



Olam Group Limited

Update on Re-organisation Plan

Media and Analysts Briefing | April 14, 2025



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1

2020 Re-organisation Plan:

Unlocking value
through core
business
transformation
and monetisation

Re-organisation Plan

In January 2020, Olam Group announced a transformational Re-organisation Plan to split the company into three distinct and coherent operating groups that are Purpose-led and future-ready, in order to maximise Olam's long-term value on a sustained basis.

January 2020

Where it started



Re-segmented the current business into three distinct operating groups under Olam Group, that are Purpose-led, future-ready and long-term value maximising.

✓ Status: Completed

March 2022

Announcement of acquisition of strategic minority stake in Olam Agri by SALIC

Investment (completed in December 2022) by SALIC of US\$1.29 billion for a 35.43% stake in Olam Agri. Olam Agri entered into Strategic Supply and Cooperation Agreement with SALIC.

✓ Status: Completed

January 2022

Separation and carve-out completed

Completion of the separation and carve-outs, leading to the creation of three new operating groups: **ofi**, Olam Agri and Remaining Olam Group.

✓ Status: Completed

February 2025

Agreement to sell remaining stake in Olam Agri to SALIC

Status: Ongoing

Agreement to sell 44.58% stake in Olam Agri to SALIC for US\$1.78 billion and the remaining 19.99% stake in Olam Agri to SALIC at the end of three years from completion of the sale of 44.58% stake.



Delivered key milestone in 2020 Re-organisation Plan



On February 24, 2025, Olam Group announced key milestone which would realise significant value with the proposed sale of its remaining 64.57% stake in Olam Agri at an attractive valuation of US\$4.0 billion on a 100% basis:

- 14% valuation uplift from sale of 35.43% in 2022 despite increased geopolitical and macroeconomic headwinds over the past two years
- Releases significant cash proceeds of US\$2.58b to OGL
- Realises gains of US\$1.84b on disposal
- Tranche 1¹ sale of 44.58% expected to complete in Q4 2025
- SALIC to acquire remaining 19.99% (Tranche 2²) by third anniversary of Tranche 1 completion
- Quantum of proceeds ensured through closing adjustments (daily ticker for both tranches) and 6% IRR

Notes:

[1] Not including agreed closing adjustments of additional consideration of US\$439,693 per day, calculated from June 1, 2025 to the completion date (both dates inclusive) of Tranche 1

[2] Closing adjustments of additional consideration of US\$197,162 per day, calculated from June 1, 2025 to the completion date (both dates inclusive) of Tranche 2

2

Updated Re-organisation Plan



Next steps to achieve 3 objectives



1

Right-size Remaining Olam Group's capital structure

- Allocate ~US\$2 billion to de-lever its balance sheet and make it debt-free and self-sustaining

2

Invest US\$500 million of equity into ofi

- Continue to support various strategic initiatives to unlock full potential value of **ofi**, for example, exploring a concurrent listing in Europe and in Singapore at an appropriate time

3

Responsibly divest and monetise all of the Remaining Olam Group's assets and businesses over time

- Progressively distribute net proceeds to shareholders via special dividends

Updated Re-organisation Plan to be financed from 2 main sources of funds



1

Gross cash proceeds estimated at US\$2.58 billion from the sale of 64.57% stake in Olam Agri (taking into account proceeds from Tranche 2 call/put option)

Tranche 1 completion expected to take place as soon as closing conditions and requisite regulatory approvals have been received.

2

Net sale proceeds from divestment of assets and businesses in Remaining Olam Group

The Group's focus will be to prioritise the value creation plan for ofi going forward. In addition, the Group will re-initiate share buy-backs.

1

Right-size Remaining Olam Group's capital structure to make it debt-free

- To fully unlock value from the Group via the pursuit of the other interdependent initiatives, it is imperative for the Remaining Olam Group to be debt-free and therefore self-sustaining on a stand-alone basis.
- Allocation of ~US\$2 billion to be made towards de-leveraging Remaining Olam Group: This would enable steps 2 and 3 of the Updated Re-organisation Plan to be executed in an optimal manner.

Updated Re-organisation Plan: Rationale (2/3)



2

US\$500 million equity investment in ofi

- Resilient business model: **ofi** has navigated various external challenges including Covid-19, the Russia/Ukraine conflict, volatile commodity prices, among others, while continuing to deliver on its medium-term earnings guidance of high single digit Adjusted EBIT growth.
- It has been investing behind its planned strategy in a disciplined manner via a combination of organic and in-organic investments almost entirely focused on its Ingredients & Solutions segment towards becoming a more value-added food and beverage ingredients company.
- This equity investment provides greater flexibility to pursue various strategic initiatives to unlock the full potential value of **ofi** for OGL shareholders via both private and/or public routes, for example exploring a concurrent listing in Europe and in Singapore at an appropriate time.
- The equity investment will also bolster **ofi**'s balance sheet during periods of high and volatile commodity prices.

3

Divest and monetise all assets and businesses of the Remaining Olam Group

- The Board of Olam Group has determined that the best course of action to achieve its overall objective to unlock full shareholder value would be via the orderly and responsible divestment and monetisation of the Remaining Olam Group's businesses and assets over time and to progressively distribute the net proceeds to shareholders via special dividends.

Updated Re-organisation Plan: Conclusion



The **Updated Re-organisation Plan** provides greater clarity on the steps to be taken to unlock value for OGL shareholders and strikes an **optimal balance** between the need to **strengthen the Group's balance sheet** and the **resilience of its operating groups in the face of unprecedented macroeconomic uncertainties including tariffs, support continued profitable growth and return capital to shareholders.**



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