



3 August 2022

The Manager  
Company Announcements Office  
Australian Securities Exchange

Dear Manager,

**United Malt Group Limited – Investor Day 3 August 2022**

Please see attached presentation to be delivered at the Company's Investor day today.

The presentation provides an outline of United Malt's business, strategic priorities, a business summary and outlook which was recently stated in the Company's trading update lodged with the ASX on 1 August 2022.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'Lisa Jones'.

**Lisa Jones**  
**Company Secretary**

**This announcement was authorised for release to ASX by the Board of Directors.**

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# Investor day

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3 August 2022



# Acknowledgment of Country

We would like to acknowledge the Gadigal People of the Eora Nation, the traditional custodians of this land, and pay our respects to the Elders past and present.

We extend that respect to Aboriginal and Torres Strait Islander peoples here today.



# Chairman's Introduction

# Managing Director & CEO's Introduction



# Trading update



- Underlying EBITDA (before SaaS costs) for FY22 expected to be ~\$100 -108 million<sup>1</sup> and FY23 expected to be ~\$140 -160 million<sup>2</sup>
- United Malt anticipates a material increase in earnings in for FY23. Expected drivers of earnings improvement include:
  - Availability of barley supply – improved North American barley crop conditions
  - Improved pricing and commercial terms - 70% of volume for 2023 is priced – locking in improved margins
  - Completion of the Scottish expansion project – fully operational and producing quality malt in first quarter calendar 2023 - 80% of full project capacity sold. Arbroath facility already producing 22,000 tonnes pa
- Net Debt/EBITDA will temporarily exceed the Company’s target range of 2.0-2.5 times with a clear pathway to return to target range by 30 September 2023
- Assessing a range of options to manage Net Debt/EBITDA level
  - Active and positive discussions with our lenders
  - Evaluating receivables and inventory financing options
  - No major capital spend commitments or requirements currently expected in FY23
  - Based on the FY23 earnings outlook, United Malt believes that it will not need to raise additional capital and will be within its target Net Debt/EBITDA range at 30 September 2023

Note: See United Malt’s ASX announcement on 1 August 2022

1. SaaS costs for FY22 are expected to be ~\$13 million; EBITDA in FY22 is expected to be ~\$87 -95 million after SaaS costs

2. SaaS costs for FY23 are expected to be ~\$6 million FY23 EBITDA (post SaaS costs) is expected to be \$134 - 154 million

# Speaker introduction

PRESENTING TODAY



**Mark Palmquist**  
**Managing Director & CEO**



**Ryan Dutcher**  
**Interim CFO**



**Tiago Darocha**  
**Chief Operating Officer**



**Bryan Bechard**  
**President Warehouse &  
Distribution**



**Erika Morgan**  
**Chief People Officer**



# Our focus for today

## Session 1

Business overview

Operating and market trading conditions

Delivery on medium term financial objectives

Q&A

## Session 2

Strategic delivery

Processing segment

Warehouse & Distribution segment

People & culture as a key business enabler

Q&A

Summary and conclusion



# United Malt at a glance



ONE OF THE WORLD'S LARGEST MALTING COMPANIES

A leading malt producer, creating a range of base and specialty malts for applications in the brewing, distilling and food markets.

~1.25  
Mtpa  
malting capacity

12  
processing plants  
in Canada, US, Australia and the UK

A leading distribution network, providing the one-stop shop for companies. Delivering ingredients to brewers, distillers and food customers on a just-in-time basis

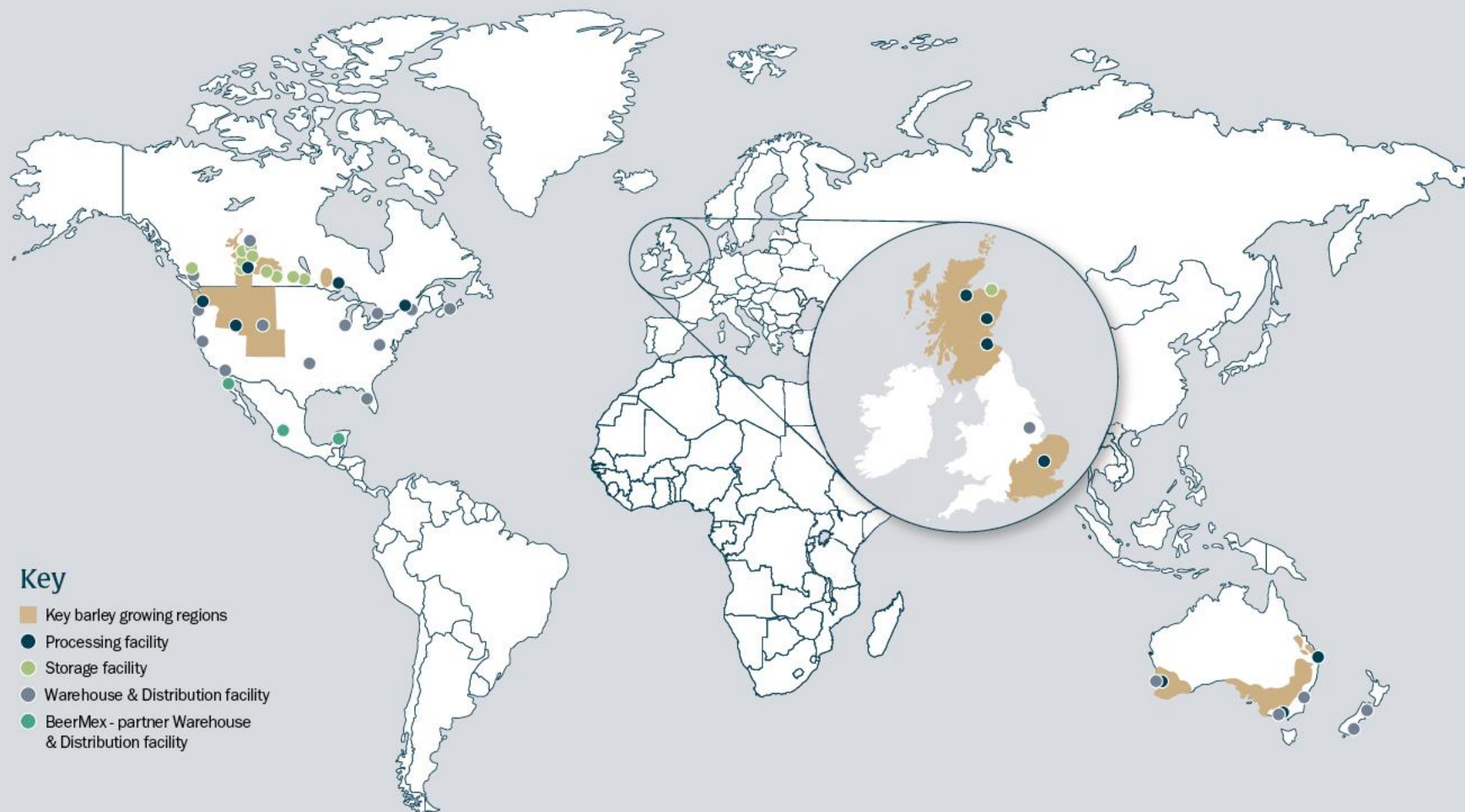


Full service offering  
for craft brewers, distillers & food, including  
malt, hops, yeast, adjuncts & related products

22  
warehouses

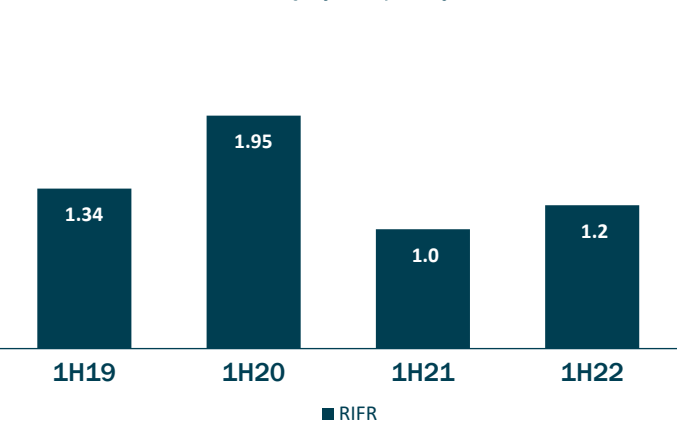
Distributing throughout North America,  
South America, Europe, Asia and Australia

Strategic located malting and distribution assets servicing brewers, distillers and food customers

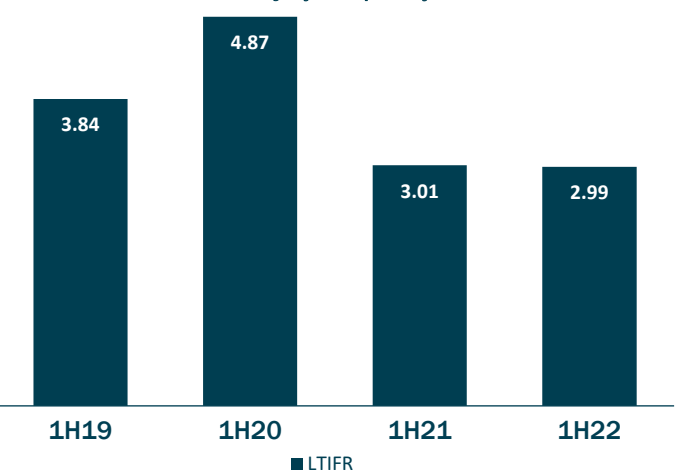


INTEGRAL TO HOW WE DO BUSINESS

Recordable Injury Frequency Rate



Lost Time Injury Frequency Rate



Strongly committed to improving our LTIFR performance

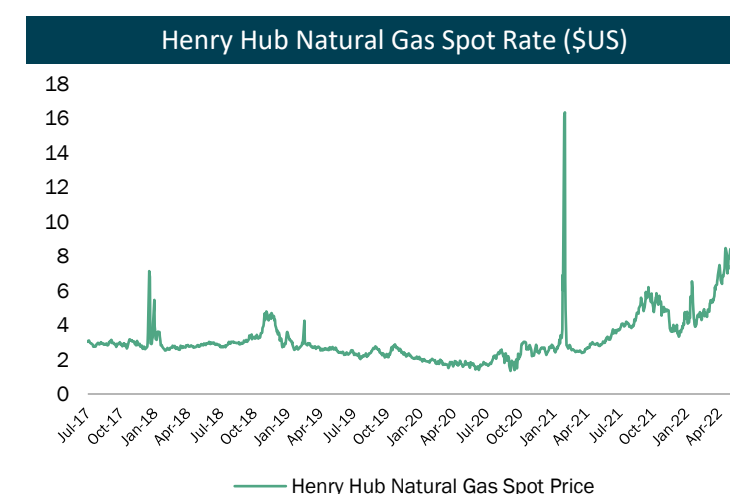
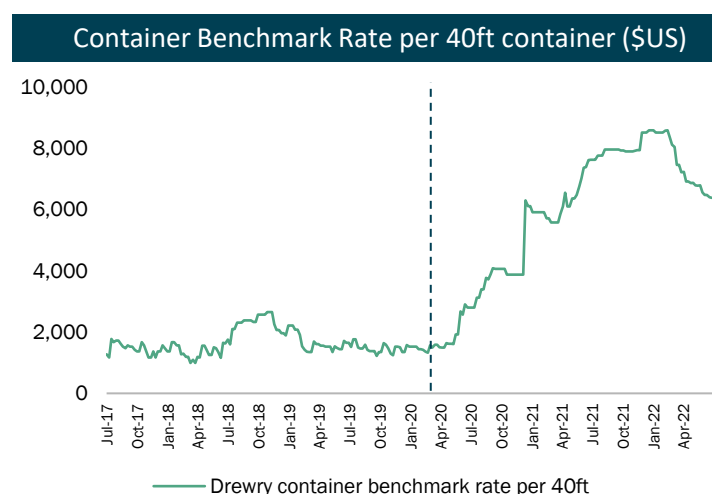
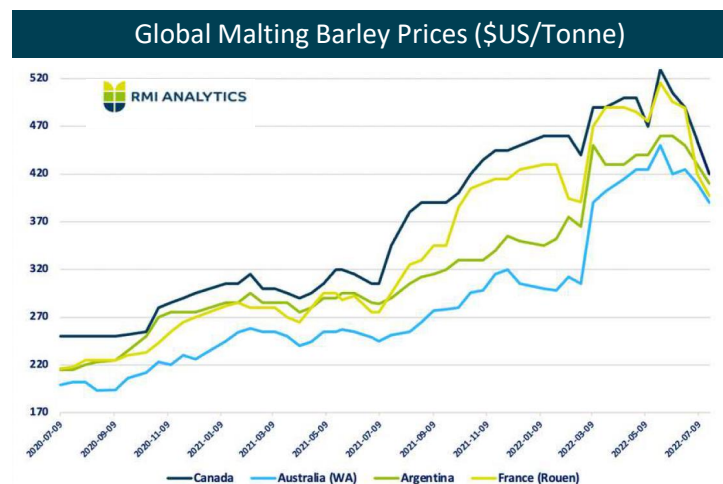
Delivering initiatives to keep our people safe

Long term safety strategy progressing well

# Responding to challenging conditions

IMPROVED CROP, RISK MANAGEMENT AND COMMERCIAL TERMS PROVIDE BASIS FOR IMPROVEMENT

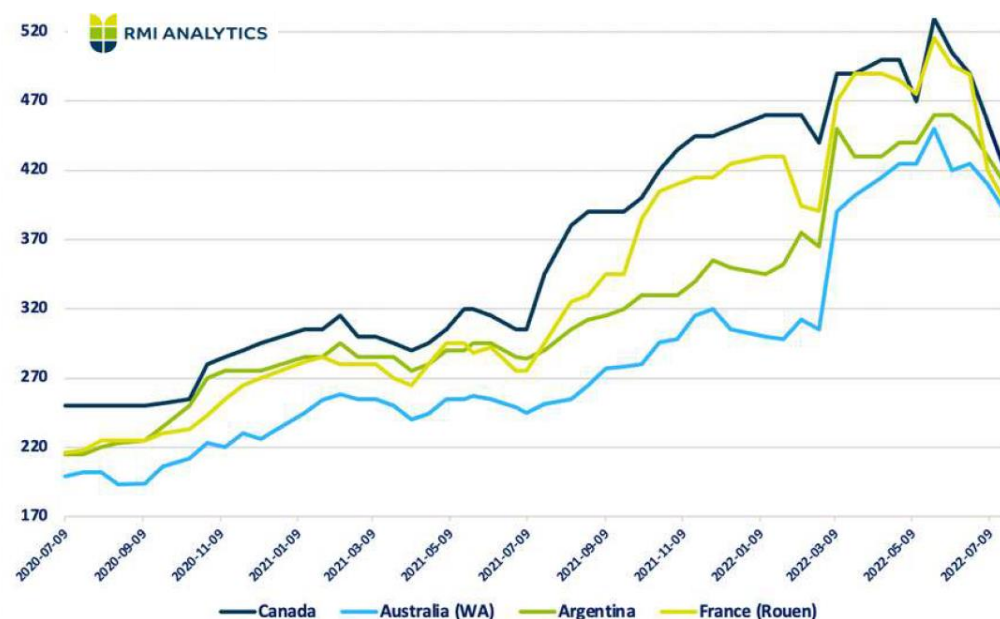
- Taking a more active approach to managing risk, with improved pricing and commercial terms to better capture the true cost-to-serve
  - Barley pricing with customers with more certainty on crop quality/price
  - More disciplined approach to managing customers' volume commitments
  - More frequent freight price re-set
  - Inflation cost escalation more appropriately reflected in the processing fee



# Update on barley supply and price

HISTORICALLY ELEVATED GLOBAL MALTING BARLEY PRICES AND SUPPLY REMAINS TIGHT, CUSTOMERS SEEKING SECURITY OF SUPPLY

Global Malting Barley Prices (USD/Tonne)



Source: RMI Analytics July 2022

World Barley Supply and Demand (Tonnes)

	22/23	21/22	20/21	19/20
Harvested Area (Ha)	49.9	52.8	52.1	51.8
Yield	2.9	2.8	3.0	3.0
<b>Production</b>	<b>146.6</b>	<b>147.7</b>	<b>158.8</b>	<b>155.9</b>
Beginning Stocks	19.0	23.9	21.9	20.0
Imports	32.0	34.1	36.7	29.4
<b>Supply</b>	<b>197.5</b>	<b>205.8</b>	<b>217.4</b>	<b>205.2</b>
<b>Use</b>	<b>149.6</b>	<b>152.7</b>	<b>156.8</b>	<b>153.9</b>
Feed	105.0	108.8	111.4	108.9
Industrial	28.1	27.8	28.0	27.9
Other	16.5	16.9	17.4	17.1
<b>Exports</b>	<b>32.0</b>	<b>34.1</b>	<b>36.7</b>	<b>29.4</b>
<b>Ending Stocks</b>	<b>15.9</b>	<b>19.0</b>	<b>23.9</b>	<b>21.9</b>

Source: RMI Analytics 21 July 2022



# Barley crop update

CROP OUTLOOK IN EACH OF OUR KEY GEOGRAPHIES REMAINS FAVOURABLE FOR 2023, SUBJECT TO FINAL HARVEST

Canada	Australia
<ul style="list-style-type: none"> <li>Alberta and Saskatchewan regions – expect return to historical averages for tonnage, yield and quality</li> <li>Manitoba – expecting slightly lower yield due to heavy rains; some concern about disease (fusarium) as a result</li> <li>RMI analytics <b>estimate production at 10.2 million tonnes</b> (vs 6.9m in 21/22)</li> <li>If current conditions remain, no anticipated requirement to import for FY23</li> </ul>	<ul style="list-style-type: none"> <li>Weather variability and the impacts on crop conditions vary across the main production regions</li> <li>Barley <b>production is expected to reach 10.9 million tonnes</b>, the fourth largest on record (ABARES June estimate)</li> </ul>
US	Scotland
<ul style="list-style-type: none"> <li><b>Production is estimated at 3.8 million tonnes</b>, up 49% from 2021 (USDA July estimate)</li> <li>Barley acreage was reported in good to excellent condition</li> </ul>	<ul style="list-style-type: none"> <li>Early winter crops in England showing good quality with spring crops not far behind timewise – heat wave has accelerated the final ripening.</li> <li>Scottish crop also showing good quality, how long the heat wave lasts will determine the final quality. ~3 weeks till harvesting</li> </ul>

Canada Barley Supply and Demand (Tonnes)				
	22/23	21/22	20/21	19/20
Harvested Area (Ha)	2.8	3.0	2.8	2.8
Yield	3.5	2.2	3.9	3.7
<b>Production</b>	<b>10.2</b>	<b>6.9</b>	<b>10.7</b>	<b>10.4</b>
Beginning Stocks	0.5	0.7	0.9	0.9
Imports	0.1	0.3	0.2	0.1
<b>Supply</b>	<b>10.8</b>	<b>7.9</b>	<b>11.8</b>	<b>11.3</b>
<b>Use</b>	<b>6.8</b>	<b>5.4</b>	<b>7.5</b>	<b>8.1</b>
Feed	5.4	4.1	6.2	6.9
Malt/Industrial	1.3	1.2	1.2	1.1
Other	0.1	0.1	1.0.1	0.1
<b>Exports</b>	<b>3.1</b>	<b>2.0</b>	<b>3.6</b>	<b>2.3</b>
<b>Ending Stocks</b>	<b>0.7</b>	<b>0.5</b>	<b>0.7</b>	<b>0.9</b>

Source: RMI Analytics 21 July 2022

# Pricing and commercial discipline

EXPECT MATERIAL UPLIFT IN EARNINGS IN 2023

	Warehouse & Distribution		Processing			
	Before	Implemented	<1 year supply agreement		Multi-year agreements	
			Before	Implemented	Before	Implemented
Barley	Annual pricing	Dynamic pricing	Annual pricing	Dynamic pricing	Annual pricing	Dynamic pricing
Processing fee			Annual pricing		No adjustment over life	Annual adjustment
Transportation	Pricing at time of shipment		Annual pricing	Priced at time of shipment	Annual pricing	Pricing at time of shipment

# Delivery of Medium Term Financial Objectives



# Focus areas

## OPPORTUNITY FOR FINANCE FUNCTION TO BETTER SUPPORT BUSINESS DELIVERY

- Improve our ability to forecast and manage financial performance
- Direct capital expenditure prioritisation process
- Track and report return on critical investments
- Build financial planning and analysis capability to improve decision-making
- Streamline legacy geographic operating structure
- Enhance capabilities and processes; new system as key enabler



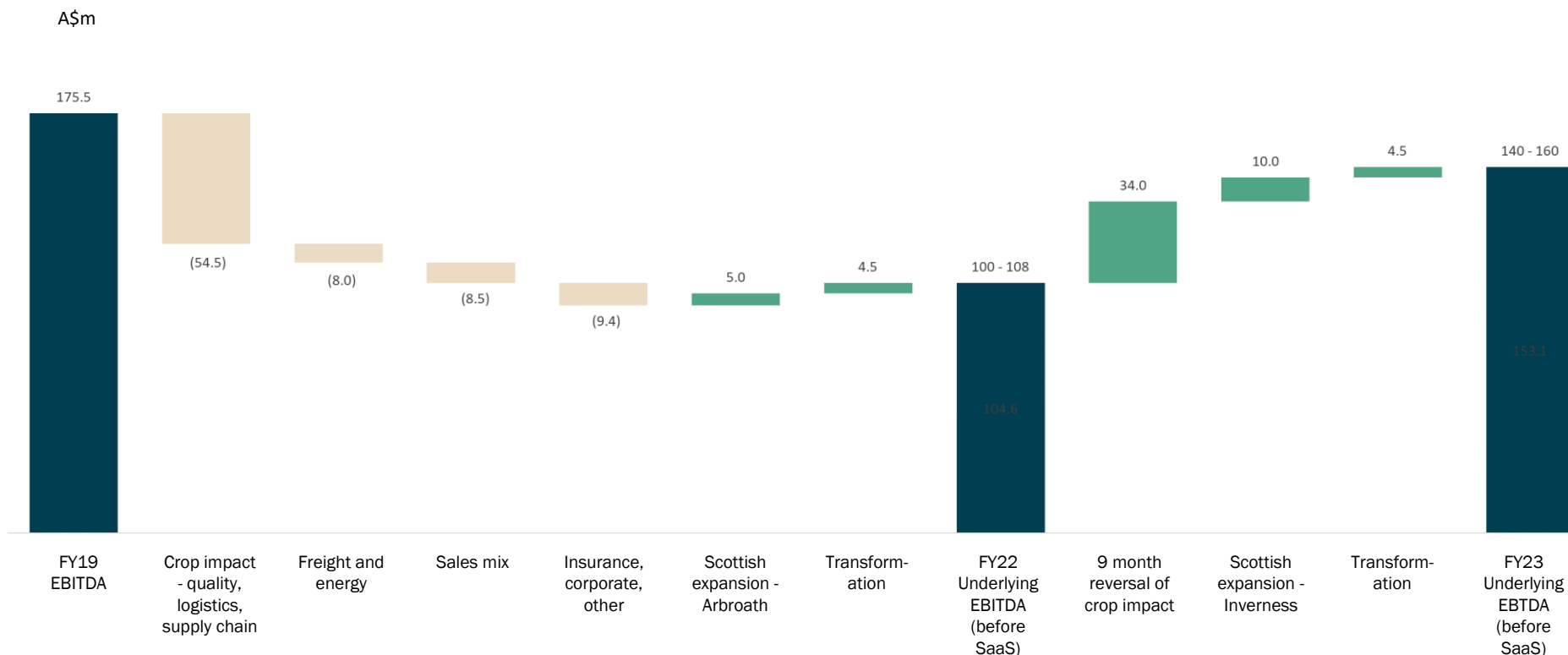
# Drivers of the medium term

EXPECT MATERIAL UPLIFT IN EARNINGS IN 2023

Driver	Assumptions	4Q22 Jul-Sep	1Q23 Oct-Dec	2Q23 Jan-Mar	3Q23 Apr-Jun	4Q23 Jul-Sep
Barley supply	Adequate supply and quality crop					
Improved pricing and commercial disciplines	Dynamic pricing implemented					
Supply chain	Level of disruption to remain, without worsening					
Customer demand continues to improve	Sustained re-openings					
Scottish distilling project fully operational	Inverness expected to be producing commercial-quality malt in the first quarter of calendar 2023					
Progressive delivery of transformation benefits	Delivery of new technology platform and transformation initiatives					

# Delivering on the medium term

MATERIAL INCREASE IN EARNINGS IN FY23, WITH FURTHER MOMENTUM INTO FY24

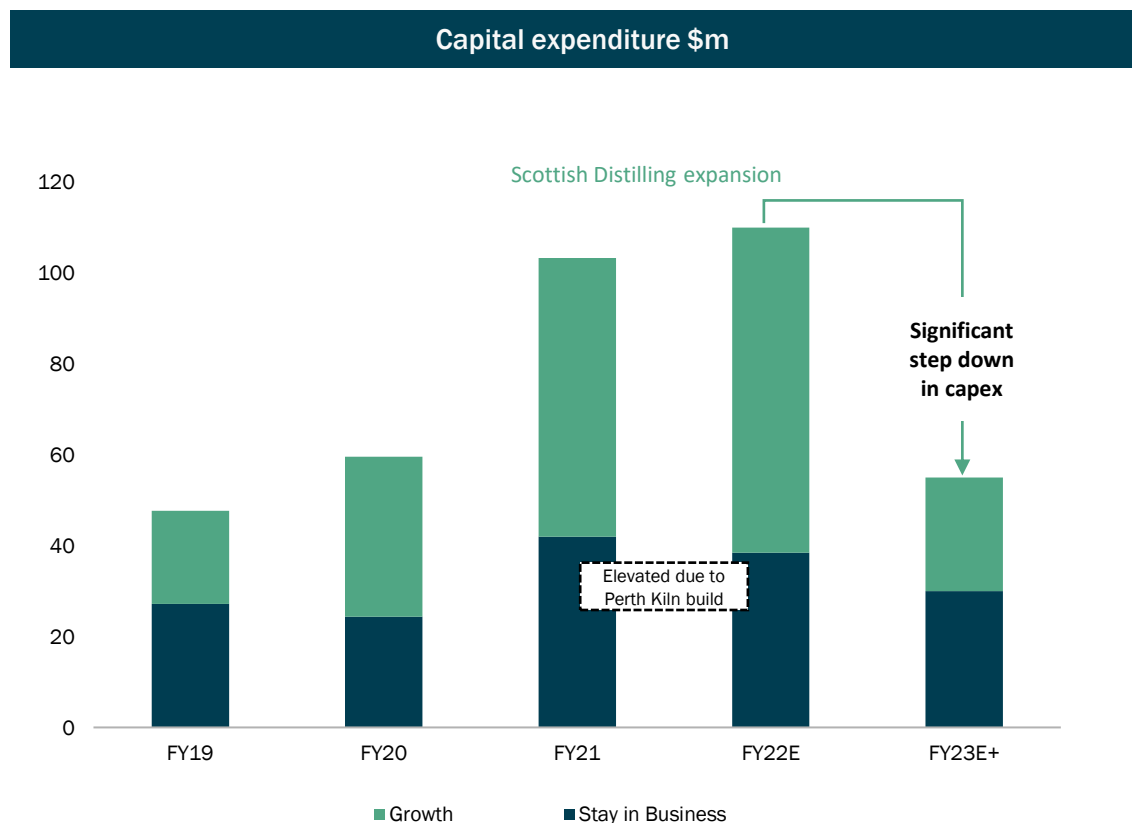


## Key drivers of EBITDA uplift in FY24 –

- Full year reversal of crop impact
- Improved pricing and commercial disciplines
- Full year run rate of Scottish distilling
- Transformation benefits

# Capital expenditure

GROWTH CAPEX SPEND SIGNIFICANTLY REDUCED FROM FY23, WITH COMPLETION OF MAJOR GROWTH PROJECT



- Capital spend nearing end of its peak cycle, with the Scottish distilling expansion in final stages of construction
- Forward years base capex expected to be in the range of \$55-60m
  - Stay in business ~\$30-35m pa
  - Growth projects focused on sustainability and continuous improvement ~\$20-25m pa
- Investments require a minimum 12% post-tax IRR

Note timing of completion of the Scottish distilling expansion remains subject to final construction and commissioning timing

# Key messages

## CLEAR PATHWAY TO EARNINGS IMPROVEMENT AND STRONG BALANCE SHEET



Unwind of one-off challenges combined with active management of risk expected to result in more predictable earnings return

### Confident in delivery of earnings and returns

Improved market conditions and discipline expected to deliver improved earnings in FY23

Growth capital spend significantly reduced from FY23, improving cash flow

Net Debt/EBITDA expected to return to target range of 2.0 – 2.5 times by 30 September 2023

Continued EBITDA uplift in FY24



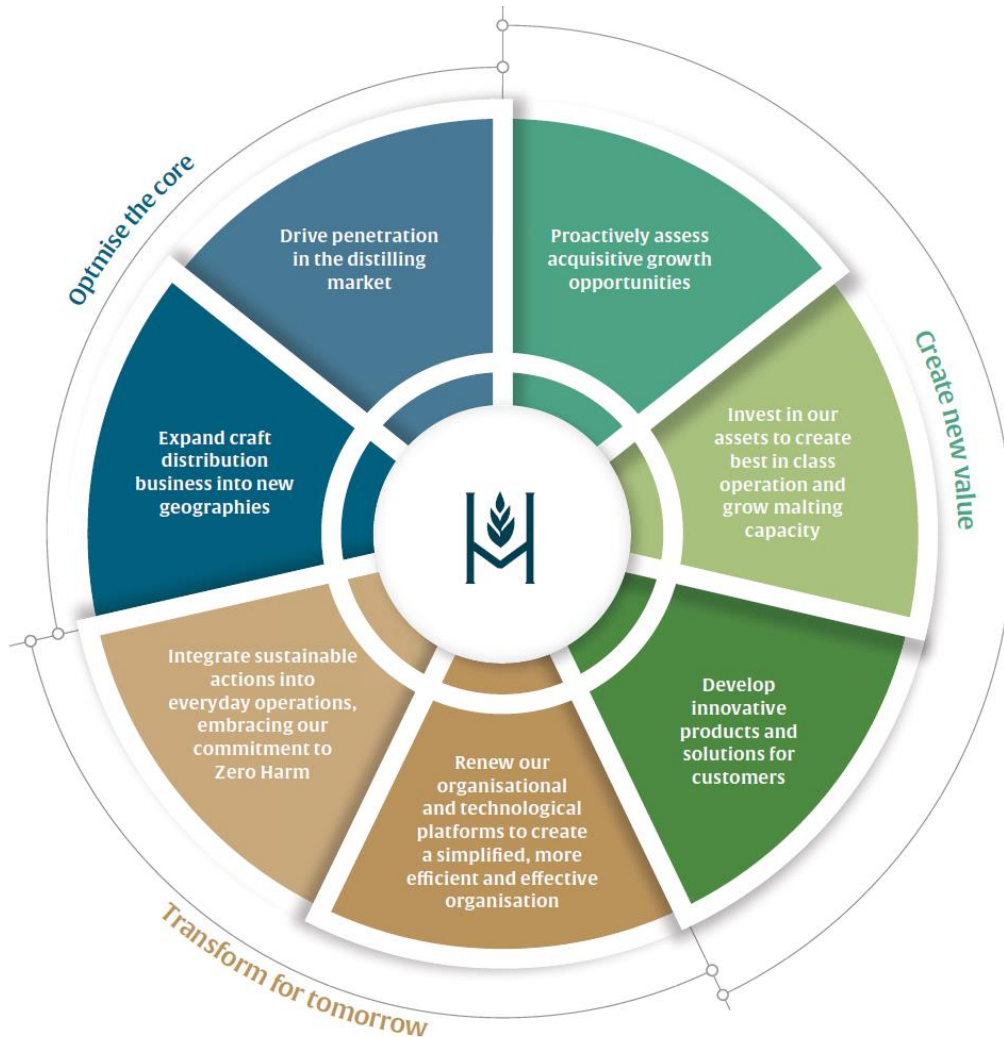
# Questions & Answers



# Strategic Delivery

# Strategic priorities

STRATEGY EXECUTION TO DELIVER MATERIAL EARNINGS UPLIFT



Industry trends supportive of our business priorities

Three pillars of our strategy

- Optimise the core
- Transform for tomorrow
- Create new value

# Commitment to operate a sustainable business

DEVELOPING OUR SUSTAINABILITY STRATEGY TO ADDRESS KEY RISKS AND OPPORTUNITIES



ESG is being incorporated as part of UMG's strategy and business plan, and aligned to our purpose and values

ESG strategy in development and reflecting the priorities identified through the initial materiality matrix process

## In Progress

- Climate change response
- Water, energy, emissions
- Sustainable agriculture
- TCFD reporting

## Priorities Established

- Health & safety
- Diversity & inclusion
- Modern slavery
- Waste
- Product quality & safety



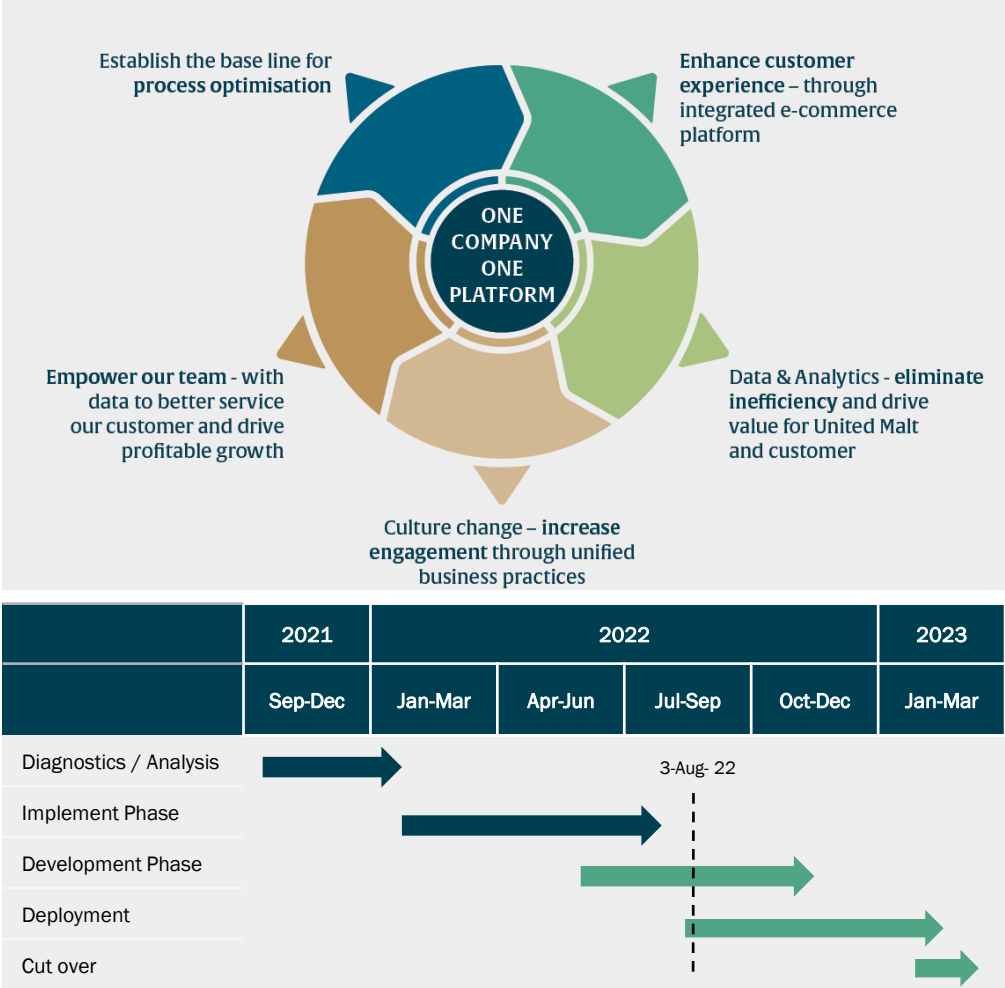
# New technology solutions



NEW PLATFORM TO OPERATE AND GROW BUSINESS – CREATING VALUE FOR CUSTOMERS AND UNITED MALT

- New platform will be rolled out across the organisation between August 2022 and March 2023
- Total cost estimate for implementation ~\$26 million<sup>1</sup>

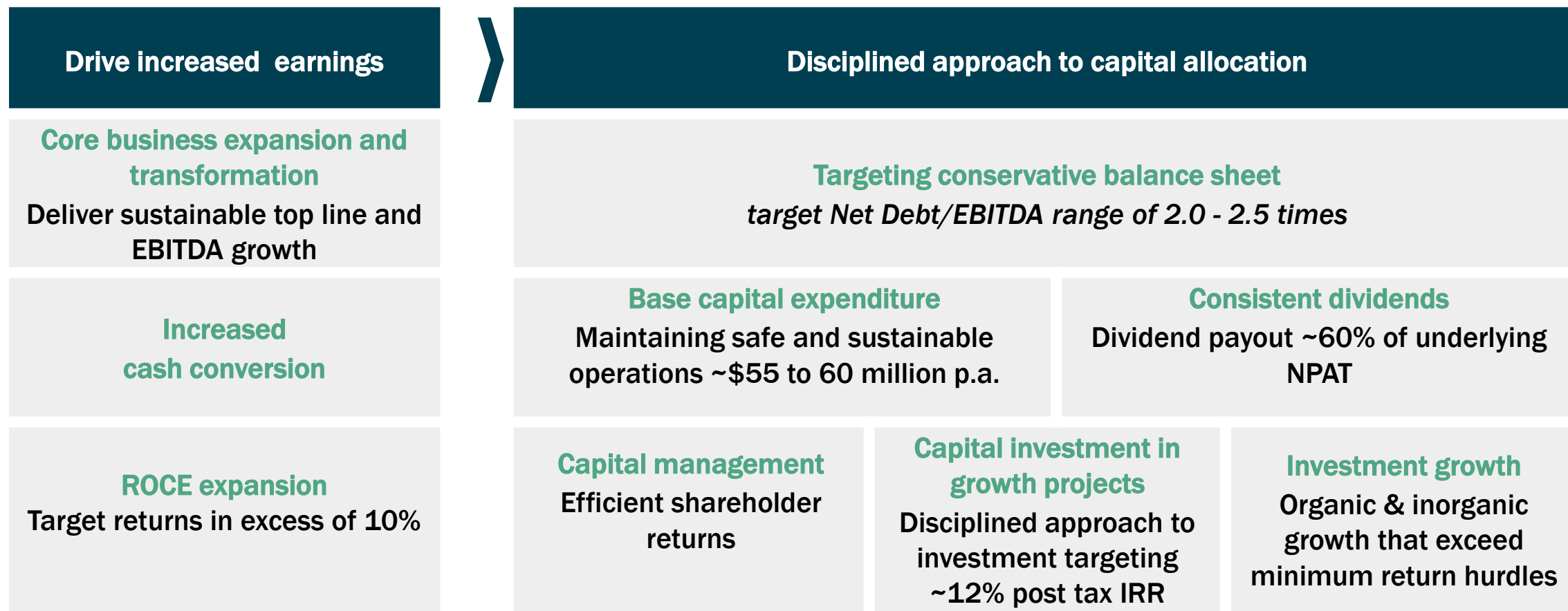
1. Final costs subject to resource cost and availability and FX.



# Financial and capital allocation framework



IMPROVED EARNINGS, DISCIPLINED CAPITAL MANAGEMENT TO GENERATE ENHANCED SHAREHOLDER RETURNS

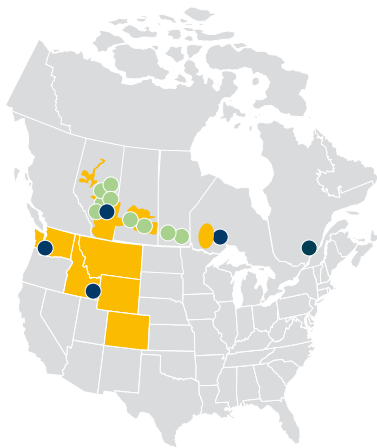





# Processing



# Processing segment overview

A LEADING MALT PRODUCER, CREATING A RANGE OF BASE AND SPECIALITY MALTS FOR APPLICATIONS IN BREWING AND DISTILLING

	North America	Australia	United Kingdom
Region			
Key brands			
Production capacity	~750kt	~250kt	~250kt

As at July 2022



Employees  
~580



Processing Facilities  
12



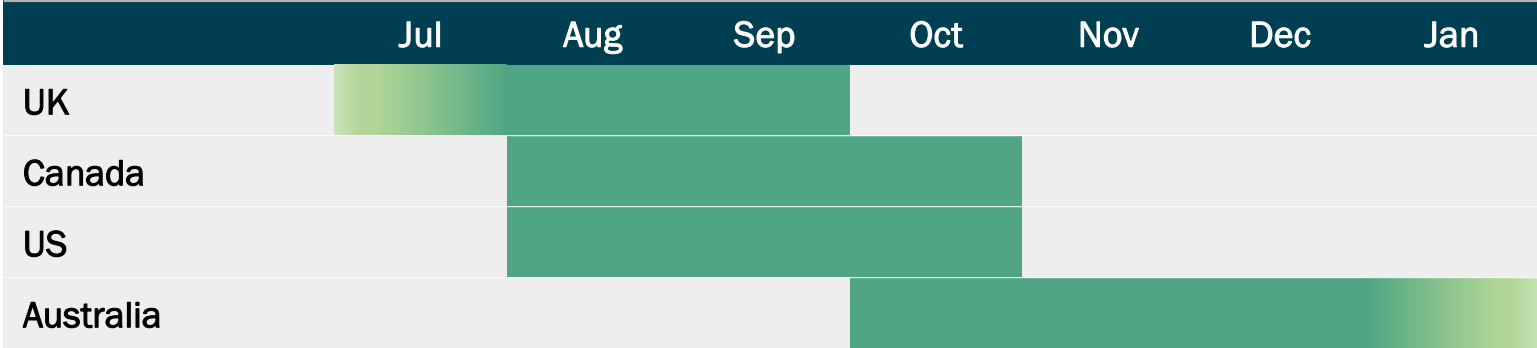
Malting Capacity  
1.25m tonnes

# Barley

## MALT BARLEY THE ‘HEART AND SOUL’ OF A QUALITY BEER

- ~155 million tonnes of barley produced each year
  - ~85% feed barley and ~15% malting barley
- Typically grown in areas with temperate climate and medium rainfall
- Majority of barley is consumed / traded locally with ~30 million tonnes traded globally
- EU, UK, Canada, Argentina and Australia typically produce an exportable surplus

Typical Harvest Period



Malting barley must be of a high quality to yield the best flavour and produce an adequate fermentation

We look for the best barley and match the barley to customers' specifications

Partnering with leading barley breeders

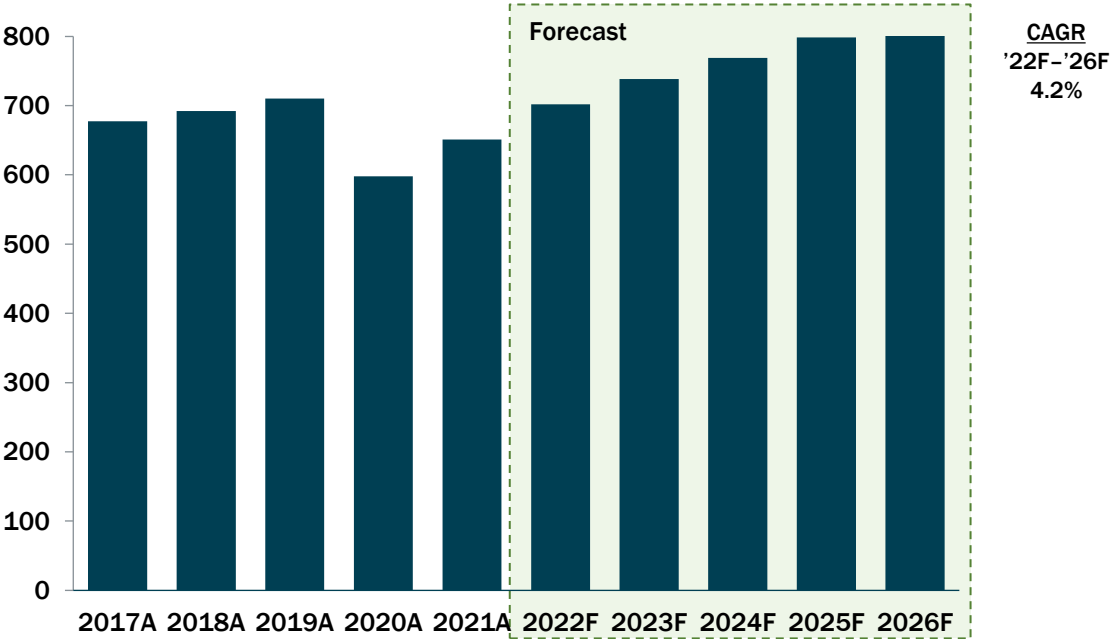
# Beer sales are forecast to grow over the next five years



CONSISTENT AND GROWING DEMAND FOR MALT PRODUCTS

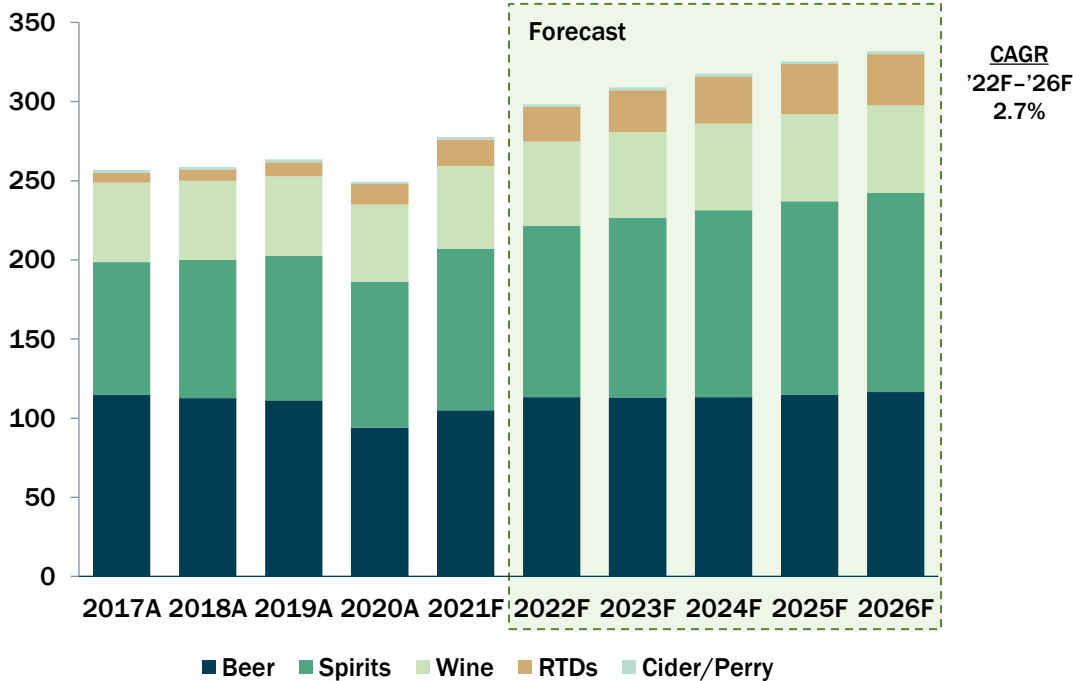
Global Beer Sales

(Billion \$US)



US Total Alcoholic Drink Sales

(Billion \$US)



Source: Euromonitor (Jul 2022)

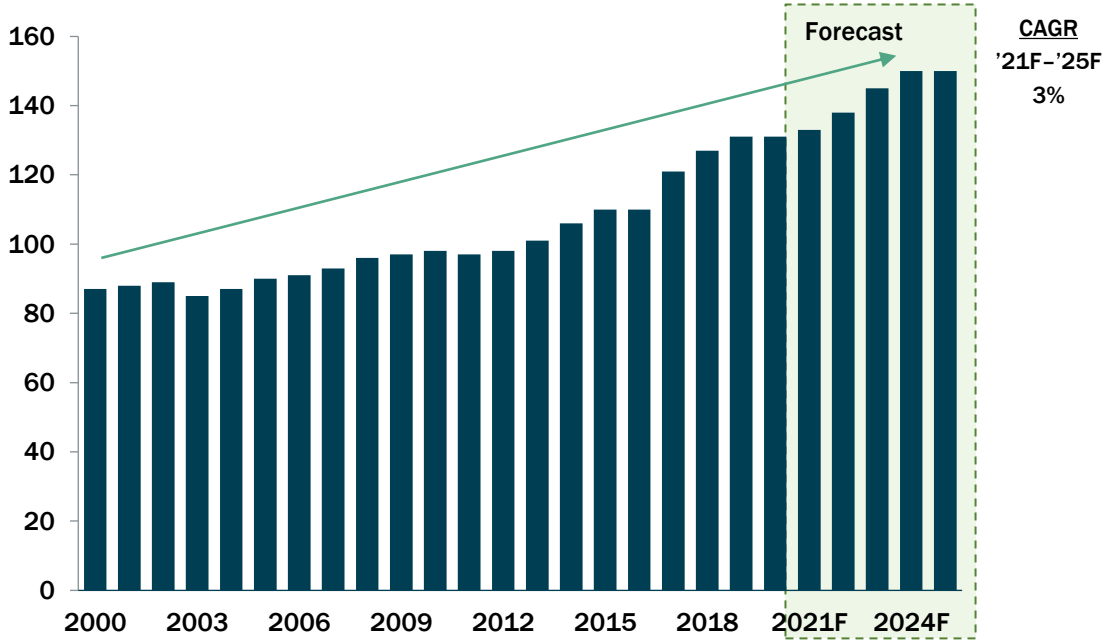


# Positive fundamentals for whisky



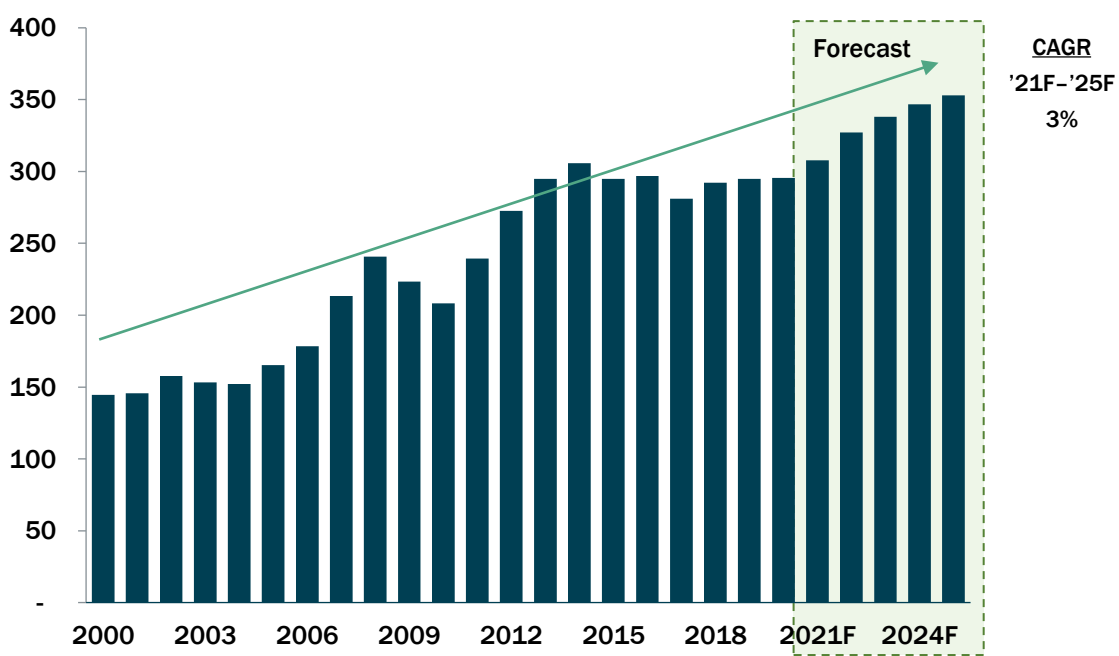
MALT WHISKY PRODUCTION IS EXPECTED TO CONTINUE ITS UPWARD TREND

Number of Scottish Distilleries



Pot Spirit Production

(Million Litres)



Source: SWA, Internal Estimate

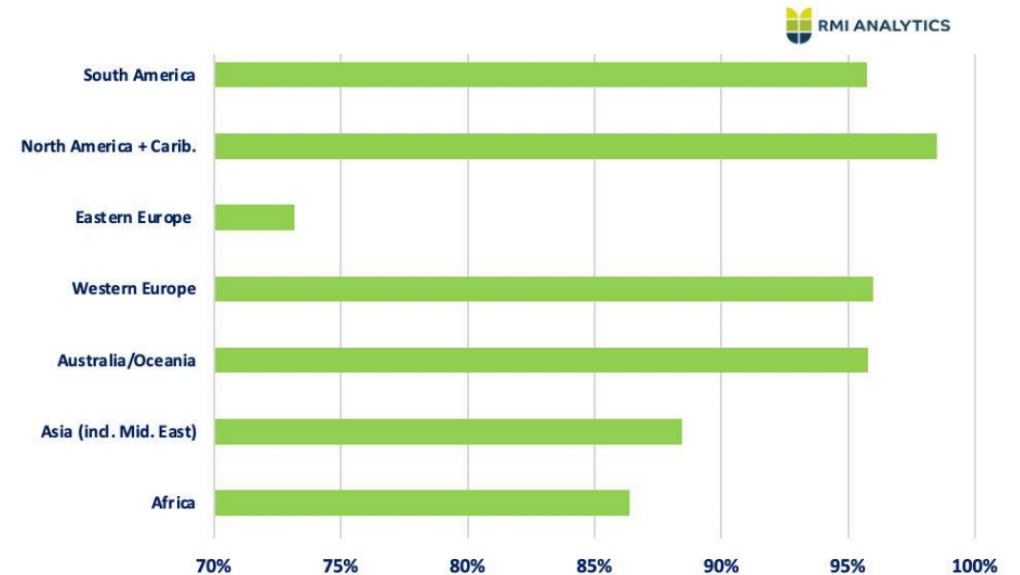
# Global malt capacity

AS BEER PRODUCTION CONTINUES TO REBOUND, MALT CAPACITY UTILISATIONS ARE TIGHTENING IN SEVERAL REGIONS



Expected malt demand and capacity utilisation, provide favourable conditions

Regional Malting Utilisation, 2023 (%)



Source: RMI Analytics July 2022

# Malt processing video



# How we create value



MALTING IS THE FIRST STEP IN THE BREWING AND DISTILLING PROCESS



## Selection of the highest quality barley

We maintain long term relationships with a diverse range of growers over multiple growing regions. We contract directly with growers for production and acres and planting of specific varieties to meet the needs of our customers.



## Quality & provenance preservation

We have capabilities to store our barley in the right conditions to maintain quality prior to processing. We segregate our barley to preserve its unique identity and key quality attributes to meet our customers' requirements.



## Processing conversion to Malt

Our processing plants are in close proximity to the barley crop, reducing transportation and handling requirements. We convert barley into malt via a process of steeping, germination and kilning. Through these processes we create our range of base and speciality malts.



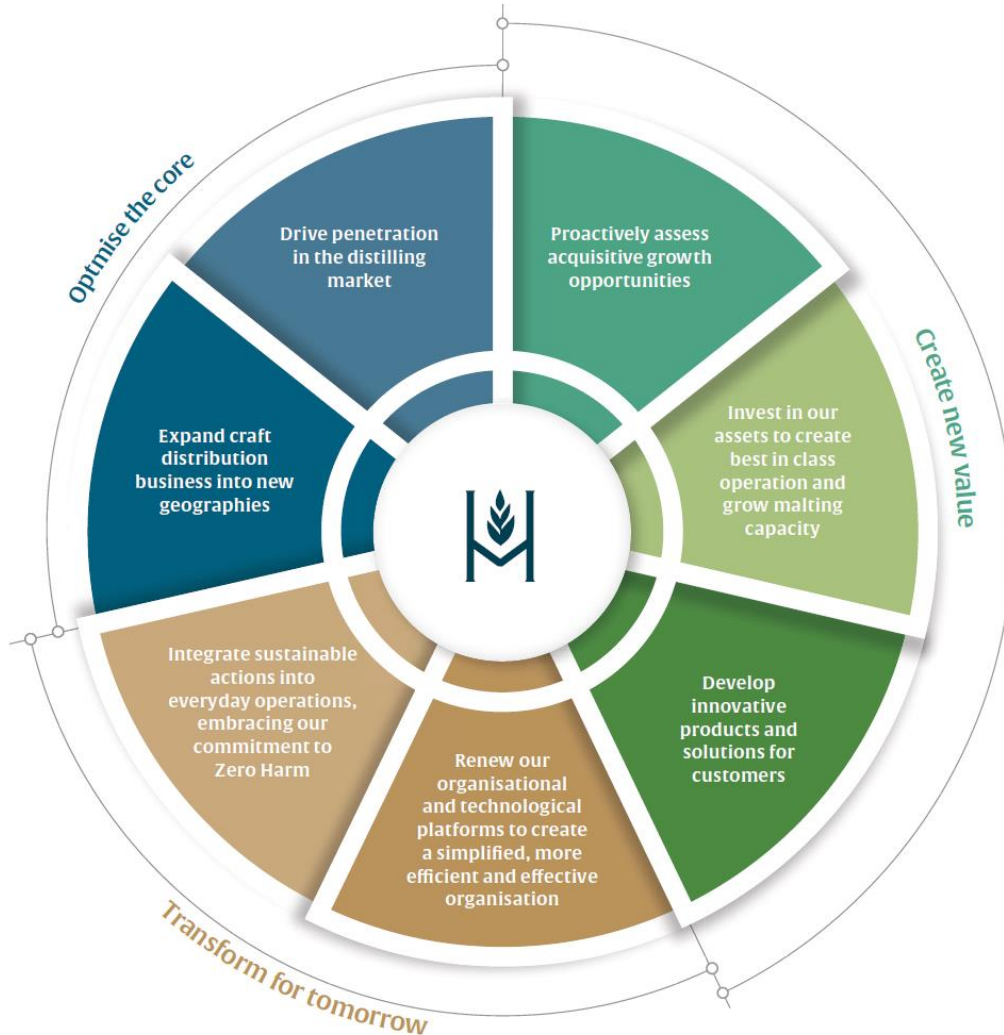
## Distribution

Distribution is a further step in our value creation as we connect our customers to our malts in the format that meets their requirements. Our processing division distributes malt in a bulk format via rail car, road and containers.



# Growing our business

STRATEGIC PRIORITIES DRIVING NEAR TERM STRUCTURAL INCREASE IN EARNINGS AND RETURNS



## Optimise the core

- Scottish capacity expansion

## Transform for tomorrow

- Transformation program
- ESG

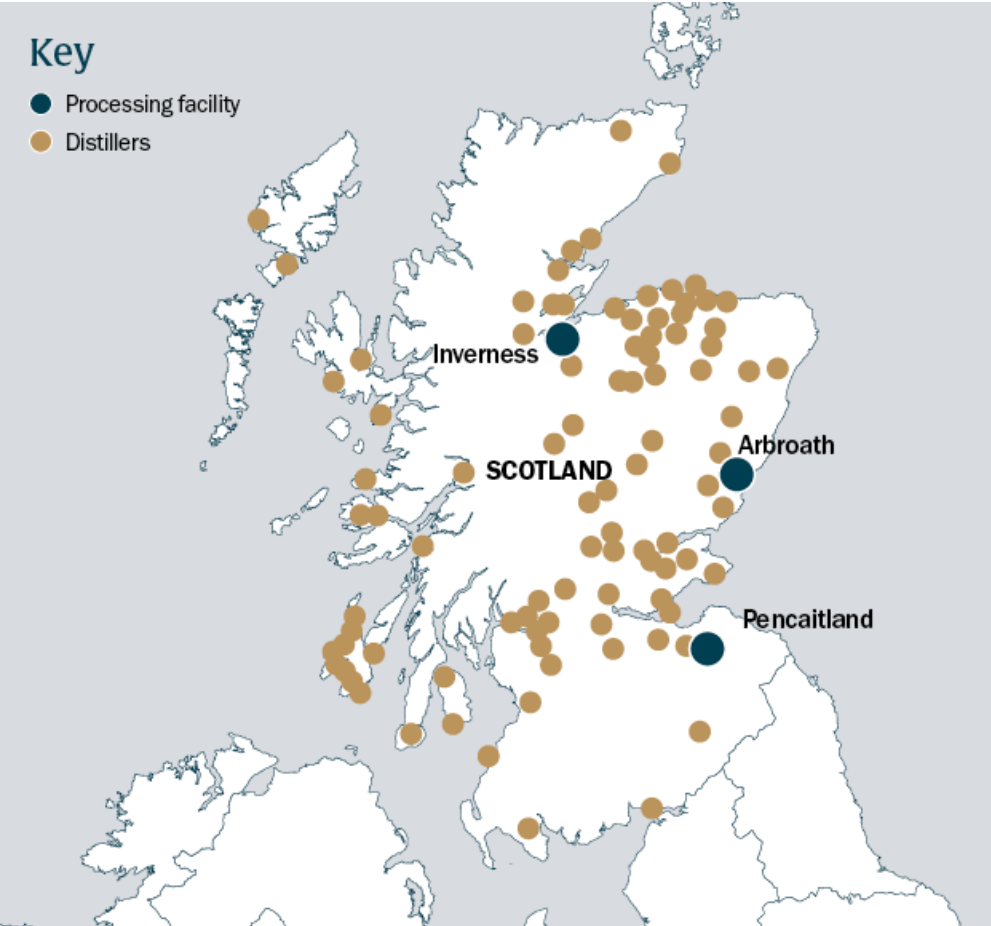
## Create new value

- Optisteeep

# Scottish capacity expansion



EXPANDING OUR CAPACITY TO SERVE THE GROWING DISTILLING MARKET



Description	<ul style="list-style-type: none"><li>79kt expansion of Scottish malting facilities over two facilities<ul style="list-style-type: none"><li>Upgrade and expansion of Arbroath (22ktpa) - completed</li><li>New malting plant at Inverness (57ktpa) – in final stages of construction</li></ul></li></ul>
Cost, returns & timing	<ul style="list-style-type: none"><li>~A\$127m<sup>1</sup></li><li>Expect incremental EBITDA ~\$18m on full year run rate basis</li><li>The Inverness facility is expected to be producing commercial quality malt in the first quarter calendar 2023<sup>2</sup></li></ul>
Rationale	<ul style="list-style-type: none"><li>Strong demand for malt from Scottish distillers underpinned by global demand for aged whisky</li><li>Scottish malting facilities are strategically positioned in close proximity to key customers and high quality barley</li></ul>
Key highlights	<ul style="list-style-type: none"><li>New capacity underpinned by LTAs with key distilling customers, robust demand remains for uncommitted volume providing opportunity to grow customer base</li><li>New effluent treatment system will reduce water usage</li></ul>

1. Subject to FX  
2. Timing of completion remains subject to final construction and commissioning timing



# Transforming our business


IMPROVING ASSET PRODUCTIVITY THROUGH PROCESS STANDARDISATION AND BUSINESS EXCELLENCE

Focus Area	Outcomes	Progress
<b>Organisational Redesign</b> <ul style="list-style-type: none"><li>Canadian &amp; US operations combined</li></ul>	<ul style="list-style-type: none"><li>Simplified operating structure</li><li>Streamlined and empowered decision making</li><li>Collaborative working environment</li><li>Improved accountability and performance</li></ul>	COMPLETED
<b>Process Change</b> <ul style="list-style-type: none"><li>Integrated sales and operations planning process</li><li>New technology platform implementation underway</li></ul>	<ul style="list-style-type: none"><li>Focus on performance and process improvement</li><li>Consistent measures of performance and accountability</li><li>Better planning and forward view</li><li>Improved data availability for faster decision making</li></ul>	IN PROGRESS
<b>Operational Management</b> <ul style="list-style-type: none"><li>Global procurement</li><li>United Malt Ways of Working</li></ul>	<ul style="list-style-type: none"><li>Operate as a network of plants</li><li>Best practice sharing and implementation tracking</li><li>Focus on root cause analysis</li></ul>	COMMENCED

# The E in ESG



COLLABORATING TO MAKE A TANGIBLE CONTRIBUTION TO OUR CUSTOMERS' OBJECTIVES

<div></div> <div><p>We are committed to sustainable &amp; responsible operations</p></div>	Sustainable Agriculture	Waste	Energy & Water
	<ul style="list-style-type: none"><li>• Adoption of SAI platform for Farm Sustainability Assessment (FSA) or equivalent schemes across all geographies</li><li>• Continued barley variety development</li></ul>	<ul style="list-style-type: none"><li>• Objective set</li><li>• Goal is to establish base line data and reporting with follow up and benchmark routine</li></ul>	<ul style="list-style-type: none"><li>• Evaluate technology opportunities for active energy &amp; water reduction</li><li>• Co-Gen in Calgary</li><li>• Water saving technology in our malting process - Optisteeep</li></ul>

## WATER TECHNOLOGY CREATING A STEP CHANGE FOR THE ENVIRONMENT IN MALT PRODUCTION

Water technology that reduces the water usage during the steeping process

Successful installation at Pocatello plant – commissioned in March 2022

Positive customer feedback

Project costs US\$2.6 million

Expected annual benefits:

- Water savings 154,000m<sup>3</sup>
- Gas savings 42,000GJ
- Electricity saving 950,000kWh

Roll-out plan being developed for installation in targeted facilities



# Processing in summary

STRATEGY EXECUTION AND A RETURN TO MORE 'NORMAL' OPERATING CONDITIONS EXPECTED TO DELIVER MATERIAL EARNINGS UPLIFT



Leveraging  
our asset  
footprint to  
drive near  
term  
structural  
increase in  
earnings and  
returns

## We will focus on the following

Completing the Scottish distilling project to capitalise on the strong demand for malt

Delivering against the transformation initiatives to improve asset productivity through process standardisation and business excellence

Leveraging our assets and information to create step change in earnings and to deliver greater value for shareholders

# Warehouse & Distribution





# Warehouse & Distribution overview



As at July 2022



Employees  
222



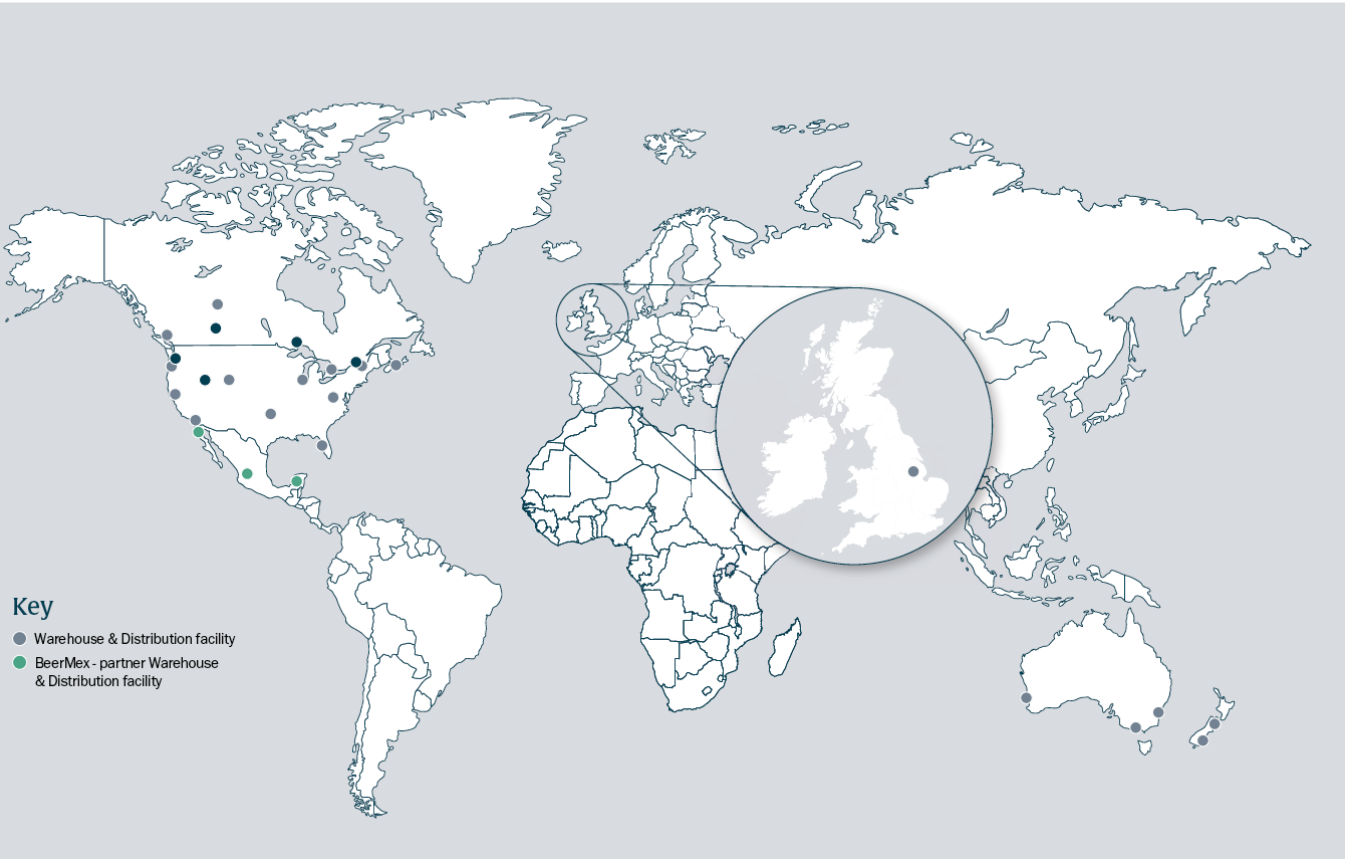
Distribution Centres  
~94,000sqm



Pallet Locations  
~33,900



Cooler Pallet Locations  
~7,400



13  
Facilities



3  
Facilities



5  
Facilities



1  
Facility

# How we add value to our customers

CONTINUE TO EMBED OUR 'EASE OF DOING BUSINESS' STRATEGY

For Our Customer:

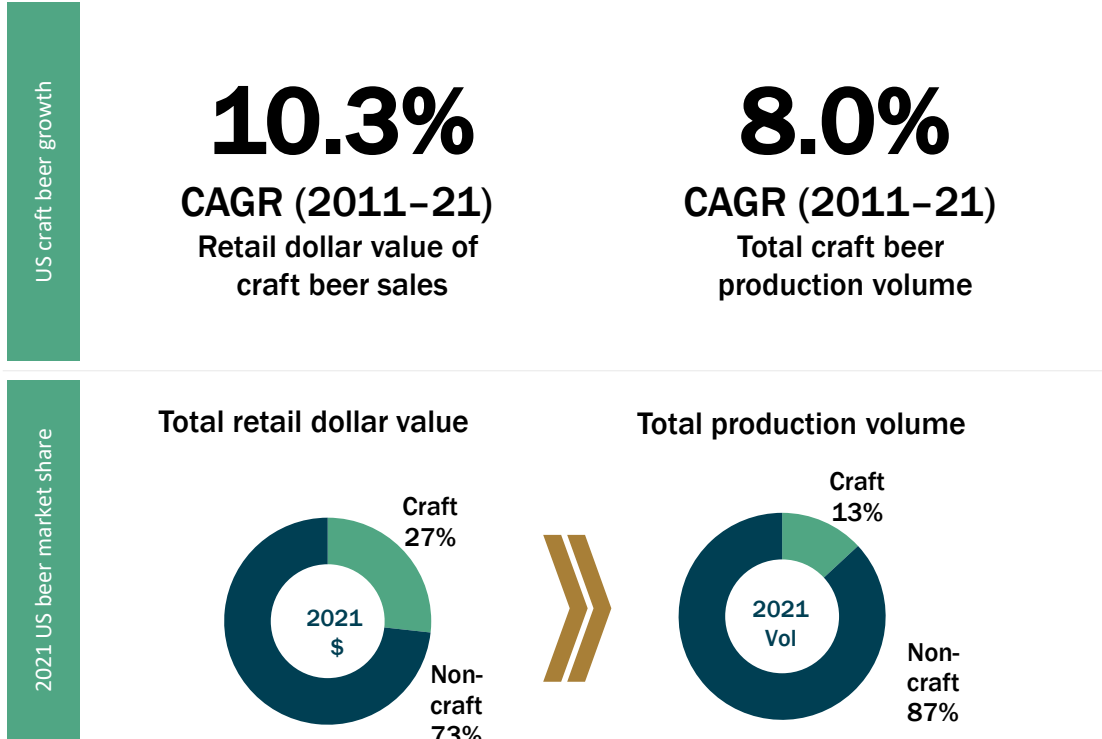
By making it easy to get  
what you need, you can  
focus on what is important,  
your craft



# Attractive market dynamics



## US Craft Beer has Grown Steadily

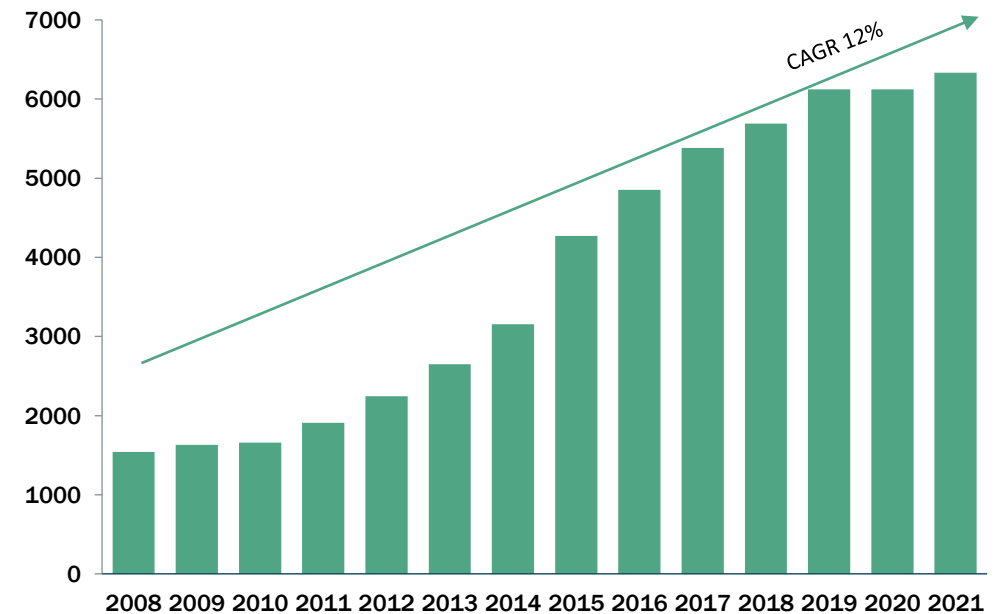


# Growth in established areas of strength

WELL POSITIONED TO CAPTURE FUTURE GROWTH, INCLUDING BENEFITING FROM HIGHER MALT INCLUSION RATES

- Growth expected to continue within the smaller craft segment – brew pubs and taprooms
- Customers' needs well serviced by ease of business capabilities, distribution network, and online experience

US Craft - Number of Brewers Under 15,000 Barrels



Source: Alcohol and Tobacco Tax and Trade Bureau




# Malt inclusion

MALT IS THE KEY DETERMINANT IN THE STRENGTH, FLAVOUR AND COLOUR OF BEER



Malt inclusion varies by beer style and brewer's recipes

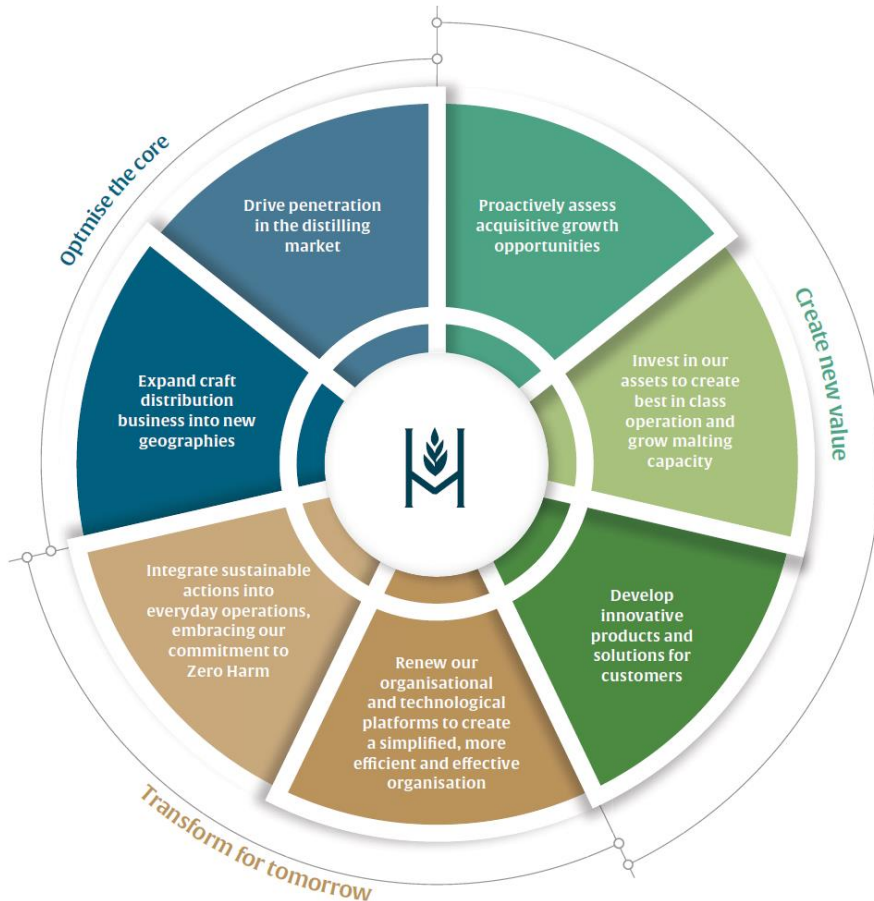
Craft beers will typically have 2 to 3 times the malt inclusion rate of a typical lager

Barrel / hectolitre	Typical Lager		Typical Craft	
	Low	High	Low	High
 Malt/lbs	15	20	45	65
 Hops/lbs	0.3	1.0	0.9	3.0
 Yeast/g	12	24	36	72



# Growing our business

STRATEGIC PRIORITIES DRIVING NEAR TERM STRUCTURAL INCREASE IN EARNINGS AND RETURNS



## Optimise the core

- Expand distribution into new geographies - Mexico

## Transform for tomorrow

- Transformation program
- ESG

## Create new value

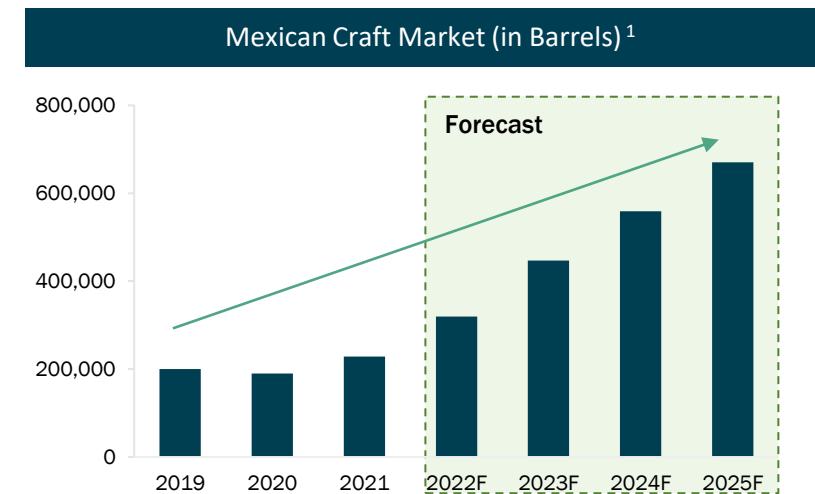
- Innovation – EuroPils and Speciality Grains

# Expansion into Mexico

ANALOGOUS TO US CRAFT - FOCUS ON MARKET DEVELOPMENT AND BRAND AWARENESS

- ~1,200<sup>1</sup> craft brewers are now operating in Mexico
- Supportive demographics and premiumisation driving craft demand
- Increasing demand for reliable and readily available craft brewing ingredients
- Well placed to capture market share with breadth of product range, range and strength of UMG North American brands

1. Acermex and Management estimate



# Transforming our business

IMPROVING PRODUCTIVITY THROUGH PROCESS STANDARDISATION AND BUSINESS EXCELLENCE

Focus Area	Outcomes	Progress
<b>Organisational Redesign</b> <ul style="list-style-type: none"><li>Sales model and support</li><li>New leadership</li></ul>	<ul style="list-style-type: none"><li>Improved customer segmentation driving performance and customer experience</li></ul>	COMPLETED
<b>Process Change</b> <ul style="list-style-type: none"><li>New technology platform</li><li>Ordering simplification and webstore</li></ul>	<ul style="list-style-type: none"><li>Easy to do business with. Enabling one-stop shopping, online ordering and full traceability</li></ul>	IN PROGRESS
<b>Operational Management</b> <ul style="list-style-type: none"><li>Network footprint and freight optimisation</li><li>SKU and pricing optimisation</li></ul>	<ul style="list-style-type: none"><li>Improve transparency and in-transit shipment tracking for customers</li><li>Removed underperforming SKU and capability for more dynamic pricing</li></ul>	IN PROGRESS



**We are  
committed to  
sustainable &  
responsible  
operations**

## Recycling Malt Bags

Effective program to recycle empty malt bags

Collecting used bags for upcycling

Closing the recycling loop and reduce environmental impact

Targeting locally, in the Vancouver, Champlain and Chicago areas

## Reducing Transport Miles

Using our Transport Management System and other tools to reduce the total miles that products are shipped

Reduce loaded miles

# Innovation

UNLOCKING FUTURE GROWTH OPPORTUNITIES THROUGH INNOVATION



Increasing our  
competitive  
differentiation

## EuroPils

Responding to market conditions by creating a North American produced European style pilsner malt

Launched 5 July 2022



## Speciality Ingredient

In-house production of un-malted cereals grains provides customers with quality and security of supply of innovative ingredients

Targeting growing demand for new ingredients in craft beer and food markets





# Warehouse & Distribution in summary

FURTHER RUNWAY FOR GROWTH



Continue to  
leverage our  
customer  
value  
proposition to  
grow our  
business

## We will focus on the following

Maximising the tools and people investment to drive value for our customers and our shareholders

Continuing to consolidate our ease of doing business strategy, ease of our customers to do business and for our employees to deliver value for them

Collaborate with customers to unlock the value through our unique network and portfolio

# People & Culture



# Commenced the journey to deliver

BUILDING THE CAPABILITIES OF OUR TEAM TO DELIVER OUR GROWTH AGENDA

## Challenges and responses

### Challenging conditions since demerger

- Demerged at the time of the start of the global pandemic
- Established the company and commenced independent operations remotely
- Canada crop and geopolitical implications to freight and commodities
- Current labour market conditions

### Developed our foundations for the future

- Transformation plan developed, committed to delivery of the benefits to create a simplified, more efficient and effective organisation
- Driving growth in our core business – Scottish distilling and Warehouse & Distribution

### Building the right culture, capabilities and accountability to deliver

- Focus on strengthening management capabilities
- Change management and culture change as enablers for organisational effectiveness and strategic delivery

# Creating the organisation for the future



SIMPLIFYING AND STRENGTHENING OUR ORGANISATION

What we have done	Focussing on the organisation capabilities for the future	How we will deliver on the organisation of the future
<p>Consolidated North American operating teams</p> <p>New operating leadership</p> <p>Culture assessment completed</p> <p>Key accountabilities and KPI redesign implemented</p>	<p>Developing and bringing in new skills</p> <p>Unify business practices through process change and new technology solution</p> <p>New competency framework and leadership development</p>	<p><b>Leadership:</b> Unanimous commitment to success &amp; lead collectively by the ELT</p> <p><b>Accountability:</b> The right structure with people who have clearly defined roles and responsibilities</p> <p><b>Empowerment:</b> Embedded in culture of constructive behaviours and continuous improvement</p>

# ESG priorities

SUPPORTING OUR SUSTAINABILITY AGENDA



We are committed to sustainable and responsible operations

## Health & Safety

- Zero harm
- Leadership engagement program
- Behavioural safety
- Improved workforce training

## Corporate Culture

- Define & measure corporate culture
- Employee engagement measure
- Leadership development underway for 60 senior leaders

## Diversity & Inclusion

- 2025 target set: 40% women in leadership, 35% women overall
- Adapting recruitment processes

## Modern Slavery

- Next level training throughout the organisation
- Building into broader Human Rights



# People in summary

ESTABLISHING THE RIGHT FOUNDATIONS FOR THE FUTURE



Building the  
right culture,  
capabilities  
and  
accountability  
to deliver

## We will focus on the following

Solving the key talent challenges and developing or bringing in new capabilities

Unifying business practices through process change and new technology solutions

Advancing culture and change management as an enabler for organisational effectiveness and strategic delivery

Empowering our people and leaders with the right structure and clear responsibilities and accountabilities

# Questions & Answers



# Conclusion



# In summary...

FOCUSED STRATEGY BACKED BY DISCIPLINED EXECUTION TO DELIVER ENHANCED SHAREHOLDER VALUE



Leveraging  
our asset  
footprint to  
drive medium  
term increase  
in EBITDA

## Pathway to value creation

FY22 – Managing through extraordinary external challenges

FY23 – Earnings recovery and strengthening the platform for future growth

FY24 – Delivering meaningful increase in earnings and shareholder returns



# Thank You



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Term	Definitions
Constant FX	<ul style="list-style-type: none"><li>• Translates prior period earnings and balances of foreign operations at current year exchange rates</li></ul>
CAGR	<ul style="list-style-type: none"><li>• Compound annual growth rate</li></ul>
EBIT	<ul style="list-style-type: none"><li>• Earnings before interest, tax, and excluding significant items</li></ul>
EBITDA	<ul style="list-style-type: none"><li>• Earnings before interest, tax, depreciation and amortisation excluding significant items</li></ul>
Lost Time Injury Frequency Rate (LTIFR)	<ul style="list-style-type: none"><li>• 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</li></ul>
Net Debt / EBITDA	<ul style="list-style-type: none"><li>• Based on a 12 month rolling EBITDA excluding the impact of AASB16, significant Items and net debt excluding finance lease commitment</li></ul>
NPAT	<ul style="list-style-type: none"><li>• Net profit after tax</li></ul>
Recordable Injury Frequency Rate (RIFR)	<ul style="list-style-type: none"><li>• 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</li></ul>
Significant Items	<ul style="list-style-type: none"><li>• Those items that are not in the ordinary course of business and non recurring and material in nature and amount</li></ul>
Underlying EBTDA excluding one-off items and SaaS costs	<ul style="list-style-type: none"><li>• Earnings before interest, tax, depreciation and amortisation excluding significant items, one-off items and SaaS costs</li></ul>
Underlying NPAT	<ul style="list-style-type: none"><li>• Net profit after tax excluding significant Items</li></ul>