

Company Accsys Technologies PLC
TIDM AXS
Headline Accsys Trading Update
Released 2 May 2024
Number 9155M



AIM: AXS
Euronext Amsterdam: AXS

2 May 2024

THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION

Accsys Technologies PLC
(“Accsys”, the “Group” or the “Company”)

Trading update

FY2024 Adjusted Group EBITDA¹ ahead of market forecasts with resilient trading in fourth quarter; progress made on strategic growth projects

Accsys, the fast-growing and purpose driven company that enhances the natural properties of wood to create high performance and sustainable building products, today announces a trading update with Adjusted Group EBITDA¹ ahead of market forecasts for FY2024 (financial year ended 31 March 2024) and commissioning underway on its US joint venture plant.

All numbers in this announcement are unaudited.

- **FY2024 results ahead of forecasts** – As a result of resilient trading in Q4 FY2024 and the cost saving initiatives implemented by management, Adjusted Group EBITDA¹ is expected to be ahead of consensus expectations for FY2024².
- **US JV commissioning underway** – Accoya USA has begun commissioning on its newly constructed plant in Kingsport, Tennessee (owned 60:40 by Accsys and Eastman Chemical Company in joint venture) in line with the previously announced project plan and budget. The joint venture remains on track to begin commercial operations in mid-2024.
- **Resilient trading in Q4 FY2024** – In Q4 FY2024, despite ongoing macro-economic challenges, Accoya sales volumes remained robust, driven by increased investment in sales and marketing and the addition of new distribution channels. H2 FY2024 sales volumes totalled 27,761m³ (H2 FY2023: 39,387m³) with full year FY2024 volumes at 56,568m³ (FY2023: 63,344m³).
- **Cost saving and working capital initiatives showing results** – The Group’s cost savings programme target achieved in H2 FY2024 with more than €3 million (run rate) of targeted savings realised. Working capital management measures are also seeing results with more than €9 million of inventory reduction realised between 31 December 2023 and 31 March 2024.
- **Arnhem and Barry plant improvements continue** – Accsys’ plant and operational improvements continue with a view to safely maximising efficiencies and reliability, as well as ensuring operational performance is aligned with demand.
- **Update on financing of Hull Tricoya plant** – Accsys is committed to coming to a resolution with respect to the future of its Tricoya plant in Hull in H1 FY2025. Accordingly, Accsys has appointed a financial advisor to assist with its search for a strategic and / or financing partner. Accsys will provide an update in due course.
- **Reduction in net debt** – Net debt of approximately €37 million at 31 March 2024, a reduction of approximately €11 million on net debt at 30 September 2023 (€48 million), following the successful capital raise in November 2023 and tight working capital management.

- **Appointment of a Senior Independent Director (“SID”)** – The Board is pleased to announce the appointment of Louis Eperjesi as Senior Independent Director with effect from 19 April 2024. Louis has served on the Accsys Board since 2022 and is currently a Senior Independent Director at Ibstock Plc and Independent Non-Executive Director at Howden Joinery Group Plc and Trifast plc.

Dr Jelena Arsic van Os, CEO Accsys Technologies PLC, commented:

“We are excited to see the commissioning of the Accoya USA plant underway. When on stream this new facility will see our capacity double from 18 months ago. It is a major milestone for Accsys that will bring our production closer to customers and unlocks a significant growth opportunity in our largest potential market. In Q4 we began to see positive results from our planned investment in sales and marketing with trading ahead of expectations and strong cash flow generation. We remain confident in the large market opportunity for our products.”

The Company will announce its preliminary results for FY2024 on or around 26 June 2024.

Notes:

- 1) *Adjusted Group EBITDA being earnings before interest, tax, depreciation, amortisation and exceptional items of Accsys plus 60% of the US joint venture’s EBITDA.*
- 2) *Accsys considers consensus FY2024 Adjusted EBITDA to be €2.5 million.*

Ends

This announcement comprises inside information for the purposes of EU MAR and UK MAR. The person responsible for making this announcement is Nick Hartigan, General Counsel and Company Secretary, Accsys Technologies PLC.

For further information, please contact:

Accsys Technologies PLC Investor Relations	IR@accsysplc.com
Deutsche Numis (London) Oliver Hardy (NOMAD), Ben Stoop	+44 (0) 20 7260 1000
ABN Amro (Amsterdam) Dennis van Helmond	+31 20 344 2000
Huijskens Sassen Communications (The Netherlands) Clemens Sassen	+31 20 685 5955

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

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

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

Any references in this announcement to agreements with Accsys shall mean agreements with either Accsys or its subsidiary entities unless otherwise specified. 'Accsys' and 'Accsys Technologies' are trading names of Titan Wood Limited ("TWL"), a wholly-owned subsidiary of Accsys Technologies PLC. Accoya, Tricoya and the Trimarque Device are registered trademarks owned by TWL, and may not be used or reproduced without written permission from TWL, or in the case of the Tricoya registered brand trademark, from Tricoya Technologies Limited, a subsidiary of TWL with exclusive rights to exploit the Tricoya brand.