



News Release

Olam Food Ingredients heats up Spices portfolio with US\$108.5 million acquisition of a leading US chile pepper business

Acquisition is on-trend to support rising consumer demand for Mexican flavors

Singapore, December 21, 2020 - Olam Food Ingredients (“**OFI**”), the new operating group created after the reorganization within Olam International Limited (“**OIL**”) earlier this year, is expanding its Spices portfolio (“**Olam Spices**”) to meet the rising demand for bold, authentic flavors with the acquisition of one of the world’s leading suppliers of premium green chiles, jalapeños and enchilada sauces.

OIL, through its subsidiary, Olam Americas, Inc. has agreed to acquire the US-based chile pepper business (“**CPB**”) of major maker of condiments and sauces, Mizkan America, Inc. (“**Mizkan**”), for US\$108.5 million. This is the first major acquisition for OFI after the reorganization and is in line with its strategy to provide customers with on-trend food products and sustainable, natural, value-added ingredients and solutions.

Based in Deming, New Mexico, CPB is renowned for its high-quality New Mexico green chiles as well as other specialty chile peppers. These are highly sought after by CPB’s manufacturing, retail, private label and foodservice customers.

Olam Spices CEO, Greg Estep, said: “Formerly known as Border Foods, CPB has been the leading chile pepper business in the US for nearly 50 years. Combining CPB’s specialty and green chile range with our red chile portfolio (which includes paprika, chile powder and chile pepper) means we can deliver a wider range of ingredient solutions for customers looking to satisfy the rising demand for authentic Mexican flavors – already the third most popular cuisine in the country.

“We are further pleased that in operating CPB, Mizkan shares the same focus on sustainable agriculture and quality control, maintaining close farmer relationships and fully integrated supply chains. This also allows Olam Spices to strengthen and expand our chile sourcing network — notably in Hatch Valley, New Mexico. With the CPB senior executive leadership at the helm, supported by an outstanding group of employees committed to excellence, we will continue to grow the business even further.”

Olam Spices is the leading supplier of dried garlic, onion and chile-based ingredients and a global leader for pepper, tropical spices, purées and parsley. With its facility in Las Cruces, New Mexico, it is the largest organic chile grower and processor in the US, with full traceability from seed to delivery. It is one of OIL’s five leading food ingredient businesses, which along with Cocoa, Coffee, Nuts and Dairy, have come together under the OFI banner to co-create exciting category applications and solutions for its customers and their consumers.

OFI CEO, A. Shekhar, said: “This is a fitting first acquisition for OFI, as CPB fulfils OFI’s vision to help its customers meet consumer preferences for health, nutrition, natural and authentic ethnic flavors, as well as their increasing demands for understanding the provenance and environmental impact of their food choices.

“CPB’s chile operations are second-to-none, with a strong heritage, steady financial performance and leading shares for all its products. Further, CPB supplies grocery and retail channels that offer increasing co-manufacturing opportunities in the US and Asia for many of our other products. The addition of CPB’s range of premium green chiles will also broaden and strengthen OFI’s portfolio in plant-based solutions, which continue to gain popularity among consumers. For example, working with OFI’s innovation team we can produce a nut-based cheese that has a jalapeño flavor kick.”

The CPB operations in Deming are less than 60-miles from Olam Spices’ red chile manufacturing facility in Las Cruces, New Mexico. The close proximity will enable an effective combination of established green and red chile market capabilities, and allow for even stronger manufacturing and product development, coupled with taste and flavor innovation. It also supports deeper grower relationships in the region, particularly with those growing specialty varieties.

Key financial information relating to the acquisition

Olam Americas, Inc will acquire CPB for a total consideration of US\$108.5 million, including an estimated net working capital of US\$55.0 million, subject to net working capital adjustment at closing.

The consideration was arrived at via a closed bidding process. The acquisition will be funded by a combination of Olam’s internal accruals and existing debt facilities.

The transaction is subject to US antitrust regulatory approval and customary closing conditions which are expected to complete in January 2021.

This acquisition is not expected to have a material impact on the earnings per share or net tangible assets per share of OIL for the financial year ending December 31, 2020 or 2021.

Crowell & Moring LLP provided legal representation to Olam in the transaction. Lazard Middle Market served as exclusive financial advisor to Mizkan on the sale of its chile pepper business, and Locke Lord, LLP served as its legal advisor.

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About Olam International Limited

Olam International is a leading food and agri-business supplying food, ingredients, feed and fibre to 25,200 customers worldwide. Our value chain spans over 60 countries and includes farming, processing and distribution operations, as well as a sourcing network of an estimated 5 million farmers.

Through our purpose to 'Re-imagine Global Agriculture and Food Systems', Olam 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 currently ranks among the top 30 largest primary listed companies in terms of market capitalization on SGX-ST.

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About Olam Food Ingredients

Olam Food Ingredients (OFI) is a new operating group born out of Olam International. OFI offers sustainable, natural, value-added food products and ingredients so that consumers can enjoy the healthy and indulgent products they love. It consists of Olam's industry-leading businesses of Cocoa, Coffee, Edible Nuts, Spices and Dairy.

OFI has built a unique global value chain presence including its own farms, farm-gate origination and manufacturing facilities. OFI partners with customers, leveraging its complementary and differentiated portfolio of "on-trend" food products, to co-create solutions that anticipate and meet changing consumer preferences as demand increases for healthier food that's traceable and sustainable.

About Mizkan America, Inc.

Based in Mount Prospect, IL, Mizkan America, Inc., is a subsidiary of the Mizkan Group, a global, family-owned company that has been Bringing Flavor To Life™ for more than 215 years.

As one of the leading makers of condiments and sauces in the United States, Mizkan America maintains 15 manufacturing facilities that serve the retail, foodservice, specialty-Asian and food-ingredient trade channels. Since 2005, Mizkan America has seen dramatic growth and their portfolio now includes a wide variety of vinegars, Italian and Asian sauces, cooking wines, wine reductions, sushi seasoning and salad dressings.

Mizkan America brands include: RAGÚ®, Bertolli®, Holland House®, NAKANO®, Four Monks®, Barengo®, Mitsukan®, Nature's Intent®, World Harbors® and Mizkan®. Mizkan America is also the exclusive distributor/sales agent for Angostura® Bitters in North America. For more information, go to Mizkan.com.

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