BUSINESS PERFORMANCE UPDATE

Singapore, May 14, 2020 – Following the amendments to the Singapore Exchange Securities Trading Limited Listing Rules (Mainboard) which are effective from February 7, 2020, Olam International Limited ("Olam" or the "Company") had on February 28, 2020 indicated that it would now report its financial results half-yearly and continue to provide relevant disclosures of its strategy, operating and financial conditions as appropriate. However, given the current uncertainty due to the COVID-19 pandemic, the Company has decided to provide a brief business update and outlook, including a summary of the Group's unaudited results for the quarter ended March 31, 2020 ("Q1 2020").

S$ million	Q1 2020	Q1 2019	% Change
Volume ('000 MT)	8,360.0	8,460.6	(1.2)
Revenue	7,684.0	7,347.9	4.6
EBITDA	390.9	420.3	(7.0)
PAT	166.4	158.8	4.8
PATMI	**179.1**	**168.8**	**6.1**
Operational PATMI	**135.9**	**181.0**	**(24.9)**

Summary unaudited results for Q1 2020

Our key businesses remained profitable in Q1 2020 despite COVID-19. PATMI grew by 6.1% to S$179.1 million on the back of net exceptional gains of S$43.2 million in Q1 2020 (Q1 2019: -S$12.2 million). The net exceptional gains arose mainly from the divestment of the Company's remaining 50.0% stake in Far East Agri, which held its sugar refinery assets in Indonesia, and the reduction of the Group's effective interest in ARISE P&L from 40.5% to 30.6% as part of GSEZ's re-organisation with infusion of additional capital by A.P. Moller Capital and Africa Finance Corporation.

EBITDA declined 7.0% to S$390.9 million due to lower contributions from Edible Nuts, Spices, Coffee, Dairy and Edible Oils, partly compensated by improvements in Cocoa, Grains and Animal Feed & Protein and Cotton.

Operational PATMI, which excludes exceptional items, decreased by 24.9% to S$135.9 million in line with the lower EBITDA and due to higher finance costs arising from increased working capital, and higher depreciation and amortisation.

The Group continued to strengthen its balance sheet with the necessary credit lines to finance its operations. It further enhanced its liquidity position as at March 31, 2020 with cash and cash equivalents of S$4.5 billion, S$6.3 billion of readily marketable inventories (RMI), S$2.2 billion of secured receivables and unutilised bank lines of S$7.5 billion, aggregating to total available liquidity of S$20.5 billion to meet its working capital and Capex requirements.

Net gearing stood at 1.53 times (Q1 2019: 1.35 times) due to an increase in net debt from higher working capital and weakening of the Group's reporting currency in Singapore dollar against its functional currency in US dollar. Adjusting for RMI and secured receivables, the net gearing was 0.35 times (Q1 2019: 0.34 times).

Post Q1 2020, the Company and its wholly owned subsidiary, Olam Treasury Pte. Ltd. ("OTPL"), secured multi-tranche financing facilities aggregating US$176.0 million from the International Finance Corporation ("IFC") and Japan International Cooperation Agency ("JICA"). The facility consists of two tranches – a 5-year term loan of US$120.0 million and a 7-year term loan of US$56.0 million.

COVID-19 impact and outlook

Olam continues to play an important role in providing essential food staples, food ingredients, feed and fibre to customers around the world in a safe, responsible and sustainable way. Whilst maintaining business continuity and strictly adhering to local regulations in all our operations, our primary focus has been to ensure employee health and food safety.

In many of our locations around the world, Olam has been deemed to be providing a valuable and essential service and as a result, we were able to operate most of our global facilities at or near capacity in Q1 2020. We were largely able to use our global sourcing reach and local operational and supply chain capabilities to ensure that we continued to serve our customers and minimise disruptions to their supply chains during these unprecedented times.

The impact on demand from COVID-19 varied across products. We experienced lower demand in some of our non-food categories like Cotton and in food products with significant out-of-home consumption like Edible Oils and Coffee. We also saw lower demand in Almonds and Dairy due to the lockdown in China in Q1 2020. However, demand for most food staples was generally resilient and spiked in some cases due to the pantry restocking effect both at the household and retail level.

With 80-85% of the Group's revenues in the food category where demand is less sensitive to recession or economic downcycles, the Group believes that it will be able to better navigate the demand led uncertainties around COVID-19.

However, the impact of COVID-19 on Q2 2020 and the rest of the year remains very uncertain with a wide range of outcomes that could impact demand and supply conditions across different geographies, businesses and financial markets.

The Group has been proactive in controlling costs and conserving cash to mitigate against potential adverse impact from the COVID-19 crisis. It will continue to monitor and assess this impact on a more dynamic basis rather than on a fixed planning cycle basis and provide an assessment along with unaudited financial statements for the first-half ending June 30, 2020 ("H1 2020") or earlier, if material developments arise.

On May 4, 2020 the Company announced that the tiered revenue sharing arrangement of its onion and garlic processing facility in Gilroy, California ("RE Assets") with investment management firm Mesirow Financial ("Mesirow") has been terminated and titles of the RE Assets to be transferred back to the Company. Consequently, the H1 2020 results will record the difference in fair value of the RE assets and the value at which these were sold to Mesirow in 2019.

The Group remains focused on executing its major Re-organisation Plan announced in January 2020. During the quarter, it initiated the re-organisation process, including the appointment of senior management and executive teams for the respective operating groups.

Olam's Co-Founder & Group CEO Sunny Verghese said: "We are pleased with the resilience shown by our business in Q1 2020. Even as we stay focused on ensuring the continuity of our supply chains in these challenging times, it is even more relevant than ever, that we live our purpose of 'Re-imagining Global Agriculture and Food Systems', to help feed the world in a safer and a more reliable and sustainable way. Our deep and distributed origination and manufacturing capabilities and the focus on sustainability and digitalisation as key enablers are being validated everyday as we continue to provide differentiated solutions to meet the changing and diverse requirements of our customers in these unprecedented times."

Olam's Group CFO, N. Muthukumar said: "We are maintaining financial discipline by divesting our de-prioritised, non-core assets as part of our Strategic Plan to release cash and increasing our cash position and available liquidity. Looking forward, we are proactively managing our capital structure as we end the peak procurement season and manage market uncertainties amid the COVID-19 outbreak. At the same time, we continue to support stakeholders through this challenging period, including by providing smallholder farmers with stable market access with our US$176.0 million term loan from IFC and JICA secured in April."

Notes: Key Definitions

Sales Volume: Sale of goods in metric tonne (MT) equivalent. There are no associated volumes for Commodity Financial Services and Infrastructure and Logistics businesses.

Revenue: Sale of goods and services

EBITDA: Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) which includes minority interest and excludes Exceptional Items

Exceptional Items: One-off, non-recurring items, including negative goodwill and related transaction costs, gain/loss on sale of assets/business, gain/loss on buyback of bonds, impairment loss, finance charges on pre-payment of loans and non-recurring business restructuring expenses. Tax expenses associated with these items are also presented as Exceptional Items.

PATMI: Net Profit After Tax (PAT) less minority interest

Operational PATMI: PATMI excluding Exceptional Items

Net Gearing: Ratio of Net Debt (gross debt less cash) to Equity (before fair value adjustment reserves)

Net Gearing (adjusted): Net gearing adjusted for readily marketable inventories that are liquid, hedged and/or sold forward, operating as near-cash assets on the balance sheet, and secured receivables are supported by letters of credit or documents through banks

About Olam International Limited

Olam International is a leading food and agri-business supplying food, ingredients, feed and fibre to 25,200 customers worldwide. Our value chain spans over 60 countries and includes farming, processing and distribution operations, as well as a sourcing network of an estimated 5 million 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.

More information on Olam can be found at www.olamgroup.com. Follow @olam:



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