Re-organisation of Olam : Unlocking long-term value

20 January 2020 | Singapore



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Cautionary Note on forward looking statements

This presentation may contain statements regarding the business of Olam International Limited and its subsidiaries ('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 and market 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, listed in this presentation, and/or discussed in today's news release. 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.

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We are **successfully implementing** our **Strategic Plan 2019-2024** and have **met the key strategic deliverables** of the first year

Our strategy was informed by 4 key trends



Right-for-me



Right-for-planet
Right-for-producers



How I live & consume



How it's produced

We developed 4 key strategic pathways & identified 4 enablers to execute this Plan

	01	02	03	04
4 PATHWAYS	Streamline, Focus & Strengthen our portfolio	Improve margins	Offer differentiated products/services in existing & new channels	Explore investments in new engines for growth
4 ENABLERS	Operational Excellence	Sustainability	Digital	Leadership & Talent

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Strategic Plan FY19-24 Progress: **Pathway 1 & 2**

01 Streamline, Focus & Strengthen our portfolio

Divesting deprioritised businesses & related assets, and recycling capital

Examples : Sales of permanent water rights (Australia), Sales of US onion & garlic real estate assets, Exit of Argentina Peanuts business, Closure of trading desks of Sugar / Rubber / Fertiliser

~US$700m

of Invested Capital released
(vs. US$1.6b targeted over the FY19-24 period)

Investing further in prioritised businesses

Example of investments :
Dangote Flour Mills (Nigeria), BT Cocoa (Indonesia), Hughson Nut Inc (USA), Cotonchad

US$900m+

of investments (organic & inorganic)
(vs. US$3.5b targeted over the FY19-24 period)

02 Improve margins through…

a) Cost efficiency

~US$70m

of cost reduction & productivity improvement

b) Capital productivity

~US$560m

FCFE as of Q3 FY19

65 days
Cycle Time (vs. 76 days in FY18)

1.37x
Gearing as of Q3 FY19

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Strategic Plan FY19-24 Progress: **Pathway 3a**

3a Value-added offerings

AtSource
Re-imagined by Olam

Expanded AtSource+

13 Products

30 Origins

125 customers

200k+ farmers



Risk Management Solutions

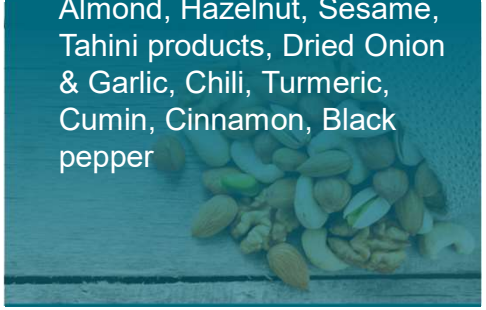
46 new clients acquired

Embed % at **16%** up from 10% in FY18



Value-added Services

- **All certifications** (Rainforest Alliance, Utz) & **customised grades**
- **Extensive organic range to meet rising demands across portfolio** : Coffee, Almond, Hazelnut, Sesame, Tahini products, Dried Onion & Garlic, Chili, Turmeric, Cumin, Cinnamon, Black pepper



Innovation : Further pivot to Ingredients

- Launched **multiple value-added ingredients** & provided **unique solutions** leveraging our **14 innovation centres** (e.g. “True Dark” cocoa powder, nut paste, soluble coffee, private label)
- **Building capabilities** for our new strategic initiatives



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Strategic Plan FY19-24 Progress: **Pathway 3b & 4**

3b Pursue growth by serving new customer segments & channels

Private Label / Contract Manufacturing Food Service Solutions

5 New large private label customers

8-10 Large private label customers in pipeline

~US$75m Incremental revenues

E-Commerce

460+ New customers

~US$30m of Revenue

04 3 new engines for growth being explored (Engine 2)



B2C Initiative

Farmer Services Platform

Controlled Environment Agriculture

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Over & above the Strategic Plan…



Olam announced its **new Strategic Plan** for the period FY19-24 in January 2019

The Company decided to explore options that would **unlock further value over and above our Strategic Plan on a sustained basis** by re-organising our portfolio

In May 2019, the Company appointed **two independent Financial Advisors (FAs)** – Credit Suisse & Rothschilds to conduct this exercise

Building in part on the FAs recommendation, Olam has decided to **re-organise its portfolio of businesses to create two new coherent operating groups**

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Bold plan to re-organise the current businesses into **two distinct operating groups**

Olam International (OIL)

1) Stewardship

- Hold OFI & OGA
- Parenting advantage (ensure continuity of the "Olam Way", execute cross-cutting initiatives across the Olam Group)
- Provide shared service to OFI & OGA to optimise synergies

2) Accelerator

- Nurture gestating businesses to full potential (Packaged Foods Business, Infrastructure & Logistics, Olam Palm Gabon)
- Incubate new engines for future growth
- Exit non-core / de-prioritised businesses & assets, and redeploy capital for growth



Olam Food Ingredients (OFI)

- Industry-leading businesses offering sustainable, natural, value-added food ingredients which are "on-trend"
- Comprises Cocoa, Coffee, Edible Nuts, Spices & Dairy



Olam Global Agri (OGA)

- Differentiated global agri-business with unique focus on high-growth emerging markets
- Comprises Grains & Animal Feed, Edible Oils, Rice, Cotton, Commodity Financial Services



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Re-organisation to unlock long-term value



Simplify our portfolio

- Re-organise the current diverse business portfolio into two new coherent operating groups in line with key consumer trends and market opportunities
- OIL to warehouse & manage the responsible divestment of non-core assets and businesses identified in the Strategic Plan

Sharpen focus

- Increased focus will enhance performance in each of the operating groups
- Better attract & retain best-in-class leadership and management teams for each operating group

Attract additional investors

- Target investors who are aligned with the vision of each operating group to better value these businesses

Accelerate profitable growth

- Raise new growth capital via potential carve-out / IPO of OFI and OGA
- Deploy new growth capital to accelerate growth over and above the Strategic Plan
- OIL to incubate new engines for growth

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Olam Food Ingredients

Meeting the needs of a changing consumer landscape

It's what consumers want…



- Health & nutrition
- Premiumisation
- Natural ingredients
- Indulgence
- Ethnic tastes
- Growth in private label
- Food service – increasing out-of-home consumption
- Environmentally & socially responsible
- Supply chain traceability & provenance
- Assurance / Certification

It's where we are increasing our capabilities

Olam Food Ingredients

Innovation centres & co-creation with customers on ingredient, blends, recipes, and solutions

No sodium innovations for clean labelling (e.g. cocoa, garlic and onion powders, high heat chilies)

Full range of edible nuts and formulations for healthy snacking and ingredients

Growing presence in private label, food services, and e-commerce

Natural colours and flavours – spices blends, no-added sugar purees

High-end, single origin ingredients (cocoa, coffee)

Wide range of specialty coffee products and dairy ingredients

AtSource provides traceability and enhanced levels of impact

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VISION

Olam Food Ingredients

A global leader offering sustainable, natural, value-added food ingredients, so consumers can enjoy the healthy and indulgent products they love

A complementary & differentiated “on-trend” portfolio anticipating & meeting consumer food choices

Imaginative experts tailoring solutions in partnership with our customers

Global value chain presence from our own farms / farm-gate origination for transparent & sustainable sourcing, to adaptive manufacturing solutions



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Transforming ourselves to strengthen cross-cutting capabilities



Shared customers

New approach to cross-business key account management for food manufacturers, retailers, food service, and e-commerce customers



Centralised Product Development & Innovation

Building integrated centres of excellence for product development, applications and solutions



Private label / Co-manufacturing

Manufacturing downstream / packaged food for retailers, brand owners and food service



Farmers / farm-gate presence

Upstream operations in selective crops. Boots-on-the-ground at farm gate all year round



Unified digital channels

1st mile: Digitising multiple supply chains on common Apps

Last mile: Combining cross-business e-commerce initiatives, deliver fulfilment & capability and digital marketing



Sustainability

Clear sector leadership in sustainability exemplified by AtSource, the most comprehensive B2B sustainable sourcing platform

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Olam Global Agri

Operating across global food, feed & fibre supply chains

Market drivers



- Global population growth and growing middle class in emerging markets continues to drive increased demand for food, feed & fibre
- Shift towards protein-based diets in Asia & Africa
- Continued emphasis on national and global food security
- Significant base of smallholder farmers with limited capacity
- Increased government intervention / policy changes
- Overcapacity amongst large, global players
- Environmentally & socially responsible production & consumption

We have a unique & differentiated business model

Olam Global Agri

Long-standing presence and unique expertise in emerging markets

Proprietary operating capabilities in global origination, processing, trading, risk management solutions etc

Offering fortified products including edible oils, flour, rice

Building smallholder capacity to raise productivity and improve livelihoods

Eliminating unacceptable land-use practices and sustaining living landscapes

VISION

Olam Global Agri

Unrivalled leader in food, feed and fibre in high-growth emerging markets with proven expertise, processing capabilities and a global origination footprint

Deep understanding of market needs via on-the-ground presence in Asia and Africa over 30 years

Proprietary operating capabilities in global origination, processing, trading, logistics, distribution, and risk management

Fundamental strengths and strategic manufacturing assets in key destination markets



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Transforming ourselves to strengthen cross-cutting capabilities



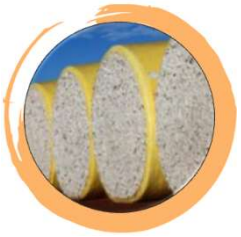
Local distribution

Significant penetration in terms of width & depth of distribution, offering cross-selling opportunities



Trading & Risk Management

Proprietary knowledge and insight through shared research and best practice, and real-time risk management



Global origination

A network of procurement offices strategically located in key growing origins



Freight and logistics

Sharing bulk freight management expertise across all businesses. Proficiency in operating critical emerging ports



Consumers

Providing fortified, nutritious & affordable food, and knowing how to cater to the changing preferences of convenience food and shift in dietary habits to more protein consumption



Licence to operate

Co-operating with governments to meet their national food security agenda.

Managing all stakeholders, including governments, communities, suppliers holistically.



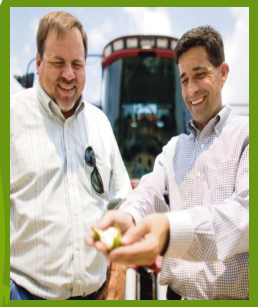
Olam International Limited

Olam International : Key Roles as a Steward

1 Parenting advantage

a) Ensure continuity of the "Olam Way"

- **Institutionalise Culture & Values**
  Including the entrepreneurial mindset, stretch & ambition and ownership to deliver
- **Foster Spirit**
  Embedding Founders' Mentality, etc



b) Execute cross-cutting initiatives such as…



AtSource



Re-imagineers



Eco-Cal

2 Drive key enablers & providing shared services to the two operating groups

a) Enablers



Operational Excellence



Sustainability



Digital



Leadership & Talent

b) Shared Services



Functions



Countries / Regions

Olam International : Key Roles as an Accelerator

3 Nurture gestating businesses to full potential



PACKAGED FOODS
Achieve leadership in selected food categories (culinary, snacks & dairy beverages) in Nigeria/Ghana and expand into adjacent markets in West Africa



INFRASTRUCTURE & LOGISTICS
Extract full value from our existing Gabon operations & selectively expand into other markets in Africa



OLAM PALM GABON
Develop fully RSPO certified upstream Palm Oil business in Gabon

4 Incubate new engines for growth (Engine 2)



B2C Initiative



Farmer Services Platform



Controlled Environment Agriculture



5 Manage the responsible divestment of non-core de-prioritised assets & businesses identified in the Strategic Plan

VISION

Olam International

Parent company of OFI and OGA with a key role to unlock the full value of the Olam Group by providing active stewardship to the new operating groups and accelerating growth

Ensure continuity of the "Olam Way", implement cross-cutting initiatives and drive key enablers

Provide shared services to OFI and OGA to optimise synergies

Nurture gestating businesses to full potential, incubate new engines for future growth & release capital from divestments



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Management Structure

- **A Shekhar** has been appointed as the **CEO of OFI** and will therefore step down from his current role as Group Chief Operating Officer of Olam with immediate effect

- **Sunny Verghese** will hold charge as **CEO of OGA** and **Olam International**, in addition to continuing as Group CEO



Stage-gated execution plan



STEP 1

Re-segmentation

Re-segment the current business into two new operating groups (OFI & OGA) under Olam International

STEP 2

Re-organisation

Re-organise the Company with dedicated leadership & management teams for each of the operating groups (H1 2020)

Report financials and key performance metrics for each operating group (H1 2020)

STEP 3

Potential Carve-out

Engage with investors, and explore / evaluate potential sequential carve out of OFI and OGA

STEP 4

Potential IPO

Progress with potential capital raise/ IPO listing on a sequential basis in the relevant market, if key valuation and related conditions are met

Accelerate growth over and above the Strategic Plan

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Key takeaways

The Company has made **significant progress** in the first year of its Strategic Plan 2019-2024 implementation

Re-organising our current business into **OFI & OGA simplifies the portfolio, sharpens focus, allows investors to participate in two distinct themes via potential carve-outs or IPOs and accelerates profitable growth**

Olam International will **hold the two new operating groups, provide parenting advantage, enable synergies, develop gestating businesses to full potential, incubate new engines** for future growth, and **release capital from divestments**

We believe this re-organisation will **maximise Olam's long-term value**

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