

VIVALEISURE

TRADING UPDATE

NOVEMBER 2022

12 DECEMBER 2022

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WELCOME

VIVA LEISURE

Viva Leisure is pleased to update the market on its results for the month ended 30 November 2022.

“ *Viva Leisure has continued its robust start to FY23, with November delivering another month of strong momentum in memberships and capacity utilisation.*

We achieved a record annualised revenue run rate of \$140.9 million, representing an increase of 43% on December 2021. Total corporate membership grew by 4,000 members during the month of November, comprising approximately 1,800 in organic growth on a LFL basis (which equates to over \$1.4 million of annualised revenue), approximately 150 members with the opening of a new GroundUp location, and the remainder of the growth being acquired members.

We remain highly enthusiastic about the outlook for Viva Leisure as we continue to build momentum in the post-COVID recovery. The past few months have reaffirmed the non-discretionary nature of demand for our gyms, which are viewed as essential by our members. We will continue to improve the business with our unique membership structures, product and service offerings, and ability to acquire and integrate with meaningful synergies better than anyone else in the market. ”

Harry Konstantinou, CEO, Viva Leisure Limited



CLUBLIME

hiit republic

GROUNDUP

PLUS FITNESS

REBALANCE  PILATES & YOGA

VIVALABS
LEISURE

VIVA pay

CURRENT TRADING

Continued momentum with strong results for the month of November 2022

- Annual Revenue Run Rate continues to increase and now exceeds \$140 million for the first time
- Second highest month for new members in Viva Leisure's history with growth of ~4,000 members in November 2022, including:
 - LFL locations up ~1,800 members for the month (\$1.4 million additional annual revenue with minimal additional costs)
 - New GroundUp location opened with ~150 members
 - Balance of members were acquired

Guidance

- Reaffirming guidance issued 11 October 2022
- Achieved corporate membership above minimum guidance range (for 30 June 2023) target number of 173,000
- Exceeded Utilisation target range of 71% to 73%, with November at 73.3%, up 2% from October 2022
- All other guidance metrics on track to be achieved earlier than expected

New Locations

- GroundUp Gungahlin (ACT) opened its doors during November 2022 at above breakeven at the EBITDA level, and has continued to increased membership
- Continuing to build on robust pipeline of accretive acquisition opportunities at attractive multiples, including franchise buy-backs

TRADING UPDATE - NOVEMBER 2022

TRADING UPDATE NOVEMBER 2022

PERFORMANCE HIGHLIGHTS

Annual Revenue

Run Rate

\$140.9m

PCP \$98.5m

Monthly Revenue

Run Rate

\$11.6m

PCP \$8.4m

Daily Revenue

Run Rate

\$386,097

PCP \$251,274

Average Revenue

Per Member Per Week

\$15.21

PCP \$13.79

Members

Owned and Franchised

337,457

PCP 297,211

Locations

Owned and Franchised

337

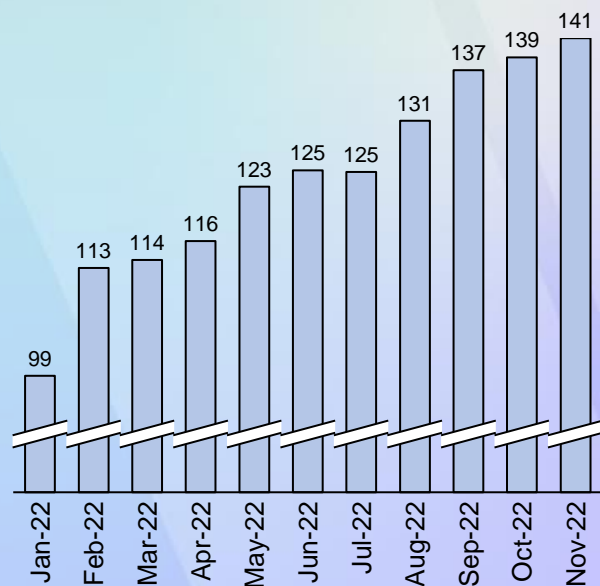
PCP 325

PCP period: November 2022 (30 days) compared to December 2021 (31 days)
Annualised Revenue Run Rate based on November 2022 day rate annualised

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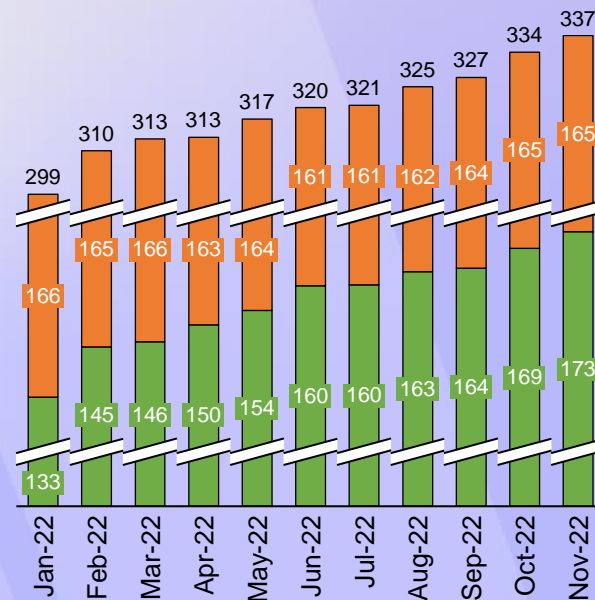
PERFORMANCE HIGHLIGHTS (CONT.)

Annualised Revenue Run Rate (\$m)



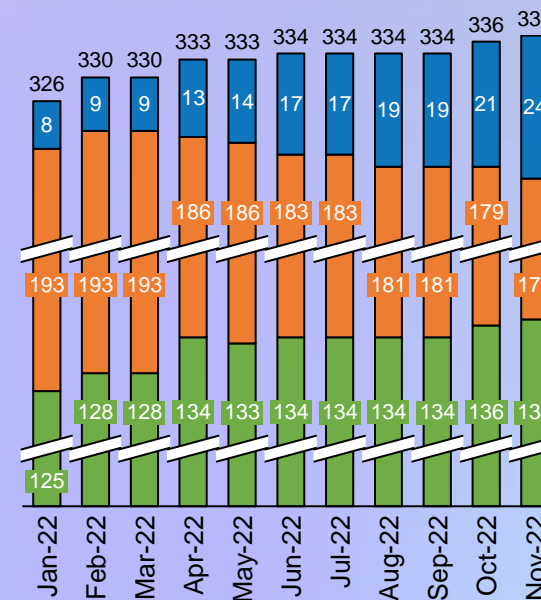
Annualised Revenue Run Rate

Members ('000)



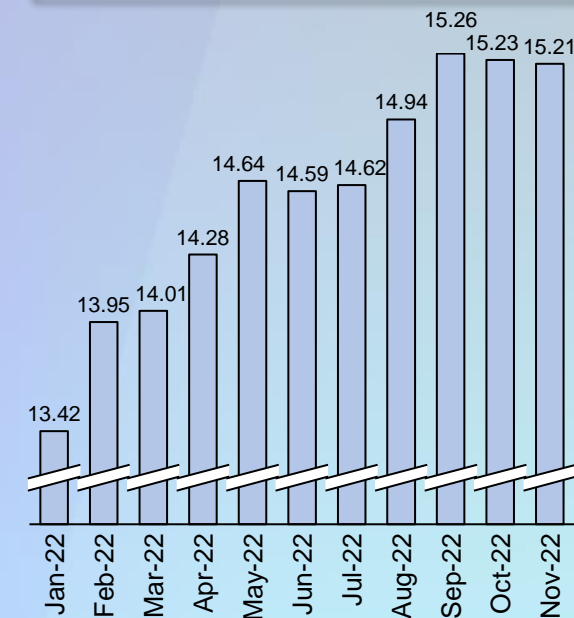
Plus Fitness (AU/NZ)
Viva Owned

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 November 2022 day rate annualised

FY2023 YTD CASHFLOW SUMMARY

CONTINUED REINVESTMENT IN GROWTH

Cash flow	(\$m)
Opening Cash (1 July 2022)	5.8
Inflows:	
Operational Cash Flows*	10.7
Cash Bank Guarantees converted to facility	1.0
Tax Refund	2.0
Debt Drawn down (for acquisitions)	2.9
Outflows:	
Acquisitions	5.0
CAPEX (Greenfield sites and Maintenance)	5.9
CAPEX (the Hub and other IT projects)	1.0
Debt and Lease Payments	4.3
Closing Cash (30 Nov 2022)	6.1

* Includes working capital movements

HIGHLIGHTS

- Cash increased over the period even after significant investments in Acquisitions, CAPEX and regular Debt and Lease payments.
- Based on management estimates to November 2022
- Cash balance is cash available for expansion (excluding deposits set aside for Bank Guarantees)
- Strong cash flows generated from operations
- Greenfield site expansion and acquisitions YTD funded through debt and operational cashflows

- Free cash flow target of 30-35% of EBITDA
- Free cash flow defined as EBITDA, less interest, tax and lease/debt repayments

CASE STUDY

GROUNDUP GREENFIELD ROLLOUT

CASE STUDY GROUNDUP GREENFIELD ROLLOUTS

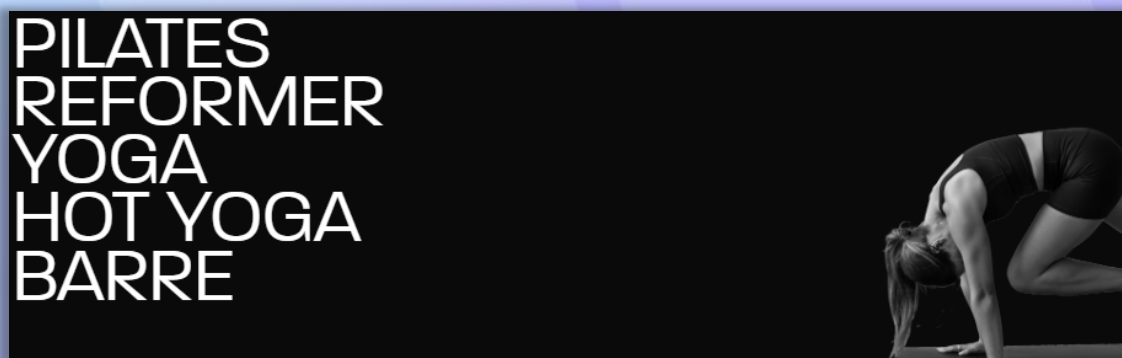
VIVA LEISURE

FIRST THREE SITES HAVE BEEN HIGHLY SUCCESSFUL

GROUNDUP

Viva has successfully trialed three separate versions of GroundUp including 232m² (1 studio), 350m² (2 studios) and 550m² (2 studios) and is now ready for scaled roll-out. The GroundUp recurring membership based model, with the option to add a Club Lime health club or hiit republic membership offering for a small incremental fee, creates a unique model unable to be duplicated in the market by any operator at scale.

Segment	Boutique
Target market	High quality facilities, high price point
Target price point	\$51.90 to \$76.90 per week
Opened or acquired	Opened
Corporate locations	3
Additional locations secured	1, targeting 4-5 new locations in CY2023



Location	Highlights
Belconnen (ACT)	<ul style="list-style-type: none"> Opened 5 July 2021 (17 months) Members¹: 560 Studios: 2 (550m²) Now contributing \$40-50k EBITDA per month
Yarralumla (ACT)	<ul style="list-style-type: none"> Opened 15 April 2022 (7 months) Members¹: 349 Studios: 1 (232m²) Now contributing \$40-50k EBITDA per month
Gungahlin (ACT)	<ul style="list-style-type: none"> Opened 23 November 2022 (~2 weeks) Members¹: 212 Studios: 2 (350m²) Above EBITDA breakeven on opening

FY2023 GUIDANCE

AASB16 EBITDA RECONCILIATION

FY2023 GUIDANCE AASB16 EBITDA RECONCILIATION

VIVA LEISURE

Further to the guidance issued 11 October 2022, we now provide a reconciliation of guidance based on EBITDA *including* the impacts of AASB16. The impacts are related to the payment of rental on properties leased by Viva Leisure.

This guidance is provided for investors that have migrated away from using the traditional EBITDA definition to the new definition including AASB16.

Viva Leisure reaffirms the FY2023 guidance issued.

FY2023 Guidance	Low end of range (\$m)	High end of range (\$m)
Revenue	137.0	140.0
EBITDA excluding impacts of AASB16 (per guidance released on 11 October 2022)	28.0	30.0
Add: Impacts of AASB16	36.5	36.5
EBITDA including impacts of AASB16	64.5	66.5