JoyceGroup

ASX:JYC

26 November 2026

2026 AGM - Chair Address

On behalf of the Board, I am pleased to welcome shareholders to Joyce Group's 2026 Annual General Meeting.

I will begin with a brief reflection on FY26, a record year already reported in detail.

It was a high-quality result, built on strong execution, disciplined margin and cost management, and the benefits of our capital-light model.

Revenue grew 15% to $170 million, while Group EBIT and normalised net profit after tax attributable to Joyce shareholders each rose 32%, to $32 million and $11 million respectively. EBIT margin widened from 16.1% to 18.5%, demonstrating the operating leverage now emerging across the Group.

We paid a fully franked final dividend of 17 cents per share, taking FY26 ordinary dividends to 30 cents per share, compared with 22 cents in FY25, approximately 80% of net profit after tax attributable to Joyce shareholders.

We finished the year with net cash of $49 million, giving the Group a strong balance sheet and the flexibility to manage a more cautious trading environment.

Board Update

I would like to thank Karen Gadsby for her outstanding contribution to Joyce following her retirement from the Board after more than 9 years of service.

Karen brought strong governance, financial oversight, sound judgement and deep commitment to the Company. On behalf of the Board, I wish her all the best.

We also welcome Katie McNamara, who joined the Board as an Independent Non-Executive Director on 14 September 2026 and will stand for election today. Katie brings more than 25 years of experience across retail, marketing, branding, customer strategy and digital transformation.

Following Karen's retirement, Katie has become Chair of the Audit and Risk Committee and Nick Palmer, Deputy Board Chair. I thank them both for taking on these roles.

KWB Group

KWB Group was again the principal contributor to the Group's performance and remains Joyce's primary value driver.

During the year KWB Group installed more than 4,300 kitchens and 2,100 wardrobes and increased orders by 16.6% to $150 million. Kitchen Connection and Wallspan have now earned more than 5,800 five-star customer reviews and were named Best Kitchen Renovators and Best Home Renovators in Product Review's annual awards for the fifth consecutive year.

KWB continued to expand its showroom network in a measured manner, with newer showrooms adding sales and earnings capacity as they matured.

Revenue was $143 million and EBIT $32 million. EBIT margin expanded from 20.2% to 22.1%, driven by showroom maturity, increased scale, cost discipline and operating leverage.

After a carefully managed succession, John Bourke concluded his executive role at the end of FY26, and Cameron Crowell became Chief Executive Officer on 1 July 2026. John remains a KWB Non-Executive Director and shareholder of KWB.

I acknowledge John's contribution in building KWB into the market-leading business it is today, and thank John, Cameron and the leadership team for a smooth transition. We are confident KWB will continue to build on its success under Cameron.

Although KWB is a very strong business it is not immune from the wider economic conditions. Cost-of-living pressures, higher interest rates and softer consumer confidence are weighing on major discretionary spending, and customers are taking longer to commit to renovation projects.

That moderation began late in FY26 and has continued into FY27.

Customer interest remains healthy, supported by strong digital engagement. Enquiry levels remain reasonable and although we are working harder to generate them, conversion has generally been resilient. Pleasingly, average order values and gross margins are holding up well. A key issue is that consumers are taking longer to commit, therefore order volumes are impacted.

We are therefore focused on what we can control, primarily customer acquisition, showroom conversion, gross margin and cost discipline.

KWB written sales orders for the four months to 31 October were $48 million, 4.5% below the prior corresponding period of $50 million. Monthly order intake has been variable with July and October the softest months.

Delivered sales were $53 million, 12.6% above the prior corresponding period.

The order book at 31 October was $45 million, providing revenue coverage for the rest of the current half and into early 2027.

The underlying fundamentals of KWB remain sound. It is a market-leading business with trusted brands, a proven operating model, an established showroom network, strong operational capability and a compelling customer proposition. Focusing on residential renovation, rather than the new-build cycle or investment properties, also provides some insulation from housing market volatility.

We are encouraged by KWB's newer showrooms. Moore Park (opened in May) is adding network sales and Fyshwick (opened in September) has traded ahead of original expectations. A flagship showroom at Fortitude Valley is progressing toward its planned opening later in FY27.

KWB has a network plan of 55 showrooms including Victoria, which remains the largest future expansion market, and Western Australia. Further growth opportunities exist in the longer term.

Bedshed

Bedshed also improved earnings in FY26. Network business written sales increased 1.8% to $163.9 million, and combined EBIT increased 8.5% to $4.7 million, with EBIT margin improving to 17.7%.

The result reflected disciplined promotions, cost control and sales mix. Bedshed also simplified its product range, improved supply chain outcomes and reduced the capital required to open new stores, improving franchisee economics.

During FY26, Bedshed opened new franchise stores in Caringbah and Ellenbrook, and transitioned the Mackay company-owned store to franchise ownership.

This is consistent with our strategy of strengthening existing stores and expanding the network with capable franchise partners, growing toward the long-term opportunity of more than 65 stores.

Consumers remain highly responsive to promotions, and we continue to focus on promotional effectiveness, gross margin and sustainable sales growth.

Bedshed continues to trade in a value-conscious retail environment. For the four months to 31 October, network-wide business written sales were $48 million, approximately 1% below the prior corresponding period.

Outlook

The Board and management are realistic about the economic environment. We expect trading to remain competitive and are planning accordingly.

There is, however, a distinction between demand being deferred and demand disappearing. Homeowners still want better kitchens, wardrobes and bedrooms; many are simply taking longer to commit.

Our task is to remain close to customers, protect the strengths and margins of our businesses, and ensure we are well positioned as conditions improve.

The Board's confidence does not depend on predicting when consumer conditions will recover. It comes from the resilience of our businesses and an investment case that remains unchanged.

That case rests on our two established, capital-light and high margin businesses serving large home-related markets. Their robust cash generation, from operating models proven across economic cycles, together with our net cash position, allows us to manage softer demand and keep generating attractive returns without compromising long-term development.

Looking ahead, our strategy remains centred on organic growth. Both businesses have significant untapped addressable markets, and our capital-light model gives us an efficient pathway to expand our footprint by securing high-quality showroom locations and maintaining attractive rollout economics.

The Board will remain prudent in our use of capital to explore non-organic options and consider them only where they are a strong strategic fit and demonstrably value-accretive for Joyce shareholders.

I thank our executive team, Bedshed franchisees and all our employees and partners for their efforts and commitment in a year that required adaptability and discipline. I also thank my fellow Directors for their contribution.

On behalf of the Board, thank you, shareholders, for your continued support.

We will continue to focus on operational excellence and sustainable growth, with the objective of creating enduring value for shareholders and all our 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