Half-Year 2021
Results Presentation

19 May 2021

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Agenda

Highlights	Mark Palmquist
Transformation strategy	Mark Palmquist
1H21 performance review	Amy Spanik
Strategy & outlook	Mark Palmquist

Highlights

UNITED MALT

REMAINS WELL PLACED TO NAVIGATE THROUGH CONTINUED COVID-19 IMPACTS

1H21 RESULTS DELIVERY

- 1H21 results slightly ahead of AGM commentary
- EBITDA $52.7 million includes one-off items and FX translation
- Operating cash flow positive

BUSINESS FOCUS

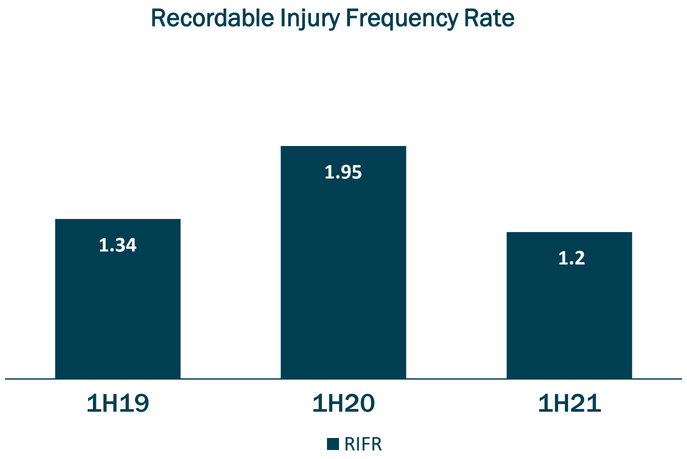
- Since March 2021 volume tracking at ~95% of pre COVID-19 levels, resilient business model
- Transformation commenced targeting ~$30 million annualised net benefits by FY24
- Recordable Injury Frequency Rate improved 37%

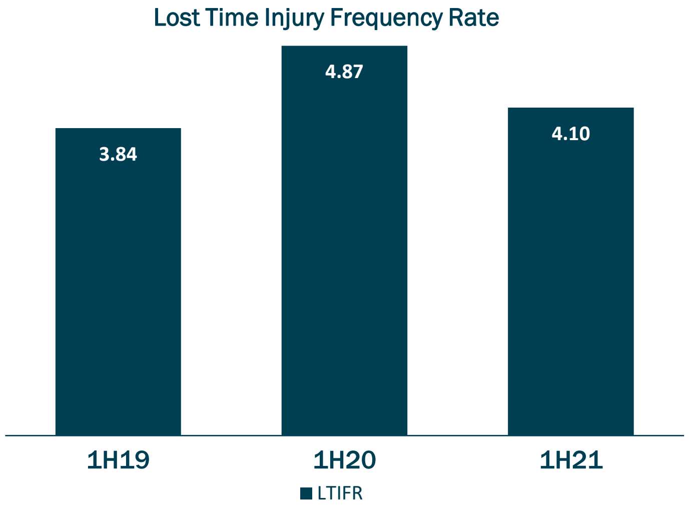
CAPITAL MANAGEMENT

- Net Debt / EBITDA at 2.4x, within target range
- Interim dividend of 2.0 cents, payout of 45% of NPAT

Safe for life

FOCUS REMAINS ON LEADER ENGAGEMENTS TO REINFORCE OUR BEHAVIOURAL SAFETY LEADERSHIP





- RIFR improved 37%
- Leader engagements were prioritised with over 6,000 engagements completed during 1H21

Transformation strategy

CREATING A SIMPLIFIED, MORE EFFICIENT ORGANISATION

United Together

Transforming our business and renewing our organisational and technological platforms to create a simplified, more efficient and effective organisation

Conducted Global Business Assessment

Identified areas of focus and initiatives to transform and grow the business

Established Transformation Office

Responsible for delivery of transformation outcomes

Transformation scorecard

TARGETING ANNUALISED NET BENEFITS OF ~$30 MILLION BY FY24

Key focus area	Status
Organisational Redesign • Transition to simplified operations to create an organisational design reflecting a standalone malting company	• Restructuring in progress • Reviewing opportunities to leverage our function strength on a global basis
Process Change • Improve capabilities by implementing simplified and standard processes, skills and systems. Becoming more data informed	• Technology platform scoped, process improvement underway

Operational Management
• Harness network of malting production facilities and warehouse & distribution centres as one global network to deliver better outcomes for customers
	• Program of works underway to:
	  • Enhance account management
	  • Improve manufacturing and freight excellence
	  • Enhance global procurement

Targeting ~$30 million annualised net transformation benefits by FY24

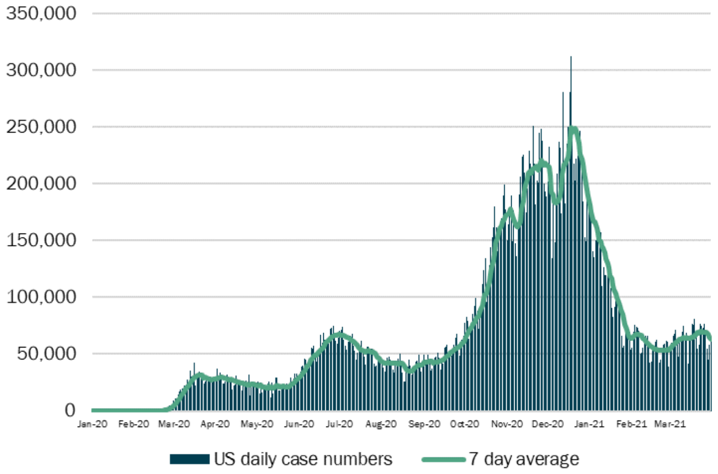
Transformation cost of $5.0m; $4.3 million in 1H21, $0.7 million in 2H21

1H21 performance review

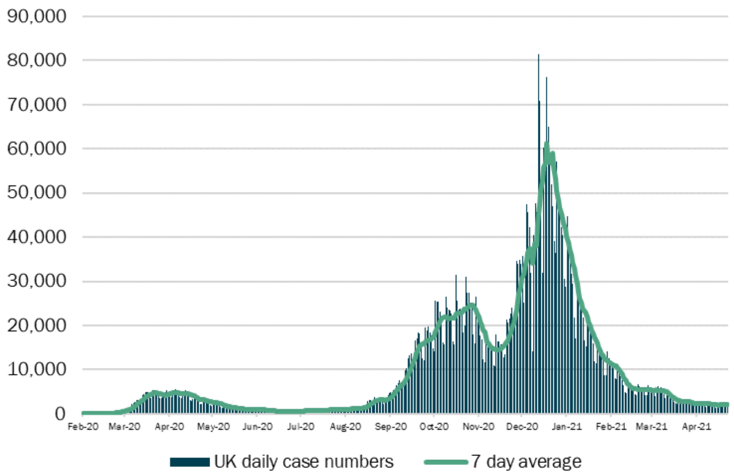
COVID-19 impact

US, UK STARTING TO EMERGE FROM LOCKDOWNS; CANADA IN THIRD WAVE

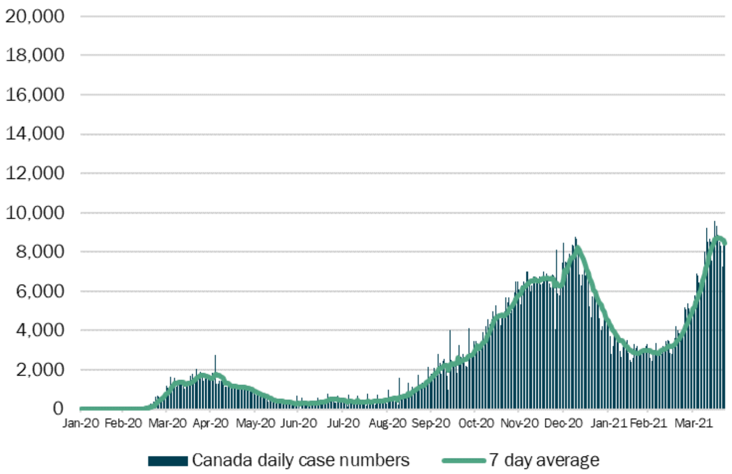
US daily case numbers



UK daily case numbers



Canada daily case numbers



US

- **153 million people have received at least one vaccine dose as at 11 May**
- **Restrictions and re-opening continue to vary by state and county**
- **Continued off-premise consumption, more leveraged to big brewers and base malt demand. Signs of on-premise returning since Mar-21**

UK

- **35 million people have received at least one dose as at 12 May**
- **After months under lockdown, the UK is starting to open up slowly. Pubs with outdoor beer gardens reopened in mid-April**
- **On-premise returning with relaxation of restrictions**
- **Brewing market smaller proportion of UK business, distilling volumes holding firm**

Canada

- **Facing another wave of the pandemic as several provinces have increasing case rates**
- **16 million people have received at least one vaccine dose as at 11 May**
- **Canadian production supporting domestic market, in addition to supplying US market and Asian export volumes**

Daily case numbers and vaccine source:

- US: https://covid.cdc.gov/covid-data-tracker/#trends_dailytrendscases
- UK: https://coronavirus.data.gov.uk/details/cases
- Canada: https://health-infobase.canada.ca/covid-19/epidemiological-summary-covid-19-cases.html?stat=num&measure=total&map=pt#a2

1H21 volume & mix trends

CONTINUED SHIFT FROM ON-PREMISE TO OFF-PREMISE CONSUMPTION

- 1H21 volume remained below pre COVID-19 levels and shift from on-premise to off-premise consumption continued - early indication of trend unwinding with restrictions easing
- Premiumisation - consumers trading up to a more premium product
- Brewing industry innovating with e-commerce solutions to offset loss of on-premise consumption
- Supply chain constraints remain - shortages of bottling, aluminium cans and transportation - more challenging for craft brewers to adapt business to a new take-home model
- Container export supply remains difficult in Australia and Canada and US in-bound imports
- Distillers continue to focus on a longer term horizon, laying down spirits for 10+ years

1H21 results summary

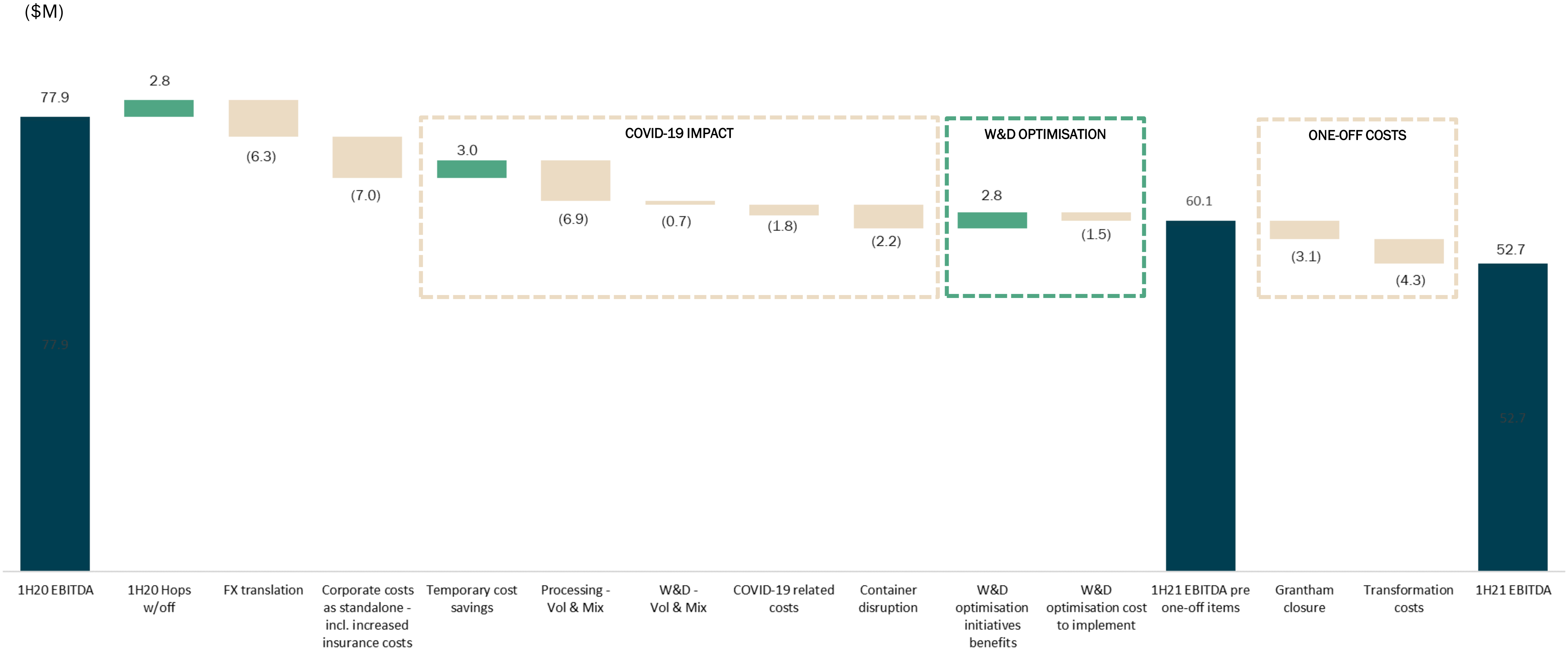
VOLUMES/MIX IMPACTED BY COVID-19 SECOND WAVE

	Actual FX			Constant FX	
$m	1H21	1H20	% Change	1H20	% Change
Revenue	589.6	664.6	-11.3%	615.1	-4.1%
EBITDA	52.7	77.9	-32.3%	71.6	-26.4%
EBIT	23.3	45.6	-48.9%	41.5	-43.9%
Net finance cost	4.9	8.0	-38.8%	7.0	-30.0%
Tax expense	5.2	9.1	-42.9%	8.3	-37.3%
NPAT	13.2	18.8	-29.8%	17.0	-22.4%
EPS (cps)	4.4	7.4	-40.5%	6.7	-34.3%
DPS (cps)	2.0	-	N/A	-	N/A

- Revenue down 11% to $590 million (on constant currency basis, revenue down 4%)
- Earnings impacted by:
  - COVID-19 second wave impacts
  - FX headwind
  - Increase in corporate costs vs 1H20
  - One-off costs incurred
- NPAT down 30% lower earnings partially offset by lower net finance costs and tax expense
- Interim dividend of 2.0 cents; payout of 45% of NPAT, below our target payout ratio of ~60% reflecting ongoing impact of COVID-19

Earnings waterfall

VOLUME/MIX IMPACTS ONLY PARTIALLY MITIGATED BY COST OUT INITIATIVES



Processing segment

COVID-19 IMPACTS VOLUME AND MIX IN KEY MARKETS AND ONE-OFF ITEMS IMPACTED EARNINGS DELIVERY

	Actual FX			Constant FX	
$m	1H21	1H20	% Change	1H20	% Change
Revenue[1]	453.2	511.4	-11.4%	477.1	-5.0%
EBITDA	39.2	62.0	-36.8%	57.0	-31.2%
EBITDA Margin %	8.6%	12.1%	-3.5pts	11.9%	-3.3pts
Segment Assets	1,358.4	1,451.7	-6.4%	1,276.9	6.4%
Return on Segment Assets %	7.7%	10.4%	-2.7pts	9.6%	-1.9pts
Capital Expenditure	45.1	28.0	61.1%		

- Excluding the impact of one-off items underlying EBITDA $45.9m (down 26%) and margin 10.1%
- One off costs incurred
  - Grantham closure $3.1m
  - Transformation costs $3.6m
- COVID-19 second wave impacts
  - Rolling US restrictions
  - UK lockdown and pub closures
  - Lower volumes and change in product mix $6.9m
  - Increased costs to maintain COVID-19 safe operations $1.8m
  - Continued container disruption $2.2m impacting export sales from Australia & Canada
- Negative FX translation impact $5.0m

1. Revenue includes intersegment sales of $13.2m in 1H21 and $15.5m in 1H20

Warehouse & Distribution segment

UNITED MALT

VOLUMES INCREASED FROM CRAFT BREWERS AS MARKETS BEGIN TO RE-OPEN

	Actual FX			Constant FX	
$m	1H21	1H20	% Change	1H20	% Change
Revenue	149.6	168.7	-11.3%	153.5	-2.5%
EBITDA	17.8	15.9	11.9%	14.6	21.9%
EBITDA Margin %	11.9%	9.4%	2.5pts	9.5%	2.4pts
Segment Assets	256.1	316.4	-19.1%	271.9	-5.8%
Return on Segment Assets %	13.8%	13.0%	0.8pts	13.0%	0.8pts
Capital Expenditure	2.5	1.0	150%		

- Improving volume and margin as craft brewers order frequency returning with increase in off-premise supply and some reopening seen from late February
- Benefiting from optimisation program and freight initiatives driving lower costs, net $1.3m benefit
- Negative FX translation impact $1.3m
- Transformation costs $0.7m
- Note: 1H20 performance included $2.8 million aged hops inventory write off

Key balance sheet indicators

UNITED MALT

STRONG BALANCE SHEET MAINTAINED

$m	31 Mar 21	30 Sep 20	31 Mar 20
Inventories	325.5	318.5	363.5
Trade and other receivables	234.7	245.4	264.7
Trade and other payables	(117.2)	(178.4)	(116.9)[1]
Net working capital	**443.0**	**385.5**	**511.3**
Interest bearing liabilities	495.3	455.4	591.0
Capital leases	64.5	68.4	89.5
Cash and cash equivalents	(215.7)	(262.1)	(96.4)
Net debt	**344.1**	**261.7**	**584.1**

Refer to appendices for balance sheet in constant currency

- Working capital in line with 1H seasonal requirements and on constant currency basis with 1H20
- COVID-19 has not increased doubtful debts
- Net Debt / EBITDA 2.4x at 31 March 2021, within target range
- No significant near-term refinancing commitments with long-term debt facilities not maturing until November 2022

1. Some balances previously presented in trade and other payables have been reclassified to be consistent with financial statements

Operating cash flows

REMAIN OPERATING CASH FLOW POSITIVE

$m	1H21	1H20
EBITDA	**52.7**	**77.9**
Change in working capital	(52.9)	(66.9)
Inflows from inventory funding	54.3	9.5
Interest paid (including lease component)	(5.5)	(12.6)
Tax paid	(9.9)	(6.3)
Significant items[1]	-	(9.7)
Other items	(15.9)	8.9
Net operating cash flow	**22.8**	**0.8**
Cash conversion	43%	1%

- Remain operating cash flow positive
- Higher working capital reflecting timing of grower payments
- Draw down on inventory funding facilities
- Lower interest paid, reflecting lower average rates
- Tax paid higher due to timing of payments
- Other items include derivative mark to market, movement in provisions, movement in pension liabilities and prepayments including insurance

1. Significant items in 1H20 relate to expenses incurred to execute the demerger from GrainCorp Limited.

Capital expenditure

CONTINUED STRATEGIC OBJECTIVES TO CREATE BEST IN CLASS OPERATIONS, ENHANCED CUSTOMER EXPERIENCE

$m	1H21	1H20
Scottish Distilling Expansion	21.7	14.5
Perth Kiln	5.0	-
Other Growth	11.1	4.6
Total Growth Capital Expenditure	**37.8**	**19.1**
Total Stay in Business/Safety Capital Expenditure	**9.8**	**9.9**
Total Capital Expenditure	**47.6**	**29.0**

Key capital expenditure initiatives	
Scottish Distilling Expansion	• £51m investment in United Malt's Scottish malting facilities, increasing capacity by 79ktpa across an upgrade and expansion of the Arbroath facility (22ktpa) and a new malting plant at Inverness (57ktpa) • Arbroath facility commissioned and producing at capacity and fully sold • Inverness remains on track to complete by May 2022[1]
Other Growth	• Perth Kiln build progressing. Expected completion by October 2021 • Other growth projects focused on asset optimisation, technology platform, further malt processing and sustainability efforts including engineering and design
Stay in Business	• Stay in business capex is in line with expectation and the full year range of ~$25-30m
Outlook	• Capex outlook for FY21 is in line with guidance of ~$120 million

1. Timing of the completion of Scottish facilities investments remains subject to government restrictions.

Strategy & outlook

Progress on strategic priorities

EXECUTING OUR TRANSFORMATION AND KEY GROWTH INITIATIVES

	Key Strategic Initiative	Progress to date
Optimise the core	Deliver Scottish distilling expansion	• Arbroath facility commissioned, producing at target capacity (22kmt) and fully sold • Inverness remains on track to complete by May 2022[1]. Expect overall project returns of ~12% IRR (post tax)
	Expand penetration in the Mexican market	• Expanded distribution agreement with existing Mexican distribution partner • Distribution partner on track to open first additional warehouse by June 2021
	New craft warehouse & distribution centre in Victoria	• 9,100sqm warehouse and distribution centre on track to open on 1 June 2021, replacing existing external warehouse • Providing an expanded range of ingredients and a 'one-stop-shop' experience for customers
Transform for tomorrow	Transform to create a simplified, more efficient and effective organisation	• Transformation priorities identified. Timing and targets established • Details on slide 7
	Replacement of Perth kiln	• Replacement of Perth kiln underway and scheduled for completion by October 2021 • Continue to review opportunity to add capacity in Perth with further capital investment
Create new value	New product development	• Enhancing range of hard seltzer and hazy IPA ingredient offerings through the Warehouse & Distribution segment, supporting our customers to meet the changing ingredient needs • Malt innovation centre working with brewers on alcohol free beers category - flavour profiles and malt inclusion • Investing in further malt and ingredient processing for food & beverage applications
	Proactively assess acquisitive growth opportunities	• Continued disciplined approach to evaluating acquisitive growth opportunities to extend geographic reach, product offering and /or customer base, creating value

1. Timing of the completion of Scottish facilities investments remains subject to government restrictions.

Commitment to operate a sustainable business

CONDUCTING OUR BUSINESS IN A SUSTAINABLE AND RESPONSIBLE WAY IS IMPORTANT FOR US TO EARN AND MAINTAIN THE ONGOING RESPECT OF OUR STAKEHOLDERS

- Inaugural sustainability report released
- Developing our sustainability strategy to address key sustainability risks and opportunities
- Committed to promoting a diverse and inclusive workplace
- Focus on reducing environmental impact and managing sources of water and energy and reducing emissions

COVID-19 look forward

AS MORE OF THE POPULATION IS VACCINATED, CONFIDENCE WILL START TO RETURN AND A MOVEMENT BACK TOWARDS SOME SEMBLANCE OF NORMALITY

- COVID-19 developments giving rise to optimism
    - Medical advances as health professionals are managing the virus (and variants) more effectively
    - Northern hemisphere spring/summer approaches, supports a recovery similar to last year
    - COVID-19 vaccinations are underway and ramping up as availability and delivery systems improves

- Pent-up demand for beer is expected to eventually lead to rebound in brewing volumes

- Upon reopening, entire hospitality pipeline should be replenished

Outlook for 2H21

REMAIN CAUTIOUS ON NEAR-TERM OUTLOOK GIVEN UNCERTAINTY REMAINING ON PACE OF REOPENING

Key assumptions and inputs for 2H21 outlook

- Some level of COVID-19 restrictions remain throughout 2H21
- Expect that 2H21 volume remains below pre COVID-19 levels
    - Expect volume recovery once restrictions on social gatherings are consistently lifted across our key geographies and a return to mass gatherings, including sporting events, concerts and travel
- Working closely with customers to navigate continued fluctuation in demand and supply chain constrains caused by COVID-19 in the near term including container disruption
- Corporate costs (including higher insurance) of $12m for FY21
- Capex expected to be ~$120m for the full year, managing inflationary pressure and delays on materials for construction projects
- Expect gearing to be maintained within target range of 2.0x -2.5x Net Debt/EBITDA at end FY21

Summary

MANAGING SHORT TERM CHALLENGES WHILST REMAINING WELL POSITIONED FOR LONG TERM GROWTH

- 1H21 result reflects second wave of COVID-19 in our core geographies
- Remain profitable, cash flow positive with strong balance sheet to withstand the continued uncertainty and duration of COVID-19
- Some signs of reopening emerging in key markets; however, remain prepared for varying impact of COVID, which could continue to disrupt demand, supply chains and operations
- Since March 2021 volume tracking at ~95% of pre COVID-19 levels
- Well placed to return to growth, once conditions stabilise supported by:
  - Strong market positions, strategically located malting assets market leading distribution platform
  - High quality customer base diversified by product, end-market and geography
  - Delivery of our transformation program, targeting ~$30 million in annualised net benefits by FY24

Appendices

FY21 Key Assumptions

Area	Assumption
Customer inventory	• Assume no significant customer restocking occurring in FY21
Volume	• Since March 2021 volume tracking at ~95% of pre COVID-19 levels
Depreciation & Amortisation	• In line with 1H21 run rate
Interest costs	• In line with 1H21 run rate
Tax rate	• ~26-28% on assumption of no change in geographic mix of business, and no change to US tax rate
Working capital	• Anticipate 2H21 seasonal reduction in working capital between ~$20-$60m
Capex	• Expected to be ~$120m including stay in business capex in the range of ~$25-30m
Corporate costs	• Expected to be ~$12m

Balance sheet items in constant currency

$m	31-Mar-21	30-Sep-20	Change %	30 Sep-20 in Constant Currency	Change %	31-Mar-20	Change %	31 Mar-20 in Constant Currency	Change %
Inventory	325.5	318.5	2.2%	311.9	4.4%	363.5	-10.4%	323.5	0.6%
Trade & other receivables	234.7	245.4	-4.4%	239.8	-2.1%	264.7	-11.3%	235.9	-0.5%
Trade & Other payables	(117.2)	(178.4)	-34.3%	(175.6)	-33.3%	(116.9)	0.2%	(104.8)	11.9%
Net working capital	443.0	385.5	14.9%	376.0	17.8%	511.3	-13.4%	454.7	-2.6%
Interest bearing labilities	(495.3)	(455.4)	8.8%	(453.2)	9.3%	(591.0)	-16.2%	(576.2)	-14.0%
Finance leases	(64.5)	(68.4)	-5.7%	(64.8)	-0.4%	(89.5)	-27.9%	(75.5)	-14.6%
Cash & Cash equivalents	215.7	262.1	-17.7%	258.3	-16.5%	96.4	123.7%	86.7	148.9%
Net debt	(344.1)	(261.7)	31.5%	(259.6)	32.5%	(584.1)	-41.1%	(565.1)	-39.1%
Total assets	1,845.7	1,886.8	-2.2%	1,840.7	0.3%	1,880.9	-1.9%	1,658.7	11.3%
Total liabilities	(814.4)	(855.5)	-4.8%	(841.4)	-3.2%	(961.7)	-15.3%	(898.6)	-9.4%

Definitions

EXCEPT WHERE NOTED, COMMON TERMS AND MEASURES USED IN THE DOCUMENT ARE BASED UPON THE FOLLOWING DEFINITIONS

Term	Definitions
Constant FX	• Translates prior period earnings and balances of foreign operations at current year exchange rates
EBIT	• Earnings before interest, tax, and for 1H20 excluding material non-recurring items related to the demerger
EBITDA	• Earnings before interest, tax, depreciation and amortisation and for 1H20 excluding material non-recurring items related to the demerger
Lost Time Injury Frequency Rate (LTIFR)	• 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
Net Debt / EBITDA	• Based on a 12 month rolling EBITDA excluding the impact of AASB16 and significant items relating to the demerger in 2H20 and net debt excluding finance lease commitment. The impact of AASB16 on the 12 month rolling EBITDA is $14.7m
NPAT	• Net profit after tax
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
Return on Segment Assets	• Calculated using a rolling 12-month EBITDA over average segment assets