

JOYCE CORPORATION FYR2017 RESULTS



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SEPTEMBER 2017

Agenda

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Summary

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Key Performance 2017 Summary



+43%
\$81M

JYC CONSOLIDATED (incl NCI) REVENUE



+80%
\$211M

Gross Group Network Sales, Fees
& Commissions



+66%
\$9.24M

TOTAL GROUP EBITDA (inc NCI)



+20.1%
\$2.76M

JYC STATUTORY NET PROFIT AFTER TAX



0.5 cents up
to 11.5 cents
per year

DIVIDEND



16%
KWB GROUP

FY2017 SALES REVENUE



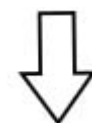
+56%
Lloyds Online
Auctions Pty Ltd

FR17 COMMISSIONS & FEE REVENUE



+10%

BEDSHED CONS YOY REVENUE



Statutory
EBITDA
Bedshed
(COS+BF) **-17%**



UNDERLYING BEDSHED
COS EBIT* **+4%**
Bedshed YOY
(before Impairments)

BEDSHED YOY EBITDA & EBIT
*Note: Revert to slide 11 for summary

Key Performance 2017 Summary

- Statutory Net Profit After Tax (NPAT) after non controlling interest of \$2.76million; up +20.1%.
- FYR17 revenue increased to \$81 million, up 43% on FYR16;
- Gross Sales transactions for total group including Franchise fees and Commissions up to \$211M up +80% on FYR16.
- Total Group EBITDA (inc NCI) up +66% to \$9.24Million FYR 17.
- Fully franked final dividend of 6 cents per share, for a full year dividend of 11.5 cents per share;
- KWB Group FY2017 sales revenue up 16% on prior year; and
- Lloyds Online Auctions Pty Ltd grew FR17 Commissions and fee Revenue by + 56%.

Statutory Reporting Summary

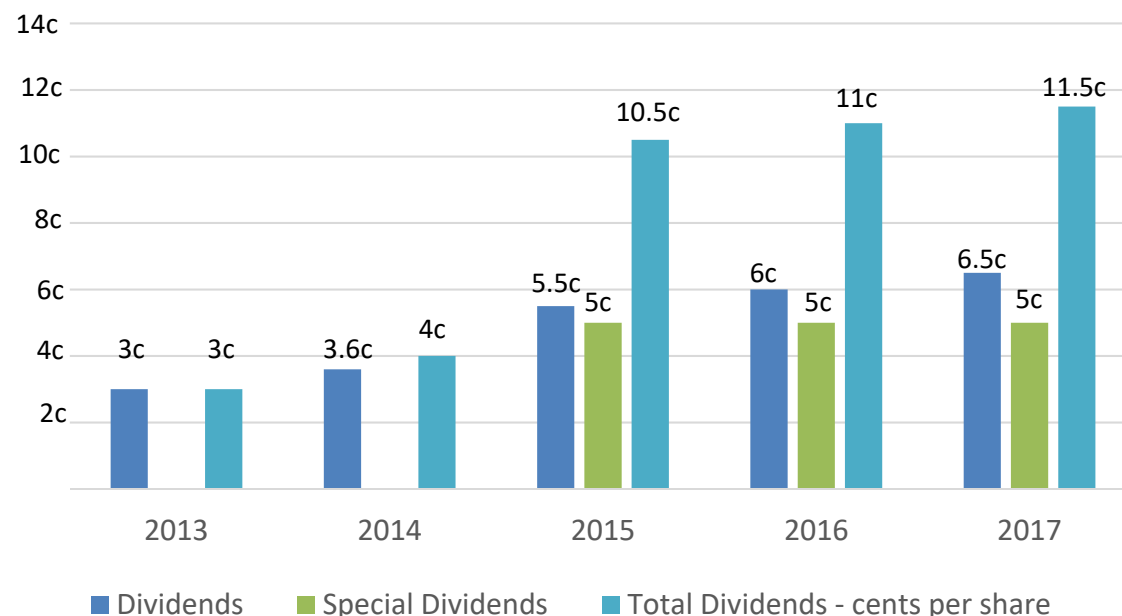
Joyce Corporation Ltd 2017 Results Highlights			
	2017	2016	Variance
	\$	\$	%
	000's	000's	
Revenue	81,009	56,544	43%
EBITDA Inc NCI	9,245	5,579	66%
EBIT Inc NCI	8,499	5,146	65%
Depreciation	-746	-432	73%
Net Interest Income	19	133	n/a
NPBT	8,518	5,280	61%
Tax	-2,702	-1,819	-49%
Profit	5,816	3,461	68%
NCI	-3,052	-1,680	82%
NPAT Statutory	2,764	2,301	20%

Net Cashflow provided by operations up +152% to \$5.3M.

Dividends

- The Company declared a 6 cents per share fully franked Dividends to be paid 22nd November.
- The total franked Dividends for this Year to increase to 11.5 cents fully franked per share.

Dividend History



- Cash flow from operations will see the special Dividend replaced with earnings derived from operations from late 2017. (1 year ahead of plans.)



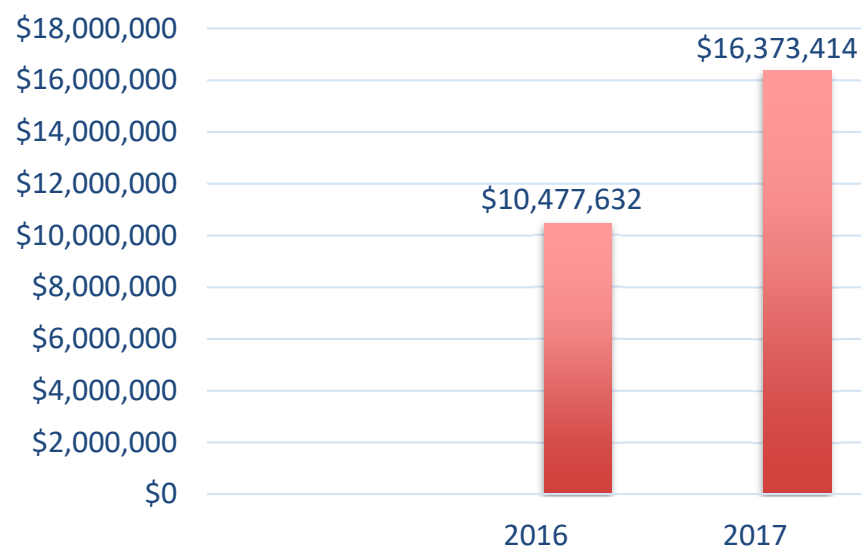
Lloyds Online Auctions (LOA) Review.

- Lloyds Auction Auction sales grow to \$88M up from \$47.9M + up 83%.
- Lloyds underlying EBITDA (before one-off investment) grew 48% to \$4.0 Million; Statutory EBITDA grew to \$2.95 Million.
- National footprint expansion occurred during FYR17 Lloyds have become leaders in Classic Cars as well as achieving some of the highest re-sale values in Yellow Equipment and Portable Buildings auctions growing their business to business. (B2B)

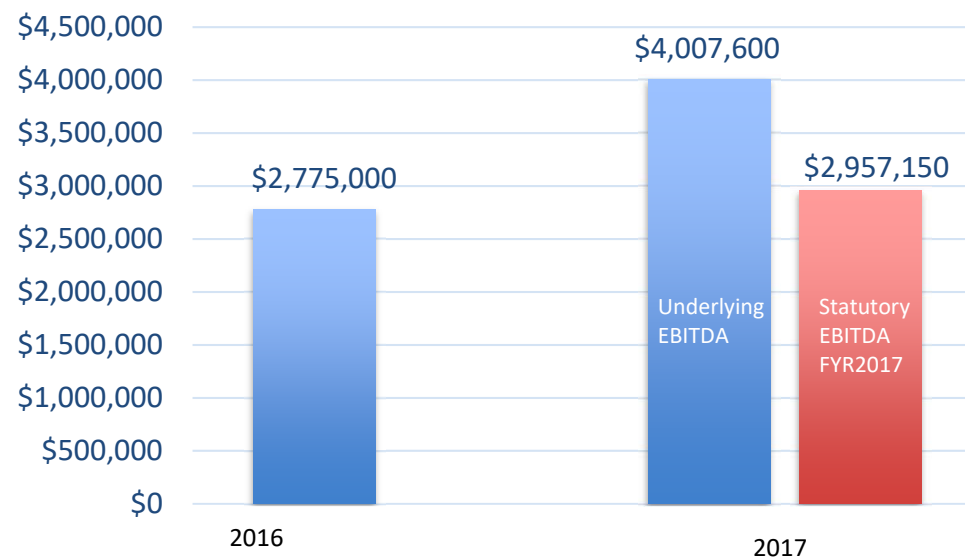


Lloyds Online Auctions-LOA Performance Summary:

Revenue Commissions last 2 years LOA.



EBITDA FYR17 Vs FYR16 Lloyds Online Auctions



- LOA grew with onsite auctions in QLD, Victoria and NSW in FYR17 further footprint expansion planned in FYR18. Online Bidding is catered for at all auctions.



Bedshed -Segment Summary

Bedshed - Segment Summary						
	Bedshed Franchising			Bedding Retail Stores		
	2017	2016	Var	2017	2016	Var
Primary Reporting - Business Segments	\$	\$		\$	\$	
<u>REVENUE</u>						
Total Sales Revenue	\$4,262,046	\$4,283,081	-0.50%	\$13,045,412	\$11,484,112	14%
<u>RESULT</u>						
Operating Profit/(Loss) excluding extra-ordinary items	\$1,310,412	\$1,193,833	10%	\$667,098	\$1,115,475	-40%
EBITDA	\$1310412	\$1,193,833	10%	\$667,098	\$1,115,475	-40%
Depreciation	-\$9,152	-\$10,679	14%	-\$229,513	-\$191,920	-20%
Segment Result	\$1,301,261	\$1,183,154	10%	\$437,586	\$923,555	-53%

Bedshed Performance Review

- Bedshed continued to refit existing stores into the new “Evolution” fit -out, providing our customers with industry leading customer experiences and world class shopping environments.
- The fit- out program was accelerated in FYR17, creating a temporary dip in revenue whilst stores were fitted out. Our performance data shows double -digit growth is experienced in stores once the evolution fit-out is complete.
- In the prior period Company owned stores benefited from considerable rental incentives negotiated for lease commencements and FX movements.
- We expect to see a lift in total Bedshed number of stores up to 35 stores YE 18.

COS Underlying EBIT YOY Comparison:

COS Underlying EBIT YOY comparison. Excludes one-off impairment charges YOY.			
	2017	2016	Variances
EBIT	\$437,586	\$923,555	-53%
Moving Warehouse cost	\$40,000		
FX vairances		-\$100,000	
Rent free and		-\$244,000	
Fit-out incentives			
Stock gain on take up Nth QLD.		-\$120,000	
L4L EBIT (COS)	\$477,586	\$459,555	4%



kitchen
connection

kitchens & wardrobes



wallspan

kitchens & wardrobes

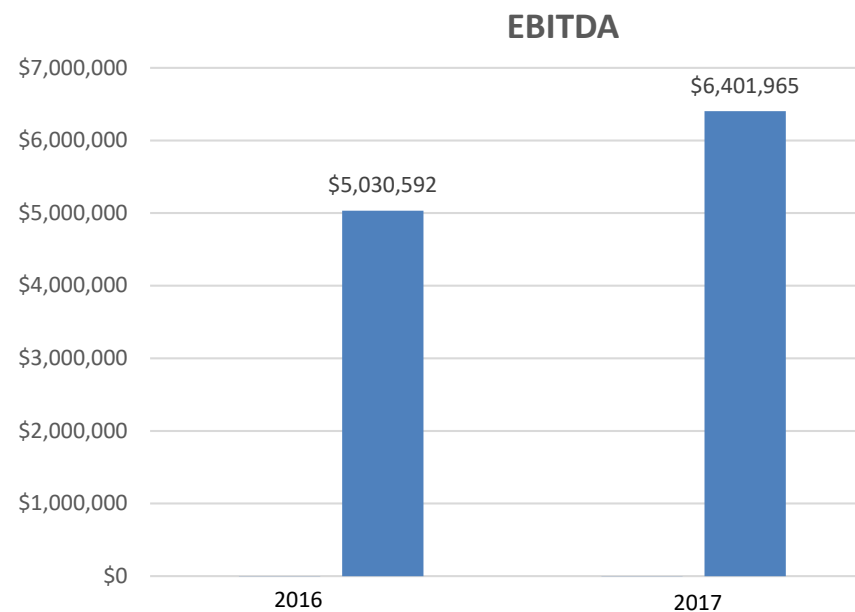
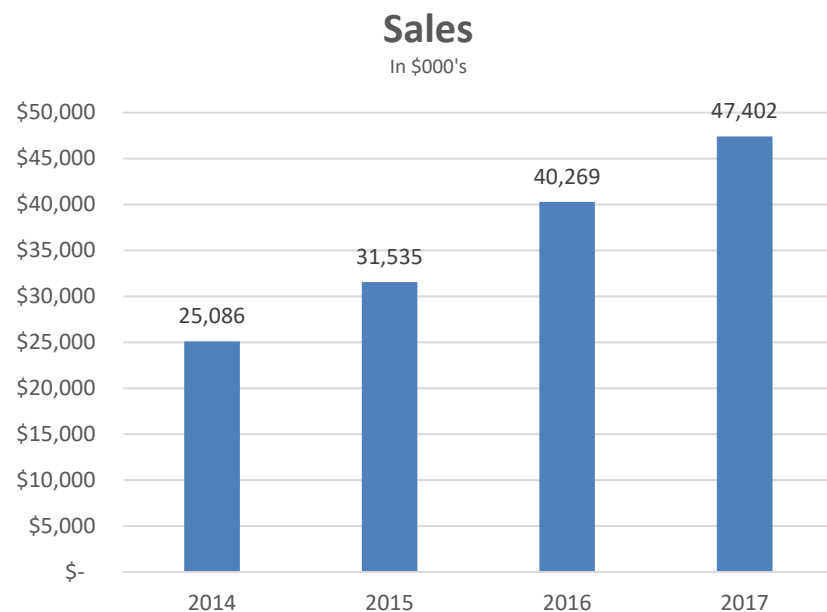


(Kitchen's) Segment Summary

KWB Group Kitchens			
<u>REVENUE</u>	2017	2016	Variance
Total Sales Revenue			
Total Revenue	\$47,402,586	\$40,735,704	16%
<u>RESULT</u>			
Operating Profit/(Loss) excluding extra-ordinary items	\$6,401,965	\$5,030,592	27%
EBITDA	\$6,401,965	\$5,030,592	27%
Depreciation	-\$463,801	-\$230,227	101%
Segment Result	\$5,938,164	\$4,800,365	24%

- KWB Property Holdings purchased 97 Trade St, Lytton QLD for \$8 M, with total annualised rents of \$900K (incl o/goings) beginning in FYR18.

Kitchen's Performance Review



- KWB Group grew Sales Revenue to \$47M up + 16% (L4L) YOY.
- KWB Group grew its EBITDA to \$6.4 M in FYR17 up +24.4% (YOY).

Kitchen's Performance Review

- The Company secured a purchase of a property at 97 Trade St Lytton, extensive works and improvements are completed resulting in FYR18 upswing potential of \$1M (in cost savings and incoming rent streams).
- Interstate expansion commencing with a total national 3 new stores planned FYR18.
- 2 new stores in late FYR17 and 3 new scheduled for FYR18.

Joyce Corporation {JYC} Summary

- Company in strong financial position, with low levels of bank debt and opportunity to leverage and grow with cash in bank.
- 75 Howe St Construction finished. New rent stream commenced.
- QLD Lytton Property modifications finalised and commenced with annualised rents stream of ~ \$900K pa including o/goings.
- Lloyds Online Auctions expanding on a natural basis with Auctions in (VIC) + (NSW) + growing categories in both business to business (B2B) and business to consumer (B2C).
- National Expansion planned with Kitchens & Bedshed -FYR 18 commencement.
- Lloyds online expected to grow both B2B and B2C categories FYR18.

Key objectives :

- Step up the Roll-out of the new “evolution” store fit-out program to remaining Bedshed stores and expansion into Eastern states.
- Grow “B2B” and “B2C” with Lloyds online Auctions FYR 18.
- Implement store Franchisee growth and recruitment plan in NSW.
- Communicate Corporate Partnering Strategy. www.joycecorp.com.au
- Replaced 5 Cents a share Franked Special Dividends with Normal Dividend streams.



Outlook in 2018



- ❑ Joyce Corporation { JYC } is in a dynamic growth stage. Statutory Revenue up + 43.4% and network written sales and commissions up +80%.
- ❑ Joyce has mostly counter- cyclical business units. This provide relatively low risk, Robust balance sheets making it reasonably bullet-proof.
- ❑ Lloyds Online Auctions performing well and expected significant growth in Auction sales.
- ❑ KWB performing to expectations with 3 new stores to roll out in FYR 18.
- ❑ Bedshed performing to expectations with up to 3 new stores targeted in FYR18.
- ❑ Additional growth opportunities currently being considered across all BU's.

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