

Olam Food Ingredients Acquisition of Olde Thompson

Media / Analysts Briefing

29th April 2021 | Singapore



Cautionary Note

This presentation has been prepared by Olam International Limited (the "**Company**") in respect of its new operating group, **Olam Food Ingredients** or **OFI**. OFI was created after the re-organisation of the Company's global food and agri-business into two distinct reporting segments. For the purposes of this notice, "presentation" means this document, any oral presentation, any question and answer session and any written or oral material discussed or distributed relating to its contents, and "**Group**" means the Company and its subsidiaries. The presentation has not been independently verified and no representation or warranty, express or implied, is made or given by or on behalf of the Company or any member of the Group, or any of such person's respective directors, officers, employees, agents, affiliates or advisers, as to, and no reliance should be placed on, the accuracy, completeness or fairness of the information or opinions contained in this presentation and no responsibility or liability is assumed by any such persons for any such information or opinions or for any errors or omissions. All information presented or contained in this presentation is subject to verification, correction, completion and change without notice.

This presentation includes forward-looking statements. The words "expect", "anticipate", "intends", "plan", "estimate", "aim", "forecast", "project" and similar expressions (or their negative) identify certain of these forward-looking statements. These forward-looking statements are statements regarding the Company's and OFI's intentions, beliefs or current expectations concerning, among other things, the Company's and/or OFI's results of operations, financial condition, liquidity, prospects, growth, strategies and the industry in which the Group operates. The forward-looking statements in this presentation are based on numerous assumptions regarding the Group's present and future business strategies and the environment in which OFI will operate in the future. Forward-looking statements involve inherent known and unknown risks, uncertainties and contingencies because they relate to events and depend on circumstances that may or may not occur in the future and may cause the actual results, performance or achievements of the Company to be materially different from those expressed or implied by such forward looking statements. Many of these risks and uncertainties relate to factors that are beyond the Group's ability to control or estimate precisely, such as future market conditions, currency fluctuations, the behaviour of other market participants, the actions of regulators and other factors such as the Group's ability to continue to obtain financing to meet its liquidity needs, changes in the political, social and regulatory framework in which the Company operates or in economic or technological trends or conditions. Past performance should not be taken as an indication or guarantee of future results, and no representation or warranty, express or implied, is made regarding future performance. The Company and OFI expressly disclaim any obligation or undertaking to release any updates or revisions to these forward-looking statements to reflect any change in the Company's or OFI's expectations with regard thereto or any change in events, conditions or circumstances on which any statement is based after the date of this presentation or to update or to keep current any other information contained in this presentation. Accordingly, undue reliance should not be placed on the forward-looking statements, which speak only as of the date of this presentation.

On 26 February 2021 the Company announced that it was preparing OFI for listing ("**Proposed Listing**"). This presentation does not constitute or form part of, and should not be construed as, any offer, invitation or recommendation to purchase, sell or subscribe for any securities in any jurisdiction and neither the issue of the information nor anything contained herein shall form the basis of or be relied upon in connection with, or act as an inducement to enter into, any investment activity including in connection with the Proposed Listing. This presentation does not purport to contain all of the information that may be required to evaluate any investment in the Company or the Proposed Listing and should not be relied upon to form the basis of, or be relied on in connection with, any contract or commitment or investment decision whatsoever. This presentation is intended to present background information on OFI, its business and the industry in which it operates and is not intended to provide complete disclosure upon which an investment decision could be made if and when the Proposed Listing is implemented. Any investment decision at the time of any Proposed Listing should be made solely on the basis of an approved prospectus (together with any supplementary prospectus, if relevant) published as part of the Proposed Listing. Any person considering such an investment in the Proposed Listing, should it occur, should obtain their own independent professional advice.

To the extent available, the industry and market data contained in this presentation has come from official or third party sources. Third party industry publications, studies and surveys generally state that the data contained therein have been obtained from sources believed to be reliable, but that there is no guarantee of the accuracy or completeness of such data. While the Company believes that each of these publications, studies and surveys has been prepared by a reputable source, the Company has not independently verified the data contained therein. In addition, certain of the industry and market data contained in this presentation come from the Company's own internal research and estimates based on the knowledge and experience of the Company's management in the market in which the Company operates. While the Company believes that such research and estimates are reasonable and reliable, they, and their underlying methodology and assumptions, have not been verified by any independent source for accuracy or completeness and are subject to change without notice. Accordingly, undue reliance should not be placed on any of the industry or market data contained in this presentation.

Presenters



A. Shekhar

Chief Executive Officer



Rishi Kalra

Chief Financial Officer

Table of Contents

- 1. Transaction Overview**
2. Olde Thompson Overview
3. Investment Rationale
4. Key Takeaways





**Olam
Food
Ingredients**

OLDE THOMPSON
since 1944

Transaction Overview

- OFI to acquire a **leading US private label (“PL”) spices & seasonings manufacturer Olde Thompson (“OT”)** at an Enterprise Value of **US\$950 million¹**
- Aligns with OFI’s vision and accelerates its growth strategy of **delivering sustainable, natural, value-added food and beverage ingredients and solutions**
- **Transformative** for OFI’s **spices business** – an **attractive and growing** part of its portfolio; and **expands its PL capabilities** across the OFI portfolio
- Valued at **~11.5x EV/EBITDA²**, or **~8.5x EV/EBITDA²** including expected synergies
- Expected to be **earnings and margin accretive** from the first-year onwards
- **Completion targeted in Q2 2021**, subject to customary closing conditions

(1) Subject to net working capital adjustment at closing

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

Table of Contents

1. Transaction Overview
- 2. Olde Thompson Overview**
3. Investment Rationale
4. Key Takeaways



Olde Thompson



Olde Thompson : A strong growth platform

A leading player

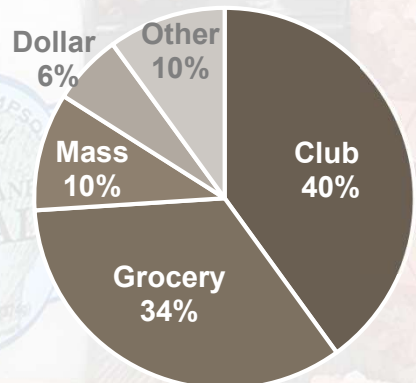
Spices & seasonings in US PL market

2020 US PL Market Share²



Blue-chip retail customers

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



OLDE THOMPSON
since 1944

Including  ¹

Full Solutions Provider

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



Bi-coastal manufacturing

Highly automated plants & national distribution serving the entire US market



• Manufacturing Facilities

(1) Acquired by OT in 2020
(2) Source: IRI industry data and OFI estimates

Table of Contents

1. Transaction Overview
2. Olde Thompson Overview
- 3. Investment Rationale**
4. Key Takeaways



Investment rationale – aligned with OFI's vision

- 1** Accelerates OFI's growth strategy and strengthens its competitive position in a **Core Product, Category & Channel**; at the centre of **evolving consumer trends**
 - Delivering **bold, authentic, natural taste & flavours** to meet rising consumer demand
 - Combination will significantly enhance OFI's **end-to-end sustainable, traceable and innovative spice solutions** for its retail customers
 - Creates a **substantive growth platform** for OFI to further **expand its PL offering** across its other **products & categories**
- 2** Opportunity to acquire a leading PL spices & seasonings supplier in the US operating in a **high growth category**, with **strong relationships** across many major US retailers
- 3** **Attractive cost & revenue synergy potential** – within spices and across PL for other OFI products & categories
- 4** Expected to drive **significant earnings and margin growth** for OFI from first-year onwards
- 5** **Experienced & motivated management team** - bringing domain experts in the retail space who can accelerate our growth plans in spices and other products in the US



Trends – Right for the consumer, producer & planet

Sustainable & Traceable

Delivering end-to-end supply chain provenance & traceability, and addressing social equity and environmental concerns

Health & Wellness

Natural ingredients delivering health & wellness benefits consumers want

Consumption Behaviour

Multi-channel capabilities (across global CPG¹ brands, private label, foodservice and e-commerce) driven by out-of-home / snacking / platforms / social media

Taste & Flavours

Tasty and flavourful ingredients catering to changing culinary requirements / ethnic tastes



¹ CPG = Consumer Packaged Goods

Accelerates OFI's growth strategy



We deliver **value-added solutions** to each of our customers through...

- **Differentiated sustainability & traceability impact solutions** (via AtSource)
- **Supply chain and risk management led solutions**
- **Combining innovative plant science and product development led application solutions**
- **Channel specific solutions** (e.g. PL, Food Service)

Combination of **OFI's 'back-end' strengths** in global origination & innovation across the value chain, and **Olde Thompson's 'front-end' capabilities** to provide retail spice solutions will offer **differentiated value** to our customers

OT is at the heart of evolving consumer trends and OFI's growth strategy

US spices & seasonings industry overview

Favourable trends & growing market

Key trends



Increased preference for **bold, authentic, natural taste & flavours**



Consumer awareness for products with **health benefits** (Reducing sodium intake, increasing usage of turmeric, garlic etc.)



Rise in demand for **ethnic food**

Unique characteristics



Fragmentation of the spices supply chain



Non-discretionary nature of spices consumption



Relative price inelasticity compared with other food categories

US\$5.4B US spices market size (2020)¹

~4% US spices market growth (2015-2019 CAGR)¹

~15% US spices PL category growth (2015-2019 CAGR)¹

~26% US PL penetration rate (vs. Western Europe @ >40%)²

OFI+OT provides unique end-to-end customer offering in spices

'Farm'

"Fork"

OFI spices

'Back-end' strengths in global origination, sustainable supply chain, and innovation across the value chain

- **Diverse portfolio of more than 20 product lines** – global supplier of onion, garlic, chilli, pepper, tropical spices, purees & parsley
- **Sourcing from 12 origins** – extensive presence across most growing regions
- **75 years of proprietary seed research and plant breeding**
- **Manufacturing in 5 countries** – Robust origin processing facilities providing unparalleled traceability
- **Global sales reach to more than 70 countries**



OLDE THOMPSON
since 1944

- **Complementary product portfolio**
- **Strong 15+ years partnership** – OFI is currently the largest supplier to OT

Olde Thompson

"Front-end" capabilities to provide retail spice solutions

- **Leading US PL player**
- **Blue-chip retail customers**
- **Bi-coastal manufacturing**
- **Solutions in blending, product formulation and packaging**

...delivered by an industry-leading management team

Attractive cost & revenue synergy potential: OFI+OT combination can drive significant integration to better serve customers



Leverage OFI spices' strength in **raw material procurement**



Optimise **packaging, distribution & logistics**



Value-added & innovative solutions

- **Sustainable & traceable offerings**
- **Processing/blends/seasonings solutions**



Cross-sell opportunities

- Existing OFI **spice products** to OT customers & vice versa (incl. E-commerce)
- **Other OFI products** to OT customers & vice versa



Potential **EBITDA synergies** of **US\$25-30 million**

Financial impact

On top of OFI's current base...

~US\$770m

EBITDA for OFI 2020

...OT is expected to add significant earnings from the first-year onwards...

~US\$80m

EBITDA for OT 2020¹

...with potential for further cost & revenue synergies...

~US\$25-30m

Potential EBITDA synergies

...and continued growth in the large & attractive US PL spices and other categories



Table of Contents

1. Transaction Overview
2. Olde Thompson Overview
3. Investment Rationale
- 4. Key Takeaways**



Key Takeaways

- **Aligned with OFI's vision and accelerates its growth strategy**
- **Significantly improves OFI's competitive position in a Core Product (spices), Category (culinary) & Channel (PL)**
- **Opportunity to acquire a leading player in a high growth category with strong customer relationships**
- **Attractive cost & revenue synergy potential**
- **Expected to drive significant earnings and margin growth for OFI from first-year onwards**
- **Adds an experienced & motivated management team to OFI's talent pool**



**Olam
Food
Ingredients**

*OLDE THOMPSON
since 1944*



Olam Food Ingredients

Please visit our virtual exhibition at...

OFI Experience

<https://www.ofiexperience.com/>