



STEALTH GROUP
HOLDINGS LTD

ASX : SGI

An Australian Distribution Company

Acquisition of Force Technology International

A market-leading wholesale distributor of Consumer Mobile Accessory Products



Friday June 7, 2024

Presentation by: Mike Arnold

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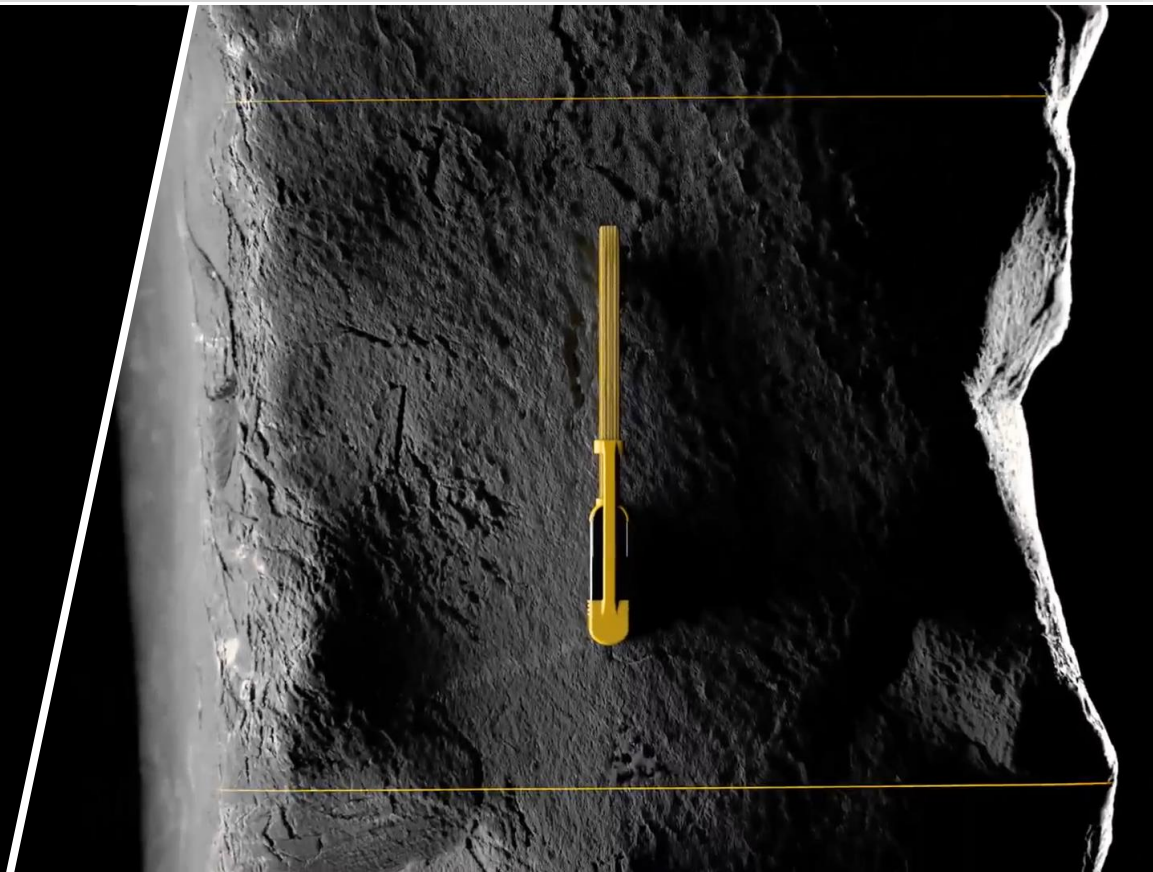
In brief, *What I will cover today...*

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- 01 Stealth Group Overview
 - 02 Recent major acquisition announcement ...Force Technology
 - 03 About the Force Business
 - 05 Strategic Rationale and Alignment
 - 05 Pro forma Financial Overview
 - 06 Strategy and Growth.
 - 07 2024 Guidance
 - 08 Shareholder returns.
-



OPENING REMARKS

01



An Australian Distribution Company



About Stealth

- ▶ Founded in 2014, listed in 2018, Stealth is an Australian conglomerate headquartered in Perth, Western Australia.
 - ▶ We operate a diversified portfolio in Australia spanning multiple sectors including industrial, retail and trade industries.
 - ▶ The company's organisational structure is designed to support its diverse operations, facilitate effective management, and ensure strategic alignment across its business units.
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- ▶ Stealth has made significant strategic pivots in the past 5.5 years that have led to exceptional growth performance.
 - ▶ On 1 June 2024, Stealth acquired Force Technology International for \$9.5m, a market-leading distributor of mobile accessories.
 - ▶ FY24 forecast pro forma Revenue \$159.0 million, EBITDA \$8.5 million before transaction costs, including new acquisition.

Visit us at www.stealthgi.com

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.

Key Message about the Force acquisition

In brief

- Plug-and-Play fit.
- Aligns with Stealth's strategy: higher-margin, capital-light, cash-generative.
- Diversified product ranges featuring own-label, private-label and exclusive brands.
- Australia-wide distribution network.
- Significant firepower to grow.
- Mobile accessories have an everyday essential need...In the home, for lifestyle and in every workplace.

Strategic Rationale

Acquisition criteria since IPO in October 2018

Good strategic fit

Sound acquisition economics

Strong cultural fit

Criteria fit

Acquisitions	Date	Sustainable Revenue and Profit	Products & Services	Product extensions & adjacencies	Store Footprint & Geographic opportunities	Operational efficiencies	Diversified customers and markets
Heatleys Safety & Industrial	Oct 18	✓	✓	✓	✓	✓	✓
Industrial Supply Group	May 19	✓	✓	✓	✓	✓	✓
Protect-a-load (Brand)	June 19	✓	✓	✓	✓	✓	✓
C&L Tool Centre	Dec 20	✓	✓	✓	✓	✓	✓
Skipper Transport Parts	Aug 21	✓	✓	✓	✓	✓	✓
United Tools	Mar 22	✓	✓	✓	✓	✓	✓
Force Technology	June 24	✓	✓	✓	✓	✓	✓

Transaction Summary

Acquisition of Force Technology International

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. <i>(refer to ASX release 5 June)</i>
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; andThe existing working capital finance facilities of Force held with the Commonwealth Bank of ~\$6.0 million, will be assumed by Stealth as part of the consideration.
Financial Impact	<ul style="list-style-type: none">EPS Accretive: ~ 43% FY24f, before transaction costs. ~26% in FY25f, pre-synergies and 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; andNew profit of ~\$2.3 million through cross-selling and new brands, with full benefit by the second year.

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

We are a much larger Company

We are a stronger than we've ever been, well-positioned to capitalise on the growth opportunities.

Key Numbers

Revenue FY24f

\$159.0m

Normalised EBITDA¹ FY24f

\$8.5m

Of products we sell are
Non-discretionary items

>90%

Team Members

~250

Industrial Stores²
Australia-wide

61



Retail Reseller Stores³
Australia-wide

>3,310



1. Normalised EBITDA before transaction costs.
2. Industrial stores combine the assets of Company-owned stores and Independent Retailers that form part of Stealth's national distribution network.
3. Retail reseller stores sell Consumer accessory products to end-consumers through multiple verticals including; FMCG, Consumer Electrical, Telco, Convenience, Service Stations, Repair Shops, Pharmacy and Online marketplaces.

- Reaching customers everywhere.
- Customers of all types and sizes.
- In Business, Trade and Retail.
- Next level strategy

Overview of Force Technology

02



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HIGHLIGHTS

Headquarters	Perth, Western Australia.
Founded 1992	32-year business under same ownership.
Sales & Profit	\$44 million of revenue, c.\$2.5m EBITDA before transaction costs. It is cash generating.
Business Model	Wholesale distribution: designs, manufactures, markets and sells mobile business and consumer lifestyle accessories.
Market Size	Large, growing +\$1.0 billion addressable wholesale market holding. \$2.2b retail addressable market.
Product Portfolio	Range of exclusive products, own label, private label and non-exclusive products. <i>Phone & Tablet Cases, Screen Protectors, Lens Protection, Power, Audio, Automotive, Data & Charger cables, Wireless, Accessories.</i>
Solutions	Manufacturing of Private label products.
New Channels	Education, Construction, Manufacturing, Energy, Government, Healthcare, Transportation.

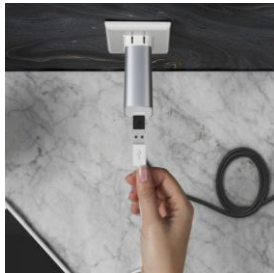
Consumer Accessory Products



CASES



POWER BANK



WALL CHARGER



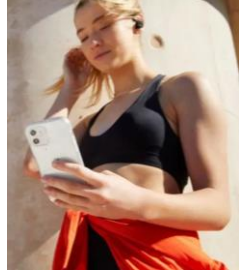
WIRELESS CHARGING



TECHNOLOGY USB HUBS / ADAPTORS



SCREEN GUARDS



LIFESTYLE



AUTOMOTIVE



CHARGING CABLE



HEADPHONE



AUDIO



POWER



SPEAKER



POPSOCKETS



SUPPORT



WIRELESS



LENS PROTECTION



CASE PROTECTION



POWER



POWER

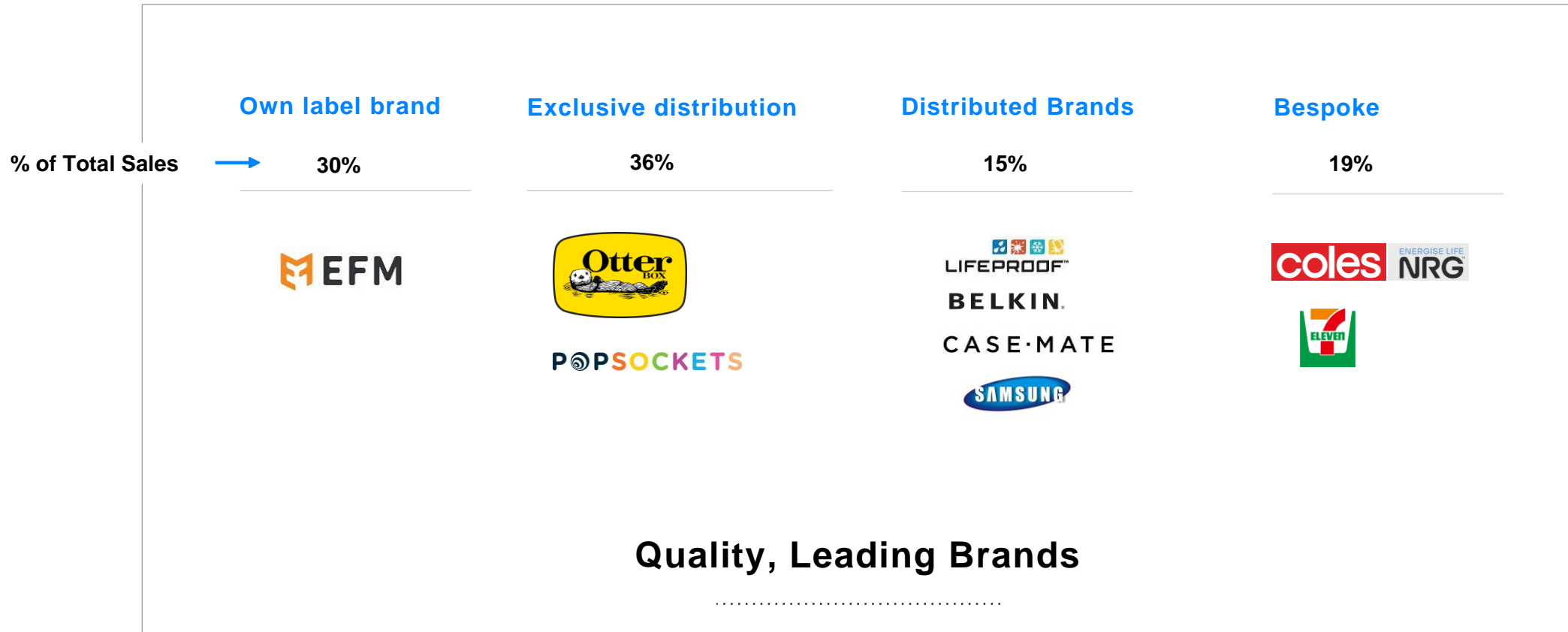
Customer / Channels

Sample of key reseller channel partners.

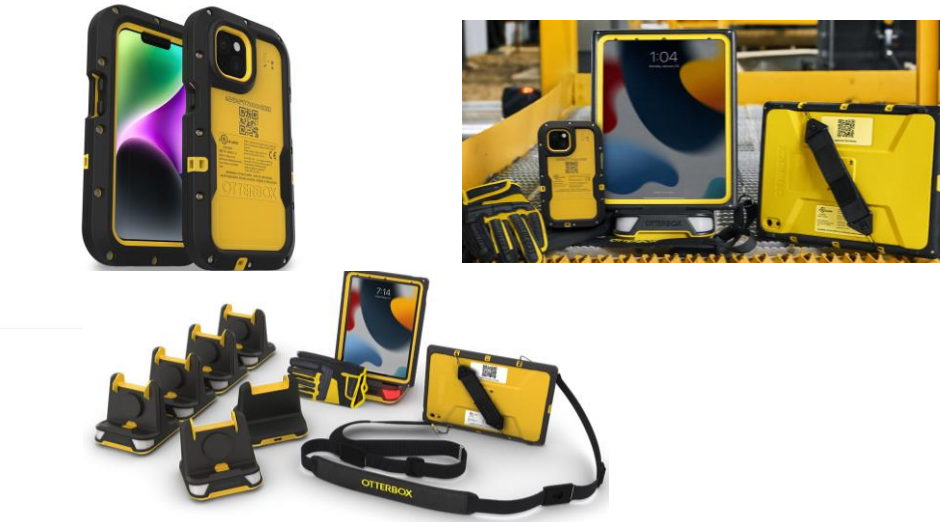


Brand Product Distribution

driving performance by a well-balanced distribution portfolio



Expansion opportunities within every workplace



Key Messages

In brief

- Plug-and-Play fit.
- Aligns with Stealth's strategy: higher-margin, capital-light, cash-generative.
- Diversified product ranges featuring own-label, private-label and exclusive brands.
- Australia-wide distribution network.
- Significant firepower to grow.
- Mobile accessories have an everyday essential need...In the home, for lifestyle and in every workplace.

“Strategic alignment is growth-enhancing”

Financial Guidance FY24

We will exceed our FY23 results

In brief

	Growth FY24 v FY23
Year-on-Year Sales Growth	↑ +2% to +5% range
Gross Profit as a % of sales	↑ 29% to 31% range
EBITDA, NPBT and NPAT	↑ Up +25%
Earnings per share growth (excluding Force acquisition)	↑ Up +25%
Capital expenditures	↑ Up \$0.2m-\$0.3m

Source: results based on trading results for the 10 months ending 30 April 2024 and forecast for May and June 2024



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