



OLAM GROUP LIMITED

(Company registration number: 202180000W)
(Incorporated in the Republic of Singapore)

**ANNOUNCEMENT
PROFIT GUIDANCE FOR THE FIRST HALF ENDED 30 JUNE 2023**

Olam Group Limited, together with its subsidiaries (the “Group”) wishes to provide the following profit guidance for the first half ended 30 June 2023 (“H1 2023”). The Group expects its H1 2023 Reported Profit after Tax and Minority Interest (“PATMI”) to be materially lower, against the prior corresponding period (“H1 2022”).

This decline is primarily on account of (a) an unprecedented and materially lower crop yield in the Group’s almond orchards in Australia, and (b) the impact of higher interest costs which impacted H1 2023 results. A large part of the higher interest costs (in the case of working capital funding in particular) are being recovered through an increase in selling prices, albeit with a lag.

Almond production, as like any other agricultural crop, is affected by multiple factors during the pollination, growing and harvesting cycles that could impact the yield and quality of the crop. However, the entire almond industry in Australia faced a significant and unprecedented decline in crop yield in the 2022/2023 growing season compared to historical yields and expectations for the season. The Group observed a combination of lower bee activity during pollination (due to disease) and unseasonal cold, wet conditions (due to excessive rain and flooding) through the growing and pre-harvest periods. Based on our agronomy assessments and ongoing studies by the industry, these factors led to an unexpected drop in yield and quality of the 2023 almond crop in Australia.

With the Group having completed the harvest and partial processing of the crop by mid-July, it estimates the final yields to be 35% to 40% lower than forecast. The Group would therefore expect to record a net exceptional one-off, non-recurring charge of approximately US\$83 million on a post-tax basis (PATMI) in its financial statements for H1 2023, subject to finalisation and approval by the Board of the H1 2023 Group results.

The final impact for the full year 2023 will be ascertained in H2 2023 after the entire processing and sale of the crop is completed. Based on available agronomy data, overall tree health post the 2023 crop harvest and industry estimates, the orchards are likely to return to their natural yield curve from 2024 onwards.

Notwithstanding this exceptional one-off charge and the impact from higher interest costs, the Group currently expects its overall net profit to remain positive for H1 2023 and FY 2023. Further details of the Group’s performance will be disclosed when the Group releases its H1 2023 financial results on 11 August 2023.

The Group wishes to advise shareholders and potential investors to exercise caution when dealing in the securities of the Group. Persons who are in doubt as to the action they should take, should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisers before trading in or making any investment decision regarding the Group’s securities.

26 July 2023

About ofi

olam food ingredients (“ofi”) is a new operating group born out of Olam. ofi offers sustainable, natural, value-added food products and ingredients so that consumers can enjoy the healthy and indulgent products they love. It consists of industry-leading businesses of cocoa, coffee, dairy, nuts, and spices. ofi has built a unique global value chain presence including its own farming operations, farm-gate origination, and manufacturing facilities. ofi partners with customers, leveraging its complementary and differentiated portfolio of ‘on-trend’ food products, to co-create solutions that anticipate and meet changing consumer preferences as demand increases for healthier food that’s traceable and sustainable.

To subscribe to the ofi newsroom and for more information on ofi please visit www.ofi.com

Follow @ofi-group

About Olam Group

Olam Group is a leading food and agri-business supplying food, ingredients, feed and fibre to 20,200 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:



Olam is located at 7 Straits View, Marina One East Tower #20-01, Singapore 018936.
Telephone: +65 63394100, Facsimile: +65 63399755.

Contacts for Olam Investor Relations

Aditya Renjen
Senior Vice President
aditya.renjen@ofi.com
+65 66031104, 96570339

Chow Hung Hoeng
Vice President
chow.hunghoeng@olamagri.com
+65 63179471, 98346335

Issued on behalf of Olam Group Limited by:

WATATAWA Consulting, 3 Harbourfront Place, #12-02/04, Harbourfront Tower 2, Singapore 099254

Ong Chor Hao
Director
chorhao@we-watatawa.com
+65 96272674

Melissa Sim
Associate Director
msim@we-watatawa.com
+65 93802938