

27 November 2025

## Chair's Address

On behalf of the Board, I am pleased to report that 2025 produced another solid operating performance for Joyce Group in a year in which our focus returned to organic growth and network expansion.

We entered the year cautiously. Consumer sentiment was dampened by rising interest rates and cost-of-living pressures, which tightened household budgets and tempered spending which we saw through reduced showroom traffic.

Despite this, our fundamental strengths - powerful brands, outstanding customer service, and a capital-light business model, enabled us to achieve solid financial returns, excellent customer satisfaction, and robust dividends for our shareholders.

Joyce Group's financial results for FY25 reflected these strengths. The Group generated revenue of \$148.2 million and delivered a normalised net profit after tax attributable to Joyce shareholders of \$8.2 million. We closed the year with a net cash balance of \$39.2 million providing us with flexibility to weather potential volatility and invest in growth.

We paid a full year fully franked dividend of 27.5 cents per share, comprised of a 22.5 cents per share ordinary dividend at approximately 80 per cent of normalised profits, and a 5.5 cents per share special dividend to return a portion of surplus franking credits to shareholders.

Our core businesses - KWB Group and Bedshed - continued to perform well, adapting agilely to the market- both contributing strongly to the Group's results.

KWB Group, the market leader in "do it for me" kitchen and wardrobe renovations maintained its record of excellence and growth. The business designed and installed over 4,100 kitchens and 2,000 wardrobes during FY25, earning Product Review's annual awards for Best Kitchen Renovators and Best Home Renovators for the fourth consecutive year.

After two years of consolidation, FY25 marked a return to organic expansion with three new KWB showrooms successfully opened in Sydney as well as one in each of Brisbane and Gold Coast. Following the recent opening of Melrose Park showroom in Adelaide, the network now stands at 30 showrooms. This is a 20% increase since the beginning of FY25, strengthening KWB's market presence and positioning the business for strong growth in FY26. We continue to identify excellent sites which will both strengthen and expand our market presence further.

This expansion occurred whilst maintaining impressive operational and financial performance. Orders reached a record \$128.7 million in FY25, driven by both the success of new showrooms and improved conversion rates at existing locations. KWB delivered an EBIT of \$24.3 million at 20% EBIT margin, despite absorbing the upfront costs of new showrooms. By focusing on the home renovation market rather than the new-build cycle, KWB remains comparatively insulated from housing market volatility.

Importantly, during the year we also undertook a leadership succession plan at KWB. Co-founder and Managing Director John Bourke commenced a phased transition from his executive role. John will progressively hand over day-to-day responsibilities while remaining actively involved in leading the business throughout the 12 month transition period. Cameron Crowell was appointed as Deputy CEO in

For personal use only



June 2025, with the expectation that Cameron will assume the CEO role upon John's retirement from executive duties by the end of FY26. Cameron is a seasoned retail executive with over 30 years of experience driving strategic growth, store network expansion, and operational excellence in complex consumer businesses.

Cameron is performing well and we are highly confident in his ability to lead KWB, build on its success and continue its growth trajectory in the years ahead.

I want to personally acknowledge and thank John for his immense contributions to KWB and Joyce Group. Under John's leadership, KWB Group has achieved tremendous growth - expanding from 11 showrooms when he and co-founder Chris Palin acquired the business in 2012 to 30 showrooms today whilst also delivering significant revenue and EBIT growth. Through his vision and dedication, KWB has become the clear industry leader in its field, with a strong brand, outstanding customer satisfaction, and a significant footprint across much of Australia.

Bedshed, our national bedding and bedroom furniture retailer has navigated a challenging retail environment with commendable agility. Consumers remained value-conscious, responding to cost-of-living pressures by seeking out promotions and shopping for bargains. Despite softer foot traffic in non-sale periods, the Bedshed network managed to deliver record growth in business written sales which exceeded \$161 million and included record-breaking sales during key trading months when our coordinated promotional campaigns drew strong consumer responses.

The combined franchise and company store operations generated revenue of \$27.2 million driven in part by the inclusion of the Castle Hill and Alexandria stores into the company store network. Under Joyce Group ownership, these stores have significantly increased their sales compared to past performance as franchised operations.

New Bedshed franchise stores have recently opened in Caringbah NSW and Ellenbrook WA and a new franchisee is secured in Sydney, due to open in Q4 FY 26.

We see continued opportunity to capture market share as one of Australia's leading specialty bedding retailers and are actively working to lower barriers to entry for new franchisees and attract high-quality operators to the network.

Bedshed's underlying EBIT for the year came in at \$4.3 million, essentially in line with last year's result of \$4.4 million and as we move into FY26, our priorities are to optimise the profitability of the newer company stores and to drive network-wide sales growth and margin expansion.

I am pleased to report that our businesses continue to demonstrate healthy demand in FY26. KWB has maintained strong performance across the network with written sales orders of \$50 million to end of October 2025 and a healthy order book of \$47 million compared with \$42 million and \$36 million respectively last year. Bedshed network-wide business written sales of \$23 million to end of October are broadly in line with prior year and November trading to date has been exceptionally strong, on track to surpass last year's record.

In summary, Joyce Group is firmly positioned for long-term success, delivering meaningful value to our customers, franchisees, suppliers, employees, and shareholders. Our business model, built on low capital intensity, strong cash flows, and well-loved brands, has proven its ability to deliver success across economic cycles giving us the confidence that we can continue to generate attractive returns while growing meaningfully and sustainably.

Looking ahead, our strategy remains centred on organic growth. We have large untapped addressable markets for both KWB and Bedshed and will continue to expand our footprint in a disciplined manner. We also remain prudent and strategic in our use of capital. The Board will explore non-organic options only where they are a strong strategic fit and demonstrably value-accretive.

I would like to take this opportunity to express my sincere gratitude to our employees, franchisees, and business partners. Our achievements in 2025 are a direct result of their hard work, adaptability, and relentless commitment to excellence. We are fortunate to have teams and partners who embody our values and deliver exceptional experiences to our customers.

I also wish to thank my fellow Directors for their expertise and wisdom and for their significant additional efforts that were required of them over the year.

To our shareholders, thank you for your continued trust and support. We remain committed to delivering long-term value and rewarding you for your investment. As we look to the future, we remain dedicated to operational excellence, disciplined growth, and prudent financial management, ensuring Joyce Group continues to create value and deliver rewarding outcomes for all stakeholders.

**ENDS**

For further information, please contact:

**Dan Madden – CEO**

+61 8 9455 1055

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