



## CHAIRMANS 2024 AGM ADDRESS

Stealth Group Holdings Ltd (ASX: SGI) (the Company or Stealth) is pleased to present a copy of the Chairman's Address to be made at the Annual General Meeting of the Company commencing at 11:00am (AWST) today.

**- ENDS-**

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

### FOR FURTHER ENQUIRIES:

Mike Arnold  
Group Managing Director & CEO

Chris Wharton AM  
Chairman

John Boland  
CFO and Company Secretary

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### ABOUT STEALTH GROUP HOLDINGS LTD

#### ***An Australian Distribution Group***

Stealth Group Holdings (Stealth) is a distributor, wholesaler, and a retailer of industrial maintenance, repair and operating (MRO) supplies, consumer technology products and other related products and services.

Stealth uses a combination of multichannel and single channel online models to provide customers, primarily businesses, with a range of options for finding and purchasing products through an Australia-wide network of highly integrated distribution centres, branches, company stores, websites, retail reseller stores, and independent operators.

### 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

116.8 million Ordinary Shares

### PRINCIPAL OFFICE

Level 2/43 Cedric Street  
Stirling, Western Australia 6021

### CONTACT

Michael Arnold  
Group Managing Director & CEO

John Boland  
Group Chief Financial Officer

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ABN: 25 615 518 020

### GROUP OPERATING BRANDS

- > Heatleys Safety, Industrial & Automotive
- > Force Technology International
- > C&L Tool Centre
- > Industrial Supply Group
- > United Tools

### WEBSITES

- > [heatleys.com.au](http://heatleys.com.au)
- > [forcetechnology.com.au](http://forcetechnology.com.au)
- > [cltoolcentre.com.au](http://cltoolcentre.com.au)
- > [isgaus.com.au](http://isgaus.com.au)
- > [unitedtools.com.au](http://unitedtools.com.au)
- > [toolspareparts.com.au](http://toolspareparts.com.au)

**ASX: SGI**

## Chairmans Address 2024 AGM

Good morning and welcome to the 2024 Annual General Meeting of Stealth Group Holdings Limited. It is a pleasure to have you with us at Stealth's corporate head office in Stirling Western Australia. Thank you for joining us in person and to those attending via the online webcast.

Before we move into the formal business of today's meeting, I'd like to provide an overview of our performance for the Financial Year 2024. Following my comments, our Managing Director and CEO, Mike Arnold, will give a brief management presentation and look at the road ahead.

This year we have a lot to celebrate. It marks the tenth anniversary of Stealth, a true testament to our resilience and strategic vision.

I'm pleased to report that, despite some external challenges in the economy – higher interest rates and inflation for example, this past financial year has been one of remarkable achievement for Stealth, delivering record-breaking financial results.

It is our sixth year since our listing in FY2019. Many shareholders today will remember our IPO on the 2nd of October 2018, when a small company, with a bold plan, became a listed company.

Since that time, we have grown into a large company, increasing revenue six times from \$24 million in FY2018 to more than \$150 million expected in FY2025. It is a testament to our team, and everyone involved during that time to deliver such an outstanding outcome.

In terms of long-term returns and creating value for shareholders there are two key milestones I would like to note.

- Firstly, the directors declared a maiden fully franked ordinary dividend in the year ended 30 June 2024 of 0.84 cents per share.
- Secondly, in the 12 months ending 30 June 2024, our share price increased 68% and a further 62% from July 2024 to the beginning of November, providing a wonderful total shareholder return.

In the year just completed, your company continues to be in sound financial health, with a strong balance sheet and a business that generates solid cash flows.

Stealth delivered record revenue of just under \$114 million and a record Net Profit After Tax that increased 50.2%.

The specific results achieved include:

- Group Revenue reaching an all-time high of \$113.7 million, reflecting a 2.4% increase.
- Gross Profit also reached a new peak at \$33.7 million, marking a 3.4% increase, driven by organic growth and strategic initiatives to run our business more efficiently.
- A 15.5% growth in EBITDA, reaching \$6.1 million, and
- A 50.2% increase in Net Profit after Tax, rising to \$1.36 million from \$0.90 million in FY2023.
- This strong performance led to a record Earnings per Share of 1.34 cents for FY2024.

Responsible capital management to deliver long-term financial sustainability remains a core focus. This disciplined approach shows in our FY2024 with results achieved being;

- \$6.3 million in operating cash inflow,
- \$4.7 million of free cash inflow,
- Record cash holdings of \$10.1 million,
- Reduced net debt by 32.9% to \$4.9 million (excluding the debt assumed from the Force acquisition), and
- Our balance sheet is stronger than ever, with net assets increasing by \$4.3 million.

One of our standout achievements in FY2024 was the acquisition of Force Technology International in June. The Force acquisition contributed \$1.9 million in revenue in its first month under Stealth's umbrella, and we look forward to its full-year impact in FY2025.

The acquisition rationale is consistent with our long-term strategy of products made for everyone, used every day.

Force is a leading wholesaler and distributor of mobile phone, tablet audio and power accessories operating in a large and growing market where Force holds approximately 5% market share in Australia.

Strategically, the acquisition of Force delivers a consumer accessories offering with world-leading brands, an OEM private label range and its own brand product range with an internal manufacturing design team and a sourcing and procurement office in Hong Kong that manages products sourced from 14 factories.

The Hong Kong sourcing and procurement office will play a key role in developing our Industrial private-label range of products that delivers both on range and margin expansion opportunities.

Our portfolio now lies under two business units. An Industrials division and a Consumer division, maintaining a clearly differentiated customer value proposition. They will, however, leverage the total group's customer portfolio and supply chain infrastructure vertically and horizontally to grow profit and market share. Explaining this even more simply, we will source more products and services from suppliers, we will sell more products to our customers both in active and new channels and markets.

For example, the acquisition of Force expanded our footprint significantly this year, adding 3,310 new retail reseller locations. Combined with our existing 53 industrial-trade locations, we have a significantly larger ecosystem to sell more of our products to more customers.

We've also made other key investments across our business to provide customers with more value, better experiences, lower prices, improve our efficiency all whilst maintaining a disciplined approach to capital allocation.

\$1.5 million was invested in technology, systems automation, store enhancements, and supply chain optimisation. We also reshaped our operations, including the closure of underperforming branches. Our investments collectively yielded a 50.2% boost in profitability and a reduction in our cost of doing business.

Notwithstanding the economic challenges we face, impacting consumer sentiment, our capacity and determination to navigate a challenging market environment and emerge stronger is unwavering. We believe the company is well positioned to continue its history of success, where in FY2025 we expect to deliver sales and profit that surpasses FY2024.

On governance matters, I am pleased to report that there were no changes to the Board during FY2024. The Directors of the company remain absolutely committed and incredibly excited about the future.

I would like to express my gratitude and sincere thanks to my fellow Directors, John Groppoli and Simon Poidevin, for their commitment and support. I also thank our Company Secretary and CFO, Mr. John Boland, for the invaluable role he plays.

I acknowledge the great contribution made by our 250 plus team members. I extend my deepest appreciation for their dedication and hard work in delivering such excellent results this year, led so honourably and capably by Mike Arnold.

In closing, I want to thank our shareholders for their trust, patience, and unwavering support. Your partnership is important to the ongoing success of your company. I will now hand over to Mike Arnold to address you.

Thank you

Chris Wharton AM