



29 July 2024

## Unaudited FY24 Results

**Comvita Limited (NZX:CVT)** is today updating the market in light of recent trading conditions and a number of non-recurring, non-operating costs that will impact its FY24 results.

Trading conditions in the China market saw continued weakness in Q4, including knock-on effects from this slow down to the rest of Asia, such that FY24 results were below the previous guidance ranges.

Unaudited results for FY24 are as follows:

- FY24 revenue of \$204.5M (vs previous guidance of \$211M to \$218M)
- FY24 EBITDA\* (excluding ERP and non-operating costs) of \$17.1M (vs previous guidance of \$23M to \$28M)
- NPAT of (-\$16.8M), subject to impairment adjustment yet to be quantified. Including:
  - (-\$10.8M) of non recurring items and non-operating costs after tax
- Inventory and Net Debt in line with previous guidance
- Cost out for FY25 on track, annualised savings identified to date \$10M-\$15M

### EBITDA, Revenue, Net Debt and Inventory

Continuing weakness in the China market, including the partial cancellation of the 6:18 shopping festival, and the flow on effect to related markets in Asia has seen fourth quarter sales below expectation. Lower sales and the resulting higher finished goods inventory impacted inter-company profits, together affecting EBITDA by (-\$5.5M). Net Debt finished the year at \$79.7M and Inventory at \$138M, in line with prior guidance.

### Non-recurring costs impact NPAT

Comvita faced a combination of non-recurring, non-operating costs net of tax of \$7.3M and a number of negative tax impacts of \$3.5M, including commercial building depreciation tax changes. Together totalling \$10.8M.

These included: planned major investment in an ERP system of \$7.2M in FY24; responding to a Non-Binding Indicative Offer (NBIO); organisational restructuring costs; and a decision to exit from its legacy Medibee joint venture in Australia, at a total cost of \$6.9M; offset by positive adjustments including Makino sale and insurance proceeds of \$3.9M resulting in a net after tax impact of \$7.3M.

### Impairment

The Board has engaged an independent expert to provide impairment advice. The need to consider an impairment arises when there is a material gap between a company's net total assets (tangible and intangible) and its market capitalisation. Any impairment is likely to have a further material negative, non-cash impact on the FY24 NPAT. Comvita will advise the market once determined, in line with its continuous disclosure obligations.

\* EBITDA is a non GAAP measure

### COMVITA LIMITED

Comvita Limited, 23 Wilson Road South, Private Bag 1, Te Puke 3189, New Zealand. PH: +64 7 533 1426, FX: +64 7 533 1118



### Commentary

CEO David Banfield said that trading conditions in key markets remained challenging, this along with the \$10.8M of non-recurring expenses and tax impacts resulted in this extremely disappointing FY24 unaudited result.

“Given ongoing trading uncertainty, we are focused on delivering significant cost reduction targets of \$10M to \$15M, as previously confirmed to the market, and to returning Comvita to the profitable growth that we delivered between FY20 and FY23” he said.

Chairman Brett Hewlett said: “As a fellow shareholder, I am extremely disappointed with this year’s results. The board is reviewing its options for how best to carefully navigate these market challenges, reduce costs, and to return the business to profitable growth as soon as possible. We will be adopting a more cautious approach to the deployment of capital and resources whilst implementing a sharper focus on immediate value opportunities.”

A handwritten signature in black ink, appearing to read "David Banfield".

David Banfield  
CEO

A handwritten signature in black ink, appearing to read "Brett Hewlett".

Brett Hewlett  
Chair

### For further information:

Jessica Sanders | Comvita

Mobile: +61 448 303 839

Email: [Jessica.sanders@comvita.com](mailto:Jessica.sanders@comvita.com)

### Background information

**Comvita (NZX:CVT)** was founded in 1974/5, with a purpose to heal and protect the world through the natural power of the hive. With a team of 550+ 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 scientific knowledge on Manuka trees, the many benefits of Mānuka honey and propolis and bee welfare. We have planted millions of native trees, improving our natural ecosystems and biodiversity, and mitigating climate change in conjunction with our focus on carbon emissions reduction, while helping ensure the supply of high quality Mānuka honey. In 2023 Comvita was certified B Corp, a global community of like-minded companies that strive to balance profit with purpose, seeking to use business as a force for good. Comvita has operations in Australia, China, North America, Southeast Asia, and Europe – and of course, Aotearoa New Zealand, where our bees are thriving.

**ENDS**