

Olam Group publishes its 2021 Annual Report: “Transforming to serve a changing world”

Singapore, April 8, 2022 – Leading global food and agri-business, Olam Group Limited (“Olam Group” or together with its subsidiaries “the Group”), has published its 2021 Annual Report, which details its financial and non-financial achievements across three comprehensive components: Strategy Report, Governance Report and Financial Report.

The Annual Report sets out progress and updates from the Group during 2021 including:

- The Group’s strongest financial performance since inception with revenue up 31.2% to S\$47.0 billion, EBIT up 33.0% to S\$1.4 billion and PATMI up 179.4% to S\$686.4 million;
- Significant progress in the Group’s Re-organisation journey, with the completion and carve-out into three distinct operating groups – ofi (Olam Food Ingredients), Olam Agri and the Remaining Businesses of Olam Group (“Remaining Olam Group”) – to form a new group structure¹ that will allow it to explore the sequential sale, spin-off or IPO of ofi, Olam Agri and potentially the other businesses of the remaining Olam Group, so as to unlock long-term shareholder value;
- Progress across its key non-financial Capitals (Human, Natural, Intellectual, Social, Manufactured), which are fundamental to continued business performance and profitability, license to operate and relationships with stakeholders; and
- Actions that are positively addressing social, environmental and climate related challenges facing the food and agricultural sector, and delivering greater transparency across its operations and supply chains.

Sunny Verghese, Co-Founder and Group CEO of Olam Group, said: *“The benefits of focus through the Re-organisation exercise have yielded strong growth for ofi and Olam Agri, and they are now well poised to succeed and flourish as independent new entities. Our continued investment in our non-financial Capitals is allowing us to create strong strategic assets and drive sustained long-term value.”*

A. Shekhar, CEO of ofi, said: *“The strength and breadth of our sustainable ingredients portfolio and the determination of our people have been key drivers of our performance in 2021 and helped in our resilient recovery from the COVID-19 impact. We remain confident about our future growth prospects buttressed by our compelling new purpose and growth strategy, and our ability to leverage the portfolio to deliver sustainable value creation for all stakeholders.”*

¹ The new Group structure is appended on page 7 of this news release.

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Mr Verghese who is also **CEO of Olam Agri** added: *“With leading market positions in high-growth emerging markets across food, feed and fibre, Olam Agri delivered a milestone year underpinned by strong year-on-year earnings growth and is well placed to deliver growth by leveraging a four-pillar strategy: maximise returns from recent strategic investments; expand presence in new, high-growth markets; enhance contributions from processing and value-added businesses; and explore expansion in adjacent businesses.”*

Olam Group’s audited consolidated financial results and segmental information by operating group for the period 2019-2021 are appended on page 4-6 of this news release.

The Group continues to prepare for the proposed listing and demerger of ofi and will evaluate the timing of the listing, taking into account prevailing market conditions.

It recently announced a strategic partnership with Saudi Agricultural and Livestock Investment Company (“SALIC”) through the sale of a 35.4% minority stake in Olam Agri to SALIC for US\$1.24 billion (approximately S\$1.7 billion). The transaction unlocks value and crystallises a benchmark valuation for Olam Agri ahead of a potential future IPO and demerger. Furthermore, the sale proceeds will be used to right-size the Group’s capital structure and reduce its leverage, and the strategic partnership would present opportunities for Olam Agri to capitalise on synergies to support growth including access to new markets.

Concurrently, Olam Group is also exploring strategic options for maximising the value of the Remaining Olam Group comprising Olam Ventures, Olam Technology and Business Services, and Olam Global Holdco.

The Group will hold its first Annual General Meeting (“AGM”) as Olam Group Limited on Monday, 25 April 2022 at 2.00 pm SGT. In view of the ongoing COVID-19 pandemic, the AGM will be conducted via electronic means. “Live” voting will be conducted during the AGM allowing both shareholders and proxyholders to cast their votes in real time for each resolution to be tabled via a “live” webcast.

A downloadable version of the Annual Report is available at
<https://olamgroup.com/investors/annual-report-2021.html>

Read the Global Reporting Initiative (GRI) disclosures and SASB Index here:
<https://olamgroup.com/investors/reports-results-and-presentations.html>

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About Olam Group

Olam Group 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 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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Appendix

Olam Group Consolidated Financials and Segmentals (2019 to 2021)

'000 MT / \$ m

ofi	2019 Restated	2020 Restated	2021	H1 2020 Restated	H1 2021	H2 2020 Restated	H2 2021
Volume	3,584.3	3,647.0	4,132.6	1,751.5	1,896.6	1,895.5	2,236.0
Revenue	11,765.3	12,290.4	14,606.2	6,037.8	6,808.8	6,252.6	7,797.4
EBIT	764.8	749.5	875.3	241.5	320.1	508.0	555.2
EBIT Margin	6.5%	6.1%	6.0%	4.0%	4.7%	8.1%	7.1%
Fixed Capital	3,961.2	4,066.9	5,651.8	3,843.8	5,486.5	4,066.9	5,651.8
Working Capital	4,940.1	5,245.2	5,540.0	4,717.4	5,849.4	5,245.2	5,540.0
Invested Capital	8,901.3	9,312.1	11,191.8	8,561.2	11,335.9	9,312.1	11,191.8
EBIT/IC	8.8%	8.2%	8.5%	-	-	-	-
ofi - Global Sourcing							
	2019 Restated	2020 Restated	2021	H1 2020 Restated	H1 2021	H2 2020 Restated	H2 2021
Volume*	3,449.0	3,417.1	3,451.6	1,717.4	1,583.6	1,699.7	1,868.0
Revenue*	9,381.6	9,804.3	10,044.9	5,119.5	4,713.4	4,684.8	5,331.5
EBIT	382.3	367.5	454.7	69.7	128.4	297.8	326.3
EBIT Margin	4.1%	3.7%	4.5%	1.4%	2.7%	6.4%	6.2%
Fixed Capital	2,218.3	2,212.0	2,187.8	1,936.9	2,086.4	2,212.0	2,187.8
Working Capital	3,278.0	3,278.6	2,907.1	2,839.7	3,214.0	3,278.6	2,907.1
Invested Capital	5,496.3	5,490.6	5,094.9	4,776.6	5,300.4	5,490.6	5,094.9
EBIT/IC	7.3%	6.7%	8.6%	-	-	-	-
*Includes inter-segmental sales volume and revenue							
ofi - Ingredients & Solutions							
	2019 Restated	2020 Restated	2021	H1 2020 Restated	H1 2021	H2 2020 Restated	H2 2021
Volume*	922.9	993.1	1,252.0	467.4	612.7	525.7	639.3
Revenue*	4,826.5	5,254.2	6,633.6	2,510.9	3,189.3	2,743.3	3,444.3
EBIT	382.6	382.0	420.6	171.8	191.7	210.2	228.9
EBIT Margin	7.9%	7.3%	6.3%	6.8%	6.0%	7.7%	6.6%
Fixed Capital	1,743.0	1,854.9	3,464.0	1,907.0	3,400.1	1,854.9	3,464.0
Working Capital	1,662.1	1,966.6	2,632.9	1,877.7	2,635.4	1,966.6	2,632.9
Invested Capital	3,405.1	3,821.5	6,096.9	3,784.7	6,035.6	3,821.5	6,096.9
EBIT/IC	11.2%	10.6%	8.5%	-	-	-	-
*Includes inter-segmental sales volume and revenue							

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	'000 MT / S\$ m						
Olam Agri	2019 Restated	2020 Restated	2021	H1 2020 Restated	H1 2021	H2 2020 Restated	H2 2021
Volume	34,948.0	39,925.5	40,607.1	17,840.1	20,106.7	22,085.4	20,500.4
Revenue	19,862.2	22,407.9	31,276.9	10,454.0	15,491.2	11,953.9	15,785.7
EBIT	383.6	497.0	752.9	257.6	407.5	239.4	345.4
EBIT/MT	11	12	19	14	20	11	17
Fixed Capital	1,881.1	1,869.4	1,874.4	1,862.6	1,908.5	1,869.4	1,874.4
Working Capital	1,333.1	2,341.3	3,367.6	1,308.6	1,615.4	2,341.3	3,367.6
Invested Capital	3,214.2	4,210.7	5,242.0	3,171.2	3,523.9	4,210.7	5,242.0
EBIT/IC	13.2%	13.4%	15.9%	-	-	-	-
Olam Agri - Food & Feed - Origination & Merchandising	2019 Restated	2020 Restated	2021	H1 2020 Restated	H1 2021	H2 2020 Restated	H2 2021
Volume	29,639.4	33,617.8	33,878.1	14,968.4	16,653.4	18,649.4	17,224.7
Revenue	13,413.8	15,267.5	21,952.6	6,929.8	10,930.8	8,337.7	11,021.8
EBIT	150.4	187.0	266.9	90.0	145.3	97.0	121.6
EBIT/MT	5	6	8	6	9	5	7
Fixed Capital	134.1	136.2	193.5	134.4	179.3	136.2	193.5
Working Capital	130.5	677.0	657.6	386.3	103.9	677.0	657.6
Invested Capital	264.6	813.2	851.1	520.8	283.2	813.2	851.1
EBIT/IC	42.1%	34.7%	32.1%	-	-	-	-
Olam Agri - Food & Feed - Processing & Value-added	2019 Restated	2020 Restated	2021	H1 2020 Restated	H1 2021	H2 2020 Restated	H2 2021
Volume	3,326.1	4,294.9	4,500.2	1,814.3	2,266.6	2,480.6	2,233.6
Revenue	2,246.4	3,166.5	4,124.3	1,325.5	1,883.4	1,841.0	2,240.9
EBIT	139.1	250.9	275.1	115.3	130.0	135.6	145.1
EBIT/MT	42	58	61	64	57	55	65
Fixed Capital	1,398.0	1,268.3	1,257.7	1,386.4	1,280.0	1,268.3	1,257.7
Working Capital	513.6	590.8	816.3	418.9	417.6	590.8	816.3
Invested Capital	1,911.6	1,859.1	2,074.0	1,805.3	1,697.6	1,859.1	2,074.0
EBIT/IC	8.6%	13.3%	14.0%	-	-	-	-
Olam Agri - Fibre, Agri-industrials & Ag Services	2019 Restated	2020 Restated	2021	H1 2020 Restated	H1 2021	H2 2020 Restated	H2 2021
Volume	1,982.5	2,012.8	2,228.8	1,057.4	1,186.7	955.4	1,042.1
Revenue	4,202.0	3,973.9	5,200.0	2,198.6	2,676.9	1,775.3	2,523.1
EBIT	94.1	59.1	210.9	52.3	132.2	6.8	78.7
EBIT/MT	47	29	95	49	111	7	76
Fixed Capital	349.0	464.9	423.2	341.8	449.3	464.9	423.2
Working Capital	689.0	1,073.5	1,893.7	503.3	1,093.9	1,073.5	1,893.7
Invested Capital	1,038.0	1,538.4	2,316.9	845.1	1,543.1	1,538.4	2,316.9
EBIT/IC	10.2%	4.6%	10.9%	-	-	-	-

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	'000 MT / S\$ m						
Remaining Olam Group	2019 Restated	2020 Restated	2021	H1 2020 Restated	H1 2021	H2 2020 Restated	H2 2021
Volume	1,219.6	837.2	685.6	466.7	364.1	370.5	321.5
Revenue	1,365.2	1,121.7	1,118.9	588.7	533.6	533.0	585.3
EBIT	(91.1)	(177.0)	(205.6)	(75.4)	(86.1)	(101.6)	(119.5)
Fixed Capital	3,180.4	2,798.8	2,509.4	3,298.2	2,786.7	2,798.8	2,509.4
Working Capital	493.3	344.1	68.9	508.3	291.7	344.1	68.9
Invested Capital	3,673.7	3,142.9	2,578.3	3,806.5	3,078.4	3,142.9	2,578.3
EBIT/IC	-2.4%	-5.2%	-7.2%	-	-	-	-
Remaining Olam Group - De-prioritised/Exiting Assets	2019 Restated	2020 Restated	2021	H1 2020 Restated	H1 2021	H2 2020 Restated	H2 2021
Volume	902.7	473.1	195.7	312.1	90.5	161.0	105.2
Revenue	852.8	535.5	322.4	336.7	143.6	198.8	178.8
EBIT	(45.9)	(34.7)	(26.5)	(3.2)	(12.6)	(31.5)	(13.9)
Fixed Capital	936.8	793.5	532.5	860.1	764.1	793.5	532.5
Working Capital	313.9	129.7	31.4	166.3	91.2	129.7	31.4
Invested Capital	1,250.6	923.2	563.9	1,026.4	855.3	923.2	563.9
EBIT/IC	-3.3%	-3.2%	-3.6%	-	-	-	-
Remaining Olam Group - Gestating Businesses	2019 Restated	2020 Restated	2021	H1 2020 Restated	H1 2021	H2 2020 Restated	H2 2021
Volume	316.9	351.8	442.5	154.5	264.3	197.3	178.2
Revenue	512.4	581.6	773.6	252.0	385.7	329.6	387.9
EBIT	(0.6)	(86.5)	(102.1)	(45.2)	(35.7)	(41.3)	(66.4)
Fixed Capital	2,243.6	2,004.5	1,961.7	2,428.3	2,021.5	2,004.5	1,961.7
Working Capital	179.5	214.7	38.5	342.0	198.5	214.7	38.5
Invested Capital	2,423.1	2,219.2	2,000.2	2,770.3	2,220.0	2,219.2	2,000.2
EBIT/IC	0.0%	-3.7%	-4.8%	-	-	-	-
Remaining Olam Group - Incubating Businesses (including corporate adjustments)	2019 Restated	2020 Restated	2021	H1 2020 Restated	H1 2021	H2 2020 Restated	H2 2021
Volume	-	12.3	47.4	0.1	9.2	12.2	38.2
Revenue	-	4.6	22.9	-	4.3	4.6	18.6
EBIT	(44.6)	(55.8)	(77.0)	(27.0)	(37.8)	(28.8)	(39.2)
Fixed Capital	0.0	0.8	15.2	9.8	1.1	0.8	15.2
Working Capital	-	(0.3)	(1.0)	(0.0)	2.0	(0.3)	(1.0)
Invested Capital	0.0	0.5	14.2	9.8	3.1	0.5	14.2
EBIT/IC	n.m	n.m	n.m	-	-	-	-
Olam Group Consolidated	2019 Restated	2020 Restated	2021	H1 2020 Restated	H1 2021	H2 2020 Restated	H2 2021
Volume	39,751.8	44,409.7	45,425.3	20,058.4	22,367.4	24,351.3	23,057.9
Revenue	32,992.7	35,820.0	47,002.0	17,080.4	22,833.5	18,739.6	24,168.5
EBIT	1,057.3	1,069.5	1,422.6	423.7	641.6	645.8	781.0
EBIT/MT	27	24	31	21	29	27	34
EBIT Margin	3.2%	3.0%	3.0%	2.5%	2.8%	3.4%	3.2%
Fixed Capital	9,022.8	8,735.1	10,035.6	9,004.7	10,181.7	8,735.1	10,035.6
Working Capital	6,766.6	7,930.6	8,976.5	6,534.3	7,756.5	7,930.6	8,976.5
Invested Capital	15,789.3	16,665.7	19,012.1	15,538.9	17,938.2	16,665.7	19,012.1
EBIT/IC	6.9%	6.6%	8.0%	-	-	-	-
ROIC	4.9%	3.7%	5.8%	-	-	-	-
Return on Beginning-of-period Equity	4.7%	3.4%	11.7%	-	-	-	-
Operational Return on Beginning-of-period Equity (ROE)	7.9%	11.2%	16.8%	-	-	-	-
Free cash flow before capex/ investments	1,200.5	161.3	868.3	-	-	-	-
Invested Capital excludes:							
1. Gabon Fertiliser Project	240.7	262.6	253.7	252.3	262.4	262.6	253.7
2. Long Term Investment	71.5	24.3	31.3	52.1	26.4	24.3	31.3

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Olam Group's new corporate structure (post Scheme of Arrangement and Dividend in Specie)

