

**M.P. EVANS GROUP PLC**  
("Group" or "M.P. Evans")

**ANNUAL GENERAL MEETING**

The annual general meeting of M.P. Evans Group PLC, a producer of sustainable Indonesian palm oil, is being held at 11am in London today. Further details on the AGM, including a link to the live AGM webcast, can be found on the Group's website at [www.mpevans.co.uk/investors/agm](http://www.mpevans.co.uk/investors/agm). The following statement is an update on trading conditions and progress on the Group's activities since the publication of the annual report in March.

**Crops**

The total crop of fresh fruit bunches ("ffb") processed by the Group in the five months to 31 May 2023 was 584,800 tonnes, 2% higher than the 572,000 tonnes processed in the same period in 2022. In the early part of the year, as has been the case in previous years, the Group experienced some seasonality in the crop recorded from its majority-owned areas and its associated scheme smallholders but compensated for this by purchasing more crop from independent suppliers to process in its own mills. Crops by source were as follows: from majority-owned areas 329,000 tonnes (2022 – 342,200 tonnes), associated scheme smallholders 101,200 tonnes (2022 – 100,900 tonnes) and independent suppliers 154,600 tonnes (2022 – 128,900 tonnes). On most of its estates, the Group has experienced a relatively lower cropping period in the early part of 2023 but, based on a review of crop trends and development on its estates, the Group anticipates higher cropping levels in the coming months.

**Production**

The Group produced the equivalent of 134,400 tonnes of crude palm oil ("CPO") during the first five months of 2023, including 128,600 tonnes processed through its own mills with the balance being the oil content of ffb sold by the Group to third-party mills. Total production was up by 3%, but the production from the Group's own mills has increased by 9% from 2022 as the Group's new mill at Musi Rawas started production in February 2023. The Group continues to achieve a good oil-extraction rate, particularly in relation to CPO produced from its own crop. The average extraction rate for the first five months of the year was 23.0%, marginally lower than the 23.1% achieved in the same period in 2022 as the Group purchased a higher proportion of crop from independent suppliers for processing in its mills which is of a lower quality.

**Sales and prices**

The average price of CPO (cif Rotterdam) for the first five months of the year was US\$1,001 per tonne, 39% lower than the US\$1,630 per tonne during the equivalent period in 2022. Nonetheless, this was 13% higher than the 5-year average price of US\$885 per tonne, and 23% higher than the 10-year average of US\$813. Sales prices were exceptionally high during the first half of 2022 as commodity markets responded to the outbreak of war between Russia and Ukraine. In the period to the end of May 2023, the Group realised an average price at mill gate of US\$779 per tonne compared with US\$1,079 per tonne in 2022, a decrease of 28%. Prices for palm kernels were also unusually high in the early part of 2022, averaging US\$899 per tonne (mill gate), and reduced by 61% to US\$415 per tonne on average for the first five months of 2023. Given the exceptional price environment in 2022, it is important to see the current price environment within a longer-term context.

**Sustainability**

The Group is a long-standing member of the Roundtable on Sustainable Palm Oil ("RSPO"). In 2022, 64% of its total output was certified as sustainable production, up from the 55% recorded in the previous

year. The Group continues to benefit from its investment in its own milling capacity, and remains committed to certifying all of its own mills as producers of sustainable palm oil as quickly as possible after commissioning. The Group opened its sixth mill in early 2023 and, following the acquisition of additional planted land expanding its Simpang Kiri estate, will in due course review the potential to build a further palm-oil mill there.

In its 2022 annual report, the Group gave disclosures in line with the requirements of the Taskforce on Climate-related Financial Disclosures (“TCFD”) and is committed to providing more detailed analysis in a standalone sustainability report due for publication later in 2023.

## **Strategy**

The Group has four key strategic pillars: it 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**.

Acting responsibly is at the heart of everything the Group does. The Group does not deforest and acts as a good steward of the land it cultivates. It invests for the long term, in its employees, their training and in the facilities it provides for them. This approach fosters a culture of excellence, enabling the consistent delivery of both high crop yield and good extraction rates. In turn, the long-term investment, the age profile of the Group’s planted areas and the yields achieved support continuing growth, and the opportunity to increase shareholder returns.

An increased total dividend of 42.5p per share has been proposed in respect of 2022, and it remains the board’s intention to continue the Group’s long-term trend of at least maintaining, or increasing, dividends for shareholders.

9 June 2023

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