

ASX MEDIA RELEASE

29th November 2021



STEALTHGLOBAL
HOLDINGS LTD

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 11:00 am (AWST) today.

For further enquiries:

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Chris Wharton^{AM}
Chairman
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This announcement was authorised to be given to the ASX by the Board of Directors of Stealth Global Holdings Ltd.

BOARD OF DIRECTORS

Chris Wharton^{AM}
Chairman

Michael Arnold
Group Managing Director & CEO

John Groppoli
Non-Executive Director

Simon Poidevin^{AM OAM}
Non-Executive Director

Jessamyn Lyons
Company Secretary

ISSUED CAPITAL

99.7 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
- > BSA Brands (UK)

WEBSITES

- > www.heatleys.com.au
- > www.ctoolcentre.com.au
- > www.skippertp.com.au
- > www.isgaus.com.au
- > www.bsabrands.co.uk

About Stealth Global Holdings

Stealth Global Holdings Limited (ASX code: SGI) is a broad-line business-to-business (B2B) and business-to-consumer (B2C) distributor of industrial, maintenance, repair, operating 'MRO', safety & workplace supplies and other related products and services. Headquartered in Perth, Western Australia, it provides supplies and solutions for every industry through its portfolio of five distribution businesses that extends across the end-to-end supply chain covering Business, Trade, Retail, Service & Specialist Wholesale. The five subsidiary brands are: Heatley's Safety & Industrial, C&L Tool Centre, Skipper Transport Parts, Industrial Supply Group and BSA Brands (UK) a joint venture with Bisley Workwear.

An Australian Multinational Distribution Group



Good morning, ladies and gentlemen. I would like to extend a warm welcome to shareholders and visitors who have joined us today for the 2021 Annual General Meeting of Stealth Global Holdings Ltd. Thank you for your attendance both here at the offices of BDO, and also via the online webcast.

I will begin with a brief overview of the performance of the business during Financial Year 2021. I'm very pleased to report that the Stealth business delivered record revenue and underlying earnings for the year. Group revenue was up 2.7% to \$69.7 million, and Underlying Earnings before Interest, Taxation, Depreciation and Amortisation (or EBITDA) increased by 41% to \$4.5 million. Statutory Net Profit after tax was \$0.6 million, a marked increase on the \$0.1 million reported last year.

Australian sales increased by 17% to \$66.5 million during the year, and this was more indicative of the overall growth of the business. The decision to focus on profitable sales growth as opposed to merely revenue growth is a core part of our strategy.

This has clearly been the right one for Stealth.

Underlying earnings exclude \$1.4 million expenditure on investment related activities, which are not related to day-to-day operations. A key part of our business strategy is targeted investments in future growth opportunities. Investments made during the year include two new business acquisitions and very importantly, investment in digital sales channels.

New businesses added to the Stealth Group include C&L Tool Centre in December 2020 and Skippers Transport Parts in June 2021. These are expected to collectively deliver additional annual revenue of about \$32 million and EBITDA of about \$2.4 million. Digital sales channels in the form of online marketplaces are increasingly important in a COVID-impacted business environment and are expected to be a significant future growth area for all Stealth businesses.

The building of scale is an important long-term driver of earnings for Stealth. This has been done organically, by growing our range of products, the distribution network and enlarging our customer bases across all of the individual businesses. This building of scale has also been improved through strategic acquisitions and investments.

The Group now operates five distribution brand businesses - Heatleys Safety and Industrial in Western Australia and South Australia, C&L Tool Centre in Queensland, Skipper Transport Parts in Western Australia, and Queensland, BSA Brands (UK) a Joint Venture with Bisley Workwear in the United Kingdom, and Industrial Supply Group an Independent member-based buying group in Australia. This portfolio of leading distribution businesses extends across the end-to-end supply chain covering Business, Trade, Retail, Service and Specialist Wholesale, offering supplies and solutions for every industry. We expect the full benefit of this network to materialise during FY22 following the acquisition of C&L and Skippers.

I therefore have extreme confidence that the group's multichannel sales model and diverse operations across Australia and the UK should allow us to maintain robust financial results well into the future. I would like to again say for the record that the Stealth Board remains committed to growing the company and delivering satisfactory returns to shareholders. My firm belief remains that we have the right strategy and the right management team to deliver on our strategic aims.

Before closing, I would like to thank my fellow Directors during the year John Groppoli and Alan Cransberg for their contribution and efforts. Regrettably, Alan stepped down from the Board in October after being appointed to the Board of Wesfarmers, which resulted in an understandably significant increase in his commitments. Alan made a magnificent contribution during his almost two years on the board and remains a committed shareholder. Alan is not here today but I would like to thank him for his time at Stealth.

Following Alan's departure, we were fortunate to welcome Mr Simon Poidevin^{AM OAM} to the Stealth Board as a Non-Executive Director. Simon is based in Sydney, providing the Company with east coast-based representation, and joins us today via the live webcast. You can find some more information on Poido in the Notice of Meeting, as he is up for election to the Board today, but sufficient to say he is a former Wallabies captain and represented our country on about 50 occasions at the highest level. His business career is just as impressive.

Most importantly, on behalf of our Board I would like to thank our dedicated managing Director and Chief Executive Officer, Mike Arnold, together with his senior executive management team for delivering an excellent performance this year. This also includes all of the Stealth staff and the new additions to our team from C&L and Skippers, magnificent people all. This is particularly relevant as business conditions continue to be affected by COVID-19. Fortunately, the UK market has thankfully been opening up again following increasing vaccination rates. We are already seeing good signs of growth. A swathe of the Australian east coast has come out of lockdown and vaccination rates have been improving in Australia.

While economies in the regions we operate rebounded in FY21, driving improved demand and better business conditions, COVID-19 remains an ongoing risk. Stealth continues to take precautionary measures to help protect our business, customers, and staff. The company continues to monitor, assess, and provide updates on events relating to COVID-19 and any potential impact it might have on the business.

In closing, I would like to also thank our company Secretary, Jessamyn Lyons, and most importantly, our shareholders for their continuing patience and stalwart support. We have entered the 2022 financial year with a strong balance sheet, an expanded business from our acquisitions and a positive demand outlook across our businesses. We look forward to the Stealth business delivering returns to shareholders as it continues to deliver on its business strategy.

I will now hand over to Mike Arnold for his Managing Director's presentation.

Thank you.