

14 June 2022

VIVA LEISURE EXPECTS TO EXCEED FY22 GUIDANCE DELIVERS RECORD BI-MONTHLY REVENUE AND MEMBERS

Viva Leisure Limited (ASX: VVA) (“Viva Leisure” or “the Company”), Australia’s second largest health club owner and operator is pleased to release its bi-monthly market update for the period ended 30 April 2022.

FY22 guidance expected to be exceeded:

- May monthly revenue above \$10 million, achieving target of \$10 million in monthly revenue one month earlier than expected
- H2 revenue forecast expected to exceed guidance (previously \$54-56 million)
- H2 margin tracking toward upper end of previous guidance of between 15-17%
- June 2022 EBITDA Margin expected to exceed 20%

Key highlights for March-April 2022:

- Record monthly Revenue Run Rate (MRRR) of \$9.5 million in April 2022, up 10.3% on previously reported February 2022 MRRR
- April 2022 annualised Revenue Run Rate now exceeding \$116 million
- Total corporate members increased to ~150,000 (as of 30 April), up from ~145,000 in February 2022
- Average Revenue Per Member (ARPM) increased to ~\$14.28 in April 2022, up from ~\$13.95 in February 2022

Commenting on the Company’s strong performance, Viva Leisure CEO and Managing Director, Harry Konstantinou said:

“Viva Leisure performed very well over March and April, achieving an average monthly revenue run rate of \$9.5 million supported by an increase of about 5,000 corporate members. This momentum is accelerating as we build on our record level of 150,000 corporate members.

“We achieved \$10 million average monthly run rate in May, one month earlier than previously expected, and are aiming for a 20% margin milestone in June. With three clubs in Western Australia still to complete and increasing yield as our clubs return towards optimum capacity thanks to the trust and rapport we have with our customer base.

“We have continued the rollout of our growth strategy, entering the Western Australian market with five Plus Fitness acquisitions. Along with an additional three acquisitions expected to settle in June, this cements Viva’s position as Australia’s second largest operator in the Australian health and leisure industry, and the only one that operates in all four segments of the fitness industry.

“With our industry-leading, propriety technology platform that generates deep insights into the use of our 350+ clubs in real time, our highly scalable growth strategy allows us to enter new territories quickly and effectively with complementary services. As a result, our strong and growing bi-monthly performances and accelerating run rate gives us confidence that we will exceed the FY22 revenue guidance previously provided.”

ENDS

This announcement has been approved for release by the Board of Directors.

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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. It operates over 145 locations within the Australian Capital Territory, New South Wales, Victoria Queensland and Western Australia, together with the master franchise for the Plus Fitness group of approximately 200 clubs in three markets – Australia, New Zealand and India.