Joyce Corporation Ltd

ACN 009 116 269 ABN 80 009 116 269

ASX Announcement

4 July 2016

Joyce Corp. to Acquire 51% of leading Online Auctioneering and Valuation Company

Joyce Corporation Ltd ('Joyce Corp') (ASX: JYC) wholly owned subsidiary, Joyce International Pty Ltd, has signed an agreement to purchase 51 per cent of the equity of Lloyds Online Auctions Pty Ltd ('Lloyds'), one of Australia's leading online auctioneering and valuation companies.

The announcement follows the completion of due diligence into Lloyds, which owns and runs the successful website www.lloydsonline.com.au. The Lloyds business estimates its auction turnover will be A$50 million for the 2017 financial year, with the fees and commissions generated from that auction turnover to be consolidated into the Joyce Corp accounts from 1 July 2016.

The acquisition is anticipated to be earnings accretive for Joyce Corp adding an estimated A$10 million in revenue to Joyce Corp and boosting total budgeted network written sales to between A$170 million and A$200 million across the combined Bedshed, Kitchen Connection and Wallspan, and Lloyds businesses in FY2017.

The Lloyds acquisition moves Joyce Corp into the online retail space for the first time and brings with it significant online transaction systems and know-how. Joyce Corp Chairman, Dan Smetana, said the Lloyds business is profitable and is expected to lift earnings for Joyce Corp further in 2017.

"The acquisition is effective as of 1 July 2016 and the total consideration for the purchase of 51% of the shares in Lloyds will be by way of an initial payment of A$6 million," Mr Smetana said.

"The Lloyds business has been actively growing its revenues for the past 12 years, year on year. Joyce Corp has also continued to grow, and we regularly seek opportunities to invest alongside suitable partners with a focus on further growth in their existing business.

"This investment is in line with our strategy of targeting counter-cyclical companies with sound management, strong underlying earnings and further opportunities for growth through the capital investment, commercial expertise and national presence of Joyce Corp.

"We are delighted to welcome Lloyds founder, Andrew Webber, into the Joyce Corp network and thereby retaining the know-how and relationships of the vendor within the group," Mr Smetana concluded.

Joyce Corp is the parent Company and the owner of the Bedshed Brand and majority owner of The Kitchen Connection and Wallspan retail brands.

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