



INVESTOR PRESENTATION

JOYCE CORPORATION - POSITIONED FOR GROWTH

August 2021

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This presentation should be read in conjunction with the 4E, Full Year Report and any subsequent announcements posted on the ASX and company websites - www.joycecorp.com.au.



OPERATING RESULTS

YEAR ENDED 30 JUNE 2021



JOYCE CORPORATION

Strong Year with record results

MULTIPLE HIGHLIGHTS ACROSS THE GROUP

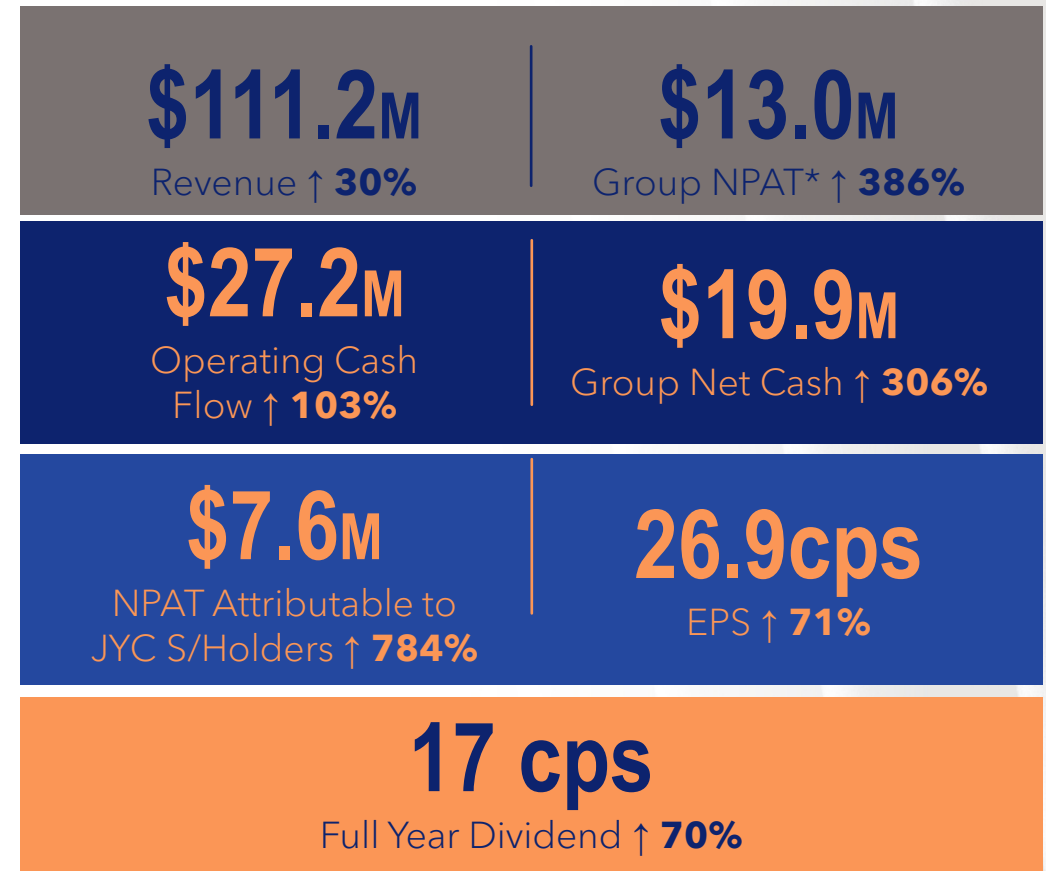
Robust consumer demand and higher sales levels converted to strong earnings growth across all businesses in the Group.

Significant **uplift in cash position**, profit and dividend for FY 30 June 2021

\$7.6m Net Profit After Tax attributable to Joyce Shareholders

Record fully-franked dividend of 10 cents representing **full year dividend of 17 cents** and **payout ratio of 63% of NPAT attributable to Joyce shareholders**. Seeking to deliver a **steady increase** over time

Return of JobKeeper ~\$1.5M consistent with core values



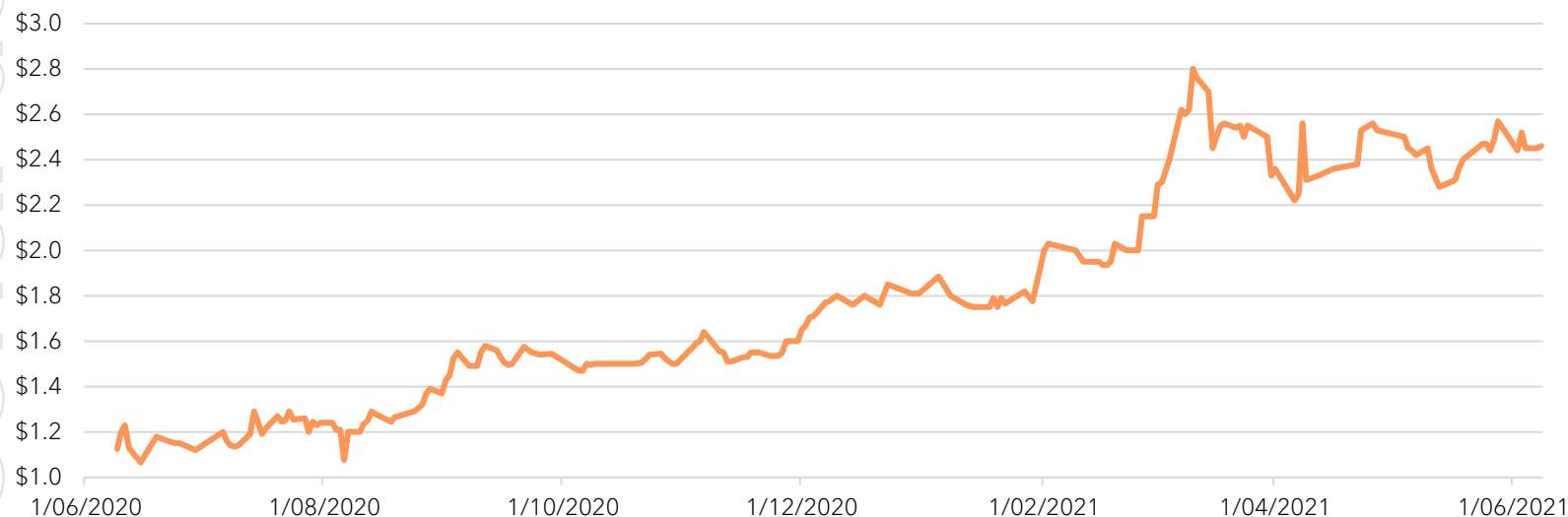
*NPAT from Continuing Operations

RESULTS OVERVIEW

Increasing returns to shareholders

Joyce Corporation	FY21 Final	FY21 Total	FY20 Total
Dividend (cents)	10.0	17.0	10.0
NPAT to JYC Shareholders - continuing operations (\$'000)	7,574	7,574	(1,107)
Dividends paid (\$'000)	2,817	4,789	2,801

SHARE PRICE (\$)



Record full year dividend of **17 cents fully franked** (63% of normalised NPAT)

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

RESULTS OVERVIEW

Key financial performance metrics

MULTIPLE HIGHLIGHTS ACROSS THE BUSINESSES

Joyce Corporation Consolidated Results	FY 21 (\$'000)	FY 20 (\$'000)	Variance (\$)	Variance (%)
Revenue (from continuing operations)	111,224	85,757	25,467	30%
Contribution Margin (from continuing operations)	55,162	44,137	11,025	25%
Total Group Expenses	30,870	27,534	(3,336)	-12%
Expenses (% of revenue)	28%	33%	n/a	5%
EBITDA (from continuing operations)	24,292	16,603	7,689	46%
EBITDA Margin	22%	19%	n/a	3%
Net profit after tax (from continuing operations)	12,995	2,674	10,321	386%
NPAT Attributable to JYC Members	7,574	(1,107)	8,681	784%
EPS - cents (from continuing operations)	26.9	15.8*	11.1	71%

*FY20 EPS: Based on NPAT attributable to JYC Shareholders from Continuing Operations net of impairment loss

Ongoing trend of revenue growth driven by strong consumer demand

Growth in revenue complimented by improved contribution margin

Reduction and control of expenses has improved Profit Margins

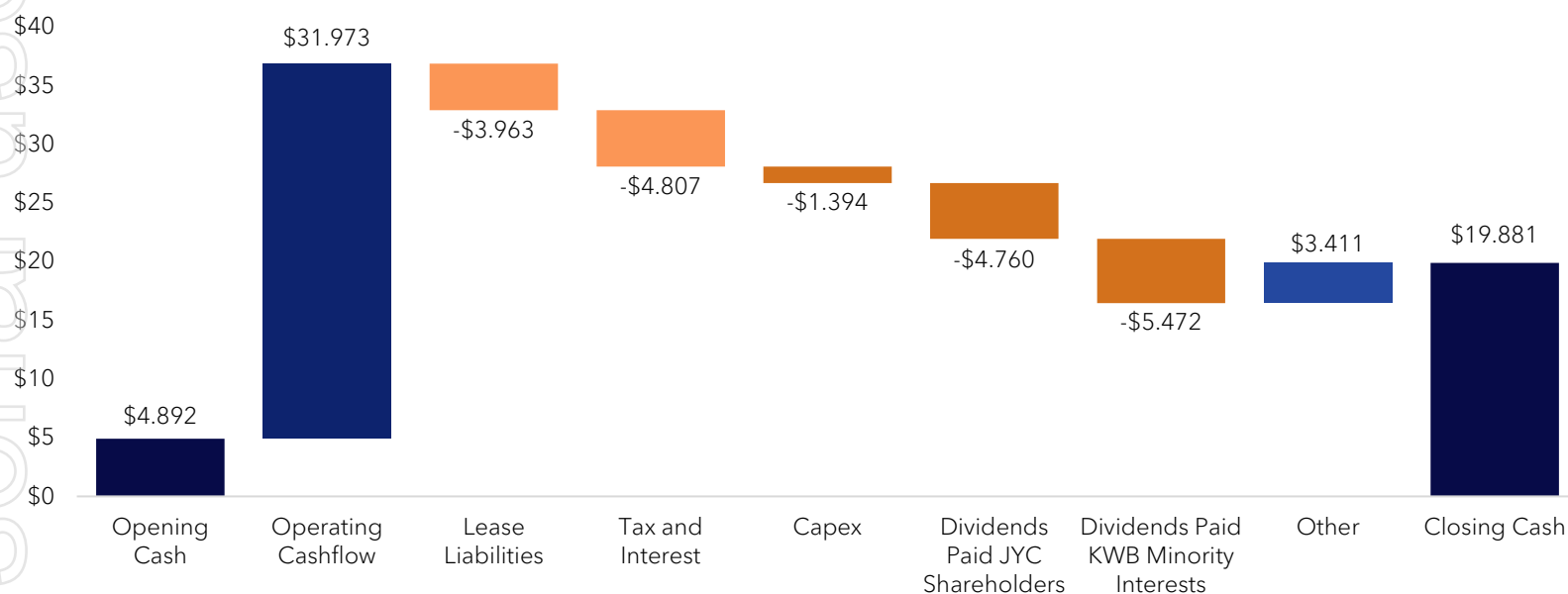
Return of funds from JobKeeper to ATO - consistent with core values

RESULTS OVERVIEW

Key financial position metrics

Joyce Corporation Consolidated Results	Jun 21	Jun 20	Variance	Variance
Closing Group Cash	19,881	10,643		
Debt	-	(5,751)		
Net Cash/(Debt)	19,881	4,892	14,989	306%

Cashflow (\$'million)



*Operating Cashflow net of Tax and Interest payments

STRONG BALANCE SHEET PROVIDES PLATFORM FOR GROWTH

Increase in profitability - direct improvement in operating cashflow* (\$32m vs \$17m)

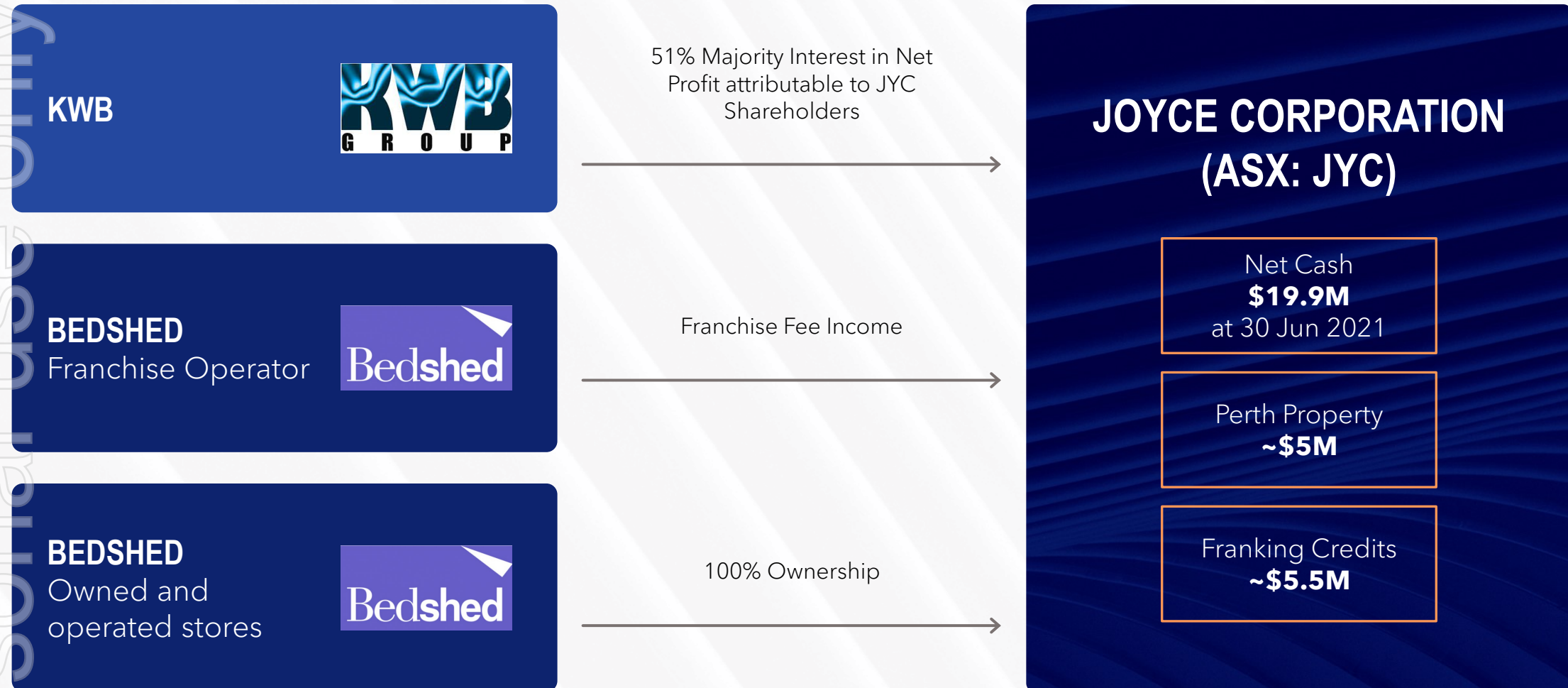
Low working capital requirements due to streamlined operations across the Group

Substantially improved Net Cash Position of \$19.9M with significant borrowing capacity and gearing potential

Property held by KWB and JYC Corporate office (~\$15M) underpins the **strength of the balance sheet**

JOYCE CORPORATION

Flow of Economic Interest into Joyce Corporation





KWB GROUP

CONSISTENT TRACK RECORD
OF GROWTH IN AUSTRALIA'S
HOME RENOVATION MARKET



KWB GROUP

Kitchen Connection, Wallspan,
Wardrobe Connection



Leader in Australia's home renovation market, focus on delivering outstanding kitchen and wardrobe solutions to customers looking to renovate their homes



Target Do It For Me by delivering positive, seamless and hassle-free renovation and design experiences – **from inspiration to installation**



25 sites under the Kitchen Connection and Wallspan brands across Queensland, NSW and South Australia



 **kitchen**
connection
from inspiration to installation

 **wallspan**
kitchens & wardrobes

 **wardrobe**
connection



KWB GROUP SNAPSHOT

Strengthening the brand and growing the footprint

25 showrooms across Queensland, South Australia and New South Wales

Expansion into NSW in 2021 financial year:

Tweed Heads	July 2020
Tuggerah Lakes	Oct 2020
Castle Hill	Dec 2020
Artarmon	May 2021

Strong trading across new stores and established stores

Further **showroom expansion** into Sydney planned for 2022 financial year

4 showrooms per annum steady state expansion and successful track record of rolling out showrooms



KWB GROUP RESULTS

Record Revenue and Orders



Record revenue of \$89.7M
(34% increase on FY 20 \$67.5M)



\$7.3M Revenue from new
stores opened in FY 21
(positioned to deliver 12
months of revenue in FY 22)

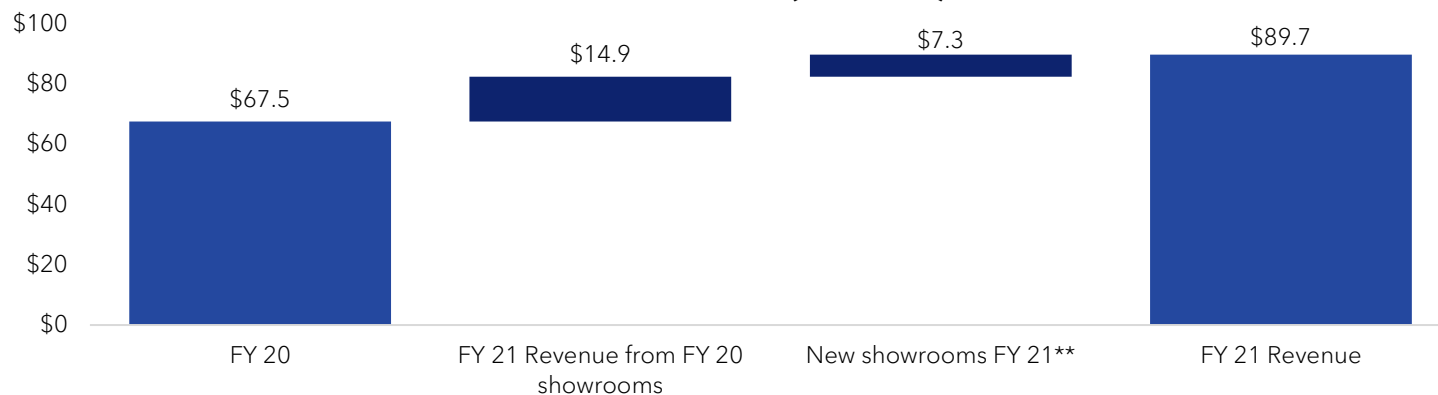


Record order book of \$107.2M
(44% increase on FY 20 \$75.2M)



Order Book exceeds Revenue in
2021 by 19% creating platform
for strong revenue in FY 22

Revenue Growth (\$ million)



Segment Revenue \$m (FY21 vs FY20)

\$89.7M

\$67.5M

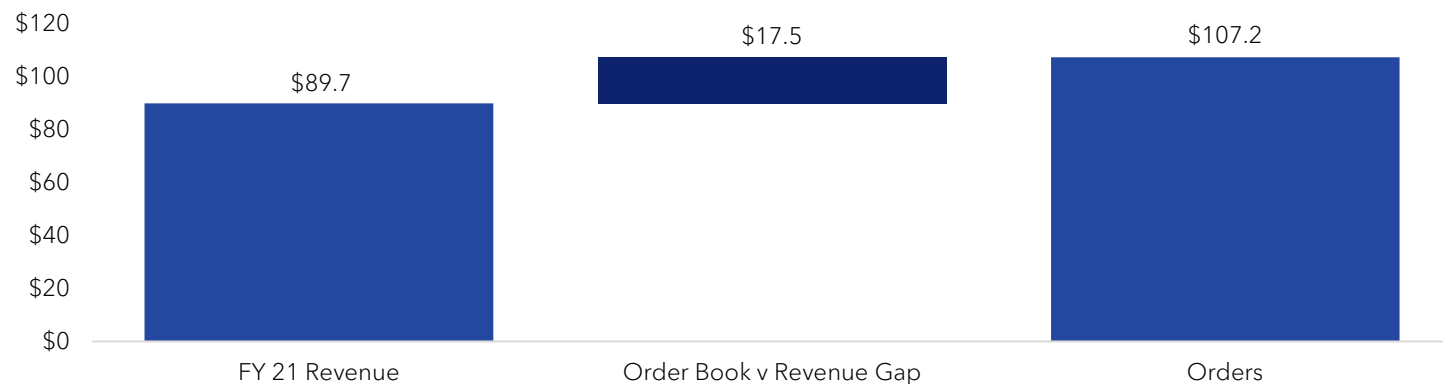
Revenue Growth%

34%

Order Book > Revenue

+\$17.5M

Revenue and Order Book (\$ million)



*FY21 Showrooms include: Tweed Heads (July 20), Tuggerah (Oct 20), Castle Hill (Dec 20) and Artarmon (May 21). Revenue is only recognised on point of product delivery and therefore there is a delay in revenue recognition from showroom opening date.

KWB GROUP RESULTS

Proven track record of growth in showroom network and revenue and profitability



Record EBIT of \$16.3M (45% increase on FY20 \$11.3M)



Operational and cost efficiencies result in strong EBIT margin of 19% (17% in prior year)



Proven track record of growth in network, revenue and EBIT

Segment EBIT \$m (FY21 vs FY20)

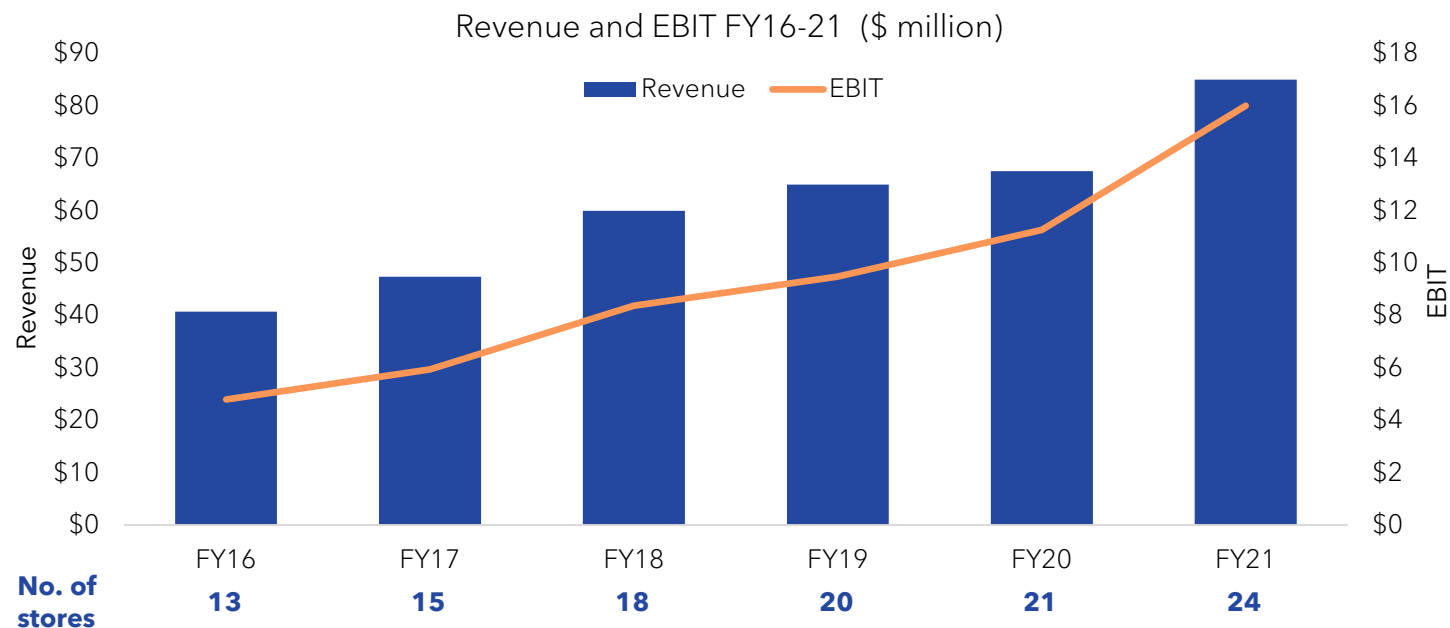
\$16.3M

\$11.3M

Segment EBIT Margin % (FY21 vs FY20)

18%

17%



Segment Revenue \$m (FY21 vs FY16)

\$89.7M

\$40.7M

5 Year Revenue Growth%

120%

KWB BUSINESS MODEL

Targeting the middle market
'Do It For Me' renovations



Leader in Australia's home renovation market



Deliver positive, seamless and hassle-free renovation and design experiences – from inspiration to installation

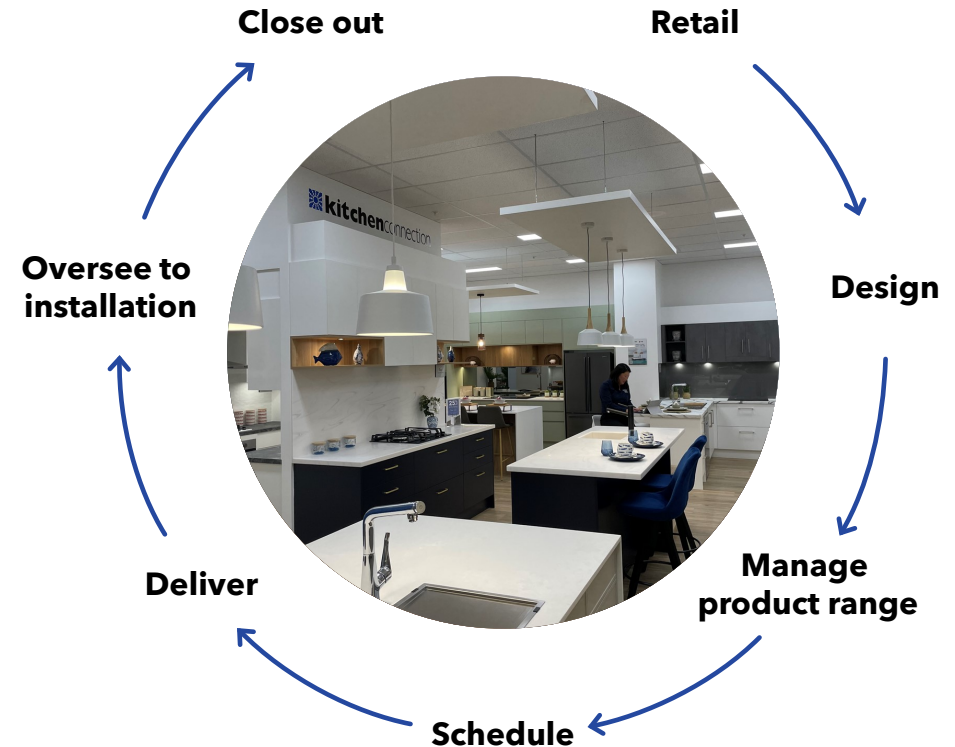


Excellence in service and superior quality products and finishes are values that are fundamental to the business



Kitchen Rework @~1% of total revenues

WHAT WE DO



Which creates referrals (Our Mission)

KWB GROUP

Strong brand and reputation for excellence



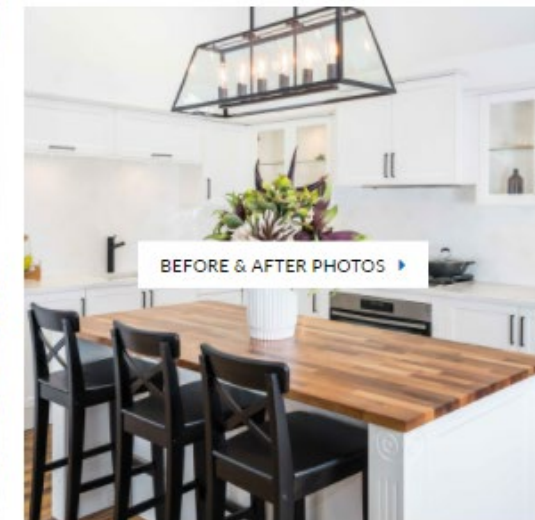
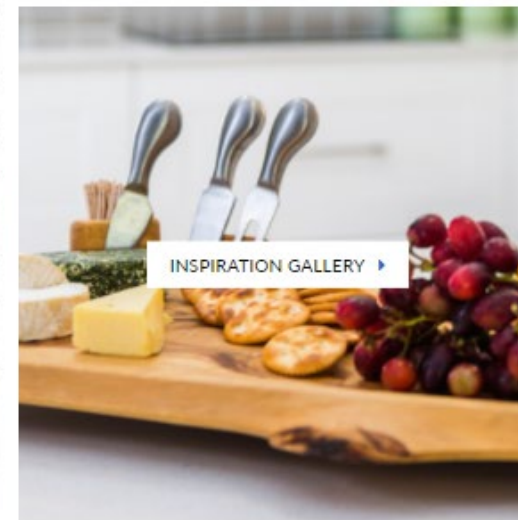
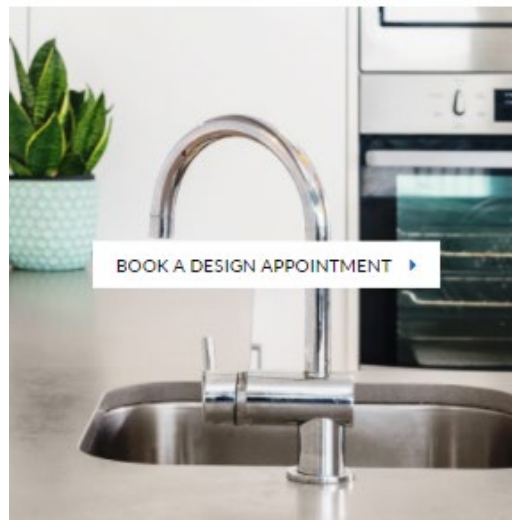
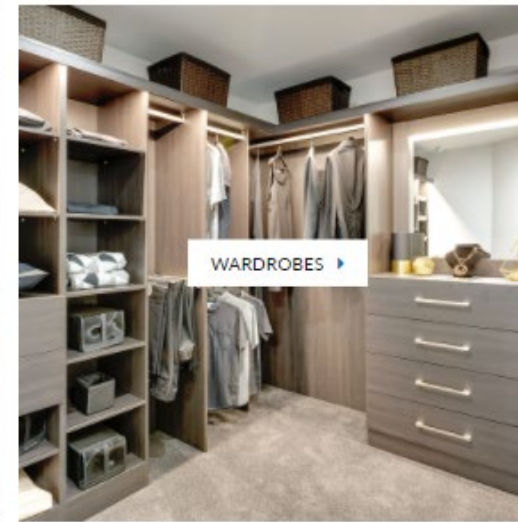
All brands rate highly on independent review sites for the service and satisfaction provided to its customers



Significantly outperform major peers (eg Freedom, Good Guys)



All reviews from verified customers and actively seek positive and negative feedback



Kitchen Connection

www.kitchenconnection.com.au

★★★★★ 4.5 from 1,962 reviews · View Statistics

Write a review

Ask a question



Wallspan Kitchens & Wardrobes

wallspan.com.au

★★★★★ 4.7 from 832 reviews · View Statistics

Write a review

Ask a question



BEDSHED

AN ENDURING SUCCESS STORY
IN BEDDING AND FURNISHINGS



BEDSHED

Franchised and company owned stores



Well established Australian household name, delivering high quality bedroom furnishings for over 40 Years



Strong brand and loyal customer base



37-store network predominantly run and owned by franchisees and including 32 franchisee stores



Consistent performer for Joyce Corporation delivering ongoing improvement in performance across the network



BEDSHED

Positive trading momentum continues

Established brand over 40 years with **37 stores** across WA, Queensland, Victoria and ACT

Establishing **NSW presence** (after COVID Interruption)

Established e-store in 2021 to sell and distribute on-line

Developing a pipeline of franchisees for 2022 Financial Year with a focus on Sydney Regional and Metro Sydney



BEDSHED RESULTS

Positive trading momentum continues



Consistent improvement in performance across the Bedshed network

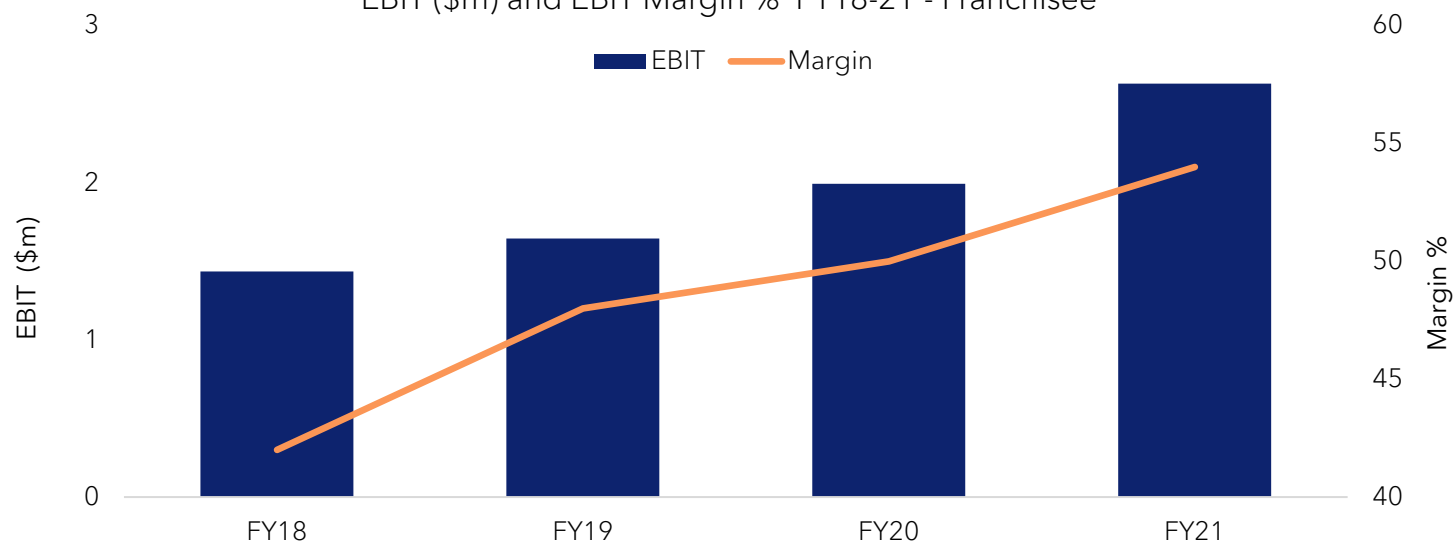


Supply chain resilience supported increased sales volumes with minimal disruption to supply



Low capital intensity and marginal cost to expand the network

EBIT (\$m) and EBIT Margin % FY18-21 - Franchisee



Segment Revenue \$m (FY21 vs F20)

\$21.5M

\$18.3M

Revenue Growth%

18%

Segment EBIT \$m (FY21 vs FY20)

\$5.9M

\$1.8M

Segment EBIT Margin % (FY21 vs FY20)

27%

10%

BEDSHED

Franchise model

Successful Franchisee model with strong franchisee engagement and support of the business strategy.



Strong relationship with 1 franchised store up for resale in 9 years



Many franchise partners in network since 1980's



BEDSHED

Marketing

Launch of new brand campaign -
authentic bedroom moments



Positioning Bedshed as
'whole of bedroom' experts

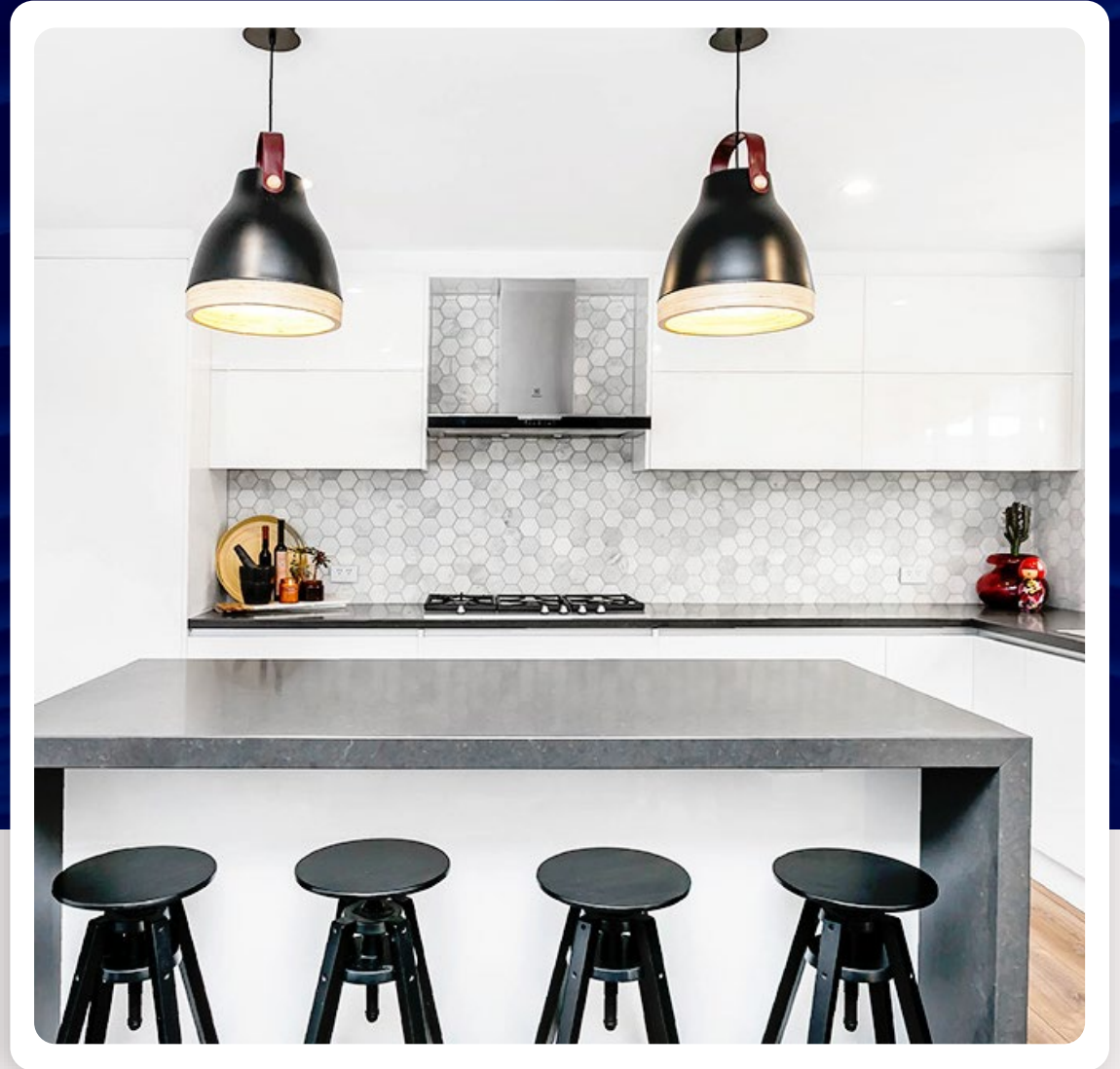


Continuing evolution of
brand awareness and
longevity of customer





FUTURE GROWTH / NEXT STEPS



OUTLOOK FOR ORGANIC FUTURE GROWTH

KWB and Bedshed underpin revenue growth potential

KWB

Significant potential to expand footprint:

- *Near term Network Expansion in NSW*
- *Longer term opportunities in untapped states, Victoria and WA*

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

'Capital Light' business model -Low capital intensity for growth and efficient working capital structure



BEDSHED

Franchise network expansion:

- *Focusing on establishing a presence in NSW*
- *Evaluating additional states and new locations*
- *Existing state expansion and growth initiatives*

Online Sales introduced in late 2020 financial year

- *Focusing on establishing a presence in NSW*
- *Proven to deliver during COVID-19 pandemic*
- *E-Commerce is growth area across industry*



OUTLOOK FOR FUTURE GROWTH

Joyce Corporate



Positioned for growth

- Well established and consistently performing businesses and partnerships with strong and significant organic growth potential and relatively low capital expansion costs
- Strong balance sheet with \$19.9M 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 and ensuring we are appropriately structured corporately



Corporate strategy

- Immediate focus on potential organic growth opportunities across KWB and Bedshed
- 51% Ownership on KWB a cornerstone asset
- Apply a disciplined approach to sourcing and evaluating potential opportunities:
 - *in adjacent sectors that have a natural fit to our portfolio and expertise.*
 - *focus on new opportunities with pathway to ownership*
 - *attracted (but not limited) to relatively low capital intensity opportunities*
- Maintain good cash flow generation, access to funding and disciplined capital management
- Ensure group governance, risk and compliance is expertly managed



Our partnership approach

- Employ or partner exceptional management teams who are empowered and supported to drive long-term earnings growth
- We aim to build strong, trusted relationships with our business partners, our customers, and our investors and to provide a unique and compelling customer experience that translates into business success for our partners and shareholders
- We will continue to invest in partner businesses where estimated returns are likely to increase long-term shareholder wealth

JOYCE CORPORATION

Who we are and Mission Vision

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.

Ongoing success comes from partnering with successful businesses that have a strong potential to grow and be market leaders.

OUR VISION

We seek to make a **meaningful positive difference** to the lives of our shareholders, partners, franchisees, employees and customers

OUR PURPOSE

Prosper in business together

We help quality small to medium Australian businesses **unlock their growth potential** and succeed on the national stage

OUR PRIMARY OBJECTIVE

To drive **revenue growth** and deliver **above average returns**

UNIQUE VALUE PROPOSITIONS

Working together is key to success



Shareholders

Track record of **Total Shareholder Returns**.



Partners

Track record of **growth** and **long-term mindset**.



Franchisees

Deep sector and operational **knowledge** and **supportive growth-focused approach**.



Employees

Ability to make an **impact** growing **national brands** in a **supportive team environment**



Customers

Quality products and services, deep product **knowledge** and **convenience**.

CORPORATE DIRECTORY

BOARD OF DIRECTORS

Jeremy Kirkwood - Non-executive Director (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

Tim Allison - CFO & Co Secretary Joyce Corporation

Top 20 JYC Shareholders - 25 August 2021

Rank	Name	Units	% Units
1	ADAMIC PTY LTD	7,711,568	27.38
2	UFBA PTY LTD	1,800,000	6.39
3	DANIEL SMETANA <THE D A SMETANA FAMILY A/C>	1,224,651	4.35
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	653,222	2.32
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	JUDITH ANNA SMETANA	497,924	1.77
13	GLIOCAS INVESTMENTS PTY LTD <GLIOCAS GROWTH FUND A/C>	375,738	1.33
14	CONARD HOLDINGS PTY LTD	347,940	1.24
15	MOAT INVESTMENTS PTY LTD <MOAT INVESTMENT A/C>	333,017	1.17
16	FELIX SMETANA	307,116	1.09
17	FARROW RD PTY LTD	240,000	0.85
18	MAN INVESTMENTS (NSW) PTY LTD <AMC SUPER FUND A/C>	219,680	0.78
19	MARTEHOF PTY LTD <TEMA SUPER FUND A/C>	209,679	0.74
20	EPIC TRUSTEES LIMITED	201,695	0.72
Totals: Top 20 holders of ORDINARY FULLY PAID SHARES		19,411,976	68.90
Total: Remaining Holders Balance		8,760,308	31.10

REFERENCES

This Announcement should be read in conjunction with the following documents lodged with the ASX on 31 August 2021 under the ASX ticker JYC:

- Annual Report for the financial year ended 30 June 2021.
- Appendix 4E
- Dividend/Distribution
- Financial Year 2021 Results -Investor Presentation

¹ All pcip numbers are either “for the twelve month period ending 30 June 2020” or “as at 30 June 2020” and are as disclosed in the Annual Report for the year ended 30 June 2021 lodged with the ASX on 31 August 2021 (JYC: Annual Report for the year ended 30 June 2021)



THANK YOU

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