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Lenzing successfully places sustainable bonded loan of over EUR 500 mn

Sbt.: Great interest in sustainable and innovative financing of the operative growth of Lenzing

Lenzing – Lenzing AG forges new paths in the financing of operative growth: As one of the first companies in the world, on November 27, 2019, the leading producer of wood based cellulose fibers successfully positioned a bonded loan bound to its sustainability performance.

For this type of loan, the interest is linked to Lenzing's performance in the area of sustainability and is annually reviewed and assessed by an independent sustainability agency. The MSCI agency, which undertakes the rating in Lenzing's case, recently awarded the company an A rating.

The innovative and sustainability-based financing of a bonded loan is a consistent step in the implementation of its own corporate strategy “sCore TEN”, with a focus on sustainability and environmental protection.

The initial EUR 200 mn bond was of such interest to investors from Europe and Asia that the decision was made to increase it to EUR 500 mn. Nearly 12 percent of this (USD 65 mn) was tendered in US dollars. The average interest rate of the loan is just under 1%, through which the Lenzing Group is financed less expensively than with previous bonded loans. The fluctuation margin of the interest rate of +/- 2.5 base points rises or falls depending on Lenzing's sustainability rating. In the event of an improved rating, the relevant interest savings will be donated on the part of Lenzing.

The total volume of the loan of EUR 500 mn will be available to the Lenzing Group in December 2019 and in January 2020, and is further distributed over tranches with terms of five, seven and ten years. In addition, registered bonds will be put into place with a term of 15 years. The resources will be used for general corporate financing, for early refinancing of a bond tranche from 2015 and for important sustainable future projects by the Lenzing Group.

Thomas Obendrauf, Chief Financial Officer of the Lenzing Group: “Our bonded loan connects attractive conditions to an innovative sustainability-oriented concept. For this we've used the favorable interest environment and secured long-term financing. Sustainability is an important success factor of our corporate strategy. We are firmly convinced that sustainability represents an elementary factor for the economic success of the Lenzing Group.”

The transaction was arranged and structured by BNP Paribas, the Landesbank Baden-Württemberg and UniCredit. Parts of the bonded loan were tendered via the innovative digital platform Debtvision. Considering the strong interest by domestic and foreign investors, the initial starting volume of EUR 200 mn was oversubscribed multiple times.

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PIN: 5yqFVHBFsXKD

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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 ladies 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.

Key Facts & Figures Lenzing Group 2018

Revenue: EUR 2.18 bn

Nameplate capacity: 1,034,000 tons

Employees: 6,839

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