

11 March 2020

Strong online sales for Comvita

Comvita (NZX:CVT) continues to monitor the evolving global situation related to COVID-19, with our priority being the safety and wellbeing of our team and all those affected. We continue to follow best practice advice from the World Health Organization (WHO) and respond appropriately to ensure the teams ongoing safety.

We recognise the need to give shareholders some clarity on our sell-through performance particularly given recent media statements about high demand for health products in general and press reports in the United Kingdom of high demand for Manuka honey in particular.

February performance was encouraging finishing in line with the forecasts shared at our interim results release on 27 February. Though travel restrictions have reduced shopper numbers and negatively impacted traditional bricks and mortar retail sales, we have since seen strong performance through our online channels across all our markets as consumers seek ingredients known to support immune function.

In China we have seen online sales grow in excess of 70% in the first 10 days of March, this has materially offset the impact of fewer shoppers in traditional retail. We have seen some evidence of normalisation of shopper numbers as China attempts to return to normal. Australia and New Zealand performance continues to be negatively impacted by lower footfall through duty free and traditional retail. In North America, we have seen good performance (+50%) from our biggest retail partners and in the United Kingdom (while immaterial) we have seen sales up just under 100% in response to the above mentioned article. In addition, orders on the Comvita.com platform globally have more than doubled versus the prior comparable period last year. Offline sales channels in Asia remain impacted by travel restrictions and reduced customer footfall.

David Banfield CEO said “Although the situation remains very dynamic, we are encouraged to see trading conditions in China starting to normalise with strong online sales offsetting the impact of fewer shopper numbers in traditional retail. From a supply point of view our product is clearing customs efficiently at the China border and our warehouse in Shenzhen is now operating at full capacity.”

“In other markets internationally, Comvita is seeing an uplift in online demand for our immunity supporting products Propolis and Fresh-Picked™ Olive Leaf Extract, and UMF™ Manuka honey.”

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Comvita has been working closely with our international partners to maintain uninterrupted supply to our global customer base and stock levels in market, service levels remain good.

Given the dynamic nature of the situation, the COVID-19 impact will continue to be closely monitored. Further updates will be provided in the event of any material change.

Ends.

For further information

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Background information

About Comvita (www.comvita.co.nz)

Comvita (NZX:CVT) is a global natural health company committed to the development of innovative products, backed by ongoing investment in scientific research.