



BOARD OF DIRECTORS

Chris Wharton AM
Chairman

Michael Arnold
Group Managing Director & CEO

John Groppoli
Non-Executive Director

Simon Poidevin
Non-Executive Director

ISSUED CAPITAL

117.0 million Ordinary Shares

PRINCIPAL OFFICE

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GROUP OPERATING BRANDS

- > Heatleys Safety, Industrial & Automotive
- > Force Technology International
- > United Supply Company
- > Trade Member Direct

WEBSITES

- > heatleys.com.au
- > forcetechnology.com.au
- > cltoolcentre.com.au
- > isgaus.com.au
- > unitedtools.com.au
- > toolspareparts.com.au

ASX: SGI

Stealth Secures Exclusive Distribution Agreements for CAT® Power Tools, Wesco Power Tools & Harden Tools for Australia and New Zealand.

Significant Momentum in Exclusive Brand Strategy.

Stealth Group Holdings Ltd (ASX: SGI), ('Stealth' or the 'Company') a leading Australian distributor of industrial, safety, automotive, workplace, and consumer products across business, wholesale, trade and retail markets, is pleased to announce a major advancement in its exclusive brand rights strategy.

The Company has successfully secured exclusive distribution rights in Australia and New Zealand for **CAT® Power Tools** and **Wesco Power Tools** through Positec, a global leading tool manufacturer, as well as for **Harden Hand Tools**.

These agreements, set for an initial five-year term for Wesco and Harden Hand Tools and a three-year term for CAT® Power Tools, grant Stealth exclusive selling rights for these renowned brands across all market channels.

This reinforces Stealth's strategic focus on **high-margin exclusive product offerings** and marks a significant milestone in its **FY28 growth plan**, further strengthening its position in the power and hand tool market.

If Stealth meets its contract arrangement targets by FY28 in sell-through, it is **expected to exceed its previous guidance** of \$30 million in exclusive, private-label, and own-brand sales of the Company's total revenue target of \$300 million.

Strategic Partnership with Global Manufacturing Leader – Positec

The exclusive distribution of CAT® Power Tools and Wesco Power Tools is backed by Positec, a globally recognised power tool manufacturer renowned for its extensive international presence, innovation, cutting-edge technology, and superior product quality.

As one of the world's leading tool manufacturers, Positec owns and distributes prominent brands such as Worx, Rockwell, Kress, and Xceed, while also manufacturing tools for other global brands.

Expanding Market Reach and Sales Growth.

The newly secured product ranges will be distributed through Stealth's extensive omni-channel network, which includes:

- Company-owned stores.
- Reseller stores in trade and retail, including network licensee member stores.
- B2B sales contact centres and field sales representatives.
- Online sales channels, including reseller marketplaces.

High-Margin Contribution & Profit Expansion

This exclusive product range, as previously announced by the Company, is expected to **drive substantial margin expansion**, with:

- Wholesale margins exceeding 40%.
- Retail sales margins increasing by 30%–50% when sold through Stealth-owned operations.

Market Leadership & Competitive Advantage

Stealth's tiered brand positioning strategy ensures a comprehensive product offering across distinct market segments. Utilising the 'Good, Better, Best' framework, a widely recognised approach in retail, marketing, and pricing strategies, including within the tools and hardware industry, the latest brand additions strengthen Stealth's everyday product offer.

The addition of CAT® Power Tools and Wesco Power Tools, complemented by existing industry leaders Milwaukee and Makita, expands Stealth's product range to deliver a well-rounded 'Good-Better-Best' selection. This strategic alignment enhances product differentiation, caters to diverse customer needs, and reinforces Stealth's competitive position as a dominant force in the Australian and New Zealand power and hand tool market.

Executive Commentary

Mike Arnold, Stealth Group Holdings Managing Director & CEO said: "This is a game-changing milestone for Stealth. Securing the exclusive distribution rights for these leading brands highlights our commitment to delivering high-quality products, greater value, and enhanced experiences to our customers, while strengthening our market position and accelerating our FY28 growth ambitions.

Annual contract purchasing commitments are set to increase year-on-year as we penetrate markets and channels. By the FY28 period, commitments across the three contracts, extrapolated into wholesale-level sales guidance based on projected sell-through, are expected to exceed \$30 million, with strong margin contributions above 40%, excluding additional margins from company-owned retail stores. These agreements will further enhance profitability and strengthen our position as a leading industrial products distributor.

Stealth will continue to execute its exclusive brand, own-brand, and private-label strategy, with these agreements marking a significant step toward achieving its FY28 revenue target of \$300 million."

For more details on CAT® Power Tools, Wesco Power Tools, and Harden Hand Tools, refer to the supplementary information section of this announcement.

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

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About the Stealth Group

Stealth Group Holdings is a leading Australian distribution company, providing a wide-range of industrial, safety, automotive, workplace and consumer products and solutions to businesses, trade-professionals and retail consumers through an omni-channel model incorporating a large sales force, contact centres, physical stores and online.

Stealth operates with two divisions, Industrial and Consumer, that collectively have over 200,000 products in-stock on sale in stores and distribution centres from hundreds of suppliers. In addition, it sources on customer demand, more than 300,000 non-stocked products from its suppliers.

The business also runs an innovative drop-shipping model whereby products are sent directly to customers by suppliers, enabling faster delivery times and reducing the need to hold inventory, allowing for a larger product range.

The large everyday product offer is complemented by an exclusive brand range and a private-label range which is sourced directly by Stealth from overseas suppliers.

Stealth also offers various services and solutions to business and trade customers including bespoke product ranges, design-manufacturing-procurement, inventory management, hire-rental services, and onsite solutions by a dedicated support team.

Stealth Group's registered office and principal place of business is Level 2, 43 Cedric Street, Stirling, Perth, Western Australia and is listed on the Australian Securities Exchange under the code SGI.

SUPPLEMENTARY INFORMATION

About Positec Group

Positec started in 1994 as an OEM manufacturer specialising in smaller cordless hand tools and garden products. Based in Suzhou, China, they have a US headquarters for their North American division in Charlotte, North Carolina. They started manufacturing the WORX brand in 2004. The following year, the company expanded its portfolio by acquiring the Rockwell Tools brand, establishing a presence in the North American market but have now expanded into more. The brand now manufactures: Wesco, CAT® (Power Tools – licensed), Kress, Rockwell, Worx and Ferrex & Gardenline (for ALDI). <https://global.positecgroup.com/>

CAT® Power Tools



Licensed by Positec Group. Stealth has secured an exclusive distribution agreement for CAT® Power Tools in Australia and New Zealand, effective 1 February 2025. CAT® is a globally recognised brand, with its power tools available in over 65 countries. Currently, CAT® Power Tools have a limited presence in the Australian market.

More Information: CAT® Power Tools Website: <https://au.catpowertools.com/news/who-makes-cat-power-tools/>

Wesco Power Tools



Manufactured by Positec Group. Stealth has secured an exclusive distribution agreement for Wesco Power Tools in Australia and New Zealand. Wesco offers a diverse range of power tools and outdoor power equipment, available in various regions worldwide, including North America, South America, Asia, Africa, Europe, and Oceania. Stealth reintroduces the brand to the Australian market after minimal presence since the closure of Masters Home Improvement in 2016—a joint venture between Woolworths and the U.S.-based hardware chain Lowe's.

More Information: Wesco Tools Website: <http://www.wesco-tools.com/front/index.html>

Harden Hand Tools



Stealth has been appointed the exclusive Australia, and New Zealand distributor for Harden Tools, providing a full-range of hand tools, tool sets, and accessories.

More Information: Harden Tools Website: <http://www.harden.cc/index.html>

Forward Looking Statements

Certain statements contained in this announcement are forward-looking statements or statements about future matters, including any indications of, and guidance or outlook on, the earnings, financial position and/or performance of Stealth Group Holdings. These statements involve known and unknown risks and uncertainties and other factors (many of which are beyond the control of Stealth Group Holdings) and involve significant elements of subjective judgement and assumptions as to future events (which may or may not be correct). No representation, warranty or assurance is given that the occurrence of any of the events expressed or implied in these statements will occur or that actual outcomes will not differ materially from the outcomes expressed or implied in these statements.

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