



News Release

Singapore, May 14, 2018

Olam International Q1 2018 results: PATMI up 9.8%; Operational PATMI up 13.0%

HIGHLIGHTS

- Strong financial performance:
 - PATMI up 9.8% to S\$157.9 million; Operational PATMI up 13.0% to S\$162.6 million
 - EBITDA at S\$368.1 million against a strong Q1 2017 of S\$398.6 million
- Significant improvement in net gearing (Mar 31, 2018: 1.49x; Mar 31, 2017: 1.98x)
- Investments in prioritised platforms, completion of planned divestments and continued working capital optimisation

S\$ million	Q1 2018	Q1 2017	% Change
Volume ('000 MT)	6,965.2	4,461.7	56.1
Revenue	6,295.4	5,804.2	8.5
EBITDA	368.1	398.6	(7.7)
PAT	150.4	136.5	10.2
PATMI	157.9	143.9	9.8
Operational PATMI	162.6	143.9	13.0

MANAGEMENT COMMENTS

Co-Founder & Group CEO, Sunny Verghese said:

“We continued to deliver earnings growth and position ourselves for the future, including the recent launch of AtSource, which enables us to turn sustainability into a key business driver for transforming agricultural supply chains.

“Even as we successfully execute on our 2016-2018 Strategic Plan, we will be embarking on our next Strategic Plan exercise which will see us evolve all the elements of Olam 2.0 and lead the industry’s digital disruption and transformation.”

News Release

Executive Director and Group COO, A. Shekhar said:

“We are pleased with our ability to deliver year-on-year profit growth against a strong performance in Q1 2017. We executed on our planned investments and divestments, reduced financing costs and diversified our funding mix with ground-breaking initiatives, including Asia’s first sustainability-linked club loan.

“Our gearing has improved significantly from a year ago, giving us additional growth headroom. We will continue to pursue profitable growth while improving our cost efficiency and capital productivity.”

FINANCIAL RESULTS

Q1 2018

- PATMI (Profit After Tax and Minority Interest) increased 9.8% year-on-year (YoY) to S\$157.9 million (Q1 2017: S\$143.9 million) on reduced net finance costs and lower taxation.
- Operational PATMI, which excludes exceptional items, grew 13.0% YoY to S\$162.6 million (Q1 2017: S\$143.9 million).
- EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) was down 7.7% at S\$368.1 million (Q1 2017: S\$398.6 million) against a strong Q1 2017.

Cash flow and gearing

- Net gearing as at March 31, 2018 was lower at 1.49 times compared to 1.98 times as at March 31, 2017 due to lower net debt from the reduction in working capital, lower gross capital expenditure, divestments and the conversion of warrants into equity.
- Free Cash Flow to Equity (FCFE) for Q1 2018 was negative S\$409.2 million (Q1 2017: negative S\$41.5 million) due to higher working capital usage during this quarter, partly offset by reduced capital spending, divestments and lower interest paid.

News Release

Q1 2018 SEGMENTAL PERFORMANCE

Edible Nuts, Spices & Vegetable Ingredients

- Revenue was lower by 4.0% at S\$874.5 million, mainly on reduced volumes YoY in peanuts.
- EBITDA came down marginally by 1.6% to S\$135.8 million, as compared with a strong set of results for Q1 2017.

Confectionery & Beverage Ingredients

- Revenue decreased 10.5% to S\$1.9 billion on lower volumes and lower prices.
- EBITDA declined 18.4% to S\$61.2 million due to significantly lower contribution from Coffee in Q1 2018, as compared with an excellent performance in Q1 2017. Cocoa however delivered an improved performance.

Food Staples & Packaged Foods

- Revenue increased 34.0% to S\$2.6 billion, mainly on higher trading volumes in Grains.
- EBITDA declined by 15.1% to S\$100.4 million when compared with a very strong Q1 2017.

Industrial Raw Materials, Ag Logistics & Infrastructure

- Revenue was up 9.1% to S\$903.4 million on higher Cotton volumes and prices.
- EBITDA improved 6.4% to S\$66.2 million on higher contribution from Cotton and GSEZ.

Commodity Financial Services

- The segment reported an EBITDA of S\$4.5 million compared to S\$5.1 million in Q1 2017.

OUTLOOK

While global markets continue to experience political and economic uncertainties, Olam believes its diversified and well-balanced portfolio provides a resilient platform to navigate the challenges in both the global economy and commodity markets. Olam will continue to execute on its 2016-2018 Strategic Plan in 2018 and pursue growth in its prioritised platforms while putting sustainability at the heart of its business. It remains focused on turning around underperforming businesses, ensuring gestating businesses reach full potential and delivering positive free cash flow.

News Release

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Notes to Editors

1. This release should be read and understood only in conjunction with the full text of Olam International Limited's First Quarter 2018 Financial Statements and Management Discussion and Analysis lodged on SGXNet on May 14, 2018.
2. Olam will host a webcast on May 14, 2018, at 10.30 am SGT to discuss the financial results and provide a company update. To access the webcast or download the presentation materials, go to <http://olamgroup.com/resources/#Webcasts>.
3. AtSource is a sustainable and traceable sourcing solution that will provide unrivalled environmental and social insights into the journey of agricultural raw materials and food ingredients from the farm to manufacturing and retail customers. AtSource will also enhance Olam's ability to assess and positively influence the environmental footprint of the 4.7 million farmers in the Company's supply chain, the vast majority of whom are smallholders growing crops such as cocoa, coffee and cashew in emerging markets. Find out more at www.atsource.io.
4. Olam 2.0 is a first major evolution of 'The Olam Way', in which six key priorities have been identified to help Olam stay ahead and be future ready: i) Focus on drivers of long-term value; ii) Put sustainability at the heart of our business; iii) Build operational excellence as a core competency; iv) Lead industry's digital disruption and transformation; v) Enhance our culture, values and spirit; and vi) Re-align and renew our organisation to execute our strategy.



News Release

About Olam International Limited

Olam International is a leading agri-business operating across the value chain in 66 countries, supplying various products across 18 platforms to 22,000 customers worldwide. From a direct sourcing and processing presence in most major producing countries, Olam has built a global leadership position in many of its businesses. Headquartered in Singapore and listed on the SGX-ST on February 11, 2005, Olam currently ranks among the top 30 largest primary listed companies in Singapore in terms of market capitalisation. In 2016, Fortune magazine recognised Olam at #23 in its 'Change the World' list.

More information on Olam can be found at www.olamgroup.com.

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