

22 December 2021

Camellia Plc
(the "Company")

Trading update

Camellia (CAM.L) announces the following trading update for the group (the "Group") as we approach our year end of 31 December.

People

First, we would like to thank all of our staff around the world for their continuing support and efforts in what continues to be a difficult and uncertain operating environment.

Trading

Agriculture

Whilst the majority of our agricultural operations have continued to operate broadly as normal, there have been a number of developments worth noting:

- In India, very dry weather together with continuing COVID-19 related plucking restrictions have resulted in a significantly reduced crop. However, this has been offset by higher production and improved prices in Bangladesh.
- In Kenya, despite the continued high levels of countrywide crop previously reported, the introduction in the summer of the new tea regulations has resulted in a significant uplift to the tea prices at auction. However, oversupply of avocado in the European market meant that the prices achieved for our Hass crop are likely to be well below our expectations.
- In Malawi, favourable weather conditions resulted in a higher than expected tea crop.
- In Brazil, we achieved better than expected yields and prices on our arable crops.
- Further to the announcement made on 17 November 2021, with regard to the acquisition of Bardsley England where we indicated volumes were lower than we hoped, we have now undertaken a major cost-cutting and restructuring exercise in order for the business to reach its full potential, the benefits of which will be seen next year.
- Cost saving initiatives and productivity improvements across the Group have yielded better than expected results.

Engineering and Food Service

Following a period of improved trading as the hotel and leisure sector opened up over the summer, the rising cases of the Omicron variant have resulted in a slow down in the hospitality sector in the lead up to Christmas, stalling the recovery in our food service businesses.

AJT has experienced lower activity from the oil and gas sector, and delays to a number of contracts due to disruption in its supply chain.

Associates

Our associated company, BF&M, recently announced a strong Q3 result and has had a hurricane free season which has led us to increase our projection for the year.

Financial Position

These changes have resulted in improved margins for a number of our agriculture businesses which coupled with the rigorous cost-saving measures implemented across the Group, leads the Board to believe that the underlying profit before tax* for the year is likely to be substantially above market forecasts in the range of £7-9 million on revenue which is now expected to be 4-5% below market expectations.

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

* Underlying profit before tax seeks to present an indication of the underlying performance which is not impacted by exceptional items or items considered non-operational in nature and for example excludes impairment charges, gains/losses on disposal of assets and restructuring costs.

Enquiries

Camellia Plc

01622 746655

Tom Franks, CEO
Susan Walker, CFO

Panmure Gordon

020 7886 2500

Nominated Adviser and Broker
Emma Earl
Erik Anderson

Maitland/amo

PR
William Clutterbuck

07785 292617