



STEALTH DELIVERS RECORD HALF-YEAR RESULT AND ACCELERATES TRANSFORMATION TOWARDS FY28 \$500M+ TARGET

Stealth Group Holdings Ltd ('Stealth' or 'the Company') today announces record financial results for the half-year ended 31 December 2025, marking a pivotal inflection point in the Company's transformation following the acquisition of Hardware & Building Traders ('HBT').

1H FY26 FINANCIAL SUMMARY

	1H26	1H25	Variance %	3 year CAGR
Gross Sales	\$82.2m	\$73.5m	11.8%	16.2%
Revenue ¹	\$72.0m	\$68.8m	4.7%	11.1%
EBITDA ²	\$5.3m	\$4.5m	18.8%	30.2%
NPAT ²	\$1.6m	\$1.1m	51.4%	75.0%

Cash and Debt				
Operating cash flow	\$1.6m	\$2.8m	(42.7%)	
Capital investment	\$1.6m	\$1.3m	25.7%	
Free cash flow	\$0.1m	\$1.6m	(93.6%)	
Cash and cash equivalents	\$32.5m	\$10.4m	212.6%	
Net assets	\$49.5m	\$21.5m	130.4%	
Net debt	\$7.3m	\$11.0m	34.0%	
Net debt to Annualised EBITDA (x)	0.7x	1.1x	37.9%	

- 1H25 revenue adjusted to reflect FY26 revenue recognition on buying group revenue as agent.
- 1H25 EBITDA adjusted to reflect change in assessment of the hedge effectiveness - unrealised FX gains/losses included in comprehensive income rather than to EBITDA/NPAT (Gross \$0.5m)

Variance percentages and CAGR are based on unrounded figures.

1H FY26 HIGHLIGHTS – RECORD PERFORMANCE

Stealth delivered record half-year performance across key financial metrics:

- **Sales:** \$82.2 million, up 11.8%
- **Revenue:** \$72.0 million
- **Gross Profit:** \$21.2 million (margin maintained at 29.4%)
- **EBITDA:** \$5.3 million, up 18.8%
- **NPAT:** \$1.6 million, up 51.4% on LFL basis
- **Net Assets:** \$49.5 million
- **Cash on hand:** \$32.5 million
- **Net gearing:** 12.8% (improved from 18.3%)

The balance sheet has strengthened materially following the \$19.5 million capital raise and disciplined capital management.

BOARD OF DIRECTORS
Chris Wharton AM
Chairman

Michael Arnold
Group Managing Director & CEO

John Groppoli
Non-Executive Director

Simon Poidevin
Non-Executive Director

Anthony Benino
Company Secretary

ISSUED CAPITAL
149.6 million Ordinary Shares

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GROUP OPERATING BRANDS

- > Heatleys Safety, Industrial & Hardware
- > Hardware & Building Traders
- > Force Technology International

WEBSITES

- > heatleys.com.au
- > forcetechnology.com.au
- > hbt.com.au
- > cltoolcentre.com.au

ASX: SGI

TRANSFORMATIONAL SCALE: HBT ACQUISITION COMPLETE

Stealth completed the acquisition of Hardware & Building Traders (HBT) in November 2025. **This acquisition:**

- Adds ~1,165 independent stores
- Represents ~\$700 million in annual member purchases
- Expands supplier relationships to ~490
- Creates a national platform representing >\$800 million in consolidated annual purchases
- Positions Stealth as the **#1 independent alternative** to Wesfarmers and Metcash
- Upgraded FY28 sales target from \$300m to **>\$500m**
- Targets ~\$8 million annual profit synergies by FY27

The acquisition contributed revenue immediately in 1H26 and materially strengthens earnings momentum into 2H26 and FY27. Stealth now operates across more than 1,200 hardware and industrial locations nationally, establishing a capital-light, high-barrier distribution model in a \$93 billion addressable market.

EXECUTION AGAINST FY28 STRATEGY

At the FY25 AGM, Stealth outlined its multi-year pathway to scale, margin expansion, and earnings growth.

	FY28 UPDATED TARGET
Sales	\$500+ million
EBITDA Margin	8% - 12% range
NPAT Margin	5% - 8% range
Net Debt Ratio / EBITDA	Below 1x

The growth catalysts underpinning this expansion include:

- Procurement scale and supplier leverage
- Exclusive and private-label expansion
- Wholesale and charge-through sales
- Network expansion from 32 to >1,200 locations
- Digital and operational efficiency gains

SALES DIVISIONAL PERFORMANCE SUMMARY

Sales grew across both **Hardware, Industrial & Safety** and **Consumer divisions**. Despite the ongoing macro economic challenges significant exposure to Western Australia and Queensland geographies along with resources, infrastructure, engineering and construction sectors contributed to a **16% increase in Hardware, Industrial & Safety** for 1HY25. This was further supported by a **2% increase in Consumer division** thanks to a positive contribution from the launch of Apple iPhone 17, and penetration in larger profitable customer channels in consumer electronics (JB HiFi) and convenience (7-eleven), despite significant headwinds for the consumer with rising inflation and interest rates coupled with ongoing cost of living pressures.

The acquisition and contribution of HBT from November 25 and continuing to benefit from resilient end markets of resources, infrastructure, construction, housing, trade, home improvement provides confidence for continued strong performance in 2H FY26.



EXCLUSIVE AND OWN LABEL BRANDS

In July 25, Stealth secured exclusive ANZ distribution rights for: Casetify, Belkin, Ember, and extended D3O® partnership. All brands are tracking to plan.

RIVO Safety (Stealth's own-label brand product) in roll-out phase in 14x 7-eleven stores. To be ranged in >1,000 stores by June 26 (700 previously stated).

CAT® and Harden products are ranged in 22 stores with +52 stores by June 26 (previously 30), and +150 stores by September 26 (result: 120 more stores than previously stated).

This brand-led strategy supports Stealth's objective to increase wholesale distribution to **35–40% of sales by FY28**.

CAPITAL DISCIPLINE & CASH GENERATION

The Company's net gearing reduced to 12.8%, while maintaining strong liquidity with \$32.5 million cash on hand.

HBT operates with strong free-cash-flow conversion and high ROIC characteristics, enhancing group cash flow resilience.

Stealth remains compliant with all banking covenants and maintains capacity for disciplined organic and inorganic growth.

TRADING UPDATE & OUTLOOK

Stealth entered 2H FY26 with operational momentum:

- 1H26 performance exceeded 1H25
- HBT integration delivering early synergies
- 2H26 expected to surpass 1H26 performance
- Stronger FY27 expected from full-year HBT contribution

The Company remains confident in achieving its FY28 targets.

STEALTH GROUP MANAGING DIRECTOR AND CEO MIKE ARNOLD COMMENTED. "HY26 represents a genuine inflection point for Stealth.

Over the past two years, we've proven our ability to execute, delivering record FY25 sales of \$145 million and 62% EBITDA growth following the successful integration of Force.

With the acquisition of HBT, we have now achieved structural scale.

We operate across more than 1,200 locations nationally, representing approximately \$800 million in annual purchases. This positions Stealth as the clear market-leading independent alternative within a highly fragmented \$93 billion market.

Importantly, this is not just scale, it's scalable economics.

Our capital-light buying group and wholesale distribution model gives us procurement leverage, margin expansion opportunity, and strong cash flow characteristics.

That is why we upgraded our FY28 targets to more than \$500 million in sales, with EBITDA margins of 8 to 12 percent.

The focus now is disciplined execution, integration, procurement capture, exclusive brand rollout, and driving operating leverage across the expanded platform.

We believe the runway ahead is significant, and we are confident in our ability to outperform."

STEALTH 2028 & BEYOND

Stealth today is:

- A national wholesale, distribution and retail platform
- A dual-division operator across Hardware & Industrial and Consumer
- A capital-efficient model with structural procurement leverage
- The leading independent alternative to major incumbents
- Positioned for scalable earnings expansion

With scale secured, integration underway, and growth catalysts active, Stealth is accelerating toward its **\$500m+ FY28 sales ambition** and establishing a long-term platform for sustainable value creation.

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

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Stealth Group Holdings Ltd is a diversified multi-channel distribution company operating as a wholesaler, distributor, and retailer, supplying products and solutions to businesses, trade professionals, and retail consumers across Australia.

The Group operates through two distinct divisions – **Hardware & Industrial Distribution** and **Consumer Products** – supported by an omnichannel model that spans wholesale, company-owned branches and stores, reseller and member networks, retail and trade partnerships, design and manufacturing, hire services, onsite solutions, store-in-store formats, e-commerce, and online marketplaces. These channels are underpinned by a large integrated national infrastructure, store network, sales force, customer contact centres, and integrated logistics and operations infrastructure.

END OF RELEASE