

VIVALEISURE

FY2023 GUIDANCE

PRESENTATION

11 OCTOBER 2022

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WELCOME

VIVALEISURE

Viva Leisure is pleased to provide guidance for FY2023 for our shareholders and investors.

“ *Viva Leisure is issuing revenue and EBITDA guidance in which we forecast FY23 revenue growth of up to 54%, and an EBITDA increase of up to 445% over FY22. This guidance shows how well the business has rebounded out of COVID restrictions that affected our ability to trade and how we are ideally placed in the health club sector. This is further highlighted by Q1 FY23 EBITDA already exceeding the twelve month Full Year 2022.*

Since listing in June 2019, Viva Leisure has not had one full year of trade without external interruptions. However, we are confident that FY23 will be our year. Our members view their health and fitness as an essential, not discretionary, spend. Our gyms are a lifestyle business, providing our members with an experience unable to be matched at home, or online. As highlighted in our recent bi-monthly, Viva Leisure clubs have made a full recovery, and extended beyond, on a pre and post COVID like for like basis, and we continue to see increased interest from new members post-COVID.

In our experience during previous downturns in the economy, health club memberships are not the first to be cut, they are too important in our daily members' lives. At an average spend of \$15 per week, the physical, health, mental and stress relief benefits we provide as an industry are unmatched. COVID has accelerated the shift from going to the pub after work to the importance of going to the gym and supporting health and wellbeing. Viva Leisure is working towards being the most diverse fitness provider in Australia, servicing all segments, and aiming to being the most profitable for our investors and shareholders.

”

Harry Konstantinou, CEO, Viva Leisure Limited



Guidance

Revenue

Range

\$137m to \$140m

FY22: \$90.8m

EBITDA

Range

\$28m to \$30m

FY22: \$5.5m

HIGHLIGHTS

- **Revenue** up \$46 million to \$49 million on FY2022 (51% to 54%)
- **EBITDA** up \$22.5 million to \$24.5 million on FY2022 (409% to 445%)
- Guidance based upon opportunities already secured (greenfield locations and acquisitions previously announced)
- Key drivers being:
 - Corporate Membership Numbers
 - Corporate Locations
 - Utilisation
 - Average Revenue Per Member per week
- Refer to **Further upside opportunities not in Guidance** section for additional opportunities

FY2023-Q1 HIGHLIGHTS

RECORD REVENUE AND EBITDA FOR Q1

Q1-Revenue*

\$33.0m

Q1-FY22: \$11.7m

Q1-EBITDA*

\$6.4m

Q1-FY22: (-\$5.1m)

Q1-EBITDA MARGIN*

19.4%

Q1-FY22: nm¹

Average Revenue#

Per Member Per Week

\$15.26

FY22: \$14.59

Utilisation#

70.7 %

FY22: 69.3%

Corporate Members#

163,842

FY22: 159,546

Based on Management analysis. Not audited.

As at 30 September 2022

- Quarter 1 (July to September 2022)

¹ EBITDA loss for Q1-FY22

**JOURNEY TO
FY2023
GUIDANCE**

DRIVERS TO ACHIEVE GUIDANCE

Drivers to achieve Guidance

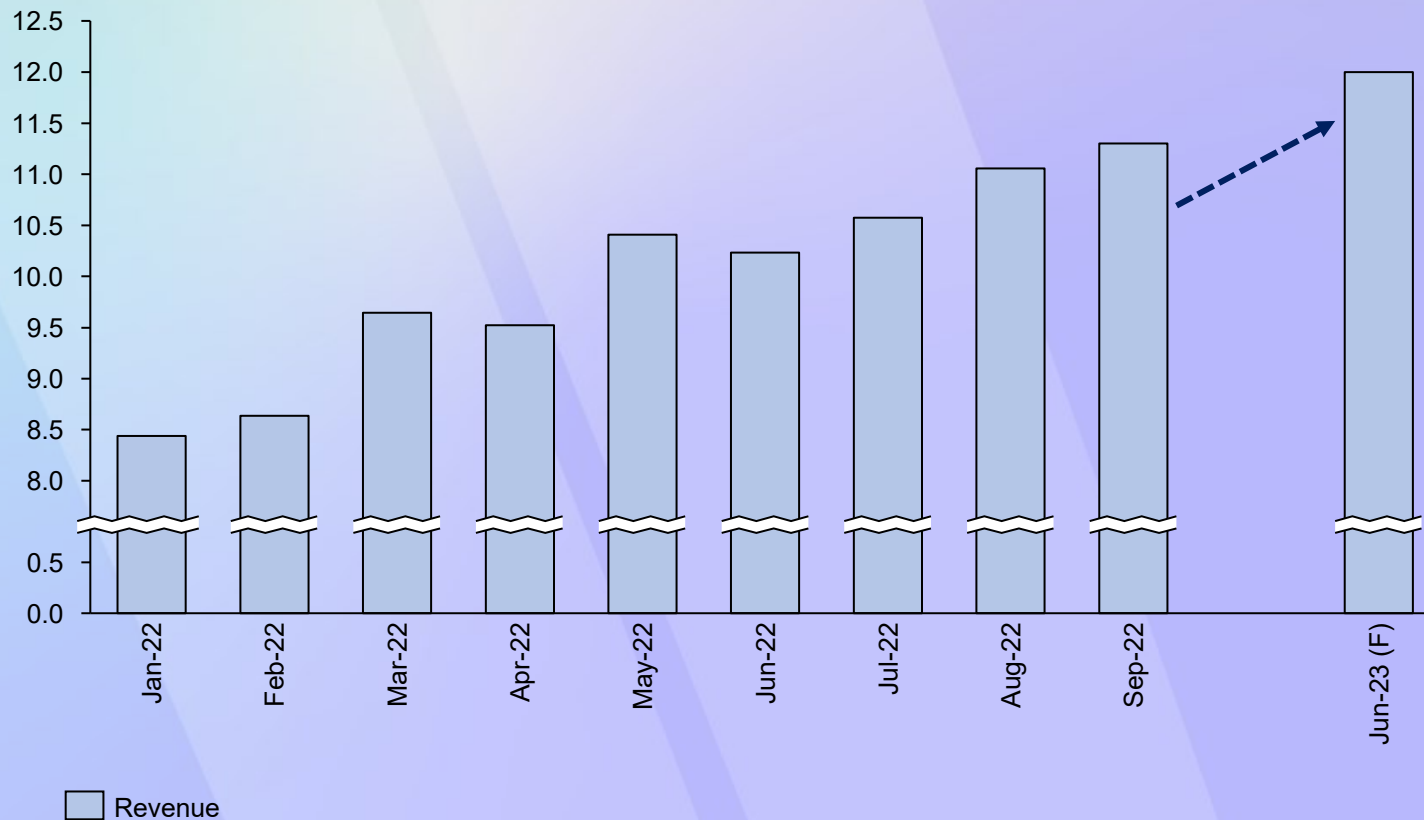
Corporate Members
Range
173k to 178k
FY22: 159k

Corporate Locations
Owned
165 to 170
FY22: 151

Utilisation
Range
71% to 73%
FY22: 69.3%

Average Revenue
Per Member Per Week Range
\$15.25 to \$15.45
FY22: \$14.59

Monthly Revenue (\$m)

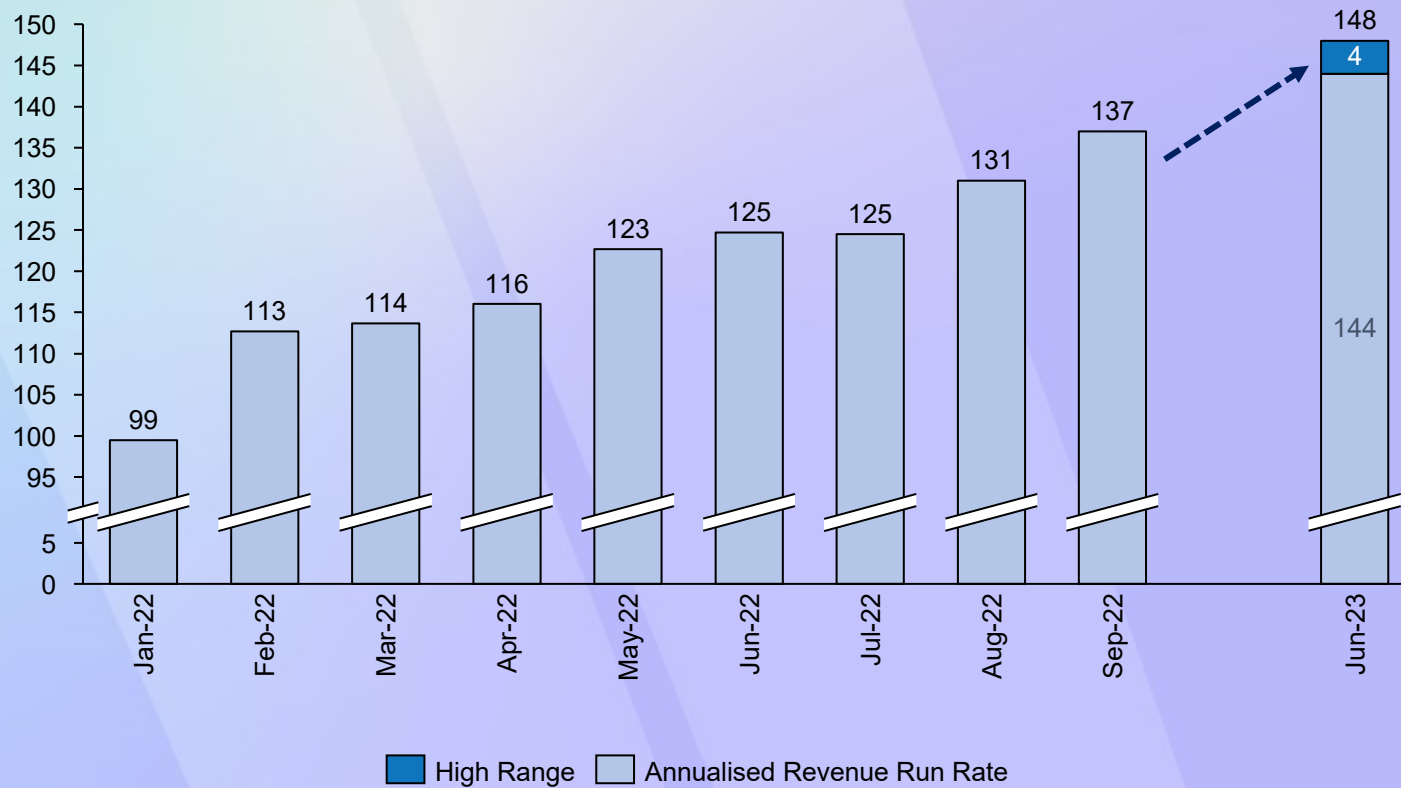


BACKGROUND

Revenue target will be achieved by:

- Estimate of ~800 net member growth per month
 - Currently run rating >1,400 per month
 - Estimate is lower to cover seasonal suspensions over Christmas period
- Average Revenue Per Member improvement of 2% bolstered by fee increase in October 2022 to impact from November 2022 onwards
- FY2022 rolled-out locations improving maturity and utilisation
- FY2023 planned rollouts contribution
- Refer to **Further upside opportunities not in Guidance** section for additional opportunities

Annualised Revenue Run Rate (\$m)



BACKGROUND

Annualised Revenue Run Rate is an important measurement for a direct debit business such as Viva, with >88% of revenue being 14 day recurring membership fees

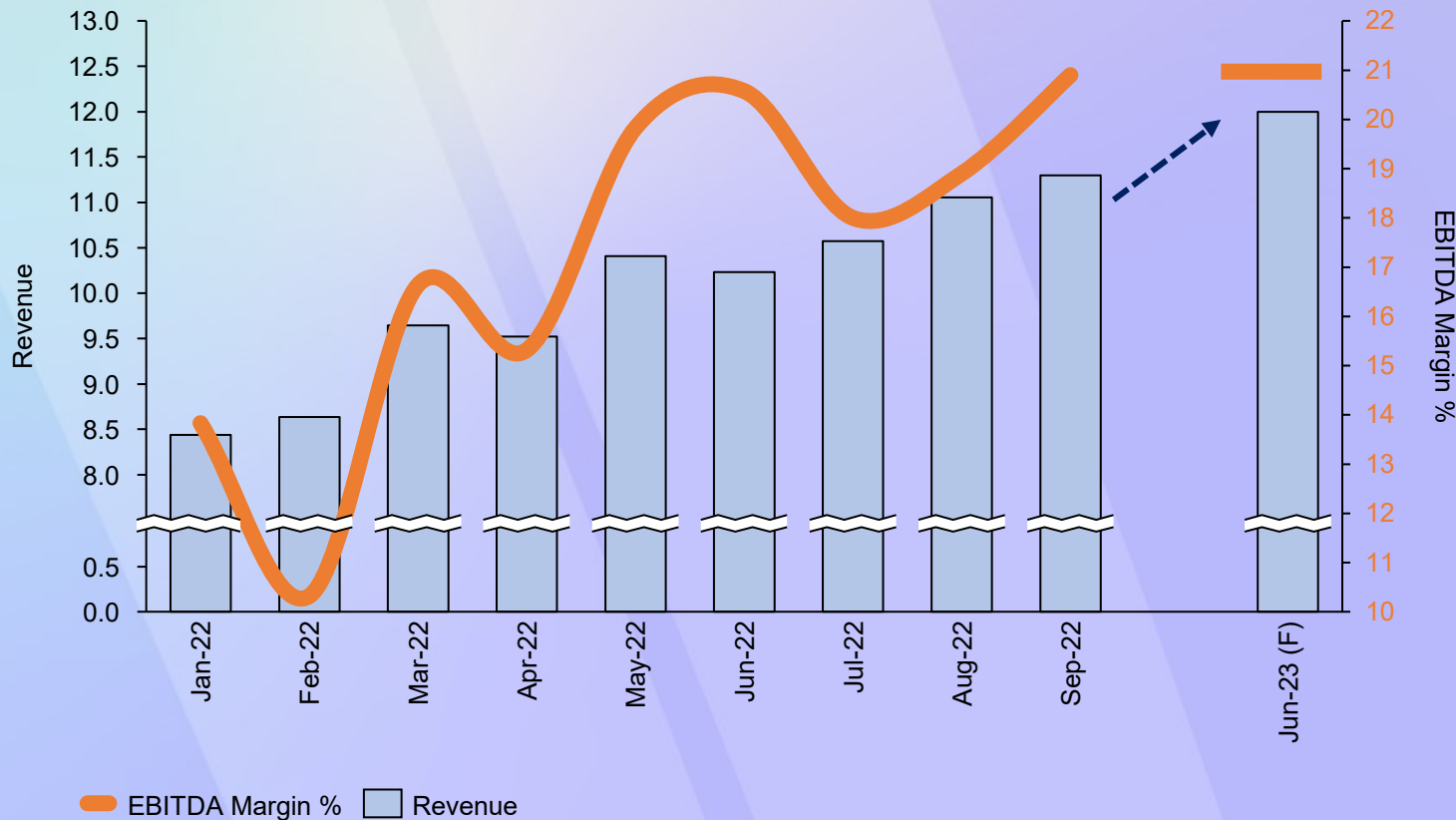
June 2023 Forecast:

- Range based on Management forecasts, with a low and high range provided
- Viva calculates monthly revenue on a day count basis

- June 2023 Annualised Revenue Run Rate based on Management forecasts of day rate annualised

JOURNEY: EBITDA MARGIN

Monthly Revenue (\$m) and EBITDA Margin (%)



BACKGROUND

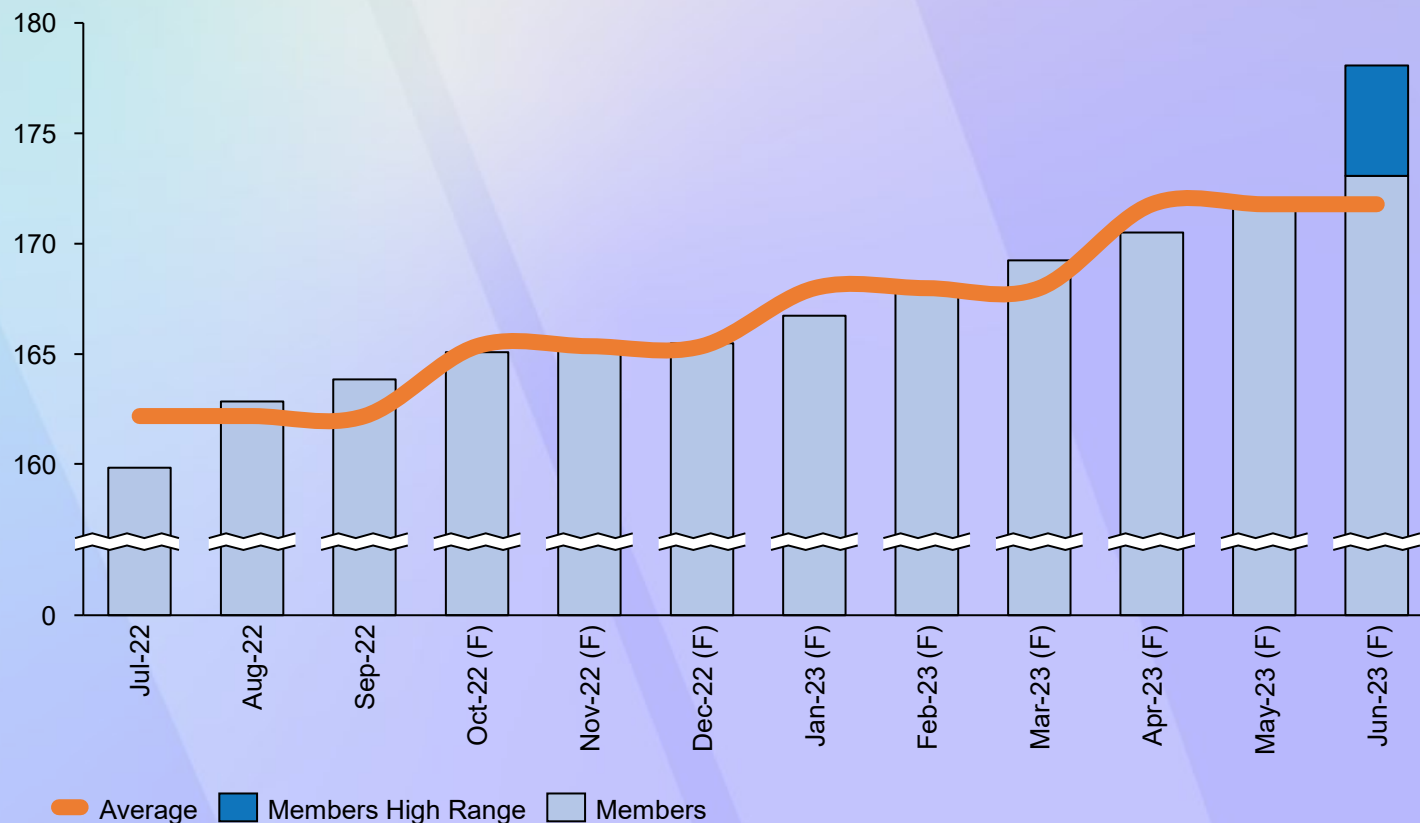
EBITDA Margin target will be achieved by:

- Increase in Utilisation across the network which has occurred month on month
- Increase in Average Revenue Per Member with recent fee increases
- Maturing of FY2022 locations with increased membership base
- Opening of further GroundUp locations, higher yielding membership

JOURNEY: MEMBERS

CORPORATE/OWNED

Members ('000s)

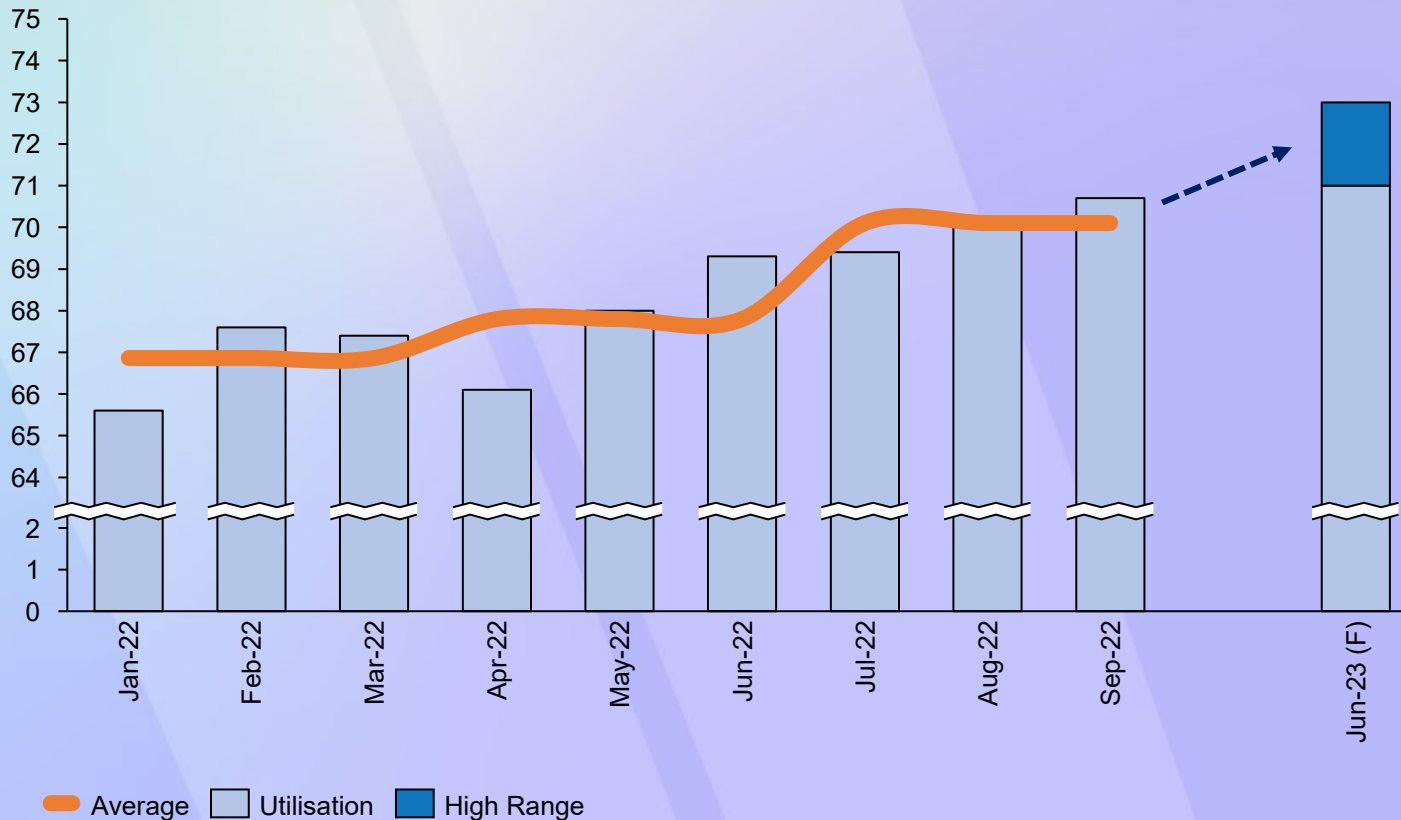


BACKGROUND

Membership target based upon:

- Estimate of ~800 net member growth per month
 - Currently run rating >1,400 per month
 - Flat for Nov/Dec due to seasonal suspensions
- Known acquisitions:
 - ~2,000 acquired members in October
 - ~2,000 acquired members in November
- Excludes any acquisitions not yet secured or announced

Utilisation (%)

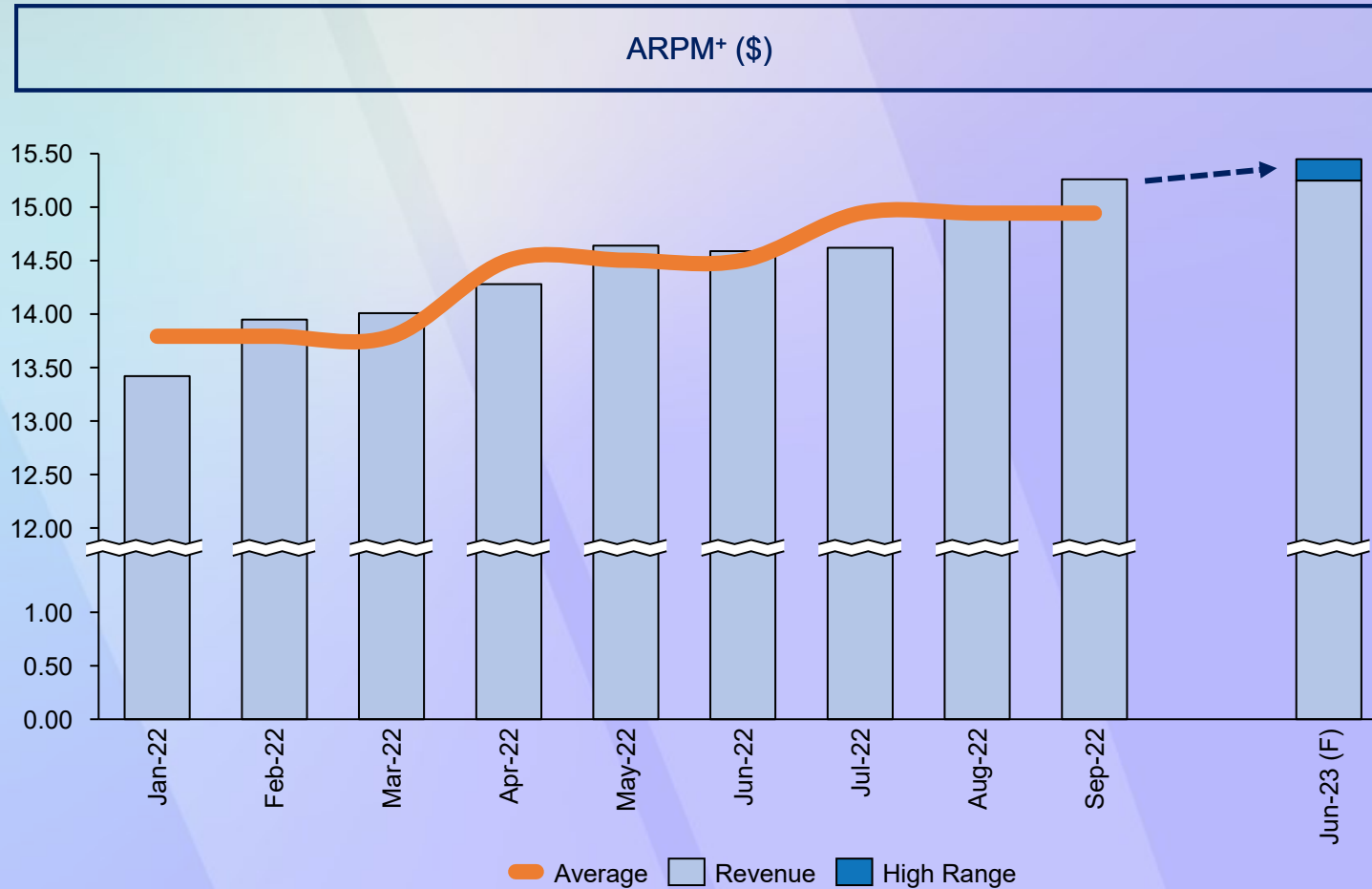


BACKGROUND

- September 2022 achieved record portfolio utilisation of over 70.7%
- State based Utilisation, as at 30 September 2022:
 - ACT 78%
 - NSW 74%
 - QLD 69%
 - VIC 48%
 - WA 85%
- Utilisation refers to Viva estimated maximum capacity per location:
 - Health Clubs estimate 2.0 members per square metre
 - 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 75-80% average Utilisation per location

JOURNEY: ARPM

AVERAGE REVENUE PER MEMBER PER WEEK



BACKGROUND

Average Revenue Per Member Per Week:

- September ARPM over \$15.00 for the first time, at \$15.26 (ex GST)
- Recent price increases having a positive impact on ARPM and no significant impact on member growth
 - COVID period did not permit price increases for existing members due to lockdowns
- Higher yielding membership options (hiit republic and GroundUp) providing positive impact to ARPM
- Plus Fitness franchisee ARPM not available

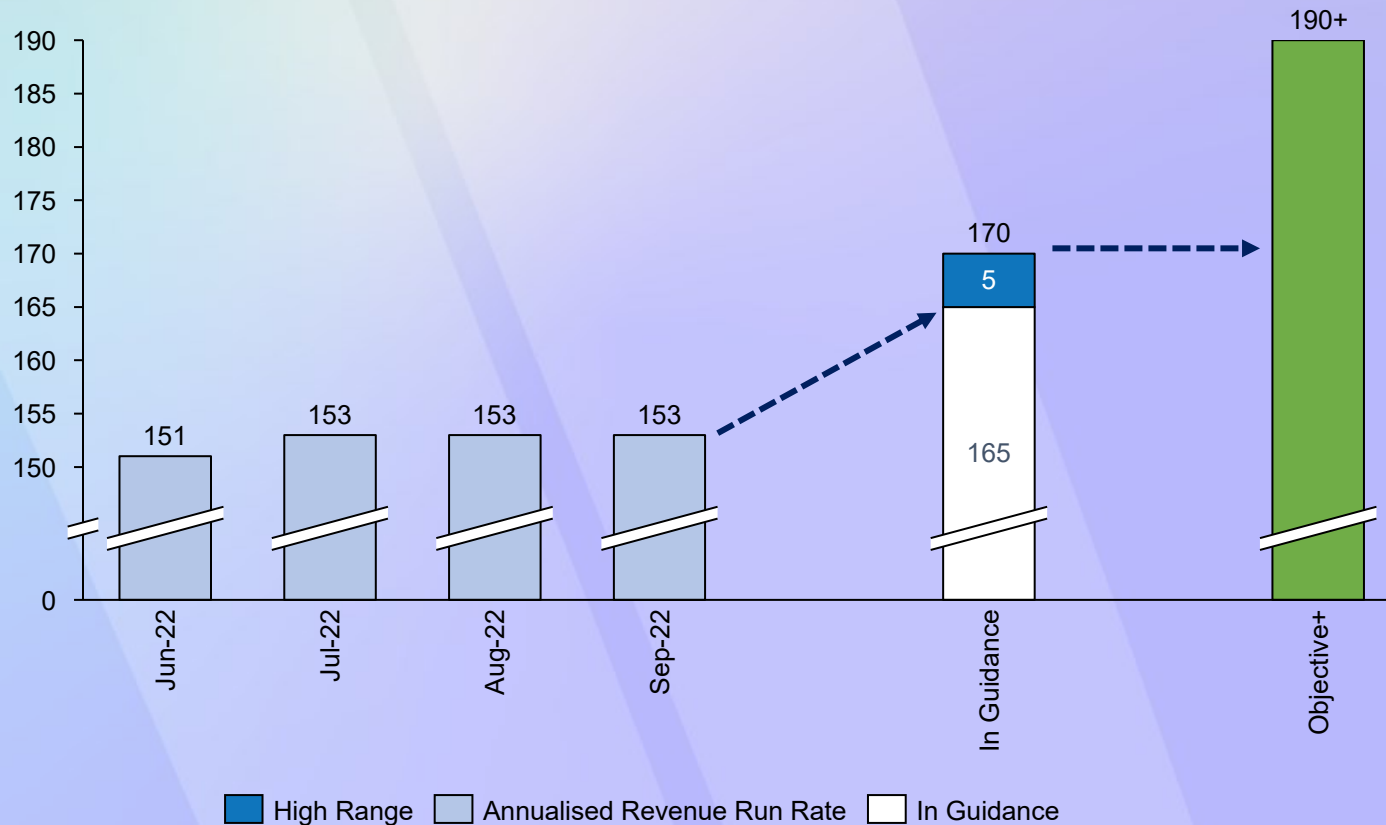
+ Excluding GST

- June 2023 Monthly Revenue based on Management forecasts of day rate annualised
- (F) refers to Management Forecast, and applies for June 2023

JOURNEY: LOCATIONS

CORPORATE OWNED LOCATIONS

Corporate Owned Locations / Clubs



BACKGROUND

Viva has historically over the past three years since listing opened or acquired a new location every 9 days, approximately ~41 locations a year on average

Guidance provided is based on the data points on this slide:

- FY2023 is forecast to open/acquire 15-19 locations. **Any additional locations have unconfirmed timing and therefore excluded from Guidance**
- Refer to **Further upside opportunities not in Guidance** section for additional opportunities
- Increased Corporate Owned locations provide greater return on investment and are a focus for Viva over FY2023

+OBJECTIVE

Objective includes those opportunities that have not been specifically identified and are not included in Guidance but are achievable based on our growth strategy and our historical results over the past 3 years. Guidance will be updated once additional material additions are secured.

**FURTHER UPSIDE
OPPORTUNITIES
NOT IN GUIDANCE**

FURTHER UPSIDE OPPORTUNITIES

NOT IN GUIDANCE

The following opportunities are not included in Guidance and if executed may provide additional upside.

- **Viva Pay**
 - Commencement of trade for Viva Pay and processing of the Plus Fitness franchise direct debit
- **Viva Labs**
 - Income received from licencing and sale of hardware and software (ie: the Hub) to the Plus Fitness franchise network
- **Greenfield Locations**
 - Any greenfield locations not currently scheduled to be opened (ie: locations already built that allow for a quick turnaround from lease execution to opening)
- **Acquisitions**
 - Any acquisitions not yet announced to the market
- **Synergies**
 - No cost saving synergies have been assumed
- **Revenue Opportunities**
 - No revenue opportunities have been assumed. Viva is currently deploying a further 100+ vending machines across it's network after a successful trial in ~10 locations

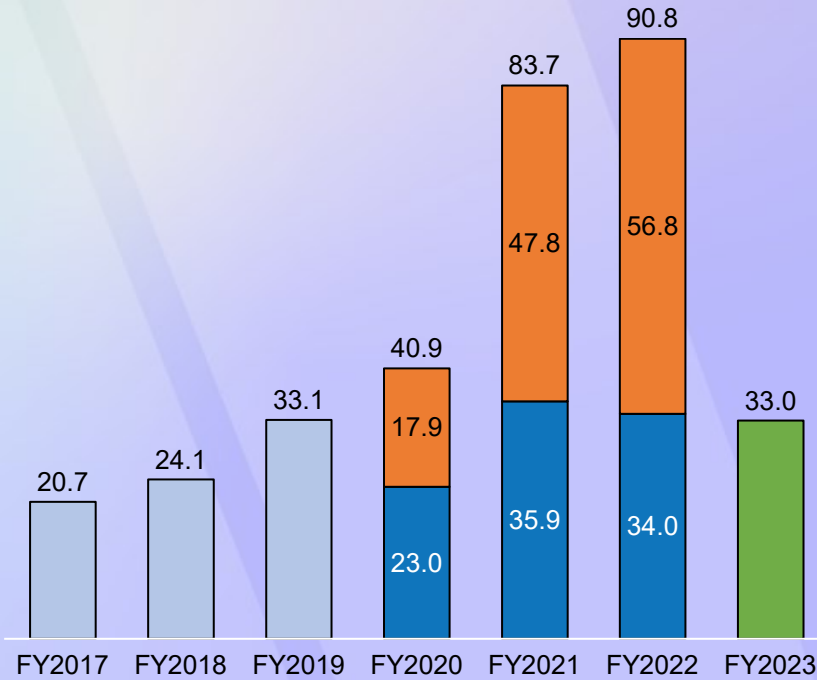
BACKGROUND

- Guidance has been prepared with all available management information at time of publication. Please refer to the Important Notice and Disclaimer at the back of this presentation
- The Guidance does not take into account any COVID lockdowns or restrictions that may be imposed during FY2023

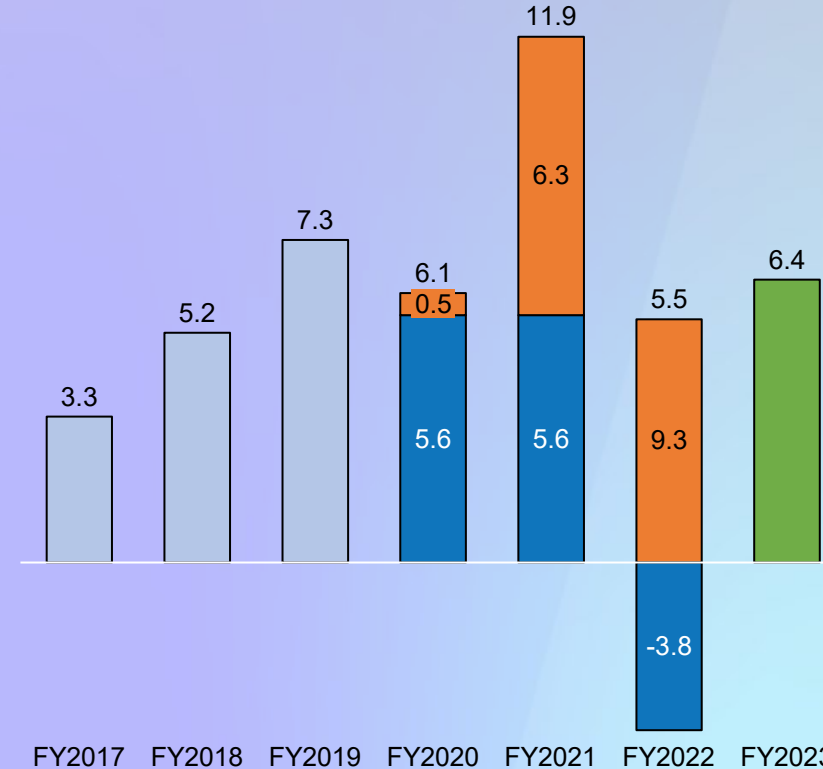
FINANCIAL SNAPSHOT

RECORD Q1-FY2023 REVENUE AND EBITDA COMPARISON TO PREVIOUS YEARS

REVENUE (\$M)



EBITDA (\$M)



■ Full Year
 ■ H2
 ■ H1
 ■ Q1

■ Full Year
 ■ H2
 ■ H1
 ■ Q1

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