Notice

This presentation should be read in conjunction with Olam International Limited’s Financial Statements and Management Discussion and Analysis for the Half Year 2020 ended June 30, 2020 (“H1 2020”) lodged on SGXNET on August 13, 2020.
Cautionary note on forward-looking statements

• 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. Such factors that may affect Olam’s future financial results are detailed in our listing prospectus, offering circulars, information memorandums, information listed in this presentation, or discussed in today’s news release and in the Management Discussion and Analysis section of the Company’s Half Year ended June 30, 2020 results report and filings on SGXNET. 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

- Re-organisation Plan recap and progress update
- Changes to reporting structure
- Covid-19 response and outlook
- H1 2020 Group financial highlights
- Segmental performance by operating groups
- Key takeaways
Re-organisation Plan recap & progress update

Changes to reporting structure
Olam’s current strong foundation (built over 30 years)


The Company decided to explore options that would unlock further value over and above our Strategic Plan on a sustained basis by re-organising our portfolio of businesses to create two new coherent operating groups.

Leading food & agri-business supplying food, ingredients, feed and fibre to over 25,000 customers worldwide. Our value chain spans over 60 countries and includes farming, direct and indirect sourcing network of an estimated five million farmers, processing, distribution and trading operations.

Re-organisation Plan
Recap: Over and above Strategic Plan
Bold plan to re-organise current businesses into two distinct operating groups

**OLAM INTERNATIONAL (OIL)**

1. Stewardship
   - **Holding company** for OFI & OGA
   - **Parenting advantage** (ensure continuity of the “Olam Way”, execute cross-cutting initiatives across the Olam Group)
   - **Provide shared services** to OFI & OGA to optimise synergies

2. Accelerator
   - **Exit non-core / de-prioritised businesses** & assets, and redeploy capital for growth
   - **Nurture gestating businesses** to full potential (Packaged Foods Business, Infrastructure & Logistics, Olam Palm Gabon)
   - **Incubate new engines for future growth**

**OLAM FOOD INGREDIENTS (OFI)**

- Industry-leading businesses offering sustainable, natural, value-added food ingredients which are “on-trend”
- Comprises 5 businesses: Cocoa, Coffee, Nuts, Spices and Dairy

**OLAM GLOBAL AGRI (OGA)**

- Differentiated global agri- business with unique focus on high-growth emerging markets
- Comprises 5 businesses: Grains and Animal Feed & Protein, Edible Oils, Rice, Cotton and Commodity Financial Services
Re-organisation to unlock long-term value

- Re-organise the current diverse business portfolio into two new coherent operating groups in line with key consumer trends and market opportunities
- OIL to warehouse & manage the responsible divestment of non-core assets and businesses identified in the Strategic Plan
- Target investors who are aligned with the vision of each operating group to better value these businesses

- Increased focus will enhance performance in each of the operating groups
- Better attract & retain best-in-class leadership and management teams for each operating group
- Raise new growth capital via potential carve-out / IPO of OFI and OGA
- Deploy new growth capital to accelerate growth over and above the Strategic Plan
- OIL to develop gestating businesses to full potential and incubate new engines for growth
Stage-gated execution

**STEP 1**
Re-segmentation
Re-segment the current business into two new operating groups (OFI & OGA) under Olam International

Completed

**STEP 2**
Re-organisation
Re-organise the Company with dedicated leadership & management teams for each of the operating groups (H1 2020)
Report financials and key performance metrics for each operating group (H1 2020)

Completed

**STEP 3**
Potential Carve-out
Engage with investors, and explore / evaluate potential sequential carve out of OFI and OGA

**STEP 4**
Potential IPO
Progress with potential capital raise/ IPO listing on a sequential basis in the relevant market, if key valuation and related conditions are met
Accelerate growth over and above the Strategic Plan
Programme governance in place to effectively execute the Re-organisation

- **Board**
- **Board Steering Committee (BSC)**
- **Project Team (PT)**

1. **Full Potential Strategy & Value Creation Plan**
   - Setting bold ambitions for all our operating groups (OFI, OGA & OIL) and designing each entity’s full potential strategy building on the current Strategic Plan 2019-2024

2. **Operating & Organisational Model Design**
   - Develop optimal management structure for each operating group
   - Establish the optimal commercial, region/country & functional structure

3. **Cost & Capital Transformation**
   - Accelerating current progress on cost & capital transformation by further identifying potential areas of savings

4. **Functional Separation**
   - Establish new functional structures based on the refreshed strategy and operating model.
   - **Finance & accounts**
   - **Treasury**
   - **Tax**
   - **HR**
   - **IT**
   - **Shared Services**
   - **Legal**
   - **IR & Corp Sec**
   - **Communication**

External advisor support as Project Management Office
Olam Food Ingredients (OFI)

Approach to Strategy

Vision: A global leader offering sustainable, natural, value-added food ingredients, so consumers can enjoy the healthy & indulgent products that they love

Focused portfolio: Leadership positions across complementary product groups; delivering to common customers globally from multi-national food brands to large retail chains to foodservice outlets; combining distribution channels and capabilities to provide innovative cross category solutions for bakery & confectionery, healthy snacking; etc.

Integrated, traceable & sustainable, food ingredient solutions: by combining a Unique configuration of Olam managed estates; a 3.5 million strong smallholder farmers network; state-of-the-art manufacturing facilities in both origin and destination markets; plant science, product development & innovation capabilities; etc.

Operating model: Agile, customer-centric and collaborative, with accelerated investments in Innovation and Go-To-Market capabilities. Continued focus on operational excellence, cost and capital discipline, sustainability and digital to drive effective execution.
Olam Global Agri (OGA)

Approach to Strategy

OGA will focus on continuing to build its market leading and differentiated global food, feed and fibre agri-business with a particular focus on emerging markets.

Compared to most of our peers, OGA has a superior growth and return profile with significantly less asset intensity and an advantaged cost and competitive position.

We expect to see strong profitable growth from the investments made in the recent past in the underlying businesses in OGA,

OGA will also continue to selectively invest in targeted growth initiatives in its priority platforms and markets, including doubling down on our core Grains, oilseeds, freight origination & merchandising business, integrated cotton ginning and large grower cotton buying model, destination Grains processing and milling business and downstream branded Rice distribution.
Unlocking value for Olam Group

As parent company of OFI and OGA, OIL plays a key role to unlock the full value of the Olam Group by:

- Providing active stewardship to the new operating groups,
- Responsibly divesting the de-prioritised assets,
- Nurturing gestating businesses to full potential,
- Incubating new engines for future growth,
- Deploying key cross cutting initiatives across the operating groups, and
- Providing shared services to the new operating groups.
We have made good progress in executing the Re-organisation Plan

**Senior management and executive teams** for the respective operating groups has been appointed.

**Operating and Organisational Model Design** – Initial hypothesis established, including the country / regional structure and corporate functions design.

**Cost and Capital Transformation** – Detailed review conducted across businesses over Jun-Jul to identify savings potential by cost buckets and operating group.

**Functional workstreams** – Established initial hypotheses on functional structures and assessment of cost implications.

**H1 2020 reporting** – Segments and metrics per operating groups have been established.
New operating groups, new segments and key performance metrics

Guiding principles used to determine new segmentals and metrics

1. **Strong alignment to the equity story and strategy** of each operating group

2. **Relative saliency of segments**

3. **Reduce complexity** (lesser number of segments and fewer metrics)

4. **Ease of modelling** by analysts/external stakeholders

5. **Comparison to peer group companies**
## Changes in segmentation and metrics

Strong alignment to the business strategy of each operating group

### Operating Groups

<table>
<thead>
<tr>
<th>Group</th>
<th>Strategic Positioning</th>
<th>Segments</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>OFI</strong></td>
<td>A global leader offering sustainable, natural, value-added food ingredients, so consumers can enjoy the healthy and indulgent products they love</td>
<td><strong>1 Ingredient Sourcing &amp; Supply Chain:</strong> Tracks sustainable farming, sourcing to factory gate delivery of first to last mile fulfilments</td>
</tr>
<tr>
<td><strong>OGA</strong></td>
<td>A market leading and high return Food, Feed and Fibre agribusiness focused on high growth emerging markets</td>
<td><strong>2 Value-added Food Ingredients &amp; Solutions:</strong> Reflects OFI’s increasing focus as an on-trend, value-added food ingredient solutions provider</td>
</tr>
<tr>
<td><strong>OIL</strong></td>
<td>Provide active stewardship to OFI and OGA, nurture gestating businesses to full potential, and divest non-core businesses and assets</td>
<td><strong>1 Food &amp; Feed - Origination &amp; Merchandising:</strong> Reflects OGA’s focus on meeting the growing food and feed consumption in emerging markets</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>2 Food &amp; Feed - Processing &amp; Value-added:</strong> Demonstrates OGA’s leadership in milling and animal protein markets in Sub-Saharan Africa</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>3 Fibre &amp; Ag Services:</strong> Tracks the non-food category in cotton and commodity financial services</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>1 De-prioritised/Exiting Assets:</strong> Sugar, Rubber, Wood Products, Fertiliser and other de-prioritised assets identified in Strategic Plan</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>2 Gestating Businesses:</strong> Olam Palm Gabon, Packaged Foods, Infrastructure &amp; Logistics business (ARISE)</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>3 Incubating Businesses:</strong> Engine 2 growth initiatives</td>
</tr>
</tbody>
</table>
## Changes in reporting segments & key performance metrics

### Operating groups

<table>
<thead>
<tr>
<th>Olam Food Ingredients (OFI)</th>
<th>Segments</th>
<th>Key performance metrics</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1) Ingredient Sourcing &amp; Supply Chain</td>
<td>Segment-level Volume, Revenue, EBIT, EBIT Margin, Invested Capital (IC), EBIT/IC</td>
</tr>
<tr>
<td></td>
<td>2) Value-added Food Ingredients &amp; Solutions</td>
<td>Operating Group-level * ROIC, ROE, FCF from Operations</td>
</tr>
</tbody>
</table>

| Olam Global Agri (OGA) | 1) Food & Feed - Origination & Merchandising | Segment-level Volume, EBIT, EBIT per MT, Invested Capital (IC), EBIT/IC |
|                       | 2) Food & Feed - Processing & Value-added | Operating Group-level * ROIC, ROE, FCF from Operations |
|                       | 3) Fibre & Ag Services | |

| Olam International (OIL) | 1) De-prioritised/Exiting Assets | Segment-level Revenue, EBIT, Invested Capital (IC), EBIT/IC |
|                         | 2) Gestating Businesses | Operating Group-level * ROIC, ROE, FCF from Operations |
|                         | 3) Incubating Businesses | |

| Consolidated Olam Group | Volume, Revenue, EBIT, Invested Capital (IC), EBIT/IC, ROIC, ROE, FCF from Operations | |

* To be reported post potential carve-out
Covid-19 response and outlook
Covid-19: Potential Impacts

**Demand side**
Potential demand destruction and consequent volume volatility; commodity price volatility and consequent pressure on margins; increased risk of counterparty defaults

**Supply side**
Potential forced factory closures as a result of containment measures; disruption to raw material supplies; restrictions in movement of labour and labour availability; cross border movement restrictions for goods; ports lockdowns

**Financial markets**
Liquidity crunch, higher spreads and liquidity premiums with consequent increase in cost of borrowings; currency devaluation against USD with consequent margin reduction; recent corporate defaults / liquidations, particularly in Asia, leading to increased caution in the banking sector
Covid-19: Demand side Impacts

- **Food service demand declining**: Steep decline in dine-in & out-of-home consumption; demand for delivery spiked but not enough to make up for decline in dine-in.

- **Grocery retail demand growing**: Packaged foods/grocery retail growing strongly; online groceries growing even faster; essentials and staples (e.g. rice, instant coffee, frozen meats, canned soups) growing faster; consumers are shifting towards well-recognised brands.

- **Agri-supply prioritised**: Countries are prioritising agri supply but labour participation/availability is impacted/limited; increased restriction in international movement of food staples as producing countries prioritise domestic stockpiles.

- **For Olam, impact on demand** varied across products:
  - We experienced lower demand in some non-food categories like Cotton and in food products with significant out-of-home consumption like Edible Oils, Cocoa and Coffee.
  - We also saw lower demand in Almonds & Dairy due to the lockdown in China in H1 2020 although we saw signs of pick-up towards end-H1 2020.
  - 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.
Covid-19 : Our response

5 PRIORITIES

1. Primary focus has been to ensure health and safety of our employees and food safety of our customers

2. Business Continuity Plans activated in all key countries and sites in Africa, Americas and Asia

3. To mitigate impact on demand, supply and financial markets, we are already executing several “handbrake” levers across the Company

4. A tiered mitigation plan in place to pull additional “handbrake” levers in the event of a second wave, and “break glass” levers should situation further deteriorate

5. Enhancing stakeholder engagement: We are supporting our stakeholders, particularly farmers and communities in vulnerable countries, and preparing for evolving our business model in a post Covid-19 world in consultation with supply chain partners
Supporting farmers and rural communities

US$5.7 million in financial and in-kind donations for healthcare and food relief

Supporting public awareness and community support campaigns

Reaching 20,000 cocoa & coffee farmers in Indonesia; 1.2 million farming families in India; 1,400 cooperatives and licensed buying agents in Côte d’Ivoire with health updates & advice via our digital platforms

Supporting farming cooperatives, hospitals and health centres across Central and West Africa with sanitation kits, hand-washing stations, radio & poster public awareness information

Providing medical relief and supporting healthcare provision

US$600,000 worth of medical supplies to the Ministry of Health in Côte d’Ivoire along with 20,000 testing kits in partnership with Temasek Foundation

US$100,000 of medical equipment and essential food supplies donated to state governments in Nigeria

Our joint venture, ARISE, distributed 50 ventilators; 24 thermal cameras; 10,000 electronic thermometers; 500,000 gloves; 230,000 disinfectant gels and 7 million masks – to partner governments in Africa.

Donating food and supporting food relief activities

Over US$400,000 of food packages and sanitation kits for cocoa, coffee and quinoa farmers in Central and South America

Food donation to support communities in countries including Vietnam, India, Burkina Faso, Myanmar, South Africa, Senegal and Ghana, Chad and Argentina,
Outlook

• With 80-85% of our revenues in the food category where demand is less sensitive to recession or economic downcycles, we believe we will be able to better navigate the demand led uncertainties around COVID-19.

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

• We have been proactive in controlling costs and conserving cash to mitigate against potential adverse impact from the COVID-19 crisis. We stand ready to pull additional levers if situation worsens.

• We 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 if material developments arise.
Group H1 2020 financial highlights
Group H1 2020 results

At a glance

<table>
<thead>
<tr>
<th>VOLUME</th>
<th>EBIT</th>
<th>PATMI</th>
</tr>
</thead>
<tbody>
<tr>
<td>20.1 M MT</td>
<td>S$424 M</td>
<td>S$333 M</td>
</tr>
<tr>
<td>+5.0%</td>
<td>-18.8%</td>
<td>+44.4%</td>
</tr>
</tbody>
</table>

Operational PATMI

S$202 M
-18.5%

Free Cash Flow

+FCFE
S$827 M

Gearing

from 1.28x to 1.29x
Resilient results amid Covid-19

Higher PATMI on continued execution on Strategic Plan despite lower EBIT

Positive FCFF and FCFE

Continues to strengthen balance sheet

Steady cycle time despite higher net debt

Gearing at 1.29x (H1 2019: 1.28x) well under target of 2.0x

Executing on Re-organisation Plan

Accomplished Step 1 and Step 2 milestones by re-segmenting the business into OFI, OGA and OIL, and appointing dedicated leadership and management teams for each of the groups

From H1 2020, we are reporting financials across OFI, OGA, OIL for the first time

Interim Dividend

Board of Directors declares interim dividend of 3.5 cents per share (H1 2019: 3.5 cents)
Consolidated results by operating groups
H1 2020 at a glance

Volume (‘000 MT)

- **OIL**: 3.1% (20,058.4 MT, +5.0%)
- **OFI**: 9.1%
- **OGA**: 87.8%

Revenue (S$ m)

- **OIL**: 5.0% (17,080.5 m, +7.1%)
- **OFI**: 36.1%
- **OGA**: 58.9%

EBIT (S$ m)

- **OIL**: -18.8% (423.7 m, 54.0%)
- **OFI**: 16.1%
- **OGA**: 62.1%

IC (S$ m)

- **OIL**: +7.0% (15,538.9 m, 57.1%)
- **OFI**: 26.1%
- **OGA**: 16.8%
Volume grew 5.0%
Led by Olam Global Agri’s Origination & Merchandising segment

Volume by Operating Groups, '000 MT

H1 2019: 19,100
OFL: 67
OGA: 1,076
OIL: -185
H1 2020: 20,058

+5.0%
EBIT declined 18.8%
PATMI grew 44.4%
Backed by net exceptional gains on divestments

PATMI and Operational PATMI, S$ million

- EBIT^: H1 2019 - 98, H1 2020 +148
- Net Finance Costs: H1 2019 35, H1 2020 3
- Taxation: H1 2019 3
- Exceptional Items: H1 2019 148, H1 2020 15
- Non-controlling Interests: H1 2019 -98

Operational PATMI (S$ M):
- H1 2019: 248
- H1 2020: 202

^ Excludes exceptional items
7.0% increase in invested capital
10.8% increase in working capital

- Net Fixed Capital increased by S$378 million on account of acquisitions of Dangote Flour Mills, Hughson Nut and Cotonchad, and organic growth in line with Strategic Plan.

- Working capital grew by S$634 million mainly on lower bulk volumes in Rice and Edible Oils, which reduced supplier credit.

Invested Capital excludes:
1. Gabon Fertiliser Project (30 Jun 2020: S$252.3 million; 30 Jun 2019: S$243.4 million);
2. Long-term Investments (30 Jun 2020: S$52.1 million; 30 Jun 2019: S$123.8 million)
Net gearing remains steady at 1.29x

- Higher net debt due to increased working capital
- Net gearing remains steady despite higher net debt as equity also increased
Free Cash Flow to Equity, S$ million

- Operating Cash Flow (before Interest & Tax): S$864 million
- Changes in Working Capital: S$-86 million
- Tax Paid: S$-205 million
- Capex / Investments: S$247 million
- Net Interest Paid: S$25 million

Free cash flow
Positive FCFE on sharp focus and discipline of investing cash flows

FCFF (S$ M)

H1 2019: S$1,128 million
H1 2020: S$1,066 million
### Ample liquidity

Total borrowings and available liquidity, S$ Million as at June 30, 2020

<table>
<thead>
<tr>
<th></th>
<th>Short Term</th>
<th>Long Term</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and Short-term Fixed Deposits</td>
<td>5,920</td>
<td></td>
</tr>
<tr>
<td>RMI*</td>
<td>5,368</td>
<td></td>
</tr>
<tr>
<td>Secured Receivables</td>
<td>1,358</td>
<td></td>
</tr>
<tr>
<td>Unutilised Bank Lines</td>
<td>7,243</td>
<td></td>
</tr>
<tr>
<td>Available Liquidity</td>
<td>19,889</td>
<td></td>
</tr>
<tr>
<td>Total Borrowings</td>
<td>15,084</td>
<td>+4,805</td>
</tr>
</tbody>
</table>

* RMI: inventories that are liquid, hedged and/or sold forward
Segmental performance by operating groups
Olam Food Ingredients (OFI)

S$ Million

**EBIT**

<table>
<thead>
<tr>
<th>Year</th>
<th>EBIT Margin</th>
<th>Value-added Food Ingredients &amp; Solutions</th>
<th>Ingredient Sourcing &amp; Supply Chain</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>5.0%</td>
<td>50%</td>
<td>50%</td>
</tr>
<tr>
<td>2018</td>
<td>5.6%</td>
<td>41%</td>
<td>59%</td>
</tr>
<tr>
<td>2019</td>
<td>6.5%</td>
<td>48%</td>
<td>48%</td>
</tr>
<tr>
<td>H1 2019</td>
<td>7.7%</td>
<td>49%</td>
<td>51%</td>
</tr>
<tr>
<td>H1 2020</td>
<td>4.3%</td>
<td>36%</td>
<td>64%</td>
</tr>
</tbody>
</table>

- Performance in 2019 was particularly skewed towards H1 2019 with strong performances within the Nuts and Spices businesses as compared to the usual seasonality, against which **OFI reported a 40.1% lower EBIT in H1 2020**. We expect H2 2020 to consequently recover and show better results as compared to both H2 2019 and H1 2020.

- Almonds, Hazelnuts and the Cocoa processing businesses were also adversely impacted on account of adverse prices and margin pressures resulting from Covid-19.

**Invested Capital**

<table>
<thead>
<tr>
<th>Month</th>
<th>EBIT/IC</th>
<th>Value-added Food Ingredients &amp; Solutions</th>
<th>Ingredient Sourcing &amp; Supply Chain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dec-17</td>
<td>7.2%</td>
<td>58%</td>
<td>42%</td>
</tr>
<tr>
<td>Dec-18</td>
<td>7.8%</td>
<td>60%</td>
<td>40%</td>
</tr>
<tr>
<td>Dec-19</td>
<td>9.2%</td>
<td>62%</td>
<td>38%</td>
</tr>
<tr>
<td>Jun-19</td>
<td>-</td>
<td>61%</td>
<td>39%</td>
</tr>
<tr>
<td>Jun-20</td>
<td>-</td>
<td>57%</td>
<td>43%</td>
</tr>
</tbody>
</table>

- **IC grew by S$377 million in H1 2020** on higher investments in Value-added Food Ingredients & Solutions.
**OFI: Ingredient Sourcing & Supply Chain**

**S$ Million**

### EBIT

<table>
<thead>
<tr>
<th>Year</th>
<th>EBIT Margin</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>H1 2019</th>
<th>H1 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>337</td>
<td>276</td>
<td>409</td>
<td>215</td>
<td>94</td>
</tr>
</tbody>
</table>

**EBIT Margin**

<table>
<thead>
<tr>
<th>Year</th>
<th>EBIT Margin</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>H1 2019</th>
<th>H1 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>3.3%</td>
<td>3.0%</td>
<td>4.2%</td>
<td>4.4%</td>
<td>1.8%</td>
</tr>
</tbody>
</table>

**EBIT declined by 56.1% in H1 2020** due to lower contribution from Almonds upstream operations, which were impacted by lower almond prices that fell almost 30% between H1 2019 and H1 2020. The Australian operations were also affected by increase in temporary water cost which impacted the 2020 crop. The water prices have now adjusted back to normal levels for the new water year.

### Invested Capital

- **Working Capital**
- **Fixed Capital**

<table>
<thead>
<tr>
<th>Year</th>
<th>Invested Capital</th>
<th>Dec-17</th>
<th>Dec-18</th>
<th>Dec-19</th>
<th>Jun-19</th>
<th>Jun-20</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>EBIT/IC</td>
<td>6.4%</td>
<td>5.4%</td>
<td>7.7%</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

**IC marginally lower in H1 2020** as fixed capital decreased with the sale of permanent water rights for almonds in Australia, partly offset by an increase in working capital due to higher inventories of cocoa, coffee beans and almonds.
• EBIT declined by 24.8% in H1 2020 due to demand contraction, delayed pulls by customers, and/or higher costs on account of slowdown or shutdowns at some manufacturing facilities due to Covid-19.
• Hazelnuts, Cocoa Processing and Soluble Coffee saw an adverse impact on their margins in H1 2020, partly compensated by improved EBIT from Almond, Peanuts and Spices processing in the US, as well as Dairy processing in Malaysia.

• IC increased by S$451.9 million in H1 2020 on both fixed and working capital.
• Fixed capital grew with acquisition of HNI and investments to expand the Spices grinding factory in Vietnam and Dairy processing capacity in Malaysia.
• Working capital increased as a result of delayed shipments, leading to a build-up of inventory.
Olam Global Agri (OGA)

S$ Million

**EBIT**

- EBIT grew by a robust 55.4% in H1 2020 on higher contribution from the Food and Feed segments, particularly the Food & Feed - Processing & Value-added segment.

**Invested Capital**

- IC was up by S$1.0 billion in H1 2020 with the largest increase seen in the Food & Feed - Processing & Value-added segment.
OGA: Food & Feed - Origination & Merchandising

S$ Million

**EBIT**

- Healthy EBIT growth of 19.1% in H1 2020 mainly due to Grains trading. Rice trading’s contribution was lower than H1 2019 owing to the ban on rice imports into Cote d’Ivoire, which was lifted towards end-H1 2020. Contribution from Edible Oils trading declined as counterparty performance was impacted by the fall in edible oils prices.

**Invested Capital**

- IC increased by S$266.4 million in H1 2020 with higher fixed capital due to the ongoing Capex commitments.
- Working capital was up due to reduction in trade creditors arising from a change in business mix that saw lower Rice and Edible Oils bulk trading volumes.
OGA: Food & Feed - Processing & Value-added
S$ Million

**EBIT**

<table>
<thead>
<tr>
<th>Year</th>
<th>EBIT (S$ Million)</th>
<th>EBIT/MT</th>
<th>EBIT/IC (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>66</td>
<td>66</td>
<td>16.2%</td>
</tr>
<tr>
<td>2018</td>
<td>33</td>
<td>33</td>
<td>8.6%</td>
</tr>
<tr>
<td>2019</td>
<td>38</td>
<td>38</td>
<td>8.6%</td>
</tr>
<tr>
<td>H1 2019</td>
<td>19</td>
<td>19</td>
<td>-</td>
</tr>
<tr>
<td>H1 2020</td>
<td>57</td>
<td>57</td>
<td>-</td>
</tr>
</tbody>
</table>

- EBIT was up nearly four-fold in H1 2020 on strong improvement in Grains milling post the acquisition of DFM, as well as in Animal Feed production and branded, packed Rice distribution in Africa.
- Consistent milling margins and improved animal feed margins raised EBIT/MT from S$19 to S$57 in H1 2020.

**Invested Capital**

<table>
<thead>
<tr>
<th>Year</th>
<th>Working Capital (S$ Million)</th>
<th>Fixed Capital (S$ Million)</th>
<th>EBIT/IC (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dec-17</td>
<td>1,010</td>
<td>333</td>
<td>16.2%</td>
</tr>
<tr>
<td>Dec-18</td>
<td>982</td>
<td>677</td>
<td>8.6%</td>
</tr>
<tr>
<td>Dec-19</td>
<td>1,300</td>
<td>442</td>
<td>8.6%</td>
</tr>
<tr>
<td>Jun-19</td>
<td>1,060</td>
<td>354</td>
<td>-</td>
</tr>
<tr>
<td>Jun-20</td>
<td>1,614</td>
<td>1,286</td>
<td>+52.3%</td>
</tr>
</tbody>
</table>

- IC rose significantly by S$554.2 million on higher fixed capital mainly due to the acquisition of DFM.
- Despite higher sales volumes, working capital remained flat due to tighter inventory and receivable norms amid the Covid-19 outbreak that had impacted the industry.
OGA: Fibre & Ag Services

S$ Million

**EBIT**

- **EBIT declined by 10.4%** in H1 2020 as a result of delays in shipments and counterparty defaults, particularly in the trading of African cotton, as well as lower contribution from the Quantitative Fund.

**Invested Capital**

- **IC was higher by S$199.9 million** primarily on higher working capital which increased on inputs for integrated ginning in Cotonchad, as well as on the shipment delays out of Africa. Fixed capital rose marginally with the investment in Cotontchad.
• **EBIT losses amounted to S$68.3 million**, dragged down by the performance of the three Gestating Businesses, all of which were impacted by Covid-19.

• De-prioritised/Exiting Assets: Fully divested sugar refinery in Indonesia, shut down OTP, restructured NZFSU and sold Mungindi gin in Australia.

• Incubating Businesses: Making good progress in the five new Engine 2 growth initiatives.

• **IC came down by S$385.5 million in H1 2020** post divestments and impairments taken on de-prioritised assets in H2 2019.

• IC in Gestating Businesses increased as we complete the developmental expenditure in building out OPG.
Key takeaways

01 Resilient financial performance despite Covid-19

Acted with speed to keep our people safe, ensuring business continuity, maintaining financial strength, meeting customers’ needs and supporting communities

02 Delivering on Re-organisation Plan

- Re-segmented our current business into OFI, OGA and OIL
- Re-organised by appointing dedicated leadership and management teams for each of the operating groups
- On the road to transforming OFI from a niche food raw materials supplier and processor to a food ingredients and solutions business; and for OGA, extracting full value from the significant investments made, charting new growth pathways and deepening its current cost and competitive position, and leveraging its asset-light model
Appendix
## P&L statement

**S$ million**

<table>
<thead>
<tr>
<th></th>
<th>H1 2020</th>
<th>H1 2019</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Volume ('000 MT)</td>
<td>20,058.4</td>
<td>19,100.2</td>
<td>5.0</td>
</tr>
<tr>
<td>Revenue</td>
<td>17,080.5</td>
<td>15,943.9</td>
<td>7.1</td>
</tr>
<tr>
<td>Net gain/(loss) in fair value of biological assets</td>
<td>3.8</td>
<td>(4.0)</td>
<td>n.m.</td>
</tr>
<tr>
<td>Depreciation &amp; Amortisation</td>
<td>(272.6)</td>
<td>(249.5)</td>
<td>9.3</td>
</tr>
<tr>
<td><strong>EBIT^</strong></td>
<td>423.7</td>
<td>522.0</td>
<td>(18.8)</td>
</tr>
<tr>
<td>Net Finance costs</td>
<td>(230.2)</td>
<td>(264.9)</td>
<td>(13.1)</td>
</tr>
<tr>
<td>Taxation</td>
<td>(28.7)</td>
<td>(31.7)</td>
<td>(9.4)</td>
</tr>
<tr>
<td>Exceptional items</td>
<td>130.6</td>
<td>(17.7)</td>
<td>n.m.</td>
</tr>
<tr>
<td>PAT</td>
<td>295.4</td>
<td>207.7</td>
<td>42.2</td>
</tr>
<tr>
<td><strong>PATMI</strong></td>
<td>332.7</td>
<td>230.3</td>
<td>44.4</td>
</tr>
<tr>
<td>Operational PATMI</td>
<td>202.1</td>
<td>248.0</td>
<td>(18.5)</td>
</tr>
</tbody>
</table>

^ Excluding exceptional items
## Exceptional items

### S$ million

<table>
<thead>
<tr>
<th>Description</th>
<th>H1 2020</th>
<th>H1 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profit on sale of partial stake in ARISE P&amp;L</td>
<td>123.1</td>
<td>-</td>
</tr>
<tr>
<td>Profit on sale of Far East Agri (PT DUS)</td>
<td>49.9</td>
<td>-</td>
</tr>
<tr>
<td>Loss on sale of stake in Mungindi gin, Australia</td>
<td>(0.9)</td>
<td>-</td>
</tr>
<tr>
<td>Loss on sale of Collymongle gin, Australia</td>
<td>-</td>
<td>(1.1)</td>
</tr>
<tr>
<td>Profit on sale of subsidiary (Alimentos)</td>
<td>-</td>
<td>0.6</td>
</tr>
<tr>
<td>Exit/Closure costs</td>
<td>(41.5)</td>
<td>(17.2)</td>
</tr>
<tr>
<td><strong>Exceptional Items</strong></td>
<td><strong>130.6</strong></td>
<td><strong>(17.7)</strong></td>
</tr>
</tbody>
</table>
## Balance sheet

### S$ million

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Uses of Capital</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fixed Capital</td>
<td>8,730.9</td>
<td>8,616.0</td>
<td>114.9</td>
<td>8,337.8</td>
<td>393.1</td>
</tr>
<tr>
<td>Right-of-use assets</td>
<td>578.0</td>
<td>577.6</td>
<td>0.4</td>
<td>656.4</td>
<td>(78.4)</td>
</tr>
<tr>
<td>Working Capital</td>
<td>6,419.4</td>
<td>6,627.8</td>
<td>(208.4)</td>
<td>5,757.2</td>
<td>662.2</td>
</tr>
<tr>
<td>Cash</td>
<td>5,920.0</td>
<td>3,179.6</td>
<td>2,740.4</td>
<td>3,697.2</td>
<td>2,222.8</td>
</tr>
<tr>
<td>Others</td>
<td>175.9</td>
<td>135.1</td>
<td>40.8</td>
<td>280.9</td>
<td>(105.0)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>21,824.2</td>
<td>19,136.1</td>
<td>2,688.1</td>
<td>18,729.5</td>
<td>3,094.7</td>
</tr>
<tr>
<td><strong>Sources of Capital</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Equity &amp; Reserves</td>
<td>7,095.1</td>
<td>6,836.1</td>
<td>259.0</td>
<td>6,703.7</td>
<td>391.4</td>
</tr>
<tr>
<td>Non-controlling interests</td>
<td>72.4</td>
<td>108.1</td>
<td>(35.7)</td>
<td>126.7</td>
<td>(54.3)</td>
</tr>
<tr>
<td>Short term debt</td>
<td>9,040.7</td>
<td>6,675.5</td>
<td>2,365.2</td>
<td>5,043.8</td>
<td>3,996.9</td>
</tr>
<tr>
<td>Long term debt</td>
<td>5,522.1</td>
<td>5,403.4</td>
<td>118.7</td>
<td>6,565.9</td>
<td>(1,043.8)</td>
</tr>
<tr>
<td>Short term lease liabilities</td>
<td>86.4</td>
<td>82.0</td>
<td>4.4</td>
<td>81.5</td>
<td>4.9</td>
</tr>
<tr>
<td>Long term lease liabilities</td>
<td>434.6</td>
<td>435.1</td>
<td>(0.5)</td>
<td>581.4</td>
<td>(146.8)</td>
</tr>
<tr>
<td>Fair value reserve</td>
<td>(427.1)</td>
<td>(404.1)</td>
<td>(23.0)</td>
<td>(373.5)</td>
<td>(53.6)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>21,824.2</td>
<td>19,136.1</td>
<td>2,688.1</td>
<td>18,729.5</td>
<td>3,094.7</td>
</tr>
</tbody>
</table>
## Cash flow statement

<table>
<thead>
<tr>
<th></th>
<th>H1 2020</th>
<th>H1 2019</th>
<th>YoY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Cash flow (before Interest &amp; Tax)</td>
<td>683.9</td>
<td>770.0</td>
<td>(86.1)</td>
</tr>
<tr>
<td>Changes in Working Capital</td>
<td>560.6</td>
<td>765.3</td>
<td>(204.7)</td>
</tr>
<tr>
<td><strong>Net Operating Cash Flow</strong></td>
<td><strong>1,244.5</strong></td>
<td><strong>1,535.3</strong></td>
<td><strong>(290.8)</strong></td>
</tr>
<tr>
<td>Net interest paid</td>
<td>(239.5)</td>
<td>(264.3)</td>
<td>24.8</td>
</tr>
<tr>
<td>Tax paid</td>
<td>(70.3)</td>
<td>(51.8)</td>
<td>(18.5)</td>
</tr>
<tr>
<td>Cash from divestments</td>
<td>207.7</td>
<td>10.7</td>
<td>197.0</td>
</tr>
<tr>
<td><strong>Free cash flow before capex/ investments</strong></td>
<td><strong>1,142.4</strong></td>
<td><strong>1,229.9</strong></td>
<td><strong>(87.5)</strong></td>
</tr>
<tr>
<td>Capex/ Investments</td>
<td>(315.5)</td>
<td>(365.7)</td>
<td>50.2</td>
</tr>
<tr>
<td><strong>Free cash flow to equity (FCFE)</strong></td>
<td><strong>826.9</strong></td>
<td><strong>864.2</strong></td>
<td><strong>(37.3)</strong></td>
</tr>
</tbody>
</table>