



DGL

FY26 Results Presentation

31 August 2026

DGL Group Limited (ASX: DGL)

dglgroup.com

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The FY26 financial results in this presentation are based on the audited financial report for the period ended 30 June 2026, which includes a modification of opinion in relation to opening quantities of inventories. The presentation also includes non-IFRS numbers such as “Underlying EBITDA” and “Underlying NPAT”.

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**DGL is a leading supplier of
chemicals, logistics and services
to essential industries
in Australia, New Zealand
and beyond**



Overview



Full Year Overview

Revenue reduced 4.8% in FY26 to \$457.9m

- Underlying loss after tax of \$5.8 million, (FY25 profit: \$3.5m)
- Revenues improved 4.4% in H2 vs H1 FY26

Volatile external environment impacted revenue and earnings

- Generally weaker economic conditions, with higher fuel and raw material costs and increased international shipping rates
- Competition from low-cost imports of fully formulated chemical products
- Availability of used lead-acid batteries, and driver shortages leading to increased use of sub-contractors
- Strategic expansion of warehouse and manufacturing facilities also impacted margins as underutilised capacity builds

DGL continued to invest in capacity and systems

- Significant investment in newer, larger facilities to drive higher returns as utilisation increases
- Group HR/Payroll system installed
- ERP system implementation ongoing, some operational issues impacted results, which have been addressed

Outlook

- DGL intends to leverage its comprehensive network of facilities, capabilities and infrastructure to improve profitability
- Our key focus is on improving utilisation, margins and earnings in FY27

FY26 Financial Overview¹

\$458m

Sales Revenue
down 4.8% vs PCP

\$41.3m

Underlying EBITDA
down 20.7% vs PCP

(\$5.8)m

Underlying NPAT
Down \$9.3m vs PCP

\$15.8m

Cash Flow from Operations
vs \$44.7m PCP

100%

Operating Cash Flow Conversion²
vs 110% in PCP

(\$40.2)m

Statutory NPAT
Down \$12.3m vs PCP

\$0.69

Net Tangible Assets per Share
Down 16% vs PCP

\$93.8m

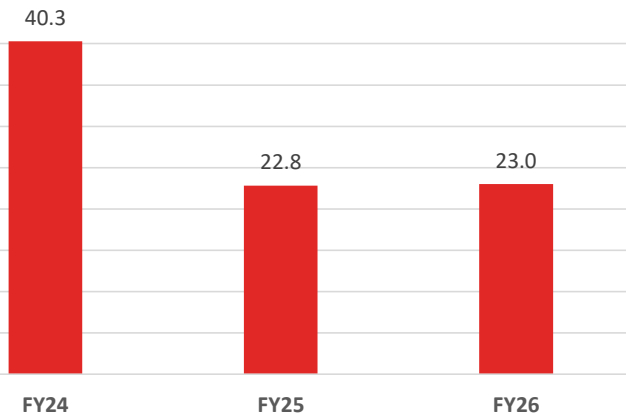
Net Debt
down \$0.79m vs 30 June 2025

1. Based on the audited financial report for the year ended 30 June 2026, with the exception of non-IFRS numbers such as “Underlying EBITDA” and “Underlying NPAT”
2. Operating cash flow excluding interest and tax divided by underlying EBITDA

Prioritising the Health and Safety of our People

DGL is committed to maintaining the highest standards of health and safety across all aspects of our operations

**GROUP TOTAL RECORDABLE
INJURY FREQUENCY RATE**



TRIFR Calculation: Number of lost time and medical treatment injuries in the reporting period x 1,000,000 / Total hours worked in the reporting period based on head count as at 30th June 2026

Health and Safety initiatives FY26

- Company wide Drug and Alcohol policy introduced
- Heavy vehicle fleet upgraded with Electronic Work Diaries to improve driver fatigue monitoring and record keeping management.
- Continued investment in safety systems, improving visibility and consistency of incident, hazard and training management
- Initiated Group Wide Management of Change Standard across all functions, implementing requirements across priority sites progressively
- Benchmark Safety Management System to industry best practice. Established effective 2nd and 3rd line health score for high-risk safety and environmental sites. Performance enhancements developed and effective standards deployed.
- Improved proactive major hazard and environmental lead indicator reporting to the board. Enhancing Critical Equipment maintenance planning, early risk identification and capability uplift.
- Enhanced injury management and return-to-work practices, supporting improved recovery outcomes and reduced lost time
- Commenced ISO Audit reoccurring theme insight and threads

DGL provides integrated services to essential industries

Manufacturing



Key Industries

- Crop Protection
- Mining
- Automotive
- Water Treatment
- Construction

Services

- Formulation
- Toll Blending
- Product Development
- Down-packing
- Labels & Compliance
- Packaging

Logistics



Warehousing

- Classed Dangerous Goods
- General Goods
- HACCP Accredited Goods
- Pick and Pack
- Container Unpacking Services
- Product Management & Relabelling

Transport

- Road Freight (intra and interstate)
- Bulk Liquids & Powders
- International Transport
- Steel & Oversize Freight
- Port Services

Environmental Services

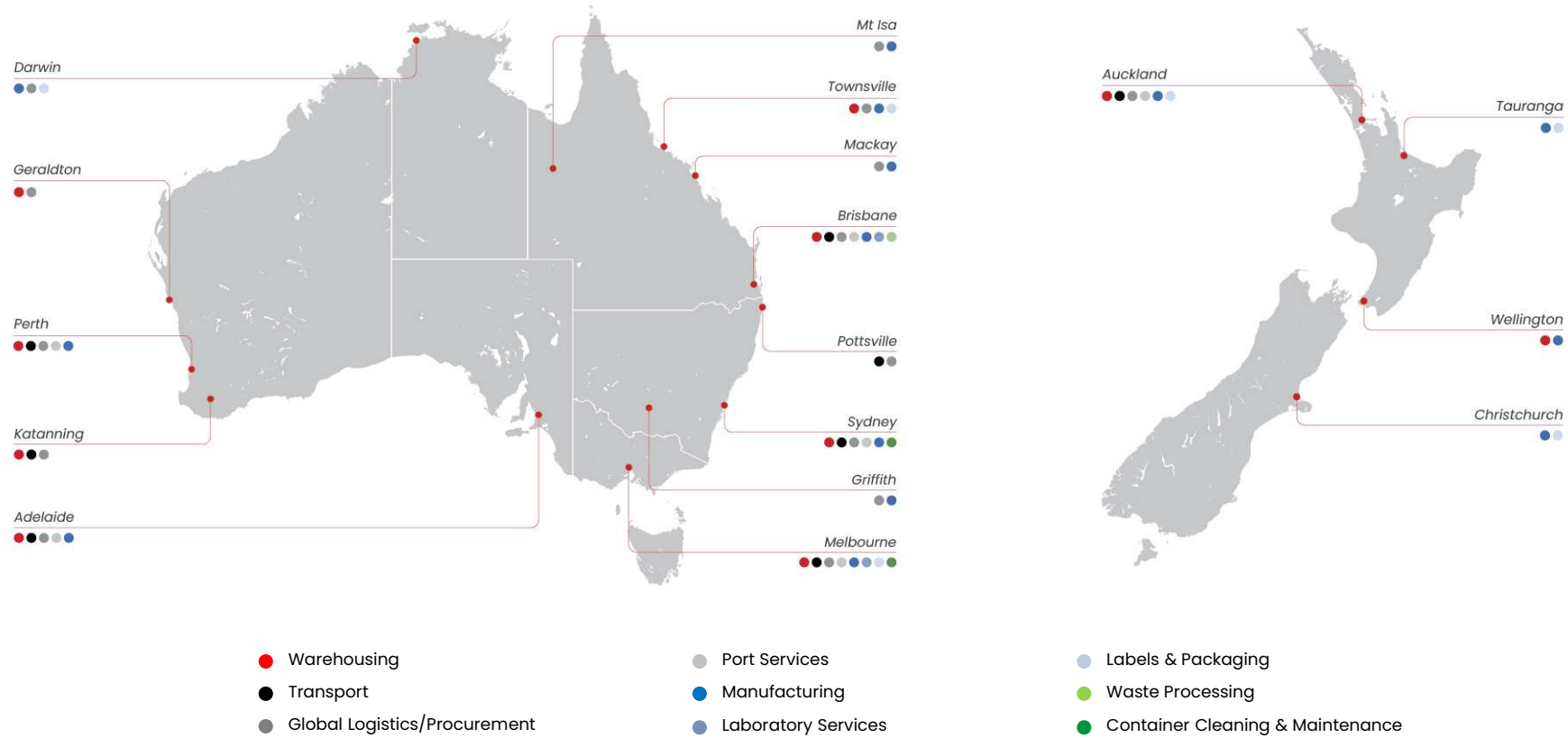


Services

- Waste Removal
- Liquid Waste Transport and Treatment
- Recycling
- Tank & Container Cleaning
- Plastic Recycling
- Battery Recycling

Comprehensive trans-Tasman footprint serving all industries

DGL’s extensive network supports its role as a leading provider of chemicals, logistics, and services to essential industries in Australia and New Zealand



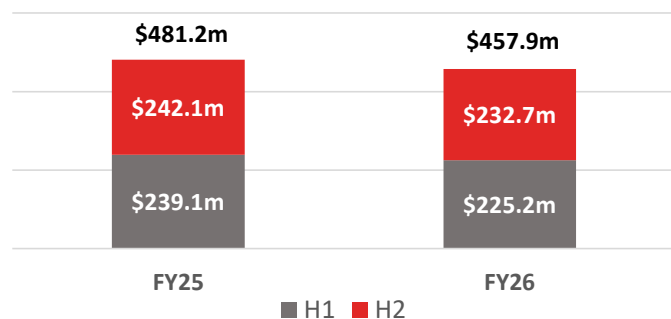
FY26 Financial Results

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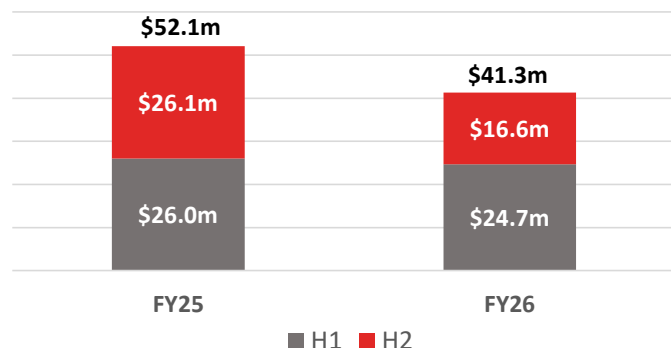


Financial Performance

REVENUE



UNDERLYING EBITDA¹



1. Non-IFRS measure, not audited

Stable operating performance in a challenging market

- Stronger revenue in Manufacturing and Logistics, but significantly lower in Environmental, primarily due to the closure of DGL's lead acid battery recycling facility in Victoria in late FY25
- Seasonal weather conditions impacted demand for crop protection products
- Earnings were adversely impacted by generally weaker economic conditions, availability of used lead-acid batteries, and driver shortages leading to increased use of subcontractors.
- Margins were also impacted by higher fuel and raw material costs, increased international shipping rates, and low-cost imports of fully-formulated chemical products
- The strategic expansion of warehouse and manufacturing facilities also impacted margins due to underutilised capacity, with improved utilisation a top priority for FY27

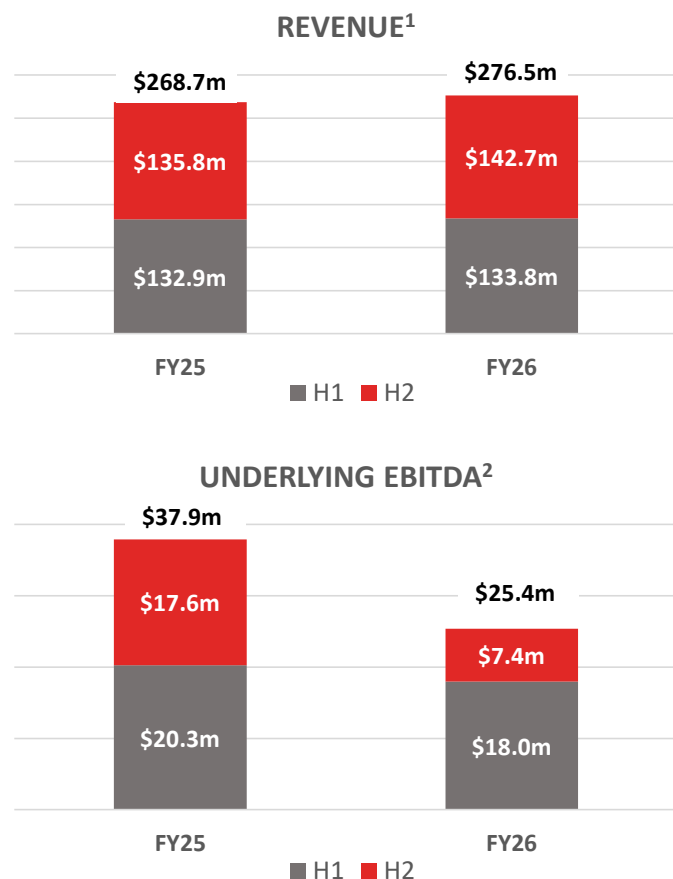
Key Financial Metrics

A\$ million	FY26	FY25	% Change
Revenue	457.9	481.2	-4.8%
Gross Margin	39.9%	42.3%	-2.4%
Operating Expenses	142.6	153.3	-7.0%
Underlying EBITDA	41.3	52.1	-20.7%
EBITDA	6.9	14.7	-53.0%
Underlying NPAT	(5.8)	3.5	-9.3m
Statutory NPAT	(40.2)	(27.9)	-44.1%
Operating Cash Flow	15.8	44.7	-28.9m

Other Items	FY26	FY25	% Change
Net Debt	93.8	94.6	-0.83%
NTA / Share	0.69	0.81	-15.6%

- **Gross Margin** decrease driven by weaker economic conditions, higher fuel and raw material costs, increased international shipping rates and increased use of subcontractors due to driver shortages
- **Operating Expenses** reduced due to cost reductions in the ULAB business, productivity gains and lower occupancy costs, partly offset by increased legal and professional costs
- **Underlying NPAT** decreased by \$9.3m due to a \$20.9m lower gross profit, partly offset by a reduction in operating expenses
- **Non-recurring items** include non-cash impairment of Environmental division plant and equipment (\$13.8m), impairment of Logistics division goodwill (\$14.7) and write downs of chlorine plants held for sale (\$2.5m)
- **Operating Cash Flow** reduced, driven by a reduction in gross profit by \$21.2m and income tax payments of \$11.3m (FY25 \$0.8m), of which \$9.7m related to prior-year tax adjustments
- **Net Debt** reduced by \$0.8m

Divisional Performance - Manufacturing



1. Excludes intercompany transactions

2. Non-IFRS measure, not audited, excludes non-recurring items

Performance

- Revenue increased to \$276.5m, up 2.9% compared to FY25
- Profitability declined due to higher overheads and operating costs following a significant facility expansion at the Derrimut facility, and by seasonal weather conditions which reduced demand.
- Highly competitive imports of fully formulated chemical products put pressure on margins and customer growth
- The ERP system roll out caused temporary production and product costing issues early in FY26, impacting production and sales, which has since been resolved

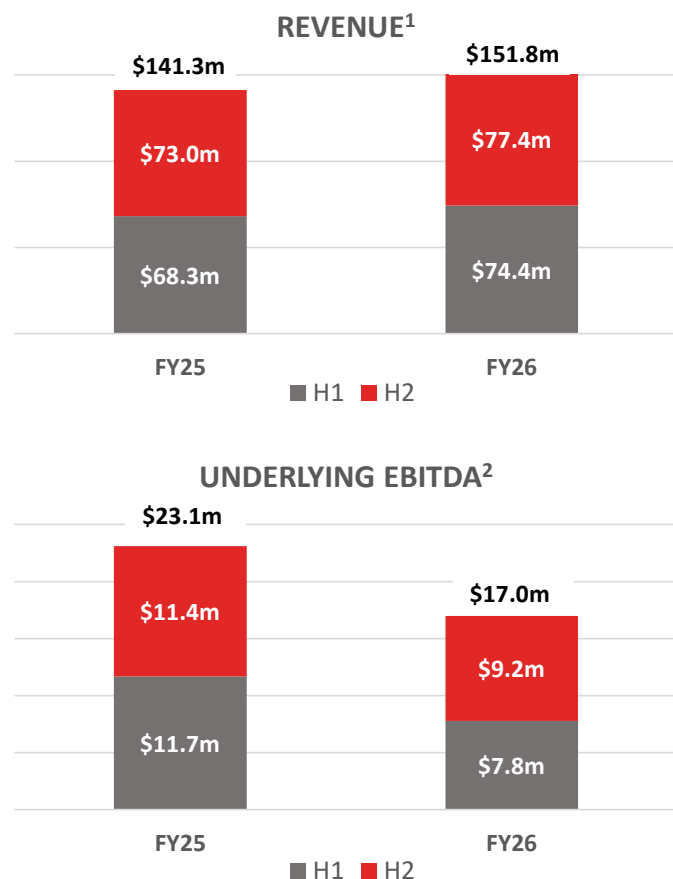
Headwinds

- Competition from fully formulated imported chemicals
- Higher raw material costs due to geo-political condition

Actions to Improve Performance

- Significant capital investment during the year expanded both capacity and capability across the manufacturing network. These investments provide a strong foundation for future growth while enhancing DGL's ability to support customer demand across a wide range of product categories and market sectors.

Divisional Performance - Logistics



1. Excludes intercompany transactions

2. Non-IFRS measure, not audited, excludes non-recurring items

Performance

- Revenue increased to \$151.8m, up 7.4% compared to FY25
- Positive response from customers to new and improved facilities
- Benefits from updated technology including RF scanning has improved DIFOT dispatching

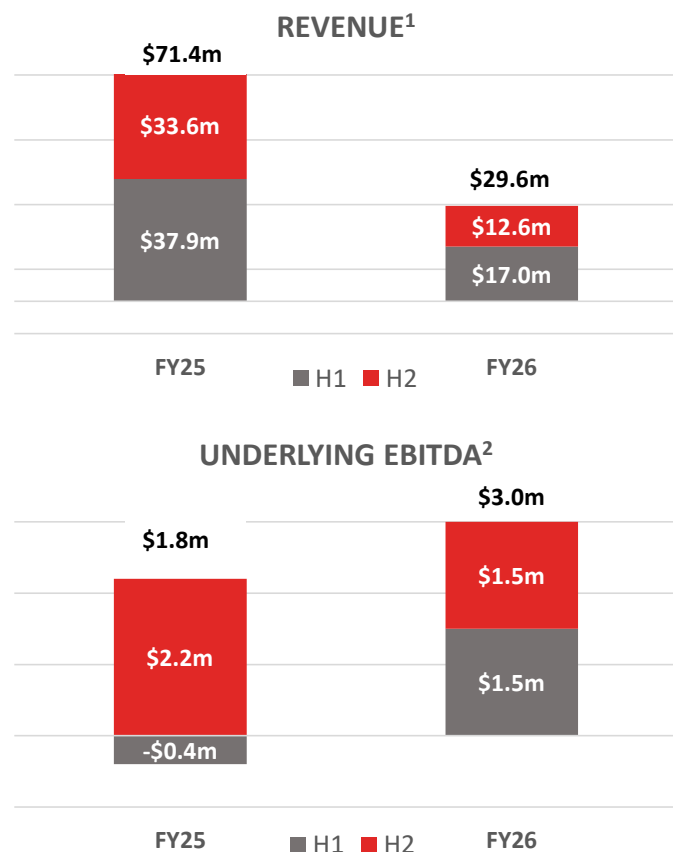
Headwinds

- Transport operations were impacted by higher fuel costs and a shortage of drivers, with increased reliance on subcontractors, leading to higher operating costs
- Outlook on fuel costs is uncertain

Actions to Improve Performance

- Focus on increasing utilisation of expanded warehouse facilities in NSW, SA, WA and Christchurch NZ are expected to drive incremental revenue and earnings growth
- Improved hiring of drivers in late FY26, combined with improved utilisation of DGL's fleet, expected to drive margin improvement in FY27
- Investment in new trucks and trailing equipment to improve efficiency

Divisional Performance – Environmental Services



1. Excludes intercompany transactions

2. Non-IFRS measure, not audited, excludes non-recurring items

Performance

- The substantial reduction in revenue was primarily due to the sale of DGL's loss-making Victorian ULAB facility, and reduced availability of ULABs for recycling
- Improved profitability due to rationalisation of overheads at the NSW ULAB processing site, and the sale of the loss-making ULAB site in Victoria
- Civil works for the new liquid waste treatment plant at Unanderra completed, and final installation works underway, with full plant operation expected during H1 FY27

Headwinds

- Continued competition for ULABs, however ULAB supply increased in late H2 FY26 and the trend is expected to continue

Actions to Improve Performance

- ULAB processing equipment is being optimised and upgraded to process higher volumes of ULABs, targeting improved profitability
- Equipment for shredding of plastics to be installed which will be a further revenue stream
- Additional waste processing licences applied for to expand the range of industrial liquid waste streams that can be processed by the new liquid waste treatment plant and increase the volume of liquid waste processed from external sources.

Balance Sheet

A\$ million	FY26	FY25 ¹
Working Capital	55.20	61.70
Property, Plant & Equipment	236.14	254.72
Intangible Assets	118.18	133.74
Net Debt	93.85	94.64
Net Lease Liabilities	75.79	66.61
Other Net Assets/Liabilities	320.3	349.8
Net Assets	299.70	344.90
NTA / Share	0.69	0.81
Gearing ²	35%	32%

1. FY25 opening balances have been restated, please refer to Note 2 of the Financial Statements

2. Gearing is calculated as Total Borrowings / Total Equity

Working Capital

- Decrease in working capital driven by \$5.3m reduction in inventory

Property, Plant & Equipment

- Write down of \$13.8m as part of an impairment charge taken to plant & equipment and the liquid waste treatment plant under construction
- Write down of \$2.8m to the Mt Isa chlorine plant which is a held for sale asset

Intangible assets

- Reduced by \$14.7m due to a non-cash impairment to goodwill held against the Logistics division

Other Assets

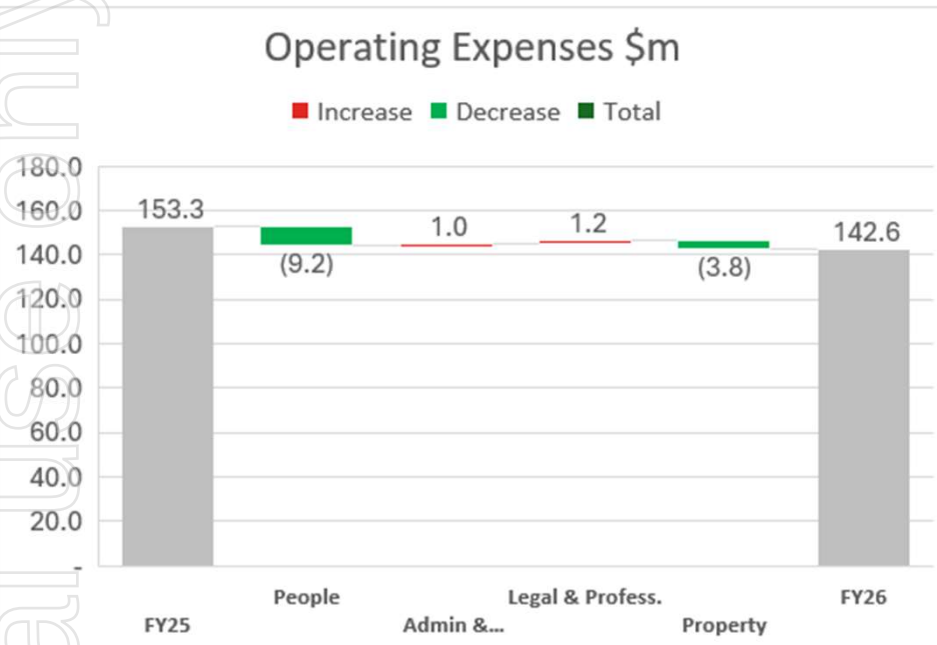
- \$27.8m realised from the sale of the Laverton (VIC), Seven Hills (NSW), Tomago (NSW) assets, along with the Nambour chlorine plant

NTA / Share

- Decrease driven by lower earnings and non-cash write downs

Operating Expenses

personnel



People

- Costs reduced due to the sale of the Laverton ULAB site and rationalisation of head count, primarily at the Unanderra ULAB site
- Continued focus on management of people costs resulted in stabilisation of costs in Shared Services
- Continued focus on productivity

Legal & Professional

- Increased costs due additional audit costs for FY25 and in relation to DGL's ASX suspension, now resolved

Property

- Reduced occupancy costs (non-rent) due to disposal of properties in FY26

Realisation of cost savings through consolidation of entities and systems and improved productivity remains a key focus in FY27

Cash Flow

A\$ million	FY26	FY25	Change
Operating Cash Flow	15.8	44.7	-28.8
Investing Cash Flow	2.8	-6.4	+9.2
Financing Cash Flow	-23.2	-42.1	-18.8
Net Cash Flow	-4.6	-3.8	-0.80m

1. Operating cash flow excluding interest and tax divided by underlying EBITDA

Operating cash flows:

- Operating cash flow of \$15.8m is \$28.9m down on pcp, driven by lower margins and income taxes paid of \$11.3m (FY25: \$0.8m) which included \$9.7 million relating to finalisation of prior-year tax calculations
- Solid operating cash conversion¹ at 100% (FY25: 110%)

Investing cash flows:

- Proceeds on sale of non-core properties in Australia: \$27.8m
- Capex investment of \$18.0m

Financing cash flows:

- Outflows relating to the repayment of debt \$5.1m
- Repayment of lease liabilities \$18.2m

Dividends

- No dividends declared in FY26
- Dividend policy remains unchanged, with earnings reinvested for growth

Strategy & Operations



Strategic Priorities FY27

Health & Safety

- Commitment to maintaining the highest standards of health and safety
- Continued investment in safety systems, improving consistency of incident, hazard and training management
- Focussed on ongoing improvements in training, policy, procedures and proactive monitoring of major potential hazards and environmental risks

Increase Profitability

- Intense focus on margin improvement and overhead cost management
- Leverage productivity enhancements and improved management information systems to improve earnings and operational performance
- Increase utilisation of expanded manufacturing and warehousing facilities
- Improve working capital management

Organic Growth

- Accelerate new customer gains while prioritising customer retention
- Capitalise on competitive advantage of DGL's established capacity and capabilities to drive revenue growth
- Capture latent customer demand to outsource specialised chemical logistics requirements to experienced and accredited providers like DGL

Integration & Consolidation

- Complete implementation of core group-wide ERP, HR and Logistics systems
- Complete the integration of operational activities and simplify DGL's corporate and operating structure
- Continue rationalisation and consolidation of sites to larger facilities with broader product and service capabilities

Trading Update and Outlook

Trading Update

- DGL has budgeted for revenue and earnings improvement in FY27 and positive early signs in FY27 that performance is improving
- We are seeing encouraging demand early in crop protection and pest control driven by favourable weather patterns in W.A. and central Australia
- We expect fuel prices to remain elevated for the medium term with volatility in raw materials pricing and availability, and some stabilisation in international freight rates
- Better availability and more stable pricing of used lead acid batteries is encouraging for our recycling performance
- Performance in our manufacturing operations in early FY27 is encouraging after performance disruptions in FY26

FY27 Outlook

- We expect ongoing disruptions to global transport and shipping in FY27, impacting timeframe and cost for import and export of key raw materials
- Despite the uncertainties and cautious economic conditions, we continue to see solid demand for our products and services
- We have a very strong sales drive to improve earnings yield through better utilisation of our expanded warehouse and manufacturing facilities
- DGL maintains an intense focus on cost management, and on extracting the benefits of integration and consolidation of operations and systems to drive profitability
- The chemical manufacture and distribution sector is essential to society and industry globally and remains highly attractive, with significant opportunities for organic growth and consolidation.

INVESTMENT STRENGTHS

Leading supplier of chemicals, logistics and services to essential industries
in Australia, New Zealand and beyond



Integrated service
provider delivering
a complete solution
to customers



Operating in highly
regulated industries
with significant
barriers to entry



Diversified across
industries, product
and geography



Focussed on core
business and
reinvestment of
earnings for
organic growth



Driving efficiency
and productivity
through integration
of operations and
consolidation of
group systems



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