



# FY 2014 Results

## 24 September 2014

NEXT GENERATION NUTRITION

# VISION AND MISSION STATEMENT CLOVER CORPORATION

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- **Vision: To optimise the health and development of infants and children.**

**Mission: To deliver science based bioactives to the global infant, children and medical food markets that provide health benefits.**

# FY2014 RESULTS



AUD million	4E Reported 31 July 2014	4E Reported 31 July 2013	4E Reported 31 July 2012	4E Normalised* 31 July 2012
Revenue	\$27.2	\$44.1	\$38.4	\$38.4
Profit before tax	\$1.2	\$8.5	\$6.4	\$7.4
EBITDA	\$1.6	\$8.8	\$6.7	\$7.9
EBIT	\$1.1	\$8.3	\$6.2	\$7.4
Tax	(\$0.3)	(\$2.43)	(\$1.99)	(\$1.99)
NPAT	\$1.0	\$6.1	\$4.4	\$5.6
EPS	0.59 cps	3.80 cps	2.65 cps	3.38 cps
ROE (annualised)	3.4%	19.2%	14.5%	18.6%

\* Expenses totalling \$1.22 million in respect of the joint venture, Future Food Ingredients Pty. Limited, have been excluded from the normalised results.

# BALANCE SHEET

## 31 July 2014



AUD million	Reported 31 July 2014	Reported 31 July 2013	Movement
Cash	\$8.0	\$8.3	0.3↓
Trade Receivables	\$6.9	\$12.0	5.1↓
Inventories	\$16.5	\$14.0	2.5↑
Total Current Assets	\$32.9	\$34.7	1.8↓
PPE/Intangible Assets	\$4.9	\$5.3	0.4↓
Total Assets	\$39.5	\$41.5	2.0↓
Trade Payables	(\$8.6)	(\$7.7)	0.9↑
Total Current Liabilities	(\$9.2)	(\$8.7)	0.5↑
Total Liabilities	(\$9.4)	(\$9.1)	0.3↑
Net Assets	\$30.1	\$32.4	2.3↓

# CASH FLOW

## Year ended 31 July 2014



AUD million From Operations	Reported 31 July 2014
EBITDA	\$1.6
Working Capital Movement	\$3.5
Net Interest	\$0.1
Tax Paid	(\$2.0)
Cash Flow from Operations	\$3.2
Financing Activities	(\$3.3)
Capex	(\$0.2)
Net Cash Flow	(\$0.3)

## FY2014 KEY ITEMS



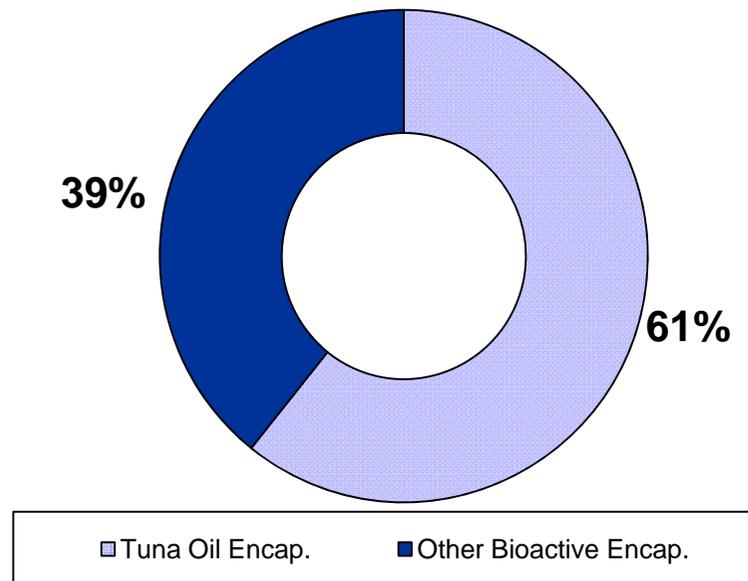
- Significant negative revenue impact NZ WPC (-38.3% PCP)
- Some recovery evident CY14 Q3
- Oceania and Asia remain key geographic sales regions
- Derivative powder products gaining traction
- Continued gross margin pressure, down to 29.0% (PCP 35.1%)
- Fixed costs managed downwards
- Future supply of oil assured
- Low NPAT result 1.0m (PCP \$6.1m)
- Cash balance strong (\$8.0m), reduced final dividend payment of 0.5c (PCP 1.5c)

# DELIVERY SYSTEMS BASED ON A VARIETY OF NUTRITIONAL BIOACTIVES



- Product portfolio includes encapsulated powders containing marine oil, algal oils, other specialty oils and important micronutrients
- Encapsulation technologies protect important and sensitive nutritional materials and allow their use in many applications

Sales Revenue based on Diversified Bioactives in FY2014



# SALES BY GEOGRAPHY/PRODUCT



- Continued strong presence though Oceania and Asia
- Encapsulation technology strong and proven

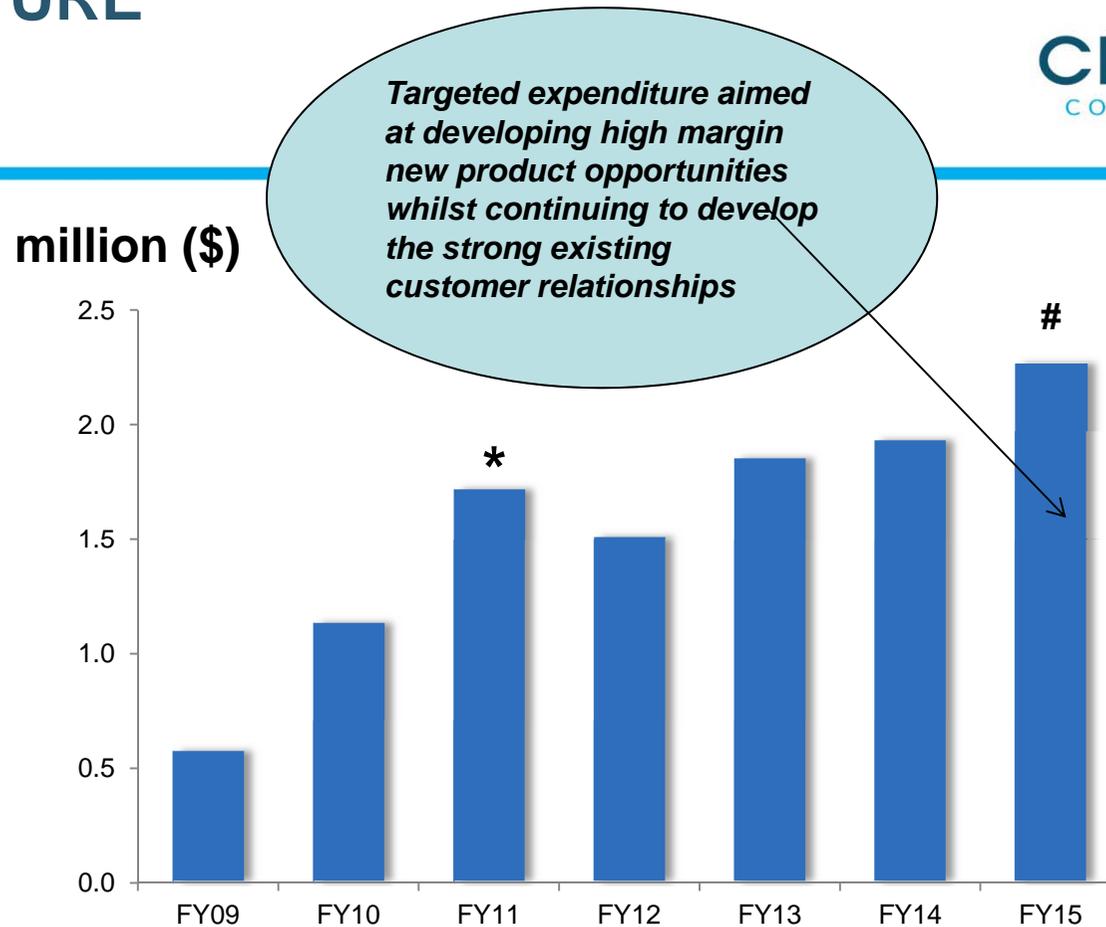
## FY2014 Geographic

Australia/New Zealand	22%
Asia	58%
Europe	14%
Americas	6%

## FY2014 Products

Oil	4%
Encapsulated Powders	96%

# RESEARCH & DEVELOPMENT EXPENDITURE



**R&D Expenditure**

\* FP11 represents 13 months  
# FY15 Budget estimate

# GROWTH OBJECTIVES



- **Continued focus on the infant formula market**
  - **Specialist delivery systems**
  - **Developing new markets/applications**
  - **Improved bioactive protection**
- **Develop medical food program**
  - **Product pipeline to improve the health of preterm infants**
  - **Major clinical trial underway for respiratory health (730 of 1,244 target babies recruited)**
  - **Clinical trial on target for completion mid 2015**
- **NZ spray dryer investment and product diversification to stabilise the gross margin**
- **Assessing new bioactives and growth opportunities**

## FY2015 OUTLOOK & PRIORITIES



- **Work with existing customers to regain lost revenue**
- **Continued organic growth with emphasis on Oceania, Asia and Europe**
- **Investment in NZ spray dryer to partner with customers to supply new sources of oil to address new market opportunities**
- **Continue to advance the Medical Food Program**
- **Continue to improve efficiencies and reduce costs**
- **Add value through strategic acquisition and/or partnership**



**THANK YOU**  
**Questions?**

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