



13 August 2024

Comvita announces Leadership changes

Comvita Limited (NZX:CVT) today announces changes of senior company leadership roles. The Comvita Board believes that a different focus for leadership will be required as the Company undertakes a strategic reset of the business at this time. Consideration has been given on how best to optimise the skills and capability available to the company.

Effective from the 31st August the following changes will be implemented;

- David Banfield resigns as CEO and Managing Director and will assume a project based role of Strategic Advisor to the Board.
- Brett Hewlett resigns as Director and Chair of the Comvita Board and assumes the role of Acting CEO.
- Bridget Coates is appointed as Chair of the Board.
- Mike Sang is appointed Chair of Audit & Risk Committee.
- Overall board numbers will be reduced from currently eight Directors to six, with the majority as Independent Directors.
- Alan Bougen, co-founder of Comvita, has been invited by the Board to act in an advisory capacity as Brand Ambassador and Founder.

Board Chair Brett Hewlett says; “We started FY24 encouraged by the resilience of sales and earnings growth that the company demonstrated over the challenging period 2020 through 2023. For the past three years we have invested in both demand and supply capability in anticipation that this positive trend would continue towards a full recovery by 2025. The full extent of the impact of the global economic slowdown on our sales decline during FY24 and the resultant effect on profits and share price has been confronting for the Board and shareholders. Faced with an extremely poor FY24 financial result and the slower than anticipated recovery in global demand we are obliged to pause several longer term investment strategies, and take a more cautious approach to deploying capital and resources, whilst implementing a sharper focus on a number of immediate value opportunities.”

David Banfield joined Comvita as CEO in January of 2020 and led a very successful turnaround of the business with a tightly focused premium product and consumer proposition, based on our core ingredients of Manuka Honey and Propolis. Significant momentum was achieved through FY20-FY23 (through the extremely challenging period of Covid disruptions). In FY23 Comvita reported all-time record revenue of \$234m, record EBITDA earnings of \$34m, record gross margin of 60% and the Company was awarded the Deloitte 200 best growth strategy for 2023. David was also instrumental in developing Comvita’s ESG corporate platform; this was recognised most notably with an international BCorp certification achieved in 2023. Given the requirement for a longer-term commitment to see through a strategic reset and then the journey back to growth, David has decided to step down. In his new project based role as Strategic Advisor, David will support the Board on several projects on short to medium term strategies for further building revenue and optimising distribution models in key global markets.

David stated “It has been an absolute privilege to lead Comvita over the last 4.5 years. I would like to thank the whole Comvita team for their absolute dedication, commitment and support in delivery of our ambitious strategic plan first shared in 2020 and their belief in our ability to heal and protect the world. I am disappointed to leave at a time when our performance over the last year has been weak, impacted by the slowdown in our biggest market - China. As a believer in a performance culture, I take ultimate responsibility for this result but have a real belief that as conditions improve the investments we have made will help return us to profitable growth in the near future. I look forward to working with Brett and the board over the coming months to further develop our global distribution and business models’.



Chair Brett Hewlett says, “On behalf of the Board I would like to thank David for his significant contribution and commitment to the Company, during a challenging period of both Covid and global economic slowdown, David’s dedication to the Company and to his team has never waned, at times having to endure significant adversity and making countless personal sacrifices. I look forward to continue to work with David in his new role.

Brett Hewlett has been in senior leadership roles for Comvita for the past 20 years. He joined the Company in 2005 as CEO and led Comvita through a programme of significant growth and transformational change through to 2015. Brett returned to Comvita in 2017 as an Independent Director. At the end of FY19 Brett was made Executive Director to lead a strategic review. In January 2020 Brett was made Chair of the Board. In his new capacity of Acting CEO, Brett will focus on cost reduction initiatives, organisational resilience, driving bottom line growth and restoring shareholder value.

Bridget Coates joined Comvita in September 2021 as an Independent Director and has served as a member of both the Audit & Risk Committee and the Safety & Performance Committee and is the Chair of the company’s Investment Committee. Bridget has a background in capital markets, in a range of governance roles (NZ Superannuation Fund, Reserve Bank of New Zealand, Fonterra Sustainability Panel) and as Chair of the Centre for Sustainable Finance. She has been involved in building food and beverage businesses in the US market, based on their New Zealand provenance. **Mike Sang** is currently an Independent Director and member of the Audit & Risk Committee. Upon the departure of Julia Hoare at the end of August, Mike will become the Chair of the Audit & Risk Committee.

The Board has taken the view that the business would be best served with a smaller more focused Board make up. Currently there are eight Directors. With the changes proposed above this will now reduce to five directors, with the majority Independent Directors. Recruitment of a new Independent Director is in process. The Board will be undertaking a review of the needs and skills of future Directors and of a new CEO as determined by the strategic review taking place over the coming months and will make changes accordingly.

Alan Bougen and Claude Stratford founded Comvita in 1975 from humble beginnings in our home base of Paengaroa, NZ. Whilst Comvita has grown to become a global business with more than 90% of revenue derived from 13 offshore markets, the founding values are still richly woven into the strategic and governance principles of the Company today. Alan’s role of Brand Ambassador and Founder will be beneficial in providing the Board and new leadership with the continuity to navigate a way through the proposed changes and strategic reset that lies ahead.

Brett Hewlett says; “I want to thank shareholders and my fellow Directors for their support over the period of my tenure as Chair. It has been both a privilege and a challenge to lead the Board through this period of unprecedented change and global turmoil. While I have a feeling of deep disappointment in the difficult state the Company has found itself in recent times, I know that I am handing over the reins to a highly capable Governance team under new Chair, Bridget Coates. Bridget, the Board and I share a conviction that Comvita has only just begun to realise its true potential. We remain well positioned for a successful future.”

Brett Hewlett

Chair of the Board

ENDS.



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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 Mānuka 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