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Cellnet generates \$1.6m first-half EBITDA with strong balance sheet

- First-half EBITDA of \$1.6m
- Cash at bank of \$6.1m as of 31 December 2021
- Cellnet partners with Renewable Mobile Group to resell refurbished devices
- Online sales increase 21% on same period last year
- Dividend payment of \$730,784 during the period made to shareholders

Trans-Tasman lifestyle technology distributor Cellnet Group Limited (“Cellnet” or the “Company”) has announced a first-half FY2022 EBITDA of \$1.6m, despite significant ongoing retail headwinds resulting from retail store closures due to Covid-19 restrictions across Australia and New Zealand. Net profit before tax for the period of \$205,000, which included a non-cash impairment expense of \$613,000.

Cellnet entered a strategic sourcing arrangement with Queensland based Renewable Mobile Group (“RMG”) on 25 October 2021. The partnership with RMG provides Cellnet access to locally refurbished iPhones, iPads, and other mobile devices for supply into retail and online channels including Reebelo, Hulii, Kogan and Amazon. The refurbished device category is seen as an emerging high growth segment and highly synergistic for Cellnet. Repairs and warranty support is provided by RMG under the agreement. The partnership was accretive to Cellnet revenue in the reporting period, with expansion into the New Zealand market expected in the coming quarter.

Online sales, including refurbished devices, increased 21% on the same corresponding period last year through Cellnet’s flagship Techunion store and marketplaces across Australia and New Zealand.

The Company declared a dividend during the half-year to 31 December 2021 of \$0.003 per share which resulted in a payment of \$730,784 inclusive of withholding tax to shareholders. The financial position of the Company is underpinned by its cash balance of \$6.1m at the end of the period, with net tangible assets per share of 8.4¢ as at 31 December 2021.

Commenting on the announcement, Cellnet’s Chief Executive, Dave Clark, stated “We have further improved our financial position while navigating an unprecedented period of change. Ongoing Covid-19 retail restrictions, supply chain disruption and production constraints are some of the significant challenges the team has managed through the half. We continue to focus on accelerating execution of our growth strategies across gaming, refurbished devices, mobile accessories and online distribution.”

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

Ends

Authorised for release by the board of directors.

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

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ABOUT CELLNET (ASX: CLT)

Established in 1992, Cellnet listed on the Australian Stock Exchange (ASX) in 1999 and is a leading distributor of lifestyle technology products, employing more than 70 people across Australia and New Zealand.

Cellnet represents global brands and sources products in high velocity categories including mobile, AV and IT accessories, audio, and gaming accessories and software into retail, business, and online channels.

Cellnet has extensive reach in Australasia, combining distribution of market leading brands with its own brands together with innovative category management services.

In 2017, Wentronic Holdings GmbH acquired a majority shareholding in Cellnet. Wentronic distributes AV, IT, and mobility accessories throughout Europe. 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 gaming with the acquisition of Turn Left Distribution and in 2019 acquired Powerguard to enter the surge protection power category. In April 2020 Cellnet acquired Performance Distribution, a strategic purchase for infrastructure, knowledge, and experience to accelerate its online business across Australia and New Zealand.

