



**DGL Group Limited Annual General Meeting
Tuesday 14 November 2023 at 10:00am**

Chairman's address

It is my pleasure to welcome you to DGL Group Limited's 2023 Annual General Meeting, our 3rd since listing on the ASX in May 2021, and my first as Chairman.

Our AGM is an important event for DGL, allowing us to engage directly with you, our shareholders. We appreciate your time, feedback, and support, and we value the opportunity to update you on the Group's progress.

DGL is an established, profitable, and diversified business providing end-to-end chemical services to critical industries in Australia and New Zealand. DGL's services include chemical formulation and manufacturing, warehousing and distribution, recycling, waste management and environmental solutions. The Company has grown substantially since its IPO.

The health and safety of our people and minimising the environmental impact within our operations remains a primary focus across the Group. Our lost-time injury frequency rate reduced to 8.2 in the last year, below industry standards, and there were no significant environmental incidents during the year. The Board's highest priority is to ensure that our people operate in a safe and respectful workplace, and we will continue to support Management in focussing on our safety performance.

Turning to financial performance, we are pleased to report another strong result for the 2023 financial year in an operating environment dominated by macro-economic challenges and volatility. Revenue and underlying EBITDA both grew strongly, up 27% and 26% respectively, with a 4% increase in underlying net profit after tax despite significant increases in interest rates and higher depreciation and tax charges. The success we have achieved is thanks to the combined efforts of our more than 800 employees across Australia and New Zealand.

In FY23 the Group generated \$69 million in operating cash flows, with strong cash conversion, supporting ongoing investment in our business and in targeted strategic acquisitions. We maintain a strong balance sheet with net debt of \$91m, tangible assets of \$426 million and a conservative Net Debt/ EBITDA ratio of 1.4x.

In addition to organic investment for growth, the Company completed eleven successful acquisitions during FY23, with each one carefully targeted to add new product or distribution capabilities that can be leveraged across our growing customer base.

Your Company recently announced a share buy-back program, as we saw compelling value for shareholders via the careful use of free cash flow to increase earnings per share by buying back shares at the prevailing share price. The buy-back is currently paused as we evaluate a number of potential incremental acquisitions that have not progressed to the point where we can announce them to the market. We intend to continue with the buy-back in future, subject to the share price

and as circumstances permit, with the over-riding objective of maintaining a strong balance sheet and a conservative approach to capital management to support DGL's long term growth.

Since the start of this financial year, we have seen the first renewal of our Board since the Company's IPO.

Both Mr Robert McKinnon and Mr Peter Lowe have retired after long and distinguished careers, with Ms Denise Brotherton resigning from the Board. We would like to thank them for their commitment and their contribution to the Company.

I was pleased to join the Board in August together with Mr John West. John brings very extensive experience in the transport and logistics industry, and we are fortunate to have his counsel. Both John and I are up for re-election as independent Non-Executive Directors at this meeting.

We intend to appoint an additional independent Director to further broaden the Board's skillsets, and to increase independent representation and diversity. We will continue to ensure that the Board has the right mix of skills and experience to lead the Company.

Looking forward, we expect both challenges and opportunities in the year ahead. DGL remains agile, well-capitalised and intensely focused on strategies for continued, sustainable growth. The Group's strong balance sheet and cash generation supports ongoing organic investment to expand capabilities, with a highly selective approach to value accretive acquisitions that can add strategic value to the business. We are excited about the future for DGL.

On behalf of the Board, I would like to thank our Chief Executive Simon Henry, his executive team and all of our valued staff and contractors for their hard work and dedication during the year.

I am pleased now to hand over to Simon, DGL's founder, CEO and major shareholder to provide a presentation on the 2023 financial year, including an update on current trading and our strategic agenda to drive the Group's ongoing growth.

Investor Enquiries

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