

## **Chairman's Address**

### **Board Report for FY20**

We started the FY20 year with the appointment of John Kippenberger as CEO. John is an experienced business leader who has a successful career as CEO of a number of international business-to-business and consumer branded companies.

He brings with him a fresh perspective and a strong strategic background. This has been seen in the development of our new 'Engineering Scott to High Performance 2025' strategy which we announced in May this year. This sets five clear foundations to achieve profitable growth and has had full sign off from the Board of Directors. John will talk through this in more detail in his presentation.

Like all businesses around the world, COVID-19 has had a seminal impact on our business and I will talk about our response in a moment.

Health and safety remains a priority for the Board and we were pleased to see continued positive progress in this area.

The benefits of the restructuring work commenced in early 2020 have become ever more obvious as the COVID-19 pandemic rolled out across the globe. While this required some difficult decisions about our workforce as we right sized our Group, the outcome is a more efficient and appropriately resourced business. Value continues to be added by businesses we have acquired in recent years, in particular Bladestop and Transbotics.

Our financial results for the FY20 year reflect the restructuring activity as well as the impact of the pandemic on our business. Notwithstanding the very challenging circumstances, management has diligently collected a large portion of our outstanding debtors and reduced inventories where appropriate. This has strengthened our cash position markedly.

I would like to acknowledge and thank our people across the globe for their efforts over the year, despite the economic and personal challenges arising from COVID-19.

### **Our Response to COVID-19**

As COVID-19 gathered pace across the world, we saw projects put on hold or deferred, our teams were unable to access sites due to lockdown restrictions and our supply chains have been disrupted. During this period, the Board provided support for management as the team moved to new ways of working. This included using technology to enable remote commissioning of projects, as well as developing our locally-based 'design, build and service' resources, rather than relying on international teams.

Health and safety remained a priority for the Board during this time, as did preserving cash. The work being done to right size the organisation also stood us in good stead during this time.

### **Our Five Year Strategy**

The development of the new five year strategy provided the opportunity to review our vision for Scott. Our mission remains to deliver smart automation solutions that transform industries and lives.

Our vision is to be the first choice for businesses around the world wanting smart automation and robotic solutions which make their businesses safer, more productive and more efficient.

We have identified five goals which we believe will lead to increasing shareholder value.

These are to establish and maintain leadership positions in our areas of expertise; Deliver positive customer outcomes; Continue to build on our global brand and reputation for delivering exceptional automation and robotics solutions; Build a highly focused and efficient global operating platform; and Deliver sustainable and profitable returns and reduce risk.

### **Scott Outlook for FY21**

We are confident that the actions being taken under the new strategy will deliver value to customers, staff and shareholders.

Long term industry trends remain positive and while we expect continuing impact from COVID-19 we are now seeing recovery and growth in demand. This is expected to escalate as the vaccine is rolled out and restrictions are lifted and as more deferred projects come back online.

We are looking to deliver an improved result and increasing shareholder value in FY21 as we move ahead with a leaner and more focused organisation and under our new strategy.