Innovative by nature

Lenzing Investor Presentation

FY Results 2018
March 14, 2019
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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](http://www.lenzing.com) in the section “Investors”.
Financial highlights FY 2018

Lenzing with solid results in a demanding market environment

- Group revenue at EUR 2,176 bn (EUR 2,259 bn in FY 2017)
- Specialties progressing well
  - Specialty prices decoupled from standard viscose prices
  - Specialty ratio already at 45.5 %
- EBITDA at EUR 382 mn (EUR 502.5 mn in FY 2017)
- Net income negatively impacted by one-offs
- ROCE at 10.3 %

Strong balance sheet

- Adjusted equity ratio at 59 %
- Net financial debt at EUR 219.4 mn; Net financial debt/EBITDA at 0.6

Proposal to keep dividend at EUR 3.00 per share and special dividend at EUR 2.00 per share

Thomas Obendrauf and Robert van de Kerkhof reappointed as CFO and CCO

1) Proposal to the Annual General Meeting on April 17, 2019
Strategic highlights: sCore TEN further progressing

Strengthen the Core

- Pulp expansion in progress
- Strategic 450 kt greenfield DWP mill project in Brazil announced
- Ongoing transformation of Nanjing site to specialty hub
  - Acquisition of remaining 30 % share of Chinese operation
- Investment of appr. EUR 100 mn into sustainable production technologies until 2022

Specialization

- EUR 42.8 mn R&D\(^1\) investments in 2018
- Further increase of specialty ratio to 45.5 %
- Successful 25 kt lyocell ramp-up in Heiligenkreuz, Austria
- Lyocell project in Mobile temporarily mothballed
- Sustainable innovations Lenzing™ ECOVERO™ and REFIBRA™ Technology gaining momentum

\(^1\) As per Frascati definition
Strategic highlights: sCore TEN further progressing

Customer intimacy
- Successful launch of new brand architecture
- Opening of a new application and innovation center in Indonesia

Forward solutions
- TENCEL™ Luxe investment in 2nd pilot line
- Lenzing™ Web Technology; application for 25 patents
- Austrian State Prize for smart packaging (cooperation)
## Target achievement ahead of plan

<table>
<thead>
<tr>
<th></th>
<th>2014 (baseline)</th>
<th>2020 Targets</th>
<th>2018</th>
</tr>
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<tbody>
<tr>
<td><strong>EBITDA</strong></td>
<td>EUR 240.3 mn</td>
<td>10 % p.a.¹</td>
<td>12 %¹ ✓</td>
</tr>
<tr>
<td><strong>ROCE</strong></td>
<td>-0,1 %</td>
<td>≥10 %</td>
<td>10.3 % ✓</td>
</tr>
<tr>
<td><strong>Net financial debt/EBITDA</strong></td>
<td>1.9</td>
<td>&lt;2.5</td>
<td>0.6 ✓</td>
</tr>
</tbody>
</table>

1) Average over the planning cycle, CAGR

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**Disciplined implementation of sCore TEN strategy**
Interfiber price development

Staple fiber prices in RMB/to – Development in China¹

1) Price development until March 5th, 2019

Sources: China Cotton Association, China Chemical & Fiber Economic Information Network, China Chemical Fiber Group
Cotton market

- In 2018 average Cotlook A-Index at 91.4 US cents/lbs (9.5 % higher y-o-y)
- Lower Cotlook A-Index price projection at 87 US cents/lbs due to trade uncertainties and concerns for economic growth
- Consumption to stay on high level
- Further decline in production
- Reduction in stocks – mainly in China

Sources: Cotton Outlook, ICAC March 1, 2019
percentage-changes based on exact figures
Chinese viscose staple fiber market

- VSF average price 2018 at 14.525 RMB/to (-8 % y-o-y)
  - Year-end price at 13.600 RMB/ton
- Year-end VSF inventory at 20 days
- Average utilization rate at appr. 83 % (lower y-o-y)
  - Environmental protection maintenance
  - Total output increased due to capacity expansion
- Dissolving wood pulp price stable y-o-y (at 920 to 940 USD/ton)
- Caustic soda prices in Europe remained on a high level but softened in Asia in H2/2018

1) Viscose staple fibers, price development until March 1st, 2019
2) Caustic Soda, price development until February, 2019

Sources: China Chemical Fiber Group, IHS Markit
The viscose conversion margin over pulp is close to historic lows

Conversion Margin VSF China (2014-2019)

1) Conversion Margin = VSF - Imported Hardwood DWP

Source: CCFG
Specialty fiber performance increases resilience

1) 6M average in % from 01/2017 excluding FX-Effect
2) Lenzing’s specialties: Lenzing™ Lyocell, Lenzing™ Modal, Lenzing™ Specialty Viscose
New brand architecture well established

Launch of
www.tencel.com
www.veocel.com
www.lenzingindustrial.com

For Textile
B2C Specialties

For Nonwovens
B2C Specialties

For Industrial & Textile
Core

Feels so right

Purely for you
Measurable improvement across key indicators

3 core product brands

- Instead of 134 trademarks
- Lenzing ingredient brand leader in sustainability in textile, nonwoven and industrial
- Increase in fabric certification in the new E-branding system (launched Feb. 2018)
- Increase in license application in the new E-branding system

95 mn branded textile products

- +18 % - strong increase in visibility
- Website traffic on www.tencel.com
- Total PR impressions on TENCEL™, LENZING™, LENZING™ ECOVERO™
- Aided awareness of TENCEL™ in apparel and home textiles

#1 sustainable brand

+41 % more certifications

+67 % more licences

Comparison Feb. to Dec. 2018 vs. 2017
Sustainability: a key business and innovation driver

Partnering for change
- Lenzing supports the UN’s Sustainable Development Goals (SDG)
- No. 1 in Canopy’s Hot Button Report

Greening the value chain
- Successful growth of Lenzing™ ECOVERO™
- Launch of Lenzing™ Web Technology

Circularity
- 100% circular business model
- EUR 100 mn investment in eco-footprint improvements
Financials – Revenue

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

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Group revenue

EUR mn

+1.3 %


Group revenue

EUR mn

(3.7) %

Share of specialty fibers in 2018

14.9%

39.7%

45.5%

Group revenue

2014 2015 2016 2017 2018

2014 2015 2016 2017 2018
Financials 2018 – Earnings

EBITDA margin
12.9 % 14.7 % 20.1 % 22.2 % 17.6 %

EBIT margin
1.2 % 7.6 % 13.9 % 16.4 % 10.9 %

EPS¹,² (EUR)
(0.92) 4.78 8.48 10.47 5.61

EUR mn
(24.0) %

EUR mn
(36.0) %

EUR mn
(47.4) %

1) Error correction in accordance with IAS 8 (see Consolidated Financial Statements 2016 of the Lenzing Group)
2) Attributable to Lenzing AG shareholders

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Net income 2018 impacted by one-offs

<table>
<thead>
<tr>
<th>Description</th>
<th>(EUR mn)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Impairment of assets under construction</td>
<td>-8.6</td>
</tr>
<tr>
<td>Impairment on financial assets</td>
<td>-9.1</td>
</tr>
<tr>
<td>Effect out of acquisition of remaining 30 % shares in Chinese operation</td>
<td>-21.4</td>
</tr>
<tr>
<td>Tax effect one-offs</td>
<td>+3.6</td>
</tr>
</tbody>
</table>
Financials – Key figures (1/2)

1) Error correction in accordance with IAS 8 (see Consolidated Financial Statements 2016 of the Lenzing Group)
Financials – Key figures (2/2)

1) Proposal to AGM on April 17, 2019
2) Dividend yield based on last share price of the year
3) Error correction in accordance with IAS 8 (see Consolidated Financial Statements 2016 of the Lenzing Group)
Cash flow development and trading working capital

Gross cash flow development and trading working capital

(27.4) % (Gross CF)
+3.3 % (Operating CF)
(27.7) % (Free CF adj.)

EUR mn

2014 2015 2016 2017 2018
231 219 284 216 145 386 473 366 419 271 33 304 280 24

EUR mn

2014 2015 2016 2017 2018
78 396 82 447 83 380 414 444

Gross cash flow Operating cash flow Free cash flow adj.

Factoring Trading working capital Trading working capital in % of annualized Group revenue (adj. for factoring) Trading working capital in % of annualized Group revenue

2014 2015 2016 2017 2018
23.4% 25.6% 20.8% 19.4% 20.6%
Outlook
Strategy execution 2019: Stay the course

- Two major decisions to be taken
  - 450 kt greenfield DWP mill project in Brazil appr. in H2
  - Thailand lyocell project appr. in H2

- Spezialisation
  - Finalize second TENCEL™ Luxe pilot line
  - Expansion of Lenzing™ ECOVERO™ production in China

- Target of appr. 50 % specialties‘ share of revenue by 2020 confirmed
Business challenges 2019

- Economic uncertainty
- Further viscose net capacity additions to come on stream\(^1\)
- Standard viscose prices to stay volatile and lower than in 2018
- Caustic soda prices in Europe remain so far on higher level than ROW
- FX rate fluctuations

\(^1\) Source: Official data from various sources and Lenzing estimates
Outlook 2019 – Fiber market and Lenzing Group

The International Monetary Fund expects a slowdown of global economic growth to 3.5 percent in 2019, mainly driven by increasing protectionist tendencies and growing geopolitical tensions. The currency environment in the regions relevant to Lenzing will remain volatile.

Demand on the global fiber markets is still positive. According to preliminary calculations, cotton inventory levels should decline slightly again in 2019. Over the past months, the polyester market recovered from slower growth at the beginning of the reporting year. The price levels for cotton and polyester are expected to remain stable.

Capacity expansions for standard viscose should remain at a similar level as in the 2018 financial year. Despite strong demand, this will result in growing oversupply, which will cause even higher pressure on prices. The Lenzing Group expects the positive development of its specialty fiber business to continue.

Caustic soda prices in Asia have already declined significantly over the past months; however, there are no signs of such a development in Europe yet. Overall, Lenzing does not expect any significant changes for key raw materials that would be relevant to earnings.

Based on the current exchange rates, the Lenzing Group expects its results for 2019 to reach a similar level as in 2018 despite a much tighter market environment for standard viscose.

These developments reassure the Lenzing Group in its chosen corporate strategy sCore TEN. Lenzing is very well positioned in this market environment and will continue its consistent focus on growth with specialty fibers.
FY 2018
Financial information
## FY 2018: Consolidated Group P&L

<table>
<thead>
<tr>
<th>(EUR mn)</th>
<th>2018</th>
<th>2017</th>
<th>Change y-o-y (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>2,176.0</td>
<td>2,259.4</td>
<td>(3.7)</td>
</tr>
<tr>
<td>Change in inventories of finished goods and work in progress</td>
<td>36.4</td>
<td>16.8</td>
<td>116.8</td>
</tr>
<tr>
<td>Own work capitalized</td>
<td>55.7</td>
<td>46.1</td>
<td>20.8</td>
</tr>
<tr>
<td>Other operating income</td>
<td>57.2</td>
<td>49.9</td>
<td>14.5</td>
</tr>
<tr>
<td>Cost of material and purchased services</td>
<td>(1,297.3)</td>
<td>(1,258.0)</td>
<td>3.1</td>
</tr>
<tr>
<td>Personnel expenses</td>
<td>(374.5)</td>
<td>(349.4)</td>
<td>7.2</td>
</tr>
<tr>
<td>Other operating expenses</td>
<td>(271.5)</td>
<td>(262.4)</td>
<td>3.5</td>
</tr>
<tr>
<td>EBITDA/Margin</td>
<td>382.0/17.6%</td>
<td>502.5/22.2%</td>
<td>(24.0)</td>
</tr>
<tr>
<td>Depreciation &amp; amortization</td>
<td>(147.2)</td>
<td>(134.6)</td>
<td>9.4</td>
</tr>
<tr>
<td>Income from the release of investment grants</td>
<td>2.8</td>
<td>3.1</td>
<td>(7.3)</td>
</tr>
<tr>
<td>EBIT/Margin</td>
<td>237.6/10.9%</td>
<td>371.0/16.4%</td>
<td>(36.0)</td>
</tr>
<tr>
<td>Financial result</td>
<td>(16.0)</td>
<td>(7.3)</td>
<td>120.3</td>
</tr>
<tr>
<td>Allocation of profit or loss to and measurement of puttable non-controlling interests</td>
<td>(22.4)</td>
<td>(6.3)</td>
<td>255.7</td>
</tr>
<tr>
<td>EBT/Margin</td>
<td>199.1/9.2%</td>
<td>357.4/15.8%</td>
<td>(44.3)</td>
</tr>
<tr>
<td>Income tax expense</td>
<td>(50.9)</td>
<td>(75.7)</td>
<td>(32.7)</td>
</tr>
<tr>
<td>Tax rate (%)</td>
<td>25.6</td>
<td>21.2</td>
<td></td>
</tr>
<tr>
<td>Net profit/Margin</td>
<td>148.2/6.8%</td>
<td>281.7/12.5%</td>
<td>(47.4)</td>
</tr>
<tr>
<td>Net profit attributable to shareholders of Lenzing AG/Margin</td>
<td>149.0/6.8%</td>
<td>278.0/12.3%</td>
<td>(46.4)</td>
</tr>
<tr>
<td>EPS (in EUR)</td>
<td>5.61</td>
<td>10.47</td>
<td>(46.4)</td>
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</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>550.3</td>
<td>525.0</td>
<td>560.9</td>
<td>539.8</td>
<td>(3.8)</td>
<td>532.8</td>
<td>1.3</td>
</tr>
<tr>
<td>Change in inventories of finished goods and work in progress</td>
<td>(15.0)</td>
<td>17.8</td>
<td>1.9</td>
<td>31.6</td>
<td></td>
<td>-</td>
<td>20.3</td>
</tr>
<tr>
<td>Own work capitalized</td>
<td>15.1</td>
<td>13.0</td>
<td>11.6</td>
<td>15.8</td>
<td>36.2</td>
<td>13.7</td>
<td>15.9</td>
</tr>
<tr>
<td>Other operating income</td>
<td>12.8</td>
<td>16.7</td>
<td>11.7</td>
<td>16.0</td>
<td>36.6</td>
<td>11.3</td>
<td>41.2</td>
</tr>
<tr>
<td>Cost of material and purchased services</td>
<td>(308.6)</td>
<td>(317.6)</td>
<td>(331.3)</td>
<td>(339.9)</td>
<td>2.6</td>
<td>(321.3)</td>
<td>5.8</td>
</tr>
<tr>
<td>Personnel expenses</td>
<td>(91.0)</td>
<td>(95.0)</td>
<td>(96.4)</td>
<td>(92.1)</td>
<td>(4.5)</td>
<td>(86.3)</td>
<td>6.7</td>
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<tr>
<td>Other operating expenses</td>
<td>(62.1)</td>
<td>(66.8)</td>
<td>(62.7)</td>
<td>(79.9)</td>
<td>27.4</td>
<td>(65.1)</td>
<td>22.7</td>
</tr>
<tr>
<td>EBITDA/Margin</td>
<td>101.6</td>
<td>93.2</td>
<td>95.8</td>
<td>91.4</td>
<td>(4.6)</td>
<td>105.3</td>
<td>(13.2)</td>
</tr>
<tr>
<td>Depreciation &amp; amortization</td>
<td>(33.4)</td>
<td>(34.0)</td>
<td>(34.9)</td>
<td>(44.9)</td>
<td>28.9</td>
<td>(33.8)</td>
<td>32.9</td>
</tr>
<tr>
<td>Income from the release of investment grants</td>
<td>0.7</td>
<td>0.7</td>
<td>0.7</td>
<td>0.8</td>
<td>25.4</td>
<td>1.1</td>
<td>(22.8)</td>
</tr>
<tr>
<td>EBIT/Margin</td>
<td>68.9</td>
<td>59.8</td>
<td>61.6</td>
<td>47.3</td>
<td>(23.2)</td>
<td>72.6</td>
<td>(34.8)</td>
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<tr>
<td>Financial result</td>
<td>(3.8)</td>
<td>(4.2)</td>
<td>(3.7)</td>
<td>(4.3)</td>
<td>17.3</td>
<td>2.0</td>
<td>-</td>
</tr>
<tr>
<td>Allocation of profit or loss to puttable non-controlling interests</td>
<td>(0.3)</td>
<td>0.4</td>
<td>(0.8)</td>
<td>(21.7)</td>
<td>-</td>
<td>(0.5)</td>
<td>-</td>
</tr>
<tr>
<td>EBT/Margin</td>
<td>64.9</td>
<td>56.0</td>
<td>57.0</td>
<td>21.2</td>
<td>(62.8)</td>
<td>74.1</td>
<td>(71.3)</td>
</tr>
<tr>
<td>Income tax expense</td>
<td>(14.8)</td>
<td>(14.8)</td>
<td>(14.5)</td>
<td>(6.8)</td>
<td>(52.7)</td>
<td>(11.7)</td>
<td>(41.4)</td>
</tr>
<tr>
<td>Tax rate (%)</td>
<td>22.9</td>
<td>26.4</td>
<td>25.4</td>
<td>32.2</td>
<td></td>
<td>-</td>
<td>15.8</td>
</tr>
<tr>
<td>Net profit/Profit</td>
<td>50.0</td>
<td>41.2</td>
<td>42.5</td>
<td>14.4</td>
<td>(66.2)</td>
<td>62.4</td>
<td>(76.9)</td>
</tr>
<tr>
<td>Net profit attributable to shareholders of Lenzing AG/Profit</td>
<td>50.1</td>
<td>41.2</td>
<td>42.9</td>
<td>14.7</td>
<td>(65.6)</td>
<td>62.3</td>
<td>(76.3)</td>
</tr>
<tr>
<td>EPS (in EUR)</td>
<td>1.89</td>
<td>1.55</td>
<td>1.62</td>
<td>0.56</td>
<td>(65.6)</td>
<td>2.35</td>
<td>(76.3)</td>
</tr>
</tbody>
</table>
## FY 2018: Topline breakdown

<table>
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<tr>
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</thead>
<tbody>
<tr>
<td><strong>Breakdown of Fibers segment revenue</strong></td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Textile fibers (%)</td>
<td>70.4</td>
<td>70.3</td>
<td>71.6</td>
<td>70.9</td>
<td>(0.9)</td>
<td>69.0</td>
<td>2.7</td>
<td>70.8</td>
<td>70.0</td>
<td>1.1</td>
</tr>
<tr>
<td>Nonwoven fibers (%)</td>
<td>29.6</td>
<td>29.7</td>
<td>28.4</td>
<td>29.1</td>
<td>2.4</td>
<td>31.0</td>
<td>(6.0)</td>
<td>29.2</td>
<td>30.0</td>
<td>(2.7)</td>
</tr>
<tr>
<td><strong>Fibers only</strong></td>
<td>456.9</td>
<td>458.5</td>
<td>471.2</td>
<td>460.1</td>
<td>(2.4)</td>
<td>468.6</td>
<td>(1.8)</td>
<td>1,846.7</td>
<td>1,958.7</td>
<td>(5.7)</td>
</tr>
<tr>
<td>Other¹</td>
<td>90.6</td>
<td>65.0</td>
<td>88.5</td>
<td>77.6</td>
<td>(12.3)</td>
<td>62.0</td>
<td>25.2</td>
<td>321.7</td>
<td>292.5</td>
<td>10.0</td>
</tr>
<tr>
<td><strong>Total segment Fibers</strong></td>
<td>547.6</td>
<td>523.4</td>
<td>559.7</td>
<td>537.7</td>
<td>(3.9)</td>
<td>530.6</td>
<td>1.3</td>
<td>2,168.4</td>
<td>2,251.2</td>
<td>(3.7)</td>
</tr>
<tr>
<td><strong>Total segment Lenzing Technik</strong></td>
<td>13.7</td>
<td>10.9</td>
<td>9.0</td>
<td>8.7</td>
<td>(3.0)</td>
<td>10.9</td>
<td>(19.9)</td>
<td>42.4</td>
<td>42.3</td>
<td>0.2</td>
</tr>
<tr>
<td>Other and consolidation</td>
<td>(10.9)</td>
<td>(9.3)</td>
<td>(7.8)</td>
<td>(6.7)</td>
<td>(14.9)</td>
<td>(8.7)</td>
<td>(23.7)</td>
<td>(34.8)</td>
<td>(34.1)</td>
<td>2.0</td>
</tr>
<tr>
<td><strong>Total Group revenue</strong></td>
<td>550.3</td>
<td>525.0</td>
<td>560.9</td>
<td>539.8</td>
<td>(3.8)</td>
<td>532.8</td>
<td>1.3</td>
<td>2,176.0</td>
<td>2,259.4</td>
<td>(3.7)</td>
</tr>
</tbody>
</table>

1) Includes sales of sodium sulfate and black liquor, external sales of pulp, wood and energy
Financials 2018 – Earnings per quarter

**EBITDA margin**
- Q4/2017: 19.8%
- Q1/2018: 18.5%
- Q2/2018: 17.7%
- Q3/2018: 17.1%
- Q4/2018: 16.9%

**EBIT margin**
- Q4/2017: 13.6%
- Q1/2018: 12.5%
- Q2/2018: 11.4%
- Q3/2018: 11.0%
- Q4/2018: 8.8%

**EPS¹ (EUR)**
- Q4/2017: 2.35 EUR
- Q1/2018: 1.89 EUR
- Q2/2018: 1.55 EUR
- Q3/2018: 1.62 EUR
- Q4/2018: 0.56 EUR

**EBITDA**
- Q4/2017: EUR 105.3 mn
- Q1/2018: EUR 101.6 mn
- Q2/2018: EUR 93.2 mn
- Q3/2018: EUR 95.8 mn
- Q4/2018: EUR 91.4 mn

**EBIT**
- Q4/2017: EUR 72.6 mn
- Q1/2018: EUR 68.9 mn
- Q2/2018: EUR 59.8 mn
- Q3/2018: EUR 61.6 mn
- Q4/2018: EUR 47.3 mn

**Group net profit**
- Q4/2017: EUR 62.4 mn
- Q1/2018: EUR 50.0 mn
- Q2/2018: EUR 41.2 mn
- Q3/2018: EUR 42.5 mn
- Q4/2018: EUR 14.4 mn

¹) Attributable to Lenzing AG shareholders
### FY 2018: OPEX as of total sales

<table>
<thead>
<tr>
<th></th>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total sales</td>
<td>550.3</td>
<td>525.0</td>
<td>560.9</td>
<td>539.8</td>
<td>(3.8)</td>
<td>1.3</td>
<td>2,176.0</td>
<td>2,259.4</td>
<td>(3.7)</td>
</tr>
<tr>
<td>Total OPEX¹</td>
<td>(461.6)</td>
<td>(479.4)</td>
<td>(490.4)</td>
<td>(511.8)</td>
<td>4.4</td>
<td>8.3</td>
<td>(1,943.2)</td>
<td>(1,869.7)</td>
<td>3.9</td>
</tr>
<tr>
<td>Total cost of material and purchased services</td>
<td>(308.6)</td>
<td>(317.6)</td>
<td>(331.3)</td>
<td>(339.9)</td>
<td>2.6</td>
<td>5.8</td>
<td>(1,297.3)</td>
<td>(1,258.0)</td>
<td>3.1</td>
</tr>
<tr>
<td>as % of total sales</td>
<td>56.1</td>
<td>60.5</td>
<td>59.1</td>
<td>63.0</td>
<td></td>
<td></td>
<td>59.6</td>
<td>55.7</td>
<td></td>
</tr>
<tr>
<td>Total personnel expenses</td>
<td>(91.0)</td>
<td>(95.0)</td>
<td>(96.4)</td>
<td>(92.1)</td>
<td>(4.5)</td>
<td>6.7</td>
<td>(374.5)</td>
<td>(349.4)</td>
<td>7.2</td>
</tr>
<tr>
<td>as % of total sales</td>
<td>16.5</td>
<td>18.1</td>
<td>17.2</td>
<td>17.1</td>
<td></td>
<td></td>
<td>17.2</td>
<td>15.5</td>
<td></td>
</tr>
<tr>
<td>Total other operating expenses</td>
<td>(62.1)</td>
<td>(66.8)</td>
<td>(62.7)</td>
<td>(79.9)</td>
<td>27.4</td>
<td>22.7</td>
<td>(271.5)</td>
<td>(262.4)</td>
<td>3.5</td>
</tr>
<tr>
<td>as % of total sales</td>
<td>11.3</td>
<td>12.7</td>
<td>11.2</td>
<td>14.8</td>
<td></td>
<td></td>
<td>12.5</td>
<td>11.6</td>
<td></td>
</tr>
<tr>
<td>Total sales</td>
<td>550.3</td>
<td>525.0</td>
<td>560.9</td>
<td>539.8</td>
<td>(3.8)</td>
<td>1.3</td>
<td>2,176.0</td>
<td>2,259.4</td>
<td>(3.7)</td>
</tr>
<tr>
<td>Total OPEX¹</td>
<td>(461.6)</td>
<td>(479.4)</td>
<td>(490.4)</td>
<td>(511.8)</td>
<td>4.4</td>
<td>8.3</td>
<td>(1,943.2)</td>
<td>(1,869.7)</td>
<td>3.9</td>
</tr>
</tbody>
</table>

1) Includes cost of material and purchased services, personnel expenses and other operating expenses
FY 2018: Solid balance sheet, strong ROCE as at Dec. 31, 2018

\[ \sum \text{EUR 2,630.9 mn} \]

\[ \sum \text{EUR 2,630.9 mn} \]

According to IFRS (EUR mn)

<table>
<thead>
<tr>
<th></th>
<th>31 Dec. 2018</th>
<th>31 Dec. 2017</th>
<th>Change in %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total assets</td>
<td>2,630.9</td>
<td>2,497.3</td>
<td>5.4</td>
</tr>
<tr>
<td>Liquid assets(^1)</td>
<td>254.4</td>
<td>315.8</td>
<td>(19.4)</td>
</tr>
<tr>
<td>thereof liquid funds</td>
<td>243.9</td>
<td>306.5</td>
<td>(20.4)</td>
</tr>
<tr>
<td>Total liabilities</td>
<td>1,097.0</td>
<td>989.4</td>
<td>10.9</td>
</tr>
<tr>
<td>thereof financial liabilities</td>
<td>473.8</td>
<td>382.6</td>
<td>23.8</td>
</tr>
<tr>
<td>Adjusted equity(^2)</td>
<td>1,553.0</td>
<td>1,527.7</td>
<td>1.7</td>
</tr>
<tr>
<td>Adjusted equity ratio (%)</td>
<td>59.0</td>
<td>61.2</td>
<td>-</td>
</tr>
<tr>
<td>Net gearing (%)</td>
<td>14.1</td>
<td>4.4</td>
<td>-</td>
</tr>
<tr>
<td>Net financial debt</td>
<td>219.4</td>
<td>66.8</td>
<td>228.5</td>
</tr>
<tr>
<td>Net financial debt/EBITDA</td>
<td>0.6</td>
<td>0.1</td>
<td>-</td>
</tr>
<tr>
<td>ROCE</td>
<td>10.3%</td>
<td>18.6%</td>
<td>-</td>
</tr>
</tbody>
</table>

According to IFRS (EUR mn)

<table>
<thead>
<tr>
<th></th>
<th>31 Dec. 2018</th>
<th>31 Dec. 2017</th>
<th>Change in %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total liquidity cushion</td>
<td>596.0</td>
<td>529.6</td>
<td>12.5</td>
</tr>
<tr>
<td>thereof liquid assets(^1)</td>
<td>254.4</td>
<td>315.8</td>
<td>(19.4)</td>
</tr>
<tr>
<td>thereof unused credit facilities</td>
<td>341.6</td>
<td>213.8</td>
<td>59.8</td>
</tr>
</tbody>
</table>

1) Including cash and cash equivalents, liquid securities and liquid bills of exchange
2) Including government grants less proportional share of deferred taxes on government grants
FY 2018 Total opex structure

2017 (Total Opex EUR 1,869.7 mn)
- Cost of material and purchased services: 349.4 (18.7%)
- Personnel expenses: 262.4 (14.0%)
- Other operating expenses: 1,258.0 (67.3%)

2018 (Total Opex EUR 1,943.2 mn)
- Cost of material and purchased services: 374.5 (19.3%)
- Personnel expenses: 271.5 (14.0%)
- Other operating expenses: 1,297.3 (66.8%)
### FY 2018: Net debt bridge

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount (€ million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Change in total working capital</td>
<td>-22.3</td>
</tr>
<tr>
<td>Change in total working capital adj.</td>
<td>-22.3</td>
</tr>
<tr>
<td>Acquisition of puttable non-controlling interests</td>
<td>40.6</td>
</tr>
<tr>
<td>Inflow from the sale of subsidiaries</td>
<td>0.1</td>
</tr>
<tr>
<td>Currency translation</td>
<td>0.4</td>
</tr>
<tr>
<td>Others</td>
<td>4.4</td>
</tr>
<tr>
<td>Net financial debt FY 2018</td>
<td>219.4</td>
</tr>
</tbody>
</table>

1) Gross cash flow before taxes and interest
2) Including CAPEX of €257.6 million and financial assets of €8.0 million
3) Change in total working capital

- Change in total working capital = Change in trading WC + Change in other WC
- Change in total working capital adj. = Change in total working capital - Adjustment change in liquid bills of exchange
- Change in total working capital adj. = Change in total working capital - EUR (23.9) million (according to net debt)
Q4/2018: Net debt bridge

1) Gross cash flow before taxes and interest
2) Including CAPEX of EUR (83.5) mn and financial assets of EUR (6.5) mn
3) Change in total working capital
   Adjusted change in liquid bills of exchange EUR (47.8) mn (according to cash flow statement)
   Change in total working capital EUR (49.4) mn (according to net debt)
## FY 2018: Cash flow by quarters

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross cash flow (before taxes and interest)</td>
<td>99.1</td>
<td>93.3</td>
<td>93.2</td>
<td>107.4</td>
<td>15.3</td>
<td>114.8</td>
<td>(6.4)</td>
<td>392.9</td>
<td>511.8</td>
<td>(23.2)</td>
</tr>
<tr>
<td>Taxes and interest</td>
<td>(14.0)</td>
<td>(27.7)</td>
<td>(20.4)</td>
<td>(26.9)</td>
<td>31.5</td>
<td>(21.4)</td>
<td>25.7</td>
<td>(89.0)</td>
<td>(93.1)</td>
<td>(4.5)</td>
</tr>
<tr>
<td>Gross cash flow (after taxes and interest)</td>
<td>85.1</td>
<td>65.6</td>
<td>72.7</td>
<td>80.6</td>
<td>10.8</td>
<td>93.4</td>
<td>(13.7)</td>
<td>304.0</td>
<td>418.7</td>
<td>(27.4)</td>
</tr>
<tr>
<td>Change in total working capital(^1)</td>
<td>23.5</td>
<td>(16.5)</td>
<td>16.8</td>
<td>(47.8)</td>
<td>-</td>
<td>(85.0)</td>
<td>(43.7)</td>
<td>(23.9)</td>
<td>(147.6)</td>
<td>(83.8)</td>
</tr>
<tr>
<td>Operating cash flow</td>
<td>108.6</td>
<td>49.1</td>
<td>89.6</td>
<td>32.8</td>
<td>(63.4)</td>
<td>8.4</td>
<td>-</td>
<td>280.0</td>
<td>271.1</td>
<td>3.3</td>
</tr>
<tr>
<td>Investment cash flow(^2)</td>
<td>(57.0)</td>
<td>(58.5)</td>
<td>(56.6)</td>
<td>(89.7)</td>
<td>58.5</td>
<td>(93.6)</td>
<td>(4.1)</td>
<td>(261.8)</td>
<td>(218.6)</td>
<td>19.8</td>
</tr>
<tr>
<td>Free cash flow unadj.</td>
<td>51.6</td>
<td>(9.4)</td>
<td>33.0</td>
<td>(56.9)</td>
<td>-</td>
<td>(85.2)</td>
<td>(33.1)</td>
<td>18.2</td>
<td>52.5</td>
<td>(65.3)</td>
</tr>
<tr>
<td>Net inflow from sale of subsidiary</td>
<td>0.0</td>
<td>(0.1)</td>
<td>0.0</td>
<td>0.0</td>
<td>-</td>
<td>0.0</td>
<td>-</td>
<td>(0.1)</td>
<td>(3.1)</td>
<td>(95.4)</td>
</tr>
<tr>
<td>Acquisition of other financial assets</td>
<td>0.6</td>
<td>0.7</td>
<td>0.2</td>
<td>6.5</td>
<td>-</td>
<td>5.5</td>
<td>18.0</td>
<td>8.0</td>
<td>6.5</td>
<td>22.6</td>
</tr>
<tr>
<td>Proceeds/repayments of other financial assets</td>
<td>(1.8)</td>
<td>(0.2)</td>
<td>(0.2)</td>
<td>(0.3)</td>
<td>55.2</td>
<td>(22.2)</td>
<td>(98.5)</td>
<td>(2.6)</td>
<td>(23.4)</td>
<td>(89.0)</td>
</tr>
<tr>
<td>Free cash flow adj.</td>
<td>50.4</td>
<td>(9.0)</td>
<td>32.9</td>
<td>(50.8)</td>
<td>-</td>
<td>(101.8)</td>
<td>(50.1)</td>
<td>23.5</td>
<td>32.6</td>
<td>(27.7)</td>
</tr>
</tbody>
</table>

1) Including trade and other working capital  
2) Including investment in and proceeds from disposal of financial assets
Cash flow development and trading working capital

Gross cash flow
- Q4/2017: 93.4 EUR mn
- Q1/2018: 85.1 EUR mn
- Q2/2018: 65.6 EUR mn
- Q3/2018: 72.7 EUR mn
- Q4/2018: 80.6 EUR mn

Operating cash flow
- Q4/2017: 8.4 EUR mn
- Q1/2018: 50.4 EUR mn
- Q2/2018: 49.1 EUR mn
- Q3/2018: 32.9 EUR mn
- Q4/2018: 32.8 EUR mn

Free cash flow adj.
- Q4/2017: (101.8) EUR mn
- Q1/2018: (9.0) EUR mn
- Q2/2018: (50.8) EUR mn
- Q3/2018: 7.2 %
- Q4/2018: 7.2 %

Trading Working Capital
- Q4/2017: 414.4 EUR mn
- Q1/2018: 407.3 EUR mn
- Q2/2018: 427.3 EUR mn
- Q3/2018: 421.8 EUR mn
- Q4/2018: 444.4 EUR mn

Trading working capital in % of annualized Group revenue
- Q4/2017: 19.4%
- Q1/2018: 18.5%
- Q2/2018: 20.3%
- Q3/2018: 18.8%
- Q4/2018: 20.6%
Lenzing – Our mission

“Lenzing is a performance materials company that turns CO₂ and sunlight into highly functional, emotional and aesthetic products across the globe”
Global fiber market at a glance
2018e consumption numbers

106 mn tons

- 62% Synthetic fibers
- 26% Cotton
- 6% Wood-based cellulose fibers
- 1% Wool
- 5% Other natural fibers
- Lyocell
- Modal
- Viscose

Sources: CIRFS, The Fiber Year, China Chemical Fiber Group, Lenzing estimates

1) Incl. bast, flax, hemp, jute, silk and allied fibers
2) Wood-based and cotton linter-based cellulose fibers including Viscose, Lyocell, Modal, Acetate, Cupro, …
Lenzing – Market leader in all three fiber generations

<table>
<thead>
<tr>
<th>Fiber Types</th>
<th>Market Position</th>
<th>Competitive Intensity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lyocell</td>
<td>#1</td>
<td>Low</td>
</tr>
<tr>
<td>Modal</td>
<td>#1</td>
<td>Medium</td>
</tr>
<tr>
<td>Viscose</td>
<td>#2</td>
<td>High</td>
</tr>
</tbody>
</table>

Source: China Chemical & Fiber Economic Information Network, China Chemical Fiber Group, Lenzing data
Lenzing is the only global player with European roots in the viscose staple fibers market\(^1\) (2018e) …

Lenzing with 17 % share of production

![Pie chart showing production share: Lenzing 17%, Others 23%, Sateri 10%, Birla 16%, Zhongtai 11%, Aoyang 4%, Yamei 5%, Grace 5%.]

5.5 mn tons

---

Lenzing with 15 % share of capacities\(^2\)

![Pie chart showing capacity share: Lenzing 15%, Others 16%, Sateri 16%, Grace 5%, Yamei 5%, Aoyang 6%, Tangshan 11%, Zhongtai 12%.]

7.0 mn tons

---

1) Viscose staple fibers (including Modal and Lyocell fibers), excluding viscose filaments, acetate tow, cigarette filters
2) Based on latest available company information from company websites and annual/interim reports
3) Fulida Kuerle, Tiantai Xinjiang, Fulida Alaer, Shungquan Manasi
4) Sateri Fujian, Jiangxi, Jiujiang, China, Asia Pacific Rayon, Xiangsheng

Sources: CIRFS, FEB, Trade statistics, Company estimates

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www.lenzing.com
... and is a global leader in wood-based specialty fibers

Balanced exposure to matured and emerging markets
Fiber revenue by region

North Asia 38%
AMEA (Asia, Middle East and Africa) 36%
Europe & Americas 26%

Global network of production sites and sales offices
2018 footprint

Source: Lenzing data as at December 31, 2018
Capacity 2019¹: A global footprint

Europe & Americas²

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2019e</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total capacity</td>
<td>544</td>
<td>544</td>
</tr>
<tr>
<td>China</td>
<td>260</td>
<td>260</td>
</tr>
<tr>
<td></td>
<td>119</td>
<td>119</td>
</tr>
<tr>
<td></td>
<td>165</td>
<td>165</td>
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</tbody>
</table>

China

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2019e</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total pulp capacity</td>
<td>178</td>
<td>178</td>
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</table>

Indonesia

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2019e</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total pulp capacity</td>
<td>323</td>
<td>323</td>
</tr>
</tbody>
</table>

1) Figures are shown in k metric tons, year-end name plate capacity
2) Includes Lenzing (A), Heiligenkreuz (A), Grimsby (UK), Mobile (USA)
3) Lenzing fiber types
Long-term interfiber price development

Staple fiber prices – Development in China

1) Price development until March 5th, 2019

Sources: China Cotton Association, China Chemical & Fiber Economic Information Network, China Chemical Fiber Group
Textile and Nonwovens are the two main applications

<table>
<thead>
<tr>
<th>Textile</th>
<th>Nonwovens</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Size</strong></td>
<td>~90 mt</td>
</tr>
<tr>
<td><strong>Regional focus</strong></td>
<td>Over 90% of spinning and fabric making located in China, India and Asia-Pacific</td>
</tr>
<tr>
<td><strong>Fragmentation</strong></td>
<td>High</td>
</tr>
<tr>
<td><strong>Decision making</strong></td>
<td>Brands/retailers with some influence of fabric makers</td>
</tr>
</tbody>
</table>
| **Key drivers** | • Ongoing trend towards lower cost fashion  
• Trends towards sustainability, convenience and functionality  
• Volatile demand due to fast fashion and changing trends | • Due to disposability of products high focus on cost  
• Flushability and bio-degradable is an emerging differentiator  
• Wood-based fibers\(^1\) adding performance to products |
| **End users** | Markets strongly driven by end-consumers | Strong focus on application of product |

1) Wood-based and cotton linter-based cellulose fibers  
Source: ICAC 2017, Smithers Apex 2015, Fiber Year 2017
Sales and marketing – Customer concentration

Textiles – Percent of sales by customers (2018¹)

- Top 5: 22%
- Top 10: 33%
- Top 20: 46%

Nonwovens – Percent of sales by customers (2018¹)

- Top 5: 35%
- Top 10: 49%
- Top 20: 63%

Source: Lenzing data 2018
Lenzing underpins its innovation leadership
Industry leading R&D spend (EUR 42.8\(^1\) mn in 2018)

R&D is an essential part of the sCore TEN strategy and contributes to all five fields

- Decision to invest appr. EUR 100 mn into sustainable production technologies until 2022

Successful launch of sustainable innovations

- Fiber process innovation (e.g. for new lyocell plants), pulp integration, biorefinery concept
- Fibers fulfilling highest environmental demands: REFIBRA™ technology and LENSING™ ECOVERO™ fibers
- TENCEL™ Luxe – second pilot plant for the novel lyocell filament for luxury fashion
- LENSING™ Web technology for nonwoven applications; application for 25 patents
- Application and Innovation Center (Hong Kong) and Lenzing Center of Excellence (Indonesia) in addition to the facilities existing in Lenzing

As of December 2018, Lenzing owned 1,324 patent applications and patents in 49 countries belonging to 242 patent families

R&D expenditures (2015-2018)\(^1\)

<table>
<thead>
<tr>
<th>Year</th>
<th>R&amp;D expenditures</th>
<th>R&amp;D as of revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>29.8</td>
<td></td>
</tr>
<tr>
<td>2016</td>
<td>46.4</td>
<td></td>
</tr>
<tr>
<td>2017</td>
<td>55.4</td>
<td></td>
</tr>
<tr>
<td>2018</td>
<td>42.8</td>
<td></td>
</tr>
</tbody>
</table>

Source: Lenzing

\(^1\) As per Frascati definition
Development journey of our three fibers
Technological competence in fiber production

LENZING™ Viscose
- 80 years
- 1930

LENZING™ Modal
- 60 years
- 1960

LENZING™ Lyocell
- 25 years
- 1990

LENZING™ ECOVERO™ since 2017
Eco Soft technology since 2010
REFIBRA™ technology since 2016
TENCEL™ Luxe since 2017
Successful commercialization of innovations

LENZING™ ECOVERO™ fibers

Among the top environmental standards in viscose production; proven by third parties (f. ex. Higg Index)

Innovative identification system allows transparency in the textile value chain

TENCEL™ Luxe filament

Positioning in the premium luxurious segment; excellent partner with other noble fibers (silk, cashmere, wool)

Aesthetics, performance, comfort and exquisite color vibrancy

REFIBRA™ technology

REFIBRA™ technology is Lenzing’s first step to contribute to the circular economy (closed loop process).

Combination of recycled cotton scraps in addition to wood pulp to produce new virgin TENCEL™ x REFIBRA™ branded lyocell fibers
Innovation: Lenzing™ ECOVERO™
The new standard in eco-responsible viscose

- Lenzing™ ECOVERO™ fibers are the innovative and unique answer to the increasing demand for sustainable products along the textile value chain

- Worldwide highest environmental standards in the viscose production relying on three major pillars
  - Use of certified and controlled wood (FSC®, PEFC™)
  - Sustainable production process proven by third parties (Higg index, EU Eco label)
  - Innovative identification system allows everyone in the supply chain transparency in all processing steps (yarn, fabric, ready made garment)

- Lenzing™ ECOVERO™ fibers are positioned as specialty fibers in the viscose segment

Note: “These Results were calculated using the Higg Material Sustainability Index (Higg MSI) tools provided by the Sustainable Apparel Coalition. The Higg MSI tools assess impacts of materials from cradle-to-gate for a finished material (e.g. to the point at which the materials are ready to be assembled into a product). However, this figure only shows impacts from cradle to fiber production gate. Higg MSI score of Lenzing™ ECOVERO™ was calculated based on Lenzing fibers which are already in the Higg MSI.”
Innovation: Lyocell fibers with REFIBRA™ technology
Contribution to circular economy

- Solves waste problems in the society and saves resources by replacement of virgin cotton fibers
- Environmentally responsible closed loop process
- High resource efficiency and low ecological impact
- Solvent-spinning process recycles process water and reuses the solvent at a rate of more than 99%
Looking forward: Megatrends support fiber demand growth

Population growth and higher purchasing power in the emerging markets drive overall fiber growth

<table>
<thead>
<tr>
<th></th>
<th>World</th>
<th>CAGR 2010-2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population (bn)</td>
<td>6.1</td>
<td>+1.1%</td>
</tr>
<tr>
<td>GDP per capita (current prices) ths. USD/capita</td>
<td>5.7</td>
<td>+2.4%</td>
</tr>
<tr>
<td>Fiber consumption (kg/capita)</td>
<td>9.4</td>
<td>+2.2%</td>
</tr>
</tbody>
</table>


www.lenzing.com
Wood-based fibers\(^1\) outgrow market

Expected growth of global fiber demand until 2023

---

**CAGR**

(2018\(^e\) – 2023\(^p\))

- **Wood-based fibers\(^1\)**
  - (6%)
  - 5-6% p.a.

- **Synthetic fibers**
  - (62%)
  - 4-5% p.a.

- **Cotton**
  - (26%)
  - 1-2% p.a.

Total fiber market

- 3-4% p.a.

---

1) Wood-based and cotton linter-based cellulose fibers (Viscose, Modal, Lyocell and other (acetate, cupro) both staple fiber and filament)

2) Projected

Sources: ICAC February 1, 2019, The Fiber Year Consulting, Lenzing data
Asia Pacific remains the growth engine in global textiles

Global apparel demand by value¹ (2005-2020)

<table>
<thead>
<tr>
<th></th>
<th>2005</th>
<th>2015</th>
<th>2020e</th>
</tr>
</thead>
<tbody>
<tr>
<td>USD bn</td>
<td>988</td>
<td>1,306</td>
<td>1,517</td>
</tr>
<tr>
<td>Asia Pacific</td>
<td>23%</td>
<td>36%</td>
<td>38%</td>
</tr>
<tr>
<td>North America</td>
<td>26%</td>
<td>22%</td>
<td>22%</td>
</tr>
<tr>
<td>Europe</td>
<td>39%</td>
<td>27%</td>
<td>26%</td>
</tr>
<tr>
<td>ROW</td>
<td>12%</td>
<td>14%</td>
<td>14%</td>
</tr>
</tbody>
</table>

CAGR (2015-2020e)

- Asia Pacific: 4%
- North America: 2%
- Europe: 2%
- ROW: 3%

¹) Based on current prices and historic year-on-year exchange rates

Source: Euromonitor 2018, Lenzing

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Sustainability is gaining importance

Less than 1 % of global water resources is available as fresh water for people
- But water consumption is rising due to population growth and changing consumption habits

Arable land is decreasing due to erosion and urbanization
- With a growing global population, this intensifies the competition for farm land

Oil is a finite resource causing negative externalities
- Sooner or later “peak oil” will be reached
- New sources can only be tapped by taking high ecological risks
Lenzing’s Sustainability Strategy and targets

Target 1: Specific sulfur emissions

Target 2: Specific waste water emissions

Target 3: Conservation solutions

Target 4: Supplier assessment

Target 5: Transparency
Responsible wood and pulp sourcing

- Lenzing has a strict wood and pulp sourcing policy in place
- Lenzing does not source any wood or dissolving wood pulp from ancient and endangered forests as well as high conservation value areas.
- Lenzing is committed to sourcing wood and dissolving wood pulp exclusively from non-controversial sources.
- All Lenzing production sites are FSC® (Chain of Custody) certified.
- The wood processed in Lenzing (Austria) and Paskov (Czech Republic) is procured by a team of experts who are educated and well-trained foresters with reliable long-term relationships to the suppliers.
Certification status in the Lenzing Group

- Certification status of total wood input at Lenzing fiber production sites via own and purchased dissolving wood pulp
- All PEFC™ certified or controlled source is also FSC® controlled wood

**2015-2017 average**

- 9.0% PEFC™ Controlled Source
- 21.2% PEFC™
- 31.2% FSC® Controlled Wood
- 38.6% FSC® Mix
- 0.0% not certified/controlled

**2018**

- 23.3% PEFC™
- 42.5% FSC® Mix
- 34.0% FSC® Controlled Wood
- 0.1% PEFC™ Controlled Source

Basis: dissolving wood pulp by weight
Average 2015-2017: changes less than 3 percent in shares
Highly efficient use of raw materials

The Lenzing site is fully integrated. Dissolving wood pulp production at the Lenzing and Paskov sites achieve a wood utilization rate of about 100 % (incl. energy use)

Highly efficient use of the raw material wood in the Lenzing Group's biorefineries

Wood → Biorefinery → ~40% Pulp

~10% Biobased materials: acetic acid, furfural, xylose, soda

~50% Bioenergy
Fiber production fully secured by a robust pulp supply

Lenzing’s level of backward integration:
Own pulp supply in percentage of annual fiber capacity

- 60% secured by own pulp production
- Remaining pulp is secured through long-term contracts

Total annual fiber capacity (100%)

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Own</td>
<td>56%</td>
<td>56%</td>
<td>56%</td>
<td>57%</td>
<td>60%</td>
</tr>
<tr>
<td>Pulp</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

www.lenzing.com
DWP market is relatively concentrated with significant link to paper pulp market

DP for WBCF supply, 2017, mt

<table>
<thead>
<tr>
<th></th>
<th>Total</th>
<th>Other (CLP, other)</th>
<th>DWP</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>7</td>
<td>1</td>
<td>6</td>
</tr>
</tbody>
</table>

Capacity distribution, 2017, %

- Birla: 10%
- Sappi: 21%
- Lenzing: 10%
- Sateri: 15%
- Sun Paper: 5%
- Rayonier: 4%
- Jari: 4%
- Hunan Juntai: 3%
- Other: 28%

Forecasted capacity, mt

- 2017: 6
- Additional: 2
- 2022: 8

Note: DWP – dissolving wood pulp, CLP – cotton linter pulp, DP – dissolving pulp, PP – paper pulp
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
    - Duratex to bring the plantation as contribution in kind into the JV
    - Basic engineering and permitting process will now be started
- Final investment decision after basic engineering in 2019
Brazil – perfect for a lowest cost DWP mill worldwide

- Very favorable wood economics, strong local talent pool and excellent supplier network
- Brazil has a lot of experience in pulp projects
  - Since year 2000, ~50% of new pulp capacity was built in Brazil
- Duratex – strong JV partner
  - Leader in sustainable forestry management
  - Experience in construction and operation of big scale industrial plants
- Plantation in the Triângulo Mineiro in the State of Minas Gerais
  - Highly competitive wood economics
  - Good inbound/outbound logistics (train to port)
  - Large single plot plantation
  - Duratex plantation certified by FSC® in 1995

Source: Lenzing team
Certificates and recognitions

- VÖNIX (Austrian Sustainability Index)
- The EU Ecolabel (European Flower)
- Responsible Care®
- OEKO-TEX® Standard 100
- European Award for the Environment (TENCEL™ fibers)
- PEFC™ (Chain of Custody)
- FSC® (Chain of Custody)

- 100 % USDA Biobased certification for Lenzing standard fibers (LENZING™ FR at 99 %)
- OK compost HOME (TÜV AUSTRIA BELGIUM)
- OK biodegradable SOIL (TÜV AUSTRIA BELGIUM)
- OK biodegradable MARINE (TÜV AUSTRIA BELGIUM)
- Food contact compliance (mainly based on European legislation / certain standard fibers)
- MEDICALLY TESTED – TESTED FOR TOXINS
- FAIRTRADE INTERNATIONAL - Textile Standard Responsible Fibres

Disclaimer – customers should note that the third party certification and use of logos only relates to the fiber, and that final products would need recertification. There is no implied right for the customer to use any of the logos described herein.
The strategy – driving value growth
Strengthen the Core

- Further strengthen pulp position via backward integration and/or strategic co-operations
- Maintain quality leadership
- Deliver EUR 50 mn EBITDA by 2017 with commercial and operational excellence program (done)
- Strengthen our bio-refinery business
- Grow viscose position via strategic partnerships
- Finalize restructuring technical units (done)
Customer Intimacy, Specialization, Forward Solutions and New Business Areas

1. Increase management presence and decision power in the regions (done)
2. Establish two additional regional application and customer innovation centers (done)
3. Secure #1 lyocell and modal leadership position via capacity expansion program
4. Move selectively forward in the value chain via new game-changing technologies
5. Select and establish new emerging business areas

Focus on high-value eco-friendly specialty fibers
Target 50% of revenue from specialty fibers by 2020
Backup
New brand architecture well established

Launch of
www.tencel.com
www.veocel.com
www.lenzingindustrial.com

For Textile B2C Specialties

For Nonwovens B2C Specialties

For Industrial & Textile Core
Succesful launch of TENCEL™ in textiles

TENCEL™ feels so right
TENCEL™ is applicable to outwear and general apparel

TENCEL™ feels so right
TENCEL™ is applicable to footwear

TENCEL™ Intimate
feels so soft

TENCEL™ Active
feels so ready

TENCEL™ Home
feels so comfortable

TENCEL™ Denim
feels so natural

TENCEL™ Luxe
feel the touch of conscious luxury
LENZING™ fibers fields of application

Textiles

Home

Denim

Active

Luxe

Intimate

www.lenzing.com
A new brand for nonwovens

VEOCEL™ Beauty
gentle care, purely for you

VEOCEL™ Body
reliable care, purely for you

VEOCEL™ Intimate
natural care, purely for you

VEOCEL™ Surface
effective care, purely for you
LENZING™ fibers fields of application

Nonwovens

Beauty

Body

Surface

Intimate
Brand for new business areas

LENZING™ for Agriculture
LENZING™ for Engineering Products
LENZING™ for Packaging
LENZING™ for Protective Wear
LENZING™ for Workwear
LENZING™ for Biorefinery Products
LENZING™ for Co-Products
TENCEL™ for Footwear

TENCEL™ for Footwear is a B2B branded offer for Industrial applications. In B2C, it is covered under TENCEL™.
LENZING™ industrial applications

Industrials

Agriculture

Workwear

Packaging

Biorefinery Products

Protective Wear

Engineered Products

Footwear

Co-Products
Overview of B & C Privatstiftung (B & C Private Foundation)

- B & C holds a little more than 50.00%.
- Its purpose is the promotion of Austrian entrepreneurship.
- B & C Holding Österreich GmbH is the management holding of B & C Foundation with five representatives on Lenzing’s Supervisory Board.
- As the core shareholder, B & C takes a long-term view and supports the strategy of Lenzing Group.

1) As at December 27, 2018
Contacts and financial calendar

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Head of Investor Relations
Corporate Communications & Investor Relations

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E-mail: s.kniep@lenzing.com

Visit our IR website
https://www.lenzing.com/investors/

Visit our SRI sites

Financial calendar

<table>
<thead>
<tr>
<th>Event</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Full year results 2018</td>
<td>March 14, 2019</td>
</tr>
<tr>
<td>75th Annual General Meeting</td>
<td>April 17, 2019</td>
</tr>
<tr>
<td>Results 01-03/2019</td>
<td>May 8, 2019</td>
</tr>
<tr>
<td>Half-year results 2019</td>
<td>August 7, 2019</td>
</tr>
<tr>
<td>Results 01-09/2019</td>
<td>November 6, 2019</td>
</tr>
</tbody>
</table>

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