



2 May 2023

Trading update – Honey harvest and forecast market demand

Comvita Limited (NZX: CVT) global market leader in Mānuka honey, Propolis and Fresh-Picked™ Olive Leaf Extract is pleased to maintain guidance of double-digit EBITDA growth (after one-off ERP costs previously disclosed) despite the extreme weather events that hit Aotearoa, New Zealand this year and report strong demand forecasts from its markets.

Comvita is pleased to confirm that despite the negative impacts on this year's honey harvest from a series of extreme weather events its breakeven harvest model has again delivered. The breakeven model was designed to build **resilience** into Comvita's Mānuka honey supply chain by ensuring that in bad weather years the Apiary supply division was able to breakeven (avoiding any negative impact to group profits) while still preserving the opportunity to benefit in good years. Despite this year's low harvest volumes Comvita remain well placed to meet growing demand for their premium Mānuka honey products.

In addition, Comvita reaffirmed that it is fully covered by Insurance from the impacts of Cyclone Gabrielle which had such a devastating impact on Hawkes Bay. The Hawkes Bay team is now operating from a temporary base in the region. Comvita is also pleased to report that extraction has been virtually completed (90%) at one of its other facilities ensuring continuity of supply.

Finally, Comvita noted the strength of forecasts from its markets for delivery in Q4 FY23 and the initial indications of strong forecast demand continuing into Q1 FY24. Its strong demand in Q4 will impact debtors at year end though net debt is still expected to fall by c 20% from its reported level at the half year ended 31 December 2022 and inventory is expected to be materially in line with PCP as previously forecast.

David Banfield, CEO commented "One of the key aims of our Focus strategy that we launched in 2020 was to build resilience into our operating model to enable us to offset the impact of events outside our control. It's extremely encouraging that our honey harvest model has now been proven for three consecutive years. In addition, having just returned from China and other markets I am delighted with how our business model is enabling us to win with discerning consumers around the world. We see good demand in key markets, we are gaining market share and are forecasting a record Q4 enabling us to deliver guidance in FY23 and as importantly, keep us on track to deliver our FY25 target of \$50M EBITDA."

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 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 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 1-2million 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.