27 September 2023

Camellia Plc

(the "Company" or the "Group")

Trading update

The last quarter of the year is a critical trading period for our Group. This is due to the seasonal nature of our crops, with a substantial proportion of our tea production and sales occurring in that period in conjunction with substantive avocado and macadamia sales. While it therefore remains difficult to predict the outcome for the full year, there has been a significant deterioration in our expectations for certain of our businesses in recent weeks.

Tea

Kenya and Bangladesh production to the end of September is ahead of expectation. However due to weather conditions, tea production in India for the same period has been materially below expectation at only 3-4% ahead of last year and critically, this trend is now anticipated to continue for the remainder of the key cropping months. Lower production has also been experienced in Malawi due to very dry conditions experienced following cyclone Freddy in March. On a combined basis, Group tea estate production is now expected to be only c 7% ahead of prior year. Bought leaf volumes in India are also tracking below that previously expected.

Our average prices achieved in India and Malawi have also been substantially below expectations and market conditions suggest this is likely to continue for the remainder of the year. Prices in Kenya in September were marginally higher than expected.

The market for branded teas in India remains competitive. Although at Jing Tea, our UK branded business, where sales are up 15% in the year to date, lower than expected occupancy levels in the hotel and leisure sector globally continues to constrain growth.

Avocado

Average selling prices for our Hass crop to date have been significantly below expectations which will impact full year results. However, there are signs that market prices are recovering as we move into our peak period for deliveries into Europe.

Other fruits

The Gala apple harvest at Bardsley is underway with fruit quality improved on that of last season. However, the pear and Bramley crops are 25% and 40% respectively lower than expected. Much of the sales programme for the 2023 harvest is now in place with prices improved only marginally on those of last year. Price increases achieved are insufficient to fully compensate for the cost inflation experienced over the last 18 months.

Other crops

Average selling prices for maize and wheat have deteriorated significantly during the last few weeks as the scale of production in South America has become clearer.

Outlook

Despite the difficulty in forecasting, if current market pricing and production trends continue through the remainder of the year, revenue for continuing operations* for 2023 would be expected to be in the region of £283 million to £287 million with an adjusted loss before tax for continuing operations** of c£9 -11 million.

* continuing operations are all operations except for ACS&T which was sold at the end of 2022

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

This announcement contains inside information for the purposes of the UK Market Abuse Regulation.

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