CAM AIMX Camellia PLC

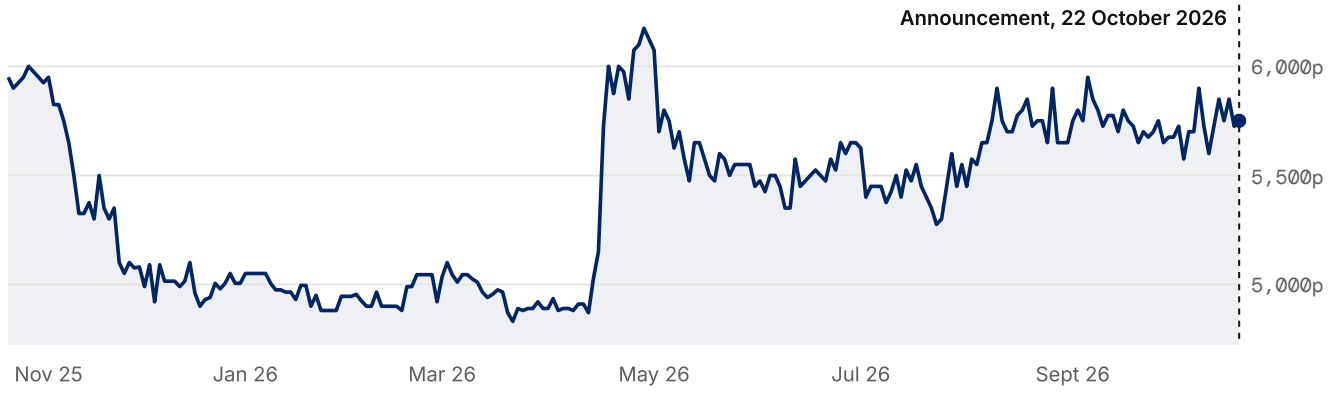
Trading Update · RNS 9358Z · 22 October 2026

Camellia now expects a 2026 trading loss of £3-5m as costs and crop prices bite

Share price	5,650p
Market cap	£146m
52-week range	4,800p - 6,300p
Shares in issue	2.6m
12-month change	-3.4%

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SUMMARY

Camellia's trading update today cut its outlook for 2026: it now expects a trading loss of £3-5 million, against a £1.0 million trading profit in 2025, on revenue of £255-260 million. Rising energy, fuel, fertiliser and transport costs have outweighed efficiency gains, while avocado and macadamia prices and yields have fallen. EBITDA of £25-28 million looks healthy only because about £23 million of it comes from selling artwork and tea gardens. Group liquidity was approximately £144 million at 30 September, close to the £146m market capitalisation shown alongside the update. The longer-term case turns on whether the core farming businesses can earn a recurring profit once disposal gains run out, and how much of that liquidity is actually available to the parent company.

KEY FIGURES

FIGURE	VALUE	PERIOD	CHANGE
Forecast full-year trading result	£3-5 million loss	FY2026	from a trading profit of £1.0 million in 2025
Forecast full-year revenue	£255 million to £260 million	FY2026	from £268 million in 2025
Forecast profits from disposals	approximately £23 million	FY2026	
Forecast EBITDA	£25-28 million	FY2026	
Total Group liquidity	approximately £144 million	30 September 2026	
First-half trading loss	£5.0 million	H1 2026	improved from £9.6 million in H1 2025
Group net cash	£51.6 million	30 June 2026	from £36.9 million
Operating cash flow	£7.00m	FY2025	
Capital expenditure	£11.9m	FY2025	from £9.40m
Final dividend	260 pence per share	FY2025	

Sources: Trading Update RNS, 22 Oct 2026; Half Year Results RNS, 3 Sep 2026; Primary statements (read from the report), 2025-12-31; Final Results RNS, 5 May 2026; Result of AGM RNS, 4 Jun 2026

THE ANNOUNCEMENT

- The 2026 trading result will be weaker than previously anticipated. The Board forecasts a full-year trading loss of £3-5 million, against a trading profit of £1.0 million in 2025, and says fourth-quarter crop phasing and seasonality will influence the final figure.
- Revenue is forecast at £255-260 million, down from £268 million in 2025, mainly because of the sale of some Indian tea gardens and lower macadamia and avocado sales.
- Higher energy, fuel, fertiliser and transport costs are outweighing efficiency gains, and lower global avocado and macadamia prices and yields have hurt trading. Kakuzi, Malawi and South Africa are weaker, and AJT expects disappointing results on weaker North Sea activity.
- Tea in Bangladesh, India and Eastern Produce Kenya is trading more strongly, Brazilian arable is in line with expectations, and JING continues to move towards positive trading profits despite weaker Gulf States markets.
- Disposal profits of £23 million, mainly from artwork and tea gardens, are expected to lift EBITDA (earnings before interest, tax, depreciation and amortisation) to £25-28 million. Group liquidity was £144 million at 30 September 2026.
- The Board says previously announced growth projects are on plan, that the 2026 outturn is no indicator of 2027 or later performance, and that operating and head office cost work will deliver the planned medium-term improvement.

AGAINST GUIDANCE

The Board describes the 2026 trading result as weaker than previously anticipated, though no earlier numerical forecast for 2026 was given in the material. The first half had gone well: the seasonal trading loss narrowed to £5.0 million from £9.6 million, credited to cost discipline and favourable pricing and yields. On today's guidance the second half must now produce a trading result between break-even and a £2 million profit. The warning follows Kakuzi's own profit warning of 26 August, when it said 2026 earnings may be at least 25% lower than in 2025. On the earlier record, Camellia guided in February 2026 to an approximate break-even trading result for 2025 and delivered a £1.0 million profit.

BULL CASE

- The balance sheet buys time. Group liquidity of £144 million at 30 September sits against a £146m market capitalisation shown alongside the update, and FY2025 net assets were £330m. On that view, the agricultural businesses and landbank of about 48,000 hectares of mature land are being valued at very little.
- Disposals are realising value at good prices. The June Christie's auction brought net proceeds of £14.0 million and a gross profit of £13.4 million, and the proceeds help fund £15 million of committed capex on four growth projects targeting about £35 million of additional annual revenue by 2035, including a 650Ha irrigated avocado operation in Tanzania by the end of 2027.
- Parts of the portfolio are improving. Tea in Bangladesh, India and Kenya is trading more strongly, Brazilian arable is in line, and if input costs and avocado and macadamia prices normalise, the efficiency gains the Board cites should show through in 2027.

BEAR CASE

- The recurring business is back in loss. Strip out the £23 million of disposal profits and the £25-28 million EBITDA becomes a £3-5 million trading loss, and tea-garden sales remove revenue-producing assets, so the gains cannot repeat indefinitely.
- Cash generation is thin. FY2025 operating cash flow of £7.00m fell short of £11.9m of capex before paying the 260p dividend on 2,590,295 shares, and the 2025 annual report lists a dividend not fully covered by net income among its principal risks.
- The £144 million headline needs unpacking. It is described as total Group liquidity, differs from the £51.6 million of net cash reported at June, and some of it sits in subsidiaries with minority shareholders such as 50.7%-owned Kakuzi and 74%-owned Goodricke, so it cannot simply be netted off the market value.
- Specific risks sit on top of the cost squeeze.

WHAT TO WATCH

- The full-year 2026 result, given the Board's warning on fourth-quarter phasing: a trading loss nearer £3 million than £5 million, and any 2027 guidance for a trading profit before disposal gains, would support the recovery argument.
- A breakdown of the £144 million of Group liquidity between parent-company funds, subsidiary balances and other investments, and any decision to return capital.
- The dividend decision with the FY2025-style full-year results (last year's came on 5 May), and whether further asset sales fund growth projects or cover operating shortfalls.

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