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Impairment requirements (EBIT) for the financial year 2023; confirmation and specification of earnings forecast (EBITDA)

- EBITDA of around EUR 300 million expected for 2023
- Non-cash impairment losses of up to EUR 480 million
- Implementation of the performance program fully on track

Lenzing – The annual valuation of assets in accordance with IFRS for the entire Lenzing Group, a leading global supplier of specialty fibers for the textile and nonwovens industries, both nationally in Austria and internationally, has resulted in a projected asset impairment of up to EUR 480 million for the 2023 financial year.¹ The reasons for the impairment requirements are, on the one hand, continued uncertainties in the economic environment and, on the other hand, still increased raw material and energy costs as well as a higher interest rate environment.

The impairment losses are non-cash effective and have no impact on the full-year EBITDA for 2023, but do affect EBIT for the 2023 financial year. The Managing Board is specifying the previous earnings forecast for the 2023 financial year (EBITDA: EUR 270 – 330 million) and expects an EBITDA of around EUR 300 million.

Stephan Sielaff, Chief Executive Officer of the Lenzing Group: “In the third quarter of 2023, we responded to the persistently difficult market environment and launched a comprehensive performance program, which we have been consistently implementing since then with a focus on positive free cash flow and stronger sales and margin growth. We can therefore confirm our earnings forecast with an EBITDA of around EUR 300 million. The valuation adjustment in accordance with IFRS does not change the strategic orientation of the Lenzing Group.”

Nico Reiner, Chief Financial Officer, adds: “The implementation of the performance program is going according to plan. In the future, cost measures alone are expected to contribute more than EUR 100 million to earnings annually, of which more than EUR 50 million will already be effective for the 2024 financial year. We are on

¹ Subject to potential changes resulting from the ongoing financial audit

target, particularly in terms of strengthening free cash flow, and we also achieved positive free cash flow in the fourth quarter. The revaluation of assets is now consistent and the right step for the future direction.”

The 2023 annual results will be presented on March 15, 2024.

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About the Lenzing Group

The Lenzing Group stands for ecologically responsible production of specialty fibers made from the renewable raw material wood. As an innovation leader, Lenzing is a partner of global textile and nonwoven manufacturers and drives many new technological developments.

The Lenzing Group's high-quality fibers form the basis for a variety of textile applications ranging from elegant clothing to versatile denims and high-performance sports clothing. Due to their consistent high quality, their biodegradability and compostability Lenzing fibers are also highly suitable for hygiene products and agricultural applications.

The business model of the Lenzing Group goes far beyond that of a traditional fiber producer. Together with its customers and partners, Lenzing develops innovative products along the value chain, creating added value for consumers. The Lenzing Group strives for the efficient utilization and processing of all raw materials and offers solutions to help redirect the textile sector towards a closed-loop economy. In order to reduce the speed of global warming and to accomplish the targets of the Paris Climate Agreement and the "Green Deal" of the EU Commission, Lenzing has a clear vision: namely to make a zero-carbon future come true.

Key Facts & Figures Lenzing Group 2022

Revenue: EUR 2.57 bn

Nominal capacity: 1,145,000 tonnes

Number of employees (headcount): 8,301

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