

# Investor Update

FY2022 Results

Dave Clark - Chief Executive

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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.

 **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.

 **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.

**30** LISTED ON THE  
NUMBER OF YEARS IN OPERATION  **ASX**  
SINCE 1999 **ASX:CLT**

# FY2022 results

- Strong balance sheet with \$6.5m cash at bank as of 30 June 2022
- Net Tangible Assets of 7.5 cents per share
- EBITDA loss of \$373,000
- Online sales continue to grow, up 27% year-on-year
- Cellnet expands own brand range, sales up 12% year-on-year
- New distribution centre opens in Melbourne

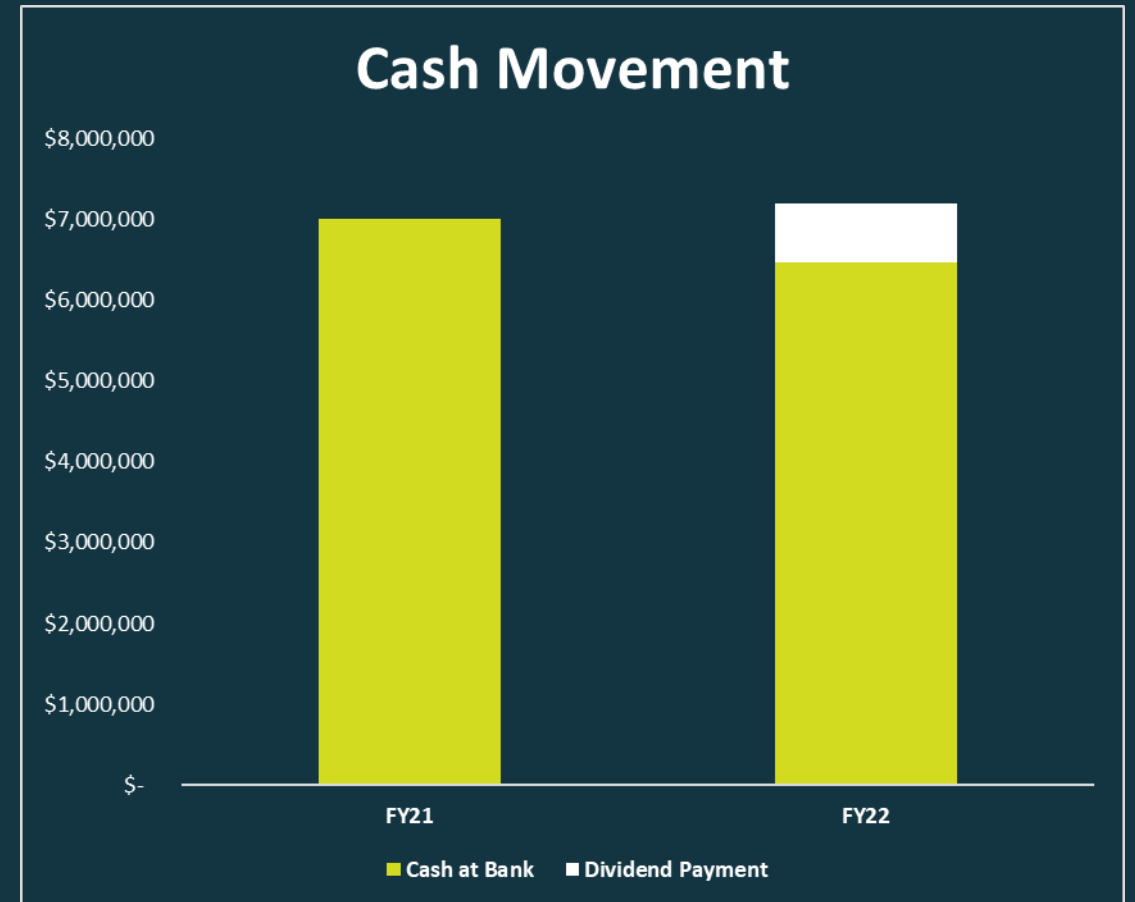
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# Strong balance sheet

- The Company has maintained its strong balance sheet in FY2022
- \$6.5m cash at bank as of 30 June 2022
- Excluding the dividend payment of \$729,000 paid Q2 FY22, cash at bank increased by \$201,000 year-on-year
- Net Tangible Assets of 7.5 cents per share

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# EBITDA / NPAT reconciliation

- The non-cash, non-recurring items that affected the financial reporting period included:
- Impairment of goodwill which arose from an acquisition in FY2020 (\$481,000)
- Impairment of right of use assets (\$132,000)

	FY2022 \$000
<b>Statutory EBITDA</b>	<b>(373)</b>
Depreciation and amortisation	(1,022)
Impairment expense	(613)
Interest expense	(292)
<b>Profit/(loss) before tax</b>	<b>(2,300)</b>
Income tax (expense)/benefit	-
<b>Net profit/(loss) attributable to shareholders</b>	<b>(2,300)</b>

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# Online sales continue to grow

- Online revenue up 27% year-on-year
- Continued growth of visitors and sales on Cellnet's website Techunion
- Growth and expansion of marketplace stores
- Cellnet is providing managed ecommerce and fulfilment services to customers and brand partners

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cellnet | eCommerce



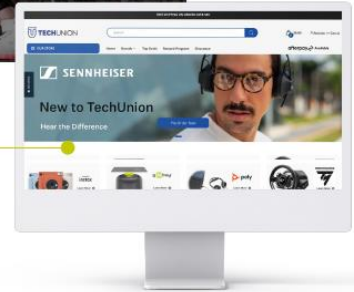
Brand Stores



Brand Stores - Marketplaces



Direct Store



Marketplaces



# Our 4 Pillars



## People

A performance culture that drives success through making things happen, delivering exceptional customer experience.

## Distribution

A market leading brand portfolio, distributed to wholesale and consumer channels, underpinned by a high-performance supply chain.

## Own Brands

A strong portfolio of own brands built as fast followers and to provide commercial advantage.

## Digital

Our mission is to become Australasia's largest online tech accessories business and leverage our capabilities to provide digital services to our partners.

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# It all starts **with our people**

Foster a **positive** and **engaging** high-performance, **results-orientated** culture

**culture**



**CX**  
CUSTOMER  
EXPERIENCE



  
**COMMERCIAL  
OUTCOMES**

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discover  
the **next**



# New senior executives appointed



**Peter Petrides**  
**General Manager of Sales (Gaming)**

- Appointed 1 July 2022, Peter is an industry veteran and comes from NACON where he was the VP of Sales and Marketing for RIG Gaming / Managing Director Nacon Pty Ltd.
- At Nacon Peter was responsible for managing all products, distribution channels, and deployment of sales for the organisation in North America and ANZ.
- Prior to that, Peter spent over 15 years at Plantronics most recently as Director of Sales for APAC.
- Peter is a member of the Cellnet Group senior management team (SMT).



**Peter Young**  
**Managing Director – Cellnet New Zealand**

- Appointed in September 2021, Peter brings over 35 years of varied business experience including ownership and development of three startup organisations in the technology and gaming sector.
- Strong industry and commercial knowledge of the Australasian IT, retail, and distribution markets gained from previous executive roles.
- A salesperson at heart, Peter has a strong sales process and sales execution focus consistently overachieving targets and accelerating growth in sales revenue and profitability while building sales team capability and capacity.
- Peter is a member of the Cellnet Group senior management team (SMT).

# Deliver Great CX.

Cellnet moves **distribution in-house** with investment in a **new consolidated logistics facility** in Melbourne.

Enhancing **Customer Experience (CX)** through **optimised delivery** and **improved supply chain efficiency** from consolidated operations and direct transport carrier relationships.

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# New Distribution Centre

- Strategic direction to in-house supply chain and enhance CX
- Fully operational as of 1 August 2022
- 3600m2 office/warehouse facility with capacity for growth
- Optimises and consolidates Cellnet warehousing and logistics
- Integrated with Australia Post as nominated freight partner
- Omni channel solutions for retail partners - drop ship capability for extended range/endless aisle and express delivery
- Comprehensive digital channel fulfilment and 3PL services
- Customised solutions including bundling, kitting and rework

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# Partner Excellence

Full-service representation of global  
**market leading** brand partners

- Mobile, AV and IT accessories
- Gaming accessories and software
- Personal audio
- Power and connectivity
- Memory and mobile security
- Unified communications

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# Grow Own brands

Grow **own brand** revenue to **\$30m** in 3 years, delivering **high margins** and **exceptional value** in core categories

3sixt IMPACT POWERGUARD wave goobay®

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# Own brands Mission

Our **mission** is to have a portfolio of **strong own brands**, built as **fast followers** that provide Cellnet a **commercial advantage**, and **secured revenue growth**.

3sixT   IMPACT   POWERGUARD   wave   goobay®

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# Grow Online

**Accelerate online sales to \$15m** in the next 3 years through our **direct store, marketplace** and **digital services** for our partners.

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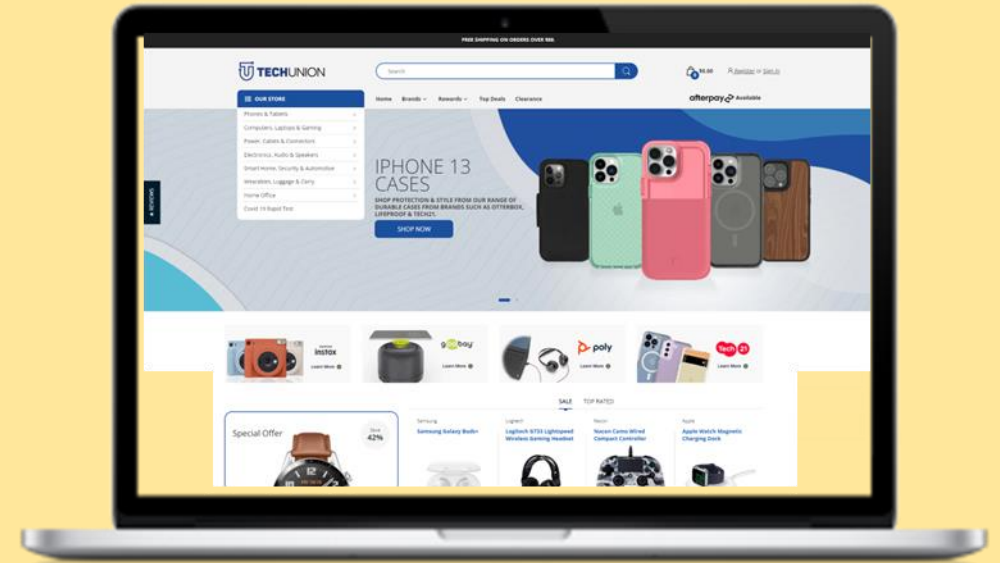


# Online Mission

Our **digital mission** is to become **Australasia's largest** online tech accessories business.

We will leverage our distribution partnerships, product sourcing expertise and **industry leading digital architecture** to deliver **revenue growth** with higher margins.

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# Discover the next

Focus on **growth segments** with **strong** underlying **demand profiles**.

Continue to explore **synergistic acquisition targets**.

- ✓ Refurbished phones
- ✓ Smart home & security
- ✓ PC, mobile gaming and accessories
- ✓ Enterprise hardware

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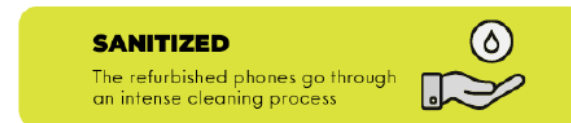
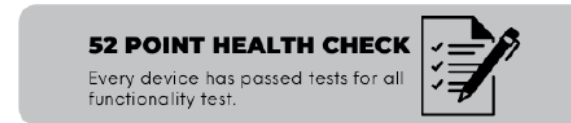


# Refurbished Devices

Our goal is to be one of the **leading resellers** of refurbished devices in Australasia and establish **in-house refurbishment & repair capabilities** through our strategic telco industry partnerships.

The refurbished category forms part of the **circular economy**, extending the lifecycle of electronic devices, making **technology more accessible** and helps **bridge the digital divide**.

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# Focused on Sustainability

Since 2019, we committed to **remove all plastic** and only using **recycled** and **biodegradable** materials our packaging.

In FY2023 we will produce phone cases made from **100% recycled material** and introduce **eco friendly** e-commerce focused packaging.

Cellnet is a member of **APCO** and **Mobile Muster** and is committed to long-term sustainability improvement.

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# H1 Outlook

- Apple and Samsung hero devices set to launch during the first-half
- Additional ecommerce partner stores to launch
- New Wave audio products launching Q1 including party speaker and ANC headphones
- Popular, renowned gaming software licensed titles launch such as Nickelodeon and the critically acclaimed, global Netflix hit, Cobra Kai
- Further enhancement of new distribution centre and consolidation of logistics

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# discover the **next**

We **source** and represent market **leading brands** of **interactive** and **lifestyle technology** products into **retail, business** and **digital channels**.

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

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30 August 2022

**FY2022 Results Presentation**

Please find attached a copy of the FY2022 results presentation.

For purposes of ASX Listing Rule 15.5 Cellnet Group Limited confirms that this document has been authorised for release to the market by the Board.

Dave Clark

Chief Executive  
**Cellnet Group Limited**

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