

News Release

Singapore, February 28, 2022

Olam reports banner year, with record Reported and Operational PATMI¹

New operating groups sustain strong growth; Record EBIT for Olam Agr² and ofi³

- **2021:** Operational PATMI grew 41.8% to \$961.1 million, highest since inception
- Reported PATMI at record S\$686.4 million on strong operating profit growth and lower exceptional losses as Re-organisation drives performance across Group
- Strong EBIT growth: **ofi** up 16.8%, Olam Agri up 51.5%
- **H2 2021:** Reported PATMI swung to positive S\$264.9 million on improved operating profit and lower exceptional losses
- Board of Directors declares second interim dividend of 4.5 cents per share for 2021; total dividend for 2021 will be 8.5 cents per share (2020: 7.5 cents)

Continued progress on Re-organisation Plan

- Shareholders approved Scheme of Arrangement expected to take effect around 15 March 2022 with new Group structure to implement the Restructuring of the Olam Group
- **ofi** to list in Q2 2022 with a concurrent primary listing in London and a secondary listing in Singapore
- Exploring various strategic options to maximise the value of Olam Agri, including the potential introduction of strategic minority partner(s) via sale of significant minority stake in Olam Agri and/or the potential IPO and demerger of Olam Agri

H2 2021 Financial Highlights

Revenue + 29.0% YoY <hr/> 24.2 Bn (S\$)	EBIT + 20.9% YoY <hr/> 781.0 Mn (S\$)	PATMI n.m. <hr/> 264.9 Mn (S\$)	Op PATMI + 10.3% YoY <hr/> 524.5 Mn (S\$)
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2021 Financial Highlights

Revenue + 31.2% YoY <hr/> 47.0 Bn (S\$)	EBIT + 33.0% YoY <hr/> 1.4 Bn (S\$)	PATMI + 179.4% YoY <hr/> 686.4 Mn (S\$)	Op PATMI + 41.8% YoY <hr/> 961.1 Mn (S\$)	FCFE -438.3 Mn <hr/> (1.0) Bn (S\$)	Gearing unchanged <hr/> 1.72 times
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¹ Operational PATMI is Net Profit After Tax and Minority Interest excluding exceptional items, which are one-off and non-recurring

² Previously Olam Global Agri

³ Olam Food Ingredients

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Management Comments on Consolidated Olam Group Performance and Outlook

Olam Co-Founder and Group CEO, Sunny Verghese, said: “We had a banner year in 2021 with our strongest Reported and Operational PATMI since Olam was founded despite the continued impacts from Covid-19. This reflects the continued strength and differentiation of our business model. The benefits of focus through the Re-organisation exercise has yielded strong growth momentum for both **ofi** and Olam Agri, and they are now well poised for their next phase of growth.

“We are grateful to our shareholders who have approved the Scheme of Arrangement, giving us the overwhelming mandate to execute on our Re-organisation Plan. **ofi** is set to list in both London and Singapore in Q2 2022, giving Olam’s investors a unique opportunity to be part of **ofi**’s transformation while continuing to benefit from being invested in the rest of the Olam Group of businesses, including Olam Agri. To that end, we are concurrently exploring various strategic options to unlock value and accelerate growth for Olam Agri – these include the potential introduction of strong strategic minority partners who share our vision for the business, and/or a potential IPO and demerger of Olam Agri.

“We continue to be optimistic regarding the prospects for all three operating groups as they are right at the centre of key global food and consumer trends, which for **ofi** include the growing demand for more plant-based, on-trend, natural, healthy and sustainably sourced food ingredients, for Olam Agri the growing demand for food, feed and fibre from a growing population, the transition of dietary habits from cereals to more protein-based diets and growing concern for food security, and for OIL the growing market opportunities for digital and sustainability solutions to transform the food and agri-business sector.”

Olam Group CFO, N Muthukumar, said: “We maintained a strong balance sheet in 2021 even as we committed significant capital for transformational acquisitions such as Olde Thompson and for several organic growth initiatives. With the legal separation of the new operating groups now complete, we are working closely with each of them to find the most optimal capital structure so they can meet their operational needs and deliver profitable growth.

“As we progress with our Re-organisation, we continue to diversify our funding sources and explore innovative financing solutions, such as a unique two-tier AtSource-linked sustainability financing facility aggregating US\$1,450 million of loans, and a US\$150.0 million loan to support our purchase of sustainable cotton under the Better Cotton Initiative.”

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Olam Group Financial Performance

Olam Group, a global food and agri-business, today reported its strongest full year Reported and Operational PATMI since inception as it moved forward with its Re-organisation Plan.

H2 2021

- Revenue increased 29.0% year-on year (YoY).
- EBIT grew 20.9% to S\$781.0 million with both **ofi** and Olam Agri contributing to the growth.
- PATMI swung to a positive S\$264.9 million, while Operational PATMI was up 10.3% to S\$524.5 million.

2021

- Revenue increased 31.2% to reach S\$47.0 billion on higher prices across most products and commodities in 2021. Olam Agri contributed 66.5% of total Group revenue, **ofi** 31.1% and OIL 2.4% respectively.
- EBIT rose by 33.0% to S\$1.4 billion on strong growth at both **ofi** and Olam Agri. **ofi** contributed 61.5% of total Group EBIT, Olam Agri contributed 52.9%, and OIL -14.4%.
- PATMI nearly tripled to S\$686.4 million on strong operating profit growth and significantly lower exceptional losses compared to the year before.
- Excluding non-recurring exceptional items, Group Operational PATMI grew by 41.8% to a new record of S\$961.1 million in 2021.
- FCFE was negative at S\$1.0 billion, reflecting the investments in strategic acquisitions completed in 2021, including the Olde Thompson acquisition.
- Net gearing remained unchanged at 1.72 times compared to a year ago.

2021 Performance by Operating Group

ofi⁴

A global leader at the forefront of food and beverage consumer trends, **ofi** delivers sustainable, natural, and plant-based ingredients and solutions and serves large, attractive and high growth end-use categories.

⁴ Consisting of the Cocoa, Coffee, Dairy, Nuts and Spices businesses, **ofi** is made up of two segments – Global Sourcing and Ingredients & Solutions.

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Revenue + 18.8% YoY	EBIT + 16.8% YoY
14.6 Bn (S\$)	875.3 Mn (S\$)

- Revenue increased 18.8% to S\$14.6 billion, driven by growth from the Ingredients & Solutions segment.
- EBIT grew strongly at 16.8% to S\$875.3 million, demonstrating a strong recovery from the impact that Covid-19 had on some of its businesses in 2020, with both its segments performing well.

CEO of ofi, A. Shekhar said:

“I am very proud of the strong growth and strategic progress we are delivering as we continue to accelerate our focus to provide natural and on-trend ingredients and solutions to our established and diverse customer base across the global food and beverages industry. The strength and breadth of our sustainable ingredients portfolio and the determination of our people behind our purpose to ‘Be the Change for Good Food and a Healthy Future’ have been key drivers of our performance in 2021 and helped in our resilient recovery from the COVID-19 impact in 2020.

“2021 was an important year for ofi, and we made substantial investments in expanding the portfolio as well as in developing our talent pool and capabilities to support our future growth ambitions. We are excited by the opportunities and well positioned with a robust, resilient business model and a strong organization to navigate the ongoing market uncertainties and continue on our exciting growth journey.”

Olam Agri⁵

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 returns.

Revenue + 39.6% YoY	EBIT + 51.5% YoY
31.3 Bn (S\$)	752.9 Mn (S\$)

⁵ Consisting of Grains & Oilseeds, Integrated Feed & Proteins, Edible Oils, Rice, Specialty Grains & Seeds, Cotton, Rubber, Wood Products and Commodity Financial Services businesses. Olam Agri has three segments – Food & Feed - Origination & Merchandising; Food & Feed - Processing & Value-added; and Fibre, Agri-industrials & Ag Services.

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- 2021 was a record year for Olam Agri as it continued to deliver a strong growth trajectory in its Food & Feed segments and its non-food segment, now known as Fibre, Agri-industrials & Ag Services, bounced back strongly from the adverse impacts from Covid-19 in 2020.
- Revenue grew 39.6% to S\$31.3 billion, with all three segments contributing to growth.
- EBIT surged by 51.5% to S\$752.9 million on higher contribution from all segments, including a sharp turnaround from Fibre, Agri-industrials & Ag Services that was impacted by Covid-19 in 2020.

Mr Verghese, who is CEO of Olam Agri and OIL, said: *“The record performance by Olam Agri in 2021 is testament to its differentiated ability to capture high returns from high-growth emerging markets. Over the past 12 months, Olam Agri continued to support customers in addressing their growing needs, building on its proven track record, deep supply chain expertise in origination, trading and merchandising, logistics, operational excellence and risk management, embedding sustainability and digitalising its business.*

“We are particularly pleased with the broad-based contribution of all the businesses that make up Olam Agri to deliver this record performance. The Grains & Oilseeds, Integrated Feed & Proteins have once again delivered significant growth and maintained its track record of consistent performance over the years. The sharp turnaround of the Food Fibre, Agri-industrials & Ag Services segment in rebounding from the worst impacts of Covid-19 is particularly noteworthy.”

Olam International (OIL)⁶

As parent company of **ofi** and Olam Agri, OIL plays a key role to unlock the full value of the Olam Group by providing interim stewardship to the new operating groups until the IPOs and demergers are completed, responsibly divesting de-prioritised businesses and assets, nurture gestating businesses to full potential and partially or fully monetising these businesses over time, incubating new engines for future growth, and providing shared services to the new operating groups.

⁶ As parent company holding **ofi** and Olam Agri until the IPOs and demergers, OIL consists of De-prioritised/Exiting Assets, Gestating Businesses (Olam Palm Gabon, Packaged Foods, Infrastructure and Logistics business), Incubating Businesses (Olam Ventures – Engine 2 businesses) and the shared services business (Olam Technology and Business Services). OIL financials are standalone financials and do not include the consolidation of **ofi** and Olam Agri.

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Revenue

- 0.2% YoY

1.1

Bn (S\$)

EBIT

-16.2% YoY

(205.6)

Mn (S\$)

- Revenue was marginally lower at S\$1.1 billion, as higher prices helped to offset lower volumes post divestments and closures of de-prioritised assets.
- EBIT losses increased to S\$205.6 million from a loss of S\$177.0 million in 2020. It continued to invest in developing Gestating Assets to maturity and incubating new Engine 2 initiatives.

Outlook and Prospects

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 the 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.

Notes to Editors

Re-organisation of Olam

Olam Group has been re-organised into new operating groups **ofi**, Olam Agri with the Company Olam International ("OIL") as parent holding the two groups until the IPOs and demergers are completed.

ofi is a global leader at the forefront of food and beverage consumer trends, delivering 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 global food, feed and fibre agri-business with a particular focus in high-growth emerging markets with proven expertise, processing capabilities and a global origination footprint.

OIL plays a key role to unlock the full value of the Olam Group. OIL provides interim stewardship to the operating groups until the IPOs and demergers are completed. In addition, it will responsibly divest the de-prioritised businesses and assets ear-marked for exit, nurture gestating businesses to full potential and partially or fully monetising these businesses over time, incubate new engines for future growth and provide shared services to the new operating groups.

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H2 2021 and 2021 Financials for Olam Group Consolidated and Operating Groups

	Revenue (S\$ million)		EBIT (S\$ million)		Revenue (S\$ million)		EBIT (S\$ million)	
	2021	YoY %	2021	YoY %	H2 2021	YoY %	H2 2021	YoY %
Olam Group	47,002.0	31.2	1,422.6	33.0	24,168.5	29.0	781.0	20.9
- ofi	14,606.2	18.8	875.3	16.8	7,797.4	24.7	555.2	9.3
- Olam Agri	31,276.9	39.6	752.9	51.5	15,785.8	32.1	345.4	44.3
- OIL	1,118.9	(0.2)	(205.6)	(16.2)	585.3	9.8	(119.5)	17.7

About Olam International

Olam International is a leading food and agri-business supplying food, ingredients, feed and fibre to 20,900 customers worldwide. Our value chain spans over 60 countries and includes farming, processing and distribution operations, as well as a sourcing network of an estimated 5.0 million farmers.

Through our purpose to 'Re-imagine Global Agriculture and Food Systems', Olam 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 currently ranks among the top 30 largest primary listed companies in terms of market capitalisation on SGX-ST.

Since June 2020, Olam International 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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