



Orion S.A.

Fourth Quarter 2025 Earnings Conference Call

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C O R P O R A T E P A R T I C I P A N T S

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C O N F E R E N C E C A L L P A R T I C I P A N T S

Josh Spector, *UBS Investor Bank*

Dan Rizzo, *Jefferies*

Jonathan Tanwanteng, *CJS Securities*

Jeffrey Zekauskas, *JPMorgan*

John Roberts, *Mizuho Securities*

P R E S E N T A T I O N

Operator

Greetings. Welcome to the Orion SA Fourth Quarter 2025 Earnings Conference Call.

At this time, all participants will be in listen-only mode. A question-and-answer session will follow the formal presentation. If anyone should require operator assistance during the conference, please press star, zero from your telephone keypad. Please note, this conference is being recorded.

I'll now hand the conference over to Chris Kapsch, Vice President of Investor Relations. Thank you. You may now begin.

Chris Kapsch

Thank you, Rob. Good morning everyone. This is Chris Kapsch, VP of Investor Relations at Orion, and welcome to our conference call to discuss our fourth quarter and full year 2025 earnings results. Joining our call are Corning Painter, Orion's Chief Executive Officer, and John Puckett, our Chief Financial Officer.

We issued our fourth quarter results this morning, and we have posted a slide presentation to the Investor Relations portion of our website. We will be referencing this deck during the call.

Before we begin, we are obligated to remind you that some of the comments made on today's call are forward-looking statements. These statements are subject to the risks and uncertainties as described in the Company's filings with the Securities and Exchange Commission, and our actual results may differ from those described during the call. In addition, all forward-looking statements are made as of today, February 17, 2026. Orion is not obligated to update any forward-looking statements based on new circumstances or revised expectations.

All non-GAAP financial measures discussed during this call are reconciled to the most directly comparable GAAP measures in the tables attached to our press release and the quarterly earnings deck. Any non-GAAP financial measures presented in these materials should not be considered as alternatives to financial measures required by GAAP.

With that, I will turn the call over to Corning.

Corning Painter

Good morning. Thank you, Chris, and thank you all for taking the time to join our conference call.

Before getting into our Q4 review commentary, I'm excited to introduce our new Chief Financial Officer, John Puckett, who joined Orion in early December. John has over 30 years of financial leadership experience, including 14 years in the chemical industry. Some of you may know him from his tenure at Celanese, where he most recently served as Vice President and CFO of the acetyl segment. John, it's been a few months, but welcome again to Orion.

Moving to our results discussion, starting on Slide 3, we finished 2025 with better Q4 results than we had contemplated early in November. The upside was primarily a function of higher volumes than customers had forecasted. In Rubber, tire factory curtailments were not as pronounced as customers had indicated. A larger factor, however, was our Specialty segment, where volume and mix were better than expected. I'm particularly pleased with our free cash flow of \$55 million for the full year, thanks to a concerted effort from our team to drive working capital efficiencies. We will discuss in a moment why we expect positive free cash flow to continue in 2026 despite lower EBITDA levels.

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One of Orion's core values is our emphasis on safety, and 2025 was a near record year for employee safety within our company globally. With only three incidents across our network of plants, last year was the second best year since Orion became a public company. And based on industry standard metrics, our performance was about 9x better than the broader chemicals space. A huge congratulations to our team on this distinguished achievement.

Moving to Slide 4 and really for the next few slides, my intent here is to touch on three key points: First, what the industry has endured leading to the guidance we've conveyed today. Second, the actions we have taken to navigate these tough conditions, including what is needed to ensure we deliver positive free cash flow this year, next year and in the future. And third, tire industry data, which is indicating our business' fundamental drivers are setting up for recovery.

On Slide 4, we recap a few dynamics that translated into a uniquely difficult backdrop for the carbon black industry in 2025, leading to challenging negotiations for 2026 supply agreements.

We've talked for some time about the elevated imports of tires into key Western regions. These generally persisted throughout the year and some auto industry experts have argued that tariff uncertainty only magnified this surge throughout much of 2025. I will share encouraging data in a moment that suggests an inflection could now be at hand.

Part of what fueled the import surge was a lingering consumer response to higher inflation, resulting in a trade-down to lower value brands, which are mainly imported. We believe this trade-down has occurred in the truck and bus category as well, especially with smaller fleet operators. Encouragingly, industry trade journals have reported this trend reversing. In the past couple of months, Tier 2 and Tier 1 tires outsold Tier 3 brands for the first time last year. This trade-up reversion is a positive trend for our customers and more consistent with historical consumer preferences.

Shifting from passenger car to truck tires, freight activity has been a drag for the tire industry for the past few years. This may surprise some on the call, but it's an important point: Truck and bus tires account for about one-third of all carbon black that is consumed in tire production globally and more than 40% of the tire market in the Americas. Of course, this suggests that the freight industry's recession has also been a headwind to the truck tire demand and, therefore, carbon black volumes.

The specialty portion of the carbon black industry has been affected by persistently weak PMI. In addition, broad uncertainty has discouraged investment, encouraged lean inventories and weighed on consumer confidence. Collectively, these soft demand conditions have been a significant factor in the carbon black industry's challenging contract negotiations.

On Slide 5, we highlight the actions Orion has taken to ensure our resilience through today's conditions.

We are relentlessly focused on managing costs. On top of the cost reductions last year, we're taking additional actions, which should drive \$20 million in productivity, efficiency and headcount savings.

We are sharply reducing CapEx, which is a key lever that will enable us to deliver positive free cash flow again this year.

We executed on the plan we announced last summer to rationalize three to five production lines and have already closed the lines we intend to.

We are also pleased that our operational excellence initiatives are building momentum and bearing fruit. For example, the reliability of our North American plants improved more than 200 basis points over the course of 2025, enabling market improved on-time order metrics.

We are focused on replicating our early successes here across our plant network worldwide. Efforts include adopting a variety of capital-light but novel process technologies and at least one AI tool is being leveraged for greater process efficiency.

As you know, Orion believes we're entitled to earn a fair return when selling our products. In prior years, we have traded off some volume and share to achieve this. However, in early negotiations last year, it became clear that this approach was not going to work for us or our customers. We pivoted to a more 'win with our customer' strategy to maintain share.

At the same time, we found that our customers with weaker demand themselves were looking to consolidate suppliers. This approach favored global suppliers like Orion. We believe that we emerged from this process having defended our overall share and gotten closer to a few of our key customers.

Finally, we successfully negotiated and executed an amendment to our credit agreement that provides flexibility as we navigate through this cycle. John will elaborate more on this in a moment.

Moving to Slide 6, underlying carbon black indicators are improving. Passenger car, truck and off-road tire categories each comprised about a third of the carbon black consumed as a reinforcement material for the tire market on a global basis. The upper right chart with U.S. import data depicts the above normal level of imports starting in 2023 and persisting during 2024 before surging throughout much of 2025. The more recent trend suggesting import levels are subsiding is encouraging.

In Europe, an investigation into the dumping of Chinese tires is now expected to conclude in June, and the European Commission has simultaneously launched a probe into the subsidizing of Chinese-made tires exported to Europe.

A bit more of a leading indicator for imports is the export data from key tire manufacturing countries. Thailand is the single largest exporter of both passenger car and truck and bus tires to the U.S. And as depicted in the lower left chart, exports from Thailand have been trending favorably, generally declining since the initial framework where a country-specific trade deal with Thailand was announced August 1, and subsequent to when Section 232 tariffs on truck parts including tires, were effective as of November 1. We're also monitoring potential positive outcomes from changes to the USMCA trade agreement likely this summer.

On this slide, we also show a sharp decline in tire exports from India, the largest exporter of off-road tires, including construction and mining and ag equipment tires.

On Slide 7, I merely wanted to remind investors just how pronounced the downturn in the key truck and bus category has been as gauged by freight activity. The CASS Freight Shipment Index shows three straight years of progressively lower freight activity in North America, including 2025 levels below the 2020 lows. There are indicators, including a rebound in spot freight rates, suggesting this market could be at an inflection.

And with that, I'll turn the call over to John.

Jonathan Puckett

Thanks, Corning.

On Slide 8, we highlight our 2025 results. We delivered full year EBITDA of \$248 million, which exceeded our most recent outlook. The main driver for the overperformance was better-than-expected Q4 volumes, primarily in Specialty and, to a lesser extent, in Rubber. Our Rubber segment generated full year adjusted EBITDA of \$155 million. Rubber's full year results were impacted predominantly by lower tire production rates in key Western markets due to elevated levels of lower-tier tire imports and soft freight industry conditions.

Volumes increased 4%, mainly on higher demand in South America and APAC, partially offset by lower demand in EMEA. Net sales decreased 3% on lower pricing. Adjusted EBITDA decreased 20%, primarily due to adverse customer and regional mix as well as the unfavorable effect from the pass-through of lower oil prices.

Our Specialty segment delivered adjusted EBITDA of \$94 million. Specialty's full year results reflect soft global industrial activity, particularly in transportation and polymer markets, and macro uncertainty on lack of clarity around global trade policy. Volumes decreased 5% owing to lower global demand. Net sales decreased 4% on lower volumes and the pass-through pricing, partially offset by favorable foreign currency translation.

Adjusted EBITDA of the Specialty Carbon Black segment decreased 14%, primarily due to the lower demand. Most notable achievement here is our free cash flow results for 2025. We generated \$55 million of free cash flow on higher-than-expected EBITDA in the fourth quarter, working capital initiatives and a little help from lower oil prices. Twenty twenty-five demonstrates our ability to generate positive free cash flow in a challenging environment, and we expect this to continue in 2026.

Let's move to Slide 9 for Rubber segment highlights and outlook.

On a year-over-year basis, fourth quarter demand softness was due to higher-than-normal seasonality. The key driver was lower tire production rates in the West, impacted by import levels, as well as channel inventories that remain high due to the surge in imports throughout 2025. This headwind was only partially offset by higher volumes from additional lines.

In terms of outlook, we're assuming tire build rates in our key markets will remain subdued. Contract pricing for 2026 is set and baked into our outlook. Our strong and improved relationships with key tire makers position us well to take advantage of better industry and demand conditions, particularly in North America, as they materialize.

Let's move to Slide 10 for Specialty highlights and outlook.

This segment's Adjusted EBITDA of \$27 million improved 6% year-over-year and 23% sequentially despite lower volumes. This was largely attributable to positive mix, including the benefit from new production qualifications.

In terms of outlook, we assume flat to slightly lower volumes as PMI readings in key Western markets and global auto build rates remain muted. It is important to note, order trends are smaller and more frequent, often with just-in-time urgency. This tells us that inventory levels are quite lean and should the macro backdrop improve, we could benefit from a restocking cycle.

Now on Slide 11 for cash flow and balance sheet metrics, working capital initiatives were a key driver of positive free cash flow for the year, delivering \$64 million during the fourth quarter alone. On a year-over-year basis, operating cash flow improved by \$91 million to \$216 million for 2025. We also spent \$46 million less on CapEx in 2025 than in 2024. Our focused efforts drove \$55 million of free cash flow, and I'm confident we will continue to pull all levers available to continue this trend in 2026.

Strong cash flow performance in the quarter enabled \$40 million in net debt reduction. We finished the year with \$920 million of net debt and a leverage ratio of 3.7x, down from 3.8x at the end of the third quarter.

Finally, given the anticipated downdraft in our EBITDA in 2026, we proactively addressed potential issues related to leverage with an amendment to our credit agreement. Our banking group was very supportive with unanimous approval and our revised first lien leverage ratios ensure ample headroom, even when considering scenarios more severe than those implied in our guidance.

With that, I'll turn the call back to Corning to discuss our outlook.

Corning Painter

Thanks, John.

On Slide 12, we provide 2026 guidance ranges for Adjusted EBITDA, free cash flow and capital expenditures, as well as some key sensitivities.

For the full year, we expect to generate between \$160 million and \$200 million of Adjusted EBITDA. For the first half of 2026, we expect to generate Adjusted EBITDA of between \$90 million and \$110 million. This additional guidance measure is based on past seasonality weightings where we have historically generated about 55% of total EBITDA in the first half of any given year and about 45% in the second half.

In 2026, we anticipate generating free cash flow between \$25 million and \$50 million as we continue to execute on our working capital initiatives and reduce capital expenditures. We expect \$90 million of CapEx in 2026, down \$70 million from 2025 levels.

Finally, on Slide 13, I have a few concluding remarks before moving to your Q&A.

No doubt about it. 2025 was a difficult year for the broader chemicals industry. In our case, the surge in tire imports was a pain point. However, we've entered 2026 with a number of corporate strengths. You can see it in our safety performance, as well as our employee engagement scores. We see it commercially through customer loyalty. Our plant reliability is improving sharply. Just yesterday, EcoVadis awarded Orion its Platinum rating, putting us in the top 1% of all companies surveyed in 2025.

From a market perspective, while leading indicators suggest conditions may be set up for a broad recovery, we remain cautious about the business environment for now. Moreover, we've taken aggressive actions on footprint rationalization, cost, productivity and efficiency based on the planning assumption that the backdrop will not improve. Our single highest priority after safety is to generate free cash flow again in 2026 through the actions we've taken on cost and capital.

We do see several potential upsides over the balance of 2026, including a favorable shift in trade flows, burgeoning reshoring activity and the inevitable freight industry recovery. In addition to helping our financial performance in 2026, a pronounced inflection in any of these dynamics would help set the stage for decidedly improved prospects heading into 2027. In the meantime, we've pulled a variety of levers and are prepared should the trough-like conditions persist.

With that, Rob, let's open up the call for the Q&A session.

Operator

Thank you. We'll now be conducting a question-and-answer session. If you would like to ask a question at this time, please press star, one from your telephone keypad and a confirmation tone will indicate your line is in the question queue. You may press star, two if you would like to withdraw your question from the queue. For participants using speaker equipment it may be necessary to pick up your handset before pressing the star keys. One moment, please, for our first question.

Thank you. The first question comes from the line of Josh Spector with UBS. Please proceed with your question.

Josh Spector

Good morning. I had a couple of questions around the guidance and specifically rubber. If you look at the bridge, you talked about flat to slightly down volumes and the rest being contract negotiation outcomes so

it seems like you're pointing towards maybe a \$60 million impact negative from contract outcomes. One, is that right? And two, when you talked about that in your prepared remarks, you seem to talk about improved customer alignment and good outcomes for Orion. Does that mean that you guys gave up pricing to gain some volumes? I guess it doesn't appear that you're baking in the volumes into the guidance, so I'm just trying to square all those moving parts, if you can help me out.

Corning Painter

Yes. So I think you broadly have it correctly in terms of the walk. Price is definitely the largest amount. There is some regional mix in that. As you said also, there is some volume in there as well.

Specifically, though, to the negotiations, what we pivoted to was just let's hold share. So what I would say is the tone and where we ended up with a few customers, coming through was a difficult period for them, it was a difficult period for us; together is where I'd put that. We felt there was an element of collaboration in that. But to be clear on this, we don't see ourselves as having bought volume.

I think our volumes will be down with the overall industry. It's just that compared to previous years, we're not going to be down more than the overall industry. We did not do the trade-off of sucking up a lot of volume loss ourselves.

Josh Spector

Understood. That makes sense. If I could just follow up then? How do you think customers approach kind of this outcome? Obviously, pricing was up a good amount over the last five years. Is this a normalization? Or is this how you phrased it: your customers had a tough year last year, you're kind of sharing in some of the pain, do you get some of this back if the industry improves into 2027? How would you frame that?

Corning Painter

Yes, I would definitely expect to get some of this back in '27.

Josh Spector

Okay. Thank you.

Operator

Our next question is from the line of Laurence Alexander with Jefferies. Please proceed with your questions.

Dan Rizzo

Good morning. It's Dan Rizzo on for Laurence. Thanks for taking my question.

You're guiding to roughly \$50 million in free cash flow. I was wondering if that's what you could expect at kind of at the bottom of the cycle and how we should think about if things were to improve or what the top of the cycle looks like? Should we just look at historical averages?

Jonathan Puckett

Yes. Dan, the range that we put on free cash flow for next year is \$25 million to \$50 million. This is through active management of the business, active management of working capital, active management of CapEx. This didn't happen on its own. This is because we're taking actions on things like payment terms; we're working through inventory and trying to keep inventory at a low level without risking anything in safety stock or customer deliveries; and we're managing CapEx down to a much lower level than what it's been.

This is where we expect to be for '26, and we expect to continue to generate positive free cash flow as we go forward.

Corning Painter

Maybe just specific, if we saw conditions reverse and some of these things that we talked about, there's maybe early signs of, obviously that would be additive to our cash position for '26.

Dan Rizzo

You mentioned kind of negotiating with your customers about pricing given the current environment. Is there anything in the contracts that if things were to kind of snap back or turn around by the middle of the year that there could be some sort of pricing escalator involved?

Corning Painter

To be clear, I think the good thing about this industry is the contracts are honored. I think back to 2020 when it cut the other way and customers honored them. I think that to a large degree, unfortunately, in the rubber area, we're somewhat locked in. Yes, there can be spot opportunities, there can people be going above their contracts. There are going to be some opportunities around that, but by and large, I think we're in this pricing range.

Dan Rizzo

Thank you very much.

Operator

Our next question is from the line of Jon Tanwanteng with CJS Securities. Please proceed with your questions.

Jonathan Tanwanteng

Hi. Good morning. Thank you for taking my questions.

I was wondering if there is any change to how much capacity you have under contract versus a normal year and how much you're leaving open for spot, number one? Or if there's any minimums in the contracts that you may have that may not have been there before?

Corning Painter

Sure. First of all, I'll take those in reverse order. In minimums, there are sometimes contract structures that don't really create a, let's say, take-or-pay environment around minimums, but do give them a financial incentive around the minimums, so we have that in place.

I'm sorry, Jon. Can you take me through your two other parts to that question?

Jonathan Tanwanteng

Yes. The first part was how much do you have under contract capacity versus your capacity versus a normal year?

Corning Painter

Yes. Well, so I'd say it's slightly lower in that, like if you look at the key markets, North America, for example, like tire manufacturing trended down through the course of last year and I'd say they put out their forecast for this year sort of based on second half run rate. So that just naturally puts you at a little bit lower level than last year.

Now the flip about loading for us since we took out maybe 3%, 5% of our capacity, if volumes go down by the same amount, our loading itself remains on a percentage basis pretty similar.

Jonathan Tanwanteng

Okay. That makes sense. Then I think you had a couple of items in Q4, if you could touch on those. The first was a large tax item. Maybe talk about that, number one. And number two, I think you mentioned in the prepared remarks in the press release there was a timing benefit in Specialty; you may have addressed that, I might have missed it, but if you could talk about that as well, that would be helpful.

Jonathan Puckett

Yes. I'll be glad to cover the tax items. Primarily, the single biggest item that we have in our effective tax rate for the year is the goodwill impairment charge that we took in Q3 and the nondeductible nature of that. That was the main driver. There's also some movement in valuation allowances as well, but we would expect we return to a more normal level going forward from a tax rate standpoint.

Corning Painter

If I think about on the volume side, where we saw the upside, and we also said mix. One element of that was areas like coatings where we saw stronger demand than we had anticipated, and of course, that's very additive for us in terms of the overall margin.

Jonathan Tanwanteng

Great. Thank you.

Operator

Our next question is from the line of Jeff Zekauskas with JPMorgan. Please proceed with your question.

Jeffrey Zekauskas

Thanks very much. Your accounts payable jumped to, I think \$197 million. Does that have to come down?

Jonathan Puckett

Well, Jeff, we're actively managing the different elements of working capital. So we look at it with accounts—sorry. We're getting a little feedback from your line. I didn't know if you were continuing.

Jeffrey Zekauskas

No, no, it's okay. I was just wondering because your receivables and inventory, receivables year-over-year were a little bit flat and inventory came down a little bit, but payables really jumped. So I was wondering whether that was a sustainable number or that had a come down?

Jonathan Puckett

Yes. Jeff, so yes, sorry. We just got a little bit of feedback.

We're actively managing all the elements of working capital, and we're looking at all those as different levers as we go through the year and through each quarter. One of the things that we're doing in accounts payable is to look at terms extensions. So I wouldn't say that the accounts payable has to immediately reverse. There will obviously be some quarterly activity that happens there, but we're really looking at it as a whole with inventory and how do we manage inventory levels given the current demand situation. And also on accounts receivable, we've taken an active stance on accounts receivable to manage that going forward as well.

So, we look at it as all together, and we'll make decisions about the whole depending on how we're tracking through the quarter.

Jeffrey Zekauskas

Secondly, can you give us an update on the La Porte plant and what's going on in conductive carbons?

Corning Painter

Sure. So the conductive carbons market is a dynamic place right now with obviously a slowdown in EVs, some pickup in the large battery energy storage area, ESS.

For our part and part of the way we've been able to reduce the capital for 2026 is that we have slowed down our time period on it. We would now expect to complete and be starting up the project in 2027 and our feeling is this just better aligns with the end market demand for this.

Jeffrey Zekauskas

Okay. Then lastly, you guys really provided a lot of data on tire shipments. I was wondering what about tire shipments into Europe? Are they up a little bit or a lot or declining? I mean, is it a similar trend to the United States, or is it different? How would you assess the European market?

Corning Painter

Sure. One thing is you just don't get quite as rapid data in the European market as you do in the U.S. But we would say that it rose, let's say, in the '23/24 time period the tire imports to Europe were more stable, certainly than in the U.S. They didn't see the same surge that we saw in 2026—or 2025, excuse me.

Jeffrey Zekauskas

Great. Thank you very much.

Operator

Thank you. As a reminder, to ask a question you may press star, one.

Our next question is from the line of John Roberts with Mizuho. Please proceed with your questions.

John Roberts

Thank you. I'll just ask one here. Could you tell us where the three lines were that you closed? And the other two lines that were under review, have you concluded that they're long-term competitive now?

Corning Painter

We intentionally said that they were in the Americas and in EMEA. From a competitive perspective, we thought it was advantageous not to be totally clear on that, so we're sticking with that we've closed what

we intend to close. We did something, obviously, in the range of 3 to 5, and it cuts across those two regions. I just think that's the best approach for Orion on that and our shareholders.

John Roberts

Thank you.

Operator

Thank you. The next question is a follow-up from the line of Jeff Zekauskas with JPMorgan. Please proceed with your question.

Jeffrey Zekauskas

Thank you very much. I think Cabot on its conference call said that it expected tire black prices to be down 7% to 9% for them. Is that the level that you're experiencing? Or is it more? Or is it less?

Corning Painter

Jeff, excellent question there. The difficult thing is like it's hard to know exactly what one company is dividing the price change by, like how big is the denominator. So that's, I think, the limitation to making these comparisons.

As we make the comparison for ourselves, we do come up with a lower number in terms of what's the price cut. I'd say more in the, let's say, the 3 to 5 range, but I'm not sure exactly how comparable those two things are.

Jeffrey Zekauskas

Okay. Then lastly, you have that interesting chart about Thailand tire exports by month and Indian tire exports, but the tire imports actually go up. And I think part of that is Cambodia, which is a smaller producer. Do you have any sort of general comments about the areas in which tire imports are sort of going up from, as well as the ones where they're coming down?

Corning Painter

Yes. I think we picked those two countries because they are very large, right? So Thailand, number one to the U.S. And I guess I'm not really prepared, Jeff, to go through country by country, how does that look from here and from there, to be honest with you.

I'd say in general though, the pattern of trade flows and the pattern of that underlying consumer behavior—going back to Tier 2 being the biggest and Tier 1 being the second—like that's what it used to be. And so I think that's a really fundamental positive shift in terms of the underlying demand, and I think that's going to be good for our customers.

I would also say, I think the general pattern of trade flows and tariffs are moving this in a similar direction. But from our perspective, we're not banking on that at this point; we're taking action.

Jeffrey Zekauskas

Maybe as a last question, when La Porte comes on, how much depreciation will that add in annual terms?

Jonathan Puckett

I'd say in the neighborhood of maybe \$10 million.

Jeffrey Zekauskas

Ten? Okay, great. Thanks so much. Sorry for so many question.

Corning Painter

Jeff, it's always a pleasure.

Operator

Thank you. Our last and final question is from the line of Josh Spector with UBS. Please proceed with your question.

Josh Spector

Yes, hi. Thanks for taking my follow-up.

I wanted to ask just on the cost side of things. I mean, I think when I was looking at particularly Rubber over most of 2025, between some outages in 1Q and inventory revaluations through the 2Q and 3Q, there's maybe about \$20 million of costs that last year we were calling more one-timey. Are you adding that back into your guidance, or is there other offsets to that, that we should be considering in the 2026 bridge?

Corning Painter

Yes. So I think as we think about it, I'm not sure we would come to the same conclusions about the number of one-offs.

Certainly, inventory revaluation for all our listeners—I know you know this, Josh—it's really based on the movement of oil price and therefore the value of our inventories. So that will move with the overall oil situation. There's no other really dramatic fundamentals moving that, other than the general leaning out of the Company even further this year. We took actions last year and we'll take additional actions this year.

Does that help, Josh?

Josh Spector

Yes, that does. I could follow up more offline. The other one I wanted to ask about kind of the same line of thinking is just with La Porte, when you're talking about a 2027 start, does that mean there's no real start-up costs in 2026? That mostly remains in capital, and we'll see that in '27? Or is some of that layered into '26 at all?

Corning Painter

No. They'll be mainly '27.

Josh Spector

Okay. Thank you.

Operator

This concludes our question-and-answer session. I'd like to turn the floor back over to Corning Painter for closing comments.

Corning Painter

All right. We appreciate everyone's time today and for the analysts, we appreciate your insightful questions. Thank you very much for that. We're looking forward to speaking with many of you over the next couple of days, and we'll be out on the road at a couple of investor forums in March and hope to see some other people there.

Anyway, have a good rest of your day. Thank you very much.

Operator

Ladies and gentlemen, thank you for your participation. This does conclude today's conference. You may now disconnect your lines at this time and have a wonderful day.