



FINANCIAL YEAR 2022 RESULTS

STRONG OPERATIONAL AND FINANCIAL PERFORMANCE

August 2022

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JOYCE CORPORATION

Flow of Economic Interest into Joyce Corporation



51% Majority Interest in Net
Profit Attributable to JYC
Shareholders
26 showrooms



Franchise Fee Income
36 Stores



100% Ownership
4 Stores



100% Ownership
Perth Pilot
See ASX Announcement
(30 August 2022)



JOYCE CORPORATION (ASX: JYC)

Consolidated Net
Cash
\$31.9M
at 30 Jun 2022

Property Sale Aug 22
will add further
~\$16M

Franking Credits
~\$9.8M

OPERATING RESULTS

FINANCIAL YEAR 2022 YEAR END RESULTS



JOYCE CORPORATION

Overview

Strong operational and financial performance delivered across the Group

Revenue growth of 16% and strong margins maintained in challenging operating conditions

Reported NPAT attributable to Joyce Shareholders of \$9.1million

Record fully-franked final dividend of 18 cents

Strong balance sheet and cash position

Financial performance and returns to shareholders delivered while maintaining **deliberate focus on long-term growth opportunities**

\$129.0M
Revenue

\$17.6M
Group NPAT*

\$25.7M
Operating Cash Flow
(Incl Lease Payments excl Tax)

\$31.9M
Group Net Cash

\$9.1M
NPAT Attributable to JYC
S/Holders*

32.2 cps
EPS

18 cps
Full Year Fully Franked Dividend

**Includes gain on revaluation of KWB Group Investment Property*

RESULTS OVERVIEW

Increasing returns to shareholders

Joyce Corporation	FY 22 Final	FY 22 Total	FY 21 Total
Dividend (cents)	10.5	18.0	17.0
NPAT to JYC Shareholders (\$'000)	9,086	9,086	7,574
Normalised NPAT* to JYC Shareholders (\$'000)	7,461*	7,461*	7,238*
Dividends paid/payable (\$'000)	2,968	5,088	4,789

SHARE PRICE (\$)



*See end of presentation (Appendix A) for summary of normalising adjustments.

Record **10.5 cents** final dividend and **18 cent** full year dividend (**fully franked**)

Full Year dividend 68% of normalised NPAT* (within payout ratio of 60%-80% of normalised NPAT)

Well placed to **fund organic growth plans** and **maintain dividends**

RESULTS OVERVIEW

Key financial performance metrics

STRONG OPERATIONAL PERFORMANCE ACROSS THE GROUP

Joyce Corporation Consolidated Results	FY 22 (\$'000)	FY 21 (\$'000)	Variance (\$'000)	Variance (%)
Revenue	129,016	111,224	17,792	16%
Contribution Margin	66,252	55,162	11,090	20%
Total Group Expenses	34,044	30,870	(3,174)	(10)%
Expenses (% of revenue)	26%	28%	n/a	n/a
Normalised EBITDA	26,279*	23,812*	2,467	10%
Normalised EBITDA Margin	20.4%	21.4%	n/a	n/a
Normalised EBIT	20,774*	19,149*	1,625	8%
Normalised Net profit after tax	13,798*	12,659*	1,139	9%
Normalised NPAT Attributable to JYC Members	7,461*	7,238*	223	3%
Normalised EPS (cents)	26.4*	25.7*	0.7	3%

*See end of presentation Appendix A: Normalising adjustments

Continued trend of revenue growth driven by strong consumer demand and expansion of network

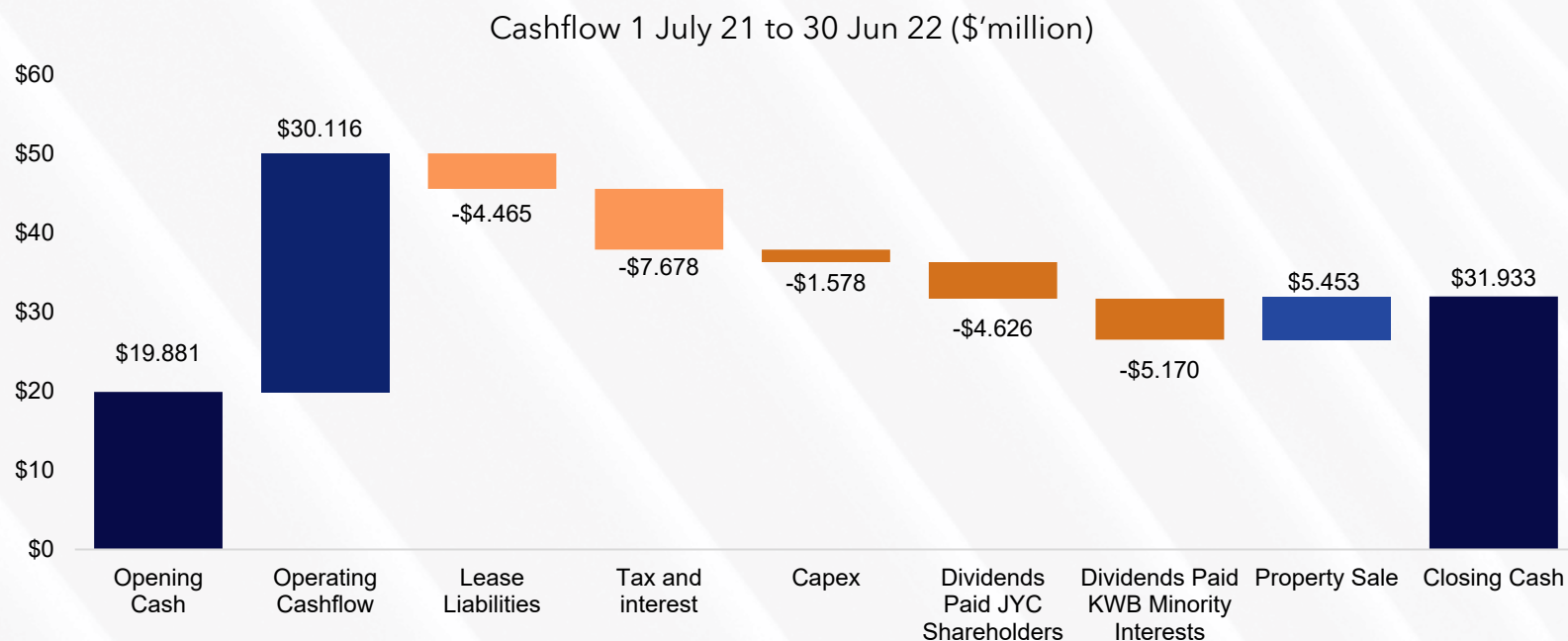
Strong FY 22 Performance against backdrop of supply chain challenges, labour constraints, COVID interruptions and rising costs

Illustrated Profitability and EPS metrics are 'normalised' to exclude significant one-off income and expenses (See Appendix A for details)

RESULTS OVERVIEW

Key financial position metrics

Joyce Corporation Consolidated Results	Jun 22 (\$'000)	Jun 21 (\$'000)	Variance (\$'000)	Variance (%)
Closing Group Cash	31,933	19,881	12,052	61%
Debt	-	-	-	-
Net Cash/(Debt)	31,933	19,881	12,052	61%



****Operating Cashflow excluding Tax and Interest payments.**

Strong Net Cash Position of \$31.9m with significant borrowing capacity and gearing potential

Operational performance and capital-light business models generate **solid cash returns** and support record dividend cash payments

Operating cash flow of \$25.7m** (incl lease payments)

Property transactions contribute to disciplined capital management and boost platform to drive growth:

\$5.4m JYC Property sold during year

\$16m KWB Group Property sale agreed Aug 22

KWB GROUP

HIGH PERFORMANCE IN AUSTRALIA'S
HOME RENOVATION MARKET



SNAPSHOT

Kitchen Connection & Wallspan

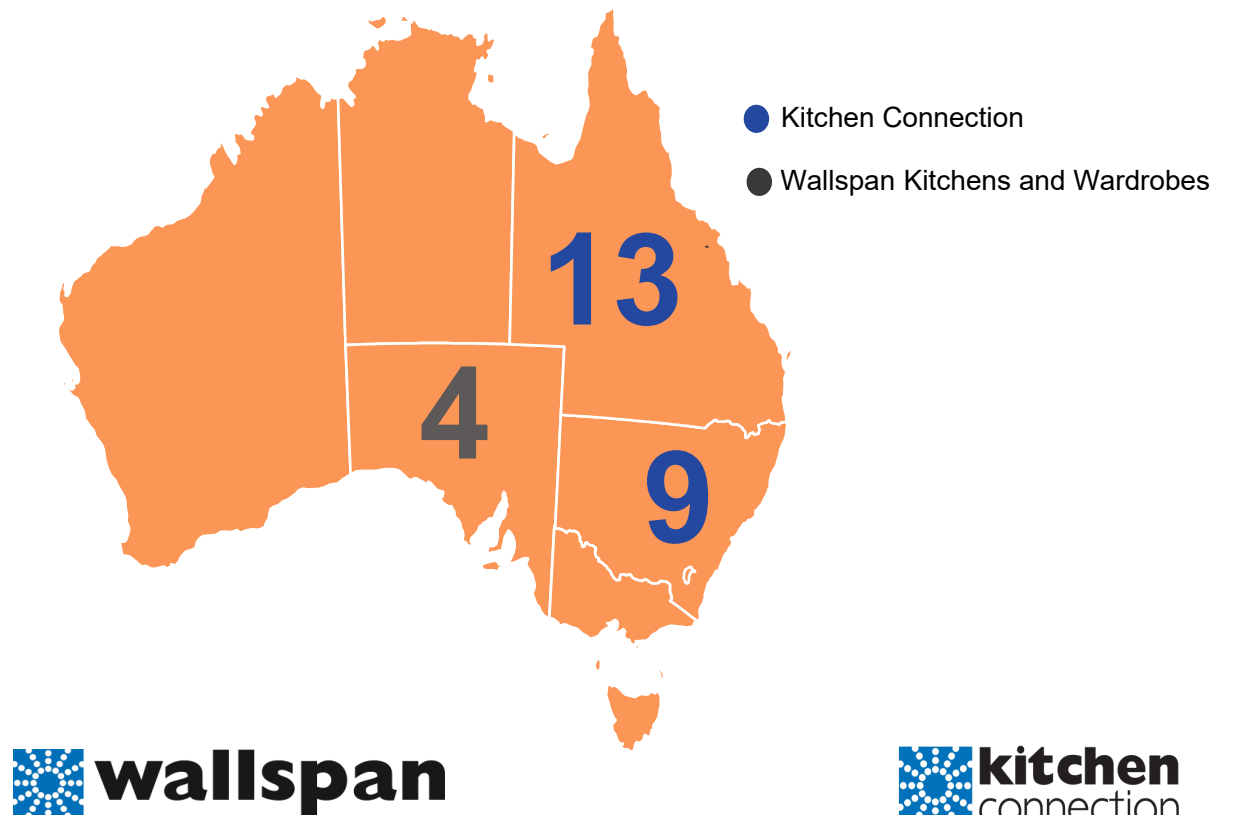
Leader in Australia's Kitchen and Wardrobe renovation market, delivering kitchen and wardrobe solutions

Unique value proposition delivering a positive, seamless and hassle-free design & installation experience

26 showrooms

Kitchen Connection (22) in QLD & NSW

Wallspan (4) in SA



BUSINESS MODEL

Seeking to become the clear market leader in the 'Do It For Me' segment of the Australia Kitchen Renovation Market in both revenue and referral

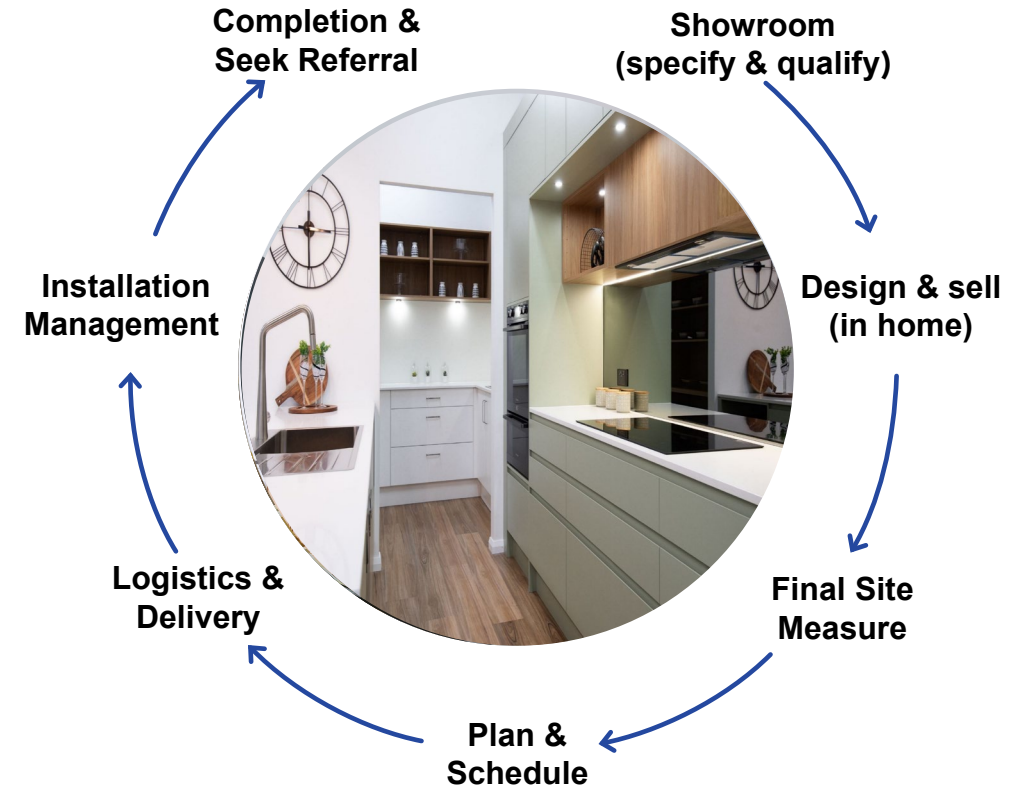
Delivery of exceptional retail and installation customer experience that creates referral

Capital light business model, strong margins and excellent cashflow

Experienced Management focused on orders growth and operational efficiencies

Customer focused model (evidenced by highest rated independent reviews)

CUSTOMER JOURNEY



AWARD WINNER 2022

Kitchen Connection

www.kitchenconnection.com.au

★★★★★ 4.5 from 2,393 reviews

AWARD WINNER 2022

Wallspan

wallspan.com.au

★★★★★ 4.7 from 924 reviews

Short Term Initiatives

Program of Showroom Upgrades in FY 23
Refits, Relocations and Makeovers

Wardrobe Model Evolving
~\$8M Revenue FY 22
- Integrated Manufacturing
- In Home Sales Expansion

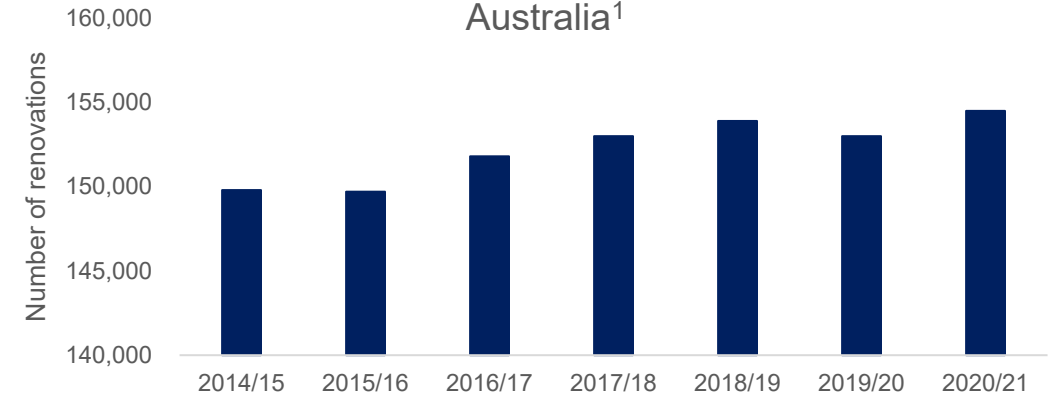
Continual focus on increasing **value adding product lines** and **conversion rates**

Current Avg Revenue per showroom **~\$4 million**



Kitchen Renovation Market

Notional Demand for Kitchen Renovations, Australia¹



\$4 Billion Kitchen Renovation Market¹

7.5 Million homes 15 years or older²

Long Term Showroom Footprint

Opportunity to double current footprint

Near term focus continued expansion in Sydney

Focused on A Grade Homemaker Centres

¹ Source: Housing Industry Association: Kitchen and Bathrooms 21/22 Report

² Internal estimate based on Housing Industry Association: Kitchen and Bathrooms 21/22 Report

KWB RESULTS

Continued Revenue and Order Growth

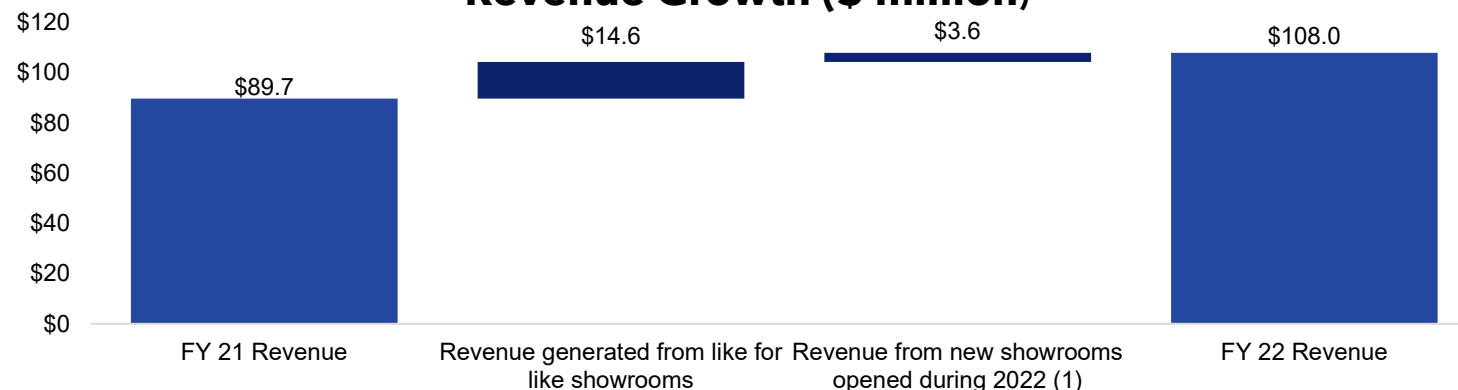
Record revenue of **\$108M** (20% increase on FY 21)

Orders of **\$124M** exceeded Revenue by ~\$16.1M

\$60m order book in Jun 2022 positions business well for FY 23

Record revenue delivered against backdrop of COVID-19 interruptions and challenging operating conditions which artificially reduced ability to deliver revenue in existing stores and put store expansion on hold

Revenue Growth (\$ million)



Segment Revenue \$m (FY 22 vs FY 21)

\$107.9M **\$89.7M**

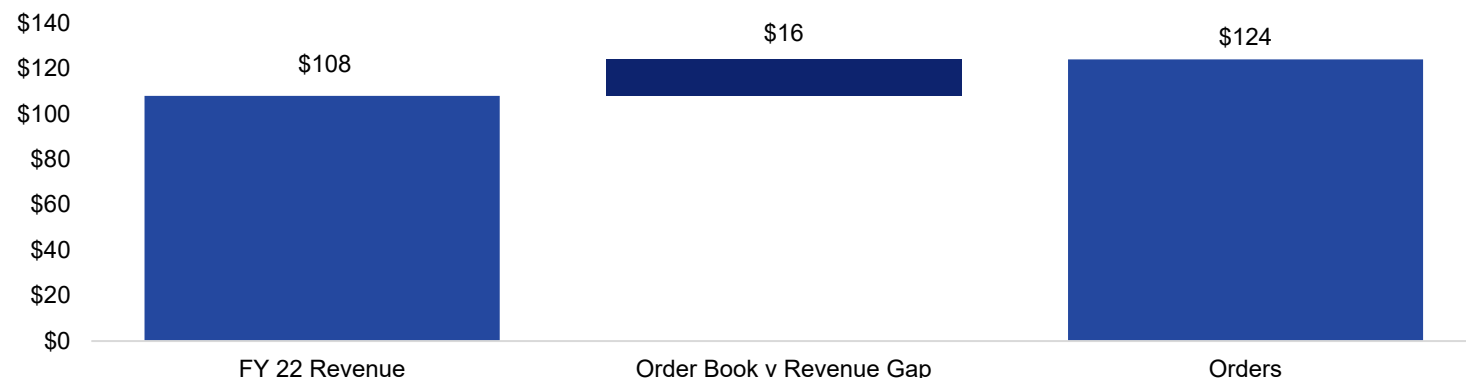
Revenue Growth%

20%

Order Book > Revenue

+\$16M

Revenue and Order Book (\$ million)



¹ Showrooms opened in 2022 include: Penrith (Jul 21) and Belrose (Oct 21). Revenue is only recognised on point of product delivery and therefore there is a delay in revenue recognition from showroom opening date.

KWB RESULTS

Record Performance in Challenging Operating Conditions

Results delivered against backdrop of supply chain disruption, severe rainfall events, labour shortages, rising prices and COVID-19 interruptions

Record Operating EBIT of \$19.2M¹
(18% increase on FY 21 \$16.3M)

Operating EBIT margin of 17.8%¹
(versus 18.2% in FY 21)

Continued proven **track record of growth** in network, revenue and EBIT

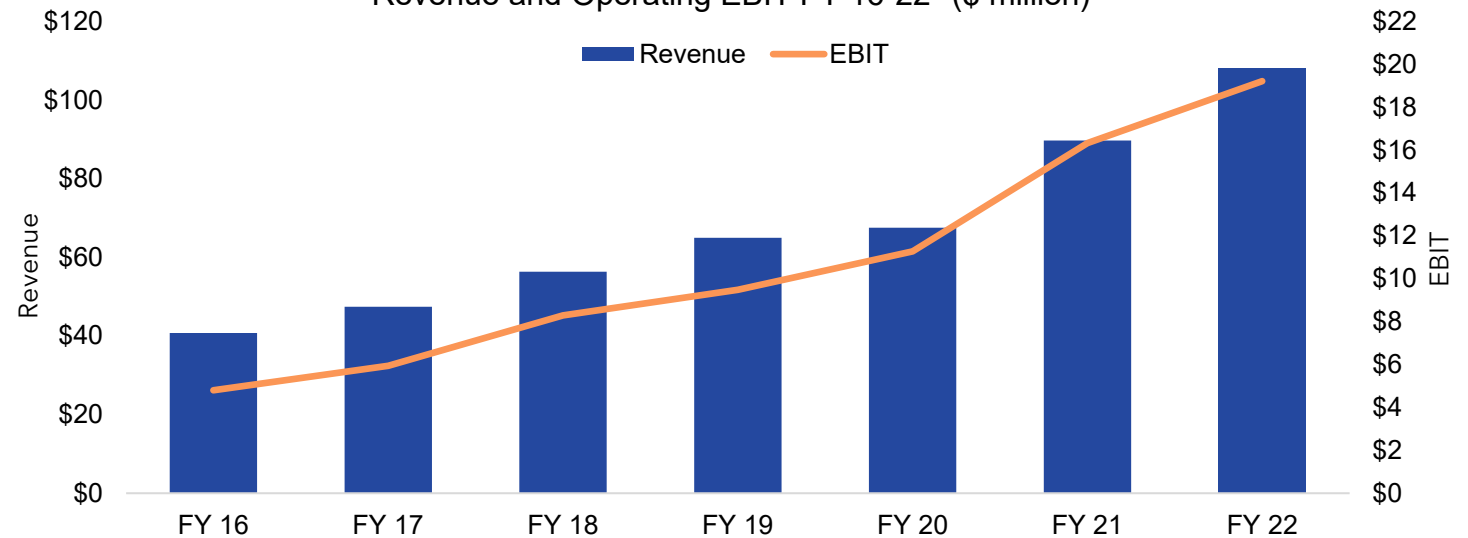
Operating EBIT \$m (FY 22¹ vs FY 21)

\$19.2M **\$16.3M**

Segment Operating EBIT Margin % (FY 22¹ vs FY 21)

17.8% **18.2%**

Revenue and Operating EBIT FY 16-22¹ (\$ million)



Segment Revenue \$m (FY 22 vs FY 16)

\$107.9M **\$40.7M**

6 Y Revenue Growth%

165%

6 Yr Operating EBIT¹ Growth

300%

¹ FY 22 Operating EBIT normalised for \$6.4m gain on Queensland investment property revaluation

BEDSHED

DELIVERING ON FRANCHISE
NETWORK GROWTH AMBITIONS



SNAPSHOT

Franchised and Company-Owned Stores

Well established Australian household name, delivering high quality bedroom furnishings for over 40 Years

Strong brand and loyal customer base

40-store network predominantly run and owned by franchisees (includes 4 Company-Owned stores)

Consistent **delivery of network growth and ongoing improvement in performance** across the network

The first Brand in the Homewares and Furniture category to achieve a **5-star rating** on the Australian Franchise Rating Scale™



Bedshed



- Franchise operations
- Company operations

BUSINESS MODEL

Proven Successful Franchisor

Many franchise partners in network 20+ years

Only 1 franchised store up for resale in 10+ years

7 franchise renewals in FY22 at 100% uptake demonstrates current strength of brand and franchisee relationship

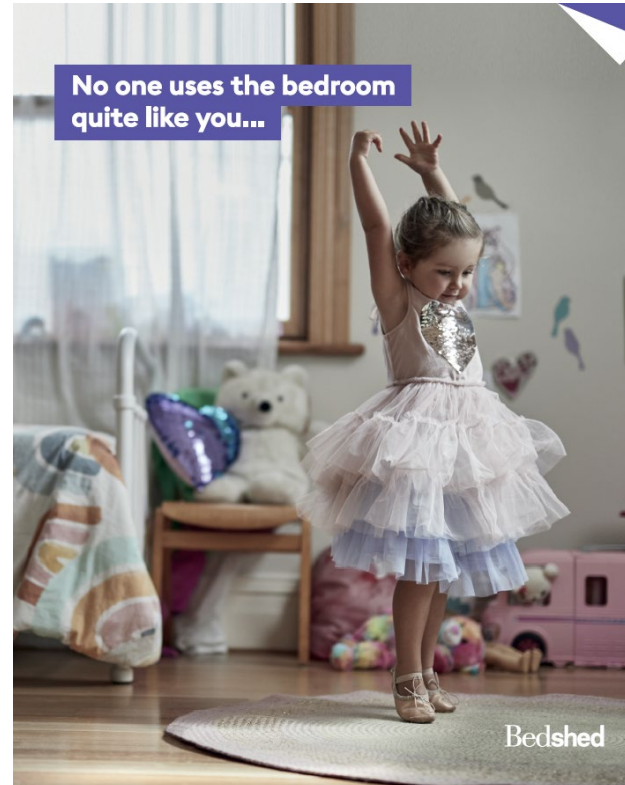
FRANdata's Australian CEO: "a standout feature of the Bedshed Franchise System was the high level of franchisees reporting that their financial expectations were being met in the franchise and the overwhelming majority of franchisees that indicated they would recommend the franchise to a friend or family member"^{*1}.



Independently Assessed & Rated by FRANdata

^{*1} Unwrap (unwrapfra.com.au)

CUSTOMER PROPOSITION



“People focused position of listening and understanding our customers changing needs. Our position is no longer just about sleep, but the whole bedroom experience. We are bedroom experts...and that’s why ***no one’s better in the bedroom.***”



Growth Strategy

Franchise Network Growth:

- Low capital intensity and marginal cost to expand the franchisee network
- **3 New Franchisees in NSW in FY 22** with Ballarat opened Aug 22, taking total to 36
- Focus on growth in NSW with **strong pipeline of potential franchisees in NSW** and nationally

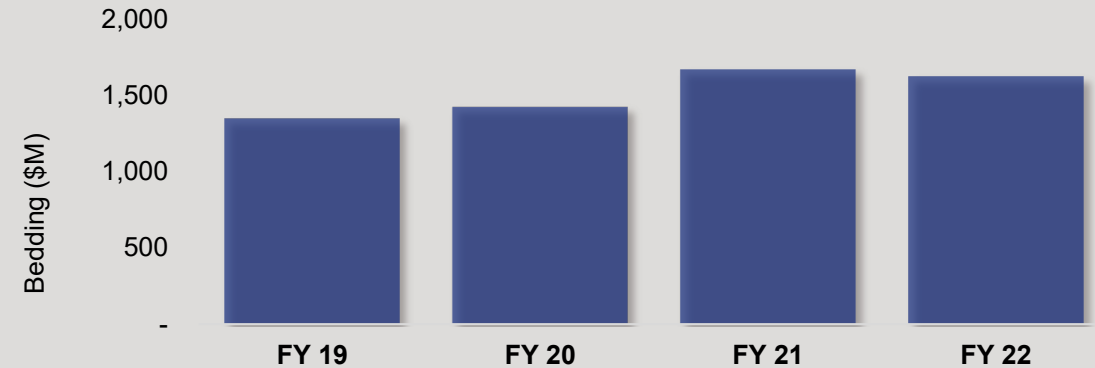
Focus on **maintaining supply chains** for franchisees to maintain brand promise of “in stock, available now”

Omni-channel Marketing

Focus on: Enhancement of e-commerce platform, marketing automation and maximizing integrated bricks and mortar stores and e-commerce capability

Further enhance e-commerce relationship with traditional customers and develop a journey to nurture “online only” customers for long term

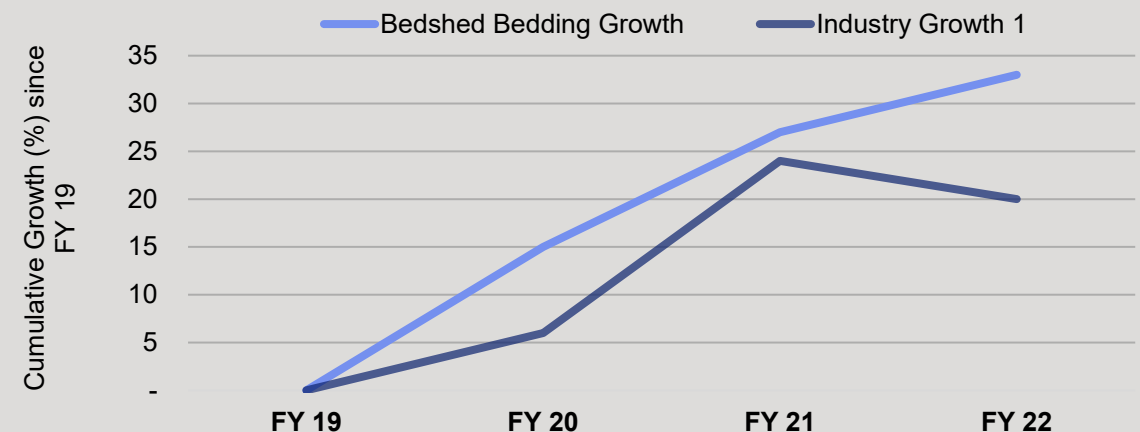
Bedding Market¹



\$1.6 Billion National Bedding Market¹

Bedshed growth in bedding sales exceeds growth of Bedding market

Bedshed Growth within Industry



¹Source: Sealy Australia Market Research 2022

BEDSHED RESULTS

Strong Performance across Network

Franchise Network delivers increased Revenue of **\$5.3M** and increased EBIT of **\$2.8M**

Franchise Network EBIT Margin 53%

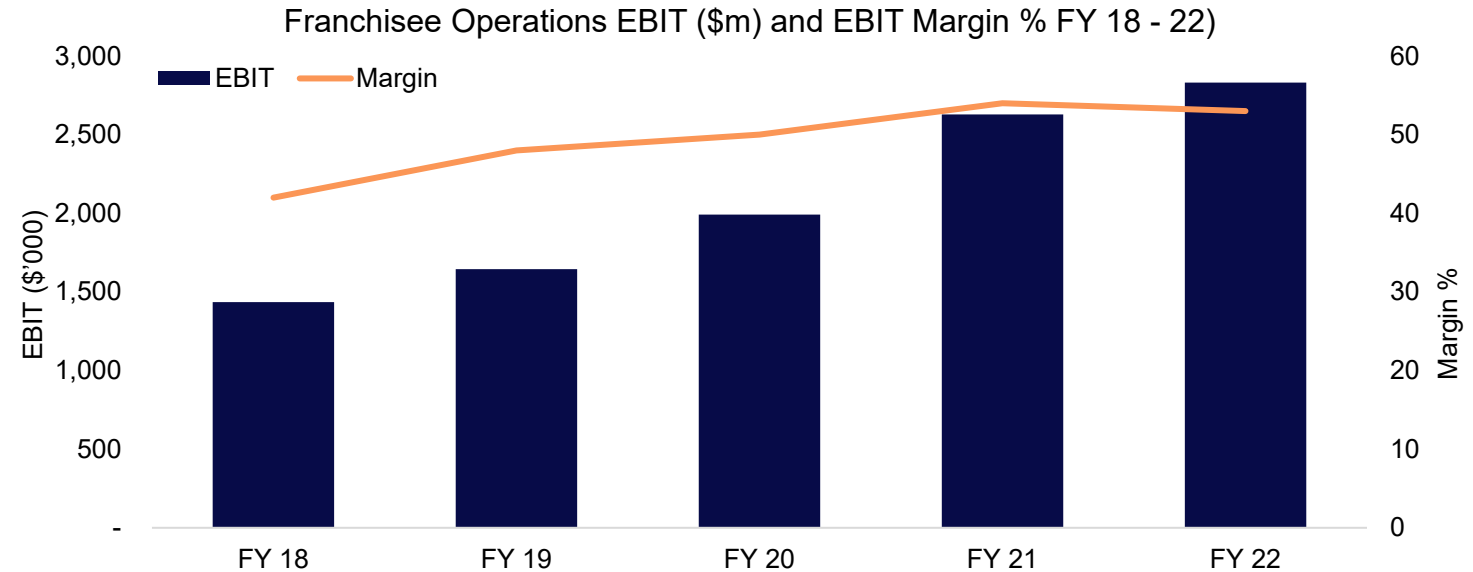
Like-for-like **Company Store FY 22 revenue \$14.4M** vs FY 21 of \$14.6M and **FY 22 EBIT of 2.1M** vs FY 21 of \$2.5M

nb: Like-for-like Company Stores exclude Helensvale Store and Sydney E-Store

Strong performance delivered in face of COVID impact and supply chain interruptions

Experienced team, strong supplier relationships and brand power positions business to continue to manage cost environment

Franchise Operations EBIT



Franchise and Company Store Results

Revenue \$m (FY 22 vs FY 21)

\$21.0M **\$21.5M**

FY 21 Results Include:

- \$2M Revenue and associated EBIT from 6 months trading from Helensvale (Company Owned Store sold in Dec 21)

Operating EBIT \$m (FY 22 vs FY 21¹)

\$4.8M **\$5.4*M**

Segment EBIT Margin % (FY 22 vs FY 21¹)

23% **25%**

¹FY 21 Operating EBIT Figures adjusted for one off \$0.5M profit on disposal of Helensvale Store in Dec 21

CRAVE

NEW PILOT BUSINESS



crave
Irresistible home staging.

CRAVE SNAPSHOT

Launching as Pilot Q1 FY 23

Targeting an emerging but fast growing and under serviced market segment

Significant potential revenue pool with high value jobs and substantial market size

Utilises strength of Joyce Group supply chain access, marketing expertise, logistics and industry relationships

Bringing sophistication and differentiated product to a highly fragmented market consisting of multiple small scale operators

Funded from part proceeds of FY 22 Property Sale



FUTURE GROWTH



JOYCE CORPORATION

Strong Foundations for Growth

High performing businesses with strong organic growth potential provide solid platform to deliver consistent earnings and future growth

Strong balance sheet with \$31.9M net cash and disciplined Capital Management

Aligned portfolio with natural synergies and strong organic growth potential

‘Capital Light’ businesses with relatively low capital expansion costs

Strategic Direction refined and focused during year and under further development

New Board appointment (Nick Palmer) brings deep retail experience and strengthens Board (Commencing Sept 2022)

OUR VISION

We seek to make a meaningful positive difference to the lives of our shareholders, partners, franchisees, employees and customers

PRIMARY OBJECTIVE

To drive revenue growth and deliver above average returns

STRATEGIC DIRECTION

“With the KWB Group and Bedshed, Joyce has established brands that are synonymous with helping Australians add value to their greatest asset - the family home - this is the sector we are concentrating on”.

J. Kirkwood (Chair)

UNIQUE VALUE PROPOSITIONS

Working together is key to success

Shareholders

Track record of Total Shareholder Returns

Partners

Track record of growth and long-term mindset

Franchisees

Deep sector and operational knowledge and supportive growth-focused approach

Employees

Ability to make an impact growing national brands in a supportive team environment

Customers

Quality products and services, deep product knowledge and convenience

FUTURE GROWTH

Focus on Organic Growth from portfolio



- ❑ Significant potential to expand footprint nationally with near term focus on continued expansion in Sydney
- ❑ Expansion of wardrobe offering
- ❑ Increasing value adding product lines

- ❑ Focus on growth in NSW with strong pipeline of potential franchisees in NSW and nationally
- ❑ Omni-channel marketing enhancing e-commerce offering and integrating bricks and mortar stores with e-commerce

- ❑ Crave Home Staging is natural fit to portfolio
- ❑ Launching as Pilot and targeting expansion decision late FY 23
- ❑ Potential longer term, close, adjacent and natural opportunities

CORPORATE DIRECTORY

BOARD OF DIRECTORS

Jeremy Kirkwood - Non-executive Director (Chair)

Karen Gadsby - Non-executive Director (Deputy Chair)

Daniel Smetana - Non-executive Director

Timothy Hantke - Non-executive Director

Travis McKenzie - Non-executive Director

Nick Palmer - Non-executive Director (Sept 2022)

KEY MANAGEMENT PERSONNEL

Dan Madden - CEO Joyce Corporation

John Bourke - Managing Director KWB Group

Gavin Culmsee - Chief Operating Officer - Joyce Corporation

Tim Allison - CFO & Co Secretary Joyce Corporation

James Versace - CFO KWB Group

Top 20 JYC Shareholders – 23 August 2022

	Name	Fully Paid Ordinary Shares Held	%
1	ADAMIC PTY LTD	7,711,568	27.28
2	UFBA PTY LTD	1,800,000	6.37
3	DANIEL SMETANA <THE D A SMETANA FAMILY A/C>	1,224,651	4.33
4	ONE MANAGED INVT FUNDS LTD <1 A/C>	1,055,449	3.73
5	MR DONALD TEO	990,000	3.50
6	TRAFALGAR PLACE NOMIN PTY LTD	980,000	3.47
7	MR DAN SMETANA	734,022	2.60
8	STARBALL PTY LTD	653,222	2.31
9	MR DANIEL ALEXANDER SMETANA	563,726	1.99
10	TREASURE ISLAND HIRE BOAT COMPANY PTY LTD <STAFF SUPER FUND ACCOUNT>	504,291	1.78
11	MRS JUDITH ANNA SMETANA	497,924	1.76
12	GLIOCAS INVESTMENTS PTY LTD <GLIOCAS GROWTH FUND A/C>	411,972	1.46
13	VANWARD INVESTMENTS LIMITED <EQUITIES A/C>	388,627	1.37
14	CONARD HOLDINGS PTY LTD	347,940	1.23
15	MOAT INVESTMENTS PTY LTD <MOAT INVESTMENT A/C>	333,017	1.18
16	FELIX SMETANA	307,116	1.09
17	FARROW RD PTY LTD	285,000	1.01
18	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	271,365	0.96
19	MAN INVESTMENTS (NSW) PTY LTD <AMC SUPER FUND A/C>	219,680	0.78
20	MARTEHOF PTY LTD <TEMA SUPER FUND A/C>	214,000	0.76
	Total	19,483,570	68.96
	Balance of register	8,775,034	31.04
	Grand total	28,268,604	100.00

REFERENCES

This Announcement should be read in conjunction with the following documents lodged with the ASX on 30 August 2022 under the ASX ticker JYC:

- Annual Report for the financial year ended 30 June 2022
- Appendix 4E
- Appendix 2A: Dividend/Distribution
- Appendix 3C: Notification of buy-back
- Financial Year 2022 Results - Investor Presentation

All prior comparative period ('pcp') numbers are either "for the twelve month period ending 30 June 2021 or "as at 30 June 2021" and are as disclosed in the Annual Report for the year ending 30 June 2021 lodged with the ASX on 31 August 2021.

APPENDIX A:

NORMALISING ADJUSTMENTS

Adjustments for 'one-off' events	Consolidated effect (\$M)			NPAT attributable to JYC shareholders (\$M)
	Profit Before Tax	Tax	NPAT	
2022 Financial Year				
Crave establishment expenses	0.45	(0.13)	0.32	0.32
Gain on revaluation of KWB Group Investment Property	(6.38)	1.91	(4.47)	(2.28)
Joyce Property sale; derecognition of deferred tax asset	-	0.34	0.34	0.34
2022 Total Normalising Adjustments	(5.93)	2.12	(3.81)	(1.62)
2021 Financial Year				
Profit on sale of Bedshed Helensvale Operation	(0.48)	0.14	(0.34)	(0.34)
2021 Total Normalising Adjustments	(0.48)	0.14	(0.34)	(0.34)