

Olam advances breakup plan with Olam Agri stake sale

28 April 2026 | News

First tranche deal values business at \$4 billion, with full buyout in sight



First tranche deal values business at \$4 billion, with full buyout in sight

Olam Group Limited has completed the first tranche of its strategic stake sale in Olam Agri to Saudi Agriculture & Livestock Investment Company, marking a significant milestone in its ongoing restructuring strategy.

The transaction involves the sale of a 44.58 per cent stake for approximately \$1.88 billion, implying a 100 per cent equity valuation of \$4.00 billion for Olam Agri, subject to closing adjustments. Following the completion, SALIC becomes the majority shareholder with an 80.01 per cent stake, while Olam Group retains 19.99 per cent, positioning Olam Agri as an associated company.

The deal, executed through Olam Group's wholly owned subsidiary Olam Holdings Pte. Ltd., follows the receipt of all regulatory approvals and fulfillment of closing conditions. It represents a key step in Olam Group's Updated 2025 Reorganisation Plan, aimed at unlocking shareholder value and optimizing its capital structure.

Clear Path to Full Ownership

The agreement sets a defined roadmap for full ownership transition. Olam Group retains a put option to divest its remaining 19.99 per cent stake to SALIC within three years for a base consideration of approximately \$799.6 million, along with additional option-linked returns and a 6 per cent internal rate of return (IRR). SALIC, in turn, holds a call option to acquire the remaining stake within the same timeframe under identical terms. Upon completion of this second tranche, Olam Agri will become a wholly owned subsidiary of SALIC.

Strategic Realignment and Growth Focus

The transaction underscores Olam Group's shift toward portfolio simplification and capital efficiency, as it continues to monetize assets under its broader restructuring framework. The company remains focused on advancing growth initiatives

within its remaining businesses while executing further divestments.

For Olam Agri, the entry of SALIC—a global food security investor backed by Saudi Arabia’s sovereign wealth framework—marks a transformational inflection point. The partnership is expected to accelerate expansion across key agricultural value chains, including food, feed, fibre, and fuel, while strengthening its positioning as a global integrated agri-business platform.

Strengthening Food Security Linkages

The deal also reflects a broader trend of strategic capital flows into global food supply chains, as sovereign-backed investors seek to secure long-term access to agricultural resources. With SALIC’s backing, Olam Agri is poised to scale its operations and deepen its role in addressing global food security challenges.

Financial advisory for the transaction was led by Rothschild & Co Singapore Limited, alongside Citigroup Global Markets Singapore Pte. Ltd and The Hongkong and Shanghai Banking Corporation Limited.

The completion of the first tranche signals strong execution momentum for Olam Group’s restructuring roadmap, while setting the stage for a full ownership transition of Olam Agri in the coming years.