



2017 AGM

cellnet
discover the next

10th October 2017

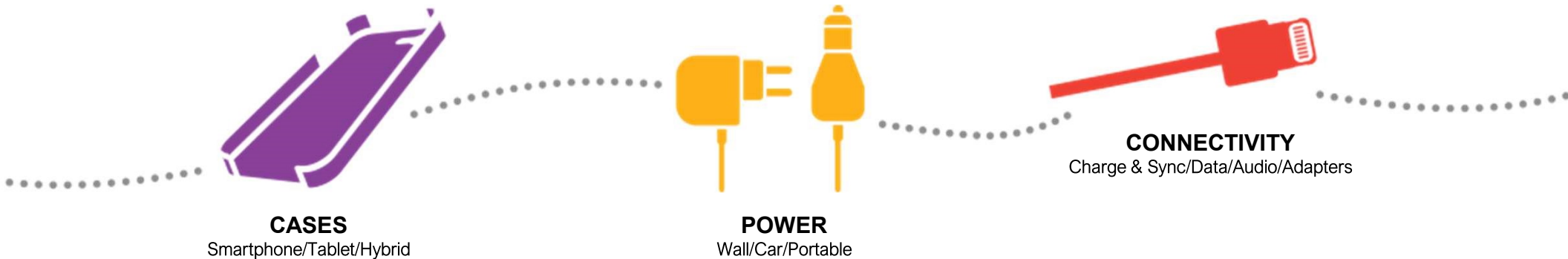
Cellnet sources products and represents market leading brands of lifestyle technology products into retail and business channels.

Our innovative and passionate approach makes Cellnet the most exciting and engaging company to partner with and be part of.

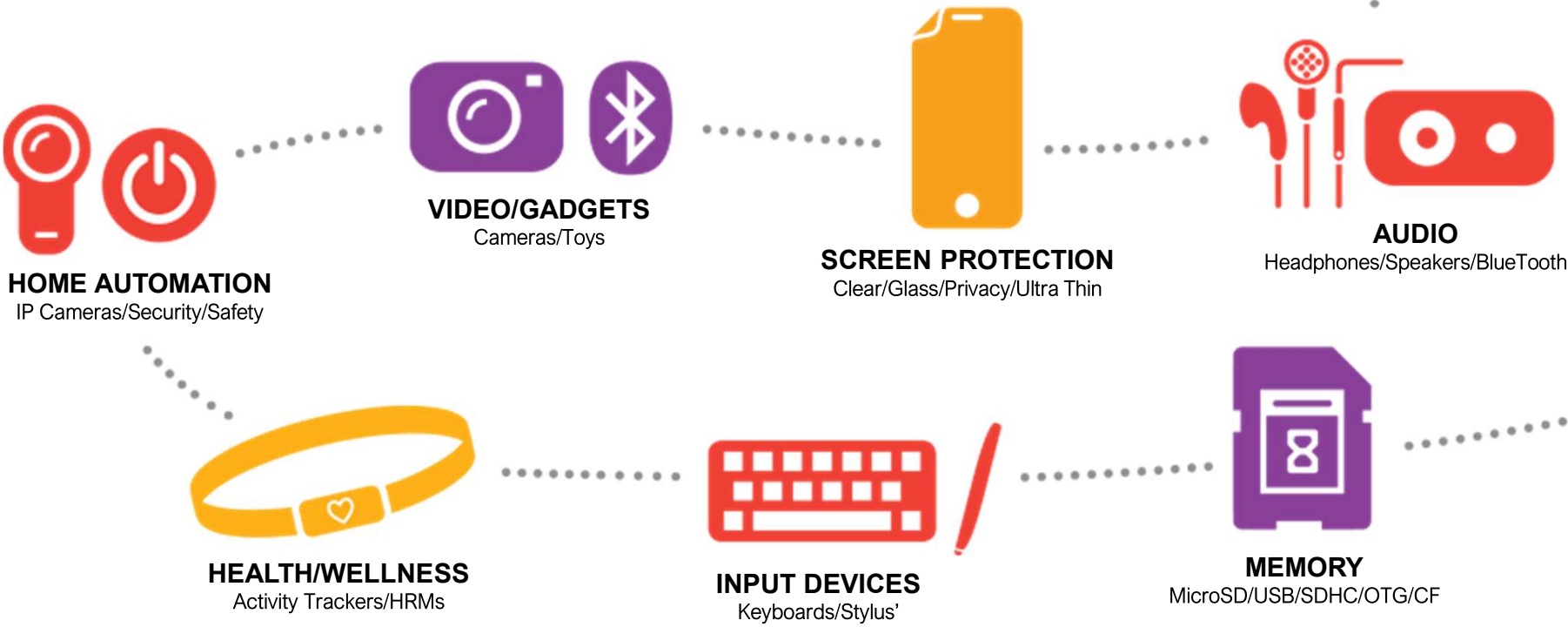
discover the **next**

Cellnet : Our playground

This is where we find the latest and greatest technology that the Smartphone, Tablet and Hybrid mobility market has to offer through our own brands and through our innovative partners.

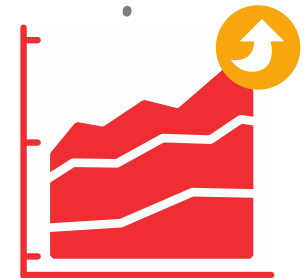


Cellnet : Our playground



FY17 Financial Highlights

- **10% increase** in sales despite the challenging retail climate
- **16% increase** year on year in Net Profit After Tax to \$2.035m
- **18% earnings** per share growth to 3.9 cents per share
- Dividend (partially franked) retained at 1.25 cents per share
- Increase in Inventories to support Optus contract and reduce lost sales on stock-out positions
- Stable funding requirements



FY17 Financial Highlights

Underlying profitability

FY17	\$'000
Net profit	\$2,035
Due diligence costs	337
Share based payments	689
Underlying profitability	\$3,061

Would represent an EPS of 5.8c per share



CELLNET 2016-17 BY NUMBERS

UNDERLYING OPERATIONAL PROFIT



30

NUMBER OF YEARS
IN OPERATION

 **1,028,372kg**

TOTAL BOXED WEIGHT SHIPPED WORLDWIDE

 **84,025**
ORDERS SHIPPED BY AIR

1,365,585
3SIXT UNITS SOLD

1,288 ✨
NEW SKUS ✨

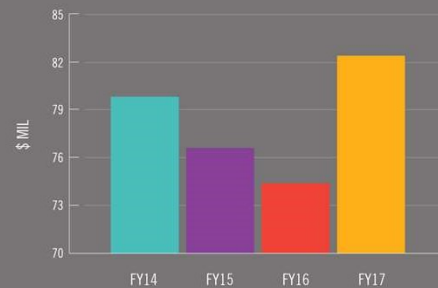
ACTIVE CUSTOMERS
7,750

DECLARED DIVIDENDS



50K+ PEGS OWNED ACROSS
AUS & NZ
TELCOS

SALES



16,516km



THE FURTHEST
DISTANCE A 3SIXT PRODUCT
HAS BEEN SOLD

Financial History

\$000's	2017	2016	2015
Revenue	82,865	75,154	78,268
EBITDA	2,585	2,337	2,314
EBITDA%	3.1%	3.1%	3.0%
NPAT	2,035	1,748	1,649
Non recurring costs	1,026	-	-
EPS (cps)	3.9	3.3	3.0
DPD (cps)	1.25	1.25	1.00



FY17 Operational Highlights

- Successful conclusion of the Wentronic takeover bid
- Capturing synergies with Wentronic sourcing in HK/China
- Category Captain in Optus and Vodaphone for accessories
- Lead source for Spark home branded products
- Continued successful retail penetration with 3SIXT brand including into Harvey Norman
- Supplier of the year for 2 years at Newslink
- 3SIXT is the leading mobility accessory brand in Australia



Cellnet : Business Intelligence

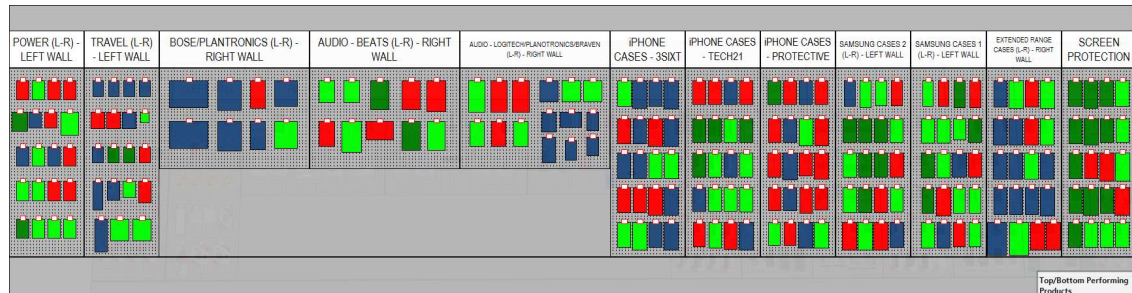
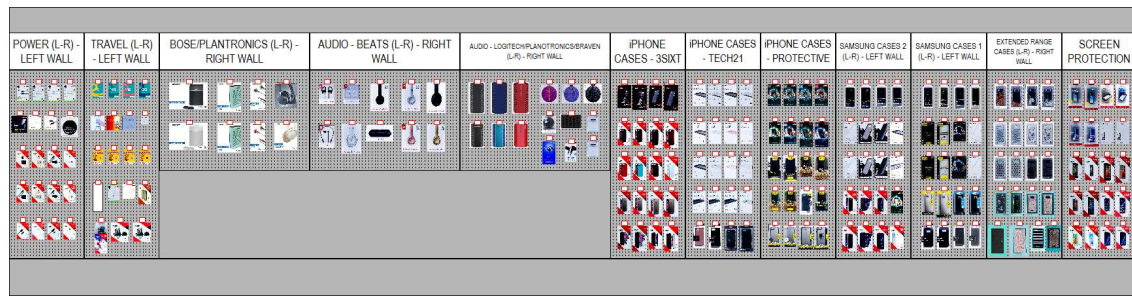


- Spaceman by Nielsen
- Retail Space Management
- By store POG to suit regional demographics
- Bespoke VMI ordering tool developed with Nielsen
- One-click order generation based off min/max

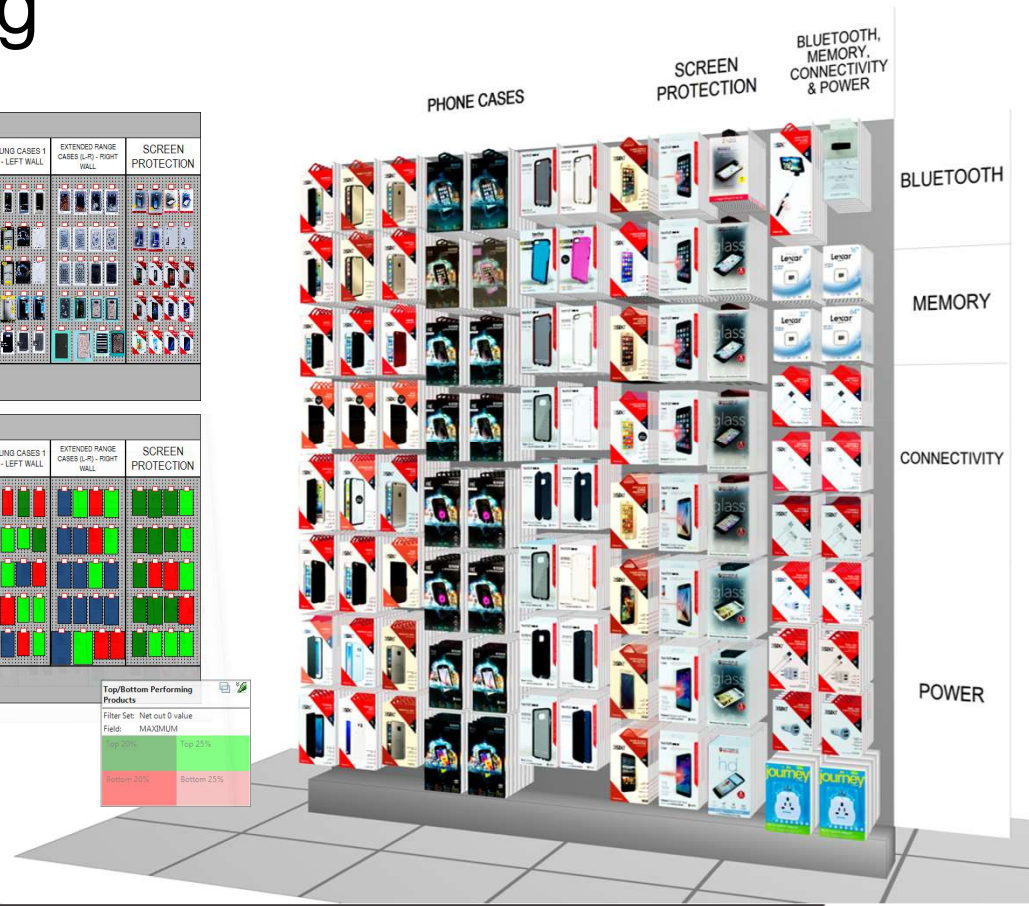
Exclusive Supplier : Category Captain



Planogram : Heat-Mapping



Top/Bottom Performing Products
 Filter Set: Net out 0 value
 Field: MAXIMUM
 Top 25%
 Bottom 25%



FY18 Outlook

- Further leverage Wentronic synergies in Products and Markets
- Introduce Wentronic Goobay Brand in ANZ
- Introduce HP accessories in ANZ as a result of Wentronic agreement
- JV (50:50 with Wentronic) expansion of International sales of Group Brands – based in Singapore

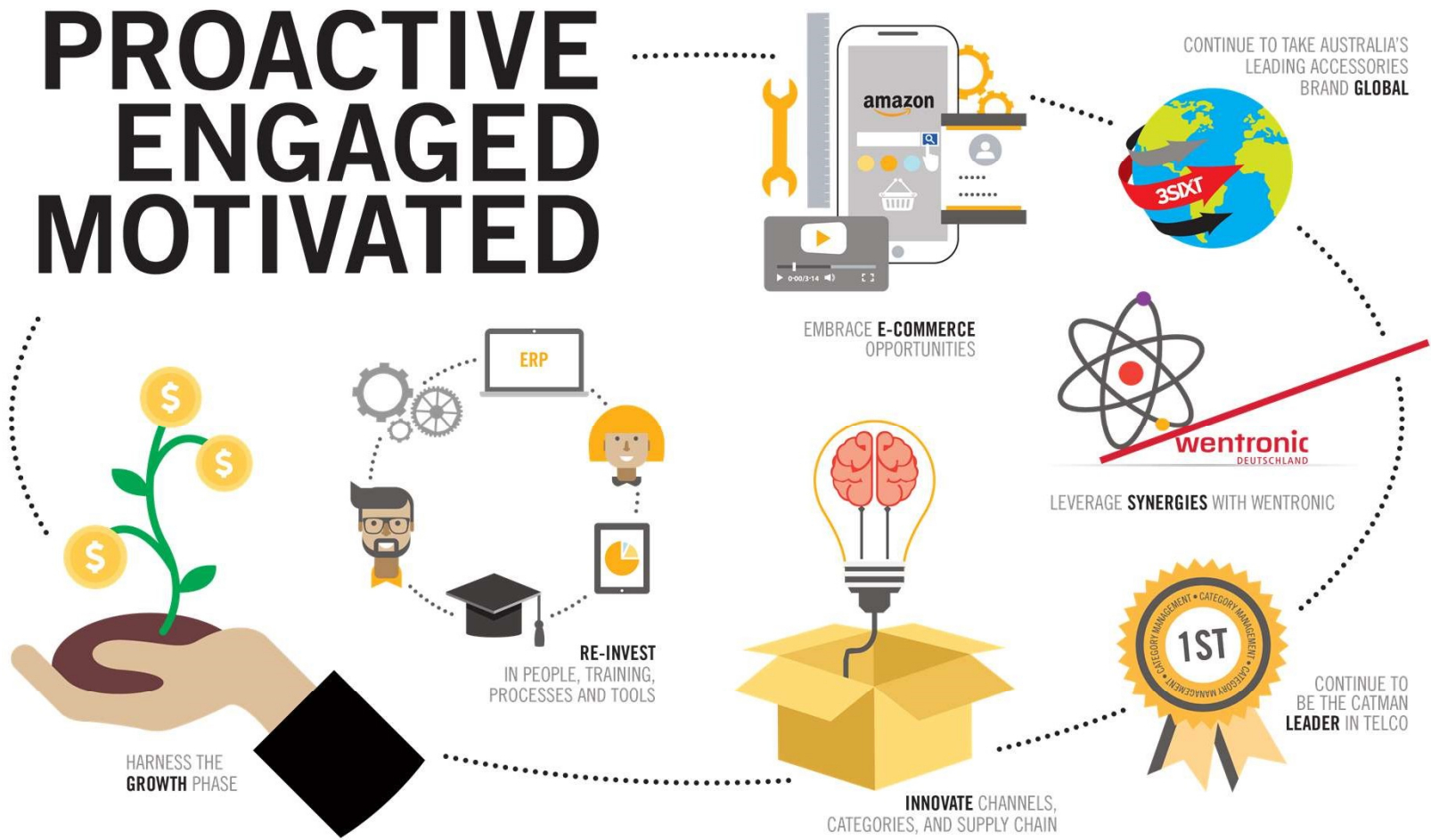
Group Internal Brands



The Amazon effect

- Amazon seen as an efficient channel to consumers
- Cellnet is well positioned to address Amazon with it's brands, logistic capability and web enablement capabilities
- Launched own eCommerce site www.techplayground.com and www.3sixtgear.com
- Amazon is expected to shrink Bricks and Mortar Retail margins and volumes
- Partnering with Google to drive online traffic

PROACTIVE ENGAGED MOTIVATED





WENTRONIC

- Distributor of electronic accessories
- Family business with more than 45m EUR turnover
- In business for more than 25 years
- Product range with more than 12,000 different items
- 10,000m² storage space in the middle of Europe

wentronic

- More than 220 employees worldwide
- About 4,500 international customers



Wentronic : Location & Sales Regions

Head Office

- Braunschweig, Germany

Subsidiaries

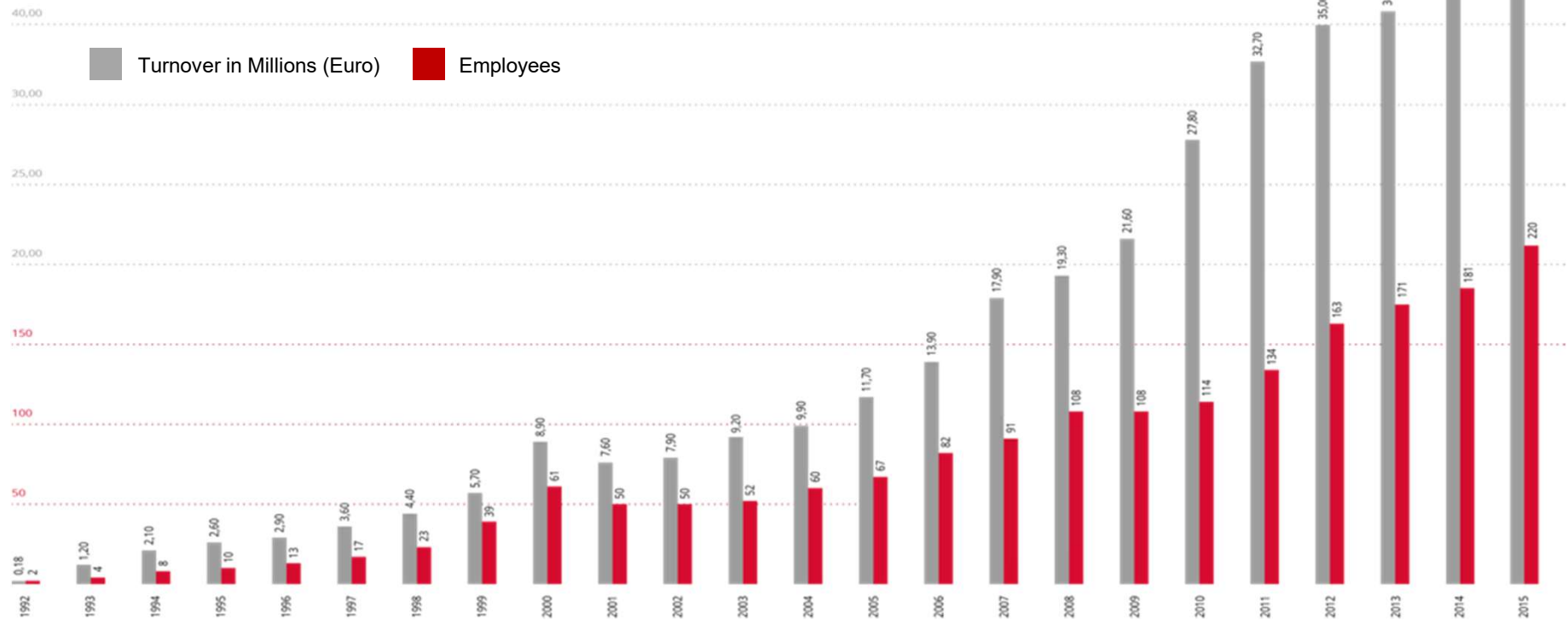
- Buia-Udine, Italy
- Hong Kong, China

Branches

- Ningbo/Szenzhen/Changzhou, China



Wentronic : Development (1992-2015)



Wentronic : Product Range

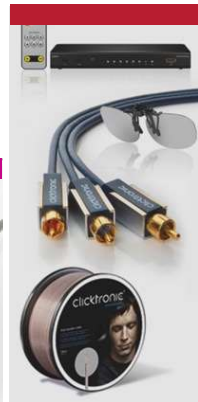
SAT / TV



LANDLINE



AUDIO / VIDEO



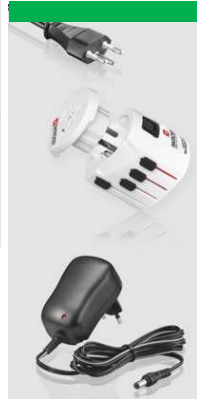
LIGHTING



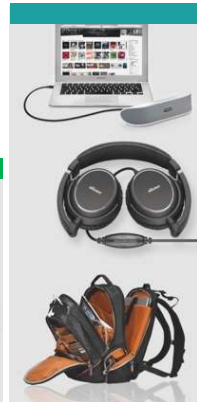
TABLET / PHONE



POWER



NOTEBOOK / PC



WORKSHOP



NETWORK



BATTERIES



Over 12,000 products....



THE WENTRONIC DEAL

Rationale: Overview

Sales Synergies:

Complimentary product offerings

- International sales channels for CLT brands
- Broader product offering available to CLT

Combined Sourcing in Hong Kong

- Doubling of scale
- strengthens purchasing power
- reduces admin costs per unit

Consolidated Supply chain in Hong Kong

- shipping and inventory optimization



ANZ Sales Synergies

- Access to market proven products from Wentronic's Goobay range
 - Complementary range of products and brands for Australia and New Zealand
 - Open up potential new channels and markets including DIY, IT Shops, AV Specialists
 - Leverage brands for market segmentation
- Increased opportunities to offer

private label services to Australian customers using extended product line up

- Leverage Wentronic's online sales know-how
- Add HP Accessory range to Cellnet offering

International Sales Opportunities



- Combination of network relationships and HP Brand representation in Asia by Wentronic to open International sales opportunities
- Sell and deliver 3SIXT products in Europe through Wentronic's online
 - Action Cameras
 - Soft goods
 - Screen protectors
 - Cases