

Cellnet delivers strongest full-year pre-tax result in 15 years, reinstates dividend

- Profit after tax of \$3.81m, up \$6.18m year-on-year
- EBIT up 480% year-on-year to \$4.37m
- Full-year dividend declared of 0.30 cents per share
- Return on equity of 15.0%
- Strong balance sheet with \$7.0m cash at bank as of 30 June 2021
- All term debt fully repaid during financial year
- NTA 8.34 cents per share, 22.6% improvement year-on-year
- Basic earnings per share of 1.61 cents per share, up 3.85 cents per share year-on-year

Trans-Tasman lifestyle technology distributor Cellnet Group Limited (“Cellnet” or the “Company”) has announced a profit after tax of \$3.81m for the year ending 30 June 2021, up \$6.18m on the corresponding prior year period.

The Company’s strategic decision to pivot its brand portfolio to meet market demand in high growth categories, including securing new brands on improved commercial terms contributed to the higher earnings performance. During the financial year Cellnet partnered with several new brands in high growth segments such as audio, imaging and gaming including Nacon, Stealth, Subsonic, Wave Audio, Soul Electronics, BlueAnt and Fujifilm.

The second half of the financial year was marked by significant challenges, including a softening of the local retail market, international shipping delays and product shortages due to global semiconductor supply constraints. Against this challenging backdrop, the Company continued to generate additional profit, building on its strong first-half result to report the strongest full-year pre-tax profit result in 15 years.

During the first-half of the financial year the Company fully repaid all its outstanding term loans, which has further strengthened Cellnet’s financial position for the full year with cash held of \$7.0m on 30 June 2021.

Given the strong result, the Cellnet board of directors has reinstated the Company’s full year dividend, declared at 0.30 cents per share, a yield of approximately 4.4% on the Cellnet share price as of close of trading 24 August 2021. The final dividend will be paid on 11 November 2021, the record date for determining the entitlement for the final dividend is 21 October 2021.

Commenting on the announcement, Cellnet’s Chief Executive, Dave Clark, stated “This is an extremely pleasing full-year result and marks a significant turnaround in the business from the previous year. While our first-half performance was truly outstanding, we also navigated the second-half extremely well given the challenging headwinds and ongoing Covid restrictions impacting retail in the region.”

“During the past year the team has worked incredibly hard to establish new business and improve operating margins retaining a tight control on costs. This strong result has also allowed us to extinguish the Company’s term loans and improve our cash position to further strengthen the balance sheet. It’s an outstanding performance, that has significantly improved profitability, enabling us to deliver shareholders the best Cellnet result in 15 years.”

Cellnet Chief Executive, Dave Clark, and Chief Financial Officer, Chris Barnes, are available to discuss the results with investors. To register interest in a Cellnet results briefing please email ir@cellnet.com.au.

ENDS

Authorised for release by the Board.

For further information, please contact Chris Barnes (Company Secretary) on 1300 235 563

About Cellnet

Established in 1992, Cellnet Group Limited is an Australian publicly listed company (ASX: CLT) and a market leader in lifestyle technology distribution with offices in Australia and New Zealand.

Cellnet listed on the Australian Stock Exchange in 1999 and now employs more than 70 staff across Australia and New Zealand.

Cellnet sources products and represent market leading brands of lifestyle technology including mobile accessories and gaming products into retail, business, and online channels.

In 2017 Wentronic Holdings GmbH acquired a majority shareholding in Cellnet Group Limited. Wentronic distributes AV, IT and mobility accessories throughout Europe, Asia, and Africa. The investment by Wentronic provides a strong strategic partnership whereby Cellnet and Wentronic can ensure products are sourced in the most cost-efficient manner.

In 2018 Cellnet diversified its product offering into the gaming market with the acquisition of Turn Left Distribution. In 2020 Cellnet acquired online specialist Performance Distribution to accelerate its digital capability.

Our Brand Partners

