

1HY25 Financial Results

February 2025





“Helping Australians add value to their greatest asset - the family home”

KWB Group



KWB Group’s trading brands, Kitchen Connection and Wallspan, operate a network of 27 showrooms across Queensland, NSW, and South Australia. KWB is a clear leader in the kitchen & wardrobe renovation market, delivering an exceptional consumer experience for its customers. It is proudly the only kitchen and wardrobe renovation company to achieve over 4,400 5-star reviews on Australia’s largest independent consumer review site (Productreview.com.au).

REVENUE
1HY25

\$59.2M

EBIT
1HY25

\$12.7M

Bedshed

Bedshed supplies quality bedding and bedroom furnishings across Australia and is one of the industry’s most recognisable brands. Bedshed continues to focus on the growth of its network along with its omnichannel offering that supports its company-owned and franchise stores.

REVENUE
1HY25

\$13.7M

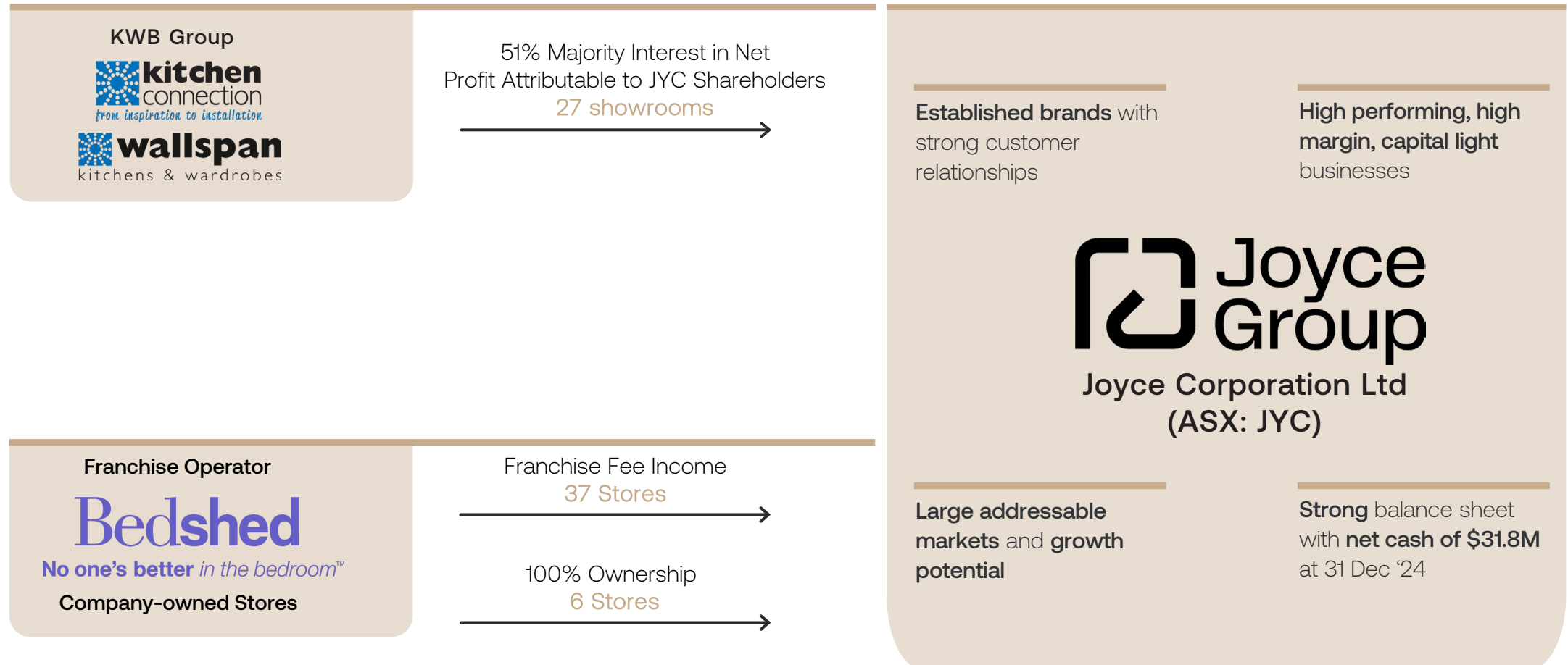
EBIT
1HY25

\$2.2M

Joyce Group



Flow of economic interest into Joyce Group



Operating Results

1HY25



Joyce Group 1HY25 Performance



Overview

- Steady operating performance despite difficult trading conditions - cost of living pressures continued to impact consumer demand
- Increased Revenue and Contribution Margin
- Robust NPAT* to Joyce shareholders of \$4.0M
- Strong financial position Net Cash \$31.8M and debt free (cash held in KWB \$16.2M (\$23.8M 30 June '24))
- Strong position to continue returning healthy dividends and growth trajectory:
 - *flexibility to manage volatility.*
 - *primary focus remains on the pursuit of organic growth from large addressable markets within Australia.*
 - *disciplined management of costs and capital.*

\$73.4M

Revenue

\$8.3M

Group NPAT*

\$7.3M

Operating Cash Flow
(incl. lease payments excl. tax and interest)

\$31.8M

Group Net Cash

\$4.0M

NPAT* Attributable to JYC
S/Holders

13.47 cps

Earnings per Share*

10.5 cps

Fully Franked Interim Dividend

*Refer to Appendix for details of normalising adjustments

Results Overview



Key financial performance metrics

(\$'000)	1HY25	1HY24	Variance	
Revenue	73,420	73,072	348	0.5%
Contribution Margin	36,781	35,775	1,006	2.8%
Normalised* Total Group Operating Expenses	20,157	19,016	1,141	6.0%
Normalised* EBITDA	16,624	16,759	-135	-0.8%
Normalised* EBITDA Margin	22.6%	22.9%	-	-
Normalised* EBIT	12,224	13,290	-1,066	-8.0%
Normalised* NPAT	8,309	9,413	-1,104	-11.7%
Normalised* NPAT - JYC Members	3,975	4,739	-764	-16.1%

Improved Contribution Margin of 50% delivered against backdrop of softer foot traffic and consumer focus on cost of purchases

Operating expenses* at 27.5% of revenue (26.0% in 1HY24)

Robust underlying operating metrics (see KWB and Bedshed sections)

Normalised NPAT* to JYC members \$4.0M

1HY25 profitability metrics
‘normalised*’ to adjust for loss on sale of Crave and one-off corporate activity expenditure

* Refer to Appendix for details of normalising adjustments

Results Overview



Continuing track record of increasing returns to shareholders

	1HY25	1HY24
Dividend (cents per share)	10.5	11.0
NPAT to Joyce Shareholders (\$'000)	3,052	4,739
Normalised* NPAT to Joyce Shareholders (\$'000)	3,975	4,739
Normalised* EPS (cents per share)	13.47	16.65

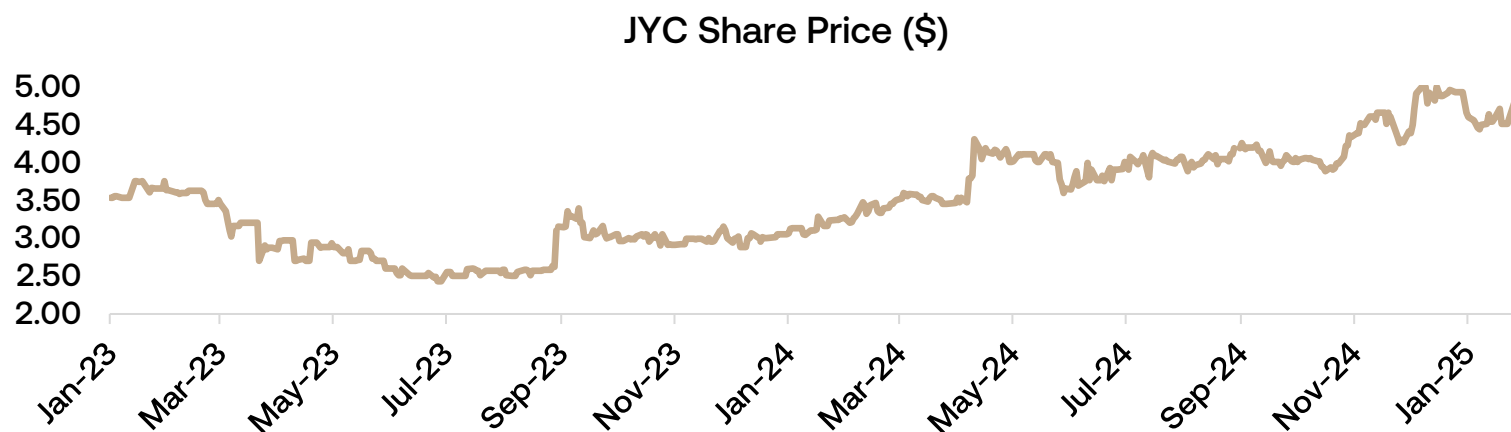
Interim dividend of 10.5 cents per share (fully franked) consistent with 1HY24

NPAT dividend payout ratio of 78%

Maintaining targeted dividend payout ratio of 60-80% of Full Year Normalised NPAT

Normalised EPS of 13.5 cents, (impacted by issue of shares on 2020 and 2021 LTI schemes in 2HY24)

Strong position to continue returning healthy dividends to shareholders



* Refer to Appendix for details of normalising adjustments

KWB Group

 **kitchen**
connection

 **wallspan**





Showroom Network

June '24	Net Showrooms	Feb '25
25	+2	27

Over 2,000 Kitchens and 1,000 Wardrobes installed in 1HY25

Winner of Annual Product Review Award for 4th year in a row

3 new showrooms opened in 1HY25:

Jul '24 - **Alexandria** (NSW)
 Sep '24 - **Bundall** (QLD)
 Dec '24 - **Auburn** (NSW)
 (nb: Ashmore (QLD) now closed)

Further expansion secured in 2HY25:

- **Caringbah** (NSW)
 - **Logan** (QLD)

Increased presence in Sydney market improves brand recognition and positions for further order growth

Long term network growth strategy - opportunity to double footprint (50+ showrooms) across Australia in 'A-grade' locations (homemaker centres) to capitalise on significant market opportunity for unique offering

- **Wallspan**
 - 3 x SA Showrooms
- **Kitchen Connection**
 - 12 x QLD Showrooms
 - 12 x NSW Showrooms



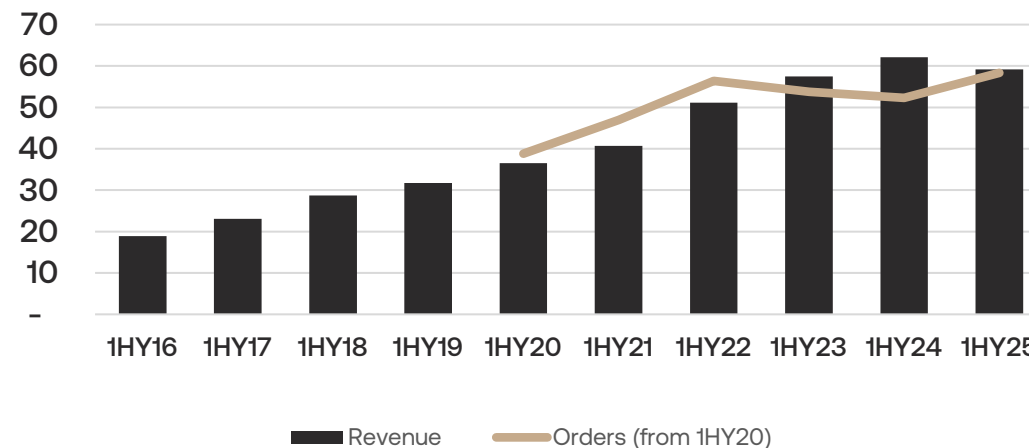
Revenue and Orders

- \$58.3M orders 1HY25 (12% increase on pcp*)
- Like-for-like orders \$54.6M vs \$51.5M
- Orders delivered against backdrop of reduced foot traffic, countered by improved conversion rates
- \$35.8M Order Book** as at 31 December '24 reflective of normalised lead times (\$34.5M in pcp)
- Strong start to 2HY25 with January '25 orders \$15.6M (9% up on pcp)
- 1HY25 revenue \$59.2M (\$62.1M in pcp)
- pcp revenue elevated due to abnormally high order book as at 1 July '23 (caused by Covid peak)

* pcp = Prior Comparative Period (Half-Year ending 31 December 2023)

** Order Book represents the value of orders taken and undelivered as at 31 December 2024

Revenue (\$M)

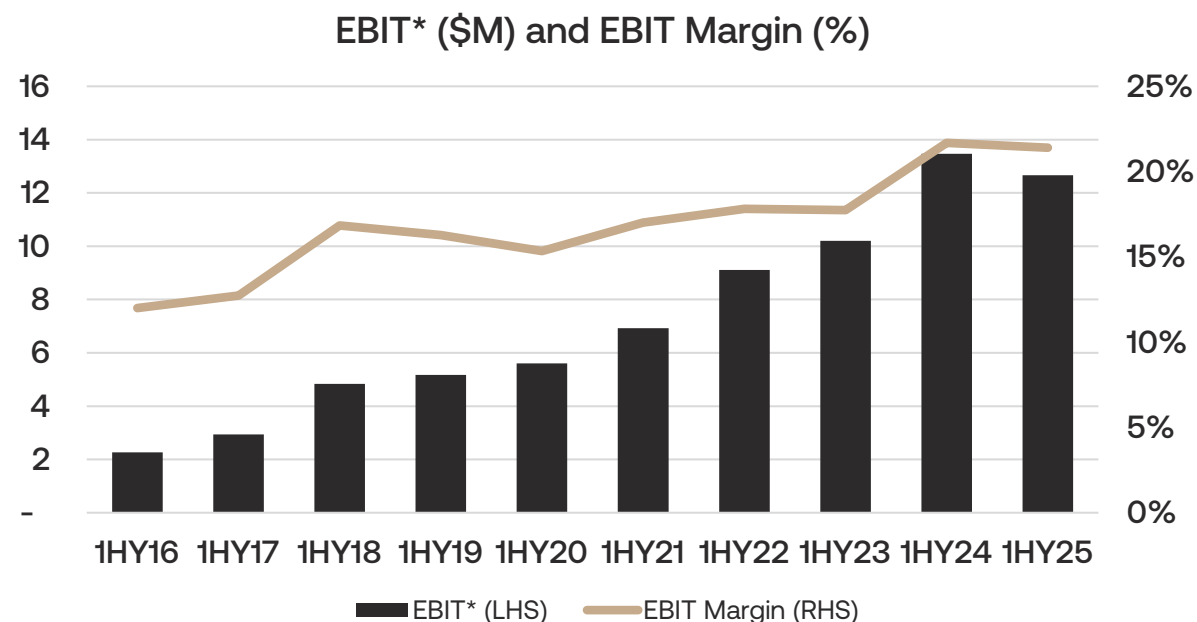




Operating Performance

- Gross margins maintained at approximately 50%
- Continued diligent cost management to protect profitability
- Robust EBITDA and EBIT margins of 26.3% and 21.4% respectively (25.7% and 21.7% in pcp)
- 1HY25 EBIT \$12.7M vs \$13.5M pcp (result of elevated revenue in 1HY24)
- Footprint expansion expected to drive growth pattern similar to pre-Covid (consistent growth in revenue and EBIT year on year)

(\$'000)	1HY25	1HY24	Variance	%
Segment Revenue	59,190	62,114	-2,924	-4.7%
Segment EBIT	12,667	13,470	-803	-6.0%
Segment EBIT Margin %	21.4%	21.7%	-	-



* 1HY23 EBIT normalised for \$0.3m costs on sale of property. 1HY21 EBIT normalised for \$1.4m JobKeeper.

Bedshed

Bedshed





Store Network

Store	June '24	New Stores	Dec '24
Franchised	37	-	37
Company	6	-	6

43 store network (6 company-owned, 37 franchisees) primary focus on franchise operations

Improved business written sales from Castle Hill and Alexandria as company-owned stores

Successful introduction of new furniture ranges (at strong gross margins)

Strong relationship with franchisees - 2 franchised stores up for resale in 10+ years and many franchisees in network 20+ years

Long Term Planned network of 65 stores

Company operations

- 2 x WA Stores
- 2 x QLD Stores
- 2 x NSW Stores

Franchise operations

- 12 x WA Stores
- 10 x QLD Stores
- 12 x VIC Stores
- 3 x NSW Stores



Bedshed

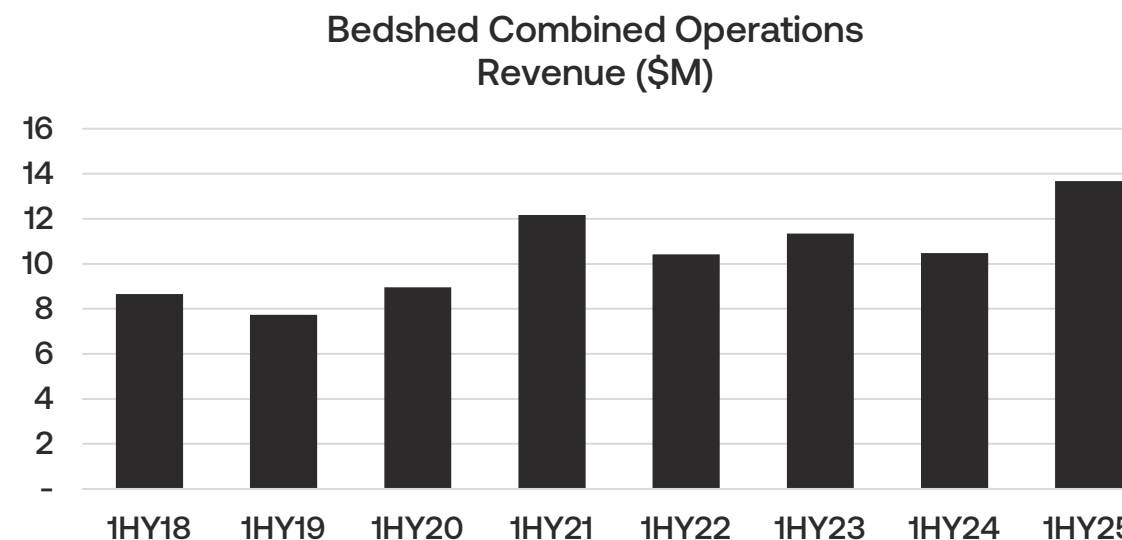


Revenue

- Improved Bedshed network Business Written Sales (“BWS”) for 1HY25 exceeding \$80.0M (6% increase on pcp and 3% like-for-like)
- Consumers remain focused on promotions (record November ‘24 and December ‘24 trading)
- Castle Hill and Alexandria* delivered 42% increase in BWS as company-owned stores
- Improved gross margin across the network driven by:
 - *strong inventory control and supply chain management*
 - *new furniture ranging*
- BWS generated Combined Operations revenue of \$13.7M (\$10.5M pcp)
- Network business written sales for January 2025 are 6% higher than pcp

* Alexandria and Castle Hill were franchise operations July ‘23-Dec ‘23 and company-owned operations Jan ‘24-Jun ‘24.

(\$'000)	1HY25	1HY24	Variance	
Revenue				
Franchise operations	3,064	2,965	99	3.3%
Company-owned stores	10,617	7,514	3,103	41.3%
Combined Operations				
Revenue	13,681	10,479	3,202	30.6%



Bedshed

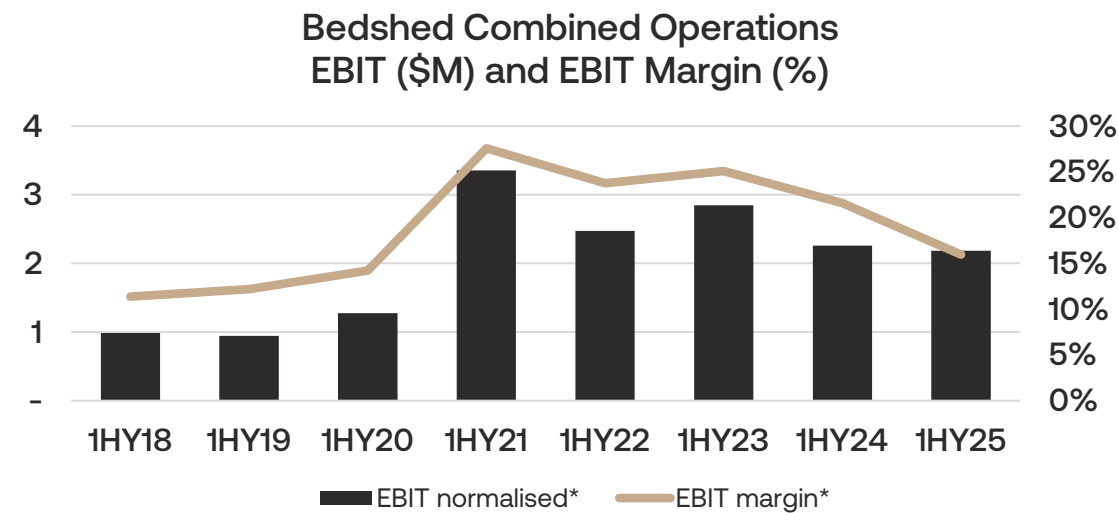


Operating Performance

- Combined Operations EBIT of \$2.2M (comparable to pcg of \$2.3M)
- Consistent franchise operations performance of \$1.4M EBIT. Robust margin of 46.6%
- Company-owned store EBIT impacted by:
 - *Higher costs associated with continued onboarding of Castle Hill and Alexandria and relocation of Joondalup*
 - *Labour availability and associated productivity issues for much of 1HY25 (now resolved)*
- Company-owned store network anticipated to deliver improved sales revenue and financial performance in 2HY25

Note: Alexandria and Castle Hill were franchise operations July '23-Dec '23 and company-owned operations Jan '24-Jun '24.

(\$'000)	1HY25	1HY24	Variance	
EBIT				
Franchise operations	1,427	1,547	-120	-7.8%
Company-owned stores	756	714	42	5.9%
Combined Operations				
EBIT	2,183	2,261	-78	-3.4%
EBIT Margin %	16.0%	21.6%	-	-



*Combined EBIT and Margin impacted during period by: fluctuations in # of company-owned stores in combined portfolio (notably HY21 v HY22 and HY24 v HY25), timing of company-owned store revenue recognition vs BWS, timing of franchise renewal fees, and impacts from Covid (notably trading and travel expenditure in franchise network).

Future Growth



Future Growth Initiatives



Established brands that are synonymous with helping Australians add value to their greatest asset - the family home

KWB Group



- Sole focus on residential renovation in substantial national kitchen renovation market
- Expansion of wardrobe design and installation offering
- Recent footprint expansion in Sydney provides more scaled presence
- Expanded ranges to provide customers with more options at a range of price points
- Long term plans for footprint of 50+ showrooms

Bedshed

- Focus on improved operational performance of company stores
- Continued focus on initiatives to assist franchise network footprint growth
- Continued focus on product ranging and margin improvement from furniture offering
- Strategic initiatives to further enhance omni-channel and e-commerce offering

Primary focus on pursuit of organic growth from large addressable markets. Significant opportunity for KWB and Bedshed which are under-represented within Australia

Corporate Directory



Board of Directors

Jeremy Kirkwood	Non-executive Director (Chair)
Karen Gadsby	Non-executive Director (Deputy Chair)
Travis McKenzie	Non-executive Director
Nicholas Palmer	Non-executive Director

Key Management Personnel

Dan Madden	CEO - Joyce Corporation
Gavin Culmsee	COO - Joyce Corporation MD - Bedshed
Tim Allison	CFO & CoSec - Joyce Corporation
John Bourke	MD - KWB Group
James Versace	CFO - KWB Group

Top 20 JYC Shareholders – 26th February 2025

	Units	% Units
1. ADAMIC PTY LTD	7,711,568	26.08
2. UFBA PTY LTD	1,474,000	4.98
3. ANACACIA PTY LTD <WATTLE FUND A/C>	1,227,394	4.15
4. DANIEL SMETANA <THE D A SMETANA FAMILY A/C>	1,224,651	4.14
5. ONE MANAGED INVT FUNDS LTD <SANDON CAPITAL INV LTD A/C>	1,178,962	3.99
6. NETWEALTH INVESTMENTS LIMITED <WRAP SERVICES A/C>	1,077,073	3.64
7. J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	1,013,324	3.43
8. MR JUSTIN ZHIWEI TEO	990,000	3.35
9. HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	796,076	2.69
10. MR DANIEL ALEXANDER SMETANA	775,434	2.62
11. MR DAN SMETANA	734,022	2.48
12. TREASURE ISLAND HIRE BOAT COMPANY PTY LTD <STAFF SUPER FUND ACCOUNT>	587,317	1.99
13. MR JOHN BOURKE	350,125	1.18
14. CONARD HOLDINGS PTY LTD	347,940	1.18
15. GLIOCAS INVESTMENTS PTY LTD <GLIOCAS GROWTH FUND A/C>	345,568	1.17
16. VANWARD INVESTMENTS LIMITED	345,453	1.17
17. MR GAVIN W CULMSEE + MS KARA F CULMSEE <CULMSEE FAMILY A/C>	299,748	1.01
18. MOAT INVESTMENTS PTY LTD <MOAT INVESTMENT A/C>	290,000	0.98
19. MR CHRIS PALIN	276,944	0.94
20. MARTEHOF PTY LTD <TEMA SUPER FUND A/C>	275,319	0.93
Total	21,320,918	72.10
Balance of register	8,248,351	27.90
Grand total	29,569,269	100.00

References



This Presentation should be read in conjunction with the following documents lodged with the ASX on 28 February 2025 under the ASX ticker JYC:

- Investor Presentation - Half-Year Results 31 December 2024
- Appendix 4D and 31 December 2024 Half-Year Financial Report
- Dividend/Distribution - JYC

Appendix: 1HY25 normalising adjustments



(\$'000)	EBITDA	EBIT	PBT	Tax	NPAT	NPAT attributable to JYC s/holders
1HY25 Results per financial statements	15,604	10,904	10,727	(3,341)	7,386	3,052
Crave realised loss on sale of assets	297	297	297	(89)	208	208
Crave impairment of software	-	300	300	(90)	210	210
Wind up of Crave business operations	68	68	68	(21)	47	47
One-off corporate expenditure	655	655	655	(197)	458	458
1HY25 Normalised results	16,624	12,224	12,047	(3,738)	8,309	3,975
1HY24 Results per financial statements	16,759	13,290	13,442	(4,029)	9,413	4,739
1HY24 Normalised results	16,759	13,290	13,442	(4,029)	9,413	4,739

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This presentation should be read in conjunction with the Appendix 4D, Half-Year Report and any subsequent announcements posted on the ASX and company websites - www.joycegroup.com.au.

Appendices



Business model

Inspiring showrooms - Located in **A-grade homemaker centres**, displaying premium brands and products that are on trend and regularly updated

Unique value proposition delivering a positive, seamless and hassle-free design and installation experience resulting in **exceptional consumer experience** that creates referrals (over 4,400 5-star customer reviews*)

Invested in centralised and optimised support for showroom network. Internal training academy for sales staff and installation partners, and National Scheduling Centre

Capital light business model, strong margins and excellent cashflow (staged payments by customer throughout cycle)

Experienced management with track record of growth and continual improvement in operational efficiencies



Business model

Bedshed is an established Bedding Specialist with 40+ yrs experience

- Differentiated value proposition with a range of offerings/product features that drive conviction, accessibility and loyalty
- Greater staff expertise, personalised service offerings expertly curated range

Unique Value Proposition - Business Pillars



Omnichannel offering

- In-store and online website provides greater choice & convenience
- Quote retrieval system – customers can agree price in store and complete sale via website



“Evolution” Store Fit-Outs