Bunge Global

Second Quarter 2026 Earnings Release and Conference Call

Wednesday, July 29, 2026, 8:00 ET

CORPORATE PARTICIPANTS

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Greg Heckman - *Chief Executive Officer*

John Neppl - *Chief Financial Officer*

PRESENTATION

Operator
Good day and welcome to the Bunge Global second quarter 2026 earnings release and conference call. All participants will be in listen-only mode. If you need assistance, please signal a conference specialist for pressing the star key followed by zero. After today's presentation, there will be an opportunity to ask questions. To ask a question, you can 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, Investor Relations. Please go ahead.

Mark Haden
Great. Thank you. And thank you all for joining us this morning for our second 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 Chief Executive Officer, and John Neppl, Chief Financial Officer. I'll now turn the call over to Greg.

Greg Heckman
Thank you, Mark, and good morning, everyone. I want to start by thanking the team for their focus and disciplined execution in what continues to be a highly dynamic operating environment. Across the organization, our people are working together to navigate uncertainty and capture opportunities for our customers and for Bunge, and we delivered another strong quarter.

We've talked about the diversification that our larger global platform provides us across crops and geographies. We saw the benefit of that diversification this quarter, particularly in soy and softseed processing. John will go into some more detail on our results in a moment.

The broader operating environment continues to evolve. Geopolitical tensions, shifting trade flows and changing weather patterns across key growing regions are reshaping farmer behavior, crop availability and increasing volatility. As a result, customers at both ends of the value chain are relying on us more than ever to help them navigate risk. This is not new territory for us. We have a long track record of managing market volatility and continuing to deliver for our stakeholders, all while growing our earnings.

We can say with confidence that Bunge's business is built for complexity and change. Our integrated global platform, disciplined risk management, and operational excellence are designed to keep supply moving to meet demand and serve our customers regardless of how conditions shift. This is what allows us to perform through the cycle.

Turning to our outlook, based on what we can see today, we now expect full year 2026 adjusted EPS in the range of $9.25 to $9.75, which is up from our previous range of $9 to $9.50 we provided on our first quarter call. While forward visibility remains limited given the current macroeconomic and geopolitical environment, the drivers of long-term demand remain strong, and with our global footprint and diversified value chains, we're confident in our ability to execute in any environment.

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

John Neppl
Thanks, Greg, and good morning, everyone. Let's turn to the earnings highlights on Slide 5. Our reported second quarter earnings per share was $3.47 compared to $2.61 in the second quarter of 2025. Our reported results included a favorable mark-to-market timing difference of $1.67 per share and an unfavorable impact of $0.20 per share related to Viterra transaction and integration costs.

Adjusted EPS was $2 in the second quarter versus $1.31 in the prior year. Adjusted segment earnings before interest and taxes, or EBIT, was $796 million in the quarter versus $373 million last year. In the soybean processing and refining segment, higher results were primarily driven by the North and South American value chains. In North America, stronger processing performance in the US was partially offset by lower refining results. In South America, higher results reflected improvements in Argentina processing and refining and Brazil processing. Within the destination value chain, stronger processing results in Asia more than offset lower processing results in Europe and a lower distribution performance. Results from global soybean oil merchandising activities were lower than last year.

Processing volumes increased in both South and North America as well as in Europe with the largest increase driven by the company's greater production capacity in Argentina. Higher merchandised volumes reflected the combined company's expanded soybean origination footprint.

In softseed processing and refining segment, the results increased across all regions reflecting a more favorable market environment and strong execution. In North America and Argentina, stronger processing results were the primary drivers of improved performance, while refining results were modestly higher in both regions.

In Europe, stronger processing results more than offset lower refining and biodiesel performance. Results from global softseed oils merchandising activities were slightly higher than last year.

Higher softseed processed volumes primarily reflected the combined company's increased production capacity in Argentina, Canada, and Europe. And higher merchandised volumes were driven by the company's expanding global softseeds origination footprint.

For the tropical oils and specialty ingredients segment, higher results in Europe and Asia were partially offset by lower results in North America. Results from global tropical oils merchandising activities were slightly higher than last year.

In the grain merchandising and milling segment, higher results in ocean freight, commercial services, global cotton, and wheat milling were partially offset by lower results in global grain merchandising and sugar. Higher volumes primarily reflected the company's expanded grain handling footprint and capabilities. Prior year 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 timing of performance-based compensation. Higher other results were largely related to our captive insurance program and Bunge ventures.

Net interest expense of $154 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, which shows our adjusted EPS and EBIT trends over the past four years in the trailing 12 months. After a challenging 2025, the trend is beginning to reverse, reflecting improved market conditions and the early benefits of synergy capture from our combination with Viterra.

Slide 7 details our capital allocation. Year to date, we generated approximately $1.3 billion of adjusted funds from operations. After allocating $238 million to sustaining CapEx, which includes maintenance, environmental health and safety, we had approximately $1.1 billion of discretionary cashflow available. We paid $275 million in dividends to shareholders, invested $541 million in growth and productivity-related CapEx, invested $105 million in the first quarter to acquire IFF's soybean processing concentrate business, and repurchased approximately $250 million in Bunge shares, completing the $2 billion commitment related to the Viterra transaction. This resulted in a net use of $117 million.

Moving to Slide 8, at quarter end, net debt exceeded readily marketable inventory, or RMI, by $1 billion. Our adjusted leverage ratio, which reflects our adjusted net debt to adjusted EBITDA, was 1.9 times at the end of the second quarter.

Slide 9 highlights our liquidity position, which remains strong. At the end of the second quarter, we had committed credit facilities of approximately $9.7 billion, of which approximately $8.8 billion was unused and available. We also had approximately $2.4 billion of our $3 billion commercial paper program available, providing ample liquidity to manage our ongoing needs.

Please turn to Slide 10. For the trailing 12 months, adjusted ROIC was 8.4% and ROIC was 6.8%, both exceeding their respective costs of capital. Adjusted for construction progress in our large multi-year projects and excess cash on our balance sheet, our adjusted ROIC would increase to 9.3% and ROIC to 7.2%.

Moving to Slide 11, for the trailing 12 months, we produced discretionary cash flow of approximately $1.7 billion and a cash return on equity of 10.8% compared to our cost of equity of 7.2%.

Please turn to Slide 12 on our 2026 outlook. Taking into account Q2 results, the current margin and macro environment and forward curves, we now expect full year 2026 adjusted EPS in a range of $9.25 to $9.75, which is up from our previous range of $9 to $9.50. As Greg mentioned in his remarks, the environment remains complex with significant uncertainty in certain regions, particularly in the fourth quarter.

For the full year compared to our previous outlook, soybean processing and refining segment results are forecasted to be higher. Softseed processing and refining segment results are forecasted to be slightly higher. Tropical oils and special ingredients results are forecasted to be unchanged. Grain merchandising and milling segment results were forecasted to be lower, and corporate and other results are expected to be unchanged. Additionally, we continue to expect for 2026 an adjusted annual effective tax rate in the range of 22% to 26%, net interest expense in the range of $620 million to $660 million, capital expenditures in the range of $1.5 billion to $1.7 billion and depreciation and amortization of approximately $975 million, all unchanged from our previous outlook.

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

Greg Heckman
Thanks, John. Before turning to Q&A, I want to offer a few closing thoughts. The strategy and priorities we outlined earlier this year at Investor Day hold true today. And our second quarter results are another proof point that we are delivering on our commitments. I spoke earlier about the benefits of our diversification. That breadth provides greater balance and resilience across a range of market environments and gives us the capabilities to perform through the cycle.

At the same time, we're advancing our key initiatives. Viterra cost synergies continue to run ahead of plan, and we're making tangible progress on the network and commercial opportunities we identified. As John mentioned, we completed our $2 billion share repurchase program related to the Viterra transaction.

Our inflight capital projects remain on track. At our Destrehan, Louisiana, facility, we're in the final stages of bringing two meaningful investments online, a new barge unloader and a new multi-seed processing plant, both of which we expect to be operational in the coming months.

We're also advancing strategic partnerships to expand our relationships in renewable fuels. In Brazil, we recently signed a supply agreement with Acelen, Mubadala's renewable energy company, to provide certified soybean oil feedstock for production of SAF and renewable diesel. We also entered into a partnership with Petrobras and Vibra to supply certified low- LUC Corsia Brazilian feedstock for the production and commercialization of SAF. These agreements strengthen our position as a trusted supplier of sustainable feedstocks and further deepen our participation in the growing renewable fuels value chain.

Zooming out, the long-term demand drivers for our business remain strong. Population growth and rising incomes are driving sustained demand for grain and oilseed products. Feedstock demand across our global processing network is also benefiting from the constructive RVO in the U.S., along with growing biodiesel blend rates in other countries. Soy and softseed oils are expected to contribute approximately one-half of global vegetable oil production growth over the next decade, and that's a meaningful shift as palm supply growth slows. These are durable, multi-year tailwinds that reinforce our confidence in the earnings power of this business and our trajectory.

The inflight projects we're bringing online, the integration work underway, and the network and commercial synergies we continue to identify are all additive to a business that already has strong structural demand pulling through it.

Our fundamentals are strong, our strategy continues to deliver, and we have the most talented people in the industry. As we look ahead, we remain focused on what matters most: serving our customers and delivering value for our stakeholders across food, feed, and fuel.

And with that, we'll turn to Q&A.

QUESTION AND ANSWER

Operator
Yes, thank you. 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 the handset before pressing the keys. If at any point your question has been addressed and you would like to withdraw it, please press star, two. And we will pause momentarily to assemble the roster.

And today's first question comes from Andrew Strelzik with BMO.

Andrew Strelzik
Hey, good morning. Thanks for taking the questions. Greg, you mentioned in the press release and in the prepared remarks that the expanded global platform is doing exactly what it was designed to do. Can you elaborate on how the Viterra assets are benefiting Bunge in this environment versus if you didn't have those assets? Any examples you can share would be helpful.

Greg Heckman
Okay, thanks, Andrew. I'd say it starts with the footprint. I mean, the fact we have the balance in all of the key origins and all of the key destinations and touch more farmers directly than anyone else for origination is just key. And of course, it's the talented team that we've got that we've brought together that is operating that footprint and dealing directly with our customers. If you think about the information network we have now assembled to be able to make decisions as well as to execute the purchase and the sales, whether we're helping our farmers get to market or we're helping our consumers get to market or solving the physical supply challenges in the value chain, we've just got more internal liquidity and more optionality to solve those problems than we had before. And whether that's originating for ourselves into our processing or whether it's originating for our distribution business and distributing to others, whether that's domestically or export.

And then if you think about soy, adding Argentina to that really gave us the global balance that we were missing before in our soy crushing operations. And then if you take a quick look at soft, you think about, again, we've added the balance of having Argentine sun crushing to balance Europe. And with some of the challenges you've seen in Europe in the last year, we've really seen the benefit of that as well as the increased origination and merchandising that we have around the softseeds now.

And then, of course, the ocean freight fleet, we basically doubled on our flows. And so in times of disruption, as we've seen, the ability to react and continue to get the origination to the right demand. And another example, when you look forward, again, when you think about the footprint, if you look at China and Australia continue to improve their relationship, so you may start to see more Australian canola move into China. And then we now have the capability then to make sure that the Canadian canola that was going there, that then that works through our processing. So again, we're balancing and able to continue to serve our customers and benefit different parts of our platform.

John Neppl
Maybe, Andrew, I'd just add there quickly, the other benefit, obviously, is with our stronger credit profile as a combined company, we're borrowing money now at the tightest credit spreads we

have in the history of Bunge, which gives us a little bit of an edge in the marketplace, just given the market generally trades on average interest costs. So to the extent we can borrow money cheaper and access that liquidity gives us a chance to stay in there and do more business than maybe some of our competitors.

Andrew Strelzik
Right, okay. That's super helpful. And just a second question - I think at least in our conversations with investors, people are kind of struggling with the US crush curve we see today, what's justified by fundamentals versus elevated energy markets. Do you think underlying fundamentals support the current margin structure, excluding the higher energy prices? Or how are you thinking about where the curve is today versus fundamentals and maybe where we would be in a more steady state environment? Thanks.

Greg Heckman
Yes would be the answer. We definitely do. And then we got clarity around the RVO. We're now seeing that the crush that's been added is here to meet that demand. And we continue to see strong meal demand globally and strong corn demand, which tells us that underlying feed demand is there for the economics on the animal protein. So, yeah, we feel they're justified, and definitely, US and North America is leading the global crush.

John Neppl
I would just add, Andrew, I think the elevated US crush margins, certainly the energy -- the energy phenomenon, the increased energy cost is a global thing. And with the higher crush rates in North America, crush margins in North America, are exacerbated a bit by the volatility in energy. But ultimately, when you look at the demand, as Greg pointed out, we have very strong underlying fundamentals.

Andrew Strelznik
Okay, great. Thank you very much.

Operator
Thank you. And the next question comes from Steven Haynes with Morgan Stanley.

Steven Haynes
Hey, good morning, guys. Thanks for taking the question. I wanted to ask just on the crush outlook, when you're putting the guide together just generally and you're using the curves, is there a -- are you using the curve as of yesterday or like what date, , or time period are you kind of marking for the current period? And then secondly, I think LatAm margins have come down significantly over the last month or so. So what have you assumed on that side of it, as well?

John Neppl
Yeah, I can start, Greg. I mean, we use as current of information as we can get. I mean, obviously, this morning, we couldn't do it, but it's fairly current. So the outlook that we have today would reflect largely what the curves are today. We start looking at it a few weeks ahead of time. We're constantly looking at our forecast, but we take a hard look obviously heading into the call here and try to get as current of information as we can. So we feel like it largely reflects still today how we feel versus when we put the forecast in internally.

Greg Heckman

And I'll just add, where you can see board crush in some of the markets, we still have to have some judgment in the physical crush in the cash. And so, it does take some judgment, but we are as current as we can be, and it feels like it's in the right place right now.

Steven Haynes
Okay. And then maybe as a separate follow up on Glencore, the lockup period has passed. How are you all thinking about how that situation may evolve in the coming weeks, months or however long it may take to play out in one way or another?

Greg Heckman
Glencore has been a great partner, and you might remember that the one thing that they liked about getting equity in this deal is, with their business, they understand the commercial synergies of the combination and they know that it takes a while to mine all those and get those, and they wanted to be part of that value creation. And John and I talk to them often on a number of issues, and they're in -- to quote them, they're in no hurry and they won't surprise us. And so they're great partners.

Steven Haynes
Awesome. Thank you.

Operator
Thank you. And the next question is from Manav Gupta with UBS.

Manav Gupta
Good morning. I am going to take you back to Slide 30 of your Analyst Day. I understand it might not be open, but both my questions relate to that. You obviously gave us a very good update on Destrehan. Can you also give us an update on the remaining three projects which you have indicated could add about $1.30 to 2030 EPS? And my second quick follow-up question, which is again on this slide is, at the time of the Analyst Day, you had identified cost synergies and network and commercial synergies, but there was a bar on top that said upside potential of Viterra synergies. If you could talk about that also. Thank you so much.

John Neppl
Yeah, I'll start with the projects. So, of course, in Destrehan, we have two projects underway. One is the crush plant that sits in the JV with Chevron. And we expect right here at the end of Q3 for that to be up online, give or take a few weeks. Then the other one is our barge unloader and load out capability in the terminal that we've expanded or doubled the size of. That one should be up and running in August, some time in August hopefully; that's the plan. The other big US -- couple other big US projects, one is our Morristown SPC plant, which is now running -- certainly not up to full scale yet. That takes time for that to happen, but we are now producing product in Morristown. So we're happy with that and excited to see how that thing goes. But again, it takes a little bit of time from a commissioning standpoint, customer qualification, everything else, but we like the momentum there.

And then down in Avondale, which is in the Gulf as well, we expanded our refined tropical oils platform down there, and that's going to be up and running in the next month or so. But our other big project is Westzaan, the big specialty and refining plant in Netherlands. That one's still slated for end of Q1 of 2027.

So things are really coming online right now. I think over the next few quarters, we'll start to see the benefits of that certainly. And then Westzaan, of course, will be into 2027 before we start seeing that running at a meaningful rate, but we're pretty excited about it.

From a cost synergy standpoint, I think the -- I'll focus on the cost side, and Greg can comment on the commercial side, but in the cost synergies, we're happy with progress there. As you may recall, we increased our cost target from $250 million to $350 million, and we're continuing to push hard on areas of opportunity. And we're going to try to get it done sooner if possible, but we feel good about the timing and progress there as we move forward, and we'll certainly keep you updated.

Greg Heckman
And when you think about the upside synergies, some of what we were referring to there, some of it is just about the time for the teams to get some repetition of running the system together through a season as we bring the footprint optimization together on how we're running the combined network and that we're running the right assets at the right times and then how we're growing with customers strategically, how we're growing our direct origination with our farmer customers and how we're growing our direct distribution with our consuming customers.

And I will just tell you, being able to bring corn to some of the customers that we had, the majority of their meal business, but we didn't have the same corn footprint before on origination, we're able to just have different conversations because we've got a complete portfolio, grains, oil seeds and oils and wheat, barley, durum, the softseeds to serve these different customers' needs. We're just having different conversations with the customers, much more strategic conversations, and really able to grow those relationships. And I think long-term, you see the benefit of that.

Manav Gupta
Thank you so much.

Greg Heckman
Yep.

John Neppl
Thanks, Manav.

Operator
Thank you. And the next question comes from Derrick Whitfield with Texas Capital.

Derrick Whitfield
Good morning all, and thanks for taking my questions. Want to start first on the policy side regarding expected CSA updates within 45Z policy. How are you viewing the impact it can have on your U.S. business, meaning with the right incentives in place, could you see a meaningful shift in tilling cover crop and fertilizer practices?

John Neppl
Yeah, I'll take that, and Greg can jump in. Look, I think for us, we've been working with a lot of producers in this area hoping that climate smart ag practices become part of 45Z on a permanent basis. So we've been -- as you know, we focused on winter canola as a cover crop. We've been testing a number of other novel seeds. We've been working very closely with farmers, primarily on the seed side and with overall farming practices. We believe long term that's going to make

sense economically for the farmer and also incent the right sort of behavior in terms of ag practices.

So we're working on it under the assumption that it becomes a part of 45Z. If it doesn't, I think it still makes sense a lot of what we're doing, especially providing farmers alternatives for another cash crop, and we're pretty excited about the feedback we've gotten. We continue to increase acres and have gotten very positive feedback so far on how things are progressing.

Greg Heckman
I would just add -- and remember, we believe that the crush plant we're adding in Destrehan has the ability to do softseed. It's a switch plant which would also allow it to do other cover crops. As well, we announced the two projects in Brazil, so it's not just a US issue as well as the conversations we're having with energy companies in Europe that are definitely interested in some of these cover crops and things and what they can mean, especially around SAF for the long term.

Derrick Whitfield
Great. And then maybe shifting to the geopolitical environment, are you guys seeing any early time impacts due to the lack of fertilizer access in South America?

Greg Heckman
A little, but I think the coming season is going to be the key one to watch here on the Brazilian farmer. You know, they've had good application rates in the past, but it could maybe have some impact this next year on safrinha. We'll want to watch that closely. Australia, you saw them switching some from wheat to canola already. But the concern overall now isn't nitrogen, which has kind of corrected itself on price. It's a little bit more around phosphates. So that's the one we'll be watching closely. In Argentina, if it persists that long term, they may not make the investment, so you could -- you'd want to watch yields closely there.

Derrick Whitfield
Thank you.

Operator
Thank you. The next question comes from Tom Palmer with JPMorgan.

Tom Palmer
Hey, good morning. Thanks for the question. I wanted to maybe start with an update just kind of on your visibility for the second half and how it influenced your guidance. As discussed earlier, you typically guide based on curves. I think, previously, you had discussed a rough second half split of kind of 45% in 3Q, 55% in 4Q. So is this still a reasonable outlook? And then maybe you could frame kind of how much visibility you have as we look out here in terms of different regions of the world on the crush curve. Thanks.

John Neppl
Yeah, I can maybe start with the mix, and then I'll turn over to Greg for an outlook on the crush curves globally. But right now, we've shifted a little bit. I think we look at low 40s and high 50s in terms of breakdown between Q3 and Q4, so not a significant shift, but a small shift. So again, low 40s, high 50s is kind of how we're looking at Q3, Q4 breakout.

Greg Heckman

And then if you if you look kind of by the soy and soft, if you look across soy, since the Q1 forecast, the second half margins are definitely up in the U.S. That's the big driver. Argentina is up slightly, but we're dealing a little bit with higher energy costs there. Europe and Asia really unchanged, and then Brazil's a little lower, and some of that's been on strong bean exports. The B16 has been delayed, and then the farmers -- was a big seller early, and the selling slowed down.

If you look at demand, still very good overall, but very spot, and that's the uncertainty with both the conflicts going on. So the U.S. refined oil demand continues to be improved. And a second, we -- the RVO clarity has really helped that. But again, with the conflict, people are remaining very spot. So, the balance of 26, it's above baseline margins, but again, driven primarily by the U.S.

And then in softseed, our second half margin assumptions are roughly the same. And you've seen the nearby spots rallied around the geopolitical risk, but some of that capacity we already had committed. That happened awfully late. The average curves for '26 will end up well above the baseline, and that's driven by Canada, which is supported by RVO. And then we've had good seed supply. And then Argentina, where there's been tight sun seed supply in Europe and the Black Sea, Argentina has had good seed supply, and that's supported.

And then the other watch in softseed, I mentioned earlier, we'll watch the canola exports, and we could see that shift things moving from Australia and changing what the crush economics look like in Canada. So those are the big drivers here in the second half.

Tom Palmer
Understood. Thanks for the rundown there. I also wanted to ask on the merchandising side and just some of the weakness that you're seeing and if there are any, I guess, particular regions that might be causing some constraints because, I mean, if we look at export volumes out of the U.S., they do seem pretty robust, especially on the corn side.

Greg Heckman
Yeah, the merchandising environment has definitely remained challenging, and that's been -- there's still been ample grain supplies. You've got a pretty balanced S&D. We do expect some of the improvement in Q4. Of course, we've got the Australia and the Northern Hemisphere harvest coming off. And then right now, the key that we're watching is you've got the Black Sea; the escalation in the conflict there has added a lot of uncertainty on what's going on with global wheat S&Ds. So if you end up limiting -- 25% of global exports come out of the Black Sea area. We've probably seen the worst conflict there since the beginning of the war. That could really tighten wheat up, especially in the short term, where it'd have to be served for some other origins that could that could change things. And then the other we're watching, of course, is China, would they possibly import corn as part of the 17 billion Board of Trade commitments? It's not clear what commodities are going to be there. So those will be kind of key flags, I think, on the merch business.

John Neppl
Yeah, and, Tom, I'd just add there that we do expect to see sequential improvement in Q3 and then again a pretty good increase in terms of performance expectations in Q4, just given that's a big quarter for us in that business. And as Greg pointed out, I mean, there's a lot of global volatility. So that's a segment that could benefit from some of that depending on what happens. But we do expect things to get better. And global demand remains good. So we just got to -- we've got to prepared, as we always, are to jump on it when it's there.

Tom Palmer
Got it. Thanks for the insights, guys.

John Neppl
Yeah.

Operator
Thank you. And the next question comes from Pooran Sharma with Stephens, Inc.

Pooran Sharma
Good morning and thanks for the question. Just wanted to understand some of the performance in softseed and see how sustainable that is. I mean, you mentioned improved performance across every region. It exceeded our expectations. I just want to get a sense of how much is reflected in favorable margins versus improved execution and utilization and how much of that is sustainable as you move into 2027.

Greg Heckman
Yeah, that's an area where Viterra brought us a lot in the origination, as well, in the processing and gave us a lot more balance. So our softseed footprint now is much more balanced globally like our soy was prior, except for the Argentina hole, which we were able to fill with Viterra. So I think the way those value chains are working together all the way through the origination, through the processing, has been great. And then when we've seen challenges, like the tight sun seed crop in the Black Sea, we're able to answer for customers out of Argentina and balance that.

So, going forward right now, the challenges as the Black Sea tightens up again, we'll have to serve that with soy or sun oil out of Argentina to customers and as well as just continuing to watch how things develop with the customers. You've got palm tightening up somewhat. That's been supportive to the soft oils. And then the RBO, of course, has been supportive to the soft oils. So the oil dimension has been a big driver of softseeds, and that will be durable.

Pooran Sharma
Okay. Thank you for the color on that. And I guess I just wanted to focus on Argentina here for the follow-up. Obviously, really good results. You mentioned your increase in capacity improved year-over-year performance. Wanted to kind of get a better sense of how we should expect performance in this region as we look ahead. I think you had a delayed harvest and some farmers selling into -- carrying into early 2Q. As the crop becomes more available, how should we think about utilizations and margins in Argentina through the back half of this year? And how does that impact other regions across your footprint.

Greg Heckman
Yeah, you're right. I mean, the farmer selling has been good, and part of that is just a more stable economy overall. I'd say the farmer behavior in Argentina is starting to look a lot more like the rest of the world. They had a large harvest and performed as expected. We don't expect the '27 export tariff reduction to influence the '26 selling beyond what we're going to see from a normal seasonal slowdown. So we expect '27 to continue to normalize on how Argentina operates. And then how we run Argentina, of course, will balance with the rest of our system. And we'll let the market call with the good demand that we're seeing continue. Meal continues to really surprise kind of quarter after quarter, the meal demand. But having Renova, having the largest and lowest cost operating plant globally will run in Argentina hard and balanced with the rest of our global system.

Pooran Sharma

Thank you for the color.

Operator
Thank you. And the next question comes from Heather Jones with Heather Jones Research.

Heather Jones
Good morning. Thank you for the questions.

Greg Heckman
Thank you.

Heather Jones
I wanted to start on the soy processing or soy business. I was just trying to reconcile the performance with what we saw in industry margins. I was calculating EBIT per ton similar to what we saw in Q3 last year. But my estimate of industry margins were substantially higher than what they would have been in Q3. So just wondering if you could flesh that out to help us understand -- didn't know if you had heavy hedges on in crush and refining, but just any additional color you could provide there would be very welcome.

John Neppl
Yeah, Heather, our best margins in soy processing over let's say the last six quarters has been this quarter, in Q2, so not 100% sure. Maybe we can circle back with you on what you're looking at, but it -- actually globally overall, soy processing margins were very strong in Q2 and the best we've seen in a while.

Heather Jones
I mean, I was consolidating your soy business and just taking EBIT per ton. But, yeah, we can follow up on that offline.

John Neppl
Yeah part of it could be -- I'm sorry -- part of it could be a volume thing. We -- part of the volume that we include in that segment is driven by merchandising of soybeans that we originate in Brazil that can fluctuate dramatically quarter to quarter. And in fact, in Q2 here, we saw a significant increase in volume, not only sequentially from Q1, but versus a year ago on the merchandising side. And we originated a significant amount of soybeans out of Brazil this quarter that will ultimately either be crushed or sold to third parties. And that volume is included in our overall volume number. So possible that could be impacting your analysis.

Heather Jones
Okay. All right. Yeah, and I'll follow up on that. Thank you. Second question was just on just I know there's been a lot of headlines around a Super El Nino. It seems like the probability of that is continues to grow, and just wondering, as you look at your footprint, both on the oil seed side, but also merchandising, just if we look at '15, 16 as an event, I think some are saying it might look more like '98, '99 or '97, '98, I can't remember, just could you walk us through, if this looks like those events, how do you size up the impact for Bunge?

Greg Heckman
Yeah, I'll start, John, if you want.

John Neppl
Sure.

Greg Heckman
But I would say, overall, with the balanced footprint we've got now, having to solve problems for the marketplace, a disruption that is a supply shock or sustained demand growth, that's where really the optionality that exists in our physical flows and in our asset base, you would really see the benefits of that versus what we see in this -- the conflicts that are happening in the Black Sea in the Middle East. Those are much more episodic volatility, and it comes with a lot of speculative volatility. That actually has been hard on -- it's been negative to volumes, it's been negative to margins and is challenging for our customers, especially the end users who become much more short bought. So that creates a challenge.

So this would be actually a situation where we're able to use our system to solve problems. And if I did a bit of a walk on how to think about it, Australia would be near term the most exposed, but we've already seen some shifting of farmers from wheat to canola and barley. And again, we handle all of those. So we'll be there for our farmer customers. Brazil would be watching the planting timing. If you end up getting delayed planting on -- could have impact -- impact safrinha. And then where are fertilizer prices at that point and does that affect the investment that the farmers make and does that affect yields, right?

If you think about medium term, '27, that starts creating the risk in Malaysia and Indonesia palm production, which then we'll have to fill that gap with soft oils. That would be good for us. We're seeing maybe India is already feeling some of the impact of that where we've seen increased veg oil imports. And then really in all scenarios, it looked like Argentina continues to be a winner. And we've got a great footprint there, not only in the processing, but the origination and marketing business there. So we should benefit from good crops.

Heather Jones
Okay. Thank you so much. I appreciate it.

John Neppl
Thanks, Heather.

Operator
Thank you. And the next question is Matthew Blair with TPH.

Matthew Blair
Thanks, and good morning, everyone. Seems like there's some concern in the market on an RVO waiver in the U.S. just in light of high retail gasoline prices. I think that it seems unlikely to us, but what's your thinking here, and how much of that is the risk?

John Neppl
Yeah, I would say we don't have any special insights that there's going to be anything that dramatic. Certainly, the thing we're watching right now are SREs expected to come out, some definition and some rulings around SREs in potentially the coming days, weeks is probably the first watch out for us. And then, of course, the RED III biofuel policy for '28, '29 is just beginning to be in the works, and we're expecting maybe a first look at that sometime after the elections in the fall with plans to finalize that mid-year next year. But in terms of any sort of waivers at this point, nothing that we're aware of.

Matthew Blair

Sounds good. And then congrats on finishing your share buyback program. I know the original plan this year was the $250 million of share repurchases, but you've also raised your earnings twice now. So is there -- should we expect any additional share repurchases in the back half of the year, just in light of the two guidance raises?

John Neppl
Yeah, I mean, we'll take a look at that. Our first priority is going to be, in this market with the dynamics that we're seeing, we do expect a good chance we're going to deploy more money into working capital as we go through the back half of the year, just given prices and the global dynamics. And we want to make sure our credit rating and our leverage ratio are where we want them, and not concerned about the credit rating itself, but make sure our leverage ratio is in target. So that'll be an important aspect. And then as we look forward, we'll see. We remain committed to our long-term new framework that we talked about where we're going to allocate 50% of our discretionary cash flow to shareholders, whether that's through dividends or repurchases. And we plan to stick with that framework. And then timing will just be hard to predict right now, but it's possible.

Matthew Blair
Great. Thanks for your comments.

John Neppl
You bet.

Operator
The next question comes from Ben Theurer of Barclays.

Ben Theurer
Hey, good morning, Greg, John. A lot's being covered here, so just a quick one maybe, and we haven't talked much about your tropical oils and your grain merchandising business yet. Can you kind of dig maybe a little bit deeper on what's driving the current conditions to where they are, what are kind of like the pain points? I mean, that seems to be not yet just on full steam. So just wanted to understand what are some of the underlying issues maybe in those two segments. And then I have a quick follow-up on cash flow, what you just mentioned. Thank you.

Greg Heckman
Yeah, on the refined oil side, majority of that oil still goes to the food customers. They've definitely seen this to be a challenging environment, so they're more short bought. We've seen a little bit of switching to some lower value products from part of that customer group responding to consumers. But it's been interesting because we've seen some of them also moving back to innovation and trying to bring some of those customers back, and our ability to provide those solutions has been appreciated, and we think that that'll pay off long term. And the other thing we've seen is some of our cocoa butter equivalent business looks like those prices for cocoa moving higher again, so later in the year that could be an opportunity for the tropicals business, as well. And then we're just at the front edge of bringing up our protein plant there in in Morristown. Did I hit the question there?

John Neppl
Yeah, maybe, Ben, I would just add that, as I mentioned earlier, we've got our Avondale facility up and coming, and that's -- that -- when we bought that facility from Fuji, guess been a couple of years ago already, we were at 100% capacity immediately, and we're basically -- we expect to be running at 100% as soon as that addition comes online. So that's going to provide us some

additional momentum. And then, of course, longer term, Westzaan, we're starting to run some oil through the pipes there. So we're getting excited there and obviously working with customers in Europe, socializing the site with them, having them do visits and getting ready to shift demand from others. We continue to operate in Rotterdam in the facility we sold a few years ago. But as we shift that business over, we're going to have a lot more capability in Europe than we do today.

So we like the momentum in the business. I think team's excited about where we're headed, and just it's going to take a little time to put all the pieces together.

Ben Theurer
Okay, perfect. And then just looking at CapEx, you're kind of like running to the midpoint, but just wanted to understand what could drive you to the higher end of the range, of the $1.5 billion to $1.7 billion. So what comes up with these projects coming to an end, just to get a sense on where we're heading on CapEx?

John Neppl
Yeah, it's really probably more around timing of when we're going to get projects completed and contracts and invoiced. I'd say, today, we're probably closer to the high end of that range would be my guess. And we'll see as we get through the balance of the year. It's always timing on when work gets completed and we get billed and get paid. But right now, I would venture to guess we're a little closer to the higher end of the range at the midpoint.

Ben Theurer
Thank you.

CONCLUSION

Operator
Thank you. That concludes our question and answer session.

Greg Heckman
If that's all the questions we've got, I'd like to thank everyone for joining us today, for your interest in Bunge. I'd like to thank our team again for doing a fantastic job to manage through the complexity that we have using our global footprint and our capabilities and the optionality that exists there to serve our customers and continue to meet what continues to be very strong demand. So thank you all for joining. Have a great week.

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