



ArborGen Holdings Interim Results to 30 September 2025

1H26 Summary

- Record sales volume and revenue, driven by continued growth momentum in Brazil
- Ongoing headwinds in US South; focus on customer partnerships and advancing the adoption of value-added products ahead of key selling period in 2H26. Benefits of advanced genetics products being recognised by customers and reinforced in market data.
- Brazil market remains strong, with growing demand for both pine and eucalyptus; continuing strategic shift towards higher value protected clones.

25 November 2025 - ArborGen Holdings Limited (NZX: ARB) (ArborGen or the Company) has released its unaudited results for the six months ended 30 September 2025. All dollar values are in US currency unless otherwise stated.

The company has reported record half year sales volumes and revenue, driven predominantly by continued momentum in the Brazil market with the majority of US sales to be recognised in the second half of the year.

CEO Justin Birch said: "The continuing strong trajectory in Brazil is driving record sales results, with significant upside expected when economic conditions in the US South recover. We remain focused on our dual pathway strategy – growing demand and sales of higher value products and building our operating strength. Improving economic drivers in the US, alongside ArborGen's reputation as a market leader and its long-standing partnerships with major customers in both regions, will provide a solid foundation for our long-term growth."

1H26 Financial Performance

Group sales revenue of \$14.2m was a record half year result, increasing 11% on the prior comparative period (pcp 1H25). As mentioned above, sales are predominantly from Brazil with the majority of US sales to be recognised in the second half of the year.

The Brazil business has continued its positive trajectory, reporting record revenue and earnings. Revenue was up 16% on pcp, driven by higher volumes along with an uplift in average selling price. Cost of sales increased in line with the higher volumes and reflects sales mix, with an increased number of seedlings purchased from partners to meet customer demand.

Group adjusted US GAAP EBITDA¹ of \$(2.1)m was a 22% improvement on pcp (1H25: \$(2.7)m).

¹ Adjusted US GAAP EBITDA is a non-GAAP financial measure and excludes one-off and unusual items which may include restructure costs, impairments and write downs on assets, acquisition/sale transaction costs and other one-off items. In 1H26, one-off and unusual items were \$0.2m. Refer to page 9 in the Interim Report for reconciliation table. Management believes this measure provides useful information, as it is used internally to evaluate performance, and it is also a measure that equity analysts focus on for comparative company performance purpose.

Net loss after tax improved by \$1.5m to \$(0.6)m (1H25: \$(2.1)m).

Cash was \$3.6m as at 30 September 2025, with net debt of \$30.4m compared to \$20.9m as at 31 March 2025 (1H25: \$19.9m), with the six month increase mainly due to timing of working capital requirements and strategic capex projects. Primary investments include the continued expansion of ArborGen's containerised seedling offer, inventory build in the US, network upgrades and new systems.

Brazil

The Brazil market remains strong, with growing demand for both pine and eucalyptus. In the past six months, the majority of ArborGen's Erval Grande nursery has been converted to pine, to leverage favourable growing conditions and rising demand. In the eucalyptus market, the domino effect of the drought last year has caused a eucalyptus seedling shortage across the entire market – ArborGen is focused on managing supply and allocation to meet demand. The company continues to strategically shift toward protected clones, which deliver higher value and long-term revenue stability, with some short-term margin impact as production hedges are established.

A focus on operational excellence is driving improvements in both cost control and yield and remains a key priority. Steps have been taken to better position the company for seasonal weather events, particularly drought, with investment in overflow growth areas and improved planning processes.

The US remains an important export market for pine and, while there has been minimum impact to date, the company continues to carefully monitor for any impact from recent US tariffs on imported wood.

US South

Market conditions in the US South remain at the lower end of the cycle and cost and efficiency measures have been put in place to reflect lower near-term demand.

The company is focused on building relationships with key customers ahead of the seasonal sales period and advancing the adoption of value-added products like MCP and containerised seedlings, which remain core to ArborGen's growth.

A recent industry opinion leaders conference, hosted by ArborGen, brought together some of the most influential private landowners and TIMOs in the country. The CEO of Resource Management Service, LLC (RMS), one of ArborGen's largest customers, opened the event by highlighting the tremendous value advanced genetics, especially MCP, have brought to their portfolio since 2007.

ArborGen has recently launched a rebrand of its product categories, helping customers more clearly understand the genetic attributes that drive performance. In addition, a new thinning study is underway by ArborGen's largest customer, comparing OP and MCP seedlings using real-world commercial data. Early insights are extremely promising and reinforce the clear value that MCP brings to sawtimber production.

Outlook

In Brazil, volume growth is expected to continue, with some short-term margin impact from the current excess market capacity. The full-year benefit of the new Teresina nursery and the continued shift into protected genetics, combined with a focus on improved product mix and pricing, position us well for sustainable growth.

In the US South, market conditions are expected to remain weak until at least 2026. Nonetheless, sales activity will support some revenue and volume growth, with a focus on higher-value products such as MCP and containerised seedlings. ArborGen is also well positioned as the seedling supplier of choice for the emerging carbon market. Given the slower return to normal market conditions in the US, plus production losses from the Texas rains, limited growth is anticipated in the US South this year.

The company confirms it remains on track to deliver year on year improvements in revenue and gross margin, despite ongoing headwinds, particularly in the US South. Adjusted US GAAP EBITDA for FY26 is expected to be between \$11m and \$12m, an increase of at least 25% on FY25.

ENDS

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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