

NZX & Media Release

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VERY STRONG FIRST HALF PERFORMANCE UNDERPINNING A FURTHER LIFT IN FY25 PROFIT GUIDANCE

Highlights – 6 months to 30 June 2025 (1H25)

- Underlying¹ NPATAS² of \$48.9 million (1H24: \$28.5 million), up 72%
- Reported NPAT³ of \$57.6 million (1H24: \$38.1 million), up 51%
- Underlying EBITDA⁴ of \$86.7m (1H24: \$60.5m), up 43%
- All divisions successfully executing their respective growth strategies:
 - Steady performance by the Global Proteins division
 - Exceptional result by Horticulture
 - Excellent result by Logistics
- Directors advise a further increase in FY25 Underlying NPATAS guidance to between \$45.0m and \$50.0m

Diversified agribusiness group Scales Corporation Limited (NZX:SCL) today reported its 1H25 results, which included outstanding results from the Horticulture and Logistics divisions and steady performance from the Global Proteins division.

Scales Corporation's Chair, Mike Petersen, noted: "The excellent performance by the Horticulture division is, in part, due to it realising the benefit of long-term strategic investment in apple varieties targeted to the Asia & Middle East markets. We expect further benefits to be realised over forthcoming periods."

"Global Proteins is also progressing its strategic growth goals and is continuing to produce steady results. Logistics benefitted from higher freight and handling volumes in the first half of the year and continues to prove its strategic value to both internal and external customers."

¹ Underlying results exclude some New Zealand International Financial Report Standards non-cash and other adjustments

² Net Profit After Tax Attributable to Shareholders

³ Net Profit After Tax

⁴ Earnings Before Interest, Tax, Depreciation and Amortisation

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“As always, these results are a reflection of the skill and expertise of Scales’ management and staff, who are responsible for executing each of the divisional strategies, and we are hugely appreciative of their hard work.”

Divisions

Global Proteins generated an Underlying EBITDA of \$29.7 million (1H24: \$29.6 million). Andy Borland, Managing Director of Scales, observed: “Global Proteins continues to produce a consistent overall divisional performance, with increases in both petfood ingredients and edible proteins sales volumes.

“Meateor Australia had a particularly strong first half, delivering ahead of forecast with its year-to-date margins up on expectations. Fayman, the edible proteins business, also delivered a robust performance, with continued strong sales across Asia and United States markets.”

“We were very pleased to acquire an additional 7.5% investment in Shelby in April 2025 and also commission the new toll processing plant in the United States and the new processing facility in the Netherlands.”

Horticulture delivered a significant growth in earnings with Underlying EBITDA of \$53.2 million (1H24: \$30.0 million), up 77%. Forecast total own-grown export volumes for Mr Apple are 3.7 million TCEs⁵ (2024: 3.0 million TCEs), a projected increase of 21%.

Mr Borland commented: “The strong performance in Horticulture highlights the success of our long-term strategy to invest in apple varieties tailored for key markets in Asia and the Middle East - a strategy that was accelerated by last year’s Bostock transaction.

“There were significant increases in our Dazzle™ and Posy™ volumes as a result of this strategy. These varieties are forecast to account for over 25% of Premium volumes in 2025, with the proportion of Premium apple volumes overall also increasing, to around 75% in 2025 (2024: 72%).” We expect the proportion of Premium variety volumes will continue to grow in future harvests as a result of maturing plantings.

Logistics produced an exceptional result, underpinned by increased freight volumes. Underlying EBITDA was \$6.1 million compared to \$3.8 million in 1H24, up 60%. Mr Borland remarked “This was a very strong result from Logistics especially in light of global supply chain issues. The division

⁵ Tray Carton Equivalents

experienced strong demand for sea freight, particularly from the horticulture sector, and a significant increase in air freight volumes, particularly across dairy. Our new Auckland coolstore and warehouse also helped to facilitate this lift in volumes.”

Full Year 2025 Outlook

The Directors are pleased to advise a further increase in the FY25 Guidance range of Underlying Net Profit after Tax Attributable to Shareholders, to between \$45.0 million and \$50.0 million.

In providing this Guidance, Directors note the following:

- Mr Apple has ~18% of the export crop to be sold (August 2024: ~14%)
- We remain cautious in Global Proteins due to the current operating and geopolitical environment. However, we are confident with the medium-term and strategic growth initiatives that we have in place

On behalf of his fellow Directors and Shareholders, Mr Petersen expressed his thanks to all Scales' employees' ongoing commitment and effort, which has been responsible for delivering the strong first half financial performance.

About Scales Corporation

Scales Corporation is a diversified agribusiness portfolio. 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 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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