



ASX: SGI

Stealth delivers significant financial performance in 1H25.

Well-positioned in a period of significant momentum.

2025 Half-Year Results.

Half-year ended 31 December (\$m)	1H25	1H24	Variance %
Sales	73.54	56.50	30.2
Revenue	71.47	56.50	26.5
EBITDA	4.97	2.79	78.1
EBIT	3.29	1.38	138.4
Net profit after tax	1.58	0.45	249.2 ¹
Basic earnings per share (cps)	1.36	0.45	202.2
Operating cash flows	2.83	2.92	(3.1)
Closing cash balance	10.40	8.83	17.8
Return on Capital Employed (%)	18.75	12.16	54.2

¹ Variance percentages have been calculated using the actual whole figures without any rounding adjustments.

Overview

Stealth Group Holdings Ltd (ASX: SGI), ('Stealth' or the 'Company') a leading Australian distributor of industrial, safety, automotive, workplace, and consumer products to business, wholesale, trade and retail markets, today released its Appendix 4D, Half-Year report, and Results presentation for the period ended 31 December 2024.

Overall, the Company continues to go from strength to strength, delivering record financial growth performance and gaining significant momentum in its strategy to build Australia's market-leading alternative to the major industry players.

2025 Half-Year Financial Highlights.

Record-Breaking Performance: Revenue, EBITDA, and Net Profit Soar.

- **Revenue increased** 26.5% to \$71.47m, driven by growth in both repeat and new customers, higher average order values, and contributions from Force Technology (acquired in June 2024).
- **Strong cost control** reduced cost of doing business from 24.4% to 22.5% of revenue.
- **EBITDA rose** by 78.1% to \$4.97m, achieving a 7.0% margin for the first time. Notably, a 14.6% EBITDA margin was achieved on \$14.97m incremental revenue, highlighting the scalability of our cost base.
- **NPAT surged** 249.2% to \$1.58m, delivering an NPAT margin of 2.2%, up from 0.8%.
- **EPS high growth:** Statutory Earnings Per Share (EPS) increased by 202.2%.
- **Disciplined capital management:** the cash balance increased by 17.8% to \$10.40m.
- **Debt reduction milestone:** final fixed debt payment of \$1.02m was made in Aug 24.
- **A fully franked dividend** for FY24 was declared and paid, totaling \$0.97m.

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

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Stealth Group Managing Director & CEO, Mike Arnold, said "Stealth delivered record results highlighting the strength of our operating model and diverse portfolio, despite ongoing economic challenges. We focused on adding more value and improving customer experiences, implemented productivity and rightsizing measures to drive operational efficiency, and established a two-division structure that is performing well. Both divisions are demonstrating strong value propositions that are resonating with customers and suppliers.

Stealth is well-positioned in a period of significant momentum and is gaining market share. Our performance highlights the resilience of our diversified everyday products offer. Overall, the company continues to go from strength to strength."

Additional 2025 Half-Year Achievements.

- **Record Sales:** Pre-rebate sales increased 30.2% to \$73.54 million.
- **Customer Value:** Average order value per active customer increased 24.7%, with like-for-like Industrial sales growing 8.8% on a pcp basis.
- **Operational Efficiency:** Average order value per employee rose 33.6%, driven by scale, efficiency gains, and targeted systems investments.
- **Customer Loyalty:** Over 95% of orders now come from repeat customers.
- **Strategic Integration:** Force Technology, acquired in June 2024, has been successfully integrated to form a new Consumer division.
- **Market Share:** The Consumer division gained market share, supported by the December 2024 launch of a new own-label mobile accessories range.
- **Technological Innovation:** A new AI-powered Customer Management System now processes over 95% of industrial customer interactions, improving response times by 64% and reducing customer care costs.
- **Product Expansion:** Exclusive products now account for approximately 5% of total revenue, with additional ranges set to launch between March and May 2025.

Business Performance

Industrial Division:

- Maintained solid performance demonstrating the resilience of its offer with sustained sales growth in the large customer segment.
- Average order value per active customer increased 8.8%, driven by technology and productivity improvements—most notably, a new customer management system reduced complex quote response times by 64%, helped mitigate cost pressures, and enhanced customer value.
- Streamlined operations by closing the Port Hedland company store, six on-premises customer stores, and five independent member stores, resulting in a \$4.8 million reduction (\$10.8m annually) in like-for-like sales compared to 1H24, without impacting profit.

Consumer Division:

- Created in June 2024 following the acquisition of Force Technology, which was fully integrated during 1H25.
- The segment performed well contributing \$21.8 million in sales, with strong market-leading offers driving growth in sales, earnings and new customer transaction wins late in 1H25 to benefit the 2H25 period.
- Growth was driven by repeat and new sales with major chains such as JB Hi-Fi, Officeworks, 7/11, Coles, Vodafone, and Telstra, along with the launch of the new own-label mobile accessories range "DullCo" in select IGA Western Australia stores from late 2024.

- Mobile technology accessories, an above-market key growth area for Force Technology, are expected to drive further expansion in existing channels and new markets from its market-leading offers.

Strategic Focus:

Both divisions remain committed to long-term value creation by continuously investing in customer value, convenience, and better experiences. Product innovation remains a priority, with plans to expand exclusive brand arrangements and private-label and own-label ranges to strengthen pricing, variety, and market position.

Capital Management

Stealth maintains strong balance sheet flexibility, enabling continued investment across the Group while managing risks and opportunities effectively.

- **Cash Position:** The cash balance increased by 17.8% to \$10.40 million, reflecting disciplined cash management.
- **Operating Cash Flows:** Operating cash flows grew by 10.4% before tax, interest, and transaction costs. After these items, operating cash decreased by 3.1% to \$2.83 million.
- **Capital Expenditure & Free Cash Flow:** Capital expenditure was \$1.27 million, supporting investments in technology, store upgrades, and supply chain improvements. Consequently, free cash flow declined by \$0.84 million compared to 1H24.
- **Net Cash Movement:** Overall, net cash decreased by \$0.84 million, due to a \$0.62 million dividend payment for FY24 and a \$1.02 million final repayment on the fixed debt facility with CBA (related to past acquisitions).
- **Net Debt:** Net debt increased slightly by \$0.2 million to \$11.02 million from \$10.82 million as of 30 June 24, driven by ongoing investments and working capital needs to support higher customer demand and growth initiatives.
- **Return on Capital Employed:** ROCE improved significantly to 18.8%, up from 9.6% for FY24 and 12.2% for 1H24, highlighting our commitment to a disciplined capital allocation strategy that drives long-term shareholder value.

Dividend

A final FY24 dividend of \$0.97m (2023: \$Nil) was declared at 0.84 cents per fully paid ordinary share (fully franked based on tax paid of 30%). \$0.62m was paid in cash and 1,115,670 shares were issued in lieu of cash through the Dividend Reinvestment Plan.

Trading Update and Outlook

[Stealth is well-positioned to outperform in a period of significant momentum, capitalising on emerging opportunities.](#)

Our 1H25 net profit has surpassed the full-year performance of FY24. We maintain our FY25 NPAT margin guidance of 1.5%–3% and remain on track to achieve our mid-term goal by FY28 of over \$300 million in annual revenue, with an EBITDA margin above 8% and NPAT margin of 5%.

Growth has continued into the first 8 weeks of 2H25, with revenue up 33.9% year-on-year. Despite ongoing economic challenges and cost pressures, demand for our products and services remains robust across all end-markets.

Net capital expenditure for FY25 is estimated between \$1.8 million and \$2.2 million, supporting investments in digital automation, store upgrades, market expansion, new hire services, merchandising, and additional store development.

Our focus remains on opportunities to improve returns, strengthening existing divisions, developing growth platforms, and enhancing customer value.



We are actively negotiating new exclusive product agreements expected to significantly enhance our portfolio, expand market share, and improve margins. While these initiatives will require additional investment, they are projected to deliver significant long-term value.

Overall, Stealth is well-positioned to deliver long-term shareholder value by executing on its growth opportunities, expanding market share and leveraging on clear competitive advantages in its everyday product offer.

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 & 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.

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.