

## ASX RELEASE

29 September 2021

### **DGL adds to WA capabilities through acquisition of Profill Industries**

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, today announced the strategic acquisition of Profill Industries Pty Ltd ("Profill") for \$7.65 million.

Profill is a chemical manufacturer based in Wangara, Western Australia. The company provides chemical manufacturing, blending and packing services to customers across Australia and has been operating profitably for over 10 years. It services the home and garden, fertiliser, agricultural and industrial chemicals markets. Other offerings include formulation development and registration services for the agricultural chemical and crop protection markets.

Included in the acquisition are the leases of multiple warehouse and manufacturing facilities in Western Australia and the appropriate licences and planning approvals for these operations. The business and assets will be fully integrated into the broader DGL Group, and will operate as a subsidiary of DGL's chemical manufacturing business.

Founder and CEO of DGL, Simon Henry, said: "The Profill acquisition broadens our service offering and footprint in Western Australia, where we have been focused on growing our business and customer base. Through Profill, we will be accessing a greater share of the home and garden market, producing chemical products in smaller packaging sizes, and extending our existing chemicals and capability offering through the recently acquired Opal Australasia business.

"The acquisition brings a number of new customers that we aim to service across Australia's east coast delivering national solutions. We also see a significant opportunity to cross-sell and engage these customers across all three of our divisions for manufacturing, warehousing and environmental recoveries.

The acquisition price of \$7.65 million represents a valuation of 4.5 x FY21 normalised EBITDA. The acquisition will be funded by both cash and \$5.5 million in DGL shares based on the share price at the time of signing the conditional share and purchase agreement. Staff and management will be retained to continue to driving growth in the Profill business, as part of the broader DGL Group.

As per DGL's objective to invest funds raised via its May 2021 Prospectus into strategic initiatives, DGL remains in active discussions with a number of accretive acquisition targets

involved in chemical manufacturing, warehousing and distribution, environmental recovery and treatment, and for the acquisition of complementary real estate.

- 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 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.