



8 February 2021

## ASX & Media Release

### United Malt provides update on UK facilities

- **Grantham site to be closed in March 2021 with production consolidated to Witham and Arbroath facilities**
- **Consolidation to provide greater asset utilisation and lower production cost per tonne**
- **Commissioning of the Arbroath facility has commenced; COVID-19 related site restrictions to delay completion of Inverness upgrade from end 2021 to May 2022.**

United Malt Group Limited (ASX: UMG) (United Malt or the Company) today provided an update on its UK operations.

Currently, United Malt operates five malt production facilities in the UK; three in Scotland and two in England.

The Company continues its disciplined approach to investment in key assets that are aligned to market growth while optimising production efficiencies across its network.

United Malt continues to progress its investment in the Bairds' Scottish malting facilities to add 79,000 metric tonnes of capacity across its Arbroath and Inverness sites.

This investment is also supported by the consolidation of malt production into more efficient sites as the Company progressively reduces energy, waste and water across the operating assets within the Group.

As part of this strategy, United Malt today announced it will close its Grantham facility in March 2021 and consolidate production into its Witham and Arbroath facilities providing greater asset utilisation and lower production costs per tonne while ensuring uninterrupted supply to customers.

The operational capacity at Grantham has been approximately 14,000 metric tonnes, for the past 2.5 years, supplying malt for the distilling and brewing markets.

United Malt CEO, Mark Palmquist said: "We do not take the decision to close any facility lightly and we fully appreciate the impact this has on our people at Grantham and the community."



“We will ensure our people at Grantham are supported throughout this process and they will receive their full entitlements.

“The transfer of malt production to the Witham and Arbroath sites will provide greater unit cost efficiency while ensuring we continue to fully supply our distilling and brewing customers across the region with quality ingredients,” he said.

United Malt expects to incur a non-cash impairment of A\$2 million, together with site redundancy costs of approximately A\$1 million in FY21.

United Malt confirms that commissioning of the Arbroath facility is underway, and the plant will commence commercial production in February, with 22,000 metric tonne capacity per annum coming online.

Construction at the Inverness site is continuing amidst the COVID-19 backdrop. However, due to Government regulations requiring increased social distancing on site with limitations to the number of trades on site, it is now expected that completion of the expansion project will be delayed to May 2022 from the original schedule of end of calendar 2021.

#### **Additional information**

For further information regarding this announcement, please contact:

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*This announcement was authorised for release to ASX by the Disclosure Committee of United Malt Group Limited.*

#### **About United Malt Group**

United Malt is the fourth largest commercial maltster globally, with approximately 1.25Mtpa of capacity across 13 processing plants in Canada, United States of America (US), Australia and the United Kingdom (UK). We also operate an international distribution business, which provides a full service offering for craft brewers and distillers, including malt, hops, yeast, adjuncts and related products