



ANNUAL SHAREHOLDER MEETING

SCOTT TECHNOLOGY LIMITED
23 November 2022





BE SAFE - BE WELL
BE SCOTT



CHAIRMAN WELCOME

Stuart McLauchlan
Chairman and Independent Director



Agenda



Chairman Presentation	3-6
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Scott 2025 Strategy update	7-12
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Progression of strategy with core sectors providing growth across sales and services

FY22 performance	3-6
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Strong performance across the business at revenue, margin and EBITDA

Core sector performance & outlook	13-17
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Understanding the 'core' and how our business is positioning for sustainable growth

Sustainability, people & planet	18-24
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People updates with focus on ESG projects commenced in FY22

Outlook	25
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PRESENTED BY



Stuart McLauchlan
Chairman



John Kippenberger
Chief Executive Officer



Cameron Mathewson
Chief Financial Officer



Casey Jenkins
Director of
Marketing & People

"With laser focus on core sectors, product sales growth, increasing its services business, Scott is proud to have delivered a successful FY22 and is well placed to continue this progress into FY23"

—
John Kippenberger

1	Our people have overcome the interruptions, increased costs and extended freight times, wrought by COVID-19, to continue to deliver for our customers.
2	Strong performance despite disruption with revenue up 8% to \$222m and a net profit after tax of \$13m.
3	The team continues to deliver on Scott 2025 strategy, driving positive outcomes for our people, our customers and shareholders.
4	Deep engagement with maturing safety and wellbeing culture delivers significant improvement in key performance indicators across the group.
5	Positive early momentum on ESG strategy & culture.
6	4.0 cent dividend declared for a full year total dividend of 8.0 cents.

1	Ongoing demand for automation continues as businesses seek to drive efficiency, safety, and to overcome the global labour shortages
2	<p>Core growth 31% over the last two years, benefitting from large install bases, a high proportion of repeatable product sales and high margin recurring services revenue</p> <p>Core is now 75% of revenue and 90% of margin</p>
3	Sales and services revenues on proven and repeatable products are delivering a margin of 29%
4	Track record managing costs efficiently and taking revenue growth to the bottom line, with EBITDA growth of +14% in FY22
5	Record forward order book of \$190m, 47% up on FY21



SCOTT 2025 STRATEGY

John Kippenberger
Chief Executive Officer



2025 Strategy



FY22 Performance Snapshot



REVENUE



FY21 \$206M +8% ▲
FY20 \$175M +27% ▲

CORE MARGIN %



FY21 30% ▼
FY20 26% ▲

GROUP MARGIN %



FY21 24% —
FY20 8% ▲

EBITDA



FY21 \$21M +14% ▲
FY20 (\$11M) +314% ▲

FORWARD WORK*



FY21 \$119M +44% ▲
FY20 \$102M +76% ▲

SERVICES



FY21 \$9M +115% ▲
FY20 \$5M +305% ▲

DIVIDENDS PER SHARE (Cents)

FY22 8.0 | FY21 6.0 | FY20 nil

EARNINGS PER SHARE (Cents)

FY22 15.9 | FY21 10.8 | FY20 (22.2)

- Forward Work represents contracted activity. It is not an indicator of revenue over a set period of time
- Information is Continuing Operations (excludes the divestment of the non core Robotworx business)

Safety & Wellbeing



FY21

0

4

1

21

44

486

143

Fatality

LTI

MTI

First Aid
Injuries

EP&D
/ Near Miss

Hazards Reported

Management
Conversations

FY22

0

9

5

30

56

872

233

HIGH PERFORMANCE SAFETY CULTURE

- Be Safe, Be well, Be Scott launched
- LTI severity rate decreased 60%
- BeScott safety software launched
- Global safety and wellbeing induction standardised
- Global roll out of SafeMate award programme
- Develop Scott safety & wellbeing leadership Framework
- Management safety interaction framework implemented
- Safety & wellbeing leadership capability training
- Stop for Safety event

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



Continued leadership across core sectors



	MEAT	MHL	MINING	REST OF BUSINESS
FY22 revenue contribution %	26%	32%	18%	25%
FY22 revenue growth %	22%	3%	37%	(12%)
FY22 margin %	32%	20%	40%	10%
SALES	<div>BLADESTOP</div> <div>Poultry Trusser</div> <div>Shoulder Puller</div> <div>X-Ray Primal</div> <div>Cutting/Boning Systems</div>	<div>Palletising Solutions</div> <div>Conveyors</div> <div>TRANSBOTICS</div> <div>Warehouse Systems (WES/WMS & AGVs)</div>	<div>ROCKLABS</div> <div>Sample Prep Equipment</div> <div>Modular Sample Preparation Systems</div>	<div>Appliance Line Automation</div> <div>Robotic Industrial Automation</div> <div>Other Mining Systems</div>
SERVICE	Preventative Maintenance			
	Servicing, Remote Diagnostics & Spare Parts			
	Upgrades			Upgrades



FY22 PERFORMANCE

Cameron Mathewson
Chief Financial Officer



FY22 results summary



	Results Snapshot (NZ\$m)		
	FY22	FY21	FY20
Revenue	221.8	206.0	174.6
EBITDA	23.9	21.0	(11.2)
Non-trading adjustments	-	-	11.9*
Normalised EBITDA	23.9	21.0	0.2
Net Profit After Tax (NPAT)**	12.7	8.4	(17.0)
Net Cash / (Debt)	(8.0)	1.3	(3.4)
Net Cash / (Overdraft)	3.9	12.2	7.7
Bank Loans	(12.0)	(10.9)	(11.2)
Operating Cash Flow	6.3	13.4	19.6

* FY20 Non trading adjustments related to restructuring and impairments

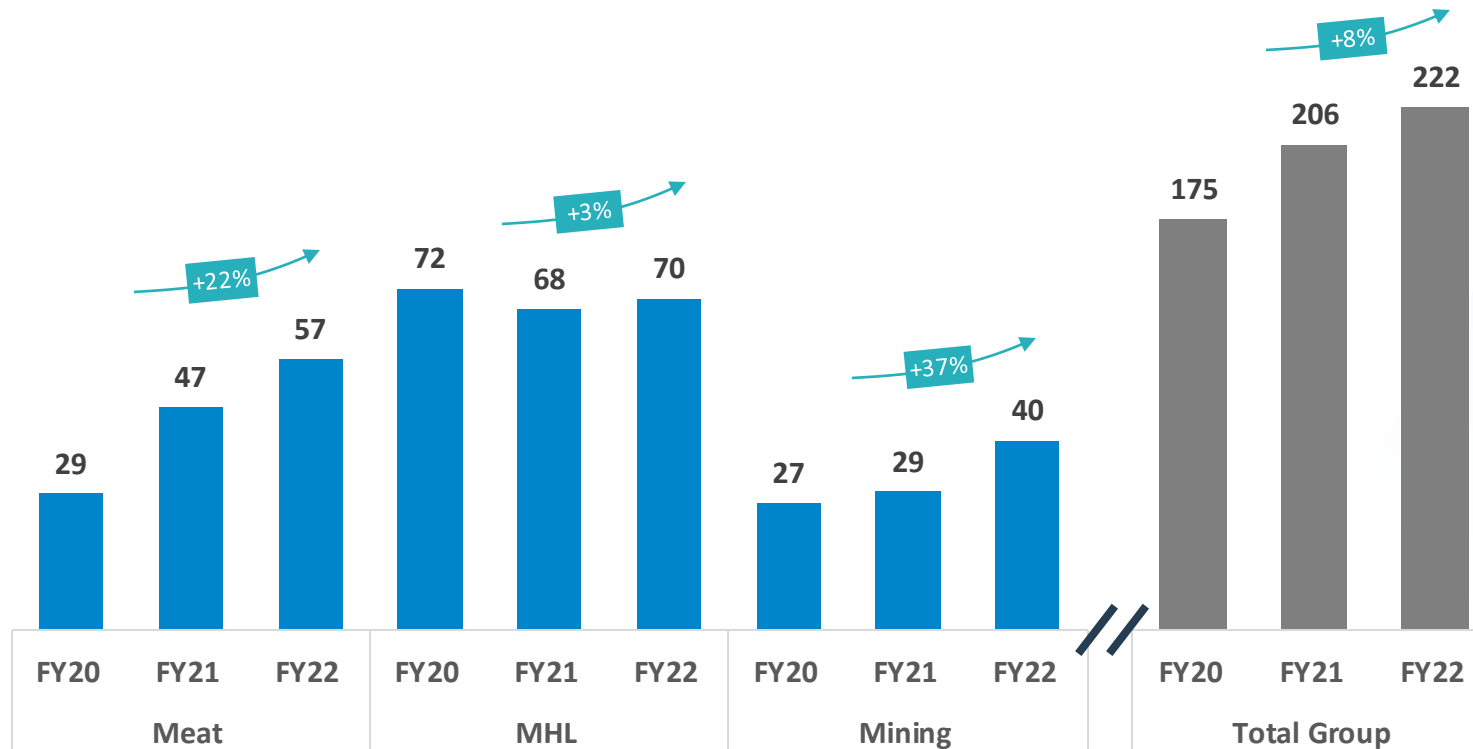
** FY22 reported NPAT is \$0.1m as it captures \$12.6m of non-cash write offs from the discontinued Robotworx operation

Core sectors delivering strong top line growth

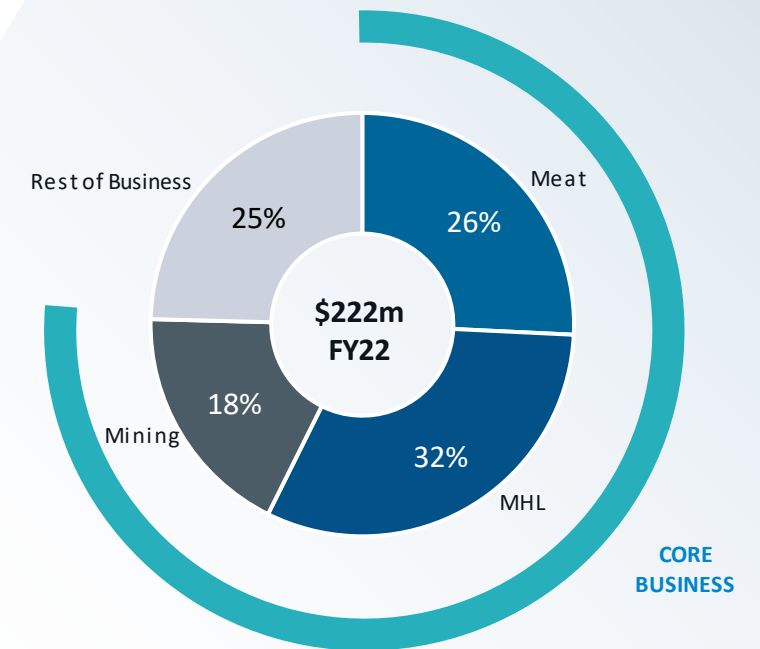


Core sectors generated \$167m of revenue in FY22

NZ\$m



Core Scott sectors contributed 75% of total FY22 revenue

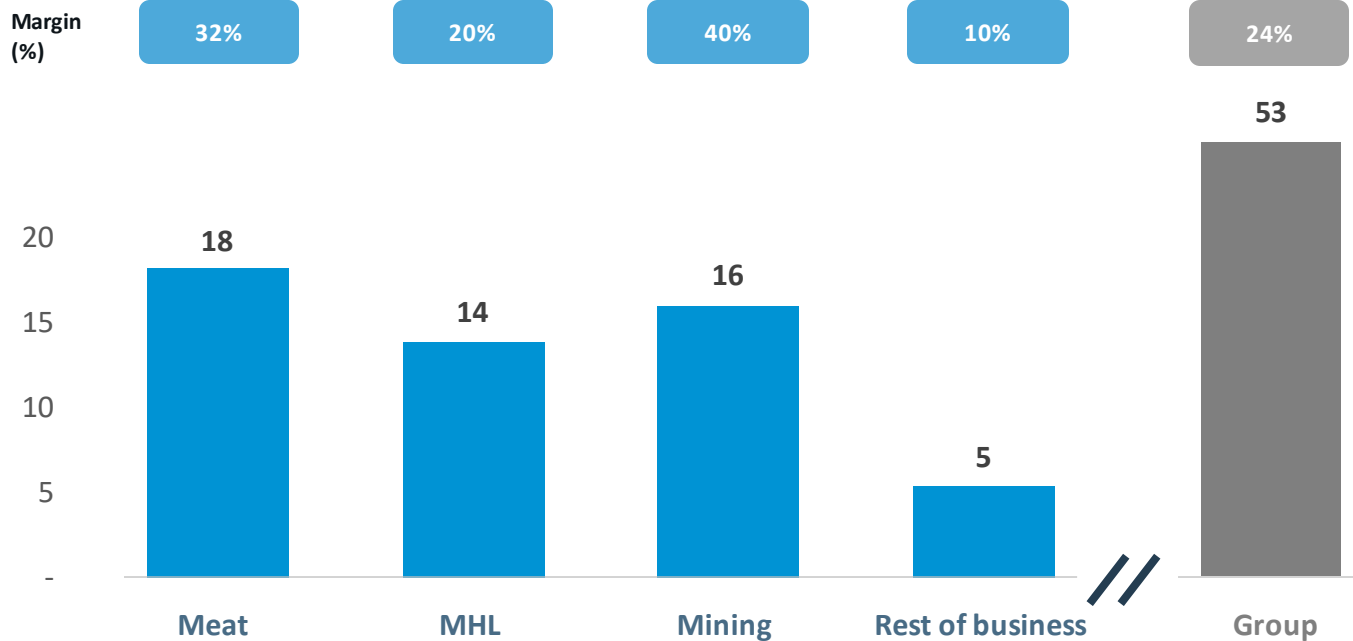


Margin strengthened by core sectors

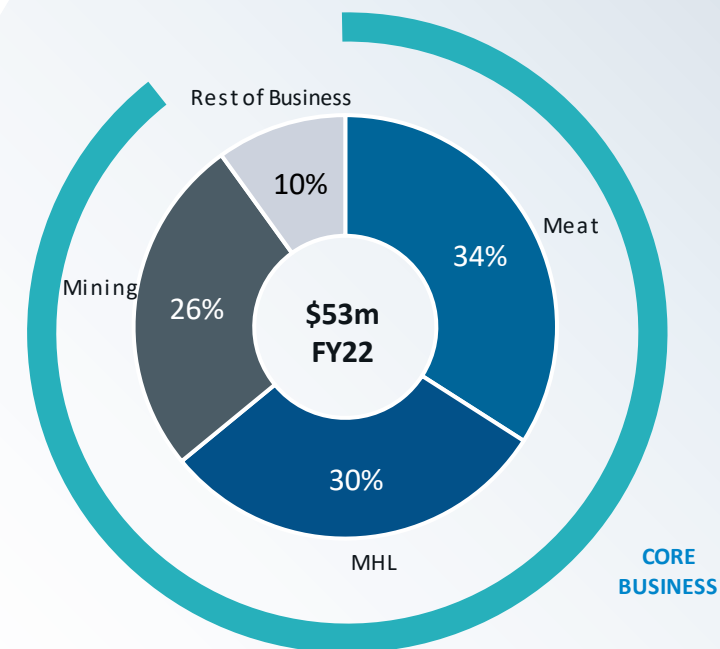


Core sectors generated \$48m of margin in FY22

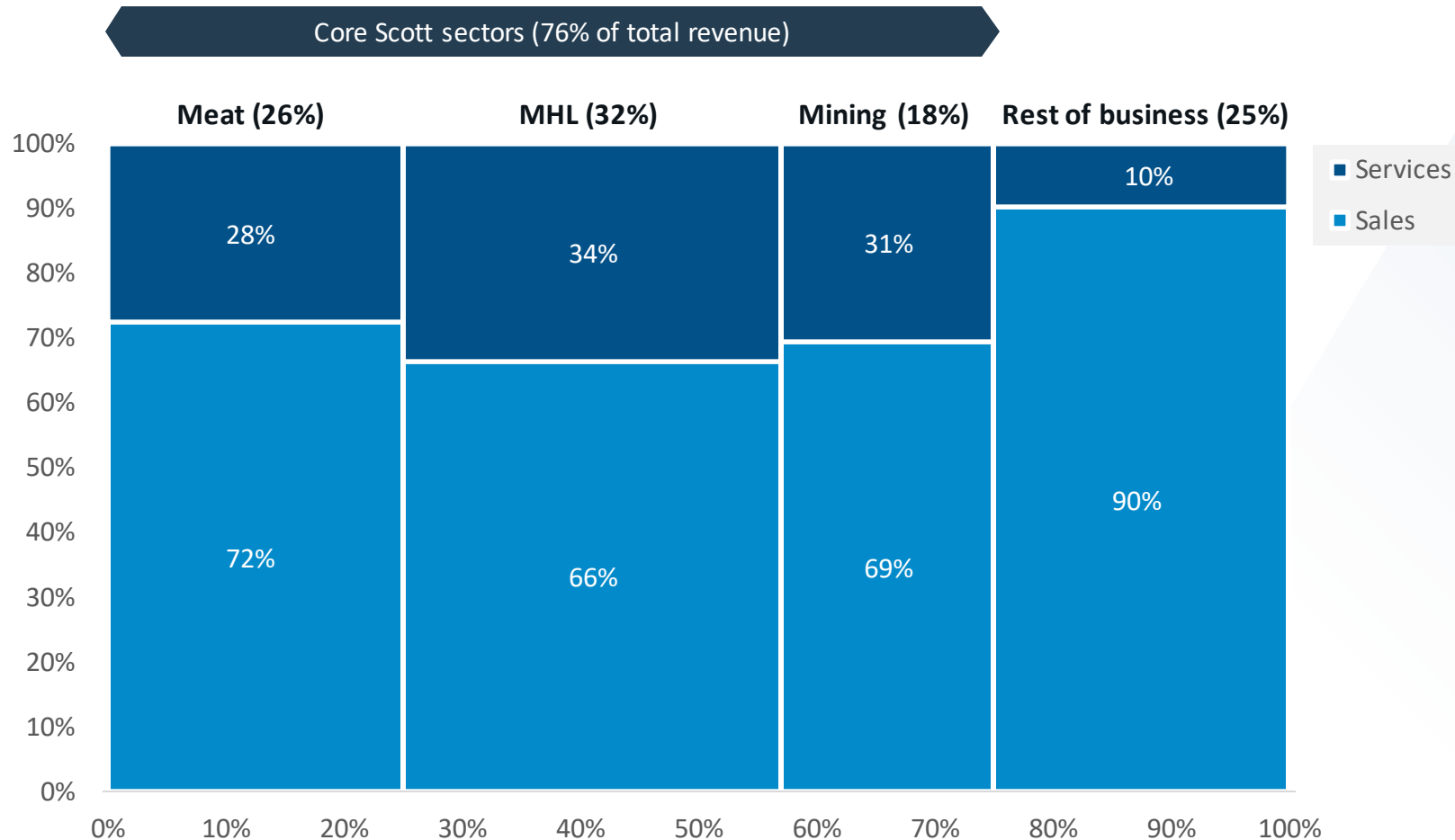
NZ\$m



Core Scott sectors contributed 90% of total FY22 margin



Core sectors have 3x more recurring services revenue



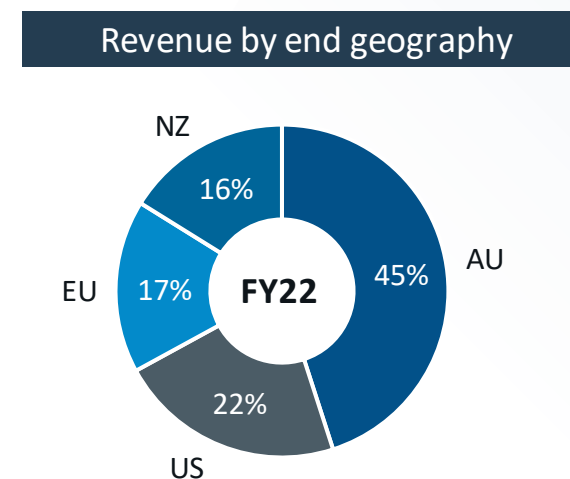
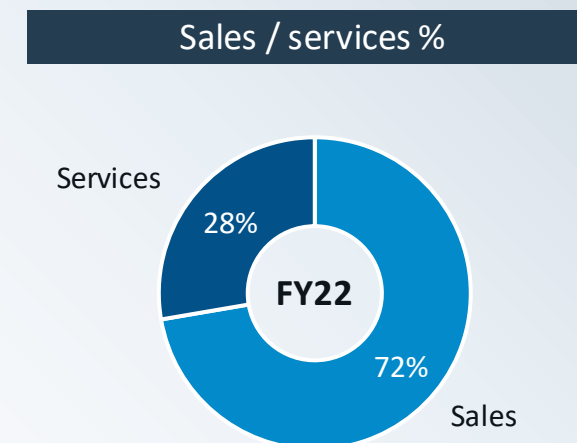
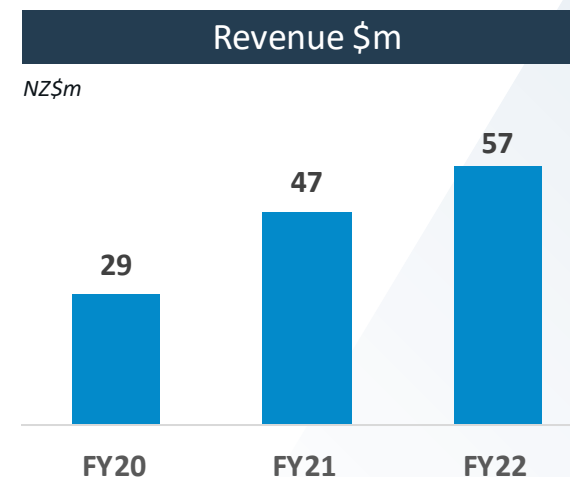
- Core sector sales deliver a margin of 25% whereas services revenues carry a margin of 37%
- Our 3 core sectors had substantial recurring Service revenue of \$52m in FY22, driven largely from existing customers and extending customer footprint
- Service revenues grew by +20% in FY22 among organisations across all geographies by utilising Scott's experienced service leaders
- Over half of Scott's services revenues come from the recurring supply of consumables to an existing installed base valued in excess of \$500m



CORE SECTOR PERFORMANCE & OUTLOOK

MEAT IS SCOTT'S FASTEST GROWING SECTOR

- Labour and skills shortages, coupled with rising health and safety awareness continues to generate demand for Scott meat solutions
- 99% growth over the last two years (22% in FY22), led by ongoing demand for lamb primal systems and BladeStop safety bandsaw sales
 - Delivered 18 lamb primal systems to blue chip clients such as Thomas Foods and Alliance Group
 - 20% growth in BladeStop bandsaws, with over 1,500 installed bases
 - Launch of proprietary poultry trussing systems in U.S. is receiving substantial customer enquiries
- Strong margins of 32% in FY22, driven by high proportion of services revenue
- Established foothold in domestic meat processing solutions, with 61% of revenue originating from ANZ
- Progressing toward goal of developing a truly global Meat portfolio, with strong growth in Europe during FY22 and strong focus on expanding North American market presence



Margin

Sales	32%
Services	30%
Total (FY22)	32%

Scaling Through Productisation



A KEY FOCUS OF THE SCOTT 2025 STRATEGY

- Repeatable
- Large addressable market
- Proven technology
- Strong brand presence
- High margin
- Strong recurring service revenue



BLADESTOP SAFETY BANDSAW



World's fastest
stopping time

Investment
\$70K
NZD per unit
excluding options



BladeStop
US marketshare
9%

Over
1,500
installs across
30
countries



Configurable for
both protein
and non-protein
applications

US Opportunity
1,146
units for beef, pork
and case ready



AUTOMATED POULTRY TRUSSER

Configurable in
24
birds per minute
(bpm) units



Fully trussed bird
in 2.5 seconds

Opportunity
150
units for
US market

Investment
\$1.7M
NZD per unit
(24 bpm)
installed

US makes up
50%
of the global
market of
trussed birds



900M
chickens trussed
annually in the US

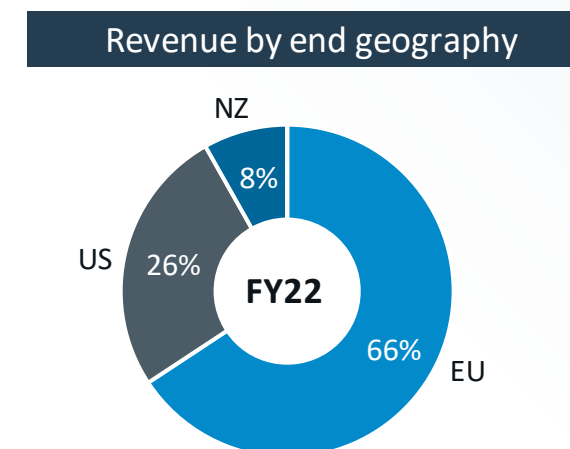
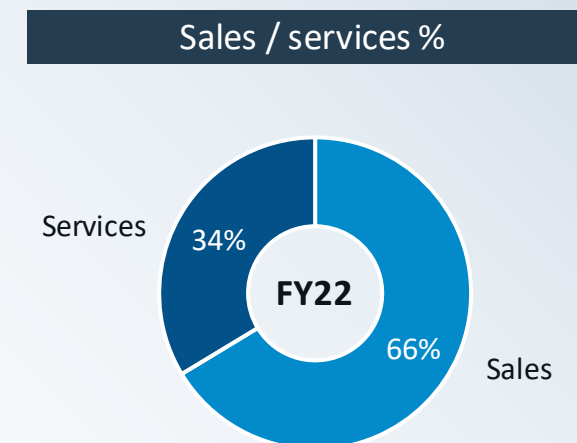
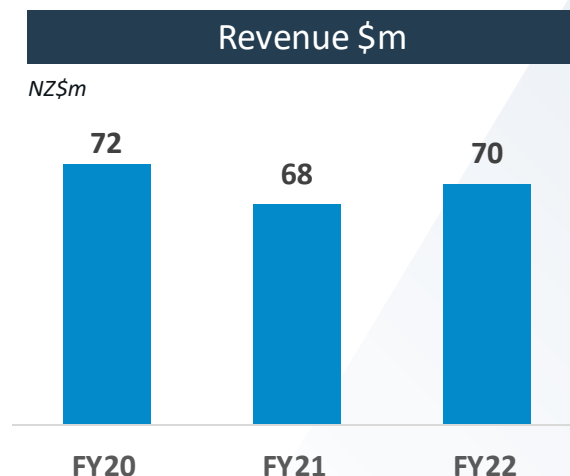


Materials Handling & Logistics



STRONG FORWARD ORDER BOOK IN MHL

- Materials Handling and Logistics (MHL) has been growing strongly in Europe and with the recent leadership amalgamation of Europe and the USA established solutions have started to flow into the US
- The recently announced a \$36.5 USD automated warehouse solution for JBS Canada, on the back of a similar solution for Alliance in New Zealand, is an example of the opportunity that exists and expansion that is underway in our MHL business
- After a weaker FY21, revenue up 3% in FY22, driven by a more positive business environment and strong customer outcomes in Europe
- Covid and supply chain pressures across Europe, as well as our proximity to the war in Ukraine impacted margins (20% in FY22), which we expect to normalise over the medium term

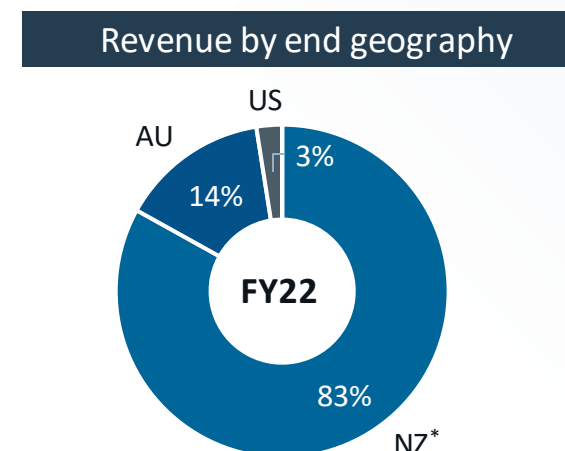
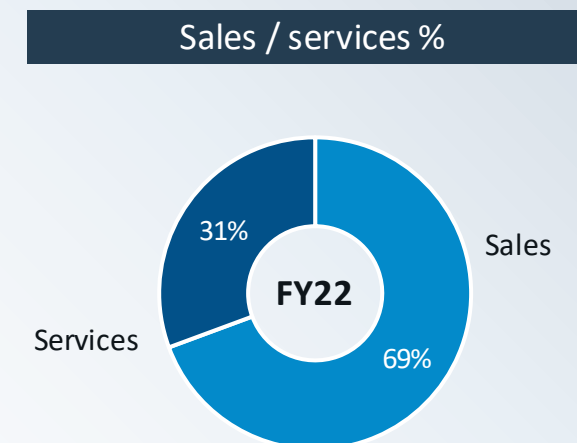
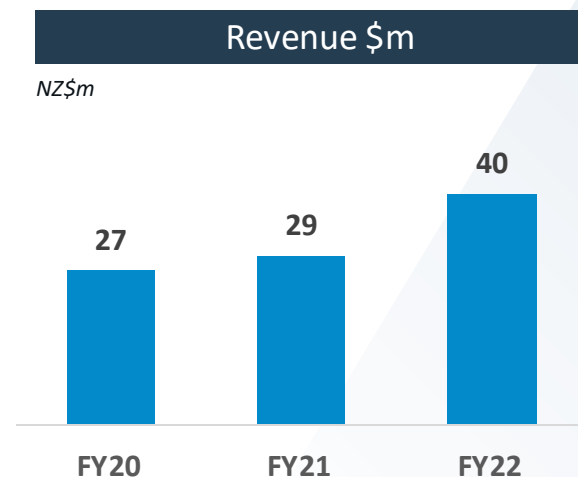


Margin

Sales	11%
Services	38%
Total (FY22)	20%

MINING IS SCOTT'S HIGHEST MARGIN SECTOR

- Strong global demand outlook for old and new minerals from mining manufacturers and distributors
- 50% growth over two years (37% in FY22) driven by substantial sales and services footprint, global distributor network
- Strong margin profile (40% in FY22) underpinned by growing proportion of repeatable Rocklabs products
- 83% of the Mining sales base is from New Zealand, which reflects domestic manufacturing that is sold globally through an extensive dealer network – the majority of Rocklabs machines are eventually sold into the Americas
- 14% of Mining sales originate from Australia, which reflects product and consumables manufactured in NZ and sold directly into the Australian mining industry
- Continual shift toward 'modular' Rocklabs solutions for mining customers



Margin

Sales	38%
Services	44%
Total (FY22)	40%

Scott Signs Deal with Caterpillar



Scott are excited today to announce a transformational collaboration with Caterpillar to develop an automated connection system to support Caterpillar's stationary chargers for electrified machines.

This agreement supports both company's commitments to contribute to a reduced-carbon future.

World leading vision sensing and detection system, combined with robotic technology, allows the charging process to be completed in a fraction of the time and without manual intervention.

Eliminates human risk and labour costs while maximising fleet utilisation. The technology will provide Caterpillar with a safer, more efficient, low emissions solution.



Who We Work With



MEAT



MATERIALS HANDLING



PEPSICO



MINING



Rio Tinto

BHP

SGS



OTHER



BOSCH



Electrolux



GE APPLIANCES



SUSTAINABILITY PEOPLE & PLANET

Casey Jenkins

Director of Marketing & People



Leading a Sustainable Future



PLACE

Aaron Vanwalleghe
Regional Director Scott Europe



PURPOSE

Cameron Mathewson
Chief Financial Officer



PEOPLE

Casey Jenkins
Director of Marketing and People

Strategic Goals and Objectives

1

Sustainable procurement

Demonstrate leadership in sustainable procurement practices.

Standardise our process for evaluating new and existing suppliers' ESG compliance.

2

Environmental management

We will measure, report and reduce our greenhouse gas (CHG) emissions.

We will reduce the waste we create and divert waste from landfill.

We will select renewable energy and invest in energy efficient processes across our business.

3

Customer satisfaction

We will achieve leading customer satisfaction scores.

We will support our customers to enable them to achieve their sustainability goals.

4

Financial performance

We will deliver long-term profitable growth for our employees, shareholders and customers.

5

Employee retention

We will develop the careers of our team with education and training programmes.

6

Global recruitment

Build high-performing teams that align with our One Team culture.

7

Employee safety and wellbeing

We will provide a workplace that safeguards the health and wellbeing of our people.

8

Diversity and inclusion

We are committed to diversity and a culture of inclusion in our workplace and will ensure equitable opportunities for employees.

SDGS
Alignment



Leading a Sustainable Future

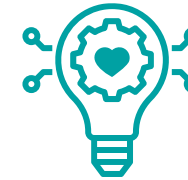


ESG PROGRAMMES COMMENCED IN FY22



People

- Introduced formal quarterly performance and wellbeing check-ins against training and development goals
- Recruitment brand and campaign focused on Scott as world leading employer rolled out
- Developed and implemented global onboarding and induction program, including a survey of all employees onboarded in the last 12 months
- BeScott Safety software launched
- Launch of global safety and wellbeing induction standardised process
- Scott safety and wellbeing leadership framework and capability training developed
- Management safety interaction framework implemented
- Gender diversity project underway, including partnership with University of Canterbury



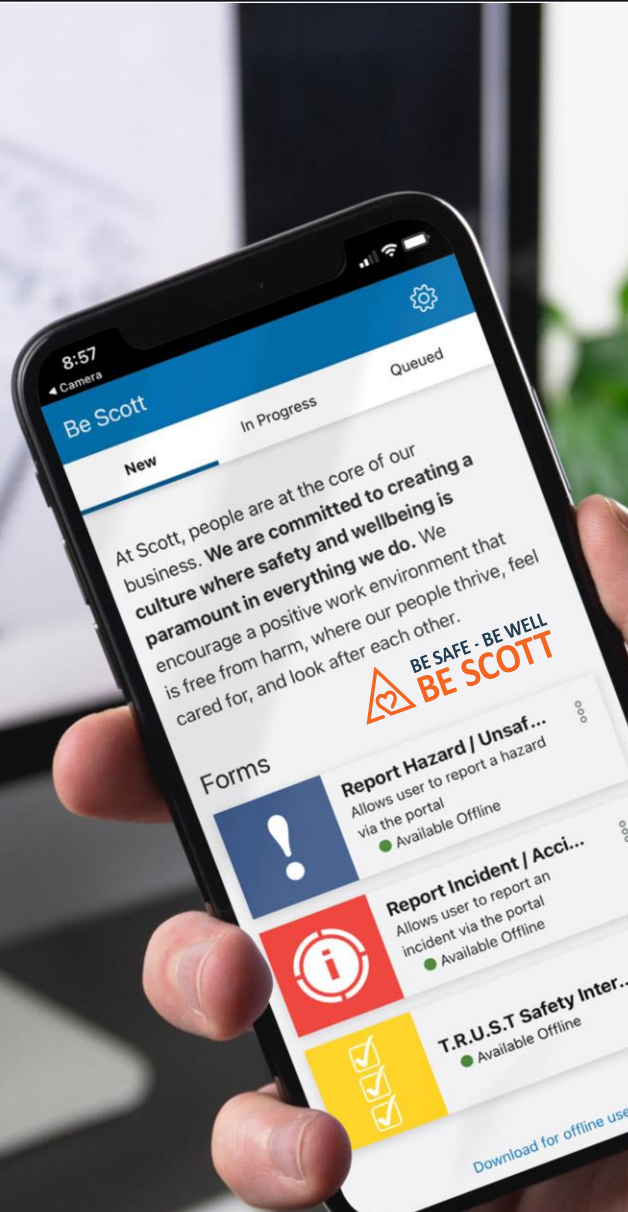
Purpose

- Create effective process and framework for measuring customer satisfaction and engagement
- Customer satisfaction surveys to be launched in next month



Place

- Audit top 20 ANZ suppliers for compliance with supplier code of conduct NZ complete. AU completed this week.
- Scott's global GHG emissions calculated for EN/ANZ- EU data verified July, NZ data verification pending.
- Develop carbon management plan



Understanding Our Carbon Emissions



2022 ACHIEVEMENTS

- Workshops and education across the business. Europe and ANZ selected as initial focus.
- Project teams identified, calculators built and audit partners selected for each region.
- We are pleased to announce that our carbon footprint has been verified in Europe and ANZ

NEXT STEPS

- Carbon budgeting
- Agree on carbon reduction target
- Prepare and provide calculator for the next reporting period
- Confirm, implement and document the reduction strategy
- Share your sustainability story with stakeholders
- Prepare for NZX mandatory reporting

FY19 GHG Emissions Footprint (ANZ & Europe)



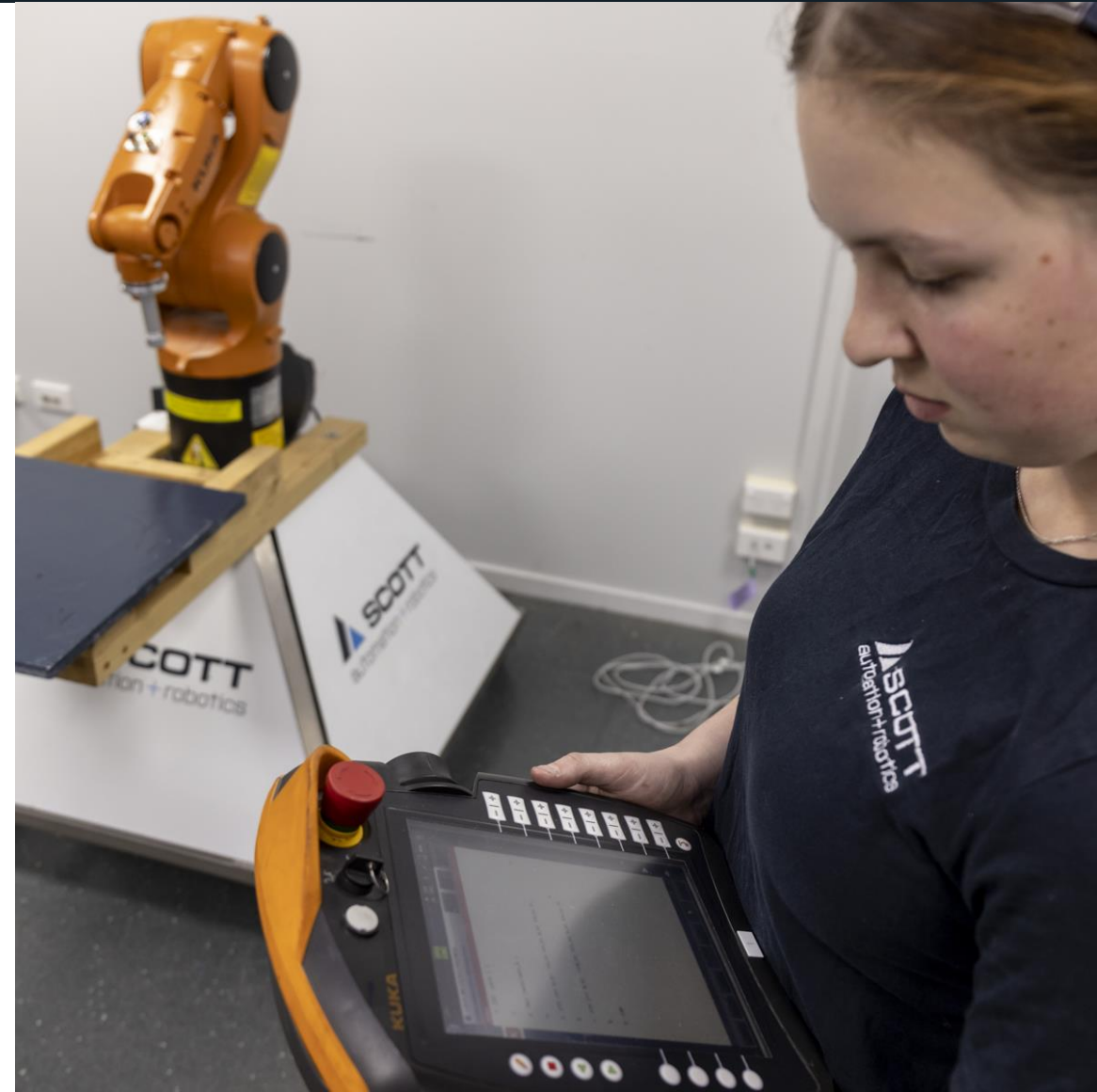
Growing a Diverse and Talented Team



UNIVERSITY OF CANTERBURY PARTNERSHIP

Scott recognises the role diversity and inclusion can play in the success of our business and are delighted to announce an exciting partnership with the University of Canterbury.

- Final Year Project Sponsorship
- Scott Technology Women in Engineering Scholarship
- Academic achievement award
- Guest lecturing and facility tours





CEO CLOSE



GENERAL BUSINESS & QUESTIONS

VOTING & RESOLUTIONS



Voting Card

Question Box

RESOLUTIONS



Resolution 1: Re-Election of Director – Derek Charge

That Derek Charge, who retires as a Director and, being eligible, offers himself for re-election by shareholders, be re-elected as a Director.

Resolution 2: Election of Director – John Berry

That John Berry, who was appointed as a Director by the Board during the year, be elected as a Director of the Company.

Resolution 3: Auditor

To record the reappointment of Deloitte as auditor of the Company and to authorise the Directors to fix the auditor's remuneration.

