

News Release

Singapore, February 28, 2024

Olam Group H2 2023 PATMI up 15.5%; launches share buyback and recommends final dividend of 4.0 cents per share

Olam Group:

- H2 2023 results improved over H1 2023; H2 2023 PATMI up Year-on-year (YoY) at 15.5%
- Launches share buyback programme for up to a maximum of 5.0% of total outstanding shares within the current mandate and renewal of this mandate at the upcoming Annual General Meeting in April 2024
- Board recommends final dividend of 4.0 cents per share, taking full year dividend to 7.0 cents per share (2022: 8.5 cents)

ofi:

- EBIT growth of 15.4% in H2 2023 over H2 2022; 11.1% YoY in 2023, led by Ingredients & Solutions segment, which showed a YoY increase of 31.1%

Olam Agri:

- EBIT growth of 67.9% in H2 2023 over H2 2022; 12.8% YoY in 2023 supported by strong contribution from the Food & Feed - Processing & Value-added segment

Re-organisation update:

- Remain committed to pursuing IPOs of **ofi** and Olam Agri to unlock value for shareholders.
- Maintain flexibility on listing sequence and explore other strategic options to unlock value for shareholders

H2 2023 Group Financial Highlights

Revenue - 10.8% YoY	EBIT + 19.3% YoY	PATMI +15.5% YoY	Op PATMI - 9.5% YoY
23.6 Bn (S\$)	952.3 Mn (S\$)	230.8 Mn (S\$)	274.1 Mn (S\$)

2023 Group Financial Highlights

Revenue - 12.1% YoY	EBIT + 10.1% YoY	PATMI - 55.7% YoY	Op PATMI - 41.4% YoY	FCFE -\$2.9 Bn	Gearing from 1.47 times
48.3 Bn (S\$)	1.8 Bn (S\$)	278.7 Mn (S\$)	458.1 Mn (S\$)	(914.8) Mn (S\$)	1.73 times

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Management Comments on Consolidated Olam Group Performance

Olam Group Co-Founder and CEO, Sunny Verghese, said: *“The double-digit EBIT growth at both **ofi** and Olam Agri in H2 2023 reflects their differentiated, unique business propositions and solid execution post Re-organisation. We are confident of our growth prospects and are taking steps to ensure we continue to drive returns for investors amid a challenging macroeconomic backdrop and uncertain geopolitical conditions.*

“First, we are launching a share buyback programme up to a maximum 5.0% of our outstanding shares within our current mandate and renewal of this mandate at the upcoming Annual General Meeting in April 2024.

*“Second, we remain committed to pursuing the listings of **ofi** and Olam Agri. We will however retain flexibility around the sequencing of the two proposed listings and explore other strategic options to unlock value for shareholders.*

“Finally, we understand there has been some concern following allegations in the media about our Nigerian operations. As announced on February 19, 2024, an independent internal investigation launched by the Olam Group Board and its Audit & Risk Committee comprising external counsels and independent auditor has concluded. The investigation team found no evidence supporting any of the specific allegations reported. In the meanwhile, all our businesses in Nigeria have been operating normally and we look forward to continue investing and growing in the country.”

Olam Group CFO, N Muthukumar, said: *“We have maintained discipline in our use of capital and focused our investments that are earnings and returns accretive while enhancing our sustainability impact. Given the inflationary and rising interest rate background, we have focused on optimising our overall cost structures while seeking to pass through rising interest costs.”*

Re-organisation update

- The Olam Agri IPO will not take place in H1 2024 as the regulatory framework is still being finalised in the Kingdom of Saudi Arabia to enable the listing of foreign companies and the issuance of Saudi Depositary Receipts on the Saudi Exchange.
- The Group remains committed to list **ofi** and Olam Agri and will retain flexibility on the listing sequence, as well as exploring other strategic options to unlock value.
- The Group 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.

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Olam Group Financial Performance

H2 2023

- Improved performance over H1 2023 across EBIT, PATMI and Operational PATMI.
- YoY, revenue decreased 10.8% to S\$23.6 billion as lower prices across several products in the portfolio offset sales volume growth.
- EBIT grew 19.3% to S\$952.3 million with strong growth at both **ofi** and Olam Agri.
- PATMI improved 15.5% to S\$230.8 million on EBIT growth and lower exceptional losses, even after accounting for higher net finance costs and lower contribution from Olam Agri following its 35.4% stake sale to SALIC.
- Excluding exceptional items, Operational PATMI was down 9.5% to S\$274.1 million.

2023

- Revenue decreased 12.1% YoY to S\$48.3 billion as lower prices across several products in the portfolio offset sales volume growth.
- EBIT rose 10.1 % to S\$1.8 billion on double-digit growth by **ofi** and Olam Agri. Olam Agri contributed 54.6% of the Group's total EBIT, while **ofi** and Remaining Olam Group contributed 46.8% and negative 1.4% respectively.
- PATMI declined 55.7% YoY to S\$278.7 million as the double-digit EBIT growth was offset by a full year impact of higher interest rates, lower contribution from Olam Agri following its 35.4% stake sale to SALIC, and higher exceptional losses.
- Operational PATMI decreased by 41.4% to S\$458.1 million.
- Free Cash Flow to Equity (FCFE) ended at negative S\$914.8 million (2022: positive S\$1.9 billion) mainly on absence of divestment proceeds, higher working capital deployment and significantly higher net interest costs.
- Net gearing stood at 1.73 times, compared to 1.47 times a year ago.

2023 Performance by Operating Group

ofi¹

Revenue - 4.9% YoY <hr/> 15.6 Bn (S\$)	EBIT + 11.1% YoY <hr/> 829.3 Mn (S\$)
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¹ Consisting of the Cocoa, Coffee, Dairy, Nuts and Spices businesses, **ofi** is made up of two segments – Global Sourcing and Ingredients & Solutions.

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- Revenue decreased 4.9% to S\$15.6 billion as strong pricing growth particularly in Ingredients & Solutions partially offset volumes decline.
- EBIT grew 11.1% YoY to S\$829.3 million led by Ingredients & Solutions as the business successfully passed through input and overhead cost inflation while also leveraging its recent investments.

CEO of ofi, A. Shekhar said:

“We delivered solid earnings growth alongside continued execution of our strategy, to pivot towards a more solutions-led and customer centric organisation. In light of the uncertain macro-economic conditions, we took a deliberate call to focus only on selective volume growth opportunities that maximise earnings and returns. This was reflected in the strong earnings growth in 2023, on reduced volumes, particularly from the Ingredients & Solutions segment.

“We commissioned two significant greenfield investments in the year, the New Zealand dairy processing facility and Brazil soluble coffee facility. We also opened our fourth Customer Solutions Centre in Amsterdam. Each of these investments is fully aligned to the strategy to grow our Ingredients & Solutions business, delivering exciting, value-added opportunities for our customers, supported as always by our integrated supply chain that can offer supply security, sustainability and traceability.”

Olam Agri²

Revenue - 15.1% YoY	EBIT + 12.8% YoY
31.3 Bn (S\$)	967.7 Mn (S\$)

- Strong performance in 2023 against a backdrop of heightened geopolitical and macroeconomic risks impacting the food and agriculture industry.
- Revenues decreased by 15.1% to S\$31.3 billion as commodity prices across most products fell from their highs in 2022, despite volume growth.
- EBIT grew 12.8% to S\$967.7 million in 2023, reflecting the robust contribution from the Food & Feed - Processing & Value-added segment.

² Consisting of Grains & Oilseeds, Freight, Integrated Feed & Protein, Edible Oils, Rice, Specialty Grains & Seeds, Sugar, Cotton, Rubber, Wood Products and Risk Management Solutions. Olam Agri has three segments – Food & Feed - Origination & Merchandising; Food & Feed - Processing & Value-added; and Fibre, Agri-industrials & Ag Services.

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Mr Verghese, who is also CEO of Olam Agri, said: “Olam Agri’s 2023 results build on its track record of delivering high growth (12.8% EBIT growth), high capital efficiency (18.3% EBIT on average invested capital) and high returns (34.6% return on equity).

“Amid deepening food security and supply chain concerns, we will continue to leverage our global footprint, capabilities and partnerships including with SALIC to meet food security challenges in key markets.”

Remaining Olam Group³

Revenue - 14.7% YoY	EBIT N.M.
1.4 Bn (S\$)	-25.1 Mn (S\$)

- Revenue declined across most businesses except the incubating Nupo Ventures business.
- Reported an EBIT loss of S\$25.1 million, from a positive S\$4.5 million in 2022, on lower earnings from De-prioritised/Exiting Assets and losses in the Nupo Ventures business.

Outlook and Prospects

Global macro risks and market volatilities are expected to heighten and shipments disruptions to continue as geopolitical events unfold. Notwithstanding this challenging backdrop, the Group expects the food and agriculture industry to remain resilient.

ofi

ofi continues to execute its strategy by investing for the future with new manufacturing assets and enhanced capabilities in sustainability, digital, innovation and other customer facing areas. While overall end-consumer demand is uncertain across some categories, **ofi** is well-positioned to service its customer needs, with strong and expanding solutions capabilities combined with surety of supply, traceability and sustainability impacts.

³ Comprises Nupo Ventures (formerly Olam Ventures), which incubates new platforms to drive future growth, Mindsprint (formerly Olam Technology and Business Services), which offers shared services, digital solutions and technology services, and Olam Global Holdco, which houses de-prioritised assets earmarked for exit as well as gestating assets.

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ofi's guidance remains unchanged at low to mid-single digit total volume growth and high single-digit adjusted total EBIT growth over the medium-term.

Olam Agri

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 to execute on its differentiated strategy to deliver profitable growth and superior returns. The Strategic Supply and Cooperation agreement with SALIC is also expected to catalyse its growth in the Gulf region.

As part of a strategic portfolio re-alignment, Olam Agri has taken the decision to close the Fund Management business of its subsidiary Olam Fund Management. A total of 14 employees in Singapore and China will be affected. Olam Agri is committed to supporting the impacted employees with re-deployment within the Olam Group or transition with a severance package. Additionally, they will be provided with assistance through outplacement services and access to an employee assistance programme, as needed.

Remaining Olam Group

In light of the challenges faced by our start-up B2C purpose brand business "Re-" in meeting the Group's expectations, the Group has decided to close the business. A total of eight staff members will be affected, with six based in Singapore, one in India, and one in Malaysia. Each affected employee will be supported with re-deployment within the Olam Group or transition with a separation package. Additionally, they will be provided with assistance through outplacement services and access to an employee assistance programme, as needed.

The closures are not expected to have a material financial impact on the Group.

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 Second-Half and Full Year ended December 31, 2023. A live webcast of the results briefing will be available at 10.30 am SGT on February 28, 2024 with replay at olamgroup.com.

H2 2023 and 2023 Financials for Olam Group Consolidated and Operating Groups

	Revenue (\$ million)		EBIT (\$ million)		Revenue (\$ million)		EBIT (\$ million)	
	2023	YoY %	2023	YoY %	H2 2023	YoY %	H2 2023	YoY %
Olam Group	48,272.0	(12.1)	1,771.9	10.1	23,586.9	(10.8)	952.3	19.3
- ofi	15,583.4	(4.9)	829.3	11.1	7,881.1	(4.8)	552.1	15.4
- Olam Agri	31,319.7	(15.1)	967.7	12.8	15,032.3	(13.3)	408.6	67.9
- Remaining Olam Group	1,368.9	(14.7)	(25.1)	n.m	673.5	(18.8)	(8.4)	n.m

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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. The FTSE4Good Index Series identifies companies that demonstrate strong Environmental, Social and Governance (ESG) practices and is used by a variety of market participants to create and assess responsible investment funds.

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



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