

Joyce Corporation Ltd

Consumer Discretionary

Rating
BUY

Price Target
A\$6.67

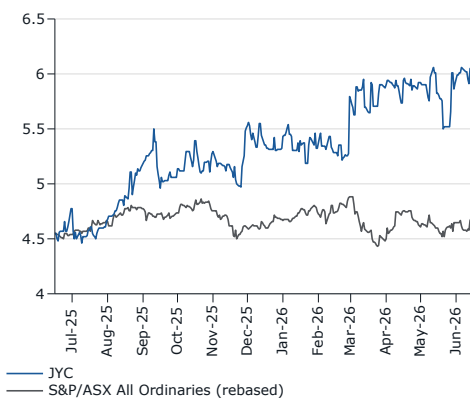
JYC-ASX

Price
A\$5.95

Market Data

52-Week Range (A\$) :	4.35 - 6.05
Avg Daily Vol (M) :	0.01
Market Cap (A\$M) :	175.9
Shares Out. (M) :	29.6
Enterprise Value (A\$M) :	144.2

FYE Jun	2025A	2026E	2027E	2028E
EBITDA Adj (A\$M)	32.8	40.7	41.9	45.4
PBT Adj (A\$M)	23.6	30.2	31.0	33.1
Net Income Adj (A\$M)	8.2	10.6	11.0	11.7
EPS Adj&Dil (A\$)	0.28	0.36	0.37	0.40
EV/EBITDA (x)	8.1	7.0	6.8	6.5
P/E (x)	21.4	16.5	16.0	15.1
Div. Yield (%)	4.6	4.5	4.7	5.2



Source: FactSet

Priced intraday 16 June 2026

Joyce operates in the renovation and furniture markets. Joyce operates through two segments: 1) a 51% interest in KWB Group (kitchen and wardrobe showrooms under the Kitchen Connection and Wallspan brands), and 2) 100% ownership of Bedshed, a national bedding and bedroom furniture retailer with a mix of company-owned and franchised stores.

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Love the new kitchen

Investment Recommendation

We initiate coverage of Joyce Corporation with a BUY rating and 12-month price target of \$6.67 per share. Joyce operates in the Australian renovation and furniture markets through two segments: 1) a 51% interest in KWB Group (kitchen and wardrobe showrooms under the Kitchen Connection and Wallspan brands), and 2) 100% ownership of Bedshed, a national bedding and bedroom furniture retailer. KWB is a market leader in the Australian kitchen renovation market, with a track record of strong growth. We expect this growth to continue, driven by ongoing new showroom openings and associated industry consolidation, and complemented by attractive margins and high cash conversion.

Why we like Joyce. KWB (85% of FY25 group EBIT) is a market leader in the DIFM (do-it-for-me) segment of the Australian kitchen renovation market (CGe 3% market share), which remains highly fragmented and offers significant long-term consolidation potential, in our view, similar to what has transpired in the UK market. KWB has a track record of sustained growth (17% revenue CAGR FY13-25), led by new showroom openings and healthy LFLs (+4% CAGR FY19-25). A highly efficient sales process and outsourced manufacturing and installation model enable KWB to operate with strong margins (gross >50% and EBIT >20% in FY25), while the customer payment schedule assists high cash conversion.

Potential risks to our thesis. Housing-related macro demand indicators have softened in the past ~6 months. We have assumed a cyclical dip in WSO (written sales orders) growth in the near-term, but the depth and duration of a downturn remain unclear. Bunnings and IKEA are leaders in the DIY segment of kitchen renovations and both offer indirect installation services; we believe any efforts to internalise or fortify this service offering could present a competitive threat to KWB.

Potential share price catalysts. A recovery in housing turnover, house price growth and consumer confidence would be a positive sign for WSO growth. KWB is targeting 14 showrooms in VIC and 6 showrooms in WA, which represent the majority of network growth plans, so confirmation of timing and initial sites in these new markets would build confidence in the growth profile, in our view. In the context of our positive view on the KWB business and its growth prospects, we think an opportunity for Joyce to move to 100% ownership would be well received.

CG forecasts. We forecast EPS growth of 29% in FY26, 3% in FY27 and 7% in FY28. Key assumptions for KWB include: (a) low but sustained new showroom openings with a bump in 2H28 for the initial VIC market entry, (b) depressed LFL WSO growth in 4Q26 and FY27 followed by a cyclical recovery, (c) stable gross margins, and (d) modest contraction in EBIT margins in FY27 and FY28 associated with operating leverage and new showroom openings. While not explicitly included in our 3-year forecast period, we expect earnings growth to re-accelerate in FY29 based on our assumptions of elevated showroom openings in 2H28, cyclical recovery in WSO growth in FY28 and fixed cost operating leverage.

Valuation. We set our 12-month price target at \$6.67/sh, in line with our earnings capitalisation valuation. Our earnings capitalisation valuation at \$6.67/sh is based on an FY27E PER of 18.0x. The multiple reflects our aggregate view of business quality, earnings growth profile, balance sheet strength and liquidity. As a reference point, we calculate a DCF valuation for Joyce at \$8.00/sh. This methodology better captures the growth profile of assumed new showroom openings over the next 7 years.

Contents

Financial summary	3
Investment thesis	4
Industry overview	5
Business overview	12
Financials.....	18
Valuation	23
Investment risks	26
Board and management.....	27

Financial summary

Figure 1: JYC financial summary

P&L (A\$mn)	FY24A	FY25A	FY26E	FY27E	FY28E	Balance sheet (A\$mn)	FY24A	FY25A	FY26E	FY27E	FY28E
Sales	144.4	147.6	167.3	174.2	190.6	Cash & equivalents	39.1	39.2	46.4	49.8	53.9
Operating expenses	-112.5	-114.8	-126.7	-132.3	-145.3	Current receivables	0.9	0.6	0.8	0.9	1.0
EBITDA	32.0	32.8	40.7	41.9	45.4	Current inventory	3.9	4.6	5.0	5.2	5.7
EBIT	24.5	23.9	30.7	31.3	33.6	PPE	7.0	6.5	6.7	6.3	6.4
PBT	24.7	23.6	30.2	31.0	33.1	Intangibles	7.7	8.3	8.2	8.2	8.1
NPAT	8.4	8.2	10.6	11.0	11.7	Other assets	34.2	38.3	38.9	39.0	39.3
NPAT reported	8.9	7.3	10.6	11.0	11.7	Total assets	92.8	97.6	106.0	109.4	114.5
EPS (cents)	28.7	27.8	36.0	37.1	39.5	Current payables	21.7	24.4	26.8	27.9	30.5
DPS (cents)	28.5	27.5	27.0	28.0	31.0	Total debt	0.0	0.0	0.0	0.0	0.0
						Other liabilities	32.3	33.2	35.4	34.9	34.3
						Total liabilities	54.0	57.5	62.2	62.7	64.8
						Shareholders equity	34.6	34.7	38.5	41.4	44.3
						Minorities	4.3	5.3	5.3	5.3	5.3
						Total equity	38.8	40.0	43.9	46.7	49.7
Growth, margins & returns	FY24A	FY25A	FY26E	FY27E	FY28E	Cash flow (A\$mn)	FY24A	FY25A	FY26E	FY27E	FY28E
Sales growth	-0.2%	2.2%	13.4%	4.1%	9.4%	EBITDA	32.0	32.8	40.7	41.9	45.4
EBITDA growth	-2.9%	2.6%	23.9%	3.0%	8.3%	Less net interest paid	1.1	1.1	-0.5	-0.3	-0.5
EPS growth	-11.3%	-2.9%	29.3%	3.0%	6.6%	Less tax paid	-10.9	-8.8	-6.9	-9.2	-9.3
EBITDA margin	22.1%	22.2%	24.3%	24.0%	23.8%	Dec / (Inc) working cap	-19.5	-14.8	1.8	0.9	2.1
PBT margin	17.1%	16.0%	18.0%	17.8%	17.4%	Other	18.7	17.2	1.5	1.6	1.8
NPAT margin	5.8%	5.6%	6.4%	6.3%	6.1%	Operating cash flow	21.3	27.4	36.6	34.8	39.4
ROIC	n/a	n/a	n/a	n/a	n/a	Maintenance capex	-2.7	-4.1	-3.1	-3.2	-4.8
ROE	25.7%	21.2%	27.6%	26.5%	26.4%	Free cash flow	18.7	23.3	33.5	31.6	34.6
						Growth capex	0.0	0.0	0.0	0.0	0.0
						Acquisitions / disposals	-1.6	0.5	0.0	0.0	0.0
						Dividends paid	-8.2	-8.4	-7.2	-8.1	-8.7
						Other cash flow	-15.8	-15.3	-19.1	-20.0	-21.8
						Cash flow pre-financing	-6.9	0.1	7.2	3.5	4.0
						(Dec) / Inc equity	0.0	0.0	0.0	0.0	0.0
						(Dec) / Inc net debt	6.9	-0.1	-7.2	-3.5	-4.0
Stock specific	FY24A	FY25A	FY26E	FY27E	FY28E	Liquidity	FY24A	FY25A	FY26E	FY27E	FY28E
KWB avg showroom WSO growth	2.9%	6.7%	10.5%	-3.0%	3.5%	Cash conversion (%)	97.4%	107.4%	108.1%	105.9%	108.4%
KWB revenue	121.3	120.4	140.0	148.1	163.5	Net debt (A\$mn)	-39.1	-39.2	-46.4	-49.8	-53.9
KWB EBITDA	30.3	30.3	37.4	38.9	42.1	Net debt / EBITDA (x)	-1.2	-1.2	-1.1	-1.2	-1.2
BedShed EBITDA	6.0	6.6	7.5	7.4	7.7	ND / ND + Equity (%)	n/a	n/a	n/a	n/a	n/a
Corporate / Other EBITDA	-4.4	-4.1	-4.3	-4.4	-4.5	EBIT / Net int exp (x)	-171.4	69.1	61.4	104.3	67.2
Net debt (ex customer deposits)	-26.4	-24.9	-31.3	-34.2	-36.7						
Valuation	FY24A	FY25A	FY26E	FY27E	FY28E						
EV / EBITDA (x)	8.3	8.1	7.0	6.8	6.5						
EV / EBIT (x)	10.9	11.1	9.3	9.2	8.8						
P / E (x)	20.8	21.4	16.5	16.0	15.1						
P / BV (x)	5.1	5.1	4.6	4.3	4.0						
FCF yield (%)	10.7%	13.3%	19.0%	18.0%	19.7%						
Dividend yield (%)	4.8%	4.6%	4.5%	4.7%	5.2%						
Payout ratio (%)	99.5%	98.8%	75.0%	75.5%	78.5%						
Franking (%)	100.0%	100.0%	100.0%	100.0%	100.0%						
Weighted shares (m)	29.5	29.5	29.6	29.6	29.6						

Source: Company Reports, Canaccord Genuity estimates

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Investment thesis

Introduction

Joyce Corporation operates in the Australian renovation and furniture markets through two segments: 1) a 51% interest in KWB Group (kitchen and wardrobe showrooms under the Kitchen Connection and Wallspan brands), and 2) 100% ownership of Bedshed, a national bedding and bedroom furniture retailer with a mix of company-owned and franchised stores. We initiate coverage with BUY rating and 12-month target of \$6.67 per share.

Why we like Joyce

Market leader in an established but highly fragmented industry. Housing-related expenditure, including renovations, is a large and established (albeit cyclical) market. We consider KWB to be the market leader in the DIFM (do-it-for-me) segment of the kitchen renovation market (CGe 3% market share), which remains highly fragmented and offers significant long-term consolidation potential, in our view, similar to what has transpired in the UK market. Our assessment of KWB as the market leader is based on scale of its showroom network and superior customer satisfaction ratings.

Track record of growth. Over the past 12 years (to FY25) KWB has delivered significant growth, with the showroom network +140%, revenue +530% (17% CAGR) and EBIT increasing from breakeven to \$24m in FY25. The opportunity for new showroom openings coupled with investment in digital capability to strengthen customer acquisition and service underpin our confidence in further and sustained growth.

Strong margins and cash conversion. A highly efficient sales process and outsourced manufacturing and installation model enable KWB to operate with strong margins (gross >50% and EBIT >20% in FY25). This is complemented by a customer payment schedule that creates negative working capital and high cash conversion.

Potential risks to our thesis

Soft macro demand indicators. Housing turnover has declined, house prices are weakening and consumer confidence is at historic lows. While KWB is the market leader and benefits from various counter-cyclical traits (e.g. customers can trade down from buying a new home to renovating an existing home), we have assumed a cyclical dip in WSO (written sales orders) growth in the near-term. However, the impact could be greater than we have assumed.

Prominent DIY segment brands successfully push into the DIFM segment. Bunnings and IKEA are leaders in the DIY segment of kitchen renovations, and both offer indirect installation services (e.g. referrals via hipages). Internalising and adding project manager capability could enhance DIFM credentials and present a competitive threat to KWB, in our view.

Potential share price catalysts

Improvement in macro demand indicators. A recovery in housing turnover, house price growth and consumer confidence would be a positive sign for WSO growth.

Confirmation of VIC and WA market entry. KWB is targeting 14 showrooms in VIC and 6 showrooms in WA, which represent the majority of network growth plans. Confirmation of timing and initial sites in these markets would build confidence in the growth profile, in our view.

Opportunity to move to 100% ownership of KWB. In the context of our positive view on the KWB business and its growth prospects, we think an opportunity for Joyce to move to 100% ownership would be well received.

Industry overview

Introduction to the Australian renovation market

According to the Australian Bureau of Statistics (ABS), residential alterations & additions work done totalled ~\$15bn in CY2025. This captures only the portion of the renovation market requiring permitting approval, with the total Australian home renovation market estimated to be higher than \$50b¹.

In volume terms, the market for kitchen renovations is estimated at 160k and a total value of ~\$4bn, implying an average ticket size of ~\$25k².

Within the Kitchen renovation market, there are 3 sub segments:

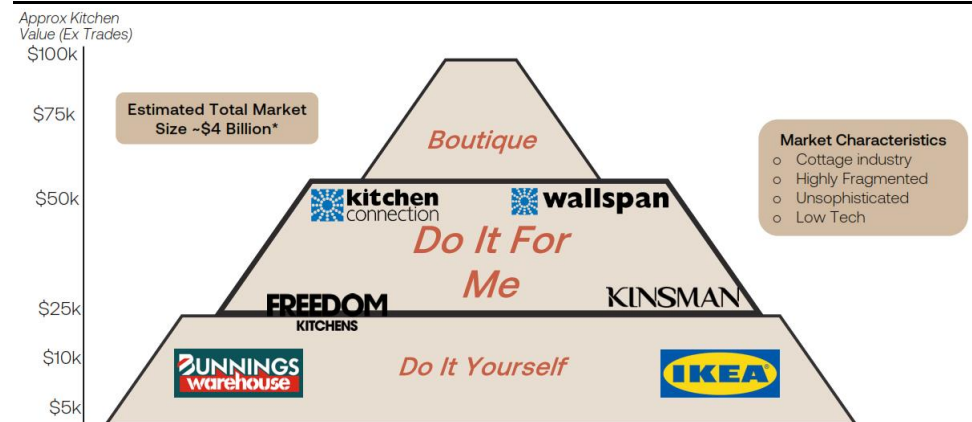
- DIY/mass-market (<\$20k): flat-pack and budget renovations
- DIFM (Do it for me) (\$20-60k): typically mid-market
- Boutique/bespoke (>\$60k): Architect-led and premium

The kitchen renovation market is highly fragmented outside the DIY segment, with many smaller peers having limited process capability or technology investment to scale their businesses.

KWB operates within the DIFM market with a 1H26 ATV of \$31k positioning it in the upper-mid market. KWB delivered ~5,000 kitchens in FY25 and \$120m revenue, implying ~3% market share of the total kitchen renovation market.

The kitchen renovation market contrasts significantly with the larger new home build market at 190k p.a. New builds operate in a B2B structure and with greater concentration, noting the top 100 builders account for ~36% of home starts. This contrasts with the renovation market, which operates in a B2C structure and typically offers higher margin outcomes. Broader home renovation spending has increased from 34% of total residential construction spend in 2018/19 to 40% in 2023/24³.

Figure 2: Kitchen renovation market



Source: Company Reports, HIA

¹ What's the Damage, State of the Australian Renovation Market 2026

² FY25 Estimates from Housing Institute of Australia (HIA)

³ KPMG, Renovation Domination: decline in new builds while home renovations surge

Macro drivers of demand

We navigate our assessment of macro demand drivers by identifying key indicators of affordability and activity levels.

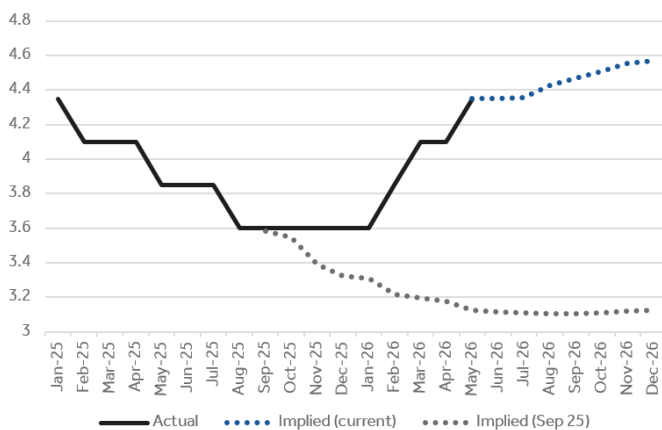
Affordability

Interest rate outlook. Higher rates typically reduce consumer confidence and discretionary spend. This includes demand for renovations, given it represents a large ticket discretionary spend that is often funded via home loan redraws (or equivalent).

Complicating this assessment is the "renovate vs buy" trade off where higher rates also make trading up to a bigger and better house a more expensive proposition (larger repayments at the higher rate), so some marginal demand may shift toward improving the existing home rather than buying a new one. Similarly, higher rates make bigger renovations a more expensive proposition, so some marginal demand may shift towards smaller or single-room renovations.

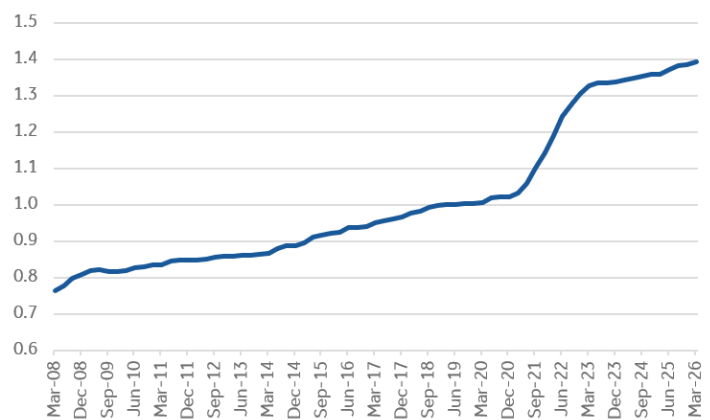
The interest outlook has changed materially in the past ~9 months, creating a demand headwind for housing-related spending, in our view.

Figure 3: RBA cash rate



Source: RBA

Figure 4: PPI for house construction



Source: ABS Producer Price Indexes. March 2019 = base

Cost of renovation. Higher costs typically reduce demand. The COVID period inflation pulse led to a 31% increase in the PPI for housing construction in the period from 2020 to 2023.

However, similar to our assessment on interest rates above, higher costs for a planned renovation can also trigger a shift in demand away from bigger ticket spend (e.g. knock down and rebuild) toward improving the existing home and smaller scale renovations (e.g. kitchen only).

The emergence of another inflation pulse in recent months, while yet to definitively appear in PPI data, creates a demand headwind for housing-related spending, in our view.

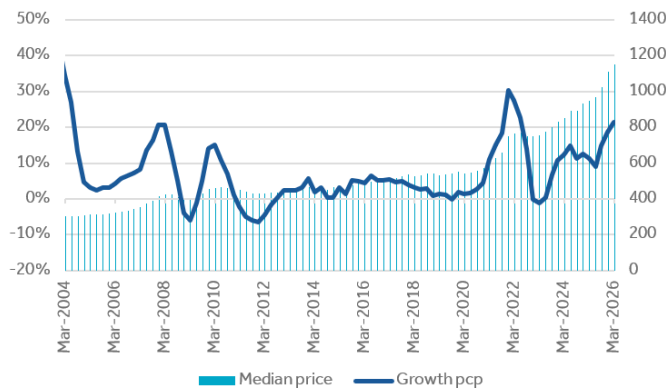
House prices. There is a positive relationship between house prices and housing-related spending, reflecting higher homeowner equity and associated funding capacity via refinancing or redraws. This provides a direct funding source for renovation projects.

This is highly relevant to KWB as ~90% of customers fund projects via credit card or mortgage refinance (with credit card funding often subsequently paid off through a mortgage redraw or offset).

Some homeowners also tend to renovate prior to sale to maximise the selling price, with industry studies suggesting kitchens have the highest ROI (~100-140%)⁴.

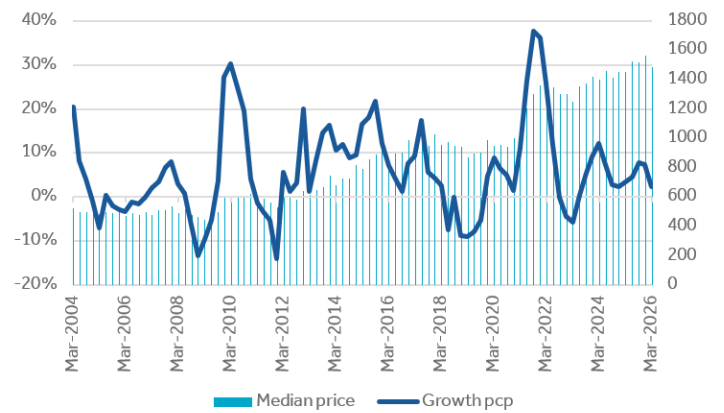
Recent data shows a moderation in house price growth and, in some cases, a decline in house prices. This creates a demand headwind for housing-related spending, in our view.

Figure 5: Brisbane house price



Source: ABS

Figure 6: Sydney house price



Source: ABS

Activity levels

Established house transfers. Housing turnover is a lead indicator of renovation demand. Within the housing cycle, turnover, renovation activity, and broader construction move together as part of one cyclical system⁵. Homeowners often renovate in the period 2-5 years post-purchase and an industry survey data suggests 80% of renovating homeowners owned their home for more than 2 years before starting work⁶. However, a smaller reverse effect also exists with existing owners renovating prior to listing.

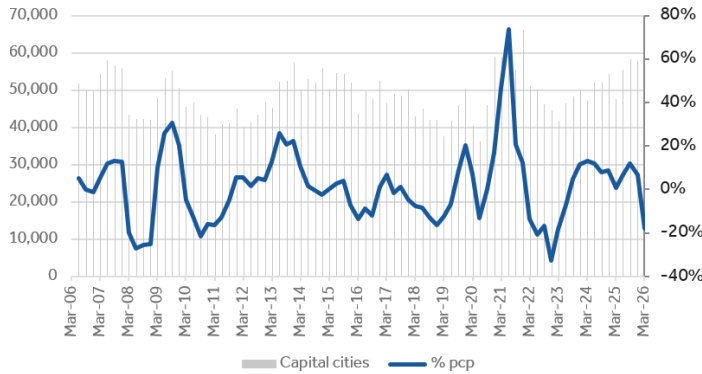
Housing turnover growth turned negative late in 2025 and this trend sustained in recent months, which creates a demand headwind for housing-related spending, in our view.

⁴ Mortgage Agent, Home Improvements That Add Value in Australia - ROI Ranked for 2026

⁵ RBA, The Outlook for Dwelling Investment

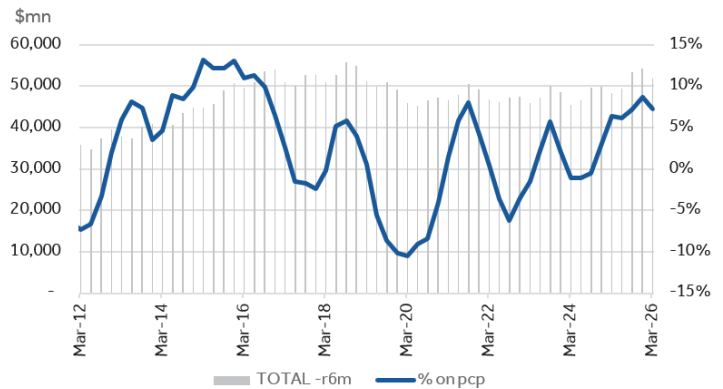
⁶ Tilecloud, The Australian Renovation Timeline: What Homeowners Actually Do (vs What We Thought They Did)

Figure 7: Quarterly established house transfers, capital cities



Source: ABS

Figure 8: r6m Total residential value of work done (inflation adjusted)



Source: ABS

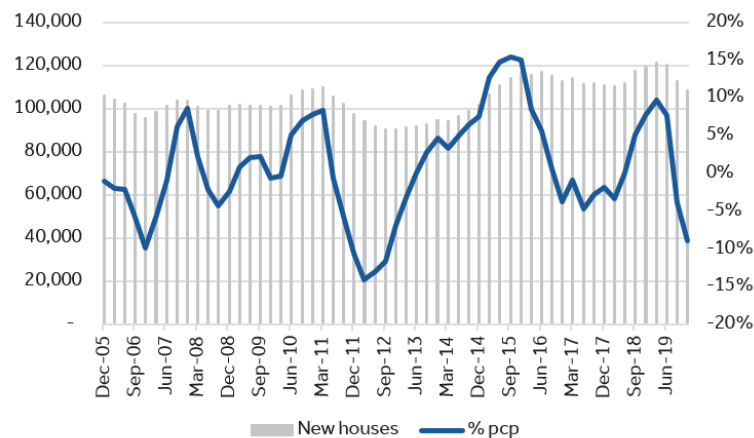
Value of renovation work done. Value of residential work done is a lag indicator of renovation demand. We have adjusted the ABS data series for inflation (using the PPI index for housing construction) to present a proxy for aggregate spend in real terms.

Growth in residential work done slowed in recent months but remains positive.

New home builds. A survey by the Housing Institute of Australia (HIA) found kitchen renovations most commonly occur ~10-20 years after a new home build. This represents an important segment of existing housing stock effectively entering the 'addressable market' for renovations. As such, we look to the growth in new home builds ~12 years ago as a guide to the associated demand for renovations.

New house completions increased from ~91k in 2012 to ~117k in 2015 with annual growth peaking at 15% before slowing and turning negative from late 2016. This implies a near-term acceleration in the cohort of houses entering the window for renovation activity, creating a demand tailwind for housing-related spending, in our view.

Figure 9: 2005 – 2019 houses completed (r12m, % on pcp)



Source: ABS

Domestic peers

Freedom and Kinsman represent the closest peers to KWB in terms of scale in the Australian DIFM kitchen renovation market. Freedom operates standalone showrooms and opened 2 new showrooms in 2025 (Balgowlah (NSW) and Southport (QLD)) along with several showroom refurbishments. Kinsman operates concessions within The Good Guys store network. The total number of locations appears broadly stable, though some sites have had some form of refurbishment, based on references to “new displays”.

We believe there is a clear gap in the market, in terms of scale, below KWB, Freedom and Kinsman. There are a large number of brands with 1-5 showrooms. These smaller businesses are often more manufacturing-led or builder-oriented, which contrasts with the retail / showroom focus and digital capability of KWB.

Bunnings and IKEA are the market leaders in the more consolidated DIY kitchen renovation market. Both offer installation services via referrals to independent trades using the hipages platform.

Figure 10: Domestic peers

	KWB	Freedom Kitchens	Kinsman Kitchens	Nobby Kitchens	Direct Kitchens
Founded	2012 (KWB Group); Kitchen Connection from AKI (1997)	Before 1997 (Freedom Group 1981)	Before 1997	1939 (Nobby brand; kitchens few years after)	1985
Ownership	ASX: JYC (51%)	Amart Furniture (backed by PE)	Private	Private	Private
Strategic focus	Kitchen and wardrobe specialist	Kitchen division within broader Freedom Group	Kitchen and wardrobe specialist (incl. laundry and home office)	Kitchen specialist	Kitchen specialist
Segment	DIFM - mid market	DIFM - mid market	DIFM - mid market	DIFM - mid market	DIFM - mid market
Network	30 stores (QLD, NSW, SA)	17 stores (NSW, VIC, QLD)	30 nationally (within The Good Guys)	5 stores (Sydney)	3 stores (VIC), 1 in Sri Lanka

Source: Company reports and websites

Offshore peers

UK market

The UK kitchen furniture market (consumer kitchen retail market) was valued at £4.2b (~A\$7.9b) in 2025⁷ and on a broader basis (including trade/B2B and new-build) it is estimated at ~£6bn (~A\$11b). Over 78% of homes are built before 1980 (46 years+)⁸ compared to Australia which has more than 55% over 30 years⁶.

The market is fragmented, with over 5,000 small independent kitchen retailers.

Case study: Wren Kitchens

- Wren Kitchens, founded in 2009 by a team with prior manufacturing experience, has expanded from 11 showrooms in 2010 to 124 in 2026, implying an average rollout of ~7 new showrooms p.a.
- 2025 revenue implies market share of ~24%, which contrasts with KWB’s market-leading 3% share of the Australian market.

⁷ Mintel, Kitchens and Kitchen Furniture – UK - 2025

⁸ Home Builders Federation, Housing Horizons: Examining UK Housing Stock in an International Context

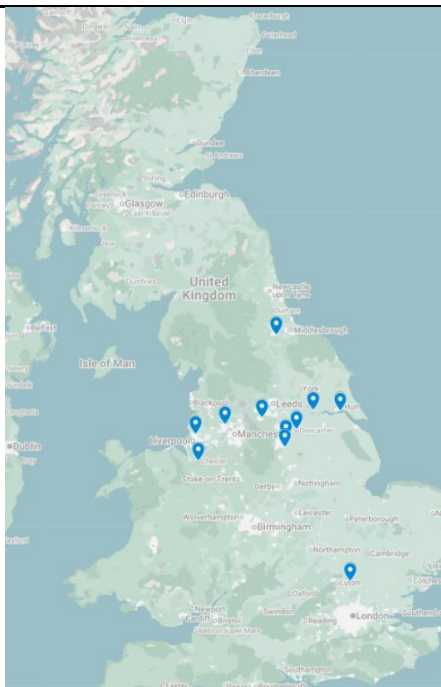
- Wren Kitchens launched into the US market in 2020 and entered into a partnership with Home Depot in 2024. It filed for bankruptcy liquidation in April 2026 and closed all 15 of its retail stores and studios in Home Depot, all primarily located on the East Coast.

Figure 11: UK notable brands

	Howdens	Wickes	Wren Kitchens	Magnet	Schmidt
Founded	1995	1972 in UK (1854 in US)	2009	1918	1959
Ownership	LSE-listed (HWDN)	LSE-listed (WIX)	Private - Healey family	Acquired by Alteri Partners in Jan 2026	Private - French family-owned (Schmidt Groupe)
Network (UK)	891 depots	230+ stores	124 showrooms	200+ showrooms	29 showrooms (565 globally)
Revenue (2025)	£2,418m (2025, +4.1% YoY)	£1,636m (2025, +5.9% YoY)	£1b, +10% on pcp	£352m (12m to 30 Sep 25)	
EBIT (2025)	£355m (~A\$668m), +5% on pcp; margin ~15%	£75m (~A\$143m), +11% on pcp; margin ~5%	EBITDA: £142m (~A\$267m), +29% on pcp; margin ~14%	loss of £9m (~A\$17m)	Franchise model
PBT (2025)	£345m (~A\$649m), +5% on pcp; margin ~14%	£50m (~A\$95m), +14.4% on pcp; margin ~3%	£105m (~A\$198m), +51% on pcp; margin ~10%		
UK Market Share	n/a	n/a	~24% (by value)	~8% (by value)	n/a
Business Model	B2B trade-only, design and manufacture cabinets, source other products	DIY (core), Trade and DIFM. Broader home improvement products	Vertically integrated (DIFM, consumer-direct), design, manufacture, retail and installation of kitchens and bedrooms	Retail, trade and B2B. Design, manufacture	Franchise retail DIFM (premium, design-led), Design, manufacture (in Germany and France)
Customer	Trades only (primarily local builders)	Trades and consumers (DIY and DIFM)	Consumer (core - DIFM), usually younger, mid-quartile income, householders	Consumer (core - DIFM)	Consumer (core - DIFM, design-led)
Pricing	Trade pricing varies	Trade pricing varies	Lower-mid to upper-mid	Lower-mid to mid	Upper-mid to luxury

Source: Company Reports, Company Websites, Minto

Figure 12: Wren Kitchens' 2010 network



Source: Company website, Wayback Machine, Canaccord Genuity

Figure 13: Wren Kitchens' 2026 network



Source: Company website, Canaccord Genuity

USA market

The USA/Canada cabinet manufacturer wholesale market is valued at \$12b (~A\$17b) with dealers (~61%), big-box retailers (~28%), and home builders (~11%)⁹. This market includes both renovations and new home builds.

The US kitchen market is manufacturer-led which is structurally different from the UK and Australia where its more retail-led.

Figure 14: US notable brands

Metric	MasterBrand	American Woodmark	Kitchen Magic
Founded	1979	1980	1979
Ownership	NYSE: MBC	NASDAQ: AMWD. Being acquired by MasterBrand - expected close 1H26.	Private
Network	20+ manufacturing facilities, 7,900+ dealers	16 manufacturing facilities, dealers, home centers	5 service areas/ showrooms
Revenue	\$2.7b (~A\$3.8b). ~60% of net sales to 'repair & remodel'	\$1.7b (~A\$2.4b)	
EBITDA	\$298m (~A\$416m); ~11% margin (vs ~13.5% in pcpl)	\$209m (~A\$292m); ~12% margin	
Business Model	B2B manufacturer , vertically integrated; supplies dealer network + big-box (HD, Lowe's)	B2B manufacturer, vertically integrated; direct supplier to HD/Lowe's + Builder channel; D2C	B2C (DIFM)
Customer Channel	55% dealer, 32% retail/ home centers and 13% builder	43% home centers (Home Depot and Lowe's), 43% builders, 16% dealers	Direct consumers (homeowners only)
Pricing	Value to premium	Value to value semi-custom	Varies

Source: Company Reports, Company Websites

⁹ MasterBrand

Business overview

Introduction

Joyce Corporation (JYC-ASX) operates in the renovation and furniture markets. Joyce operates through two segments: 1) a 51% interest in KWB Group (kitchen and wardrobe showrooms under the Kitchen Connection and Wallspan brands), and 2) 100% ownership of Bedshed, a national bedding and bedroom furniture retailer with a mix of company-owned and franchised stores. KWB represents the majority of earnings, contributing ~85% of FY25 EBIT.

JYC history

Joyce was established in 1886 as a foam and furniture manufacturer and listed on the ASX in 1986. The Group exited its legacy foam operations in 2005, to a broader investment model that initially included property and other diversified holdings, before subsequently narrowing its focus to its two current operating businesses, KWB Group and Bedshed.

Joyce acquired full ownership of Bedshed in 2006, followed by an initial investment in KWB Group in 2013 (progressing to 51%), and a stake in Lloyds Online Auctions in 2016 (subsequently divested).

KWB history

KWB itself was formed following the acquisition of Australian Kitchen Industries (established 1997) out of administration. KWB established the Lytton (QLD) facility in 2017 and entered the Sydney market in 2022. KWB has expanded growing from 11 showrooms in 2012 to 30 over ~14 years, implying an average ~1-2 net new openings p.a.

KWB customer profile

The typical KWB customer is a family homeowner with a mortgage, female aged 35–65, with combined household income of \$120k+. The customer is time-poor (favouring the "Do-It-For-Me" segment over DIY) and typically has previously attempted a DIY renovation.

Project budgets sit in the \$20-60k range (excluding trades), with an average ticket size of ~\$31k in 1H26. Customers include both those who undertake a kitchen-only project and those who are undertaking a broader renovation.

KWB customer journey

Sales and marketing funnel

Demand is driven through a combination of 1) showroom foot traffic and 2) digital channels, with ~35% of orders originating from a digital-first engagement before being directed to a showroom. In CY25, KWB attracted 45,000+ "Lookers" across its showroom network (+33% on pcp) supported by lead generation through KWB's national call centre, social media, and influencer collaborations (Andrew Winter, Mitch & Mark).

Figure 15: KWB customer journey

Consumer journey	Timing	Objective	Contact point	Payment	Conversion
1) Showroom (specify & qualify)	T0	Book in-home appointment Primary selling event - design	Showroom consultant		E.g. 100 customers
2) Design & Sell (in-home)	T+1-2 weeks	(CAD), price, sell materials, estimate trades	Design consultant	10% deposit	20 in-home appointments (20%)
3) Final Site Measure	T+~4 weeks	Confirm specifications	Customer Support Manager	30% progress payment	11 kitchens sold (55% close rate)
4) Plan & Schedule	T+~5-6 weeks	CAD redraw, create BOM for each supplier, schedule trades around 1 month in advance	Customer Support Manager		
5) Logistics & Delivery	T+~8 weeks	Delivery date confirmed within 48hrs of sale (99%)	Customer Support Manager	60% prior to delivery	
6) Installation Management	T+~8-10 weeks	Coordinate trades; manage installation delivery	Customer Support Manager	Trades paid direct by customer	
7) Completion & Seek Referral	T+~10 weeks	Completion sign-off; referral capture	Customer Support Manager		

Source: Company Reports

Digital capability

Execution is supported by proprietary software for logistical/capacity planning and CRM/project management systems. KWB is currently investing \$2m+ in a single integrated digital platform for kitchens and wardrobes (commenced April 2024, go-live November 2026), which it expects to provide a scalable, cloud-managed, AI-capable infrastructure supporting future growth. The digital strategy is supplemented by paperless contracts and approvals, and digital brochures and videos.

Installation and trades

KWB's efficient processes and systems, combined with the capability and training of Customer Support Managers, facilitate a consistent and efficient installation process. This is reflected in reworks at only ~1% of net sales, which has improved from ~5% historically under Australian Kitchen Industries.

The outsourced trade model draws on this efficiency to deliver a seamless experience for customers, as evidenced by the high customer satisfaction ratings.

From the perspective of the trades participating in KWB's installation jobs, they can benefit from highly visible, forward-planned job scheduling and consistency in job management through the oversight of a KWB Customer Support Manager.

Outsourced trades support KWB's earnings profile, with FY25 gross margins >50%.

Installation for wardrobes is done internally.

KWB showroom network

KWB operates 30 showrooms (26 Kitchen Connection + 4 Wallspan) across QLD, NSW and SA.

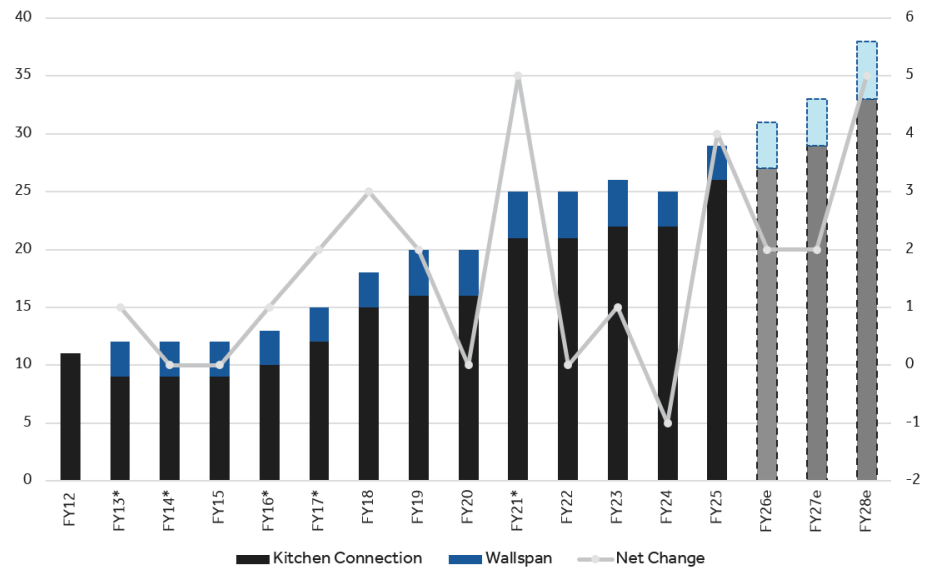
KWB has expanded growing from 11 showrooms in 2012 to 30 over ~14 years, implying an average ~1-2 net new openings p.a.

KWB's showroom strategy is built around four elements supporting a premium, retail-led customer experience:

- Inspiring showrooms: premium brands and products, premium and clean retail look and feel.

- A-class locations: standalone offers in high-traffic homemaker centres (34,000+ visits p.a.).
- Highly trained consultants: KWB Academy, national Sales-Design-Support training.
- Paperless transactions: Digital contracts, approvals, brochures and videos.

Figure 16: Store network (RHS: number of stores, LHS: net change)

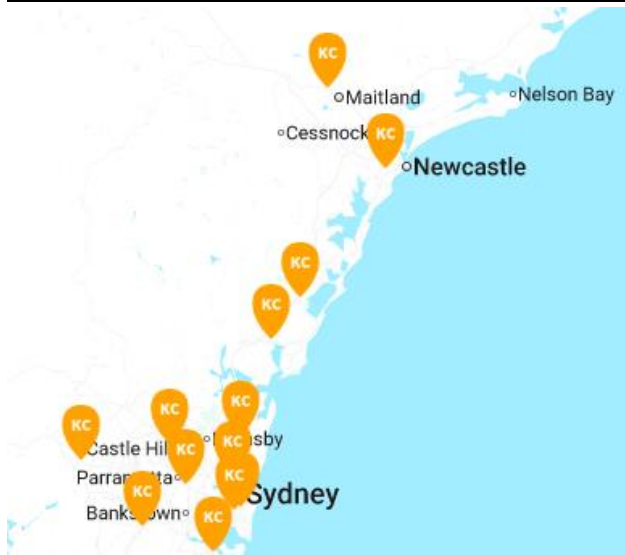


Source: Company Report. Note: * denotes CG estimate based on company disclosures in other financial periods.

KWB's showroom network journey includes:

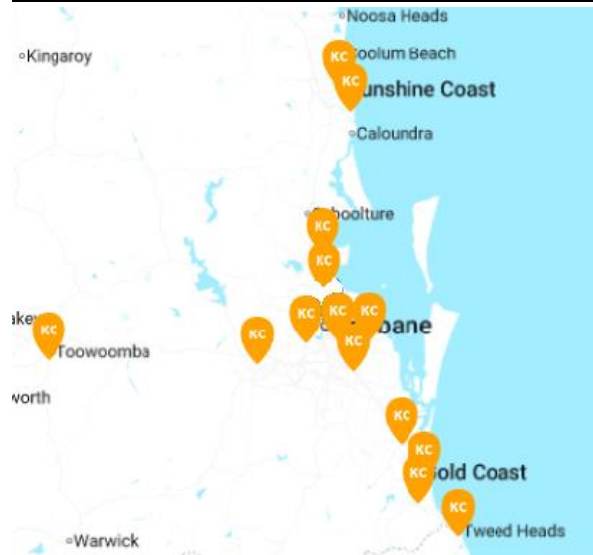
- FY12-15: Following AKI administration, management focused on improving store quality and relocating sites.
- FY16-17: 2 new stores (both QLD) in FY16 and management invested in operating infrastructure such as the Lytton facility.
- FY18-19: Rollout phase – opened 3 new stores in FY18 and another 3 in FY19.
- FY20: COVID – pause in new store openings.
- FY21: Major NSW expansion (4 new Kitchen Connection stores).
- FY22-24: Management deferred some new store openings and prioritised showroom upgrades and service delivery, reflecting supply chain constraints and labour shortages post-COVID.
- FY25–1H26: Opened 5 new stores in FY25 (incl. 3 in Sydney) to 29 Kitchen Connection stores. Opened Wallspan store in SA in 1H26.

Figure 17: Kitchen Connection NSW stores



Source: Company Website

Figure 18: Kitchen Connection QLD stores



Source: Company Website

Manufacturing supply chain

KWB operates an asset light, outsourced supply chain, with manufacturing and ancillary product sourcing managed through long term third-party relationships. Cabinetry (carcass, panels, doors), the core manufactured component, is produced by third-party manufacturers.

The sales process enables highly visible and forward-planned job scheduling, aligning well with outsourced manufacturing.

Production processes (cutting, edging, drilling) are automated, with board sourced from large domestic suppliers.

Ancillary products (e.g. splashbacks, tiles, sinks, taps, benchtops) are sourced through domestic and international partners including Blum (hinges and drawer systems), Häfele (furniture fittings, locking and architectural hardware), Caesarstone (benchtops surface), Oliveri (sinks), Westinghouse (kitchen appliances) and Electrolux (kitchen appliances). Ancillary product is cross-docked prior to delivery with the kitchen, except for appliances, which are dispatched direct from supplier to customer on installation day.

Competitive advantage

KWB's competitive position is supported by:

- **End-to-end integrated customer experience using proprietary software:** KWB's tech stack delivers a seamless customer experience that many smaller competitors are operationally and financially unable to replicate, combined with a strong retail and showroom focus.
- **Highly trained sales team:** KWB invests in consultant capability through its in-house KWB Academy, which provides structured training across sales, design and customer support. This supports higher conversion rates due to strong retail and showroom focus.
- **Scale and market leadership:** This is supported by KWB delivering ~5,000 kitchens p.a. in a ~160,000-unit p.a. renovation market through a 30-showroom network

positioned in A-grade homemaker centres, with scale advantages in KWB's position as a client of material size.

- Capital-light operating model: all products are supplied by long-term third-party suppliers.

KWB's competitive advantage is reflected in independent customer satisfaction data, where KWB's two brands outperform direct competitors (see table below).

Figure 19: KWB vs peers' ratings

Brand	Rating	Reviews	Positive vs Negative	Showrooms
Wallspan Kitchens & Wardrobes	4.9 ★	1,619	97% / 3%	4 (SA only)
Kitchen Connection	4.8 ★	4,933	94% / 6%	26 (QLD/NSW)
Kinsman Kitchens	3.6 ★	943	66% / 34%	30 nationwide (inside The Good Guys)
Freedom Kitchens	3.5 ★	1,755	64% / 36%	17 (NSW, VIC, QLD)

Source: Product Review

KWB growth strategy

KWB's growth strategy has 4 key components.

LFL sales growth via digital marketing and ongoing industry consolidation:

- Focus on lead generation and customer education.
- Social media and SEO (Search Engine Optimisation) are used to drive traffic to the website which functions primarily as an education tool to explain the Kitchen Connection brand and the customer process.
- Detailed product range information is intentionally kept off platform to avoid overwhelming the customer.
- The broader market remains structurally fragmented. We believe KWB's scale, process and customer experience position the business to capture share gains as the market consolidates.

New showroom openings:

- Management is targeting 55 showrooms nationwide (vs 30 as of March 26).
- 3 new showrooms planned for 4Q26 and FY27 across ACT, QLD and NSW. Victorian market entry targeted via 3 to 4 initial Melbourne showrooms to establish scale.
- Size and location: Targets 270-450 sqm size in an A-grade homemaker centre with foot traffic above ~34,000 p.a.
- New stores typically breakeven in ~1 year (~\$400k fit out costs).

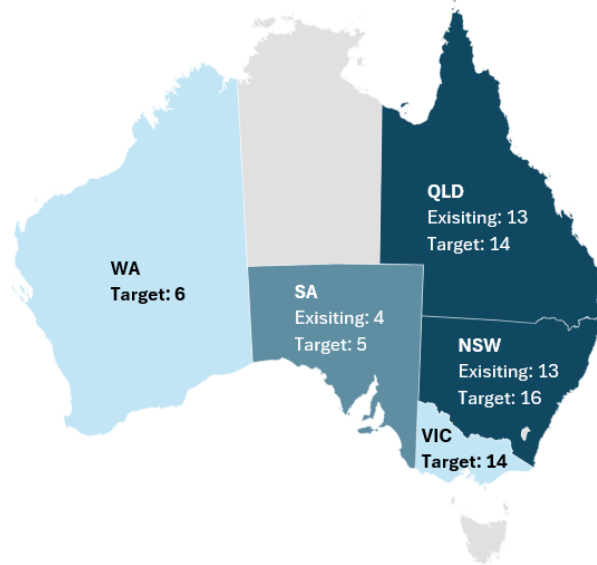
Product expansion:

- Expansion of the wardrobe design and installation offering with Wardrobe growth opportunity in NSW/ ACT (currently QLD/SA).
- Expanded ranges to provide customers with more options at a range of price points.

Operational productivity:

- Investing ahead of growth via a \$2m+ Proprietary IT Platform upgrade (commenced April 2024 and is planned to go live November 2026).
- This provides a single integrated platform across kitchens and wardrobes and removes third-party software reliance which reduces costs.

Figure 20: KWB's existing and target network



Source: Company reports

Bedshed

Bedshed is a specialist bedding and bedroom furniture retailer, with a network of 44 stores (39 franchise and 5 company owned) across Australia, supported by an e-commerce platform. Bedshed is positioned in the mid-market, supplying mattresses, bed frames and bedroom furniture under both proprietary and exclusive third-party brands.

Bedshed's growth strategy is capital-light and franchise-led, with management targeting a long-term network of 65+ stores within Australia.

- Network footprint expansion: both franchise and selective company-owned stores, with recent additions at Caringbah (NSW) and Ellenbrook (WA) during 1HY26, and the December 2023 Sydney franchise buy-ins (Castle Hill and Alexandria) supporting NSW expansion.
- Network-wide business written sales growth and gross margin protection, supported by continued product range development and margin improvement across the furniture and mattress offering.
- Operational enhancements and cost control programs to improve company-owned store performance.
- Strategic initiatives to attract high-quality franchisees, including reduced fit-out and upgrade costs to lower the barriers to franchise entry.

Financials

Segment earnings

KWB

FY23:

- Showroom count at 26, +1 on pcp, reflecting the opening of Casula (NSW) showroom and complemented by renovation and refurbishment activity across the network designed to improve productivity and customer conversion.
- WSO at \$111m, broadly in line with pcp after adjusting for removal of dated orders sitting in the book.
- Revenue at \$123m, +14% on pcp, driven by conversion of elevated order book and normalisation of lead times.
- EBIT at \$25.3m, +32% on pcp and margin +270bps, driven by stronger gross margins and lower rework costs.

FY24:

- Showroom count at 25, -1 on pcp, reflecting the closure of a Wallspan showroom in SA, and noting completion of renovation and refurbishment activity across the network.
- WSO at \$114m +3% on pcp, driven by improved conversion despite weaker foot traffic.
- Revenue at \$121m, -1.7% on pcp, driven by lower backlog conversion vs elevated FY23 base.
- EBIT at \$25.2m, -0.4% vs pcp and margin +30bps, driven by stable gross margins (despite earlier expectations of a reversion) and further reduction in rework costs.

FY25:

- Showroom count at 29, +4 on pcp, reflecting +3 in NSW and +1 in QLD (including relocation of Ashmore showroom to Bundall).
- WSO at \$129m, +13% on pcp, driven by LFL +4% on improved customer conversion rates and contributions from new showrooms.
- Revenue at \$120m, -0.8% on pcp, driven by normalisation of order-to-revenue conversion vs prior backlog.
- EBIT at \$24.3m, -3.7% on pcp and margin -60bps, driven by ramp-up of new showroom profitability, with gross margins retained >50% and costs tightly controlled.

1H26:

- Showroom count at 30, +1 in the period, driven by opening of Melrose (SA).
- WSO at \$71.0m, +22% on pcp, driven by LFL +6% on increased focus on digital marketing driving order growth and increased brand awareness in Sydney, complemented by contributions from new showrooms.
- Revenue at \$67.4m, +14% on pcp, driven by the acceleration in WSO growth in the prior period.
- EBIT \$14.5m, +15% on pcp and margin +20bps, driven by 130bps of gross margin expansion and partly offset by ongoing ramp-up of new showroom profitability.

2H26E – CG forecasts:

- Showroom count at 31, +1 in the period, driven by the opening of Moore Park (NSW).
- WSO at \$76m, +9% on pcg, underpinned by a very strong January (+26% on pcg) and an assumption that softening macro demand signals result in the remainder of the period posting growth at +4% on pcg.
- Revenue at \$73m, +19% on pcg, driven by strong WSO growth earlier in the period and cycling of historically low WSO>revenue conversion in the pcg.
- EBIT at \$15.8m, +36% on pcg and margin +280bps, driven by 120bps of gross margin expansion and operating leverage on the stronger revenue growth.

FY27E – CG forecasts:

- Showroom count at 33, +2 in the period, driven by the new opening of Fyshwick (ACT) and Fortitude Valley (QLD),
- WSO at \$151m, +3% on pcg, driven by LFL -3% (skewed to 1H27 on assumption of continued slowdown as signalled by softening demand drivers) and contributions from new showrooms.
- Revenue at \$148m, +6% on pcg, driven by a slightly stronger conversion of WSO>revenue vs pcg.
- EBIT at \$31.3m, +3% on pcg and margin -60bps, driven by stable gross margins and higher operating costs associated with new showrooms.

FY28E – CG forecasts:

- Showroom count at 38, +5 in the period, driven by +1 assumed in NSW, +1 assumed in SA, and +3 assumed in VIC (representing the initial entry into this new market in 2H28).
- WSO at \$172m, +14% on pcg, driven by LFL +4% (stronger in 1H cycling over weakest pcg) and contributions from new showrooms.
- Revenue at \$164m, +10% on pcg, driven by slightly lower conversion of WSO>revenue vs pcg as LFL WSO growth accelerates.
- EBIT at \$33.5m, +7% on pcg and margin -60bps, driven by stable gross margins and higher operating costs associated with new showrooms.

Bedshed

FY23: WSO +3% on pcg and EBIT +5% on pcg despite rising costs.

FY24: WSO +7% on pcg, but EBIT -12% on pcg, driven by ramp-up costs for new company-owned stores.

FY25: WSO 7% on pcg, but EBIT -2% on pcg, driven by annualised costs for new company-owned stores.

1H26: WSO +2% on pcg and EBIT +18% on pcg, driven by improved operating leverage in company-owned stores and ongoing growth in franchise income.

2H26E – CG forecasts: WSO +5% on pcg and EBIT +17% on pcg, driven by ongoing growth in franchise income.

FY27E– CG forecasts: WSO +3% on pcg and EBIT -3%, driven by negative operating leverage in corporate stores.

Figure 21: Summary of segment earnings

Y/E June, AUD		FY22A	FY23A	FY24A	1H25A	2H25A	FY25A	1H26A	2H26E	FY26E	FY27E	FY28E
KWB	#	25	26	25	27	29	29	30	31	31	33	38
Bedshed	#	40	41	43	43	42	42	44	44	44	46	48
Group store count	#	65	67	68	70	71	71	74	75	75	79	86
KWB	\$m	124.0	110.7	113.9	58.3	70.4	128.7	71.0	76.3	147.3	151.1	172.1
Bedshed	\$m	137.2	141.3	150.5	80.9	80.1	161.0	82.6	83.9	166.5	170.8	183.0
Group WSO	\$m	261.2	252.0	264.4	139.2	150.5	289.7	153.6	160.2	313.8	322.0	355.1
growth	%	n/a	-3.5%	4.9%	8.2%	10.9%	9.6%	10.3%	6.5%	8.3%	2.6%	10.3%
KWB growth	%	n/a	-10.7%	2.9%	11.5%	14.3%	13.0%	21.8%	8.5%	14.5%	2.6%	13.9%
Bedshed growth	%	n/a	3.0%	6.5%	6.0%	8.0%	7.0%	2.1%	4.7%	3.4%	2.6%	7.1%
KWB	\$m	108.0	123.4	121.3	59.2	61.2	120.4	67.4	72.6	140.0	148.1	163.5
Bedshed	\$m	21.1	21.3	23.1	13.7	13.5	27.2	14.2	13.1	27.4	26.1	27.1
Group revenue	\$m	129.0	144.7	144.4	72.9	74.7	147.6	81.7	85.7	167.3	174.2	190.6
growth	%	n/a	12.2%	-0.2%	0.4%	4.0%	2.2%	12.1%	14.7%	13.4%	4.1%	9.4%
KWB	\$m	23.5	30.3	30.3	15.6	14.7	30.3	17.9	19.5	37.4	38.9	42.1
Bedshed	\$m	5.8	6.1	6.0	3.3	3.3	6.6	3.8	3.7	7.5	7.4	7.7
Corp / Other	\$m	-3.0	-3.5	-4.4	-2.3	-1.9	-4.1	-2.0	-2.2	-4.3	-4.4	-4.5
Group EBITDA norm	\$m	26.3	32.9	32.0	16.6	16.2	32.8	19.7	21.0	40.7	41.9	45.3
growth	%	n/a	25.2%	-2.9%	0.2%	5.2%	2.6%	18.8%	29.5%	24.1%	3.0%	8.1%
margin	%	20.4%	22.7%	22.1%	22.8%	21.7%	22.2%	24.2%	24.5%	24.3%	24.1%	23.8%
KWB	\$m	19.2	25.3	25.2	12.7	11.6	24.3	14.5	15.8	30.4	31.3	33.5
Bedshed	\$m	4.8	5.0	4.4	2.2	2.2	4.3	2.6	2.4	5.0	4.8	5.0
Corp / Other	\$m	(3.2)	(4.4)	(5.1)	(2.6)	(2.1)	(4.7)	(2.3)	(2.4)	(4.7)	(4.8)	(4.9)
Group EBIT norm	\$m	20.8	25.9	24.5	12.2	11.7	23.9	14.8	15.8	30.7	31.3	33.6
growth	%	n/a	24.9%	-5.5%	-8.0%	4.1%	-2.5%	21.4%	35.7%	28.4%	1.9%	7.5%
margin	%	16.1%	17.9%	17.0%	16.8%	15.6%	16.2%	18.2%	18.5%	18.3%	18.0%	17.6%

Source: Company Reports, Canaccord Genuity estimates

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Group income statement

D&A broadly reflects movement in the showroom and store networks.

Net interest expense broadly stable, on our numbers, with lease interest more than offsetting interest income.

Effective tax rate assumed at 30.5% in FY26E and 30% thereafter.

Minorities reflect assumed ongoing ownership of KWB at 51%.

Dividends reflect a payout ratio of ~80% in relation to the ordinary dividend. Joyce has a track record of paying special dividends where the franking credit balance and cash levels support such action. We have not included any further special dividends in our forecasts, but see upside risk to this assumption.

Figure 22: Summary of Group income statement

Y/E June, AUD		FY22A	FY23A	FY24A	FY25A	FY26E	FY27E	FY28E
Sales revenue	\$m	129.0	144.7	144.4	147.6	167.3	174.2	190.6
EBITDA	\$m	26.3	32.9	32.0	32.8	40.7	41.9	45.4
Dep'n & Amort'n	\$m	(5.5)	(7.0)	(7.5)	(8.9)	(10.0)	(10.6)	(11.7)
EBIT	\$m	20.8	25.9	24.5	23.9	30.7	31.3	33.6
Net interest expense	\$m	(0.5)	(0.2)	0.1	(0.3)	(0.5)	(0.3)	(0.5)
Tax expense	\$m	(6.5)	(8.1)	(7.5)	(6.9)	(9.2)	(9.3)	(9.9)
Minorities	\$m	(6.3)	(8.5)	(8.7)	(8.5)	(10.3)	(10.7)	(11.5)
NPAT	\$m	7.5	9.1	8.4	8.2	10.6	11.0	11.7
Abnormals	\$m	1.6	(1.2)	0.4	(0.9)	0.0	0.0	0.0
NPAT (reported)	\$m	9.1	7.9	8.9	7.3	10.6	11.0	11.7
EPS	cents	26.5	32.3	28.7	27.8	36.0	37.1	39.5
DPS	cents	18.0	25.5	28.5	27.5	27.0	28.0	31.0

Source: Company Reports, Canaccord Genuity estimates

Cash flow

We assume conversion of EBITDA to operating cash flow will continue at strong levels, partly reflecting the positive working capital position in KWB.

Maintenance capex assumed at \$3-4m p.a.

Lease payments assumed to increase broadly in line with inflation and growth in showroom and store count.

Figure 23: Summary of operating cash conversion

Y/E June, AUD		FY22A	FY23A	FY24A	FY25A	FY26E	FY27E	FY28E
Operating cash flow	\$m	22.4	25.0	21.3	27.4	36.6	34.8	39.4
Add back interest paid	\$m	(0.0)	(0.6)	(1.1)	(1.1)	0.5	0.3	0.5
Add back tax paid	\$m	7.7	7.3	10.9	8.8	6.9	9.2	9.3
Adjusted operating cash flow	\$m	30.1	31.6	31.2	35.2	43.9	44.3	49.2
EBITDA (norm)	\$m	26.3	32.9	32.0	32.8	40.7	41.9	45.4
Cash conversion	%	115%	96%	97%	107%	108%	106%	108%

Source: Company Reports, Canaccord Genuity estimates

Figure 24: Summary of cash flow

Y/E June, AUD		FY22A	FY23A	FY24A	FY25A	FY26E	FY27E	FY28E
EBITDA	\$m	26.3	32.6	32.0	32.8	40.7	41.9	45.4
Less net interest expense	\$m	(0.5)	(0.2)	0.1	(0.3)	(0.5)	(0.3)	(0.5)
Less tax expense	\$m	(7.7)	(7.3)	(10.9)	(8.8)	(6.9)	(9.2)	(9.3)
Dec / (Inc) working capital	\$m	(3.5)	(1.1)	(19.5)	(14.8)	1.8	0.9	2.1
Other	\$m	7.8	0.9	19.7	18.6	1.5	1.6	1.8
Operating Cash Flow	\$m	22.4	25.0	21.3	27.4	36.6	34.8	39.4
Maintenance capex	\$m	3.9	(5.1)	(2.7)	(4.1)	(3.1)	(3.2)	(4.8)
Growth capex	\$m	(0.0)	15.8	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
Acq / divest / Other	\$m	0.0	0.0	(1.6)	0.5	0.0	0.0	0.0
Investing Cash Flow	\$m	3.9	10.7	(4.3)	(3.7)	(3.1)	(3.2)	(4.8)
Equity raised	\$m	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Inc / (dec) in debt	\$m	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Dividends paid	\$m	(4.6)	(4.8)	(8.2)	(8.4)	(7.2)	(8.1)	(8.7)
Other	\$m	(9.6)	(16.7)	(15.8)	(15.3)	(19.1)	(20.0)	(21.8)
Financing Cash Flow	\$m	(14.3)	(21.5)	(24.0)	(23.7)	(26.3)	(28.2)	(30.6)

Source: Company Reports, Canaccord Genuity estimates

Balance sheet

We assume a negative working capital position to grow in line with revenue.

We expect the net cash balance (excluding customer deposits) to increase modestly over the forecast period.

Figure 25: Summary of balance sheet

Y/E June, AUD		FY22A	FY23A	FY24A	FY25A	FY26E	FY27E	FY28E
Working capital	\$m	(20.5)	(19.4)	(16.9)	(19.1)	(20.9)	(21.8)	(23.8)
Property, Plant & Equipment	\$m	3.4	4.9	7.0	6.5	6.7	6.3	6.4
Intangibles	\$m	7.6	7.7	7.7	8.3	8.2	8.2	8.1
Other Assets / (Liabilities)	\$m	13.1	(1.5)	1.9	5.1	3.5	4.1	5.0
Total capital employed	\$m	3.6	(8.3)	(0.3)	0.8	(2.5)	(3.2)	(4.2)
Net debt / (cash)	\$m	(31.9)	(46.1)	(39.1)	(39.2)	(46.4)	(49.8)	(53.9)
Net debt / (cash) ex cust deposits	\$m	(17.8)	(33.1)	(26.4)	(24.9)	(31.3)	(34.2)	(36.7)
Total equity	\$m	35.5	37.8	38.8	40.0	43.9	46.7	49.7

Source: Company Reports, Canaccord Genuity estimates

Valuation

We set our 12-month target at \$6.67 per share, in line with our earnings capitalisation valuation.

Earnings capitalisation

We set our earnings capitalisation valuation at \$6.67 per share, which is based on an FY27E PER of 18.0x. The multiple reflects our aggregate view of business quality, earnings growth profile, balance sheet strength and liquidity. This compares to the peer group for ASX-listed large ticket consumer discretionary stocks, which have a median FY27E PER of 17.1x (range 7-34x).

For reference, we also provide an indicative assessment of market value for minority interests, based on a PER at a 25% discount to that used in our Joyce valuation, reflecting the minority status. This compares to the book value of minority interests at \$5.3m.

Figure 26: Valuation for JYC equity

Y/E June, AUD		FY24A	FY25A	FY26E	FY27E	FY28E
NPAT	\$m	8.4	8.2	10.6	11.0	11.7
Multiple	x	18.0	18.0	18.0	18.0	18.0
Equity value	\$m	152.0	147.8	191.5	197.4	210.3
SOI	m	29.5	29.5	29.6	29.6	29.6
Equity value p/share	\$	5.16	5.01	6.48	6.67	7.11

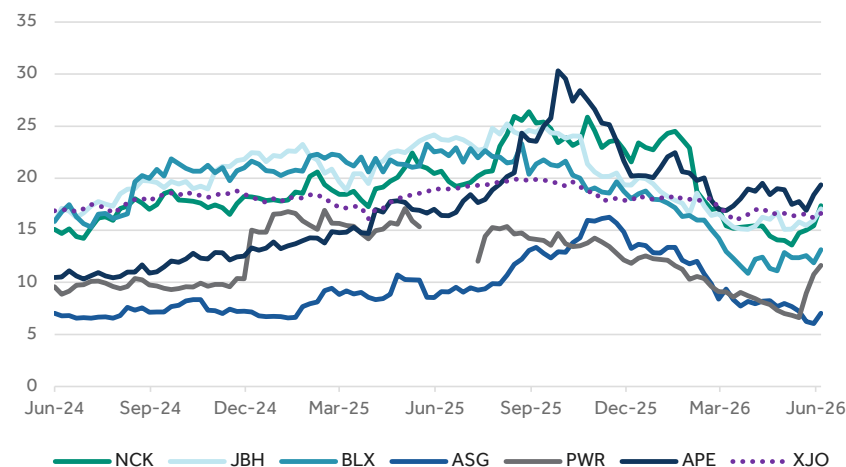
Source: Company Reports, Canaccord Genuity estimates

Figure 27: Valuation for minority interests in JYC

Y/E June, AUD		FY24A	FY25A	FY26E	FY27E	FY28E
NPAT	\$m	8.7	8.5	10.3	10.7	11.5
Multiple	x	13.5	13.5	13.5	13.5	13.5
Minorities	\$m	117.0	114.6	139.5	144.7	155.3

Source: Company Reports, Canaccord Genuity estimates

Figure 28: 12m forward PERs for large ticket consumer discretionary stocks (x)



Source: Factset

Figure 29: Consumer discretionary comparable company valuations

Company Name	Ticker	Mkt cap (m)	EV	EV (m)	EV/EBITDA (x)			EV/EBIT (x)			PER (x)		
		Local	A\$m	Local	FY1	FY2	FY3	FY1	FY2	FY3	FY1	FY2	FY3
Large ticket													
Nick Scali Limited	NCK-ASX	1,368	1,609	1,609	8.8x	8.5x	7.8x	12.8x	12.6x	11.3x	17.9x	17.3x	15.2x
JB Hi-Fi Limited	JBH-ASX	8,585	8,852	8,852	8.8x	8.5x	8.1x	12.0x	11.7x	11.1x	17.5x	17.1x	16.1x
Beacon Lighting Group Ltd	BLX-ASX	367	489	489	5.7x	5.5x	5.0x	10.2x	9.9x	8.8x	13.3x	13.1x	11.5x
Harvey Norman Holdings Ltd	HVN-ASX	6,006	8,134	8,134	7.6x	7.7x	7.2x	10.4x	10.5x	9.7x	13.1x	13.4x	12.3x
Breville Group Limited	BRG-ASX	4,487	4,651	4,651	16.4x	14.7x	13.1x	22.5x	20.0x	17.7x	33.0x	28.9x	25.2x
Temple & Webster Group Ltd	TPW-ASX	646	552	552	25.6x	15.0x	13.1x	63.7x	23.7x	19.1x	81.4x	33.9x	28.5x
Autosports Group Ltd	ASG-ASX	406	1,648	1,648	8.3x	7.2x	6.7x	11.7x	10.0x	9.2x	7.9x	7.0x	6.0x
Eagers Automotive Limited	APE-ASX	6,435	8,696	8,696	9.0x	7.5x	7.0x	10.6x	8.8x	8.2x	20.9x	17.8x	16.1x
Peter Warren Automotive Holdings Ltd	PWR-ASX	168	869	869	9.3x	7.7x	7.0x	15.1x	12.1x	10.9x	19.7x	11.4x	7.5x
Average		3,163	3,944	3,944	11.1x	9.1x	8.3x	18.8x	13.3x	11.8x	25.0x	17.8x	15.4x
Median		1,368	1,648	1,648	8.8x	7.7x	7.2x	12.0x	11.7x	10.9x	17.9x	17.1x	15.2x
Small ticket													
Adairs Ltd.	ADH-ASX	234	511	511	5.8x	5.4x	5.3x	8.9x	8.1x	7.1x	7.5x	6.6x	5.4x
Super Retail Group Limited	SUL-ASX	2,866	4,048	4,048	5.5x	5.2x	4.9x	11.1x	10.4x	9.5x	14.2x	13.2x	11.8x
Lovisa Holdings Ltd.	LOV-ASX	2,520	2,988	2,988	10.5x	9.0x	7.9x	19.6x	16.3x	13.7x	28.1x	22.5x	18.6x
Kogan.com Ltd.	KGN-ASX	408	379	379	9.2x	8.1x	7.3x	13.4x	11.6x	10.0x	21.3x	17.6x	15.2x
Myer Holdings Limited	MYR-ASX	467	1,725	1,725	3.8x	3.5x	3.3x	10.2x	8.3x	7.1x	7.6x	5.4x	4.3x
Wesfarmers Limited	WES-ASX	97,895	109,744	109,744	17.5x	16.2x	15.3x	24.7x	22.3x	20.9x	34.5x	31.2x	29.0x
Baby Bunting Group Ltd.	BBN-ASX	224	409	409	6.2x	5.5x	4.8x	12.7x	10.4x	8.8x	12.6x	9.8x	7.9x
Dusk Group Ltd.	DSK-ASX	47	51	51	4.2x	3.5x	3.1x	6.1x	4.9x	4.4x	8.1x	6.4x	5.7x
Shaver Shop Group Limited	SSG-ASX	177	180	180	4.4x	4.2x	3.8x	7.8x	7.1x	6.2x	11.5x	10.3x	8.9x
Average		11,649	13,337	13,337	7.5x	6.7x	6.2x	12.7x	11.0x	9.8x	16.2x	13.7x	11.9x
Median		408	511	511	5.8x	5.4x	4.9x	11.1x	10.4x	8.8x	12.6x	10.3x	8.9x

Source: Factset

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Discounted cash flow

As a reference point, we calculate a DCF valuation for Joyce at \$8.00 per share. This methodology better captures the growth profile of assumed new showroom openings over the next 7 years, but also includes a more simplistic value attribution to minority interests calculated at 49% of the consolidated equity value (i.e. no discount for minority status).

Figure 30: DCF valuation for JYC equity

Y/E June, AUD					
Cost of Capital			Calculation		
Risk free rate	%	4.0%	PV of FCF forecast (9 yrs)	\$m	193.2
Equity risk premium	%	6.0%	PV of terminal value	\$m	236.6
Beta (unlevered)	x	1.3x	Enterprise value	\$m	429.8
Target gearing (D/D+E)	%	10.0%	TV as % EV	%	55%
Corporate tax rate	%	30.0%	Net debt / (cash)	\$m	(34.2)
Cost of equity	%	12.3%	Minorities	\$m	227.3
Cost of debt (pre tax)	%	4.2%	Equity value	\$m	236.6
WACC (pre tax)	%	11.5%	SOI (fully diluted)	m	29.6
WACC (post tax)	%	11.7%	Equity value p/share	\$	8.00

Source: Company Reports, Canaccord Genuity estimates

Investment risks

We identify the following key potential risks to our investment thesis:

- Soft macro demand indicators. Housing turnover has declined, house prices are weakening and consumer confidence is at historic lows. While KWB is the market leader and benefits from various counter-cyclical traits (e.g. customers can trade down from buying a new home to renovating an existing home), we have assumed a cyclical dip in WSO (written sales orders) growth in the near-term. However, the impact could be greater than we have assumed.
- Prominent DIY segment brands successfully push into the DIFM segment. Bunnings and IKEA are leaders in the DIY segment of kitchen renovations, and both offer indirect installation services (e.g. referrals via hipages). Internalising and adding project manager capability would significantly enhance DIFM credentials and present a competitive threat to KWB, in our view.
- Disruption to supply chain. KWB operates an outsourced manufacturing and installation business model. Notwithstanding the consistent track record of execution and high customer satisfaction ratings, a disruption to the supply of products and services from key suppliers represents a potential risk.

Board and management

Board

Jeremy Kirkwood — Chair and Non-Executive Director

Mr Kirkwood was appointed Non-Executive Director in 2020 and is current Chair of JYC. He is a principal of Pilot Advisory Group and was previously a Managing Director at Credit Suisse, Morgan Stanley and Austock, where he led public markets M&A and capital raisings across metals & mining, energy and infrastructure. He is currently a Non-Executive Director of Talisman Mining Ltd and Chair of Hawsons Iron Ltd (from October 2023), Trustee of the Ross Trust, and a Director of Hillview Quarries Pty Ltd and Gravitas Technologies Ltd. He sits on the KWB Board and chairs the Nomination Committee.

Karen Gadsby — Deputy Chair and Non-Executive Director

Ms Gadsby has served as a Non-Executive Director since 2017 and is current Deputy Chair. She has more than 20 years of Chair/NED experience across listed, private, government and not-for-profit sectors, with a background as a Chartered Accountant (Coopers & Lybrand) and former senior executive at North Limited. She chairs the Audit & Risk Committee.

Travis McKenzie — Non-Executive Director

Mr McKenzie was appointed in 2019 and brings private-board experience across marketing, education and property development, alongside experience in derivatives/FX trading and law. He chairs the Remuneration Committee and is a Director of Bedshed Franchising Pty Ltd.

Nicholas Palmer — Non-Executive Director

Mr Palmer was appointed in 2022 and chairs the KWB Board. He is an experienced retail and consumer executive, having held senior leadership roles including Group Managing Director of Spotlight Group Holdings and CEO of Radio Rentals Group. Earlier experience at Bain & Company and Boston Consulting Group provides a strong strategic and transformation skillset relevant to KWB's growth ambitions and operational scaling.

Dan Madden — Chief Executive Officer

Mr Madden was appointed CEO in December 2020 and has extensive ASX listed experience across both executive leadership and finance roles. He was previously Managing Director of Talisman Mining, following earlier roles as CFO and Company Secretary, and has over 17 years' experience in senior finance roles across the resources sector.

Management

Tim Allison — CFO and Group Company Secretary

Mr Allison was appointed CFO in 2021. He is a Chartered Accountant with over 15 years' experience across CFO, GM Finance and advisory roles, with capabilities spanning strategic finance, process automation and reporting systems.

Gavin Culmsee — Managing Director, Bedshed

Mr Culmsee leads the Bedshed business. He was previously a Retail Operations Manager for Freedom Furniture. He oversees a national network of franchised and company-owned stores and is responsible for operational execution, margin delivery and network expansion within the bedding segment.

John Bourke — Managing Director and Co-founder, KWB Group

Mr Bourke co-founded KWB in 2012 and has led the business through a period of sustained growth, establishing it as a leading “do-it-for-me” kitchen and wardrobe renovation operator. He continues in the role while undertaking a structured leadership transition through FY26. He previously held senior management roles in Fortune 500 companies, including Johnson & Johnson.

Cameron Crowell – Deputy CEO, KWB Group

Mr Crowell has deep retail operational and leadership experience across Australia and internationally, with a proven history of driving strategic growth, network expansion, operational transformation, and sustainable profitability in complex B2B and B2C environments. He has over 30 years of retail consumer goods leadership experience spanning sales, IT, procurement, marketing, HR, finance, property, and warehouse and distribution functions, having previously held COO roles at Kepler Analytics, Aspire 42, Walker Stores and Radio Rentals.

Shareholder register

Figure 31: Top shareholders (as at 25 February 2026)

Holder	%
ADAMIC PTY LTD	26.1
DANIEL SMETANA <THE D A SMETANA FAMILY A/C>	4.1
MR DANIEL ALEXANDER SMETANA	2.6
MR DAN SMETANA	2.5
Daniel Smetana Total	35.3
ANACACIA PTY LTD <WATTLE FUND A/C>	5.2
UFBA PTY LTD - John Roy Westwood	4.5
MR JUSTIN ZHIWEI TEO	3.4
TREASURE ISLAND HIRE BOAT COMPANY PTY LTD <STAFF SUPER FUND ACCOUNT>	1.7
MR JOHN BOURKE	1.2
CONARD HOLDINGS PTY LTD <THE COWDEN FAMILY A/C>	1.2
MR GAVIN W CULMSEE + MS KARA F CULMSEE <CULMSEE FAMILY A/C>	1.0
MARTEHOF PTY LTD <TEMA SUPER FUND A/C>	1.0
MR CHRIS PALIN	0.9
VANWARD INVESTMENTS LIMITED	0.9
MS ANNA MARIA KRISTANCIC	0.9
Total top 20	76.5
Balance of register	23.5
Grand total	100.0

Source: Company Reports.
Daniel Smetana – retired Chair / Non-executive Director of JYC.
John Bourke – KWB MD
Gavin Culmsee – Bedshed MD

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Investment Recommendation

Date and time of first dissemination: June 16, 2026, 16:30 ET

Date and time of production: June 16, 2026, 03:23 ET

Target Price / Valuation Methodology:

Joyce Corporation Ltd - JYC

12-month price target at \$6.67/sh, in line with our earnings capitalisation valuation, which is based on an FY27E PER of 18.0x.

Risks to achieving Target Price / Valuation:

Joyce Corporation Ltd - JYC

Soft macro demand indicators: Housing turnover has declined, house prices are weakening and consumer confidence is at historic lows. While KWB is the market leader and benefits from various counter-cyclical traits (e.g. customers can trade down from buying a new home to renovating an existing home), we have assumed a cyclical dip in WSO (written sales orders) growth in the near-term. However, the impact could be greater than we have assumed.

Prominent DIY segment brands successfully push into the DIFM segment: Bunnings and IKEA are leaders in the DIY segment of kitchen renovations, and both offer indirect installation services (e.g. referrals via hipages). Internalising and adding project manager capability would significantly enhance DIFM credentials and present a competitive threat to KWB, in our view.

Disruption to supply chain: KWB operates an outsourced manufacturing and installation business model. Notwithstanding the consistent track record of execution and high customer satisfaction ratings, a disruption to the supply of products and services from key suppliers represents a potential risk.

Distribution of Ratings:

Global Stock Ratings (as of 06/16/26)

Rating	Coverage Universe		IB Clients
	#	%	%
Buy	723	71.16%	27.80%
Hold	123	12.11%	8.13%
Sell	1	0.10%	0.00%
Speculative Buy	166	16.34%	63.86%
	1016*	100.0%	

*Total includes stocks that are Under Review

Canaccord Genuity Ratings System

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HOLD: The stock is expected to generate returns from -10% to 10% during the next 12 months.

SELL: The stock is expected to generate returns less than -10% during the next 12 months.

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