

Olam International Limited



Positioning for future growth

Renounceable Underwritten Rights Issue

Media and Analysts Briefing | June 22, 2021



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Presenters



Sunny Verghese
Co-Founder and Group CEO



N. Muthukumar
Group CFO










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Key terms of the offering

Rights Issue to Entitled Shareholders as at Record Date	
Gross proceeds	Approximately S\$601.7 million
Allotment ratio	3 Rights Shares for every 20 existing Shares ⁽¹⁾
Issue Price	S\$1.25 per Rights Share
Pricing Consideration	<ul style="list-style-type: none"> Approximately 24.2% discount to TERP⁽²⁾ of S\$1.65⁽³⁾ based on Last Close⁽⁴⁾ Approximately 26.9% discount to Last Close⁽⁴⁾
Undertaking / Underwriting and Sub-underwriting	Joint Underwriters to underwrite and Temasek ⁽⁵⁾ to act as sub-underwriter
Joint Issue Managers	 BNP PARIBAS  CREDIT SUISSE  DBS  HSBC
Joint Underwriters	 BNP PARIBAS  CREDIT SUISSE  DBS  HSBC  MIZUHO

⁽¹⁾ Held at the Record Date, fractional entitlements to be disregarded

⁽²⁾ Theoretical Ex Rights Price

⁽³⁾ Calculated based on S\$1.71 per Share on 21 June 2021, being the last transacted price of the Company's shares prior to the announcement of the Rights Issue

⁽⁴⁾ Last transacted price of S\$1.71 per Share on 21 June 2021, being the Last Trading Day prior to the announcement of the Rights Issue

⁽⁵⁾ The sub-underwriting agreement is entered into by Breedens Investments Pte. Ltd. ("Breedens"), a wholly-owned subsidiary of Temasek

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Rationale and purpose of transaction

Rights issue to position for future growth

- 
- 1 Partial repayment of bridge loan used to complete the acquisition of Olde Thompson
 - 2 Strengthens the Company's balance sheet and enhances its credit profile
 - 3 Financial flexibility to capture future growth opportunities

Completed Olde Thompson acquisition overview

- On 29 April 2021, the Company, through its wholly-owned subsidiary, Olam OT Holdings, announced the acquisition of a **leading US private label (“PL”) spices & seasonings manufacturer Olde Thompson (“OT”)** at an Enterprise Value of **US\$950 million¹**. The acquisition was **completed on 17 May 2021**
- Key investment rationale
 - 1 Accelerates OFI’s growth strategy and strengthen it’s competitive position in a core product, category and channel
 - 2 Opportunity to acquire a leading private label spices and seasonings supplier in the US operating in a high growth category, with strong relationships across many major US retailers
 - 3 Attractive cost and revenue synergy potential – with ~US\$80 million of EBITDA² contribution in 2020 and potential EBITDA synergies of US\$25-30 million
 - 4 Experienced and motivated management team, bringing domain experts in the retail space who can accelerate growth plans in spices and other products in the US
- Valued at **~11.5x EV/EBITDA³**, or **~8.5x EV/EBITDA³** including expected synergies
- Expected to be **earnings and margin accretive** from the first-year
- The acquisition was 100% financed by a US\$1,000 million loan facility arranged by Olam Holdings B.V., a wholly-owned subsidiary of the Company

(1) Subject to net working capital adjustment at closing

(2) Assuming full year contribution.

(3) EV/EBITDA multiple is Enterprise Value on diligence adjusted 2020 Earnings Before Interest, Tax, Depreciation and Amortisation



**Olam
Food
Ingredients**

OLDE THOMPSON
since 1944

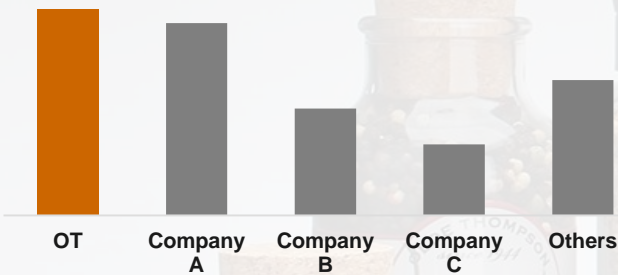


Olde Thompson: A strong growth platform

A leading player

Spices & seasonings in US PL market

2020 US PL Market Share²



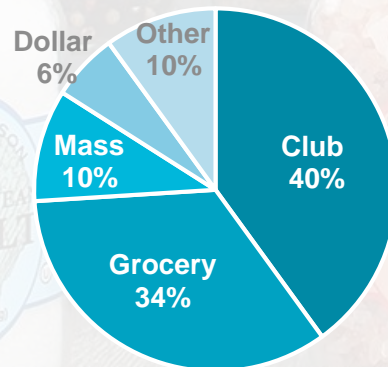
Full Solutions Provider

Formulation, blending & packaging capabilities including plastic & glass bottles, tins, pouches, sachets, etc.



Blue-chip retail customers

Diverse & tenured mix across Club, Mass, Grocery, Discount, & Dollar Store channels



OLDE THOMPSON
since 1944

Including  ¹

Bi-coastal manufacturing

Highly automated plants & national distribution serving the entire US market



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Indicative timetable

Important dates and times for the Rights Issue ⁽¹⁾	
Event	Date and time
Last day of Shares traded “cum-rights” for the Rights Issue	28 June 2021
First day of Shares traded “ex-rights” for the Rights Issue	29 June 2021
Record Date	30 June 2021 at 5:00 p.m.
Despatch of Offer Information Statement, and accompanying application forms to Entitled Shareholders	5 July 2021
Commencement of trading of the Nil-Paid Rights	5 July 2021 from 9:00 a.m.
Last date for trading of Nil-Paid Rights and splitting and trading of Rights	13 July 2021
Closing Date	19 July 2021 at 5:00 p.m. (9.30 p.m. for electronic applications)
Expected date of commencement of trading on the SGX-ST of the Rights Shares	28 July 2021

(1) Indicative and subject to change

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Business performance update

Volume & Revenue

8.6 M MT S\$8.8 B
+2.4% +14.5%

EBIT

S\$255 M
-2.2%

PATMI

S\$156 M
-13.1%

Operational PATMI

S\$157 M
+15.5%

Cash & Cash Equivalents

S\$3.8 B

Net Gearing

1.72x

- Group Operational PATMI grew 15.5% to S\$157.0 million in Q1 2021
- Cash position at S\$3.8 billion and total liquidity of S\$18.2 billion as at Q1 2021

Note: EBIT and Operational PATMI exclude exceptional items

Business outlook for H1 2021

- Despite the ongoing pandemic, we have observed a discernible pick-up in demand in Q1 2021 due to China's rapid recovery and the snap back from the worst impact of Covid-19 in 2020 in the major economies; improving consumer sentiment and increasing consumption expenditure trends seen in Q1 2021.
- OFI is expected to benefit from greater demand for at-home food consumption as well as increase in food service sector demand as economies open up across the globe. In addition, shifting consumer patterns such as greater emphasis on food quality as well as incremental earnings contribution from the newly acquired businesses in the US are expected to drive growth.
- OGA is expected to deliver strong performance growth in H1 2021 as both food and feed segments are expected to show positive growth while non-food segment, particularly Cotton, is experiencing strong recovery in demand compared to H1 2020.
- Overall, barring unforeseen circumstances, the economic outlook and prospects of the Group remain positive, with the industry poised for recovery in 2021, aided by growing demand and tight commodity supplies.

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Key takeaways

1

The Company is announcing a **renounceable, fully underwritten rights issue**:

- 3 for 20 rights issue at S\$1.25 per rights share
- Represents a 26.9% discount to the last traded price on 21 June 2021 and a 24.2% discount to the theoretical ex-rights price of S\$1.65
- Expected to raise approximately S\$601.7 million of gross proceeds

2

The rights issue proceeds will be used to **partially repay debt used to complete the acquisition of Olde Thompson**, working capital and general corporate purposes

3

The proposed offering will **bolster the Company's balance sheet, enhance its credit profile and provide financial flexibility** to capture future growth opportunities in line with its Strategic Plan

4

Fully sub-underwritten by major shareholder Temasek

