




1H FY22 RESULTS PRESENTATION

25 February 2022

Presented by:

Simon Henry, CEO

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DGL

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All dollar figures within this document represent Australian Dollars unless otherwise specifically stated.

Introduction to DGL

A SPECIALTY CHEMICALS AND SUPPLY CHAIN BUSINESS OFFERING A FULL-SERVICE SOLUTION FROM MANUFACTURE TO RECYCLE ACROSS AUSTRALIA AND NEW ZEALAND

$343m
FY22 forecast sales revenue guidance

$417m
Total Assets at December 21

486
Staff - Aust. & NZ

54
Sites across Aust. & NZ

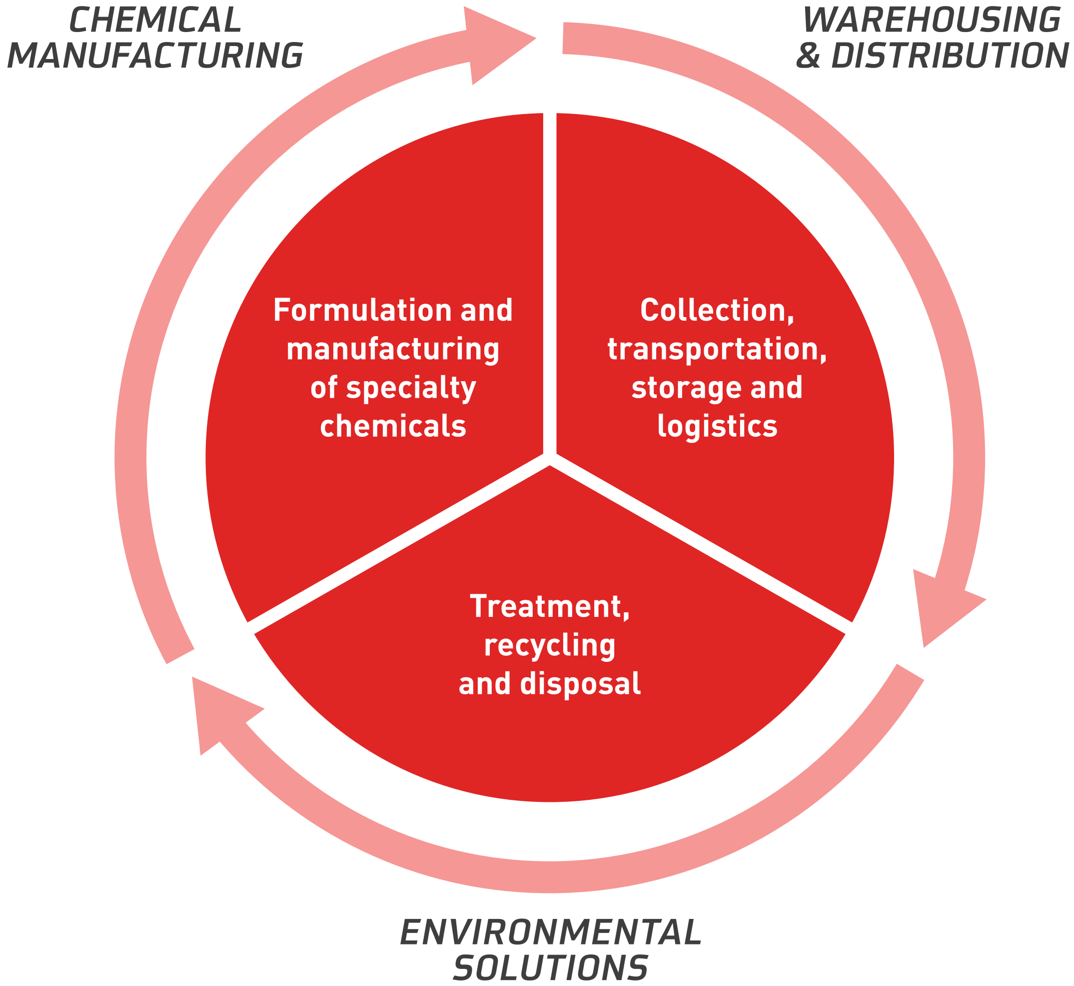
140,000t
Chemical storage

1,500,000t
Throughput p.a.

280,000t
Manufacturing capacity p.a.

180,000t
Waste processing capacity p.a.

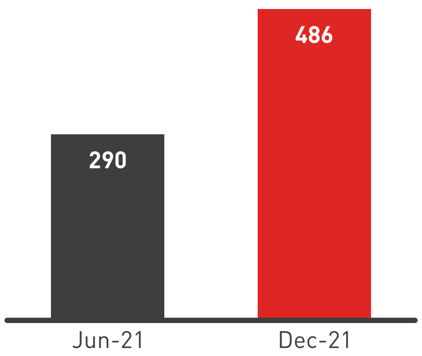
As at December 2021



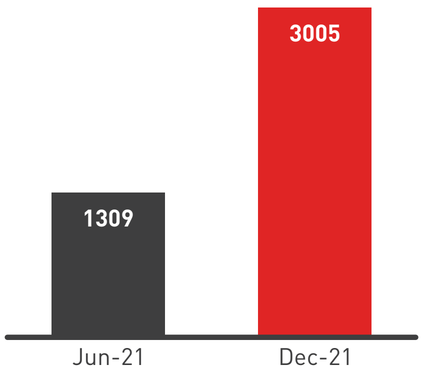
1H FY22 Highlights

ACQUISITIONS AND ORGANIC GROWTH HAVE LED TO MATERIAL INCREASE IN DGL GROUP SCALE OVER THE LAST 6 MONTHS

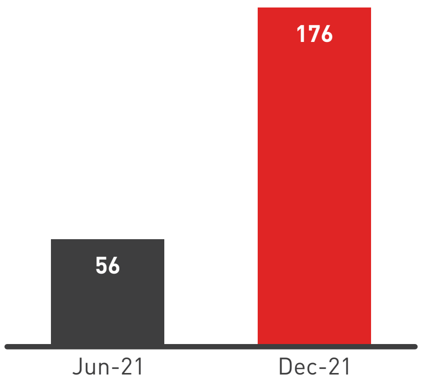
Employees



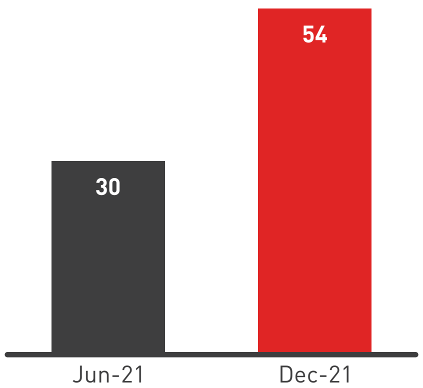
Active Customers (pro-forma)[1]



Owned Truck / Tankers / Trailers



Properties Owned / Leased



HIGHLIGHTS

- More than 480 employees across the Group at December 2021, up from 290 at June 21
- Active customers increased to more than 3,000 (pro-forma basis[1]), up from 1,300 in June 21
- Significant increase in number of trucks, tankers and trailers owned by DGL, to over 170
- DGL now operates from more than 50 sites across Australia and New Zealand

COVID IMPACT

- DGL is continuing to execute its strategy despite omicron
- COVID-19 safe plan implemented across all operations
- Continuing trend in onshoring of international supply in response to the pandemic, is benefiting DGL
- Customers forward ordering and implementing long-term supply planning

1 High level analysis undertaken. Dec-21 customer number includes all customers who made a purchase during the period from 01/01/2021 to 31/12/2021 from DGL Group or any businesses acquired by DGL Group since 1/7/2021.

1H FY22 Financial Highlights

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STRONG PERFORMANCE, EXCEEDED THE PRIOR COMPARABLE PERIOD, ACQUISITIONS SUCCESSFULLY INTEGRATED DURING FIRST HALF

REVENUE
▲ $143M
up 55% on pro-forma PCP[2]

EBITDA
▲ $20.6M
up 59% on pro-forma PCP[2]

NORMALISED EBITDA [1]
▲ $22.9M
up 77% on pro-forma PCP[2]

NPAT
▲ $8.5M
up 70% on pro-forma PCP[2]

OPERATING CASHFLOW
▼ $15.1M
down 8% on pro-forma PCP[2]

TOTAL ASSETS
▲ $417M
up 50% on June 21

HIGHLIGHTS

- ✓ 7 acquisitions (total cash investment of $41m) successfully integrated during first half
- ✓ All 3 operating segments contributed to revenue and EBITDA growth
- ✓ $143m of sales revenue, up 55% on prior comparable period
- ✓ $23m normalised EBITDA achieved, up 77% in 1H
- ✓ Further diversified revenue streams and reduced customer concentration through acquisitions and organic growth
- ✓ Significant increase in total assets since June 21 funded by earnings, IPO cash, debt and equity issue
- ✓ Increase in working capital requirements following strong last quarter and ahead of forecast strong Q3, resulting in slight reduction in operating cashflow compared to PCP
- ✓ On track to achieve upgraded FY22 normalised EBITDA guidance of ~$54m, 2H FY22 EBITDA guidance of ~$31m

1 Normalised EBITDA excludes acquisition costs

2 Prior comparable period (PCP) is Jul-Dec20 pro-forma results as presented in the Prospectus historical and forecast pro-forma income statements.

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FINANCIALS

Group Performance (Statutory Results)

DGL

Statutory Results 6mths ended 31 Dec 21 (A$m)	1H FY22	1H FY21	% variance
Sales revenue	**143.0**	**50.7**	**182%**
Cost of sales	(89.6)	(26.9)	
Gross profit	**53.5**	**23.7**	**125%**
Other income	0.3	0.3	
Employee benefits expense	(19.5)	(9.2)	
Administration and general expenses	(7.1)	(2.9)	
Legal and professional fees	(1.4)	(0.7)	
Occupancy expense	(2.9)	(1.7)	
NORMALISED EBITDA	**22.9**	**9.5**	**141%**
Acquisitions Costs	(2.3)	(0.0)	
EBITDA	**20.6**	**9.5**	**116%**
Depreciation and amortisation expense	(7.2)	(4.4)	
EBIT	**13.3**	**5.2**	**158%**
Finance costs	(0.8)	(1.0)	
Profit/(loss) before tax	**12.5**	**4.2**	**199%**
Income tax expense	(4.0)	(1.2)	
Net profit after tax	**8.5**	**3.0**	**185%**

1 Acquisitions costs incurred represent stamp duty and fees paid to advisors related to the acquisition of businesses

COMMENTARY

- Strong performance across all segments during the first half of FY22
- Growth of underlying business from IPO as well as successful acquisition and integration of 7 businesses
- Strong revenue growth driven by organic growth in production, increasing prices and acquisition contributions
- Continued demand for manufacturing and warehousing & distribution services over last 6 months
- Cost of sales increased in line with revenue growth as well as due to increased raw material price increase and a product mix shift following acquisitions
- Employee benefit expense higher following integration of acquired employees. DGL continues to upskill workforce to increase productivity but is also seeing wage growth and overtime requirements due to COVID disruptions
- Normalised EBITDA significantly up on PCP due to organic growth and contributions from acquisitions. Slight reduction in normalised EBITDA margin in half-on-half comparison due to cost of sales increases outlined above
- Depreciation of $7.2m includes $3.9m relating to application of AASB16 on warehouse and operating leases
- FY22 earnings will be weighted towards 2H due to timing of contributions from recent acquisitions

Group Performance

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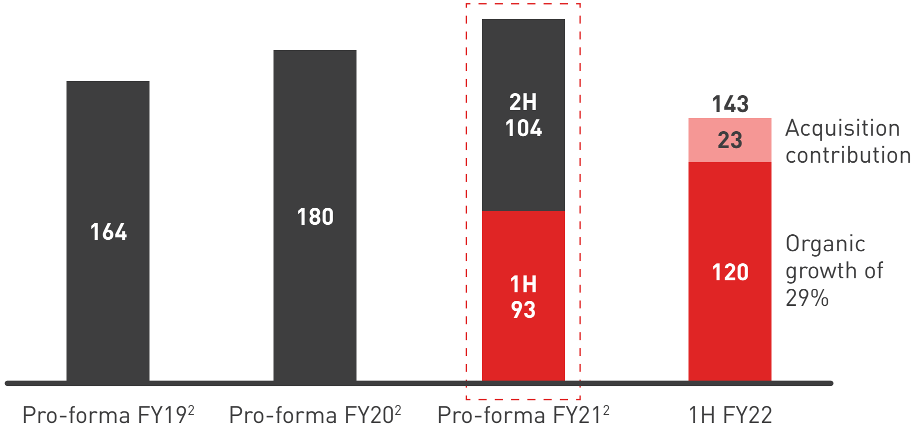
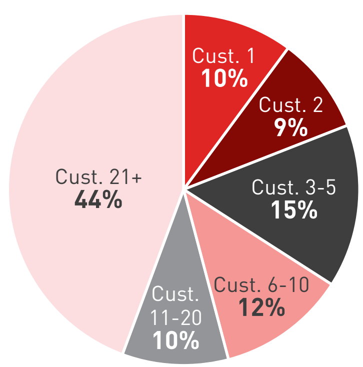
STRONG HALF-ON-HALF GROWTH CONTINUES – WELL SUPPORTED BY ORGANIC GROWTH AND DIVERSIFIED REVENUE STREAMS

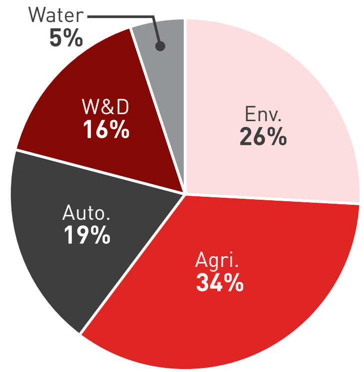
Sales Revenue (A$m)



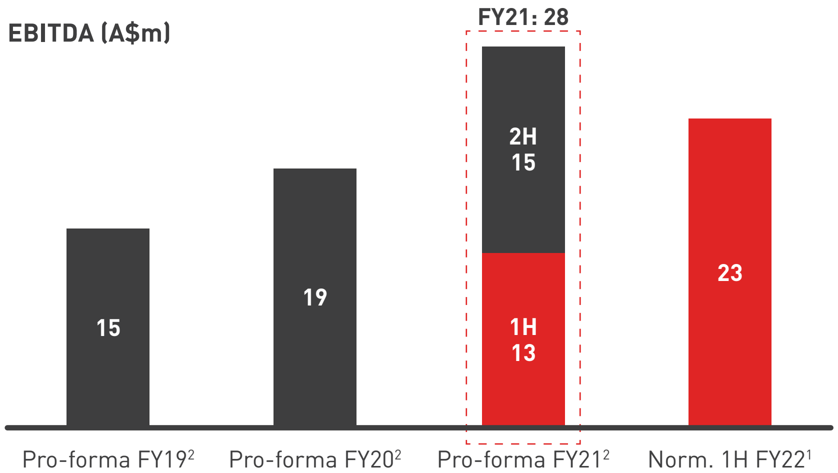
Pro-forma Customer Concentration[3]
6 months ended 31 Dec 2021



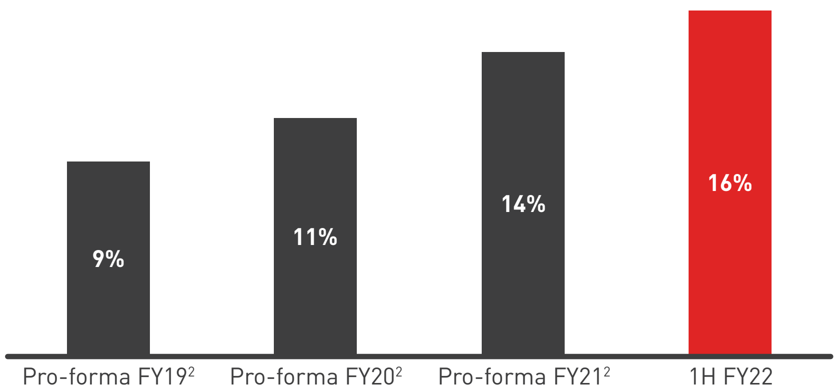
Revenue by Industry[4]
6 months ended 31 Dec 2021



EBITDA (A$m)



EBITDA Margin %



1 Normalised EBITDA excludes acquisition costs
2 Prior comparable period (PCP) is Jul-Dec20 pro-forma results as presented in the Prospectus historical and forecast pro-forma income statements
3 Pro-forma Customer concentration is indicative only, based on high level analysis. Includes approximate customer revenue from acquisitions from 1 July 2021
4 Revenue by Industry is indicative only, based on high level analysis. W&D (warehousing & distribution) includes all revenue derived by that segment regardless of customer type

Balance Sheet

(A$m)	31 DEC 2021	30 JUNE 2021
Cash and cash equivalents	16.1	43.8
Trade and other receivables	50.5	22.5
Inventories	32.1	14.4
Other financial assets	1.5	1.6
Other assets	7.0	3.9
Total Current Assets	**107.2**	**86.3**
Property, plant and equipment	178.0	133.2
Deferred tax assets	10.3	7.3
Intangible assets	86.3	28.0
Right-of-use asset	34.8	22.7
Total Non-Current Assets	**309.4**	**191.2**
TOTAL ASSETS	**416.6**	**277.5**
Trade and other payables	50.5	17.1
Lease and liabilities	8.7	7.1
Borrowings	7.5	21.1
Other Financial Liabilities	-	0.1
Current tax liabilities	4.2	2.3
Provisions	5.7	3.1
Total Current Liabilities	**76.7**	**50.8**
Other financial liabilities	-	8.5
Borrowings	43.3	-
Lease Liabilities	27.2	16.8
Deferred tax liabilities	10.5	5.9
Provisions	0.3	0.4
Total Non-Current liabilities	**81.4**	**31.5**
TOTAL LIABILITIES	**158.1**	**82.3**
NET ASSETS	**258.6**	**195.3**
Issued Capital	246.4	192.2
Reserves	(31.2)	(31.7)
Retained Earnings	43.3	34.8
TOTAL EQUITY	**258.6**	**195.3**

COMMENTARY

- Considerable growth in Group assets, funded by earnings, debt and scrip issued to vendors of acquired businesses. Total assets at December 21 totals $417m, up from $278m at June 21
- Net working capital requirements increased with seasonal build in inventory & receivables and general trading environment
- Strong closing quarter of sales contributing to increase in debtors days compared to pro-forma PCP[1] (Dec-21: 64 days, Dec-20: 45 days)
- Inventory days up (Dec-21: ~64 days, Dec-20: ~33 days) due to raw material increases, higher inventories to combat supply chain issues, and from revenue skew towards manufacturing
- Property, plant, and equipment growth of $45m primarily due to M&A activity and property purchases, with ~$3m attributed to growth capex and ~$2m attributed to maintenance capex
- $58m increase in intangibles, primarily (and provisionally) attributed to goodwill of acquisitions acquired over last 6 months
- Borrowings drawn of $30m, to fund acquisitions and property purchases. Net debt now totals $35m (Borrowings less Cash excluding Trade Finance)
- Balance sheet with flexibility to support growth

1 Prior comparable period (PCP) is Jul-Dec20 pro-forma results as presented in the Prospectus historical and forecast pro-forma income statements and Dec-20 pro-forma balance sheet.

Cash Flows

DGL

Statutory Results 6mths ended 31 Dec 21 (A$m)	1H FY22	1H FY21
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	118.7	52.2
Payments to suppliers and employees	(101.9)	(43.7)
Interest received/other income	0.2	0.3
Finance costs	(0.4)	(0.2)
Income tax (paid) / refunded	(1.5)	(0.0)
Net cash generated by operating activities	**15.1**	**8.5**
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(25.8)	(2.6)
Purchase of intangibles	(0.1)	(0.1)
Purchase of subsidiary	(21.3)	(5.1)
Purchase of business and assets	(21.5)	-
Cash acquired from acquisition of subsidiary	2.1	-
Net cash (used in) / generated by investing activities	**(66.6)**	**(7.7)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments of capital raising costs	(0.1)	-
Repayment of borrowings - other	-	(0.1)
Loans from related parties - net amount	(1.5)	2.5
Proceeds from borrowings	29.7	-
Repayment of lease liabilities	(4.2)	(3.5)
Net cash provided by / (used in) financing activities	**23.9**	**(1.0)**
Net increase / (decrease) in cash held	**(27.7)**	**(0.2)**

COMMENTARY

- Growing operating cash flow (compared to 1H FY21) benefiting from 1H earnings growth
- Increased working capital requirements following a strong last quarter has temporarily reduced conversion ratios (Op. CF to EBITDA: 1H FY22 ~73%, 1H FY21 ~89%). Expect strong cash conversion in period to June 22
- $41m of cash outflows in 1H relating to the 7 acquisitions
- $21m of property, plant and equipment outflows relates to land and buildings purchased
- $29.7m of borrowings drawn down in 1H to fund purchases

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STRATEGY UPDATE

FY22 Strategy Progress

DGL

Substantial progress across all key areas of focus

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

STRATEGIC PRIORITIES

	Drive Cross-Selling Between Segments	Achieve Further Economies of Scale	Investment in Capital Projects	Identify Acquisitions
FOCUS AREAS	• Creating greater cross usage of services by customers across DGL's three operating segments	• Network growth, increased utilisation of existing infrastructure, and operating efficiencies	• Expansion of existing network and services	• Significant consolidation opportunities in each segment, with opportunities to add capabilities and customers
1H FY22 PROGRESS	• Integrated acquisitions creating more cross-sell opportunities • Development of customs clearance service	• Increased utilisation of warehousing facilities. • Optimisation of manufacturing equipment and sites to facilitate greater throughput and flexibility. • Reallocation of truck assets for better utilisation.	• Commissioning of Ester plant VIC and successful 1H operation of VIC smelter following commissioning in June 21 • Continued investment in transport plant and equipment to expand capacity	• Acquisition of Labels Connect, Opal, Aquapac, Profill, AUSblue, Shackells Transport and Austech • In discussions with a number of companies that will incorporate well into DGL

Property and Projects

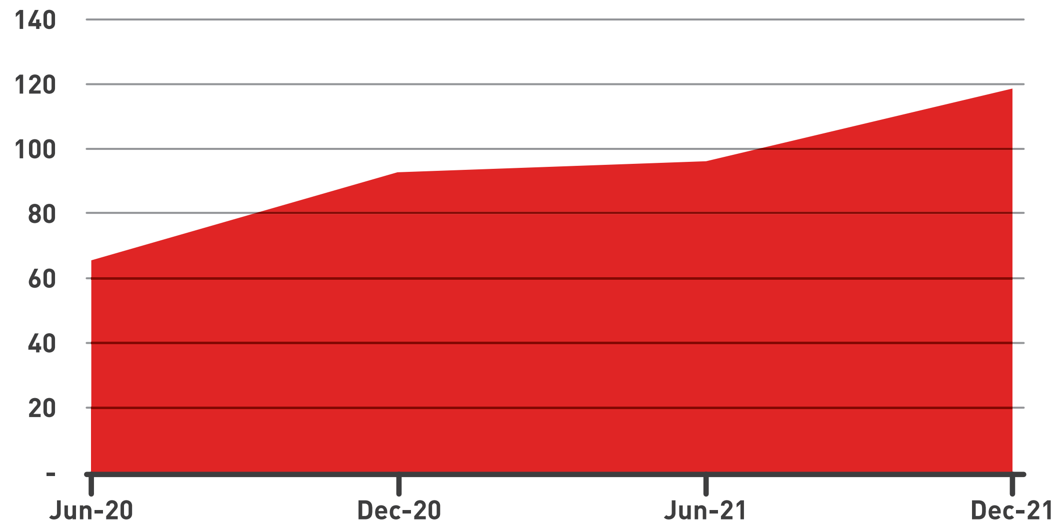
DGL

CONTINUED FOCUS ON OWNED STRATEGIC PROPERTY TO PROVIDE FLEXIBILITY AND SECURITY

COMMENTARY

- 18 properties owned at Dec 21 valued at $118m, up $23m on June 21 (Jun 21: $95m). Additional property committed to in Feb 22, lifting portfolio to $131m
  - $11m purchase of QLD property, borders existing DGL owned and occupied property
  - $2.4m purchase of owner-occupied property in VIC which houses recently acquired ALM
- DGL continues to rebalance portfolio, acquiring sites in strategic locations and considering long term strategy
- Facing delays due to COVID disruptions, slow processing of applications and designs, as well as design reassessments following cost escalations

Value of Owned Property Portfolio (A$m)

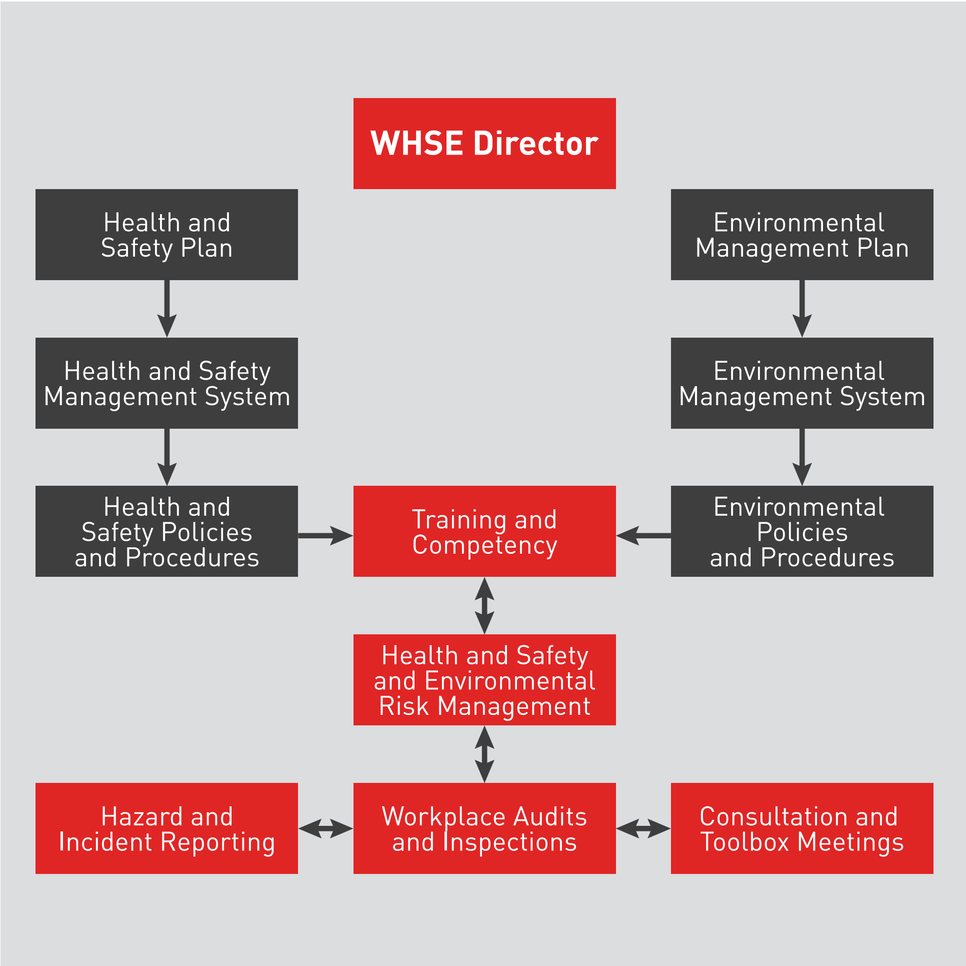


PROPERTY AND PROJECT DEVELOPMENTS

- **Lead Smelter, VIC:** Successful June 21 commissioning of the smelter has enabled us to convert intermediate lead materials into high value end products. Operated throughout 1H
- **Ester Plant, VIC:** Installation and commissioning of plant completed in first half of FY22. High utilisation following commissioning. Forward commitments strong through reminder of the year
- **Suspended Concentrates Plant, VIC:** 2nd suspension concentrate formulation plant planned for 2H FY22. Up to 1000mt p.a. capability
- **Liquid Waste Treatment Plant, NSW:** Expecting Development consent within 3 months. Plant commissioning planned for Q2 FY23
- **Townsville, QLD:** Preparation of development applications to expand the 3,000 sqm warehousing facility to multi-purpose chemical facility
- **Seven Hills, NSW:** Designs being finalised on the redevelopment of 1960's warehouse and chemical storage facility
- **Auckland, NZ:** Construction of 2000sqm chemical storage facility completed February 22
- **Christchurch and Hawkes Bay, NZ:** Working through the design, development and consenting stage for purpose built chemical storage facilities

Quality, Health & Safety

COMPLIANCE, PROCEDURES AND TRAINING
UNDERPIN OUR APPROACH TO H&S AND QUALITY



Extensive Licences and Accreditations

- Portfolio of licences, developed over 20+ years
- Underpins safety in operations, and environmental and quality standards.

Safety Procedures

- Comprehensive safety plans, systems and procedures
- Supports compliance with range of sector-related regulations

Employee Training

- E-learning implementation
- Logging of all potential hazards and incidents
- Annual independent external audits

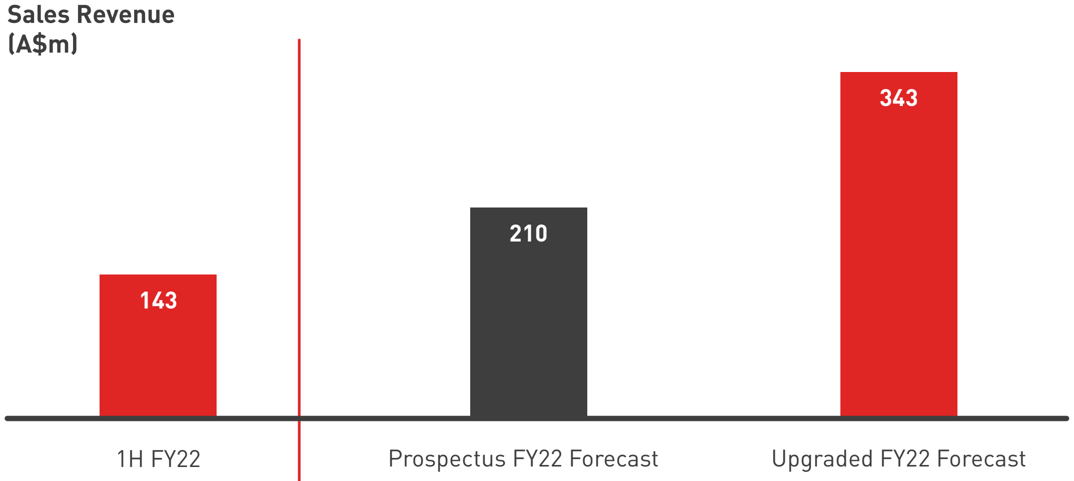
Annual Independent Audit by Benchmark OHS Consulting

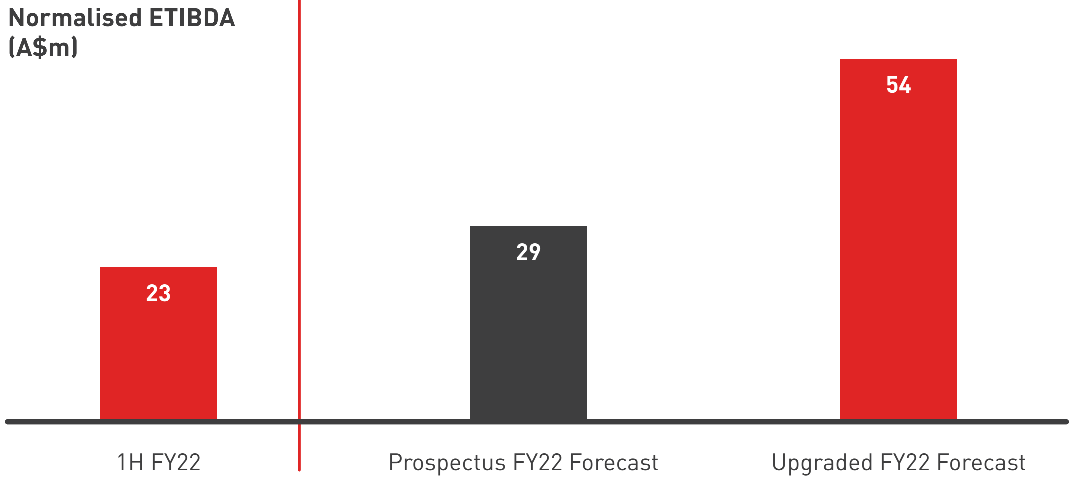
Outlook and Summary

FOCUSED ON DELIVERING GROWTH FOR OUR SHAREHOLDERS

COMMENTARY

- Full year FY22 forecasts upgraded, significantly better than Prospectus forecasts
  - FY22 revenue forecast guidance at $343m
  - FY22 EBITDA forecast guidance at $54m (before acquisition costs), 2H FY22 EBITDA guidance of ~$31m
- Continuing to integrate acquisitions, and delivering growth through site and plant optimisation and cross selling to wide customer base
- Well positioned to take advantage of opportunities
- Q2 momentum forecast to carry into Q3 and Q4 with greater contributions from completed acquisitions
- Headwinds (raw material and employee cost pressures) continue to be managed well





Appendix

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PRO-FORMA RESULTS AS PRESENTED IN THE IPO PROSPECTUS AND PREVIOUS RESULTS ANNOUNCEMENTS

FY19, FY20, 1H FY21 include Chem Pack contribution on a pro-forma basis as detailed in the IPO Prospectus and previous DGL announcements. Summarised in the table below.

Summary Pro-forma Income Statement (A$m)	FY19	FY20	FY21	1H FY21	1H FY22
Sales revenue	**164**	**180**	**197**	**93**	**143**
Cost of sales	(114)	(124)	(126)	(60)	(90)
Gross profit	**49**	**56**	**71**	**33**	**53**
Normalised EBITDA from continuing operations	**15**	**19**	**28**	**13**	**23**
Acquisition Costs	-	-	-	-	(2)
Depreciation and amortisation expense	(11)	(12)	(11)	(5)	(7)
EBIT	**4**	**8**	**17**	**8**	**13**
Finance costs	(2)	(2)	(2)	(1)	(1)
Profit / (loss) before tax	**2**	**6**	**15**	**7**	**13**
Income tax expense	(0)	(1)	(3)	(2)	(4)
Net profit after tax	**2**	**5**	**11**	**5**	**9**

Summary Pro-forma Balance Sheet post offer (A$m)	31 DEC 2021
Cash and cash equivalents	73
Trade and other receivables	23
Inventories	11
Property, plant and equipment	127
Other Assets	60
TOTAL ASSETS	**294**
Trade and other payables	20
Borrowings	77
Other Liabilities	10
TOTAL LIABILITIES	**107**
NET ASSETS	**188**
Issued Capital	139
Reserves	30
Retained Earnings	19
TOTAL EQUITY	**188**

DEFINITIONS

- **Acq.** is defined as Acquisitions
- **Agri.** is defined as Agriculture
- **Auto.** is defined as Automotive
- **EBITDA** is defined at Earnings before Interest, Tax, Depreciation, and Amortisation
- **EBITDA** and **Normalised EBITDA** are non-statutory financial measures which are not prescribed by Australian Accounting Standards (AAS). They represent the profit under AAS adjusted for interest, tax, depreciation and amortisation and certain other specified items. The Directors consider that EBITDA and normalised EBITDA reflect core earnings of the entity consistent with internal reporting. See slide 7 for a reconciliation of Normalised EBITDA and EBITDA.
- **Env.** is defined as Environmental
- **m** is defined as millions
- **Mnths** is defined as months
- **NPAT** is defined as Net Profit after Tax
- **PCP** is defined as prior comparable period.
- **t** is defined as metric tonnes