

ASX MEDIA RELEASE

Friday, 29 April 2022

ASX: SGI



STEALTHGLOBAL
HOLDINGS LTD

ACQUISITION OF UNITED TOOLS ALBANY WA STORE OPERATION

Stealth Global Holdings Ltd (ASX: SGI) (the Company or Stealth) is pleased to announce it has agreed to acquire the business assets of United Tools Albany, Western Australia, store operation (UTA) for \$0.46 million in cash, expanding its Western Australian 'company-owned' footprint and strengthening its market position.

Operating as a bannered United Tools store, UTA is a business-to-business (b2b) and business-to-consumer (b2c) retailer, offering a large range of major quality industrial, tooling, safety, and hardware brands.

UTA is also a licensee member of the United Tools buying group, a separate entity that was acquired by Stealth in March 2022. The buying group business does not own or operate trade retail stores.

Highlights

- FY21 revenue \$1.4 million, EBITDA \$0.3 million.
- Purchase price \$0.46 million, primarily inventory.
- Synergies expected to deliver +25% EBITDA growth in the next 12 months.
- 30 years with profitable trading history. Strong reputation in the Albany Western Australia region.
- United Tools bannered store. Stealth will take possession of leased premises with 1,200 square meters of floorspace.
- UTA customer database of over 2,500.
- Strategic and highly synergistic transaction. To merge with Stealth brand Skipper Transport Parts Albany operations (STPA).
- UTA and STPA combination delivers a powerful service offering, larger range and new competitive advantage within a one-stop super store for industrial, tooling, safety, truck and automotive products, parts and accessories.
- Pilot store concept to evolve big-box format across other regions throughout Australia.

Transaction Summary

- Completion expected on 2 May 2022.
- Purchase Price \$0.46 million.
 - \$0.39 million payable on completion 2 May 2022.
 - \$0.07 million balance payable by 30 April 2023.
 - Assets to be transferred to Stealth on completion include ~\$0.30 million of stock inventory.
- Vendors will remain in the business for 1 year and receive 20% of the Net Profit Before Tax achieved over and above the baseline threshold of \$0.20 million.

Mike Arnold, Stealth Group Managing Director and CEO commented: "The rationale behind acquiring United Tools Albany retail store is consistent with Stealth's strategy and growth criteria"

"Specifically for the Albany region, we will combine the United Tools and Skipper Transport Parts Albany stores creating a one-stop 'mega store' for industrial, tooling, safety, truck and automotive products, parts and accessories. This will deliver competitive advantage and cross-selling opportunities through a larger range available to the combined customer list."

BOARD OF DIRECTORS

Chris Wharton^{AM}
Chairman

Michael Arnold
Group Managing Director & CEO

John Groppoli
Non-Executive Director

Simon Poidevin^{AM OAM}
Non-Executive Director

Jessamyn Lyons
Company Secretary

ISSUED CAPITAL

99.7 million Ordinary Shares

PRINCIPAL OFFICE

Level 2/43 Cedric Street
Stirling, Western Australia 6021

CONTACT

Michael Arnold
Group Managing Director & CEO

John Boland
Group Chief Financial Officer

P: +61 86465 7800
E: investors@stealthgi.com
W: www.stealthgi.com

ABN: 25 615 518 020

GROUP OPERATING BRANDS

- > Heatleys Safety & Industrial
- > C&L Tool Centre
- > Skipper Transport Parts
- > Industrial Supply Group
- > United Tools

WEBSITES

- > www.heatleys.com.au
- > www.cltoolcentre.com.au
- > www.skippertp.com.au
- > www.isgaus.com.au
- > www.unitedtools.com.au

“More strategically, it is a pilot store that will evolve across other regions throughout Western Australia and beyond, where from business combinations the benefits of synergy, scale, and a stronger one-stop distribution model supports acceleration of sales and profitable growth.”

The transaction is to be completed on 2 May 2022.

For Further Enquiries:

Mike Arnold
Group Managing Director & CEO
P: +61 (0) 8 6465 7800

Chris Wharton^{AM}
Chairman
P: +61 (0) 8 6465 7800

John Boland
Group CFO
P: +61 (0) 8 6465 7800

-ENDS-

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

About Stealth Global Holdings LTD (ASX code: SGI)

Industrial Supplies & Solutions for Every Workplace

Our group is one of Australia’s largest industrial products distributors combining company owned and independent retailer assets across 66 locations, to business, trade, and retail customers.

Our broadline product range of more than 1 million products, supplies, parts, and accessories includes Industrial, Tools, Safety, PPE, Workwear & Safetywear, Hardware, Building & Construction, Truck & Trailer, Automotive, Materials Handling, Electrical & Lighting, Lubrication & Greases, Fire Protection, Cleaning & Janitorial, Glazing, Packaging & Tapes, Workplace Consumables and other related products and services.

Headquartered in Perth, Western Australia, our model is to connect thousands of our products into every workplace, every industry, and every residential home, through an omnichannel approach. The core operating brands are: Heatleys Safety & Industrial, C&L Tool Centre, Skipper Transport Parts, Industrial Supply Group and United Tools.