

Scott Technology

SoftBank's Robotics and AI Convergence Bid

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SoftBank's US\$5.4b purchase of ABB's robotics division highlights the accelerating convergence between artificial intelligence (AI) and industrial automation, plus SCT's relatively cheap trading multiples. It reinforces the growing value of robotics intellectual property (IP) and the appetite among both customers and global investors to own capability across automation, data, and mechatronics. The deal gives SoftBank ([release](#)) one of the world's largest installed robotic bases and an immediate platform in high-growth segments such as collaborative systems and vision-based automation. For ABB, divesting robotics ([release](#)) reflects a capital rotation toward software-led industrial electrification, with proceeds earmarked for higher-margin digital assets. SCT's smaller, integrated robotics businesses—embedded within its Materials Handling, Mining, and Protein platforms—illustrate the opposite approach: retaining robotics as a vertically aligned enabler of its automation systems. The SoftBank/ABB transaction (settling mid-to-late 2026), while at a substantially larger scale, represents a trailing ~2.4x EV/Sales multiple and 17.2x EV/EBITDA, a meaningful premium to SCT's like-for-like trailing EV/Sales multiple of 0.8x and 8.4x EV/EBITDA. The transaction highlights compelling valuation support for SCT at a time that the company has set an ambitious FY30 'Destination 2030' roadmap targeting NZ\$530m in revenue and 14% EBITDA margin, a step-change from FY24's NZ\$279m and 10.9% respectively, and representing a six-year revenue CAGR of +11%. We remain constructive on the SCT growth story.

NZX code	SCT	Financials: Aug/	24A	25E	26E	27E	Valuation (x)	24A	25E	26E	27E
Share price	NZ\$2.41	Rev (NZ\$m)	278.7	275.4	304.8	340.2	PE	24.8	16.0	14.1	11.0
Spot Valuation	NZ\$3.43	NPAT* (NZ\$m)	7.7	12.7	14.9	19.6	EV/EBIT	19.3	12.0	9.8	7.9
Risk rating	Medium	EPS* (NZc)	9.7	15.1	17.1	21.8	EV/EBITDA	8.5	7.8	6.9	5.8
Issued shares	83.2m	DPS (NZc)	8.0	8.0	10.0	12.0	Price / NTA	1.8	1.7	1.8	1.6
Market cap	NZ\$200m	Imputation (%)	0	0	100	100	Cash div yld (%)	3.3	3.3	4.1	5.0
Avg daily turnover	16.6k (NZ\$34k)	*Based on normalised profits					Gross div yld (%)	3.3	3.3	5.8	6.9

Industry consolidation accelerates

SoftBank's move continues a consolidation reshaping the automation landscape, where mechanical engineering, electronics, computer science, and control engineering are integrating. From Siemens expanding its stake in Altair Engineering (high-fidelity AI modelling into industrial automation), Amazon's historical acquisition of Kiva (automated guided vehicles [AGVs]), to Mitsubishi's historical acquisition of ICONICS (manufacturing, industrial, and building automation), companies are targeting embedded robotics to pair with AI control software and underscore a pivot from hardware- to software-driven industrial automation.

Implications for SCT's robotics strategy

In our 10 October 2025 Equity Strategy report *Mind the Gap*, our screening highlighted SCT as a potential acquisition target. For SCT, this SoftBank deal highlights the rising demand for higher proprietary robotic IP. We understand SCT has only a limited prior relationship with ABB, occasionally integrating ABB robots where preferred by customers, but its primary robotics partner remains KUKA ([link](#)). As such, we envisage this deal as having minimal, if any, impact on SCT. SCT's robotics units—focused on palletising, vision systems, and robotic meat processing—remain small in absolute terms but strategically important and growing impressively. SCT's vertically integrated approach sees it developing Maestro+ as its control and data-analytics suite across multiple platforms, rather than a division-only product. With SCT investing in modular platforms like NexBot AGV, BladeStop's vision-safety blades, its materials-handling palletising systems, chicken trussing, development of the beef-boning line, and its Rocklabs automated modular solution (AMS), the broader shift toward data/AI-enabled industrial automation should reinforce demand for its robotics expertise.

Scott Technology (SCT)

Market Data (NZ\$)

Priced as at 12 Oct 2025	2.41
52 week high / low	2.49 / 1.67
Market capitalisation (NZ\$m)	200.5

Key WACC assumptions

Risk free rate	5.00%
Equity beta	1.11
WACC	10.4%
Terminal growth	2.0%

Profit and Loss Account (NZ\$m)	2023A	2024A	2025E	2026E	2027E
Revenue	268.9	278.7	275.4	304.8	340.2
Normalised EBITDA	29.7	26.4	30.7	34.5	41.4
Depreciation and amortisation	(8.5)	(10.9)	(10.8)	(10.2)	(11.0)
Normalised EBIT	20.6	11.7	20.0	24.4	30.4
Net interest	(1.7)	(4.2)	(3.7)	(3.7)	(3.2)
Associate income	-	-	-	-	-
Tax	(3.8)	(3.2)	(3.6)	(5.8)	(7.6)
Minority interests	-	-	-	-	-
Normalised NPAT	15.4	7.7	12.7	14.9	19.6
Abnormals/other	-	-	-	-	-
Reported NPAT	15.4	7.7	12.7	14.9	19.6
Normalised EPS (cps)	19.3	9.7	15.1	17.1	21.8
DPS (cps)	8.0	8.0	8.0	10.0	12.0

Growth Rates	2023A	2024A	2025E	2026E	2027E
Revenue (%)	20.2	3.6	-1.2	10.7	11.6
EBITDA (%)	24.1	-11.0	16.3	12.3	20.1
EBIT (%)	29.5	-43.1	70.7	21.9	25.0
Normalised NPAT (%)	22.0	-50.0	64.2	17.5	31.9
Normalised EPS (%)	21.4	-49.7	55.2	13.9	27.4
Ordinary DPS (%)	0.0	0.0	0.0	25.0	20.0

Cash Flow (NZ\$m)	2023A	2024A	2025E	2026E	2027E
EBITDA	29.7	26.4	30.7	34.5	41.4
Working capital change	(6.4)	(4.8)	(0.8)	(0.7)	(5.9)
Interest & tax paid	(0.0)	(3.1)	(3.2)	(5.5)	(7.5)
Other	(3.1)	(12.6)	1.2	1.2	-
Operating cash flow	20.2	6.0	27.9	29.4	28.1
Capital expenditure	(2.0)	(9.0)	(3.1)	(3.5)	(3.9)
(Acquisitions)/divestments	(2.5)	(1.9)	-	-	-
Other	(6.3)	(9.2)	(8.8)	(8.8)	(8.3)
Funding available/(required)	9.5	(14.1)	15.9	17.1	15.9
Dividends paid	(2.6)	(7.1)	(5.8)	(7.7)	(9.8)
Equity raised/(returned)	-	-	-	-	-
(Increase)/decrease in net debt	6.9	(21.2)	10.1	9.4	6.1

Balance Sheet (NZ\$m)	2023A	2024A	2025E	2026E	2027E
Working capital	42.6	47.4	48.2	48.9	54.8
Fixed assets	18.4	23.6	26.8	30.2	33.6
Intangibles	5.6	3.4	1.8	1.7	1.5
Right of use asset	12.5	24.9	27.4	29.5	31.2
Other assets	113.3	103.4	101.7	99.9	99.4
Total funds employed	192.3	202.6	205.9	210.2	220.5
Net debt/(cash)	0.1	20.1	14.0	10.5	4.5
Lease liability	9.6	22.0	25.6	29.2	32.8
Other liabilities	69.9	50.0	51.5	53.0	54.6
Shareholder's funds	113.1	111.0	115.7	118.7	130.5
Minority interests	(0.4)	(0.5)	(0.9)	(1.3)	(1.8)
Total funding sources	192.3	202.6	205.9	210.2	220.5

* Forsyth Barr target prices reflect valuation rolled forward at cost of equity less the next 12-months dividend

Spot valuation (NZ\$)

Peers comparable	3.17
DCF	3.68

DCF valuation summary (NZ\$m)

Total firm value	519
(Net debt)/cash	(14)
Less: Capitalised operating leases	(65)
Value of equity	440

Valuation Ratios	2023A	2024A	2025E	2026E	2027E
EV/Sales (x)	0.8	0.8	0.9	0.8	0.7
EV/EBITDA (x)	7.2	8.5	7.8	6.9	5.8
EV/EBIT (x)	10.3	19.3	12.0	9.8	7.9
PE (x)	12.5	24.8	16.0	14.1	11.0
Price/NTA (x)	1.8	1.8	1.7	1.8	1.6
Free cash flow yield (%)	7.1	-3.8	10.0	10.5	9.6
Adj. free cash flow yield (%)	7.1	-3.8	10.0	10.5	9.6
Net dividend yield (%)	3.3	3.3	3.3	4.1	5.0
Gross dividend yield (%)	3.3	3.3	3.3	5.8	6.9

Capital Structure	2023A	2024A	2025E	2026E	2027E
Interest cover EBIT (x)	12.2	2.8	5.4	6.6	9.6
Interest cover EBITDA (x)	17.6	6.3	8.2	9.4	13.1
Net debt/ND+E (%)	0.1	15.2	10.7	8.1	3.3
Net debt/EBITDA (x)	0.0	0.8	0.5	0.3	0.1

Key Ratios	2023A	2024A	2025E	2026E	2027E
Return on assets (%)	8.1	4.8	8.1	9.7	11.5
Return on equity (%)	13.9	6.9	10.8	12.4	14.9
Return on funds employed (%)	9.5	4.1	6.5	7.5	9.4
EBITDA margin (%)	11.0	9.5	11.2	11.3	12.2
EBIT margin (%)	7.6	4.2	7.3	8.0	8.9
Capex to sales (%)	0.7	3.2	1.1	1.1	1.1
Capex to depreciation (%)	31	103	36	37	38
Imputation (%)	0	0	0	100	100
Pay-out ratio (%)	41	82	53	58	55

Operating Performance	2023A	2024A	2025E	2026E	2027E
Protein (Meat)					
Revenue (NZ\$m)	76.0	59.9	62.3	74.1	88.2
Revenue growth (%)	33%	-21%	4%	19%	19%
Gross margin (%)	33%	28%	34%	34%	34%
Gross profit (NZ\$m)	25.4	16.8	20.9	24.8	29.6
Minerals (Mining)					
Revenue (NZ\$m)	41.2	48.8	50.3	55.3	60.8
Revenue growth (%)	4%	18%	3%	10%	10%
Gross margin (%)	40%	36%	34%	34%	35%
Gross profit (NZ\$m)	16.6	17.4	17.1	18.9	21.3
Materials Handling and Logistics					
Revenue (NZ\$m)	94.4	127.3	128.6	140.1	152.8
Revenue growth (%)	35%	35%	1%	9%	9%
Gross margin (%)	23%	22%	23%	23%	23%
Gross profit (NZ\$m)	21.6	28.3	29.8	32.3	35.0
Other					
Revenue (NZ\$m)	56.0	40.1	32.1	35.0	38.1
Revenue growth (%)	1%	-28%	-20%	9%	9%
Gross margin (%)	14%	26%	23%	23%	22%
Gross profit (NZ\$m)	7.8	10.6	7.4	7.9	8.5

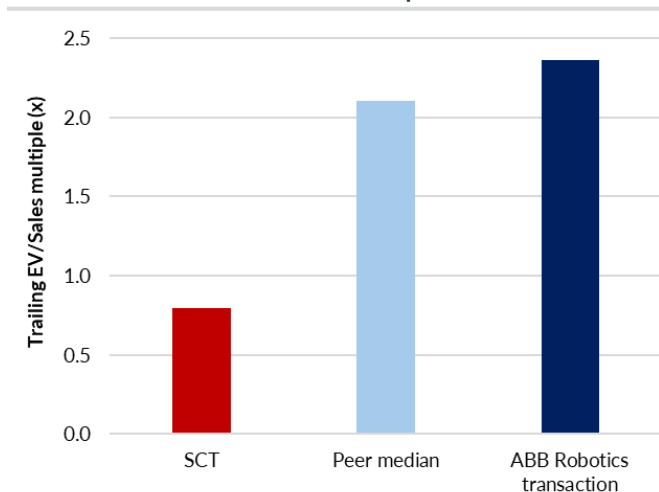
Supportive sector dynamics

SoftBank's acquisition of ABB's Robotics division underscores the increasing premium attributed to companies at the intersection of robotics automation and AI integration. It adds further evidence to support consolidation and integration trends across those spaces. The ~2.4x EV/Sales transaction multiple reflects this, at a premium to the valuation of both peers (median historic EV/Sales multiple of ~2.1x) and SCT (historic EV/Sales multiple of ~0.8x). We believe the transaction provides valuation support for SCT, but we do acknowledge the significant difference in scale, with ABB Robotics' ~7,000 employees and ~US\$2.3bn of revenues, compared with SCT's ~650 employees and FY24 total revenue of ~NZ\$279m. We view the deal as particularly constructive for SCT in light of: (1) the company's refreshed growth ambitions and aspirational targets announced at its September 2025 investor day; and (2) potential for further AI and data integration over time as it develops its Maestro+ platform.

ABB's robotics operating division is a robot original equipment manufacturer (OEM) that has historically sat within the company's Robotics and Discrete Automation business. It offers a range of automation solutions, such as Autonomous Mobile Robots (AMRs) and collaborative robots, similar in kind to SCT's Automated Guided Vehicles and robotic solutions.

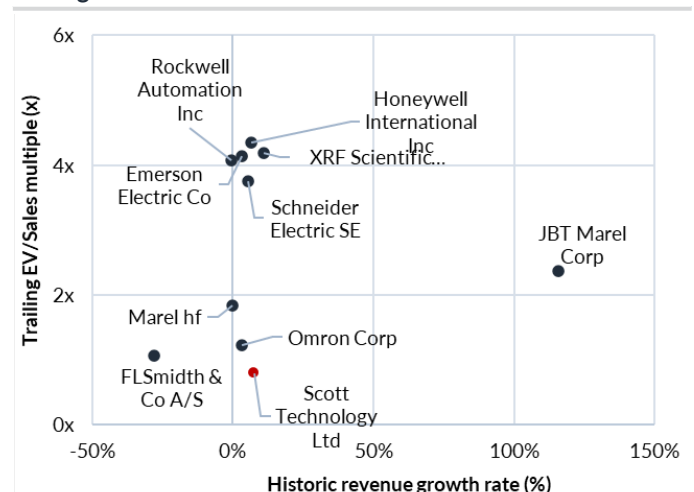
SCT and ABB have a historic supply and integration relationship, with SCT being a supplier of robots for a range of applications. SCT is an authorised ABB Value Provider, enabling it to resell, integrate, and service ABB robotics and automation products globally.

Figure 1. The ABB Robotics EV/Sales transaction multiple is above both SCT and the median of its peers



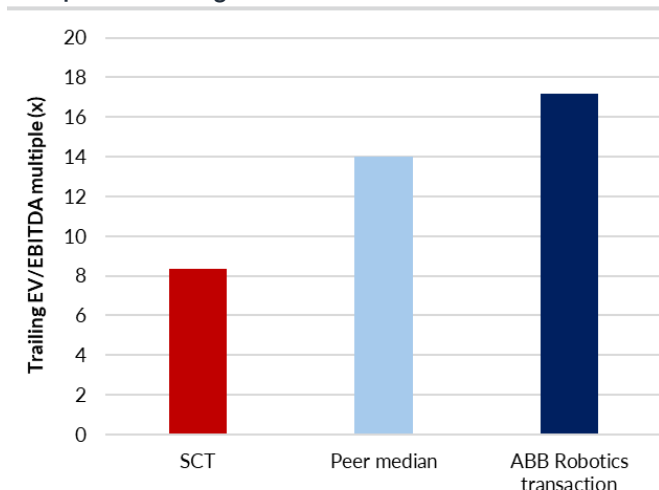
Source: Transaction data, Company data, Workspace, Forsyth Barr analysis

Figure 2. SCT looks attractive when compared to peers on a trailing EV/Sales basis



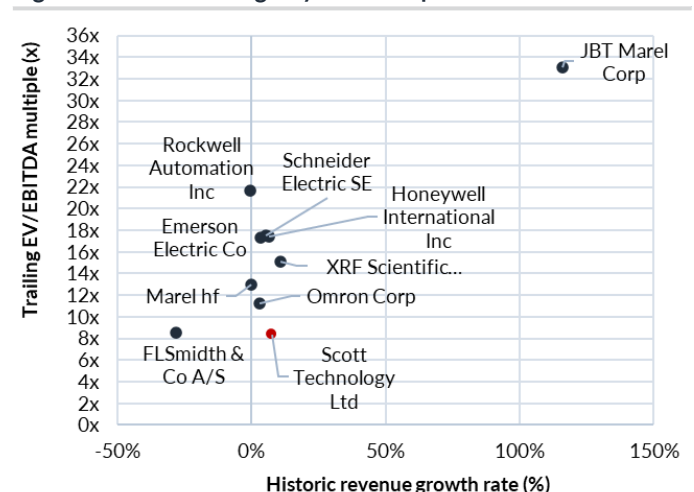
Source: Workspace, Forsyth Barr analysis

Figure 3. SCT trades significantly below the transaction multiple on a trailing EV/EBITDA basis...



Source: Transaction data, Company data, Workspace, Forsyth Barr analysis

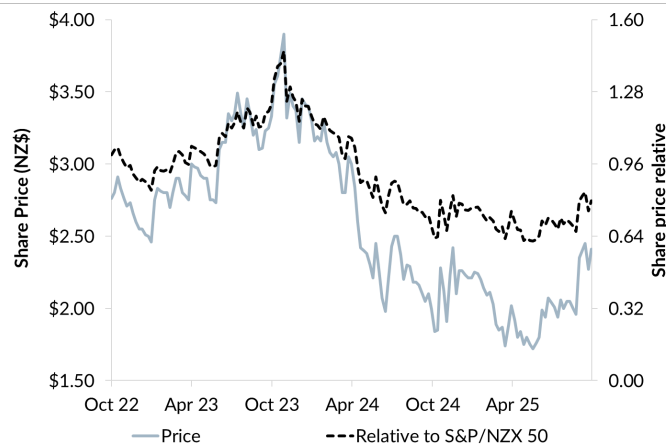
Figure 4. ... and meaningfully below its peers



Source: Workspace, Forsyth Barr analysis

Additional data

Figure 5. Share price performance



Source: LSEG, Forsyth Barr analysis

Figure 6. Substantial shareholders

Shareholder	Latest Holding
JBS Australia	53.4%
Oakwood	6.7%
ACC	5.0%

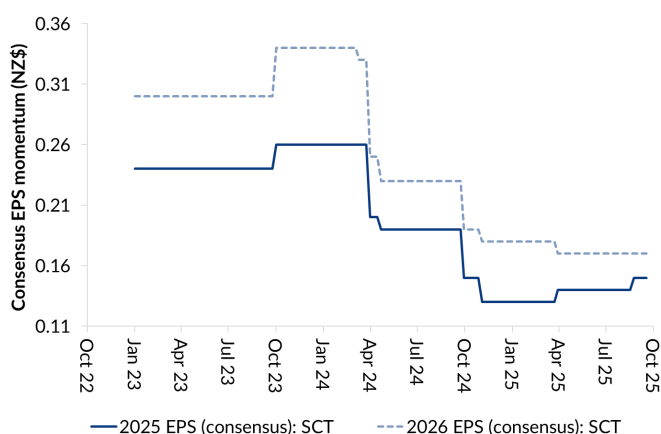
Source: NZX, Forsyth Barr analysis, NOTE: based on SPH notices only

Figure 7. International valuation comparisons using consensus data (one and two year forward)

Company	Code	Price	Mkt Cap (m)	PE		EV/EBITDA		EV/EBIT		Cash Yld
				1yr	2yr	1yr	2yr	1yr	2yr	
Scott Technology	SCT NZ	NZ\$2.41	NZ\$200	13.7x	10.8x	7.6x	6.4x	10.7x	8.7x	4.2%
Flsmidth & Co A/S	FLS DC	kr478.00	kr27,557	16.8x	15.5x	10.5x	9.7x	12.0x	11.4x	2.2%
Xrf Scientific	XRF AT	A\$2.25	A\$322	26.2x	23.4x	16.5x	14.9x	17.9x	16.1x	2.4%
Abb-Reg	ABBN SW	CHF58.86	CHF108,532	26.2x	24.0x	18.1x	16.8x	20.7x	19.0x	1.5%
Emerson Electric	EMR US	US\$131.53	US\$74,025	20.1x	18.4x	14.3x	13.5x	17.6x	16.2x	1.6%
Honeywell International	HON US	US\$204.23	US\$129,665	18.2x	16.8x	13.7x	12.8x	15.2x	14.2x	2.3%
John Bean Technologies	JBT US	US\$141.04	US\$7,330	20.1x	16.0x	11.5x	10.1x	14.2x	12.3x	0.3%
Omron	6645 JP	¥4376.00	¥902,528	20.2x	16.3x	9.4x	8.3x	14.5x	12.3x	2.4%
Rockwell Automation	ROK US	US\$342.80	US\$38,543	29.8x	26.5x	21.6x	19.8x	23.8x	21.4x	1.5%
Schneider Electric	SU FP	€249.00	€143,704	25.7x	22.8x	16.5x	14.9x	19.6x	17.4x	1.8%

Source: Forsyth Barr analysis, Bloomberg, NOTE: all multiples based on Bloomberg consensus estimates, EV = market cap+net debt+lease liabilities+min interests-investments

Figure 8. Consensus EPS momentum (NZ\$)



Source: Bloomberg, Forsyth Barr analysis

Figure 9. Consensus one year forward PE (x)



Source: LSEG, Forsyth Barr analysis, NOTE: Data excluded when PE<0x or >75x

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