Financial viability of Clubs in Australia in 2015



The 2015 Clubs Census indicates that the Australian club industry continues to face financial challenges



41%

Clubs showing signs of distress or serious distress in 2015 This is measured by earnings before interest, tax, depreciation and amortisation (EBITDA) as a percentage of revenue consistent with the criteria set out by the Independent Pricing and Regulatory Tribunal in 2008 and is based on 455 responses to the Clubs Census.



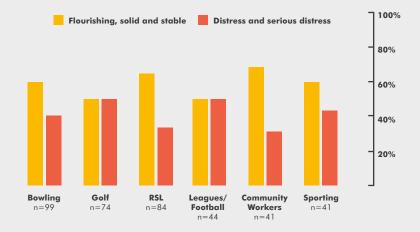


Clubs at risk of financial distress in 2015 In 2008, the Independent Pricing and Regulatory Tribunal outlined a measure of clubs at risk of financial distress as measured by their EBITDARD as a percentage of total revenue and is based on 455 responses to the Clubs Census.

Financial viability of Clubs in Australia in 2015

59 %	41%
Flourishing, solid and stable	Distress and serious distress

Financial viability of Clubs by club type in Australia



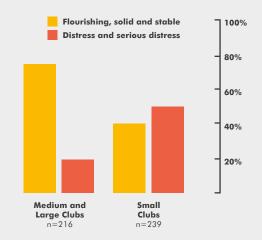


This information has been extracted from, and should be read in conjunction with, the report prepared by KPMG outlining the key findings from the 2015 National Clubs Census. A copy of this report is available at www.clubsaustralia.com.au.

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Financial viability of Clubs by club size in Australia

Financial viability varies by club size. Only 24 per cent of medium and large clubs, those that earned more than \$1 million in annual gaming revenue showed signs of distress or serious distress in 2015. In contrast, 57 per cent of smaller Clubs, those earning less than \$1 million in revenue showed signs of distress or serious distress.



Case study – Hurstvile RSL Club

Hurstville RSL Club exhibited signs of financial distress in the 2011 Clubs Census. In 2013, Hurstville RSL completed an Expression of Interest for amalgamation and amalgamated with South Hurstville RSL Club in May 2015 to form The Pinnacle Club Group, which operates both premises. The amalgamation of the two Clubs allows both Clubs to operate at a more significant scale and extends their reach to a greater number of members and guests.

	HURSTVILE RSL	SOUTH HURSTVILE RSL	THE PINNACLE
	7,500	5,500	13,900
	Members	Members	Members
S	\$1.5M	\$4.4M	\$7.6M
	Total Revenue	Total Revenue	Total Revenue
S.	-\$250K	+\$308K	\$1.2M
	Net profit	Net Profit	Net Profit

2011

2015



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