



# INVESTOR PRESENTATION MAY 2015

Chairman, Neil Craig, 021 731 509

Chief Executive Officer, Brett Hewlett, 021 740 160

Chief Financial Officer, Mark Sadd, 027 707 9698



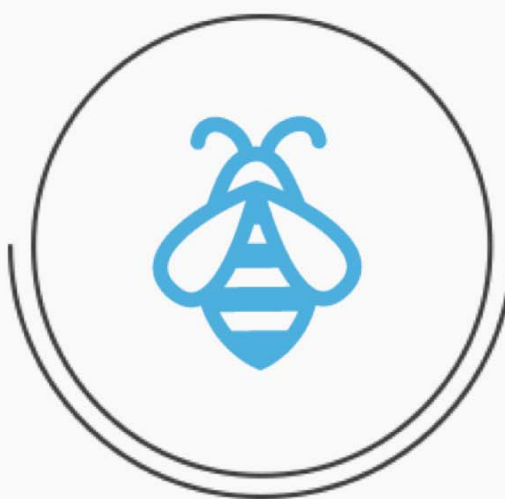
# KEY ACHIEVEMENTS



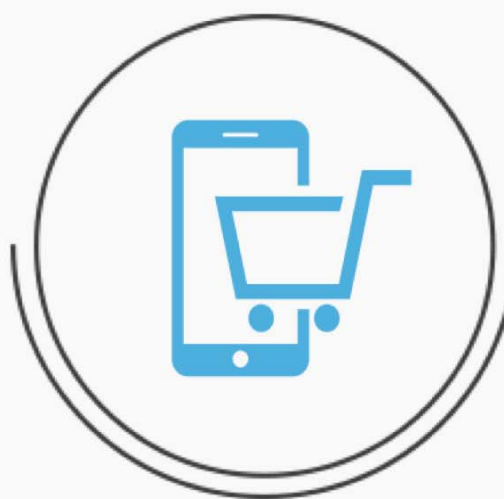
Sales growth  
of 32%



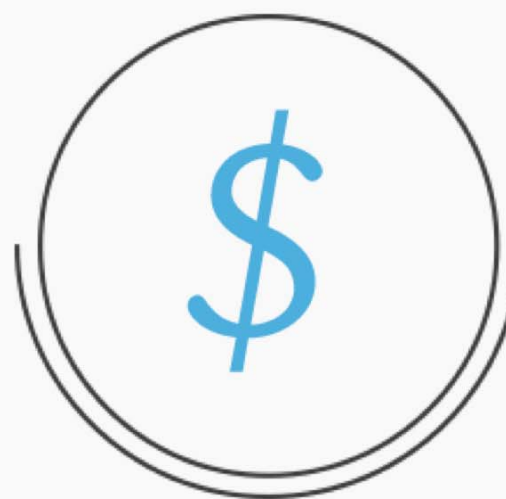
Record net  
earnings of  
\$10.2m  
up 28%



Secured honey  
supply with  
significant honey  
stocks available  
to realize  
earnings  
objectives



Sales through  
direct digital  
channels  
increased 55%



Successful  
Renounceable  
Rights issue -  
\$24.4m  
capital raising



# FINANCIAL HIGHLIGHTS

Consistent delivery of earnings growth

Financial results for the year to 31 March	2015 \$M	2014 \$M	Change %
Revenue	152.7	115.3	32.4%
EBITDA*	23.0	17.0	35.1%
Net profit after tax	10.2	8.0	27.8%
Earnings per share (cents per share)	29.88	26.12	14.4%
Dividends (cents per share)	13.0	12.0	8.3%
Return on capital employed	12.0	10.8	11.1%

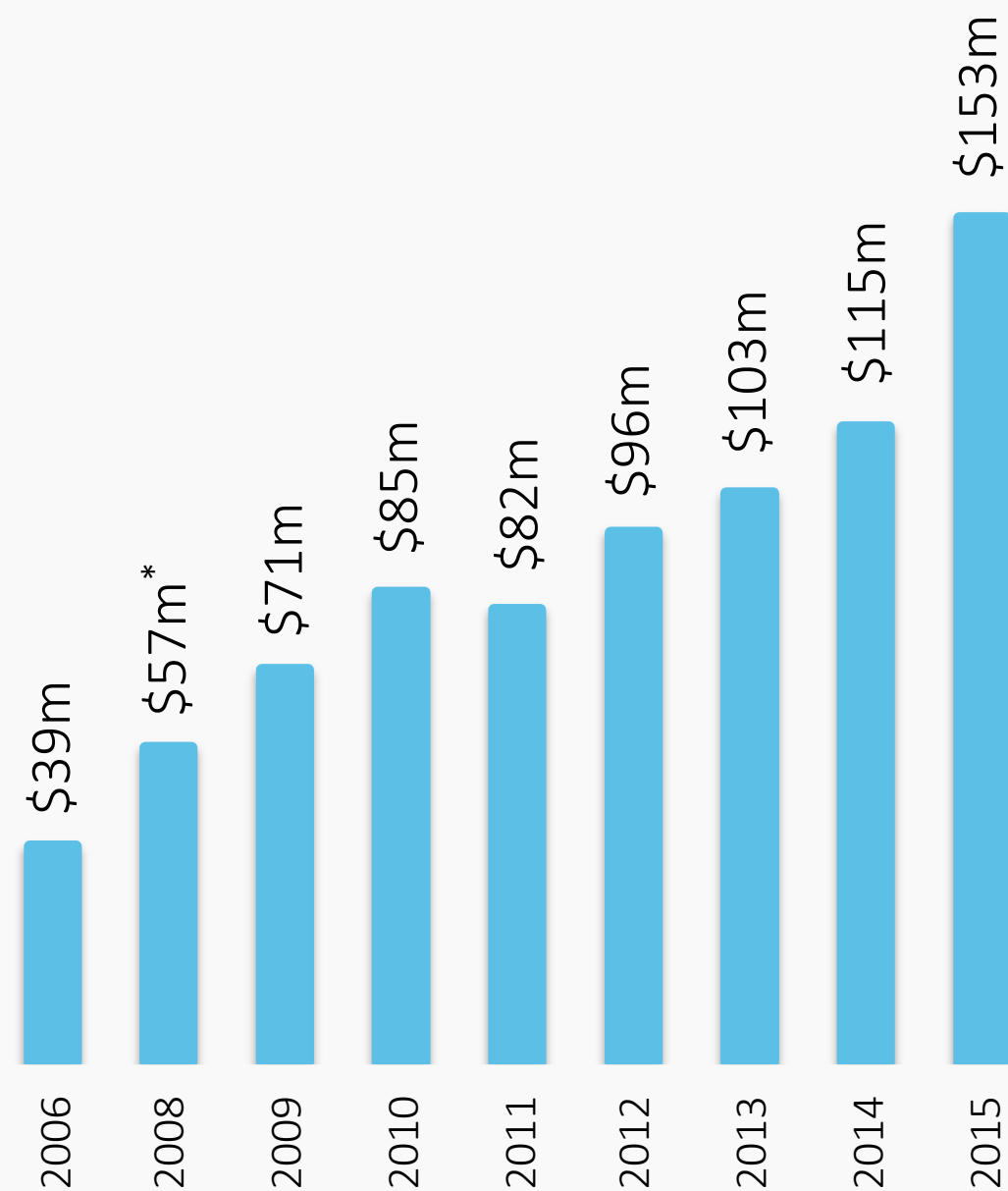
\*EBITDA: Earnings before interest, tax, depreciation and amortisation



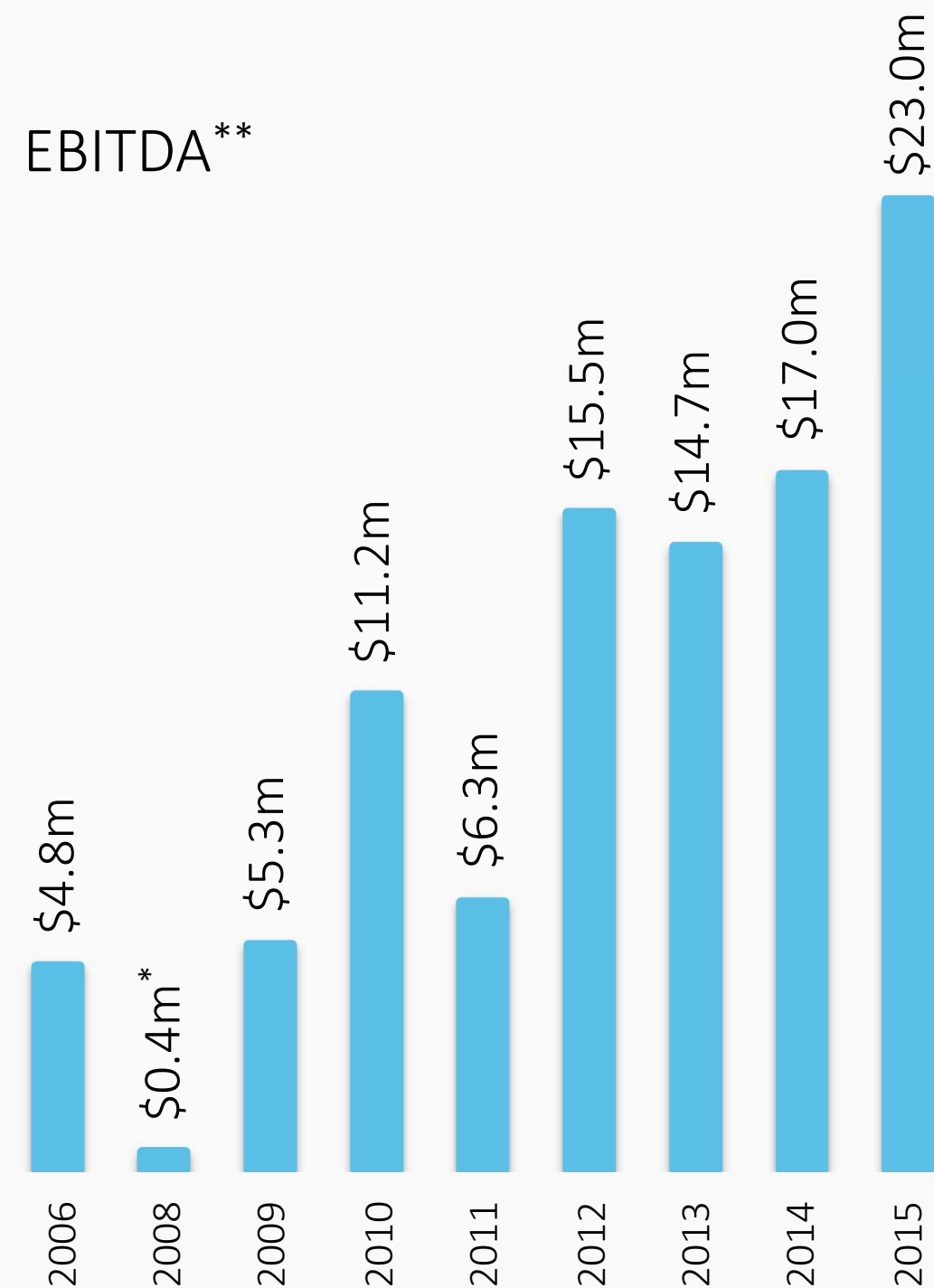


# FINANCIAL PERFORMANCE

Group Revenue



EBITDA\*\*



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\* 15 month period, due to change in balance date

\*\* EBITDA – Earnings before interest, tax, depreciation and amortisation

# KEY BALANCE SHEET RATIOS

	31/03/2015	31/03/2014
Total Assets	\$200m	\$149m
Raw material inventory	\$28m	\$15m
Net debt	\$26m	\$26.5m
Net debt to EBITDA	1.1x	1.6x
Net debt to equity ratio	22%	29%



# OUTLOOK 2016



Focus on  
earnings growth



Continued  
development of  
supply chain  
strategies and  
partnerships



Optimising  
market and  
channel  
performance



Increased  
investment in  
marketing to align  
consumer  
opportunities to  
deliver company  
objectives



# MARKET SEGMENTS

Comvita manufactures, markets and distributes natural health products across four key broad market segments

29%



## HEALTHCARE

Variety of healthcare products including Fresh Olive Extract, Propolis, Cough and Cold remedies, and Dietary supplements

64%



## FUNCTIONAL FOODS

World's largest manufacturer and marketer of Manuka honey. Includes other honey types, Apple Cider Vinegar and Milk Powders

3%



## PERSONAL CARE

Comprises eczema care, first aid, facial skincare and oral care products

4%



## MEDICAL

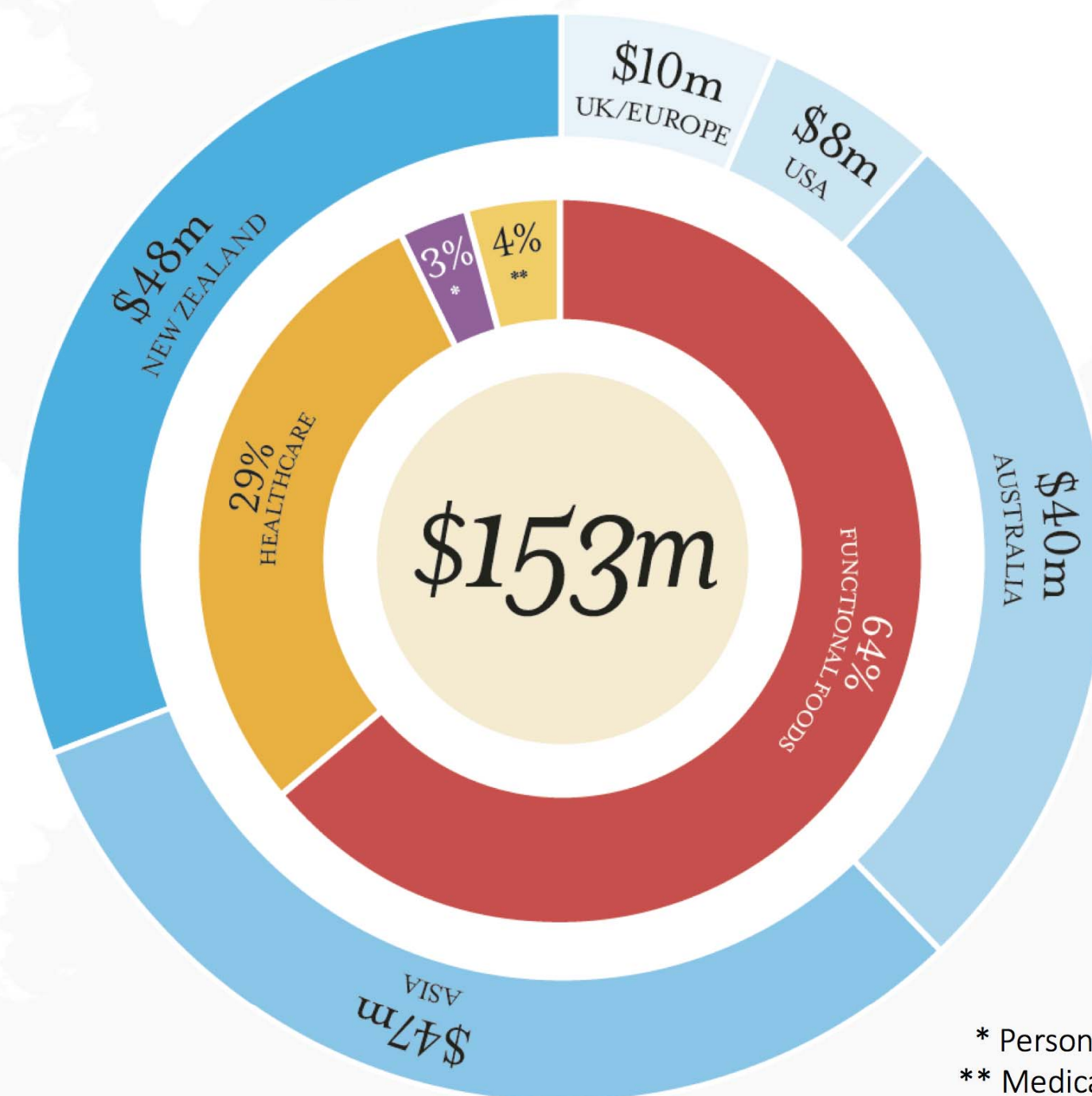
Medical-grade leptospermum (Manuka) honey for treatment of chronic wounds. Global licensing deal for Medihoney® with US-based Derma Sciences, Inc



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# SALES BY REGION & CATEGORY

Year ended March 2015



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\* Personal Care  
\*\* Medical



# VALUE ADDED

\$5

\$14<sup>(5+)</sup>  
\$104<sup>(20+)</sup>

\$250

\$330

\$500

GENERIC

COMVITA BRANDED  
HEALTH HONEY

LOZENGES

MEDICAL

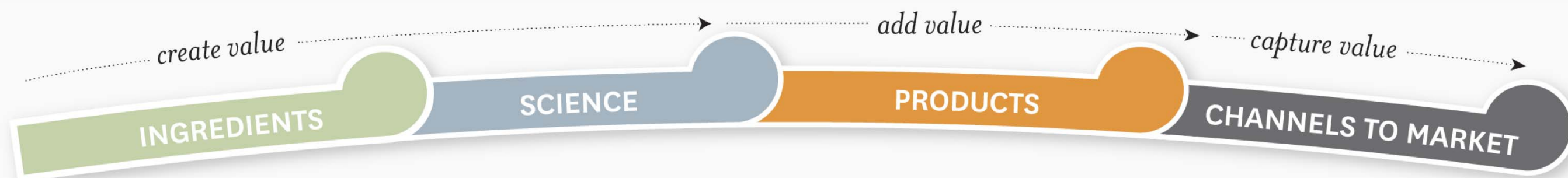
SKINCARE



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Retail selling price per 250g equivalent of raw Manuka honey

# COMVITA VALUE MODEL



*We research and select sources of nature's life giving ingredients and are careful to tend and harvest them in ways that optimise nature's intelligence.*



PROPOLIS



UMF MANUKA HONEY



OLIVE LEAF



OMEGA-3

*We use science to deeply understand nature and our body's own natural health system.*



*Our brand promises to nourish, protect, restore and revitalise our customers health from the inside and the outside.*



PERSONAL CARE



HEALTHCARE



FUNCTIONAL FOODS



MEDICAL

*Our customers experience Comvita through our selected channels and geographic markets.*



## ONLINE

- 7 country specific e-commerce websites
- Social Media



## GLOBAL RETAIL

- 400 branded retail locations in China



- 68 Comvita retail locations in Hong Kong, Taiwan, Korea, Japan UK and NZ



- Healthfood stores, pharmacies, department stores and supermarkets



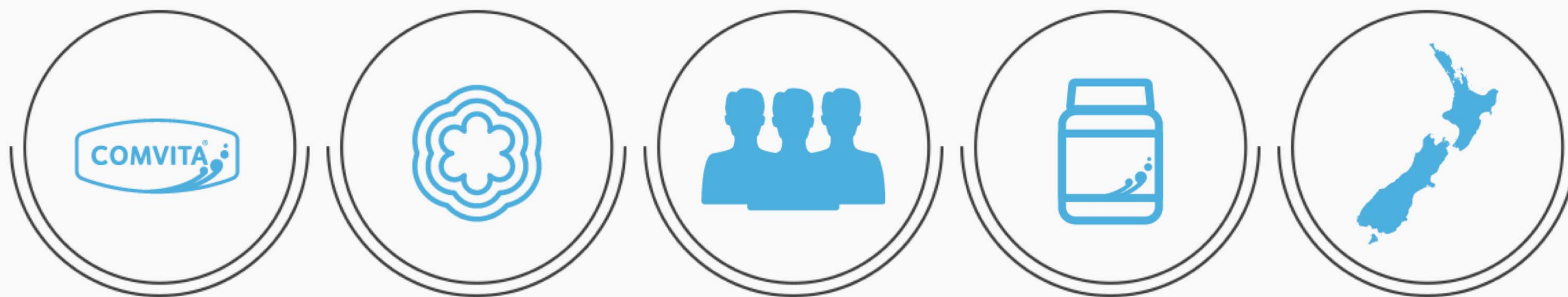
## MEDICAL

- Comvita medical honey is used in hospitals and medical centres around the world



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# BUILDING A PREMIUM GLOBAL BRAND



Brand reputation  
in Asia allows  
significant price  
premium over  
nearest  
competitors

Brand offer  
focussed on value  
add to ingredient  
platforms by  
meeting consumer  
wellness goals

Brand story  
creates a unique  
premium natural  
market position  
and strong levels  
of consumer  
engagement

Reputation for  
heritage,  
trusted source  
of ingredients  
and efficacy of  
products

Growth and  
awareness  
opportunity  
through tapping  
into New Zealand  
tourism via brand  
experiences







# CONSUMER ENGAGEMENT

- Clearly defined consumer target of 'Premium Rebalance'
- Highly motivated to achieve wellness goals
- Wellness pressures driven by environmental and social factors create demand for natural preventative health solutions:
  - Ageing population
  - Population density and pollution
  - Food safety
  - Growing health literacy (social media, technology, apps)
- Willingness to pay a premium for brands that offer functionality, quality and a wellness philosophy





# INNOVATION

- Circa \$2.8m p.a. in research and development
- FDA approved and CE marked medical devices
- A total of 77 patents or patents pending covering 19 different, unique innovations around wound care, product analysis, quality control and selected product health claims
- Identification of key, bioactive compounds
- New product development
- Development of tests for honey authenticity and quality
- Partnership with The University of Auckland and part of global science network





# OWNING AND OPTIMISING MANUKA HONEY

- Plant breeding programmes
- Leading Manuka cultivar development
- Advanced agronomic research
- 30,000 hive apiary operation
- Apiarist training programme
- Bespoke Apiary Management System (AMS); traceability, optimised yield, advanced management
- Industry leading, in-house laboratory capability
- World leading processor of Manuka honey
- Quality and compliance focussed
- Established, market premium position



# SUPPLY CHAIN EXCELLENCE MANUKA HONEY

- Demand driven supply chain
- Centralised demand planning
- Global forecasting software
- Auto market replenishment planning
- Make to forecast
- Traceability to hive
- Structured Sales and Operations Processes
- Global warehousing and distribution
- Service level focussed
- 2015 winner Supply Chain Innovation;  
New Zealand China Trade Association







# SUPPLY CHAIN EXCELLENCE FRESH OLIVE LEAF

- Approximately one million olive trees
- 100% Australian grown, natural fresh olive leaf; fully integrated same day harvest to process
- Natural pest management systems
- Minimal herbicide intervention
- Established plant selection processes
- 'Gentle' harvesting technique development
- Specialised water-extraction facilities
- In-house bioactive testing capability
- Lean manufacturing initiatives





# OUR STORY



1974

- **Humble beginnings**  
Claude Stratford established his company (Comvita) in Bay of Plenty, New Zealand, with a mission to "produce natural products that improve the community's health".
- **Pioneered 'Raw' honey as a healthy food.**



1985

- **Adding Value**  
Product range expansion to more than 80 products including cough and cold remedies.

1988

- **UK Export**  
First export shipment of multi-flora honey and bee pollen to UK in PET packaging. A first in the UK.

2001

- **Hong Kong**  
Comvita opened its first store in Hong Kong.

2003

- **NZAX**  
Comvita Limited is listed on the New Zealand stock market's NZAX.

2004

- **China retail entry**
- **Logo and brand development**



2005

- **UK office established**
- **Group revenue \$31.3m and 140 staff**

2007

- **Acquisition Olive Products Australia**
- **Acquisition GreenLife Hong Kong, Comvita's Hong Kong distributor**
- **Acquisition Medihoney, Australia's biggest honey based woundcare company**

2008

- **Acquisition Kiwi Bee Medical**



1974

## Our Story So Far

2015

2010

- **Global licensing deal signed with Derma Sciences Inc**
- **Kiwi Bee extraction facility expansion for medical grade honey**
- **Comvita Korea established**
- **Claude Stratford turns 100**

2011

- **Comvita Innovation Limited**
- **Acquisition of Waikato Apiary**

2012

- **Annualised sales >\$100m**
- **Acquisition of Whanganui Apiary**

2013

Claude Stratford dies in his 103<sup>rd</sup> year



2013

- **Acquisition of fresh Olive Leaf grove in Qld, Australia**
- **Clinical trial, published research on Olive Leaf Extract by Liggins Institute**
- **Comvita Concept Store, Auckland**
- **Brand Development**

2014 - 40 years

- **Acquisition of Tawari Honey, Hawkes Bay Honey**
- **Tourism Venture 'Experience Comvita'**
- **Derma Sciences takes significant shareholding**
- **Comvita store, Auckland Airport**
- **IT based system projects**

2015

- **Joint venture with East Taupo Lands Trust**
- **\$24.4 million capital raising**
- **Supplier share scheme**



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# MANUKA HONEY



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# PROPOLIS AND ROYAL JELLY



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# FRESH OLIVE LEAF COMPLEX



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# WINTER WELLNESS



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# MEDIHONEY



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