

4 December 2024

MARKET UPDATE

2024 TRADING

The directors of Scales Corporation Limited (NZX:SCL) have reiterated market guidance for the twelve months to 31 December 2024, of an Underlying Net Profit after Tax Attributable to Shareholders range of \$30.0 million to \$35.0 million.

Managing Director Andy Borland notes “2024 has been a very positive year for Scales. We’ve returned to a more normal trading environment, whilst also executing on strategic growth transactions, both in the Horticulture and Global Proteins divisions.”

“In Horticulture, the orchard transactions with the Bostock Group and Craigmore Sustainables have increased our volumes of Premium apple varieties, particularly Dazzle™. We were also delighted to welcome Profruit as a wholly-owned subsidiary following the acquisition of the remaining 50% from Bostock Group. The net impact of these transactions on the FY24 financial result was negligible”

“In Global Proteins, the increase in our investment in Meateor Australia, from a shareholding of 33% to 50% was also a very pleasing and strategically important transaction.”

2025 GUIDANCE

Looking ahead to the 2025 financial year, directors advise an Underlying Net Profit after Tax Attributable to Shareholders Guidance range of \$35.0 million to \$40.0 million.

In providing Guidance for 2025, directors note:

- In the Global Proteins division, a continuation of 2024’s strong financial performance is anticipated. Of our most recent investments in the division, Meateor Australia is expected to contribute positively (completing the transition of operations in Australia), and Esro Petfood is forecast to move into profitability later in 2025. We continue to work on a number of projects in the division, which we expect to contribute positively to earnings in future years;

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- Within the Horticulture division, Mr Apple is forecasting:
 - A crop of approximately 3.4 million TCEs, including a higher proportion of Premium varieties as a result of the Bostock and Craigmore transactions. This forecast volume also includes the impact of orchard redevelopment and the relinquishment of a small number of leases of underperforming orchards during the year;
 - Positive pricing, impacted by a number of factors including the improving variety mix, larger apple size and favourable exchange rates;
- Whilst ongoing geopolitical uncertainty is anticipated, our Logistics division continues to perform well and provides a valuable service both to our own businesses and to their external customers.
- The Guidance range implies:
 - an Underlying Net Profit after Tax range of \$53.0 million and \$60.0 million; and
 - an Underlying EBITDA range of \$92.0 million and \$101.0 million.

DIVIDENDS

The directors have also declared a fully imputed interim cash dividend for the 2024 financial year of 7.25 cents per share, to be paid on 17 January 2025. The directors note that, in line with the current dividend policy, they would expect total dividends for 2024 to be split approximately evenly between interim and final (with the final dividend to be paid in July 2025), and that total 2024 dividends would be between 50% and 75% of Underlying Net Profit after Tax Attributable to Shareholders.

The directors also note that due to the increasingly offshore nature of the Group's earnings it is likely that dividends after the 2024 year will be partially, rather than fully, imputed.

About Scales Corporation

Scales Corporation is a diversified agribusiness group. It comprises three operating divisions: Global Proteins, Horticulture, and Logistics. The company's diverse spread of activities gives Scales broad exposure to the agribusiness sector. Scales Corporation was founded in 1897 as a shipping business by George Herbert Scales. Today it has operations across New Zealand, Australia, United States and Europe. Find out more at www.scalescorporation.co.nz.

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