



ARBORGEN FY26 GUIDANCE AND MARKET OPPORTUNITIES

10 September 2025: ArborGen Holdings Limited (NZX: ARB) (ArborGen or the Company) has today provided guidance for the financial year ending 30 March 2026 (FY26).

Year on year improvements are expected in both revenue and gross margin. Despite ongoing headwinds, particularly in the US South, adjusted US GAAP EBITDA is expected to be at least 25% higher than the prior year at between USD \$11m and \$12m.

US South

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 Mass Control Pollinated (MCP®) and containerised seedlings. ArborGen is also well positioned as the seedling supplier of choice for the emerging carbon market.

Recent severe hail and rains in Texas have caused significant damage to production and this will have some impact on sales and costs this year. Inventory is being managed carefully to meet demand. Expansion of container seedlings is continuing in response to customer demand, and ArborGen is continuing to invest in MCP production as demand for high grade sawtimber becomes a priority.

Brazil

In Brazil, volume growth is anticipated, with some short-term margin impact from the current excess market capacity. The eucalyptus market continues to grow and there has also been high demand for pine – ArborGen achieved record pine sales in May, and then again in June.

The drought in 2024 caused a eucalyptus seedling shortage across the entire market and the company is focused on managing supply and allocation to meet demand. The full-year benefit of the new nursery and the continued shift into protected genetics, combined with a focus on improved product mix and pricing, position ArborGen well for sustainable growth.

Market opportunities

In the US, around 70% of timber use is residential housing and home improvements. High interest rates and economic and political uncertainty have led to the current subdued housing market, however, there is significant pent up demand with an estimated national shortfall of 4 – 5m homes¹. As demand for pulp continues to fall, after significant declines seen already, 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.

¹ Forest Economic Advisers 1st Quarter 2025 Timber Quarterly Forecast, P21

The carbon market remains in its infancy, yet it presents a tremendous opportunity with some estimates that it could grow to as much as \$250 billion in total² by 2050. ArborGen is well positioned as the seedling supplier of choice for carbon offset projects. ArborGen's MCP trees sequester almost 40% more carbon than standard trees because they grow faster; ArborGen has better genetics and better gains in this market than its competitors; the company has proven its ability to deliver and is poised to do more as the market grows.

Brazil is the world's largest hardwood pulp producer with eucalyptus demand projected at 1.2 billion seedlings per year. Pine demand also remains strong. There is a growing market for new, higher quality clones with higher yields that are also more resilient and biodiverse, and this presents an opportune landscape for ArborGen.

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

² [MSCI carbon markets report January 2025](#), P21