25th February 2020

Attention: Manager ASX Announcements
Regarding: Joyce Corporation Ltd (ASX: JYC)

Joyce Corporation continues to grow its core businesses in 1st half of FY20

Highlights

- **Profit after tax from continuing operations of $2.4m**
- **Underlying profit after tax of $2.8m**
- **Declared a 5 cent per share fully franked dividend**
- **Revenue up 4.5% on the same period last year**
- **Continued growth in earnings from Bedshed and KWB divisions**
- **Focus on diversifying revenue streams and controlling costs in Lloyds Online Auctions**

Continued earnings growth from Joyce Corporation's flagship consumer brands were offset by difficult trading conditions for the Company's online auction house, as the Company delivered its half year results for FY20.

The Company reported a half-year profit after tax of $2.4m. Underlying profit, which excludes one-off costs associated with the departure of the Company's former Executive Director, was $2.8m.

KWB Group grew its profit by 8.8% as the Company's investment in new, strategically located showrooms has been delivered to this point. KWB Group is preparing to enter the Northern suburbs of Sydney as part of its next phase of growth.

Bedshed maintained its status as one of Australia's leading retail brands. The division delivered 20.9% growth in earnings in defiance of conditions experienced across the retail sector. Bedshed's revenue grew 5.0% on the HY19 results.

Lloyds Online Auctions experienced challenging conditions during the half, with over-capacity in the industry exacerbated by a contraction in the core liquidations business. Lloyd's recorded a loss of $1.3 m for the half. Joyce and Lloyds have successfully restructured the business to significantly reduce its cost base. Combined with a strategy of diversifying its revenue streams, this has Lloyds in a much better position to capitalise on improved market conditions in the future.

Joyce Corporation Acting CEO Keith Smith said the Company had a strong cash generating core in the form of the KWB Group and Bedshed, which was continuing its strong operational performance while growing its footprint into new regions in Australia.

"We're fielding record levels of interest from potential franchisees wanting to join our Bedshed operations, which is a great recognition of the strength of our brands in the marketplace," Mr Smith said.

"We'll continue to invest in our people, and in the right locations, to drive performance and growth in our core businesses, while setting up Lloyds for future success. At the same time, we are excited about the potential for new businesses to join the Joyce Family as we drive towards our target of creating a $100m market capitalisation business."

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