

31 May 2022

Company announcement

SCOTT ANNOUNCES RECORD USD \$35M DEAL TO EXPAND MATERIALS HANDLING BUSINESS INTO NORTH AMERICA

Project with JBS Canada will see first Scott end-to-end MHL system installed in the region

Auckland, New Zealand: Scott Technology (NZX:SCT) is pleased to announce that it has signed a non-binding memorandum of understanding to deliver its first fully automated warehousing system for JBS Canada's Brooks plant in Alberta, which has an estimated value of USD \$35 million (NZD \$56m).

The project will be the largest ever in Scott's history and will see them integrate existing technology from across the group, together with systems from its joint venture partner Savoye to design and build a complete end-to-end material handling solution capable of handling 85,000 cartons.

Scott Technology CEO John Kippenberger says he is excited to combine their proven technology, with Savoye's proprietary components to deliver a world-class solution for JBS. "In 2020 we signed a joint venture agreement with Savoye to use their automated carton storage and retrieval technology to expand our Scott material handling system offering. With this JBS transaction, we will deliver a truly end-to-end solution, integrating the Savoye tech seamlessly with Scott's own conveying, sorting and palletising applications.

"As part of our Scott 2025 strategy, we committed to expanding our proven materials handling business outside of its European stronghold and into the North American market, with a particular focus on frozen foods and meat processing. Our partnership with Savoye was the first step and today's announcement demonstrates that we are delivering on our plan," says Kippenberger.

The JBS facility in Brooks city is one of the largest beef processing facilities in Canada, employing over 2,800 people. The new Scott automated solution will replace a fully manual system, increasing product handling efficiencies by allowing more flexible, high speed carton sortation and management.

"Like New Zealand, North America continues to experience labour supply issues, particularly in the meat processing space," says Kippenberger. "The new system will not only address this challenge, but it will also improve safety as one carton can weigh up to 50kgs, reduce storage costs, errors, and deliver improved inventory turns. It represents significant efficiencies and cost savings for JBS Canada."

Specifically, the system will manage 600 SKUs (Stock Keeping Units) in a highly flexible manner, allowing for optimised order management. It will enable picking of 3,000 cartons per hour, shipping of 40,300 cartons per day, high-speed palletising of 120+ pallets per hour and provide high-density storage for 85,000 cartons. It will integrate with Warehouse Execution Software for complete monitoring, management, and control of goods.

The project will be supplied from Scott's facilities in Europe, the company's centres of excellence for materials handling technology. Scott's AGV components will be supplied out of Scott USA.



Entry into the JBS transaction is being undertaken without shareholder approval in reliance on a waiver from NZX Listing Rule 5.2.1 granted by NZ RegCo on 31 May 2022.

ENDS

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About Scott

Scott delivers smart automation and robotic solutions that transform industries by making businesses safer, more productive, and more efficient. Our diverse capability makes us the first choice for hundreds of the world's leading brands. With design and build operations across Australasia, China, Europe, and America and over 100 years of engineering excellence, Scott is the global expert in automation.