



18 February 2021

The Manager, Companies  
ASX Market Announcements  
ASX Limited  
20 Bridge Street  
Sydney NSW 2000

Dear Sir/Madam,

**2021 Annual General Meeting – Chairman’s Address**

Please see attached the address to be delivered by the Chairman Mr Graham Bradley AM to shareholders at this morning’s virtual Annual General Meeting.

This announcement is authorised for market release by the board of directors of United Malt Group Limited.

Yours sincerely,

A handwritten signature in cursive script, appearing to read 'Lisa Jones'.

Lisa Jones  
Company Secretary

## **UNITED MALT GROUP 2021 ANNUAL GENERAL MEETING: CHAIRMAN'S ADDRESS**

Fellow Shareholders,

It is my pleasure to present a short report on the progress of your company at the first AGM for United Malt Group Limited since it became an independent listed company on 23 March 2020.

It would be an understatement to say that our first eleven months has been an extraordinary period for our company, for our people, for our customers and, of course, for all the world.

I would like to acknowledge at the outset of my report the Board's sincere appreciation for the magnificent way in which our management team have adapted to unprecedented disruptions and to challenges resulting from the COVID-19 pandemic. Not only has our management been busy putting in place the necessary policies, procedures and operational arrangements for our new life as a listed company, they have also had to deal with the very real effects of the pandemic on our people, on our operations, and on our customers. In all of this they have done a commendable job in keeping our people safe and continuing to supply our customers with minimal disruptions under difficult circumstances. Let me also acknowledge and thank our employees across the company for their dedication and hard work in a challenging year.

### ***FY20 Financial Results***

In discussing our financial results for the year to 30 September 2020, it is necessary to consider the full-year performance of United Malt's business, including the performance of the Malt division of GrainCorp during the first half of our financial year.

The Group's full-year revenues in FY20 were \$1,289.1 million, 2 per cent down on FY19. Full-year Underlying Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) post the application of AASB16 for the Group, including the first half-year as a division of GrainCorp, was \$156.1 million, down 11 per cent compared with \$175.5 million in FY19. Removing the impact of AASB 16 for the full year in FY20, Underlying EBITDA would have been \$143.5 million, down 18 per cent on FY19. For the second half-year to 30 September 2020 the Underlying EBITDA was \$78.2 million, down 24 per cent. The Group's Underlying Net Profit After Tax (NPAT) for the half-year was \$29.1 million.

It was, of course, a year of two halves. After a solid first-half, both product volumes shipped and revenues were negatively impacted by the closure on premise dining in most of the Group's key markets in North America, the United Kingdom, Asia, and Australia.

We are not yet out of the woods in relation to the economic impact of the pandemic, however, and so we expect continued adverse impacts on our sales and revenues in FY21.

### ***Dividend***

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Notwithstanding the uncertain outlook we continue to face in 2021, the Board resolved last November to pay a dividend of 3.9 cents per share representing a pay-out ratio of 40 per cent of our after-tax profit for the second half of FY20. Our intention in future periods will be to distribute approximately 60 per cent of Underlying NPAT to shareholders. Our aim will be, subject always to trading conditions, to provide shareholders with increased dividends as our profits grow.

### ***Share Placement***

Last May the Board undertook a placement of shares to institutional investors to raise \$140.0 million, coupled with a shareholder purchase plan (SPP) which raised a further \$30.6 million. Both components of the capital raising were over-subscribed. The equity raising was undertaken to strengthen the Group's balance sheet against possible reduced revenues and increased costs resulting from the COVID crisis at a time of heightened uncertainty about the trajectory of return to normal trading conditions. The capital raising also aimed to ensure that we were in a position to progress our strategic investment priorities and pursue new opportunities, while maintaining our leverage in our target range of 2.0—2.5 times net debt/Underlying EBITDA. As a result of the capital raising, our leverage ratio stood at 1.7 times as at 30 September 2020. As we move into the first half of FY21 when we typically build up our barley inventories and increase our working capital usage, we anticipate that our leverage will be within our target range by March 2021. We acknowledge the support of our shareholders for the placement and SPP.

### ***Sustainability***

The Board and management continue to focus on improving sustainability across all our operations, including maintaining safe working environments for our people, our customers and others with whom we do business, contributing as a good corporate citizen to the communities in which we operate, and minimising our impact on the physical environment through careful management and use of energy and water resources. Maintaining the safety and quality of our product is all-important to us. Our sustainability initiatives are set out in more detail in our FY20 Sustainability Report published on our website.

### ***Outlook***

Despite the prospects of continued market disruptions during FY21, the Board and management are excited about the medium to longer term opportunities that lie ahead for United Malt. We are the world's fourth largest commercial maltster, and we provide high-quality products and service to our brewing, distilling and food manufacturing customers around the world. We have continued during the past year with the expansion of our production facilities at Arbroath and Inverness in Scotland to serve the expanding demand from our Scotch whiskey customers. We are progressing with the

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replacement of a major kiln at our Perth malting plant in Western Australia. We have entered into a new joint-venture to distribute our product in Mexico, a growing market in which we are underrepresented. We have numerous value-accretive facilities upgrades and operational improvement projects in active planning, and we have a strong balance sheet to fund these investments. We are also undertaking a number of internal improvement projects that will streamline our global operations and strengthen our competitive position for the medium term.

### ***Board Matters***

I would like to thank my board colleagues for their contribution during the past year. I want to take this opportunity to say sincere thanks to Simon Tregoning for his service as a director of United Malt during our formative year, but also to acknowledge his contribution to the business as director of GrainCorp where he served for over ten years.

I also welcome our newly appointed US-based director Gary Mize to the board who is standing for election later in this meeting. We are delighted that he will bring his wealth of relevant industry experience to our boardroom.

Lastly, may I thank all shareholders for their continued support for United Malt. We look forward to reporting our half-year progress to you in mid-May.

That concludes my report, and I will now ask the Managing Director, Mark Palmquist, to present his report.