

FINANCIAL YEAR 2021 HALF-YEAR RESULTS

SIGNIFICANT GROWTH ACROSS THE BUSINESS

February 2021

JOYCE CORPORATION

STRONG HALF YEAR WITH RECORD RESULTS

Multiple Highlights Across the Group

- Significant uplift in cash position, profit and dividend for first half of FY 30 June 2021.
- Robust consumer demand and higher sales levels converted to strong earnings growth across all businesses in the Group.
- Streamlined Company structure following finalisation of divestment of Lloyds Online Auctions (\$3.3m received).
- Focus on operational excellence at KWB Group and Bedshed to support the brands, upskill our people and enhance customer experience.
- Record fully-franked dividend of 7 cents from \$4.8m Net Profit After Tax attributable to Joyce Shareholders.
- Targeting full year dividend payout ratio of 60-80% of NPAT seeking to deliver a steady increase over time.

\$52.8m

Revenue

↑16% on 1H20

\$7.6m

Group NPAT

↑119% on 1H20

\$4.8m

NPAT Attributable
to JYC S/Holders

↑208% on 1H20

17.10cps

EPS

↑208% on 1H20

\$12.9m

Operating Cash
Flow

↑336% on 1H20

\$12.7m

Group Net
Cash

↑159% on FY20

7.00cps

Interim Dividend

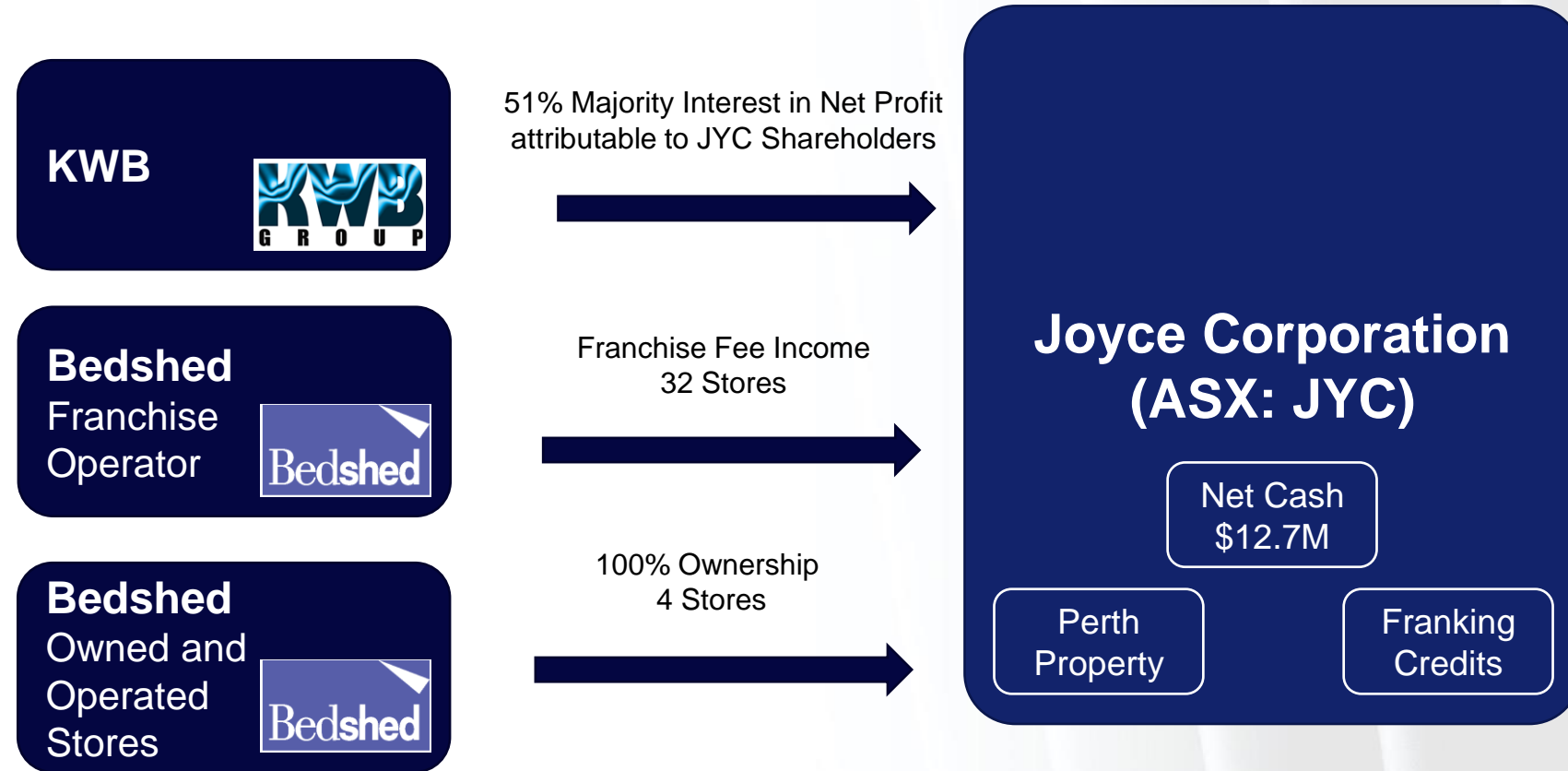
↑40% on 1H20

JOYCE CORPORATION

COMPANY STRUCTURE

- Fast-growing ASX-listed company invested in and operating quality Australian businesses with exciting organic growth potential.
- Committed to delivering increased earnings while establishing a solid platform for future growth.
- KWB Group and Bedshed well positioned to capitalise on strong demand from consumers for housing renovations and household goods.
- Planning underway for next phase of growth - Newly appointed Chair and CEO.

Flow of Economic Interest into Joyce Corporation



RESULTS OVERVIEW

RETURNS TO SHAREHOLDERS

Increasing Returns to Shareholders

Joyce Corporation	FY21 Interim	FY20 Interim	FY20 Total	FY19 Total	FY18 Total
Dividend (cents)	7.0	5.0*	10.0	11.7	11.0
NPAT - continuing operations (\$'000)	4,806	1,560	(1,107)	3,281	3,380**
Dividends paid (\$'000)	1,971	1,404	2,801	3,552	3,077

* Deferred due to COVID-19 outbreak and paid Sept 2020

** Includes Lloyds Online Auctions as continuing operations

Record interim dividend of 7 cents fully franked (~50% of normalised NPAT)

Targeting full year dividend payout ratio of 60-80% of NPAT

Seeking to deliver a steady increase in shareholder returns through dividends both in dollar terms and as a % payout ratio of normalised NPAT

Share Price (daily close (\$))



RESULTS OVERVIEW

KEY FINANCIAL PERFORMANCE METRICS

Multiple Highlights Across the Businesses

Joyce Corporation Consolidated Results	1HY21 (\$'000)	1HY20 (\$'000)	Variance (\$)	Variance (%)
Revenue (from continuing operations)	52,855	45,458	7,397	16%
Contribution margin (from continuing operations)	27,785	22,199	5,586	25%
<i>Contribution margin (% of revenue)</i>	<i>53%</i>	<i>49%</i>	<i>n/a</i>	<i>4%</i>
Total Group Expenses	14,054	14,705	(0,651)	-4%
<i>Expenses (% of revenue)</i>	<i>27%</i>	<i>32%</i>	<i>n/a</i>	<i>-5%</i>
EBITDA (from continuing operations)	13,731	7,494	6,237	83%
Net profit after tax (from continuing operations)	7,620	3,473	4,147	119%
EPS - cents (from continuing operations)	17.10	5.57	11.53	208%

Revenue growth driven by strong consumer demand

Revenue growth complimented by improved contribution margin

Expenses reduced in total resulting in improved Net Profit and Profit Margins

Clear benefit to bottom line and shareholder return

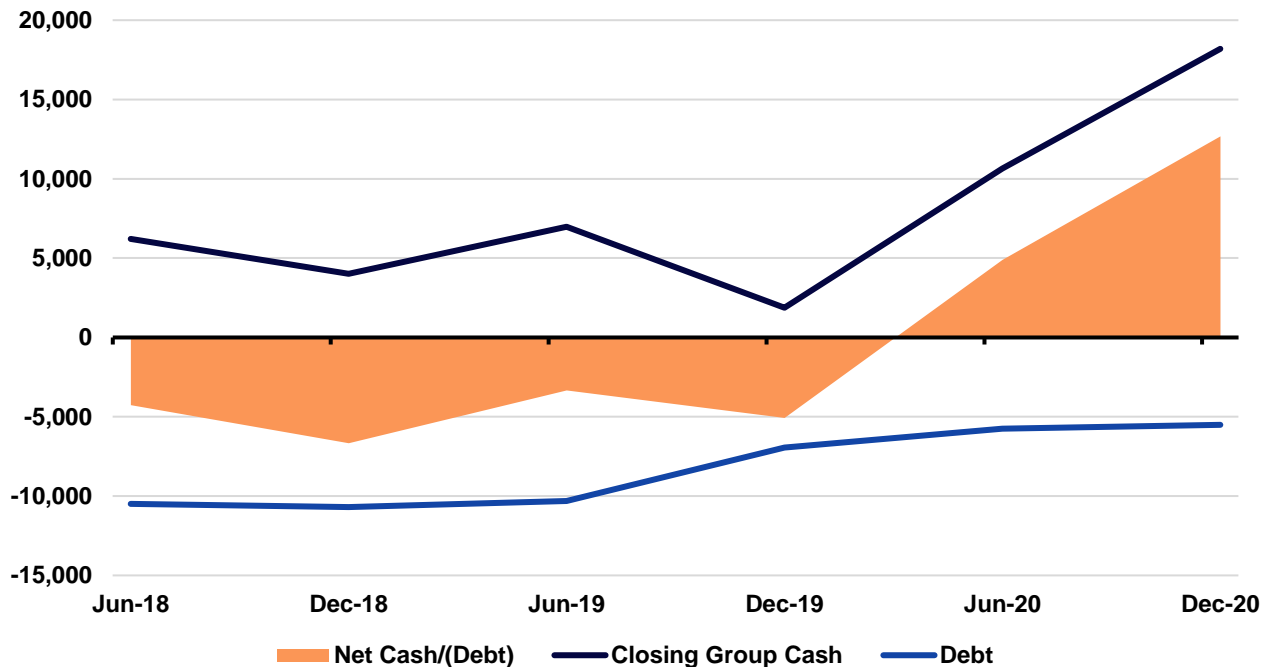
Return of funds from JobKeeper to ATO - consistent with core values

RESULTS OVERVIEW

KEY FINANCIAL POSITION METRICS

Strong Balance Sheet – Platform for Growth

Joyce Corporation Consolidated Results	Dec 20	Jun 20	Dec 19
Closing Group Cash	18,203	10,643	1,881
Debt	(5,521)	(5,751)	(6,952)
Net Cash/(Debt)	12,682	4,892	(5,071)



Increase in profitability - direct improvement in operating cashflow (\$12.9m vs \$3.0m)

Low working capital requirements due to streamlined operations across the Group

Substantially improved Net Cash Position of \$12.7M with low debt levels and gearing ratio

Property held by KWB and JYC Corporate office underpins the strength of the balance sheet

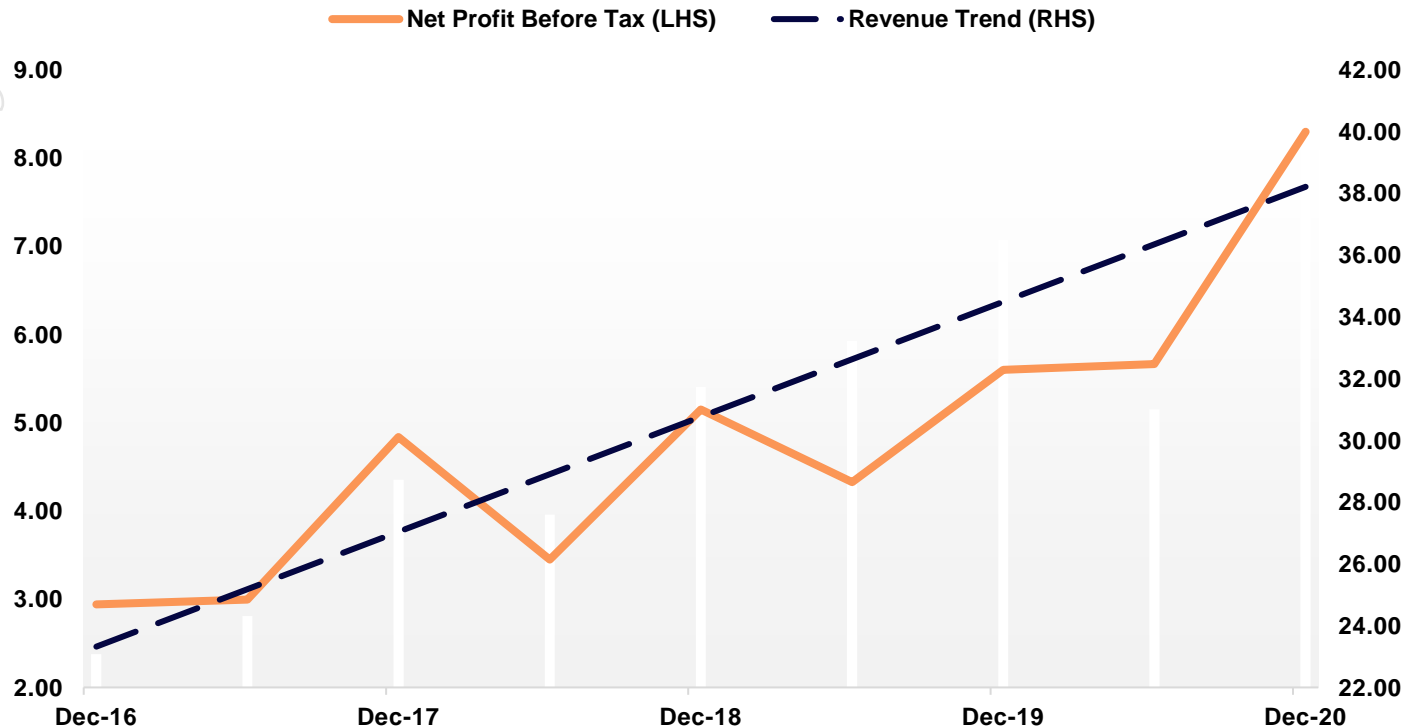


KWB GROUP REVIEW

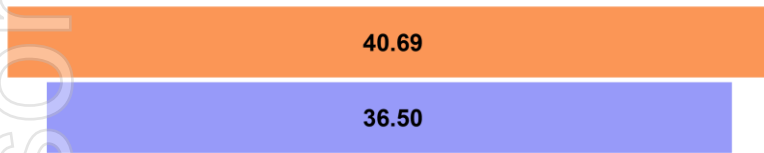
RECORD TURNOVER AND
PROFITABILITY



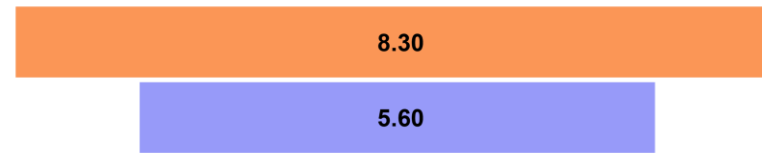
Revenue & NPBT (\$m)



Segment Revenue \$m (1HY21 vs 1HY20)



Segment Earnings \$m (1HY21 vs 1HY20)



Record order book for six-month period converted to record revenue for the period

Continued strength of Order Book provides platform for strong full year revenue

Continued strong operating margins

Successful expansion into Central Coast NSW and greater Sydney

KWB GROUP SNAPSHOT

STRENGTHENING THE BRAND AND GROWING THE FOOTPRINT

23 Company Owned Showrooms with plans for continued growth

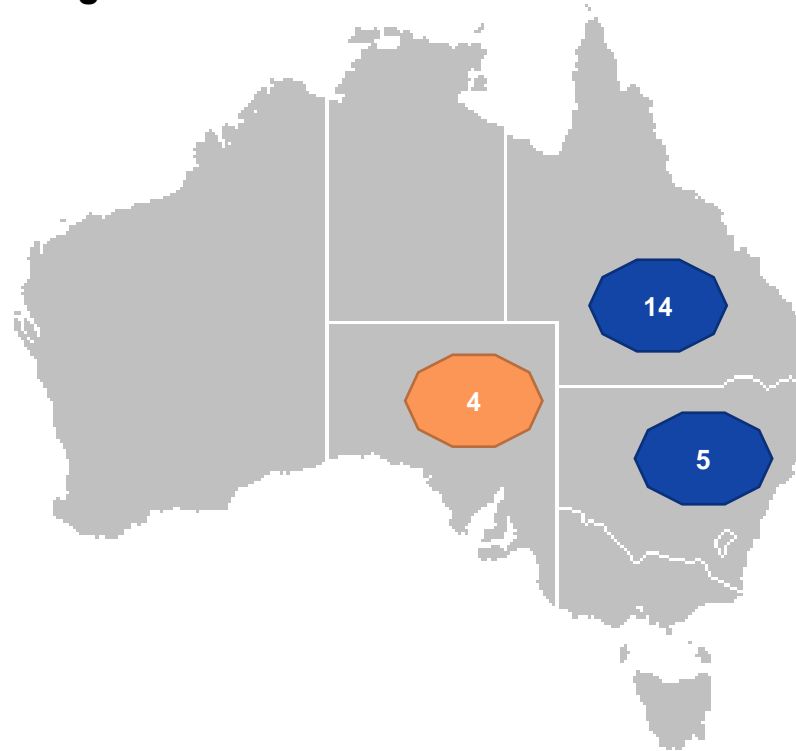
Three new showrooms successfully opened in NSW with strong trading during the half-year:

- Tweed Heads
- Tuggerah Lakes
- Castle Hill

Additional showroom to commence trading in 2021 Financial Year - Artarmon NSW

Further showroom expansion into Sydney planned for 2022 Financial Year

Kitchen Rework costs less than 1% of total revenues



Kitchen Connection & Wardrobe Connection

Wallspan Kitchens and Wardrobes

Strong Brand and Reputation for Excellence

All brands continue to rate highly on independent review sites for the service and satisfaction provided to its customers.



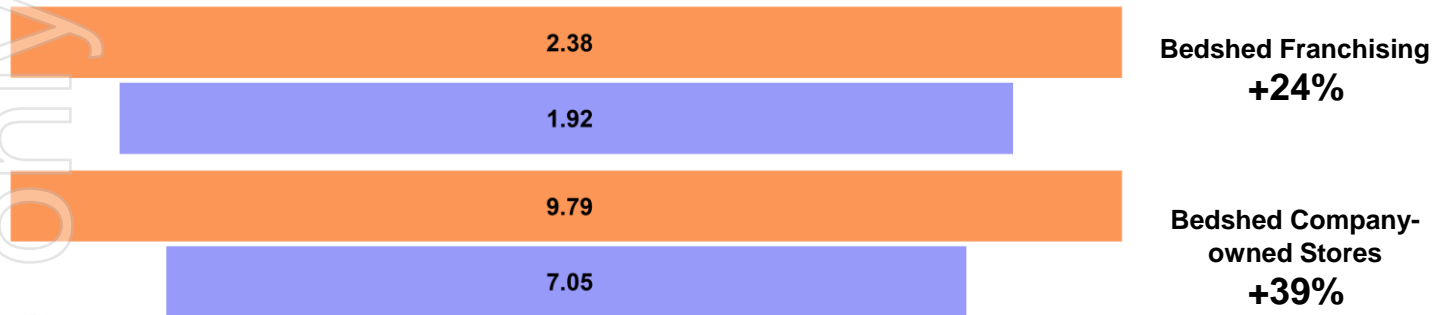
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BEDSHED REVIEW

GROWTH ACROSS
FRANCHISED AND COMPANY
OWNED OPERATIONS



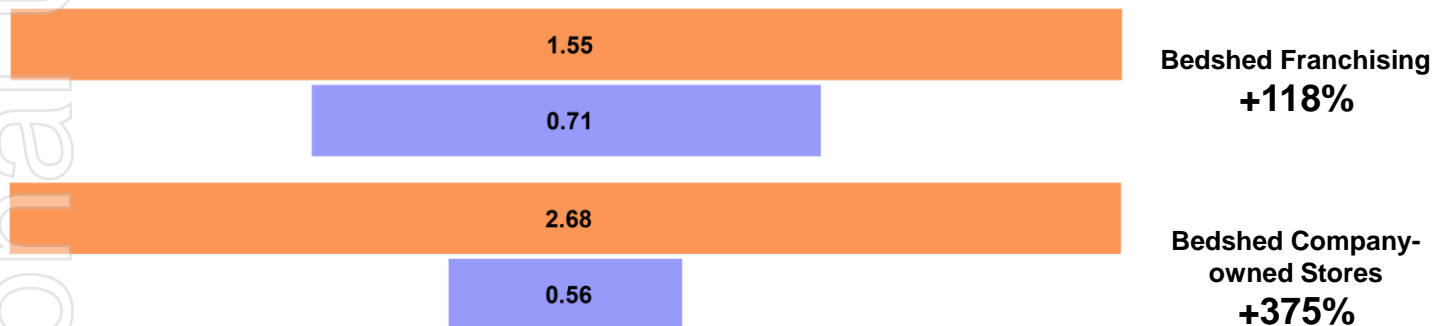
Segment Revenue \$m (1HY21 vs 1HY20)



Consistent improvement in performance across the Bedshed network

Strong franchisee engagement and support of the business strategy

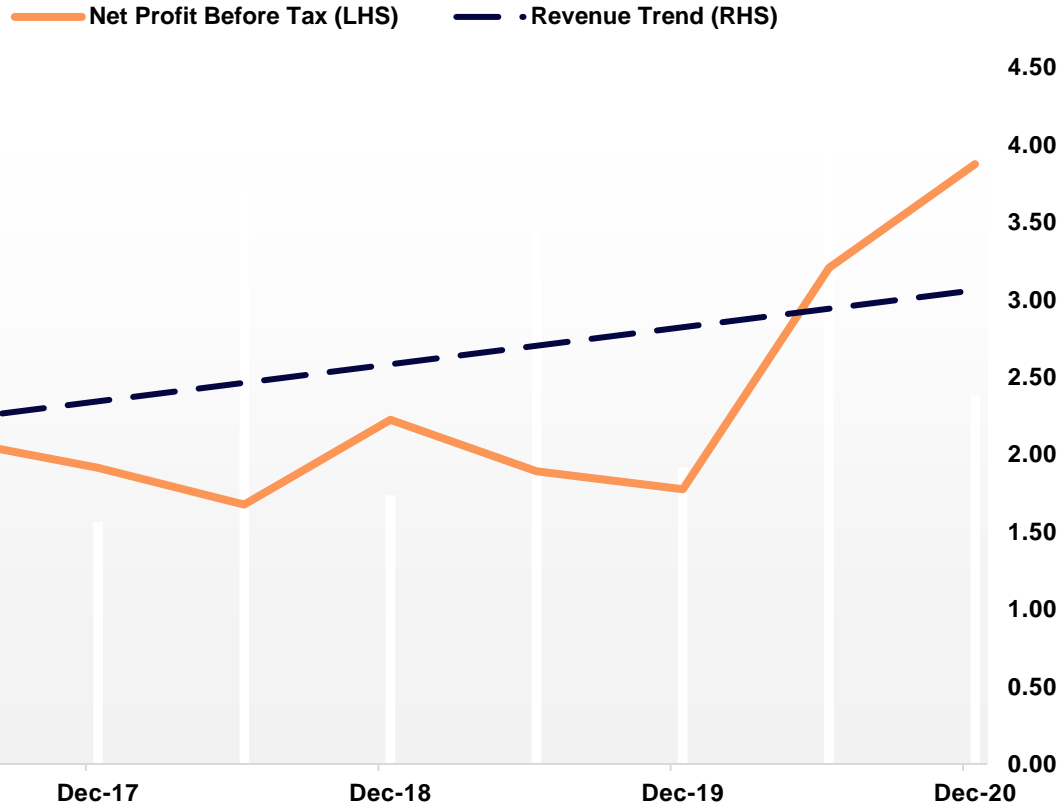
Segment Earnings \$m (1HY21 vs 1HY20)



Supply chain resilience supported increased sales volumes with minimal disruption to supply

Helensvale company store transferred to franchise operation

Revenue & NPBT (\$m) - Franchise



Multiple franchise agreements renewed

National sponsorship of I'm A Celebrity Get Me Out of Here

Launch of new brand campaign - authentic bedroom moments, positioning Bedshed as 'whole of bedroom' experts



OUTLOOK FOR FUTURE GROWTH

PERFORMANCE OF KWB AND BEDSHED AND STRENGTH OF BALANCE SHEET UNDERPIN GROWTH POTENTIAL

KWB

Significant potential to expand footprint:

- *Near term Network Expansion in NSW*
- *Longer term opportunities in untapped states*

Proven track record of growth in returns from operational and cost efficiencies

Bedshed

Franchise network expansion:

- *Focus on establishing a presence in NSW*
- *Existing states*

Online Sales introduced in late 2020 financial year

- *Proven to deliver during COVID-19 pandemic*
- *E-Commerce is growth area across industry*

Joyce Corporate

Strong balance sheet with \$12.9M net cash underpins growth potential

Low gearing ratio and Property Asset provide potential sources for growth funding should they be required

Focus on minimising corporate costs

Corporate strategic review underway

- *Immediate focus on potential organic growth opportunities*
- *Renewal and refreshment of strategic objectives*
- *Expected communication of outcome of review to investors in 4th quarter of 2021 Financial Year*

CORPORATE DIRECTORY

BOARD OF DIRECTORS

Jeremy Kirkwood - Non-executive Chair

Karen Gadsby - Non-executive Director (Deputy Chair)

Mike Gurry - Non-executive Director

Dan Smetana - Non-executive Director

Tim Hantke - Non-executive Director

Travis McKenzie - Non-executive Director

KEY MANAGEMENT PERSONNEL

Dan Madden - CEO *Joyce Corporation*

John Bourke - Managing Director *KWB Group*

Chris Palin - Finance Director *KWB Group*

Gavin Culmsee - General Manager *Bedshed*

Top 20 JYC Shareholders - 24 February 2021

Rank	Name	Units	% Units
1	ADAMIC PTY LTD	7,711,568	27.38
2	UFBA PTY LTD	2,075,000	7.37
3	PEDUNCLE PTY LTD	1,948,312	6.92
4	ONE MANAGED INVT FUNDS LTD <1 A/C>	1,000,000	3.55
5	TRAFALGAR PLACE NOMINEES PTY LTD	990,233	3.52
6	MR DONALD TEO	990,000	3.52
7	MR DAN SMETANA	734,022	2.61
8	STARBALL PTY LTD	665,610	2.36
9	MR DANIEL ALEXANDER SMETANA	563,726	2.00
10	VANWARD INVESTMENTS LIMITED <EQUITIES A/C>	507,474	1.80
11	TREASURE ISLAND HIRE BOAT COMPANY PTY LTD <STAFF SUPER FUND ACCOUNT>	504,291	1.79
12	CONARD HOLDINGS PTY LTD	347,940	1.24
13	MOAT INVESTMENTS PTY LTD <MOAT INVESTMENT A/C>	333,017	1.18
14	GLIOCAS INVESTMENTS PTY LTD <GLIOCAS GROWTH FUND A/C>	329,927	1.17
15	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	219,205	0.78
16	MARTEHOF PTY LTD <TEMA SUPER FUND A/C>	213,800	0.76
17	MAN INVESTMENTS (NSW) PTY LTD <AMC SUPER FUND A/C>	207,292	0.74
18	EPIC TRUSTEES LIMITED	201,695	0.72
19	DMX CAPITAL PARTNERS LIMITED	194,362	0.69
20	MR FELIX SMETANA	190,050	0.67
Totals: Top 20 holders of ORDINARY FULLY PAID SHARES		19,927,524	70.76
Total: Remaining Holders Balance		8,236,041	29.24

REFERENCES

This announcement should be read in conjunction with the following documents lodged with the ASX on 26 February 2020 under the ASX ticker JYC:

- *Half-year report for the period ended 31 December 2020;*
- *Appendix 4D;*
- *Dividend/distribution; and*
- *Financial year 2021 half-year results - investor presentation.*

All prior comparative period (“pcp”) numbers are either “for the six-month period ending 31 December 2019” or “as 30 June 2020” and are as disclosed in the half-year report for the period ended 31 December 2020 lodged with the ASX on 26 February 2020 (JYC: Half Year Accounts December 2019) and the Annual Report for the year ended 30 June 2020 lodged with the ASX on 28 August 2020 (JYC: Full Year Statutory Accounts).

DISCLAIMER

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THIS SHOULD BE READ IN CONJUNCTION WITH THE 4D, HALF YEAR REPORT AND ANY SUBSEQUENT ANNOUNCEMENTS POSTED ON THE ASX AND COMPANY WEBSITES - WWW.JOYCECORP.COM.AU.