

2017 RESULTS

Tuesday 10 April 2018







Agenda

1. Strategy overview
2. 2017 results
3. Operational overview
4. Investment case



STRATEGY OVERVIEW

-  Strategic shift to majority-owned estates
-  Completion of Bumi Mas acquisition...
-  ... part of growing plantation portfolio ...
-  ... and increasing dividend



Strategic shift to majority-owned estates

- Progression to 'one country: one commodity' now largely achieved
- Sale of Agro Muko joint venture completed in March 2017 marks significant shift towards majority ownership
- At end-December 2017 only three remaining valuable non-core assets:
 - 38% share of 2,300-hectare Kerasaan Estate
 - 40% share of Bertam Properties in Penang, Malaysia
 - 100% share of Bertam Estate
- 37,100 planted hectares of majority-owned oil-palm plantations;
- 11,300 planted hectares smallholder co-operatives
- 5,200 hectares still to plant on existing projects (combined Group and smallholders); seeking further opportunities to expand

Completion of Bumi Mas acquisition ...

- Acquisition of 10,000-hectare estate in East Kalimantan, Bumi Mas, completed in December 2017
- 8,800 hectares planted; 600 hectares still to plant
- Group area expected to reach 7,800 hectares, smallholders to 1,600 hectares
- Planting young: largely from 2012-16; estate now coming into production
- Project will contribute immediately to Group crops, production and cash inflows

... part of growing plantation portfolio ...



... and increasing dividend

- Record year for crops, production and profit
- 72% increase in total operating profit for the year to US\$34.0 million
- Special dividend of 10p per share already paid in April 2017 (2016 special: 5p)
- Interim dividend of 5.00p per share paid in November 2017 (2016 – 2.25p)
- Proposed final dividend of 12.75p per share (2016 – 12.75p per share)
- Board committed to maintain or increase total annual normal dividends

Special dividend re
Agro Muko

10.00p
PER SHARE

Interim dividend
2017

5.00p
PER SHARE

Proposed final
dividend for 2017


12.75p
PER SHARE

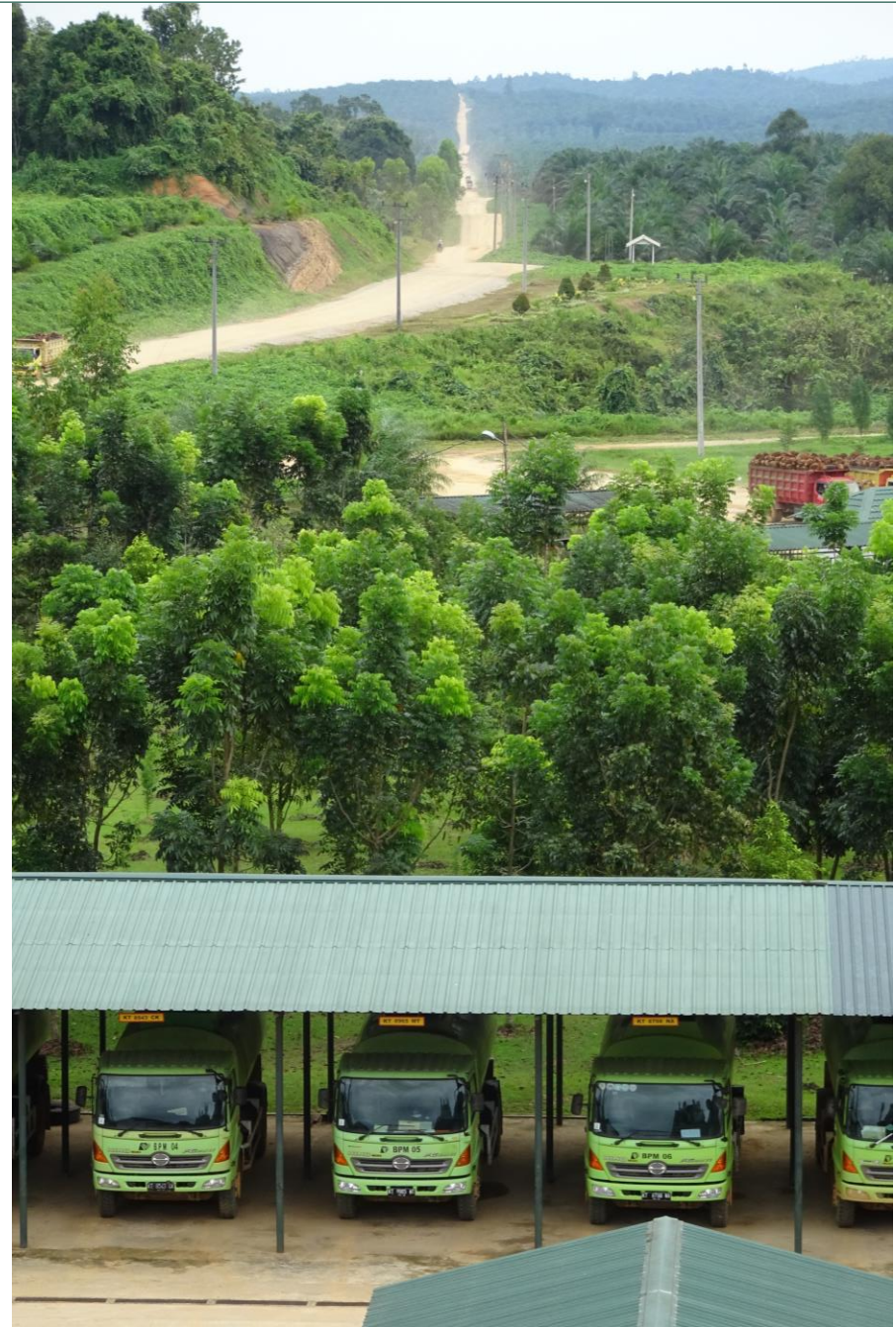
Proposed total
dividends for 2017

27.75p
PER SHARE



2017 RESULTS

-  Revenue increased by 39%
-  Significant profit on sale of Agro Muko joint venture
-  Total profit US\$94.4 million



Substantial increase in operating profit ...

Revenue
+39%

Revenue up 39% to
US\$116.5 million
(2016 US\$83.9 million)

Small increase in average
crude-palm-oil (CPO) price

Strong increase in
CPO production

Gross profit
+49%

Gross profit increased to
US\$36.2 million (2016
US\$24.4 million)

Increase in gross margin
to 31% (2016 29%)

Production costs per tonne
same as in 2016

Operating profit
+72%

Increase in operating profit
to US\$34.0 million
(2016 US\$19.7 million)

... and good profit on sale of Agro Muko joint venture

Profit from discontinued
operations

+261%

Profit from discontinued
operations
US\$68.0 million
(2016 US\$18.8 million)

Gain on disposal of Agro
Muko in current year

Gain on disposal of
NAPCo in previous year

Continuing £ earnings per
share (EPS)

+92%

Significant increase in
continuing EPS to
31.6 pence
(2016 16.5 pence)

Operating cash
generated

+31%

Cash generated by
operating activities before
tax and interest payments
up to US\$41.2 million
(2016 US\$31.3 million)

US\$81.4 million net funds;
gross gearing 9%



OPERATIONAL OVERVIEW

-  Strong crop growth as hectarage increases and young plantings mature...
-  ... underpinning significant increase in production
-  Growth in planted areas presages future crop and revenue growth...
-  ... bolstered by Bumi Mas acquisition
-  In Malaysia, property development activity continues



Strong crop growth as hectarage increases and young plantings mature...

- Crops have resumed upward path interrupted by unusual and severe El Niño in 2015-16
- Group fresh fruit bunch (ffb) crop 434,500 tonnes, 9% higher than 2016; crops from associated smallholder co-operatives up 10%; 128% increase in outside crop to 118,300 tonnes
- Total crop for processing up 20% to 650,000 tonnes
- Recovery particularly pronounced in Bangka with increase of nearly 50% for Group and more than 60% for smallholder co-operatives
- Decrease in Kalimantan (-3%) after crop temporarily held back by flooding following bund breach and unseasonal rain
- Good progress with Musi Rawas planting – 5,200 hectares planted to date (Group and smallholders) with further 1,900 hectares compensated and 3,300 hectares measured in preparation for compensation

... underpinning significant increase in production

- 23% increase in production of CPO to 154,000 tonnes
- Continuation of good oil-extraction rates in Group's three mills in Kalimantan (24.7%), Bangka (23.1%) and North Sumatra (22.9%)
- Bangka performance particularly notable given high volume of bought-in third-party fruit (85,400 tonnes)
- Production volume bringing down cost in Bangka; overall Group cost of US\$370 per tonne of palm product same as in 2016
- Cost measure includes depreciation and allocation of Jakarta costs; estate cash production cost at US\$275 per tonne palm product

Growth in planted areas presages future crop and revenue growth...

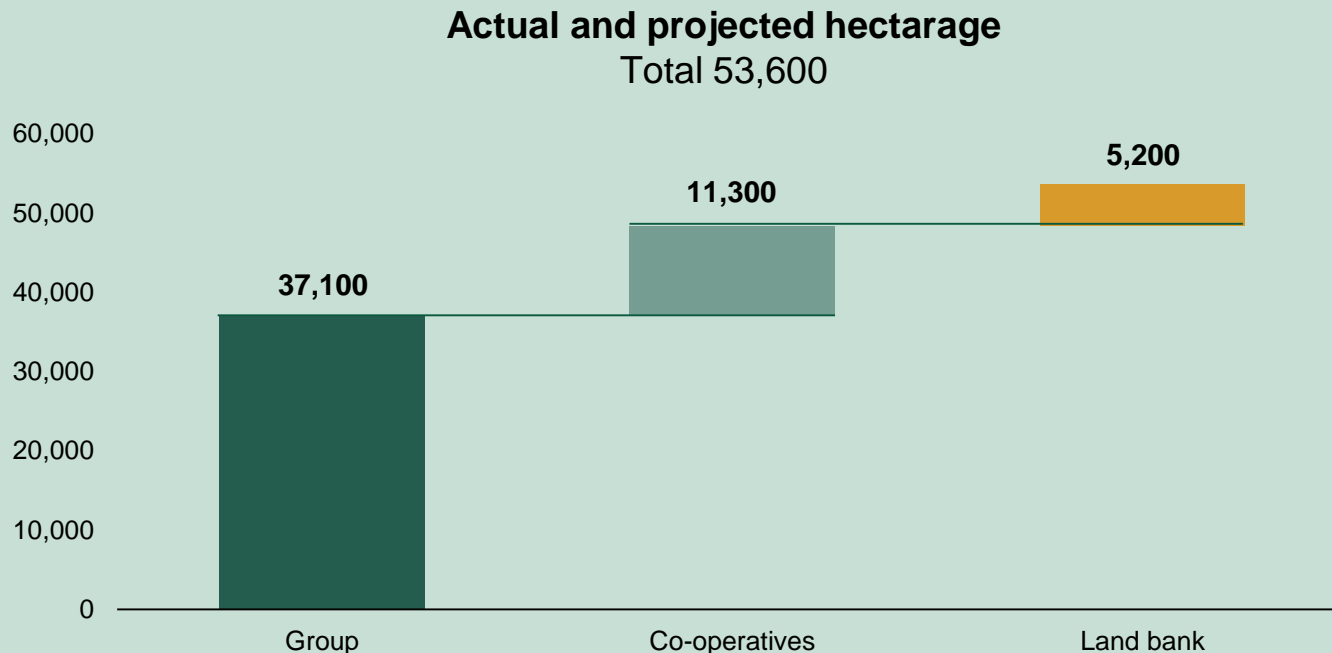
- Acquisition of Bumi Mas has lowered average palm age (Group + smallholders) to 7 years
- Total crop (Group + smallholders) now expected to double between 2016 and 2020 to 1 million tonnes

Actual and projected crop 2011 – 2020
(‘000 tonnes)



... bolstered by acquisition of Bumi Mas

- Current planting, including co-operatives and Bumi Mas acquisition, has reached 48,400 hectares
- Total planting from existing land bank expected to reach 53,600 hectares
- Further acquisition being sought to add to Group's total hectarage



In Malaysia, property development activity continues

Bertam Properties

- 383 completed sales of developed properties (2016 – 479)
- Fall in profit for the year following exceptional payment of compensation to secure part of golf course land for development
- Share in Bertam Properties remains very valuable asset: enhanced by 40 hectares being released for property development in 2017 from 36-hole golf course

Bertam Estate

- 70 hectares of valuable 100%-owned land adjoining Bertam Properties





INVESTMENT CASE

 M.P. Evans continues to carry out its strategy...

 ... to create value for shareholders



M.P. Evans continues to carry out its strategy...

- Focus on majority-owned plantations
- Continue expansion of the Group's oil-palm areas in Indonesia in an environmentally-sustainable manner
- Maintain Group's high standards during expansion by adding to its experienced management team
- Extract the maximum value from significant property assets in Malaysia

... to create value for shareholders

- Continuing confidence in prospects for palm oil
- Increasing crop and revenue from existing plantations until end of next decade
- High extraction rates - important for:
 - Maximising revenue
 - Keeping unit costs low
- Strong balance sheet enables planning for continued expansion
- Group resources based around good-quality land and physical assets
- Increasing dividend providing yield alongside prospective capital growth