



## ArborGen Holdings Updates Market

29 December 2021

ArborGen Holdings Limited (NZX: ARB) (the Company or ArborGen) announced today that following completion of the sale of ArborGen's New Zealand and Australian businesses for NZ\$22.25 million (the ANZ Transaction), it has repaid the US\$2.88 million of sub-ordinated debt raised in 2019 from certain directors / major shareholders and senior management needed to fund the US\$14.4 million acquisition of ArborGen's headquarters in Ridgeville, South Carolina. The Company has also reduced its Synovus working capital facility by US\$5.5 million, which combined with the sub-ordinated debt repayment, will result in annual cash interest cost savings of approximately US\$0.4 million.

The Company also announced that its business in Brazil (ArborGen do Brazil) has executed an agreement to acquire an 8-10 million capacity pine nursery located in Canoinhas, Santa Catarina, Brazil. The acquisition cost is estimated at BR\$5 million (US\$0.7 million) including certain capital expenditure items.

ArborGen's CEO, Andrew Baum, said "Increasing domestic and export demand, new pulp mills and strong charcoal markets resulting from increasing iron ore demand, are collectively driving strong demand for eucalyptus and softwood in Brazil. ArborGen has grown to become one of the largest commercial suppliers of eucalyptus and loblolly pine seedlings in the Brazilian market, replicating its US strategy to convert the market to products with superior genetics in Brazil."

"We are projecting Brazil's earnings to more than double next fiscal year (fiscal year ending March 2023) driven primarily by stronger pricing for both our eucalyptus and pine seedlings, and increased sales. The acquisition of the Canoinhas nursery will further accelerate this earnings growth and strengthen ArborGen's position as the leading supplier of pine genetics in Brazil."

ENDS

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### ArborGen

*ArborGen is the largest commercial global seedling supplier and a leading provider of advanced genetics, for the forest industry. Employing state-of-the-art technology, ArborGen is developing high-value products that significantly improve the productivity of a given acre of land by enabling our customers to grow trees that yield more wood per acre with greater consistency and quality in a shorter period of time. For more information, please visit ArborGen's website at [www.arborgen.com](http://www.arborgen.com).*