

Overall Winner

Judges' Choice

Jayant Parande

President & Global Head – Treasury, IR and TSF, Group Treasurer

Olam Group



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Reorganisation and acquisition drives Olam to totally restack its entire debt portfolio

The challenge

In January 2020, Olam Group announced a major corporate reorganisation to split its business into three independent operating groups. The reorganisation required the company to restack its entire debt portfolio (approximately US\$20bn of facilities) into the three new operating groups spanning public and private bonds, committed revolving credit facilities (RCFs)/term loans, bilateral working capital lines and FX facilities, while continuing to meet the day-to-day requirements of the business.

The solution

The first step initiated by the treasury team was to work with its core relationship banks to put in place substantial backstop facilities (of

approximately US\$6.7bn) to facilitate the debt reorganisation including:

- Three-year term loan of US\$1.2bn from Citi, HSBC, J.P. Morgan and MUFG.
- 18-month bridge facility of US\$5.5bn from Citi, HSBC, J.P. Morgan, MUFG, BNP, Credit Suisse, DBS, Mizuho and Rabobank.

The team then appointed HSBC and Standard Chartered Bank as debt advisors to put in place additional US\$2.5bn of targeted facilities.

With those facilities in place, the treasury team launched a phased consent process across its debt portfolio as follows:

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Phase I: lender consents for waiver/novation for all its committed RCFs and Term Loans.

Phase II: launch of a public exchange offer and consent solicitation exercise, targeting all five of Olam's public senior and subordinated bonds, which included an event-of-default waiver on three senior notes and the novation of two perpetual securities to a new operating group with a simultaneous extension of SG\$55m of FY22 perpetuals via a tap of the FY26 perpetuals.

Phase III: waiver of event of default and novation of eight series of private placements.

Phase IV: waiver of event of default and change in guarantor for five series of US notes issued under a Note Purchase Agreement.

Phase V: re-instatement of bilateral, trade and FX facilities from approximately 40 different banks and financial institutions across the three operating groups.

All these activities took place in the backdrop of a highly uncertain macro-economic environment with COVID-19 related challenges (lockdowns, remote working, supply chain disruption and elongation of working capital cycle hence added funding requirements), acute commodity price volatility and tightening of liquidity.

In addition, as part of the company's normal refinancing plan, it had approximately US\$3.1bn of term facilities and bonds that were due to be refinanced in 2021. So, while the reorganisation was underway, the team also executed several 'business-as-usual' transactions aggregating US\$4.6bn including sustainability-linked notes, a refinanced Samurai loan of JPY26.7bn and secured Olam's first SOFR-linked one year club facility of US\$150m.

And as if that was not enough, Olam Group also completed one of its largest acquisitions (Olde Thomson) for which the treasury team raised a special purpose facility of US\$1bn in just six weeks to enable timely completion of the acquisition. It followed it up with an equity raise of US\$400m to partly repay the acquisition loan.

The treasury team also had to establish new bank accounts for over ten legal entities (approximately 50 bank accounts) within a span of three-four months across different jurisdictions (repeated across four banks).

Best practice and innovation

Olam's treasury team demonstrated significant initiative by putting together buffer liquidity in anticipation of disruptions linked to COVID-19. In short, Olam's treasury team delivered the financing required for growth amidst significant internal restructuring and against a turbulent economic backdrop, which is quite remarkable. To deliver on this, the team worked with a wide array of internal and external stakeholders including debt advisors, equity advisors, legal, tax, accounting, IT and the business operations teams. Taken together, the effort required would be unprecedented and remarkable and is a most deserved Judges' Choice.

Key benefits

- Cost savings.
- Process efficiencies.
- Increased automation.
- Risk mitigated.
- Improved visibility.
- Errors reduced.
- Manual intervention reduced.
- Increased system connectivity.
- Future proof solution.
- Exceptional implementation (budget/time).



Headquartered and listed in Singapore, Olam Group is a leading food and agri-business, supplying food ingredients, feed and fibre to thousands of customers worldwide.