

News Release

Singapore, August 14, 2024

Olam Group delivers 8.3% growth in EBIT, steady PATMI for H1 2024

Olam Group:

- Operating profit (“EBIT”) grew 8.3% with steady PATMI at S\$48.1 million, bolstered by strong profit growth from **ofi**
- Bought back 25.1 million shares equivalent to S\$28.5 million; mandate renewed in April 2024 to continue buyback programme of up to a maximum of 5.0% of outstanding shares
- Board declares interim dividend of 3.0 cents per share

ofi:

- EBIT grew 71.5% year-on-year (YoY) to S\$475.5 million, driven by 112.9% growth in Ingredients & Solutions

Olam Agri:

- EBIT declined 8.4% against a strong prior half year; Food & Feed - Processing & Value-Added segment delivers continued growth even against its exceptional H1 2023 results

Re-organisation update:

- The Group remains committed to list **ofi** and Olam Agri, while concurrently exploring other strategic options to unlock value
- It will consider both internal and external factors, such as business performance of all three operating groups, prevailing capital markets conditions and global macroeconomic developments as well as receiving all necessary regulatory approvals

H1 2024 Group Financial Highlights

Revenue + 9.1% YoY	EBIT + 8.3% YoY	PATMI + 0.4% YoY	Op PATMI - 60.1% YoY	FCFE -S\$4.9 Bn	Gearing from 1.74 times
26.9 Bn (S\$)	888.0 Mn (S\$)	48.1 Mn (S\$)	73.5 Mn (S\$)	(5.4) Bn (S\$)	2.6 times

Management Comments on Consolidated Olam Group Performance

Olam Group Co-Founder and CEO, Sunny Verghese, said: “We delivered EBIT growth and steady PATMI in H1 2024 despite high interest rates and challenging market conditions. This reflects the collective resilience of the Group, including **ofi** and Olam Agri.

News Release

Singapore, August 14, 2024

*“We remain committed to executing our Re-organisation Plan to unlock value. We continue to evaluate all internal and external factors that would underpin the success of the proposed IPOs of **ofi** and Olam Agri, while exploring all other strategic options.”*

Olam Group CFO, N Muthukumar, said: *“Our net finance costs increased sharply mainly due to higher working capital needs, driven by record high prices for some of the commodities, including cocoa and coffee, and increased benchmark interest rates. We are expecting to see a softening of inflationary pressures and potential easing of interest rates going forward.”*

Olam Group H1 2024 Financial Performance

- Revenue grew 9.1% to S\$26.9 billion mainly on higher sales volumes.
- EBIT grew 8.3% to S\$888.0 million, driven by strong growth in **ofi**.
- PATMI held steady as EBIT growth was offset by the increase in net finance costs and higher taxes.
- Excluding exceptional items, Operational PATMI decreased 60.1% to S\$73.5 million.
- Free Cash Flow to Equity (FCFE) ended at negative S\$5.4 billion (H1 2023: -S\$483.7 million) on significantly higher working capital deployed amid unprecedented price increases for certain commodities and higher interest costs over the period.
- Net gearing as at June 30, 2024, stood at 2.60 times, compared to 1.74 times a year ago, on funding the sharply higher working capital requirements, particularly in cocoa and coffee. Adjusted net gearing¹ was 1.04 times (H1 2023: 0.86 times).
- Interim dividend of 3.0 cents per share declared for the period (H1 2023: 3.0 cents)

H1 2024 Performance by Operating Group

ofi²

Revenue + 24.9% YoY <hr/> 9.6 Bn (S\$)	EBIT + 71.5% YoY <hr/> 475.5 Mn (S\$)
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¹ 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 supported by letters of credit or documents through banks.

² Consisting of the Cocoa, Coffee, Dairy, Nuts and Spices businesses, **ofi** is made up of two segments – Global Sourcing and Ingredients & Solutions.

News Release

Singapore, August 14, 2024

- Revenue increased by 24.9% to S\$9.6 billion driven by volume growth in the Ingredients & Solutions segment and higher average selling prices across both segments.
- EBIT grew 71.5% YoY to S\$475.5 million on the back of a strong performance in the Ingredients & Solutions segment, which further reinforced the benefits of an integrated business model, a well-diversified portfolio, differentiated supply chain strengths and balance sheet flexibility to its customers.

CEO of ofi, A. Shekhar said: *“We are very pleased with our EBIT performance in H1 2024, which is testament to the huge strengths of our integrated supply chains, and also reflective of the ability to optimise our margins and returns for the significantly elevated levels of capital deployment and unprecedented levels of volatility across many of our markets this year. We are grateful for the continued support of our customers, suppliers, and other stakeholders, as we navigated these tough market conditions to consistently deliver an increasingly diversified portfolio of food ingredients and solutions, with enhanced levels of innovation and sustainability impact.*

“The recent opening of a new and expanded customer solutions centre in Chicago and the launch of the refreshed sustainability strategy – ‘Choices for Change’ – are examples of our continuing investments to deepen our capabilities and enhance the differentiation that we can offer to our customers.

*“While the commodity markets are, and may continue to remain volatile, **ofi** is well-positioned to support and add value to its customers and we remain cautiously optimistic of delivering our medium-term guidance of high single-digit adjusted EBIT growth.”*

Olam Agri³

Revenue + 2.7% YoY	EBIT - 8.4% YoY
16.7 Bn (S\$)	512.0 Mn (S\$)

³ Consisting of Grains & Oilseeds, Freight, Integrated Feed & Protein, Edible Oils, Rice, Specialty Grains & Seeds, Sugar, Cotton, Rubber, Wood Products and Commodity Financial Services. Olam Agri has three segments – Food & Feed - Origination & Merchandising; Food & Feed - Processing & Value-added; and Fibre, Agri-Industrials & Ag Services.

News Release

Singapore, August 14, 2024

- Revenue increased 2.7% to S\$16.7 billion, as sales volume growth was offset by lower commodity and selling prices compared to H1 2023.
- EBIT decreased 8.4% to S\$512.0 million as growth in the Food & Feed - Processing & Value-Added segment was offset by lower contribution from the Food & Feed - Origination & Merchandising and the Fibre, Agri-Industrials & Ag Services segments.

Mr Verghese, who is also CEO of Olam Agri, said: “Despite lower operational growth, Olam Agri continues to deliver EBIT margin per metric tonne that is at the higher end of the historical range during 2021-2023. The Food & Feed - Processing & Value-Added segment has delivered a steady performance even against an exceptional H1 2023.

“Our recent partnership with SALIC will help us scale our global origination and trading operations, as we increase our investments in value-added destination processing across Africa and Asia to deliver superior growth and returns.”

Remaining Olam Group⁴

Revenue - 18.3% YoY	EBIT - 495.8%
568.1 Mn (S\$)	(99.5) Mn (S\$)

- Revenue declined across all segments.
- Reported an EBIT loss of S\$99.5 million (H1 2023: -\$16.7 million) on losses from De-prioritised/Exiting Assets and Continuing/Gestating businesses. Incubating businesses narrowed losses over the prior half year.

Outlook and Prospects

The Group expects operating conditions in H2 2024 to continue being affected by various geopolitical and macroeconomic factors. However, it also expects to see inflationary pressures softening.

⁴ Comprises Olam Global Holdco, which houses De-prioritised/Exiting Assets well as Continuing/Gestating businesses, including Mindsprint that offers shared services, digital solutions and technology services to the operating groups and third parties, and Incubating Businesses led by Nupo Ventures, which incubates new sustainability and digital platforms to drive future growth.

News Release

Singapore, August 14, 2024

ofi expects markets to remain volatile and challenging in the near term, particularly for some raw materials like cocoa and coffee. It will continue to exercise due caution as it balances and optimises between risk, return, and cash flows to navigate through this volatile and high-priced environment, while protecting its risk-adjusted margins and returns and supporting its customers. **ofi**'s medium-term guidance remains unchanged at low- to mid-single digit total volume growth and high single-digit adjusted total EBIT growth.

Olam Agri continues to execute its strategy of scaling up its global origination and trading operations while investing in value-added destination processing across Africa and Asia. The Strategic Supply and Cooperation agreement with SALIC is also expected to catalyse its growth.

The **Remaining Olam Group** businesses continue to tap the growing market opportunities for digital and sustainability solutions to transform the food and agri-business sector. The Group is reviewing strategic options for these businesses to unlock and realise value for shareholders.

Notes to Editors

This release should be read and understood only in conjunction with the full text of Olam Group Limited's Financial Statements, Management Discussion and Analysis and presentation for the Half Year ended June 30, 2024. A live webcast of the results briefing will be available at 10.30 am SGT on August 14, 2024 with replay at olamgroup.com.

H1 2024 Financials for Olam Group Consolidated and Operating Groups

	Revenue (S\$ million)		EBIT (S\$ million)	
	H1 2024	YoY %	H1 2024	YoY %
Olam Group	26,920.3	9.1	888.0	8.3
- ofi	9,620.6	24.9	475.5	71.5
- Olam Agri	16,731.6	2.7	512.0	(8.4)
- Remaining Olam Group	568.1	(18.3)	(99.5)	(495.8)

News Release

Singapore, August 14, 2024

About Olam Group

Olam Group is a leading food and agri-business supplying food, ingredients, feed and fibre to 22,000 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.

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



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