

ASX MEDIA RELEASE

Wednesday, 16 November 2022

ASX: SGI



STEALTHGLOBAL
HOLDINGS LTD

STEALTH TRADING UPDATE – FY23 REVENUE UP 22%

HIGHLIGHTS AFTER FIRST 4 MONTHS FY23

- Group Revenue increased 22% to c.\$36.0 million¹ (FY22: \$29.5m).
- Delivered double-digit sales growth in all Customer Segments.
- The three acquisitions completed in FY22 continue to progress well. Stealth plans to further right size the Group to yield maximum profits. Completion expected in Q3-23.
- Outlook remains positive: Newly awarded customer contract wins, strong tender bid pipeline, organic growth-related opportunities in play, and strong inflation tailwinds expected in CY23.

Customer Segment 1 July to 31 October	% Sales Growth YTD FY23 vs. FY22	\$ Sales YTD FY23 vs. FY22
Group	+22%	\$36.0m
Distribution	+11%	\$27.1m
Consumer Retail	+33%	\$5.7m
Specialist Wholesale	+346%	\$3.2m

Stealth Global Holdings Ltd (ASX: SGI) (the Company or Stealth) a leading industrial distribution group through five main businesses: Heatleys Safety & Industrial, C&L Tool Centre, United Tools, Skipper Transport Parts, and Industrial Supply Group, announces its Sales Results for the first four (4) months of the FY23 trading period, ending 31 October 2022.

The Company's diversified and resilient business model has continued to deliver strong growth, with Group revenue for the four months of FY23 up 22%. (Q1-23 Revenue up 25.1%). This is underpinned by recurring sales activity where more than 95% of all products sold by the Group are non-discretionary items.

BUSINESS UPDATE

FY23 Driving Growth Through Focused Execution

New Customer Contracts

The Company recently was awarded several new customer contracts commencing October 2022 and November 2022. Combined, these contracts are expected to deliver new sales to the Group of approximately \$6.6 million per annum, for the next two years.

Simplifying The Business

After completing three (3) acquisitions in FY22, Stealth is seeking to develop a 'simpler and more efficient organisation' over the next 12 months, reducing costs, duplication and optimising its supply chain, whilst driving growth to yield maximum profits.

Stealth recently commenced a merger of four (4) operating business structures into two (2), that unlock organic growth-related initiatives and growth profit levers that secure increases in margin and profit earnings in the immediate term, near-term and medium-term on the strength of rightsizing, synergies, and economies of scale.

Annual cost savings combined with increased margin and profit from platform enhancements, pricing reset, growing customer activity and improved purchasing terms and supply chain efficiency for the Group is expected to deliver approximately \$2.2 million in additional profit in calendar year 2023 'CY23'. Inventory rationalisation is expected to reduce on current sales levels by approximately \$1.3 million or 8.6% of current stock value.

¹ Sales guidance 'circa' (c.) is subject to external audit.

BOARD OF DIRECTORS

Chris Wharton^{AM}
Chairman

Michael Arnold
Group Managing Director & CEO

John Groppoli
Non-Executive Director

Simon Poidevin
Non-Executive Director

John Boland
Company Secretary

ISSUED CAPITAL

99.7 million Ordinary Shares

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GROUP OPERATING BRANDS

- › Heatleys Safety & Industrial
- › C&L Tool Centre
- › Skipper Transport Parts
- › Industrial Supply Group
- › United Tools

WEBSITES

- › www.heatleys.com.au
- › www.cltoolcentre.com.au
- › www.skippertp.com.au
- › www.isgaus.com.au
- › www.unitedtools.com.au

An Australian Multinational Distribution Group



ASX: SGI

Simplifying The Business continued...

As customers consolidate their suppliers, scale is helping Stealth compete and rapidly driving customer activity and record involvement in new tender bids.

Stealth's strategy of aligning its resources to grow different customer types has recently resulted in establishing three main operating segments focused on customer segments. (1) Distribution: to Business Customers, (2) Consumer Retail: to individual Trade and Retail Consumers, and (3) Specialist Wholesale: primarily responsible to deepen supplier commercial arrangements with the Group's tier1 suppliers.

The Specialist Wholesale business unit plans to pool tier1 negotiations and purchasing, where possible, aiming to have >50% of the Group's product sourced through this approach. This will lead to enhanced savings included in the CY23 \$2.2 million increase in profit amount noted earlier.

All the Group's major suppliers will go through the single purchasing centre, called Trade Member Direct. Stealth's Independent partner member offer will also be centralised through Trade Member Direct.

OUTLOOK

Despite a slowing macroeconomic environment, the Group's revenue targets remain unchanged, with the Group expecting very good revenue growth in calendar year 2023 'CY23', driven by organic revenue initiatives and the positive contribution of acquisitions announced in the last 12 months.

The Company also expects to benefit from inflation tailwinds in CY23 and from organic growth-related strategic initiatives expected to yield top and bottom-line results.

FOR FURTHER ENQUIRIES:

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-ENDS-

This announcement was authorised to be given to the ASX by the Board of Directors of Stealth Global Holdings Ltd.

ABOUT STEALTH GLOBAL HOLDINGS

Industrial Supplies & Solutions

Stealth Global Holdings (SGI) with 2022 revenue of more than \$100 million, is a leading Industrial distributor providing a broadline range of industrial maintenance, repairs, operations (MRO) supplies, safety and PPE products, truck & automotive parts and accessories, workplace supplies and other related products, services, and solutions to Business, Trade, Retail, and to Independent Retailers and Operators. Stealth employs approximately 250 people across its five subsidiaries: Heatleys Safety & Industrial, C&L Tool Centre, Skipper Transport Parts, Industrial Supply Group and United Tools. Founded in 2014, listed on the ASX in October 2018, Stealth is headquartered in Perth Western Australia, with a presence across Australia. It is one of Australia's largest industrial distribution groups combining the assets of company owned businesses and independent retailer-operators with 74 store locations Australia-wide, supported by two main distribution centres in Perth and Brisbane.

STEALTH IS THE COMPANY FOR EVERYONE IN A WORKPLACE.