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Comvita's resilience despite global supply chain disruption

Given the significant amount of market commentary regarding the ongoing impact of global supply chain disruption and the effect of inflation on performance, Comvita is pleased to give an update on its trading performance to the end of April.

In the 10 months to the end of April Comvita reported an unaudited EBITDA of \$23.9M (c.93% of FY21 full year actuals) and is still forecasting to deliver in line with its guidance of EBITDA \$27-\$30M for the full year ending June 2022. Unaudited operating profit to the end of April increased by 29% versus PCP. It is forecasted that any impacts of continued supply chain disruption due to Mainland China lockdowns will be manageable. Given that Hong Kong was previously locked down and suffered from supply chain disruption, Comvita is very pleased to report that demand in its Hong Kong SAR subsidiary is strong and that underlying demand has returned to pre Covid levels. This gives Comvita confidence that the impact of any further supply chain disruption in Mainland China will also be temporary. Group Inventory has been increased in order to maintain service levels to markets.

Inflationary pressures are modest and are not impacting current performance additionally, given the high share of digital sales and its premium FMCG positioning, Comvita is well placed to pass on any price increases as and when they occur.

Commenting David Banfield, Group CEO stated "Two and a half years ago we set out our plan to build long term resilience and growth at Comvita. We are really pleased with the progress we are making despite material supply disruption in China and around the world. Our ability to mitigate supply chain disruption and offset inflationary pressure proves that we are on the right track. The team and I remain confident in our ability to continue to deliver results befitting the global market leader and set us up to deliver our short-term goals and most importantly our longer term 2025 strategic plan. We look forward to updating the market on our full year performance after our financial year closes in June".

Ends.

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Background information

Comvita (NZX:CVT) was founded in 1974, with a purpose to heal and protect the world through the natural power of the hive. With a team of 500+ people globally, united with more than 1.6 billion bees, we are the global market leader in Mānuka honey and bee consumer goods. Seeking to understand, but never to alter, we test and verify all our bee-product ingredients are of the highest quality in our own government-recognised and accredited laboratory. We are growing industry scientific knowledge on bee welfare, Mānuka trees and the many benefits of Mānuka honey and propolis. We have pledged to be carbon neutral by 2025 and carbon positive by 2030, and we are planting more than two million native trees every year. Comvita has operations in Australia, China, North America, South East Asia, and Europe – and of course, Aotearoa New Zealand, where our bees are thriving.

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