

The Lenzing logo consists of the word "Lenzing" in a bold, black, sans-serif font. To the left of the text is a green graphic element consisting of a vertical line that curves at the top and then extends horizontally to the left, ending in a small hook-like shape.

Innovative by nature

Stand up for future generations

#alettertoachild

Lenzing Investor Presentation

Results 01-03/2021
May 5, 2021



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- Certain figures in this presentation have been rounded in accordance with commercial principles and practice. Such figures that have been rounded in various tables may not necessarily add up to the exact total given in the respective table.
- 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".

At a glance

Q1-2021 financial results

- Revenue of EUR 489 mn (EUR 466 mn in Q1-2020)
 - Specialty share¹ reached 73 % (72 % in Q1-2020)
- EBITDA of EUR 95 mn (EUR 69 mn in Q1-2020)
 - Strong EBITDA improvement due to positive price and demand development
- Net result after minorities of EUR 28 mn (EUR 22 mn in Q1-2020)
 - EPS of EUR 1.06 (EUR 0.84 in Q1-2020)

Key developments & strategic highlights

- Largest expansion program in corporate history fully on track
 - 100 kt lyocell plant in Thailand to start in Q4-2021
 - 500 kt DWP³ plant in Brazil on schedule to start in Q2-2022 despite challenging COVID-19 situation
- Investment of over EUR 200 mn to turn Asian viscose sites into eco-responsible specialty sites – share in specialty fibers will be boosted above the targeted 75 percent already by 2023

Outlook and guidance

- Increasing optimism in the textile value chain, however, visibility remains limited
- FY 2021 operating results are expected at least at pre-crisis level 2019

2024 targets confirmed

- EBITDA of EUR 800 mn
- ROCE² > 10 %
- Financial leverage < 2.5x
- Specialty share > 75 % of fiber revenue
- Backward integration > 75 % in DWP³
- CO₂ emission reduction⁴ > 40 %

1) In % of fiber revenue

2) Adjusted for plants under construction

3) DWP = Dissolving wood pulp

4) Per sold ton of DWP and fiber

Hygiene Austria



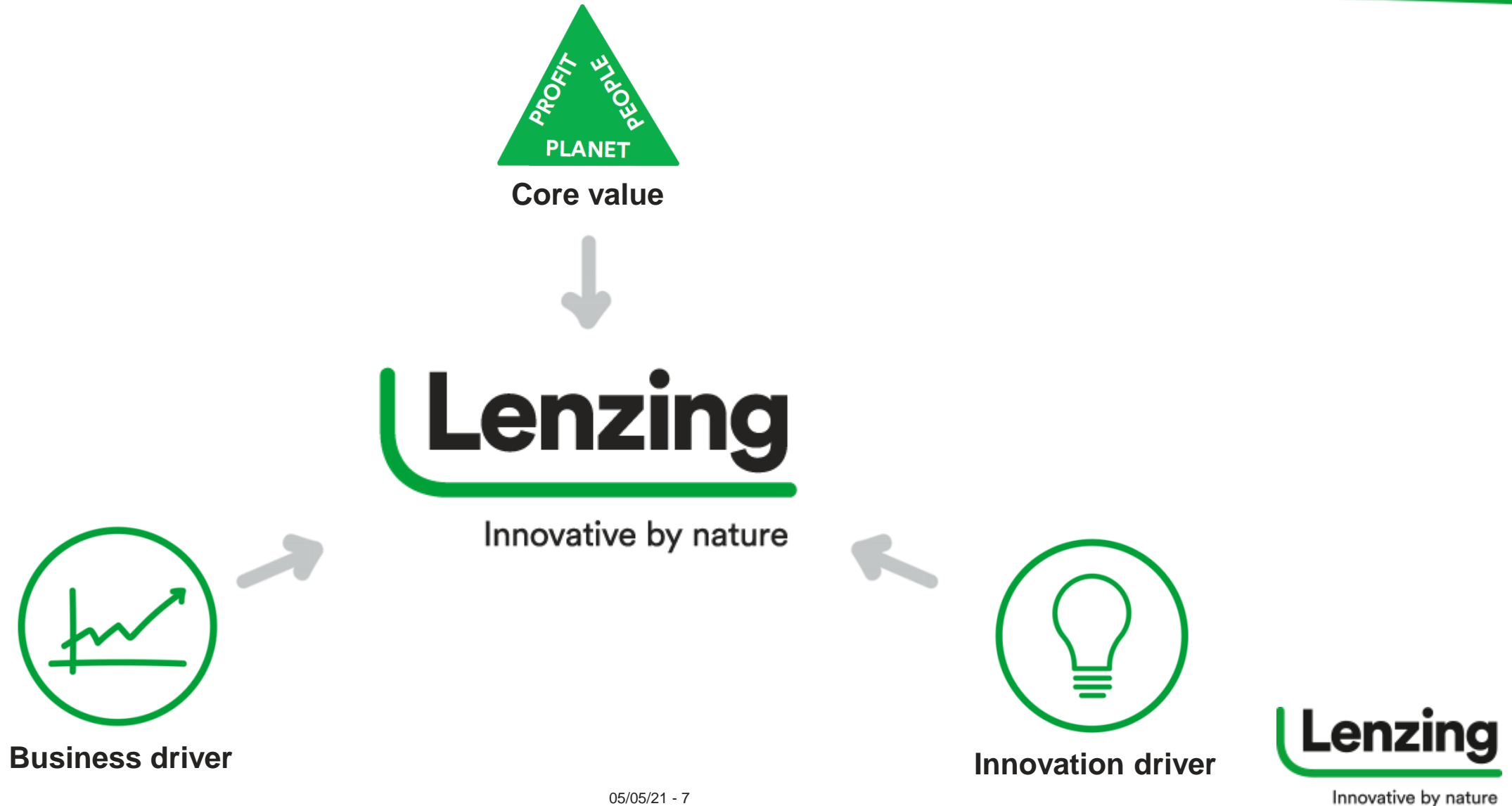
Hygiene Austria LP GmbH: Immediate measures have been taken and investment is fully written off

Hygiene Austria

- The Hygiene Austria project was co-founded by Lenzing in Q2 2020 with the deep conviction that Austrian quality could make an important contribution to protecting the population in the biggest pandemic of the last hundred years
- The newly established company was setup as a Joint Venture with Lenzing holding 50.1% and Palmers 49.9% and always consolidated at equity
- In March 2021, Austrian authorities raided the premises of Hygiene Austria in connection with alleged violations of the law
- Measures taken:
 - Quality of the delivered masks checked and assured
 - Re-Certification granted following onsite audit
 - Top management replaced
 - New call for tenders to provide personnel leasing
 - Lenzing transferred its shareholding to Palmers to ensure continuity of that business
- The investment has been fully written off in Q1 2021

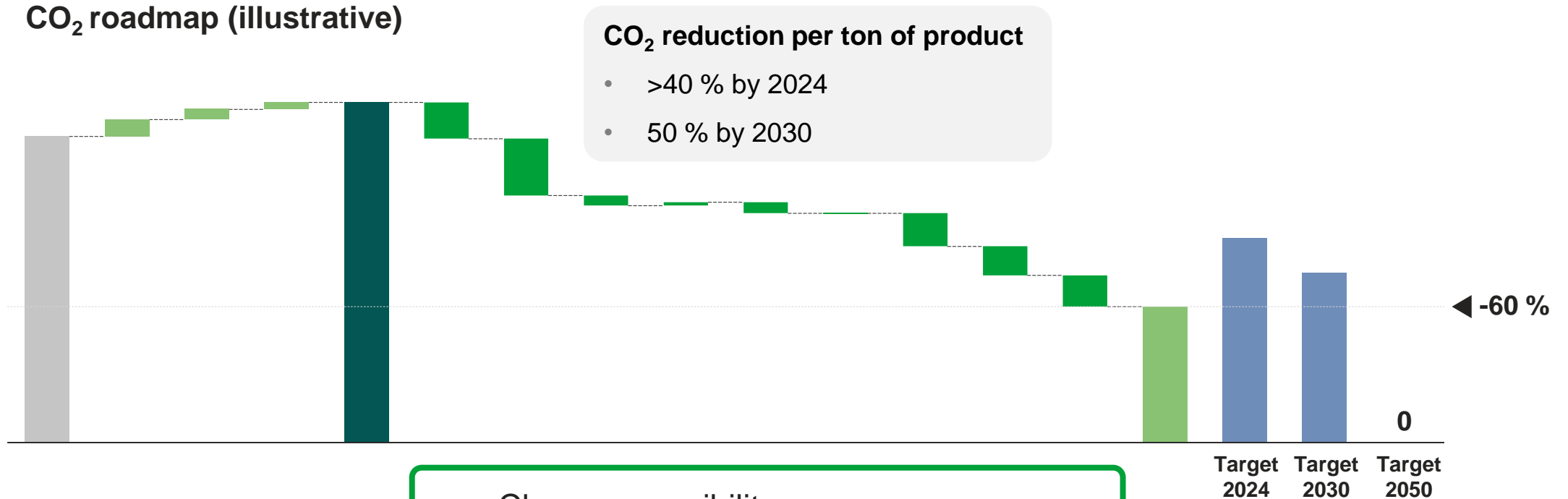
Sustainability strategy

Sustainability strategy has been presented to Lenzing's shareholders in the annual general meeting



Clear responsibility and detailed roadmaps to achieve defined sustainability targets have been defined

CO₂ roadmap (illustrative)



- Clear responsibility
- Detailed roadmaps
- ➔ Per site for each target

Lenzing invests EUR >200 mn in Indonesia and China to accelerate pace towards carbon neutrality and specialization

Indonesia (Purwakarta)

- Lenzing will **reduce its CO₂ emissions** by increasingly using biogenic fuels and will significantly **improve emissions to air and water**
- That will allow converting standard viscose capacity into **LENZING™ ECOVERO™** branded fibers for textile applications as well as **LENZING™ Viscose Eco** fibers for personal care and hygiene applications
- With this investment Lenzing will have all its **viscose and modal production** fully compliant with **EU Ecolabel** standard

LENZING™
EcoVero™

China (Nanjing)

- Lenzing will establish the first **wood-based fiber complex** in **China** that is **independent from coal** as an energy source
- By using **natural gas** based cogeneration, **CO₂ emissions** at the site will be **reduced** by more than 200,000 tons
- At the same time a line of standard viscose will be converted to a **35,000 tons TENCEL™** branded modal fibers line

 **Tencel**™
Feels so right

Lenzing will invest in its production sites in Indonesia and China to convert existing standard commodity viscose capacity into eco-responsible specialty fibers – as a result, **sulphur emissions** can be reduced by over **50%** and **CO₂** by over **320,000 tons** per year

The investments will have a positive impact on the implementation of sCore TEN as well as the achievement of the sustainability targets



sCore TEN targets (2024)

- EBITDA of EUR 800 mn
- ROCE¹ > 10 %
- Financial leverage < 2.5x
- Specialty share > 75 % of fiber revenue
- CO₂ emission reduction² > 40 %

Sustainability targets



- 50% sulfur emissions



- 20 % waste water emissions



- 50 % net CO₂ emissions by 2030, Net-zero by 2050

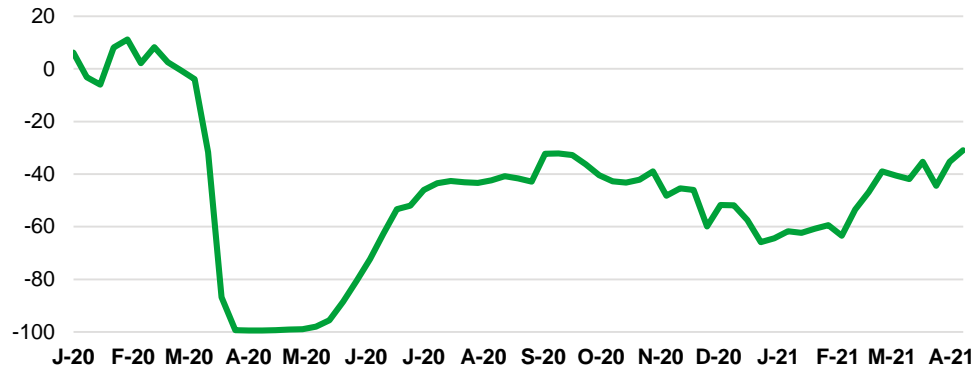
Non-exhaustive list

Market update



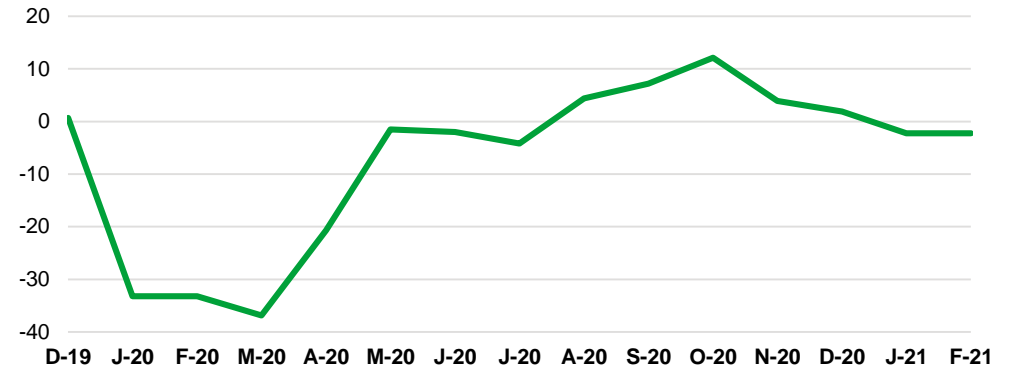
Lockdowns weigh globally on textile retail sales

North America Apparel Weekly Retail Traffic (% vs. 2019)



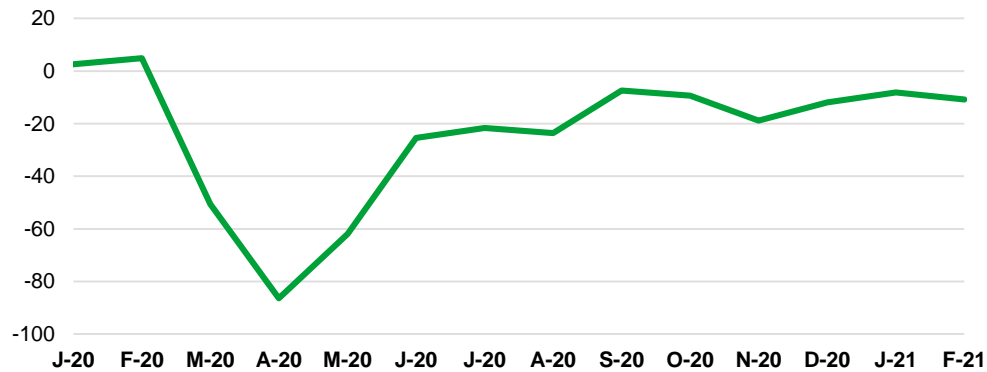
Source: Bloomberg

Retail Sales Garments China (% vs. 2019)



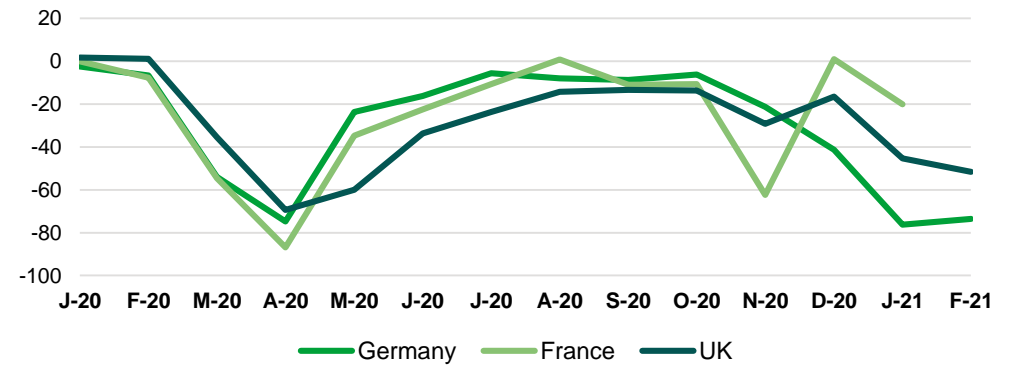
Source: National Bureau of Statistics of China (incl. online retail)

Retail Sales Clothing US (% vs. 2019)



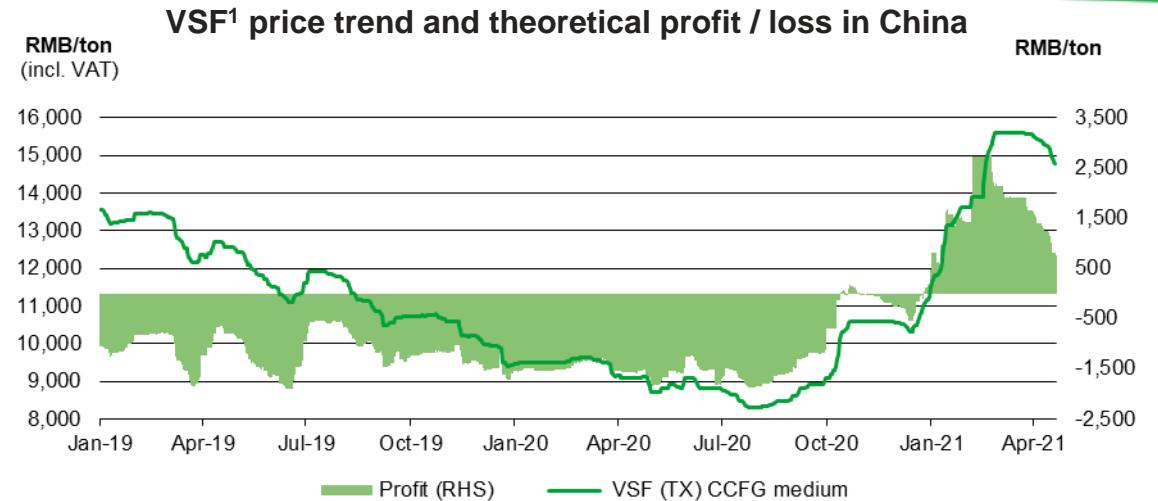
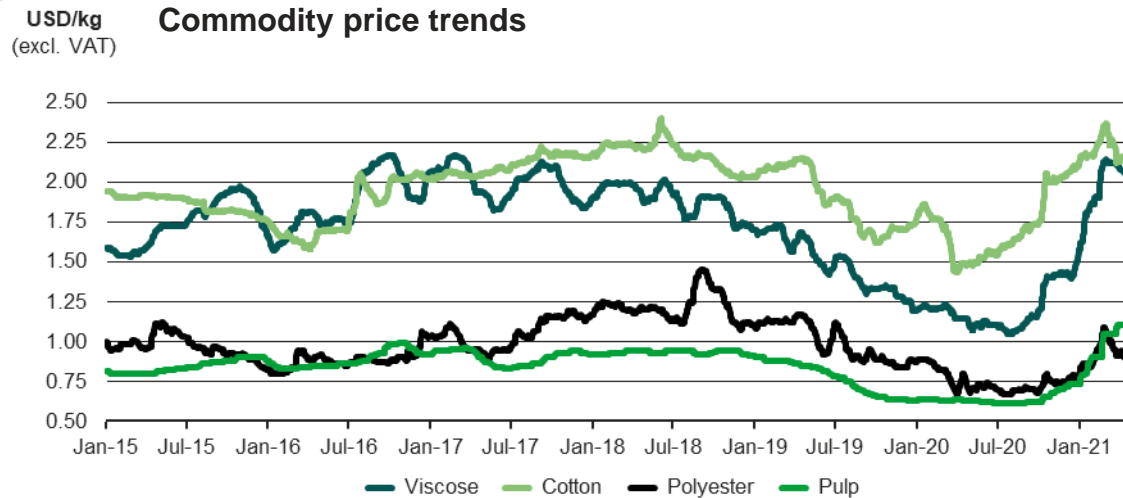
Source: US Census Bureau (without online retail)

Retail Sales Textiles Europe (% vs. 2019)



Source: Eurostat (without online retail)

Commodity prices improved strongly during the first quarter

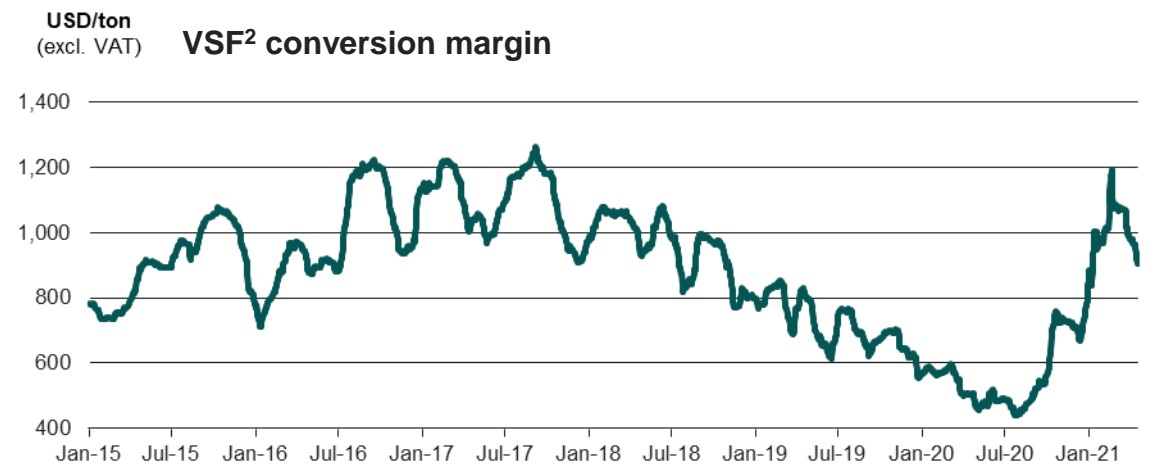


Viscose

- Textile VSF prices peaked to RMB/ton 15,600 in March; driven by rebound of demand and economic stimulus
- Nonwoven peaked to RMB/ton 16,000
- Operating rates in the VSF industry up to ~83% (5y avg. 82%)
- Inventory levels with 12 days well below long-term average (17 days)
- Dissolving wood pulp prices ended at USD/ton 1,100

Competing fibers

- **Cotton:** Prices were supported by an unexpected early demand recovery; peaked at USc/lbs 98.5 (Cotton A Index)
- **Polyester:** Prices temporarily benefited from the rising intermediate prices and increased to RMB/ton 8,000



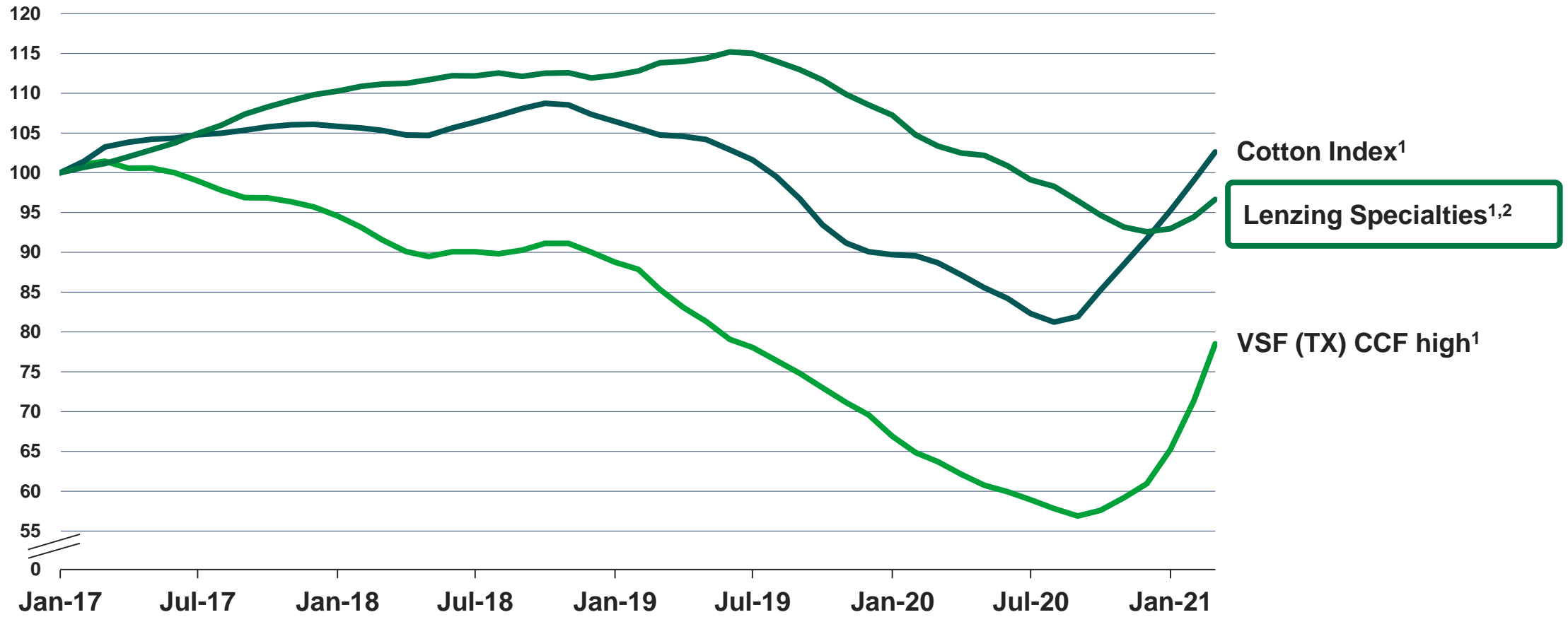
Source: CCFG, CCA, CCFEI

1) Standard viscose staple fibers, price development until April 20th, 2021

2) Conversion margin = VSF – imported hardwood dissolving pulp (DWP)

3) DWP is key input material; 1 ton of fiber (VSF, modal, lyocell) requires ~1 ton of DWP

Specialty fiber prices are not as volatile as commodity fiber prices



1) In China; 6M average in % from 01/2017 converted at constant FX rates
2) Lenzing's specialties: LENZING™ Lyocell, LENZING™ Modal, LENZING™ Specialty Viscose

Branding



TENCEL™ Luxe filament yarn at the Oscars® in partnership with RCGD¹

Marlee Matlin in Vivienne Westwood for RCGD in collaboration with Tencel.



Marlee Matlin wears Vivienne Westwood for RCGD in collaboration with Tencel to the 93rd Annual Academy Awards at Union Station on April 25, 2021 in Los Angeles, California.

www.lenzing.com

1) Red Carpet Green Dress™

HOME / FASHION / FASHION TRENDS

Grün und glamourös: Legt diese Lady den besten Auftritt bei den Oscars 2021 hin?

Von ALEXANDRA FRANZ
26. April 2021

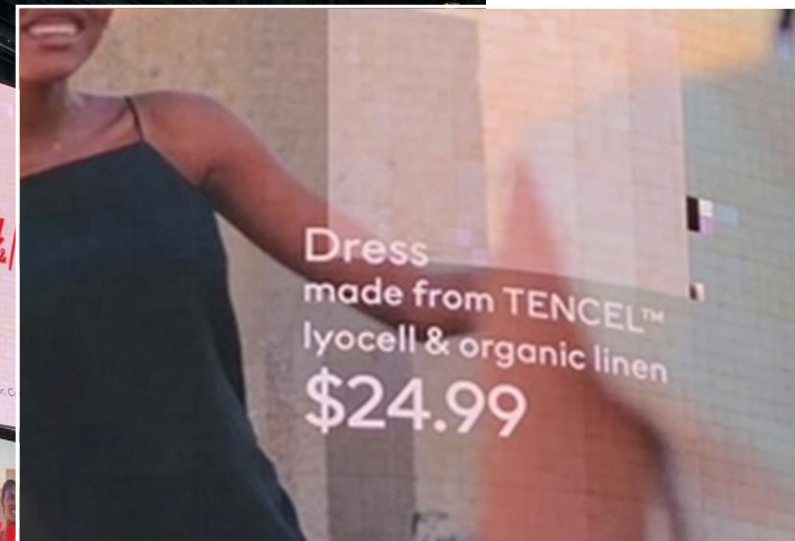


© GETTY IMAGES - Die Oscars 2021 werden grüner: Dafür sorgt die Initiative "Red Carpet Green Dress", die Schauspielerin Marlee Matlin mit einer nachhaltigen Robe von Vivienne Westwood ausstattete



Lenzing
Innovative by nature

Downstream partners continue to push TENCEL™ and ECOVERO™ Brands; Times Square in April 2021



Expansion projects

LDC remains on time and in budget

- JV LD Celulose (LDC): Lenzing holds 51%, Duratex 49% → JV fully consolidated by Lenzing

Key facts:

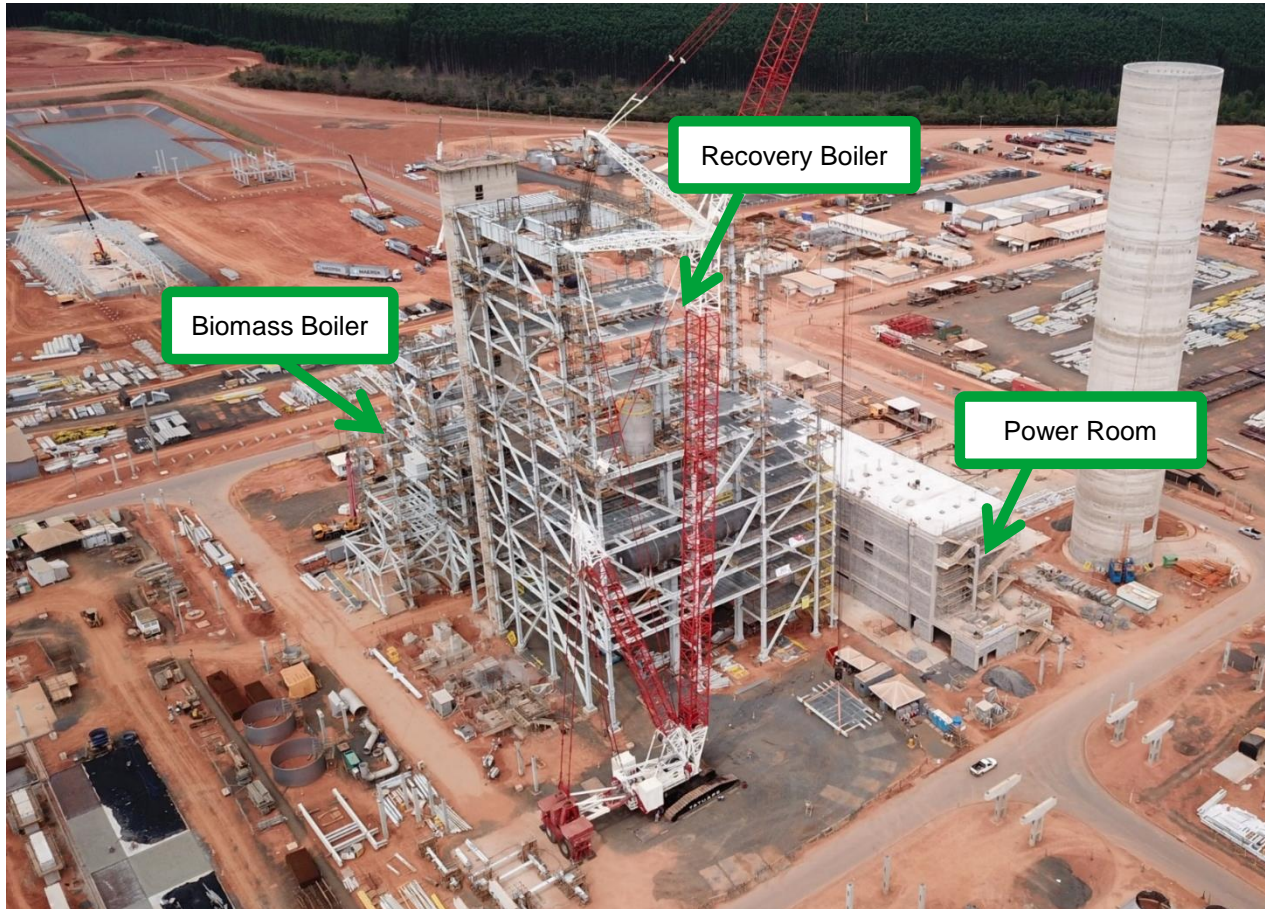
- 500 kt single line DWP mill
→ **Largest of its kind**
- USD 1.38 bn industrial capex
(USD 704 mn Lenzing's economic share)
- Cash costs of ~USD 300 per mt
→ **Absolute cost leader**
- Long-term average DWP price: ~USD 900/mt
- Expected ramp-up in H1/2022
→ **Almost full run rate expected end of 2022**



DWP plant in Brazil: Overview



DWP plant in Brazil – Recovery and Biomass boilers



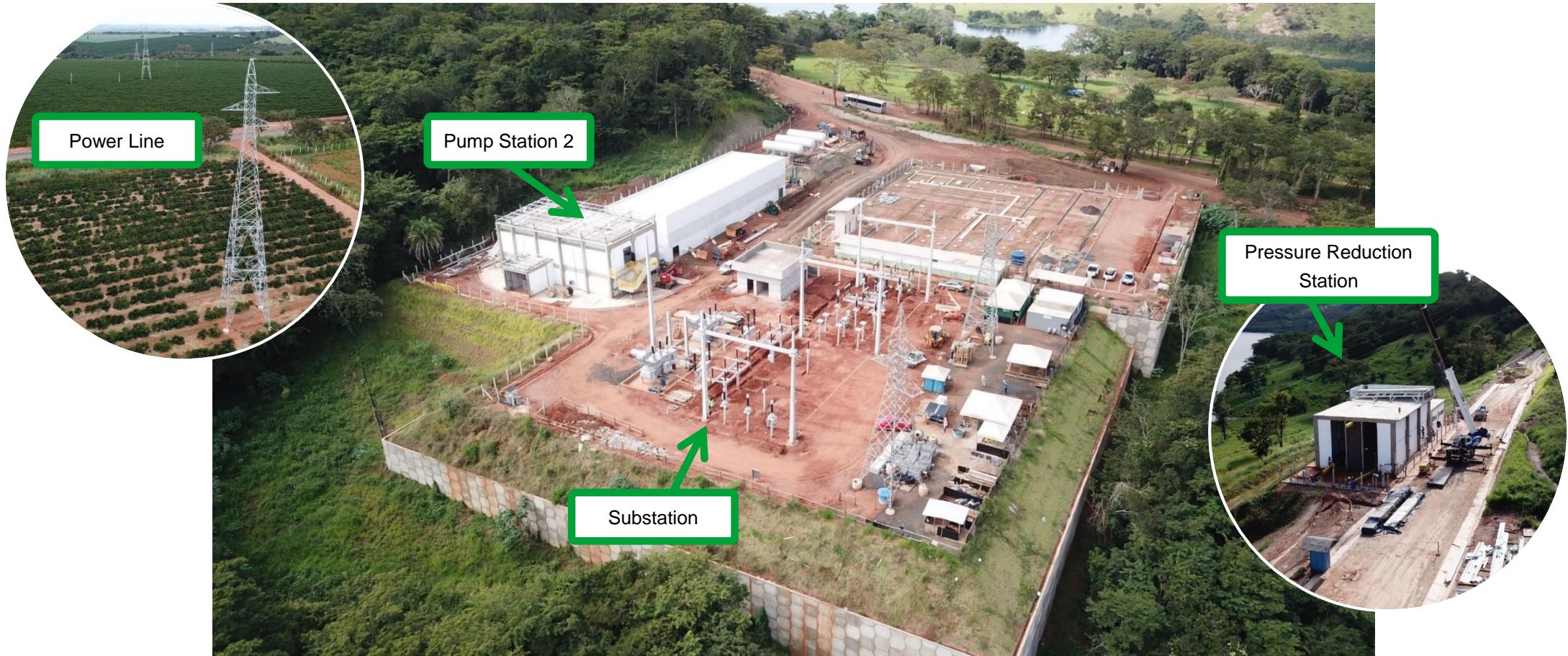
DWP plant in Brazil – Effluent Treatment



DWP plant in Brazil – Water Intake



DWP plant in Brazil – Water Intake Plateau Areas



Lyocell expansion project in Thailand (T3) fully on track

Key facts:

- 100 kt lyocell fiber plant
 - ➔ **Largest of its kind**
 - ➔ **Strong boost to specialty exposure**
- ~EUR 400 mn industrial capex
- Financing: ~25% equity, ~75% debt
 - Debt financing fully committed
 - First debt repayments from mid-2023
- ➔ **Project fully on track**
- **Ramp-up expected end of 2021**
 - Fully ramped by H2-2022
- Bioenergy secured, carbon-neutral site
- Attractive tax incentive scheme



Lyocell expansion project in Thailand - Overview



Lyocell expansion project in Thailand – Production building



Lyocell expansion project in Thailand – Waste water treatment



Lyocell expansion project in Thailand – Warehouse and utilities plant

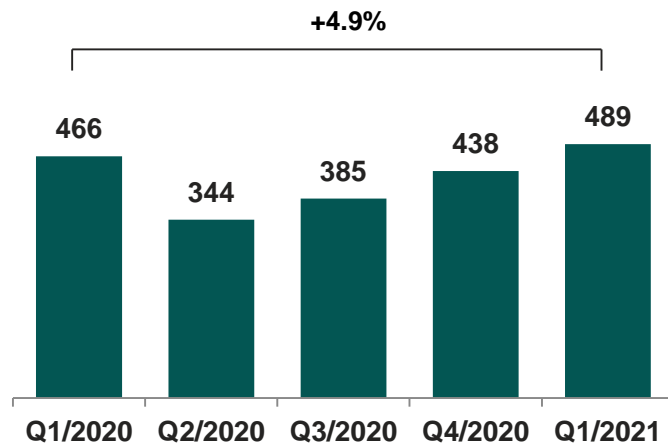


Q1-2021 Financials

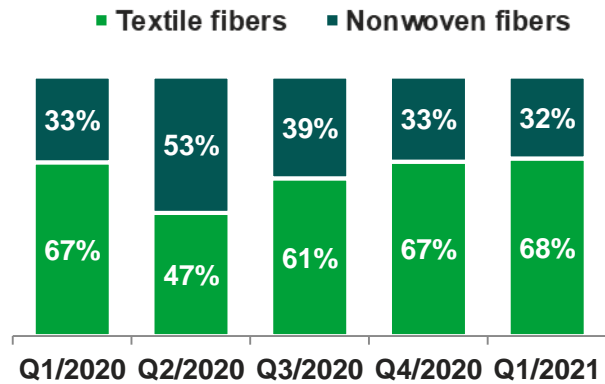


P&L – Revenue

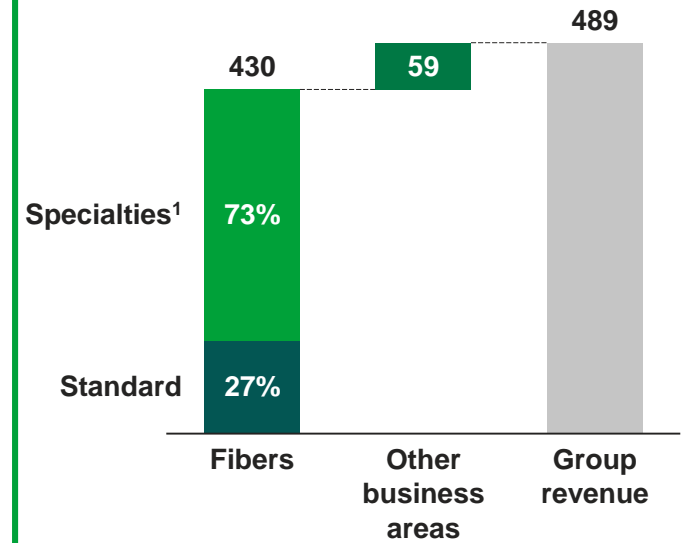
Group revenue (EUR mn)



Fiber revenue by application



Group revenue by type in Q1-2021 (EUR mn)



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

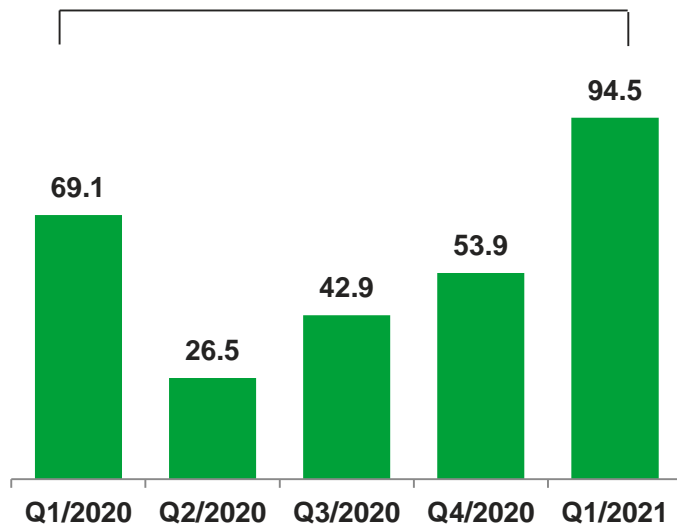
Q1/2021: Quarterly earnings development¹

EBITDA margin

14.8 % 7.7 % 11.1 % 12.3 % 19.3 %

EUR mn

+36.8%



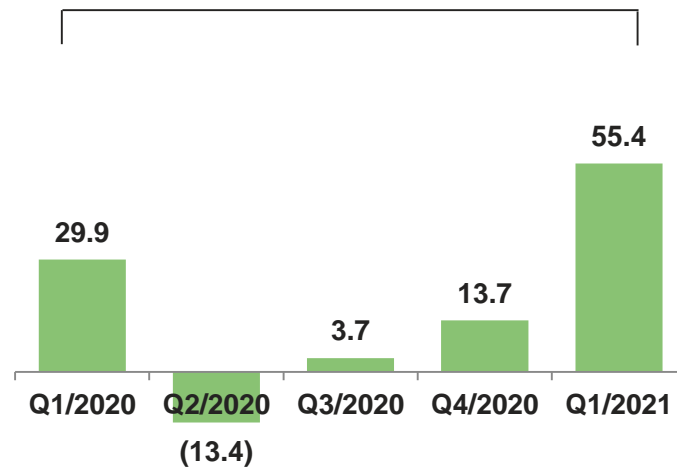
■ EBITDA

EBIT margin

6.4 % (3.9) % 1.0 % 3.1 % 11.3 %

EUR mn

+85.5%



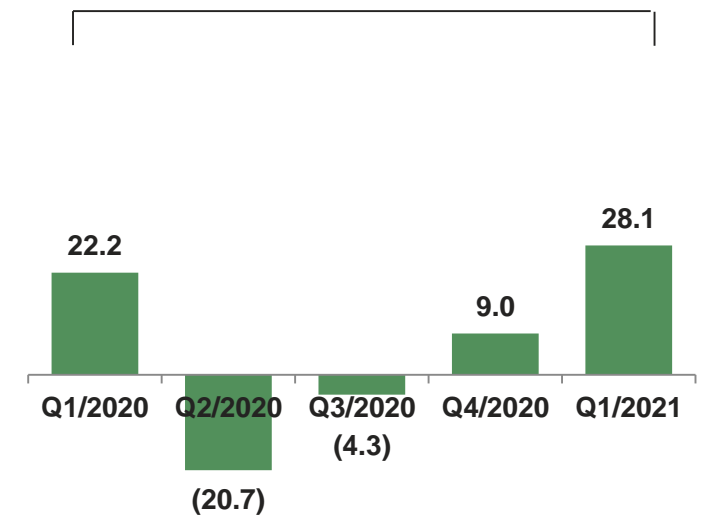
■ EBIT

EPS² (EUR)

0.84 (0.78) (0.16) 0.34 1.06

EUR mn

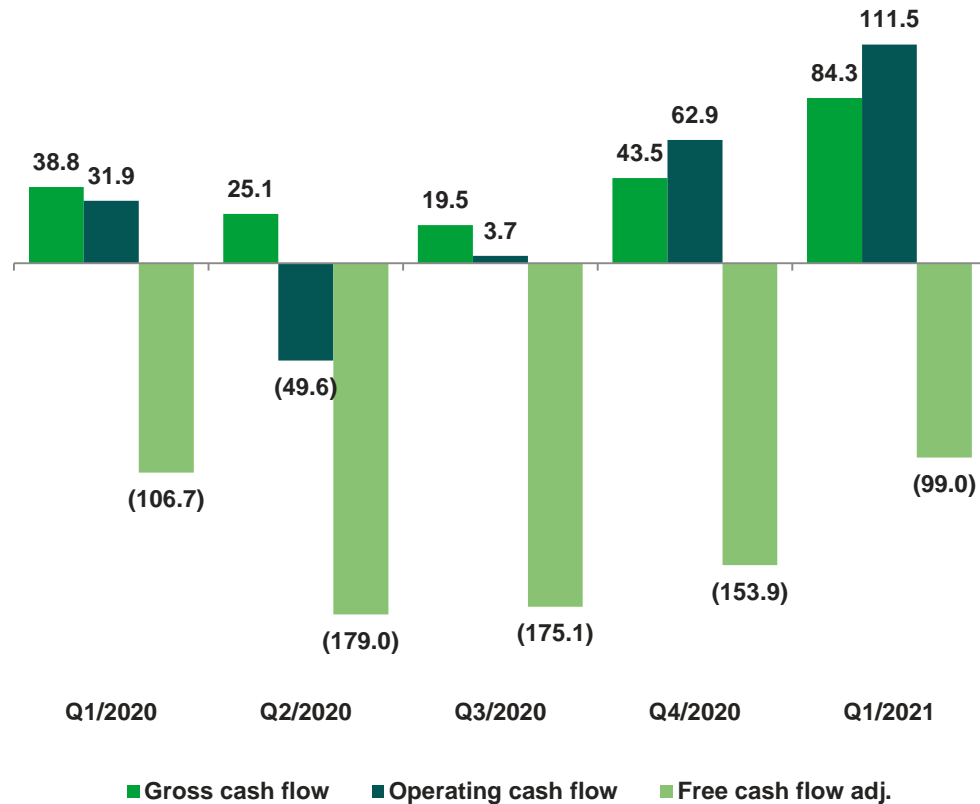
+26.6%



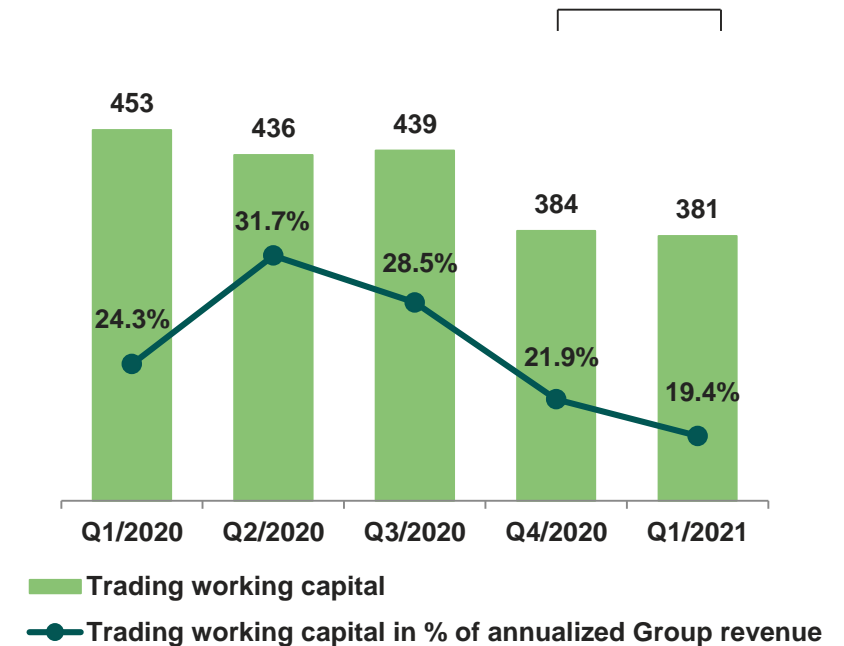
■ Group net profit after minorities and hybrid bond

- 1) Reclassification of capitalized borrowing costs, net interest from defined benefit plans and commitment fees from EBIT/EBITDA to the financial result (see footnote 1 of the consolidated income statement of the Group Interim Report Q1/2021)
- 2) Attributable to Lenzing AG shareholders

Cash flow and trading working capital development



EUR mn (0.9) % Trading Working Capital



Capex

139

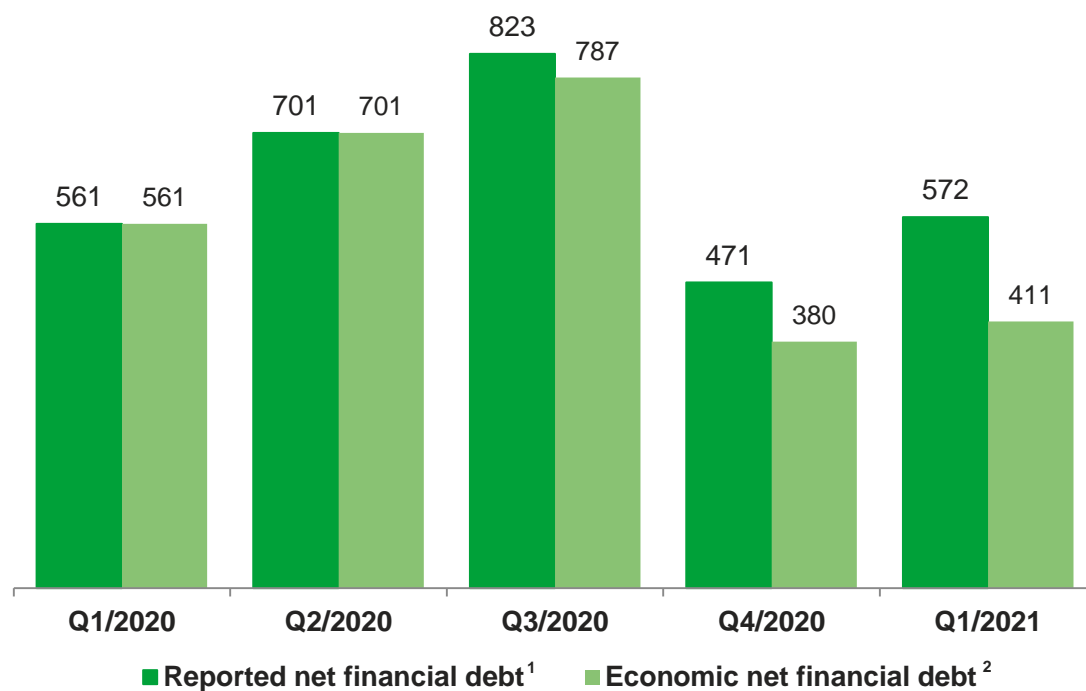
130

181

219

211

Balance sheet metrics



- 1) Fully consolidated Brazil JV debt included
- 2) Reflects 51% economic share of Brazil JV debt
- 3) Including cash and cash equivalents, liquid securities and liquid bills of exchange
- 4) Including government grants less proportional share of deferred taxes on government grants
- 5) Including hybrid capital

According to IFRS (EUR mn)	31 Mar 2021 ⁵	31 Dec 2020 ⁵	Change in %
Total assets	4,548.6	4,163.0	9.3
Liquid assets ³	1,200.1	1,081.1	11.0
Total liabilities	2,599.6	2,281.6	13.9
thereof financial liabilities	1,772.5	1,552.5	14.2
Adjusted equity ⁴	1,974.1	1,907.0	3.5
Adjusted equity ratio (%)	43.4	45.8	-
Net gearing (%)	29.0	24.7	-
Net financial debt	572.4	471.4	21.4

According to IFRS (EUR mn)	31 Mar 2021	31 Dec 2020	Change in %
Total liquidity cushion	2,043.6	2,112.5	(3.3)
thereof liquid assets ³	1,200.1	1,081.1	11.0
thereof unused credit facilities	843.5	1,031.4	(18.2)

Outlook



Outlook

2021 guidance: Operating results expected at least at the level of the pre-crisis year 2019

- Strong market sentiment, but uncertainty remains due to COVID-19 pandemic
- Fiber pricing peaked mid March, but remains on high level
- DWP prices with strong increase in Q1 2021 remain unchanged on very high levels
- Strong focus on expansion projects in Thailand and Brazil
- Ongoing focal points: continuous improvement and operational excellence

2021 strategic milestones

Major decisions to be taken

Modal expansion



Conversion of VSF commodity into **ECOVERO™** expansion



Further steps to decarbonize portfolio

- Lenzing
- Nanjing
- Prachinburi



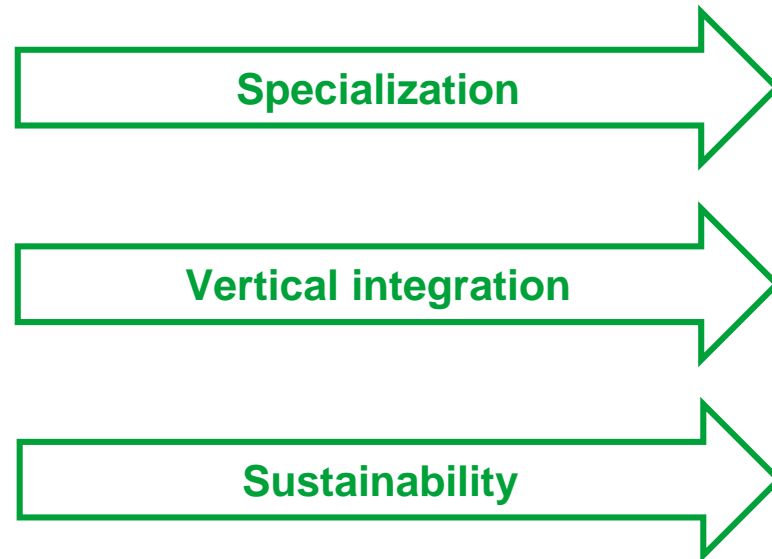
Project Finalization

Start-up of lyocell fiber plant in Thailand (T3)



sCore TEN targets 2024

sCore TEN value drivers



2024 targets

Financial targets

EBITDA (EUR mn)	800
ROCE ¹	> 10 %
Leverage	< 2.5x

Strategic targets

Specialty share ²	> 75 %
DWP integration	> 75 %
CO ₂ emission reduction ³	> 40 %

1) Adjusted for plants under construction

2) In % of fiber revenue

3) Per sold ton of DWP and fiber



Thank You



**for your
attention!**



Appendix

Q1-2021 detailed financials

Q1-2021: Quarterly P&L development¹

(EUR mn)	Q1/2021	Q4/2020	Change Q1/Q4 (%)	Q1/2020	Change Q1/Q1 (%)
Revenue	489.3	437.7	11.8	466.3	4.9
Cost of sales	(368.8)	(364.2)	1.2	(375.5)	(1.8)
Gross profit	120.6	73.5	64.1	90.7	32.9
Other operating income	15.5	13.9	11.8	15.9	(2.6)
Selling expenses	(49.0)	(45.3)	8.1	(41.2)	18.8
Administrative expenses	(26.3)	(18.6)	41.0	(27.6)	(4.8)
Research and development expenses	(5.4)	(4.6)	18.1	(4.9)	11.3
Other operating expenses	0.0	(5.2)	(99.3)	(3.1)	(98.8)
EBIT/Margin	55.4/11.3%	13.7/3.1%	304.7	29.9/6.4%	85.5
Financial result	(10.3)	(1.2)	-	(1.2)	-
EBT/Margin	45.1/9.2%	12.5/2.9%	260.7	28.6/6.1%	57.3
Income tax expense	(15.2)	0.2	-	(10.9)	39.1
Tax rate (%)	33.7	(1.6)	-	38.1	-
Net profit/loss/Margin	29.9/6.1%	12.7/2.9%	135.3	17.7/3.8%	68.5
Net profit/loss attributable to shareholders of Lenzing AG/Margin	28.1/5.7%	9.0/2.1%	211.1	22.2/4.8%	26.6
Net profit/loss attributable to non-controlling interests	(5.4)	1.8	-	(4.5)	21.1
Net profit/loss attributable to hybrid owners	7.2	1.9	280.3	0.0	-
EPS (in EUR)	1.06	0.34	211.1	0.84	26.6

1) Reclassification of capitalized borrowing costs, net interest from defined benefit plans and commitment fees from EBIT/EBITDA to the financial result (see footnote 1 of the consolidated income statement of the Group Interim Report Q1/2021).

Q1-2021: Quarterly topline breakdown

(EUR mn)	Q1/2021	Q4/2020	Change Q4/Q1 (%)	Q1/2020	Change Q1/Q1 (%)
Breakdown of Fibers segment revenue					
Textile fibers (%)	68.4	67.0	2.1	66.9	2.2
Nonwoven fibers (%)	31.6	33.0	(4.2)	33.1	(4.5)
Fibers only	431.4	379.1	13.8	389.5	10.7
Other ¹	53.9	58.0	(7.2)	73.8	(26.9)
Total segment Fibers	485.3	437.1	11.0	463.3	4.7
Total segment Lenzing Technik	3.6	3.1	14.7	8.2	(56.2)
Other and consolidation	0.5	(2.5)	-	(5.2)	-
Total Group revenue	489.3	437.7	11.8	466.3	4.9

1) Includes sales of sodium sulfate and black liquor, external sales of dissolving wood pulp, wood and energy

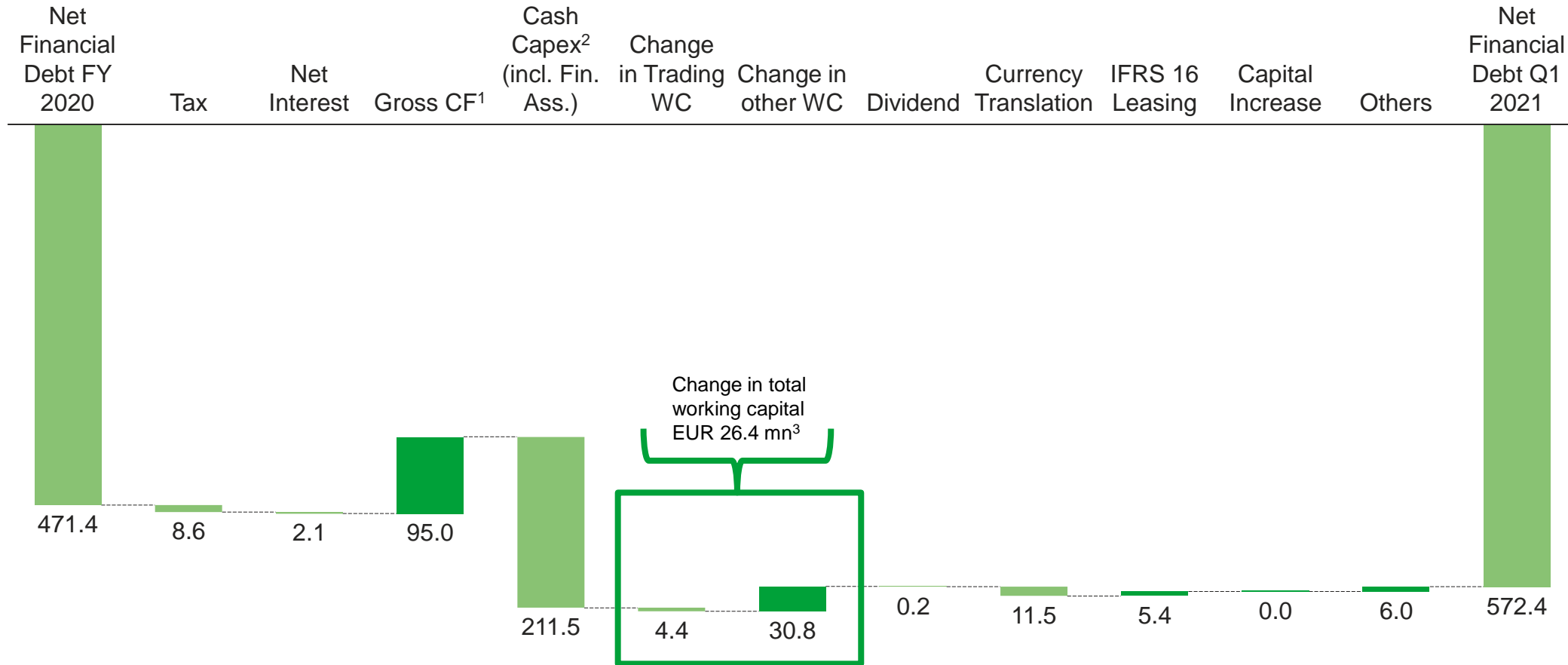
Q1-2021: Quarterly cash flow development

(EUR mn)	Q1/2021	Q4/2020	Change Q1/Q4 (%)	Q1/2020	Change Q1/Q1 (%)
Gross cash flow (before taxes and interest)	95.0	61.7	53.9	52.6	80.7
Taxes and interest	(10.7)	(18.2)	(41.5)	(13.8)	(22.7)
Gross cash flow (after taxes and interest)	84.3	43.5	93.9	38.8	117.5
Change in total working capital ¹	27.1	19.4	39.6	(6.9)	-
Operating cash flow	111.5	62.9	77.1	31.9	249.5
Investment cash flow ²	(205.5)	(218.5)	(5.9)	(137.9)	49.0
Free cash flow unadj.	(94.1)	(155.6)	(39.5)	(106.0)	(11.3)
Net inflow from sale of subsidiary	0.0	0.0	-	0.0	-
Acquisition of other financial assets	0.0	1.9	(97.3)	0.2	(75.1)
Proceeds/repayments of other financial assets	(5.0)	(0.2)	-	(0.9)	-
Free cash flow adj.	(99.0)	(153.9)	(35.7)	(106.7)	(7.3)

1) Including trade and other working capital

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

Q1-2021: Net debt bridge



- 1) Gross cash flow before taxes and interest
- 2) Including CAPEX of EUR (211.5) mn and financial assets of EUR 0.0 mn
- 3) Change in total working capital EUR 27.1 mn (according to cash flow statement)
 - Adjustment change in liquid bills of exchange EUR (0.8) mn
 - Change in total working capital adj. EUR 26.4 mn (according to net debt)

Contact and financial calendar

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Visit our IR website

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<https://www.lenzing.com/en/sustainability>

<https://www.lenzing.com/en/sustainability-reports>

Financial calendar

Annual results 2020	March 11, 2021
77 th Annual General Meeting	April 14, 2021
Results 01-03/2021	May 5, 2021
Half-year results 2021	August 4, 2021
Results 01-09/2021	November 3, 2021

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