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Lenzing adjusts earnings forecast due to one-off effects from restructuring, currency effects and further deterioration in market environment

- Lenzing expects EBITDA of approximately EUR 250 mn for the 2022 financial year
- Savings program accelerated; restructuring expenses included in 2022 result
- Social plan for the Lenzing site already negotiated and resolved

Lenzing – The Lenzing Group, the world's leading supplier of specialty fibers for the textile and nonwovens industries, is adjusting its earnings forecast for the 2022 financial year due to one-off effects related to the accelerated savings program as well as currency effects and a further deterioration of the market environment. Lenzing expects its earnings before interest, tax, depreciation and amortization (EBITDA) to be around EUR 250 mn.

The restructuring expenses result from parts of the savings program that was initiated in the third quarter due to the deterioration in the market environment and the development of earnings. The goal of the program is to reduce the cost base by at least EUR 70 mn on an annualized basis. Due to the accelerated progress, the restructuring expenses will already be included in the 2022 results.

As part of this cost reduction program, a social plan for the Lenzing site has been negotiated and resolved together with the works council. Implementation of the social plan will begin in the first quarter of 2023.

Beyond this one-time effect, the operating result in 2022 will be negatively impacted by the devaluation of the US dollar against the euro in the fourth quarter.

Lenzing, like the entire manufacturing industry, was increasingly affected by the extreme developments on the global energy and raw material markets in 2022. In particular since the third quarter, the market environment has once again deteriorated significantly and the deteriorating consumer climate is placing an additional burden on Lenzing's business development.

Strategy remains unchanged

The long-term trend towards sustainable products remains unaffected by short-term economic distortions. Therefore, Lenzing sees itself confirmed in its long-term corporate strategy and will continue to drive growth with sustainably produced fibers and the implementation of its ambitious climate and sustainability goals, including the transformation to a circular economy model.

The results of the Lenzing Group for the 2022 financial year will be published on March 09, 2023.

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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 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. In order to reduce the speed of global warming and to accomplish the targets of the Paris Climate Agreement and the "Green Deal" of the EU Commission, Lenzing has a clear vision: namely to make a zero-carbon future come true.

Key Facts & Figures Lenzing Group 2021

Revenue: EUR 2.19 bn

Nominal capacity: 1,145,000 tonnes

Number of employees (headcount): 7,958

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