

SCOTT TECHNOLOGY LIMITED

FY24 RESULTS

INVESTOR PRESENTATION

17 October 2024



INVESTOR PRESENTATION
FY24 RESULTS



Aaron Vanwalleghem
Interim Chief Executive Officer



Anthony Wesney
Co-Chief Financial Officer



Mark O'Malley
Co-Chief Financial Officer



Casey Jenkins
*Group GM – People, ESG
Marketing & President Minerals*

AGENDA

3-10 Strategy & Performance

11-17 Core Business Highlights

18-22 Sustainability, People & Planet

23 Final Comments

STRATEGY & PERFORMANCE

Full Year Business Highlights



Revenue of \$276m, +3% on a record FY23, and resilient operating EBITDA in a challenging market highlights the strength of the strategy.



Major strides in sustainability with the development of a carbon management plan and Scope 1 and Scope 2 emissions reduction targets, to be revealed in the **Climate Disclosure Report on 20 November**.



The *Engineering Scott to High Performance 2020-2025 strategy*, which has driven sustainable growth and market leadership in core sectors, has been **extended through 2027**.



A proactive safety culture achieved a key milestone with a **100% reduction in lost-time injuries** (LTIs) in FY24.



Forward work remains positive, \$160m comprising of strong MHL, minerals and protein orders and service agreements.



Strong growth runway fueled by innovative products and scalable solutions, like BladeStop T300, Poultry Trussing, AMS, Modular AGV, Moderate Speed Palletiser and Beef and Lamb development advancing through key development stages.



New facility and **capital investments across the business**, including Czech Republic and Rocklabs to support future Core revenue growth.



The Directors have recommended a final dividend of 3.0 cents taking **total full year dividends to 8.0 cents**.

SUMMARY

FY24 Performance Snapshot

FY24 Revenue



FY23	\$268M	+ 3%	▲
FY22	\$222M	+21%	▲

Group Margin Performance



FY23	27%	▬
FY22	24%	▲

Operating EBITDA



FY23	\$30M	+ 0%	▬
FY22	\$24M	+27%	▲

Core Revenue Contribution



FY23	79%	+ 6 BPS	▲
FY22	75%	+ 4 BPS	▲

Forward Work*



FY23	\$179M	- 24%	▼
FY22	\$172M	+ 4%	▲



FY23	\$16M	+50%	▲
FY22	\$19M	-16%	▲

Dividends Per Share (Cents)

FY24 8.0 | FY23 8.0 | FY22 8.0

Underlying Earnings Per Share (Cents)**

FY24 14.3 | FY23 20.3 | FY22 15.9

* Forward Work represents contracted activity. It is not an indicator of revenue over a set period of time.

** Underlying Earnings Per Share excludes non-recurring costs

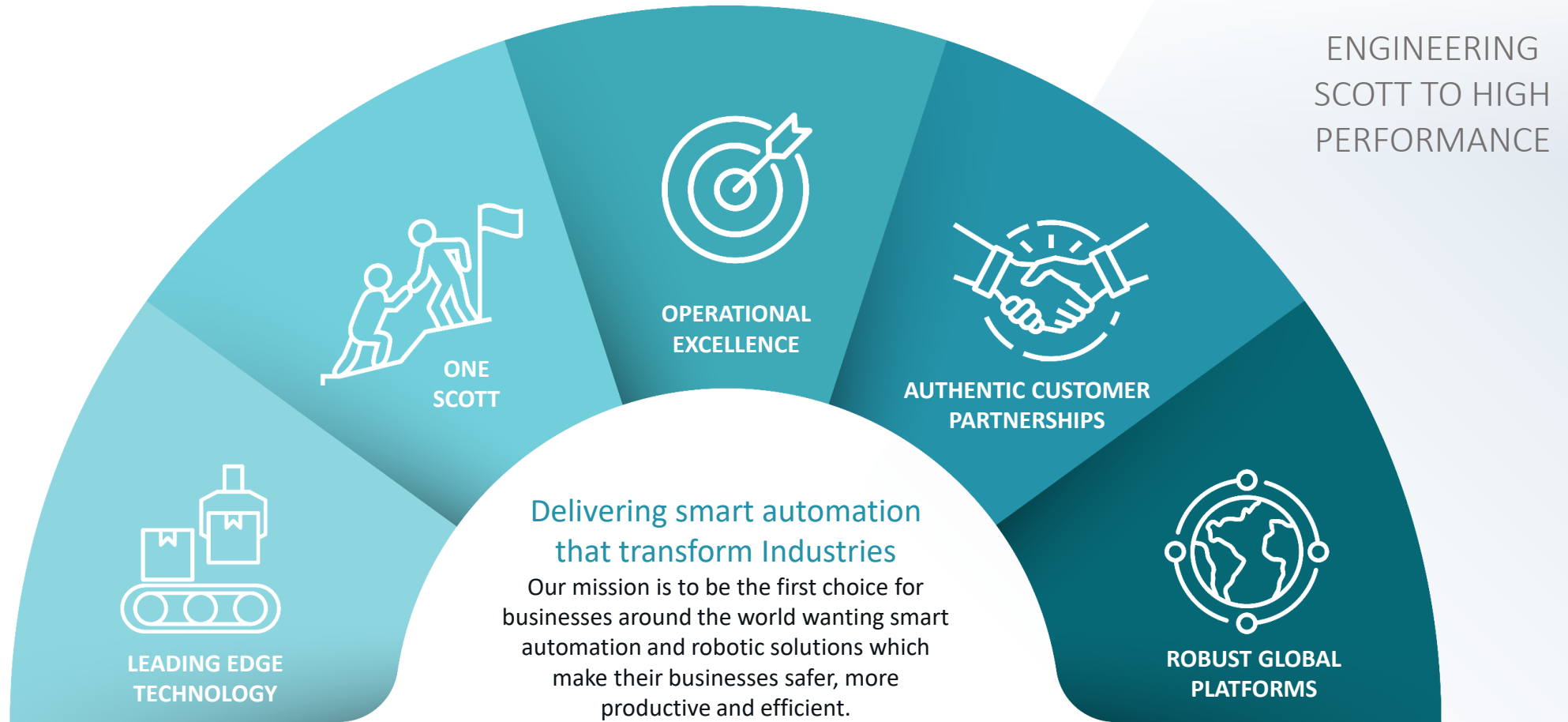
Robust revenue and stable operating earnings in a challenging market

	Results Snapshot (NZ\$m)		
	FY24	FY23	FY22
Revenue	276.1	267.5	221.8
Operating EBITDA	30.2	30.4	23.9
Non-trading adjustments*	(3.8)	(0.7)	-
EBITDA	26.4	29.7	23.9
Net Profit After Tax (NPAT)**	7.7	15.4	12.7
Total Net Debt	(20.1)	(0.1)	(8.0)
Net Cash / (Overdraft)	(7.3)	12.4	3.9
Bank Loans	(12.7)	(12.5)	(12.0)
Operating Cash Flow	6.0	20.2	6.3

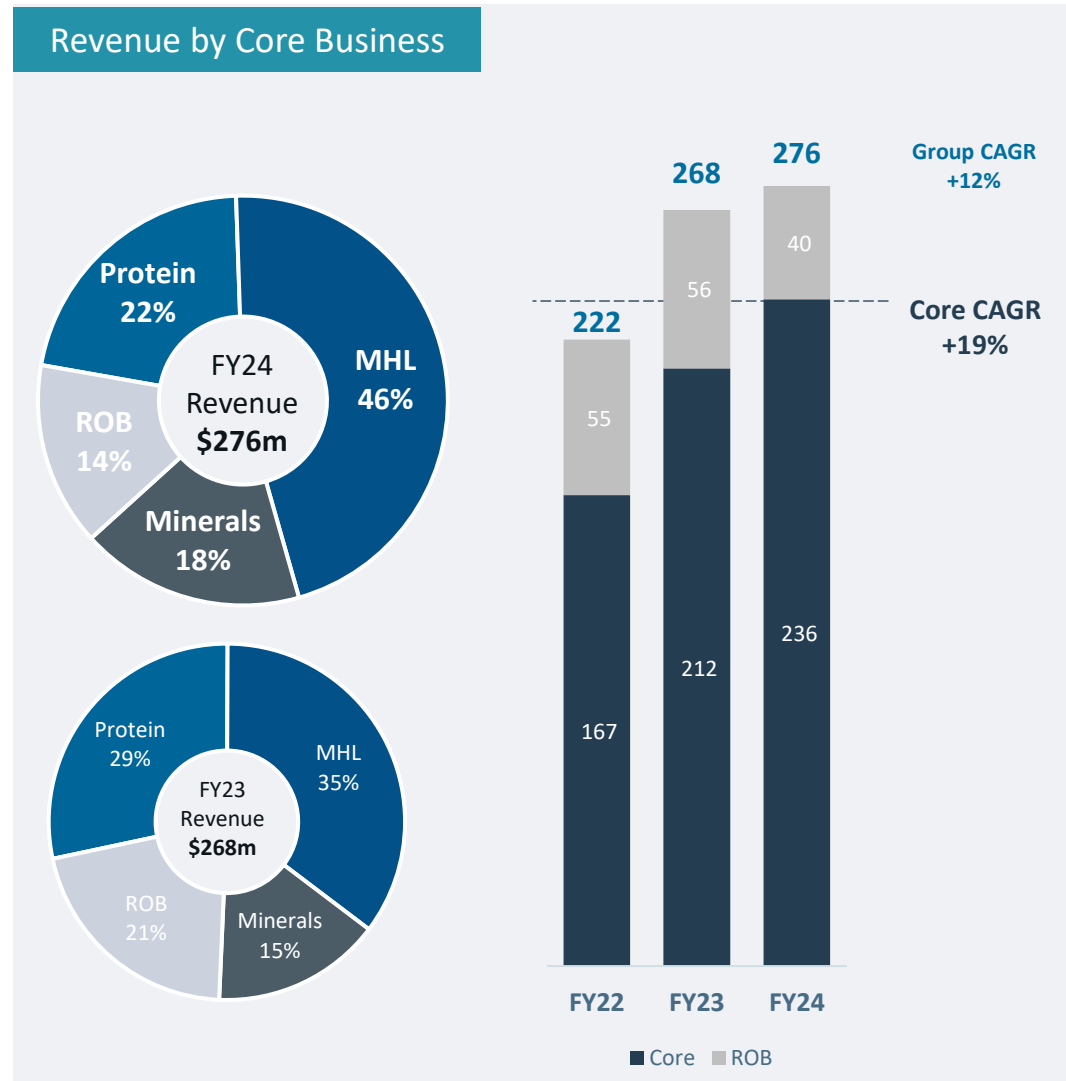
* Includes expenses related to the strategic review announced in June 2023 and restructuring costs refining core business

** FY22 reported NPAT is \$0.1m as it captures \$12.6m of non-cash write offs from the discontinued Robotworx operation

Scott 2025 extended to 2027 with confidence

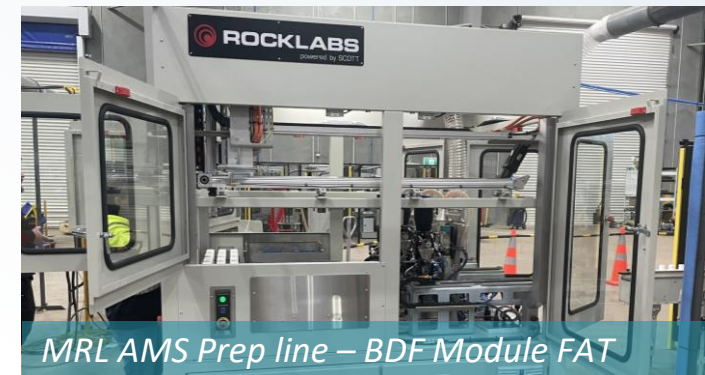


Strategy delivering sustained expansion and resilience across core business



Scott's strategy of more revenue from proven systems, product and service delivers another period of growth

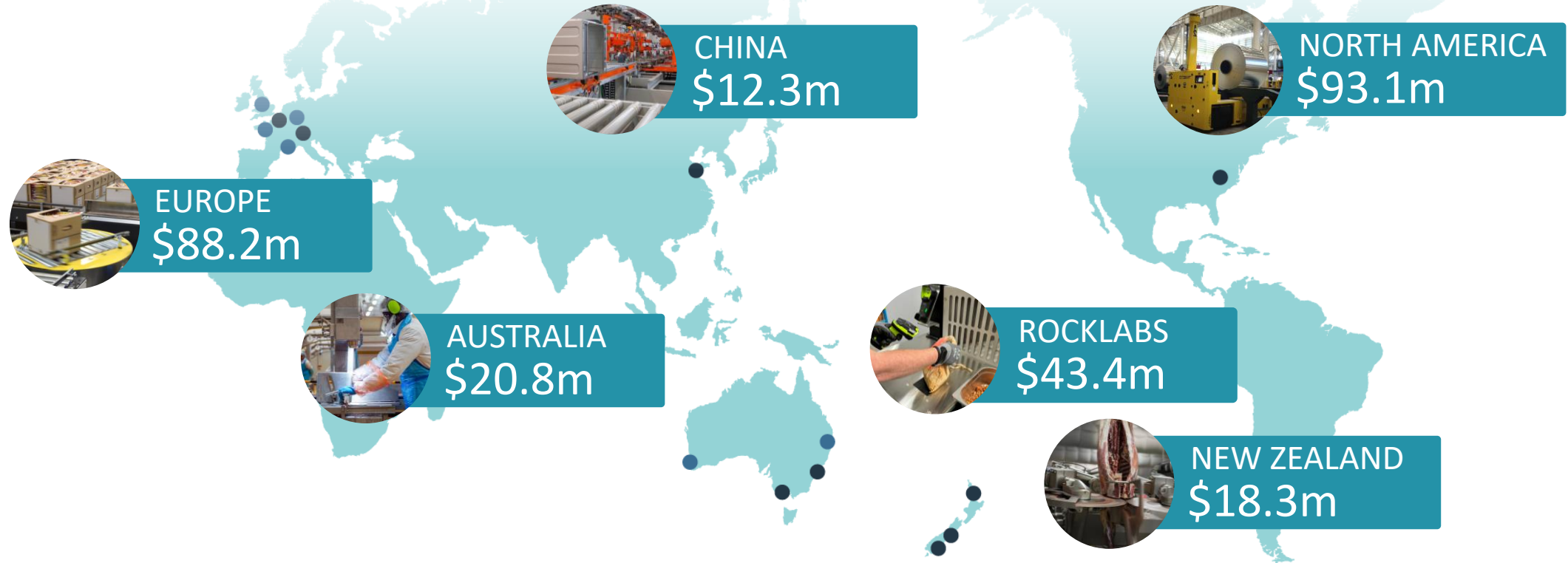
- Strategy supplying repeatable solutions into large addressable markets continues to gain momentum.
- Core sector revenue has had a CAGR of 19% and represents 85% of Group Revenue (up from 79%).
- Strong partnership with global customers generate significant growth in the US MHL market along with continued growth in the existing Europe market delivers a 35% uplift in MHL revenue.
- Successful launch of the first Rocklabs AMS Prepline saw Minerals revenue grow by 19%.
- Protein manages its way through a challenging period and is well positioned to capitalise on a pipeline of opportunities in FY25. This includes a strategically important lamb primal order secured in Oct-24 for JBS in Australia.
- A focus on service and aftermarket delivers sustainable recurring revenue stream with a compelling value proposition to support a growing installed base.



PERFORMANCE

Strong global platform supported by world-class products and people

REVENUE CONTRIBUTION
BY SITES



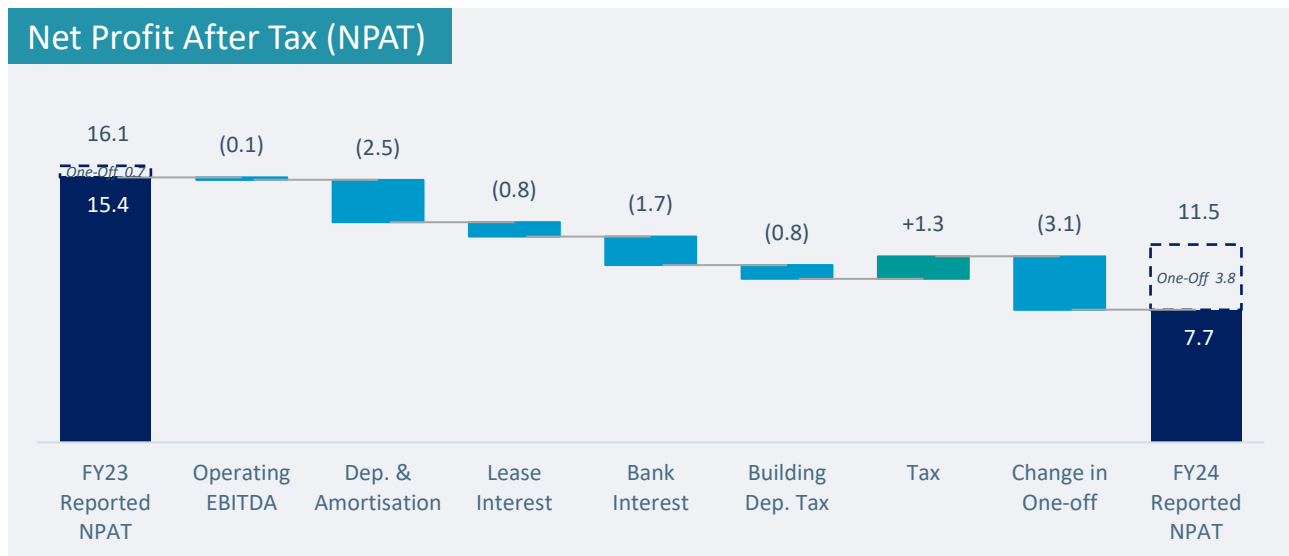
649 Scott Employees

9 Countries of Operation

350+ Customers supported in FY24

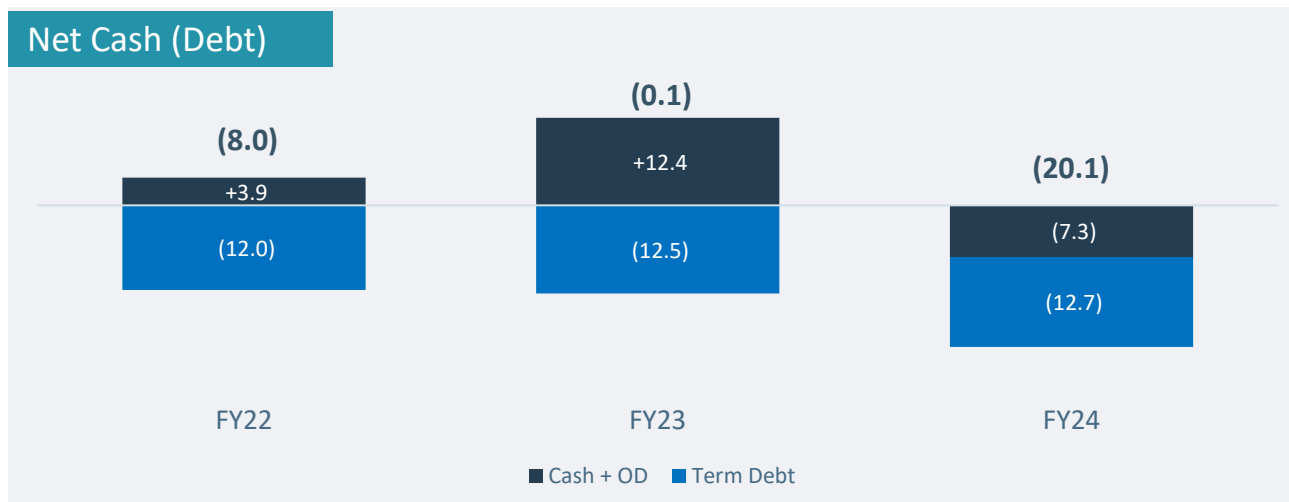
30+ Represented Countries

Reduced NPAT following period of investment for future growth



Investment in infrastructure positions business for future

- Operating EBITDA is \$30.2m, largely in-line with prior year.
- Depreciation & amortisation and lease interest changes driven by new lease facilities to support Core revenue growth including Czech Republic (MHL) and Rocklabs (Minerals) along with capital investments for fabrication equipment.
- Bank Interest includes higher effective rates and return to a net debt position.
- Building depreciation tax reflects the recent change in NZ tax legislation.
- One-off costs relates to strategic review carried out in 2023 and restructuring costs refining core business.



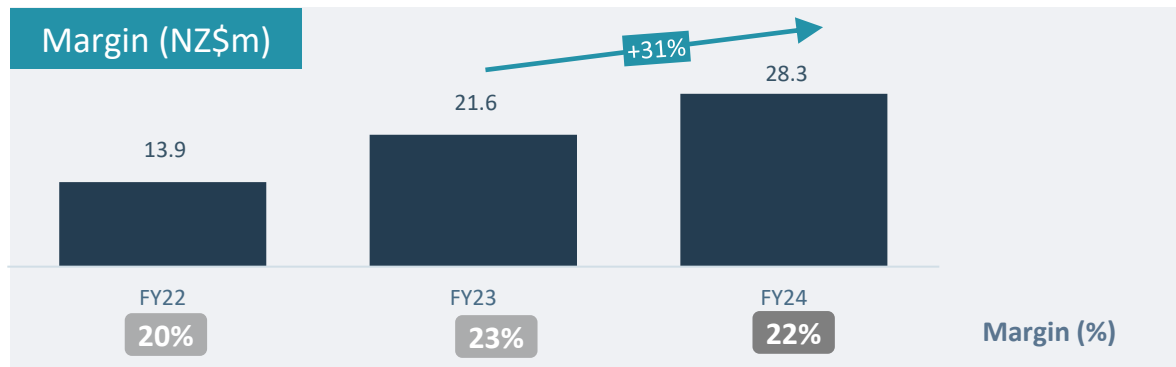
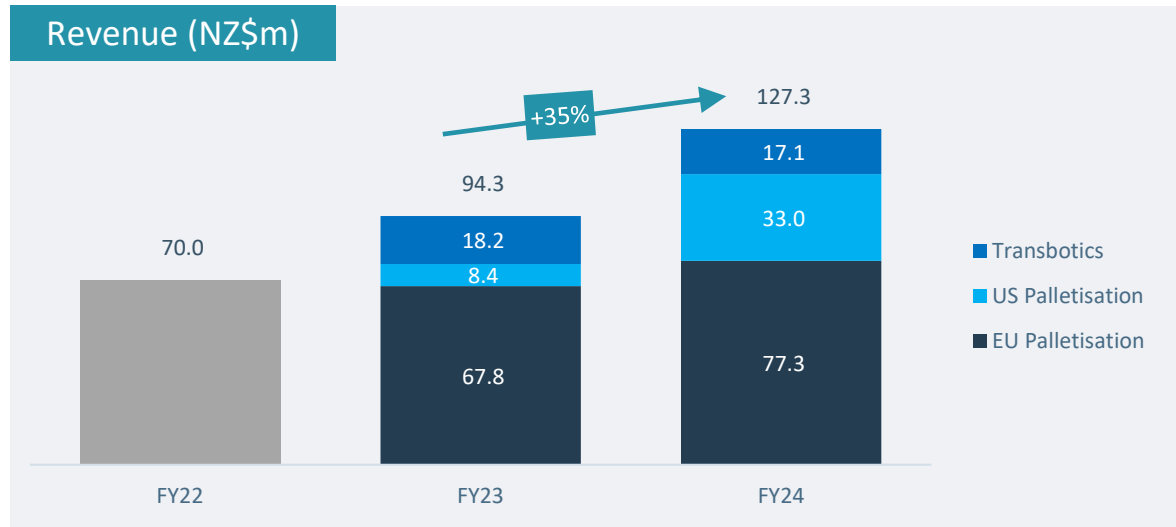
Timing of cash flows and key investments increases net debt

Key movements of cash are:

- FY23 cash position elevated due to timing of cash receipts from significant projects in advance reflected in the net movement of Contract Assets / Liabilities
- Strategic pre-build on select projects with orders subsequently secured in FY25.
- FY24 overdraft increases, allowing for footprint expansion, other capital investments, IT infrastructure and financing activities.
- Increased dividends and tax paid in the period.
- Investment positions Scott for sustained growth in new markets and products.

CORE BUSINESS HIGHLIGHTS

Continued growth in strategic markets Europe and North America



35% revenue growth following higher demand in automated palletisation solutions

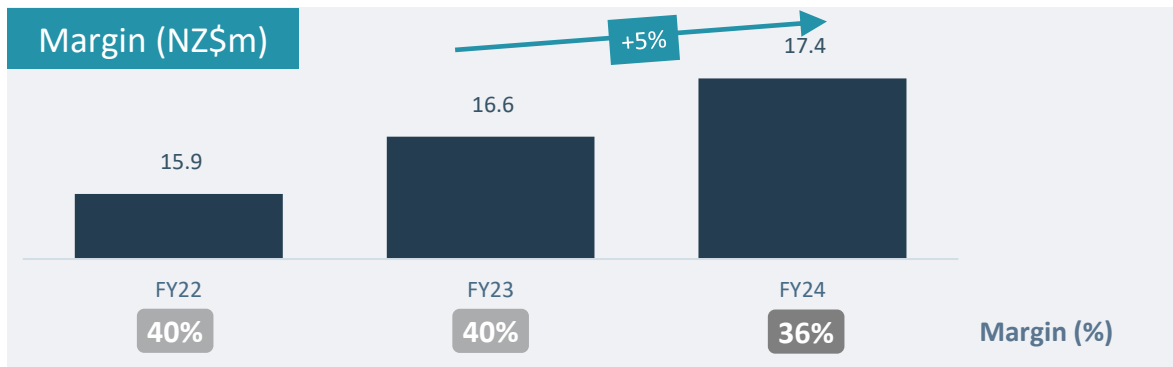
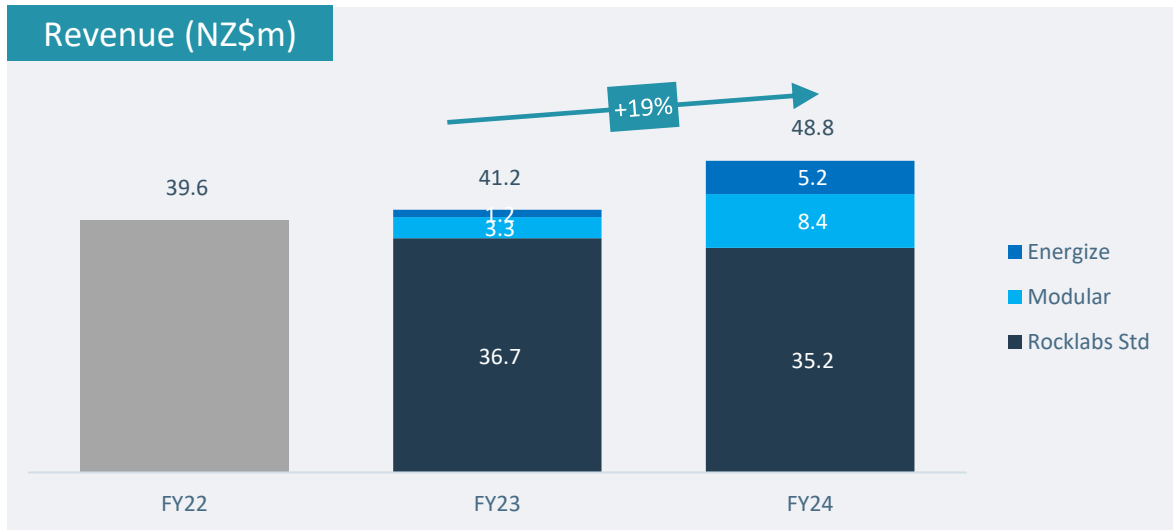
- Scott’s MHL presence continues to grow strongly across Europe and North America, with over 40 projects in progress.
- Revenue up 35% with the completion of the ASRS system for Alliance NZ, progress on JBS Brooks and McCain Canada projects, and strong execution and growth in the existing Europe market. This included the completion of Incom Leone’s Slovenian ice cream multiline palletising system.
- Continued significant forward order book of \$95m.
- Important deals closed in Q4 FY24 including Agristo, Danone, Cranswick and a major global potato processing operator in North America.

Strong margin delivery for MHL, up by 31%

- Margin % impacted by a large strategic project, JBS Brooks, excluding this MHL margin % showed solid growth. Improved MHL margins has been a key strategic focus area



New products drive revenue growth



Rocklabs AMS and Energise drive growth of +19%

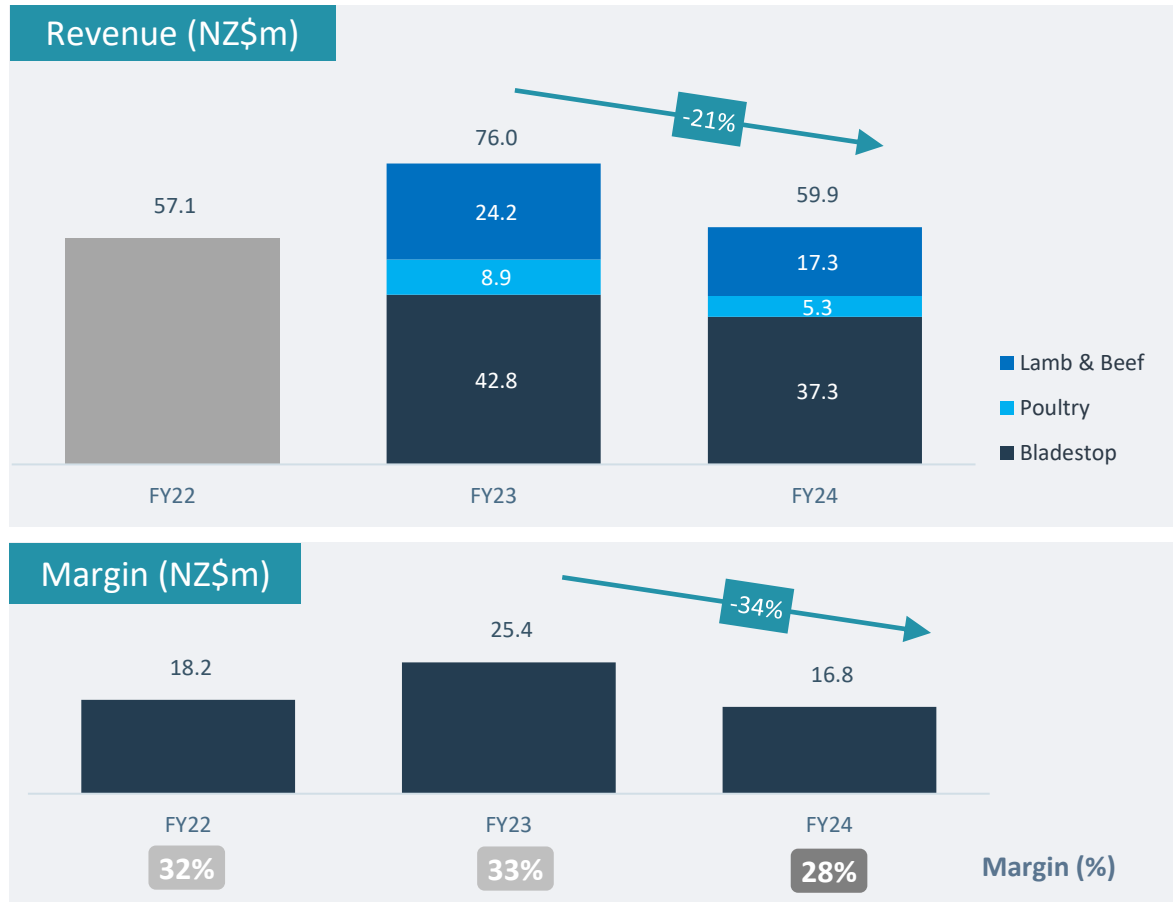
- Strong focus on execution for Rocklabs Automated Modular Solution (AMS) for Minerals Resources Ltd (MRL) and the automated energy transfer systems (AETS) for Caterpillar, known as Energise.
- Growth in Scott minerals sector despite macro-economic conditions for the minerals market and price pressure in several global commodities. Growth for Scott has been achieved through introduction of new products, blue-chip customers and leveraging a large existing installed base and focus on distributor expansion and growth.
- Solid year for Rocklabs standard equipment but softer demand for part sales with reduced exploration and sample throughput in the labs.
- Strategic investment in a new world-class facility for Rocklabs in Auckland positions the business for further growth and enables expansion of AMS as a product.

Margin grows 5% but dip in margin % due to mix

- Driven by a shift in product mix towards new solutions, added development costs for AMS and a softer period of Rocklabs parts sales with reduced sample throughput via mineral exploration in the labs.



Global macroeconomics brings reduction in demand

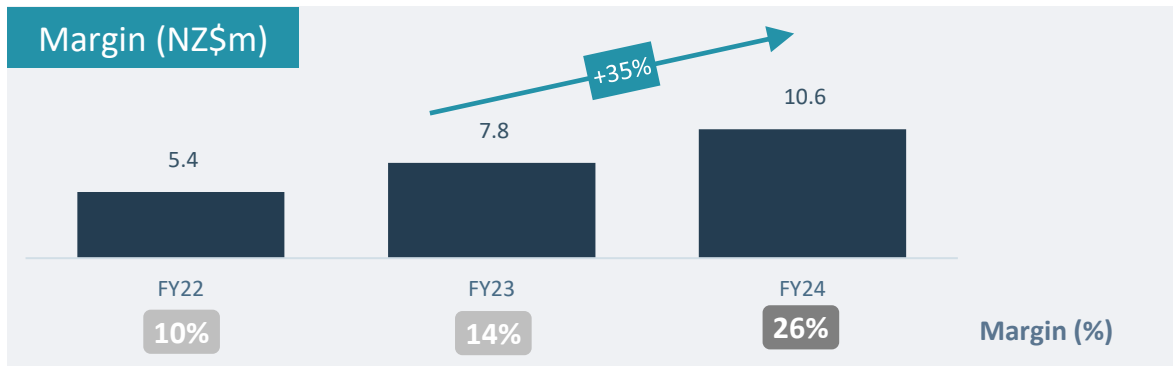
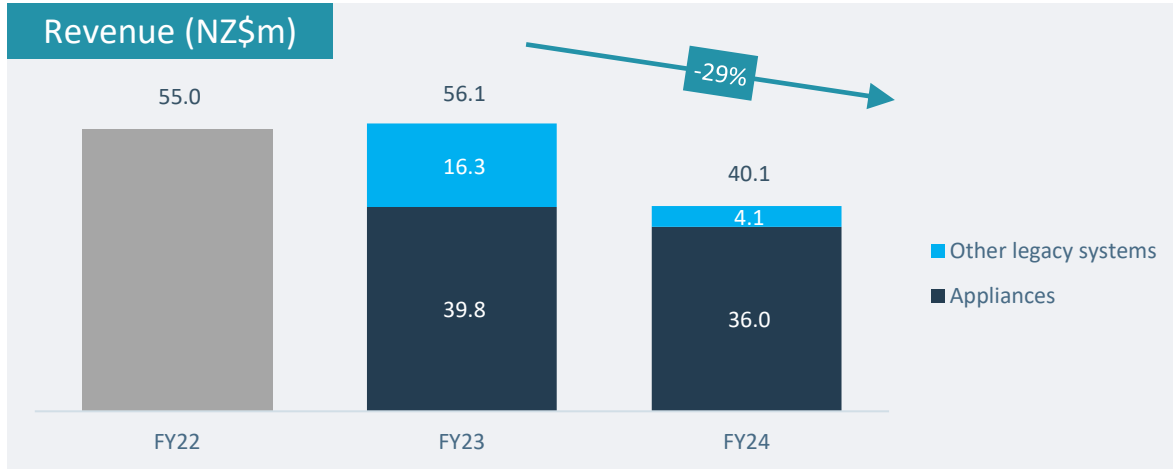


Global pressure on red meat reduces customer demand and meat processors investments

- Protein revenue down 21% to \$59.9m in a challenging market period. North America faced reduced cattle supplies from environmental conditions and ANZ impacted by reduced lamb demand.
- BladeStop volumes down due to the reasons above. Pipeline and momentum started to build in Q4 FY24 along with launch of T300.
- Strong period for service up 20% with focus on customer value proposition and servicing the growing installed base.
- Highlights included commissioning of Silver Fern Farms Primal solution, a lamb loin deboner for ANZCO and repeat poultry trussing units for Costco.
- Margin impacted by reduced volumes and change in mix.
- Strategically important lamb primal order secured in Oct-24 for JBS in Australia which will positively contribute to FY25.



Focus on proven technologies delivers margin improvement

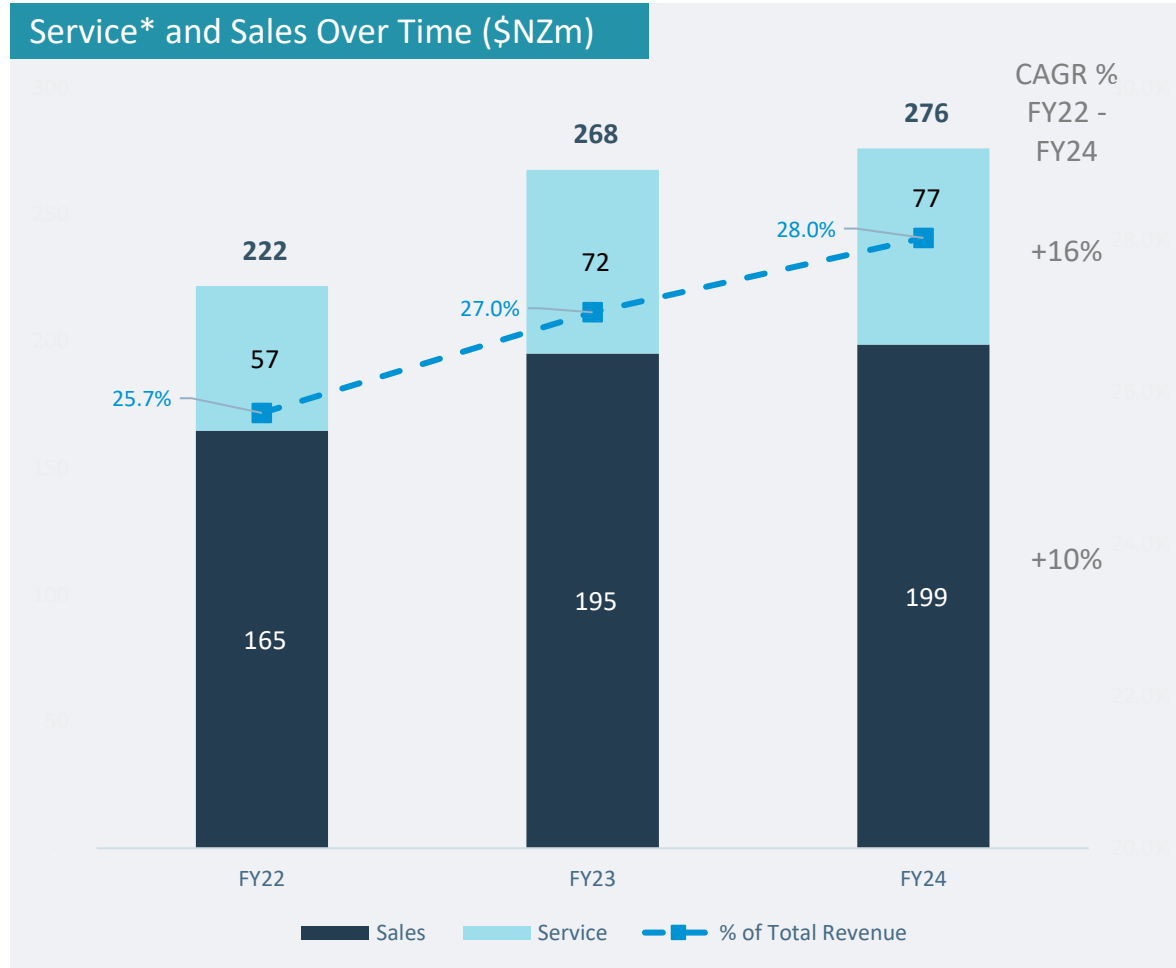


Strategic focus on executing on proven technologies

- Strategic focus on executing on proven technologies.
- Revenue down 29% but replaced with quality revenue with reduced risk.
- Decision to exit Industrial Automation (IA) in FY24 in-line with strategy.
- Strong execution on some high-quality, turn-key appliances solutions with Sub-Zero, Midea and GEA.
- Large installed base from years in the appliance industry provides good level of upgrade work at solid margins.
- Significant margin improvement attributable to strategy and several key projects executed well.



Focus on service strategy provides sustainable revenue growth



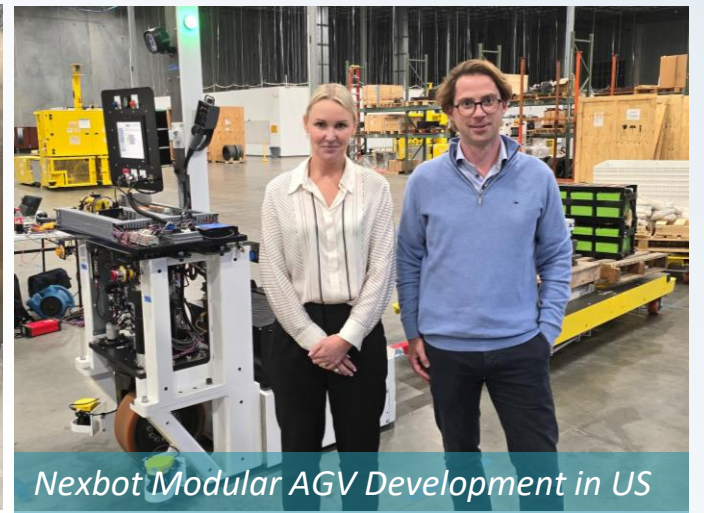
Focus on service strategy, customer value proposition and the growing installed base provides sustainable revenue growth profile

Fundamentals of Service/Aftermarket:

- Provides recurring, profitable revenue stream.
- Rapid growth in installed base from recent years provides a foundation for future revenue growth.
- Diversify earnings from equipment sales.
- Opportunity for further customer value and Scott being a strategic partner.
- Rich data from our solutions to enable customers site performance, EHS initiatives and further product development.

* Service revenue includes maintenance support from Scott's skilled technicians along with parts and spares

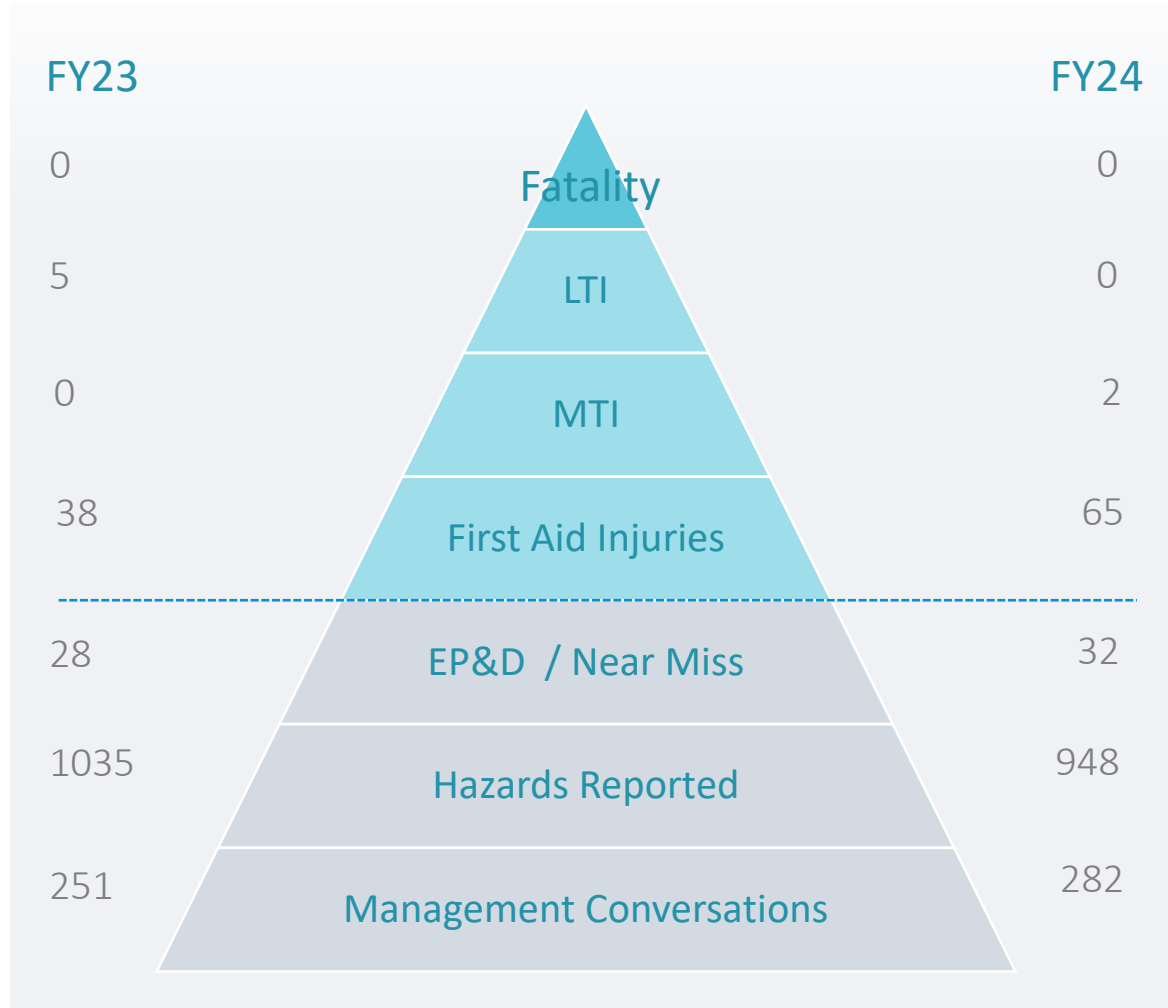
Innovation & developments impress as customer engagement accelerates





SUSTAINABILITY PEOPLE & PLANET

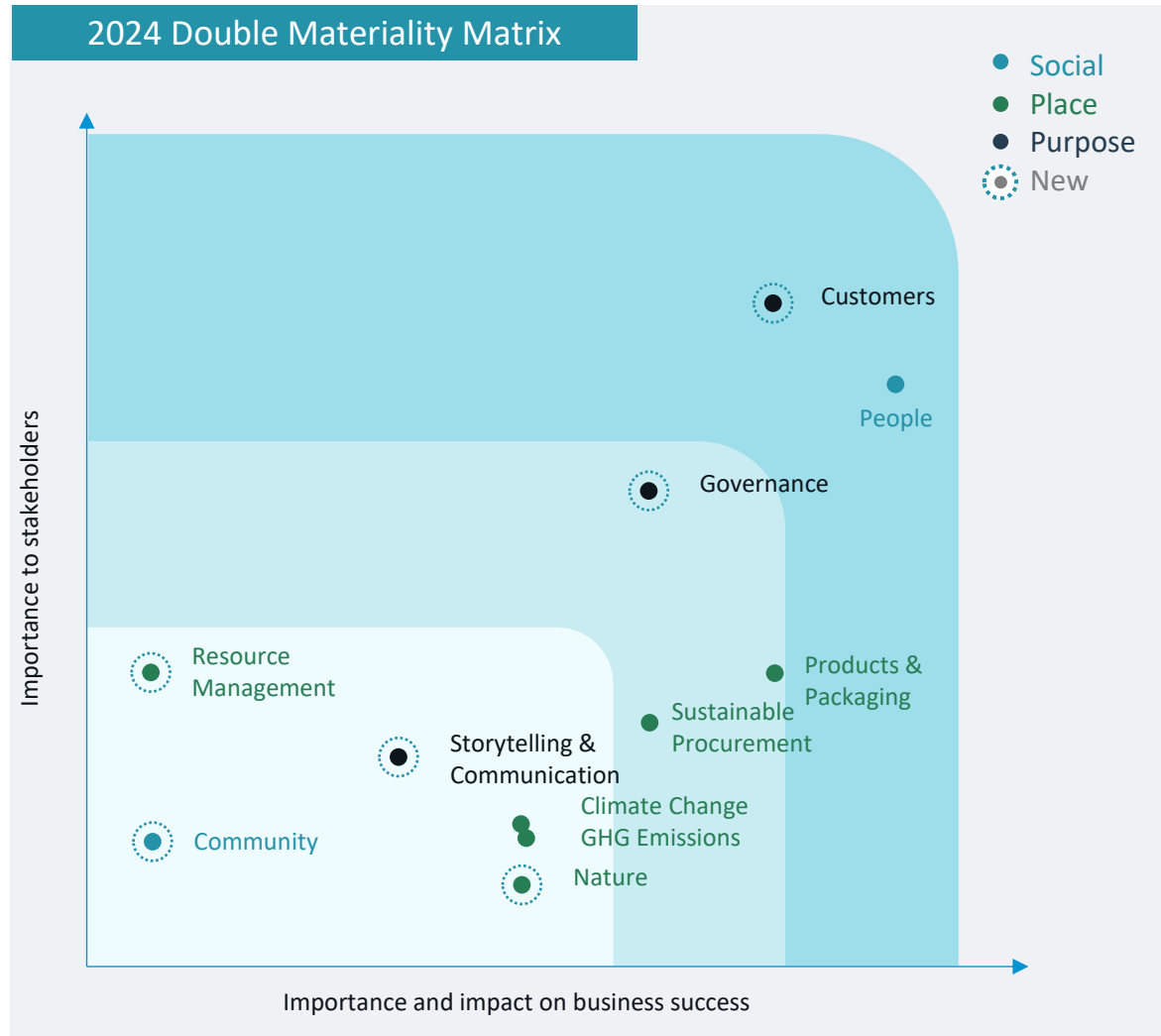
Zero Lost Time Injuries: A Milestone In Safety



Strong engagement delivers record improvements proving mature safety culture

- Strong engagement delivers record improvements proving mature safety culture.
- 100% reduction in lost-time injuries (LTIs) in FY24.
- 12% increase in safety conversations initiated by senior leaders, 475 safety discussions led by executives and management.
- 15% increase in Safe Mate nominations across the group (78 this year vs. 68 last year).
- 3rd Stop for Safety Event held globally.
- 948 hazards reported in FY24 (8% decrease), 14% increase in near-miss reporting.
- ISO 45001 certification achieved across 6 sites in Auckland, China, Czech Republic, Belgium, France and UK.

Evolving People, Purpose & Place Strategy



External materiality assessment completed to align sustainability efforts with stakeholder priorities, building on the 2021 internal assessment.

- Conducted an external materiality assessment to align sustainability efforts with stakeholder priorities, building on the 2021 internal review.
- Insights from horizon scans, surveys, and external stakeholder interviews shaped the Double Materiality Matrix
- Updated ESG Strategy focusing on areas critical to our broader ecosystem
- Continue to refine carbon strategy and explore emissions-reduction opportunities.
- Upcoming Climate Disclosure Report on the 20th November 2024 will update emissions targets and priorities.

Evolving our Sustainability Framework

2024 Sustainability Framework

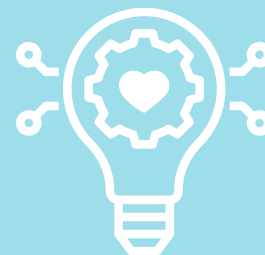
PEOPLE



Building an engaged, diverse, and talented workforce.

- 1 Career Growth:** Supporting team development with targeted training, fostering a positive, engaging, and talent-retaining environment.
- 2 Employee Retention & Engagement:** Prioritizing employee well-being, health, and safety with adaptive strategies to protect our people.
- 3 Diversity & Inclusion:** Building a diverse, inclusive environment that empowers all individuals to succeed.

PURPOSE



Growing profitable business focused on long-term growth.

- 4 Customer Experience:** Enhancing customer safety, efficiency, and resilience through valuable insights and services
- 5 Governance:** Upholding accountability, transparency, and ethical decision-making through strong governance.

PLACE



Committed to promoting sustainable practices for a better environment.

- 6 GHG Emissions:** Cutting emissions via energy efficiency, renewable energy, and other reduction strategies.
- 7 Climate Change:** Developing resilience strategies by assessing climate risks and opportunities.
- 8 Sustainable Procurement:** Integrating ESG into procurement, prioritizing sustainable, responsible suppliers.
- 9 Product Innovation:** Innovating with sustainability, quality, and value-added solutions.

- 10 Storytelling:** Sharing sustainability efforts transparently, building trust and alignment with stakeholders

Culture of engagement and collaboration drive excellence



Average tenure rate is 5.8 years, reflecting strong workforce longevity, with **turnover of 10.3%**.



Climate-related disclosures: **Scope 1 and Scope 2 emissions reduction targets set** for publication on November 20th, alongside other key goals.



Engagement initiatives drive eNPS to a record 85%, up from 83% in FY23, with an 80% return rate, surpassing the 70% target.



The second **Scott Technology Woman in Engineering Scholarship** was awarded this year in partnership with the University of Canterbury.



37 individuals from New Zealand operations **completed a 16-week leadership development programme**, with similar initiatives set to roll out globally.



Pathways support talent development with 24 people globally in an internship, apprenticeship, or graduate program, including 8 new participants this year.

FINAL COMMENTS

Significant progress and investment made across Scott



Scott 2027 strategy leverages proven expertise to target large, addressable markets



Embedded commercial partnerships with top-tier blue-chip customers



Highly engaged global team with strong support from a well-invested operating footprint



Market-leading safety culture combined with rapidly evolving ESG progress



Advancing productisation of scalable, repeatable solutions to fuel growth and market expansion



Consistent top-line growth trend sustained over the past four years



THANK YOU Q&A