NEW ZEALAND EQUITY RESEARCH | INDUSTRIALS | INDUSTRIAL MACHINERY & AUTOMATION
19 AUGUST 2026

# Scott Technology
## Materials Handling & Logistics: In Motion

**JAMES LINDSAY**
james.lindsay@forsythbarr.co.nz
+64 9 368 0145

**GEORGIO TOULIS**
georgio.toulis@forsythbarr.co.nz
+64 9 918 9293

**GORDON SIMS**
gordon.sims@forsythbarr.co.nz
+64 9 918 9248

Following Scott Technology's (SCT) announcement of *c.*NZ$20m in new Materials Handling & Logistics (MHL) contracts, we dive further into the domain. The wins span a significant North American frozen potato project and two extensions with existing European customers. MHL is SCT's largest segment and a growing end-of-line platform with solutions spanning product buffering, palletising, storage, and dispatch. We view recent contract momentum as emerging evidence that growth is broadening beyond SCT's historic potato-processing customer base into the meat, dairy, snacks, and bakery goods sectors, with recent wins also spanning beverage, hygiene products, aerospace, and wine & spirits. Growing sales of palletising systems and SCT's Automated Guided Vehicles (AGVs) should support wider software attachment and recurring service revenue growth. The newly announced contract is broadly consistent with our existing forecasts. We take the opportunity to remodel our capitalised development forecasts and our segment revenue mix assumptions ahead of SCT's FY26 result (expected 22 October 2026). Our spot valuation declines by -NZ5cps to NZ$3.65.

| NZX code | SCT |
|---|---|
| Share price | NZ$2.81 |
| Spot Valuation | NZ$3.65 (from 3.70) |
| Risk rating | Medium |
| Issued shares | 84.9m |
| Market cap | NZ$239m |
| Avg daily turnover | 12.5k (NZ$32k) |

| Financials: Aug/ | 25A | 26E | 27E | 28E |
|---|---|---|---|---|
| Rev (NZ$m) | 277.0 | 292.5 | 329.2 | 375.6 |
| NPAT* (NZ$m) | 14.2 | 14.8 | 18.6 | 23.8 |
| EPS* (NZc) | 17.4 | 17.4 | 21.1 | 26.0 |
| DPS (NZc) | 8.0 | 8.0 | 10.0 | 12.0 |
| Imputation (%) | 0 | 0 | 50 | 75 |

*Based on normalised profits

| Valuation (x) | 25A | 26E | 27E | 28E |
|---|---|---|---|---|
| PE | 16.1 | 16.1 | 13.3 | 10.8 |
| EV/EBIT | 13.4 | 12.4 | 10.1 | 8.2 |
| EV/EBITDA | 8.8 | 8.0 | 6.7 | 5.4 |
| Price / NTA | 2.1 | 2.2 | 2.3 | 2.3 |
| Cash div yld (%) | 2.8 | 2.8 | 3.6 | 4.3 |
| Gross div yld (%) | 2.8 | 2.8 | 4.3 | 5.5 |

### What's changed?

- **Earnings:** Our NPAT forecasts decline -7%/-14%/-13% across FY26/FY27/FY28 respectively, largely on higher amortisation.
- **Spot valuation:** Declines -NZ5cps to NZ$3.65, on higher development spend, partly offset by higher peer comparables.

### MHL momentum building—key to Destination 2030 ambitions

Since mid-2024, SCT has announced a series of sizeable MHL contract wins, with more than NZ$70m in contracts announced in 2026 to date. Recent contract momentum is encouraging, highlighting repeat business, North American reference site wins, Australian market entry, and NexBot and Maestro+ traction. However, we acknowledge that maintaining segment revenue requires continued contract wins. The MHL domain is central to SCT's Destination 2030 strategy (announced September 2025): we estimate it contributes *c.*40% (*c.*NZ$90m) of the cumulative FY25–FY30 revenue uplift implied by the midpoint of management's domain growth targets. SCT is targeting a +7%–11% MHL revenue CAGR between FY24 and FY30, with the midpoint requiring *c.*+12% annual growth from FY25 reported revenue of NZ$123m. Our long-term forecasts remain aligned with management targets, forecasting a *c.* 9% FY24–FY30 segment revenue CAGR. With evidence of momentum toward key strategic initiatives continuing to build, we lift our development spend forecasts to reflect our expectations of the investment required to meet management's aspirations.

### New MHL contracts secured

SCT has announced *c.*NZ$20m of new MHL contracts across North America and Europe. The contracts are anchored by a significant end-of-line automation project for a leading North American frozen potato producer, comprising multiple palletisers, AccuTables, integrated labelling and pallet wrapping, and SCT's Maestro+ software. We understand this represents SCT's third large North American palletiser customer, after JBS and McCain. Additionally, the announced European extension projects comprise an additional Maestro+-integrated palletising system for a leading European snack food producer in Belgium, and an expansion of an existing installation for a major Dutch fresh produce company. Revenue recognition is expected predominantly in FY27 and beyond.

Scott Technology (SCT)

| Market Data (NZ$) | |
|---|---|
| Priced as at 18 Aug 2026 | **2.81** |
| 52-week high/low | 3.20 / 1.95 |
| Market capitalisation (NZ$m) | 238.5 |

| Key WACC assumptions | |
|---|---|
| Risk-free rate | 5.00% |
| Equity beta | 1.30 |
| WACC | 12.0% |
| Terminal growth | 1.5% |

| Profit and Loss Account (NZ$m) | 2024A | 2025A | 2026E | 2027E | 2028E |
|---|---|---|---|---|---|
| Revenue | 278.7 | 277.0 | 292.5 | 329.2 | 375.6 |
| **Normalised EBITDA** | **30.2** | **31.5** | **34.7** | **41.6** | **50.9** |
| Depreciation and amortisation | (11.3) | (10.7) | (12.4) | (14.2) | (17.1) |
| **Normalised EBIT** | **15.2** | **20.8** | **22.4** | **27.4** | **33.8** |
| Net interest | (4.2) | (3.4) | (2.6) | (2.6) | (2.1) |
| Associate income | - | - | - | - | - |
| Tax | (3.2) | (3.2) | (4.9) | (6.2) | (7.9) |
| Minority interests | - | - | - | - | - |
| **Normalised NPAT** | **7.7** | **14.2** | **14.8** | **18.6** | **23.8** |
| Abnormals/other | - | - | - | - | - |
| **Reported NPAT** | **7.7** | **14.2** | **14.8** | **18.6** | **23.8** |
| Normalised EPS (cps) | 9.7 | 17.4 | 17.4 | 21.1 | 26.0 |
| DPS (cps) | 8.0 | 8.0 | 8.0 | 10.0 | 12.0 |

| Growth Rates | 2024A | 2025A | 2026E | 2027E | 2028E |
|---|---|---|---|---|---|
| Revenue (%) | 3.6 | -0.6 | 5.6 | 12.5 | 14.1 |
| EBITDA (%) | -0.6 | 4.3 | 10.2 | 19.8 | 22.2 |
| EBIT (%) | -27.5 | 37.3 | 7.4 | 22.7 | 23.2 |
| Normalised NPAT (%) | -50.1 | 84.2 | 4.0 | 25.7 | 28.1 |
| Normalised EPS (%) | -49.7 | 79.4 | 0.1 | 21.3 | 23.1 |
| Ordinary DPS (%) | 0.0 | 0.0 | 0.0 | 25.0 | 20.0 |

| Cash Flow (NZ$m) | 2024A | 2025A | 2026E | 2027E | 2028E |
|---|---|---|---|---|---|
| **EBITDA** | **26.4** | **31.5** | **34.7** | **41.6** | **50.9** |
| Working capital change | (10.4) | (12.8) | (1.2) | (5.3) | (10.1) |
| Interest & tax paid | (3.1) | (2.5) | (4.8) | (6.2) | (8.1) |
| Other | (6.9) | 6.1 | 1.2 | - | - |
| **Operating cash flow** | **6.0** | **22.3** | **29.9** | **30.1** | **32.7** |
| Capital expenditure | (9.9) | (3.7) | (4.2) | (5.4) | (6.6) |
| (Acquisitions)/divestments | - | - | - | - | - |
| Other | (9.2) | (8.7) | (8.0) | (7.9) | (7.3) |
| **Funding available/(required)** | **(13.1)** | **9.9** | **17.7** | **16.7** | **18.8** |
| Dividends paid | (7.1) | (1.6) | (7.6) | (7.5) | (10.0) |
| Equity raised/(returned) | - | - | - | - | - |
| **(Increase)/decrease in net debt** | **(20.2)** | **8.2** | **10.0** | **9.3** | **8.8** |

| Balance Sheet (NZ$m) | 2024A | 2025A | 2026E | 2027E | 2028E |
|---|---|---|---|---|---|
| Working capital | 53.0 | 65.8 | 67.1 | 72.4 | 82.5 |
| Fixed assets | 23.6 | 21.1 | 20.1 | 19.4 | 18.8 |
| Intangibles | 12.3 | 13.4 | 14.1 | 14.5 | 13.6 |
| Right-of-use asset | 24.9 | 30.3 | 28.0 | 25.2 | 21.9 |
| Other assets | 88.9 | 88.2 | 86.4 | 85.9 | 85.3 |
| **Total funds employed** | **202.6** | **218.9** | **215.7** | **217.3** | **222.1** |
| Net debt/(cash) | 20.1 | 12.3 | 12.2 | 13.0 | 13.3 |
| Lease liability | 22.0 | 27.2 | 26.8 | 26.5 | 26.2 |
| Other liabilities | 69.0 | 50.2 | 52.3 | 53.3 | 54.4 |
| Shareholders' funds | 92.0 | 129.9 | 125.2 | 125.4 | 129.4 |
| Minority interests | (0.5) | (0.7) | (0.8) | (0.9) | (1.1) |
| **Total funding sources** | **202.6** | **218.9** | **215.7** | **217.3** | **222.1** |

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

| Spot valuation (NZ$) | **3.65** |
|---|---|
| Peer comparable | 3.46 |
| DCF | 3.84 |

| DCF valuation summary (NZ$m) | |
|---|---|
| Total firm value | 413 |
| (Net debt)/cash | (12) |
| Less: Capitalised operating leases | (67) |
| Value of equity | 334 |

| Valuation Ratios | 2024A | 2025A | 2026E | 2027E | 2028E |
|---|---|---|---|---|---|
| EV/Sales (x) | 0.9 | 1.0 | 0.9 | 0.8 | 0.7 |
| EV/EBITDA (x) | 10.0 | 8.8 | 8.0 | 6.7 | 5.4 |
| EV/EBIT (x) | 23.2 | 13.4 | 12.4 | 10.1 | 8.2 |
| PE (x) | 29.0 | 16.1 | 16.1 | 13.3 | 10.8 |
| Price/NTA (x) | 2.8 | 2.1 | 2.2 | 2.3 | 2.3 |
| Free cash flow yield (%) | -3.6 | 5.7 | 8.6 | 8.1 | 8.7 |
| Adj. free cash flow yield (%) | -3.0 | 6.4 | 9.3 | 9.0 | 9.9 |
| Net dividend yield (%) | 2.8 | 2.8 | 2.8 | 3.6 | 4.3 |
| Gross dividend yield (%) | 2.8 | 2.8 | 2.8 | 4.3 | 5.5 |

| Capital Structure | 2024A | 2025A | 2026E | 2027E | 2028E |
|---|---|---|---|---|---|
| Interest cover EBIT (x) | n/a | n/a | n/a | n/a | n/a |
| Interest cover EBITDA (x) | n/a | n/a | n/a | n/a | n/a |
| Net debt/ND+E (%) | 17.7 | 8.9 | 9.2 | 9.6 | 9.6 |
| Net debt/EBITDA (x) | 0.8 | 0.4 | 0.4 | 0.3 | 0.3 |

| Key Ratios | 2024A | 2025A | 2026E | 2027E | 2028E |
|---|---|---|---|---|---|
| Return on assets (%) | 4.7 | 7.7 | 8.7 | 10.9 | 13.4 |
| Return on equity (%) | 8.3 | 11.3 | 12.2 | 15.3 | 19.0 |
| Return on funds employed (%) | 4.6 | 7.0 | 8.1 | 10.8 | 14.3 |
| EBITDA margin (%) | 9.5 | 11.4 | 11.9 | 12.6 | 13.5 |
| EBIT margin (%) | 4.1 | 7.5 | 7.6 | 8.3 | 9.0 |
| Capex to sales (%) | 3.6 | 1.3 | 1.4 | 1.7 | 1.8 |
| Capex to depreciation (%) | 114 | 41 | 38 | 46 | 51 |
| Imputation (%) | 0 | 0 | 0 | 50 | 75 |
| Pay-out ratio (%) | 82 | 46 | 46 | 47 | 46 |

| Operating Performance | 2024A | 2025A | 2026E | 2027E | 2028E |
|---|---|---|---|---|---|
| **Protein (Meat)** | | | | | |
| Revenue (NZ$m) | 59.9 | 69.4 | 67.0 | 83.7 | 102.2 |
| Revenue growth (%) | -21% | 16% | -4% | 25% | 22% |
| Gross margin (%) | 28% | 29% | 31% | 33% | 33% |
| Gross profit (NZ$m) | 16.8 | 20.4 | 20.4 | 27.6 | 33.7 |
| **Mining (Minerals)** | | | | | |
| Revenue (NZ$m) | 48.8 | 50.9 | 59.1 | 66.2 | 73.5 |
| Revenue growth (%) | 18% | 4% | 16% | 12% | 11% |
| Gross margin (%) | 36% | 37% | 37% | 36% | 36% |
| Gross profit (NZ$m) | 17.4 | 18.8 | 21.9 | 23.8 | 26.5 |
| **Materials Handling and Logistics (MHL)** | | | | | |
| Revenue (NZ$m) | 127.3 | 123.1 | 135.4 | 144.9 | 160.9 |
| Revenue growth (%) | 35% | -3% | 10% | 7% | 11% |
| Gross margin (%) | 22% | 26% | 26% | 26% | 25% |
| Gross profit (NZ$m) | 28.3 | 32.0 | 35.2 | 37.0 | 40.2 |
| **Appliances and Other** | | | | | |
| Revenue (NZ$m) | 40.1 | 31.8 | 29.9 | 34.0 | 38.8 |
| Revenue growth (%) | -28% | -21% | -6% | 14% | 14% |
| Gross margin (%) | 26% | 25% | 29% | 25% | 25% |
| Gross profit (NZ$m) | 10.6 | 7.9 | 8.5 | 8.5 | 9.6 |

# Executive summary

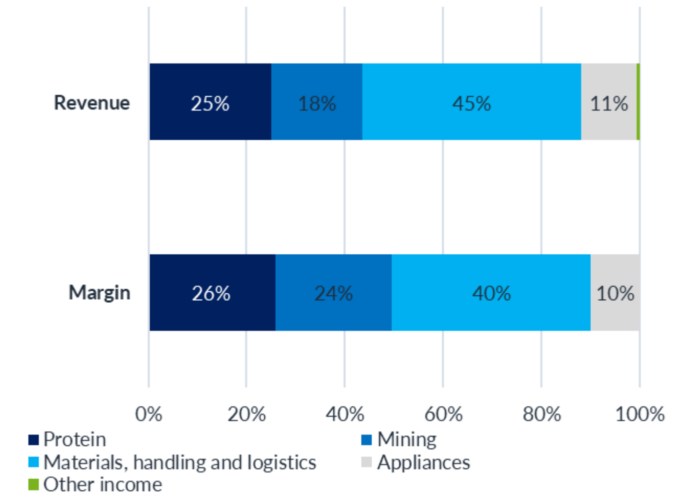
SCT's MHL domain is the group's largest revenue contributor and a key driver of its Destination 2030 ambition of NZ$530m group revenue by FY30. MHL automates end-of-line materials handling after secondary packaging, spanning product buffering, palletising, storage, and dispatch, with AGVs and Maestro+ warehouse-control software linking customer ERP/WMS systems to SCT's equipment. The domain generated NZ$123m of revenue in FY25 at a 26% gross margin, with service representing 28% of revenue, and delivered 21% revenue growth against the prior year in 1H26 with improved profitability. We forecast MHL revenue of NZ$135m in FY26 (+10%), rising to NZ$161m by FY28E.

We see three shifts underpinning the growth story:

1. **Geographic expansion:** MHL is leveraging its European palletising and North American AGV centres of excellence, with North American reference sites live, a deepening US and Canadian pipeline, and its first Australian project (Farm Frites).
2. **New verticals:** SCT is deepening its position in potato and frozen food segments while expanding into meat (JBS), dairy (DMK and Danone), snacks (Bret's and PepsiCo), and bakery goods (EMPWR). Beverage (Coca-Cola), pasta (Soubry), hygiene products (Essity), aerospace (Boeing), and wine & spirits (Gallo) add further breadth.
3. **Productisation:** NexBot AGVs and the wider rollout of the established AccuTable platform shift the model from bespoke engineering towards repeatable product sales, with Maestro+ and lifecycle services adding a level of recurring revenues.

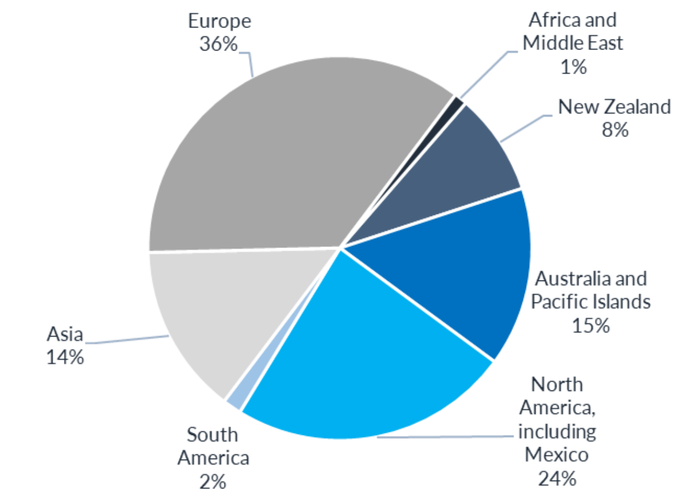
MHL secured NZ$40m of wins in 1H26, >NZ$12m in June 2026—including an integrated palletising-plus-NexBot project with JBS Group; JBS Australia owns 54.1% of SCT—and c.NZ$20m in August 2026. We view the key risks as project-revenue replenishment and timing (FY26 is 2H-weighted), customer capex cyclicality, fixed-price execution, productisation, and JBS exposure.

**Figure 1. Revenue and gross profit mix (FY25 %)**




Source: Company, Forsyth Barr analysis. Note: SCT reports this measure as net margin, calculated as revenue less direct and indirect cost of goods sold; Forsyth Barr presents it as gross margin.

**Figure 2. SCT—Revenue by geography (FY25 % of revenue)**




Source: Company, Forsyth Barr analysis

**Figure 3. SCT—AccuTable buffers products ahead of palletisation**

Source: Company, Forsyth Barr analysis

# 1. Earnings revisions

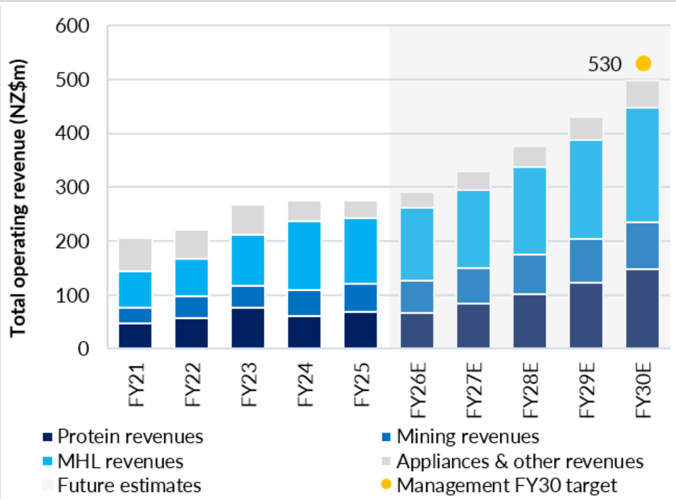
We revisit our forecasts ahead of SCT's FY26 result (expected 22 October 2026). We remodel our capitalised development spend forecasts, lifting our forecast capex by +NZ$1.1m/+NZ$2.5m/+NZ$3.7m across FY26/FY27/FY28 respectively, to more accurately reflect our expectations of the investment ramp required to achieve management targets under SCT's Destination 2030 strategic framework. Additionally, we adjust our medium-term segment revenue mix assumptions to reflect: (1) continued gold price strength through 2H26 (relative to history), which we expect to benefit Mining segment revenue; and (2) lower medium-term MHL revenue in light of the *c.*US$35m Canadian JBS Brooks project rolling off (previously announced), despite today's positive announcement. We now forecast a +9% FY24–FY30 MHL revenue CAGR, at the midpoint of management's +7%–11% target range. Our FY26 operating revenue and EBITDA forecasts decline to NZ$291.4m and NZ$34.7m respectively, remaining in line with FY26 guidance for revenue of NZ$290m–NZ$296m and EBITDA of NZ$34m–NZ$36m.

**Figure 4. Earnings revisions (NZ$m)**

| | FY25 | FY26E | | | FY27E | | | FY28E | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Actual | Old | New | Change | Old | New | Change | Old | New | Change |
| **Operating revenue** | **275.3** | **293.4** | **291.4** | **-1%** | **343.8** | **328.9** | **-4%** | **390.0** | **375.3** | **-4%** |
| Other operating income | 1.7 | 1.1 | 1.1 | +0% | 0.3 | 0.3 | +0% | 0.3 | 0.3 | +0% |
| Share of joint ventures' net surplus | 0.2 | 0.3 | 0.3 | n/a | 0.3 | 0.3 | n/a | 0.3 | 0.3 | n/a |
| Raw materials, consumables used & operating expenses | (222.5) | (235.1) | (233.9) | -1% | (275.8) | (263.2) | -5% | (312.6) | (299.8) | -4% |
| Employee benefits expense | (23.2) | (24.2) | (24.2) | +0% | (24.7) | (24.7) | +0% | (25.2) | (25.2) | +0% |
| **Operating EBITDA** | **31.5** | **35.5** | **34.7** | **-2%** | **43.9** | **41.6** | **-5%** | **52.8** | **50.9** | **-4%** |
| *Operating EBITDA margin (%)* | *11.5%* | *12.1%* | *11.9%* | *-19bp* | *12.8%* | *12.7%* | *-13bp* | *13.5%* | *13.6%* | *+0bp* |
| Interest revenue | 0.4 | 0.2 | 0.2 | n/a | 0.0 | 0.0 | n/a | (0.1) | (0.1) | n/a |
| Depreciation & amortisation | (10.7) | (11.6) | (12.4) | +7% | (12.5) | (14.2) | +14% | (14.4) | (17.1) | +19% |
| Finance costs | (3.8) | (2.8) | (2.8) | +0% | (2.6) | (2.6) | +0% | (1.9) | (1.9) | +0% |
| **Net Profit Before Tax** | **17.4** | **21.3** | **19.7** | **-7%** | **28.8** | **24.8** | **-14%** | **36.4** | **31.7** | **-13%** |
| Taxation (expense) | (3.2) | (5.3) | (4.9) | -7% | (7.2) | (6.2) | -14% | (9.1) | (7.9) | -13% |
| **Net Profit / (Loss) after Tax (from continuing ops)** | **14.2** | **16.0** | **14.8** | **-7%** | **21.6** | **18.6** | **-14%** | **27.3** | **23.8** | **-13%** |

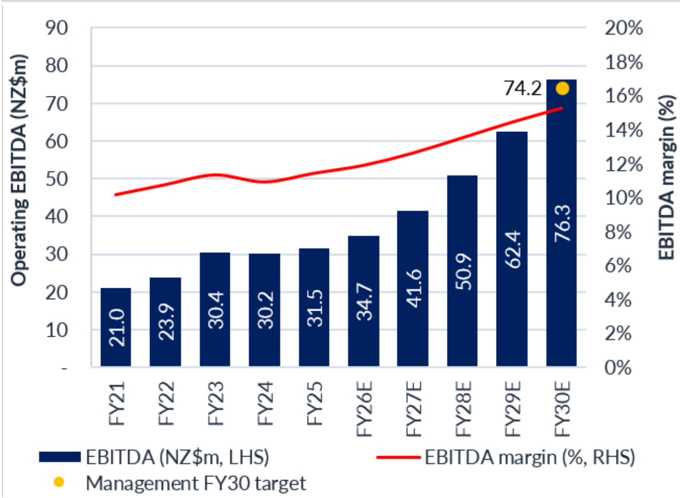
Source: Company, Forsyth Barr analysis

**Figure 5. SCT—Revenue stack by segment (NZ$m)**




Source: Company, Forsyth Barr analysis

**Figure 6. SCT—EBITDA (NZ$m)**



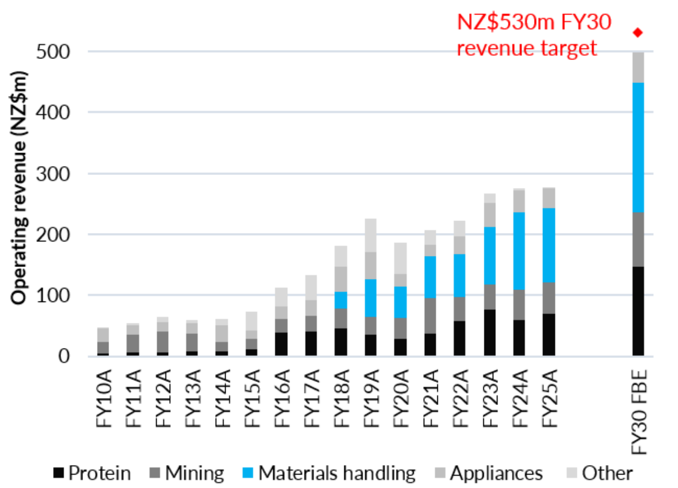

Source: Company, Forsyth Barr analysis

# 2. Materials Handling & Logistics—end-of-line automation

MHL specialises in end-of-line materials handling after secondary packaging, spanning product buffering, palletising, storage, and dispatch. The core offering is palletising and automated guided vehicles (AGVs), supported by SCT's Maestro+ warehouse-control software, automated storage and retrieval systems (AS/RS), and order-preparation systems. MHL addresses customer pain points including labour shortages, stock-keeping unit (SKU) complexity, constrained factory footprints, and traceability across high-throughput production, with automation reducing manual handling, improving line reliability, and allowing customers to consolidate multiple production flows. The domain was largely formed through the 2018 acquisitions of European palletising specialist Alvey Group and US AGV manufacturer Transbotics. SCT's palletising centre of excellence is in Europe and its AGV centre of excellence is in North America, with MHL sales spanning Europe, North America, and Australasia.

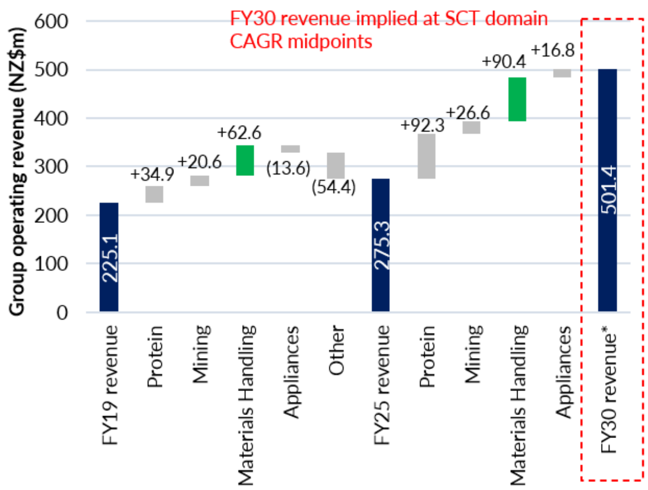
MHL has been a key SCT growth driver, supported by its position in European potato processing. Revenue grew at a *c.*+13% FY19–FY25 CAGR versus *c.*+3% for the group, reaching NZ$123m, or 45% of FY25 revenue. MHL margins have trailed those of other domains given exposure to large integrated projects, although gross margin expanded +4ppts to 26% in FY25 on improved project and service mix. MHL is central to Destination 2030, contributing *c.*40% (*c.*NZ$90m) of the FY25–FY30 group revenue uplift implied by management's domain CAGR midpoints. Growth depends on European and North American expansion, global NexBot scaling, and software and lifecycle services. SCT's 7%–11% FY24–FY30 MHL revenue CAGR target implies ~NZ$190m–NZ$240m in FY30. Those domain midpoints imply *c.*NZ$501m of group revenue, *c.*NZ$29m below the NZ$530m aspiration, while our *c.*15% FY30E EBITDA margin is *c.*1ppt above management's 14% target.

**Figure 7. MHL has been a key revenue driver for SCT ...**



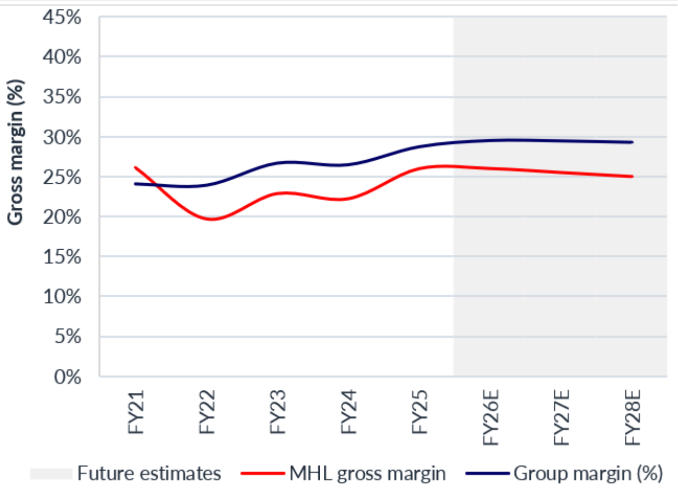

Source: Company, Forsyth Barr analysis

**Figure 8. ... and forms a core part of management's aspirations**




Source: Company, Forsyth Barr analysis, *Group revenue implied by domain target midpoints

**Figure 9. MHL gross margins have improved**




Source: Company, Forsyth Barr analysis

**Figure 10. MHL solutions solve several customer pain points**

| Pain point | Customer impact | SCT's product / solution |
|---|---|---|
| Labour shortages | Manual palletising roles are hard to fill and retain; wage inflation erodes margins | Automated palletising and NexBot AGVs remove manual handling from line-end to dispatch |
| SKU complexity and volatility | Proliferating pack formats overwhelm fixed single-line palletisers | AccuTable buffers product from multiple lines ahead of centralised palletisation. |
| Constrained factory footprint | Brownfield sites lack floor space for line-by-line automation | Centralised palletising reduces machine count; systems exploit vertical space |
| Traceability and reliability | High-throughput food production demands full pallet-level tracking and uptime | Maestro+ integrates with ERP/ WMS for traceability and provides live KPIs and alarms to identify bottlenecks and performance issues |

Source: Company, Forsyth Barr analysis

# 3. MHL product stack

MHL's product stack spans the full end-of-line workflow. Its palletising systems combine palletisers, AccuTable buffers, case turners, and case conveyors. AccuTable consolidates product from multiple production lines ahead of centralised palletisation, reducing machine count and using vertical space more efficiently. NexBot AGVs—a modular platform launched at ProMat 2025 in Chicago and now under contract for US customers, including JBS—automate pallet transport from line to storage and dispatch. Maestro+ sits above the equipment as the warehouse-control layer, integrating with customer ERP/WMS systems and orchestrating palletisers, AGVs, and AS/RS as a single system. The commercial logic is that a broader, repeatable product stack should shift more revenue away from bespoke engineering towards standardised equipment, software attachment, and lifecycle service.

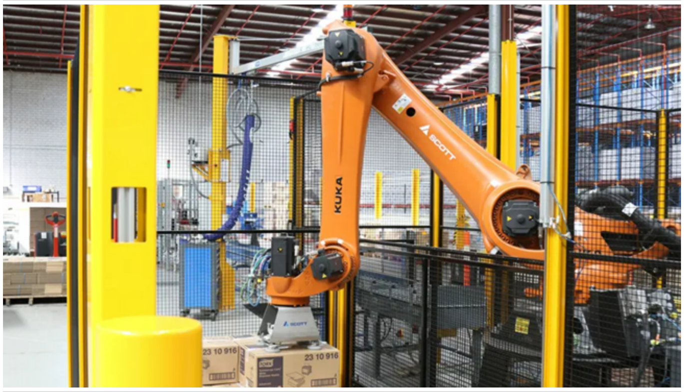
Coca-Cola's Wilrijk facility runs a high-capacity palletising solution at 55 crates per minute integrated with a high-bay warehouse; Soubry's centralised system palletises eight packing lines at more than 40 pallets per hour; and the JBS Georgia project combines four palletising systems with four NexBot AGVs in an integrated North American protein deployment.

**Figure 11. SCT—MHL product stack across the end-of-line**

| Product/solution | What it does |
|---|---|
| Palletising systems | Multiline systems comprising Scott Pal 4.0 palletisers, AccuTables, case turners, and case conveyors. |
| - Multi-line palletising | Combines several lines into central palletising. |
| - Scott Pal 4.0 palletiser | High-speed layer palletiser within SCT's palletising systems. |
| AccuTable | Accumulates and buffers product from multiple lines ahead of palletisation. |
| Conveyors/transport | Moves product between lines, storage, dispatch. |
| NexBot AGVs | Automated pallet/material transport. |
| Maestro+ software | Controls warehouse and line automation. |
| Distribution solutions | Order picking and dispatch automation. |
| Order-preparation | Supports pick-by-light, voice, and list workflows. |
| AS/RS | Automated storage and retrieval. |
| Wrapping/labelling | Prepares pallets for dispatch. |
| Lifecycle service | Maintains installed systems and generates service revenue. |

Source: Company, Forsyth Barr analysis

**Figure 12. SCT—Robotic palletising cell stacks cases onto pallets**




Source: Company, Forsyth Barr analysis

**Figure 13. SCT—AccuTable buffering within a multiline palletising system**

Source: Company, Forsyth Barr analysis

**Figure 14. SCT—NexBot AGV transports finished pallets**


Source: Company, Forsyth Barr analysis

# 4. Market opportunity, recent momentum and risks

MHL is shifting from a European palletising specialist towards a broader global end-of-line automation platform. The addressable market is large and structurally supported by labour scarcity, reshoring, and supply-chain resilience, but competition comes from far larger global automation vendors. SCT now has North American reference sites, its first Australian MHL project, AGV contracts outside food, and an integrated JBS palletising-plus-NexBot project, providing evidence that the MHL opportunity is broadening by geography, customer, and application. SCT's North American expansion starts with an established customer base: many European MHL customers also operate in the US and Canada, allowing proven European deployments to support follow-on sales. SCT's June 2026 announcement framed recent wins as expansion from its strong potato-processing base into meat, dairy, snacks, and bakery goods, while its 1H26 result confirmed 21% MHL revenue growth against the prior year and improved profitability.

Figure 15 shows service revenue at 27.9% of MHL FY25 revenue, providing a partial project-volatility buffer. We assess five key risks: (1) maintenance of project revenue requires continual contract wins: an increasingly steady win cadence is needed to replace completed work and sustain our growth forecasts, while timing can shift revenue between periods; (2) customer spend on automation is discretionary: persistent global volatility can defer investment decisions and lengthen sales cycles, as SCT warned at the 1H26 result; (3) large integrated systems (palletising plus AGVs plus software) carry delivery and commissioning risk: cost overruns on fixed-price projects can compress gross margins; (4) productisation and replication: NexBot must convert early wins into repeat orders, while AccuTable must translate its established European position into repeatable North American sales and margins; and (5) JBS exposure: JBS Australia owns 54.1% of SCT and JBS Group accounted for 14% of FY25 group sales, although MHL's independent blue-chip customer base provides diversification.

**Figure 15. SCT—MHL geographic expansion**

| Region | Status | Key evidence |
|---|---|---|
| Europe | Established centre of excellence | Deep installed base across Belgium, France, Netherlands, Germany, UK, and Poland; first Balkan project (Bayer Strada, Romania, Jun-25); repeat blue-chip accounts (Danone ×5) |
| North America | AGV centre of excellence; palletising replication under way | McCain Alberta (Aug-23); first NexBot pre-order (Oct-24); two reference sites live during 2025; Canadian frozen potato and JBS Georgia integrated project wins (Jun-26); major frozen potato end-of-line project (Aug-26). NexBot designed and built in Charlotte, NC |
| Australia | First entry | Farm Frites identified as MHL's first Australian project (1H26) |

Source: Company, Forsyth Barr analysis

**Figure 16. SCT—MHL key risks and mitigants**

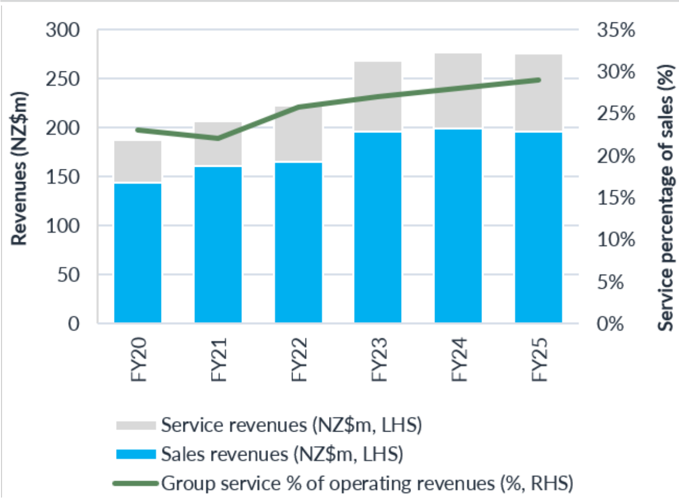
| Risk | Mechanism | Mitigant |
|---|---|---|
| Project-revenue replenishment and timing | Completed work must be replaced; delays shift revenue between periods | Growing installed base and c. 28% service revenue provide a partial buffer |
| Customer capex cyclicality | Automation is discretionary spend; global volatility defers investment decisions | Labour-shortage economics support automation adoption |
| Execution on integrated systems | Fixed-price delivery of palletising+AGV+software projects | Productised NexBot/ AccuTable reduce bespoke engineering content |
| Productisation conversion | Wins need to become repeatable product sales | Repeat orders (Danone ×5, JBS, Bakker extension) |
| JBS exposure | JBS owns 54.1% of SCT and was 14% of FY25 group sales | Diversification across large blue-chip customers |

Source: Company, Forsyth Barr analysis

**Figure 17. SCT—Group global footprint**


Source: Company, Forsyth Barr analysis

**Figure 18. SCT—Sales/service revenue mix**




Source: Company, Forsyth Barr analysis

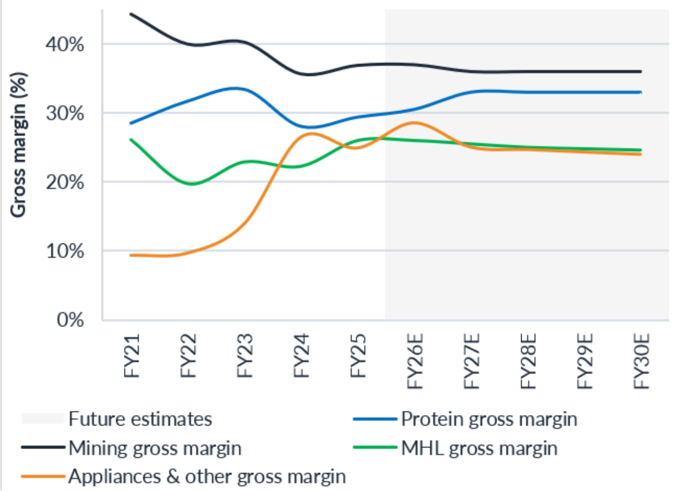
**Figure 19. SCT—Recent MHL contracts**

| Date | Customer / project | Value disclosed | Scope | Read-through |
|---|---|---|---|---|
| Aug-26 | Frozen potato producer—North America | Part of c.NZ$20m package | Significant end-of-line automation project. | Further North American growth in the core frozen potato vertical. |
| Aug-26 | Snack food producer—Belgium | Part of c.NZ$20m package | Extension adding a palletising system integrated with Maestro+ software. | Repeat business in the European snacks vertical. |
| Aug-26 | Fresh produce company—Netherlands | Part of c.NZ$20m package | Extension to an existing Scott installation. | Installed-base expansion with an established Dutch customer. |
| Jun-26 | Bakker—Netherlands | Part of >NZ$12m package | Extension order adding central pallet conveyor systems connecting multiple production zones. | Installed-base expansion and repeat customer relationship. |
| Jun-26 | Large-scale frozen potato facility—Canada | Part of >NZ$12m package | New multiline palletising installation for an existing strategic global customer. | North American strategic account growth in core frozen potato vertical. |
| Jun-26 | JBS Group poultry processor—Georgia, US | Part of >NZ$12m package | Integrated palletising and AGV solution, 4 palletising systems and 4 NexBot AGVs. | Strategic MHL expansion into meat and North American NexBot validation. |
| Apr-26 | Farm Frites—Australia | Part of NZ$40m MHL portfolio | First Australian MHL project. | First Australian MHL project: geographic expansion in the core potato vertical. |
| Apr-26 | PepsiCo, Danone, Bakker, Essity, and EMPWR | Part of NZ$40m MHL portfolio | Multiple end-of-line automation contracts. | Expansion across adjacent FMCG sectors. |
| Apr-26 | Boeing and Gallo—US | Part of NZ$40m MHL portfolio | Multiple US AGV contracts. | Extends AGVs into aerospace and wine & spirits. |
| Sep-25 | Agristo and Lutosa | >NZ$19m | Multiple palletising projects. | Reinforces SCT's European strength in potato/frozen-food automation. |
| Jun-25 | Coca-Cola—Wilrijk, Belgium | Part of NZ$27m automation package | High-capacity palletising solution, integrated with a high-bay warehouse and Scott Pal 4.0 | Expands credentials in beverage and high-throughput logistics. |
| Jun-25 | DMK Deutsches Milchkontor—Germany | Part of NZ$27m automation package | Multi-line palletising installation for Germany's largest dairy cooperative. | Demonstrates expansion into dairy logistics. |
| Jun-25 | Soubry—Roeselare, Belgium | Part of NZ$27m global automation package | Centralised palletising system across 8 packing lines. | Strong reference in pasta and centralised palletising. |
| Jun-25 | Altho / Bret's—Saint-Gérand, France | Part of NZ$27m automation package | Multi-line palletising; first phase nine lines at 50 cases/min, scaling to 30 lines and 100 cases/min. | Demonstrates scalability from nine to 30 production lines. |
| Jun-25 | Bayer Strada—Remetea, Romania | Part of NZ$27m automation package | PL8000 palletising line supporting up to 30 boxes/min, with wrapping and labelling. | Expands geographic footprint in Europe. |
| Jun-25 | North American frozen potato producer* | Part of NZ$27m automation package | Palletising project for frozen potato operations. | Repeat work with a strategic account in SCT's core potato-processing market. |
| Oct-24 | MHL contracts across Canada and Europe | €17m / NZ$30m | Contracts with leading food processors; included first pre-order of SCT's NexBot AGV. | Provides early validation of the productisation strategy. |
| Oct-24 | North American food processor* | Included in NZ$30m package | Combined palletising and AGV solution. | First NexBot pre-order; integrated palletising + AGV + software solution. |
| Oct-24 | North American food processor—Canada | Included in NZ$30m package | Advanced single-line palletising technology replacing an existing palletiser. | Repeat customer and throughput improvement opportunity. |
| Oct-24 | EcoFrost—France | Included in NZ$30m package | Multiline palletising system for EcoFrost's expansion into France. | Reinforces SCT's core position in frozen-food/potato-related automation. |
| Jul-24 | Danone—Poland | Part of NZ$19m / €11m European package | End-of-line extension of Danone's existing palletising installation; automates 4 existing lines and one new line using Scott Pal 4.0 palletisers. | Repeat blue-chip customer; fifth SCT solution bought by Danone in Europe. |
| Jul-24 | Cranswick Country Foods—Hull, UK | Part of NZ$19m / €11m European package | Case sortation to freezer locations, then palletising and wrapping for dispatch. | Entry into a UK meat-processing customer, highlighting cross-over between MHL and protein automation. |
| Aug-23 | McCain Foods—Alberta, Canada | NZ$12m | Automated materials-handling system for McCain's Alberta facility. | Early proof of extending European MHL relationships into North America. |

Source: Company, Forsyth Barr analysis. Note: Customer lists may overlap separately disclosed contract packages, *French facility

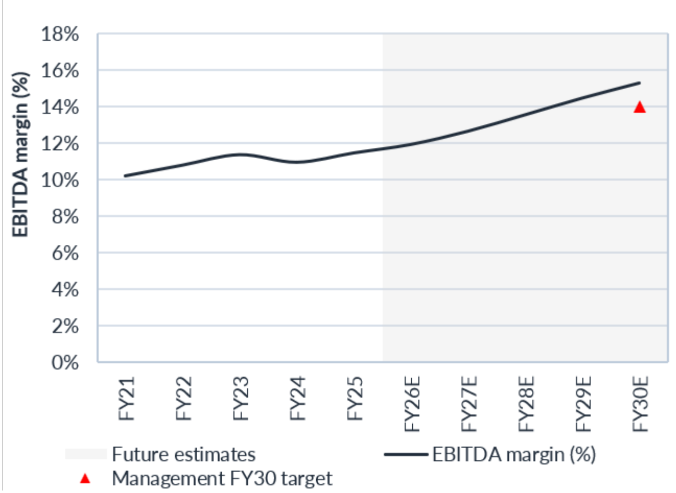
# 5. Additional group and domain charts

Figure 20. SCT—Gross margin by domain (%)



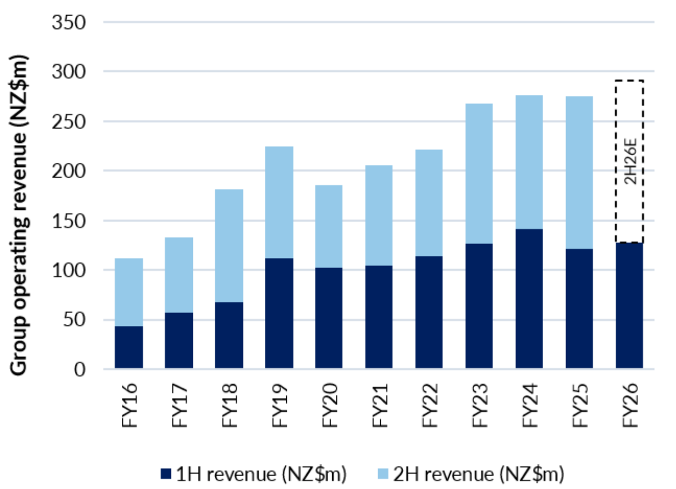

Source: Company, Forsyth Barr analysis

Figure 21. SCT—Group Operating EBITDA margin (%)



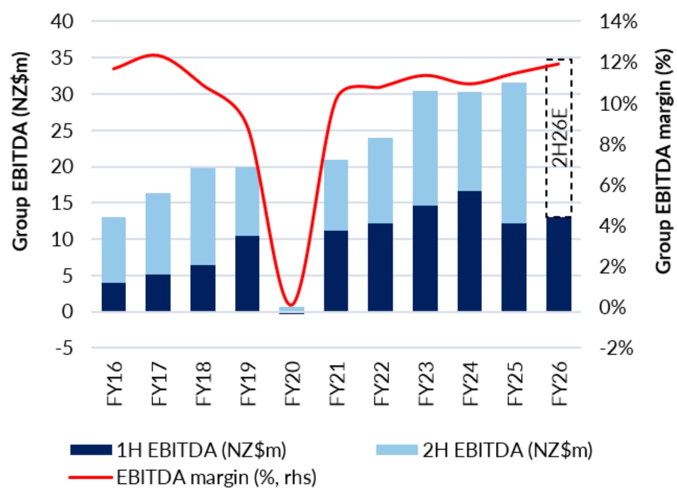

Source: Company, Forsyth Barr analysis

Figure 22. SCT—Revenue by half (NZ$m)




Source: Company, Forsyth Barr analysis

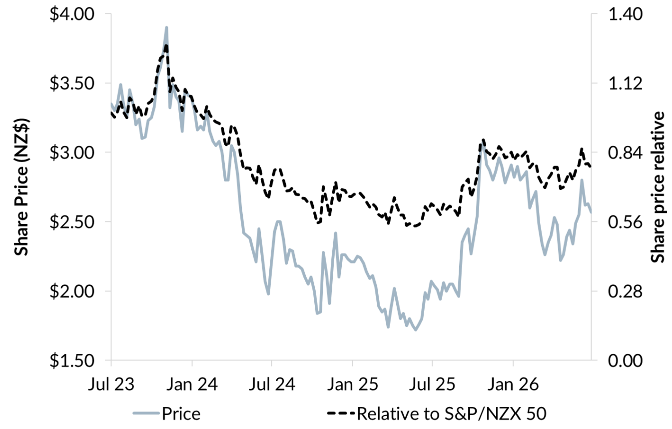
Figure 23. SCT—Half-year operating EBITDA and margin




Source: Company, Forsyth Barr analysis

# Additional data

### Figure 24. Share price performance




Source: LSEG, Forsyth Barr analysis

### Figure 25. Substantial shareholders

| Shareholder | Latest Holding |
|---|---|
| JBS Australia | 54.1% |
| Oakwood Securities | 6.5% |

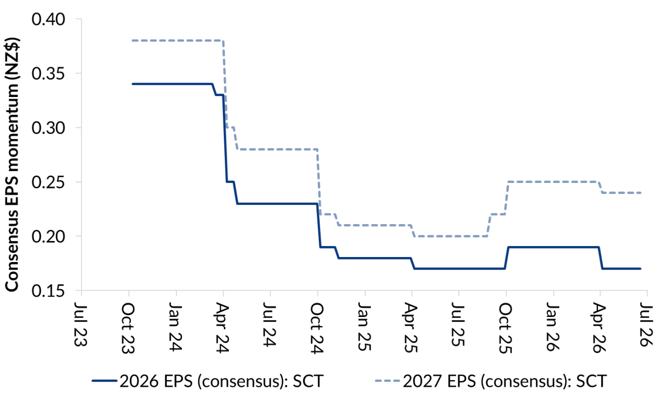
Source: NZX, Forsyth Barr analysis, NOTE: based on SPH notices only

### Figure 26. International valuation comparisons using consensus data (one and two year forward)

| Company | Code | Price | Mkt Cap | PE | | EV/EBITDA | | EV/EBIT | | Cash Yld |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | (m) | 1yr | 2yr | 1yr | 2yr | 1yr | 2yr | 1yr |
| **Scott Technology Ltd** | **SCT NZ** | **NZD2.81** | **NZD238.5** | **13.4x** | **10.9x** | **6.7x** | **5.5x** | **10.2x** | **8.2x** | **3.5%** |
| FLSmidth | FLS DC | DKK507.00 | DKK29,228.6 | 15.3x | 14.6x | 10.3x | 9.7x | 12.3x | 11.4x | 2.2% |
| XRF Scientific | XRF AT | AUD1.88 | AUD269.3 | 20.6x | 18.3x | 13.7x | 11.7x | 14.3x | 12.6x | 2.7% |
| Abb-Reg | ABBN SW | CHF83.00 | CHF151,321.8 | 28.9x | 26.1x | 20.9x | 18.4x | 23x | 20x | 1.2% |
| Emerson Electric | EMR US | USD162.05 | USD90,391.1 | 22.6x | 20.7x | 17.6x | 16.3x | 21.6x | 19.8x | 1.4% |
| Honeywell International | HON US | USD229.45 | USD72,721.9 | 24.7x | 21.2x | n/a | n/a | n/a | n/a | 1.8% |
| John Bean Technologies | JBT US | USD118.73 | USD6,159.3 | 13.5x | 12.8x | 10.9x | 11.1x | 14.5x | 13.9x | 0.4% |
| Omron | 6645 JP | JPY6866.00 | JPY1,416,077.5 | 24.8x | 20.2x | 12.8x | 11.9x | 19x | 17.2x | 1.7% |
| Rockwell Automation | ROK US | USD444.60 | USD49,372.3 | 30.5x | 27.3x | 22.3x | 20.4x | 23.8x | 22.1x | 1.3% |
| Schneider Electric | SU FP | EUR308.75 | EUR178,644.4 | 27.1x | 23.2x | 18x | 15.9x | 21.5x | 18.6x | 1.6% |

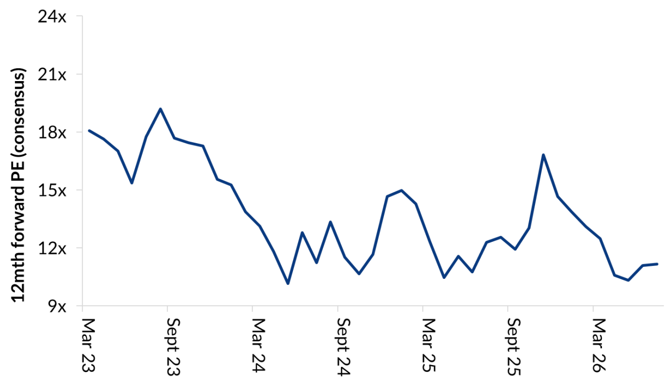
Source: Forsyth Barr analysis, Bloomberg. NOTE: all multiples based on Bloomberg consensus estimates. EV = market cap + net debt + lease liabilities + min interests - investments

### Figure 27. Consensus EPS momentum (NZ$)




Source: Bloomberg, Forsyth Barr analysis

### Figure 28. Consensus one year forward PE (x)




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

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