Joyce Corporation Ltd
ACN 009 116 269 ABN 80 009 116 269

ASX Announcement

24 August 2016

Joyce Corporation Ltd – FY2016 Full Year Results

Joyce Corporation Ltd ('Joyce' or 'the Company) (ASX: JYC) today presents its annual results for the year ended 30 June 2016.

Key financial highlights

- FY2016 revenue increased to $56.5 million, up 62.8% on prior year;
- FY2016 Net Profit After Tax (NPAT) from continuing operations was $3.46 million;
- Statutory profit after tax and non controlling interest of $2.3 million;
- Fully franked final dividend of 6 cents per share, for a full year dividend of 11 cents per share;
- Cash of $15.2 million at 30 June 2016;
- KBW Group FY2016 revenue up 29% on prior year; and
- Strategic acquisition of 51% of Lloyds Online Auctions Pty Ltd on 1 July 2016.

Joyce's Chairman, Mr Dan Smetana, said "These pleasing results are in line with our expectations and our long-term focus of creating value to our shareholders."

Financial Results

Joyce's FY2016 revenue grew to $56.5 million, up from $34.7 million in the prior comparable 12-month period, leading the Company to record a statutory profit after tax and non controlling interest of $2.3 million. This revenue decline occurred as the 2015 profit was affected by the one-off $5.09 million gain booked from discontinued operations that year, mainly comprised of gains from the sale of the Company's Moorebank investment property.

Profit from continuing operations after tax, adjusting for gains from one-off sales was up to $3.46 million in 2016, an increase of 2800%.

The continuing businesses' EBIT was $3.12 million to 30 June 2016, versus $291,000 to 30 June 2015.

The Company achieved net assets per share attributable to members of 91 cents as at 30 June 2016. The earnings per share after tax (EPS) were 8.2 cents on a diluted basis and the EPS from continuing operations was 12.4 cents per share.

Dividends

In line with the Company's 2015 plan and commitment to providing strong returns to shareholders, the Directors are pleased to declare a fully franked dividend of 6 cents per share, which comprises a final dividend and special dividend of 3 cents respectively. The dividend will be paid on 18 November 2016 to shareholders, with a record date of 28 October 2016.

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Operations

The Company's primary businesses, Bedshed Franchising and KWB Group, performed better than forecast.

Bedshed Franchising and company stores FY2016 revenue grew to $15.8 million, up from $13.4 million in the previous year, despite a challenging bulky goods retail environment. During the year two franchise stores in Queensland were converted to company owned stores with an increase in revenue and profit for stores and a corresponding minor impact in Bedshed franchising revenue and profit. The Bedshed company owned stores traded up on last year and earnings growth was also up in strong double-digit growth. The Company stores increased in numbers to 5 stores with 2 in WA and 3 in QLD.

KWB Group business grew strongly, with FY2016 sales revenue up by 29% with a $13 million order book. With a strong focus on the customer, the Group has fully renovated its 13 stores to produce an inspiring complete kitchen showroom experience.

Joyce made a strategic acquisition of Lloyd's Online Auctions after year end, which complements the Company's other business units and enables it to enter into the rapidly expanding online retail space. With solid plans for expansion, Joyce expects Lloyds Online Auctions to add an estimated $10 million to its revenues in the coming financial year.

Outlook

Mr Smetana said he was very positive about the outlook for Joyce and that the Company has set the foundation for further organic growth and business partnering opportunity.

"The Company is in one of its strongest positions to date, with profitable businesses, an enviable cash position and consistent high yield dividend," said Mr Smetana.

"We anticipate the total group network written sales for 2017, including franchisee and auction gross sales, to be between $170 million and $200 million.

"We have made great progress in securing growing opportunities, notably with the recent acquisition of Lloyds Online Auctions and we will continue to seek further organic growth and business partnering opportunities.

"The Company has a clear strategy to maintain a consistent growth of the past 12 months and the Management team in place to deliver on that strategy," Mr Smetana concluded.

ENDS

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