



News Release

Singapore, February 27, 2023

Olam Group reports Operational PATMI of S\$781.5 million for 2022

- Board recommends final dividend of 4.5 cents per share¹

Olam Agri:

- Another strong year in 2022 as it sustained revenue and EBIT growth despite heightened geopolitical risks and significant macroeconomic volatility
- Targets IPO as early as H1 2023 subject to prevailing market conditions, with primary listing in Singapore and potential concurrent listing in Saudi Arabia; this follows sale of substantial minority stake to SALIC² for US\$1.24 billion, crystallising a benchmark equity valuation of US\$3.5 billion for Olam Agri

ofi:

- Strong revenue growth of 15.3% led by pricing growth across both segments
- EBIT decreased 9.0% against a very strong comparative prior period that benefited from Covid-19 bounce-back; in addition it was adversely impacted by the external events in 2022. Mitigating actions initiated to counter those are now flowing through
- **ofi** to list on the premium segment of the London Stock Exchange, with a concurrent listing in Singapore after Olam Agri IPO, subject to prevailing market conditions.

Remaining Olam Group:

- Strong year-on-year growth and significant turnaround with positive EBIT
- Group to remain listed on SGX on completion of Olam Agri, **ofi** IPOs

H2 2022 Group Financial Highlights

Revenue + 9.5% YoY	EBIT + 2.2% YoY	PATMI - 24.5% YoY	Op PATMI - 42.2% YoY
26.5	798.2	200.0	303.0
Bn (S\$)	Mn (S\$)	Mn (S\$)	Mn (S\$)

¹ 2021 second interim dividend: 4.5 cents per share

² Saudi Agricultural and Livestock Investment Company

2022 Group Financial Highlights

Revenue + 16.8% YoY	EBIT + 13.1% YoY	PATMI - 8.3% YoY	Op PATMI - 18.7% YoY	FCFE + S\$3.0 Bn	Gearing from 1.72 times
54.9 Bn (S\$)	1.6 Bn (S\$)	629.1 Mn (S\$)	781.5 Mn (S\$)	1.9 Bn (S\$)	1.47 times

Management Comments on Consolidated Olam Group Performance and Outlook

Olam Group Co-Founder and CEO, Sunny Verghese, said: “We delivered operational PATMI of S\$781.5 million against a strong prior year and saw revenue and EBIT growth in 2022, despite the challenging environment that we are operating in. Our discipline in executing our strategy has enabled us to ride industry tailwinds to deliver strong operating performance, with Olam Agri in particular, delivering another strong year.

“The Olam Group is now at the cusp of transformational growth as all three operating groups have been repositioned to tap into the growing demand in their respective sectors. In the year ahead, we expect both Olam Agri and **ofi** to continue their growth momentum, capitalising on industry trends, the reopening of economies and the easing of supply chain disruptions.

“As we prepare Olam Agri for its proposed dual-listing in Singapore and Saudi Arabia, we are also progressing with the rest of our Re-organisation Plan – the listing of **ofi** in London and Singapore, as well as developing new growth engines and reshaping our assets within the Remaining Group to focus on the future of sustainability and digitalisation to offer its own value proposition for investors and stakeholders.”

Olam Group CFO, N Muthukumar, said: “Even as the industry grappled with increased working capital needs due to higher commodity prices, we maintained discipline in our use of capital and reduced our gearing while generating strong operating cash flows.

“We will continue to explore sustainability-linked facilities aligned to our Purpose to fund our growth plans.”

Olam Group Financial Performance

Olam Group today reported steady 2022 performance against a strong prior year and a challenging macroeconomic and geopolitical environment.

H2 2022

- Revenue increased 9.5% year-on-year (YoY).
- EBIT grew 2.2% to S\$798.2 million.

- PATMI declined 24.5% to S\$200.0 million as net finance costs doubled.
- Excluding exceptional items, Operational PATMI was down 42.2% to S\$303.0 million.

2022

- PATMI declined 8.3% YoY to S\$629.1 million against a strong prior year as EBIT growth was offset by significantly higher net finance costs and taxes.
- Excluding non-recurring exceptional items, Operational PATMI decreased by 18.7% to S\$781.5 million.
- Revenue increased 16.8% YoY to S\$54.9 billion largely due to higher prices across many products and commodities.
- EBIT grew 13.1% to S\$1.6 billion mainly on the strong contribution by Remaining Olam Group and Olam Agri. Olam Agri contributed 53.3% of the Group's total EBIT, while **ofi** and Remaining Olam Group contributed 46.4% and 0.3% respectively.
- The sale of the substantial minority stake in Olam Agri resulted in a net gain of S\$1.2 billion recorded in capital reserves in the equity statement.
- Free Cash Flow to Equity (FCFE) swung to a positive S\$1.9 billion (2021: -S\$1.0 billion) on improved net operating cash flow, lower capital expenditure and divestment proceeds from sale of substantial minority stake in Olam Agri.
- Net gearing improved to 1.47 times compared to a year ago.

2022 Performance by Operating Group

ofi³

ofi is a global leader in ingredients at the forefront of food and beverage consumer trends offering sustainable, natural and plant-based ingredients and solutions for large, attractive and high growth end-use categories.

Revenue + 15.3% YoY	EBIT - 9.0% YoY
16.4 Bn (S\$)	746.5 Mn (S\$)

- Revenue grew strongly, up 15.3% to S\$16.4 billion led by pricing growth across both segments.
- EBIT declined 9.0% to S\$746.5 million, compared to a strong prior period. It was adversely impacted by the external events in 2022, in particular the sudden and significant spike in energy costs in H1 2022. In addition, there was an increase in depreciation and amortisation during the year due to recent acquisitions.

³ Consisting of the Cocoa, Coffee, Dairy, Nuts and Spices businesses, **ofi** is made up of two segments – Global Sourcing and Ingredients & Solutions.

CEO of ofi, A. Shekhar said:

“Overall market conditions in 2022 were challenging. Starting off from a strong performance in 2021, the war in Ukraine led to significant macroeconomic uncertainty in many markets, elevated levels of inflation and difficulties across supply chains. Energy costs in particular reached record highs, adversely impacting our profitability on pre-sold customer contracts and contributing to the lower EBIT performance in 2022. We have worked tirelessly as an organisation and closely with our customers through the year to rebase the pricing of renewing contracts, which are now flowing through, with the expected lag, across our businesses.

*Despite this uncertain macroeconomic backdrop we made good operational and strategic progress. We continue to build momentum throughout the organisation, and we have made significant progress in refocusing our business around the needs of our customers, including a more streamlined and responsive approach to managing our customer relationships across business segments. In addition, we have added to our digital capabilities and innovation infrastructure, including customer solutions centres, where we work with our customers to co-create innovative new products from our ingredients, delivering exciting and value-added opportunities to them. Meanwhile, our ability to deliver products that are both sustainable and traceable continues to differentiate our broad portfolio and underpins our strong customer relationships. I would like to thank our employees for their continued hard work and commitment as we embrace this next stage of **ofi's** evolution.”*

Olam Agri⁴

Olam Agri is a market leading and differentiated global food, feed and fibre agri-business focused on high-growth emerging markets with a proven track record and delivering high growth, high capital efficiency and high returns.

Revenue + 18.0% YoY	EBIT + 13.9% YoY
36.9	857.7
Bn (S\$)	Mn (S\$)

- Strong 2022 performance against a record 2021 and despite geopolitical risks and macroeconomic volatility
- Revenue grew 18.0% to S\$36.9 billion, driven mainly by higher commodity prices across the grains and oilseeds complex, as well as edible oils and cotton.

⁴ Consisting of Grains & Oilseeds, Freight, Integrated Feed & Protein, Edible Oils, Rice, Specialty Grains & Seeds, Cotton, Rubber, Wood Products and Funds Management. Olam Agri has three segments – Food & Feed - Origination & Merchandising; Food & Feed - Processing & Value-added; and Fibre, Agri-industrials & Ag Services.

- EBIT grew 13.9% to S\$857.7 million on higher contribution from the Processing & Value-added segment. This was partly offset by a reduction in contribution from the Fibre, Agri-industrials & Ag Services segment. Origination & Merchandising segment remained steady and performed as well as 2021 despite disruptions in grains and oilseeds flows from Russia and Ukraine.

Mr Verghese, who is CEO of Olam Agri, said: “Olam Agri’s strong financial performance is testament to the operating group’s ability to deliver high growth, high capital efficiency and high returns against the backdrop of heightened geopolitical and macroeconomic risks. Global food security also remains a number one concern with many countries experiencing significant food price inflation. Through our global network and building on our recent partnership with SALIC, we are able to extract partnership synergies that are crucial to enhancing food security and capturing growth in new markets.”

Remaining Olam Group

The Remaining Olam Group businesses comprising Olam Global Holdco (gestating businesses and de-prioritised assets earmarked for exit), Olam Ventures (comprising technology and sustainability-led new ventures), and MindSprint (formerly known as Olam Technology and Business Services, comprising IT and digital services business).

Revenue + 6.4% YoY <hr/> 1.6 Bn (S\$)	EBIT +103.0%. <hr/> 4.5 Mn (S\$)
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- Revenue was up 6.4% on higher prices despite lower volumes post divestments and closures of de-prioritised assets.
- Significant turnaround in operating profits with EBIT delivery of S\$4.5 million compared to a loss of S\$151.0 million in 2021, in particular the continuing/gestating assets, as de-prioritised assets, and incubating businesses all performed better YoY.

Outlook and Prospects

For 2023, the Group expects commodity prices and supply chain disruptions to ease from the highs of 2021/2022 although geopolitical and macroeconomic uncertainties are likely to persist.

ofi entered 2023 with good momentum; its actions to mitigate the external shocks of 2022 such as passing through inflationary costs are rolling through, supported also by the easing of recent supply chain disruptions.

Building on strong growth and outperformance in 2022, Olam Agri expects to capture the significant growth opportunity that exists in the market to further strengthen operating performance for 2023 while continuing to successfully navigate geopolitical and macroeconomic risks. The Strategic Supply and Cooperation agreement with strategic partner SALIC will also catalyse its growth in the Gulf region.

In view of the market uncertainties and high interest rates environment, the Group will continue its prudent and disciplined capital management strategy.

The Group expects to continue incurring one-off and non-recurring expenses associated with the execution of the Re-organisation Plan, including the planned listing(s) in 2023.

Barring any unforeseen circumstances or unfavourable geopolitical, macroeconomic and roll-back on reopening of borders by major economies, the Group is cautiously optimistic about its prospects for 2023.

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Notes to Editors

This release should be read and understood only in conjunction with the full text of Olam Group Limited's Second Half and Full Year ended December 31, 2022 Financial Statements and Management Discussion and Analysis.

Re-organisation of Olam

Olam Group has been re-organised into new operating groups **ofi**, Olam Agri and the Remaining Olam Group.

ofi is a global leader in ingredients at the forefront of food and beverage consumer trends offering sustainable, natural and plant-based ingredients and solutions and serving large, attractive and high growth end-use categories.

Olam Agri is a market leading and differentiated food, feed, and fibre global agri-business focused on high-growth emerging end-consumption markets to meet the rising demand for food staples, agri-industrials raw materials and the shift to protein-based diets in these countries.

The Remaining Olam Group is responsible for the divestment of non-core assets and businesses and the development of Rusmolco and our gestating businesses Olam Palm Gabon, Packaged Foods, and ARISE Ports & Logistics under Olam Global Holdco. It is also responsible for incubating new sustainability and digital platforms for growth (Olam Ventures) and providing shared services to the operating groups as well as building technology and business solutions to third party services (MindSprint, formerly known as Olam Technology and Business Services).

H2 2022 and 2022 Financials for Olam Group Consolidated and Operating Groups

	Revenue (S\$ million)		EBIT (S\$ million)		Revenue (S\$ million)		EBIT (S\$ million)	
	2022	YoY %	2022	YoY %	H2 2022	YoY %	H2 2022	YoY %
Olam Group	54,901.0	16.8	1,608.7	13.1	26,454.2	9.5	798.2	2.2
- ofi	16,391.7	15.3	746.5	(9.0)	8,277.2	9.3	478.3	(8.0)
- Olam Agri	36,904.0	18.0	857.7	13.9	17,347.8	9.9	243.6	(29.5)
- Remaining Olam Group	1,605.3	6.4	4.5	103.0	829.2	2.2	76.3	190.2

About Olam Group

Olam Group is a leading food and agri-business supplying food, ingredients, feed and fibre to 20,200 customers worldwide. Our value chain spans over 60 countries and includes farming, processing and distribution operations, as well as a global network of farmers.

Through our purpose to 'Re-imagine Global Agriculture and Food Systems', Olam Group aims to address the many challenges involved in meeting the needs of a growing global population, while achieving positive impact for farming communities, our planet and all our stakeholders.

Headquartered and listed in Singapore, Olam Group currently ranks among the top 30 largest primary listed companies in terms of market capitalisation on SGX-ST.

Since June 2020, Olam Group has been included in the FTSE4Good Index Series, a global sustainable investment index series developed by FTSE Russell, following a rigorous assessment of Olam's supply chain activities, impact on the environment and governance transparency. The FTSE4Good Index Series identifies companies that demonstrate strong Environmental, Social and Governance (ESG) practices and is used by a variety of market participants to create and assess responsible investment funds.

More information on Olam can be found at www.olamgroup.com. Follow @olam:



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