



United Malt Group 2022 AGM report

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| ASX code | UMG |
| Meeting date | 10 February 2023 |
| Type of meeting | Hybrid |
| Monitor | Elizabeth Fish. assisted by Helen Manning |
| Pre AGM-meeting | With Mr Graham Bradley (Chairman) |

Meeting Statistics

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| Number of holdings represented by ASA | 15 |
| Number of shares represented by ASA | 101,136 |
| Value of shares represented by ASA | \$374.2m |
| Total number attending meeting | 62 attending online and 44 in person |
| Market capitalisation | \$1.06b |
| ASA open proxies voted | on a poll. ASA voted in favour of all the resolutions |

The Chairman and CEO's addresses were relatively brief and did not contain any major news for investors apart from saying that the group has entered a derivative contract that would protect the group from the extra costs incurred due to future crop failures in North America. Later in the meeting a shareholder who asked about the cost of the derivative contract was told it was comparatively modest.

The presentations are available at:

<https://www.unitedmalt.com/wp-content/uploads/2023/02/2023-AGM-Addresses-and-Presentation-Combined-1.pdf>

The colourful steel cans on display in the entry of the meeting were a very small selection of the beers that contain UMG malts.

The ASA asked how far out malted barley sale prices are determined?

The Chairman responded saying, a year at a time, although not priced at once but over the year. There has been a fundamental change in quoting price practices starting 1 January FY23, where the company has set up combined teams to mitigate risk and be able to see opportunities.

The ASA also asked when shareholders would know if they were going to receive a second dividend payment for the year. The Chairman said that shareholders would be informed of the dividend payment at the end of May.

A shareholder asked: what is the demand for craft beer? Are we losing market share or are the conditions soft? The meeting was told demand is rebounding but not to pre-COVID levels. There is still a 'labour issue'. However, craft distilling is growing in the US, Canada, and Europe.

UMG is not losing market share, the Nov-Dec months, and indeed the first quarter, is 'soft'. January seems to be looking much better.

Other shareholder questions asked included:

Do we hedge for currency risks? The response was that UMG hedge for the costs incurred in revenue but don't hedge for the consolidation in reporting. The Chairman said this is normal practice.

The ASA asked about the \$4.7m UK debt recognised in FY22. Asking when the market will know about its recovery. The Chairman said the legal processes are in place but can't give a definitive answer as to the timing of the recovery.

Regarding a question related to the cost of factoring, the Chairman said it was the same as the interest cost on inventory.

While the meeting was aware that Mr Patrick Bowe was attending the meeting online, and Mark Palmquist and Christine Feldmanis were present on the podium, there was no mention of the remaining two non-executive directors attending online. We presumed they did not.

ELECTION OF Mr Patrick BOWE

Mr Bowe spoke to meeting in real time from Seattle with no video (or picture).

The ASA asked if Mr Bowe was confident he could manage the additional workload and if there is or will be a conflict of interest between his UMG duties and his other interests as president and chief executive officer of The Andersons Inc, a company listed on the NASDAQ:(ANDE), as a director of Primient, a global food and industrial ingredients distributor, and as a director and treasurer of the Toledo Museum of Art in Ohio.

The Chairman assured the meeting that Mr Bowe had already contributed important assistance in the recruitment of the new CEO and Mr Bowe reiterated that he does have sufficient time. The Chairman was keen to reassure the meeting that conflicts of interest are to be managed. The ASA voted in favour of this election.

ELECTION OF Christine FELDMANIS

Ms Feldmanis attended the meeting in person and talked about having board experience in international businesses. She talked about being 'authentically involved' – global, natural ingredients to give an enjoyable product. Interestingly, she also mentioned that she has a (beef cattle) business and so she has personal experience of issues in agriculture.

She talked about conflict of interest with Rabobank and that this would be managed.

The ASA asked if Ms Feldmanis was confident that she has sufficient time to devote to her duties as a UMG Non-Executive Director and Chair of the Risk committee in addition her existing commitments.

On the time allocation she gave an interesting answer: she sees (she described it as the 'flow of business' – the cyclical nature as something to have her time allocation considered). We took this to mean that Ms Feldmanis considers her commitments are sufficiently well spaced to allow her to manage them all in a timely manner. She described her appointment as chair of audit and risk as 'interim' (illness of existing chair). The ASA voted in favour of her election.

Each of the three resolutions were passed at 97.98%, 99.89% and 99.98%, respectively.

After the meeting some attending shareholders thanked the monitors for speaking on their behalf. The monitors did not have an opportunity to speak to the directors after the meeting.

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