



ANNUAL SHAREHOLDER MEETING

SCOTT TECHNOLOGY LIMITED
22 November 2023





CHAIRMAN PRESENTATION

Stuart McLauchlan
Chairman and Independent Director



Contents



PRESENTED BY



Stuart McLauchlan
Chairman



John Kippenberger
Chief Executive Officer



Cameron Mathewson
Chief Financial Officer



Casey Jenkins
Group GM – People,
Marketing & Minerals

“In a year defined by transformation and progress, we stand at the threshold of exciting opportunities, driven by our unwavering commitment to our Scott 2025 Strategy, focusing on accelerated growth and productisation.”

—
John Kippenberger

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Chairmans Address & Outlook



1	Demand for our products and services continues to demonstrate resilience to economic conditions. Our teams continue to focus on various strategies to mitigate the inflationary environment and preserve margins as we continue to experience increases to labour, material costs and freight to varying degrees across our business.
2	The FY23 result was underpinned by sales growth with revenues of \$267.5m, along with strong EBITDA growth of 27%. This continues to reflect the focus on driving customer outcomes and the further delivery of the Scott 2025 strategy.
3	The Board has recently signed off on a number of important capex investments that will assist our talented staff to continue their market-leading developments.
4	The Directors have recommended a final dividend of 4.0 cents which has been paid, on top of the interim 4.0 cents dividend paid earlier in the year. The Dividend Reinvestment Plan did not apply to this payment.
5	As advised in June, the company commenced a strategic review of its ownership structure. These discussions will not progress further as no offers were received at price ranges which reflect the independent Directors' view of value for all of the company. The review has highlighted a range of other initiatives which the Directors will task management to continue to work on.
6	The Board is committed to, and continues to invest in, the development of our Environmental, Social and Governance (ESG) Programme. Some of the key projects include safety and wellbeing, carbon scoping and sustainable procurement.
7	Forward work remains strong heading in to FY24, \$195m.



SCOTT 2025 STRATEGY

John Kippenberger
Chief Executive Officer



Scott 2025 Strategy delivers record year in FY23

Engineering Scott to high performance



FY23 performance snapshot



REVENUE



FY22 \$222M +21% ▲
FY21 \$206M +8% ▲

CORE MARGIN %



FY22 29% ▲
FY21 30% ▼

GROUP MARGIN %



FY22 24% ▲
FY21 24% ▬

EBITDA



FY22 \$24M +27% ▲
FY21 \$21M +14% ▲

FORWARD WORK*



FY22 \$172M +4% ▲
FY21 \$119M +44% ▲

SERVICES



FY22 \$19M -16% ▼
FY21 \$9M +115% ▲

DIVIDENDS PER SHARE (Cents)

FY23 8.0 | FY22 8.0 | FY21 6.0

EARNINGS PER SHARE (Cents)

FY23 19.3 | FY22 15.9 | FY21 10.8

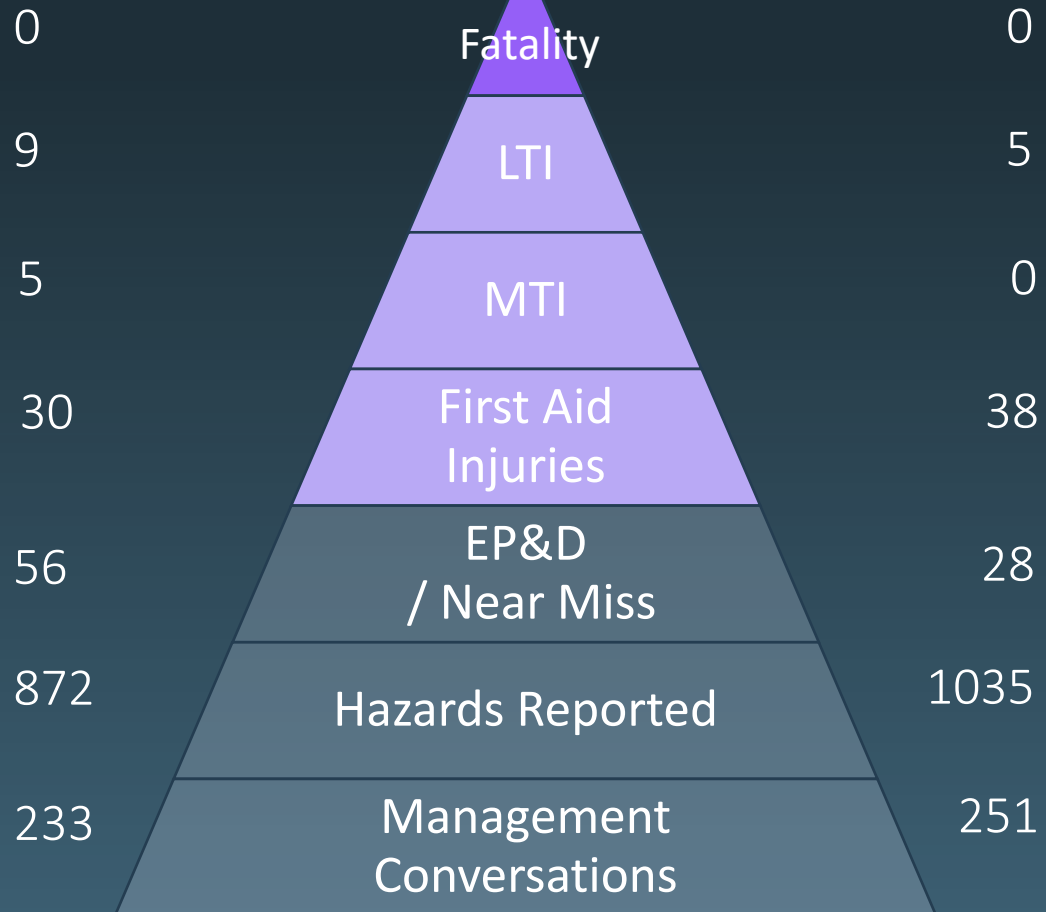
- Forward Work represents contracted activity. It is not an indicator of revenue over a set period of time
- Information is Continuing Operations (excludes the divestment of the non-core Robotworx business)

Safety & wellbeing culture continues to mature



FY22

FY23



Strong engagement delivers positive improvements proving mature safety culture

- Positive engagement with BeScott Safety App, with 1035 hazards reported in FY23 compared to 872 hazards reported in the same period last financial year. 13% increase in identifying and reporting Hazards, Near Misses and Early Pain & Discomfort.
- Lost time Injury Frequency rate (LTIFR) continued a downward trend; sitting at 4.3 compared to 8.7 in August 2022, 30% reduction.
- Continuous improvement in workplace safety and wellbeing is a fundamental commitment, the team is working hard on developing a Critical Risk Management Strategy, launched earlier this month.

Continued leadership across core sectors



FY23	PROTEIN	MHL	MINERALS	REST OF BUSINESS
Revenue mix %	29%	35%	15%	21%
Revenue growth % (vs pcg)	33%	35%	4%	2%
Margin %	33%	23%	40%	14%
Customers				



FY23 PERFORMANCE

Cameron Mathewson
Chief Financial Officer



FY23 results summary



	Results Snapshot (NZ\$m)		
	FY23	FY22	FY21
Revenue	267.5	221.8	206.0
Operating EBITDA	30.4	23.9	21.0
Non-trading adjustments*	(0.7)	-	-
EBITDA	29.7	23.9	21.0
Net Profit After Tax (NPAT)**	15.4	12.7	8.4
Net Cash / (Debt)	(0.1)	(8.0)	1.3
Net Cash / (Overdraft)	12.4	3.9	12.2
Bank Loans	(12.5)	(12.0)	(10.9)
Operating Cash Flow	20.2	6.3	13.4

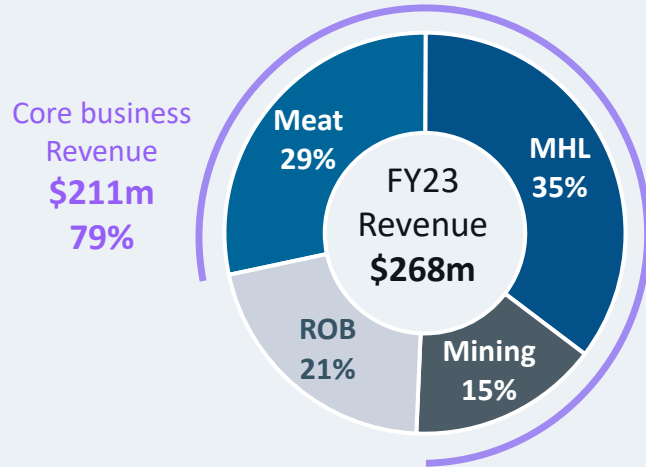
* FY23 EBITDA includes \$0.7m of expenses related to the strategic review announced in June 2023

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

Strategy delivering accelerated growth across core business & geographies



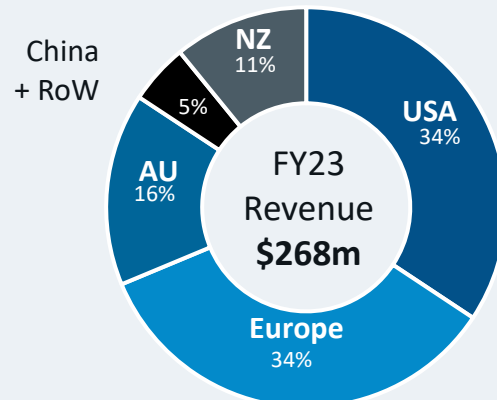
REVENUE BY SECTOR



Scott have intensified focus on converting innovation into market-ready products that deliver tangible value to our customers.

- Our Strategy of supplying repeatable products into large addressable markets continues to gather momentum.
- Revenue from Core sectors grew by 27%. Core Margin in dollars rose by 33%, as margins lifted from 29% to 30%.
- Our compelling product offerings were successful in attracting significant new customers, such as our first BladeStop installs for Cargill and the Poultry Trusser for Costco, both in our key US target market.
- MHL grew by a record 35% as the large order book in Europe was converted to revenue and the US AGV business signed new orders with the likes of McCain Canada.
- Forward order book remains strong at \$195m, with 86% from Core Sectors.
- Geographic contribution mix with expansion across Europe and US in line with Scott 25 Strategy.
 - US revenue contribution increases from 24% of group revenue in F22 to 34% in F23, as the demand for Poultry Trussers grows.
 - Europe grows from 26% to 34% as a result of the MHL strong momentum.

REVENUE BY GEOGRAPHY

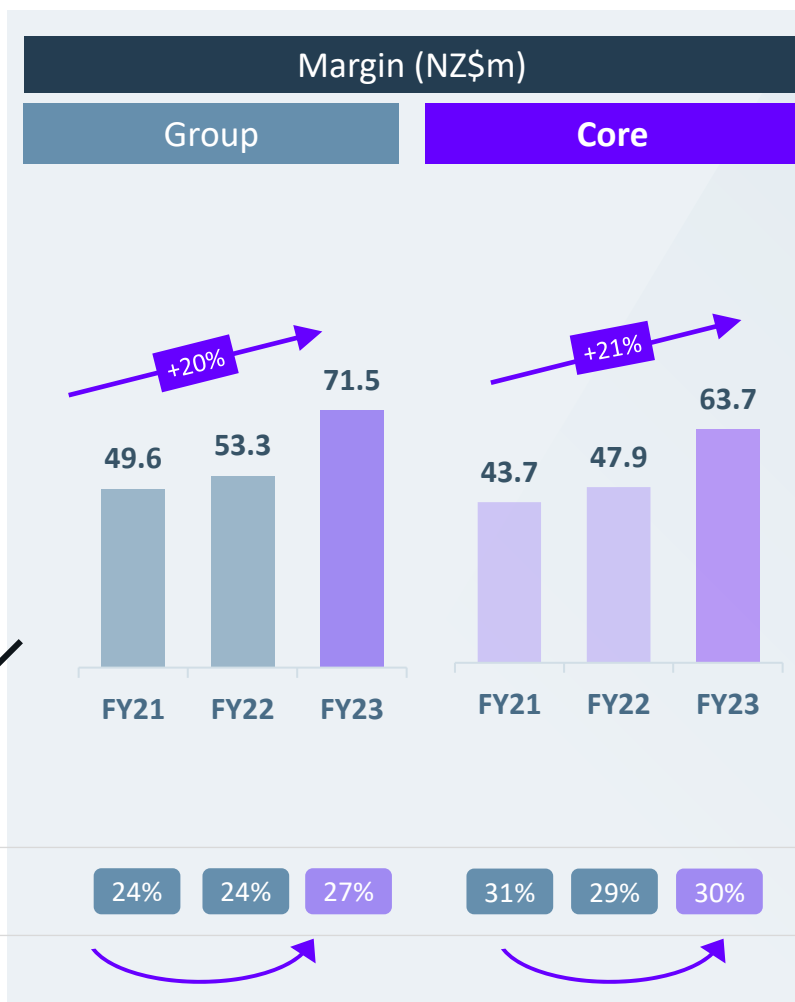
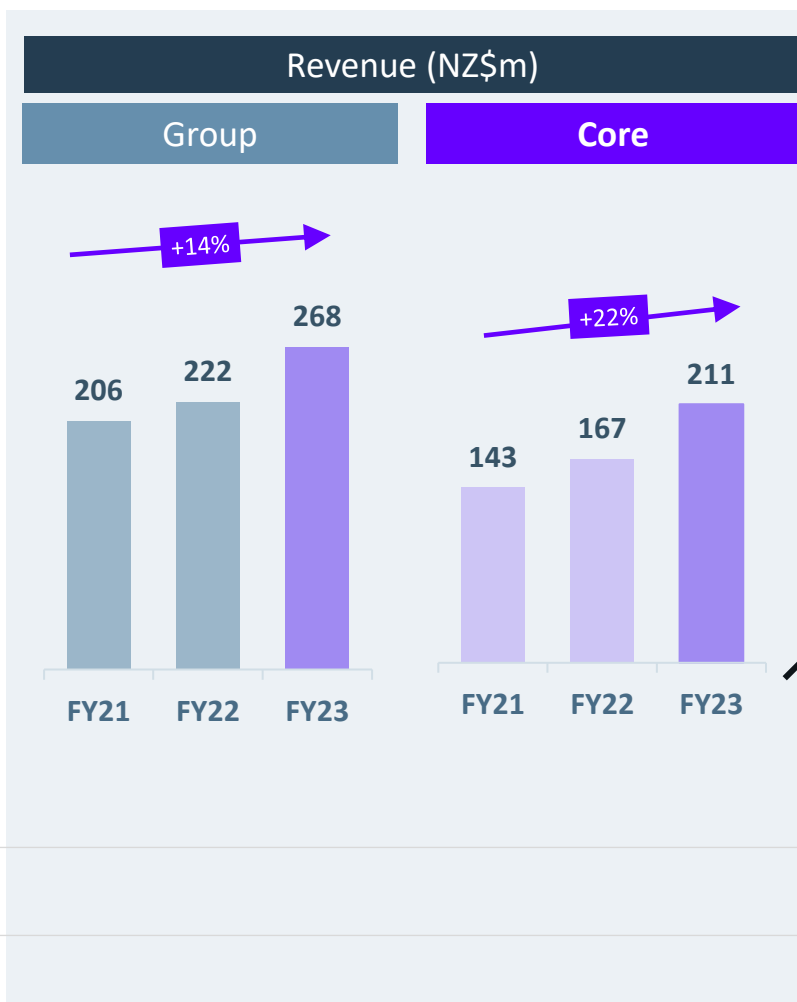


Core sectors driving strong growth



CAGR (%)

Margin (%)



Scott's strategy of more revenue from proven systems, product and service delivers another period of growth

- Core Sectors contributed the majority of growth during the FY23 period at 30% margin (+139bps).
- Core Sectors represent 79% of Group Revenue (up from 75%).
- Rest of business operations represented 21% of revenue and 11% of margin in FY23.



CORE SECTOR PERFORMANCE & OUTLOOK

Protein: Strong demand continues for high margin products and solutions



Strong period for BladeStop and meat products

- Continued demand for Scott meat solutions as customers address labour and skills shortages and rising health and safety requirements.
- Strong demand for poultry trussers, with 10 units ordered in FY23 for Costco. Advanced completion resulting in 6 units recognised in revenue.
- Key sales of Lamb Primal to Silver Fern Farms (NZ), a successful BladeStop trial at Cargill (US) and additional BladeStop saws sold to Walmart.
- 33% revenue growth on FY22 underpinned by strong performance from:
 - Momentum in new Poultry Trusser solution, contributing 13% of the growth.
 - BladeStop Saws in Europe (+36%) and Americas (+51%), which is now the region with the most sales in FY23.
 - Global BladeStop service revenue (+59%).

Margin dollars up 40% vs FY22 (CAGR FY21: +38%)

- Strong margins of 33% in FY23, driven by higher proportion of services revenue and product sales focus.
- Focus on efficiency remain high to keep growing Margin %.



Materials Handling: Impressive growth from key markets Europe and US

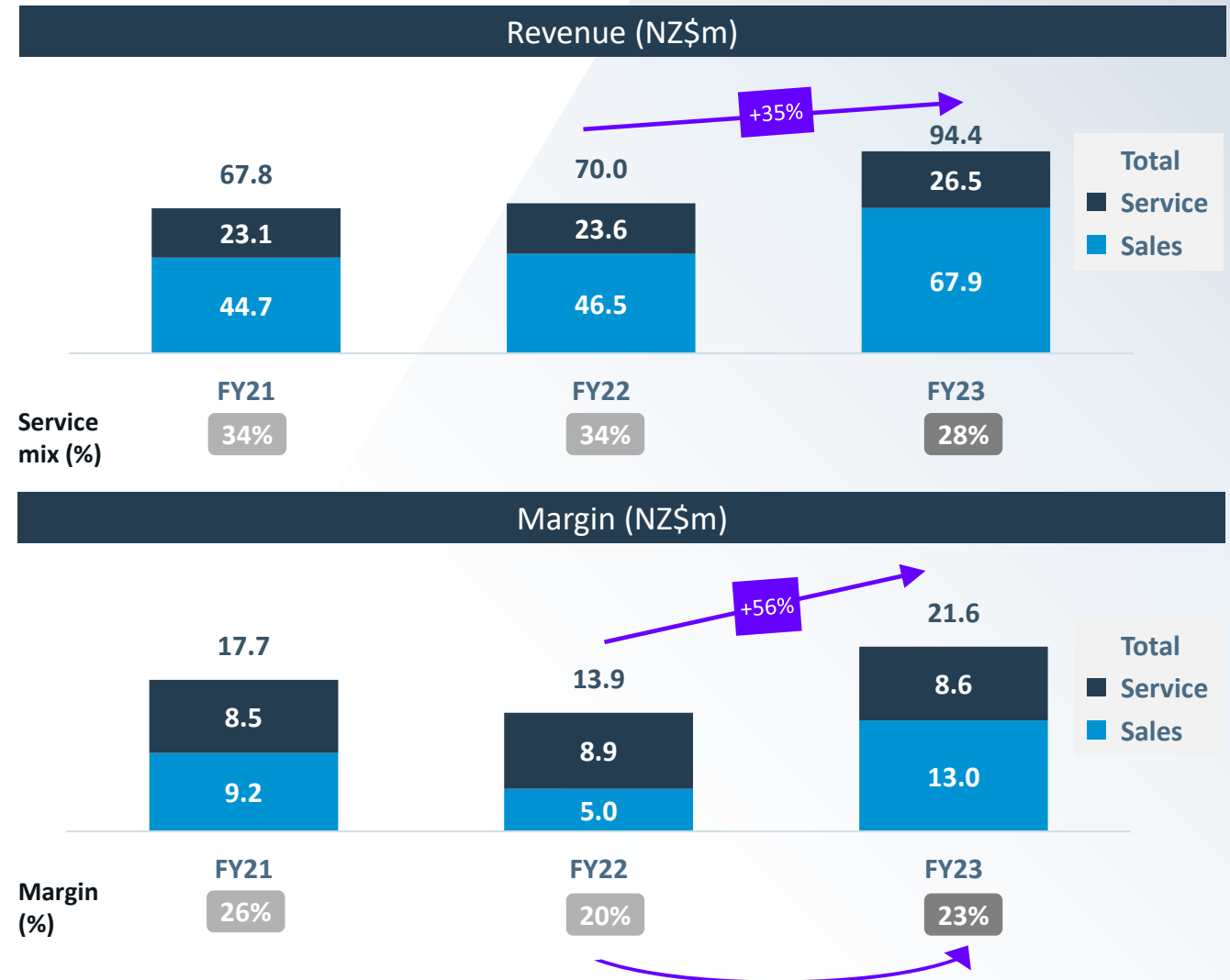


Promising momentum in global markets

- MHL continues to grow strongly in Europe.
- With the recent leadership amalgamation, established palletisation solutions are being presented to the US market.
- Strong revenue growth from FY22 (+35%), higher than CAGR from FY21 of 18%, due to conversion of forward work as supply chain pressures ease.
- Strong forward order book of \$127m:
 - US Palletisation with \$66m confirmed for 2 projects.
 - Materials Handling EU: confirmed contracts with Clarebout & new customer Incom Leone.
 - Transbotics US: confirmed contracts with major global businesses, including Microsoft, Novelis, and Gulfstream.
- Sales growth driven by strong order books means that service mix drops to 28%, despite the increase of service revenue of \$3m.

Margin improving after period of disruption

- More than proportionate increase in margins (+56% growth) as a focused business concentrates on lower risk more profitable projects.

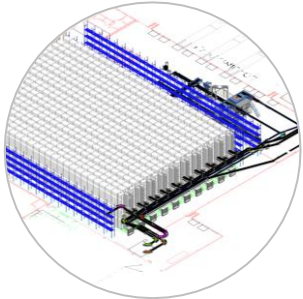


Materials Handling: Europe MHL technology to debut in US



JBS Brooks

System to process cartons of protein from three production lines, including storage in ASRS system until a full pallet is ready. Cartons are then palletised on two high speed Scott PAL 4.0 machines.



Automated Storage and Retrieval Systems (ASRS)

- 9 aisles, 31 levels per aisle (47m wide, 70m deep, 13m height)
- 279 shuttles
- High density storage for +90.000 cartons



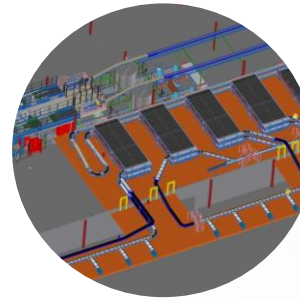
Palletizing area

- 2 PAL 4.0
- 4 AGV's to handle empty and full pallet transport
- Capacity for 60 cartons per minute



McCain Coaldale

System to process cartons of French fries from four production lines and transported to the palletizing area complete with two high speed Scott PAL 4.0 machines and empty and full pallet circuit.



Multi-line system

- 3 different types of pallets with 6 different pallet patterns
- 9 SKU's managed simultaneously
- +500m of case conveyors
- 9 accumulations tables
- 2 PAL8300_4.0
- Total capacity of 130 cartons per minute



Minerals: Reliable Rocklabs products deliver improved margin

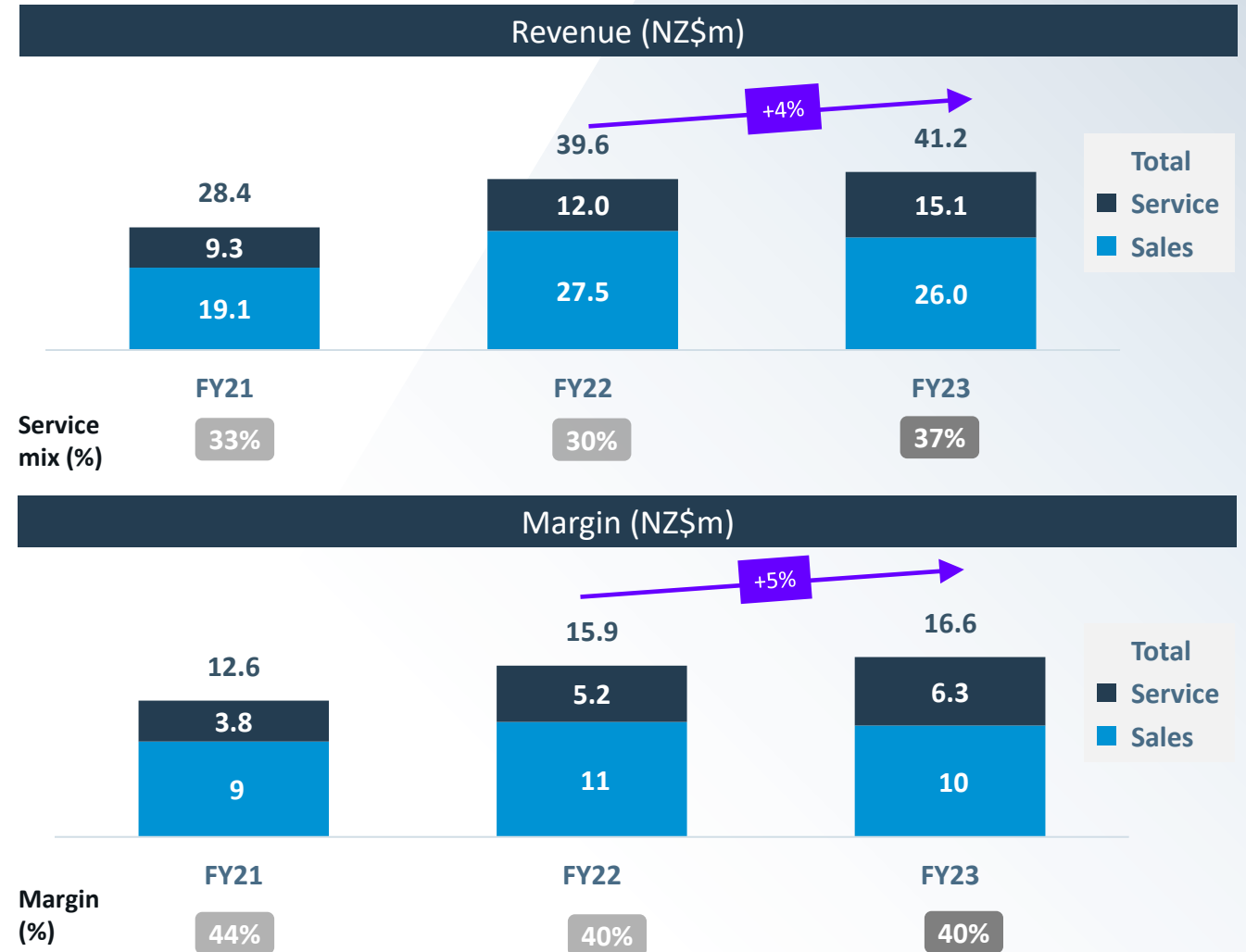


Strong global demand outlook for old and new minerals from mining manufacturers and distributors

- Positive launch of 'modular' Rocklabs solutions for mining and laboratory customers, as evidenced by first contract win to Mineral Resources Limited of \$12m (\$3.3m in FY23).
- An estimated \$3m sales from Russia missed in the period due to the war in Ukraine.
- Partially offset by strong and high margin service growth of 21% (+\$1.1m).

High margin translates growth of service mix

- Overall margin increase by 5% shows strong revenue from Rocklabs and good progress while AMS and Energize are progressing well.



Minerals: Automated Modular Solution



The AMS is a linear automated sample preparation system that links machine modules to control and automate crushing, pulverising, and dispensing.

- The solution offers several improvements across the sample preparation process:
 - Reduced labour requirements
 - Easier Integration
 - Increased processing up-time
 - Increased standardisation of outputs.
- The total potential equipment pool for AMS in the ANZ and North American geographies is estimated at c.\$NZ900m today, with mines (52%) and commercial labs (48%).



Typical lab configuration

Standard Equipment



X3



6 FTE

3 Crushers/Splitters Combos
3 Pulverisers

Semi-Automated



X3



3 FTE

3 Crushers/Splitters Combos
1 ABM

Automation with AMS



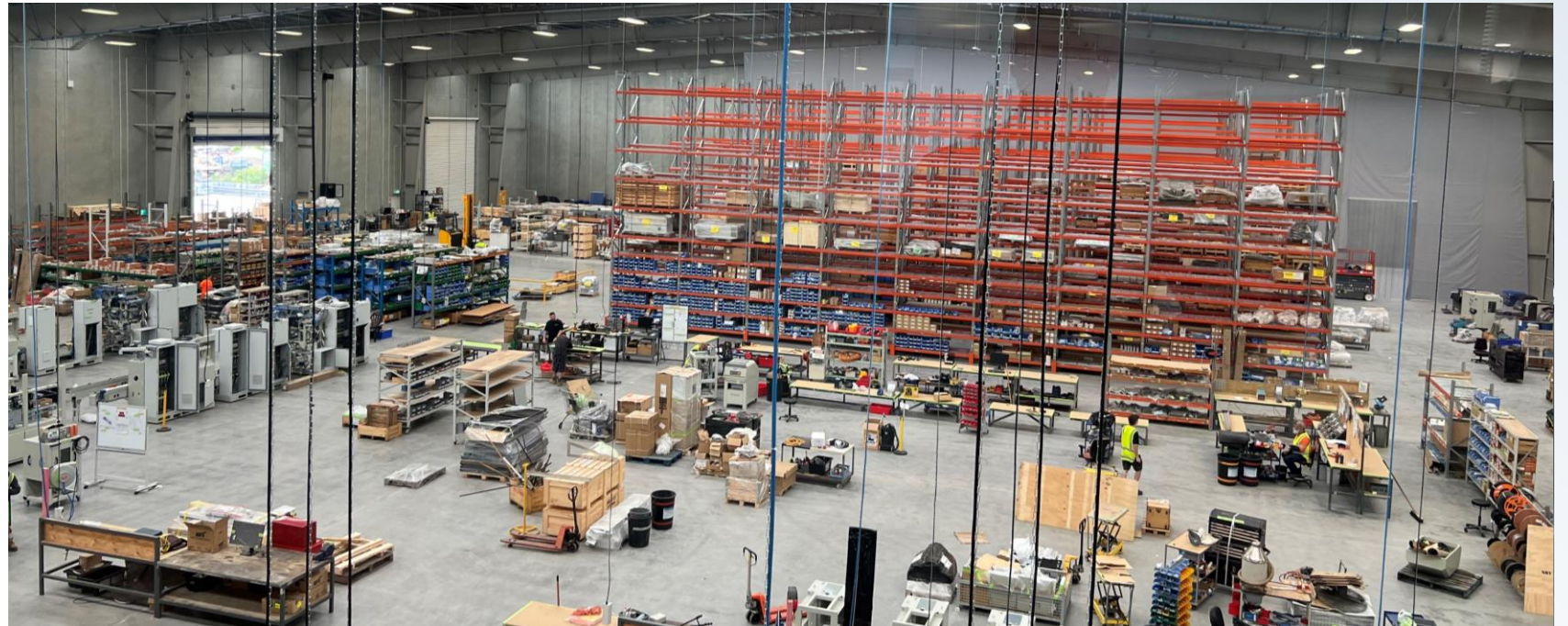
<1 FTE

Canada

1 AMS (Crush, pulverise and dispense

16 samples p/h

Minerals: New Premises





SUSTAINABILITY PEOPLE & PLANET

Casey Jenkins

Group GM of People, Marketing & Minerals



Leading a sustainable future



PLACE

Aaron Vanwalleghe
President - Europe & North America



PURPOSE

Cameron Mathewson
Chief Financial Officer



PEOPLE

Casey Jenkins
Group GM - People, Marketing and Minerals

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



Positive engagement and momentum in ESG



100% GHG emissions footprint measured and verified.

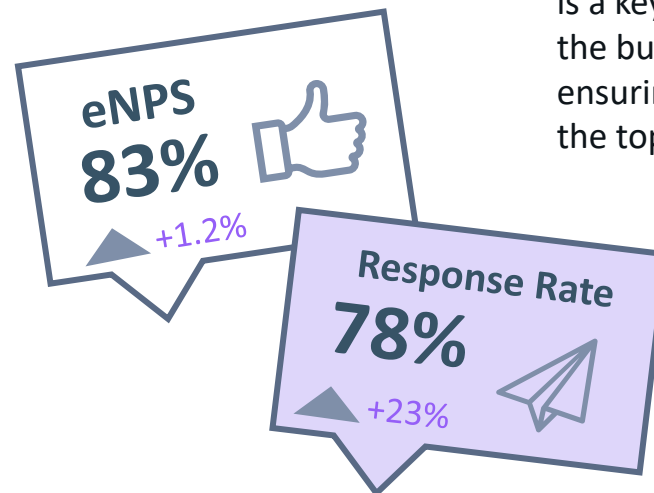
Progress was made in measuring GHG emissions in China and the US. Data has now been collected and audited for the whole business.

Climate related disclosures

Work under way to prepare business for 2024 reporting requirements, gap analysis completed.

Expanded employee benefits programme.

Featuring increased employer contributions to KiwiSaver, enhanced medical insurance offerings and celebrating employees through staff awards.



Engagement initiatives bring positive results to our eNPS score.

Highest overall score to date at 83%, FY22 82%. Highest return rate so far at 78% across the group, target 70%, FY22 63%.

Positive employee engagement is a key measure of success and the business is committed to ensuring it retains and attracts the top talent.

Pathways support talent development

33 young people globally in an internship, apprenticeship or graduate programme, 11 new this year.



Investing in our future with University of Canterbury

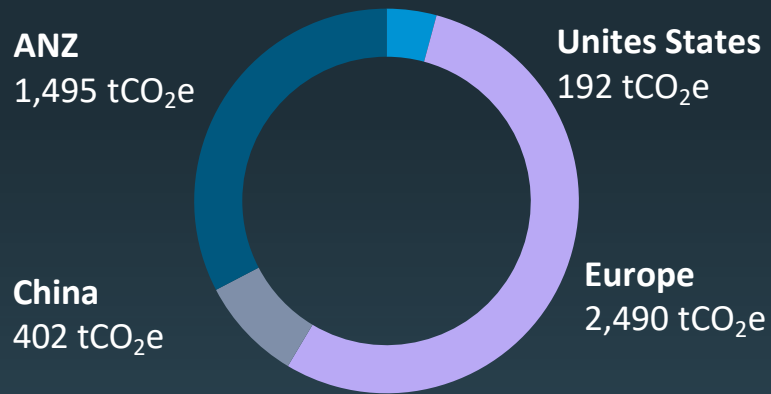
Final year project sponsorship and the launch of the Scott Technology woman in engineering scholarship in 2023.



Carbon emissions-management journey



FY22 GLOBAL GHG EMISSIONS FOOTPRINT



Electricity
22%
1,009 tCO₂e**



Materials
31%
1,418 tCO₂e



Transport Fuel
22%
995 tCO₂e*



Business Travel
15%
708 tCO₂e*



Stationary Fuel
6%
266 tCO₂e**



Waste
1%
60 tCO₂e



Refrigerant gas
1%
42 tCO₂e



Packaging
1%
29 tCO₂e



Other
1%
51 tCO₂e*

Understanding the scale of our carbon footprint and the impact of our actions, allows us to identify opportunities for reduction and improvement.

- 100% of our global GHG Emissions footprint has been measured, audited and verified. Additionally, we have made seen reductions across both ANZ (13%) and Europe (9%) on FY19.
- Next steps for our carbon emissions management include:
 - Expanding the boundary of the Scope 3 measurement especially for Freight and Purchased Goods and Services.
 - Factor in group revenue growth to see the growth in emissions and the impact on target setting.
 - Development of regionalised reduction strategies and finalise the group reduction targets (absolute and intensity).



CEO CLOSE

John Kippenberger
Chief Executive Officer



Key Points Summary



1	Scott continues to experience ongoing demand for automation as our customers invest to drive productivity, safety, and to overcome ongoing global labour shortages.
2	Success from the Scott 2025 strategy to focus on core areas of proven expertise and sell into large addressable markets. This delivers core revenue growth of 22%, making up 79% of group revenue and 89% of group margin.
3	These proven and repeatable products delivered Sales margin of 24% and Services / Aftermarket margin of 35% Which lifted group margin from 24% to 27%.
4	Continued track record of managing costs efficiently and taking revenue growth to the bottom line as demonstrated by record growth of operating EBITDA of 27% from FY22 to \$30.4m.
5	Demand for automation combined with clear Strategy maintains a strong forward order book totaling \$195m.
6	We continue to move efficiently through the various stages of ESG, Strategy and Culture.
7	Winner of the 2022 Deloitte Best Growth Strategy Award recognising outstanding growth performance.
8	We have taken several key insights and learnings out of the recent Strategic Review work. And as a company always striving for exceptional growth and performance we will work together on these and look forward to updating you on this progress at the FY24 half year.



VOTING & RESOLUTIONS



Voting and asking questions



Voting Card

Question Box



Resolution 1: Re-Election of Director – Stuart McLauchlan

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

Resolution 2: Re-Election of Director – John Kippenberger

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

Resolution 3: Re-Election of Director – Alan Byers

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

Resolution 4: Auditor

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

GENERAL BUSINESS



THANK YOU

