

Bunge Global

First Quarter 2026 Earnings Release and Conference Call

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CORPORATE PARTICIPANTS

Mark Haden - *VP of Investor Relations*

Greg Heckman - *Chief Executive Officer*

John Neppi - *Chief Financial Officer*

PRESENTATION

Operator

Good day, and welcome to the Bunge Global First Quarter 2026 Earnings Release and Conference Call. All participants will be in a listen-only mode. Should you need assistance, please signal a conference specialist by pressing the star key followed by zero. After today's presentation, there will be an opportunity to ask questions. To ask a question, you may press star, then one on a touchtone phone. 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, Investor Relations. Please go ahead.

Mark Haden

Great. Thank you, Betsy, and thank you all for joining us this morning for our first quarter 2026 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 at 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 2 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 CEO, and John Nepl, our CFO. I'll now turn the call over to Greg.

Greg Heckman

Thank you, Mark, and good morning, everyone. I want to start by thanking our team for their hard work and adaptability in what has been a very dynamic start to the year. The first quarter of 2026 was one of the more rapidly changing operating environments we've seen in recent years, and the team executed with the discipline and speed that defines this organization and delivered strong results.

Even since our Investor Day last month, the world has changed considerably. The Middle East conflict, which was just emerging when we gathered in March, has continued to evolve. In addition to the very real impacts to those involved, it has meaningfully disrupted global trade flows, logistics costs, and supply chains. In response, we are taking prudent operational steps to support the continuity of supply for our customers, including working with relevant regulators, policymakers, and partners to preserve essential commodity flows and manage risk. These actions focus on maintaining flexibility in shipping arrangements and leveraging our global capabilities and regional capillarity to continue serving customers reliably.

In the US, a bright spot in agriculture right now is biofuels. With everything going on in the world at the moment, having more biofuels in the supply is good for everyone. We need policy that supports the sector, and that's exactly what the EPA did with the recent RVO decision. We commend the agency for setting a volume that supports the investments made by fuel producers, oilseed processors, and farmers in supplying biofuels to the market.

Globally, there are many variables still at play, not the least of which is the uncertain duration of the Middle East conflict and the impact that will have on everything from farmer inputs, including fertilizer, to fuel prices, and what that might mean for the mix of crops farmers plant in the next growing season. What we can say with confidence is that Bunge's business is designed for complexity and change. Our combination of integrated global platform, disciplined risk management, and operational excellence allows us to perform through the cycle. And this quarter is clearly evidence of that.

Looking at our operating results, the first quarter exceeded our expectations. The higher results were primarily driven by our soybean and soft seed processing and refining segments, reflecting strong execution in a dynamic environment and improved market conditions.

To drill down a little deeper, our results underscore the advantages of our larger platform and reach. While grain merchandising performance was impacted by distribution-related factors, including higher logistics and energy costs, those same conditions drove higher demand for renewable feedstocks. This, in turn, benefited our soy and soft seed value chains.

Turning to our outlook, based on what we can see today, including the strength of Q1 and the forward curves as we look at the balance of the year, we are increasing our full year adjusted EPS guidance range to \$9.00 to \$9.50, and that's up from the \$7.50 to \$8.00 we provided on our fourth quarter call. While the current macroeconomic and geopolitical environments remain uncertain, our balanced footprint and diversified value chains give us the tools to adapt. The long-term fundamentals driving demand for our products and services remain firmly in place, and we're well positioned to execute in any environment.

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

John Neppi

Thanks, Greg, and good morning, everyone. Let's turn to the earnings highlights in Slide 5. Our reported first quarter earnings per share was \$0.35 compared to \$1.48 in the first quarter of 2025. Our reported results include an unfavorable mark-to-market timing difference of \$1.28 per share and an unfavorable impact of \$0.20 related to Viterra transaction and integration costs.

Adjusted EPS was \$1.83 in the first quarter versus \$1.81 in the prior year. Adjusted segment earnings before interest and taxes, or EBIT, was \$661 million in the quarter versus \$406 million last year.

In the soybean processing and refining segment, higher results were primarily driven by South America, reflecting stronger processing performance in Argentina and Brazil. North America also delivered higher results across both processing and refining. In the destination value chain, higher origination in Brazil was more than offset by lower processing results in Europe and Asia, and results in global oil's merchandising activities also increased, reflecting strong execution.

Higher process volumes were largely attributed to the combined company's expanded production capacity in Argentina. Process volumes were also higher in North America and Brazil. Higher merchandise volumes reflected the combined company's expanded soybean origination footprint.

In the soft seed processing and refining segment, results were higher across all regions. In Argentina, results increased in both processing and refining. In North America, higher processing results more than offset slightly lower refining results. In Europe, higher processing and biodiesel

results more than offset lower refining results. Origination results in Canada and Australia increased, reflecting our expanded footprint in large crops. Results from global oil's merchandising activities also increased, reflecting strong execution.

Higher soft seed process volume primarily reflect the combined company's increased production capacity in Argentina, Canada, and Europe, and higher merchandise volumes were driven by the company's expanded soft seeds origination footprint.

For the tropical oils and specialty ingredients segment, higher results in Asia, Europe, and global oils merchandising activities were partially offset by lower results in North America. In the grain merchandising and milling segment, higher results in wheat milling, global cotton, and commercial services were more than offset by lower results in ocean freight, which was impacted by the significant spike in bunker fuel costs. Results in global grains merchandising were in line with the last year.

Higher volumes primarily reflected the company's expanded grain handling footprint and capabilities along with large global grain crops. Prior results included corn milling, which was divested in 2025.

The increase in corporate expenses was primarily driven by the addition of Viterra. The year-over-year comparison was also impacted by the timing of performance-based compensation and a \$15 million cash benefit received in 2025 related to a prior joint venture. Other results were in line with the prior year.

Net interest expense of \$136 million was up in the quarter compared to last year, reflecting our expanded footprint in merchandising activities with the addition of Viterra, partially offset by lower average net interest rates.

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. With the favorable biofuel environment, synergy capture and ramp up of in-flight projects, the earnings trend is expected to improve.

Slide 7 details our capital allocation. For the first quarter, we generated \$530 million of adjusted funds from operations. After allocating \$95 million to sustaining CapEx, which includes maintenance, environmental, health, and safety, we had \$435 million of discretionary cash flow available. We paid \$136 million in dividends, invested approximately \$240 million in growth and productivity-related CapEx, and invested \$105 million to acquire IFF's soy protein concentrated processing businesses. This results in a net use of \$47 million.

Moving to Slide 8, at quarter end, readily marketable inventories, or RMI, exceeded net debt by approximately \$400 million. Our adjusted leverage ratio, which reflects our adjusted net debt to adjusted EBITDA, was 1.6 times at the end of the first quarter versus 1.9 times at the end of 2025.

Slide 9 highlights our liquidity position, which remains strong. At the end of the first quarter, we had committed credit facilities of approximately \$9.7 billion, all of which were unused and available. We also had essentially all of our \$3 billion commercial paper program unutilized, providing ample liquidity to manage the ongoing capital needs of our larger combined company.

Please turn to Slide 10. For the trailing 12 months, adjusted ROIC was 8% and ROIC was 6.7%. Adjusting for construction in progress in our large multi-year projects and excess cash on our balance sheet, our adjusted ROIC would increase to 9% and ROIC to 7.2%.

Moving to Slide 11, for the trailing 12 months, we produced discretionary cash flow of approximately \$1.35 billion and a cash return on equity of 9.1% compared to our cost of equity of 7.2%.

Please turn to Slide 12 and our 2026 outlook. Taking into account Q1 results, the current margin and macro environment and forward curves, we now expect full year 2026 adjusted EPS in the range of \$9.00 to \$9.50, which is up from our previous range of \$7.50 to \$8.00. As Greg mentioned in his remarks, the environment remains complex. Forward curves in certain regions have reacted, but significant uncertainty remains, particularly in the second half of the year.

For the full year compared to our previous outlook, soybean and soft seed processing and refining segment results are forecasted to be higher. Tropical oils and specialty ingredients and grain merchandising and milling segment results are expected to be lower, and corporate and other results are expected to be in line. Additionally, we now expect the following for 2026 - an adjusted annual effective tax rate in the range of 22% to 26%, which is down slightly from our previous expectation of 23% to 27%, net interest expense in the range of \$620 million to \$660 million, which is up from our previous range of \$575 million to \$625 million, primarily due to higher short-term debt levels supporting an expected increase in working capital, capital expenditures in the range of \$1.5 billion to \$1.7 billion, and depreciation and amortization of approximately \$975 million.

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

Greg Heckman

Thanks, John. So before we turn to Q&A, I just wanted to offer a few thoughts. The themes we laid out at Investor Day have not changed, and this quarter reinforces them. Bunge today is stronger, more agile, and better positioned than at any point in our history. We've transformed our portfolio and strengthened our operating model. With the integration of Viterra, we now have an unmatched global footprint and set of capabilities, supported by a disciplined approach to growth and capital allocation.

We're now a more diversified business across geographies, origination, processing, and crops, which as we demonstrated this quarter, helps us mitigate risk and bring more balance to our processing footprint. We're also entering a meaningful phase of value creation driven by the contribution from our organic investments and Viterra related synergies. Viterra cost synergies are running ahead of plan, and we've identified significant network and commercial opportunities.

At the same time, we're making progress in other key areas, further sharpening our portfolio and positioning Bunge for the future. In March, we announced the closing of our acquisition of IFF's soy protein, lecithin, and processing business. This transaction complements Bunge's existing protein portfolio and expands the company's lessons and offerings, reinforcing our commitment to providing a diverse and reliable range of ingredient solutions to our food customers.

As we said at our Investor Day, it doesn't matter whether the world moves further towards de-globalization or swings back toward globalization, we're positioned to deliver. This is a business with durable earnings power and the ability to create value in any environment. We've built a business that provides real differentiated solutions for farmers and for our food, feed, and fuel customers, and we're continuing to advance across everything we do. We have the right people, assets, systems, and strategies in place to manage uncertainty, adapt to external challenges, and

remain focused on what truly matters, serving our customers and creating value for all stakeholders.

And 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 touchtone phone. 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 will pause momentarily to assemble our roster.

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

Manav Gupta

Good morning, and congrats on the very strong quarter and the guidance range. I want to just make a quick comment. A lot of time Analyst Days are well -- the intentions are right, but the execution is not the best. Your Analyst Day in March was an extremely well organized event, a great use of everybody's time. And I know the whole team worked very hard, particularly Mark. So I wanted to congratulate the whole team for putting together a very strong Analyst Day in March. It really helped us out.

So my quick question to you here is--

Greg Heckman

--Well, thank you for that, thank you.

Manav Gupta

Thank you, sir. My quick question to you here is, sir, we are seeing a very strong macro. Yes, RVO is strong, but the world is seeing distillate shortages. The US can avoid some of those distillate shortages if we run harder in renewable diesel and biodiesel. We think -- we have estimated that we have 25% more capacity to run harder, which will probably translate to a 1.2 billion additional gallons, which can be made in the U.S., which will help solve some of these shortages. But to probably make a billion gallons more of renewable diesel in '26 than '25, you probably need 8 billion pounds of additional feedstock, and maybe 50% of that is soybean oil, the most easily sourced feedstock. So can you talk a little bit about the dynamics out there, what you're seeing out there from renewable diesel, biodiesel producers? Obviously, margins are great, but there also are some of the refiners basically looking there and saying, we need to run harder on renewable diesel, biodiesel. That's the only way we can actually avoid some of these shortfalls, which the global markets are seeing -- if you could talk about that. Thank you.

Greg Heckman

Sure, I'll start and, John, you can add on if you want, but, you're exactly right. The market has set up where we've got clarity in the U.S. around the RVO, which has been very helpful. But the other driver, of course, we continue to see policy evolving, not only in Brazil and Indonesia, which have

been moving to utilize more biofuels, but -- and renewable feedstocks, but also in Europe. So there's definitely a macro shift. Everyone's understanding the value of fuel security at home.

And then the big driver, of course, is higher crude prices and higher diesel prices, which makes even some of the discretionary blending work on renewable diesel and the traditional biodiesel. So there's just a lot of support. And of course, that drives that value back to the farm gate, to the farmer, and that sends the right signal for mix of crop and production. So it is a good environment, although the forward curves are heavily inverted, and that continues to show some of the uncertainty of the speed that it will play out. But the supply is there, the stocks are there, and we're here to supply the vegetable oils that are needed.

Manav Gupta

Thank you so much. I'll turn it over.

Operator

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

Ben Theurer

Yeah, good morning, Greg, John. Thanks for taking my question. Congrats, and I can only echo what Manav just said, so same from my side. Following up on that, and you just talked about the future curves a little bit being inverted, so maybe help us putting into context what you're seeing right now. As we look at the guidance, I mean, you made close to \$2, so there's somewhere like \$7, \$7.5 to be made. based on your current guidance. How should we think about the cadence, because clearly, about two months ago, you talked about more like \$0.80 to \$0.90 for the first quarter, and now it was basically \$1 more because of everything that has changed through March. So how should we think about 2Q and then maybe the second half balance, as well, a little bit of like a 3Q, 4Q cadence, what you're seeing right now in the market? Thank you.

John Neppi

Thanks, Ben. This is John. So our previous guidance had been 30-70 first half, second half was how we saw it back when we had our first quarter forecast of low \$0.80 range. But now we're looking at the year to be 40% first half, 60% second half. And then when we look at the second half, it's a little more even, but we're looking at 45-55 Q3, Q4 is how we see it playing out right now.

Ben Theurer

Okay, perfect. And, I mean, given your guidance update, just real quick, you've taken down internally or given on your commentary a little bit the tropical oils and specialty ingredients as well as the grain merchandising and milling. I wanted to understand a little bit more why the merchandising piece has been taken down considering all the disruption in the market. What are you seeing? What are the issues here? Thank you.

John Neppi

Ben, I'll start, and Greg can jump in. But I think, first, that's always the toughest to forecast is our grain merchandising and milling segment. But in the first quarter, we got off to a rough start. You can see the numbers certainly below where we would expect it to be, largely driven by the ocean freight dynamics, the bunker fuel costs that hit us in Q1. And looking forward, it's hard to see when things are going to turn. We think still, balance of the year, we'll have better results in that segment. But certainly, given the tough start to the year, we're calling it down at this point. And obviously, depending on what happens dynamically in the market, we'll be in a position to take advantage of it. But just it's really driven by that slow start to the year.

Greg Heckman

And the feed grains and wheat do continue to be fairly heavy S&Ds there. Now, we'll see as we see the mix of how crops are planted, as we see how the crops develop, and then, of course, how we see how weather develops here over the balance of the year, those will be key things to watch, and those balance sheets could tighten up.

On the food side, there's really -- on the tropicals, we've seen our food customers some lower volumes overall. And then, of course, we've seen cocoa prices come off. So our cocoa butter equivalent business, we're seeing why volumes are still okay there, margins are definitely down from the dynamics we saw previously. And then just this uncertainty driven by the geopolitical situation as well as some of the tariff uncertainty has them shorter bought as well on the food side, which is always a little tougher on margin. So it's no one thing, but a little bit of everything, and that's what's reflected in the change in the tropicals forecast.

John Neppi

And then, Ben, maybe I'll tack on a couple of additional things. We had an unusually low tax rate in Q1, just driven by some discrete timing items. But over the year, we expect our tax rate to normalize more into that range that I mentioned in prepared remarks. And so we'll see a little bit higher tax rate in Q2 and then throughout the rest of the year. And then we are expecting higher interest costs, as well, beginning in Q2, just given the level of high prices and relatively large working capital usage we anticipate for the balance of the year.

Ben Theurer

Very clear. Thank you very much, Congrats again.

John Neppi

You bet.

Greg Heckman

Thank you.

Operator

The next question comes from Tom Palmer with JPMorgan. Please go ahead.

Tom Palmer

Good morning. Thanks for the question.

Greg Heckman

Morning.

Tom Palmer

You've got three businesses, I guess, embedded in the soybean and soft seed segments, processing, refining, and merchandising. I think the processing strength, especially nearer term, is pretty transparent, but what about what you're seeing on the refining side and maybe oil seed merchandising side? Are you seeing any pickup in those businesses, given some of the crush dynamics carrying through, or is the strength really more isolated to that crush processing side? Thanks.

John Neppi

Yeah, Tom, it's John. I'll start, and Greg can jump in. I think refining premiums, while they're not - they're certainly not where we were back in '22 and '23, they've been pretty resilient, and refining volume has still been strong. Big demand on the food side continues. We'll see how things play out here with the market and inflation and given the current global environment, but we've been pretty pleased with refining volume, and the margins have been pretty resilient. As I mentioned on the food side and of course on energy, there are still energy customers taking refined, maybe not to the level they were back in '22 and '23, but it's done reasonably well.

Then on the oil seed merchandising side, we had really strong results in Q1 on the merchandising side with farmer selling and origination. And so that was a big driver of some of the strong performance that we reflect now in those two segments. The specific oil seed origination gets reflected there, and that was part of what helped drive the strong results.

Greg Heckman

When you think about the end-to-end, it's part of what we talked about. That margin can move around, right, between origination, processing, merch and refining and distribution. And with our larger global system, our team now has, whether it's our origination assets, our storage assets, our distribution assets, to point them to where the most value can be created to support our system. And so with the larger soy and soft seeds footprint, it is supported by merch capabilities, as well.

So while you may not see it, that's where you've got to really think about the power of the total system. And then as John said, the higher prices that we saw as the conflict started, the higher flat price run up, we really saw better farmer selling globally, really everywhere but Argentina. And of course, you saw some of that reflected in those value chains and those oil seed and soy processing value chains, soft seed and soy processing.

Tom Palmer

Okay, thanks for all the detail there. And then you noted how inverted the crush curve is. Why is visibility so limited in the second half? And just to confirm, this is a follow-up to Ben's question on cadence, this guidance increase is really more about the first half strength because of that visibility. Thanks.

Greg Heckman

We've got a number of factors that are playing out. One, you don't have the farmers engaging out forward. You also don't have the end consumer engaging out forward. So the curves are reflecting the uncertainty, but they're also affecting the lack of liquidity that's out there. You've got the length of the conflict, of course, is a concern. We've got the crop development here in the Northern hemisphere that we'll continue to watch, and then there is increasing concern about El Nino developing, what that could mean.

And then we've had two tough soft seed crops the last two years in Europe, and so we'll wait -- and a new crop, if we see that the good sunseed crop in Europe, you could see some improvement. But again, that's all yet to develop. And then we still have China-U.S. trade yet to play out. We could see some additional soy business. Could there be any old crop? Feels like it's getting kind of late, or some new crop business that could change the soy flows? And then could we even see some corn business done with China? So there's just a lot of, open switches on how this will play out, and I think the market's reflecting that.

Tom Palmer

Got it. Thanks for all the insights.

Greg Heckman

You bet.

John Neppi

Thanks, Tom.

Operator

The next question comes from Pooran Sharma with Stephens. Please go ahead.

Pooran Sharma

Good morning. Thanks for the questions, and congrats on the quarter. I wanted to just maybe get your take on where soy oil inventories are headed or maybe the cadence of tightening. I think on the last call you mentioned, if we go to a 5.6 billion gallon RVO or anything within that range of 5.2 to 5.6, you could see soy oil inventories going from being in excess to being tightened up within a few quarters. But given the RIN restriction being delayed until 2028, does this change your view on that cadence of tightening that you had on the last call?

Greg Heckman

Yeah, I think that the delayed RVO, definitely, we saw stocks really build. So I think you're right. We'll now see those start to draw down as we move through the year and move into Q3 and especially Q4. And then, of course, some of that will depend globally on policy in Indonesia, in Brazil, and in Europe. And then some of those policies, even in Europe, are put in place, will they be retroactive or not? Some of those can affect the demand and how fast these stocks get drawn down.

Pooran Sharma

Okay, appreciate that color. And just on the follow-up, wanted to understand Argentina with a little bit more granularity. We had thought bean availability would be tighter in Q1, just given prior selling patterns and the timing of harvest in Argentina. So I was just wondering if you could help us frame up what drove the stronger than expected processing there. I think you called it out in the press release. Was it timing, better origination? Any color there would be helpful.

Greg Heckman

Yeah, part of it, we're just operating with a bigger footprint now. The combined Viterra Bunge footprint there, we're now the biggest ag business in Argentina, so our capabilities to execute. And then we saw some farmer selling, but then, of course, as the rain came in, that really slowed down. And then, of course, we're going to watch closely how that affects any bean quality. So as we move forward with harvest, we expect the farmer selling to start to pick back up there in Argentina. But we've just got a better origination and processing footprint than we had before and the way that it's working together as we brought those teams together and running that as one business.

Pooran Sharma

Okay, thank you.

Greg Heckman

We also have a very nice sun seed business there in Argentina, and that is a very nice seasonal offset to our European sun seed business. And if you remember, a lot of the brands really favor

that sun oil. So now we're able to give year-round supply to that. And we've got good sun seed production, and so that's also been helpful to Argentina.

Pooran Sharma

Great. Appreciate the color.

Operator

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

Heather Jones

Good morning. Thanks for the question.

Greg Heckman

Good morning.

Heather Jones

First question -- good morning. First question is related to the inverted curves as two-part. Greg, you mentioned that the end consumer is not engaging as much. And so just wondering, is that on both oil and meal, because I would think with the RVO visibility that on the oil side, they would be? And wondering if you could just share with us where you're seeing the most inverted curves, or I should say, disparity between where you think they should be and where they are right now? And then I have a follow-up.

Greg Heckman

So yeah, it's been both energy and food that have not engaged farther out on the curve, so really both, I think, with some of the uncertainty. And then if you zoom out and think about the average curves for '26 on soy across the Bunge footprint, they're definitely up versus prior forecast. And of course, the US has been the big driver there overall. So as that plays out, that's one of the things that definitely could get better as we see those inverted curves work their way out a quarter or a month at a time.

And then when you look at soft seed, the '26 kind of average curves for our footprint, again, up versus prior forecast. And that's driven really by North America canola. Some of that's on the RVO clarity and some of that's on ample seed supply. And then I mentioned a little bit earlier, of course, Europe and Black Sea, we're coming off a couple of years of small sun crops. So those margins will be pressured until we get to a new crop. But that's an area where you can see margins get better if we get the good sun crop we're hoping for.

John Nepl

Yeah, maybe Heather, just worth adding is there is a little bit of lack of liquidity going forward, but probably the one area we've seen them get a little bit further ahead is on the oil leg, given the price of dynamics. But obviously, for us, we don't lock in the margin until we have all three legs priced. And so customers certainly are looking forward, but again, too, it's hard to -- I think for some of them -- hard to gauge where prices are going to end up, so still a bit dynamic.

Heather Jones

Okay, thank you for that. And then I just wanted to talk about the U.S. strength. I mean, oil has obviously helped, but recently, it's been driven a lot by meal. And just wondering if you could give us your view of what is primarily driving that. I mean, there's been these talks about the traits and Argentine meal, and that's been rejected at all, but just wondering if you could walk through the primary drivers and when you expect or do you expect that strength to moderate? Thank you.

Greg Heckman

Well, I think the meal demand globally continues to surprise in a good way to the upside here, month after month, and that really seems to be driven with the meat economics, right, the profitability in the meat sector and the consumer favoring eating a lot of animal protein, which is supporting. And we know that animal feeding -- they love to feed soybean meal. It's been competitive. And it feels like that's good momentum to continue to move through. And then, of course, beef prices have remained high, and that's also been supported when the consumer is eating protein that pork and poultry are very, very competitive.

Heather Jones

Okay, thank you.

John Neppi

Thanks, Heather.

Greg Heckman

Thank you.

Operator

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

Andrew Strelzik

Hey, good morning. Thanks for taking the questions. I wanted to start maybe by revisiting the conversation about the South America operating environment, particularly on the crush side. You talked a little bit about Argentina in the first quarter, but just more broadly between Brazil and Argentina, where do things stand today in terms of the curves? How are you expecting that to evolve? There's obviously a lot of visibility into the US curves that we're able to see, but just curious how you're thinking about that?

Greg Heckman

Yeah, those curves are inverted, as well, and not as much visibility in those markets as we see in the U.S. Those farmers did both in Argentina and Brazil sell into the flat price rally there in Q1. That slowed down here a little bit in Q2. But you've also had good bean crops there, and the expectation is there'll be another good bean crop behind that. So from an overall environment, that's setting up well.

Andrew Strelzik

Okay. And then from -- I wanted to ask about share repurchases, as well. And I know I believe at least you guys have only committed to, for this year, the remaining Viterro portion of the buyback. But as we think about the operating environment continuing to get better, the earnings environment, cash generation, I guess, how should we think relative to what you guys outlined at the Investor Day the pace of this year re-purchase opportunity ramping from here or beyond this year? Thanks.

John Neppi

You bet, Andrew. This is John. So I think we're going to certainly watch how things progress. We do expect to finish the \$250 million here before the end of the year. And as you know, we've laid out a new framework as part of Investor Day on how we think about capital allocation. And one of those, of course, is allocating more closer to 50% of our discretionary cash flow to return to shareholders. When we look at that and we overlay that for the balance of '26, we've got a fair

amount of capital commitment yet to do this year, which really ultimately we expect to use up largely any discretionary cash flow we have between dividends. Our current buyback program expectations, and the CapEx commitment we have should largely use that up. Now, if things continue to improve, there's only one other thing we'll be looking at, and that is that our leverage ratio is a little elevated with Moody's right now versus where we want to be by the end of the year, so we'll be monitoring that, as well. But certainly, in that whole mix, share buyback, and if we have an opportunity to pull some of that ahead into '26, we'll certainly look at it.

Andrew Strelzik

Great. Thank you very much.

John Neppi

Yep.

Operator

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

Steven Haynes

Hey, good morning, everybody. Thanks for taking my question. Maybe just a higher level on some of the potential like shifts in global acreage, can you maybe give us some guideposts around, I guess, A, what maybe the range could be on those shifts, and then also like if any of those potential outcomes might be materially better or worse for your new larger combined footprint? Thank you.

Greg Heckman

Yeah, if we look at the current year, it seems like fertilizer was in place, planting intentions were in place. There may have been a slight shift we'll see with a few more soy versus corn acres here in the U.S. I mean, weather's been good, things are off to a good start. But we don't think it'll be a big shift, just where the shock started to happen on price that stocks were in place. I think where you'll want to watch it as we go later into the year, really, if this is sustained around availability and price on fertilizer, it's probably South America, Brazil in the next cycle, and then US in early '27. So I think that's yet to be played out. And then the other would be if we see the El Nino, which a higher percentage of some possible El Nino effect, which then could start to have the markets doing some work and sending some signals about which crops the farmer should be planting. But that's yet to be played out later in the year.

Steven Haynes

Thank you.

Greg Heckman

Thank you.

Operator

As a reminder, if you would like to ask a question, please press star then one to join the question queue.

The next question comes from Matthew Blair with TPH. Please go ahead.

Matthew Blair

Great. Thanks for taking my question, and congrats on the strong results. It looks like you're -- when looking at your net leverage calcs, the RMI factor is now at 70% this quarter versus 50% last quarter. Could you talk about what gives you the confidence to push that assumption up?

John Neppi

Yeah, that should be the same as last quarter. I think we adjusted it up from pre-close. So when we closed on Viterra, we had substantially more RMI in their inventory. And they actually, with the rating agencies, had a higher RMI credit than we did. And so our blended rate overall went up. Now, it varies by rating agency and how they look at it. And so we just use a rule of thumb of 70% for purposes of understanding the trend in our leverage. But certainly, each rating agency has their own policy and their own formula that we work with. But, we continue to -- that's obviously a big part of our balance sheet. And as you can see, at the end of Q1, it was pretty significant and actually exceeded our debt level.

Matthew Blair

Yeah, sounds good. And then could I just circle back to the implied Q2 EPS guidance? It looks like it's roughly flat quarter over quarter despite just better board margins, you have the RVO in hand; that didn't come in until the end of Q1. You highlighted some of the headwinds from things like higher tax, higher interest, but are there any other moving parts? And I guess should we think of this implied Q2 guidance as somewhat conservative, or is there anything else going on there? Thanks.

John Neppi

I think if you look at quarter over quarter, yeah, you pointed out a couple of the key things where we're going to expect quite a bit higher interest level in Q2 and higher tax rate. And really, everything else is largely in line or higher with the exception of tropicals, we expect to be a little more challenging in Q2. And some of that's uncertainty Greg talked about around CBE, cocoa butter, palm prices, some of the potential tariff impact. And we do expect higher corporate expense in the next quarter, as well, versus Q1, which is historically a little bit low on the performance-based incentive side.

Matthew Blair

Great. Thanks for your comments.

John Neppi

Yeah.

CONCLUSION

Operator

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

Greg Heckman

Thank you. I'd like to thank you all for joining us today. I'd also like to thank the team for the continued execution, the focus on our customers, and the ability to really manage the optionality and the agility of the global footprint and capabilities that we've got. So I look forward to speaking with you again. Have a great week.

Operator

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