



2021
FULL YEAR RESULTS
INVESTOR PRESENTATION

21 October 2021



CONTENTS



Scott 2025 Strategy Update	3-4
FY21 Results Summary	5-9
Revenue by Operating Region	10
Forward Work Trend	11
Service Revenue Growth Strategy	12
Revenue by Industry	13
Authentic Customer Partnerships	14-16
Industry Outlook	17-22
Our People & Planet	23-26
FY22 Outlook	27

PRESENTED BY



John Kippenberger
Chief Executive Officer



Cameron Mathewson
Chief Financial Officer

“A year into the new strategy, and 18 months into the pandemic, Scott Technology, one of New Zealand’s few truly global companies begins to soar.”

John Kippenberger
Chief Executive Officer



Scott 2025




























OUR PROGRESS

- **Authentic Customer Partnerships:** Secured significant repeat business across all sectors e.g. Rio Tinto, Alliance, Little Swan, Bosch, Candy Haier, McCain, Whirlpool. *\$216.2m revenue in FY21.*
- **Operational Excellence:** Delivered sustainable margin improvement across all regions *+190% increase on FY20.*
- **Leading Edge Technology:** *Significant growth across all standard products.*
- **One Global Team:** Significant decrease in lost time injuries, and continued focus on employee retention, development and wellness reduction in lost time injuries *from 11 in FY20 to 4 in FY21.*
- **Robust Global Platforms:** The centre of excellence (COE) strategy is helping build clarity and confidence across the Group. *Forward work of \$128m.*



GROWTH STRATEGY



	ANZ 	EU 	US 	CN 
MEAT PROCESSING	GROW   	GROW 	LAUNCH  	-
			GROW 	
MINING	MAINTAIN  	-	GROW 	-
MATERIALS HANDLING	LAUNCH 	GROW  	LAUNCH  	-
APPLIANCES	MAINTAIN 	LAUNCH 	GROW  	GROW 
INDUSTRIAL AUTOMATION	GROW  	-	GROW 	-

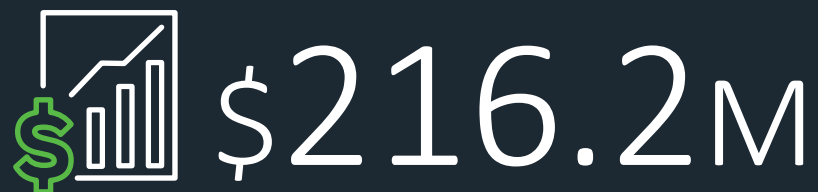
LIFE CYCLE: Launch, Grow, Maintain, Exit

 Centre of Excellence  System  Product  Service

FY21 PERFORMANCE SNAPSHOT



REVENUE



+16% | FY20 \$186.0M ▲
- 4% | FY19 \$225.1M ▼

MARGIN PERCENTAGE



+190% | FY20 8% ▲
+9% | FY19 21% ▲

EBITDA



+289% | FY20 (\$11.6M) ▲
+10.3% | FY19 \$20.0M ▲

FORWARD WORK*



REVENUE MIX



DIVIDENDS PER SHARE (Cents)

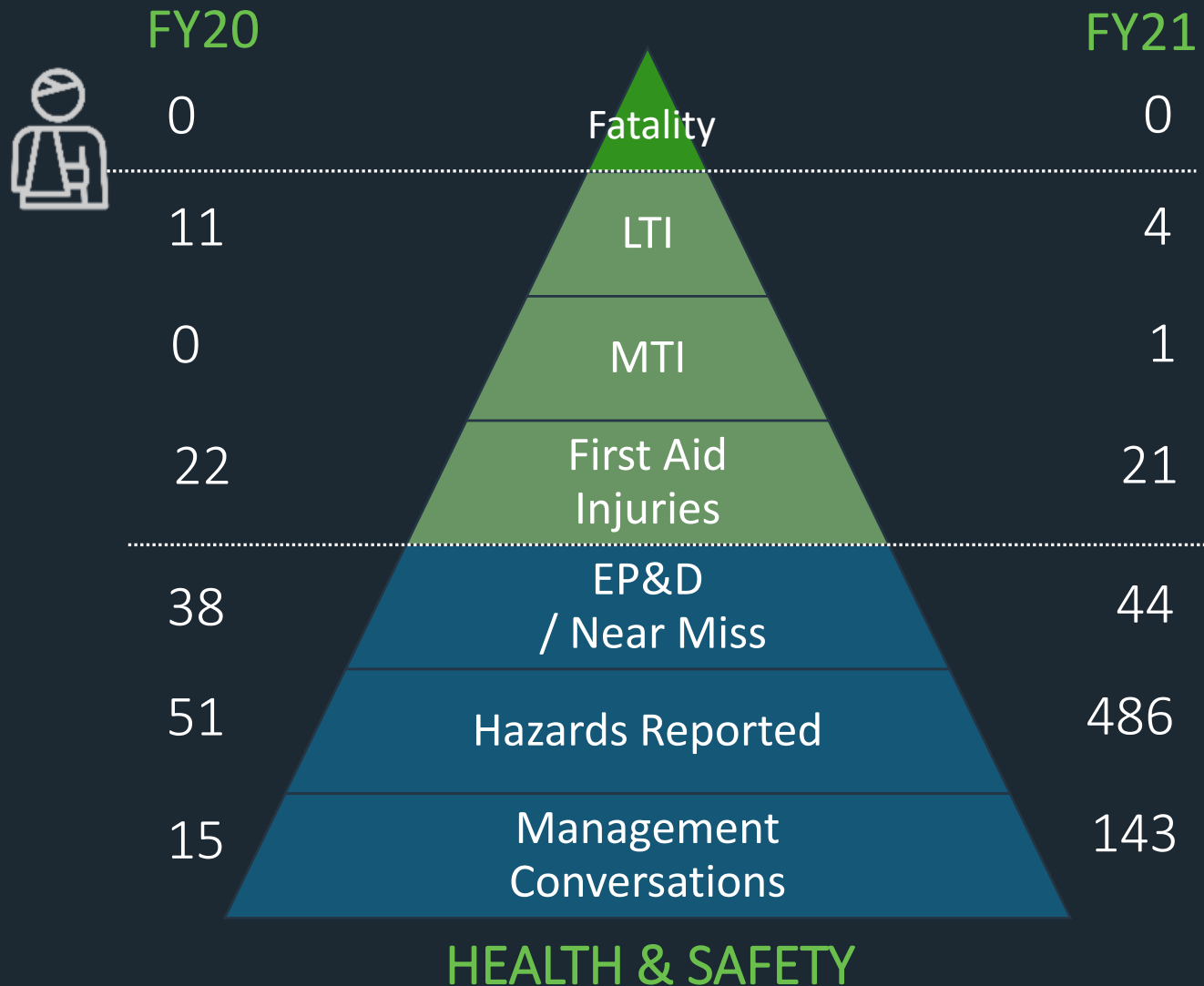
FY21 6.0 | FY20 nil | FY19 8.0

EARNINGS PER SHARE (Cents)

FY21 12.3 | FY20 (22.2) | FY19 11.3

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

FY21 HEALTH & SAFETY PERFORMANCE



Forward indicators of hazard reporting and management conversations underpin a maturing safety culture.

FY21 OPERATING ENVIRONMENT



- **Multiple large contract wins** support our strong post COVID-19 recovery. GE Appliances, McCain, Alliance, Bosch, Whirlpool, Little Swan, Thomas Foods International.
- **Rocklabs** and **BladeStop** product business showing continued growth and strong margin performance.
- **Streamlined operating cost structure** following last years restructuring is contributing to increased margins.
- As **global demand for automation continues** to grow strongly, the key priority for our team is to remain focused and committed to our core areas of proven expertise, avoiding unknown areas of risk. This is the central underlying theme of *Scott 2025*.
- **Focus on Health & Safety** across the group continues to build positive momentum which is reflected in a large decrease in lost time injuries. Increased emphasis on employee wellbeing with introduction of mental health education and initiatives.
- **COVID-19**
 - Travel restrictions have continued to challenge how Scott operates, resulting in new, agile ways of working and commissioning projects.
 - Wide spread global supply chain delays on parts and products are effecting our customers timelines.
 - Global pressure on shipping industry creating inbound and outbound risk.

FY21 RESULTS SUMMARY TABLE

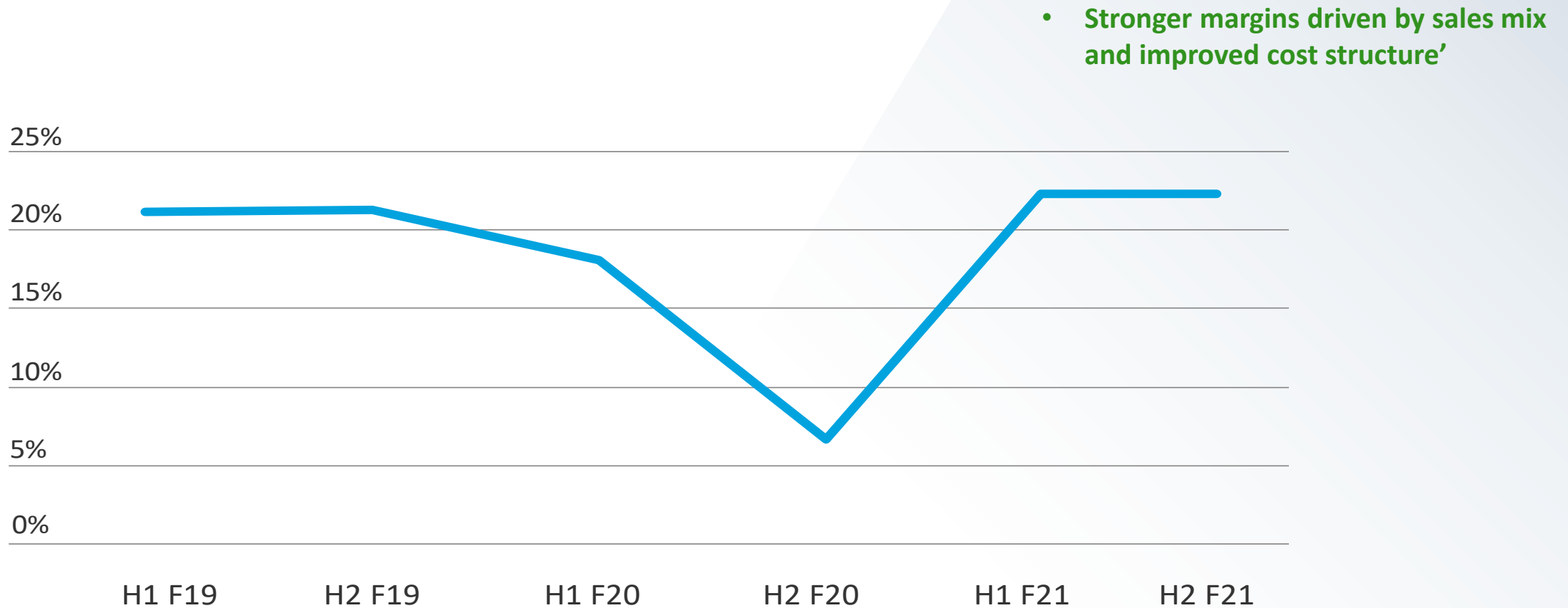


	Results Snapshot \$M		
	FY21	FY20	FY19
Revenue	216.2	186.1	225.1
EBITDA	22.1	(11.6)	20.0
Non-trading adjustments	0.0	11.9*	0.0
Normalised EBITDA	22.1	0.2	20.0
Net Profit After Tax	9.5	(17.5)	8.6
Net Cash / (Debt)	1.3	(3.4)	(16.4)
Net Cash / (Overdraft)	12.2	7.7	(4.7)
Bank Loans	(10.9)	(11.2)	(11.7)
Operating Cash Flow	13.4	19.6	0.7

* FY20 Non trading adjustments related to restructuring and impairments



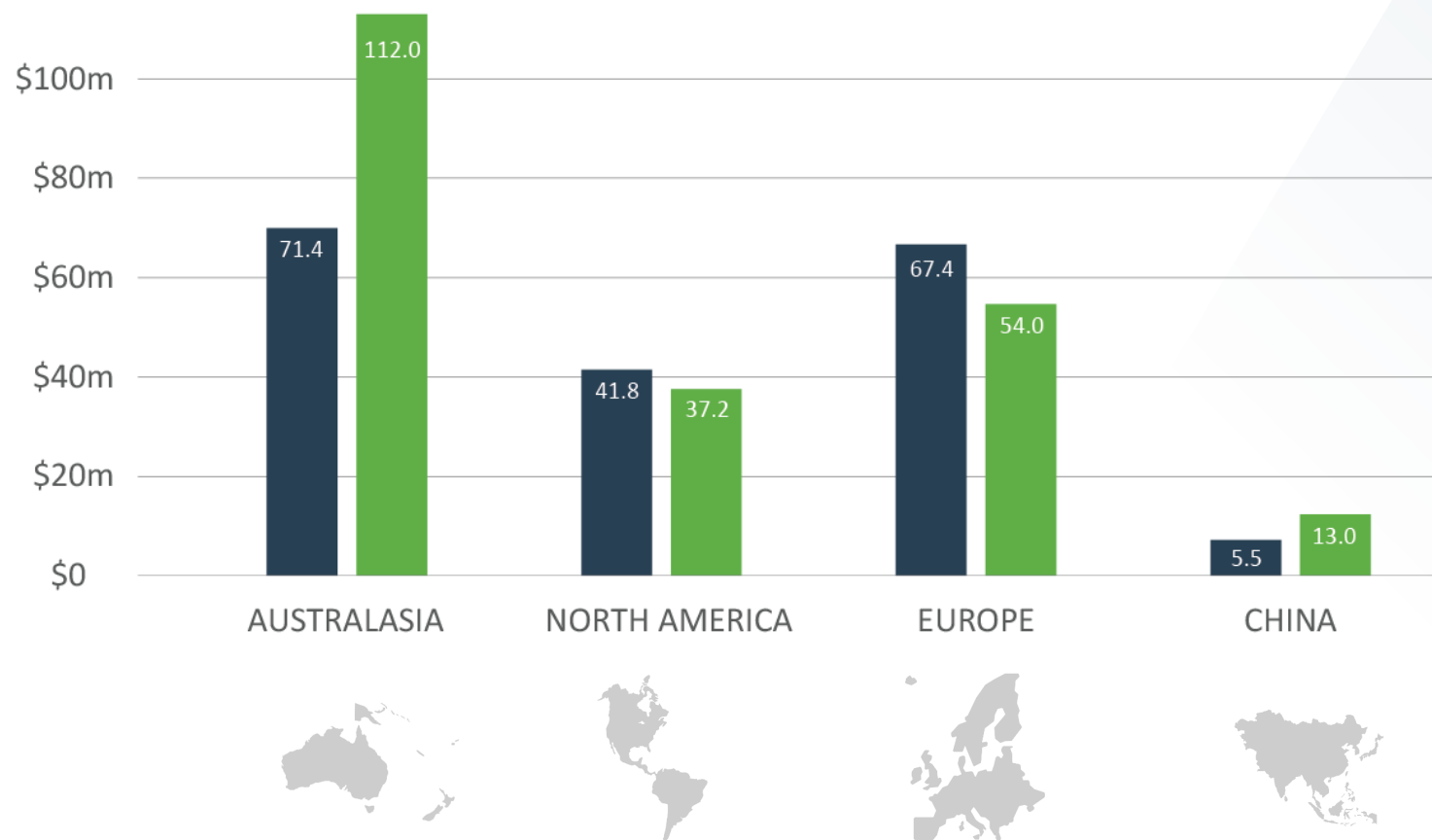
TOTAL GROUP GROSS MARGIN %



REVENUE BY OPERATING REGION



OPERATING REVENUE \$M

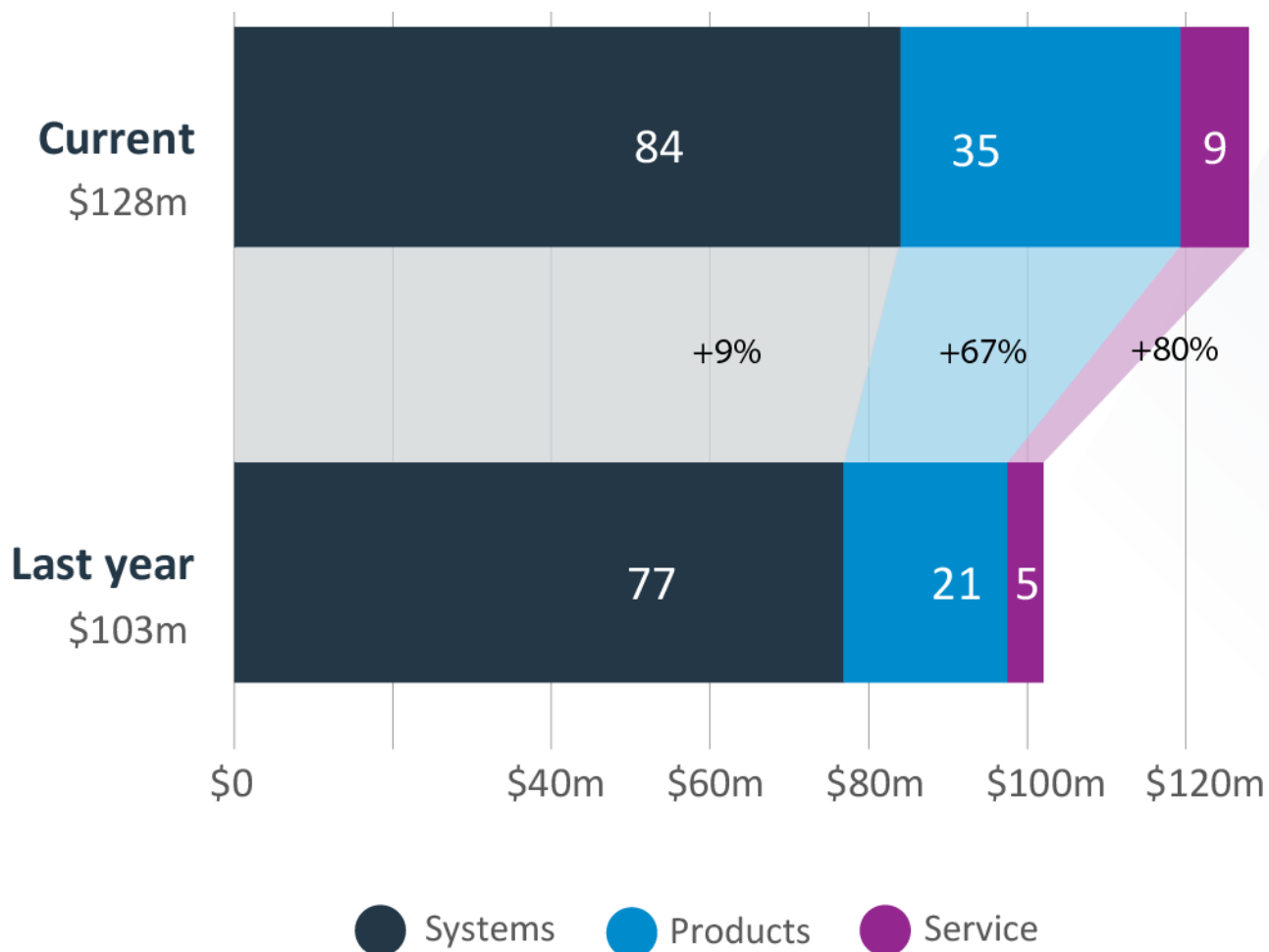


- **Strong rebuild in the Australasia** work program, largely driven by mining and meat sectors.
- **North America lead-indicators of inbound interest** and recent contracts starting to show turnaround.
- **Europe constrained by COVID-19** restrictions, however, promising rebuild of forward work underway.
- **China is experiencing strong demand** in appliance systems.

FORWARD WORK TREND

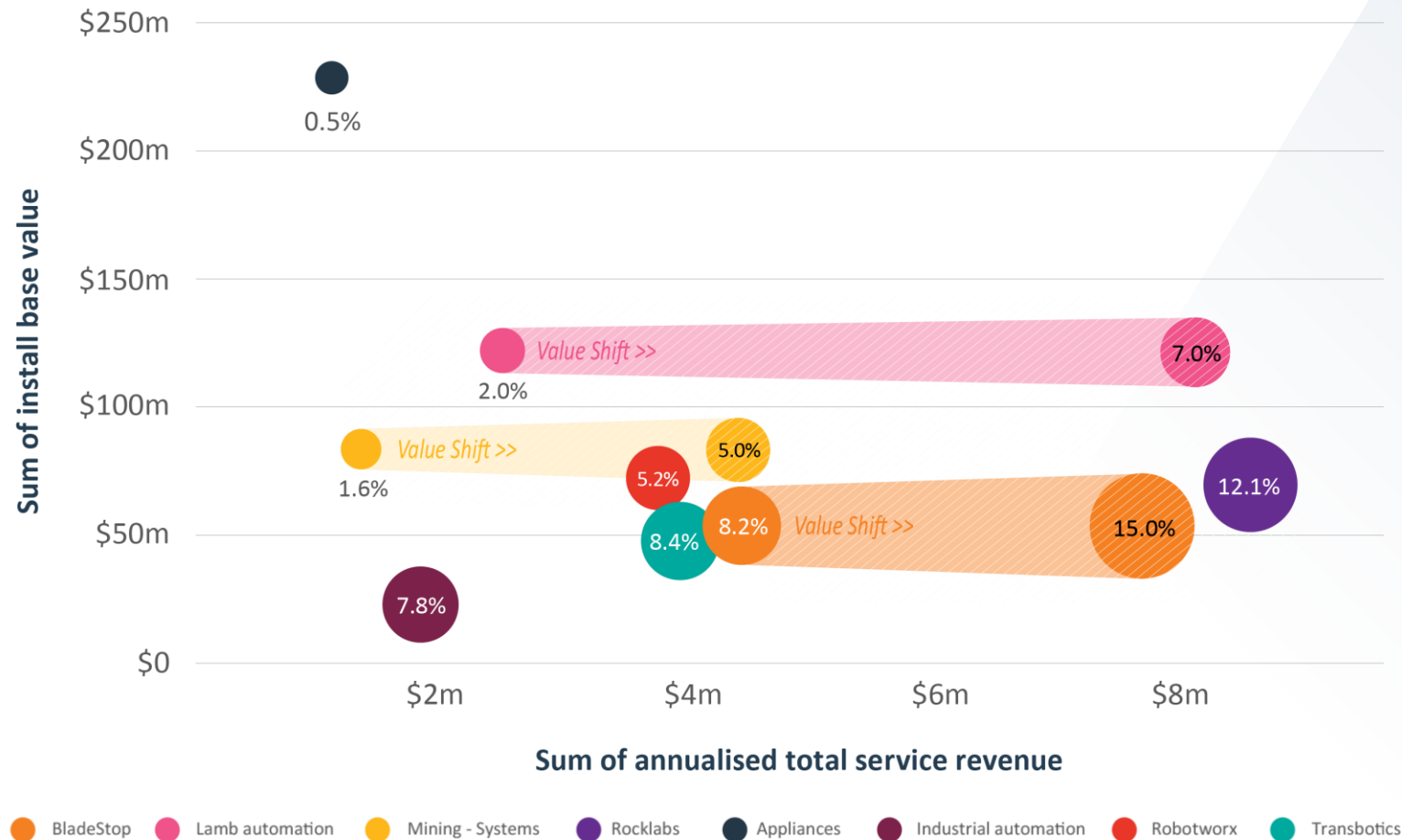


FORWARD WORK \$M



- **Mix evolving towards products and service in line with our Scott 2025 Strategy.**
- This shift towards repeatable products and increased services will see subsequent drive in margin growth
- 24% uplift in forward work compared to prior year ✓

SERVICE REVENUE GROWTH STRATEGY

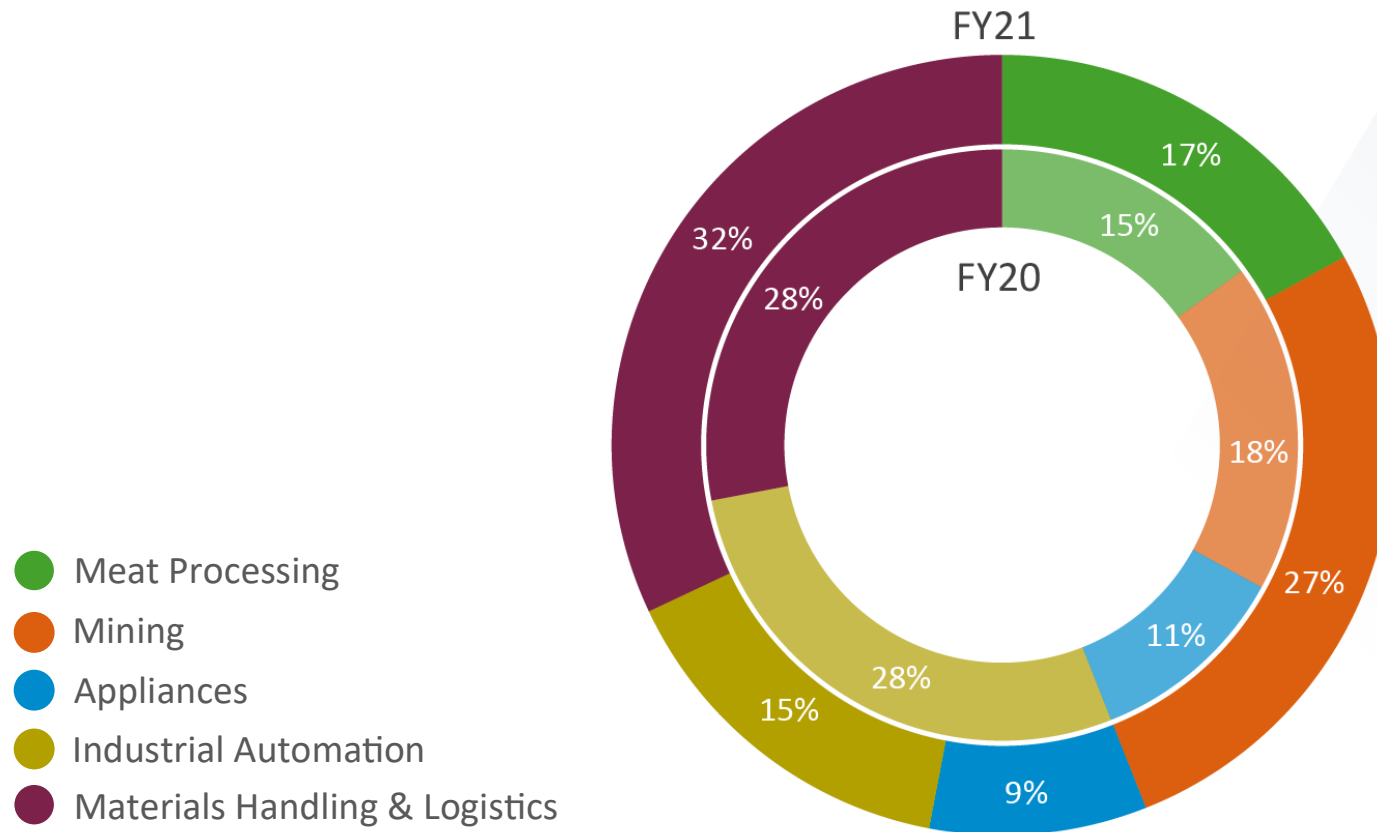


- Annual service revenue as a percentage of installed machine base.
- Focusing on three key service growth areas, lamb automation, mining and BladeStop, we can see the additional delivery of +\$13m revenue per annum.

REVENUE BY INDUSTRY



REVENUE BY INDUSTRY



- Global demand from the protein industry translates to growth in our meat processing business.
- Mining grows on the back of Rocklabs product and large one-off automated systems.

AUTHENTIC CUSTOMER PARTNERSHIPS



MATERIALS HANDLING
AND LOGISTICS



MEAT



APPLIANCES



Rio Tinto

BHP

SGS



MINING



BRIDGESTONE

INDUSTRIAL
AUTOMATION

AUTHENTIC CUSTOMER PARTNERSHIPS

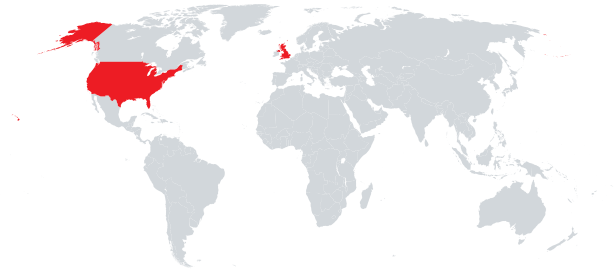


CUSTOMER

CUSTOMER SITE

SCOTT SYSTEM/PRODUCT

SCOTT FACILITY



Poultry trussing system

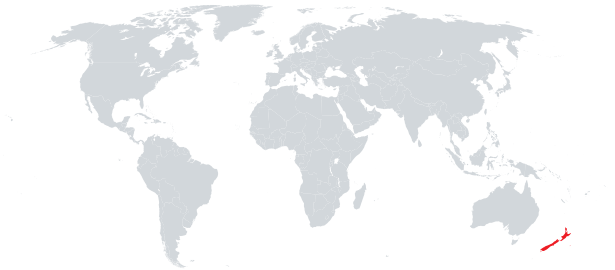
BladeStop safety saws



Dunedin, New Zealand



Sydney, Australia



Warehouse automation system

Lamb primal system

BladeStop safety saws



Deerlijk, Belgium

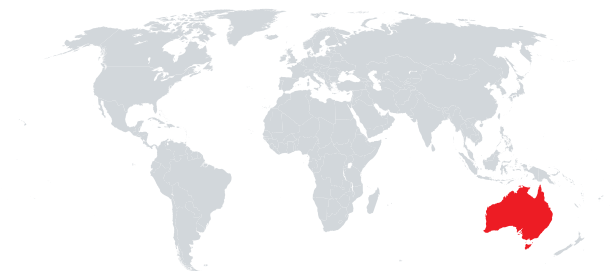


Dunedin, New Zealand



Sydney, Australia

RioTinto



Automated laboratory system

Automated refuelling system

Autonomous guided vehicle

Laboratory equipment & parts



Sydney, Australia



Sydney, Australia



Charlotte, North Carolina



Dunedin, New Zealand

GLOBAL SYSTEM/PRODUCT FLOW





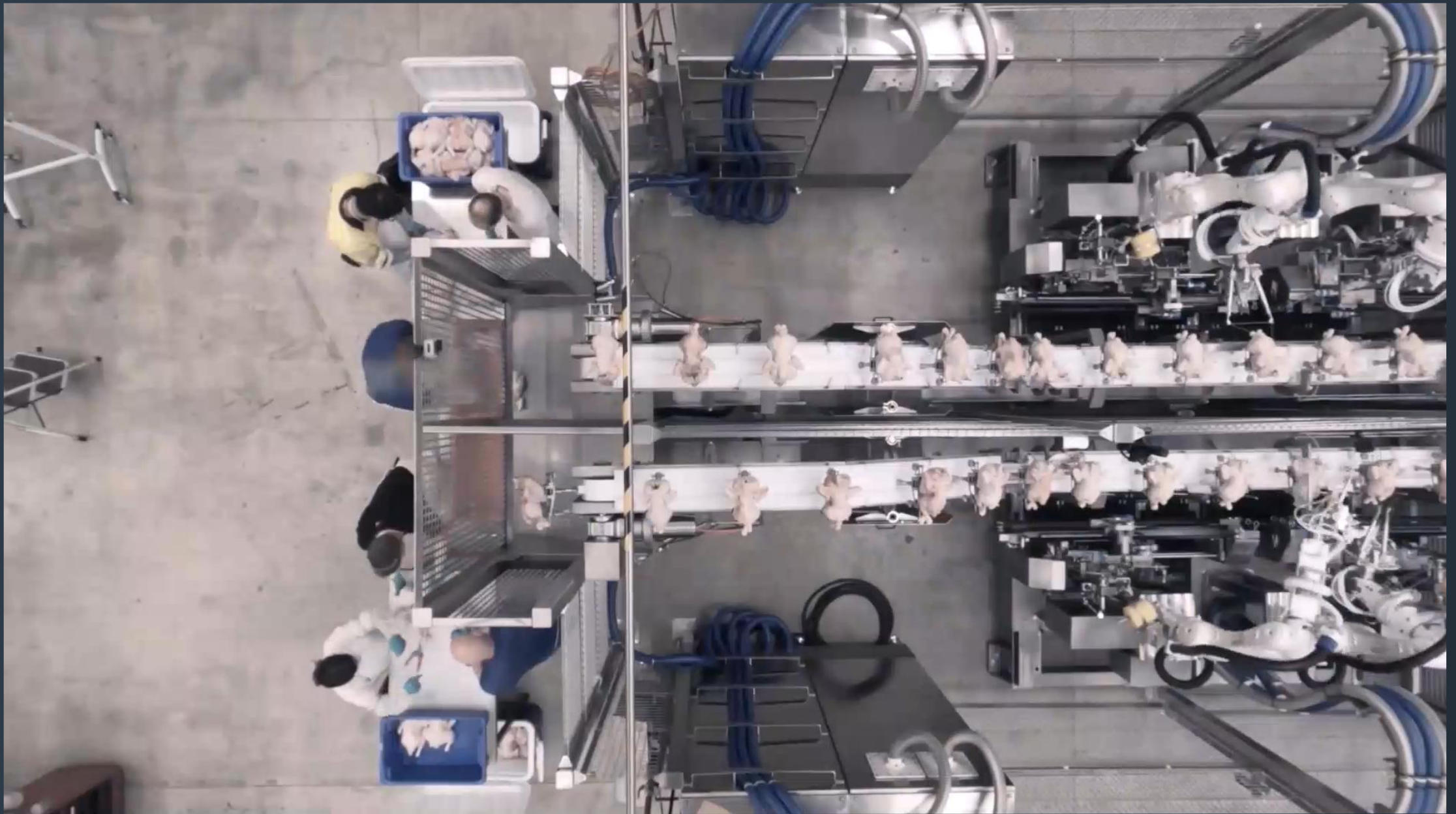
INDUSTRY OUTLOOK

INDUSTRY OUTLOOK



MEAT

- Strong, ongoing demand for our industry leading BladeStop safety saw product continues, and have now sold over 1200 units globally.
- In the system space, we remain focused on selling more lamb primal systems into the ANZ meat sector and rolling out the new poultry trussing systems across Pilgrims in the US and across other relevant markets (UK and Australia most notably).

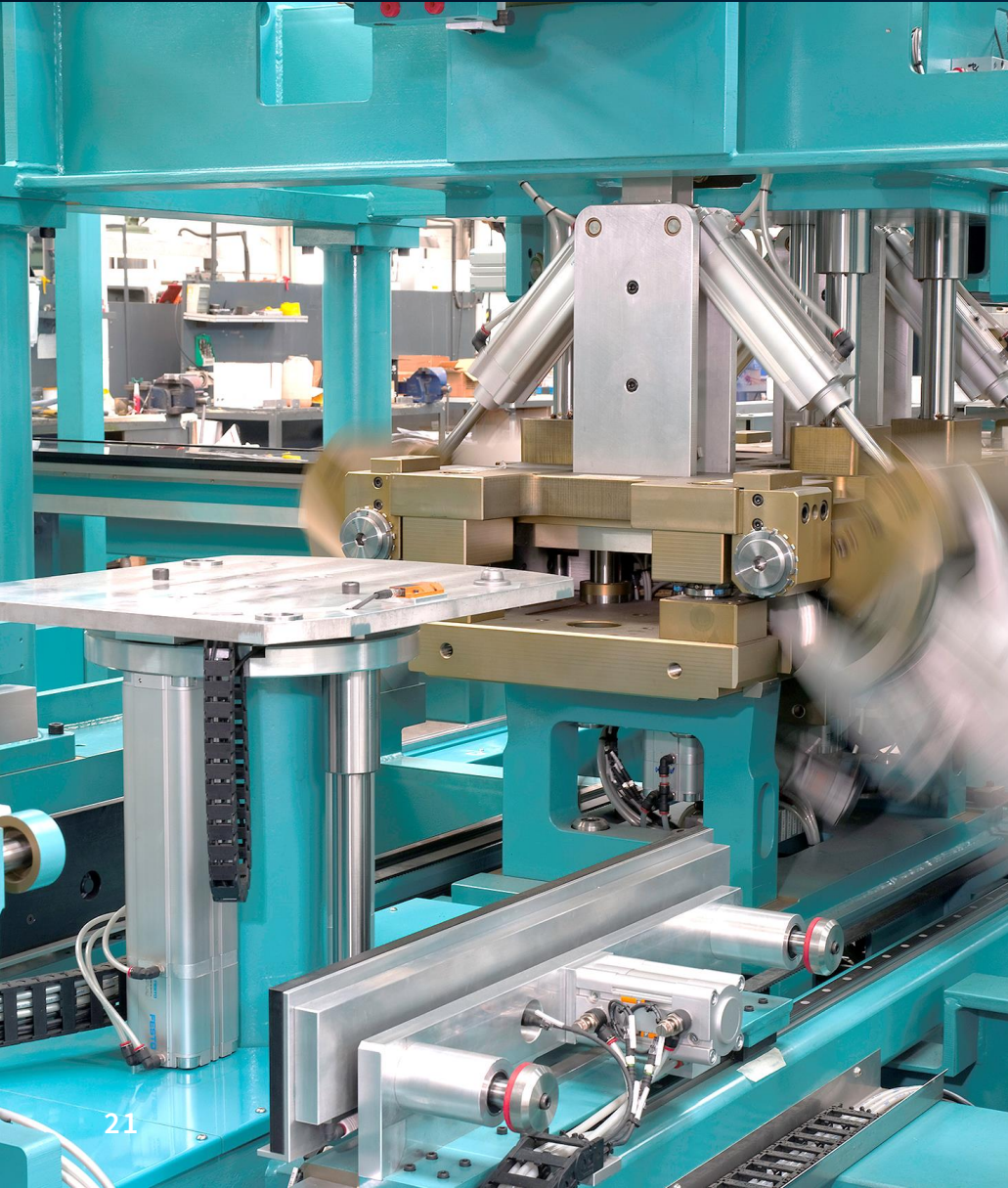


INDUSTRY OUTLOOK



MINING

- Our mining products business Rocklabs and Reference Materials continue to trade well across virtually all of its global markets.
- This strength in demand is a testament to the global reputation of the Rocklabs brand, a talented production and sales team, combined with the continuing strong global precious metal prices driving capacity globally.
- The systems-end continues to focus on strategically and thoughtfully expanding the **semi-automated** offering of our laboratory range to bring speed and efficiency to mine operators and independent laboratory managers.
- We are also making sound progress in the rollout of our Scott Robofuel systems.



APPLIANCES

- While this sector is seeing positive investment in capacity from the world's largest whitegoods manufacturers, we are experiencing increasing competition from the automation solution providers from the likes of Italy.
- Our focus remains on providing quality design options towards the premium-end of the market, while driving for competitive pricing without exposing Scott to unacceptable risk.
- Our China business will continue to drive local growth and support global projects when appropriate from our competitive design and build platform in Qingdao, China.

INDUSTRY OUTLOOK



MATERIALS HANDLING & LOGISTICS

- We have seen ongoing pressure on global distribution and supply chains as a result of COVID-19 and believe this will continue in its aftermath.
- This in turn drives the ongoing demand for material handling equipment offered by Scott and is particularly prevalent in areas such as the **e-commerce** and essential **grocery goods** sectors.
- In the AGV part of the sector, the automotive industry continues to be one of the largest adopters of unmanned fork-trucks, due to the autonomy and efficiency they bring to daily operations.
- With our strong relationships amongst the global tyre manufacturers, as an example, we see a positive future for our United States based AGV business, Transbotics.



OUR PEOPLE & PLANET

CONTINUED IMPACT OF COVID-19



- Our **first priority remains the safety and wellbeing of our teams**. Long periods of employee isolation during lock-downs and pressures while commissioning systems in remote locations remain our key watch areas.
- Strong focus on **protecting employees during travel** as the world slowly begins to open up to international travel.
- **Increased interest in automated solutions** specifically in the meat processing and food and beverage sectors.
- Deferred **capital investment is resuming**, signalling a strong recovery in several of our regions.
- Travel restrictions continue to impact how we commission and install projects.

Employee vaccination rates

	Fully Vaccinated	Partially Vaccinated
Czech Republic	56%	-
Belgium	95%	-
Germany	65%	-
France	73%	-
America	32%	-
China	94%	-
New Zealand	57%	88%
Australia	73%	90%

LEADING A SUSTAINABLE FUTURE



- **Passionate about pursuing a long-term sustainable future together with our customers, shareholders and wider stakeholders.**
- We recognise that our collective responsibility extends beyond commercial outcomes, and includes our relationship with the planet, and our people.
- We are committing to a series of long term Environmental, Social and Governance (ESG) goals. The foundations of our strategy are People, Place and Purpose.

“Our focus on Sustainability ensures that Scott is partnering with employees, customers, and suppliers that share our values.”

Aaron Vanwalleghem
Regional Director - Europe

LEADING A SUSTAINABLE FUTURE



OUR SUSTAINABILITY FRAMEWORK



PEOPLE

Executive Lead
Casey Jenkins

WHAT DOES THIS LOOK LIKE?

Employee retention
Global recruitment
Employee health and safety
Gender diversity



PURPOSE

Executive Lead
Cameron Mathewson

WHAT DOES THIS LOOK LIKE?

Customer satisfaction
Financial performance



PLACE

Executive Lead
Aaron Vanwalleghem

WHAT DOES THIS LOOK LIKE?

Sustainable procurement
Environmental management

- **People is about building an engaged, diverse, and talented workforce.** It focuses on retention and recruitment which is a priority for our people-led business. This is supported by a commitment to maintaining a safe and inclusive working environment for all our people.
- **Purpose refers to the recipients of our solutions and services** – Scott's customers and shareholders. It covers the importance of building meaningful customer relationships, and highlights Scott's commitment to growing a profitable business focused on long term growth and positive shareholder return.
- **Place outlines the organisation's commitment to the environment** and ensures it develops and encourages sustainable business practices

LOOKING FORWARD



- **Forward work continues to solidify.**
- Product business has firm order books at healthy margins (BladeStop / Rocklabs).
- Continued focus on maintaining efficient cost structures that resulted from last years right sizing.
- New business continues to be sourced with improved margin and in line with strategy.
- Improved ability to service and commission projects pending progress with vaccines.
- Significant opportunity to increase service revenue on the existing equipment installed base.
- Industry dynamics in all sectors and geographies continue to be strong.



THANK YOU

www.scottautomation.com