

Camellia Plc

17th October 2024

Trading Update

Camellia Plc ("Camellia" or the Company") announces an improvement to its forecast for the year to 31 December 2024 with trading now expected to be ahead of market expectations. Adjusted losses for 2024 are now forecast in the range of £7-9 million from a previous range of £10-12 million. This improvement is primarily the result of an improved outlook for our Indian operations.

Tea

India: Projected yields in North India are impacted by hot dry spells and heavy rainfall, resulting in lower production predicted, but similar to 2023. Pricing has improved significantly.

Bangladesh: The recent political volatility experienced in the country had little impact on tea operations. Production has been similar to last year and within our expectations. Pricing for 2024 production is anticipated to be in line with 2023, but results have been hampered by lower prices for our 2023 carry over inventory. Cost of production is expected to be lower than in 2023. We expect that inventory levels will be high going into 2025.

Kenya: Favourable weather has helped production to be higher than last year. A large volume of older tea is still in circulation in the market; the reserve price mechanism has been removed creating greater opportunity for the sale of these teas. Pricing, however, remains under pressure due to impact of the high levels of inventory in the market, and we expect this will persist for the remainder of the year.

Malawi: Production volumes are within our expectations and higher than 2023. But the market situation in Kenya has also hit demand for Malawian tea, leading to further softening of prices.

Avocados

Kenya: Avocado pricing has been higher than last year's levels. Production, however, was hit by wet weather during the second quarter. The need to route cargoes away from the Red Sea has led to extended voyage times and has impacted fruit quality.

Other crops

Other crops are performing in line with the guidance previously given.

ENQUIRIES

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