

Balchem Corporation Reports First Quarter 2026 Financial Results

Montvale, NJ, April 30, 2026 - Balchem Corporation (NASDAQ: BCPC) reported today financial results for its 2026 fiscal first quarter ended March 31, 2026. For the quarter, the Company reported net sales of \$270.7 million, net earnings of \$40.3 million, adjusted EBITDA^(a) of \$74.3 million, and free cash flow^(a) of \$33.8 million.

Ted Harris, Chairman, President and CEO of Balchem said, “The first quarter was an excellent start to the year for Balchem, with sales and earnings growth in all three segments. We delivered record first quarter net sales, adjusted EBITDA, and net earnings, as well as strong cash flows.”

First Quarter 2026 Financial Highlights:

- Net sales were \$270.7 million, an increase of 8.1% compared to the prior year quarter.
- GAAP net earnings were \$40.3 million, an increase of 8.7% from the prior year quarter.
- Adjusted EBITDA was \$74.3 million, an increase of 12.1% from the prior year quarter.
- GAAP earnings per share was \$1.25 compared to \$1.13 in the prior year quarter and adjusted earnings per share^(a) was \$1.33 compared to \$1.22 in the prior year quarter.
- Cash flows from operations were \$40.1 million, with free cash flow^(a) of \$33.8 million.
- Sales and earnings from operations growth in all three of our reporting segments.

Recent Highlights:

- For the first time, new clinical research using functional magnetic resonance imaging indicates that choline may influence brain network efficiency in post-menopausal women. Published in the peer-reviewed journal Nutrients, the study used Balchem’s VitaCholine® ingredient, showing its effects on working memory-related brain activation and functional connectivity and suggesting that VitaCholine® may help enhance cognitive health in older adults.
- On April 22, we released our 2025 Sustainability Report, highlighting our sustainability initiatives and accomplishments. Guided by our core values and our vision of making the world a healthier place, our Sustainability Report demonstrates our commitment to bringing innovative solutions for global health and nutrition needs, and to operate with excellence as strong stewards of our employees, customers, shareholders, and communities.

Mr. Harris said, “I am very pleased with how we have started 2026, both financially and strategically, with record Q1 financial results and solid progress being made on our strategic growth initiatives.”

Mr. Harris added, “These results highlight the strength and resilience of our business model which will undoubtedly serve us well as we maneuver through the geopolitical environment and the changing global trade outlook that are impacting markets. We believe we are well positioned to continue to drive growth through this market volatility and we will remain nimble and flexible to adjust accordingly as market conditions evolve.”

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Results for Period Ended March 31, 2026 (unaudited)				
(Dollars in thousands, except per share data)				
	Three Months Ended March 31,			
	2026		2025	
Net sales	\$	270,709	\$	250,519
Gross margin		101,084		88,168
Operating expenses		45,458		37,153
Earnings from operations		55,626		51,015
Interest and other expenses		3,104		3,075
Earnings before income tax expense		52,522		47,940
Income tax expense		12,237		10,887
Net earnings	\$	40,285	\$	37,053
Diluted net earnings per common share	\$	1.25	\$	1.13
Adjusted EBITDA ^(a)	\$	74,282	\$	66,290
Adjusted net earnings ^(a)	\$	42,991	\$	40,017
Adjusted net earnings per common share ^(a)	\$	1.33	\$	1.22
Shares used in the calculations of diluted and adjusted net earnings per common share		32,284		32,807

^(a) See “Non-GAAP Financial Information” for a reconciliation of GAAP and non-GAAP financial measures.

Financial Results for the First Quarter of 2026:

The **Human Nutrition and Health** segment generated quarterly sales of \$171.6 million, an increase of \$13.2 million, or 8.3%, compared to the prior year quarter. The increase was driven by higher sales within both the nutrients business and the food ingredients and solutions businesses. Earnings from operations for this segment of \$40.0 million increased \$2.0 million, or 5.4%, compared to \$38.0 million in the prior year quarter, primarily due to the aforementioned higher sales and a favorable mix, partially offset by certain higher manufacturing input costs and higher operating expenses. Excluding the effect of non-cash expense associated with amortization of acquired intangible assets and other adjustments, adjusted earnings from operations^(a) for this segment were \$43.4 million, compared to \$41.0 million in the prior year quarter, an increase of 6.0%.

The **Animal Nutrition and Health** segment generated quarterly sales of \$62.2 million, an increase of \$4.9 million, or 8.6%, compared to the prior year quarter. The increase was driven by higher sales in both the monogastric and ruminant species markets. First quarter earnings from operations for this segment of \$5.7 million increased \$0.5 million, or 8.7%, compared to \$5.2 million in the prior year quarter, primarily due to the aforementioned higher sales, partially offset by certain higher manufacturing input costs and higher operating expenses. Excluding the effect of non-cash expense associated with amortization of acquired intangible assets and other adjustments, adjusted earnings from operations for this segment were \$5.9 million compared to \$5.5 million in the prior year quarter, an increase of 8.2%.

The **Specialty Products** segment generated quarterly sales of \$34.7 million, an increase of \$1.5 million, or 4.4%, compared to the prior year quarter, due to higher sales in the performance gases business. Record earnings from operations for this segment were \$11.9 million, compared to \$9.6 million in the prior year comparable quarter, an increase of 24.5%, primarily driven by the aforementioned higher sales. Excluding the effect of non-cash expense associated with amortization of acquired intangible assets and other adjustments, record adjusted earnings from operations for this segment were \$12.8 million, compared to \$10.5 million in the prior year quarter, an increase of 21.2%.

Consolidated quarterly gross margin of \$101.1 million increased by \$12.9 million, or 14.6%, compared to \$88.2 million for the prior year comparable period. Gross margin as a percentage of sales was 37.3% compared to 35.2% in the prior year period, an increase of 210 basis points, primarily due to the sales growth and manufacturing efficiencies, partially offset by raw material inflation. Operating expenses of \$45.5 million for the quarter increased \$8.3 million from the prior year comparable quarter, primarily due to higher compensation-related costs and an increase in professional services.

Net interest expense was \$2.2 million and \$2.9 million in the first quarters of 2026 and 2025, respectively. The decrease in interest expense was primarily due to lower outstanding borrowings and lower interest rates. Our effective tax rates for the three months ended March 31, 2026 and 2025 were 23.3% and 22.7%, respectively. The higher effective tax rate was primarily due to an increase in certain state taxes.

First quarter cash flows provided by operating activities were \$40.1 million and free cash flow was \$33.8 million. The \$236.4 million of net working capital on March 31, 2026 included a cash balance of \$72.9 million. Significant cash payments during the quarter included a dividend payment of \$30.8 million, repurchases of common stock of \$15.7 million, and capital expenditures and intangible assets acquired of \$6.3 million. Outstanding debt on our revolving loan was \$169.0 million as of March 31, 2026 and our net debt ^(b) was \$96.1 million, with an overall leverage ratio ^(c) on a net debt basis of 0.3 times.

Ted Harris said, “The Balchem team delivered another strong quarter in Q1 of 2026. We remain confident in the long-term growth outlook for our company, despite the current geopolitical and global trade uncertainties, as we continue to focus on progressing our strategic growth initiatives over the course of the remainder of 2026 and beyond.”

^(b) Net debt is defined as the outstanding balance on our revolving loan less cash and cash equivalents.
^(c) Leverage ratio is defined as net debt divided by trailing twelve months adjusted EBITDA.

Quarterly Conference Call

A quarterly conference call will be held on Thursday, April 30, 2026, at 11:00 AM Eastern Time (ET) to review first quarter 2026 results. Ted Harris, Chairman, President and CEO and Martin Bengtsson, CFO will host the call. Institutional investors, analysts and other members of the financial community are invited to join the live call by dialing 800-715-9871 (toll free USA/Canada), +1-646-307-1963 (USA/International) or 647-932-3411 (Canada/Toronto), five minutes prior to the scheduled start time of the conference call. Investors and the public are invited to listen to the live webcast at <https://events.q4inc.com/attendee/169585269>. The conference call will be available for replay shortly after the conclusion of the call at <https://events.q4inc.com/attendee/169585269> for one year.

Segment Information

Balchem Corporation reports three business segments: Human Nutrition and Health, Animal Nutrition and Health, and Specialty Products. The Human Nutrition and Health segment delivers customized food and beverage ingredient systems, as well as key nutrients into a variety of applications across the food, supplement and pharmaceutical industries. The Animal Nutrition and Health segment manufactures and supplies products to numerous animal health markets. Through Specialty Products, Balchem provides specialty-packaged performance gases for use in healthcare and other industries, and also provides chelated minerals to the micronutrient agricultural market. Sales and production of products outside of our reportable segments and other minor business activities are included in "Other and Unallocated".

Forward-Looking Statements

This release contains forward-looking statements, within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, as amended, which reflect our expectation or belief concerning future events that involve risks and uncertainties. These forward-looking statements generally are identified by the words "believe," "project," "expect," "anticipate," "estimate," "forecast," "outlook," "intend," "strategy," "future," "opportunity," "plan," "may," "should," "will," "would," "will be," "will continue," "will likely result," or the negative thereof or variations thereon or similar expressions generally intended to identify forward-looking statements. Forward-looking statements may relate to such matters as projections of revenue, margins, expenses, tax provisions, earnings, cash flows, benefit obligations, dividends, share repurchases or other financial items; any statements of the plans, strategies and objectives of management for future operations, including those relating to any statements concerning expected development, performance or market share relating to our products and services; any statements regarding future economic conditions or our performance; any statements regarding pending investigations, claims or disputes; any statements of expectation or belief; and any statements of assumptions underlying any of the foregoing. These statements are based on the Company's currently available information and our current assumptions, expectations and projections about future events. They are subject to future events, risks and uncertainties - many of which are beyond the Company’s control - as well as potentially inaccurate assumptions, that could cause actual results to differ materially from those in the forward-looking statements. Important factors and other risks that may affect the Company's business or that could cause actual results to differ materially are included in filings the Company makes with the U.S. Securities and Exchange Commission from time to time, including its Annual Report on Form 10-K, its Quarterly Reports on Form 10-Q, its Current Reports on Form 8-K, and in its other SEC filings. Reference should be made to such factors and all forward-looking statements are qualified in their entirety by the above cautionary statements. The Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

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Selected Financial Data (unaudited)
(\$ in 000’s)

Business Segment Net Sales:

	Three Months Ended March 31,			
	2026		2025	
Human Nutrition and Health	\$	171,628	\$	158,457
Animal Nutrition and Health		62,189		57,277
Specialty Products		34,727		33,275
Other ^(d)		2,165		1,510
Total	\$	270,709	\$	250,519

^(d) Other consists of a few minor businesses which individually do not meet the quantitative thresholds for separate presentation.

Business Segment Earnings Before Income Taxes:

	Three Months Ended March 31,			
	2026		2025	
Human Nutrition and Health	\$	40,020	\$	37,974
Animal Nutrition and Health		5,692		5,236
Specialty Products		11,935		9,585
Other and Unallocated ^(e)		(2,021)		(1,780)
Interest and other expenses		(3,104)		(3,075)
Total	\$	52,522	\$	47,940

^(e) Other and Unallocated consists of a few minor businesses which individually do not meet the quantitative thresholds for separate presentation and corporate expenses that have not been allocated to a segment. Unallocated corporate expenses consist of transaction and integration costs of \$895 and \$489 for the three months ended March 31, 2026 and 2025, respectively.

Selected Balance Sheet Items
(Dollars in thousands)

	March 31, 2026 (unaudited)	December 31, 2025
Cash and cash equivalents	\$ 72,873	\$ 74,570
Accounts receivable, net	154,232	143,596
Inventories	146,743	131,449
Other current assets	15,093	15,999
Total current assets	388,941	365,614
Property, plant and equipment, net	303,070	306,648
Goodwill	811,452	816,375
Intangible assets with finite lives, net	156,462	163,289
Right of use assets	15,130	16,192
Other assets	18,687	18,134
Total non-current assets	1,304,801	1,320,638
Total assets	\$ 1,693,742	\$ 1,686,252
Current liabilities	\$ 152,540	\$ 176,384
Revolving loan	169,000	164,000
Deferred income taxes	53,376	54,143
Other long-term obligations	33,710	34,312
Total liabilities	408,626	428,839
Stockholders' equity	1,285,116	1,257,413
Total liabilities and stockholders' equity	\$ 1,693,742	\$ 1,686,252

(unaudited)

Balchem Corporation		
Condensed Consolidated Statements of Cash Flows		
(Dollars in thousands)		
	Three Months Ended March 31,	
	2026	2025
Cash flows from operating activities:		
Net earnings	\$ 40,285	\$ 37,053
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Depreciation and amortization	12,491	11,014
Stock compensation expense	5,356	3,810
Other adjustments	970	(105)
Changes in assets and liabilities	(19,041)	(15,315)
Net cash provided by operating activities	40,061	36,457
Cash flows from investing activities:		
Capital expenditures and intangible assets acquired	(6,252)	(5,559)
Cash paid for acquisitions, net of cash acquired	—	(323)
Proceeds from the sale of assets	2	—
Investment in affiliates	(42)	(30)
Net cash used in investing activities	(6,292)	(5,912)
Cash flows from financing activities:		
Proceeds from revolving loan	52,000	29,000
Principal payments on revolving loan	(47,000)	(29,000)
Principal payments on finance leases	(51)	(49)
Proceeds from stock options exercised	6,727	1,668
Dividends paid	(30,769)	(28,263)
Repurchases of common stock	(15,690)	(5,325)
Net cash used in financing activities	(34,783)	(31,969)
Effect of exchange rate changes on cash	(683)	1,810
(Decrease) increase in cash and cash equivalents	(1,697)	386
Cash and cash equivalents, beginning of period	74,570	49,515
Cash and cash equivalents, end of period	\$ 72,873	\$ 49,901

Non-GAAP Financial Information

In addition to disclosing financial results in accordance with United States (U.S.) generally accepted accounting principles (GAAP), this earnings release contains non-GAAP financial measures that we believe are helpful in understanding and comparing our past financial performance and our future results. The non-GAAP financial measures in this press release include adjusted gross margin, adjusted earnings from operations, adjusted net earnings and the related adjusted per diluted share amounts, EBITDA, adjusted EBITDA, adjusted income tax expense, free cash flow, net debt, and leverage ratio. The non-GAAP financial measures disclosed by the company exclude certain business combination accounting adjustments and certain other items related to acquisitions, certain equity compensation, nonqualified deferred compensation plan expense (income), and certain one-time or unusual transactions. Detailed non-GAAP adjustments are described in the reconciliation tables below and also explained in the related footnotes. These non-GAAP financial measures should not be considered a substitute for, or superior to, financial measures calculated in accordance with GAAP, and the financial results calculated in accordance with GAAP and reconciliations from these results should be carefully evaluated. Investors should not consider non-GAAP measures as alternatives to the related GAAP measures.

Set forth below are reconciliations of the non-GAAP financial measures to the most directly comparable GAAP financial measures.

Table 1
(unaudited)

Reconciliation of Non-GAAP Measures to GAAP (Dollars in thousands, except per share data)			
	Three Months Ended March 31,		
	2026	2025	
Reconciliation of adjusted gross margin			
GAAP gross margin	\$ 101,084	\$ 88,168	
Amortization of intangible assets and finance leases ⁽¹⁾	729	693	
Adjusted gross margin	\$ 101,813	\$ 88,861	
Reconciliation of adjusted earnings from operations			
GAAP earnings from operations	\$ 55,626	\$ 51,015	
Amortization of intangible assets and finance leases ⁽¹⁾	4,451	4,112	
Transaction and integration costs ⁽²⁾	895	489	
Nonqualified deferred compensation plan expense ⁽³⁾	(14)	34	
Adjusted earnings from operations	\$ 60,958	\$ 55,650	
Reconciliation of adjusted net earnings			
GAAP net earnings	\$ 40,285	\$ 37,053	
Amortization of intangible assets and finance leases ⁽¹⁾	4,523	4,184	
Transaction and integration costs ⁽²⁾	895	489	
Income tax adjustment ⁽⁴⁾	(2,712)	(1,709)	
Adjusted net earnings	\$ 42,991	\$ 40,017	
Adjusted net earnings per common share - diluted	\$ 1.33	\$ 1.22	

Table 2
(unaudited)

Reconciliation of GAAP Net Earnings to EBITDA and to Adjusted EBITDA (Dollars in thousands)				
	Three Months Ended March 31,			
	2026		2025	
Net earnings - as reported	\$	40,285	\$	37,053
Add back:				
Provision for income taxes		12,237		10,887
Interest and other expenses		3,104		3,075
Depreciation and amortization		12,419		10,942
EBITDA		68,045		61,957
Add back:				
Non-cash compensation expense related to equity awards		5,356		3,810
Transaction and integration costs ⁽²⁾		895		489
Nonqualified deferred compensation plan expense ⁽³⁾		(14)		34
Adjusted EBITDA	\$	74,282	\$	66,290

Table 3
(unaudited)

Reconciliation of GAAP Effective Income Tax Rate to Non-GAAP Effective Income Tax Rate (Dollars in thousands)				
	Three Months Ended March 31,			
	2026	Effective Tax Rate	2025	Effective Tax Rate
GAAP Income Tax Expense	\$ 12,237	23.3 %	\$ 10,887	22.7 %
Impact of ASU 2016-09 ⁽⁵⁾	1,314		590	
Adjusted Income Tax Expense	\$ 13,551	25.8 %	\$ 11,477	23.9 %

Table 4
(unaudited)

	Reconciliation of Net Cash Provided by Operating Activities to Free Cash Flow			
	(Dollars in thousands)			
	Three Months Ended March 31,			
	2026		2025	
Net cash provided by operating activities	\$	40,061	\$	36,457
Capital expenditures and proceeds from the sale of assets		(6,216)		(5,421)
Free cash flow	\$	33,845	\$	31,036

⁽¹⁾ Amortization of intangible assets and finance leases: Amortization of intangible assets and finance leases consists of amortization of customer relationships, trademarks and trade names, developed technology, regulatory registration costs, patents and trade secrets, capitalized loan issuance costs, other intangibles acquired primarily in connection with business combinations, and finance leases. We record expense relating to the amortization of these intangibles and finance leases in our GAAP financial statements. Amortization expenses for our intangible assets and finance leases are inconsistent in amount and are significantly impacted by the timing and valuation of acquisitions. Consequently, our non-GAAP adjustments exclude these expenses to facilitate an evaluation of our current operating performance and comparisons to our past operating performance.

⁽²⁾ Transaction and integration costs: Transaction and integration costs related to acquisitions and divestitures are expensed in our GAAP financial statements. Management excludes these items for the purposes of calculating adjusted EBITDA and other non-GAAP financial measures. We believe that excluding these items from our non-GAAP financial measures is useful to investors because these are items associated with transactions that are inconsistent in amount and frequency causing comparison of current and historical financial results to be difficult.

⁽³⁾ Nonqualified deferred compensation plan (income) expense: Gains and losses on rabbi trust assets related to our nonqualified deferred compensation plan are recorded in other (income) expense while the offsetting increases or decreases to the deferred compensation liability are recorded within earnings from operations. The increases and decreases in the deferred compensation liability are driven by market volatility and are not a true reflection of company performance. We believe excluding these amounts from our non-GAAP financial measures is useful to investors because these items are inconsistent in amount based on market conditions causing comparison of current and historical financial results to be difficult.

⁽⁴⁾ Income tax adjustment: For purposes of calculating adjusted net earnings and adjusted diluted earnings per share, we adjust the provision for (benefit from) income taxes to tax effect the taxable and deductible non-GAAP adjustments described above as they have a significant impact on our income tax (benefit) provision. Additionally, the income tax adjustment is adjusted for the impact of adopting ASU 2016-09, “Improvements to Employee Share-Based Payment Accounting” and uses our non-GAAP effective rate applied to both our GAAP earnings before income tax expense and non-GAAP adjustments described above. See Table 3 for the calculation of our non-GAAP effective tax rate.

⁽⁵⁾ Impact of ASU 2016-09: The primary impact of ASU No. 2016-09, "Improvements to Employee Share-Based Payment Accounting" ("ASU 2016-09"), was the recognition during the three months ended March 31, 2026 and 2025, of excess tax benefits as a reduction to the provision for income taxes and the classification of these excess tax benefits in operating activities in the consolidated statement of cash flows instead of financing activities. Management excludes this item for the purpose of calculating adjusted Income Tax Expense. We believe that excluding the item in our non-GAAP financial measures is useful to investors because it is inconsistent in amount and frequency causing comparison of current and historical financial results to be difficult.