

Press Release

Lenzing Aktiengesellschaft
Werkstraße 2
4860 Lenzing, Austria
www.lenzing.com

Phone +43 (0) 7672 701-2713
Fax +43 (0) 7672 918-2713
E-mail w.kaserer@lenzing.com

Ref. kawa
Date 2017/05/16

Lenzing Group Achieves Best Quarterly Results in its History

- Revenue up 14.3 percent to EUR 586.2 mn
- EBITDA increase of 46.6 percent to EUR 135.1 mn
- New sales offices established in Turkey and Korea
- Further progress made on expanding production capacities for specialty fibers

Lenzing – The Lenzing Group got off to a very good start in the year 2017. It succeeded in significantly improving first-quarter revenue and earnings and thus achieved the best quarterly results in the company's history. The corporate strategy sCore TEN will continue to be implemented in a disciplined manner in order to further enhance customer intimacy and further expand the offering of specialty fibers.

Compared to the prior-year quarter, consolidated revenue climbed 14.3 percent in the first three months of 2017 to EUR 586.2 mn. This rise can be attributed to higher selling prices related to the Chinese New Year as well as an improved product mix, the reduction of inventories and more favorable currency exchange rates. Consolidated earnings before interest, tax, depreciation and amortization (EBITDA) were up 46.6 percent to EUR 135.1 mn, corresponding to an EBITDA margin of 23 percent in comparison to 18 percent in the prior-year period. Earnings before interest and tax (EBIT) of the Lenzing Group increased by 72.1 percent to EUR 102.3 mn, resulting in a higher EBIT margin of 17.5 percent (Q1 2016: 11.6 percent). The profit for the period improved by 69.6 percent to EUR 75 mn, and earnings per share rose 67.9 percent to EUR 2.75 per share.

“The first quarter of 2017 was the best in our company history. A key factor is the disciplined implementation of our sCore TEN corporate strategy. The opening of new sales offices in Turkey and Korea enables us to serve our customers more effectively. We are progressing well with the expansion of our production capacities for specialty fibers. This will support our customers in their own expansion efforts by providing products made of our botanic fibers”, states Stefan Doboczky,

Press Release

Chief Executive Officer of the Lenzing Group. “Assuming that fiber market conditions remain at current levels, we expect a substantial earnings improvement this year compared to 2016.”

Better customer support

The Lenzing Group opened up new sales and marketing offices in Turkey and Korea. The direct contact to customers and well equipped showrooms featuring products made of Lenzing™ fibers serve as the basis for providing even better support to our customers.

Expansion of production capacities for lyocell fibers has started off well

With the ground-breaking ceremony at the Lenzing Group’s production site in Heiligenkreuz, Burgenland (Austria), the end of March marked the beginning of the construction phase to expand capacities for TENCEL® branded lyocell fibers. As of mid-2018, customers will have an additional 25,000 tons of lyocell specialty fibers at their disposal. The construction of the new production facility for TENCEL® fibers in Mobile, Alabama (USA), has started already as well and will be finished at the end of the first quarter of 2019. Lenzing is currently examining several potential sites in Asia for a further lyocell plant.

Outlook

The macroeconomic environment appears to be somewhat more favorable than in the prior-year quarter, but continues to be impacted by political factors. Developments on the fiber markets should be slightly more positive, but still volatile. The wood-based cellulose fiber segment, which is relevant for Lenzing, should again outpace the overall fiber market. The demand for these wood-based cellulose fibers was very good at the beginning of 2017 with the long-term trend pointing towards further growth in viscose and, above all, wood-based cellulose specialty fibers. On the supply side, the market is not expected to see the entry of any notable new production capacities in 2017.

Under the assumption of unchanged conditions in the fiber market and stable exchange rates, the Lenzing Group confirms its expectation of achieving a considerable improvement in results in the fiscal year 2017 compared to 2016.

Press Release

Key Group indicators (IFRS)

in EUR mn	1-3/2017	1-3/2016 ¹
Revenue	586.2	512.8
Earnings before interest, tax, depreciation and amortization (EBITDA)	135.1	92.2
EBITDA margin in %	23.0	18.0
Earnings before interest and tax (EBIT)	102.3	59.5
EBIT margin in %	17.5	11.6
Net profit for the period	75.0	44.2
CAPEX ²	26.9	15.9
	31.03.2017	31.12.2016
Adjusted equity ratio ³ in %	54.3	53.0
Number of employees at period-end	6,304	6,218

1) The figures were partially adjusted (for further details please refer to "Notes on the Financial Performance Indicators of the Lenzing Group", available at the following link <http://www.lenzing.com/Notes-Financial-Performance-Indicators-Lenzing-Group-2017-Q1>)

2) Capital expenditures: acquisition of intangible assets, property, plant and equipment as per statement of cash flows

3) Ratio of adjusted equity to total assets in percent

Photo download:

<https://mediadb.lenzing.com/pindownload/login.do?pin=UQQGS>

PIN: UQQGS

For more information, please contact:

Waltraud Kaserer
 Vice President Corporate Communications
 & Investor Relations
 Phone: +43 (0) 7672 701-2713
 E-mail: w.kaserer@lenzing.com

Stephanie Kniep
 Head of Investor Relations
 Phone: +43 (0) 7672 701-4032
 E-mail: s.kniep@lenzing.com

The Lenzing Group

The Lenzing Group is a world market leader headquartered in Austria, which operates production sites in all major markets as well as a worldwide network of sales and marketing offices. Lenzing supplies the global textile and nonwovens industry with high-quality, botanic cellulose fibers. Its portfolio ranges from dissolving wood pulp to standard and specialty cellulose fibers.

Lenzing's quality and innovative strength set global standards for cellulose fibers. With 79 years of experience in fiber production, the Lenzing Group is the only company in the world which is able to produce significant volumes of all three cellulose fiber generations – from the classic Lenzing Viscose® branded fibers to the Lenzing Modal® branded fibers and the TENCEL® lyocell fibers. In 2016 Lenzing introduced the Refibra™ branded recycling fiber, a product innovation based on recycled cotton scraps.

Press Release

The Lenzing Group's success is based on consistent customer orientation combined with innovation, technology and quality leadership. Lenzing is committed to the principles of sustainable management with very high environmental standards and can underscore this commitment with numerous international sustainability certifications for its business processes as the most sustainable company in the sector. In addition to fibers, which form the core business, the Lenzing Group is also active to a lesser extent in the fields of engineering and plant construction.

Key Facts & Figures Lenzing Group 2016

Revenue: EUR 2.13 bn
Fiber sales volumes: 978,000 tons
Employees: 6,218

TENCEL®, Refibra™, Lenzing Modal® and Lenzing Viscose® are registered trademarks of Lenzing Aktiengesellschaft.

Disclaimer: The above financial indicators are derived primarily from the condensed consolidated interim financial statements, resp. the consolidated financial statements of the previous year of the Lenzing Group. Additional details are provided in "Notes on the financial performance indicators of the Lenzing Group", available at <http://www.lenzing.com/Notes-Financial-Performance-Indicators-Lenzing-Group-2017-Q1>, and in condensed consolidated interim financial statements resp. the consolidated financial statements of the previous year of the Lenzing Group.
