



**MARKET BI-MONTHLY UPDATE
PRESENTATION**

SEPTEMBER/OCTOBER 2021

17 NOVEMBER 2021

Viva Leisure Limited
ASX: VVA

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CLUBLIME

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.

Due to the COVID shutdowns comparing to the Previous Corresponding Period is not a relevant comparison position. Accordingly, and as per the previous report we have compared movement in metrics to the previously reported full year results (June 2021). When possible, we will move to traditional reporting against the period 12 months earlier. The report provides a “Consolidated View” and individual business segment views (Health Clubs, Hiit Republic, and Plus Fitness). Readers can distinguish between the different views by the reference in the left margin of each page if relevant.

“ *The latest reporting period (September and October 2021) has seen an immediate rebound of the business once locations were permitted to re-open. This is the expected behaviour due to the direct debit nature of the business.*

Membership in October 2021 is less than 1 percent below the pre-COVID June 2021 closing member numbers, effectively back to normal within less than a month of the ACT, NSW and VIC re-opening.

I look forward to the next bi-monthly report where I expect to be in a position to highlight the full run-rate of the business, uninterrupted with COVID lockdowns.

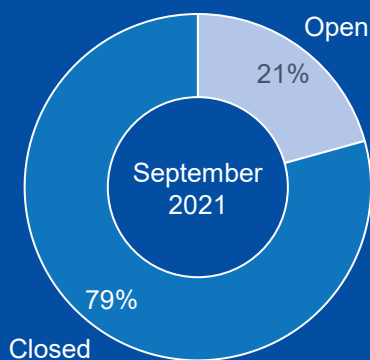
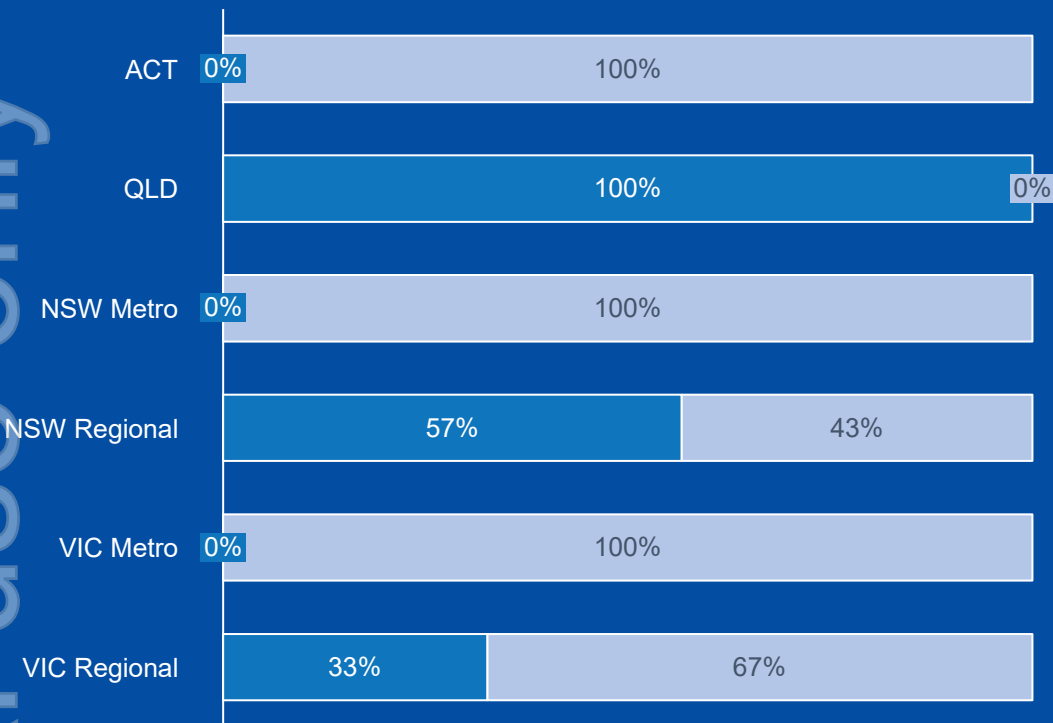
As always, I trust you will find great value from our latest bi-monthly update.”

Harry Konstantinou, CEO, Viva Leisure Limited



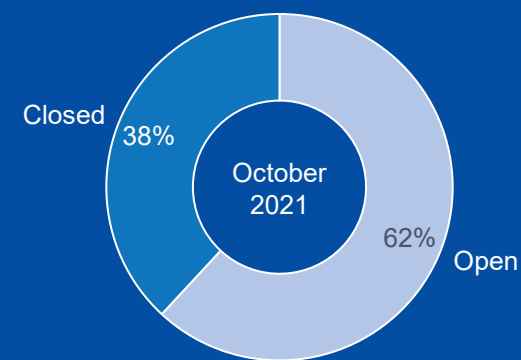
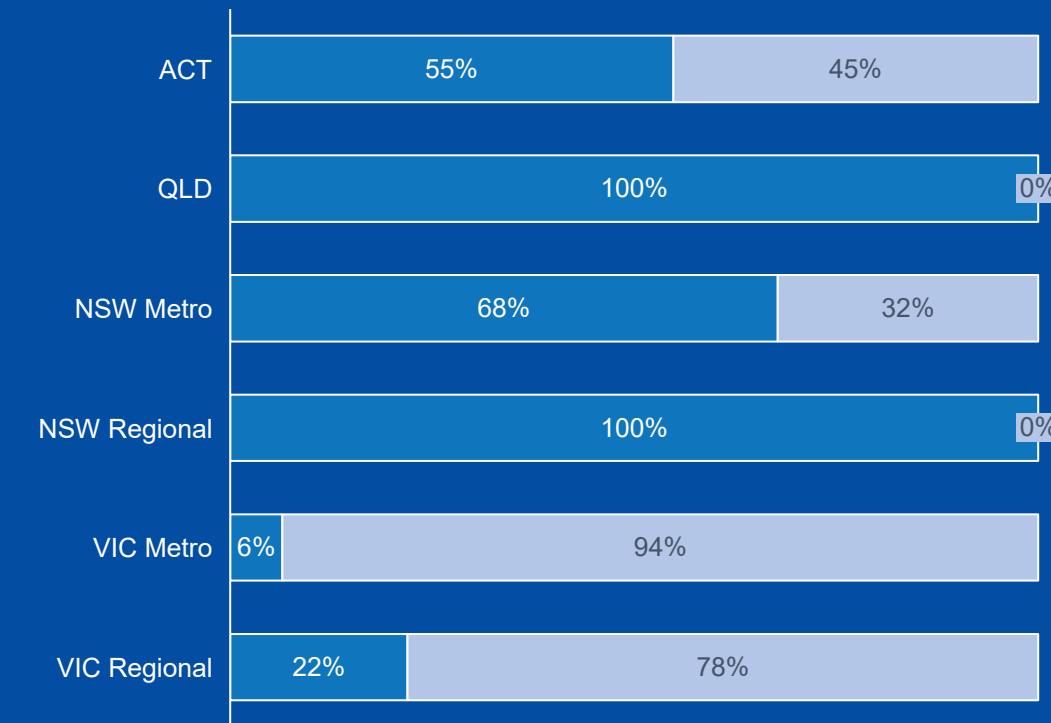
COVID-19 Interruptions

September 2021



Open Closed

October 2021



Clubs

48

17

27

12

13

5

122

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Consolidated (All Segments)

MONTHLY RRR

\$6.2m

PCP % -25.2%

DAILY RRR

\$201,586

PCP % -27.7%

MEMBERS

296,379

PCP % -0.7%

MEMBERS NMM

-1,997

PCP 24,403

LOCATIONS

314

PCP 309

Consolidated (Owned locations only)

CLUB m2

102,924

PCP % 6.0%

UTILISATION

63.7%

PCP 61.8%

ARPM⁺

\$9.86

PCP \$13.43

CLUB MARGIN

13.0%

PCP 31.8%

CLUB MARGIN
>12 months locations

N/C

<12 months locations

N/C

CHURN

N/C

PCP 4.4%

• Excluding impacts of AASB16

⁺ Excluding GST, affected this period by COVID-19 lockdowns in ACT, NSW & Victoria

PCP period: October 2021 compared to June 2021

Monthly RRR includes \$650k of NSW Government COVID support

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VIVA
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MONTHLY RRR

\$5.0m

PCP % -24.5%

DAILY RRR

\$161,987

PCP % -26.9%

MEMBERS

123,527

PCP % 2.5%

VIVA MEMBERS

117,281
PLUS MEMBERS

6,246

MEMBERS NMM

3,022

PCP 22,409

LOCATIONS

100

PCP 93

CLUB m2

95,016

PCP % 6.5%

UTILISATION

65.0%

PCP 63.2%

ARPM⁺

\$9.71

PCP \$12.76

CLUB MARGIN

Combined

12.9%

PCP 31.3%

CLUB MARGIN

>12 months locations

N/C

<12 months locations

N/C

CHURN

N/C

PCP 4.2%

• Excluding impacts of AASB16

* Excluding GST

PCP period: October 2021 compared to June 2021

Viva Leisure acquired 2,357 Plus Fitness members during the period

Monthly RRR includes \$650k of NSW Government COVID support

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HEALTH CLUBS & OTHER

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MONTHLY RRR

\$0.3m

PCP % -57.2%

DAILY RRR

\$9,220

PCP % -58.5%

MEMBERS

4,981

PCP % -9.5%

MEMBERS NMM

-520

PCP 689

LOCATIONS

22

PCP 22

CLUB m2

7,908

PCP % 0.0%

UTILISATION

42.0%

PCP 46.4%

ARPM⁺

\$13.44

PCP \$27.74

CLUB MARGIN

Combined

7.4%

PCP 39.5%

CLUB MARGIN

>12 months locations

N/C

<12 months locations

N/C

CHURN

N/C

PCP 4.5%

• Excluding impacts of AASB16

⁺ Excluding GST

PCP period: October 2021 compared to June 2021

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MONTHLY RRR

\$0.9m

PCP % -9.8%

DAILY RRR

\$30,379

PCP % -12.7%

MEMBERS

167,871

PCP % -2.6%

MEMBERS NMM

-4,499

PCP 3,846

LOCATIONS

200

PCP 198

Represents the Australian Fitness Management (Master Franchisor) business
and does not include corporate owned Plus Fitness locations performance

Excluding impacts of AASB16

Revenue for AFM can vary each month depending on club openings

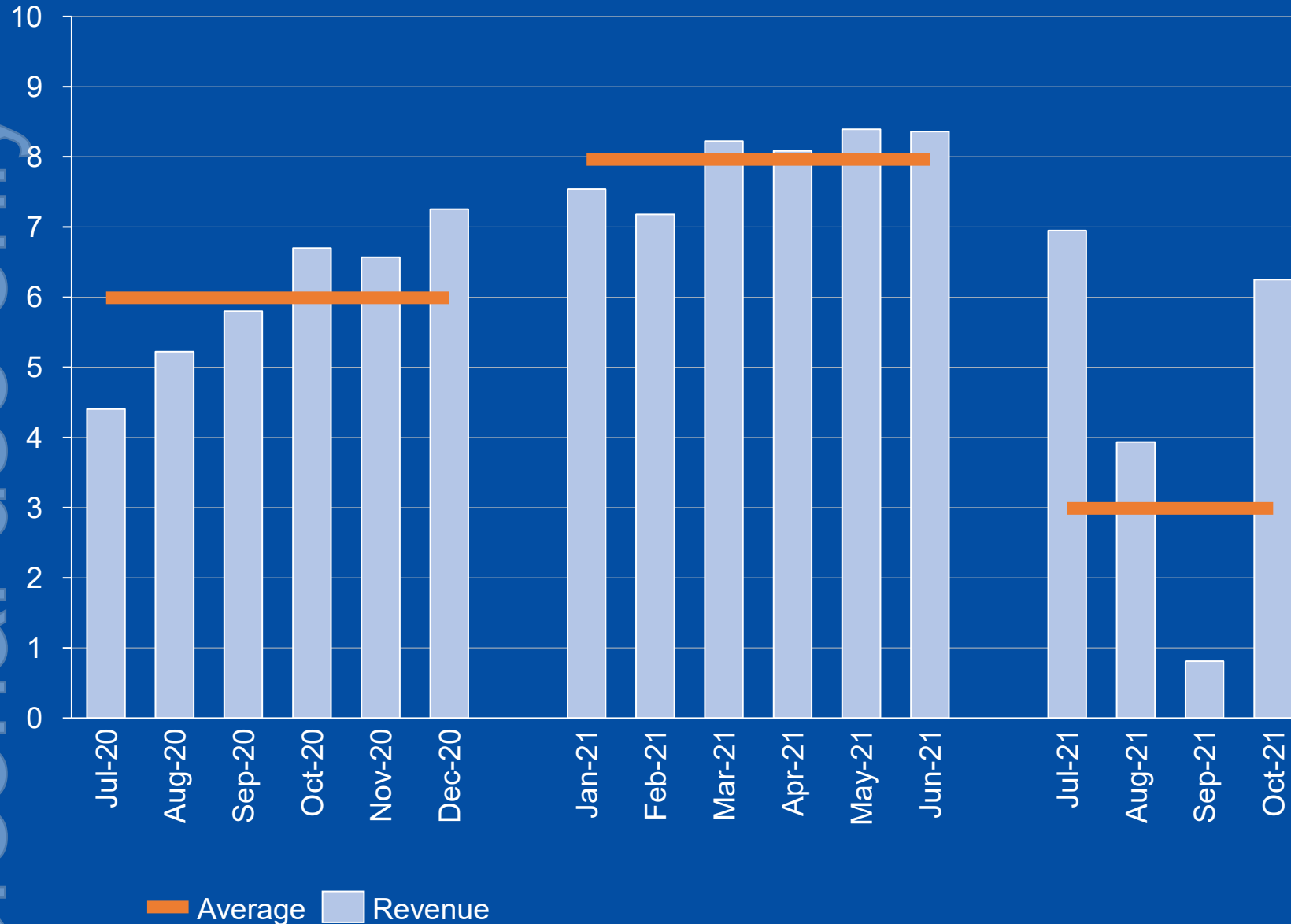
The Members NMM includes the movement of -2,357 members from Plus Fitness franchisee acquisitions during the period

PCP period: October 2021 compared to June 2021

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Revenue (\$m)



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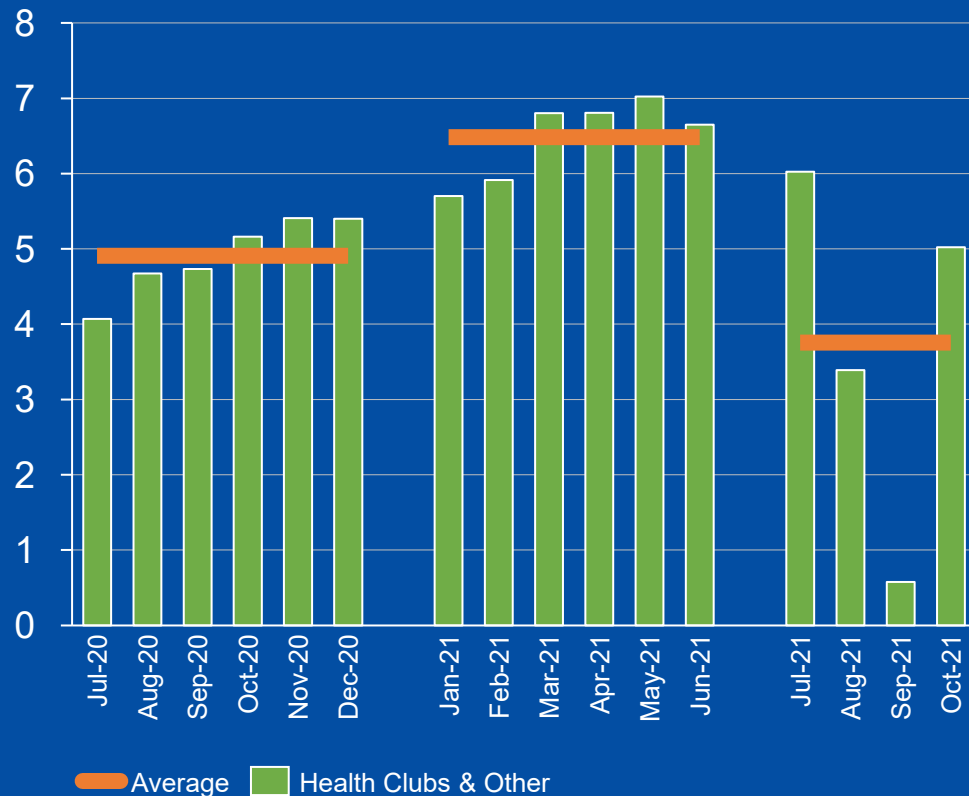
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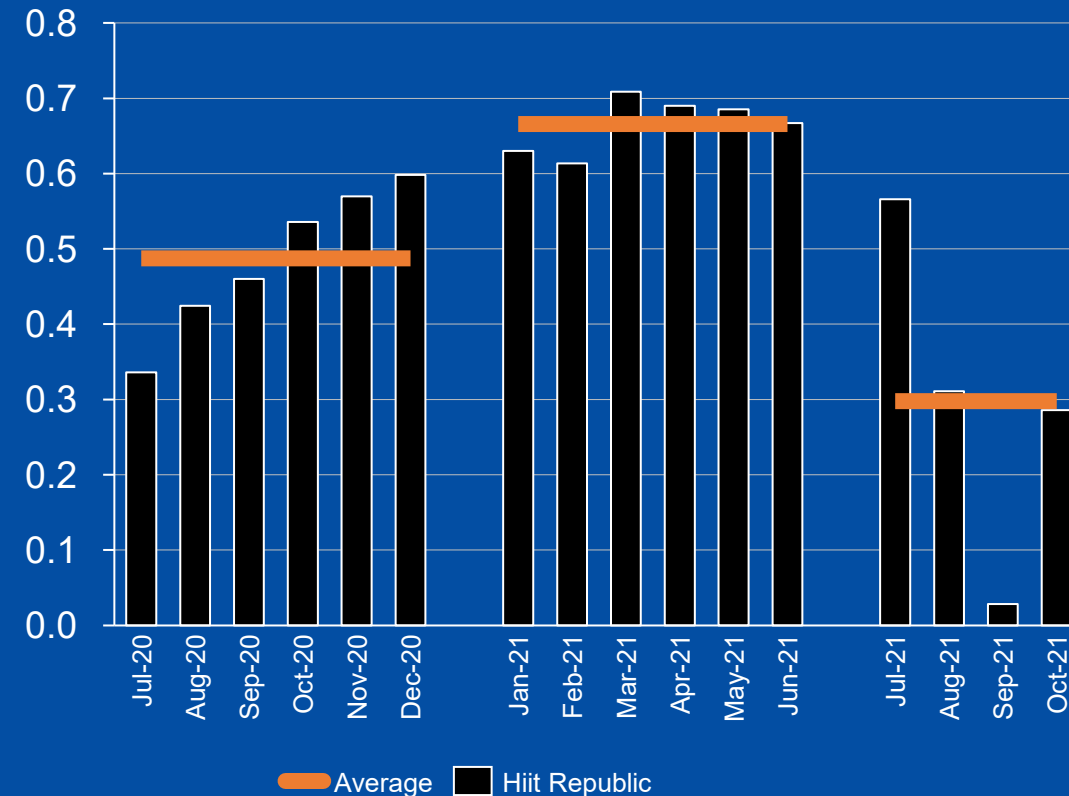
- September and October were significantly impacted by mandatory lockdowns
- Queensland was the only State permitted to trade essentially uninterrupted
- In mid October the ACT and NSW re-opened, with Victoria re-opening in late October/early November
- Revenue for October 2021 includes ~\$650k of NSW Government COVID support

Revenue (\$m)

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- Revenue in the “Health Clubs & Other” Group comprises all revenue from health club brands (Club Lime, FitnFast, Pinnacle, etc), Aquatics and Swim School revenue, Boutique studio revenues, Viva owned Plus Fitness locations and corporate head office revenues;
- Revenue decreases in June through to October 2021 due to COVID lockdowns in all States & Territories.
- October 2021 revenue includes ~\$650k of NSW Government COVID support



- Hiit Republic revenue continues to increase as greenfield rollouts open;
- Revenue decrease in June through to October 2021 due to COVID lockdowns in all States & Territories.

Revenue by Geographic Region (\$m)

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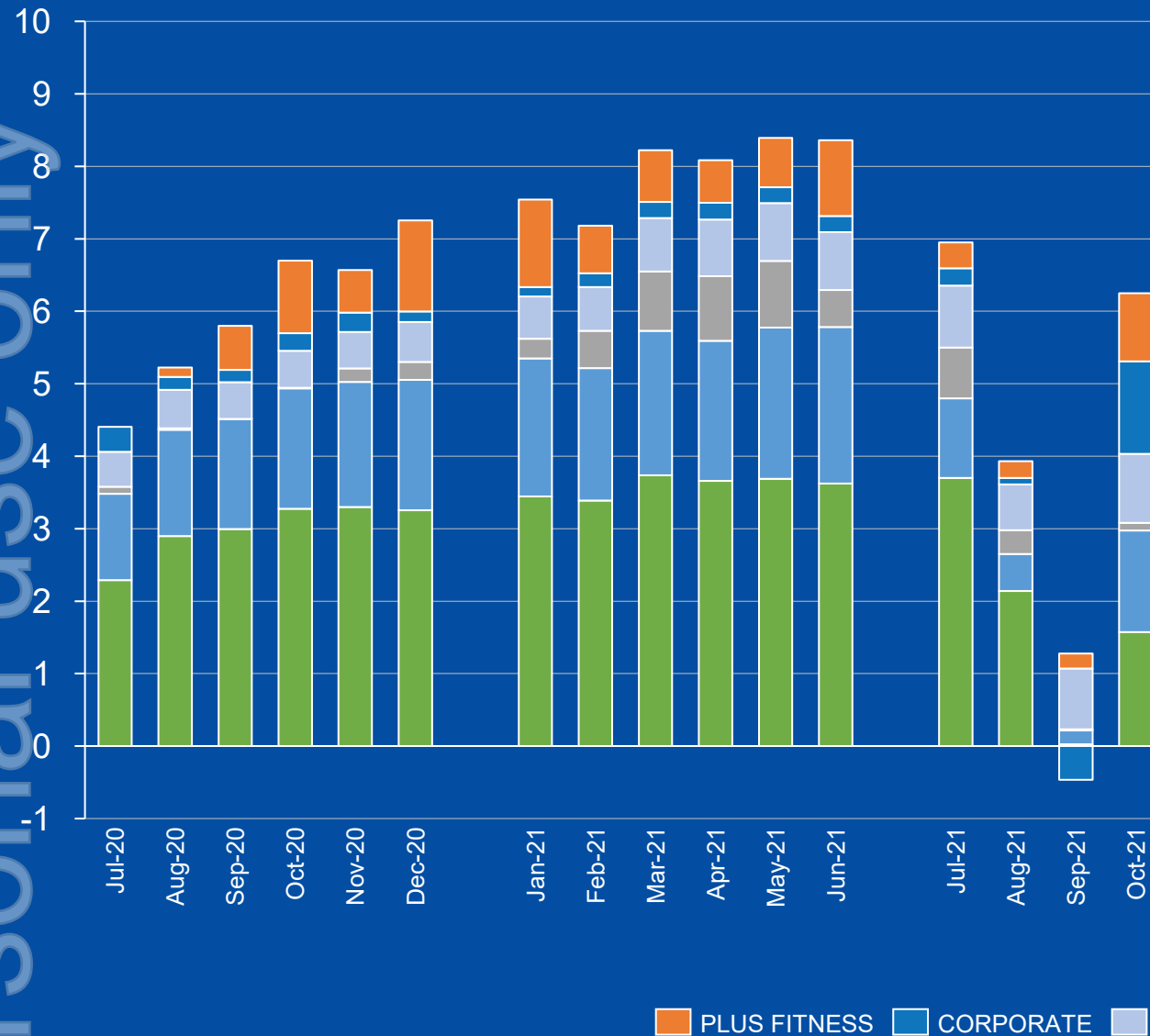
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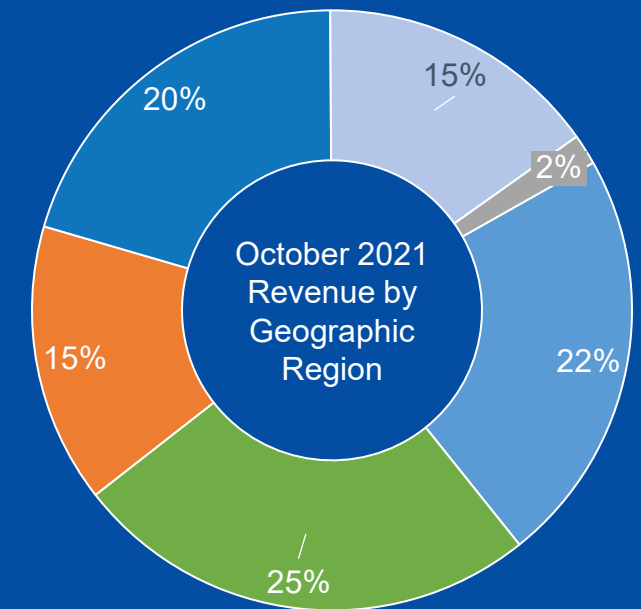
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- September 2021 revenue severely impacted by COVID lockdowns. Negative income for Corporate's in September represents credit's issued;
- QLD was the only State to trade regularly in September and October 2021.
- Minimal VIC revenue represents metro and regional VIC re-opening in the last few days of the month



Revenue Movement (\$'000)

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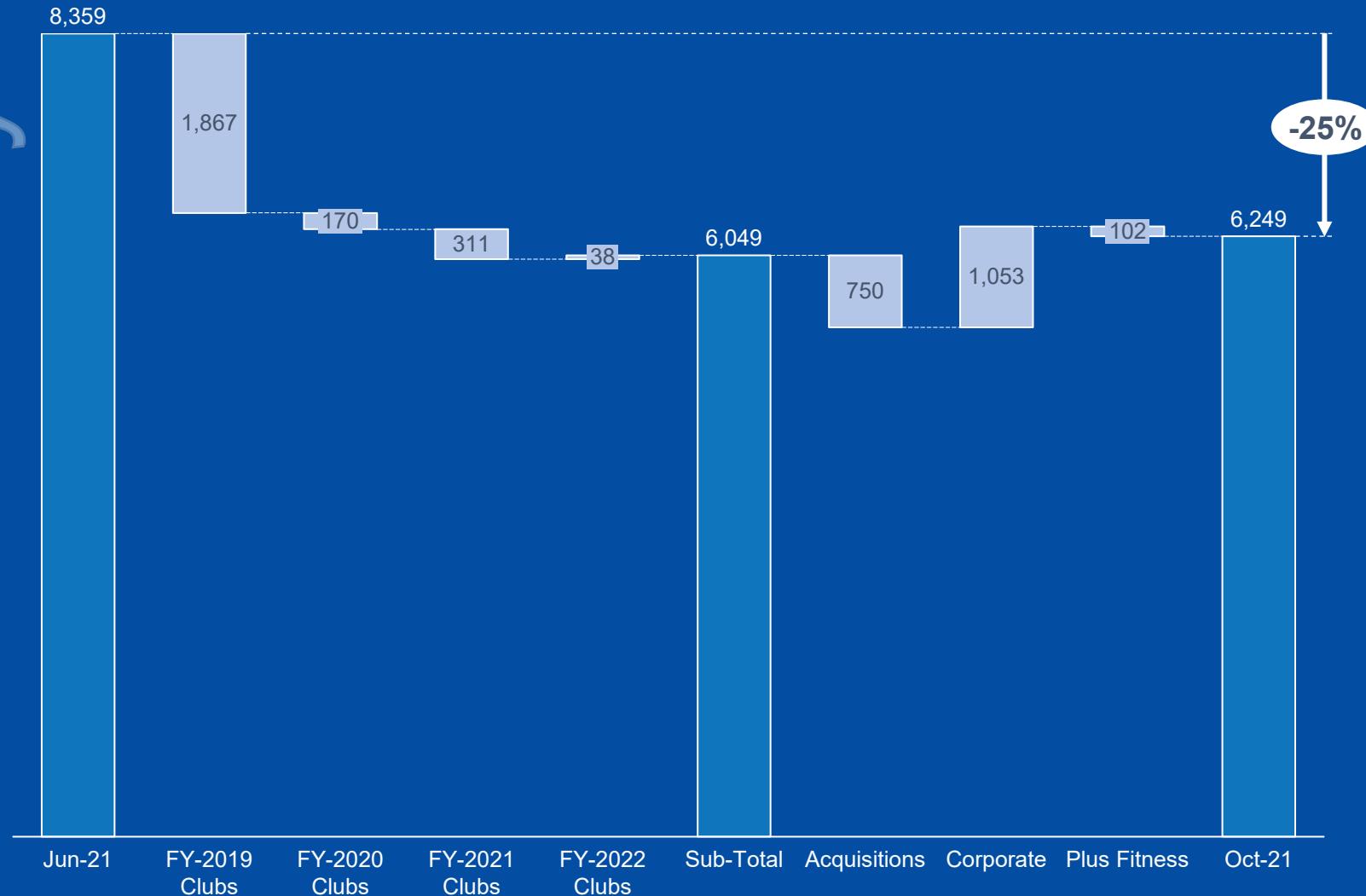
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- Revenue movement from June 2021 split by the Financial Year in which clubs opened or were acquired
- FY2019 refers to clubs opened or acquired in FY2019 as well as any clubs from previous years
- Revenue for October 2021 was affected by Government mandated COVID-19 lockdowns in the ACT, NSW and VIC.
- On a day/club count, October was open 62% of available days, and closed 38%, with revenue 25% down when compared to June 2021
- Acquisitions column represents revenue in the period from clubs acquired since 1 July 2019

Locations

AUSTRALIA

VIVA

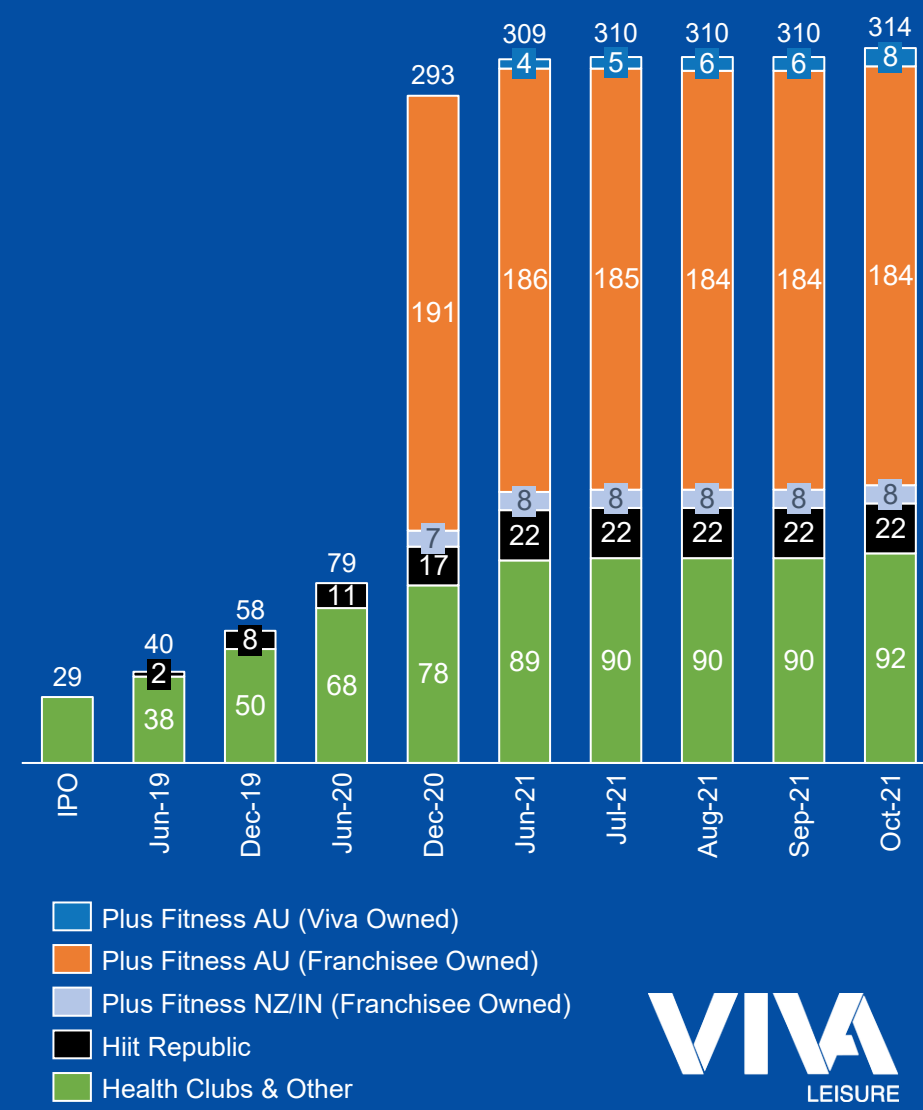
PLUS

As at 31 October 2021

MARKET UPDATE (SEP/OCT 2021)

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

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Locations

AUSTRALIA



As at 31 October 2021

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- Health Clubs & Other includes the following brands:
 - Club Lime
 - FitnFast
 - Pinnacle
 - Psycle Life
 - Studio by Club Lime
 - GroundUp
- As well as recent acquisitions
 - Active Life (Norman Park, QLD)
 - Coffs Coast (Coffs Harbour, NSW)
 - G-Fitness (Rhodes, NSW)
 - One-Health and Fitness (South Morang, VIC)
- And the following segments:
 - Aquatics
 - Swim School
- Plus Fitness Corporate owned locations shown separately



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- Greenfields rollouts continue to open as the brand expands interstate, however rollout put on hold during most recent COVID lockdowns (July to October 2021)
- Five additional locations secured and in the process of opening (Refer Greenfield Locations slides)

AUSTRALIA

Hiit Republic

As at 31 October 2021

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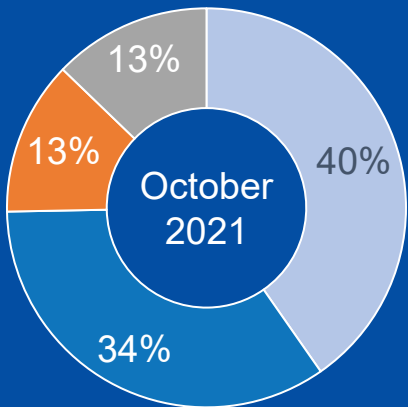
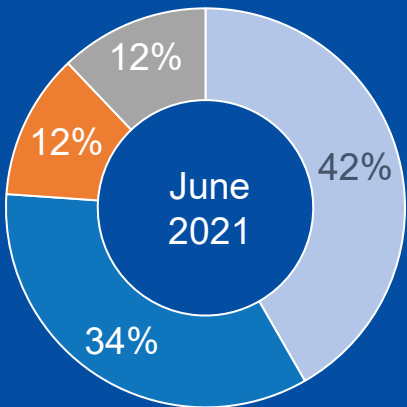
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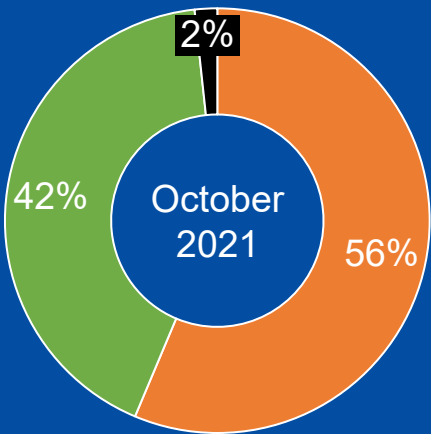
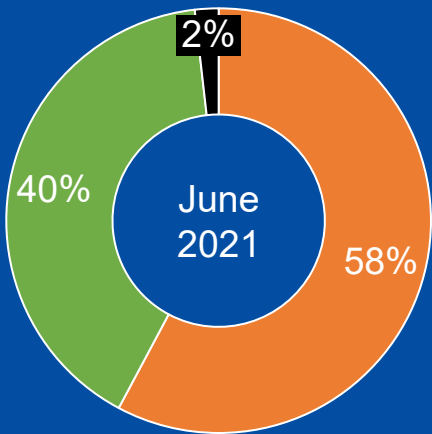
Members by State

Viva owned locations only

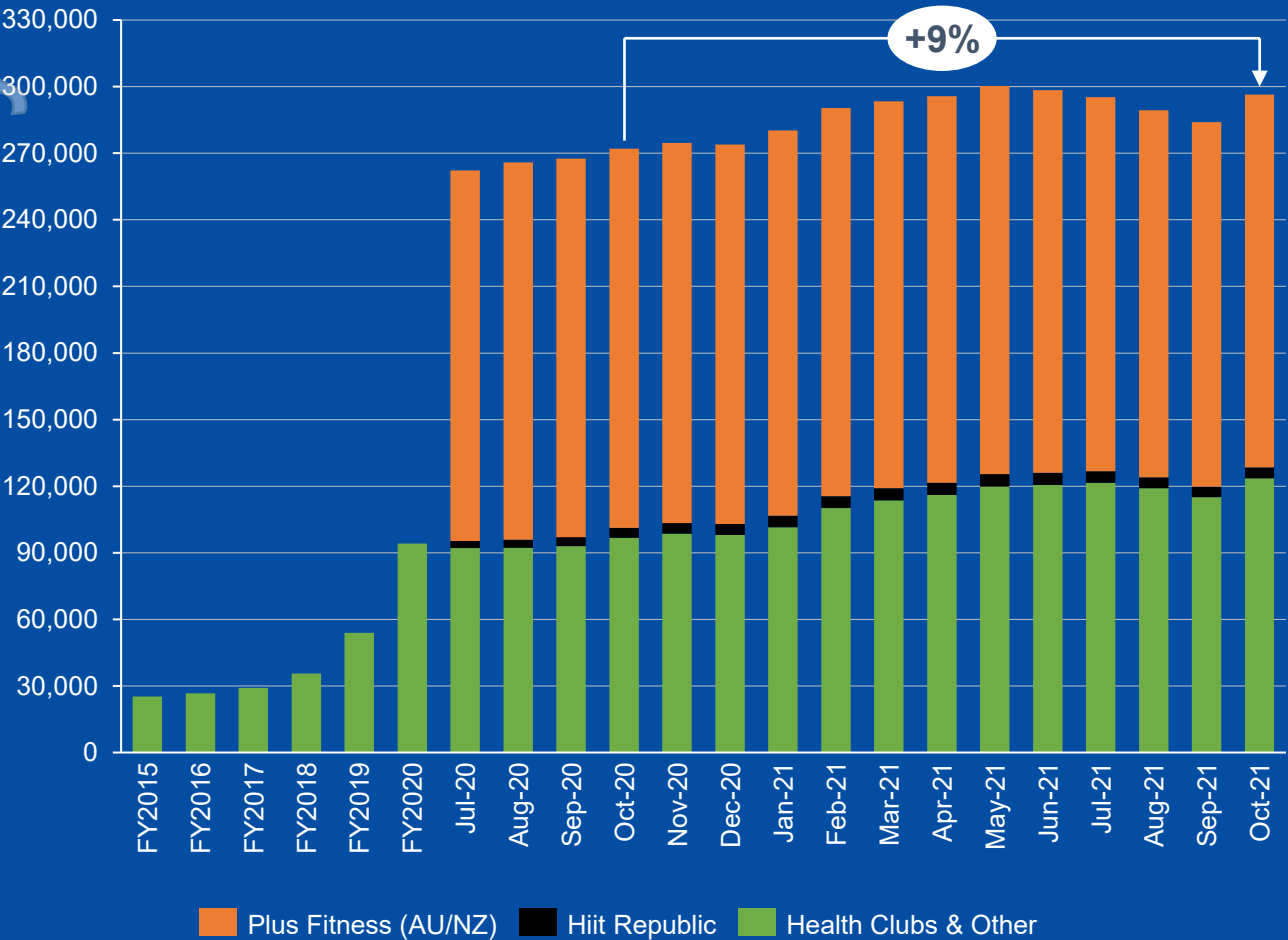


ACT NSW VIC QLD

Members by Segment



Plus Fitness (AU/NZ) Health Clubs & Other Hiit Republic



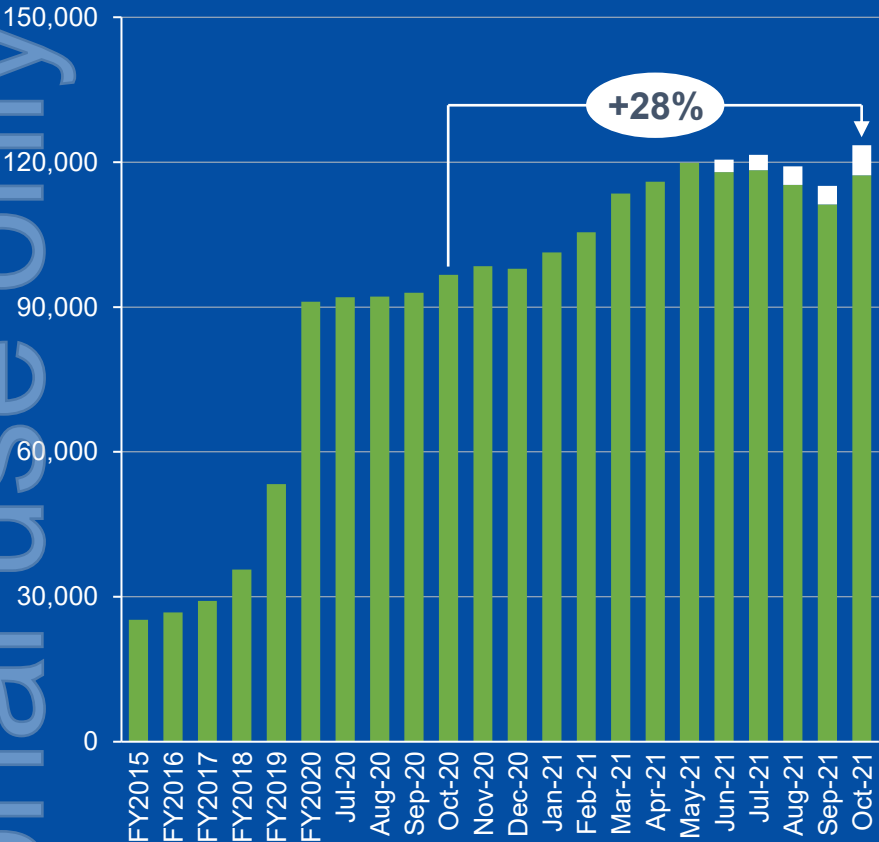
Plus Fitness (AU/NZ) Hiit Republic Health Clubs & Other

From June 2021, Plus Fitness Corporate Owned locations now included in **Health Clubs & Other** for all charts on this page

Member Growth by Segment

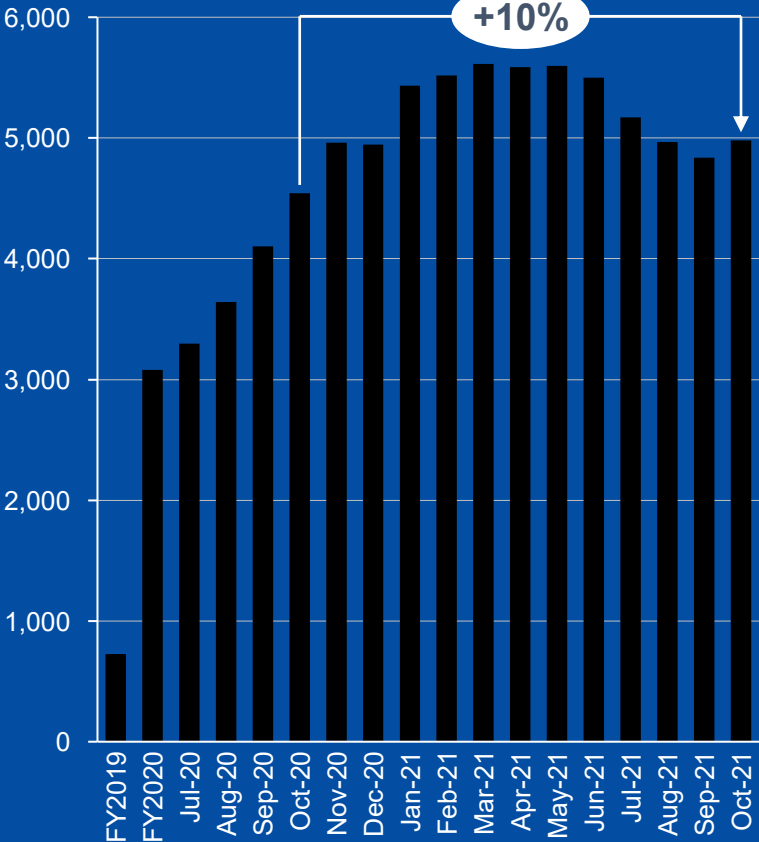
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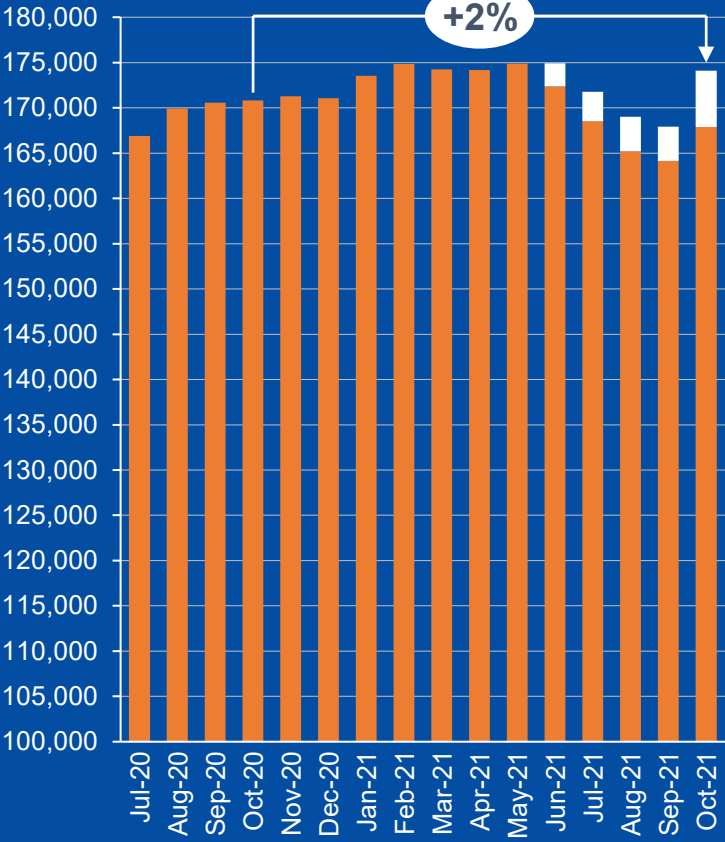


■ Plus Fitness (Viva Owned)
■ Health Clubs & Other

Includes Plus Fitness Corporate Owned locations from June 2021



■ Hiit Republic



■ Plus Fitness (Viva Owned)
■ Plus Fitness (AU/NZ)

Excludes India



Average Revenue Per Member (per week)

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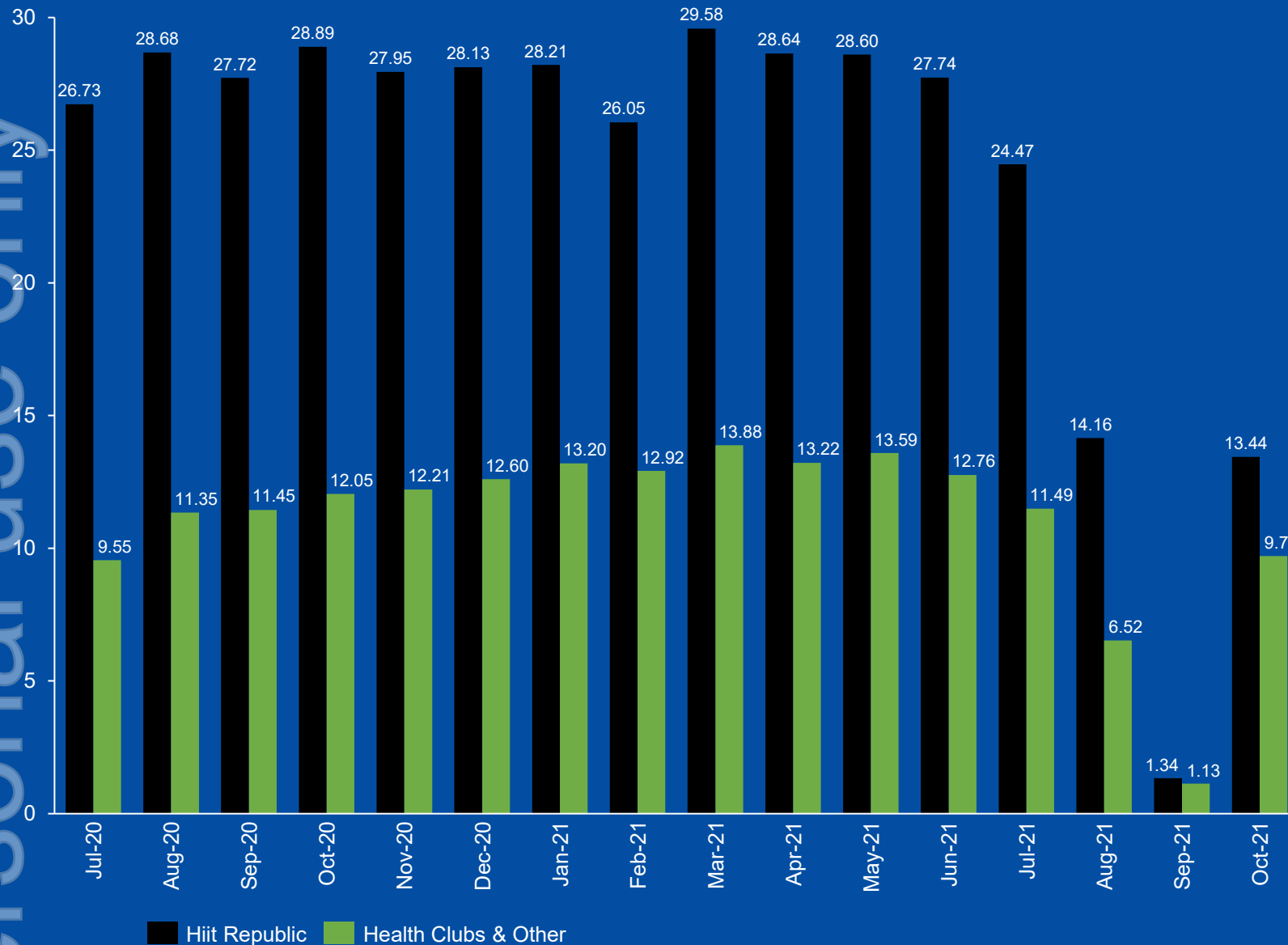
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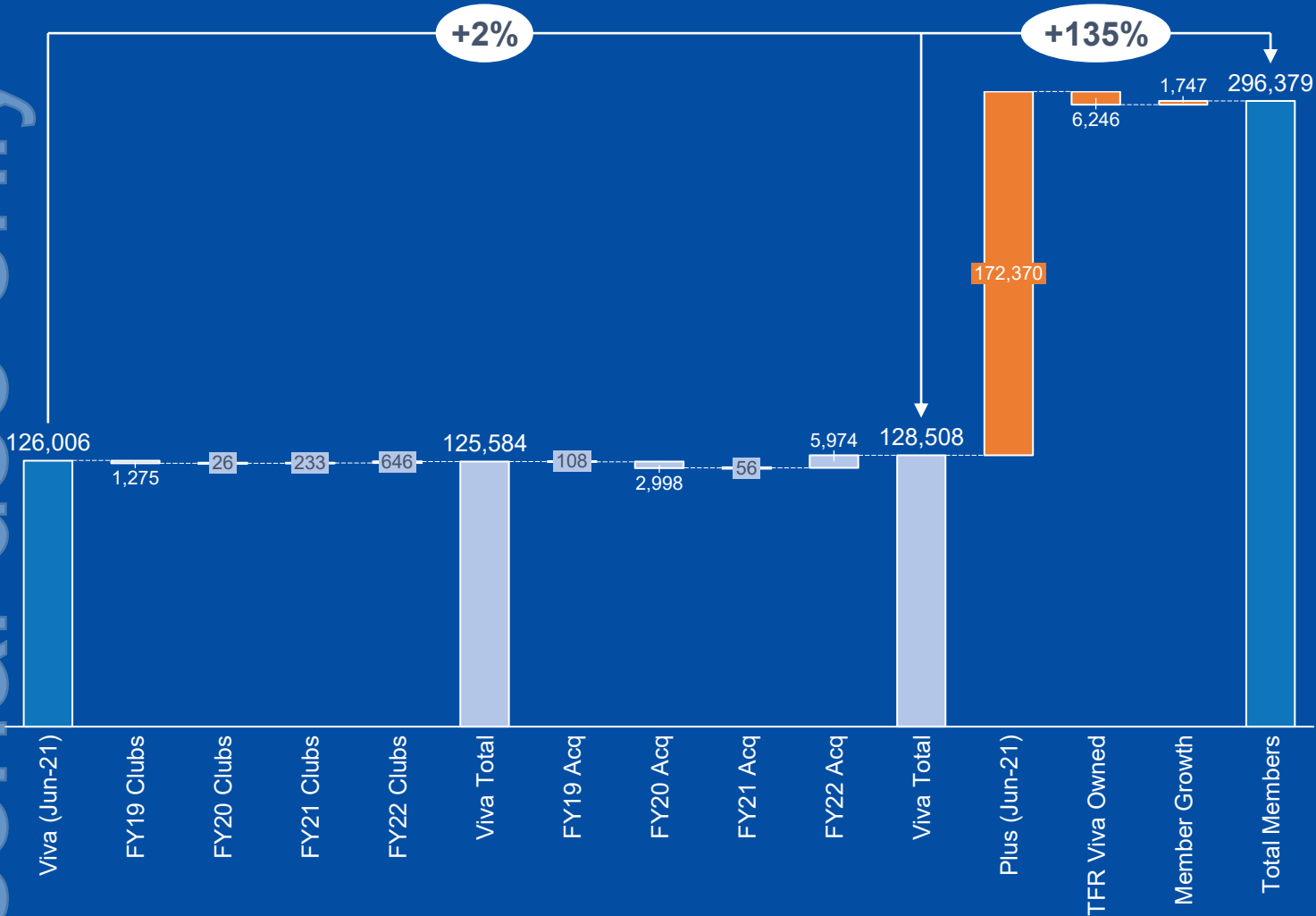
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- COVID-19 lockdowns in most States and Territories has directly affected revenue, which in-turn affects Average Revenue Per Member
- September and October 2021 result not meaningful due to not trading for full periods
- Plus Fitness franchisee ARPM not available
- ARPM is shown excluding GST. Add GST to determine 'retail pricing' paid by members.

Membership Growth

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- **“FY19/FY20/FY21 Clubs”** represent membership movement for locations opened in that year
- **“FY19 Acq/FY20 Acq/FY21 Acq/FY22 Acq”** represents membership movement for locations acquired in that year
- Plus totals exclude Viva Corporate owned franchised Plus Fitness locations. Membership numbers for Corporate owned locations are included “TFR Viva Owned” column
- FY19 refers to clubs opened or acquired in FY2019 as well as any clubs from previous years

(as at 31 October 2021)

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Member Monthly Visits ('000s)

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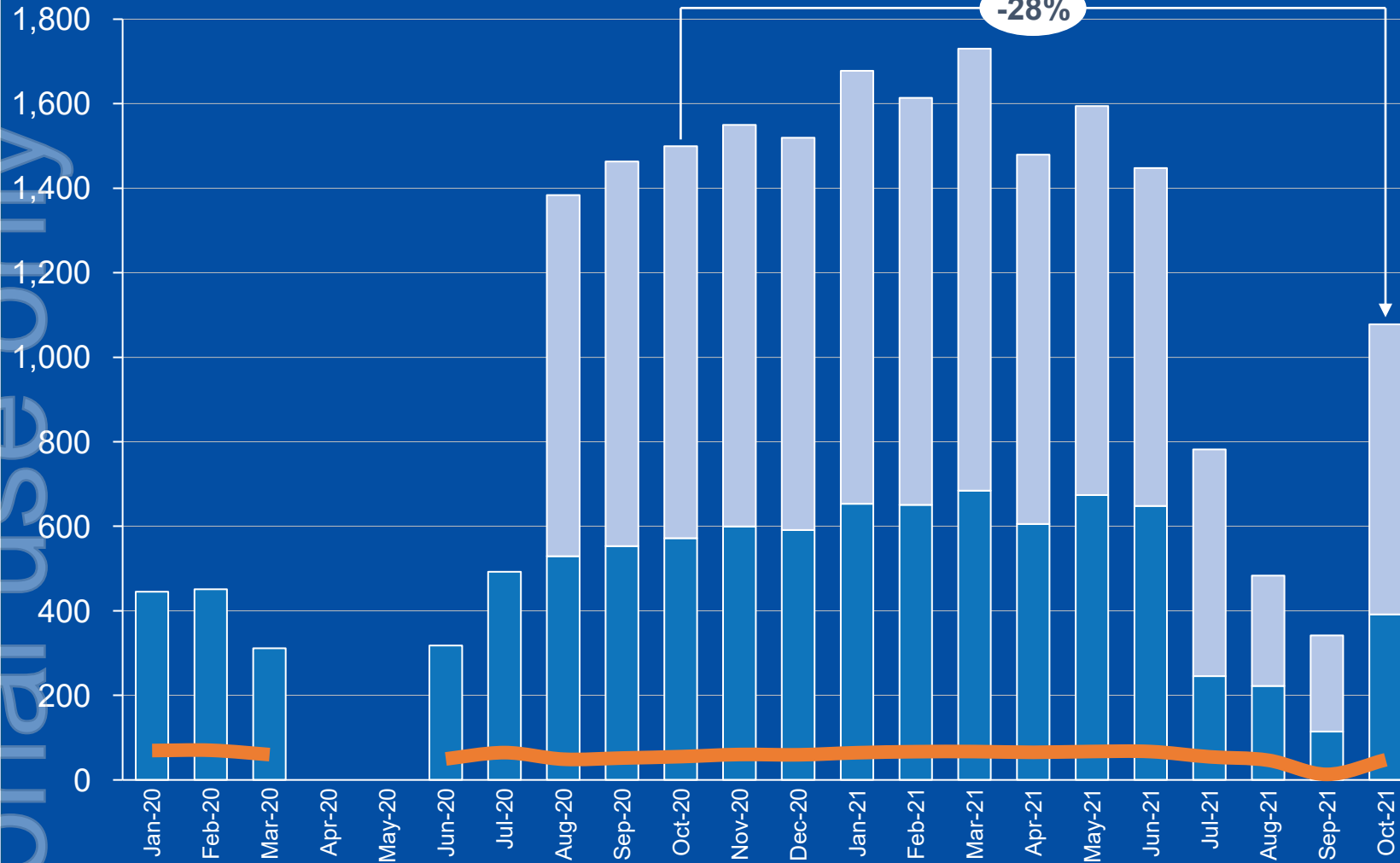
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- July through to October 2021 visitations affected by COVID-19 lockdowns in ACT, NSW and VIC
- Based on days per month
- ~20 million member visits per year across the entire network

One member visit every
2.4 seconds
 for the month of October 2021
 (was one in every 5 seconds
 in August 2021)

Viva Unique Members Plus Visits Viva Visits

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MARKET UPDATE (SEP/OCT 2021)

Health Clubs Update

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- The Club Lime portfolio continues to expand both organically, with conversions (from FitnFast) and via acquisitions.
- There are over 70 clubs in the portfolio, and the following conversions to Club Lime are expected to be completed over the next 60 days:
 - FitnFast Campbelltown, NSW
 - FitnFast Shellharbour, NSW
 - One Health, South Morang VIC
- The Club Lime portfolio is the second largest non-franchised health club brand in Australia.

- The FitnFast portfolio originally comprised of 13 locations (acquired February 2020).
- 2 remaining locations are expected to be re-branded to Club Lime and refurbished in the next 60 days.

- The Pinnacle portfolio of six locations was acquired in February 2021.
- The Clubs have been internally converted to Club Lime, and the external signage is currently being replaced. The Pinnacle network of members is currently operating on the Viva Leisure membership, access control and direct debit systems.
- The change to the Viva Leisure direct debit system from the previous supplier is expected to save ~\$20,000 per month in debit fees alone.
- Management will continue to monitor the brand and is considering potentially implementing some of the Pinnacle systems into various Club Lime locations which have been identified as suitable.



Hiit Republic Update

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hiit
republic

- The Hiit Republic portfolio comprised 22 locations as at 31 October 2021.
- The first location was opened in March 2019.
- All mature (open greater than 12 months) locations now have a minimum weekly fee of \$34.90, up from \$29.90 (for new members).
- As at October 2021:
 - Average Membership per location is 226 members (down from 250 prior to most recent COVID lockdowns)
 - Average 4-wall EBITDA margin for **mature** (open more than 12 month) locations within the hiit republic portfolio generally operate above 50%
 - Average 4-wall EBITDA margin for **non-mature** (open for less than 12 months) locations operate at approximately 10%

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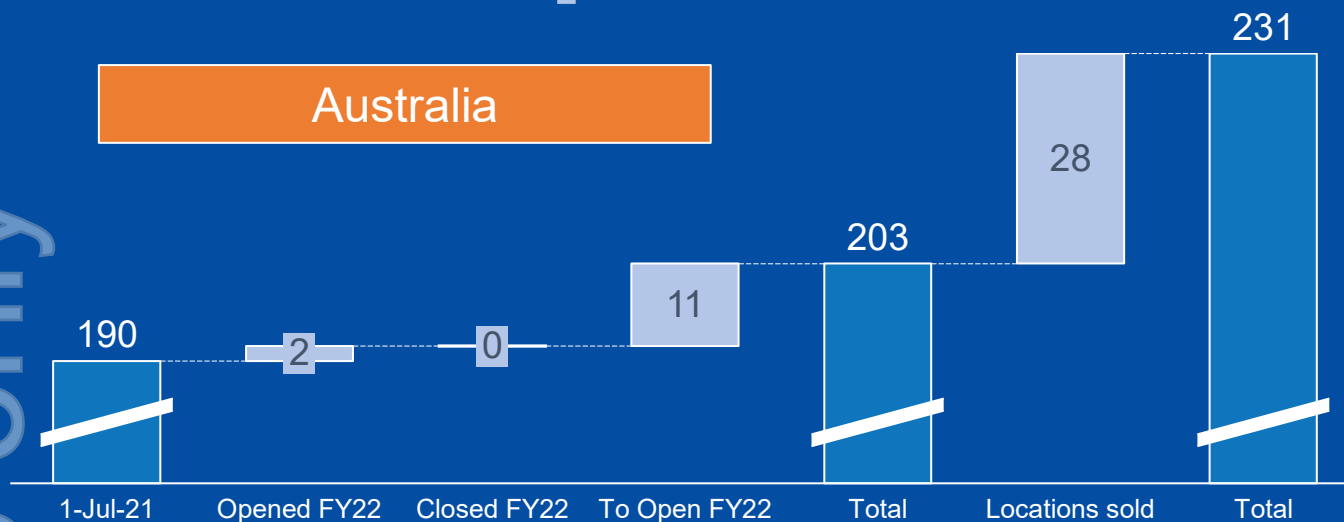
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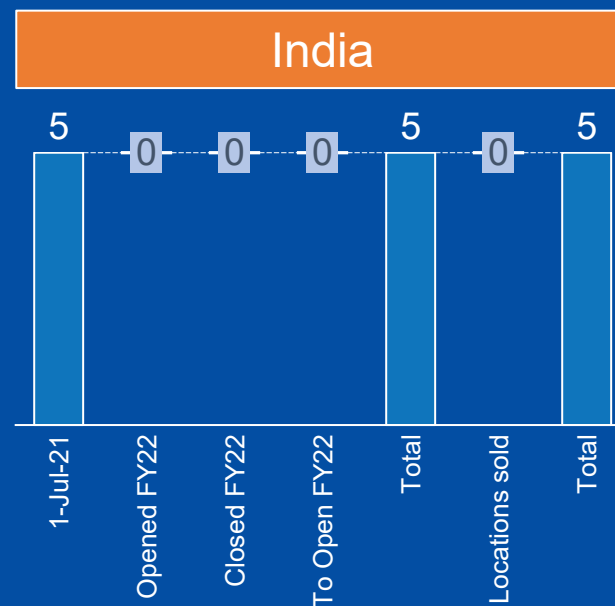
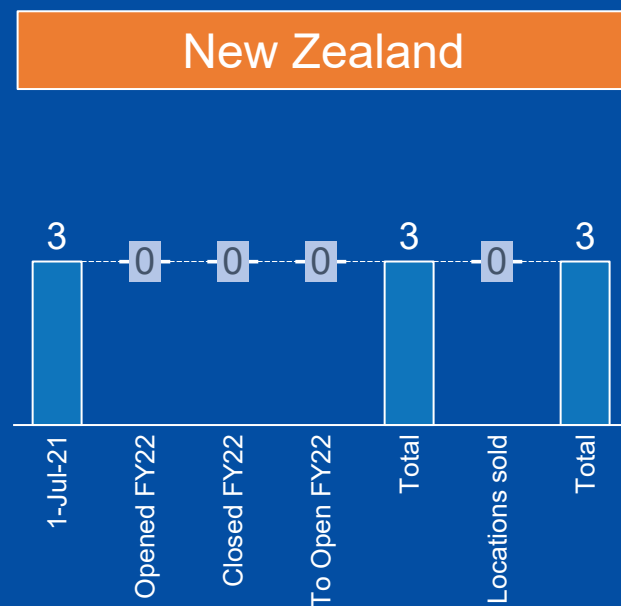
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- Australia growth of new locations slowed due to COVID-19, however the pipeline of new locations secured remains strong.
- New Zealand was stable with no new locations sold. Management plan to start considering New Zealand opportunities when travel between Australia and New Zealand is permitted.
- India has 5 locations opened and is currently seeking further territory sales in the market.
- Initiatives to assist Franchisees and ensure their businesses are more competitive and profitable are in the process of being implemented across the network as well as new rebranding and repositioning of the brand and network.



Plus Fitness Corporate Owned Locations

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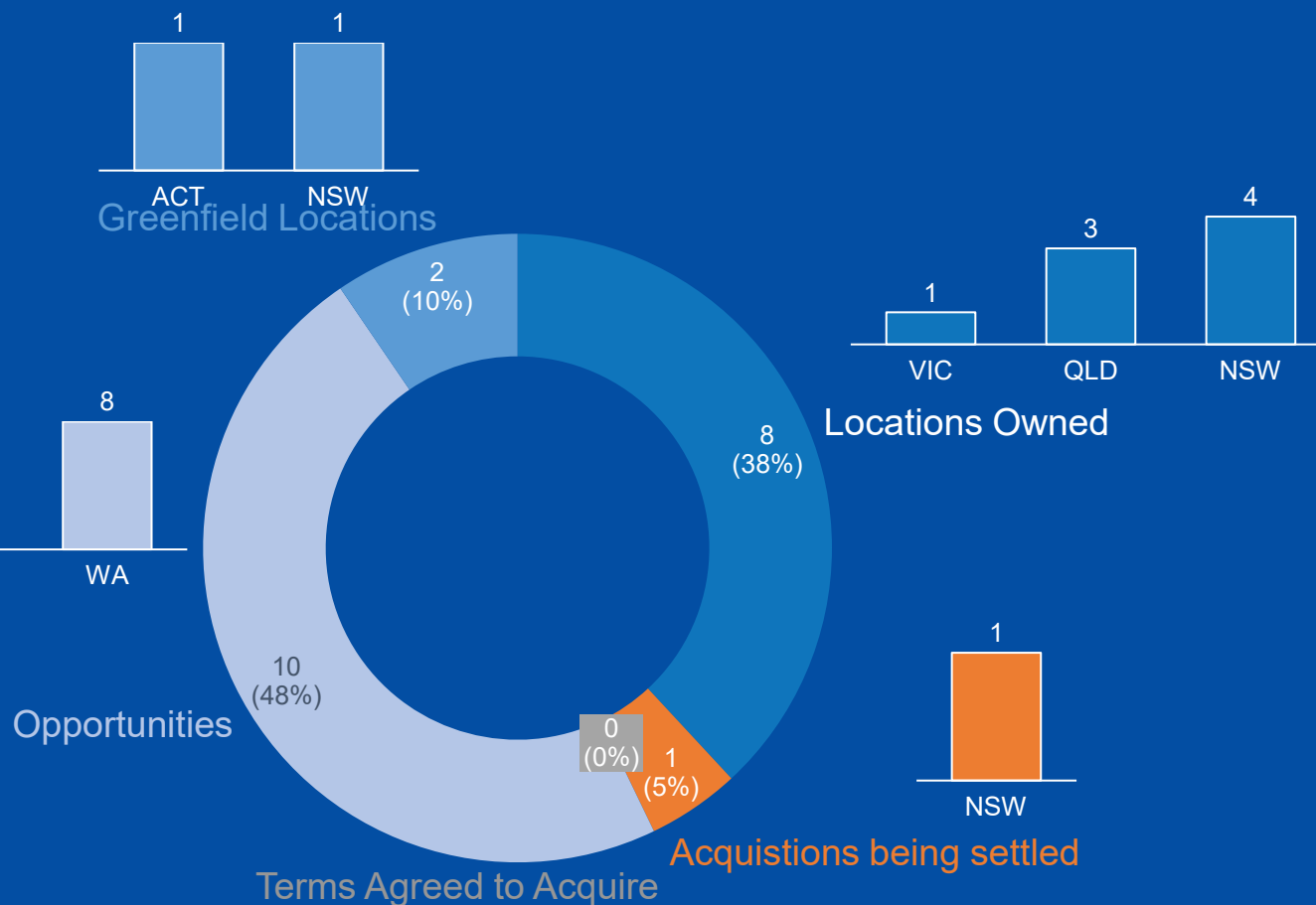
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- Viva is considering opportunities in WA for the first time
- As at 31 October 2021

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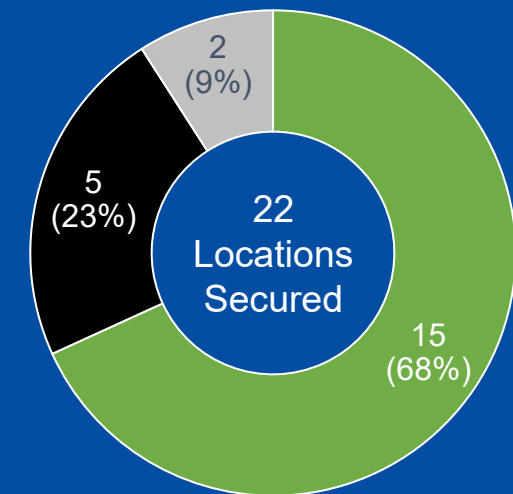
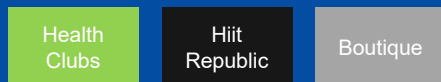
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- Greenfield locations refers to locations secured with a Heads of Agreement or Lease, and in different stages of pre-opening
- Viva's growth focus continues to be in Queensland and Victoria
- Excludes Plus Fitness greenfield locations. Refer Plus Fitness section for details.

AUSTRALIA



Health Clubs Hiit Republic Boutique

VIVA
LEISURE

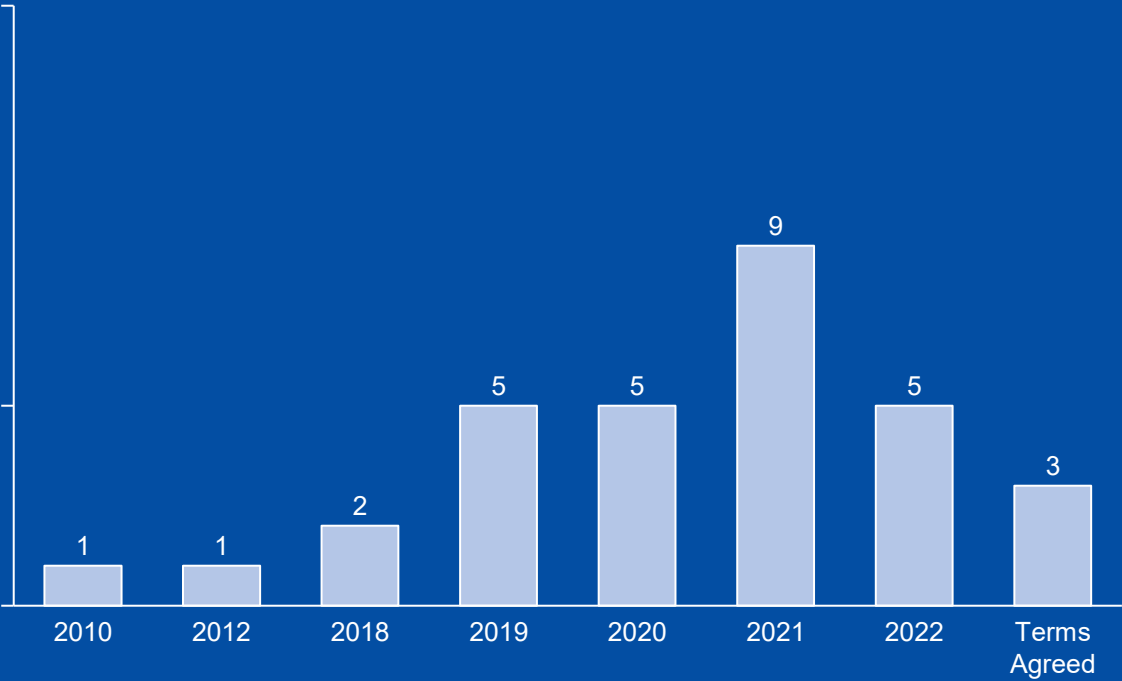
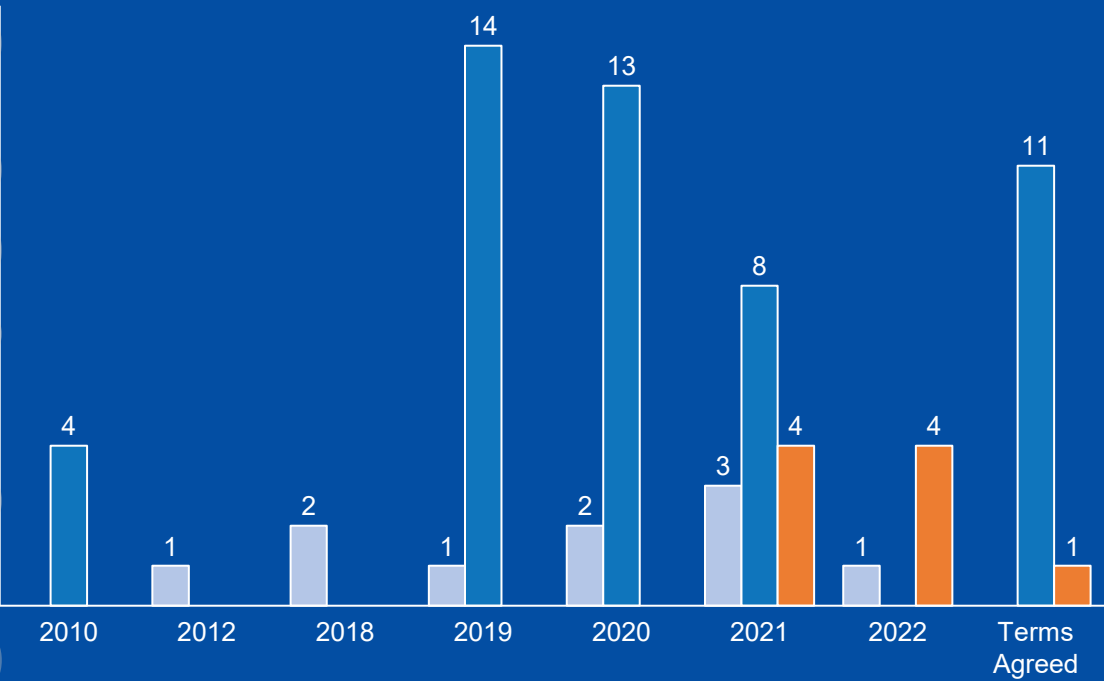
68
Locations

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Clubs Acquired by Segment

Acquisitions made



Independents
Multi-Club Chains
Plus Fitness Clubs

All dates are based on calendar years for this report.

Glossary

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Abbreviation	Explanation
AFM	Australian Fitness Management Pty Ltd (Master Franchisor for Plus Fitness)
ARPM	Average Revenue Per Member
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: June 2021 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 1.5 (Hiit Republic) to measure theoretical capacity