
CAMELLIA PLC

RESULTS PRESENTATION

H1 2017

7 September 2017

AGENDA

OVERVIEW OF H1 2017

KEY FINANCIAL METRICS

DIVISIONAL TRADING UPDATES

STRATEGY UPDATE

APPENDICES

OVERVIEW OF H1 2017

- Results reflect more normal seasonal bias after an unusually strong H1 2016. H1 2017 Agriculture sales significantly increased as a result of changes in exchange rates
- Majority of our profits in Agriculture are made in the 2nd half of the year. H1 2017 impacted by low tea prices in India and Bangladesh
- Food Service division trading significantly ahead of last year
- Engineering division trading in line with expectations
- Completion of Duncan Lawrie disposal
- IAS 19 UK pension deficit has significantly reduced
- Strong financial position

KEY FINANCIAL METRICS

- Sales for continuing operations of £123.6m (H1 2016: £100.1m) – c.90% sales originate outside continental EU and we benefited from translation effect of weaker Sterling rates
- Profit before tax for continuing operations of £1.9m (H1 2016: £6.8m)
- Profit from discontinued operation £15.8m (includes gain on disposal of DLAM)
- Net cash of £98.7m (H1 2016: net cash of £53.0m)
- Capex £8.6m (£6.9m in H1 2016)
- Pension and employment deficits of £50.9m (H1 2016: £56.0m) with the UK DB scheme benefitting from a £14.4m actuarial gain
- Dividends 37p (H1 2016: 35p)

AGRICULTURE

Tea

- Oversupply carried over in 2017 in India and Bangladesh and this has led to a fall in tea prices in those markets
- Dry conditions in Kenya resulted in reduced production volumes and higher prices
- Malawi experienced higher production and higher prices following last year's drought

Macadamia

- Bad weather expected to result in production significantly below expectations
- Prices have remained strong

AGRICULTURE

Avocado

- Dry conditions earlier in the season are expected to result in smaller fruit size
- At this stage we expect a harvest similar to last year
- Demand for quality fruit continues to grow and prices remain very strong

Speciality

- Lower rubber production due to wet weather but prices have improved
- Higher Californian citrus prices and volumes than expected
- Record soya yields achieved in Brazil

Non-agricultural divisions

ENGINEERING

- Key operations are AJT Engineering and Amfin/Atfin
- AJT – low oil price continuing to impact trading but diversified into hydro sector with some early success
- Amfin/Atfin – continue to grow and trade strongly

FOOD SERVICE

- Key operation is ACS&T (UK cold storage)
- ACS&T - trading significantly ahead of last year following strong UK demand

ASSOCIATES

- BF&M had a good start to the year – the hurricane season is approaching

CONTINUING OPERATIONS

	Revenue H1 2017 £'m	Revenue H1 2016 £'m	Trading Profit/ (Loss) H1 2017 £'m	Trading Profit/ (Loss) H1 2016 £'m
Agriculture	96.1	75.1	1.5	7.3
Food Service	17.8	14.7	1.2	0.1
Engineering	9.5	10.1	(1.6)	(0.9)

		H1 2017	H1 2016
Associates	Share of profit after tax	3.7	2.6
		June 17	June 16
Investments	Investment portfolio (market value)	41.3	33.2
	Investment property (at cost)	17.9	16.0
	Collections (at cost)	9.2	9.0
	Total	68.4	58.2

STRATEGY

- Main points of strategy continue to be:
 - Transforming core crops into global businesses
 - Investing to capture more of the value chain
 - Diversifying geographically
 - Investing in the long term sustainability of our estates
- Enhanced net cash resources provide ample opportunity for value adding investment as the right opportunities arise

QUESTIONS?

INCOME STATEMENT

£'m	H1 2017	H1 2016
Continuing operations:		
Revenue	123.6	100.1
Gross Profit	21.5	23.6
Trading Profit	(2.8)	2.3
Profit before Tax	1.9	6.8
Tax	(1.4)	(2.5)
Profit for the year from continuing operations	0.5	4.3
Profit/(loss) from discontinued operation	15.8	(1.9)
Profit/(loss) for the year	16.3	2.4
Earnings per share	532.2p	29.0p

BALANCE SHEET - ASSETS

£'m	June 2017	June 2016
<i>Non-current assets</i>		
Intangible assets	1.0	1.2
PPE and other non-current assets	227.0	223.7
Investment properties	17.9	16.0
Biological assets	12.8	12.6
Investment in associates (incl BF&M)	59.6	55.5
Available for sale financial assets	41.3	33.2
Heritage assets	9.2	9.0
<i>Current assets</i>		
Cash and Cash equivalents	102.0	54.7
Other	101.6	96.1

BALANCE SHEET - LIABILITIES

£'m	June 2017	June 2016
<i>Current liabilities</i>		
Borrowings	(3.9)	(2.3)
Trade and other payables	(67.7)	(55.4)
Tax, pensions and other	(8.3)	(9.2)
<i>Non-current liabilities</i>		
Borrowings	(4.3)	(4.8)
Trade and other payables	-	(4.2)
Deferred tax	(39.3)	(38.3)
Employee benefit	(50.0)	(54.7)
Net assets discontinued operation	0.3	39.5
Net assets	399.2	372.6
Non-controlling interests	(47.6)	(44.0)
Equity attributable to owners of the parent	351.6	328.6

CASH FLOW

£'m	H1 2017	H1 2016
Cash generated from operations	(0.1)	0.2
Tax, interest paid and dividends received	(0.6)	(4.8)
Net cash flow from operations	(0.7)	(4.6)
Net cash flow from investing activities	(7.0)	(6.7)
Net cash flow from financing activities	(1.3)	(1.8)
Net increase in cash and cash equivalents from continued operations	(9.0)	(13.1)
Net cash inflow/(outflow) from discontinued operation	38.6	(5.0)
Exchange gains/(losses) on cash	(2.7)	5.5
Cash and cash equivalents at end of year	98.7	53.0