

DGL



**DGL AGM Presentation
December 2021**

Presented by:
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Peter Lowe, Chairman

Introduction to DGL



A specialty chemicals and supply chain business offering a full-service solution from manufacture to recycle across New Zealand and Australia



3,000+
pro forma customers
over last 12m



AUD \$166M
Net Tangible
Assets at June 21



440+
Staff – Aust. & NZ



50+
Sites across Aust.
& NZ – approx.
358,000m²



140,000mt
Chemical storage



1,500,000
Movements p.a.



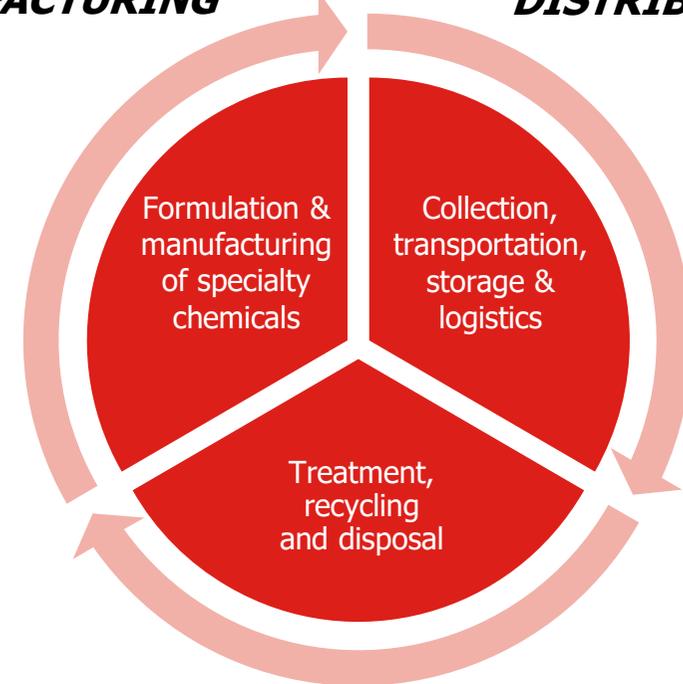
280,000mt
Manufacturing
capacity p.a.



180,000mt
Waste processing
capacity p.a.

**CHEMICAL
MANUFACTURING**

**WAREHOUSING &
DISTRIBUTION**



**ENVIRONMENTAL
SOLUTIONS**

As at December 2021

Introduction to DGL



A specialty chemicals and supply chain business offering a full-service solution from manufacture to recycle across New Zealand and Australia

- Significant and strategically located assets and infrastructure
- Broad portfolio of licences, accreditations, and regulatory approvals which are hard to replicate
- Unparalleled scale in its extensive bulk liquid transport, packaged transport and logistics network
- A vertically integrated service from manufacture to end of life chemicals processing
- A trusted brand and track record in a high-risk industry
- Highly skilled workforce dedicated to providing service to DGL's loyal customer base
- Intellectual property and technical know-how in the manufacture and management of chemicals



Service Offerings – Chemical Manufacturing



DGL specialises in complex formulation and reactive processes on a bespoke basis for our clients as well as producing our own range of specialty chemical products

Procurement services providing clients with the most economic solution for their chemicals

- Global connections allow us to work closely with our network to enable long term procurement gains

Chemicals formulation with on-site laboratories

- Over 70 years of chemicals development, testing and analytics
- This includes formulation, and process design services of specialist chemicals including polymers

Contract manufacturer and portfolio of own brands

- Manufacturing industrial chemicals and packaging for a range of products
- Capabilities include formulation of acids involving controlled exothermic reactions between metals, acids and stabilising agents

Specialists in value added chemicals to suit customer requirements across a number of industries.



Service Offerings – Warehousing and Logistics



Strong network and national presence providing the most seamless and cost-effective transport, logistics and warehousing solutions to our customers

Freight forwarding services seamlessly across the Tasman and globe

- Efficient, compliant, and transparent suite of dangerous goods licenced logistics services across Australia and NZ

Specialised facilities and highly trained staff

- Capable of storing the most toxic and dangerous of chemicals through to food and pharmaceutical goods
- Specially trained staff and fully accredited processes to provide safe and secure handling and storage of goods across multiple product types
- Multiple accreditations, permits and licences to accommodate customer needs

Full breadth of warehouses and fleet types across Australia and NZ

- Company owned fleets conducting wharf cartage, local intra and interstate, road tanker transport. In-house freight forwarding and clearance of import and export containers
- Operates a fleet mix of in-house and transport partners across Australia and New Zealand



Service Offerings – Environmental Solutions



DGL offers innovative waste management solutions to intractable waste problems

Used Lead Acid Battery (ULAB) recycling

- Recycling of end-of-life ULABs in state-of-the-art, highly automated recycling facilities
- Recovery and recycling of lead products, scrap plastic and other metals / chemicals

Lead smelting and refining

- DGL's recourse recovery facility in Laverton North (VIC) has lead smelting and refining capabilities to allow the conversion of intermediate lead material into valuable end products (e.g. lead bullion and ingots)

Liquid Waste Treatment

- Wastewater treatment plant to process liquid waste generated from its ULAB recycling plant and from other industries
- Work continues on a state-of-the-art liquid waste treatment plant on the same site capable of treating significantly greater volumes of liquid waste



FY21 highlights



Strong performance, exceeding FY21 prospectus forecasts

PRO-FORMA REVENUE

▲ **\$196M**

up 9% on FY20
up 3% on prospectus
forecast

PRO-FORMA EBITDA

▲ **\$28M**

up 47% on FY20
up 8% on prospectus
forecast

PRO-FORMA EBIT

▲ **\$17M**

124% on FY20
up 9% on prospectus
forecast

PRO-FORMA NPAT

▲ **\$11M**

up 135% on FY20
Up 19% on prospectus
forecast

HIGHLIGHTS

- ✓ All metrics were ahead of prospectus FY21 forecast
- ✓ Increased utilisation across our extensive network of Trans-Tasman assets.
- ✓ Delivering our customers more services from across our business, including integrated warehousing and transport.
- ✓ Chem Pack successfully integrated.
- ✓ Used lead asset battery (ULAB) - lead smelter fully commissioned ahead of schedule.
- ✓ Executing on strategy initiatives including investing in capital projects and acquisitions that expand our services and bring efficiencies to our existing operations.

Positive industry trends support long-term growth



CHEMICAL MANUFACTURING

**\$40.8 billion market
opportunity¹**

MARKET DRIVERS

- Growing agricultural sector driving demand for pesticides, herbicides and fertilisers
- Trend towards home and garden DIY
- Growing requirement for chemically treated compliant potable water
- Construction and infrastructure industries requiring admixtures
- Mining industry increasing chemical dosage requirements

WAREHOUSING & DISTRIBUTION

**\$1.2 billion market
opportunity^{1,2}**

MARKET DRIVERS

- Supply chain distribution causing a structural shift towards reliable providers
- Increased trade activity and globalization of supply chains
- Stringent regulatory and compliance obligations in handling and transporting of chemicals
- Growth in the generation of hazardous liquid wastes

ENVIRONMENTAL SOLUTIONS

**\$3.6 billion market
opportunity¹**

MARKET DRIVERS

- High health and environmental risks from toxic and hazardous industrial liquid waste
- Stringent regulatory and compliance obligations
- Growth in the generation of hazardous liquid wastes
- Continued growth in the automotive sector

1. Projected growth by 2026, Frost & Sullivan
2. Dangerous goods logistics market

Clear strategy to drive growth



OUR OBJECTIVE

To be Australasia's leading fully integrated, end-to-end chemicals business

Chemical Manufacturing

Warehousing and
Distribution

Environmental Solutions

STRATEGIC PRIORITIES

Drive cross-selling between divisions

*Creating greater
cross usage of
services by
customers across
DGL's three divisions.*

Achieve further economies of scale

*Network growth,
increased utilisation
of existing
infrastructure, and
operating efficiencies.*

Investment in capital projects

*Expansion of
existing network
and services.*

Identify acquisitions

*Significant consolidation
opportunities in each
division, with
opportunities to add
capabilities and
customers.*

Strategy initiatives – Completed Acquisitions



Focused on delivering growth for our shareholders

Key Benefits:

- Brings further scale, efficiencies, and capacity
- Additional licences and approvals, as well as unique product intellectual property that can be leveraged across DGL's business
- Provides cross-sell opportunities across the Group
- Further reduces customer concentration
- Expands the geographical footprint across Australasia.
- Adds quality property to our existing, substantial, footprint as we continue to focus on investing for the long-term, while strengthening our balance sheet.



Strategy initiatives – Completed Acquisitions



Focused on delivering growth for our shareholders

- DGL's team has been leading the integration of acquisitions with assistance from the acquisition's employees.
- DGL has had long term alignment to these businesses, with acquisition merely representing the crystallisation of these long-held relationships.
- DGL's aim has been to preserve significant portions of the acquired businesses brands and identities whilst increasing DGL's breadth of products, services, customers, and geographies.
- Key employees in those businesses have been retained and have become an important part of the integration with DGL. They will be critical to the ongoing success of the Group.
- Where appropriate, existing operating processes, frameworks, and systems have remained in place to ensure the seamless transition for customers, employees, and suppliers.
- DGL will continue to employ this customer, employee, and supplier led approach to ensure that DGL enjoys long term sustainable growth, and to allow the Group to carefully manage the transition for these businesses, their employees, suppliers, and customers.

Strategy initiatives – Completed Acquisitions



Agricultural and Water Treatment Markets

Opal Australasia

- Opal is a well-regarded independent chemical manufacturer operating in Western Australia. Opal's proximate access to the Western Australian agricultural region and R&D focused toll manufacturing services give significant strategic advantage.
- Acquisition completed September 2021.

Strategic and operational benefits:

- Complete coverage of Australia's agricultural market
- DGL will now cover both east and west coast agri markets, in particular Western Australia's grain industry – Australia's largest grain growing region.
- Provides a natural hedge on varying drought cycles across east and west coast of Australia.
- Currently services the majority of major chemical suppliers in the agricultural industry in WA.

Profill Industries

- Profill Industries is a respected chemical manufacturer, blending, and packing provider in Western Australia. Profill's focus is on home & garden, fertiliser, agricultural and industrial chemicals provided to both International and Australian markets.
- Acquisition completed November 2021.

Strategic and operational benefits:

- Profill will provide a significant boost to the Western Australian offering by complementing the bulk manufacturing of Opal Australasia with the ability to down pack into smaller packaging sizes.
- This will complement our existing Victorian manufacturing and provide further access into the home and garden chemical market.

Aquapac

- Aquapac is a well known and widely respected water solutions company which formulates, trials and provides technical support to its customers across Australia's east coast.
- Acquisition completed October 2021.

Strategic and operational benefits:

- More complete chemical offering in the mining and water treatment sectors
- Enhance DGL's existing water treatment chemical business and provide access to an extensive list of mining, industrial and government customers across Queensland and New South Wales.
- Aquapac has manufacturing facilities in both Queensland and New South Wales which will add to DGL's broad geographic footprint.

Strategy initiatives – Completed Acquisitions



Automotive Chemical Markets

Ausblue

- Ausblue is the market leader in Adblue distribution in Australia and is currently expanding into the coolant market. Ausblue has a strong Australia wide network serviced by seven manufacturing sites and a fleet of eight bulk liquid transport vehicles.
- Currently produce 50m litres of Adblue for 628 customers across multiple sectors.
- Acquisition completed November 2021.

Strategic and operational benefits:

- There are strong synergies with the DGL Group around logistics which will increase buying power through a larger fleet.
- The acquisition of Ausblue will complement our existing Adblue business in New Zealand and will give DGL the capability to service large corporate customers across both Australia and New Zealand.
- Ausblue also brings the opportunity to expand further into the automotive chemical sector through an increased customer base.

Shackell Transport

- Shackell Transport Pty Ltd is a highly respected specialist bulk liquid and general freight carrier based in the Northern New South Wales, providing regional and interstate distribution and linehaul services along the East Coast of Australia from North Queensland to Adelaide.
- Acquisition completed December 2021.

Strategic and operational benefits:

- Shackell's specialisation in bulk liquid haulage aligns with DGL's bulk chemical and Bulk liquid waste needs.
- The quality fleet of 28 Kenworth & Volvo prime movers and 53 largely Tieman and Barker trailers will increase buying power for DGL.
- The experienced team have extensive knowledge and ability in the bulk liquid haulage sector that can be utilised within other parts of the business.

Austech

- Austech specialises in the manufacturing of unique non-oil automotive chemicals, such as coolant, brake fluids, solvents, flammables and aerosols. The Company holds unique intellectual property for chemical formulations used within the automotive industry.
- Acquisition completed December 2021.

Strategic and operational benefits:

- Coupled with AUSblue, we have created a substantial automotive division and sets DGL up with a strong national presence in the automotive chemicals sector.
- Utilising Austech's substantial blending capability, proprietary formulations and the broader capabilities of DGL will enable targeted geographic manufacturing in Western Australia and New Zealand, organically growing the automotive division.

Strategy initiatives – Completed Acquisitions



Focused on integrating and maintaining EBITDA of acquired businesses

Acquisition	Completion date	Cash Investment ³	Shares issued (value at completion)	Implied EBITDA at acquisition announcement
Labels Connect	July 2021	\$0.5m	909,090 (\$1.4m)	\$0.5m
Opal Australasia ¹	September 2021	\$6.7m	1,366,906 (\$3.1m)	\$1.7m
Aquapac ²	October 2021	\$6.0m	1,428,571 (\$4.1m)	\$1.5m
Profill Industries	November 2021	\$2.15m	3,928,571 (\$11.5m)	\$1.7m
AUSblue	November 2021	\$2.2m	4,539,470 (\$13.3m)	\$3.5m
Shackell Transport	December 2021	\$7.8m	506,912 (\$1.2m)	\$1.3m
Austech Chemicals	December 2021	\$13.0m	5,306,122 (\$13.0m)	\$5.0m
		\$38.35m ³	17,985,642 (\$47.6m)	\$15.2m

Notes:

¹ The Opal acquisition price included property valued at approximately \$4.3m

² The Aquapac acquisition price included property valued at approximately \$3.4m

³ In most cases, additional payments were made following completion for stock and/or completion adjustments

Strategy initiatives – Property and Projects



DGL's geographic coverage enables it to service national and trans-Tasman customers in a highly effective manner, avoiding the need for the customer to engage multiple service providers to achieve similar geographic coverage.

Property acquired since IPO:

QLD

- 128 Enterprise Street, Bohle, Townsville, QLD
- 25 Ashover Road, Rocklea, Brisbane, QLD (DGL occupied purpose built chemical storage facility)
- 33-35 Antimony Street, Carole Park, Brisbane, QLD (DGL occupied chemical manufacturing facility)

VIC

- 120 Fulton Drive, Derrimut, Melbourne, VIC (DGL occupied chemical manufacturing facility)

WA

- 7 Yeates Road, Kwinana, Perth, WA (DGL occupied chemical manufacturing facility)

NZ

- Irongate Road, Irongate, Hawkes Bay
- 102-114 Shands Road, Hornby, Christchurch

New Projects:

Townsville Facility, QLD: DGL Manufacturing and Warehousing facility. Chemical dissolution and toll manufacturing to be set up initially on site. Development approvals and license requirements are currently being finalised.

Seven Hills, NSW: Redevelopment of 1960's warehouse and construction of a new 3500mt chemical storage facility. Design is underway and works are expected to be completed Dec 2022.

Suspended Concentrates Plant, VIC: 2nd suspension concentrate formulation plant planned for 2H FY22. Up to 1000mt per annum capability. Relocation and upgrade of other formulation assets to make way for this new plant and improvement of current processes.

Auckland, NZ: Constructing a purpose built chemical storage facility taking total storage capacity of the site to 8000mt. Completion is targeted for Q3 FY22.

Hawkes Bay, NZ: Constructing a purpose built chemical storage facility with capacity of 5000mt. The development will be the first specialist chemical storage facility licenced as major hazardous facility) in the Hawkes Bay to service eastern and central North Island regions. Completion is targeted for Q1 2023.

Christchurch, NZ: Redevelopment of existing warehouse and constructing a new chemical facility with a new office. Upon completion there will be capacity for 8000mt of chemicals. Works are expected to be completed Q1 2023.

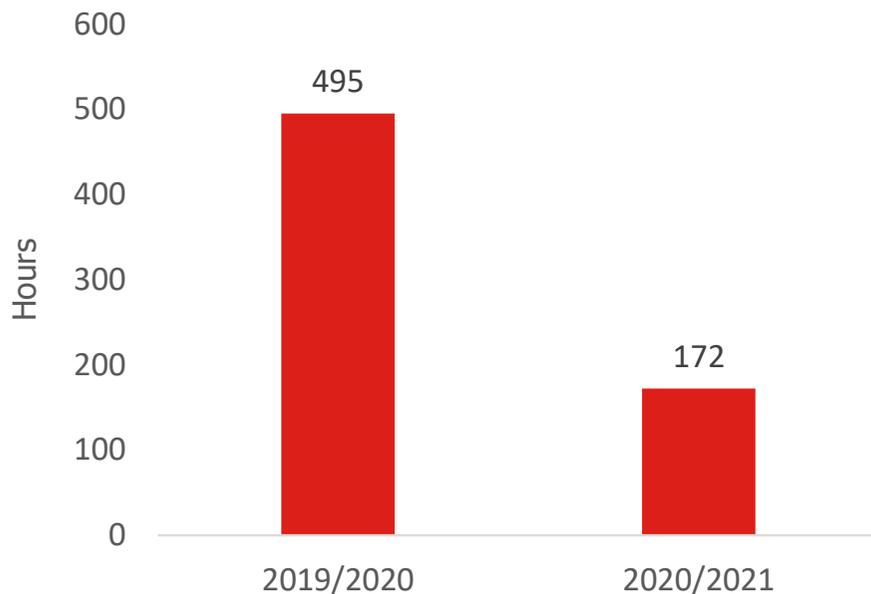
Quality, Health & Safety



Compliance, procedures and training underpin our approach to H&S

Total lost time injury hours

Significant improvement in FY21



Extensive licence and accreditation portfolio

Portfolio of licences, developed over more than a decade to ensure safety in operations, and environmental and quality standards.



Safety Procedures

Comprehensive safety plans, systems and procedures in order to comply with the range of regulations that apply to the sectors in which it operates.



Employee training

- Compulsory on-the-job training
- Logging of all potential hazards and incidents
- Annual independent external audits and ad-hoc inspections

Outlook and Summary

Focused on delivering growth for our shareholders



- Business continues to perform strongly and in-line with expectations.
- Lockdowns across the region, to date, have not had a material impact on our business, with DGL considered part of an 'essential industry' in both Australia and New Zealand.
- Continuing to see onshoring of international supply in response to global supply chain issues.
- Strategy now focused on growing organically and consolidating acquisitions acquired post IPO.
- We continue to actively review further targets.
- We expect the underlying IPO group¹ to exceed the prospectus EBITDA forecast of \$29m and we expect to add approximately a further \$15m of pro-forma² EBITDA to pro-forma Group earnings from acquisitions made since 30 June 2021 based on their implied EBITDA at completion.
- FY22 earnings guidance will be provided in conjunction with the mid year results.

Notes:

1 The underlying IPO group includes those companies and businesses consolidated within DGL Group at IPO and at 30 June 2021.

2 \$15m represents the implied EBITDA at completion of the acquired companies and businesses. On a pro-forma basis, the statement assumes we add those acquired earnings to the underlying IPO Group as if we had owned and controlled for the full year.

Unique competitive position



Strategic network of Trans-Tasman infrastructure



3,000+
pro forma customers over last
12m



Skilled and trained workforce



440 staff

Regulatory compliance



**Extensive portfolio of
licenses**

Providing vertically integrated
chemical management services



Significant industry know-how,
proprietary processes and
intellectual property portfolio



DGL

