



## 22<sup>nd</sup> Annual General Meeting

April 25, 2017  
Singapore



# Cautionary note on forward-looking statements

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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.

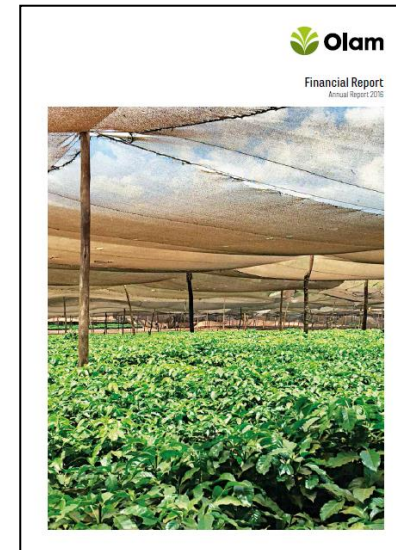
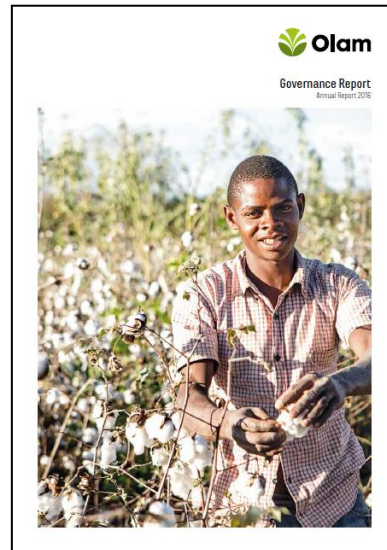
Such forward looking statements are intended to be identified by words such as 'believe', 'estimate', 'intend', 'may', 'will', 'expect', and 'project' and similar expressions as they relate to the Group. Forward-looking statements involve certain risks and uncertainties because they relate to future 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 conditions, foreign exchange fluctuations, interest rate changes, commodity price fluctuations and regulatory developments. 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.

# Agenda

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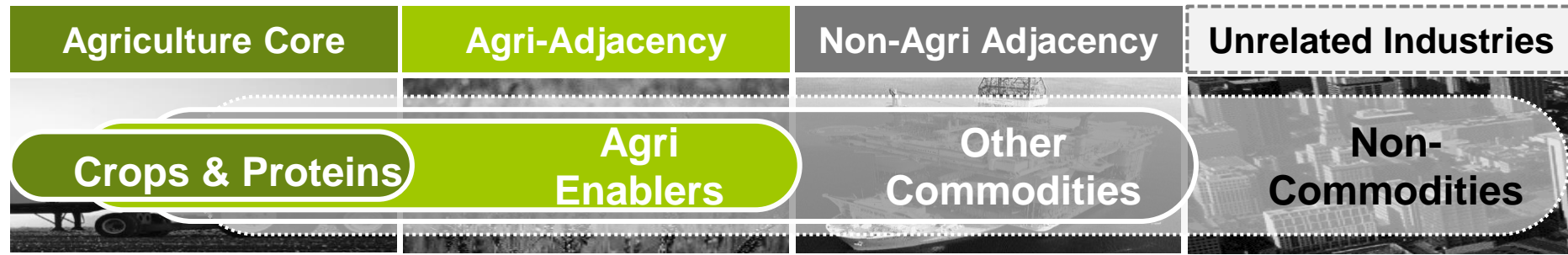
- Strategy update
- Financial performance
- Sustainability highlights




















Strategy update



# We are making clear choices on where to participate

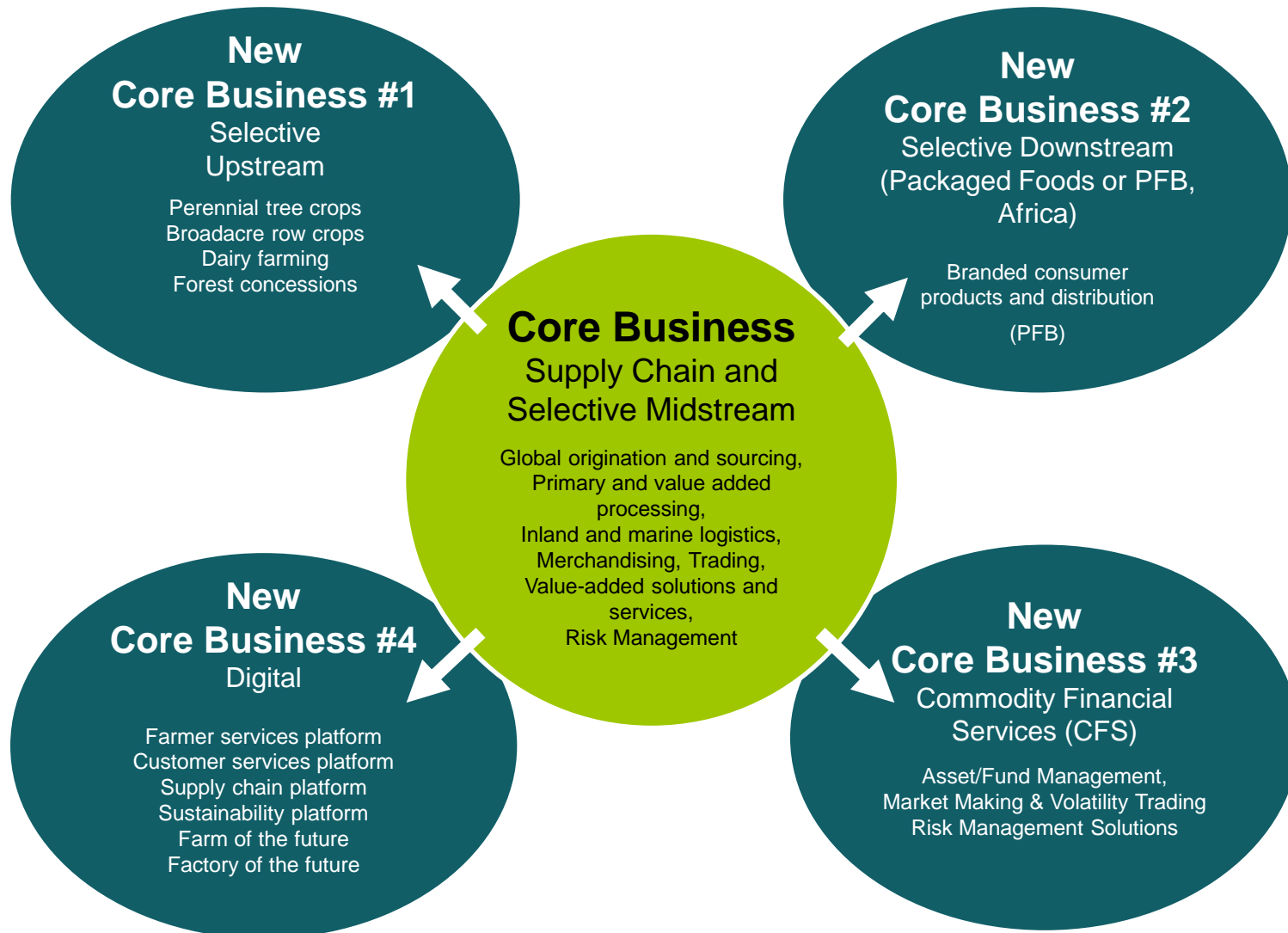


**Digital as bridge across opportunities**

|   |   |   |  |
|---|---|---|--|
| <ul style="list-style-type: none"> <li> Crops</li> <li> Livestock &amp; meat (proteins)</li> <li> Dairy (fats)</li> <li> Forestry</li> <li> Biofuels</li> <li> Food ingredients</li> <li> Fisheries</li> </ul> | <ul style="list-style-type: none"> <li> Inputs (fertilisers, seeds, chemicals &amp; animal feed)</li> <li> Shipping</li> <li> Agri-logistics</li> </ul> | <ul style="list-style-type: none"> <li> Commodity financial services</li> <li> Energy (oil &amp; gas)</li> <li> Base metals, minerals &amp; ores</li> <li> Precious metals</li> <li> Rare earth metals</li> </ul> | <ul style="list-style-type: none"> <li> Real estate</li> <li> Brokerage</li> </ul> |
|---|---|---|--|

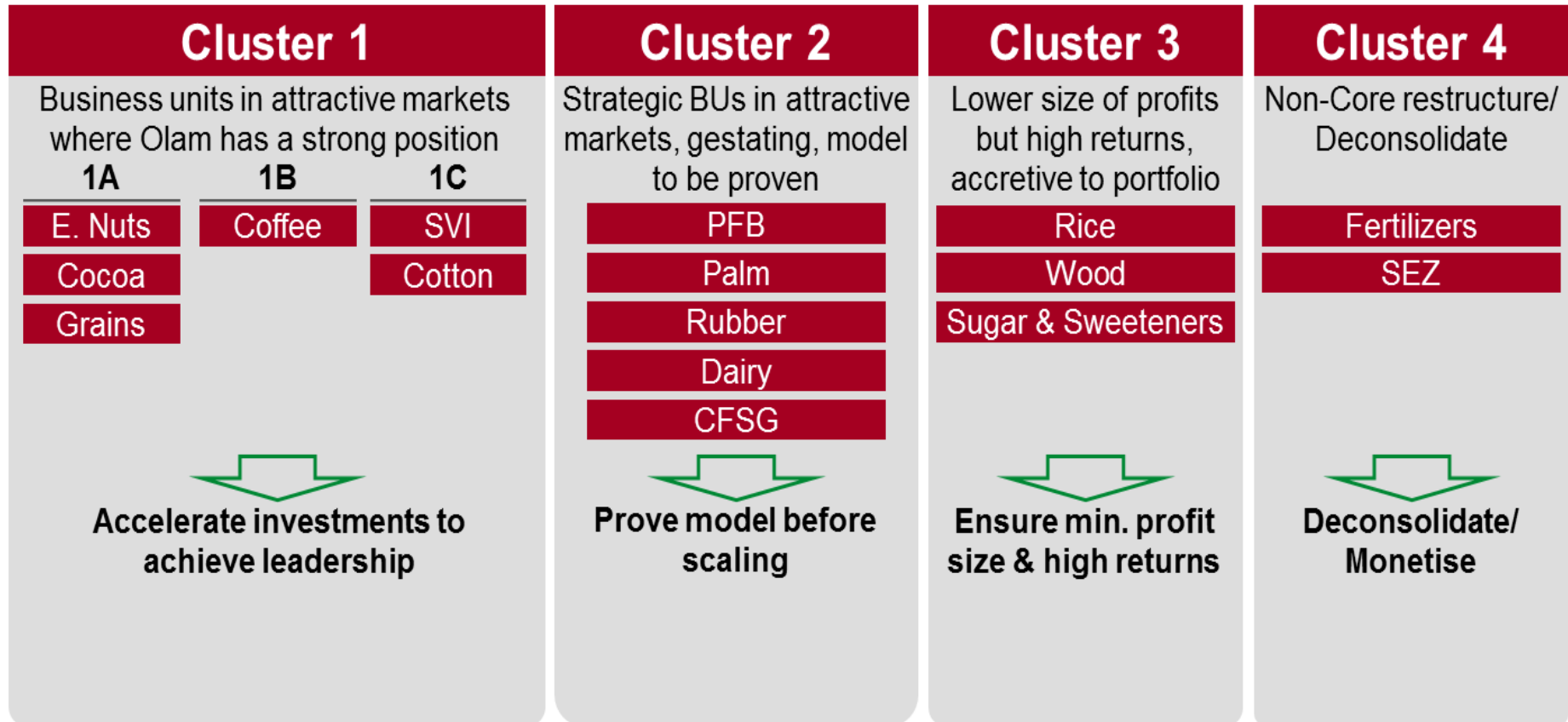
 Olam's participation

# Developing new core businesses



# 2016-2018 strategic plan

Organised into 4 clusters



# 2016-2018 strategic plan

Prioritise Africa, focus as a separate vertical

## Leverage Africa as a Globally Competitive Supply Source



- ❖ **Palm & Rubber:** Successfully execute Palm & Rubber upstream plantation expansion and selective midstream investments
- ❖ **E. Nuts, Cocoa, Coffee, Cotton, SVI:** Continue to expand most attractive Africa-based sourcing & midstream processing

## Supply Food Staples & Ingredients into Africa



- ❖ **Grains:** Expand milling in Nigeria (M&A) and other African countries; enter Animal Feed
- ❖ **Rice:** Maintain position in Africa
- ❖ **Dairy & Sugar** distribution

## Participate in African Consumer Story



- ❖ **PFB:** Double down on Nigeria, Ghana & other parts of West Africa and to drive profitability

## Invest in Africa Agri Logistics Infrastructure



- ❖ African agri infra-structure (warehouses, silos, ports)



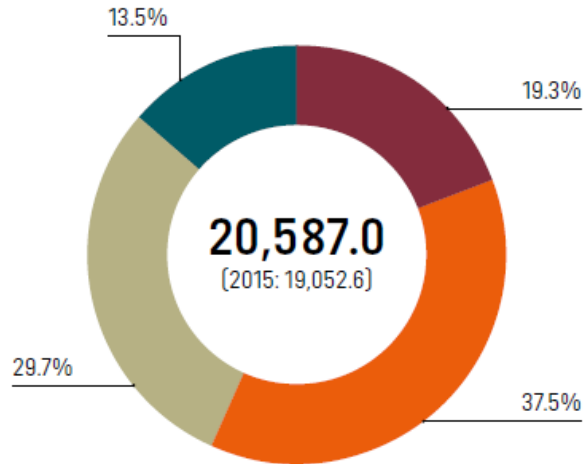


Financial performance

# 2016 results

Diversified across products and regions

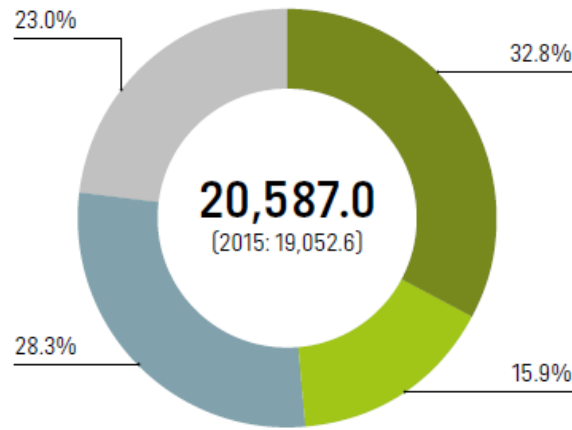
2016 Sales revenue by segment (\$\$'000)



- Edible Nuts, Spices and Vegetable Ingredients
- Confectionery and Beverage Ingredients
- Food Staples and Packaged Foods
- Industrial Raw Materials, Ag Logistics and Infrastructure

**> 85% of the portfolio is related to food and food products**

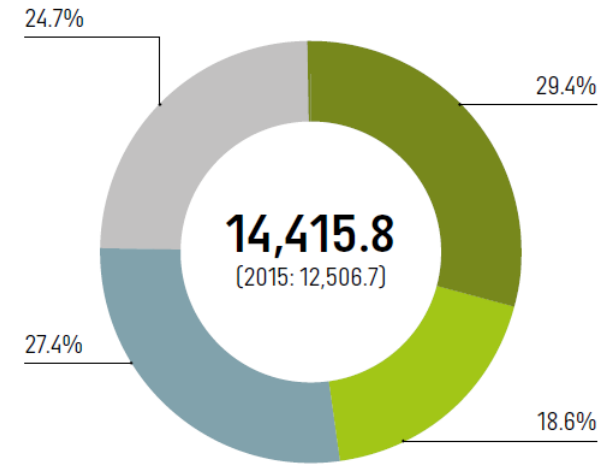
2016 Sales revenue by region (\$\$'000)



- Asia, Australia and Middle East
- Africa
- Europe
- Americas

**Strong focus on emerging markets**

2016 Sourcing volume by region ('000 MT)



- Asia, Australia and Middle East
- Africa
- Europe
- Americas

**Balanced portfolio across countries and both hemispheres**

**Highly diversified product portfolio providing stability to earnings and cash flows with strong presence in growth markets in Asia, Africa and Latin America**

# 2016 results

## P&L analysis

| S\$ million  | 2016            | 2015<br>Restated | % Change    |
|--|-----------------|------------------|-------------|
| Volume ('000 MT)                                   | <b>14,415.8</b> | 12,506.7         | 15.3        |
| Revenue  | <b>20,587.0</b> | 19,052.6         | 8.1         |
| Net gain/(loss) in fair value of biological assets | <b>14.1</b>     | (51.9)           | N.M.        |
| <b>EBITDA</b>                                      | <b>1,202.8</b>  | 1,085.2          | 10.8        |
| Depreciation and amortisation                      | <b>(353.5)</b>  | (266.6)          | 32.6        |
| Net finance costs                                  | <b>(403.5)</b>  | (448.9)          | (10.1)      |
| Taxation   | <b>(94.3)</b>   | (89.3)           | 5.6         |
| Exceptional items                                  | <b>(12.5)</b>   | (397.0)          | N.M.        |
| PAT  | <b>339.1</b>    | (116.6)          | N.M.        |
| <b>PATMI</b>                                       | <b>351.3</b>    | <b>(114.9)</b>   | <b>N.M.</b> |
| <b>Operational PATMI</b>                           | <b>363.8</b>    | <b>295.6</b>     | <b>23.1</b> |

Note: Results are for the 12-month financial period ended 31 December.

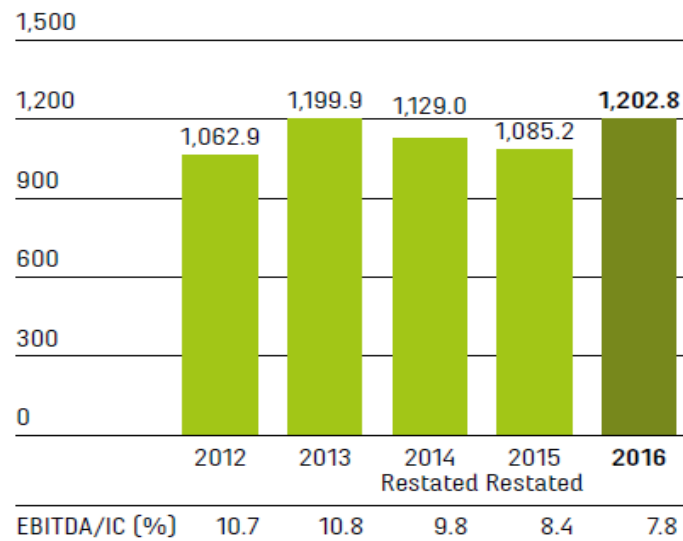
- Volume up 15.3% with growth from most segments
- EBITDA grew 10.8% with strong growth from Confectionery & Beverage Ingredients and Food Staples & Packaged Foods partly offset by lower contribution from the other three segments
- Lower net finance costs but higher depreciation and amortisation
- PATMI at S\$351.3 million on improved operational performance and lower exceptional losses compared to 2015; Operational PATMI up 23.1%

# 2016 results

## EBITDA and invested Capital

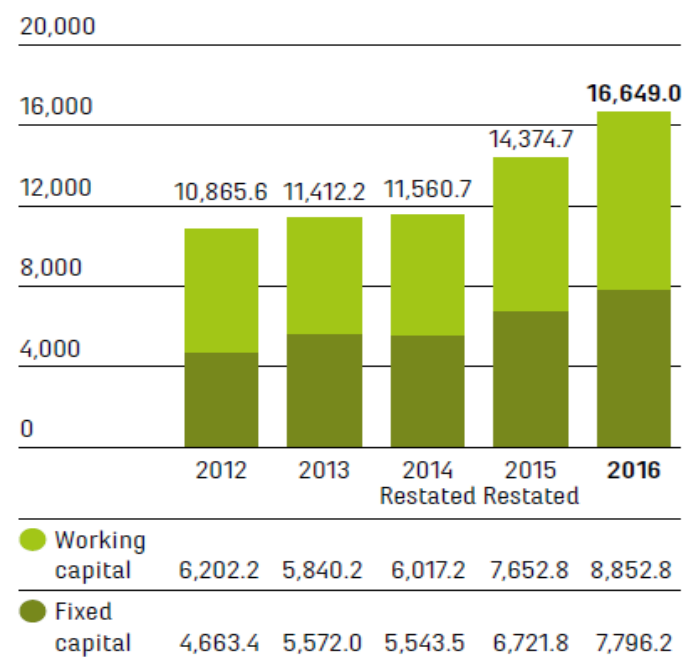
### EBITDA

In S\$m



### Invested capital

In S\$m



- Increase in Fixed Capital from acquisition of wheat milling and peanut shelling assets, as well as continued investments in upstream and midstream assets in 2016 compared with 2015
- Increase in Working Capital from higher volumes (both organic and post acquisitions) and higher commodity prices, including coffee, cocoa and cotton in 2016 compared with 2015

Invested Capital excludes

(a) Gabon Fertiliser Project (31 Dec 2016: S\$ S\$224.8 million ; 31 Dec 2015: S\$209.8 million,); and

(b) Long-term Investments (31 Dec 2016: S\$ S\$148.4 million ; 31 Dec 2015: S\$269.2 million)



## Sustainability highlights



# Growing responsibly

Environmental and social: 7 material areas



## Labour

Providing a safe workplace where everyone's rights are respected



## Food safety

Improving food safety and quality across our business



## Food security

Improving access to affordable food



## Livelihoods

Supporting thriving communities



## Water

Responsible use of water for our own needs without impacting the needs of others



## Land

Selecting and managing land responsibly



## Climate change

Adapting to climate risks and opportunities for Olam and communities

# Growing responsibly

## Activities across our 7 material areas



### Labour

69,772 total workforce - includes **34,727** casual, contract, seasonal workers  
74% men, 26% women

**Safety Culture** – Lost Time Injury Frequency Rate reduced by **30%** in 2016  
Fair Labor Association membership to address labour issues including child labour  
Adherence to International Labour Organization standards



### Food Safety

Priority focus areas: Improving traceability in the supply chain; supporting smallholders to improve quality; pursuing certification for top tier relevant processing facilities – 82% BRC / FSSC 22000 in 2016



### Food Security

Priority focus areas: Increasing yield and productivity, promoting better nutrition, reducing post-harvest loss, investing in agri-infrastructure & research, reducing land degradation, leading in public-private collaborations; expanding fortification in PFB products



### Livelihoods

Buying direct from **4.33 million** smallholder farmers globally  
Flagship **Olam Livelihood Charter (OLC)** embraces over **300,000** smallholders  
Over **30** OLC partnerships with customers, NGOs and others  
Supporting farmers with **training, improved varieties and access to credit**

# Growing responsibly

## Activities across our 7 material areas (cont'd)



### Water

#### Increase water use efficiency:

- **10%** reduction in surface and ground water in upstream and processing water intensity per tonne of product by 2020 (**31%** reduction in own operations 2016)
- Minimising impact of wastewater discharge
- Signatory to UN CEO Water Mandate
- “*More Crop per Drop*” Campaign



### Land

#### Adherence to International Standards including certifications:

- Conducting Environmental and Social Due Diligence
- Obtaining Free Prior and Informed Consent from communities
- Protecting High Conservation Value and High Carbon Stock Areas
- Roll out of Supplier Code - **58%** of priority volumes procured in 2016 covered by Code (also covers human rights)



### Climate Change

#### Mitigate greenhouse gas (GHG) emissions:

- 10% GHG intensity reduction per tonne of product by 2020 (**29%** improvement in own operations 2016)
- Increase business resilience through adaptation & mitigation (incl. suppliers)
- Measuring carbon footprint - reports submitted to Carbon Disclosure Project



# Stay up to date

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22<sup>nd</sup> Annual General Meeting Presentation 25 April 2017

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