



# Company Results Review

November 2019

## Performance highlights for the year to 31 August 2019

- ▲ Reported Revenue of \$225m – **up 24%** on 2018 with a 5 Year compound annual growth rate (CAGR) of 33%.
- ▲ Delivered Earnings Before Interest, Tax, Depreciation and Amortisation of \$20.0m – **up 1%** on 2018 with new accounting standards for leases increasing EBITDA by \$4m compared to prior year treatment.
- ▲ Total comprehensive income attributable to members of **\$9.8m** pushing **shareholder equity up \$6.2m** to a total of \$112m
- ▲ Operating cash inflow of \$0.7m (vs inflow of \$1.0m in 2018) reflects working capital required to fund balance sheet expansion and ongoing growth.
- ▲ Normaclass bolt on acquisition, previous acquisition earn-out and Dunedin building expansion funded by cash and debt.
- ▲ Earnings per share of 11.3 cents with Final dividend at 4.0cents and full year dividend of 8.0 cents per share – 70% payout ratio (2.0 cents lower than 2018 – cash held to fund working capital used to support growth.

# Revenue Growth Profile

10 year rev CAGR

19%

5 year rev CAGR

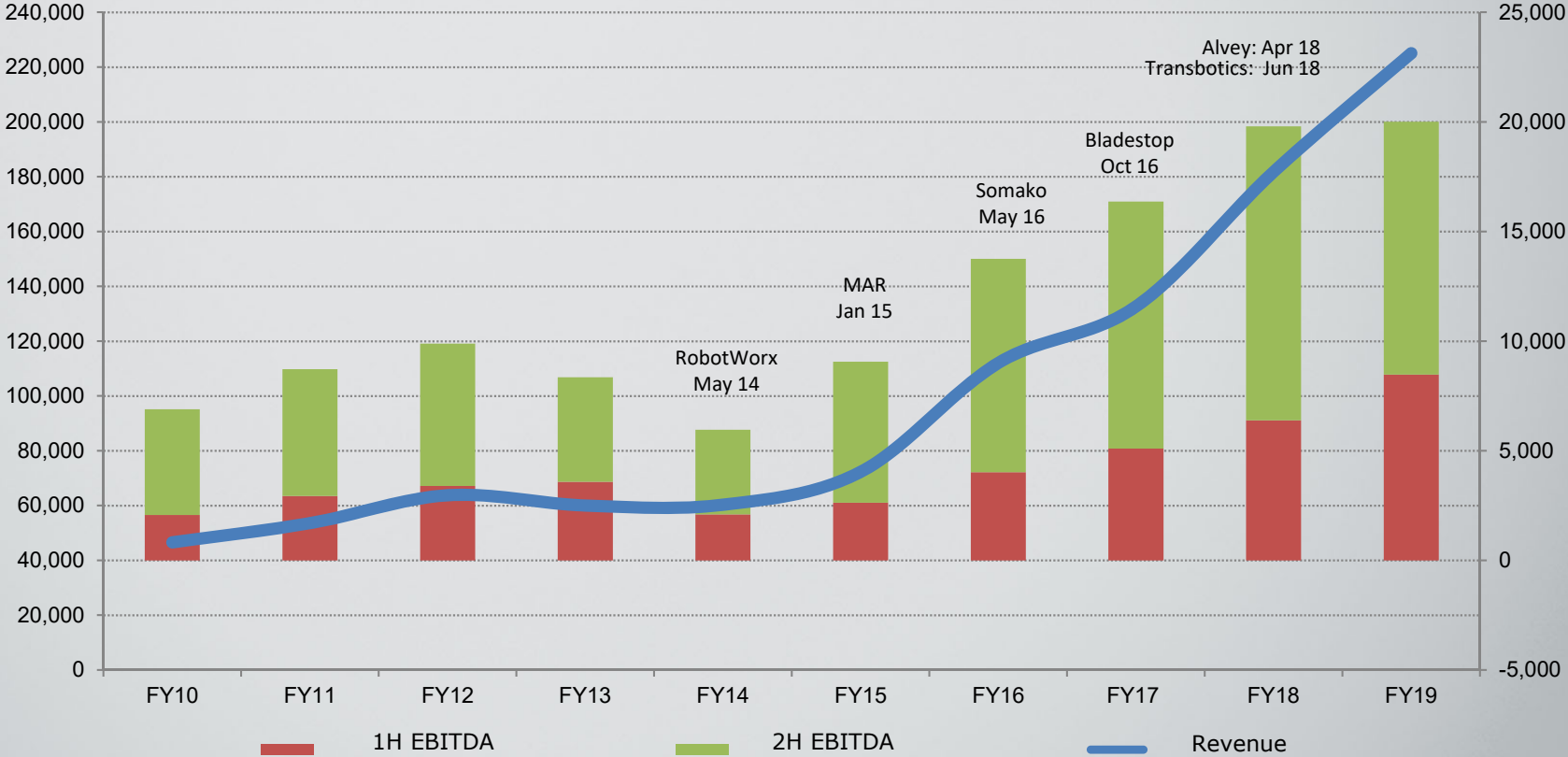
33%

3 year rev CAGR

30%

Revenue

EBITDA

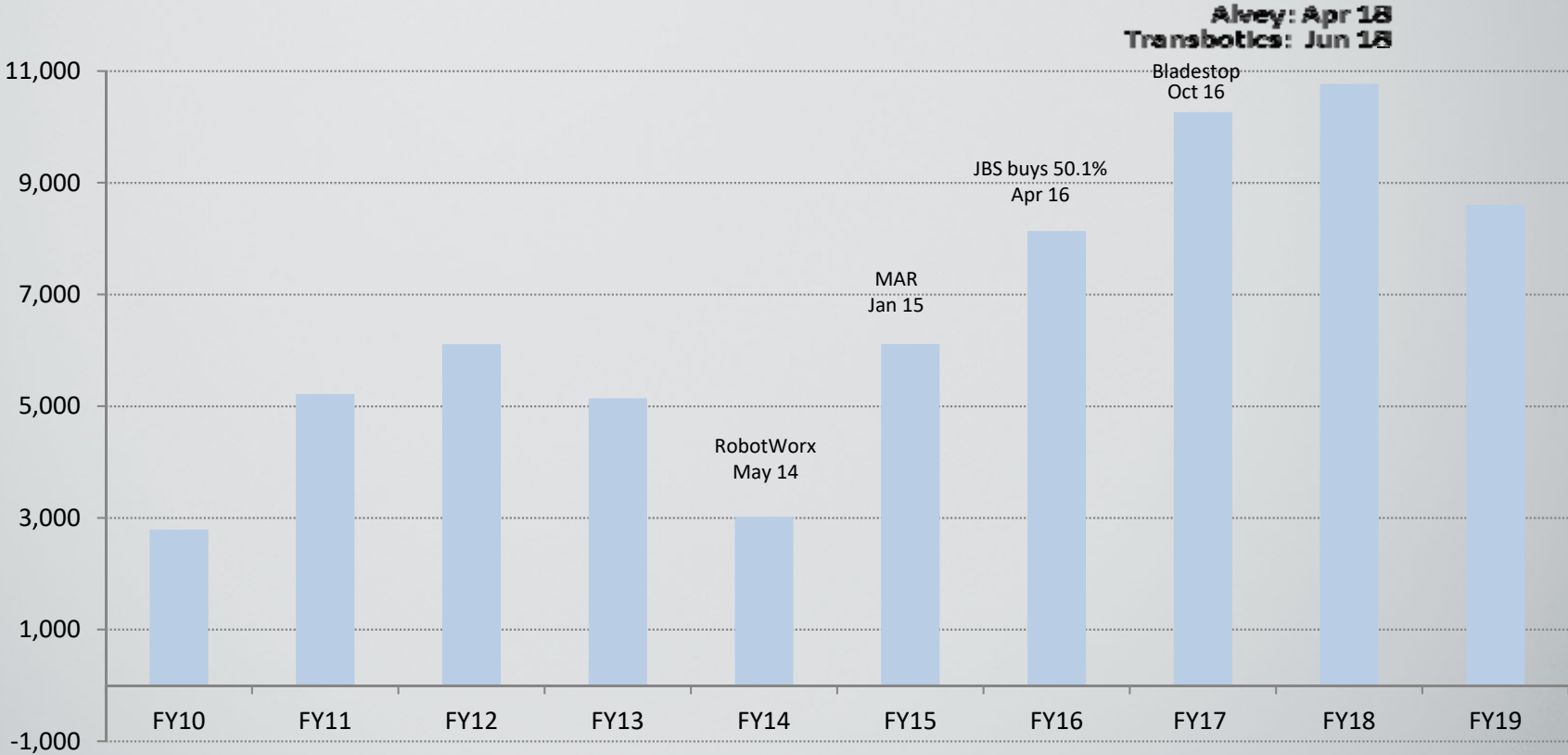


# NPAT Growth Profile

10 year CAGR 13%

5 year CAGR 9%

3 year CAGR -8%



# OUR GLOBAL PRESENCE

## EUROPE

UK  
Déninjk, Belgium  
Kürnberg, Germany  
Ploemeur, France  
Czech Republic  
Marseille, France

## ASIA

Qingdao, China  
Shanghai, China

## AUSTRALIA

Brisbane, Australia  
Sydney, Australia  
Perth, Australia  
Melbourne, Australia

## NORTH AMERICA

Marion, Ohio  
Vancouver, Canada  
Charlotte, North Carolina

## SOUTH AMERICA

Santiago, Chile

## NEW ZEALAND

Auckland, New Zealand  
Wellington, New Zealand  
Christchurch, New Zealand  
Dunedin, New Zealand

# Revenue Analysis

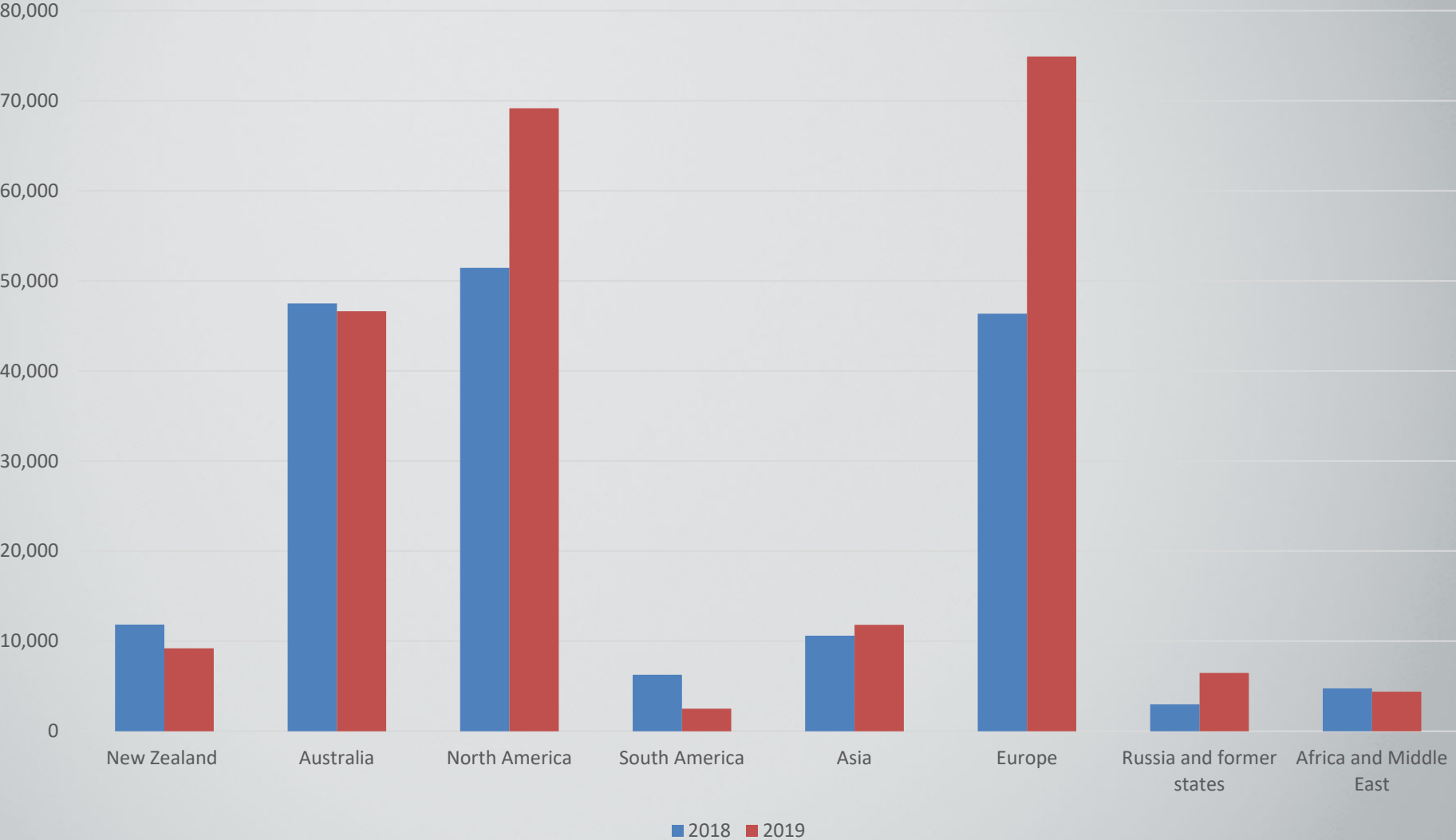
## Revenue matrix for 2018/19 Financial year

*By Industry and location of Customer*

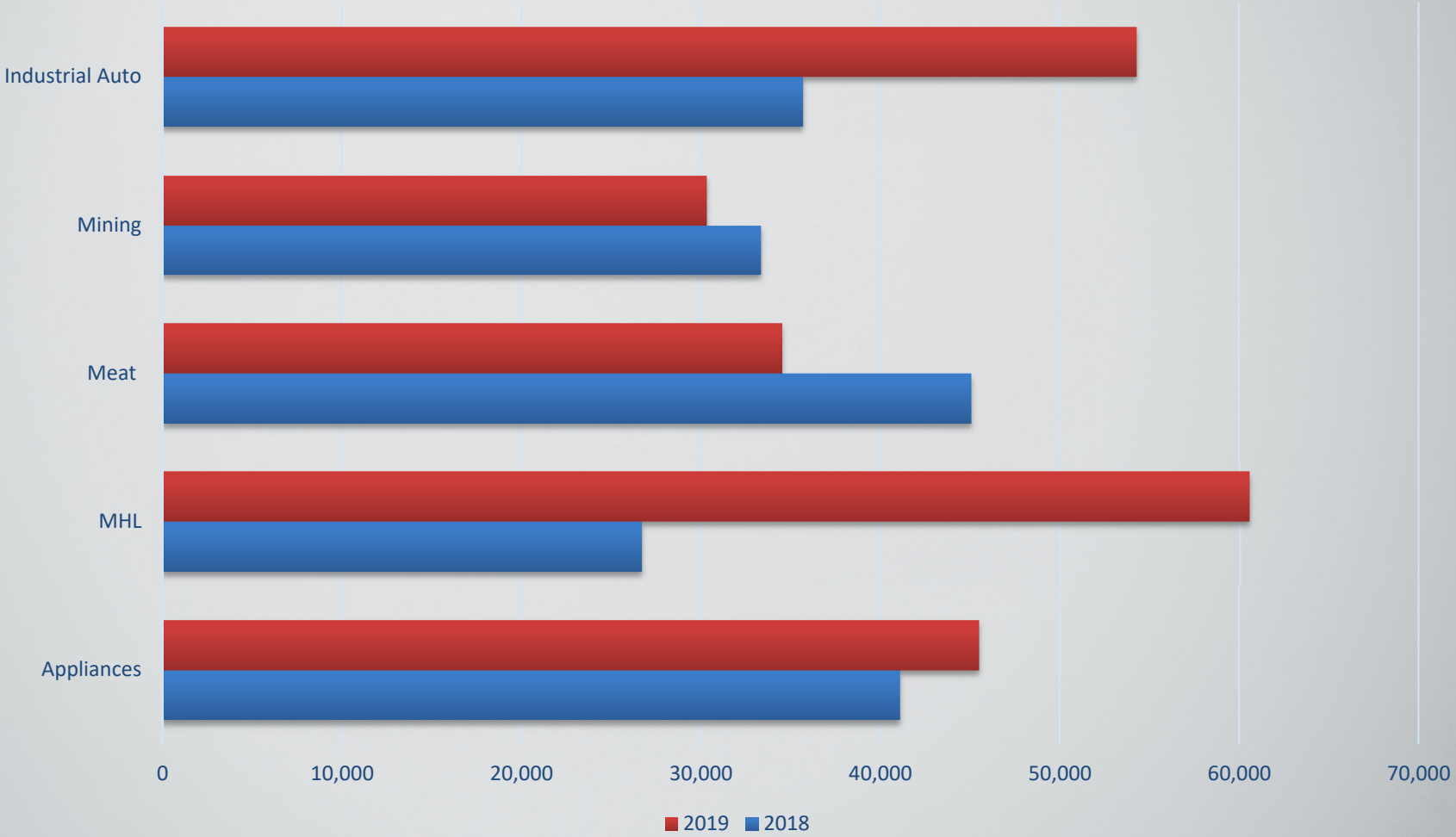
Geographical location of the customer

	New Zealand	Australia	North America	South America	Asia	Europe	Russia	Africa	Total
Appliances		1	24		10	9	1		45
Materials handling						61			61
Meat processing	5	15	10			5			35
Mining		10	6	3	2		5	4	30
Industrial automation	4	21	29						54
<b>Total</b>	<b>9</b>	<b>47</b>	<b>69</b>	<b>3</b>	<b>12</b>	<b>75</b>	<b>6</b>	<b>4</b>	<b>225</b>

# Revenue by Customer Geography (\$000's)



# Revenue by Industry Sector (\$000's)





# Sector Revenue Breakdown

## Sector Revenue

Aug balance date	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Meat processing	5	6	6	8	8	11	39	40	45	35
Industrial	1	3	8	7	9	31	31	40	36	54
Mining	19	28	34	29	14	17	22	26	33	30
Appliances	22	16	16	17	29	14	20	26	41	45
Materials handling									27	61
<b>Total</b>	<b>47</b>	<b>54</b>	<b>64</b>	<b>60</b>	<b>60</b>	<b>72</b>	<b>112</b>	<b>133</b>	<b>182</b>	<b>225</b>

April 2016

JBS acquires 50.1% at \$1.39 per share

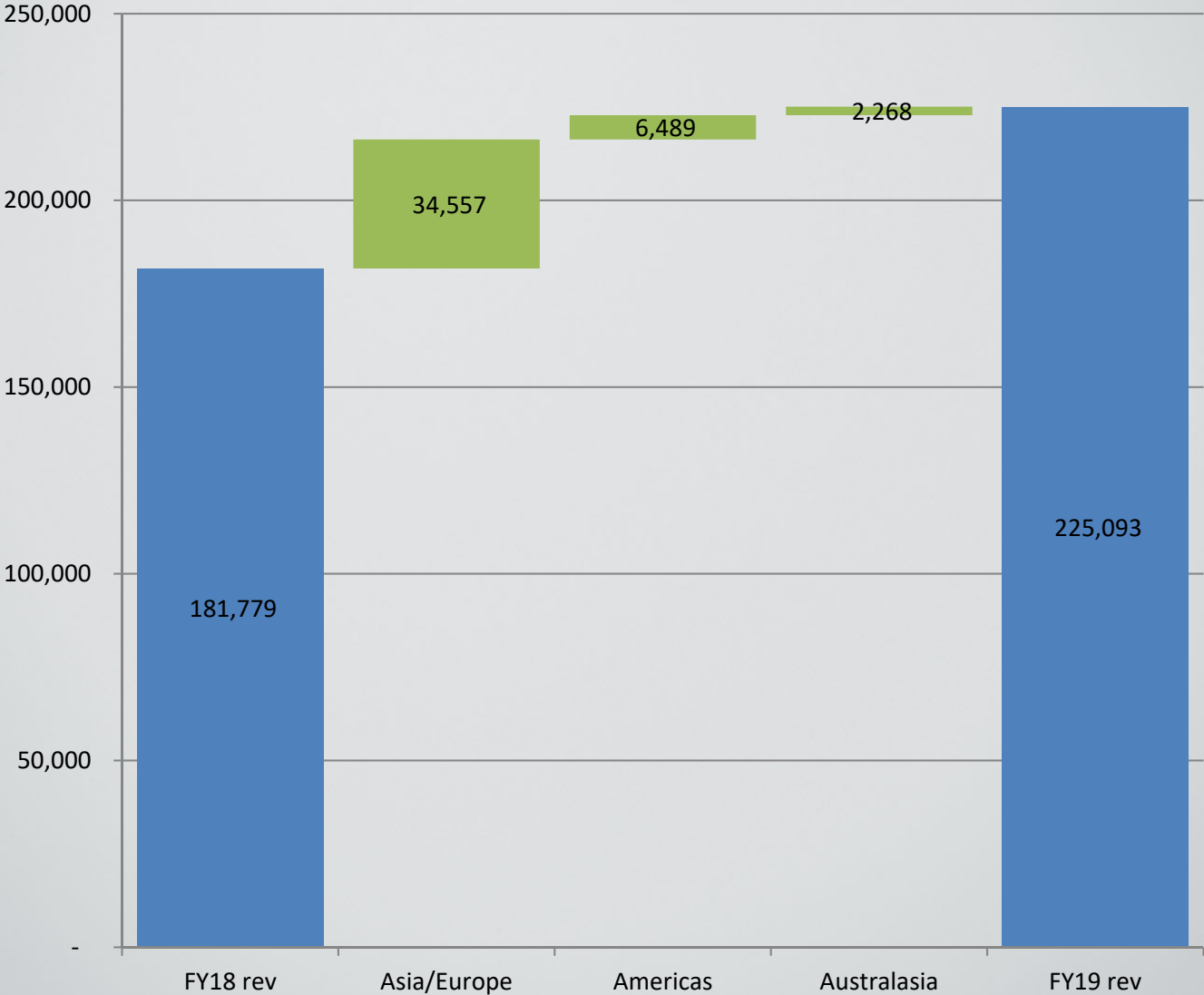
Accum growth	\$m
	30
	53
	11
	24
	61
	179

Sales to JBS	0.3	3.2	5.6	6.2
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Acquisitions	RobotWorx	MAR	Somako	Bladestop	Alvey
	May-14	Jan-15	May-16	Oct-16	Apr-18
Rocklabs				Transbotics	
1 April 2008					Jun-18

Revenue CAGR	1 year	3 year	5 year	10 year
Meat processing	-23%	-7%	33%	27%
Industrial	52%	16%	15%	27%
Mining	-9%	7%	16%	5%
Appliances	11%	31%	35%	9%
<b>TOTAL</b>	<b>24%</b>	<b>30%</b>	<b>33%</b>	<b>19%</b>

# Revenue Bridge Manufacturing FY17to FY19 (\$000's)



# Segment Results

	Revenue			Surplus after Tax		
	<u>2018</u>	<u>2019</u>	<u>change</u>	<u>2018</u>	<u>2019</u>	<u>change</u>
Australasia	100,492	102,760	2,268	11,899	9,218	(2,681)
Americas	29,141	35,630	6,489	2,490	4,091	1,601
Asia & Europe	52,146	86,703	34,557	441	1,703	1,262
	<u>181,779</u>	<u>225,093</u>	<u>43,314</u>	<u>14,830</u>	<u>15,012</u>	<u>182</u>
			Unallocated	<u>(4,058)</u>	<u>(6,408)</u>	
				<u>10,772</u>	<u>8,604</u>	

*Strategy - to build a global company that has a sufficient presence, scale and technology to produce profitable growth.*

- *Core technologies have largely been developed*
- *Focus for 2020:*
  - *Repeat, profitable, sales of developed and proven technology*
  - *Taking Pork, Poultry and Beef developments to market*
  - *Growing service and maintenance revenues*
  - *Reviewing all areas of operations to improve bottom line*

## Opportunities for Meat Processing Sector

**Lamb** – Proven with small addressable market

**Beef** – development underway will be prototypes over next few years. Market size large (10x Lamb)

**Pork** – started with Primal cutting based on lamb Xray – primal knowhow. First system in 2020. Addressable market \$200 – \$500 million (hundreds of multi million dollar systems).

**Poultry** – proof of concept delivered with first commercial system build underway. Addressable market \$20m+ over next three years with other similar systems to follow.

# Scott systems for meat processors

## Scott Position in Market few competitors

Technology Readiness

developing

developed



Many competitors

## Opportunities for Mining Sector

***Robo Prep (robotic sample preparation systems for Laboratories)*** – System technology (Hardware and Software) now proven with multiple installs planned for 2020. Addressable market \$20m - \$50m per annum.

***Automated Fire Assay*** – first commercial system delivered to Gold miner in Mexico.

***Robotic Refuel*** – Leading miners trialed and first commercial order taken in 2019. Addressable market \$50 – \$100 million.

## Opportunities for Other Sectors

**Automated Guided Vehicles (“AGVs”)** – Growing footprint for specialised vehicle technology. (Hardware and Software) well established with repeat bluechip customers. Demand for AGV’s growing at rapid rate particularly for Scott in North America. Target growth 30% plus.

**Appliances and metal forming** – subdued growth expected. Focus on repeat customers where we offer unique solutions.

**Materials Handling** – Europe subdued but expected cross selling opportunities into North America to lead to further growth.

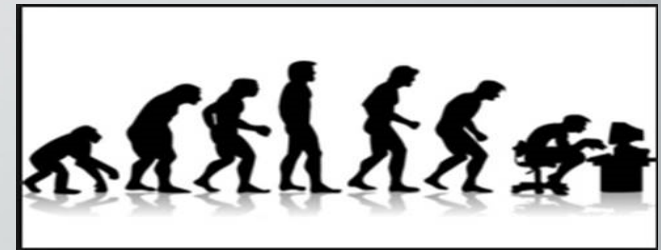


*To deliver on Scott's Strategy, the focus will be on:*

- Consolidation and further integration of recent acquisitions into Scott – rollout of best practice systems and processes.
  - Cross Selling Opportunities
- Service and Spare Parts
- Research & Development – sharper focus
  - Meat processing developments continuing
  - Bladestop – new and expanded product range rollout
  - Mining technology developments
- Digital solutions (industry 4.0 and machine learning/AI) well established within Scott and complements Hardware

# Scott – Digital Direction

1. Vision and image analysis
2. Package Software
  - Maestro (ex Alvey)
  - TMO (ex Transbotics)
3. IIOT and connectivity
  - Equipment reporting
  - Diagnostics
  - Maintenance
  - OEE
4. Machine Learning
  - AI / convolutional neural networks
5. Augmented Reality
6. Virtual Reality – for Marketing and Training



# Bladestop Bandsaws

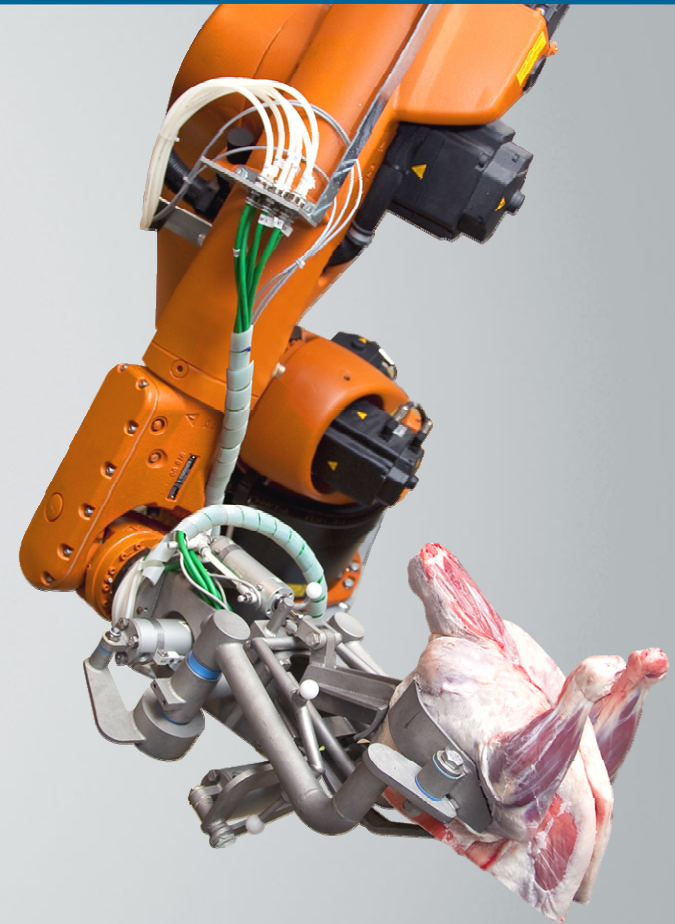
## Expanded Bladestop product range:

- Development of Scott 600 saw completed
- CE certification and specification sorted
- European saw now shipping
- Opportunities beyond “protein”



# Outlook

- ▲ Forward project work –approx. 7 months
- ▲ Significant project work underway
- ▲ Service activity expanding
- ▲ Growth will be :
  - ▲ Organic from existing technologies
  - ▲ Bottom lined focused





# Thank you

[Scott capability showcase video](#)