

VIVALEISURE

MARKET ANNOUNCEMENT

5 August 2024

VIVA LEISURE COMPLETES RECENT ACQUISITION AND PROVIDES TRADING UPDATE

Viva Leisure Limited (ASX: VVA) ("Viva Leisure" or "Viva" or "Company") is pleased to advise early completion of the first of the recently announced Western Australian acquisitions, and provide a trading update.

Key Highlights:

- **Acquisitions:** The first three locations as part of the Western Australian strategic acquisitions recently announced have now completed
- **Guidance for FY2024:** Upper end of guidance achieved for Q4 and FY2024 revenue
- **Corporate Members:** Now over 210,000, up ~28,000 members or 15% since 30 June 2023
- **Network Members:** Now over 385,000, up ~43,000 members or 12% since 30 June 2023
- **Corporate Locations:** Now at 180, up from 171 from 30 June 2023
- **Network Locations:** 356, up from 346 in FY2023

Harry Konstantinou, CEO and Managing Director of Viva Leisure Limited, said:

"Our recent achievements mark a significant milestone for Viva Leisure. The early completion of our strategic acquisitions in Western Australia, coupled with surpassing the upper end of our revenue guidance for FY2024, underscores our relentless pursuit of excellence and growth. Reaching over 210,000 corporate members and expanding our network to over 350 locations is a testament to the hard work and dedication of our team.

We are entering FY2025 with exceptional momentum, bolstered by robust net member growth and a solid foundation from our strategic initiatives. I am incredibly proud of our ability to integrate new acquisitions swiftly and efficiently, achieving remarkable synergies and enhancing our market leadership. Viva Leisure's future is brighter than ever, and we are poised to continue delivering outstanding value to our members and shareholders."

Western Australian Acquisitions

Viva Leisure confirms early completion of the first three locations as part of the strategic acquisitions announced on 6 June 2024. The acquisitions were previously scheduled to complete by the end of August 2024, the early completion will result in an extra month of contribution to the FY2025 result. The remaining five locations are on track to complete before the end of August 2024 as originally expected.

Viva will now commence the integration and conversion process.

Key highlights of both the acquisitions:

- **Western Australia:** Launches the Club Lime brand into its sixth State/Territory, further cementing its position as Australia's largest non-franchised health club brand and enhancing the national footprint
- **Strategically compelling acquisition:** In-line with Viva Leisure's stated strategy of expansion
- **Acquisitions:** Eight locations, with ~20,000 members
- **Total Consideration:** \$15.7 million

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- **EBITDA Contribution:** The acquisitions are anticipated to contribute over \$3.9 million EBITDA per annum moving forwards pre-synergies
- **Synergies:** Forecast to be \$1.0 million fully run-rated from FY2026

Acquisition Milestone

Following the most recent acquisitions, Viva Leisure has now acquired a total of 105 different locations. Significantly, 97 of these acquisitions have been made since Viva Leisure became a listed company in June 2019. The Company is proud of its successful track record in acquiring, integrating, and achieving synergies, which underscores the commitment to growth and operational excellence. This strategic approach has enabled Viva to enhance its service offerings and expand its footprint, further solidifying Viva's leading position in the market.

Guidance

The Company is pleased to confirm that it has achieved the upper end of its revenue guidance for Q4-FY2024 and for the full year FY2024.

The early completion of recent acquisitions, combined with robust net member growth in July 2024, positions Viva Leisure for an exceptional start to FY2025. Management is confident that this momentum will drive continued success and strengthen its market leadership in the coming quarters.

Members

Corporate members have for the first time exceeded 200,000, and as of today exceed 210,000. This represents an increase of over 28,000 net new members since the end of FY2023, or over 43,000 members before adjusting for the 15,000 Fitness Passport members removed after Viva withdrew from the program during FY2024.

Network membership is today over 385,000, a net increase of over 43,000 members from FY2023, or an average of over 3,300 net new members each month.

Locations

Corporate locations are now at 180, up from 171 at the end of FY2023. This includes a total of seven locations closed or merged during FY2024.

Network locations are now at 356, up from 346 at the end of FY2023.

A strong pipeline of both Corporate and Franchise greenfield locations are expected to open in H1-FY2025. In addition, the Company expects to continue its acquisition strategy where appropriate targets are identified and terms agreed.

Strategic Refurbishment Program

The strategic refurbishment program announced in August 2023 which identified 27 locations has been successfully completed and the results continue to be in-line with management expectations. The Company expects to provide a full update on the performance of that investment and program in the full year results presentation.

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Plus Fitness

As identified in our recent announcement, the Plus Fitness brand continues to set new records. In particular for FY2024:

- A record 21 new locations were secured, with deposits paid. These were made up of:
 - 11 New Franchisees to the Network;
 - 3 Single Site Franchisees becoming multi-site franchisees; and
 - 7 Existing Multi Site Franchisees expanding their network
- The network has for the first time surpassed 200 operating locations. Currently there are 203 locations made up as follows:
 - 27 Viva owned locations in Australia; and
 - 176 Franchisee owned locations in Australia, New Zealand and India
- A total of 88 locations (43%) of the network have completed their refit to the new design

FY2024 Results Release

Viva Leisure will release its results for the Full year ended 30 June 2024 on **Wednesday 14 August 2024**. Please refer to the separate announcement for webinar conference details.

ENDS

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

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About Viva Leisure:

Viva Leisure is the leading and fastest growing provider of health and fitness clubs across Australia. With a mission to connect more Australians to a healthier lifestyle, Viva operates a portfolio of brands across various fitness categories, offering premium, boutique, flexible, and affordable fitness options.

For further information, please visit:

- <https://www.vivaleisure.group/>
- <https://www.clublime.com.au/>
- <https://www.plus.fitness/>
- <https://groundup.studio/>
- <https://rebalance.studio/>
- <https://hiitrepublic.com.au/>