

ASX ANNOUNCEMENT (ASX: DGL)

31 August 2026

DGL FY26 Results

DGL Group Limited (ASX: DGL), (DGL, the Group or the Company) DGL Group Limited (ASX: DGL), ("DGL" or the "Company"), a leading provider of chemical logistics and services to essential industries in Australia and New Zealand, today announced its financial results for the full year ended 30 June 2026 ("FY26").

FY26 Financial Performance (versus FY25)

- **Sales revenue of \$457.9 million**, down 4.8%
- **Underlying EBITDA of \$41.3 million**, down 20.7%
- **Underlying loss after tax of \$5.8 million**, (profit \$3.5m)
- **Statutory loss after tax of \$40.2 million**, down 44.1%
- **Operating cashflow conversion of 100%** on underlying EBIDTA, down 10%
- **Net debt was \$93.9 million**, down \$0.8m
- Productivity initiatives position DGL for improved margins in FY27

Sales revenue decreased 4.8% to \$457.9 million in FY26, with stronger revenue in Manufacturing and Logistics revenue, but significantly lower in Environmental, primarily due to the closure of DGL's lead acid battery recycling facility in Victoria in late FY25.

Gross profit declined 10.3% to \$182.7 million due to higher cost of sales. Margins were impacted by higher fuel and raw material costs, increased international shipping rates, and competition from low-cost imports of fully formulated chemical products. Generally weaker economic conditions, availability of used lead-acid batteries, and driver shortages leading to increased use of sub-contractors also contributed to the decline in profitability.

The strategic expansion of warehouse and manufacturing facilities also impacted margins due to underutilised capacity. Improving utilisation in FY27 is a top priority.

The Group reported a statutory loss after tax of \$40.2m (FY25: \$27.9m) with positive operating cash flows of \$15.8m (FY25: \$44.7m). Operating cash flows were reduced by \$11.3m of income tax payments (FY25: \$0.8m) out of which \$9.7m relates to prior year tax calculations. Operating cash conversion was solid at 100%.

DGL's underlying loss after tax amounted to \$5.8m (FY25: profit of \$3.5m). DGL's statutory results include \$34.4m after tax in non-cash write downs relating primarily to assets held for sale, plant and equipment and impairment of goodwill in DGL's Logistics division (2025: \$31.4m).

The Group reduced employee numbers, overheads and other expenses by 7.0% to \$142.6m in FY26, with the further cost reductions expected to be realised in FY27.

Strategic Developments and Investments

DGL made substantial capital investments during FY26, expanding capacity and capability. Key projects included commissioning a new manufacturing facility at Narangba, QLD, the establishment of powder repacking capabilities at Derrimut, Victoria, boiler upgrades at

Wingfield, SA and investment in advanced manufacturing equipment and services at our St Marys and Somersby facilities in NSW.

Recycling equipment at Unanderra, NSW is being optimised and upgraded to process a broader range and higher volumes of used lead-acid batteries.

Following technical and resourcing delays, civil works Completion at DGL's new liquid waste treatment plant at Unanderra were completed in H1 FY26, and final equipment installation works are underway. Additional licences have been applied for to expand the range and volume of industrial liquid waste streams that DGL can process. Commissioning of key equipment commenced in H2 FY26, and full plant is expected to become fully operational during H1 FY27.

DGL completed implementation of its new group HR and payroll system in FY26. The ERP & Finance system implementation is progressing, but created some temporary production and product costing issues at a major manufacturing plant in FY26. These issues have been resolved, and the ERP implementation is starting to show productivity benefits in areas where it has been fully rolled out.

Property & Premises

During the year, DGL completed the sale of a recycling facility at Laverton Victoria, and sites and Seven Hills and Tomago in NSW.

The Group consolidated warehouses in NSW, South Australia and Western Australia into larger, newer and more efficient facilities. These are important investments to support DGL's growth, but they dragged on our performance in FY26. DGL incurred relocation costs, periods of double lease costs during the transition, and higher fixed costs as utilisation in larger warehouses is ramped up. Collectively, these initiatives increased DGL's pallet capacity by 8.6% to 1.35 million pallets, supporting customer demand and strengthening DGL's national warehousing footprint.

FY27 Outlook

The DGL Board and our senior management team are acutely focussed on the need to improve our performance.

Our plans for FY27 to reverse our recent underperformance are based on recent and ongoing cost reduction initiatives, productivity improvements and material improvements in the utilisation of our extensive network of production, storage and transport facilities. Investments made in recent years have dragged on earnings, but they provide DGL with significant capacity for growth. We aim to increase utilisation of these facilities in FY27 to drive increased revenue with minimal capex requirements or increases in fixed costs.

We expect ongoing economic and geopolitical uncertainties in FY27, and we aim to be agile in leveraging the diverse nature of our operations and capabilities. DGL will continue to work to work closely with our customers to navigate volatility and serve their critical chemical and logistics needs.

- ENDS -

This announcement has been authorised for release to the ASX by the Board of Directors of DGL Group Limited.



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ABOUT DGL GROUP LIMITED

DGL Group Limited (ASX: DGL) is a leading supplier of chemical logistics and services to essential industries in Australia and New Zealand and beyond.

DGL solves problems for customers by providing formulation and manufacturing for a range of potentially hazardous and reactive chemicals, the warehousing & distribution of these chemicals within a highly licensed transport and warehouse network, and the disposal or recycling required to safely manage the full life cycle of these products.