

18th December 2023

## Bedshed Operations and Trading Update

Joyce Corporation Ltd (ASX: JYC or “Joyce Group”, “Group” or “Joyce”) is pleased to provide an update on its Bedshed operations.

### Key points:

- Two Bedshed stores in the key market of Sydney – Alexandra and Castle Hill – will convert from franchise operations to Company-owned stores.
- The transition, to take effect over the coming weeks, will give Bedshed direct access to the high potential Sydney market as it drives strategy to grow its footprint in NSW.
- Bedshed delivered record Black Friday sales as trading performance strengthened following a slower start to the financial year.

### Bedshed Sydney stores to transition to Company ownership

Bedshed has entered into agreements with two franchisees to acquire the stores in Alexandra and Castle Hill in Sydney. These stores are in prime locations in suburban Sydney and will be critical in spearheading Bedshed’s growth in the Sydney market, where the business is under-represented and sees significant opportunity.

The cost of acquisition for Bedshed is approximately \$1.5m which includes stock acquisition costs of approximately \$1m. The remaining balance is attributed to other acquired tangible assets such as store fit-out and equipment.

Joyce Corporation CEO Dan Madden said that by bringing the stores under company control, Bedshed will have better access to market information as well as direct access to earnings and revenue upside from the two high-potential locations.

“Through our initial e-commerce store, and the establishment of two franchise stores in suburban Sydney, we have established a strong presence from which to grow Bedshed’s brand and operations in Sydney. Having direct ownership of these stores will give us greater control over the NSW strategy and important market intelligence to support future growth opportunities in Australia’s biggest retail market,” Mr Madden said.

“Importantly, this is a relatively small capex commitment and is consistent with the capital-light nature of the business in the Joyce Group. Our strong balance sheet and cash position gives us the flexibility to make these decisions and we will continue to refine our approach, in line with our overall strategy.”

The Bedshed network currently stands at 42 (including 6 Company Stores following these acquisitions), following the successful opening and positive early trading of the new Jindalee franchise in Queensland in August 2023. This positive momentum will continue with the opening of the Toowoomba store scheduled in coming weeks.

**Bedshed Trading Update**

Bedshed generated record revenue from its recent Black Friday sales campaign, as trading conditions strengthened following a slower start to the financial year.

Mr Madden said the Black Friday result confirmed that while consumer spending is easing in response to higher interest rates, there is still an appetite for people to buy homewares and other goods to improve their homes when there is a strong value proposition for doing so.

“As higher interest rates take effect on discretionary spending, we continue to observe some pressure on revenue and margins. Joyce Group has a robust business model, strong brands, loyal customers and a very strong balance sheet, all of which position us to grow sensibly in a difficult market, and quickly capitalise as market conditions improve.”

**ENDS**

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This release has been authorised by the  
Board of Joyce Corporation Ltd