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19<sup>th</sup> June 2018





#### GLOBAL CONTEXT- MATERIAL CHOICE

- Demand is growing for sustainable alternatives to man-made and fossil-based materials from every sector of manufacturing, reflecting the desire to live more sustainably
- Demand for our environmentally-friendly products continues to grow
- With Accoya® and Tricoya®, consumers and specifiers have the opportunity to be more sustainable and consider the environment in every decision







#### ACCSYS

# MAJOR CAPACITY EXPANSION AND STRATEGIC PROGRESS

tricoya

- Tricoya<sup>®</sup> plant in Hull
  - Construction remains on track for completion around mid-2019
- Tricoya<sup>®</sup> licensing activity
  - Continued strong sales of Tricoya® panels 26% increase
  - Agreement of Tricoya® user licence with FINSA
  - Medite existing user licence and off take agreement for Hull
  - Together expected to result in Hull plant becoming cash flow generative at an earlier point





## MAJOR CAPACITY EXPANSION AND



#### STRATEGIC PROGRESS



- Accoya<sup>®</sup> plant in Arnhem
  - Plant expansion complete
  - Operational from June
  - Increase in capacity by 50% to 60,000m<sup>3</sup>
- Strong demand continues for Accoya®
  - Repeat business
  - Expected to generate significant increase in sales and margins







#### FINANCIAL HIGHLIGHTS

- Total revenue increased 8%, Accoya® revenue up by 11% with a 15% increase in H2
- Accoya® sales volume up 7% to 42,676m³ with 15% increase in H2
- Accoya® gross margin improved to 24% in H2 following price increases
- Underlying EBITDA improved to a €0.7m loss in H2 compared to €2.8m loss in H1
- 30% gross margin from the manufacturing of Accoya® continues to be achievable
- Increase in net debt reflects significant investment in capacity increases for both Accoya® and Tricoya®









#### FINANCIAL OVERVIEW

	Year to 31 Mar 2018		Year to 31 Mar 2017	
	Underlying	Statutory	Underlying	Statutory
Total Group Revenue	€60.9m	€60.9m	€56.5m	€56.5m
Gross Profit	€13.6m	€13.6m	€14.4m	€14.4m
EBITDA	(€3.5m)	(€5.7m)	(€1.5m)	(€1.2m)
Loss before tax	(€8.8m)	(€10.4m)	(€4.5m)	(€4.5m)
Year-end cash balance	-	€39.7m	-	€41.2m
Year-end net (debt)/cash balance	-	(€3.8m)	-	€18.0m





#### SEGMENTAL ANALYSIS

2018	Accoya® €'000	Tricoya® €'000	Corporate €'000	R&D €′000	Total €'000
Total revenue	60,711	200	-	-	60,911
Gross profit	13,441	200	-	-	13,641
EBITDA	4,296	(3,019)	(5,423)	(1,505)	(5,651)
Underlying EBITDA	4,644	(2,256)	(4,537)	(1,350)	(3,499)
2017	Accoya® €′000	Tricoya® €'000	Corporate €'000	R&D €'000	Total €'000
2017 Total revenue	_	_	· ·		
	€'000	€′000	· ·		€′000
Total revenue	€′000 56,499	€′000 30	· ·		€'000 56,529







#### REVENUE

- Group revenue up 8% to €60.9m
- Group licensing income down from €1.9m to €0.2m
- Accoya<sup>®</sup> revenue up 11% to €56.3m
- Accoya® sales volume up 7% YOY to 42,676m³ with15% increase in H2
  - UK & Ireland: level at 11,994m<sup>3</sup>
  - Rhodia Acetow: +11% to 9,464m³
  - Americas: +43% to 5,494m<sup>3</sup>
  - Benelux: -8% to 3,405m<sup>3</sup>
  - ASPAC: +26% to 3,540m<sup>3</sup>







#### ACCOYA® MANUFACTURING MARGIN

- Accoya® manufacturing gross profit up 6% to €13.1m (2017 : €12.4m)
- Gross margin of 22% (2017 : 23%)
  - One-off loss on low grade wood
  - Increased cost of raw materials
  - Additional maintenance stop linked to expansion
  - Offset by price increase
- Benefit of 30% gross margin expected with expanded capacity
- Prices under review







#### BALANCE SHEET

	Year to 31 Mar 2018 €'000	Year to 31 Mar 2017 €'000
Non-current assets	71,488	32,520
Current assets	63,505	61,268
Current liabilities	(21,414)	(14,599)
Net current assets	42,091	46,669
Non-current liabilities	(40,084)	(22,718)
Net assets	73,495	56,471



### CASH FLOW

	Year to 31 Mar 2018 €'000	Year to 31 Mar 2017 €'000
Cash flow from operating activities before changes in working capital	(4,548)	(1,189)
Net cash used by operating activities before tax	(1,756)	(1,710)
Tax paid	(2,013)	(745)
Net cash absorbed by operating activities	(3,769)	(2,455)
Net cash used in investing activities	(29,850)	(2,606)
Net cash from financing activities	32,865	37,726
Cash at beginning of period	41,173	8,186
Cash at end of period	39,698	41,173





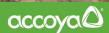


## ACCOYA® PLANT – ARNHEM, NL



## ACCOYA® PLANT - ARNHEM, NL

- Expansion complete new warehouse, distribution centre, maintenance workshops, offices and R&D laboratory
- Third reactor expected to produce first batches this month
- Increase capacity by 50% to in excess of 60,000m<sup>3</sup>
- Ramp-up of production volumes over the next few months to meet pent-up demand for Accoya<sup>®</sup> and Tricoya<sup>®</sup>
- Potential to generate in excess of €90m annually
- Infrastructure in place for fourth reactor to be added at a later date adding a further 20,000m<sup>3</sup>







## TRICOYA® PLANT - HULL, UK

- Substantial progress with the construction
- Construction of key structures progressing well 90% of key equipment orders placed
- Building an operational team of approx. 30 staff
- On track for completion around mid calendar year 2019
- Two licence agreements (Medite and FINSA) expected to result in the plant being cash generative at an earlier point
- Plant expected to break-even at 40% of production capacity







#### OUTLOOK

- Additional capacity meet pent up and growing demand for Accoya<sup>®</sup> and Tricoya<sup>®</sup>
- Sales volumes expected to grow significantly in this financial year
- Start-up of the Hull Tricoya® plant around mid-2019 will provide further capacity to meet demand for Tricoya® and release Accoya® capacity in Arnhem
- Tricoya<sup>®</sup> licence agreement with FINSA great endorsement
- Discussions with further potential licensees ongoing
- High levels of interest in developing new capacity for Accoya® and Tricoya® in both North America and Asia









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