EUROZ HARTLEYS

FULL-YEAR RESULTS | PUBLISHED ON 01 SEPTEMBER 2026

# JYC | FY26 Results; Small Beat

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

| PRICE | TARGET PRICE | RECOMMENDATION |
|---|---|---|
| **A$6.42/sh** | **A$7.35/sh** (FROM A$6.50/sh) | **BUY** (UNCHANGED) |

## Event

JYC has released its FY2026 results.

## Impact

Results were modestly ahead of expectations. Key financial highlights:

- Revenue +14.7% pcp to $169.9m (vs $167.8m EHe)
- Norm EBIT +31.8% pcp to $31.5m (vs $30.6m EHe); reported EBIT +39.0%
- Norm NPAT attr. to JYC +31.6% pcp to $10.8m (vs $10.6m EHe)
- Reported NPAT attr. to JYC +47.1% pcp to $10.8m (vs $10.6m EHe)

**KWB (51% owned):** FY26 saw significant growth. Sales increased 19.0% to $143.2m and EBIT increased 30.3% to $31.6m, with margin expanding to 22.1% (20.2% pcp). Orders of $150.0m were generated (+16.6% pcp). While demand softened through Q4 and into early FY27 (July orders down 9.8%, August +1.0%), conversion remained resilient and average transaction values held up. The order book was $46.7 million at the end of July (vs $44.4m pcp, +5.2%).

The company ended the year with 31 showrooms (+2 net YoY). Further expansion opportunities are progressing, with flagship showrooms at Fyshwick (ACT) and Fortitude Valley (QLD) scheduled to open in FY27. The company maintains a long-term target of 55+ showrooms in A-grade locations.

**Bedshed (100% owned):** The Bedshed network delivered $163.9m of business written sales during the year (+1.8% YoY). Franchise sales were up modestly YoY to $6.2 million (+1.8%), with comparable EBIT of $3.0 million (+5.8% YoY). While company owned sales were down modestly YoY following the transition of the Mackay (QLD) Company-owned store to franchise ownership, like-for-like sales were up 4.5% YoY. Both Bedshed Franchising and Company-owned store EBIT margins improved YoY, lifting combined EBIT 8.5% to $4.7m. While management is cautious of operating conditions, FY27 has started positively, with July and August business written sales +1.8% and +6.1% pcp, respectively.

Bedshed finished the year with 37 franchise locations (+1 net YoY) and 5 company-owned stores (down 1 YoY). The company maintains a long-term network goal of 65 stores.

The company maintains a strong balance sheet, finishing the year with $48.5m in consolidated cash (vs $38.2m EHe) and no debt (excl. leases). JYC declared a 17.0cps fully franked final dividend, taking the total annual dividend to 30.0cps (vs 27cps EHe), implying a 4.6% annualised franked yield.

We have updated our forecasts (see Figure 1).

## Action

**We maintain our Buy Recommendation with an updated $7.35 Price Target**

## Catalysts

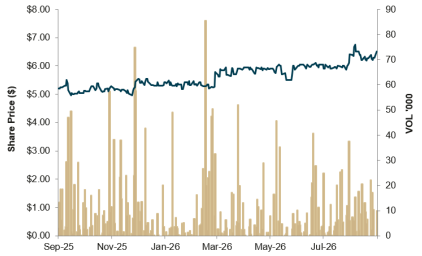
AGM Update | 1H FY27 Results


## Analyst

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| | | | |
|---|---|---|---|
| **Share Price** | **6.42** | **A$/sh** | |
| **Price Target** | **7.35** | **A$/sh** | |
| Valuation (DCF) | 7.35 | A$/sh | |
| WACC | 11.0% | | |
| Terminal Growth | 2.5% | | |
| Shares on issue | 29.6 | m, dil | |
| Market Capitalisation | 189.8 | A$m | |
| Enterprise Value | 171.6 | A$m | |
| Cash | 48.5 | A$m | |
| Debt (inc leases) | 30.2 | A$m | |
| **Key Metrics** | **26A** | **27F** | **28F** |
| Revenue (A$m) | 169.9 | 178.6 | 194.8 |
| EBITDA (A$m) | 41.1 | 43.7 | 47.4 |
| EBIT (A$m) | 31.5 | 34.1 | 37.8 |
| Norm NPAT (A$m) | 10.8 | 12.1 | 13.5 |
| Reported NPAT (A$m) | 10.8 | 12.1 | 13.5 |
| Gross CF (A$m) | 14.1 | 14.6 | 15.9 |
| Capex (A$m) | -2.2 | -1.8 | -1.8 |
| Op. Free CF (A$m) | 17.8 | 5.9 | 15.4 |
| Revenue Gwth (%) | 15% | 5% | 9% |
| EBITDA Gwth (%) | 30% | 6% | 8% |
| Norm NPAT Gwth (%) | 32% | 12% | 11% |
| Norm EPS (Ac) | 36.5 | 40.8 | 45.5 |
| Norm. EPS Gwth (%) | 32% | 12% | 11% |
| PER (x) | 17.6 | 15.7 | 14.1 |
| DPS (Ac) | 30.0 | 32.0 | 35.0 |
| Dividend Yield (%) | 4.7% | 5.0% | 5.5% |
| Net Debt (A$m) | -18.2 | -17.1 | -25.1 |
| Net Debt:Equity (%) | -42% | -35% | -45% |

## Performance




*Source: IRESS*


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| Income Statement | 26A | 27F | 28F |
|---|---|---|---|
| (+) BedShed | 26.6 | 27.3 | 28.4 |
| (+) KWB | 143.2 | 151.4 | 166.4 |
| (+/-) Other | 0.0 | 0.0 | 0.0 |
| **Total Revenue** | **169.9** | **178.6** | **194.8** |
| (-) COGS | -91.2 | -95.9 | -104.6 |
| **Gross Profit** | **78.7** | **82.7** | **90.2** |
| (-) Operating Expense | -37.5 | -39.0 | -42.8 |
| **EBITDA** | **41.1** | **43.7** | **47.4** |
| (-) D&A | -9.6 | -9.7 | -9.6 |
| **EBIT** | **31.5** | **34.1** | **37.8** |
| (-) Net Finance | -0.3 | -0.3 | -0.1 |
| **EBT** | **31.2** | **33.8** | **37.7** |
| (-) Tax Expense | -9.7 | -10.1 | -11.3 |
| (-) Non-Controlling interest | -10.8 | -11.6 | -12.9 |
| (+/-) Abnormals | 0.0 | 0.0 | 0.0 |
| **Reported NPAT** | **10.8** | **12.1** | **13.5** |
| **Norm NPAT** | **10.8** | **12.1** | **13.5** |
| **Cashflow Statement** | **26A** | **27F** | **28F** |
| NPAT | 10.8 | 12.1 | 13.5 |
| (+) D&A | 9.6 | 9.7 | 9.6 |
| (-) Lease Expense | -7.1 | -7.1 | -7.1 |
| (+/-) Other | 0.8 | 0.0 | 0.0 |
| **Gross Cashflow** | **14.1** | **14.6** | **15.9** |
| (-) Capex | -2.2 | -1.8 | -1.8 |
| (-) Change in NWC | 5.9 | -7.0 | 1.2 |
| **Operating Free Cashflow** | **17.8** | **5.9** | **15.4** |
| (+/-) Sale of PP&E | 0.2 | 0.0 | 0.0 |
| (+/-) Other | -0.3 | 0.0 | 0.0 |
| (+) NCI | 10.8 | 11.6 | 12.9 |
| (-) Dividend Equity holders | -9.1 | -8.9 | -9.5 |
| (-) Dividends NCI | -10.1 | -9.3 | -10.3 |
| **Net Cashflow** | **9.2** | **-0.7** | **8.5** |
| **BoP Net Cash** | **10.4** | **18.2** | **17.1** |
| (+/-) Net Cashflow | 9.2 | -0.7 | 8.5 |
| (+/-) AASB16 Adj. | -1.4 | -0.5 | -0.5 |
| **EoP Net Cash** | **18.2** | **17.1** | **25.1** |
| **Balance Sheet** | **26A** | **27F** | **28F** |
| Cash | 48.5 | 47.3 | 55.3 |
| Receivables | 1.1 | 1.2 | 1.3 |
| Inventories | 3.9 | 5.5 | 6.0 |
| Other Assets | 1.4 | 1.4 | 1.4 |
| Other Financial Assets | 1.9 | 1.9 | 1.9 |
| **Total Current Assets** | **56.7** | **57.3** | **65.9** |
| Receivables | 4.1 | 4.7 | 5.1 |
| Deferred Tax Assets | 3.9 | 4.4 | 4.8 |
| ROUA | 28.3 | 28.3 | 28.3 |
| PP&E | 5.7 | 5.5 | 5.4 |
| Intangibles | 9.0 | 8.9 | 8.8 |
| **Total Non-current Assets** | **51.1** | **51.8** | **52.4** |
| **Total Assets** | **107.8** | **109.1** | **118.3** |
| Payables | 27.5 | 23.6 | 25.8 |
| Provisions | 3.6 | 3.4 | 3.7 |
| Current Lease Liabilities | 8.2 | 8.2 | 8.2 |
| Borrowings | 0.0 | 0.0 | 0.0 |
| Provisions for Income Tax | 1.9 | 1.9 | 1.9 |
| **Total Current Liabilities** | **41.3** | **37.2** | **39.7** |
| Borrowings | 0.0 | 0.0 | 0.0 |
| Non-Current Lease Liabilities | 22.0 | 22.0 | 22.0 |
| Deferred Tax Liability | 0.0 | 0.0 | 0.0 |
| Provisions | 1.2 | 1.2 | 1.3 |
| **Total Non-Current Liabilities** | **23.2** | **23.2** | **23.3** |
| **Total Liabilities** | **64.6** | **60.4** | **63.0** |
| **Net Assets** | **43.2** | **48.8** | **55.4** |
| Contributed Equity | 21.9 | 21.9 | 21.9 |
| Reserves | 3.7 | 3.7 | 3.7 |
| Non-controlling interests | 6.0 | 8.3 | 10.9 |
| Retained Earnings | 11.7 | 14.9 | 18.9 |
| **Total Equity** | **43.2** | **48.8** | **55.4** |

| PERFORMANCE RATIOS | 26A | 27F | 28F |
|---|---|---|---|
| **Growth & Margins** | | | |
| Revenue Growth | 15% | 5% | 9% |
| EBITDA Growth | 30% | 6% | 8% |
| EBIT Growth | 39% | 8% | 11% |
| Reported NPAT Growth | 46% | 12% | 11% |
| Normalized Net Profit Growth | 32% | 12% | 11% |
| EBITDA margin | 24% | 24% | 24% |
| EBIT margin | 19% | 19% | 19% |
| Normalized net profit margin | 6% | 7% | 7% |
| Effective tax rate | 30% | 30% | 30% |
| **Liquidity** | | | |
| Capex/depreciation (x) | 0.2 | 0.2 | 0.2 |
| Current ratio (x) | 1.4 | 1.5 | 1.7 |
| Quick ratio (x) | 1.8 | 2.1 | 2.2 |
| Receivable days | 2.3 | 2.5 | 2.5 |
| Payable days | 110.1 | 90.0 | 90.0 |
| **Risk Measures** | | | |
| Dividend Cover (x) | 1.2 | 1.3 | 1.3 |
| Payout ratio (%) | 82% | 78% | 77% |
| Net interest cover (x) | 31.8 | 34.3 | 37.8 |
| Net debt/equity (%) | -42% | -35% | -45% |
| **Returns** | | | |
| Return on Invested Capital | 30% | 30% | 30% |
| Return on Assets | 10% | 11% | 11% |
| Return on Equity | 29% | 30% | 30% |
| **SHARE DATA/VALUATION** | **26A** | **27F** | **28F** |
| **Share Data** | | | |
| Issued shares (m) | 29.6 | 29.6 | 29.6 |
| Weighted ave shares (m) | 29.6 | 29.6 | 29.6 |
| Fully diluted shares (m) | 29.6 | 29.6 | 29.6 |
| Basic EPS (c) | 36.5 | 40.8 | 45.5 |
| YoY change (%) | 46% | 12% | 11% |
| Fully diluted EPS (c) | 36.5 | 40.8 | 45.5 |
| YoY change (%) | 46% | 12% | 11% |
| Fully diluted normalised EPS (c) | 36.5 | 40.8 | 45.5 |
| YoY change (%) | 32% | 12% | 11% |
| Dividend/share (c) | 30.0 | 32.0 | 35.0 |
| Franking (%) | 100% | 100% | 100% |
| Gross cashflow/share (c) | 47.9 | 49.4 | 53.9 |
| NBV/share (c) | 126.0 | 136.9 | 150.4 |
| NTA/Share (c) | 115.8 | 134.8 | 157.4 |
| **Valuation** | | | |
| PER (Basic) (x) | 17.6 | 15.7 | 14.1 |
| PER (Fully diluted) (x) | 17.6 | 15.7 | 14.1 |
| PER (Fully diluted, normalized) (x) | 17.6 | 15.7 | 14.1 |
| P/CFPS (x) | 13.4 | 13.0 | 11.9 |
| Price/NBV (x) | 5.1 | 4.7 | 4.3 |
| Price/NTA (x) | 5.5 | 4.8 | 4.1 |
| Dividend Yield (%) | 4.7% | 5.0% | 5.5% |
| EV/EBIT (x, Ex. NCI) | 8.3 | 7.6 | 6.9 |
| EV/Revenue (x) | 1.0 | 1.0 | 0.9 |

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## Forecasts

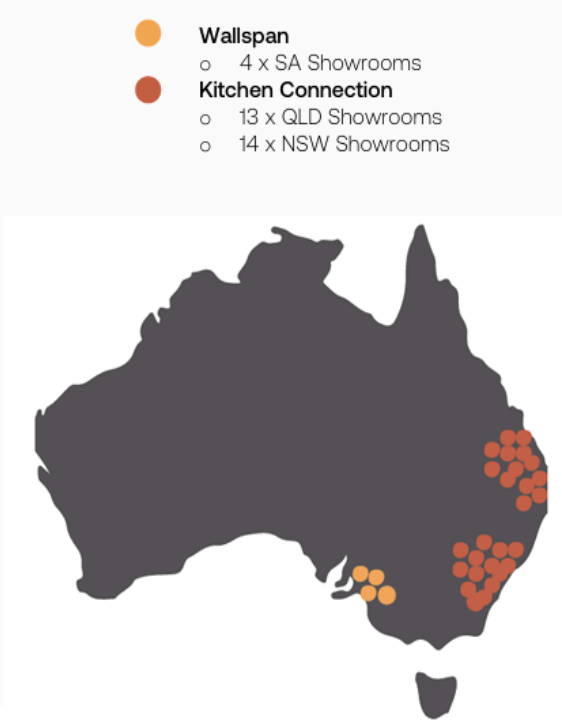
We build up our forecasts as follows (Figure 1).

**Figure 1: EH Forecasts**

| Forecasts | Units | 2024A | 2025A | 2026A | 2027F | 2028F | 2029F |
|---|---|---|---|---|---|---|---|
| **Locations** | | | | | | | |
| KWB | x | 25 | 29 | 31 | 33 | 36 | 39 |
| Bedshed* | x | 43 | 42 | 42 | 42 | 44 | 47 |
| | | | | | | | |
| KWB | A$m | 121.3 | 120.4 | 143.2 | 151.4 | 166.4 | 186.8 |
| Bedshed | A$m | 23.1 | 27.2 | 26.6 | 27.3 | 28.4 | 29.7 |
| Other | A$m | 1.1 | 0.5 | 0.0 | 0.0 | 0.0 | 0.0 |
| **Total Revenue** | **A$m** | **145.5** | **148.2** | **169.9** | **178.6** | **194.8** | **216.6** |
| | | | | | | | |
| **EBITDA** | **A$m** | **32.0** | **31.6** | **41.1** | **43.7** | **47.4** | **52.3** |
| | | | | | | | |
| KWB | A$m | 25.2 | 24.3 | 31.6 | 34.2 | 37.6 | 42.2 |
| Bedshed | A$m | 4.4 | 4.3 | 4.7 | 4.8 | 5.2 | 5.7 |
| Corp OH/ Other | A$m | -5.1 | -5.9 | -4.8 | -4.9 | -5.0 | -5.1 |
| **EBIT** | **A$m** | **24.5** | **22.7** | **31.5** | **34.1** | **37.8** | **42.8** |
| | | | | | | | |
| **Reported NPAT** | **A$m** | **8.9** | **7.4** | **10.8** | **12.1** | **13.5** | **15.3** |
| | | | | | | | |
| **Norm. NPAT**** | **A$m** | **8.4** | **8.2** | **10.8** | **12.1** | **13.5** | **15.3** |
| | | | | | | | |
| DPS | Acps | 28.5 | 27.5 | 30.0 | 32.0 | 35.0 | 39.0 |

*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$6.42 | Target price A$7.35 | Recommendation Buy;

*Price, target price and rating as at 01 September 2026 (* not covered)*

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