

**Company** Accsys Technologies PLC  
**TIDM** AXS  
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**26 January 2023**

**Accsys Technologies PLC**  
("Accsys", the "Group" or the "Company")

**Trading update for the nine months ended 31 December 2022**

*Strong growth in the third quarter to 31 December 2022 reflects demand for our products, greater capacity at our Arnhem plant and pricing power for our portfolio of sustainable wood building products.*

Accsys, the fast-growing and eco-friendly company that combines chemistry and technology to create high performance, sustainable wood building products, today announces a trading update for the nine months ended 31 December 2022 ('nine months'), on an unaudited basis. Comparative percentage change figures in this statement reflect comparisons with the corresponding nine months in the prior financial year.

	<b>9 months to Dec 2022</b>	9 months to Dec 2021	% change
<b>Total Group revenue</b>	<b>€109m</b>	€83m	32%
<b>Accoya® wood revenue</b>	<b>€97m</b>	€72m	35%
<b>Total sales m<sup>3</sup></b>	<b>42,972</b>	42,536	1%
<b>Net (debt)</b>	<b>(€52m)</b>	(€61m) <sup>1</sup>	

<sup>1</sup> Net debt as of 30 September 2022

**Financial highlights**

- Strong growth in Group revenue, up 32% to €109m, driven by higher production at Arnhem facility (production levels from Reactors 1-3 at capacity in Q3 and the new fourth reactor ('R4') ramping up) and further increases in average sale prices
- Accoya® sales volumes in Q3 (October to end December) were 19,015m<sup>3</sup> versus total H1 FY23 volumes of 23,957m<sup>3</sup> reflecting increased capacity at Arnhem from Reactors 1-3 returning to full production following the completion of R4 in September, new production from R4 and some unwinding of higher inventory (work in progress) levels.
- Customer demand for Accoya® remains resilient, with a visible Q4 customer order book despite some slowdown in the broader construction industry. The higher average sales prices reflect price increases implemented in H1, plus a further small increase in Q3. In addition, we have continued to successfully manage the effect of volatile chemical raw material prices through the Energy Price Premium which increased in Q3, although this is expected to reduce in Q4 as European energy market indices subside.
- The combination of price increases and efficiency of operating at higher production volumes has enabled further progression in the profit per cubic metre of Accoya® sold in Q3.

- Net debt of €52m, represents a reduction of €9m compared to September 2022, reflecting the reduction in the NatWest loan balance resulting from the Tricoya® restructure announced on 2 November. Cash outflow resulting from a reduction in payables from the Hull project as it moved into the hold period in Q3 was partially offset by positive cash flow from the Accoya® business. While inventory balances remained higher than required due to the long lead times of previous commitments and delivery timings around holiday periods, these are expected to reduce by the year-end.

#### Continued good progress on strategic growth projects:

- Accoya® (Arnhem) plant – R4 expansion commenced commercial operation in September 2022 and performing well, with production now successfully ramping up over forecast two years.
- Accoya® USA JV – Construction of new 43,000m<sup>3</sup> plant continues to progress well and remains on track to commence commercial operation by March 2024.
- Tricoya® (Hull) plant currently in an at least six-month hold period from November 2022:
  - The Board continues to assess the economics and capability of the plant and its potential returns on investment.
  - In parallel, the Board is also evaluating funding options, as outlined in previous company announcements, which include discussions with potential third-party partners and contractors.
  - Verification of the final cost and time to complete the plant is ongoing, and while it is too early to give an exact figure, there are no indications that this will exceed the up to €35m previously identified by the Company.
  - The Board of Accsys continues to see the market potential of Tricoya® and will consider all relevant commercial factors in deciding whether or not to proceed with the Hull plant and if so, on what basis.

#### Management update

The Company is making good progress on the recruitment for a new Chief Executive and will issue an update in due course. The process to appoint the Chief Financial Officer is ongoing. To ensure continuity of management while that process concludes, the Board is pleased to announce that Will Rudge (Finance Director) will stay on for a further short period of time to support the Company.

#### Commenting on today's announcement, Rob Harris, Chief Executive of Accsys Technologies, said:

*"I am pleased with our performance over the last three months. We have delivered strong revenue growth in our Accoya® business due to enhanced capacity from our Arnhem plant. Notwithstanding ongoing macro-economic uncertainty, our expectations for customer orders continue to provide confidence in demand and growth opportunities for both our market-leading products, Accoya® and Tricoya®. We remain on track for sales volumes in H2 to increase by 50% compared to H1 and, as a result, we continue to target our previously stated ambition of nearly doubling underlying EBITDA for the full year."*

Ends

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**Notes to editors:**

**Accsys** (Accsys Technologies PLC) is a fast-growing business with a purpose: changing wood to change the world. The company combines chemistry, technology and ingenuity to make Accoya® wood and Tricoya® wood elements: high performance wood products that are extremely durable and stable, opening new opportunities for the built environment and giving the world a choice to build sustainably. Accsys transforms fast-growing, certified sustainable wood into building materials with an up to 50-year warranty, locking carbon stored in the wood into useful products for decades, with performance characteristics that match or better those of non-renewable, resource-depleting and polluting alternatives. Accsys is listed on the London Stock Exchange AIM market and on Euronext Amsterdam, under the symbols 'AXS'. Visit [www.accsysplc.com](http://www.accsysplc.com)

**Accoya®** solid wood is sustainable, durable, and stable with exceptional performance, finish and sustainability. Accsys' proprietary acetylation process makes the wood more dimensionally stable and because it is no longer easily digestible, extremely durable. It is one of very few building materials to be Cradle to Cradle Certified™ at the Gold level, with a Platinum rating for Material Health, confirming that no harmful or toxic additives or chemicals are present to leach out into the environment. Primary applications for Accoya® wood include windows, doors, cladding and decking, where the combination of performance and sustainability benefits compete favorably against hardwoods, plastics, metals and concrete. Visit [www.accoya.com](http://www.accoya.com)

**Tricoya®** acetylated wood elements are produced for use in the fabrication of panel products such as medium density fibreboard (MDF). Panel products made with Tricoya® wood elements are truly durable and stable enough for use outdoors and in wet environments, unlocking new possibilities for design and construction. They have been lauded as the first major innovation in the wood composites industry in more than 30 years and bring the flexibility of traditional panel products and sustainability benefits of wood to a whole new range of applications. Visit [www.tricoya.com](http://www.tricoya.com)

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