

Chairman's address AGM 30th November 2017

Good morning ladies and gentlemen,

On behalf of the Joyce Corporation Board I would like to **welcome** all of you here to our 2017 Annual General Meeting.

I am satisfied a **quorum** is present today and so I officially declare the meeting open.

I would now like to **introduce our board** and especially our new Director, Karen Gadsby. Karen was appointed to the Board during the year as part of our succession planning and to assist with our growth plans. We intend to vote for her re-election today. From my right.....

- Tim Hantke – Non Executive Director and Chair of the Remuneration Committee
- Karen Gadsby – Non Executive Director
- Mike Gurry - Non Executive Director and Chair of the Audit & Risk Committee
- Keith Gray – Company Secretary and Chief Financial Officer
- Anthony Mankarios – Executive Director

I will now recap the **performance for the 2017 financial year**.

The Company performed very well compared to the previous financial year –

- Consolidated Revenue grew by 43% to \$81.1m.
- Profit from continuing operating activities grew 61% to \$5.81m.
- Net Profit after Tax (NPAT) attributable to members (after non- controlling interest) at \$2.76m was up 20%.
- The directors declared a fully-franked final dividend of 6 cents per share, lifting the full-year dividend per share to 11.5 cents from 11 cents per share in 2016.
- The group's results for the year illustrated the advantages of its range of business units.

It is important to note that the total group network written sales, including franchisee sales and auction turnover, was \$211.5m, up 80% from the previous year. Cashflow provided by the network grew to \$5.3m, up \$3.1m. The Company continues to have relatively low levels of bank debt.

In July 2016 we acquired a 51% stake in Lloyds online Auctions (LOA) and consolidated Lloyds Auctioneers and Valuers into the group. Lloyds Online as a business unit performed exceptionally well compared to the comparable period in 2016, with auction turnover increasing to over \$91 Million from \$48 Million in the previous year.

This year we are investing further through Lloyds Online to grow our market share. We are delighted with the growth in Auction turnover to date.

Our other business units being KWB Group Pty Ltd (Kitchens) and Bedshed (Bedrooms) increased total revenue. Kitchens continued with solid double-digit growth of 16% like-for-like growth and total Bedshed revenue escalating by 10%.

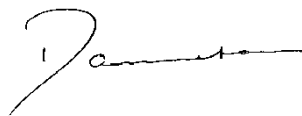
We continue to seek opportunities to grow store numbers in both Kitchens and Bedshed. Much of the growth plan involves an expansion in national footprint, consistent with the strategic plans previously communicated to the market.

The Group has acquired two significant properties. One here at Osborne Park which services Joyce Corporate, Bedshed support offices and warehousing, as well as providing two leasable units. Within the KWB Group the second property is located in Lytton, a busy portside suburb of Brisbane. As well as servicing the office and wardrobe requirements for the KWB Group, part of this facility is leased to our kitchen manufacturing supply partners KT3. This alliance is bringing significant efficiencies to our kitchen operations. Lytton is being classified as an Investment Property under the accounting standards and as such the building will provide significant valuation uplift since acquisition.

The Group is poised for further growth and the underlying business units are forecasting solid performance gains in the current year. A feature of our businesses is that they are not overly impacted by economic cycles. By that I mean, that whichever way the economy goes, business demand remains relatively firm.

I would like to thank all our management team, led admirably by our Executive Director Anthony Mankarios, together with Bedshed and our partners in KWB and Lloyds, our Franchisees, the board and staff for consistent improved performances. I particularly wish to acknowledge our shareholders and thank them for their continual support. We are in an enviable position with strong prospects for our shareholders.

I have no hesitation in commending Joyce Corporation Ltd to you.



Dan Smetana
Non-Executive Chairman