



Friday, 11 February 2022

The Manager  
Market Announcements Office  
Australian Securities Exchange

Dear Manager,

**2022 Annual General Meeting – Chairman’s Address and Managing Director’s Address**

In accordance with Listing Rule 3.13.3, attached are the addresses to be delivered by Mr Graham Bradley AM, Chairman and Mr Mark Palmquist, Managing Director and CEO, at this morning’s virtual Annual General Meeting.

Also attached are copies of the slides to be used during the presentations at the meeting.

This announcement is authorised for ASX release by:

A handwritten signature in cursive script that reads 'Lisa Jones'.

Lisa Jones  
Company Secretary



## **Chairman's Address**

Ladies and Gentlemen, in my address today I will provide a summary of the past financial year together with an update on the initiatives we are implementing to strengthen our business, including our ongoing commitment to corporate governance and sustainability.

FY21 was once again a challenging period for your Company.

COVID-19-related extended lockdowns in a number of our key markets adversely impacted on-premise beer consumption, and also disrupted global supply chains and our ability to ship product to customers.

However, our management team and our employees right across the Company adapted well to these challenges and once again have demonstrated their agility, ingenuity and continued focus on serving our customers. Our management has done a commendable job in anticipating and responding to the challenges thrown at them.

Notwithstanding the lingering effect of the pandemic, we have cause for optimism about our future.

High vaccination rates in our key markets and (hopefully) reduced restrictions should support increased demand for our malt products.

We are well positioned to benefit from improving market conditions and we are making good progress implementing our strategy for medium term growth.

### **FY21 Results:**

I will start with an overview of our financial results for FY21, noting that our CEO will provide more detailed commentary in his address later today.

In a year significantly impacted by COVID-related closures, revenue was down only 4 per cent to \$1,235 million, but revenues were up one percent in constant currency terms.

Earnings before interest, tax, depreciation and amortisation (EBITDA) declined by 21 percent, however, to \$123.3 million, consistent with the market guidance we provided in September 2021, but I note that COVID disruptions affected only half of the prior result.

It's important to note that this amount includes one-off items totalling \$13.9 million. These include costs related to the Grantham site closure and our transformation programme, and also the new IFRS accounting pronouncement which required costs incurred for our new Enterprise Resource Planning and Transport Management systems to be expensed when incurred rather than capitalised and amortised over the expected life of these investments.

Underlying EBITDA excluding these one-off items was \$137.2 million, a decline of 11 percent on the prior year.

On a constant currency basis – that is, removing the effect of the higher Australian dollar compared to the prior year - Underlying EBITDA was down 6 percent.



Regrettably, the Company incurred two Significant Items which reduced our reported result for FY21. These included provisions for possible write-downs on debts owed by a longstanding Asian customer and on grain stored at a UK warehouse that went into administration.

With the inclusion of these Significant Items our Statutory Net Profit After Tax (NPAT) was \$13.8 million compared to \$45.6 million for FY20.

**Dividend:**

As a business that in normal times should produce reasonably stable earnings, our dividend policy is to distribute to shareholders approximately 60 per cent of Underlying Net Profit After Tax.

Consistent with this policy, while recognising the challenges experienced during the past year, the Board declared a final dividend of 3.5 cents per share (unfranked), bringing the full year dividend to 5.5 cents per share. This represented 48 percent of FY21 Underlying NPAT.

Your Board continues to focus on capital management and, subject to trading conditions, we aim to provide shareholders with a steady increase in dividends as the Company's profits grow.

**Commitment to sustainable operations:**

I am pleased to report that we continue to make solid progress on our commitment to operate as a safe, efficient and sustainable business.

We established specialist working groups across our business, focused on the sustainability priorities that we have identified as being most important to our business and to our stakeholders. A detailed assessment of the potential physical and transitional climate-related risks and opportunities facing the business was undertaken and initiatives to address emerging issues have been developed.

We enhanced our supplier on-boarding, due diligence, compliance training and reviewed potential modern slavery risks in our supply chain.

The company also made continued progress on gender diversity with improved female participation across the company and also at the executive level.

Shareholders can read more about these initiatives in our Sustainability Report and our Modern Slavery Report, both of which are available on our website.

**Strengthening the business:**

While our immediate focus has been on managing the short-term issues caused by the pandemic, we have continued implementing our strategy to ensure the business is positioned for medium to longer term growth.

The Board is pleased with the progress made during FY21.

During the year, we announced our Transformation Programme focused on streamlining our organisation structure and modernising our technology platforms to create a more efficient and more effective organisation.



We also commenced the development of our new Enterprise Resource Planning System and implementation of a new Transport Management System which we believe will materially enhance our operations, save costs and improve customer service.

Importantly, we have also strengthened our executive leadership team with the appointment of a new Chief Operating Officer and a new Chief People Officer.

Our growth project in Scotland to expand our capacity for the distilling market is progressing well. Over 70 percent of capacity is now committed under long-term sales contracts and we are confident of filling the new capacity profitably. We see continued strong demand for malt from Scottish distillers which is underpinned by global demand for aged whisky. This capacity expansion combined with our transformation ensure that our UK business is well positioned for growth.

The CEO will provide a further update on our strategy in his address.

#### **Risk Management:**

As mentioned earlier, the company incurred two material significant items in FY21 and each gave rise to some important lessons for management about the need to strengthen our risk management and reporting systems. The board subsequently undertook a comprehensive review of our risk management framework and risk appetite. As a result, the Board approved a revised risk appetite statement and we are implementing new measures to enhance the Company's management of operational, financial, strategic, environmental and social risks.

#### **Outlook:**

The current year has thrown up some extraordinary new challenges for our management team arising from the pandemic, supply chain disruptions and the Canadian drought as Mark will discuss shortly.

Our management team has, however, been on the front foot in taking swift action to ensure that we continue to supply our customers and take advantage where we can of the opportunities created by unprecedented malt prices.

Our first-half FY22 results will, however, be affected both positively and negatively by these factors making it difficult to provide a clear near-term outlook at this time. We are confident, however, that provided we do not see a return to the COVID-related restrictions we experienced in our major markets in FY21, the outlook for the company remains positive for the second half of this year and beyond when we are well positioned to benefit from improved market conditions.

#### **Conclusion:**

Our strategy is clear and focused. The fundamentals for our business remain positive. Our business Transformation Programme is expected to deliver an incremental \$30 million in earnings by FY24 and is on track.

We are confident in our team and in our strategy to deliver improved and sustainable earnings growth in the year ahead.



On behalf of the Board I want to acknowledge our executive team and employees across the world for their dedication and hard work in what has been a difficult year.

I also extend thanks to our shareholders for your continued support and I would like to thank my board colleagues for their commitment over the past year.

Thank you

### **Managing Director & CEO Address**

Thank you Graham and good morning everyone. While it's once again unfortunate that the current COVID situation means we are conducting today's meeting virtually, hopefully we will be able to meet physically next year.

Today I will provide some further context to our financial results in FY21 and our strategy to strengthen our business. I will conclude with an update on current conditions and an outlook for FY22.

#### **Safety:**

First a comment on Safety.

During FY21 we reported a reduction in the total number of injuries from 16 to 14 and also a reduction in the recordable frequency rate of injuries from 1.45 to 1.42.

However, we experienced an increase in the Lost Time Injury Frequency Rate.

That increase is disappointing and we remain committed to improving our performance in this area, together with the development of our longer term safety strategy.

#### **FY21 Summary:**

As Graham just reported, FY21 was a challenging year for United Malt as we continued to navigate the impact of COVID throughout the full 12-month period.

We did see an improvement in performance in our North American and UK markets in the second half where high vaccination rates and northern hemisphere summer weather supported improved malt demand. In particular, our Warehouse & Distribution business had a significantly improved performance.

Total revenue declined by 4 per cent in FY21 reflecting the COVID lockdowns and restrictions. However, on a constant currency basis, revenue was in line with the prior year.

EBITDA (including one-offs and software as a service "SaaS" costs) was down 21 per cent, consistent with the guidance we provided in September 2021.

That number includes \$3.1 million in costs associated with the Grantham site closure, transformation costs of \$4.3 million and also \$6.5 million in SaaS costs which now have to be expensed under the new accounting pronouncement.



Excluding these one-offs, Underlying EBITDA was down 11 per cent on the prior year. On a constant currency basis – Underlying EBITDA was down 6% on the prior year.

We had a much improved Group result in the second half. On a constant currency basis, there was a 9 per cent lift in Underlying EBITDA (excluding SaaS costs).

As Graham mentioned earlier, our statutory earnings in FY21 were impacted by two Significant Items. One related to a UK grain storage contractor who has entered administration and the other related to a bad debt provision from one Asian customer. A provision for stock loss of \$4.7 million and a provision for a bad debt of \$16.4 million were booked in the year. We continue to pursue legal and commercial avenues in relation to both matters.

United Malt remains in a strong financial position to manage in the current environment and to continue our investment in strategic growth initiatives which are aligned with creating sustainable shareholder value

Net debt at 30 September was \$312.4 million; down from \$344.1 million at 31 March.

The gearing ratio was 2.1 times, which is within our target ratio of 2.0 to 2.5 times, reflecting the seasonal impact of working capital.

We maintain comfortable headroom within our banking covenants and we have no significant near-term refinancing commitments.

Meanwhile, we were cash flow positive for the year, notwithstanding the difficult environment.

**Strategy:**

I would like to spend a few moments updating shareholders on the progress of our strategy.

Our strategy is clear and consistent and targets high value markets where the long-term outlook for growth remains positive.

It is focused on three areas: optimising the core, transforming for tomorrow and creating new value.

Let me summarise some of the key projects we are implementing which are focused principally on optimising our existing business and creating new value.

Our project in Scotland to expand our capacity for the distilling market is progressing well.

The expansion at Arbroath is now complete and has delivered an additional 22,000 tonnes of production capacity and is performing to our expectations.

Inverness will provide an additional 57,000 tonnes to service the distilling market. The site is expected to be operational by August 2022.

As a result of this Scottish expansion project, we expect incremental EBITDA of approximately \$18 million in FY23. This is in line with our expected 12 per cent post tax internal rate of return on growth capital



We continue to progress the \$27 million project to replace the existing kiln at our Welshpool facility with a new and indirect heating source kiln. This renewal provides operating efficiencies and safer technology. We expect to achieve a 10 per cent reduction in gas and electricity usage.

Like our efforts in Perth, we are also delivering other capital projects that will enhance our sustainability credentials.

In our Calgary malting plant, we have recently completed the installation of a combined heat and power plant, to generate power for plant operations while capturing the waste heat generation for use in the malt kilning process. This installation will increase our energy efficiency, lower our greenhouse gas emissions and deliver energy costs savings.

In the US, we are implementing a pilot Optisteeep at our Pocatello plant. Optisteeep technology is an integrated water treatment system for steeping water in malting plants. It allows for germination using less water. We are very excited about the potential of this technology to enhance our water efficiency.

Craft beer remains a core growth category for us and we continue to make solid progress in this segment.

We have expanded our partnership with distribution partner, Beermex to further grow our penetration into Mexico. Beermex opened its third warehouse in October 2021.

With demand increasing for reliable and readily available craft brewing ingredients, we believe this partnership provides a good opportunity for us to further diversify our earnings into a growing geography.

In Australia - our new craft Warehouse & Distribution centre in Derrimut has been operational since June 2021 and it provides an expanded range of ingredients and a 'one-stop-shop' experience for customers.

As part of our strategy to create new value, we have commenced a project to build a new speciality ingredient processing plant in Calgary. This will target the growing demand for new grain and malt products in craft beer, hard seltzer and food.

The facility will cook, flake, and bag adjunct products for our craft customers. This growth in the use of adjuncts is driven by a shift in craft production from traditional 'all malt' beers (e.g. Pale Ales and IPAs) to lighter beers and new styles like hazys and sours. The products also have significant applications in food production and we are excited about the new non brewing customers this will add to our portfolio.

**Transformation scorecard:**

In relation to our transformation priorities, during the year we announced our programme which is focused on renewing our organisation and technology platforms to create a simplified, more efficient and effective organisation.

We are making good progress on our business transformation and are on target to deliver approximately \$30 million in net benefits by FY24.



In addition, as we complete our major capex projects in FY22 as I discussed earlier, we will start to see a material uplift in earnings and increasing returns from our business.

**New leadership appointments:**

As Graham said, we have implemented a redesign of our organisational structure. That includes the appointment of a new Chief Operating Officer and a new Chief People Officer.

Tiago Darocha joined the Company in July as COO, a role that brings together leadership of our Canadian and US processing operations.

Tiago has over 20 years' industry experience in process optimisation for large scale brewing and malting operations having worked for Anheuser-Busch InBev in a variety of senior positions across several geographies.

Erika Morgan joined as Chief People Officer also in July and is responsible for our HR strategy and operations and ensuring the development and rollout of programmes that equip, engage and empower the highest levels of performance from our teams. Prior to joining United Malt, Erika held various HR leadership positions with global and multinational companies, including food and beverage industries.

**Outlook:**

Let me make some overall comments about the positive trends for our business.

The fundamentals for malting remain positive.

Beer remains a significant beverage category and is expected to grow further while we are seeing continued growth in craft beer and ancillary products.

Of course, distilling continues uninterrupted with our customers laying down spirits for 10+ years for aged whisky.

Our clearly defined strategy, together with completing capital projects and our business transformation programme, will deliver a material earnings uplift over the next two years, assuming no return to significant COVID related disruptions in our major markets.

The outlook is improving in North America for beer consumption including the craft market.

Asian malt export demand will recover over the medium term, with vaccination rates increasing and easing of restrictions, however supply chain constraints remain.

Craft brewers are innovating and expanding into new channels through packaged product.

We expect volumes to approach FY19 pre-covid levels in FY22, with gradual improvement in product mix and margins, as the northern hemisphere's summer season progresses.

We continue to manage short-term volatility in freight, barley crop and inflation factors carefully, and we employ price risk mitigation strategies to minimise energy cost pressures.



As we disclosed in our November results announcement, we are experiencing the worst drought that North America has seen in over 17 years, with a 37 per cent reduction in the barley crop. Subsequently, we experienced the barley and malt price double this season over a period of a few months. However, I am pleased to report that we have secured the supply and quality of barley required to meet our customer commitments this financial year and protect our market share. This outcome was only possible given the capabilities of our team to act pre-emptively in these exceptional circumstances and arrange the import of barley via bulk vessel from Denmark and Australia to be delivered through the course of FY22. As we disclosed in our November results, we continue to anticipate a cost impact of \$8 to 12 million in FY22, reflecting the additional cost of importing barley into North America. Pleasingly we have successfully received our first cargo of 25,000 metric tonnes of European barley. As a result, we expect some additional inventory financing at the end of the first half, which we expect to normalise during the balance of the full year. The Group remains in a strong financial position. As we approach the half year end, we expect our gearing to be slightly above our target range at approximately 3.0 times. Notwithstanding this temporary increase, we will maintain comfortable headroom within our facilities and we expect to be within our target range of 2.0 to 2.5 times by the end of the full year.

In FY22 we expect capital expenditure will be \$72 million for growth and sustainability projects, mainly related to completion of our Scottish capacity expansion and \$38 million for stay in business and safety related investment. Capital expenditure will be weighted to the second half of the year. This year represents the peak of our capex cycle with growth projects delivering earnings uplift from FY23, including the \$18 million from the Scottish project I mentioned earlier.

While we are managing some short term complexities, we remain confident of our full year performance and expect earnings to be inline with historical seasonal earnings split of 40% first half and 60% second half.

### **Summary:**

Let me conclude with a summary of the past year and how we are positioned going forward.

We delivered a resilient result in FY21 in what were challenging market conditions, impacted by COVID-19 restrictions.

However, we delivered a much improved performance in the second half and that provides positive momentum into FY22.

Importantly, the challenges we have seen in the past 18 months or so are not structural.

There has been no change to consumers' desire for malted beverages. Beer remains an 'affordable luxury' and a significant beverage of choice. Our market share has been maintained through this period and in some markets it has increased.

The fundamentals for our industry remain positive and we are focused on leveraging improving market conditions whilst managing short term volatility in freight, barley crop, and energy costs.



Our strategic initiatives will deliver a stronger, competitive platform for medium term growth, including our transformation program which remains on track to deliver ~\$30m net benefits by FY24.

Notwithstanding the short term complexities and disruptions, I reiterate Graham's comments that we remain very positive on the medium term - and we continue to have every confidence in our market position and strategy to deliver sustainable earnings growth and returns.

I would like to acknowledge the hard work of our people across our operations for their dedication and commitment over the year.

Let me conclude by once again thanking shareholders for your continued support of the Company.

---

# AGM 2022 Presentation

11 February 2022



 **UNITED  
MALT**

# Important notice and disclaimer



## Summary information

This Presentation contains summary information about United Malt and its activities which is current only as at the date of this Presentation (unless specified otherwise). The material in this Presentation is general background information and does not purport to be complete. It does not purport to summarise all information that an investor should consider when making an investment decision. It should be read in conjunction with United Malt's other periodic and continuous disclosure announcements lodged with the Australian Securities Exchange (**ASX**), which are available at [www.asx.com.au](http://www.asx.com.au).

No representation or warranty, expressed or implied, is made as to the fairness, accuracy, completeness or correctness of the information, opinions and conclusions contained in this Presentation. To the maximum extent permitted by law, United Malt, its subsidiaries and their respective directors, officers, employees, agents and advisers disclaim all liability and responsibility for any direct or indirect loss, costs or damage which may be suffered by any recipient through use of or reliance on anything contained in, implied by or omitted from this Presentation. Reliance should not be placed on information or opinions contained in this Presentation and, subject only to any legal obligation to do so, United Malt does not have any obligation to correct or update the content of this Presentation.

## Financial information

Certain financial measures included in this Presentation, including Underlying EBITDA, Underlying EBIT, Underlying NPAT are 'non-IFRS financial information' under ASIC Regulatory Guide 230: 'Disclosing non-IFRS financial information' published by ASIC and also 'non-GAAP financial measures' within the meaning of Regulation G under the U.S. Securities Act and are not recognised under AAS and International Financial Reporting Standards (IFRS). Such non-IFRS financial information/non-GAAP financial measures do not have a standardised meaning prescribed by AAS or IFRS. Therefore, the non-IFRS financial information may not be comparable to similarly titled measures presented by other entities, and should not be construed as an alternative to other financial measures determined in accordance with AAS or IFRS. Although United Malt believes these non-IFRS financial measures provide useful information to investors in measuring the financial performance and condition of its business, investors are cautioned not to place undue reliance on any non-IFRS financial information/non-GAAP financial measures included in this Presentation.

Certain figures, amounts, percentages, estimates, calculations of value and fractions provided in this Presentation are subject to the effect of rounding. Accordingly, the actual calculation of these figures may differ from the figures set out in this Presentation. All financial information in this Presentation is in Australian dollars (\$) or A\$) unless otherwise stated.

## Forward looking information

This Presentation and any related materials and cross-referenced information contain forward looking statements, which may be identified by the use of terminology including 'may', 'will', 'would', 'could', 'should', 'expects', 'believes', 'targets', 'likely', 'plans', 'intends', 'aims', 'estimates', 'continue', 'objectives', 'outlook' or similar expressions. Indicators of and guidance on future earnings and financial position are also forward looking statements. These forward looking statements are not guarantees or predictions of future performance and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of United Malt (especially during the global COVID-19 pandemic), and which may cause actual results to differ materially from those expressed or implied in such statements. Readers are cautioned not to place undue reliance on forward looking statements.

## Past performance

The past performance and position of United Malt reflected in this Presentation is given for illustrative purposes only. Past performance of United Malt cannot be relied upon as an indicator of (and provides no guidance as to) the future performance or condition of United Malt, including future share price performance.

## No offer of securities

Nothing in this Presentation should be construed as either an offer or a solicitation of an offer to buy or sell United Malt securities. Information in this Presentation is not intended to be relied upon as advice to investors or potential investors and does not take into account the financial situation, investment objectives or needs of any particular investor. Before making any investment or other decision, investors should consider these factors, and consult with their own legal, tax, business and/or financial advisors.

# Board of Directors



**Mr. Graham Bradley AM**  
CHAIRMAN



**Mr. Mark Palmquist**  
MANAGING DIRECTOR &  
CEO



**Ms. Barbara Gibson**  
NON-EXECUTIVE  
DIRECTOR



**Mr. Terry Williamson**  
NON-EXECUTIVE  
DIRECTOR



**Ms. Jane McAloon**  
NON-EXECUTIVE  
DIRECTOR



**Mr. Gary Mize**  
NON-EXECUTIVE  
DIRECTOR



# **Technology & Procedural Matters**

# How to participate



## Notice of Annual General Meeting

2022



### How to participate at the AGM

This AGM will be conducted for its participation by shareholders and their duly appointed proxies, corporate representatives, and other persons via the ACM Online Platform at <https://meeting.linkgroup.com/AGM22>.

This AGM will be held on Friday, 11 February 2022 and commence at 10.00am (AEST).

Registration to participate in the AGM will be online and will open 20 business days before commencement of the AGM at 10.00am (AEST).

### How to log in to the AGM online platform

To participate you will need a desktop or mobile tablet device with internet access to log into the ACM Online Platform (<https://meeting.linkgroup.com/AGM22>).

To participating in the AGM you will need to provide your details (including DNI or IDN and postcode) to be verified as a shareholder or proxyholder. The proxyholder will need their signed proxy which will be provided to Link Market Services no later than 24 hours before the meeting. Following this you will be given details as to how to vote and ask questions during the AGM.

Further details on how to participate in the virtual meeting are set out in the Online Meeting Guide which has been lodged on United Malt's A&E Announcements Platform and can be found on United Malt website at [www.unimalt.com](http://www.unimalt.com).

Please intend to use the ACM Online Platform as recommended that you visit to see that it works on your device before the commencement of the meeting at 10.00am (AEST) on Friday, 11 February 2022.

### How to vote

**Before the AGM**

Shareholders can lodge a direct vote or appoint a proxy:

- (a) online at [www.linkmarket.com/au](http://www.linkmarket.com/au);
- (b) by returning a completed proxy form to the Link Market Services Limited, United Reg A & E, Sydney South NSW 1536 Australia;
- (c) by facsimile to 0201 0201 0202 (after Australia) or 61 2 9291 0202 (outside Australia);
- (d) in person during business hours (Monday to Friday, between 9.00am and 5.00pm), to Link Market Services Limited, International Square, Level 22, 300 St. Vincent Street, Perth Western WA 6000 Australia.

All direct votes, proxy appointments and voting forms must be received either online, by post or in person, by Link Market Services no later than 10.00am (AEST) on Wednesday, 9 February 2022.

### How to ask questions

**Before the AGM**

We encourage shareholders to submit questions in advance of the meeting. These submit questions by 12.00pm (AEST) on Tuesday, 8 February 2022 to allow the Company time to respond during the AGM. Questions can be submitted online, by email, fax or in person. Questions can also be submitted by email to [corporate@linkmarket.com](mailto:corporate@linkmarket.com).

**During the AGM**

All shareholders will have a reasonable opportunity to ask questions during the AGM via the ACM Online Platform, including the opportunity to ask questions of the Company's auditor (where appropriate).

**Further arrangements**

Due to the ongoing uncertainty of the COVID-19 pandemic, United Malt has the flexibility to make changes to the arrangements for the meeting at short notice. United Malt will keep shareholders informed of this business response and details will be made available at [www.unimalt.com](http://www.unimalt.com), with any changes also notified by an A&E Notice.

**Need help?**

If you experience difficulty logging in to the ACM Online Platform, please contact Link Market Services on 1800 990 363 (within Australia) or +61 1800 990 363 (outside Australia).



## Virtual Meeting Online Guide

**Before you begin**

Ensure your browser is compatible. Check your current browser by going to the website: [whatismybrowser.com](http://whatismybrowser.com)

Supported browsers are:

- Chrome - Version 64 & 45 and after
- Firefox - 40.0.0 and after
- Safari - OS X v10.9 & OS X v10.10 and after
- Internet Explorer 9 and up.

**To attend and vote you must have your securityholder number and postcode. Appointed Proxy: Your proxy number will be provided by Link before the meeting. Please make sure you have this information before proceeding.**

Corporate Markets

## HELP NUMBER

# 1800 990 363

Home

My Profile

My Order

Get My Card

Settings



Get a Voting Card



Ask a Question



Downloads

- [My Profile](#)
- [My Order](#)
- [My Card](#)

For technical difficulties please call 1800 990 363

# How to vote



1. Click on 'Get a Voting Card'.

2. Complete your voting card. Click Submit vote.

# Agenda



**1**

**Chairman's  
Address**

**2**

**Managing Director &  
CEO's Address**

**3**

**Financial statements  
and reports**

**4**

**Ordinary Business**

- Remuneration report
- Election of Director – Mr Graham Bradley AM
- Election of Director – Mr Terry Williamson
- Grant of Performance rights to CEO





# **Chairman's Address**

**Graham Bradley AM**



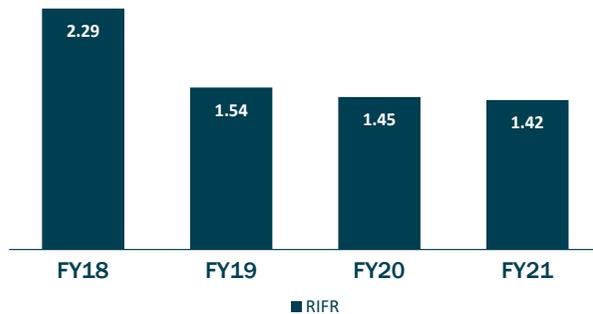
# **Managing Directors & CEO Address**

**Mark Palmquist**

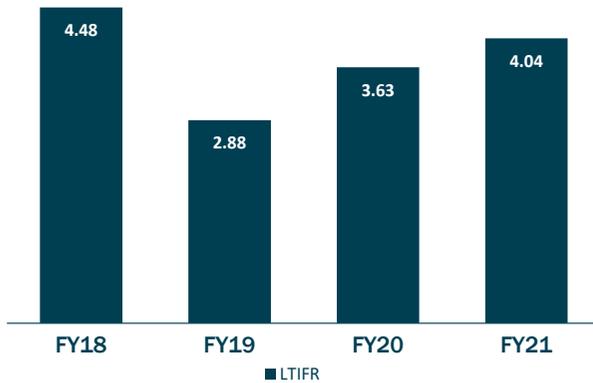
# Safety

## FOCUS REMAINS ON REINFORCING SAFETY LEADERSHIP

Recordable Injury Frequency Rate



Lost Time Injury Frequency Rate



- Improvement in RIFR
- Remain committed to improving our LTIFR performance
- Focused on initiatives to keep our people safe and support them during the pandemic
- Progressed the development of our longer-term safety strategy

1. Recordable Injury Frequency Rate (RIFR) is calculated as the number of injuries per 200,000 hours worked, on a rolling 12-month basis. Includes lost time injuries, medical injuries and restricted work injuries. Includes permanent and casual employees and United Malt controlled contractors.

2. Lost Time Injury Frequency Rate (LTIFR) is calculated as the number of lost time injuries per 1,000,000 hours worked, on a rolling 12-month basis. Includes permanent and casual employees and United Malt controlled contractors.

# FY21 summary



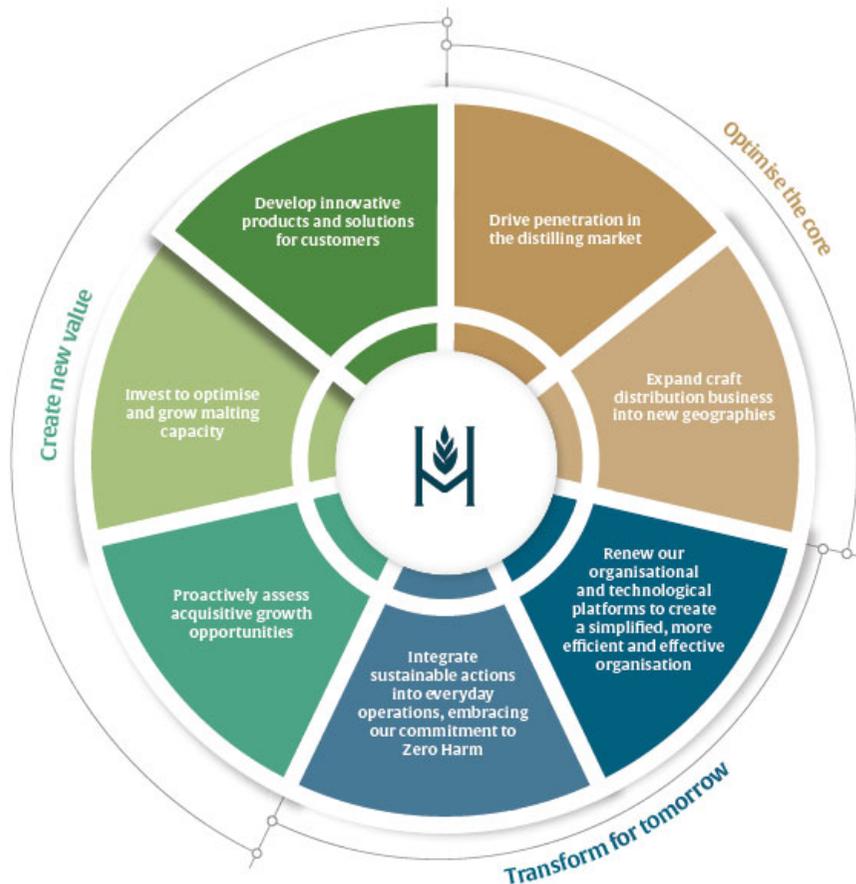
IMPROVED 2H21 PERFORMANCE AS MARKETS RE-OPEN

\$m	Actual FX			Constant FX	
	FY21	FY20	% Change	FY20	% Change
Revenue	1,235.0	1,289.1	(4.2)%	1,220.4	1.2%
Underlying EBITDA (excluding one-off items and SaaS) <sup>1</sup>	137.2	154.5	(11.2)%	145.2	(5.5)%
EBITDA	123.3	156.1	(21.0)%	147.0	(16.1)%
Statutory NPAT	13.8	45.6	(69.7)%	42.1	(67.2)%
Underlying NPAT	34.0	57.4	(40.8)%	54.5	(37.6)%
EPS (cps)	4.6	16.8	(72.5)%	15.6	(70.5)%
DPS (cps)	5.5	3.9	41.0%	N/A	N/A

- Revenue down 4% to \$1,235 million (on constant currency basis, revenue up 1.2%)
- EBITDA impacted by:
  - COVID-19 impacts – volume, mix and freight
  - Negative FX translation impact ~\$9.1m
  - Corporate costs for first full year
  - One-off costs incurred \$13.9m
- Significant Items of \$21.1m (pre-tax) - inventory held at grain storage contractor in administration and provision for bad debt for one Asian customer
- Net Debt / EBITDA 2.1x at 30 September 2021, within target range
- Continue to operate comfortably within banking covenants
- Full year dividend of 5.5 cents unfranked, payout of 48% of Underlying NPAT

# Strategy

DELIVERING A STRONGER, COMPETITIVE PLATFORM FOR MEDIUM TERM GROWTH



- Focus on executing strategy, whilst remaining agile in times of uncertainty
- Prioritising high value markets where the long-term outlook for growth remains supportive
- Maintaining a customer centric approach to everything we do

# Transformation scorecard



CREATE A SIMPLIFIED, MORE EFFICIENT AND EFFECTIVE ORGANISATION

Key focus area	Status
<b>Organisational Redesign</b> <ul style="list-style-type: none"><li>Transition to simplified operations to create an organisational design reflecting a standalone malting company</li></ul>	<ul style="list-style-type: none"><li>Restructuring in progress; US and Canadian operations working as a single network</li><li>Program of work underway to leverage our functional strength on a global basis</li></ul>
<b>Process Change</b> <ul style="list-style-type: none"><li>Improve capabilities by implementing simplified and standard processes, skills and systems. Becoming more data informed</li></ul>	<ul style="list-style-type: none"><li>New technology platform implementation in progress - \$20m spend over 3 years</li><li>Process improvement underway</li></ul>
<b>Operational Management</b> <ul style="list-style-type: none"><li>Harness network of malting production facilities and warehouse &amp; distribution centres as one global network to deliver better outcomes for customers</li></ul>	<ul style="list-style-type: none"><li>Program of works underway to:<ul style="list-style-type: none"><li>Enhance account management</li><li>Improve manufacturing and freight excellence</li><li>Enhance global procurement</li></ul></li></ul>

Targeting ~\$30 million annualised net transformation benefits by FY24

# New leadership appointments



**Mr. Tiago Dorocha**  
Chief Operating Officer



**Ms. Erika Morgan**  
Chief People Officer

# Outlook



## MANAGING SHORT TERM CHALLENGES WHILST REMAINING WELL POSITIONED FOR MEDIUM TERM GROWTH

- Larger markets returning to pre COVID-19 conditions, with volume expected to approach FY19 levels with continued improvement in product mix
- Focussed on leveraging improving market conditions whilst managing short term volatility in freight, barley crop and inflation factors including energy costs
- Capex spend nearing end of its peak cycle, with growth projects delivering earnings uplift from FY23
- Gearing at 1H22 expected to be above our target range at ~3.0 times, and expected to be within target range of 2.0-2.5 times by FY22

# Summary



## WELL PLACED TO CAPITALISE ON IMPROVING MARKET TRENDS

- **Well positioned to leverage markets reopening**
  - Improved 2H21 performance provides positive momentum into FY22
  - More positive trends emerging across core geographies as venues start to re-open
  - Maintained market position
- **Medium term fundamentals remain positive**
  - Beer remains a significant beverage category and is expected to grow
  - Continued growth in craft beer and ancillary products
  - Distilling continues uninterrupted – laying down spirits for 10+ years
- **Strategic initiatives to deliver stronger, competitive platform for medium term growth**
  - Major growth capex initiatives completing in FY22 delivering future earnings accretion
  - Remain on track to deliver ~\$30m in net EBITDA benefits from business transformation program by FY24

# Business of the AGM



## For Consideration

**Item 1:** Financial Statements and Reports

## Ordinary Resolutions

**Item 2:** Adoption of Remuneration Report

**Item 3:** Election of Director – Mr Graham Bradley AM

**Item 4:** Election of Director – Mr Terry Williamson

**Item 5:** Grant of Performance Rights to Mr Mark Palmquist



# Item 1. Financial Statements & Reports



*“To receive and consider the financial report (which includes the Directors’ Report, the Auditor’s report and the financial statements of the Company) for the year ended 30 September 2021.”*

Note: No resolution is required for this item.



## Item 2. Remuneration Report

*“That, for the purposes of section 250R(2) of the Corporations Act and for all other purposes, the Remuneration Report for the Company for the year ended 30 September 2021 (as disclosed in the Directors’ Report) be adopted.”*



# Item 2. Remuneration Report

## Proxy and direct votes



PROXY & DIRECT VOTES	FOR	OPEN	AGAINST	TOTAL
	204,229,825	540,647	14,238,135	219,078,607
% VOTE	93.25%	0.25%	6.50%	73.21%

## Item 3. Re-election of Director – Mr Graham Bradley



*“That, for the purposes of Listing Rule 14.5 and rule 6.1(f) of the Company’s Constitution, Mr. Graham Bradley, who was elected as a Director of the Company on 13 January 2020 and who will retire at the Annual General Meeting in accordance with rule 6.1(g) of the Company’s constitution and, being eligible for re-election, be re-elected as a Director of the Company.”*



.

## Item 3. Re-election of Director- Mr Graham Bradley

### Proxy and direct votes



PROXY & DIRECT VOTES	FOR	OPEN	AGAINST	TOTAL
	217,743,713	569,754	909,278	219,222,745
% VOTE	99.32%	0.26%	0.42%	73.25%

## Item 3. election of Director – Mr Terry Williamson



*“That, Mr. Terry Williamson, elected as a director of the Company on 23 March 2020, and who will retire at the Annual General Meeting, and nominated by Directors for election at the meeting under rule 6.1(m)(ii) of the Company’s constitution, and, being eligible for election, be elected as a Director of the Company.”*



## Item 4. Election of Director- Mr Terry Williamson

### Proxy and direct votes



PROXY & DIRECT VOTES	FOR	OPEN	AGAINST	TOTAL
	217,287,115	569,754	1,357,636	219,214,505
% VOTE	99.13%	0.26%	0.62%	73.25%

## Item 5. Grant of Performance Rights to Mr Mark Palmquist



*“That, for the purposes of ASX Listing Rule 10.14, and for all other purposes, approval be given to grant 295,208 Performance Rights to the Managing Director and the Chief Executive Officer of the Company, Mark Palmquist, in respect of FY22, in accordance with the relevant Employee Incentive Plan rules and on the terms and conditions described in the Explanatory Memorandum accompanying this Notice of Meeting.”*



## Item 5. Grant of Performance Rights to Mr Mark Palmquist Proxy and direct votes



PROXY & DIRECT VOTES	FOR	OPEN	AGAINST	TOTAL
	191,655,228	558,240	13,850,912	206,064,380
% VOTE	93.01%	0.27%	6.72%	68.86%



## End of Formal Business

