



# Full Year 2021 Results Briefing

February 28, 2022

# Notice



This presentation should be read in conjunction with Olam International Limited's Financial Statements and Management Discussion and Analysis for the Second-Half ("H2 2021") and Full Year ended December 31, 2021 ("2021") lodged on SGXNET on February 28, 2022.

# Cautionary note

## on forward-looking statements

- This presentation and announcement entitled “Full Year 2021 Results” may contain statements regarding the business of Olam International Limited and its subsidiaries (the ‘Group’) that are of a forward-looking nature and are therefore based on management’s assumptions about future developments.
- Such forward looking statements are intended to be identified by words such as ‘believe’, ‘estimate’, ‘intend’, ‘may’, ‘will’, ‘expect’, and ‘project’, and similar expressions as they relate to the Group. Forward-looking statements involve certain risks and uncertainties because they relate to future events. Actual results may vary materially from those targeted, expected or projected due to several factors.
- Potential risks and uncertainties includes such factors as general economic conditions, foreign exchange fluctuations, interest rate changes, commodity price fluctuations and regulatory developments. Such factors that may affect Olam’s future financial results are detailed in our listing prospectus, offering circulars, information memorandums, information listed in this presentation, or discussed in today’s news releases and in the Management Discussion and Analysis section of the Company’s and the Group’s Second-Half and Full Year ended December 31, 2021 results report and filings on SGXNET. The reader and/or listener is cautioned to not unduly rely on these forward-looking statements. We do not undertake any duty to publish any update or revision of any forward-looking statements.

# Presenters



**Sunny Verghese**  
*Co-Founder and Group CEO*  
*Olam International Limited*



**N. Muthukumar**  
*Group CFO*  
*Olam International Limited*



**A. Shekhar**  
*CEO, ofi*



# AGENDA



**Re-organisation of Olam – Progress highlights**



**2021 Group financial highlights**



**Segmental performance by operating group**



**Business prospects and outlook**



**Key takeaways**

# Re-organisation of Olam: Recap

Olam has announced a **transformative Re-organisation Plan** to split the Group into three new operating groups – **Olam Food Ingredients (ofi)**, **Olam Global Agri (now known as Olam Agri)** and **Olam International (OIL)** via a carve-out, subsequent IPO and a concurrent demerger on a sequential basis.

## Objective

To explore strategic options that would **illuminate the current value in the business** and develop new pathways to **create further long-term value** on a **sustained basis**

## Plan

**Simplify and focus** our current diverse portfolio of businesses into **three coherent operating groups** that are more similar in nature, linked by an underlying logic and aligned to key consumer food and agri business trends respectively. Each entity has developed a **compelling vision**, a distinct equity story and reliable **game plan** for **profitable growth and value creation on a sustained basis**



# Re-organisation of Olam: Recap

## OIL

Olam  
International  
Limited

Provide **active stewardship** to ofi & OGA until carve-out, IPO & demerger, **responsibly divest non-core businesses & assets** earmarked for exit, **nurture & partially/fully monetise gestating businesses & incubate new platforms of growth (Engine 2) & build technology and shared services business**

## Segments

- De-prioritised/Exiting Assets
- Gestating Businesses: Packaged Foods (Caraway), Olam Palm Gabon (OPG), Infrastructure & Logistics (ARISE platform)
- Incubating Businesses: Engine 2 initiatives (Olam Ventures)
- Technology and Shared Services (OTBS)



Olam Food  
Ingredients

## Comprises

Cocoa, Coffee,  
Dairy, Nuts,  
Spices

## Segments

- Global Sourcing
- Ingredients & Solutions

An attractive play for the growing demand for **natural, plant based, on trend, sustainably sourced & fully traceable food ingredients and solutions** so consumers can enjoy the healthy & indulgent products they love.



A **market leading & differentiated global food, feed & fibre agri-business** focused on **high growth emerging markets** delivering **superior returns**. OGA is aligned to the key trends of **meeting the rising demand for food staples & fibre** in high growth markets as well as the **shift to protein based diets** in these regions.

## Comprises

Grains, Integrated Feed & Proteins, Edible Oils, Rice, Specialty Grains & Seeds, Cotton, Wood Products, Rubber and Commodity Financial Services

## Segments

- Food & Feed - Origination & Merchandising
- Food & Feed - Processing & Value-added
- Fibre, Agri-industrials & Ag Services

# Re-organisation of Olam: Step 4 to be completed

## STEP 1

### Re-segmentation

- Re-segmented the current business into three new operating groups, **ofi**, OGA and OIL.
- Developed new reporting segments, key financial metrics for each operating group
- Reported 2020 and H1 2021 results on basis on new operating groups and segments with historical comparative financials

**Completed**

## STEP 2

### Re-organisation

- Developed Targeted Operating Model (TOM) for the new operating groups, including embedded business, country/regional structures and central functions
- Dedicated leadership & management teams for each of the operating groups in place
- Hiring of new talent for the key capabilities required to pivot both the **ofi** and OGA businesses underway

**Completed**

## STEP 3

### Carve-out and Separation

- Dedicated implementation teams for Separation, IPO and Demerger set up.
- Programme Office, independent financial advisors, legal and tax advisers, PR and IR advisers appointed
- Carve-out and Separation substantially completed for **ofi**, OGA and OIL by end-2021

**Completed**

## STEP 4

### ofi IPO and Demerger, Olam Agri Strategic Options

- Target **ofi** listing by Q2 2022; **ofi** will be demerged from Olam Group by way of a distribution in specie of shares in OFIGL\* to Olam shareholders at the point of demerger in conjunction with the IPO

**Underway**  
**Target completion Q2 2022**

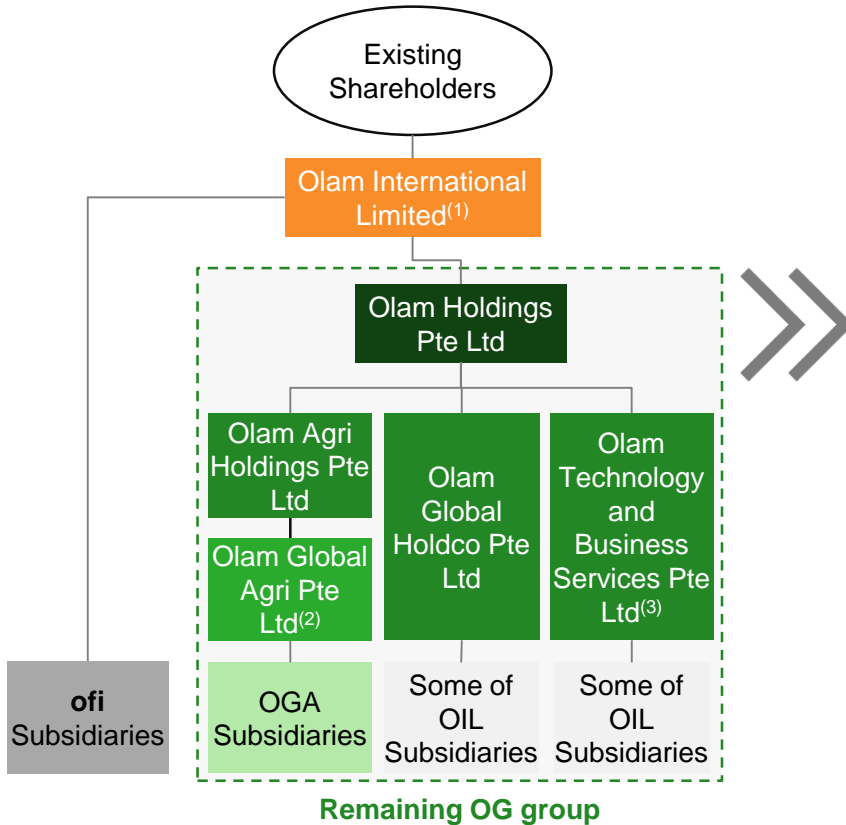
- In parallel, exploring various strategic options to maximise the value of Olam Agri, which include potential introduction of strategic partner(s) via secondary sale of shares by OG for a significant minority stake in Olam Agri and/or the potential IPO and demerger of Olam Agri

Shareholders should note that there is no certainty or assurance that the listing and demerger of **ofi** or the strategic options being explored in respect of Olam Agri will take place.



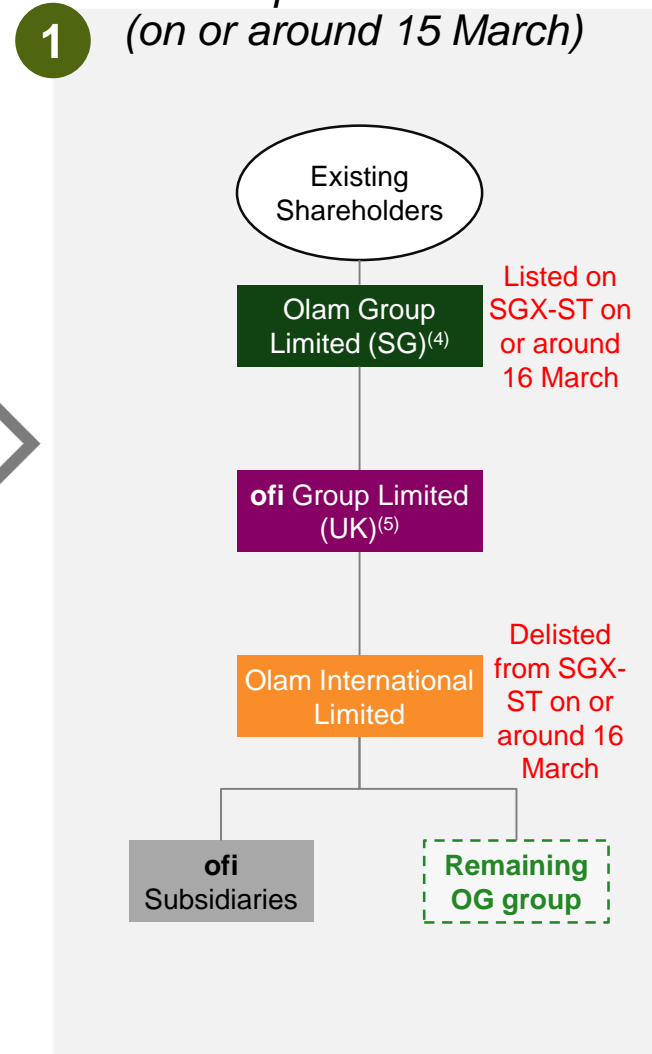
# Re-organisation of Olam: New Group structure

After completion of Separation

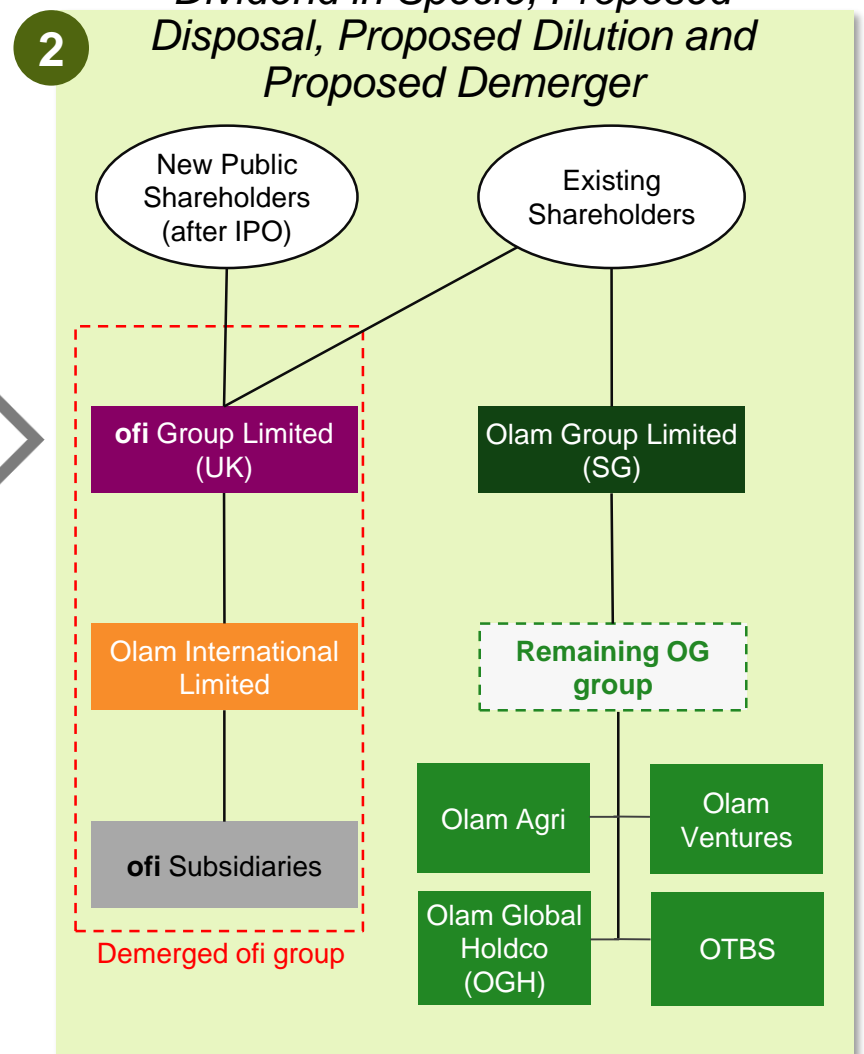


- (1) OIL: Olam International Limited
- (2) OGA: Olam Global Agri Pte Ltd
- (3) OTBS: Olam Technology and Business Services Pte Ltd
- (4) OG: Olam Group Limited
- (5) OFIGL: OFI Group Limited. Prior to IPO, OFIGL will re-register to be ofi group PLC.

1 After completion of Scheme (on or around 15 March)



2 After completion of Proposed Dividend in Specie, Proposed Disposal, Proposed Dilution and Proposed Demerger



# Re-organisation of Olam: Summary



- 1 The Company has **substantially completed the carve-out and separation** of its businesses into three coherent operating groups: **ofi**, Olam Agri and OIL
- 2 The Company sought and received **shareholder approvals** to implement the Re-organisation by way of:
  1. **Scheme of Arrangement and Proposed Dividend in Specie** – To achieve a Group structure that will enable the proposed IPO and demerger of OFIGL from the Group
  2. **Proposed Disposal, Dilution and Demerger** – Proposed vendor sale, issue of new shares by OFIGL at its IPO (“New Issue”) and proposed demerger of OFIGL by capital reduction via distribution of OFIGL shares to Olam Group shareholders
- 3 Once the Scheme is effective around March 15, 2022:
  1. **Olam Group Limited will replace Olam International Limited as the listed Company**
  2. **IPO of OFIGL can take place\*:**
    - **OFIGL is planned for primary listing on LSE’s Main Market**, with concurrent secondary listing on the Mainboard of the SGX-ST
    - **Public offering of shares in OFIGL\***, via vendor sale and New Issue
- 4 The Re-organisation will serve to **simplify and streamline the Group’s portfolio**, allowing for the **enhancement of shareholder value and marks a critical milestone in our journey to deliver to our shareholders on the Re-organisation Plan announced in January 2020**

\*Subject to final decision by OG board and regulatory approvals, among others. Shareholders should note that there is no certainty or assurance that the listing and demerger of ofi will take place.

A blurred background image of a financial candlestick chart on a computer screen. The chart shows price movement over time with blue and yellow candles. A yellow line, possibly a moving average, is drawn across the chart. The text 'GBPUSD M15' is visible at the top left of the chart area.

# 2021 Group financial highlights

# Group 2021 results

## At a glance

### Volume & Revenue

**45.4 M MT**      **S\$47.0 B**  
**+2.3%**    **+31.2%**

### EBIT

**S\$1,423 M**  
**+33.0%**

### PATMI

**S\$686 M**  
**+179.4%**

### Operational PATMI

**S\$961 M**  
**+41.8%**

### Free Cash Flow

**FCFE**  
**-S\$1.0 B**

### Gearing

**Unchanged at**  
**1.72x**



# Group 2021 financial highlights



## Record Reported & Operational PATMI

- ↑ 179.4% growth in PATMI in 2021 to S\$686.4 million
- ↑ Operational PATMI in 2021 at S\$961.1 million, a 41.8% growth over 2020
- ↑ **ofi** and Olam Agri reported EBIT growth of 16.8% and 51.5% respectively, riding on structural demand growth and recovery from Covid-19
- ↑ Operational ROE up 560 basis points to 16.8% in 2021 (2020: 11.2%)



## Resilient balance sheet despite rising prices

- Strong cash position of S\$4.3 billion, with available liquidity of S\$22.5 billion as at end-2021
- Continued to access diversified pools of capital for refinancing during the year
- Equity position strengthened by higher retained earnings and the 2021 Rights Issue
- Gearing maintained at 1.72x; adjusted gearing net of RMI and secured receivables at 0.75x

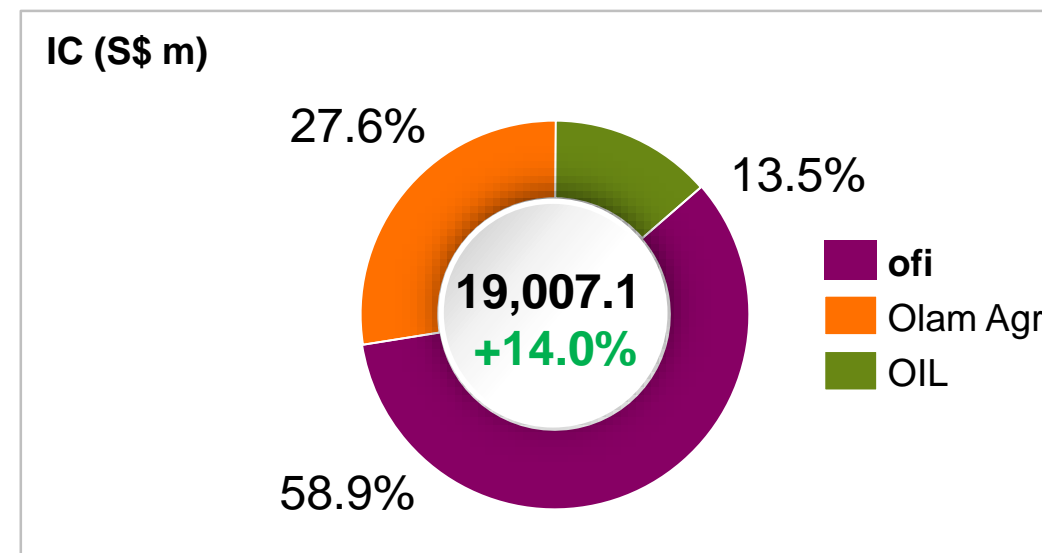
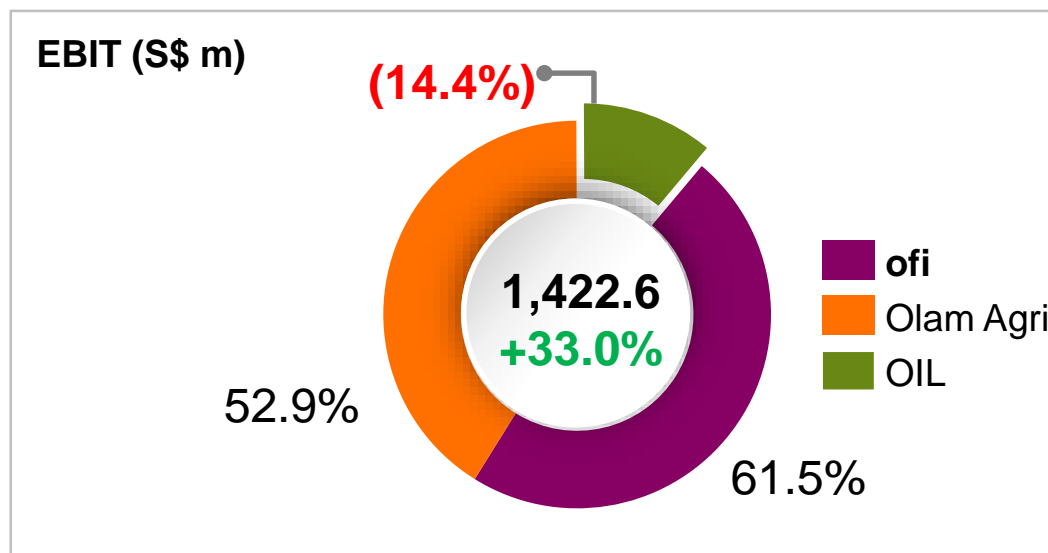
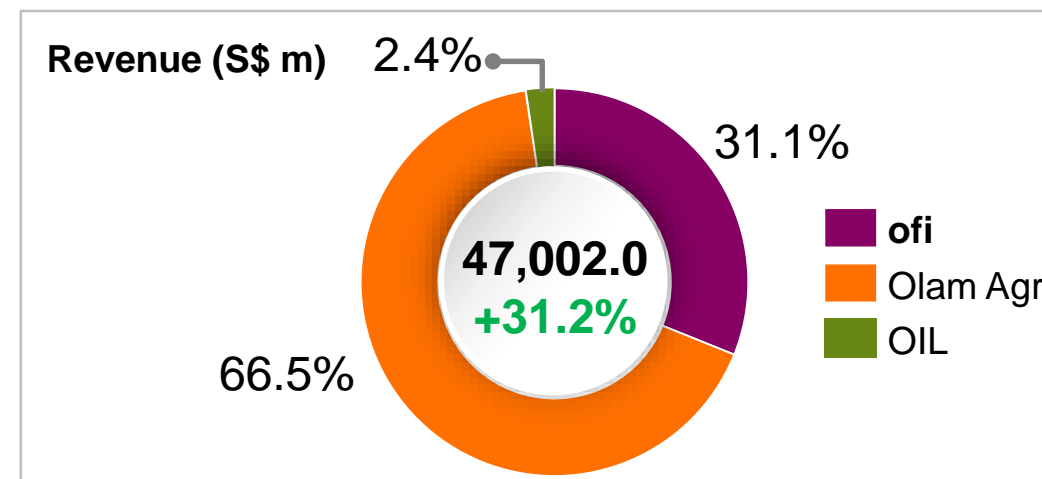
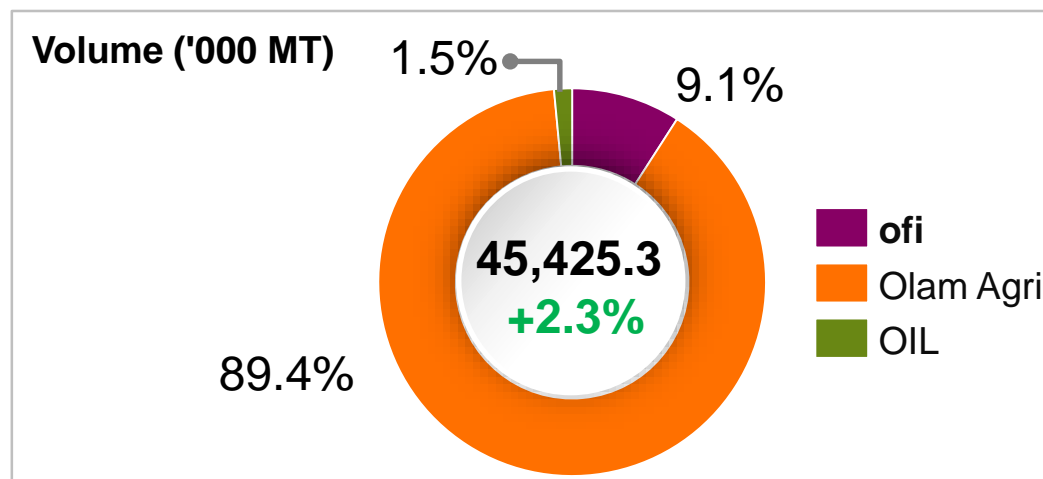


## Second interim dividend

- Board of Directors declares second interim dividend of 4.5 cents per share or total dividend of 8.5 cents per share (2020: 7.5 cents per share)

# Consolidated results by operating group

## 2021 at a glance

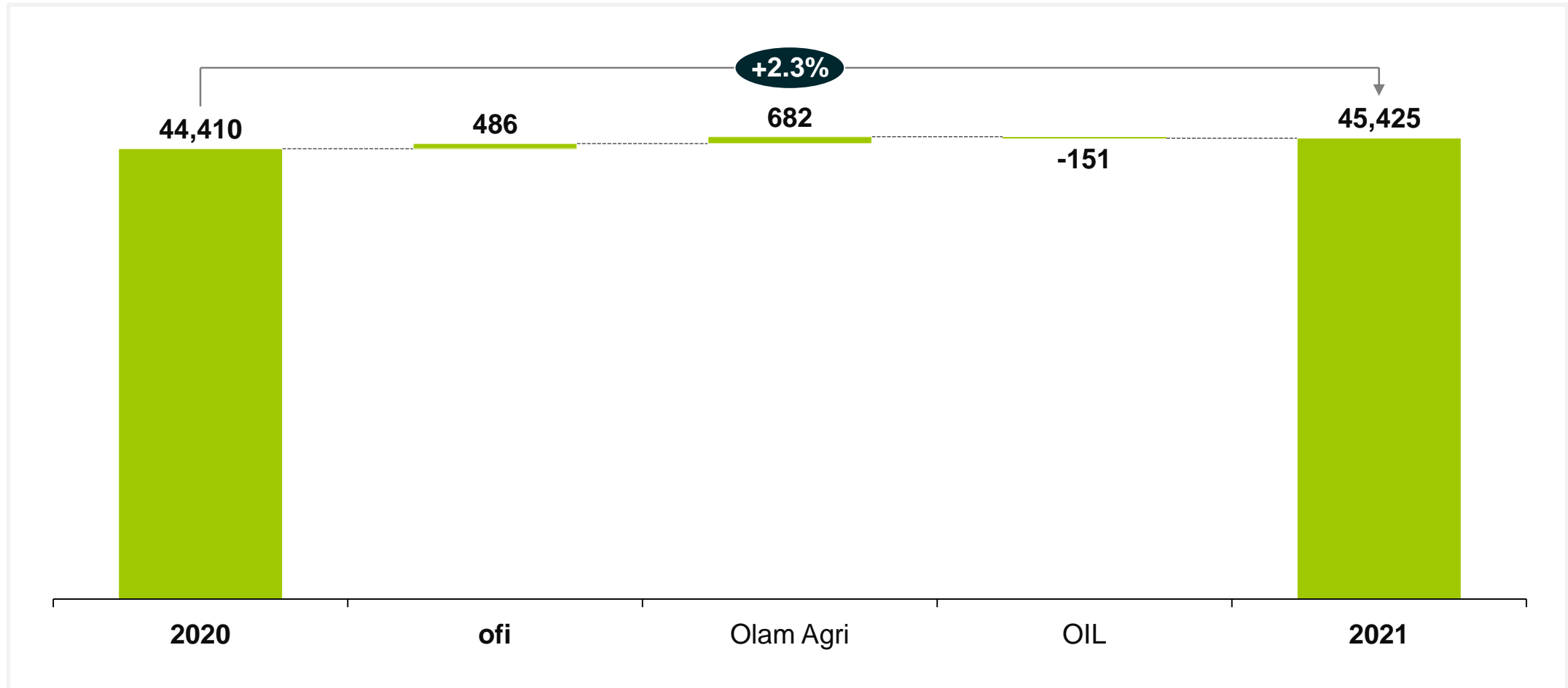


Note: 2020 financial results for the operating groups have been re-stated to reflect intra-group adjustments.

# Volume grew 2.3%

## Contributed by both ofi and Olam Agri

Volume by operating group, '000 MT



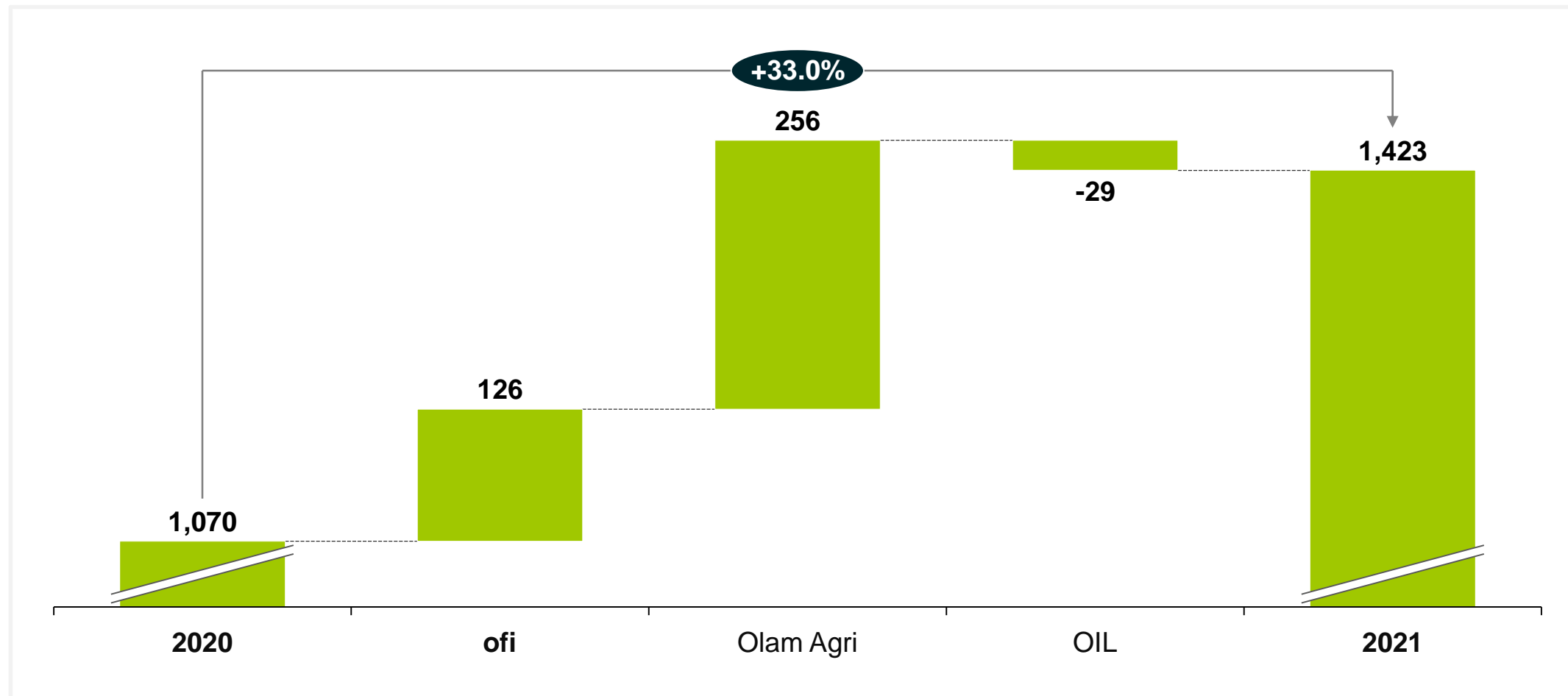
Note: 2020 financial results for the operating groups have been re-stated to reflect intra-group adjustments.

# EBIT increased by 33.0% to S\$1.4 billion

## Strong contribution from ofi and Olam Agri



EBIT by operating group, S\$ million



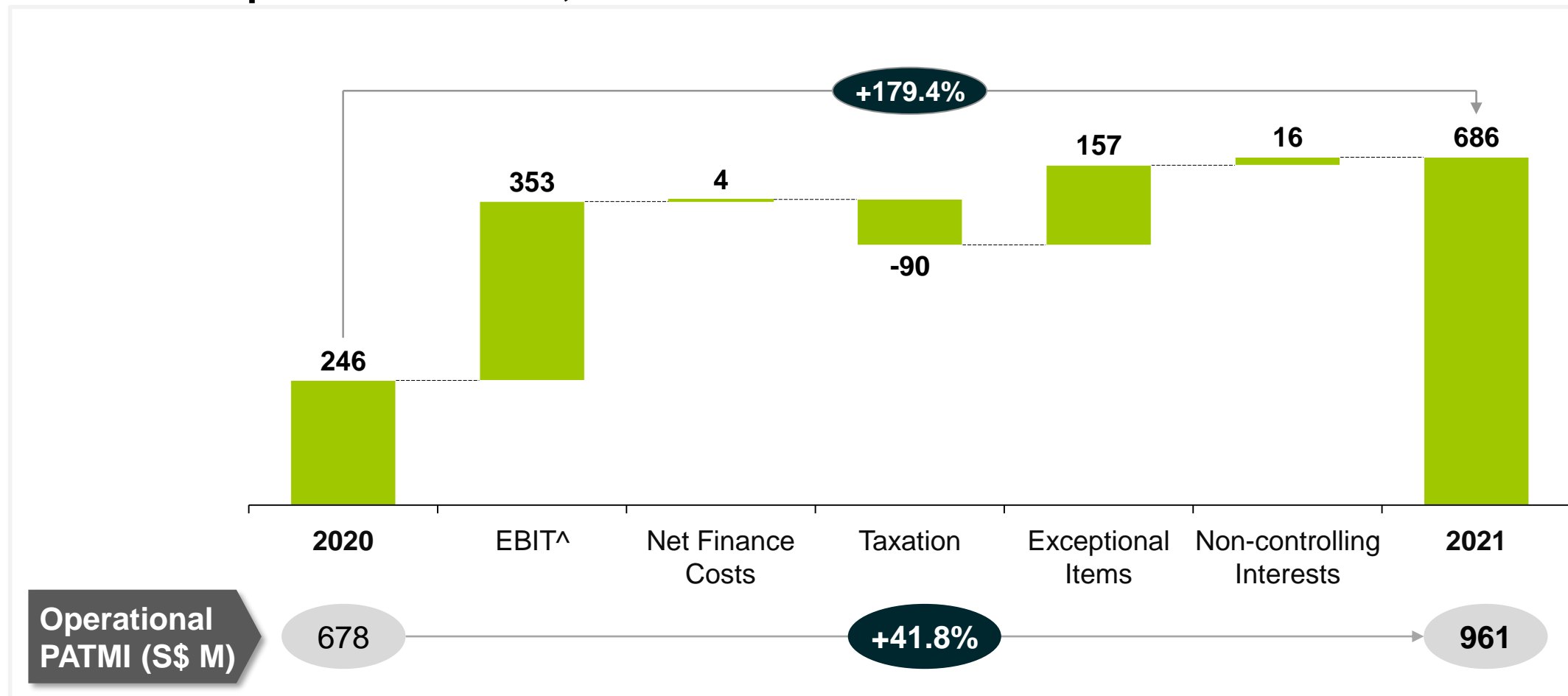
Note: 2019 and 2020 financial results for the operating groups have been re-stated to reflect intra-group adjustments.



# Record Reported & Operational PATMI

Reported PATMI up 179.4%, Operational PATMI up 41.8% on strong EBIT growth

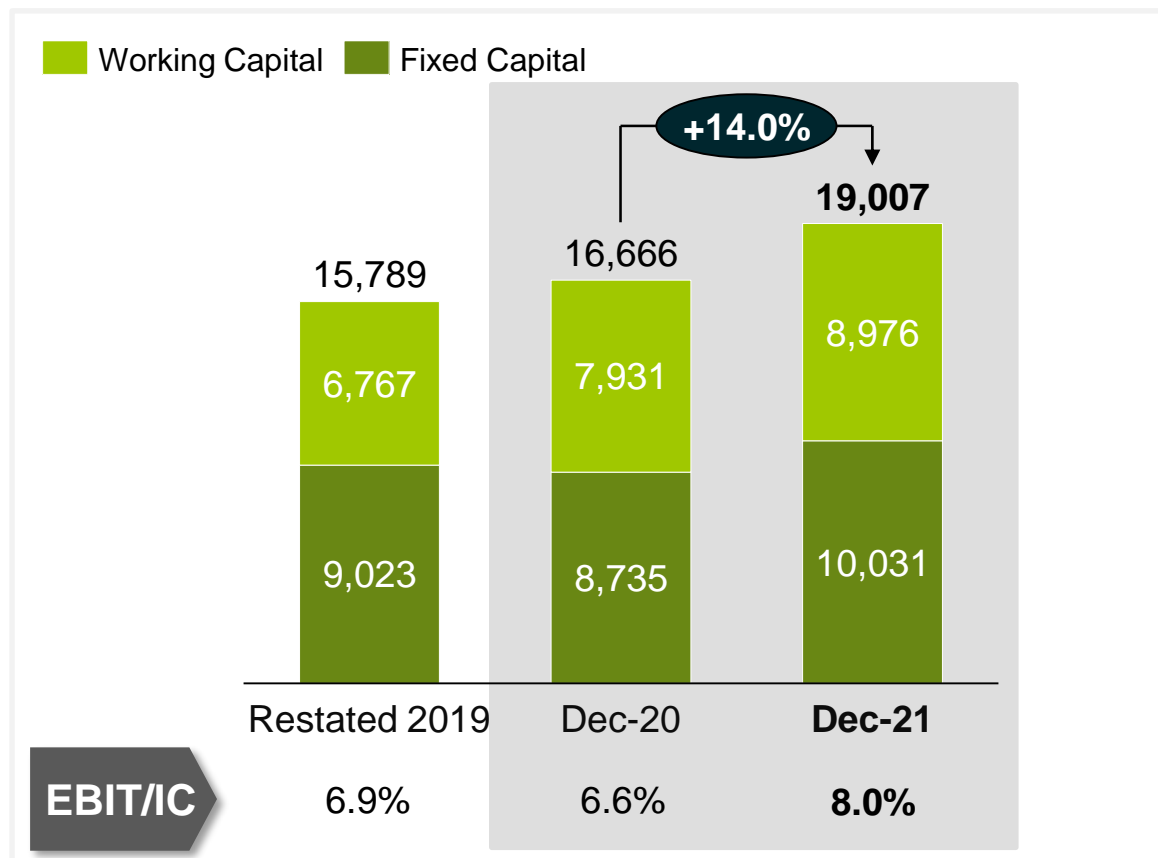
PATMI and Operational PATMI, S\$ million



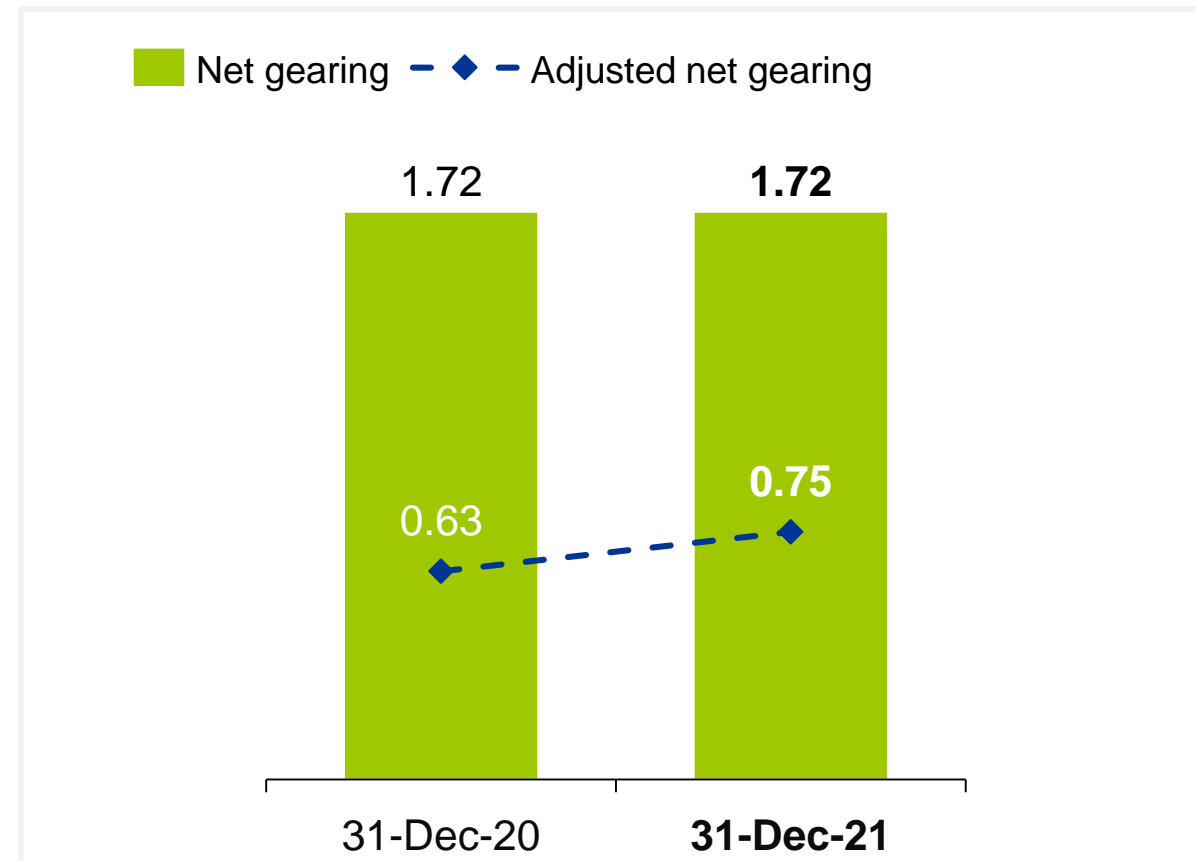
^ Excludes exceptional items

# 14.0% increase in invested capital

## Driven by Capex and working capital investments



- Fixed capital increased S\$1.3 billion mainly driven by acquisitions of the US-based dehydrated onion ingredients business, chilli pepper business, and Olde Thompson as well as organic growth Capex during 2021.
- Working capital grew as commodity prices increased significantly over 2020.



- Net gearing maintained despite higher net debt with sufficient headroom for growth

Invested Capital excludes:

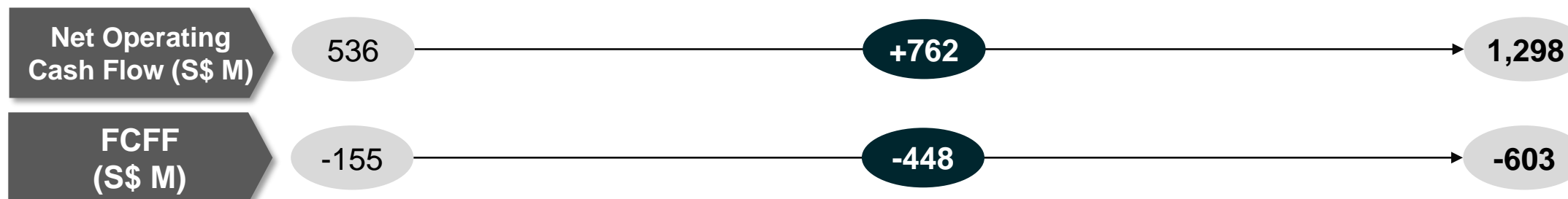
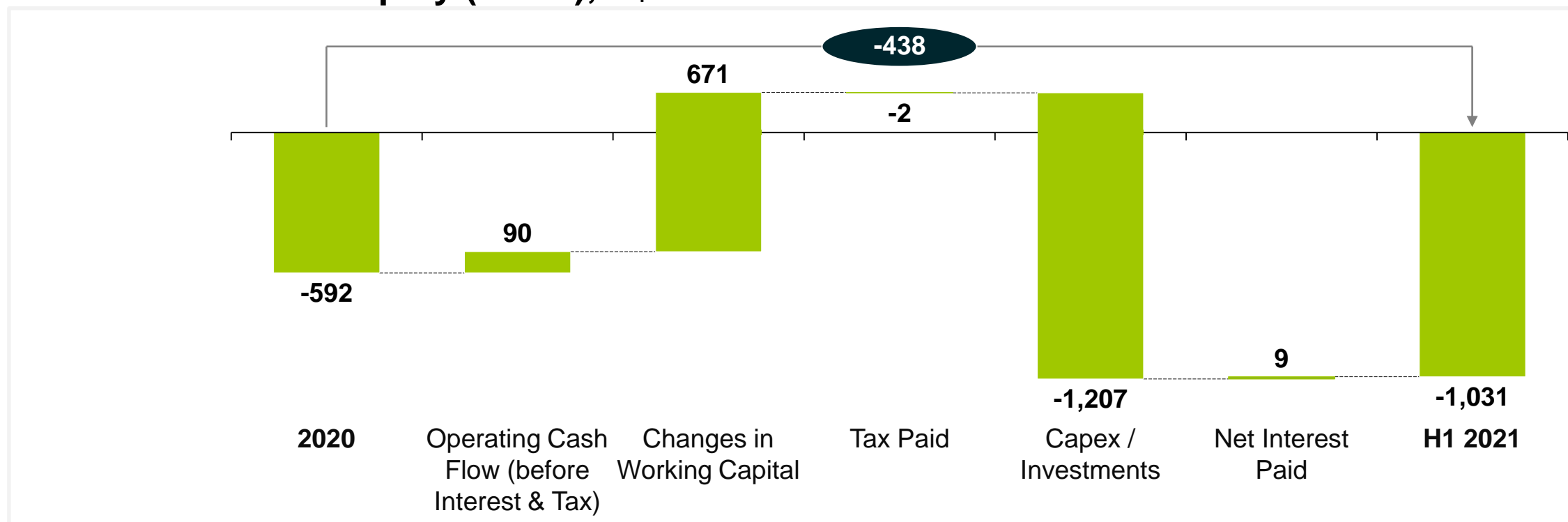
- Gabon Fertiliser Project (31 Dec 2021: S\$253.7 million; 31 Dec 2020: S\$262.6 million);
- Long-term Investments (31 Dec 2021: S\$31.3 million; 31 Dec 2020: S\$24.3 million)

# Free cash flow reflects strategic investments



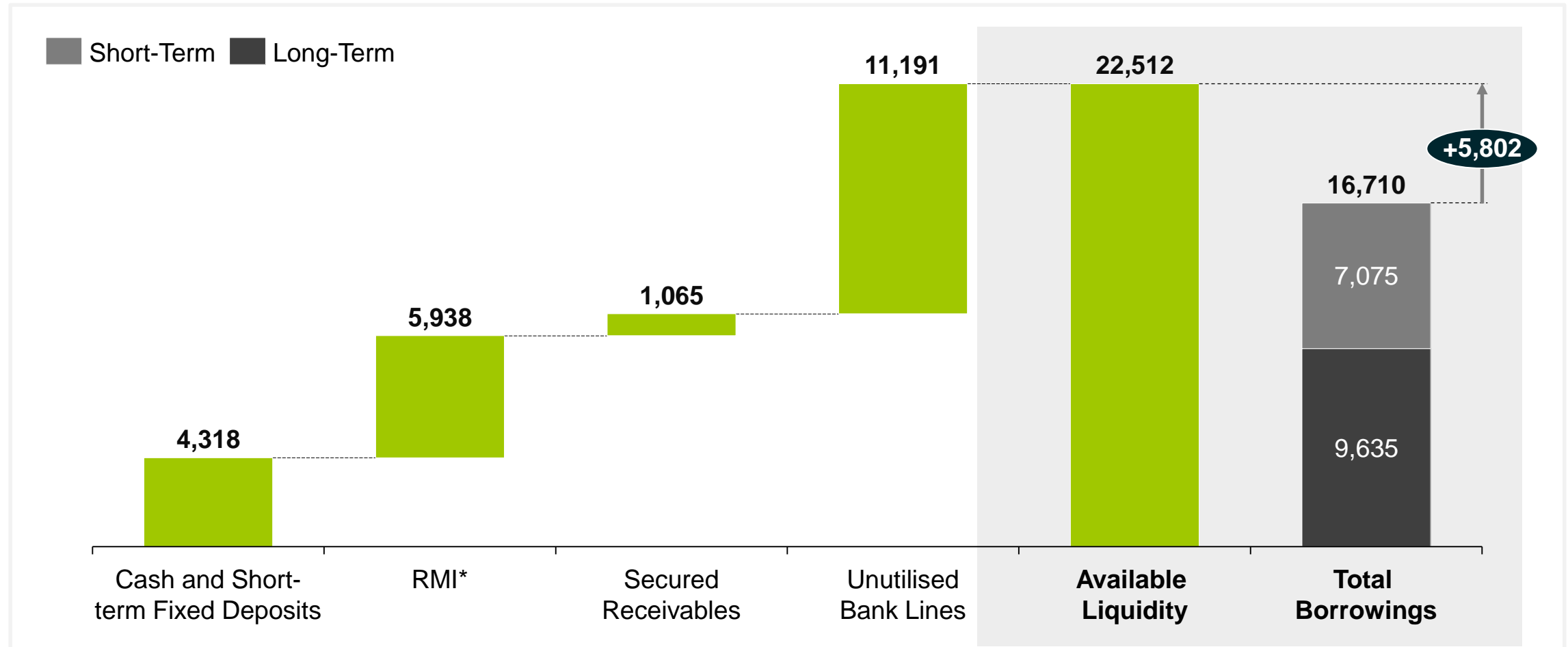
## Net operating cash flow grew S\$762 million

### Free Cash Flow to Equity (FCFE), S\$ million



# Strong liquidity position

## Total borrowings and available liquidity, S\$ Million as at December 31, 2021



\* RMI: Readily marketable inventories that are liquid, hedged and/or sold forward



# Segmental performance by operating group







# 2021 results ofi

---



# ofi in numbers



Cocoa



Coffee



Nuts




Spices



Dairy

**14.6**   
**Billion** revenue (\$\$)

**1,217**   
**Million** EBITDA (\$\$)

**875**   
**Million** EBIT (\$\$)


**110+**   
 Manufacturing facilities

**50**   
 Countries

**20,000+**  
 employees 

**11,000+**  
 customers 

# ofi – attractive portfolio with strong growth prospects

1	Leading on-trend portfolio, serving large, attractive and growing end-use categories	Value-added ingredients & solutions, serving ~US\$743bn <sup>1</sup> key end-use categories, which are growing at ~5% CAGR <sup>1,2</sup>		
2	Delivering global, innovative and integrated solutions	Integrated with presence across the value chain	Access to 2.6 million <sup>3</sup> farmer network globally	110+ Manufacturing plants
3	Differentiated customer proposition, offering end-to-end traceability and sustainability impact	>350 sustainability impact metrics <sup>4</sup> across 11 key areas and 12 UN SDGs <sup>4,5</sup>		
4	Trusted partner to a global and diversified customer base	11,000+ Customers		
5	Experienced, global, and inspired talent pool	20,000+ Employees	54 Nationalities	
6	Proven and repeatable growth model	+8.1% EBIT CAGR <sup>6</sup> ('17A-'21A)	90-100bps EBIT Margin and RoIC <sup>7</sup> expansion ('17A-'21A)	

(1) Source: Euromonitor International Limited, Retail Value RSP, US\$ million, fixed 2021 exchange rates, current prices. US\$743bn refers to the size of ofi's key end-use categories (in 2021, globally) including beverages, bakery, confectionery, snacking and culinary which are defined as outlined on page 177, "Euromonitor Sources"; (2) '21-26E on value basis; (3) direct & indirect network, based on FY20 data; (4) Olam overall; (5) SDG = Sustainable Development Goals; (6) on a US\$ basis; Operational EBIT Excluding discontinued and exiting businesses; (7) On a US\$ basis; Operational EBIT / Average Invested Capital

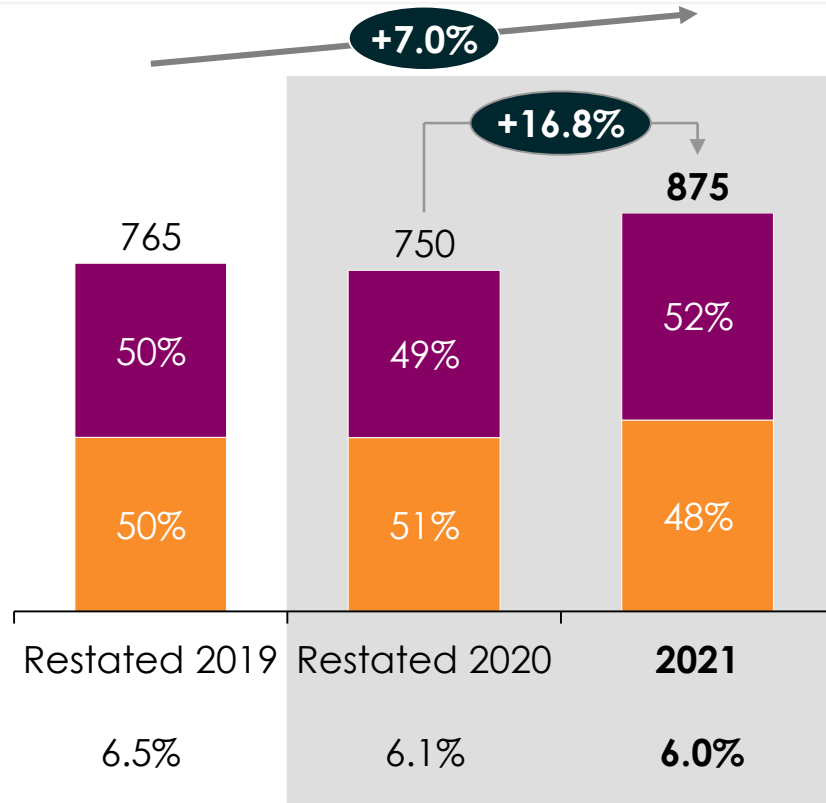


# ofi 2021 results

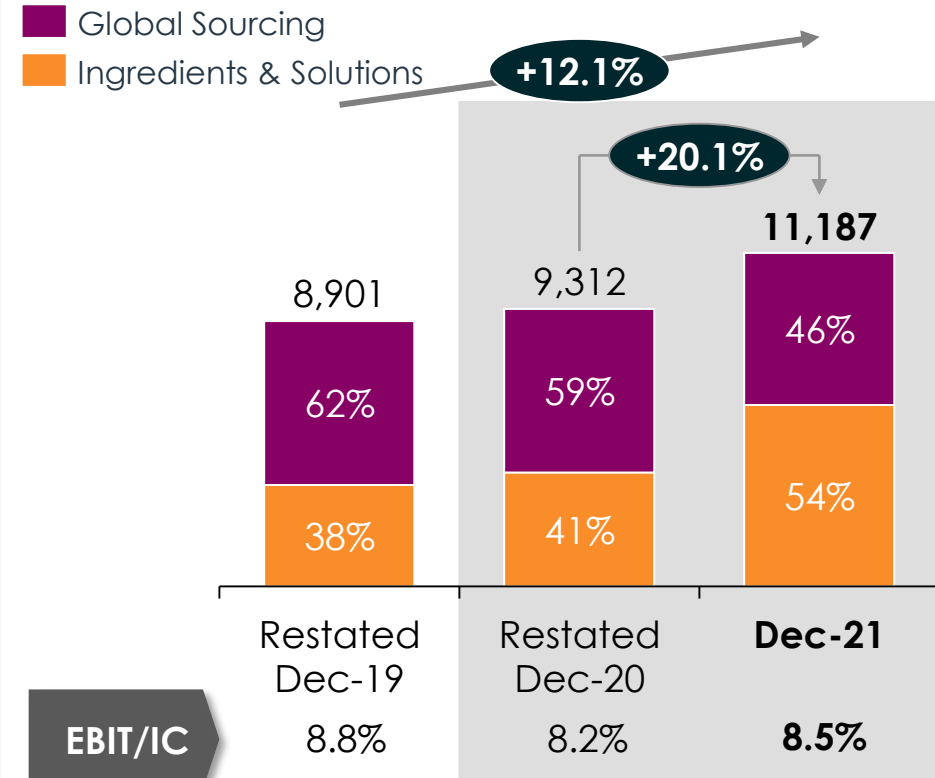


S\$ Million

## EBIT



## Invested Capital



- **ofi** posted strong EBIT growth of 16.8% in 2021, demonstrating a strong recovery from the impact that Covid-19 had on some of its businesses in 2020.
- Both the Global Sourcing and the Ingredients & Solutions segments performed well in 2021.

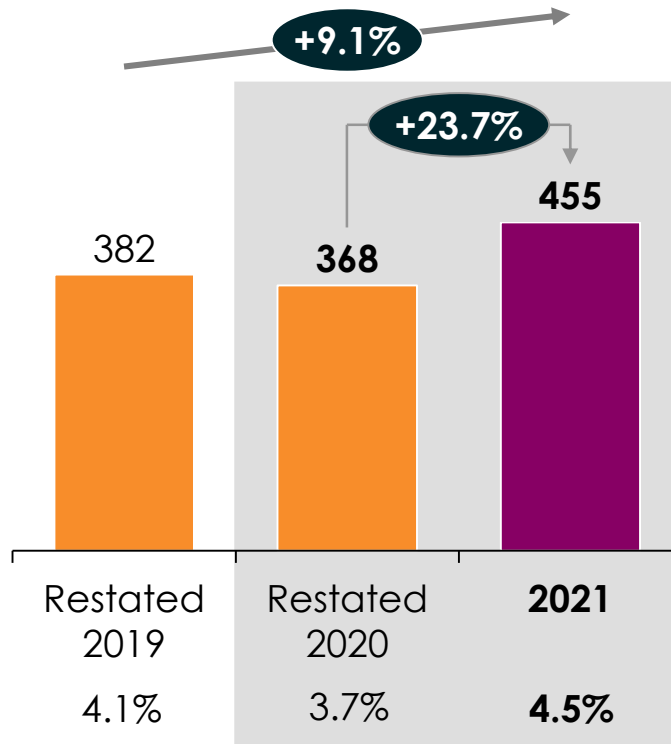
- IC increased by 20.1%, reflecting investments in Ingredients & Solutions, particularly the acquisition of Olde Thompson.
- Higher input prices also led to increased working capital requirements.

# ofi: Global Sourcing



\$\$ Million

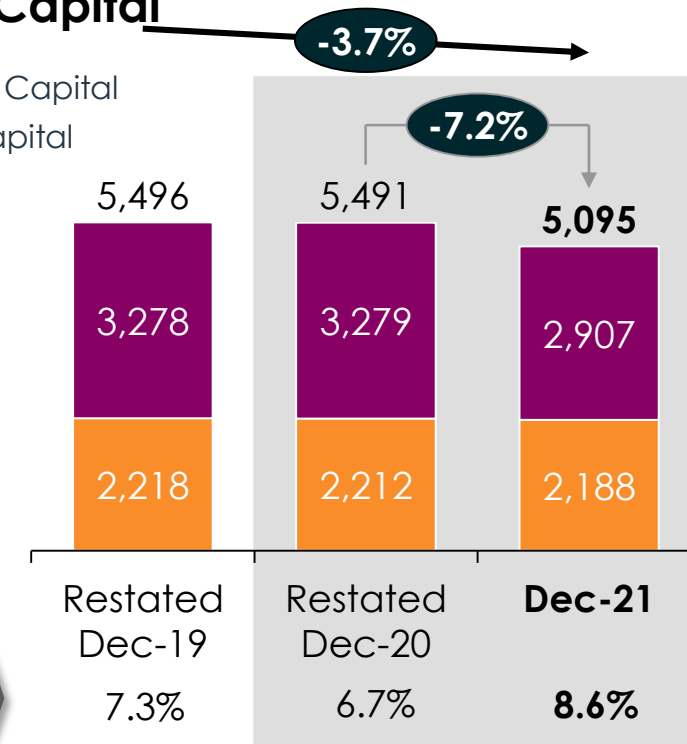
EBIT



- Strong EBIT growth of 23.7%, reflecting a strong bounce-back from the impact of Covid-19 in the prior year
- Strong performance from the Coffee, Cocoa, Dairy and Nuts platforms
- The Nuts upstream (almonds) business on the other hand performed below plan due to lower selling prices.

Invested Capital

Working Capital  
Fixed Capital



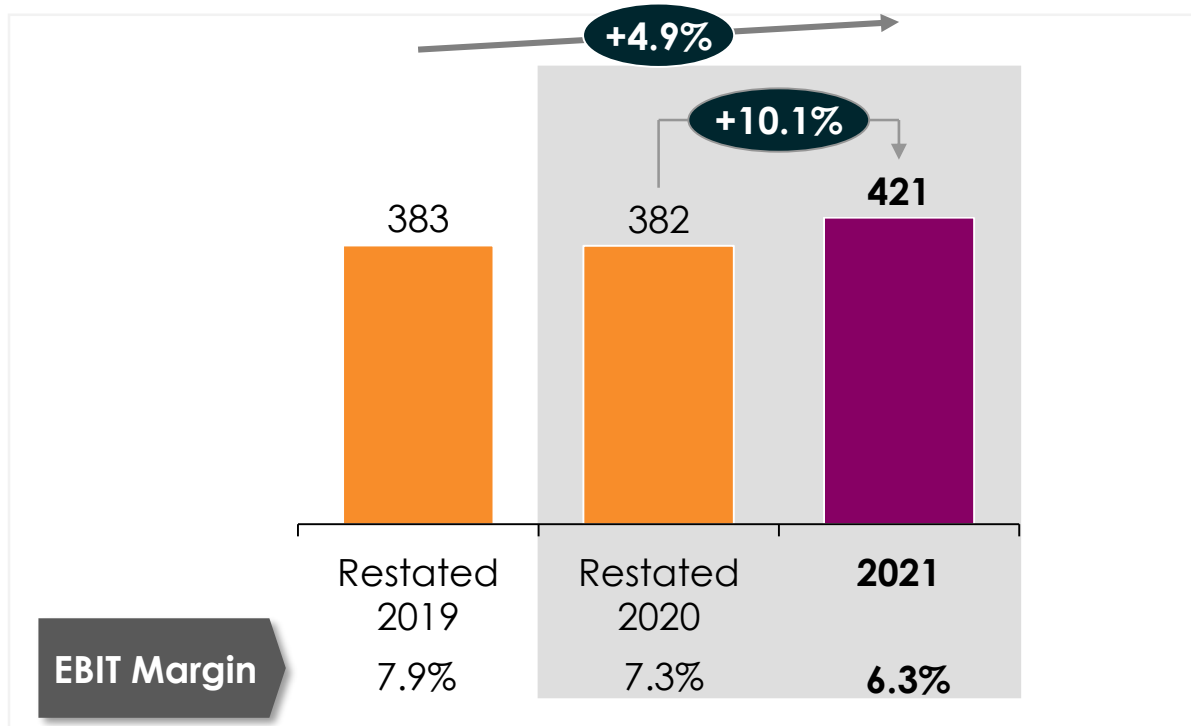
- IC decreased by 7.2% during 2021 driven principally by improvements in operational cycle times which were partly offset by increased input prices for some products.

Note: The segment now includes coffee plantations, which were previously classified under OIL's De-prioritised/Exiting Assets.

# ofi: Ingredients & solutions

\$ Million

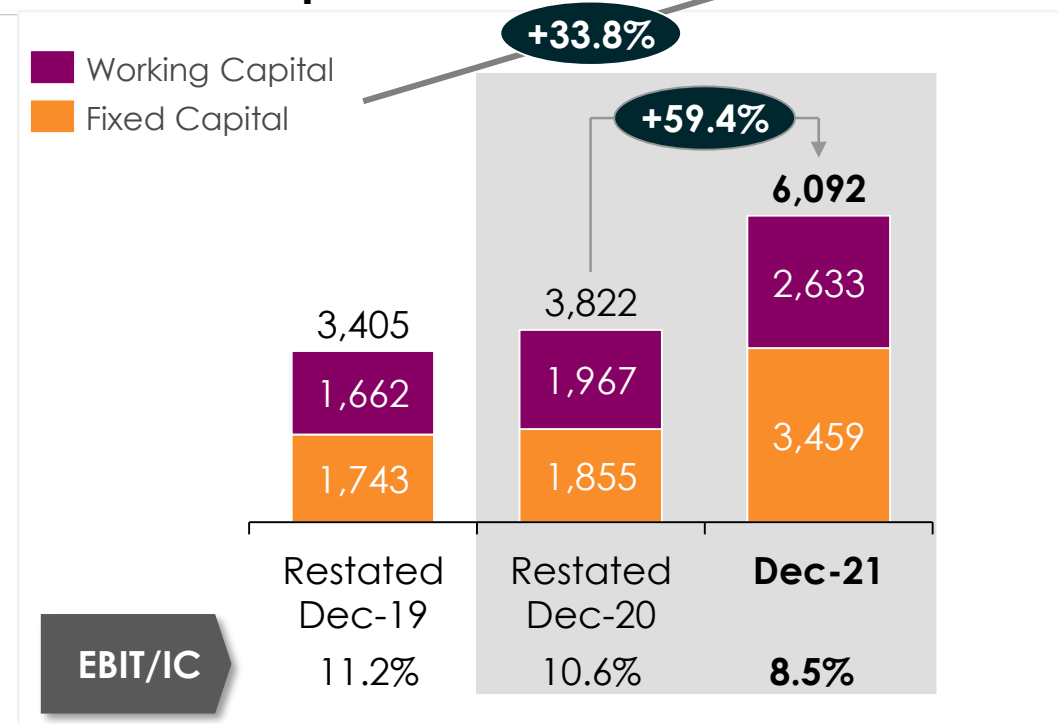
## EBIT



- EBIT increased by 10.1% in 2021: The segment saw improved performances across our Cocoa , Coffee, Dairy and Nuts ingredients & solutions platforms
- The Spices platform, especially in the US was hurt by lower farming and manufacturing yields as well as higher costs and supply chain disruptions.
- Integration of OT continues to proceed well, and additional synergies have been identified for 2022 & beyond. However, labor cost inflation and supply chain disruptions had an adverse impact on expected, which are expected to normalize in 2022.



## Invested Capital



- IC increased significantly by 59.4%.
- Fixed capital grew with acquisitions in the US, organic growth initiatives in Soluble Coffee and Dairy processing, and capacity expansion in Cocoa processing and co-manufacturing facilities.
- Working capital also grew on acquisitions as well as an increase in the carrying value of inventory due to higher input prices.
- EBIT/IC for the year reduced to 8.5% in 2021 due to the organic and inorganic growth investments made, the annualized earnings from which are yet to come in.

# ofi: Growth framework



## Organic Growth – Growing & extending the core

Extract **full value** from current investments

Increase **share of value** with **targeted strategic customers**

Focus on **cost competitiveness**

Expand **innovation & sustainability** solutions

**Accelerated M&A opportunities** in higher value **products, categories,** and **channels...**

- **Channel expansion:** private label, foodservice, e-commerce
- **Product extensions:** Eg: nut ingredients, spice blends, etc
- **Category solutions:** beverages, bakery & confectionery, snacks, culinary

## Inorganic Growth – Disciplined Buying



Contribution to medium-term  
**Volume** growth:

**Low to Mid-single digit %**



Contribution to medium-term  
**Adjusted EBIT<sup>1</sup>** growth:

**High-single digit %**




# 2021 results



## 3 Segments

1   
Food & Feed - Origination & Merchandising

2   
Food & Feed - Processing & Value added

3   
Fibre, Agri-Industrials & Ag Services

 **30** countries  **8,900+** Employees  **S\$31.3b** revenue

 **41m**  
tonnes in volume handled

 **50+**  
Manufacturing & processing facilities

 **S\$930m** EBITDA 2018-2021 CAGR: 42.5% **S\$753m** EBIT 2018-2021 CAGR: 46.7%



# Olam Agri: Key highlights

1



Strategically positioned in the **attractive food & agri sector** supported by strong secular fundamentals, with a **clear focus on high-growth emerging consumption markets**

2



Participation in key parts of the global agri market and targeted sub-markets **through a differentiated model including selective integration across the value chain** with strong operating capabilities

3



Clear growth pathways to **significantly grow earnings on a sustainable basis over the medium/long-term** by increasing share of value-added products and expanding geographic footprint

4



Helmed by a **highly experienced, capable and engaged management team**

5



**Market leading sustainability track record** putting Olam Agri at the forefront of meeting the key sustainability objectives of being **livelihood positive, nature positive and climate positive** across our businesses

**Olam Agri's differentiated asset-light model and focus on high-growth emerging markets has led to an industry leading growth and return profile.**

# Olam Agri 2021 results

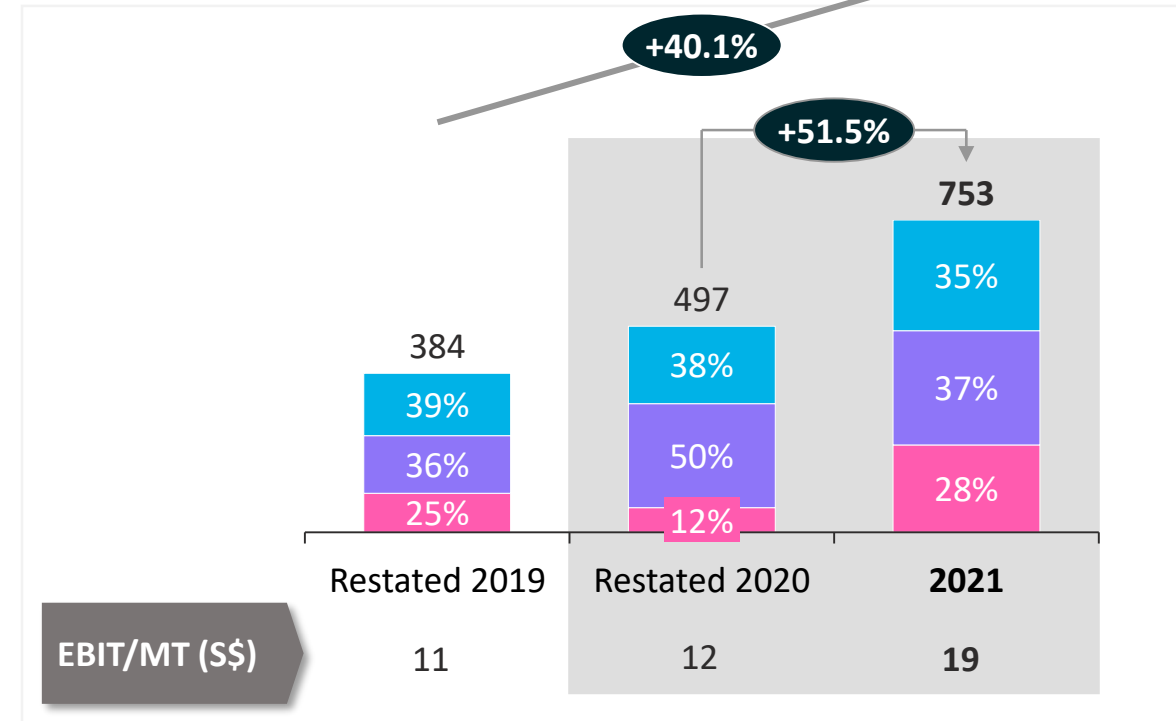
S\$ Million

EBIT

Food & Feed - Origination & Merchandising

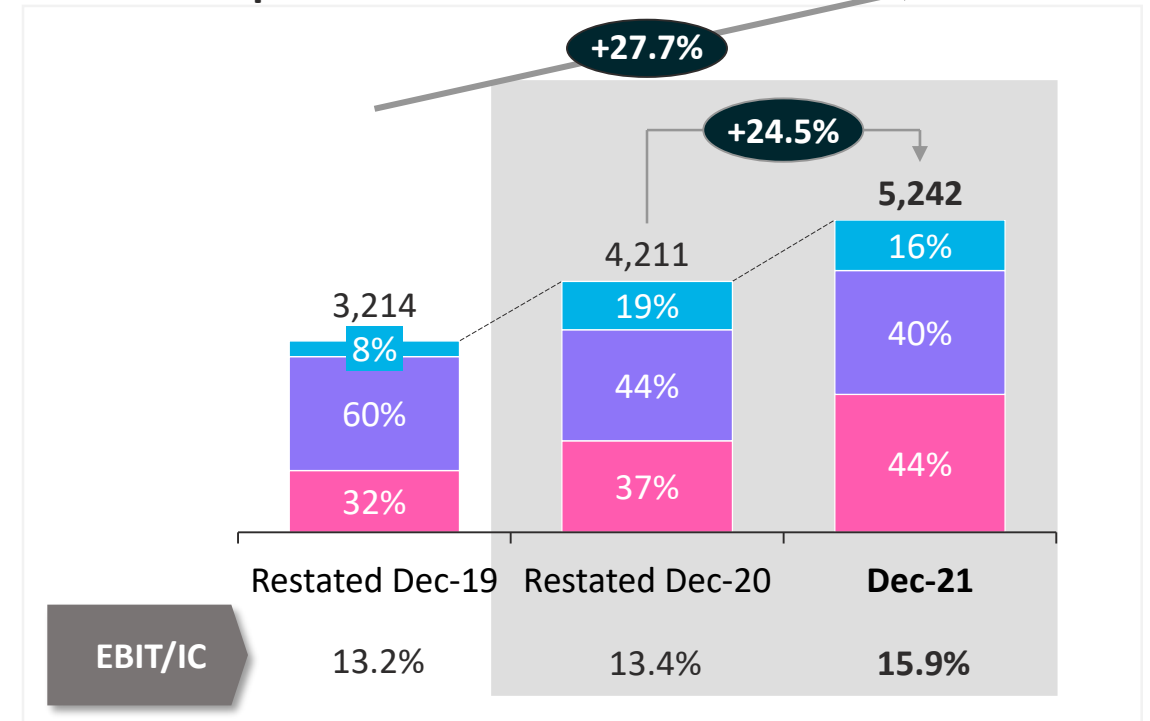
Food & Feed - Processing & Value-added

Fibre, Agri-industrials & Ag Services



- Strong EBIT growth of 51.5%; In Food & Feed segments, Grains, Integrated Feed & Proteins had an exceptional year in 2021 and continues to be a consistent performer
- Rice business reported an all-round, strong performance across farming, milling, origination and merchandising, distribution; Edible Oils experienced a recovery amid strong demand growth in key markets.
- Fibre, Agri-industrials & Ag Services segment showed a sharp turnaround from the prior year with strong growth in Cotton, Rubber and Wood Products.

Invested Capital



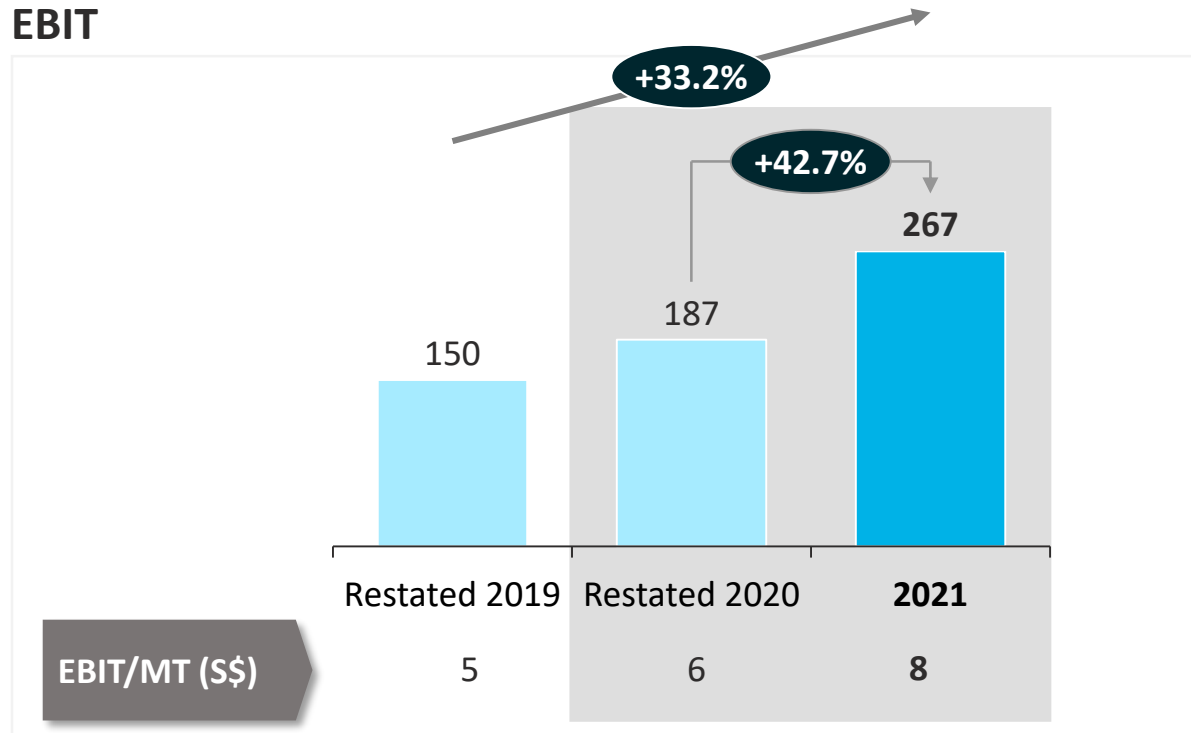
- IC increased by 24.5% in 2021 primarily due to the significant rise in Fibre, Industrial & Ag Services, which was largely caused by the decade-high cotton prices.

Note: The Fibre & Ag Services segment has been renamed as Fibre, Agri-industrials & Ag Services to include Rubber processing and supply chain, and Wood Products forestry concessions, which were previously classified under OIL's De-prioritised/Exiting Assets segment.

# Olam Agri: Food & Feed - Origination & Merchandising

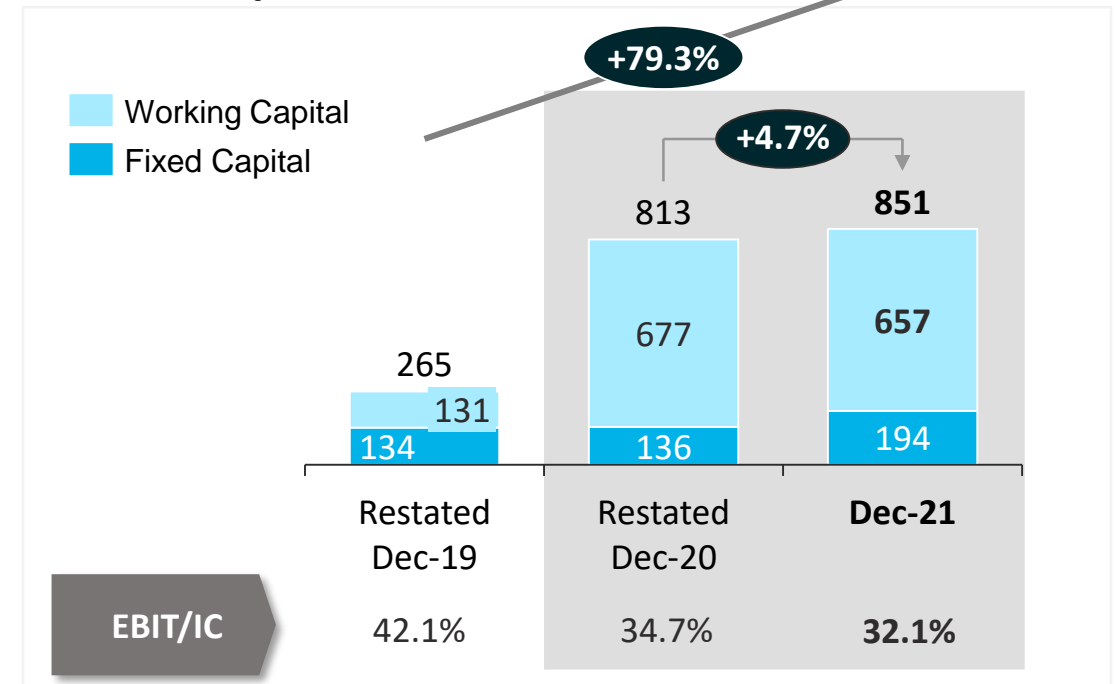
S\$ Million

EBIT



- EBIT up 42.7%: Strong Grains origination & merchandising volumes in corn and wheat between Brazil and the Black Sea into Asia and Middle-East, combined with a strong customer relationships, disciplined risk management and good freight management led to improved performance in both top line and EBIT
- Surge in rice exports from India amid the supply squeeze in the key producing countries in Asia positioned us well for entering new markets in 2021
- Edible Oils trading also contributed to the growth in EBIT as out-of-home consumption of edible oils largely resumed in Asia and Africa to pre-Covid-19 levels.

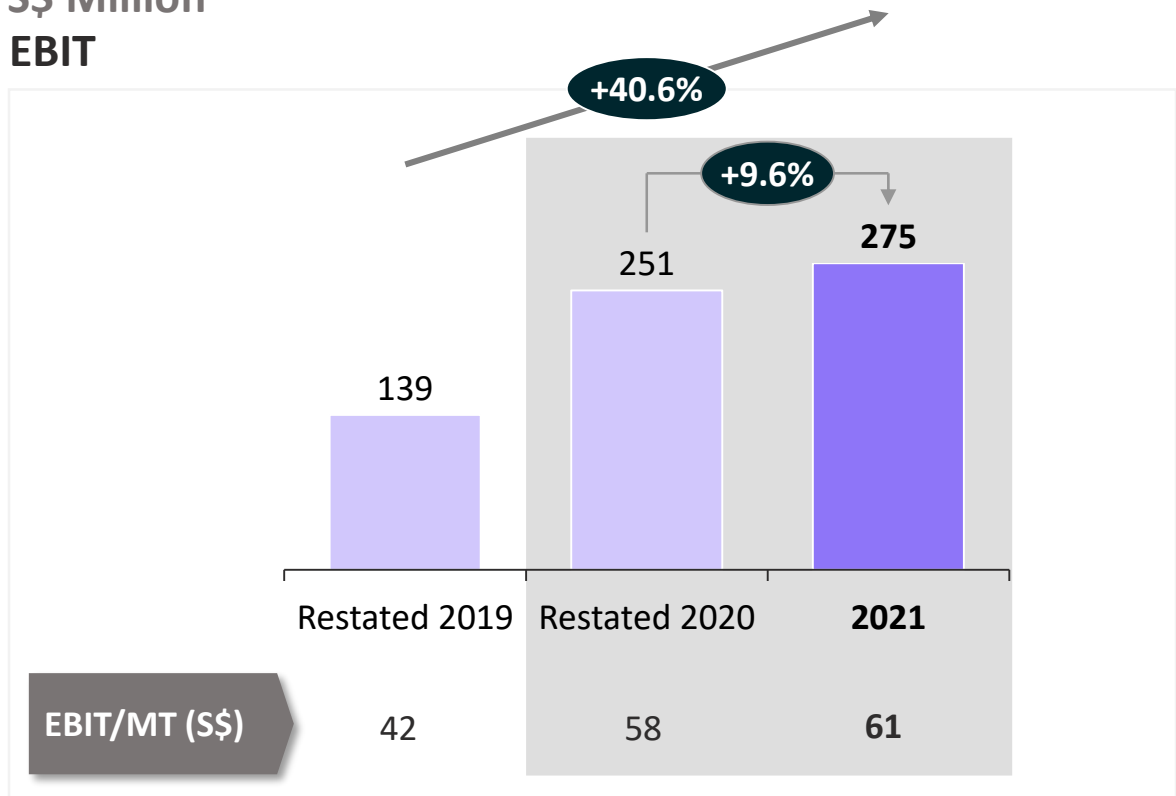
Invested Capital



- IC increased by 4.7% in 2021 as fixed capital increased with the recognition of right-of-use assets on freight vessels.

# Olam Agri: Food & Feed - Processing & Value-added

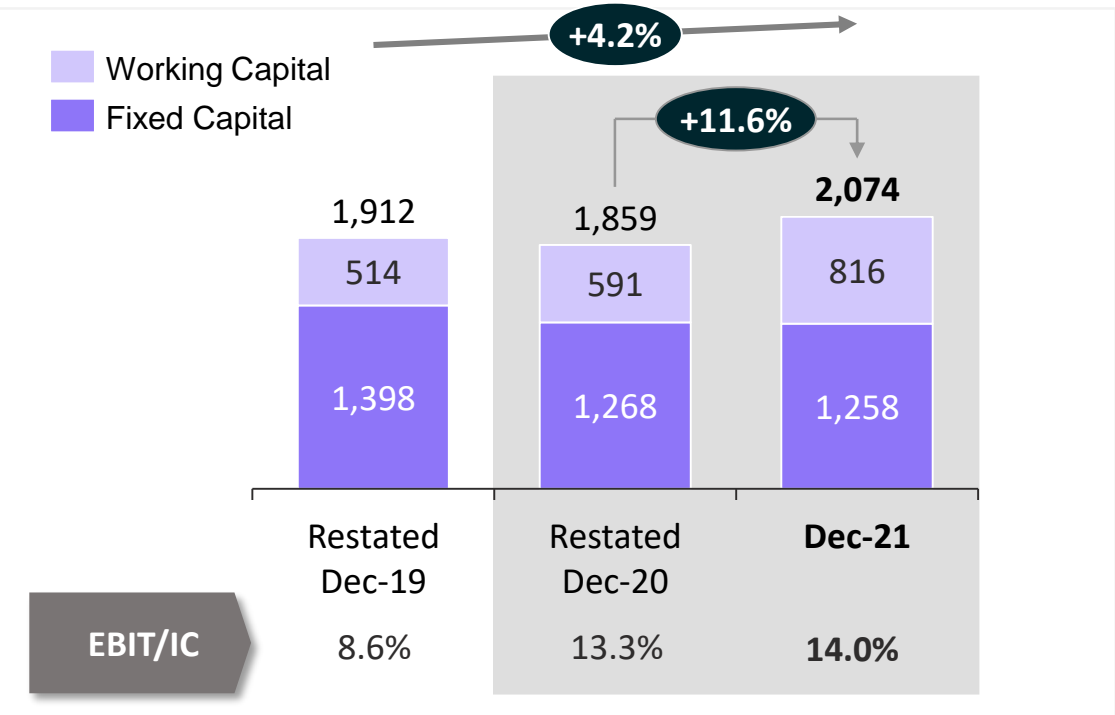
S\$ Million  
EBIT



- EBIT rose by 9.6% in 2021: Grains' Wheat Milling & Pasta manufacturing and the Animal Feed business performed well as capacity utilisation across these operations and margins for poultry and fish feed manufacturing improved.
- Branded and premium Rice distribution business continued to enjoy all-round performance across markets in Africa; integrated Rice farming and milling in Nigeria also fared better than 2020.
- Sesame underperformed and has since been restructured to focus on trading from selected origins and value-added processing in Nigeria.



## Invested Capital

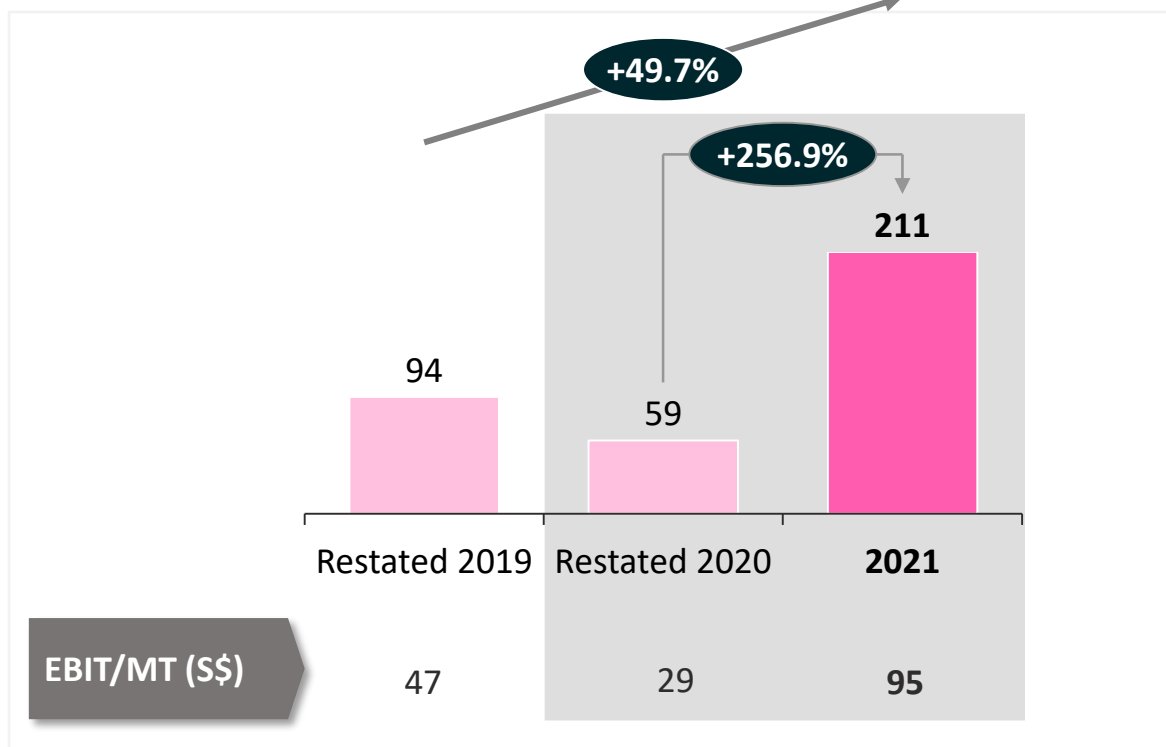


- IC increased by 11.6% in 2021 as OGA expanded its Rice inventory in Africa to ensure it could meet anticipated demand in the face of Covid-19 and supply chain disruptions. OGA also procured additional paddy at competitive prices to ensure certainty of feedstock availability for its expanded milling capacity in 2022.

Note: The segment now includes specialty grains and seeds, such as sesame, chia seeds and quinoa, which were previously under **ofi**.

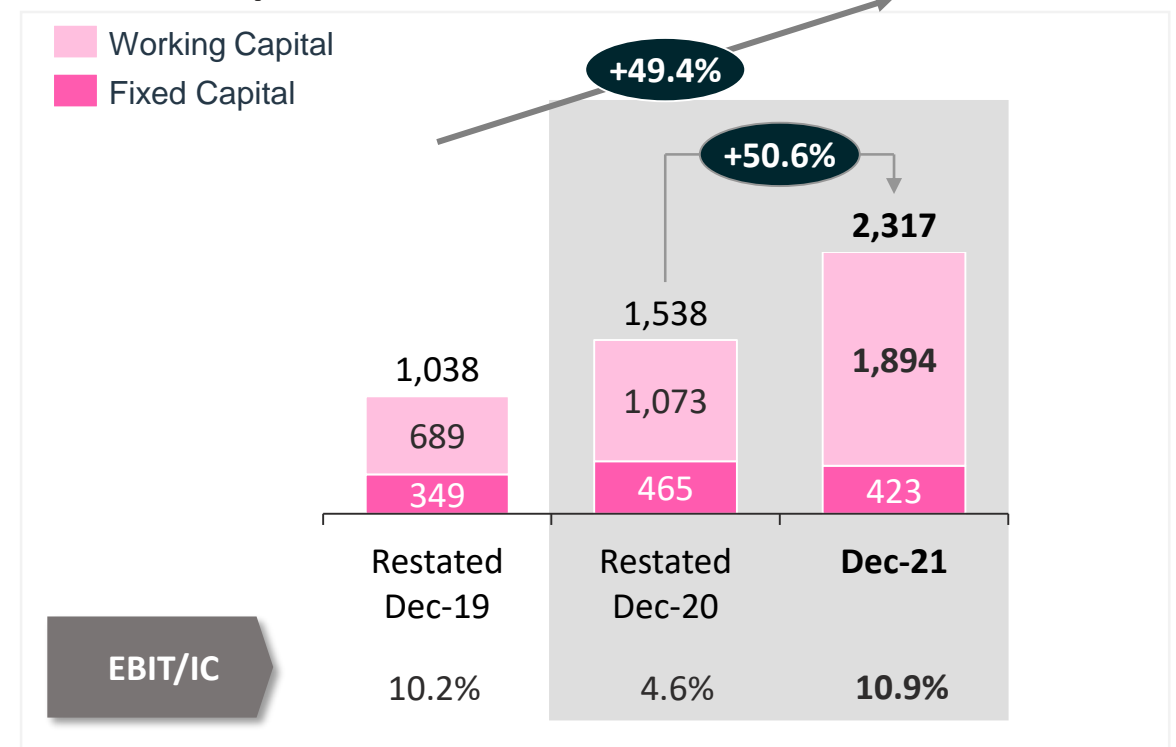
# Olam Agri: Fibre, Agri-industrials & Ag Services

S\$ Million  
EBIT



- EBIT more than trebled during the year: Strong recovery in cotton demand with significant improvement in capacity utilisation of textile mills in the major textile producing centres
- The Rubber processing business in Cote d'Ivoire benefited from improved volumes and margins as prices rebound; sustainable forestry concessions and saw milling operations in the Republic of Congo fared better.
- Commodity Financial Services had a steady performance in 2021.

## Invested Capital



- IC was significantly higher by 50.6% during 2021 mainly due to working capital rising as a result of the decade-high cotton prices in Q4 2021 as well as prepayment for cotton purchases to secure the contracts.

# Exploring various strategic options to maximise long-term value

Olam Agri delivered another record set of results across all its segments as it continues to take advantage of key secular trends underpinning the food and agricultural sector

These trends, together with a differentiated business model, leading sustainability credentials, strong risk and operational management capabilities, will continue to drive Olam Agri's continued profitable growth

OG is exploring various strategic options to maximise the value of Olam Agri and find opportunities for further investment that would allow Olam Agri to profitably grow its business in areas where it has a proven track record.

In connection with this, the options being explored include the potential introduction of strategic minority partner(s) by way of a secondary sale of shares by OG for a significant minority stake in Olam Agri and/or the potential IPO and demerger of Olam Agri.

These strategic options would grant Olam Agri the potential to tap capital markets for funds to accelerate its growth, unlock significant value for OG's shareholders, and raise proceeds for OG to optimise its capital structure by de-gearing and right-sizing its balance sheet.

# Olam International (OIL)



Once Scheme is effective, **OG** takes over the role of OIL to **provide active stewardship to ofi & Olam Agri until IPOs & demergers** and operates the following businesses:

1

**Olam Global Holdco (OGH)** holds de-prioritised and gestating assets and will responsibly divest these non-core assets, nurture and partially/fully monetise the gestating assets

- By end-2021, we have fully exited most of the de-prioritised assets ear-marked for divestments in the Strategic Plan
- Post 2021, we divested our entire stakes in ARISE IIP and ARISE IS
- To divest remaining 7 assets by end-2024

2

**Olam Ventures** incubates new platforms for growth (Engine 2 initiatives)

3

**Olam Technology and Business Services (OTBS):**

- Provides shared services to the operating groups, including ofi post its demerger through a long-term service agreement;
- Provides and builds IT and business services for third parties



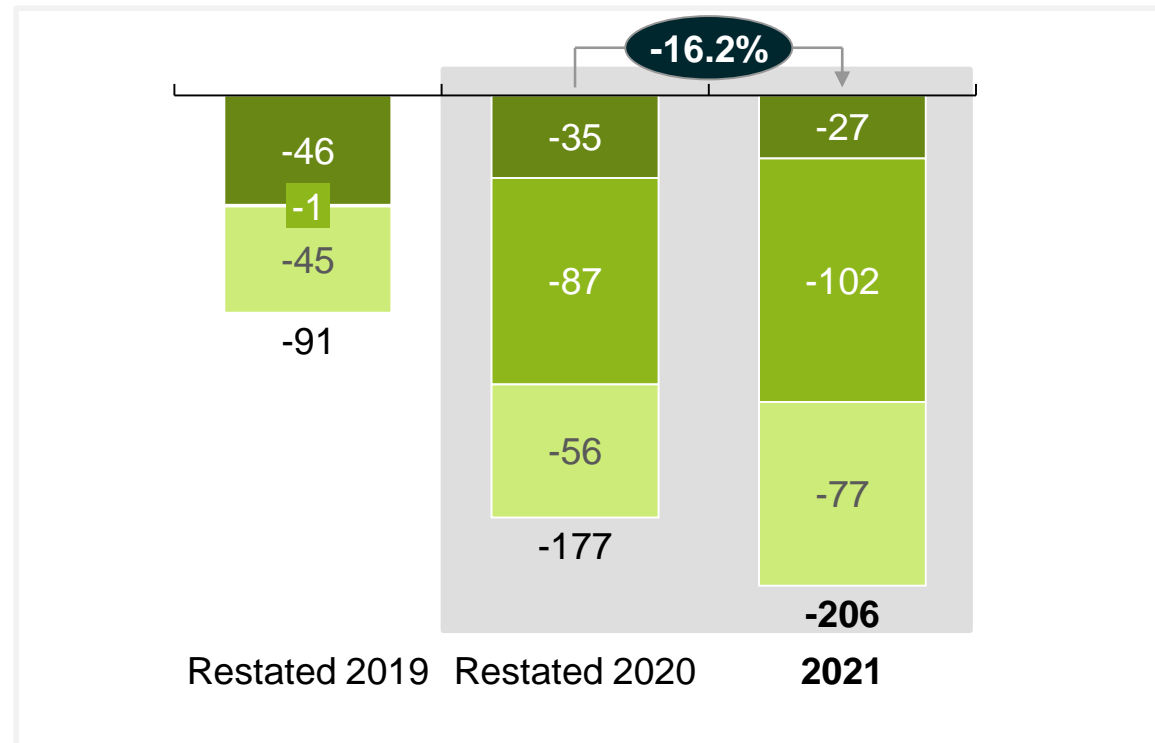
# Olam International (OIL)



S\$ Million

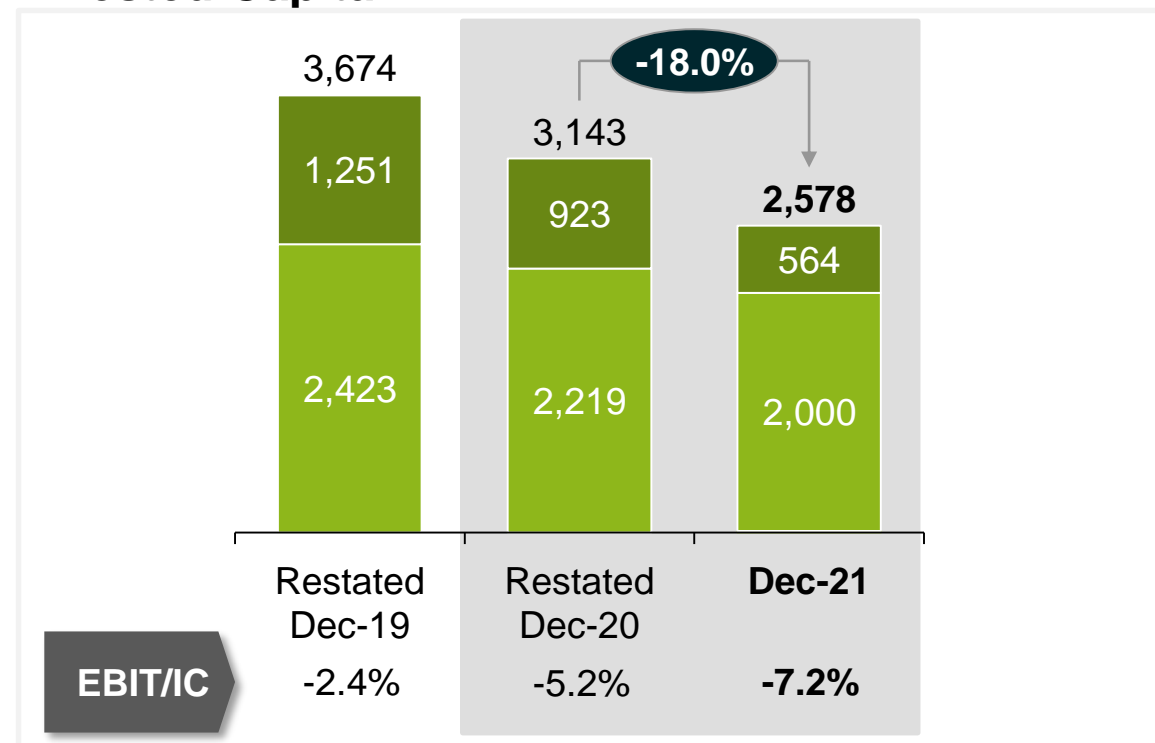
■ De-prioritised/Exiting Assets ■ Gestating Businesses ■ Incubating Businesses (including corp adjustments)

## EBIT



- EBIT losses increased to S\$205.6 million in 2021 as it continued to invest in developing Gestating Assets to maturity and incubating new Engine 2 initiatives.
- Lower losses from De-prioritised/Exiting Assets in 2021 was primarily due to lower operational losses from NZFSU and Wood Products business in Southeast Asia, and higher profits from Edible Oil processing in Mozambique.
- Gestating Assets reported higher losses due to higher period costs at OPG, reduced industrial activities by ARISE group, offset by better performance in Packaged Foods

## Invested Capital



- IC decreased by 18.0% primarily on divestments, closures and the related restructuring.

Note: Results of Gestating Businesses include those of shared services provided by OTBS. 38

## Criteria for selecting Engine 2 ventures

- ① Built on the twin engines of Digitalisation and Sustainability
- ② Leveraging Olam's core strengths & unique assets
- ③ Strategic & Financial value to Olam
- ④ Disruptive idea
- ⑤ **Material & Scalable opportunity** – large enough opportunities that can become new engines of growth for Olam in 6 years (two 3-year planning cycles).
- ⑥ **Smart investing (digital & sustainability)** rather than asset-heavy capital led models

## Six Engine 2 initiatives being studied/explored





# Business prospects and outlook

# Business prospects and outlook



- Even as the Covid-19 pandemic continues and the pace of economic recovery across the world is uneven, we have observed a discernible pick-up in demand since 2021 as the major economies, including the US, EU, UK, China and Japan, as well as in emerging markets in Asia and Africa recover from the worst impact of Covid-19 in 2020.
- There has been an increase in food service sector demand as economies open up across the globe, as well as shifting consumer patterns such as placing greater emphasis on quality of food products that are safe, natural, healthy and sustainable.
- **ofi** to benefit from these trends; expects to deliver low to mid-single digit % volume growth and high-single digit % EBIT growth in the medium term.
- Olam Agri is expected to benefit from a different set of trends specific to its sector, including the growing demand for food, feed, fibre and other staples arising from a growing population, rising per capita incomes, transition in dietary habits from carbohydrates and cereals based diets to more protein-based diets, lack of arable land, scarcity of water and climate change impacts, all leading to rising food security issues.
- As the Group continues to execute the Re-organisation Plan, it is expected to continue to incur one-off and non-recurring expenses in 2022.
- The Group is closely monitoring the situation in the Black Sea region and its overriding priority continues to be the safety of its people and their families in Ukraine. The overall region is not a material contributor to Group's revenues and assets.
- Overall, barring unforeseen circumstances, including adverse impacts of the Ukraine-Russia crisis on the markets, new Covid-19 variants of concern and consequent hard lockdowns across the world, the economic outlook and prospects for the Group for 2022 remain positive, with the industry continuing to see strong demand and tight commodity supplies amid supply chain disruptions.

## Record Reported and Operational PATMI

**01**

- Reported PATMI growth of 179.4% to S\$686.4 million; Operational PATMI at S\$961.1 million, a 41.8% growth over 2020, with strong contribution from both **ofi** and Olam Agri
- EBIT growth by **ofi** (16.8%) and Olam Agri (51.5%) in 2021

## On track to deliver on Re-organisation Plan

- Completed carve-out, separation of operating groups by end-2021; obtained shareholders' approval for new Group structure that will allow us to explore sequential sale, spin-off or IPO of **ofi**, OGA and potentially other businesses in the remaining Group businesses to unlock long-term shareholder value
- **ofi** seeking a primary listing in London and a concurrent secondary listing in Singapore to grow and pivot towards value-added solutions
- Exploring various strategic options to maximise the value of Olam Agri, which include the potential introduction of strategic minority partner(s) by way of a secondary sale of shares by OG for a significant minority stake in Olam Agri and/or the potential IPO and demerger of Olam Agri

**02**

## Prospects remain positive

**03**

- Barring unforeseen circumstances, including adverse impacts of the Ukraine-Russia crisis on the markets, new Covid-19 variants of concern, outlook and prospects for the Group for 2022 remain positive
- Industry continues to see strong demand and tight commodity supplies amid supply chain disruptions





# Appendix

# P&L statement



S\$ million	2021	2020	% Change
Volume ('000 MT)	45,425.3	44,409.7	2.3
Revenue	47,002.0	35,820.0	31.2
Net gain/(loss) in fair value of biological assets^	97.7	(60.3)	n.m.
Depreciation & Amortisation	(627.2)	(561.3)	11.7
<b>EBIT^</b>	<b>1,422.6</b>	<b>1,069.5</b>	<b>33.0</b>
Net Finance costs^	(411.2)	(415.7)	(1.1)
Taxation^	(133.9)	(43.5)	207.8
Exceptional items	(274.7)	(432.1)	(36.4)
PAT	602.8	178.2	238.3
<b>PATMI</b>	<b>686.4</b>	<b>245.7</b>	<b>179.4</b>
<b>Operational PATMI^</b>	<b>961.1</b>	<b>677.8</b>	<b>41.8</b>

^ Excluding exceptional items



# P&L statement



S\$ million	H2 2021	H2 2020	% Change
Volume ('000 MT)	23,057.9	24,351.3	(5.3)
Revenue	24,168.5	18,739.5	29.0
Net gain/(loss) in fair value of biological assets^	104.1	(64.1)	n.m.
Depreciation & Amortisation	(333.3)	(288.7)	15.5
<b>EBIT^</b>	<b>781.0</b>	<b>645.8</b>	<b>20.9</b>
Net Finance costs^	(214.0)	(185.5)	15.4
Taxation^	(87.3)	(14.8)	489.9
Exceptional items	(259.6)	(562.7)	(53.9)
PAT	220.1	(117.2)	n.m.
<b>PATMI</b>	<b>264.9</b>	<b>(87.0)</b>	<b>n.m.</b>
<b>Operational PATMI^</b>	<b>524.5</b>	<b>475.7</b>	<b>10.3</b>

^ Excluding exceptional items

# Exceptional items

S\$ million	2021	2020	H2 2021	H2 2020
Profit on sale of partial stake in ARISE P&L	-	121.0	-	(2.0)
Profit on sale of stake in Subsidiary, net	4.9	-	-	-
Profit on sale of Sugar plant in India	-	1.5	-	1.5
Profit on Sale of stake in JV/Associate, net	8.6	48.3	8.6	(0.7)
Acquisition related cost	(6.3)	-	(0.1)	-
Re-organisation cost	(134.1)	-	(134.1)	-
Exit/Closure costs	(147.8)	(119.0)	(134.0)	(77.6)
OPG Impairment	-	(483.9)	-	(483.9)
<b>Exceptional Items</b>	<b>(274.7)</b>	<b>(432.1)</b>	<b>(259.6)</b>	<b>(562.7)</b>

# Balance sheet



	\$ million	2021	2020	Change
Uses of Capital	Fixed Capital	9,532.9	8,309.9	1,223.0
	Right-of-use assets	782.7	712.2	70.5
	Working Capital	8,120.6	7,455.7	664.9
	Cash	4,317.5	3,115.9	1,201.6
	Others	735.1	601.7	133.4
	<b>Total</b>	<b>23,488.8</b>	<b>20,195.4</b>	<b>3,293.4</b>
Sources of Capital	Equity & Reserves	7,210.5	6,425.4	785.1
	Non-controlling interests	7.4	73.5	(66.1)
	Short-term debt	6,937.6	6,466.5	471.1
	Long-term debt	8,794.8	6,780.9	2,013.9
	Short-term lease liabilities	138.0	96.5	41.5
	Long-term lease liabilities	839.8	815.5	24.3
	Fair value reserve	(439.3)	(462.9)	23.6
	<b>Total</b>	<b>23,488.8</b>	<b>20,195.4</b>	<b>3,293.4</b>

# Cash flow statement



S\$ million	2021	2020	Change
Operating Cash flow (before Interest & Tax)	1,787.3	1,697.3	90.0
Changes in Working Capital	(489.2)	(1,160.9)	671.7
<b>Net Operating Cash Flow</b>	<b>1,298.1</b>	<b>536.4</b>	<b>761.7</b>
Net interest paid	(427.7)	(437.0)	9.3
Tax paid	(179.9)	(177.8)	(2.1)
Cash from divestments	177.8	239.7	(61.9)
<b>Free cash flow before Capex/investments</b>	<b>868.3</b>	<b>161.3</b>	<b>707.0</b>
Capex/Investments	(1,898.8)	(753.5)	(1,145.3)
<b>Free cash flow to equity (FCFE)</b>	<b>(1,030.5)</b>	<b>(592.2)</b>	<b>(438.3)</b>



**olam**