

A dark, modern gym interior with various fitness equipment. On the left, there is a squat rack with colorful weight plates (green, red, yellow, blue). In the center, there are several vertical bars hanging on the wall. On the right, there is a rowing machine. The ceiling has exposed ductwork and linear lighting fixtures.

VIVA

LEISURE

ATTITUDE IS
EVERYTHING.

1H FY2022
RESULTS PRESENTATION
25 FEBRUARY 2022

ASX: VVA

Today's agenda



home of hiit



1H FY2022 HIGHLIGHTS

Operational progress positions Viva for return to growth

FINANCIAL⁺

\$34.0m

Revenue – down 5.4%

-\$3.8m

EBITDA

-\$7.2m

NPAT

-\$10.4m

Statutory NPAT

OWNED LOCATIONS

132,190

Members – up from 102,908

106,717m²

Leased Area

132

Locations – up from 95

ALL LOCATIONS

297,211

Members – up from 275,272

4 States in Australia

3 Countries Worldwide

Reach

325

Locations – up from 293

⁺ Excluding impacts of AASB16
Comparison period 1H-FY2021

Viva's footprint continues to expand

GROWTH IN OWNED LOCATIONS

48

ACT – up from 46

41

NSW – up from 30

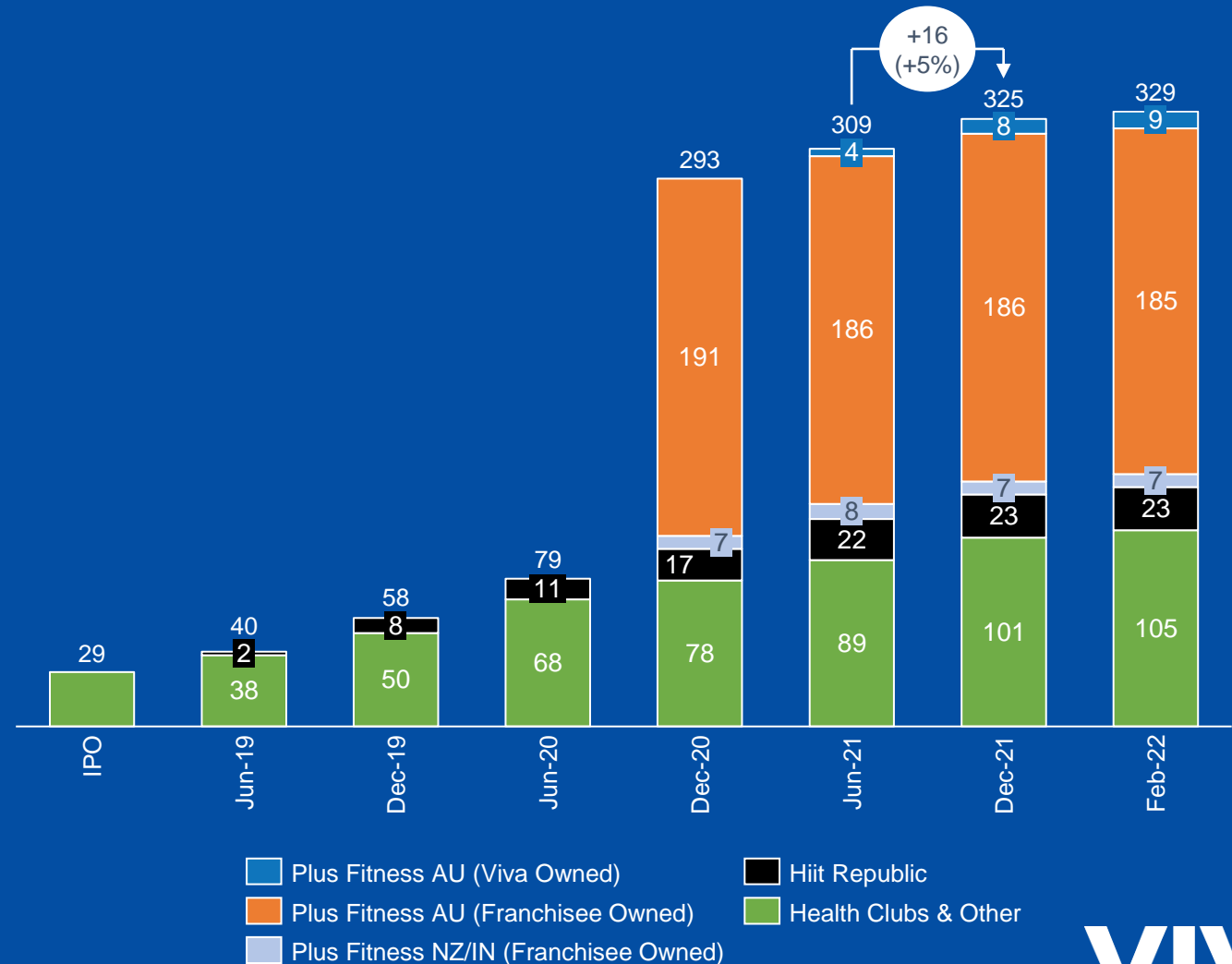
24

QLD – up from 11

19

VIC – up from 8

Location numbers indicated do not include franchised Plus Fitness locations





FINANCIAL RESULTS

1H FY2022 Financials reflect impact of COVID

(\$m)	1H FY2022	1H FY2021
Revenue	33.99	35.95
Operating Costs	(37.76)	(30.37)
EBITDA	(3.77)	5.58
Depreciation / Amortisation	(5.48)	(3.83)
EBIT	(9.25)	1.75
Finance Costs	(1.00)	(0.62)
NPBT	(10.26)	1.13
Tax	3.08	(0.48)
NPAT	(7.18)	0.65

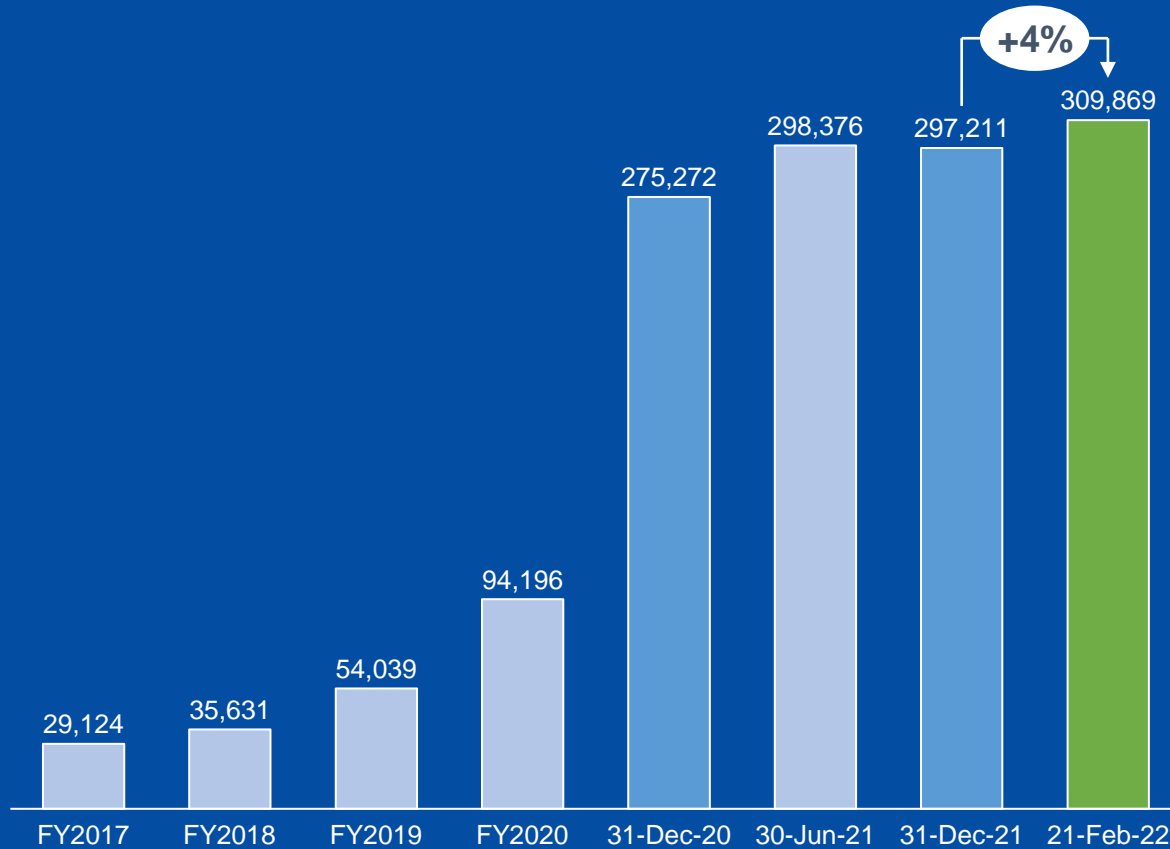
COMMENTS

- Club closures due to COVID lockdowns led to significant reduction in revenue and EBITDA
- Operating Costs increase from 1H FY2021 due to 37 additional locations

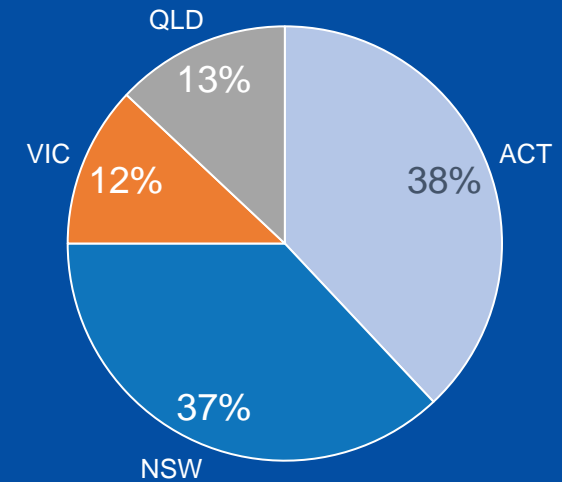
Excludes the impacts of AASB-16

Member base continues to grow

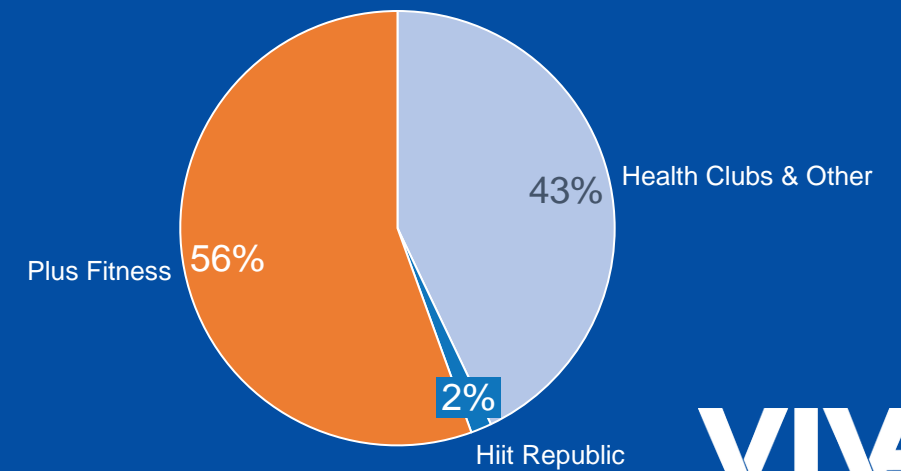
MEMBERS



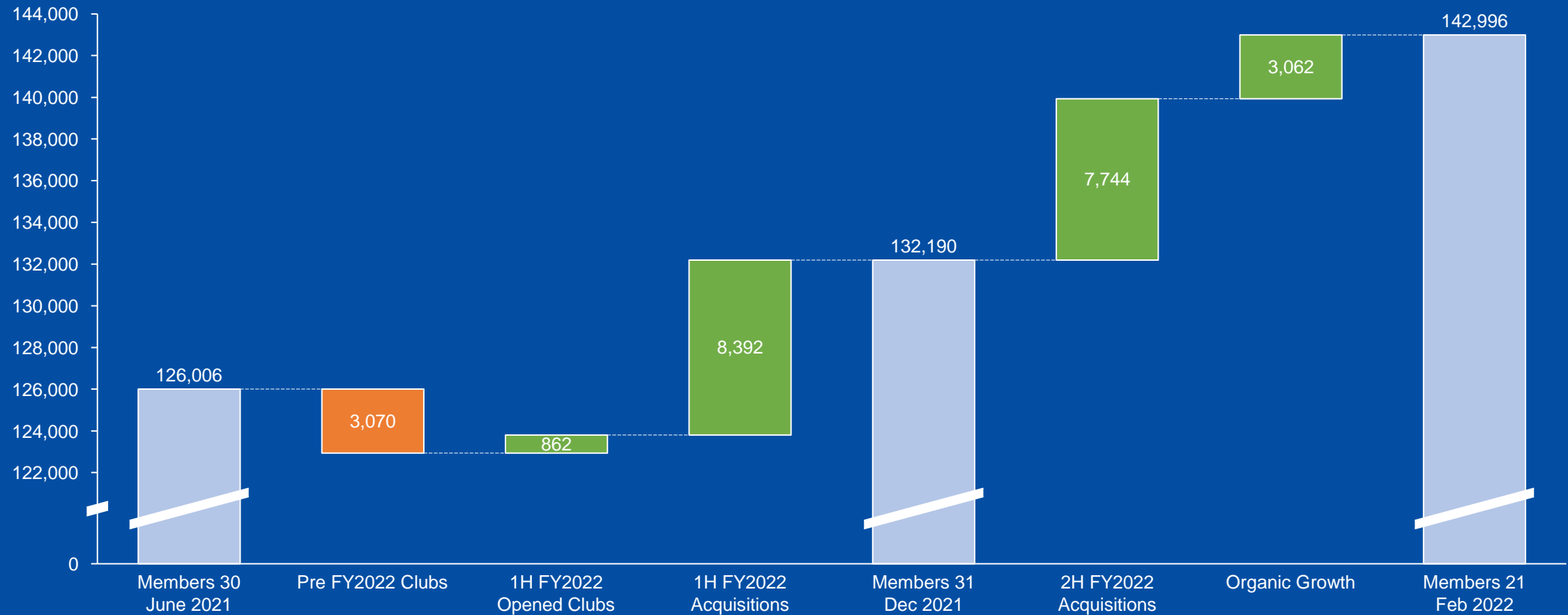
MEMBERS BY STATE



MEMBERS BY BRAND



Continued member growth in corporate owned locations



Sound balance sheet supports growth strategy

(\$m)	31 Dec 21	30 Jun 21
Cash	16.39	17.29
Receivables and other Current Assets	7.14	6.44
Plant and Equipment	46.86	51.71
Right of Use Assets	218.23	204.88
Intangibles	57.18	47.92
Deferred Tax	75.52	69.90
Total Assets	421.32	398.14
Trade and other Payables	6.49	6.39
Contract Liabilities	2.47	4.44
Leases - Equipment	18.80	15.54
Leases – Rental Properties	217.64	204.62
Borrowings – Senior debt	14.55	10.01
Provisions	9.83	8.67
Current and Deferred Tax	64.14	62.12
Total Liabilities	333.92	311.79
Shareholders' Equity	87.40	86.35

COMMENTS

- Capital structure supports growth initiatives
- Proceeds of August 2021 capital raise strengthened balance sheet
- Substantial growth investment in acquisitions with 14 new clubs acquired
- Acquisition of Rebalance Pilates & Yoga Group opening up new opportunities to expand wellness offering
- Increase in ROU assets reflects increased lease space as a result of acquisitions, which is offset by rental property liabilities

Cashflows reflect short term impact of COVID restrictions

(\$m)	1H FY2022	1H FY2021
Opening cash	17.29	30.10
Cashflows from operations	2.62	12.16
Investment in P,P,E and Intangibles	(3.68)	(13.72)
Acquisition of Businesses	(9.54)	(17.43)
Impact of capital raisings	11.25	28.94
Proceeds/(repayment) of debt	9.86	(0.36)
Lease principal payments	(11.41)	(4.41)
Closing cash	16.39	35.28

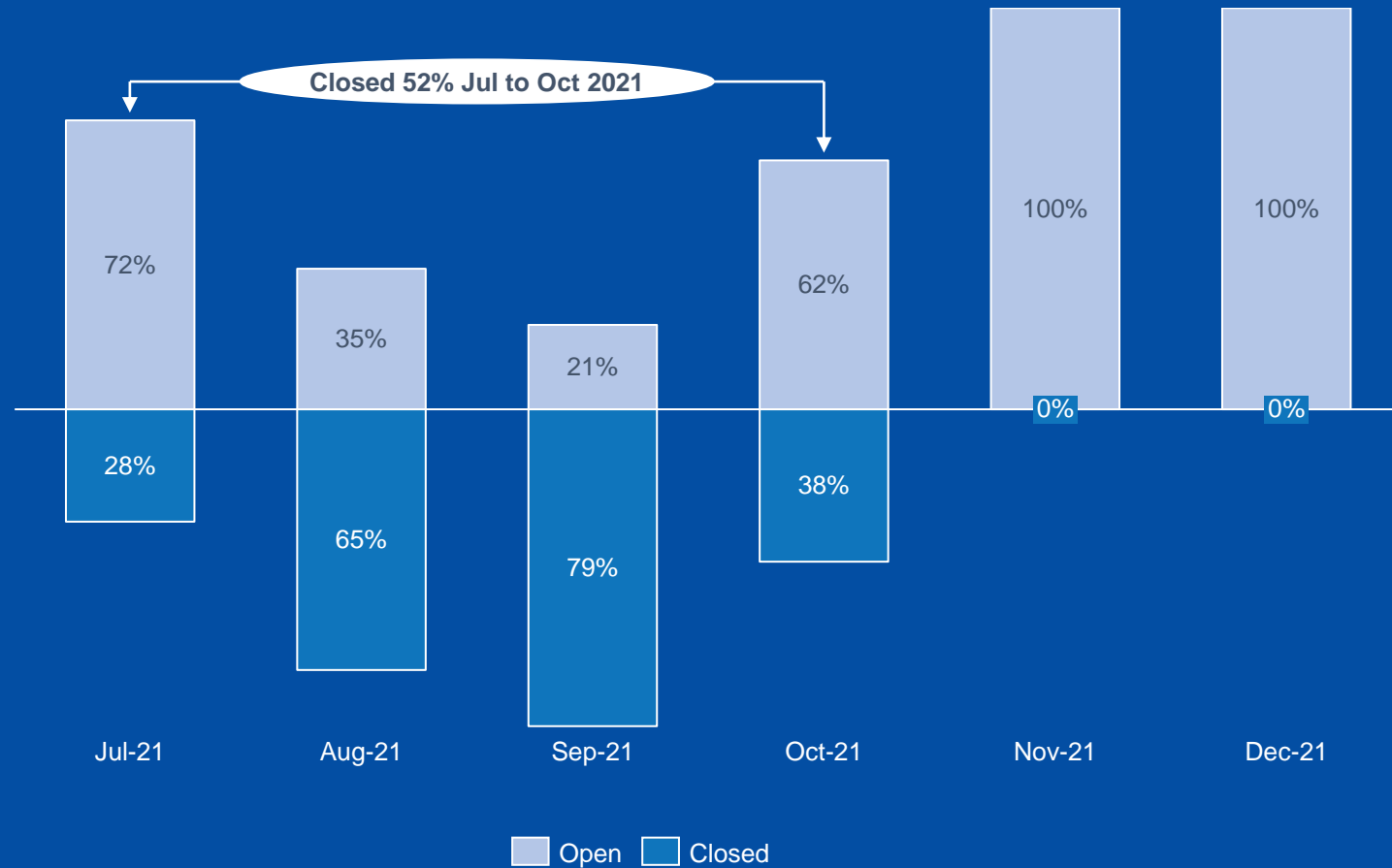
COMMENTS

- Acquisition of 14 new sites and rollout of 3 new greenfield locations
- 7 new greenfield locations under construction at 31 December 2021
- Capital raise undertaken to strengthen balance sheet and continue with acquisitions and greenfield rollout strategies



COVID Impacts

COVID restrictions impacted our ability to open locations



COMMENTS

- Locations were on average closed 52% of the first four months of the half year
- Locations were closed 35% of the entire 1H-FY2022 period
- Based on a day count per location available to open
- Since Nov 2021 all locations have been permitted to open

Revenue profile reflected locations open



COMMENTS

- Revenue fell sharply in first 4 months of 1H FY2022 due to inability to open locations
- Re-opening commenced in November 2021 however with density restrictions which have now been removed
- Cost base largely fixed given rent was the largest contributor
- Does not take into account overheads and other costs
- Viva was not eligible for mandated rent relief during the period
- To the extent possible, the business managed wage costs to ensure staff were retained and productive where possible
- Excludes Plus Fitness, Viva corporate owned locations only

A man in a dark t-shirt and shorts is captured mid-air, performing a high jump. He is wearing red socks with white stripes at the top. In the background, several other people are visible, some standing and some using gym equipment. The setting appears to be a fitness studio or gym with a dark, slatted wall.

home **fit**

BRANDS & SEGMENT UPDATE

As at 25 February 2022

Viva's expanding portfolio targets all segments



**PLUS
FITNESS**

GROUNDUP



REBALANCE PILATES & YOGA

**CLUBLIME
AQUATICS**

	Club Lime	Hiit Republic	Plus Fitness	GroundUp	Psycle Life	Rebalance Pilates & Yoga	Club Lime Aquatics
Segment	Health Clubs	Boutique	Health Clubs	Boutique	Boutique	Boutique	Aquatics
Target Market	High quality facilities, mid market price point	High quality facilities, mid market price point	Low cost, low service market	High quality facilities, high price point	Cycling – Niche market	Medium quality facilities, med market price point	Aquatics
Target Price Point	\$12-\$25pw	\$39-\$45pw	\$13-\$16pw	\$45-\$75pw	\$20-\$25pw	\$39-\$45pw	Casual Entry
Opened or Acquired	Opened	Opened	Acquired	Opened	Opened	Acquired	Opened
Corporate Locations	91	23	9	1	2	9	2
Franchised Locations		To be franchised late CY2022	192			To be franchised late CY2022	
Additional Locations Secured	11	4	2 Corporate 21 Franchisee	2		1	



CLUBLIME

Health Clubs

- With **85 Club Lime** health clubs in Australia, it is the second largest non-franchised health club brand in the country
 - The largest non-franchised health club brand in Australia operates **91 locations**
 - The Viva Leisure Health Club Portfolio includes **100 locations**:
 - 85 x Club Lime branded (including Club Lime Ladies Only)
 - 6 x Other brands in the process of re-branding (1xLiveWell Health Clubs , 2xFitnFast, 3xMyFitness Club,)
 - 9 x Plus Fitness corporate owned locations
 - In addition, there are 4 Club Lime sub-brand locations, including:
 - Club Lime Psycle Life (x2)
 - Club Lime Aquatics (x2)



GROUNDUP

Our new boutique offering

- Yoga, Pilates and Barre – 3 studios, 1 location, 1 membership
- Clean, white, natural fit-out
- First location in Belconnen, ACT opened July 2021, utilising part of the Belconnen leased area
- Second location (Yarralumla, ACT) being fitted-out, expected to open late March 2022
- Third location secured
- Various locations (outside the ACT) under negotiation
- Key Statistics:
 - 438 active members as at 21 February 2021 (409 as at 30 June 2021)
 - Average weekly rate \$46.40 (inc GST) (\$49.49 as at 30 June 2021)
 - >\$950k annualised revenue run rate

*In 10 sessions you will feel the difference
In 20 you will see the difference and
In 30 you will have a whole new body*

Our new franchised boutique offering

- Yoga and Pilates
- Simple affordable fit-out suitable for franchising
- Eight corporate locations acquired in December 2021
- Studio by Club Lime (ACT), converted to Rebalance Pilates and expected to open in March 2022
- Potential second location in the ACT being considered by converting existing Club Lime location at end of lease
- Franchising Update:
 - Systems and processes are being prepared as part of the process of beginning franchising of the brand
 - Specialist franchising expertise is being employed to drive this process
 - Expect to be in a position to sell franchise territories before end of CY2022

hiit republic

- All key metrics for Hiit Republic continue to improve in line with original expectations however have slowed due to COVID restrictions on class sizes during 1H-FY2022
- Franchising:
 - Process has commenced to begin franchising the brand
 - Successfully employed head of franchising for Hiit Republic to expedite process
 - Expect to be in a position to sell franchise territories before end of CY2022

	February 2022	August 2021
Average size of club	365 m2	359 m2
Clubs Opened and Operating	23	22
Additional locations secured	4	5
Total Members ¹	6,946	6,076
Average members per club	302	276



¹ Members includes direct members, and in-direct members who hold a Hiit Republic add-on membership with their Health Club membership.



Acquisition Completed 13 February 2020

Clubs Acquired 13

Clubs still trading as FNF 2

- Two NSW locations not yet converted to Club Lime
 - Campbelltown (Macarthur Square)
 - Terms agreed and refurbishment and upgrade to Club Lime expected to commence in March 2022 and will take 3-4 weeks
 - Shellharbour
 - Lease is expiring and negotiating with Landlord. If negotiations unsuccessful will relocate site and refurbishment/rebranding won't be required.
 - Viva already operates another Club Lime and a Hiit Republic within 1km of this FNF locations



Acquisition Completed 3 February 2021

Clubs Acquired 6

Clubs still trading as Pinnacle 0

- Viva Leisure implemented a 'watch and learn' approach to this acquisition due to its different offering in the market compared to other Viva Leisure health clubs
- Full IT systems integration occurred in August 2021
- Full migration to Viva Leisure direct debit system occurred in September 2021. Saving of approximately \$22k per month in direct debit fees
- External rebranding currently underway, expected to be fully completed by end of February 2022
- Brand will be retired when conversions to Club Lime are complete unless a future use is found





Acquisition Completed	21 August 2020
Total Members	~165,000 (Franchisee Members) ~6,000 (Corporate owned)
Clubs Acquired	9
Clubs being settled	0
Territories Sold	23

Update:

- Completed re-mapping of Australian territories and have commenced process of offering new territories for sale
- Back-office app and access control changes in anticipation of future 'bolt on' of Plus Fitness membership system to Viva Leisure unique access app
- Viva membership 'hub' system well advanced in anticipation for Q1/Q2 FY2023 conversion. This will incorporate direct debit via VivaPay and save franchisees transaction fees
- New Corporate Branding and brand position ready for public launch
- The network has seen a slight decline during the latest COVID lockdowns with membership down slightly
- The network has grown by 3 locations during the 1H-FY2022 period and has another 5 locations planned to open in H2-FY2022
- Engagement with the franchisee network has been positive, and the company has not received any formal proceedings following on from the franchisee dispute matters notified to the market last year.

COMMITTED TO GROWING THE NETWORK

- New equipment suppliers
- New branding and image
- New look and feel within the clubs
- Expanding the reach, size of network
- Accessibility, make it easy using Viva access technologies
- Repositioning the brand and membership price-point



CURRENT BRANDING & DESIGN



NEW BRANDING & DESIGN BEING ROLLED OUT

PLUS FITNESS





TRADING UPDATE & OUTLOOK

Strong pipeline underpins ongoing growth in locations

137

Operating Locations

All our brands continue to expand into new markets

Currently operating in 4 States and Territories throughout Australia

20

New locations secured

Focus of growth is with Viva Leisure's boutique brands which provide higher yielding memberships and a unique opportunity to offer multiple brands across one membership.

Hiit republic and GroundUp initially, followed by Rebalance Pilates & Yoga to account for the majority of new locations

7 locations currently under fit-out
4 locations awaiting Town Planning approval

Other locations not yet ready for fit-out or design work being undertaken

16

Under negotiation for lease or to acquire

Acquisition opportunities include entry into the Western Australian market and include both health clubs to be rebranded to Club Lime and Plus Fitness corporate acquisitions.

New Leases under negotiation focusing across all brands.

Membership growth has reaccelerated

>143,000

Viva Members

Membership up >8,000 members since
December 2021

Softer demand in January 2022 due to Government
isolation rules for COVID, however significant
return to positive member growth in February 2022

~167,000

Plus Franchisee Members

Membership remains flat with a slight increase over
December 2021.

>310,000

Total Members

~2,200 member net growth (excluding any
acquisitions) expected over February is a strong
return by members to facilities.

Up ~5% from 1H-FY2022 closing membership

As at 25 February 2022

1H FY2022 RESULTS PRESENTATION

Growth expected to return in 2H FY2022

H2-FY22 GUIDANCE¹

\$54-56m

Revenue

15-17%

EBITDA Margin

JUNE 2022 RUN-RATE ESTIMATE¹

>\$10m

June 2022 Revenue


>20%

June 2022 EBITDA Margin

¹ Excluding any one-off adjustments and no future COVID lockdowns



Q & A

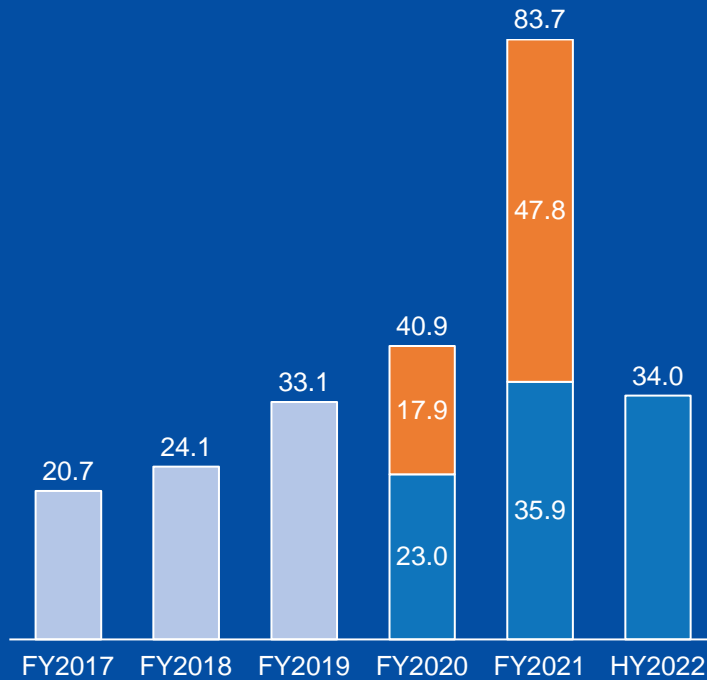
A modern gym interior with a large industrial fan, weight racks, and various fitness equipment. The gym is well-lit with several spotlights and a large skylight. The floor is dark with white markings. The walls are dark and feature a brick-like pattern. The ceiling has a large industrial fan with yellow blades. The gym is filled with various fitness equipment, including weight racks, dumbbells, and kettlebells.

ATTITUDE IS
EVERYTHING.

APPENDIX

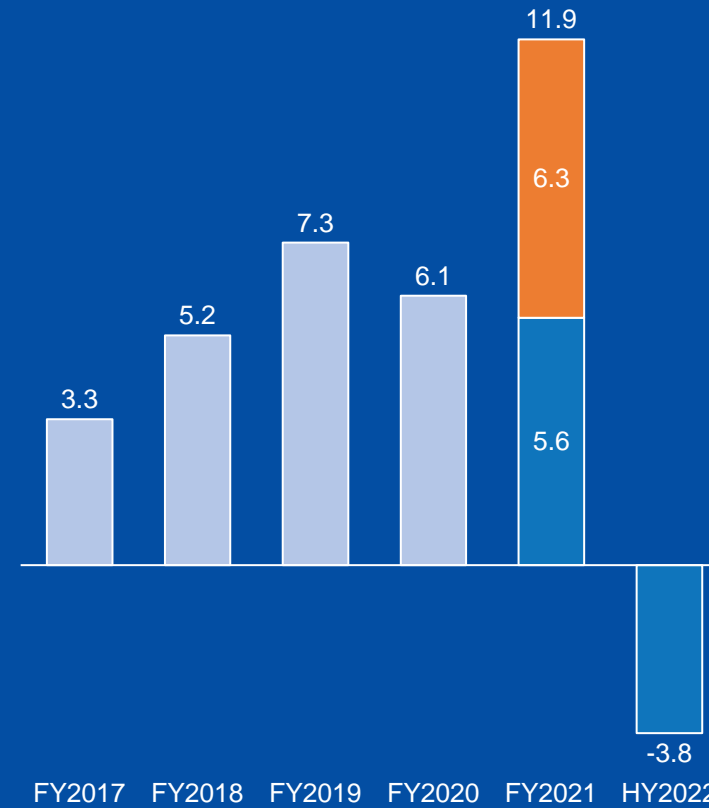
Financial Snapshot

REVENUE (\$m)



Full Year H1 H2

EBITDA (\$m)



Full Year H1 H2

STATUTORY RECONCILIATION

Underlying & AASB 16 for the Half Year Ended 31 December 2021

(\$m)	1H FY2022 Statutory	AASB16 Impact	1H FY2022 (pre AASB16)
Revenue	34.0	0.0	34.0
Expenses	22.8	14.9	37.8
EBITDA	11.2	(14.9)	(3.8)
Depreciation and Amortisation	18.5	(13.0)	5.5
EBIT	(7.3)	(2.0)	(9.3)
Finance Costs	7.3	(6.3)	1.0
Profit Before Tax	(14.6)	4.4	(10.3)
Income Tax Expense	(4.2)		(3.1)
Net Profit After Tax	(10.4)		(7.2)
Earnings per share (basic - cents)	(12.0)		(8.3)

- Rent expense excludes deferred rent of prior periods
- Removal of amortisation of Right of Use Asset
- Removal of finance charges against rental liabilities

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