



## ASX ANNOUNCEMENT

10 January 2019

## TRADING UPDATE

Costa Group Holdings Limited (Costa; ASX: CGC) has experienced subdued demand in a number of categories, namely tomato, berry and avocado during December 2018, and trading conditions in January appear to be slower than planned at this stage. This patchy demand has been reflected in reduced pricing for a number of product lines. The citrus 'off season' which reflects the biennial nature of this crop also finished earlier than expected.

These factors will result in a reduction to the previously guided interim FY18 forecast ending December 2018.

If current trading conditions continue, this, together with short term slippage of the commissioning of the Monarto mushroom facility upgrade in South Australia and the previously announced additional costs from investments such as African Blue, is expected to result in largely flat growth for the twelve month NPAT-S to the end of June 2019 compared to the prior year. This compares to our previous forecast of low double digit growth for that period.

The company does not view the immediate issues as structural and regards the conditions as a cyclic situation with the expectation that trading for the 2019 calendar year will produce an NPAT-S result materially in line with previous guidance which would maintain an annual double digit CAGR for the 2 calendar years 2017 to 2019. In addition, ongoing growth plans across the categories continue to track well.

The company will provide a further update to guidance at the results release in late February.

### **About Costa (ASX:CGC)**

*Costa is Australia's leading grower, packer and marketer of fresh fruit & vegetables and operates principally in five core categories: berries, mushrooms, glasshouse tomatoes, citrus and avocados. Operations include approximately 4,500 planted hectares of farmland, 30 hectares of glasshouse facilities and seven mushroom growing facilities across Australia. Costa also has strategic foreign interests, with majority owned joint ventures covering six blueberry farms in Morocco and three berry farms in China.*

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