Automation + Robotics

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Woodward Partners
NZ Mid-Cap Spotlight
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As trusted product leaders we add value for our customers by supplying quality specialised manufacturing and industrial technologies; that demonstrate our passion for engineering excellence and professional service.
Mission – How we going to get there

Provide automation and robotics engineering equipment and services to businesses anywhere in the world who make, move, manipulate, monitor and track. We will do this by making processes safer, more productive, with increased yield or better outcomes.
Scott – What we do

• Automation + Robotics engineers.
• Make things
• 400 staff - mostly engineers
• Workshops in Australia, NZ, USA, China and Germany
• Industries:
  ➢ Appliances
  ➢ Mining
  ➢ Meat Processing
  ➢ Industrial Automation (Robotics)
Skill and Expertise in:

- Machinery
- Robots
- AGV's
- Sensing and Imaging
- X-ray, including Dual Energy X-Ray (otherwise known as DEXA)
- Mechanical and Electrical Design
- Factory Control Systems
- Installation, Commissioning, Service and Maintenance.
Scott – Why we do what we do

- Process improvement
- Engineering design & technology = better outcomes.
- Better outcome: Increased Productivity
  - more throughput; or
  - increased quality or
  - increased yield.
- Easier, better and safer for customers

e.g. For meat processors this means:
- more meat off the bone,
- less meat down the waste belt or
- better cut optimisation and
- better information.
Revenues - Industry Movements Feb-16 versus Feb-17

(6 month figures - Unaudited)

2016 sales (6mths to Feb16) 42,816
Other industrial automation 7,007
Appliances 4,987
Mining 3,747
Meat processing 618
High temperature superconductors 1,269
2017 sales (6 mths to Feb17) 56,670
Revenues - Region Movements Feb-16 versus Feb-17

(6 month figures - Unaudited)

<table>
<thead>
<tr>
<th>Region</th>
<th>2016 sales (6mths to Feb16)</th>
<th>2017 sales (6 mths to Feb17)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asia</td>
<td>6,237</td>
<td>56,670</td>
</tr>
<tr>
<td>Other Europe</td>
<td>5,051</td>
<td>-</td>
</tr>
<tr>
<td>Australia and Pacific Islands</td>
<td>2,861</td>
<td>-</td>
</tr>
<tr>
<td>Russia and former states</td>
<td>967</td>
<td>-</td>
</tr>
<tr>
<td>Africa and Middle East</td>
<td>761</td>
<td>-</td>
</tr>
<tr>
<td>South America</td>
<td>389</td>
<td>-</td>
</tr>
<tr>
<td>North America, including Mexico</td>
<td>612</td>
<td>-</td>
</tr>
<tr>
<td>New Zealand (country of domicile)</td>
<td>1,800</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>42,816</strong></td>
<td><strong>56,670</strong></td>
</tr>
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Net profit before tax – 6 monthly splits

1st 6 months
2nd 6 months
Group Sales by Customer Industry

![Bar chart showing sales by customer industry for different years.](chart.png)

- Industrial Automation & Robotics
- Superconductors
- Mining
- Meat Processing
- Appliance Systems

% of total sales

- 2017 (6mths - unaudited)
- 2016
- 2015
- 2014

[Chart details: SCOTT]
key product drivers in the short to medium term – market opportunities for:

• Bladestop
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• Bladestop

• Increasing adoption of meat automation technology:
  • Lamb in Australasia
  • Started with Beef in Australia
  • Development work in Pork and Poultry in USA and Europe
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• DEXA – Australia developments and wider interest
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• Mining technology developments
  – robofuel
  – Robotic idler change
Research & Development

R&D Spend between 5% and 10% of total revenues

Demand pull, quick outcomes and collaborative approach

Includes:

- AGV's
- Robotics generally Inc. Collaborative and mobile robotics
- LED automoulding
- Scott Dairy – milking robots
- Advanced vision and sensing technologies
Acquisitions

Rocklabs
- Acquired 2008
- Diversification from appliance manufacturing with reach into mining
- Added standard products which provide more regular cash flows
- Expanded product range and customer base
- Grown revenues

RobotWorx
- Acquired 2014
- Added capacity and Scale for service and support to Scott largest Market (USA)
- Accelerated uptake of Meat processing & Mining technologies into USA
- Leverage opportunities gained from their internet marketing presence
- Successfully Transitioned previous owner from the business
- Established beachhead for Bladestop sales into North America
Recent Acquisitions

MAR / Bladestop
- Acquired MAR 2015 / Bladestop 2016
- Objective to acquire new technologies faster than we could build them
- Strengthened market position by combining offerings to the red meat industry
- Provided scale in second largest market (Australia)
- Increased size and performance

Somako (Scott Germany)
- Acquired 2016
- Objective to accelerate uptake of Scott products into European market
- Closer ties to key strategic customers
- Looking to build standard equipment locally to increase speed to market
Expectations and intentions as laid out 18 months ago:
“it is important the unique culture and character of Scott remains intact, independent and subject to normal business forces; and market tensions”

- Governance by JBS
- Management and Operations by Scott
- JBS Opportunity sits on top of strategy – doesn’t change it
  - JBS Scott steering group established to guide & drive
  - Scale – repeatable technology / developments
  - Partners working together – access to inside and industry thinking