

# ASX ANNOUNCEMENT

10 March 2026

## FIRST HALF BUSINESS UPDATE

### STRONG UNDERLYING FIRST HALF EARNINGS AND NEW COST OUT PROGRAM COMMENCED

The momentum that supported Orica's strong performance in 2025 has continued in the first five months of the 2026 financial year. As a result of the on-going successful execution of our strategy, EBIT<sup>(1,2)</sup> is expected to be slightly higher than the half year prior corresponding period (pcp):

- **Blasting Solutions:** Underlying performance of the core blasting business continues to be underpinned by strong demand for premium products and advanced blasting technologies, continued commercial discipline and consistent production performance across the manufacturing network. However, appreciation of the Australian dollar (AUD/USD exchange rate has moved from \$0.66 as of 30 September 2025 to \$0.70 as of 9 March 2026) and lower Indonesian coal production quotas are expected to result in EBIT being slightly below the pcp. (On a 2025 constant exchange rate basis, EBIT would have been expected to be broadly in line with the pcp.)
- **Digital Solutions:** Increasing adoption of Orica's suite of digital offerings and recurring revenue growth continued in the first half, supported by favourable gold and copper market fundamentals, robust metals exploration activity and increased cross-selling across the portfolio. EBIT is expected to increase by approximately 20% versus the pcp.
- **Specialty Mining Chemicals:** Strong customer demand for sodium cyanide within a robust gold sector continued in the first half. Upgrades at the Winnemucca solids plant have been completed successfully, enabling optimisation across Orica's full production network of Winnemucca, Yarwun and Alvin. EBIT is expected to increase by approximately 15% versus the pcp.

Orica has commenced an organisation wide program to deliver an enduring step change in the cost base of the business, to best position the company for the next phase of sustained profitable growth. It is anticipated that the program will deliver at least \$100 million of annualised cost savings, realised across the next three years.

Net operating cashflow for the half and full year is expected to be lower than 2025 primarily due to movements in foreign exchange rates, litigation costs in the US, together with the impact of the CF Industries plant outage in North America.

Depreciation and amortisation for the full year is expected to be at the lower end of \$520 million to \$540 million, skewed to the second half.

Net finance costs for the full year are expected to be slightly higher than 2025.

Minority interests for the full year are expected to be in line with 2025.

Effective tax rate for the full year is expected to be slightly below 2025 based on regional earnings mix.

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<sup>1</sup> Earnings before interest and tax (EBIT) is equivalent to profit/loss before financing costs and income tax, excluding individually significant items.

<sup>2</sup> EBIT for the Half Year March 2025 has been adjusted to \$488.1 million to reflect the Half Year impact of the Litigation Costs significant item recognised as at 30 September 2025. See Group Compendium - 4E 2025 released on 13 November 2025.

## Capital Management

Capital expenditure for the full year is expected to be broadly in line with 2025, skewed to the second half.

The previously announced on-market share buy-back of up to \$500 million is substantially complete.

Stage 2 of the sale of surplus land at Deer Park in Victoria, Australia, is progressing with contract exchange anticipated in the second half of 2026 and sale proceeds expected across 2026 and 2027.

## 1H2026 Significant Items

### *Litigation costs*

Litigation costs for ongoing intellectual property and commercial disputes will be recognised as a Significant Item in this half:

- Orica has successfully defended the validity of key patents underpinning Orica's WebGen™ technology in Australia, however this matter is subject to an appeal currently scheduled for March 2026.
- Orica continues to be involved in a U.S. lawsuit<sup>3</sup> with CF Industries and will continue to pursue and defend the claims.

### *CF Industries supply disruption*

Independent of the litigation, on 10 November 2025, Orica received a notice from CF Industries claiming force majeure relating to an incident at their Yazoo City Plant, that occurred on 5 November 2025, indicating that since that incident CF Industries is unable to produce industrial ammonium nitrate. Production is not expected to resume at the Yazoo City plant until the fourth quarter of (CY) 2026 at the earliest.

Orica continues to leverage its global manufacturing and supply network to ensure continuity of supply and minimise potential impacts. The additional supply costs incurred, net of cost pass-through, will be reported as a Significant Item.

### *Restructuring costs*

Restructuring costs associated with the organisation wide cost reduction program will be treated as a Significant Item. Cost benefits delivered from this sizeable program, once completed are expected to result in an enduring step change in operating costs of the business.

The net impact of the above Significant Items in the first half of 2026 is expected to be a reduction in statutory net profit after tax of between \$45 million and \$60 million (\$55 million to \$75 million pre-tax).

Description	After-tax impact (\$m)
Litigation costs	(26 – 31)
CF Industries supply disruption	(13 – 18)
Restructuring costs	(6 – 11)
<b>Total</b>	<b>(45 – 60)</b>

<sup>3</sup> Includes contractual, statutory and common law claims in relation to Orica's North American operations.

**Trading in the Middle East**

Orica is currently not experiencing immediate constraints related to the conflict in the Middle East. Orica's products (inputs or components) are generally not transported through the Straits of Hormuz, nor neighbouring regions. There may be future impacts to energy or raw material costs and Orica continues to monitor the situation closely and will work to mitigate potential impacts by leveraging our global manufacturing and supply network.

**Commenting on the first half performance to date, Orica Managing Director and CEO Sanjeev Gandhi said:**

*"I am pleased with the strong start to the underlying business in the 2026 financial year. Our performance reflects the resilience of our business, and the strength of our integrated offering, operational reliability across our global manufacturing network and the ongoing adoption of our premium products, digital solutions and value-added services.*

*"Despite a more volatile operating environment and increasing geopolitical complexity, we have continued to support customers by leveraging our global footprint, maintaining continuity of supply and focusing on operational excellence.*

*"Whilst market conditions remain dynamic, we're confident in the strong fundamentals of our business and our ability to continue to execute our strategy.*

*"We remain focused on disciplined capital management and rebasing our costs while advancing our growth initiatives and delivering sustainable value for customers and shareholders."*

**2026 HALF YEAR RESULTS**

Orica will announce its half year results on Thursday, 7 May 2026.

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**ABOUT ORICA**

Orica (ASX: ORI) is one of the world's leading mining and infrastructure solutions providers. From the production and supply of explosives, blasting systems, specialty mining chemicals and geotechnical monitoring to our cutting-edge digital solutions and comprehensive range of services, we sustainably mobilise the earth's resources.

Operating for over 150 years, today our 14,000+ global workforce supports customers across surface and underground mines, quarry, construction, and oil and gas operations.

Sustainability is integral to our operations. We have set an ambition to achieve net zero emissions by 2050 and are committed to playing our part in achieving the goals of the Paris Agreement.

Find out more about Orica: [orica.com](https://www.orica.com)