

MP. EVANS GROUP PLC

M.P. Evans Group PLC ("M.P. Evans" or "the Group"), a producer of sustainable Indonesian palm oil, announces its unaudited interim results for the six months ended 30 June 2024.

HIGHLIGHTS

- 5% increase in total crop processed to 759,700 tonnes (2023 - 721,100 tonnes)
- 6% increase in total production of crude palm oil to 177,000 tonnes (2023 - 166,200 tonnes)
- 2% increase in mill-gate CPO price to US 771 per tonne (2023 US 755 per tonne)
- 24% increase in certified sustainable production to 119,500 tonnes (2023 - 96,500 tonnes)
- 14% reduction in cost of Group palm product to US 458 per tonne (2023 US 535 per tonne)
- 78% increase in operating profit to US 41.6 million (2023 US 23.4 million)
- 81% increase in earnings per share to 44.9p (2023 - 24.8p)
- 20% increase in interim dividend per share to 15p (2023 - 12.5p)
- 1% net gearing with net debt US 7.3 million (2023 net cash US 2.5 million)

MP. Evans chairman, Peter Hadsley-Chaplin, commented: "Following higher production and higher palm-oil prices, the board is delighted to report a significantly improved first-half profit, and a 20% increase in the interim dividend. The second half of the year has, thus far, seen palm-oil prices strengthen further and, accordingly, the Group is well placed for another strong result for 2024 as a whole."

16 September 2024

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An analysts' meeting will be held today at 9:30am at the offices of Hudson Sandler, 25 Charterhouse Square, London EC1M 6AE

Overview

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.

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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, so it expects to deliver the robust cash flows that form the foundation for its progressive dividend policy.

RESULTS FOR THE PERIOD

Crops and production

Details of the Group's crops, production extraction rates and average selling prices for the first half of 2024 are shown in the following table:

	6 months ended 30 June 2024 Tonnes	Increase/ (decrease) %	6 months ended 30 June 2023 Tonnes	Year ended 31 December 2023 Tonnes
Own crops				
Kota Bangun	138,900	25	110,900	249,900
Independent	57,600		57,600	120,200
Total	196,500		168,500	370,100

	6 months ended 30 June 2014	Increase/ (decrease) %	6 months ended 30 June 2013	Year ended 31 December 2013
Bangka	79,100	-	78,200	185,000
Pangkatan group	2,329	(5)	2,429	15,000
Bumi Mas	57,400	(7)	61,600	128,900
Musi Rawas	33,400	37	24,300	64,500
Simpang Kiri	437,900	7	408,100	922,900
Scheme-smallholder crops				
Kota Bangun	51,000	10	46,500	100,500
Bangka	33,200	(4)	34,500	85,200
Pangkatan 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
Independent crops purchased				
Kota Bangun	67,400	2	66,300	132,000
Bangka	44,200	(8)	48,100	108,600
Pangkatan 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
	759,700	5	721,100	1,622,900
Production				
Crude palm oil				
Kota Bangun	59,700	17	51,200	112,000
Bangka	30,900	(3)	31,700	76,800
Pangkatan group	22,600	(7)	24,300	54,500
Bumi Mas	26,000	(7)	28,000	58,600
Musi Rawas	29,500	23	23,900	60,200
	168,700	6	159,100	362,100
Third party mills				
Kota Bangun	700	-	-	200
Musi Rawas	-	-	1,600	1,600
Simpang Kiri	7,600	38	5,500	14,600
	8,300	17	7,100	16,400
	177,000	6	166,200	378,500
Palm kernels				
Kota Bangun	13,200	21	10,900	24,200
Bangka	7,900	-	7,900	19,000
Pangkatan group	5,300	-	5,300	12,400
Bumi Mas	4,900	4	4,700	10,300
Musi Rawas	6,200	44	4,300	11,400
	37,500	13	33,100	77,300
Third party mills				
Kota Bangun	200	-	-	-
Musi Rawas	-	-	400	400
Simpang Kiri	1,500	36	1,100	2,900
	1,700	13	1,500	3,300
	39,200	13	34,600	80,600
Extraction rate	%	%	%	%
Crude palm oil				
Group mills				
Kota Bangun - Bumi Permai	24.6	3	23.9	24.4
Kota Bangun - Rahayu	22.2	4	21.3	21.3
Bangka	22.8	1	22.6	23.1
Pangkatan group	22.3	-	22.4	22.7
Bumi Mas	24.2	3	23.5	23.9
Musi Rawas	23.7	(4)	24.6	24.1
	23.4	1	23.1	23.4
Third party mills				
Kota Bangun	17.9	-	-	20.0
Musi Rawas	-	-	20.5	20.5
Simpang Kiri	22.4	-	22.5	22.5
Palm kernels				
Group mills				
Kota Bangun - Bumi Permai	5.6	4	5.4	5.5
Kota Bangun - Rahayu	4.6	10	4.2	4.3
Bangka	5.8	4	5.6	5.7
Pangkatan group	5.2	6	4.9	5.2
Bumi Mas	4.6	15	4.0	4.2
Musi Rawas	5.0	14	4.4	4.5
	5.2	8	4.8	5.0
Third party mills				
Kota Bangun	4.9	-	-	4.5
Musi Rawas	-	-	4.7	4.7
Simpang Kiri	4.4	(2)	4.5	4.5

Average selling prices	6 months ended		6 months ended	Year ended
CPO (cif Rotterdam)	30 June 999	Increase	30 June 986	31 December 964
CPO - Group mill gate	2074	(decrease)	2023	2023
Palm-kernel oil	1,127	%2	1,003	981
Palm kernels - Group mill gate	437	7	410	354

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.

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 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.

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).

CURRENT TRADING AND PROSPECTS

	8 months ended 31 August 2024 Tonnes	Increase/ (decrease) %	8 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
	<u>1,028,300</u>	<u>(1)</u>	<u>1,039,900</u>

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 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.

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
Continuing operations				
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
Operating profit		41,560	23,378	75,296
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		Six months ended 30 June 2024	Six months ended 30 June 2023	Year ended 31 December 2023
Share of associated companies' profit after tax	3	808	786	2,890
Profit for the period		31,661	31,714	56,398
		2024	2023	2023
Attributable to:	Note	US '000	US '000	US '000
Owners of M.P. Evans Group PLC		30,084	16,586	52,487
Non-controlling interests		1,577	1,228	3,911
		31,661	17,814	56,398
		US cents	US cents	US cents
Continuing operations				
Basic earnings per 10p share		56.6	30.8	97.6
Diluted earnings per 10p share		56.3	30.7	97.2
		Pence	Pence	Pence
Basic earnings per 10p share				
Continuing operations		44.9	24.8	78.1

UNAUDITED CONSOLIDATED BALANCE SHEET

As at 30 June 2024

		30 June 2024	30 June 2023	31 December 2023
	Note	US '000	US '000	US '000
Non-current assets				
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
		512,375	462,744	525,085
Current assets				
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
		89,376	111,208	100,063
Total assets		601,751	573,952	625,148
Current liabilities				
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
		52,447	48,375	54,835
Net current assets		36,929	62,833	45,228
Non-current liabilities				
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
		53,726	46,041	65,240
Total liabilities		106,173	94,416	120,073
Net assets		495,578	479,536	505,075
Equity				
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
Equity attributable to the owners of M.P. Evans Group PLC		486,068	461,371	485,073
Non-controlling interests		9,510	18,165	20,000
Total equity		495,578	479,536	505,073

UNAUDITED STATEMENT OF CHANGES IN CONSOLIDATED EQUITY

For the six months ended 30 June 2024

	Six months ended 30 June 2024	Six months ended 30 June 2023	Year ended 31 December 2023
	US '000	US '000	US '000
Profit for the period	31,661	17,814	56,398
Other comprehensive expense for the period	(426)	(1,352)	(1,306)
Total comprehensive income for the period	31,235	16,462	55,092
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

Transactions with owners	(40,730)	(25,770)	(38,863)
At 1 January	Six months ended 30 June 2024	Six months ended 30 June 2023	Year ended 31 December 2023
Balance at period end	495,856	479,836	505,073
	30 June 2024	30 June 2023	31 December 2023
UNAUDITED CONSOLIDATED CASH-FLOW STATEMENT	US '000	US '000	US '000

For the six months ended 30 June 2024

		Six months ended 30 June 2024	Six months ended 30 June 2023	Year ended 31 December 2023
	Note	US '000	US '000	US '000
Net cash generated by operating activities	7	48,380	20,411	83,642
Investing activities				
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
Net cash used by investing activities		(9,217)	(26,504)	(71,653)
Financing activities				
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)
Net cash used by financing activities		(41,468)	(33,910)	(55,426)
Net decrease in cash and cash equivalents		(2,305)	(40,003)	(43,437)
Cash and cash equivalents at 1 January		39,324	82,503	82,503
Effect of foreign-exchange rates on cash and cash equivalents		(1,310)	382	258
Net cash and cash equivalents at period end		35,709	42,882	39,324

NOTES TO THE INTERIM STATEMENTS

For the six months ended 30 June 2024

Note 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.

Note 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.

Note 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
6 months ended 30 June 2024				
Revenue	163,737	-	-	163,737
Gross profit	42,109	-	-	42,109
Share of associated companies' profit after tax	459	349	-	808
6 months ended 30 June 2023				
Revenue	134,469	-	-	134,469
Gross profit	23,138	-	-	23,138
Share of associated companies' profit after tax	545	241	-	786
Year ended 31 December 2023				
Revenue	307,320	-	48	307,368

Gross profit	Plantation	405	Property-	48	78,453
Share of associated companies' profit after tax	Indonesia	17	Malaysia	Other-	1,190
	US '000		US '000	US '000	US '000

Note 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	-	-
	21,891	20,035	28,188

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.

Note 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.

Note 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)
At period end	52,949,556	53,788,096	53,289,690	9,019	9,124	9,062

Note 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
Operating profit	41,560	23,378	75,296
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
Operating cash flows before movements in working capital	55,936	34,482	100,653
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)
Cash generated by operating activities	60,043	35,139	107,030
Dividends from associated companies	-	-	3,566
Income tax paid	(9,825)	(13,045)	(23,144)
Interest paid	(1,838)	(1,683)	(3,810)
Net cash generated by operating activities	48,380	20,411	83,642

Note 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

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