



cellnet

Investor update

October 2020

ASX:CLT

THE CELLNET GROUP

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Established in 1992, Cellnet listed on the Australian Stock Exchange (ASX) in 1999 and now employs over 70 people across Australia and New Zealand. Cellnet is one of the largest accessory specialist distributors in the region. Cellnet's success is derived from its unique managed services model, combining world leading brands, its own 3sixT brand and an innovative category management approach. Cellnet provides extensive reach and coverage across all markets in both the Australian and New Zealand retail and telecommunications channels.

cellnet.com.au

 **Turn Left**
DISTRIBUTION

Turn Left is a leading Interactive Entertainment specialist across Australia and New Zealand. Partnering with some of the world's market leading brands, Turn Left provides a full-service distribution model, working with vendors and partners to manage fully integrated, localised end-to-end, go-to-market solutions with overarching marketing, PR and event activations.

turnleft.net.au

 **Performance**
Distribution

Performance Distribution is a leading specialist in online channels and direct to consumer distribution across Australia and New Zealand. Providing brands with website, database management and digital campaigns as well as traditional distribution services. Performance Distribution provides an Omni-Channel technology platform to brands and retailers that wish to sell online and strengthens the established Cellnet and Turn Left retail network with support for endless aisle and click and collect strategies.

performancedistribution.nz

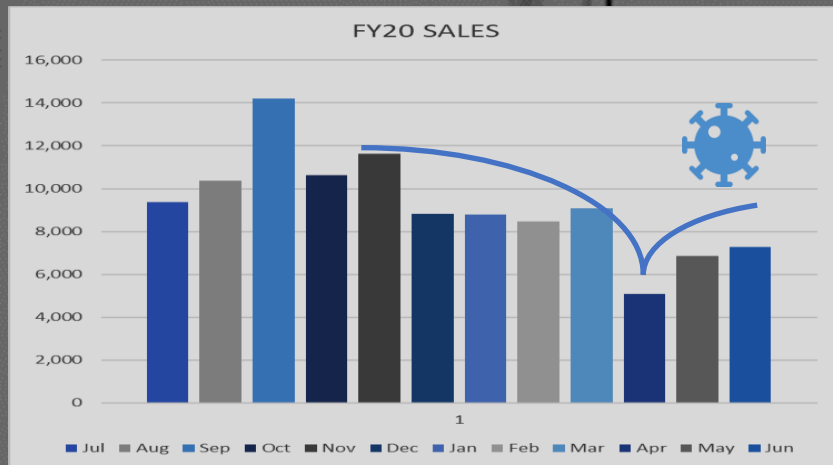


COMMERCIAL IN CONFIDENCE |

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FY2020 RESULT

- Positive operating EBITDA of \$372,000 under challenging conditions
- Net loss before tax of \$1.962m
- Increased focus on costs, down 22% year on year
- Strong balance sheet with \$6.9m cash at bank
- Enhanced free cash position of \$11.8m
- Momentum into FY2021, sales rebounding since April



COMMERCIAL IN CONFIDENCE |

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5 YEAR SUMMARY

\$000's	2016	2017	2018	2019	2020
Revenue	75,154	82,685	87,507	110,714	96,225
Increase		10%	6%	27%	(13%)
EBITDA	2,337	2,585	3,956	1,751	372
EBITDA%	3.10%	3.10%	4.50%	1.60%	(0.40%)
NPAT (operational)	1,748	2,035	3,167	405	(2,373)
Non recurring costs	-	1,026	-	-	693
EPS (cps) operational	3.3	3.9	5.6	0.47	(2.4)
DPD (cps)	1.25	1.25	1.25	Nil	Nil



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EXECUTIVE LEADERSHIP TEAM



Dave Clark
Chief Executive
Cellnet Group



Chris Barnes
CFO & Co Sec
Cellnet Group



Belinda Campos
Managing Director
Turn Left Distribution



Craig Kingshott
Managing Director
Cellnet Australia



Paul Elliot
Executive Consultant
Turn Left Distribution



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SHAREHOLDER VALUE

At-Risk variable remuneration is now more closely tied to shareholder return (Return On Equity)



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POSITIONED FOR GROWTH



Gaming

'Next Gen' Consoles

- Xbox series X and PlayStation 5 gaming consoles expected to launch November 2020
- Pre-sales of the 'Next Gen' consoles sold out in hours
- This will drive sales of new games and compatible accessories



Online

Accelerated growth

- Covid-19 has accelerated online growth to unprecedented levels
- Years of organic growth has been realised in just a few short months
- Consumer behaviour has now changed forever



5G

Mobile 'Super Cycle'

- Apple rumoured to launch its first 5G iPhone in October 2020
- Android manufacturers already have 5G flagship devices
- New accessories emerging designed for 5G and utilising the increased capabilities it unlocks



Audio

Sustained growth

- The audio category is the largest electronics category in Australia
- Global CAGR of 13% 2020-2025
- Transition of Smart Wireless Headphones into 'Hearables'



NEW BRAND PARTNERS

STEALTH

Category: **Gaming accessories**

- High growth category
- Compliments existing range
- UK No. 2 and UK fastest growing



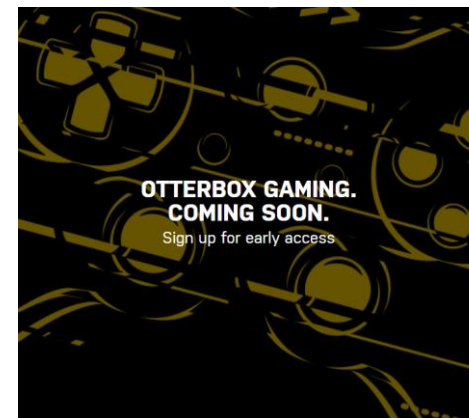
Category: **Gaming accessories**

- Superdrive steering wheels
- Quality wheels, affordable price
- European market presence



Category: **Gaming accessories**

- Cellnet key partner for ANZ launch
- Next Gen Xbox partnership
- Leverages Otterbox mobility footprint



OtterBox and Xbox Partner on Next Gen Gaming Ecosystem



Category: **Gaming accessories**

- Retro gaming Micro Players
- Multiple formats and titles
- Space Invaders, Pacman, Galaga



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NEW BRAND PARTNERS

BlueAnt



Category: **Portable Audio**

- High growth category
- Expands BT speaker range
- Established ANZ audio brand

Category: **Portable Audio**

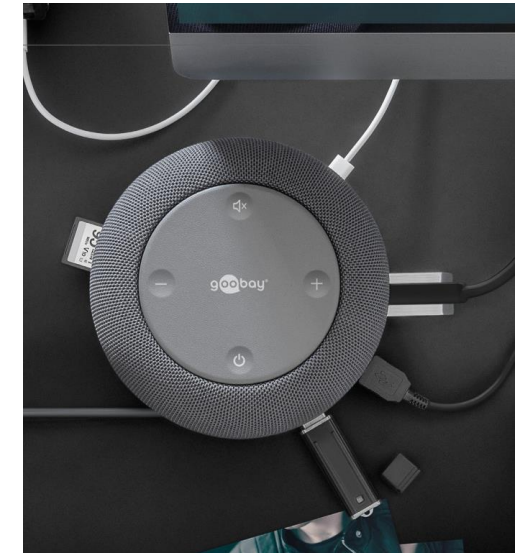
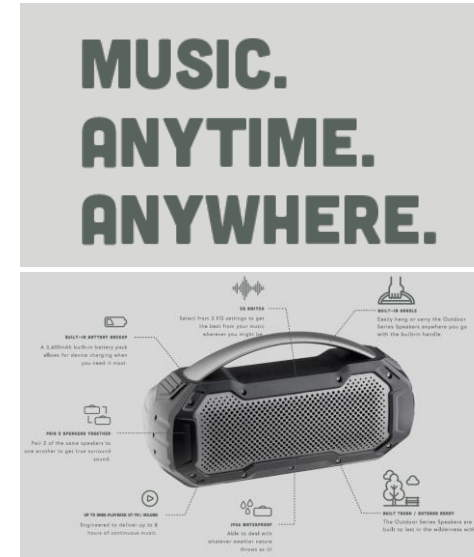
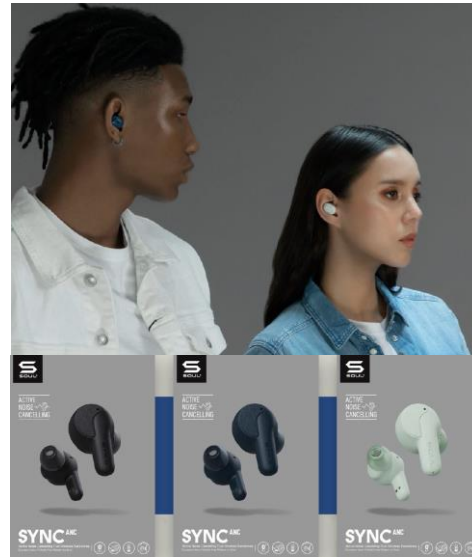
- Affordable quality
- True Wireless, sports target
- AI smart fitness range

Category: **Portable Audio**

- Target telco and online
- 3sixT satellite audio brand
- Cellnet owned brand

Category: **IT accessories**

- Expands Cellnet categories
- Wentronic brand
- New retail packaging



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OUR OWN BRAND

3sixt
Designed for life.

BY THE NUMBERS

\$200M

ANZ revenue since launch



100

Customer groups



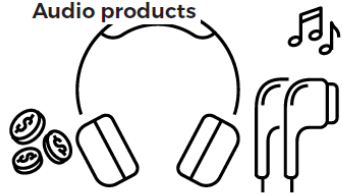
6M

Units sold in ANZ



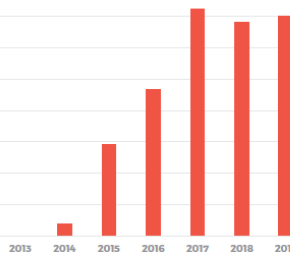
\$10M

Audio products



30

Distributed countries



CATEGORIES



Portable Power



Chargers



Surge Protection



Wearable Accessories



Bundles



Audio



Cases & Screen Protection



Mounts & Docks



Connectivity



Travel Solutions



RANKED
#3 GFK

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OUR ONLINE STRATEGY



- Our **acquisition** provides **knowledge, experience** and **infrastructure** to **accelerate online growth**
- **De-risk** Cellnet's traditional **wholesale business**, capitalise on **category acquisitions**
- **Grow online** to **10%** of consolidated **revenue** within 2 years
- **Increase** Cellnet **trading margins** with increased **direct to consumer sales**
- Rapid expansion of **marketplace offering** utilising new integrated systems
- Vendor partner **relationship building**, operating ANZ brand sites for our partners
- Customer **Omni channel** solutions, enabling **click and collect** and **endless aisle** strategies
- Develop the Cellnet **TechPlayground** online platform for all categories



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INVESTOR CHECKLIST

- ✔ **Strong balance sheet and reduced operating costs (YoY)**
- ✔ **Established leading specialist in Australia and New Zealand**
- ✔ **Market leading brands in high growth categories**
- ✔ **Extensive reach into retail and business channels**
- ✔ **Online experience and scalable omni-channel infrastructure**
- ✔ **Strong supplier relationships and long-term strategic partnerships**
- ✔ **Market leading, high-performing own brand 3sixT (GFK Rank #3)**
- ✔ **Unique, bespoke retail category management solutions**
- ✔ **Untapped potential from recent acquisitions in gaming and online**
- ✔ **New leadership team, non-executive board and independent chair**
- ✔ **Recent net share acquisition by Cellnet key management personnel**
- ✔ **New performance incentives to drive shareholder return**

3sixT

RANKED
#3 GfK



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