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

CORIOLIS research·consulting·strategy

MINISTRY OF BUSINESS, INNOVATION & EMPLOYMENT
HĪKINA 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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- 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).

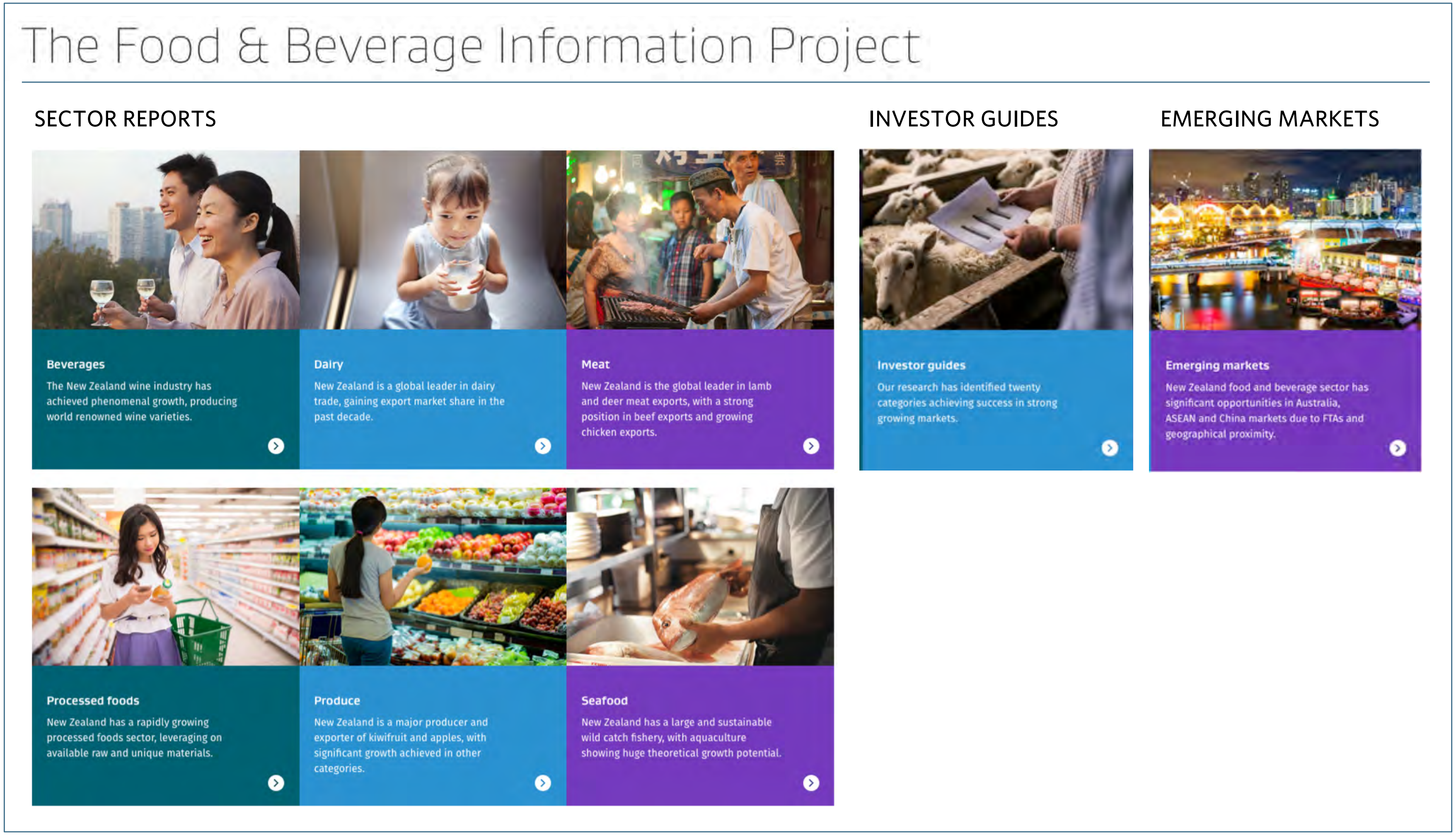
The research forms a part of – and builds on the information in - the wider Food & Beverage Information Project.

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



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

Stage I
Preliminary Screen

Stage II
Secondary Screen

Stage III
Develop Opportunities

You are here

Initial input to process
697

Met criteria
594

Met criteria
51

Identified
20

Explored in depth
4

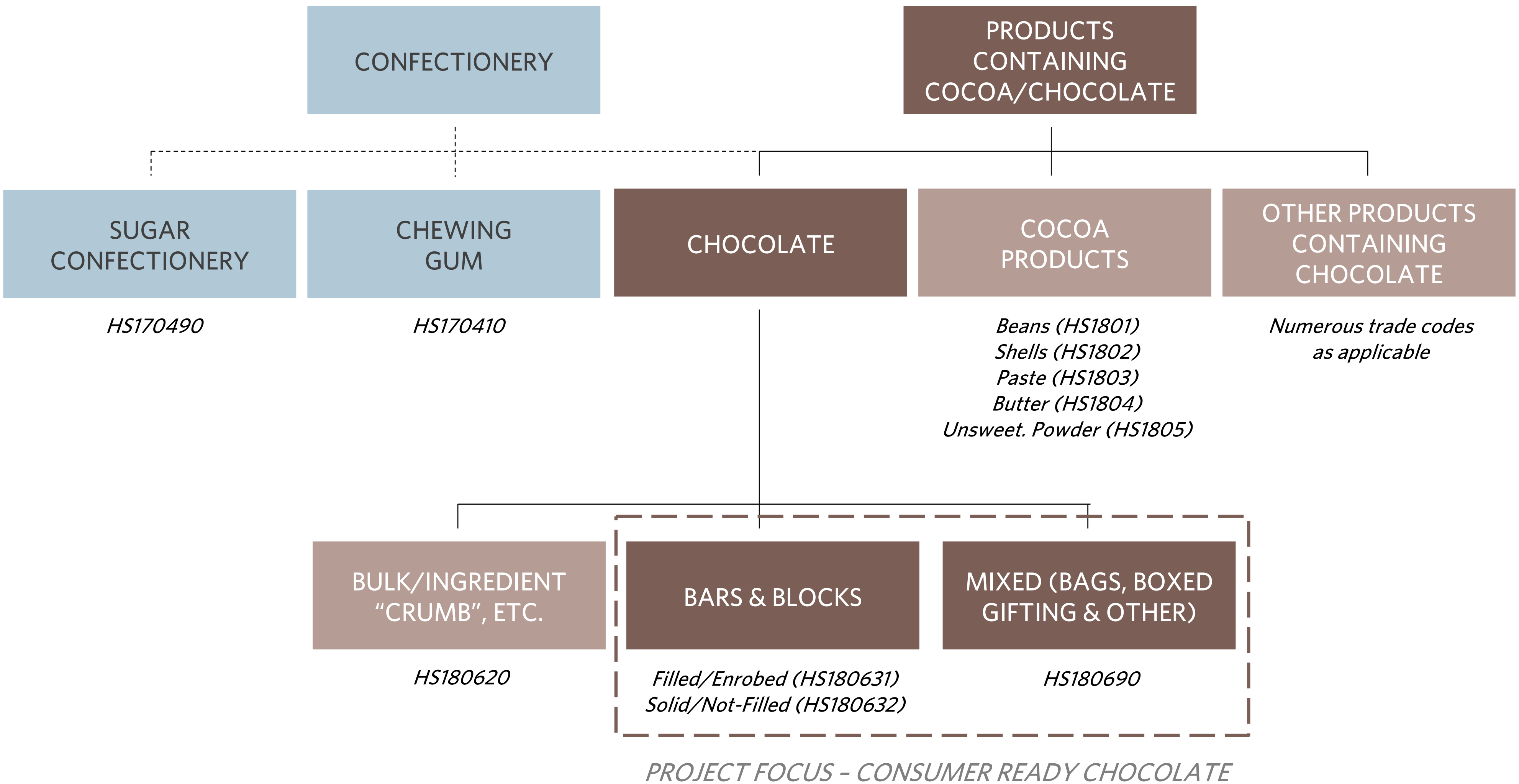
Chocolate, blocks & mixed

Fresh cherries

Muesli bars, similar

Flavoured beverages, other

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

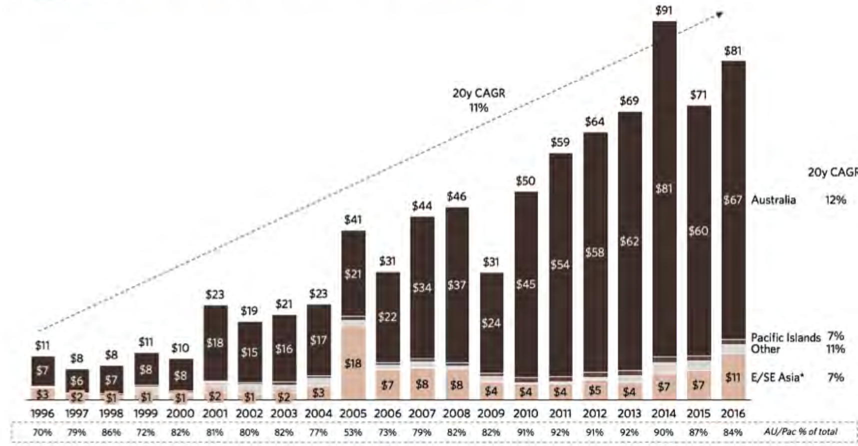
ELEVATOR TEST New Zealand chocolate exports can grow through a focus on premium positioning

New Zealand has a range of chocolate companies across all regions

* SI = South Island; Source: Coriolis

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

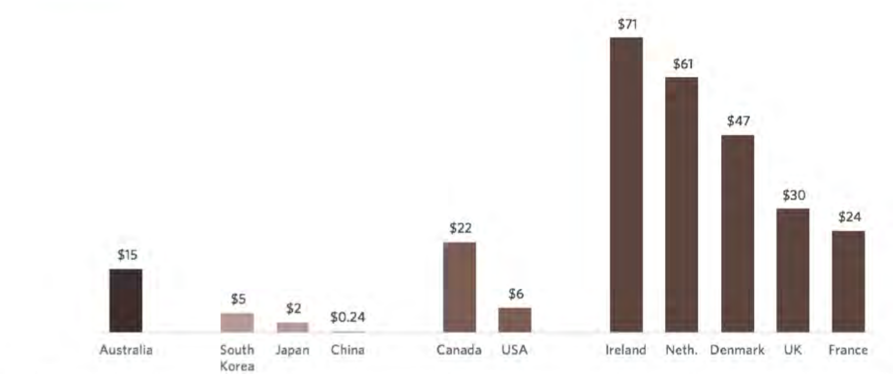
NEW ZEALAND CONSUMER READY CHOCOLATE EXPORT VALUE BY MARKET
US$m; 1996-2016



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

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

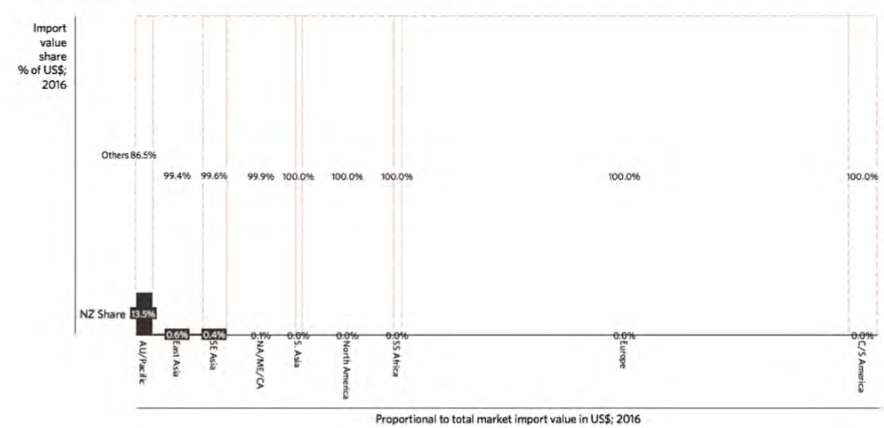


	Australia	South Korea	Japan	China	Canada	USA	Ireland	Neth.	Denmark	UK	France
NZ $ Share of Import	18.5%	0.2%	0.1%	2.2%	0.1%	0.00%	0.00%	0.00%	0.00%	0.02%	0.00%

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

New Zealand 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



Source: UN Comtrade database; Coriolis analysis

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))*

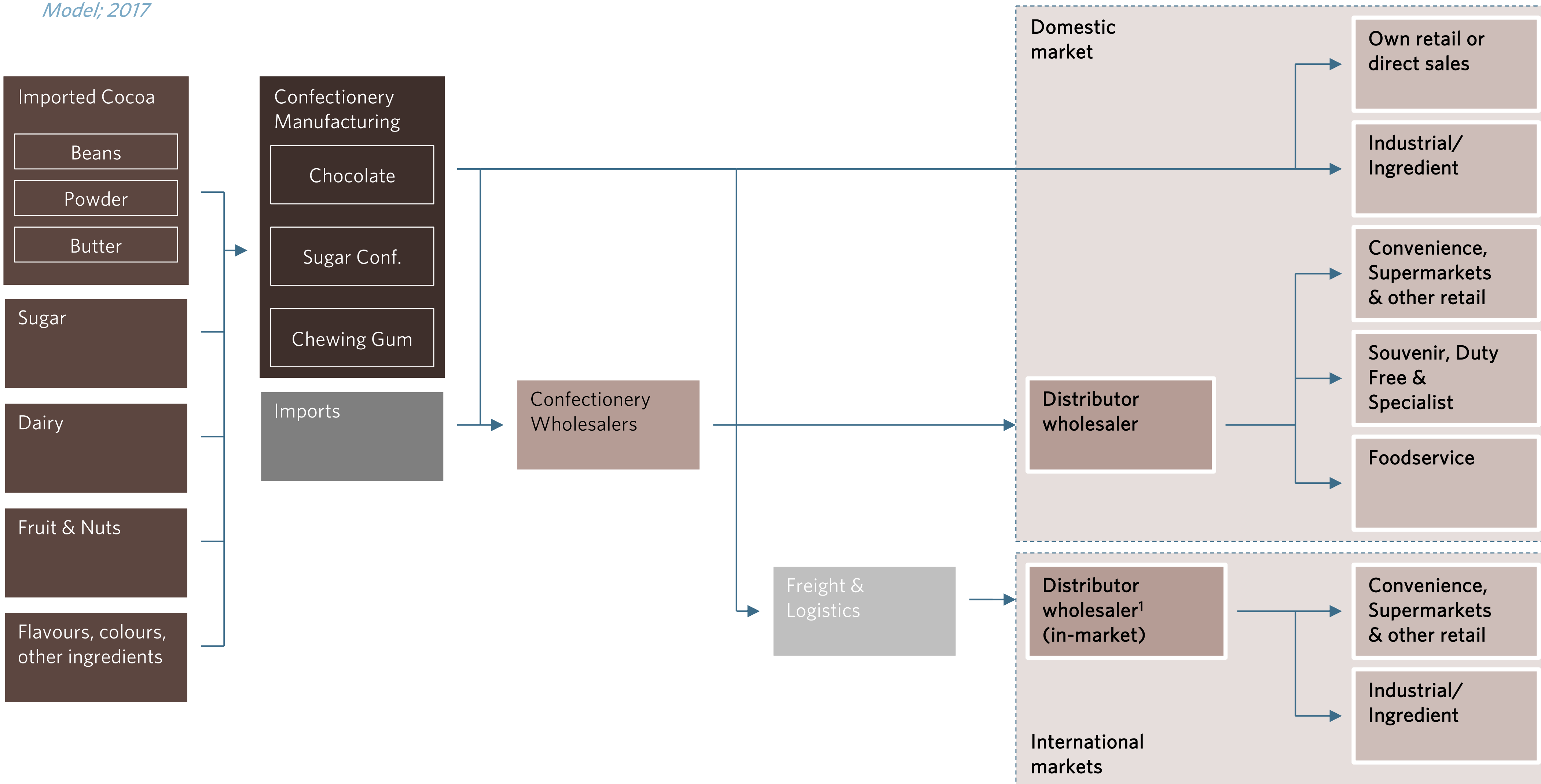
SWOT ANALYSIS New Zealand has a growing niche position in the global chocolate trade; success will come from continued innovation and sales-and-marketing execution

STRENGTHS	WEAKNESSES
- Abundant supply of sugar (NZ Sugar) and numerous unique raw materials as ingredients; ready access to global cocoa bean and powder supplies - Largest global exporter of dairy ingredients - Known and trusted supplier of safe and secure ingredients and products to most major global food & beverage multinationals - Robust regulatory system ensures food produced is safe and suitable - Lower cost structure than Australia or the United States - Low/no corruption, rule of law, efficient court system - Welcoming of foreign investment; very few rules or limits - Strong local manufacturing/process technology skills - Customer/consumer awareness, particularly in Asia, of New Zealand as a source of quality, wholesome foods - International surveys highlight high levels of innovation and entrepreneurship - Close proximity to fast growing Asian markets	- Small size of domestic market - Distance to major high value markets (e.g. relative to Switzerland to Germany) - Limited pool of domestic or resident capital - Small domestic private equity sector - Limited number of highly experienced chocolatiers and chocolate makers - No rich food cultural heritage or tradition to draw from for new product development (vs. France or Italy) - Need to import tropical ingredients (i.e. cocoa); similar to other major producers - Exchange rate variability - “NZ Inc.” failing to collectively nurture emerging Horizon 2 products to scale
OPPORTUNITIES	**ISSUES/THREATS/RISKS**
- Growth of Asian middle class; increasing wealth in Asia - Changing global weather patterns (also a threat) - Rich countries of Europe pricing themselves “out of the game” - Large and growing demand for products with soft characteristics (e.g. sustainable) - A number of alternative channels for processed foods - Leverage success of New Zealand food industry; build on awareness of New Zealand in processed foods - Growth of busy lifestyles and convenience foods - Medium-sized NZ firms collaborating on marketing and sales in new markets	- Competitors with lower costs and greater economies of scale - Continued consolidation of global multinationals leading to hollowing out their local offices (both a big challenge and a huge opportunity) - The boom/bust economic cycle expresses itself in China

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

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

Develop unique New Zealand chocolate style or formulation

- 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

Build execution capabilities

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

Innovate rapidly

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

Focus on select developed markets with high premium chocolate consumption

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

The World of Chocolate

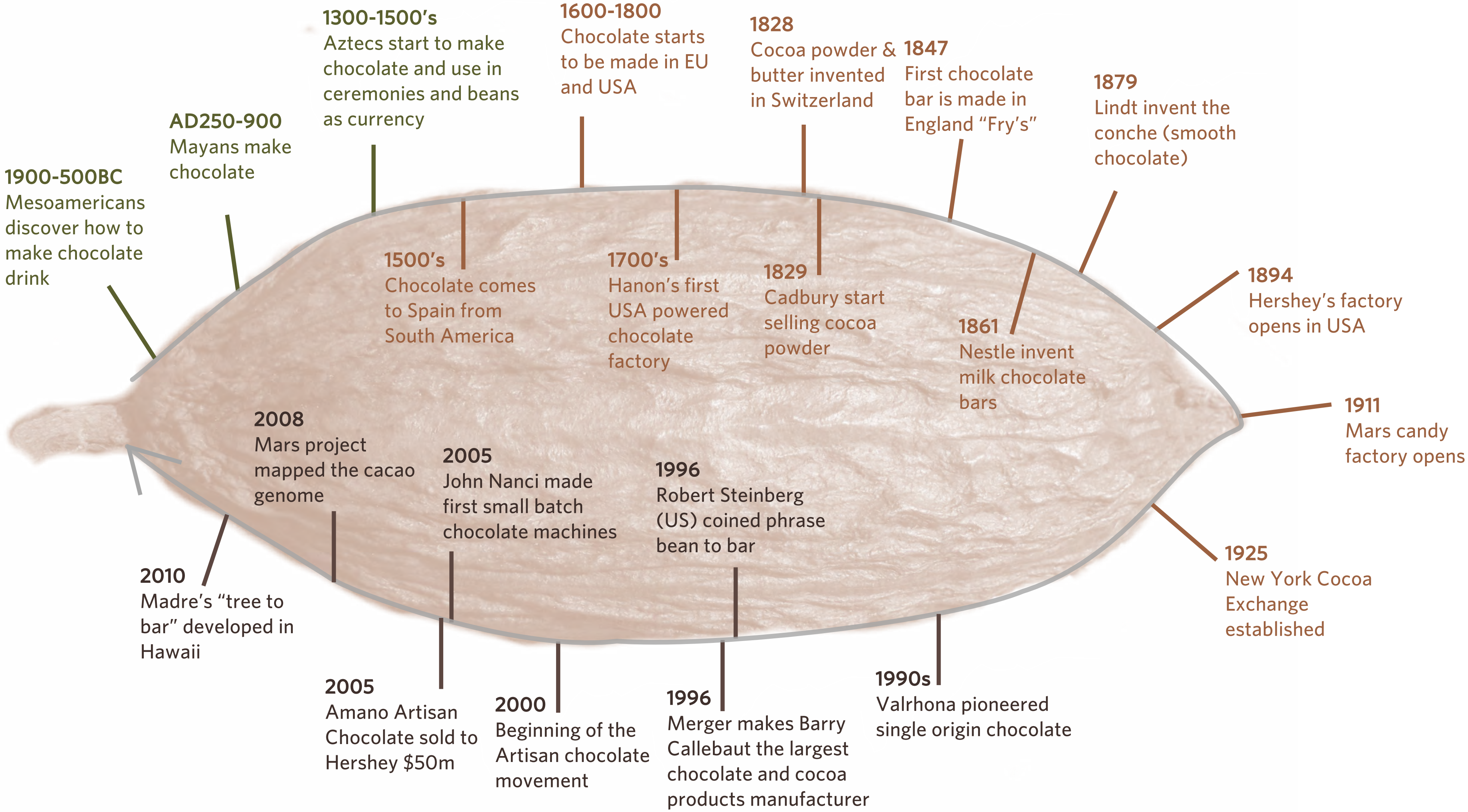
+ History
+ The Process
+ Global situation
+ Key markets
+ Key competitors

02

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

CHOCOLATE TIMELINE

Key events

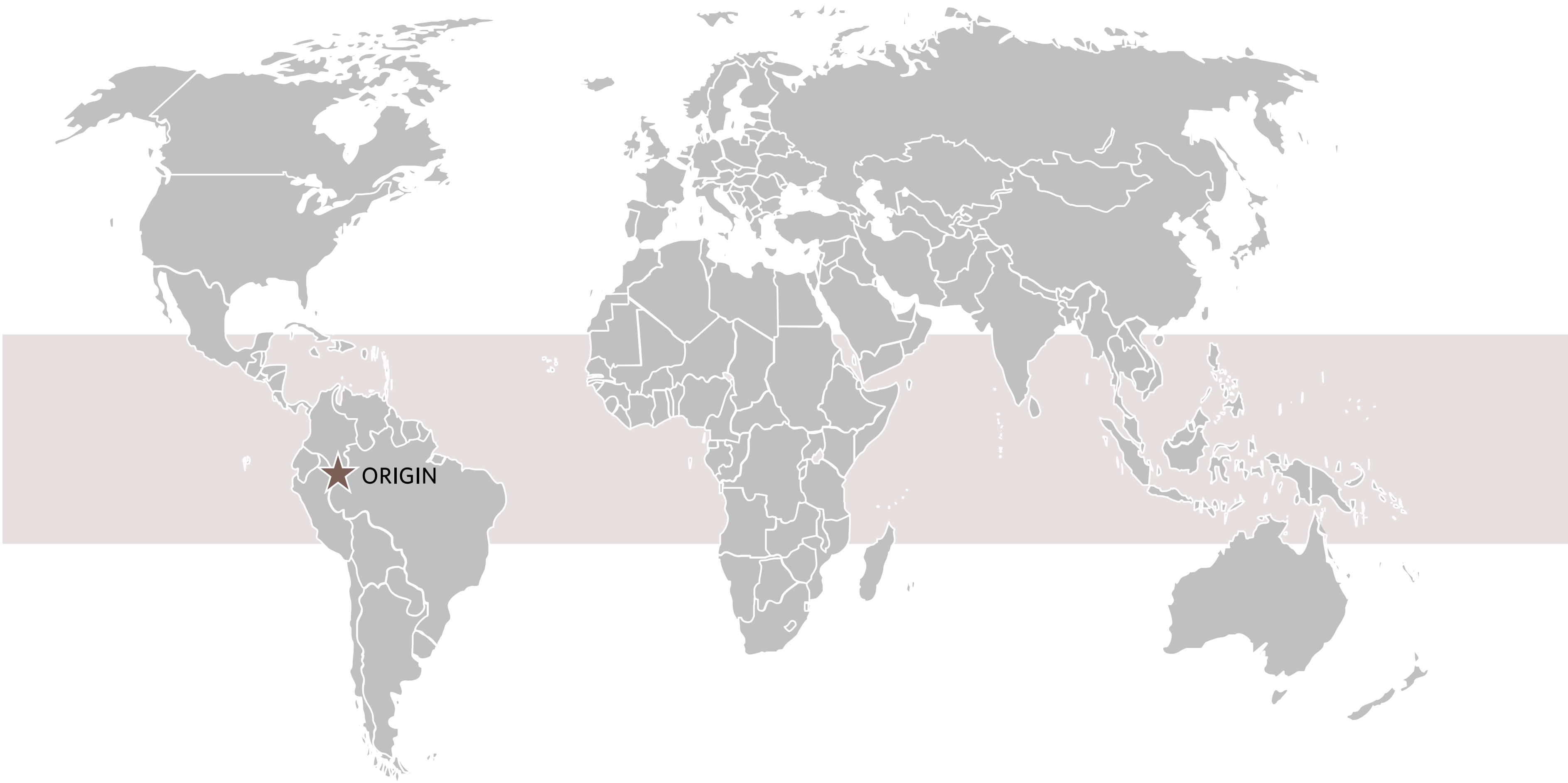


Source: Coriolis

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

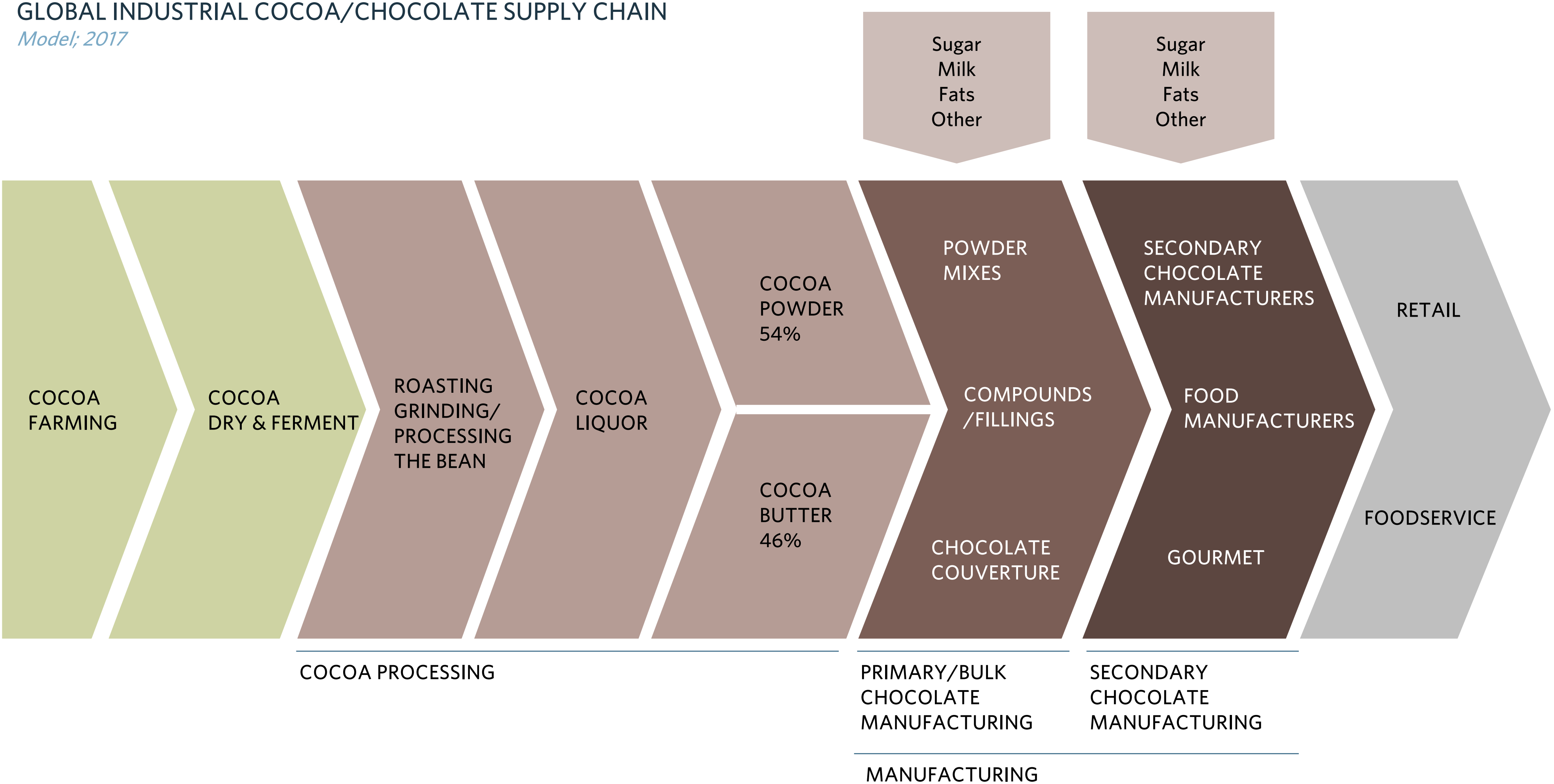


Source: Coriolis analysis of production data

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



Source: Coriolis from a wide range of sources

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

BASIC CHOCOLATE PRODUCTION PROCESS

Key stages

TREE TO BAR

COCOA PLANTATION
- *Theobroma cacao* botanical name of cacao
- Genetics: Criollo, Forastero, Trinitario, Nacional (10 genetic families)
- Plantations located 20 degrees above and below the equator

HARVEST & FERMENT
- Scoop out 30-50 seeds/pod
- Fermented 3-7 days (decrease astringency)
- Dried to 7% moisture

ON PLANTATION

EXPORT TO "FACTORY"

BEAN TO BAR

ROAST
- Beans dried via large ovens to clothes driers
- Removes acidity
- Temperature and timing affects taste

CRACK, SORT & WINNOW
- Crack beans
- Sort between the husks and nibs (winnowing)

GRIND, MILL & REFINE
- Grind nibs into particles with melangeur to produce "liquor"
- Regrind with sugar and ingredients added refine in ball mill, to smooth
- Mix and shine with conche to smooth further

CHOCOLATIER

TEMPER
- Heated and cooled
- Mould or form

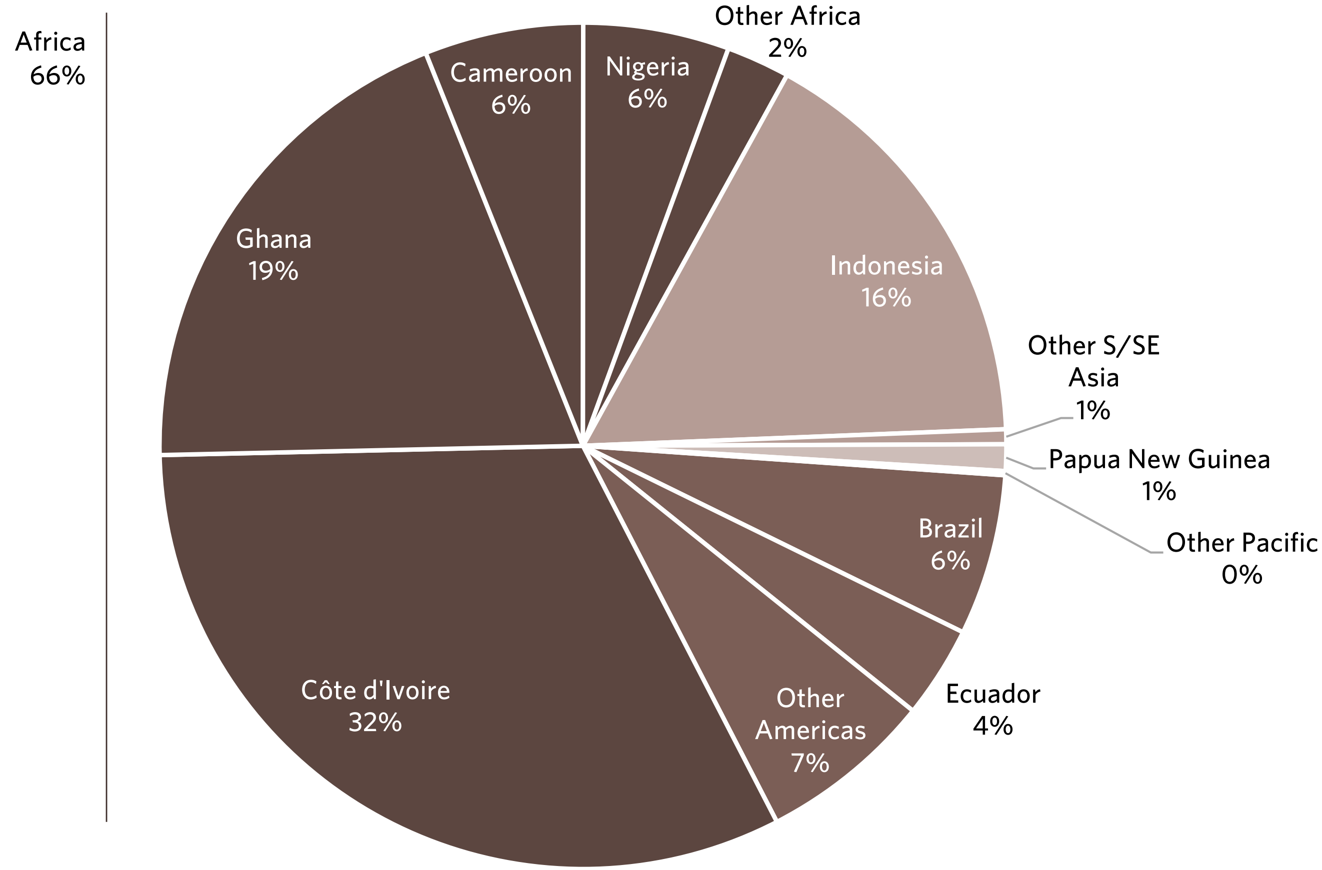
RETAIL OR FURTHER PROCESSING
- Package & sell finished product
- Package & sell wholesale ingredients

Source: Coriolis

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



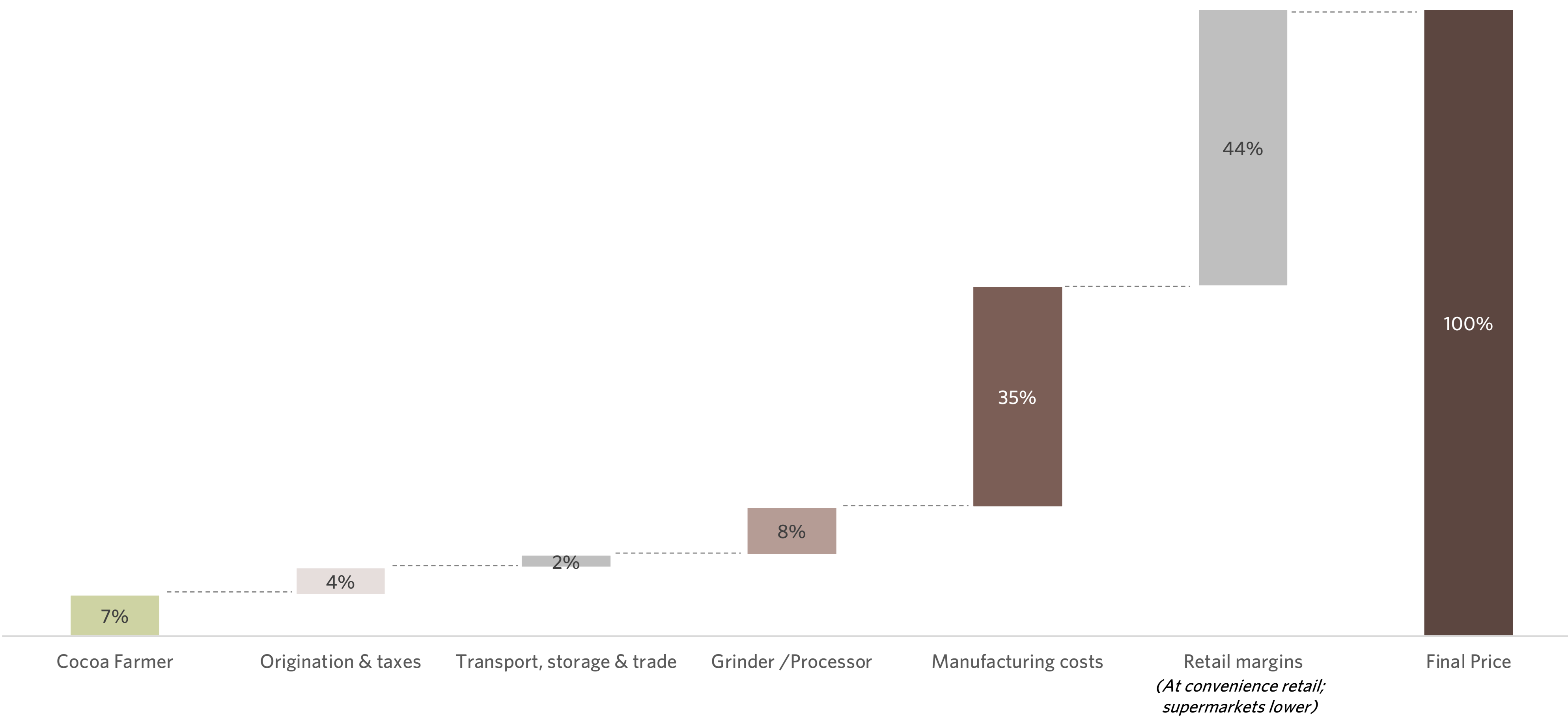
TOTAL = 4,450k tonnes

Source: UN FAO; Coriolis analysis and classifications

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

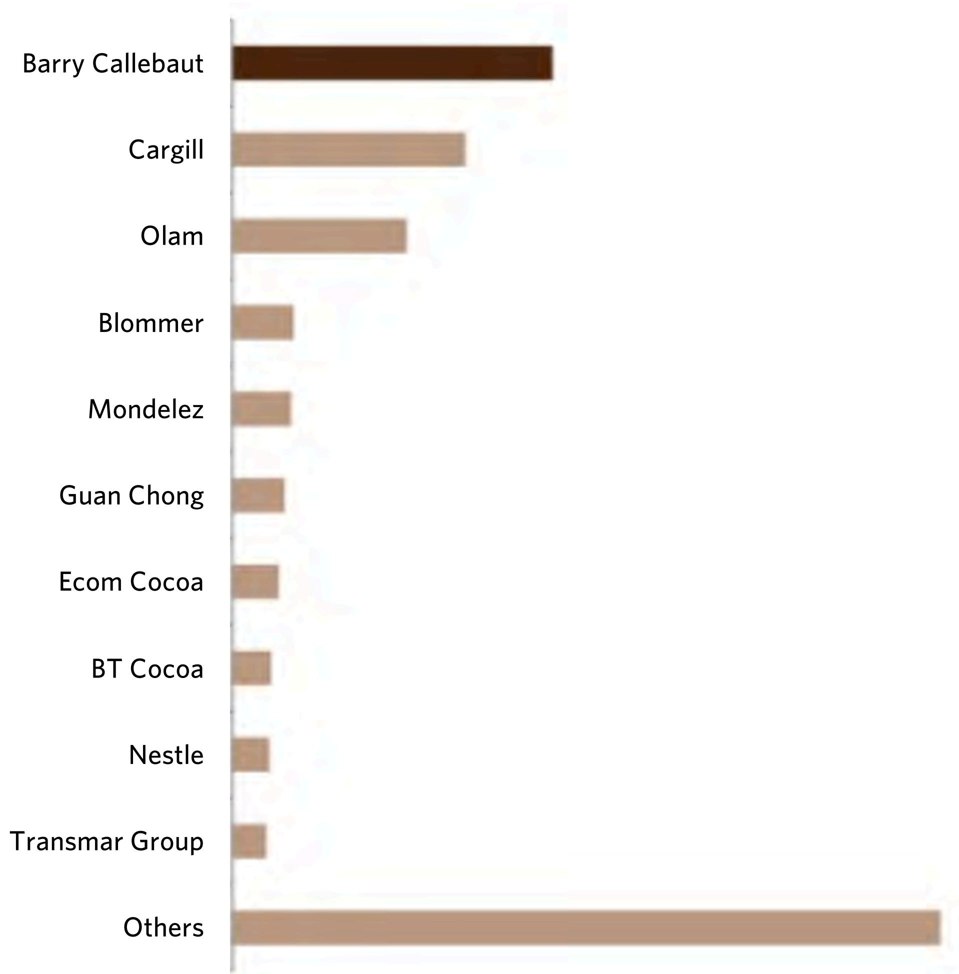


Source: Cocoa Barometer 2015 p34-35; Oxfam; Coriolis analysis

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

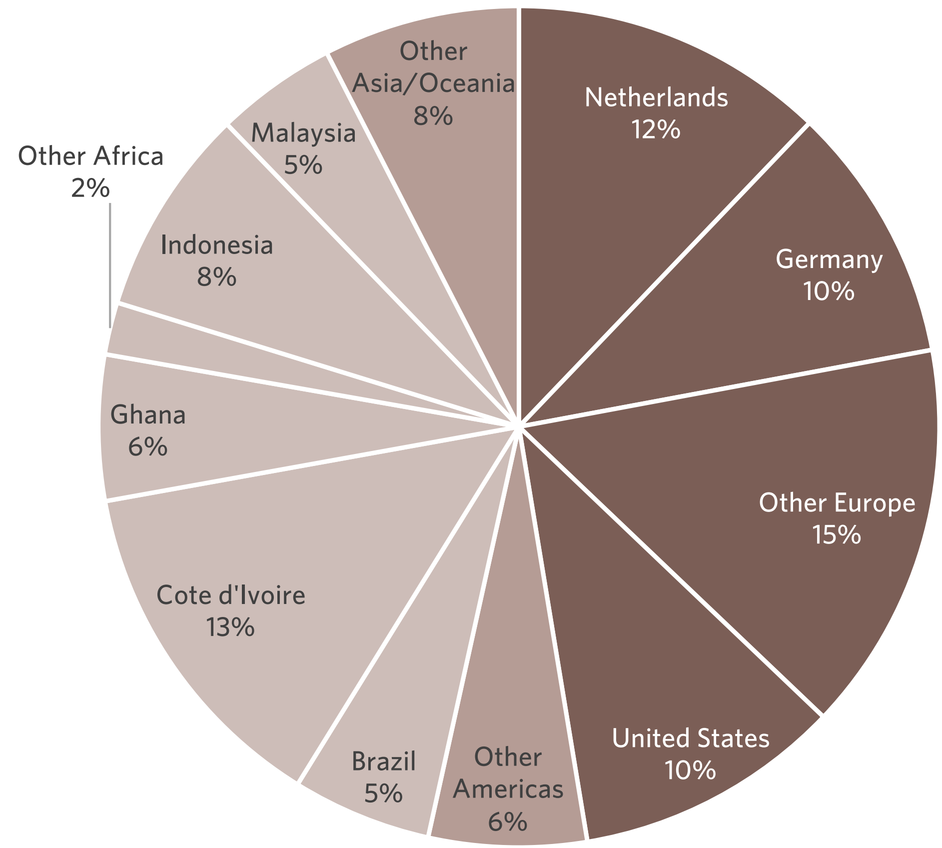
% OF GLOBAL COCOA GRINDING CAPACITY

%; FY15/16



GLOBAL GRINDING OF COCOA BEANS BY COUNTRY

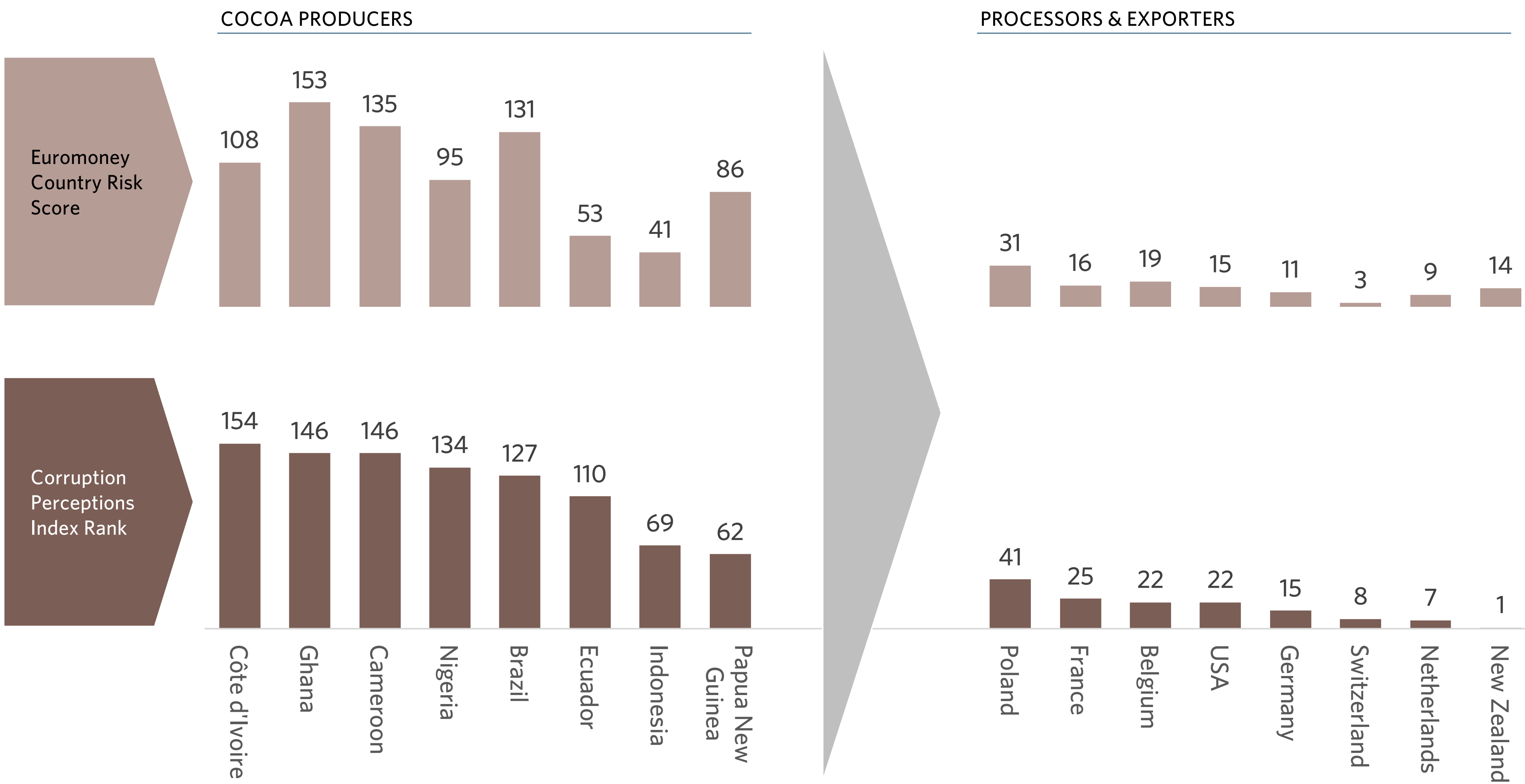
Tonnes; 000; 2014/15



TOTAL = 4,152 t (000)

Source: Barry Callebaut FY15/16 Roadshow presentation; ICCO Annual Report 2014/15

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

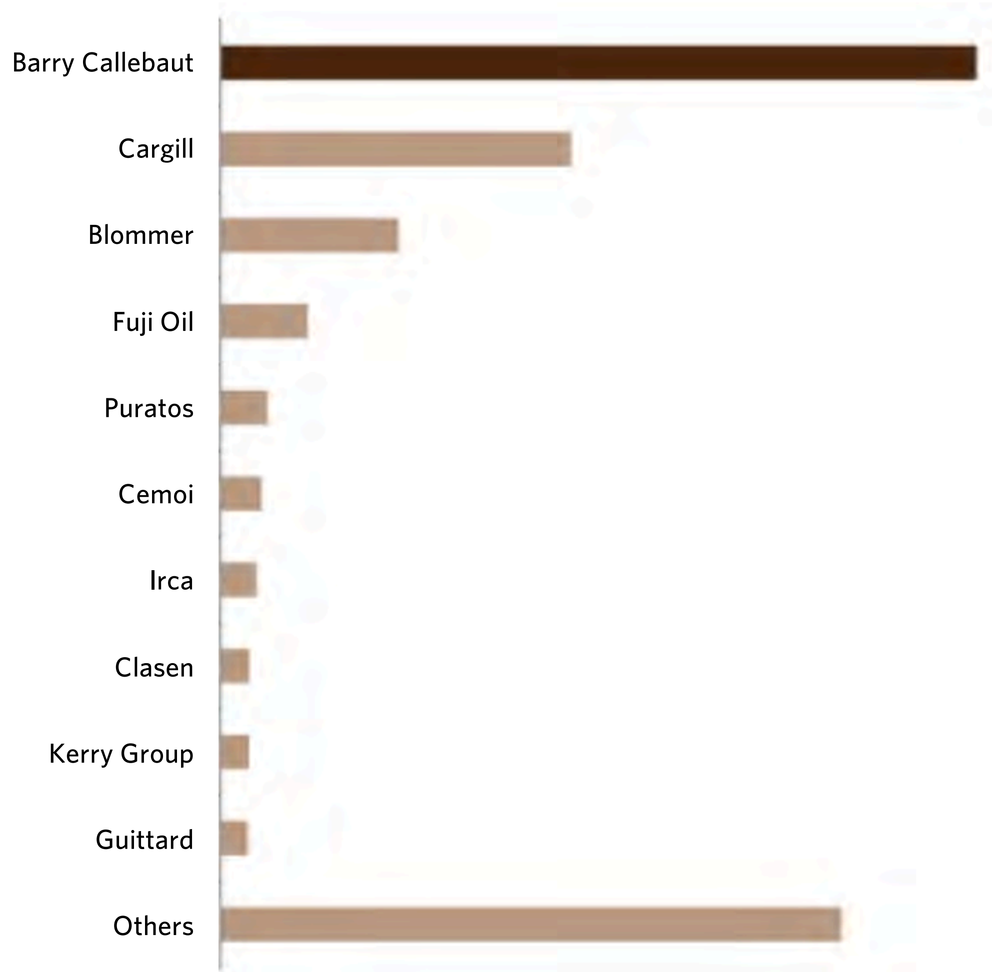


Source: Euromoney Country Risk data; Corruption Perception Index data; Coriolis analysis

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

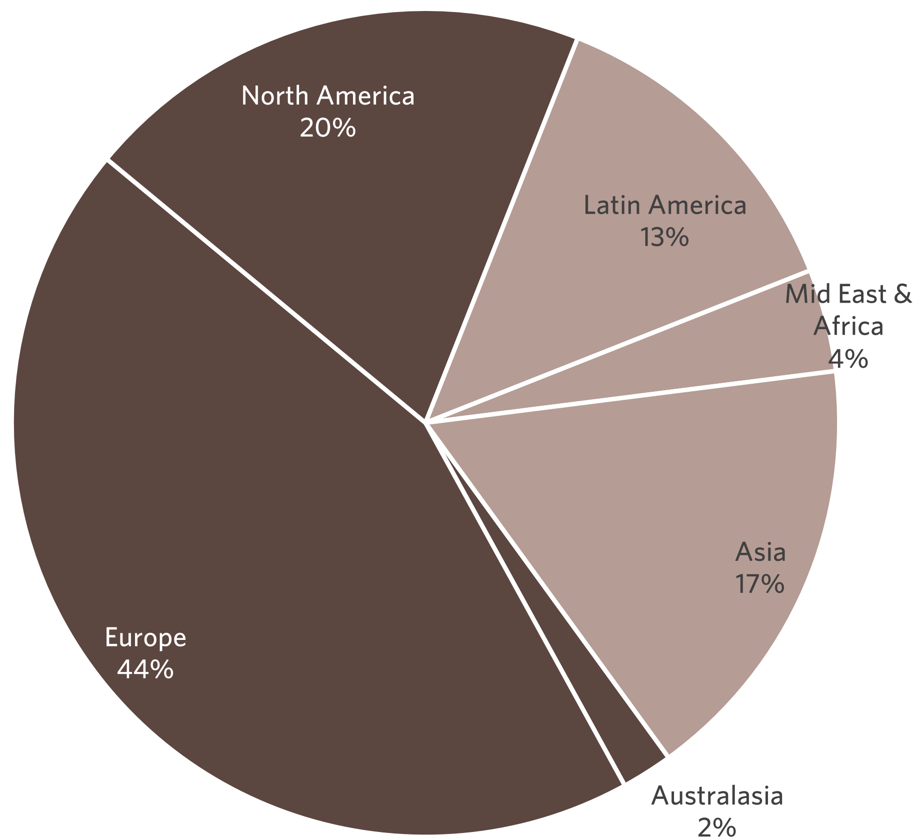


Excludes own processing

GLOBAL CONSUMER CHOCOLATE SALES BY REGION

%; 2015

Excludes other uses



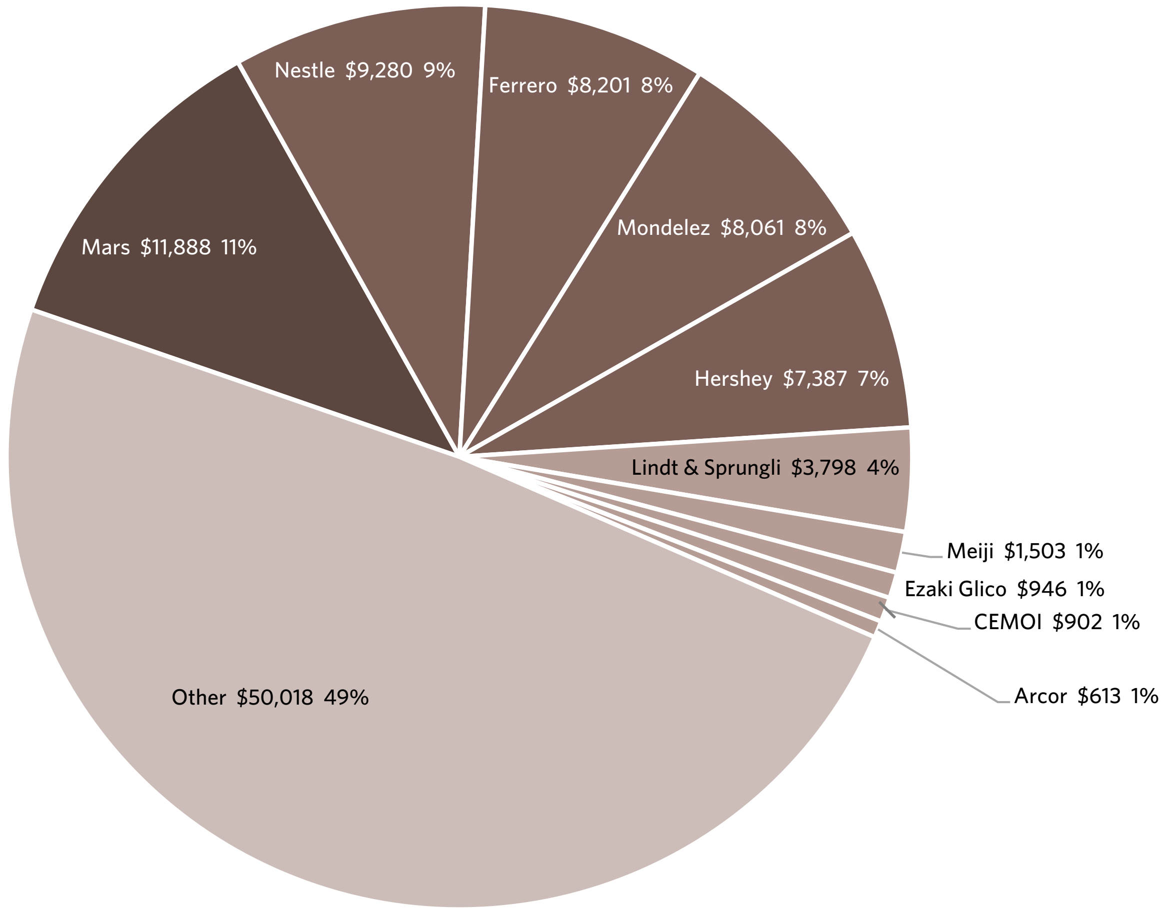
TOTAL = US$102,600m

Source: Barry Callebaut FY15/16 Roadshow presentation

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



TOTAL = US$102,600m

Source: ICCO; Candy Industry; Hardman Agribusiness; Coriolis analysis

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"

Source: photo credit (firms or fair use/fair dealing; low resolution; complete product/brand for illustrative purposes); various published articles; Coriolis analysis

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

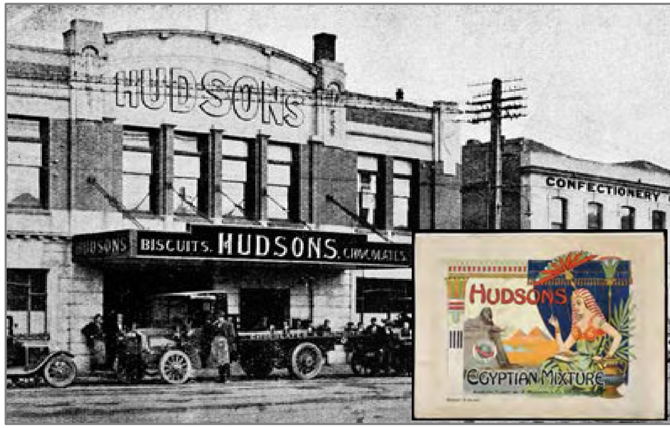
Sugar, Peanuts, Glucose Syrup, Skimmed Milk Powder, Cocoa Butter, Cocoa Mass, Sunflower Oil, Palm Fat, Lactose, Whey Powder (from Milk), Milk Fat, Emulsifier (Soya Lecithin), Salt, Coconut Oil, Egg White Powder, Natural Vanilla Extract, Hydrolysed Milk Protein, Milk Chocolate contains Milk Solids 14%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

New Zealand Chocolate Industry

- 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

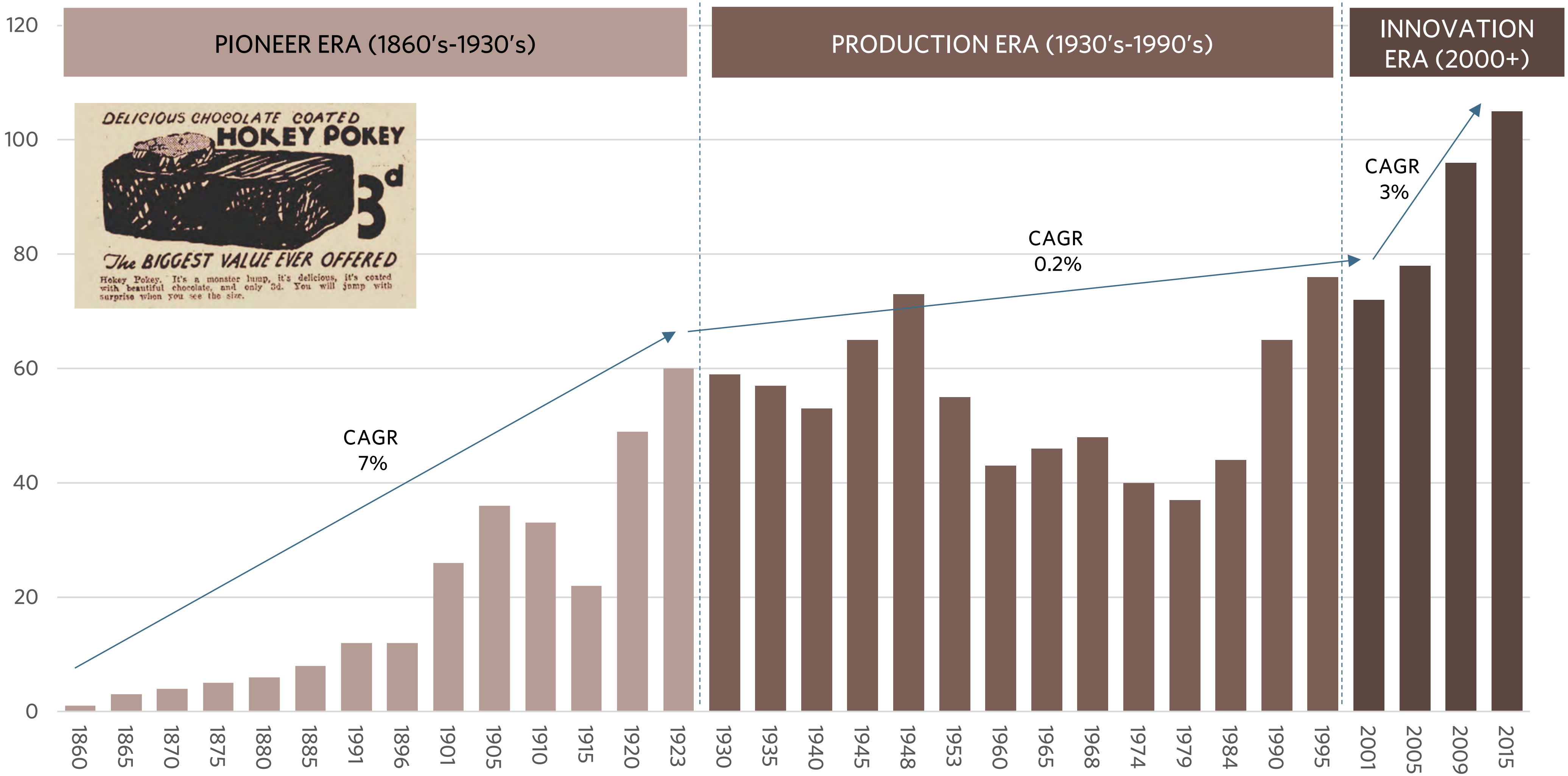
- Spread of premium, authentic production concepts and systems from wine to beer to coffee to chocolate
- New generation of innovators attracted to industry bringing new sensibilities
- New processes and technologies reduce scale requirements and barriers to entry
- Range of innovative new products launched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

Source: Coriolis; photo credit (old images out of copyright; Shutterstock; fair use; low resolution; complete product/brand or promotional material for illustrative purposes)

The New Zealand confectionery industry is again creating new firms

NUMBER OF CHOCOLATE & CONFECTIONERY MANUFACTURERS IN NEW ZEALAND

Firms; 1860-2015



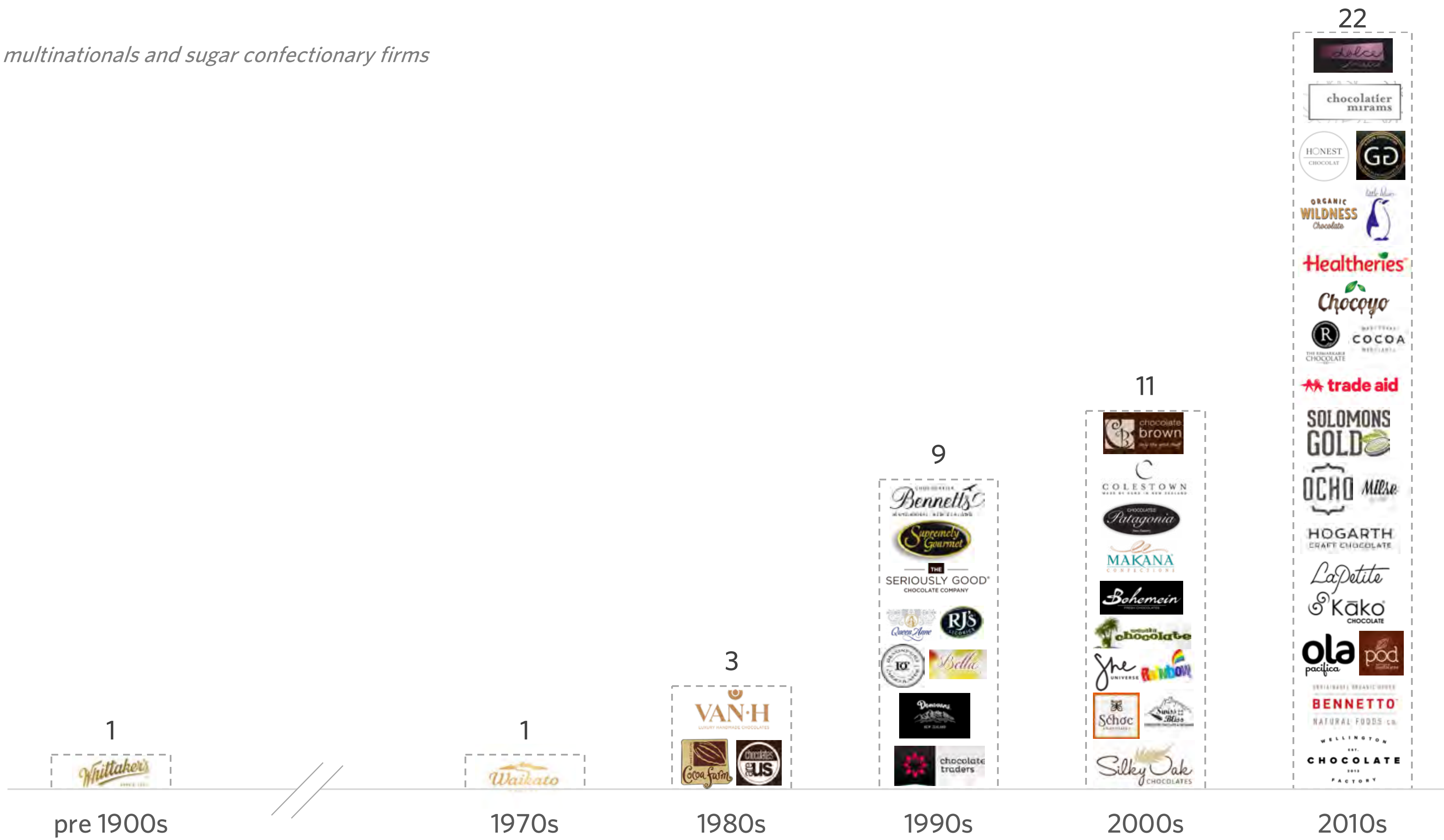
CAGR Compound Annual Growth Rate; data is year given or nearest census; Source: Department of Statistics; Statistics NZ; Coriolis analysis

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

GLOBAL MULTINATIONALS | **NEW ZEALAND FIRMS**

OUT OF SCOPE | *NEW ZEALAND CHOCOLATE MANUFACTURING INDUSTRY*

SOLD THROUGH DISTRIBUTORS	WHOLESALE SALES OPERATION	MANUFACTURE IN NEW ZEALAND	MID/LARGE BRANDED	MID/LARGE COMMODITY	EMERGING INNOVATORS
EXAMPLE FIRMS					
Lindt Maître Chocolatier Suisse Depuis 1845	MARS incorporated	Nestlé Good Food, Good Life	Whittaker's Since 1896	Waikato Valley	Schoc chocolates
HERSHEY'S The Hershey Company	Mondelēz International		Prolife Foods	ICELANDIC Holdings (NZ) Ltd.	HOGARTH CRAFT CHOCOLATE
HARIBO			trade aid	Rainbow	Wellington Est. 2013 Chocolate Factory

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

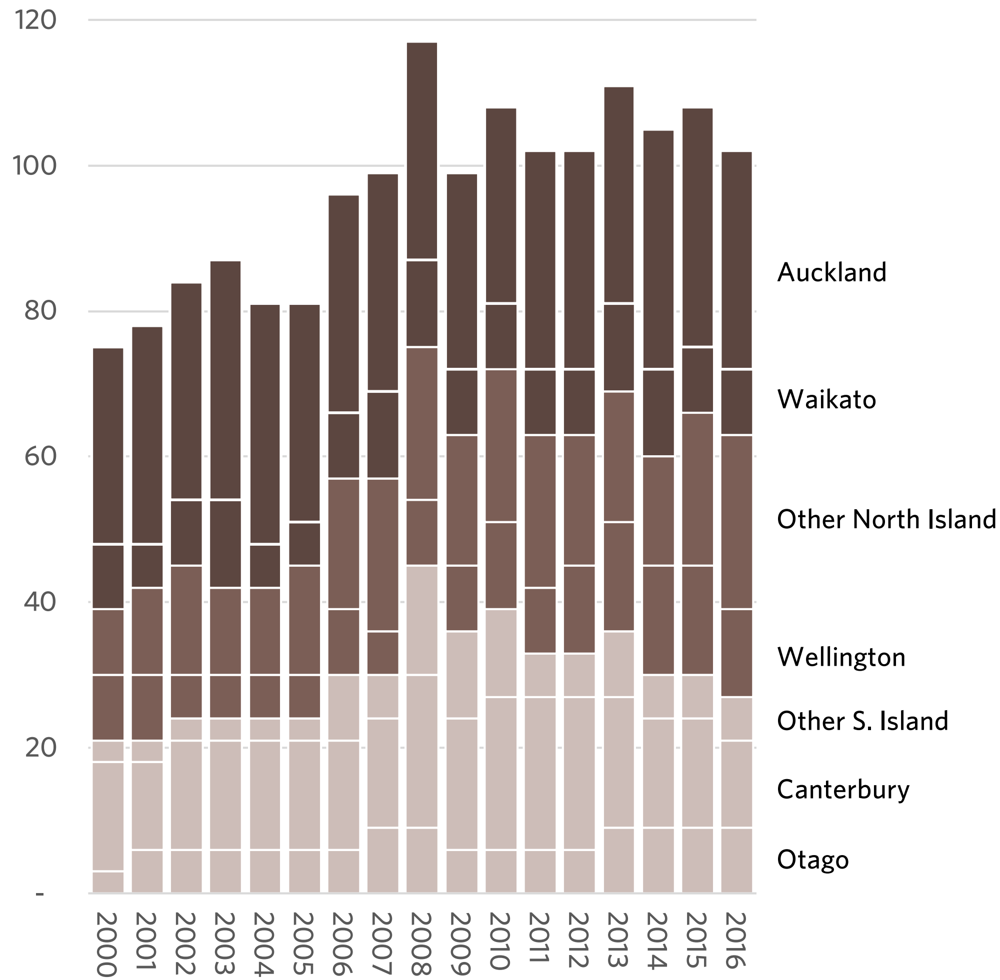
BEAN TO BAR	CHOCOLATIERS USING COUVERTURE
“Some of our products only have two ingredients, we want the beans to come through.” “We source all our beans from our plantations.”	“We are looking for a consistent base product and we add our magic.” “We find amazing products that really complement the chocolate.” “Barry Callebaut chocolate is always consistent.”

** Select range*

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

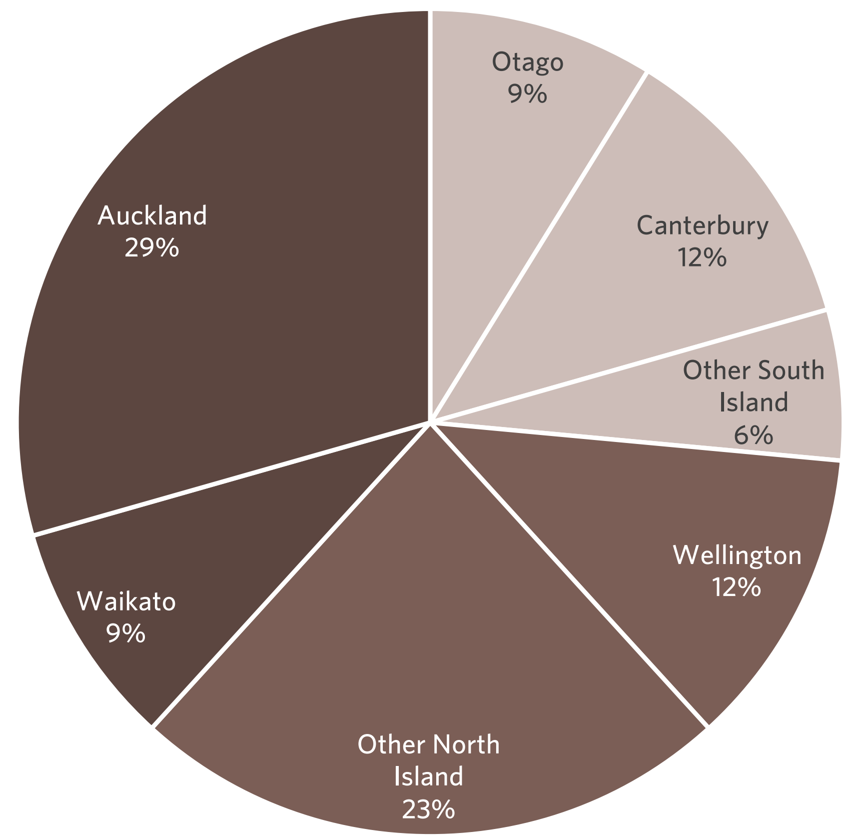
OF CONFECTIONERY MANUFACTURERS BY REGION

Operating units; 2000-2016



OF CONFECTIONERY MANUFACTURERS BY REGION

Operating units; 2016



TOTAL = 102 operating units

(aka. "front doors" or geographic units)

Source: Statistics NZ; Coriolis classification and analysis

New Zealand has a range of chocolate companies across all regions

Auckland

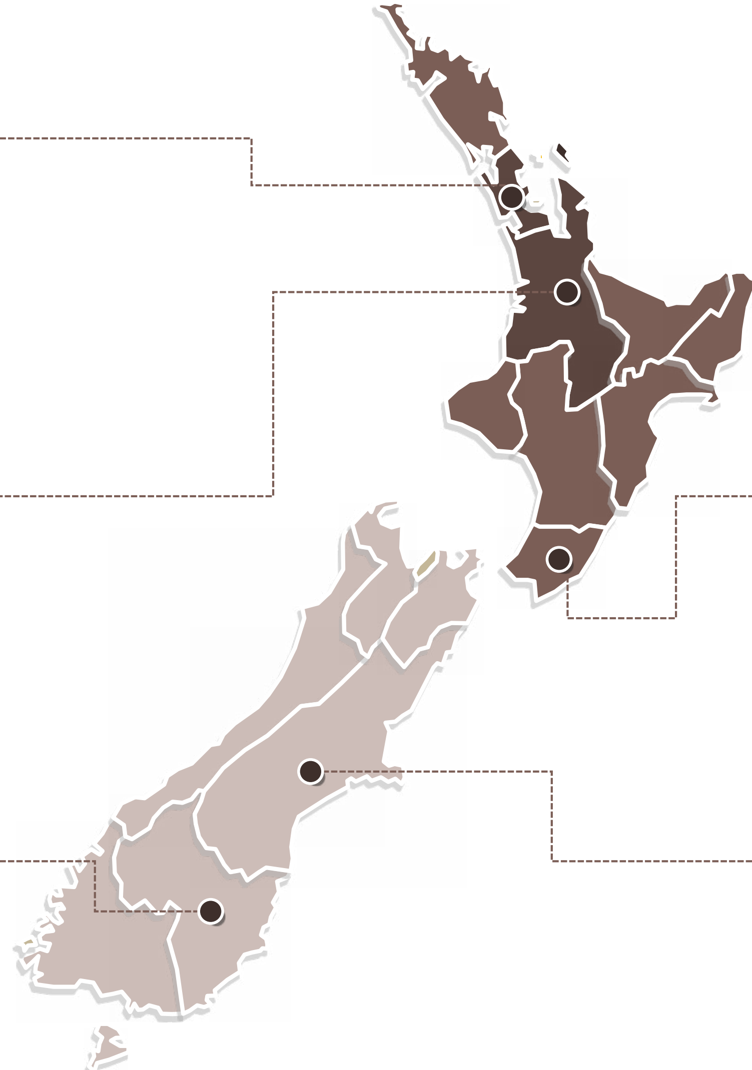
Nestlé, ola pacifica, The Remarkable Chocolate Co, Icelandic Holdings (NZ) Ltd., Devonport Chocolates, Honest Chocolat, Kāko Chocolate, vitaco

Waikato

Prolife Foods, Donovans, Waikato Valley

Otago/Other SI*

Patagonia Chocolates, Chocoyo, Ocho, Hogarth Craft Chocolate, Rainbow



Other North Island

Chocolatier Bennetts Mangawhai, New Zealand; chocolate brown; Solomons Gold; Makana Confections; La Petite; RJ's Licorice

Wellington

Whittaker's; Wellington Chocolate Factory; Schoc Chocolates; Bohemein Fresh Chocolates; Supremely Gourmet; Organic Wildness Chocolate

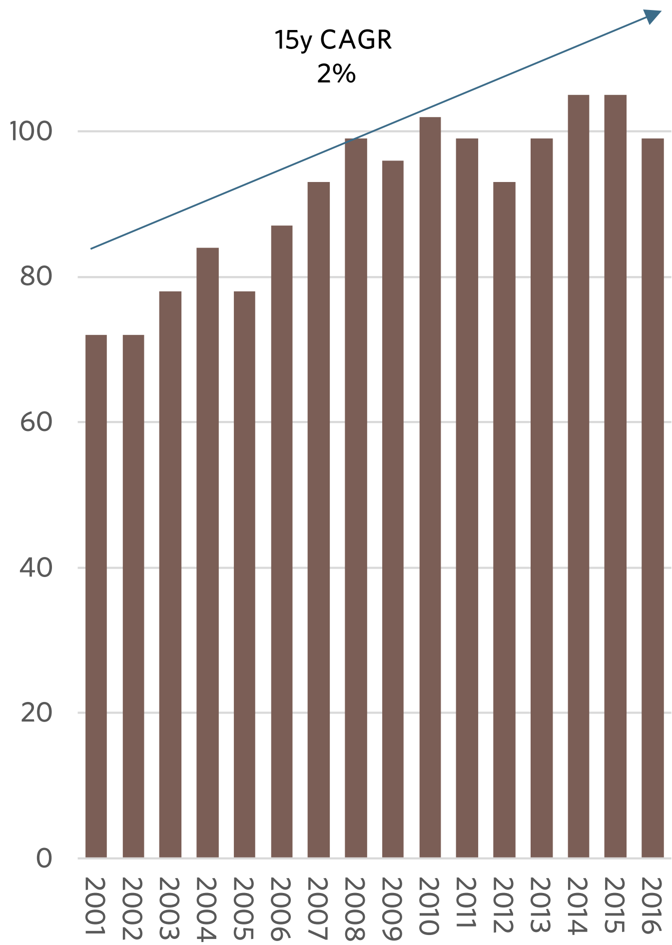
Canterbury

trade aid; VAN·H Luxury Handmade Chocolates; chocolate traders; Bennetto Natural Foods Co; She Universe

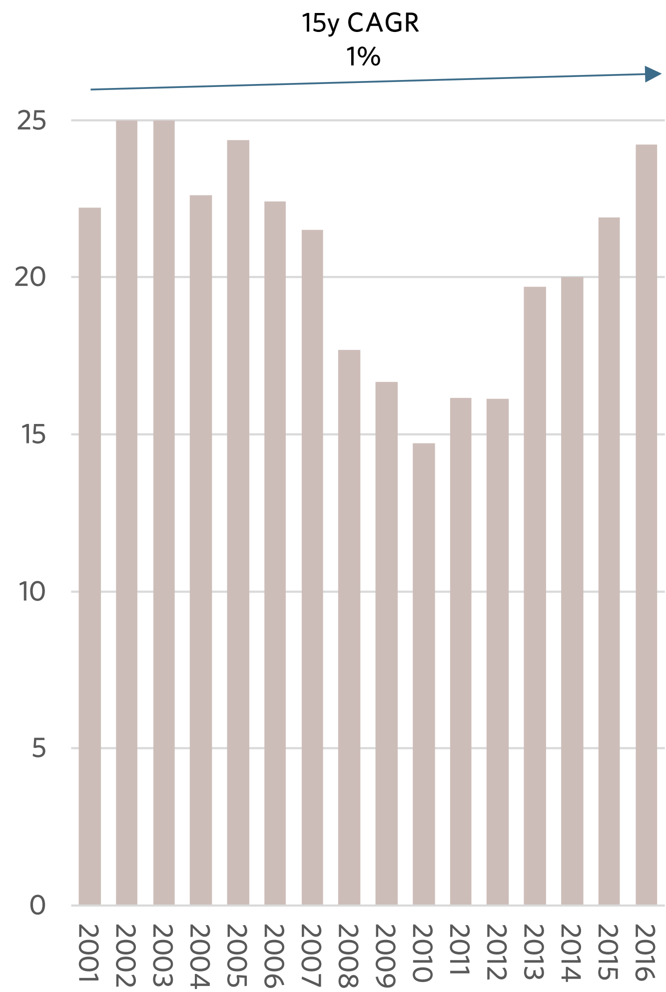
*SI = South Island; Source: Coriolis

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

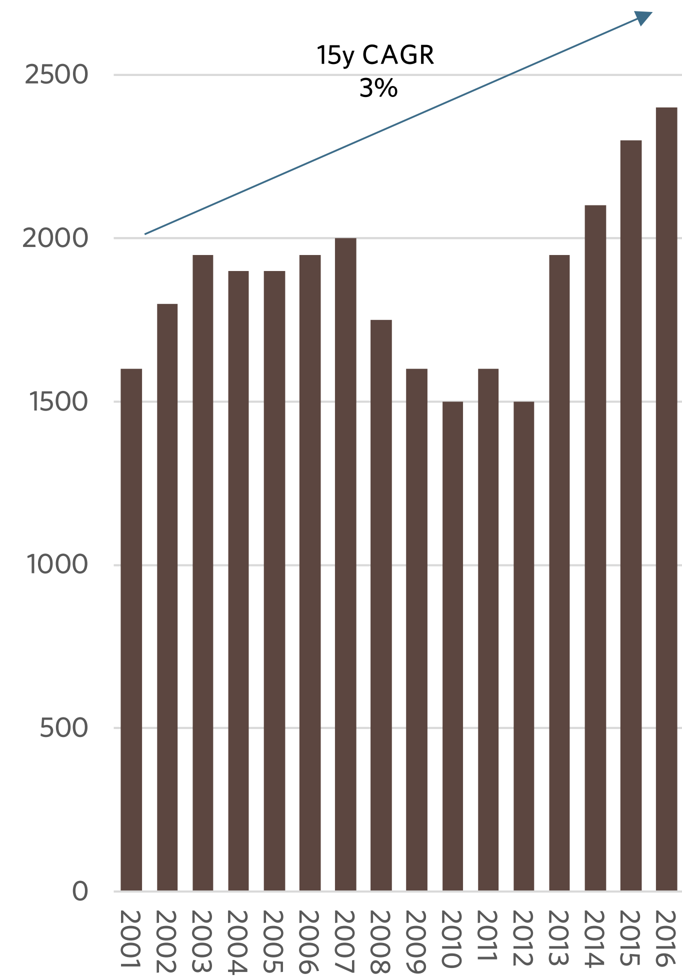
NUMBER OF OPERATING UNITS
Actual; 2001-2016



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	*HS180632*	*HS180690*	
			
1. BARS/BLOCKS	2. FILLED/ENROBED	3. MIXED/BAGGED	4. GIFTING
Solid bars of chocolate in consumer-ready sizes	Bars of chocolate containing other fillings in consumer-ready sizes	Bags or boxes of chocolates which are typically individually wrapped	Premium boxed assorted chocolates designed primarily for gifting

Two distinct sub-segments:

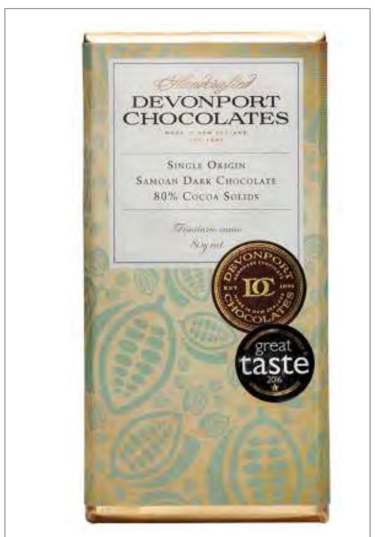
- Everyday/Energy bars (40-50g) sold primarily through convenience stores, vending machines and in checkout areas; typically consumed immediately
- Premium bars/blocks (100-200g) sold through a wider range of retailers; often with inclusions; typically consumed later

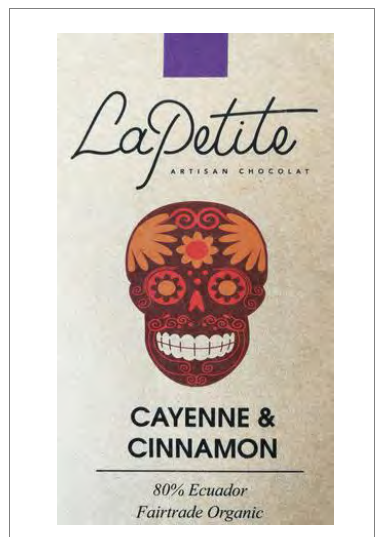
- Primarily sold through supermarkets and discounters
- Promoted and pushed heavily at Halloween; large off-aisle displays
- Limited range other times of year; positioned as sharing packs

- 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

Source: photo credit (fair use/fair dealing; low resolution; complete product/brand for illustrative purposes); various published articles; Coriolis analysis

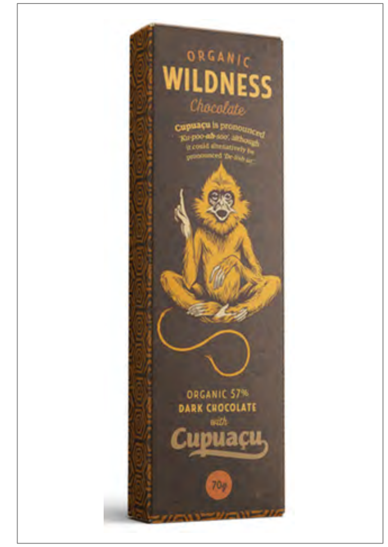
1. SOLID BLOCK/BAR New Zealand makes a range of block/bar chocolate products





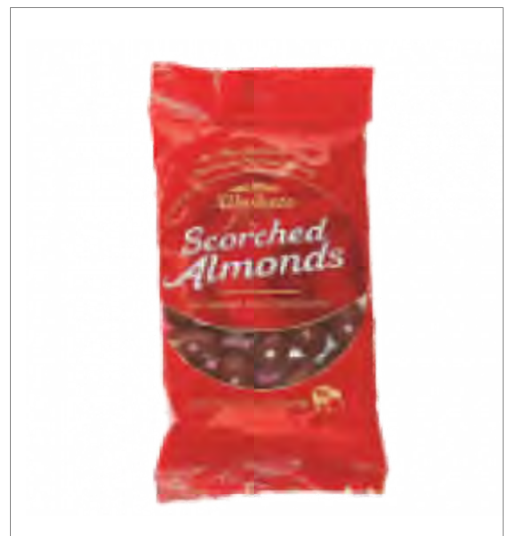
Source: photo credit (fair use/fair dealing; low resolution; complete product/brand for illustrative purposes); various published articles; Coriolis analysis

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



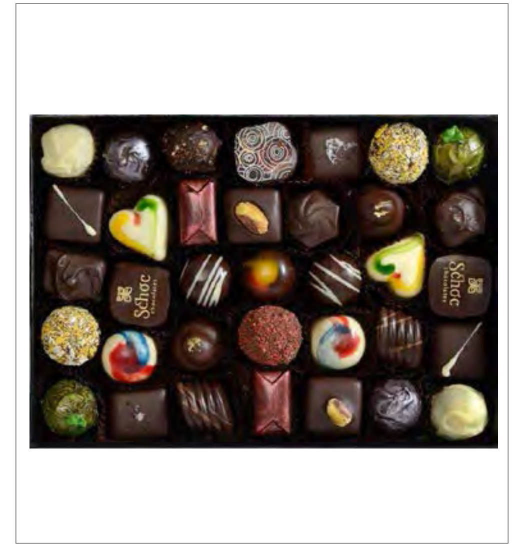
Source: photo credit (fair use/fair dealing; low resolution; complete product/brand for illustrative purposes); various published articles; Coriolis analysis

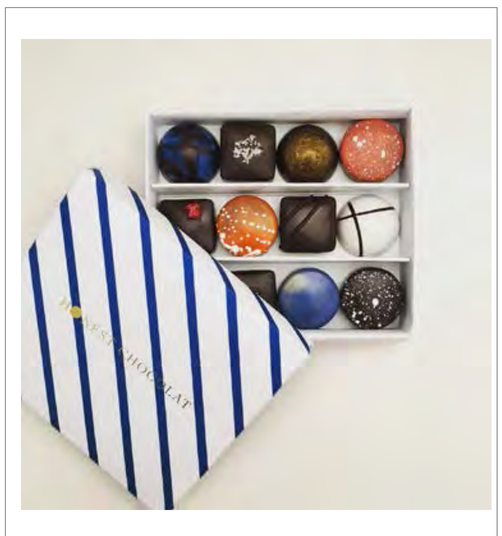
3. MULTI-PACK New Zealand makes a range of multi-pack chocolate products

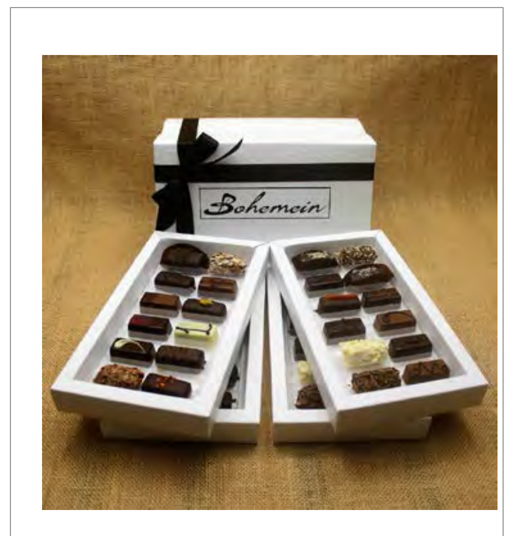


Source: photo credit (fair use/fair dealing; low resolution; complete product/brand for illustrative purposes); various published articles; Coriolis analysis

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

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- 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

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- 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

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- 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

Source: Boston Consulting Group; Datamonitor; photo credit (purchased from stock providers); Coriolis research and analysis

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

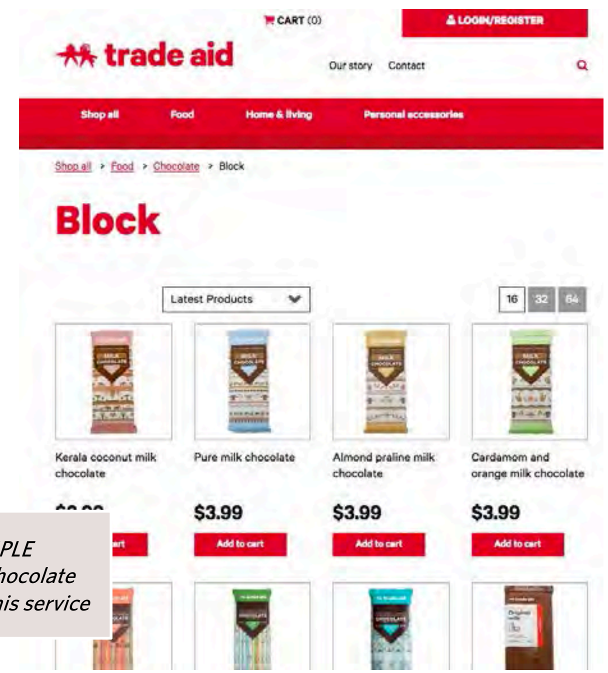
EASY & CONVENIENT

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.



EXAMPLE
Most NZ chocolate firms offer this service

Source: photo credit (firm promotional images or fair use/fair dealing; low resolution; complete product/brand for illustrative purposes); various published articles; Coriolis analysis

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.

Source: photo credit (firms or fair use/fair dealing; low resolution; complete product/brand for illustrative purposes); various published articles; Coriolis analysis

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. "

trade aid

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

Wellington Chocolate Factory est. 2013

"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.

Solomons Gold

"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."

Sustainable organic goods Bennetto Natural Foods co

"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."

ola pacifica

… 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

Source: photo credit (firms or fair use/fair dealing; low resolution; complete product/brand for illustrative purposes); various published articles; Coriolis analysis

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

AUTHENTIC & RESPONSIBLE

ICONIC SCENERY	ICONIC NEW ZEALAND "KIWIANA"
New Zealand has a distinct landscape known to locals, tourists and many consumers.	New Zealand has developed a distinct, unique identity with a range of iconic images

Source: photo credit (firms or fair use/fair dealing; low resolution; complete product/brand for illustrative purposes); various published articles; Coriolis analysis

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

EASY & CONVENIENT

LIFESTYLE & WELLNESS

AUTHENTIC & RESPONSIBLE

SENSORY & INDULGENT

CONSUMER FOOD & BEVERAGE MEGA-TRENDS

NEW PRODUCT DEVELOPMENT

1. PACKAGING INNOVATION	2. PRODUCT INNOVATION	3. CATEGORY INNOVATION	4. CHANNEL INNOVATION
Usage	Flavour	Line extension	Foodservice offer
Shelf-life	Formulation/recipe	Creation of new category	Duty free
Convenience	New/different ingredients	New temperature state	Non-foods retail offer
Appearance	Source/origin		Vending
New materials	Production system		Internet/Home delivery
	Manufacturing process		Own retail stores

IMPLEMENTATION & EXECUTION

Source: Coriolis

Key Markets for NZ Chocolate

+ 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

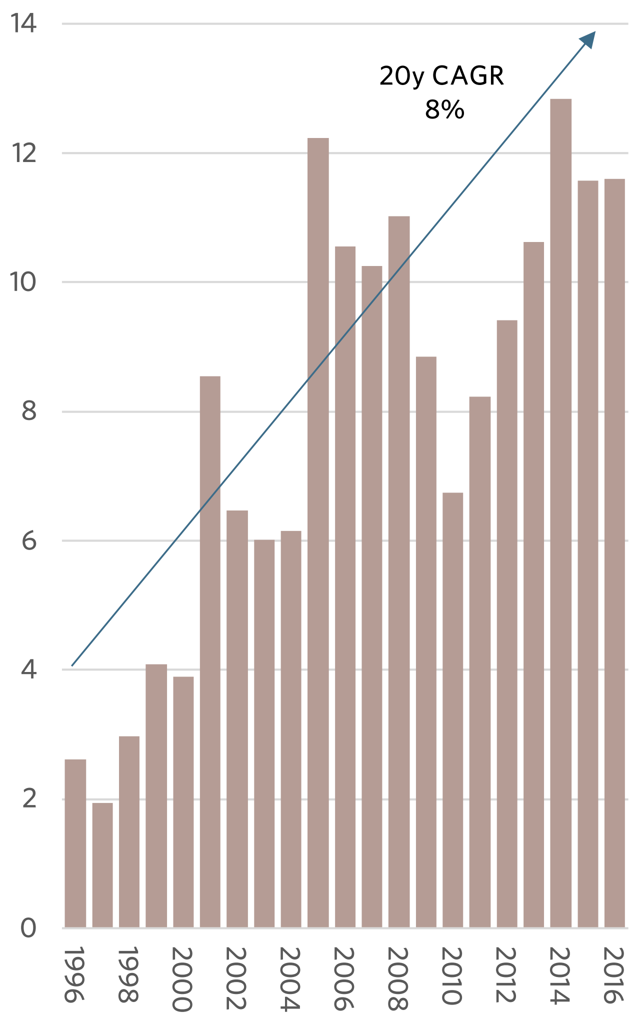
Fix underperformance
Recreate wine success

- 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



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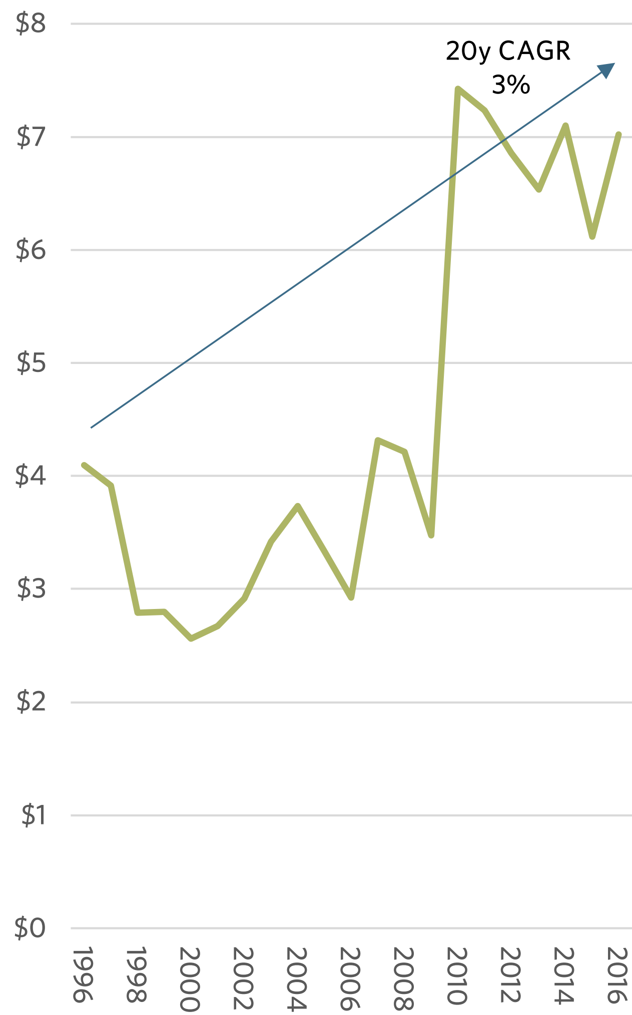
AVERAGE EXPORT PRICE PER KILOGRAM
US$; not inflation adjusted; 1996-2016



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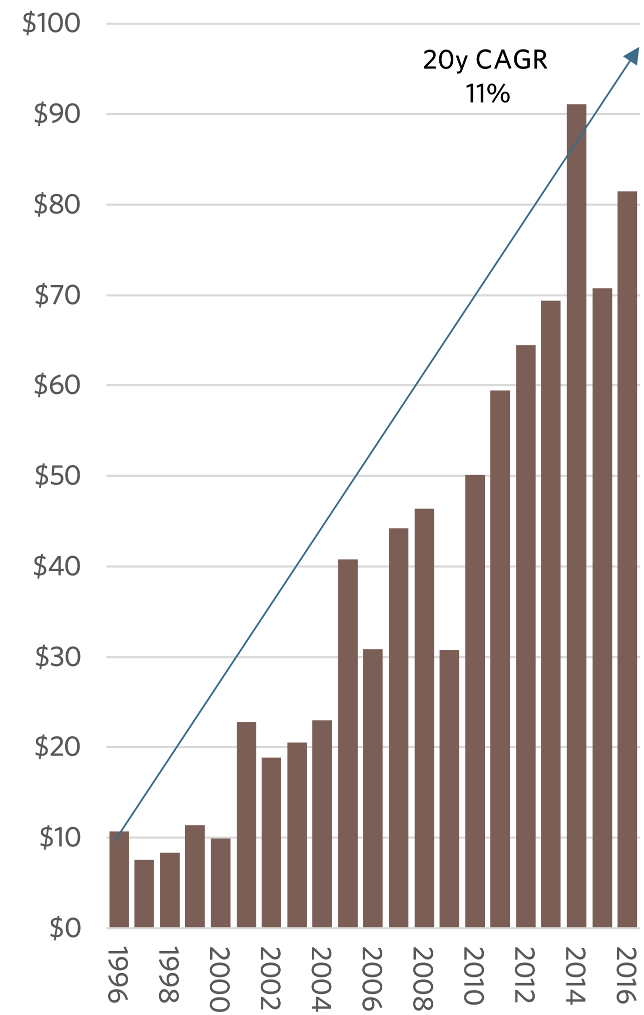
NZ C.R. CHOCOLATE EXPORT VALUE
US$m; 1996-2016

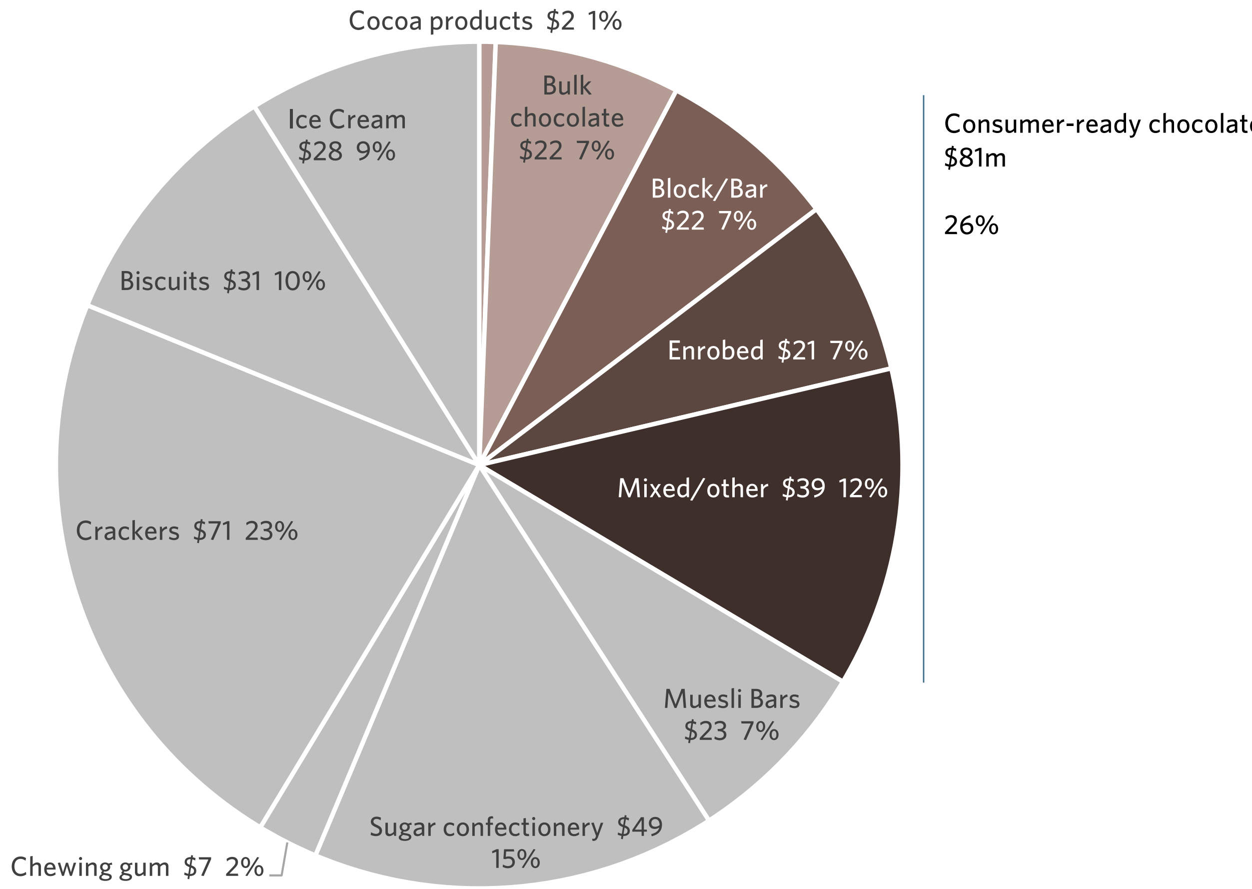


Note: C.R. = Consumer Ready (i.e. excluding bulk/industrial); Source: UN Comtrade database; Coriolis analysis

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



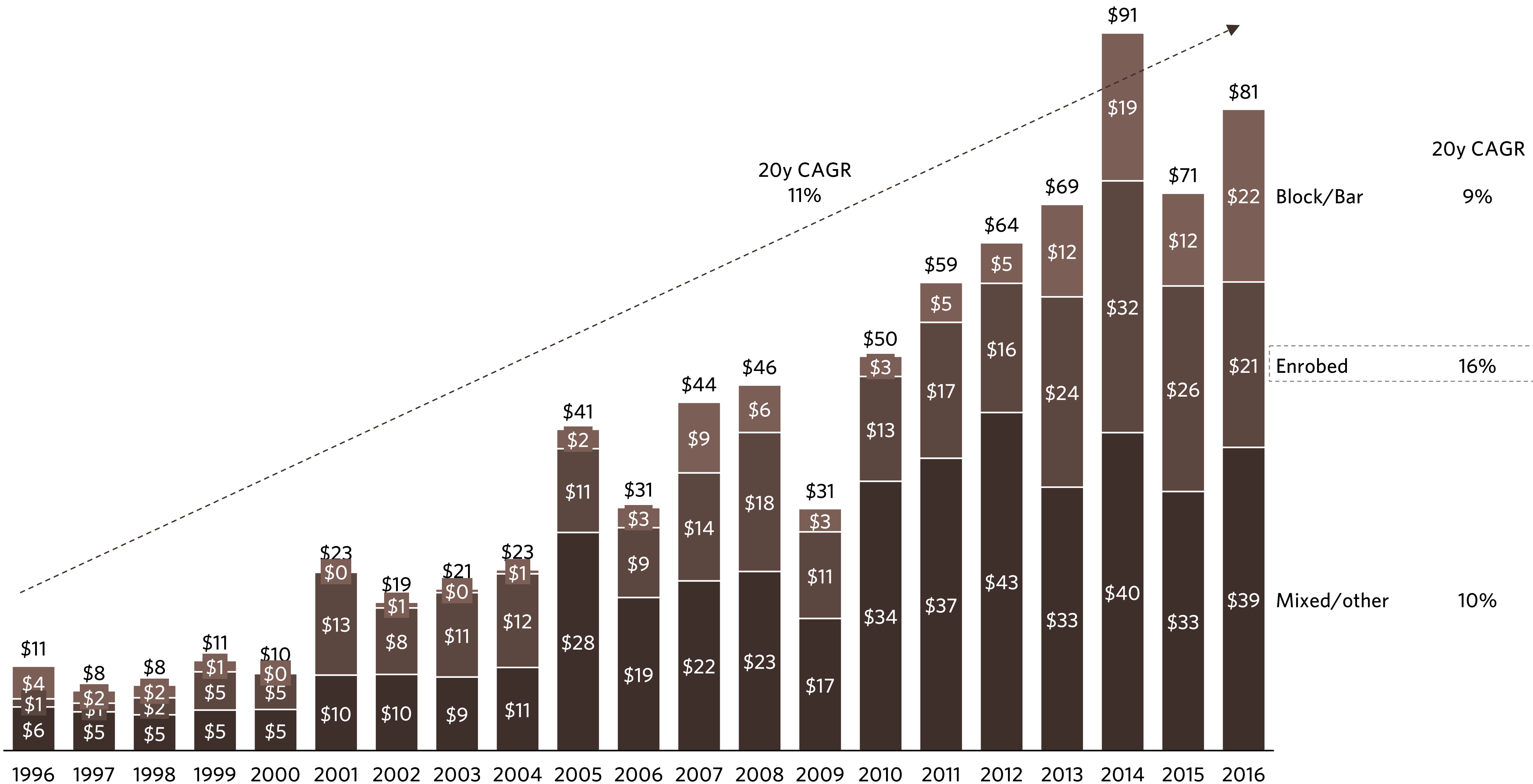
TOTAL = US$315m in exports in 2016

Source: UN Comtrade database; Coriolis classification and analysis

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



Source: UN Comtrade database; Coriolis classification and analysis

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

AVERAGE EXPORT PRICE FOR CONSUMER-READY CHOCOLATE BY TYPE

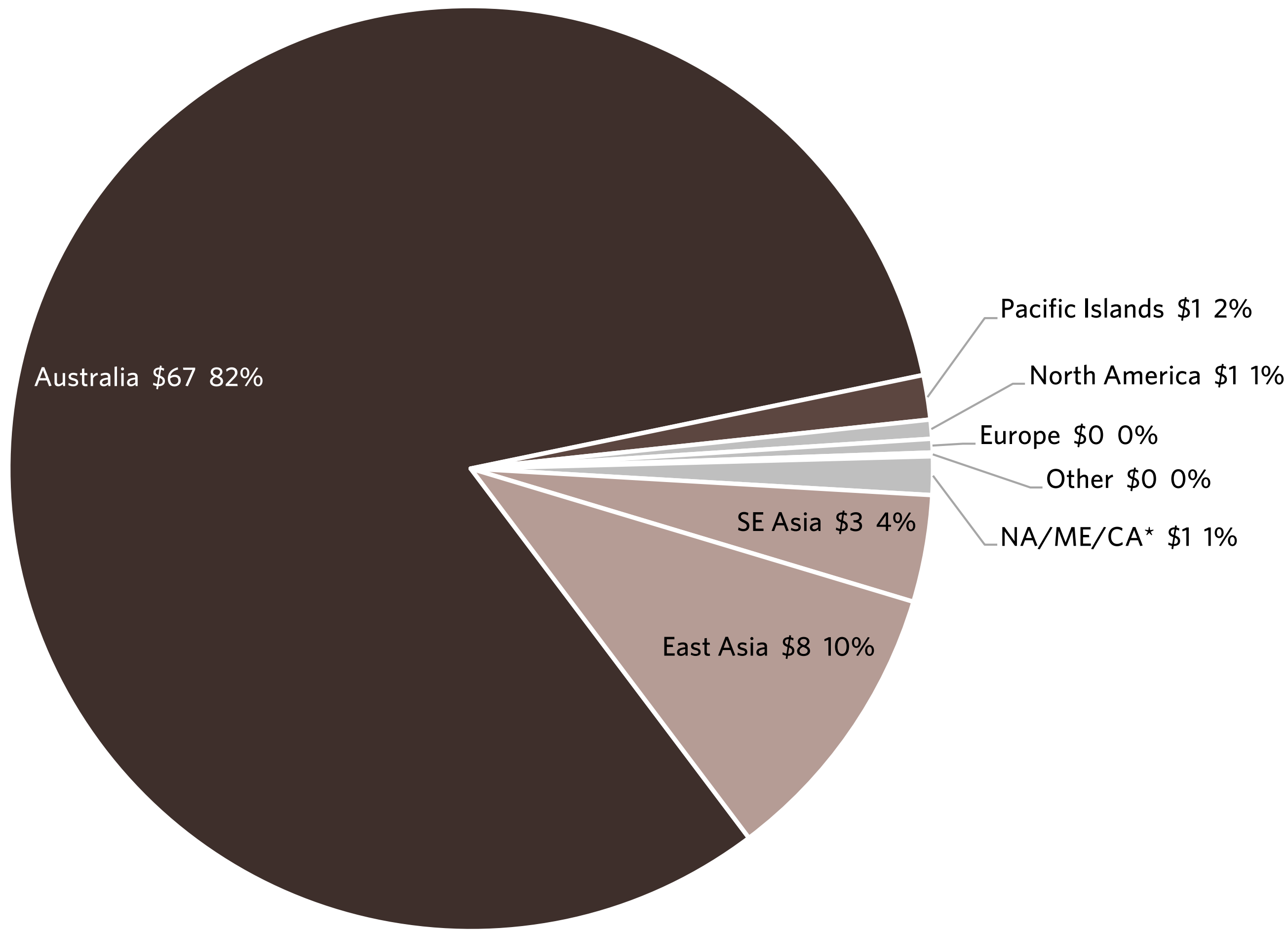
US$; FOB; 1996-2016

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

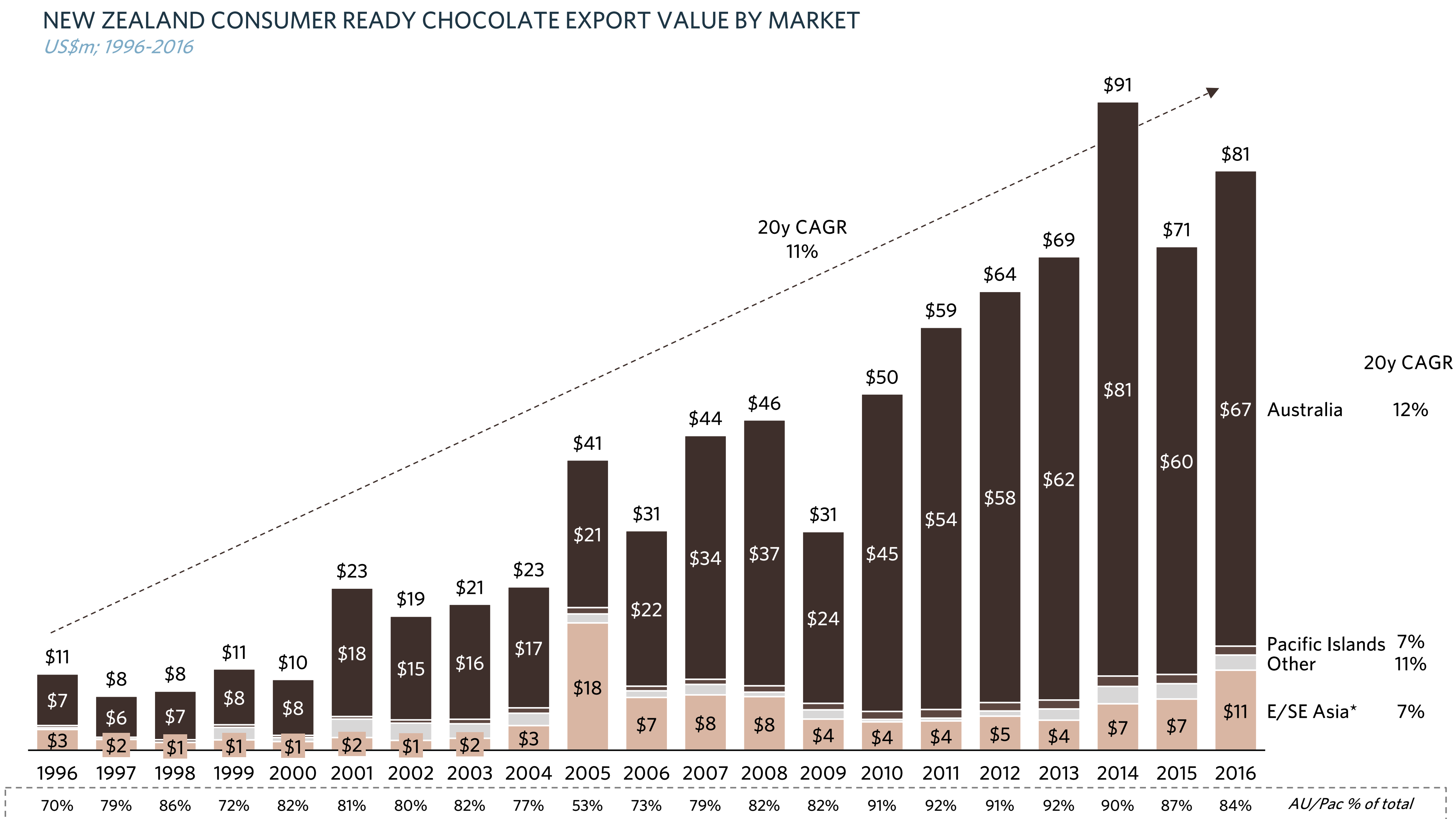
US$m; 2016



TOTAL = US$81m in exports in 2016

NA/ME/CA = North Africa, Middle East, Central Asia; Source: UN Comtrade database; Coriolis classification and analysis

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

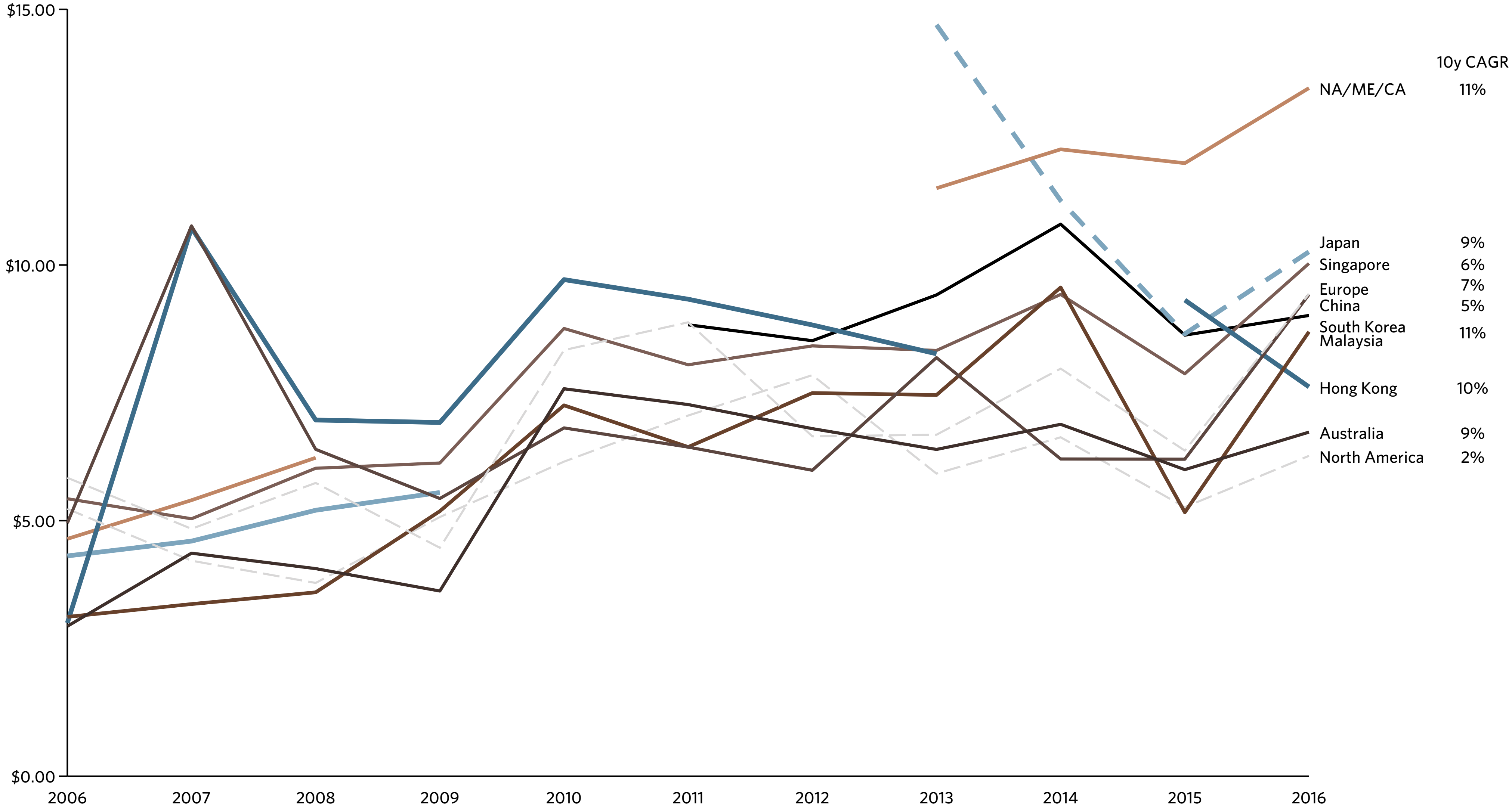


E/SE Asia = East/South East Asia; Source: UN Comtrade database; Coriolis analysis

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

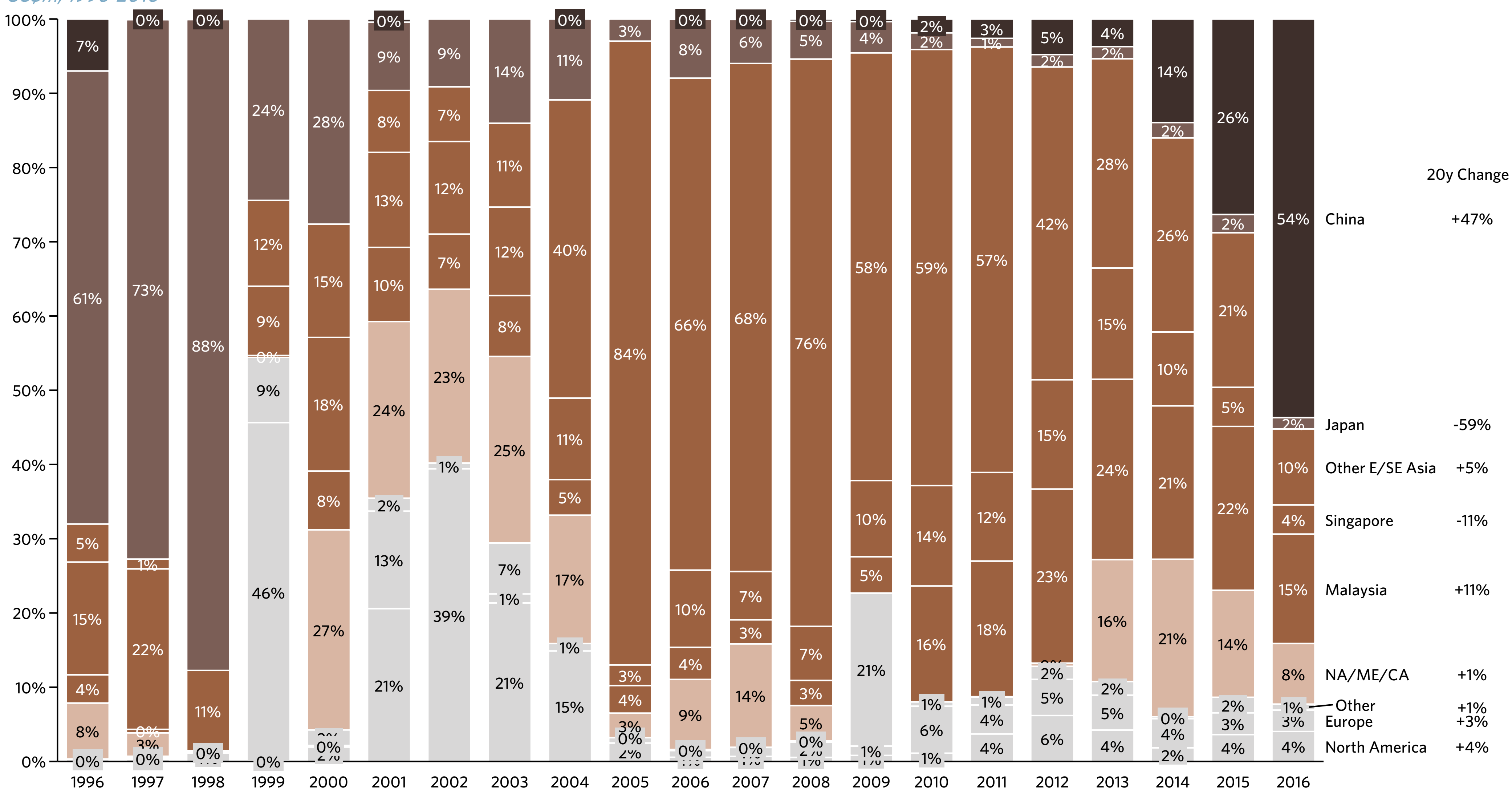


Note: Data are calendar years and uses HS96 trade code 180690, 180632 & 180631; Source: UN Comtrade database; Coriolis analysis

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

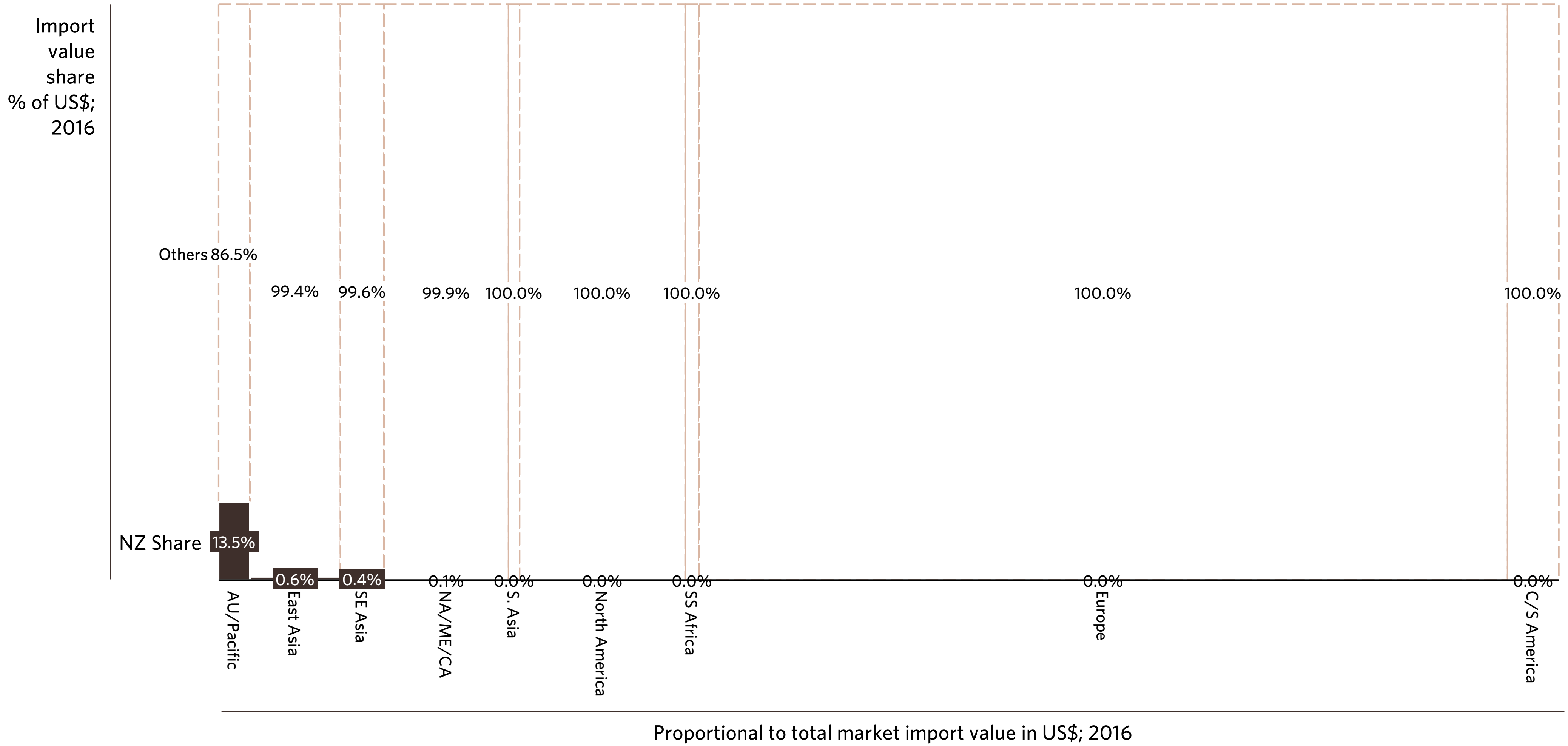


Note: Data are calendar years and uses HS96 trade code 180690, 180632 & 180631; Source: UN Comtrade database; Coriolis analysis

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

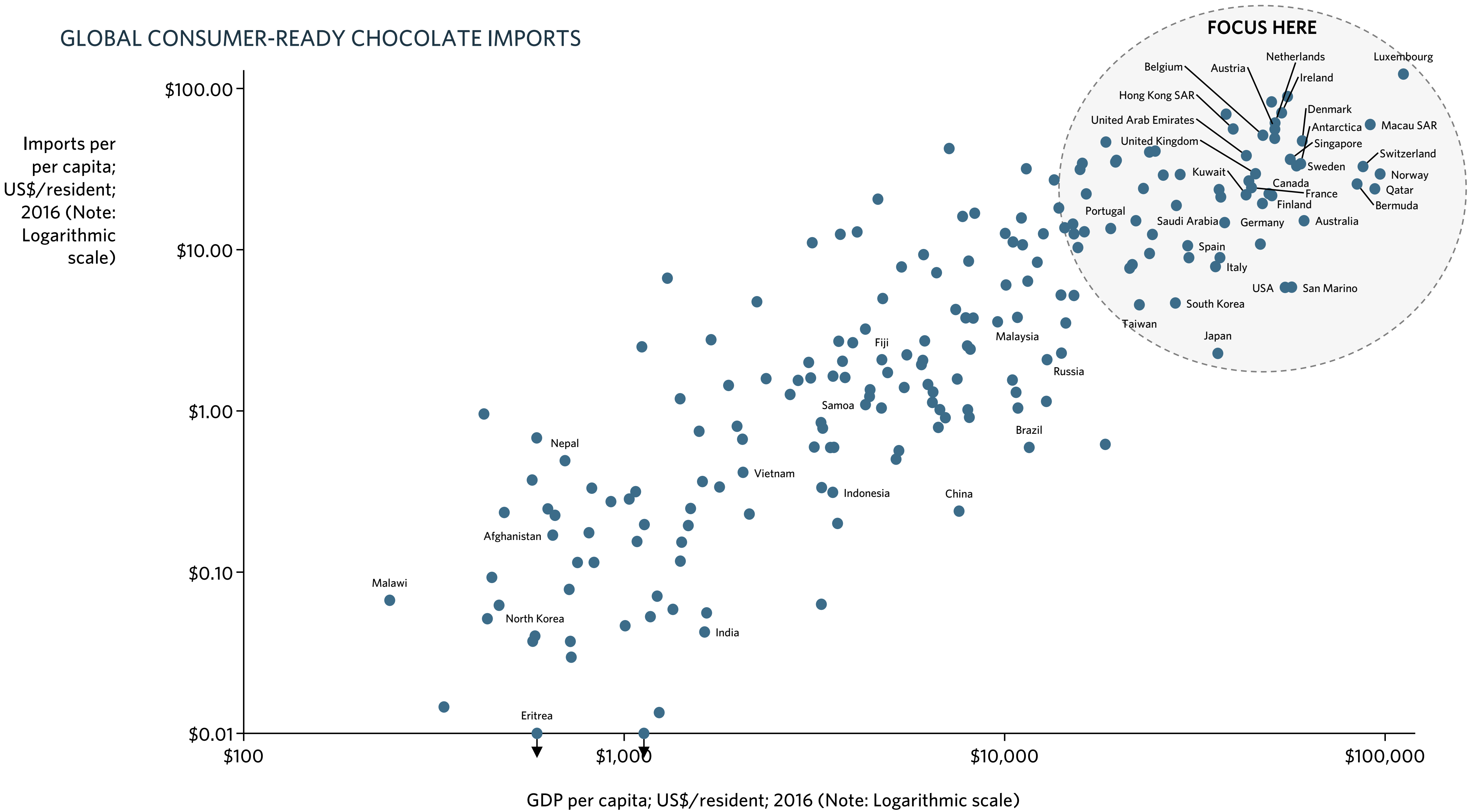
US$m; 1996-2016



Source: UN Comtrade database; Coriolis analysis

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

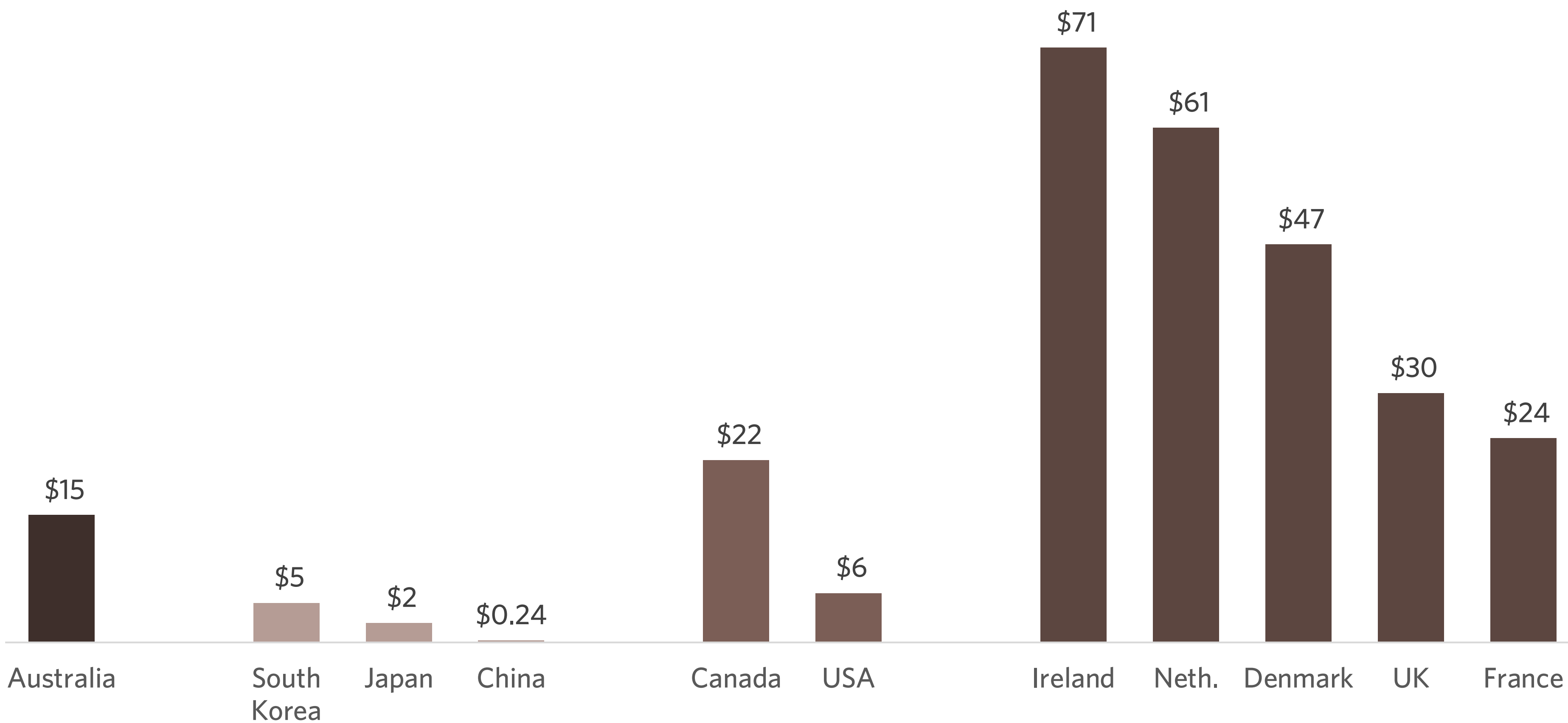


Source: CIA World Fact Book; UN Comtrade database; Coriolis analysis

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



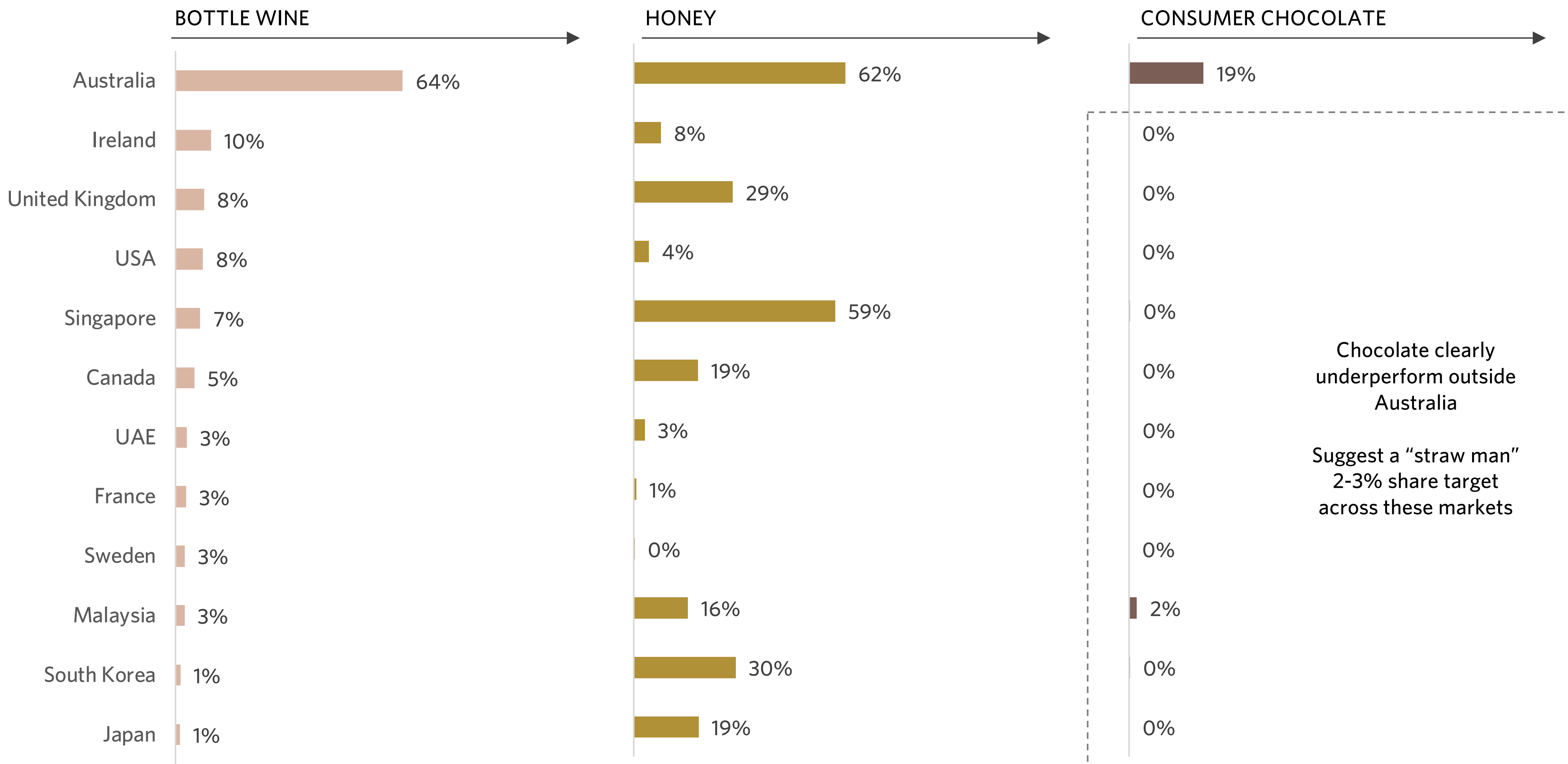
NZ $ Share of Import	Australia	South Korea	Japan	China	Canada	USA	Ireland	Neth.	Denmark	UK	France
	18.5%	0.2%	0.1%	2.2%	0.1%	0.00%	0.00%	0.00%	0.00%	0.02%	0.00%

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

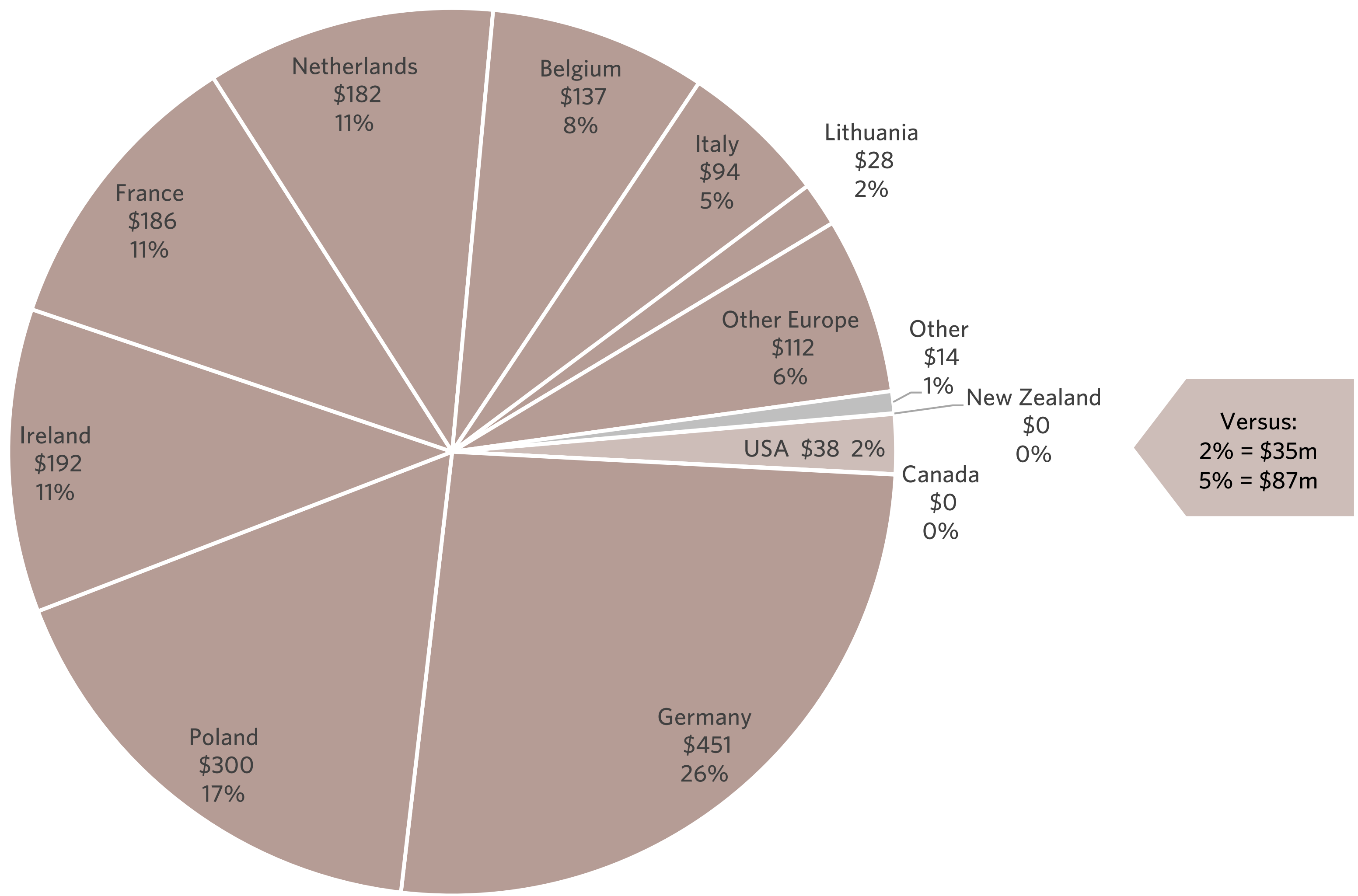


VFD = Value for duty; Source: UN Comtrade database; Coriolis analysis

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



TOTAL = US$1,734m

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

Key NZ Chocolate Firms

+ Firm Profiles

05

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

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

CHOCOLATE TRADERS	CHOCOLATES ARE US	CHOCOYO	DEVONPORT CHOCOLATES
Irene Gillies Managing Director	Leanne Petersen Owner	Yoann Martichon Owner	 Stephanie Everitt Managing Director
DESCRIPTION: Premium chocolate manufacturers and wholesalers; customised chocolates for corporate sales; factory in Christchurch; uses Barry Callebaut chocolate	DESCRIPTION: Customised chocolate manufacturer; focus on corporate embossing and souvenir chocolates	DESCRIPTION: Premium chocolate manufacturer; emphasis on local ingredients	DESCRIPTION: 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
KEY PRODUCTS: Chocolate bars, boxed chocolates	KEY PRODUCTS: Chocolate bars, embossed thins, confectionery	KEY PRODUCTS: Boxed chocolates, chocolate hazelnut spread	KEY PRODUCTS: Boxed chocolates, chocolate bars
OWNERSHIP: NZ; Private (Gilles, Brown)	OWNERSHIP: NZ; Private (Stewart, Petersen)	OWNERSHIP: NZ; Private (Martichon)	OWNERSHIP: NZ; Private (Everitt)
COMPANY NUMBER: 3579891	COMPANY NUMBER: 5223681	COMPANY NUMBER: TBD	COMPANY NUMBER: 1137390
ADDRESS: 205 Robinsons Road, Ladbrooks	ADDRESS: 6A Dakota Drive, Whitianga	ADDRESS: 3/38 North Road, Nelson	ADDRESS: 17 Wynyard Street, Devonport, Auckland
PHONE: +64 3 943 9222	PHONE: +64 7 866 4063	PHONE: +64 27 974 1213	PHONE: +64 9 445 6001
WEBSITE: www.chocolatetraders.co.nz	WEBSITE: www.chocolatesareus.co.nz	WEBSITE: www.chocoyo.co.nz	WEBSITE: www.devonportchocolates.co.nz
YEAR FORMED: 1990	YEAR FORMED: 1988	YEAR FORMED: 2015	YEAR FORMED: 1991
STAFF EMPLOYED: TBD	STAFF EMPLOYED: TBD	STAFF EMPLOYED: TBD	STAFF EMPLOYED: 15
REVENUE: $1-5m*	REVENUE: $1-5m*	REVENUE: <$1m*	REVENUE: $3-4m
COMPANY HIGHLIGHTS:	COMPANY HIGHLIGHTS:	COMPANY HIGHLIGHTS:	COMPANY HIGHLIGHTS:

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

HOGARTH CHOCOLATE COMPANY	HONEST CHOCOLAT	ICELANDIC HOLDINGS	J H WHITTAKER & SONS
Karl Hogarth Owner	Nico Bonnaud Co owner	Dean Patterson Owner	Andrew Whittaker Managing Director
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	DESCRIPTION: Premium chocolate manufacturer; organic, single origin, fair trade chocolate; water ganache fillings; uses Original Beans chocolate	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 Akld, 1 CHCH)	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
KEY PRODUCTS: Chocolate bars, drinking chocolate	KEY PRODUCTS: Boxed chocolates, chocolate bars	KEY PRODUCTS: Chocolate, cooking chocolate products, beans, soup, decorations, crumbs, coatings, dried fruit, nuts, seeds, grains, flours, etc	KEY PRODUCTS: Chocolate bars, slabs, Easter eggs, Artisan range
OWNERSHIP: NZ; Private (Hogarth)	OWNERSHIP: NZ; Private (Bonnaud)	OWNERSHIP: NZ; Private (Patterson)	OWNERSHIP: NZ; Private (Whittaker)
COMPANY NUMBER: 4449121	COMPANY NUMBER: 5933009	COMPANY NUMBER: 1920537	COMPANY NUMBER: 3440
ADDRESS: 10F Kotua Place, Stoke	ADDRESS: Snells Beach, Auckland	ADDRESS: 27 Zelanian Drive, East Tamaki, Auckland	ADDRESS: 24 Mohuia Crescent, Elsdon, Porirua
PHONE: +64 3 544 8623	PHONE: +64 21 422 971	PHONE: +64 9 571 0700	PHONE: +64 4 237 5021
WEBSITE: www.hogarthchocolate.co.nz	WEBSITE: www.honestchocolat.com	WEBSITE:	WEBSITE: www.whittakers.co.nz; www.whittakersworldwide.com
YEAR FORMED: 2013	YEAR FORMED: 2016	YEAR FORMED: 1980s	YEAR FORMED: 1896/1937
STAFF EMPLOYED: TBD	STAFF EMPLOYED: TBD	STAFF EMPLOYED: N/A	STAFF EMPLOYED: 100
REVENUE: $0-2m*	REVENUE: <1$m*	REVENUE: $25-50m*	REVENUE: $100m* (FY14)
COMPANY HIGHLIGHTS: Won gold at Academy of Chocolate UK, International Chocolate Awards and the inaugural NZ Chocolate Awards in 2017	COMPANY HIGHLIGHTS: Supreme Winner of Best Chocolate Bar at inaugural NZ Chocolate Awards 2017	COMPANY HIGHLIGHTS: Rebranded entire Sun Valley range late 2013; Prolife Foods acquired the retail *brands* of SunValley foods Oct '17	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

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

KAKO CHOCOLATE	LA PETITE CHOCOLAT	MAKANA CONFECTIONERY	MONDELEZ NZ
Stu Jordan Co owner	Anissa Talbi-Dobson Owner	Brian Devlin Managing Director	James Kane Country Head, Mondelez NZ
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	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	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	DESCRIPTION: Global confectionery and dairy company; confectionery manufacturing based in Dunedin; Cadbury brand
KEY PRODUCTS: Boxed chocolates	KEY PRODUCTS: Boxed chocolates, chocolate bars, drinking chocolate	KEY PRODUCTS: Truffles, enrobed fruit and nuts, toffees, nut clusters, shortbread	KEY PRODUCTS: Chocolate, sugar confectionery
OWNERSHIP: NZ; Private (Jordan, Williamson, Brooks, Ma)	OWNERSHIP: NZ; Private (Talbi, Dobson)	OWNERSHIP: NZ; Private (Devlin, Flowers)	OWNERSHIP: USA; Public (Mondelez International (NASDAQ:MDLZ)) via Mondelez NZ Holdings (AU)
COMPANY NUMBER: 2333071	COMPANY NUMBER: 3666097	COMPANY NUMBER: 1663806/1751833	COMPANY NUMBER: 204724
ADDRESS: 161 Apirana Avenue, Glen Innes	ADDRESS: 207 Heretaunga Street East, Hastings	ADDRESS: 504 Kerikeri Road, Kerikeri	ADDRESS: 494 Rosebank Road, Avondale, Auckland
PHONE: +64 9 521 6063	PHONE: +64 6 651 2128	PHONE: +64 9 407 6800	PHONE: +64 9 820 2600
WEBSITE: www.kakochocolate.co.nz; www.mychocolatebox.nz	WEBSITE: www.lapetitechocolat.co.nz	WEBSITE: www.makana.co.nz	WEBSITE: www.cadbury.co.nz; au.mondelezinternational.com
YEAR FORMED: 2012	YEAR FORMED: 2012	YEAR FORMED: 2005	YEAR FORMED: 1868/1930
STAFF EMPLOYED: 7	STAFF EMPLOYED: TBD	STAFF EMPLOYED: 16	STAFF EMPLOYED: 500
REVENUE: $0-3m*	REVENUE: $0-2m*	REVENUE: $5-10m*	REVENUE: $302.5m (FY16)
COMPANY HIGHLIGHTS:	COMPANY HIGHLIGHTS:	COMPANY HIGHLIGHTS: Refurbished production kitchen at Kerikeri location to triple production from 120,000 boxes per year in '15	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

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

NESTLE NZ	OLA PACIFICA	OCHO (OTAGO CHOCOLATE COMPANY)	PATAGONIA CHOCOLATES
 Christian Abboud Country Manager & Chief Executive Officer	 Nia Belcher Co-owner & Managing Director	 Liz Rowe Owner	Alejandro Gimenez Owner
DESCRIPTION: 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	DESCRIPTION: Importer and manufacturer of cacao products, Pacific sourced; bean to bar premium chocolate maker; manufacturing in Hawkes Bay	DESCRIPTION: 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	DESCRIPTION: Chocolate and ice cream manufacturers; coffee roasters; five cafes and retail stores in Central Otago; online sales; Belgian and Australian couverture chocolate
KEY PRODUCTS: Coffee, tea, chocolate, confectionery, culinary, snacks, breakfast, infant nutrition, milks, pet food	KEY PRODUCTS: Chocolate bars, drinking chocolate bar, cacao nibs, raw cacao beans	KEY PRODUCTS: Chocolate bars, cacao beans, nibs, flakes	KEY PRODUCTS: Boxed chocolates, chocolate bars; coffee beans, ice cream, sorbet, frozen yoghurt
OWNERSHIP: Switzerland; Public (Nestle (VTX:NESN))	OWNERSHIP: NZ; Private (Belcher)	OWNERSHIP: NZ; Private (Rowe)	OWNERSHIP: NZ; Private (Gimenez, Giallonardo
COMPANY NUMBER: 46423	COMPANY NUMBER: 3632211	COMPANY NUMBER: 4388827	COMPANY NUMBER: 1631665
ADDRESS: Level 3, 12-16 Nicholls Lane, Parnell, Auckland	ADDRESS: 4 Shortland Place, Havelock North Hawkes Bay	ADDRESS: 22 Vogel Street, Dunedin	ADDRESS: Unit 8, 174-180 Glenda Drive, Frankton
PHONE: +64 9 367 2800	PHONE: +64 21 124 1167	PHONE: +64 274 901 421	PHONE: +64 3 441 2891
WEBSITE: www.nestle.co.nz	WEBSITE: www.olapacifica.com	WEBSITE: www.ocho.co.nz	WEBSITE: www.patagoniachocolates.co.nz
YEAR FORMED: 1926	YEAR FORMED: 2011	YEAR FORMED: 2013	YEAR FORMED: 2005
STAFF EMPLOYED: 720	STAFF EMPLOYED: TBD	STAFF EMPLOYED: 5	STAFF EMPLOYED: TBD
REVENUE: $406m (FY16)	REVENUE: <$1m*	REVENUE: <$1m*	REVENUE: $2-5m*
COMPANY HIGHLIGHTS: 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	COMPANY HIGHLIGHTS: 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 & Export Category - Pacific Business Trust Awards October 2016	COMPANY HIGHLIGHTS: Dunedin Manufacturing Holdings Incorporated Society planned crowdsource funding to merge with OCHO in 2017 with plans to reorganise and significantly expand production	COMPANY HIGHLIGHTS:

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

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

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

SCHOC CHOCOLATES	THE SERIOUSLY GOOD CHOCOLATE COMPANY	SHE UNIVERSE	SOLOMONS GOLD
 Murray Langham Owner	Jane Stanton Owner	Oonagh Browne Director & General Manager	 Clive Carroll Managing Director
DESCRIPTION: Premium chocolate manufacturer; two Wellington stores; uses couverture; founder is author of Chocolate Therapy books	DESCRIPTION: Premium chocolate manufacturer; NZ flavours focus, especially wine and beer; factory tours and classes	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	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
KEY PRODUCTS: Boxed chocolates, chocolate bars/tablets, dipped/enrobed, hot chocolate stirrers, chocolate shoes and bows	KEY PRODUCTS: Boxed chocolates; chocolate bars, hot chocolate bars	KEY PRODUCTS: Chocolate bars, boxed chocolates, enrobed chocolates	KEY PRODUCTS: Chocolate bars, cacao nibs
OWNERSHIP: NZ; Private (Langham)	OWNERSHIP: NZ; Private (Stanton)	OWNERSHIP: NZ; Private (Johnson, Prior, Scott, Browne)	OWNERSHIP: AU; Private (Commodity Corporation)
COMPANY NUMBER: 919751	COMPANY NUMBER: 872198	COMPANY NUMBER: 151838156	COMPANY NUMBER: 4234998
ADDRESS: 177 Main Street, Greytown	ADDRESS: 147 Spey Street, Invercargill	ADDRESS: 79 Main Road, Governors Bay	ADDRESS: 1 Macrae Avenue, Mount Maunganui
PHONE: +64 6 304 8960	PHONE: +64 3 218 8060	PHONE: +64 3 329 9222	PHONE: +64 7 574 3022
WEBSITE: www.schoc.co.nz	WEBSITE: www.seriouslygoodchocolate.com	WEBSITE: www.sheuniverse.com	WEBSITE: www.solomonsgold.co.nz; www.commoditycorp.com.au
YEAR FORMED: 2002	YEAR FORMED: 1997	YEAR FORMED: 2006	YEAR FORMED: 2013
STAFF EMPLOYED: 10	STAFF EMPLOYED: 11	STAFF EMPLOYED: TBD	STAFF EMPLOYED: 5
REVENUE: $0-5m	REVENUE: $0-3m*	REVENUE: $0-3m*	REVENUE: >$1m
COMPANY HIGHLIGHTS: Won five awards at the inaugural New Zealand Chocolate Awards 2017	COMPANY HIGHLIGHTS:	COMPANY HIGHLIGHTS:	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

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

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

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

VAN HEININGEN CHOCOLATES	VITACO HEALTH GROUP LTD	WAIKATO VALLEY CHOCOLATES	WELLINGTON CHOCOLATE FACTORY
Peter Bradshaw General Manager & Director	 Ryan d'Almeida Chief Executive Officer	 Jeff Andersen General Manager	 Gabe Davidson Co owner
DESCRIPTION: Premium chocolate manufacturer; leading supplier to the NZ hospitality industry; Callebaut chocolate; corporate sales; Halal range	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	DESCRIPTION: Manufacturer of chocolate; specialising in panning and moulding; exclusively supplies The Warehouse in NZ; private label manufacturing	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
KEY PRODUCTS: Boxed chocolates, chocolate bars; dessert shells and cups	KEY PRODUCTS: Supplements, vitamins, sports nutrition, health foods (baking, cereals, teas etc.)	KEY PRODUCTS: Easter eggs, blocks, enrobed nuts and fruit, Trolli products, dried fruit and nut mixes	KEY PRODUCTS: Chocolate bars, drinking chocolate
OWNERSHIP: NZ; Private (Bradshaw, Hislop)	OWNERSHIP: China; Public (Shanghai Pharma (SHA:601607; 2607:HK) 60%), China; PE (Primavera Capital 40%) via Zeus Investment (HK)	OWNERSHIP: NZ; Private (The Warehouse Group 50%; Razey; others)	OWNERSHIP: NZ; Private (Davidson 53%, Harrison 41%, Bushell, Morrison, Shirtcliff)
COMPANY NUMBER: 873703	COMPANY NUMBER: 1885808	COMPANY NUMBER: 658131	COMPANY NUMBER: 2508939
ADDRESS: 4 Halwyn Drive, Hei Hei, Christchurch	ADDRESS: 4 Kordel Place, East Tamaki, Auckland	ADDRESS: 1 Innovation Way, Northgate Park Horotiu, Hamilton	ADDRESS: 5 Eva Street, Wellington
PHONE: +64 3 342 8438	PHONE: +64 9 272 3838	PHONE: +64 7 855 8733	PHONE: +64 4 385 7555
WEBSITE: www.vanhchocolates.co.nz	WEBSITE: www.vitaco.co.nz; www.healtheries.co.nz	WEBSITE: www.waikatovalleychocolates.co.nz	WEBSITE: www.wcf.co.nz; www.wellington-chocolate-factory.myshopify.com
YEAR FORMED: 1985	YEAR FORMED: 1904/2006	YEAR FORMED: 1975	YEAR FORMED: 2010
STAFF EMPLOYED: TBD	STAFF EMPLOYED: 400	STAFF EMPLOYED: 40	STAFF EMPLOYED: 15
REVENUE: $2-10m*	REVENUE: A$258m (FY16; 15 months) A$213m (FY16; 12 months proforma)	REVENUE: $10-15m*	REVENUE: $1m+
COMPANY HIGHLIGHTS:	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	COMPANY HIGHLIGHTS: New purpose-built production facility, May 2017	COMPANY HIGHLIGHTS:

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

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

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

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

Appendices

+ 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

- Open access commercial scale pilot plants
- Five locations across NZ
- www.foodinnovationnetwork.co.nz

- Search for NZ's finest chocolate
- 23 categories
- www.nzchocolateawards.co.nz

- 2017 4th annual Chocolate and Coffee Show
- 2 day event
- 8,000 visitors
- www.chocolatecoffeeshow.co.nz

Source: Coriolis from various websites, annual reports and other sources

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

Source: Coriolis

GLOSSARY OF TERMS

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

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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.