

**Company:** DGL Group Limited  
**Title:** Annual General Meeting  
**Date:** 15 November 2022  
**Time:** 10:30AM AEDT

### Start of Transcript

Peter Lowe: The silence must indicate it's about time to start, and I think it is 10:30, so we will make a start. Although there are not many of us here in the room, I just checked with our Company Secretary, Andrew Draffin, and we have a large number of people online. I think that's a good thing, because what we're doing today is for shareholders, so the more shareholders we can speak to and talk about the business, the better.

So, just before we start, I would like to do a Welcome to country. As we meet here today, I would like to acknowledge we are meeting on the traditional land of the Kulin Nation, and I pay my respects to Elders, both past and present.

So, good morning ladies and gentlemen and welcome to our Annual General Meeting. My name is Peter Lowe, and I'm a Director and Chair of the Company, and as such I will chair today's meeting. As I've already mentioned, we believe these meetings are important for the Company in interacting with the shareholders, and we have done a lot of work in the background putting together a presentation, which Simon will talk to shortly, and in doing that we've listened to our shareholders, and we've got the advice of our brokers. We hope it is information that is pertinent to your continued investment in the Company.

As we have a quorum, I'll now formally open the meeting. Before going any further, I'd like to take this opportunity to introduce my fellow Directors. Mr Simon Henry, an Executive Director, CEO and Founder of the Company. Next to him we have Ms Denise Brotherton, a Non-Executive Director. Next to Denise we have Mr Robert Sushames, an Executive Director of the Company. We've also got Andrew Draffin, our Company Secretary, Ben Halsey, our CFO, and the missing Director, Mr Bob McKinnon is online as a result of a major surgery he's had recently and his inability to travel to Melbourne. But he is online, he is listening and if we need to talk to Bob, we can do that.

I would also like to welcome our Company's auditors, there they are up the back, Mr Ken Weldin and Mr Matthew Forbes, from PKF Melbourne, who are in attendance today to answer any questions in relation to the financials and the conduct of the audit process. Thanks both, for your attendance.

Before I proceed any further, I would like to address some housekeeping issues. They are fairly mundane housekeeping issues but unfortunately I have to go through them as this is a legal requirement of annual general meetings, so just bear with me as I read through them. It's in relation to questions and voting. So, firstly questions. As this is a hybrid meeting, in other words we have people in attendance, but we've also got a number of people online, the shareholders online will be able to ask questions during the meeting, and we've got the guys here in conjunction with Andrew, to enable that to happen.

All holders will have the opportunity to comment on and ask questions in relation to the resolutions. I will hold comments and questions until the item of business has been introduced and holders have been invited to ask questions. Those participating online today will be able to ask questions in text format via the online portal during the meeting. I will provide sufficient notice for shareholders to ask questions in these formats.

Shareholders can submit questions during the meeting by clicking on the ask a question button. To ensure questions reach us in time, I ask that you submit them now if you haven't already. The Company Secretary will moderate questions as they come through. I note that a teleconference facility was offered as a form of attendance at today's

meeting, however no shareholder's registered to participate via this facility, so therefore no questions will be coming through via the teleconference. So, we've just got questions online and questions from the floor.

When you dial in online, you will be asked to mute your online sound and listen to the meeting by phone. If you wish to ask a question, you will need to dial star 1 on your keypad that will indicate to the moderator you wish to ask a question. The teleconference moderator requires your name and will introduce you, prompting you to ask your question by unmuting your line at the relevant time.

If we receive multiple questions that are similar, we will try to amalgamate them into one or choose to answer the broadest question which will cover the other questions. Please keep your questions to the topic of each resolution. Any question not related to a resolution will be considered at the end of the CEO presentation, when we will open the floor to questions of a more general nature. So, when Simon finishes his presentation, we will open the floor for any questions that shareholders wish to answer [sic] and we're here as long as we need to be to answer all those questions.

If you have a technical issue, please contact Link on 1800-990-363. So, that's the question section, now I'll move onto the voting section. All resolutions will be put to a poll, I will propose each resolution in order of the item of business and declare the number of valid proxies that I hold as Chair. Unfortunately you will need to hear that for every single resolution, even though the numbers are very similar, so bear with me when we get to the resolutions.

Please note that as outlined in the notice of meeting, I intend to vote, as Chair of the meeting, in favour of all resolutions unless I have been otherwise directed to do so. I will call for shareholders in attendance to vote on all the resolutions once they have been proposed, rather than directly following each individual resolution. However, please note that the voting is now open, and you can vote ahead of the formal proposal of each resolution, or at the end of the meeting. The poll will remain open for five minutes after the meeting has finished, so you can do it now, as we take the resolution or within five minutes of the meeting closing.

Shareholders physically present at the meeting should have received a voting card at registration. Please approach a member of the Link team if this is not the case. Please supply your completed voting card to a member of the Link team at the conclusion of the meeting. For those shareholders attending online, please cast your vote by using the electronic voting card received after validating online registration.

To validate registration, you'll be asked to enter your securityholder reference number or holder identification reference number, plus the postcode attached to your holding if you're in Australia, or country if you're outside Australia. To then cast your vote, click the get voting card button. Link Market Services will conduct the voting by way of poll, and Mr Timothy Farag of Link will act as Returning Officer. Votes will be counted after the end of the meeting and results published on the ASX and Company's website.

So, with the housekeeping out of the way we can progress to the business of the meeting. I advise that notification of this meeting has been sent to all shareholders of the Company, the Company's auditors and the Australian Securities Exchange, which is in accordance with the Company's constitution. I now propose to take the notice of meeting and the accompanying explanatory memorandum as read. Are there any objections? Thank you.

Before proceeding with the business of the meeting as outlined in the notice of meeting, I would like to take the opportunity to say a few words. I'll then hand over to Simon to provide a more thorough update on the Company's operations. In putting Simon's presentation together, as I've already mentioned, we have consulted with shareholders and we have consulted with our brokers for guidance, so that we focus on the matters of greatest importance to the shareholders.

Since the last and first AGM of the Company, the Board has not only been focusing on growth and profitability, but on the transition from a private Company to a public Company. That process is lengthy and involves a lot of aspects of

running a public Company. The reason I wanted to mention it is that the Board principally is there to support management and grow the business, the profitability and the value for shareholders, but in the background over the last 18 months, we've been doing a lot of work to create the public Company as distinct from how you might run a private Company.

Just to give you an idea of some of the things that we've been doing, we did a culture review and a diversity review of the Company, not because we thought there was a problem, but we wanted to understand the culture and the diversity in the Company and establish policies that created the culture we as a Board wanted for DGL. That's been done, very successful and we now are on our way to a consistent culture across the organisation. Where that really kicks in for us is acquisitions.

Because typically acquisitions will come with their own culture and there may not be anything wrong with that culture, but what we want to create and transition to is the culture of DGL, which is what we think is the right way forward. We've developed a risk program with the help of Deloitte, and you may think well surely risk has always been something that was done in DGL, and it probably was. But it wasn't formerly documented, there weren't policies, there weren't risk appetite statements, there weren't top 10 risks. We've now got that process in place and we're working towards using that to manage the business.

I'm a firm believer, if you don't understand the risks in the business, it's very hard to develop a strategy, and it's the first step in the strategy process which then becomes the budget. So, we have that in place, we're just rolling it out and we'll start to use it beginning of next year as we develop the strategy for the next few years.

We've had to create short-term incentive and long-term incentive plans. We're pretty much there, not quite finished, but again we're looking to have them in place, approved and ready for implementation in terms of rewarding the Senior Management Team from 1 July next year.

Developing KPIs for the Company and the senior managers. My background is predominantly finance and I'm one of those people who believe if you don't know what the goal is, you often don't get there. So, I think it's important to have KPIs for the senior people to grow the business and meet the shareholder expectations.

Understanding safety, again a bit like culture, I would have to say based on the 18 months experience we've had as a Board in DGL, safety is very much a focus, and it was when it was a private Company. But again it's about developing processes that produce that information up to the Board so that we're aware of what's happening, and we can be comfortable with the safety culture that is in DGL. That is in place today.

We've had to expand the Senior Management Team and we've now incorporated positions that weren't in the business when it was a private Company. An example being we've got a Chief People Officer. She's only been on board a little while, but it has been absolutely fantastic since she's joined us, all the great work that she's done. So, it's a team of 10, the Senior Management Team including Simon, a bit team, but we believe now we've got all the key resources in place to make sure we manage the Company appropriately.

Developing an ESG framework, a fairly current topic but it's something that's important but it's also mandatory now with publicly listed companies. We have done the work to establish that, we are about to roll it out. So, again as I said, you can't do everything at once or you'll stifle the business, but we have been working on developing the policies and procedures and it's ready to go.

Then finally, setting up audit and risk committees and remuneration committees with proper charters. So, we've got those. Bob McKinnon chairs the Remuneration Committee and Denise Brotherton chairs the Audit and Risk Committee. I sit on those committees, so they are comprised of independent, Non-Executive Directors. Management do not play a role in those.

So, that's not everything but it's probably a pretty good list of the key things that we have been working on in the background to move the Company to a proper performing public Company.

As I said, whilst all that's been happening, the business has continued to grow, organically and by acquisition. We will continue to look for strategic acquisitions, but organic growth is critical to the success of this business. Bedding down, getting the synergies, getting the benefits of being part of a larger group, are all important to our profit growth. The division heads are well aware of that organic growth requirement. Simon will talk in more detail to that in his presentation.

As a result of this growth, profit and cashflow have increased considerably as has the scale of the business, that now sees us operating in every state in Australia and New Zealand. This increased scale is very important to us strategically. It benefits customers, and again Simon will talk more to that, and it creates cost synergies across the Group, which take time to achieve but it is a focus of the division heads.

On the people side of the business, I would like to compliment the staff for their dedication and work ethic in very challenging conditions that continue to impact businesses in Australia and New Zealand. It's a credit to the staff that we're in the strong position we are today.

Also, I thank you to the Board for the considerable hours and extra meetings that have been required in establishing the public Company and helping grow the business. Finally, a thank you to the shareholders for your support and continued investment in the Company.

I'll now hand over to Simon to make his presentation.

Simon Henry: Thanks very much, Peter. Good morning ladies and gentlemen, I'm Simon Henry for those of you who don't know me, I think everyone does. I'm the Founder and the CEO of DGL. Welcome to the second AGM of DGL. Today we will provide an update of our FY22 result before outlining the key strategic initiatives and the FY23 outlook. But before I get started, I would like to thank our 650 employees, I'm extremely proud of how they've operated during the past years, enabling us to succeed in these challenging times.

Our people have consistently gone above and beyond to keep each other and our operations safe whilst standing by our customers. Finally, I would also like to thank our customers, suppliers and shareholders for supporting us throughout FY22.

Next slide please. Our vision. Since I founded DGL in 1999, the Company has grown into a diversified industrial group. Our vision is to leverage our assets, our customers and our brand, to build a diversified industrial business capable of delivering a wide range of services. Increasing DGL's breadth and scale allows us to better service the needs of our customers, integrating with their processes and markets. We remain well capitalised and focused on strategies to continue sustainable growth.

Next slide please. Industrial services. DGL provides industrial services across three key divisions. The first being chemical formulation, product development and manufacturing of speciality chemical products. We then move onto warehousing and distribution which provides the collection, transportation, storage and logistics for both customers and the Group. Finally, environmental solutions, which undertakes the treatment, recycling and disposal of industrial waste. Importantly, only 30% of our customers at this time use two or more divisions, which illustrates the future cross-selling opportunity.

Next slide please. Quality, health and safety and the environment. DGL ensures a safe and healthy work environment for all employees and visitors, we have a dedicated safety, environment and compliancy team that monitors safety

plans, systems and procedures across the Group. There have been no significant health, safety or environmental incidents during FY22 and the FY23 year to date. Customers choose DGL knowing that we are well positioned to cater for their health, safety and environmental needs.

Next slide please. ESG. DGL engaged an external provider, Edge Environmental, to lay the foundations to help set up an ESG framework for the Group. DGL is committed to developing a company-wide environmental, social and corporate governance framework. This slide demonstrates just some of the positive things and some of the key initiatives that we are working on.

Some of the key highlights here include the investment in a substantial waste treatment plant in New South Wales, the employment of a Chief People Officer and the continued investment into our Senior Leadership Team.

Next slide please. Robust Growth. DGL produced a strong financial performance in FY22 with a significant increase on the prior year's earnings. Gross profit was up 95% on FY21, underlying EBITDA grew over 130% to \$66 million. Net profit after tax increased approximately 200% to \$34 million. Since 2019, net profit after tax has had a compound annual growth rate of 150%. This earnings performance during the time of unprecedented challenges, was testament to the strength of the strategies, culture and people within DGL.

Next slide please. Enhanced scale. DGL has grown significantly in scale over the past 18 months. DGL now has over 650 staff and over 3800 customers and has grown logistics, manufacturing and waste treatment processing capacity. With over \$200 million of net tangible assets, DGL is in a strong position to leverage this balance sheet strength to continue scaling up.

Increasing scale is beneficial for a number of reasons. DGL can grow through the addition of products and services, cross sell and increase volumes by expanding customers and gaining market share. It allows DGL to expand its current talent pool and knowhow. Finally, it de-risks DGL's operating model through reduced reliance on specific geographies, markets and customers.

Next slide please. A Trans-Tasman network. DGL now has 60 sites across Australian and New Zealand, operating from over half a million square metres of property. This allows us to provide a strong network of assets to customers, it also expands services that we're able to provide across our one platform. We are currently assessing opportunities to consolidate sites as we strive for added productivity and efficiencies.

Next slide please. Organic growth. DGL has achieved strong organic growth in FY22, a continuation of the growth achieved since 2019. 70% of the growth over this period from FY19 to FY22 has been from organic contributions. Supporting the organic growth were the contributions from the 12 acquisitions made during FY21 and FY22. DGL's strategic position, assets, facilities and capabilities allow the Company to meet customer needs in times of market and product imbalance when other providers weren't able to.

It also provides opportunities to maximise earnings in situations where others can't adapt or meet our supply requirements. These opportunities arise each year, but we're much larger in FY22 due to extreme supply chain disruptions and related factors. We will continue to pursue such opportunities, but we don't expect the level of earnings benefit in FY22 to be repeated. As a result, we estimate that our sustainable earnings for FY22 was approximately \$51 million. DGL expects strong organic growth to continue from the normalised FY22's earnings base.

Next slide please. A customer-led strategy. In response to customer demand, we decided to build inventory into June 2022. This was approximately \$18 million more than normal. The stock build was primarily a non-perishable auto and ag raw materials, critically DGL's ability to procure, hold and deliver products has created a point of difference. Many competitors have lacked scale and capital required to meet such demands. In an environment where we continue to

see onshoring of manufacturing and supply chain disruption, this ability has allowed us to increase margins and gain market share.

Next slide please. Cashflow. Operating free cashflow in FY22 of \$33 million increased to \$51 million when adjusted for the \$18 million inventory build undertaken in response to customer demand. If we take into account the inventory build, the operating cashflow conversion increases to 77%. A further impact of approximately \$4 million from the investment and working capital for some acquisitions was also funded through operating cashflows.

Inventory holdings have stabilised during the first quarter of FY23. They are expected to stabilise to the end of December, leading to a stronger operating cashflow conversion.

Next slide. Property and projects. Property has always formed a key part of DGL's strategy and competitive advantage. At any one time, DGL has a number of capital and property projects being assessed. New manufacturing plants and sites are currently in the process of being commissioned, which will contribute to organic growth in the second half of FY23.

Two environmental projects under construction include the completion of the new liquid treatment plant in New South Wales, and additional capacity in Victoria. We have a significant property portfolio underpinning our balance sheet strength. Following independent valuations, this property portfolio grew by \$31 million in FY22. We also acquired a number of properties, bringing the total portfolio value to \$160 million. We continued to assess the strategic value of our property portfolio and are open to rationalising aspects of it as needed.

Slide 13 please. Our division strategy update. In chemical manufacturing we continue investigating opportunities to expand our product range, our services and grow our customer base. In warehousing and distribution we continue to expand our capacity across Australia, we also continue to expand our transport fleet. Finally, in environmental solutions we continue to invest in increased treatment capacity and diversify the range of industrial waste streams that we can treat. We continue with the integration of people and services from the various acquisitions we've made over the past 18 months.

Next slide please. Summary and outlook. We expect our underlying EBITDA to be in the range of \$70 million to \$72 million for FY23. This EBITDA guidance represents between 38% and 42% of growth on a normalised EBITDA of \$51 million in FY22. We expect to see our earnings skewed towards the second half at a 40/60 first half second half split. We expect underlying operating cashflow conversion to be in the range of 80% to 90%. Thank you. Questions? Must be one bid.

Peter Lowe: You might get one online.

Andrew Draffin: No, there's none online so far.

Peter Lowe: None online.

Andrew Draffin: If that changes, I'll let you know.

Simon Henry: You'd have a question, James?

John Down: (Shareholder) I think I wrote a few down on the page. Simon, [John Down], Austech. Can you expand on something that you said in earlier times where multiple [acquisitions] overcoming barrier to entry by virtue of the licences of those facilities? [Unclear]?



Simon Henry: It's interesting because we have - we're able to compare ground-up developments with acquisitions, [use it] in a timeline, and we've been trying to redevelop our site in Seven Hills in Sydney, I think we've been working on the consent with the Blacktown Council for three or four years and we still don't have a licence to build a building. Whereas if you go and buy an operation, you hit the ground running. So, my strategy is that you have acquisitions on one side, and you have ground-up developments on the other in the pipeline, so it's not hard either way, it's a hybrid of both.

Andrew Watson: (Shareholder) If you - [Andrew Watson] - if you continue on with your acquisitions initially [on share capital] that'll effectively be a bit of a dampener on the share price.

Simon Henry: Well we're not issuing shares at the current price. If we decide to buy anything, we'll be using cash and some debt. We won't be issuing shares at the current price.

Andrew Watson: (Shareholder) Okay, so you've stopped that?

Simon Henry: Correct.

Peter Lowe: The premise of the question is correct.

Simon Henry: Yes.

Peter Lowe: The more shares you issue, the lower the [unclear] and less the...

Andrew Watson: (Shareholder) So it's good that you've stopped issue of shares.

Simon Henry: Yes, I think the Australian word is accretive. If we have a solid share price and we can buy well-priced businesses and we want the management to have some skin in the game, then we're quite keen to issue some shares.

Peter Lowe: Something new we're using now to assess acquisitions, originally it used to be EBITDA. Strategic reason obviously first but the EBITDA, they delivered in the multiple we played. We now do a calculation that determines whether it's EPS accretive. So, that deals partly with your share issue, so if there are shares, we do that calculation and then we just need to do a 12-month review to make sure it delivered exactly what we thought we were buying. So, so far that has been the case.

Andrew Watson: (Shareholder) The level of debt that you have, is that of a concern?

Simon Henry: Not at all.

Andrew Watson: (Shareholder) With interest rates?

Simon Henry: Yes, when I IPO'd DGL we talked about three times EBITDA debt, but we pulled right back from that. I think we sit just above one at this time and we're quite comfortable around that level.

Unidentified Participant: The plans for Melbourne?

Simon Henry: Plans? Plant?

Unidentified Participant: For Melbourne.

Simon Henry: Plans for Melbourne? We'll continue to expand in Victoria, it's a great place to work, when the sun comes out, if the sun comes out we'll expand here.

Unidentified Participant: You come from the land of the long white cloud.

Simon Henry: Exactly, that's why I'm here. Any more questions? Thank you very much, I'll pass it back to Peter.

Peter Lowe: Thanks, Simon. I'll just check one last time to see if we've got any questions online.

Andrew Draffin: No we haven't but some of the online people couldn't hear the actual questions being asked. [I think Simon did well to] address the questions [in his answer]. There are no further questions [inaudible].

Peter Lowe: Okay, all right then I'll now proceed with the business of the meeting outlined in the notice of meeting. Firstly the financial accounts and just a reminder we do have the Company's auditors in attendance if shareholders wish to direct any questions to them. We've also got the CFO who is available to take questions. The financial report is now before the meeting. Are there any questions? Thank you, as there are no questions on the financial report we'll now move to the formal resolutions to be considered by the meeting.

As I mentioned earlier, all resolutions will be put to a poll, which will be conducted once all resolutions have been put to the meeting. Just a reminder, the poll is now open should you wish to vote in advance. The results of the meeting will be announced on the ASX and published on the Company's website shortly after the conclusion of the meeting.

Another piece of legal requirement, I'd like to propose that the following voting exclusion statement be adopted now for all resolutions, thereby removing the need to repeat the exclusion statement prior to each resolution. In essence, what I'm about to read out means anyone that has a direct or indirect interest in the relevant resolution, is not entitled to vote on its outcome.

So, the voting exclusion statement is as follows. In accordance with ASX listing rules 10.13.6, 14.11 and 14.11.1, the Company will disregard any votes cast on a resolution by any person or an associate of any person who may participate in the relevant item of business or anyone who may obtain a benefit, except a benefit solely in their capacity as holder of ordinary securities if the resolution is passed.

However, the Company will not disregard the vote if, one, it is cast by the person who's proxy for a person who is entitled to vote in accordance with directions on the proxy form, or two, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote in accordance with the direction on the proxy form to vote as the proxy decides.

I as the Chairman of the meeting intend to vote all available proxies in favour of the resolutions, unless I have been directed otherwise. I will inform the meeting of the number of valid proxies received for each resolution before the relevant item of business is put before the meeting. Again a poll will be called to vote on all resolutions once all resolutions have been put to the meeting.

Shareholders who have not lodged their proxy beforehand are encouraged to vote. If a shareholder has already voted by proxy, then you do not need to vote again unless in the event you wish to change your vote.

So, resolution two, non-binding adoption of the remuneration report, which was part of the annual report. That for the purpose of Section 250 R2 of the *Corporations Act*, and for all other purposes, the remuneration report found on pages 12 to 15 of the Company's annual report for the financial year ended 30 June 2022 be adopted. I can confirm that as Chairman I hold the following proxies for this resolution. Votes for, 30,450,256, votes against, 3,965,969, votes open, 463,059. Are there any questions from the floor? I propose to adopt the remuneration report. Thank you.



Resolution three, re-election of Directors. To consider and if thought fit pass the following resolutions. Re-election of myself, that Peter Lowe, a Director who retires by rotation in accordance with the Company's constitution and being eligible and having signified his candidature for office be and is hereby re-elected a Director of the Company. Secondly, re-election of Robert McKinnon, that Robert McKinnon, a Director who retires by rotation in accordance with the Company's constitution and being eligible and having signified his candidature for office be and is hereby re-elected a Director of the Company.

I confirm I hold the following proxies for this resolution, for resolution 3A, votes for, 179,391,469, votes against, 1,531,778, votes open 478,874. For resolution 3B, votes for, 179,363,798, votes against, 1,533,213, votes open, 504,194. Are there any questions? Okay, I hereby propose the resolution, thank you once again, on behalf of myself and on Bob who is online from Perth.

Now the next swag of resolutions relate to the issue of shares associated with acquisitions, so they will be a little repetitive. Resolution 4, ratification of prior share issue to Austech Chemicals Proprietary Limited. To consider and if thought fit to pass with or without amendment the following resolution as an ordinary resolution. That for the purposes of ASX listing rule 7.4 and all other purposes, shareholders approve and ratify the prior issue of 5,817,312 fully paid ordinary shares in DGL to former Austech Chemicals shareholders as part of the purchase price paid by DGL for the acquisition of 100% of the shares in Austech Chemicals Proprietary Limited on the terms and conditions as more fully described in the explanatory memorandum accompanying the notice of meeting.

I can confirm that as Chairman I hold the following proxies, votes for, 180,862,191, votes against, 87,985, votes open, 455,053. Are there any questions? Nothing? I hereby propose the resolution.

Resolution 5, ratification of prior share issue to Australian Logistics Management Proprietary Limited as trustee for the ALM Unit Trust. To consider and if thought fit to pass with or without amendment the following resolution as an ordinary resolution. For the purposes of ASX listing rule 7.4 and all other purposes, shareholders approve and ratify the prior issue of 153,186 fully paid ordinary shares in DGL to ALM as part of the purchase price paid by DGL for the acquisition of the Australian Logistics Management business on the terms and conditions as more fully described in the explanatory memorandum accompanying the notice of meeting. Are there any questions?

I didn't tell you how many votes I had, but it's votes for, 180,863,187, votes against, 87,069, and votes open 455,053. So, seeing there are no questions, I propose the resolution.

Resolution 6, ratification of prior share issue to RLA Polymers NZ Limited. To consider and if thought fit to pass with or without amendment the following resolution as an ordinary resolution. For the purposes of ASX listing rule 7.4 and all other purposes, shareholders approve and ratify the prior issue of 363,924 fully paid ordinary shares in DGL to shareholders of RLA Polymers as part of the purchase price paid by DGL for the acquisition of the RLA Polymers business on the terms and conditions as more fully described in the explanator memorandum accompanying the notice of meeting.

I can confirm I hold the following proxies, votes for, 180,862,191, votes against, 87,985, votes open, 455,053. Are there any questions?

Resolution 7, ratification of prior share issue to Total Bio Group Proprietary Limited, known as Total Coolants. To consider and if thought fit to pass with or without amendment the following resolution as an ordinary resolution. That for the purposes of ASX listing rule 7.4 and all other purposes, shareholders approve and ratify the prior issue of 74,189 fully paid ordinary shares in DGL to former Total Coolant shareholders as part of the purchase price paid by DGL for the acquisition of 100% of the shares in Total Coolants on the terms and conditions as more fully described in the explanatory memorandum accompanying the notice of meeting.

I hold the following proxies, votes for, 180,860,391, votes against, 87,985, votes open, 456,853. Are there any questions? I hereby propose the resolution.

Resolution 8, ratification of prior share issue to Flexichem Australia Proprietary Limited. To consider and if thought fit to pass with or without amendment the following resolution as an ordinary resolution. That for the purposes of ASX listing rule 7.4 and all other purposes, shareholders approve and ratify the prior issue of 725,689 fully paid ordinary shares in DGL to former Flexichem shareholders as part of the purchase price paid by DGL for the acquisition of 100% of the shares in Flexichem on the terms and conditions as more fully described in the explanatory memorandum accompanying the notice of meeting.

I confirm I hold the following proxies, votes for, 180,852,987, votes against, 95,389, votes open, 456,853. Are there any questions?

Resolution 9, nearly there. Ratification of prior share issue to Clarkson Freight Lines Proprietary Limited as Trustee for the Clarkson and Connolly Transport Trust. To consider and if thought fit to pass with or without amendment the following resolution as an ordinary resolution. That for the purposes of ASX listing rule 7.4 and all other purposes, shareholders approve and ratify the prior issue of 278,149 fully paid ordinary shares in DGL to Clarkson Freight Lines as part of the purchase price paid by DGL for the acquisition of the Clarkson Transport business on the terms and conditions as more fully described in the explanatory memorandum accompanying the notice of meeting.

I confirm I hold the following proxies, votes for, 180,861,191, votes against, 87,985, votes open, 456,053. Are there any questions? I hereby propose the resolution.

Resolution 10, ratification of prior share issue to BTX Group Proprietary Limited. To consider and if thought fit to pass with or without amendment the following resolution as an ordinary resolution. That for the purposes of ASX listing rule 7.4 and all other purposes, shareholders approve and ratify the prior issue of 667,570 fully paid ordinary shares in DGL to former BTX shareholders as part of the purchase price paid by DGL for the acquisition of 100% of the shares in BTX on the terms and conditions as more fully described in the explanatory memorandum accompanying the notice of meeting.

I confirm I hold the following proxies, 180,853,891 votes for, votes against, 87,985, votes open, 463,353. Are there any questions? I hereby propose the resolution.

The final share issue ratification is the ratification of prior share issue to Aquadex Proprietary Limited. To consider and if thought fit to pass with or without amendment the following resolution as an ordinary resolution. That for the purposes of ASX listing rule 7.4 and all other purposes, shareholders approve and ratify the prior issue of 2,943,925 fully paid ordinary shares in DGL to former Aquadex shareholders as part of the purchase price paid by DGL for the acquisition of 100% of the shares in Aquadex, on the terms and conditions as more fully described in the explanatory memorandum accompanying the notice of meeting.

I confirm I hold the following proxies, votes for, 180,860,307, votes against, 85,819, votes open, 459,103. Are there any questions? I hereby propose the resolution.

The final one, which is very much a legal matter, required for public companies to do, to consider an if thought fit to pass with or without amendment the following resolution as a special resolution. To consider and if thought fit to pass with or without amendment the following resolution as an ordinary resolution. That for the purposes of section 260B2 of the *Corporations Act 2001* and for all other purposes, approval is given for the proposed financial assistance to be provided by each of the entities named below which are or may become subsidiaries of the Company as described in the explanatory memorandum provided to shareholders, and any other elements of the transactions there described that

may constitute financial assistance for the purposes of Section 260A of the Act in connection with the acquisition of those entities.

The list will include all those entities we have just ratified the share issue, Austech Chemicals, Total Bio Group, Total Coolant Management Solutions, Flexichem Australia, Acacia Ridge Container Park, BTX Group, Aquadex. I confirm I hold the following proxies, votes for, 179,618,812, votes against, 165,147, votes open, 1,539,258. Are there any questions from the floor? I hereby propose the resolution.

Now that all the resolutions have been put to the meeting, I will now call for a poll. I again declare that as Chairman, I will be voting all proxies as previously outlined for each resolution in favour of the resolutions.

Andrew Draffin: [It's fine for people to hand their proxies in].

Peter Lowe: And they're voting online.

Andrew Draffin: There's a couple of questions that are coming while we're going through [unclear].

Peter Lowe: Okay, all right, everybody here is happy they've dealt with their voting cards if applicable? Okay, so that concludes the formal business as tabled in the notice of meeting, and as mentioned previously you do have five minutes from the end of this meeting to vote. We'll release those votes to the ASX shortly but we're very happy now to answer any other questions that you may have or have cropped up as a result of anything that's happened in the meeting to date. Do you want - we'll bring you the microphone, Andrew.

Andrew Draffin: Does DGL have any plans to issue dividends? If so, when?

Peter Lowe: I can probably answer that one, the simple answer is no, but the reason for the answer being no is that we have a very, very high belief that we can invest that money and earn substantially more for shareholders that will reflect itself in the capital value of the organisation via the share price. So, as we stand here today, there is no policy for payment of dividends, it will all be reinvested and create value through the share price. Do you want to add anything, Simon? Ben? I've got to ring the CFO in.

Andrew Draffin: One final question here, does the Company have a strategy to improve the current market price of its shares?

Peter Lowe: The simple answer is clearly we do, we're not happy with the current share price and part of that is the work we've been doing behind the scenes with our brokers, who I must thank again for the help they have given us. It's not only getting the IPO up but post IPO they have been incredibly helpful to the organisation, and we thank you and your firms for that. So, we are working diligently to understand firstly why the share price drop happened. We think we understand that, and we think the presentation answered some of those questions and doubts.

But I've got to say, as someone who believes in your performance driving the share price more than anything else, what we now need to do is deliver that forecast profit that Simon talked about and continue to grow the business. As Simon said in his presentation, there is a focus on the organic side of the business. Simon will spend the next three months, I think with a quick trip home for Christmas, in Australia, working with the division heads, focusing on driving the value of what we have today.

My background though is from an organisation I spent many years with where it taught me how important growth is to performance, and particularly to the share price. Part of that growth will come from acquisitions. I think after the meeting I'm going to say to Simon, I am not going to read out 10 ratifications of acquisitions next AGM, so hopefully we haven't got as many as that, Simon.

But we will continue to see acquisitions. We have people, typically called business development people, I don't think we call them that in DGL, but who are looking at possible acquisitions all the time. Because you don't want to miss one. So, there will be a combination and we're hoping that the combination of those two factors will help drive the performance of the Company and hopefully the share price of the Company. No more questions from the floor? Yes, sorry?

Michael Woolhouse: (Surrey Asset Management, analyst) Michael Woolhouse, Surrey Asset Management. Firstly thank you for the guidance, it's a good guidance range. It's a very narrow guidance range of \$70 million to \$72 million EBITDA, so you must have good visibility and good confidence in that narrow range. Could you just give us some highlights on that?

Peter Lowe: It's more to do with the CFO being very precise in his numbers. Just by way of complementing Ben, when we did our reforecast last year, I think February, Ben? We forecast \$66 million, I think it came in at \$66 million five months later, so that's probably just an indication of how seriously we focus on forecasting. Again, my background is predominantly as a CFO, and my training as a CFO was history's history, you can learn from it but more importantly it's the forecast, it's the future that shareholders and management are more focused on and is more important at this point in time.

So, we do believe we can forecast accurately. We do believe we understand our businesses pretty well, but the proviso that comes with that forecast are external factors that we can't control. Last year we did extremely well managing the volatile markets, particularly in the acquisition of urea which goes into the manufacture of AdBlue which for those who don't know, we wouldn't have a transport fleet without AdBlue. So, it is subject to the risks that are out there, but at our last Board meeting last week, we had another look at that forecast and we're pretty comfortable.

I probably shouldn't say this, but upsides are just as possible as downsides in the world we live in today, so we looked at all those ups and downs and we felt pretty comfortable coming with that range of \$70 million to \$72 million. I don't want to repeat myself or others, but I think it's important to take that number in the context of what we believe the underlying earnings were in FY22, which is that \$51 million number, not the \$66 million we delivered it, because we managed to profit from the work of our people in achieving that, but they were one-off type transactions to a large extent.

So, we think we're growing from \$51 million to \$72 million, which as we've said many times is in organic growth and acquisition growth as well. Nothing else online, Andrew? Okay, oh sorry.

James Cinnamon: [James Cinnamon]. As you continue to grow, will you need to increase your stockholdings, or do you think you'll be proficient at the stock turns?

Peter Lowe: I might get Ben to add to my comment, but my belief is if you're looking at the stockholdings we've got today, no, but every acquisition we make comes with stock holdings that we purchase as part of the acquisition, so that would add marginally to the inventory. Ben, do you want to come up here? Oh, you've got a microphone, there you go.

Ben Halsey: That pretty much answers the question, each time we do buy an acquisition, sometimes there is a stock requirement which requires a built-in inventory. The deliberate decision we made to build inventory over the past six months, we did that in response to customer demand, and we have seen those levels of inventory stabilise. We don't have to keep the level of inventory, we can reduce it, but at the moment it's to our benefit that we have that inventory for our customers.

Peter Lowe: I think part of the evidence of that is our cash conversion we think is going to be up in that 80% to 90% bracket.

James Cinnamon: I just think it's great you've got a customer focus, even though it means that you're going to have to hold some extra stock.

Peter Lowe: I'm glad you said that, because I've been on my soap box...

James Cinnamon: It's important because that's the basis of the business, keeping the customers happy.

Peter Lowe: When this happened, I didn't quite understand it because you're absolutely right, why do we build up stock? Because we increase sales and increase profit. Cash conversions seem to be a big issue, but we've taken note, I don't want to be flippant in saying that, we have taken note and we've got the cash conversion rate back up hopefully around 90%. There is a balance in there with cash conversion, so we understand that concept completely.

Well thanks for those questions. I have done AGMs before and not one question, and I much prefer hearing the questions and trying to help people understand the business. You'll get nobody better to understand the three elements of the business than Simon. Some of the facts he can talk about off the top of your head are mind-blowing, so we do have some - it's almost lunch now, but morning tea out there and if you would like to stay and talk to Ben, any of the Directors, you're more than welcome to do so and learn from the knowledge that Simon has in his head.

So, thank you for attending today. Thank you to those online for attending, I think hybrid meetings are the way to go because we get more people in attendance, in inverted commas, through the online system than we do face-to-face now. So, I think that's terrific, and I'll declare the meeting closed. Thank you.

**End of Transcript**