



ARBORGEN FY26 RESULTS FOR YEAR ENDED 31 MARCH 2026

29 May 2026: ArborGen Holdings Limited (NZX: ARB) (ArborGen or the Company) has today announced its audited results for the 12 months ended 31 March 2026 (FY26), delivering a strong result ahead of February 2026 guidance.

FY26 Summary (in USD, comparatives to FY25):

- Group revenue of \$68.2m the highest in five years, driven by increasing average sales prices across both markets.
- Adjusted US GAAP EBITDA¹ up 31% to \$11.5m.
- Continued growth momentum in Brazil; sales up 14% in local currency, provided 44% of total revenue.
- US sales revenue in line with prior year; business repositioned for structural industry reset.
- Clear strategy being executed with discipline - focus on continued growth momentum in Brazil; higher value sales mix in the US South; and continued strengthening of the operational platform.

ArborGen has delivered its highest revenue result in the past five years, alongside a strong uplift in earnings. The result was driven by strong growth momentum in Brazil, a focus on added value products in both of ArborGen's markets and increased commercial discipline across the business.

Group revenue increased 8% year-on-year (YOY) to \$68.2m. Excluding one-off, non-recurring items of \$1.0m, Adjusted US GAAP EBITDA was \$11.5m, representing a 31% increase on FY25. The company reported a net loss after tax of \$(7.5)m, a material improvement on the prior year.

The Board remains firmly focused on cash generation, reducing debt and delivering further cost initiatives, including rightsizing the business to better reflect ongoing structural changes in the US market, and investment into the Brazil business to support continued growth.

Cash and cash equivalents were \$2.2m as at 31 March 2026, with net debt of \$25.2m reflecting several years of strategic investment across the business. Certain bank facilities were renewed during the year, providing more advantageous rates and terms. ArborGen's Ridgeville building remains on the market for sale and is supported by a strong commercial tenant. Any future sale proceeds are intended to further reduce debt.

CEO Justin Birch said: "While market conditions in the US South remain challenging, our deliberate strategy over the past five years to diversify market concentration and expand our presence in Brazil is delivering. We are seeing customers increasingly recognise our value proposition, with growing demand for our advanced genetics seedlings, protected clones and containerised seedlings.

"Operationally, we are building a stronger platform for long-term growth by optimising our asset base, improving efficiency and productivity, and embedding a high-performance culture. We have invested in a new ERP system which went live in April 2026 and will further strengthen operational visibility and efficiency. We now have a leaner, faster operation that can scale as advanced genetics demand grows, without proportionally growing our cost base.

1. Adjusted US GAAP EBITDA is a non-GAAP financial measure and excludes one-off and unusual items. In FY26, one-off and unusual items were \$1.0m. Refer to the Investor Presentation for more information

“The growing integration and collaboration between our regional business divisions continues to strengthen the Group, creating new opportunities for growth and further establishing us as an increasingly connected international business.

“We remain confident that our dual-pathway strategy remains the right framework for long-term value creation: accelerate adoption of higher-value advanced genetics, and build the operational infrastructure to supply those genetics reliably, at scale, everywhere we compete.”

Brazil

Brazil remained the growth engine for ArborGen in FY26, underpinned by strong demand for both pine and eucalyptus seedlings. The country continues to be one of the world’s most dynamic forestry markets, with expanding pulp capacity, rising demand for engineered wood products and a structural shift toward higher-quality genetics.

Seedling volumes were up 5% YOY, with revenue increasing 14% in local currency. While sales demand remained strong, slower crop growth later in the season constrained the volume of inventory available for sale across both ArborGen and its partner nurseries.

ArborGen’s strong market presence, focus on advanced genetics and protected clones, and network of supplier nurseries puts the company in a defensible position. The value of higher-quality genetics is increasingly being recognised by customers, with a 25% YOY increase in demand for protected clones. Investment is being made in new and better products that deliver the most value to customers and command the most durable margins, with the launch of two new clones in recent months and other new genetics in development.

Additional sales opportunities are also being identified and over the past year, the business has expanded into new geographical markets. In addition, initial sales of ArborGen’s high quality US pine seeds have been made to non-competing businesses in Brazil – an opportunity with significant potential in both markets. The Erval Grande nursery was converted to pine production to meet market needs, particularly as plywood and sawtimber markets strengthen.

Operational efficiency remains a priority and the team delivered meaningful improvements in cost control, yield and production planning. Investments in overflow growing areas and enhanced production scheduling helped mitigate the impact of weather variability, which remains a defining feature of the region. The company is pleased to welcome experienced forestry executive, Wagner Itria Jr, who has been appointed as General Manager Brazil from 1 June 2026.

US South

In the US South, the industry changes experienced in recent years are now creating deeper, structural shifts in the commercial landscape with lower demand for timber driven by a long-term decline in pulp demand, subdued housing construction, and mill production and harvesting curtailed accordingly. ArborGen is adjusting to this new baseline reality by creating a business that performs well at current demand levels, generates cash, and retains the capability and the financial strength to grow decisively when conditions improve.

While customers may be planting less, they are increasingly planting higher quality seedlings – an area in which ArborGen excels. As demand for pulp continues to fall, more value will be on sawtimber coming from higher quality trees. ArborGen’s MCP seedlings are ideally suited to higher grade sawtimber, providing greater yield, faster growth and straighter logs.

Sales volumes were down 4% YOY, however, average sales price increased 6% driven by a higher-value sales mix (advanced genetics loblolly pine and containerised seedlings). Wet weather and storms early in the planting season affected growing conditions, with the full extent not visible until harvest in 4Q26. Strong team collaboration allowed for effective inventory optimisation across regions, however, some additional sales opportunities were restricted due to stock levels. Strategic agreements secured with key high-volume customers early in the year helped to reduce risk.

The launch of ArborGen's simplified pine product categories and the AG Score have provided customers with clearer, data-driven insights into the value of advanced genetics, and has been well received. Early-harvest data from MCP^{®2} plantations has reinforced the superior performance of these seedlings, strengthening customer confidence and supporting a second wave of adoption.

The strength of the sales team remains a major strategic advantage, with several large long-term agreements negotiated, with the majority of volume focused on MCP. New opportunities have also been progressed with afforestation projects. The carbon forestry market continues to present a meaningful long-term opportunity, with ArborGen already supplying major project developers.

Outlook

The company is entering FY27 with a stronger operational platform, a more resilient business and clear opportunities for growth. The deliberate and disciplined choices being made today will enable the business to perform well in a more subdued US market, while continuing growth in Brazil.

For FY27, ArborGen is targeting continued improvement in Adjusted US GAAP EBITDA, driven by:

- Continued volume growth in Brazil, supported by increased capacity and ongoing customer transition to protected clones.
- Some revenue and volume growth in the US South, driven by higher-value products.
- Further improvements in operational efficiency, cost management and increasing integration and collaboration between the US and Brazil.
- Continued investment in higher-value and added-value products.

Justin Birch said: "Our customers are focused on a 25+ year harvest horizon. The decisions they make now will deliver value in the future and we are increasingly seeing them turn to genetics that maximise returns. We believe ArborGen's position - our genetics pipeline, our geographic footprint and our deep customer relationships - represents a genuinely valuable and defensible platform."

Chairman, Dave Knott, commented: "ArborGen enters the next phase of its journey with confidence. The market opportunities in Brazil remain compelling and we are well positioned to convert those into sustained earnings growth. While the US South is more challenging, we remain one of the leading suppliers of advanced genetics seedlings in the market. Our focus is clear: delivering superior genetics and service to our customers and generating meaningful long-term returns for our shareholders.

"We thank our global team for their dedication, our customers and suppliers for their valued partnerships, and our shareholders for their continued trust in ArborGen's leadership and strategy."

ENDS

2. Mass control pollinated - the process of manually pollinating the seed cones of pines to attain the best traits of the parent trees

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ArborGen

ArborGen is the leading supplier of advanced seedling genetics to the global commercial forestry industry. Employing state-of-the-art technology, ArborGen is developing high-value products that significantly improve the productivity of a given acre of land by enabling our customers to grow trees that yield more wood per acre with greater consistency and quality in a shorter period of time. For more information, please visit ArborGen's website at www.arborgen.com