

## ASX RELEASE

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### Acquisition of Australian Petro Chemical Storage

#### Key Highlights

- Strategic acquisition to expand DGL's capability to supply essential chemicals and flammable liquids to the key Sydney and NSW markets
- APCS has licensed capacity able to store 10 million litres of flammable chemicals on the doorstep of Sydney, providing a purpose-built facility which increases the Class 3 flammable material handling capacity of the DGL group
- This highly complementary acquisition will allow DGL to expand its chemical and logistics service offering to existing and new customers
- The acquisition is earnings accretive and will be funded from operating cash flows

DGL Group Limited (ASX:DGL), (DGL Group or the Group) is pleased to announce the acquisition of Australian Petro Chemical Storage Pty Ltd (**APCS**) for a total consideration of \$5.5 million. APCS operates a major hazardous facility (**MHF**) on a licensed storage site at 14 Williamson Road, Ingleburn NSW 2565. DGL will enter into a five-year lease agreement for the MHF site, with the ability to extend the lease progressively for up to a total of 25 years.

APCS commenced operations in 2001, specialising in the storage and distribution of both bulk and packaged flammable liquids.

The MHF can accommodate a total capacity of over 10 million litres in chemical storage (including flammable chemical storage). Its proximity to Sydney's metropolitan area offers significant strategic value due to its prime location and enhanced access to key markets. In addition to other licenses and authorisations, APCS maintains ISO9001, ISO14001 and ISO45001 certifications.

Strategically, the acquisition of APCS provides a substantial scale-up to the Group's existing storage capacity of flammable liquids in NSW. While the Group currently operates MHFs in Victoria and in Auckland, the acquisition will represent the first MHF to be operated by the Group in New South Wales. With the increase to its bulk chemical storage capabilities, the Group aims to drive further vertical integration and efficiencies of scale across its divisions, in particular DGL's existing transport and logistics operations. The acquisition provides the opportunity for DGL to expand its chemical logistics and storage services to existing and new customers of both DGL and APCS.

The acquisition will also allow DGL to consolidate its storage and manufacturing of Class 3 flammable chemicals in NSW at the MHF. This is expected to provide material savings in insurance premiums, by removing Class 3 flammable materials from other DGL sites and allowing their insurance risk ratings to be reclassified accordingly.

The acquisition price of \$5.5 million represents 2.5 x EBITDA for the last 12 months (excluding the impact of AASB16). On a post-AASB16 basis the acquisition multiple is 3.7 x EBITDA. The acquisition will be earnings accretive for DGL.

The acquisition is expected to settle in October 2024 and will be funded by operating cash flow.

Simon Henry, CEO said, "The acquisition of APCS expands DGL's storage and logistics capabilities in New South Wales, allowing DGL to meet the growing needs of its customers and attract new customers. The acquisition will also bring significant synergies to DGL's expanding chemical road tanker fleet, and reduce costs at other Group sites."

- ENDS -

**Approved for release by the Board of DGL.**

#### **CONTACT**

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#### **ABOUT DGL GROUP LIMITED**

DGL Group Limited (ASX: DGL) is an established, founder-led, end to end chemicals business that provides a complete solution for the sourcing, manufacturing, storage and transport, recycling, and disposal of chemicals and hazardous waste. DGL operates a comprehensive network to deliver a broad range of specialised chemical services to essential industries across Australia and New Zealand.