



STEALTH GROUP
HOLDINGS LTD
An Australian Distribution Company

ASX:SGL

Acquisition Presentation Briefing

Thursday June 6, 2024

Acquisition Presentation to Investors

Disclaimer

This document has been prepared by Stealth Group Holdings Ltd (the Company) and is provided for information purposes only. This document does not constitute an offer, invitation, solicitation or recommendation with respect to the purchase or sale of any security in the Company nor does it constitute financial product advice. This document is not a prospectus, product disclosure statement or other offer document under Australian law or under any other law. This document has not been filed, registered or approved by regulatory authorities in any Jurisdiction. By reading this document you agree to be bound by the limitations set out in this document.

This document and the information contained within it is strictly confidential and is intended for the exclusive benefit of the persons to whom it is given. It may not be reproduced, disseminated, quoted or referred to, in whole or in part, without the express written consent of the Company. By receiving this document, you agree to keep the information confidential, not to disclose any of the information contained in this document to any other person and not to copy, use, publish, record or reproduce the information in this document without the prior written consent of the Company, which may be withheld in its absolute discretion.

The information contained in this document is not intended to be relied upon as advice or a recommendation to investors and does not consider the investment objectives, financial situation, taxation situation or needs of any investor. An investor must not act based on any matter contained in this document but must make its own assessment of the Company and conduct its own investigations and analysis. Investors should assess their own individual financial circumstances and consider talking to a financial adviser, professional adviser or consultant before making any investment decision.

Statements and information in this document are current only as at 05 June 2024 and the information in this document remains subject to change without notice. The information contained in this document is for information purposes only and is an overview and does not contain all information necessary to make an investment decision or that would be required in a prospectus or product disclosure statement prepared in accordance with the requirements of the "Corporations Act 2001 (Cth)" (Corporations Act). The information contained in this document is of a general nature and does not purport to be complete or verified by the Company, or any other person. The Company has no responsibility or obligation to inform you of any matter arising or coming to their notice, after the date of this document, which may affect any matter referred to in this document.

While reasonable care has been taken in relation to the preparation of this document, none of the Company, or their respective directors, officers, employees, contractors, agents, or advisers nor any other person (Limited Party) guarantees or makes any representations or warranties, express or implied, as to or takes responsibility for, the accuracy, reliability, completeness or fairness of the information, opinions, forecasts, reports, estimates and conclusions contained in this document. No Limited Party represents or warrants that this document is complete or that it contains all information about the Company that a prospective investor or purchaser may require in evaluating a possible investment in the Company or acquisition of shares in the Company. To the maximum extent permitted by law, each Limited Party expressly disclaims any and all liability, including, without limitation, any liability arising out of fault or negligence, for any loss arising from the use of or reliance on information contained in this document including representations or warranties or in relation to the accuracy or completeness of the information, statements,

opinions, forecasts, reports or other matters, express or implied, contained in, arising out of or derived from, or for omissions from, this document including, without limitation, any financial information, any estimates or projections and any other financial information derived therefrom.

Certain statements in this document constitute forward looking statements and comments about future events, including the Company's expectations about the performance of its businesses. Such forward looking statements involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, and which may cause actual results, performance or achievements to differ materially from those expressed or implied by such statements. Forward looking statements are provided as a general guide only and should not be relied on as an indication or guarantee of future performance. Given these uncertainties, recipients are cautioned to not place undue reliance on any forward-looking statement. Subject to any continuing obligations under applicable law the Company disclaims any obligation or undertaking to disseminate any updates or revisions to any forward-looking statements in this document to reflect any change in expectations in relation to any forward-looking statements or any change in events, conditions or circumstances on which any such statement is based.

Past performance is not indicative of future performance and no guarantee of future returns is implied or given. Nothing contained in this document, nor any information made available to you is, or shall be relied upon as, a promise, representation, warranty or guarantee as to the past, present or the future performance of the Company. No Limited Party or any other person makes any representation or gives any assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this document will occur.


This document is only being provided to persons who are the holders of an Australian financial services license and their representatives, sophisticated investors (in accordance with section 708(8) of the "Corporations Act" and professional investors (in accordance with section 708(11) of the Corporations Act) or to such other persons whom it would otherwise be lawful to distribute it.



ASX CODE : SGI | ABN 25 615 518 020

Table of Contents

Introduction	5
Acquisition overview of Force Technology International	12
Pro forma Financial Overview	24
A Powerful Combination	26
Outlook	30



The advertisement features a woman in a black sports bra and leggings, smiling while looking at her smartphone. In the top left corner is the EFM logo, and in the top right corner is the D30 logo. The text 'Slim but tough device protection.' is prominently displayed in the lower half of the image. Below the text, two smartphone cases are shown: one in a clear color and one in a black color. At the bottom of the advertisement, there is a small block of text describing the product's features.

EFM

D30

**Slim but tough
device protection.**

EFM® Aspen is the ultra-sleek, ultra-protective case solution that performs even in extreme conditions.
By utilizing D30® - the revolutionary impact protection material globally recognized for its innovative and superior impact resistance qualities - and state of the art manufacturing techniques, EFM Aspen Case Armour outperforms even the market leading competitors.



An Australian Distribution Company

Visit us at www.stealthgi.com

Overview

Stealth Group Holdings, is an Australian conglomerate headquartered in Perth, Western Australia. It operates through a diversified portfolio in Australia spanning multiple sectors including industrial, retail and trade industries.

With revenue of \$159.0 million pro forma 2024 financial year (Stealth + Force), the company's organisational structure is designed to support its diverse operations, facilitate effective management, and ensure strategic alignment across its business units.

Our Vision

is to be Australia's #1 market-leading alternative to the majors for Industrial and consumer accessory products and solutions.

Our Objective

is to provide supplies and solutions for every workplace, and for every person.

Introduction

Mobile accessories are needed everywhere

Key Messages

- ✓ Stealth to acquire Force Technology, a leading wholesale distributor sales and marketing solutions provider in the large and growing mobile accessories space.
- ✓ Diversified conglomerate strategy
- ✓ Adjacencies offering improvement to revenue, margin, and profit.
- ✓ Adds significant firepower and differentiated offer.
- ✓ Force products to be ranged across all Stealth's business & trade offering

Force retail retailer infrastructure

Key messages

Every Workplace
needs mobile
accessories

Immediate expansion
strong pipeline of
growth opportunities

Immediately value-
accretive

Transaction Summary

Reaching customers everywhere

Transaction	<ul style="list-style-type: none"> Stealth to acquire 100% of the shares in Force for approximately \$9.5 million. Implied multiple of <4x EV/EBITDA for FY24f and FY23a, before transaction costs. Additional one-off outperformance cash incentive if specific profit targets are exceeded in FY26.
Funding	<ul style="list-style-type: none"> Force shareholders will receive 14,444,903 new ordinary shares in the capital of Stealth equal to \$3.5 million; and The existing working capital finance facilities of Force held with the Commonwealth Bank amounting to approximately \$6.0 million on completion, will be assumed by Stealth as part of the consideration.
Financial Impact	<ul style="list-style-type: none"> FY24f Stealth + Force pro forma Revenue ~ \$159 million, and EBITDA of \$8.5 million, before transaction costs. EPS Accretive: ~ 43% FY24f before transaction costs. ~26% in FY25f, pre-synergies and before new revenue contribution.
Balance Sheet	<ul style="list-style-type: none"> 1.3x (\$11.2 million net debt / FY24 pro forma EBITDA), reducing to 1.1x by 30 June 2025, pre-synergies.
Synergies	<ul style="list-style-type: none"> Identified cost synergies of ~\$1.2 million per annum, with full benefits by the second year after the acquisition; and New margin profit dollars of ~\$2.3 million from Force products through cross-selling and new brands, with full benefit by the second year.

Effective Date: 1 June 2024. Completion expected before 14 June 2024.

Post Completion...Consolidated Key Numbers

Serving Customers of all types and sizes in Business, Trade and Retail



We are a stronger, more agile company today than we've ever been, and **well-positioned to capitalise** on the **growth opportunities** in our market.

A Powerful Combination

Well-placed portfolio of businesses with exposure to growth



Differentiator

An Industry leader built on a strong platform

Offers focused on products for every workplace and for every person

Manufacturing capabilities supporting brand expansion, own label and private label

Consumer division providing exposure to new sectors and channels

Significant opportunities to grow market share

Underpinned by a large distribution network to business, trade and retail

Business Units

Serving Business, Trade, Commercial, Retail

Industrials



Consumer

Where does Force fit?



This structure supports Stealth's diverse operations and facilitates, efficient management of individual business functions, and working together cohesively with shared infrastructure.

Our distribution go to market

We serve customers of all types and sizes in business, trade and retail

Brands / Suppliers

Division	Suppliers & Manufacturers
Wholesale	<ul style="list-style-type: none">• Distributed Brands• Exclusive Brands• Own-label• Private-Label

Go-to-Market Channels

Division	Customer Types / Channels
Industrials	<ul style="list-style-type: none">• Business• Trade• Commercial• Pro
Consumer	<ul style="list-style-type: none">• Retail Resellers• Instore• Online Marketplaces• Other Resellers

Overview of Force Technology



The Mobile Accessories Market

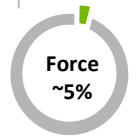
Large and Growing Opportunity

Global Market

- Mobile accessories market size globally in 2022 is USD 80.1 billion
- 2032 value projection: USD 154.3 Billion
- Growth drivers
 - Advancements in mobile technology such as processing power and user interface
 - Increasing smartphone adoption
 - Rising awareness of device protection
 - Growing digital content consumption
- Desktop vs Mobile vs Tablet Market Share
 - 59.9% mobile, 37.9% Desktop, 2.2% Tablet

Australian Market

- Wholesale Mobile accessories market size in 2022 is \$1.0 billion
- Retail market size 2022 is more than \$2.2 billion
- Australia key stats
 - 123% of population with mobile phone subscriptions
 - 31.9m is the number of mobile connections
 - 23.6m is the number of smartphone mobile users
 - Main carriers: Telstra, Optus, and Vodafone
 - Retail market share of mobile handset services
 - 44% Telstra, 31% Optus, 17% Vodafone
- Desktop vs Mobile vs Tablet Market Share
 - 42% mobile, 53% Desktop, 4.2% Tablet



Source: Global Market Insights, Statista March 2024.

About Force

Acquisition of Force Technology International

.....

Revenue FY24f

\$44.0M

Retail Reseller Store Outlets

~3,310

Normalised EBITDA FY24f

\$2.5m

Team Members

44

Founded

1992

Normalised EBITDA before transaction costs.

Force, is a market-leading wholesale distributor and solutions provider in the large and growing mobile accessories market. Force has a proven track record of delivering innovative solutions that enhance the mobile experience for consumers. Its product range includes own-label, private-label, exclusive brand distribution, and brand distribution, and is distributed to some 3,310 retail stores in Australia.

Force has an established reputation for delivering high-quality products and solutions with a strong market presence, holding approximately 5% of the market in a \$1 billion wholesale market.

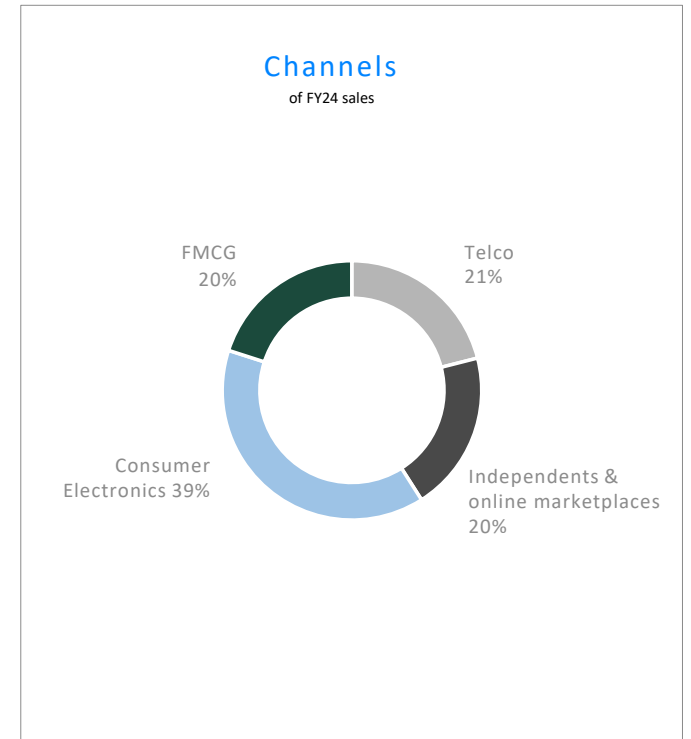
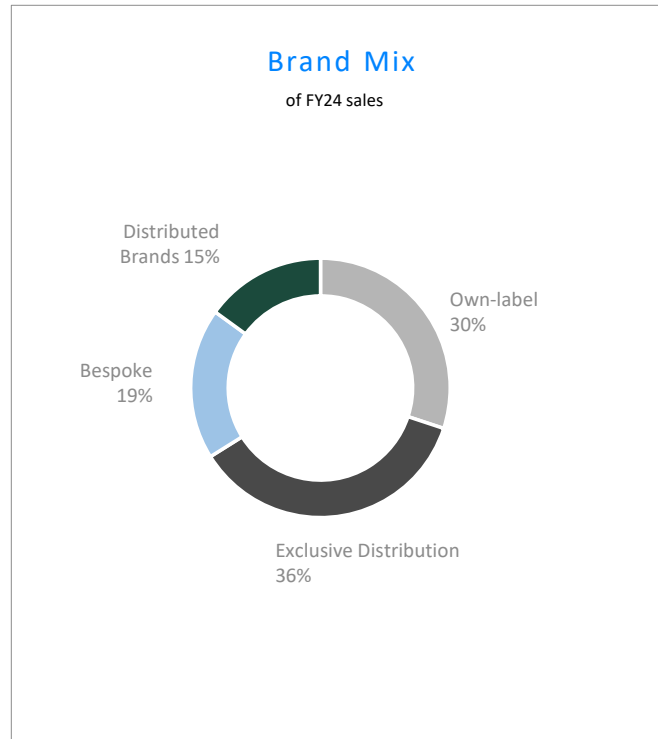
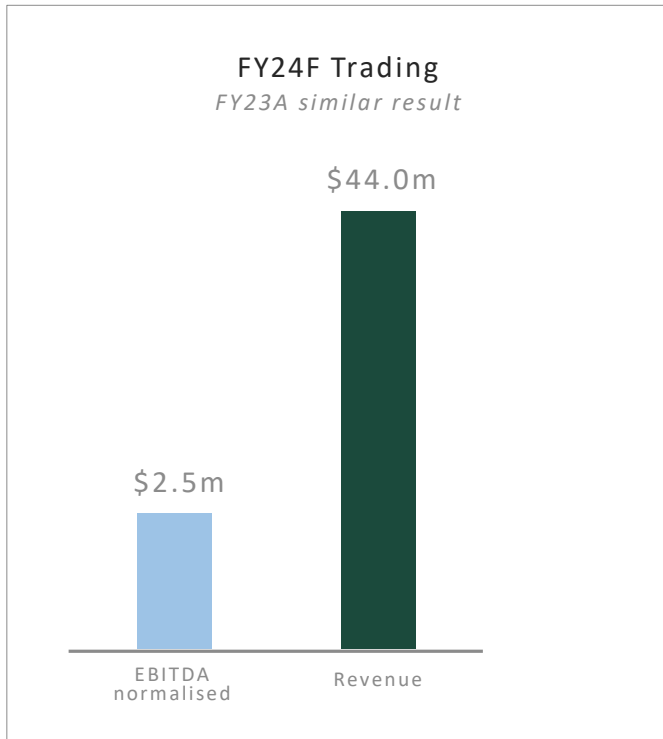


www.forcetechnology.com.au



Trading / Brand / Sales Channel Mix

driving performance by a well-balanced distribution portfolio



Customer / Channels

Sample of key reseller channel partners.

Telco	Independents	FMCG/Convenience	Consumer Electronics	Online
  	  	  	   	  

Products ranged in more than **3310 reseller stores**

Brand Product Distribution

www.forcetechnology.com.au

Own label brand



Exclusive distribution



Distributed Brands



LIFEPROOF

BELKIN.

CASE·MATE



Bespoke



Market leading brands

.....



Consumer Accessory Products

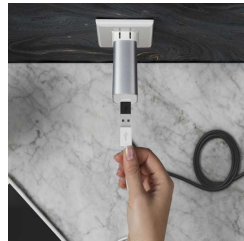
It's an everyday necessity at home, for lifestyle and in every workplace



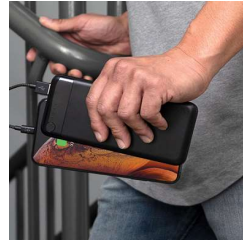
CASES



POWER BANK



WALL CHARGER



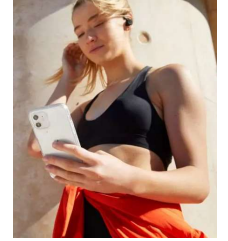
WIRELESS CHARGING



TECHNOLOGY USB HUBS / ADAPTORS



SCREEN GUARDS



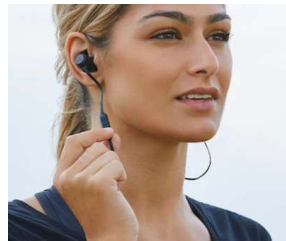
LIFESTYLE



AUTOMOTIVE



CHARGING CABLE



HEADPHONE



AUDIO



POWER



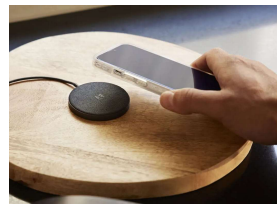
SPEAKER



POPSOCKETS



SUPPORT



WIRELESS



LENS PROTECTION



CASE PROTECTION

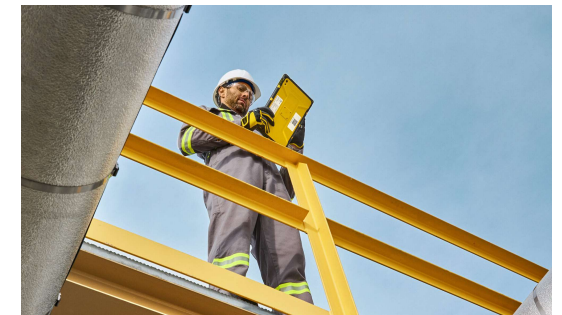
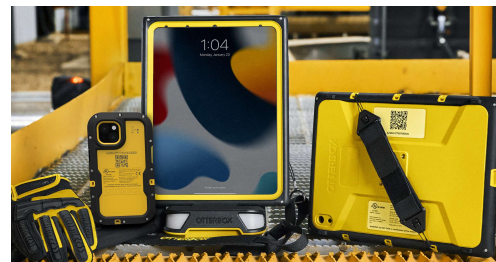
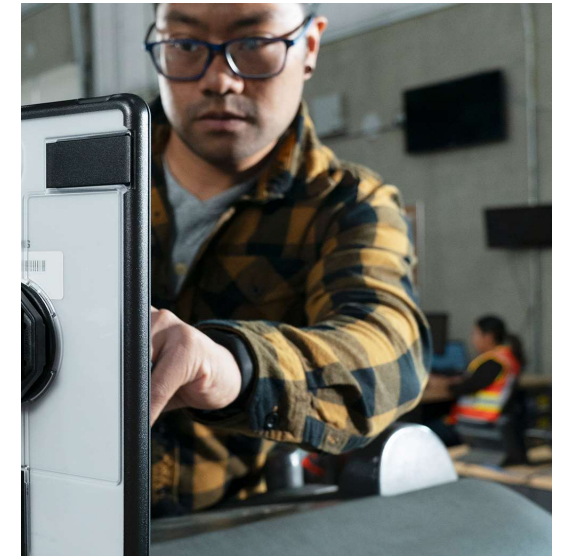
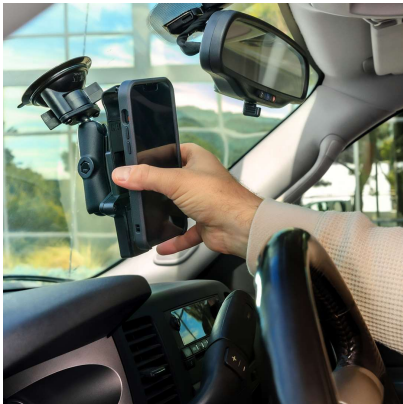


POWER



POWER

Opportunities within every workplace



Opportunities for Education, Outdoor, Automotive, Office



Workplace

TABLET CASES



Wireless



Every Workplace needs mobile accessories



Pro forma Financial Performance



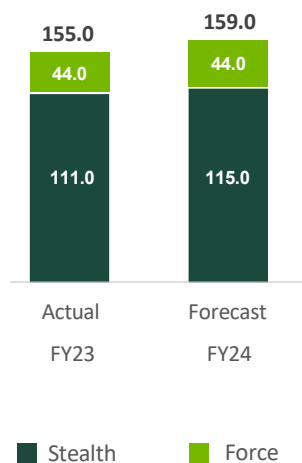
STEALTHGROUP
HOLDINGS LTD

Financial Overview

Force Extends Growth, Large Upgrade Opportunity

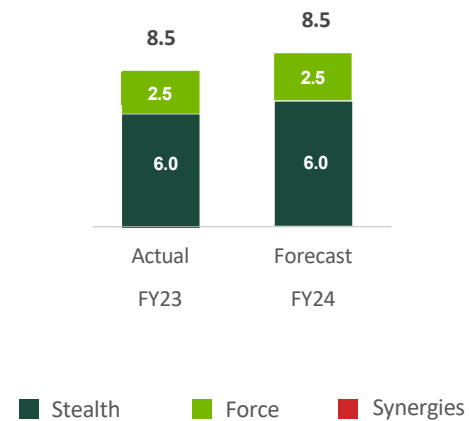
Pro-forma Combined Revenue (\$m)

From continuous operations



Pro-forma Combined EBITDA (\$m)

From continuous operations



A Powerful Combination

“continue new trajectory”



STEALTHGROUP
HOLDINGS LTD

Stealth Group, a Trusted Brand in Distribution

Pro forma Stealth and Force together

~\$159M

FY24f Proforma Revenue

~\$8.5M

FY24f Proforma Adjusted EBITDA

61+

Stores: Company-owned and Independent operators

3,310+

Retail Reseller Store Outlets



Customers

Business, Trade, Retail

Synergies

\$1.2m cost synergies, \$2.3m profit synergies, to be fully achieved in second year

~90%

Of products we sell are non-discretionary items

250+

Purpose driven team

FY24f Proforma is a full-year forecast of the combined businesses of Stealth and Force.

Infrastructure and Distribution Network

An Australian Industrial Distribution Company

14

Store Locations
Company-owned

47

Store Locations
Independent Members

3,310

Store Outlets
Retail Resellers

6

Distribution Centres



Growth Benefits from the Acquisition

Market expansion

- Retail Stores: Stealth will introduce its products into Force's customer base to access the ~3,310 retail stores, broadening its market footprint.
- Business and Trade channels: With Stealth's approximately 8,000 accounts in Business and Trade, Force can significantly increase its market share.

Product Expansion

- Exclusive Brand Distribution: Exclusive brand partnerships to offer unique products to customers.
- Own-Label Products: Introduction of Force's own-label products into Stealth's distribution network.
- Private-Label Offerings: Expansion of private-label products across both companies' retail, business, and trade channels.

Synergies

- Operational Synergies: Combining operations delivers significant supply chain depth, cost savings, and improved operational efficiency.
- Sales and Marketing: Joint sales and marketing strategies will deliver margin lift, enhance brand visibility and customer engagement.

Customer Experience

- Expanded Product Line: A broader range of products to meet diverse customer needs in high margin generating areas.
 - Improved Distribution Capabilities: Faster and more reliable product availability through enhanced logistics.
 - Solution-Driven Experience: Focus on providing more value and innovative solutions to customers.
-

Outlook



STEALTH GROUP
HOLDINGS LTD

Market segment

Expanding horizontally and vertically



Growth cross-selling

Reaching customers everywhere



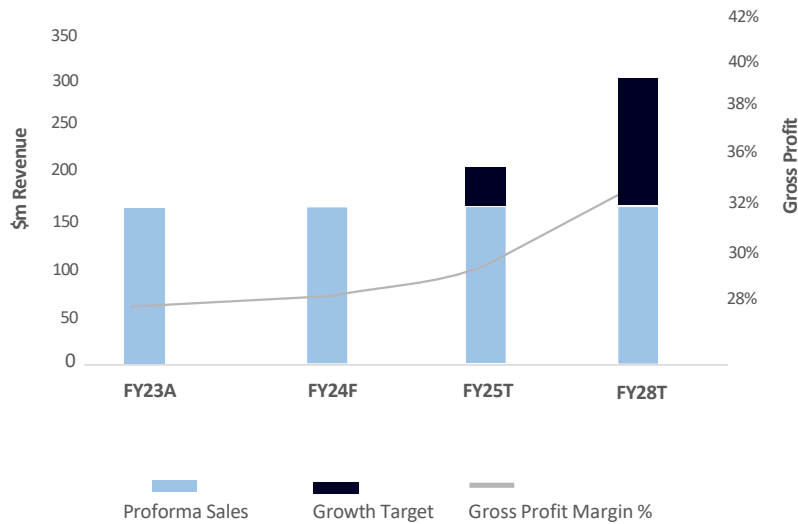
Key Growth Opportunities

Short-term Growth Outlook

Our strategy is moving into high gear

Significant firepower to increase sales, margin, profit and differentiated offer.

PRO FORMA (Stealth + Force) Revenue and Gross Profit Profile



† Management Target
‡ Forecast

Key Growth Opportunities / Focus Areas

Key Pivots	Growth across all operating divisions
	Cross-sell opportunities
	Cash flow growing, reduced fixed debt, inaugural dividend for FY24
Types of revenue synergies	Cross-sell opportunities
	Business and Trade ecosystem
	More range in retail reseller stores
Margin Growth	Cross-sell and Upsell
	Synergies, leverage scale, supply chain optimisation
	Technology and Automation
Market leadership using Multi-asset portfolio	Expand multi-asset portfolio
	Leverage scale, volume, strength in asset base
	Teamwork - cross-team collaboration
Deepen stakeholder relationships.	Exclusive brand distribution,
	Supply chain innovation
	Supply chain workflows and integration
Adjacencies	New charge-through model from member distribution platform
	Enhanced and new products
	Introduction of Hire services