



INVENTIS LIMITED

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ANNOUNCEMENT TO THE ASX

Inventis Limited [ASX: IVT] - Market Update – 14 June 2018

Update / Results to 30 June 2018:

As advised to the market at the half Year, the group underwent a management change at the General Management/Operations level, with the pipeline for orders dipping to their lowest in recent history. This has been substantially corrected in the latter part of the second half of FY18, with Gregory Commercial Furniture sales in May and June 18 hitting levels higher than what has been seen for a number of years.

Despite the many challenges, particularly those associated with cash-flow, the customer demand and productivity is steadily improving.

The recent appointment of a new Financial Controller has led to enhanced financial control and financial management of the business and delivery timelines and communication with suppliers and other key stakeholders, which is already having a major impact on customer satisfaction, distributor sales and support, and supplier trust.

Revenue to 30 June 2018 is expected to be in the order of \$8.3m with a EBITDA loss of \$1.1m, which translates to an anticipated Net Loss After Tax of \$2.0m. This is made up of a trading loss, as a result of lower than expected FY18 sales, which impacts manufacturing efficiency (\$ 1.9 m); plus a 'one of' non-cash impairment loss on intangibles associated with GCF of \$0.09m.

To correct this negative outcome, Mr Paul Vranich was appointed as General Manager in January 2018 and directed to focus on the replenishment and reinvigoration of the sales team. Initial objectives have been achieved with 3 technology and 9 Furniture Business Development Managers working in key territories and market sectors across the country. It is planned to grow this team further by adding another 4 Business Development Managers over the course of FY-19. Distributor channels have also been expanded from 17 and are

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expected to be at 35 by 30 June 2018. Although this has not provided an outcome in this financial year, a substantial uplift is expected in FY-19

I am pleased to report that recent sales trends and continuing improvements in the current Purchase Order book as well as the forward pipeline have substantially increased with F19 sales forecasts indicating an uplift in sales toward a \$12.4m revenue level.

The Sales orders currently in hand are as follows:

- Gregory Commercial Furniture at \$1.6m with a pipeline of \$4.7m; and
- Inventis Technology at \$0.9m with a pipeline of \$2.3m.

Sincerely,

Tony Noun
Chairman

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