EUROZ HARTLEYS

HALF-YEAR RESULTS | PUBLISHED ON 02 MARCH 2026

JYC | 1H FY26 Result: Ahead On All Key Metrics

JYC.ASX | JOYCE CORPORATION LIMITED | CONSUMER DISCRETIONARY | SPECIALTY RETAIL

PRICE	TARGET PRICE	RECOMMENDATION
A$5.68/sh	**A$6.50/sh**	**BUY**
	(FROM A$6.10/sh)	(UNCHANGED)

Event

JYC has released its 1H FY26 results.

Impact

Results exceeded our expectations across the board, with key financial highlights:

- Revenue +11.2% pcp to $81.7m (vs $81.4m EHe)
- Norm EBIT +21.4% pcp to $14.8m (vs $13.8m EHe)
- Norm NPAT attr. to JYC +29.2% pcp to $5.1m (vs $4.8m EHe)
- Reported NPAT attr. to JYC +68.3% pcp to $5.1m (vs $4.8m EHe)

KWB (51% owned): The HY saw improvement across all key metrics. Sales increased 13.9% pcp to $67.4m, with $71.0m of orders generated over the same period (+21.7% pcp). Pleasingly, showrooms opened in FY25 have exceeded expectations, contributing to the strong result. Like-for-like sales were also up ~6% pcp. The order book ended the half up 8% HoH at $47.7m. Entering 2H, trading momentum has remained strong, with January delivering a record $20.0m of orders. Notably, performance was broad-based across the network. Historically, 2H delivers stronger revenue and EBIT margins.

The company ended the half with 30 showrooms (+1 net pcp). Further expansion opportunities are progressing, with Moore Park (NSW) scheduled to open in late FY26, followed by Fyshwick (ACT) in Q2 FY27 and Fortitude Valley (QLD) targeted for late FY27. The company maintains a long-term target of >50 showrooms.

Separately, as previously announced, KWB Managing Director and co-founder John Bourke will retire at the end of FY26 following a structured transition. The business remains well placed, with Deputy CEO Cameron Crowell settling into the role since joining in 2025, working closely with Bourke and leveraging his extensive experience.

Bedshed (100% owned): The Bedshed network delivered $82.6m of business written sales in 1HY26, up 2.1% pcp, with like-for-like growth of 1.6%. Franchise sales increased modestly to $3.1m (+2.1% pcp), while company-owned sales grew slightly stronger, up 4.6% pcp to $11.1m for the half. Pleasingly, EBIT margin improved to 8.0%. Similar to KWB, Bedshed entered 2H with solid momentum, delivering a record January of business written sales, with $14.9m written (+7.3% pcp).

Bedshed finished the half with 39 franchise locations (+3 HoH) and 5 company-owned stores (-1 HoH). The company maintains a long-term network target of 65 stores.

The company maintains a strong balance sheet, with $35.8m of consolidated cash and no debt (ex-leases). JYC declared a 13.0cps fully franked interim dividend, more than 2x our HY forecasts (6.0cps EHe). We have updated our forecasts (see Figure 1).

Action

We maintain our Buy Recommendation with an updated $6.50 Price Target (previously $6.10)

Catalysts

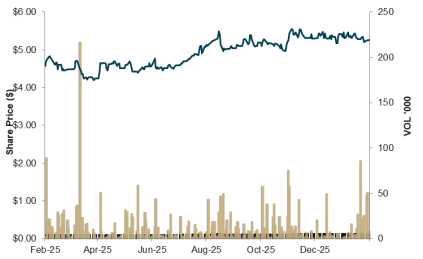
Full Year Results

Analyst

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Share Price	**5.68**	**A$/sh**	
Price Target	**6.50**	**A$/sh**	
Valuation (DCF)	6.50	A$/sh	
WACC	11.0%		
Terminal Growth	2.5%		
Shares on issue	29.6	m, dil	
Market Capitalisation	168.0	A$m	
Enterprise Value	160.6	A$m	
Cash (1H)	35.8	A$m	
Debt (inc leases)	28.5	A$m	
Key Metrics	**25A**	**26F**	**27F**
Revenue (A$m)	148.2	167.8	183.1
EBITDA (A$m)	31.6	39.7	43.1
EBIT (A$m)	22.7	30.6	34.1
Norm NPAT (A$m)	8.2	10.6	11.9
Reported NPAT (A$m)	7.4	10.6	11.9
Gross CF (A$m)	11.6	13.4	14.7
Capex (A$m)	-3.1	-2.8	-1.8
Op. Free CF (A$m)	8.0	6.1	14.0
Revenue Gwth (%)	2%	13%	9%
EBITDA Gwth (%)	-1%	26%	9%
Norm NPAT Gwth (%)	-3%	30%	12%
Norm EPS (Ac)	27.8	36.0	40.4
Norm. EPS Gwth (%)	-6%	30%	12%
PER (x)	22.7	15.8	14.1
DPS (Ac)	27.5	27.0	29.0
Dividend Yield (%)	4.8%	4.8%	5.1%
Net Debt (A$m)	-10.4	-9.6	-17.2
Net Debt:Equity (%)	-26%	-22%	-34%

Performance



Source: IRESS

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Income Statement	25A	26F	27F
(+) BedShed	27.2	29.1	30.5
(+) KWB	120.4	138.2	152.1
(+/-) Other	0.5	0.5	0.5
Total Revenue	**148.2**	**167.8**	**183.1**
(-) COGS	-79.4	-90.1	-98.3
Gross Profit	**68.7**	**77.7**	**84.8**
(-) Operating Expense	-37.2	-38.1	-41.7
EBITDA	**31.6**	**39.7**	**43.1**
(-) D&A	-8.9	-9.1	-9.0
EBIT	**22.7**	**30.6**	**34.1**
(-) Net Finance	-0.3	-0.8	-0.7
EBT	**22.4**	**29.8**	**33.4**
(-) Tax Expense	-6.5	-8.9	-10.0
(-) Non-Controlling interest	-8.5	-10.2	-11.5
(+/-) Abnormals	0.0	0.0	0.0
Reported NPAT	**7.4**	**10.6**	**11.9**
Norm NPAT	**8.2**	**10.6**	**11.9**
Cashflow Statement	**25A**	**26F**	**27F**
NPAT	7.4	10.6	11.9
(+) D&A	8.9	9.1	9.0
(-) Lease Expense	-6.5	-6.3	-6.3
(+/-) Other	1.8	0.0	0.0
Gross Cashflow	**11.6**	**13.4**	**14.7**
(-) Capex	-3.1	-2.8	-1.8
(-) Change in NWC	-0.4	-4.5	1.1
Operating Free Cashflow	**8.0**	**6.1**	**14.0**
(+/-) Sale of PP&E	0.6	0.0	0.0
(+/-) Other	-1.1	0.0	0.0
(+) NCI	8.5	10.2	11.5
(-) Dividend Equity holders	-8.4	-8.1	-8.0
(-) Dividends NCI	-7.4	-8.2	-9.2
Net Cashflow	**0.1**	**0.1**	**8.3**
BoP Net Cash	**11.6**	**10.4**	**9.6**
(+/-) Net Cashflow	0.1	0.1	8.3
(+/-) AASB16 Adj.	-1.3	-0.8	-0.8
EoP Net Cash	**10.4**	**9.6**	**17.2**
Balance Sheet	**25A**	**26F**	**27F**
Cash	39.2	38.2	45.7
Receivables	0.6	0.8	0.9
Inventories	4.6	5.2	5.7
Other Assets	1.2	1.2	1.2
Other Financial Assets	2.9	2.9	2.9
Total Current Assets	**48.6**	**48.3**	**56.4**
Receivables	3.6	4.7	5.1
Deferred Tax Assets	3.6	4.1	4.5
ROUA	27.0	27.0	27.0
PP&E	6.5	7.0	6.9
Intangibles	8.3	8.7	8.6
Total Non-current Assets	**49.0**	**51.4**	**52.1**
Total Assets	**97.6**	**99.8**	**108.5**
Payables	24.4	22.2	24.2
Provisions	3.5	3.6	3.9
Current Lease Liabilities	7.8	7.7	7.7
Borrowings	0.0	0.0	0.0
Provisions for Income Tax	0.0	0.0	0.0
Total Current Liabilities	**35.7**	**33.5**	**35.9**
Borrowings	0.0	0.0	0.0
Non-Current Lease Liabilities	21.0	20.8	20.8
Deferred Tax Liability	0.0	0.0	0.0
Provisions	0.9	0.9	1.0
Total Non-Current Liabilities	**21.9**	**21.7**	**21.8**
Total Liabilities	**57.5**	**55.2**	**57.6**
Net Assets	**40.0**	**44.6**	**50.8**
Contributed Equity	21.9	21.9	21.9
Reserves	2.7	2.7	2.7
Non-controlling interests	5.3	7.4	9.6
Retained Earnings	10.1	12.6	16.5
Total Equity	**40.0**	**44.6**	**50.8**

PERFORMANCE RATIOS	25A	26F	27F
Growth & Margins			
Revenue Growth	2%	13%	9%
EBITDA Growth	-1%	26%	9%
EBIT Growth	-8%	35%	11%
Reported NPAT Growth	-17%	44%	12%
Normalized Net Profit Growth	-3%	30%	12%
EBITDA margin	21%	24%	24%
EBIT margin	15%	18%	19%
Normalized net profit margin	5%	6%	7%
Effective tax rate	30%	30%	30%
Liquidity			
Capex/depreciation (x)	0.4	0.3	0.2
Current ratio (x)	1.4	1.4	1.6
Quick ratio (x)	1.6	1.8	1.9
Receivable days	1.6	1.8	1.8
Payable days	112.0	90.0	90.0
Risk Measures			
Dividend Cover (x)	0.9	1.3	1.4
Payout ratio (%)	110%	75%	72%
Net interest cover (x)	23.0	31.4	34.8
Net debt/equity (%)	-26%	-22%	-34%
Returns			
Return on Invested Capital	22%	30%	30%
Return on Assets	8%	11%	11%
Return on Equity	21%	29%	29%
SHARE DATA/VALUATION	**25A**	**26F**	**27F**
Share Data			
Issued shares (m)	29.6	29.6	29.6
Weighted ave shares (m)	29.0	29.6	29.6
Fully diluted shares (m)	29.6	29.6	29.6
Basic EPS (c)	25.0	36.0	40.4
YoY change (%)	-20%	44%	12%
Fully diluted EPS (c)	25.0	36.0	40.4
YoY change (%)	-20%	44%	12%
Fully diluted normalised EPS (c)	27.8	36.0	40.4
YoY change (%)	-6%	30%	12%
Dividend/share (c)	27.5	27.0	29.0
Franking (%)	100%	100%	100%
Gross cashflow/share (c)	39.1	45.3	49.7
NBV/share (c)	117.4	125.9	139.2
NTA/Share (c)	107.4	121.3	142.7
Valuation			
PER (Basic) (x)	22.7	15.8	14.1
PER (Fully diluted) (x)	22.7	15.8	14.1
PER (Fully diluted, normalized) (x)	20.5	15.8	14.1
P/CFPS (x)	14.5	12.5	11.4
Price/NBV (x)	4.8	4.5	4.1
Price/NTA (x)	5.3	4.7	4.0
Dividend Yield (%)	4.8%	4.8%	5.1%
EV/EBIT (x, Ex. NCI)	11.3	7.9	7.1
EV/Revenue (x)	1.1	1.0	0.9

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Forecasts

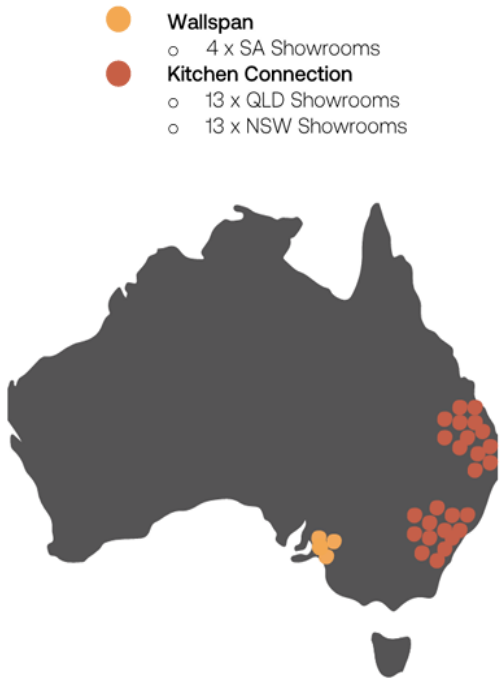
We build up our forecasts as follows (Figure 1).

Figure 1: EH Forecasts

Forecasts	Units	2024A	2025A	1H26A	2H26F	2026F	2027F	2028F
Locations								
KWB	x	25	29	30	31	31	33	36
Bedshed*	x	43	42	44	44	44	47	49
KWB	A$m	121.3	120.4	67.4	70.8	138.2	152.1	167.2
Bedshed	A$m	23.1	27.2	14.2	14.9	29.1	30.5	31.7
Other	A$m	1.1	0.5	0.0	0.5	0.5	0.5	0.5
Total Revenue	**A$m**	**145.5**	**148.2**	**81.7**	**86.2**	**167.8**	**183.1**	**199.5**
EBITDA	**A$m**	**32.0**	**31.6**	**19.7**	**19.9**	**39.7**	**43.1**	**46.8**
KWB	A$m	25.2	24.3	14.5	15.9	30.4	33.5	36.8
Bedshed	A$m	4.4	4.3	2.6	2.4	5.0	5.5	6.0
Corp OH/ Other	A$m	-5.1	-5.9	-2.3	-2.5	-4.8	-4.9	-5.0
EBIT	**A$m**	**24.5**	**22.7**	**14.8**	**15.8**	**30.6**	**34.1**	**37.7**
Reported NPAT	**A$m**	**8.9**	**7.4**	**5.1**	**5.4**	**10.6**	**11.9**	**13.3**
Norm. NPAT**	**A$m**	**8.4**	**8.2**	**5.1**	**5.4**	**10.6**	**11.9**	**13.3**
DPS	Acps	28.5	27.5	13.0	14.0	27.0	29.0	32.0

*Source: EH estimate, company announcements, *incl company owned stores; **Norm for Crave*

Figure 2: KWB Footprint



Source: Company presentation

Figure 3: Bedshed Footprint



Source: company presentation

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The companies and securities mentioned in this report, include:

Joyce Corporation Limited (JYC.ASX) | Price A$5.68 | Target price A$6.50 | Recommendation Buy;

Price, target price and rating as at 02 March 2026 (not covered)*

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