

## ASX RELEASE

9 November 2021

### DGL targets sustainable vehicle market with Austech Chemicals

Melbourne, Australia - 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, today announced the strategic acquisition of Austech Chemicals Pty Ltd ("**Austech**").

Over the last 20 years, Austech has successfully developed unique intellectual property for chemical formulations used in the automotive industry. Austech specialises in the manufacturing of non-oil automotive chemicals, such as coolant, brake fluids, solvents, flammables and aerosols. It is widely recognised that as Australia moves into more sustainable vehicles that more advanced fluids will be required, as such DGL sees this as a unique opportunity to access the sustainable vehicle market.

Founder and CEO of DGL, Simon Henry, said: "With the acquisition of Austech, DGL will now have a network of 51 facilities stretching from Darwin to Christchurch with a throughput of over 1.5 million MT per annum and servicing over 2,000 regular customers."

Austech adds to the already established Trans-Tasman presence of 30 chemical manufacturing sites across Australia and New Zealand. Austech formulates over 12,000 MT of specialty chemicals per annum for its strong customer base, including major oil and retail blue chips. DGL will work to enhance these relationships to develop a strong network capable of delivering the chemicals of the future.

Austech further enhances the capabilities of DGL's Chemical Manufacturing division reinforcing the company as the leading full-service chemical management company in Australia and New Zealand. Aligned with DGL's cross-sell strategy, there are significant opportunities to attain additional business within the group.

The acquisition price consists of:

- (a) a cash payment of \$13M; and
- (b) the issue of 5,306,122 fully paid ordinary shares in the capital of DGL. At the time the parties negotiated the conditional commercial terms in August 2021, the consideration represented a valuation of 5.2 x FY21 normalised EBITDA and based on the current market price of DGL shares, a valuation of 5.6 x FY21 normalised EBITDA.

Staff and management will be retained to continue to drive growth in the Austech business, as part of the broader DGL Group.

- ENDS -

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

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**ABOUT DGL GROUP LIMITED**

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 51 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.