UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended December 31, 2025

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from ______to______

Commission File Number: 001-36410

Phibro Animal Health Corporation

(Exact name of registrant as specified in its charter)

Delaware (State or other jurisdiction of incorporation or organization)	**13-1840497** (I.R.S. Employer Identification No.)
Glenpointe Centre East, 3rd Floor **300 Frank W. Burr Boulevard, Suite 21**	
Teaneck, New Jersey (Address of Principal Executive Offices)	**07666-6712** (Zip Code)

(201) 329-7300
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A Common Stock, $0.0001 par value per share	**PAHC**	**Nasdaq Stock Market**

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files.) Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☐	Accelerated filer	☒
Non-accelerated filer	☐	Smaller reporting company	☐
Emerging growth company	☐		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of January 30, 2026, there were 20,623,682 shares of the registrant's Class A common stock, par value $0.0001 per share, and 19,911,034 shares of the registrant's Class B common stock, par value $0.0001 per share, outstanding.

PHIBRO ANIMAL HEALTH CORPORATION

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PHIBRO ANIMAL HEALTH CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS

For the Periods Ended December 31	Three Months 2025	Three Months 2024	Six Months 2025	Six Months 2024
	(unaudited) (in thousands, except per share amounts)			
Net sales	$ 373,910	$ 309,261	$ 737,803	$ 569,693
Cost of goods sold	241,254	207,391	485,364	384,328
Gross profit	132,656	101,870	252,439	185,365
Selling, general and administrative expenses	82,330	76,337	150,853	142,133
Operating income	50,326	25,533	101,586	43,232
Interest expense, net	11,756	8,996	23,815	16,637
Foreign currency losses, net	2,145	11,699	5,079	12,137
Income before income taxes	36,425	4,838	72,692	14,458
Provision for income taxes	8,966	1,653	18,706	4,298
Net income	$ 27,459	$ 3,185	$ 53,986	$ 10,160
Net income per share				
basic	$ 0.68	$ 0.08	$ 1.33	$ 0.25
diluted	$ 0.67	$ 0.08	$ 1.32	$ 0.25
Weighted average common shares outstanding				
basic	40,534	40,504	40,534	40,504
diluted	40,956	40,715	40,916	40,649

The accompanying notes are an integral part of these consolidated financial statements

PHIBRO ANIMAL HEALTH CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

For the Periods Ended December 31	Three Months 2025	Three Months 2024	Six Months 2025	Six Months 2024
	(unaudited) (in thousands)			
Net income	$ 27,459	$ 3,185	$ 53,986	$ 10,160
Change in fair value of derivative instruments	570	2,188	(235)	(2,660)
Foreign currency translation adjustment	(2,835)	(11,931)	1,708	(8,763)
Unrecognized net pension gains	78	80	156	158
(Provision) benefit for income taxes	(162)	(567)	19	627
Other comprehensive (loss) income	(2,349)	(10,230)	1,648	(10,638)
Comprehensive income (loss)	$ 25,110	$ (7,045)	$ 55,634	$ (478)

The accompanying notes are an integral part of these consolidated financial statements

PHIBRO ANIMAL HEALTH CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

As of	December 31, 2025	June 30, 2025
	(unaudited) (in thousands, except share and per share amounts)	
ASSETS		
Cash and cash equivalents	$ 55,486	$ 68,039
Short-term investments	19,022	9,000
Accounts receivable, net	215,872	227,983
Inventories, net	517,347	444,425
Other current assets	54,458	61,159
Total current assets	862,185	810,606
Property, plant and equipment, net	355,381	354,690
Intangibles, net	33,066	36,469
Goodwill	59,814	59,645
Other assets	95,107	99,490
Total assets	$ 1,405,553	$ 1,360,900
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current portion of long-term debt	$ 20,638	$ 16,250
Accounts payable	133,296	138,201
Accrued expenses and other current liabilities	128,436	139,022
Total current liabilities	282,370	293,473
Revolving credit facility	107,000	87,000
Long-term debt	603,602	615,435
Other liabilities	80,220	79,310
Total liabilities	1,073,192	1,075,218
Commitments and contingencies (Note 9)		
Common stock, par value $0.0001 per share; 300,000,000 Class A shares authorized, 20,573,136 and 20,367,574 shares issued and outstanding at December 31, 2025 and June 30, 2025, respectively; 30,000,000 Class B shares authorized, 19,961,034 and 20,166,034 shares issued and outstanding at December 31, 2025 and June 30, 2025, respectively	4	4
Preferred stock, par value $0.0001 per share; 16,000,000 shares authorized, no shares issued and outstanding	—	—
Paid-in capital	137,768	136,995
Retained earnings	316,959	272,701
Accumulated other comprehensive loss	(122,370)	(124,018)
Total stockholders' equity	332,361	285,682
Total liabilities and stockholders' equity	$ 1,405,553	$ 1,360,900

The accompanying notes are an integral part of these consolidated financial statements

PHIBRO ANIMAL HEALTH CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the Periods Ended December 31	Six Months 2025	Six Months 2024
	(unaudited) (in thousands)	
OPERATING ACTIVITIES		
Net income	$ 53,986	$ 10,160
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	25,721	20,578
Amortization of debt issuance costs	1,144	871
Deferred income taxes	6,009	(12,623)
Foreign currency (gains) losses, net	(1,484)	11,350
Acquisition-related items	1,956	1,634
Stock-based compensation expense	773	359
Other	(825)	(895)
Changes in operating assets and liabilities, net of business acquisition		
Accounts receivable, net	13,699	(25,781)
Inventories, net	(73,213)	(24,401)
Other current assets	7,259	(5,737)
Other assets	166	4,330
Accounts payable	(3,874)	14,611
Accrued expenses and other liabilities	(2,663)	21,242
Net cash provided by operating activities	28,654	15,698
INVESTING ACTIVITIES		
Purchases of short-term investments	(24,026)	—
Maturities of short-term investments	14,004	44,000
Capital expenditures	(24,903)	(17,405)
Business acquisition, net of cash acquired	—	(290,825)
Other, net	(3,273)	827
Net cash used by investing activities	(38,198)	(263,403)
FINANCING ACTIVITIES		
Revolving credit facility borrowings	148,000	398,000
Revolving credit facility repayments	(128,000)	(460,000)
Proceeds from long-term debt	—	650,000
Payments of long-term debt	(8,125)	(316,890)
Debt issuance costs	—	(10,377)
Payments of insurance premium financing and other short-term debt	(4,792)	(3,890)
Dividends paid	(9,728)	(9,720)
Net cash (used) provided by financing activities	(2,645)	247,123
Effect of exchange rate changes on cash	(364)	(2,957)
Net decrease in cash and cash equivalents	(12,553)	(3,539)
Cash and cash equivalents at beginning of period	68,039	70,613
Cash and cash equivalents at end of period	$ 55,486	$ 67,074

The accompanying notes are an integral part of these consolidated financial statements

PHIBRO ANIMAL HEALTH CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

(unaudited)
(in thousands, except share and per share amounts)

	Shares of Common Stock	Common Stock	Preferred Stock	Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Total
As of June 30, 2025	40,533,608	$ 4	$ —	$ 136,995	$ 272,701	$ (124,018)	$ 285,682
Comprehensive income	—	—	—	—	26,527	3,997	30,524
Dividends declared ($0.12 per share)	—	—	—	—	(4,864)	—	(4,864)
Stock-based compensation expense	—	—	—	339	—	—	339
As of September 30, 2025	40,533,608	$ 4	$ —	$ 137,334	$ 294,364	$ (120,021)	$ 311,681
Comprehensive income (loss)	—	—	—	—	27,459	(2,349)	25,110
Dividends declared ($0.12 per share)	—	—	—	—	(4,864)	—	(4,864)
Stock-based compensation expense	562	—	—	434	—	—	434
As of December 31, 2025	40,534,170	$ 4	$ —	$ 137,768	$ 316,959	$ (122,370)	$ 332,361

(unaudited)
(in thousands, except share and per share amounts)

	Shares of Common Stock	Common Stock	Preferred Stock	Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Total
As of June 30, 2024	40,503,608	$ 4	$ —	$ 136,278	$ 243,886	$ (123,527)	$ 256,641
Comprehensive income (loss)	—	—	—	—	6,975	(408)	6,567
Dividends declared ($0.12 per share)	—	—	—	—	(4,860)	—	(4,860)
Stock-based compensation expense	—	—	—	179	—	—	179
As of September 30, 2024	40,503,608	$ 4	$ —	$ 136,457	$ 246,001	$ (123,935)	$ 258,527
Comprehensive income (loss)	—	—	—	—	3,185	(10,230)	(7,045)
Dividends declared ($0.12 per share)	—	—	—	—	(4,860)	—	(4,860)
Stock-based compensation expense	—	—	—	180	—	—	180
As of December 31, 2024	40,503,608	$ 4	$ —	$ 136,637	$ 244,326	$ (134,165)	$ 246,802

The accompanying notes are an integral part of these consolidated financial statements

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(in thousands, except per share amounts)
(unaudited)

1. Description of Business

Phibro Animal Health Corporation (“Phibro” or “PAHC”) and its subsidiaries (together, the “Company”) is a diversified global developer, manufacturer and marketer of a broad range of animal health and mineral nutrition products for food and companion animals including poultry, swine, beef and dairy cattle, aquaculture and dogs. The Company is also a manufacturer and marketer of performance products for use in the personal care, industrial chemical and chemical catalyst industries. Unless otherwise indicated or the context requires otherwise, references in this report to “we,” “our,” “us,” and similar expressions refer to Phibro and its subsidiaries.

The unaudited consolidated financial information for the three and six months ended December 31, 2025 and 2024, is presented on the same basis as the financial statements included in the Company’s Annual Report on Form 10-K for the fiscal year ended June 30, 2025 (the “Annual Report”), filed with the Securities and Exchange Commission on August 27, 2025 (File no. 001-36410). In the opinion of management, these financial statements include all adjustments necessary for a fair statement of the financial position, results of operations and cash flows of the Company for the interim periods, and the adjustments are of a normal and recurring nature. The financial results for any interim period are not necessarily indicative of the results for the full year. The consolidated balance sheet information as of June 30, 2025 was derived from the audited consolidated financial statements but does not include all disclosures required by accounting principles generally accepted in the United States of America (“GAAP”). The unaudited consolidated financial information should be read in conjunction with the consolidated financial statements and notes thereto included in the Annual Report.

The consolidated financial statements include the accounts of Phibro and its consolidated subsidiaries. Intercompany balances and transactions have been eliminated from the consolidated financial statements. The decision whether to consolidate an entity requires consideration of majority voting interests, as well as effective control over the entity.

2. Summary of Significant Accounting Policies and New Accounting Standards

Our significant accounting policies are described in the notes to the consolidated financial statements included in our Annual Report. As of December 31, 2025, there have been no material changes to any of the significant accounting policies contained therein.

Net Income per Share and Weighted Average Shares

Basic net income per share is calculated by dividing net income by the weighted average number of common shares outstanding during the reporting period.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

Diluted net income per share is calculated by dividing net income by the weighted average number of common shares outstanding during the reporting period after giving effect to dilutive common share equivalents resulting from the assumed vesting of restricted stock units (“RSUs”), unless the effect would be antidilutive or if the minimum stock price targets for our performance-based RSUs were not achieved during the reporting period. Common share equivalents related to time- and performance-based RSUs were included in the calculation of diluted net income per share for the three and six months ended December 31, 2025 and 2024.

	Three Months		Six Months	
For the Periods Ended December 31	**2025**	**2024**	**2025**	**2024**
Net income	$ 27,459	$ 3,185	$ 53,986	$ 10,160
Weighted average number of shares – basic	40,534	40,504	40,534	40,504
Dilutive effect of restricted stock units	422	211	382	145
Weighted average number of shares - diluted	40,956	40,715	40,916	40,649
Net income per share				
basic	$ 0.68	$ 0.08	$ 1.33	$ 0.25
diluted	$ 0.67	$ 0.08	$ 1.32	$ 0.25

New Accounting Standards

Financial Accounting Standards Board (“FASB”) Accounting Standards Update (“ASU”) 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures,* enhances income tax disclosures primarily related to the rate reconciliation and income taxes paid information. The ASU outlines specific categories to be provided in the rate reconciliation and requires additional information for those reconciling items that meet a quantitative threshold. The ASU requires disaggregated disclosure of federal, state and foreign income taxes paid, including disaggregation by individual jurisdictions in which income taxes paid (net of refunds received) is equal to or greater than five percent of total income taxes paid (net of refunds received). The ASU also requires disaggregated disclosure of federal, state and foreign income (loss) from continuing operations before income taxes. The enhanced disclosures will be applied on a prospective basis and are required for Phibro’s fiscal year ending June 30, 2026. We are evaluating the impact of the additional income tax-related disclosures.

ASU 2024-03, *(Subtopic 220-40): Disaggregation of Income Statement Expenses and ASU 2025-01, Clarifying the Effective Date*, requires disclosure, in the notes to the financial statements, of certain costs and expenses, including purchases of inventory, employee compensation, depreciation, and intangible asset amortization included in each relevant expense caption, as well as a qualitative description of amounts remaining in relevant expense captions that are not separately disaggregated quantitatively. ASU 2024-03 also requires disclosure of the total amount of selling expenses and, in annual periods, an entity’s definition of selling expenses. The ASU will be effective for Phibro’s fiscal year ending June 30, 2028 and for interim periods thereafter, and it can be applied on a prospective basis or on a retrospective basis to all periods presented. Early adoption is permitted. We are evaluating the impact of this standard on our footnote disclosures.

ASU 2025-06, *(Subtopic 350-40): Intangibles - Goodwill and Other - Internal-Use Software*: *Targeted Improvements to the Accounting for Internal-Use Software*, amends existing guidance regarding when entities may begin to capitalize internal-use software costs. Under the updated framework, entities must assess when both of the following occur: (1) management has authorized and committed to funding the software project and (2) it is probable that the project will be completed and the software will be used to perform the function intended. The ASU will be effective for Phibro’s fiscal year ending June 30, 2029, including interim periods within that year, and it can be applied on a prospective basis, on a retrospective basis to all periods presented, or with a modified transition approach. Early adoption is permitted. We are evaluating the impact of this standard on our consolidated financial statements and disclosures.

ASU 2025-09, *(Topic 815): Hedge Accounting Improvements,* amends existing guidance and provides improvements to hedge accounting, including expanded eligibility of forecasted transactions, increased flexibility in measuring hedge effectiveness, and clarifications related to hedging non-financial items. The ASU will be effective for Phibro’s fiscal year ending June 30, 2028, including interim periods within that fiscal year. Early adoption is permitted. We are evaluating the impact of this standard on our consolidated financial statements and disclosures.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

ASU 2025-10, *(Topic 832): Accounting for Government Grants Received by Business Entities*, provides recognition, measurement, presentation, and disclosure requirements for government grants. This ASU requires that proceeds from government grants be recognized in earnings in the same period as the costs related to the grant and also introduces two permitted approaches for grant proceeds used to purchase capital assets: a deferred income approach or a cost accumulation approach. The ASU will be effective for Phibro's fiscal year ending June 30, 2030, including interim periods within that fiscal year. The amendments in this ASU may be applied using a modified prospective, modified retrospective, or retrospective approach. Early adoption is permitted. We are evaluating the impact of this standard on our consolidated financial statements and disclosures.

ASU 2025-11, *(Topic 270): Interim Reporting Narrow Scope Improvements,* amends the existing guidance and provides clarifications intended to improve the consistency and usability of interim disclosure requirements. The ASU does not change the underlying objectives of interim reporting but are intended to enhance clarity in application. The ASU will be effective for Phibro's fiscal year ending June 30, 2029, including interim periods within that fiscal year. We are evaluating the impact of this standard on our consolidated financial statements and disclosures.

3. Acquisition

On October 31, 2024, the Company completed its acquisition of the medicated feed additives portfolio, certain water-soluble products and related assets from Zoetis, Inc (the "Acquisition"). The Acquisition was accounted for as a business combination under the acquisition method of accounting. The acquisition method requires, among other things, that assets acquired and liabilities assumed in a business combination be recognized at their fair values as of the acquisition date. The determination of estimated fair value requires management to make significant estimates and assumptions. The results of operations of the Acquisition are included in our consolidated statements of operations from the date of acquisition and reported within the Animal Health segment.

The Acquisition has expanded our medicated feed additives and water-soluble products category, advanced our planned existing product portfolio enhancement and diversified our species and product offerings, which complements our commercial operations and international infrastructure while expanding our global presence.

The purchase price for the Acquisition was approximately $297.5 million ($286.5 million, as adjusted, net of cash acquired), which was funded by Delayed Draw Term A-1 Loans and Delayed Draw Term A-2 Loans drawn on 2024 Credit Facilities (each as defined below in Note 6). The purchase and sale agreement underlying the transaction provides for closing working capital and other adjustments to be completed after the Acquisition. These adjustments were completed in May 2025 and have been finalized.

For the three months ended December 31, 2025 and 2024, we recognized transaction costs related to the Acquisition of $0.2 million and $8.8 million, respectively. For the six months ended December 31, 2025 and 2024, we recognized transaction costs related to the Acquisition of $0.5 million and $12.2 million, respectively. These costs were primarily associated with financial advisory, legal and other professional services related to the Acquisition and are reflected within selling, general and administrative expenses ("SG&A") in our consolidated statements of operations.

The amount of revenue attributable to the Acquisition included in consolidated statements of operations for the three months ended December 31, 2025 and 2024 was $94.1 million and $36.7 million, respectively. The amount of revenue attributable to the Acquisition included in our consolidated statements of operations for the six months ended December 31, 2025 and 2024 was $174.6 million and $36.7 million, respectively. Based on our current operational structure and the nature and mix of legal entities and assets acquired, we are not able to complete a full cost identification and allocation assessment for activities related to the Acquisition. As a result, we are unable to accurately determine earnings or loss attributable to the Acquisition since the date of acquisition.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

Since the initial measurement of the identified assets acquired and liabilities assumed was performed in the three months ended December 31, 2024, the Acquisition purchase price was adjusted for certain net working capital and other adjustments and progress was made in completing certain of our additional valuations and analyses. As such, we updated (and have now finalized, with no further material adjustments) our initial allocation of the purchase price. Principal changes included: (i) decreasing the value of inventory to reflect final inventory receipts and net working capital adjustments; (ii) increasing the value attributed to property, plant and equipment primarily to reflect updated assumptions related to the estimated economic value of certain underlying assets; (iii) adjustments to other assets and accrued expenses and other liabilities primarily related to value-added taxes; and (iv) goodwill increasing the value attributed to a deferred tax liability (included in other noncurrent liabilities below) emanating from stepped up values for assets acquired in China. The following table summarizes the final allocation of the purchase price to the fair values assigned to the assets acquired and liabilities assumed at the date of the Acquisition that was recorded as of June 30, 2025.

		Final Purchase Price Allocation
Assets acquired:		
Cash and cash equivalents	$	11,018
Accounts receivable, net		350
Inventories, net		138,981
Property, plant and equipment		144,964
Other assets[(1)]		13,208
Goodwill[(2)]		4,948
Total fair value of assets acquired		313,469
Liabilities assumed:		
Accounts payable		1,411
Accrued expenses and other current liabilities		4,165
Other noncurrent liabilities		10,346
Total fair value of liabilities assumed		15,922
Fair value of net assets acquired	$	297,547

(1) Includes current and noncurrent amounts.

(2) Goodwill is reported within the Animal Health segment. An immaterial amount of the goodwill is deductible for tax purposes.

In the table above, the estimate of fair value of inventories, net was determined using the replacement cost method, which contemplates the costs to complete the manufacturing and sales process, a reasonable profit allowance from the sales process, and estimated holding costs. The cost basis of raw materials was determined to represent current replacement cost and therefore approximates fair value. The net fair value step-up adjustment to inventories of $7.6 million is being amortized to cost of sales as the inventory is sold to customers.

Property, plant and equipment is composed of land, buildings, equipment (including machinery, equipment, furniture and fixtures, and computer equipment), and construction-in-progress. The estimate of fair value of property, plant and equipment was determined by the direct cost and indirect cost approaches, as applicable, depending on the nature of the asset. Of the acquired assets, $102.1 million of personal property (comprised of machinery and equipment) and $38.1 million of real property (comprised of buildings and improvements) were recorded. The amounts allocated to personal and real property were based on management's estimates and assumptions, as well as other information compiled by management, including third party analysis and market data. The process for determining the direct cost or indirect cost approaches required management to make estimates and assumptions, including reproduction cost new, physical deterioration, utilization, replacement cost new, base cost, and square footage. The step-up adjustment for property, plant and equipment of $43.5 million will be depreciated on a straight-line basis over the remaining useful life of the respective assets, which ranges from 1 year to 21 years.

Pro Forma Results

The following unaudited pro forma financial information presents the combined results of net sales and operating income of the Company as if the Acquisition had occurred as of the beginning of the years presented and does not include any material non-recurring adjustments. The unaudited pro forma financial information is not necessarily indicative of what the Company's net sales and operating income actually would have been had the Acquisition occurred at the beginning of each year presented. In addition, the unaudited pro forma financial information does not attempt to project the future results of operations of the combined company. The pro forma information does not include any potential revenue enhancements, cost synergies or other operating efficiencies that could result from the Acquisition.

	Three Months		Six Months	
For the Periods Ended December 31	**2025**	**2024**	**2025**	**2024**
Net sales	$ 373,910	$ 348,944	$ 737,803	$ 720,050
Operating income	50,326	36,605	101,586	86,630

4. Statements of Operations—Additional Information

Disaggregated revenue, deferred revenue and customer payment terms

We develop, manufacture and market a broad range of products for food and companion animals including poultry, swine, beef and dairy cattle, aquaculture, and dogs. The products help prevent, control and treat diseases and enhance nutrition to help improve animal health and well-being. We sell animal health and mineral nutrition products directly to integrated poultry, cattle and swine customers and through commercial animal feed manufacturers, distributors and veterinarians. The animal health industry and demand for many of the animal health products in a particular region are affected by changing disease pressures and by weather conditions, as product usage follows varying weather patterns and seasons. Our operations are primarily focused on regions where the majority of livestock production is consolidated in large commercial farms.

We have a diversified portfolio of products that are classified within our three reportable business segments—Animal Health, Mineral Nutrition and Performance Products. Each segment has its own dedicated management and sales team.

Animal Health

The Animal Health business develops, manufactures and markets products in three main categories:

- MFAs and other: MFAs and other products primarily consist of concentrated medicated products administered through animal feeds, commonly referred to as Medicated Feed Additives ("MFAs"). Specific product classifications include antibacterials, which inhibit the growth of pathogenic bacteria that cause infections in animals; anticoccidials, which inhibit the growth of coccidia (parasites) that damage the intestinal tract of animals; and other related products. The MFAs and other category also includes antibacterials and other processing aids used in the ethanol fermentation industry.

- Nutritional specialties: Nutritional specialty products enhance nutrition to help improve health and performance in areas such as immune system function and digestive health. We are also a developer, manufacturer and marketer of microbial products and bioproducts for a variety of applications serving animal health and nutrition, environmental, industrial and agricultural customers.

- Vaccines: Vaccine products are primarily focused on preventing diseases in poultry, swine, beef and dairy cattle and aquaculture. They protect animals from either viral or bacterial disease challenges. We develop, manufacture and market conventionally licensed and autogenous vaccine products, as well as adjuvants for animal vaccine manufacturers. We have developed and market an innovative and proprietary delivery platform for vaccines.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

Mineral Nutrition

The Mineral Nutrition business is comprised of formulations and concentrations of trace minerals such as zinc, manganese, copper, iron and other compounds, with a focus on customers in North America. Our customers use these products to fortify the daily feed requirements of their livestock's diets and maintain an optimal balance of trace elements in each animal. We manufacture and market a broad range of mineral nutrition products for food animals including poultry, swine, and beef and dairy cattle.

Performance Products

The Performance Products business manufactures and markets specialty ingredients for use in the personal care, industrial chemical and chemical catalyst industries.

The following tables present our revenues disaggregated by major product category and geographic region:

Net Sales by Product Type

	Three Months		Six Months	
For the Periods Ended December 31	**2025**	**2024**	**2025**	**2024**
Animal Health				
MFAs and other	$ 202,111	$ 150,338	$ 397,309	$ 258,182
Nutritional specialties	50,230	45,909	98,381	88,558
Vaccines	37,636	33,171	77,743	65,201
Total Animal Health	$ 289,977	$ 229,418	$ 573,433	$ 411,941
Mineral Nutrition	68,945	63,250	131,933	122,312
Performance Products	14,988	16,593	32,437	35,440
Total	$ 373,910	$ 309,261	$ 737,803	$ 569,693

Net Sales by Region

	Three Months		Six Months	
For the Periods Ended December 31	**2025**	**2024**	**2025**	**2024**
United States	$ 221,757	$ 184,441	$ 424,104	$ 327,990
Latin America and Canada	87,600	72,674	174,826	143,825
Europe, Middle East and Africa	44,784	32,589	89,726	63,714
Asia Pacific	19,769	19,557	49,147	34,164
Total	$ 373,910	$ 309,261	$ 737,803	$ 569,693

Net sales by region are based on country of destination.

Our customer payment terms generally range from 30 to 120 days globally and do not include any significant financing components. Payment terms vary based on industry and business practices within the regions in which we operate. Our average worldwide collection period for accounts receivable is approximately 60 days after the revenue is recognized.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

Interest Expense, Net

For the Periods Ended December 31	Three Months 2025	Three Months 2024	Six Months 2025	Six Months 2024
Interest expense, net				
Credit Facilities	$ 11,844	$ 9,164	$ 23,745	$ 15,364
2022 Term Loan	—	—	—	12
Amortization of debt issuance costs	572	504	1,144	871
Refinancing expense	—	—	—	1,960
Other	65	110	135	336
Interest expense	12,481	9,778	25,024	18,543
Interest income	(725)	(782)	(1,209)	(1,906)
	$ 11,756	$ 8,996	$ 23,815	$ 16,637

For the six months ended December 31, 2024, we also incurred $1,960 in certain costs and charges resulting from the refinancing of the Company's debt, which included $1,446 of new creditor and third-party financing costs and $514 in debt extinguishment costs resulting from the write-off of unamortized deferred financing costs on previously outstanding debt.

Depreciation and Amortization

For the Periods Ended December 31	Three Months 2025	Three Months 2024	Six Months 2025	Six Months 2024
Depreciation and amortization				
Depreciation of property, plant and equipment	$ 11,178	$ 9,409	$ 22,299	$ 16,151
Amortization of intangible assets	1,713	2,165	3,422	4,427
	$ 12,891	$ 11,574	$ 25,721	$ 20,578

5. Balance Sheets—Additional Information

As of	December 31, 2025	June 30, 2025
Inventories		
Raw materials	$ 178,465	$ 162,626
Work-in-process	29,228	27,982
Finished goods	309,654	253,817
	$ 517,347	$ 444,425

As of	December 31, 2025	June 30, 2025
Other assets		
ROU operating lease assets	$ 39,416	$ 41,339
Deferred income taxes	19,504	25,548
Deposits	584	610
Insurance investments	3,976	6,547
Other investments	8,693	5,142
Debt issuance costs	3,250	3,714
Derivative instruments	367	89
Other	19,317	16,501
	$ 95,107	$ 99,490

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

As of	December 31, 2025	June 30, 2025
Accrued expenses and other current liabilities		
Employee related	$ 44,106	$ 51,758
Current operating lease liabilities	8,959	9,127
Commissions and rebates	24,470	23,274
Professional fees	7,845	8,098
Income and other taxes	10,670	8,397
Insurance-related	1,890	1,655
Insurance premium financing	1,369	5,476
Other	29,127	31,237
	$ 128,436	$ 139,022

As of	December 31, 2025	June 30, 2025
Other liabilities		
Long-term operating lease liabilities	$ 32,968	$ 33,740
Long-term and deferred income taxes	22,049	19,471
Supplemental retirement benefits, deferred compensation and other	6,720	5,526
U.S. pension plan, net	1,663	1,795
International retirement plans	3,752	3,532
Derivative instruments	2,590	3,885
Other long-term liabilities	10,478	11,361
	$ 80,220	$ 79,310

As of	December 31, 2025	June 30, 2025
Accumulated other comprehensive loss		
Derivative instruments	$ (2,590)	$ (2,354)
Foreign currency translation adjustment	(111,744)	(113,452)
Unrecognized net pension losses	(12,236)	(12,392)
Income tax benefit	4,200	4,180
	$ (122,370)	$ (124,018)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

6. Debt

Term Loans and Revolving Credit Facilities

2024 Credit Agreement

In July 2024, we entered into a Credit Agreement, (the "2024 Credit Agreement") with a group of lenders. Initial borrowings were used to refinance all our outstanding debt, to pay fees and expenses of the transaction and for ongoing working capital requirements and general corporate purposes. Borrowings under the Delayed Draw Term A-1 Loans (as defined below) and Delayed Draw Term A-2 Loans (as defined below) were drawn on October 31, 2024 and used to finance the purchase price of the Acquisition discussed in "Note 3 — Acquisition."

The 2024 Credit Agreement provides for: (i) Initial Term A-1 Loans in an initial aggregate principal amount of $162,000 (the "Initial Term A-1 Loans"), (ii) Delayed Draw Term A-1 Loans in an initial aggregate principal amount of $189,000 (the "Delayed Draw Term A-1 Loans" and, together with the Initial Term A-1 Loans, the "Term A-1 Loans"), (iii) Initial Term A-2 Loans in an initial aggregate principal amount of $138,000 (the "Initial Term A-2 Loans"), (iv) Delayed Draw Term A-2 Loans in an initial aggregate principal amount of $161,000 (the "Delayed Draw Term A-2 Loans" and, together with the Initial Term A-2 Loans, the "Term A-2 Loans"), and (v) Revolving Credit Commitments in an initial aggregate principal amount of $310,000 (the "Revolving Credit Commitments" and, together with the Term A-1 Loans and Term A-2 Loans, the "2024 Credit Facilities"). The 2024 Credit Facilities mature in July 2029 in the case of the Term A-1 Loans and the Revolving Credit Commitments and in July 2031 in the case of the Term A-2 Loans.

Borrowings under the 2024 Credit Facilities bear interest at rates based on the ratio of the Company and its subsidiaries' net consolidated indebtedness to the Company and its subsidiaries' consolidated EBITDA (the "Net Leverage Ratio"). The interest rates per annum for loans under the 2024 Credit Facilities are based on a fluctuating rate of interest as selected by the Company plus an applicable rate as set forth in the table below:

	Revolving Credit and Term A-1 Loans		Term A-2 Loans	
Net Leverage Ratio	**Base rate**	**SOFR**	**Base rate**	**SOFR**
≥ 4.00:1.00	1.75 %	2.75 %	2.25 %	3.25 %
≥ 3.50:1.00 and < 4.00:1.00	1.50 %	2.50 %	2.00 %	3.00 %
≥ 2.25:1.00 and < 3.50:1.00	1.25 %	2.25 %	1.75 %	2.75 %
< 2.25:1.00	1.00 %	2.00 %	1.50 %	2.50 %

The Company may receive patronage from the lenders providing the Term A-2 Loans, to the extent eligible under such lender's patronage program, as determined by such lender in its sole discretion.

Pursuant to the terms of the 2024 Credit Agreement, the 2024 Credit Facilities are subject to various covenants that, among other things and subject to the permitted exceptions described therein, restrict us and our subsidiaries with respect to: (i) incurring additional debt; (ii) making certain restricted payments or making optional redemptions of other indebtedness; (iii) making investments or acquiring assets; (iv) disposing of assets (other than in the ordinary course of business); (v) creating any liens on our assets; (vi) entering into transactions with affiliates; (vii) entering into merger or consolidation transactions; and (viii) creating guarantee obligations; provided, however, that we are permitted to pay distributions to stockholders out of available cash subject to certain annual limitations and a quarterly maximum Net Leverage Ratio of 4.0x and so long as no default or event of default under the 2024 Credit Facilities shall have occurred and be continuing at the time such distribution is declared. Indebtedness under the 2024 Credit Facilities is collateralized by a first priority lien on substantially all assets of Phibro and certain of our domestic subsidiaries. The 2024 Credit Agreement contains an acceleration clause should an Event of Default (as defined therein) occur.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

The 2024 Credit Agreement requires, among other things, compliance with financial covenants regarding: (i) a maximum Net Leverage Ratio and (ii) a minimum interest coverage ratio, each calculated on a trailing four-quarter basis, as follows:

Period	maximum Net Leverage Ratio	minimum interest coverage ratio
Prior to October 31, 2024	4.00:1.00	3.00:1.00
First fiscal quarter ended after October 31, 2024 through January 3, 2026	4.75:1.00	2.50:1.00
After January 3, 2026 to January 3, 2027	4.50:1.00	2.75:1.00
After January 3, 2027 to January 3, 2028	4.25:1.00	3.00:1.00
After January 3, 2028	4.00:1.00	3.00:1.00

As of December 31, 2025, we were in compliance with the financial covenants of the 2024 Credit Agreement.

For the six months ended December 31, 2024, we paid $10,377 in lender and other fees related to the 2024 Credit Facilities, which are being amortized to interest expense through the maturity dates of the 2024 Credit Facilities. The payment of these debt issuance costs is reflected within the financing activities section of the consolidated statements of cash flows.

As of December 31, 2025, we had $107,000 in borrowings drawn under the 2024 Revolver and had outstanding letters of credit of $2,853, leaving $200,147 available for further borrowings and letters of credit under the 2024 Revolver, subject to restrictions in our 2024 Credit Facilities. We obtain letters of credit in connection with certain regulatory and insurance obligations, inventory purchases and other contractual obligations. The terms of these letters of credit are all less than one year.

Debt Balances and Interest Rate Information

Long-Term Debt Balances

As of	December 31, 2025	June 30, 2025
Term A-1 Loans due July 2029	$ 340,200	$ 344,588
Term A-2 Loans due July 2031	289,800	293,537
Gross term loan balances	630,000	638,125
Unamortized debt issuance costs	(5,760)	(6,440)
Term loan balances, net of unamortized debt issuance costs	624,240	631,685
Less: current maturities of long-term debt	(20,638)	(16,250)
Long-term debt	$ 603,602	$ 615,435

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

Interest Rates

Interest rates as of the balance sheet dates and the weighted-average rates for the periods presented were:

	December 31, 2025	June 30, 2025	Six Months Ended December 31, 2025	Six Months Ended December 31, 2024
Revolving Credit Facility	5.89 %	5.89 %	5.89 %	6.62 %
Initial Term A-1 Loan due July 2029	5.45 %	5.45 %	5.45 %	2.94 %
Initial Term A-2 Loan due July 2031	6.39 %	6.39 %	6.39 %	3.44 %
Delayed Draw Term A-1 Loan due July 2029	6.08 %	6.50 %	6.32 %	6.96 %
Delayed Draw Term A-2 Loan due July 2031	6.62 %	7.20 %	6.95 %	7.31 %

Interest rates as of the balance sheet dates are based on rates in effect as of those dates, including SOFR fluctuating rates of interest, applicable rates and the interest rate swap agreements.

In September 2024, we entered into an interest rate swap agreement on $150,000 of notional principal that effectively converts the floating SOFR portion of our interest obligation on that amount of debt issued under the 2024 Credit Facilities to a fixed rate of 3.18% through September 2029.

In March 2025, we entered into an interest rate swap agreement on $275,000 of notional principal that effectively converts the floating SOFR portion of our interest obligation on that amount of debt issued under the 2024 Credit Facilities to a fixed rate of 3.64% through February 2030.

In March 2025, we entered into a forward-starting interest rate collar agreement on $250,000 of notional principal that effectively puts a floor of 1.99% and a cap of 4.75% on the floating SOFR portion of our interest obligation on that amount of debt issued under the 2024 Credit Facilities. The individual option contracts of the collar mature monthly beginning July 2025 and through June 2026.

In addition, we were party to an interest rate swap of agreement on $300,000 of notional principal that effectively converted the floating SOFR portion of our interest obligation on that amount of debt to a fixed rate of 0.51% through June 2025 as a hedge against our existing variable rate debt issued under the 2024 Credit Facilities. This swap agreement expired on June 30, 2025.

We designated the interest rate swaps and interest rate collar as highly effective cash flow hedges. For additional details, see “Note 10 — Derivatives.”

7. Related Party Transactions

Certain relatives of Jack C. Bendheim, our Chairman, President and Chief Executive Officer, provided services to the Company as employees or consultants and received aggregate compensation and benefits of approximately $442 and $507 during the three months ended December 31, 2025 and 2024, and $1,640 and $1,288 during the six months ended December 31, 2025 and 2024, respectively.
Mr. Bendheim has sole authority to vote shares of our stock owned by BFI Co., LLC, an investment vehicle of the Bendheim family.

8. Stock Incentive Plan

Restricted Stock Units

On August 1, 2025, the Company, granted 113,847 time-based RSUs with a grant date fair value of $25.19 to certain senior-level employees pursuant to the Company's Incentive Plan. Each RSU represents the right to receive a share of our common stock upon vesting. These RSUs vest in three equal annual amounts on each anniversary of August 1, 2025, subject to continued employment through the applicable vesting date.

In fiscal 2024, our Board of Directors approved grants of 600,000 RSUs to certain officers of the Company, pursuant to the Company's Incentive Plan and the RSU award agreements. Certain of these RSUs are subject to time-based vesting and certain RSUs are subject to performance-based vesting contingent upon the achievement of certain stock price targets.

The fair value of time-based RSUs is equal to the closing market price of the underlying common stock on the grant date, less the present value of expected dividends over the vesting period. A Monte Carlo simulation model was used to determine the grant date fair value of the performance-based RSUs. We recognize stock-based compensation expense for the RSUs on a straight-line basis over the vesting periods.

Stock-based compensation expense related to the RSUs was $434 and $180 for the three months ended December 31, 2025 and 2024 and $773 and $359 for the six months ended December 31, 2025 and 2024, respectively. As of December 31, 2025, there was $4,110 of unrecognized compensation expense related to the RSUs, which will be recognized over a weighted average period of 2.8 years. As of December 31, 2025, 682,162 RSUs with a weighted average grant date fair value of $8.48 remain unvested.

9. Commitments and Contingencies

Environmental

Our operations and properties are subject to extensive federal, state, local and foreign laws and regulations, including those governing pollution; protection of the environment; the use, management, and release of hazardous materials, substances and wastes; air emissions; greenhouse gas emissions; water use, supply and discharges; the investigation and remediation of contamination; the manufacture, distribution, and sale of regulated materials, including pesticides; the importing, exporting and transportation of products; and the health and safety of our employees (collectively, "Environmental Laws"). As such, the nature of our current and former operations exposes us to the risk of claims with respect to such matters, including fines, penalties, and remediation obligations that may be imposed by regulatory authorities. Under certain circumstances, we might be required to curtail operations until a particular problem is remedied. Known costs and expenses under Environmental Laws incidental to ongoing operations, including the cost of litigation proceedings relating to environmental matters, are included within operating results. Potential costs and expenses may also be incurred in connection with the repair or upgrade of facilities to meet existing or new requirements under Environmental Laws or to investigate or remediate potential or actual contamination, and from time to time we establish reserves for such contemplated investigation and remediation costs. In many instances, the ultimate costs under Environmental Laws and the period during which such costs are likely to be incurred are difficult to predict.

While we believe that our operations are currently in material compliance with Environmental Laws, we have, from time to time, received notices of violation from governmental authorities, and have been involved in civil or criminal action for such violations. Additionally, at various sites, our subsidiaries are engaged in continuing investigation, remediation and/or monitoring efforts to address contamination associated with historic operations of the sites. We devote considerable resources to complying with Environmental Laws and managing environmental liabilities. We have developed programs to identify requirements under, and maintain compliance with Environmental Laws; however, we cannot predict with certainty the effect of increased and more stringent regulation on our operations, future capital expenditure requirements, or the cost of compliance.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

The nature of our current and former operations exposes us to the risk of claims with respect to environmental matters and we cannot assure we will not incur material costs and liabilities in connection with such claims. Based on our experience, we believe that the future cost of compliance with existing Environmental Laws, and liabilities for known environmental claims pursuant to such Environmental Laws, will not have a material adverse effect on our financial position, results of operations, cash flows or liquidity.

Based upon information available, to the extent such costs can be estimated with reasonable certainty, we estimated the cost for further investigation and remediation of identified soil and groundwater problems at operating sites, closed sites and third-party sites, and closure costs for closed sites to be approximately $4,229 and $4,292 at December 31, 2025 and June 30, 2025, respectively, which is included in current and long-term liabilities on the consolidated balance sheets. However, future events, such as new information, changes in existing Environmental Laws or their interpretation, and more vigorous enforcement policies of regulatory agencies, may give rise to additional expenditures or liabilities that could be material. For all purposes of the discussion under this caption and elsewhere in this report, it should be noted that we take and have taken the position that neither PAHC nor any of our subsidiaries are liable for environmental or other claims made against one or more of our other subsidiaries or for which any of such other subsidiaries may ultimately be responsible.

Claims and Litigation

PAHC and its subsidiaries are party to various claims and lawsuits arising out of the normal course of business including product liabilities, payment disputes and governmental regulation. Certain of these actions seek damages in various amounts. In many cases, such claims are covered by insurance. We believe that none of the claims or pending lawsuits, either individually or in the aggregate, will have a material adverse effect on our financial position, results of operations, cash flows or liquidity.

10. Derivatives

We monitor our exposure to foreign currency exchange rates and interest rates and from time-to-time use derivatives to manage certain of these risks. We designate derivatives as a hedge of a forecasted transaction or of the variability of the cash flows to be received or paid in the future related to a recognized asset or liability (cash flow hedge). All changes in the fair value of a highly effective cash flow hedge are recorded in accumulated other comprehensive income (loss).

We routinely assess whether the derivatives used to hedge transactions are effective. If we determine that a derivative ceases to be an effective hedge, we discontinue hedge accounting in the period of the assessment for that derivative and immediately recognize any unrealized gains or losses related to the fair value of that derivative in the consolidated statements of operations.

We record derivatives at fair value in the consolidated balance sheets. For additional details regarding fair value, see “Note 11 — Fair Value Measurements.”

In September 2024, we entered into an interest rate swap agreement on $150,000 of notional principal that effectively converts the floating SOFR portion of our interest obligation on that amount of debt issued under the 2024 Credit Facilities to a fixed rate of 3.18% through September 2029.

In March 2025, we entered into an interest rate swap agreement on $275,000 of notional principal that effectively converts the floating SOFR portion of our interest obligation on that amount of debt issued under the 2024 Credit Facilities to a fixed rate of 3.64% through February 2030.

In March 2025, we entered into a forward-starting interest rate collar agreement on $250,000 of notional principal that effectively puts a floor of 1.99% and a cap of 4.75% on the floating SOFR portion of our interest obligation on that amount of debt issued under the 2024 Credit Facilities. The individual option contracts of the collar mature monthly beginning July 2025 and through June 2026. As of December 31, 2025, the fair value of the interest rate collar was de minimis.

We were a party to an interest rate swap agreement on $300,000 of notional principal that effectively converted the floating SOFR portion of our interest obligation to a fixed rate of 0.51% through June 2025. This agreement expired on June 30, 2025.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

We have designated the interest rate swaps and interest rate collar as highly effective cash flow hedges.

We are a party to foreign currency option contracts used to hedge cash flows related to monthly inventory purchases. The individual option contracts mature monthly through June 2026. The forecasted inventory purchases were probable of occurring and the individual option contracts were designated as highly effective cash flow hedges.

The consolidated balance sheet includes the net fair values of our outstanding foreign currency option contracts within the respective line items, based on the net financial position and maturity date of the individual contracts. The consolidated balance sheet includes the net fair values of our outstanding interest rate swaps within the respective balance sheet line items, based on the expected timing of the cash flows. The consolidated balance sheet includes assets and liabilities for the fair values of outstanding derivatives that are designated and effective as cash flow hedges as follows:

As of	December 31, 2025	June 30, 2025
Other current assets		
Interest rate swaps	$ 313	$ 1,442
Other assets		
Interest rate swaps	367	89
Accrued expense and other current liabilities		
Foreign currency option contracts, net	(11)	—
Interest rate swap	(669)	—
Other liabilities		
Interest rate swaps	(2,590)	(3,885)
Total Fair Value		
Foreign currency option contracts, net	$ (11)	$ —
Interest rate swaps	$ (2,579)	$ (2,354)

Notional amounts of the derivatives as of the balance sheet date were:

As of	December 31, 2025
Interest rate swaps	$ 425,000
Interest rate collar	$ 250,000
Brazil Real-USD call options	R$ 18,000
Brazil Real-USD put options	R$ (18,000)

The consolidated statements of operations and statements of comprehensive income for the periods ended December 31, 2025 and 2024 included the effects of derivatives as follows:

	Three Months		Six Months	
For the Periods Ended December 31	2025	2024	2025	2024
Foreign currency option contracts, net				
Income recorded in consolidated statements of operations	$ —	$ (397)	$ (20)	$ (907)
Consolidated statement of operations - total cost of goods sold	$ 241,254	$ 207,391	$ 485,364	$ 384,328
Consolidated statement of operations - total selling, general and administrative expenses	$ 82,330	$ 76,337	$ 150,853	$ 142,133
Expense recorded in comprehensive income	$ 5	$ 257	$ 11	$ 120
Interest rate swaps				
Income recorded in consolidated statements of operations	$ (579)	$ (3,790)	$ (1,517)	$ (7,690)
Consolidated statement of operations - total interest expense, net	$ 11,756	$ 8,996	$ 23,815	$ 16,637
(Income) expense recorded in comprehensive income	$ (575)	$ (2,445)	$ 224	$ 2,540

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

We recognize gains and losses related to foreign currency derivatives as a component of cost of goods sold at the time the hedged item is sold.

11. Fair Value Measurements

Cash Equivalents

Our cash equivalents consist of time deposits with an original maturity of less than three months held at financial institutions. We consider the carrying amounts of these current assets to be recorded at their fair value because of the current nature of these items.

Short-term Investments

Our short-term investments consist of cash deposits with original maturity of greater than three months, but no greater than twelve months, held at financial institutions. We consider the carrying amounts of these current assets to be recorded at their fair value because of the current nature of these items.

Current Assets and Liabilities

We consider the carrying amounts of current assets and current liabilities to be representative of their fair value because of the current nature of these items.

Debt

We record debt, including term loans and revolver balances, at amortized cost in our consolidated financial statements. We believe the carrying value of the debt is approximately equal to its fair value, due to the variable nature of the instruments and our evaluation of estimated market prices.

Derivatives

We determine the fair value of derivative instruments based upon pricing models using observable market inputs for these types of financial instruments, such as spot and forward currency translation rates.

Non-financial Assets

Our non-financial assets, which primarily consist of goodwill, other intangible assets, property and equipment, and lease-related right-of-use ("ROU") assets, are not required to be measured at fair value on a recurring basis, and instead are reported at carrying value in the consolidated balance sheet. Assets and liabilities may be required to be measured at fair value on a non-recurring basis, either upon initial recognition or for subsequent accounting or reporting, including the initial recognition of net assets acquired in a business combination. These fair value measurements involve unobservable inputs that reflect estimates and assumptions that represent Level 3 inputs.

Fair Value of Assets (Liabilities)

As of	**December 31, 2025**			**June 30, 2025**		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Cash equivalents	$ 2,000	$ —	$ —	$ 12,000	$ —	$ —
Short-term investments	$ 19,022	$ —	$ —	$ 9,000	$ —	$ —
Foreign currency derivatives	$ —	$ (11)	$ —	$ —	$ —	$ —
Interest rate swaps	$ —	$ (2,579)	$ —	$ —	$ (2,354)	$ —

There were no transfers between levels during the periods presented.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

12. Business Segments

We evaluate performance and allocate resources based on the Animal Health, Mineral Nutrition and Performance Products reporting segments. The Chief Executive Officer is the chief operating decision-maker ("CODM") for the Company. We evaluate performance of our segments based on Adjusted EBITDA. Included in the segment Adjusted EBITDA analyses provided to the CODM is information on segment cost of sales and selling, general and administrative expenses. There are no other significant segment expense categories regularly provided to the CODM.

We calculate Adjusted EBITDA as net income plus (a) interest expense, net, (b) provision for income taxes or less benefit for income taxes, (c) depreciation and amortization, (d) other non-operating expense or less other income, as separately reported on our consolidated statements of operations, including foreign currency (gains) losses, net and (e) certain items that we consider to be unusual, non-operational or non-recurring. However, some of these items may not be applicable to the calculation of Adjusted EBITDA for our segments, as we do not typically include interest, other non-operating items, or income tax-related items in our segment results.

Certain of our costs and assets are not directly attributable to a segment or segments, and we refer to these items as Corporate. We do not allocate Corporate costs or assets to the other segments because they are not used to evaluate the segments' operating results or financial position. Corporate costs include certain costs related to executive management, information technology, legal, finance, human resources and business development. The accounting policies of our segments are the same as those described in the summary of significant accounting policies included in Note 2 — Summary of Significant Accounting Policies and New Accounting Standards included in the Company's Annual Report on Form 10-K for the fiscal year ended June 30, 2025.

For all segments, the CODM uses segment Adjusted EBITDA in the annual budgeting and quarterly forecasting process and considers budget-to-actual and current period to prior period variances to evaluate performance and allocate resources for each segment.

	Three Months		Six Months	
For the Periods Ended December 31	**2025**	**2024**	**2025**	**2024**
Net sales				
Animal Health	$ 289,977	$ 229,418	$ 573,433	$ 411,941
Mineral Nutrition	68,945	63,250	131,933	122,312
Performance Products	14,988	16,593	32,437	35,440
Total segments	$ 373,910	$ 309,261	$ 737,803	$ 569,693

	Three Months		Six Months	
For the Periods Ended December 31	**2025**	**2024**	**2025**	**2024**
Animal Health				
Net sales	$ 289,977	$ 229,418	$ 573,433	$ 411,941
Cost of sales	168,031	138,086	340,903	246,318
Selling, general and administrative expenses(1)	52,199	43,817	99,450	85,387
Add: Depreciation and amortization	11,583	10,286	23,182	17,949
Add: Acquisition-related cost of goods sold(2)	839	1,634	1,956	1,634
Subtract: Insurance proceeds(4)	—	(1,258)	(1,177)	(1,258)
Adjusted EBITDA	82,169	58,177	157,041	98,561
Mineral Nutrition				
Net sales	68,945	63,250	131,933	122,312
Cost of sales	61,215	56,355	118,499	110,242
Selling, general and administrative expenses(1)	1,904	1,708	3,619	3,637
Add: Depreciation and amortization	541	515	1,075	1,031
Adjusted EBITDA	6,367	5,702	10,890	9,464

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

Performance Products				
Net sales	14,988	16,593	32,437	35,440
Cost of sales	12,010	12,950	25,964	27,768
Selling, general and administrative expenses[1]	2,388	2,047	4,506	4,120
Add: Depreciation and amortization	241	292	467	625
Adjusted EBITDA	831	1,888	2,434	4,177
Adjusted EBITDA – Total segments	$ 89,367	$ 65,767	$ 170,365	$ 112,202
Reconciliation of Adjusted EBITDA to income before income taxes:				
Less:				
Interest expense, net	11,756	8,996	23,815	16,637
Depreciation and amortization – Total segments	12,365	11,093	24,724	19,605
Depreciation and amortization – Corporate	526	481	997	973
Corporate costs	21,303	17,592	40,443	33,371
Acquisition-related cost of goods sold[2]	839	1,634	1,956	1,634
Acquisition-related transaction costs	193	8,815	451	12,239
Stock-based compensation expense - named executive officer awards granted in fiscal year 2024	180	180	359	359
Phibro Forward income growth initiatives implementation costs - SG&A[3]	3,635	1,696	3,635	2,046
Insurance proceeds[4]	—	(1,257)	(3,786)	(1,257)
Foreign currency losses, net	2,145	11,699	5,079	12,137
Income before income taxes	$ 36,425	$ 4,838	$ 72,692	$ 14,458

(1) Selling, general, and administrative expenses primarily include compensation-related expenses for employees not directly involved in the production and sale of inventory, rent expenses, research and development costs, marketing expenses, and other general and administrative expenses.

(2) Represents cost of goods sold related to the stepped-up value of inventory obtained in acquisitions.

(3) Phibro Forward is a company-wide initiative focused on unlocking additional areas of revenue growth and cost savings.

(4) Represents insurance settlement gains, which are recorded within selling, general and administrative expenses.

The geographic location of property, plant and equipment, net and ROU operating lease assets was:

As of	December 31, 2025	June 30, 2025
Property, plant and equipment, net and ROU operating lease assets		
United States	$ 236,887	$ 239,874
Israel	73,248	74,403
Brazil	35,244	34,504
Ireland	27,432	25,141
Other	21,986	22,107
	$ 394,797	$ 396,029

Asset information is not provided for reportable segments in the information regularly provided to the CODM. Accordingly, such information is not disclosed in this footnote.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Introduction

Our management's discussion and analysis of financial condition and results of operations ("MD&A") is provided to assist readers in understanding our performance, as reflected in the results of our operations, our financial condition and our cash flows. The following discussion summarizes the significant factors affecting our consolidated operating results, financial condition, liquidity and cash flows as of and for the periods presented. This MD&A should be read in conjunction with our consolidated financial statements and related notes thereto included elsewhere in this Quarterly Report on Form 10-Q. Our future results could differ materially from our historical performance as a result of various factors such as those discussed in "Risk Factors" in Item 1A of our Annual Report and "Forward-Looking Statements."

Overview of our business

Phibro Animal Health Corporation is a leading global diversified animal health and mineral nutrition company. We develop, manufacture and market a broad range of products for food and companion animals including poultry, swine, beef and dairy cattle, aquaculture, and dogs. Our products help prevent, control and treat diseases, and support nutrition to help improve animal health and well-being. In addition to animal health and mineral nutrition products, we manufacture and market specific ingredients for use in the personal care, industrial chemical and chemical catalyst industries.

Acquisition

In April 2024, the Company entered into a Purchase and Sale Agreement (the "Purchase Agreement") with Zoetis Inc., a Delaware corporation ("Zoetis") to acquire Zoetis's medicated feed additive ("MFA") portfolio, certain water-soluble products and related assets (the "Acquisition"). On October 31, 2024, the Company completed the Acquisition at a purchase price of approximately $297.5 million ($286.5 million, as adjusted, net of cash acquired). The Acquisition was funded by term loan borrowings under the 2024 Credit Agreement. Since the Acquisition, the product portfolio acquired has contributed $382.8 million to our overall net sales, of which $94.1 million and $36.7 million were recorded in the three months ended December 31, 2025 and 2024, and $174.6 million and $36.7 million were recorded in the six months ended December 31, 2025 and 2024, respectively. Also included in the Acquisition are six manufacturing sites, comprised of four in the U.S., one in Italy and one in China. The results of operations of the Acquisition are included in our consolidated statements of operations from the date of acquisition and reported within the Animal Health segment.

2024 Credit Agreement

In July 2024, we entered into a Credit Agreement (the "2024 Credit Agreement") with a group of lenders. Initial borrowings were used to refinance all our outstanding debt, to pay fees and expenses of the transaction, and for ongoing working capital requirements and general corporate purposes. Borrowings under the Delayed Draw Term A-1 and A-2 Loans were used to finance the purchase price of the Acquisition. See "Notes to Consolidated Financial Statements — Debt — 2024 Credit Agreement" for additional information.

Armed Conflicts

Israel and Hamas

Since the October 2023 attack on Israel by Hamas, Israel has been engaged in ongoing hostilities along its northern and southern borders, and tensions in the broader Middle East, including with Iran, remain elevated. The situation in the region is volatile, unpredictable, and subject to rapid escalation.

We have three manufacturing sites in Israel. A manufacturing plant in Neot Hovav that produces active pharmaceutical ingredients for certain of our anticoccidial and antimicrobial products, a facility in Beit Shemesh that produces vaccines and a plant in Petah Tikvah that manufactures premix products and nutritional products. In addition, we have an office location near Tel Aviv in Airport City. As of December 31, 2025, we had approximately 500 employees located in Israel. We have confidence in our ability to meet our supply commitment to customers and maintain sufficient inventory to continue regional support. Our operations in Israel have navigated numerous challenging situations over the years.

The resumption of conflicts in this region may trigger bans, economic and other sanctions, as well as broader military conflict, which could include neighboring nations and their respective allies. The potential impact of the current conflict, or escalation thereof, on our business is unclear but may include, without limitation, the possible disruption of our operations, particularly at our facilities in Israel, supply chain and logistics disruptions, personnel and raw material shortages, and other consequences, including as a result of the actions of, or disruption of the operations of, certain regulatory and governmental authorities and of certain of our suppliers, collaborative partners, licensees, manufacturing sites, distributors and customers.

Our Israeli manufacturing facilities and local operations account for 16% of our consolidated assets as of December 31, 2025, and 16% of our consolidated net sales for the six months ended December 31, 2025.

Russia and Ukraine

In response to the armed conflict between Russia and Ukraine that began in February 2022, we and our employees have provided support to Ukraine in the form of monetary donations, free products and humanitarian services. Our limited intent for the Russian market is to continue to provide medicines and vaccines, and related regulatory and technical support, to help existing customers combat disease challenges in the production of food animals on their farms. We have no production or direct distribution operations and no planned investments in Russia.

Since the conflict began, the United States and other North Atlantic Treaty Organization (“NATO”) member states, as well as non-member states, announced targeted economic sanctions on Russia, including certain Russian citizens and enterprises. The continuation or escalation of the conflict may trigger additional economic and other sanctions, as well as broader military conflict. The potential impacts of any resulting bans, sanctions, boycotts or broader military conflicts on our business are uncertain. The potential impacts could include supply chain and logistics disruptions, macroeconomic impacts resulting from the exclusion of Russian financial institutions from the global banking system, volatility in foreign exchange rates and interest rates, inflationary pressures on raw materials and energy as well as heightened cybersecurity threats. Our sales to Russia and Ukraine for the twelve months ended December 31, 2025 represented approximately 1% of consolidated net sales.

We cannot know if the conflict could escalate and result in broader economic and security concerns that could adversely affect our business, financial condition, or results of operations.

Macroeconomic developments

Macroeconomic developments, such as adverse economic conditions worldwide, international conflicts, or efforts of governments to stimulate or stabilize the economy or manage trade disputes, may adversely impact our business. For example, the U.S. government has instituted or proposed changes in trade policies that include the renegotiation or termination of existing trade agreements, the imposition of higher tariffs on imports into the United States, and other government regulations affecting trade between the United States and other countries. These measures could introduce supply chain inefficiencies, challenge current trade agreements with certain nations, and affect the cost and availability of materials critical to our products. Any such tariffs, if and when enacted, and any further legislation or actions taken by the U.S. government that restrict trade, such as additional tariffs, trade barriers, and other protectionist or retaliatory measures could adversely impact our ability to sell products and services in our markets. Countries may, in response to any U.S. actions, adopt retaliatory or other protectionist measures that could further limit our ability to offer our products and services. The ultimate impact of any tariffs will depend on various factors, including if any tariffs are ultimately implemented, the timing of implementation, and the amount, scope, and nature of the tariffs.

We believe global population growth, the growth of the global middle class and the productivity improvements needed due to limitations of arable land and water supplies have supported and will continue to support growth of the animal health industry.

Regulatory developments

In April 2016, the Food and Drug Administration ("FDA") began initial steps to withdraw approval of carbadox (the active ingredient in our Mecadox product) via a regulatory process known as a Notice of Opportunity for Hearing ("NOOH"), due to concerns that certain residues from the product may persist in animal tissues for longer than previously determined. In the years following, Phibro has continued an ongoing process of responding collaboratively and transparently to the FDA's CVM inquiries and has provided extensive and meticulous research and data that confirmed the safety of carbadox. In July 2020, the FDA announced it would not proceed to a hearing on the scientific concerns raised in the 2016 NOOH, consistent with the normal regulatory procedure, but instead announced that it was withdrawing the 2016 NOOH and issuing a proposed order to review the regulatory method for carbadox. Phibro reiterated the safety of carbadox and the appropriateness of the regulatory method and offered to work with the CVM to generate additional data to support the existing regulatory method or select a suitable alternative regulatory method.

In March 2022, the FDA held a Part 15 virtual public hearing seeking data and information related to the safety of carbadox in which Phibro participated and again detailed the research and data that confirm the safety of carbadox. In November 2023, the FDA issued a final order to revoke the approved method for detecting carbadox residues. The FDA also provided notice in the Federal Register proposing to withdraw approval of all NADAs providing for use of carbadox in medicated swine feed and announcing an opportunity for Phibro to request a hearing on this proposal. This second action is based on CVM's determination that there is no approved regulatory method to detect carbadox residues in the edible tissues of the treated swine. Phibro is continuing to defend swine producers' ability to use Mecadox. We have requested a full evidentiary hearing on the merits before an administrative law judge. In January 2024, Phibro filed a lawsuit in the D.C. Federal District Court asking the court to invalidate the order which revoked the regulatory method for carbadox. Should we be unable to successfully defend the safety of the product, the loss of carbadox sales will have an adverse effect on our financial condition and results of operations. Sales of Mecadox (carbadox) for the twelve months ended December 31, 2025 were approximately $22 million. As of the date of the filing of this Quarterly Report on Form 10-Q, Mecadox continues to be available for use by swine producers.

In 2018, the Ministry of Agriculture in Brazil ("MAPA"), published an ordinance to ban the use of antimicrobials used at sub-therapeutic levels for growth promotion and feed efficiency in animal feed. The ordinance was in response to international pressure and scientific concerns about the potential risks of antimicrobial resistance. The Company's virginiamycin product is currently registered and used at sub-therapeutic levels in cattle, broilers, layers and swine in Brazil. The Company and key stakeholders (trade associations) requested that MAPA allow sponsors time to shift from growth promotion claims to therapeutic claims. In 2022 and more recently in 2025, additional MAPA public consultations were held to discuss the prohibition on the use of antimicrobials as growth promoters. These discussions affect the Company's virginiamycin product in Brazil, which is the only remaining key livestock production market where virginiamycin does not yet have therapeutic indications. The Company has been actively conducting studies to address MAPA's requirements to obtain therapeutic indications for virginiamycin in Brazil and has submitted dossiers to MAPA for approval.

Analysis of the consolidated statements of operations

Summary Results of Operations

For the Periods Ended December 31	Three Months 2025	Three Months 2024	Three Months Change		Six Months 2025	Six Months 2024	Six Months Change	
	(in thousands, except per share amounts and percentages)							
Net sales	$ 373,910	$ 309,261	$ 64,649	*21 %*	$ 737,803	$ 569,693	$ 168,110	*30 %*
Gross profit	132,656	101,870	30,786	*30 %*	252,439	185,365	67,074	*36 %*
Selling, general and administrative expenses	82,330	76,337	5,993	*8 %*	150,853	142,133	8,720	*6 %*
Operating income	50,326	25,533	24,793	*97 %*	101,586	43,232	58,354	*
Interest expense, net	11,756	8,996	2,760	*31 %*	23,815	16,637	7,178	*43 %*
Foreign currency losses, net	2,145	11,699	(9,554)	*(82)%*	5,079	12,137	(7,058)	*(58)%*
Income before income taxes	36,425	4,838	31,587	*	72,692	14,458	58,234	*
Provision for income taxes	8,966	1,653	7,313	*	18,706	4,298	14,408	*
Net income	$ 27,459	$ 3,185	$ 24,274	*	$ 53,986	$ 10,160	$ 43,826	*
Net income per share								
Basic	$ 0.68	$ 0.08	$ 0.60	*	$ 1.33	$ 0.25	$ 1.08	*
Diluted	$ 0.67	$ 0.08	$ 0.59	*	$ 1.32	$ 0.25	$ 1.07	*
Weighted average number of shares outstanding								
Basic	40,534	40,504			40,534	40,504		
Diluted	40,956	40,715			40,916	40,649		
Ratio to net sales								
Gross profit	*35.5 %*	*32.9 %*			*34.2 %*	*32.5 %*		
Selling, general and administrative expenses	*22.0 %*	*24.7 %*			*20.4 %*	*24.9 %*		
Operating income	*13.5 %*	*8.3 %*			*13.8 %*	*7.6 %*		
Income before income taxes	*9.7 %*	*1.6 %*			*9.9 %*	*2.5 %*		
Net income	*7.3 %*	*1.0 %*			*7.3 %*	*1.8 %*		
Effective tax rate	*24.6 %*	*34.2 %*			*25.7 %*	*29.7 %*		

Certain amounts and percentages may reflect rounding adjustments.

* Calculation not meaningful

Net sales, Adjusted EBITDA and reconciliation of GAAP net income to Adjusted EBITDA

We report Net sales and Adjusted EBITDA by segment to understand the operating performance of each segment. This enables us to monitor changes in net sales, costs and other actionable operating metrics at the segment level. See "—General description of non-GAAP financial measures" for descriptions of EBITDA and Adjusted EBITDA.

Segment net sales and Adjusted EBITDA:

For the Periods Ended December 31	Three Months 2025	Three Months 2024	Three Months Change		Six Months 2025	Six Months 2024	Six Months Change	
	(in thousands, except percentages)							
Net sales								
MFAs and other	$ 202,111	$ 150,338	$ 51,773	*34 %*	$ 397,309	$ 258,182	$ 139,127	*54 %*
Nutritional specialties	50,230	45,909	4,321	*9 %*	98,381	88,558	9,823	*11 %*
Vaccines	37,636	33,171	4,465	*13 %*	77,743	65,201	12,542	*19 %*
Animal Health	289,977	229,418	60,559	*26 %*	573,433	411,941	161,492	*39 %*
Mineral Nutrition	68,945	63,250	5,695	*9 %*	131,933	122,312	9,621	*8 %*
Performance Products	14,988	16,593	(1,605)	*(10)%*	32,437	35,440	(3,003)	*(8)%*
Total	$ 373,910	$ 309,261	$ 64,649	*21 %*	$ 737,803	$ 569,693	$ 168,110	*30 %*
Adjusted EBITDA								
Animal Health	$ 82,169	$ 58,177	$ 23,992	*41 %*	$ 157,041	$ 98,561	$ 58,480	*59 %*
Mineral Nutrition	6,367	5,702	665	*12 %*	10,890	9,464	1,426	*15 %*
Performance Products	831	1,888	(1,057)	*(56)%*	2,434	4,177	(1,743)	*(42)%*
Corporate	(21,303)	(17,592)	(3,711)	*21 %*	(40,443)	(33,371)	(7,072)	*21 %*
Total	$ 68,064	$ 48,175	$ 19,889	*41 %*	$ 129,922	$ 78,831	$ 51,091	*65 %*
Adjusted EBITDA as a percentage of segment net sales								
Animal Health	*28.3 %*	*25.4 %*			*27.4 %*	*23.9 %*		
Mineral Nutrition	*9.2 %*	*9.0 %*			*8.3 %*	*7.7 %*		
Performance Products	*5.5 %*	*11.4 %*			*7.5 %*	*11.8 %*		
Corporate[(1)]	*(5.7)%*	*(5.7)%*			*(5.5)%*	*(5.9)%*		
Total[(1)]	*18.2 %*	*15.6 %*			*17.6 %*	*13.8 %*		

(1) Reflects ratio to total net sales

The table below sets forth a reconciliation of net income, as reported under GAAP, to Adjusted EBITDA:

For the Periods Ended December 31	Three Months 2025	Three Months 2024	Three Months Change		Six Months 2025	Six Months 2024	Six Months Change	
	(in thousands, except percentages)							
Net income	$ 27,459	$ 3,185	$ 24,274	*	$ 53,986	$ 10,160	$ 43,826	*
Interest expense, net	11,756	8,996	2,760	*31 %*	23,815	16,637	7,178	*43 %*
Provision for income taxes	8,966	1,653	7,313	*	18,706	4,298	14,408	*
Depreciation and amortization	12,891	11,574	1,317	*11 %*	25,721	20,578	5,143	*25 %*
EBITDA	61,072	25,408	35,664	*	122,228	51,673	70,555	*
Acquisition-related cost of goods sold	839	1,634	(795)	*(49)%*	1,956	1,634	322	*20 %*
Acquisition-related other	193	8,815	(8,622)	*(98)%*	451	12,239	(11,788)	*(96)%*
Phibro Forward income growth initiatives - SG&A[(1)]	3,635	1,696	1,939	*	3,635	2,046	1,589	*78 %*
Stock-based compensation expense - named executive officer awards granted in fiscal year 2024	180	180	—	*— %*	359	359	—	*— %*
Insurance proceeds	—	(1,257)	1,257	*	(3,786)	(1,257)	(2,529)	*
Foreign currency losses, net	2,145	11,699	(9,554)	*(82)%*	5,079	12,137	(7,058)	*(58)%*
Adjusted EBITDA	$ 68,064	$ 48,175	$ 19,889	*41 %*	$ 129,922	$ 78,831	$ 51,091	*65 %*

(1) Phibro Forward is a company-wide initiative focused on unlocking additional areas of revenue growth and cost savings.

Certain amounts may reflect rounding adjustments.

* Calculation not meaningful

Comparison of three months ended December 31, 2025 and 2024

Net sales

Net sales of $373.9 million for the three months ended December 31, 2025 increased $64.6 million, or 21%, as compared to the three months ended December 31, 2024. Animal Health increased $60.6 million, Mineral Nutrition increased $5.7 million, and Performance Products decreased $1.6 million.

Animal Health

Net sales of $290.0 million for the three months ended December 31, 2025 increased $60.6 million, or 26%. Net sales of MFAs and other increased $51.8 million, or 34%, due to incremental revenues of $57.5 million from sales of products from the MFA portfolio acquired on October 31, 2024, partially offset by the timing of purchases by a large customer.

Net sales of nutritional specialty products increased $4.3 million, or 9%, primarily due to increased North American demand for dairy.

Net sales of vaccines increased $4.5 million, or 13%, primarily due to continued growth of poultry products in Latin America and an increase in international demand, particularly in Southeast Asia.

Mineral Nutrition

Net sales of $68.9 million for the three months ended December 31, 2025 increased $5.7 million, or 9%, due to an increase in demand for trace minerals and zinc.

Performance Products

Net sales of $15.0 million for the three months ended December 31, 2025 decreased $1.6 million, or 10%, as a result of lower demand for the ingredients used in personal care products.

Gross profit

Gross profit of $132.7 million for the three months ended December 31, 2025 increased $30.8 million, or 30%, as compared to the three months ended December 31, 2024. Gross margin increased 260 basis points to 35.5% of net sales for the three months ended December 31, 2025, as compared to 32.9% for the three months ended December 31, 2024. The comparison of gross profit to the prior year includes a net decrease of $0.8 million for acquisition-related cost of goods sold related to the purchase accounting for the Acquisition. Excluding this purchase accounting item, gross profit increased $30.0 million, or 29%, and gross margin increased 220 basis points to 35.7% of net sales due to increased sales, favorable product mix, and increases in average selling prices, partially offset by higher input and distribution costs and the unfavorable impact of changes in foreign currency exchange rates.

Animal Health gross profit, excluding the purchase accounting item discussed above, increased $29.8 million, primarily driven by increased sales, favorable product mix, and increases in average selling prices, partially offset by higher input and distribution costs and the unfavorable impact of changes in foreign currency exchange rates. Mineral Nutrition gross profit increased $0.8 million, driven by increased sales volume. Performance Products gross profit decreased $0.6 million, primarily as a result of lower demand.

Selling, general and administrative expenses ("SG&A")

SG&A of $82.3 million for the three months ended December 31, 2025 increased $6.0 million, or 8%, as compared to the three months ended December 31, 2024. SG&A for the three months ended December 31, 2025 included $3.6 million of costs associated with Phibro Forward income growth initiatives, $0.2 million for acquisition-related costs, and $0.2 million of stock-based compensation expense related to awards granted to certain named executive officers in fiscal year 2024. SG&A for the three months ended December 31, 2024 included $8.8 million of acquisition-related costs, $1.7 million of costs associated with Phibro Forward income growth initiatives, and $0.2 million of stock-based compensation expense, partially offset by $1.3 million related to an insurance settlement gain. Excluding these items, SG&A increased $11.4 million, or 17%.

Animal Health SG&A, excluding the non-recurring Animal Health related items discussed above, increased $7.1 million, primarily due to an increase in employee-related costs due in part to the incremental headcount added as part of the Acquisition. Mineral Nutrition SG&A increased $0.2 million, and Performance Products SG&A increased $0.4 million. Corporate costs, excluding the non-recurring Corporate related items discussed above, increased $3.7 million due to an increase in employee-related costs.

Interest expense, net

Interest expense, net of $11.8 million for the three months ended December 31, 2025 increased $2.8 million, as compared to the three months ended December 31, 2024, due to higher average debt levels associated with the financing of the Acquisition, as well as the expiration of a favorable interest rate swap agreement on $300.0 million of notional debt principal.

Foreign currency losses, net

Foreign currency losses, net for the three months ended December 31, 2025 were $2.1 million, as compared to $11.7 million of net losses for the three months ended December 31, 2024. Current period gains/losses were driven by fluctuations in certain currencies related to the U.S. dollar, most prominently, in the Argentine Peso and the Israeli New Shekel. Prior year period losses were driven in large part by fluctuations in the Brazil Real.

Provision for income taxes

The provision for income taxes was $9.0 million and $1.7 million for the three months ended December 31, 2025 and 2024, respectively. The effective income tax rate was 24.6% and 34.2% for the three months ended December 31, 2025 and 2024, respectively.

The effective income tax rate in the current year was higher than the federal statutory rate of 21% due to the impact of Global Intangible Low-Tax Income tax expense and state and local income taxes. The provision for income taxes in the current year was also impacted by other taxes, primarily driven by the mix of foreign income.

The effective income tax rate in the current period included among other items (i) a $0.2 million expense from changes in uncertain tax positions related to prior years and (ii) certain other charges, including acquisition-related costs, foreign currency losses, and certain stock-based compensation, which had lower tax rates. The effective income tax rate in the prior year included (i) various exchange rate losses, (ii) changes in uncertain tax positions related to prior years, and (iii) certain other charges, including acquisition-related costs. Excluding these items, the effective income tax rate was 23.7% and 26.3% for the three months ended December 31, 2025 and 2024, respectively.

Net income

Net income of $27.5 million for the three months ended December 31, 2025 increased $24.3 million, as compared to net income of $3.2 million for the three months ended December 31, 2024. Operating income increased $24.8 million, driven by favorable gross profit, partially offset by higher SG&A. Gross profit increased $30.8 million primarily as a result of higher sales in the Animal Health segment, driven in part by incremental revenues associated with sales from the MFA portfolio acquired on October 31, 2024. SG&A increased $6.0 million due to higher employee-related costs and a net increase of $1.9 million of costs associated with Phibro Forward income growth initiatives. Interest expense, net increased $2.8 million due to higher debt levels, due in part to the financing of the Acquisition and the expiration of an interest rate swap agreement. Foreign currency losses, net decreased $9.6 million. Income tax expense increased $7.3 million.

Comparison of six months ended December 31, 2025 and 2024

Net sales

Net sales of $737.8 million for the six months ended December 31, 2025 increased $168.1 million, or 30%, as compared to the six months ended December 31, 2024. Animal Health sales increased $161.5 million. Mineral Nutrition sales increased $9.6 million and Performance Products sales decreased $3.0 million.

Animal Health

Net sales of $573.4 million for the six months ended December 31, 2025 increased $161.5 million, or 39%. Net sales of MFAs and other increased $139.1 million, or 54%, due to incremental revenues of $137.9 million from sales of products from the MFA portfolio acquired on October 31, 2024 and increased demand for certain of our MFAs in North and South America, partially offset by the timing of purchases by a large customer.

Net sales of nutritional specialty products increased $9.8 million, or 11%, due to increased North American demand for dairy.

Net sales of vaccines increased $12.5 million, or 19%, primarily due to continued growth of poultry products in Latin America and increase in international demand, particularly in Southeast Asia.

Mineral Nutrition

Net sales of $131.9 million for the six months ended December 31, 2025 increased $9.6 million, or 8%, due to an increase in demand for copper, zinc and trace minerals.

Performance Products

Net sales of $32.4 million for the six months ended December 31, 2025 decreased $3.0 million, or 8%, as a result of lower demand for the ingredients used in personal care products.

Gross profit

Gross profit of $252.4 million for the six months ended December 31, 2025 increased $67.1 million, or 36%, as compared to the six months ended December 31, 2024. Gross margin increased 170 basis points to 34.2% of net sales for the six months ended December 31, 2025, as compared to 32.5% for the six months ended December 31, 2024. The comparison of gross profit to the prior year includes a net increase of $0.3 million for acquisition-related cost of goods sold related to purchase accounting adjustments for the Acquisition. Excluding this purchase accounting item, gross profit increased $67.4 million, or 36%, and gross margin increased 170 basis points to 34.5% of net sales due to increased sales, favorable product mix, and increases in average selling prices, partially offset by higher input and distribution costs and the unfavorable impact of changes in foreign currency exchange rates.

Animal Health gross profit, excluding the purchase accounting item discussed above, increased $67.2 million, driven by higher sales volume, favorable product mix, and increases in average selling prices, partially offset by higher input and distribution costs and the unfavorable impact of changes in foreign currency exchange rates. Mineral Nutrition gross profit increased $1.4 million, driven by increased sales volume. Performance Products gross profit decreased $1.2 million, primarily as a result of lower demand.

Selling, general and administrative expenses

SG&A of $150.9 million for the six months ended December 31, 2025 increased $8.7 million, or 6%, as compared to the six months ended December 31, 2024. SG&A for the six months ended December 31, 2025, included $3.6 million of costs associated with Phibro Forward income growth initiatives, $0.5 million for acquisition-related costs, and $0.4 million of stock-based compensation expense related to awards granted to certain named executive officers in fiscal year 2024, partially offset by $3.8 million related to insurance settlement gains. SG&A for the six months ended December 31, 2024, included $12.2 million for acquisition-related costs, $2.0 million of costs associated with Phibro Forward income growth initiatives, and $0.4 million of stock-based compensation expense, partially offset by a $1.3 million insurance settlement gain. Excluding these items, SG&A increased $21.4 million.

Animal Health SG&A, excluding the non-recurring Animal Health-related items discussed above, increased $13.9 million due to an increase in employee-related costs due in part to the incremental headcount added as part of the Acquisition. Mineral Nutrition SG&A was comparable to the prior year, and Performance Products SG&A increased $0.4 million. Corporate expenses, excluding the non-recurring Corporate-related items discussed above, increased $7.1 million due to an increase in employee-related costs.

Interest expense, net

Interest expense, net of $23.8 million for the six months ended December 31, 2025 increased $7.2 million, or 43%, as compared to the six months ended December 31, 2024, due to higher average debt levels associated with the financing of the Acquisition, as well as the expiration of a favorable interest rate swap agreement on $300.0 million of notional debt principal.

Foreign currency losses, net

Foreign currency losses, net for the six months ended December 31, 2025 were $5.1 million, as compared to net losses of $12.1 million for the six months ended December 31, 2024. Current period losses were driven by fluctuations in certain currencies related to the U.S. dollar, most prominently, in the Argentine Peso and the Israeli New Shekel. Prior year period losses were driven most prominently by fluctuations in the Brazil Real.

Provision for income taxes

The provision for income taxes was $18.7 million and $4.3 million for the six months ended December 31, 2025 and 2024, respectively. The effective income tax rate was 25.7% and 29.7% for the six months ended December 31, 2025 and 2024, respectively.

The effective income tax rate in the current year was higher than the federal statutory rate of 21% due to the impact of Global Intangible Low-Tax Income tax expense and state and local income taxes. The provision for income taxes in the current year was also impacted by other taxes, primarily driven by the mix of foreign income.

The effective income tax rate in the current period included among other items, (i) a $0.4 million expense from changes in uncertain tax positions related to prior years, (ii) $3.8 million in insurance proceeds taxed at a lower rate, and (iii) certain other charges, including acquisition-related costs, foreign currency losses, and certain stock-based compensation, which had lower tax rates. The effective income tax rate in the prior year included (i) various exchange rate losses (ii) changes in uncertain tax positions related to prior years and (iii) certain other charges, including acquisition-related costs, which had lower tax rates. Excluding these items, the effective income tax rate was 24.7% and 25.0% for the six months ended December 31, 2025 and 2024, respectively.

On July 4, 2025, the U.S. Congress enacted “An Act to Provide for Reconciliation Pursuant to Title II of H. Con. Res. 14,” (the “OBBBA”), also known as the “One Big Beautiful Bill Act,” which includes significant amendments to the Internal Revenue Code. The impact of this legislation was immaterial on our consolidated financial statements.

Net income

Net income was $54.0 million for the six months ended December 31, 2025, as compared to net income of $10.2 million for the six months ended December 31, 2024. Operating income increased $58.4 million driven by higher gross profit, partially offset by higher SG&A of $8.7 million due to higher employee-related costs and a net increase of $1.6 million in costs associated with Phibro Forward income growth initiatives. Interest expense, net increased $7.2 million due to higher debt levels associated with the refinancing of the Company’s debt and the expiration of an interest rate swap agreement. Foreign currency losses, net decreased $7.1 million. Income tax expense increased $14.4 million.

Adjusted net income and adjusted diluted earnings per share

We report adjusted net income and adjusted diluted earnings per share to portray the results of our operations prior to considering certain income statement elements. See “—General description of non-GAAP financial measures” for more information.

A reconciliation of net income, as reported under GAAP, to adjusted net income, is as follows:

	Three Months				Six Months			
For the Periods Ended December 31	**2025**	**2024**	**Change**		**2025**	**2024**	**Change**	
	(in thousands, except per share amounts and percentages)							
Reconciliation of GAAP Net Income to Adjusted Net Income								
Net income	$ 27,459	$ 3,185	$ 24,274	*	$ 53,986	$ 10,160	$ 43,826	*
Adjustments								
Acquisition-related items, net of income tax(1)(2)	3,322	9,515	(6,193)	*(65)%*	6,830	14,015	(7,185)	*(51)%*
Certain items, net of income tax(1)	2,908	479	2,429	*	172	2,386	(2,214)	*(93)%*
Foreign currency losses, net of income tax(1)	1,831	8,914	(7,083)	*(79)%*	4,181	9,270	(5,089)	*(55)%*
Certain income tax items(1)	198	163	35	*21 %*	396	501	(105)	*(21)%*
Total adjustments, net of income tax(2)	8,259	19,070	(10,811)	*(57)%*	11,579	26,171	(14,592)	*(56)%*
Adjusted net income(2)	$ 35,718	$ 22,255	$ 13,463	*60 %*	$ 65,565	$ 36,331	$ 29,234	*80 %*

* Calculation not meaningful

(1) See table titled “Items Excluded from Adjusted Net Income” below for further details.

(2) Current year presentation of acquisition-related items, net of income tax includes acquisition-related depreciation associated with the step-up of fair value of the acquired fixed assets. Prior year periods have been adjusted to conform to current year presentation.

A reconciliation of reported diluted earnings per share, as reported under GAAP, to non-GAAP adjusted diluted EPS is:

	Three Months				Six Months			
For the Periods Ended December 31	**2025**	**2024**	**Change**		**2025**	**2024**	**Change**	
	(in thousands, except per share amounts and percentages)							
Reconciliation of GAAP diluted EPS to Adjusted diluted EPS								
GAAP EPS, diluted	$ 0.67	$ 0.08	$ 0.59	*	$ 1.32	$ 0.25	$ 1.07	*
Adjustments								
Acquisition-related items, net of income tax(1)	0.08	0.23	(0.15)	*(65)%*	0.17	0.34	(0.17)	*(51)%*
Certain items, net of income tax	0.07	0.01	0.06	*	—	0.06	(0.06)	*(100)%*
Foreign currency losses, net of income tax	0.04	0.22	(0.18)	*(82)%*	0.10	0.23	(0.13)	*(56)%*
Certain income tax items	—	—	—	*	0.01	0.01	(0.00)	*(19)%*
Adjustments EPS, diluted(1)	0.19	0.46	(0.27)	*(59)%*	0.28	0.64	(0.36)	*(57)%*
Adjusted EPS, diluted(1)	$ 0.87	$ 0.55	$ 0.32	*58 %*	$ 1.60	$ 0.89	$ 0.71	*80 %*

* Calculation not meaningful

(1) Current year presentation of acquisition-related items, net of income tax includes acquisition-related depreciation associated with the step-up of fair value of the acquired fixed assets. Prior year periods have been adjusted to conform to current year presentation.

Items excluded from adjusted net income consisted of:

	Three Months		Six Months	
For the Periods Ended December 31	2025	2024	2025	2024
		(in thousands)		
Items Excluded from Adjusted Net Income				
Acquisition-related items				
Acquisition-related cost of goods sold	$ 839	$ 1,634	$ 1,956	$ 1,634
Acquisition-related depreciation in cost of goods sold(1)(2)	1,689	441	3,289	441
Acquisition-related intangible amortization in cost of goods sold	1,116	1,578	2,229	3,229
Acquisition-related intangible amortization in SG&A	597	587	1,193	1,198
Acquisition-related transaction costs in SG&A	193	8,815	451	12,239
Acquisition-related items - income taxes	(1,112)	(3,540)	(2,288)	(4,726)
Total acquisition-related items, net of income taxes(2)	3,322	9,515	6,830	14,015
Certain items				
Stock-based compensation expense - named executive officer awards granted in fiscal year 2024	180	180	359	359
Phibro Forward income growth initiatives - SG&A	3,635	1,696	3,635	2,046
Insurance proceeds	—	(1,257)	(3,786)	(1,257)
Refinancing expense	—	—	—	1,960
Certain items - income taxes	(907)	(140)	(36)	(722)
Total certain items, net of income taxes	2,908	479	172	2,386
Foreign currency losses, net				
Foreign currency losses, net	2,145	11,699	5,079	12,137
Foreign currency losses, net - income taxes	(314)	(2,785)	(898)	(2,867)
Total foreign currency losses, net, net of income taxes	1,831	8,914	4,181	9,270
Certain income tax items				
Changes in uncertain tax positions and certain other items	198	163	396	501
Total certain income tax items	198	163	396	501
Total adjustments, net of income taxes(2)	$ 8,259	$ 19,070	$ 11,579	$ 26,171

(1) Represents acquisition-related depreciation associated with the step-up of fair value of the acquired fixed assets.

(2) Current year presentation of acquisition-related items, net of income tax includes acquisition-related depreciation associated with the step-up of fair value of the acquired fixed assets. Prior year periods have been adjusted to conform to current year presentation.

Analysis of financial condition, liquidity and capital resources

The net decrease in cash and cash equivalents was as follows:

For the Periods Ended December 31	Six Months 2025	Six Months 2024	Change
	(in thousands)		
Cash provided (used) by:			
Operating activities	$ 28,654	$ 15,698	$ 12,956
Investing activities	(38,198)	(263,403)	225,205
Financing activities	(2,645)	247,123	(249,768)
Effect of exchange rate changes on cash and cash equivalents	(364)	(2,957)	2,593
Net decrease in cash and cash equivalents	$ (12,553)	$ (3,539)	$ (9,014)

Certain amounts may reflect rounding adjustments.

Operating activities

Operating activities provided $28.7 million of net cash for the six months ended December 31, 2025. Cash provided by net income, adjusted for the non-cash items, including depreciation and amortization, was $87.3 million. Cash used in the ordinary course of business from changes in operating assets and liabilities was $58.6 million. Accounts receivable provided $13.7 million of cash due to the timing of collection of sales proceeds and higher sales. Inventories used $73.2 million of cash due to increased quantities on hand due to timing of inventory purchases and forecasted future demand. Accounts payable used $3.9 million of cash due to timing of purchases and payments. Accrued expenses and other liabilities used cash of $2.7 million, primarily due to timing of incurrence.

Investing activities

Investing activities used $38.2 million of net cash for the six months ended December 31, 2025. Capital expenditures were $24.9 million, as we continue to invest in expanding production capacity and productivity improvements. Purchases of our short-term investments used $24.0 million in cash, and maturities of our short-term investments provided $14.0 million in cash. Investing activities for the six months ended December 31, 2025 included funding of $6.5 million of investments and loans for strategic partnerships and the receipt of proceeds of $3.7 million from corporate-owned life insurance policies.

Financing activities

Financing activities used $2.6 million of net cash for the six months ended December 31, 2025. Net revolver borrowings on our credit facility provided $20.0 million in cash. We paid $9.7 million in dividends to holders of our Class A common stock and Class B common stock. We also paid $8.1 million in scheduled quarterly principal payments on long-term debt and $4.8 million in financed insurance premiums during the six months ended December 31, 2025.

Liquidity and capital resources

We believe our cash on hand, operating cash flows and financing arrangements, including the availability of borrowings under the 2024 Credit Facility, will be sufficient to support our ongoing cash needs. We have considered the current and potential future effects of the macroeconomic market conditions in the financial markets. At this time, we expect adequate liquidity for at least the next twelve months. We can provide no assurance that our liquidity and capital resources will be adequate for future funding requirements. We believe we will be able to comply with the terms of the covenants under the 2024 Credit Facilities based on our operating plan. In the event of adverse operating results and/or violation of covenants under the facilities, there can be no assurance we would be able to obtain waivers or amendments. Other risks to our meeting future funding requirements include global economic conditions and macroeconomic, business and financial disruptions that could arise, including armed conflicts between Israel and Hamas (and broader military conflict in the region) and between Russia and Ukraine. There can be no assurance that a challenging economic environment or an economic downturn would not affect our liquidity or ability to obtain future financing or fund operations or investment opportunities. In addition, our debt covenants may restrict our ability to invest.

Certain relevant measures of our liquidity and capital resources are as follows:

As of	December 31, 2025	June 30, 2025
	(in thousands, except ratios)	
Cash and cash equivalents and short-term investments	$ 74,508	$ 77,039
Working capital	525,945	456,344
Ratio of current assets to current liabilities	3.01:1	2.65:1

We define working capital as total current assets (excluding cash and cash equivalents and short-term investments) less total current liabilities (excluding current portion of long-term debt). We calculate the ratio of current assets to current liabilities based on this definition.

As of December 31, 2025, we had $107.0 million in outstanding borrowings under the 2024 Revolver and outstanding letters of credit and other commitments of $2.9 million, leaving $200.1 million available for further borrowings and letters of credit, subject to restrictions in our 2024 Credit Facilities

We currently intend to pay quarterly dividends on our Class A common stock and Class B common stock, subject to approval from the Board of Directors. On February 3, 2026, our Board of Directors declared a cash dividend of $0.12 per share on Class A common stock and Class B common stock, payable on March 25, 2026, to stockholders of record at the close of business on March 4, 2026. Our future ability to pay dividends will depend upon our results of operations, financial condition, capital requirements, our ability to obtain funds from our subsidiaries and other factors that our Board of Directors deems relevant. Additionally, the terms of our current and any future agreements governing our indebtedness could limit our ability to pay dividends or make other distributions.

As of December 31, 2025, our cash and cash equivalents and short-term investments included $72.2 million held by our international subsidiaries. There are no restrictions on cash distributions to PAHC from our international subsidiaries. Distributions may be subject to taxation by U.S. or non-U.S. taxing authorities.

Contractual obligations

As of December 31, 2025, there were no material changes in payments due under contractual obligations from those disclosed in the Annual Report.

Off-balance sheet arrangements

We do not currently use off-balance sheet arrangements for the purpose of credit enhancement, hedging transactions, investment or other financial purposes.

In the ordinary course of business, we may indemnify our counterparties against certain liabilities that may arise. These indemnifications typically pertain to environmental matters. If the indemnified party were to make a successful claim pursuant to the terms of the indemnification, we would be required to reimburse the loss. These indemnifications generally are subject to certain restrictions and limitations.

General description of non-GAAP financial measures

Adjusted EBITDA

Adjusted EBITDA is an alternative view of performance used by management as our primary operating measure, and we believe that investors' understanding of our performance is enhanced by disclosing this performance measure. We report Adjusted EBITDA to reflect the results of our operations prior to considering certain income statement elements and to make financial and operating decisions. We calculate EBITDA as net income (loss) plus (i) interest expense, net, (ii) provision for income taxes or less benefit for income taxes and (iii) depreciation and amortization. We calculate Adjusted EBITDA as EBITDA plus (a) other expense or less other income, as separately reported on our consolidated statements of operations, including foreign currency (gains) losses, net and (b) certain items that we consider to be unusual, non-operational or non-recurring. The Adjusted EBITDA measure is not, and should not be viewed as, a substitute for GAAP reported net income (loss) and should not be viewed as a measure of liquidity.

The Adjusted EBITDA measure is an important internal measurement for us. We measure our overall performance on this basis in conjunction with other performance metrics. The following are examples of how our Adjusted EBITDA measure is utilized:

- senior management receives a monthly analysis of our operating results that is prepared on an Adjusted EBITDA basis;
- our annual budgets are prepared on an Adjusted EBITDA basis; and
- other goal-setting and performance measurements are prepared on an Adjusted EBITDA basis.

Despite the importance of this measure to management in goal setting and performance measurement, Adjusted EBITDA is a non-GAAP financial measure that has no standardized meaning prescribed by GAAP and, therefore, has limits in its usefulness to investors. Because of its non-standardized definition, Adjusted EBITDA, unlike GAAP net income (loss), may not be comparable to the calculation of similar measures of other companies. Adjusted EBITDA is presented to permit investors to more fully understand how management assesses performance.

We also recognize that, as an internal measure of performance, the Adjusted EBITDA measure has limitations, and we do not restrict our performance management process solely to this metric. A limitation of the Adjusted EBITDA measure is that it provides a view of our operations without including all events during a period, such as the depreciation of property, plant and equipment or amortization of acquired intangibles, and does not provide a comparable view of our performance to other companies.

Adjusted net income (loss) and adjusted diluted earnings (loss) per share

Adjusted net income (loss) and adjusted diluted earnings (loss) per share represent alternative views of performance, and we believe investors' understanding of our performance is enhanced by disclosing these performance measures. We report adjusted net income (loss) and adjusted diluted earnings (loss) per share to portray the results of our operations prior to considering certain income statement elements. We calculate adjusted net income (loss) as net income (loss) plus (i) acquisition-related depreciation associated with the step-up of fair value of the acquired fixed assets, acquisition-related intangible amortization and other acquisition-related items, (ii) certain items we consider to be unusual, non-operational or non-recurring, including certain stock-based compensation awards, (iii) foreign currency (gains) losses, as separately reported on our consolidated statements of operations, and (iv) the income tax effect of pre-tax income adjustments and certain income tax items. Adjusted diluted earnings per share is calculated using the adjusted net income (loss) divided by the diluted weighted average number of shares. The adjusted net income (loss) and adjusted diluted earnings (loss) per share measures are not, and should not be viewed as, a substitute for GAAP reported net income (loss).

Adjusted net income (loss) and adjusted diluted earnings (loss) per share are non-GAAP financial measures that have no standardized meaning prescribed by GAAP and, therefore, have limits in their usefulness to investors. Because of its non-standardized definition, adjusted net income (loss) and adjusted diluted earnings (loss) per share, unlike GAAP net income (loss), may not be comparable to the calculation of similar measures of other companies. Adjusted net income (loss) and adjusted diluted earnings (loss) per share are presented to permit investors to more fully understand how management assesses performance.

Certain significant items

Adjusted EBITDA, adjusted net income (loss) and adjusted diluted earnings (loss) per share are calculated prior to considering acquisition-related items and certain other items, as detailed in the table titled "Items Excluded from Adjusted Net Income" above. We evaluate such items on an individual basis. Such evaluation considers both the quantitative and the qualitative aspect of their unusual or non-operational or non-recurring nature. Unusual, in this context, may represent items that are not part of our ongoing business; items that, either as a result of their nature or size, we would not expect to occur as part of our normal business on a regular basis.

We consider acquisition-related activities and business restructuring costs related to productivity and cost saving initiatives to be unusual items that we do not expect to occur as part of our normal business on a regular basis. We consider foreign currency gains and losses to be non-operational because they arise principally from intercompany transactions and are largely non-cash in nature.

New accounting standards

For discussion of new accounting standards, see "Notes to Consolidated Financial Statements—Summary of Significant Accounting Policies and New Accounting Standards."

Critical Accounting Policies

Our significant accounting policies, which include management's best estimates and judgments, are included in Note 2 to the consolidated financial statements for the year ended June 30, 2025 included in our Annual Report on Form 10-K filed with the Securities Exchange Commission on August 27, 2025. There have been no significant changes in our critical accounting estimates since June 30, 2025.

Forward-Looking Statements

This Quarterly Report on Form 10-Q contains forward-looking statements that are subject to risks and uncertainties. All statements other than statements of historical or current fact included in this report are forward-looking statements. Forward-looking statements discuss our current expectations and projections relating to our financial condition, results of operations, plans, objectives, future performance and business. You can identify forward-looking statements by the fact that they do not relate strictly to historical or current facts. These statements may include words such as “aim,” “anticipate,” “believe,” “estimate,” “expect,” “forecast,” “outlook,” “potential,” “project,” “projection,” “plan,” “intend,” “seek,” “may,” “could,” “would,” “will,” “should,” “can,” “can have,” “likely,” the negatives thereof and other words and terms of similar meaning in connection with any discussion of the timing or nature of future operating or financial performance or other events. For example, all statements we make relating to our estimated and projected earnings, revenues, costs, expenditures, cash flows, growth rates and financial results, our plans and objectives for future operations, growth or initiatives, strategies, or the expected outcome or impact of pending or threatened litigation are forward-looking statements. All forward-looking statements are subject to risks and uncertainties that may cause actual results to differ materially from those that we expected. Examples of such risks and uncertainties include:

- outbreaks of animal diseases could significantly reduce demand for our products or availability of raw materials;
- perceived adverse effects on human health linked to the consumption of food derived from animals that utilize our products could cause a decline in the sales of those products;
- restrictions on the use of antibacterials in food-producing animals may become more prevalent, including limitation of use related to implementation and compliance with Food and Drug Administration (“FDA”) Guidance 273 (as defined below) and similar initiatives, in other larger production markets globally;
- the potential FDA withdrawal of approval of our Mecadox® (carbadox) product;
- a material portion of our sales and gross profits are generated by antibacterials and other related products;
- competition in each of our markets from a number of large and small companies, some of which have greater financial, research and development (“R&D”), production and other resources than we have;
- our business may be negatively affected by weather conditions and the availability of natural resources;
- the negative effects of a pandemic, epidemic, or outbreak of an infectious disease in humans, such as COVID-19, on our business, financial results, manufacturing facilities and supply chain, as well as our customers, protein processors and markets;
- climate change could have a material adverse impact on our operations and our customers’ businesses;
- actions of regulatory bodies, including obtaining approvals related to the testing, manufacturing and marketing of certain of our products;
- the continuing trend toward consolidation of certain customer groups as well as the emergence of large buying groups;
- our ability to control costs and expenses;
- any unforeseen material loss or casualty;
- misuse or extra-label use of our products;
- exposure relating to rising costs and reduced customer income;
- heightened competition, including those from generics and those deriving from advances in veterinary medical practices and animal health technologies;
- unanticipated safety or efficacy concerns;
- our dependence on suppliers having current regulatory approvals;
- our raw materials are subject to price fluctuations and their availability can be limited;
- natural and man-made disasters, including but not limited to fire, snow and ice storms, flood, hail, hurricanes and earthquakes;

- business interruption from political and social instability, including crime, civil disturbance, terrorist activities, outbreaks of disease and pandemics and armed conflicts, such as armed conflicts between Israel and Hamas (and potential broader military conflict in the region) and between Russia and Ukraine;
- terrorist attacks, particularly attacks on or within markets in which we operate, including terrorist attacks on Israel by Hamas or Hezbollah;
- risks related to changes in tax rates and exposure;
- our ability to successfully implement our strategic initiatives;
- our reliance on the continued operation of our manufacturing facilities and application of our intellectual property;
- adverse U.S. and international economic market conditions, including currency fluctuations;
- failure of our product approval, R&D, acquisition and licensing efforts to generate new products;
- the risks of product liability claims, legal proceedings and general litigation expenses;
- the impact of current and future laws and regulatory changes, including risks related to the protection of our customers' privacy and risks related to environmental, health and safety laws and regulations;
- modification of foreign trade policy, including any new or increased tariffs or retaliatory measures in response to such modification, may negatively impact our profitability and may harm our food animal product customers;
- our ability to successfully integrate acquired businesses, including the medicated feed additive product portfolio, certain water-soluble products and related assets, which we acquired from Zoetis Inc.;
- our dependence on our Israeli and Brazilian operations;
- impact of increased or decreased inventory levels at our direct customers or channel distributors;
- our substantial level of indebtedness and related debt-service obligations;
- restrictions imposed by covenants in our debt agreements;
- the risk of breaches of data security and cybersecurity attacks;
- risks related to the use of artificial intelligence ("AI") in our business;
- our dependence on sophisticated information technology and infrastructure;
- the risk of work stoppages; and
- other factors as described in "Risk Factors" in Item 1A of our Annual Report.

While we believe that our assumptions are reasonable, we caution that it is very difficult to predict the impact of known factors, and it is impossible for us to anticipate all factors that could affect our actual results. Important factors that could cause actual results to differ materially from our expectations, or cautionary statements, are disclosed under “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations.” All forward-looking statements are expressly qualified in their entirety by these cautionary statements. You should evaluate all forward-looking statements made in this report in the context of these risks and uncertainties.

We caution you that the important factors referenced above may not contain all of the factors that are important to you. In addition, we cannot assure you that we will realize the results or developments we expect or anticipate or, even if substantially realized, that they will result in the consequences we anticipate or affect us or our operations in the way we expect. The forward-looking statements included in this report are made only as of the date hereof. We undertake no obligation to publicly update or revise any forward-looking statement as a result of new information, future events or otherwise, except as otherwise required by law. If we do update one or more forward-looking statements, no inference should be made that we will make additional updates with respect to those or other forward-looking statements.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

In the normal course of operations, we are exposed to market risks arising from adverse changes in interest rates, foreign currency exchange rates and commodity prices. As a result, future earnings, cash flows and fair values of assets and liabilities are subject to uncertainty. We use, from time to time, foreign currency contracts, interest rate swaps, and interest rate collars as a means of hedging exposure to foreign currency risks and fluctuating interest rates, respectively. We do not utilize derivative instruments for trading or speculative purposes. We do not hedge our exposure to market risks in a manner that eliminates the effects of changing market conditions on earnings, cash flows and fair values. We monitor the financial stability and credit standing of our major counterparties.

For financial market risks related to changes in interest rates and foreign currency exchange rates, reference is made to the "Management's Discussion and Analysis of Financial Condition and Results of Operations—Qualitative and Quantitative Disclosures about Market Risk" section in the Annual Report and to the notes to the consolidated financial statements included therein. As of the date of this report, there were no material changes in the Company's financial market risks from the risks disclosed in the Annual Report.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

An evaluation was carried out under the supervision and with the participation of the Company's management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended). Based upon that evaluation as of December 31, 2025, our Chief Executive Officer and Chief Financial Officer each concluded that, as of the end of such period, our disclosure controls and procedures were effective.

Changes in Internal Control over Financial Reporting

There were no changes that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting during the quarter ended December 31, 2025.

PART II—OTHER INFORMATION

Item 1. Legal Proceedings

Information required by this Item is incorporated herein by reference to "Notes to Consolidated Financial Statements—Commitments and Contingencies" in Part I, Item 1, of this Quarterly Report on Form 10-Q.

Item 1A. Risk Factors

In addition to the other information set forth in this Quarterly Report on Form 10-Q, you should carefully consider the factors discussed in "Risk Factors" in Item 1A of our Annual Report, which could materially affect our business, financial condition or future results.

There were no material changes in the Company's risk factors from the risks disclosed in the Annual Report.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

None.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

On December 11, 2025, BFI Co., LLC (“BFI”) adopted a Rule 10b5-1 trading arrangement that is intended to satisfy the affirmative defense of Rule 10b5-1(c) under the Exchange Act for the sale of up to 528,000 shares of Class A common stock through September 15, 2026. Jack C. Bendheim, our Chairman of the Board of Directors, President and Chief Executive Officer, has sole authority to vote shares of our stock owned by BFI.

Item 6. Exhibits

Exhibit 31.1	Chief Executive Officer—Certification pursuant to Sarbanes-Oxley Act of 2002 Section 302
Exhibit 31.2	Chief Financial Officer—Certification pursuant to Sarbanes-Oxley Act of 2002 Section 302
Exhibit 32.1	Chief Executive Officer—Certification pursuant to Sarbanes-Oxley Act of 2002 Section 906
Exhibit 32.2	Chief Financial Officer—Certification pursuant to Sarbanes-Oxley Act of 2002 Section 906
Exhibit 101.INS	Inline XBRL Instance Document
Exhibit 101.SCH	Inline XBRL Taxonomy Extension Schema Document
Exhibit 101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
Exhibit 101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
Exhibit 101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
Exhibit 101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
Exhibit 104	Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

	Phibro Animal Health Corporation
February 4, 2026	By: /s/ Jack C. Bendheim
	Jack C. Bendheim
	Chairman, President and Chief Executive Officer
February 4, 2026	By: /s/ Glenn C. David
	Glenn C. David
	Chief Financial Officer

EXHIBIT 31.1

CERTIFICATIONS

I, Jack C. Bendheim, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Phibro Animal Health Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: February 4, 2026

/s/ Jack C. Bendheim
Jack C. Bendheim
Chairman, President and Chief Executive Officer

EXHIBIT 31.2

CERTIFICATIONS

I, Glenn C. David, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Phibro Animal Health Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: February 4, 2026

/s/ Glenn C. David
Glenn C. David
Chief Financial Officer

EXHIBIT 32.1

CERTIFICATION UNDER SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned certifies that this periodic report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that information contained in this periodic report fairly presents, in all material respects, the financial condition and results of operations of the issuer.

Dated: February 4, 2026

/s/ Jack C. Bendheim
Jack C. Bendheim
Chairman, President and Chief Executive Officer

EXHIBIT 32.2

CERTIFICATION UNDER SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned certifies that this periodic report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that information contained in this periodic report fairly presents, in all material respects, the financial condition and results of operations of the issuer.

Dated: February 4, 2026

/s/ Glenn C. David
Glenn C. David
Chief Financial Officer