



FY19 FULL YEAR RESULTS – PREDICTED AND SOLID GROWTH

Mike Gurry - Chair
Keith Smith - Acting CEO

FY19 Results

Joyce Corporation	FY19	FY18 Underlying *	Variance %	FY18 Statutory
	\$000's	\$000's	\$000's	\$000's
Revenue	101,161	91,419	+10.7%	91,419
EBITDA	11,540	10,221	+12.9%	10,221
Profit after tax from continuing operations	6,734	6,070	+10.9%	6,723
Profit attributable to Joyce shareholders	3,453	3,047	+13.3%	3,380
EPS (Diluted) cents	12.3	10.9	+12.8%	12.1

Joyce has balanced earnings grow with continued strategic investment for the future



Joyce Corporation	FY19	FY18	Variance %
	\$000's	\$000's	
Net cash from operations	9,996	9,025	11.5%
Closing cash	6,975	6,215	12.2%
Drawn debt	10,703	10,491	2.0%
Gearing ratio	38.6%	37.3%	

Joyce is transitioning banking partners to better manage funding and reduce costs

* - Excludes the 'one-time' property revaluation at KWB of \$933k.



Underlying Growth

Store openings

- KWB opened three new stores and Bedshed opened four franchisee stores;
- KWB and Bedshed are expected to maintain this level of annual store openings into the foreseeable future.

Sales growth despite weak sector performance

- KWB sales grew by >\$8m or 15.3% despite record low bank lending to households renovating;
- Lloyds auction sales grew by >\$13m, or 12.0% despite a 31-year low in insolvencies;
- The strength of Bedshed's highly trained and knowledgeable staff, advertising and refreshed range has supported their growth. This is in contrast to poor outcomes in the high-value consumer discretionary spend sector.

EBIT development

- Earnings before interest, tax and 'one-time' property revaluation grew 7.1% in the period. This is despite continued investment in both Opex and Capex to ensure delivery of the desired future earnings.

Business Unit Review



KWB Group	FY19	FY18	Variance
	\$000's	\$000's	
Continuing revenue	64,964	56,324	15.3%
Segmental profit	9,452	8,290	14.0%

KWB now operate out of 20 stores and continues to receive the 'tailwind' from stores opened in the prior period coming to maturity.

Kitchen Connect have a 4.4/5.0 'Product Review' rating (from >1,400 reviews), one of the highest in the industry.

Lloyds Online	FY19	FY18	Variance
	\$000's	\$000's	
Continuing revenue	16,956	15,880	6.8%
Segmental profit	247	700	-65.4%

We have worked with the Lloyds' management team, invested in business process improvements to reduce ongoing operational cost. These future-proofing actions have driven low levels of earnings in the short-term to deliver significant improvements in the medium and long term. Today we work with 26% less staff than in October'18 and we have increased sales.

The restructure and transformation of the Lloyds business is focused on longer-term profitable growth.

Bedshed	FY19	FY18	Variance
	\$000's	\$000's	
Continuing revenue	19,241	21,086	-8.7%
Segmental profit	2,137	1,892	12.9%

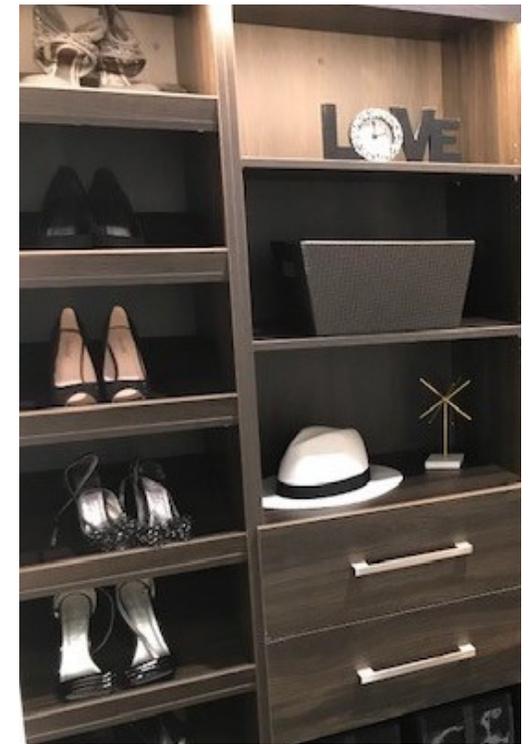
Bedshed continues to be a consistent performer. New franchises in high-growth suburbs and highly trained and knowledgeable staff are proving to be a key differentiator in a weak national retail market. Operational improvements have delivered significant reductions to the 'no margin' sales to franchisee companies from company warehouses.

Potential franchisees continue to show interest in joining the Bedshed team.

Investing in the present enhances future returns

KWB Highlights — Leveraging Brand Stage

- Three new stores were opened and one was refurbished to plan. The short-term store roll out plan looks to deploy showrooms in the Northern suburbs of Sydney;
- The earnings of the Division continue to benefit both from new stores and the maturing of stores opened in prior periods;
- The KWB brands continue to command strong consumer support due to their unique consumer offering. To maintain this we continue to invest in infrastructure like the KWB academy which will house the sales team training facility;
- The wardrobe and flooring businesses continue to expand rapidly on the back of recent investment in newly formed mobile sales team.



Lloyds Online Highlights – Maximised Future Potential

- Lloyds cemented their reputation as the leading auction house for unique and ultra rare Classic Cars with the Brock and Gosford Motor Museum auctions.
- Setting records in the period for multi-million-dollar auction prices on individual vehicles.
- Significant free media interest has occurred on TV and radio.
- Continued investment in the business to support the bidding platform, improve process and drive cost out of the business.
- The traditional B2B insolvency business is now complemented by the greatly expanded B2C offering with newly developed ‘verticals’.



Bedshed Highlights

Solid and Consistent Performer

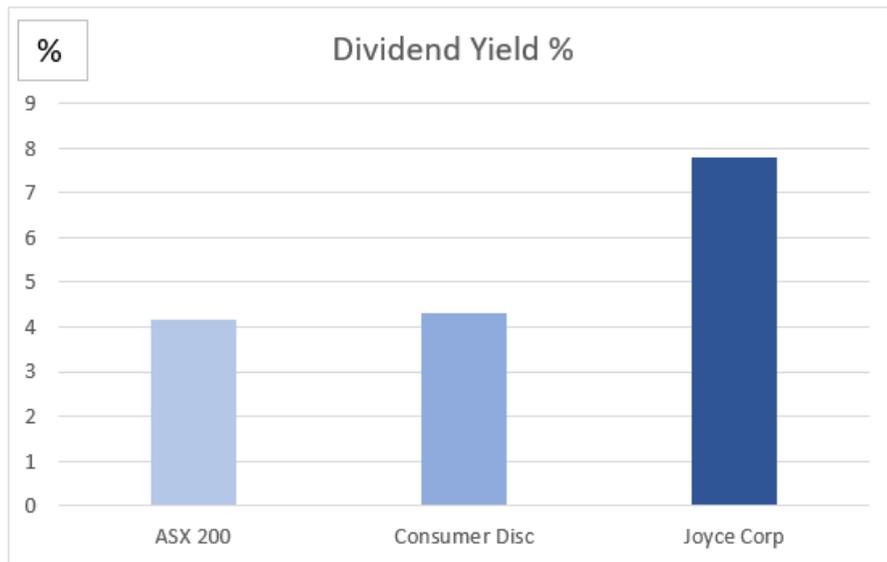
- Four new franchise stores opened in population growth corridors such as the one in Robina, QLD.
- Bedshed continues to receive franchisee enquiries about joining the team.
- Staff are highly trained and knowledgeable, which is proving a key differentiator in gaining market share.
- Delivery of new ranges and ongoing roll out of the 'Evolution' store fit outs are enhancing customer experiences.



We're listening.



Joyce Dividend Yield



Source marketindex.com.au (15/8/19)

In November 2019 a ‘fully franked’ 5.0c final dividend brings the dividend total to 11.7c related to FY19. An increase of 6.4%.

- Current forecasts indicate the FY19 level of cash ‘pay out’ can be maintained for the foreseeable future.
- This dividend is 219% greater than the payments related to FY14, 5 years ago.

Our consistent and growing dividend yield is well in excess of our peers and the broader market, as represented by the ASX 200.

Joyce Board and Executive Update

The Board have set target of achieving \$100m market cap by 2023. To reach this goal it has been recognised by the Board that we will need to ensure we have the right structures in place.



At Board level we have continued with the Board Succession Plan:

- Travis McKenzie – Legal and Property background joined the Board on 1 July 2019;
- A search is underway for a further NED with the capacity to grow into the Chair role.

The complexity of the Joyce entity has grown significantly over the last five years and will grow still further as we head towards our goals. To deliver this growth we will:

- need a full time CEO with the skills to achieve the strategy;
- review internal and external candidates to ensure we get the right candidate to lead the organisation going forwards.

Joyce Overview

Joyce Corporation has commenced execution of its plans for FY20, increasing its geographic footprint and investing in the Group's brands to further cement consumer support.



The Group continues to have strong growth opportunities in its subsidiaries through:

- significant geographic expansion;
- further leveraging current IP; and
- entering adjacent spaces.

The Group continues to have great opportunities to partner with new organisations. Our partnering relationships are encapsulated in the 'Joyce Way' – a set of principals by which we do business and guide us in which organisations are the best fit for our Group.

It is anticipated that the Opex and Capex investments at Lloyds will reduce from here after significant re-engineering has occurred, and the organisation will move to delivering improved earnings.

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