

NZX & Media Release

26 February 2025

EXCELLENT FINANCIAL PERFORMANCE WHILST DELIVERING ON GROWTH STRATEGY

Highlights – 12 months to 31 December 2024

Diversified agribusiness group Scales Corporation Limited (NZX:SCL) today reported its FY2024 full year results. Reported NPAT¹ Attributable to Shareholders was \$30.7 million (FY2023: \$5.2 million). Reported basic earnings per share for FY2024 were 21.6 cents per share (FY2023: 3.7 cents per share).

Underlying² NPAT Attributable to Shareholders of \$34.3 million (FY2023: \$19.0 million) was towards the top end of the FY2024 guidance range. Underlying earnings per share for FY2024 were 24.1 cents per share (FY2023: 13.4 cents per share).

- Group FY2024 financial results:
 - Underlying NPAT of \$53.6million, up 39 per cent (FY2023: \$38.4 million)
 - Reported NPAT of \$50.0 million, up 103 per cent (FY2023: \$24.7 million)
 - Underlying EBITDA³ of \$91.7 million, up 36 per cent (FY2023: \$67.5 million)
 - Revenue of \$584.6 million, up 3 per cent (FY2023: \$565.4 million)
- Divisional summary:
 - The Global Proteins division produced a strong result during a period of expansion
 - Horticulture's performance is returning to more normal levels
 - The Logistics division generated a record result supported by higher ocean and air freight volumes

Mike Petersen, Chair of Scales Corporation, commented: "We are proud of the hard work invested by each of our teams, which has produced record Group Underlying EBITDA and Underlying NPAT as well as Underlying EBITDA growth across all operating divisions."

¹ Net Profit After Tax

² Underlying results exclude some New Zealand International Financial Reporting Standards (NZ IFRS) non-cash and other adjustments. In line with current market practice, "Underlying" includes the effects of NZ IFRS 16 Leases. A reconciliation between Net Profit and Underlying Net Profit, EBITDA and Underlying EBITDA is provided in Appendix A of our annual results presentation pack.

³ Earnings Before Interest, Tax, Depreciation and Amortisation

Scales Corporation Limited

Head Office: 52 Cashel Street | Christchurch 8013 | New Zealand

Postal: PO Box 1590 | Christchurch 8140 | New Zealand

Phone: +64 3 379 7720

scalescorporation.co.nz

“The Group made admirable progress on its growth strategy, executing several M&A transactions within the Horticulture and Global Proteins divisions during 2024. The net impact of these transactions on the FY2024 financial result was negligible although we expect these transactions to positively impact earnings in future periods.”

Andy Borland, Managing Director of Scales Corporation, stated: “Our results are, as ever, a tribute to the skill and effort of our Scales’ teams. They continued to deliver outstanding results in a period of change.”

“Our acquisition of orchards from Bostock Group and sale of Blyth and Te Papa orchards to Craigmore Sustainables will help achieve our strategy to focus on the sale of Premium apple varieties to Asia and the Middle East markets. We experienced excellent growth in the volumes of Dazzle™ during the 2024 season and the Bostock orchards will substantially accelerate our strategy of increasing Dazzle™ volumes. We were also delighted to welcome Profruit into the Group as a wholly-owned subsidiary by acquiring the 50 per cent owned by Bostock Group.”

“The increased investment in Meateor Australia from 33 per cent to 50 per cent was a strategically important transaction, with the business operating profitably during FY2024.”

“Scales continues to have a strong financial position, with net cash of \$12.5 million as at 31 December 2024.”

During 2024, Scales paid dividends of 8.5 cents per share⁴. Dividend payments for FY2024 are likely to be made in two instalments, with the first instalment of 7.25 cents per share having been paid on 17 January 2025. A second instalment will be reviewed and advised on in early May 2025.

Divisions

Global Proteins

Underlying EBITDA for Global Proteins was \$55.4 million (FY2023: \$54.5 million), an increase of 2 per cent.

Mr Borland noted “All business within the Global Proteins division delivered a solid result, with Meateor Australia and Esro Petfood continuing to progress through their start-up phases. Esro is expected to join Meateor Australia in trading profitably by the end of FY2025.”

⁴ Scales declared the following dividends in respect of FY2023, which were paid in 2024:

- an interim dividend of 4.25 cents per share on 8 December 2023, paid on 18 January 2024
- a final dividend of 4.25 cents per share on 8 May 2024, paid on 12 July 2024

“There was strong volume growth in the New Zealand and edible proteins businesses, and a consistent performance by Shelby whilst it sets up for the next stage of its growth. The division continues to progress key projects in order to reach its growth target.”

Horticulture

The Horticulture division produced an Underlying FY2024 EBITDA of \$37.7 million (FY2023: \$14.8 million), an increase of 154 per cent.

Mr Borland commented “Horticulture’s performance is returning to more normal levels with improved apple volumes and average prices. The division also benefitted from the increased ownership of Profruit, which produced an exceptional FY2024 result.”

“Mr Apple’s own-grown export volume of 3,033k TCEs⁵ was 11 per cent up on last year (FY2023: 2,733k TCEs), with continued growth in our strategically important Asia and Middle East markets. Premium volumes accounted for approximately 72 per cent of total export sale volumes, with increases across all Premium varieties including significant growth in Dazzle™, Posy™ and NZ Queen.”

“Mr Apple has commenced building the foundations to capitalise on future benefits of the Bostock transaction with a continued focus on Premium apple varieties. We now estimate that Premium apple varieties will account for around 75 per cent of export volumes by 2027.”

Logistics

Logistics delivered a record Underlying EBITDA of \$6.9 million (FY2023: \$4.3 million), an increase of 61 per cent.

Mr Borland remarked “Logistics benefitted from an increase in both ocean freight and air freight volumes, particularly for external customers. Its new Auckland warehouse and chiller facility processed a strong level of air freight volumes.”

“Scales Logistics continues to contribute strategically to the Group whilst also developing its external customer base.”

Outlook

Mr Petersen observed: “Having produced an excellent financial performance in FY2024 whilst delivering on our growth strategy, we are looking forward to building on the opportunities available to the Group.”

⁵ Tray carton equivalent, a measure of apple and pear weight, defined as 18.6kg packed weight which equates to 18.0kg sale weight.

“A continuation of FY2024’s strong financial performance is anticipated within Global Proteins. The division continues to progress opportunities and projects, and these are expected to contribute positively in future years.”

“Picking and packing has commenced at Mr Apple for the 2025 apple season with initial current crop indications being positive. A crop of ~3.4 million TCEs is forecast for Mr Apple, which includes a higher proportion of Premium varieties due to the Bostock and Craigmore transactions. Positive pricing is also forecast.”

“Consequently, the Board is pleased to confirm the FY2025 guidance 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 \$53.0 million to \$60.0 million and an Underlying EBITDA range of \$92.0 million to \$101.0 million.”

Mr Petersen also noted “On behalf of the Scales’ Directors and Shareholders, we would like to express our gratitude to all Scales’ team members for their effort. They are the mainstay of the Group and we are extremely proud of their hard-working culture.”

Contact

Andy Borland, Managing Director, Scales Corporation Limited, Mob: 021 975 999,
email: andy.borland@scalescorporation.co.nz

About Scales Corporation

Scales Corporation is a diversified agribusiness group. It comprises three operating divisions: Global Proteins, Horticulture and Logistics. The company’s diverse spread of activities gives Scales broad exposure to the agribusiness sector. Scales Corporation was founded in 1897 as a shipping business by George Herbert Scales. Today it has operations across New Zealand, Australia, United States and Europe. Find out more at www.scalescorporation.co.nz.