

## ASX RELEASE

### DGL GROUP TO COMMENCE TRADING ON ASX AND NZX

24 May 2021

Auckland, New Zealand - DGL Group Limited (ASX:DGL) (NZX:DGC), ("**DGL**" or the "**Company**"), a specialist chemicals business that manufactures, transports, stores and processes chemicals and hazardous waste, has announced the successful completion of its initial public offering and will list on the Australian Securities Exchange (ASX) and New Zealand's Exchange (NZX) at 10.30am AEST today.

The Company has raised \$100.0 million through the issue of 100.0 million new shares at a \$1.00 per share. The offer, which was all new capital, was oversubscribed and was underwritten by Bell Potter and Canaccord Genuity.

Founder and Managing Director, Simon Henry, said: "When I founded the business 22 years ago, I had the vision to address a gap in the market for a fully integrated, end-to-end specialty chemicals business. The business has grown from a single chemicals warehouse, to an established full-service chemicals business with a blue-chip customer base of over 1,300 customers. We manage the full lifecycle of chemicals for our customers – from manufacturing, to logistics and storage, and waste management and recycling.

"Our initial public offering is a significant milestone for our company, providing it with additional capital to pursue growth opportunities as we continue to further expand our services offered across the chemicals lifecycle and cement DGL's position as a key partner to our customers.

"I will continue to hold a significant shareholding in the Company, as the largest shareholder, and I am committed to the success and growth of the company. I have not sold shares as part of the IPO process, and all capital raised will be reinvested in the growth of the business."

#### **A vertically integrated chemicals business**

DGL is an integrated, trans-Tasman business, offering a wide range of services to its diverse customer base including chemical formulation and manufacturing, warehousing and distribution, and waste management and recycling.

The company was founded in 1999 by Simon Henry and has established itself as a leader in the sector through a combination of organic growth and targeted acquisitions of businesses, property and other assets.

DGL has a diverse, blue chip, customer base of 1,300 customers that range from small businesses to multinational corporations. The company employs over 280 people and operates a network of 26 sites in Australia and New Zealand with approximately 140,000

tonnes of manufacturing capacity, 126,000 tonnes of chemical storage, and 174,000 tonnes of waste processing capacity.

“Our network of sites across Australia and New Zealand, as well as our broad portfolio of licences, accreditations, and regulatory approvals, allows us to service national and trans-Tasman customers in a highly effective manner, avoiding the need for our customers to engage multiple service providers to achieve similar geographic coverage. The growing focus on the environment, recycling and licensed treatment of waste from government, corporates and consumers, has and will continue to benefit our business in the longer-term,” Mr Henry said.

DGL has delivered strong financial results over recent years. Total pro forma revenue was \$180.1 million in FY20 and is forecast to increase to \$209.7 million in FY22, representing a two-year CAGR of 7.9%. DGL’s pro forma consolidated EBITDA was \$19.2 million in FY20 and is forecast to increase to \$29.0 million in FY22, representing a two-year CAGR of 22.9%. This has been underpinned by revenue growth and ongoing improvements in EBITDA margins.

### **Growth strategy and proceeds from IPO**

Proceeds from the IPO will provide additional capital to pursue growth opportunities organically and through acquisition.

“DGL has a range of growth strategies, including continuing to drive cross-selling amongst our existing customers, achieving further economies of scale and operating efficiencies, investment to increase capacity, expanding our capabilities and undertaking targeted strategic acquisitions.

“Having established a strong position in the trans-Tasman market we are excited to embark on this next phase of growth.” Mr Henry said.

- ENDS -

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

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## **ABOUT DGL**

DGL is a well-established, founder-led, end to end chemicals business that manufactures, transports, stores and manages the processing of chemicals and hazardous waste. The Company operates a network of 26 sites, both owned and leased, across Australia and New Zealand. The Company has a strong track record of revenue and earnings growth. Total pro-form revenue was \$180.1 million in FY20 and is forecast to increase to \$209.7 million in FY22.