

Appendix 4D – Half-Year Report

Report for the half-year ended 31 December 2023 – Stealth Group Holdings Ltd and its controlled entities

ACN 615 518 020

Report for the half-year ended 31 December 2023

This report presents the results for Stealth Group Holdings Ltd and its controlled entities, for the half-year ended 31 December 2023 (current period) compared with the half-year ended 31 December 2022 (prior period).

Results for announcement to the market

				31 Dec 2022 \$		31 Dec 2023 \$
Revenues from continuing ordinary activities	Up	7.8%	from	52,424,908	to	56,495,636
Profit from ordinary activities after tax attributable to the owners	Up	49.1%	from	304,165	to	453,624
Profit for the year attributable to the owners	Up	49.1%	from	304,165	to	453,624

Operating and financial review

The detailed Operating and Financial Review (OFR) is contained in the Directors' Report within the Interim Financial Report.

Record breaking first half:

- Revenue achieved, being \$56.5m, up 7.8% (1H FY23: \$52.4m).
- Gross Profit achieved, being \$16.6m,
- Statutory EBITDA¹ of \$2.8m, up 23.7% (1H FY23: \$2.3m).
- Statutory EBIT² of \$1.4m, up 71.3% (1H FY23: \$0.8m).
- Statutory Profit before Tax of \$0.7m, up 121.0% (1H FY23: \$0.3m).
- Net Profit after Tax attributable to members of \$0.5m, up 49.1% (1H FY23: \$0.3m).
- Earnings per share attributable to members of 0.45 cents, up 48.4% (1H FY23: 0.31 cents).

Increased profit and lowered cost:

- Increased gross profit margin of 29.4% (up from 29.0% 1H FY23).
- Increased margins across EBITDA (4.9%, up 15%), EBIT (2.4%, up 59%) and PBT (1.2%, up 105%) over those achieved in 1H FY23.
- Reduced cost of doing business (CODB) to 24.4% (down from 24.7% in 1H FY23).

Stealth's strong balance sheet and cash flows were improved:

- Total Assets of \$62.6m (1H FY23 \$59.1m, 1H FY22: \$58.6m).
- Cash of \$8.8m as of 31 December 2023, up from \$7.7m as of 30 June 2023 and up from \$5.1m as of 31 December 2022.
- Net working capital of \$9.3m (Receivables + Inventory – Payables), down from \$10.7m as of 30 June 2023.
- Net Debt of \$5.8m as of 31 December 2023, down \$1.4m from 30 June 2023 (\$7.2m) and down \$4.3m from 31 December 2022 (\$10.1m). The Group fully repaid C&L acquisition debt (acquired December 2020) in December 2023. Working capital-based debt, net of cash on hand, was nil at 31 December 2023, down from \$3.4m at 31 December 2022.
- Receivables and Inventory assets held reduced as a % of Revenue, to 26.0% combined (28.6% at 30 June 2023 and 28.4% at 31 December 2022).
- Operating cash inflow increased 65% to \$2.9m (1H FY23: \$1.8m).
- Free cash flow increased 101% to \$2.4m (1H FY23: \$1.2m).

¹ Underlying EBITDA is a non-IFRS term representing Underlying Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA), which has not been subject to audit or review but has been determined using information presented in the Group's interim financial report and is determined after adding back unusual costs to the Statutory EBITDA.

² EBIT (Earnings Before Interest and Tax) Underlying EBIT and Statutory EBIT are non-IFRS terms which have not been subject to audit or review; Underlying EBIT is determined by adding back Finance Costs and Income Tax Expense to the Statutory Net Profit before tax from the Group's financial report.

Percentage changes based on original non-rounded numbers.

Net tangible assets

Net Tangible Assets	31 Dec 2023	30 Jun 2023
Net tangible asset backing per ordinary security (cents per share)	3.98 cents	3.84 cents

Details of entities over which control has been gained during the period

There were no entities over which control was gained during the period.

Details of entities over which control has been lost during the period

There were no entities over which control has been lost during the period.

Dividends

There were no dividends paid, recommended or declared during the current financial period.

The condensed financial report has been reviewed by BDO Audit (WA) Pty Ltd and is not subject to dispute or qualification.

Authorisation of release

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

Date of release

28 February 2024

Interim Financial Report

For the half-year ended 31 December 2023



STEALTHGROUP
HOLDINGS LTD

An Australian Industrial
Distribution Group

Corporate Directory

Directors

Mr. Christopher Wharton AM
Non-Executive Chairman

Mr. Michael Arnold
Managing Director

Mr. Giovanni (John) Groppoli
Non-Executive Director

Mr. Simon Poidevin
Non-Executive Director

Company Secretary

Mr. John Boland

Key Management Personnel

Mr. Luke Cruskall
Group Chief Operating Officer

Mr. John Boland
Group Chief Financial Officer

Solicitors

MDS Legal
Irwin Chambers, Level 2, 16 Irwin Street
Perth WA 6000

Principal and Registered Office

Unit 10, 43 Cedric Street
Stirling WA 6021
Australia

Telephone: +61 8 6465 7800
Email: investors@stealthgi.com
Website: www.stealthgi.com
ASX code: SGI

Share Registry

Computershare Investor Services
Level 11, 172 St Georges Terrace
Perth WA 6000

Telephone: 1300 850 505 (within Australia)
Telephone: +61 3 9415 4000 (overseas)

Company Auditor

BDO Audit (WA) Pty Ltd
Level 9, Mia Yellagonga
Tower 2
5 Spring Street
Perth WA 6000

Bankers

Commonwealth Bank of Australia
300 Murray Street
Perth WA 6000

Accountants and Taxation Advisors

Gooding Partners
The Quadrant
Level 9, 1 William Street
Perth WA 6000

An Australian Distribution Group



This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report should be read in conjunction with the annual report for the year ended 30 June 2023 and any public announcements made by Stealth Group Holdings Ltd during the interim reporting period in accordance with the continuous disclosure requirements arising under the Australian Securities Exchange Listing Rules and the *Corporations Act 2001*.

Table of Contents

Corporate Directory	2
Directors' Report	4
Auditor's Independence Declaration	9
Consolidated Statement of Profit or Loss and Comprehensive Income	10
Consolidated Statement of Financial Position	11
Consolidated Statement of Changes in Equity	12
Consolidated Statement of Cash Flows	13
Notes to The Consolidated Financial Statements	14
Directors' Declaration	25
Independent Auditor's Review Report	26

Directors' Report



The Directors present their report together with the consolidated financial statements of Stealth Group Holdings Ltd (**Stealth** or **Company**) and its controlled entities (**Consolidated Entity** or **Group**) for the half-year ended 31 December 2023 and the auditor's report thereon. The Company changed its name from Stealth Global Holdings Ltd as approved at the AGM held on 24 November 2023.

Directors

The following persons were directors of the Company during the whole of the half-year ended 31 December 2023 and up to the date of this report unless otherwise stated:

Christopher Scott Wharton AM	Independent Non-Executive Chairman
Michael Alan Arnold	Managing Director
Giovanni (John) Gropoli	Non-Executive Director
Simon Poidevin	Independent Non-Executive Director

Principal Activities

Stealth Group Holdings Ltd is a wide-range distributor, and a retailer, of Industrial MRO and Automotive products, and value-add solutions to Commercial, Trade and DIY consumers.

Headquartered in Perth, Western Australia, Stealth provides supplies and solutions for every workplace that extends across the whole supply chain to Customers of all types and sizes. Stealth's large distribution network provides multiple channels-to-market through Stealth's five market facing brands Heatleys Safety & Industrial, C&L Tool Centre, Skipper Transport Parts, Industrial Supply Group and United Tools.

Operating and Financial Review

Strategic Performance

During the first half of 2024, Stealth continued to execute on its strategic objectives as it advances its standing as a leading industrial supply company.

Ongoing investment in e-Commerce platforms and digital solutions, continue to enhance Stealth's digital capabilities and customer interaction. Further diversification of product range and the incorporation of additional services, allowed the Group to address the changing needs of customers while maintaining its high levels of customer service. The Group continues to invest in efficiencies to deliver a lower operating cost, remove duplication, increase speed of fulfillment and, expand its operations to better serve a growing portfolio of customers across Australia.

HY 2024 Operational Highlights:

1. **Merger** of Heatleys and Skippers operations onto single ERP system late in 1H FY24, providing one operating platform for product, customer, supplier and inventory functions. This results in simplifying the customer sales process, back-end operations, customer service and operational activities.
2. **New Customer** contracts won in the construction and engineering sectors supported growth in revenue and profit. Success has been achieved through a stronger business offer, deepening relationships with customers and suppliers, and breadth of product range for single-source supply.
3. **Centralised purchasing office** continued to evolve, consolidating key supplier arrangements, single commercial terms across the Group, and delivering stronger inventory management through a central planning team. This supported improved gross margin increase of 0.4% overall.
4. **Ongoing rightsizing** continues to enhance scale advantages, win market share, leverage improved supplier terms, and deliver a more compelling customer proposition demonstrated by increases in both revenue (up 7.8%) and gross profit (up 9.3%) from the first half of FY2023.

5. Store Closures:

In August 2023, the Company shut down the Skipper Transport Parts store in Albany, Western Australia and merged its operations into the United Tools Albany location. The decision to operate in one location delivers efficiency, and a lower cost to serve.

In September 2023, the Company shut down its Heatleys Safety & Industrial store in Bassendean, Western Australia and merged its operations with the Canning Vale location. The decision came after determining that the significant renovation needed for the Bassendean store would not yield a sufficient return on investment. Despite this closure, the Company plans to expand by opening new stores.

Financial Performance

The Group delivered a record half-year financial performance across all key metrics of consolidated Revenue, Gross Profit, EBITDA¹, EBIT², Profit before Tax, and Net Profit after Tax attributable to members, resulting in a record Earnings per Share to members.

Trading Result 1H FY24:

	Consolidated Operations		
	1H FY24	1H FY23	VAR % ³
Revenue	\$56.5m	\$52.4m	7.8%
Gross Profit	\$16.6m	\$15.2m	9.3%
Gross Profit margin %	29.4%	29.0%	
Statutory EBITDA ¹	\$2.8m	\$2.3m	23.7%
Statutory EBIT ²	\$1.4m	\$0.8m	71.3%
Statutory PBT	\$0.7m	\$0.3m	121.0%
Statutory NPAT	\$0.5m	\$0.3m	49.1%
Earnings per Share (cents)	0.45	0.31	48.4%

Notes:

1. EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation), Underlying EBITDA and Statutory EBITDA are non-IFRS terms which have not been subject to audit or review; Underlying EBITDA is determined by adding back Growth-Related Investment costs to the Statutory EBITDA which in turn has been determined using information presented in the Group's financial report.
2. EBIT (Earnings Before Interest and Tax) Underlying EBIT and Statutory EBIT are non-IFRS terms which have not been subject to audit or review; Statutory EBIT is determined by adding back Finance Costs and Income Tax Expense to the Statutory Net Profit before tax from the Group's financial report.
3. Based on original non-rounded numbers.

Highlights

Stealth achieved record half-year performance across all P&L metrics as it continues to execute on its growth strategy, led by increased organic activity and driving operational efficiency through digital and automation.

Increased profit and lowered cost

- Increased gross profit margin of 29.4% in 1H FY24 (up from 29.0% 1H FY23).
- Increased profitability margins across EBITDA (4.9%, up 15%), EBIT (2.4%, up 59%) and PBT (1.2%, up 105%) over those achieved in 1H FY23.
- Reduced cost of doing business (CODB) to 24.4% (down from 24.7% in 1H FY23).

Continued to improve Operational productivity

- Increase of 9.1% in Sales \$ per full-time employee (FTE), rising to 12.1% increase in Gross \$ generated per FTE.
- Increase of 8.2% in Sales \$ per working day, rising to 11.3% increase in Gross \$ generated per working day.
- B2B sales growth of 13.7% on 1H FY23, and 15.7% on 1H FY22.

Strong, disciplined capital allocation

- Reduced fixed debt by \$0.62m, including final payment on C&L acquisition debt.
- Total fixed debt to be fully repaid by 30 June 2024.
- Net working capital (Receivables + Inventory – Payables) decreased to \$9.3m, from \$10.7m at 30 June 2023 and \$13.2m at 31 December 2022.

Strong Cash flow

- Operating cash inflow increased 65% to \$2.9m (1H FY23: \$1.8m).
- Free cash flow increased 101% to \$2.4m (1H FY23: \$1.2m).
- Investment of \$0.5m (1H FY23: \$0.6m) in capital expenditure including e-Commerce and intangible assets.
- Net financing outflows were \$1.3m (1H FY23: \$0.8m), comprising acquisition debt and lease repayments.

Reconciliation of Half-Year Interim Financial Results

A reconciliation of Underlying EBITDA¹ to the reported profit before tax in the consolidated statement of profit or loss and other comprehensive income is shown in the following table:

Reconciliation – half-year interim financial results	31 Dec 2023 \$'000	31 Dec 2022 \$'000
Underlying EBITDA ¹	2,879	2,427
Unusual Items:		
Restructuring and Transaction costs including closure of stores and acquisition related costs	(71)	(168)
Redundancies	(14)	-
Statutory EBITDA	2,794	2,259
Less: Depreciation	(1,257)	(1,381)
Less: Amortisation	(159)	(74)
Less: Net Finance Costs	(676)	(487)
Profit for the period before tax attributable to Members	702	317

Notes:

1. Underlying EBITDA is a non-IFRS term representing Underlying Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA), which has not been subject to audit or review but has been determined using information presented in the Group's interim financial report and is determined after adding back unusual costs to the Statutory EBITDA.

Strengthen the Balance Sheet

- Strong balance sheet maintained, providing stability and growth funding capacity.
- Total Assets of \$62.6m (1H FY23: \$59.1m).
- Cash of \$8.8m as of 31 December 2023, up from \$7.7m as of 30 June 2023 and up from \$5.1m as of 31 December 2022.
- Net Debt of \$5.8m as of 31 December 2023, down \$1.4m from 30 June 23 (\$7.2m) and down \$4.3m from 31 December 2022 (\$10.1m). The Group fully repaid C&L acquisition debt (acquired December 2020) in December 2023. Working capital-based debt, net of cash on hand, was nil at 31 December 2023, down from \$3.4m at 31 December 2022.
- Receivables and Inventory assets held reduced as a % of annualised Revenue, to 26.0% combined (28.6% at 30 June 2023 and 28.4% at 31 December 2022).

Continued to invest in our business

The Group continues to invest in data, digital and automation to simplify operations and create a better customer and user experience. Collectively, these support the Group's ability to grow sales, lower operating costs and integrate systems with business customers, suppliers and partners.

Stealth's strategy is making complementary value-accretive acquisitions. Stealth assessed several potential acquisitions of scale and strategic fit during the half-year without completion, and will continue to do so going forward.

Trading Footprint

The Group had five operating businesses during 1H FY24, Heatleys Safety and Industrial, C&L Tools, ISG (Industrial Supply Group), Skipper Transport Parts and United Tools.

The Group's trading performance relates to these Australian operations, which have benefited from growing scale over the past three years. The expansion into Queensland through the acquisition of C&L, increased footprint across Western Australia through the acquisition of STP, adding four regional branches, expanded MRO product range and increased on-site service capability, and increased national member footprint through the acquisition of the United Tools Buying Group.

Changes in the state of affairs

Changes to the state of affairs of the Company during the half-year ended 31 December 2023 were as follows:

- Integration activities to right-size and optimise Group from profitability and operational improvement aspects.
- Executing on specialist wholesale division strategy initiated in FY2023 to build on increased buying group scale and operating spend to deepen supplier commercial arrangements and improve volume-based pricing synergies.

Subsequent Events since 31 December 2023

There has not been during the period between 31 December 2023 and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future reporting periods.

Strategic Agenda: Focus for 2024

Draw on the strengths and advantages of each business to leverage collective scale.

Value-creating Strategies

1. More customer value, best experiences.
2. Strengthen existing businesses through operating excellence.
3. Renew our portfolio to be a favourite place to visit.
4. Pursue opportunities to grow market share.
5. Ensure sustainability through responsible long-term management.

Strategic agenda:

- More customer value and best experiences.
- Continue to invest in data, digital and automation.
- Expand product range across all businesses including exclusive range and own-label.
- New hire services business, and loan-a-tool.
- Store reinvestment, upgrades, formats and merchandising, and opening new stores.
- Deepening of supplier commercial arrangements. Source and buy better, reduce costs.
- Deliver operational efficiency across the supply chain.
- Develop our people through learning, training, and development programs.
- Continue to maintain strong capital management disciplines.

The Company remains on track to deliver on its longer-term growth targets. Organic growth-related programs and further acquisitions will be integral to achieving this.

Risk

The primary risks that the business is exposed to have not changed from the risk analysis presented in the latest Annual Report (page 31-33, FY23 Annual Report).

Dividends

There were no dividends paid or recommended during the financial half-year ended 31 December 2023 (2022: nil).

Rounding of amounts

The company is of a kind referred to in ASIC Legislative Instrument 2016/191, relating to the 'rounding off' of amounts in the directors' report. Amounts in the directors' report have been rounded off in accordance with the instrument to the nearest million dollars, thousand dollars, or in certain cases, to the nearest dollar.

Auditor's Independence Declaration

The Auditor's Independence Declaration as required under section 307C of the *Corporations Act 2001* is set out on page 9 of the interim financial report and forms part of this Directors' Report.

This directors' report is signed in accordance with a resolution of directors made pursuant to section 306(3) of the *Corporations Act 2001*.



Michael Arnold
Group Managing Director

Perth, 28 February 2024

Auditor's Independence Declaration



Tel: +61 8 6382 4600
Fax: +61 8 6382 4601
www.bdo.com.au

Level 9
Mia Yellagonga Tower 2
5 Spring Street
Perth, WA 6000
PO Box 700 West Perth WA 6872
Australia

DECLARATION OF INDEPENDENCE BY ASHLEIGH WOODLEY TO THE DIRECTORS OF STEALTH GROUP HOLDINGS LTD

As lead auditor for the review of Stealth Group Holdings Ltd for the half-year ended 31 December 2023, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Stealth Group Holdings Ltd and the entities it controlled during the period.

A handwritten signature in black ink, appearing to read 'Ashleigh Woodley', is written over a light blue horizontal line.

Ashleigh Woodley

Director

BDO Audit (WA) Pty Ltd

Perth

28 February 2024

Consolidated Statement of Profit or Loss and Comprehensive Income

For the six months ended 31 December 2023

	Note	31 Dec 2023 \$	31 Dec 2022 \$
Revenue	B2	56,495,636	52,424,908
Cost of sales		(39,894,343)	(37,232,914)
Gross profit		16,601,293	15,191,994
Other income		2,913	23,724
Personnel expenses		(10,293,359)	(9,625,475)
Administration expenses		(3,106,905)	(2,938,814)
Occupancy expenses		(324,693)	(224,547)
Transaction costs		(85,082)	(167,965)
Depreciation and amortisation expense		(1,416,448)	(1,454,669)
Finance costs		(675,592)	(486,587)
Profit before income tax		702,127	317,661
Income tax expense	D1	(248,503)	(13,496)
PROFIT AFTER TAX FOR THE HALF-YEAR		453,624	304,165
Profit for the half-year is attributable to:			
Owners of the company		453,624	304,165
		453,624	304,165
COMPREHENSIVE INCOME			
Profit for the half-year		453,624	304,165
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Foreign currency translation gains/(losses) of international subsidiaries		(919)	5,318
TOTAL COMPREHENSIVE INCOME FOR THE HALF-YEAR		452,705	309,483
Total comprehensive income for the half-year is attributable to:			
Owners of the company		452,705	309,483
		452,705	309,483
Earnings per share for profit attributable to the ordinary equity holders of the company			
		Cents	Cents
Basic earnings per share (cents)	E3	0.45	0.31
Diluted earnings per share (cents)	E3	0.45	0.31

The consolidated statement of profit or loss and comprehensive income should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position

As at 31 December 2023

	Note	31 Dec 2023 \$	30 Jun 2023 \$
CURRENT ASSETS			
Cash and cash equivalents		8,826,192	7,727,333
Trade and other receivables		14,393,656	17,052,122
Inventories		14,952,108	14,787,361
Other assets		973,639	540,361
Total Current Assets		39,145,595	40,107,177
NON-CURRENT ASSETS			
Property, plant and equipment		1,951,652	2,111,812
Right-of-use assets	C3	7,738,649	7,753,370
Intangible assets	C1	12,489,072	12,230,898
Deferred tax assets	D2	1,301,768	1,216,309
Other assets		6,700	6,700
Total Non-Current Assets		23,487,841	23,319,089
TOTAL ASSETS		62,633,436	63,426,266
CURRENT LIABILITIES			
Trade and other payables		20,012,180	21,053,755
Current tax liabilities	D1	278,885	-
Lease liabilities	C3	2,054,871	1,648,721
Financial liabilities	C2	14,908,570	15,165,731
Provisions		1,931,656	2,044,655
Total Current Liabilities		39,186,162	39,912,862
NON-CURRENT LIABILITIES			
Lease liabilities	C3	6,036,261	6,508,485
Deferred tax liabilities	D2	689,032	689,032
Provisions		213,050	255,333
Total Non-Current Liabilities		6,938,343	7,452,850
TOTAL LIABILITIES		46,124,505	47,365,712
NET ASSETS		16,508,931	16,060,554
EQUITY			
Issued capital	E1	13,693,481	13,528,699
Accumulated funds		2,427,688	1,974,064
Reserves		387,762	557,791
TOTAL EQUITY		16,508,931	16,060,554

The consolidated statement of financial position is to be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity

For the six months ended 31 December 2023

	Attributable to owners of Stealth Group Holdings Ltd			
	Issued Capital \$	Reserves \$	Accumulated Funds \$	Total \$
Balance as at 1 July 2022	13,528,699	464,065	1,071,675	15,064,439
Profit for the period	-	-	304,165	304,165
Other comprehensive income for the period	-	5,318	-	5,318
Total comprehensive income for the period	-	5,318	304,165	309,483
Transactions with Equity Holders in their capacity as Equity Holders				
Share Based Payments – Long Term Incentives	-	45,542	-	45,542
Balance as at 31 December 2022	13,528,699	514,925	1,375,840	15,419,464
Balance as at 1 July 2023	13,528,699	557,791	1,974,064	16,060,554
Profit for the period	-	-	453,624	453,624
Other comprehensive income for the period	-	(919)	-	(919)
Total comprehensive income for the period	-	(919)	453,624	452,705
Transactions with Equity Holders in their capacity as Equity Holders				
Issue of ordinary shares	177,591	(177,591)	-	-
Share issue costs	(12,809)	-	-	(12,809)
Share Based Payments – Long Term Incentives	-	8,481	-	8,481
Balance as at 31 December 2023	13,693,481	387,762	2,427,688	16,508,931

The consolidated statement of changes in equity is to be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows

For the six months ended 31 December 2023

	31 Dec 2023 \$	31 Dec 2022 \$
Cash flows from operating activities		
Receipts from customers	60,514,362	54,650,953
Payments to suppliers and employees	(57,030,519)	(53,565,616)
Interest paid	(566,773)	(384,680)
Income tax received	1,850	1,066,059
Net cash inflow from operating activities	2,918,920	1,766,716
Cash flows from investing activities		
Payments for plant & equipment	(102,631)	(324,492)
Proceeds from the sale of plant & equipment	-	64,091
Interest received	2,913	1,192
Payment for intangible assets	(417,636)	(314,140)
Net cash (outflow) from investing activities	(517,354)	(573,349)
Cash flows from financing activities		
Principal elements of lease payments	(982,188)	(1,050,718)
Repayment of financial liabilities	(683,150)	(822,917)
Proceeds from financial liabilities	362,631	1,062,919
Net cash inflow / (outflow) from financing activities	(1,302,707)	(810,716)
Net increase in cash and cash equivalents	1,098,859	382,651
Cash and cash equivalents at 1 July	7,727,333	4,749,807
Cash and cash equivalents at 31 December	8,826,192	5,132,458

The consolidated statement of cash flows is to be read in conjunction with the accompanying notes.

Notes to The Consolidated Financial Statements

For the six months ended 31 December 2023

Section A: Significant Changes in the Current Reporting Period

Stealth has a diversified business portfolio and a growing customer base. The vast nature of the wide-ranging products it sells is expected to provide a steady flow of repeat sales activity in future periods, whilst new integrated supply chain service offerings will generate new income and profit streams.

1H FY24 performance saw the Group achieve record half-year consolidated revenue of \$56.5m, up \$4.1m (8%) on 1H FY23 and up \$12.2m (28%) on 1H FY22, as it continues to execute on its growth strategy.

Stealth's strong balance sheet and cash flows were improved, providing stability and growth funding capacity.

- Total Assets of \$62.6m (1H FY23: \$59.1m).
- Cash of \$8.8m as of 31 December 2023, up from \$7.7m as of 30 June 2023 and up from \$5.1m as of 31 December 2022.
- Net working capital of \$9.3m (Receivables + Inventory – Payables), down from \$10.7m as of 30 June 2023.
- Net Debt of \$5.8m as of 31 December 2023, down \$1.4m from 30 June 23 (\$7.2m) and down \$4.3m from 31 December 2022 (\$10.1m) Group fully repaid C&L acquisition debt (acquired December 2020) in December 2023. Working capital-based debt, net of cash on hand, was nil at 31 December 2023, down from \$3.4m at 31 December 2022.
- Receivables and Inventory assets held reduced as a % of annualised Revenue, to 26.0% combined (28.6% at 30 June 2023 and 28.4% at 31 December 2022).
- Operating cash inflow of \$2.9m for the half-year, compared to operating cash inflow of \$1.8m for half-year ended 31 December 2022.

Capital management capacity unchanged from 30 June 2023 other than repayment of acquisition debt. Group has \$12.6m of available facilities (including cash on hand) as at 31 December 2023 (30 June 2023: \$11.8m).

Subsequent to the end of the reporting period there are no matters, items, transactions, or events of a material and unusual nature likely, in the opinion of the directors, to significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future reporting periods.

For a detailed discussion about the Group's performance and financial position, please refer to the Operating and Financial Review on pages 5 to 7 of this interim financial report.

Section B: Business Performance

B1 Operating Segments

The Consolidated Entity results are reported as two business areas (FY23: two) based on the nature of operations, which are reviewed regularly by the Board of Directors. The principal results reviewed for each area are revenue and adjusted operating profit.

The Board of Directors' view is that there were two reportable segments during the current reporting period, being the operations of Business Solutions and Retail Solutions. These are the same reportable segments as reported at FY23, notwithstanding they are different to those reported at 1H FY23. The 1H FY23 comparatives have been restated in accordance with the two reportable segments from FY23.

The Group's Business Solutions operations are judged by management to form a single operating segment, due to a combination of factors, including overlapping nature of their customers and their suppliers, of the products they sell and how they are sold, and their competitors, being primarily Australia-wide operations.

The Group's Retail Solutions operations are judged by management to form a single operating segment, due to the overlapping nature of services that they provide, the suppliers they interact with and their competitors, both operating on an Australia-wide basis.

Unless stated otherwise, all amounts reported to the Board of Directors with respect to operating segments are determined in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the Consolidated Entity.

All intersegment transactions are eliminated on consolidation of the Consolidated Entity's financial statements. Where an asset is used across multiple segments, the asset is allocated to that segment that receives majority economic value from that asset. Usually, segment assets are clearly identifiable based on their nature and physical location. Liabilities are allocated to segments where there is a direct nexus between the incurrence of the liability and the operations of the segment. The following items of revenue and expenses are not allocated to operating segments as they are not considered part of the core operations of any segment: Finance expense and Income tax expense.

Half-year ended 31 December 2023	Business Solutions \$	Retail Solutions \$	Corporate \$	Group Total \$
Total revenue	51,562,266	4,931,742	1,628	56,495,636
Adjusted operating profit / (loss)	3,322,637	683,454	(2,543,290)	1,462,801
Transaction costs	-	-	(85,082)	(85,082)
Operating profit / (loss)	3,322,637	683,454	(2,628,372)	1,377,719
Finance costs				(675,592)
Profit before income tax				702,127
Income tax expense				(248,503)
Profit for the half-year attributable to owners of the company				453,624
Reportable segment assets	46,043,058	8,048,395	8,541,983	62,633,436
Reportable segment liabilities	19,083,338	6,829,056	20,212,111	46,124,505
Capital employed	26,959,720	1,219,339	(11,670,128)	16,508,931
Capital expenditure	43,237	1,146	58,248	102,631
Depreciation and amortisation	1,247,855	7,825	160,768	1,416,448

Half-year ended 31 December 2022 as Restated	Business Solutions \$	Retail Solutions \$	Corporate \$	Group Total \$
Total revenue	47,567,442	4,857,466	-	52,424,908
Adjusted operating profit / (loss)	2,385,819	649,285	(2,062,891)	972,213
Transaction costs	-	(2,630)	(165,335)	(167,965)
Operating profit / (loss)	2,385,819	646,655	(2,228,226)	804,248
Finance costs				(486,587)
Profit before income tax				317,661
Income tax expense				(13,496)
Profit for the half-year attributable to owners of the company				304,165

Year ended 30 June 2023	Business Solutions \$	Retail Solutions \$	Corporate \$	Group Total \$
Reportable segment assets	50,586,607	5,584,497	7,255,162	63,426,266
Reportable segment liabilities	24,595,990	3,174,808	19,594,914	47,365,712
Capital employed	25,990,617	2,409,689	(12,339,752)	16,060,554

Half-year ended 31 December 2022 as Restated	Business Solutions \$	Retail Solutions \$	Corporate \$	Group Total \$
Capital expenditure	313,947	652	9,893	324,492
Depreciation and amortisation	1,343,270	7,137	104,262	1,454,669

B2 Revenues

	31 Dec 2023 \$	31 Dec 2022 \$
Sales revenue	51,732,142	47,784,088
Service revenue	4,763,494	4,640,820
Total Revenue	56,495,636	52,424,908

Section C: Operating Assets and Liabilities

C1 Intangible Assets

	31 Dec 2023 \$	30 Jun 2023 \$
Goodwill		
Opening balance – Cost	10,518,711	10,373,464
Arising on acquisition of Skipper Transport Parts (August 2021)	-	84,545
Arising on acquisition of United Tools Pty Ltd (March 2022)	-	6,108
Arising on acquisition of United Tools Albany (May 2022)	-	54,594
Closing balance – Cost	10,518,711	10,518,711
Internally Generated Software (eCommerce)		
Opening balance – Cost	1,887,530	1,232,010
Additions – internal development	417,639	655,520
Closing balance – Cost	2,305,169	1,887,530
Total Intangible Assets at Cost	12,823,880	12,406,241
Less: Accumulated Amortisation	(334,808)	(175,343)
Total Intangible Assets	12,489,072	12,230,898

Impairment

The Group has assessed the relevant impairment indicators and does not expect impairment to the Company's intangibles in this reporting period. The Company has concluded that the carrying value of the intangibles are recoverable.

C2 Financial Liabilities

	31 Dec 2023 \$	30 Jun 2023 \$
Current:		
Borrowings		
Commonwealth Bank of Australia Facility	14,416,875	14,736,667
Insurance Premium Funding	99,491	36,860
Total current borrowings	14,516,366	14,773,527
Other financial liabilities		
Deferred consideration – United Tools Pty Ltd	392,204	392,204
Total current other financial liabilities	392,204	392,204
Total current financial liabilities	14,908,570	15,165,731

The CBA facility is secured by first charge over the assets of the Group's Australian operations. The interest rate is variable and was 5.97% p.a. as of 31 December 2023 (30 June 2023: 5.87%). Insurance premium funding had a fixed interest rate of 2.75% (30 June 2023: 2.75%) over its term of ten months.

United Tools Pty Ltd deferred consideration to be settled in March 2024 (current).

C3 Right-of-Use Assets and Lease Liabilities

	31 Dec 2023 \$	30 Jun 2023 \$
Carrying Value of Non-Current Right-of-use-assets	7,738,649	7,753,370
Current:		
Property leases	1,967,602	1,535,799
Equipment leases	87,269	112,922
Total current leases	2,054,871	1,648,721
Non-current:		
Property leases	5,992,555	6,427,074
Equipment leases	43,706	81,411
Total non-current leases	6,036,262	6,508,485

C4 Net Debt

	Cash \$	Leases due within 1 year \$	Leases due after 1 year \$	Borrowing due within 1 year \$	Borrowing due after 1 year \$	Total ⁽ⁱ⁾ \$
Net cash/(debt) as at 1 July 2023	7,727,333	(112,922)	(81,411)	(14,773,527)	-	(7,240,527)
Working capital investment ⁽ⁱⁱ⁾	1,098,859	-	-	(362,631)	-	736,228
Net lease (additions) / disposals / repayments	-	25,653	37,705	-	-	63,358
Acquisition debt repayments ⁽ⁱⁱⁱ⁾	-	-	-	619,792	-	619,792
Net cash/(debt) as at 31 December 2023	8,826,192	(87,269)	(43,706)	(14,516,366)	-	(5,821,149)

Notes:

(i) Net debt excludes deferred consideration (note C2) and property leases (note C3).

(ii) Net repayment of working capital investment reflective of capital management activities and disciplines.

(iii) Additional \$203k repaid early January 24, added to \$620k repaid in six months equals \$823k repaid in comparative period. Repayments included final repayment of C&L acquisition debt (December 2023). All acquisition debt to be repaid as of 30 June 2024.

	Cash \$	Leases due within 1 year \$	Leases due after 1 year \$	Borrowing due within 1 year \$	Borrowing due after 1 year \$	Total ⁽ⁱ⁾ \$
Net cash/(debt) as at 1 July 2022	4,749,807	(132,044)	(148,556)	(12,623,822)	(2,041,667)	(10,196,282)
Working capital investment ⁽ⁱⁱ⁾	382,651	-	-	(1,083,093)	-	(700,442)
Net lease (additions) / disposals / repayments	-	2,591	17,582	-	-	20,173
Acquisition debt repayments	-	-	-	-	822,917	822,917
Net cash/(debt) as at 31 December 2022	5,132,458	(129,453)	(130,974)	(13,706,915)	(1,218,750)	(10,053,634)

Notes:

(i) Net debt excludes deferred consideration (note C2) and property leases (note C3).

(ii) Net investment in working capital (receivables, inventory, payables), reflecting growing operational scale.

	31 Dec 2023 \$	30 Jun 2023 \$	31 Dec 2022 \$
Total current borrowings	14,516,366	14,773,527	13,706,915
Total non-current borrowings	-	-	1,218,750
Finance leases due within 1 year	87,269	112,922	129,453
Finance leases due after 1 year	43,706	81,411	130,974
Total borrowings including finance leases	14,647,341	14,967,860	15,186,092
Cash on hand	(8,826,192)	(7,727,333)	(5,132,458)
Net debt	5,821,149	7,240,527	10,053,634
Includes:			
Acquisition-specific debt	1,421,875	2,041,667	2,864,583
Acquisition-support debt via working capital facility	4,356,137	4,356,137	3,771,137
Total acquisition debt	5,778,012	6,397,804	6,635,720
Net debt excluding acquisition debt	43,137	842,723	3,417,914
Receivables and Inventory	29,345,764	31,839,483	29,816,252
Net debt excluding acquisition debt as % of Receivables and Inventory	0.1%	2.6%	11.5%

Acquisition-specific debt repayments are \$619,792 in the current reporting period, with C&L fully repaid in 1H FY24. Further \$203,125 repaid early January 2024, with balance of \$1,218,750 (STP) to be fully repaid as of 30 June 2024.

	31 Dec 2023 \$	30 June 2023 \$
Financing arrangements		
The Group had access to the following undrawn borrowing facilities at the end of the reporting year:		
Floating Rate		
- Expiring within one-year unused facility (CBA Bill Facility, CBA Guarantee Facility and Credit Card Facility)	3,763,141	4,106,560
Cash on Hand	8,826,192	7,727,333
Total Available	12,589,333	11,833,893

Capital Risk Management

The Consolidated Entity manages its capital to ensure its ability to continue as a going concern and to achieve returns to the shareholders and benefits for other stakeholders through the optimisation of debt and equity balance. The capital structure of the Consolidated Entity is adjusted to achieve its goals whilst ensuring the cost of capital is optimised.

Management monitors capital based on the gearing ratio (debt / (total debt plus total equity)). The Consolidated Entity's strategy is to optimise its cost of capital, using capital markets and debt facilities, continuously monitoring interest rates with the provider of its operating facility. The gearing ratios are as follows:

	31 Dec 2023 \$	30 June 2023 \$	31 Dec 2022 \$
Total debt	14,647,341	14,967,860	15,186,092
Total equity	16,508,931	16,060,554	15,419,464
Total debt and total equity	31,156,272	31,028,414	30,605,556
Gearing ratio (Total debt / Total debt and total equity)	47.0%	48.2%	49.6%

The Gearing Ratio of the Company has continued to decrease, from 49.6% as of 31 December 2022 to 48.2% as of 30 June 2023 to 47.0% as of 31 December 2023, reflecting the following factors:

- Total debt predominantly relates to CBA working capital facilities and specific acquisition debt facilities, with balances totalling \$13.0m and \$1.4m respectively owing on 31 December 2023. The Group repaid \$0.6m against acquisition debt facilities during 1H FY24. Debt repayment relating to acquisitions continues to support reduction in total debt.
- Total equity has increased \$1.1m between 31 December 22 and 31 December 23, fully attributed to increased profitability / retained earnings.
- Group's cash balance as of 31 December is \$8.8m, \$3.7m increase from 31 December 2022 (\$5.1m). Applying cash balance against Total debt reduces Gearing Ratio from 47.0% to 26.1% (1H FY23: 39.5%).
- Total debt as of 31 December 2023 includes \$1.4m acquisition-specific debt, all related to the acquisition of STP (15 August 2021), (1H FY23: \$2.0m). Acquisition-specific debt relating to C&L Tools (1 December 2020) was fully repaid in December 23 (1H FY23: \$0.8m). Total debt also includes \$4.4m of acquisition support funded through the Group's working capital facility (1H FY23: \$3.8m). Excluding both these acquisition-related debts from Total Debt would reduce the Gearing Ratio (after reduction for net cash increase above) from 26.1% to 0.2% (1H FY23: 18.1%).
- Underlying EBITDA (as defined in the OFR) of the Group for 1H FY24 is \$2.9m (1H FY23: \$2.4m). Total Debt to annualised Underlying EBITDA ratio is 2.5 times as of 31 December 2023 (1H FY23: 3.2 times). Net of cash balances, this decreases to 1.0 times (1H FY23: 2.1 times).

The Consolidated Entity is subject to certain financing covenants and meeting these is given priority in all capital risk management decisions. There have been no events of default during the financial year and the Consolidated Entity is in compliance with its loan covenants as of 31 December 2023.

Section D: Taxation

D1 Income Tax Expense

Income tax expense is recognised based on management's estimate of the effective annual income tax rate expected for the full financial year.

	31 Dec 2023 \$	31 Dec 2022 \$
(a) Income tax (expense) / credit from continuing operations		
Current tax	(333,962)	351,559
Deferred tax	85,459	(365,055)
	(248,503)	(13,496)
(b) Income tax (expense)/credit is attributable to:		
Profit from continuing operations	(248,503)	(13,496)
	(248,503)	(13,496)
(c) Numerical reconciliation between tax expense and pre-tax net profit		
Profit before income tax	702,126	317,661
Income tax expense @ 30% (2022: 30%)	(210,638)	(95,298)
Effect of different tax rates of subsidiaries operating in other jurisdictions	1,236	(1,557)
Non-deductible items	(6,837)	(1,931)
Income tax (expense) before prior year and other	(216,239)	(98,786)
(Under)/over-provision prior year	(27,130)	55,452
Other	(5,134)	29,838
Income tax (expense)	(248,503)	(13,496)

Current Income Tax payable at 31 December 2023 is \$278,885 (30 June 2023 \$nil).

D2 Deferred Tax Balances

Deferred tax balances are presented in the consolidated statement of financial position as follows:

	31 Dec 2023 \$	30 Jun 2023 \$
Deferred tax assets		
Receivables	75,242	75,242
Property, plant and equipment	12,648	-
Payables, accruals and provisions	952,854	880,043
Capital costs deductible over five years	53,176	53,176
Provision for inventory obsolescence	158,605	158,605
Other items	49,243	49,243
	1,301,768	1,216,309
Deferred tax liabilities		
Property, plant and equipment	664,640	664,640
Other items	24,392	24,392
	689,032	689,032

Section E: Capital Structure

E1 Issued Capital

	31 Dec 2023 Number of shares	30 Jun 2023 Number of shares	31 Dec 2023 \$	30 Jun 2023 \$
Balance at the beginning of the period	99,700,000	99,700,000	13,528,699	13,528,699
Ordinary shares – issued net of issue costs	1,250,639	-	164,782	-
Balance at the end of the period	100,950,639	99,700,000	13,693,481	13,528,699

On 16 October 2023, 1,250,639 ordinary shares were issued to employees of Stealth relating to the vesting of Performance Rights granted in FY2021. The Group had expensed this value across FY2021 to FY2023 inclusive, transferring \$177,591 out of the share-based payments reserve (Section E1, page 65 of FY2023 Annual Report) prior to share issue costs of \$12,809.

Performance rights made available under the Performance Rights Plan

A share-based expense of \$8,481 has been recognised in the half-year ended 31 December 2023 (1H FY23: \$45,542).

E2 Dividends

There were no dividends paid or recommended during the half-year ended 31 December 2023 (1H FY23: \$nil).

E3 Earnings Per Share

Statutory Earnings per Share	Half-year to 31 Dec 2023 \$	Half-year to 31 Dec 2022 \$
Profit used in the earnings per share calculation	453,624	304,165
Weighted average number of ordinary shares (Basic)	100,219,387	99,700,000
Weighted average number of ordinary shares (Diluted)	100,219,387	99,700,000
Basic Earnings Per Share (cents)	0.45	0.31
Diluted Earnings Per Share (cents)	0.45	0.31

As at 31 December 2023 there are no options on issue.

Section F: Group Structure

F1 Controlled Entities

The subsidiaries of the parent entity are disclosed in the consolidated financial statements of the Group as of 30 June 2023. There were no changes of control during the half-year.

F2 Financial Instruments

The Company holds no Level 1 or Level 2 financial instruments as of 31 December 2023, nor as of 30 June 2023.

As of 30 June 2023, the fair value of the Group's financial assets and liabilities was not materially different to their carrying value. As of 31 December 2023, the fair value of the Group's financial instruments continues not to be materially different to their carrying value.

Deferred consideration of \$0.4m (30 June 2023: \$0.4m) relating to the acquisition of United Tools Pty Ltd in March 2022 is recognised on the Group's Balance Sheet, being a Level 3 fair value measurement.

Section G: Other Information

G1 Subsequent Events

There has not been during the period between 31 December 2023 and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future reporting periods.

Section H: About This Report

H1 Reporting Entity

Stealth Group Holdings Ltd (“Stealth” or “the Company”) is a limited company incorporated in Australia. The consolidated interim financial report for the half-year ended 31 December 2023 comprise the Company and its subsidiaries (together referred to as “the Group” and individually as the “Consolidated Entity”).

H2 Basis of Preparation

(a) Statement of compliance

This consolidated interim financial report for the half-year ended 31 December 2023 is a general purpose financial report which has been prepared in accordance with Accounting Standard *AASB 134 Interim Financial Reporting* and the *Corporations Act 2001*.

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report should be read in conjunction with the annual report for the year ended 30 June 2023 and any public announcements made by Stealth during the interim reporting period in accordance with the continuous disclosure requirements arising under the Australian Securities Exchange Listing Rules and the *Corporations Act 2001*.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period. There were no changes arising from the adoption of new and amended standards as set out below.

The consolidated financial statements have been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the ordinary course of business. The consolidated financial statements are prepared on an accruals basis and are based on historical costs except where otherwise stated. The financial statements were approved by the Board of Directors on 28 February 2024.

(b) Functional and presentation currency

These consolidated financial statements are presented in Australian dollars, which is the Company’s functional currency.

(c) Use of estimates and judgements

The preparation of these interim financial statements requires management to use judgement, estimates and assumptions that affect the application of accounting policies and hence the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 30 June 2023. Estimates and underlying assumptions are reviewed on an ongoing basis and any required revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

H3 Significant Accounting Policies

The Consolidated Entity has adopted all the new, revised or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (‘AASB’) that are mandatory for the current reporting period. The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except for the estimation of income tax.

New, revised or amending Accounting Standards and Interpretations adopted

A number of new or amended standards became applicable for the current reporting period. The Consolidated Entity did not have to change its accounting policies or make retrospective adjustments as a result of adopting these standards.

Directors' Declaration

For the Half-Year Ended 31 December 2023

Stealth Group Holdings Ltd and its controlled entities

ACN 615 518 020

The directors of the Company declare that:

1. The financial statements, comprising the consolidated statement of profit or loss and comprehensive income, consolidated statement of financial position, consolidated statement of cash flows, consolidated statement of changes in equity and accompanying notes are in accordance with the *Corporations Act 2001* and:
 - (a) Comply with Accounting Standards including *AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001* and other mandatory professional reporting requirements after 2001; and
 - (b) Give a true and fair view of the consolidated entity's financial position as at 31 December 2023 and of its performance for the half-year ended on that date.
2. In the directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the directors by.



Michael Arnold
Managing Director

Perth, 28 February 2024

Independent Auditor's Review Report



Tel: +61 8 6382 4600
Fax: +61 8 6382 4601
www.bdo.com.au

Level 9, Mia Yellagonga Tower 2
5 Spring Street
Perth WA 6000
PO Box 700 West Perth WA 6872
Australia

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Stealth Group Holdings Ltd

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Stealth Group Holdings Ltd (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2023, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

- (i) Giving a true and fair view of the Group's financial position as at 31 December 2023 and of its financial performance for the half-year ended on that date; and
- (ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be the same terms if given to the directors as at the time of this auditor's review report.

Responsibility of the directors for the financial report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.



Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2023 and its financial performance for the half-year ended on that date and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

BDO Audit (WA) Pty Ltd

A handwritten signature in black ink, appearing to read 'Ashleigh Woodley', with the 'BDO' logo written above it.

Ashleigh Woodley

Director

Perth, 28 February 2024



STEALTHGROUP
HOLDINGS LTD

Stealth Group Holdings Ltd
ACN 615 518 020

Unit 10, 43 Cedric Street
Stirling WA 6021

Telephone: +61 8 6465 7800
Email: investors@stealthgi.com

www.stealthgi.com