

26 JUNE 2024

# Transforming for sustainable growth

Accsys Preliminary Results  
for the year ended 31 March 2024



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01

# Highlights



Dr Jelena Arsic van Os  
Chief Executive Officer

# Transforming for sustainable growth

## FY24: Re-focus

Solid performance of underlying business

Successful fund raise of €34m

Net debt reduced by €7m year on year

Transformation programme and organizational re-focus, ~€2.7M cost reduction in H2 (~19% YoY)

Investment in demand creation

## FY25: Transform

Accsys FOCUS strategy launch

Kingsport delivery - c43,000m<sup>3</sup> production capacity

Earning the right to grow  
(Operational and profitability improvements)

Improve capital efficiency

## FY25+: Grow

Leverage growth platform

Low CAPEX expansion of Accoya, Accoya Color and Tricoya

Growth to c100,000m<sup>3</sup> in sales volume by end of FY27

# Transforming Accsys for all stakeholders



**F**

**O**

**C**

**U**

**S**

**FUNDAMENTALLY  
STRONG**

**OPERATIONALLY  
EFFICIENT**

**CUSTOMER CENTRIC  
AND PREFERRED**

**UNITED  
TEAM**

**SAFE AND  
SUSTAINABLE**

02

# Financial Review



Hans Pauli  
Interim Chief Financial Officer



# Financial

Revenue

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€136.2m

(€162.0m FY23)

Sales volume

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56,568m<sup>3</sup>

(63,344m<sup>3</sup> FY23)

Gross margin

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30%

(34% FY23)

Adjusted EBITDA<sup>1</sup>

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€4.8m

(€22.9m FY23)

Free Cash flow<sup>2</sup>

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€3.7m

((€13.6m) FY23)

Net Debt

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€37.1m

(€44.1m FY23)

<sup>1</sup> 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. <sup>2</sup> Free cashflow is defined as Net cash from operating activities less investment in property, plant and equipment.



## FINANCIAL OVERVIEW

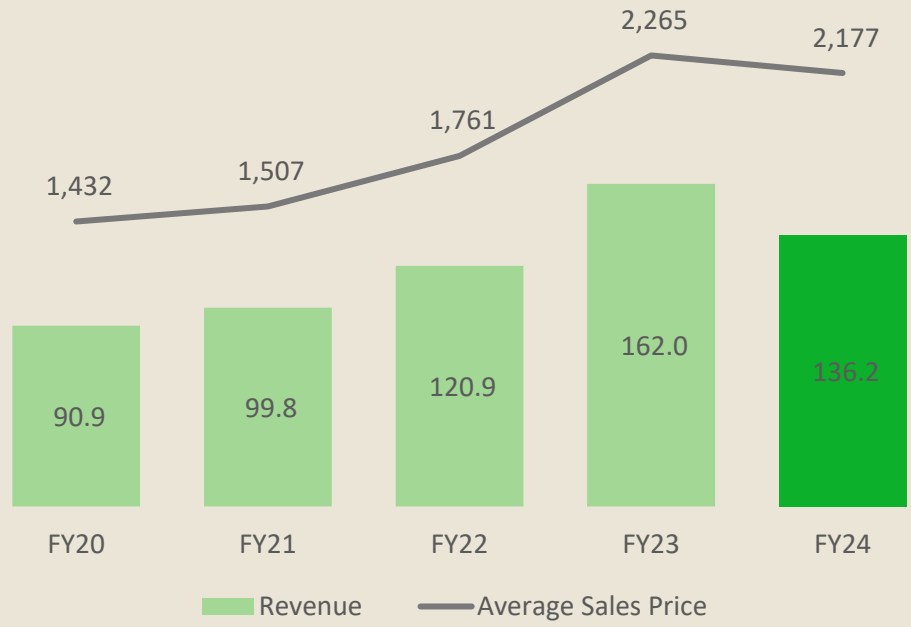
# Soft FY24 financial performance which is not reflective of Accsys' potential

	€ million	FY24	FY23	Change %
FINANCIAL SUMMARY	Group Revenue	136.2	162.0	(16%)
	Gross Profit	40.9	55.2	(26%)
	Underlying operating costs <sup>1</sup>	(32.3)	(31.6)	(2%)
	US JV EBITDA	(3.7)	(0.7)	
	Adjusted EBITDA <sup>2</sup>	4.8	22.9	(78%)
	Exceptional item - Restructuring cost <sup>3</sup>	(1.2)	0.0	-
	Non-cash exceptional item - Impairment of Tricoya Segment assets	(7.0)	(86.0)	-
CASHFLOW	Net debt	(37.1)	(44.1)	
	Cash	27.4	26.6	
PRODUCT	Accoya sales volume (m <sup>3</sup> )	56,568	63,344	(11%)
	Group Gross Margin	30%	34%	(4%)
	ASP (€ / m <sup>3</sup> )	2,177	2,265	(4%)

<sup>1</sup> Underlying operating costs exclude depreciation and amortisation. <sup>2</sup> Adjusted results include Accsys share of results relating to Accoya USA JV. <sup>3</sup> Other exceptional items recognised in the prior year (FY23) include €1.5m related to advisor fees related to the Tricoya consortium reorganisation, Partial derecognition of the Natwest loan.

# FIVE-YEAR REVENUE AND GROSS MARGIN PERFORMANCE

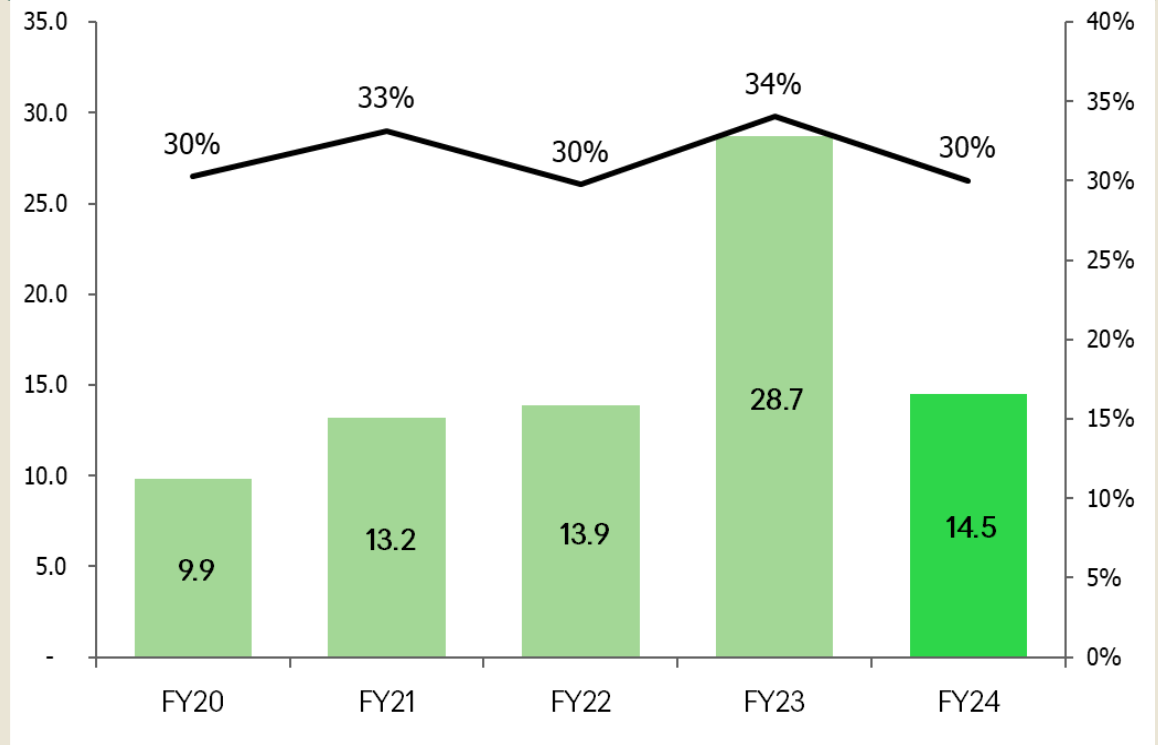
## Group revenue FY20-FY24



€ million

ASP unit is measured in €/m3

## Underlying EBITDA (excl Projects) & Gross Margin FY20- FY24



€ million

Underlying EBITDA (excluding projects) is calculated as adjusted EBITDA excluding US JV & Tricoya segment EBITDA

## ACCOYA FY24 PERFORMANCE

Macroeconomic conditions and high customer inventory at the beginning of FY24 impacted demand

Strong pricing discipline maintained

Wood revenues down 14% to €123.1m, driven primarily by lower sales volumes in a challenging market

11% reduction in Accoya sales volumes in FY24 compared to FY23

14% growth in Accoya for Tricoya production, supporting our belief in Tricoya market potential

Double digit growth for our Accoya Color product



	FY24	Growth
Revenue	€123.1m	(14%)
Sales volumes	56,568m <sup>3</sup>	(11%)
Sales volume by end market	FY24 m <sup>3</sup>	Growth
UK & Ireland	11,837	(19%)
Rest of Europe	13,233	(20%)
Americas	9,285	(12%)
Rest-of-World	4,866	(23%)
Accoya for Tricoya	17,347	+14%

## ACCOYA FOR TRICOYA FY24 PERFORMANCE

14% growth in sales volumes of Accoya for Tricoya, reinforces our belief in the long-term market potential of Tricoya panel products.

Revenues from Accoya for Tricoya represent 31% of total Group sales volumes

FY24 revenues up 13% to €23.9m, driven by continued strong product demand:

- Off-take partners MEDITE and FINSA remain committed and supportive

Additional strong growth from Tricoya panel sales that Accsys distributes, revenues at €4.1m up from €1.4m in FY23



	FY24	Growth
Revenue	€23.9m	+13%
Sales volumes	17,347m <sup>3</sup>	+14%



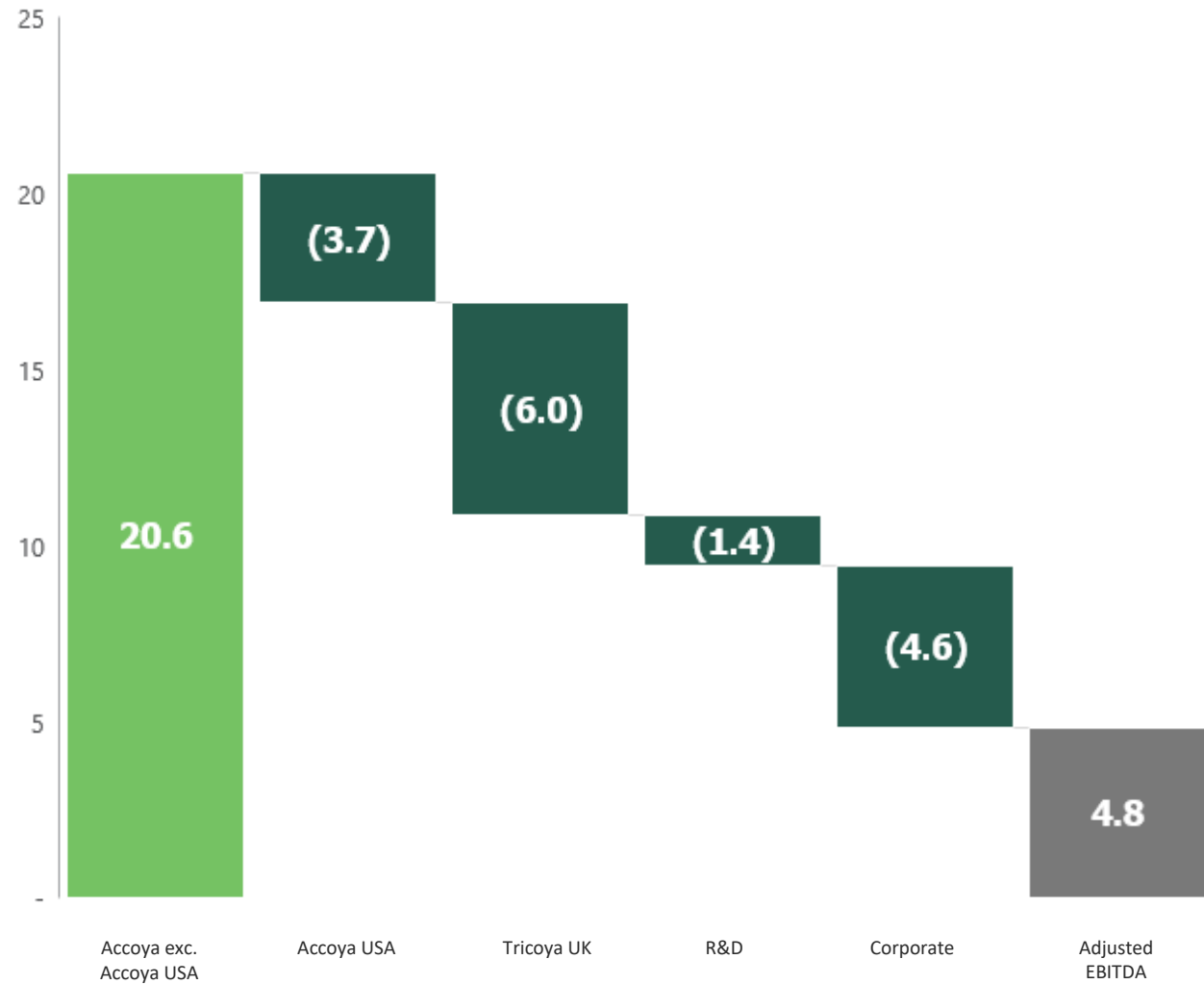
## EBITDA SEGMENTAL BREAKDOWN IN FY24

Continued strong operational performance from the Accoya segment (excl. Accoya USA and Tricoya)

Accoya USA – represents pre-operating costs as project progresses to commercial start-up

Tricoya EBITDA reflects its pre-operating position – remains in hold period

Group Adjusted EBITDA  
(€ million)



## EBITDA PROGRESION IN FY24

Sales price variance – prior year sales pricing included Energy pricing premium of €3.9m, not required in FY24

11% decrease in sales volumes, impacted by a challenging macroeconomic trading environment, particularly in Q3

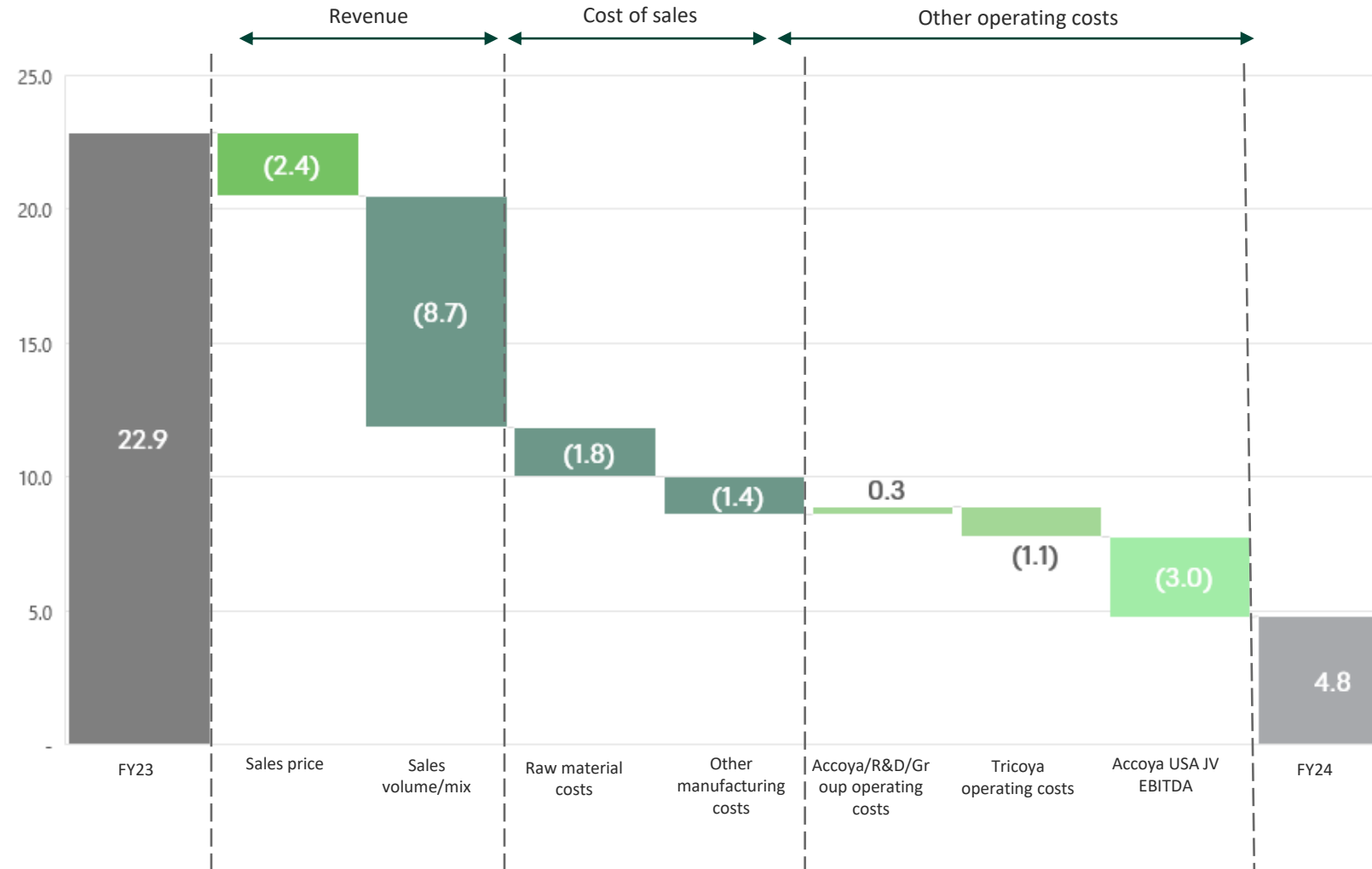
Raw material costs:

- Raw wood input costs higher year on year, with higher wood mix costs in addition to moderately higher average wood prices
- Partially offset by reduced net acetyls costs associated with lower gas prices compared to the prior year

Increase in other manufacturing costs predominantly associated with higher plant maintenance costs

Accoya USA - €3.0m – increase in pre-operating costs as project progresses to commercial start-up

## Group adjusted EBITDA (€ million)



## NET DEBT BRIDGE

Net debt reduced by €7m year on year

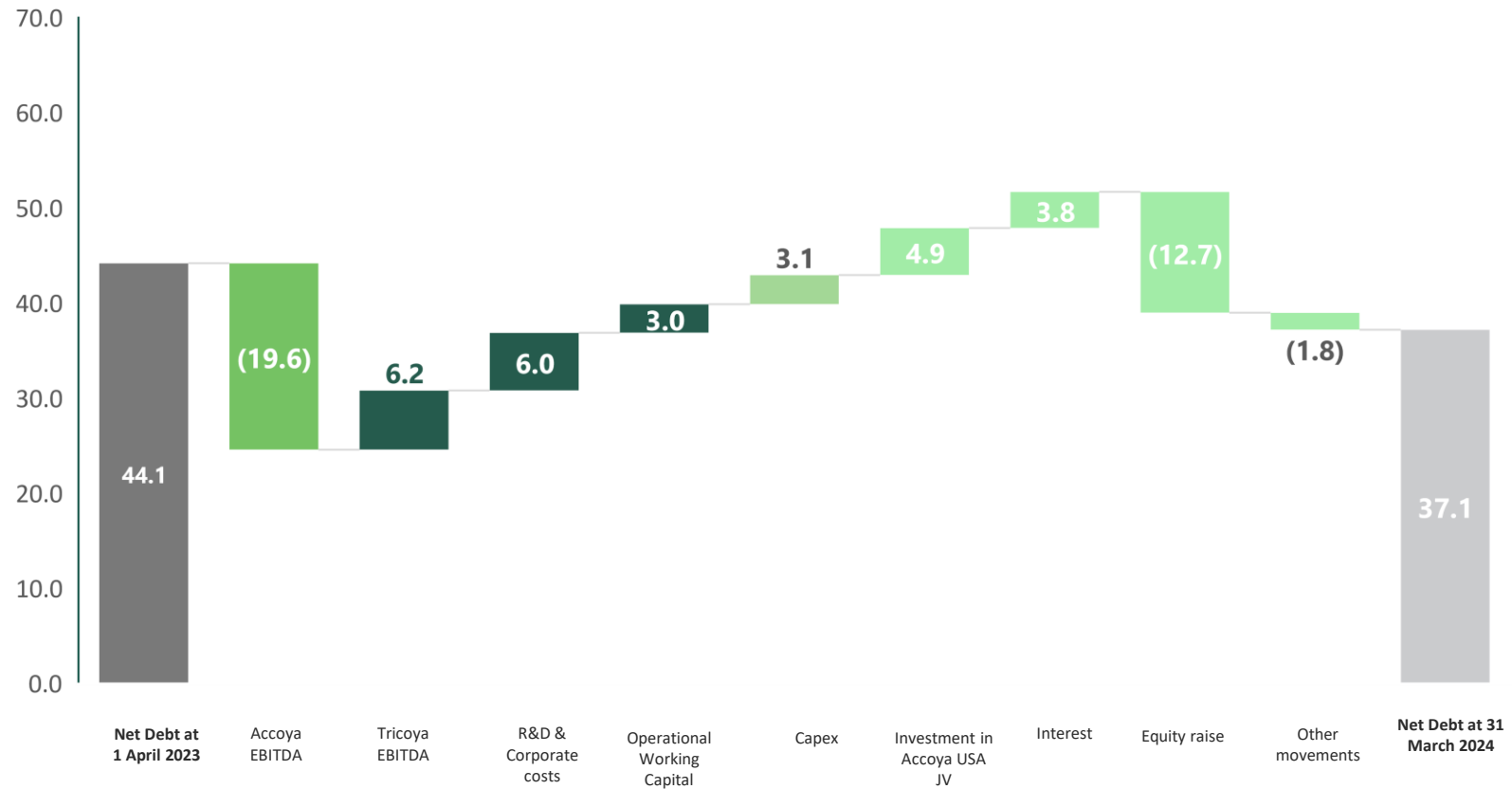
Accoya segment – continued strong cash generation, although lower than prior year

Tricoya EBITDA reflects its pre-operating position

Working capital increase due to a decrease in payables partially offset by €4.2m decrease in inventory

Successful fund raise in November 2023

Net Debt  
(€ million)



Other movements include tax received, investment in intangible assets, interest received, other operating cash flows and other financing costs.



03

# Operational highlights



Dr Jelena Arsic van Os  
Chief Executive Officer

PROJECT HIGHLIGHTS

### Caernarfon Castle, Wales



UNESCO World Heritage Site

Accoya decking and seating area

### Google HQ, England



London Kings Cross. "Landscraper" opening 2025

Accoya façade

### Lidl Zero, NL



CO<sub>2</sub> neutral supermarket in Almere, NL

Charred Accoya cladding

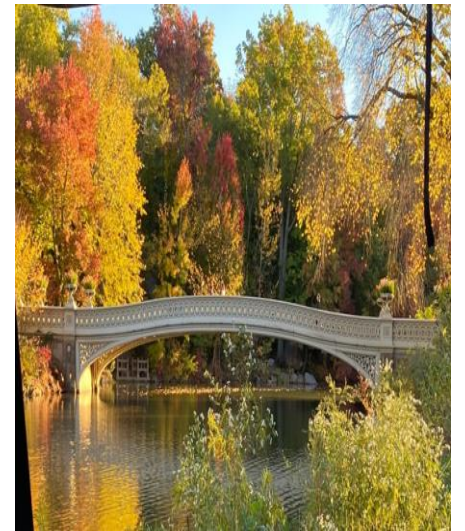
### Clichy Black, France



Low carbon office building in Paris

Charred Accoya cladding

### Bow Bridge, USA



Historic New York Central Park Bridge

Accoya decking



## HIGHLIGHTS

# Accoya USA

Construction completed and commissioning well underway

JV 60:40 with Eastman.

Construction completed

43,000m<sup>3</sup> additional capacity – with ramp up over next three years

Site includes space for six additional reactors

First production test batches anticipated in coming weeks





# Arnhem, Barry and Hull

## Arnhem:

Establishing a mature manufacturing centre of excellence

Launch of Solid Roots programme

Focus on reliability and improvement measures, including cost conversion, OEE

Production capacity of 80,000 m<sup>3</sup>

## Barry:

Accoya Color demand on raise, double digit increase in FY24

## Tricoya Hull:

Financial advisor appointed

On track for a resolution within H1 FY25



# Transformation programme and push for operational excellence

## Sales and marketing initiatives

Professionalization of commercial organization

Seven new global distribution partners, three new OEMs

New recruits in Europe and North America to support expansion

Attractive sales incentive plan

## Solid Roots – Arnhem

Journey to zero

New KPIs to support operational performance culture

Creating manufacturing excellence

Supply chain optimization and improvements

Barry capacity improvements

## Organisational design reset

€3m+ annualised cost savings

Performance culture creation

Operational process and systems upgrade and optimization

Improve capital efficiency

03

# Strategy & Outlook



Jelena Arsic van Os  
Chief Executive Officer

# Changing wood to change the world

1

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Significant market  
opportunity

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2

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World-leading products  
& technology

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3

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Diversified routes  
to global markets

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4

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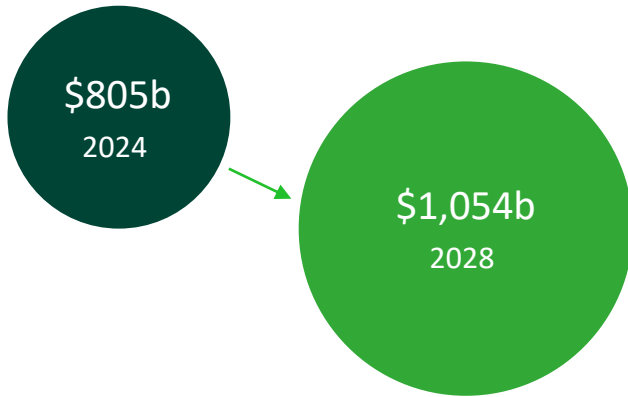
Drive operational excellence  
through FOCUS

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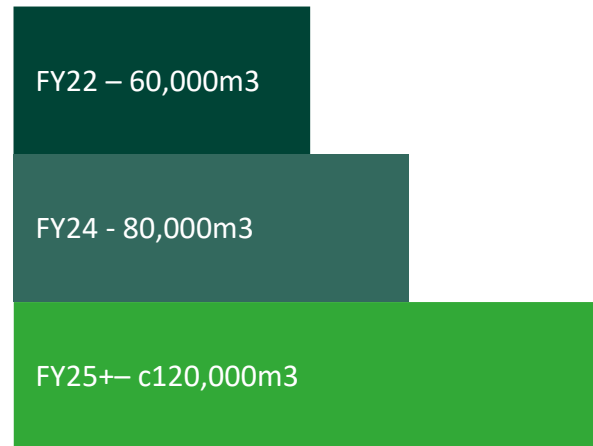
## SIGNIFICANT MARKET OPPORTUNITY

### Global wood products market size\*



\*The global wood products market size is expected to grow from \$805b in 2024 to \$1,054b in 2028 with a CAGR of 7%. (Source: The Business Research Company).

### Accoya production capacity availability to fulfil market demand



### Demand drivers



# Industry leading products



## World leading

Our world-leading process and technology is unique.



## Protected IP

We have extensive know-how and over 330 patents covering 27 distinct inventions in over 40 countries.



## Sustainable

Produced from fast-growing, FSC® (CO12330) certified wood sources. Locks away carbon for longer.



## Stable

Outstanding dimensional stability, indoors or outdoors. Over 75% reduction in swelling from moisture uptake.



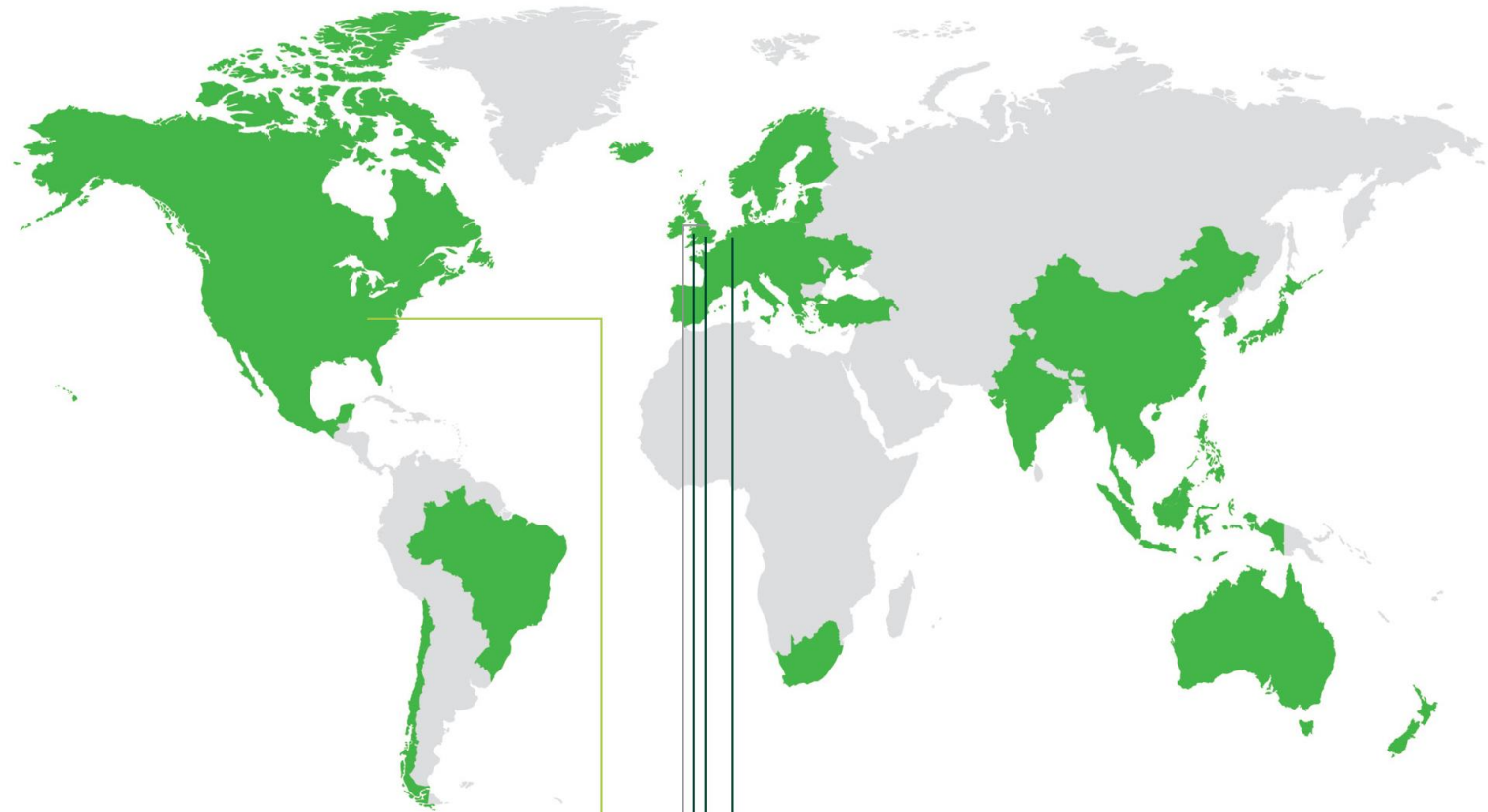
## Durable

Outperforming the best tropical hardwoods. 50 year warranty above ground and 25 year under ground or in water.



## DIVERSIFIED ROUTES TO GLOBAL MARKETS

Drive demand creation to maximise enhanced global reach



- Kingsport Accoya site and sales office
- Hull Tricoya site
- Barry Accoya Color site
- London Accsys head office
- Arnhem Accoya site & office

**Key**

- Accsys locations
- Product distribution
- Opening summer 2024
- On Hold

New distributors in FY24

The box contains the logos of seven new distributors for FY24: SAROYAN HARDWOODS, mérybois Tilff & Liège, carpentier SMART WOOD FOR NICE PLACES, Warren Trask Company, INTERWOOD ΕΥΑΕΜΠΟΙΑ, IMOLA TECNICA, and Keim.

# FOCUS: Driving performance and operational excellence

## Performance culture

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Safety: Journey to zero

Roll out new operational KPIs in Arnhem and Barry,

Improved target setting and follow up

Lean and fit-for-purpose local organizations

## Asset reliability and cost efficiency

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Create mature manufacturing facility at Arnhem through Solid Roots programme

Capitalize on the flexibility of production potential in Kingsport

Focus on FCF

## Diversified supply chain

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Diversify sourcing to reduce risk

Flexibility of supply form sites in Europe and US

Expand Accoya Color to match growth demand

## Capital efficiency

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Optimize working capital efficiency through optimised SOP process and more efficient inventory management

Minimal capex over next three years as Arnhem and Kingsport volumes rump up to the optimized capacity utilization

# Clear set of operational and growth targets to provide clear drivers to shareholder value

## FY25 operational targets

1. Kingsport commercially operational by end of the summer
2. Improved incentive plans
3. Deliver €3m operating cost savings in year
4. Solid Roots 500 bps reliability improvement in OEE<sup>1</sup> for key equipment in Arnhem

<sup>1</sup>OEE - Overall Equipment Effectiveness

## Growth aspirations

1. Target Arnhem refill capacity, post Kingsport migration, double digit % underlying volume growth within 12 months
2. c.100,000m<sup>3</sup> total volume from Arnhem and Kingsport by end of FY27



### OUTLOOK

- Good start to FY25 in line with expectations
- Kingsport ramp up and group volume growth
- Transitional year for Arnhem – target capacity refill post Kingsport migration, an underlying c. double digit% volume growth
- Full year benefit of €3m actual savings from business transformation programme

### PRIORITIES

- Resolution on Hull
- Transformation program delivery
- Volume growth
- Investor day on strategy

**An exciting year of growth and transformation as we expand our North America footprint**



# Q&A