

# ASX ANNOUNCEMENT

7 March 2025

## FIRST HALF BUSINESS UPDATE AND EXPECTED SIGNIFICANT ITEMS

Orica (ASX: ORI) today provided an update on the business performance for the first five months of the financial year and first half outlook including expected significant items of \$300 million to \$350 million.

### Stronger first half EBIT expected

The momentum that underpinned Orica's strong performance in 2024 has continued into the first five months of 2025. As a result, it is expected that EBIT<sup>1</sup> in the first half will be higher than planned, with contributions from all three segments expected to be higher than the prior corresponding period:

- **Blasting Solutions:** The core business remained strong with continued robust demand for Orica's products and services across the mining and civil infrastructure value chains and increasing adoption of blasting technology offerings. The planned Kooragang Island plant turnaround is on track for completion on time and on budget. Despite the continuing competitive market dynamics in Latin America, the Blasting Solutions segment will deliver increased earnings this half.

Further to this, sales of carbon credits are expected to be finalised in March 2025, resulting in an estimated benefit of up to \$15 million in the first half.

- **Digital Solutions:** Demand for Orica's suite of digital offerings and value-added services continued to grow supported by strong recurring revenue and earnings from Terra Insights, including contract wins in new regions.
- **Specialty Mining Chemicals:** Sales volumes were higher in the first half supported by new contract wins and earnings from Cyanco. Extended maintenance activities and safety upgrades at the P1 Winnemucca plant have been completed successfully in the first half. Planned maintenance and safety upgrades at the P2 and utilities plant will be completed in the second half of this financial year. Associated lost production together with constrained gas supply in Yarwun in the first quarter will result in an EBIT contribution that is lower-than-expected by up to \$20 million for the full year.

Depreciation and amortisation is expected to be at the lower end of \$490 million to \$510 million for the full year, broadly split evenly between the first and second halves.

Net finance costs are anticipated to remain between \$190 million to \$200 million for the full year, broadly split evenly between the first and second halves.

Minority Interests for the full year is expected to be in line with 2024.

Capital expenditure, including Terra Insights and Cyanco, is expected to be broadly in line with 2024, skewed to the second half.

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

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## 1H2025 individually significant items

### Latin America (LATAM)

As disclosed in the 2024 Annual Report<sup>2</sup>, there was limited headroom between the value in use and the carrying value of LATAM Blasting Solutions assets. Following an update of the forward order book, it is expected that the carrying value of the assets will be greater than the recoverable value. This will result in an impairment charge to Intangibles, Property, Plant & Equipment, Other Assets and associated one-off restructuring costs in the first half of 2025.

Latin America continues to be an important region for Orica, given its exposure to key commodities such as gold and copper, which have robust growth forecasts. With strong demand for specialty mining chemicals and digital solutions, Orica's blasting technology is well placed to improve productivity in the region's complex mines.

### Europe Middle East Africa (EMEA)

Restructuring costs associated with continued operating model changes and country rationalisation will result in a significant item.

The net impact of the above items in the first half of 2025 is expected to be a reduction in statutory net profit after tax of between \$300 million and \$350 million, with \$220 million to \$245 million being non-cash adjustments.

Description	After-tax impact (\$m)
LATAM: Impairment and restructuring costs	(290 - 335)
EMEA: Restructuring costs	(10 - 15)
<b>TOTAL</b>	<b>(300 - 350)<sup>3</sup></b>

Orica Managing Director and CEO Sanjeev Gandhi said, "I am pleased with the strong trajectory from 2024 that continued into the first half of this year. The integration of Cyanco and Terra Insights is progressing well in line with our plans and demand for Orica's products and services remains strong across all three segments. This stronger business performance, along with the benefit from the sale of carbon credits, will result in the first half result being ahead of our expectations. Subject to no further volatility in external factors, I expect that this momentum will continue into the second half and beyond. I am looking forward to sharing more details with you at our Investor Day next week."

## 2025 Investor Day

Orica will be hosting the 2025 Investor Day commencing at 9:30am (AEDT) on Wednesday, 12 March 2025. The event will be webcast on [Investor Day 2025](#).

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<sup>2</sup> 2024 Annual Report Note 9: Impairment testing of assets

<sup>3</sup> Outcome is subject to closing foreign exchange rates as at 31 March 2025 and finalisation of the audited half year accounts, which will be released on 8 May 2025

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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](http://orica.com)