

# DGL



**BELL POTTER EMERGING LEADERS CONFERENCE**  
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Presented by:  
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# Introduction to DGL



A specialty chemicals and supply chain business offering a full-service solution from manufacture to recycle, across New Zealand and Australia



**AUD \$210 m**  
FY21 pro forma  
revenue



**AUD \$200M**  
Net Tangible  
Assets<sup>1</sup>



**300+**  
Staff – Aust. & NZ



**30**  
Sites across Aust.  
& NZ – 358,000m<sup>2</sup>



**130,000t**  
Chemical storage



**750,000t**  
Movements p.a.



**150,000t**  
Manufacturing  
capacity p.a.

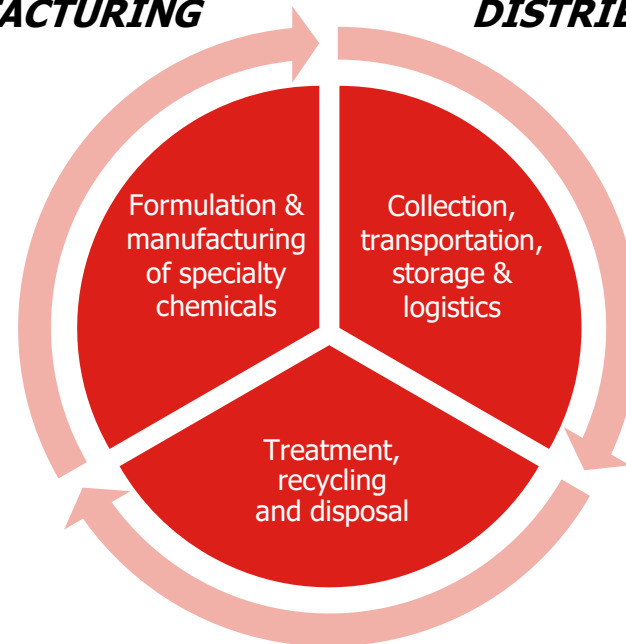


**180,000t**  
Waste processing  
capacity p.a.

*As at 31 August 2021*

**CHEMICAL  
MANUFACTURING**

**WAREHOUSING &  
DISTRIBUTION**



**ENVIRONMENTAL  
SOLUTIONS**

1. Pro forma net tangible assets is a non-IFRS measure calculated including Lease Liabilities and Right of Use Assets post Offer

# FY21 highlights



Strong performance, exceeding FY21 prospectus forecasts

## PRO-FORMA REVENUE

▲ **\$196M**

up 9% on PCP  
up 3% on prospectus  
forecast

## PRO-FORMA EBITDA

▲ **\$28M**

up 47% on PCP  
up 8% on prospectus  
forecast

## PRO-FORMA EBIT

▲ **\$17M**

124% on PCP  
up 9% on prospectus  
forecast

## PRO-FORMA NPAT

▲ **\$11M**

up 135% on PCP  
Up 19% on prospectus  
forecast

## HIGHLIGHTS

- ✓ All metrics ahead of prospectus forecasts.
- ✓ Increased utilisation across our extensive network of Trans-Tasman assets.
- ✓ Delivering our customers more services from across our business, including integrated warehousing and transport.
- ✓ Chem Pack successfully integrated.
- ✓ Used lead asset battery (ULAB) - lead smelter fully commissioned ahead of schedule.
- ✓ Executing on strategy initiatives including investing in capital projects and acquisitions that expand our services and bring efficiencies to our existing operations.

# Positive industry trends support long-term growth



## **CHEMICAL MANUFACTURING**

**\$40.8 billion market  
opportunity<sup>1</sup>**

### **MARKET DRIVERS**

- Growing agricultural sector driving demand for pesticides, herbicides and fertilisers
- Trend towards home and garden DIY
- Growing requirement for chemically treated compliant potable water
- Construction and infrastructure industries requiring admixtures
- Mining industry increasing chemical dosage requirements

## **WAREHOUSING & DISTRIBUTION**

**\$1.2 billion market  
opportunity<sup>1,2</sup>**

### **MARKET DRIVERS**

- Supply chain distribution causing a structural shift towards reliable providers
- Increased trade activity and globalization of supply chains
- Stringent regulatory and compliance obligations in handling and transporting of chemicals
- Growth in the generation of hazardous liquid wastes

## **ENVIRONMENTAL SOLUTIONS**

**\$3.6 billion market  
opportunity<sup>1</sup>**

### **MARKET DRIVERS**

- High health and environmental risks from toxic and hazardous industrial liquid waste
- Stringent regulatory and compliance obligations
- Growth in the generation of hazardous liquid wastes
- Continued growth in the automotive sector

1. Projected growth by 2026, Frost & Sullivan

2. Dangerous goods logistics market

# Clear strategy to drive growth



## OUR OBJECTIVE

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

Chemical Manufacturing

Warehousing and  
Distribution

Environmental Solutions

## STRATEGIC PRIORITIES

### **Drive cross-selling between divisions**

*Creating greater  
cross usage of  
services by  
customers across  
DGL's three divisions.*

### **Achieve further economies of scale**

*Network growth,  
increased utilisation  
of existing  
infrastructure, and  
operating efficiencies.*

### **Investment in capital projects**

*Expansion of  
existing network  
and services.*

### **Identify acquisitions**

*Significant consolidation  
opportunities in each  
division, with  
opportunities to add  
capabilities and  
customers.*



# Strategy initiatives - Acquisition of Opal Australasia



## Scale, efficiencies and complete coverage of Australia's agri market

- Opal is a specialist contract formulator and packaging business based in Kwinana Industrial Area, one of WA's most strategic industrial areas.
- Acquired August 2021 for \$8.6 million, including property valued at \$4.3 million.
- Provides a **number of strategic and operational benefits** including:
  - **Complete coverage of Australia's agricultural market**
    - DGL will now cover both east and west coast agri markets, in particular Western Australia's grain industry – Australia's largest grain growing region.
    - Provides a natural hedge on varying drought cycles across east and west coast of Australia.
    - Currently services the majority of major chemical suppliers in the agricultural industry in WA.
  - **Brings scale and efficiencies**
    - Increases DGL's manufacturing capacity to in excess of 150,000 tonnes p.a.
    - Opal has an extensive suite of licences and approvals, as well as unique product intellectual property that can be leveraged across DGL's business.
  - **Aligned to growth strategy**
    - Provides cross-sell opportunities across warehousing, distribution and DGL's chemical range
    - Further reduces customer concentration
    - Allows DGL to operate from a broad and strategic network of sites across Australia and New Zealand.
    - Adds quality property to our existing, substantial, footprint as we continue to focus on investing for the long-term, while strengthening our balance sheet.



# Outlook and Summary

**Focused on delivering growth for our shareholders**

- Business is performing strongly and in-line with internal expectations.
- Lockdowns across the region, to date, have not had a material impact on our business, with DGL considered part of an 'essential industry' in both Australia and New Zealand.
- Strategy is focused on growing organically and through acquisitions that provide strategic value to DGL.
- We are actively reviewing acquisitions which will form a key growth pillar in FY22.
- Expect to exceed prospectus FY22 forecasts of pro-forma EBITDA of \$29m and NPAT of \$10.4m.
- These forecasts do not include any incremental benefit from recent acquisitions of Label's Connect and Opal Australasia, and favourable trading conditions experienced to date.

# Unique competitive position



Strategic network of Trans-Tasman infrastructure



Material asset base and strong balance sheet



**AUD \$210m**  
Net Tangible Assets<sup>1</sup>

Skilled and trained workforce



**300+ staff**

Regulatory compliance



**20+ licence portfolio**

Vertical integration providing opportunity for end-to-end services and synergies



Significant industry know-how, proprietary process and intellectual property portfolio



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