



# INVESTMENT OPPORTUNITIES IN THE NEW ZEALAND CHOCOLATE INDUSTRY

Part of Emerging Growth Opportunities, Food and Beverage Information Project  
*FINAL REPORT; v100a; completed late 2017; released March 2018*

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MINISTRY OF BUSINESS,  
INNOVATION & EMPLOYMENT  
HIKINA WHAKATUTUKI

Ministry for Primary Industries  
Manatū Ahu Matua



 **NEW ZEALAND**  
TRADE & ENTERPRISE

## STEERING & GUIDANCE

This project would not have been possible without the strong guidance of our Steering Committee. In particular, we would like to thank Andrew McCallum of MBIE for his tireless energy in keeping this project on track, while at the same time pushing us forward.

Draft versions of parts of this document were distributed to key firms for comment, addition or correction. This was done in the form of emails and phone calls. We thank those who helped us in this process for their time and effort. We also thank those who provided their photos.

We are grateful for all of the input we have received, but the report is ours and any errors are our own.

Finally, we acknowledge the support of the Ministry of Business, Innovation and Employment (MBIE), New Zealand Trade and Enterprise (NZTE) and the Ministry for Primary Industries (MPI). It is their funding that has made this report possible.

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Key global trade data analysed in all sections of the F&B Information project are calculated and displayed in US\$. This is done for a range of reasons:

- It is the currency most used in international trade
- It allows for cross country comparisons (e.g. vs. Denmark)
- It removes the impact of NZD exchange rate variability
- It is more comprehensible to non-NZ audiences (e.g. foreign investors)
- It is the currency in which the United Nations collects and tabulates global trade data

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# The objective of this project is to identify and profile Emerging Growth Opportunities (EGO) in New Zealand's food and beverage exports

## SITUATION

New Zealand has a clear comparative advantage in food & beverage (and the wider agricultural value chain). Food & beverage exports total \$29b and account for 43% of New Zealand's total exports of goods and services.

New Zealand has a long history in producing and exporting food & beverages. However, New Zealand currently has only a limited number of large export categories, namely dairy, beef, lamb, seafood, apples and more recently kiwifruit. Wine has also emerged in the last 20 years to become a billion dollar export category. Growth has come from more volume but more importantly greater value.

Past research as part of the Food & Beverage Information Project (see Emerging Growth Opportunities 2012) identified a range of growing and emerging export sectors.

Industry and government recognise that high growth industries typically need new capital and new capabilities to continue to grow and develop.

## OBJECTIVE

The objective of the Emerging Growth Opportunities research is to identify emerging high potential food and beverage export categories from New Zealand. Answering the question - What will be the next wine industry?

The research draws conclusions on potential industry strategic directions, highlights opportunities for further investment and identifies categories which have the potential to contribute to the goal of substantially growing exports. The most promising categories are analysed further in separate reports (e.g. Chocolate).

The research forms a part of - and builds on the information in - the wider Food & Beverage Information Project.

## AUDIENCE

The report is designed to be used by four audiences:

- Investors (domestic or international)
- Industry participants (firms & individuals)
- Government (across all roles and responsibilities)
- Scientific researchers (academic, government & corporate)

# The Emerging Growth Opportunities (EGO) research is part of the wider New Zealand Food and Beverage Information Project

## The Food & Beverage Information Project

### SECTOR REPORTS



#### Beverages

The New Zealand wine industry has achieved phenomenal growth, producing world renowned wine varieties.



#### Dairy

New Zealand is a global leader in dairy trade, gaining export market share in the past decade.



#### Meat

New Zealand is the global leader in lamb and deer meat exports, with a strong position in beef exports and growing chicken exports.



#### Processed foods

New Zealand has a rapidly growing processed foods sector, leveraging on available raw and unique materials.



#### Produce

New Zealand is a major producer and exporter of kiwifruit and apples, with significant growth achieved in other categories.



#### Seafood

New Zealand has a large and sustainable wild catch fishery, with aquaculture showing huge theoretical growth potential.



### INVESTOR GUIDES



#### Investor guides

Our research has identified twenty categories achieving success in strong growing markets.



### EMERGING MARKETS



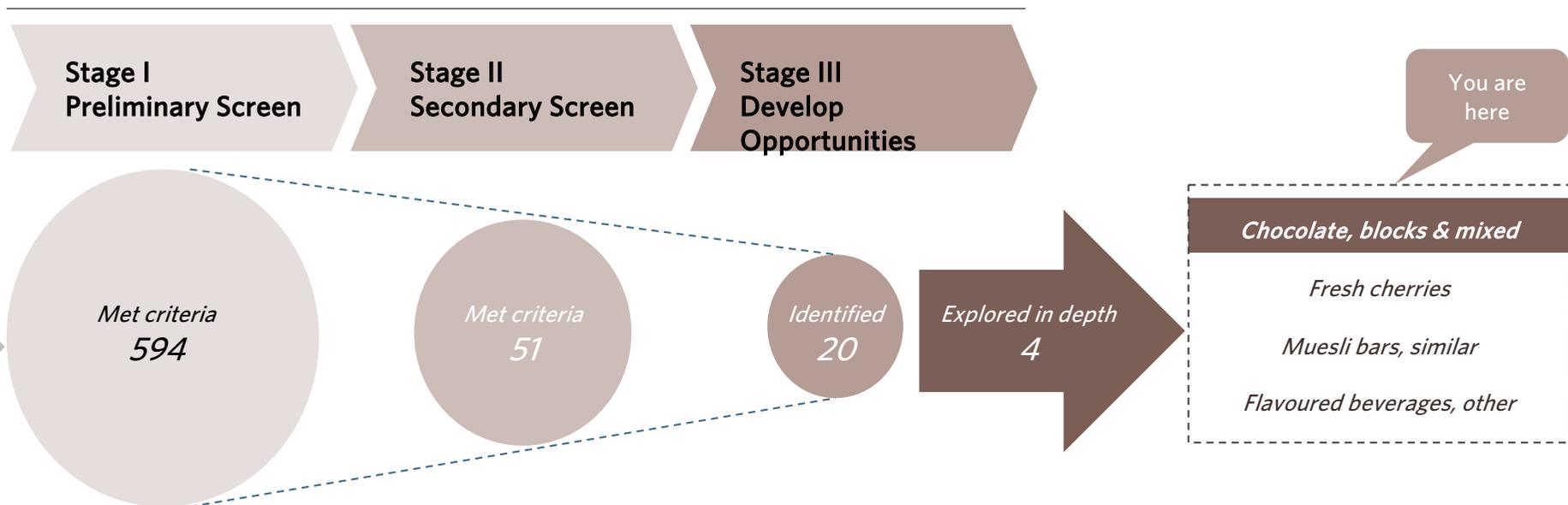
#### Emerging markets

New Zealand food and beverage sector has significant opportunities in Australia, ASEAN and China markets due to FTAs and geographical proximity.

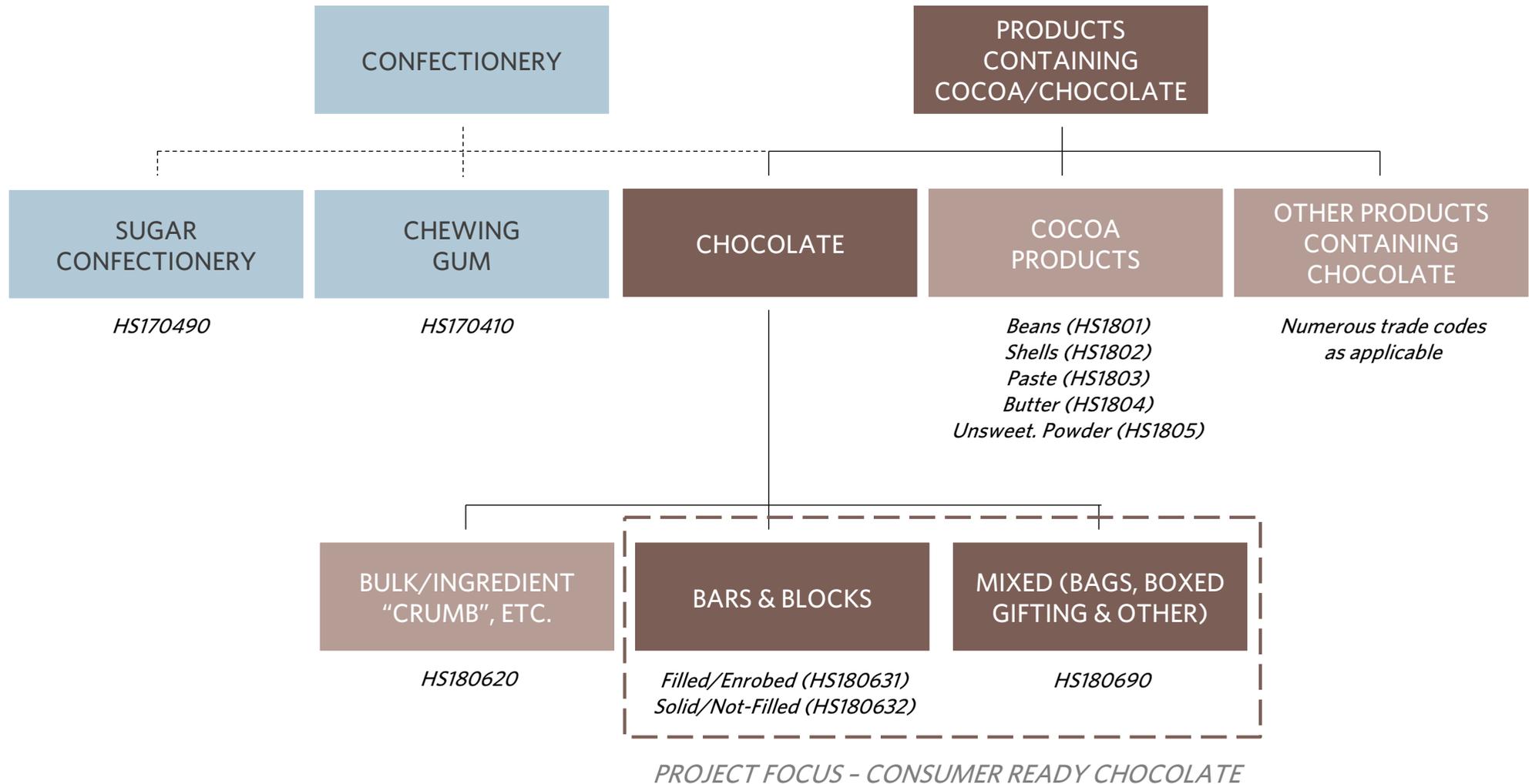


# Chocolate emerged from a multi-stage industry screen (Stages I & II) designed to identify, develop & highlight Emerging Growth Opportunities in New Zealand food and beverage exports

See related document for details; available at [www.foodandbeverage.govt.nz](http://www.foodandbeverage.govt.nz)



**DEFINITION** This research is focused on chocolate bars and mixed chocolate exports



**OUT OF SCOPE** While this focus puts a number of categories out-of-scope, it is worth noting that New Zealand has successful firms in all these areas

### COCOA PRODUCTS



### COCOA POWDER



### BAKING MIXES



### SUGAR CONFECTIONERY



### BEVERAGES



### MUESLI BARS



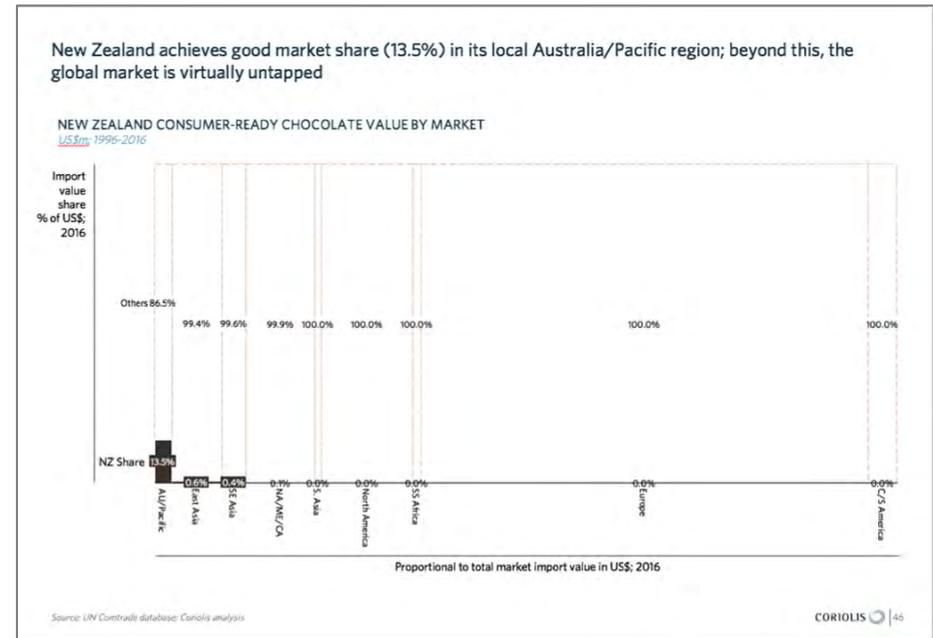
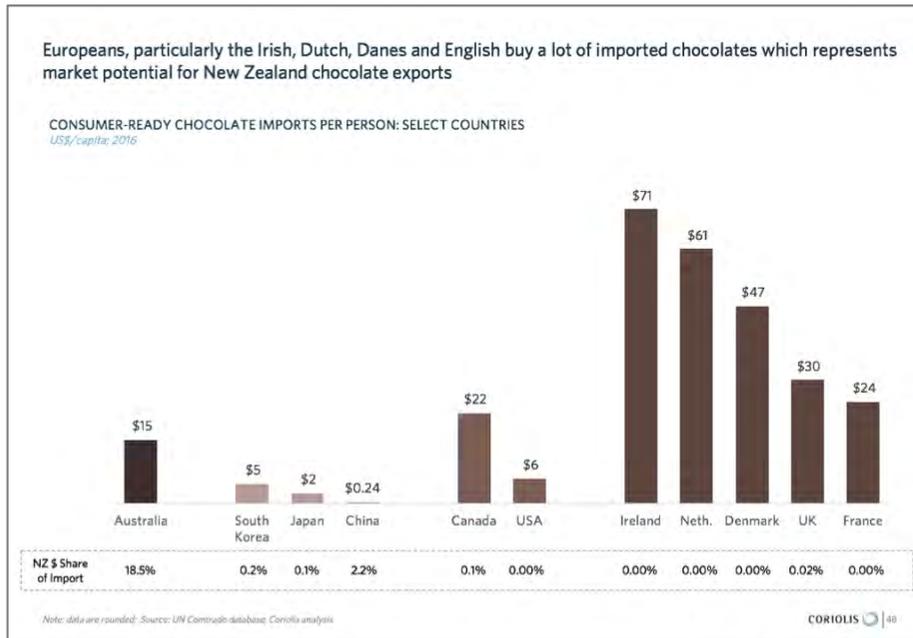
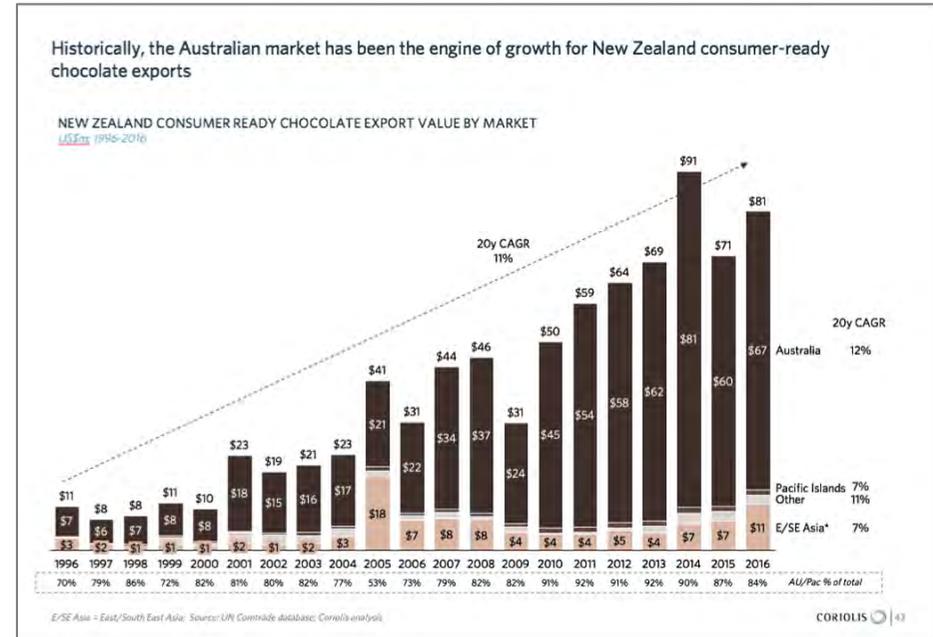
### CEREALS



### MANY OTHER PRODUCTS



# ELEVATOR TEST New Zealand chocolate exports can grow through a focus on premium positioning



# DRIVERS OF SUCCESS

New Zealand's success in chocolate has three key drivers



## STRONG COUNTRY IMAGE

Comparable to Switzerland

- "Brand NZ" is strong with clear iconic imagery
- On par with or exceeding Switzerland, Belgium, the USA and Germany
- Recognised and valued by target consumers
- Unique to NZ plants and flavours
- Secure production in an isolated location protected by natural barriers



## EFFICIENT PEOPLE & SYSTEMS

Trusted by consumers

- Long history of chocolate production
- High levels of product innovation
- Historically focused on the domestic market, now rapidly pivoting to export
- Large pool of skilled technical people
- Strong systems and support networks



## LOCATION & MARKETS

Well located for growth

- Proximity to East & South-East Asian markets
- CER\* agreement with Australia
- Market access across Asia
- NZ was the first developed country to sign a free trade deal with China (2008)

\* Closer Economic Relationship; Source: photo credit (purchased or creative commons (Dollar Photo Club; Shutterstock; freenzphotos.com))

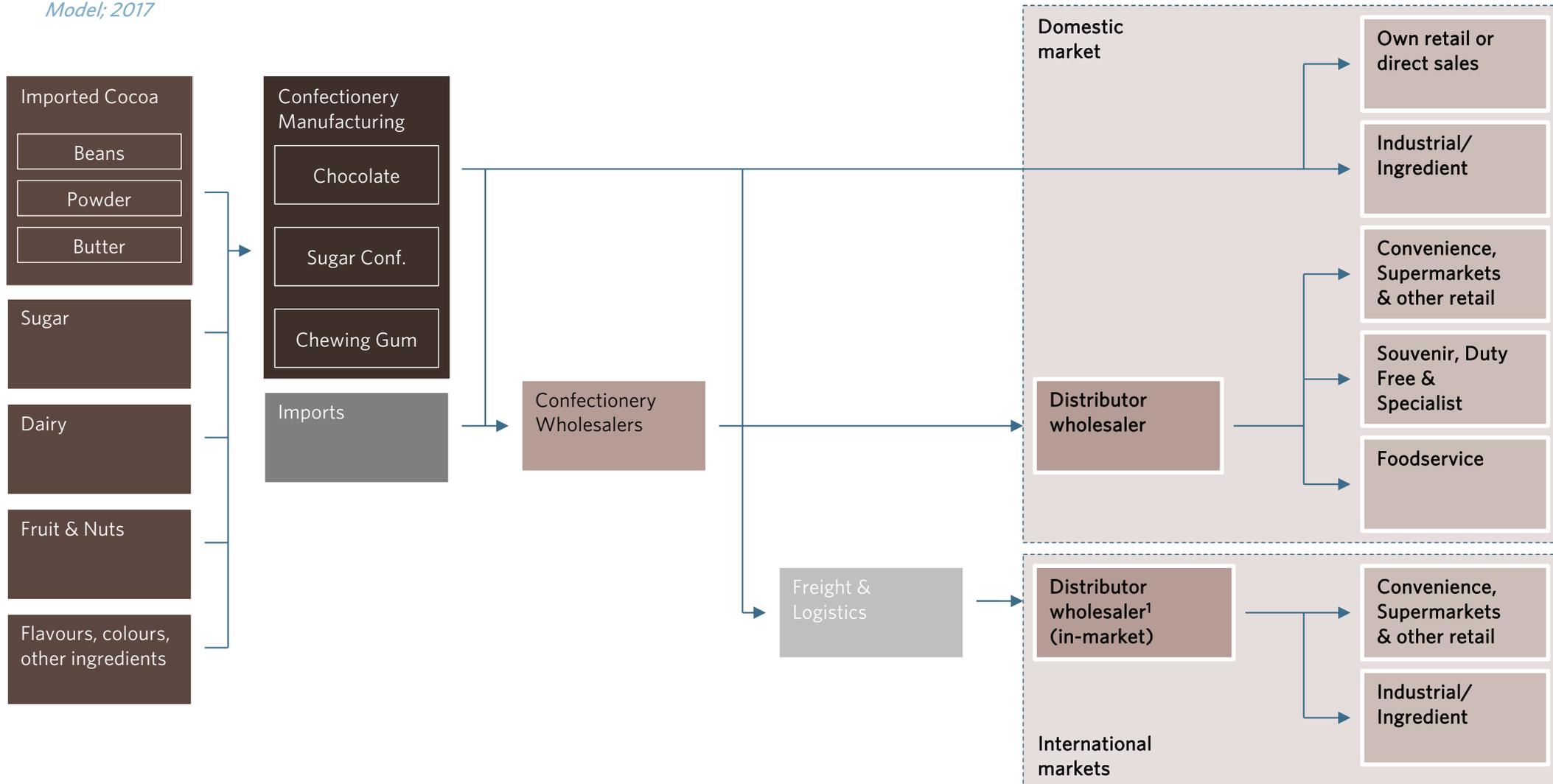
## SWOT ANALYSIS New Zealand has a growing niche position in the global chocolate trade; success will come from continued innovation and sales-and-marketing execution

| STRENGTHS   | WEAKNESSES   |
|---|--|
| <ul style="list-style-type: none"> <li>- Abundant supply of sugar (NZ Sugar) and numerous unique raw materials as ingredients; ready access to global cocoa bean and powder supplies</li> <li>- Largest global exporter of dairy ingredients</li> <li>- Known and trusted supplier of safe and secure ingredients and products to most major global food &amp; beverage multinationals</li> <li>- Robust regulatory system ensures food produced is safe and suitable</li> <li>- Lower cost structure than Australia or the United States</li> <li>- Low/no corruption, rule of law, efficient court system</li> <li>- Welcoming of foreign investment; very few rules or limits</li> <li>- Strong local manufacturing/process technology skills</li> <li>- Customer/consumer awareness, particularly in Asia, of New Zealand as a source of quality, wholesome foods</li> <li>- International surveys highlight high levels of innovation and entrepreneurship</li> <li>- Close proximity to fast growing Asian markets</li> </ul> | <ul style="list-style-type: none"> <li>- Small size of domestic market</li> <li>- Distance to major high value markets (e.g. relative to Switzerland to Germany)</li> <li>- Limited pool of domestic or resident capital</li> <li>- Small domestic private equity sector</li> <li>- Limited number of highly experienced chocolatiers and chocolate makers</li> <li>- No rich food cultural heritage or tradition to draw from for new product development (vs. France or Italy)</li> <li>- Need to import tropical ingredients (i.e. cocoa); similar to other major producers</li> <li>- Exchange rate variability</li> <li>- "NZ Inc." failing to collectively nurture emerging Horizon 2 products to scale</li> </ul> |
| OPPORTUNITIES   | ISSUES/THREATS/RISKS   |
| <ul style="list-style-type: none"> <li>- Growth of Asian middle class; increasing wealth in Asia</li> <li>- Changing global weather patterns (also a threat)</li> <li>- Rich countries of Europe pricing themselves "out of the game"</li> <li>- Large and growing demand for products with soft characteristics (e.g. sustainable)</li> <li>- A number of alternative channels for processed foods</li> <li>- Leverage success of New Zealand food industry; build on awareness of New Zealand in processed foods</li> <li>- Growth of busy lifestyles and convenience foods</li> <li>- Medium-sized NZ firms collaborating on marketing and sales in new markets</li> </ul>   | <ul style="list-style-type: none"> <li>- Competitors with lower costs and greater economies of scale</li> <li>- Continued consolidation of global multinationals leading to hollowing out their local offices (both a big challenge and a huge opportunity)</li> <li>- The boom/bust economic cycle expresses itself in China</li> </ul>   |

# SUPPLY CHAIN New Zealand has a simple confectionery supply chain that delivers chocolate to consumers in New Zealand and elsewhere

## SIMPLIFIED MODEL OF NEW ZEALAND CONFECTIONERY SUPPLY CHAIN

Model; 2017



1. There may be one or more layers of wholesaling, depending on product or market; some wholesale functions may be captive inside retailers or foodservice operators; Source: Coriolis

# Potential Strategic Vision

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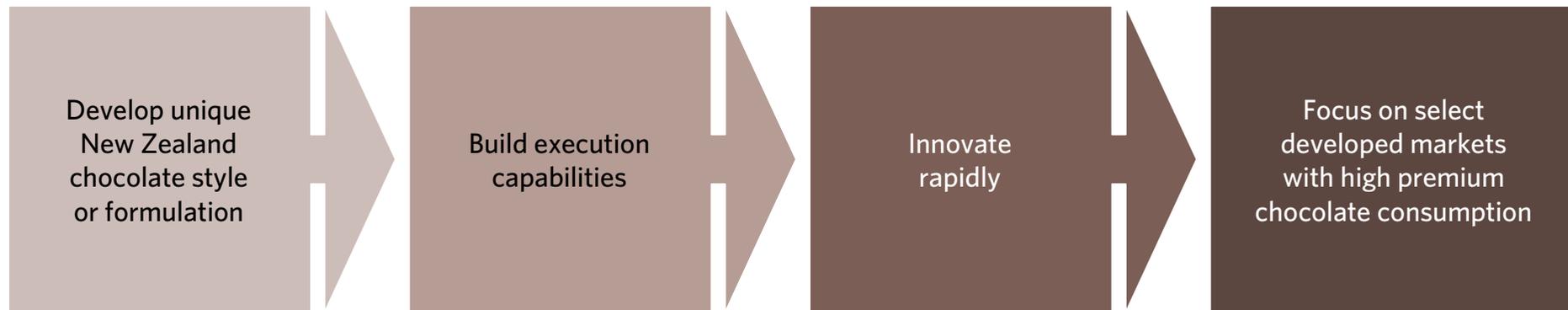
01

Following success in premium wine and honey exports, New Zealand is well positioned for success with premium chocolate

## STRATEGIC VISION

Vision:

Create a differentiated position in premium chocolate with unique New Zealand characteristics



- Bring innovation and new thinking to the industry
- Leverage unique New Zealand flavours (e.g. native flora, feijoa, kiwifruit, tamarillo, sauvignon blanc)
- Wrap this in a full brand story; consider flagship retail stores to tell this story to key consumers and opinion leaders

- Increase production capacity
- Sales, marketing & promotion
- Product development
- Procurement & logistics

- Win through rapid new product launch
- Fast follow emerging global trends
- Move and change faster than slow moving large competitors

- "Follow in footsteps" of wine and honey
- Initially the Anglo-Saxon Five: Australia, United Kingdom, Ireland, Canada, United States

# The World of Chocolate

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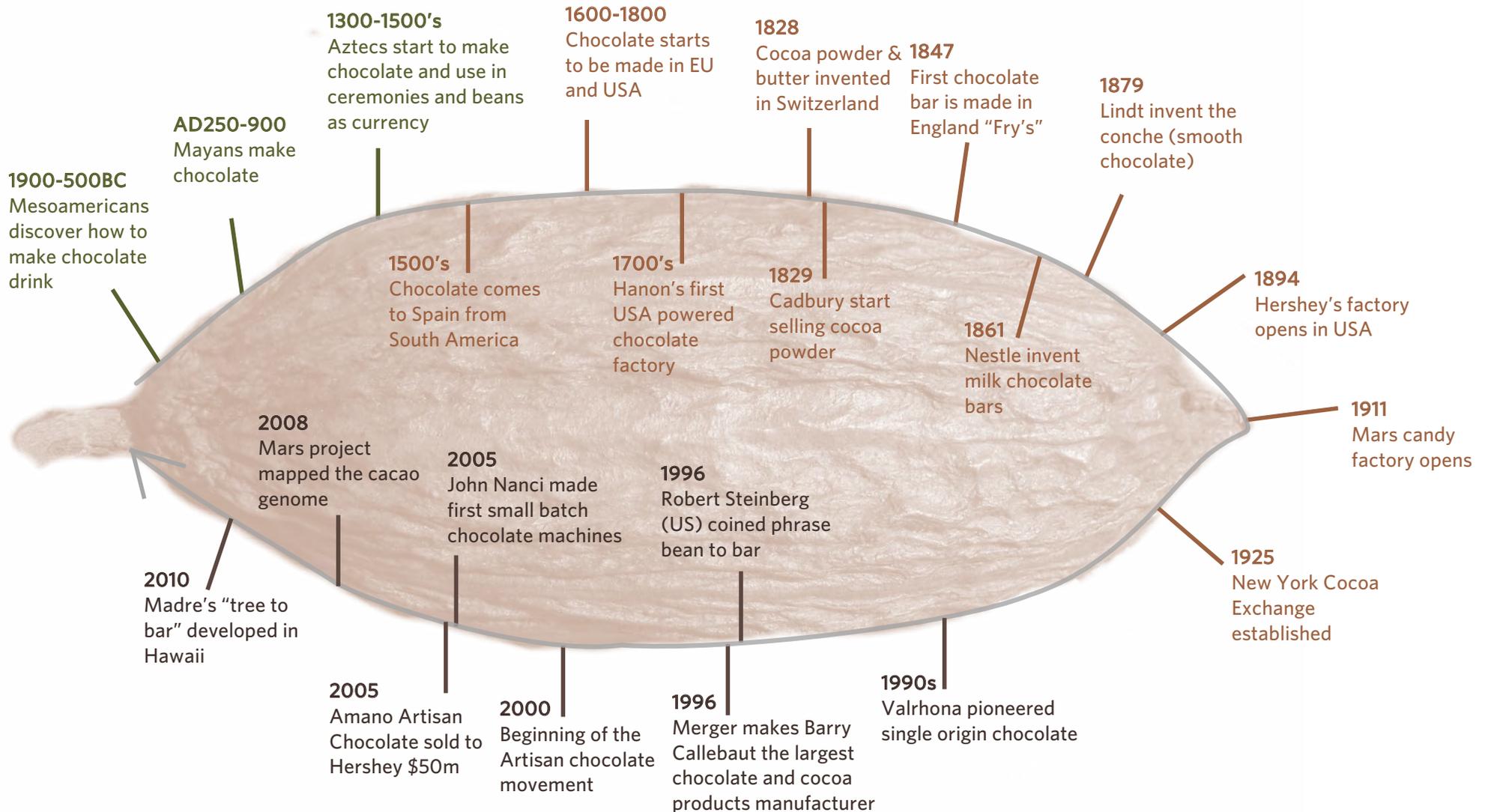
- + History
- + The Process
- + Global situation
- + Key markets
- + Key competitors

02

# The chocolate industry has a very long history; cocoa was consumed initially by the Mesoamericans in 1900BC

## CHOCOLATE TIMELINE

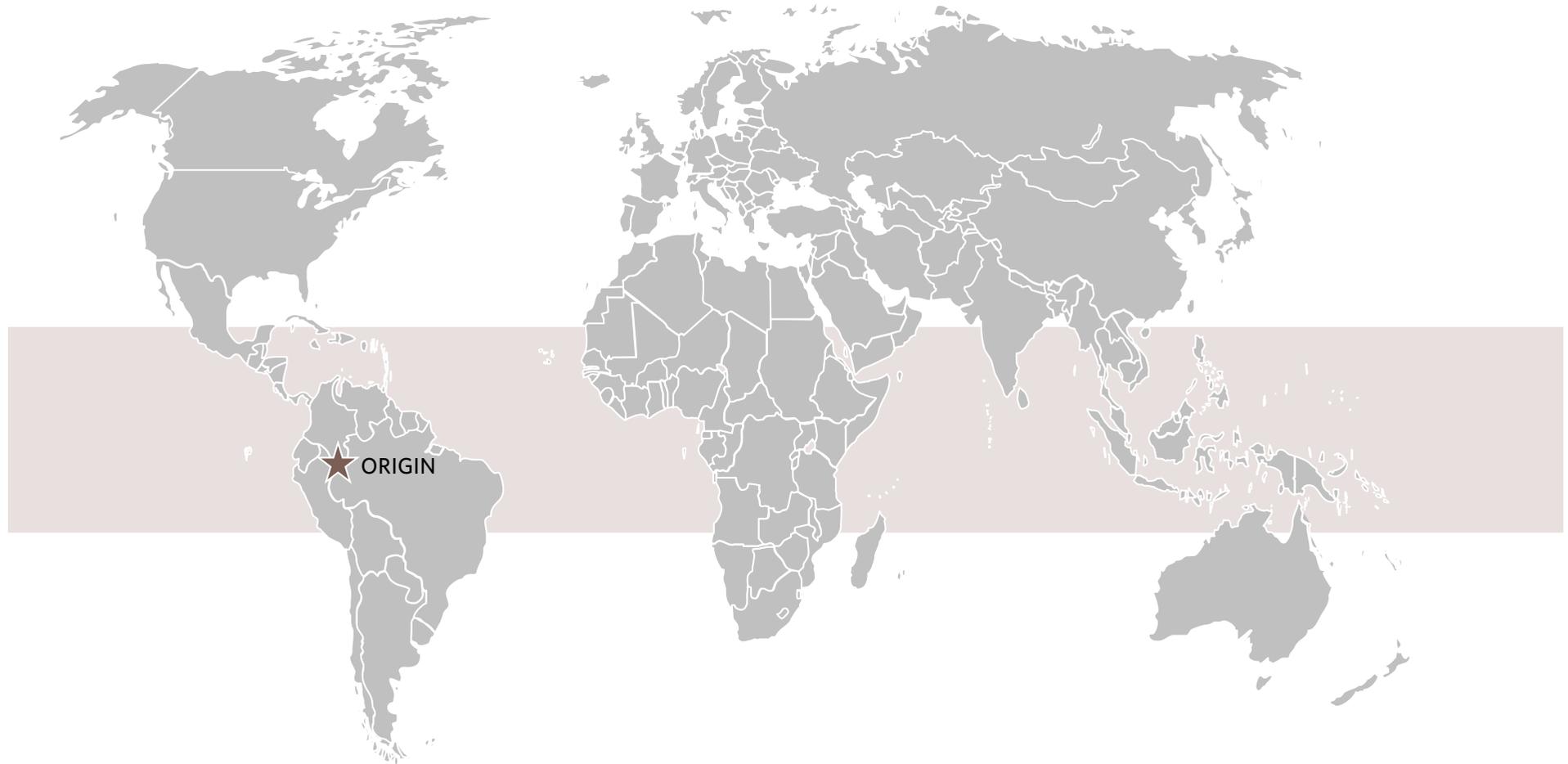
Key events



Cocoa beans can be produced in a narrow zone across the centre of the planet (20 degrees north and south of the equator)

#### APPROXIMATE REGIONS WHERE COCOA PLANTS CAN BE GROWN COMMERCIALLY

*Conceptual model; 2017*



Large scale retail chocolate is a processed product that flows through multiple processing stages before it reaches the consumer

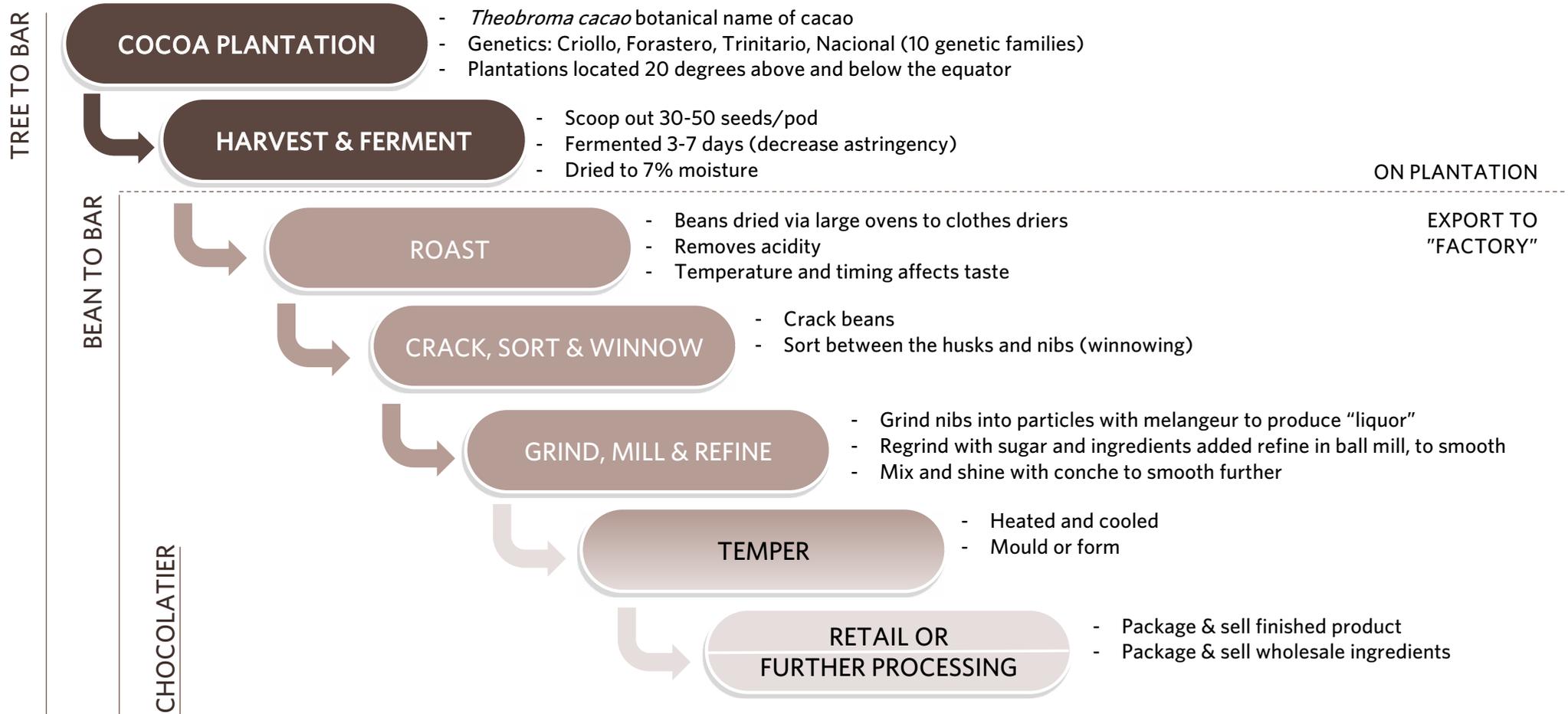
GLOBAL INDUSTRIAL COCOA/CHOCOLATE SUPPLY CHAIN  
*Model; 2017*



Firms participate at various stages along the chocolate making process, depending on their business model, equipment and scale

## BASIC CHOCOLATE PRODUCTION PROCESS

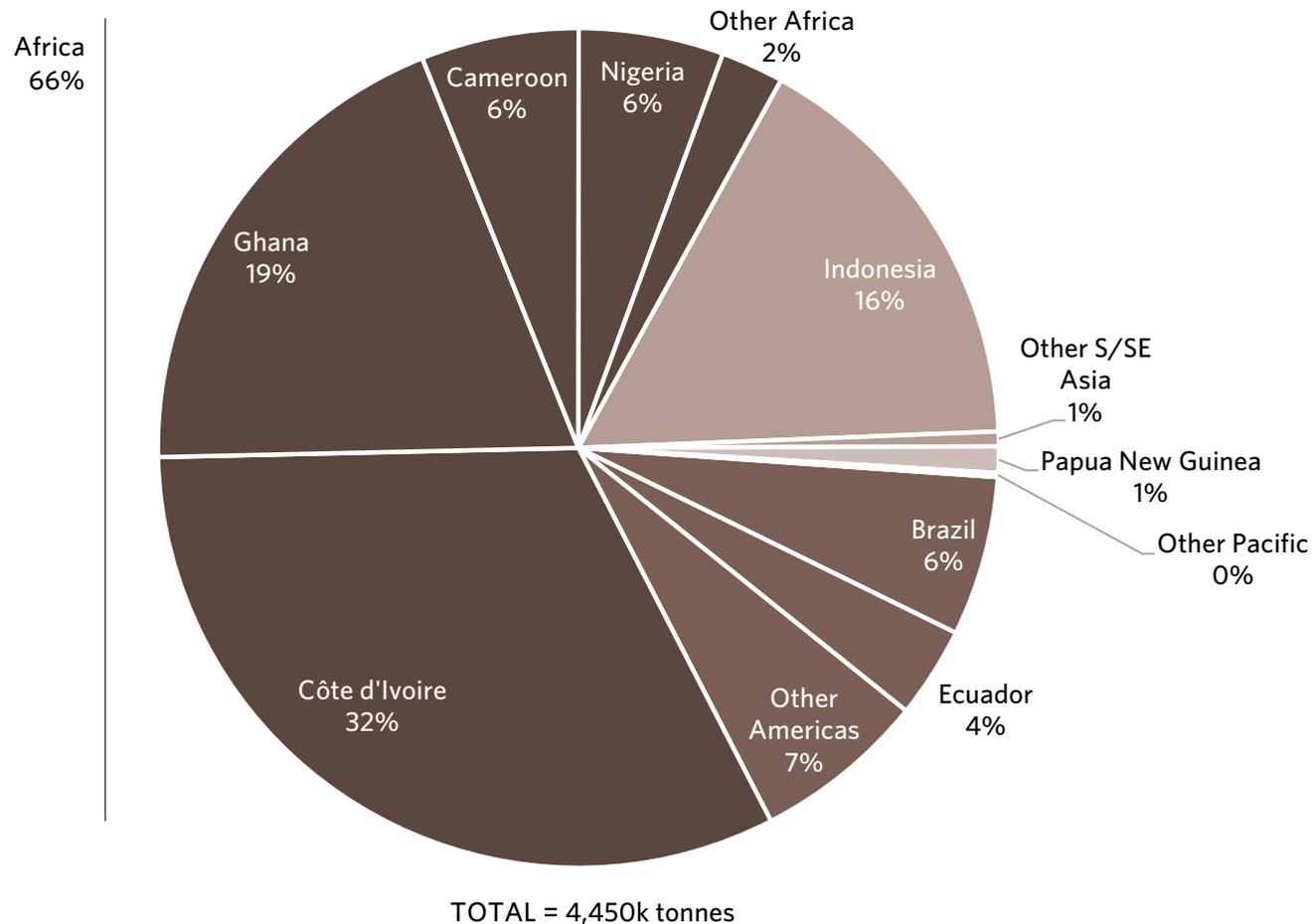
Key stages



Cocoa bean production is concentrated in Africa (66%), particularly the Ivory Coast (32%) and Ghana (19%), followed by South America (17%), Indonesia (16%) and the Pacific

### SHARE OF GLOBAL COCOA BEAN PRODUCTION BY COUNTRY

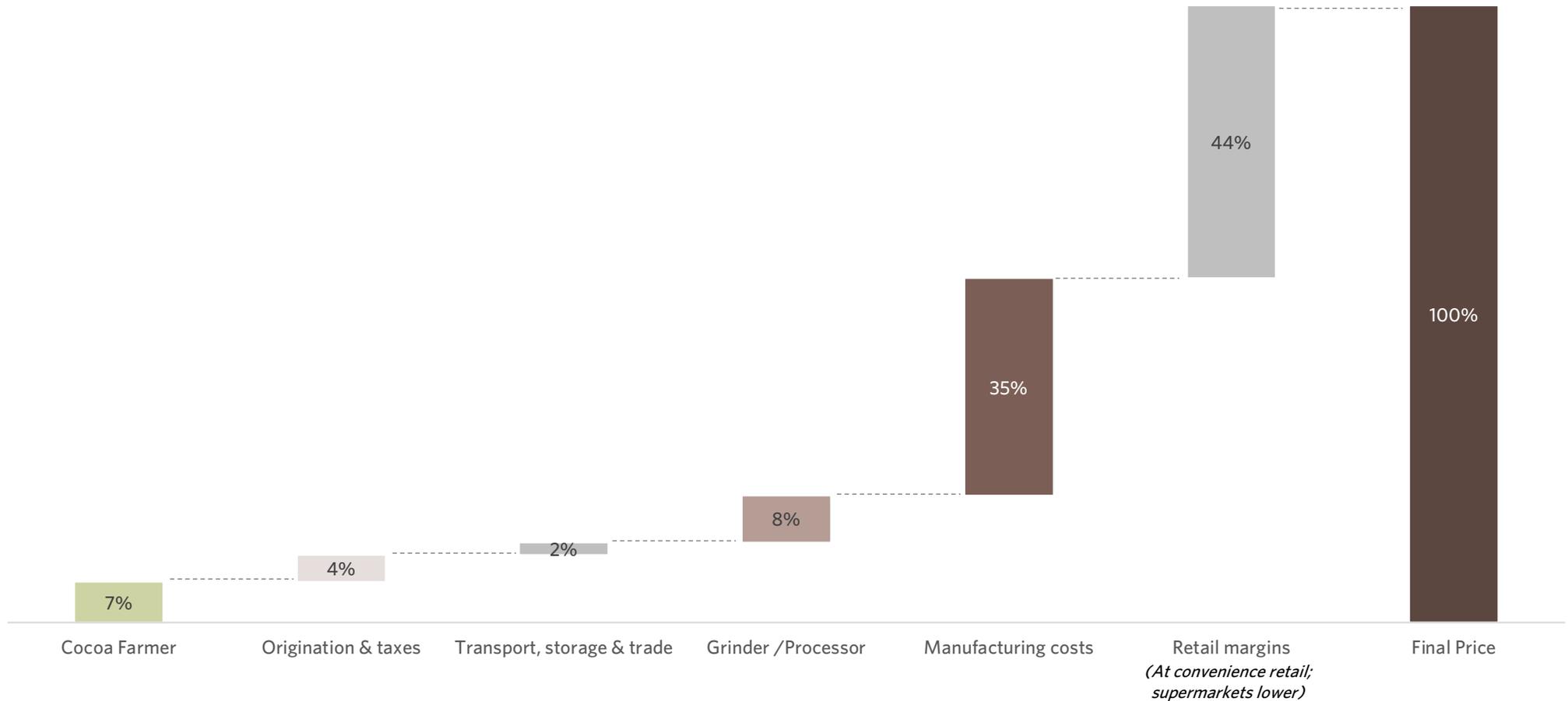
*% of tonnes; 2014*



# Chocolate manufacturers capture about a third (35%) of the total value chain (or five times what the farmer gets)

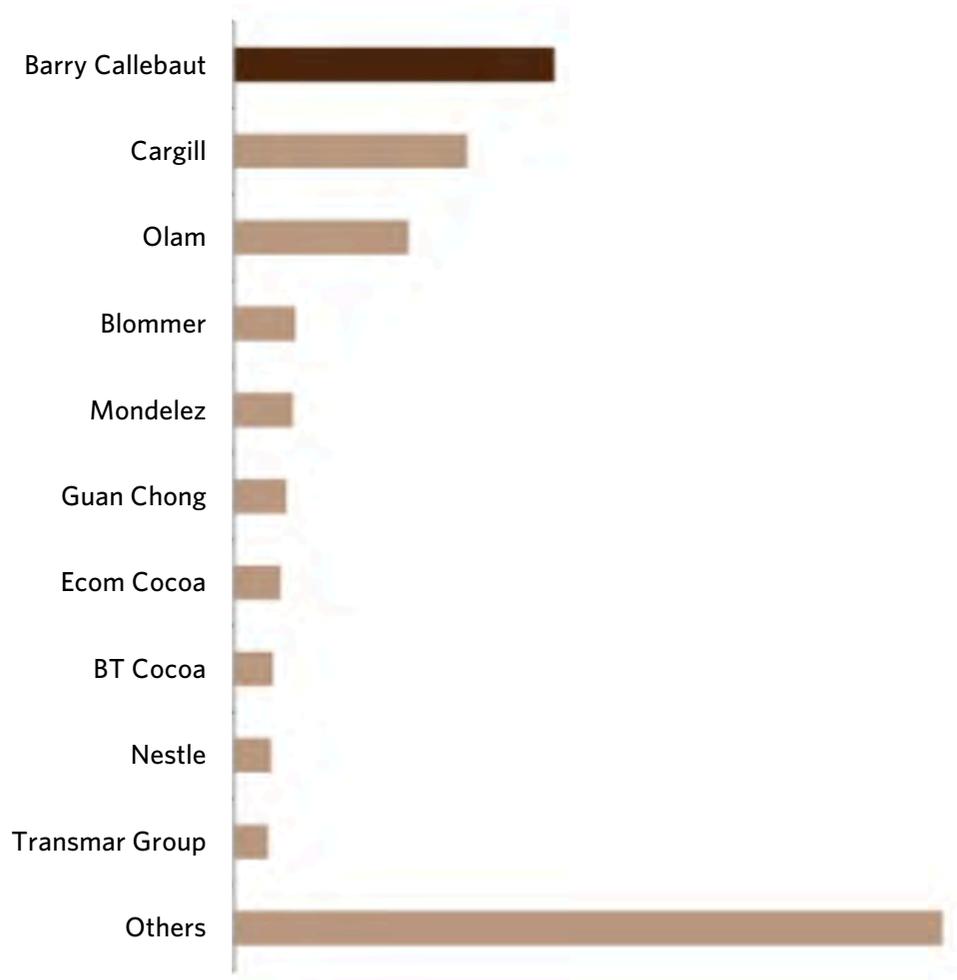
## SIMPLIFIED CHOCOLATE VALUE CHAIN FROM FARMER THROUGH TO CONSUMER

*% of final value excluding GST or sales tax; 2015*

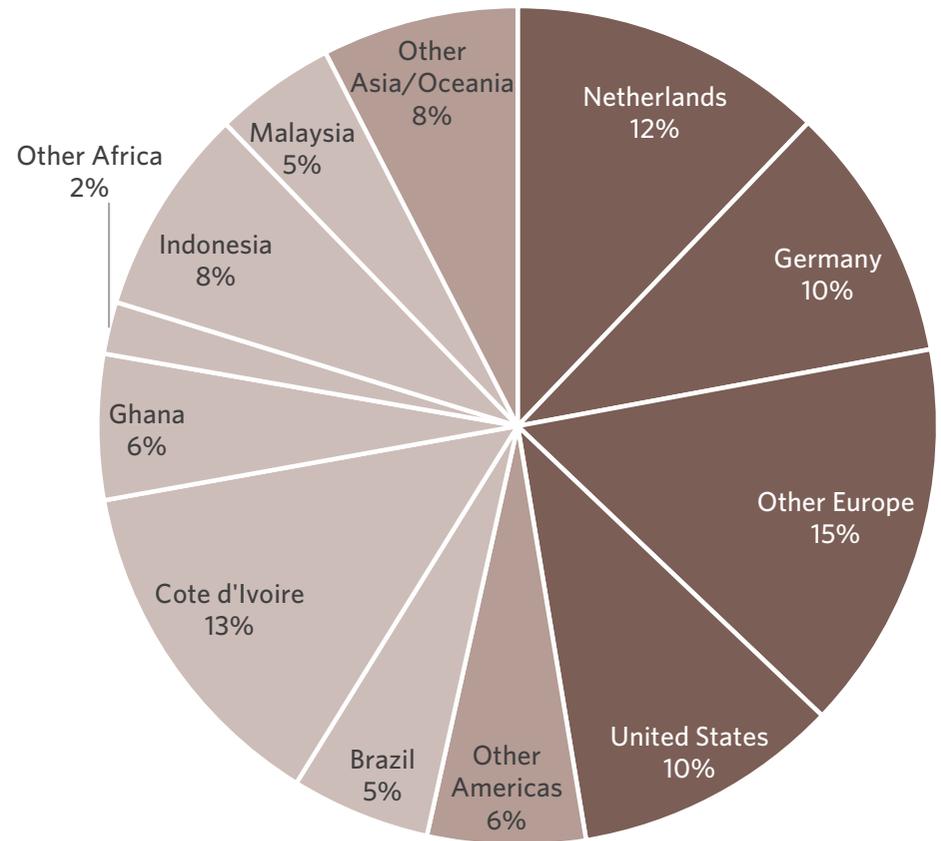


# Primary processing of cocoa – which occurs both in producing countries and in key markets – is relatively concentrated

**% OF GLOBAL COCOA GRINDING CAPACITY**  
*%; FY15/16*

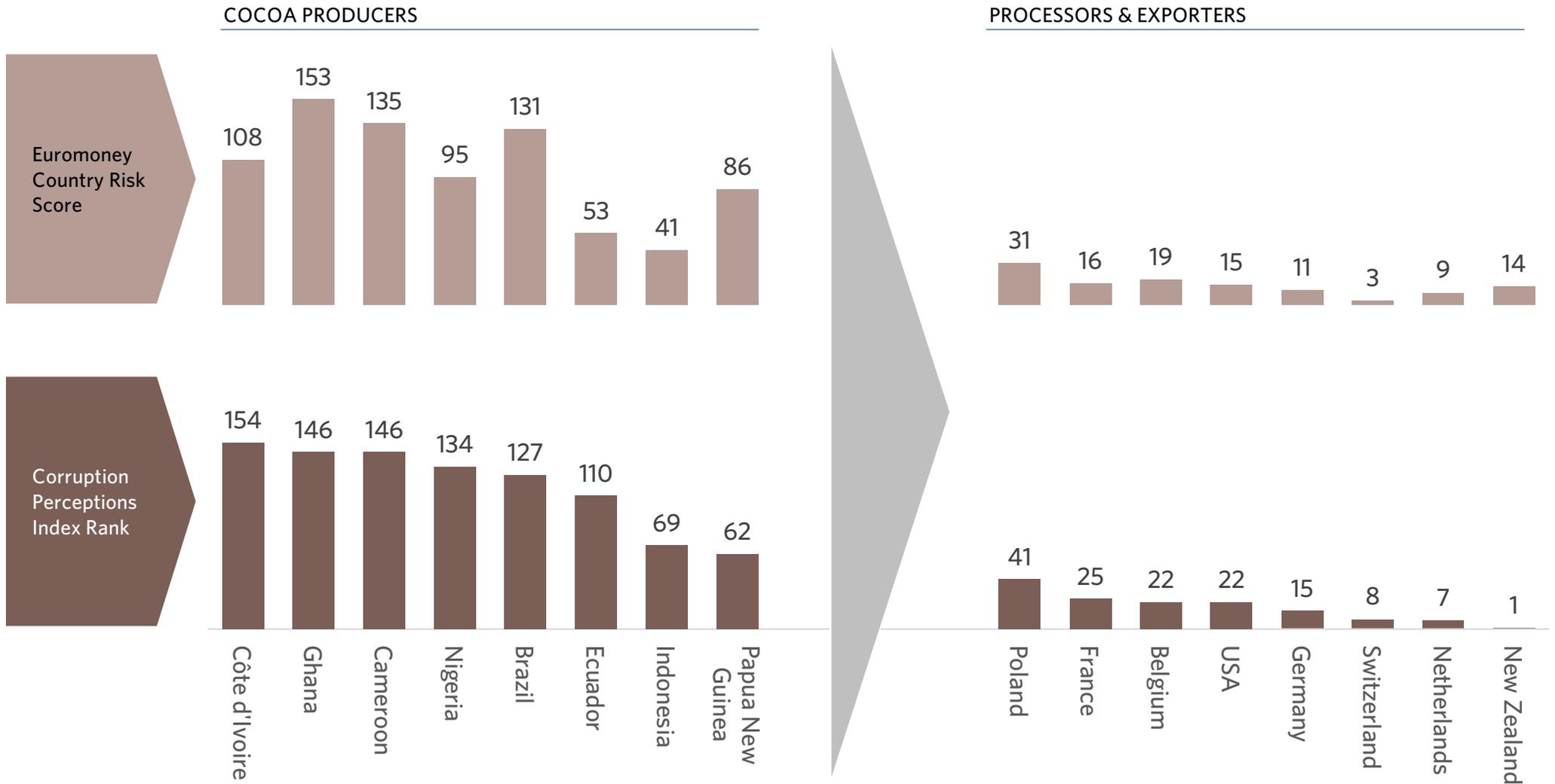


**GLOBAL GRINDING OF COCOA BEANS BY COUNTRY**  
*Tonnes; 000; 2014/15*



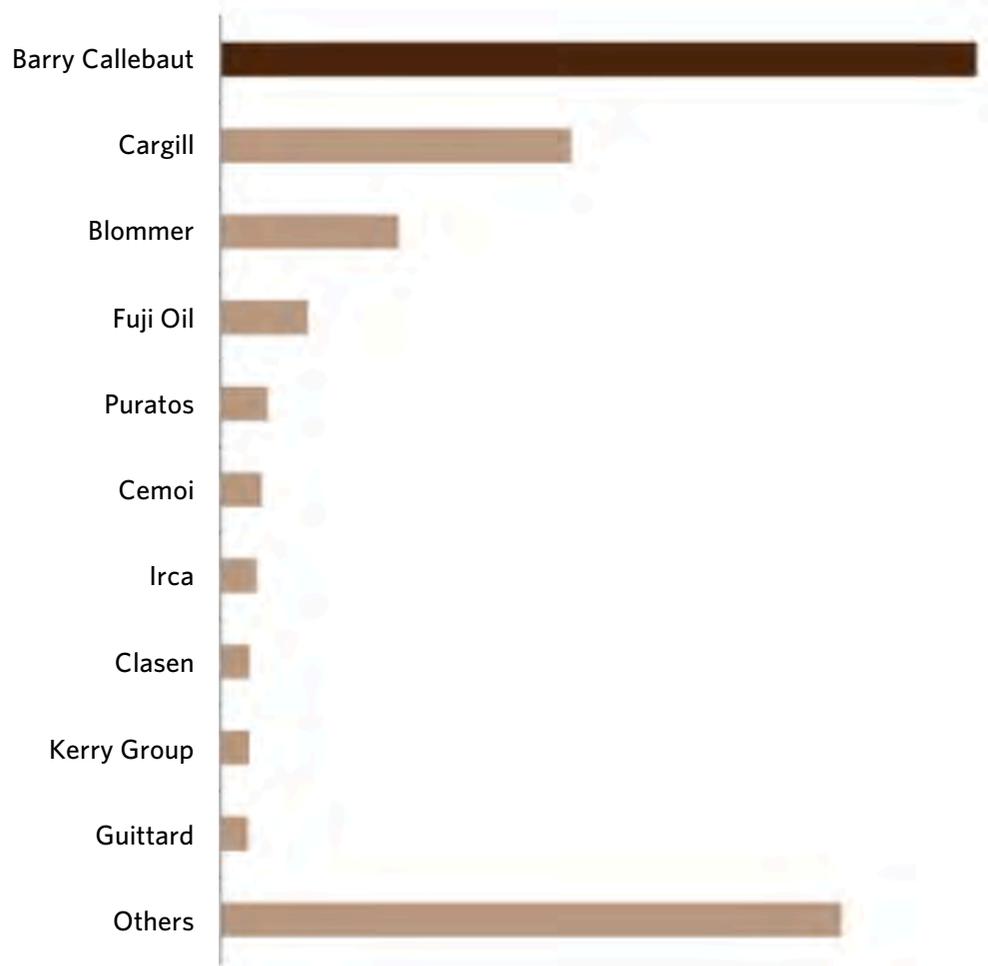
TOTAL = 4,152 t (000)

# Following harvest and initial processing, cocoa flows to large factories in low risk Western countries for further processing



Production of industrial chocolate is relatively concentrated and is typically located in low risk regions where the major producers are based (e.g. Netherlands, Germany Belgium, Switzerland)

**% OF OPEN MARKET INDUSTRIAL CHOCOLATE SALES**  
 %; FY15/16

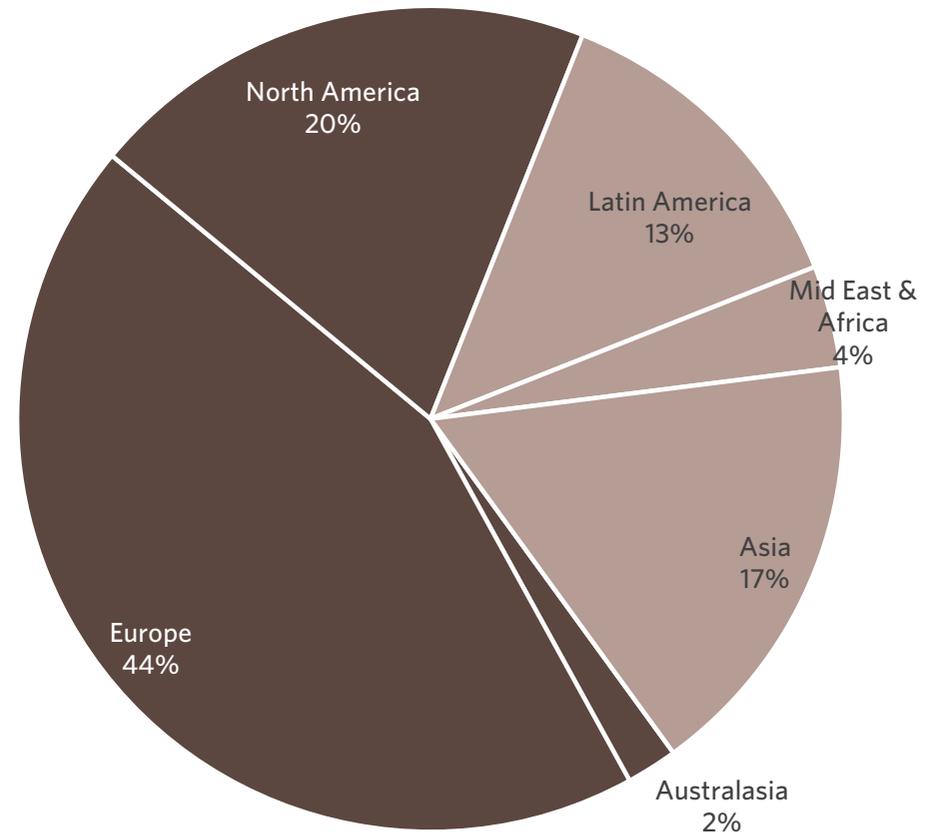


*Excludes own processing*

Source: Barry Callebaut FY15/16 Roadshow presentation

**GLOBAL CONSUMER CHOCOLATE SALES BY REGION**  
 %; 2015

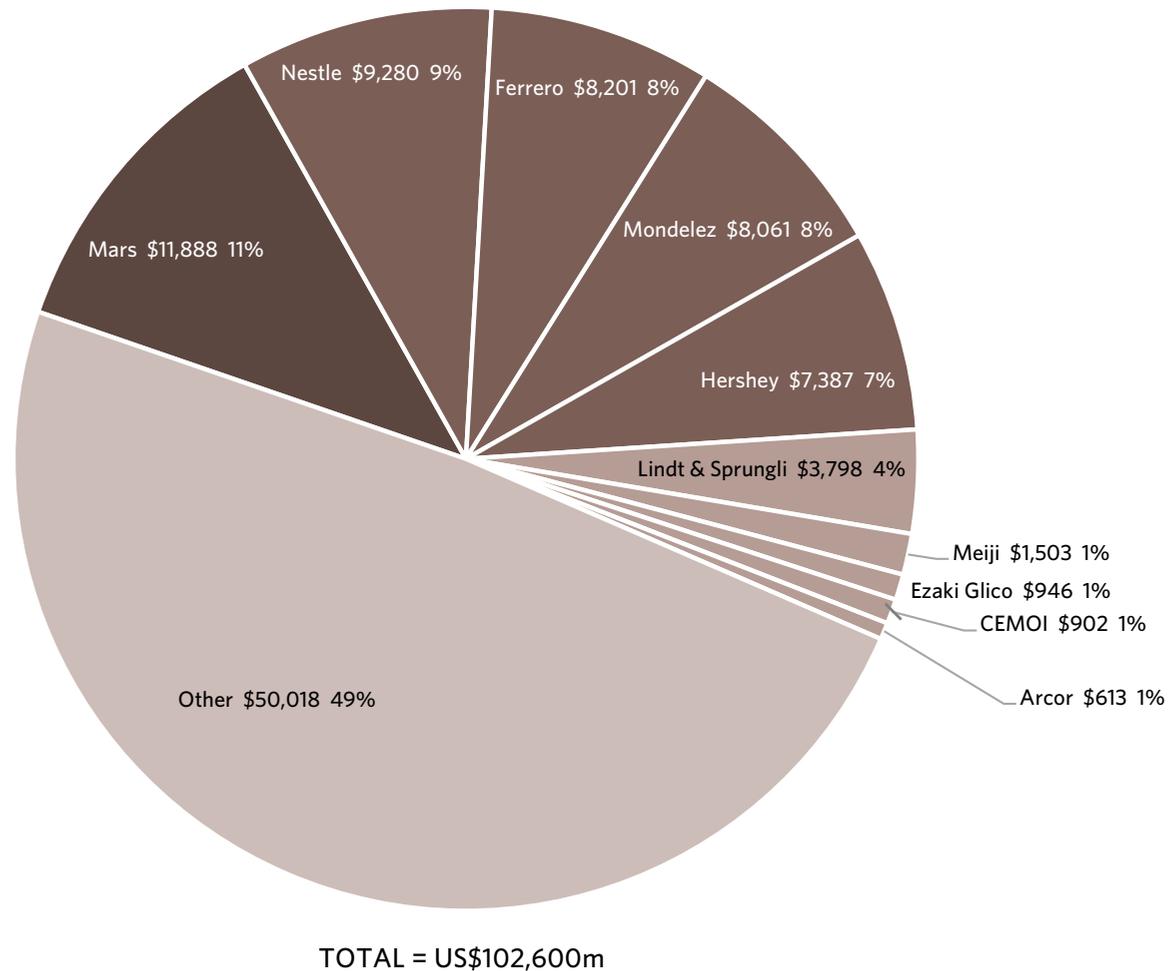
*Excludes other uses*



TOTAL = US\$102,600m

The global consumer chocolate market is polarised with a small number of large firms (the Top 10 control ~50%) and a large number of small firms

GLOBAL CONSUMER CHOCOLATE CONFECTIONERY WHOLESALE SALES BY KEY FIRMS  
*% of industry turnover; 2016*



Chocolate brands can be segmented into two broad categories: large global corporates control the static everyday energy bars and a range of innovators are driving premium/luxury



EVERYDAY/ENERGY BARS

*Static-to-declining across developed world*

**Characteristics**

- Primarily global brands executing global strategies
- Three key drivers:
  1. Convenience (located at checkouts in petrol, convenience and supermarkets); success = control of impulse purchase hot zones
  2. Price (often targeting a specific price point)
  3. Brand (well known, traditional, mid-market)
- Trying to address growth of premium (e.g. fair trade)



"NEW PREMIUM"/LUXURY/INDULGENCE

*Growing globally*

**Characteristics**

- Primarily regional specialists with small core range
- Nimble and flexible manufacturing; fast following trends
- Key drivers include :
  1. Passion, personality and authenticity; a "real" story
  2. Not mass produced; handcrafted; small batches; limited quantity
  3. "Good" ingredients: natural, organic, ethical, clean
  4. Experiential retail or foodservice experience; gourmet retail
  5. Affordable luxury; "costs more and is worth it"

In particular, premium consumers are looking for “clean” labels (without additives) and products made with “real” ingredients; this appears to have a strong fit with Brand New Zealand positioning



Sugar, Peanuts, Glucose Syrup, Skimmed Milk Powder, Cocoa Butter, Cocoa Mass, Sunflower Oil, Palm Fat, Lactose, Whey Powder (from Milk), Milk Fat, Emulsifier (Soya Lecithin), Salt, Coconut Oil, Egg White Powder, Natural Vanilla Extract, Hydrolysed Milk Protein, Milk Chocolate contains Milk Solids 14% minimum, Milk Chocolate contains Vegetable Fats in addition to Cocoa Butter



# New Zealand Chocolate Industry

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+Production

+Supply chain

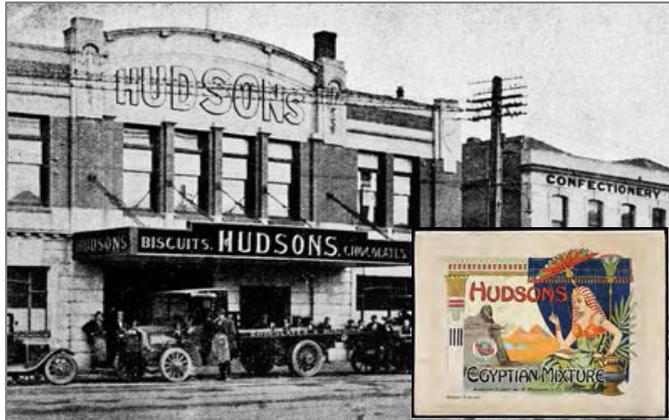
+Regional activity

+Operations

+Megatrends

03

# New Zealand has a long history in chocolate across three broad eras of development



PIONEER ERA (1860's-1930's)

Creating

- Range of chocolate and confectionery firms founded across New Zealand
  - Griffins 1864
  - Hudsons 1868
  - Whittakers 1899
  - Southern Cross 1900
  - Huia 1901
  - Heards 1914
  - Mackintosh Caley Phoenix 1926
- Focused on replacing imports with domestic production
- Firms were small and primarily targeting the domestic market



PRODUCTION ERA (1930's-1990's)

Seeking Scale

- Global multinationals acquire and invest in New Zealand confectionery firms
  - Cadbury > Hudsons
  - Nestle > Heards
  - Nabisco > Griffins
  - Nestle > Rowntree Mackintosh
- Significant investment in new factories and factory upgrades; primarily focused on scale production seeking to utilise low cost ingredients (e.g. dairy)
  - Nestle Milo dairy/chocolate drink
  - Cadbury dairy chocolate "crumb"
- Emergence of iconic "Kiwi" flavoured gift chocolates through growth in tourism



INNOVATION ERA (2000's+)

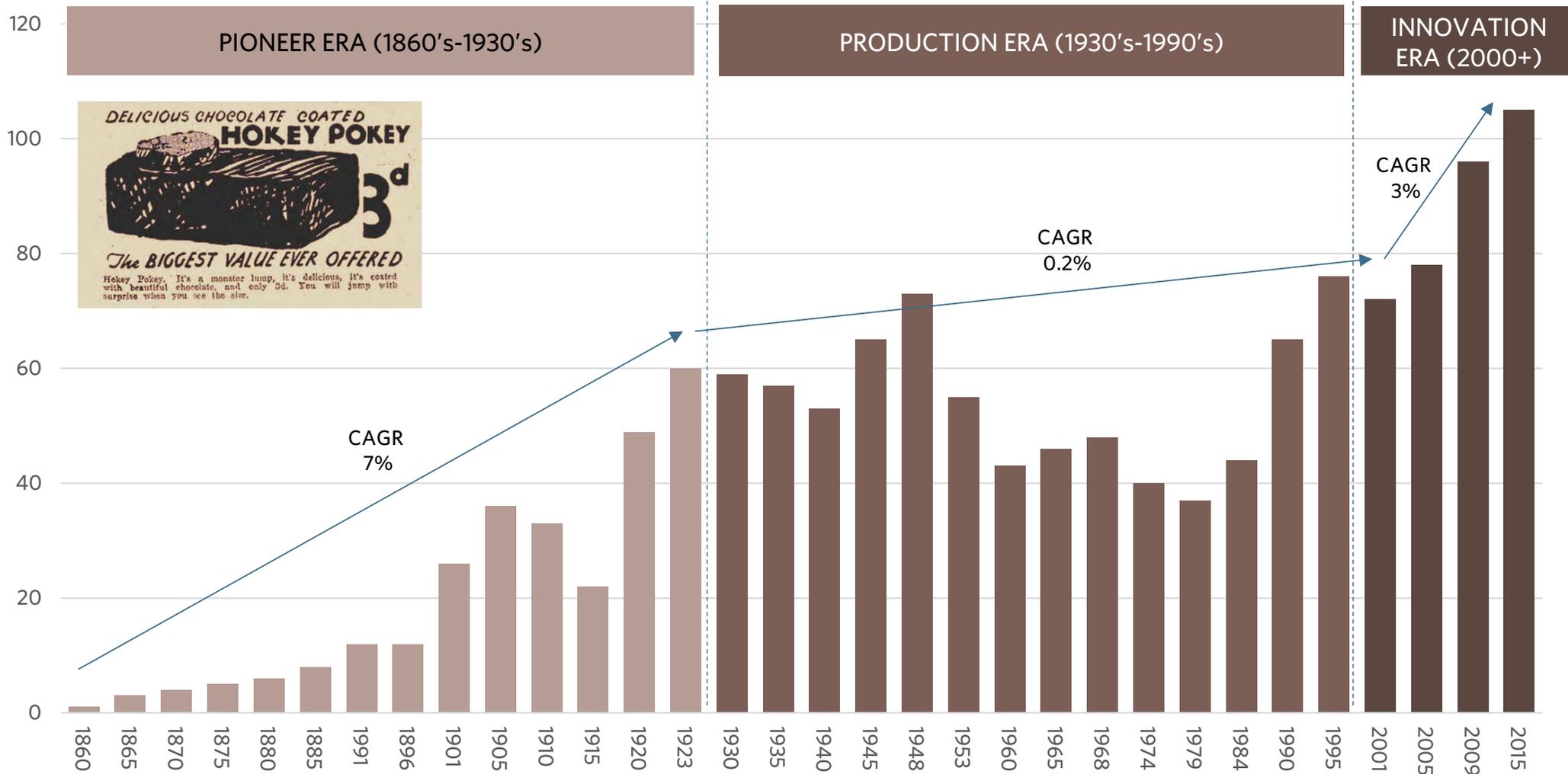
Innovating

- Spread of premium, authentic production concepts and systems from wine to beer to coffee to chocolate
- New generation of innovators attracted to industry bringing new sensibilities
- New processes and technologies reduce scale requirements and barriers to entry
- Range of innovative new products launched
- Cocoa declared a "superfood"
- Embracing iconic New Zealand flavours and values; often tied in with Pacific region sourcing

# The New Zealand confectionery industry is again creating new firms

## NUMBER OF CHOCOLATE & CONFECTIONERY MANUFACTURERS IN NEW ZEALAND

Firms; 1860-2015

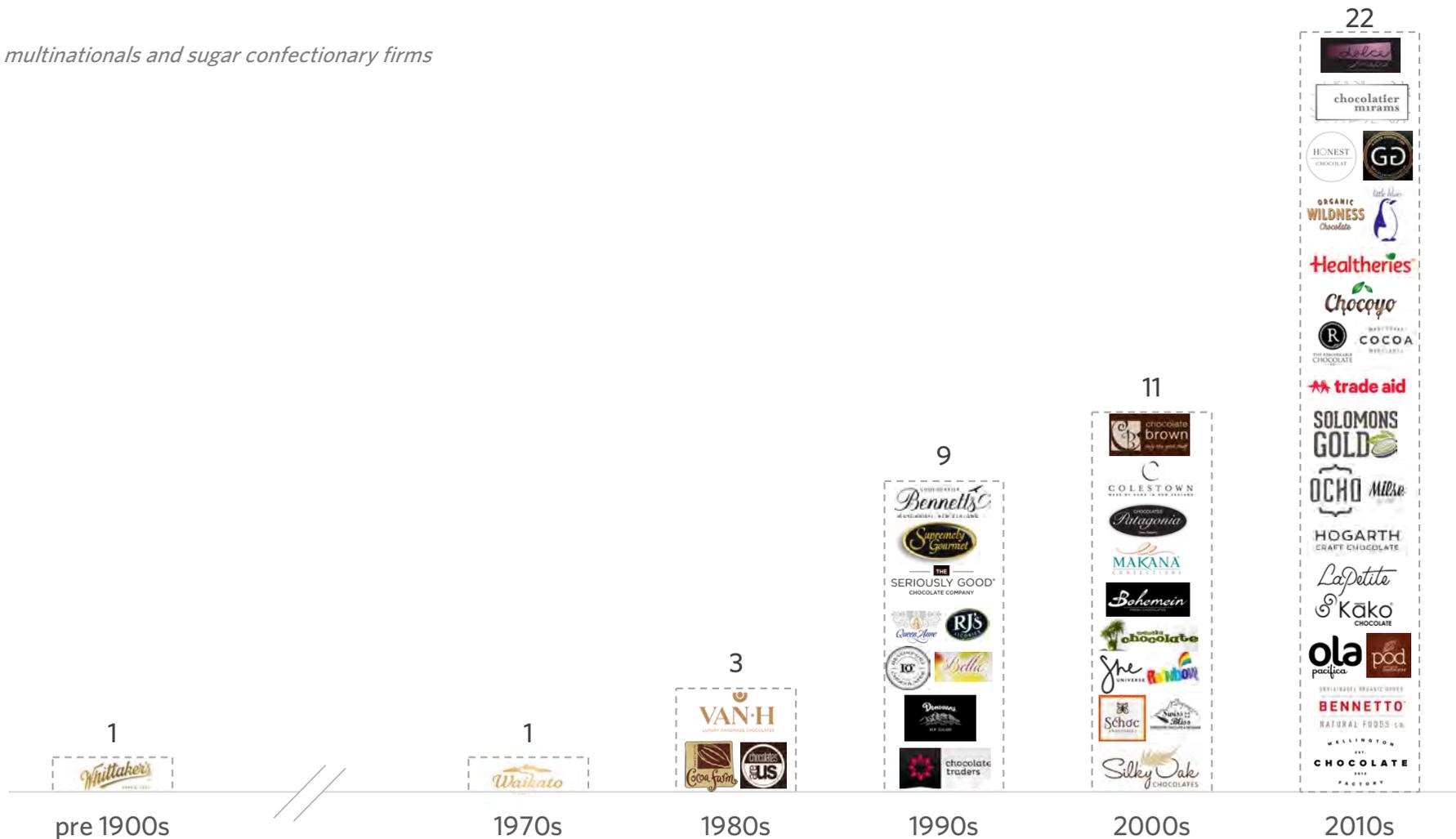


# New firms are continuously being formed

## IDENTIFIED SIGNIFICANT CURRENT NEW ZEALAND CHOCOLATE FIRMS BY DECADE OF ESTABLISHMENT

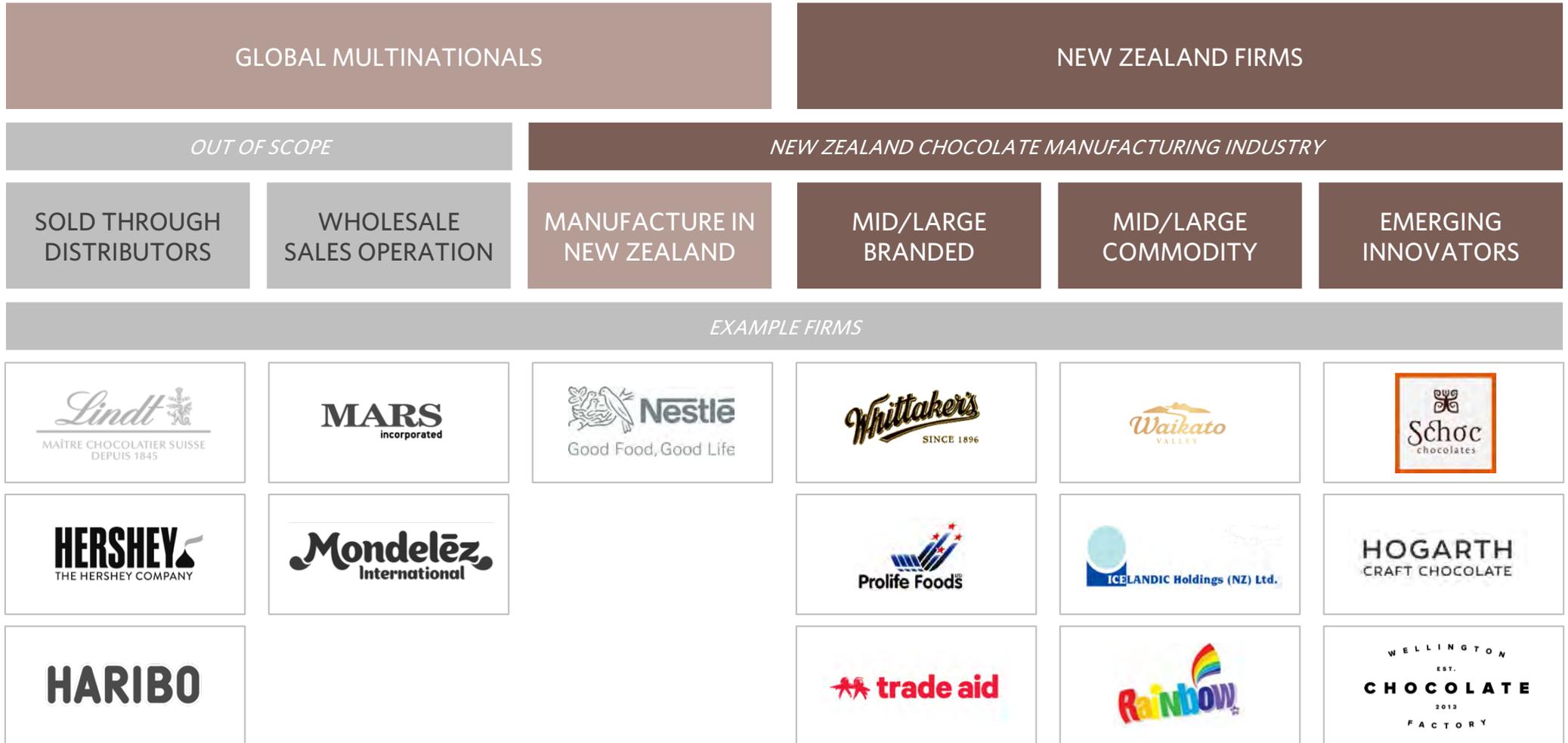
Count; n=47; 1896-2017

Excludes: multinationals and sugar confectionary firms



Note: date of entry into chocolate manufacturing is used for Healtheries, Trade Aid; Source: company websites; New Zealand Companies Office; Coriolis analysis

# Firms participating in the New Zealand confectionery industry can be broadly segmented into six groups



# Firms are also split into Bean to Bar and Chocolatiers using couverture

## BEAN TO BAR



## CHOCOLATIERS USING COUVERTURE



"Some of our products only have two ingredients, we want the beans to come through."

"We source all our beans from our plantations."

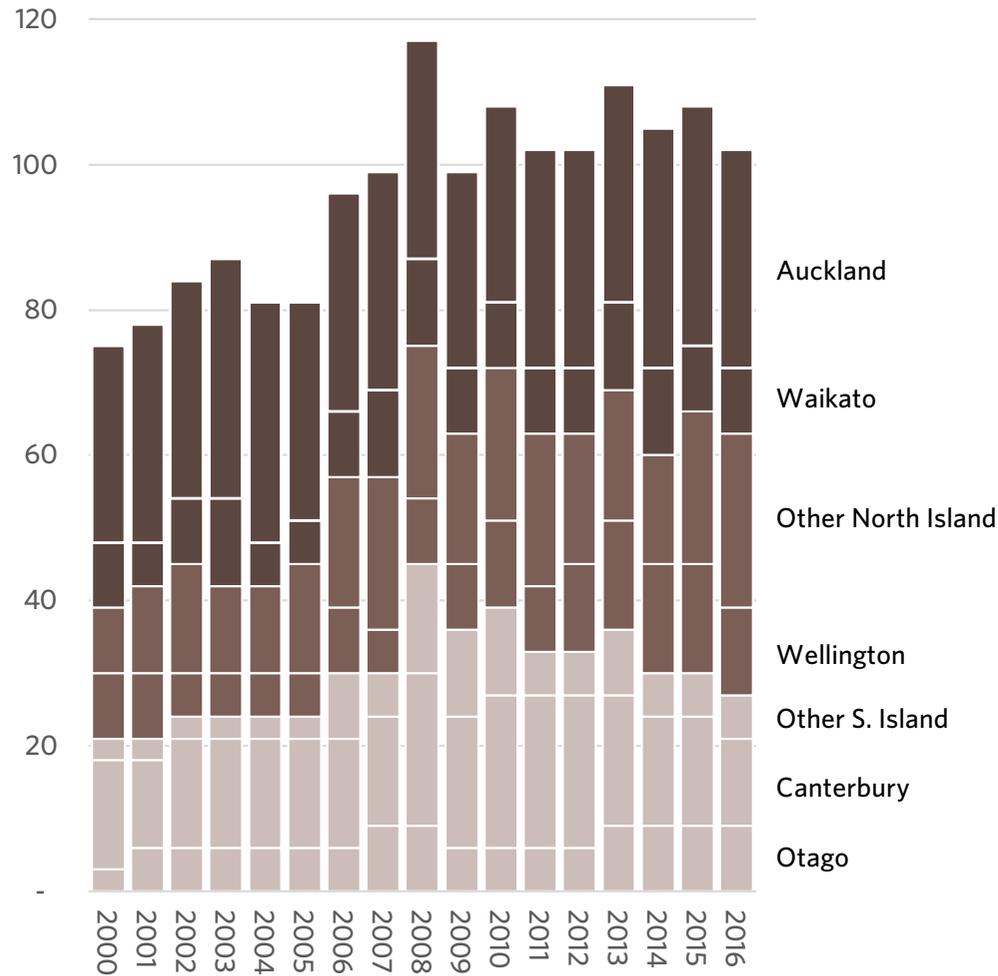
"We are looking for a consistent base product and we add our magic."

"We find amazing products that really complement the chocolate."

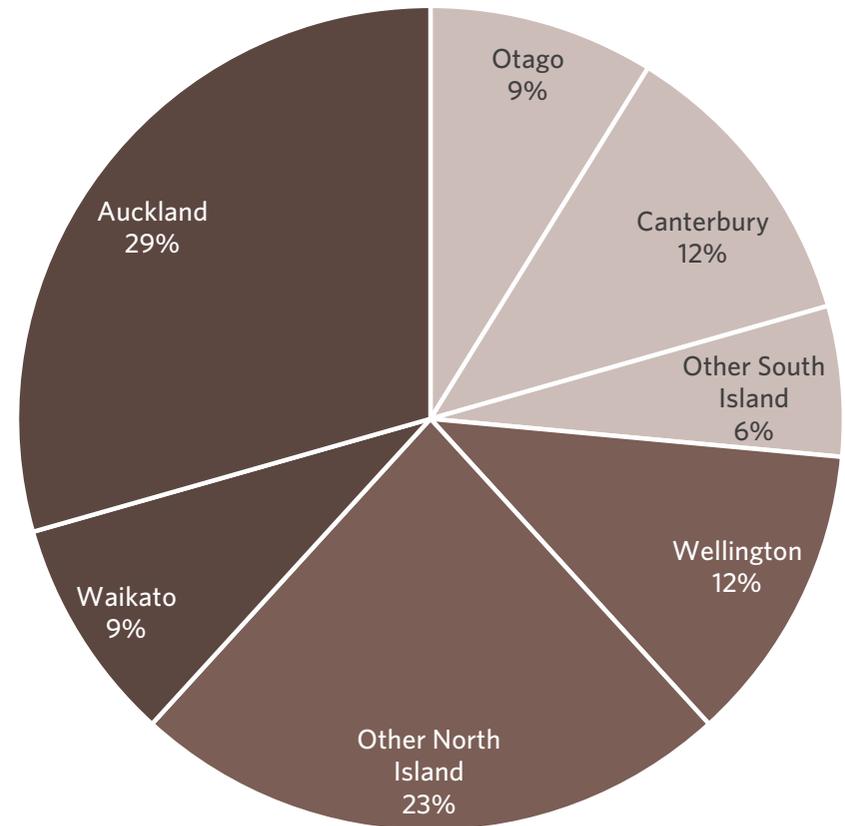
"Barry Callebaut chocolate is always consistent."

# The industry is spread across the country, with long term growth occurring across most regions

# OF CONFECTIONERY MANUFACTURERS BY REGION  
*Operating units; 2000-2016*



# OF CONFECTIONERY MANUFACTURERS BY REGION  
*Operating units; 2016*



TOTAL = 102 operating units  
 (aka. "front doors" or geographic units)

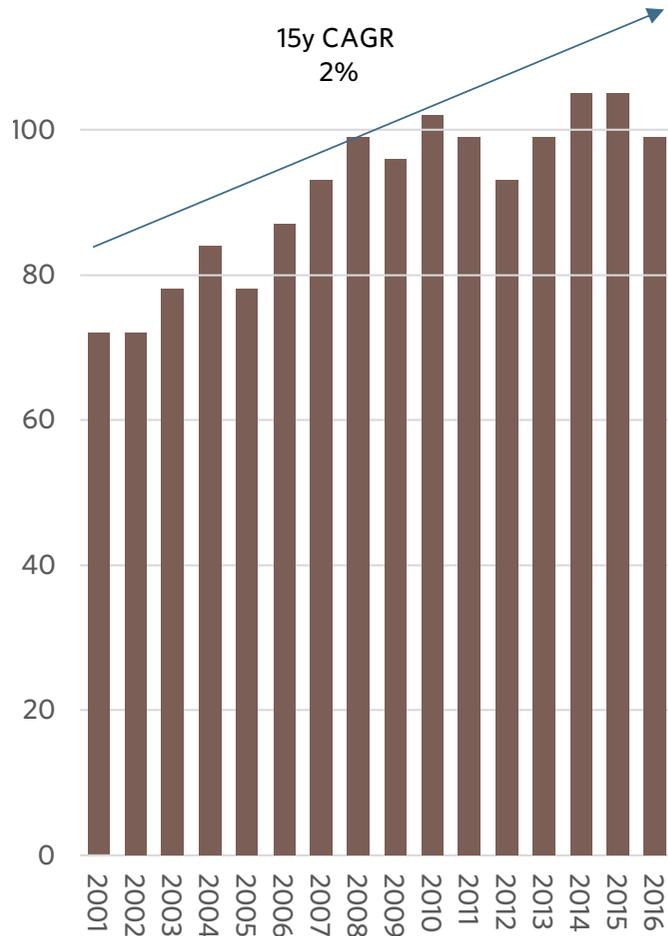
# New Zealand has a range of chocolate companies across all regions



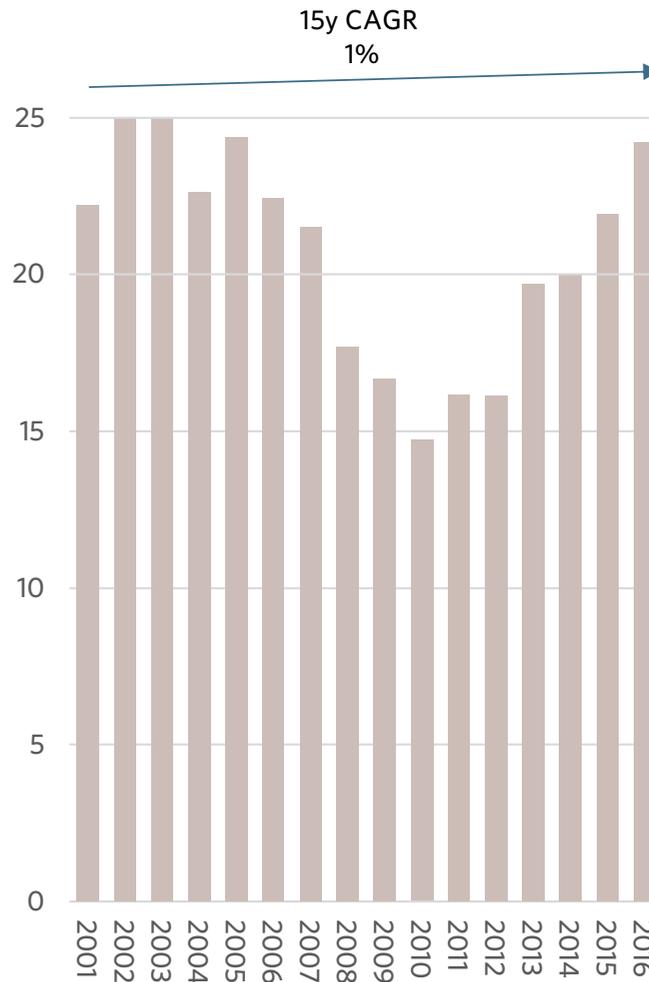
\* SI = South Island; Source: Coriolis

# The New Zealand confectionery industry is growing in unit numbers, employees per unit and total employment

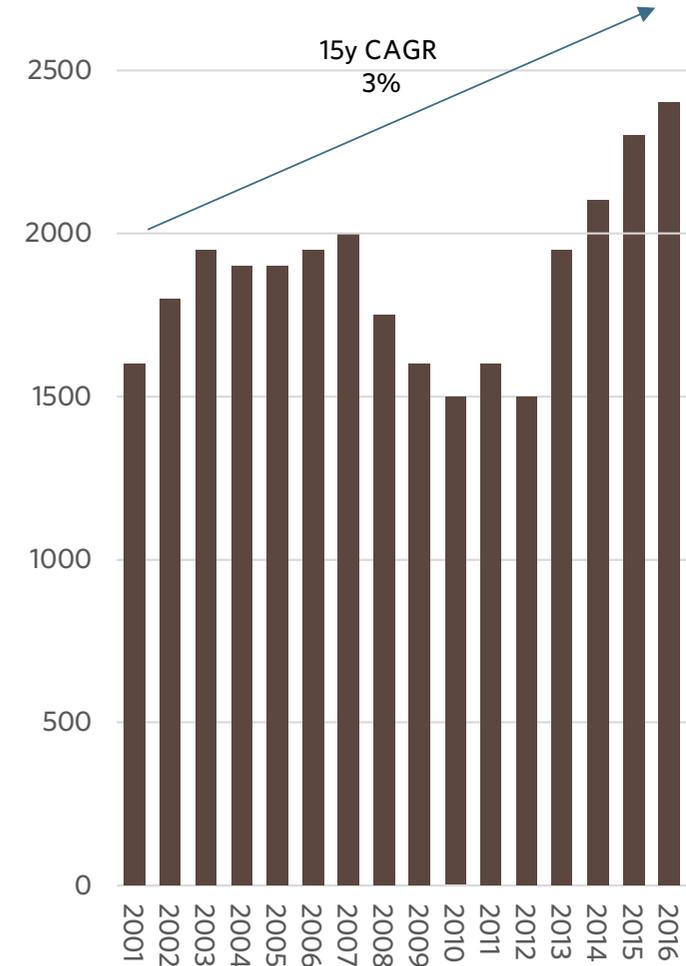
**NUMBER OF OPERATING UNITS**  
Actual; 2001-2016



**AVERAGE EMPLOYEES/UNIT**  
Headcount/firm; 2001-2016



**INDUSTRY EMPLOYMENT**  
Headcount; 2001-2016



Note: data are a Coriolis synthesis; existing data has disagreements in places; Source: UN FAO; Plant & Food Fresh Facts; Statistics NZ; Coriolis analysis

# New Zealand produces four broad types of retail “consumption” chocolate

HS180631



## 1. BARS/BLOCKS

Solid bars of chocolate in consumer-ready sizes

Two distinct sub-segments:

- Everyday/Energy bars (40-50g) sold primarily through convenience stores, vending machines and in checkout areas; typically consumed immediately
- Premium bars/blocks (100-200g) sold through a wider range of retailers; often with inclusions; typically consumed later

HS180632



## 2. FILLED/ENROBED

Bars of chocolate containing other fillings in consumer-ready sizes

HS180690



## 3. MIXED/BAGGED

Bags or boxes of chocolates which are typically individually wrapped

- Primarily sold through supermarkets and discounters
- Promoted and pushed heavily at Halloween; large off-aisle displays
- Limited range other times of year; positioned as sharing packs

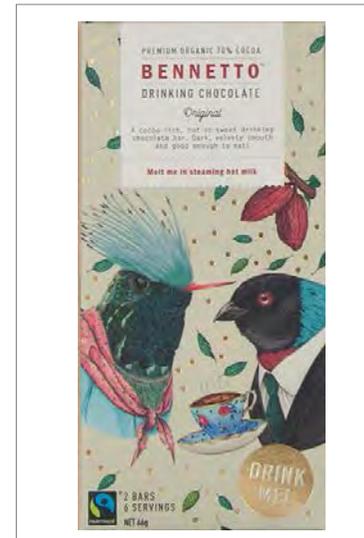
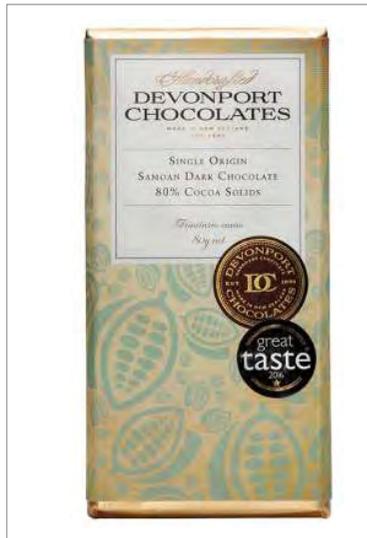


## 4. GIFTING

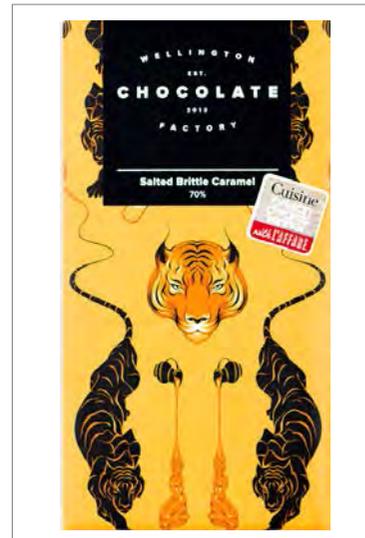
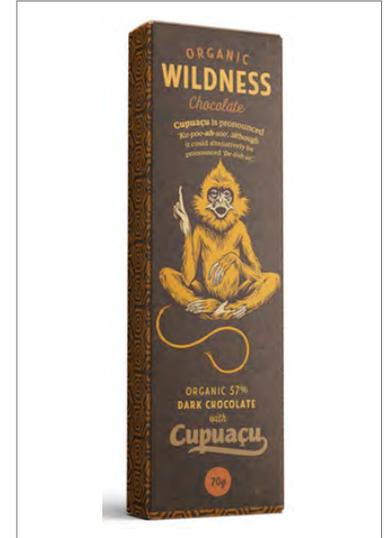
Premium boxed assorted chocolates designed primarily for gifting

- Sold through a wide range of retail outlets, from duty free to confectioners, department stores to high end supermarkets
- Promoted and pushed heavily around key holidays, particularly Valentines Day, Mother's Day
- Market can be further segmented into everyday gifting and premium or special occasion gifting
- Growing focus on sales to tourists

# 1. SOLID BLOCK/BAR New Zealand makes a range of block/bar chocolate products



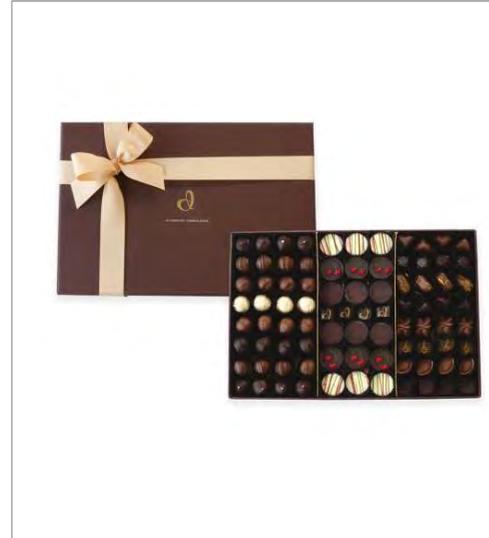
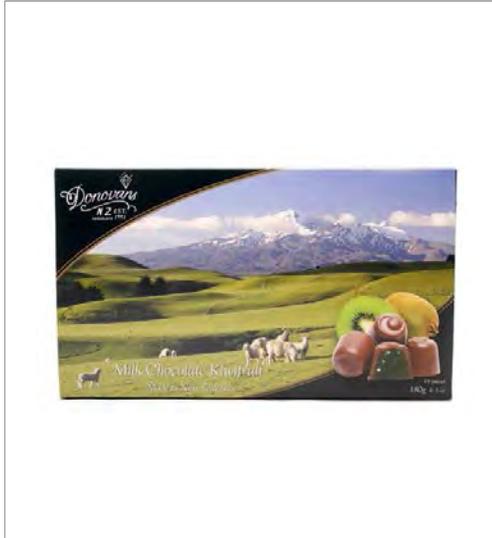
## 2. ENROBED/FILLED/INCLUSIONS New Zealand makes a range of enrobed and enriched chocolate products



### 3. MULTI-PACK New Zealand makes a range of multi-pack chocolate products



## 4. GIFTING PACK New Zealand makes a selection of gifting pack chocolate products



# Four global consumer mega-trends are driving growth and new product development in chocolate (and wider food & beverage industry)

## FOUR CONSUMER FOOD & BEVERAGE MEGA TRENDS



EASY & CONVENIENT

I am trying to achieve work-life balance and need quick-and-easy meal solutions

- Dramatic increase in female participation in the workforce globally
- Consumers working longer hours to maintain relative income
- Work hours no longer just "9 to 5"; food needs at all times (e.g. night shift)

- May represent a need for an immediate solution (e.g. thirst, hunger)
- May represent an easy solution to a future challenge (e.g. single serves for children's lunches)



LIFESTYLE & WELLNESS

I am concerned about my wellness and am trying to live a positive lifestyle

- Mid-high income countries experiencing an aging population
- Spread of Western lifestyle and Western diseases of affluence (e.g. diabetes)
- Ongoing waves of media hype around fad diets and new "superfoods"
- Food presented and viewed as both the problem and the solution

- May be addressing specific conditions (e.g. oats to lower cholesterol)
- May target a specific family member (e.g. grandparent)
- May reflect wider worldview



AUTHENTIC & RESPONSIBLE

I am mindful of where my food comes from and how it is produced

- Dramatic global shift to city living; 1800=3%, 1900=14%, 2015=50%; developed nations 75%+; 400 cities 1m+
- Loss of attachment to the land and food production - growth of artisan and craft
- Ongoing "rights revolution", fair trade to direct trade
- Ongoing waves of food scares around food quality, contamination, additives

- May target specific foods perceived as high risk, unethical or visible (e.g. coffee, cacao, eggs)
- May target a specific family member (e.g. mother)



SENSORY & INDULGENT

I like to indulge in rich and sumptuous living beyond the bare necessities

- Growing income polarisation into "haves and have-nots"
- Strong emerging trend to premium (and discount) at the expense of the mid-market
- Emerging middle class across developing world driving consumption growth
- Incredible power of food and beverages in many social settings

- May range from "everyday luxury" to an occasional "treat"
- May be used to demonstrate social status, taste or style
- Gifting culture in Asia around premium, luxury items

To the first of the four, New Zealand chocolate manufacturers are on-trend for making things easy and convenient for consumers



## EASY & CONVENIENT

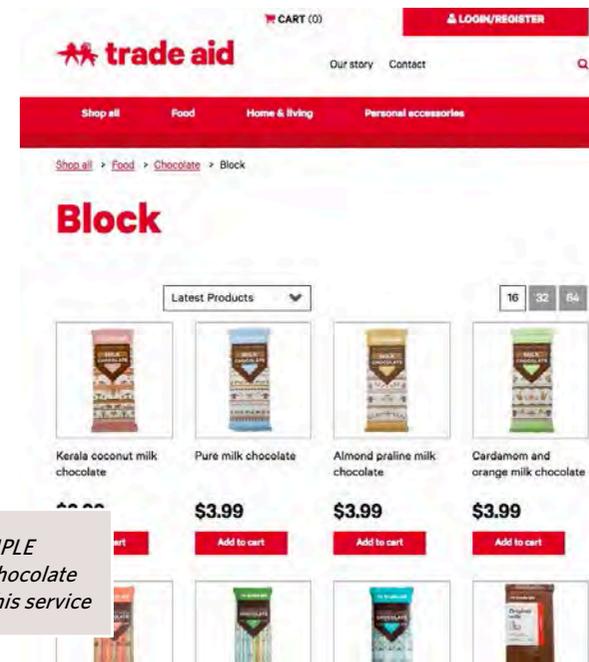
### CHOCOLATE-FOCUSED “COFFEE” SHOPS

Following on from the success of premium coffee shops, there is an emerging move towards cocoa/chocolate focused outlets.



### ONLINE/DIRECT RETAILING

Providing busy consumers - and consumers from elsewhere on the planet - an opportunity to quickly and conveniently order.



## Second, New Zealand chocolate manufacturers are on-trend for lifestyle & wellness



### LIFESTYLE & WELLNESS

#### DARK CHOCOLATE AS SUPERFOOD

Dark chocolate is rich in flavonoids, antioxidants that may lower blood pressure, improve blood flow, and boost overall heart wellness. In response, manufacturers are making products with high cocoa levels.



80% cocoa solids



100% cocoa

#### LOW SUGAR/SUGAR FREE

Traditional chocolate products are energy dense foods. Emergence of new naturally derived sweeteners enabling manufacturers to offer products with lower energy levels.



Third, New Zealand chocolate manufacturers are on-trend for authentic and responsible production through buying fair trade cocoa beans...



## AUTHENTIC & RESPONSIBLE

## ETHICAL/SUSTAINABLE/FAIR TRADE/DIRECT TRADE

Chocolate growers receive a very small percentage of the final retail price. Fair trade products seek to return more to the farmer.

"We're helping talented people around the world **improve their lives** through trade... making the world a better place for both producers and consumers and there are so many ways you can be a part of this revolutionary change. "



"At the Wellington Chocolate Factory we make organic, **ethically traded**, bean to bar chocolate of the highest quality.."



"We are... committed to **supporting the local communities** in the Solomons Islands. The makers of Solomons Gold aspire to significantly contribute to the resurgence of cacao exports from the Solomon Islands.



"We are certified Fairtrade... We focus on all-natural, **Fairtrade certified and fully traceable products** - and not just because it's nice, but because it's vital to the ongoing wellbeing of the people and the world we live in."



"Ola Pasefika supports village growers in Samoa and other Pacific Islands via **direct trade**. We now have a large number of village growers who we pay premium price for cacao; that go directly to help growers' families."



... and through local/regional sourcing from the Pacific region...



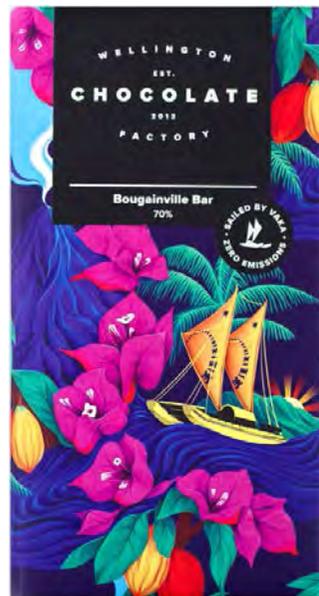
## AUTHENTIC & RESPONSIBLE

## PACIFIC SOURCING

The Pacific Islands are emerging as a new cocoa producing region and have strong cultural ties with New Zealand



FIJI



PAPUA NEW GUINEA



SOLOMON IS.



SAMOA



... as well as through embracing authentic and iconic New Zealand imagery



## AUTHENTIC & RESPONSIBLE

### ICONIC SCENERY

New Zealand has a distinct landscape known to locals, tourists and many consumers.



### ICONIC NEW ZEALAND "KIWIANA"

New Zealand has developed a distinct, unique identity with a range of iconic images



Finally, New Zealand chocolate manufacturers are on-trend for producing sensory and indulgent products



## SENSORY & INDULGENT PRODUCTS

### SINGLE ESTATE

There is a growing global trend to marketing premium and super-premium chocolates as single estate (similar to wine)



“Made from beans from the Akesson Estate of Northern Madagascar”



“Made from beans from the Moa Estate in Upolo, Samoa”

### UNIQUE NEW ZEALAND FLAVOURS

Due to its being an isolated island nation, New Zealand has a range of unique plants and flavours. New Zealand’s innovative fruitgrowers have also named and commercialised a range of new fruits.



These trends drive new product development, through (1) packaging, (2) product, (3) category and (4) channel innovation; in practice however, success invariably comes down to implementation and execution

## CONSUMER FACING INNOVATION IN THE FOOD & BEVERAGE INDUSTRY FROM TREND TO EXECUTION

*Simplified model; 2017*



# Key Markets for NZ Chocolate

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- + Market strategy
- + Growth
- + Market mix
- + Market share
- + Opportunities

04

# The New Zealand chocolate industry needs to maintain and grow the Australian market, while developing opportunities in high value E/SE\* Asian and Western markets

Australia  
Pacific Islands



## REGIONAL MARKETS

Expand channel penetration  
Gain share

- Improve shelf presence in convenience for everyday (e.g. Whittakers Peanut Slab)
- Gain share across premium channels (department stores, gourmet specialists)
- Initially focus on areas with large expatriate population

China  
Singapore/Malaysia  
Other E/SE Asia



## E/SE ASIA MARKETS

Leverage country image  
Position as premium

- Increase awareness of NZ as a source of chocolate (not just "meat and dairy")
- Focus on seasonal gift giving, particularly Valentines Day and Chinese New Year (CNY)
- Position NZ as premium

North America  
United Kingdom  
Europe



## EUROPE/NORTH AMERICAN MARKETS

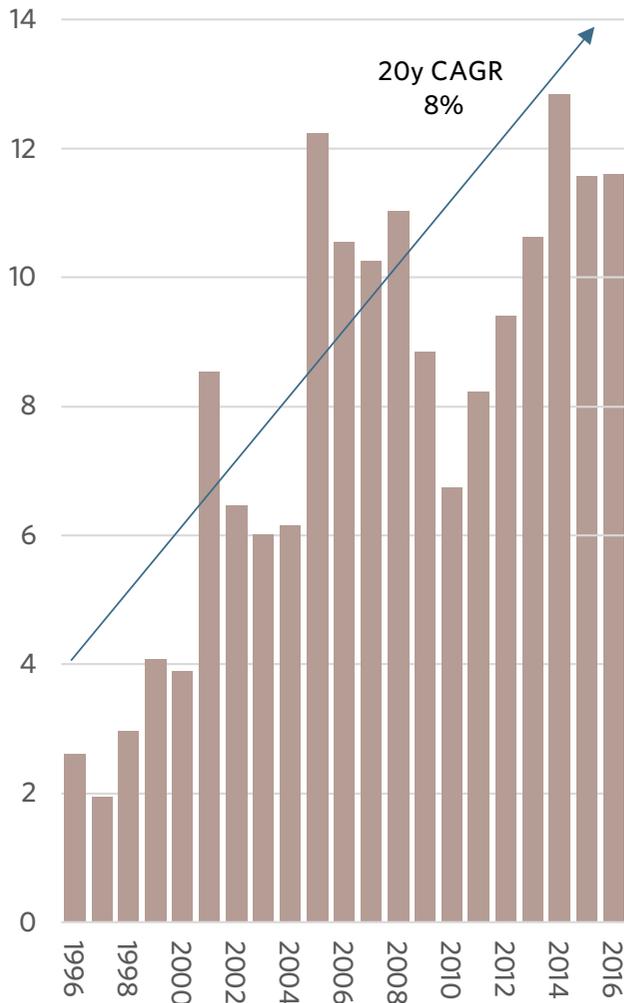
Fix underperformance  
Recreate wine success

- Need a unique product/position to avoid a "coals to Newcastle" challenge; suggest unique New Zealand flavours
- Develop a plan to succeed in the UK market; lessons from wine and honey
- Expand model to Europe and North America

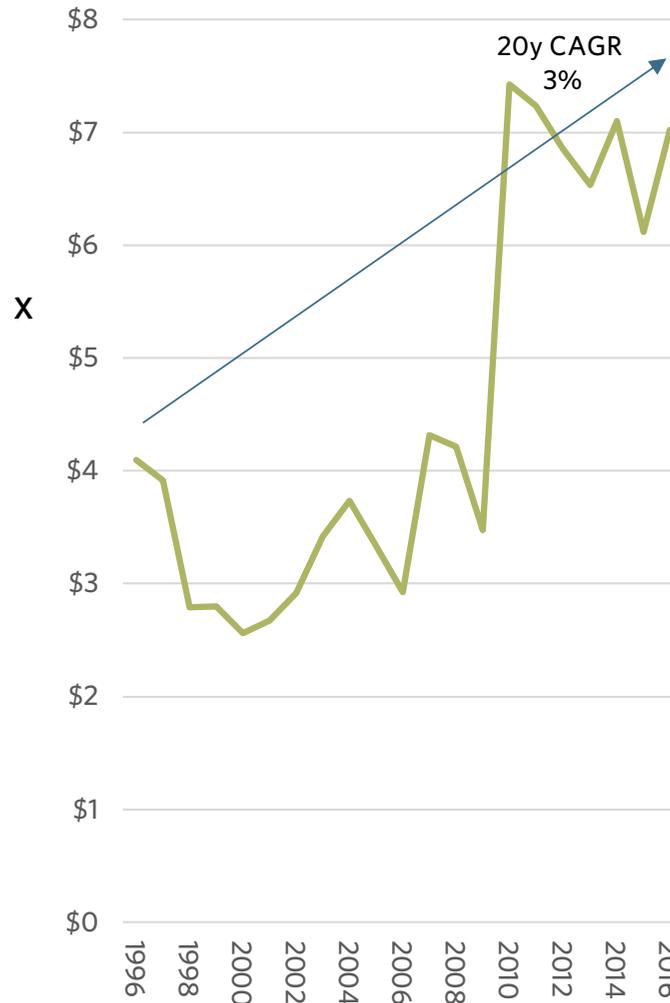
\*E/SE East /South East; Source: photo credit (purchased from stock providers)

New Zealand has growing consumer ready (C.R.) chocolate exports, driven by volume increases (20y CAGR 8%) and moderate price increases (20y CAGR 3%), leading to strong export growth (20y CAGR 11%)

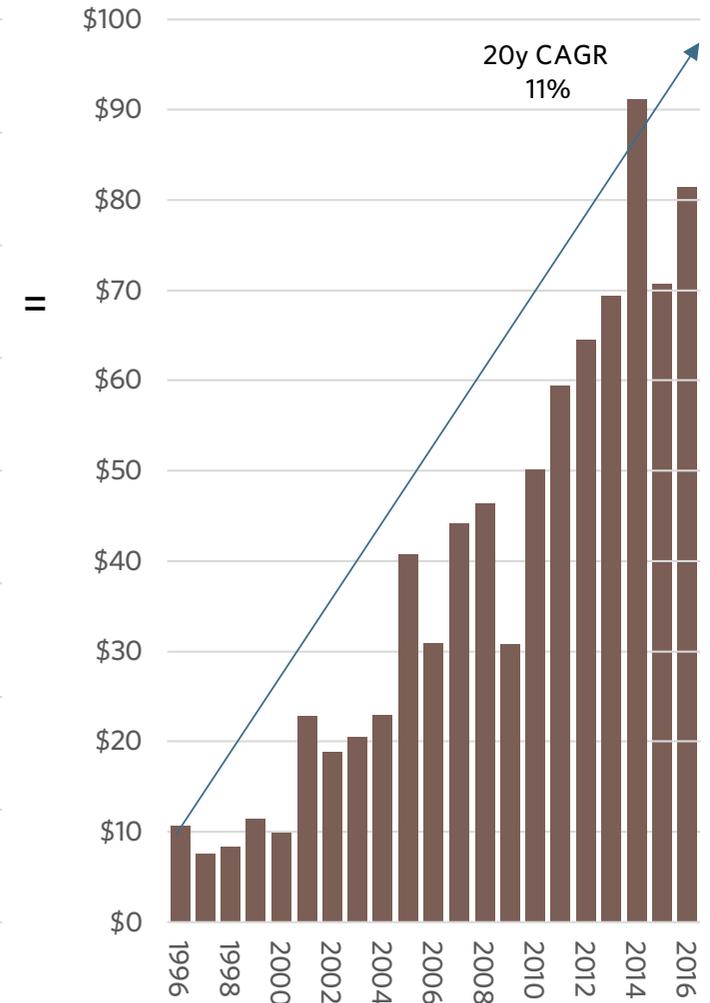
**NZ C.R. CHOCOLATE EXPORT VOLUME**  
Tonnes; 1996-2016



**AVERAGE EXPORT PRICE PER KILOGRAM**  
US\$; not inflation adjusted; 1996-2016



**NZ C.R. CHOCOLATE EXPORT VALUE**  
US\$m; 1996-2016

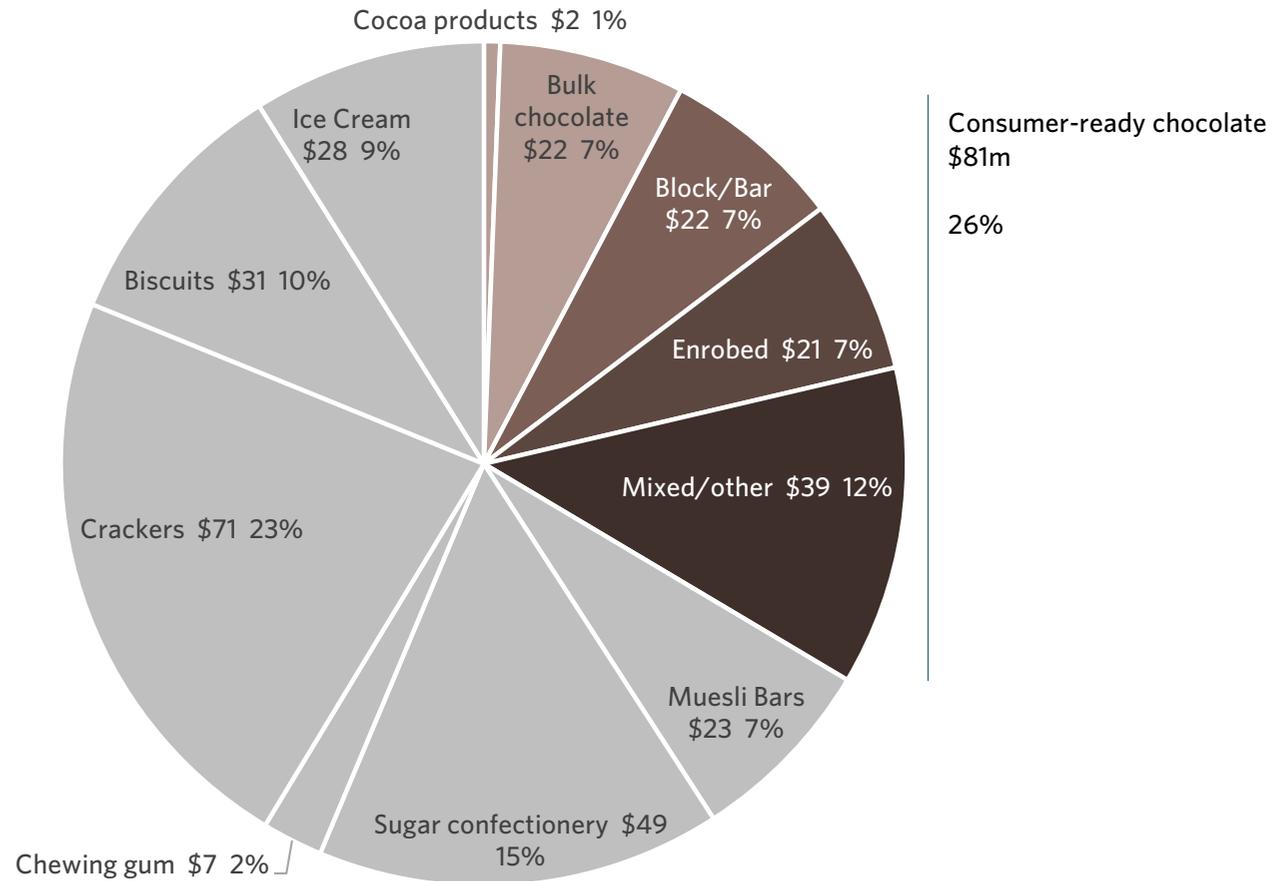


Note: C.R. = Consumer Ready (i.e. excluding bulk/industrial); Source: UN Comtrade database; Coriolis analysis

# Consumer ready chocolate accounts for a quarter of New Zealand exports of snacks across the wider snacking platform

## VALUE OF NEW ZEALAND EXPORTS ACROSS WIDER "SNACKING" PLATFORM

US\$m; 2016

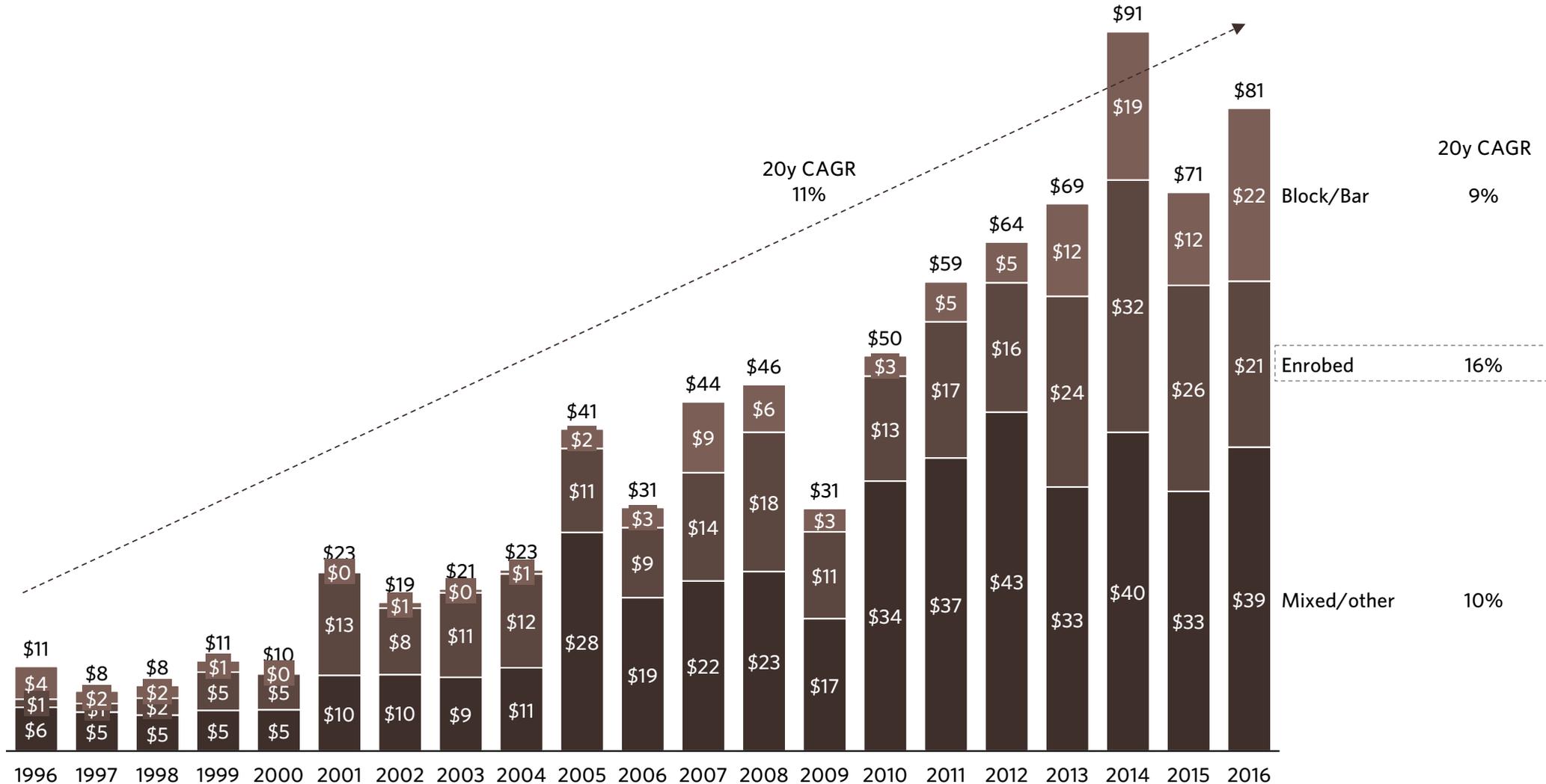


TOTAL = US\$315m in exports in 2016

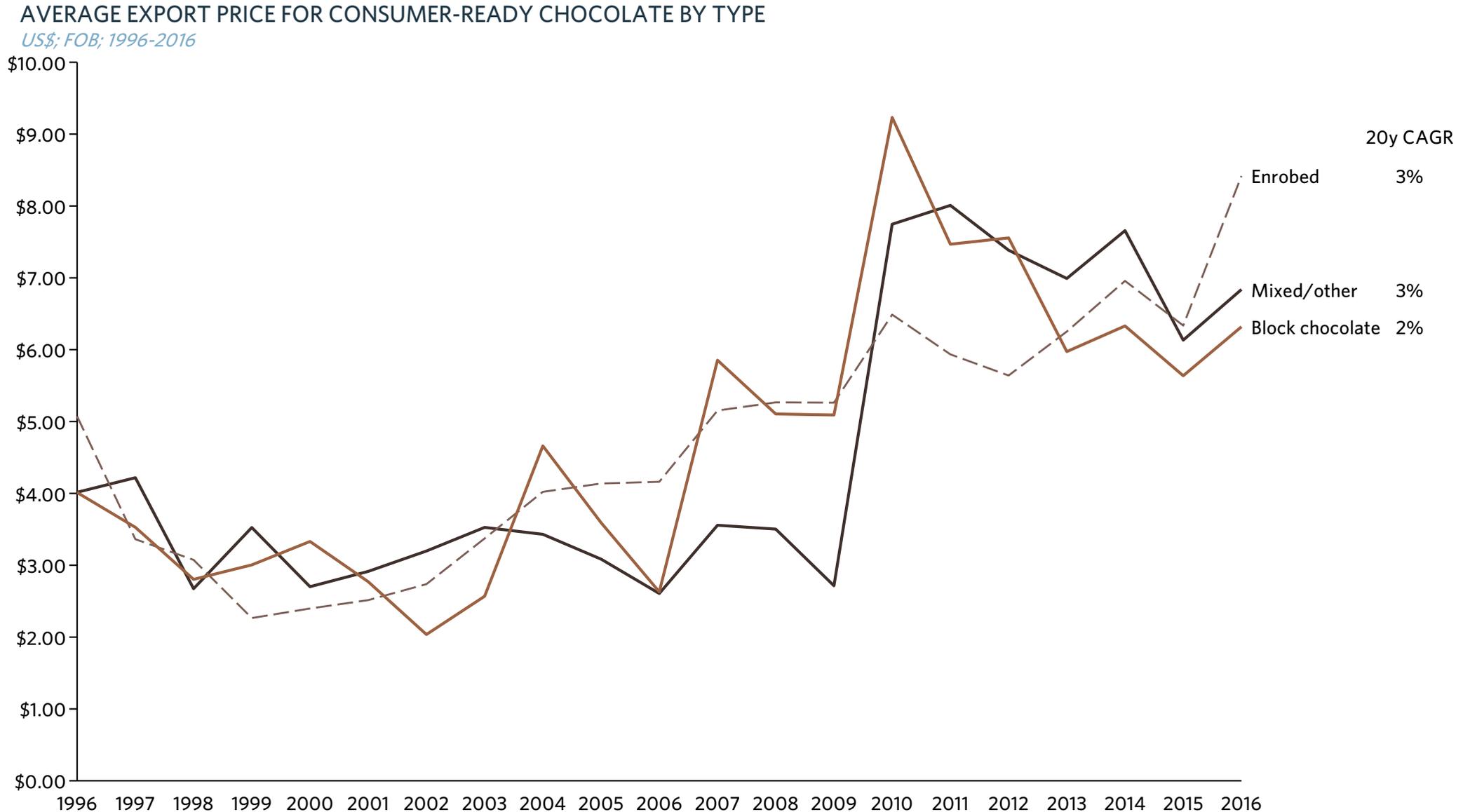
# Consumer ready chocolate is growing (20y CAGR 11%), with all types growing, especially enrobed (20y CAGR 16%)

## NEW ZEALAND CONSUMER-READY CHOCOLATE EXPORT VALUE BY TYPE

US\$m; 1996-2016



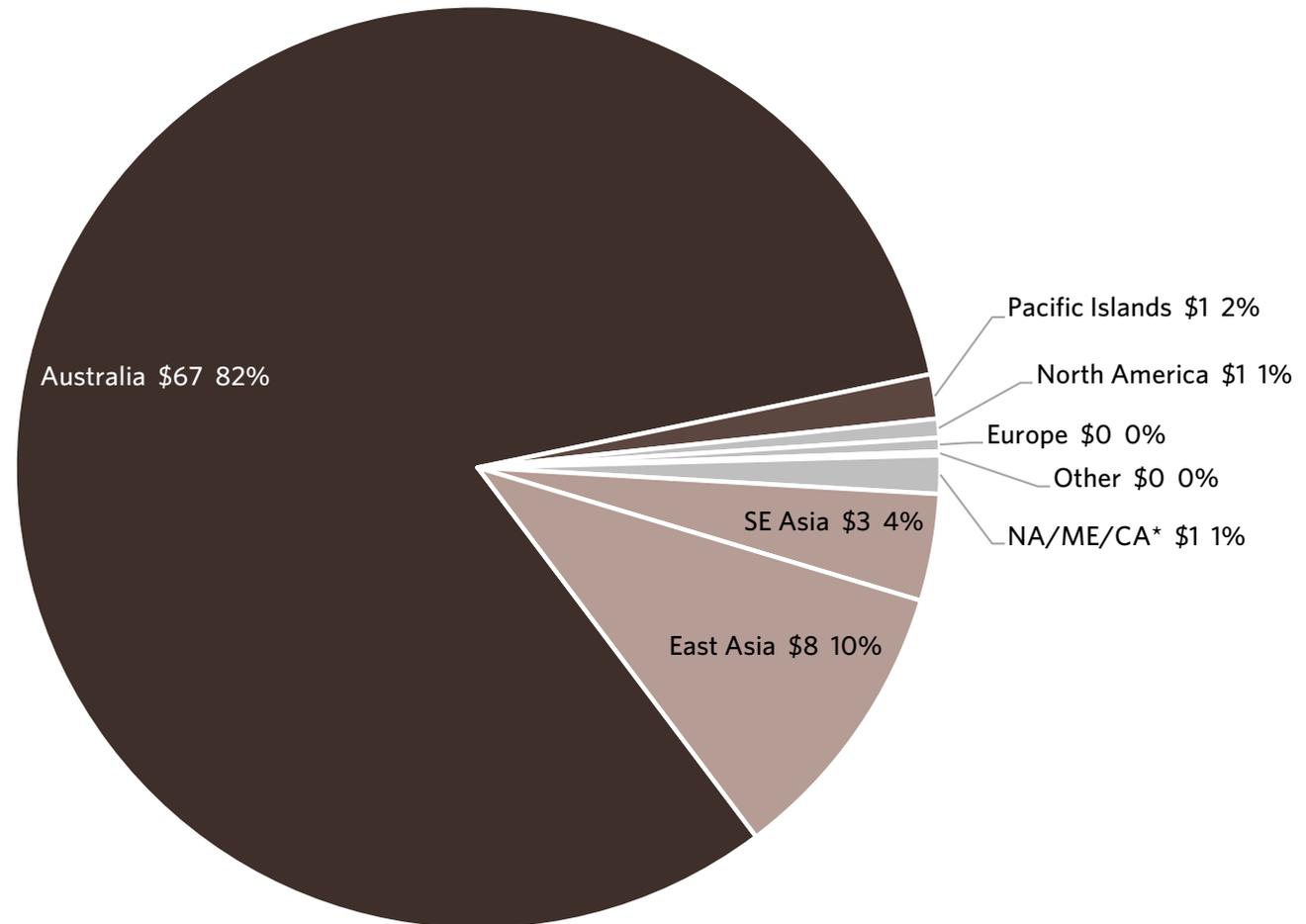
In general all products are achieving modest price increases, chocolate export prices per kilogram by type appear to broadly track in-line



Note: Data are calendar years and uses HS96 trade code 180690, 180632 & 180631; Source: UN Comtrade database; Coriolis analysis

Australia is by far the largest market (82%) for New Zealand consumer-ready chocolate exports, followed by E/SE Asia (14%); all other market are small at present

VALUE OF NEW ZEALAND CONSUMER-READY CHOCOLATE EXPORTS BY MARKET  
*US\$m; 2016*

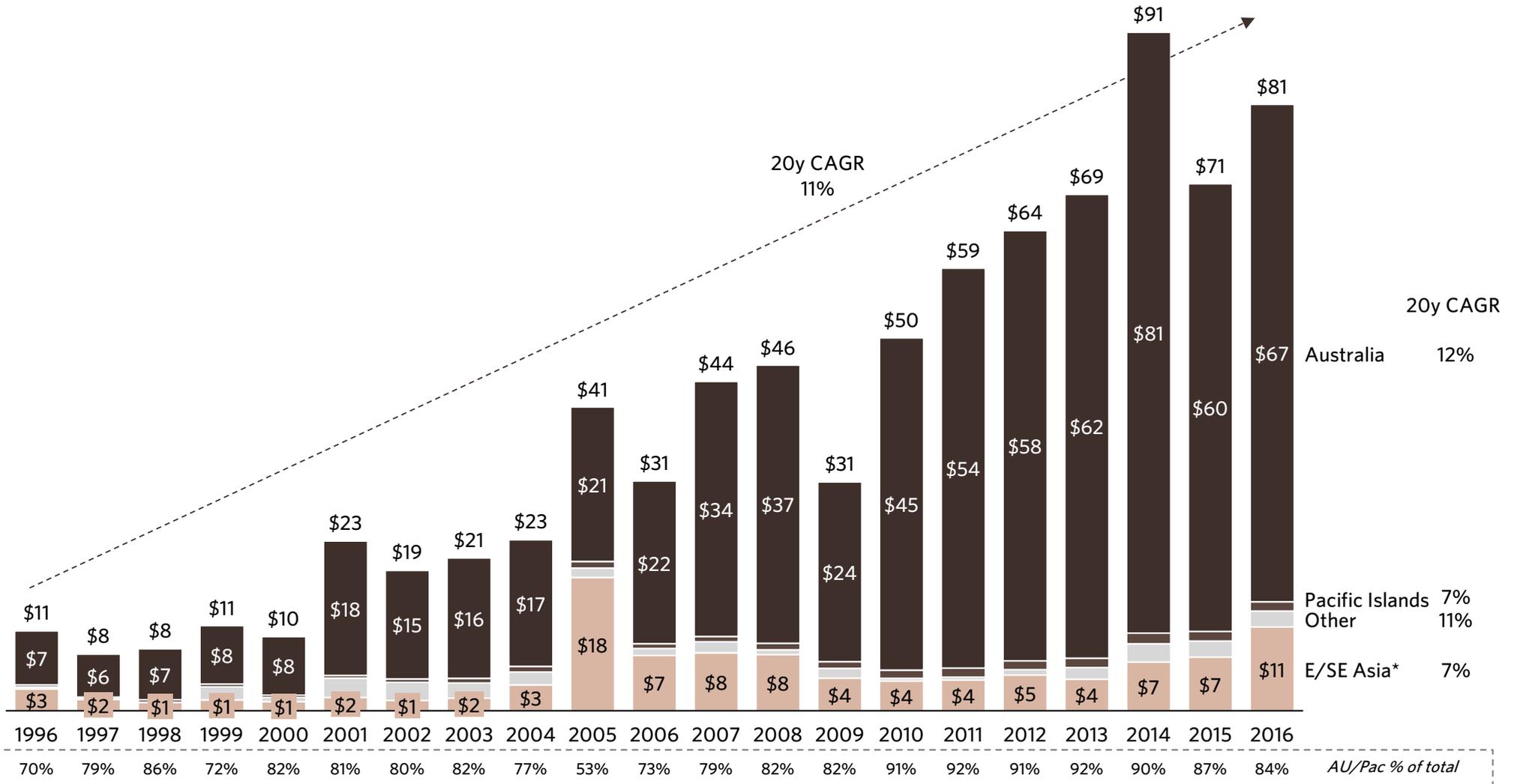


TOTAL = US\$81m in exports in 2016

# Historically, the Australian market has been the engine of growth for New Zealand consumer-ready chocolate exports

## NEW ZEALAND CONSUMER READY CHOCOLATE EXPORT VALUE BY MARKET

US\$m; 1996-2016

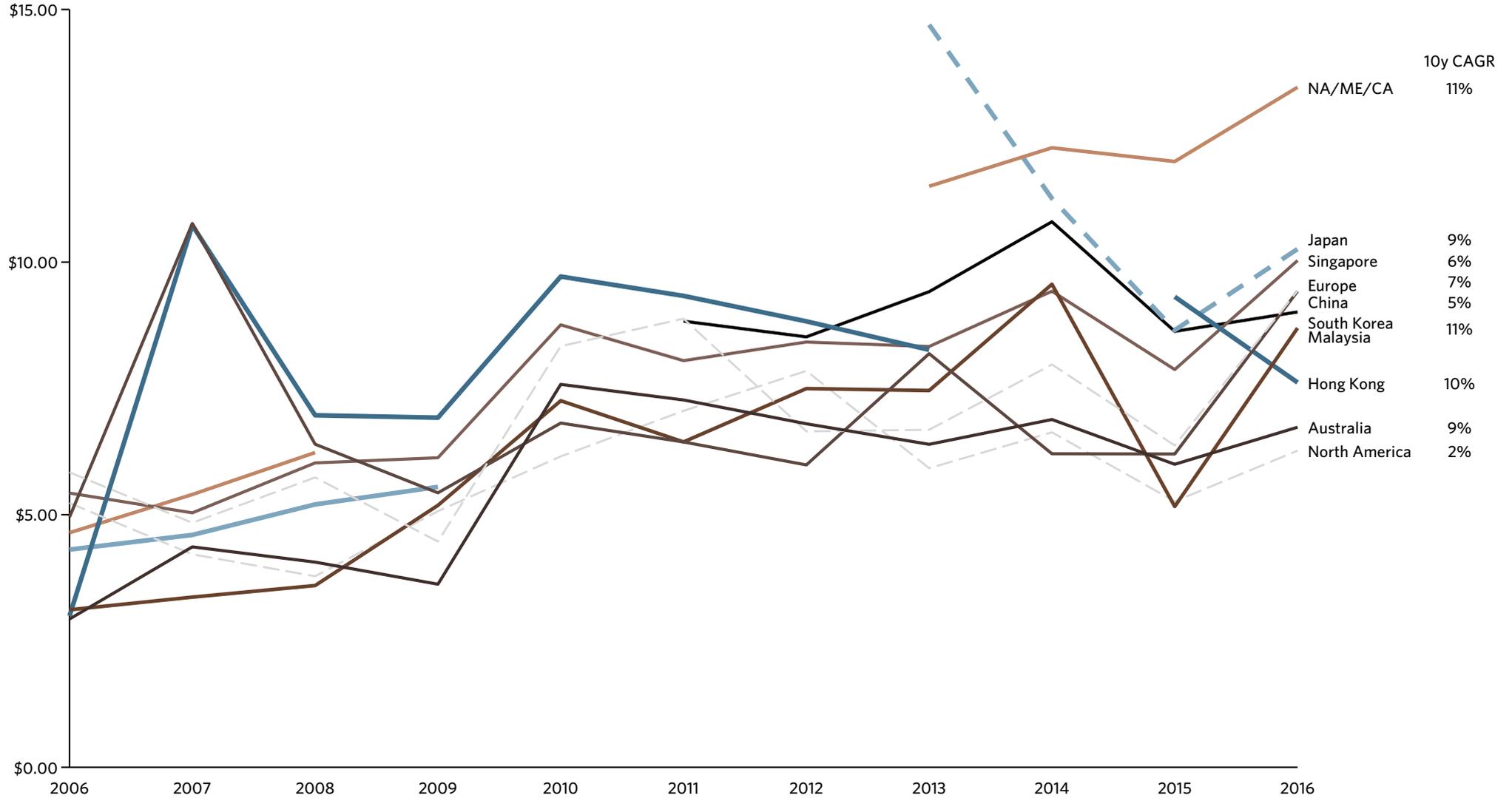


E/SE Asia = East/South East Asia; Source: UN Comtrade database; Coriolis analysis

# The average price realised by New Zealand exports varies between markets

NEW ZEALAND AVERAGE REALISED PRICE OF C.R. CHOCOLATE EXPORT BY MARKET

US\$; FOB; 2006-2016

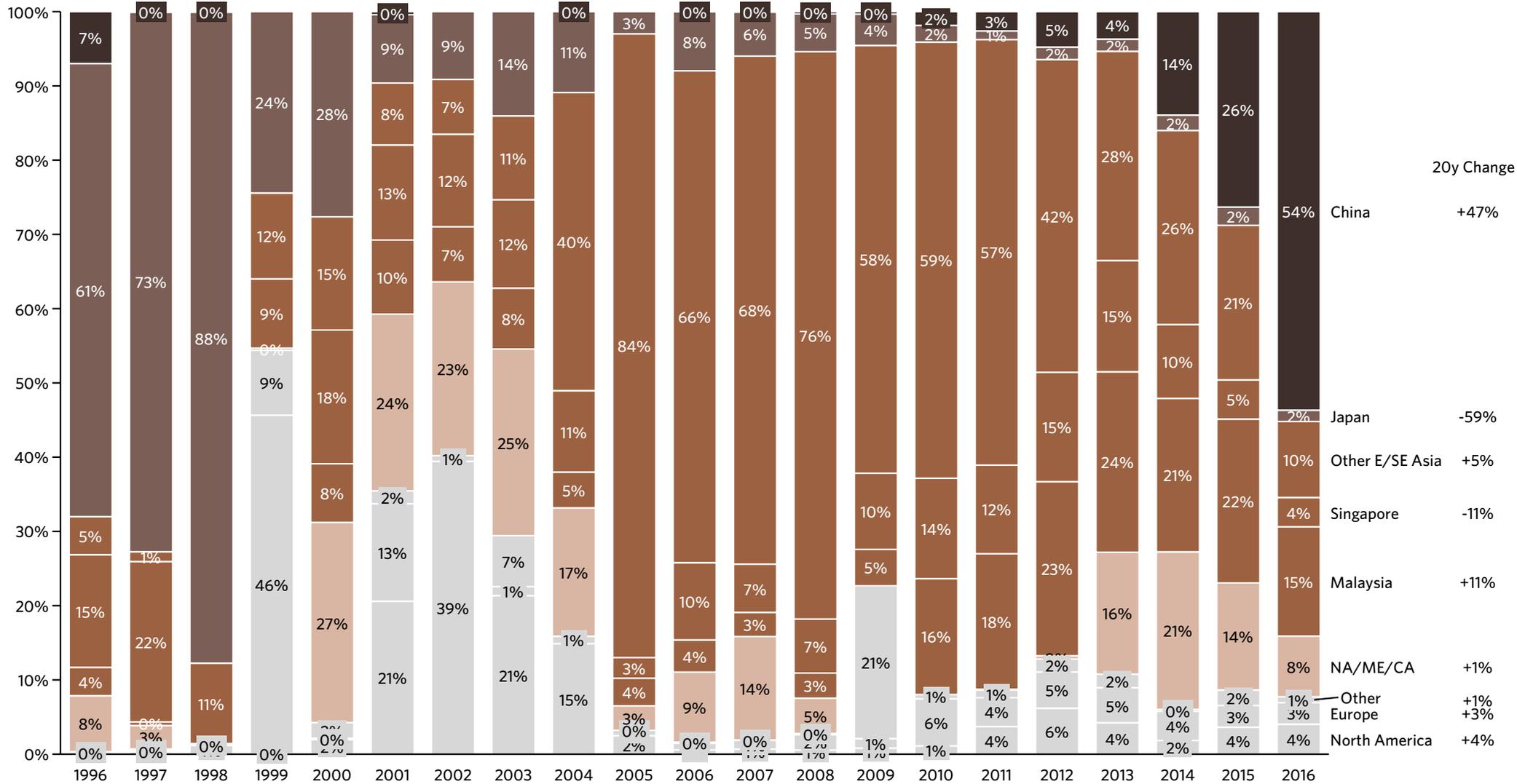


Note: Data are calendar years and uses HS96 trade code 180690, 180632 & 180631; Source: UN Comtrade database; Coriolis analysis

# Looking at share of New Zealand's exports by market beyond the local Australia/Pacific region highlights reliance on E/SE Asia, particularly China

## SHARE OF C.R. CHOCOLATE EXPORT VALUE IN SECONDARY MARKETS

US\$m; 1996-2016

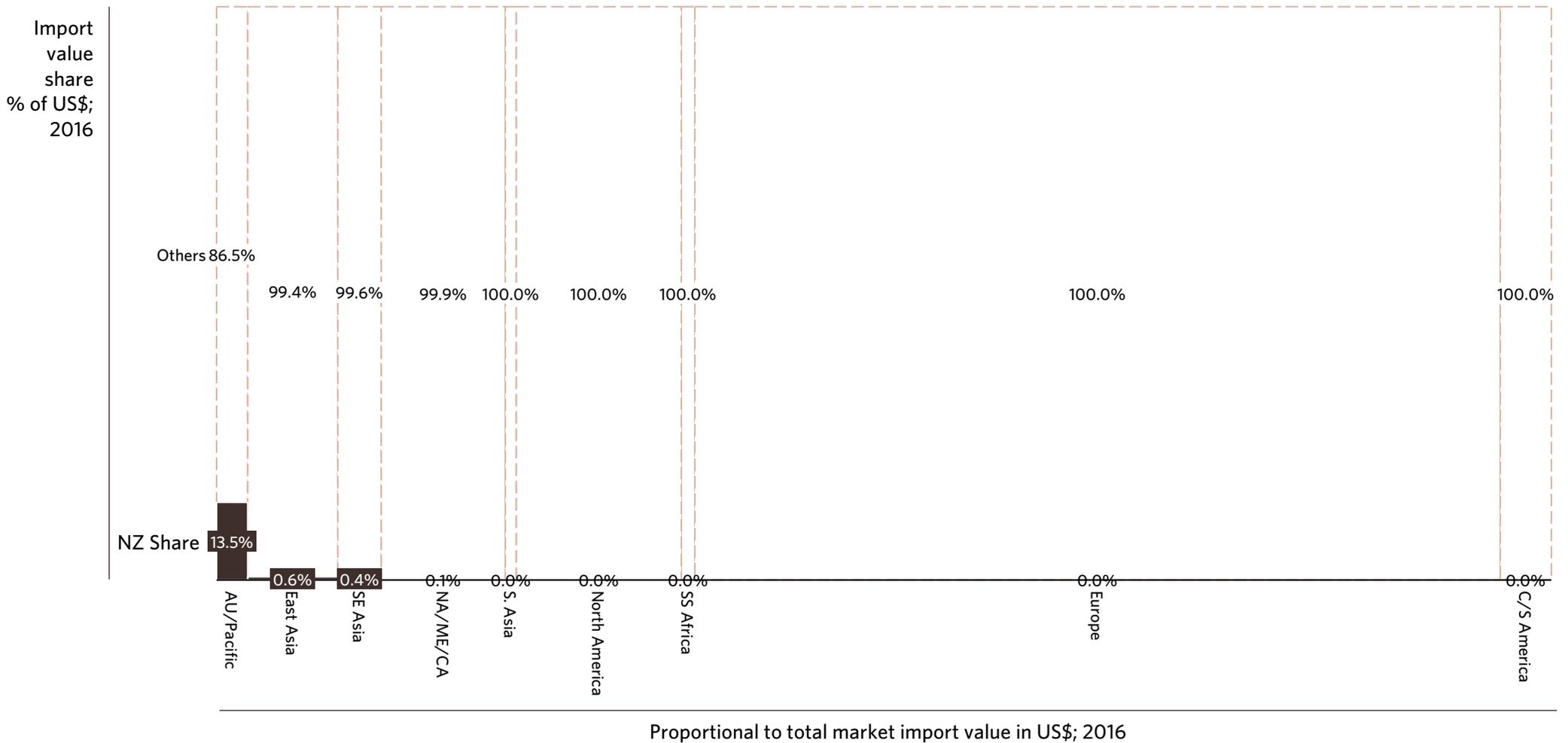


Note: Data are calendar years and uses HS96 trade code 180690, 180632 & 180631; Source: UN Comtrade database; Coriolis analysis

# New Zealand achieves good market share (13.5%) in its local Australia/Pacific region; beyond this, the global market is virtually untapped

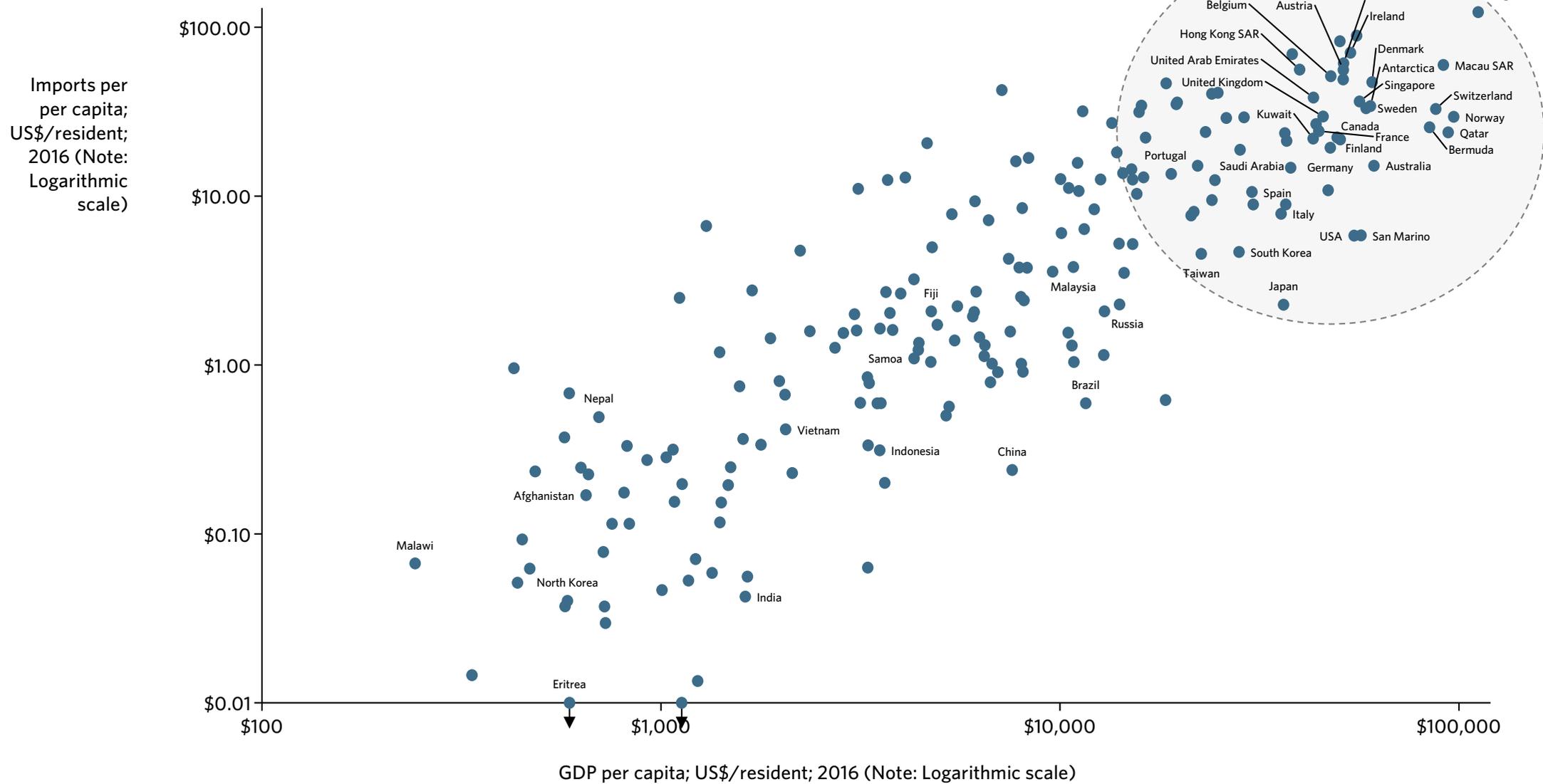
## NEW ZEALAND CONSUMER-READY CHOCOLATE VALUE BY MARKET

US\$m; 1996-2016



Chocolate imports per capita are highly correlated with income; rich countries import a lot of chocolate and poor countries do not

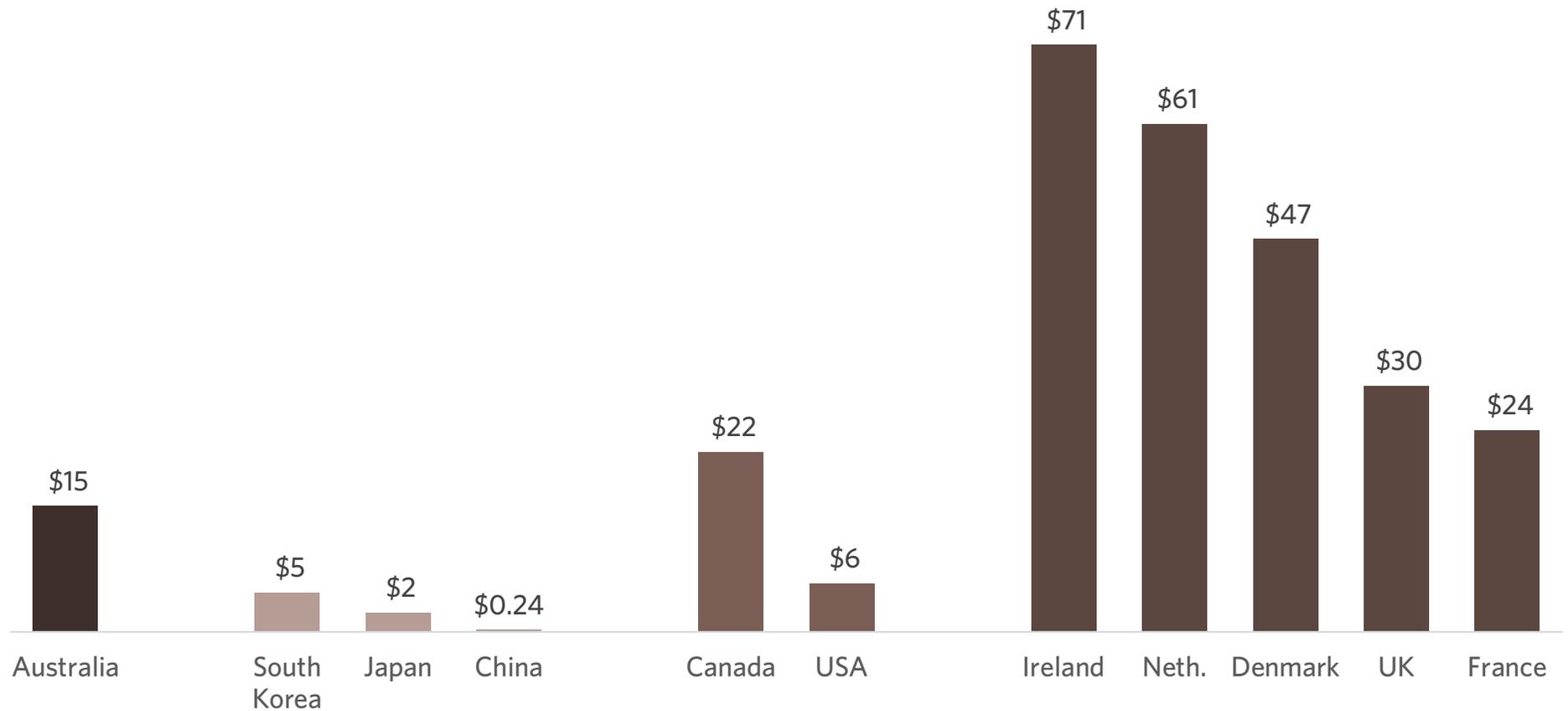
### GLOBAL CONSUMER-READY CHOCOLATE IMPORTS



Europeans, particularly the Irish, Dutch, Danes and English, buy a lot of imported chocolates which represents market potential for New Zealand chocolate exports

### CONSUMER-READY CHOCOLATE IMPORTS PER PERSON: SELECT COUNTRIES

US\$/capita; 2016



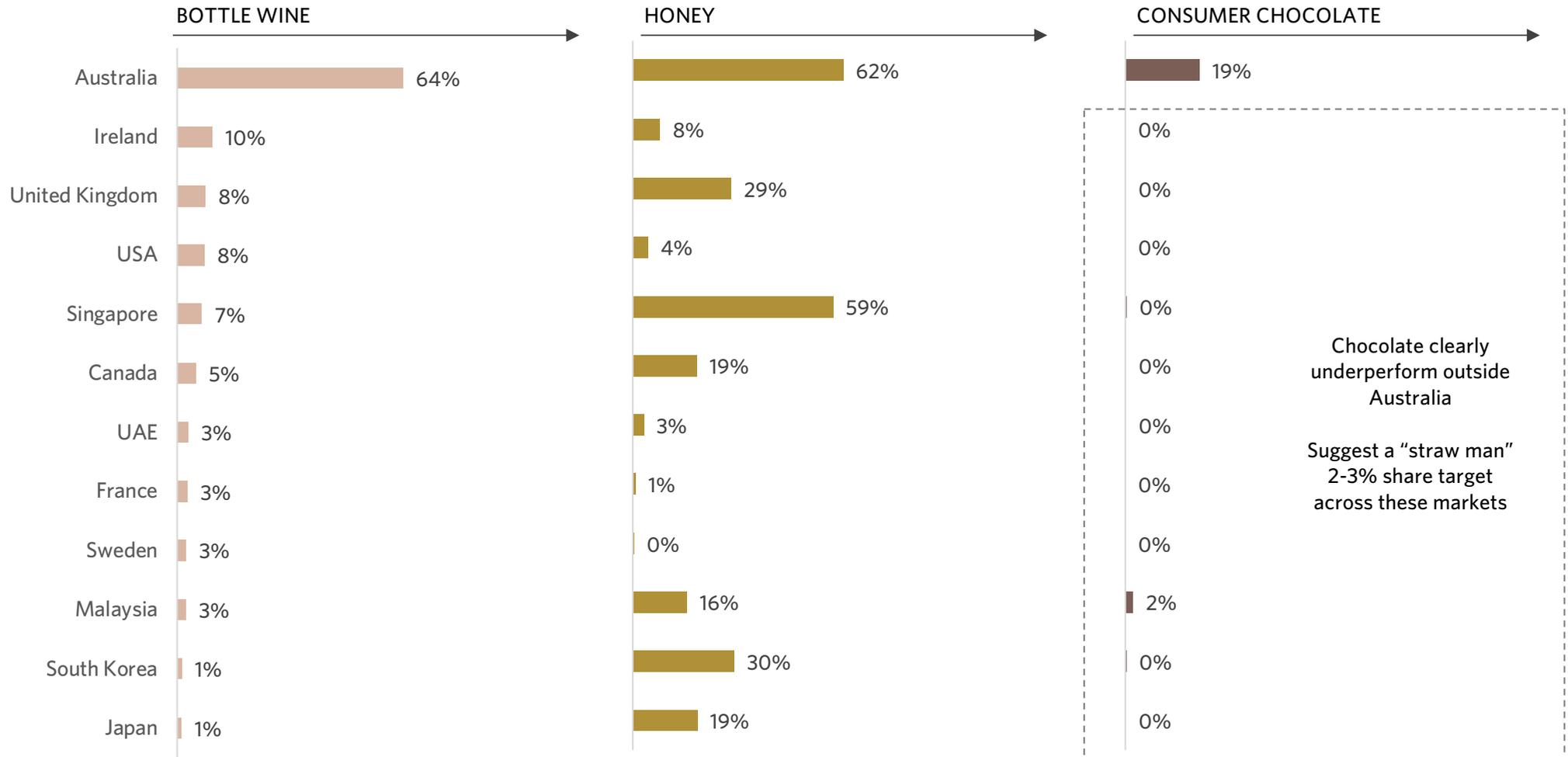
| NZ \$ Share of Import | Australia | South Korea | Japan | China | Canada | USA   | Ireland | Neth. | Denmark | UK    | France |
|-----------------------|-----------|-------------|-------|-------|--------|-------|---------|-------|---------|-------|--------|
|                       | 18.5%     | 0.2%        | 0.1%  | 2.2%  | 0.1%   | 0.00% | 0.00%   | 0.00% | 0.00%   | 0.02% | 0.00%  |

Note: data are rounded; Source: UN Comtrade database; Coriolis analysis

# New Zealand is capable of achieving significant market share in premium products, as wine and honey have shown; consumer-ready chocolate is underperforming outside Australia

## NEW ZEALAND VALUE SHARE OF IMPORTS OF SELECT PRODUCTS IN SELECT MARKETS

*% of US\$; VFD as reported receiver; 2016*



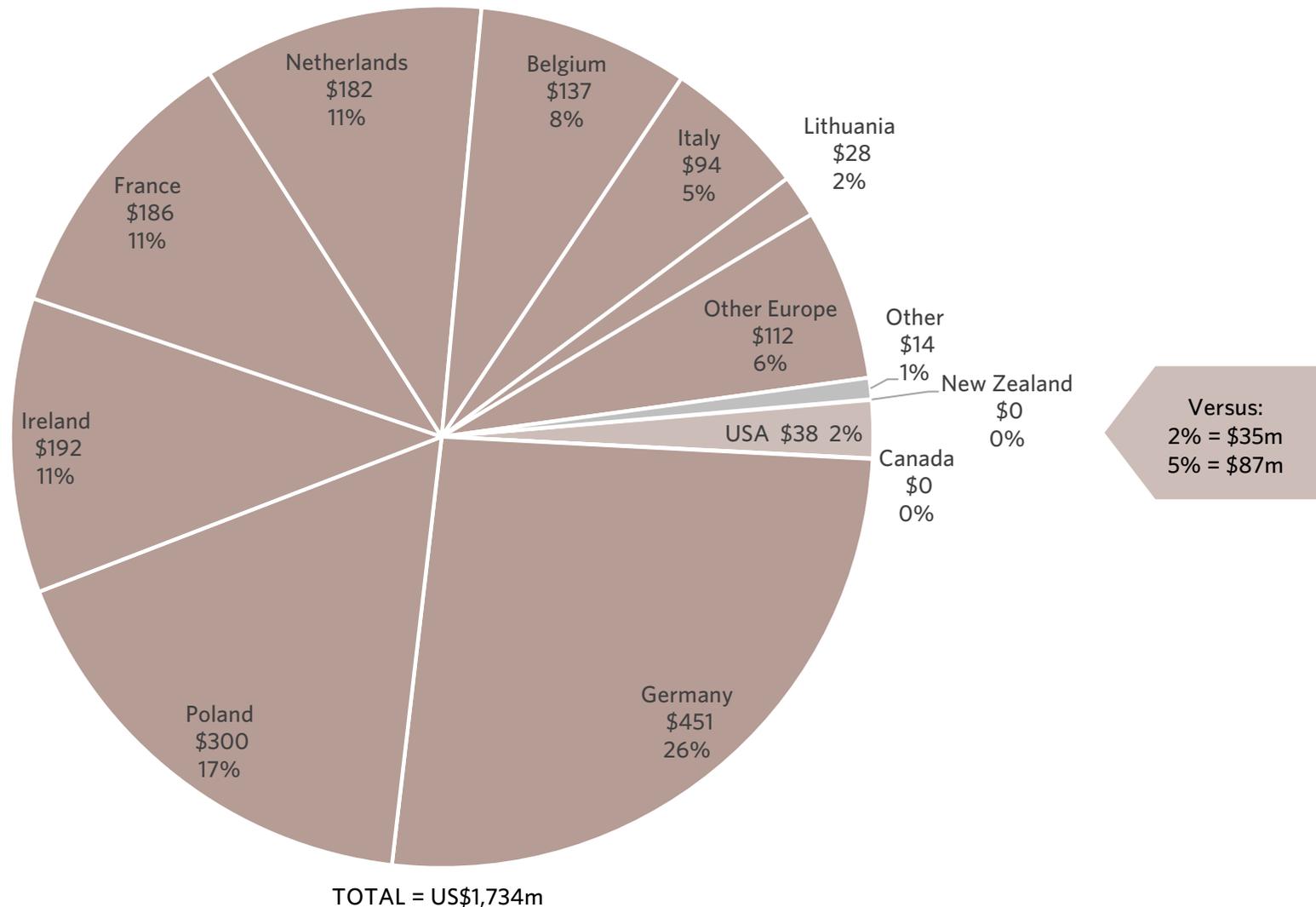
Chocolate clearly underperform outside Australia

Suggest a "straw man" 2-3% share target across these markets

Taking the U.K. as an example, New Zealand should target between 2% and 5% market share, which would equate to ~\$35 million to \$87 million in export sales respectively to the U.K.

### UNITED KINGDOM CHOCOLATE IMPORT VALUE BY SOURCE COUNTRY

US\$m; VFD; 2016



Note: As reported UK Customs; value for duty; Source: UN Comtrade; Coriolis analysis

# Key NZ Chocolate Firms

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+ Firm Profiles

05

|  |   |   |   |
|--|---|---|---|
| <p>BENNETTO NATURAL FOODS CO</p>  <p>Lucy Bennetto<br/>Owner</p>  | <p>BENNETTS OF MANGAWHAI</p>  <p>Mary Bennett<br/>Owner</p>  | <p>BOHEMEIN FRESH CHOCOLATES</p>  <p>Jiri (George) Havlik<br/>Owner</p>    | <p>CHOCOLATE BROWN</p>  <p>Susan Vize<br/>Owner</p>  |
| <p>DESCRIPTION: Premium drinking chocolate bars manufacturer; expanding into eating chocolate in 2018; manufactured at FoodSouth; organic, fair trade, Peruvian Criollo cocoa</p>  | <p>DESCRIPTION: Handmade artisan chocolates; flagship store &amp; café in Mangawhai Village; Retail store at Smith &amp; Caughey's Auckland city; Focus on NZ ingredients and flavours.</p>                                     | <p>DESCRIPTION: Premium chocolatier; use Barry Callebaut chocolate; retail stores in Auckland, Wellington; purpose built factory in Miramar; 248 products</p> | <p>DESCRIPTION: Chocolate chocolatier; retail, wholesale and corporate sales; onsite café and retail store; Callebaut couverture; established in Geraldine, moved to Queenstown and then to Warkworth</p> |
| <p>KEY PRODUCTS: Drinking chocolate bar, hot chocolate powders, chocolate bars (Oct 2018)</p>  | <p>KEY PRODUCTS: Boxed chocolates, chocolate bars, nougat, marshmallow</p>  | <p>KEY PRODUCTS: Boxed chocolates; chocolate fish</p>   | <p>KEY PRODUCTS: Boxed chocolates; chocolate bars, fudge, confectionery</p>   |
| <p>OWNERSHIP: NZ; Private (Bennetto)</p>   | <p>OWNERSHIP: NZ; Private (Bennett Family)</p>  | <p>OWNERSHIP: NZ; Private (Havlik)</p>  | <p>OWNERSHIP: NZ; Private (Vize)</p>  |
| <p>COMPANY NUMBER: 2374269</p>   | <p>COMPANY NUMBER: 1056085</p>  | <p>COMPANY NUMBER: 1517944</p>  | <p>COMPANY NUMBER: 5698687</p>  |
| <p>ADDRESS: 63 Cleveland Street, Christchurch</p>  | <p>ADDRESS: 52 Moir Street, Mangawhai Village</p>   | <p>ADDRESS: 127 C Park Road, Miramar</p>  | <p>ADDRESS: 6 Mill Lane, Warkworth</p>  |
| <p>PHONE: +64 3 386 3528</p>   | <p>PHONE: +61 9 431 5500</p>  | <p>PHONE: +64 4 891 1052</p>  | <p>PHONE: +64 9 422 2677</p>  |
| <p>WEBSITE: www.bennetto.co.nz</p>   | <p>WEBSITE: www.bom.co.nz</p>   | <p>WEBSITE: www.bohemein.co.nz</p>  | <p>WEBSITE: www.chocolatebrown.co.nz</p>  |
| <p>YEAR FORMED: 2010</p>   | <p>YEAR FORMED: 1998</p>  | <p>YEAR FORMED: 2005</p>  | <p>YEAR FORMED: 2007</p>  |
| <p>STAFF EMPLOYED: 2</p>   | <p>STAFF EMPLOYED: 40 (12 factory)</p>  | <p>STAFF EMPLOYED: 17</p>   | <p>STAFF EMPLOYED: 30</p>   |
| <p>REVENUE: &gt;\$1m</p>   | <p>REVENUE: \$2-5m (all businesses)</p>   | <p>REVENUE: \$1-5m*</p>   | <p>REVENUE: \$1-3m*</p>   |
| <p>COMPANY HIGHLIGHTS: National distribution in Australia, new organic eating chocolate range launched in Nov '17</p>  | <p>COMPANY HIGHLIGHTS: State-of-the-art destination in Mangawhai Village; NZ distributor of Belcolade chocolate</p>   | <p>COMPANY HIGHLIGHTS:</p>  | <p>COMPANY HIGHLIGHTS:</p>  |

\* Estimate; Source: various companies annual financial statements (NZ Companies Office or company website); various press releases and news articles; Coriolis analysis

|  |  |  |  |
|--|--|--|--|
| <p><b>CHOCOLATE TRADERS</b></p>  <p>Irene Gillies<br/>Managing Director</p>                    | <p><b>CHOCOLATES ARE US</b></p>  <p>Leanne Petersen<br/>Owner</p> | <p><b>CHOCOYO</b></p>  <p>Yoann Martichon<br/>Owner</p> | <p><b>DEVONPORT CHOCOLATES</b></p>   <p>Stephanie Everitt<br/>Managing Director</p>  |
| <p><b>DESCRIPTION:</b> Premium chocolate manufacturers and wholesalers; customised chocolates for corporate sales; factory in Christchurch; uses Barry Callebaut chocolate</p> | <p><b>DESCRIPTION:</b> Customised chocolate manufacturer; focus on corporate embossing and souvenir chocolates</p>                                 | <p><b>DESCRIPTION:</b> Premium chocolate manufacturer; emphasis on local ingredients</p>   | <p><b>DESCRIPTION:</b> Boutique chocolatier and some bean to bar chocolate manufacturing; based in Devonport; retail store onsite and in Auckland; one of the biggest and oldest handmade chocolate companies in New Zealand; 20t production per annum</p> |
| <p><b>KEY PRODUCTS:</b> Chocolate bars, boxed chocolates</p>   | <p><b>KEY PRODUCTS:</b> Chocolate bars, embossed thins, confectionery</p>  | <p><b>KEY PRODUCTS:</b> Boxed chocolates, chocolate hazelnut spread</p>  | <p><b>KEY PRODUCTS:</b> Boxed chocolates, chocolate bars</p>   |
| <p><b>OWNERSHIP:</b> NZ; Private (Gilles, Brown)</p>   | <p><b>OWNERSHIP:</b> NZ; Private (Stewart, Petersen)</p>   | <p><b>OWNERSHIP:</b> NZ; Private (Martichon)</p>   | <p><b>OWNERSHIP:</b> NZ; Private (Everitt)</p>   |
| <p><b>COMPANY NUMBER:</b> 3579891</p>  | <p><b>COMPANY NUMBER:</b> 5223681</p>  | <p><b>COMPANY NUMBER:</b> TBD</p>  | <p><b>COMPANY NUMBER:</b> 1137390</p>  |
| <p><b>ADDRESS:</b> 205 Robisons Road, Ladbrooks</p>  | <p><b>ADDRESS:</b> 6A Dakota Drive, Whitianga</p>  | <p><b>ADDRESS:</b> 3/38 North Road, Nelson</p>   | <p><b>ADDRESS:</b> 17 Wynyard Street, Devonport, Auckland</p>  |
| <p><b>PHONE:</b> +64 3 943 9222</p>  | <p><b>PHONE:</b> +64 7 866 4063</p>  | <p><b>PHONE:</b> +64 27 974 1213</p>   | <p><b>PHONE:</b> +64 9 445 6001</p>  |
| <p><b>WEBSITE:</b> www.chocolatetraders.co.nz</p>  | <p><b>WEBSITE:</b> www.chocolatesareus.co.nz</p>   | <p><b>WEBSITE:</b> www.chocoyo.co.nz</p>   | <p><b>WEBSITE:</b> www.devonportchocolates.co.nz</p>   |
| <p><b>YEAR FORMED:</b> 1990</p>  | <p><b>YEAR FORMED:</b> 1988</p>  | <p><b>YEAR FORMED:</b> 2015</p>  | <p><b>YEAR FORMED:</b> 1991</p>  |
| <p><b>STAFF EMPLOYED:</b> TBD</p>  | <p><b>STAFF EMPLOYED:</b> TBD</p>  | <p><b>STAFF EMPLOYED:</b> TBD</p>  | <p><b>STAFF EMPLOYED:</b> 15</p>   |
| <p><b>REVENUE:</b> \$1-5m*</p>   | <p><b>REVENUE:</b> \$1-5m*</p>   | <p><b>REVENUE:</b> &lt;\$1m*</p>   | <p><b>REVENUE:</b> \$3-4m</p>  |
| <p><b>COMPANY HIGHLIGHTS:</b></p>  | <p><b>COMPANY HIGHLIGHTS:</b></p>  | <p><b>COMPANY HIGHLIGHTS:</b></p>  | <p><b>COMPANY HIGHLIGHTS:</b></p>  |

|  |   |   |  |
|--|---|---|--|
| <p>HOGARTH CHOCOLATE COMPANY</p>  <p>Karl Hogarth<br/>Owner</p>  | <p>HONEST CHOCOLAT</p>  <p>Nico Bonnaud<br/>Co owner</p>               | <p>ICELANDIC HOLDINGS</p>  <p>Dean Patterson<br/>Owner</p>   | <p>J H WHITTAKER &amp; SONS</p>  <p>Andrew Whittaker<br/>Managing Director</p>  |
| <p>DESCRIPTION: Boutique chocolate maker; beans to bar; single origin, aged chocolate that is hand wrapped; based in Nelson; exports to USA, UK, France, Hong Kong, China, Japan, Australia; high end restaurant service</p> | <p>DESCRIPTION: Premium chocolate manufacturer; organic, single origin, fair trade chocolate; water ganache fillings; uses Original Beans chocolate</p> | <p>DESCRIPTION: Chocolate and chocolate compound manufacturer across two sites; largest industrial manufacturer of chocolate compound products in NZ; recent rebranding of Richfields Chocolate to Cocoa Farm; dry grocery and ingredients importer and distributor; total of 4 sites (3 Akl, 1 CHCH)</p> | <p>DESCRIPTION: Manufacturer of chocolate and sugar confectionery in Porirua; co-branding chocolate beverages with Lewis Road Creamery; imports, roasts and refines own cocoa beans; exports throughout Asia, AU</p>                     |
| <p>KEY PRODUCTS: Chocolate bars, drinking chocolate</p>  | <p>KEY PRODUCTS: Boxed chocolates, chocolate bars</p>   | <p>KEY PRODUCTS: Chocolate, cooking chocolate products, beans, soup, decorations, crumbs, coatings, dried fruit, nuts, seeds, grains, flours, etc</p>   | <p>KEY PRODUCTS: Chocolate bars, slabs, Easter eggs, Artisan range</p>   |
| <p>OWNERSHIP: NZ; Private (Hogarth)</p>  | <p>OWNERSHIP: NZ; Private (Bonnaud)</p>   | <p>OWNERSHIP: NZ; Private (Patterson)</p>   | <p>OWNERSHIP: NZ; Private (Whittaker)</p>  |
| <p>COMPANY NUMBER: 4449121</p>   | <p>COMPANY NUMBER: 5933009</p>  | <p>COMPANY NUMBER: 1920537</p>  | <p>COMPANY NUMBER: 3440</p>  |
| <p>ADDRESS: 10F Kotua Place, Stoke</p>   | <p>ADDRESS: Snells Beach, Auckland</p>  | <p>ADDRESS: 27 Zelanian Drive, East Tamaki, Auckland</p>  | <p>ADDRESS: 24 Mohuia Crescent, Elsdon, Porirua</p>  |
| <p>PHONE: +64 3 544 8623</p>   | <p>PHONE: +64 21 422 971</p>  | <p>PHONE: +64 9 571 0700</p>  | <p>PHONE: +64 4 237 5021</p>   |
| <p>WEBSITE: <a href="http://www.hogarthchocolate.co.nz">www.hogarthchocolate.co.nz</a></p>   | <p>WEBSITE: <a href="http://www.honestchocolat.com">www.honestchocolat.com</a></p>  | <p>WEBSITE:</p>   | <p>WEBSITE: <a href="http://www.whittakers.co.nz">www.whittakers.co.nz</a>; <a href="http://www.whittakersworldwide.com">www.whittakersworldwide.com</a></p>   |
| <p>YEAR FORMED: 2013</p>   | <p>YEAR FORMED: 2016</p>  | <p>YEAR FORMED: 1980s</p>   | <p>YEAR FORMED: 1896/1937</p>  |
| <p>STAFF EMPLOYED: TBD</p>   | <p>STAFF EMPLOYED: TBD</p>  | <p>STAFF EMPLOYED: N/A</p>  | <p>STAFF EMPLOYED: 100</p>   |
| <p>REVENUE: \$0-2m*</p>  | <p>REVENUE: &lt;1\$m*</p>   | <p>REVENUE: \$25-50m*</p>   | <p>REVENUE: \$100m* (FY14)</p>   |
| <p>COMPANY HIGHLIGHTS: Won gold at Academy of Chocolate UK, International Chocolate Awards and the inaugural NZ Chocolate Awards in 2017</p>   | <p>COMPANY HIGHLIGHTS: Supreme Winner of Best Chocolate Bar at inaugural NZ Chocolate Awards 2017</p>   | <p>COMPANY HIGHLIGHTS: Rebranded entire Sun Valley range late 2013; Prolife Foods acquired the retail <i>brands</i> of SunValley foods Oct '17</p>  | <p>COMPANY HIGHLIGHTS: Successful co-branding with Lewis Road Creamery milk products and chocolate butter; voted most trusted brand in '16, fourth year in a row; 38% market share in blocks in NZ; launch of K Bar chocolate in '16</p> |

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| <p>KAKO CHOCOLATE</p>  <p>Stu Jordan<br/>Co owner</p>   | <p>LA PETITE CHOCOLAT</p>  <p>Anissa Talbi-Dobson<br/>Owner</p>   | <p>MAKANA CONFECTIONERY</p>  <p>Brian Devlin<br/>Managing Director</p>   | <p>MONDELEZ NZ</p>  <p>James Kane<br/>Country Head, Mondelez NZ</p>   |
| <p>DESCRIPTION: Premium chocolate business; retail stores 'The Sweetest Little Chocolate Shop' licensed concept and 'My Chocolate Box' home delivery subscription model; food service and bespoke corporate offering; using 300kg of chocolate a week</p> | <p>DESCRIPTION: Premium chocolate maker; based in Hawkes Bay; organic, fair trade, single origin chocolate sourced from French company; retail store L'Atelier Chocolate in Hastings</p> | <p>DESCRIPTION: Manufacturer of hand made chocolates; gift giving focus; café and factory viewing; boutique factories and stores in Kerikeri and Blenheim; looking at opening three retail stores in Auckland</p> | <p>DESCRIPTION: Global confectionery and dairy company; confectionery manufacturing based in Dunedin; Cadbury brand</p>  |
| <p>KEY PRODUCTS: Boxed chocolates</p>   | <p>KEY PRODUCTS: Boxed chocolates, chocolate bars, drinking chocolate</p>  | <p>KEY PRODUCTS: Truffles, enrobed fruit and nuts, toffees, nut clusters, shortbread</p>  | <p>KEY PRODUCTS: Chocolate, sugar confectionery</p>  |
| <p>OWNERSHIP: NZ; Private (Jordan, Williamson, Brooks, Ma)</p>  | <p>OWNERSHIP: NZ; Private (Talbi, Dobson)</p>  | <p>OWNERSHIP: NZ; Private (Devlin, Flowers)</p>   | <p>OWNERSHIP: USA; Public (Mondelez International (NASDAQ:MDLZ)) via Mondelez NZ Holdings (AU)</p>   |
| <p>COMPANY NUMBER: 2333071</p>  | <p>COMPANY NUMBER: 3666097</p>   | <p>COMPANY NUMBER: 1663806/1751833</p>  | <p>COMPANY NUMBER: 204724</p>  |
| <p>ADDRESS: 161 Apirana Avenue, Glen Innes</p>  | <p>ADDRESS: 207 Heretaunga Street East, Hastings</p>   | <p>ADDRESS: 504 Kerikeri Road, Kerikeri</p>   | <p>ADDRESS: 494 Rosebank Road, Avondale, Auckland</p>  |
| <p>PHONE: +64 9 521 6063</p>  | <p>PHONE: +64 6 651 2128</p>   | <p>PHONE: +64 9 407 6800</p>  | <p>PHONE: +64 9 820 2600</p>   |
| <p>WEBSITE: <a href="http://www.kakochocolate.co.nz">www.kakochocolate.co.nz</a>; <a href="http://www.mychocolatebox.nz">www.mychocolatebox.nz</a></p>  | <p>WEBSITE: <a href="http://www.lapetitechocolat.co.nz">www.lapetitechocolat.co.nz</a></p>   | <p>WEBSITE: <a href="http://www.makana.co.nz">www.makana.co.nz</a></p>  | <p>WEBSITE: <a href="http://www.cadbury.co.nz">www.cadbury.co.nz</a>; <a href="http://au.mondelezinternational.com">au.mondelezinternational.com</a></p>   |
| <p>YEAR FORMED: 2012</p>  | <p>YEAR FORMED: 2012</p>   | <p>YEAR FORMED: 2005</p>  | <p>YEAR FORMED: 1868/1930</p>  |
| <p>STAFF EMPLOYED: 7</p>  | <p>STAFF EMPLOYED: TBD</p>   | <p>STAFF EMPLOYED: 16</p>   | <p>STAFF EMPLOYED: 500</p>   |
| <p>REVENUE: \$0-3m*</p>   | <p>REVENUE: \$0-2m*</p>  | <p>REVENUE: \$5-10m*</p>  | <p>REVENUE: \$302.5m (FY16)</p>  |
| <p>COMPANY HIGHLIGHTS:</p>  | <p>COMPANY HIGHLIGHTS:</p>   | <p>COMPANY HIGHLIGHTS: Refurbished production kitchen at Kerikeri location to triple production from 120,000 boxes per year in '15</p>  | <p>COMPANY HIGHLIGHTS: New Country Head in Nov '15; profit \$9.2m (FY15); announced closing Dunedin Cadbury plant as part of global \$4b cost cutting drive in Feb '17, to close from Mar '18, loss of 350 jobs; Mondelez selling most of its grocery business in AU and NZ to Bega Cheese for \$460m in Jan '17, includes many Kraft brands</p> |

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| <p><b>NESTLE NZ</b></p>  <p><b>Christian Abboud</b><br/>Country Manager &amp; Chief Executive Officer</p>   | <p><b>OLA PACIFICA</b></p>  <p><b>Nia Belcher</b><br/>Co-owner &amp; Managing Director</p>                               | <p><b>OCHO (OTAGO CHOCOLATE COMPANY)</b></p>  <p><b>Liz Rowe</b><br/>Owner</p>  | <p><b>PATAGONIA CHOCOLATES</b></p>  <p><b>Alejandro Gimenez</b><br/>Owner</p>                            |
| <p><b>DESCRIPTION:</b> Manufacturer and distributor of packaged food, confectionery (scorched almonds) and pet food; head office in Auckland, 2 regional sales offices in Auckland and Christchurch, 2 factories in Auckland and Marton; \$60m exports from Auckland site, regional hub for Maggi</p>  | <p><b>DESCRIPTION:</b> Importer and manufacturer of cacao products, Pacific sourced; bean to bar premium chocolate maker; manufacturing in Hawkes Bay</p>   | <p><b>DESCRIPTION:</b> Premium craft bean-to-bar chocolate maker based in Dunedin; cocoa beans sourced from the Pacific; all bars single origin and fully traceable to the farm where the beans were grown</p>  | <p><b>DESCRIPTION:</b> Chocolate and ice cream manufacturers; coffee roasters; five cafes and retail stores in Central Otago; online sales; Belgian and Australian couverture chocolate</p> |
| <p><b>KEY PRODUCTS:</b> Coffee, tea, chocolate, confectionery, culinary, snacks, breakfast, infant nutrition, milks, pet food</p>  | <p><b>KEY PRODUCTS:</b> Chocolate bars, drinking chocolate bar, cacao nibs, raw cacao beans</p>   | <p><b>KEY PRODUCTS:</b> Chocolate bars, cacao beans, nibs, flakes</p>   | <p><b>KEY PRODUCTS:</b> Boxed chocolates, chocolate bars; coffee beans, ice cream, sorbet, frozen yoghurt</p>   |
| <p><b>OWNERSHIP:</b> Switzerland; Public (Nestle (VTX:NESN))</p>   | <p><b>OWNERSHIP:</b> NZ; Private (Belcher)</p>  | <p><b>OWNERSHIP:</b> NZ; Private (Rowe)</p>   | <p><b>OWNERSHIP:</b> NZ; Private (Gimenez, Giallonardo)</p>   |
| <p><b>COMPANY NUMBER:</b> 46423</p>  | <p><b>COMPANY NUMBER:</b> 3632211</p>   | <p><b>COMPANY NUMBER:</b> 4388827</p>   | <p><b>COMPANY NUMBER:</b> 1631665</p>   |
| <p><b>ADDRESS:</b> Level 3, 12-16 Nicholls Lane, Parnell, Auckland</p>   | <p><b>ADDRESS:</b> 4 Shortland Place, Havelock North, Hawkes Bay</p>  | <p><b>ADDRESS:</b> 22 Vogel Street, Dunedin</p>   | <p><b>ADDRESS:</b> Unit 8, 174-180 Glenda Drive, Frankton</p>   |
| <p><b>PHONE:</b> +64 9 367 2800</p>  | <p><b>PHONE:</b> +64 21 124 1167</p>  | <p><b>PHONE:</b> +64 274 901 421</p>  | <p><b>PHONE:</b> +64 3 441 2891</p>   |
| <p><b>WEBSITE:</b> www.nestle.co.nz</p>  | <p><b>WEBSITE:</b> www.olapacifica.com</p>  | <p><b>WEBSITE:</b> www.ocho.co.nz</p>   | <p><b>WEBSITE:</b> www.patagoniachocolates.co.nz</p>  |
| <p><b>YEAR FORMED:</b> 1926</p>  | <p><b>YEAR FORMED:</b> 2011</p>   | <p><b>YEAR FORMED:</b> 2013</p>   | <p><b>YEAR FORMED:</b> 2005</p>   |
| <p><b>STAFF EMPLOYED:</b> 720</p>  | <p><b>STAFF EMPLOYED:</b> TBD</p>   | <p><b>STAFF EMPLOYED:</b> 5</p>   | <p><b>STAFF EMPLOYED:</b> TBD</p>   |
| <p><b>REVENUE:</b> \$406m (FY16)</p>   | <p><b>REVENUE:</b> &lt;\$1m*</p>  | <p><b>REVENUE:</b> &lt;\$1m*</p>  | <p><b>REVENUE:</b> \$2-5m*</p>  |
| <p><b>COMPANY HIGHLIGHTS:</b> Invested \$7m at Marton factory to expand production of Tux pet food products in '15; \$2.4m upgrade to Cambria Park factory in Auckland in '17, expand gluten-free range; new global CEO, Mark Schneider in '17; formerly of German healthcare company, confirming Nestle's expansion of health and wellness business</p> | <p><b>COMPANY HIGHLIGHTS:</b> Pioneered the Samoan single origin NZ made craft chocolate and the revival of Samoan grown cacao beans; exhibitor Fine Food Australia Melbourne September 2016; Finalist in Innovation &amp; Export Category - Pacific Business Trust Awards October 2016</p> | <p><b>COMPANY HIGHLIGHTS:</b> Dunedin Manufacturing Holdings Incorporated Society planned crowdsource funding to merge with OCHO in 2017 with plans to reorganise and significantly expand production</p>   | <p><b>COMPANY HIGHLIGHTS:</b></p>   |

\* Estimate; Source: various companies annual financial statements (NZ Companies Office or company website); various press releases and news articles; Coriolis analysis

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| <p><b>PROLIFE FOODS</b></p>  <p>Andrew Smith<br/>Chief Executive Officer</p>    | <p><b>QUEEN ANNE CHOCOLATES</b></p>  <p>Sarah Adams<br/>Owner</p>                               | <p><b>RAINBOW CONFECTIONERY</b></p>  <p>Ray White<br/>Managing Director</p>  | <p><b>RJ'S LICORICE</b></p>  <p>Anthony Quinn<br/>Director</p> |
| <p><b>DESCRIPTION:</b> Manufacturer of a wide range of FMCG products; Alison's Pantry, Sweetscoop, Mother Earth, <u>Donovan's chocolate</u>, etc. brands; Haddrell's of Cambridge honey brand, beekeeping and honey extraction facilities in Cambridge; sites in Hamilton and Melbourne; exports to Asia, ME</p>   | <p><b>DESCRIPTION:</b> Premium chocolate manufacturer; revival of 1925 established brand, previously owned by Ernest Adams; production moved to Christchurch factory in 2011</p> | <p><b>DESCRIPTION:</b> Manufacturer of sugar confectionery; based in Oamaru; private label and own brand; Rainbow, Regina brands</p>  | <p><b>DESCRIPTION:</b> Manufacturer of licorice confectionery; exports to USA, Canada, UK</p>   |
| <p><b>KEY PRODUCTS:</b> Nuts, dried fruits, healthy snacks, cereals, seeds &amp; grains, confectionery, chocolate, breakfast spreads, honey</p>  | <p><b>KEY PRODUCTS:</b> Boxed chocolates, marshmallow bars</p>   | <p><b>KEY PRODUCTS:</b> Gum, fondant, chocolate enrobed, sour confectionery, Easter eggs, other confectionery</p>   | <p><b>KEY PRODUCTS:</b> Licorice, raspberry twists, chocolate enrobed licorice, licorice allsorts</p>   |
| <p><b>OWNERSHIP:</b> NZ; Private (Crosby 89%, others)</p>  | <p><b>OWNERSHIP:</b> NZ; Private (Zwarts, Carnie, Simpson)</p>   | <p><b>OWNERSHIP:</b> NZ; Private (White 33%, Thornton 33%, Betty 33%)</p>   | <p><b>OWNERSHIP:</b> NZ; Private (Yu)</p>   |
| <p><b>COMPANY NUMBER:</b> 334376</p>   | <p><b>COMPANY NUMBER:</b> 1982718</p>  | <p><b>COMPANY NUMBER:</b> 1142447</p>   | <p><b>COMPANY NUMBER:</b> 5747039</p>   |
| <p><b>ADDRESS:</b> 100 Maui Street, Hamilton</p>   | <p><b>ADDRESS:</b> 19 Cable Street, Sockburn</p>   | <p><b>ADDRESS:</b> 459 Thames Highway, Oamaru</p>   | <p><b>ADDRESS:</b> 5 Tiro Tiro Road, Levin</p>  |
| <p><b>PHONE:</b> +64 7 834 3333</p>  | <p><b>PHONE:</b> +64 3 357 0085</p>  | <p><b>PHONE:</b> +64 3 437 1847</p>   | <p><b>PHONE:</b> +64 6 366 0270</p>   |
| <p><b>WEBSITE:</b> <a href="http://www.prolifefoods.co.nz">www.prolifefoods.co.nz</a>; <a href="http://www.donovanschocolates.co.nz">www.donovanschocolates.co.nz</a></p>  | <p><b>WEBSITE:</b> <a href="http://www.queenanne.co.nz">www.queenanne.co.nz</a></p>  | <p><b>WEBSITE:</b> <a href="http://www.rainbowconfectionery.co.nz">www.rainbowconfectionery.co.nz</a></p>   | <p><b>WEBSITE:</b> <a href="http://www.rjslicorice.co.nz">www.rjslicorice.co.nz</a></p>   |
| <p><b>YEAR FORMED:</b> 1984</p>  | <p><b>YEAR FORMED:</b> 1997</p>  | <p><b>YEAR FORMED:</b> 2001</p>   | <p><b>YEAR FORMED:</b> 1995</p>   |
| <p><b>STAFF EMPLOYED:</b> 1,300</p>  | <p><b>STAFF EMPLOYED:</b> TBD</p>  | <p><b>STAFF EMPLOYED:</b> 80 FTE 40 seasonal</p>  | <p><b>STAFF EMPLOYED:</b> 60</p>  |
| <p><b>REVENUE:</b> \$250m+ (FY17)</p>  | <p><b>REVENUE:</b> \$1-4m*</p>   | <p><b>REVENUE:</b> \$30-50m*</p>  | <p><b>REVENUE:</b> \$15-20m*</p>  |
| <p><b>COMPANY HIGHLIGHTS:</b> Opened factory in Melbourne in '14; acquired Te Horo Jams and Cambridge Bee Products in '15; invested in 2,500m<sup>2</sup> warehouse expansion in Hamilton in '15; Mother Earth expanded range to include UMF rated Manuka honey, vegetable fruit sticks; acquired Flemings muesli bar business from Bluebird in Feb '17, acquired SunValley retail brands in Oct '17</p> | <p><b>COMPANY HIGHLIGHTS:</b></p>  | <p><b>COMPANY HIGHLIGHTS:</b> Relaunched Regina brand in '13; acquired Australian company Metford Confectionery with factory in Maitland, NSW in '13; closed Maitland factory in '15 citing low sales</p> | <p><b>COMPANY HIGHLIGHTS:</b> Sold to Australian Quinn family in '15; factory expanding to allow exports to USA in '16</p>                        |

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| <p>SCHOC CHOCOLATES</p>  <p>Murray Langham<br/>Owner</p>  | <p>THE SERIOUSLY GOOD CHOCOLATE COMPANY</p>  <p>Jane Stanton<br/>Owner</p> | <p>SHE UNIVERSE</p>  <p>Oonagh Browne<br/>Director &amp; General Manager</p>   | <p>SOLOMONS GOLD</p>  <p>Clive Carroll<br/>Managing Director</p>    |
| <p>DESCRIPTION: Premium chocolate manufacturer; two Wellington stores; uses couverture; founder is author of Chocolate Therapy books</p>   | <p>DESCRIPTION: Premium chocolate manufacturer; NZ flavours focus, especially wine and beer; factory tours and classes</p>                                  | <p>DESCRIPTION: Premium chocolate makers; use French and Belgian chocolate and bean to bar; founded by spiritual teacher B Prior; retreat, café, chocolate school, retail store and café at The Tannery, Christchurch</p> | <p>DESCRIPTION: Premium chocolate makers; bean to bar; Solomon Island sourced cacao beans from C-Corp's plantations (250ha); oversee entire chain of production; bespoke factory in Mount Maunganui opened in 2014; 2,000t of beans initially planned</p>   |
| <p>KEY PRODUCTS: Boxed chocolates, chocolate bars/tablets, dipped/enrobed, hot chocolate stirrers, chocolate shoes and bows</p>  | <p>KEY PRODUCTS: Boxed chocolates; chocolate bars, hot chocolate bars</p>   | <p>KEY PRODUCTS: Chocolate bars, boxed chocolates, enrobed chocolates</p>   | <p>KEY PRODUCTS: Chocolate bars, cacao nibs</p>   |
| <p>OWNERSHIP: NZ; Private (Langham)</p>  | <p>OWNERSHIP: NZ; Private (Stanton)</p>   | <p>OWNERSHIP: NZ; Private (Johnson, Prior, Scott, Browne)</p>   | <p>OWNERSHIP: AU; Private (Commodity Corporation)</p>   |
| <p>COMPANY NUMBER: 919751</p>  | <p>COMPANY NUMBER: 872198</p>   | <p>COMPANY NUMBER: 151838156</p>  | <p>COMPANY NUMBER: 4234998</p>  |
| <p>ADDRESS: 177 Main Street, Greytown</p>  | <p>ADDRESS: 147 Spey Street, Invercargill</p>   | <p>ADDRESS: 79 Main Road, Governors Bay</p>   | <p>ADDRESS: 1 Macrae Avenue, Mount Maunganui</p>  |
| <p>PHONE: +64 6 304 8960</p>   | <p>PHONE: +64 3 218 8060</p>  | <p>PHONE: +64 3 329 9222</p>  | <p>PHONE: +64 7 574 3022</p>  |
| <p>WEBSITE: www.schoc.co.nz</p>  | <p>WEBSITE: www.seriouslygoodchocolate.com</p>  | <p>WEBSITE: www.sheuniverse.com</p>   | <p>WEBSITE: www.solomonsgold.co.nz; www.commoditycorp.com.au</p>  |
| <p>YEAR FORMED: 2002</p>   | <p>YEAR FORMED: 1997</p>  | <p>YEAR FORMED: 2006</p>  | <p>YEAR FORMED: 2013</p>  |
| <p>STAFF EMPLOYED: 10</p>  | <p>STAFF EMPLOYED: 11</p>   | <p>STAFF EMPLOYED: TBD</p>  | <p>STAFF EMPLOYED: 5</p>  |
| <p>REVENUE: \$0-5m</p>   | <p>REVENUE: \$0-3m*</p>   | <p>REVENUE: \$0-3m*</p>   | <p>REVENUE: &gt;\$1m</p>  |
| <p>COMPANY HIGHLIGHTS: Won five awards at the inaugural New Zealand Chocolate Awards 2017</p>  | <p>COMPANY HIGHLIGHTS:</p>  | <p>COMPANY HIGHLIGHTS:</p>  | <p>COMPANY HIGHLIGHTS: Smooth Dark 70% Cacao awarded a Silver medal at the Academy of Chocolate Awards in London in June 2017; dark Berry and Dark Orange 70% Cacao bars (with coconut sap sugar) won Bronze awards at the 2017 New Zealand Chocolate Awards; finalist in the 2016 Bay Of Plenty Emerging Exporter of the Year awards</p> |

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| <p><b>SUPREMELY GOURMET</b></p>  <p>Adrian Welham<br/>Owner</p>                   | <p><b>THE REMARKABLE CHOCOLATE CO</b></p>  <p>Tracey Melville-Smith<br/>Founder</p>  | <p><b>THE SILKY OAK CHOCOLATE COMPANY</b></p>  <p>Jeanette Darwen<br/>Director</p>                     | <p><b>TRADE AID IMPORTERS</b></p>  <p>Geoff White<br/>Chief Executive Officer</p>   |
| <p><b>DESCRIPTION:</b> Manufacturer of chocolates; range targeted at tourists, stocked at airports, Duty Free stores; NZ scenery packaging, NZ fruit flavours</p> | <p><b>DESCRIPTION:</b> Premium contemporary chocolate manufacturer; utilising premium/organic ingredients; expertise in business process, fast to market NPD and premium brand positioning</p>  | <p><b>DESCRIPTION:</b> Premium chocolate manufacturer; retail stores in Tauranga and Lower Hutt; onsite retail store, café, function centre and chocolate museum at factory in Napier</p> | <p><b>DESCRIPTION:</b> Fair trade organisation founded in NZ; retails stores selling artisan handcrafts and food products; largest fair trade coffee importer in NZ; Sweet Justice chocolate factory in Christchurch; organic, fair trade chocolate with cocoa sourced from Dominican Republic, Ecuador, Peru</p> |
| <p><b>KEY PRODUCTS:</b> Boxed chocolates, cookies</p>   | <p><b>KEY PRODUCTS:</b> Chocolates that are handmade in New Zealand with Organic premium chocolate: dark chocolate bark, premium chocolate bars, luxury gifting, and organic seasonal products</p>  | <p><b>KEY PRODUCTS:</b> Boxed chocolates, chocolate bars</p>  | <p><b>KEY PRODUCTS:</b> Chocolate, coffee, dried fruit, nuts, seeds, tea, cooking ingredients, chocolate sauce, drinking chocolate</p>  |
| <p><b>OWNERSHIP:</b> NZ; Private (Welham, Kerr)</p>   | <p><b>OWNERSHIP:</b> NZ; Private (McCutcheon)</p>   | <p><b>OWNERSHIP:</b> NZ; Private (Pearson, Darwen)</p>  | <p><b>OWNERSHIP:</b> NZ; Charitable Status Incorporated Society (Trade Aid New Zealand Incorporated)</p>  |
| <p><b>COMPANY NUMBER:</b> 1505874</p>   | <p><b>COMPANY NUMBER:</b> 545044</p>  | <p><b>COMPANY NUMBER:</b> 1006133</p>   | <p><b>COMPANY NUMBER:</b> 142475</p>  |
| <p><b>ADDRESS:</b> 43 Woodmancote Road, Khandallah</p>  | <p><b>ADDRESS:</b> 77a Owens Road, Mt Eden, Auckland</p>  | <p><b>ADDRESS:</b> 1131 Links Road, Napier</p>  | <p><b>ADDRESS:</b> 174 Gayhurst Road, Christchurch</p>  |
| <p><b>PHONE:</b> +64 4 479 3292</p>   | <p><b>PHONE:</b> +64 27 591 3424</p>  | <p><b>PHONE:</b> +64 6 845 0908</p>   | <p><b>PHONE:</b> +64 3 385 3535</p>   |
| <p><b>WEBSITE:</b> www.supremelygourmet.co.nz</p>   | <p><b>WEBSITE:</b> www.remarkablechocolate.com</p>  | <p><b>WEBSITE:</b> www.silkyoakchocs.co.nz</p>  | <p><b>WEBSITE:</b> www.tradeaid.org.nz</p>  |
| <p><b>YEAR FORMED:</b> 1998</p>   | <p><b>YEAR FORMED:</b> 2014</p>   | <p><b>YEAR FORMED:</b> 2000</p>   | <p><b>YEAR FORMED:</b> 1973</p>   |
| <p><b>STAFF EMPLOYED:</b> TBD</p>   | <p><b>STAFF EMPLOYED:</b> 2</p>   | <p><b>STAFF EMPLOYED:</b> TBD</p>   | <p><b>STAFF EMPLOYED:</b> 35 H/O; 5 FT (factory)</p>  |
| <p><b>REVENUE:</b> \$2-5m*</p>  | <p><b>REVENUE:</b> &lt;\$1m*</p>  | <p><b>REVENUE:</b> &lt;\$1m</p>   | <p><b>REVENUE:</b> \$20m</p>  |
| <p><b>COMPANY HIGHLIGHTS:</b></p>   | <p><b>COMPANY HIGHLIGHTS:</b> Four medals awarded at the 2017 NZ Chocolate Awards; Gold Pride in Print award 2016; domestic retail growth through Farmers Markets, food retailers and premium retailers</p>   | <p><b>COMPANY HIGHLIGHTS:</b></p>   | <p><b>COMPANY HIGHLIGHTS:</b> Opened Christchurch based chocolate factory, Sweet Justice Ltd in 2014</p>  |

\* Estimate; Source: various companies annual financial statements (NZ Companies Office or company website); various press releases and news articles; Coriolis analysis

|   |   |   |   |
|---|---|---|---|
| <p>VAN HEININGEN CHOCOLATES</p>  <p>Peter Bradshaw<br/>General Manager &amp; Director</p> | <p>VITACO HEALTH GROUP LTD</p>   <p>Ryan d'Almeida<br/>Chief Executive Officer</p>                 | <p>WAIKATO VALLEY CHOCOLATES</p>   <p>Jeff Andersen<br/>General Manager</p> | <p>WELLINGTON CHOCOLATE FACTORY</p>   <p>Gabe Davidson<br/>Co owner</p> |
| <p>DESCRIPTION: Premium chocolate manufacturer; leading supplier to the NZ hospitality industry; Callebaut chocolate; corporate sales; Halal range</p>                    | <p>DESCRIPTION: Health and wellness products manufacturer; branded and contract manufacturing across 3 sites around Auckland; Healtheries, Wagner, Nutra-Life, Aussie Bodies, Musashi, Balance, Bodytrim, Biolane, Abundant Earth brands; exports to 39 countries</p> | <p>DESCRIPTION: Manufacturer of chocolate; specialising in panning and moulding; exclusively supplies The Warehouse in NZ; private label manufacturing</p>  | <p>DESCRIPTION: Premium chocolate maker; bean to bar; single origin, organic and ethically sourced and traded beans; NZ artist designed packaging; ~2,000 bars per week production; onsite retail store, tours</p>                            |
| <p>KEY PRODUCTS: Boxed chocolates, chocolate bars; dessert shells and cups</p>  | <p>KEY PRODUCTS: Supplements, vitamins, sports nutrition, health foods (baking, cereals, teas etc.)</p>   | <p>KEY PRODUCTS: Easter eggs, blocks, enrobed nuts and fruit, Trolli products, dried fruit and nut mixes</p>  | <p>KEY PRODUCTS: Chocolate bars, drinking chocolate</p>   |
| <p>OWNERSHIP: NZ; Private (Bradshaw, Hislop)</p>  | <p>OWNERSHIP: China; Public (Shanghai Pharma (SHA:601607; 2607:HK) 60%), China; PE (Primavera Capital 40%) via Zeus Investment (HK)</p>   | <p>OWNERSHIP: NZ; Private (The Warehouse Group 50%; Razey; others)</p>  | <p>OWNERSHIP: NZ; Private (Davidson 53%, Harrison 41%, Bushell, Morrison, Shirtcliff)</p>   |
| <p>COMPANY NUMBER: 873703</p>   | <p>COMPANY NUMBER: 1885808</p>  | <p>COMPANY NUMBER: 658131</p>   | <p>COMPANY NUMBER: 2508939</p>  |
| <p>ADDRESS: 4 Halwyn Drive, Hei Hei, Christchurch</p>   | <p>ADDRESS: 4 Kordel Place, East Tamaki, Auckland</p>   | <p>ADDRESS: 1 Innovation Way, Northgate Park Horotiu, Hamilton</p>  | <p>ADDRESS: 5 Eva Street, Wellington</p>  |
| <p>PHONE: +64 3 342 8438</p>  | <p>PHONE: +64 9 272 3838</p>  | <p>PHONE: +64 7 855 8733</p>  | <p>PHONE: +64 4 385 7555</p>  |
| <p>WEBSITE: <a href="http://www.vanhchocolates.co.nz">www.vanhchocolates.co.nz</a></p>  | <p>WEBSITE: <a href="http://www.vitaco.co.nz">www.vitaco.co.nz</a>; <a href="http://www.healtheries.co.nz">www.healtheries.co.nz</a></p>  | <p>WEBSITE: <a href="http://www.waikatovalleychocolates.co.nz">www.waikatovalleychocolates.co.nz</a></p>  | <p>WEBSITE: <a href="http://www.wcf.co.nz">www.wcf.co.nz</a>; <a href="http://www.wellington-chocolate-factory.myshopify.com">www.wellington-chocolate-factory.myshopify.com</a></p>  |
| <p>YEAR FORMED: 1985</p>  | <p>YEAR FORMED: 1904/2006</p>   | <p>YEAR FORMED: 1975</p>  | <p>YEAR FORMED: 2010</p>  |
| <p>STAFF EMPLOYED: TBD</p>  | <p>STAFF EMPLOYED: 400</p>  | <p>STAFF EMPLOYED: 40</p>   | <p>STAFF EMPLOYED: 15</p>   |
| <p>REVENUE: \$2-10m*</p>  | <p>REVENUE: A\$258m (FY16; 15 months) A\$213m (FY16; 12 months proforma)</p>  | <p>REVENUE: \$10-15m*</p>   | <p>REVENUE: \$1m+</p>   |
| <p>COMPANY HIGHLIGHTS:</p>  | <p>COMPANY HIGHLIGHTS: Acquired Musashi and Post Foods '15; IPO raised \$232m in '15; NZ revenue 40%; 100% \$314m sale to Shanghai Pharma and Primavera announced Aug '16</p>   | <p>COMPANY HIGHLIGHTS: New purpose-built production facility, May 2017</p>  | <p>COMPANY HIGHLIGHTS:</p>  |

## WILDNESS CHOCOLATE



Marie Monmont  
Owner

**DESCRIPTION:** Organic chocolate manufacturer; uses unique Brazilian fruit cupuacu as flavour ingredient; employs prisoners to package bars; owns plantations in Serra Grande; supplies to Intercontinental and Accor hotel chains, exports to Asia Pacific and Europe

**KEY PRODUCTS:** Chocolate bars, crystallised cupuacu dipped in chocolate

**OWNERSHIP:** NZ; Private (Monmont)

**COMPANY NUMBER:** 2484749

**ADDRESS:** Evans Bay Parade,  
Roseneath

**PHONE:** +64 21 252 1005

**WEBSITE:** [www.wildness.co.nz](http://www.wildness.co.nz)

**YEAR FORMED:** 2015

**STAFF EMPLOYED:** 3-10

**REVENUE:** \$0-2m

**COMPANY HIGHLIGHTS:** Significant focus on developing a sustainable Social Enterprise (profits donated, employ prisoners etc.); began exporting 2017

# Appendices

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- + Industry organisations and events
- + Chocolate language
- + Glossary of terms

06

## INDUSTRY ORGANISATIONS & EVENTS

New Zealand has a broad range of produce organisations that support and promote the industry



- Represents the manufacturers and suppliers behind New Zealand's food, beverage and grocery brands, including confectionery

- [www.fgc.org.nz](http://www.fgc.org.nz)



- Open access commercial scale pilot plants
- Five locations across NZ

- [www.foodinnovationnetwork.co.nz](http://www.foodinnovationnetwork.co.nz)



- Search for NZ's finest chocolate
- 23 categories

- [www.nzchocolateawards.co.nz](http://www.nzchocolateawards.co.nz)



- 2017 4<sup>th</sup> annual Chocolate and Coffee Show
- 2 day event
- 8,000 visitors

- [www.chocolatecoffee.show.co.nz](http://www.chocolatecoffee.show.co.nz)

## LANGUAGE OF CHOCOLATE The chocolate industry has unique language increasingly moving towards the terminology of the wine industry

- BEAN TO BAR** Chocolate made from whole beans by one company
- BLEND** Chocolate made from more than one variety of cocoa type
- CHOCOLATE LIQUOR** Ground nibs with no sugar added (solid MASS or liquid form)
- CHOCOLATEIR** Maker of chocolate confectionery (premade chocolate melted and formed)
- COCOA BUTTER** The fat in the cocoa bean
- COCOA PERCENT** Percentage of bar that is chocolate liquor and/or cocoa butter
- COCOA POWDER** Powder resulting when cocoa butter is removed from liquor
- COMPOUND CHOCOLATE** Uses cocoa powder instead of liquor and replaces cocoa butter with an oil
- CONCHE** Machine for stirring and heating chocolate to “polish” chocolate to make more smooth
- COUVERTURE** Fine textured chocolate usually containing high percent of cocoa butter used for truffles and bonbons
- CRIOLLO** A fine flavoured, highly desirable cocoa bean
- DIRECT TRADE** Buying directly from farmers
- FAIR TRADE** Certified system with guaranteed price to ensure fair dealings with farmers
- FORASTERO** Not part of Criollo or hybrid cacao, a high yielding cacao (often described as bulk cocoa)
- INCLUSION** Ingredient added to chocolate (e.g. salt, fruits, nuts etc.)
- MELANGEUR** Machine that grinds nibs into liquor
- MILK CHOCOLATE** Chocolate liquor with added sugar and milk powder
- NACIONAL** A fine flavour cocoa bean often from Ecuador
- NIB** Broken cocoa bean, ground to make liquor
- SINGLE ESTATE** beans grown and sourced from a single property
- SINGLE ORIGIN** chocolate is sourced from one area (maybe still blended)
- TEMPER** Process of heating and cooling chocolate to achieve desired snap and sheen
- TREE TO BAR** Cacao grown, harvested and processed into chocolate by the same organisation
- TRINITARIO** A fine-flavoured cocoa hybrid (Origin in Trinidad)
- TWO INGREDIENT CHOCOLATE** Chocolate using only cocoa beans and sugar (popularised by bean to bar “movement”)
- WHITE CHOCOLATE** Cocoa butter combined with sugar, milk/cream and vanilla
- WINNOW** Process of separating shell and nibs

# GLOSSARY OF TERMS

|             |  |            |  |
|-------------|--|------------|--|
| A\$/AUD     | Australian dollar  | n/a        | Not available/not applicable                     |
| ABS         | Absolute change  | NA/ME/CA   | North Africa / Middle East / Central Asia        |
| ANZSIC      | AU/NZ Standard Industry Classification                       | N. America | North America (USA, Canada)                      |
| AU          | Australia  | Nec/nes    | Not elsewhere classified/not elsewhere specified |
| Australasia | Australia and New Zealand                                    | N/C        | Not calculable                                   |
| b           | Billion  | N.H        | Northern Hemisphere                              |
| CAGR        | Compound Annual Growth Rate                                  | NZ         | New Zealand                                      |
| CN          | China  | NZ\$/NZD   | New Zealand dollar                               |
| C/S America | Central & South America (Latin America)                      | R&D        | Research and Development                         |
| CRI         | Crown Research Institute                                     | S Asia     | South Asia (Indian Subcontinent)                 |
| CY          | Calendar year (ending Dec 21)                                | SE Asia    | South East Asia                                  |
| E Asia      | East Asia  | S.H        | Southern Hemisphere                              |
| EBITDA      | Earnings before interest, tax, depreciation and amortization | SS Africa  | Sub-Saharan Africa                               |
| FAO         | Food and Agriculture Organisation of the United Nations      | T          | Tonne  |
| FOB         | Free on Board  | US/USA     | United States of America                         |
| FY          | Financial year (of firm in question)                         | US\$/USD   | United States dollar                             |
| GBP         | British pounds   |            |  |
| HK          | Hong Kong  |            |  |
| IQF         | Individually quick frozen                                    |            |  |
| JV          | Joint venture  |            |  |
| m           | Million  |            |  |

## **AUSTRALIA**

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Coriolis is the leading Australasian management consulting firm specialising in the wider food value chain. We work on projects in agriculture, food and beverages, consumer packaged goods, retailing & foodservice. In other words, things you put in your mouth and places that sell them.

## **WHERE WE WORK**

We focus on the Asia Pacific region, but look at problems with a global point-of-view. We have strong understanding of, and experience in, markets and systems in Australia, China, Japan, Malaysia, New Zealand, Singapore, South Korea, Thailand, the United Kingdom and the U.S. We regularly conduct international market evaluations and benchmarking.

## **WHAT WE DO**

We help our clients assemble the facts needed to guide their big decisions. We develop practical, fact-based insights grounded in the real world that guide our clients decisions and actions. We make practical recommendations. We work with clients to make change happen. We assume leadership positions to implement change as necessary.

## **HOW WE DO IT**

All of our team have worked across one-or-more parts of the wider food value chain, from farm-to-plate. As a result, our recommendations are grounded in the real world. Our style is practical and down-to-earth. We try to put ourselves in our clients' shoes and focus on actions. We listen hard, but we are suspicious of the consensus. We provide an external, objective perspective. We are happy to link our fees to results.

## **WHO WE WORK WITH**

We only work with a select group of clients we trust. We build long term relationships with our clients and more than 80% of our work comes from existing clients. Our clients trust our experience, advice and integrity.

Coriolis advises clients on growth strategy, mergers and acquisitions, operational improvement and organisational change. Typical assignments for clients include...

## **FIRM STRATEGY & OPERATIONS**

We help clients develop their own strategy for growing sales and profits. We have a strong bias towards growth driven by new products, new channels and new markets.

## **MARKET ENTRY**

We help clients identify which countries are the most attractive - from a consumer, a competition and a channel point-of-view. Following this we assist in developing a plan for market entry and growth.

## **VALUE CREATION**

We help clients create value through revenue growth and cost reduction.

## **TARGET IDENTIFICATION**

We help clients identify high potential acquisition targets by profiling industries, screening companies and devising a plan to approach targets.

## **DUE DILIGENCE**

We help organisations make better decisions by performing consumer and market-focused due diligence and assessing performance improvement opportunities.

## **EXPERT WITNESS**

We provide expert witness support to clients in legal cases and insurance claims. We assist with applications under competition/fair trade laws and regulations.

