



**OLAM GROUP LIMITED**  
(Company registration number: 202180000W)  
(Incorporated in the Republic of Singapore)

## **FOURTH ANNUAL GENERAL MEETING TO BE HELD ON 25 APRIL 2025**

### **RESPONSES TO QUESTIONS**

Olam Group Limited (“Olam Group” or the “Company”, together with its subsidiaries “the Group”) would like to thank all shareholders who have submitted their questions by 17 April 2025 2.00 pm Singapore time ahead of the Company’s Fourth Annual General Meeting (“AGM”), which will be held in person on 25 April 2025 at 2:00 pm Singapore time.

The responses to the questions are set out in the Appendix of this announcement. Some questions have been edited for clarity.

Mr. Sunny Verghese, Co-founder and Group Chief Executive Officer and Executive Director will deliver a presentation to shareholders at the AGM. A copy of the presentation along with the results of the AGM will be issued on SGXNET and made available on the Company’s website on our Investors page at: <https://www.olamgroup.com/investors.html> after the conclusion of the AGM. The minutes of the AGM will also be made available as described above within a month from the date of the AGM.

By Order of the Board

Michelle Tanya Kwek  
Company Secretary

Singapore, 20 April 2025

### **About Olam Group Limited**

Olam Group is a leading food and agri-business supplying food, ingredients, feed and fibre to almost 22,000 customers worldwide. Our value chain spans over 60 countries and includes farming, processing and distribution operations, as well as a global sourcing network of farmers.

Through our purpose to ‘Re-imagine Global Agriculture and Food Systems’, Olam 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 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](http://www.olamgroup.com). Follow @olam:



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## APPENDIX

### SALE OF OLAM AGRI

1. The proposed sale of remaining 64.57% in Olam Agri to SALIC would raise estimated total gross cash proceeds of US\$2.58 billion (S\$3.41 billion), not including closing adjustments and the 6% IRR for tranche 2. The share price of Olam Group closed at S\$0.895 on 16 Apr 2025, which is equivalent to a market capitalisation of S\$3.39 billion. Assuming the proposed Olam Agri sale completed successfully, am I right to infer that the 16 Apr 2025 closing price is effectively valuing **ofi** and Remaining Olam Group operating entities, in aggregate, at zero or even negative valuation?

**ANSWER:** The proposed sale of Olam Agri to SALIC was done at an implied 100% equity valuation of US\$4.0 billion for Olam Agri alone. It is difficult to ascertain what proportion of this, if any, the market has imputed into Olam Group's share price at this stage, but we do believe the current share price does not fully reflect the intrinsic value comprising the expected proceeds from the Olam Agri stake sale, the ofi business and the Remaining Olam Group assets and businesses.

It is difficult to speculate as to why this is the case, but one reason could be the application of a "conglomerate discount" at the Olam Group level. Going forward, as we execute the Updated Reorganisation Plan, further information will become available, as appropriate, which should allow for a better understanding of the standalone value potential of ofi and the value from the potential proceeds from the divestment of the Remaining Olam group's assets and businesses. We believe that this would eventually get reflected in the Olam Group share price.

2. The proposed sale to SALIC values Olam Agri at US\$4.0 billion on a 100% basis. This represents a 3.47x price-to-book value multiple to Olam Agri's book value of US\$1.15 billion (S\$1.52 billion) as of 31 December 2023. As at 31 December 2024, Olam Group's equity and reserves are S\$7.0 billion with non-controlling interest at S\$309 million – a total equity of S\$7.3 billion. Assuming Olam Agri's book value is still at S\$1.52 billion, am I right to infer that the combined book value for **ofi** and Remaining Olam Group operating entities is S\$5,798,776 as at 31 December 2024? Is it reasonable to expect the initiatives to unlock the full potential value of **ofi**, to yield at least a 1x price-to-book value multiple of its implied book value?

**ANSWER:** As at 31 December 2024, the Group's total book value of equity was S\$7.3 billion. Of this, Olam Agri's equity stood at S\$1.8 billion and therefore the combined equity of **ofi** and Remaining Olam Group was at S\$5.5 billion.

Out of the total equity of S\$5.5 billion, equity attributable to ofi was S\$4.4 billion. As announced on 14 April 2025, the next step being planned for ofi is the infusion of US\$500 million as equity. This infusion will enable ofi to continue its focus on becoming a more value-added global food & beverages ingredients player and provide greater flexibility to pursue various strategic initiatives to unlock the full potential value of ofi for OGL's shareholders via both private and/or

public routes, for example exploring a concurrent listing in Europe and in Singapore at an appropriate time. As we progress with exploring these alternatives, we will develop a more informed view on how the value of ofi through these options compares to the book value and this will be a consideration, among various other factors, in the timing and manner in which value is unlocked from ofi.

In addition, we also intend to responsibly divest the remaining businesses/assets of the Olam Group and progressively distribute the net proceeds as dividends to shareholders.

## **SHARE BUYBACK**

- 3 In last year's AGM minutes, Olam Group replied "The Company believes its share price is currently trading below its intrinsic value and book value... we therefore prioritise share buyback programmes up to the maximum of 5.0% of our outstanding shares". However, despite share price being below S\$1.20, Olam has not done any share buyback nor been aggressive to demonstrate that the Company thinks its stock is undervalued. Is the Company short of cash to do buybacks? Can it be more aggressive in buying back stock?

**ANSWER:** Although Olam Group had announced a share buyback plan of up to the maximum 5.0% of outstanding shares within its share buyback mandate, the Company was not able to buyback its shares during most of 2024 as it was in possession of material, non-public and price sensitive information including at that time, the ongoing discussions with SALIC on the proposed sale by Olam Group of its remaining 64.57% stake in Olam Agri.

On 14 April 2025, in its announcement of the update on its Re-organisation Plan, the Company stated that it would re-initiate share buybacks under the existing share buyback mandate, for which shareholders' approval will be sought, for the renewal of its mandate at the upcoming annual general meeting.

On 17 April 2025, the Company has commenced the share buyback program.

## **POTENTIAL OFI IPO**

- 4 I read with interest in Olam Group CEO Mr. Sunny Verghese's comments about the pursuit of ofi IPO as stated in the news release dated 28 February 2025. My question would be, can the Group provide a clear timeline of the plan about the IPO process from the start to the estimated date of listing? I do understand that the plans are subject to market conditions. However, a clear and concrete timeline would be helpful for shareholders and stakeholders to better understand the efforts behind this process.

**ANSWER:** As indicated at the media/analysts briefing on 14 April 2025, Olam Group is expected to infuse US\$500 million of equity into ofi in the next 3 to 4 months. One of the objectives of this equity infusion is to provide greater flexibility to pursue various strategic initiatives to unlock the full potential value of ofi for OGL's shareholders via both private and/or public routes, for example exploring a concurrent listing in Europe and in Singapore at an

appropriate time. We have already demonstrated the value of this flexibility in the case of Olam Agri where we successfully concluded the value unlock through the private route when the IPO option was delayed due to regulatory considerations. We will continue to update shareholders on the progress of the options being explored in respect of ofi, as appropriate, going forward.

## **DIVESTMENT OF REMAINING OLAM GROUP'S ASSETS**

- 5 I note that the Company had earlier indicated that there are "five remaining de-prioritised assets ear-marked for exit as part of the 2019-2024 Strategic Plan, namely 1) Sugar mill in India; 2) Edible oil refinery in Mozambique; 3) remaining 32.4% stake in ARISE P&L; 4) 60% stake in Olam Rubber Gabon Uruguay; and 5) Gabon Fertiliser Project. We expect to responsibly divest these assets in the next two years.", would you please update shareholders on the progress of divestment of these de-prioritised assets. What are the difficulties Olam faces in its attempts to divest them? Is there a lack of a liquid market, financing abilities from the buyer's perspective, or inability to reach a consensus on pricing? Also, when will the divestments of these de-prioritised assets be completed? Please detail and elaborate.

**ANSWER:** In the Company's announcement dated 19 April 2024, the Company stated that the sugar mill in India and the edible oil refinery in Mozambique are complementary assets to the Olam Agri business. Olam Agri, now with SALIC as a substantial 35.4% shareholder (and a 100% owner with the expected completion of the sale of the remaining 64.57% stake) will be in a better position to steward these businesses to their full potential. The Group had therefore sold the sugar mill in India from the Remaining Olam Group into Olam Agri in 2023 and the edible oil refinery in Mozambique from the Remaining Olam Group into Olam Agri in 2024.

We also announced the divestment of the remaining 32.4% stake in ARISE P&L for US\$175 million on 17 April 2025.

We remain committed to our goal of responsibly divesting the remaining businesses and assets in the Remaining Olam Group and distributing the proceeds to our shareholders as special dividends as part of this value creation plan. We believe there will be strategic and financial investors who are potentially the natural long-term owners of these businesses and will therefore see value in these businesses and be prepared to invest in their growth potential. We will update our shareholders in due course as we make progress with these divestments.

- 6 I note that in the 14 April 2025 announcement, Olam stated its intention to divest the Remaining Olam Group. The Remaining Olam Group comprises "Olam Global HoldCo", "Mindsprint" and "Nupo Ventures". What are the carrying values of these assets per the latest financial year?

**ANSWER:** Collectively, the Remaining Olam Group has a total invested capital of approximately S\$2.7 billion, including invested capital in Gabon Fertiliser Project, as of end-2024. We have provided a break-up of this invested capital into Deprioritised/Exit Assets, Continuing/Gestating Businesses, Incubating Businesses and Gabon Fertilizer Project in our Management Discussion & Analysis released on 28 February 2025 along with our H2 2024 results. As we are embarking on a process of responsibly divesting these remaining assets &

businesses of the Remaining Olam Group, a further disaggregation at the level of individual assets/businesses would not be appropriate as it could compromise our ability to secure the best value for these assets.

## **DIVIDENDS**

- 7 Dividends have dropped from 8.5 cents for FY2022 to 7 cents for FY2023, then to 6 cents for FY2024. I note that the Company does not have a fixed dividend policy and this is the first time it is paying dividends at a payout ratio exceeding 100%. Will dividends be cut further going forward? What is the company's dividend policy? Please detail and elaborate.

**ANSWER:** The Company does not have a fixed dividend policy. The Directors' policy is to recommend dividends consistent with the Company's overall governing objective of maximising intrinsic value for our continuing shareholders. Dividend payments are affected by matters such as the level of our future earnings, results of operations, capital requirements, cash flows, financial conditions, our plans for expansion, general business conditions and other factors, including such legal or contractual restrictions as may apply from time to time, or which our Directors believe are relevant to the level of dividends declared by our Company.

Shareholders should note that with the anticipated completion of the sale of our remaining 64.57% stake in Olam Agri, assuming all other things remaining the same, the attributable profits to OGL's shareholders would be lower and therefore, the Group may not be able to pay the same level of ordinary dividends going forward.

However, we have committed to divesting all assets and businesses of the Remaining Olam Group and we expect to progressively distribute the net proceeds from these divestments to shareholders as special dividends going forward.

## **FINANCIALS**

- 8 Can you please provide the following financial information for each of the three distinct operating groups – **ofi**, Olam Agri and Remaining Olam Group – for the year ended 31 December 2024: i) Book Value; ii) PATMI; iii) Financing Cost; iv) Debt level, ie loans and borrowings.

Given the huge financing cost component, as well as the sharp surge over the year, it is worthwhile for the Company to include Financing Cost and PATMI as key earnings metric for each of the three operating groups in future financial reports. Please consider.

**ANSWER:** Our key financial metrics for each operating group and their segments since 2020 have been: 1) Sales volume; 2) revenue; 3) EBITDA; 4) EBIT; 5) EBIT per metric tonne; 6) Fixed capital; 7) Working Capital; and 8) Invested Capital (total of fixed and working capital); 9) EBIT/Average invested capital (EBIT/IC). These remain the relevant metrics to assess business performance at the operating group level and we have therefore continued to provide these metrics, the latest being in our H2 2024 results announcement on 28 February 2025.

- 9 The Company experienced a significant rise in working capital due to unprecedented sharp rises in commodities such as cocoa and coffee, as well as higher rice inventory and edible oil prices at year end. i) Was the Company able to pass on the increased financing cost, as a consequence of the significant rise in working capital, to its customers? ii) How effective was the Company's hedging strategy for the year?

**ANSWER:** Despite the large increase in invested capital, returns in terms of EBIT/IC for **ofi** increased to 7.4% in 2024 compared to 7.1% in 2023, on account of strong EBIT growth of 29.1%, which reflects our ability to secure additional margins to compensate for the elevated capital, with the typical lag.

Working capital represented the significant majority of invested capital growth, which increased by S\$5.6 billion to S\$17.4 billion for **ofi**. This was due to sharp and persistent increases in prices of several key input raw materials, including cocoa, coffee, pepper and cashew nuts. However, it is important to note that almost all of this is reflected in higher readily marketable inventory (RMI), which are sold forward and/or hedged inventory using financial instruments, so that there is no erosion of value in our inventory. Further despite the higher Rice inventory, Olam Agri ended FY2024 with lower inventory levels as compared to FY2023. As regards higher edible oil prices, higher debtor levels for Olam Agri were matched by an equivalent increase in secured receivables, thereby reflecting an adequately hedged position.

- 10 Olam operates in many countries, many of which are in emerging markets. With the recent severe volatility in the forex markets, such as the CNY falling to a new low, USD weakening etc, how does Olam manage its forex risks? Please explain and elaborate.

**ANSWER:** The Group trades its products globally and, as a result, is exposed to movements in foreign currency exchange rates. The Group undertakes foreign currency hedging activities to protect against the volatility associated with foreign currency purchases and sales of raw materials and other assets and liabilities created in the normal course of business. The Group primarily utilises foreign currency forward exchange contracts and cross-currency interest rate swaps to hedge its commitments. The Group has transactional currency exposures arising from sales or purchases that are denominated in a currency other than the respective functional currencies of Group entities. The foreign currencies in which these transactions are denominated are mainly Singapore Dollar (SGD), Great Britain Pounds (GBP), US Dollar (USD), Australian Dollar (AUD), Euro (EUR) and Japanese Yen (YEN) (not CNY). The sensitivity of the Group's profit net of tax and equity to a reasonably possible change in the SGD, GBP, USD, AUD, EUR and YEN exchange rates, with all other variables held constant, is set out on page 274 of the 2024 Annual Report.

- 11 The 10-year treasury yield spiked in recent days and it seems that the interest rate would stay higher for longer. What is the management view of the trajectory of interest rate going forward? Please detail and elaborate.

**ANSWER:** The interest spread/margin on loans taken by the operating groups have been largely stable over the past two years despite the macroeconomic headwinds and we expect the same to be the case in the foreseeable future as well. As regards to benchmark interest rates, such as SOFR, SONIA, SORA etc, the outlook is less clear given the tariffs overhang on markets and its uncertain inflationary/recessionary impact, which may have an impact on the interest rate outlook for 2025 and beyond.

- 12 Please advise if the Capital Securities will be transferred or has already been transferred to any of the three operating entities?

**ANSWER:** The capital securities (Perpetual securities), originally issued by Olam International Limited were novated to Olam Group Limited in 2022. These securities are hybrid in nature with both debt and equity characteristics. For the purposes of the Updated Re-organisation Plan that was announced on 14 April 2025, these securities have been considered as debt and therefore included in the approximately US\$2 billion allocation to de-lever the Remaining Olam Group.

## OTHERS

- 13 What do you envisage would be the impact of the tariffs announced by the US and China in the past (few) weeks on Olam? How are **ofi**, Olam Agri and Remaining Olam Group affected by and coping with the tariff war?

**ANSWER:** **ofi** has a significant presence in the US and it is a significant destination market for its ingredients. Currently, food products will also be subject to reciprocal tariffs between countries but given our global sourcing footprint and combination of origin and destination production facilities, this would help us mitigate potential supply chain disruptions and minimise the adverse financial impact, as we have demonstrated through numerous market events over recent years. Our focus remains on supporting our customers by providing alternative sourcing options that reduces the net impact of the proposed tariffs on their operations, thereby further entrenching **ofi** as an important partner to them. We are experienced in navigating policy disruptions and overall market uncertainty and are undertaking robust scenario planning analyses to minimize any potential impact to our business, while ensuring we stay focused on our strategy to deliver long-term sustainable growth.

For Olam Agri, our exposure to the US as an origin or market is limited. Our principal trade flows in origination and merchandising operations have been the trade flows of 1) Grains and Oilseeds from South America (Brazil, Argentina), the Black Sea and EU into China, South-east Asia and the Middle-East; 2) Rice from India, Thailand and Vietnam into Africa and Middle-East; and 3) Edible Oils from Southeast Asia, Black Sea and Latin America into Southern Africa and Asia. Its value-added processing business is concentrated in the emerging consumer markets in Africa. In its Fibre, Agri-industrials and Ag Services segment, our exposure to the US is limited to the export of US cotton and the import of wood products and rubber into the country. As we are also sourcing cotton from other regions such as Australia, Africa and Brazil,

and selling wood products and rubber to other major markets such as the EU and Asia, we are well-placed to adjust to any shifts in demand in response to the US tariffs.

There is limited impact of US tariffs on the Remaining Olam Group given that most of its businesses are concentrated in upstream plantations in Gabon (Olam Palm Gabon and Olam Rubber Gabon), consumer packaged foods business in Ghana and Nigeria and dairy farming in Russia (Rusmolco).

- 14 I have a question for Olam CEO, may I ask what values have Olam unlocked for the shareholders which you have mentioned so many times in the past? Please explain in details how the shareholders can benefit from this unlocking of Olam?

**ANSWER:** In January 2020, OGL announced the Re-organisation of its diverse business portfolio into three distinct operating groups – ofi (Olam Food Ingredients), Olam Agri and the Remaining Olam Group – to maximise and unlock Olam Group’s long-term shareholder value via potential carve-outs and capital raising options and asset divestments (“2020 Re-organisation Plan”). Separation and carveouts were completed and the three operating entities were created in January 2022.

To-date, the Group has executed the following:

- Sale of a substantial minority stake of 35.43% in Olam Agri to Saudi Agriculture & Livestock Investment Company (“SALIC”) for US\$1.3 billion at an implied 100% equity valuation of US\$3.5 billion in December 2022;
- Sale of OGL’s remaining stakes in ARISE IIP and ARISE IS to the Africa Transformation and Industrialization Fund for US\$189 million in early 2023;
- Disposal and sale of assets in Remaining Olam Group, namely the sugar milling assets in India and edible oil refinery in Mozambique, into Olam Agri in 2023 and 2024 respectively;
- Signed definitive agreements on February 24, 2025 for the proposed sale of its remaining 64.57% stake in Olam Agri to SALIC at a higher implied 100% equity valuation of US\$4.0 billion over two tranches. OGL will sell a 44.58% stake in Olam Agri to SALIC for US\$1.78 billion (“Tranche 1”) and the balance 19.99% stake to SALIC through an irrevocable call/put option within three years from completion of Tranche 1 at the same base valuation with closing adjustments plus 6.0% IRR (“Tranche 2”). The sale of Tranche 1 and 2 would raise estimated total gross cash proceeds of US\$2.58 billion, accreting a gain of US\$1.84 billion to the equity reserves of the Group.
- Sale of the Olam Group’s 32.41% remaining stake in ARISE Ports & Logistics for a consideration of US\$ 175 million, which represents approximately a 7% premium over the carrying value of the investment in the Company’s books as at 31 December 2024.

As announced on 14 April 2025 as part of our Updated Reorganisation Plan, we are focussed on achieving 3 key objectives:

1. Right-size the Remaining Olam Group’s capital structure by allocating approximately 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 and continue to support various strategic initiatives to unlock the 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 and progressively distribute the net proceeds to shareholders via special dividends.

The Updated Re-organisation Plan is expected to be financed from two main sources of funds that are expected to become available to the Olam Group:

1. Gross cash proceeds estimated at US\$2.58 billion from the sale of 64.57% stake in Olam Agri (taking into account the proceeds of the Tranche 2 call/put option when exercised). Completion of Tranche 1 is expected to take place as soon as closing conditions and requisite regulatory approvals have been received.
2. Net sale proceeds from the divestment of assets and businesses in the Remaining Olam Group.

Given the intended 100% sale of Olam Agri to SALIC and the plan to divest all the assets and businesses of the Remaining Group over time, the Group's focus will be to prioritise the value creation plan for ofi going forward.

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