

## Viva Leisure accelerates growth.

12 October 2021

### Highlights:

- Viva secures new locations by way of acquisition;
- Current locations now 122, with terms agreed on a further 11 locations under two separate agreements to bring the total to 133;
- Acquisitions include a franchised Pilates & Yoga business to grow the franchising division;
- The new acquisitions are expected to contribute an additional \$3.5 to \$4.0 million of annualised EBITDA;
- Total membership post acquisitions expected to be over 130,000 by the end of next month for the first time;
- NSW Clubs opened yesterday with strong net membership growth.

Viva Leisure Limited (**Viva Leisure, Viva, the Company**) (ASX:VVA) wishes to update the market on recent activity, including acquisitions completed, about to be completed, locations now open and membership.

### Acquisitions and a club opening

Since the end of August bi-monthly update released to the market on 6 October 2021, Viva Leisure confirms the opening of a new site in Castle Hill, NSW and that it has completed the acquisitions of two Plus Fitness sites in Beerwah, QLD and Rydalmere, NSW, as well as an independent club in South Morang, Victoria. The Plus Fitness acquisitions increase the corporate Plus Fitness portfolio to 8 locations (4% of the Plus Fitness network), and the total corporate owned locations to 122.

Upcoming acquisitions include a small chain of three locations in QLD together with a Master Franchisor for a Pilates and Yoga franchise and eight studios across QLD, NSW and VIC. Further details on Viva Leisure's plans regarding the new franchise will be provided after completion. Completion will occur once landlords have agreed to the assignment of the property leases.

Together the above acquisitions are expected to contribute approximately \$3.5 to \$4.0 million of annualised EBITDA to the Company once all have been completed.

In line with Viva's acquisition strategy, the clubs and the Master Franchisor were purchased on an average EBITDA multiple of approximately 3.1x normalised historic EBITDA.

The transactions are expected to be funded using existing bank facilities for 50% debt and 50% equity from cash reserves.

## **Membership and Locations**

Current membership, including the members from the acquisitions scheduled to complete over the next month, is expected to be over 130,000 for the first time.

Locations, which are currently at 122, will increase to 133 locations which is a significant milestone representing growth of over 100 locations since the Company listed on the ASX in June 2019 with 29 locations.

The Company is also expected to recommence fit-out works on eight locations in NSW and the ACT over the coming weeks now that both NSW and the ACT have or are scheduled to re-open. These additional locations are expected to open for trade in Q3-FY22.

## **NSW Clubs Now Open**

Viva Leisure NSW locations opened for trade on Monday, 11 October 2021.

In total there are now 61 (50%) corporate owned locations operating, and 61 (50%) locations not operating due to COVID-19 lockdown restrictions in the ACT (48) and VIC (13).

The ACT locations are scheduled to open on Friday, 15 October 2021, which will increase clubs operating to 109 (89%), with only the remaining 13 (11%) Victorian metro clubs closed. The remaining Victorian locations are currently scheduled to re-open on or around 5 November 2021.

## **First Day Trade in NSW**

The first day of trading yesterday in NSW was extremely positive with over 400 memberships sold and approximately 20% of our NSW members visiting their facility on the first day.

Viva Leisure anticipates that this pent-up demand for memberships and access to the facilities to continue for the rest of the week in NSW.

Viva Leisure's CEO and Managing Director, Harry Konstantinou said:

"It is encouraging to see fifty percent of our portfolio now operating, and increasing to 89% of the portfolio at the end of this week with the ACT re-opening. The expected pent-up demand for access to facilities and membership experienced on our first day of trade yesterday in NSW was positive and in line with the speed the business re-opened for trade during the previous extended lockdowns. We look forward to having our team and our members back using the facilities and rebuilding their health and fitness levels."

ENDS

This announcement has been approved for release by the Board.

**For further information, please contact:**

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**About Viva Leisure:**

Founded in 2004, Viva Leisure operates health clubs (gymnasiums) within the health and leisure industry. Viva Leisure's mission is to connect health and fitness to as many people as possible and aims to provide its members with affordable, accessible and awesome facilities.

Viva Leisure offers customers several different membership options and a range of different types of facilities from big-box fitness facilities to boutique fitness facilities. The Company currently operates 122 health clubs within the Australian Capital Territory, New South Wales, Victoria, and Queensland, together with the master franchise for the Plus Fitness group of approximately 200 clubs.