

BI-MONTHLY MARKET UPDATE
MAY/JUNE 2022

**ATTITUDE IS
EVERYTHING.**

11 AUGUST 2022

ASX: VVA

Contents

[Performance Highlights](#)

[Revenue](#)

[Members](#)

[Locations](#)

[Monthly Visits](#)

[Greenfield Locations](#)

[Glossary](#)



Welcome

Welcome to the latest 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.

“ *Our H2 FY22 revenue will exceed guidance thanks to our momentum continuing to increase during May and June as most metrics beat pre-Covid levels. In June we achieved an average monthly revenue run rate of \$10.2 million, up 23% on 12 months ago and exceeding our \$10 million target, and memberships continued to grow to record levels of over 320,000, including 160,000 corporate members.*

Pleasingly, we achieved a record June 2022 utilisation rate of 69.3% across our portfolio. An increase in portfolio utilisation rate shows our local marketing campaigns are working and provides increased margin due to limited additional costs to add new members to an already operating location. Average revenue per member per week also increased to \$14.59 in June 2022, up 23.8% on a year ago, as our established club's members returned to pre-COVID levels and new clubs which opened in FY2022 continue to show good traction.

Total locations have increased to 334. We have also successfully entered the Western Australian market with eight corporate owned Plus Fitness locations. We maintain our growth focus to 12 sites in Queensland and Victoria, we continue to execute on our growth ambitions and solidify our position as Australia's second largest operator in the Australian health and leisure industry.”

Harry Konstantinou, CEO, Viva Leisure Limited



CLUBLIME



PLUS
FITNESS



VIVALABS
LEISURE

VIVA
LEISURE

Performance Highlights

ANNUAL REVENUE
RUN RATE

\$124.5m

MONTHLY REVENUE
RUN RATE

\$10.2m

DAILY REVENUE
RUN RATE

\$341,138

AVERAGE REVENUE PER
MEMBER PER WEEK⁺

\$14.59

PCP \$13.79

MEMBERS
(OWNED AND FRANCHISED)

320,161

PCP 5.3%

LOCATIONS
(OWNED AND FRANCHISED)

334

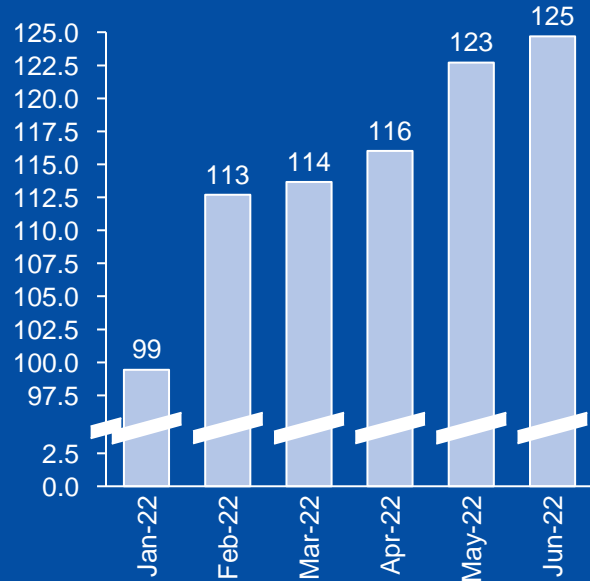
PCP 325

PCP period: June 2022 compared to December 2021
Annualised Revenue Run Rate based on June 2022 day rate annualised

MARKET UPDATE (MAY/JUN 2022)

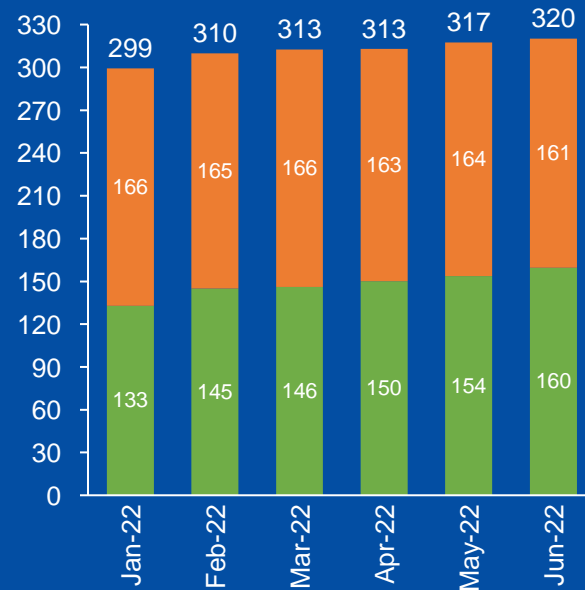
Performance Highlights

Annualised Revenue Run Rate (\$m)



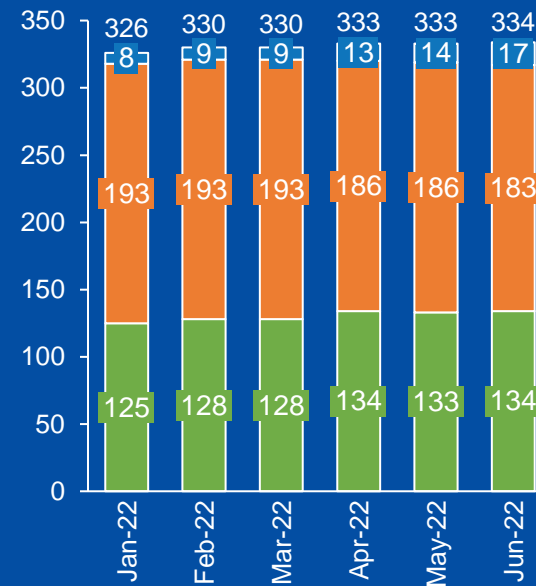
Annualised Revenue Run Rate

Members ('000)



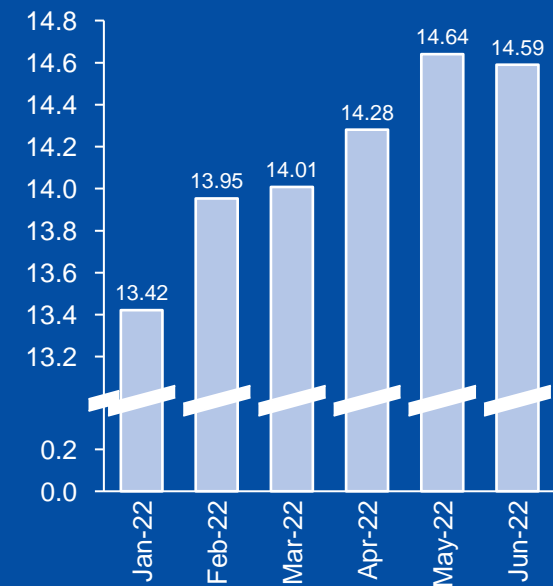
Plus Fitness (AU/NZ)
Viva Owned

Locations



Plus Fitness AU (Viva Owned)
Plus Fitness AU (Franchisee Owned)
Viva Owned

Average Revenue Per Member per week+



Viva Owned Clubs

+ Excluding GST

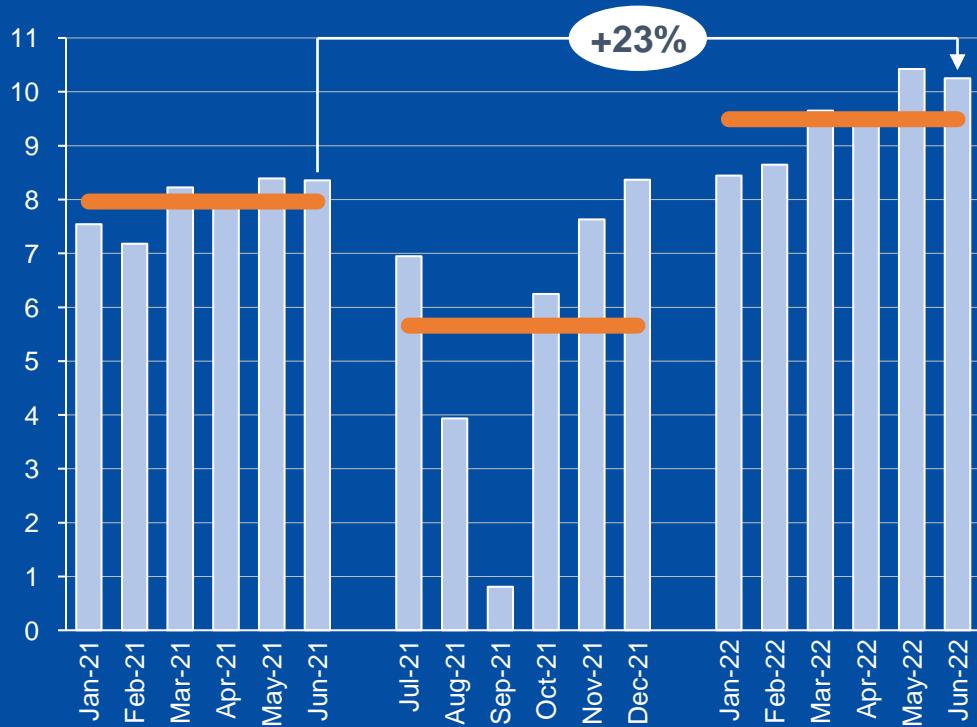
- Annualised Revenue Run Rate based on June 2022 day rate annualised
- Locations: Viva closed its second Shellharbour (NSW) location in May 2022 and consolidated membership into the one location
- ARPM for June slightly lower than May due to EOFY promotion

MARKET UPDATE (MAY/JUN 2022)



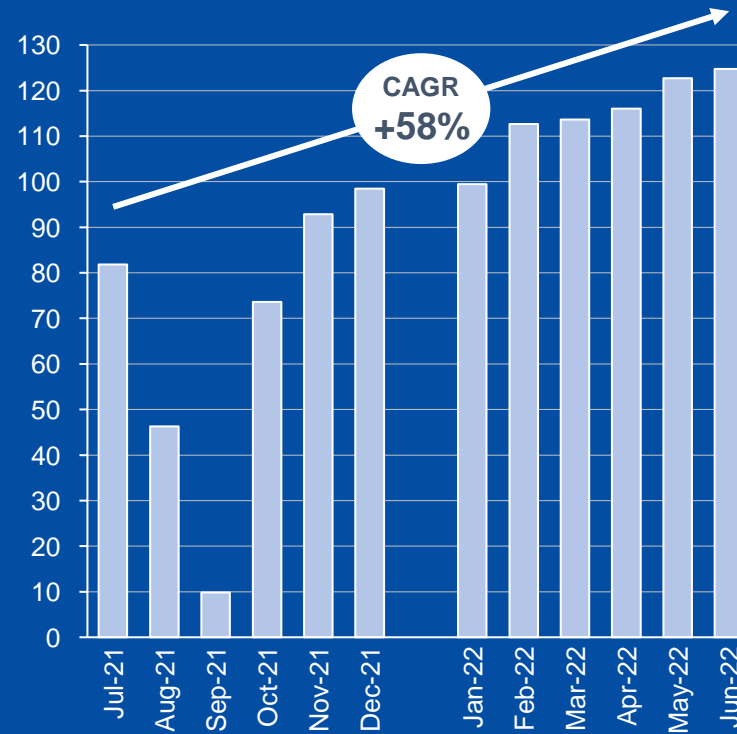
Revenue (\$m)

Monthly Revenue Run Rate (\$m)



Orange bar: Average Grey bar: Revenue

Annualised Revenue Run Rate (\$m)

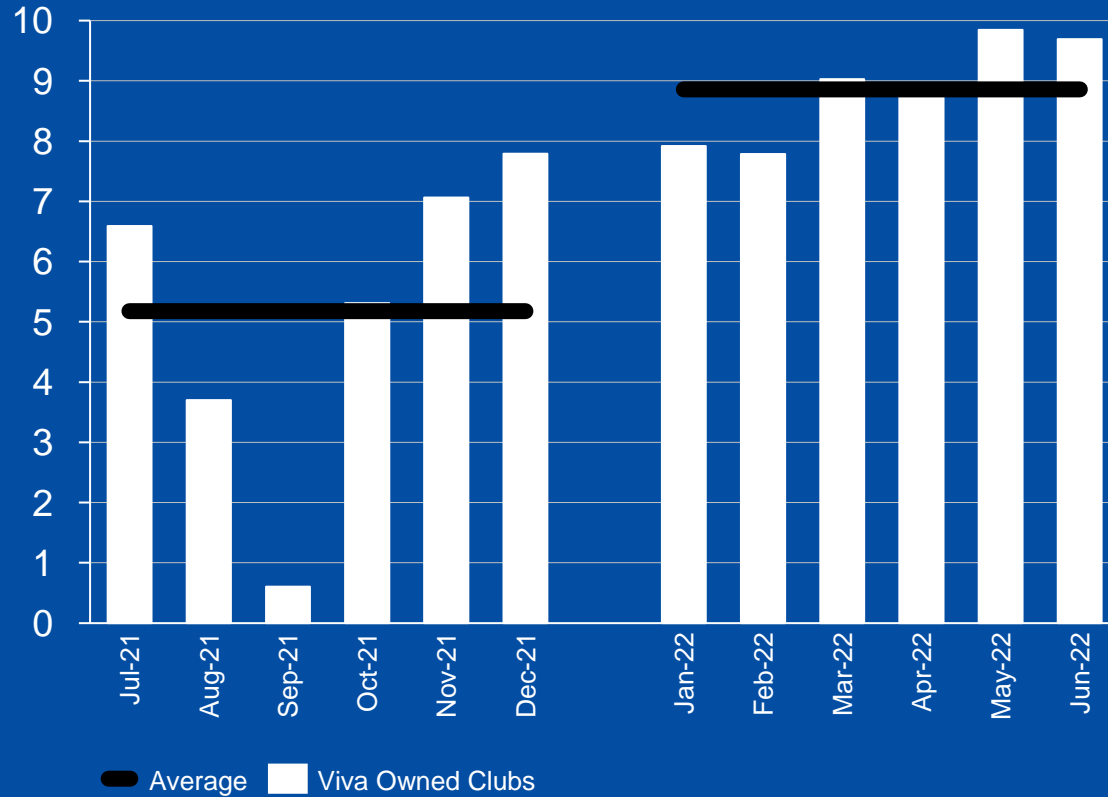


Grey bar: Annualised Revenue Run Rate

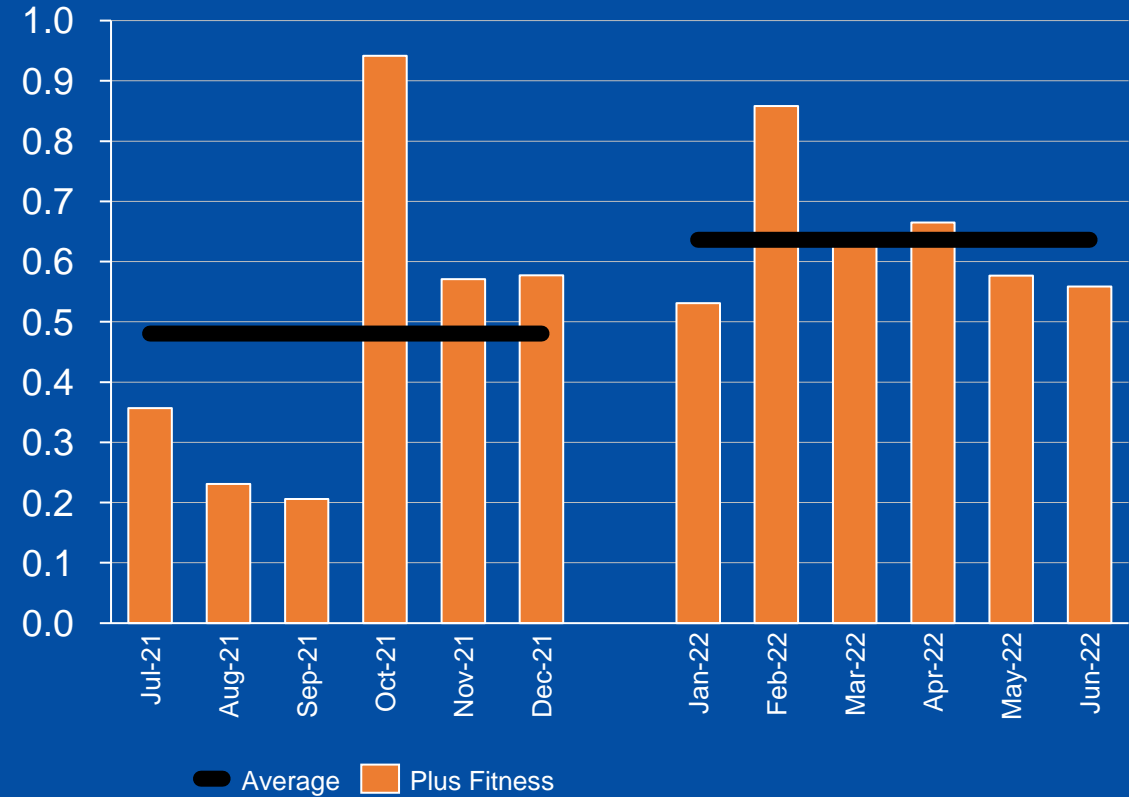
➤ June 2022:

- Revenue slightly lower in June over May due to one less day in the month
- Viva calculates monthly revenue on a day count basis
- Revenue was 23% higher in June 2022 when compared to June 2021.

Revenue owned and franchisor (\$m)

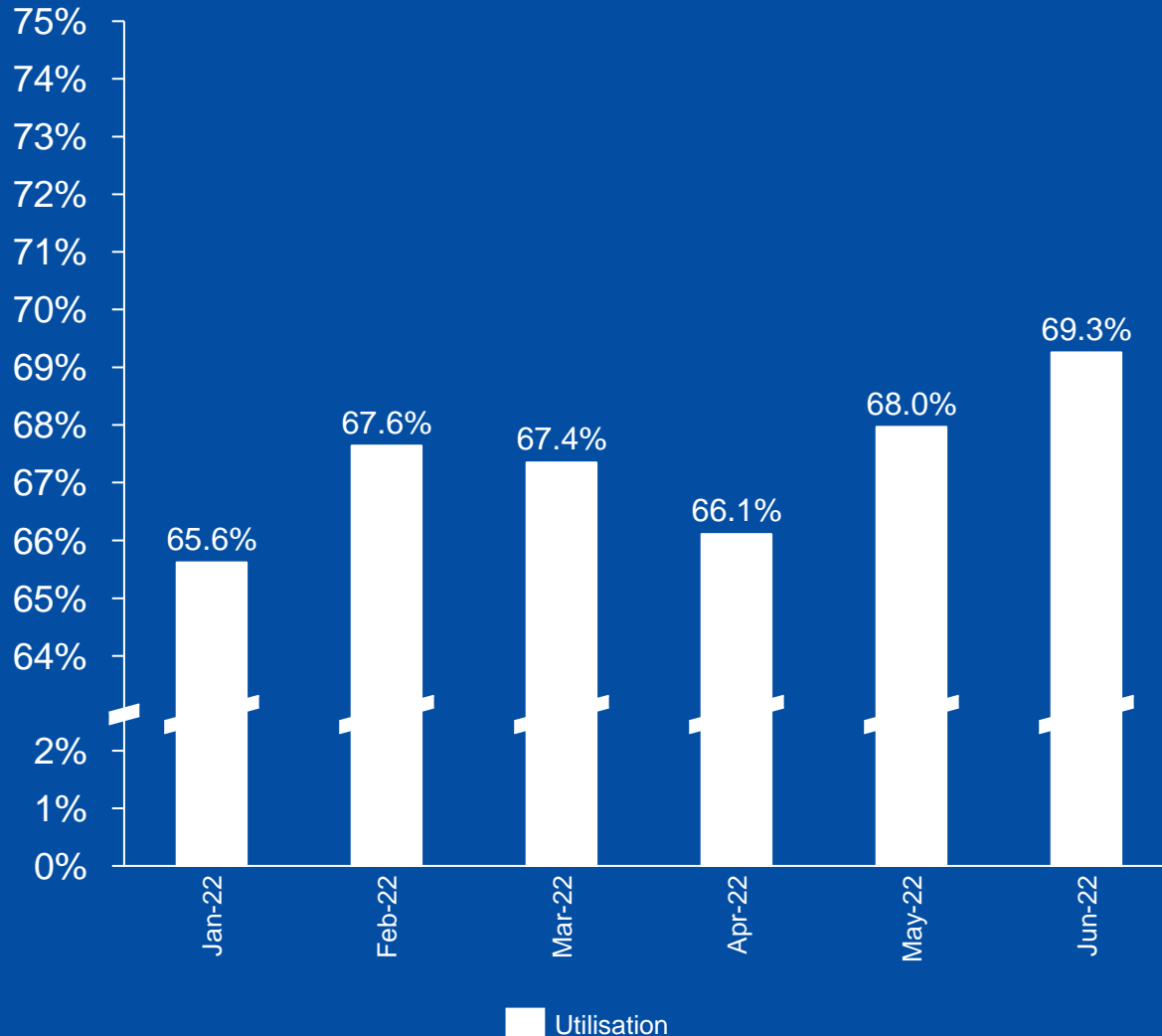


➤ Revenue is calculated on a day count basis



➤ Revenue spikes previously occurred when locations opened creating additional revenue (and costs). Moving forward the net impact (Gross revenue less pass through costs) of the club openings will be included in Revenue as it is more reflective of the business operations.

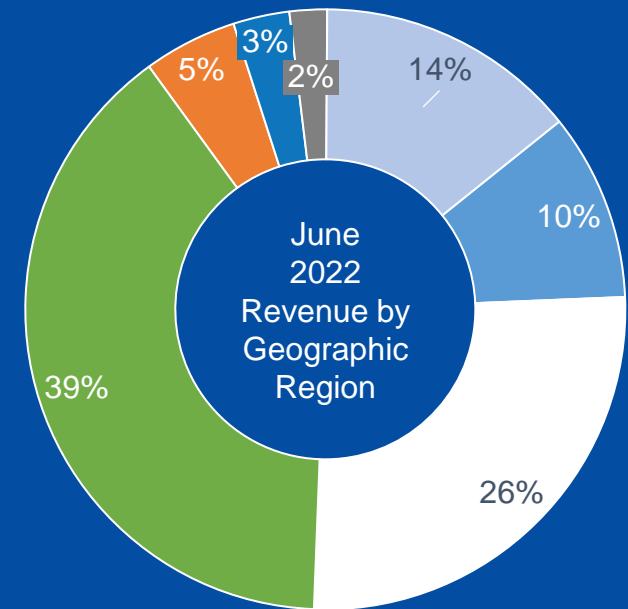
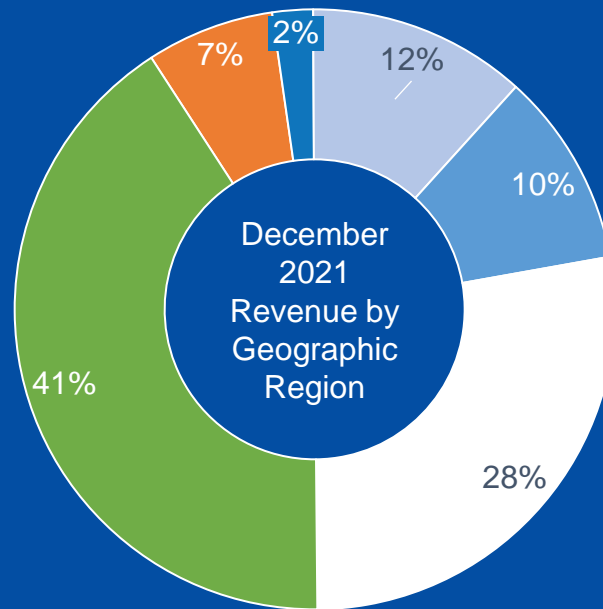
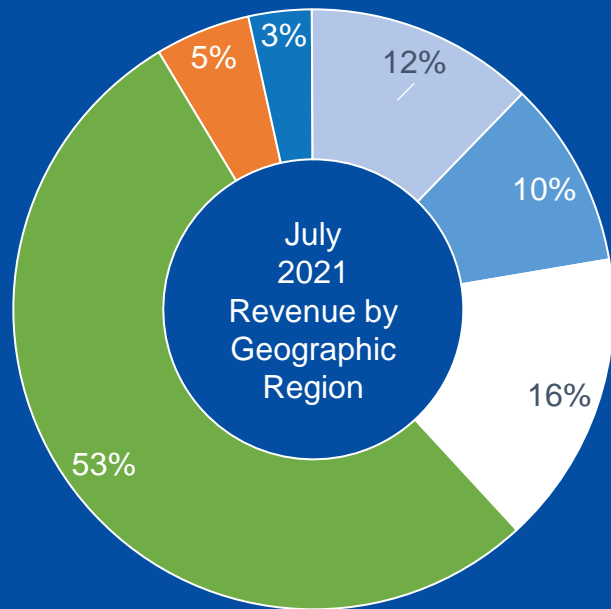
Utilisation (%)



- June 2022 achieved record portfolio utilisation approaching 70%
- Utilisation refers to Viva estimated maximum capacity per location.
 - Health Clubs estimate 2.0 members per square metre
 - Hiit Republic & Boutiques at 1.0 members per square metre
- An increase in Utilisation across the portfolio provides an increased margin due to limited additional costs to add new members to an already operating location
- Utilisation decreases as new locations open, and increases as locations add new members
- Target is 75-80% average utilisation per location

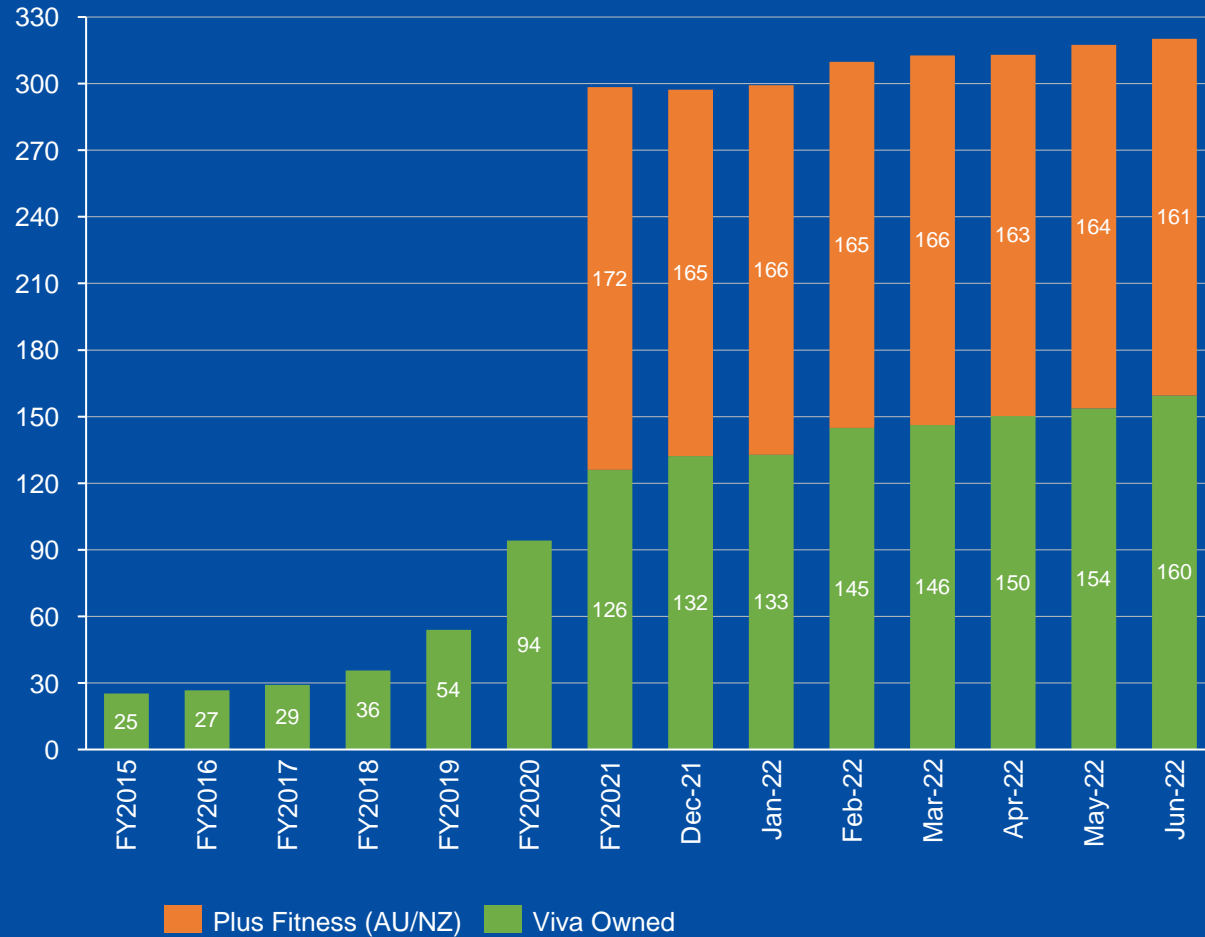
Revenue by Geographic Region (\$m)

➤ As the business expands into new territories, the reliance on revenue from our ACT clubs continues to decrease.



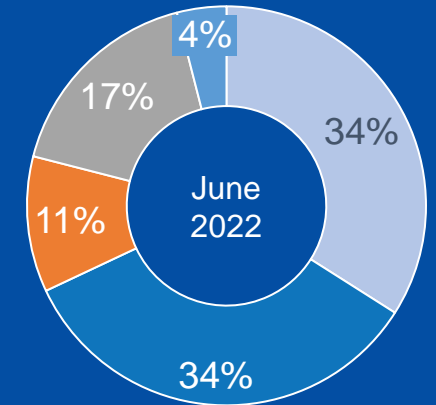
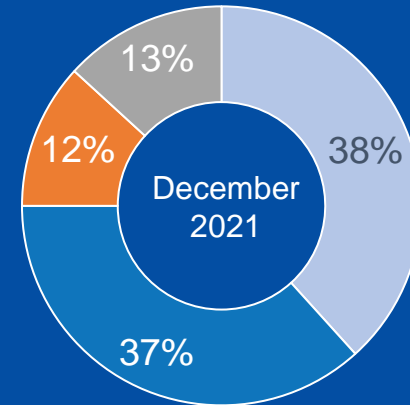
PLUS FITNESS CORPORATE WA QLD VIC NSW ACT

Member Snapshot ('000s)



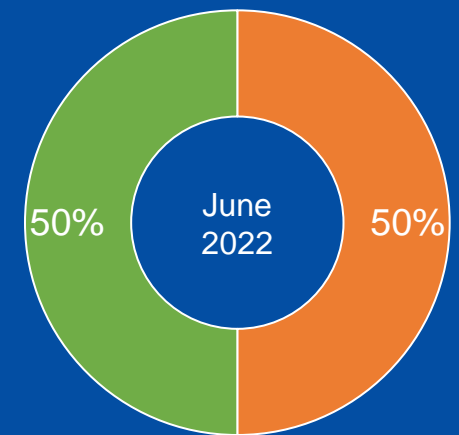
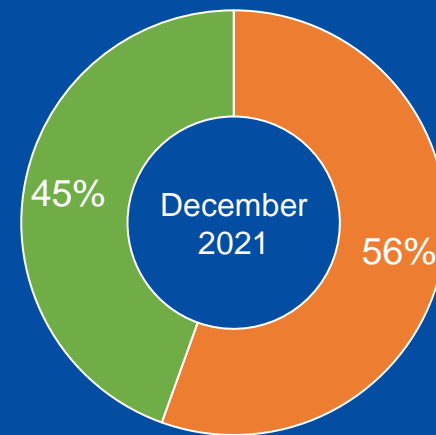
Plus Fitness membership excludes Corporate Owned Plus Fitness locations which are included in **Viva Owned**

Members by State Viva owned locations only



Legend: ACT (light blue), NSW (medium blue), VIC (orange), QLD (grey), WA (light grey)

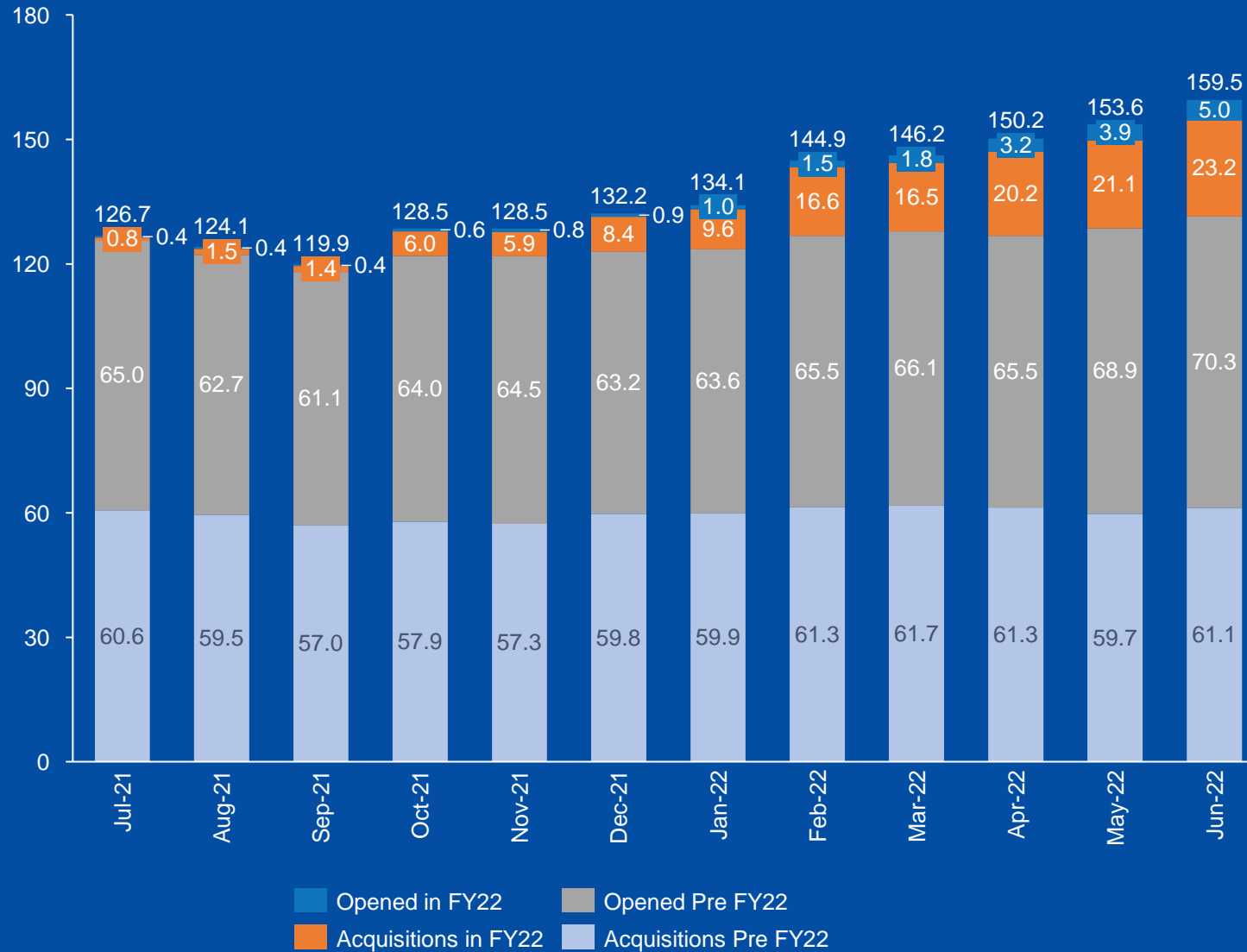
Members by Segment



Legend: Plus Fitness (AU/NZ) (orange), Viva Owned (green)

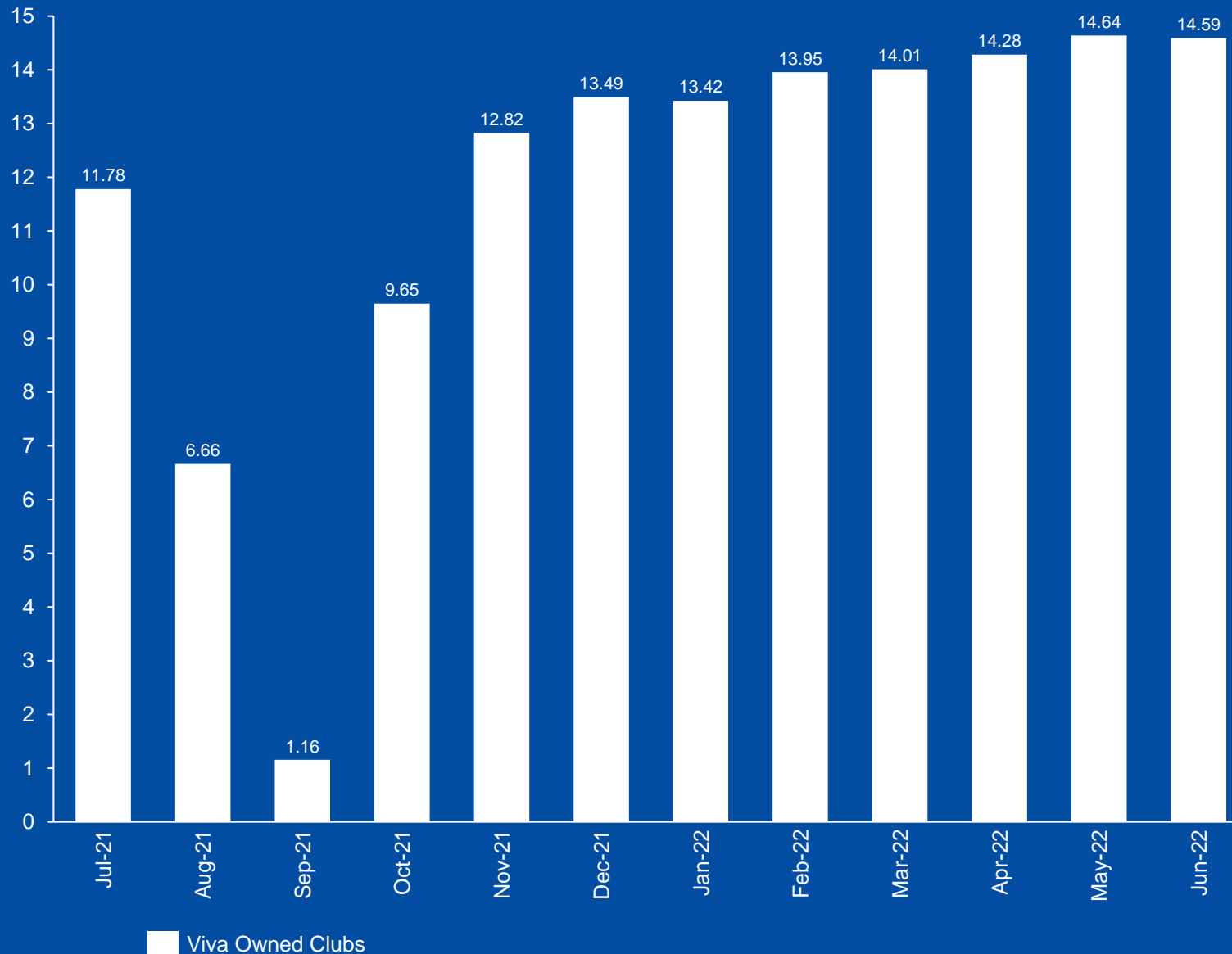


Owned Members by Cohort ('000s)



- Pre FY2022 opened and acquired club member numbers have now returned to pre-COVID levels
- Clubs opened in FY2022 continue to show good traction

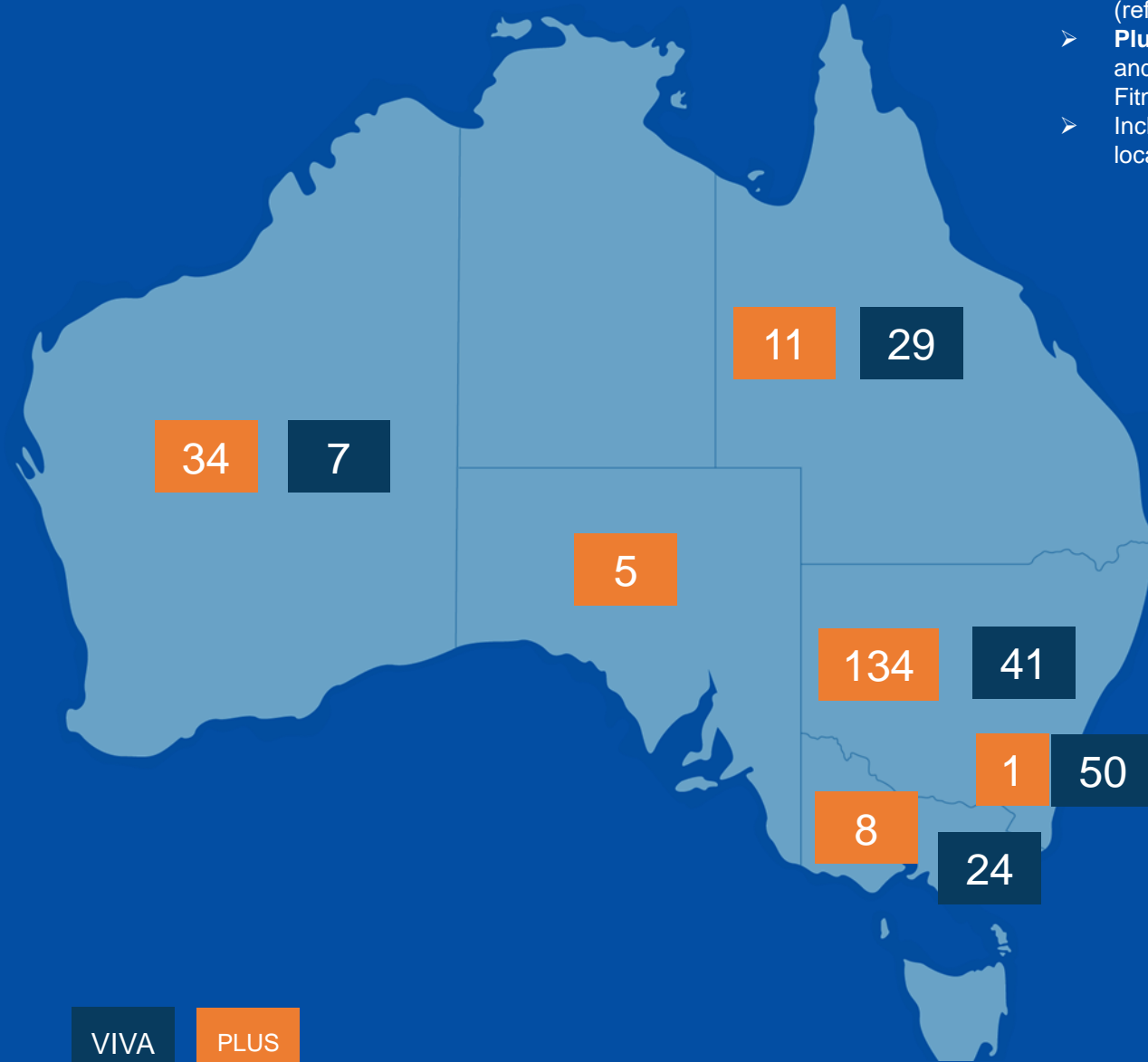
Average Revenue Per Member (per week)



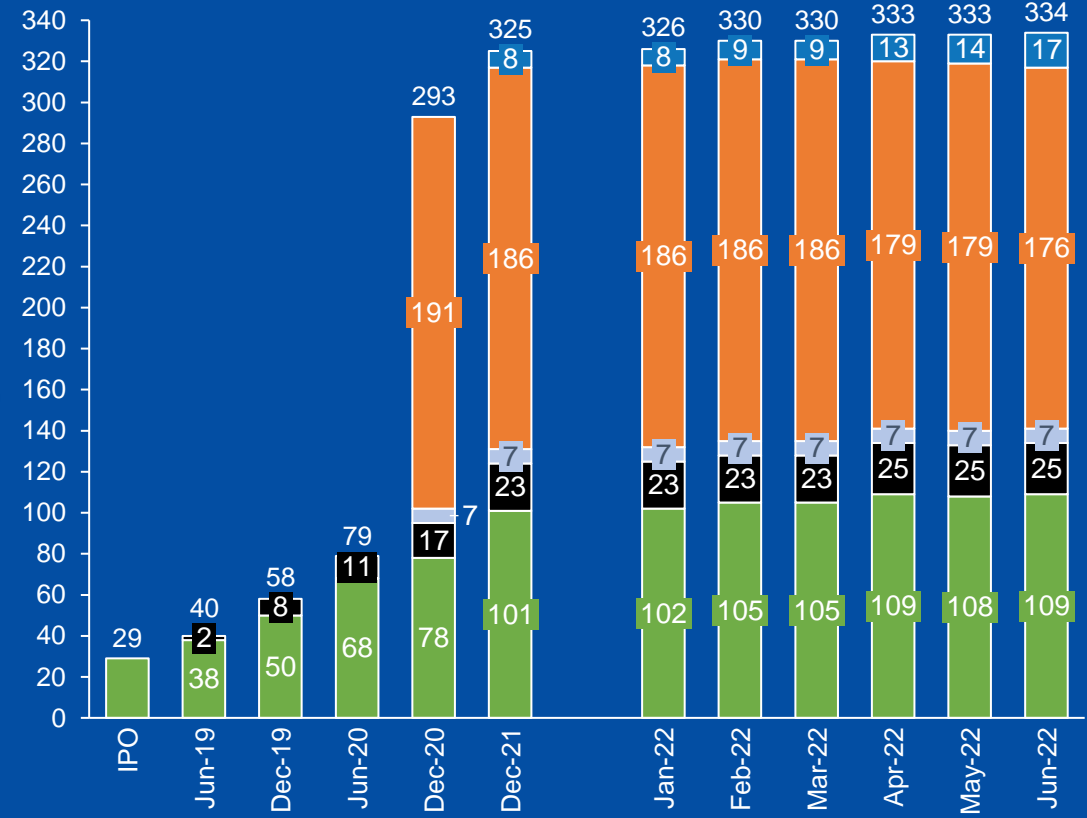
- ARPM now shown combined due to multiple segments and direct/indirect memberships across different segments
- Higher yielding membership options (hiit republic and GroundUp) providing positive impact to ARPM
- Plus Fitness franchisee ARPM not available
- ARPM is shown excluding GST
- ARPM in June slightly lower than May due to EOFY promotion

Locations

- **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 (2) and India (5) locations



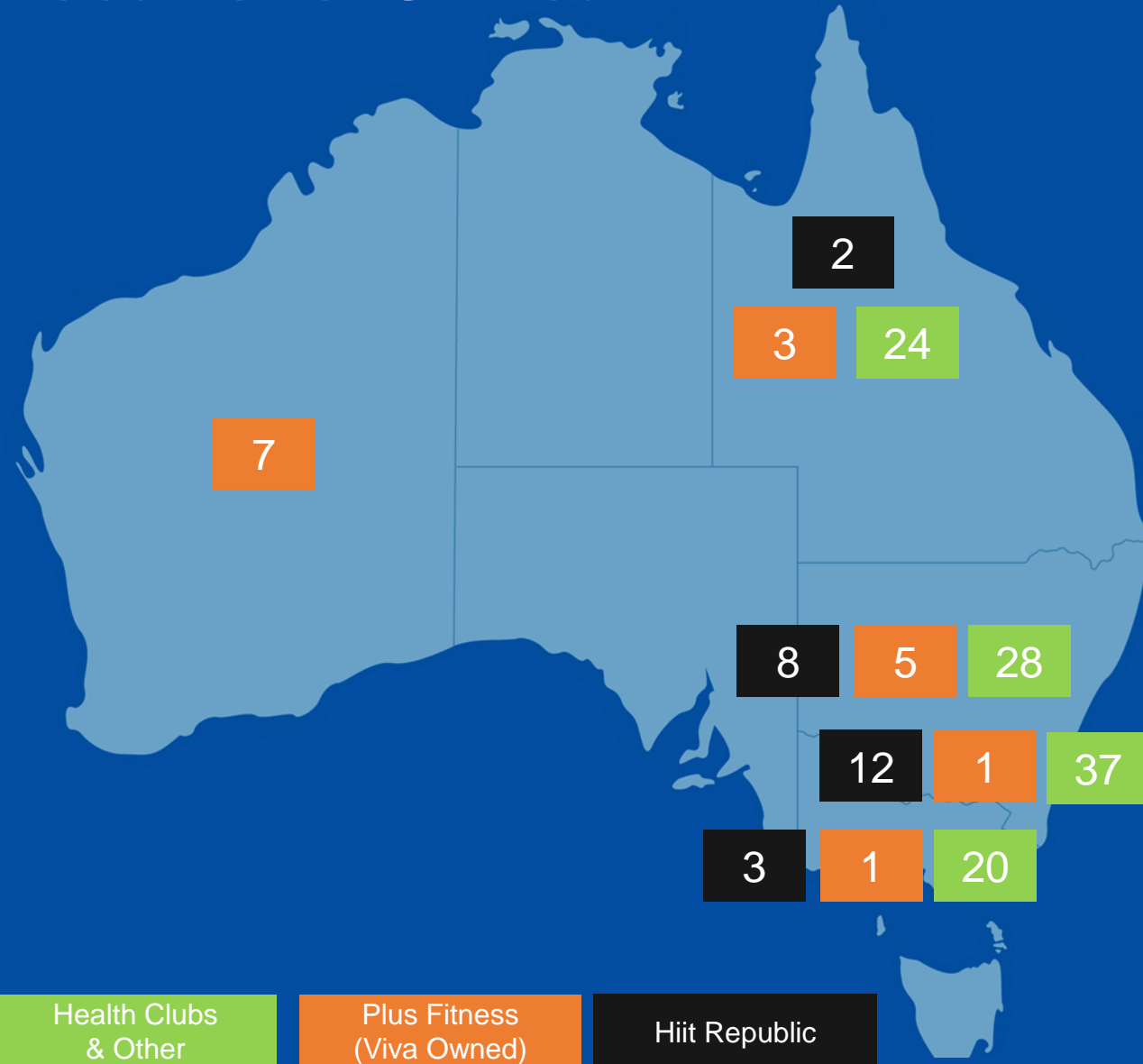
As at 30 June 2022



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



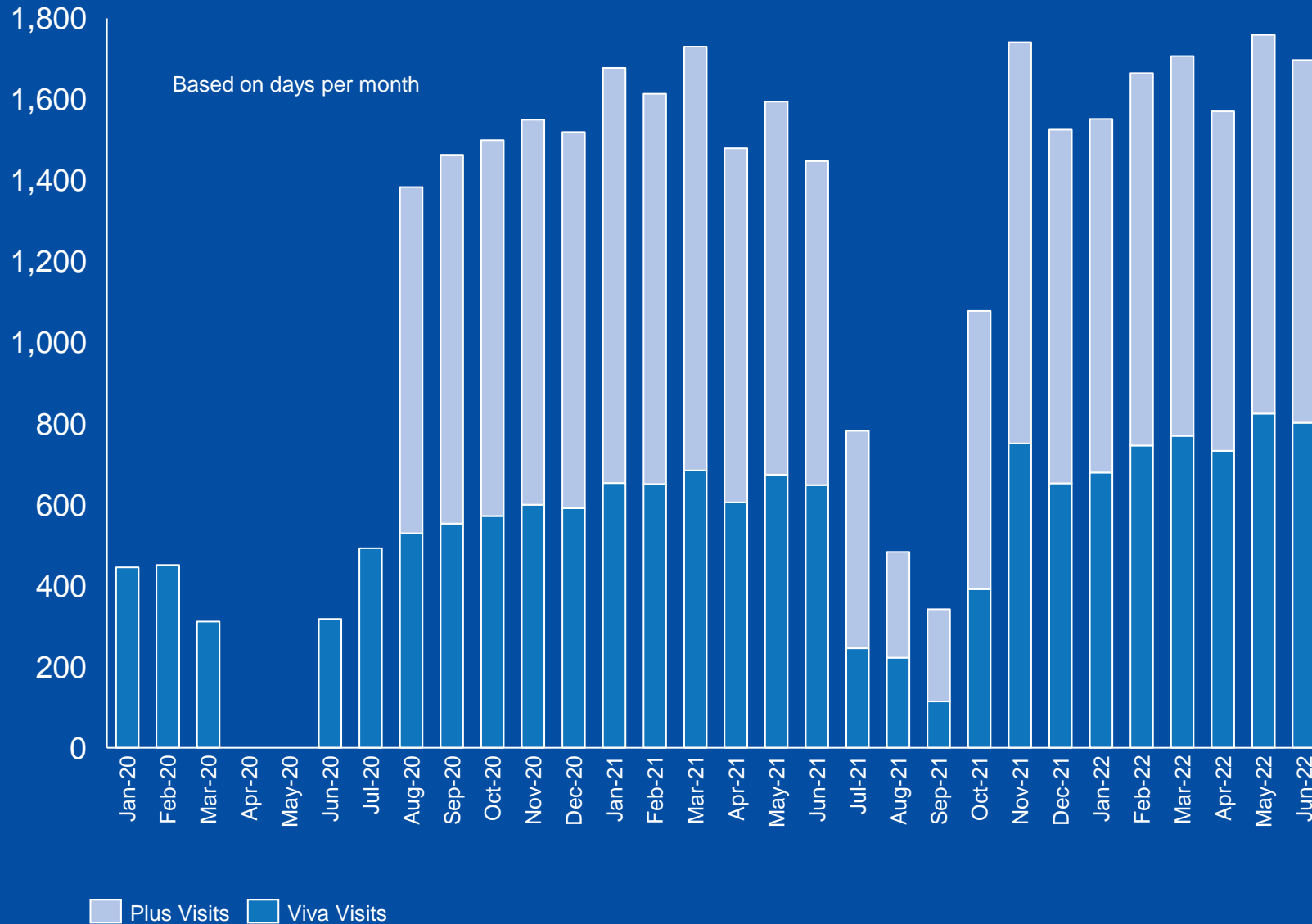
Locations (Owned)



- Health Clubs & Other includes the following brands:
 - Club Lime
 - Psyche Life
 - Studio by Club Lime
 - GroundUp
 - Rebalance Pilates & Yoga
- As well as recent acquisitions
 - LiveWell Health Clubs (Gregory Hills, NSW)
 - My Fitness Clubs (x3, QLD)
- And the following segments:
 - Aquatics
 - Swim School
- Plus Fitness Corporate owned locations shown separately



Member Monthly Visits ('000s)

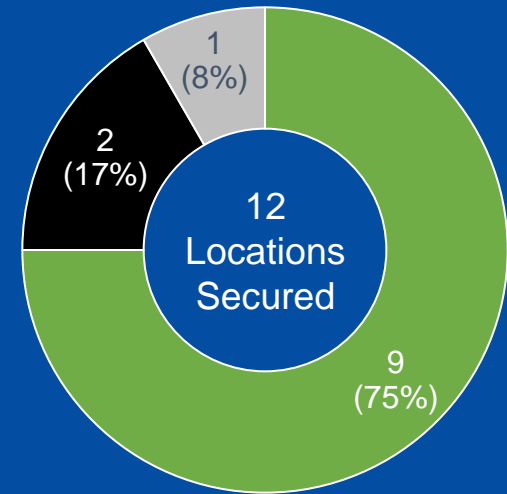


- 1.7 million visits to facilities in June 2022 (30 days), was 1.5 million visits in April 2022
- December 2021 visitations lower due to seasonality and requirement to self-isolate if a close-contact with a COVID positive family member
- July through to October 2021 visitations affected by COVID-19 lockdowns in ACT, NSW and VIC
- >22 million member visits per year across the entire network

One member visit every
1.5 seconds
 for the month of June 2022

Greenfield Locations

- 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
- Excludes Plus Fitness greenfield locations. Refer Plus Fitness section for details.



■ Health Clubs
 ■ Hiit Republic
 ■ Boutique



Glossary

Abbreviation	Explanation
AFM	Australian Fitness Management Pty Ltd (Master Franchisor for Plus Fitness) – entity renamed to Plus Fitness Pty Ltd
ARPM	Average Revenue Per Member
Add-On Hiit Republic Membership	Refers to Health Club Members who have a higher level membership permitting them to access Hiit Republic. They are included for revenue and member purposes in the Health Club Members statistics (as they are primarily a health club member) and shown on some pages separately for illustrative purposes
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: February 2022 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 Club m2 by 2.0 (Health Clubs) or 1.0 (Hiit Republic) to measure theoretical capacity

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