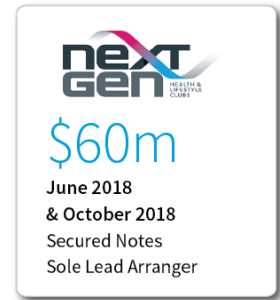


Case Study

Next Generation Clubs Australia Pty Ltd ("Next Gen")



	Tranche I	Tranche II
Issue Date	June 2018	October 2018
Amount	\$45m	\$15m
Term	5 years	4.75 years
Maturity	22 June 2023	
Structure	Partially Amortising	
Ranking	Senior Secured	

Issuer Profile

The Next Gen group owns and operates 6 premium health clubs in capital cities across Australia and New Zealand. The clubs offer multi-service health, wellness and leisure facilities including tennis and squash courts, indoor and outdoor pools, spas, saunas and full services gyms. Next Gen has more than 28,000 members, skewed to families and a mature demographic, which results in a more loyal membership base with longer tenors and higher retention rates compared to industry benchmarks.

Issuer Need

Prior to raising a bond, Next Gen had maintained a long-term relationship with a traditional financier. To realise Next Gen's growth aspirations, it was recognised that, longer term, more flexible funding was required.

FIIG Solution

The bond transaction arranged by FIIG refinanced the group's existing bank debt, but was also structured to provide an additional tap, funding the construction of a new club that Next Gen will develop in Melbourne in 2019. The Note also provided greater flexibility for Next Gen, allowing the business to reinvest cash flows to fund further growth. It is the first time that FIIG has structured a bond to fund a specific construction project, and demonstrates FIIG's ability to tailor and facilitate bespoke transactions for prospective Issuers.

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