



INVENTIS LIMITED

ABN: 40 084 068 673 | ASX: IVT

Unit 4, 2 Southridge Street  
Eastern Creek, NSW, 2766

PO Box 40 Mt Druitt NSW 2770, Australia

phone: +61 2 8808 0400

fax: +61 2 9620 1582

email: info@inventis.com.au

www.inventis.com.au

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## ANNOUNCEMENT TO THE ASX – 29 November 2019

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### **Inventis Limited [ASX: IVT] – Managing Director’s Address - Annual General Meeting**

Good Morning all,

Thank you. I am pleased to share some additional insights and opportunities with you today.

Let me start by thanking the Board and the shareholders that I have spoken to and those present here today for their support. Some have enjoyed prosperity in other companies I have headed up in the recent past.

I would also like to thank the executive team who are all working hard to deliver improvements including our General Managers. Mr Jeff Stone from our Technology Division and Mr Greg Welsh from our Furniture Division and the entire finance team including our CFO Alfred Kobylanski and newly appointed Co -Company Secretary Chantelle Knight, all of which are talented and committed individuals who showcase our positive culture that Tony was right to point out. I am sure they will get the job done.

It is fair to say the nation faces some uncertainty at present with the likelihood of additional falling interest rates and a Government committed to restraining themselves from Capital works expenditure in order to deliver a budget surplus at any cost, as such there are considerable headwinds abounding with demand in the market and global trade pressures being felt here locally.

Many participants in the commercial furniture industry are seeking consolidation and as a result opportunities abound to those with the fortitude and vision to partner and grow significantly with Inventis.

As Tony mentioned we have, despite the uncertainty, increased revenue last year and have now put in place over the last few months plans that will underpin our future prosperity. I would like to share these plans and our vision with you now.

We undertook a three-year strategic review in late August. This plan forecast a return to modest profitability in F20 and significant growth in F21 and beyond.

We have undertaken over 35 corporate initiatives in this relatively short period, which included a cost cutting plan saving an estimated \$1.2 million in annualised expenses. Full Time Equivalents dropped from 52 FTE’s last year to 39 FTE’s in F20 or a 25% savings on total head count.

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A significantly improved net position on last year F19 is expected for the same period. With October's unaudited management accounts indicating Net Profit up +143% vs F19 YOY despite taking up redundancy costs of \$44K in the period and expensing fees and charges relating to finance for our facilities.

Inventis is currently a micro -cap Listed Public Company, our Head Office and Corporate expenses are modest compared to other ASX listed peers. Costs that are reflected here are associated with our ASX listing status, our board costs, CFO, Co Sec and CEO fees and salaries. From comparative data these costs remain low in comparison to similar sized listed entities, seldom are total head office and corporate costs with rent allocations and audit fees included below \$1 Million pa.

We have also undergone important structural changes. We appointed Jeff Stone as GM of Technology, Greg Welsh as GM of Furniture and appointed Chantelle to the ranks of Co-Company secretary. We take pride in developing our people and we will seek to employ additional talent as we grow in the near future.

We completed the strategic alliance with Winya Indigenous Furniture and joined forces with Debby Barwick's Supply Nation's accredited one of the fastest growing Indigenous Australian companies. ( [www.Winya.com.au](http://www.Winya.com.au) ). Winya has now confirmed a plan for new locations across Australian enhancing their 2020 and 2021 national footprint. With a number of major ASX200 listed, high profile corporates providing additional purchase order support.

We took up and completed through our Vibe Furniture Pty Ltd a 100% acquisition of Workstations Pty Ltd ( [www.workstations.com.au](http://www.workstations.com.au) ). Workstations confirming their online focus plan.

Just to give adequate perspective in November this month the two new investments combined will deliver total network sales of over \$1 Million in one month. With our traditional Gregory Ergonomic commercial furniture business delivering at 97% DIFOT (world's best practice.)

The Furniture group combined has now confirmed pipelines sales quotes and order of over \$14.1M. The distributor network is growing with partners signing at a faster rate than seen for many years, 4 new distributors seeking to come on board with Gregory in November.

With key component suppliers to the group and partners also signed up to manage warehousing and distribution at our Eastern Creek facility. The total additional savings estimated to be over \$100,000 per annum due to commence 2H20.

The business has moved back to its traditional innovator, leadership status, with Patent acceptance certificates confirmed for Gregory's unique advanced ergonomic seating Patent number 201534959 being issued in Nov-19 with further initiatives in Chair design and

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functionality due soon ensuring Gregory remains the best Ergonomic seat in the Australian market and potentially the world.

Similarly, our Technology Division is soon to lodge a Patent for our new product aimed to target the USA, Australian and the New Zealand markets. The business has in November applied for USA- FCC approval testing, which will access a growing market in safety and security products across the USA.

We are proud of these achievements in a relatively short period, and we are currently working on securing large Opentec orders potentially worth multi-millions of dollars over the next 24 months and we are currently developing significant opportunities with both domestic and international Rail distributors for our range of Safezone and technology Rail systems.

The group has significant potential and whilst the challenge right now remains managing our financial plan, the group and its loyal suppliers see the significant potential and the solid management experience onboarded with the results to date demonstrated as described above.

We are also now talking to a number of interested parties with further merger and acquisition activity planned. These parties bring business revenue opportunities, synergies and quality brands ranging from \$5 million per annum and some up to \$35 Million per annum to the group.

Whilst the economic conditions remain weak, we are managing the business around this and adding significant strategic and partnering arrangements in place.

I would like to take the opportunity to thank the entire staff and our suppliers and stakeholders and look forward to getting around and seeing you all before Christmas.

I will hand back to Tony to conclude the business end of today's meeting.

**Anthony Mankarios**  
Managing Director, Inventis Limited

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