

# MP Evans Group

**Industrials**
**19 September 2025**

## Strategic positioning driving performance

MP Evans Group's board raised the interim dividend 20% to 18p, reflecting both confidence in long-term prospects and improved H125 results. Operating profit rose 50% to \$62.2m, while EPS increased 60% to 71.7p. MP Evans continues to shift towards processing its own crop, which now represents 84% of volumes (H124: 74%). Group harvested crop rose to 8%, while independent purchases fell by 39%. The stronger mix and robust prices lifted the gross margin to 35% (H124: 26%) and underpinned net cash of \$70.5m, compared with net debt of \$7.3m a year earlier.

## Strategic mix transformation is accelerating returns

Operational gearing is evident from the higher own-crop share, with six mills now processing 95% of production. This reduces reliance on third-party facilities and supports cost control. The oil-extraction rate averaged 23.5% (H124: 23.4%), despite wet weather early in the year. The young age profile of the estates continues to offer scope for yield growth with limited replanting capex.

## Commodity tailwinds support strong profitability

Mill-gate crude palm oil (CPO) prices rose 13% y-o-y to \$868/t (H124: \$771/t), while palm kernel prices surged 71% to \$747/t. This pricing uplift, combined with an improved mix, drove gross profit up 51% to \$63.4m. Early H2 trading indicates continued strength, with July and August prices broadly unchanged and CPO averaging \$865/t year-to-date.

## Capital allocation strategy driving growth

In July 2025, MP Evans acquired 3,000 planted hectares in East Kalimantan for \$35.1m, expanding the Bumi Mas estate to nearly 12,000 hectares. Crop from the new land is already being processed internally, enhancing mill utilisation. The strong balance sheet provides capacity for further acquisitions alongside a progressive dividend policy.

## Valuation: Transformation benefits not fully reflected

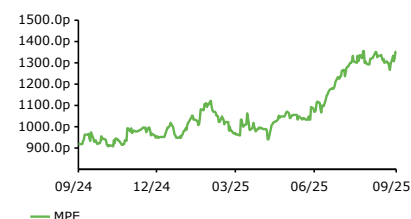
Despite a more than 50% year-to-date share price gain, MP Evans still trades at similar levels to peers. EPS growth of 60% demonstrates strong operational leverage, while its sustainability profile (76% of its CPO output is certified by the Roundtable on Sustainable Palm Oil) positions the group for compliance with EU deforestation regulations from 2026.

| Consensus estimates |               |            |         |         |         |           |
|---------------------|---------------|------------|---------|---------|---------|-----------|
| Year end            | Revenue (\$m) | EBIT (\$m) | EPS (p) | DPS (p) | P/E (x) | Yield (%) |
| 12/23               | 307.4         | 75.3       | 78.10   | 45.00   | 16.8    | 3.4       |
| 12/24               | 352.8         | 115.7      | 129.60  | 52.50   | 10.1    | 4.0       |
| 12/25e              | 372.7         | 130.1      | 140.00  | 48.00   | 9.4     | 3.7       |
| 12/26e              | 398.5         | 131.6      | 141.00  | 51.00   | 9.3     | 3.9       |

Source: LSEG Data & Analytics

**Price** 1,315.00p  
**Market cap** £694m

### Share price performance



### Share details

|                  |         |
|------------------|---------|
| Code             | MPE     |
| Listing          | AIM     |
| Shares in issue  | 52.3m   |
| Net cash at H125 | \$70.5m |

### Business description

MP Evans Group is a UK-based company that is a producer of sustainable Indonesian palm oil. The company's segments are distinguished by location and activity: palm-oil plantations in Indonesia; property development in Malaysia; and other. MP Evans manages c 66,100 hectares of plantation land and 16,200 hectares is managed on behalf of its smallholders scheme. The company also owns six palm-oil mills.

### Bull points

- Record order book visibility with strategic crop mix transformation delivering operational leverage.
- Robust commodity pricing environment supporting exceptional margin expansion.
- Young plantation age profile providing decade of yield growth with minimal capex.

### Bear points

- Commodity price sensitivity creating earnings volatility.
- Weather dependency affecting crop yields.
- Concentration in Indonesian operations creating geographic risk.

### Analysts

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