

21 October 2020

Camellia Plc Trading update

Camellia announces that due to a number of factors, it currently expects to significantly exceed market expectations for underlying profit before tax for the year ended 31 December 2020.

As stated in the interim report for the six months ended 30 June 2020 the impact of the loss of tea crop in north India due to COVID-19 has led to significantly higher average selling prices than in 2019. Average prices are still high and although are now showing signs of the usual seasonal decline, the rate of this decline is slower than expected. This reflects continued lack of supply in the market a situation repeated recently in other areas of our fresh produce businesses. In addition, our tea production in Kenya has been higher than anticipated.

In Bangladesh recent stronger than expected tea prices have been in large part offset by a higher than expected wage agreement relating to the years 2019 and 2020. The remaining operations continue to trade broadly in line with expectations.

Whilst markets remain volatile, underlying profit before tax* is now expected to be marginally in excess of £10 million.

Separately and not reflected in underlying profit, legal and other costs related to group claims in H2 are expected to be significantly higher than those experienced in the first half of 2020.

This announcement contains inside information for the purposes of Article 7 of the Market Abuse Regulation (EU) No. 596/2014.

* underlying profit before tax is profit before tax excluding impairment charges, gains on sale of assets and certain legal and other costs

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