

26 NOVEMBER 2024

Accsys Technologies plc Interim Results

For the six months to 30th September
2024



Oakencroft Farm and Winery, Virginia, USA.
Photo credit: Ansel Olsen, Susphin Architecture

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Overview



Dr Jelena Arsic van Os
Chief Executive Officer

Robust growth and EBITDA momentum

- Strong financial and operational performance for the period – transformation actions working
- Robust customer demand for Accoya in a challenging market with an improved gross margin
- Operational cost savings of €2.5m in the period compared to last year
- Two Accoya production sites now operational
- Business de-risked with discontinuation of Hull
- FOCUS strategy is driving efficiencies and creating a fundamentally stronger business
- Appointment of Sameet Vohra as CFO

¹ Accsys has a 60% shareholding in Accoya USA, a joint venture (JV) with Eastman Chemical Company which started operations in H1 FY25. The total Accoya sales volumes shows all sales out from Arnhem and the JV. ² Whilst the JV is equity accounted for financial reporting purposes, the figure here includes 60% of the JV revenue. ³ Adjusted EBITDA is defined as operating profit/(loss) before Exceptional items, depreciation and amortisation, and includes the Group's attributable share of our USA joint venture's underlying EBITDA.

10%

increase in total Accoya sales¹
volumes at 31,553m³

4%

increase in revenue at €74.1m (inc.
joint venture)²

€4.0m

Adj. EBITDA³ (H1 FY24: €1.6m)

+9%

Increase in gross profit at €22.2m

30.7%

Gross margin +210bps

02

Financial Review



Sameet Vohra
Chief Financial Officer

FINANCIAL OVERVIEW – GOOD FINANCIAL PROGRESS

€million		H1 FY25	H1 FY24	Change
Sales volumes (m³)	Group	30,372	28,807	5%
	US JV – 100%	1,181	-	-
	Total	31,553	28,807	10%
Revenues	Group	72.2	71.2	1%
	US JV – 60% share	1.9	-	-
	Aggregated revenue	74.1	71.2	4%
Group (excl US JV)	Gross profit	22.2	20.3	9%
	Gross margin	30.7%	28.6%	210bp
	Underlying operating costs ¹	(13.8)	(17.7)	3.9
	Underlying EBITDA ²	8.3	2.6	5.7
	Net debt ³	(40.2)	(48.2)	8.0
Adjusted EBITDA ²		4.0	1.6	2.4
Exceptional items ⁴	Tricoya UK restructuring costs	(3.9)	-	-
	Impairment of Tricoya segment assets	(18.0)	(7.0)	(11.0)

ACCOYA H1 FY25 PERFORMANCE

Total Accoya sales volume up 10%, with growth ahead of broader building materials market

Strong performance in UK & Ireland (+24%) and North America (+18%)

North American sales transferred from Arnhem to Kingsport site following commercial start-up

Rest of Europe (-2%) includes good growth in France & Benelux, offset by lower sales in Germany

Strong growth momentum for Accoya Color

	H1 FY25	Growth
Total sales volumes ¹	31,553m ³	+ 10%
Wood revenue ²	€67.4m	+ 7%
Sales volume by end market	H1 FY25	Growth
UK & Ireland	7,622m ³	+ 24%
Rest of Europe	7,274m ³	(2%)
North America	4,983m ³	+ 18%
Rest of World	2,692m ³	+ 2%
Total	22,571m³	+11%
Accoya for Tricoya	8,982m ³	+ 7%
Total volumes	31,553m³	+10%

¹ Total sales volumes are Global Accoya sales volumes (Arnhem + 100% of US JV)

² Wood revenue includes 60% of US JV.

ACCOYA FOR TRICOYA H1 FY25 PERFORMANCE

7% growth in sales volumes of Accoya for Tricoya, reinforces our belief in the long-term market potential for Tricoya panel products.

Revenues from Accoya for Tricoya represent 28% (H1 FY24: 29%) of total Group sales volumes

H1 FY25 revenues up 11% to €12.7m, driven by continued strong product demand



	H1 FY25	Growth
Revenue	€12.7m	+11%
Sales volumes	8,982m ³	+7%



EBITDA SEGMENTAL BREAKDOWN IN H1 FY25

Adjusted EBITDA increased by €2.4m to €4.0m (H1 FY24 : €1.6m)

Strong financial performance from the Accoya segment (excl. Accoya USA)

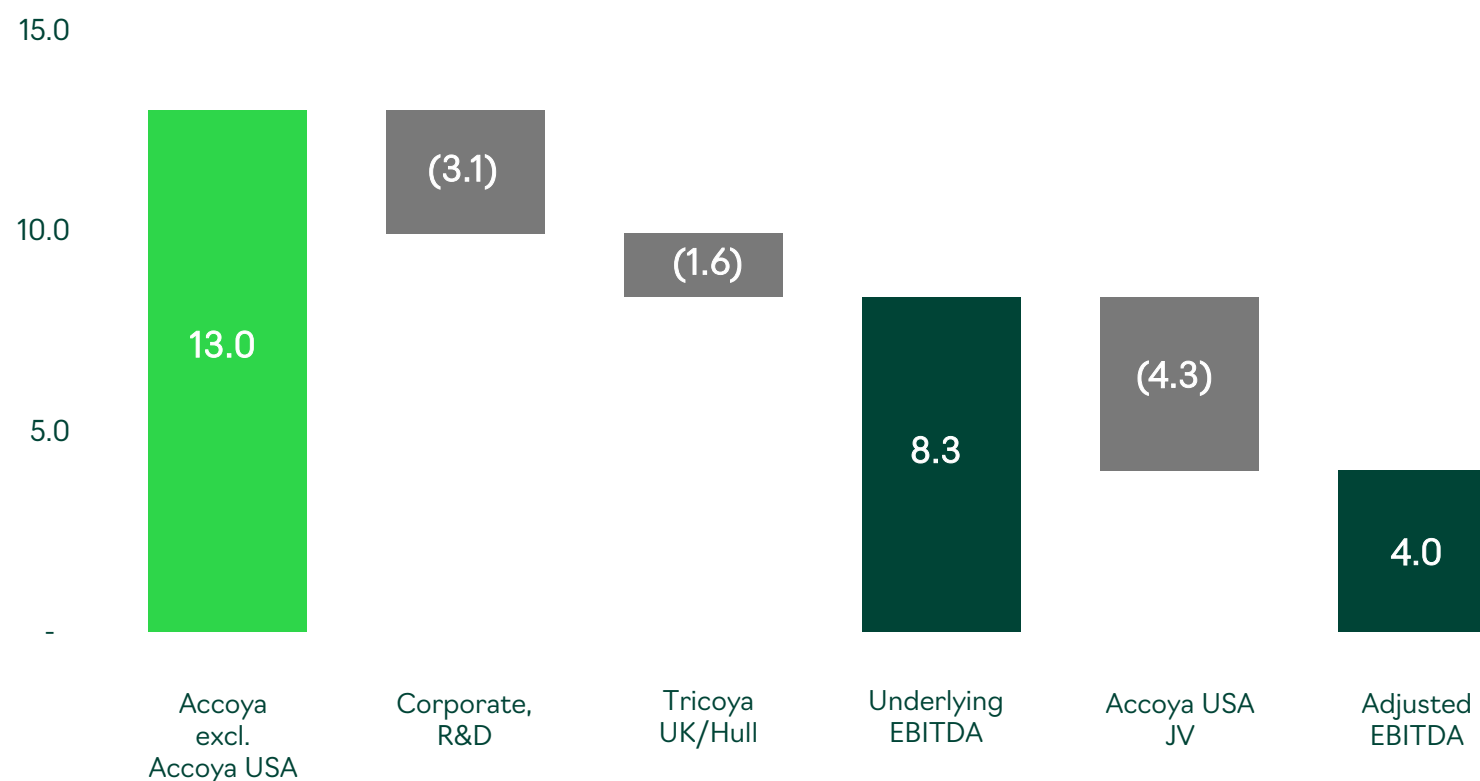
Tricoya UK represents costs incurred during the period in respect of the Hull plant:

- Annual operating cost savings of €3m expected following Hull plant closure

Accoya USA commercial start-up of the plant in H1:

- Accsys share (60%) of US JV result
- EBITDA loss increased by €3.3m due to pre-revenue phase and costs associated with ramp-up of production

Group adjusted EBITDA
(€ million)



EBITDA PROGRESSION IN H1 FY25 REFLECTING FINANCIAL & OPERATIONAL IMPROVEMENTS

Sales volume - 5% increase in sales volumes from Arnhem

Average sales price reflects selective discounting to grow market share

North American sales transferred from Arnhem to Kingsport site following commercial start-up

Raw material costs - lower average raw wood price for Accoya for Tricoya, following usage of higher priced appearance grade wood in H1 FY24. Net acetyls slightly higher than prior period.

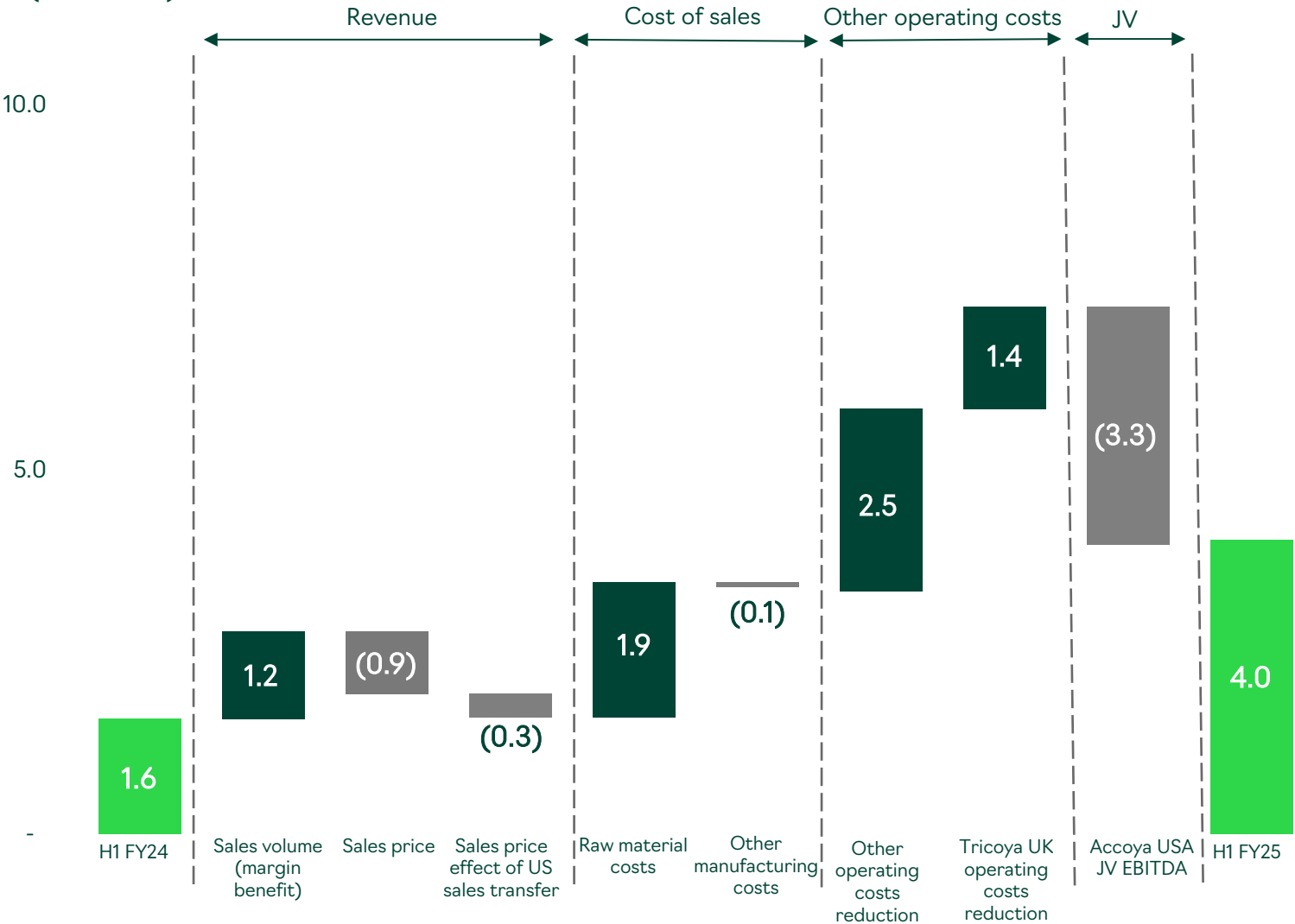
Other operating costs €2.5m lower year on year benefitting from implementation of business transformation programme in H2 FY24

Tricoya UK costs in H1 at €1.6m (H1 FY24: €3m)

Share of US JV EBITDA loss - €4.3m (H1 FY24: €1m)

- As JV ramps up, underlying profitability is expected to improve in H2

Group adjusted EBITDA (€ million)



NET DEBT BRIDGE

Continued strong operational cashflow and focus on deleveraging the balance sheet

Capex – €0.7m sustaining capex in Arnhem & Barry

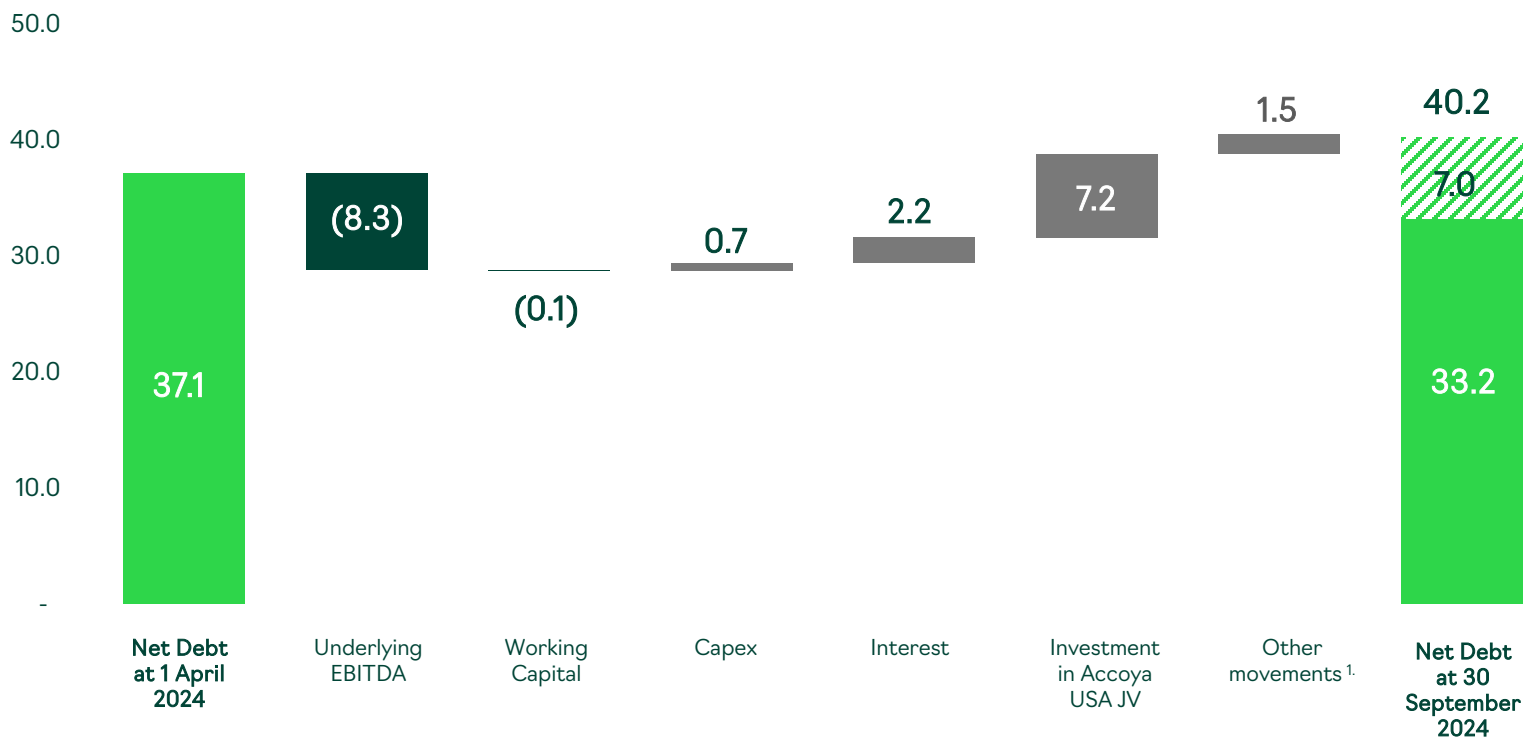
Interest:

- Interest paid €0.8m (ABN AMRO facility)
- Interest capitalised €1.4m (Convertible loan notes & Tricoya UK Natwest facility)

Planned investment of €7.2m in Accoya USA Joint Venture in H1 as it completed pre-operating activities and commenced commercial operation

Net debt includes Tricoya UK Natwest facility - €7m

Net Debt
(€ million)



¹. Other movements include interest received, other operating cash flows and other financing costs.

03

Business Review



Dr Jelena Arsic van Os
Chief Executive Officer

MARKET OVERVIEW

Good topline growth in challenging market

Demand is resilient with 10% increase in sales volumes significantly outperforming the broader market¹

Challenging market conditions persist in the global building products market

Continued trends favoring premium wood building materials and increasing demand for sustainable product solutions



PROJECT HIGHLIGHTS



Accoya Color decking
RHS Chelsea Flower Show - UK
Photography – Tammy Marlar



Accoya cladding by Vincent Timber
Unusual Rigging HQ - UK
Photography – Rachel Ferrimen



Accoya cladding by James Latham
Willowburn Retail Park - UK
Photography – Twofresh



Accoya Color decking by Hobi wood
Private Residence - Germany
Photography – Marco Leu



Accoya Decking and Shading
Oakencroft Winery - USA
Photography – Ansel Olsen, Sutphin Architecture



Accoya Color cladding & decking by Holz Tschabitscher
Boat and Bathhouse - Lake Wörthersee Austria
Photography – Ferdinand Neumüller

ACCOYA USA

A second Accoya
production site in one of
the most attractive
markets

Joint Venture 60:40 with Eastman
Chemical Company

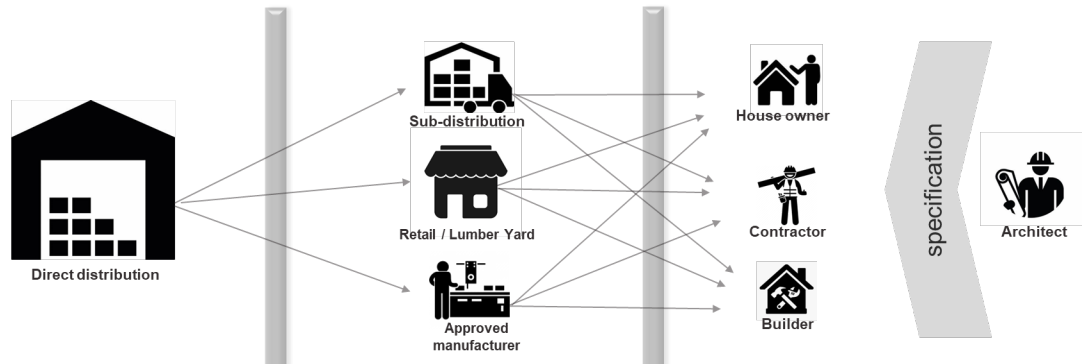
Commercially operational since the
end of the summer with manufacturing
operations on track

43,000m³ additional capacity – with
ramp up over next three years



Bringing Accoya to more N.A. customers

SALES CHANNEL – GROW NUMBER OF OUTLETS



Grow selectively

Dual distribution on all high demand areas e.g. Texas, North California, Florida

Grow aggressively

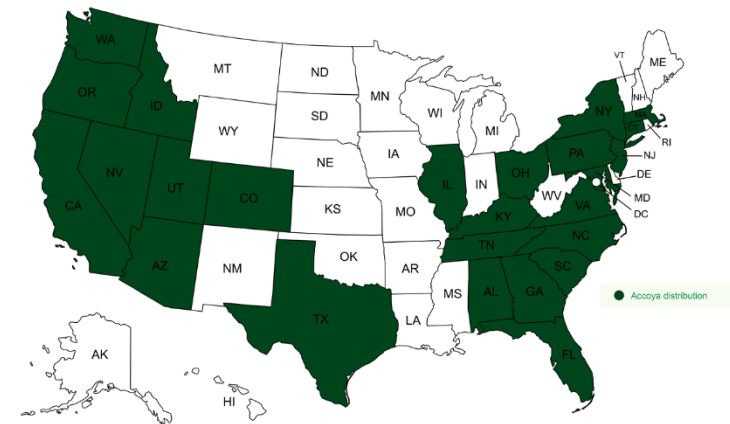
Increase significantly number of distributors and approved manufacturers

Nurture and develop existing relationships

Demand generation

Keep investing heavily on specification selling with architects and end user awareness

DISTRIBUTION – EXPAND FOOTPRINT AT HIGH DEMAND AREAS



Core market covered with distribution

Three distributors appointed in FY24, all growing their businesses with us

Two additional distributors welcomed in H2 FY25

More than 100 Approved Manufacturers and nine distributors covering 50 locations

TRICOYA

Continued strong future for Tricoya

Accoya for Tricoya sales:

- Revenue increased 11% in H1 FY25
- Represents 28% of Group sales volumes

The Group is committed to producing
Accoya for Tricoya from Arnhem for our
long-standing customers



Good progress made on FY25 growth targets to provide clear drivers to shareholder value

FY25 operational targets

- ✓ Accoya USA now commercially operational
- ✓ On track for cost savings target of €3m in year, in addition to savings from Hull
- ✓ Progress on FOCUS strategy
- ✓ Good progress made on Solid Roots reliability programme in Arnhem, on track for 500 bps OEE¹ improvement
- ✓ Sales and marketing acceleration, including new distribution and improved incentive plans

04

Outlook



Jelena Arsic van Os
Chief Executive Officer

- Full year results to be significantly ahead of market consensus¹
- Sales volumes expected to keep growth momentum
- Expanding commercial presence in N.A. and Europe while enhancing customer experience
- Maintain Gross margin
- Delivery of full year benefit of €3m actual savings from business transformation programme
- €3m of annual savings from Hull discontinuation
- Focus on de-leveraging balance sheet
- We are creating a higher quality business, with greater capacity and this will enable us to deliver on our potential

Investor strategy day 30th January 2025, Arnhem

Q&A

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