



ASX RELEASE

30 August 2024

DGL FY24 Results

Sydney, Australia - DGL Group Limited (ASX: DGL), (“DGL” or the “Company”), a leading provider of chemicals, materials and services to essential industries in Australia and New Zealand, today announced its financial results for the full year ended 30 June 2024 (“FY24”).

Key Financial Highlights:

- Sales revenue of \$466.1 million, steady on FY23 with increased volumes offset by reduced commodity prices
- Underlying EBITDA of \$63.7 million, down 1% on FY23
- Statutory NPAT of \$14.1 million, down 19% on FY23 after FY23 tax restatement
- Strong underlying operating cashflow conversion of 86%
- Strong balance sheet with net assets of \$342.0 million (up 4% on FY22).
- Continued investment in organic growth and selective strategic acquisitions in FY24

Commenting on the performance, DGL Founder and Chief Executive Officer, Simon Henry, said:

“In a year that has been more challenging for businesses in Australia and New Zealand, DGL has delivered a stable performance. The established market position and diversity of our business has allowed us to support our 5,000 plus customers with their critical chemical and industrial service needs while continuing to invest for growth in the business.

“We have maintained and built on our reputation for customer service and safety in delivering specialised chemical, material and service solutions across all key industry sectors.

“We are positive about the outlook for the business despite ongoing domestic economic and global supply chain pressures. We look forward to the benefits of our investments in plant capacity, people, systems and equipment contributing to improved earnings in FY25 and beyond.”

FY24 Group Revenue and EBITDA

As foreshadowed at our half year result, revenue and EBITDA were broadly in-line with FY23 with a reduced full year profit contribution due to higher finance costs, and increased depreciation of PPE and right of use assets. Profitability in FY24 was reduced by the cost of investments in organic growth initiatives, systems and a new shared services hub. These initiatives will contribute to profitability in future periods.

DGL delivered \$466.1 million in sales revenue in FY24, the same level as in FY23, with volume growth offset by declines in commodity prices. Underlying EBITDA was \$63.7 million, down 1% on FY23. Statutory net profit after tax was \$14.1 million, down 19% on FY23.

The stable result was despite a weaker economic environment, with ongoing supply chain pressures, geopolitical headwinds affecting the global chemical sector, and volatility in agriculture and commodity pricing. The first half of the year was also impacted by incorrect weather forecasts which disrupted agricultural activity in Australia.

DGL completed 5 bolt-on acquisitions during FY24 which add to the Group's manufacturing and logistics capabilities. DGL continues to invest internally to build capabilities, and expects to be increasingly selective with acquisitions in future. Major organic investments include a new liquid waste treatment plant at Unanderra in NSW which will commence operation in FY25, a new chlor-alkali plant in Mt. Isa, a multi-purpose manufacturing plant in Townsville, and new extrusion plants for crop protection products in W.A. and Victoria. DGL also expanded its warehousing capacity by 20% to 205,000 square metres in FY24.

Balance Sheet and Cash

DGL continued to generate strong cash conversion of 86% in FY24, with operating cash flow of \$37.3 million, and maintained a robust balance sheet with flexibility to support future growth.

Net assets increased by 4% on the previous year to \$342.0 million.

DGL's net debt position remains at comfortable levels of \$114m as at 30 June 2024 (1.79 times net debt / underlying EBITDA).

Outlook

DGL is well positioned entering FY25, with a strong financial position and a positive outlook for the current year. The Board expects ongoing growth in FY25, with increased contributions from recent acquisitions and from organic growth investments and efficiency initiatives.

Despite ongoing economic and macroeconomic uncertainties, DGL has confidence that the diverse nature of our operations, and the critical role we play in serving our customers' needs will see DGL continue to grow and create value for our shareholders and other stakeholders.

DGL expects to continue to enjoy strong demand for our products and services in FY25 and will provide a trading update at our AGM in November 2024.

- ENDS -

Approved for release by the Board of DGL.

CONTACT

Barbara Furci

DGL Group Limited

+64 9 309 9254 or barbara.furci@dglgroup.com

ABOUT DGL GROUP LIMITED

DGL Group (“DGL”) is a leading provider of chemicals, materials and services to essential industries in Australia and New Zealand. DGL’s focus is on regulated chemical markets in Australia and New Zealand, where licenses and accreditations are required to operate, for the safe and secure manufacture, storage and supply of chemicals and other materials. DGL is pursuing a strategy to invest for growth, expanding its capabilities and scale to appeal to a wider customer base.