

ASX ANNOUNCEMENT

10 April 2026

DGL Reports Audited H1 FY26 Results

DGL Group Limited (**ASX: DGL**), (“**DGL**” or the “**Company**”), a leading provider of chemical logistics and services to essential industries in Australia and New Zealand, today announced its financial results for the half year ended 31 December 2025 (“**H1 FY26**”), delivering stable results in a challenging market.

First Half FY26 financial highlights (vs 1H FY 25 where applicable)

- **Sales revenue of \$225.2 million**, down 5.8% on H1 FY25
- **Underlying EBITDA of \$24.7 million**, down 5.0% on H1 FY25
- **Underlying NPAT of \$0.3 million**, down \$1.4 million on H1 FY25
- **Statutory NPAT of (\$12.8) million**, down \$10.5m on H1 FY25
- **Operating cashflow conversion of 72%**, vs 95% in H1 FY25
- **Strong balance sheet with net assets of \$329.6 million**, down 4.4% on 30 June 2025, with net debt of \$78.2m (down from \$94.6m as at 30 June 2025)

Total revenue was \$225.2 million, a decrease of 5.8% (pcp: \$239.1 million) with a solid result from Manufacturing and Logistics supported by increased customer demand. Revenues in Environmental were reduced by increased cost and reduced availability of used lead acid batteries, and delays in completion of DGL’s new liquid waste treatment facility.

Underlying EBITDA was \$24.7 million, a decrease of 5.0% (pcp: \$26.0 million). Challenges during the period included driver shortages, higher costs associated with expanding facilities and implementing new systems. Underlying earnings were also impacted by higher occupancy costs as DGL continued to invest in new sites for growth.

Gross profit fell by 5.0% to \$97.9 million. Gross margin improved from 43.1% to 43.5%. The decrease in revenue was materially driven by the sale of the loss-making Laverton lead acid battery recycling site (H1 FY25 revenue: \$9.8m). The Manufacturing and Logistics divisions continue to perform well.

DGL recorded material non-cash write downs of property, plant and equipment and assets held for sale, and one-off audit related costs. As a result, DGL recorded a statutory net loss after tax of \$12.8m (H1 FY25: \$2.2m loss). DGL’s cash flow from operations was \$10.5m (H1 FY25: \$18.1m), reflecting the drop in gross profit. Operating cash conversion was 72% (H1 Fy25: 95%) due to increased working capital.

The Company has taken actions to improve the Company’s financial performance including building capacity and capabilities, a renewed focus on costs and productivity, flattening and simplifying the management structure, and consolidating and integrating business units.

For personal use only

Audit Opinion

The Company's new auditor BDO Audit Pty Ltd (BDO) has completed a full audit of the FY26 half year and has issued an audit opinion which, while modified in respect of inventory opening balances, states that the financial statements for the half year ended 31 December 2025 present a true and fair view and are compliant with the applicable accounting standards and the Corporations Act 2001. The full audit of the half year results follows the Company receiving a disclaimer of opinion from its previous auditor, PKF, for the financial year ended 30 June 2025, and was required by the ASX as part of reinstatement of DGL's shares to quotation.

We recognise that the extended period of suspension from the ASX has been a major concern for shareholders, and with completion of the half-year audit we are in discussion with the ASX about reinstating DGL's shares at the earliest opportunity.

Strategic developments

DGL is focused on its core business of providing specialised chemical logistics and services to a broad range of industries throughout Australia and New Zealand, supported by targeted international services. We provide complete solutions for sourcing, manufacturing, storage and transport, sampling, recycling, and disposal of chemicals.

With a renewed focus on organic growth, DGL increased warehouse capacity during the half year, and has benefited from increased demand, including from opportunities arising from competitors exiting the sector. DGL invested \$1.9m in a vacant site in Christchurch NZ to build a state-of-the-art warehousing facility. Construction works on this site are advanced and are expected to be completed by the end of FY26. DGL continues to focus on rationalising our transport fleet and investing in more efficient trailing equipment.

DGL's new liquid waste treatment plant development at Unanderra, NSW has been delayed, but is progressing well, with completion expected in April 2026. The plant is expected to be fully commissioned by the end of FY26 and will expand liquid waste treatment capacity including plastic packaging recycling as an additional further revenue stream. Customer interest in this capability remains high, and the new plant is expected to contribute to earnings in FY27.

DGL is making rapid progress on systems and operational consolidation. Implementation of the group-wide HR & Payroll system is complete, and the new group ERP and Logistics Management is expected to be in place by the end of FY26, leading to significant cost savings, productivity gains, better management information and improved customer service.

Property & Premises

DGL actively manages its property portfolio, and during H1 FY26, completed the sale of its Tomago and Seven Hills sites in NSW, with operations from those sites consolidated into other Company sites to optimise occupancy costs and improve productivity. The Company's loss-making lead acid battery recycling plant in Laverton, Victoria was also sold. The combined sale proceeds exceeded the book value of these assets.

Debt Refinance

DGL entered into new funding arrangements with ScotPac Business Finance (ScotPac) in March 2026, replacing the previous syndicated finance facilities. The new finance facilities total up to \$120 million and provide greater flexibility and are better suited to DGL's ongoing business requirements. The Company reduced its net debt by \$16.4 million in H1 FY26 and is committed to maintaining a strong balance sheet with a prudent level of debt.

FY26 Outlook

DGL is continuing to navigate an uncertain economic environment with highly volatile international commodity and logistics conditions. The hostilities in the Middle East have impacted the cost and supply lines for a very wide range of oil base commodities and derivative products, with a much broader impact than the cost of transport fuel. DGL is managing supply logistics very actively during this period. We have confidence that the diverse nature of our operations and the critical role we play in serving our customers will see DGL continue to grow and create value for our shareholders.

The Group expects improved results in H2 FY26 following a difficult first half, but notes the heightened uncertainties in our operating environment.

– ENDS –

Approved for release by the Board of DGL.

CONTACT

Barbara Furci
DGL Group Limited
+64 9 309 9254 or investors@dglgroup.com

ABOUT DGL GROUP LIMITED

DGL Group Limited (ASX: DGL) is a leading supplier of chemical logistics and services to essential industries in Australia and New Zealand and beyond.

DGL solves problems for customers by providing formulation and manufacturing for a range of potentially hazardous and reactive chemicals, the warehousing & distribution of these chemicals within a highly licensed transport and warehouse network, and the disposal or recycling required to safely manage the full life cycle of these products.

For personal use only