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Presentation

Operator

Good morning, ladies and gentlemen, and welcome to ICL Third Quarter 2025 Earnings Call. [Operator Instructions] This call is being recorded on Wednesday, November 12, 2025. I would now like to turn the conference over to Peggy Reilly Tharp. Please go ahead.

Peggy Reilly Tharp
Vice President of Global Investor Relations

Thank you. Hello, everyone. I'm Peggy Reilly Tharp, Vice President of Global Investor Relations for ICL Group. I'd like to welcome you, and thank you for joining us today for our earnings conference call. This event is being webcast live on our website at icl-group.com. -- and there will be a replay available a few hours after the live call and a transcript will be available shortly thereafter. Earlier today, we filed our reports and our presentation with the securities authorities and the stock exchanges in both Israel and the United States. Those reports as well as the press release and our presentation are also available on our website. Please be sure to review the disclaimer on Slide 2 of the presentation. Our comments today will contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995.

These statements are based on management's current expectations and are not guarantees of future performance. The company undertakes no obligation to update any information discussed on this call at any time. We will begin with a presentation by our CEO, Mr. Elad Aharonson, followed by Mr. Aviram Lahav, our CFO. After the presentation, we will open the line for a Q&A session. I'd now like to turn the call over to Elad.

Elad Aharonson
President & CEO

Thank you, Peggy, and welcome, everyone, to our third quarter 2025 earnings call. Since our last report, we have begun to witness significant positive actions in Israel that ceasefire, the return of the hostages and the renewed focus on stability and peace. I'm sure you join us in looking forward to a new normal in the Middle East. Here at ICL, we are also looking forward to executing against our new strategic principles. In our earnings release, we included some details, and I will be sharing more information following our quarterly review. As a result, our call will be longer than usual. I want to thank you in advance for your patience, and I look forward to your questions. Now if you please turn to Slide 3 for a brief overview of the quarter.

Sales were $1.853 billion, up 6% year-over-year. For our specialties-driven businesses, sales of $1.461 billion were up 3%. Consolidated adjusted EBITDA was $398 million. This amount improved 4% year-over-year and was up 13% on a sequential basis. In the third quarter, adjusted diluted earnings per share were $0.10. Operating cash flow of $308 million improved nearly $40 million sequentially.

In general, the quarter was in line with expectations. Overall prices continued to improve in the third quarter. Trends were generally consistent across the end markets we serve. However, sentiment and performance varies by region. Let's start with a review of our divisions and begin with our Industrial Products business on Slide 4. For the third quarter, sales of $295 million were down slightly year-over-year. However, EBITDA improved on an annual basis and came in at $67 million. Overall, results were in line with the first half of the year as expected. For flame retardants, performance was mixed. Sales of phosphorus-based products improved. However, bromine-based sales were impacted by continued softness in the construction end market. Other end markets remained stable, including clear brine fluid sales to the oil and gas industry.

Specialty minerals reported strong results for the third quarter with good demand from the food end markets. Turning to third quarter results for our potash division on Slide 5. Sales were $453 million with EBITDA of $169 million. Our average potash price for the third quarter was $353 CIF per ton. This improved 6% on a sequential basis and was up nearly 20% year-over-year.

Potash sales volume of 1,046,000 metric tons in the third quarter were roughly stable on an annual basis. Importantly, we saw a sequential increase in potash production. During the third quarter, we continued to maximize the profitability of our potash resources. Whenever possible, we prioritize potash supply to the best global market. For this quarter, my commentary around potash goes beyond our financial results. If you will turn to Slide 6, I wish to address a matter that has resulted in some questions from investors. As you know, last week, we signed an MOU with the state of Israel regarding the Dead Sea concession. First and foremost, we view this MOU as a positive and proactive step. It is expected to provide long-term regulatory clarity and business certainty. It also allows

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ICL to responsibly prepare for the conclusion of the current concession in 2030 and also positions us for the awarding of the new concession at that time.

Importantly, we believe this agreement will improve the terms of the future concession and that we remain the leading candidate to be awarded the new concession and to extract the greatest economic value out of it. The situation required a careful review and choice between 2 alternatives, and I will now explain our rationale. The state made it clear that it plans to launch a competitive tender as required by law.

It also insisted upon the legal transfer of the assets upon expiration as stipulated by law. The law grants us the right of first offer and the right to compensation for the assets. We determined it was prudent to reach an informed upfront agreement rather than potentially face prolonged disputes or unilateral actions by the state of Israel, including by legislation affecting our rights. Now that the tender is open to all and a value has been placed on our assets, we believe the process will result in overall fairer and more attractive new concession terms. In addition, we believe we have achieved 2 critical certainties. First, we secured compensation of approximately $2.54 billion plus salt harvesting costs amounting to hundreds of millions of dollars if we were not to win the concession.

We also established certainty on the timing of this payment. Without the MOU, the end of the concession might have resulted in transfer of the assets without full and immediate compensation. Also, it is important to mention that the agreements regarding the asset value are not expected to have a material impact on our financial results.

Second, we avoided the possibility of extended legal proceedings. Preparing for and partaking in any complex legal action would have potentially disrupted the day-to-day operations essential for managing a global company. We favored the test of upfront consensus over potentially lengthy disputes and legal proceedings. And once the terms of the future concession are published, we will review them and determine if they are economically viable. We continue to believe that ICL is the most suitable candidate to be awarded the future concession. We currently intend to participate in the process once it begins, assuming, of course, that the terms are economically viable. At ICL, we have been operating the Dead Sea site for more than 100 years. Our knowledge is far deeper than any other potential bidder, will possess accumulated proficiencies and practical operational experience. These and other advantages position ICL as a proven entity with the capabilities to manage this unique and complex opportunity. Now turning back to our quarterly update with a review of the Phosphate Solutions division on Slide 7.

Strong quarter sales of $605 million were up 5% on an annual basis. Sales improved on higher specialty volumes and higher commodity prices. EBITDA of $134 million was in line with the prior quarter, but down slightly versus the prior year as expected. Overall, profitability was impacted by higher raw material costs, especially for sulfur. Specialty food Phosphates delivered its strongest quarter in 2 years with continued strategy execution. In China, our YPH joint venture benefited from both higher prices and volumes and an increase in demand for battery materials. Overall, Phosphate Specialties performance was as expected with most regions remaining stable. However, softness continue in Europe, a trend that is expected to linger into the fourth quarter. This brings us to our Growing Solutions business division on Slide 8. Third quarter sales of $561 million improved 4% year-over-year. Our continued strategic focus on global specialty solutions, which have been customized for regional customers helped to drive annual and quarterly improvement. This was the case in both North America and Europe. In both regions, we saw continued solid execution of our growth plans. Sales in Asia improved in the third quarter, but rising raw material costs impacted profit. This trend is likely to extend into the fourth quarter.

In Brazil, the overall market was under pressure and faced a variety of difficulties. Soy prices remained low and in some areas, there were significantly lower yields. Interest rates for farmers increased across the board, as did bankruptcies. For ICL, both sales and profit decreased in Brazil.

This was the result of lower volumes due in part to reduced farmer affordability, but also as raw material costs increased. Farmers are in wait-and-see mode and have deferred their decision-making. This has resulted in pressure on premium products and renewed competition in general. Overall, Growing Solutions product trends in the third quarter were positive. However, farmer affordability on a global basis remained under pressure. And while we continued to gain share in the market, we still have room to grow. And with that, I would like to turn the call over to Aviram for a brief financial overview before I share an update on our guidance and our new strategic principles.

Aviram Lahav
Chief Financial Officer

Thank you, Elad, and to all of you for joining us today. Let us get started on Slide 10 with a very quick look at quarterly changes in key market metrics. On a macro basis, global inflation rates came down on average, as did interest rates, so 2 positive indicators. However, global industrial production and U.S. housing starts both decreased versus the prior quarter. For fertilizers, the picture

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was more mixed. Both the grain price index and farmer sentiment decreased on a quarterly basis. However, farmer sentiment was up significantly year-over-year.

Over the same time frame, potash and phosphate prices improved. There was also an increase in ocean freight rates - a reversal from the relatively stable trend of prior quarters. One of the other indicators we track is the price of Chinese bromine, which is relevant to industrial products and prices continue to improve in the third quarter. Durable goods are also an indicator for this business, and they picked up as well. We also follow remodeling activity as this is a good metric for both Industrial Products and Phosphate Solutions, while roughly flat on a sequential basis, it improved year-over-year. As Phosphate Specialty Solutions are an important part of the food and beverage end market, we also track these trends, which increased both through August and significantly year-over-year. If you will now turn to Slide 11 for a look at our year-over-year sales bridges.

For the third quarter, sales were up $100 million or 6% with Potash, Phosphate Solutions and Growing Solutions all demonstrating growth. Turning to the right side of the slide, you can see $127 million benefit from higher prices this quarter, which was partially offset by lower volumes. On Slide 12, you can see our third quarter EBITDA, which improved 4% versus the prior year. Similar to sales, we saw higher prices and lower volumes.

Once again, we saw a significant increase in raw material costs. Before I turn the call back over to Elad, I would like to quickly share a few highlights on Slide 13. Our balance sheet remains strong with available resources of $1.6 billion. Our net debt to adjusted EBITDA rate is at 1.4x, and we delivered operating cash flow of $308 million. Once again, we're distributing 50% of adjusted net income to our shareholders. This translates to a total dividend of $62 million and results in a trailing 12-month dividend yield of 2.8%. And with that, I would like to turn the call back over to Elad for a review of our guidance and our strategic outlook.

Elad Aharonson
President & CEO

Thank you, Aviram. Before moving to an overview of our new strategic principles, I would ask you to turn to Slide 15 and a review of our 2025 guidance, which we are maintaining. For our specialties-driven businesses, we continue to expect EBITDA to be between $0.95 billion to $1.15 billion in 2025. For potash sales volumes, we continue to expect this amount to be between 4.3 million and 4.5 million metric tons.

So until this point, we have talked about the third quarter and the Dead Sea concession. Now after 8 months as ICL's CEO, I would like to share with you how I see the company's future and where I would like to lead it in the next few years. Over that time, we see 3 megatrends taking shape, and these are shown in Slide 17. First, in a world with growing population and increasingly strained resources, the pressure for food availability is escalating. Second, many nations have realized the necessity of preserving resources in order to ensure the access to food and minerals. Third, in a world of deglobalization, geopolitics and trade wars, the importance of being a company with global reach and local customization is becoming even more critical. We see ICL as a strategic player capable of addressing these trends. On Slide 18, you can see that approximately 70% of our business addresses the issue of food availability. ICL also benefits from access to key mineral resources, mainly potash, phosphate and bromine. While potash is frequently thought of as our largest mineral, in terms of sales, it is actually a second to phosphate.

And we are well represented geographically across Europe, North and South America and Asia, both in terms of sales and production. This enables us to provide global reach with local empowerment, which is especially important as more countries are turning inwards in the search for critical solutions. but we know we can do more to maximize our resources and positioning. And that is why ICL is preparing to embark on its next chapter. Over the past several months, we completed a comprehensive review of the company, and you can see an outline of this process in Slide 19. We worked with our team and other experts to examine every aspect of ICL. We began by looking back at our results over the past 5 years. While we have had some good successes, we also experienced some misplaced opportunities, which became distractions to our core businesses. Next, we looked at the future and reviewed the challenges and opportunities ahead. With so many changes on the horizon, we needed to analyze the long-term healthiness of our current businesses and work to identify future growth engines. For this exercise, we looked both within our core and at new potential segments. For each specialty business, we reviewed market momentum, including top trends, market size and the value of the business.

We also analyzed our competitive position and our unique value proposition. At this point, we discovered that many of our businesses are at the core of ICL. They are stable and successful contributors, and we will work to maintain these businesses and improve their competitive position. However, our research also showed that some of our businesses might not be as good of a fit for our future. This led us to reach the key takeaways on Slide 20. First, we will expand in the markets that are within our core and where we have significant growth potential. While we carefully examine growth opportunities outside our core, we concluded that we are already participating in very attractive markets. Second, we will extract value from the markets where we are already leaders. For these

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businesses, we will focus on maintaining our position while driving cost and profitability. Third, we plan to examine businesses that are either not synergetic or have low potential. We will also consider redirecting our resources to focus on better aligned opportunities. This brings us to Slide 21 and our 3 strategic principles. The first is profitable growth, targeting specialty crop nutrition and Specialty Food Solutions. The second is relating to maximizing and improving the businesses that we have identified as core to ICL, and this includes our phosphate, potash and bromine resources. The third is dedicated to portfolio optimization and cost efficiency.

All 3 of these principles will benefit from our willingness to embrace new technologies like AI and our deep history of innovation. When combined, this renewed strategic approach will allow ICL to shape its own future. I would now like to share more about this future and our overall strategy going forward. The review we completed helped us to identify 2 distinct businesses, which you can see on Slide 23. We believe Specialty Crop Nutrition and Specialty Food Solutions have the potential to be significant growth engines for ICL. These are 2 areas where we already have deep experience and broad exposure and the future looks bright. To help share our vision, I would like to dive a bit deeper into each principle. Let's begin with our 2 growth engines, Specialty Crop Nutrition and Specialty Food Solutions. As you know, ICL's Growing Solutions segment is already a global leader in specialty Crop Nutrition with room to grow and become even more dominant in this space. On Slide 24, you can see that in 2020, our Specialty Crop Nutrition sales were $1 billion with EBITDA of approximately $60 million. Since that time, we have expanded geographically, enhanced our operations and logistics, completed multiple acquisitions and improved our R&D efforts.

As a result, in 2024, we delivered specialty crop nutrition sales of $2 billion. EBITDA increased more than 3x to approximately $200 million, and we are on track to continue this trend. But our research has shown that there is still room to grow. This is due to expected changes in the market and the overall macro environment, including global food security, which I already mentioned. As you can see on Slide 25, the population has doubled since the '70s, but the land meant to feed it has remained unchanged. Thanks to increased use of specialty fertilizers, which help improve yields, there is still enough food. The importance of specialty fertilizers is expected to increase as agriculture production efficiency and sustainability remain critical to food security. Specialty crop nutrition products are the answer. As you can see in Slide 26, this market is expected to grow at 6% rate from $32 billion in 2024 to more than $45 billion in 2030. Here at ICL, we are already well positioned to capture this growth. This is thanks to our broad portfolio of global specialty solutions and our significant regional presence. And going forward, we plan to target the areas on Slide 27 with a distinct focus on global reach with local empowerment. We will target strategic acquisitions, including bolt-on opportunities to expand our product capabilities.

We also intend to develop a leading position in the growing areas of biostimulants, nutrient fuel efficiency and organic and recycled products. Our efforts in these areas will be augmented by changes in our portfolio mix, which are designed to drive sales in more profitable product categories. And this work has already begun in Europe. We will also drive sustainable and profitable expansion into high-growth geographies such as India, China and Brazil. These expansions will be through targeted capital investments and will be both by acquisition and on an organic basis. Turning now to Slide 28 and our second growth engine, Specialty Food Solutions, which is part of our Phosphate Solutions segment. We are already leading the $1.5 billion phosphate food specialties market. However, this represents a small piece of the total food ingredients pie worth approximately $150 billion and growing at an expected rate of more than 6% over the next 5 years. On Slide 29, you can see how well we are positioned in the functional food ingredients market. However, we plan to move beyond the relatively narrow field of phosphate-based ingredients and to extend our reach into new target markets. As you know, ICL is already participants in many food end markets.

In 2024, our Specialty Food Solutions sales totaled more than $0.5 billion. We are confident that we have the assets and the capabilities to expand deeper into the robust food ingredients market. However, we want to be sure we do so in focused, strategic and successful manner. As a result, we analyzed a wide array of possibilities and looked at each based on both attractiveness in general and fit with ICL.

These efforts led to our focus on 4 distinct functional food ingredients. These markets will provide us with exposure to approximately $35 billion in value and expected average 5-year growth rate of approximately 6%. On Slide 30, you can see that we are well positioned to capture the expected growth in these markets. We will be able to leverage our existing global footprint. This includes production, innovation and sales locations across key and growing regions. Our specialty food solutions already cater to 7 out of the top 10 biggest global food companies, as shown on Slide 31. This is in addition to more than 2,000 other customers, and all of them demand quality and consistency from their partners. When it comes to Specialty Food solutions, ICL possess a unique combination of technical functionalities, robust infrastructure and category expertise shown on Slide 32. We expect to leverage these strengths as we expand deeper into functional food ingredients.

To grow in these markets, we intend to focus on the areas where we believe we can reach a market leadership position. On Slide 33, you can see that this includes preservatives and leavening agents, among others. As part of these efforts, we will aggressively target acquisitions and other opportunities that leverage our existing assets. This includes our people, global footprint, customer base and

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sterling reputation. Over the next 5 years, we are looking for organic growth rate of more than 6%. This growth will complement our strategic acquisitions. We expect to achieve this goal through solutions that provide existing customers and new food and beverage companies with bundled solutions. This overall approach to profitable growth by targeting specialty crop nutrition and specialty food solutions will allow us to significantly advance our business while reducing risk. It enables us to drive expansion while still staying close to our core businesses. which brings us to our next principle on Slide 34, maximizing our core businesses.

This includes our potash segment, our Industrial Products segment and our commodity phosphate operations. Let us first start with Potash on Slide 35. Earlier, we talked about the concession but I want to reiterate that we are preparing to win the next Dead Sea concession. This is part of our ongoing strategy as we continue to believe ICL is the most suitable candidate. In parallel, we will continue to work on operational excellence and to maintain our competitive cost position.

At the Dead Sea, we intend to return production rates to pre-war levels. In Spain, we expect to increase production to all-time highs as the turnaround at this location continues. The second of our core businesses found on Slide 36 is our Industrial Products segment, a stable and profitable part of ICL. We already serve as a global market leader in bromine. We intend to maintain that position and to continue developing new bromine and flame retardant applications. This is in addition to meeting customer demand from the various specialty end markets we serve. Our third core business is the nonfood-related portion of our Phosphate Solutions segment, which is shown on Slide 37. This includes our stable and profitable industrial phosphate solutions, which are part of a growing market with strong demand. Not only is our Phosphate Solutions segment fully integrated, which provides cost advantages, we are also the only Western manufacturer operating in China.

Our production there is interchangeable and serves both our Growing Solutions business and our phosphate commodities and specialties customers. I would like now to turn to Slide 39 and our final principle, optimization and efficiency. As part of this work, we intend to optimize our efforts and focus our resources on the opportunities best aligned with our core businesses. This will result in the examination of some businesses that have fewer synergies and lower potential.

As part of our portfolio optimization efforts, we have shifted our approach to LFP battery materials shown on Slide 40. While we will remain a provider of raw materials to battery customers, we will not be moving further downstream into cathode active materials. This means we will be discontinuing our planned global LFP expansion and this includes construction of the previously announced project in St. Louis, U.S. and in Spain. After a careful review of shifting external dynamics, it became apparent that this was the best course of action for ICL. With increasing level of investments on one hand, lower-than-expected prices on the other hand, proceeding with our LFP battery materials projects, would have impeded our ability to develop other businesses.

So at this time, we believe directing our most significant investments into our 2 growth engines will provide greater shareholder value. In addition to optimization, we also plan to drive efficiency and increase productivity across our entire business. As you can see in Slide 41, we expect to improve efficiency by transforming ICL into an AI-driven organization.

AI will be embedded into the core of our decisions, processes and products. We will not just be adopting isolated AI tools, we will rethinking how ICL innovates, operates and delivers value. We also expect to use AI to help drive the significant operational efficiencies shown on Slide 42. Our key focus areas and targeted initiatives encompass operations and maintenance, including labor costs, logistics, supply chain and procurement and product line optimization. Before we begin the Q&A, I would like to turn to Slide 43 and review our 3 principles one final time. The first is profitable growth, targeting specialty crop nutrition and Specialty food solutions. The second is relating to maximizing and improving the businesses we have identified as core to ICL. The third is dedicated to portfolio optimization and cost efficiency. As you can see on Slide 44, at ICL, we are moving beyond our legacy and are now actively shaping our future.

We have a clear and resilient strategy focused on growth, productivity and efficiency. We have aligned with global trends and are guided by a focused strategy, and we are ready to turn today's opportunities into sustainable and profitable growth for the future. Before we move to Q&A, I would like to thank all of our employees around the world for another good quarter. As employees of ICL, we are more than just a company. We are a global community connected by purpose and grounded in the values of humunity, respect, resilience and responsibility. And with that, I would like to turn the call back over to the operator for Q&A.

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Question and Answer

Operator

[Operator Instructions]

Our first question comes from the line of Ben Theurer with Barclays.

Benjamin M. Theurer
Barclays Bank PLC, Research Division

So obviously, a lot to unpack here. And I'd like to pick up on some of these strategic highlights that you've presented over the last couple of minutes and really want to understand a little bit what you're seeing in terms of future potential in those 2 major areas, thinking of especially Crop Nutrition and Food Solutions. So starting off on Crop Nutrition, and you've nicely highlighted this, how you've achieved bigger -- basically a doubling in sales, but more than a tripling on EBITDA.

So the margin still looks though below what some of the traditional businesses or the legacy businesses would be. So I just want to understand how you think about that business over time from a margin contribution as you evolve and grow that on Specialty Crop Nutrition. And then on Food Solutions, you've highlighted that you've talked about you want to expand beyond what might be phosphate-based. So can you help us maybe understand a little bit if that's more an M&A-driven idea, if that's a partnership? What are the things that you can do in order to expand beyond what is phosphate-based solutions? Those were my 2 main questions.

Elad Aharonson
President & CEO

Thank you, Ben. Great questions, and let me answer the first one first. So as for Specialty Crop Nutrition, so the potential is huge, and I do agree with you that even though we tripled the EBITDA in the last few years, still there is room for improvement. And in that respect, what we intend to do is, first, there are some R&D efforts that we invested in, in the last 2, 3 years that will bring fruits in the coming 2, 3 years. It takes time. And that brings some very unique solutions in which -- of which we can take premium prices that are really unique.

But on top of it, there is another -- another effort, and that's about the portfolio mix. When we are talking about specialty fertilizers or specialty crop nutrition, it's not everything the same. And within this scale of different portfolio products, there are products with much better profitability like biostimulants, control release fertilizer and more unique stuff. On the other hand, there are less profitable products. I'll give you one example. That's a product based on polysulphate from Boulby mine in the U.K. And what we are doing now, and we start this journey in Europe already and we saw the results in Q3, but it's just the beginning of the journey is to change this to switch the mix of the portfolio to more profitable products. And I believe it will bring us to EBITDA mid-double digit. And that's our target in that respect on top of the growth itself, which will come from organic growth, but also M&A. So that's about the specialty crop nutrition. As for the food ingredients, this is a different story. We have a business of $500 million, give or take nowadays within the functional food ingredients. However, we are very focused on a subsegment of this, which is the phosphate-based solution.

And we saw that very similar, very close by, we have some bigger potential market of $35 billion, which is the functional food ingredients, which are not only phosphate and that's what we are targeting. It will be based on 2 parallel efforts. One, organic growth in our labs, in our R&D labs and with our own workforce, we can do much better once we unlock this other market. But on top of it, for sure, we are going for acquisitions. Some of them will be more strategic, some of them will be brought on. But it will not only the organic growth. It will be also in nonorganic or M&A-based growth. And we are open also for partnerships.

Aviram Lahav
Chief Financial Officer

If I may, Ben I would like to add one thing that from time to time meetings, I pointed out, and it's quite strange that strange or not strange that in the specialty fertilizer as well, the contrary, for instance, the crop protection world, there is no global powerhouse. There is what we see is an opportunity to build a global powerhouse in specialty fertilizer. Now the analysis can be that such a global strong body did not grow because maybe regulatory was not harsh at this stage.

But if you think about it over time and the capability of such a global powerhouse to take things from one region to another, from one country to another to develop centrally portfolio and then disseminate it in various countries, I believe that you can see the potential

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that ICL from this point onwards will become significantly bigger. It can go from strength to strength. I think that if you look in the future, and it's not quarter-over-quarter, but a little bit deeper into the future. there should be and there will be a very central point for such a body. That's something that strategically I would point out, and I think it's worthwhile. That's interesting. On the food, I have [indiscernible].

Benjamin M. Theurer
Barclays Bank PLC, Research Division

Okay. Very clear. And then just one real quick 1 as we look into, I mean, obviously, you're kind of like on track delivering everything and you've reiterated the guidance. But you've highlighted a few things, particularly in South America, pharma sentiment affordability.

So I just want to understand how much might have been just more of a timing issue? What not has happened? May have shifted into the fourth Q? And what is really underlying on a sentiment base, just the availability of credit. How challenging is the situation right now in South America?

Aviram Lahav
Chief Financial Officer

I think when you say South America, you probably mean that more specific in Brazil, even though South America as a whole, in Argentina, there's a different story going on right now. Other countries are in different shape, but specifically in Brazil, I believe at this stage is quite a unique situation where, obviously, a very, very good and successful agricultural country, has a few factors that are leading hard on it.

The credit side is significant, credit available to farmers and the chain, as they call it, is tight, the ability to export to China will probably be hampered to a degree by what is happening between the U.S. and China, specifically talking about.

So the interest rate, the real interest rate is being kept very high interalia because the Bank of Brazil, who is really independent, believe it or not, is at war with Lula and especially as they enter an election year. And all these things together lead us, and I think what's important to say that I think are a very responsible company, and we are working on this constantly.

And yes, we could have sold significantly more if we had more propensity to let further credit evolve. We are taking the market that we believe is the right one. We are examining all the time. And yes, to a degree, there's some. However, I do believe that over time this will probably be resolved. Not sure Q4 is a cue that is happened. But definitely, going forward, I think it will be because Brazil has been and will be the #1 country in the world for agriculture. There's no question about that. So I think that's probably the essence.

Operator

And the next question comes from the line of Laurence Alexander with Jefferies.

Kevin Estok
Jefferies LLC, Research Division

This is Kevin Estok on for Laurence. So thank you for really diving into your top priorities in specialty crop nutrition, Food Solutions. I guess my first question is sort of in the same vein as one of the -- one aspect of the previous analyst. And I guess you mentioned biostimulants, but I was wondering if you could share what else was in your pipeline currently? And maybe how much of your assumptions are around sort of acquiring incremental capabilities? And maybe how ICL was positioning itself against its competitors in these spaces.

Elad Aharonson
President & CEO

Okay. So as you probably know, in the last few years, we already acquired 5 companies in this segment, the growing solutions, specialty fertilizers. And we intend to acquire more. One effort is to expand to some new territories and the other one is to put our hand on some new technology, which is in progress. As for the portfolio itself, I already mentioned, we are moving towards biostimulants, both botanic-based biostimulants and microbial based. So this is one element. The other one is nutrient use efficiency. So we are, I think, leader in controlled release fertilizers.

Now we are bringing the new generation biodegradable controlled release fertilizers and also in the liquid and water soluble fertilizers that includes biostimulants, this is another area. There are some other developments that from commercial perspective, I would not like to disclose at this point, but we are working on. We have a very strong R&D teams across the globe, and we'll bring some news in

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the near future. Again, the portfolio mix will be changed and the profitability, the gross profit of this new portfolio will be much better than the existing one. It will not be made in one time. It will take time, but we are on our way.

Kevin Estok
Jefferies LLC, Research Division

Got it. And just for my second question is basically on some of the weaker end markets, industrial and construction. I guess I was just wondering if you were seeing any green shoots there yet. And maybe what your thoughts were around, I guess, what it takes to turn the bulk end market?

Aviram Lahav
Chief Financial Officer

Yes. It's Aviram. I think that there's quite a segregation between the different markets. I think in the electronics side, we are seeing better trends. First of all, you see in the end of the day, we switched obviously to the value or volume, and we see that the prices quite significantly better.

In China, China is the main driver. So the electronics, I think it's turned the corner. It's not as high as it was in covid, but it's better, and this is -- we are actually enjoying this side.

On the housing, I believe that there's a long way to go. First of all, housing is much more geographic. In the U.S., I think you know the market very well. It is okay, but not that way in China. On the other hand, there are most significant issues. Again, they come from too much that was done at the time and a lot of credit stories that are there. So this is a market which will probably come around slower, but all in, if you look at how the division is performing, it is performing well. You can see the results and the shift to value and really leading the market is nice for us.

Operator

And the next question comes from Joel Jackson with BMO Capital Markets.

Joel Jackson
BMO Capital Markets Equity Research

I'll ask a few questions. Maybe first, short some -- maybe just first, a short-term question. Can you talk about your major businesses here in Q4 and talk about how each 1 is faring versus Q3 or whatever you want to say.

Aviram Lahav
Chief Financial Officer

Look, I think I'll take it for a minute, but Elad obviously, will expand and give you his thoughts which are important. But look, we are confirming our guidance that has a lot after caretaking. We are there. We see in Q4 will probably be okay. But as now, there's the logic and continuation of what we're seeing right now, but I think that on a trajectory. I don't see something major changing. Okay.

Elad Aharonson
President & CEO

Joel, I'll say things that maybe obviously, potash prices, keep the same prices, give or take. Phosphate prices also remain same level, relatively high, good same level. However, sulfur cost is going up. So margin will be affected by that. Bromine prices a bit higher. I think right now, it's about 3,600 something like that in China.

So prices will remain relatively strong. However, cost mainly of sulfur, it's an issue. And the rest, I don't see any drama.

Joel Jackson
BMO Capital Markets Equity Research

That's for sure. And I guess the potash business is pretty stable. Pricing was down, volume pretty stable, margin stable? Is that fair for Q4?

Elad Aharonson
President & CEO

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Yes. Yes. We made progress on potash production quantities in the last few months. We are very happy with the improvement. It's like post war improvement, I would say. But by the way, not only in Israel, in Spain, regardless of or no wars in Spain as far as I know, but still, we see an improvement in new product in Spain. So quantities on production are going up, which is an upside.

Joel Jackson
BMO Capital Markets Equity Research

Okay. And then on the new strategy, which I have a lot of elements of strategies that has been presented by last decades of CEOs and CFOs in corporates, what tangibly in 2026, should we expect to see from ICL to start hitting your milestones for your strategic -- new strategic priorities? What tangible milestones should we see in 2026?

Elad Aharonson
President & CEO

So let me go back to the first part of your sentence or question. So it's not exactly the same strategy. When it comes to specialty fertilizers, I agree with you, and we are going to accelerate, but we are on track. And as we showed, we already doubled the top line and triple the EBITDA and by improving the mix and some additional acquisitions, I think we'll get better. On the other hand, when it comes to specialty food solutions, the functional ingredients, this is a different strategy. In the past, it wasn't a growth engine for the company. We take now a different direction. We are going to expand it.

We are going to accelerate the growth. We believe in this segment. And again, the change is that we are not only looking it as an outlet for phosphate and staying at the phosphate-based solutions, we are going to address the bigger market of the food ingredients of the -- sorry, functional food ingredients, which is much bigger market, more than 20x bigger than the phosphate-based solution, which is part of it.

And that will be done, as I mentioned, also by acquisitions I hope we'll have some news about it in the coming few quarters. So that could be a change. On the other hand, we changed or the other part of the strategy that was about LFP cathode material. Yes, we are going to remain as a raw material provider to the battery industry, but we are not going to go one step downstream and get into this huge investments in the dynamic of the current market. So in that respect, we changed the direction.

Joel Jackson
BMO Capital Markets Equity Research

Thank you for correcting me on some of that. I appreciate it. Finally, obviously, we all saw what happened last week with the MOU. You've laid out the transparency of it now and can you talk about what do you think the market has gotten wrong on ICL last week as this news came out?

Elad Aharonson
President & CEO

Yes. That's a great point. I'll say, honestly, I think it's -- we have 2 dimensions here. One is the MOU itself. Is it good or bad? I can elaborate. I already talked about it during the presentation. I think it's good and positive step to ICL, more certainty, more clarity. We know what we get.

And most important, I think it doesn't hurt our chances to be the next concession owner. But on the other side, we'll get better terms for the next concession better than the option that we were source or the only player on the field. And I can elaborate, but I know very well the dynamic with the state of Israel. If we were the only one to play in this game, the terms would have been much, much more severe. So that's -- in that respect, it's a good sign. I think part of the surprise was because people realized for the first time that the concession is going to end in 2030. Now everyone knows it or knew it, but it becomes a little bit more real. Still, I think with all the caveats, I think ICL has great chances to be the next concession owner. But not less important, I think this step will make sure that the economical terms will be much more reasonable than what it could have been.

Aviram Lahav
Chief Financial Officer

Let me, if I may, just to add about the value of the assets. In the end of the day, we at replacement costs believed and believe that the value of the assets is obviously as high as we noted. And of course, we always said that there are different methods of calculation, et cetera, et cetera. .

But the perception in the market was that this value is so high that it will basically deter every new bidder. Now that in itself is, in a way, is a semi-cooked idea because in the end, as Elad said, okay, I suppose that there is no other bidder, and we are the sole game in

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town what would be the conditions of the new concession. And that is something that I fully agree it was sort of sidetracked and not taken into account.

Now I'm saying again, the value of the assets, we believe that replacement obviously is much higher, but we do get an insurance policy that if we walk away, by the way, if we want the concession has a very, very high likelihood than we would have, we will want it to know if it makes sense. What we have now is certainly that if 1 reason or another, we do not have it, then we have a minimum agreed upon threshold, which we will get and we will see the money at the end of the current concession.

This could have been very different otherwise. So when you put it all, we actually were very, very positive, very positive about this arrangement. The market, on the other hand, as you say, for differently, maybe didn't factor it in, maybe was deterred by the difference in the price between the $3 billion and the $6 billion, and it can be quite a lot of the things put together. I think it was, to a large extent, interalia that indeed, obviously, it's 4 years a quarter from now, but still there is an event at the end of March 2030. Probably that's a constant.

Operator

And I'm showing no further questions at this time. I would like to turn it back to for Elad Aharonson closing remarks.

Elad Aharonson
President & CEO

Okay. So again, the way we see it, a good quarter for ICL and also, we wanted to spend some time with you today give our feedback on the MOU about the concession and mainly on at least the highlights of the strategy. So thank you for taking the time. and we are in other channels for more questions. Thank you very much. And maybe the last sentence, I'd like to thank very much the ICL employees all across the world, for dedicated work and very nice achievements. So thank you all the ICL employees. And thank you all, and see you next time.

Operator
Thank you. And this concludes today's conference call. Thank you all for joining. You may now disconnect.

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