EDISON

Accsys Technologies

H126 results

Continuing to gain market share

General industrials

4 December 2025

Accsys reported solid H126 results with total volume growth of 22% y-o-y and a stronger-than-expected improvement in adjusted EBITDA of 160% y-o-y. The plant in the US is successfully ramping up and is expected to be adjusted EBITDA positive in FY26. Trading remains robust and Accsys continues to gain share in a market where modified wood is outpacing the growth of (hard)wood. Growth will also be supported by the increased commercial efforts and expansion of its distribution network. On largely unchanged estimates the potential value per share remains €1.15.

Year end	Revenue (€m)	EBITDA (€m)	Net profit (€m)	EPS (€)	EV/sales (x)	EV/EBITDA (x)
3/24	136.2	4.4	(10.2)	(0.04)	1.6	48.8
3/25	136.6	10.8	(11.9)	(0.05)	1.6	19.8
3/26e	147.7	20.8	1.8	0.01	1.5	10.3
3/27e	168.9	28.0	7.9	0.03	1.3	7.7

Note: EBITDA, net profit and EPS are normalised, excluding amortisation of acquired intangibles and exceptional items. EBITDA includes 60% share of the Accoya USA joint venture.

Strong volume growth continues

Total volume growth accelerated in H126 despite still challenging market conditions. Total volumes increased by 22% y-o-y (vs 13% in FY25), driven by continued demand for its products and the successful ramp up of the plant in the US (sales growth in North America was an impressive 61% y-o-y). The US plant is 60/40% owned in a JV with Eastman Chemical and is equity accounted. Consolidated volumes were up only 1% y-o-y as volumes were being transferred from Arnhem to the US JV. For FY26e and FY27e we expect revenue growth of 8% (reflecting the impact of the transfer of volumes) and 14%, respectively, driven by strong market demand and increased commercial efforts. Accsys is on track to realise its targeted run-rate sales volume of 100,000m^3 by end FY27.

Margin improvement in H126 better than expected

In H126, adjusted EBITDA (including JV results) improved by 160% y-o-y to €10.4m, driven by higher volumes, price increases, cost savings and a significantly lower EBITDA loss at the Accoya USA JV. Accsys is positive about the growth prospects for its products as trading remains robust, and market research indicates CAGRs of 17% and 5% for modified wood in decking and cladding in the US, respectively, for 2024–27. Due to the successful ramp up of the plant in the US, Accsys expects the JV to be profitable in FY26. We have kept our estimates largely unchanged, with H226 adjusted EBITDA (including JV results) equal to the H126 results.

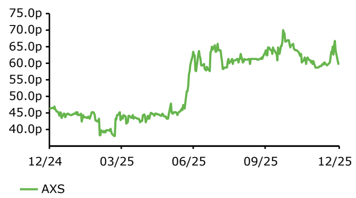
Valuation offers ample upside

Net debt further declined to €39.8m, from €42.6m at end FY25, driven by a free cash flow of €5.1m. We believe Accsys is on track to reach its target of being net debt free by FY30. Our discounted cash flow (DCF) model is based on explicit estimates for the Arnhem plant, and we add a separate DCF value for the Accoya USA JV. On largely unchanged estimates, our total DCF points to a value per share of €1.15 (unchanged).

Price[1]	**63.00p**
Market cap[2]	**£153m**
	€ 1.14/£
Net cash/(debt) at 30 September 2025	€(39.8)m
Shares in issue	242.7m
Code	AXS
Primary exchange	LSE
Secondary exchange	NXT AM

[1]€0.71
[2]€173m

Share price performance



%	1m	3m	12m
Abs	1.7	(6.3)	28.5
52-week high/low		70.0p	38.9p

Business description

Accsys Technologies is a chemical technology company enhancing the natural properties of wood to make high-performance and sustainable building products. Its processes are based on the acetylation of solid wood and wood elements.

Next events

FY26 results	June 2026

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Edison profile page

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H126 results show strong margin improvement

In H126, Accsys's group revenues rose 5.4% y-o-y to €76.1m, driven by strong trading across all regions despite challenging markets. This reflects revenue from the plant in Arnhem and licence fees and royalties of €2.1m from the Accoya USA joint venture (JV). The Accoya plant in the US, operational since September 2024, is a 60/40% JV with Eastman Chemical and is equity accounted. Volumes from Arnhem have been transferred to the new plant in the US. Excluding these transferred volumes, revenue increased by a solid 23% y-o-y.

Group adjusted EBITDA increased from €8.3m to €10.7m. Adjusted EBITDA including the JV share improved to €10.4m, up from €4.0m in H125. The margin of 11.6% (H125: 5.4%) is already close to the company's target of 12% by FY27. Better profitability was driven by sales volume growth, higher average selling prices, cost savings, a €4m improvement at Accoya USA and €1.6m higher licence fees and royalties from Accoya USA.

In H126, Accsys did not report any one-offs and last year's one-off costs were mainly related to the decision to terminate the construction of the Tricoya project in Hull. This, combined with the lower loss of Accoya USA, meant the reported net loss was significantly reduced from €27.5m in H125 to €1.4m in H126.

Exhibit 1: Summary H126 results

€m	H125	H126	% change y-o-y
Sales	72.2	76.1	5%
Cost of sales	(50.1)	(52.8)	6%
Gross profit	22.2	23.2	5%
Gross margin	30.7%	30.5%	
Other operating expenses	(13.8)	(12.5)	-10%
EBITDA adjusted	8.3	10.7	29%
Depreciation	(4.0)	(4.1)	3%
Amortisation	(0.7)	(0.2)	
EBIT adjusted	3.7	6.4	73%
Restructuring and other items	(3.9)	0.0	
Impairment	(18.0)	0.0	
Financial income and expenses	(1.9)	(3.4)	
Pre tax income	(20.1)	3.0	
Taxes	(1.3)	(0.0)	
Result Joint Venture	(6.1)	(4.4)	
Net profit reported	(27.5)	(1.4)	
Net profit adjusted	(6.7)	(1.4)	

Source: Accsys Technologies

Accsys continues to gain market share

Group volumes rose 0.7% y-o-y to 30,575m^3, thereby fully replacing the transferred volumes from the plant in Arnhem (fully consolidated) to the plant in the US (equity accounted). Total sales volumes, including the Accoya USA JV, strongly increased by 22.4% y-o-y to 38,618m^3, with Accsys continuing to gain market share.

Accoya USA has been successfully ramping up since its commercial start in September 2024, with volumes at the plant increasing from 1,181m^3 in H125 (only the month of September) to 8,043m^3 in H126. Volumes to North America strongly increased by 61% y-o-y, driven by higher demand from existing distributors and enhanced product availability.

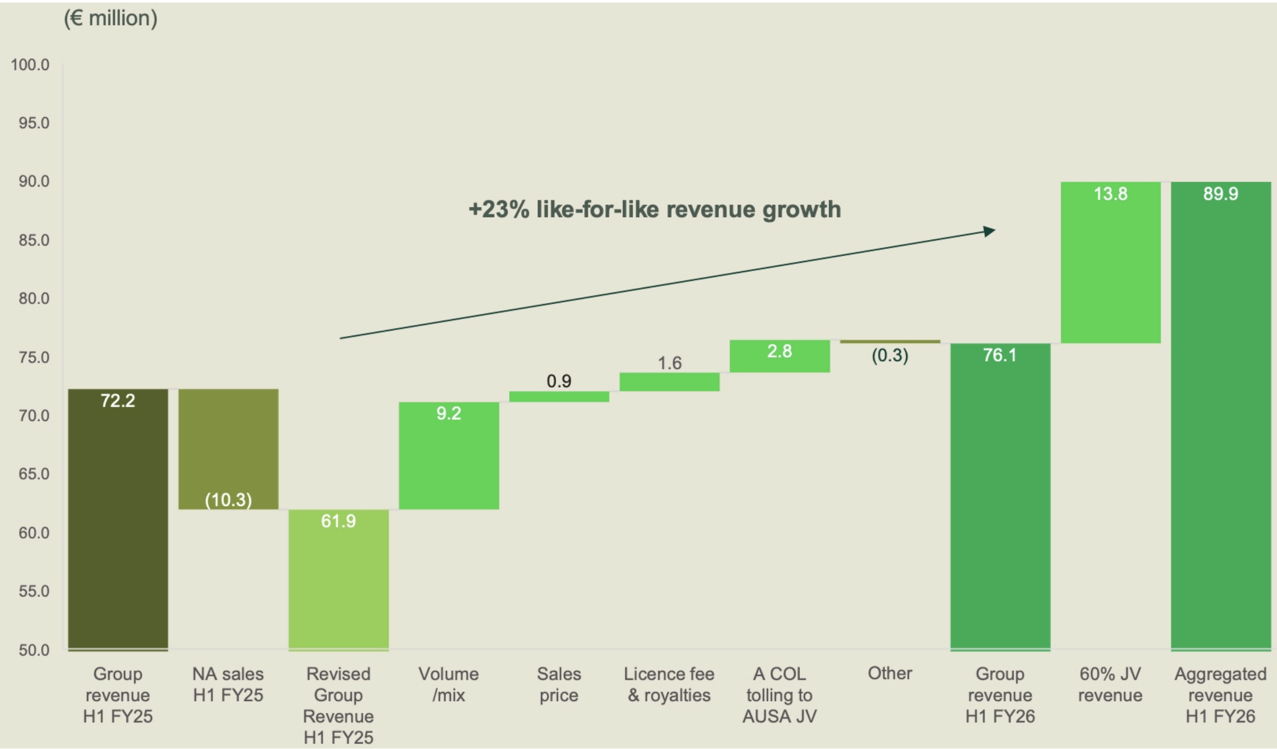
Within Europe, the UK and Ireland (22% of total volumes) showed continued good growth of 14%. The rest of Europe (23% of volumes) showed stronger growth than last year (ie +22% y-o-y), with good growth in the Benelux region (a new distributor in Belgium) and Germany, while the company is exploring opportunities to expand its presence in France. Volumes of Accoya for Tricoya (25% of volumes) were up 6% y-o-y, with a slowdown in demand throughout the first half due to soft markets and seasonal patterns. During the analyst call, management commented that now that inventories have been reduced, a pick-up in demand for Accoya for Tricoya from December is to be expected. Accoya Color continued its success with 56% growth y-o-y in H126.

Group selling prices increased by 1.7% y-o-y, with similar price increases in Europe and the US and a positive product mix effect from higher growth of higher-priced Accoya Color and lower growth of lower-priced Accoya for Tricoya.

Exhibit 2 shows the development of revenues in H126, with the main components being the transfer of volumes to the plant in Kingsport, Tennessee, and the volume growth at the Arnhem plant. After the operational start of the JV plant in the US, Accsys is receiving royalties as a percentage of the Tennessee plant's revenues, which contributed €2.1m in H126 (this included the final licence fee after completion of the plant).

As can be seen in Exhibit 2, Accsys reported €2.8m revenues related to colour tolling: Accoya that is made in the US is sold and sent to Barry, UK, for colouring and then sold and sent back as Accoya Color to the Accoya USA JV. Arnhem produced Accoya is coloured in Barry, but is sold to European customers, and not sold to the US. Since the JV is treated as an external company for reporting purposes, the transactions between the JV and Accsys Group are not eliminated on consolidation.

Exhibit 2: Revenue bridge H126 versus H125



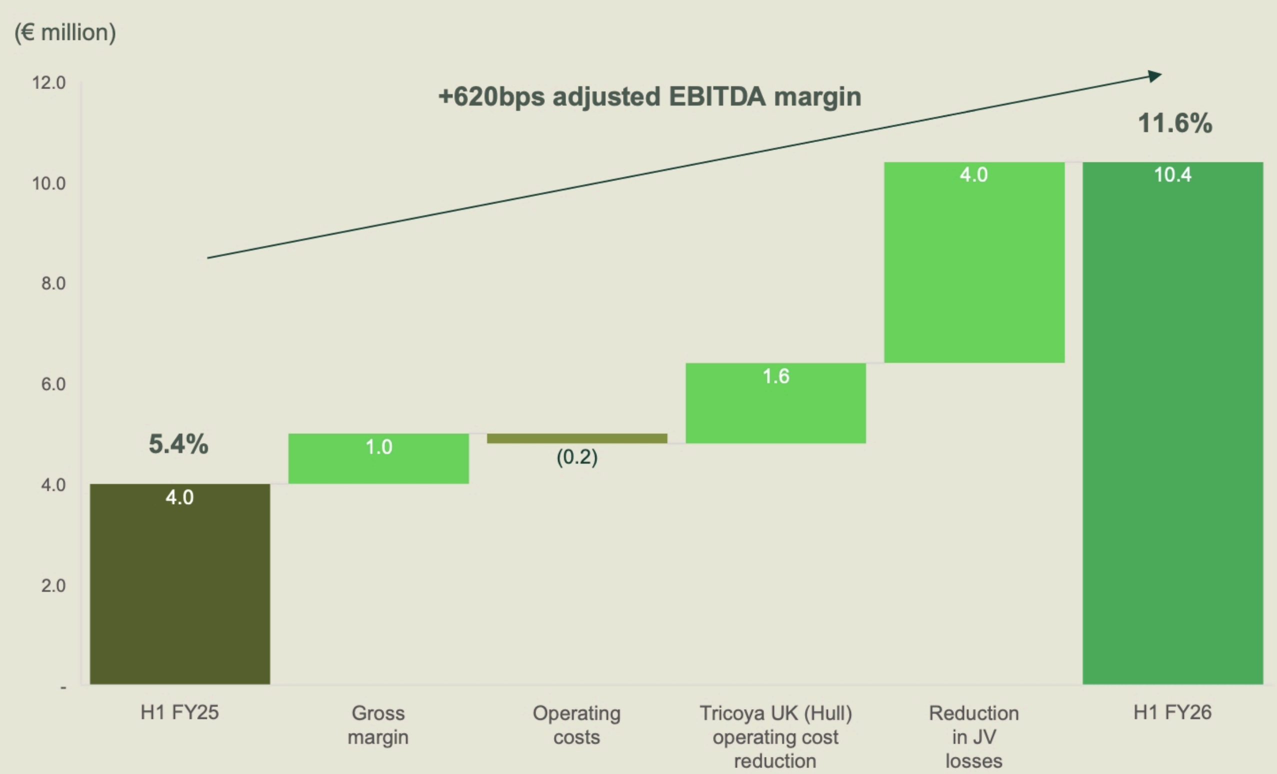
Source: Accsys Technologies

Strong improvement in adjusted EBITDA (including Accoya USA results)

Gross margin decreased by 20bp y-o-y to 30.5%, mainly due to the transfer of volumes to the US as higher-priced volumes to the US have been replaced by lower-priced volumes to other regions. This negative effect was partly mitigated by above-average growth in higher-margin Accoya Color and lower growth in lower-margin Accoya for Tricoya, while raw wood costs were stable.

Exhibit 3 shows the adjusted EBITDA bridge for the increase from €4.0m in H125 to €10.4m in H126 (both including the result of the US JV). The major contributors were the €4m lower loss of the Accoya USA JV and the absence of €1.6m costs related to the Hull project, which was terminated last year. Gross profit had a positive contribution despite the negative impact from the transfer of volumes to Accoya USA. Higher costs related to the higher volumes were offset by cost savings. Adjusted EBITDA margin jumped to 11.6% and almost reached the targeted 12% for FY27.

Exhibit 3: Adjusted EBITDA bridge H126 versus H125



Source: Accsys Technologies

Financial position steadily improving

Net debt further declined to €39.8m, from €42.6m at the end of March 2025, driven by the free cash flow of €5.1m, which was, however, lower than last year, due to higher working capital and higher capex. Net debt/EBITDA declined from 2.5x to 2.1x, with the company aiming to be net debt free by FY30. In October 2025, Accsys successfully negotiated new improved terms for financing its debt with two banks.

Outlook and valuation

Accsys stated that trading remains robust, driven by good demand for its products. With volumes further ramping up in the US, Accsys expects Accoya USA to report positive adjusted EBITDA in FY26, versus previously guiding for 'break-even or a small profit'. In the first half, Accsys added three distributors in the US, including its first distributor in Mexico, which are currently stocking up with inventories and are expected to contribute to results from H226. Due to the success of Accoya Color, Accsys has more than doubled the capacity in Barry, UK, from 6,000m^3 to up to 14,000m^3 by adding another shift.

Decking and cladding are key applications in the US, accounting for 75% of US sales, and market research by Principia (Builders Series, August 2025) suggests solid growth in modified wood such as Accsys's products. For 2024–27 it predicts a CAGR for thermally or modified wood of 17%, while it expects declines of 7% in cedar and redwood and 4% in hardwood. In cladding, it expects a CAGR of 5.4% for engineered wood (including modified wood) versus no growth for wood. Accsys should benefit from these expected sound market conditions in the respective market segments, and we expect the company to continue to gain market share over the next few years.

Accsys is on track with the first phase of its Focus strategy, which it communicated at the company's investor day in January 2025. Management expects to deliver further revenue growth and profitability improvement in FY26, and for FY27 it targets a total run rate volume of around 100,000m^3 (at year-end) and an adjusted EBITDA margin of 12%.

The global import tariff situation has not affected Accsys much so far. Until mid-October 2025, there were exemptions in place for lumber imports to the US, while Accoya USA serves US customers with locally manufactured products. From mid-October 2025, the US introduced a 10% tariff on imported raw wood. During the conference call, management commented that, to counter this effect, it had raised prices from 1 November 2025 and is in discussions with suppliers to share the impact of the tariff. We do not expect the import tariff to have a material impact on the company's results.

Slightly raising our estimates

We have left our revenue estimate for FY26 unchanged as volumes at the Arnhem plant were in line with our expectations. We still expect 8% y-o-y revenue growth, thereby more than absorbing the loss of volumes being transferred to the plant in the US. After the better-than-expected profitability in H126, we have slightly raised our FY26 EBITDA estimate. We now estimate €20.8m versus €20.5m previously. This includes slightly raised estimates for Accoya USA. During the analyst call, management commented that doubling the first half result could work as a good indicator for the full year, based on a traditionally weaker Q3, due to the annual maintenance stop, and a traditionally strong Q4 with distributors building inventories in anticipation of spring. The expected almost doubling of adjusted EBITDA in FY26 is mainly driven by volume growth, cost savings and Accoya USA becoming profitable.

Exhibit 4: Estimate changes

€m		FY26			FY27e		FY28e
	Old	New	Change	Old	New	Change	New
Group sales	147.7	147.7	0.0%	168.9	168.9	0.0%	194.7
Gross margin	30.8%	30.6%		31.3%	31.1%		31.5%
Adjusted EBITDA (incl 60% share JV)	20.5	20.8	1.1%	27.9	28.0	0.4%	37.6
Group EBITDA margin	13.6%	13.6%		14.6%	14.5%		15.5%
Adjusted EBITDA margin (incl 60% share JV)	11.7%	11.9%		13.8%	13.8%		15.7%
Net profit	1.7	1.8	5.7%	7.8	7.9	2.0%	21.8
Net profit adjusted	1.7	1.8	5.7%	7.8	7.9	2.0%	21.8

Source: Accsys Technologies, Edison Investment Research

For FY27e, we expect 14% y-o-y revenue growth as there will no longer be a negative effect of transferring volumes to the US, while growth will be supported by the increased commercial efforts. Our adjusted EBITDA margin estimate (including JV result) remains 13.8%, which exceeds the company's target of 12%. We introduce FY28 estimates, which assume 15% revenue growth and further margin improvement.

Valuation offers ample upside

For the valuation of Accsys, we use a DCF model. It is based on specific estimates for the Arnhem plant, and we add a separate DCF value for the Accoya USA plant. On largely unchanged estimates, our DCF points to a value per share of €1.15 (unchanged).

Exhibit 5: Financial summary

€m	FY23	FY24	FY25	FY26e	FY27e	FY28e
Year end 31 March	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS
INCOME STATEMENT						
Revenue (reported)	162.0	136.2	136.6	147.7	168.9	194.7
Volumes Arnhem, in m³	63,344	56,568	57,104	60,837	68,662	76,845
Gross Profit	55.2	40.9	41.4	45.2	52.5	61.3
EBITDA adjusted, incl share Accoya USA jv	22.9	4.4	10.8	20.8	28.0	37.6
EBITDA adjusted, excl share Accoya USA jv	23.6	8.2	16.9	20.1	24.5	30.2
EBITDA reported	22.1	7.0	16.9	20.1	24.5	30.2
Depreciation & Amortisation	(8.3)	(9.2)	(9.2)	(8.8)	(8.3)	(7.9)
EBIT adjusted	15.3	(1.0)	7.6	11.4	16.2	22.3
Exceptionals (Edison definition)	(87.5)	(8.2)	(12.0)	0.0	0.0	0.0
EBIT reported	(72.2)	(9.2)	(4.4)	11.4	16.2	24.3
Net Interest	6.1	(3.8)	(4.6)	(5.5)	(5.3)	(4.7)
Results of associates/Accoya USA jv	(1.0)	(4.1)	(11.9)	(3.4)	(1.3)	6.9
Profit Before Tax	(67.1)	(17.1)	(20.8)	2.4	10.9	17.5
Reported tax	(2.8)	(0.8)	(2.0)	(0.6)	(1.6)	(2.6)
Profit After Tax	(69.9)	(17.9)	(22.9)	1.8	9.2	14.9
Minority interests	30.8	0.0	0.0	0.0	0.0	0.0
Net profit (adjusted)	9.5	(10.2)	(11.9)	1.8	7.9	21.8
Net profit (reported)	(39.0)	(17.9)	(22.9)	1.8	7.9	21.8
Average number of shares (m)	210.7	227.9	238.0	240.7	241.0	241.0
Average number of shares, diluted (m)	219.1	234.9	245.0	247.7	248.0	248.0
EPS adjusted (€)	0.05	(0.04)	(0.05)	0.01	0.03	0.09
EPS reported (€)	(0.19)	(0.08)	(0.10)	0.01	0.03	0.09
Revenue growth	34%	-16%	0%	8%	14%	15%
Gross Margin	34.0%	30.0%	30.3%	30.6%	31.1%	31.5%
Adjusted EBITDA margin	14.6%	6.0%	12.3%	13.6%	14.5%	15.5%
Adjusted operating margin	9.4%	-0.8%	5.6%	7.7%	9.6%	11.4%
Reported EBIT margin	-44.5%	-6.8%	-3.2%	7.7%	9.6%	12.5%
BALANCE SHEET						
Fixed Assets	151.4	138.9	117.1	109.1	103.5	102.6
Intangible Assets	10.5	10.0	6.2	5.9	5.6	5.3
Tangible Assets	110.1	97.2	77.1	71.9	67.1	63.6
Investments & other	30.9	31.7	33.9	31.3	30.9	33.7
Current Assets	75.1	71.0	63.8	72.7	85.7	100.7
Stocks	29.9	25.7	30.8	34.3	40.4	46.6
Debtors	14.4	14.0	12.9	13.9	15.9	18.4
Other current assets	4.1	3.8	2.7	2.9	3.3	3.8
Cash & cash equivalents	26.6	27.4	17.4	21.5	26.1	32.0
Current Liabilities	42.5	26.2	30.2	29.6	31.6	33.5
Creditors	17.9	11.8	8.4	8.2	8.9	9.3
Other current liabilities	14.0	13.7	15.2	14.8	16.1	16.7
Short-term borrowings	10.5	0.7	6.6	6.6	6.6	6.6
Long-Term Liabilities	61.6	65.0	53.4	50.1	45.7	41.3
Long-term borrowings	60.2	63.9	53.4	50.1	45.7	41.3
Other long-term liabilities	1.4	1.1	0.0	0.0	0.0	0.0
Shareholders' equity	122.5	118.8	97.3	102.1	112.0	128.5
Minority interests	0.0	0.0	0.0	0.0	0.0	0.0
Balance sheet total	226.5	210.0	180.9	181.7	189.2	203.4
CASH FLOW						
Op Cash Flow before WC and tax	28.2	3.6	12.9	20.3	25.2	30.2
Working capital	(6.1)	(1.8)	(7.0)	(5.4)	(6.5)	(8.1)
Other	0.6	1.5	1.7	1.7	1.7	1.7
Tax	0.1	0.1	(1.4)	(0.6)	(1.6)	(2.6)
Net interest	(6.1)	3.8	4.6	(3.8)	(4.6)	(5.3)
Net operating cash flow	16.6	7.1	10.7	12.3	14.1	15.9
Capex	(30.2)	(3.5)	(1.9)	(3.5)	(3.8)	(4.2)
Investments in financial assets/joint ventures	(29.0)	(4.9)	(14.7)	(0.9)	(0.9)	(0.9)
Equity financing	19.2	12.7	(0.5)	(0.5)	(0.5)	(0.5)
Other	6.6	(4.5)	0.8	0.0	0.0	0.0
Net Cash Flow	(16.8)	6.9	(5.5)	7.4	8.9	10.3
Opening net debt/(cash), including lease liabilities	27.3	44.1	37.1	42.6	35.2	26.3
Closing net debt/(cash), including lease liabilities	44.1	37.1	42.6	35.2	26.3	16.0

Source: Accsys Technologies, Edison Investment Research

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