



CHAIRMAN'S AGM ADDRESS

Stealth Global 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 -

For Further Enquiries:

Mike Arnold
Group Managing Director & CEO

Chris Wharton^{AM}
Chairman

John Boland
CFO and Company Secretary

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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 and solutions for every workplace, all in one place.

Stealth Global Holdings Limited (Stealth) is a wide range distributor of Industrial, Safety, Truck, Automotive and Workplace supplies and other related products and solutions.

Headquartered in Perth, Western Australia, Stealth provides supplies and solutions for every workplace that extends across the whole supply chain to Customers of all types and sizes. Stealth's large distribution network provides multiple channels-to-market through three operating divisions: Distribution (B2B), Retail (B2C), and Wholesale (B2B2C).

Stealth's portfolio consists of five market facing operating brands:

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

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

101.0 million Ordinary Shares

PRINCIPAL OFFICE

Level 2/43 Cedric Street
Stirling, Western Australia 6021

CONTACT

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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

Chairman's Address 2023 AGM

Good morning, ladies, and gentlemen and welcome to the 2023 Annual General Meeting of Stealth Global Holdings Ltd. It is my pleasure to welcome you to Stealth's corporate head office here in Stirling where we are holding our AGM for the first time. Thank you for taking the time to join us here today and thank you also to everyone that has joined via the online webcast of the meeting.

As has been customary, before we start the formal business of today's meeting, I will provide some comments on the performance of the Company for FY2023, after which our Managing Director and Chief Executive Officer, Mike Arnold, will provide a brief management presentation.

You will know from our ASX announcements and Annual Report that Stealth delivered record financial results in FY2023. Group revenue was up 11.4% to a record of \$111.0 million, primarily from solid organic growth in the business. Earnings before Interest, Taxation, Depreciation and Amortisation (EBITDA) increased by 32.5% to \$5.3 million, and Net Profit after Tax was \$0.9 million, compared to the \$0.6 million reported last year. This was an excellent achievement, and I congratulate all of the Stealth team for delivering this in a challenging economic climate.

A key driver of the FY2023 performance was a focus on optimisation of the business to drive both revenue and cost synergies following a multi-year period of investment in the store network and product range, and in complementary business acquisitions. This included exiting unprofitable sales contracts, improved inventory management, greater product cross-selling to our customer base and continued investment in e-commerce.

The benefits were evident in improving business operating metrics, such as inventory as a percentage of annual sales reducing to 13.3% from 14.2% in FY2022, sales value per order was up 17.4%, sales per employee up 19.6%, gross profit per order up 14.2% and gross profit per employee up 36.7%.

Notwithstanding the positive results in FY2023, significant market challenges remain, but which the business is well placed to manage. COVID-19 impacts have subsided with fewer supply chain constraints, however costs continue to be elevated due to higher than historic levels of staff sick leave and continued safety protocols. We are keeping a wary eye on the Covid situation, as the recent cases reported have skyrocketed. Like many businesses in Australia, we continue to experience cost pressures from a very tight labour market, rising energy prices, a low Australian dollar and higher inflation across the global economy.

These challenges highlight the importance of Stealth's consistent long term growth strategy and business plan. The Company has responded by both carefully managing the cost base and also reviewing its pricing strategy to preserve profits and allow continued growth in the future. Over 95% of Stealth's products are non-discretionary so the Company is well-positioned to withstand inflation related economic downturns.

Looking forward, Stealth is poised for further growth. We continue to invest in our distribution network and sales channels to expand across market segments, geographies, customers, supplier brands, and product ranges. In FY2023, we extended our reach, serving 17 of the top 100 listed companies in Western Australia compared to six in FY2022.

Financially, the company's performance in FY2023 was highlighted by significantly improved cashflow generation. We generated \$5.6 million in free cashflow, a marked improvement from the \$0.4 million cash outflow in FY2022. This positive cashflow, combined with reduced net debt and improved balance sheet metrics, provides substantial headroom for further capital allocation and supports our growth strategy.

During the first half of FY2023, the Stealth Board communicated its plan to introduce a fully franked dividend for shareholders, marking a notable milestone for the company. This maiden dividend serves as a well-deserved reward for our steadfast shareholders who have been with us since our IPO in October 2018. Additional information on our Capital Management Framework and policy specifics will be shared in the near future.

On governance and board matters, there were no changes to the Board during FY2023. The Stealth Board and management remain committed to running a sustainable business. The health and wellbeing of our people, as well as managing our environmental and social footprint are key considerations and priorities in our corporate strategy. For further details on this please refer to our Annual Report.

Before I conclude, I want to briefly touch on the business outlook for FY2024. Our omnichannel customer-centric approach, with thousands of daily customer interactions, positions us well to maintain positive momentum despite prevailing market challenges. We remain optimistic, supported by the non-discretionary nature of the industrial consumables we sell and a strengthened balance sheet that allows us to take advantage of potential acquisition opportunities.

In closing, I extend my gratitude. Firstly, to my fellow Directors, John Groppoli and Simon Poidevin, for their ongoing commitment and support. I also thank our Company Secretary and Chief Financial Officer, Mr. John Boland, for his contributions. Secondly, my sincere thanks to Mike Arnold and the executive management team - the best in business - as well as all Stealth Group staff, for their dedication in delivering excellent results in FY2023.

Lastly, I express my deepest appreciation to our shareholders for their trust, patience, and unwavering support. Your partnership is invaluable. I will now hand over to Mike Arnold for a brief management presentation.

Thank you.

Chris Wharton AM