

Bunge Global SA

Second Quarter 2025 Earnings Release and Conference Call

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CORPORATE PARTICIPANTS

Mark Haden - *VP, Investor Relations*

Greg Heckman - *CEO & Director*

John Neppl - *Executive VP & CFO*

PRESENTATION

Operator

Good morning, and welcome to the Bunge Global Second Quarter 2025 Earnings Release and Conference Call. All participants will be in listen-only mode. Should you need assistance, please signal a conference specialist by pressing star then zero on your telephone keypad. After today's presentation, there will be an opportunity to ask your questions. To ask a question, you may press star then one on your telephone keypad. To withdraw your question, please press star then two. Please note, this event is being recorded.

I would now like to turn the conference over to Mark Haden, Vice President of Investor Relations. Please go ahead.

Mark Haden

Thank you, Drew. Thank you all for joining us this morning for our second quarter earnings call. Before we get started, I want to let you know that we have slides to accompany our discussion. These can be found at the Investor Center on our website on bunge.com under Events and Presentations. Reconciliations of our non-GAAP measures to the most directly comparable GAAP financial measure are posted on our website, as well.

I'd like to direct you to slide two and remind you that today's presentation includes forward-looking statements that reflect Bunge's current view with respect to future events, financial performance, and industry conditions. These forward-looking statements are subject to various risks and uncertainties. Bunge has provided additional information in its reports on file with the SEC concerning factors that could cause actual results to differ materially from those contained in this presentation, and we encourage you to review these factors.

On the call this morning are Greg Heckman, Bunge's Chief Executive Officer, John Neppl, Chief Financial Officer. I'll now turn the call over to Greg.

Greg Heckman

Thank you, Mark, and good morning, everyone. Before we get started, I just wanted to mention, you may have noticed, Mark's now leading IR, and I wanted to give a quick thank you to Ruth Ann for her years of service in IR, and she'll now be leading our government affairs team globally, so they'll still be working closely together.

So, welcome. This was a pivotal quarter for Bunge, and I want to begin by thanking the team for continued focus and execution. We successfully navigated a highly complex period, both internally and externally, and delivered better than expected results for the quarter, especially given the market conditions. Our team continues to demonstrate agility in an ever-changing environment while also making significant progress against our strategic priorities.

We are very pleased to have completed our combination with Viterro earlier this month, creating the premier agribusiness solutions company, positioned to address some of the most pressing needs of the 21st Century for farmers and consumers across food, feed and fuel. This has been a long time in the making, and we used that time well, refining our integration plans and preparing for execution.

Now that the combination is complete, the teams are moving quickly to identify and capture cost savings along with commercial opportunities we couldn't pursue before closing. We are already moving to implement logistical and transportation efficiencies with potential to reduce expenses between origin and destination. These are durable synergies that will benefit everyone across the value chain.

Our teams have hit the ground running, and I've been impressed by the seamless collaboration, partnership and unified sense of purpose across the company. We remain as excited as ever about our path ahead. Viterra brings a very talented team with robust network of strategically positioned assets.

As we move into the integration phase, we are leveraging core aspects of the playbook that have served Bunge so well over the past several years. We'll move quickly to apply many of the same proven standardized approaches to reach the full potential of our combined company. This includes utilizing the value chain operating model, our global functional centers of excellence and structuring our reward system to ensure our teams are working together toward the common goals of our global company while always staying aligned with our shareholders.

We are applying a global approach to risk management that aligns with the earnings power of our combined company in today's environment, positioning us to better capture value from our expanded global asset base while prudently allocating risk for the best opportunities.

As we integrate these two highly complementary businesses, we're optimistic about the value we will generate. It's a rigorous integration planning that's been done to give a clear path to bringing our companies together, capturing meaningful efficiencies and operational synergies. I'm especially excited about the potential commercial synergies. We are already identifying opportunities to run a more efficient processing in the logistics network and use our combined information to better manage risk for Bunge and our customers. It's been great to see the teams working quickly to identify and tackle these areas together.

Beyond Viterra, we continue to focus on our broader strategic priorities, including ongoing portfolio optimization. Earlier this month, we announced the completion of the sale of US Corn Milling, which further simplifies our business along our global value chains.

Shifting to our operating performance, our second quarter results were largely driven by better than expected processing results in South America, higher margins in Brazil and Argentina. Buying and specialty oils was negatively impacted by uncertainty related to US biofuel policy. John will go into more detail about the second quarter financials in a moment.

Looking ahead, we are maintaining our full year adjusted EPS outlook of approximately \$7.75 for the legacy standalone Bunge, which no longer includes the second-half earnings from our corn milling business due to its sale, which closed on June 30th.

With that, I'll turn it over to John for a deeper look at our financials and outlook. John?

John Neppi

Thanks, Greg, and good morning, everyone. Now let's turn to the earnings highlights on Slide 5. As Greg mentioned, the second quarter exceeded our expectations, primarily by processing. The team's execution allowed us to benefit from the late quarter market volatility.

Our reported second quarter earnings per share was \$2.61 compared to \$0.48 in the second quarter 2024. Our reported results included a favorable mark to market timing difference of \$0.69 per share, net favorable impact of \$0.61 per share from notable items consisting of an \$0.87 gain from the sale of our US Corn Milling business offset in part by \$0.26 of transaction and integration related costs related to Viterra.

Adjusted EPS was \$1.31 in the second quarter versus \$1.73 in the prior year. Adjusted segment earnings before interest and taxes, EBIT, was \$376 million in the quarter, which was \$519 million last year.

In Processing, our results in South America, both Brazil and Argentina benefited from large soybean crops, root farmer selling, higher results in Asia more than offset by lower results in Europe and North America.

In Merchandising, improved performance in global grains and oils more than offset by lower results in our financial services and ocean freight businesses. While largely driven by North America and Europe, salts and Refined and Specialty Oils were down in all regions, reflecting a more balanced global supply and demand environment and uncertainty in US biofuel policy. Milling higher results in North America was offset by lower results in South America.

In corporate and other, decreasing corporate expenses was primarily driven by performance based compensation. Prior year other results include a loss of \$21 million from the sugar and bioenergy joint venture that we divested in the fourth quarter of last year.

Net interest expense of \$60 million was down in the quarter compared to last year due to lower average net interest rates, increased capitalized interest on capital projects and higher interest income from investments in interest bearing instruments. The decrease in income tax expense for the quarter was primarily due to lower pretax income for 2025.

Let's turn to Slide 6, where you can see our adjusted EPS and EBIT trends over the past four years along with the trailing 12 months. Over this period, our team has excelled in managing a variety of different market environments while also executing on numerous internal initiatives, most notably Viterra integration planning. Recent performance trend reflects a more balanced global supply and demand environment and the impact of ongoing trade and biofuel uncertainty that has created a very spot market environment.

Slide 7 details our capital allocation. Year to date, we have generated \$693 million of adjusted funds from operations. After allocating \$133 million to sustaining CapEx, which includes maintenance, environmental, health and safety, we had \$560 million of discretionary cash flow available. We had \$185 million in dividends, invested \$583 million in growth and productivity related CapEx. We also received \$776 million of cash proceeds related to the sale of our US corn milling business, the sale of an interest in our soy crush footprint in Spain to Repsol and final payment for the sale of our interest in the sugar and bioenergy joint venture that closed in 2024. This resulted in approximately \$570 million of retained cash flow.

Moving to slide 8, at year-end, readily marketable inventories, or RMI, exceeded our net debt by approximately \$2.2 billion. Our adjusted leverage ratio reflects our adjusted net debt to adjusted EBITDA was 1.1 times at the end of the second quarter.

Slide 9 highlights our liquidity position. At quarter end, we had committed credit facilities of approximately \$8.7 billion, of which approximately \$7.6 billion were unused by the ample liquidity

to manage ongoing capital needs of our larger combined company. In addition, we had a cash balance of approximately \$6.8 billion in anticipation of our merger with Viterro.

I would also like to point out that, following our closing of Viterro, S&P upgraded our credit rating to A minus, reflecting our improved business risk profile given the step change in our scale and diversification.

Please turn to slide 10. Trailing 12 months adjusted ROIC was 8.4%' ROIC was 7.4%. Adjusting for construction and progress, our large multi-year projects not yet operating and the excess cash on our balance sheet Viterro closing, adjusted ROIC increased by 1.6 percentage points and ROIC by approximately 1 percentage point.

Moving to slide 11, trailing 12 months, we produced discretionary cash flow of approximately \$1.1 billion, cash flow yield of 9.8% compared to our cost of equity of 8.2%.

Please turn to slide 12 and our 2025 outlook. As Greg mentioned in his remarks, taking into account second quarter results, current margin of macro environment and foreign currencies, we continue to forecast full year 2025 EPS of approximately \$7.75. This forecast no longer includes second-half earnings corn milling business due to the sale on June 30th and also excludes the impact of Viterro, closed on July 2nd.

In Agribusiness, full year results are forecasted to be higher than our previous outlook, driven by processing that remained down from last year. Refined and Specialty Oils full year results are expected to be down from our previous outlook, reflecting the softer second quarter performance down from the last year.

In Milling, full year results are expected to be down from our previous outlook, reflecting the sale of corn milling but still in line with last year. Corporate and other full year results are expected to be in line with our previous outlook, but favorable to last year. Additionally, the company expects the following for 2025 - adjusted annual effective tax rate in the range of 21% to 25%, net interest expense at the lower end of the range of \$220 million to \$250 million, capital expenditures in the range of \$1.5 billion to \$1.7 billion and appreciation and amortization of approximately \$490 million.

Prior to reporting third quarter earnings, we anticipate providing a forecast for the combined company along with the historical Bunge information reported in a new segment reporting structure that will be used going forward for the combined company.

With that, I'll turn things back over to Greg for some closing comments.

Greg Heckman

Thanks, John. Before we go into Q&A, I just want to offer a few closing thoughts. So, when we first announced our combination with Viterro two years ago, we saw opportunities with the combined company to accelerate our strategy, enhance our diversification across crops and geographies and increase the impact of our investments. Those same benefits hold true today. They are especially relevant as we navigate the current macroenvironment.

With the greater diversification across assets, geographies and crops, more data to provide us insight, supply and demand dynamics, we're even better positioned to serve our customers at both ends of the value chain, regardless of the market environment. And with the increased scale of our platform, we will get a better return on investments to further improve our business,

including technology in areas such as data analytics to enhance supply chain transparency, logistics planning, processing efficiency, risk management and decision making support. I'm confident that we have the right people, platform and strategies in place to deliver value for our stakeholders, for farmers to consumers across feed, food and fuel markets. We will have a stronger, better positioned company with even greater flexibility and resources to address global food security and renewable energy needs.

With that, we'll turn to Q&A.

QUESTION AND ANSWER

Operator

We will now begin the question and answer session. To ask a question, you may press star, then one on your telephone keypad. If you are using a speakerphone, please pick up your handset before pressing the keys. If at any time your question has been addressed and you would like to withdraw your question, please press star then two. At this time, we'll pause momentarily to assemble our roster.

The first question comes from Andrew Strelzik with BMO. Please go ahead.

Mr. Strelzik, your line is open. Is it possible your line is muted accidentally?

Okay, we'll move to the next question then. The next question comes from Pooran Sharma with Stephens Inc. Please go ahead.

Pooran Sharma

Good morning, and thanks for the question. Just wanted to start off by just asking about the soy crush performance throughout the quarter in your regions. You provided a little bit of detail in the press release, but just wondering if you could flush that out a little bit. And as we look to the back half of the year, how should we think about fundamentals, especially with the recent RVO in mind? And then my follow-up would just be in regards to the SREs. Have you heard anything? How soon do you think we can get an announcement? How have your conversations been regarding this matter? And any sort of details you could provide there would be helpful. Thanks.

Greg Heckman

Sure, I'll start and, John, you can come in. As far as Q2, the outperformance that was a little stronger than we expected came really kind of second-half June, and that was the South America and North America processing margins, really driven by the rising veg oil values and lower bean costs and primarily in the US. So that was what really delivered that.

As you look kind of towards the current market conditions, looking across soy, while Q3 improved a little bit, it's still kind of unclear due to continued soft bio demand and South American supply, margins definitely are better in Q4 and back above baseline with the harvest outlook that's coming. And then if we walk quickly around the globe, if you look at Brazil, Q2 margins are better year-over-year. There's no logistical challenges with take or pay now. You've got a record bean crop. And of course, that's offset a little bit by some of the demand of exports of beans to China and then the deferral of the B15, which we'll see coming in the second half. But we expect that second half to be better year-over-year, and oil demand, of course, is expected to pick up from energy, although we haven't seen it yet.

And then in Argentina, Q2 margins have been better year over year. That was strong farmer selling, driven by the big crops and the export window looking like it was coming to an end. And so that got the industry well covered for Q3, and Q4 is yet to play out.

And then across Europe, our Q2 margins were good but down slightly from a strong prior year. Second half will probably be a little tougher because we've got some competing imports from the South American flows. And then China, our Q2 margins improved in the second half, although they're still slightly down from prior year. Second half margins will probably be lower than Q2, but still look pretty good versus historical levels. So that's the look on soy.

And then on soft, Q2 margins and volumes were down in all regions versus prior year, and that was really across Europe. Black Sea Canada, we had smaller seed production last year. And crops are developing well in all regions, and you see that as the forward crush curves are supported, starting late Q3 as we're expecting arrival of new seeds..

John Neppi

Yeah, and in terms of the SREs, obviously, we've been plugged in pretty closely, monitoring that, and I think our belief is the administration has done a great job of supporting the U.S. farmer, and we need to clearly understand the impact of what the SREs could potentially have on the RVO. And -- but -- so we'll see. We don't -- we probably don't have any special insights into where it's going to end up, but we do expect a decision some time in August or September. And again, I think, given the supportive nature of the policy that -- around 45Z and around RVOs-- we would expect the SREs to be well thought through and supportive.

Pooran Sharma

Appreciate the color.

Operator

The next question comes from Andrew Strelzik with BMO. Please go ahead with your question.

Andrew Strelzik

Hey, good morning. Can you hear me now?

Greg Heckman

Yes, good morning.

John Neppi

Good morning, Andrew.

Andrew Strelzik

Wonderful. Sorry about that. I know you're going to give the combined company Viterra, guidance including Viterra before the third quarter call, but you put out some pro forma numbers including Viterra that I think have created some concern, and I know there's some noise in there. So, I was just wondering if you're able to help us kind of think about what a clean Viterra earnings base for 2024 would have looked like or some of the factors that impacted kind of the underlying Viterra earnings numbers in that pro forma that you shared or maybe if you wanted to compare 2026 fundamentals for Viterra versus '24, if you see the environment on a relative basis getting better or worse? Just some color around that would be helpful.

Greg Heckman

Sure, let me start, and John can come in. I'd just like to start by saying, Viterro's got a great team and an excellent platform, and the strategic rationale is absolutely still in place. As far as prior to close, I'd say, John and I in our past lives have walked that path, so we probably have as good an understanding about that as anyone. And it definitely was a challenging time no doubt for the team. You're moving a private company into a larger public company, which we lived before. We had the regulatory delay. We understand how disruptive that can be to the team and the business.

I think the good news is we understand what those challenges were. There's really nothing we haven't seen before. And we know how to address those going forward.

So, when you look at the combined company going forward, Biofuel policies and large crops are generally supportive of our crush assets. You look at the storage assets now, the combined company has -- those benefit from large crops globally, not only in the storage but in the optionality then when the demand calls for that stored product.

And then you look at our new combined expanded network, it's much more balanced now between crush and origination, how the origination from the farmer to support our assets fits so well together. It's really a vertical merger if you think about it. And that's really going to increase commercial optionality for us.

And then the other is we're now the largest and lowest cost crusher in Argentina, and that's right as that country continues to stabilize, and it's important to the overall crush franchise. So, we really love the combination, and so regardless of what cycle we're in going forward, what we do know is the combined business, we are very, very comfortable, and we'll have higher lows in the in the tough cycle and higher highs as we get into mid and better cycles.

John Neppi

Yeah, and I would just add on, Andrew, when you when you look at the pro formas, I mean, they don't have synergies captured, and they have costs and they're related to the deal. And I think the Viterro team would tell you that they could have executed better in some ways. I think these are things that are easily fixed, and obviously, we -- we're hyper focused on synergies going forward, both on the cost side and on the commercial side, and everything we're seeing so far there is this optimism that we'll get every dollar of synergy that we forecast, if not more on the cost side, and certainly going to be as aggressive as we can be, still support the business comfortably, obviously. But then on the commercial side, as Greg alluded to, I think there's some great opportunity there that we'll see going forward.

Andrew Strelzik

Okay, that's super helpful. And then I apologize if this was already asked and I might have missed it, but I guess I'm curious -- I mean, we can see in the U.S. crush curve both the RVO how things have evolved. How are you thinking about the implications on a more global basis with the US potentially out of the global market for bean oil and maybe how you might see the ripple effects play out through the crush margins in Brazil and Europe and Argentina relative to what we're able to see in the U.S.? Thanks.

Greg Heckman

If you look back kind of the first run when oil share was as strong in the U.S. with the draw from biofuels, right, we've got a bit of a test run, if you will, for our global system. But the key I think this time is we've got even a better, more complete system. And as you've seen when we've been challenged with whatever macroeconomic situation in the last few years, we've been able to adjust

to that, whether it's being there to buy the beans from the farmers or to serve our customers from the best market with meal or from the best market with oil. So, we see this as a great opportunity.

I think the other key is you know B15 is coming in in Brazil, so that'll balance some of the demand there on oil as well as the demand that we see coming in North America. So, we're excited to run this combined platform in what's a pretty complex macro environment, but we know we're well suited for it.

Andrew Strelzik

Great. Thank you very much.

Operator

Your next question comes from Ben Theurer with Barclays. Please go ahead.

Ben Theurer

Yeah, good morning, and thanks for taking my question. Just wanted to squeeze in two quick ones. So, one, as you look into the back half -- and obviously, you made some adjustments for the divestiture of the corn milling business in North America. Now, that put aside, as you look into the second-half versus what you initially expected for the second half, has anything materially changed to the up or the down side, just given that there's a little bit of a stronger crush environment, particularly in North America? That would be my first question.

John Neppi

Yeah, Ben, I could take that. I think, overall, while we're holding the year -- and we look at the second-half, just to be clear, we're going to have likely a weaker Q3 given the fact that we had a lot of our crush margin lot coming into the quarter and some of this run up we saw recently in crush margin in the U.S. We captured a little bit of that in Q3, but most of it we were already locked. So, we're really looking at second-half kind of a 30/70 split of earnings second-half. And I would say, while we're forecasting a stronger processing in the second half, and primarily in Q4, driven by the improvement in crush margins, especially in the U.S., we've got offsets in other parts of the business. Merchandising continues to be challenging, and I think tough to predict, and so we've got a conservative forecast when we think for merchandising, and we've seen a little bit of softness on the specialty oil side. So overall, kind of a shift to the processing side away from other parts of the business.

Ben Theurer

Okay, that brings me actually to my second question on the oil piece, because that seems like that was probably a little bit softer than what you initially expected for the quarter. And also, I mean, the tone for the guidance is a little weaker. So just wanted to understand what are the issues here - is it too much supply, or is it not enough demand, or is it a combination of both of it?

Greg Heckman

If you look, the RSO definitely was impacted by the lower energy demand due to the uncertainty around the biofuels policy. And then we also saw customers with some of the uncertainty around tariffs until those get set -- customers going very spot. So that definitely affected some of the flows. But we are expecting the RSO to improve coming off the Q2 levels in the second half.

Ben Theurer

Okay, perfect. Thank you.

Operator

The next question comes from Salvator Tiano with Bank of America. Please go ahead.

Salvator Tiano

Yes, good morning. So firstly, I want to ask a little bit about your investments, the organic investments that you have for the next couple of years, including I believe Morristown supposed to come online later this year, how's the Destrehan crush expansion going, and if you can provide any commentary with regard to CapEx there, expected earnings contribution and progress?

John Neppi

This is John. I'll take those. So, yeah, Morristown is moving along extremely well. We're going to basically go into commissioning and go live on that plant in -- expecting in October, so call it mid Q4. Really pleased about the progress we've made there on getting ready to go. It's obviously going to take a bit of time commissioning. It's a big plan. It's a bit complex, so it takes time to work through the bugs initially, but really pleased to -- and have an expectation that thing will be humming by early to mid next year with again a start probably - call it mid Q4.

Destrehan - both projects in Destrehan are moving along well. Of course, we have the crush project that's in our joint venture with Chevron. We're expecting that to come on probably call it late Q2 next year, and then call it probably about a month later by the barge unloading project, which is a 100% owned project, but both going along well. And largely, obviously, most of the CapEx will be complete on those three projects by the end of this year. Little bit of spillover on Destrehan, two Destrehan projects into next year, into 2026 first half.

And then the other big project we have of course is our Wesson plant in Europe. That's probably been delayed a bit just given some contractor issues and looking probably at early 2027 commissioning on that plant versus late '26 at this point. But I would say all in all, the projects are moving along well and teams are doing it safely and effectively, and we're optimistic that all these are going to be good projects when wrapped up.

Salvator Tiano

Perfect. And the other thing I want to ask is what is your outlook I guess on the meal side in the US, both on demand, whether that's domestic or on the export market, but also supply, because obviously, we're talking with the RVOs above the improved outlook for the oil side, but it looks like we're still adding probably a good 10%, 15% to meal supply in North America in the next two years, and obviously, price there are moving lower?

Greg Heckman

Yeah, I think that the keys to continue to watch there - good economics in the animal protein segment. So, demand has been very good. They like using soybean meal. It prices itself into the formula. The other factor is that North America has added some export capabilities, and so we've got a lower supply chain cost to get from the interior plants to the export and get it on a ship, making the US more competitive in the global markets, as well. And if you remember, we sell more soybean meal than we produce; we're a net short. So, we're able to find the best market for that, whether it's being consumed domestically or going to our customers in the global market.

John Neppi

Salvatore, I'd just note that we've seen the meal situation coming, obviously, and the expansion of our Destrehan barge unloading facility and expanse we did at our PNW facility are both intended to take on some of that soybean meal that probably is going to go to export.

Salvatore Tiano

Great. Thank you very much.

Operator

The next question comes from Heather Jones from Heather Jones Research. Please go ahead.

Heather Jones

Good morning and congratulations on closing Viterra.

Greg Heckman

Good morning. Thank you.

Heather Jones

My first question is on your RSO business. So just assuming a relatively benign SRE outcome, demand for North American veg oil is set to explode. And -- but the vast majority of your big RD producers now have PTUs in place. So, I'm just wondering, do you think this is going to set up a situation in which refining margins could potentially go to zero in the U.S., and if so, your outlook for the rest of the world, would that still allow for a normalized EBIT target of about \$400 million I think is what you all laid out in '22?

Greg Heckman

Let me start, and I'll let John come back. Remember when we talked in the past that we expected the refining margins to moderate over time, and that was always our plan. Some of that will work back into the crush margin because the demand for crude of course will go up. And so, kind of depending on that balance, who's running, how hard to running the pretreatment will make a difference on where the refining margin falls out. We will keep it tighter than historical, but not -- long term historicals, but not better than kind of the peak period. And of course, if you remember, we had it much lower in our model.

John Neppi

And I would just add, Heather, that if you look at the last couple of quarters, the amount of refined oil going into energy has been insignificant to our overall portfolio. Demand still has been solid on the food side, and so that we would expect to continue. And we'll see when things ramp up on the on the R&D side, we'll see what kind of demand's there. But just to point out, by far, most of our refined oil is going into the food industry.

Heather Jones

Okay. And then a follow on is, like you mentioned, Greg, about the demand for crude oil is obviously going to skyrocket. So just thinking of the interplay between those, maybe refining margins get really compressed in the U.S., but how do you think about the normalized range for soy and soft crushed margins, given that crude oil demand is going to surge and you're also going to have this very large meal production? And I know we won't know until we know, and -- but just how are you all thinking about that set up, the potential there?

Greg Heckman

Yeah, I mean, I think we're encouraged. You've got big bean crops, you've got good animal profitability on the on the meal take away and inclusion rates, you've got the biofuel policy with the RVO being constructive in the U.S., and then you've got the B-15 coming on in Brazil. So, from an overall set up exactly how it'll play out, we've got our theories, but the one thing I'm really glad is that we're running what is now a pretty balanced global crushing footprint in soy and soft. We feel the balance of supply and demand is going to be pretty good, and I think we'll be able to most efficiently serve it from the best origins.

Heather Jones

Okay. Thank you so much.

Greg Heckman

Thank you.

Operator

The next question comes from Derrick Whitfield with Texas Capital. Please go ahead.

Derrick Whitfield

Good morning, all, and thanks for taking my questions.

Greg Heckman

Morning.

Derrick Whitfield

Similar to Heather's question, given the meaningful step up in domestic SBO demand for fuel, how do you see the interplay between SBO and other seed oils as it relates to food in the U.S.?

Greg Heckman

I think that the good news is we've seen a bit of a test run on this, and as market tightens up on the on the demand, you have certain food customers that will switch to other oils, and some of that's functionality, some of that's from a price standpoint. So, we're working with those. We like being able to offer the full suite of the seed oils to our customers. So, we see it as opportunities.

Derrick Whitfield

Terrific. And then with regard to the One Big Beautiful Bill, it appears 45Z policy will have a longer and greater impact on SBO economics based on the removal of the indirect land use charge. Do you guys have a sense of how material ILUC is on average? And then as a build on that from an OBB perspective, have you been able to quantify how material of a help the 100% bonus depreciation is to your business?

John Neppi

So, start starting with the ILUC change, that's obviously going to -- number one is we're very pleased that that the 45Z includes all North American feedstocks, so that benefits our crush in Canada, as well on the canola side. And the indirect land use change impact is going to be significant because it really puts soybean oil and canola oil much more on par with the lower CI feed stocks. And when you think about the prevalence of soybean oil and the ease of moving it in large quantities, it's going to be very price competitive, but also, it's a much easier feedstock to process. And so, we think it's going to bode well for demand for crude, certainly crude soybean oil, crude coal oil, see about the refined site as we talked about earlier; still think there's going to be some good demand there. So, all in all, pretty positive on that piece.

You accelerate on the depreciation side, clearly, where we have an opportunity to take advantage of it, we will on some of these bigger capital projects. I don't know that it will necessarily change strategy around CapEx, but it certainly is going to be a tailwind -- as we see opportunities.

Derrick Whitfield

That's helpful. Thanks for your time.

Operator

The next question comes from Stephen Haynes with Morgan Stanley. Please go ahead.

Stephen Haynes

Hey, good morning. Thanks for taking my question. I wanted to ask on some developments in the global trade market with China taking some soybean meal from Argentina and sending some soybean oil into India; I guess not typical behavior from them. So, these kind of one-off weird kind of moves, or do you think there's kind of just more of a structural change going on? Just curious on any thoughts there. Thank you.

Greg Heckman

I think the one thing the last five, six years have taught us the world's a pretty dynamic place now, and I know I'm repeating myself, but that's why we love our balanced global footprint of crushing as well as origination. And I think China's very, very public that they're focused on food security. So, I think it's absolutely logical and rational that they continue to build different optionality. And I would say the importation of soy meal is a new option that they're now developing, so seems like a logical and rational action.

And then as far as commodities moving in untraditional flows, I think that's the norm now. I think that's the norm going forward. And I really feel that Bunge's built for it.

Stephen Haynes

Fair enough. Appreciate that. And then maybe just on the commercial synergy side, I realize it's early days, but do you have like kind of a timeline roughly for when you think some of these could be realized? I'm sure there are some that are more low hanging that could be immediate, maybe some that are a bit longer term, but any way to help us think about kind of at a very, very high level how to just kind of conceptualize when you could start realizing some of those synergies?

Greg Heckman

It's too early to put any new targets out there but let me say we're very optimistic. Our goal all along has been to deliver more than we promised and deliver them faster than we promised. So that's what we've got the focus -- the team focused on. There's no doubt that when we start thinking about the commercial synergies, just the global scale that we've got now and with the local granularity, whether it's on originating from farmers or distributing to end customers, the capabilities that we've got on the logistical and transportation side, the ability to manage our risk and help our customers manage their risk so that we can be the partner of choice, that's exciting.

And I'll tell you, just since we've closed, I've had the opportunity to sit with the commercial teams and some of the functional teams as we're now one team, one company, and the way that people are working together has been fantastic. Everybody is really transparent and collaborative. We've dropped the ego. We're focused on earnings is what we're focused on. And hearing the teams and the opportunities that they're finding together and the plans -- Look, it takes some time to execute, but as I -- as we had teams together here in North America a couple weeks ago, I was

in Europe all last week listening to the teams and work and hearing the report out to the working sessions, and I'm excited about it. I'm really excited. It'll take some time to do, but the reasons that we did this deal, they're all still in place.

John Neppi

Yeah, I would just add, Stephen, that I think that the first focus item for the commercial team is one voice to the market. And I think that, as Greg mentioned, the team set aside who was doing what and figured out very quickly what's the right approach in every market that we're in to make sure we're one voice to the customer, and both ends, the farmer on one side and customers on the other. And we couldn't be more pleased with the coordination among the teams that are just now starting to figure out what the real opportunities are.

Stephen Haynes

Thank you.

Greg Heckman

Operator

The next question comes from Manav Gupta with UBS. Please go ahead.

Manav Gupta

Hi. So, I wanted to ask about the shareholder returns post the closure of the deal, how much is remaining under the buybacks? Could you accelerate the buybacks to offset the dilution from the Viterro deal?

John Neppi

Yeah, thanks. This is John. Of the original \$2 billion commitment, we have \$800 million left. And obviously, we've -- that's going to be an important part of our capital allocation here going forward. We anticipated that all along. We have a big outflow of cash relative to getting the deal closed. But it's always been built into that, and obviously, we've talked to the rating agencies about our plans there, and we expect to execute on that fairly soon. And we'll see. Technically, we have a period of time post close to do that. We'll look for the right opportunities to execute on that remaining balance. And then going forward, we do expect this machine to generate a lot of cash going forward once we hit our stride, and capital allocation in the form of share buyback will likely become a pretty important part of our ongoing strategy.

Manav Gupta

Thank you. And the follow up here is, when we look at the RVO, and if you look actually closely - - not many people do, unfortunately -- is that you're getting 50% gain on imported feedstocks. That means domestic soybean oil could actually price at a significant premium to some of these imported RD feed stocks. So, would that lead to a situation where you would actually see your domestic soybean oil actually competing against low CI feedstocks and the premium that those low CI feedstocks get versus your domestic soybean shrink meaningfully and maybe go even the other way, if you could comment on that?

John Neppi

Yeah, I think it's a little early to tell, but I don't think that's out of the realm of possibility. Certainly, the rules were put in place around RVO and RIN generation were meant to incent domestic production and use of domestic feedstocks. So, soybean oil obviously being a key part of that and being a something that can be supplied in large quantity we think is going to give it, as I mentioned earlier, give it an advantage, particularly over imported feedstocks. So, we'll see how the market

plays out. The market always works, and it finds a balance. But we like the set up. We always do. We think we'll be in a good position to take advantage of whatever the market is.

Manav Gupta

Thank you so much.

Operator

This concludes our question and answer session. I would like to turn the conference back over to Greg Heckman for any closing remarks.

CONCLUSION

Greg Heckman

I'd like to thank everybody for joining us today and for your interest and support of Bunge. As you can tell, this is a really key time in the life of the company; really excited to bring teams together and run this incredible global footprint that we've got to serve our customers and that there's no doubt, whatever environment that we're in, we've got the trust that that our team is going to get our share. So, thank you much, and have a great day.

Operator

The conference has now concluded. Thank you for attending today's presentation. You may now disconnect.