is designed to provide further insights into the multiple markets and segments within the fitness industry that Viva Leisure operates.

Due to the COVID shutdowns approximately 12 months ago, comparing to the Previous Corresponding Period is not a relevant comparison position. Accordingly, and as per the previous report we have compared movement in metrics to the last month of the previously reported half year results (December 2020). We will then move to traditional reporting against the period 12 months earlier. The report provides a “Consolidated View” and individual business segment views (Health Clubs, Hiit Republic, and Plus Fitness). Readers can distinguish between the different views by the reference in the left margin of each page if relevant.

“ *The feedback from our Shareholders on our initial bi-monthly update in May 2021 was positive, and with further data points now included in this report, I trust that it will continue to provide the relevant insights into the Viva Leisure business.*

*The 2021 year has continued to be impacted by snap lockdowns due to COVID-19, including for June 2021 where Victoria was closed for most of the month. As the Viva business generates over 90% of it's revenue via direct debit, as soon as lockdowns are lifted our revenue starts to flow immediately, resulting in a quick recovery. With vaccination rates in Australia increasing every day, the volume of on-going snap lockdowns in the future will hopefully be minimal.*

*I trust you will find great value from our second bi-monthly update.*”

*Harry Konstantinou, CEO, Viva Leisure Limited*



MARKET UPDATE (JULY 2021)

# Performance Highlights

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## Consolidated (All Segments)

MONTHLY RRR

**\$8.4m**

PCP % 15.2%

DAILY RRR

**\$278,630**

PCP % 19.1%

MEMBERS

**298,376**

PCP % 8.9%

MEMBERS NMM

**24,403**

PCP N/C

LOCATIONS

**309**

PCP 292

## Consolidated (Owned locations only)

CLUB m2

**97,103**

PCP % 18.1%

UTILISATION

**64.8%**

PCP 61.8%

ARPM<sup>+</sup>

**\$13.43**

PCP \$13.42

CLUB MARGIN

**31.8%**

PCP 32.1%

CLUB MARGIN  
>12 months locations

**34.4%**

<12 months locations  
**-6.8%**

CHURN

**4.4%**

PCP 4.8%

• Excluding impacts of AASB16

<sup>+</sup> Excluding GST, affected this period by COVID-19 lockdowns in Victoria  
PCP period: June 2021 compared to December 2020

**MARKET UPDATE (JULY 2021)**

**VIVA**  
LEISURE

# Performance Highlights

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### MONTHLY RRR

**\$6.6m**

PCP % 22.9%

### DAILY RRR

**\$221,585**

PCP % 26.9%

### MEMBERS

**120,505**

PCP % 22.8%

### VIVA MEMBERS

**117,964**  
PLUS MEMBERS

**2,541**

### MEMBERS NMM

**22,409**

PCP N/C

### LOCATIONS

**93**

PCP 76

### CLUB m2

**89,195**

PCP % 19.2%

### UTILISATION

**67.6%**

PCP 63.2%

### ARPM<sup>+</sup>

**\$12.76**

PCP \$12.70

### CLUB MARGIN

Combined

**31.3%**

PCP 34.5%

### CLUB MARGIN

>12 months locations

**33.5%**

<12 months locations

**-20.4%**

### CHURN

**4.2%**

PCP 4.7%

- Excluding impacts of AASB16
- \* Excluding GST

PCP period: June 2021 compared to December 2020

**MARKET UPDATE (JULY 2021)**



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MONTHLY RRR

**\$0.7m**

PCP % 13.6%

DAILY RRR

**\$22,239**

PCP % 17.4%

MEMBERS

**5,501**

PCP % 14.3%

MEMBERS NMM

**689**

PCP N/C

LOCATIONS

**22**

PCP 19

CLUB m2

**7,908**

PCP % 7.2%

UTILISATION

**46.4%**

PCP 43.5%

ARPM<sup>+</sup>

**\$27.74**

PCP \$28.13

CLUB MARGIN

Combined

**39.5%**

PCP 40.6%

CLUB MARGIN

>12 months locations

**50.6%**

<12 months locations

**11.0%**

CHURN

**4.5%**

PCP 5.3%

• Excluding impacts of AASB16

<sup>+</sup> Excluding GST

PCP period: June 2021 compared to December 2020

**MARKET UPDATE (JULY 2021)**

**VIVA**  
LEISURE

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MONTHLY RRR

**\$1.0m**

PCP % -16.9%

DAILY RRR

**\$34,806**

PCP % -14.1%

MEMBERS

**174,911**

PCP % 2.2%

MEMBERS NMM

**3,846**

PCP N/C

LOCATIONS

**198**

PCP 197

Represents the Australian Fitness Management (Master Franchisor) business and does not include corporate owned Plus Fitness locations performance

- Excluding impacts of AASB16
- Revenue for AFM can vary each month depending on club openings
- Members and Locations represent entire network (including Viva corporate owned Plus Fitness locations)
  - PCP period: June 2021 compared to December 2020

**MARKET UPDATE (JULY 2021)**





# Revenue (\$m)

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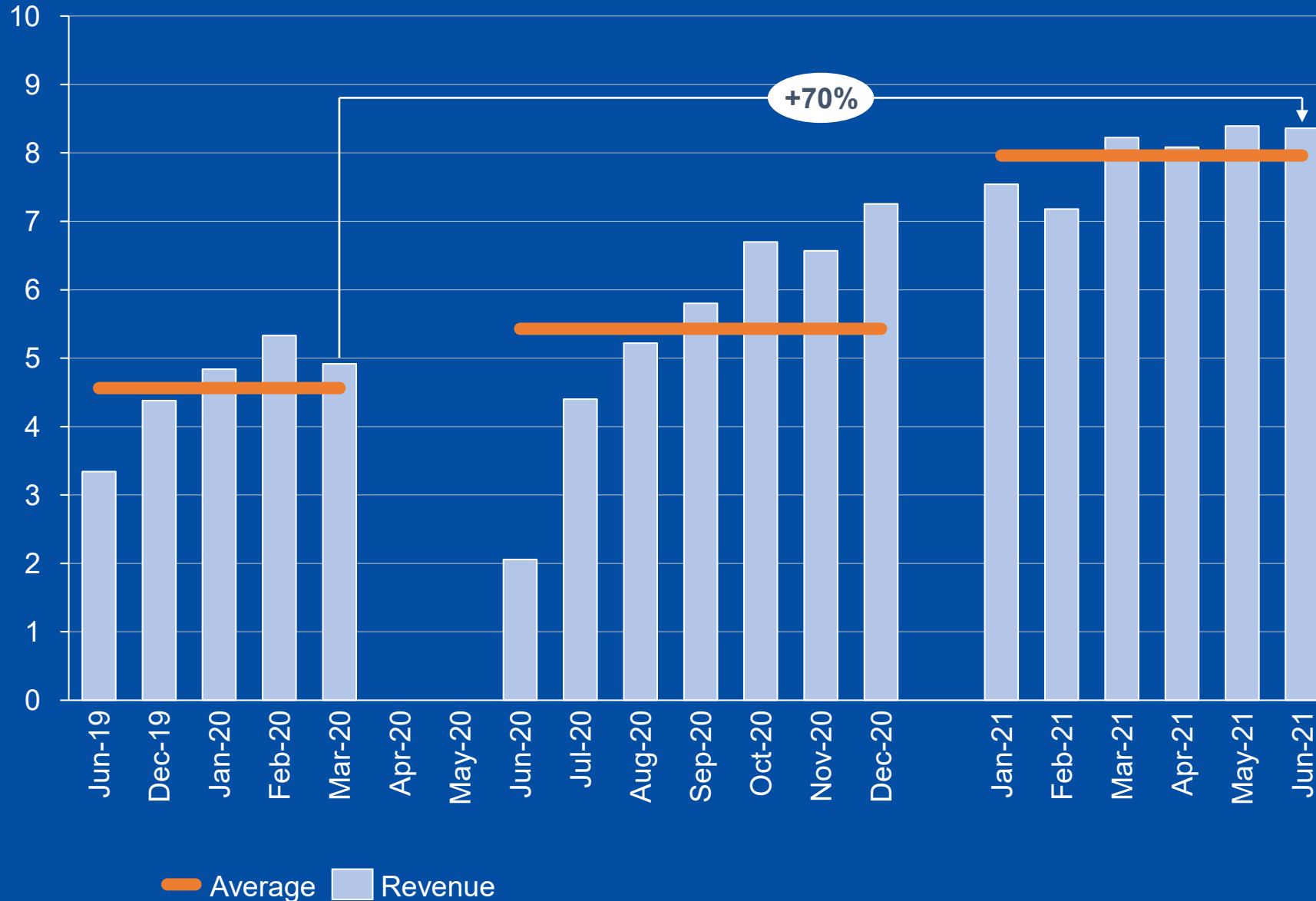
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- May and June 2021 recorded record revenue for the business despite:
  - COVID-19 Snap lockdowns in metro and regional Victoria for June 2021
  - One less day in June compared to May
- Fourth consecutive month with revenue above \$8m
- Clear average increase in revenue in H2-FY21 over H1-FY21
- March 2020 (Pre-COVID) to June 2021 increase in revenue of 70%
- January 2021 represents the start of all facilities open in all locations (ie: all COVID restrictions lifted), excluding any snap lockdowns

# Revenue (\$m)

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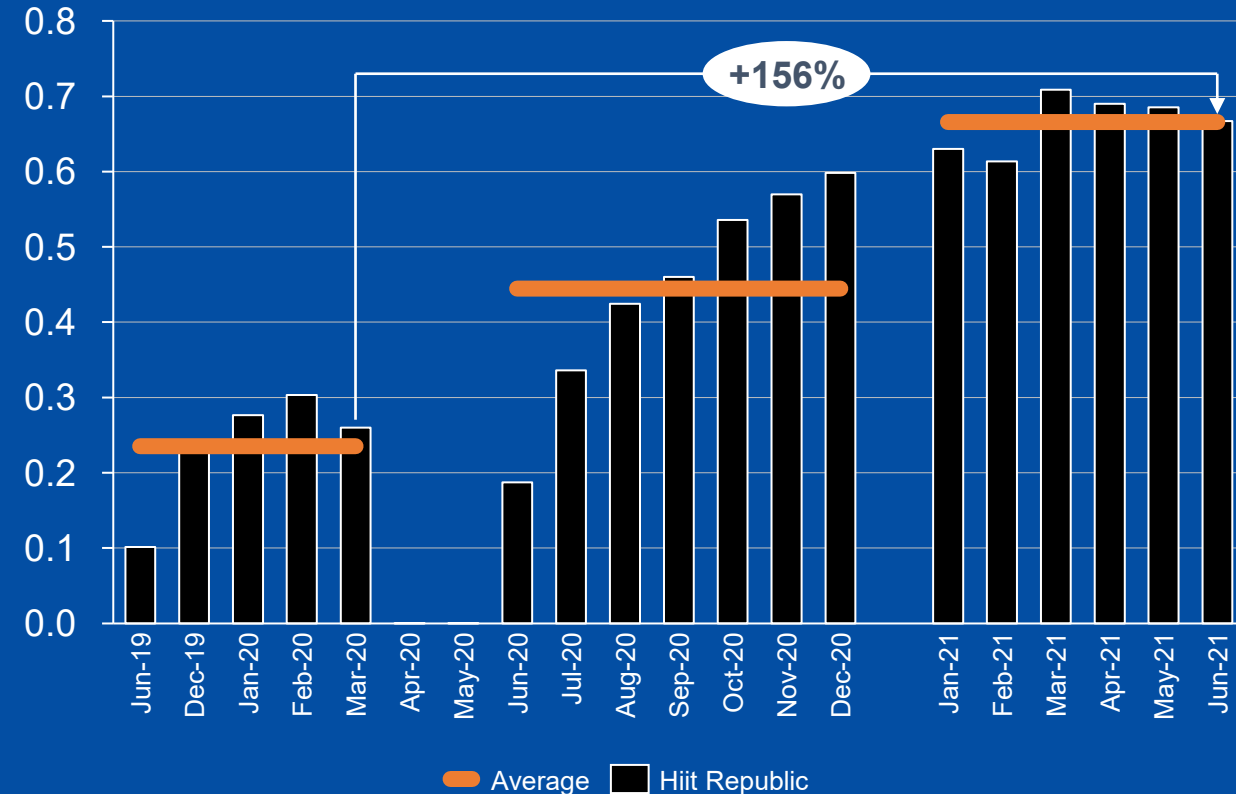
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- Revenue in the “Health Clubs & Other” Group comprises all revenue from health club brands (Club Lime, FitnFast, Pinnacle, etc), Aquatics and Swim School revenue, Boutique studio revenues, Viva owned Plus Fitness locations and corporate head office revenues.
- Revenue decrease in June 2021 due to COVID lockdowns in Victoria and one less trading day



- Hiit Republic revenue continues to increase as greenfield rollouts open.
- March 2020 (Pre-COVID) to June 2021 revenue increase of 156%
- Slight decrease in revenue for April and June 2020 due to one less day, COVID snap lockdown disruptions, and public holidays

# Revenue by Geographic Region (\$m)

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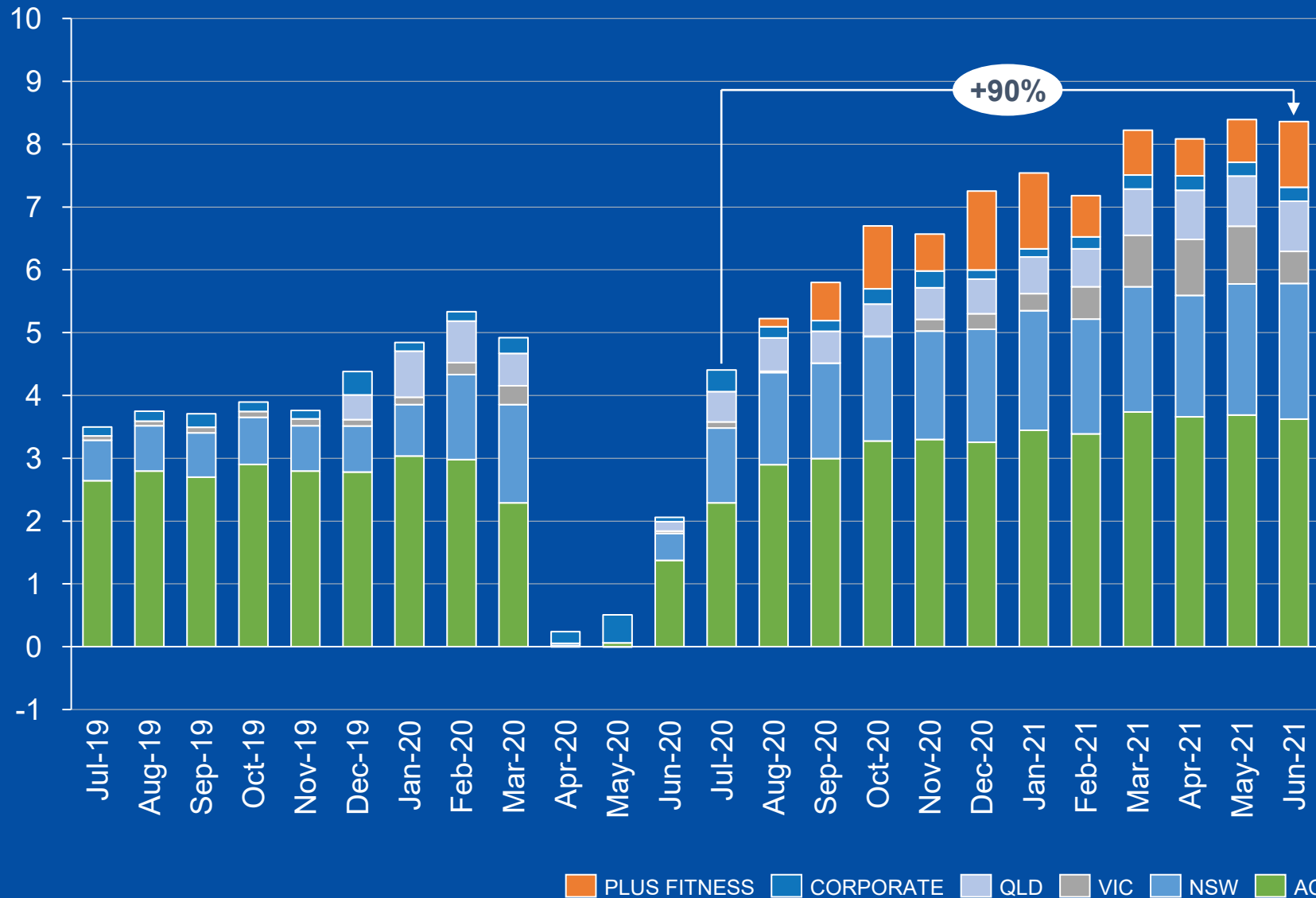
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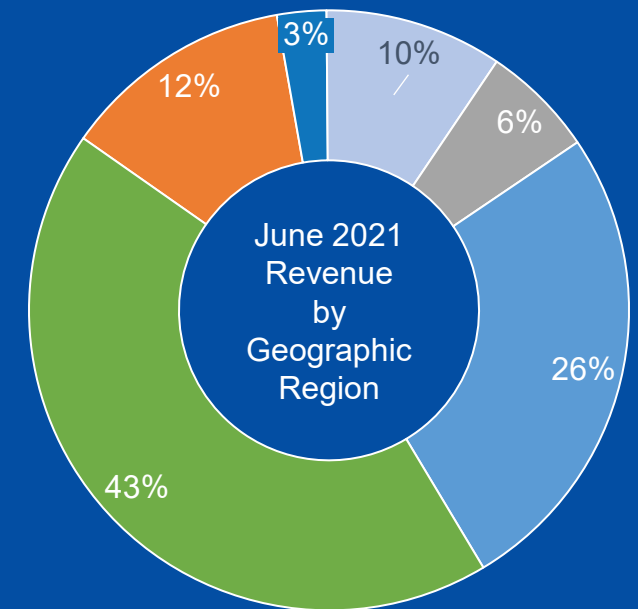
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- 90% increase in revenue from July 2020 to June 2021
- ACT revenue continues to increase, however now forms a smaller percentage of overall Group revenue
- Corporate revenue refers to corporate memberships and other invoiced customers (ie: insurance companies)
- Victoria revenues affected by snap lockdowns during June 2021



# Revenue Growth (\$'000)

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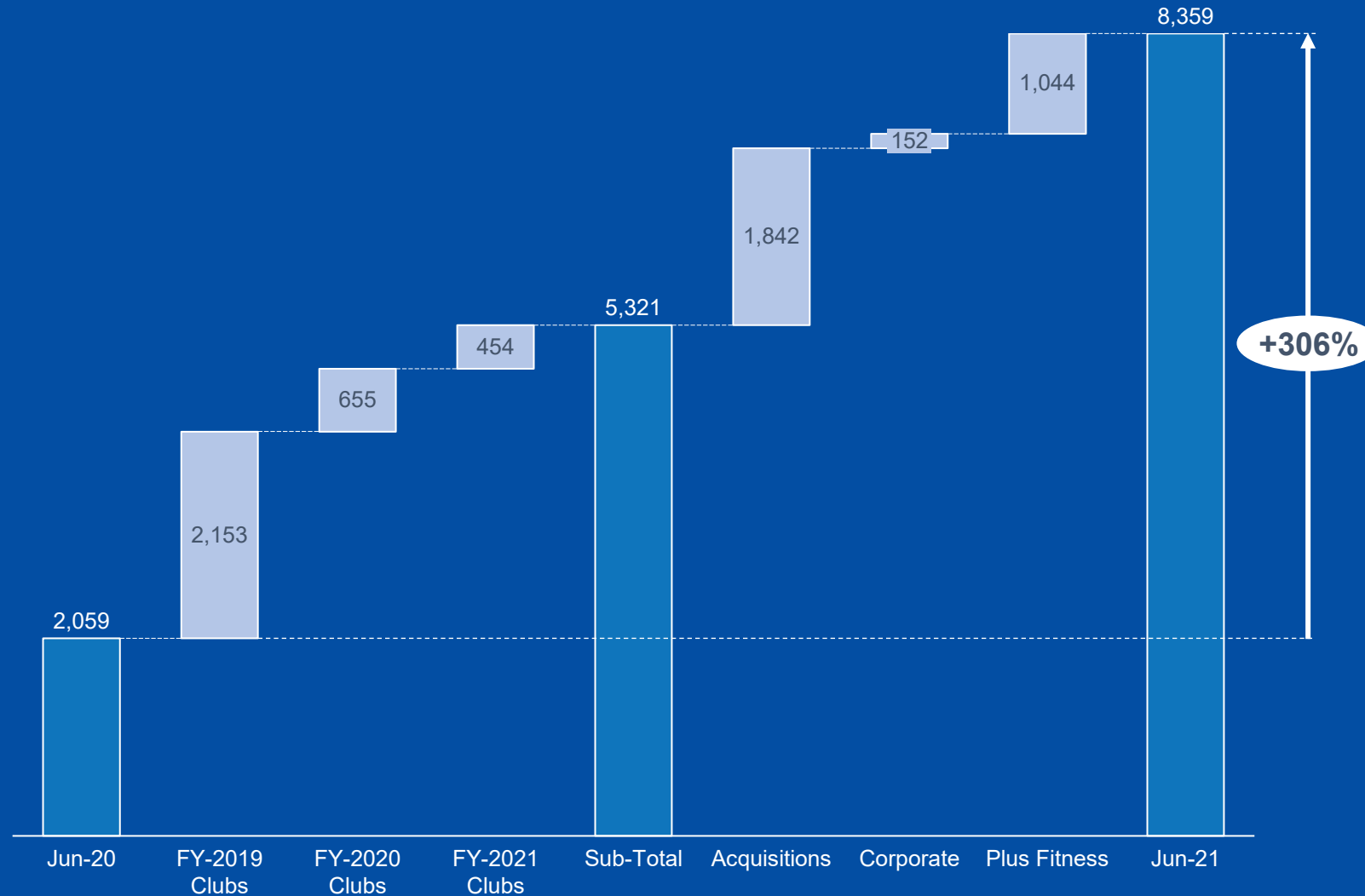
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- Revenue growth from June 2020 split by the Financial Year in which clubs opened or were acquired
- FY2019 refers to clubs opened or acquired in FY2019 as well as any clubs from previous years
- Revenue for June 2021 when compared to May 2021 were affected by Victoria lockdowns by approximately \$415,000
- Acquisitions column represents revenue in the period from clubs acquired since 1 July 2019

# Locations



# AUSTRALIA

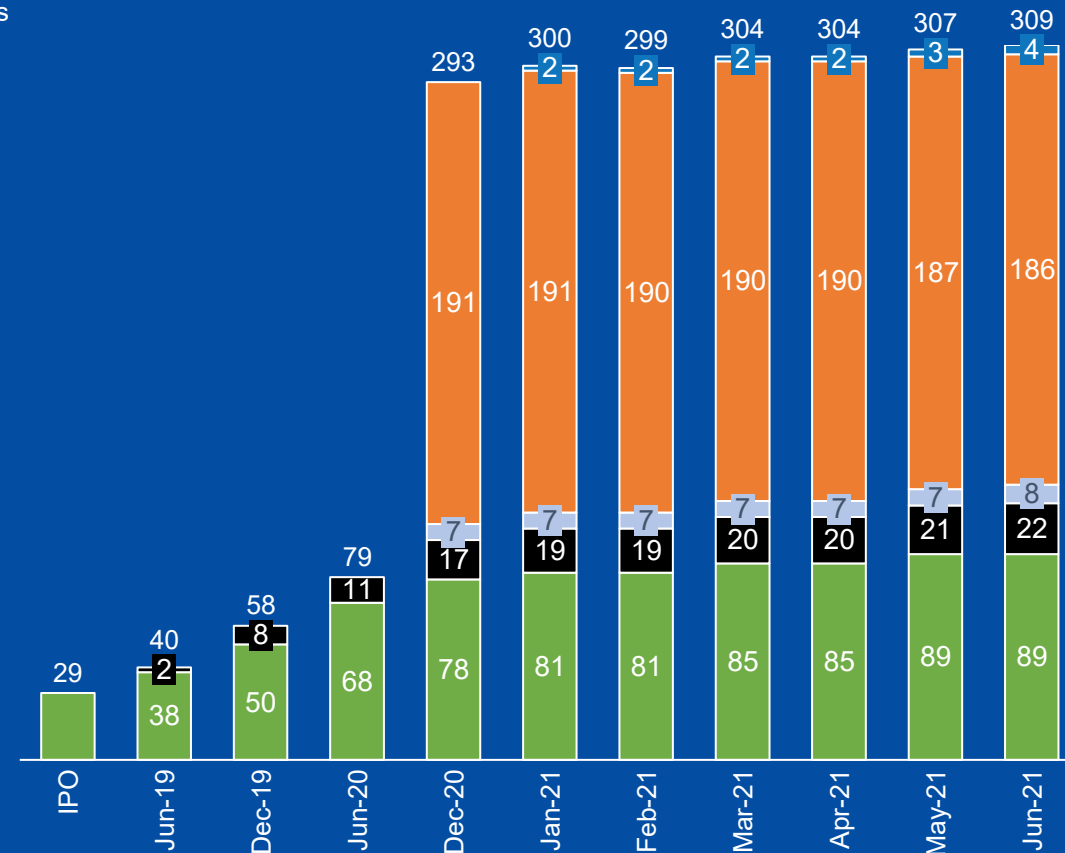


As at 30 June 2021

- **Health Clubs & Other & Hiit Republic** are all Corporate owned locations (referenced as "Viva" in the map)
- **Plus Fitness** includes both Corporate and Franchised locations. Refer Plus Fitness section for breakdown
- Includes New Zealand (3) and India (5) locations

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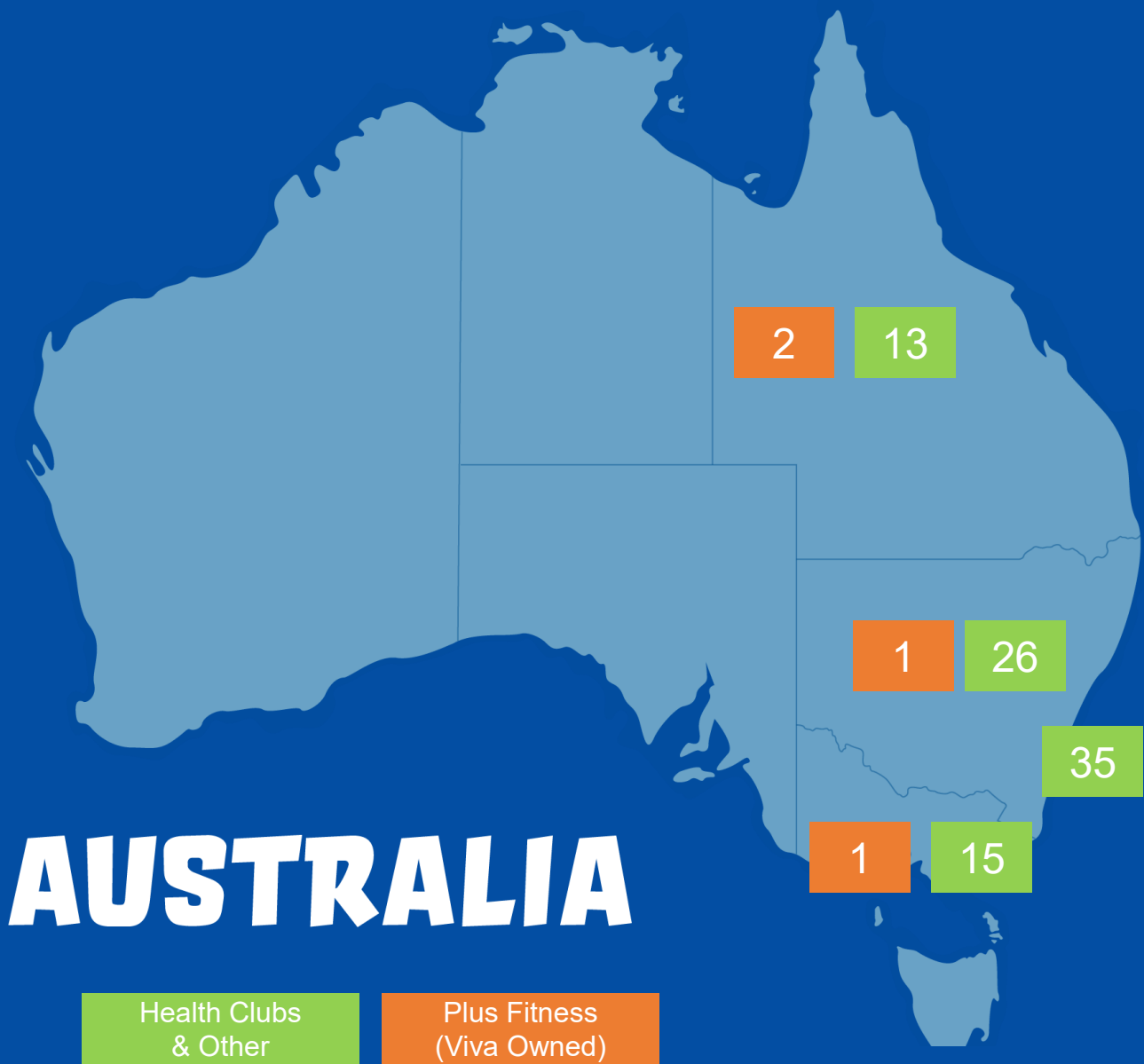
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- Plus Fitness AU (Viva Owned)
- Plus Fitness AU (Franchisee Owned)
- Plus Fitness NZ/IN (Franchisee Owned)
- Hiit Republic
- Health Clubs & Other



# Locations



As at 30 June 2021

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CLUB LIME



- Health Clubs & Other includes the following brands:
  - Club Lime
  - FitnFast
  - Pinnacle
  - Psycle Life
  - Studio by Club Lime
  - GroundUp
- As well as recent acquisitions
  - Active Life (Norman Park, QLD)
  - Coffs Coast (Coffs Harbour, NSW)
  - G-Fitness (Rhodes, NSW)
- And the following segments:
  - Aquatics
  - Swim School
- Plus Fitness Corporate owned locations shown separately





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AUSTRALIA

Hiit Republic

As at 30 June 2021

- Greenfields rollouts continue to open as the brand expands interstate
- First Queensland location opened in May 2021
- Locations have doubled from April 2020
- Five additional locations secured and in the process of opening (Refer Greenfield Locations slides)

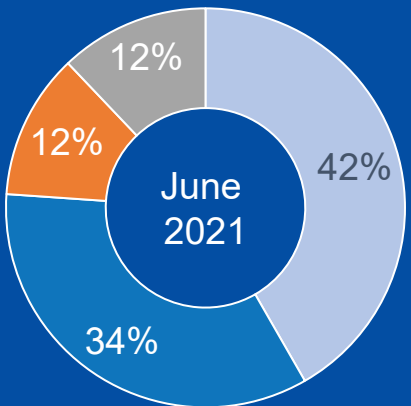
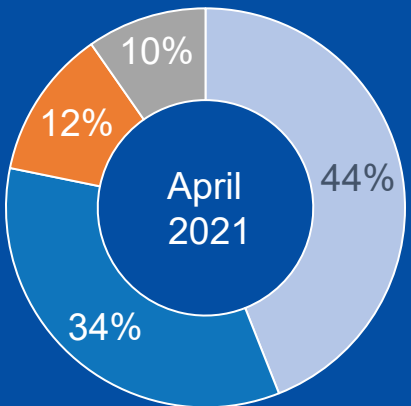


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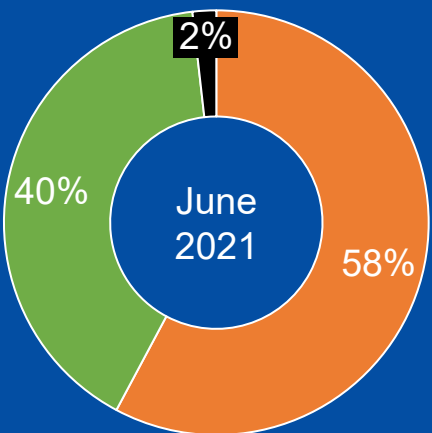
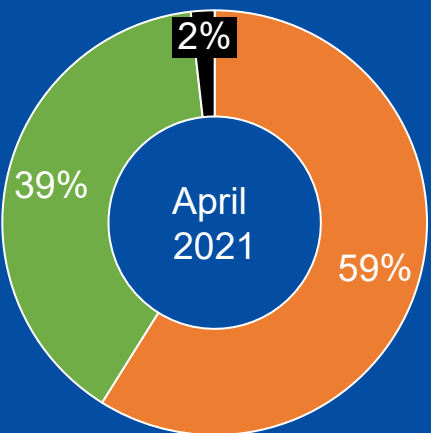
## Members by State

Viva owned locations only

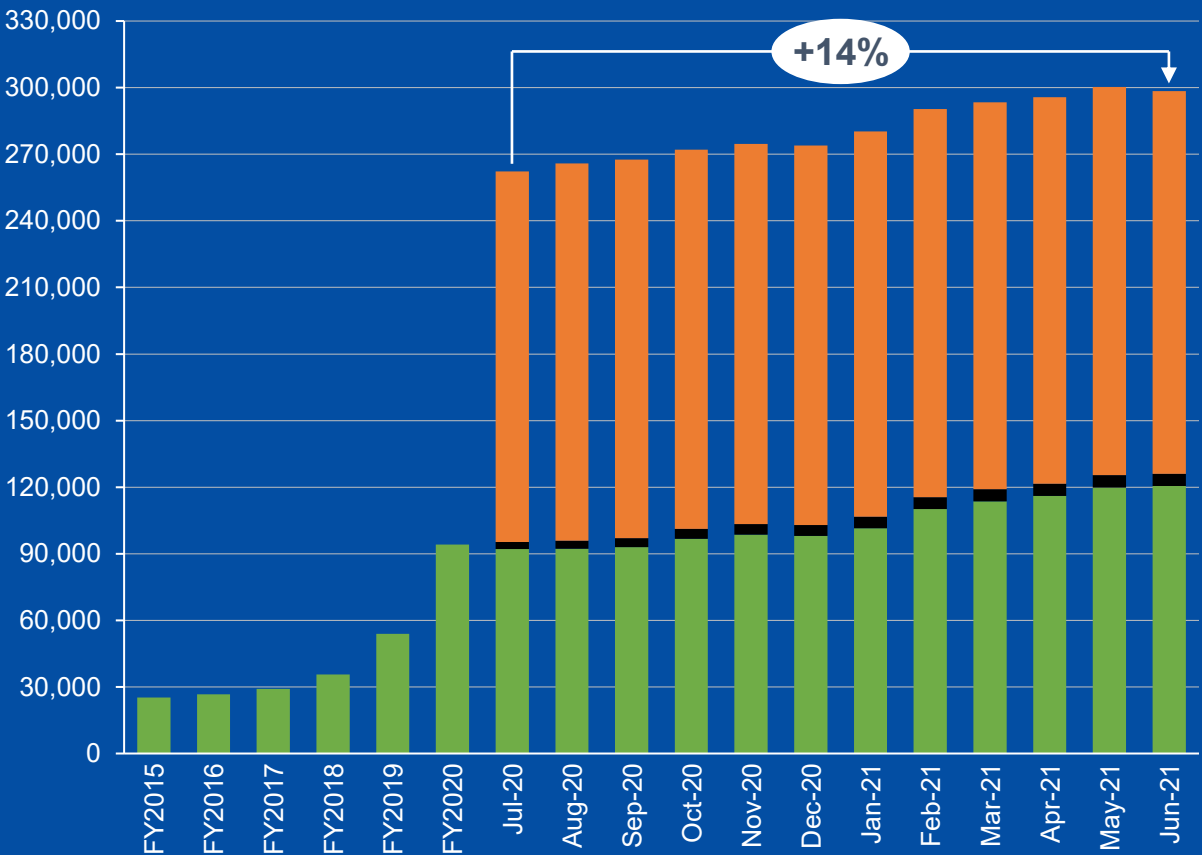


ACT NSW VIC QLD

## Members by Segment



Plus Fitness (AU/NZ) Health Clubs & Other Hiit Republic

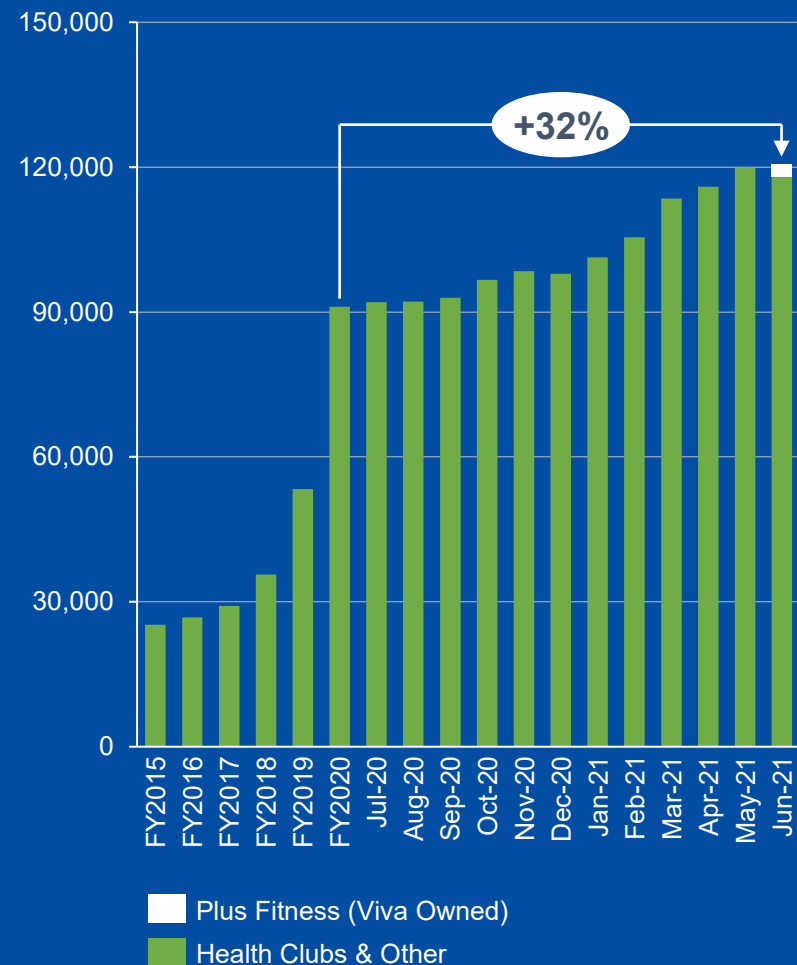


Plus Fitness (AU/NZ) Hiit Republic Health Clubs & Other

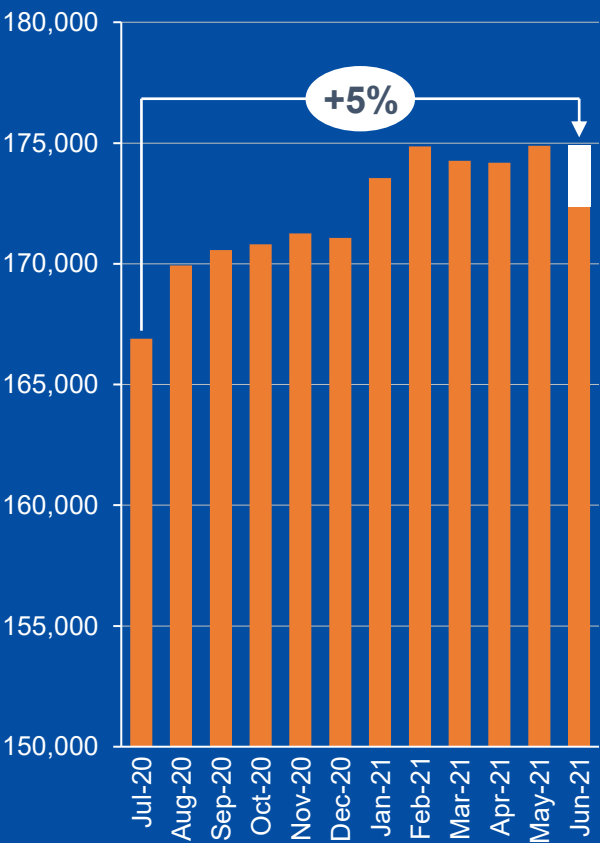
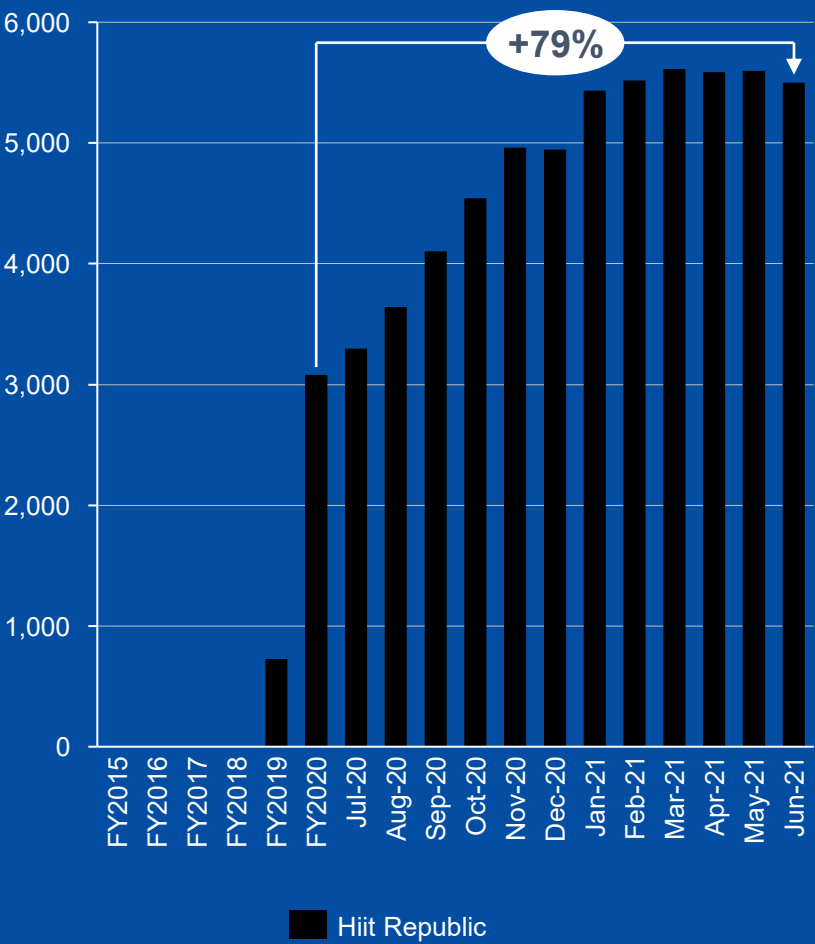
From June 2021, Plus Fitness Corporate Owned locations now included in **Health Clubs & Other** for all charts on this page

# Member Growth by Segment

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Includes Plus Fitness Corporate Owned locations from June 2021



Excludes India



# Average Revenue Per Member (per week)

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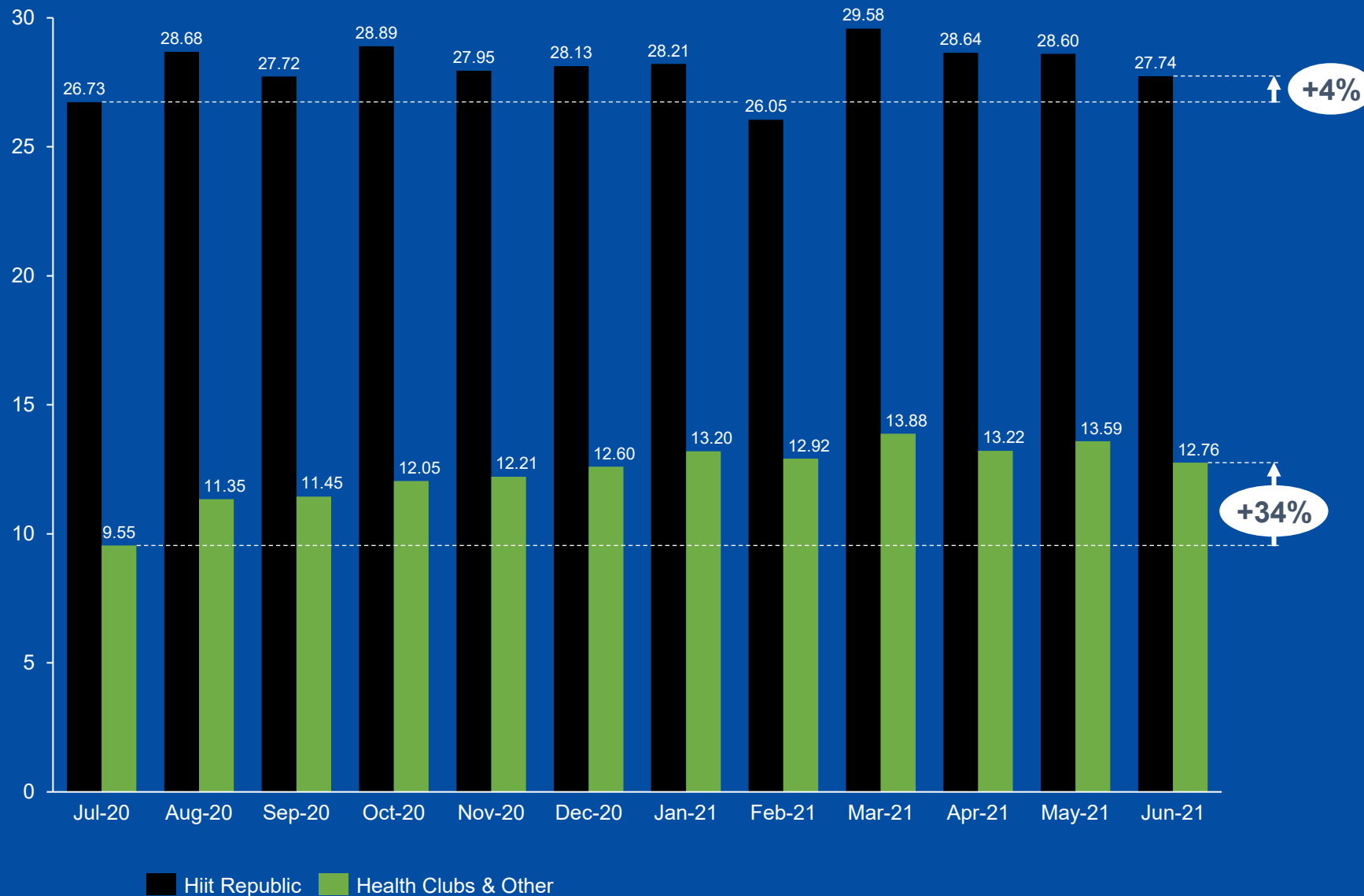
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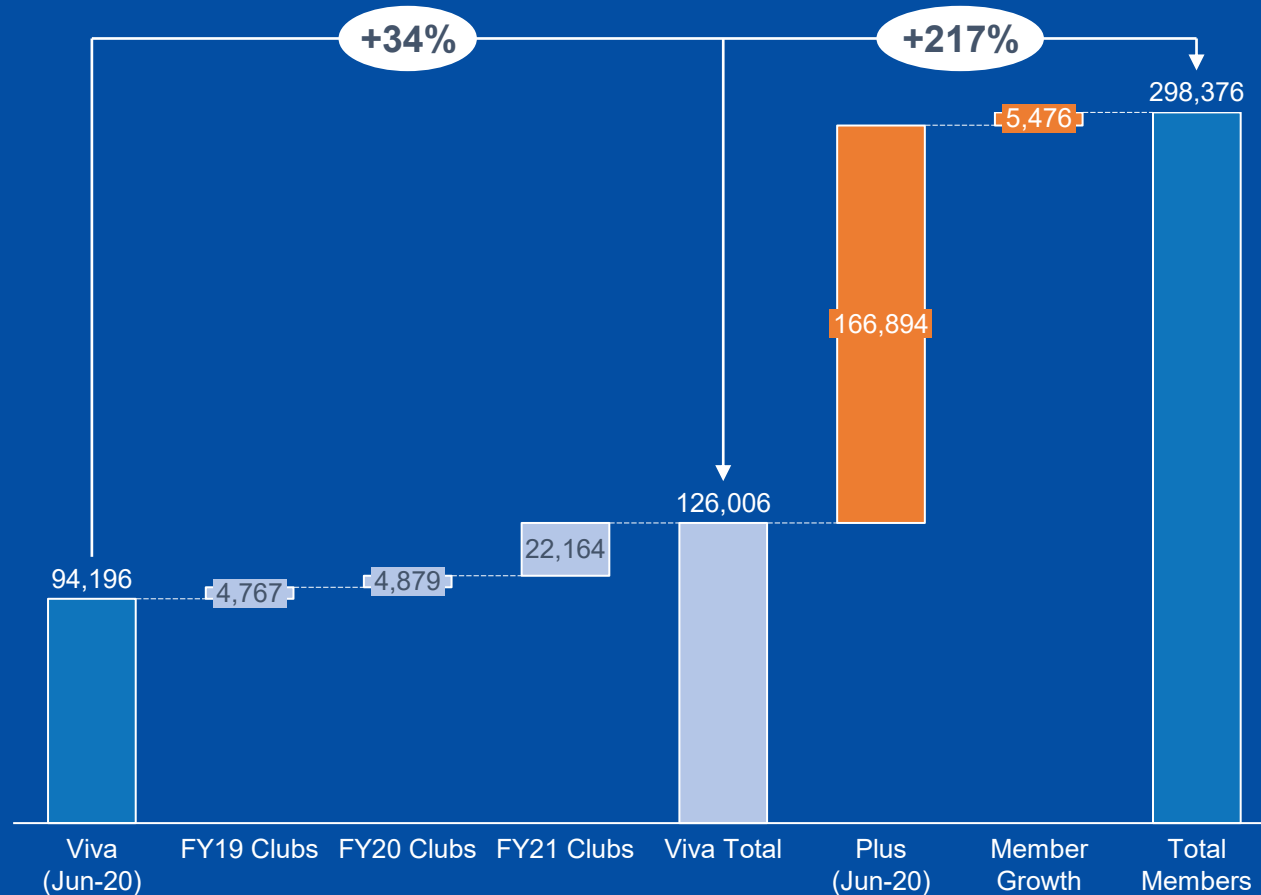
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- Snap COVID-19 lockdowns in Victoria during June has affected ARPM, as members not charged during lockdown
- Hiit Republic ARPM continues to increase however is reliant on whether the hiit republic is in a hub-spoke configuration with a health club or is stand-alone
- Hiit Republic pricing review has occurred at most locations with entry level pricing now at \$34.90 per week for new members.
- Health Clubs introduction of the Pinnacle portfolio in March 2021 increased overall ARPM
- Plus Fitness franchisee ARPM not available
- ARPM is shown excluding GST. Add GST to determine 'retail pricing' paid by members.

# Membership Growth

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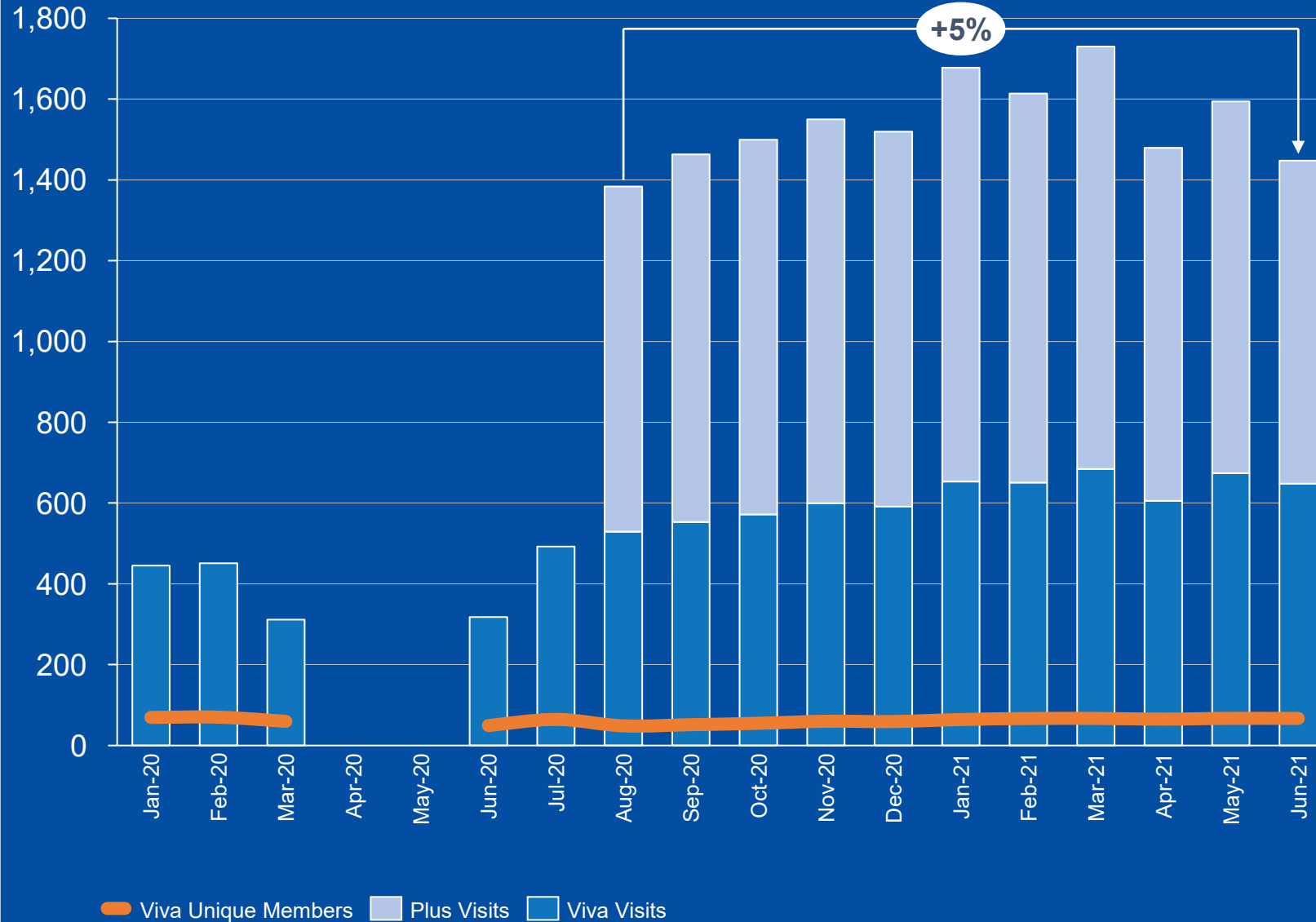
- “FY19/FY20/FY21 Clubs” represent membership movement for locations opened or acquired in that year
- Plus totals exclude Viva Corporate owned franchised Plus Fitness locations. Membership numbers for Corporate owned locations are included in FY21 figure
- FY2019 refers to clubs opened or acquired in FY2019 as well as any clubs from previous years

(as at 30 June 2021)

MARKET UPDATE (JULY 2021)

# Member Monthly Visits ('000s)

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- April and June 2021 visitations affected by various snap COVID-19 lockdowns and public holidays
- Based on days per month
- ~20 million member visits per year across the entire network

One member visit every  
**1.7 seconds**  
for the month of June 2021



# Health Clubs Update



CLUB**LIME**

- The Club Lime portfolio continues to expand both organically, with conversions (from FitnFast) and via acquisitions.
- There are over 70 clubs in the portfolio, and the following conversions to Club Lime are expected to be completed over the next 60 days:
  - FitnFast Campbelltown, NSW
  - FitnFast Shellharbour, NSW
  - Active Life Norman Park, QLD
  - Coffs Coast (2 locations), NSW
  - G-Fitness (Rhodes), NSW
- The Club Lime portfolio is the second largest non-franchised health club brand in Australia.



- The FitnFast portfolio originally comprised of 13 locations (acquired February 2020).
- During the COVID shutdown, five of these locations were rebranded and refurbished to Club Lime, leaving 8 locations.
- During March and April 2020, a further 6 locations have been re-branded to Club Lime, leaving 2 locations remaining as FitnFast as at April 2021.
- The 2 remaining locations are expected to be re-branded to Club Lime and refurbished in the next 60 days.



- The Pinnacle portfolio of six locations was acquired in February 2021.
- There is no immediate plan to re-brand the portfolio to Club Lime as it is currently operating strongly and has a slightly different product offering to Club Lime.
- Management will continue to monitor the brand and is considering potentially implementing some of the Pinnacle systems into various Club Lime locations which have been identified as suitable.

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# Hiit Republic Update

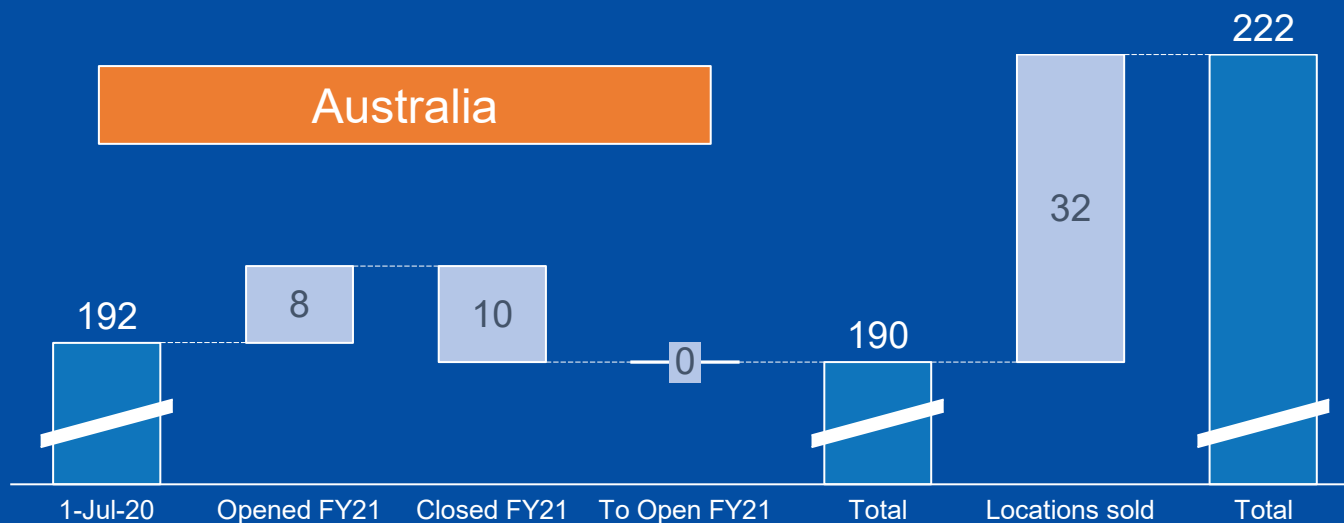
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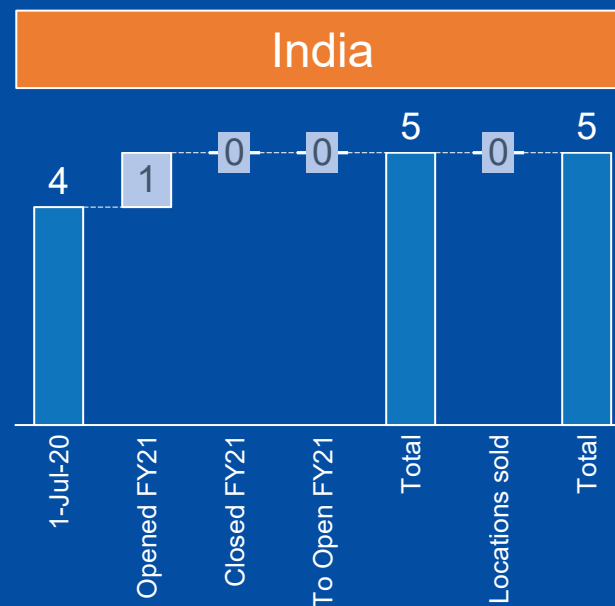
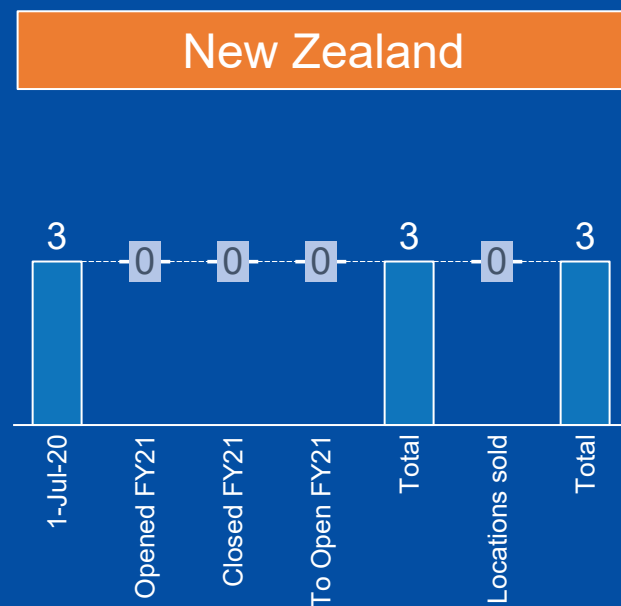
- The Hiit Republic portfolio comprised 22 locations as at 30 June 2021.
- The first location was opened in March 2019.
- All mature (open greater than 12 months) locations now have a minimum weekly fee of \$34.90, up from \$29.90 (for new members).
- As at June 2021:
  - Average Membership per location is 250 members (down from 279 as no new clubs opened during period)
  - Average 4-wall EBITDA margin for **mature** (open more than 12 month) locations within the hiit republic portfolio currently operating at 50.6%
  - Average 4-wall EBITDA margin for **non-mature** (open for less than 12 months) locations operating at 11% indicating the path to breakeven within this brand is exceeding expectations.

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- Australia growth of new locations slowed due to COVID-19, however the pipeline of new locations secured remains strong.
- New Zealand was stable with no new locations sold. Management plan to start considering New Zealand opportunities now that travel between Australia and New Zealand is permitted.
- India finished the year with 5 locations opened (an increase of 1) and is currently seeking further territory sales in the market.
- Initiatives to assist Franchisees and ensure their businesses are more competitive and profitable are being finalised and expected to be announced in Q1-FY22



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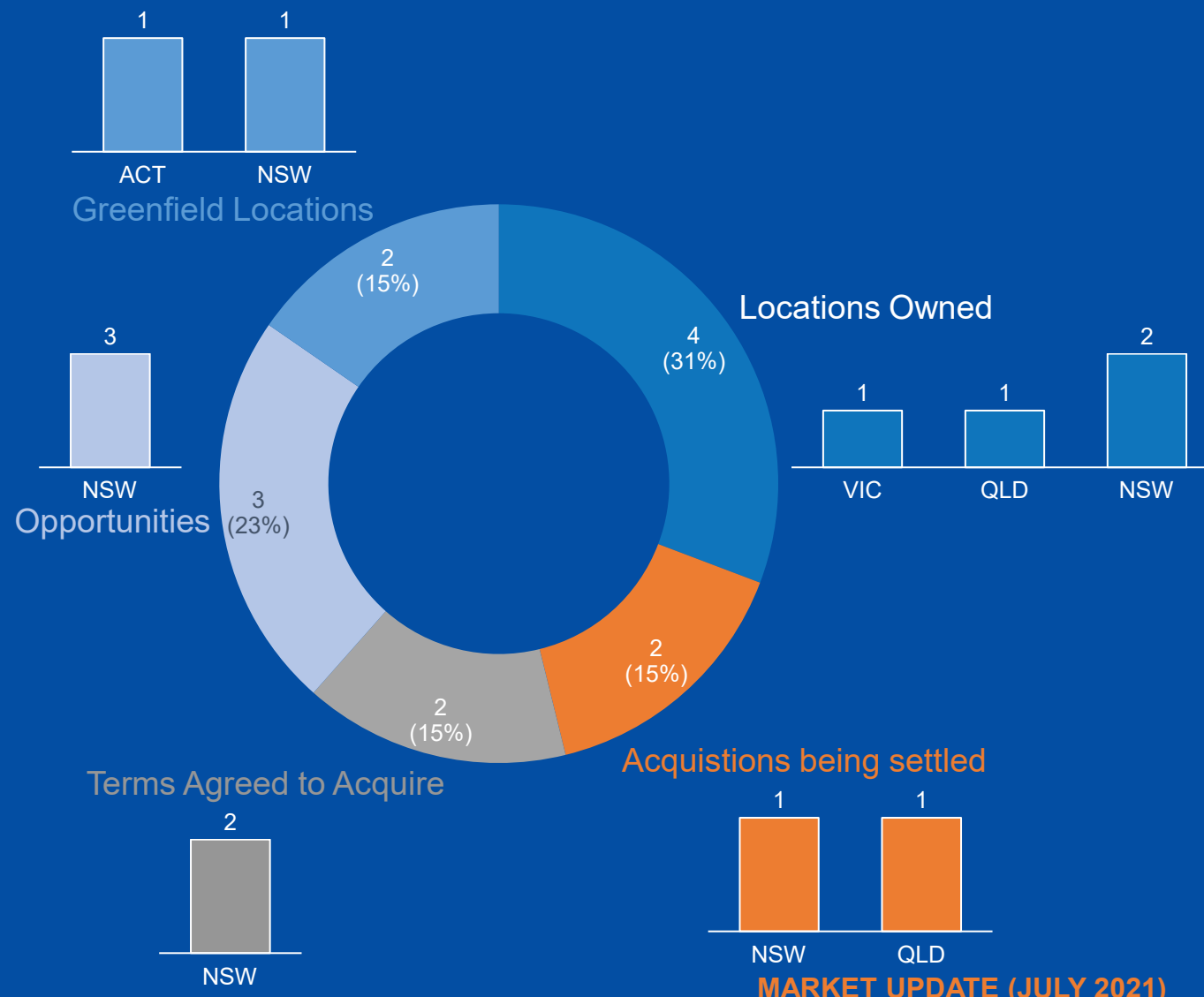
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- Various Plus Fitness acquisitions scheduled for FY21 (4 locations) were delayed and will now occur in FY22
- As at 30 June 2021

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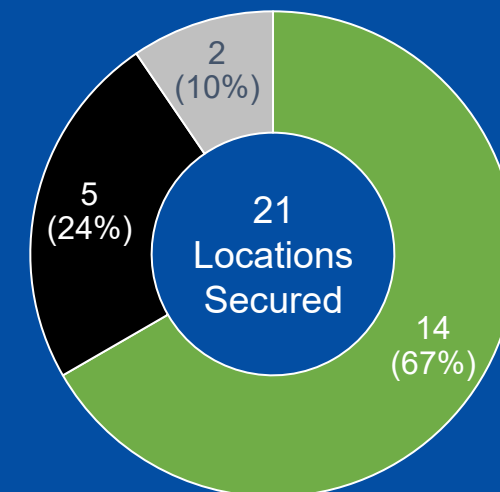
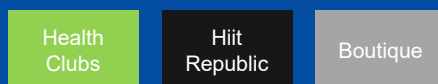
[Acquisitions Update](#)

[Members](#)

[Glossary](#)

- Greenfield locations refers to locations secured with a Heads of Agreement or Lease, and in different stages of pre-opening
- Viva's growth focus continues to be in Queensland and Victoria
- The GroundUp Boutique Studio concept opened its first location in July 2021 and has exceeded all expectations. Further details to be provided next report
- Excludes Plus Fitness greenfield locations. Refer Plus Fitness section for details.

# AUSTRALIA



Health Clubs Hiit Republic Boutique

**VIVA**  
LEISURE

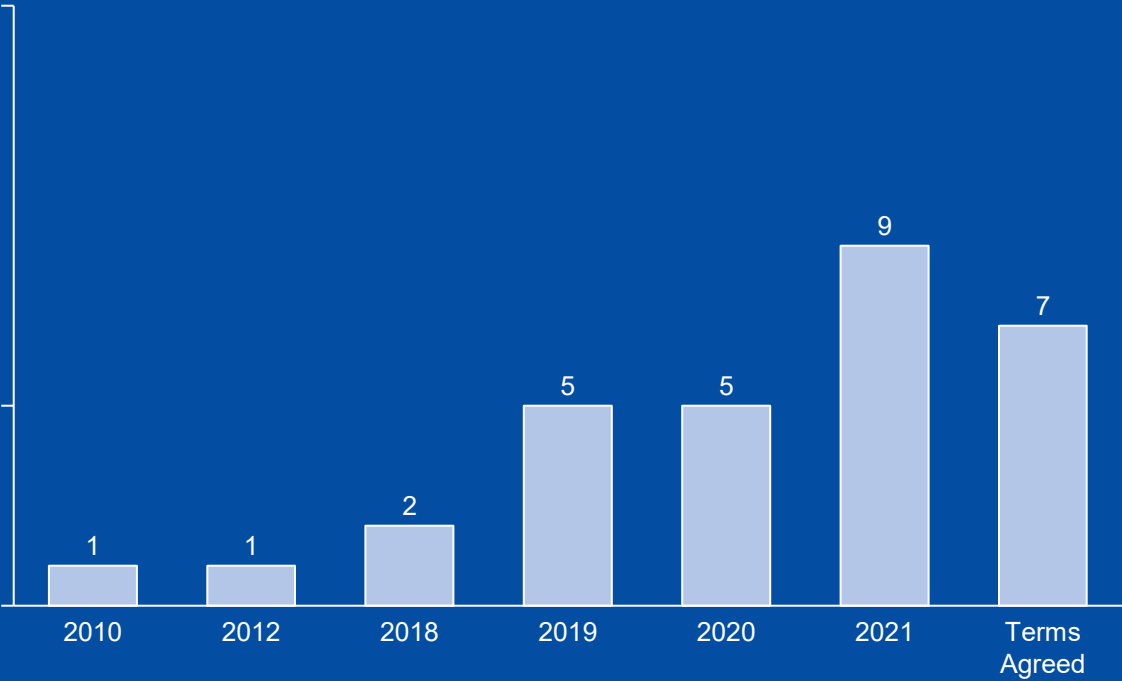
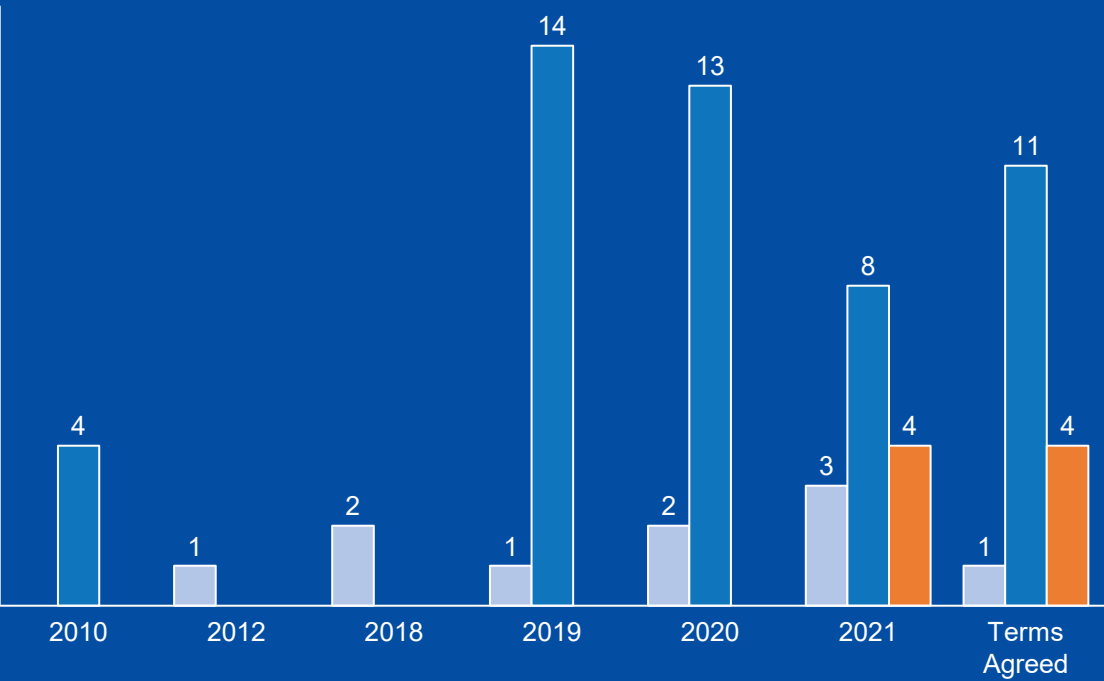
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### Clubs Acquired by Segment

### Acquisitions made



Independents
Multi-Club Chains
Plus Fitness Clubs

All dates are based on calendar years for this report.



Abbreviation	Explanation
AFM	Australian Fitness Management Pty Ltd (Master Franchisor for Plus Fitness)
ARPM	Average Revenue Per Member
Club Margin	4-wall Club EBITDA Margin. Also shown is Margin for clubs operating for greater than, and less than 12 months
Health Clubs & Other	Refers to Health Club brands and other smaller boutiques
Mature / Non-Mature	Refers to locations opened greater than 12 months (mature) and less than 12 months (non-mature)
N/C	Not able to be calculated
NMM	Net Member Movement
PCP	Previous Corresponding Period reported (ie: June 2021 compared to either half year or full year accounts)
PCP %	Percent movement from Previous Corresponding Period (ie: June 2021 compared to either half year or full year accounts)
Plus Fitness Corporate	Refers to locations owned by Viva Leisure and not franchised to third parties
RRR	Revenue Run Rate
Utilisation	Is calculated by multiplying <b>Club m2</b> by 2.0 (Health Clubs) or 1.5 (Hiit Republic) to measure theoretical capacity