



Innovative by nature

Lenzing Investor Presentation

Results 01-06/2018

August 8, 2018

Lenzing

Innovative by nature

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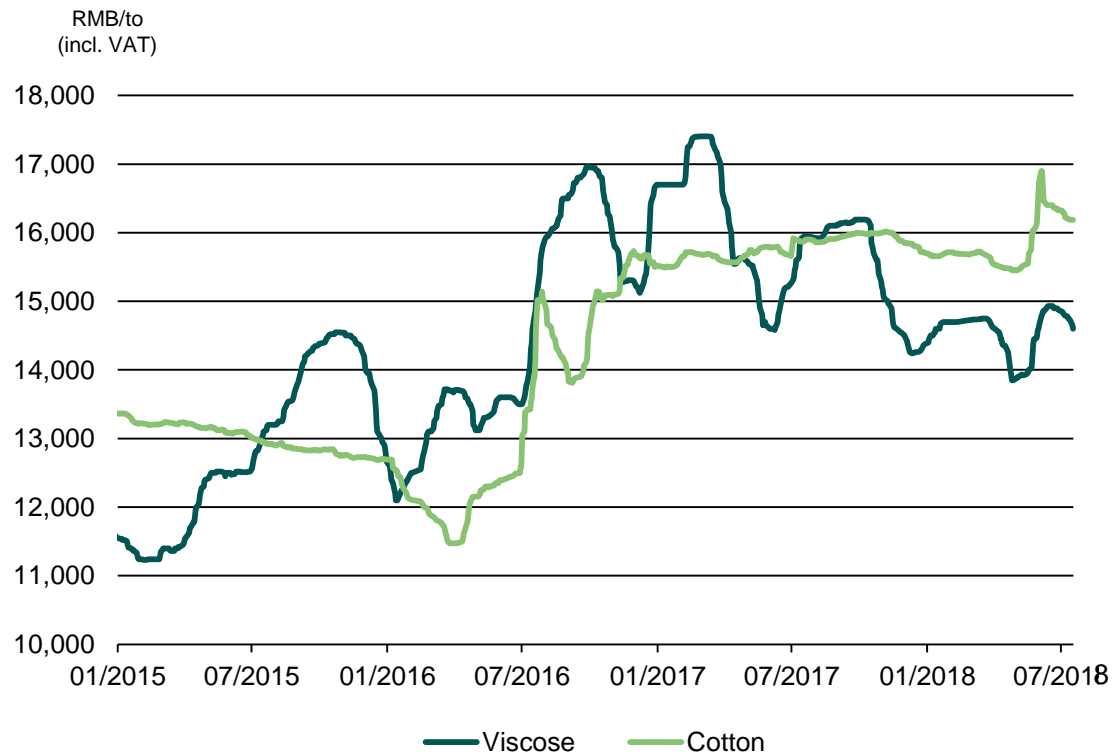
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- Definition and further details on the calculation of financial key indicators can be derived from the Half-Year Report and the Annual Report. These reports are also available online on the website of the Lenzing Group www.lenzing.com in the section "Investors".

Highlights H1/2018

- Lenzing with a solid first half year in a more demanding market environment
 - Group revenue down 6.4% to EUR 1,075.4 mn compared to H1/2017
 - EBITDA down 28.1% to EUR 194.8 mn
 - Strong balance sheet with adjusted equity ratio at 59.0% and low net financial debt of EUR 144.2 mn
- Execution of sCore TEN strategy in full swing
 - Specialty rate increased to 44%
 - Successful start up of 25 kt lyocell in Heiligenkreuz (A)
 - 450 kt greenfield DWP mill project announced by Lenzing and JV partner Duratex
 - Investment for second pilot plant of TENCEL™ Luxe filament yarn for EUR 30 mn
 - Start of LENZING™ ECOVERO™ production in China
 - Successful launch of new brand architecture
- Dividend of EUR 3.00 per share and special dividend of EUR 2.00 per share was paid out in April 2018

Interfiber price development¹

Staple fiber prices in RMB/to – Development in China



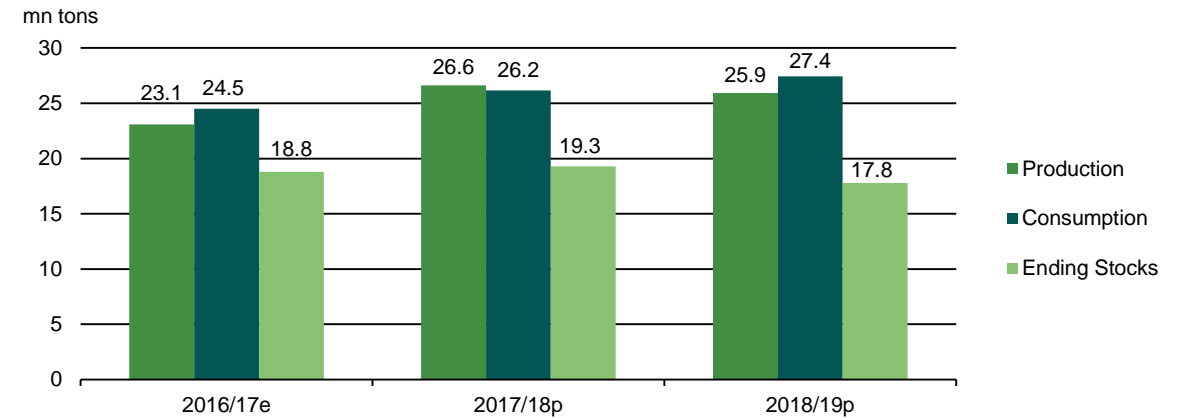
1) Price development until July 17th, 2018
 VAT-rate-reduction (valid since May 1, 2018): VSF and PSF from 17% to 16%; Cotton from 11% to 10%

Sources: China Cotton Association, China Chemical & Fiber Economic Information Network, China Chemical Fiber Group

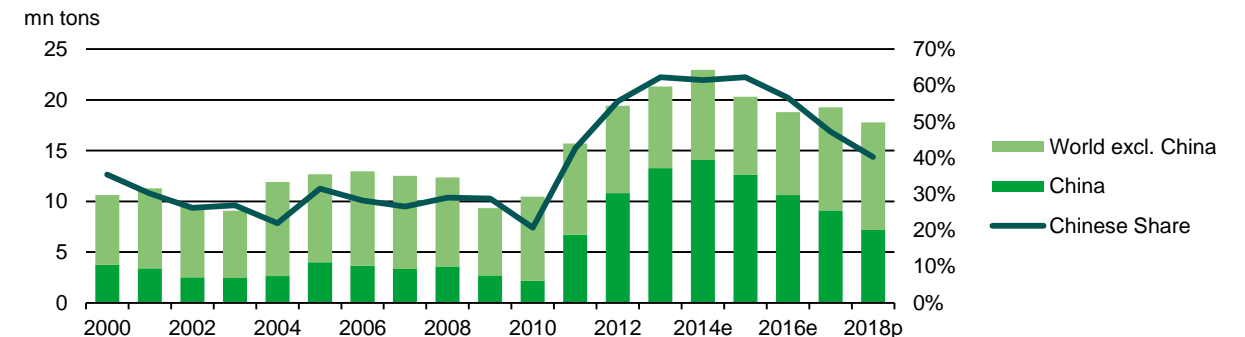
Cotton market

- Q2/2018: Price hike up to 102 cents/lb in June due to increased demand coupled with fear of tight supply (rising futures)
- Cotlook A-Index price projection 2017/18: USD 83 cents/lbs
- Positive outlook for season 2018/19p
 - Cotlook A-Index price projection: USD 84 cents/lbs
 - Consumption is expected to continue to rise

Cotton market



Cotton stocks and China's share

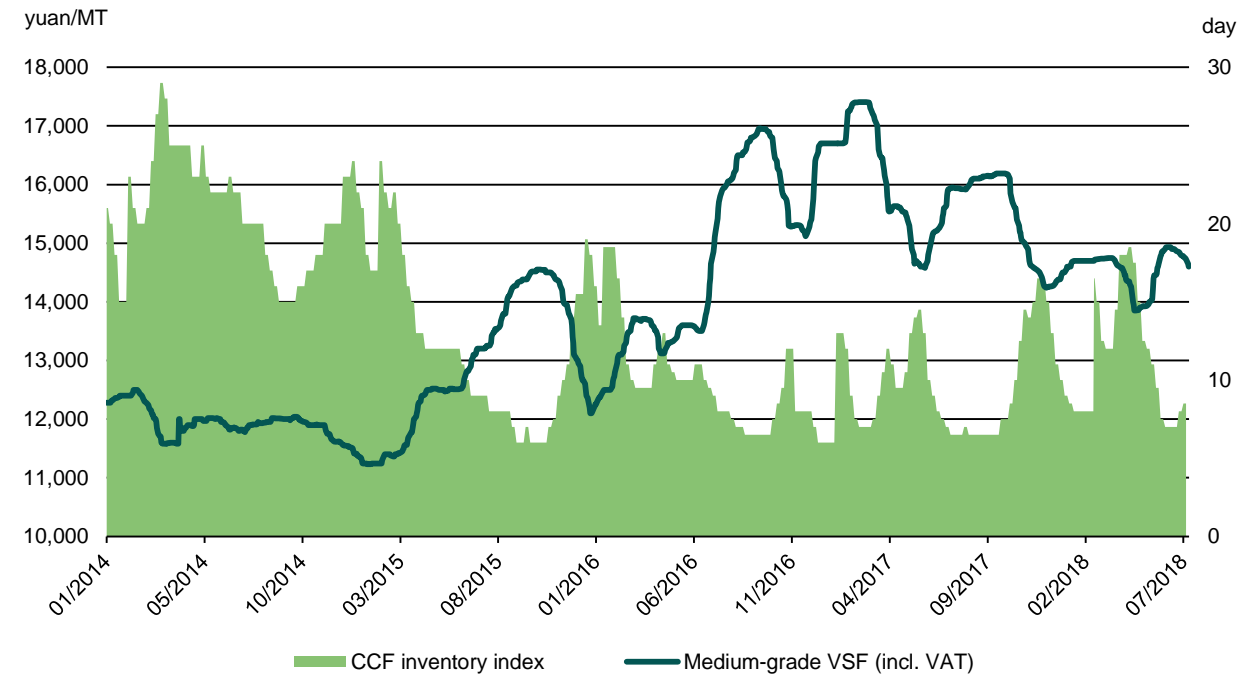


Sources: Cotton Outlook, ICAC July 2, 2018, percentage changes based on exact figures

Chinese viscose staple fiber market

- After a drop in April to 13,850 RMB, standard VSF prices bounced up to 14,930 RMB in June boosted by
 - Higher cotton prices
 - Postponed start-up of new VSF capacities
- Utilization rate was below 80%; VSF inventory declined to 7 days at the end of Q2
- No major changes in dissolving wood pulp prices in Q2 (start/ end price at 940 USD/MT)
- Price development for Lenzing specialty fibers continues to be positive

VSF¹ price trend and inventory of China



1) Viscose staple fibers, price development until July 17th, 2018

Source: China Chemical Fiber Group

Brazil – perfect for a lowest cost DWP mill worldwide

- Very favorable wood economics, strong local talent pool and excellent supplier network
- Brazil has a lot of experience in pulp projects
 - Since year 2000, ~50% of new pulp capacity was built in Brazil
- Duratex – strong JV partner
 - Leader in sustainable forestry management
 - Experience in construction and operation of big scale industrial plants
- Plantation in the Triângulo Mineiro in the State of Minas Gerais
 - Highly competitive wood economics
 - Good inbound/outbound logistics (train to port)
 - Large single plot plantation
 - Duratex plantation certified by FSC® in 1995



Source: Lenzing team

Key facts about the DWP greenfield project

- Lenzing and Duratex S.A. to investigate a greenfield DWP plant in Brazil
 - Lenzing to hold 51% and Duratex 49%
 - FSC® certified wood supply
- Key facts of project under investigation
 - 450 kt/a capacity → largest single line DWP plant
 - Kraft pulp technology and eucalyptus wood
 - Operation ramp-up by 2022
 - Lenzing secures the total DWP supply of the plant
 - CAPEX of somewhat more than USD 1 bn (based on current FX rates and net of generic tax refunds) and the outcome of the basic engineering study
 - Duratex to bring the plantation as contribution in kind into the JV
 - Basic engineering and permitting process will now be started
- Final investment decision after basic engineering in 2019

Lenzing specialty fibers – in line with sCore TEN

- Specialty ratio 44.1 % of revenue in H1/2018. Rising demand also due to specific marketing and business development activities
- LENZING™ ECOVERO™: Progress ahead of expectations
 - Nanjing, China, established as 2nd production hub (after Lenzing site)
- REFIBRA™ recycling technology launch continues to underscore Lenzing's leading position in sustainability in the textile industry
- TENCEL™ Luxe progress ahead of schedule
 - Investment for second pilot plant for EUR 30 mn in Lenzing announced in May 2018
- LENZING™ Lyocell LF focussed on home textiles and knits
 - Volumes ahead of expectations so intention to expand production in 2019

Successful launch of new branding concept



For Textile B2C Specialties



For Non-Woven B2C Specialties



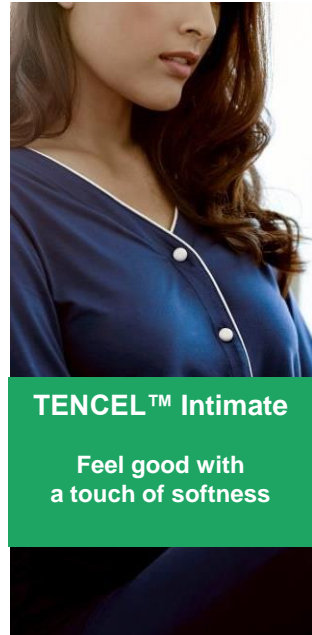
For Industrial B2B

Successful launch of TENCEL™ in textiles



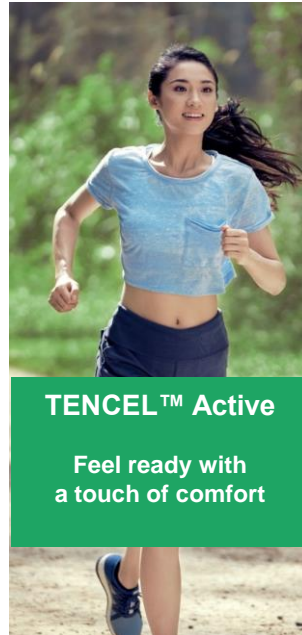
TENCEL™ Denim

Feel your best with a touch of smoothness



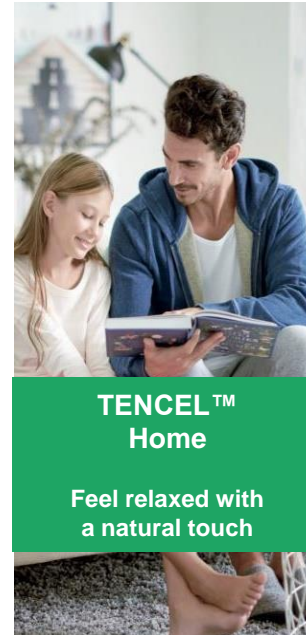
TENCEL™ Intimate

Feel good with a touch of softness



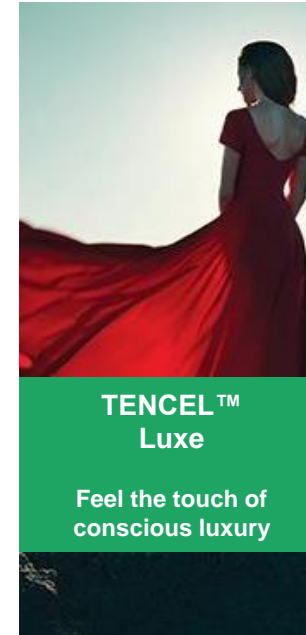
TENCEL™ Active

Feel ready with a touch of comfort



TENCEL™ Home

Feel relaxed with a natural touch



TENCEL™ Luxe

Feel the touch of conscious luxury



Followed by the launch in nonwovens...



**VEOCEL™
Beauty**



**VEOCEL™
Body**



**VEOCEL™
Intimate**



**VEOCEL™
Surface**

...and the launch in the industrial segment

LENZING™



**LENZING™
for
Agriculture**



**LENZING™
for
Packaging**



**LENZING™
for
Protective
Wear**



**LENZING™
for
Workwear**



**LENZING™
for
Engineered
Products**



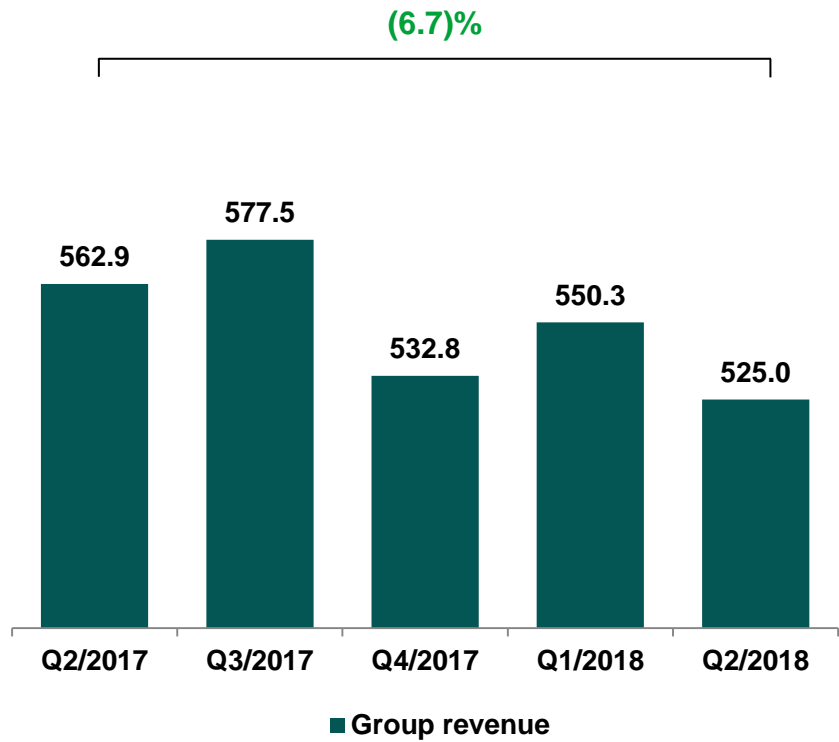
**LENZING™
for Bio-
refinery
products**

sCore TEN investment program

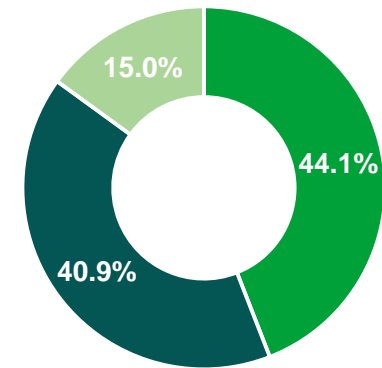
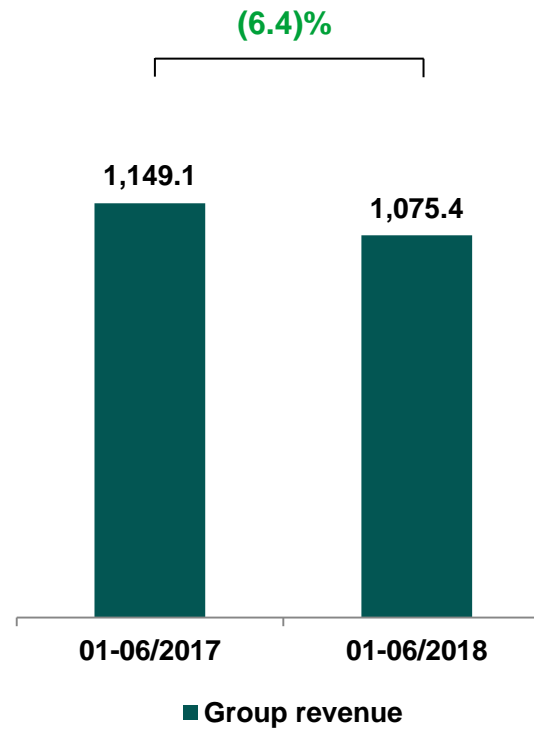
- Debottlenecking of pulp and specialty fibers
 - Heiligenkreuz line three start-up completed
 - Pulp debottlenecking according to plan
- Lyocell brownfield project of 90 kt in Mobile/USA
 - First major EPC/EPCM project within the Lenzing Group
- Lyocell greenfield expansion in Thailand
 - Land purchase completed and land leveling started
- Greenfield DWP plant in Brazil

Financials – Revenue

EUR mn



Revenue split H1/2018



- Specialty fibers¹
- Standard fibers
- Other business areas

1) LENZING™ Lyocell, LENZING™ Modal, LENZING™ Specialty Viscose

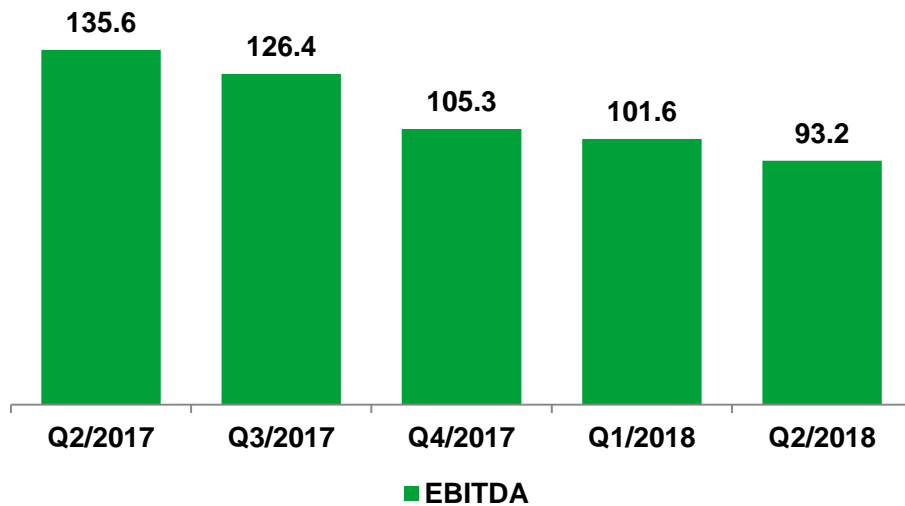
Financials – EBITDA

EBITDA margin

24.1% 21.9% 19.8% 18.5% 17.7%

EUR mn

(31.3)%

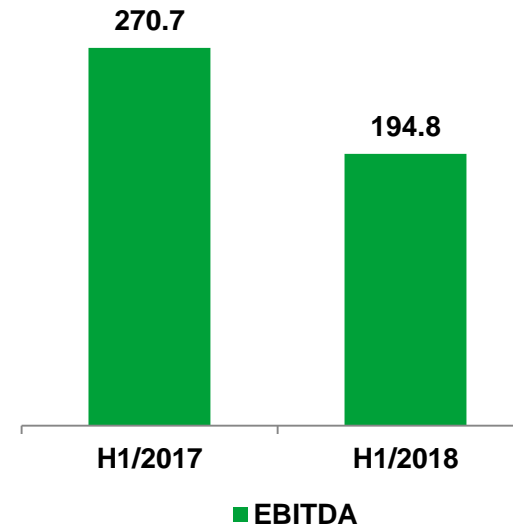


EBITDA margin

23.6% 18.1%

EUR mn

(28.1)%



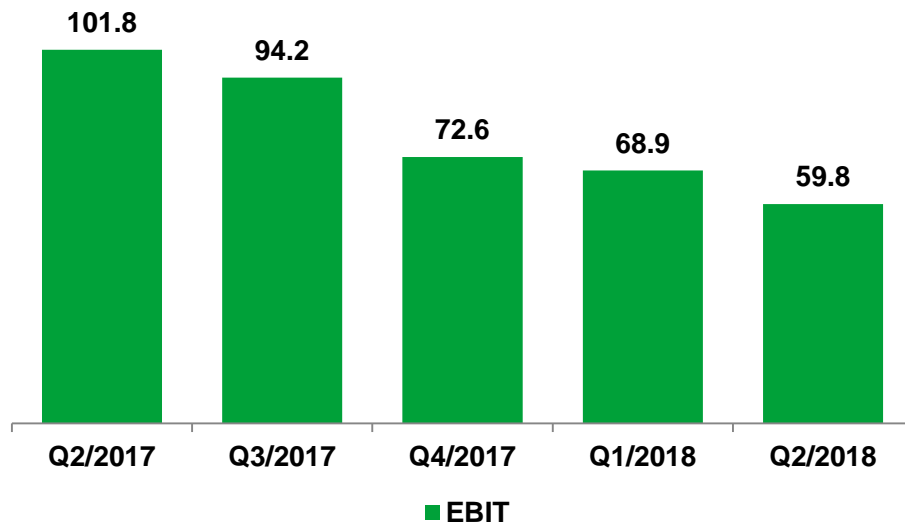
Financials – EBIT

EBIT margin

18.1% 16.3% 13.6% 12.5% 11.4%

EUR mn

(41.2)%

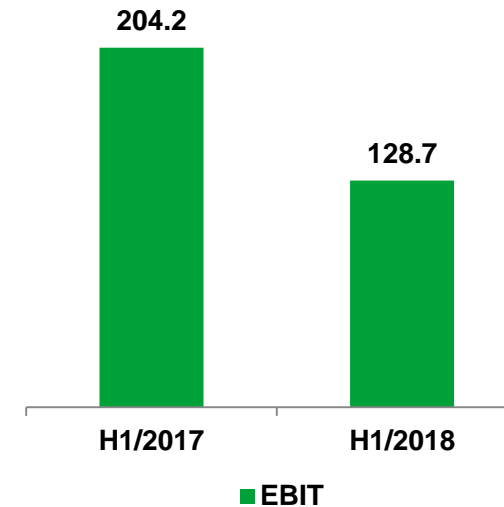


EBIT margin

17.8% 12.0%

EUR mn

(37.0)%



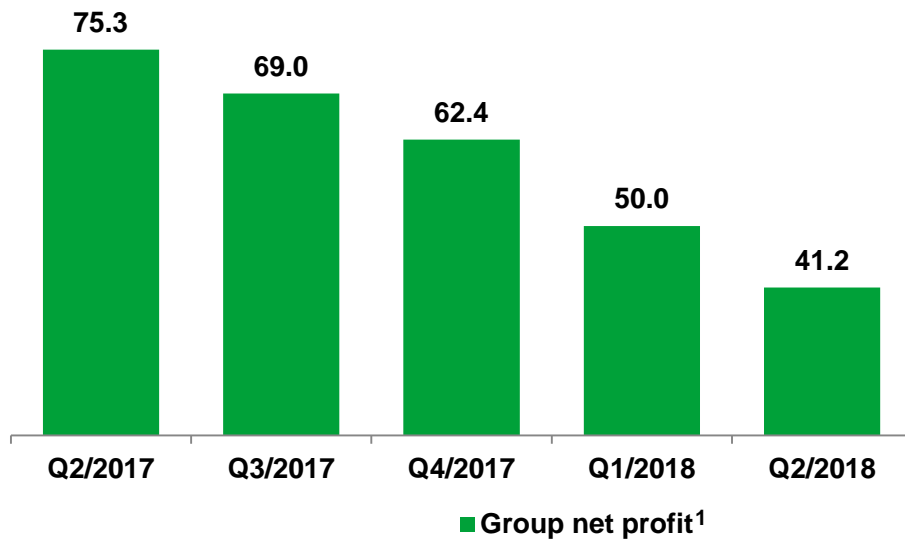
Financials – Net profit and earnings per share¹

EPS¹ (EUR)

2.80 2.57 2.35 1.89 1.55

EUR mn

(45.2)%

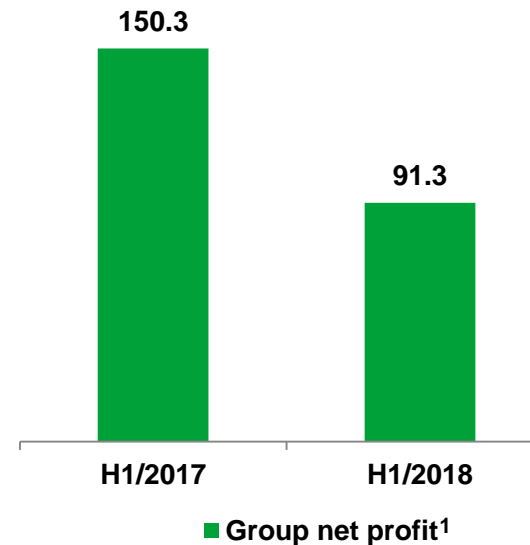


EPS¹ (EUR)

5.55 3.44

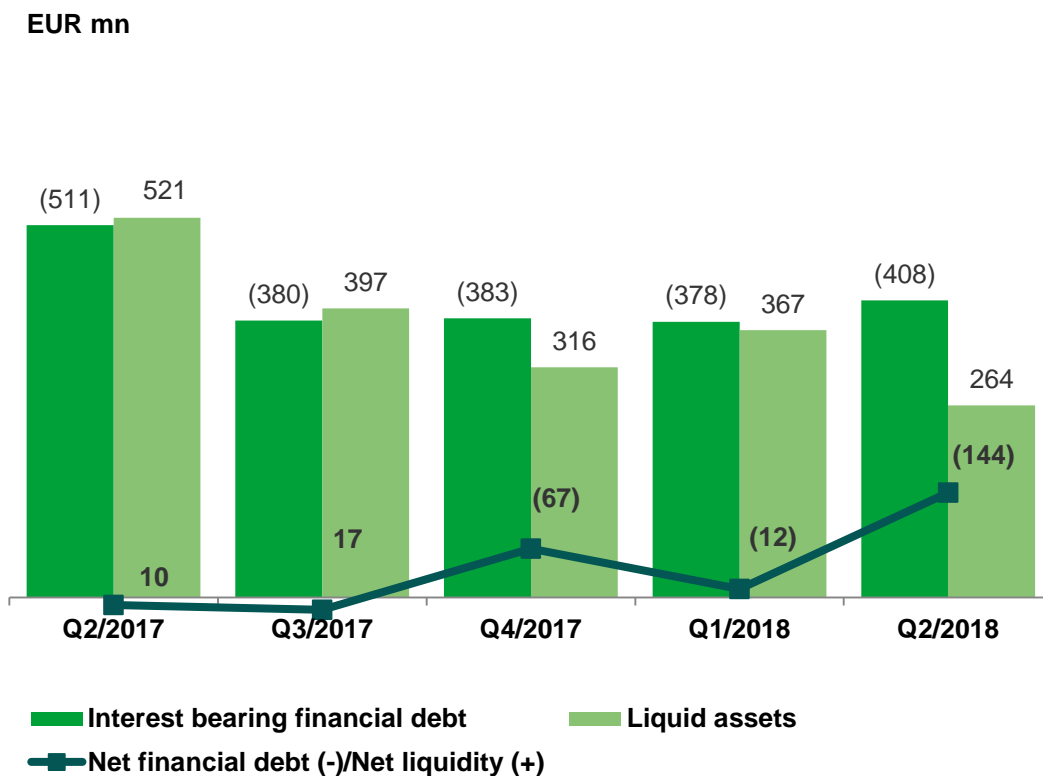
EUR mn

(39.3)%



1) Attributable to Lenzing AG shareholders

Financials – Key figures



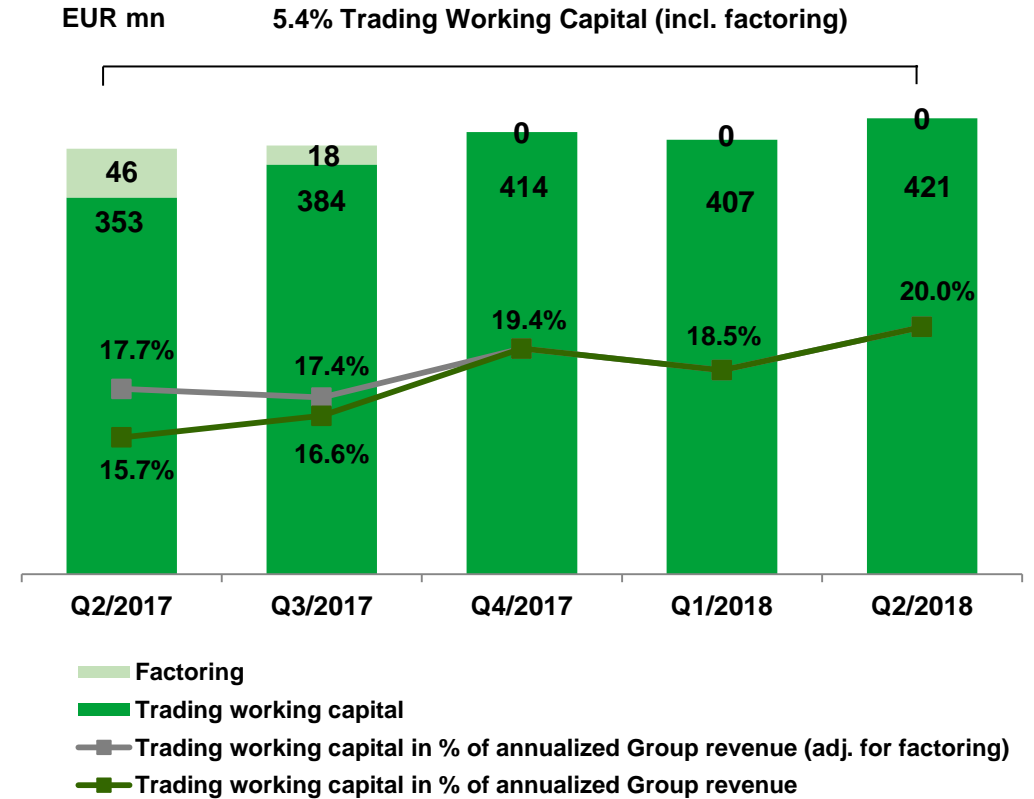
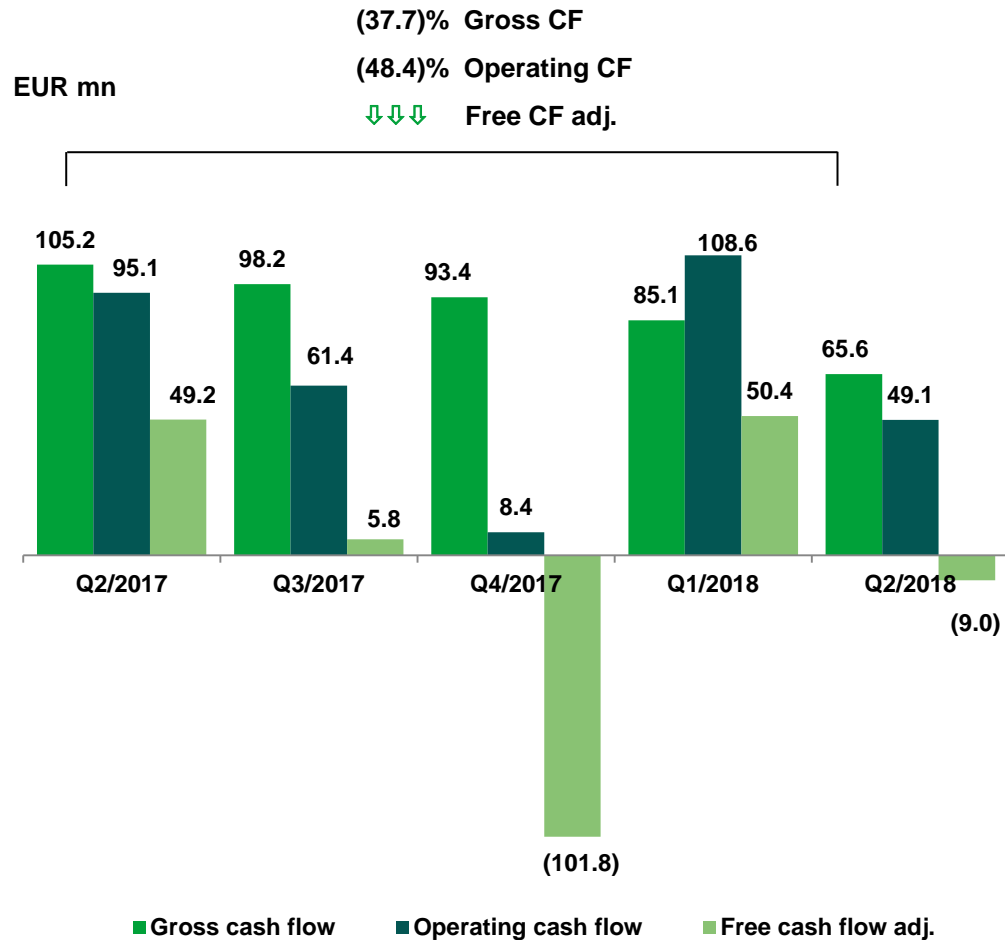
1) Including cash and cash equivalents, liquid securities and liquid bills of exchange

2) Including government grants less proportionate deferred taxes on government grants

According to IFRS (EUR mn)	30 June 2018	31 Dec. 2017	Change in %
Total assets	2,524.2	2,497.3	1.1
Liquid assets¹	263.8	315.8	(16.5)
thereof liquid funds	241.4	306.5	(21.2)
Total liabilities	1,054.6	989.4	6.6
thereof financial liabilities	408.0	382.6	6.6
Adjusted equity²	1,490.5	1,527.7	(2.4)
Adjusted equity ratio (%)	59.0	61.2	-
Net gearing (%)	9.7	4.4	-
Net financial debt	144.2	66.8	116.0

According to IFRS (EUR mn)	30 June 2018	31 Dec. 2017	Change in %
Total liquidity cushion	670.6	529.6	26.6
thereof liquid assets ¹	263.8	315.8	(16.5)
thereof unused credit facilities	406.8	213.8	90.3

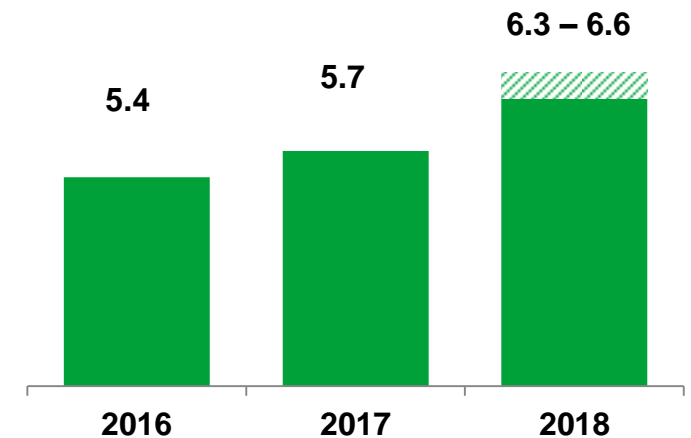
Cash flow development and trading working capital



Outlook: Challenging environment to continue

- Macro industry indicators positive
 - Good market demand for wood-based cellulose fibers
 - Strong cotton market
 - Increasing awareness of sustainability
- Commodity viscose to remain under pressure
 - Start up of new viscose capacities started end of Q2 and will continue well into 2019
 - VSF prices and margins expected to remain under pressure
 - Input costs remain on very high level
 - Industry break even around 14,850 RMB
 - Tariff threats could affect textile market
- Lenzing's specialty fiber prices further increased

2018e: 600 – 900 kt viscose net capacity additions expected to come on stream¹



1) Source: Official data from various sources and Lenzing estimates

Outlook 2018 – Fiber market and Lenzing Group

The International Monetary Fund expects a further acceleration in global economic growth to 3.9 percent for 2018. However, growing protectionist tendencies in the political arena represent a source of uncertainty. Export-oriented companies in the Eurozone are faced with additional challenges from the currency environment.

Developments on the fiber markets should remain positive, but with continuing volatility. The rising demand for cotton should support prices despite the increase in production. Polyester fiber prices have stabilized after the increase in previous years.

The wood-based cellulosic fiber segment, which is relevant for Lenzing, should see further strong demand. After years of moderate capacity expansion in the viscose sector, significant additional volumes will enter the market in 2018 and 2019. As a result, standard viscose prices will remain under pressure. The Lenzing Group is very well positioned in this market environment with its corporate strategy sCore TEN and will continue its consistent focus on growth with specialty fibers.

The Lenzing Group still sees challenging market conditions for the second half of 2018. In addition to the price pressure on standard viscose, the prices of some key raw materials such as caustic soda are still at a very high level and exchange rates continue to be volatile. Our specialty fibers are expected to continue their very positive development. In this context, the Lenzing Group is satisfied with the earnings development to date, but underlines its estimate that the results for the year 2018 will be lower than the outstanding results in the last two years.

Q2/2018

Financial information

Q2/2018: Consolidated Group P&L

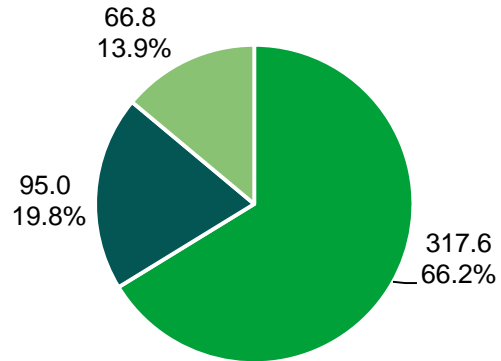
(EUR mn)	Q2/2018	Q1/2018	Q2/2017	H1/2018	H1/2017
Revenue	525.0	550.3	562.9	1,075.4	1,149.1
Change in inventories of finished goods and work in progress	17.8	(15.0)	20.4	2.8	(1.0)
Own work capitalized	13.0	15.1	10.5	28.2	19.8
Other operating income	16.7	12.8	14.1	29.5	26.8
Cost of material and purchased services	(317.6)	(308.6)	(319.2)	(626.1)	(618.4)
Personnel expenses	(95.0)	(91.0)	(88.3)	(186.0)	(173.8)
Other operating expenses	(66.8)	(62.1)	(64.8)	(128.9)	(131.7)
EBITDA/Margin	93.2/17.7%	101.6/18.5%	135.6/24.1%	194.8/18.1%	270.7/23.6%
Depreciation & amortization	(34.0)	(33.4)	(34.5)	(67.4)	(67.9)
Income from the release of investment grants	0.7	0.7	0.7	1.4	1.3
EBIT/Margin	59.8/11.4%	68.9/12.5%	101.8/18.1%	128.7/12.0%	204.2/17.8%
Financial result	(4.2)	(3.8)	(2.7)	(8.0)	(6.2)
Allocation of profit or loss to puttable non-controlling interests	0.4	(0.3)	(1.7)	0.2	(3.3)
EBT/Margin	56.0/10.7%	64.9/11.8%	97.3/17.3%	120.9/11.2%	194.7/16.9%
Income tax expense	(14.8)	(14.8)	(22.0)	(29.6)	(44.3)
Tax rate (%)	26.4	22.9	22.6	24.5	22.8
Net profit/Margin	41.2/7.9%	50.0/9.1%	75.3/13.4%	91.3/8.5%	150.3/13.1%
Net profit attributable to shareholders of Lenzing AG/Margin	41.2/7.9%	50.1/9.1%	74.4/13.2%	91.4/8.5%	147.3/12.8%
EPS (in EUR)	1.55	1.89	2.80	3.44	5.55

Q2/2018: Topline breakdown

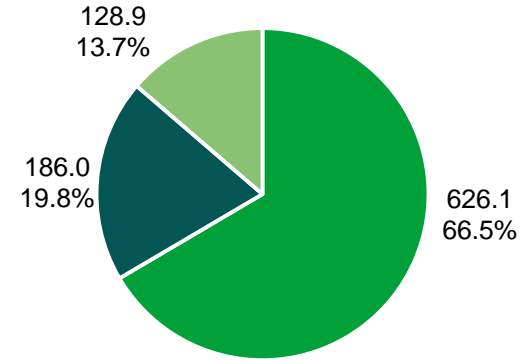
(EUR mn)	Q2/2018	Q1/2018	Change Q2/Q1 (%)	Q2/2017	Change Q2/Q2 (%)	H1/2018	H1/2017	Change H1/H1 (%)
Breakdown of Fibers segment revenue								
Textile fibers (%)	70.3	70.4	(0.1)	69.2	1.6	70.4	70.4	0.0
Nonwoven fibers (%)	29.7	29.6	0.3	30.8	(3.6)	29.6	29.6	0.0
Fibers only	458.5	456.9	0.3	488.4	(6.1)	915.4	996.9	(8.2)
Other ¹	65.0	90.6	(28.3)	71.7	(9.3)	155.6	147.2	5.7
Total segment Fibers	523.4	547.6	(4.4)	560.1	(6.5)	1,071.0	1,144.1	(6.4)
Total segment Lenzing Technik	10.9	13.7	(19.9)	11.4	(3.6)	24.6	21.3	15.7
Other and consolidation	(9.3)	(10.9)	(14.5)	(8.6)	9.1	(20.3)	(16.3)	24.1
Total Group revenue	525.0	550.3	(4.6)	562.9	(6.7)	1,075.4	1,149.1	(6.4)

Q2/2018 Total opex structure

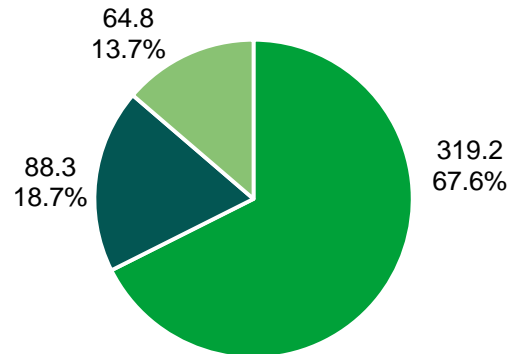
Q2/2018 (Total Opex EUR 479.4 mn)



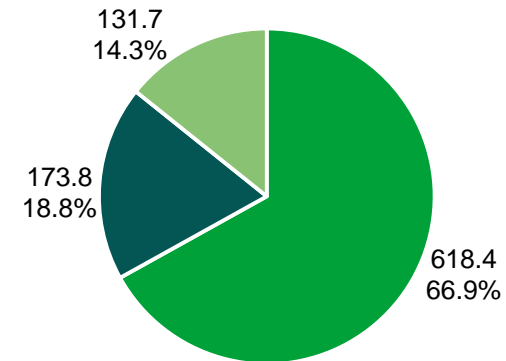
H1/2018 (Total Opex EUR 941.0 mn)



Q2/2017 (Total Opex EUR 472.2 mn)



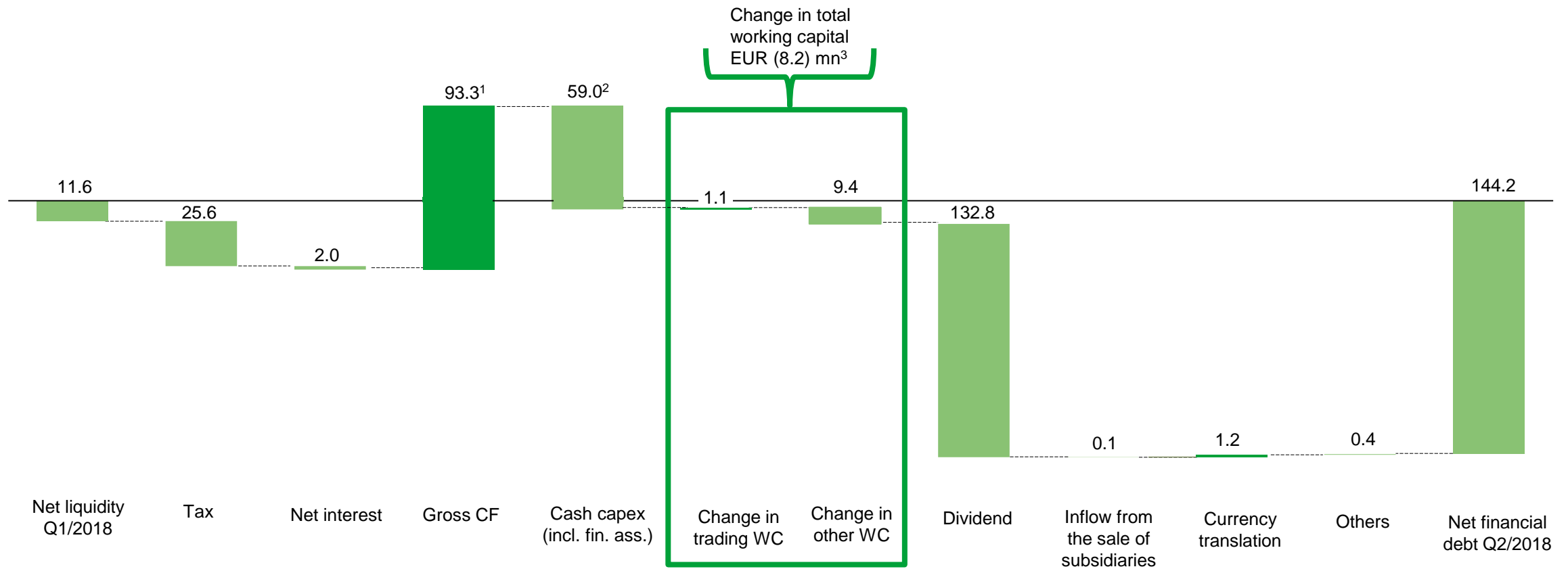
H1/2017 (Total Opex EUR 923.9 mn)



- Cost of material and purchased services
- Personnel expenses
- Other operating expenses

- Cost of material and purchased services
- Personnel expenses
- Other operating expenses

Q2/2018: Net debt bridge

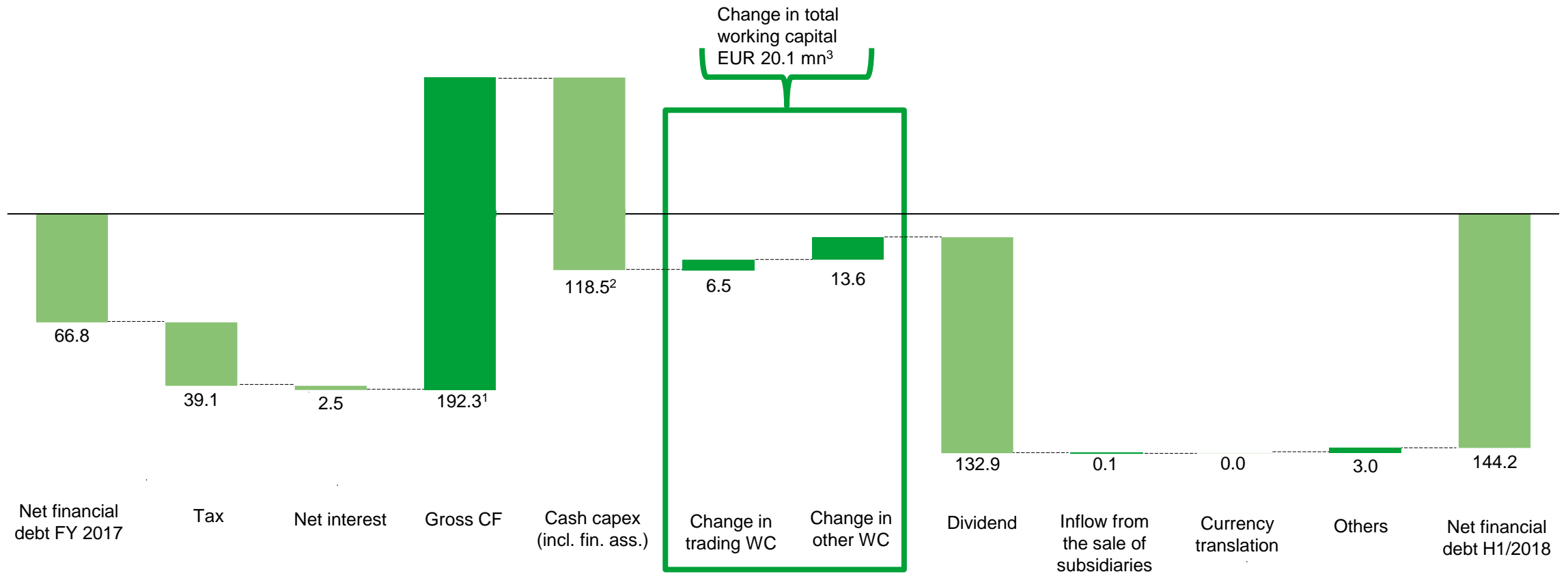


1) Gross cash flow before taxes and interest

2) Including CAPEX of EUR (58.3) mn and financial assets of EUR (0.7) mn

3) Change in total working capital EUR (16.5) mn (according to cash flow statement)
 Adjustment change in liquid bills of exchange EUR 8.3 mn
 Change in total working capital adj. EUR (8.2) mn (according to net debt)

H1/2018: Net debt bridge



1) Gross cash flow before taxes and interest

2) Including CAPEX of EUR (117.2) mn and financial assets of EUR (1.3) mn

3) Change in total working capital EUR 7.0 mn (according to cash flow statement)
 Adjustment change in liquid bills of exchange EUR 13.1 mn
 Change in total working capital adj. EUR 20.1 mn (according to net debt)

Q2/2018: Cash flow

(EUR mn)	Q2/2018	Q1/2018	Change Q2/Q1 (%)	Q2/2017	Change Q2/Q2 (%)	H1/2018	H1/2017	Change H1/H1 (%)
Gross cash flow (before taxes and interest)	93.3	99.1	(5.9)	134.1	(30.5)	192.3	266.7	(27.9)
Taxes and interest	(27.7)	(14.0)	97.8	(28.9)	(4.2)	(41.6)	(39.6)	5.2
Gross cash flow (after taxes and interest)	65.6	85.1	(22.9)	105.2	(37.7)	150.7	227.1	(33.6)
Change in total working capital ¹	(16.5)	23.5	-	(10.1)	63.3	7.0	(25.8)	-
Operating cash flow	49.1	108.6	(54.8)	95.1	(48.4)	157.7	201.3	(21.6)
Investment cash flow ²	(58.5)	(57.0)	2.5	(43.7)	33.8	(115.5)	(69.6)	65.9
Free cash flow unadj.	(9.4)	51.6	-	51.4	-	42.2	131.7	(67.9)
Net inflow from sale of subsidiary	(0.1)	0.0	-	(2.5)	(94.4)	(0.1)	(3.1)	(95.4)
Acquisition of other financial assets	0.7	0.6	19.3	0.6	20.1	1.3	1.0	35.3
Proceeds/repayments of other financial assets	(0.2)	(1.8)	(87.3)	(0.3)	(27.5)	(2.0)	(1.0)	95.1
Free cash flow adj.	(9.0)	50.4	-	49.2	-	41.4	128.5	(67.8)

1) Including trade and other working capital

2) Including investment in and proceeds from disposal of financial assets

FY 2017

Back-up financial information

FY 2017: Consolidated Group P&L

(EUR mn)	2017	2016	Change y-o-y (%)
Revenue	2,259.4	2,134.1	5.9
Change in inventories of finished goods and work in progress	16.8	6.4	160.5
Own work capitalized	46.1	21.8	111.1
Other operating income	49.9	45.5	9.6
Cost of material and purchased services	(1,258.0)	(1,223.8)	2.8
Personnel expenses	(349.4)	(319.2)	9.4
Other operating expenses	(262.4)	(236.6)	10.9
EBITDA/Margin	502.5/22.2%	428.3/20.1%	17.3
Depreciation & amortization	(134.6)	(135.1)	(0.4)
Income from the release of investment grants	3.1	3.1	(1.7)
EBIT/Margin	371.0/16.4%	296.3/13.9%	25.2
Financial result	(7.3)	3.1	-
Allocation of profit or loss to puttable non-controlling interests	(6.3)	(4.8)	31.0
EBT/Margin	357.4/15.8%	294.6/13.8%	21.3
Income tax expense	(75.7)	(65.5)	15.5
Tax rate (%)	21.2	22.2	-
Net profit/Margin	281.7/12.5%	229.1/10.7%	23.0
Net profit attributable to shareholders of Lenzing AG/Margin	278.0/12.3%	225.0/10.5%	23.5
EPS (in EUR)	10.47	8.48	23.5

FY 2017: Consolidated Group P&L - Quarters

(EUR mn)	Q1/2017	Q2/2017	Q3/2017	Q4/2017	Change Q4/Q3 (%)	Q4/2016	Change Q4/Q4 (%)
Revenue	586.2	562.9	577.5	532.8	(7.8)	555.7	(4.1)
Change in inventories of finished goods and work in progress	(21.4)	20.4	(2.5)	20.3	-	18.2	11.2
Own work capitalized	9.3	10.5	12.6	13.7	8.5	3.8	261.5
Other operating income	12.7	14.1	11.8	11.3	(4.2)	11.6	(2.5)
Cost of material and purchased services	(299.2)	(319.2)	(318.2)	(321.3)	1.0	(338.9)	(5.2)
Personnel expenses	(85.5)	(88.3)	(89.3)	(86.3)	(3.3)	(80.1)	7.8
Other operating expenses	(66.9)	(64.8)	(65.6)	(65.1)	(0.7)	(62.6)	4.0
EBITDA/Margin	135.1/23.0%	135.6/24.1%	126.4/21.9%	105.3/19.8%	(16.7)	107.7/19.4%	(2.2)
Depreciation & amortization	(33.4)	(34.5)	(32.8)	(33.8)	3.1	(34.2)	(1.1)
Income from the release of investment grants	0.6	0.7	0.7	1.1	60.2	1.1	0.0
EBIT/Margin	102.3/17.5%	101.8/18.1%	94.2/16.3%	72.6/13.6%	(23.0)	74.6/13.4%	(2.7)
Financial result	(3.4)	(2.7)	(3.2)	2.0	-	14.5	(86.0)
Allocation of profit or loss to puttable non-controlling interests	(1.6)	(1.7)	(2.4)	(0.5)	(77.9)	(1.6)	(66.4)
EBT/Margin	97.3/16.6%	97.3/17.3%	88.7/15.4%	74.1/13.9%	(16.5)	87.5/15.8%	(15.4)
Income tax expense	(22.3)	(22.0)	(19.7)	(11.7)	(40.5)	(20.5)	(43.1)
Tax rate (%)	22.9	22.6	22.2	15.8	-	23.5	-
Net profit/Margin	75.0/12.8%	75.3/13.4%	69.0/11.9%	62.4/11.7%	(9.6)	67.0/12.1%	(6.9)
Net profit attributable to shareholders of Lenzing AG/Margin	73.0/12.4%	74.4/13.2%	68.4/11.8%	62.3/11.7%	(8.9)	66.4/11.9%	(6.2)
EPS (in EUR)	2.75	2.80	2.57	2.35	(8.9)	2.50	(6.2)

FY 2017: Topline breakdown

(EUR mn)	Q1/2017	Q2/2017	Q3/2017	Q4/2017	Change Q4/Q3 (%)	Q4/2016	Change Q4/Q4 (%)	2017	2016	Change y-o-y (%)
Breakdown of Fibers segment revenue										
Textile fibers (%)	71.5	69.2	70.2	69.0	(1.6)	71.0	(2.8)	70.0	70.9	(1.3)
Nonwoven fibers (%)	28.5	30.8	29.8	31.0	3.9	29.0	6.8	30.0	29.1	3.1
Fibers only	508.5	488.4	493.2	468.6	(5.0)	489.0	(4.2)	1,958.7	1,897.2	3.2
Other ¹	75.6	71.7	83.2	62.0	(25.6)	64.0	(3.3)	292.5	228.0	28.3
Total segment Fibers	584.0	560.1	576.4	530.6	(8.0)	553.0	(4.1)	2,251.2	2,125.2	5.9
Total segment Lenzing Technik	9.9	11.4	10.1	10.9	8.2	10.7	1.8	42.3	35.9	17.7
Other and consolidation	(7.8)	(8.6)	(9.0)	(8.7)	(2.9)	(8.1)	8.2	(34.1)	(27.0)	26.2
Total Group revenue	586.2	562.9	577.5	532.8	(7.8)	555.7	(4.1)	2,259.4	2,134.1	5.9

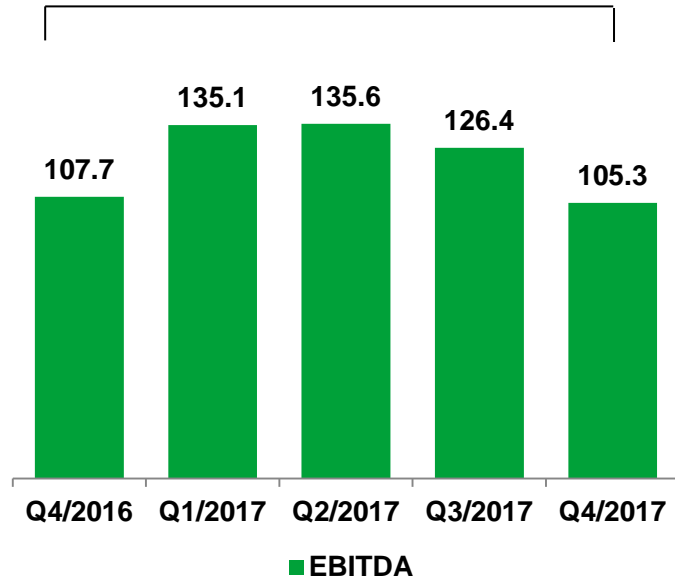
Financials 2017 – Earnings per quarter

EBITDA margin

19.4% 23.0% 24.1% 21.9% 19.8%

EUR mn

(2.2)%

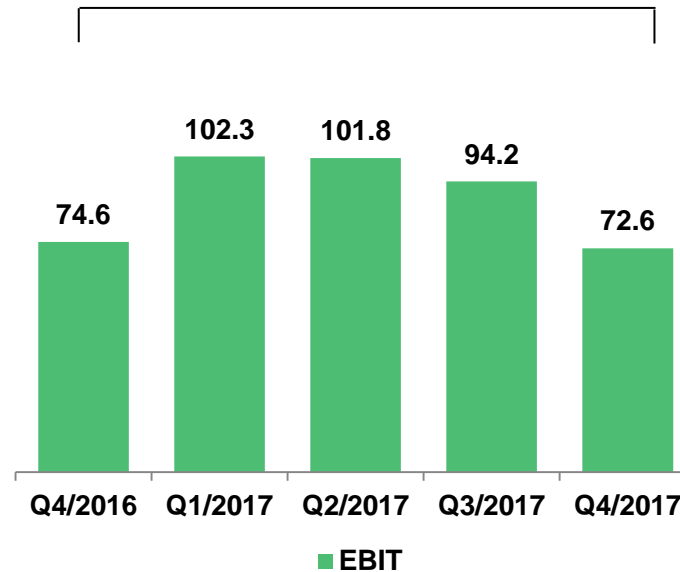


EBIT margin

13.4% 17.5% 18.1% 16.3% 13.6%

EUR mn

(2.7)%

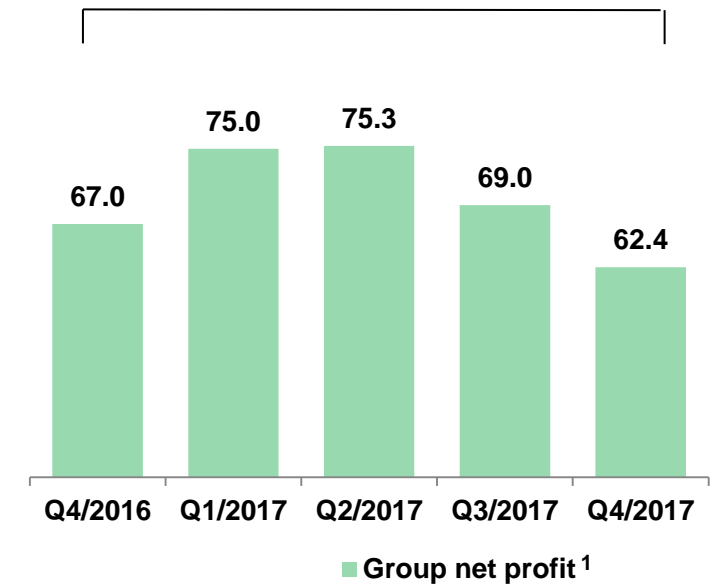


EPS¹ (EUR)

2.50 2.75 2.80 2.57 2.35

EUR mn

(6.9)%



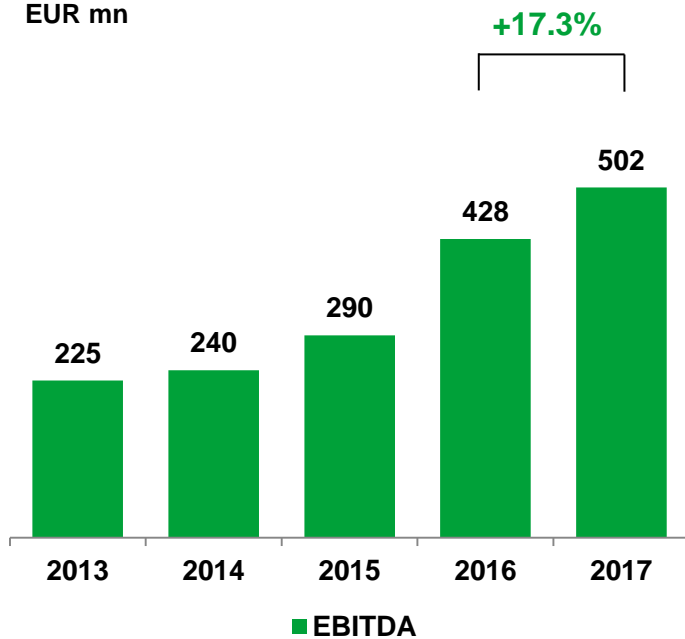
1) Attributable to Lenzing AG shareholders

Financials – Earnings

EBITDA margin



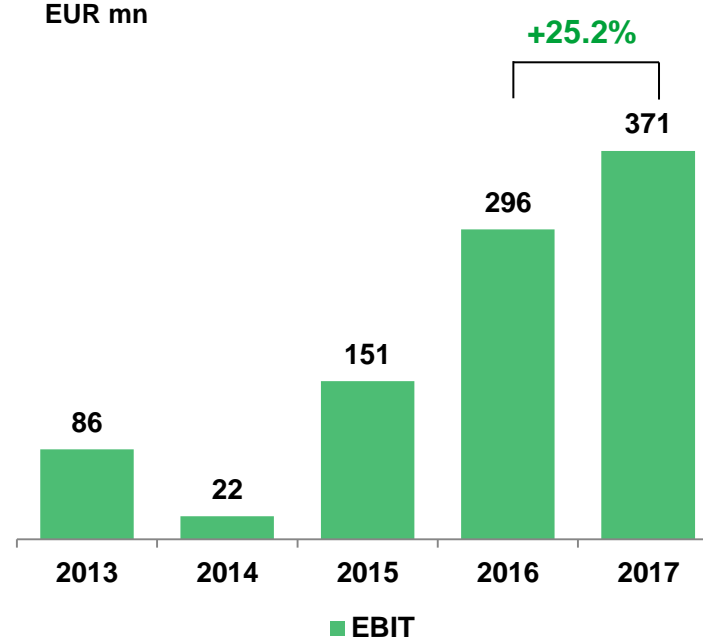
EUR mn



EBIT margin



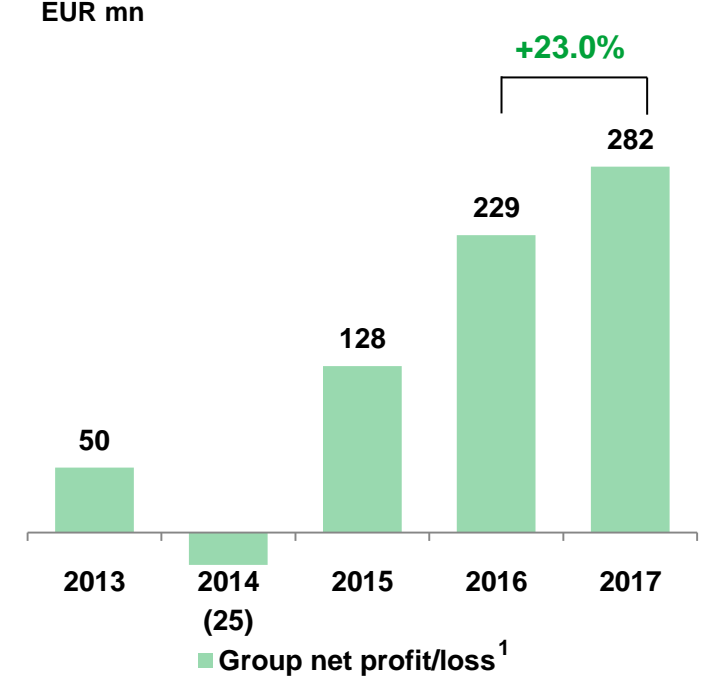
EUR mn



EPS^{1,2} (EUR)



EUR mn



1) Error correction in accordance with IAS 8 (see Consolidated Financial Statements 2016 of the Lenzing Group)

2) Attributable to Lenzing AG shareholders

FY 2017: OPEX as of total sales

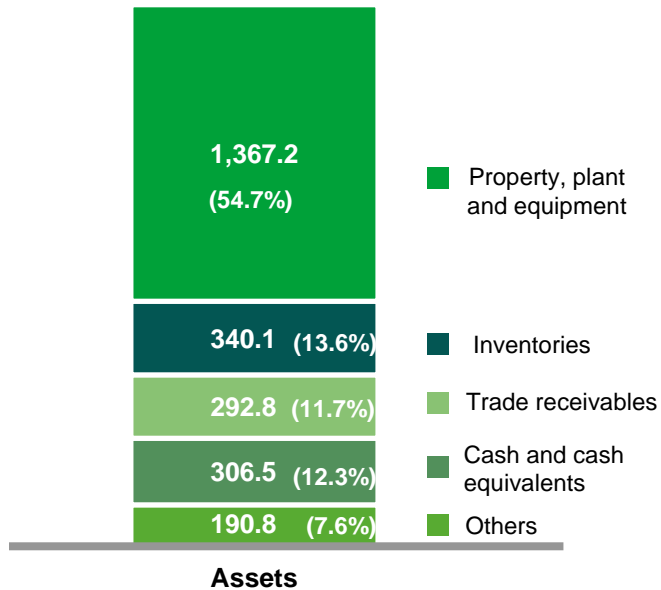
(EUR mn)	Q1/2017	Q2/2017	Q3/2017	Q4/2017	Change Q4/Q3 (%)	Q4/2016	Change Q4/Q4 (%)	2017	2016	Change y-o-y (%)
Total sales	586.2	562.9	577.5	532.8	(7.8)	555.7	(4.1)	2,259.4	2,134.1	5.9
Total OPEX¹	(451.7)	(472.2)	(473.1)	(472.7)	(0.1)	(481.6)	(1.9)	(1,869.7)	(1,779.6)	5.1
Total cost of material and purchased services	(299.2)	(319.2)	(318.2)	(321.3)	1.0	(338.9)	(5.2)	(1,258.0)	(1,223.8)	2.8
as % of total sales	51.0	56.7	55.1	60.3	-	61.0	-	55.7	57.3	-
Total personnel expenses	(85.5)	(88.3)	(89.3)	(86.3)	(3.3)	(80.1)	7.8	(349.4)	(319.2)	9.4
as % of total sales	14.6	15.7	15.5	16.2	-	14.4	-	15.5	15.0	-
Total other operating expenses	(66.9)	(64.8)	(65.6)	(65.1)	(0.7)	(62.6)	4.0	(262.4)	(236.6)	10.9
as % of total sales	11.4	11.5	11.4	12.2	-	11.3	-	11.6	11.1	-
Total sales	586.2	562.9	577.5	532.8	(7.8)	555.7	(4.1)	2,259.4	2,134.1	5.9
Total OPEX¹	(451.7)	(472.2)	(473.1)	(472.7)	(0.1)	(481.6)	(1.9)	(1,869.7)	(1,779.6)	5.1

1) Includes cost of material and purchased services, personnel expenses and other operating expenses

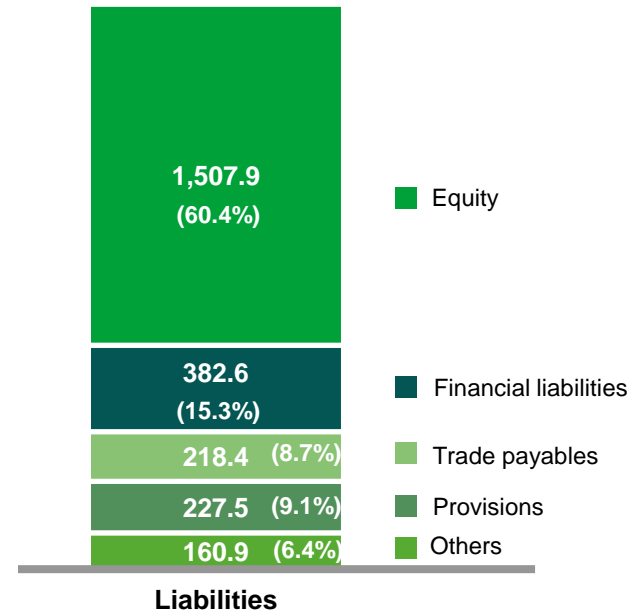
FY 2017: Solid balance sheet, strong ROCE

as at Dec. 31, 2017

Σ EUR 2,497.3 mn



Σ EUR 2,497.3 mn



According to IFRS (EUR mn)	31 Dec. 2017	31 Dec. 2016	Change in %
Total assets	2,497.3	2,625.3	(4.9)
Liquid assets¹	315.8	570.4	(44.6)
thereof liquid funds	306.5	559.6	(45.2)
Total liabilities	989.4	1,256.8	(21.3)
thereof financial liabilities	382.6	577.5	(33.8)
Adjusted equity²	1,527.7	1,390.5	9.9
Adjusted equity ratio (%)	61.2	53.0	-
Net gearing (%)	4.4	0.5	-
Net financial debt	66.8	7.2	-
Net financial debt/EBITDA	0.1	0.0	-
ROCE	18.6%	15.1%	-

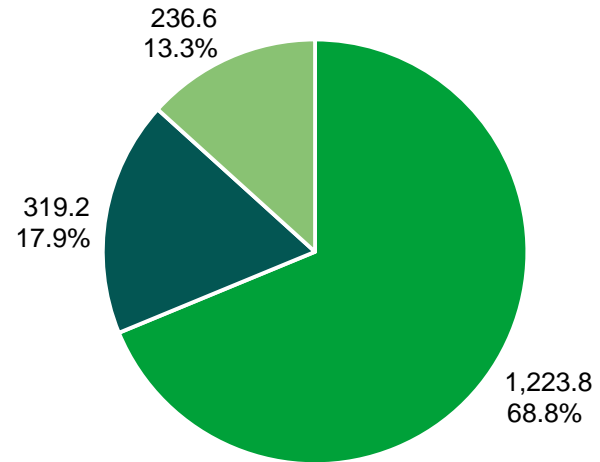
According to IFRS (EUR mn)	31 Dec. 2017	31 Dec. 2016	Change in %
Total liquidity cushion	529.6	788.0	(32.8)
thereof liquid assets ¹	315.8	570.4	(44.6)
thereof unused credit facilities	213.8	217.7	(1.8)

1) Including cash and cash equivalents, liquid securities and liquid bills of exchange

2) Including government grants less proportional share of deferred taxes on government grants

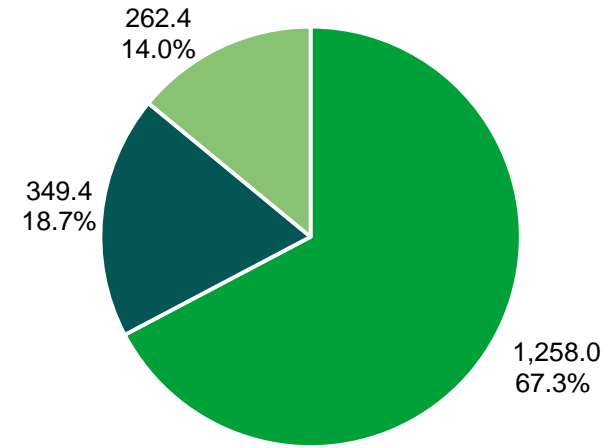
FY 2017 Total opex structure

2016 (Total Opex EUR 1,779.6 mn)



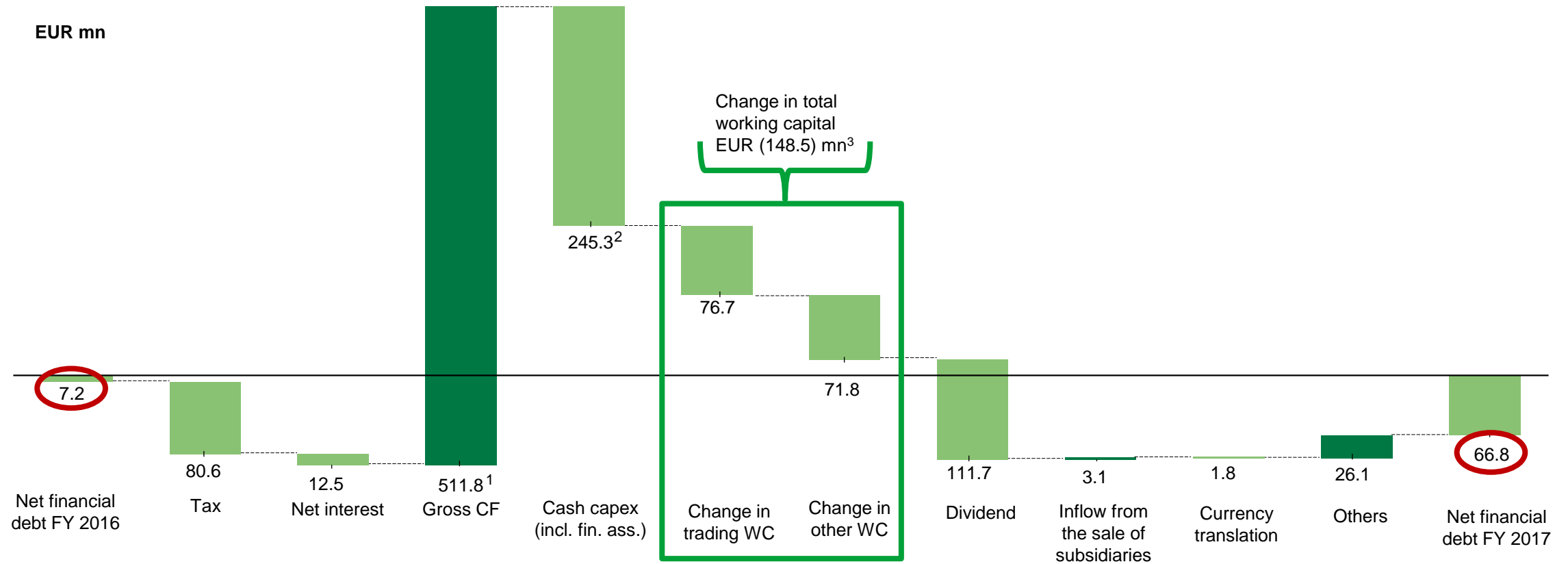
- Cost of material and purchased services
- Personnel expenses
- Other operating expenses

2017 (Total Opex EUR 1,869.7 mn)



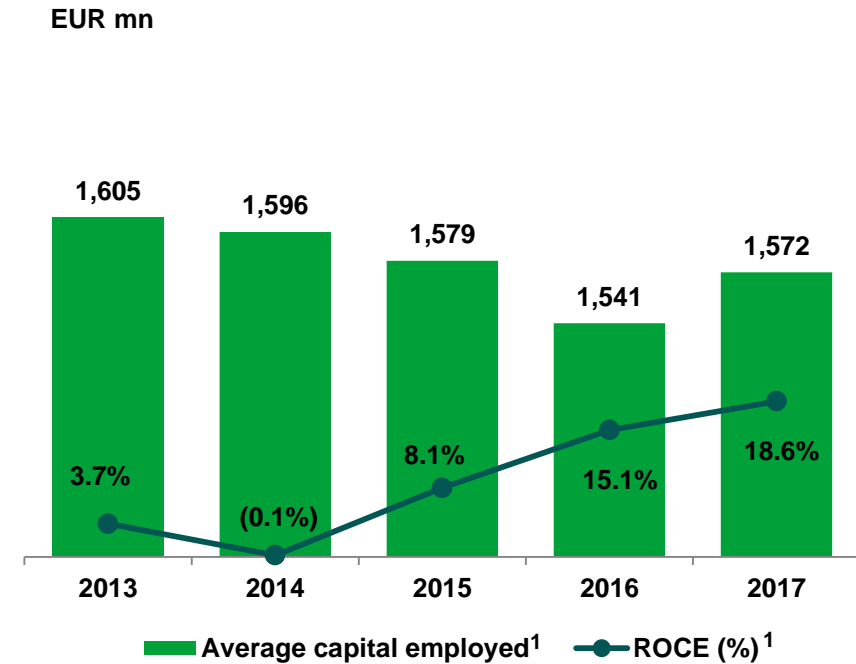
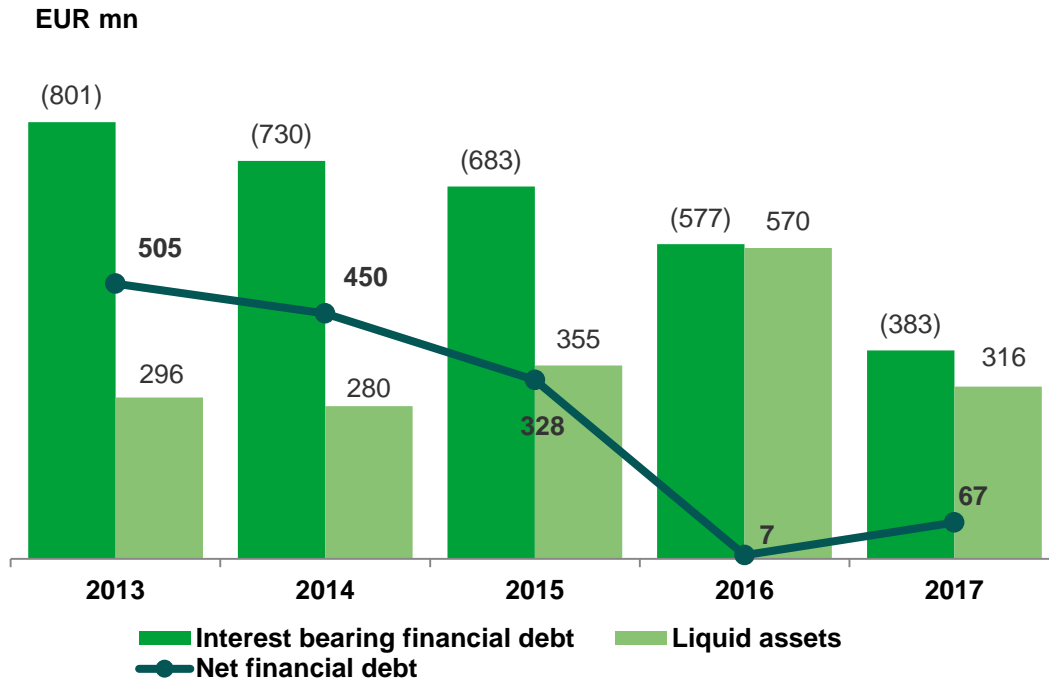
- Cost of material and purchased services
- Personnel expenses
- Other operating expenses

FY 2017: Net debt bridge



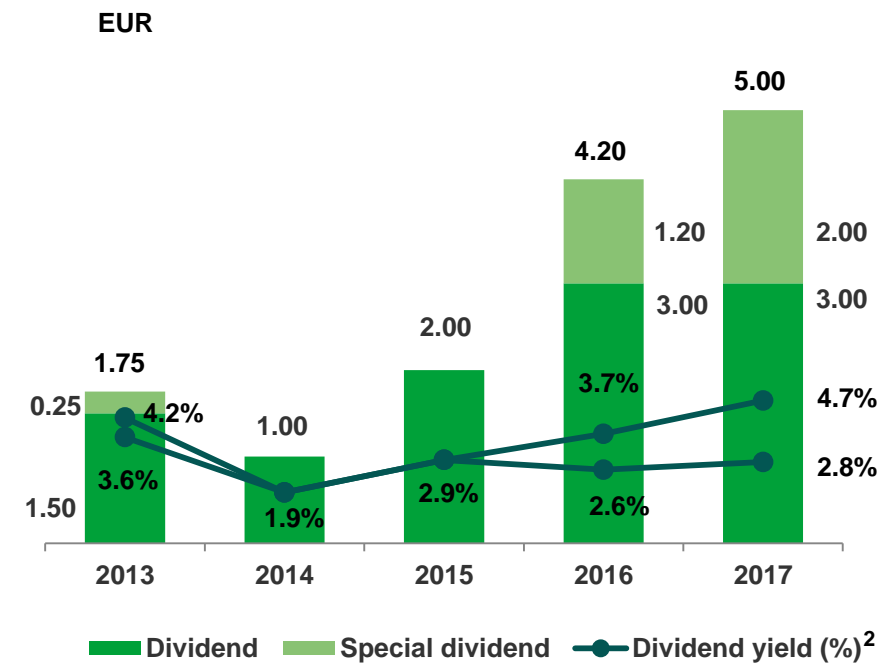
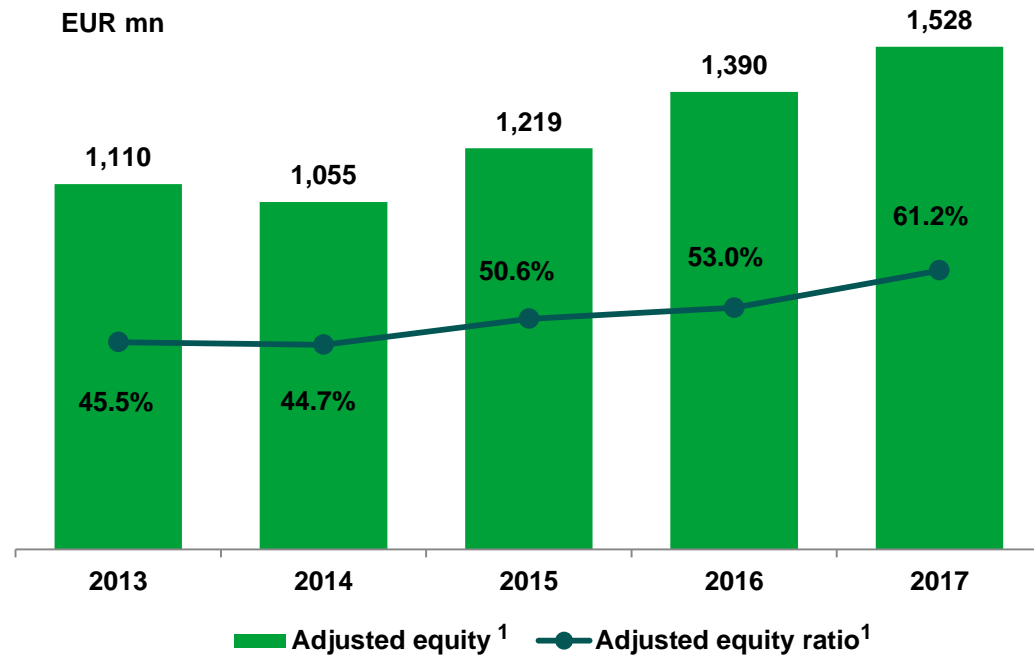
- 1) Gross cash flow before taxes and interest
- 2) Including CAPEX of EUR (238.8) mn and financial assets of EUR (6.5) mn
- 3) Change in total working capital EUR (147.6) mn (according to cash flow statement)
 Adjustment change in liquid bills of exchange EUR (1.0) mn
 Change in total working capital adj. EUR (148.5) mn (according to net debt)

Financials 2017 – Key figures (1/2)



1) Error correction in accordance with IAS 8 (see Consolidated Financial Statements 2016 of the Lenzing Group)

Financials 2017 – Key figures (2/2)



1) Error correction in accordance with IAS 8 (see Consolidated Financial Statements 2016 of the Lenzing Group)

2) Dividend yield based on last share price of the year

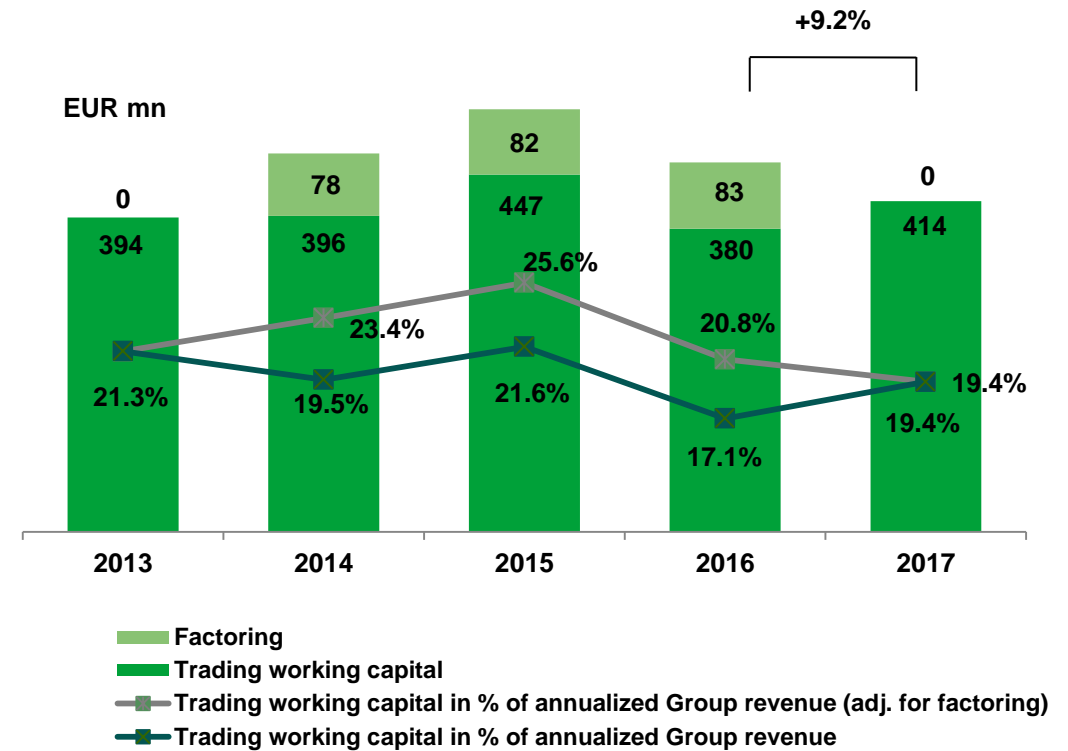
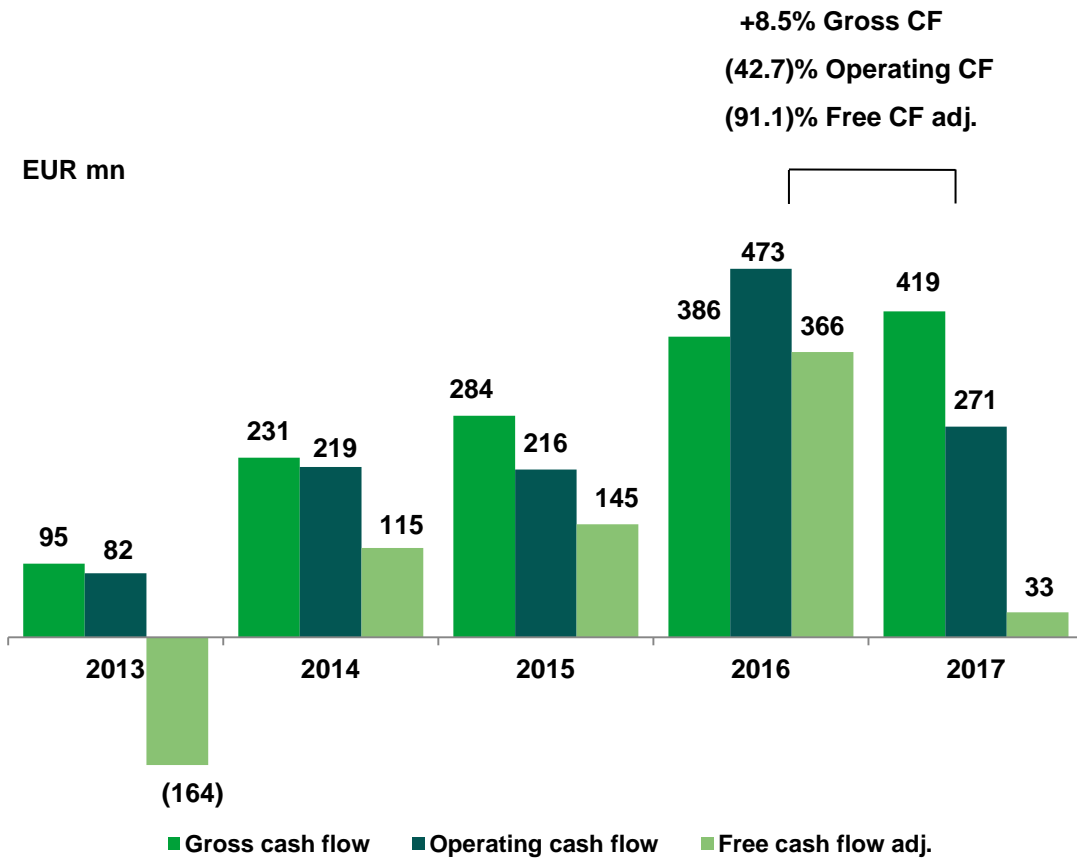
FY 2017: Cash flow by quarters

(EUR mn)	Q1/2017	Q2/2017	Q3/2017	Q4/2017	Change Q4/Q3 (%)	Q4/2016	Change Q4/Q4 (%)	2017	2016	Change y-o-y (%)
Gross cash flow (before taxes and interest)	132.5	134.1	130.4	114.8	(12.1)	124.8	(8.1)	511.8	445.4	14.9
Taxes and interest	(10.7)	(28.9)	(32.1)	(21.4)	(33.7)	(21.7)	(1.3)	(93.1)	(59.5)	56.6
Gross cash flow (after taxes and interest)	121.8	105.2	98.2	93.4	(5.0)	103.1	(9.5)	418.7	385.9	8.5
Change in total working capital ¹	(15.7)	(10.1)	(36.8)	(85.0)	130.8	(4.7)	-	(147.6)	87.5	(268.7)
Operating cash flow	106.1	95.1	61.4	8.4	(86.3)	98.5	(91.5)	271.1	473.4	(42.7)
Investment cash flow ²	(25.9)	(43.7)	(55.4)	(93.6)	68.9	(43.1)	116.9	(218.6)	(103.6)	111.0
Free cash flow unadj.	80.2	51.4	6.0	(85.2)	-	55.3	-	52.5	369.8	(85.8)
Net inflow from sale of subsidiary	(0.6)	(2.5)	0.0	0.0	-	0.0	-	(3.1)	(1.4)	112.7
Acquisition of other financial assets	0.4	0.6	0.1	5.5	-	2.7	105.1	6.5	3.5	85.4
Proceeds/repayments of other financial assets	(0.7)	(0.3)	(0.2)	(22.2)	-	(2.5)	-	(23.4)	(5.6)	-
Free cash flow adj.	79.3	49.2	5.8	(101.8)	-	55.5	-	32.6	366.3	(91.1)

1) Including trade and other working capital

2) Including investment in and proceeds from disposal of financial assets

Cash flow development and trading working capital

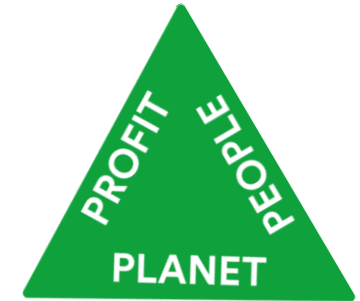


Appendix

Equity story

Lenzing – Our mission

“Lenzing is a performance materials company that turns CO₂ and sunlight into highly functional, emotional and aesthetic products across the globe”



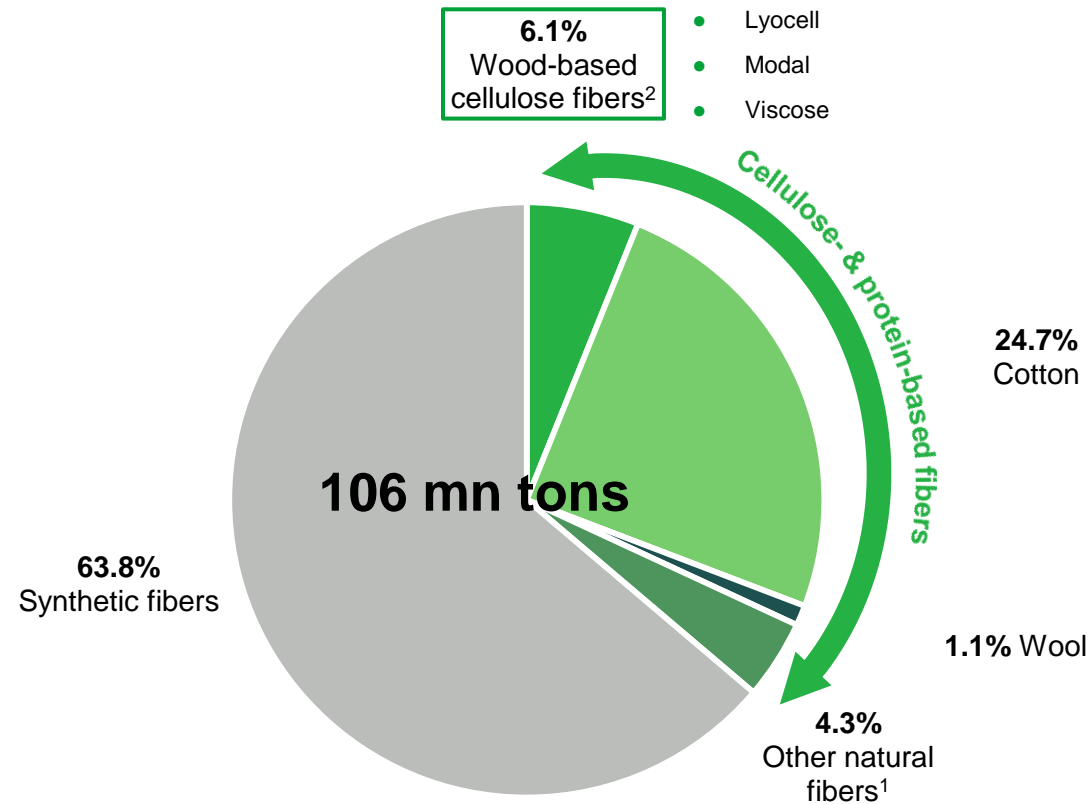
Textiles



Nonwovens

Global fiber market at a glance

2017e consumption numbers



1) Incl. bast, flax, hemp, jute, silk and allied fibers

2) Wood-based and cotton linter-based cellulose fibers including Viscose, Lyocell, Modal, Acetate, Cupro, ...

Sources: CIRFS, The Fiber Year, The Fiber Organon, Lenzing estimates

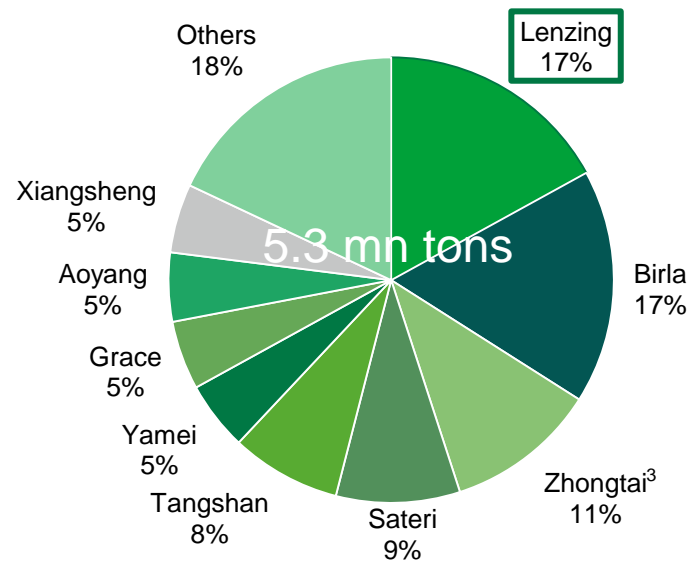
Lenzing – Market leader in all three fiber generations

Fiber Types	Market Position	Competitive Intensity
Lyocell	# 1	Low
Modal	# 1	Medium
Viscose	# 2	High

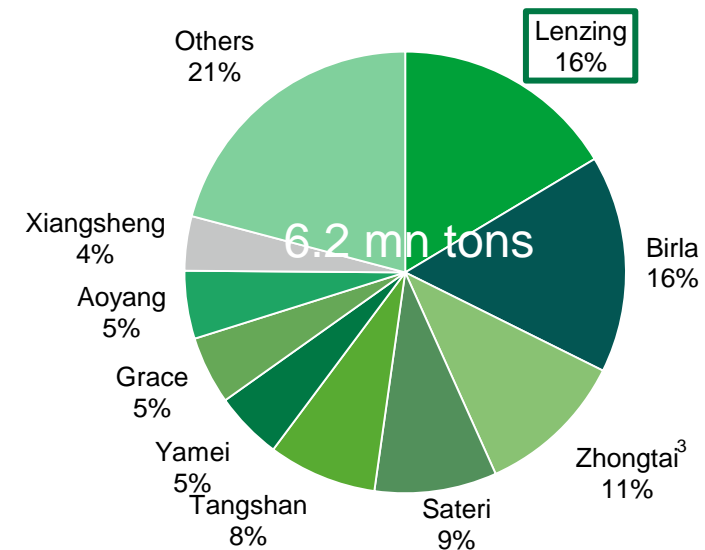
Source: Lenzing data 2017, CCFG, CCFEI

Lenzing is the only player with European roots in the viscose staple fibers market¹ (2017e) ...

Lenzing with 17% share of production



Lenzing with 16% share of capacities²



1) Viscose staple fibers (including Modal and Lyocell fibers), excluding viscose filaments, acetate tow, cigarette filters

2) Based on latest available company information from company websites and annual/interim reports

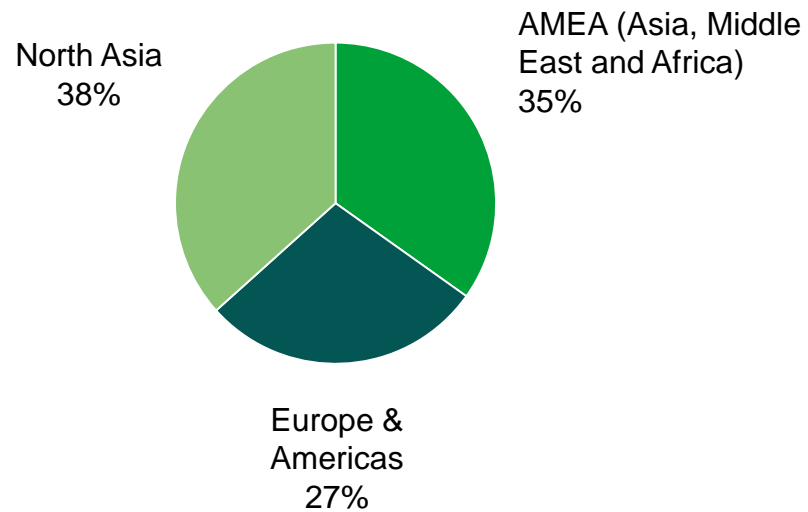
3) Fulida Kuerle, Tiantai Xinjiang, Fulida Alaer, Shungquan Manasi

Sources: CIRFS, FEB, Trade statistics, Company estimates

... and is a global leader in wood-based cellulose fibers

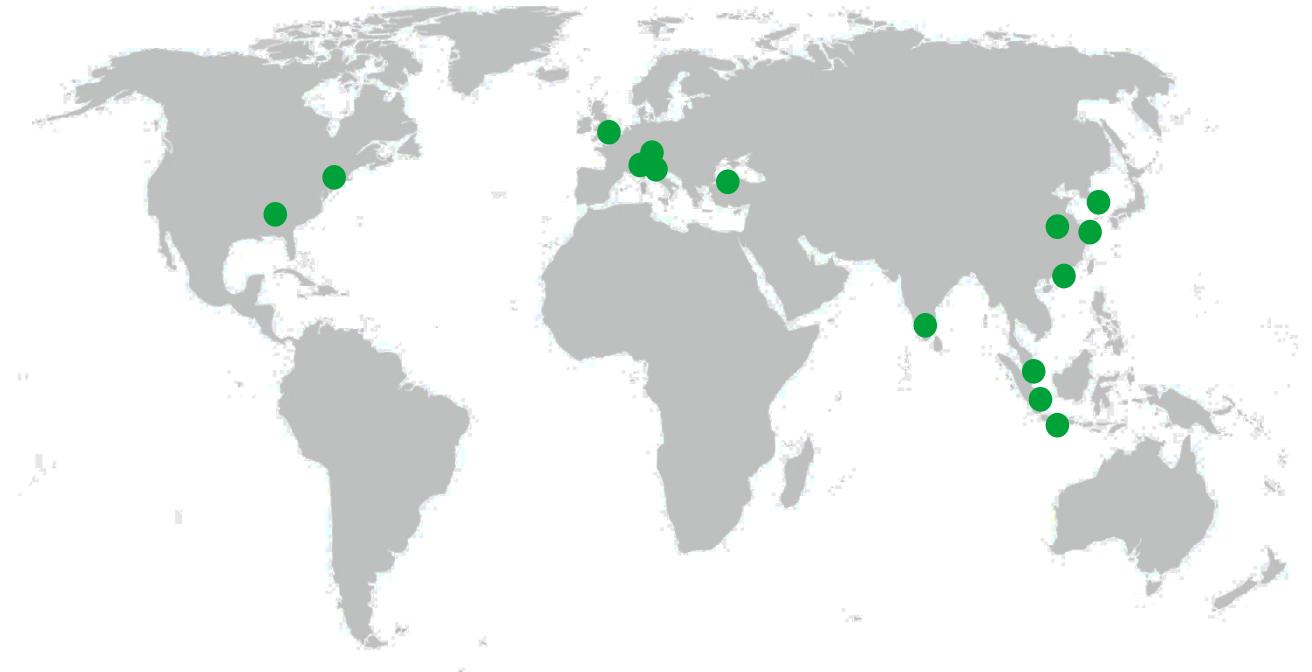
Balanced exposure to matured and emerging markets

Fiber revenue by region



Global network of production sites and sales offices

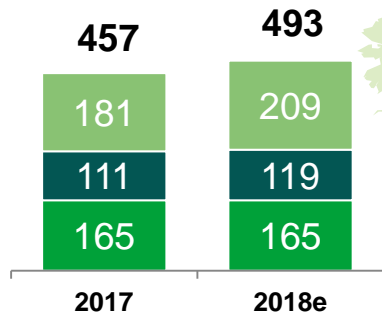
2017 footprint



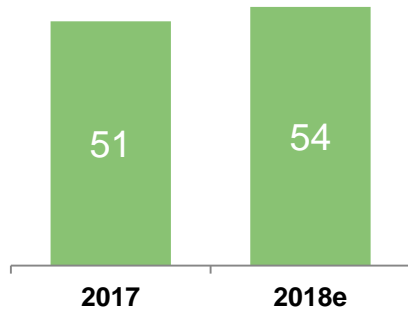
Source: Lenzing data as at June 30, 2018

Capacity 2018¹: A global footprint

Europe²

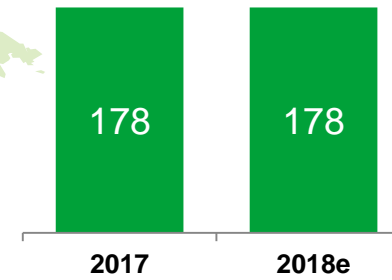


USA

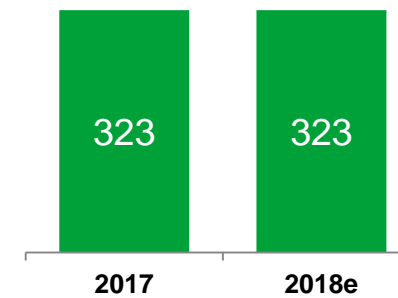


1) Figures are shown in k metric tons, year-end name plate capacity
 2) Includes Lenzing (A), Heiligenkreuz (A) and Grimsby (UK)
 3) Lenzing fiber types

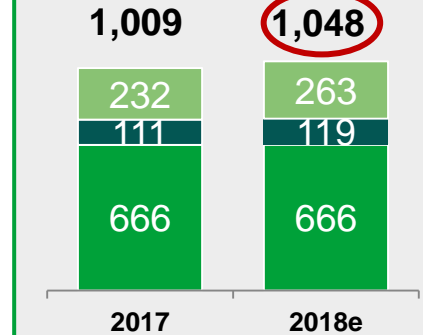
China



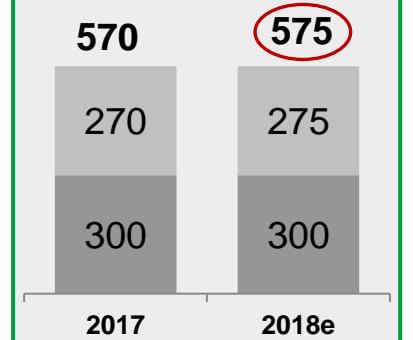
Indonesia



Total capacity



Total pulp capacity



● Lenzing (A) dissolving pulp capacity
 ● Paskov (CZ) dissolving pulp capacity

● Lyocell³
 ● Modal³
 ● Viscose³

Textile and Nonwovens are the two main applications

Textile



Nonwovens



Size



~90 mt



~10 mt

Regional focus



Over 90% of spinning and fabric making located in China, India and Asia-Pacific



Mainly a **regional market** (due to high logistic costs)

Fragmentation

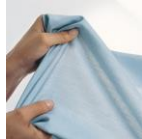


High



Low: Top 5 to 10 players hold between 60-80% share

Decision making



Brands/retailers with some influence of fabric makers



Brands and converters

Key drivers



- Ongoing trend towards **lower cost fashion**
- Trends towards **sustainability, convenience and functionality**
- **Volatile demand** due to fast fashion and changing trends



- Due to disposability of products **high focus on cost**
- **Flushability and bio-degradable** is an emerging differentiator
- **Wood-based fibers¹** adding performance to products

End users



Markets strongly driven by **end-consumers**

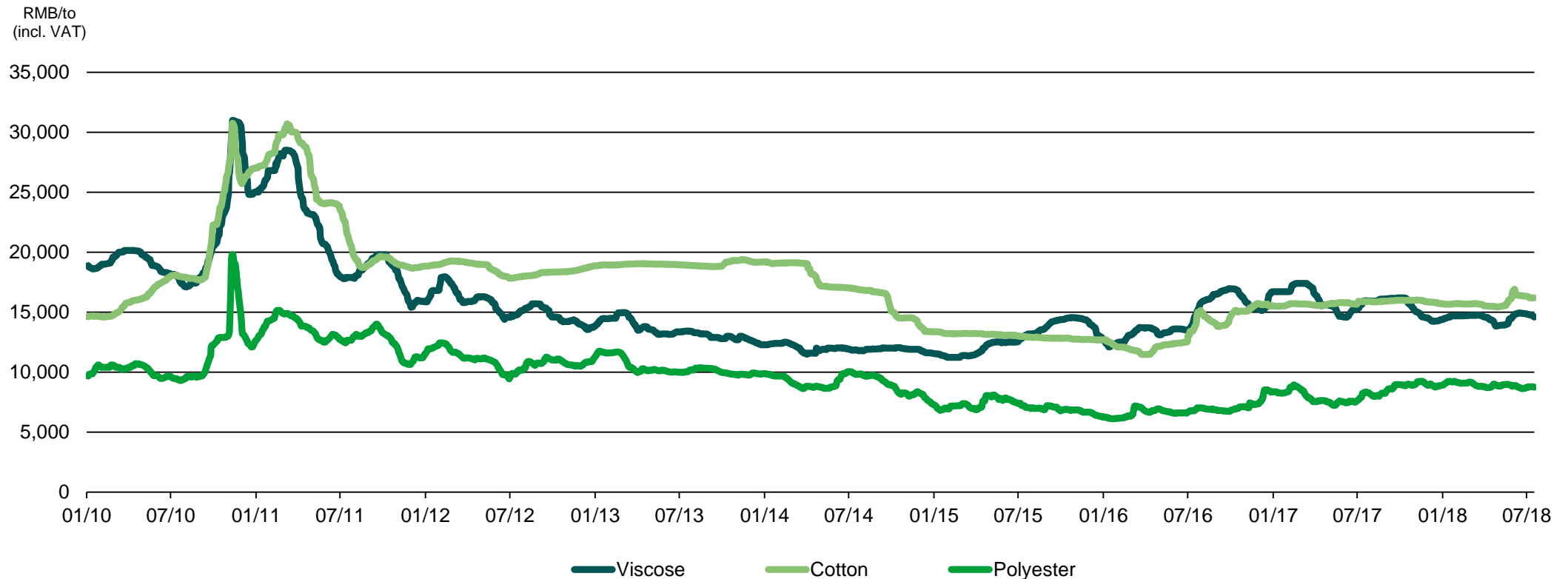


Strong focus on **application of product**

1) Wood-based and cotton linter-based cellulose fibers
Source: ICAC 2017, Smithers Apex 2015, Fiber Year 2017

Long-term interfiber price development¹

Staple fiber prices – Development in China



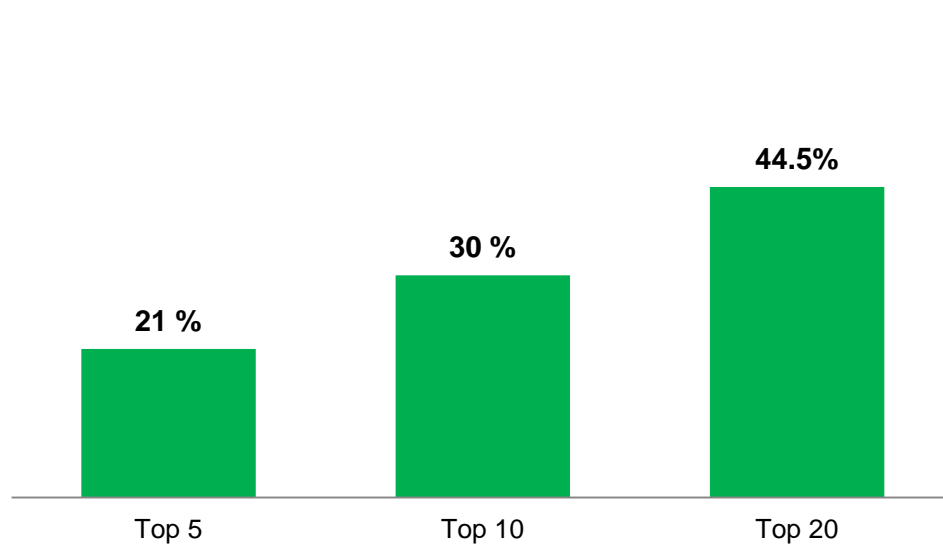
1) Price development until July 17th, 2018

VAT-rate-reduction (valid since May 1, 2018): VSF and PSF from 17% to 16%; Cotton from 11% to 10%

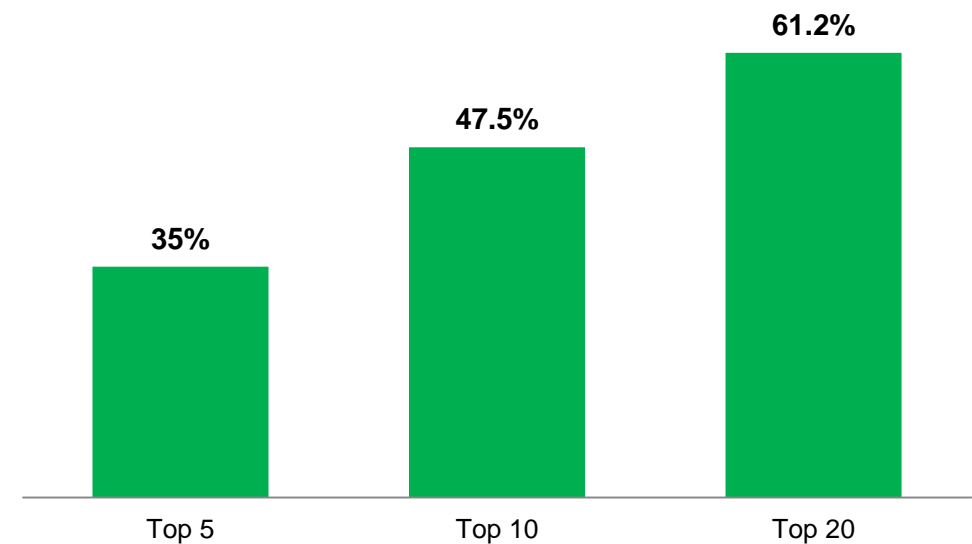
Sources: China Cotton Association, China Chemical & Fiber Economic Information Network, China Chemical Fiber Group

Sales and marketing – Customer concentration

**Textiles – Percent of sales by customers
(2017¹)**



**Nonwovens – Percent of sales by customers
(2017¹)**



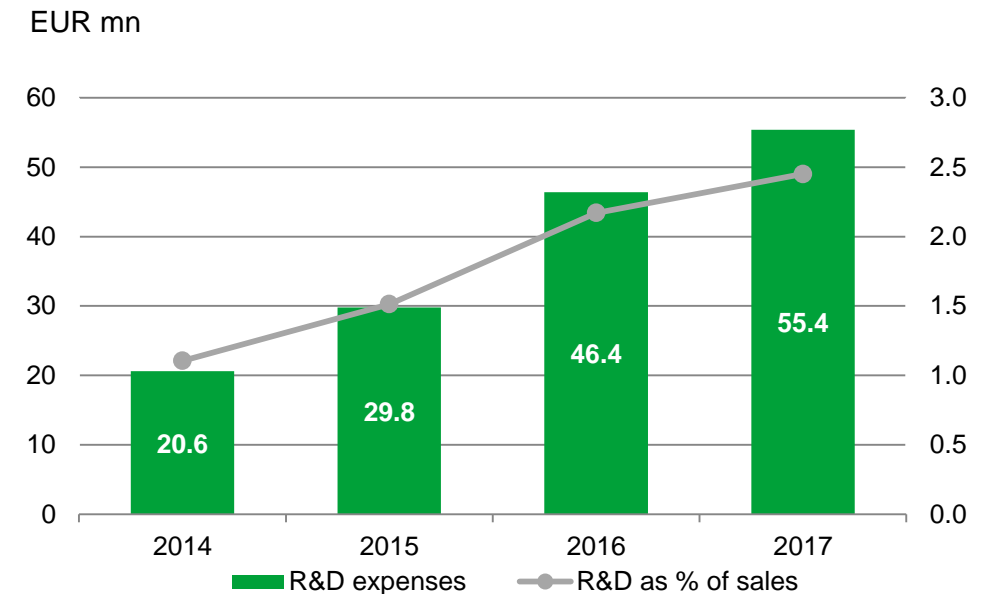
Source: Lenzing data 2017

Lenzing underpins its innovation leadership

Industry leading R&D spend (EUR 55.4¹ mn in 2017)

- R&D is an essential part of the sCore TEN strategy and contributes to all five fields
- Substantial progress with respect to strategic innovations and thus looking at a healthy R&D pipeline affecting focus areas
 - Fiber process innovation (e.g. for new plants in Mobile and Prachinburi), pulp integration, biorefinery concept
 - Fibers fulfilling highest environmental demands: REFIBRA™ technology and LENZING™ ECOVERO™ fibers
 - TENCEL™ Luxe – a novel lyocell filament for luxury fashion
 - New Application and Innovation Center in Hong Kong in addition to the facilities existing in Lenzing
- Strong investment in R&D infrastructure in 2016/17 – increasing running costs over the last five years
- As of December 2017, Lenzing owned 1,274 patent applications and patents in 49 countries belonging to 215 patent families as well as 2,487 trademark applications and trademarks in 118 countries belonging to 115 trademark families

R&D expenses (2014-2017)¹



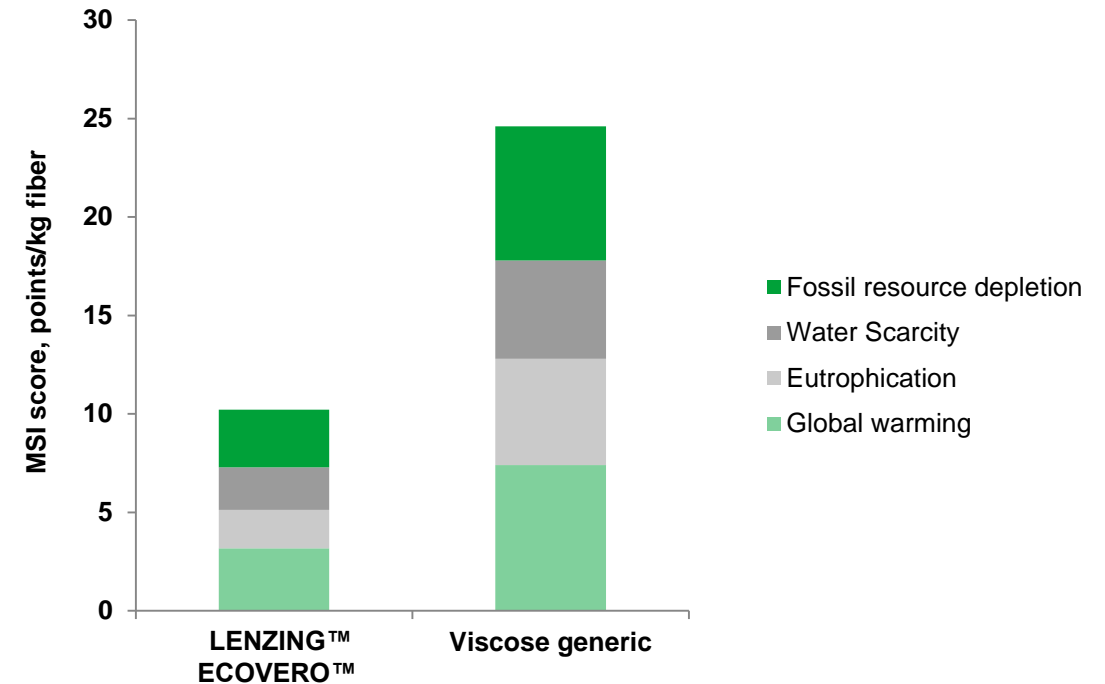
Source: Lenzing

1) Pursuant Frascati

LENZING™ ECOVERO™

The new standard in eco-responsible viscose

- LENZING™ ECOVERO™ fibers are the innovative and unique answer to the increasing demand for sustainable products along the textile value chain
- Worldwide highest environmental standards in the viscose production relying on three major pillars
 - Use of certified and controlled wood (FSC®, PEFC™)
 - Sustainable production process proven by third parties (Higg index, EU Eco label)
 - Innovative identification system allows everyone in the supply chain transparency in all processing steps (yarn, fabric, ready made garment)
- LENZING™ ECOVERO™ fibers are positioned as specialty fibers in the viscose segment



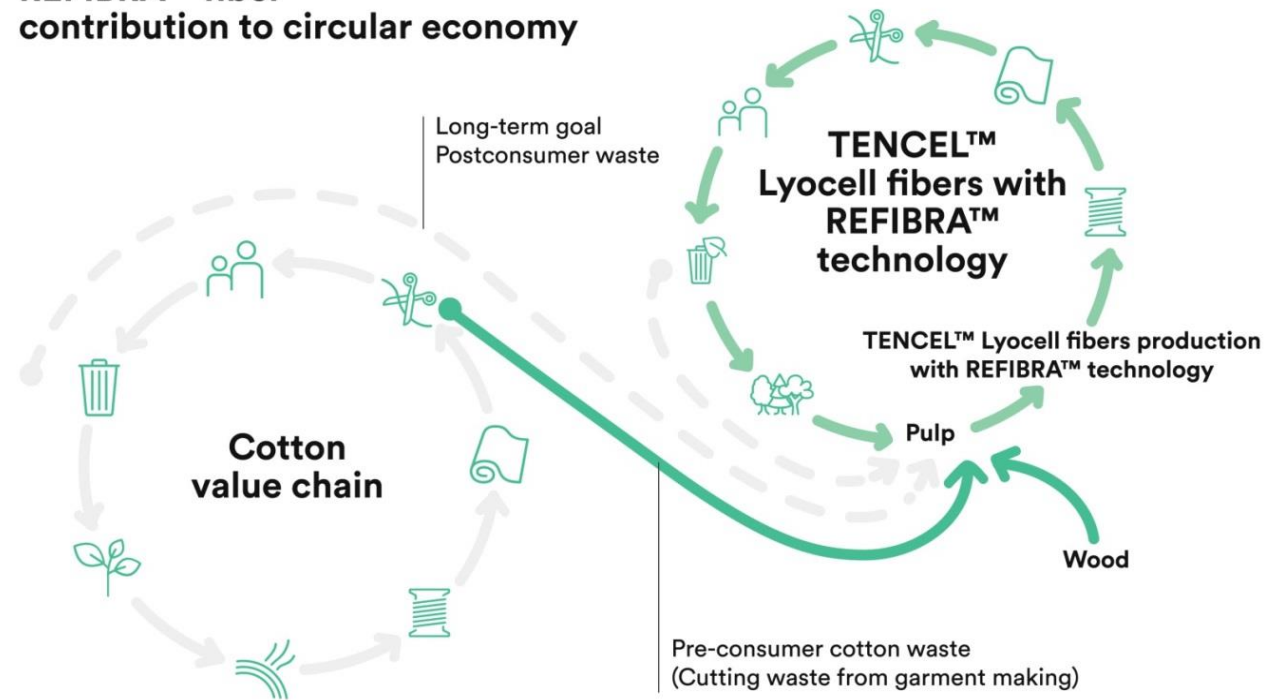
Note: "These Results were calculated using the Higg Material Sustainability Index (Higg MSI) tools provided by the Sustainable Apparel Coalition. The Higg MSI tools assess impacts of materials from cradle-to-gate for a finished material (e.g. to the point at which the materials are ready to be assembled into a product). However, this figure only shows impacts from cradle to fiber production gate. Higg MSI score of Lenzing™ ECOVERO™ was calculated based on Lenzing fibers which are already in the Higg MSI."

Lyocell fibers with REFIBRA™ technology

Contribution to circular economy

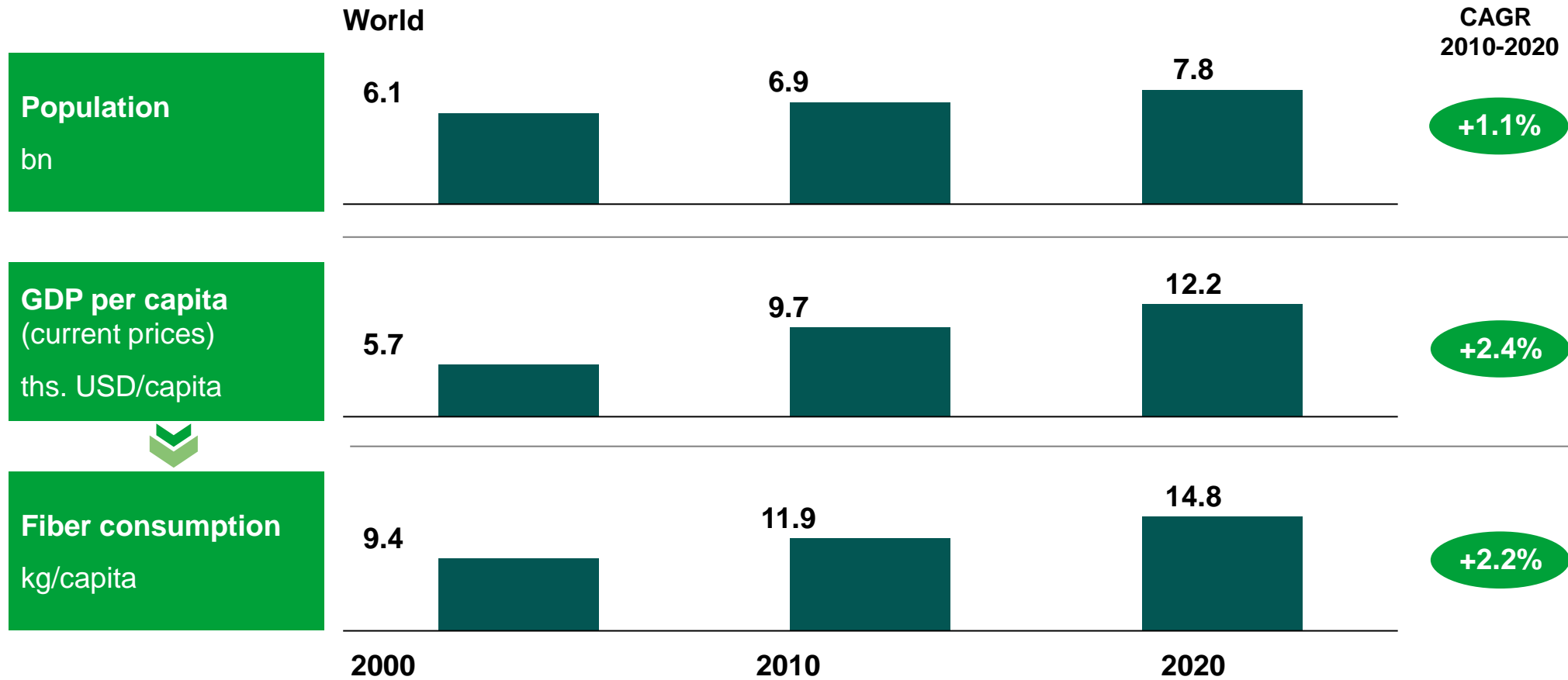
- Solves waste problems in the society and saves resources by replacement of virgin cotton fibers
- Environmentally responsible closed loop process
- High resource efficiency and low ecological impact
- Solvent-spinning process recycles process water and reuses the solvent at a rate of more than 99%

REFIBRA™ fiber - contribution to circular economy



Looking forward: Megatrends support fiber demand growth

Population growth and higher purchasing power in the emerging markets drive overall fiber growth

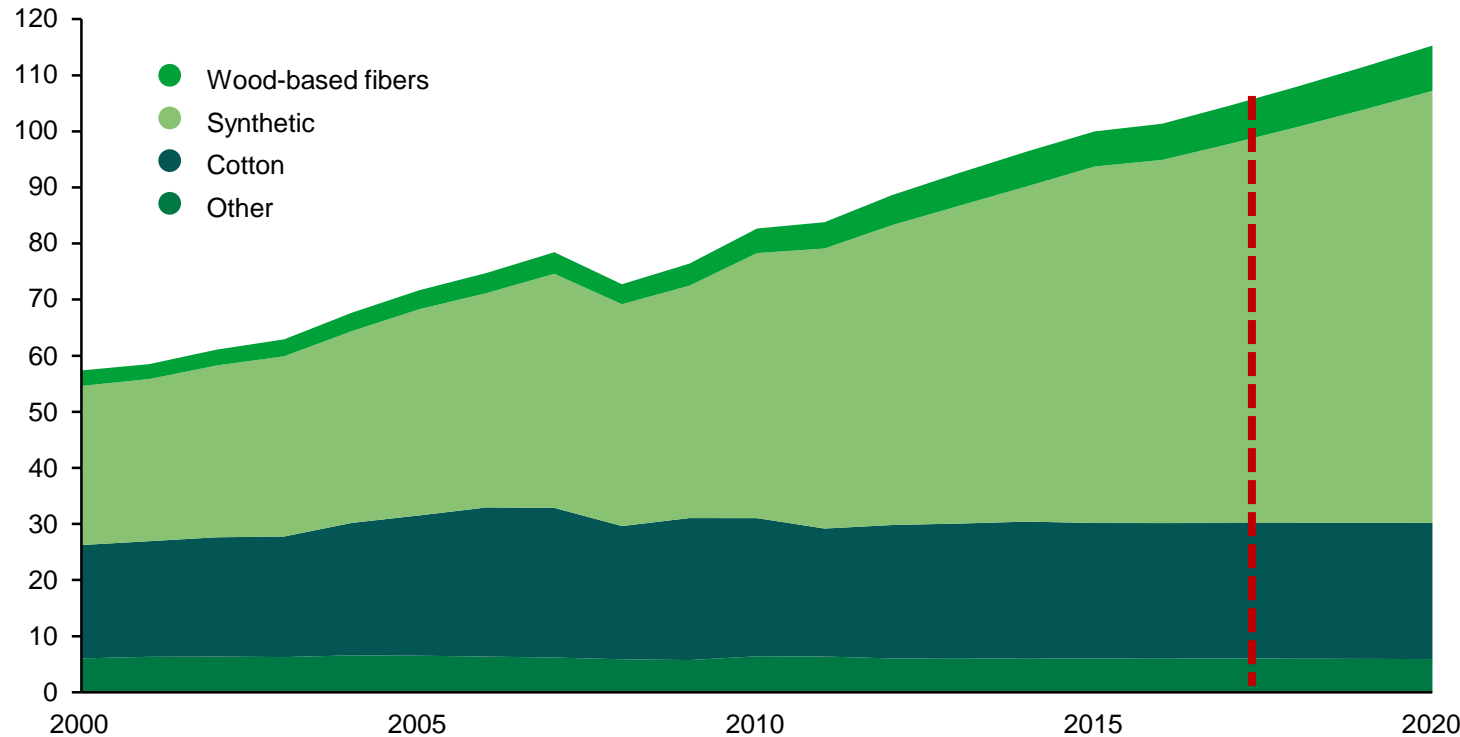


Source: IMF 2017, World Bank, The Fiber Year 2017, Lenzing estimates

Wood-based fibers¹ outgrow market

Expected growth of global fiber demand until 2020

Million metric tons



**CAGR
(2015e – 2020p²)**

- Wood-based fibers¹ **5-6% p.a.**
- Synthetic fibers **3-4% p.a.**
- Cotton **1-2% p.a.**
-
- Total fiber market **3-4% p.a.**

1) Wood-based and cotton linter-based cellulose fibers (Viscose, Modal, Lyocell and other (acetate, cupro) both staple fiber and filament)

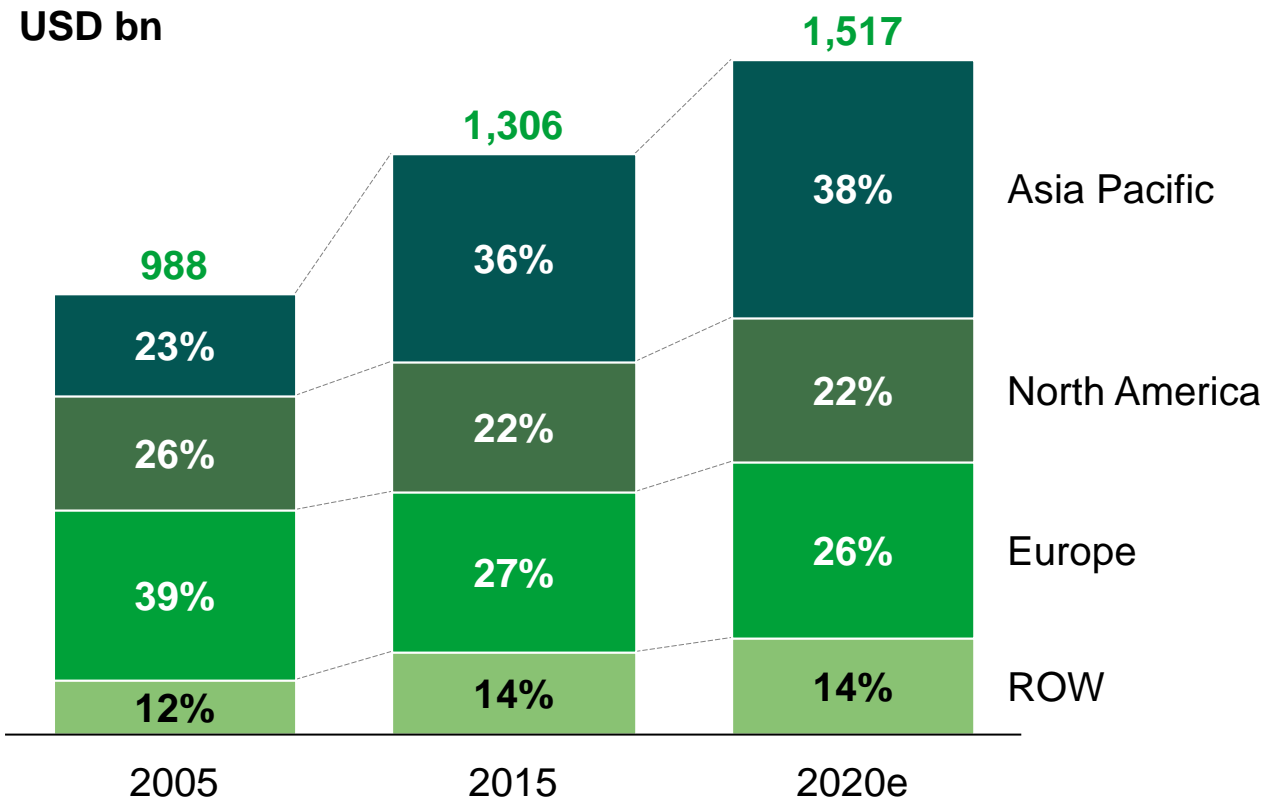
2) Projected

Source: ICAC 2017, The Fiber Year 2017, Lenzing data

Asia Pacific remains the growth engine in global textiles

Global apparel demand by value¹ (2005-2020)

CAGR
(2015-2020e)



Asia Pacific **4%**

North America **2%**

Europe **2%**

ROW **3%**



1) Based on current prices and historic year-on-year exchange rates
 Source: Euromonitor 2018, Lenzing
www.lenzing.com

Sustainability is gaining importance

Less than 1% of global water resources is available as fresh water for people

- But water consumption is rising due to population growth and changing consumption habits



Arable land is decreasing due to erosion and urbanization

- With a growing global population, this intensifies the competition for farm land



Oil is a finite resource causing negative externalities

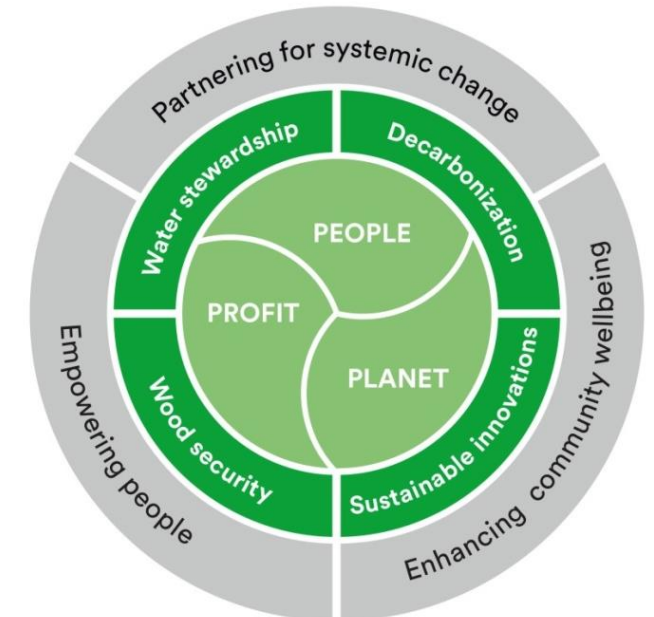
- Sooner or later “peak oil” will be reached
- New sources can only be tapped by taking high ecological risks



Lenzing's sustainability strategy

“Lenzing balances the needs of society, the environment and shareholders and is a sustainability leader in its industry. Creating substantially more positive impacts or benefits is the guiding torch for our innovation and business practices.”

- Four focus areas
 - Wood security
 - Water stewardship
 - De-carbonization
 - Sustainable innovations
- Reinforce the spheres of influence
 - Partnering for systemic change
 - Empowering people
 - Enhancing community well-being

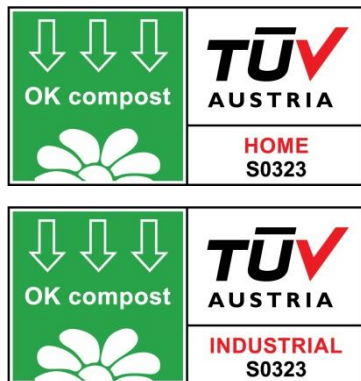


Certificates and recognitions

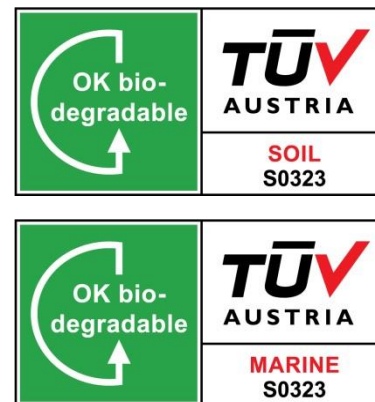
- VÖNIX (Austrian Sustainability Index)
- The European Eco-Label (European Flower)
- Responsible Care®
- OEKO-TEX® Standard 100
- European Award for the Environment (TENCEL™ fibers)
- PEFC™ (Chain of Custody)
- FSC® (Chain of Custody)
- 100% USDA Biobased certification for all Lenzing fibers (LENZING™ FR at 99%)
- OK compost HOME (TÜV AUSTRIA BELGIUM)
- OK biodegradable SOIL (TÜV AUSTRIA BELGIUM)
- OK biodegradable MARINE (TÜV AUSTRIA BELGIUM)
- Food contact compliance (mainly based on European legislation / certain standard fibers)
- MEDICALLY TESTED – TESTED FOR TOXINS
- FAIRTRADE INTERNATIONAL Textile Standard Responsible Fibres



www.lenzing.com



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Lenzing
Innovative by nature

Responsible wood and pulp sourcing

- Lenzing has a strict wood and pulp sourcing policy in place
- Lenzing does not source any wood or dissolving wood pulp from ancient and endangered forests as well as high conservation value areas.
- Lenzing is committed to sourcing wood and dissolving wood pulp exclusively from non-controversial sources.
- All Lenzing production sites are FSC® (Chain of Custody) certified.
- The wood processed in Lenzing (Austria) and Paskov (Czech Republic) is procured by a team of experts who are educated and well-trained foresters with reliable long-term relationships to the suppliers.

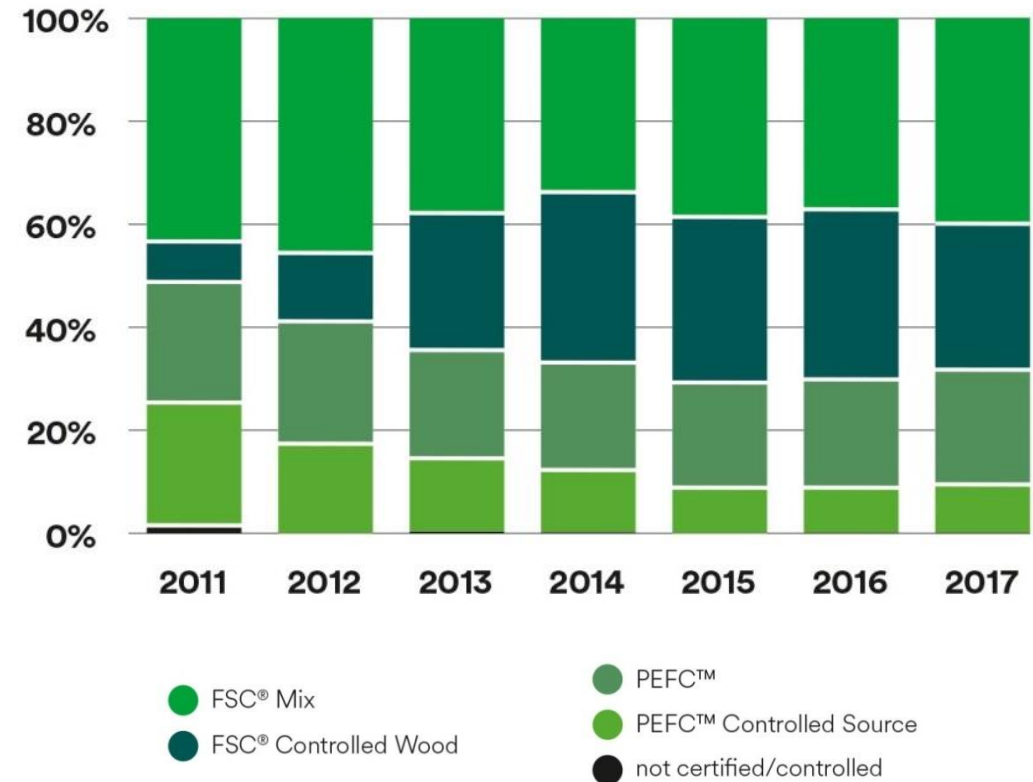


Wood and pulp certifications in the Lenzing Group

Certification status of total wood and pulp used by Lenzing production sites, own and purchased pulp 2017

Basis: Pulp used by Lenzing for fiber production

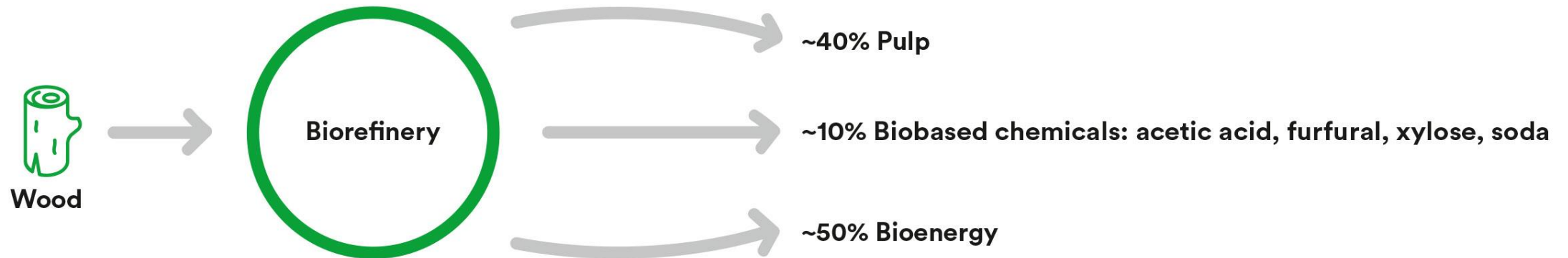
Non-certified pulp was used for R&D purposes



Highly efficient use of the raw materials

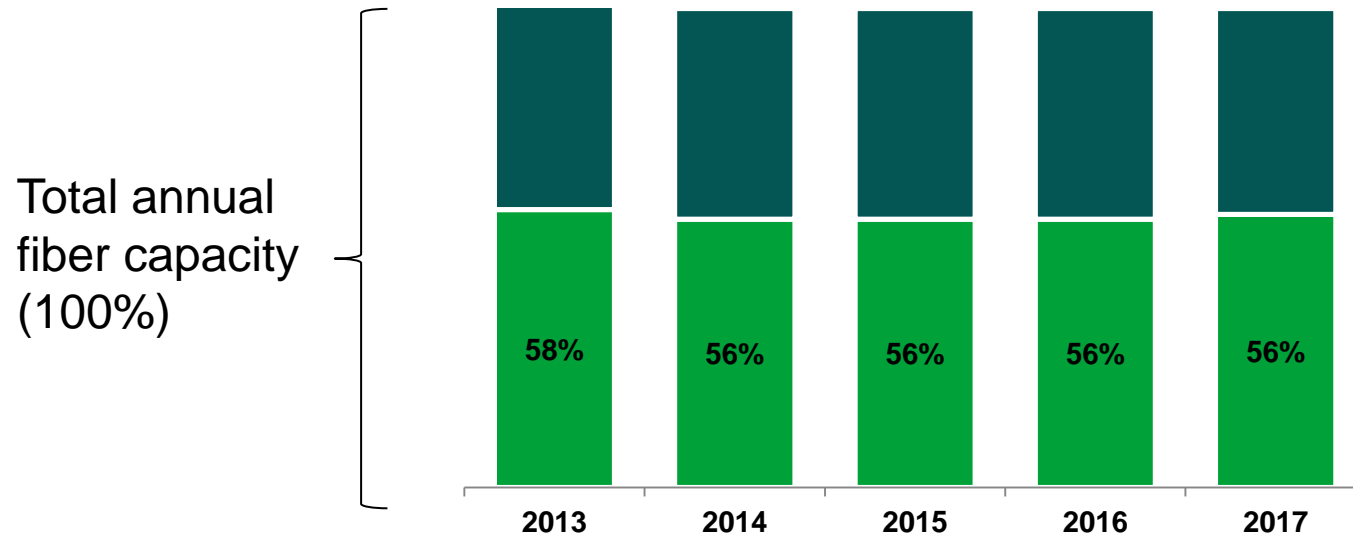
The Lenzing site is fully integrated. Dissolving wood pulp production at the Lenzing and Paskov sites achieve a wood utilization rate of about 100% (incl. energy use).

Highly efficient use of the raw material wood at the Lenzing Group's biorefineries



Fiber production fully secured by a robust pulp supply

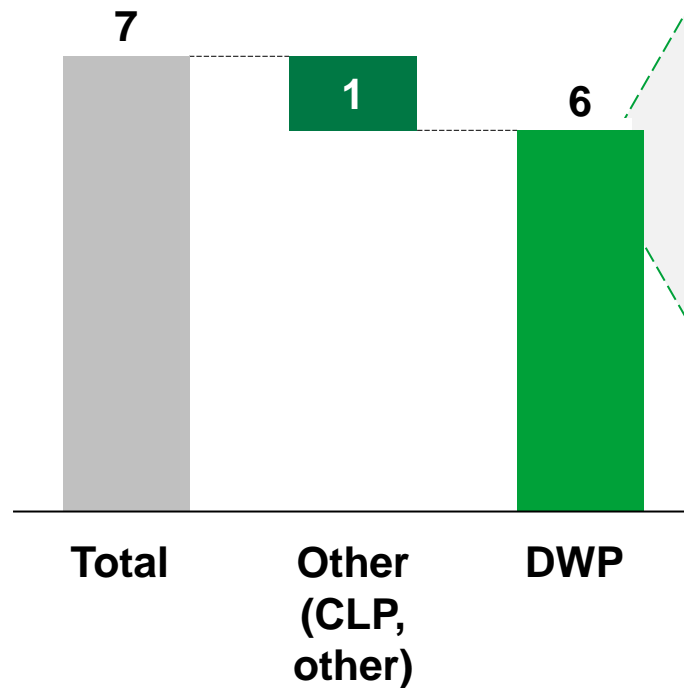
Level of backward integration: Own pulp supply in percentage of annual fiber capacity



- >50% secured by own pulp production
- Remaining pulp is secured through long-term contracts

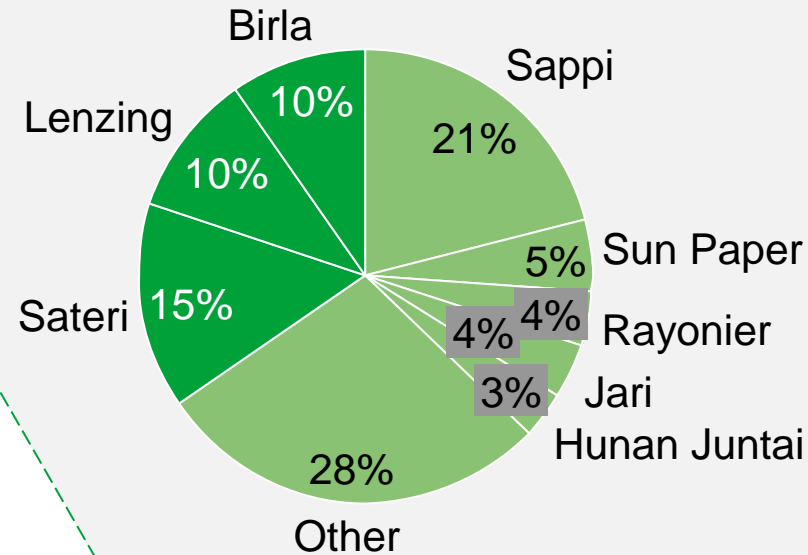
DWP market is relatively concentrated with significant link to paper pulp market

DP for WBCF supply, 2017, mt



Capacity distribution, 2017, %

Merchant
 Integrated



Forecasted capacity, mt

thereof swing capacity (PP/DWP)



Note: DWP – dissolving wood pulp, CLP – cotton linter pulp, DP – dissolving pulp, PP – paper pulp

The strategy – driving value growth



sC  reTEN

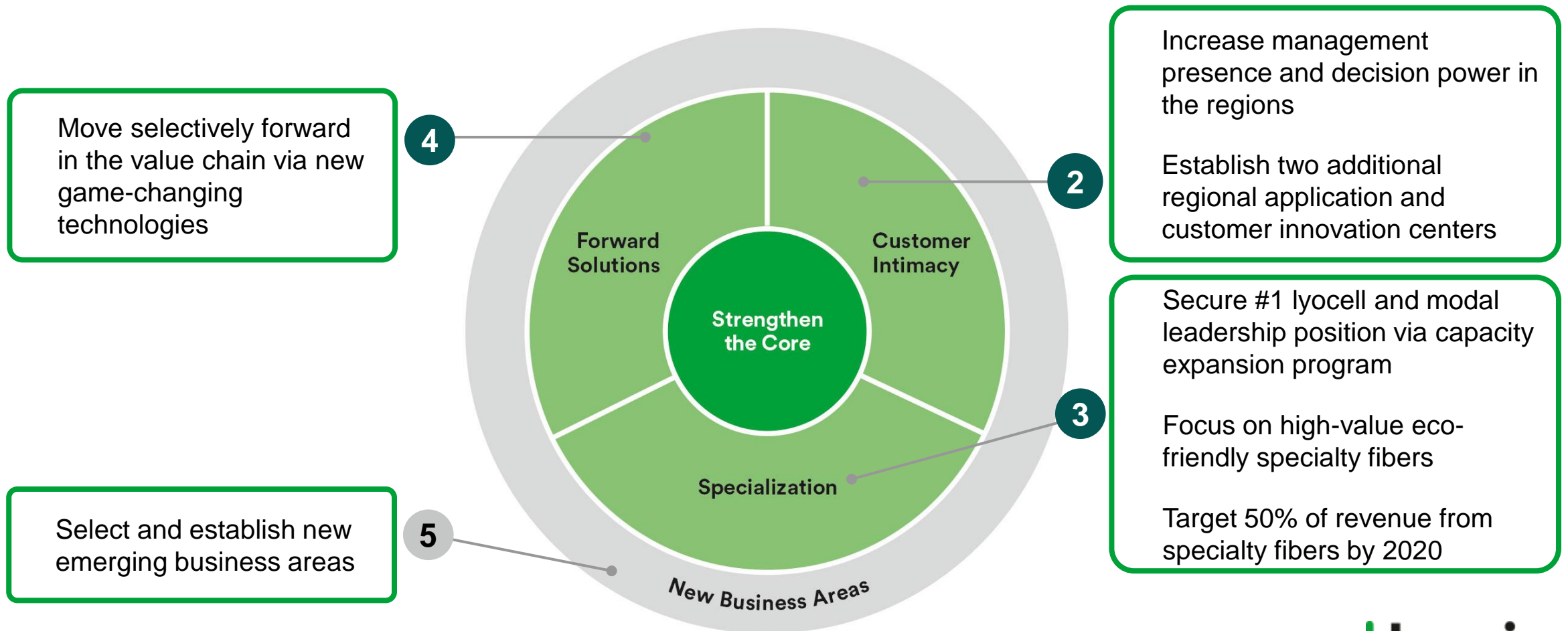
Strengthen the Core

- Further strengthen pulp position via backward integration and/or strategic co-operations
- Maintain quality leadership
- Deliver EUR 50 mn EBITDA by 2017 with commercial and operational excellence program
- Strengthen our co-products business
- Grow viscose position via strategic partnerships
- Finalize restructuring technical units

1



Customer Intimacy, Specialization, Forward Solutions and New Business Areas



Backup



LENZING™ fibers field of application

Textile



Denim

Active



Intimate



Luxe



Home

LENZING™ fibers field of application

Nonwovens

Body



Surface



Beauty



Intimate

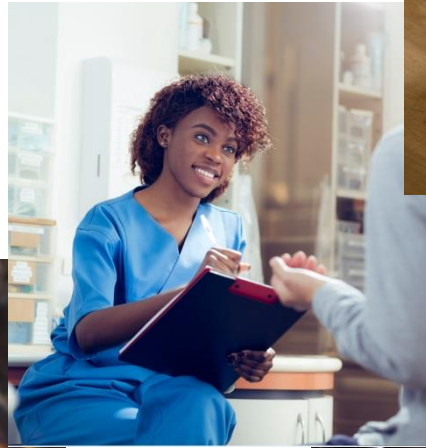
LENZING™ fibers field of application

Industrial



Agriculture

Workwear

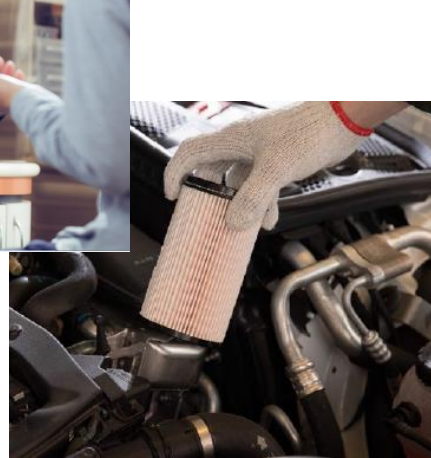


Protective Wear

Packaging



Biorefinery Products

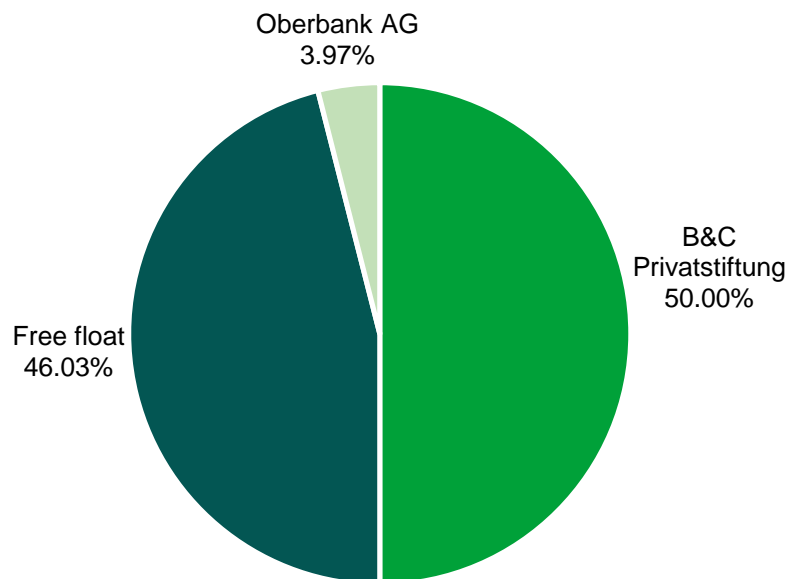


Engineered Products



Footwear

Lenzing share information



ISIN	LNZ / AT0000644505
Bloomberg	LNZ:AV
Reuters	LNZNF.PK
Indices	ATX Prime, ATX Global Players, VÖNIX Sustainability Index
Number of shares	26,550,000
Share price June 29, 2018	EUR 103.40
Market capitalization June 29, 2018	EUR 2,745.27 mn

Coverage as at August 7, 2018:

Baader Bank	Buy
Berenberg Bank	Hold
Deutsche Bank	Hold
Erste Group	Buy
Kepler Cheuvreux	Hold
Landesbank Baden-Württemberg	Hold
Raiffeisen Centrobank AG	Hold

Overview of B & C Privatstiftung (B & C Private Foundation)¹

- B & C holds a little more than 50.00 %.
- Its purpose is the promotion of Austrian entrepreneurship.
- B & C Holding Österreich GmbH is the management holding of B & C Foundation with five representatives on Lenzing's Supervisory Board.
- As the core shareholder, B & C takes a long-term view and supports the strategy of Lenzing Group.

1) Link to B & C Privatstiftung website: <https://www.bcholding.at/en/b-c-holding>

Contacts and financial calendar

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<https://www.lenzing.com/en/investors/>
- Visit our SRI sites
<https://www.lenzing.com/en/sustainability>
<https://www.lenzing.com/en/sustainability-reports>

Financial calendar

Full year results 2017	March 14, 2018
74 th Annual General Meeting	April 12, 2018
Results 01-03/2018	May 8, 2018
Half-year results 2018	August 8, 2018
Results 01-09/2018	November 7, 2018