NFFOODS Spectrum
perspectives on food technologies & business
ASIA

Olam Group unveils re-organisation plan following agri business sale to SALIC

16 April 2025 | News

The Group will invest $500 million in its food ingredients business, ofi (Olam Food Ingredients), to fuel strategic growth initiatives and position it for future opportunities



The Group will invest $500 million in its food ingredients business, ofi (Olam Food Ingredients), to fuel strategic growth initiatives and position it for future opportunities

Olam Group Limited announced details of its Updated Re-organisation Plan, following the proposed sale of its remaining 64.57 per cent stake in Olam Agri to the Saudi Agricultural and Livestock Investment Company (SALIC). The strategic transaction, first announced on February 24, 2025, marks a pivotal milestone in the Olam Groupâ??s transformation journey.

Under the Updated Re-organisation Plan, Olam Group will pursue three core objectives aimed at reshaping its business structure, enhancing shareholder returns, and unlocking long-term value.

Olam Group plans to allocate approximately $2 billion from the sale proceeds towards de-leveraging its balance sheet, to make the Remaining Olam Group entirely debt-free and self-sustaining.

The Group will invest $500 million in its food ingredients business, ofi (Olam Food Ingredients), to fuel strategic growth initiatives and position it for future opportunities. Among these is the exploration of a dual listing of ofi in Europe and Singapore, which the Group will consider at an appropriate time, subject to market conditions.

Olam Group intends to progressively divest all remaining businesses and assets within the Remaining Olam Group. The net proceeds from these divestments will be distributed to shareholders through a series of special dividends over time.

The Updated Re-organisation Plan is expected to be funded by two primary sources:

Gross cash proceeds of approximately $2.58 billion from the sale of the remaining stake in Olam Agri, including proceeds from the exercise of a Tranche 2 option.

Net proceeds from the divestment of the Remaining Olam Groupâ??s businesses and assets.

The completion of Tranche 1 of the Olam Agri transaction is expected upon receiving the necessary closing conditions and regulatory approvals.

As the Group exits the agri-business and winds down its remaining operations, its focus will shift to driving value creation through ofi. To complement this, Olam Group announced plans to re-initiate share buybacks under its existing mandate, with shareholder approval for the renewal of this mandate to be sought at the upcoming annual general meeting.

The Group noted that the timing and execution of the Updated Re-organisation Plan remain subject to market conditions, available opportunities, and necessary shareholder and regulatory approvals.