

JOYCE CORPORATION LTD

2017 Interim HYE Results Presentation



By **Anthony Mankarios - Executive Director**

Why Joyce Corp?

Joyce Corporation Ltd { ASX: JYC } www.joycecorp.com.au

1

Joyce Corporation Ltd (JYC) aims to grow shareholder returns annually with consistent growth by investing in great Australian businesses with passionate management and sufficient expertise and specialised IP.

2

JYC over the last four years has grown returns to shareholders year on year (YOY) with increased Franked Dividends.

3

The Company business units, in general are counter cyclical assisting in reducing unforeseen changes and risk.

4

Organisational culture is aligned with the management team focused on performance based initiatives and growth in shareholder returns.

5

The Company has significant growth potential with national footprint growth planned across all business units (BU's).

6

JYC has a strong balance sheet with low gearing that provides for additional growth.

2017 Interim HYE Report:

	H1-2017	H1-2016	Variance
	\$ ('000's)	\$ ('000's)	
Revenue	39,142	25,871	+51%
EBITDA	2,490	1,506	+65%
Depreciation	214	145	
EBIT (Exc NCI)	2,276	1,361	+75%
Interest Income	37	45	
Interest Expense	3	90	
NPBT	2,310	1,316	+75%
Tax (Exc NCI)	740	436	
NPAT (continuing basis)	1,570	880	+78%



Total Network Sales for the first half was \$103 Million (includes Franchise and Auction turn over) vs \$60 million in 2015 for the half year period.

Key Performance Highlights H1-2017



Revenue up + **51%** to **\$39.1 Million** for 6 months.



Net Profit After Tax (NPAT) from Continuing Operations up **+78%** to **\$1.57 m**



Net Assets per share diluted 89 cents per share , EPS on Continuing Operations of **5.7 cents** for **H1-17**.



Cash in bank as at 31st December 2016 – \$6 million.



KWB Group (kitchens sales and wardrobes) Revenue up **21.7%**, with a solid future **\$12.9 Million** order book and growing.

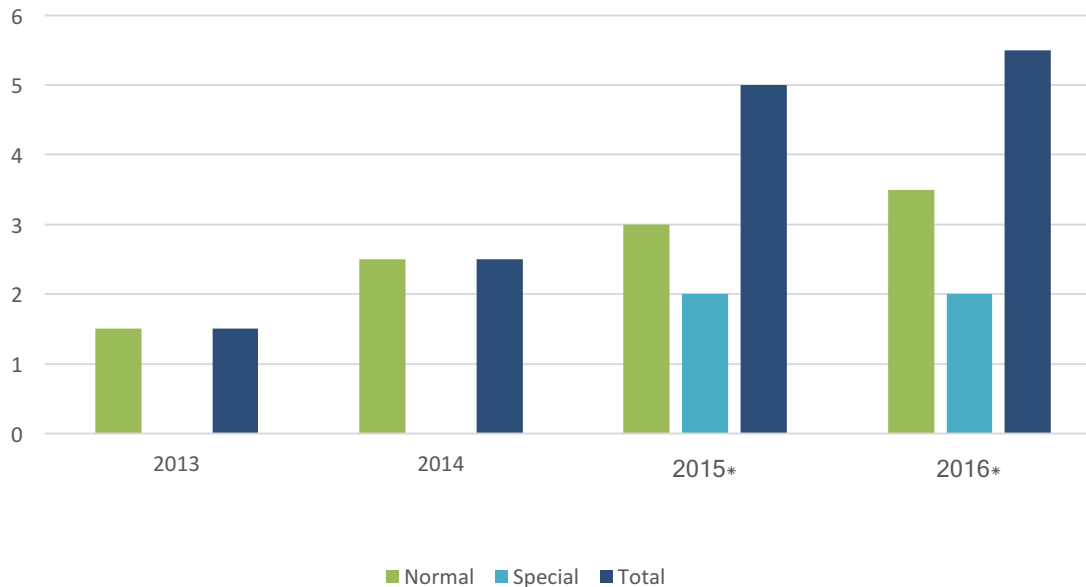


Bedshed Company stores Revenue up **48%** with 2 new stores.



Recent Interim Dividend History

Joyce HYE Dividend 4 year History
cents per share
*fully franked dividends



5.5 Cents per share Final Fully Franked Dividend to be paid 3 April, record date 16 March 2017 (Equating to: 3.5 cents normal and 2 cents special).



Business Unit Performance

Revenue	\$'000's	\$000's	
JYC segment	H1-2017	H1-2016	variance %
Bedshed Franchising**	2,033	2,210	-8%
Bedshed CO stores	7,022	4,736	48%
KWB (kitchens)	23,087	18,925	22%
Lloyds (online)	7,000	0	
Total Revenue	39,142	25,871	51%



NOTES: **As a result of the review to move on some franchisees and the conversion of two franchise stores to company owned stores in 2015/16, Bedshed franchising revenue is down marginally whilst Bedshed Company owned stores grew considerably; this resulted in revenue growth across the total Bedshed business unit of 30% compared to the prior year.

Business Unit Performance

JYC	EBIT	\$'000's	\$000's	
Segment***		H1-2017	H1-2016	Variance %
Bedshed Franchising*		464	708	-34%
Bedshed CO stores		503	388	30%
KWB(kitchens)		3194	2271	41%
Lloyds (online)		1802	0	N/A
CRP/Office**		-1273	-909	40%
	EBIT	4690	2458	91%



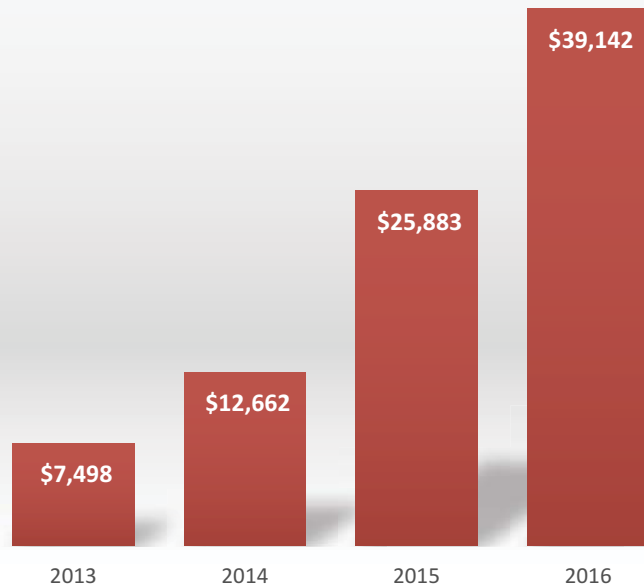
NOTES: *The restructuring of the Bedshed Franchise segment resulted in a statutory reduction in EBIT for H1-17 compared to H1-16. However, on a like for like basis there was a \$49K EBIT gain in H1-17 compared to the corresponding previous period."

**CRP/0 is corporate costs which includes Lloyds Acquisition costs and other non recurring costs.

***An allocation variance considered not material existed between this presentation and the 4D for KWB and Lloyds; this has been updated. Overall result not changed but segment is re-stated.

Joyce Revenue Growth- 4 yrs.

Joyce Corp Statutory Revenue HYE
in \$000's



**BEDSHED FRANCHISEES FINANCIAL
SUCCESS SATISFACTION RATES HIGHER
THAN 84% OF ALL OTHERS IN THE
FRANCHISEE SECTOR.**

2016 : Revenue includes Lloyds online being consolidated from 1 July 16.

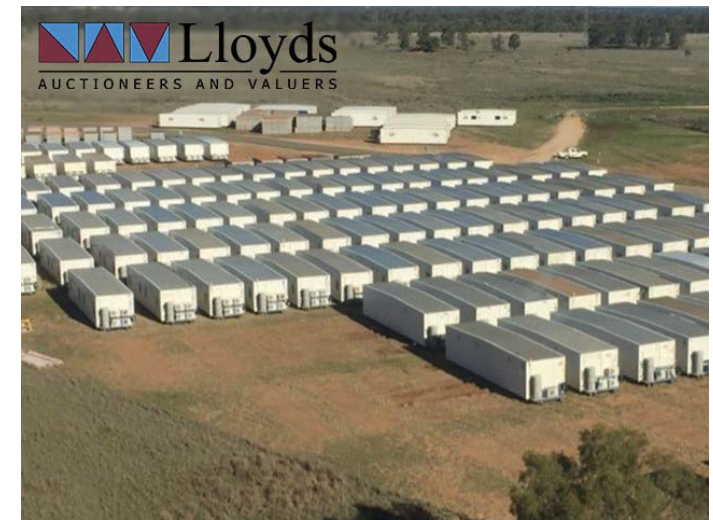
2015 : Revenue includes start of KWB group being consolidated from Nov-15.

List of accomplishments this half :

- ❑ We set out to pay a **5 cent per share** pa special Franked Dividend from November 2015 to 2017. The 2018 period will see this special Dividend revert to Ordinary Dividends. This is due to new investments using the funds from the 2015 Moorebank Property sale.
- ❑ We have integrated our **51%** share of Lloyds Online and Lloyds Auctioneers and Valuers businesses into this period. The business is growing at strong double digits. It is expected to continue to grow with plans for further expansion.



- ❑ We have finished our WA Howe Street Osborne Park construction and the corporate offices have now moved into the exciting new facility with its additional warehouses.
- ❑ KWB's wholly owned subsidiary has exchanged contracts on the purchase of a 10,000 sq. meter site comprising of 6,600 sq. meters of Building costing **\$8M** located in Lytton QLD. This will accommodate the corporate office and our QLD wardrobes assembly plant for Kitchen Connection.
- ❑ The remaining 3,980 sq. meters will be leased out on a ten year lease basis, We are actively working with parties to provide further business synergies.





Lloyds

AUCTIONEERS AND VALUERS



Lloyds Online Auctions



AUCTION SALES 2017 HYE - \$39.6M



2017 HYE EBITDA - \$1.8 M



ANNUAL GROWTH 1st Half + 46%



Highest Social Media likes in Australia



Set for National Expansion



JOYCE ACQUIRED 51% OF LLOYDS ONLINE AUCTIONS- 1ST JULY 2016 .

Outlook

1

Strategic growth in all Business units is planned in H2-17

Additional stores scheduled to open in the following BU's:

2

Bedshed: x 2 Franchise stores opening (1 QLD, 1 ACT) and further self-funded Franchising incentives planned for NSW.

Kitchens :1 opening in H2-17 1- QLD (3-4 stores planned in FYR18).

3

Lloyds set for national expansion interstate in H2-17.

4

Additional EBITDA gains of \$380K pa in JYC kicking in 2017-H2 coming from Howe st property rent revenue and cost savings.

5

Additional EBITDA gains of \$550K pa in (100%) KWB kicking in 2018- H1 coming in from Rent Revenue and cost savings.

6

Additional Synergies are being actively pursued at present with these sites that may add to the future lift in earnings.

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www.joycecorp.com.au