



CAMELLIA

MAY 2020

A GLOBAL GROUP WITH A FOCUS ON AGRICULTURE

OPERATING
ACROSS 11
COUNTRIES

LARGEST
PRODUCER OF
AVOCADOS IN
KENYA

LARGEST PRIVATE
PRODUCER OF TEA
GLOBALLY WITH
59 TEA FACTORIES
ACROSS 4 COUNTRIES

78,000 EMPLOYEES
WORLDWIDE

LARGEST PRODUCER
OF MACADAMIA IN
MALAWI

OVERVIEW

- Diversified international group
- Focus on perennial crop production
- World's largest private producer of tea
- Long-term strategy of crop and origin diversification
- Enduring ESG commitment operationally
- Strong balance sheet with substantial net cash resources



2019 STRATEGIC HIGHLIGHTS

- Substantial investment in crop diversification in recent years mitigated weakness in global tea prices
- Completion of acquisitions in India enhanced Assam offering
- Acquisition of land in South Africa and trials of blueberries and avocados in Kenya provides long-term growth potential
- Continued focus on production efficiencies and expense management has helped contain costs
- Commitment to ESG principles remains core to Camellia's ethos



2019 FINANCIAL HIGHLIGHTS

- Revenue from continuing operations was £291.5m (2018: £309.8m)
- Underlying profit before tax for the year was £16.1m (2018: £38.1m)
- Significant net provision releases and one-off items contributed £6.2m of profit (2018: £14.4m gain)
- Strong net cash balance at £82.5m at 31.12.19 (net of loans)
- No final dividend proposed for the year. Therefore, the total dividend payable for 2019 is 42p per share (2018: 142p per share)



OPERATIONAL DIVISIONAL SUMMARY

AGRICULTURE



SALES £239m

3% ↓

TRADING
PROFIT

£25m

51% ↓

FOOD SERVICE



SALES £30m

28% ↓

TRADING
PROFIT

£1m

50% ↓

ENGINEERING



SALES £22m

No change

Break Even

2018 £1m

trading loss



AGRICULTURE DIVISION TEA



INDIA

GOODRICKE GROUP

- Record tea volumes in 2019;
 - Impact of the two newly acquired estates
 - Improved volumes from our own estates
- Bought Leaf volumes were broadly stable at 8.2m kg
- Average selling prices were down 2% on 2018
- Packet tea sales up 9% to 11.3m kg



KENYA

EASTERN PRODUCE KENYA

- Tea production down 15%, driven by very dry start to the year
- Our average auction prices fell by 13% during the year



BANGLADESH

DUNCAN BROTHERS

- Tea crop up 11%, reflecting;
 - Good weather
 - Replanting and infilling progress
- Teas available from India and higher national production caused our average prices to drop 25%



MALAWI

EASTERN PRODUCE MALAWI

- Second highest crop ever - 20m kg
- Average prices down 14% reflecting the Mombasa tea-auction price trend



AGRICULTURE DIVISION MACADAMIA



MALAWI

EASTERN PRODUCE MALAWI

- Volumes up 6% on 2018
- Using drone technology to support tree and soil health assessment and improvement



SOUTH AFRICA

EASTERN PRODUCE SOUTH AFRICA

- Volumes up 7% on 2018
- Acquisition of a 466Ha farm to be developed into macadamia and avocado orchards



KENYA

KAKUZI

- Production volumes up 36% on 2018 as the orchards continue to mature
- Developments included the installation of optical sorting technology at the processing plant



PRICING

- Macadamia prices remained firm averaging 4% higher than 2018 despite increased global supply



AGRICULTURE DIVISION AVOCADO & BLUEBERRIES



KENYA

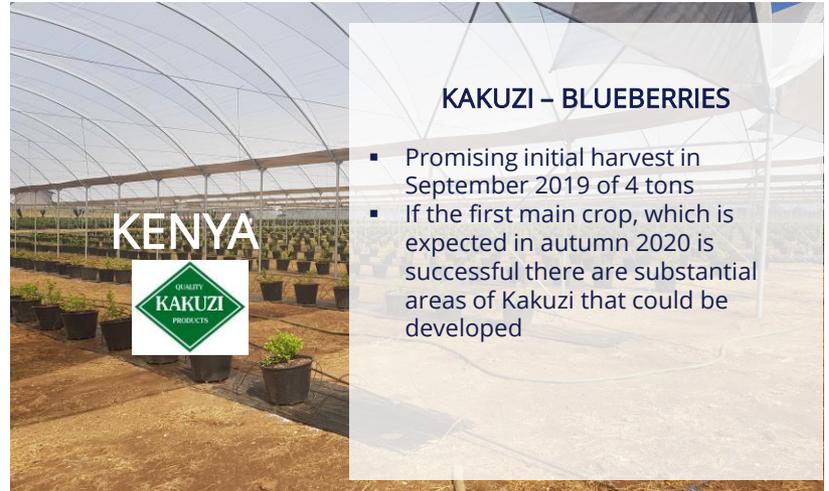


KAKUZI – AVOCADO

- Production down 35% - an “off” year
- Very firm pricing, >150% up on 2018

EPK

- 23Ha trial near Kitale, now into its third year, continues



KENYA



KAKUZI – BLUEBERRIES

- Promising initial harvest in September 2019 of 4 tons
- If the first main crop, which is expected in autumn 2020 is successful there are substantial areas of Kakuzi that could be developed



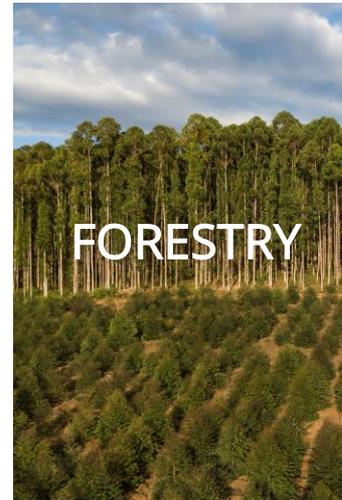
AGRICULTURE DIVISION SPECIALITY CROPS



PISTACHIOS, ALMONDS & CITRUS

USA

- Citrus volumes up 77% on last year but prices 40% lower due to market over supply
- 2019 was an off year for our pistachios so production was low
- Almond volumes were 18% up as the orchards continue to mature; prices remained firm in line with previous year



FORESTRY

BRAZIL & KENYA

- Production of Eucalyptus in Brazil doubled reflecting increased demand from the paper industry
- Kakuzi saw a 30% increase in production of forestry products for the Kenyan market



SOYA & MAIZE

BRAZIL

- The farm continues to generate good profits
- Soya harvest volumes slightly down (1%) on last year, however prices up 8%
- Both the maize and oat crops suffered from pest and disease attacks and the wheat from unexpected frosts in July



WINE GRAPES

SOUTH AFRICA

- Volumes up 24% but sales slow
- 11Ha of vines were replanted bringing the total planted area to 84Ha

NON-AGRICULTURE DIVISIONS



ENGINEERING

AJT

- Sales up 15% as the strategy to increase utilisation and diversify into other parts of the energy sector continued to pay off

AMFIN AND ATFIN

- Both had a difficult year reflecting issues in the aerospace supply chain and concerns over Brexit
- Revenues were down 9% with a consequent impact on profitability



FOOD SERVICE

ACS&T

- Reduced profitability from lower revenue as production issues at its major customer saw storage volumes fall significantly over the summer

JING TEA

- Revenue up 27%
- Jing opened its first retail store in St Christopher's Place, London in November 2019; currently closed



ASSOCIATES

BF&M

- Gross premiums written increased 12% driven by increased property premiums in Caribbean and higher annuity premiums but was adversely impacted by two major hurricanes
- Our share of BF&M's result for the year was £3.6m (2018: £6.5m)

UNITED FINANCE & UNITED INSURANCE

- Performed in line with expectations



INVESTMENTS

INVESTMENT PORTFOLIO

- Market value at 31 December 2019 of £47.0m (2018: £39.6m)

INVESTMENT PROPERTIES

- Optimisation of portfolio continues

COLLECTIONS

- A number of minor additions and disposals were made

COVID-19 IMPACT*

- Tea – substantial impact on production in India. Expect to lose the majority of high margin first flush crop and significant proportion of second flush crop
- Other Agriculture – extent of impact on production, distribution, demand and market access remains unclear
- Engineering – operating at close to normal but concern about demand in H2
- Food Service – reduced demand for transport services expected to result in significantly lower H1 profits. Recovery for both businesses dependent on resumption of hospitality and food service sectors

* As at 27 April 2020 trading update



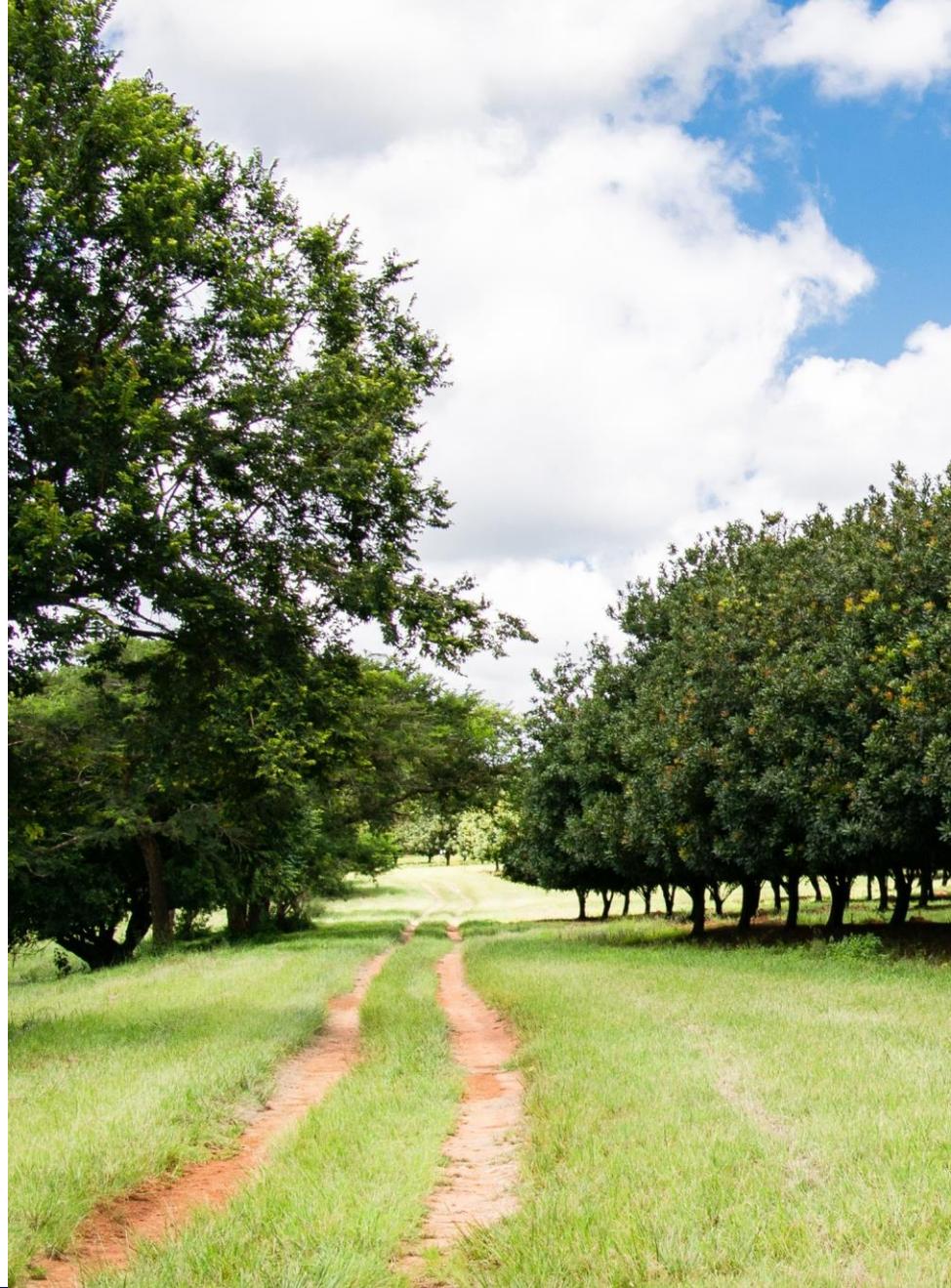
DEALING WITH COVID - 19

- Camellia people – welfare and safety a top priority
- Community action – Camellia manages over 100 hospitals and clinics in some of the world’s poorest countries. Where possible, these are now being used for the benefit of the whole community
- Focus on cash conservation by reducing costs where ever possible
- Continue to work closely with our buyers, logistics partners, suppliers and other stakeholders to manage the impact of restrictions on our businesses and communities
- Where relevant our UK businesses have utilised the UK Government’s Coronavirus Job Retention Scheme



OUTLOOK

- The impact of Covid-19 on the Group remains unclear
- Key updates:
 - Expect to lose first flush and large part of the second flush in India as a result of the lockdown
 - Overall tea prices during Q1 poor, but some recent signs of increased demand and prices
 - Dry weather in Malawi and South Africa during Q4 2019 expected to reduce 2020 macadamia crop
 - Engineering businesses operating broadly as normal, concern over H2 end market demand
 - Reduced demand for ACS&T's transport services
 - Jing Tea trading at substantially reduced level
- Overall outlook – 2020 results likely to be very substantially below those of 2019



THE FUTURE

- Successful focus on long term perennial crop production
- The world's largest private producer of tea
- Investment in crop, product and origin diversification in Agriculture
- Capitalising on increasing demand from an urbanising, longer living, more health conscious population
- Enduring ESG commitment
- Strong balance sheet with substantial net cash resources

