

**INVESTOR PRESENTATION  
HALF YEAR RESULT FY22**



**PRESENTED BY:  
David Banfield, CEO  
Nigel Greenwood, CFO  
24 FEBURARY 2022**



# IMPORTANT Notice

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- Should be read in conjunction with, and is subject to, Comvita's Annual Reports, Interim Reports and market releases on NZX;
- Is from the unaudited interim results for the six months ended 31 December 2021;
- Includes non-GAAP financial measures such as EBITDA and constant currency comparisons. These measures do not have a standardised meaning prescribed by GAAP and therefore may not be comparable to similar financial information presented by other entities. They should not be used in substitution for, or isolation of, Comvita's audited financial

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- Is current at the date of this presentation, unless otherwise stated.

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All currency amounts are in NZ dollars unless otherwise stated.

TODAY'S  
**Agenda**

**01.**

**Our Focus / Arotahi**

Comvita premium FMCG brand  
our unique business model  
2025 FOCUS Plan

**02.**

**ESG**

Aiming to be carbon neutral  
2025

**03.**

**Half Year  
Results FY22**

**04.**

**Cashflow,  
Inventory, and  
Net Debt**

**05.**

**Market  
Segment  
Performance**

**06.**

**Reinvestment for  
Long Term  
Growth**

**07.**

**Guidance  
& Summary**

**08.**

**Q&A**

# Record Half Year Earnings

01.

## Number One

Global brand leader in  
Mānuka Honey and  
Propolis

02.

4

4<sup>th</sup> Consecutive  
reporting period of  
earnings growth

03.

6.1%

6.1% revenue growth  
despite significant  
Covid headwinds

04.

33%

Digital share of  
total revenue  
D2C +12%

05.

Marketing \$13.3m  
+20.9% (+\$2.3m)

Investment in  
Comvita brand

06.

Operating Profit  
\$7.2m +39.4%

Reported EBITDA  
\$12.1m +14%

07.

2.5 CPS Interim Dividend

Fully imputed  
interim dividend  
declared

08.

\$26.3M Net Debt

Net debt + \$21.7m  
primarily inventory  
and new JV  
investment

# Covid 19

## The Global Comvita Whānau

- The health and safety of our global team of 500+ is our priority, and we are pleased to report our people are safe and well
- We have taken a risk-based approach to managing our response, built around facts and science
- The team response has been amazing in all markets, with 90% of our team vaccinated globally
- We have continued to demonstrate our ability to lead and adapt quickly, including the early adoption of at home Rapid Antigen Testing (RAT) for staff in Australia and New Zealand - an additional measure for safety and protection
- Rapid Antigen Testing and vaccination are required for on-site working at our Paengaroa operation
- Many markets still being impacted by ongoing disruptions, due to the pandemic
- **Recent MOH advice to use honey / lozenges to help manage symptoms of Covid**
- The longer-term trend of consumers turning to nature and natural products for solutions to their health and wellness needs has continued
- We are proud to be part of the solution for consumers around the world

OUR  
Purpose

**“Working in harmony with bees  
and nature in New Zealand to heal  
and protect the world.”**



OUR  
**Vision**

**“To deliver world-leading standards for our team, our consumers, our shareholders and our planet, contributing to a world where bees and people can thrive in harmony.**

**Reinvest cash to lead Industry growth and consolidation to drive higher standards for our consumers.”**



# 2025 FOCUS Strategic Plan

PLAN ON A PAGE – to 2025



Working in harmony with bees and nature in NZ to heal and protect the world.

## Our Mission - To 2025

- “To deliver world-leading standards for our team, our consumers, our shareholders and our planet, contributing to a world where bees and people can thrive in harmony.”

Reinvest cash to lead Industry growth and consolidation and in the process drive higher standards for our consumers”

### COMVITA 50: 2025

**60:15:20**  
Minimum 60% GP  
15% Marketing to sales ratio  
20% EBITDA target

1. Stabilise performance

2. Transform organisation

3. Long term resilience and growth

Strategic Pillars – Our Unrelenting Focus

● We all lead

● Togetherness

● We Love to Learn

● Kaitiakitanga

CVT as a Premium Consumer lifestyle brand

World-class digital engagement and experience

Science and Quality

Organisational simplification and efficiency

Becoming a sustainable, world-class organisation

KPI's - FY25

Aligned Focus - Deliver by FY25

Carbon Neutral 2025 Science based targets for GHG reduction	ROCE – 500bps above WACC	Build a China Market business capable of delivering 10 years of 10% CAGR	Break through in North America to provide geographical balance
CVT TSR's > NZX 50	Consumer and employee NPS>+7	Digital channels To deliver 50% of total sales	All market segments growing ( mid single digit CAGR)) and profitable

SECTION

1

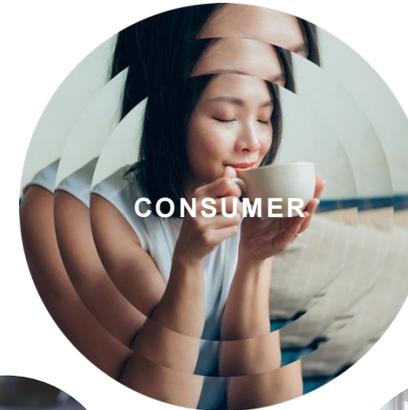
# Our Focus



# Arotahi

OUR FOCUS - PREMIUM FMCG  
BRAND

VERTICAL  
INTEGRATION  
IMPROVED  
QUALITY &  
REDUCED  
RISK



RIGHT  
PRODUCTS



RIGHT  
MARKET  
SUBSIDIARIES



LONG TERM  
PROFITABLE GROWTH

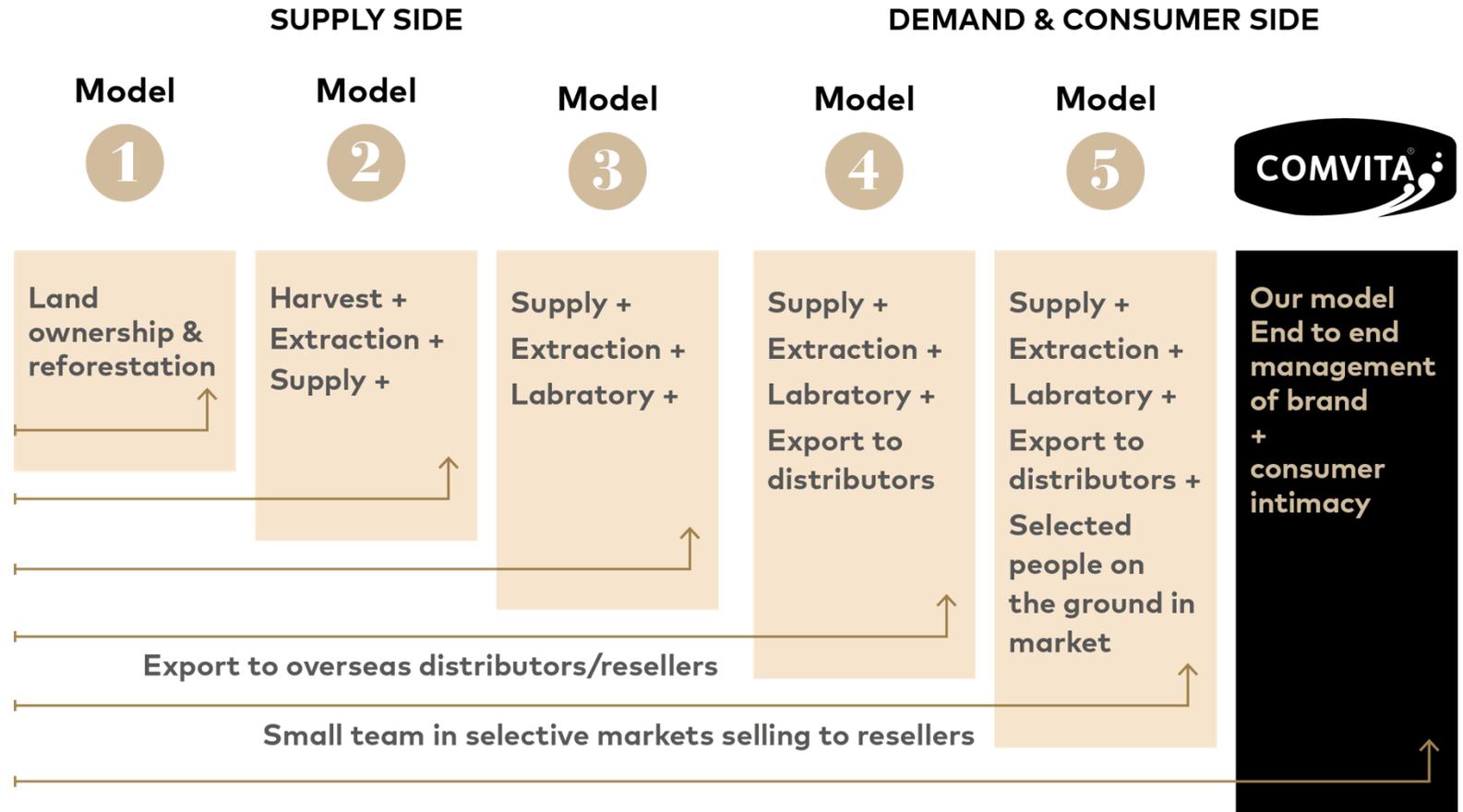


INVESTMENT  
IN BRAND,  
IP & SCIENCE



DIGITISATION

LEVERAGING OUR  
**Unique**  
 BUSINESS MODEL



**END — TO — END**

COMVITA UNIQUE 'END TO END' MODEL



# World Leading Science & Quality

- Comvita strategic goal of **higher standards** for all NZ honey to protect consumers and the industry
  - Achieved dual IANZ and MPI accreditation for our in-house honey testing laboratory, the only such certification held by a honey company
  - More patents and publications than any other honey company
- **\$1.3m Mānuka Honey for digestive health clinical trial programme** announced in collaboration with the University of Otago, supported by \$875K grant from the High-Value Nutrition National Science Challenge
  - Programme supported by **Scientific Advisory Board** of international expert gastroenterologists and digestive health researchers
    - **Professor Richard Geary**, Academic Head, Department of Medicine, University of Otago, NZ
    - **Professor Nicole Roy**, Professor Department of Human Nutrition, University of Otago, NZ
    - **Laureate Professor Nick J Talley**, Pro Vice-Chancellor, Global Research University of Newcastle, Australia
    - **Professor Peter Gibson**, Head of Gastroenterology Research, Monash University, Australia
    - **Professor William D. Chey MD**, Professor of Medicine, Director of GI Physiology Lab, University of Michigan, USA
    - **Professor Francis Chan**, Dean & Choh-Ming Li Professor of Medicine and Therapeutics, Chinese University of Hong Kong
    - **Professor Robin Spiller**, Professor of Gastroenterology, University of Nottingham, UK
    - **Mr Nick Maynard**, Consultant Surgeon, Oxford University Hospitals NHS Foundation Trust, UK



# Headlines

- **Record H1 operating profit \$7.2m** ,+39.4% vs PCP (+\$2.0m)
- **EBITDA\* \$12.1m**, + 14% +\$1.5m vs PCP
  - Double digit top and bottom-line growth in focus growth markets, China and North America
  - Double digit top and bottom-line growth in Mānuka honey product category
  - Double digit top and bottom-line growth Comvita.com (D2C)
- Revenue growth +6.1% despite significant Covid headwinds
- Gross profit (GP) +760 bps to 56.6%
- Long term brand investment \$13.3M +\$2.3m or +21% vs PCP and 12.7 % of sales vs 11.1 in PCP
- Business transformation plan on track
  - Strong GP growth
  - Expected to deliver \$14m in GP improvement since inception by end of FY22
  - 35% SKU reduction on top of 30% in FY21
- Net debt increased by \$21.7m since 30 June 2021 to \$26.3m, inventory increase \$13.2m, JV investment \$5m
- 79% reduction in total recordable injury frequency rate (TRIFR)
- Fully imputed dividend of 2.5 cps declared

\* EBITDA is earnings before interest, tax, depreciation and amortization. It is a non-GAAP measure. We believe it assist investors in assessing the performance of the core operations of our business.

\*\* Previous Corresponding Period

# Development Plan

CONTINUED POSITIVE PROGRESS



**PROUD  
HISTORY**

## JAN 2021

### Key Achievements:

- Return to profitability
- Reset capital structure
- Low debt model
- Organisation restructure
- Refined purpose
- Cascaded 5-year plan
- Focus on consumers
- Focus on growth markets
- Focus on key products

## JAN 2021 – JUN 24

### Key Goals:

- Sustainable profitable growth (all market segments profitable and growing)
- World class digital channel capability
- Transformation complete
- Material increase in email database (TY +50% vs PCP)
- New revenue streams and RTM launched
- Brand of choice to discerning consumers
- Market leader at home

## JUN 24 ONWARDS

### Key Goals:

- Clear route to carbon neutral and positive SBT's in place
- Clear route to 60:15:20 business model
- Double digit EPS CAGR
- Digital sales 50% of revenue
- Strong growth in new categories
- Mid-single-digit Mānuka growth
- Experiential stores around the world
- Multiple global partnerships with world class organisations
- Recognised for H&S standards
- Best employer – team as shareholders



**EXCITING  
FUTURE**

CRAWL ONE-YEAR

STRIDE 2-3 YEARS

RUN ONGOING

SECTION

2

ESG



# ESG at Comvita



OUR HARMONY PLAN

## ENVIRONMENTAL

### Key Focus Areas:

- GHG emissions
- Air and water pollution
- Biodiversity
- Deforestation
- Resource depletion (pollen and nectar resources)
- Use of chemicals and pesticides
- Water efficiency
- Energy efficiency
- Sustainable packaging and circularity
- Waste management
- Climate change preparedness

## SOCIAL

### Key Focus Areas:

- Product quality and food safety
- Customer satisfaction
- Ethical procurement
- Data protection and privacy
- Human rights
- Child labour and modern slavery
- Health and safety
- Labour standards (including in our Supply Chain)
- Pay equity (gender and ethnicity)
- Employee diversity and equitable opportunity
- Employee engagement
- Community investment (1% of EBITDA)
- Community relations, including Māori Engagement

## GOVERNANCE

### Key Focus Areas:

- Board composition (diversity and independence)
- Compliance with regulations
- Anti-bribery and corruption
- Accounting and audit quality
- Global tax strategy
- Business ethics
- Lobbying
- Political contributions
- Speak-up policies and frameworks
- Integrated reporting



STRENGTHENING OUR GLOBAL HIVE

\* ESG definition aligned with global reporting frameworks and Comvita Materiality Review

# Our Global Whānau



**67%**

OF OUR GLOBAL  
TEAM IS FEMALE

**553**

FULL TIME EQUIVALENT  
ROLES IN OUR GLOBAL  
WHĀNAU

**50%**

OF GLOBAL EXECUTIVE  
REPORTING TO CEO ARE  
WOMEN

FY22 TARGET 40%

**60%**

OF GLOBAL ROLES  
ARE CUSTOMER  
FACING

**100%**

LIVING WAGE MET  
FOR NZ-BASED  
EMPLOYEES

**40%**

OF THE COMVITA  
BOARD ARE WOMEN

FY22 TARGET 100%

**63%**

OF VOCATIONAL  
DEVELOPMENT SUPPORTED  
WOMEN, MĀORI AND  
PASIFIKA

**5+**

AVERAGE EMPLOYEE  
YEARS OF SERVICE  
GLOBALLY

**100%**

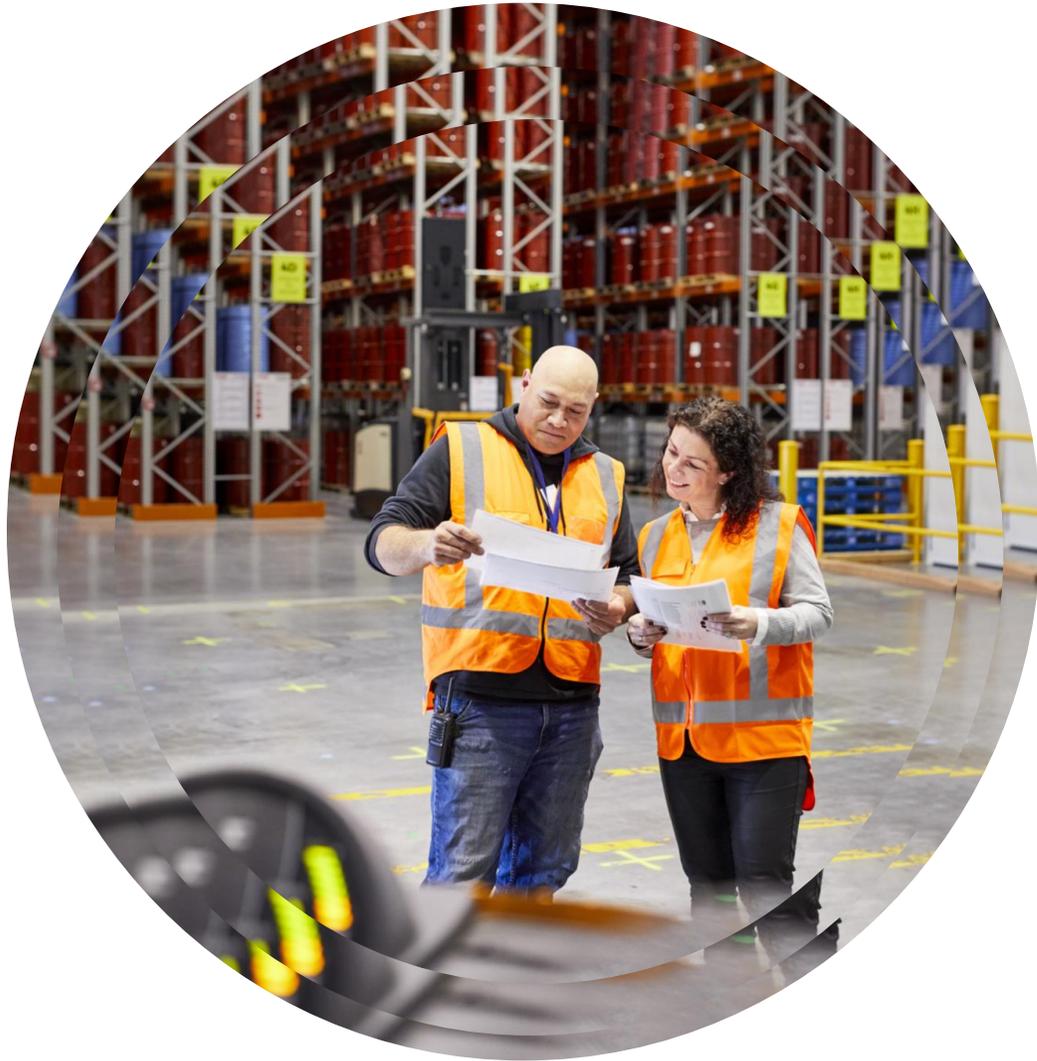
EQUAL PAY FOR EQUAL  
WORK GLOBALLY

FY22 TARGET 100%

FY22 TARGET 75%

# Safety & Wellbeing

RELENTLESS FOCUS ON SAFETY PRIORITIES



**-79%**

TRIFR 3.0  
FY22 TARGET -10%

**-33%**

REPORTABLE  
INJURIES  
FY22 TARGET -10%

**-77%**

MOTOR VEHICLE  
INCIDENTS  
FY22 TARGET -10%



**111**

MENTAL WELLBEING  
CHECKS  
+100%: NEW IN FY22

# Sustainability

PERFORMANCE vs. PCP



(31 December 2022 vs 31 December 2021)

↑  
INVESTMENT IN  
CARBON REDUCTION INITIATIVES

\$ **145**<sub>K</sub>

2021: \$52K

**+178.8%**

↑  
INVESTMENT IN  
HARMONY PARTNERSHIPS

\$ **151**<sub>K</sub>

2021: \$50K

**+198.0%**

↑  
SHRINK WRAP REMOVED  
FROM SUPPLY CHAIN

**2.0**<sub>T</sub>

2021: 3.7T Purchased

**-54.0%**

↓  
NATIVE TREES  
PLANTED THIS SEASON

**1.5**<sub>M</sub>

2021: 1.9M

**- 21.0%**

↑  
TREES THAT COUNT  
LEADERBOARD NZ

# **1**

2021: #2

**+1 place**

1

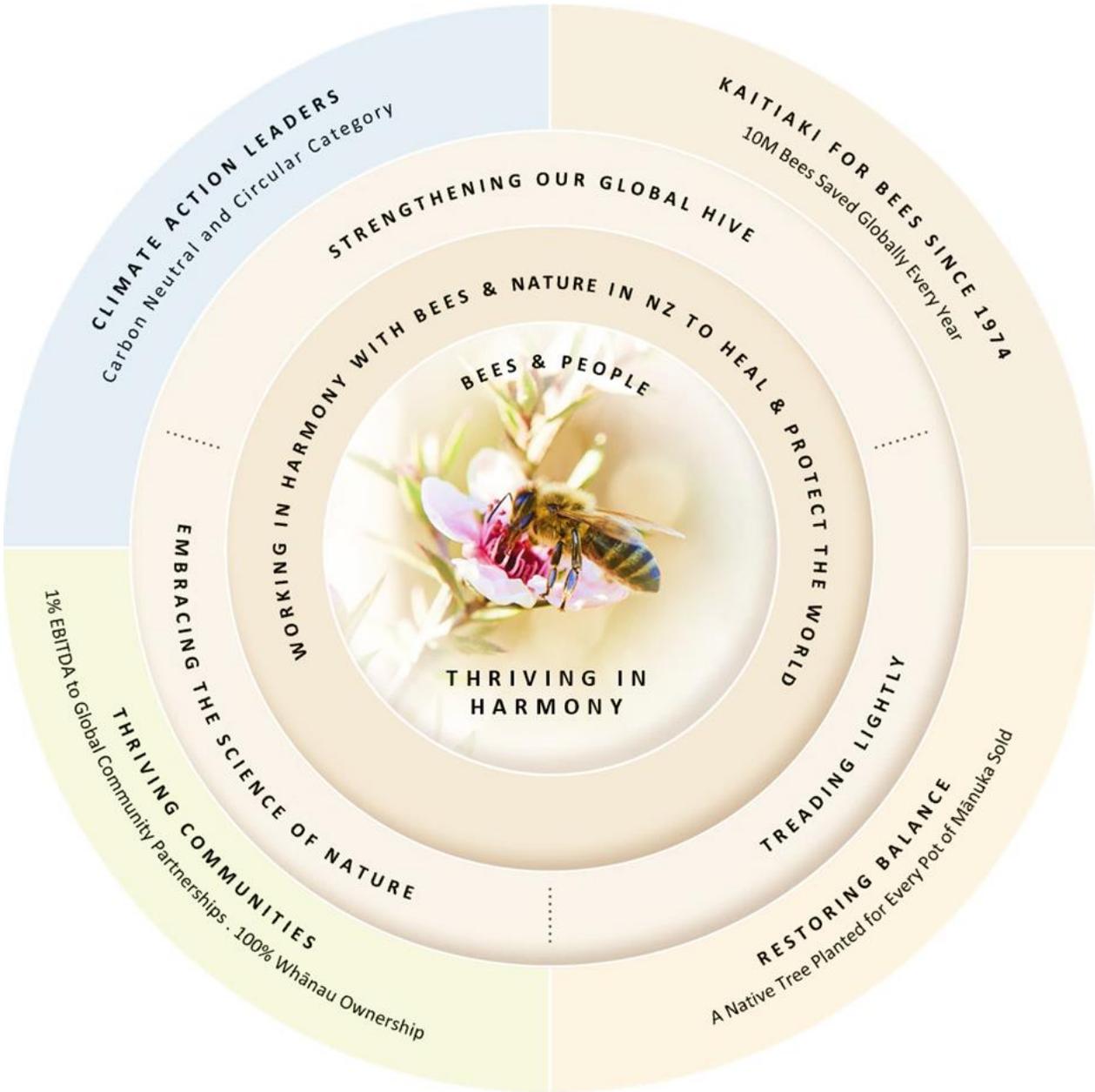
### Climate Action

- Materiality review completed
- Science-based emissions reduction targets to be published in H2
- Life Cycle Assessment (LCA) for Mānuka honey in a pot underway (EPD)

3

### Community Impact

- All employees will be shareholders from the end of FY22, if Comvita targets met
- 1% of EBITDA to Global community impact including ongoing investment with Saving the Wild in Africa
- B-CORP Large Enterprise assessment approved (pre-cursor to application)
- \$25K to Tonga tsunami relief aid programme



2

### Bee Welfare

- For the Love of Bees (FTLOB) partnership formed
- Primary Partner for Wasp Wipeout programme
- Centre of Regenerative Learning planning, with FTLOB
- C4 Sugar and alternative Varroa treatment
- National Bee Expert appointed
- Community Education

4

### Native Forests & Biodiversity

- 1.5 million native trees planted
- 5,000 Mānuka seedlings donated to schools and wildlife centres in the Wairarapa
- Primary Partner for Wasp Wipeout programme
- Biodiversity research project initiated at Makino Station, a Comvita Mānuka Forest
- Save the Kiwi sponsorship committed

SECTION

3

# Half Year Results FY22



# KEY RESULTS

# Financial

## INCOME STATEMENT

For the six months ended NZD 000's	31 Dec 2021 Unaudited	31 Dec 2020 Unaudited	Variance \$	Variance %
Revenue (Reported Currency)	104,942	98,885	6,057	6.1%
Gross Profit	59,400	48,500	10,900	22.5%
Gross Profit %	56.6%	49.0%		7.6%
Marketing	13,277	10,979	(2,298)	20.9%
Sales Variable*	11,355	9,492	(1,863)	19.6%
Transformation*	691	179	(512)	286.0%
Other Expenses	27,689	24,694	(2,995)	12.1%
Operating Profit	7,189	5,157	2,032	39.4%
EBITDA*	12,084	10,595	1,489	14.1%
Net Profit after Tax	3,489	3,455	34	1.0%

- Reported revenue +6.1% or \$6m
- Strong performance in focus growth markets and Mānuka category
- Global relaunch of D2C tech in H2
- 760 bps improvement in GP%
- Marketing Investment \$13.3m +\$2.3m +20.9%  
Now 12.7% of revenue
- Transformation costs \$700K +286%
- Other expenses include due diligence costs
- Operating Profit +39.4% and up \$2.0m
- Reported EBITDA +14%
- High effective tax rate 40.5% due to high nondeductible expenditure

\* EBITDA, sales variable and transformation are non-GAAP measures. We monitor these as key performance indicators and believe they assist investors in assessing the performance of the core operations of our business.

# Gross Profit

**+\$10.9m vs PCP**  
**+760 BPS**

**Gross profit improved \$10.9m from focus growth markets, focus channels D2C digital channel and productivity gains**

- Focus growth markets – strong performance in China and North America
- Strong performance in UMF Mānuka honey
- D2C+12% at accretive margins
- Recovery of GP in ANZ market
- Productivity gains in our manufacturing process leading to lower cost of sales

# Transformation

ON TRACK

**Very good progress so far with \$14m of gross profit improvement since the transformation programme started through to end FY22:**

- Strong improvement in \$ and % GP
  - GP improved by a further 760 bps – not all transformation related
- Underlying cost reduction of \$3m
- Half year investment of \$0.7m to deliver transformation
- SKU reduction delivered – 35% on top of 30% in FY21
- Legal entity reduction initiated and on track
- Exit of underperforming or nonstrategic joint ventures primarily complete

# Interim Dividend

- Fully imputed dividend of 2.5 cps declared
- Record date: 24 March 2022
- Payment date: 31 March 2022

SECTION

4

# Cashflow, Inventory & Net Debt

COMVITA®

## KEY RESULTS

# Financial

## BALANCE SHEET

As at NZD 000's	31 Dec 2021 Unaudited	31 Dec 2020 Unaudited	30 June 2021 Audited
Net Debt	26,296	13,903	4,583
Operating Cashflow	(4,856)	9,429	24,825
Inventory	111,776	98,549	101,008
EPS	5 cps	5 cps	14 cps
Weighted average shares on issue	70,149	69,791	69,640

- Net debt increased by \$21.7m since 30 June 2021 to be \$26.3m at half year
- Operating cash outflow at \$4.9m reflects EBITDA performance adjusted for increase in working capital balances, largely inventory
- Inventory increased by \$10.8m since 30 June 2021 due to increased raw materials to mitigate supply chain disruption and aligned to H2 market demand
- Inventory target remains at \$85.0m over next 2 to 3 years once supply chain disruption normalises

# Cashflow

For the six months ended NZD 000's	31 Dec 2021 Unaudited	31 Dec 2020 Unaudited	Variance \$
Operating cash outflow / inflow	(4,856)	9,429	(14,285)
Investing activities	(10,652)	(5,660)	(4,992)
Financing activities	18,413	(5,543)	23,956
Cash and cash equivalents	19,353	14,397	4,956

- Operating cash outflow at \$4.9m reflects EBITDA performance adjusted for working capital movements, largely in inventory
- \$5m investment into joint venture with Caravan
- Continued investment in Mānuka forests and digital improvements

# Inventory

## PROFILE

As at NZD 000's	31 Dec 2021 Unaudited	31 Dec 2020 Unaudited	30 June 2021 Audited
Raw materials	72,062	65,733	60,762
Work in progress	1,617	314	1,049
Finished goods	38,097	32,502	39,197
<b>Total Inventory</b>	<b>111,776</b>	<b>98,549</b>	<b>101,008</b>

- Inventory increased by \$10.8m vs 30 June 21
- Raw materials increased by \$11.3m vs 30 June 21 to mitigate supply chain disruption
- FG Inventory in market forecast to increase in H2 to offset port / shipping delays outside our control
- As at 31 Dec 2021 DIFOT 83.9% versus target of 90%
- Mid term Inventory target c \$85m

# Capital Expenditure

As at NZD 000's	31 Dec 2021 Unaudited	31 Dec 2020 Unaudited
Mānuka forest development	1,882	2,410
Manufacturing process improvements	894	1,939
Wellness Lab and virtual store	-	249
Digital transformation	1,555	-
Other	1,582	980
<b>Total additions</b>	<b>5,913</b>	<b>5,578</b>

- Continued investment into our forest strategy with a further \$1.9m invested in H1
- Further investment into manufacturing process improvements to improve productivity and increase capacity
- Investment in digital channel (D2C) to drive revenue growth

SECTION

5

# Market Segments Performance



# MARKET Headlines

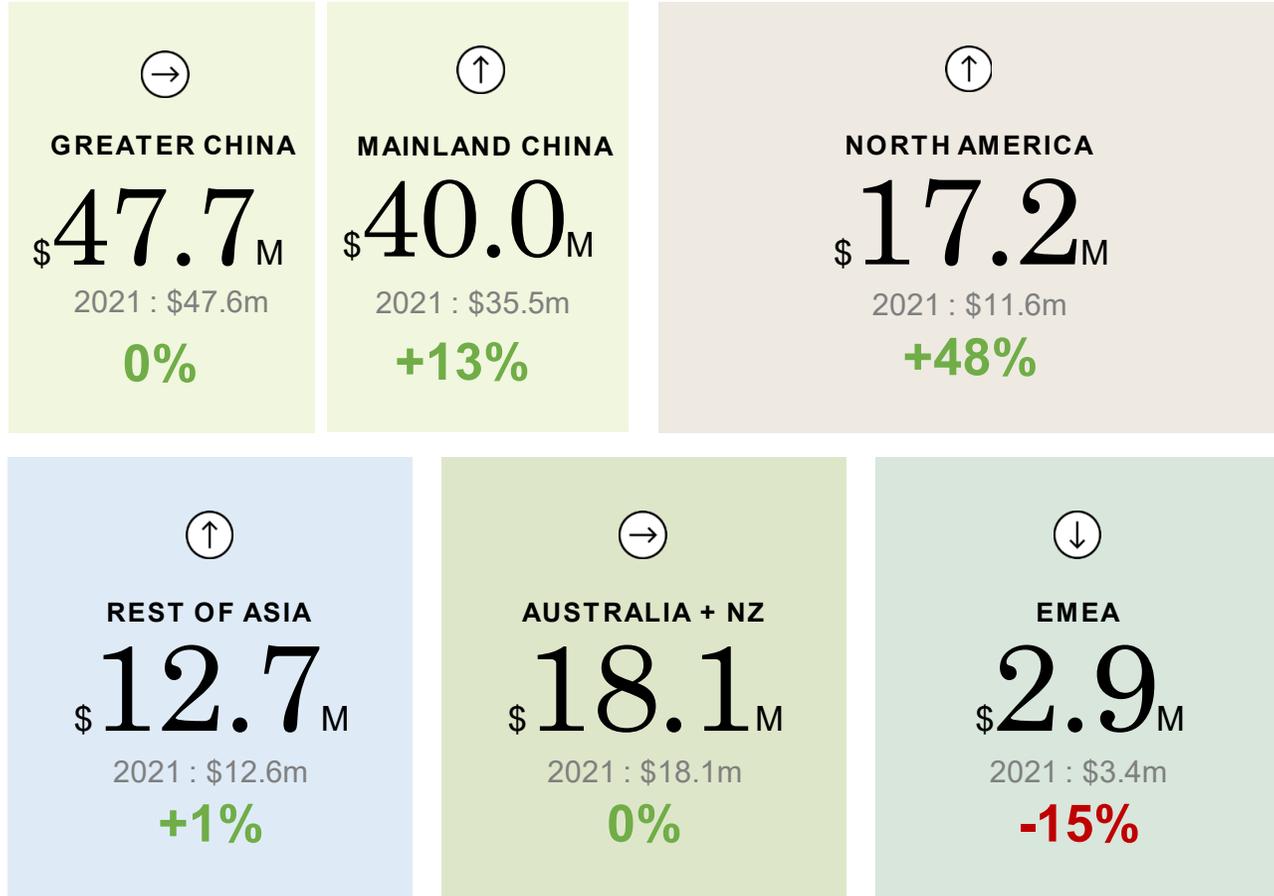
- **Our business model is unique** with our global in market subsidiary team
  - Closer to customer
  - Closer to consumer
  - Faster to act
  - Primacy of market
  - Team capability enhanced
- Strong growth in **focused growth markets**
  - **Mainland China:** Revenue +13% net contribution (NC) +40% ratio 26% to sales (LCY)
  - **North America:** Revenue +48%, NC growth +75% ratio 31% to sales
  - **Growing market share in both markets**
- Digital revenue 33% of total
  - D2C revenue +12% vs PCP
  - New tech stack (D2C platform) to be launched in Feb to improve customer retention and data availability
- Marketing Investment +21% (12.7%)
- All markets now profitable

# Revenue

PERFORMANCE vs. PCP



REPORTED CURRENCY



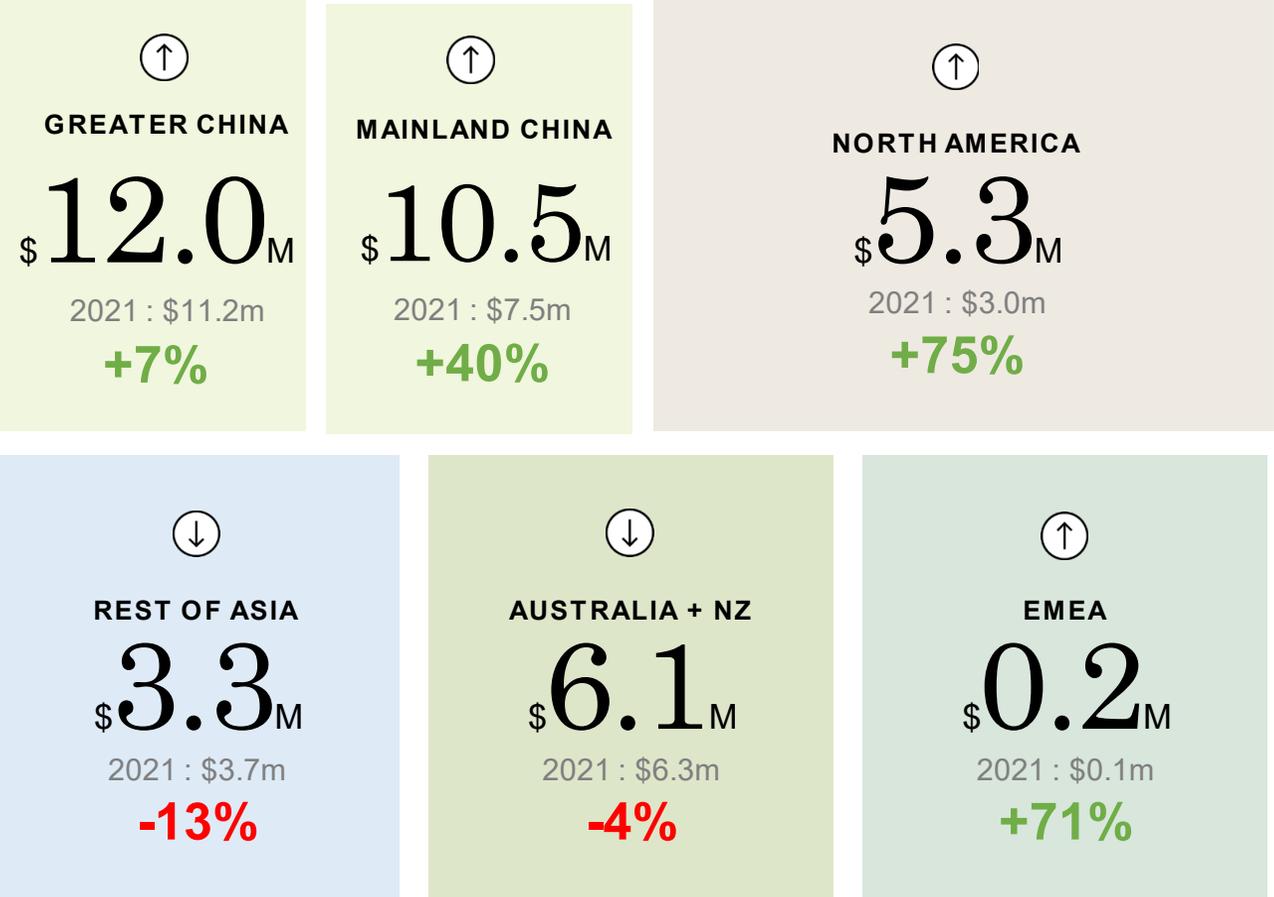
# Net Contribution

PERFORMANCE vs. PCP



REPORTED CURRENCY

Net Contribution is a non-GAAP measure. We monitor this as a key performance indicator and believe it assists investors in assessing the performance of the core operations of our business. Reported figures using actual translation FX rates in each period



FOCUS

# Growth Markets

CHINA &  
NORTH AMERICA

FOCUS

STRUCTURED LONG-TERM INVESTMENT TO GROW T.A.M AND MARKET SHARE

Double digit top and bottom line growth

Growing market share in both Markets





**GREATER CHINA**

ON A REPORTED CURRENCY BASIS

NZD 000'S	This Year Dec 2021	Last Year Dec 2020	Vs. Last Year	Vs. Last Year %
Sales	47,740	47,615	125	0%
Net Contribution*	11,986	11,232	754	7%
Net Contribution %	25%	24%		1%

- Revenue flat vs PCP
- Strong performance in mainland China offset by challenging topline conditions in HK and CBEC
- Strong net contribution growth delivered in mainland China (+40%) offsetting material Covid related impacts in Hong Kong, SAR
- Net contribution +7% and improved by 100bps to 25% of sales

\*Net Contribution is a non-GAAP measure. We monitor this as a key performance indicator and believe it assists investors in assessing the performance of the core operations of our business. Reported figures using actual translation FX rates in each period



**MAINLAND CHINA**

ON A REPORTED CURRENCY BASIS

NZD 000'S	This Year Dec 2021	Last Year Dec 2020	Vs. Last Year	Vs. Last Year %
Sales	39,984	35,481	4,503	13%
Net Contribution*	10,545	7,525	3,020	40%
Net Contribution %	26%	21%		5%

- Continuing to grow share in the worlds biggest honey market – YTD honey market -12%
- Revenue growth of 13% in reported currency
- Marketing investment increased by 8% to 15.5% to build long term brand loyalty and advocacy
- Net contribution +40% and at +500 bps to 26% of revenue

\*Net Contribution is a non-GAAP measure. We monitor this as a key performance indicator and believe it assists investors in assessing the performance of the core operations of our business. Reported figures using actual translation FX rates in each period

Mainland  
China

MARKET HIGHLIGHTS

- Strong revenue growth despite massive Covid related disruption to retail
- Record results in key festivals mid autumn festival, 11:11 and 12:12
- New distribution and partnerships agreed in H1 being implemented in H2
- Continued focus – positioning Comvita as a premium lifestyle brand
- Brand investment increased by 8%
- Multiple brand partnerships driving premiumisation and affinity
- New CBEC / Daigou model implemented to ensure amplification of in market brand strength and supply efficiency
- Asian health model supports local ANZ Daigou with targeted brand collateral and value chain
- Enhanced management and visibility of inventories
- Mainland China efficiencies support Hong Kong, SAR profit focus

"This stuff is like liquid gold"

AS SEEN ON

goop



\*Net Contribution is a non-GAAP measure. We monitor this as a key performance indicator and believe it assists investors in assessing the performance of the core operations of our business. Reported figures using actual translation FX rates in each period



**NORTH AMERICA**

ON A REPORTED CURRENCY BASIS

NZD 000'S	This Year Dec 2021	Last Year Dec 2020	Vs. Last Year	Vs. Last Year %
Sales	17,178	11,617	5,561	48%
Net Contribution*	5,296	3,031	2,265	75%
Net Contribution %	31%	26%		5%

- The US is the second largest honey market in the world – Comvita growing share though remains sub scale
- Revenue +48% versus PCP with strong growth across all channels
- Revenue inflated by \$1.3m NZD due to early delivery of H2 orders
- Revenue includes cross border sales to rest of world of \$1.2m NZD
- Marketing investment flat versus PCP due to phasing (60% H2) and earn before we spend philosophy
- Net contribution increased by 75% and by 500 bps

# NORTH America

## MARKET HIGHLIGHTS

- Comvita remains the fastest growing Mānuka honey brand in MULO (conventional grocery) channel in the US, growing over 250% YoY, per SPINS data
- Sell-through in key national grocery retailer we launched in 2020 is up 48% last 26 weeks YoY
- Gained new placement on key digital partner in late H1 with momentum in to H2
- Black Friday performance featured sales uplift of 17% over prior year with new email subscribers growing 92% YoY, growing our database of loyal brand followers

### Looking forward:

- New account wins (3) in several 100+ store chains secured for launch in H2
- Partnered with key health and wellness media outlets featuring Comvita Mānuka honey
- Continuing to work through increased lead-times and shipping delays to mitigate supply chain disruption
- Transitioning to new digital platform and tech stack in H2 for frictionless consumer experience with refreshed look and feel, launched in December

FOCUS

# Rest of Asia

KOREA, JAPAN AND  
SOUTH EAST ASIA

FOCUS

SELF FUNDING PROFITABLE GROWTH





**REST OF ASIA**

ON A REPORTED CURRENCY BASIS

<b>NZD 000'S</b>	<b>This Year Dec 2021</b>	<b>Last Year Dec 2020</b>	<b>Vs. Last Year</b>	<b>Vs. Last Year %</b>
Sales	12,698	12,572	126	1%
Net Contribution*	3,252	3,747	(495)	(13%)
Net Contribution %	26%	30%		(4%)

- Total revenue growth +1% with strong growth in most markets offset by challenging Covid related situation in Japan
- Marketing Investment +6% vs PCP
- Net contribution -13% and to 26 % of sales reflecting Covid challenges in Japan

\*Net Contribution is a non-GAAP measure. We monitor this as a key performance indicator and believe it assists investors in assessing the performance of the core operations of our business. Reported figures using actual translation FX rates in each period

FOCUS

# ANZ Performance

AUSTRALIA AND NEW ZEALAND

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BUILDING DOMESTIC STRENGTH AND DISTRIBUTION

Enhance Digital Investment and capability

Brand Investment for long term profitable growth





## AUSTRALIA & NEW ZEALAND

ON A REPORTED CURRENCY BASIS

NZD 000'S	This Year Dec 2021	Last Year Dec 2020	Vs. Last Year	Vs. Last Year %
Sales	18,061	18,092	(31)	0%
Net Contribution*	6,051	6,279	(228)	-4%
Net Contribution %	34%	35%		-1%

- Market revenue flat year on year
- Sell out improving month on month since July
- Marketing Investment increased by 72% to 9.2% of sales in line with win at home plan
- Net contribution reduced by \$0.2m due to long term marketing investment in brand

\*Net Contribution is a non-GAAP measure. We monitor this as a key performance indicator and believe it assists investors in assessing the performance of the core operations of our business. Reported figures using actual translation FX rates in each period. December 2020 net contribution has increased by \$510k vs previous reporting period due to a change in the allocation of shared service costs

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EMEA

UK, EUROPE, MIDDLE EAST  
AND AFRICA

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SELF FUNDING PROFITABLE GROWTH





\*Net Contribution is a non-GAAP measure. We monitor this as a key performance indicator and believe it assists investors in assessing the performance of the core operations of our business. Reported figures using actual translation FX rates in each period



**EUROPE, MIDDLE EAST & AFRICA (EMEA)**

ON A REPORTED CURRENCY BASIS

<b>NZD 000'S</b>	<b>This year Dec 2021</b>	<b>Last Year Dec 2020</b>	<b>Vs. Last Year</b>	<b>Vs. Last Year %</b>
Sales	2,900	3,394	(494)	(15%)
Net Contribution*	238	139	99	71%
Net Contribution %	8%	4%		4%

- Revenue negatively impacted by Covid closures and digital implementation in Q1, good recovery in Q2, forecasting growth in H2 and for full year
- H1 FY21 67% of full year
- Revenue reduced by \$0.5m versus PCP (-15%)
- Online has a 23% share of the total sales versus 47% in PCP due to one off challenges in marketplace (Amazon)
- Profitable again with Net contribution +73% to \$0.2m

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# Reinvesting for Long term growth



# M&A Activity

- Base Comvita strategic plan (60:15:20) will deliver surplus cash through to FY25 and beyond
- With transformation showing positive signs and confidence of ability to deliver 2025 base plan we are looking at opportunities to drive our growth credentials through a combination of M&A, organic growth and high value partnerships targeting incremental categories (focus bee products)
- **Comvita well positioned:**
  - Simplified and focused organisation
  - Good management disciplines
  - Physical and digital presence enables demand side consolidation
  - Team capability
  - Strong balance sheet
- In this period Comvita entered into an extended period of due diligence on a potential scale acquisition
- Value could not be agreed at this time however demand side M&A offers incremental value and would enable Comvita to generate operating leverage and drive higher category standards for consumers worldwide

# Caravan

## JOINT VENTURE

- In September we announced our joint venture with Caravan, an entertainment and sports agency, Creative Artists Agency (CAA)
- Caravan create consumer brands and companies, co-founded with people of influence
- To develop transformative Direct-To-Consumer products, technology and companies for highly engaged pop culture audiences in partnership with CAA
- CAA is an American talent and sports agency based in Los Angeles
- They represent thousands of the world's leading actors, musical artists, comedians, athletes, chefs and more
- Through this unique business model Caravan have launched a number of successful businesses
- Such as Fit52 with Carrie Underwood – a community powered fitness platform, helping people on their personal wellness journey

# Caravan

JOINT VENTURE

- Central to our partnership with Caravan is the formation of a celebrity-backed lifestyle brand
- Using the healing properties of Mānuka Honey and Propolis for **topical use**
- In December we invested \$5M of initial capital into this venture
- Details at this stage remain commercially sensitive
- We expect to announce further details in the coming months

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# Guidance & Summary



FY22 MARKET  
**Guidance**  
PERFORMANCE

- FY22 EBITDA guidance-maintained range of \$27.0m to \$30.0m given current balance of risk
- Full year positive operating cash flow
- Continued double digit top & bottom-line growth in;
  - Focus growth markets of China and North America
  - Mānuka honey and
  - D2C sales
- Mid single digit revenue growth in ANZ market
- Revenue growth in EMEA
- Targeting 100 bps improvement in GP % to full year
- Transformation program continues with \$2.5m investment within guidance

# Summary

- **Building momentum – record H1 operating profit +39.4%**
- **Double-digit top and bottom-line growth in:**
  - Focus growth markets, China and North America
  - Digital channel (D2C)
  - Mānuka honey
- **Simplified business**
- **Inventory increased to manage supply disruption**
- **Fully imputed interim dividend of 2.5 cps**
- **Positioning Comvita as premium FMCG brand**
- **Good progress to deliver 2025 60:15:20 business model**

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Q & A



THANK YOU



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