

Quarterly update: Jun 2025

STEALTH GROUP LIMITED (SGI.AX)

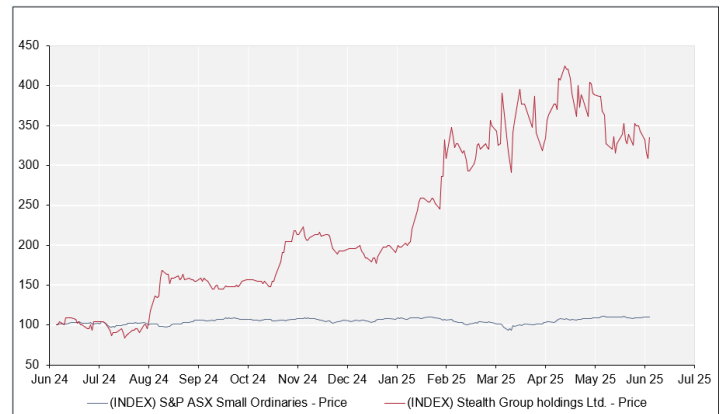
Share price, announcements and MST Access research

Share price (A\$)



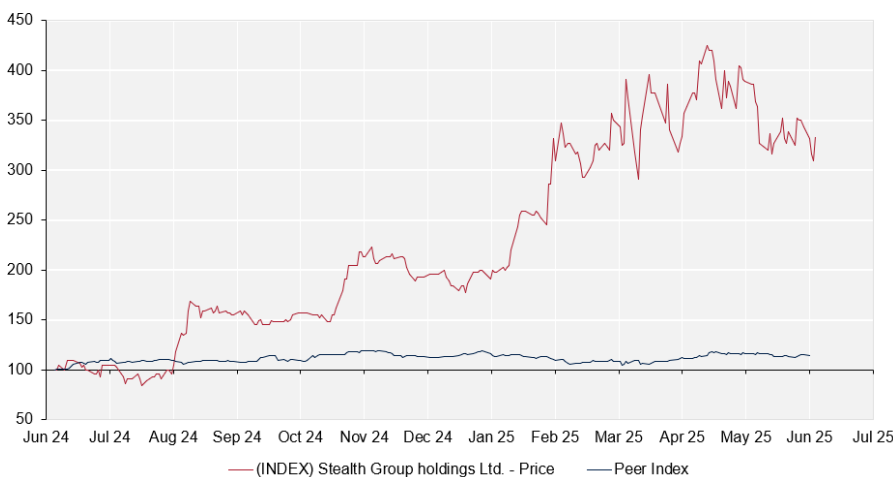
Source: FactSet, MST Access

SGI and ASX small ords index (A\$)



Source: FactSet, MST Access

SGI and peers (A\$)



Source: FactSet, MST Access; Peers include Wesfarmers (WES-ASX), Genuine Parts (GPC-USA), Metcash (MTS-ASX), Bapcor (BAP-ASX), MAXIParts (MXI-ASX), Coventry Group (CYG-ASX), Grainger (GWW-USA), MSA Safety (MSA-USA), Bunzl (BNZL-LON), Supply Network (SNL-ASX), Speedy Hire (SDY-LON).

Latest report (Jun 2025)



SGI ASX announcements

- 19 May 2025 Change of Company Secretary and CFO
- 22 Apr 2025 Stealth completes Successful Capital Raising
- 16 Apr 2025 Trading Halt
- 3 Apr 2025 Stealth launches new consumer brand RIVO
- 27 Feb 2025 Stealth secures exclusive distribution agreements
- 25 Feb 2025 1H FY25 briefing presentation

MST Access research

- 17 Jun 2025 Analysis highlights margin upside
- 17 Jun 2025 Cap raise supports growth initiatives (Sandstone)
- 24 Apr 2025 Cap raise supports growth initiatives
- 13 Mar 2025 Strong margins prove up leverage

Industry themes

- Wesfarmers (in its Industrial and Safety division) and Metcash (in Total Tools) have both referred to difficult trading conditions in releases in the last 6 weeks.
 - MetCASH in particular called out how weak Victoria is – much worse than the difference the unemployment rate would indicate.
- WA has the lowest unemployment rate of all the States

Share trading and liquidity

- Stealth's average daily turnover volume (ADTV) declined over the quarter when compared with the 12-month and the 24-month average.

Capital raisings and M&A activity

- Capital raisings have picked up towards the end of the quarter following the rebound in the equity market (Virgin IPO)
- M&A was also more buoyant (ADNOC's bid for Santos, Xero's acquisition of Melio, WiseTech's acquisition of e2open.
- Interest in undervalued small and mid-caps from off-shore strategic buyers is strong (Dollarama's acquisition of The Reject Shop at 112% premium).

Investor themes

- Markets recovered strongly from their lows in early April as initial concerns about tariffs eased.
- NASDAQ is now trading above its Feb peak (after falling 24% through to mid-April). The markets appear to be trading on the TACO thesis (Trump always chicken's out) and ignoring the continuing whipsawing White House policy announcements.
- The Aussie equity market is trading on close to record high earnings multiples (excluding COVID) as share prices continue to increase while earnings forecasts soften.
- The initial concerns about DeepSeek have faded with Western governments and enterprises banning the use of DeepSeek – nVidia is now trading at a 5% premium to its Jan peak.

Macro issues

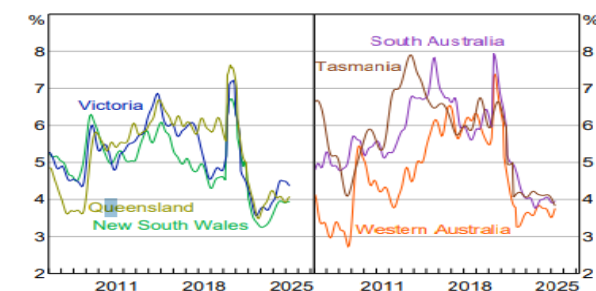
Australian rates outlook and business and consumer conditions

- The expected 0.25% cut in rates by the RBA occurred on 20 May. MST expectations are for a further 4 rate cuts this year (market is expecting 3).
- Moderately positive consumer sentiment contrasts with weakening business conditions:
 - housing activity remains mixed;
 - retail spending continues its positive trend;
 - NAB Business Conditions index is declining.

Global issues

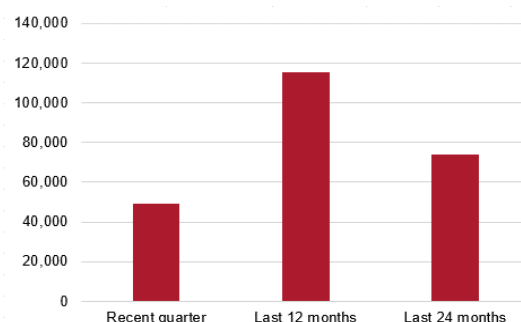
- Risks of stagflation in the US remains with signs of slowing growth while FOMC expects inflation to rise.
- The removal of the "Revenge tax" from Trump's tax bill ("OBBA") is positive for Australian companies and investors. However, as seen with Canada, tariff threats remain.

Unemployment by State (Trend)



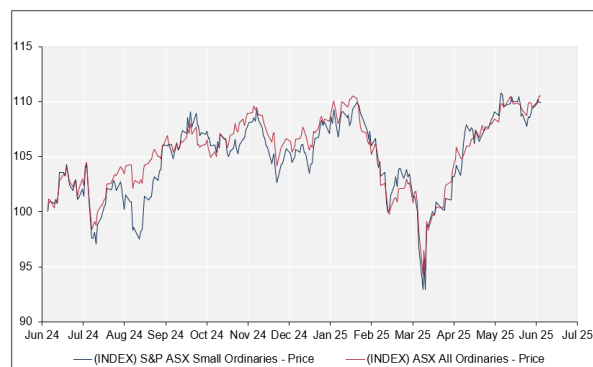
Source: RBA

SGL: average daily turnover (# of shares)

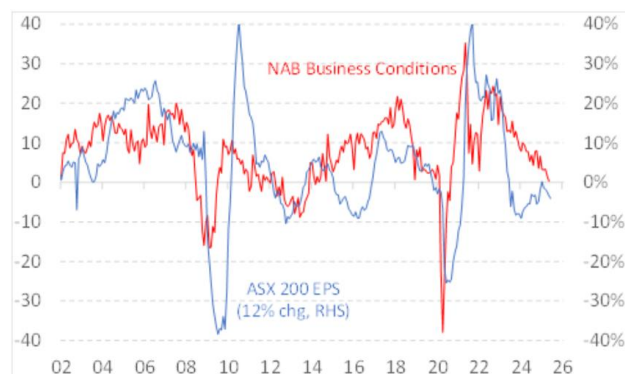


Source: FactSet

ASX small ords and ASX all ords (A\$)



NAB Business conditions vs ASX 200 12m fwd EPS



Source: MST Marquee: MST Strategy Monitor