

Olam Group Limited



Strategic partnership with SALIC through the sale of substantial minority stake in Olam Agri for US\$1.24 billion

Media and Analysts Briefing | March 25, 2022



Cautionary statement

This presentation should be read in conjunction with Olam Group Limited's announcement and new release on the same subject lodged on SGXNET on March 25, 2022.

Shareholders are advised to exercise caution in trading their Shares as there is no certainty or assurance as at the date of this presentation entitled "Strategic partnership with SALIC through the sale of substantial minority stake in Olam Agri for US\$1.24 billion" that the Proposed Sale will proceed to completion, as the completion is subject to, inter alia, fulfilment of all the conditions precedent in the Sale and Purchase Agreement. Shareholders are advised to read this presentation and any further announcements by the Company carefully. Shareholders should consult their stockbrokers, solicitors or other professional advisors if they have any doubts about the action they should take.

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Presenters



Sunny Verghese
Co-Founder and Group CEO



N. Muthukumar
Group CFO



Strategic partnership with SALIC through sale of substantial minority stake



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A market leading and differentiated global food, feed and fibre agri-business with a particular focus in high-growth emerging markets

Purpose:

Transform food, feed, and fibre for a more sustainable future

Promise:

A trusted partner that creates value for customers, enables farming communities to prosper sustainably and strives for a more food-secure future





Olam Agri

Food & Feed:
Origination &
Merchandising

Food & Feed:
Processing & Value
Added

Fibre,
Agri-Industrials &
Ag Services

30

countries

9,100+

employees

41m

tonnes in volume
handled

50+

manufacturing &
processing facilities

\$31.3b

revenue

\$753m

EBIT 2018-2021 CAGR: 46.7%

\$930m

EBITDA 2018-2021 CAGR: 42.5%



Transaction overview

- **The Saudi Agricultural and Livestock Investment Company (“SALIC”)**, a wholly owned subsidiary of Public Investment Fund (PIF) of the Kingdom of Saudi Arabia (KSA) **to invest US\$1.24 billion (approx. S\$1.7 billion) for an estimated 35.4% stake in Olam Agri**
- Investment implies **100% equity valuation of US\$3.5 billion (approx. S\$4.7 billion) for Olam Agri** subject to closing balance sheet adjustments.
- Post the transaction, **Olam Group Limited (OGL) would remain the majority shareholder of Olam Agri with a 64.6% shareholding.**
- The net proceeds from the transaction would be used to repay debt at the OG Group level, thereby **right-sizing its balance sheet and reducing leverage**
- Olam Agri and SALIC has agreed to enter into a **Strategic Supply & Cooperation Agreement (“SSCA”)**

Closing conditions

- Completion of the Transaction is **subject to shareholders' approval at the EGM** and other customary closing conditions, including regulatory approvals
- Subject to the conditions set out in the undertakings, OGL's majority shareholder Temasek has provided **an irrevocable undertaking to vote in favour** of the transaction
- Subject to these conditions, the transaction is expected to complete by end-2022

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Substantial minority stake sale in Olam Agri is a key milestone in Olam's ongoing Re-organisation

Re-organisation Plan

A transformative plan to re-organise the current businesses into three distinct operating groups



Transaction today

Strategic partnership with SALIC through the sale of a substantial minority stake in Olam Agri **illuminates and unlocks value, crystallises a benchmark valuation** for Olam Agri ahead of a potential future IPO and demerger, **right-sizes OG Group's capital structure** and reduces its leverage



Positioning for future growth

- 1. Illuminates and unlocks value for our shareholders**, thereby completing one of the key milestones of the Re-organisation Plan
- 2. Crystallises a benchmark valuation for Olam Agri today, and creates a strong shareholder base** for a potential future listing and demerger of Olam Agri
- 3. Raises significant net cash proceeds to repay debt at the OG Group level and right-sizes the capital structure of OG Group**, thereby strengthening its balance sheet, improving credit profile and enhancing financial flexibility to capture future growth
- 4. Generates synergies and catalyses access for Olam Agri to new markets through a long-term Strategic Supply and Cooperation Agreement (SSCA) with SALIC**

1. Illuminates and unlocks value for OGL shareholders



**Current OGL market
cap¹: S\$6.8bn**



**Transaction implies
100% of Olam Agri
at S\$4.7bn²**

**S\$4.7bn equity
value² of Olam
Agri is
equivalent to
69% of the
current OGL
market cap**

2. Crystallises a benchmark valuation for future potential IPO and demerger of Olam Agri

Secures high quality, blue chip investors to facilitate a successful potential IPO

TEMASEK

Renowned global
investment company



Wholly owned subsidiary of
Public Investment Fund (PIF)



Japanese conglomerate

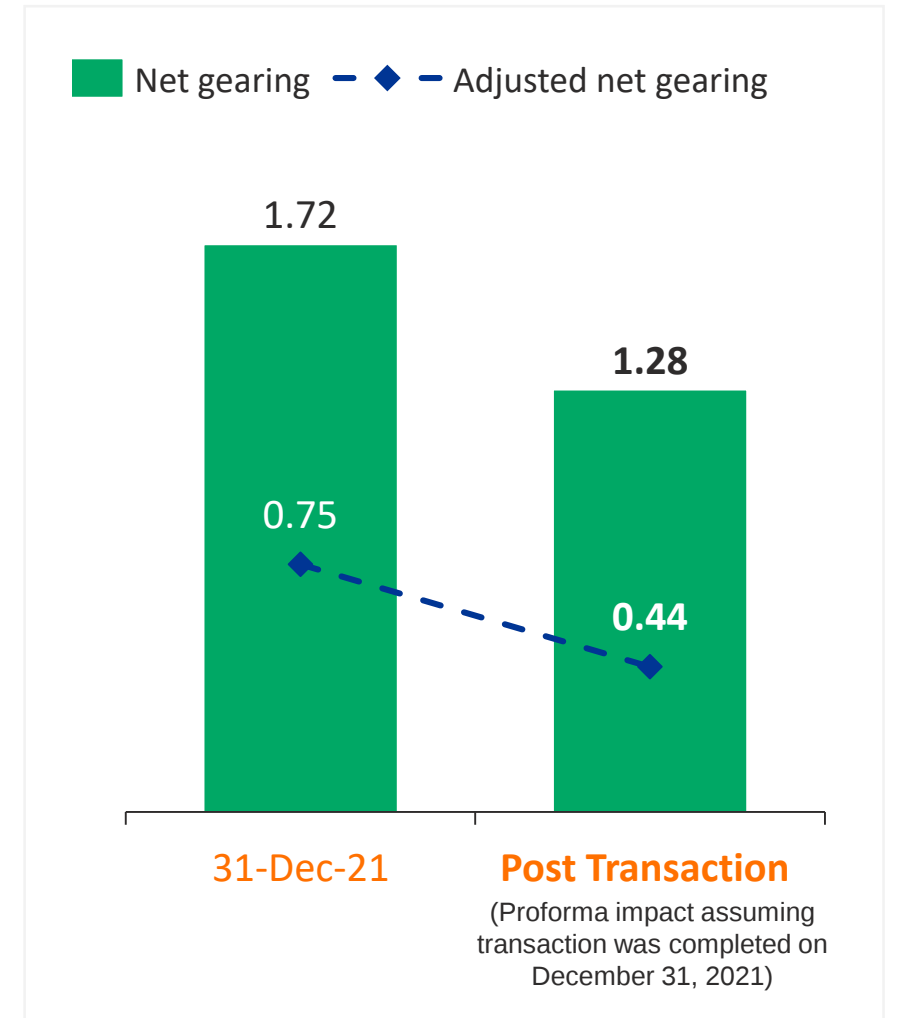
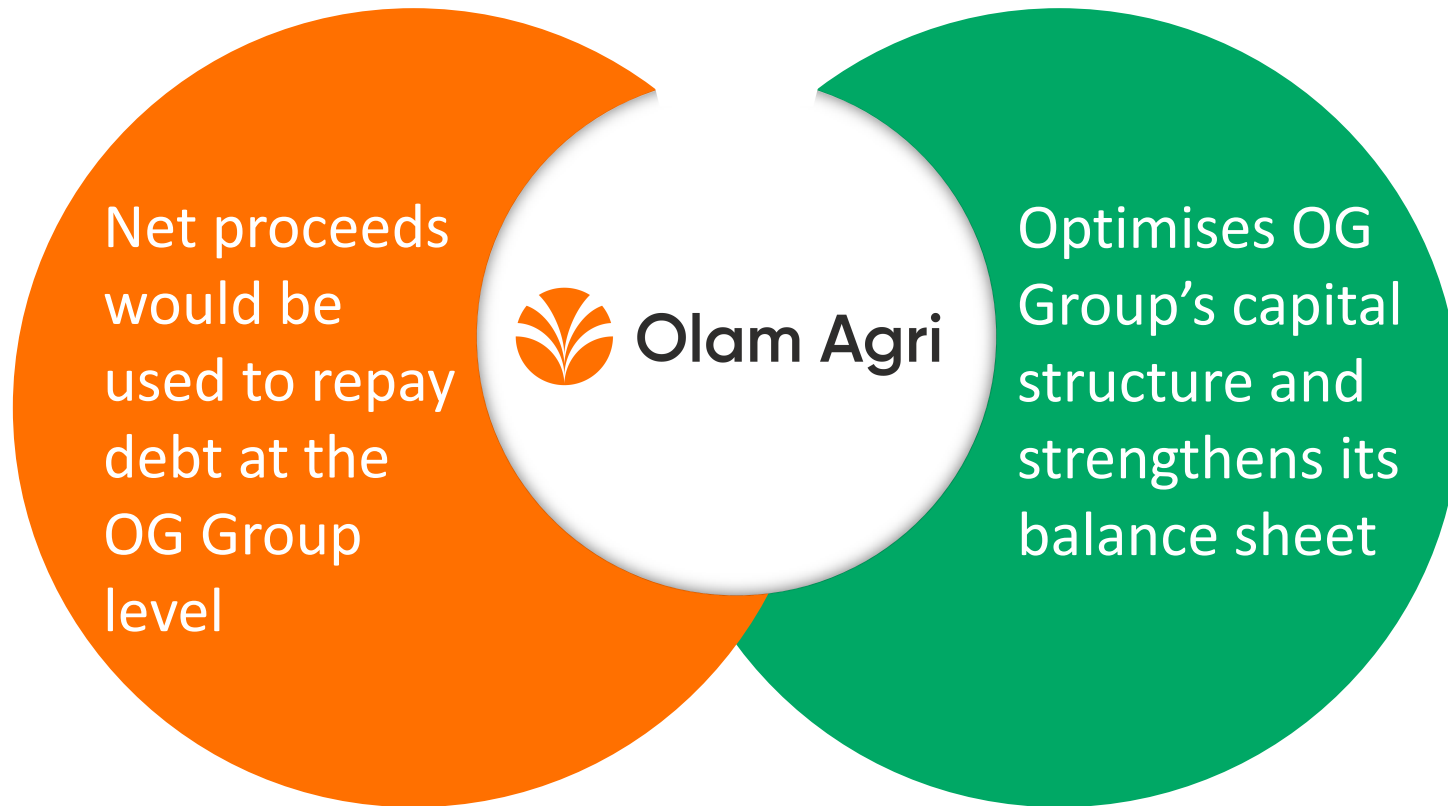
Shares the Purpose
& Vision of Olam
Agri and aligned
with its strategy

Focuses on ESG,
sustainability
and food security

Global perspective
and reach through
worldwide
platform

3. Raises US\$1.24 billion to right-size OG Group's capital structure and reduce leverage

Post the transaction, OG Group with its 64.6% stake in Olam Agri would realise net capital gains of S\$1.19 billion which will accrete to the equity reserves of OG Group.



4. Generates synergies and catalyses access to new markets for Olam Agri through SSCA with SALIC

The transaction and the SSCA¹ would allow Olam Agri to address the Kingdom of Saudi Arabia's food security considerations as a strategic supplier on a commercial arms-length basis



34.8m

Population



7.0m MT

barley imports



0.7m MT

soybean imports



75%

of food imported



3.0m MT

corn imports



1.2m MT

rice imports



157

Number of food import
country sources



2.8m MT

wheat imports



0.6m MT

edible oils imports

4. Generates synergies and catalyses access to new markets for Olam Agri through SSCA with SALIC (cont'd)

Joint Olam Agri and SALIC evaluation of upstream & downstream investments to increase direct market access to strategic commodities and geographies

Mid to long-term operational benefits between Olam Agri & SALIC such as **heightened visibility** of physical flows, **increased scale** in freight management, **enhanced market intelligence**

Exciting opportunity to **expand further into the GCC markets** with great growth potential

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About SALIC

- SALIC was established in 2009 as a Saudi joint-stock company wholly owned by the Public Investment Fund (“PIF”). SALIC aims to achieve food security for the Kingdom of Saudi Arabia, investing in both domestic and international opportunities.
- To ensure long-term food security, SALIC has identified key food commodities to be of strategic importance in addition to being the most important staple foods in the Kingdom of Saudi Arabia.

12 basic key food commodities

	Wheat Canada, Australia, France, the Black Sea region and the Balkan	
	Barley Canada, Australia, France, the Black Sea region and the Balkan	
	Rice India, Pakistan, Australia	
	Corn Brazil, Argentina, Uruguay, USA, Romania	

	Red meat Australia, Brazil, Canada, New Zealand, Uruguay, Kazakhstan, Romania, India and Pakistan	
	Poultry USA, Brazil, Argentina, Poland, Germany, France, Indonesia, Malaysia	
	Aquaculture Canada, USA, Argentina, Poland, Russia, Germany, France, India, Pakistan, Vietnam, Indonesia, Malaysia, Egypt	
	Soybean Brazil, Argentina, Uruguay, USA, Romania	

	Edible oil Canada, USA, Thailand and Ukraine	
	Sugar Brazil, Thailand	
	Dairy products USA, Brazil, Argentina, Australia, New Zealand, Poland, Germany, France, Vietnam, Malaysia	
	Fodder Australia, Romania, Ukraine	

 denotes products Olam Agri is present

About SALIC



- In order to achieve its food security strategy via secure supplies and stable prices, SALIC has both a domestic and international investment mandate

Foreign investments



Domestic investments



a JV established by Bahri & SALIC

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Key takeaways

- **Completes one of the key milestones of the Re-organisation of OG Group**
- **Illuminates and unlocks value for OGL shareholders**
- **Crystallises a benchmark valuation and creates a strong shareholder base for a potential future IPO and demerger of Olam Agri**
- **Raises significant proceeds to right-size the capital structure and reduce leverage of OG Group**
- **Delivers synergies and strengthens access to the Kingdom of Saudi Arabia market and the broader Middle Eastern region with strategic partnership with SALIC**



Thank You



Olam Agri