

Scales Corporation Limited

# Fact Sheet - December 2025



# About Scales

Scales Corporation Limited (Scales or the Group) is an S&P NZX 50 listed agribusiness group. Its origins date back to 1897 when it was established by George Scales to challenge the freight rates being charged by the large British shipping lines to New Zealand wool exporters. Now the Group comprises 3 operating divisions and 10 operating businesses:

## Global Proteins

Petfood ingredient procurers, processors & marketers



Edible protein exporter



## Horticulture

Vertically integrated apple grower, packer & marketer



Apple marketer



Juice manufacturer



## Logistics

Air & sea freight



USA



New Zealand



Australia



Netherlands

# Vision and Strategy

## ► Scales' Mission

To be the foremost investor in, and grower of, global agribusinesses by leveraging its unique insights, experience and access to collaborative synergies.

## ► Scales' Long-term Goal

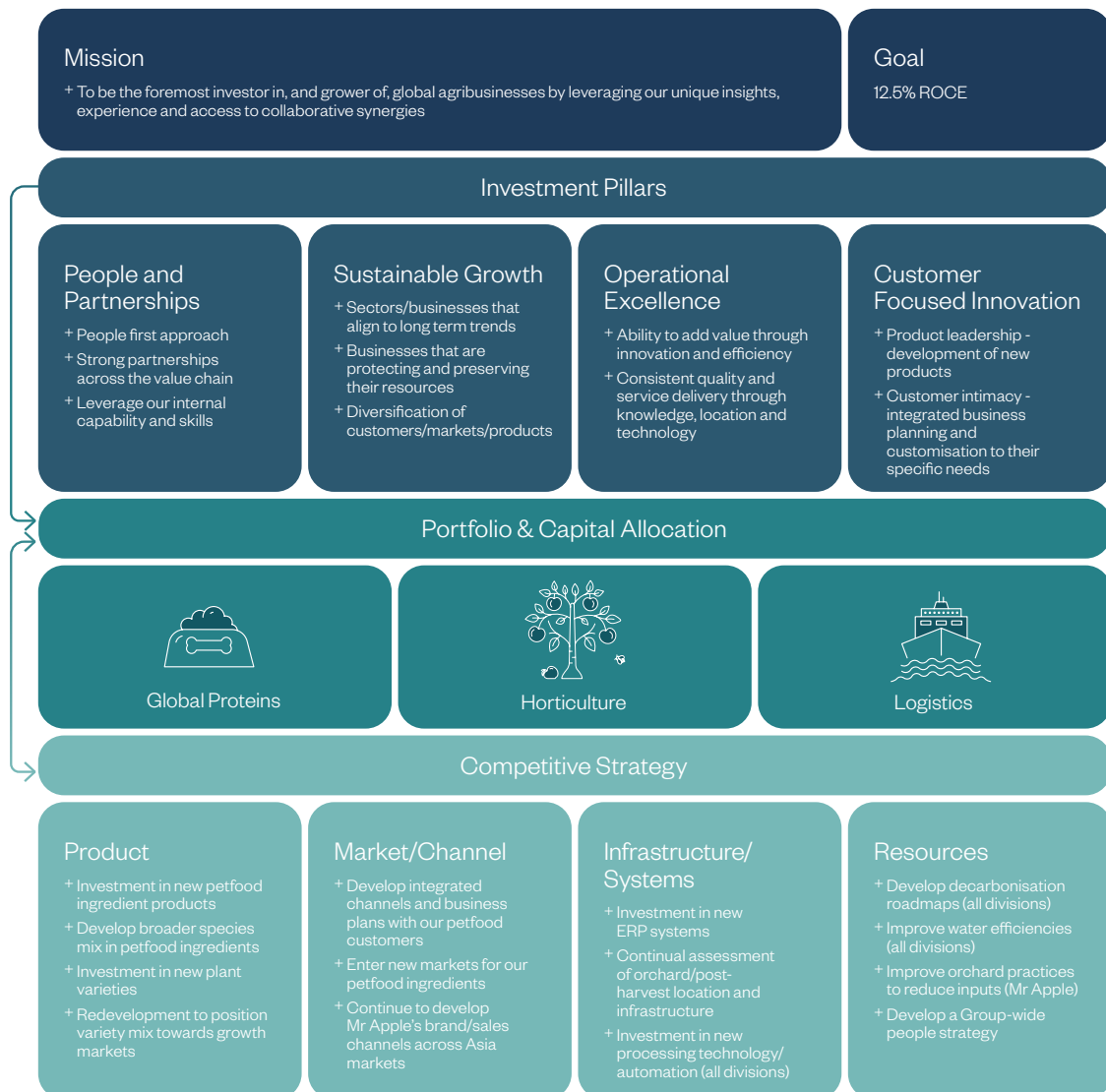
To generate a long-run average 12.5 per cent Return on Capital Employed (ROCE) across the portfolio.

## ► Corporate and Competitive Strategies

Our investment pillars determine our portfolio and capital allocation across our 3 key divisions. While all divisions have different business models, we are able to leverage our knowledge, partnerships and Group synergies to create competitive advantages and generate sustainable value for our stakeholders.

### Strategy Update

We continue to proactively search for and review potential investment opportunities, both internal and external. Our strategy is outlined below.



Recently we have focused on executing current projects and initiatives. This includes increasing margins through the improved variety mix in the Horticulture division, scaling up volumes and improving efficiencies in our new plants to capitalise on the additional capacity in Global Proteins and implementing new technology systems and building capability and talent across all divisions.

# Sustainability

People continue to be a major focus within the Group and, in August 2024, we appointed a Chief Risk Officer who has a strong focus on sustainability initiatives across the 3 divisions.

Other initiatives included:

- Progression of Mr Apple's 5-year people strategy through leadership courses, succession and leadership planning
- Working with the Fijian Government to employ 15 Recognised Seasonal Employer (RSE) workers from Fiji's Kia Island to help rebuild the community after it was destroyed by a category 5 cyclone a few years ago
- Commissioning of a new wastewater plant at Amarillo in the USA, improving environmental and health and safety outcomes
- Re-establishment of the regenerative trial at Mr Apple's Kinross orchard, which had been lost during Cyclone Gabrielle, and introduction of a second site at Blyth orchard

Scales is focused on:

- ▶ Our broader obligations as a responsible corporate citizen
- ▶ The desire of our stakeholders to receive clear reporting on our environmental footprint and sustainability improvements
- ▶ Our ability to better identify and manage all risks (as well as opportunities) facing the business and align our future strategic plans



# Share Information

NZX code	SCL	Closing share price at 31 October 2025	\$6.10
Shares on issue at 31 October 2025	144,033,226	Market capitalisation at 31 October 2025	\$879 million
Gross dividend yield <sup>1</sup>	5.9%	Financial year end	31 December
NZX industry sector	Primary/Agriculture and Fishing	Indices:	S&P NZX All S&P NZX 50

Scales' share price from date of listing to 31 October 2025 is shown below.



In October 2024, China Resources Enterprise Limited (China Resources) sold its 15 per cent holding in Scales due to a change in its strategic direction. China Resources had held its shareholding for around 8 years, since March 2016. The offering of its shares was over-subscribed by new and existing institutional and retail investors.

## Dividends

Any dividend is subject to Board approval. It is standard practice for the Directors to consider all aspects of the Group's performance and financial position prior to declaring any dividend. Total dividends are expected to be split approximately evenly between interim (January) and final (July), and to be between 50 per cent and 75 per cent of Underlying NPAT Attributable to Shareholders.

It is noted that, due to the increasingly offshore nature of the Group's earnings, it is likely that dividends after the 2024 financial year will be partially, rather than fully, imputed for NZ tax residents.

Period	Date Paid	Amount (Cash Paid)
2023 interim	18/01/24	4.25 cps
2023 final	12/07/24	4.25 cps
2024 interim	17/01/25	7.25 cps
2024 final	11/07/25	7.75 cps

<sup>1</sup> Based on the total 2024 financial year fully imputed interim and final dividends 15.00 cents (gross 20.83 cents) and the average share price for the 2024 financial year.

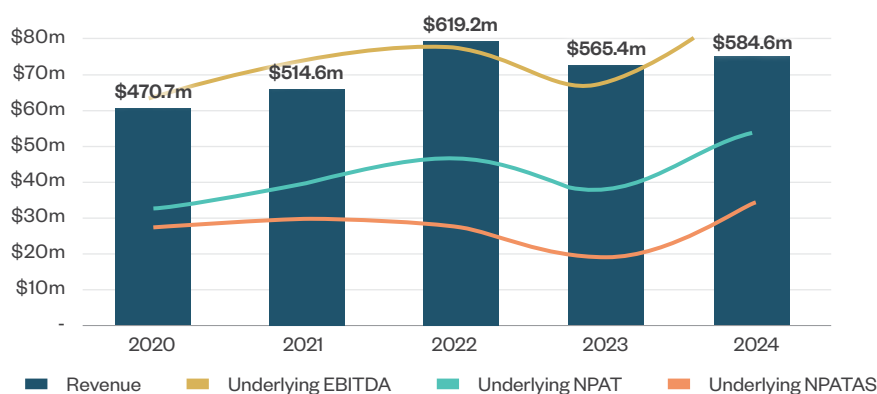
# Research Coverage

Company	Analyst	Email
Craigs Investment Partners	Rob Morrison	rob.morrison@craigsip.com
Jarden	Guy Hooper	guy.hooper@jarden.co.nz
Forsyth Barr	Matt Montgomerie	matt.montgomerie@forsythbarr.co.nz

## Key Financials

	2020	2021	2022	2023	2024
Revenue	\$470.7m	\$514.6m	\$619.2m	\$565.4m	\$584.6m
Underlying <sup>2</sup> EBITDA	\$64.1m	\$73.8m	\$77.9m	\$67.5m	\$91.7m
Underlying EBITDA margin	13.6%	14.3%	12.6%	11.9%	15.7%
Underlying NPAT	\$33.0m	\$39.8m	\$46.4m	\$38.4m	\$53.6m
NPAT	\$26.6m	\$36.9m	\$38.2m	\$24.7m	\$50.0m
Underlying NPATAS	\$27.5m	\$29.8m	\$27.6m	\$19.0m	\$34.3m
NPATAS	\$21.0m	\$26.9m	\$19.4m	\$5.2m	\$30.7m
Basic earnings per share	15.0c	19.1c	13.7c	3.7c	21.6c
Dividends per share paid	19.0c	19.0c	19.0c	19.0c	8.5c
Average net debt / (net cash)	(\$76.2m)	(\$60.1m)	(\$21.9m)	\$8.9m	\$34.7m
Capital expenditure	\$24.4m	\$16.5m	\$15.6m	\$17.1m	\$19.0m

### Group Results 2020 to 2024

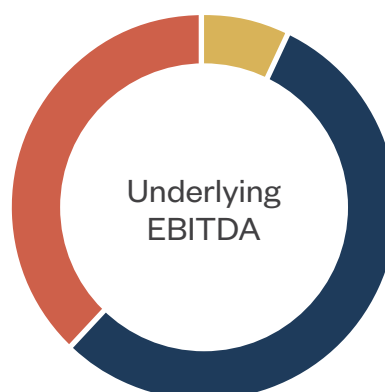


<sup>2</sup> Scales believes that Underlying measures provide meaningful information that is helpful to investors and give them a better understanding of Scales' financial performance when presented in addition to GAAP (NZ IFRS) information. Underlying earnings include the effects of NZ IFRS 16 Leases from 1 January 2019 onwards. All EBITDA and NPAT earnings shown (both NZ IFRS and Underlying) are presented before the deduction of non-controlling interests.

# Divisional Overview

This chart shows the 2024 Underlying EBITDA contribution from each of Scales' 3 key operating divisions. Our Corporate division ran at an Underlying EBITDA loss of \$8.2m to achieve Underlying Group EBITDA of \$91.7m.

<b>Global Proteins</b>	<b>Horticulture</b>	<b>Logistics</b>
\$55.4m	\$37.7m	\$6.9m
55%	38%	7%



## Global Proteins

	2020	2021	2022	2023	2024
Revenue	\$173.7m	\$218.9m	\$319.9m	\$298.5m	\$266.8m
% of Group revenue	37%	43%	52%	53%	46%
Underlying EBITDA	\$21.1m	\$33.4m	\$60.2m	\$54.5m	\$55.4m
% of Group Underlying EBITDA <sup>3</sup>	33%	45%	77%	81%	60%
<i>Operational metrics</i>					
- Petfood ingredients volume sold (MT)	115,739	149,207	158,595	137,477	152,149

Our Global Proteins division converts agricultural by-products into valuable food commodities. This division has changed significantly since 2018 due to the:

- Acquisition of a 60 per cent interest in Shelby in December 2018
- Sale of 50 per cent of Meateor NZ to Alliance in March 2019
- Purchase of 50 per cent of the Australian operations of Fayman International and 42.5 per cent of ANZ Exports (together, Fayman) in October 2022
- Acquisition of a 33.33 per cent interest in Meateor Australia in October 2022
- Subscription for a 50 per cent shareholding in Esro Petfood BV in August 2023
- Increase in our investment in Meateor Australia to 50 per cent in June 2024
- Increase in our investment in Shelby to 67.5 per cent in April 2025
- Increase in our investment in Fayman International to 100 per cent, increase in our investment in ANZ Exports to 85 per cent and increase in our investment in Meateor Australia to 100 per cent in September 2025

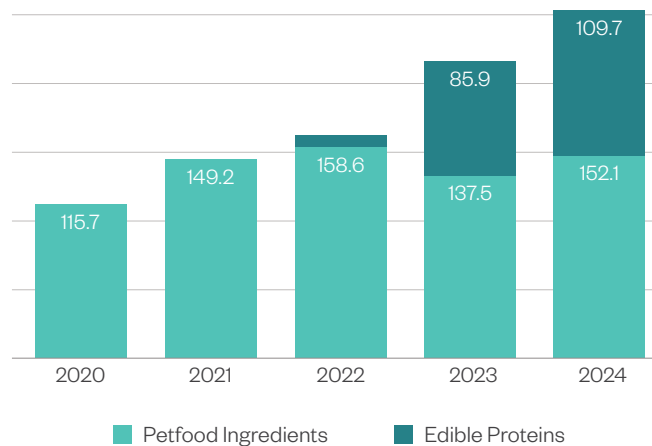
The division now comprises 6 businesses:

- Meateor NZ – 50 per cent ownership of a petfood ingredients business with processing plants in Whakatu and Dunedin
- Meateor International – 100 per cent ownership of a supplier of petfood ingredients from Australia and other markets
- Shelby – 67.5 per cent ownership of a US petfood ingredients business with owned and toll-processing plants in Texas, Kansas and Iowa
- Fayman – 100 per cent ownership of the Australian operations of Fayman International and 85 per cent ownership of ANZ Exports, a global exporter of edible proteins sourced principally from Australia
- Meateor Australia – 100 per cent ownership of a petfood ingredients business with a processing plant in Melbourne
- Esro Petfood – 50 per cent ownership of a petfood ingredients business with a processing plant in the Netherlands

<sup>3</sup> Group revenue and Group Underlying EBITDA includes the Corporate (Head Office) division as well as inter-company eliminations.

# Divisional Overview (continued)

Volumes Sold (MT 000s)



The global petfood market is a large and growing market underpinned by powerful global trends. With its proven track record and geographical reach, Global Proteins is strongly positioned to benefit from this growing global demand.

The division's strategic target is to generate \$70 million EBITDA by 2027 and, to help achieve this goal, it is working on 9 key projects across New Zealand, Australia, the United States and Europe.

Projects that are complete or are nearing completion are:

- ✓ New toll processing plant in the United States commissioned Q4 2024
- ✓ New processing facility in the Netherlands commissioned Q1 2025
- ✓ Blending project in the United States fully operational FY24
- ✓ New in-plant collection and cooling system in the United States fully operational FY24
- ✓ Meateor Australia trading ahead of forecast and significantly profitable

Other ongoing projects are:

- Second in-plant collection and cooling system in the United States expected to be operational in FY26
- Continuing to investigate options to increase 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

The division continues to progress opportunities and projects, and these are expected to contribute positively in future years.



# Divisional Overview (continued)

## Horticulture

	2020	2021	2022	2023	2024
Revenue	\$246.0m	\$243.4m	\$228.9m	\$209.9m	\$248.9m
% of Group revenue	52%	47%	37%	37%	43%
Underlying EBITDA	\$42.8m	\$40.8m	\$17.0m	\$14.8m	\$37.7m
% of Group Underlying EBITDA	67%	55%	22%	22%	41%
<i>Operational metrics</i>					
- Total planted orchard at harvest (Ha.)	1,186	1,201	1,167	1,150	1,095
- Fully mature planted orchard (Ha.)	1,028	1,050	1,024	1,050	982
- Total exported volume (TCEs)					
- Juice concentrate sold (litres 000s)	6,544	6,497	5,748	5,783	7,785

Our Horticulture division comprises 3 businesses:

- **Mr Apple** – New Zealand's largest fully vertically integrated apple business, based in Hawke's Bay
- **Fern Ridge** – a fresh produce exporter in Hawke's Bay
- **Profruit** – a manufacturer of high-quality apple, kiwifruit and pear juice concentrates, located in Hawke's Bay. In May 2024 we acquired the remaining 50 per cent of this business to make it a wholly-owned subsidiary

The Horticulture division's primary strategy is to develop a suite of high value proprietary varieties, increase the proportion of these varieties in our product mix over time and continue to develop Mr Apple's brand presence in Asia and Middle East. To accelerate this strategy, we completed the following transactions in 2024:

- The acquisition of 240 hectares of orchards with a high concentration of Dazzle™ plantings, our flagship premium variety. This purchase is expected to increase our premium variety mix from 72 per cent in 2024 to around 80 per cent in 2027
- The sale of approximately 186 hectares of less strategically valuable orchards
- The acquisition of the remaining 50 per cent of Profruit, which plays a vital part in the optimisation of our Horticulture value chain

Operating statistics for 2024 included:

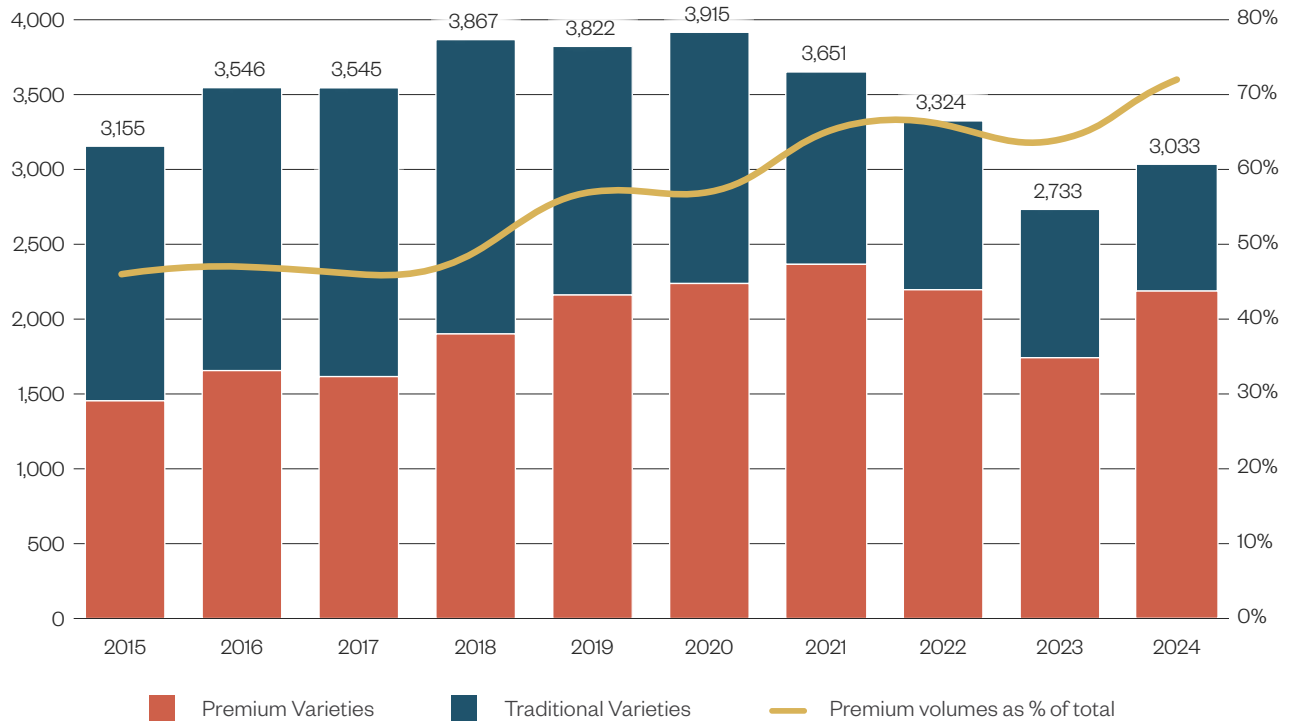
- Gross production of 3.83 million TCEs
- Own-grown export volumes of 3.03 million TCEs
- Including Fern Ridge and other external growers, 4.13 million TCEs exported
- Total planted orchard at time of harvest of 1,095 hectares



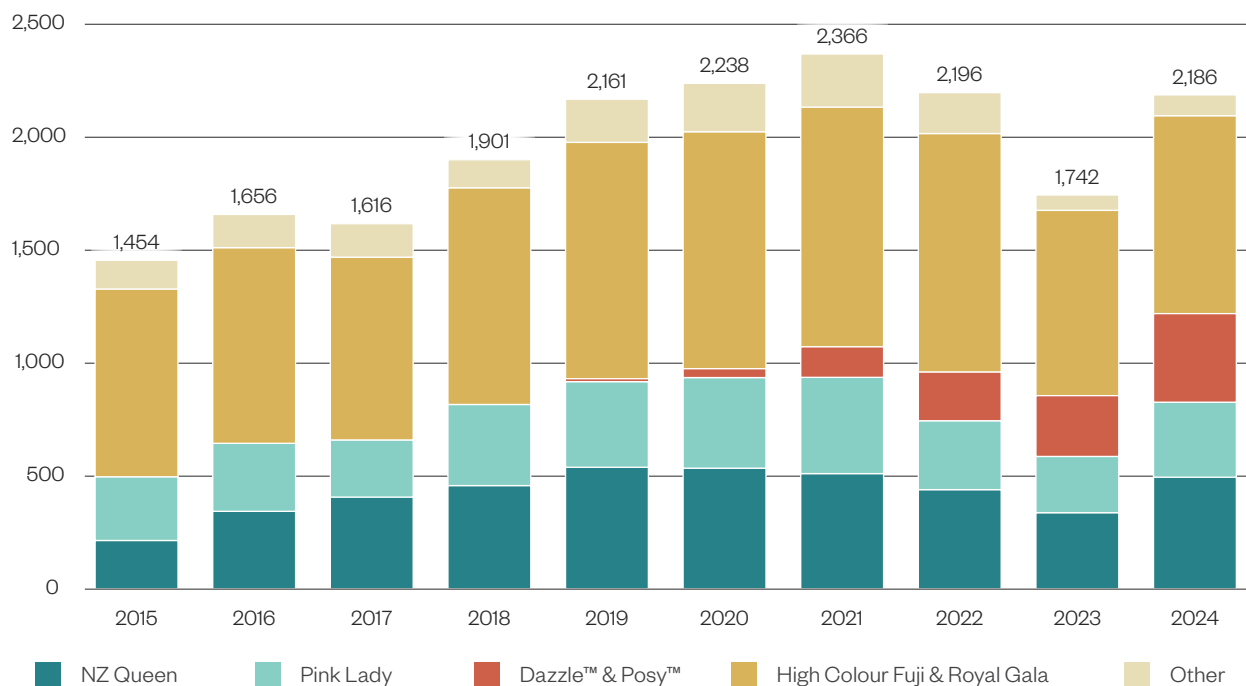
# Divisional Overview (continued)

## Horticulture (continued)

### Mr Apple Own Export Volume (TCE 000s)



### Movement in Premium Volumes by Variety (TCE 000s)

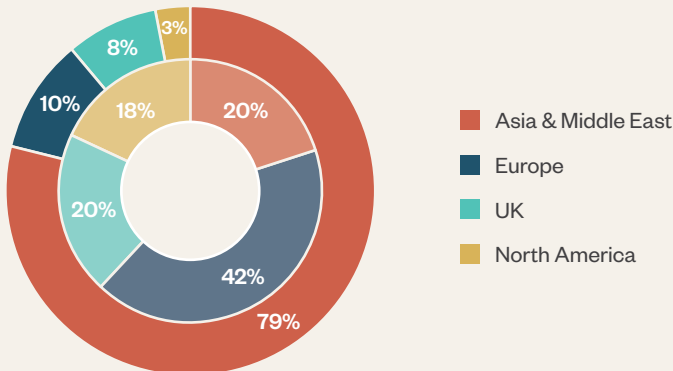


# Divisional Overview (continued)

## Weighted Average FOB Price / TCE for Premium Apples (NZD)



## Exports by Market 2007 (inside) vs 2024 (outside)



The Horticulture division has pronounced financial seasonality:

- Over 50 per cent of Mr Apple's sales are made between February and June each year
- As at 30 June, unsold agricultural produce is measured at fair value less costs to sell, meaning that expected profit on unsold fruit is recognised in the interim result

## Logistics

	2020	2021	2022	2023	2024
Revenue	\$77.9m	\$81.9m	\$123.3m	\$92.6m	\$98.8m
% of Group revenue	17%	16%	20%	16%	17%
Underlying EBITDA	\$4.2m	\$4.9m	\$6.6m	\$4.3m	\$6.9m
% of Group Underlying EBITDA	7%	7%	8%	6%	8%
<i>Operational metrics</i>					
Ocean freight volume	35,502	30,313	27,580	26,010	30,068
Air freight volume	5,656	3,645	5,553	4,464	7,615

The services of Scales Logistics include:

- Ocean freight services to exporters and importers of perishable products, with offices in Auckland, Christchurch, Tauranga, Hawke's Bay and Melbourne
- Air freight services, including chiller and warehousing facilities in both Christchurch and Auckland

The Logistics division's primary strategy is to expand its logistics offerings and in 2024 it aided this strategy by commissioning a new warehouse and chiller facility in Auckland.

It has produced extremely positive results in recent years despite continued global supply chain sector difficulties, geopolitical difficulties in key trade routes and changes in the volumes of ocean freight and airfreight. It has demonstrated the strategic benefit of being an in-house logistics provider during this time.

# Capital Management

Target long-run combined ROCE for the group is 12.5 per cent or greater.

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

## ROCE:

A measure of the business' return on its capital invested.

## Calculation:

Underlying EBIT divided by the average of opening and closing capital employed.

Group capital employed increased in 2024 due to increased investment in Profruit, Meateor Australia and Esro Petfood.

# Governance

## Board of Directors

<b>Mike Petersen</b>	Non-Executive Independent Chair
<b>Andrew Borland</b>	Executive Managing Director
<b>Tony Batterton</b>	Non-Executive Independent Director, Chair Nominations and Remuneration Committee and Chair Finance and Treasury Committee
<b>Miranda Burdon</b>	Non-Executive Independent Director, Chair of the Health & Safety and Sustainability Committee
<b>Nick Harris</b>	Non-Executive Independent Director
<b>Paul Munro</b>	Non-Executive Independent Director, Chair Audit and Risk Management Committee

## Steve Kennelly, Chief Financial Officer

Steve has been with Scales since 1993 in a variety of accounting and financial roles. As CFO, Steve is responsible for finance, funding, legal, company secretarial and information technology. Steve is a member of Chartered Accountants Australia and New Zealand.

## Chantelle Ramage, General Manager Profruit

Chantelle has been with Profruit for 18 years, including 16 as General Manager. Prior to that Chantelle held Production Manager and Technical Manager roles with the company. Chantelle graduated from Lincoln University with a Bachelor of Science, majoring in Food.

## Kent Ritchie, CEO Scales Logistics

Kent joined Scales in 1998 and has spent over 35 years in the shipping industry. He has been involved in setting up shipping services from New Zealand, has experience in all aspects of the transport industry and has led Scales' expansion into the logistics arena.

## John Sainsbury, CEO Meateor Group

John has been with Meateor in various management roles for over 20 years. Prior to that, John worked in senior management, marketing and operational roles in the United States. John was appointed CEO of Meateor in March 2015 and CEO of Meateor Group in 2019.

## Geoff Smith, Chief Operations Officer

Geoff joined Scales in 2022 from Zespri where he was Head of New Zealand Supply. Geoff has extensive experience across a variety of agribusinesses, particularly in operations, supply chain, strategy and investment. Geoff has both an Honours degree and Doctorate from Lincoln University.

## Nadine Tunley, Chief Risk Officer

Nadine was appointed as Scales' Chief Risk Officer during 2024, Nadine was previously a director of Scales and was also Chair of Scales' Health & Safety and Sustainability Committee. Nadine has extensive primary industry management and governance experience.

## Andrew van Workum, CEO Mr Apple

Andrew has worked in the apple industry for over 35 years. He joined Mr Apple at its inception in 2001 and prior to that was General Manager of Mr Apple's predecessor, Grocorp Pacific Limited, where he worked for 16 years. He has extensive experience in the production aspects of the apple industry and was previously a Director of Pipfruit New Zealand.

## Management

### Andrew (Andy) Borland, Managing Director

Andy joined Scales in 2007 and became Managing Director in 2011. Prior to joining Scales he had a 20-year career in banking, with his final role being Head of Corporate at Westpac New Zealand. Andy has overall responsibility for the strategic direction and day-to-day management of Scales. In addition to his directorships of the Group, Andy is currently the Chair of Primary Collaboration New Zealand Limited and Primary Collaboration New Zealand (Shanghai) Co. Limited.

### Hamish Davis, Managing Director Fern Ridge Fresh

Hamish joined Fern Ridge in 2001, becoming Managing Director in 2008. He has over 35 years' experience in the growing and post-harvest sectors of the apple industry and remains very active in export sales for the company.

### Brett Frankel, President Shelby Foods

Brett established United States based Shelby Foods in 2007 and has been its President since inception. Brett has over 25 years' experience in petfood, having had a senior procurement role prior to starting Shelby. He also represents the 3rd generation of family involvement in the sector, following in the footsteps of both his father and grandfather.

### Tim Harty, General Manager Meateor Pet Foods

Tim was appointed General Manager at the inception of the joint venture with Alliance in 2019. Tim has had over 20 years' experience in the export meat industry, in marketing and operational roles, both in New Zealand and overseas.

# Company Information

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# Glossary

CRD	Climate-Related Disclosures
EBIT	Earnings Before Interest and Tax
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortisation
FOB	Free On Board, a term which means that the price for goods includes delivery at the seller's expense on to a vessel at a named port and no further. The buyer bears all costs thereafter (including costs of sea freight)
GAAP	Generally Accepted Accounting Principles
IFRS	International Financial Reporting Standard
NPAT	Net Profit After Tax
NPATAS	Net Profit After Tax Attributable to Shareholders
ROCE	Return on Capital Employed
RSE	Recognised Seasonal Employer
TCE	Tray carton equivalent (a measure of apple and pear weight, defined as 18.6kg packed weight, which equates to 18.0kg sale weight)

