



Interim Report  
for the six months ended  
30 June 2024

2024

M.P. Evans is a responsible producer of sustainable Indonesian palm oil, striving for excellence in all the Group's operations, with a focus on continuing growth and offering an increasing yield.

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# Group financial highlights

For the six months ended 30 June 2024

**Total crop  
processed**

**5%  
increase**

2024 759,700 tonnes  
2023 721,100 tonnes

**Total crude palm  
oil production**

**6%  
increase**

2024 177,000 tonnes  
2023 166,200 tonnes

**Mill-gate  
CPO price**

**2%  
increase**

2024 US\$771 per tonne  
2023 US\$755 per tonne

**Certified  
sustainable  
production**

**24%  
increase**

2024 119,500 tonnes  
2023 96,500 tonnes

**Cost of Group  
palm product**

**14%  
reduction**

2024 US\$458 per tonne  
2023 US\$535 per tonne

**Operating  
profit**

**78%  
increase**

2024 US\$41.6 million  
2023 US\$23.4 million

**Earnings per  
share**

**81%  
increase**

2024 44.9 pence  
2023 24.8 pence

**Interim dividend  
per share**

**20%  
increase**

2024 15.0 pence  
2023 12.5 pence

**Net gearing**

**1%**

2024 net debt US\$7.3 million  
2023 net cash US\$2.5 million



# Group highlights

**Following an increase in crop and production in the first half of 2024, along with higher selling prices and lower costs, the Group's results improved significantly compared to the same period in 2023. Earnings per share were up by 81 % to 44.9p.**

CPO production increased in the first half of 2024 to 177,000 tonnes and certified sustainable production increased by 24% compared to the same period in 2023, with all six of the Group's mills now accredited to produce sustainable palm oil. The Group continued to focus its efforts on being a responsible producer of Indonesian palm oil. Crop and production expanded once again, and all Group mills are producing and selling certified sustainable palm oil. The Group continued to plant new areas in the first half of 2024, both Group-owned, and for its associated scheme smallholders. In addition, the Group invested in replanting at its North Sumatran estates. Overall, the total planted area managed by the Group increased by over 300 hectares to 65,800 hectares by the end of June 2024.

The Group harvested 566,200 tonnes of fresh fruit bunches ("ffb") during the first half of the year, made up of 437,900 tonnes (2023 – 408,100 tonnes) of its own crop, and 128,300 tonnes (2023 – 124,900 tonnes) from its associated scheme-smallholder areas, increases of 7% and 3% respectively. Whilst the crops were particularly encouraging in the early months of 2024, consistent with many Indonesian producers, cropping levels slowed somewhat in the latter part of the first half. This is considered to be a reflection of broader agronomic and weather conditions but, as was the case in 2023, the Group continues to expect the harvest in the second half of the year to be higher than that achieved in the first six months.

Group management worked carefully during the first half of the year to manage the quality of independent crop being supplied to Group mills. Whilst the overall amount of independent crop processed by the Group increased by 3% to 193,500 tonnes (2023 – 188,100 tonnes), in some locations there was a decrease as mill management rejected crop of insufficient quality. This, along with the ongoing high quality of the input from Group-managed areas, resulted in an increase in the average extraction rate achieved in Group mills to 23.4% (2023 – 23.1%).

Crude palm oil ("CPO") has traded within a relatively narrow band during the first half of 2024, with cif Rotterdam prices between US\$925 – US\$1,100 per tonne, and averaging US\$999 per tonne (2023 first half average

US\$986 per tonne). During the period, the Group achieved an average mill-gate price for its CPO output of US\$771 per tonne (2023 US\$755 per tonne).

Production costs have fallen in the first half of 2024 when compared to the same period in 2023, and have continued the trend observed in the second half of last year as fertiliser costs, one of the Group's largest input costs, have continued to fall from the peak observed around the end of 2022. The cost of production from the Group's own areas was US\$458 per tonne (2023 US\$535 per tonne). The Group's total cost of production, when all sources of crop are taken into consideration, was also lower than the first half of last year at US\$529 per tonne (2023 US\$574 per tonne). As in 2023, the Group's average cost of production is expected to fall during the second half of the year. This is partly as a result of rising production, but also reflects the fact that more than half of fertiliser application takes place in the first six months of the year.

In June 2024, the Group announced it had reached an agreement with one of its minority shareholders to acquire their 5% interest in the majority of the Group's Indonesian subsidiaries. By doing so, the Group effectively acquired approximately 1,700 hectares of its own high-quality planted areas. The agreement to acquire these areas during the year was based on US\$9,000 per planted hectare, reflecting the fact that the Group was able to add to its majority holding at a price that allowed for a minority shareholding discount. This compares with the average independent valuation at the end of 2023 of the Group's majority-held plantings of US\$18,400 per hectare. Whilst this transaction has a limited impact on the results for the first half of 2024, it will be earnings enhancing for the remainder of the year and beyond.

A combination of higher production and sales with lower unit costs has resulted in an improved margin, and a significantly higher gross profit of US\$42.1 million (2023 US\$23.1 million) during the first half of 2024. The Group continues to convert profits to cash, with cash generated by operating activities of US\$48.4 million in the period. This cash has been put to good use, in accordance with the Group's strategy, to invest for ongoing long-term growth in the Group's existing operations, to acquire





additional hectareage, repay debt, and fund over US\$25 million of returns to Group shareholders through dividends and share buybacks.

The Group remains committed to being a responsible palm-oil producer. Both the absolute amount and proportion of certified CPO production increased in the first half of 2024, with 119,500 tonnes (2023 – 96,500 tonnes) produced, representing 68% (2023 – 58%) of the Group's total output, including that from independent mills. Further information on the Group's wider environmental, social and governance ("ESG") activities is included in two separate reports published in the first half of this year and both are available on the Group's website: one on ESG and one focusing on the Group's approach to managing and reducing its carbon emissions (the Taskforce on Climate-related financial disclosures, or TCFD, report).

Earnings per share increased to 44.9p in the first half of 2024, 81% higher than the 24.8p in the six months to June 2023. A combination of higher production and sales with lower costs resulted in this significant increase.

#### UPDATE ON RECENT ACQUISITIONS

During 2023, the Group added over 10,000 planted hectares to its portfolio, with acquisitions in both Sumatra and East Kalimantan. At Simpang Kiri, 2,100 hectares were added to the estate, and the total planted area is now 4,700 hectares. A significant part of this area continues to be productive and has added to the total crop harvested. As announced on acquisition, the Group

is replanting some of the new area to help maximise yields in the longer term and, to date, 1,200 hectares have been, or are in the course of being, replanted.

At Kota Bangun, 8,300 hectares were acquired towards the end of 2023, made up of two separate estates, ABK and Nusantara (or NAS). Both are now being managed as part of the Group's Kota Bangun project with crop being sent for processing at one of the Group's two mills there. In the short term, the Group's management team is working hard to improve agronomic standards from those taken on at acquisition. As a result, the Group expects to see significant improvements in the coming years from these new areas, particularly given the underlying quality of the estates.

#### DIVIDENDS

The board is recommending an interim dividend for 2024 of 15p per share (2023 – 12.5p per share), an increase of 20%. This reflects the improved results for the first half of the year, with earnings per share up by 81%, but also the board's continuing confidence in the long-term prospects for the Group.

The Group has an unbroken track record, spanning more than thirty years, of maintaining or increasing normal dividends. As the Group's planted area continues to increase and the crop from those areas is processed in the Group's efficiently managed palm-oil mills, it expects to deliver the robust cash flows that form the foundation for its progressive dividend policy.





## The palm-oil market

As has been the case for several years, palm oil continues to be the largest, by production, of the world's vegetable oils. Based on 2023 data, from Oil World and other sources, palm oil, and its related product palm-kernel oil, accounted for 40% of all vegetable-oil production, as much as the combined output of the next two largest oils (soybean oil and rapeseed oil). It is also the most efficient, by land use, of the world's major vegetable oils, yielding, on average, more than three tonnes of crude palm oil per mature cultivated hectare. M.P. Evans' output is significantly higher than the average at more than five tonnes per hectare per annum.

In the first half of 2024, growth in global palm-oil production was limited and this, combined with robust demand from some markets, including increasing biofuel use in certain locations, helped to maintain pricing at healthy levels. The cif Rotterdam price remained relatively close to US\$1,000 per tonne during the period, both a little above and a little below, enabling the Group to achieve an average sales price at mill-gate for its output of US\$771 per tonne.

As always, it is necessary to look at the combined production outlook for all the major vegetable oils. In the second half of 2024, production of palm oil is expected to be stronger, reflecting the seasonality of the underlying crops, but overall production in

Indonesia for the year may end up only marginally higher than the previous year. Farmers in the Americas are expecting a good soya bean harvest this autumn, but an increase in soya oil may serve to make up for some shortfalls anticipated in sunflower and rapeseed oil production. At the time of writing, pricing has remained firm into the second half.

Looking at the Group's secondary product, palm kernels, which are sold for onward crushing into palm-kernel oil, the prices available for the Group's palm kernels were at a low point towards the end of 2023 and at the start of 2024, reflecting both relatively weak demand and, at times, high levels of palm-kernel oil stocks. As the year has progressed, with production growth relatively slow (as expected given that palm-kernel oil production matches crude palm oil production) and demand returning, prices have improved markedly, and this trend has continued into the beginning of the second half of the year such that the relationship between palm kernel pricing and crude palm oil pricing is more consistent with historic trends.

### CRUDE-PALM-OIL PRICE





## Estate community clubhouses



Kota Bangun clubhouse



Bumi Mas clubhouse



Bangka  
clubhouse



Opening of Bumi Mas clubhouse in April 2024



## Strategy pillars

M.P. Evans is a responsible producer of sustainable Indonesian palm oil, striving for excellence in all its operations, with a focus on continuing growth and offering an increasing yield.

### Responsibility

Acting responsibly is at the heart of what we do and who we are. We are active members of the RSPO, we do not deforest, and are good stewards of the land we cultivate. We provide high-quality housing along with medical, educational and leisure facilities for our workers and their families.

School sport at Kota Bangun



### Excellence

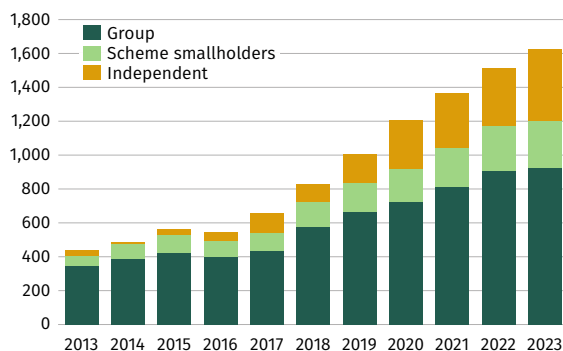
Excellence comes from investing for the long term. Our investment is not only in plantation assets but also in our employees, their diversity and inclusion, and in their training and development. In this way, we are consistently able to deliver both high yields and high oil-extraction rates from our estates and mills.

Ffb on weighbridge at Musi Rawas mill ready for processing



### Growth

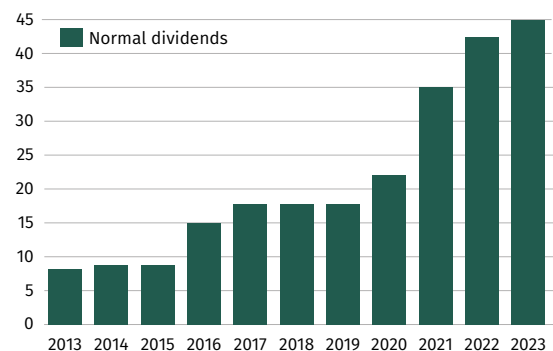
Growth in crops processed ('000 tonnes)



We seek to grow and develop the business. Growth continues to come from the increasing maturity of the Group's young estates, from the ongoing focus on improving yields, and from the acquisition and sustainable development of new areas of land.

### Yield

Growth in dividends (pence)



The Group's investment strategy has already led to a significant improvement in shareholder returns. In line with its growth programme, the Group aims to deliver increasing returns to shareholders.





# Results for the period

## CROPS

The crop of fresh fruit bunches (“ffb”) harvested from the Group’s own areas was 437,900 tonnes in the first six months of 2024, 7% higher than the 408,100 tonnes recorded in the same period in 2023. As can be seen in the crop table, the Group has experienced both crop increases and decreases in the first half of the year. As noted in the map section on pages 14 and 15, Nusantara (or NAS), disclosed separately in 2023, is now being included as one of the Kota Bangun estates as the majority of its crop is being supplied for processing in the Rahayu mill at Kota Bangun.

At Kota Bangun, the increase in crop is particularly encouraging. Whilst the majority of the increase can be attributed to the new hectareage acquired at the end of 2023, crop from the previously owned areas has continued the upward trend observed last year. Where previously the Group has, during some parts of the year, contended with difficult harvesting conditions at Kota Bangun due to short-term flooding, a combination of some drier weather in the early part of the year, and the benefits of the Group’s water-management systems that are well established at Kota Bangun, meant that harvesting continued in all areas throughout the period. The Group is continuing to make progress at the newly acquired areas at ABK and NAS. Some areas at these estates had been neglected by the former owners to the extent that harvesting was impossible at handover. However, a programme of improvement works is underway, and the area under harvest continues to increase. The Group continues to review the potential for additional planting in the acquired areas.

At both Bangka and the Pangkatan group estates, crop levels have been similar to those in the first half of 2023. The Group continues to invest in replanting at the Pangkatan group estates including, in 2024, 250 hectares at Bilah Estate. A significant amount of work has been put into replanting at Bilah in recent years, to the extent that the average age of that estate is now less than eight years. A similar investment in replanting will fall due at Pangkatan Estate itself in the coming years. Alongside that replanting, the Group has continued to support the formation and planting of smallholder co-operative areas around the Pangkatan estates, with a further 190 hectares planted in the first half of the year, bringing the total to almost 1,300 hectares. Whilst a significant amount of the smallholder area remains immature, and the total crop in the first half of the year is only 2,000 tonnes, this is

expected to grow substantially as the areas mature, and they will provide a valuable and high-quality source of input to the Pangkatan mill.

At both Bumi Mas and Musi Rawas, crop was down a little on the same period in 2023, reflecting some challenging conditions in the first half of the year. Bumi Mas has experienced some issues with crop quality, caused by a combination of weather and agronomic factors. Local management is working expeditiously to address areas within their control to ensure that output is maximised in the second half. At Musi Rawas, after a significant period of sustained growth, there has been what is expected to be a temporary pause, attributed to weather-related factors. However, management expects the longer-term growth trend to reassert itself in due course, particularly given the continuing investment in new planting.

The largest proportionate increase in Group crop in the first half of the year occurred at Simpang Kiri, even after allowing for the contribution from the additional hectareage acquired there in early 2023. Crops were adversely affected in the first half of 2023 by some flooding but, in the first half of this year, the estate has benefited from more benign weather conditions, and has been in full production throughout the period.

In addition to its own crop and that harvested from its associated scheme smallholders, the Group has continued to purchase crop from independent suppliers for processing. The total amount purchased in the first half of the year was 193,500 tonnes, 3% higher than the 188,100 tonnes bought in the first half of 2023. The Group purchased significantly more crop for processing at its Musi Rawas mill, partly because the mill was open throughout the period, and partly because, in the early part of 2023, the mill only processed the Group’s own harvest during its initial test phase. In other locations, the Group was keen to balance mill utilisation against the quality and cost of crop available for purchase. In some locations, notably at Pangkatan and Bumi Mas, this resulted in the Group purchasing a lower amount of crop for processing.

## PRODUCTION

The Group produced 177,000 tonnes of CPO and 39,200 tonnes of palm kernels (“PK”) in the first half of 2024, a total of 216,200 tonnes of palm product. This was 8% higher than the 200,800 tonnes of palm product in the first half of 2023. The Group benefited again from having six palm-oil mills, and 95% of production came from its



## Results for the period continued

own facilities, with the remainder coming from outside mills, notably in Simpang Kiri where the Group continues to receive a good assumed extraction rate due to the high quality of its crop.

At the start of the year, the Group took the decision only to process crop from Group-managed areas at its Bumi Permai mill at Kota Bangun and, as a result, that mill has now been certified to produce 'identity-preserved' or 'segregated' CPO by the RSPO, which may lead to increased sustainability premia in due course. In addition, with the reliable source of high-quality ffb that the mill receives, it has delivered the highest CPO extraction rate of all Group mills during the first half of 2024, achieving an average of 24.6%. The second mill at Kota Bangun, Rahayu, has also improved its CPO extraction rate as yields at Kota Bangun have improved and crop has been supplied from the new areas at ABK and NAS.

CPO extraction rates were similar to the first half of last

year at both Bangka and Pangkatan, whilst there was a small improvement at Bumi Mas, which is most likely to have been caused by some dry conditions in the early part of the year. At Musi Rawas, whilst the overall extraction rate remained at an acceptable level, the average achieved has fallen from the very high levels seen in the first few months of last year when the mill started processing only Group-harvested crop.

The Group's engineering team has also focused on improving kernel-extraction rates during the first half of 2024, ensuring that mill processes are well controlled. As a result, the average kernel-extraction rate has increased from 4.8% in the first half of 2023 to 5.2% this year.

The Group's certified sustainable CPO production was 68% of total output (or 73% of the output from Group mills), higher than the 58% achieved in the first half of 2023 now that all six palm-oil mills operated by the Group are accredited to produce certified sustainable output.

### CROPS - FFB

	Six months ended 30 June 2024	Increase/ (decrease)	Six months ended 30 June 2023	Year ended 31 December 2023
<b>Own crops</b>	<b>Tonnes</b>	<b>%</b>	<b>Tonnes</b>	<b>Tonnes</b>
Kota Bangun	138,900	25	110,900	249,900
Bangka	57,800	—	57,900	138,200
Pangkalan group	79,100	1	78,200	185,000
Bumi Mas	71,300	(5)	75,200	156,400
Musi Rawas	57,400	(7)	61,600	128,900
Simpang Kiri	33,400	37	24,300	64,500
	437,900	7	408,100	922,900
<b>Scheme-smallholder crops</b>				
Kota Bangun	51,000	10	46,500	100,500
Bangka	33,200	(4)	34,500	85,200
Pangkalan group	2,000	186	700	2,600
Bumi Mas	14,200	6	13,400	29,700
Musi Rawas	27,700	(7)	29,800	60,200
Simpang Kiri	200	—	—	300
	128,300	3	124,900	278,500
<b>Independent crops purchased</b>				
Kota Bangun	67,400	2	66,300	132,000
Bangka	44,200	(8)	48,100	108,600
Pangkalan group	20,700	(30)	29,400	52,600
Bumi Mas	21,800	(29)	30,500	59,500
Musi Rawas	39,400	186	13,800	68,800
	193,500	3	188,100	421,500
<b>TOTAL CROP</b>	<b>759,700</b>	<b>5</b>	<b>721,100</b>	<b>1,622,900</b>





## PRODUCTION AND EXTRACTION RATES

	Crude palm oil				Palm kernels			
	Six months ended 30 Jun 2024	Increase/ (decrease)	Six months ended 30 Jun 2023	Year ended 31 Dec 2023	Six months ended 30 Jun 2024	Increase/ (decrease)	Six months ended 30 Jun 2023	Year ended 31 Dec 2023
<b>PRODUCTION</b>	<b>Tonnes</b>	<b>%</b>	<b>Tonnes</b>	<b>Tonnes</b>	<b>Tonnes</b>	<b>%</b>	<b>Tonnes</b>	<b>Tonnes</b>
<b>Group mills</b>								
Kota Bangun	59,700	17	51,200	112,000	13,200	21	10,900	24,200
Bangka	30,900	(3)	31,700	76,800	7,900	—	7,900	19,000
Pangkalan group	22,600	(7)	24,300	54,500	5,300	—	5,300	12,400
Bumi Mas	26,000	(7)	28,000	58,600	4,900	4	4,700	10,300
Musi Rawas	29,500	23	23,900	60,200	6,200	44	4,300	11,400
	168,700	6	159,100	362,100	37,500	13	33,100	77,300
<b>Third-party mills</b>								
Kota Bangun	700	—	—	200	200	—	—	—
Musi Rawas	—	—	1,600	1,600	—	—	400	400
Simpang Kiri	7,600	38	5,500	14,600	1,500	36	1,100	2,900
	8,300	17	7,100	16,400	1,700	13	1,500	3,300
	<b>177,000</b>	<b>6</b>	<b>166,200</b>	<b>378,500</b>	<b>39,200</b>	<b>13</b>	<b>34,600</b>	<b>80,600</b>
<b>EXTRACTION RATES</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>
<b>Group mills</b>								
Kota Bangun – Bumi Permai	24.6	3	23.9	24.4	5.6	4	5.4	5.5
Kota Bangun – Rahayu	22.2	4	21.3	21.3	4.6	10	4.2	4.3
Bangka	22.8	1	22.6	23.1	5.8	4	5.6	5.7
Pangkalan group	22.3	—	22.4	22.7	5.2	6	4.9	5.2
Bumi Mas	24.2	3	23.5	23.9	4.6	15	4.0	4.2
Musi Rawas	23.7	(4)	24.6	24.1	5.0	14	4.4	4.5
	<b>23.4</b>	<b>1</b>	<b>23.1</b>	<b>23.4</b>	<b>5.2</b>	<b>8</b>	<b>4.8</b>	<b>5.0</b>
<b>Third-party mills</b>								
Kota Bangun	17.9	—	—	20.0	4.9	—	—	4.5
Musi Rawas	—	—	20.5	20.5	—	—	4.7	4.7
Simpang Kiri	22.4	—	22.5	22.5	4.4	(2)	4.5	4.5

## MILL-GATE PRICES

The average commodity price for CPO (cif Rotterdam) during the first half of 2024 was US\$999 per tonne (2023 US\$986 per tonne) with trading within approximately US\$100 either side of this average. The Group sells its output based on 'mill-gate' pricing and so receives a lower price than the quoted cif Rotterdam amount, taking account of freight and insurance costs, but also allowing for the export taxes and levies that the Indonesian government imposes. These are charged based on well-established, graduated scales, and the government

publishes updated tariffs each month. During the first half of 2024, the Group achieved an average mill-gate price for its CPO of US\$771 per tonne, 2% higher than the US\$755 per tonne in the six months to June 2023.

Sales of the Group's PK were below US\$400 per tonne at the start of the year, but pricing improved, particularly in the second quarter, and by the end of the first half prices had increased by over US\$100 per tonne with some trades at over US\$500 per tonne. The average price for the first half of 2024 was US\$437 per tonne, 7% higher than the US\$410 in the six months to June 2023.



## Results for the period continued

### AVERAGE SELLING PRICES

	Six months ended 30 June 2024 US\$	Increase %	Six months ended 30 June 2023 US\$	Year ended 31 December 2023 US\$
CPO (cif Rotterdam)	999	1	986	964
CPO – Group mill gate	771	2	755	729
Palm-kernel oil	1,127	12	1,003	981
Palm kernels – Group mill gate	437	7	410	354

### SUSTAINABILITY

The Group is a responsible producer of certified sustainable palm oil. All six of the Group's mills were certified producers throughout the period, in accordance with the requirements of the International Sustainability and Carbon Certification ("ISCC") scheme, and so received credits at all locations. As a long-standing member of the RSPO, the Group also works towards securing RSPO certification for all its mills. At the start of 2024, four of the six Group mills were RSPO accredited, and a fifth accreditation was granted in the first half of this year. The audit work to support the final, sixth, certification has taken place early in the second half of this year, and the Group expects to obtain the final approval for certification so that all mills will be RSPO accredited before the end of the year.

Being a producer of certified sustainable CPO and PK results in additional income to the Group, as customers

are willing to pay a premium to secure assured inputs to their production process. The Group's sustainability income in the first half of 2024 was US\$3.0 million, slightly lower than the US\$3.2 million in the six months to June 2023. Whilst there was a significant increase in the Group's certified output, the average premia per tonne fell when compared to the same period of last year. The average premium for CPO when sold as certified was US\$10.80 (2023 US\$16.00) and the equivalent for PK was US\$75.90 (2023 US\$108.80). Notwithstanding the reduction in sustainability premia, the Group remains committed to the production of certified output and maintaining its sustainability credentials. A significant part of certified sustainable output ultimately comes to the EU, and falling premia may be a sign of some market uncertainty relating to the pending EU Deforestation Regulations (EUDR), due to come into effect at the start of 2025 and which will require companies to produce new documentation

In the first half of 2024, the Group published two sustainability reports. Its 2023 **Taskforce on Climate-related Financial Disclosures** ("TCFD") report sets out the progress the Group has made on reducing its carbon emissions and working towards both its interim carbon targets and its ultimate 2050 net-zero target. In 2023, the Group's total carbon emissions, from scopes 1, 2 and 3, reduced once again, and there has now been a 19% reduction in total emissions from the Group's baseline measurement year in 2021. When considered in terms of carbon intensity, the Group's CO<sub>2</sub> equivalent emissions per tonne of CPO have reduced from 8.9 tonnes in 2021 to 5.9 tonnes in 2023, a 34% reduction. The fall in carbon intensity has been caused by a combination of increasing production, and the Group's investment in efficiently operated milling capacity. Further updates will be provided as part of the Group's 2024 reporting.

The Group's **ESG report** looked more broadly at how the Group is committed to maintaining the highest standards in its approach to environmental management, social responsibility, and good governance.

Copies of both reports are available from the Group's website at [www.mpevans.co.uk/sustainability/sustainability-reports](http://www.mpevans.co.uk/sustainability/sustainability-reports)







**Bumi Mas housing and vegetable garden**

on product traceability. The Group is working towards compliance with the new requirements at its estate locations.

## COSTS

The cost of palm product produced from the Group's own areas reduced in the first half of 2024 to US\$458 per tonne, significantly lower than the US\$535 per tonne in the six months to June 2023. Unit costs fell for several reasons, but most significantly due to the fertiliser costs incurred in the first half of this year. Fertiliser pricing had been unusually high in 2023, but had returned towards more normal levels in 2024 and, in addition to this, based on the phasing of application, usage was a little lower in the first half of this year. In combination, these two variances were responsible for a fall of over US\$50 per tonne. The Group also achieved some unit-cost savings in wage-related costs and other efficiency benefits from higher production, although there was some offset from higher costs at the recently acquired properties in East Kalimantan. Subject to output levels, unit costs are expected to fall further in the remainder of 2024.

The total cost of the Group's palm product, taking account of all sources of crop, was US\$529 per tonne in the first half of the year (2023 US\$574 per tonne). The fall in total cost per tonne was not quite as marked as the fall in cost per tonne from Group areas, as the total cost included the purchase of crop from independent suppliers. These costs were slightly higher than last year based on increased CPO prices, and in some cases also elevated due to an increase in competition for independent crop in certain locations.

## PLANTING

The Group continues to invest in planting, both to increase the total area available for harvest, and to replant palms that come to the end of their productive lives to ensure yields are maintained for the longer term. In Musi Rawas, the Group is planting new areas, both for itself and for its associated scheme smallholders. A further 220 hectares have been planted during the first half of the year, bringing the total planted area there to over 10,500 hectares, and the Group expects to be at its target of 11,000 planted hectares at or around the end of this year. The Group also continues to work with smallholder farmers in northern Sumatra and membership in the co-operative schemes around the Pangkatan estates has increased in the first half of this year. An additional 190 hectares have been planted, bringing the total smallholder area there, including both Pangkatan and Simpang Kiri, to over 1,500 hectares.

The opportunity to add new planting at the areas acquired at Kota Bangun (ABK and NAS) is currently being reviewed. Additional planting will only be carried out if it can be done responsibly and sustainably, and the Group is working with its environmental consultants to complete the necessary assessments.

Replanting is progressing in the areas acquired at Simpang Kiri last year, where almost 1,000 hectares are currently being replanted. At the Pangkatan estates, 250 hectares of replanting is taking place as part of the ongoing programme there.



## Results for the period continued

### NEW LAND

Group management continues to be of the view that a planted area of up to 10-14,000 hectares supporting a 60-tonne per hour palm-oil mill is an efficient operation which can deliver attractive returns over the long term. Several of the Group's operations are at that stage already, or are working towards it, and some take in additional crop from external suppliers to increase mill utilisation. In those locations, the Group is continuing to review opportunities to add further planted land to its existing portfolio to maximise the benefit of its investment in milling capacity and to increase the proportion of its certified sustainable output.

### ASSOCIATED COMPANIES

The Group's 40%-owned Malaysian property development associate, Bertam Properties Sdn Berhad, had a good start to 2024 as it continued to develop and sell both high-quality and affordable homes and commercial properties in Penang, Malaysia. The Group's share of their profits for the first half of the year was US\$0.3 million (2023 US\$0.2 million). The Group's 38%-owned oil-palm associate in Indonesia, PT Kerasaan Indonesia, achieved a similar profit to the first half of last year, with the Group's share being US\$0.5 million (2023 US\$0.6 million).

### RESULT

The Group recorded revenue of US\$163.7 million in the first half of 2024 (2023 US\$134.5 million), an increase of 22% on the previous period. The improvement in revenue is larger than the combined increase in production and

pricing observed in the period as, due to the timing of dispatches, the Group experienced a fall in inventory during the period, in contrast to the first half of 2023 when inventory increased. The increase in extraction rates, both for CPO and PK, also added to revenue and profitability in the first half of the year. Gross margin was 26% (2023 – 17%), as the benefit of higher prices and volumes fed through to increased profitability. Additionally, the Group's lower cost per tonne helped to increase margins, and the Group benefited by approximately US\$2 million from a weaker Indonesian rupiah in the first half of the year. Gross profit was US\$42.1 million (2023 US\$23.1 million).

There was an increase in other income during the period to US\$1.7 million (2023 US\$1.2 million) as the Group continues to generate more electricity for sale from the biogas facilities attached to its mills, and prices achieved for shell sales, ancillary to the main production process, increased. There was a small increase in the Group's finance cost in the period, to US\$1.8 million (2023 US\$1.7 million) as the Group took on new loans with its acquisitions towards the end of 2023, but the impact of this is being rapidly offset by the ongoing repayment of the Group's pre-existing term loans. The Group tax charge inevitably increased when compared to the first half of last year due to the higher profitability and, after accounting for the Group's share of associates' results, retained profits were 78% higher at US\$31.7 million (2023 US\$17.8 million).



Visit to primary school at Kota Bangun



## Current trading and prospects

The total crop processed by the end of August 2024 was over 1 million tonnes, similar to the amount in the same period of 2023.

	Eight months ended 31 August 2024 Tonnes	Increase/ (decrease) %	Eight months ended 31 August 2023 Tonnes
Own crops	593,900	-	593,700
Scheme-smallholder crops	170,900	(5)	179,100
Independent crops purchased	263,500	(1)	267,100
	<b>1,028,300</b>	<b>(1)</b>	<b>1,039,900</b>

During the two months to August 2024, the crops harvested from the Group's own areas and from the associated scheme-smallholder areas totalled 198,600 tonnes, an average of 99,300 tonnes each month. This is higher than the 94,400-tonne average experienced in the first half of the year. It is lower than the harvest for the two months to August 2023, hence the total crop for the eight months to August 2024 is now marginally lower than that for the same period last year. This reflects the fact that the 2023 crop peak occurred in those months. Whilst the Group may be experiencing some delayed effect of the dry weather conditions in the latter part of 2023, based on the latest growing crop analysis, cropping levels are expected to increase in the coming months leading to a total crop available for processing for the whole year similar to that in 2023.

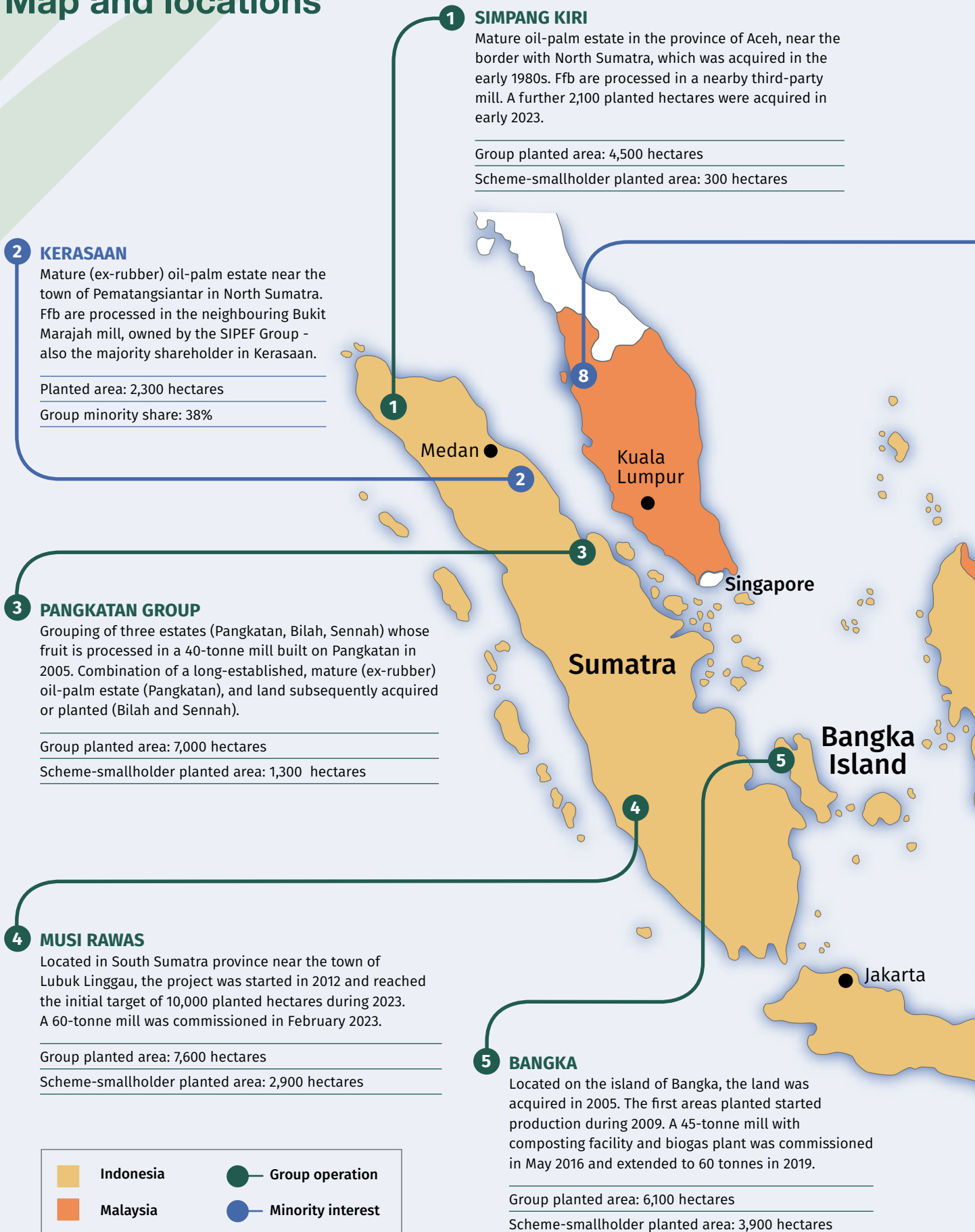
Whilst CPO has traded at similar levels (cif Rotterdam) to the first half of the year during July and August, the Group has been able to achieve prices at higher levels than the average for the six months to June, likely due to refiners' supply dynamics. The Group's year-to-date average mill-gate price for its CPO had increased to US\$777 by the end of August, with some tenders for September delivery at over US\$800 per tonne. Whilst current pricing may not persist if crops increase in the coming months, the levels reached thus far put the Group in a strong position for 2024 as a whole.

The board remains committed to the Group's strategy, with the Group increasing its planted hectareage in support of future sustainable growth, and with all mills producing certified sustainable palm oil. As demonstrated by the results for the current period, the Group continues to deliver healthy cash flows in support of attractive shareholder returns, and the prospects for the future remain very positive.





## Map and locations







## 8 BERTAM PROPERTIES

This land was previously the Group's Bertam Estate, all of which has now been sold to Bertam Properties, a joint venture with two Malaysian partners. Starting in 1992, the area has been developed into a new town. The remaining developable area is 201 hectares.

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Bertam Properties: 313 hectares

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Group minority share: 40%

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## 7 BUMI MAS

Located in East Kalimantan, north-east of Sangatta next to the Manubar river. The land was acquired in 2017. It was largely planted in 2012-14, with the first harvesting taking place during 2015. A 60-tonne mill was commissioned in August 2021.

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Group planted area: 7,500 hectares

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Scheme-smallholder planted area:  
1,400 hectares

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## 6 KOTA BANGUN ESTATES

Located in East Kalimantan, close to Kota Bangun and next to the Mahakam river. There are two mills on site: a 60-tonne mill commissioned in December 2012, and a 45-tonne mill commissioned in September 2020. A further 8,300 planted hectares were acquired in November 2023 to increase mill utilisation with Group crop.

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Group planted area: 17,000 hectares

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Scheme-smallholder planted area:  
6,300 hectares

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1-0027-06-100-00



# Unaudited consolidated income statement

For the six months ended 30 June 2024

	Note	Six months ended 30 June 2024 US\$'000	Six months ended 30 June 2023 US\$'000	Year ended 31 December 2023 US\$'000
<b>Continuing operations</b>				
Revenue	3	163,737	134,469	307,368
Cost of sales		(121,628)	(111,331)	(228,915)
Gross profit	3	42,109	23,138	78,453
Gain on biological assets		185	1,025	551
Foreign-exchange gains/(losses)		640	582	(1,188)
Other administrative expenses		(3,120)	(2,590)	(5,443)
Other income		1,746	1,223	2,923
<b>Operating profit</b>		<b>41,560</b>	<b>23,378</b>	<b>75,296</b>
Finance income		523	600	1,348
Finance costs		(1,838)	(1,683)	(3,810)
Profit before taxation		40,245	22,295	72,834
Tax on profit on ordinary activities		(9,392)	(5,267)	(18,826)
Profit after tax		30,853	17,028	54,008
Share of associated companies' profit after tax	3	808	786	2,390
<b>Profit for the period</b>		<b>31,661</b>	<b>17,814</b>	<b>56,398</b>
<b>Attributable to:</b>				
Owners of M.P. Evans Group PLC		30,084	16,586	52,487
Non-controlling interests		1,577	1,228	3,911
		<b>31,661</b>	<b>17,814</b>	<b>56,398</b>
		<b>US cents</b>	<b>US cents</b>	<b>US Cents</b>
<b>Continuing operations</b>				
Basic earnings per 10p share		56.6	30.8	97.6
Diluted earnings per 10p share		56.3	30.7	97.2
		<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
<b>Basic earnings per 10p share</b>				
Continuing operations		44.9	24.8	78.1





# Unaudited consolidated balance sheet

As at 30 June 2024

	Note	30 June 2024 US\$'000	30 June 2023 US\$'000	31 December 2023 US\$'000
<b>Non-current assets</b>				
Goodwill		17,083	11,767	17,083
Other intangible assets		944	1,077	1,012
Property, plant and equipment		482,693	427,936	486,915
Investments in associates		10,418	11,654	10,003
Investments		57	58	59
Deferred-tax asset		1,180	1,020	1,138
Trade and other receivables		—	9,232	8,875
		<b>512,375</b>	<b>462,744</b>	<b>525,085</b>
<b>Current assets</b>				
Biological assets		3,973	4,114	3,788
Inventories		15,121	28,567	24,155
Trade and other receivables		24,370	29,905	23,853
Current-tax asset		9,990	5,740	8,673
Current-asset investments		213	—	270
Cash and cash equivalents		35,709	42,882	39,324
		<b>89,376</b>	<b>111,208</b>	<b>100,063</b>
<b>Total assets</b>		<b>601,751</b>	<b>573,952</b>	<b>625,148</b>
<b>Current liabilities</b>				
Borrowings		22,820	19,001	21,009
Trade and other payables		24,107	29,080	27,547
Current-tax liabilities		5,520	294	6,279
		<b>52,447</b>	<b>48,375</b>	<b>54,835</b>
<b>Net current assets</b>		<b>36,929</b>	<b>62,833</b>	<b>45,228</b>
<b>Non-current liabilities</b>				
Borrowings		20,381	21,364	33,413
Deferred-tax liability		21,083	13,478	19,398
Retirement-benefit obligations		12,262	11,199	12,429
		<b>53,726</b>	<b>46,041</b>	<b>65,240</b>
<b>Total liabilities</b>		<b>106,173</b>	<b>94,416</b>	<b>120,075</b>
<b>Net assets</b>		<b>495,578</b>	<b>479,536</b>	<b>505,073</b>
<b>Equity</b>				
Share capital	6	9,019	9,124	9,062
Other reserves		53,886	54,642	53,263
Retained earnings		423,163	397,605	422,748
<b>Equity attributable to the owners of M.P. Evans Group PLC</b>		<b>486,068</b>	<b>461,371</b>	<b>485,073</b>
Non-controlling interests		9,510	18,165	20,000
<b>Total equity</b>		<b>495,578</b>	<b>479,536</b>	<b>505,073</b>



# Unaudited statement of changes in consolidated total equity

For the six months ended 30 June 2024

	Six months ended 30 June 2024 US\$'000	Six months ended 30 June 2023 US\$'000	Year ended 31 December 2023 US\$'000
Profit for the period	31,661	17,814	56,398
Other comprehensive expense for the period	(426)	(1,352)	(1,306)
<b>Total comprehensive income for the period</b>	<b>31,235</b>	<b>16,462</b>	<b>55,092</b>
Share buybacks	(3,516)	(5,129)	(9,678)
Dividends paid	(23,341)	(20,760)	(29,739)
Acquisition of non-controlling interests	(14,041)	—	—
Credit to equity for equity-settled share-based payments	168	119	554
<b>Transactions with owners</b>	<b>(40,730)</b>	<b>(25,770)</b>	<b>(38,863)</b>
At 1 January	505,073	488,844	488,844
<b>Balance at period end</b>	<b>495,578</b>	<b>479,536</b>	<b>505,073</b>





# Unaudited consolidated cash-flow statement

For the six months ended 30 June 2024

	Note	Six months ended 30 June 2024 US\$'000	Six months ended 30 June 2023 US\$'000	Year ended 31 December 2023 US\$'000
<b>Net cash generated by operating activities</b>	7	<b>48,380</b>	<b>20,411</b>	<b>83,642</b>
<b>Investing activities</b>				
Acquisition of subsidiaries, net of cash acquired		—	—	(34,516)
Purchase of property, plant and equipment		(9,555)	(23,824)	(38,282)
Purchase of intangible assets		(24)	—	(25)
Interest received		337	227	600
Increase in receivables from smallholder co-operatives		(22)	(2,973)	(6,161)
Bank deposits treated as current asset investments		—	—	(266)
Proceeds on disposal of property, plant and equipment		47	66	6,997
<b>Net cash used by investing activities</b>		<b>(9,217)</b>	<b>(26,504)</b>	<b>(71,653)</b>
<b>Financing activities</b>				
Acquisition of non-controlling interests	5	(6,000)	—	—
Repayment of borrowings		(9,916)	(8,674)	(17,405)
Dividends paid to Company shareholders		(21,891)	(20,035)	(28,188)
Dividends paid to non-controlling interest		(145)	(72)	(155)
Buy back of Company shares		(3,516)	(5,129)	(9,678)
<b>Net cash used by financing activities</b>		<b>(41,468)</b>	<b>(33,910)</b>	<b>(55,426)</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(2,305)</b>	<b>(40,003)</b>	<b>(43,437)</b>
<b>Cash and cash equivalents at 1 January</b>		<b>39,324</b>	<b>82,503</b>	<b>82,503</b>
Effect of foreign-exchange rates on cash and cash equivalents		(1,310)	382	258
<b>Net cash and cash equivalents at period end</b>		<b>35,709</b>	<b>42,882</b>	<b>39,324</b>



Conservation area at Bumi Mas





# Notes to the interim statements

For the six months ended 30 June 2024

## 1 General information

The financial information for the six-month periods ended 30 June 2024 and 2023 has been neither audited nor reviewed by the Group's auditors and does not constitute statutory accounts within the meaning of section 434 of the Companies Act 2006. The financial information for the year ended 31 December 2023 is abridged from the statutory accounts. The 31 December 2023 statutory accounts have been reported on by the Group's auditors for that year, BDO LLP, and have been filed with the Registrar of Companies. The report of the auditors thereon was unqualified and did not contain a statement under section 498(2) or (3) of the Companies Act 2006, nor did it contain any matters to which the auditors drew attention without qualifying their audit report.

## 2 Accounting policies

The consolidated financial results have been prepared in accordance with International Financial Reporting Standards (IFRS and IFRIC interpretations) issued by the International Accounting Standards Board (IASB), and with those parts of the Companies Act 2006 applicable to companies preparing accounts under IFRS.

The accounting policies of the Group follow those set out in the annual financial statements at 31 December 2023. The Group has made a number of critical accounting judgements and key estimates in the preparation of this interim report, and they remain consistent with those set out in note 3(r) to the 2023 annual financial statements.

## 3 Segment information

The Group's reportable segments are distinguished by location and product: Indonesian oil-palm plantation products in Indonesia and Malaysian property development.

	Plantation Indonesia US\$'000	Property Malaysia US\$'000	Other US\$'000	Total US\$'000
<b>6 months ended 30 June 2024</b>				
Revenue	163,737	—	—	163,737
Gross profit	42,109	—	—	42,109
Share of associated companies' profit after tax	459	349	—	808
<b>6 months ended 30 June 2023</b>				
Revenue	134,469	—	—	134,469
Gross profit	23,138	—	—	23,138
Share of associated companies' profit after tax	545	241	—	786
<b>Year ended 31 December 2023</b>				
Revenue	307,320	—	48	307,368
Gross profit	78,405	—	48	78,453
Share of associated companies' profit after tax	1,107	1,283	—	2,390

## 4 Dividends

	Six months ended 30 June 2024 US\$'000	Six months ended 30 June 2023 US\$'000	Year ended 31 December 2023 US\$'000
2022 final dividend – 30p per 10p share	—	20,035	20,035
2023 interim dividend – 12.5p per 10p share	—	—	8,153
2023 final dividend – 32.5p per 10p share	21,891	—	—
	<b>21,891</b>	<b>20,035</b>	<b>28,188</b>

Subsequent to 30 June 2024, the board has declared an interim dividend of 15p per 10p share. The dividend will be paid on or after 1 November 2024 to those shareholders on the register at the close of business on 11 October 2024.



## Notes to the interim statements continued

### 5 Acquisition

On 31 May 2024, the Group completed the purchase of the 5% minority holding in the majority (70% by Group-owned planted hectareage) of its Indonesian subsidiary trading companies.

The total cost of the purchase was US\$14.0 million. The Group's minority partner has used the majority of the proceeds to repay an outstanding US\$8.0 million loan from the Group and, as a result, the net cash outflow to the Group resulting from the transaction was US\$6.0 million.

### 6 Share capital

	30 June 2024 Number	30 June 2023 Number	31 December 2023 Number	30 June 2024 US\$'000	30 June 2023 US\$'000	31 December 2023 US\$'000
Shares of 10p each						
At 1 January	53,289,690	54,230,888	54,230,888	9,062	9,179	9,179
Issued	—	50,000	50,000	—	6	6
Redeemed	(340,134)	(492,792)	(991,198)	(43)	(61)	(123)
<b>At period end</b>	<b>52,949,556</b>	<b>53,788,096</b>	<b>53,289,690</b>	<b>9,019</b>	<b>9,124</b>	<b>9,062</b>

### 7 Analysis of movements in cash flow

	Six months ended 30 June 2024 US\$'000	Six months ended 30 June 2023 US\$'000	Year ended 31 December 2023 US\$'000
<b>Operating profit</b>	<b>41,560</b>	<b>23,378</b>	<b>75,296</b>
Biological gain	(185)	(1,025)	(551)
Disposal of property, plant and equipment	534	1	259
Release of deferred profit	(22)	(36)	(92)
Depreciation of property, plant and equipment	13,196	11,840	24,102
Amortisation of intangible assets	92	90	180
Retirement-benefit obligation	593	115	905
Share-based payments	168	119	554
<b>Operating cash flows before movements in working capital</b>	<b>55,936</b>	<b>34,482</b>	<b>100,653</b>
Decrease/(increase) in inventories	9,035	(5,455)	1,023
(Increase)/decrease in receivables	(2,493)	5,005	11,814
(Decrease)/increase in payables	(2,435)	1,107	(6,460)
<b>Cash generated by operating activities</b>	<b>60,043</b>	<b>35,139</b>	<b>107,030</b>
Dividends from associated companies	—	—	3,566
Income tax paid	(9,825)	(13,045)	(23,144)
Interest paid	(1,838)	(1,683)	(3,810)
<b>Net cash generated by operating activities</b>	<b>48,380</b>	<b>20,411</b>	<b>83,642</b>



## 8 Exchange rates

		30 June 2024	30 June 2023	31 December 2023
US\$1=Indonesian Rupiah	Average	15,897	15,053	15,236
	Period end	16,375	14,993	15,397
US\$1=Malaysian Ringgit	Average	4.73	4.46	4.56
	Period end	4.72	4.67	4.60
£1=US Dollar	Average	1.26	1.24	1.25
	Period end	1.26	1.27	1.27





# Officers, professional advisers & representatives

## EXECUTIVE DIRECTORS

### Matthew H Coulson

Chief executive

### Luke A Shaw

Chief financial officer

## NON-EXECUTIVE DIRECTORS

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Chairman

### Bruce C J Tozer \*†

Senior independent, chair of audit and remuneration committee

### K Chandra Sekaran

### Michael Sherwin \*†

Independent

### Tanya Ashton \*†

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