



DGL H1 FY26 Results Presentation

15 April 2026

DGL Group Limited (ASX: DGL)

dglgroup.com

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The H1 FY26 financial results in this presentation based on the audited half year report for the period ended 31 December 2025, which included a modification of opinion in relation to opening inventory, following a disclaimer of opinion of DGL Group's FY25 annual accounts. The presentation also includes non-IFRS numbers such as "Underlying EBITDA" and "Underlying NPAT".

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CONTENTS

01

OVERVIEW

- 06 H1 FY26 Highlights
- 07 Key Drivers in H1 FY26
- 08 Actions to Improve Performance
- 09 Health & Safety
- 10 Core Values
- 11 Delivering Integrated Services
- 12 Comprehensive Trans-Tasman Footprint

02

FINANCIAL RESULTS

- 14 Financial Performance
- 15 Key Financial Metrics
- 16 Manufacturing
- 17 Logistics
- 18 Environmental Services
- 19 Balance Sheet
- 20 Operating Expenses
- 21 Cash Flow

03

STRATEGY & OUTLOOK

- 23 Strategic Priorities
- 25 Trading Update & Outlook
- 26 Investment Highlights

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





Overview

Simon Henry (CEO)

H1 FY26 Highlights¹

\$225m

Sales Revenue
down 5.8% vs PCP

\$24.7m

Underlying EBITDA
down 5.0% vs PCP

\$0.3m

Underlying NPAT
Down \$1.4m vs PCP

\$10.5m

Cash Flow from Operations
vs \$18.1m PCP

72%

Operating Cash Flow Conversion²
vs 95% in PCP

(\$12.8)m

Statutory NPAT
Down \$10.5m vs PCP

\$0.74

Net Tangible Assets per Share
up 4% vs PCP

\$78.2m

Net Debt
down \$16.4m vs 30 June 2025

1. Based on based on the audited half year report for the period ended 31 December 2025, 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

Half Year Overview

Audit	<ul style="list-style-type: none"> • BDO Appointed Auditor in December 2025 • Full audit of H1 FY26 results complete
Growth initiatives	<ul style="list-style-type: none"> • Focus on investing in areas of the business where we have strong operating performance and strong IP • Development of the new Liquid Waste Treatment Plant in NSW, expected to be commissioned by end H2 FY26 • Expansion of bulk on-site chemical storage capabilities to ensure reliable and timely delivery of formulated chemicals to customers • Investment in production and logistics facilities to meet rapidly evolving chemical handling regulations
Premises	<ul style="list-style-type: none"> • Consolidation of small sites into larger sites to increase production capacity and improve unit cost efficiency • Sale of sites that are no longer fit for purpose, with reinvestment into new sites to meet customers' expectations and improve economies of scale
Systems	<ul style="list-style-type: none"> • Significant progress in implementing group-wide ERP and Logistics management systems • Group Payroll & HR system implementation substantially complete
Cost Management	<ul style="list-style-type: none"> • Consolidation and improved productivity have reduced headcount and cost base
Integration	<ul style="list-style-type: none"> • Consolidation of operations and operating entities is ongoing and is delivering cost savings and operational efficiencies

Key Drivers in H1 FY26

Strong performance:

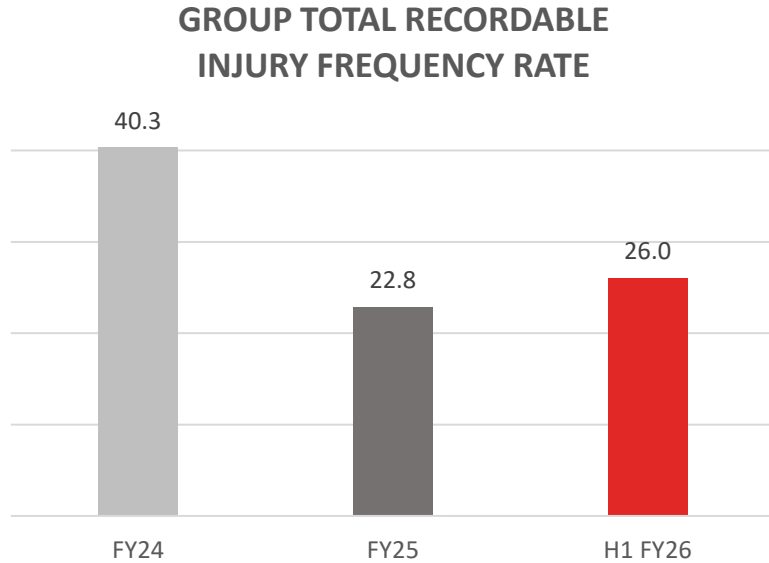
- Record demand in WA for our formulated and manufactured agricultural chemicals, with strong AgChem export demand
- Increased warehouse demand due to competitors exiting the market - improving margins
- Increased AdBlue sales volumes throughout Australia and New Zealand
- Strong demand for liquid waste transport movement and treatment
- Expenses reduced through focussed cost control
- Consolidation and integration of DGL's operating businesses and group-wide systems
- Reduced debt, refinanced in March 2026, with simpler, more flexible facilities

Offset by negative impacts:

- Revenue impacted by ongoing scarcity in used lead acid batteries due to illegal exports, with the negative impact reduced by closure and sale on DGL's Victorian recycling facility
- Significant one-off costs due to disclaimed FY25 audit – now resolved
- Duplication in warehouse lease costs during the transition to larger facilities – now completed
- Significant non-cash write-downs in goodwill and redundant plant and equipment, and one-off system implementation costs
- Delayed production due to rollout of ERP system in early FY26
- Production at new liquid waste treatment plant delayed by protracted licensing processes
- Driver shortages, impacting transport productivity and costs

Health & Safety

Prioritising the health and safety of our people



TRIFR Calculation: $\text{Number of lost time and medical treatment injuries in the reporting period} \times 1,000,000 / \text{Total hours worked in the reporting period}$ based on head count as at 31st December 2025

Safety Initiatives H1 FY26

- Continued investment in safety systems, improving visibility and consistency of incident, hazard and training management
- Implementing standardised risk assessment and escalation processes, supporting clearer decision-making and governance
- Increased focus on proactive safety indicators, training completion, inspections and early risk identification
- Implementing targeted controls for higher-risk activities, including vehicle loading/unloading and forklift operations
- Enhanced injury management and return-to-work practices, supporting improved recovery outcomes and reduced lost time

Proactive Actions in H1 FY26

- 17,600+ training modules and competency assessments completed
- 124 potential hazards addressed
- 1,446 HSEQ improvement actions completed

DGL's Core Values

SUCCESS STARTS WITH THE RIGHT **STEPS**

S

We are committed to **Safety**.



T

We succeed **Together**.



E

We protect the **Environment**.



P

We focus on **Performance**.



S

We deliver exceptional **Service**.



Delivering 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



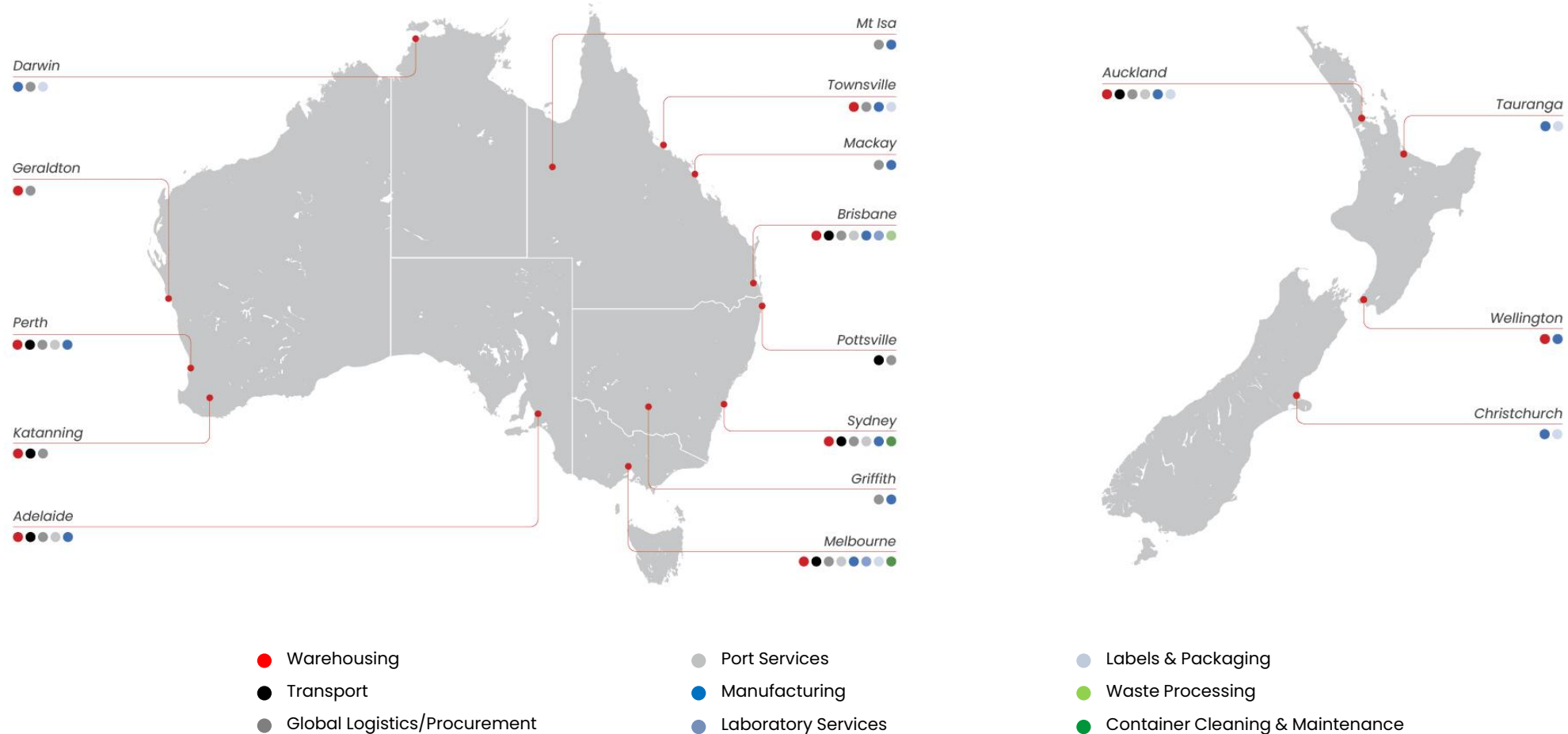
Environmental Services

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 chemical logistics and services to essential industries in Australia and New Zealand



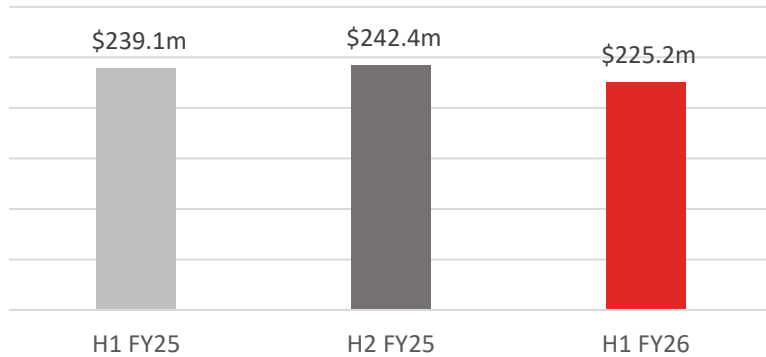


H1 FY26 Financial Results

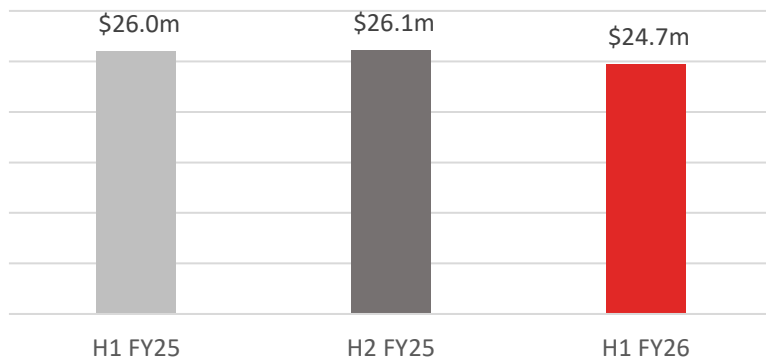
Gagan Singh (CFO)

FINANCIAL PERFORMANCE

REVENUE



UNDERLYING EBITDA¹



Stable operating performance in a challenging market

- Revenue has been impacted by the sale of the used lead-acid battery recycling plant in Laverton, Victoria (\$9.8m revenue H1 FY25) and ongoing scarcity of used lead-acid batteries
- Chemical manufacturing and logistics have performed well in a challenging environment
- Record demand in WA for agricultural chemicals along with strong export demand
- Increased warehouse demand due to exit of competitors
- Earnings impacted by continued price normalisation for Adblue and external factors that reduced demand in the mining sector and delayed production related to the roll out of the ERP system in early FY26
- Continued focus on controlling operating expenses
- Production delays at the new liquid waste treatment plan

1. Non-IFRS measure, not audited

KEY FINANCIAL METRICS

A\$ million	H1 FY26	H1 FY25	% Change
Revenue	225.2	239.1	-5.8%
Gross Margin	43.5%	43.1%	+0.4%
Op Expenses	76.2	78.2	-2.5%
Underlying EBITDA ¹	24.7	26.0	-5.0%
EBITDA	6.2	22.7	-73%
Underlying NPAT ¹	0.3	1.7	-79%
Statutory NPAT	-12.8	-2.2	-10.5m
Operating Cash Flow	10.5	18.1	-42%

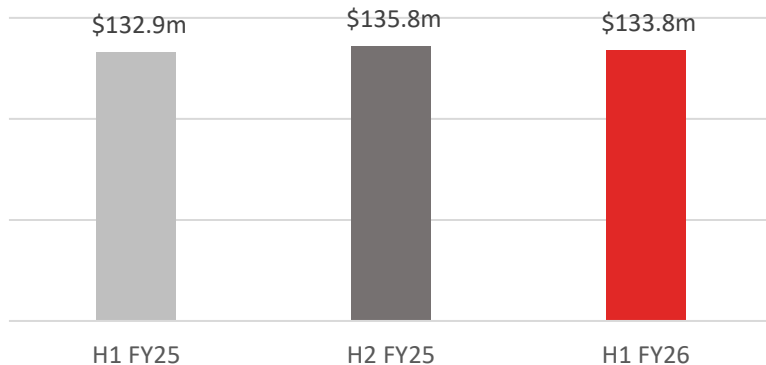
Other Items	H1 FY26	FY25	% Change
Net Debt	78.2	94.6	-17%
NTA / Share	0.74	0.71	+4%

- **Gross Margin** % improvement driven by strong demand in the crop protection sector and improvement to manufacturing efficiency
- **Expenses** reduced due to cost reductions in the ULAB business, offset by increased legal and occupancy costs
- **Depreciation** was consistent with the previous half year
- **Underlying NPAT** decreased by \$1.4m
- **Non-recurring items** include non-cash write downs of \$16.9m relating to impairment of assets of the Environmental division, and impairment of held-for-sale chlorine plants
- **Operating Cash Flow** decreased by \$7.6m, driven mainly by a reduction in gross profit by \$5.1m
- **Net Debt** reduced by \$16.4m with repayments from operating cash flow and proceeds of asset sales

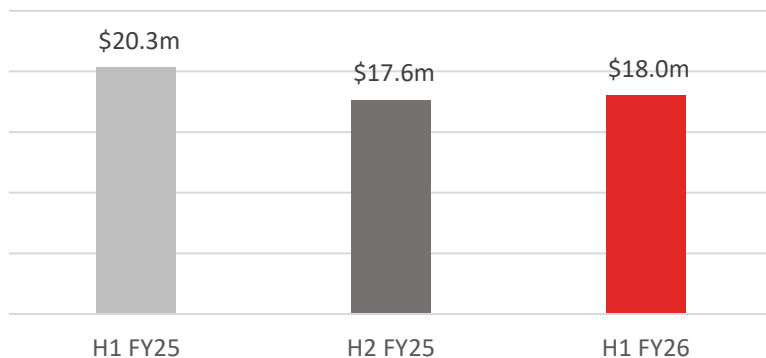
1. Non-IFRS measure, not audited, excludes non-recurring items

DIVISIONAL PERFORMANCE - MANUFACTURING

REVENUE¹



UNDERLYING EBITDA²



1. Excludes intercompany transactions

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

Highlights

- Strong export demand for our manufactured AgChem
- Increased volumes of AdBlue sales throughout Australia and New Zealand, although with further price normalisation
- Increased share of wallet from existing customers
- Economic recovery in New Zealand leading to stronger demand for building products
- Record demand in Western Australia for our formulated and manufactured agricultural chemicals

Headwinds

- The implementation of the ERP system in early FY26 delayed some manufacturing production which impacted earnings

Investment

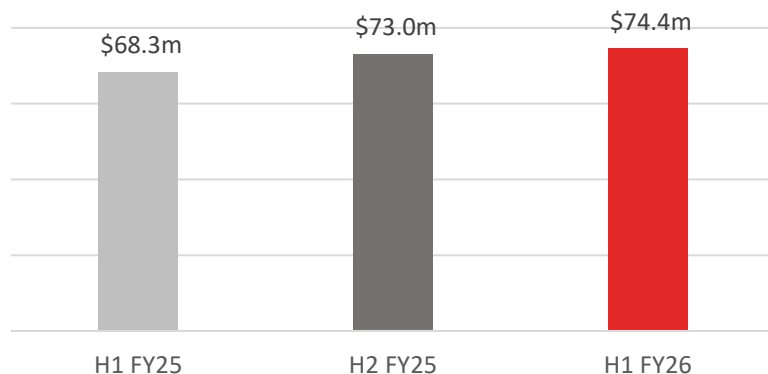
- Automation to reduce staffing costs and better meet customer demands
- Expand the range of products to existing customers and new customers
- Increased focus on export of formulated and manufactured chemicals

Outlook

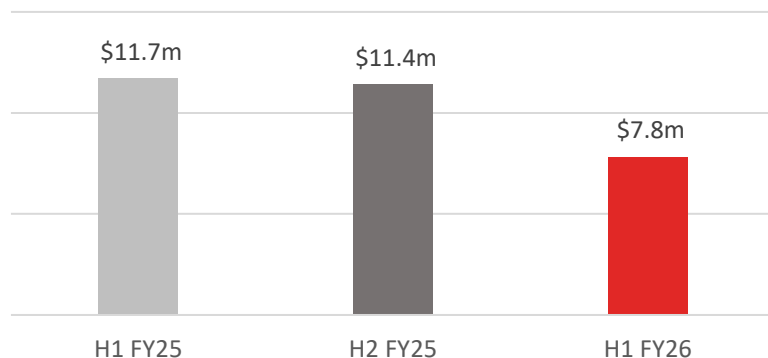
- Uncertainty regarding fertiliser supply and impact on Agchem demand
- War in Middle East causing commodity price turbulence

DIVISIONAL PERFORMANCE - LOGISTICS

REVENUE¹



UNDERLYING EBITDA²



1. Excludes intercompany transactions

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

Highlights

- Increasing demand for metro, intra and interstate packaged chemical logistics
- Positive response from customers to new and improved facilities
- Benefits from updated technology including RF scanning has improved DIFOT dispatching

Headwinds

- Transport operations continued to be impacted by a shortage of drivers, with increased reliance on subcontractors, with higher operating costs

Investment

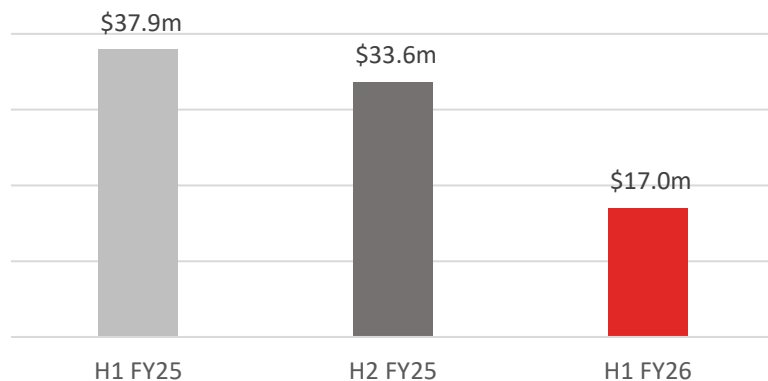
- New, larger warehouse facilities in NSW, SA & WA
- Investment in new trucks and trailing equipment to improve efficiency and meet customers' growing demands for chemical distribution
- Significant investment in IT to better serve customers and improve productivity, and to optimise loads to improve margins

Outlook

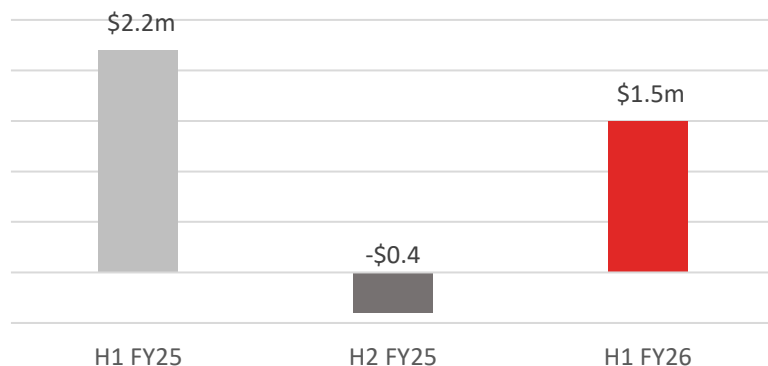
- Competition leaving the market, increasing the demand for DGL's services
- Ongoing investment to maintain compliance with increasing stringent regulatory requirements

DIVISIONAL PERFORMANCE – ENVIRONMENTAL SERVICES

REVENUE¹



UNDERLYING EBITDA²



1. Excludes intercompany transactions

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

Highlights

- New liquid waste treatment plant in NSW has been delayed, but is progressing well, with full commissioning expected by the end of FY26
- Strong demand for liquid waste transport movement and treatment
- Increased costs and reduced availability of used lead acid batteries impacted earnings
- Sale of the loss-making Laverton ULAB facility reduced revenue by \$9.8m but reduced recycling losses in H1 FY26

Investment

- Installation of new plastic packaging recycling facility at Unanderra, NSW
- Installation of a new industrial battery breaker in progress in NSW
- Licence applications lodged to increase range and volume of liquid waste

Outlook

- Used lead acid battery pricing is stabilising
- Improved economic performance from our new liquid waste treatment plant and from closure and sale of our Victorian battery plant

BALANCE SHEET

<i>A\$ million</i>	H1 FY26	FY25 ¹
Working Capital	65.8	61.7
Property, Plant & Equipment	240.4	254.7
Intangible Assets	133.2	133.7
Net Debt	78.2	94.6
Net Lease Liabilities	73.6	66.6
Other Net Assets/Liabilities	337.4	349.8
Net Assets	329.6	344.9
NTA / Share	0.74	0.81
Gearing²	27%	32%

Working Capital

- Increase in working capital driven by seasonal build up of inventory to support production for the crop protection market

Property, Plant & Equipment

- Write down of \$11m as part of an impairment charge taken to the Environmental CGU
- Write down of \$2.8m to the Mt Isa chlorine plant

Net Debt

- Proceeds from the sale of the Seven Hills, Laverton and Tomago sites used to pay down debt

NTA / Share

- Decrease driven by non-cash write downs of \$16.9m

1. FY25 as at 30 June 2025 with opening balances have been restated, please refer to Note 2 of the Financial Statements

2. Gearing is calculated as Total Borrowings / Total Equity

OPERATING EXPENSES

Operating Expenses \$m



People

- Costs reduced due to the sale of the Laverton ULAB site and rationalisation of head count at the Unanderra ULAB site
- Stabilisation of costs in Shared Services
- Continued focus on productivity

Legal & Professional

- Increased costs due additional audit costs for FY25 and in relation to ASX suspension

Property

- Footprint expansion both organically and through acquisition
- Inflationary pressures on outgoings across all sites

Realisation of cost savings through consolidation of entities and systems and improved productivity remains a key focus in H2 FY26

CASH FLOW

<i>A\$ million</i>	H1 FY26	H1 FY25	Change
Operating Cash Flow	10.5	18.1	-7.6
Investing Cash Flow	13.8	2.2	+11.7
Financing Cash Flow	(30.1)	(21.6)	+8.5
Net Cash Flow	(5.9)	(1.3)	-4.5m

Operating cash flows:

- Operating cash flow of \$10.5m is 42% down on pcp, driven by increased working capital and the reduction in gross profit
- Operating cash conversion¹ at 72% (H1 FY25: 95%)

Investing cash flows:

- Inflows from sale proceeds on disposal of non-core properties in Australia: \$25.8m
- Outflows from capex \$11.9m

Financing cash flows:

- Outflows relating to the repayment of debt \$21.2m
- Repayment of lease liabilities \$8.9m

Dividends

- No dividends declared in H1 FY26
- Dividend policy remains unchanged, with all earnings reinvested for growth.

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



Strategy & Operations

Simon Henry (CEO)

STRATEGIC PRIORITIES

Health & Safety

- Commitment to safety at all levels of our operations
- Focussed on ongoing improvements to the safety of our people, the community and the environment
- Ongoing focus on maintaining full compliance with regulatory requirements in all operations at all sites

Organic Growth

- Focus on organic growth and expansion in DGL's core expertise in chemical manufacturing and logistics
- Further develop DGL's position as a leading provider of chemical logistics and manufacturing, primarily across Australia and New Zealand
- Expansion of our environmental services for the transport and safe disposal of waste products

Financial Returns

- Continue to deliver improvements in productivity and profitability
- Utilise significantly improved management information systems to improve earnings and operational performance
- Leverage productivity enhancements to drive margin expansion
- Improve working capital management

Integration & Consolidation

- Complete the integration of entities acquired and simplify the corporate and operating structure
- Complete implementation of core group-wide ERP, HR and Logistics systems
- Consolidation of sites to larger facilities with broader product and service capabilities



Outlook

Simon Henry (CEO)

H2 FY 26 TRADING UPDATE AND OUTLOOK

TRADING UPDATE

- We are seeing strong volumes early in the current half in crop protection and pest control although the price and availability of fertilizer creates uncertainty
- Demand for DGL's specialised warehousing and transport services is strong, assisted by competitors exiting the industry, and somewhat improved availability of drivers
- Significant increase in Urea prices are creating uncertainty in Adblue and fertilizer markets
- We are seeing strong automotive manufacturing product demand and solid demand for liquid waste treatment services
- More stable pricing and better availability of used lead acid batteries is driving some improvement in recycling performance
- We have increased the volumes of liquid waste that we are transporting for large customers, and we are looking forward to commissioning our new liquid waste treatment plant
- Global freight pricing in early FY26 and sharp price swings in key commodities are major challenges generally

OUTLOOK FOR H2 FY26

- We expect significant ongoing disruptions to global transport and shipping, impacting timeframe and cost for import and export of key raw materials
- We continue to see solid demand for our products and services despite fragile economic conditions, and commodity supply and price impacts
- We have solid orders in chemical formulation and production but the environment is challenging for all chemical suppliers
- DGL is continuing to support customers and deliver positive outcomes through this period
- We expect increased contributions from significant investment in warehouse and manufacturing capacity
- We have a renewed focus on sales growth by leveraging our established network and capabilities to drive organic business growth
- DGL is maintaining an intense focus on cost management, and on extracting the benefits of integration and consolidation of operations to improve financial performance

INVESTMENT HIGHLIGHTS

Leading supplier of chemical 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 providing resilience to external volatility



Renewed focus on core business and reinvestment of earnings for organic growth



Integration of acquisitions and consolidation of group systems to drive efficiency and productivity

DGL

CONTACT:

Barbara Furci (DGL Group Limited)

info@dglgroup.com

+61 487 962 595