ACCSYS TECHNOLOGIES
BUILDING MATERIALS

16 June 2026

AXS.L

77p

Market Cap: £187.4m

SHARE PRICE (p)

12m high/low	79p/58p

Source: LSE Data (priced as at prior close)

KEY DATA

Net (debt)/cash	(35.7)m *(at 31/03/26)*
Enterprise value	£223.1m
Index/market	AIM
Next news	AGM, 25 Sep
Shares in issue (m)	243.4
Chair	Dr Trudy Schoolenberg
CEO	Dr Jelena Arsic van Os
CFO	Sameet Vohra

COMPANY DESCRIPTION

Anglo-Dutch manufacturer of high-performance timber products, transformed from sustainably sourced softwood.

www.accsysplc.com

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ANALYSTS

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Growth outlook maintained after strong FY26 results

We are maintaining our forecasts for FY27E-30E after Accsys Technologies delivered FY26 results in line with or slightly ahead of our expectations, with especially strong growth from the USA. The Anglo-Dutch speciality timber products manufacturer grew group revenue by 20% and nearly doubled adjusted EBITDA, achieving close to the targets in Phase One of its 'FOCUS' strategy a year early and making substantial improvements to its leverage.

- **Results show ambitious growth targets on track.** Revenue rose to €153m, in line with our estimate, reflecting 13% LFL growth in group volumes. Adjusted EBITDA (including a pro-rata 60% contribution from the US JV) grew by 96% to €21.2m (PERL estimate, €20.8m). Volumes for the JV with Eastman, set up in 2020 (page 4), rose 60%, with North America intended to be the main growth driver for the group between now and FY30E. Underlying EPS of 2.1c was supported by a tax credit (FY25, 5.0c loss).
- **Deleveraging continues.** A key factor was the continued deleveraging, a main strategic aim. Net debt reduced from €42.6m in FY25 to €41.4m, with operating cashflow conversion up from 64% to 75% (a year ahead of target). This was despite an increase in working capital to support growth and further investment in the JV. This reduced leverage from 2.52x underlying EBITDA to 1.96x (0.74x excluding the convertible loan notes, now 'in the money'). Our forecasts remain unchanged (pages 2 and 3).
- **Nearing first phase targets a year early.** Targets for the first phase of the multi-year FOCUS turnaround programme were close to being achieved in FY26. The volume run rate at the end of the year was 97,248 m^3, only 2.8% short of the FY27E year-end target of 100,000 m^3. The adjusted EBITDA margin, which grew to 11.6% from 7.3%, is within touching distance of the first phase target of 12.0%. The US JV moved from loss to a small EBITDA.
- **Growth across all regions.** All regions saw growth in volumes: UK & Ireland, +12%, driven by windows and doors demand; Rest of Europe, +21%, fuelled by sustainability targets and, in particular, sales of decking in the German region; and Rest of World, +9%, despite economic conditions in the Middle East. The successful ramp-up of the US venture is likely to lead to investment in manufacturing capacity starting next year.
- **Growing architectural attention.** The key Accoya timber, specially-treated softwood, with longevity attributes of hardwood, is attracting greater interest from architects, such as use in Google's UK HQ (page 5).

FYE MAR (€M)	2025	2026	2027E	2028E	2029E
Revenue	136.6	153.3	174.6	196.2	211.1
Fully Adj PBT, pre-gw	-8.8	-1.2	6.9	17.6	26.0
Fully Adj EPS, dil (cents)	-0.5	2.1	2.3	5.9	8.5
Dividend per share (cents)	0.0	0.0	0.0	0.0	0.0
PER (x)	N/A	41.7x	39.1x	15.2x	10.6x
Dividend yield (%)	N/A	N/A	N/A	N/A	N/A
EV*/EBITDA, inc JV (x)	23.4x	11.9x	9.0x	6.7x	5.5x

Source: Company Information and Progressive Equity Research estimates.

Figure 1: Profit & loss account, per share data

YE March (€m)	2022	2023	2024	2025	2026	2027E	2028E	2029E	2030E
Group revenue	**120.9**	**162.0**	**136.2**	**136.6**	**153.3**	**174.6**	**196.2**	**211.1**	**226.5**
COGS	(84.9)	(106.9)	(95.3)	(95.2)	(105.9)	(122.6)	(137.5)	(147.5)	(156.3)
Gross profit	**36.0**	**55.2**	**40.9**	**41.4**	**47.4**	**52.0**	**58.7**	**63.6**	**70.2**
Op expenses	(31.5)	(39.9)	(41.9)	(33.8)	(35.1)	(36.8)	(38.4)	(38.7)	(39.0)
Group op. profit	**4.5**	**15.3**	**(1.0)**	**7.6**	**12.3**	**15.2**	**20.3**	**24.9**	**31.2**
Share of JV, post-tax	(0.3)	(1.0)	(4.1)	(11.9)	(7.7)	(3.8)	1.3	4.9	5.9
Total op. profit	**4.2**	**14.3**	**(5.1)**	**(4.2)**	**4.6**	**11.4**	**21.6**	**29.8**	**37.1**
Exceptionals	0.4	(78.1)	(7.7)	(10.9)	1.3	-	-	-	-
Interest	(2.9)	(3.2)	(4.3)	(5.7)	(6.4)	(4.5)	(3.9)	(3.7)	(3.0)
PBT, reported	**1.7**	**(67.1)**	**(17.1)**	**(20.8)**	**(0.6)**	**6.9**	**17.6**	**26.0**	**34.1**
Underlying tax rate (%)	*49.5*	*23.6*	*(8.9)*	*(23.1)*	*(115.4)*	*20.0*	*20.0*	*20.0*	*20.0*
Reported tax	(1.0)	(2.8)	(0.8)	(2.0)	7.0	(1.4)	(3.5)	(5.2)	(6.8)
Minority interest	(2.0)	(1.0)	0.0	(0.1)	-	-	-	-	-
Net attrib. profit	**(1.3)**	**(70.9)**	**(17.9)**	**(22.9)**	**6.5**	**5.5**	**14.1**	**20.8**	**27.3**
Adj. PBT	**2.1**	**11.8**	**(8.6)**	**(8.8)**	**(1.2)**	**6.9**	**17.6**	**26.0**	**34.1**
EBITDA, exc JV	**10.6**	**23.6**	**8.5**	**16.9**	**21.1**	**24.2**	**29.3**	**33.9**	**40.2**
EBITDA, Accsys, inc 60% of JV	10.6	23.6	4.8	10.8	21.2	28.0	37.8	45.7	54.2
Period end shares (million)	192.8	219.4	239.5	240.4	243.4	246.4	246.4	246.4	246.4
Ave shares (million)	190.4	210.7	227.9	240.1	242.3	245.6	246.4	246.4	246.4
Dil. shares (million)	198.9	219.1	227.9	240.1	253.5	256.5	246.4	246.4	246.4
EPS, basic (€)	(0.01)	(0.34)	(0.08)	(0.10)	0.03	0.02	0.06	0.08	0.11
EPS, dil., adj. (€)	**(0.01)**	**0.04**	**(0.04)**	**(0.05)**	**0.02**	**0.02**	**0.06**	**0.08**	**0.11**
DPS - declared (€)	-	-	-	-	-	-	-	-	-
NAVPS (€)	71.3	55.8	49.6	40.5	43.2	42.4	48.3	55.6	66.7
TNAVPS (€)	65.6	51.1	45.4	37.9	40.6	40.0	45.9	53.0	64.1
FCFPS (€)	(23.3)	(7.4)	0.6	2.9	3.7	3.6	4.9	5.8	7.8

Source: Company information and Progressive Equity Research estimates

Figure 2: Adjusted cashflow statement and summary balance sheet

YE March (€m)	2022	2023	2024	2025	2026	2027E	2028E	2029E	2030E
Adjusted cash flow statement									
Group operating profit	4.5	15.3	(1.0)	7.6	12.3	15.2	20.3	24.9	31.2
Depreciation	5.4	7.5	8.8	8.2	8.1	9.0	9.0	9.0	9.0
Intangible amortisation	0.7	0.8	0.8	1.0	0.7	-	-	-	-
Other, non-cash	0.8	(0.9)	0.4	2.3	2.8	-	-	-	-
Changes in working capital[3]	(9.2)	(6.1)	(1.8)	(7.0)	(8.8)	(6.1)	(6.7)	(7.2)	(7.7)
Operating cash flow	**2.2**	**16.6**	**7.1**	**12.2**	**15.1**	**18.1**	**22.6**	**26.7**	**32.5**
Dividends from associates	-	-	-	-	-	-	-	-	-
Capex (maintenance)	(44.4)	(29.9)	(3.1)	(2.0)	(4.6)	(3.5)	(3.5)	(3.5)	(3.5)
Interest	(2.2)	(2.4)	(2.8)	(1.7)	(2.1)	(4.5)	(3.9)	(3.7)	(3.0)
Tax	**0.1**	**0.1**	0.1	(1.4)	0.7	(1.4)	(3.5)	(5.2)	(6.8)
Free cashflow	**(44.4)**	**(15.6)**	**1.3**	**7.0**	**9.0**	**8.7**	**11.7**	**14.2**	**19.1**
Acquisitions, inv in JVs	(4.5)	(29.4)	(5.3)	(14.6)	(3.9)	-	-	-	-
Dividends - paid	-	-	-	-	-	-	-	-	-
Share (purchase)/proceeds	34.9	19.2	12.7	(0.5)	0.2	-	-	-	-
Other financing*	8.4	10.3	(7.9)	(2.0)	(5.3)	(2.6)	(2.6)	(2.6)	(2.6)
Change in net cash/(debt)	**(5.5)**	**(15.5)**	**0.8**	**(10.0)**	**(0.0)**	**6.1**	**9.1**	**11.6**	**16.5**
Summary balance sheet									
Intangible fixed assets	10.8	10.5	10.0	6.2	6.4	6.4	6.4	6.4	6.4
Tangible fixed assets	176.7	106.1	93.5	73.6	70.8	65.3	59.8	54.3	48.8
Right of use assets	4.6	4.0	3.7	3.6	2.6	2.6	2.6	2.6	2.6
Investments, other TA	3.2	30.9	31.7	33.9	28.3	24.5	25.7	30.7	36.6
Working capital	7.4	22.1	24.6	29.8	39.5	45.6	52.3	59.5	67.3
Provisions, others	(38.3)	(7.0)	(7.6)	(7.1)	(1.2)	(1.2)	(1.2)	(1.2)	(1.2)
Net cash/(debt) inc leases	(27.2)	(44.1)	(37.1)	(42.6)	(41.4)	(32.7)	(21.0)	(6.8)	12.3
Net assets	**137.3**	**122.5**	**118.8**	**97.3**	**105.1**	**110.6**	**124.8**	**145.6**	**172.9**

*Source: Company information and Progressive Equity Research estimates * FY26E-30E, group term loan repayments*

Accsys Technologies in brief: unique growth prospects

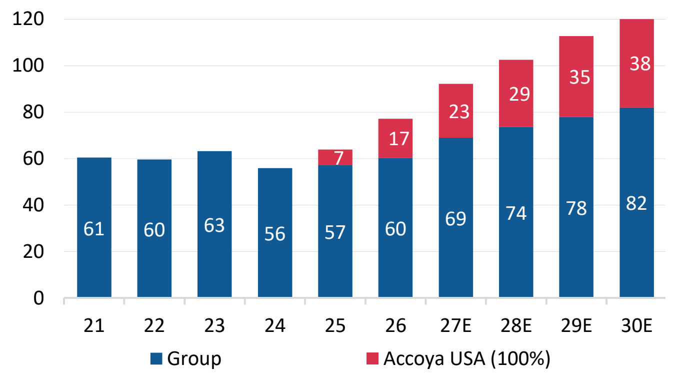
Transformative strategy reinforces long-term financial growth prospects of unique product

London-headquartered Accsys Technologies has developed Accoya, using a unique treatment process, protected by international patents, which gives softwood the long-lasting benefits of hardwoods. The London-headquartered group manufactures in the Netherlands, UK and US. The group became over-geared after misjudged capacity expansions. CEO Jelena Arsic van Os, who joined in mid-2023, set out the FOCUS transformation programme, first announced in June 2024 and detailed further in the April 2026 analyst site visit. We expect the programme to combine operational gearing and financial leverage as the group moves to net cash by FY30E. Link to Progressive Equity Research initiation note, Transformed product, transformative strategy.

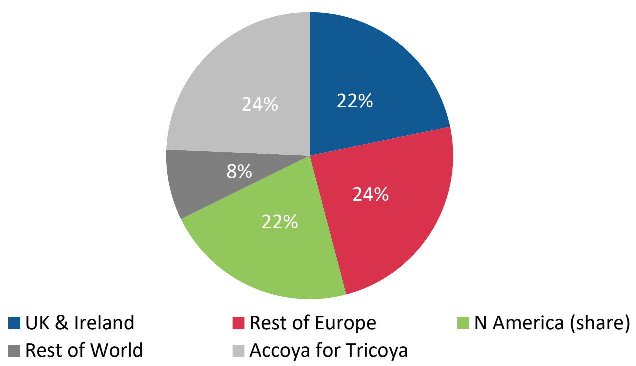
- **Accoya – unique technology gives softwood the properties of hardwood.** The technology combines the aesthetic of wood, but reversing its main problem – attraction to water. Acetylation makes it water-repellent. This gives the product a claimed lifespan double that of softwood and lower maintenance costs, commanding a price premium. A key target for its marketing is in prominent architectural landmarks (see opposite).
- **Long-term growth prospects, especially in the US.** Lower lifetime costs should drive growth in demand for the product range, especially in the largely untapped US market, in our view. The 60:40 Accoya USA JV with Eastman Chemical Company was formed in 2020 and started commercial operations in September 2024. The technology's intellectual property (IP) is protected by numerous patents, and we believe there are several barriers to new entrants.
- **Transformative strategy.** The first two of the FOCUS strategy's three phases aim to: grow revenue; enhance the efficiency of existing assets; and expand production in the Accoya USA JV (internally funded). The key aims over the six-year project are to grow revenue and operating margins and move into net cash
- **Finances – benefitting from operational gearing and deleveraging.** Our forecast CAGR in revenue of 10.6% for FY25-30E generates a CAGR of 32.5% in group operating profit, with further benefits to the bottom line from falling interest costs on our assumption that Accsys moves to net cash by the end of the forecast period.
- **Strong FY26 results follow refinancing.** FY results to 30 March, released on 16 June, showed strong growth in all geographic markets, particularly in the USA, with improved margins and a further deleveraging. The group's cost of debt was previously cut significantly with the 22 October refinancing.
- **Capital allocation.** Accsys has not paid dividends since IPO. Current policy is that the Board considers it 'prudent for the group to maintain a strong financial position during phase one and two of the FOCUS strategy'. We believe the group could reappraise its capital allocation policy as the group demonstrates progress during Phase 2 of FOCUS.

Accsys Technologies at a glance

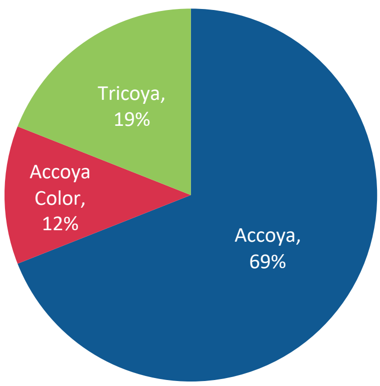
Sales volume (000 m3)



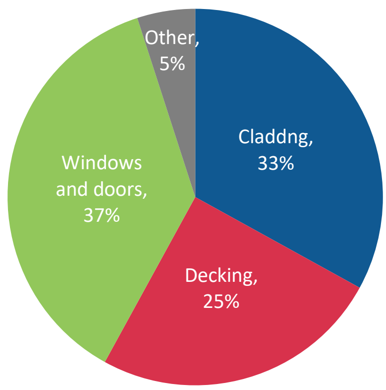
FY26 sales volume by end market (%)



FY26 revenue split by product (%)



FY26 revenue split by end application, est (%)



Queen Elizabeth II Memorial Garden, London

Accoya was used for the carved benches in the critically-acclaimed Queen Elizabeth II Memorial Garden at Regents Park in London. Designed by Tate + Co Architects and landscape architects, HTA Design.

Google HQ, London

Google's Kings Cross headquarters in London features the world's largest timber and glass facade, utilising highly durable Accoya wood for its exterior. The 'landscraper' building spans 330m.

Source: Company information, Progressive Equity Research commentary

Financial Summary: Accsys Technologies

Year end: March (€m unless shown)

PROFIT & LOSS	**2025**	**2026**	**2027E**	**2028E**	**2029E**
Revenue	136.6	153.3	174.6	196.2	211.1
Adj EBITDA, group	16.9	21.1	24.2	29.3	33.9
Adj EBIT, group only	(4.2)	4.6	11.4	21.6	29.8
Reported PBT	(20.8)	(0.6)	6.9	17.6	26.0
Fully Adj PBT, pre-gw	(8.8)	(1.2)	6.9	17.6	26.0
NOPAT	9.4	26.5	12.2	16.2	19.9
Reported EPS (cents)	(9.5)	2.7	2.3	5.9	8.5
Fully Adj EPS (cents)	(0.5)	2.1	2.3	5.9	8.5
Dividend per share (cents)	0.0	0.0	0.0	0.0	0.0
CASH FLOW & BALANCE SHEET	**2025**	**2026**	**2027E**	**2028E**	**2029E**
Operating cash flow	12.2	15.1	18.1	22.6	26.7
Free Cash flow	7.0	9.0	8.7	11.7	14.2
FCF per share (cents)	2.9	3.7	3.6	4.9	5.8
Acquisitions, JV investment	(14.6)	(3.9)	0.0	0.0	0.0
Net cash flow	(10.0)	0.0	6.1	9.1	11.6
Overdrafts / borrowings	(55.7)	(56.0)	(49.7)	(47.1)	(44.5)
Cash & equivalents	17.4	17.4	21.3	30.4	42.0
Net (Debt)/Cash, pre-IFRS 16	(38.3)	(38.6)	(28.4)	(16.7)	(2.5)
IFRS 16 Lease liabilities	(4.3)	(3.3)	(4.3)	(4.3)	(4.3)
Net (Debt)/Cash post-IFRS 16	(42.6)	(41.9)	(32.7)	(21.0)	(6.8)
NAV AND RETURNS	**2025**	**2026**	**2027E**	**2028E**	**2029E**
Net asset value	97.3	105.1	110.6	124.8	145.6
NAV/share (cents)	40.5	43.2	42.4	48.3	55.6
Net Tangible Asset Value	91.2	98.7	96.1	110.3	130.6
NTAV/share (cents)	37.9	40.6	40.0	45.9	53.0
Average equity	108.1	101.2	103.6	109.1	126.6
Post-tax ROE (%)	(21.1%)	6.4%	5.3%	12.9%	16.5%
METRICS	**2025**	**2026**	**2027E**	**2028E**	**2029E**
Revenue growth	0.3%	12.2%	13.9%	12.3%	7.6%
Adj EBITDA growth	97.6%	25.2%	14.7%	20.9%	15.6%
Adj EBIT growth	(17.9%)	(208.2%)	148.9%	89.5%	38.1%
Adj PBT growth	97.6%	25.2%	14.7%	20.9%	15.6%
Adj EPS growth	(87.8%)	(528.0%)	6.9%	157.1%	43.7%
Dividend growth	na	na	na	na	na
Adj EBIT margins	(2.9%)	2.5%	5.3%	8.7%	10.9%
VALUATION	**2025**	**2026**	**2027E**	**2028E**	**2029E**
EV*/Sales (x)	1.9	1.7	1.4	1.3	1.2
EV*/EBITDA, inc JV (x)	23.4	11.9	9.0	6.7	5.5
EV*/NOPAT (x)	26.9	9.6	20.8	15.6	12.7
PER (x)	N/A	41.7	39.1	15.2	10.6
Dividend yield (%)	N/A	N/A	N/A	N/A	N/A
FCF yield	3.3%	4.2%	4.1%	5.4%	6.5%

Source: Company information and Progressive Equity Research estimates

Progressive EQUITY RESEARCH

16 June 2026

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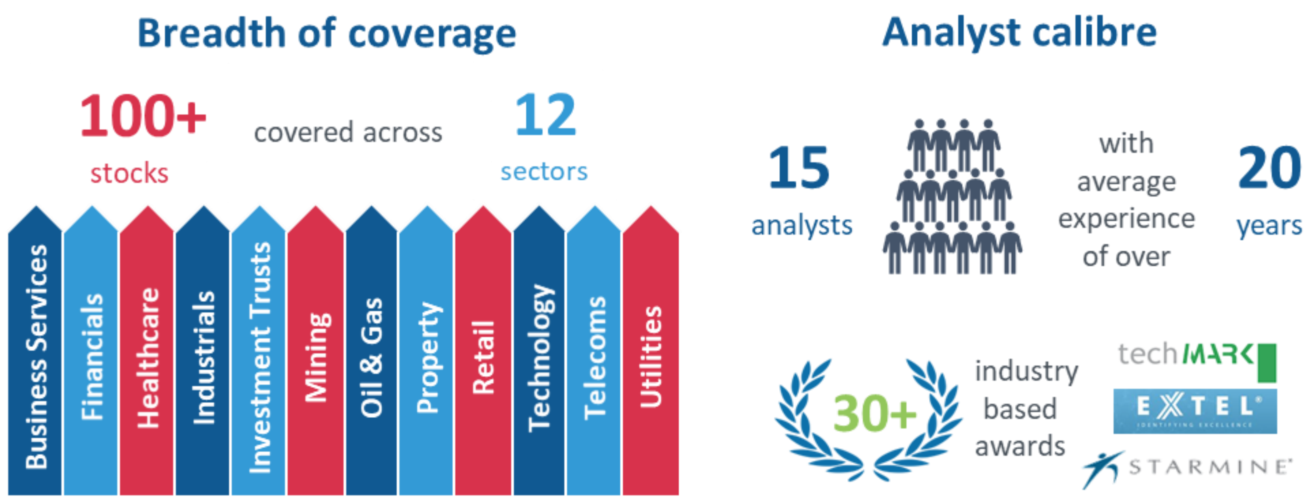

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