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Comvita returns to profit in FY26

Comvita Limited (NZX: CVT) today announces its audited financial results for the year ended 30 June 2026. FY26 delivered on the priorities set at the start of the year, with improved earnings of $7.7m NPAT, restored cash generation and significant balance sheet strengthening. Against a backdrop of ongoing geopolitical and trade uncertainty and mixed market conditions, Comvita delivered revenue growth, while operational improvements, inventory normalisation and disciplined capital allocation contributed to a stronger overall financial outcome. The result reflects a business with stronger foundations, improved financial resilience and enhanced capability to deliver ongoing operational improvement, targeted growth and long-term value creation.

Financial and Operating Summary

- **Revenue:** $213.0m, up 10.7% vs FY25
- **Gross profit:** $114.8m, up 38.8% vs FY25
- **Operating profit**: $14.0m, vs loss of $29.0m in FY25
- **NPAT:** $7.7m, vs loss of $104.8m in FY25
- **Operating cash flow:** $40.3m, up 17.9% vs FY25
- **Inventory:** $79.9m, down 10.3% vs FY25
- **Net debt[1]:** $0.5m net cash, vs $62.4M FY25

Comvita Chair, Bridget Coates, said: “Comvita stands on considerably firmer ground than it did a year ago.

“Restoring profitability and completing the recapitalisation were the Board's most critical focus areas in FY26. Together, these actions significantly strengthened Comvita's financial position and created a more stable platform for the future.

"The improvements in revenue, profitability, operating cash flow and debt reflect genuine financial discipline across the business and deliberate actions taken under Comvita's reset programme.

“While there is more work ahead, the business is now positioned to drive continued performance improvements, invest selectively and deliver sustainable long-term value for shareholders.”

Comvita's Chief Executive Officer, Karl Gradon, said: “FY26 was about delivering on our commitments: restoring profitability, strengthening the balance sheet and improving execution across the business.

“Our focus now is on continuing to improve operational performance and returns, while pursuing targeted growth opportunities and maintaining financial discipline.”

[1] Free cash flow and net debt are non-GAAP financial measures. We monitor these non-GAAP measures as key performance indicators in assessing the performance of the core operations of our business.

Financial Commentary
The business returned to profitability, with operating profit improving from ($29.0m) in FY25 to $14.0m in FY26.

FY26 revenue was $213.0m, up 10.7% from $192.4m in FY25. The increase was mainly attributable to North American club-retailer performance. North American sales growth and disciplined operating model management, procurement and cost management across the business enabled the business to achieve its profit in line with previous guidance. Operating expenses decreased 10.7% in FY26 versus FY25, primarily driven by a more efficient cost structure and reduced ERP and transformation-related expenditure. NPAT increased to $7.7m, up from FY25 loss of $104.8m.

Operating cash flow improved $6.1m in FY26 to $40.3m, and free cash flow[1] was up $5.0m from FY25, which enabled a faster paydown of debt during the year than anticipated. Reduction in inventory generated $11.9m of the cash inflow. Supported by the recapitalisation and improved operating cash generation, Comvita ended FY26 in a net cash position of $0.5m, compared with net debt[1] of $62.4m at the end of FY25.

FY26 Priorities Delivered
Comvita delivered against its FY26 priorities, materially strengthening the balance sheet and positioning Comvita for sustainable growth and continued business improvement.

- **Returned to profitability** - achieved operating profit of $14.0m.
- **Strengthened balance sheet** – net debt[1] reduced to a positive cash position of $0.5m, inventory reduced from $89.0m at the end of FY25 to $79.9m at the end of FY26, and recapitalisation and refinancing completed.
- **Strengthened brand and product portfolio** – premium positioning maintained and innovation pipeline sharpened, with further improvement opportunities identified.
- **Driven volume growth and channel execution** – Delivered approximately 765 tonnes of incremental Mānuka honey volume compared with the prior year, supported by strategic channel partnerships, particularly in North America and increased diversification across customers, channels and geographies.
- **Enhanced leadership capability** – Leadership team strengthened, with capability aligned to the next phase of business improvement and growth.
- **Progress in optimising cost structure** - $12.2m or 10.7% reduction in operating expenses, with further operating model and cost optimisation opportunities identified.
- **Building a high-performance culture** – greater alignment, accountability and execution discipline being embedded across the global organisation.
- **Disciplined allocation of capital** - a capital allocation framework has been implemented to ensure investment decisions are appropriately risk assessed and prioritised based on disciplined return criteria, supporting long-term value creation for shareholders.

Recapitalisation and Refinancing
The successful capital raise of $40.5m completed in May 2026, enabled Comvita to finalise a refinancing package with its lending syndicate. The new package comprises a $43.9m revolving credit facility maturing in September 2028.

Market and Industry Conditions

The Mānuka honey category continues to evolve, with global demand broadening and industry supply conditions tightening following a prolonged period of oversupply. North America is now the largest Mānuka honey market globally, while category growth is increasingly diversified beyond Greater China.

Competitive intensity remains high, with much of the category's volume growth occurring at lower price points.

However, industry inventories have reduced significantly and raw honey pricing has stabilised, reinforcing the importance of supply access, brand strength and disciplined execution.

Comvita's company-owned apiaries performed strongly during the season, highlighting the value of its vertically integrated supply chain and supporting a more resilient and secure supply of Mānuka honey. Comvita is navigating these changing dynamics by increasing diversification across geographies, channels and product categories to manage risk and provide resilience, while optimising its distribution model across markets around channel efficiency, customer quality and sustainable returns.
Conditions across Comvita's markets remained mixed in FY26, with growth in North America, Rest of Asia and EMEA offsetting softer conditions in Greater China and ANZ. That diversification is what enabled Comvita to improve overall performance in a challenging year

Greater China remains a challenging market, with sales down 4.7%, and profit down 12.1% versus FY25. Macroeconomic conditions are driving more value-conscious consumer spending, which is exacerbated by an increase in price competition. Despite the challenges, Comvita maintained its leadership position through its retail network, online sales strength, premium UMF™ portfolio and strong brand equity.

North America delivered strong growth, with sales increasing 104.3% versus FY25, supported by the club retail partnership. While profitability was slightly lower than the prior year reflecting channel mix and investment to support growth, the market delivered significant volume expansion, increased brand awareness, accelerated inventory normalisation and improved manufacturing efficiencies. Leadership in the Natural Retail Channel was retained and Comvita’s footprint was extended with new grocery listings.

Rest of Asia sales grew 6.2%, while profit increased by approximately $3.3m versus FY25. Singapore and Korea had strong years driven by a focus on strengthening returns, optimising the Singapore retail store network, growing digital channels, and expanding into travel retail, TV home shopping and premium pharmacy.

Since completion of the capital raise, Comvita’s new Singaporean strategic investor, F&N Ventures Pte. Ltd. (F&N), has been actively engaged with the business, with several strategic initiatives now underway that have the potential to accelerate growth across Southeast Asia and support long-term value creation.

ANZ's performance was impacted by pricing pressure and softer Asian Health demand. While sales were down 5.8% and profit down slightly by 0.9% versus FY25, net contribution margin improved from 22.1% to 23.2%.

EMEA reported an increase in sales of 15.8% and $0.9m in profitability. The transition to a distributor-led model in the UK and Europe continues to improve returns and demonstrates the benefits of a more efficient route-to-market model. The Middle East delivered steady growth in FY26, with a highlight being a new strategic partnership with one of Saudi Arabia's leading pharmacy retailers.

FY27 Priorities and Outlook
Having strengthened the balance sheet and completed its recapitalisation, Comvita's focus is on continuing to improve operational performance, strengthening returns and pursuing targeted growth opportunities.

Management remains focused on maintaining financial discipline while investing selectively in areas that support long-term value creation, including brand, science, innovation, digital capability and honey supply. Alongside these investments, the Company continues to focus on supply chain efficiency and optimising returns from existing assets.

Growth initiatives will take time to fully translate into earnings, and the Company continues to monitor the external environment closely, including geopolitical developments, consumer demand trends and honey harvest conditions.

Comvita enters FY27 with the foundations required to support long-term success: a trusted global brand, a more diversified channel footprint, a strengthened leadership team, increased resilience and greater strategic flexibility.

The focus is on maintaining the right balance between preserving balance sheet strength, improving operating performance and pursuing targeted growth that supports long-term shareholder value.

The Board and Management thank shareholders for their continued support through a challenging period for both Comvita and the wider Mānuka honey sector.

Investor Conference Call
Comvita will host a virtual investor conference call today, Friday 28 August 2026 at 1:30pm NZST to present the FY26 results.

Participants can join via: www.virtualmeeting.co.nz/cvtip26. Please register online 5–10 minutes prior to the start time.

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Background information

Comvita (NZX:CVT) was founded in 1974, with a purpose to improve people's health through the power of nature. Comvita is the largest producer of UMF™ certified Mānuka honey, with a team of over 400 people, and operations in New Zealand, Australia, Greater China, North America, Japan, Korea and Southeast Asia. Comvita's vertically integrated supply chain runs from its own Mānuka forests and beehives in New Zealand through to an international omni-channel distribution model. Comvita operates its own government-recognised and accredited laboratory to test and verify that all bee-product ingredients are of the highest quality. It also maintains an ongoing scientific research programme to deepen understanding of Mānuka trees, bee welfare and the benefits of Mānuka honey. Comvita has planted millions of native Mānuka trees, improving natural ecosystems and biodiversity, mitigating climate change, and helping ensure the sustainable supply of high quality Mānuka honey. In 2023, Comvita became a certified B Corp, joining a global community of businesses that see business as a force for good.