

Scales Corporation Limited

# Bringing Nutrition to the World



Annual Results Presentation

For the Year Ended 31 December 2024

26 February 2025





Shelby's new toll processing facility

# Agenda

## 01. FY24 Results

Summary

Group Performance

Divisional Performance

Capital Management

Sustainability

## 02. FY25 Outlook

## 03. Appendices

NZ IFRS Reconciliation

Disclaimer





01.

FY24  
Results

Mr Apple train advertising in Taipei metro



# Summary



*Logistics' new Auckland warehouse and chiller facility*



# FY24 Summary

- Excellent financial performance whilst delivering on our growth strategy
- Delivered record results:
  - Underlying\* EBITDA of \$91.7m (2023: \$67.5m)
  - Underlying NPAT of \$53.6m (2023: \$38.4m)
- Underlying result towards the top end of FY24 Guidance range:
  - Underlying NPAT Attributable to Shareholders of \$34.3m (2023: \$19.0m), up 81%
  - Reported NPAT Attributable to Shareholders of \$30.7m (2023: \$5.2m), up 487%

- Strong result by Global Proteins:
  - Meateor Australia and Esro Petfood continue to progress through their start-up phase
  - Strong performance by other divisional businesses
- Horticulture performance returning to more normal levels:
  - Improved apple volumes and average prices
  - Benefitted from the increased ownership of Profruit with an exceptional FY24 performance
  - Building the foundations to capitalise on future benefits of the Bostock transaction
- Record Logistics result supported by higher ocean and air freight volumes

\* Underlying Results exclude some New Zealand International Financial Report Standards (NZ IFRS) non-cash and other adjustments. The Board and management believe that Underlying Results more accurately demonstrate the operational performance of the Group. Underlying NPAT and Underlying EBITDA are shown before the deduction of share of Non-Controlling Interests. Note that our definition of "Underlying" includes the effects of NZ IFRS 16 Leases in line with current market practice. All Underlying result numbers, including comparatives, are inclusive of NZ IFRS 16 effects. A reconciliation of Underlying to Reported measures is provided in Appendix A

# By the Numbers

**\$584.6m**

revenue

(2023: \$565.4m)



**152,149 MT**

petfood ingredients sold<sup>1</sup>

(2023: 137,477 MT)

**\$91.7m**

Underlying EBITDA

(2023: \$67.5m)



**30,068**

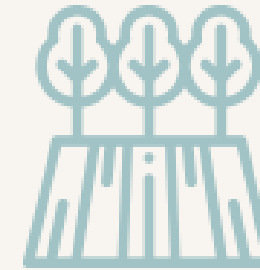
TEU<sup>2</sup> equivalents managed

(2023: 26,010)

**\$12.5m**

net cash

(2023: \$12.0m)



**3,033,000**

TCEs of own-grown apples exported<sup>3</sup>

(2023: 2,733,000)

**8.5 cents**

dividends per share paid

(2023: 19.0 cents)



**14.5%**

ROCE<sup>4</sup>

(2023: 10.8%)

1. Includes 100% of petfood ingredient volumes from relevant businesses; i.e. total petfood ingredient volumes controlled directly and indirectly by Global Proteins

2. TEU is a Twenty-foot Equivalent Unit is a unit of cargo capacity to describe container volumes

3. TCE is a Tray Carton Equivalent, a measure of apple and pear weight, defined as 18.6kg packed weight which equates to 18.0kg sale weight. Includes own grown and external grower volumes including those volumes exported by Fern Ridge Fresh

4. Return on Capital Employed, calculated as EBIT divided by Capital Employed, where Capital Employed is calculated as non-current assets plus working capital (excluding cash, overdrafts and borrowings, NZ IFRS 16 right-of-use asset and lease liability, dividends declared, derivative assets / liabilities and employee loans)



# Group Performance



*The ex-Bostock Riverslea Dazzle™ orchard*



# Group Financial Performance

Delivering on our growth strategies

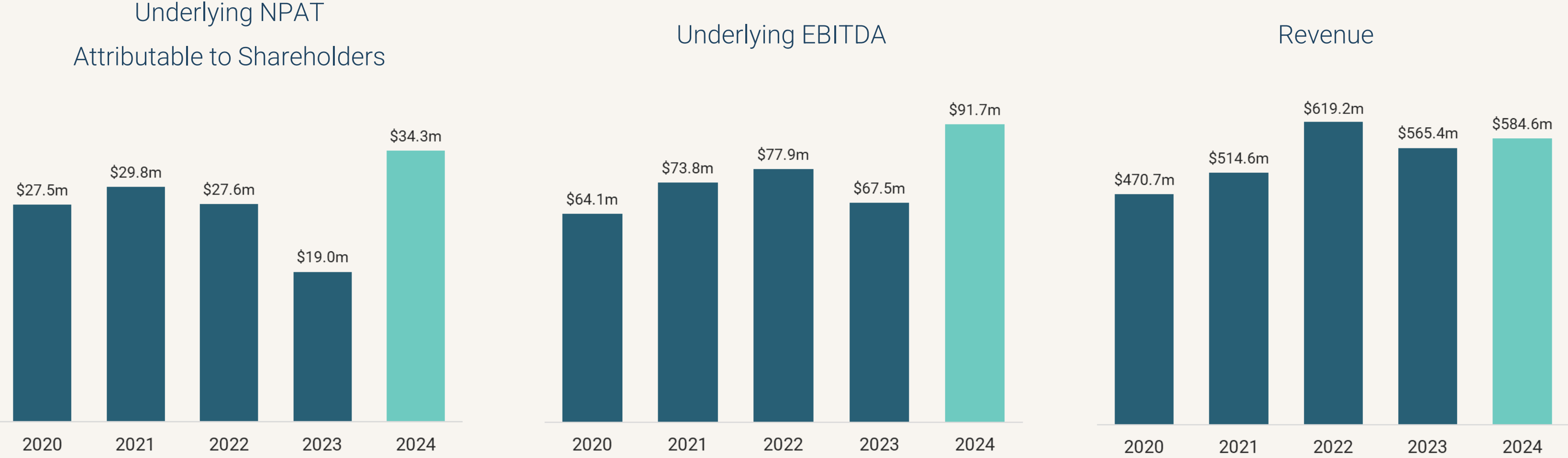
\$m	NPAT Attributable to Shareholders			NPAT			EBITDA			Revenue		
	2024	2023	% chg. <sup>1</sup>	2024	2023	% chg. <sup>1</sup>	2024	2023	% chg. <sup>1</sup>	2024	2023	% chg. <sup>1</sup>
Underlying (excluding NZ IFRS 16)	34.8	19.2	81%	54.1	38.6	40%	79.4	55.9	42%	584.6	565.4	3%
NZ IFRS 16 Leases	(0.5)	(0.1)		(0.5)	(0.1)		12.3	11.7		-	-	
NZ IFRS 16 Leases - renewal reassessment <sup>2</sup>	-	(0.1)		-	(0.1)		-	(0.2)		-	-	
<b>Underlying (including NZ IFRS 16)</b>	<b>34.3</b>	<b>19.0</b>	<b>81%</b>	<b>53.6</b>	<b>38.4</b>	<b>40%</b>	<b>91.7</b>	<b>67.5</b>	<b>36%</b>	<b>584.6</b>	<b>565.4</b>	<b>3%</b>
NZ IFRS & other adjustments:												
Impairment of non-current assets and goodwill	(1.8)	(10.9)		(1.8)	(10.9)		(2.5)	(11.9)		-	-	
Other NZ IFRS adjustments <sup>3</sup>	(1.8)	(2.8)		(1.8)	(2.8)		(1.1)	(2.0)		-	-	
<b>Reported<sup>4</sup></b>	<b>30.7</b>	<b>5.2</b>	<b>487%</b>	<b>50.0</b>	<b>24.7</b>	<b>103%</b>	<b>88.1</b>	<b>53.7</b>	<b>64%</b>	<b>584.6</b>	<b>565.4</b>	<b>3%</b>

Notes:

1. %'s are calculated based on non-rounded figures, figures may not sum due to rounding
2. Reflects a reset to the NZ IFRS 16 Leases calculation for Mr Apple
3. Includes a change in the gross liability on put options of \$2.5m in 2024 (2023: \$4.1m)
4. A full reconciliation between Underlying and Reported earnings is provided in Appendix A



# Trends in Group Financial Performance





# Divisional Overview

Underlying EBITDA growth across all operating divisions

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Strong result by all Global Proteins businesses, with Meateor Australia and Esro Petfood continuing their start-up phases



Horticulture performance returning to more normal levels  
More consistent fruit quality and recovering global markets resulted in increased volumes and higher average prices



Strong Logistics result supported by higher ocean and air freight volumes



# Divisional Performance

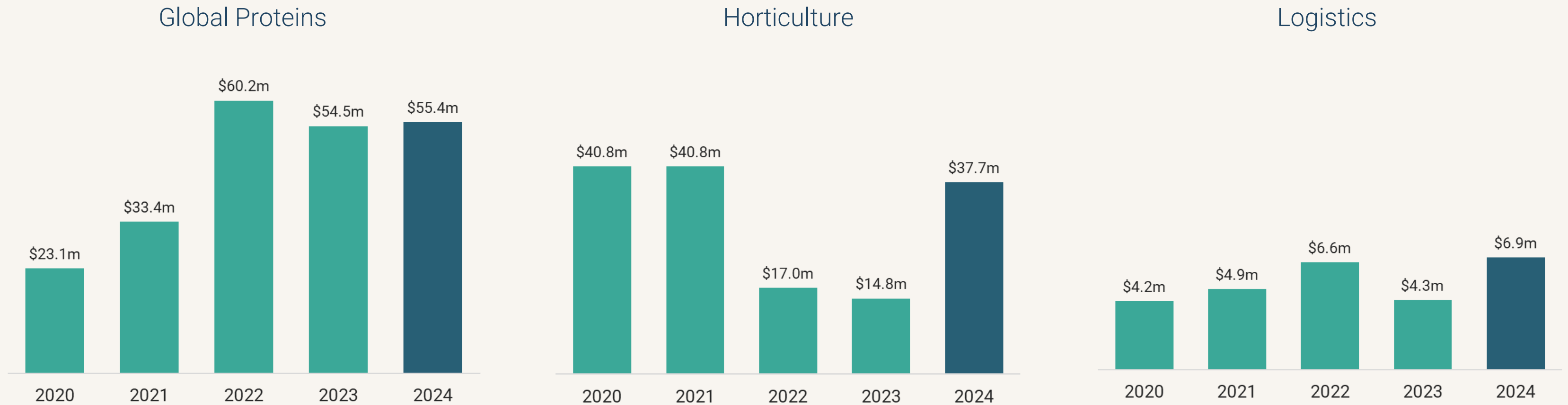
	1H24	2H24	2024	Margin	1H23	2H23	2023	Margin	% chg. 2024 v 2023
Global Proteins	29.6	25.8	55.4	20.7%	30.1	24.4	54.5	18.3%	2%
Horticulture	30.0	7.7	37.7	15.1%	11.4	3.4	14.8	7.1%	154%
Logistics	3.8	3.1	6.9	7.0%	2.7	1.6	4.3	4.6%	61%
Corporate	(2.9)	(5.3)	(8.2)	N/A	(2.7)	(3.4)	(6.1)	N/A	34%
<b>Underlying EBITDA</b>	<b>60.5</b>	<b>31.2</b>	<b>91.7</b>	<b>15.7%</b>	<b>41.5</b>	<b>26.1</b>	<b>67.5</b>	<b>11.9%</b>	<b>36%</b>
<b>Underlying NPAT</b>	<b>38.4</b>	<b>15.2</b>	<b>53.6</b>	<b>9.2%</b>	<b>24.8</b>	<b>13.6</b>	<b>38.4</b>	<b>6.8%</b>	<b>40%</b>
<b>Underlying NPAT Attributable to Shareholders</b>	<b>28.5</b>	<b>5.8</b>	<b>34.3</b>	<b>5.9%</b>	<b>14.5</b>	<b>4.5</b>	<b>19.0</b>	<b>3.4%</b>	<b>81%</b>

*Notes:*

1. Prepared on an Underlying basis. A reconciliation to Reported earnings is provided in Appendix A.
2. %'s are calculated based on non-rounded figures, figures may not sum due to rounding.
3. NZ IAS 41 Agriculture requires unsold agricultural produce to be measured at fair value less costs to sell meaning the expected profit on unsold fruit is recognised in the interim result, giving rise to seasonality in profitability as shown above.



# Trends in Divisional Underlying EBITDA Performance

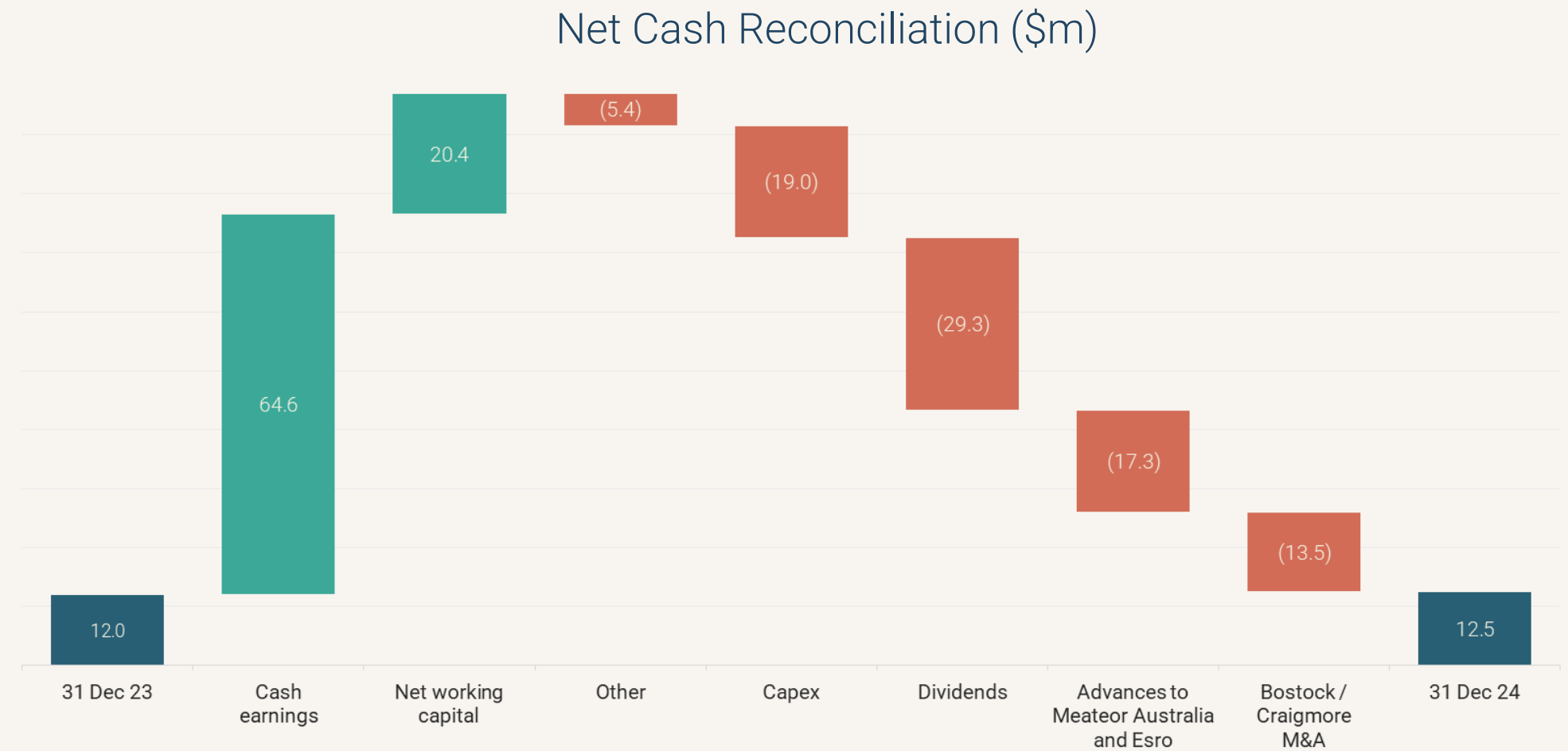




# Balance Sheet

- A continued strong financial position
- Net cash in line with prior year, whilst executing on growth transactions

\$m	2024	2023
Net working capital	34.5	45.5
Non-current assets	435.0	402.0
<b>Capital employed</b>	<b>469.5</b>	<b>447.5</b>
Non-current & other liabilities	(100.5)	(74.5)
Net cash	12.5	12.0
<b>Total equity</b>	<b>381.5</b>	<b>384.9</b>





# Divisional Performance





# FY24 M&A Summary

## Horticulture

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- Acquisition of ~240ha of planted orchards from Bostock Group
- Acquisition of 50% of Profruit from Bostock Group
- Sale of ~186ha of planted orchards to a fund managed by Craigmore Sustainables
- Net cost of \$13.5m for these transactions
- Net increase of ~54ha:
  - Noting that the Blyth orchard will be leased back to Mr Apple until the end of the 2027 season (~98ha)
- High concentration of Dazzle™ plantings (~110ha) on acquired orchards
- Profruit now wholly-owned



# FY24 M&A Summary (cont.)

## Global Proteins

- Increased investment in Meateor Australia from 33% to 50%
- A strategically important transaction
- Total investment is now AUD\$11.5m

The net impact of all transactions on the 2024 financial result was negligible





# Global Proteins – Financial Result

Generating earnings and volume growth

## Financial Performance

\$m	2024	2023	% change
Revenue <sup>1</sup>	266.8	298.5	-11%
Underlying EBITDA	55.4	54.5	2%
Underlying EBIT	53.6	53.7	0%

## KPIs

MT	2024	2023	% change
Petfood Ingredients Volume Sold	152,149	137,477	11%
Edible Proteins Volume Sold	109,742	85,900	28%

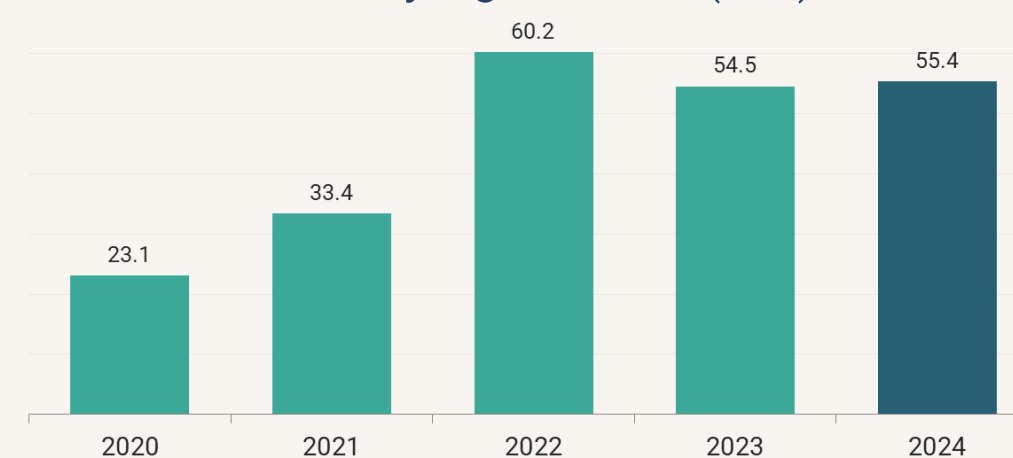
<sup>1</sup> Excludes revenue from Meateor NZ, Meateor Australia, Esro Petfood and Fayman

<sup>2</sup> 2022 edible protein volumes are for a 2 month period

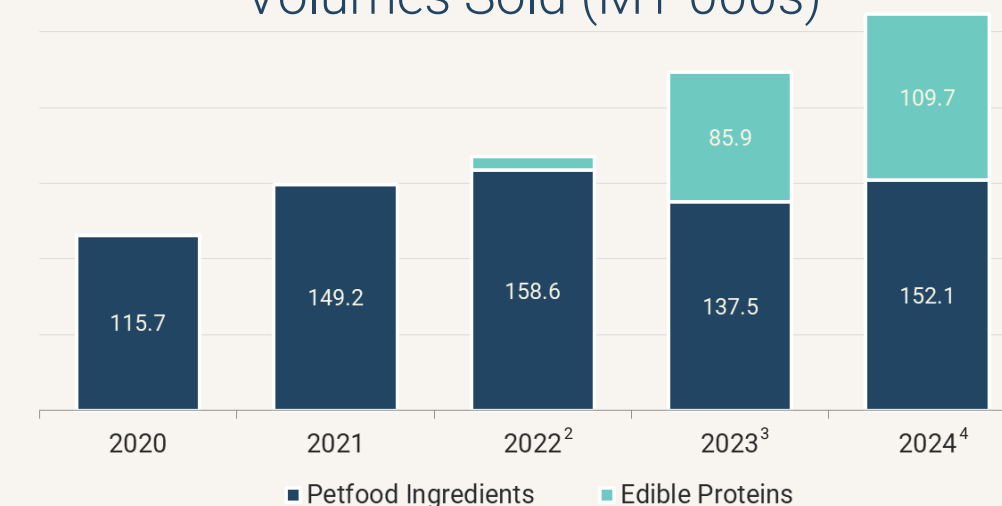
<sup>3</sup> 2023 petfood ingredient volumes exclude those sold at Meateor Australia and Esro Petfood, both operational by 4Q23, due to low volumes

<sup>4</sup> 2024 petfood ingredient volumes include those sold at all Global Proteins' businesses but excludes inter-company sales (inter-company sales not excluded in prior years due to immaterial volumes)

## Underlying EBITDA (\$m)



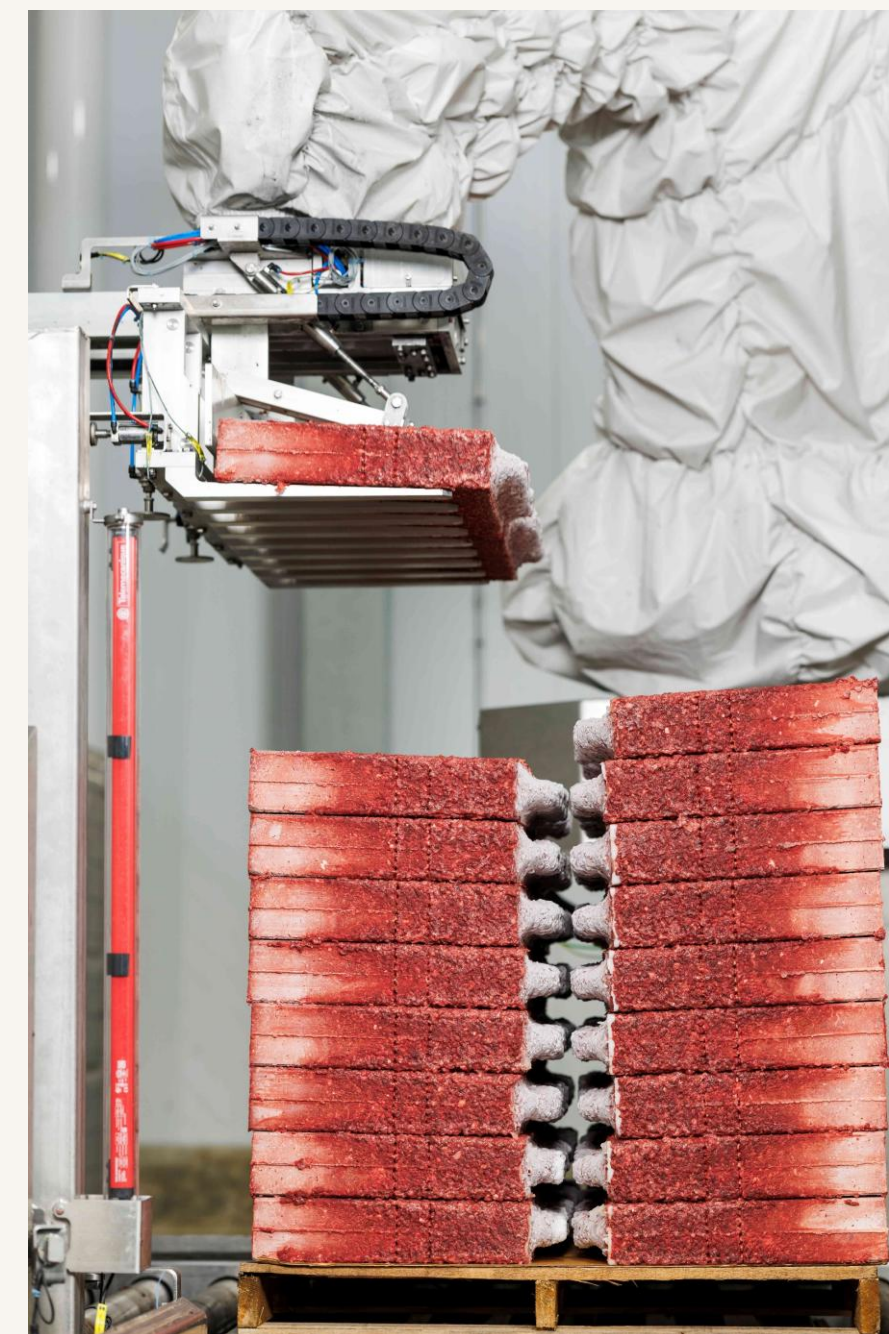
## Volumes Sold (MT 000s)



# Global Proteins – Financial Result (cont.)

## Strong result during period of expansion

- Consistent performance by Shelby whilst setting up for the next stage of growth
- Strong volume growth in New Zealand and the edible proteins business
- Meateor Australia and Esro Petfood continue to progress through their respective start-up phases:
  - Strong volume growth in both businesses
  - Meateor Australia operating profitably during FY24 with Esro moving into profitability by the end of FY25

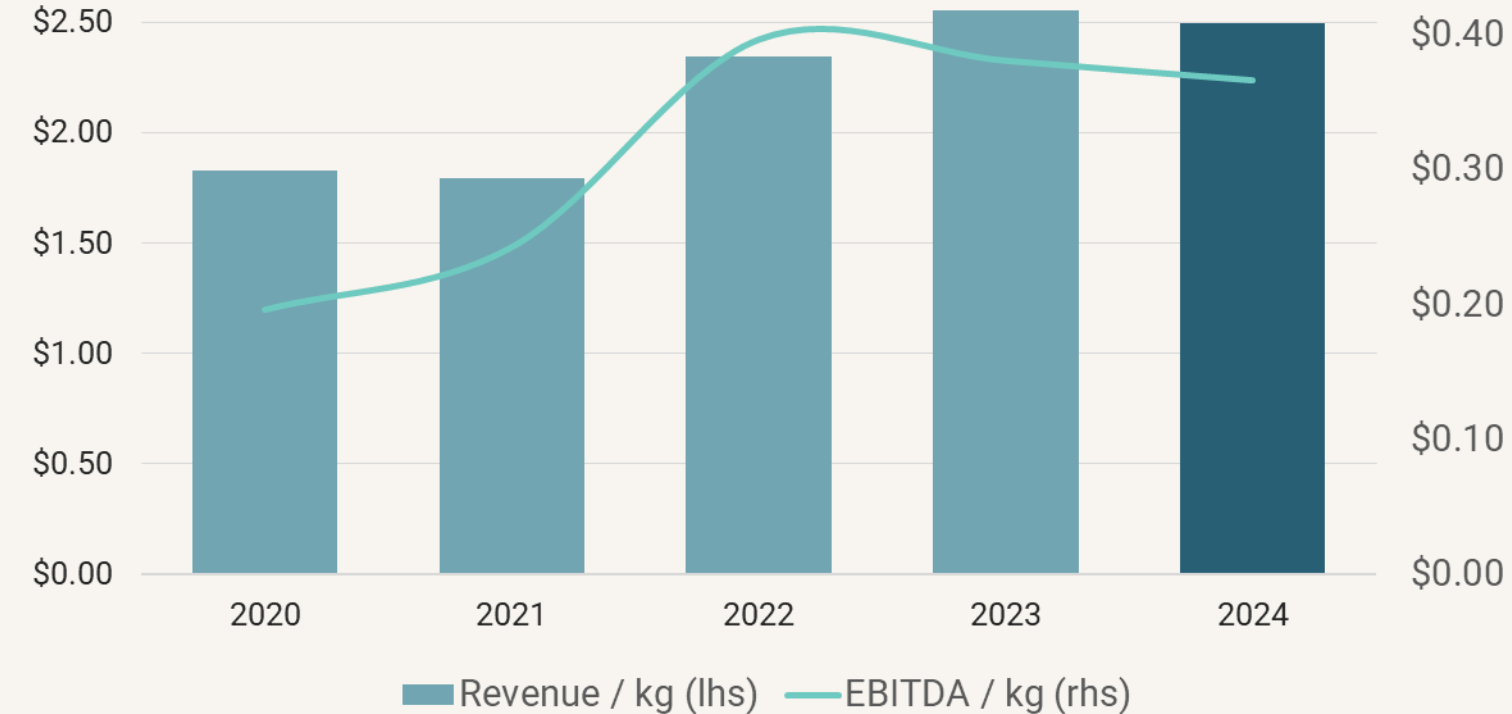




# Global Proteins – Margin Performance

Maintaining revenue and margins per kg

Petfood Ingredients Revenue and Underlying EBITDA / KG\*



- Continued positive movement in product mix towards beef
- Consolidated gains in margin improvements
- Increased volume contribution during the start-up phase for Meateor Australia and Esro Petfood in 2024 impacted overall margin

\* Margins calculated above may differ slightly from previously reported numbers due to adjustments made to reflect the true operational performance of the petfood ingredients businesses

# Global Proteins – Update on Current Initiatives

9 key projects across New Zealand, Australia, United States and Europe underpin our growth target

## Projects nearing completion

- New toll processing plant in the United States:
  - Commissioned Q4 2024
- New processing facility in the Netherlands:
  - Commissioning anticipated Q1 2025
- Blending project in the United States:
  - Customer audits and specifications complete with commercial loads being delivered
- New in-plant collection and cooling system in the United States:
  - Plant fully operational in FY24
- Meateor Australia:
  - Achieved increases in volumes and yields and moved into profitability during FY24

## Other ongoing projects

- Signed a contract for a second in-plant collection and cooling system in the United States:
  - Expected to be operational in FY26
- Scaling up fish and poultry presence in the United States
- Undertaking a feasibility study for a second European site
- Assessing options for additional capacity in New Zealand



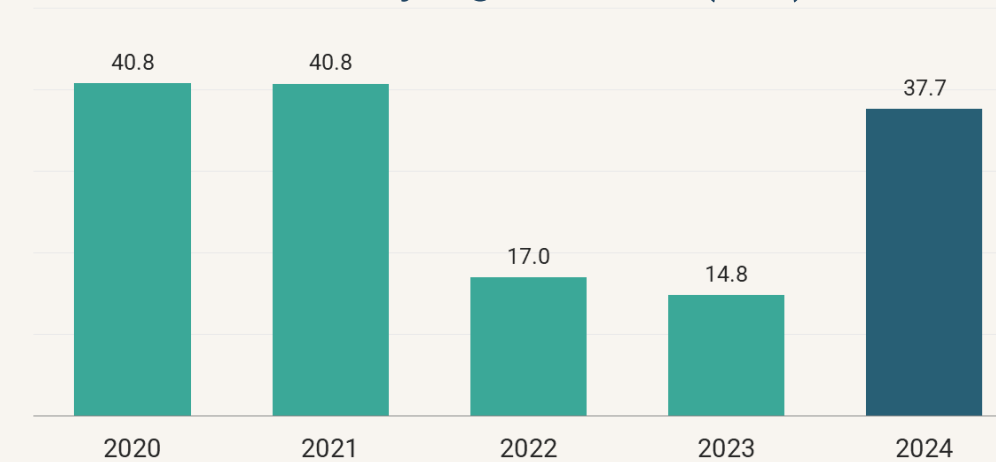
# Horticulture – Financial Result

Horticulture performance returning to more normal levels

## Financial Performance

\$m	2024	2023	% change
Revenue	248.9	209.9	19%
Underlying EBITDA	37.7	14.8	154%
Underlying EBIT	18.1	(2.9)	-721%

## Underlying EBITDA (\$m)



- Improved apple volumes, quality and average prices
- Benefitting from Mr Apple’s vertically integrated business model, increased focus on Premium varieties and overall variety mix
- Exceptional performance by Profruit underpinned by increased processed and exported volumes

# Horticulture – Volumes

## Pleasing increase in volumes

### Volumes

Export Volumes (TCE 000s)	2024	2023	% change
Mr Apple own-grown volumes	3,033	2,733	11%
External grower volumes*	1,094	1,187	-8%
<b>Total volumes exported</b>	<b>4,126</b>	<b>3,920</b>	<b>5%</b>

### Profruit Volume (000 L)

Juice Concentrate Sold	7,785	5,783	35%
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\* External grower volumes comprise external grower volumes handled by Mr Apple and Fern Ridge Fresh

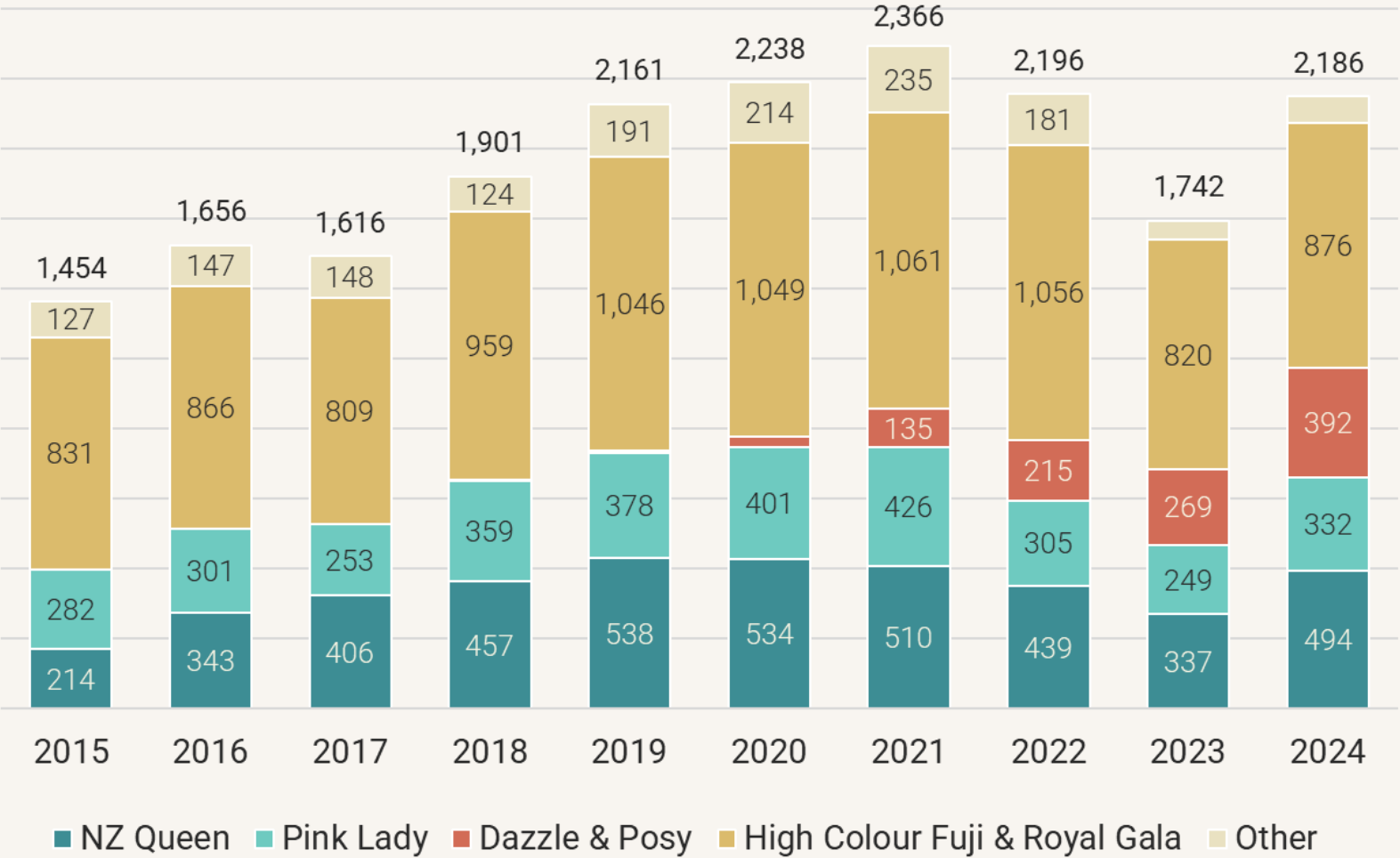
- 11% increase in Mr Apple total own-grown export volumes:
  - Helped by promotions and customer support in key markets
- Premium volumes accounted for ~72% of total export sale volumes:
  - Increases across all premium varieties, with significant growth in Dazzle™, Posy™ and NZ Queen
- Continued growth in our strategically important Asia and Middle East markets
- Strong demand and increased supply contributed to a record volume of juice concentrate sold by Profruit



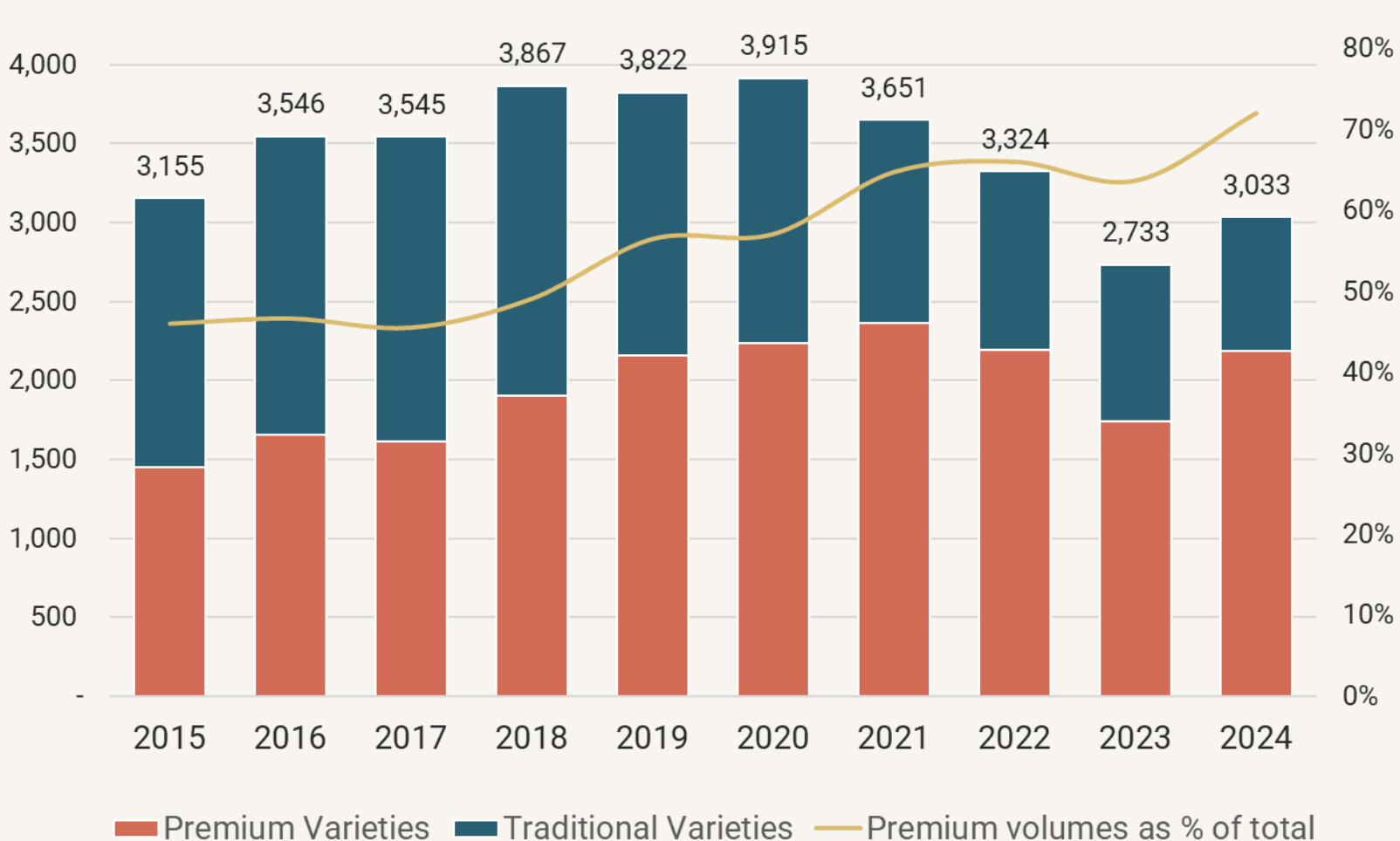
# Horticulture – Volumes (cont.)

Continued focus on Premium apple varieties

Movement in Premium Volumes (TCE 000s)



Mr Apple Own Export Volumes (TCE 000s)

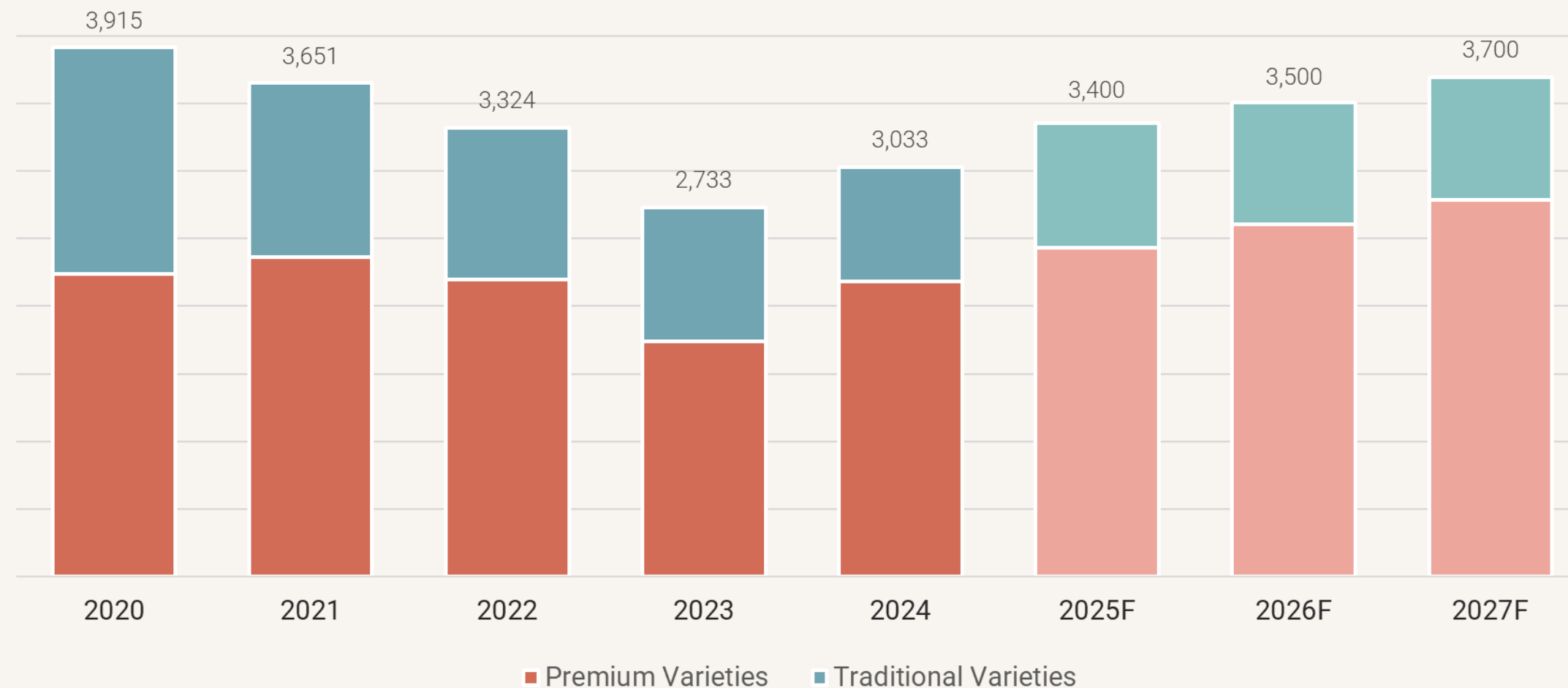


# Horticulture – Forecast Volumes

Continuing the growth of Premium varieties

- It is estimated that Premium varieties will account for around 75% of export volumes by 2027 as a result of the acquisition of Bostock orchards, together with Mr Apple’s ongoing orchard redevelopment programme

Mr Apple Own Export Volumes – Actual / Forecast (TCE 000s)





# Horticulture – Pricing

## Increased Premium and Traditional pricing

### Apple Prices and Exchange Rates

Apple Prices by Variety (NZD / TCE, FOB)	2024	2023	% change
Premium Varieties	45.6	44.1	3%
Traditional Varieties	37.6	33.5	12%
<b>Weighted Average all Apples</b>	<b>43.4</b>	<b>40.3</b>	<b>8%</b>

FX Rates	2024	2023	% change
NZD:USD	0.63	0.65	-3%
NZD:EUR	0.54	0.55	-2%
NZD:GBP	0.48	0.49	-2%
NZD:CAD	0.85	0.84	1%

- Price growth aided by positive market sentiment, improved fruit quality and favourable exchange rates
- Assisted by in-market support and promotion activities across the Asia & Middle East region to further build the Mr Apple, Dazzle™ and Posy™ brands
- Continued focus on Premium varieties, aided by the recent acquisition of additional Dazzle™ orchards

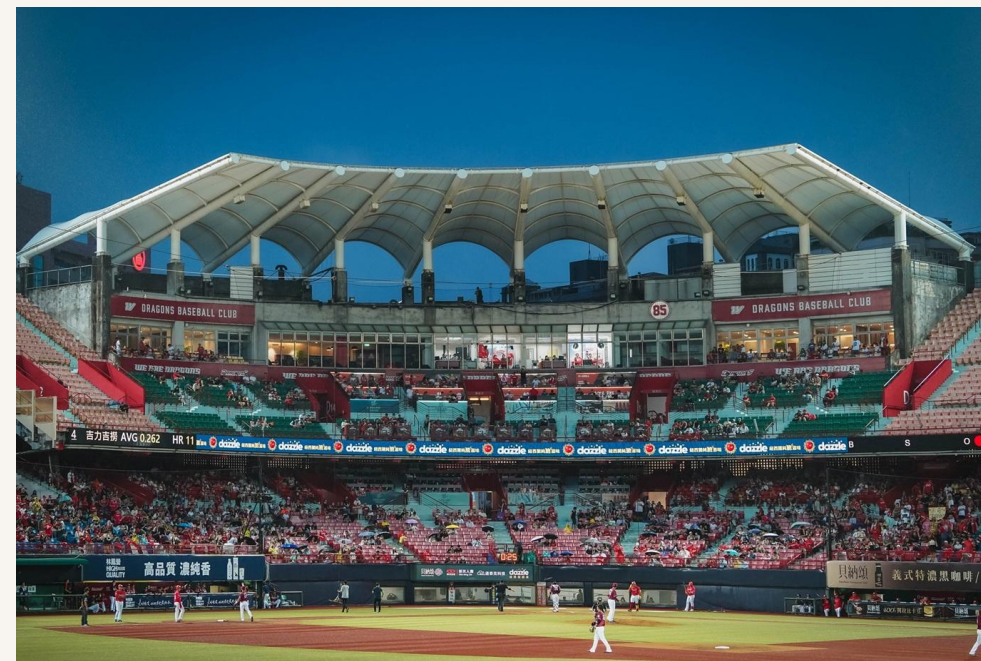
# Horticulture – Marketing

A variety of brand activity and marketing in China and other key Asia markets

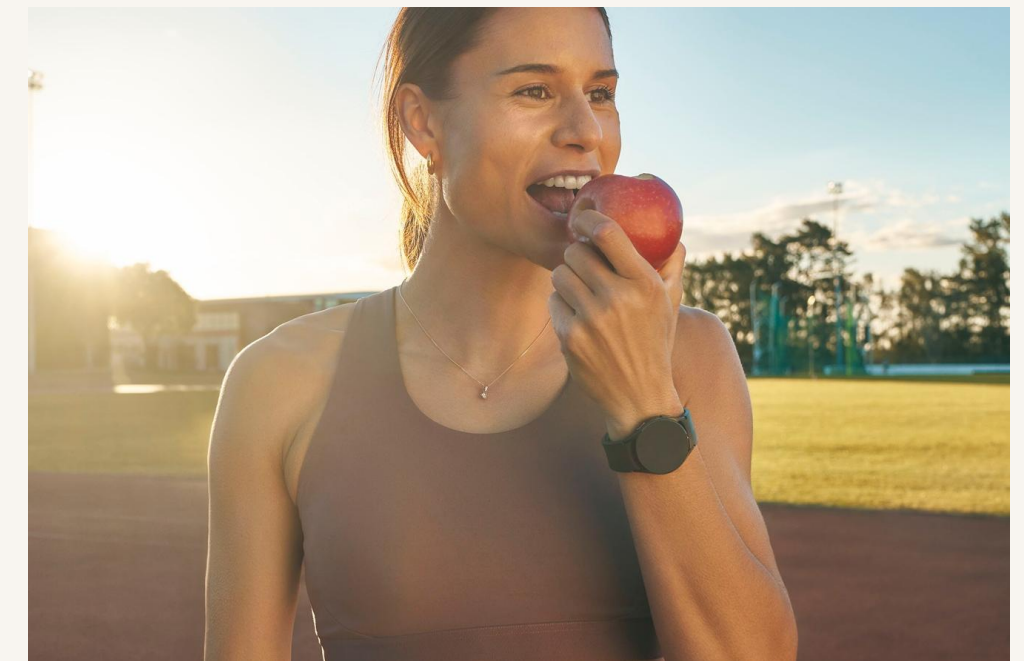
- Retail sampling programmes to communicate our brand story direct to consumers
- Point of sale materials and branded packaging to achieve premium retail prices
- Social media presence on all major platforms in each key market
- In-market events and sponsorships to engage our target market
- Partnership with Olympian Zoe Hobbs as Mr Apple ambassador for Dazzle™ apples



Influencer in Vietnam



Taipei Dragons sponsorship by Dazzle™



Zoe Hobbs, ambassador for Dazzle™



# Logistics – Performance and Update

## Record Logistics result

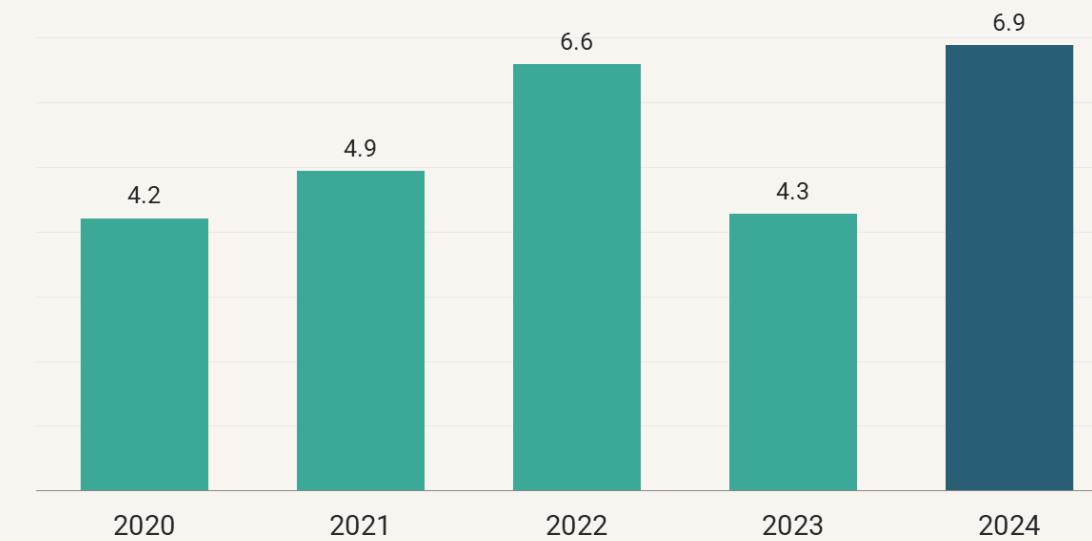
### Financial Performance and KPIs

\$m	2024	2023	% change
Revenue	98.8	92.6	7%
Underlying EBITDA	6.9	4.3	61%
Underlying EBIT	5.9	3.6	65%

Volumes	2024	2023	% change
Ocean Freight Volume (TEUs)	30,068	26,010	16%
Airfreight Volume (tonnes)	7,615	4,464	71%

### Underlying EBITDA (\$m)



- Increase in both ocean freight and air freight volumes, particularly for external customers:
  - New Auckland warehouse and chiller facility processed strong level of air freight volumes
  - Air freight volumes also positively impacted by a one-off customer project



# Capital Management



*Inside Shelby's new toll processing facility*



# ROCE and Capital Expenditure

## Investing in line with divisional strategies

- Exceeded target Group ROCE:
  - Excellent returns generated by Global Proteins and Logistics
  - Horticulture on pathway to improvement
- Considerable investment into margin improvement projects at Mr Apple
- Other material capital expenditure related to capital works at Shelby for the in-plant collection and cooling system and sustainability improvements

### ROCE

	2024	2023
Global Proteins	45.3%	46.8%
Horticulture	5.6%	-1.0%
Logistics	54.1%	39.4%
<b>Group</b>	<b>14.5%</b>	<b>10.8%</b>
Target	12.5%	12.5%

### Capital Expenditure (\$m)

Maintenance	2024	2023
Global Proteins	1.6	2.6
Horticulture	4.4	2.3
Logistics	0.9	0.2
Other	0.0	0.1
	<b>7.0</b>	<b>5.3</b>
Margin Improvement	2024	2023
Horticulture	7.0	0.9
	<b>7.0</b>	<b>0.9</b>
Growth	2024	2023
Global Proteins	4.1	3.5
Horticulture	-	0.2
	<b>4.1</b>	<b>3.7</b>
Cyclone	2024	2023
Horticulture	1.1	7.2
	<b>1.1</b>	<b>7.2</b>
<b>Total Capital Expenditure</b>	<b>19.0</b>	<b>17.1</b>



# Sustainability



*Riverslea Dazzle™ orchard at sunrise*



# Sustainability Update

## Progressing our Sustainability goals

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### Governance

- Prepared our 2nd Climate Related Disclosure report, which will be published in April 2025

### People

- Appointed 2 new roles to the Group, Chief Risk Officer and Global Safety Officer, both with a strong focus on Sustainability initiatives across the 3 divisions
- On target with Mr Apple's 5-year people strategy through leadership courses, succession and leadership planning
- Mr Apple working with the Fijian Government to employ 15 RSE workers from Kia Island to help rebuild the community after it was destroyed by a category 5 cyclone

### Environment

- Shelby has commissioned a new wastewater plant at Amarillo, improving environmental and health and safety outcomes
- Following Cyclone Gabrielle, Mr Apple has re-established the regenerative trial at Kinross that was lost to the storm and has introduced a second site at Blyth orchard, with the first results forthcoming in the 2025 harvest





02.

FY25  
Outlook



# FY25 Outlook

## Group and Global Proteins update

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### Group

- Directors confirm the previously advised Guidance range of Underlying Net Profit after Tax Attributable to Shareholders of between \$35.0 million to \$40.0 million, implying:
  - An Underlying Net Profit after Tax range of between \$53.0 million and \$60.0 million
  - An Underlying EBITDA range of between \$92.0 million and \$101.0 million
- Some geopolitical uncertainty is expected to remain through 2025
- In providing this Guidance, Directors note the following comments regarding each of the divisions

### Global Proteins

- Continuation of 2024's strong financial performance is anticipated:
  - Meateor Australia and Esro Petfood continue to progress through their respective start-up phases with Meateor Australia operating profitably during FY24 and Esro Petfood expected to move into profitability by the end of FY25
- Opportunities and projects continue to be progressed, which are expected to contribute positively in future years



# FY25 Outlook (cont.)

## Horticulture and Logistics update

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### Horticulture

- Picking and packing has commenced for the 2025 season, with initial crop indications being positive
- A crop of ~3.4 million TCEs is forecast for Mr Apple, which includes a higher proportion of Premium varieties as a result of the Bostock and Craigmore transactions. This forecast volume also includes the impact of orchard redevelopment and the relinquishment of a small number of leases of underperforming orchards during the year
- Positive pricing is also forecast, impacted by several factors including the improving variety mix, larger apple size and favourable exchange rates
- Demand is positive within Profruit

### Logistics

- Logistics is expected to continue to perform well and to continue to provide a valuable service to both internal and external customers:

# FY25 Outlook (cont.)

## Dividends

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- FY24 dividend payments likely to be made in 2 instalments:
  - The first instalment, of 7.25 cps, was paid on 17 January 2025
  - A second instalment will be reviewed and advised on in early May 2025
  - It is expected that total dividends will be split approximately evenly between interim and final, and to be between 50% and 75% of Underlying Net Profit After Tax Attributable to Shareholders
  - It is noted that, due to the increasingly offshore nature of the Group's earnings, it is likely that dividends after FY24 will be partially, rather than fully, imputed





03.

Appendices

*Shelby's new toll processing facility*



# Appendix A





# NZ IFRS Reconciliation

\$m	Group		Global Proteins		Horticulture		Logistics		Corporate and eliminations	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
<b>Underlying / Reported Revenue</b>	<b>584.6</b>	<b>565.4</b>	<b>266.8</b>	<b>298.5</b>	<b>248.9</b>	<b>209.9</b>	<b>98.8</b>	<b>92.6</b>	<b>(29.8)</b>	<b>(35.7)</b>
<b>EBITDA Reconciliation</b>										
Underlying EBITDA (excluding NZ IFRS 16)	79.4	55.9	55.2	54.4	26.8	4.2	5.7	3.6	(8.4)	(6.2)
NZ IFRS 16 Leases	12.3	11.7	0.1	0.1	10.9	10.8	1.2	0.7	0.2	0.1
NZ IFRS 16 Leases - renewal reassessment	-	(0.2)	-	-	-	(0.2)	-	-	-	-
<b>Underlying EBITDA (including NZ IFRS 16)</b>	<b>91.7</b>	<b>67.5</b>	<b>55.4</b>	<b>54.5</b>	<b>37.7</b>	<b>14.8</b>	<b>6.9</b>	<b>4.3</b>	<b>(8.2)</b>	<b>(6.1)</b>
Other adjustments:										
(Impairment) of non-current assets	(2.5)	(3.4)	-	-	(2.5)	(3.4)	-	-	-	-
Impairment of goodwill	-	(8.5)	-	-	-	(8.5)	-	-	-	-
Cyclone Gabrielle - net costs and proceeds	0.2	0.9	-	-	0.2	0.9	-	-	-	-
Gain on sale of Blyth & Te Papa orchards	4.9	-	-	-	4.9	-	-	-	-	-
Equity settled employee benefits	(0.7)	(0.5)	-	-	-	-	-	-	(0.7)	(0.5)
NZ IFRS 16 Leases - renewal reassessment	-	0.2	-	-	-	0.2	-	-	-	-
Fayman acquisition entries	(1.6)	1.2	(1.6)	1.2	-	-	-	-	-	-
Profruit acquisition entries	(0.8)	-	-	-	(0.8)	-	-	-	-	-
Equity accounting losses not recognised	1.8	0.7	1.8	0.7	-	-	-	-	-	-
Change in fair value gain on apple inventory	(1.1)	0.5	-	-	(1.1)	0.5	-	-	-	-
Change in gross liability for non-controlling interests interests and joint venture options	(2.5)	(4.1)	(2.5)	(4.1)	-	-	-	-	-	-
Transaction costs	(1.2)	(0.8)	-	-	(0.5)	-	-	-	(0.8)	(0.8)
<b>Reported EBITDA</b>	<b>88.1</b>	<b>53.7</b>	<b>53.0</b>	<b>52.2</b>	<b>37.9</b>	<b>4.5</b>	<b>6.9</b>	<b>4.3</b>	<b>(9.7)</b>	<b>(7.3)</b>
<b>EBIT Reconciliation</b>										
Underlying EBIT (excluding NZ IFRS 16)	66.2	45.2	53.6	53.7	15.6	(5.5)	5.4	3.3	(8.4)	(6.3)
NZ IFRS 16 Leases	3.1	3.0	0.0	0.0	2.5	2.7	0.4	0.2	0.0	0.0
NZ IFRS 16 Leases - renewal reassessment	-	(0.2)	-	-	-	(0.2)	-	-	-	-
<b>Underlying EBIT (including NZ IFRS 16)</b>	<b>69.3</b>	<b>48.1</b>	<b>53.6</b>	<b>53.7</b>	<b>18.1</b>	<b>(2.9)</b>	<b>5.9</b>	<b>3.6</b>	<b>(8.4)</b>	<b>(6.2)</b>
Other adjustments:										
(Impairment) of non-current assets	(2.5)	(3.4)	-	-	(2.5)	(3.4)	-	-	-	-
Impairment of goodwill	-	(8.5)	-	-	-	(8.5)	-	-	-	-
Cyclone Gabrielle - net costs and proceeds	0.2	0.9	-	-	0.2	0.9	-	-	-	-
Gain on sale of Blyth & Te Papa orchards	4.9	-	-	-	4.9	-	-	-	-	-
Equity settled employee benefits	(0.7)	(0.5)	-	-	-	-	-	-	(0.7)	(0.5)
NZ IFRS 16 Leases - renewal reassessment	-	0.2	-	-	-	0.2	-	-	-	-
Fayman acquisition entries	(1.6)	1.2	(1.6)	1.2	-	-	-	-	-	-
Profruit acquisition entries	(0.4)	-	-	-	(0.4)	-	-	-	-	-
Equity accounting losses not recognised	1.8	0.7	1.8	0.7	-	-	-	-	-	-
Change in fair value gain on apple inventory	(1.1)	0.5	-	-	(1.1)	0.5	-	-	-	-
Change in gross liability for non-controlling interests interests and joint venture options	(2.5)	(4.1)	(2.5)	(4.1)	-	-	-	-	-	-
Transaction costs	(1.2)	(0.8)	-	-	(0.5)	-	-	-	(0.8)	(0.8)
<b>Reported EBIT</b>	<b>66.1</b>	<b>34.2</b>	<b>51.3</b>	<b>51.4</b>	<b>18.8</b>	<b>(13.3)</b>	<b>5.9</b>	<b>3.6</b>	<b>(9.9)</b>	<b>(7.5)</b>

# NZ IFRS Reconciliation (cont.)

\$m	Group		Global Proteins		Horticulture		Logistics		Corporate and eliminations	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
<b>NPAT Reconciliation</b>										
Underlying NPAT (excluding NZ IFRS 16)	54.1	38.6	46.7	45.4	11.3	(3.4)	3.9	2.4	(7.7)	(5.7)
NZ IFRS 16 Leases, net of tax	(0.5)	(0.1)	0.0	(0.0)	(0.4)	(0.0)	(0.2)	(0.1)	(0.0)	(0.0)
NZ IFRS 16 Leases - renewal reassessment, net of tax	-	(0.1)	-	-	-	(0.1)	-	-	-	-
<b>Underlying NPAT (including NZ IFRS 16)</b>	<b>53.6</b>	<b>38.4</b>	<b>46.7</b>	<b>45.4</b>	<b>10.9</b>	<b>(3.5)</b>	<b>3.7</b>	<b>2.3</b>	<b>(7.7)</b>	<b>(5.7)</b>
Other adjustments:										
(Impairment) of non-current assets	(2.5)	(3.4)	-	-	(2.5)	(3.4)	-	-	-	-
Impairment of goodwill	-	(8.5)	-	-	-	(8.5)	-	-	-	-
Cyclone Gabrielle - net costs and proceeds	0.2	0.9	-	-	0.2	0.9	-	-	-	-
Gain on sale of Blyth & Te Papa orchards	4.9	-	-	-	4.9	-	-	-	-	-
Equity settled employee benefits	(0.7)	(0.5)	-	-	-	-	-	-	(0.7)	(0.5)
NZ IFRS 16 Leases - renewal reassessment	-	0.2	-	-	-	0.2	-	-	-	-
Fayman acquisition entries	(1.1)	1.3	(1.1)	1.3	-	-	-	-	-	-
Profruit acquisition entries	(0.2)	-	-	-	(0.2)	-	-	-	-	-
Equity accounting losses not recognised	1.8	0.7	1.8	0.7	-	-	-	-	-	-
Intercompany FX	-	-	-	-	-	-	-	-	-	-
Change in fair value gain on apple inventory	(1.1)	0.5	-	-	(1.1)	0.5	-	-	-	-
Change in gross liability for non-controlling interests interests and joint venture options	(2.5)	(4.1)	(2.5)	(4.1)	-	-	-	-	-	-
Transaction costs	(1.2)	(0.8)	-	-	(0.5)	-	-	-	(0.8)	(0.8)
Tax deduction change for buildings	(2.1)	-	-	-	(2.1)	-	-	-	-	-
Tax effect of other NZ IFRS adjustments	1.0	(0.0)	(0.5)	(0.5)	1.6	0.5	-	-	-	-
<b>Reported NPAT</b>	<b>50.0</b>	<b>24.7</b>	<b>44.3</b>	<b>42.7</b>	<b>11.2</b>	<b>(13.4)</b>	<b>3.7</b>	<b>2.3</b>	<b>(9.2)</b>	<b>(6.9)</b>
<b>NPAT Attributable to Shareholders Reconciliation</b>										
Underlying NPATAS (excluding NZ IFRS 16)	34.8	19.2	27.4	25.9	11.3	(3.4)	3.9	2.4	(7.7)	(5.7)
NZ IFRS 16 Leases, net of tax	(0.5)	(0.1)	0.0	(0.0)	(0.4)	(0.0)	(0.2)	(0.1)	(0.0)	(0.0)
NZ IFRS 16 Leases - renewal reassessment, net of tax	-	(0.1)	-	-	-	(0.1)	-	-	-	-
<b>Underlying NPATAS (including NZ IFRS 16)</b>	<b>34.3</b>	<b>19.0</b>	<b>27.4</b>	<b>25.9</b>	<b>10.9</b>	<b>(3.5)</b>	<b>3.7</b>	<b>2.3</b>	<b>(7.7)</b>	<b>(5.7)</b>
Other adjustments:										
(Impairment) of non-current assets	(2.5)	(3.4)	-	-	(2.5)	(3.4)	-	-	-	-
Impairment of goodwill	-	(8.5)	-	-	-	(8.5)	-	-	-	-
Cyclone Gabrielle - net costs and proceeds	0.2	0.9	-	-	0.2	0.9	-	-	-	-
Gain on sale of Blyth & Te Papa orchards	4.9	-	-	-	4.9	-	-	-	-	-
Equity settled employee benefits	(0.7)	(0.5)	-	-	-	-	-	-	(0.7)	(0.5)
NZ IFRS 16 Leases - renewal reassessment	-	0.2	-	-	-	0.2	-	-	-	-
Fayman acquisition entries	(1.1)	1.3	(1.1)	1.3	-	-	-	-	-	-
Profruit acquisition entries	(0.2)	-	-	-	(0.2)	-	-	-	-	-
Equity accounting losses not recognised	1.8	0.7	1.8	0.7	-	-	-	-	-	-
Change in fair value gain on apple inventory	(1.1)	0.5	-	-	(1.1)	0.5	-	-	-	-
Change in gross liability for non-controlling interests interests and joint venture options	(2.5)	(4.1)	(2.5)	(4.1)	-	-	-	-	-	-
Transaction costs	(1.2)	(0.8)	-	-	(0.5)	-	-	-	(0.8)	(0.8)
Tax deduction change for buildings	(2.1)	-	-	-	(2.1)	-	-	-	-	-
Tax effect of other NZ IFRS adjustments	1.0	(0.0)	(0.5)	(0.5)	1.6	0.5	-	-	-	-
<b>Reported NPAT Attributable to Shareholders</b>	<b>30.7</b>	<b>5.2</b>	<b>25.0</b>	<b>23.2</b>	<b>11.2</b>	<b>(13.4)</b>	<b>3.7</b>	<b>2.3</b>	<b>(9.2)</b>	<b>(6.9)</b>



# Appendix B



# Mr APPLE<sup>NZ</sup>

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- EBITDA. We calculate EBITDA by adding back (or deducting) depreciation, amortisation, finance charges / (revenue), and taxation expense to net earnings / (loss) from continuing operations
- EBIT. We calculate EBIT by adding back (or deducting) finance charges / (revenue), and taxation expense to net earnings / (loss) from continuing operations
- Underlying EBITDA and EBIT are calculated by adding back (or deducting) certain non cash NZ IFRS and other adjustments
- Underlying Net Profit is calculated by adding back or (or deducting) the after-tax effect of certain non cash NZ IFRS and other adjustments

A full reconciliation of Underlying to reported measures is provided in our Annual Report.

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