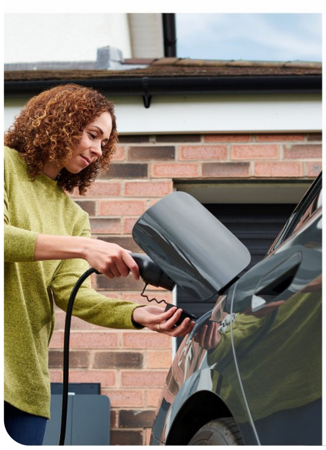
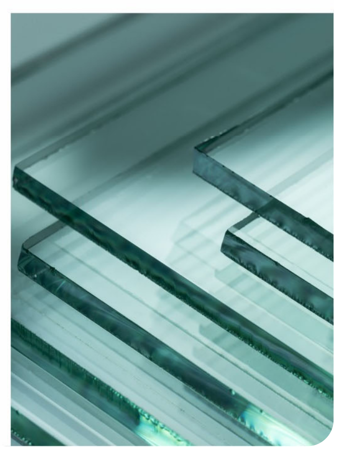
WE Soda Ltd

Results for the Second Quarter and First Half of 2026

26 August 2026





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WE Soda Ltd (the "Company" and, together with its subsidiaries, "WE Soda"), a leader in industrial minerals and the world's largest producer of soda ash, announces its results for the second quarter and first half of 2026.

Alasdair Warren, Chief Executive Officer commented:

"Trading conditions remained challenging during the first half of the year, and we responded by maintaining our focus on cost discipline across our business, achieving freight and logistics savings where possible and by driving further efficiencies at our production facilities. Our lower energy intensity leaves us less exposed than many of our synthetic peers and, where our sales contracts allow, we aim to pass on increased energy costs through market pricing and contractual adjustments.

"With the Westvaco production disruptions that we experienced earlier in the year now fully resolved, and all our plants operating efficiently, we remain on track to deliver our full-year sales volume guidance, supported by a solid second-quarter sales volume of 2.34 million mt. Against this backdrop, with the pricing actions we have taken and with the efficiency and cost improvements that we expect to realise during the year, we expect to deliver our FY 2026 guidance of consolidated Adjusted EBITDA of approximately $570 million and Free Cash Flow of approximately $400 million.

"We were also encouraged by the European Commission's July proposal to reform the EU Emissions Trading System, which reflects the principle we have long argued for: that carbon pricing should encourage industries to decarbonise, as we have done, and that carbon should be accounted for where it is released. There is more work to do before this becomes final, but it is a welcome step that will remove the risk of double counting that previously existed and it provides a claw-back mechanism for those that have previously incorrectly claimed allowances.

"Market conditions are expected to remain challenging for the remainder of this year and into 2027, but our relatively robust financial, operating and commercial positioning will allow us to navigate these headwinds and to capture opportunities as they arise."

First Half 2026 Summary

	Restricted Group[1]			Proforma Consolidated[2]		
	H1 2025	**H1 2026**	YoY[11]	H1 2025	**H1 2026**	YoY
Sales volume (million mt[3])	2.46	2.42	(2)%	4.58	4.43	(3)%
Adjusted EBITDA ($ million)	258	194	(25)%	363	245	(32)%
Free Cash Flow ($ million)	201	137	(32)%	283	168	(41)%
FCF Conversion[6]	78%	71%	(7)ppt	78%	69%	(10)ppt
Capital Expenditure ($ million)	60	48	(21)%	86	72	(16)%
QE Net Leverage Ratio[9](x)	3.2x	3.9x	+0.7x	3.2x	4.1x	+0.9x

Our results for the six months ended 30 June 2026 delivered Adjusted EBITDA of approximately $80 per mt for the Restricted Group and $55 per mt for the Proforma Consolidated Group. While these margins were down from $105 per mt and $79 per mt respectively in H1 2025, reflecting weaker trading conditions, they held up well relative to the broader market.

For the Restricted Group, H1 2026 sales volumes were down 1.9% year-on-year at 2.42 million mt, with Adjusted EBITDA of $194 million, down 25% year-on-year, and Free Cash Flow of $137 million, down 32% year-on-year, reflecting weaker pricing in parts of Asia and Europe and higher energy and transportation costs linked to the conflict in the Middle East.

For the Consolidated Group, which includes our operations in Türkiye and the US, H1 2026 sales volumes were down 3.3% year-on-year at 4.43 million mt, impacted by Westvaco production disruptions in the first quarter, which have since been resolved. Adjusted EBITDA for the half was down 32% year-on-year at $245 million, and Free Cash Flow was $168 million, down 41% year-on-year, with both quarters affected by weaker trading conditions and higher production and transportation costs.

Q2 2026 Summary

	Restricted Group[1]			Consolidated Group		
	Q2 2025	**Q2 2026**	YoY[11]	Q2 2025	**Q2 2026**	YoY
Sales volume (million mt[3])	1.27	1.26	(1.0)%	2.34	2.34	(0.4)%
Adjusted EBITDA ($ million)	133	104	(22)%	185	131	(29)%
Free Cash Flow ($ million)	88	74	(15)%	127	93	(27)%
FCF Conversion[6]	66%	72%	+5ppt	69%	71%	+2ppt
Capital Expenditure ($ million)	36	23	(37)%	50	33	(35)%
QE Net Leverage Ratio[9](x)	3.2x	3.9x	+0.7x	3.2x	4.1x	+0.9x

Our results for the quarter ended 30 June 2026 delivered Adjusted EBITDA margins of approximately $83 per mt for the Restricted Group and $56 per mt for the Consolidated Group, down from $105 per mt and $79 per mt, respectively, in Q2 2025, but a modest improvement on the first quarter as operational efficiencies began to feed through.

For the Restricted Group, Q2 2026 sales volumes were down 1% year-on-year at 1.26 million mt, with Adjusted EBITDA of $104 million, down 22% year-on-year, and Free Cash Flow of $74 million, down 15% year-on-year, reflecting weaker pricing in parts of Asia and Europe and higher energy and transportation costs, partially offset by ongoing cost discipline and efficiency measures.

For the Consolidated Group, Q2 2026 sales volumes were down slightly year-on-year at 2.34 million mt, with the Westvaco mine now operating at or above its originally budgeted run rate. Adjusted EBITDA for the quarter was down 29% year-on-year at $131 million, and Free Cash Flow was $93 million, down 27% year-on-year, reflecting the same pricing and cost pressures affecting the Restricted Group.

As highlighted, the actions we have taken are already having a positive impact on our business. We have optimised ocean freight routing and vessel utilisation, continued to pass through energy-linked cost increases where our contracts allow, and delivered efficiency improvements at our production facilities in both Türkiye and the US, including reliability gains at our US operations and the completion of our new water sourcing project at Kazan, that now satisfies more than 50% of its water requirements from recycled municipal “grey-water”, significantly reducing demand for freshwater from the catchment area.

Balance Sheet

During the first half of 2026, we completed two important financings. On 24 February 2026, WE Soda Investments Holding Plc successfully issued $250 million of senior notes via a private placement, with proceeds used to partially repay $248 million of our then-existing Revolving Credit Facility (“RCF”) on 6 March 2026. Subsequently, on 18 March 2026, WE Soda Ltd entered into a new $385 million Super Senior RCF maturing in March 2031, fully replacing the previous RCF and providing additional flexibility to support the Group's general corporate purposes.

As detailed in Note 18 (Borrowings) of the Condensed Consolidated Interim Financial Statements, the Super Senior RCF agreement amends certain customary incurrence covenants, information undertakings and related definitions. Most significantly, its financial leverage maintenance covenant, which currently applies to the Restricted Group and is calculated on a senior secured net leverage basis, is tested only if the aggregate outstanding principal amount of loans under the Super Senior RCF exceeds 40% of the aggregate facility commitments. This threshold had not been exceeded as at the date of this announcement, and we remained in compliance with the terms of all our financing arrangements throughout the period.

The Consolidated Group ended H1 2026 with a robust liquidity position of more than $400 million. At 30 June 2026, the Restricted Group had Net Debt of $1.7 billion and the Consolidated Group had Net Debt of $2.3 billion, resulting in Net Leverage Ratios of 3.9x and 4.1x, respectively. With our performance weighted towards the second half, we expect leverage to reduce by year end, consistent with our FY 2026 guidance.

In August 2026, Fitch affirmed our credit rating at 'B+' and revised its outlook from negative to stable. Our capital allocation policy remains unchanged, and we remain firmly focused on returning to our target Net Leverage Ratio of less than 2.5x over time, albeit given the challenging trading conditions this is unlikely to occur in the short term.

Related Party Transactions

Related party balances mainly reflect funding to our parent, Kew Soda Ltd, and other companies within the wider Ciner Group, ultimately controlled by Mr Turgay Ciner. These balances are unsecured, interest-bearing at arm's length rates and repayable on demand. As at 30 June 2026, net related party non-trading receivables stood at $942 million, broadly unchanged from $940 million at 31 December 2025, with cash collections during the period offset by interest accrued on these balances. Our objective remains to reduce these balances over time.

Net funding to related parties increased by approximately $88 million between 1 September 2025 and 31 March 2026 (with net funding increasing by approximately $53 million and $35 million in Q4 2025 and Q1 2026, respectively). Over $63 million of this net funding was repaid by the end of June 2026.

Patent-related Litigation

In December 2025, the District Court of The Hague ruled in favour of Solvay S.A. (“Solvay”) in patent infringement proceedings against Kazan Soda Elektrik (“Kazan”) relating to European patent EP 579, granting an injunction restricting the sale, storage and import of Kazan product in the Netherlands. All WE Soda product sold in, or transiting through, the Netherlands (approximately 0.5 million mtpa) is now exclusively Eti product, and customers continue to be supplied without any disruption. In June 2026, we lodged an appeal with the Court of Appeal of The Hague, which provides for a full re-evaluation of the case and is expected to take several years to conclude.

Separately, in May 2026, the European Patent Office ("EPO") ruled in favour of Solvay in opposition proceedings brought by WE Soda in relation to a second divisional patent in the same patent family (EP 138). We have lodged an appeal against this decision with the EPO's Boards of Appeal, with our detailed grounds of appeal to follow in due course. We remain confident in the strength of our legal position. In all scenarios, the maximum EU product sales volume potentially affected is approximately 1.4 million mtpa of soda ash, comprising the volumes sold in the Netherlands, certain volumes sold into other markets that transit through the Netherlands, and volumes supplied directly to other EU markets without transiting through the Netherlands. All of this volume can be supplied from Eti, which has annual soda ash production capacity of approximately 1.8 million mtpa. Accordingly, we do not expect these proceedings to have any material impact on the financial or operating performance of WE Soda.

EU Emissions Trading System

On 17 July 2026, the European Commission published a proposal to reform the EU Emissions Trading System ("ETS") beyond 2030, putting forward a principle we have long argued for: that carbon pricing should encourage the decarbonisation of industries, with the carbon being accounted for where it is released to the atmosphere, not where it is embedded in a product. This is not currently the case, with soda ash producers being accountable for the emissions associated with its use, rather than the actual soda ash users.

The current rules produce an anomalous result. Since January 2025, the process CO_2 released when soda ash is used in a glass producer's furnace has been treated as already accounted for under the ETS where that soda ash was produced at an EU installation, and the producing installation receives free allocation in respect of it. A glass producer using EU-produced synthetic soda ash therefore surrenders no allowances for that CO_2. A glass producer using imported soda ash – including ours – receives no equivalent relief and must purchase and surrender allowances for that CO_2 in full, at a cost of approximately $35 per mt of soda ash at prevailing carbon prices. The carbon charge accordingly depends on where the soda ash was made, not on its carbon footprint: it relieves higher-carbon EU synthetic production of the carbon cost while imposing it in full on natural soda ash, which has a lower carbon footprint.

Once these new ETS rules come into effect, with process CO_2 once again being attributed to the installation where it is released, products will compete on their carbon footprint rather than their point of origin. The new rules will also remove the risk of double counting that previously existed and provide a claw-back mechanism for those that have previously incorrectly claimed allowances. This is encouraging progress towards a fairer system, but we assume no final resolution this year and therefore no benefit in our 2026 guidance.

2026 Outlook and Guidance

Our outlook and financial guidance for FY 2026 remains unchanged, with the Consolidated Group expected to deliver $570 million of Adjusted EBITDA and $400 million of Free Cash Flow. As in previous years, our performance is weighted towards the second half, and H1 2026 tracked that pattern. This, together with a continuation of this trend after the period end during July and August, has strengthened our confidence in delivering our guidance for FY 2026.

Capital discipline remains a priority. We continue to expect Growth Capex of approximately $15 million for the year, reflecting our decision to defer non-essential growth projects while trading conditions remain challenging, and maintenance capex of approximately $115 million, focused on safety, asset integrity and reliable production. This discipline underpins our Free Cash Flow guidance for the full year.

The production disruption at our Westvaco mine, which led us to reduce our FY 2026 production and sales guidance to approximately 9.3 million mt when we reported our first quarter, is now fully resolved. We continue to expect to sell approximately 9.3 million mt for the full year.

Separately, in June 2026 Türkiye enacted a reduction in the corporate income tax rate to 12.5% for certified industrial producers, effective from FY 2027. This has no impact on our 2026 guidance but is expected to reduce our annual cash tax outflow by approximately $15 million from 2027.

Our FY 2026 guidance for both the Restricted Group and the Consolidated Group is presented below.

	Restricted Group	Consolidated Group
Sales Volume (million mt)	~5.1	~9.3
Adjusted EBITDA ($ million)	~430	~570
Adjusted EBITDA ($ per mt)	~85	~60
YE Net Leverage (x)	~3.7x	~3.8x

2026 Key Dates

Q3 2026 Results	**Wednesday 25 November 2026**

Notes:

1. **Restricted Group** consists of WE Soda Ltd and its Restricted Subsidiaries under the WE Soda Bonds and the WE Soda RCF Facility, and excludes Kew Soda Ltd, as well as WE Soda Enterprises Inc. and its subsidiaries, which are designated as Unrestricted Subsidiaries under such financing arrangements. The US business is excluded from the Restricted Group.
2. **Proforma Consolidated** Proforma Consolidated financials are presented to reflect the performance of the combined business following the acquisition of the US business on 28 February 2025. Because the acquisition completed part-way through 2025, the contribution of the acquired business to the Group's revenue and profit under IFRS in that year was limited to the period 1 March to 31 December 2025. Proforma data for 2025 is presented to enable the relative performance of the business to be measured on a consistent basis.
3. **mt** = metric tonne.
4. **Adjusted EBITDA** is calculated as EBITDA adjusted for certain items, either positive or negative, which we consider to be non-recurring in nature and further items that we do not consider to be representative of the underlying performance of the business. **EBITDA** represents profit / (loss) for the period from continuing operations before interest in equity accounted associates, depreciation and amortisation expenses, finance expenses, net of finance income and taxation. A reconciliation of EBITDA and Adjusted EBITDA to profit/(loss) for the period is set out in the Appendix to this announcement.
5. **Free Cash Flow (FCF)** is calculated as Adjusted EBITDA minus Maintenance Capital Expenditures minus tax payments.
6. **Free Cash Flow (FCF) Conversion** is calculated as Free Cash Flow divided by Adjusted EBITDA.
7. **Adjusted EBITDA per mt** is calculated as the Adjusted EBITDA divided by the sales volume (in mt) of soda ash and sodium bicarbonate combined for the period.
8. **Net Debt** is calculated as the sum of current borrowings and non-current borrowings (including in each case transaction costs capitalised on initial recognition of the borrowing liability) and lease liabilities, net of cash and cash equivalents (including cash held in debt service reserve accounts).
9. **Net Leverage Ratio** is calculated as Net Debt divided by Adjusted EBITDA.
10. **PPT** = percentage point.
11. **YoY =** year-on-year percentage change. Where ranges are shown, the percentage represents the middle of the range.
12. **Netback Revenue** is calculated as revenue from sales of soda ash, sodium bicarbonate and speciality products less transportation and export expenses.

Appendix: Reconciliation of Alternative Performance Measures

This announcement includes a number of alternative performance measures ("APMs"), including EBITDA, Adjusted EBITDA and Netback Revenue, which are not defined under IFRS. Definitions of these measures are set out in the Notes above. Further information, including why we present these measures, is set out in our 2025 Annual Report. The tables below reconcile each of these measures for the Consolidated Group to the Group's condensed consolidated interim financial statements for the six months ended 30 June 2026 (the "Interim Financial Statements"). References are to the primary statements and notes in the Interim Financial Statements, with "SPL" referring to the consolidated statement of profit or loss.

Reconciliation of profit/(loss) for the period to EBITDA and Adjusted EBITDA ($ million)

	Reference	H1 2026
Profit/(loss) for the period	SPL	(110.4)
add/(less):		
Finance income	SPL	(42.2)
Finance expenses	SPL	164.0
Taxation	SPL	43.2
Depreciation and amortisation expenses	Notes 8, 9, 10 and 11	130.9
Gain/(loss) on disposal of fixed assets		3.0
EBITDA		**188.5**
add/(less):		
Foreign exchange (gains)/losses and discount interest (income)/expense included in other operating income and expenses	Note 11	8.7
Employee benefits		8.0
Mineral exploration and evaluation expenditures (including idle capacity costs)		11.5
Excess caustic soda and lime costs		0.5
Non-cash royalty adjustment for Kazan Soda	Note 22	15.3
Other one-off items		12.3
Adjusted EBITDA		**244.8**

Reconciliation of revenue to Netback Revenue ($ million)

	Reference	H1 2026
Soda ash/sodium bicarbonate sales and speciality products	Note 7	1,030.1
less:		
Transportation expenses	Note 8	(296.7)
Export expenses	Note 8	(21.9)
Netback Revenue		**711.5**

Audiocast details:

The management team will host a conference call and audiocast presentation at 14.00 BST, on Wednesday 26 August 2026.

Presentation materials will be made available at: https://www.wesoda.com/investors/reports-results-presentations shortly before the start of the event.

Audiocast and conference call registration:

If you would like to view the presentation via live audiocast, please click through the link below:

https://edge.media-server.com/mmc/p/rrigtx9k

If you would like to join via live conference call, please register using the link below:

https://register-conf.media-server.com/register/BIf8355d35c5664445905ed3399b50afaa

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Neither the content of any website of WE Soda nor any website accessible by hyperlinks on WE Soda's website is incorporated in, or forms part of, this announcement.

MiFID II professionals/ECPs-only- Manufacturer target market (MiFID II product governance) is eligible counterparties and professional clients only (all distribution channels).

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FCA/ICMA stabilisation applies.

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This announcement includes forward looking statements, which are based on WE Soda's current expectations and projections about future events, as well as the assumptions made by our management based on information currently available to our management. All statements other than statements of historical facts included in this announcement may be deemed to be forward looking statements. Words such as "believe", "expect", "plan", "intend", "seek", "anticipate", "estimate", "predict", "forecast", "project", "potential", "continue", "may", "will", "could", "should", and similar expressions or the negatives of these expressions are intended to identify forward looking statements. By their nature, forward looking statements involve known and unknown risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward looking statements are not guarantees of future performance. You should not place undue reliance on these forward-looking statements.