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An LSEG Business



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- **Kenneth Lane** *Olin Corp - President, Chief Executive Officer, Director*
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- **Operator**
- **Hassan Ahmed** *Alembic Global Advisors - Analyst*
- **Frank Mitsch** *Fermium Research LLC - Analyst*
- **Michael Sison** *Wells Fargo Securities LLC - Analyst*
- **Patrick Cunningham** *Citi Infrastructure Investments LLC - Analyst*
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- **Joshua Spector** *UBS AG - Equity Analyst*
- **Matthew Blair** *Tudor Pickering Holt & Co Securities LLC - Analyst*
- **David Begleiter** *Deutsche Bank AG - Analyst*
- **Arun Viswanathan** *RBC Capital Markets Inc - Analyst*
- **John Roberts** *Mizuho Securities USA LLC - Analyst*
- **Vincent Andrews** *Morgan Stanley - Analyst*

PRESENTATION

Operator

Good morning, and welcome to the Olin Corporation's first quarter 2026 earnings conference call. (Operator Instructions) Please note this event is being recorded.

I would now like to turn the conference over to Steve Keenan, Olin's Director of Investor Relations. Please go ahead, Steve.

Steve Keenan *Olin Corp - Director of Investor Relations*

Thank you, Nick. Good morning, everyone. We appreciate you joining us today to review Olin's first quarter 2026 results. Please keep in mind that today's discussion, together with the associated slides, as well as the question-and-answer session that follows, will include statements regarding estimates or expectations of future performance. Please note these are forward-looking statements and that Olin's actual results could differ materially from those projected.

Some of the factors that could cause actual results to differ from our projections are described without limitations in the Risk Factors section of our most recent Form 10-K and in yesterday's first quarter earnings press release. A copy of today's transcript and slides will be available on our website in the Investors section under Past Events. Our earnings press release and related financial data and information are available under Press Releases.

With me this morning are Ken Lane, Olin's President and CEO; and Todd Slater, Olin's CFO. We'll start with some prepared remarks, then we'll look forward to taking your questions. I'll now turn the call over to Olin's President and CEO, Ken Lane.

Kenneth Lane Olin Corp - President, Chief Executive Officer, Director

Thanks, Steve. Thank you to everyone for joining us today. We appreciate your time and your continued interest in Olin.

Let's start on slide 3 for a view of our first quarter highlights. Amid a very dynamic operating environment in the first quarter, the Olin team executed with discipline, maintaining focus on running our assets safely and reliably, removing structural costs through our Beyond250 program and preserving liquidity, all while staying firmly committed to our value-first commercial approach.

That discipline translated into positive results in the first quarter and sets the stage for stronger earnings in the coming months. During the first quarter, our Epoxy business returned to profitability, and we saw early signs of demand growth for Winchester commercial ammunition.

The Iran conflict introduced significant disruption across global petrochemical supply chains. Sharply higher crude oil prices and freight rates disproportionately impacted non-US producers, further reinforcing the structural cost advantage of US Gulf Coast assets such as Olin's. While these dynamics did not materially benefit our first quarter results due to normal pricing lags, they meaningfully improved the outlook for the second quarter.

Looking ahead, the near-term backdrop has shifted more in favor of US producers than where we were at the beginning of the year. While the duration of Middle East disruptions remains uncertain, we believe the full impact is still unfolding as global supply chains continue to tighten. We're seeing significant inventory drawdowns and deferred maintenance temporarily helping bridge supply gaps. This creates a more constructive environment as the year progresses.

Olin is well positioned to navigate this dynamic environment, supported by our advantaged asset base, improving cost structure, and strong cash generation. As regional customers increasingly prioritize security of supply, we have the flexibility to increase operating rates and capture value while maintaining our value-first commercial approach.

Now turn to slide 4 for a deeper review of Chlor Alkali Products & Vinyls. First-quarter results reflected lower operating costs driven by Beyond250 and lower-than-expected maintenance turnaround costs. Merchant chlorine demand was seasonally soft but improved from the fourth quarter with year-end customer destocking behind us.

We saw chlorine demand into water treatment and crop protection rebound nicely in mid-March as US temperatures warmed. Caustic soda continues to be the stronger side of the ECU. Global demand is stable against the backdrop of tightening supply and a rising cost curve for non-US producers, which sets up for improved earnings as we move through the year.

Several Asian vinyls producers have declared force majeure due to limited access to feedstocks and rapidly increasing costs. This disruption constrains Chlor Alkali production, reducing the availability of co-produced caustic soda. While China has been less affected given its significant coal-based vinyls production, the net impact has been a meaningful reduction in global supply. Trade publications estimate that 6% to 9% of annual vinyls capacity is impacted globally.

All of this drove a sharp spike in global pricing in late March, with levels now moderating as inventories are depleted. US export EDC prices significantly increased since January. We expect EDC and caustic soda pricing to stabilize at higher levels compared to earlier in the year as shortages persist and production costs remain high. Olin has announced a total of \$185 per ton in domestic caustic soda price increases for implementation in the first half of 2026. We continue to aggressively implement the balance of our price announcements.

Slide 5 provides a look at our Epoxy results. First quarter 2026 marks an important milestone as our Epoxy business returned to profitability. We expect full-year Epoxy performance to be meaningfully improved with our return to profitability driven by several well-executed actions. Our Epoxy team has grown our European business in the wake of regional rationalizations. Our new European cost structure is on course to deliver \$40 million to \$50 million of annual cost improvement.

Our Formulated Solutions portfolio continues to provide a high margin platform for growth with a strategic focus on electronics, semiconductors, and power generation. And our recent plant closure in Guarujá, Brazil will further improve our cost structure and strengthen supply integration. In addition to these actions, we are focused on raising prices, which have been significantly depressed due to subsidized Asian supply.

Olin announced March and April epoxy resin price increases totaling more than \$1,200 per ton in North America and EUR1,300 per metric ton in Europe. We expect these increases to offset the higher feedstock and transportation costs.

Let's now turn to slide 6 for an update on our Winchester business. Winchester's first quarter performance was a significant improvement. The team took decisive actions in the second half of last year to rebalance channel inventories and position the business for improved commercial volume and price. As a result, we have regained commercial pricing traction, and retail shipments are moving back into alignment with out-the-door sales. As retailer purchases align, we would expect to realize a commercial volume uplift of mid-to high-single digits year-over-year.

Raw material costs remain a headwind, particularly copper, as well as brass and propellants. We expect that our pricing actions, once implemented, will offset the majority of 2025 cost inflation. However, we expect to continue to see cost pressure as we go through the year. We're continuing to operate a disciplined make-to-demand model that aligns to our value-first commercial approach.

As a result, we're building a strong commercial backlog while tightly managing our working capital. Winchester is a core part of Olin's portfolio. With its iconic global brand, long-standing relationships with leading retailers, the U.S. military, and a broad base of international customers, the business is well-positioned to deliver durable, long-term growth and value creation.

I'll now turn the call over to Todd for a look at our financial highlights.

Todd Slater Olin Corp - Chief Financial Officer, Senior Vice President

Thanks, Ken. Let's review our cash flow, liquidity, and financial foundation. Our top priority continues to be generating strong cash flow to preserve and further enhance liquidity. In February, we took proactive steps to amend our bank credit facilities, providing greater covenant flexibility through late 2027. As a result, we maintain full access to our revolving credit facility and \$1.3 billion of available liquidity.

Our debt structure is well-organized with manageable tranches and staggered bond maturities over the coming years, and no maturities before 2029. As is typical with seasonal working capital needs, net debt and leverage increased in the first quarter. We expect net debt to rise during the first half of 2026 as we make payments to resolve legacy litigation matters. Now, let me take a moment to discuss our outlook for expected uses of cash in 2026.

First, regarding cash taxes. We anticipate receiving refunds from prior years related to clean hydrogen production tax credits under Section 45V as part of the Inflation Reduction Act of 2022. Factoring in these refunds, we expect 2026 to essentially be a cash-free tax year, plus or minus \$20 million. We are proactively managing our capital spending, targeting approximately \$200 million with a focus on funding sustaining capital expenditures to ensure safe and reliable operations of our assets.

We expect to continue our nearly century-long history of uninterrupted quarterly dividend payments. As we further strengthen our financial resilience, any remaining excess cash flow after the preceding capital allocation priorities will be used to reduce our outstanding debt. We remain firmly committed to managing our balance sheet in a way that maximizes our financial flexibility for the future. We anticipate ending the year with a debt leverage ratio of just above 4 times.

Looking forward, our goal remains to average below 2 times leverage across the cycle. Our team's focus is on generating cash, strict cost control, and advancing our Beyond250 structural cost reduction program and a value-first commercial approach.

Before I turn the call back to Ken, I want to comment on Beyond250. The program is designed to permanently remove structural costs, not simply "trim around the edges". We have a clear line of sight to more than \$250 million of cumulative savings by 2028. We delivered \$44 million of structural savings last year and expect to deliver an incremental \$100 million to \$120 million in 2026.

Every day, we continue to expand our Beyond250 scope with a focus on people and processes. We're making great progress on safety with record performance in the first quarter. Our efficiency gains are well socialized and measurable. For example, we've nearly doubled our Freeport, Texas, time on tools. We have transformed our maintenance planning by leveraging historical data and AI tools to evolve from a reactive, time-based scheduling to a proactive risk-based approach.

We've streamlined the organization, reducing site headcount by 15% while reducing our reliance on contractors and improving reliability. To sum up, we are preserving a durable balance sheet, generating healthy cash flows, and maintaining a prudent capital structure to drive long-term shareholder value.

Ken, let me hand the call back to you.

Kenneth Lane Olin Corp - President, Chief Executive Officer, Director

Thanks, Todd. Let's finish up with slide 8 and our outlook for the second quarter. With improved pricing and seasonally higher demand, we expect to realize significantly improved earnings in our CAPV business. Our second quarter outlook includes an estimated impact from an unplanned Vinyls outage at our Freeport, Texas, plant. We're expecting to restart these assets late next week. Olin's value-first commercial approach has preserved our ECU values through an extended trough, and provides an attractive starting point as we begin the next cycle.

Looking out a little further, the Chlor Alkali supply-demand dynamics are favorable with limited additional capacity, the likelihood of further asset rationalization, and a still to come housing and construction demand recovery. Chlor Alkali is well-positioned to rebound from this historic trough.

In our Epoxy business, we expect to see earnings improvement with higher seasonal demand, improved pricing, and continued cost improvements. We're realizing the benefits of being a strong, integrated local producer as customers seek reliable supply in the face of tremendous uncertainty.

Winchester second quarter results are also expected to improve sequentially, with higher commercial ammunition volume and pricing and higher military sales. With that, we expect to deliver second quarter adjusted EBITDA in the range of \$160 million to \$200 million, a significant sequential improvement.

Operator, we're now ready to begin Q&A.

QUESTIONS AND ANSWERS

Operator

(Operator Instructions) Hassan Ahmed, Alembic Global Advisors.

Hassan Ahmed Alembic Global Advisors - Analyst

Just a question on the guidance. Obviously, you guys did \$86 million or so in EBITDA in Q1 and are guiding to, I mean, if I were to take the midpoint, call it \$180 million in Q2. So I'm just trying to get a better sense of bridging that \$100 million or so in incremental EBITDA.

I mean, how much are you guys getting from Beyond250? How much of that is some of these opportunities that you guys see via the conflict in the Middle East? How much from sort of incremental, sort of, call it caustic and EDC export opportunities?

Kenneth Lane Olin Corp - President, Chief Executive Officer, Director

Good morning, Hassan. Thank you for the question. The bridge to between Q1 to Q2 really is, there are a lot of variables that are contributing to that. The largest one is going to be improvement in CAPV from the first quarter. That is going to be driven by improved pricing. Yes, we're going to continue to have some headwinds related to the turnaround costs, but assets are going to be running again, and so we will have higher volume in the second quarter, as well as higher pricing in the second quarter for CAPV.

So both of those things are going to drive a big part of it, but we are going to continue to see benefits from improved costs in the second quarter. Again, netting out the impact from the turnaround. Now we've also built into that outlook, some of the impact or the impact that we currently estimate related to the outage in the Vinyls assets down at Freeport. We are expecting to have those assets

restarted late next week, so that is reflected there.

So that unfortunately takes a little bit out and we've certainly want to make sure we get that done timely and safely, because it's important to get those assets back up when we're seeing the pricing environment that we are for those products. If you look at Epoxy and Winchester, we're going to continue to see improvements in the Epoxy business. So we'll see the seasonal uplift that we normally see for Epoxy. So we are going to see improving demand.

And like I said in the prepared remarks, the team did an outstanding job really trying to position Olin as the last integrated epoxy producer in Europe, and being able to leverage that into a stronger market position with respect to volume growth in 2026 versus 2025. So that's going to continue into the second quarter.

And then the momentum that we saw building from Winchester and the actions that Winchester took late last year to really start to rebalance things, because last year was sort of the perfect storm with higher costs, lower demand, and high inventories. That really has all corrected with the exception of the cost side of that equation, but inventories are certainly back where they're much more comfortable, let's say.

And demand has started to come back. So we are seeing year-over-year growth for the first time in over a year. So that is very good to see. All of those things combined is what creates that uplift, but again, the biggest uplift is going to be coming out of CAPV.

Operator

Frank Mitsch, Fermium Research.

Frank Mitsch Fermium Research LLC - Analyst

Good morning. I wanted to get your thoughts on pricing as we exit 2Q. I mean, I think you have a fairly good line of sight on where you stand today and what your plans are in terms of getting price increases in June. As you think about the average 2Q price across your company versus where you're going to exit 2Q, I would imagine that sets up at a higher level for 3Q. So any way that you can kind of give us some orders of magnitude around expectations on the momentum on the pricing side?

Kenneth Lane Olin Corp - President, Chief Executive Officer, Director

Good morning, Frank. Thanks for joining. As you can imagine, yeah, we already saw -- we'll start with CAPV. In the first quarter, we were already seeing momentum with caustic pricing coming out of the fourth quarter into the first quarter before everything started happening around the world that we saw late in the first quarter. So we're going to see that improvement really start to hit in Q2, but even with the lag that we see in some of the product lines and some of the businesses, yes, there's going to be good momentum continuing into the third quarter, and I expect that that's going to carry through the year, to be honest with you. So if I think about CAPV, you think about caustic, you think about EDC, those are really going to be the two big needle movers. Those price levels are going to continue to be elevated versus where we thought they were going to be at the beginning of the first quarter.

We do see that continuing into the third quarter. Some of the dynamics that we've seen, though, is we had a really fast run-up in these prices, and then we saw them moderate a little bit. And what we saw happening in the market is people who had inventory, as you would expect, they were pushing a lot of that volume into the markets when the prices were spiking.

And so we see that coming down, and we think that once that has played through, and you got to remember even today, with talk about there being a ceasefire and everything in the Middle East, Brent oil is still over \$100 a barrel, and you're looking at natural gas here in the US at \$2.70, \$2.80. That's still a really sizable advantage for US producers.

And in addition to that, you've taken basically out of the market all of that sanctioned oil that was going into a lot of assets in Asia at a significant discount that was creating a big distortion in the market. All of that is now gone. So that is going to be very constructive for pricing as we go into the third quarter. So generally speaking, I think you're just going to start to see it in Q2, but really see it even more as you go out later in the year.

Operator

Mike Sison, Wells Fargo.

Michael Sison Wells Fargo Securities LLC - Analyst

When you think about 2Q, the \$160 million to \$200 million, how would you sort of describe the earnings levels? Are we approaching a mid-cycle sort of number? It doesn't feel like peak, particularly on volume. So just when you think about where pricing is going to set up, and then as you head in longer term, do you think some of this is sustainable where maybe '27 can -- will have structurally higher pricing and margins for the industry?

Kenneth Lane Olin Corp - President, Chief Executive Officer, Director

Good morning, Mike. Thanks for joining. As you think back to what we had said at Investor Day, we're not anywhere near what we would consider our normalized level of earnings. We definitely have seen an improvement from where we were at the beginning of the first quarter. There's no doubt about that, but even with this step up in earnings that we're going to see in Q2 and later in the year, I think what it really reflects is what we tried to emphasize at the Investor Day back at the end of 2024, which is the fact that there is a lot of leverage in Olin's portfolio.

And when you start to see demand come back and you do start to see the supply-demand balance get more normalized, as we've said, there is a lot of leverage here to the upside. So we're not anywhere close to being at a normalized or what you may call mid-cycle level of earnings. We think that that's still out in the future.

Once we start to see things like housing recovery -- recover and infrastructure and general construction coming back in both Europe and in the US, which is going to happen. And I just want to remind you what I had said on the call as well. It is very constructive when you look at the outlook for Chlor Alkali supply and demand. The amount of additional capacity that is being added, the amount of rationalization that has happened and probably will continue to happen is going to be really constructive for us.

So there is still much more leverage here in Olin still to come, and you're just seeing the beginning of some of that now. So when you ask about long-term sustainability, yes, I mean, we're in the trough and we're going to come out of the trough. And I do think that the markets that we're in and the markets that we serve are really set up well to see that sooner than maybe others.

Operator

Patrick Cunningham, Citi.

Patrick Cunningham Citi Infrastructure Investments LLC - Analyst

Hi, good morning. You alluded to some of this price normalization, obviously, EDC being the one that's top of mind. I guess, first, what sort of sensitivity should we expect on EDC prices or perhaps you could help us with the price levels that are embedded within the outlook. And just in terms of the volume uplifts, or value rather, how much is embedded within the Braskem arrangement versus how much opportunistic volume do you have to sell here?

Kenneth Lane Olin Corp - President, Chief Executive Officer, Director

Good morning, Patrick. Thank you for the question. So one of the things if you look at how we're trying to manage the portfolio, we have talked a lot about having optionality, especially around our chlorine outlets and how we're able to flex that as we see markets recover. But we also want to have a diverse set of options. It's not just about having one big option. We want to have multiple options because all of these markets will recover at different rates.

EDC is clearly one that's really important for us. The strategic relationship that we announced with Braskem is one that will be very accretive for us through the cycle, but that only represents part of our EDC volume. We continue to have also part of that EDC portfolio for us that will have a spot exposure, but we're trying to get a balance there. We don't want to have everything spot. We don't want to have everything that's in a long-term contract. And we're doing that to be able to optimize and create the highest value

that we can for Olin through the cycle. That is our strategy.

Operator

Kevin McCarthy, Vertical Research Partners.

Kevin McCarthy Vertical Research Partners LLC - Analyst

Thank you and good morning. Ken, can you provide an update on your EDC and VCM operations at Freeport? Last quarter, I think you flagged a major triennial plant turnaround, and in your prepared remarks this morning, I thought I heard reference to an unplanned outage. So, I'm not sure if those are related or unrelated, but maybe you can kind of talk through the operational outlook there in the quarter.

Kenneth Lane Olin Corp - President, Chief Executive Officer, Director

Sure. Thanks for the question, Kevin. Yeah, we -- in the second quarter, we completed that turnaround that we had started talking about at the last earnings call. You may recall that we talked about that bridging across the end of the first quarter and the beginning of the second quarter, but we did successfully complete that, restarted the VCM assets in Freeport, and that all went very well. The team did an outstanding job executing that turnaround safely, a little bit ahead of schedule, and on budget.

So it was very good, very well executed. Unfortunately, we've had an unplanned event here recently that has brought down the Vinyls assets at Freeport. As I said earlier, we're in the middle of running through our RCA, making sure that we've got everything established to be able to restart those assets safely. And the current plan is to restart those assets late next week, and I've got confidence that the team is going to be able to do that and execute on that as well as they did with the turnaround.

So all of that looks to be coming back into good condition and good shape here in the next week or so.

Operator

Josh Spector, UBS.

Joshua Spector UBS AG - Equity Analyst

Good morning. I wanted to ask broadly just about caustic dynamics here. I think -- I mean, obviously you're going for additional pricing, and you've alluded to that. But when I look at Asia pricing relative to US pricing, I mean, the US seems to have moved to a bit of a premium here. And typically, caustic production is going to increase as PVC production increases over the next few months.

So really the question is, how do you expect North America prices to move higher if North America is going to maybe have more caustic to deal with in a few months and the manufacturing backdrop isn't that strong? I guess, what am I missing on the pricing dynamic that pushes that even higher from here?

Kenneth Lane Olin Corp - President, Chief Executive Officer, Director

Good morning, Josh. Thank you for joining us. There are a lot of dynamics going on in the caustic market that I think people probably underestimate, and thinking linearly about what's happening is and saying what happened in the past is what's going to happen in the current environment. There are so many things that have changed when you think about freight rates, you think about the disruptions just in the supply chains.

So I'll give you an example. There used to be caustic coming into the East Coast from Europe, there was caustic coming in from the West Coast from Asia, and that's pretty much gone now. So all of those dynamics are very different than if you just look at a price in a reported index in Asia or somewhere else. It really becomes, well, what's the availability of product that drives the pricing as much as looking at the arbitrage, because you've got a big step up in freight costs as well.

So that is going to be driving the dynamics here for really the foreseeable future. I don't see that changing. But I want to back up to the first quarter because we're all focused on what's happening just right now. Even back between the fourth quarter and the first quarter, with stable demand, we were already seeing price momentum with caustic. There was an overcorrection last year in caustic. The market was tighter than what people believed, and you saw that begin to recover even before what we see happening currently in the Middle East.

So all of that, I still believe is constructive for the pricing environment around caustic, and so we're still going to be bullish as we look forward because we think that nothing has fundamentally changed. You've taken capacity off, demand is relatively stable, costs are higher, prices should go up in that environment.

Operator

Matthew Blair, TPH.

Matthew Blair Tudor Pickering Holt & Co Securities LLC - Analyst

Thanks, and good morning, Ken and Todd. Ken, I think you mentioned that 6% to 9% of global Vinyls capacity is currently offline due to the Iran war. Is that also a good estimate for global ECU capacity that's offline? And perhaps more importantly, in terms of the duration how quickly could these assets return and how quickly could supply chain normalize if there was a true ceasefire, peace deal announced tomorrow?

Kenneth Lane Olin Corp - President, Chief Executive Officer, Director

Good morning, Matthew. Well, maybe I'll start with your second question because I think a ceasefire's already been announced, and it still is disrupted. I think this is going to linger for quite a while. And if you look at these supply chain disruptions in the past, even it's not a light switch. You don't turn this back on and everything goes back to normal. Ships get out of position, feedstocks are not available for a period of time, and that lingers for weeks, months, typically.

So that's why I'm optimistic that structural support for higher prices and benefits for companies like Olin, who have assets in regions that have good access to low energy and raw materials, is going to be constructive for us. I don't see that really reversing in the short term. I think it's going to take a little bit longer.

Going back to your first question. The 6% to 9% that's been reported for Vinyls capacity that's offline, yeah, I mean, if you don't have a place to put the chlorine, then the ECUs are not going to be produced. So yes, I do believe that that is a good proxy for thinking about that.

Operator

David Begleiter, Deutsche Bank.

David Begleiter Deutsche Bank AG - Analyst

Thank you. Good morning. Ken, on your Vinyl strategy, has the conflict in the last two months influenced your thinking on how you pursue a Vinyl strategy down the road? And just a housekeeping item, on slide 15, the turn on expenses, does the Q2 forecast of \$42 million include the unplanned outage? If not, how much is that unplanned outage in Vinyl?

Kenneth Lane Olin Corp - President, Chief Executive Officer, Director

Good morning, David. Appreciate you joining us. So the vinyls strategy is not impacted by what's going on in the world today. It's still an important market for us and one that we are focusing on longer term to make sure that we have access to that. When we think about all of the options that we've discussed, extending the current agreement that we've got with our fenceline customer at Freeport

is still a priority for us, but there are other good options that we are looking at, and one thing that I would say is this probably -- I shouldn't say probably. This does make some of the other options around partnerships look more attractive, especially to some of the partners that we're working with. So that is a good thing, but it doesn't change our focus on wanting to grow in the vinyls space longer term. So, the strategy is still intact. It's just we've got to continue to work through the options that are in front of us.

The question that you had around the turnaround expenses for the second quarter, that does not include the unplanned events that we're talking about at Freeport. That would be an incremental impact in the second quarter that, again, we've reflected in the outlook that we gave.

Operator

Arun Viswanathan, RBC Capital Markets.

Arun Viswanathan RBC Capital Markets Inc - Analyst

Good morning. Thanks for taking my question. Hope you guys are well. I guess, what -- my main question is really on the duration of the earnings power here. You're guiding to about \$180 million for Q2. Various peers of yours in the space have given various lengths of time for normalization between, call it, three to six months. Is that kind of how you're looking at things? And I guess, you do have some capacity that's entering the industry in the next 6 to 12 months from debottlenecking as well as a new plant coming on maybe in a few years.

Just wondering if you're still feeling that caustic is going to be tight through that period or ultimately if we'll settle in a little bit of a oversupplied situation, and if we do kind of put all that together, does that mean that maybe we're kind of looking at a year that's kind of twice your first half or do you see upside to that?

Kenneth Lane Olin Corp - President, Chief Executive Officer, Director

Good morning, Arun. Yeah. Listen, I'm not going to get into the business of trying to speculate how long this is going to go. I did say earlier, and I do believe this is going to carry through the year, this year, at least the impacts, because costs are going to be higher.

I think people are probably going to be expecting a higher security premium when you think about supply coming out of other regions that have been, frankly, dumping product into Europe's and the US's markets. I think we're seeing a premium for local supply. I think that's going to continue. So even if you see energy prices settle down, there are going to be longer term kind of hangover effects here that I do think are going to be beneficial for Olin. There's no doubt about that, but going back to what I said earlier, too, just around the setup for looking at coming out of the trough and supply-demand outlook for Chlor Alkali, is much more positive than I think maybe you're thinking right now, because I'm not sure you've got to factor in all the pluses and the minuses that have happened over the last year, 1.5 years, 2 years even, with assets that have been closed in Europe and the US and Latin America.

We've seen assets closed in Asia even. And so you look at that, plus there is limited, there's really very little new capacity coming online between now and the end of the decade. Again, I feel very, very bullish about the outlook for the markets that we're playing in and don't see any reason to have a different view on that.

Operator

John Roberts, Mizuho.

John Roberts Mizuho Securities USA LLC - Analyst

Thank you. For your export, EDC business, how are you thinking about the competition from China? Most of their coal-based capacity is inland and their coastal capacity is probably ethylene constrained. How do you think the dynamics there are going to play out in the next few months?

Kenneth Lane Olin Corp - President, Chief Executive Officer, Director

Good morning, John. It's a very good question. Obviously, one that's important for us, with the EDC business that we've got. We are going to see a step up in volume in the second quarter, and prices have moved up significantly from where they were. If you just think back to last year, the price really got overdone and was dropping far more quickly than it needed to in the environment that we were in.

Okay, we are where we are. Things have improved since then and have gotten to a healthier level in terms of prices that we see. The fact that you just mentioned that a lot of that capacity is inland in China, again, will increase the cost to get that EDC to market. Our costs have gone down. They've not gone up. So, we're able to serve the market more competitively at a better price.

And so that is going to be constructive for us as we look forward to the second quarter and the third quarter. And again, I think that's going to continue through the end of the year. Pricing is going to get back to a more, what I would consider, a more normal level for where we are in the supply-demand environment because things got overdone, and I mentioned this just a few minutes ago. The sanctioned oil that's sloshing around in the market, that now has been curtailed. The volume that's still there is going to be priced much higher than it was previously, and that is going to be beneficial to us.

Operator

Vincent Andrews, Morgan Stanley.

Vincent Andrews Morgan Stanley - Analyst

Yesterday or the other day when Chemours reported, they indicated that they'd signed an agreement with you for the 2028-plus period instead of building the plant that they announced back in December of 2024. So could you help us understand the impact to you? Are those tons going to be more profitable, less profitable, about the same as what you're -- how you're monetizing them today?

Kenneth Lane Olin Corp - President, Chief Executive Officer, Director

Good morning, Vincent. Thank you for joining us. Anytime that we can do a strategic partnership like we've done here with Chemours, and it is similar to Braskem, where we're working with an industry leader like Braskem, industry leader in vinyls in Brazil. You've got the industry leader in Chemours for titanium dioxide, and we've created something that is accretive for Olin. This is a long-term supply deal that will start in 2028.

These are the sorts of optionality that we want to put in place in our portfolio that gives us the ability through the cycle to generate stronger earnings, and certainly, we're very happy with the relationship with Chemours and looking forward to expanding that in 2028, but as you can imagine, we're not going to disclose any further details around that agreement, but it certainly is a win-win for both Olin and Chemours.

Operator

As there are no further questions, this concludes our question-and-answer session. I would like to turn the conference back over to Ken Lane for closing comments.

Kenneth Lane Olin Corp - President, Chief Executive Officer, Director

Thank you very much. And listen, we appreciate everybody's time this morning. We appreciate your interest in Olin, and we look forward to giving you an update at our second quarter earnings call later this year. Thank you very much. Have a safe weekend.

Operator

Thank you for attending today's presentation. You may now disconnect.

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