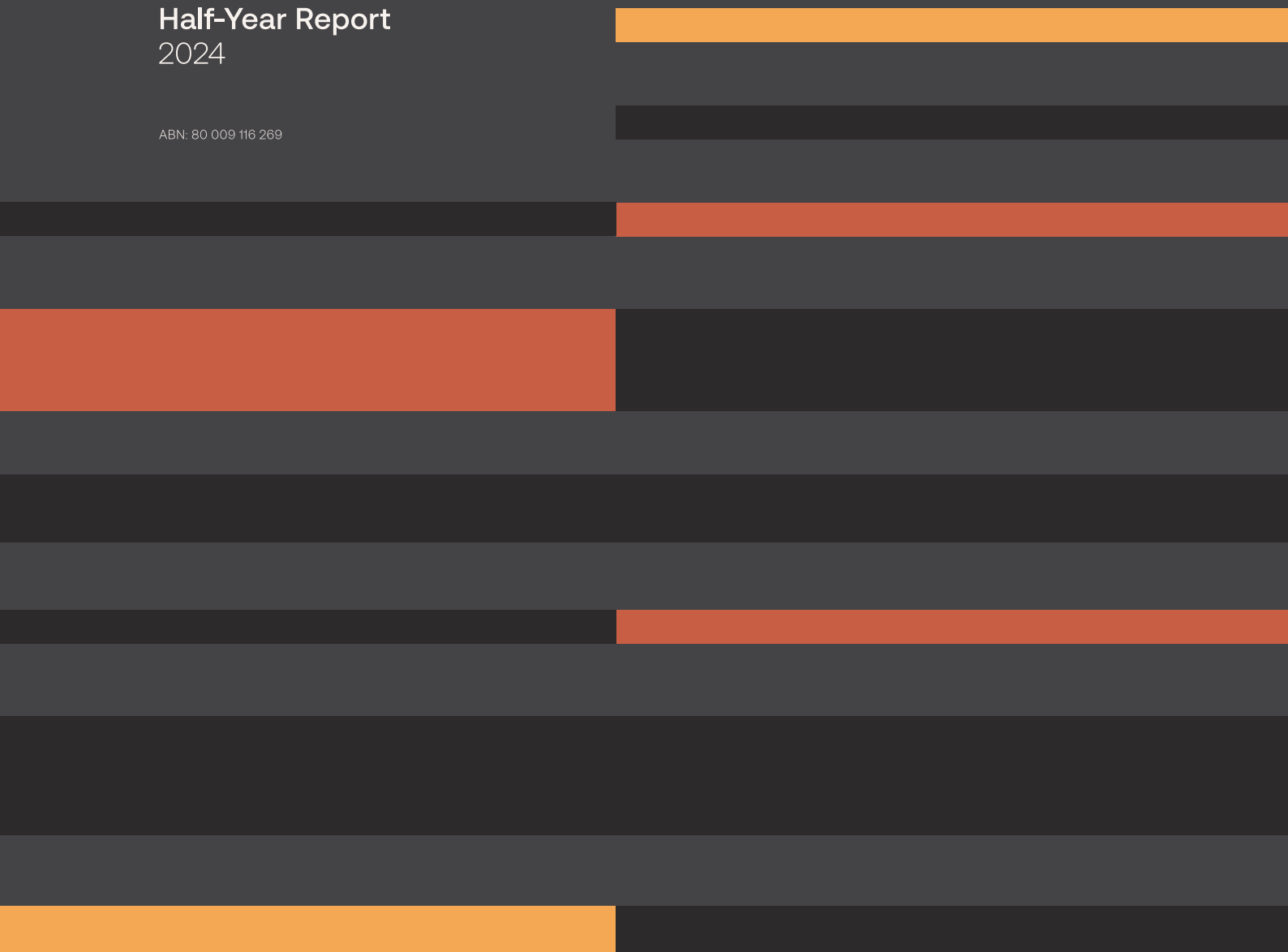


Half-Year Report 2024

ABN: 80 009 116 269



This information should be read in conjunction with the most recent annual financial statements.

Name of entity:	Joyce Corporation Ltd
ABN:	80 009 116 269

1. Details of the current and previous reporting period

Current period:	1 July 2023 to 31 December 2023
Previous corresponding period:	1 July 2022 to 31 December 2022

2. Results for announcement to the market

	\$'000
2.1 Revenue from ordinary activities	Up 6.0% from \$68,913 to \$73,072
2.2 Profit from ordinary activities after tax	Up 20.5% from \$7,814 to \$9,413
2.3 Profit after tax attributable to the owners of Joyce Corporation Limited	Up 33.9% from \$3,538 to \$4,739

2.4 and 2.5 Dividends	Amount per security	Franked amount per security	Record date	Total dividend
<i>Final</i>				
– current period (paid 28 September 2023)	17.5 cents	17.5 cents	14 Sep 2023	\$4.9m
– previous corresponding period (paid 30 September 2022)	10.5 cents	10.5 cents	13 Sep 2022	\$3.0m
<i>Interim</i>				
– current period (payable 5 April 2024)	11.0 cents	11.0 cents	12 Mar 2024	\$3.1m
– previous corresponding period (paid 31 March 2023)	8.0 cents	8.0 cents	14 Mar 2023	\$2.3m

Dividend Reinvestment Plan (DRP)

There is no DRP in operation for the current period dividend.

2.6 Explanation of any of the figures in items 2.1 to 2.5 that may be required

A commentary on the results for the period is contained with the Half-Year Report as well as the Shareholder Presentation accompanying this announcement.

3. Net assets per ordinary share attributable to members of the parent entity	31 Dec 2023	31 Dec 2022
Net tangible assets per share (diluted)	\$0.87	\$0.78
Net intangible assets per share (diluted)	\$0.26	\$0.27
Total net assets per share (diluted)	\$1.13	\$1.05

4. Control gained or lost over entities during the period

N/A

5. Audit qualification or review

The financial statements were subject to a review by the auditors and the review report is attached as part of the Half-Year Report.

Your Directors present their report on the Group, consisting of Joyce Corporation Ltd (“Joyce” or “the Company” or “the Group”) and the entities it controlled at the end of, or during the period ended 31 December 2023.

DIRECTORS

The names of the Company’s Directors in office during the period ended 31 December 2023 and until the date of this report are as stated below. Directors were in office for this entire period unless otherwise stated.

Jeremy Kirkwood	Non-Executive Director (Chair)
Karen Gadsby	Non-Executive Director (Deputy Chair)
Daniel Smetana	Non-Executive Director
Travis McKenzie	Non-Executive Director
Nicholas Palmer	Non-Executive Director

REVIEW OF OPERATIONS

	2023	2022	Change
<i>Six months ended 31 December</i>	\$'000	\$'000	%
Group Revenue	73,072	68,913	6.0%
Group Net Profit After Tax (NPAT)	9,413	7,814	20.5%
NPAT attributable to JYC Shareholders	4,739	3,538	33.9%
Basic Earnings Per Share (cents)	16.65	12.50	33.2%
Dividend Per Share (cents)	11.0	8.0	37.5%

Group revenue for the first half of FY24 was \$73.1 million, a growth of 6% on the prior comparative period.

Group NPAT of \$9.4 million for the first half of FY24 was up 20% on the prior comparative period.

KWB

KWB Group (KWB) closed one showroom in South Australia during the half-year period and now has 25 showrooms across Queensland, South Australia and New South Wales.

KWB’s revenue and earnings before interest and tax (EBIT) grew during the current reporting period to \$62.1 million and \$13.5 million respectively compared to \$57.5 million and \$9.9 million in the prior comparative period.

BEDSHED

Bedshed opened two new franchise operations in Queensland during the half-year period.

In December 2023, Bedshed announced plans to convert two Sydney-based franchise stores, in Castle Hill and Alexandria, to company-owned stores. The acquisitions enable Bedshed to establish a strong presence from which to grow its operations in New South Wales. The acquisition of Bedshed Castle Hill was completed on 21st December 2023. Bedshed Alexandria was acquired after the end of the reporting period, in January 2024. After the acquisition of Bedshed Alexandria, the Bedshed Group consists of 37 franchise operations and 6 company-owned operations across Western Australia, Queensland, Victoria, the ACT and New South Wales.

Bedshed reported EBIT of \$2.3 million compared to \$2.8 million in the prior comparative period.

CRAVE

Joyce's home staging business, Crave, launched in September 2022. Since then, Crave has seen a consistent increase in market penetration and revenue. Crave revenue for the current reporting period totalled \$0.5 million and achieved positive earnings prior to depreciation for the period and a loss of \$0.1 million before interest and tax.

CORPORATE

The Group's consolidated closing net cash balance stood at \$33.9 million as at 31 December 2023, compared to \$46.1 million at 30 June 2023 and \$36.1 million as at 31 December 2022.

EVENTS AFTER REPORTING DATE

The Directors have resolved to distribute a fully franked interim dividend of 11.0 cents per share. The record date is 12 March 2024 and the payment date is 5 April 2024.

In January 2024, the Group's wholly-owned subsidiary Sierra Bedding Pty Ltd acquired Bedshed Alexandria from a former franchisee, as part of a strategic move (combined with the Bedshed Castle Hill transaction, see Bedshed section above) to give Bedshed direct access to the Sydney market and grow its business in NSW. The transaction was completed on the 11th of January and resulted in the acquisition of plant & equipment, inventory, working capital and the transfer of the leases for the store and warehouse, for consideration in cash.

Other than disclosed above, no event has occurred since the reporting date to the date of this report that has significantly affected, or may significantly affect the Group's operations, or the results of those operations, or the Group's state of affairs.

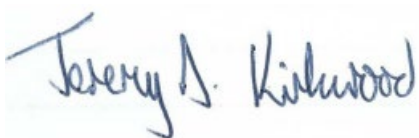
ROUNDING OF AMOUNTS

The Group has applied the relief available to it in ASIC Corporate Legislative Instrument 2016/191 and accordingly, certain amounts in the financial report and the Directors' Report have been rounded off to the nearest \$1,000.

AUDITOR'S DECLARATION

A copy of the lead auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 4 of this report.

Signed in accordance with a resolution of the Directors, made pursuant to section 306(3)(a) of the *Corporations Act 2001*.



Jeremy Kirkwood
Chair

Perth, 27 February 2024



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5 Spring Street
Perth, WA 6000
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Australia

DECLARATION OF INDEPENDENCE BY PHILLIP MURDOCH TO THE DIRECTORS OF JOYCE CORPORATION LTD

As lead auditor for the review of Joyce Corporation Ltd for the half-year ended 31 December 2023, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Joyce Corporation Ltd and the entities it controlled during the period.

Phillip Murdoch
Director

BDO Audit (WA) Pty Ltd

Perth

27 February 2024

BDO Audit (WA) Pty Ltd ABN 79 112 284 787 is a member of a national association of independent entities which are all members of BDO Australia Ltd ABN 77 050 110 275, an Australian company limited by guarantee. BDO Audit (WA) Pty Ltd and BDO Australia Ltd are members of BDO International Ltd, a UK company limited by guarantee, and form part of the international BDO network of independent member firms. Liability limited by a scheme approved under Professional Standards Legislation.

Consolidated Statement of Profit or Loss

Half-Year Ended
31 December 2023 

<i>Six months ended 31 December</i>	Note	2023 \$'000	2022 \$'000
Revenue	10	73,072	68,913
Cost of sales		(33,589)	(31,962)
Gross profit		39,483	36,951
Other revenue	10	1,428	1,062
Variable costs		(5,136)	(5,540)
Employment expenses	11	(13,507)	(14,683)
Occupancy expenses		(1,167)	(913)
Marketing expenses		(2,032)	(1,154)
Administration expenses		(2,310)	(2,701)
Depreciation and amortisation		(3,469)	(3,373)
Profit before interest and tax		13,290	9,649
Net interest income / (expense)		152	(197)
Profit before tax		13,442	9,452
Income tax expense		(4,029)	(1,638)
Profit for the period		9,413	7,814
Profit is attributable to:			
Ordinary equity holders of the company		4,739	3,538
Non-controlling interests		4,674	4,276
Total comprehensive income for the period		9,413	7,814
Earnings per share for profit attributable to ordinary equity holders of the company:			
Basic earnings per share (cents per share)		16.65	12.50
Diluted earnings per share (cents per share)		16.09	12.35

The above consolidated statement of profit or loss should be read in conjunction with the accompanying notes.

Consolidated Statement of Comprehensive Income

Half-Year Ended
31 December 2023



<i>Six months ended 31 December</i>	Note	2023	2022
		\$'000	\$'000
Profit for the period		9,413	7,814
Other comprehensive income			
Items that will not be reclassified to profit or loss		-	-
Other comprehensive income for the period, net of tax		-	-
Total comprehensive income for the period		9,413	7,814
Total comprehensive income for the period attributable to:			
Ordinary equity holders of the company		4,739	3,538
Non-controlling interests		4,674	4,276
		9,413	7,814

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position

Half-Year Ended
31 December 2023 

	Note	At 31 Dec 2023 \$'000	At 30 Jun 2023 \$'000
ASSETS			
Current assets			
Cash and cash equivalents		33,877	46,079
Trade receivables		551	726
Inventories		3,355	2,587
Other receivables and prepayments		1,309	962
Other financial assets		1,700	1,652
Current tax assets		44	-
Total current assets		40,836	52,006
Non-current assets			
Other receivables and prepayments		2,375	2,007
Deferred tax assets		2,096	1,970
Right-of-use assets	5	20,044	17,790
Property, plant and equipment		5,649	4,897
Intangible assets	6	7,697	7,734
Total non-current assets		37,861	34,398
TOTAL ASSETS		78,697	86,404
Current liabilities			
Trade payables and other liabilities	12	17,103	22,722
Provisions		2,960	2,970
Lease liabilities	5	5,854	5,426
Provision for income tax		-	3,334
Total current liabilities		25,917	34,452
Non-current liabilities			
Lease liabilities	5	15,509	13,629
Provisions		570	553
Total non-current liabilities		16,079	14,182
TOTAL LIABILITIES		41,996	48,634
NET ASSETS		36,701	37,770
EQUITY			
Issued capital	8	19,475	19,161
Reserve		3,540	3,072
Retained earnings		10,288	10,744
Parent entity interest		33,303	32,977
Non-controlling interest		3,398	4,793
TOTAL EQUITY		36,701	37,770

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity

Half-Year Ended
31 December 2023 

	Note	Contributed Equity \$'000	Share- based Payments Reserve \$'000	Retained Earnings \$'000	Non- Controlling Interest \$'000	Total Equity \$'000
Balance at 1 July 2022		18,705	1,777	8,045	6,961	35,488
Total comprehensive income for the period						
Profit attributable to members of the parent entity		-	-	3,538	-	3,538
Profit attributable to non-controlling interests		-	-	-	4,276	4,276
Total comprehensive income for the period		-	-	3,538	4,276	7,814
Transactions with owners in their capacity as owners:						
Dividends paid or provided for	3	-	-	(2,968)	(7,575)	(10,543)
Shares issued		234	-	-	-	234
Share-based payments	11	-	944	-	-	944
Balance at 31 December 2022		18,939	2,721	8,615	3,662	33,937
Balance at 1 July 2023		19,161	3,072	10,744	4,793	37,770
Total comprehensive income for the period						
Profit attributable to members of the parent entity		-	-	4,739	-	4,739
Profit attributable to non-controlling interests		-	-	-	4,674	4,674
Total comprehensive income for the period		-	-	4,739	4,674	9,413
Transactions with owners in their capacity as owners:						
Dividends paid or provided for	3	-	-	(5,195)	(6,069)	(11,264)
Shares issued	8	314	-	-	-	314
Share-based payments	9, 11	-	468	-	-	468
Balance at 31 December 2023		19,475	3,540	10,288	3,398	36,701

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows

Half-Year Ended
31 December 2023 

<i>Six months ended 31 December</i>	Note	2023 \$'000	2022 \$'000
Cash flows from / (used in) operating activities			
Receipts from customers		72,873	69,967
Payments to suppliers and employees		(62,069)	(60,470)
Income tax paid		(7,533)	(3,989)
Interest received		577	160
		3,848	5,668
Cash flows from / (used in) investing activities			
Purchase of property, plant and equipment		(897)	(2,129)
Purchase of intangible assets		(8)	(221)
Business combination – acquisition of Bedshed Castle Hill	5	(934)	-
Payment of deposits		(367)	(1,183)
Proceeds from sale of property, plant and equipment		84	8
Proceeds from sale of investment property		-	15,751
		(2,122)	11,709
Cash flows from / (used in) financing activities			
Dividends paid	3	(4,881)	(2,734)
Dividends paid to non-controlling interests		(6,069)	(7,575)
Payment of lease liabilities – principal		(2,553)	(2,589)
Payment of lease liabilities – interest		(425)	(357)
		(13,928)	(13,255)
Net increase / (decrease) in cash and cash equivalents		(12,202)	4,122
Cash and cash equivalents at the beginning of period (1 July)		46,079	31,933
		33,877	36,055
Reconciliation of cash			
Cash at bank and in hand		33,877	36,055
		33,877	36,055

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

1. BASIS OF PREPARATION

These general-purpose financial statements for the interim half-year reporting period ended 31 December 2023 have been prepared in accordance with requirements of the *Corporations Act 2001* and Australian Accounting Standards, including AASB 134: 'Interim Financial Reporting'. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards.

This interim half-year financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this financial report is to be read in conjunction with the annual financial statements of the Group for the year ended 30 June 2023, together with any public announcements made during the half-year ended 31 December 2023.

Comparatives

Where required by accounting standards comparative figures have been adjusted to conform with classification and presentation for the current financial half-year.

2. SIGNIFICANT ACCOUNTING POLICIES

Unless where specifically disclosed, the accounting policies and methods of computation adopted in the preparation of the Half-Year Report are consistent with those adopted and disclosed in the Company's Annual Report for the financial year ended 30 June 2023.

Adoption of new and amended standards and interpretations

The below accounting standards were adopted in the period.

AASB 2021-2: Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates [AASB 7, AASB 101, AASB 108, AASB 134 & AASB Practice Statement 2]. This applies to periods beginning on or after 1 January 2023.

AASB 2021-5: Amendments to Australian Accounting Standards – Deferred Tax related to Assets and Liabilities arising from a Single Transaction [AASB 112]. This applies to periods beginning on or after 1 January 2023.

Use of estimates and judgements

The Group's acquisition of Bedshed Castle Hill has been treated as a business combination in accordance with AASB 3. Management has determined the fair value of assets and liabilities acquired including leases of store and warehouse. See Note 5 for further details.

Impact of accounting standards to be applied in future periods

Listed below are the new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's half-year financial statements that the Group reasonably expects will have an impact on its disclosures, financial position or performance when applied at a future date. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

AASB 2020-1: Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current [AASB 101]. This applies to periods beginning on or after 1 January 2024 (deferred from 1 January 2023).

AASB 2023-1: Amendments to Australian Accounting Standards – Supplier Finance Arrangements [AASB 107 & AASB 7]. This applies to periods beginning on or after 1 January 2024.

AASB 2023-5: Amendments to Australian Accounting Standards – Lack of Exchangeability [AASB 121]. This applies to periods beginning on or after 1 January 2025.

The Group does not intend to take advantage of section 334(5) of the *Corporations Act 2001* and early adopt any of the above standards and interpretations. There are other standards and interpretations that are issued, but not yet effective, which have not been listed as these are not expected to materially impact the Group.

**3. DIVIDENDS PAID TO MEMBERS OF THE PARENT ENTITY**

	2023	2022
	\$'000	\$'000
<i>Six months ended 31 December</i>		
Fully franked final dividend of 17.5 cents (2022: 10.5 cents) per ordinary share proposed and paid during the period relating to the previous financial year's results	4,970	2,968
Dividend equivalent payments made in relation to unissued vested LTI shares	225	-

4. OPERATING SEGMENTS**Operating segments**

Operating segments are identified based on internal reports about components of the Group that are regularly reviewed by the chief operating decision makers (The Board of Directors and the CEO) in order to allocate resources to the segments and to assess their performance.

The operating businesses are organised and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

The Group has the following operating segments:

- Retail kitchen and wardrobe showrooms;
- Retail bedding – franchise operation;
- Retail bedding stores – company-owned; and
- Home staging – furniture hire and home staging service.

Transfer prices between operating segments are set on an arms-length basis and in a manner consistent with transactions with third parties.

Geographic segments

The Group operates in one principal geographical area namely that of Australia (country of domicile). Each segment is managed on a national basis and Management considers that geographic areas are not a consideration in segment performance.

Information about major customers

No single customer of the Group generated more than 10% of the Group's revenue during the period ended 31 December 2023 (2022: none).

In the retail operations of the Group, namely KWB and Bedshed company-owned stores, no single customer represents a material amount of revenue.

The following table presents revenue and profit information and certain asset and liability information regarding operating segments for the period ended 31 December 2023.

	Retail kitchen and wardrobe showrooms \$'000	Retail bedding – franchise operation \$'000	Retail bedding stores – company- owned \$'000	Home staging \$'000	Total \$'000
Six months ended 31 Dec 2023					
Revenue					
Revenue	62,114	2,965	7,514	479	73,072
Inter-segment sales	-	-	-	-	-
Total segment revenue	62,114	2,965	7,514	479	73,072
Timing of revenue recognition:					
At a point in time	62,114	-	7,514	-	69,628
Over time	-	2,965	-	479	3,444
	62,114	2,965	7,514	479	73,072
Unallocated revenue					-
Total consolidated revenue					73,072
Result					
Segment result	13,470	1,547	714	(149)	15,582
Unallocated expenses net of unallocated income					(2,140)
Income tax expense					(4,029)
Net consolidated profit for the period					9,413
Assets and liabilities as at 31 Dec 2023					
Segment assets	40,551	9,680	9,992	1,360	61,583
Unallocated assets					17,114
Total assets					78,697
Segment liabilities	30,484	2,854	6,526	91	39,955
Unallocated liabilities					2,041
Total liabilities					41,996
Other segment information for the six months ended 31 Dec 2023					
Capital expenditure on PPE and intangibles	577	21	970	39	1,607
Capital expenditure – unallocated					18
Total capital expenditure					1,625
Depreciation and amortisation	2,498	15	559	172	3,244
Depreciation and amortisation – unallocated					225
Total depreciation and amortisation					3,469

The following table presents the operating segments' revenue and profit information for the corresponding comparative period (period ended 31 December 2022) and asset and liability information as at 30 June 2023.

	Retail kitchen and wardrobe showrooms \$'000	Retail bedding – franchise operation \$'000	Retail bedding stores – company- owned \$'000	Home staging \$'000	Total \$'000
Six months ended 31 Dec 2022					
Revenue					
Revenue	57,457	2,925	8,418	113	68,913
Inter-segment sales	-	-	-	-	-
Total segment revenue	57,457	2,925	8,418	113	68,913
Timing of revenue recognition:					
At a point in time	57,457	-	8,418	-	65,875
Over time	-	2,925	-	113	3,038
	57,457	2,925	8,418	113	68,913
Unallocated revenue					-
Total consolidated revenue					68,913
Result					
Segment result	9,904	1,384	1,462	(900)	11,850
Unallocated expenses net of unallocated income					(2,398)
Income tax expense					(1,638)
Net consolidated profit for the period					7,814
Assets and liabilities as at 30 Jun 2023					
Segment assets	51,331	9,673	7,767	1,511	70,282
Unallocated assets					16,122
Total assets					86,404
Segment liabilities	38,584	2,714	4,300	81	45,679
Unallocated liabilities					2,955
Total liabilities					48,634
Other segment information for the six months ended 31 Dec 2022					
Capital expenditure on PPE and intangibles	780	8	62	1,353	2,203
Capital expenditure – unallocated					147
Total capital expenditure					2,350
Depreciation and amortisation	2,435	45	508	103	3,091
Depreciation and amortisation – unallocated					282
Total depreciation and amortisation					3,373



5. BUSINESS COMBINATION

On 21 December 2023, the Group's wholly-owned subsidiary Sierra Bedding Pty Ltd acquired the assets, liabilities and operations of Bedshed Castle Hill from a former franchisee as part of a strategic move to give Bedshed direct access to the Sydney market and grow its business in NSW. The transaction was settled in cash.

Details of the acquisition are as follows:

	Fair value \$'000
Property, plant and equipment, including motor vehicles	723
Inventories	328
Prepayments	27
Customer Deposits	(111)
Trade Creditors	(33)
Right-of-use asset	1,869
Lease liability	(1,869)
Net assets acquired	934
Goodwill on business combination	-
Acquisition-date fair value of the total consideration transferred	934
Representing:	
Cash paid or payable to vendor	934
Acquisition costs expensed to profit and loss	5

6. INTANGIBLE ASSETS

Goodwill

Goodwill is allocated to cash-generating units (CGUs) for impairment testing. Each of those CGUs represents the Group's investment by each operating segment. CGUs to which goodwill is allocated are as follows:

- KWB Retail Kitchen and Wardrobe Showrooms CGU; and
- Bedshed Franchising CGU.

The Group is required to assess at each reporting period, whether there is any indication that an asset may be impaired. At 31 December 2023 there were no indicators of impairment relating to any of the Group's CGUs and no impairment was recognised at 31 December 2023 (2022: \$nil).

Software development

Software development as at 31 December 2023 reflects the value of the Group's custom-built software systems, used to support multiple aspects of its operations.

7. LOANS AND BORROWINGS

Secured liabilities and assets pledged as security

The financing facilities are secured by first mortgages over a combination of the Group's assets. Lease liabilities are effectively secured, as the rights to the leased assets recognised in the financial statements revert to the lessor in the event of default.

Compliance with loan covenants

The Group has complied with the financial covenants of its borrowing facilities during the period. The financier assesses the financial covenants bi-annually, based on the audited Annual Report and Half-Year Report.

Financing facilities available

The available facilities at 31 December 2023 are as follows:

	Current \$'000	Non-current \$'000	Total \$'000	Limit \$'000	Available \$'000	Expiry date
CBA market rate loan (revolving facility)	-	-	-	4,000	4,000	30/09/2024
CBA multi-option facility	-	-	-	1,100	1,100	Subject to annual review
Total	-	-	-	5,100	5,100	

8. ISSUED CAPITAL

	31 Dec 2023 \$'000	30 June 2023 \$'000
Issued and fully paid ordinary shares	19,475	19,161

Movement in ordinary shares on issue:

	Number	\$'000
At 1 July 2023	28,403,617	19,161
Dividend reinvestment plan issues	105,541	314
At 31 December 2023	28,509,158	19,475

9. SHARE-BASED PAYMENTS

For all Long and Short-Term Incentive schemes currently in effect, \$467,460 was charged for share-based payments during the six-month period to 31 December 2023 (2022: \$944,460).

(i) Key Management Personnel performance rights

The offer of performance rights is designed to provide long-term incentives for Key Management Personnel to deliver long-term shareholder returns. The performance rights are issued under the Joyce Corporation Ltd Rights Plan, with eligible participants being granted performance rights which only vest if certain performance standards are met.

Details of the performance rights issued during the period are summarised below.

FY2024 market based rights

KMP details						
Beneficiary	Daniel Madden	Gavin Culmsee	Tim Allison	John Bourke	James Versace	Luke Clarke
Maximum number of rights granted	37,456	13,096	11,478	16,647	10,750	4,172
Vesting conditions	TSR metric ^(a)	TSR metric ^(a)	TSR metric ^(a)	TSR metric ^(a)	TSR metric ^(a)	TSR metric ^(a)

Fair value model inputs

Grant date	1 December 2023
Expected life	3 years
Share price on grant date	\$3.00
Dividend yield (%)	6.00%
Expected volatility (%)	40%
Risk-free interest rate (%)	4.070%
Model used	Monte Carlo

(a) The probability of the performance rights vesting has already been taken into account in the initial valuation of the rights. Therefore the expense recognised in respect of the market-based performance rights is based on the extent to which the vesting period has expired, within the three years commencing 1 July 2023 and ending 30 June 2026.

FY2024 non-market based rights

KMP details						
Beneficiary	Daniel Madden	Gavin Culmsee	Tim Allison	John Bourke	James Versace	Luke Clarke
Maximum number of rights granted	87,397	52,384	45,912	66,588	43,000	16,689
Vesting conditions	JYC ROE metric ^(a)	JYC ROE metric ^(a)	JYC ROE metric ^(a)	KWB NPAT metric ^(a)	KWB NPAT metric ^(a)	Bedshed NPAT metric ^(a)

Fair value model inputs

Grant date	1 December 2023
Expected life	3 years
Share price on grant date	\$3.00
Dividend yield (%)	6.00%
Expected volatility (%)	40%
Risk-free interest rate (%)	4.070%
Model used	Black-Scholes

(a) The expense recognised in respect of the performance rights is based on the Board's assessment of the probability that certain milestone Return on Equity (ROE) or Divisional Net Profit After Tax (NPAT) metrics will be achieved, measured cumulatively over the three-year period commencing 1 July 2023 and ending 30 June 2026. There are three milestones: "threshold", "target", and "stretch and above". Meeting these milestones results in, respectively, 33.3%, an additional 33.3%, and the final 33.3% of the rights vesting into ordinary shares.

*(ii) Key Management Personnel short term incentive scheme – related rights*

The short term incentive (STI) scheme offered to the Executive relating to the 12 months to 30 June each financial year, contains a clause, subject to Board discretion, that allows restricted right share-based payments to be made to participants, to the extent that they achieve above certain milestones. There were no restricted right shares issuable to the Executive in the current period.

10. REVENUE

	2023	2022
<i>Six months ended 31 December</i>	\$'000	\$'000
Revenue from contracts with customers		
Sale of goods	69,628	65,876
Franchise revenue	2,965	2,924
Hire revenue	479	113
	<u>73,072</u>	<u>68,913</u>
Other revenue		
Rental revenue	335	314
Freight recovered	158	169
Other revenue	935	579
	<u>1,428</u>	<u>1,062</u>

Disaggregation of revenue

Management reviews the business at the level of disaggregation shown in the Operating Segments note. The disaggregation of revenue follows the operating segments identified, being revenue from the following activities and arrangements:

- Retail kitchen and wardrobe showrooms and retail bedding stores: revenue is earned at the point of product delivery; and
- Franchising: the majority of revenue is earned through payments made by the Franchisees for the services Bedshed provide in connection with the Franchise.
- Home staging: revenue is earned for the hire of furniture and homewares over a short term hire period.

In understanding the segments, the organisation rarely considers the geographic location of the customer to understand the commercial drivers of the business.

11. EMPLOYMENT EXPENSES

	2023	2022
<i>Six months ended 31 December</i>	\$'000	\$'000
Wages and other employee benefits	10,716	11,542
Share-based payments	468	944
Superannuation contributions	1,495	1,395
Payroll tax	828	802
	<u>13,507</u>	<u>14,683</u>

**12. TRADE PAYABLES AND OTHER LIABILITIES**

	31 Dec 2023	30 Jun 2023
	\$'000	\$'000
Trade creditors	3,375	5,356
Customer deposits	11,210	13,011
Other payables	2,518	4,355
	17,103	22,722

13. RELATED PARTY DISCLOSURES

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

During the half-year ended 31 December 2023, the Group's entities entered into the following new transactions with related parties who are not members of the Group:

<i>Six months ended 31 December</i>		2023	2022
Rights issued to Key Management Personnel under a Long-Term Incentive scheme	Number of rights ^(a)	405,569	544,247
Rights issued to Key Management Personnel under a Short-Term Incentive scheme	Number of rights ^(a)	-	16,562
Dividend equivalent payments to Key Management Personnel related to vested rights currently issuable from Long and Short-Term Incentive schemes	\$'000	225	47

(a) Refer to Note 9 for details of valuation of rights issued to Key Management Personnel.

14. EVENTS AFTER REPORTING DATE

The Directors have resolved to distribute a fully franked interim dividend of 11.0 cents per share. The record date is 12 March 2024 and the payment date is 5 April 2024.

In January 2024, the Group's wholly-owned subsidiary Sierra Bedding Pty Ltd acquired Bedshed Alexandria from a former franchisee, as part of a strategic move (combined with the Bedshed Castle Hill transaction, see Note 5) to give Bedshed direct access to the Sydney market and grow its business in NSW. The transaction was completed on the 11th of January and resulted in the acquisition of plant & equipment, inventory, working capital and the transfer of the leases for the store and warehouse, for consideration in cash.

Other than disclosed above, no event has occurred since the reporting date to the date of this report that has significantly affected, or may significantly affect the Group's operations, or the results of those operations, or the Group's state of affairs.

In the Directors' opinion:

- (a) the attached financial statements and notes thereto comply with the *Corporations Act 2001*, *Australian Accounting Standard AASB 134 'Interim Financial Reporting'*, the *Corporations Regulations 2001* and other mandatory professional reporting requirements;
- (b) the attached financial statements and notes thereto give a true and fair view of the Group's financial position as at 31 December 2023 and of its performance for the financial half-year ended on that date; and
- (c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors made pursuant to section 303(5)(a) of the *Corporations Act 2001*.

On behalf of the Directors



Jeremy Kirkwood
Chair

Perth, 27 February 2024



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INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Joyce Corporation Ltd

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Joyce Corporation Ltd (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2023, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

- (i) Giving a true and fair view of the Group's financial position as at 31 December 2023 and of its financial performance for the half-year ended on that date; and
- (ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be the same terms if given to the directors as at the time of this auditor's review report.

Responsibility of the directors for the financial report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2023 and its financial performance for the half-year ended on that date and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

BDO Audit (WA) Pty Ltd

BDO


Phillip Murdoch

Director

Perth, 27 February 2024

Prosper
in business
together.

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