

MP Evans Group

Industrials
16 September 2026

Own crop and mill efficiency lift margins

MP Evans grows, mills and sells Indonesian crude palm oil (CPO) and palm kernels (PK). H126 results show that processing more of the group's own harvest is now the main driver of margin improvement, with gross margin reaching 40% (H125: 35%) despite only a 1% rise in the CPO price. The board increased the interim dividend by 39% to 25p and remains confident for the remainder of 2026. Crop momentum has continued into H2, with the harvest up 16% in the eight months to August.

Own crop and extraction rates drive gross margin

Group harvest rose 14% y-o-y to 705,400 tonnes as maturing hectareage and improved agronomy on recently acquired areas lifted yields. This allowed purchases of lower-grade independent crop to fall 22% to just 12% of throughput. The higher proportion of own crop, alongside mill efficiency work, raised the average oil extraction rate to 24.2% from 23.5%, adding c 5,400 tonnes of CPO worth US\$4.7m. Unit production cost from the group's own areas fell 8% to US\$409/t. Revenue rose 9% to US\$196.3m, while gross profit increased 25% to US\$78.9m and EPS 21% to 86.5p.

Cash generation funds growth and returns

Cash conversion of 117% took net cash to US\$113.5m at 30 June (from US\$87.5m at end-December), after considering US\$29.6m of dividends paid, US\$10.7m of capex and a US\$3.2m buyback. In September, the group acquired PT Kalimantan Wahana Berjaya and secured rights over adjacent land at Long Nah for an initial US\$2.0m, adding 776 planted hectares with potential to develop a further c 3,000 hectares and to feed spare mill capacity at Kota Bangun. Total investment in the new areas is guided at US\$20–25m.

Valuation: Operational gains support the outlook

The shares have recovered towards levels seen before uncertainty around Indonesia's proposed export controls, as subsequent clarification indicated that producers can continue to export directly. H126 margin expansion was driven by crop mix, extraction and lower unit costs rather than materially higher CPO prices, while c 7,000 immature hectares provide further volume growth. With US\$113.5m of net cash supporting investment and shareholder returns, the continued shift towards own crop should help sustain margins as reliance on independently purchased fruit falls.

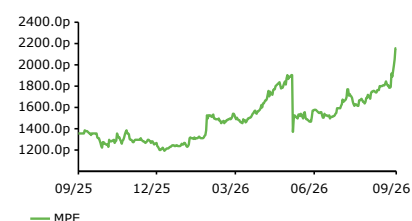
Consensus estimates

Year end	Revenue (\$m)	EBIT (\$m)	EPS (p)	DPS (p)	P/E (x)	Yield (%)
12/24	352.8	115.7	129.60	52.50	15.8	2.6
12/25	371.0	130.1	161.30	60.00	12.7	2.9
12/26e	378.3	147.0	168.40	55.70	12.1	2.7
12/27e	370.0	146.0	159.97	59.70	12.8	2.9

Source: MP Evans, Bloomberg Intelligence

Price 2,045.00p
Market cap £1,060m

Share price performance



Share details

Code	MPE
Listing	AIM
Shares in issue	52.3m
Net cash/(debt) at 30 June	\$113.5m

Business description

MP Evans Group is a UK-based producer of sustainable Indonesian palm oil. The group manages c 71,000 hectares of planted oil-palm estates, including more than 16,000 hectares on behalf of scheme smallholders, and operates six palm-oil mills. Its plantations are located across Sumatra, Bangka and East Kalimantan, with a small residual property-development interest in Malaysia.

Bull points

- Record order book visibility with strategic crop mix transformation delivering operational leverage.
- Robust commodity pricing environment supporting 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 and regulatory risk.

Analysts

Harry Kilby	+44 (0)20 3077 5700
Finlay Mathers	+44 (0)20 3077 5700

industrials@edisongroup.com

[Edison profile page](#)

EDISON QUICKVIEWS ARE NORMALLY ONE-OFF PUBLICATIONS WITH NO COMMITMENT TO WRITING ANY FOLLOW UP. QUICKVIEW NOTES USE CONSENSUS EARNINGS ESTIMATES.

General disclaimer and copyright

This report has been prepared and issued by Edison. Edison Investment Research standard fees are £60,000 pa for the production and broad dissemination of a detailed note (Outlook) following by regular (typically quarterly) update notes. Fees are paid upfront in cash without recourse. Edison may seek additional fees for the provision of roadshows and related IR services for the client but does not get remunerated for any investment banking services. We never take payment in stock, options or warrants for any of our services.

Accuracy of content: All information used in the publication of this report has been compiled from publicly available sources that are believed to be reliable, however we do not guarantee the accuracy or completeness of this report and have not sought for this information to be independently verified. Opinions contained in this report represent those of the research department of Edison at the time of publication. Forward-looking information or statements in this report contain information that is based on assumptions, forecasts of future results, estimates of amounts not yet determinable, and therefore involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of their subject matter to be materially different from current expectations.

Exclusion of Liability: To the fullest extent allowed by law, Edison shall not be liable for any direct, indirect or consequential losses, loss of profits, damages, costs or expenses incurred or suffered by you arising out of or in connection with the access to, use of or reliance on any information contained on this note.

No personalised advice: The information that we provide should not be construed in any manner whatsoever as, personalised advice. Also, the information provided by us should not be construed by any subscriber or prospective subscriber as Edison's solicitation to effect, or attempt to effect, any transaction in a security. The securities described in the report may not be eligible for sale in all jurisdictions or to certain categories of investors.

Investment in securities mentioned: Edison has a restrictive policy relating to personal dealing and conflicts of interest. Edison Group does not conduct any investment business and, accordingly, does not itself hold any positions in the securities mentioned in this report. However, the respective directors, officers, employees and contractors of Edison may have a position in any or related securities mentioned in this report, subject to Edison's policies on personal dealing and conflicts of interest.

Copyright 2026 Edison Investment Research Limited (Edison).

Australia

Edison Investment Research Pty Ltd (Edison AU) is the Australian subsidiary of Edison. Edison AU is a Corporate Authorised Representative (1252501) of Crown Wealth Group Pty Ltd who holds an Australian Financial Services Licence (Number: 494274). This research is issued in Australia by Edison AU and any access to it, is intended only for "wholesale clients" within the meaning of the Corporations Act 2001 of Australia. Any advice given by Edison AU is general advice only and does not take into account your personal circumstances, needs or objectives. You should, before acting on this advice, consider the appropriateness of the advice, having regard to your objectives, financial situation and needs. If our advice relates to the acquisition, or possible acquisition, of a particular financial product you should read any relevant Product Disclosure Statement or like instrument.

New Zealand

The research in this document is intended for New Zealand resident professional financial advisers or brokers (for use in their roles as financial advisers or brokers) and habitual investors who are "wholesale clients" for the purpose of the Financial Advisers Act 2008 (FAA) (as described in sections 5(c) (1)(a), (b) and (c) of the FAA). This is not a solicitation or inducement to buy, sell, subscribe, or underwrite any securities mentioned or in the topic of this document. For the purpose of the FAA, the content of this report is of a general nature, is intended as a source of general information only and is not intended to constitute a recommendation or opinion in relation to acquiring or disposing (including refraining from acquiring or disposing) of securities. The distribution of this document is not a "personalised service" and, to the extent that it contains any financial advice, is intended only as a "class service" provided by Edison within the meaning of the FAA (i.e. without taking into account the particular financial situation or goals of any person). As such, it should not be relied upon in making an investment decision.

United Kingdom

This document is prepared and provided by Edison for information purposes only and should not be construed as an offer or solicitation for investment in any securities mentioned or in the topic of this document. A marketing communication under FCA Rules, this document has not been prepared in accordance with the legal requirements designed to promote the independence of investment research and is not subject to any prohibition on dealing ahead of the dissemination of investment research.

This Communication is being distributed in the United Kingdom and is directed only at (i) persons having professional experience in matters relating to investments, i.e. investment professionals within the meaning of Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "FPO") (ii) high net-worth companies, unincorporated associations or other bodies within the meaning of Article 49 of the FPO and (iii) persons to whom it is otherwise lawful to distribute it. The investment or investment activity to which this document relates is available only to such persons. It is not intended that this document be distributed or passed on, directly or indirectly, to any other class of persons and in any event and under no circumstances should persons of any other description rely on or act upon the contents of this document.

This Communication is being supplied to you solely for your information and may not be reproduced by, further distributed to or published in whole or in part by, any other person.

United States

Edison relies upon the "publishers' exclusion" from the definition of investment adviser under Section 202(a)(11) of the Investment Advisers Act of 1940 and corresponding state securities laws. This report is a bona fide publication of general and regular circulation offering impersonal investment-related advice, not tailored to a specific investment portfolio or the needs of current and/or prospective subscribers. As such, Edison does not offer or provide personal advice and the research provided is for informational purposes only. No mention of a particular security in this report constitutes a recommendation to buy, sell or hold that or any security, or that any particular security, portfolio of securities, transaction or investment strategy is suitable for any specific person.
