



Innovative by nature

Lenzing Investor Presentation

Update on backward integration concept
June 22nd, 2018

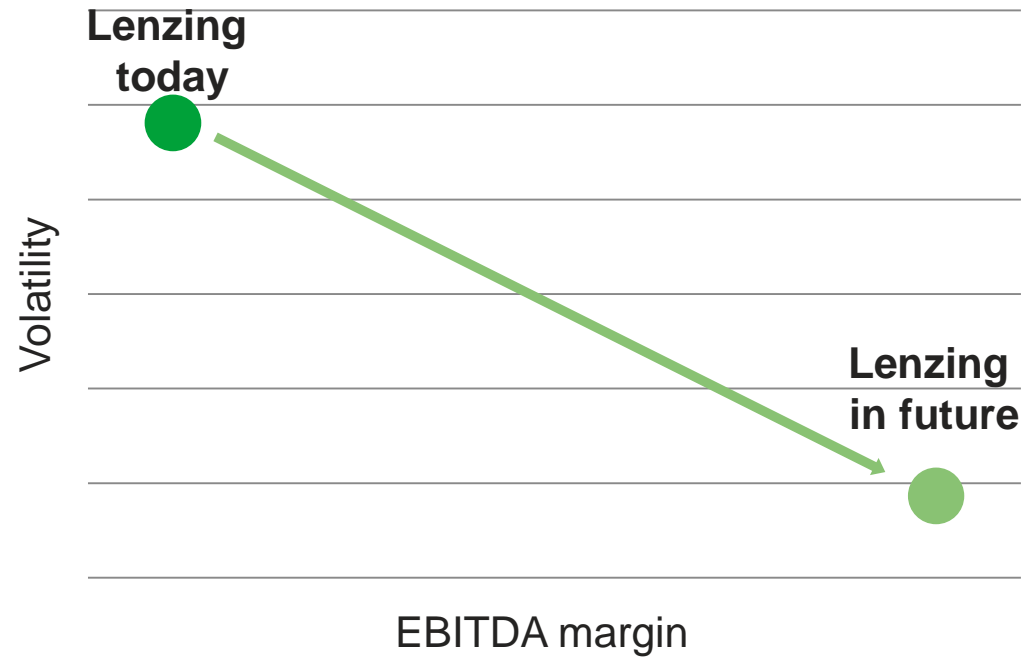
Disclaimer

- The information contained in this document has not been independently verified and no representation or warranty expressed or implied is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of this information or opinions contained herein.
- Certain statements contained in this document may be statements of future expectations and other forward looking statements that are based on management's current view and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements.
- None of Lenzing AG or any of its affiliates, advisors or representatives shall have any liability whatsoever (for negligence or otherwise) for any loss howsoever arising from any use of this document or its content or otherwise arising in connection with this document.
- 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 Management Report, the "Notes on financial performance indicators", the consolidated financial statements and the glossary in the Annual Financial Report. This report is also available online on the website of the Lenzing Group www.lenzing.com in the section "Investors".

sCore TEN execution in full swing



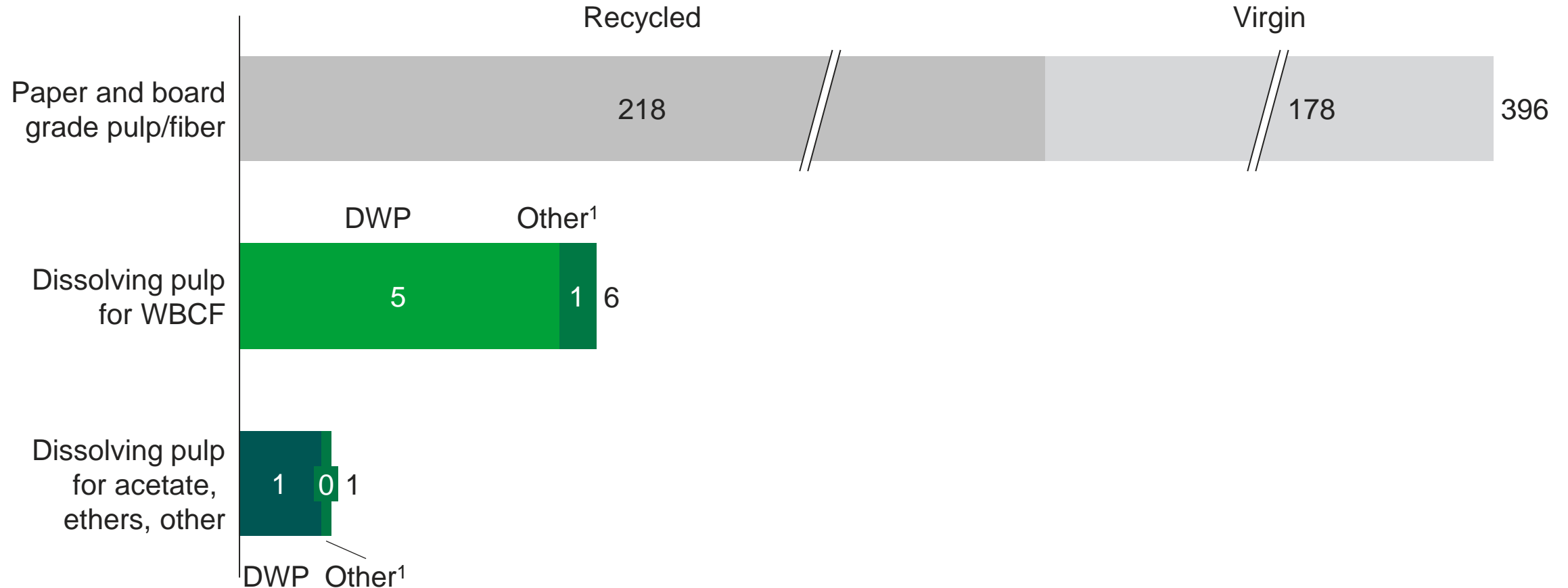
1 DWP – dissolving wood pulp



- Growth in specialty fibers (expansions)
- Internationalization of asset footprint
- Backward integration into DWP¹

Pulp market for wood-based cellulosic fibers is much smaller than paper pulp market

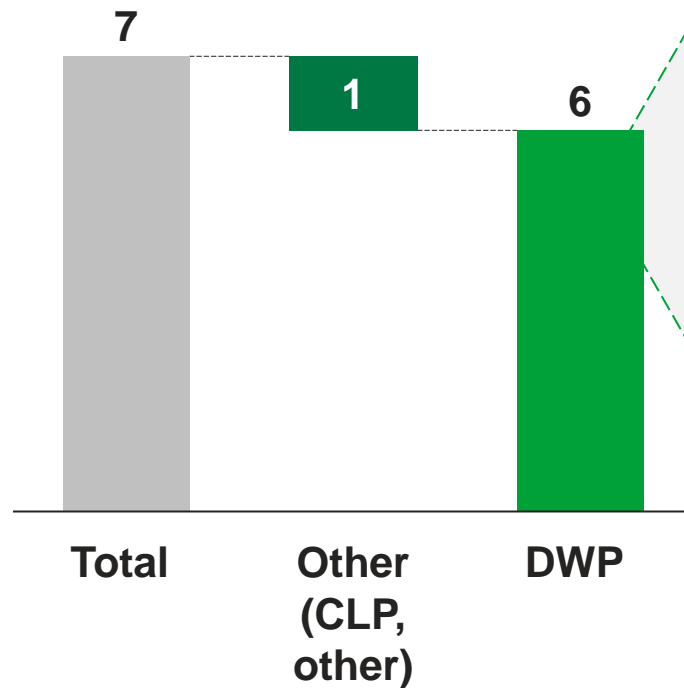
Cellulose pulp demand, 2017, mt



¹ Includes cotton linter pulp and non-wood pulp
 Note: DWP – dissolving wood pulp, WBCF – wood-based cellulosic fibers

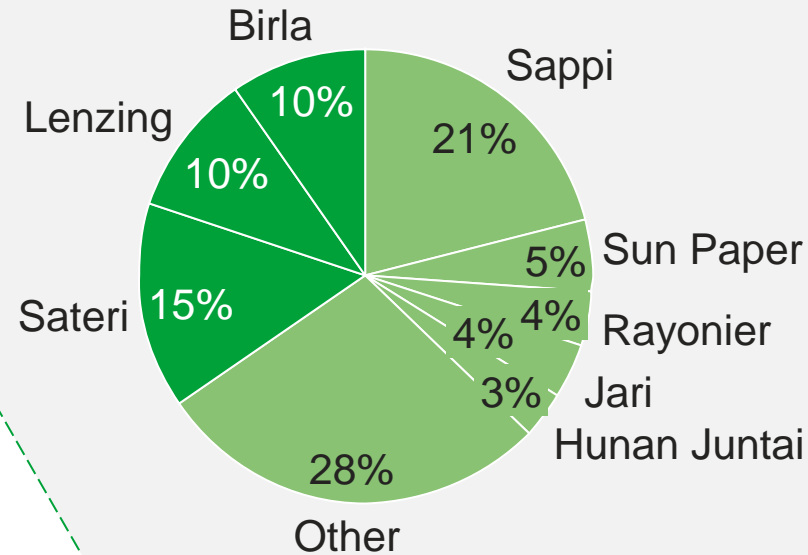
DWP market is relatively concentrated with significant link to paper pulp market

DP for WBCF supply, 2017, mt



Capacity distribution, 2017, %

■ Merchant
■ Integrated



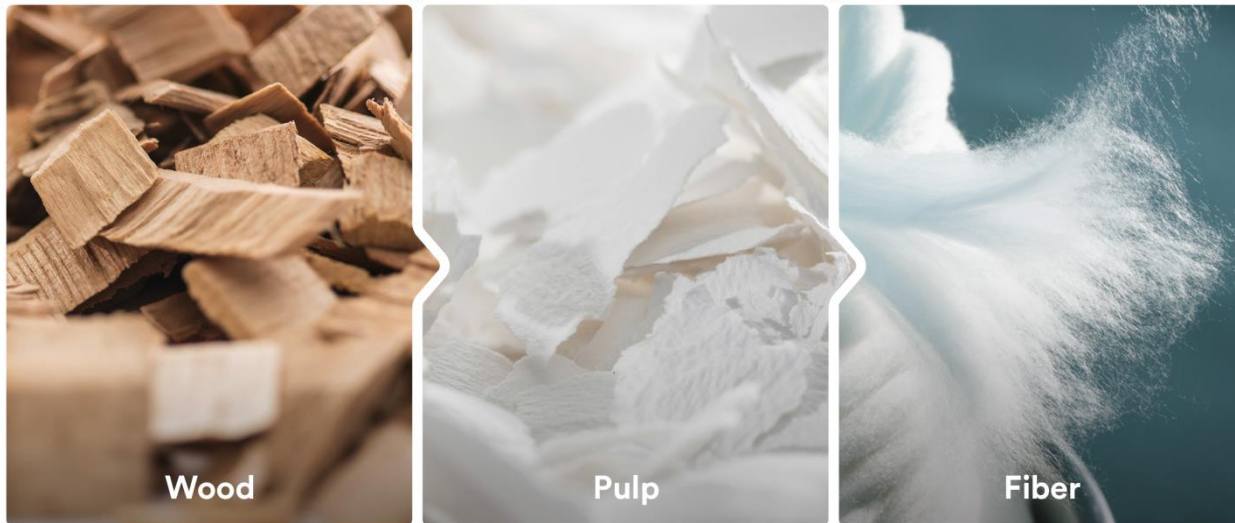
Forecasted capacity, mt

■ thereof swing capacity (PP/DWP)



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

Lenzing aims for ~75% DWP backward integration



Strategic options

Co-Producer Deal

Brownfield conversion
of a paper pulp mill

**Greenfield dedicated
DWP mill**

- Secured raw material base
- FSC® certified sustainable wood source
- Synergies with wood-based cellulosic fibers in quality and innovation

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
 - Basic engineering and permitting process will now be started
- Final investment decision after basic engineering in 2019

Brazil: Ideal country for lowest cost DWP mill worldwide

- Very favorable wood economics
- Strong local talent pool
- Excellent supplier network
- Since year 2000, ~50% of new pulp capacity was built in Brazil



Source: Lenzing team

Triângulo Mineiro with outstanding wood economics and good infrastructure

- Plantation in the Triângulo Mineiro in the State of Minas Gerais
- Highly competitive wood economics
- Good inbound/outbound logistics
 - Transport of pulp by train to ports
- Large single plot plantation
- Plantation established in 1973
- Duratex certified by FSC® in 1995 as first company in South America



Source: Lenzing team

Duratex: A strong and experienced partner

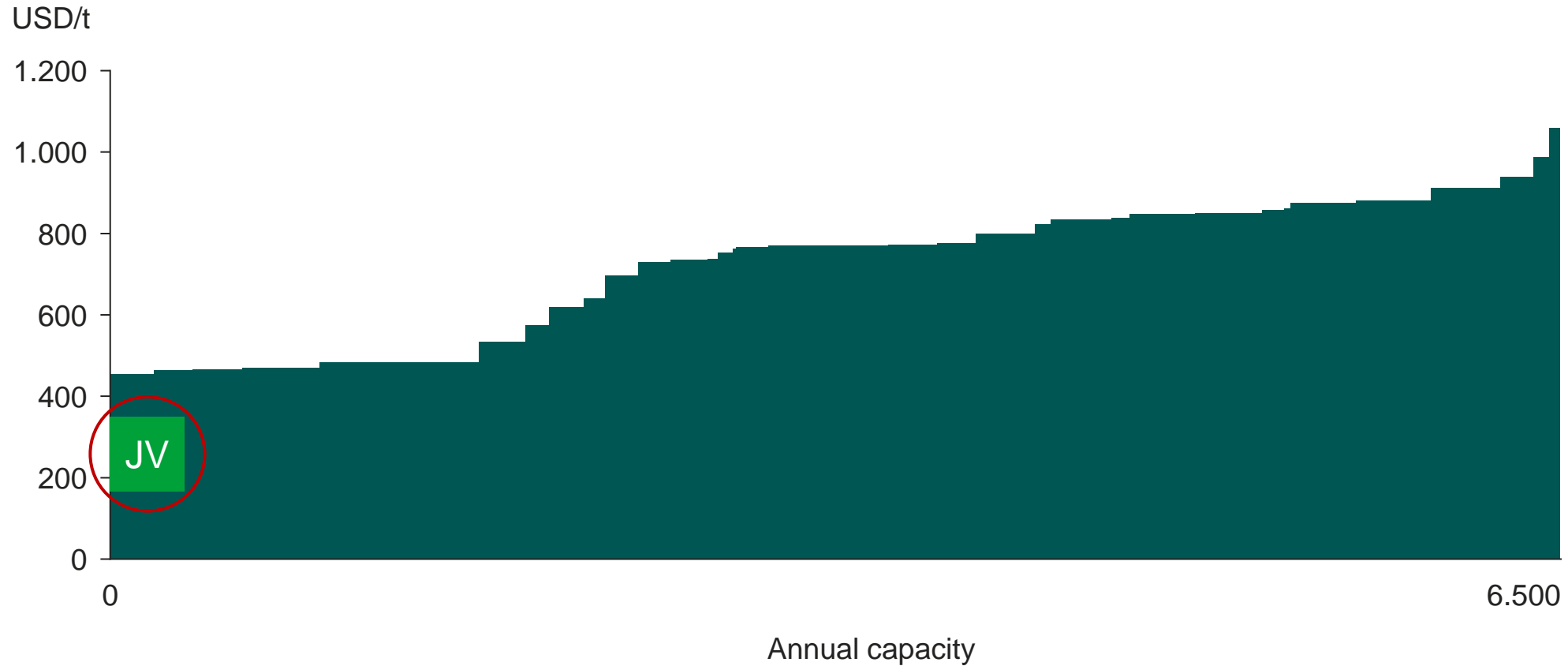
- Listed at Sao Paulo stock exchange
- Key shareholders
 - Itaúsa (40%)
 - Ligna 20%
- Largest producer of industrialized wood panels of the Southern Hemisphere
- Leader in sustainable forestry management
- Experience in construction and operation of big scale industrial plants



Source: Lenzing team

JV will create cost leadership position in DWP

Industry cost curve, DP¹ delivered China in 2017



1 Excl. specialty grades

Next steps

Contracts and agreements signed subject to merger control clearance

FSC® certified wood secured

Plot for site and infrastructure development secured

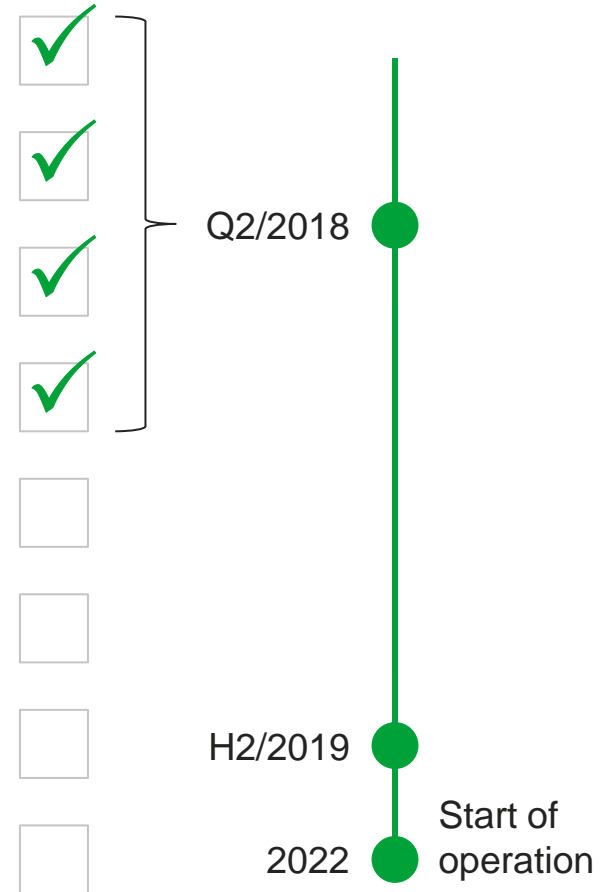
Conceptual engineering and feasibility study done

Basic engineering

Permitting

Investment decision

Start of operation



Contacts and financial calendar

Investor Relations contact

Stephanie Kniep

Head of Investor Relations

Corporate Communications & Investor Relations

- Phone: +43 7672 701 4032
- Fax: +43 7672 918 4032
- E-Mail: s.kniep@lenzing.com

Visit our IR website

<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

74th 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