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Lenzing AG: Lenzing AG advances strategic transformation

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Lenzing AG advances strategic transformation with focus on nonwoven applications and repositioning of its textiles business; planned phase-out of selected sites; expected non-cash impairment losses of up to EUR 150 mn in 2026; targeting EBITDA margin between 20-25% and leverage below 2.5x in the mid-term; comprehensive refinancing package including a fully underwritten capital increase of up to EUR 300mn, subject to consent of extraordinary general meeting on or around August 25, 2026 as well as new financing agreements of up to EUR 300 mn

Lenzing, July 27, 2026 – The Management Board of Lenzing AG ("Lenzing"), with the consent of Lenzing's Supervisory Board, today resolved on further executing its strategic transformation aimed at focusing on nonwoven applications while reshaping Lenzing's textiles business. Lenzing intends to grow its nonwovens business substantially by 2030.

As part of this transformation, Lenzing is consolidating its fiber production footprint in parallel with the ongoing sale process for the Indonesian viscose site, PT South Pacific Viscose. In addition, Lenzing plans to phase out production at its fiber plants in Heiligenkreuz, Austria, by the end of 2026 and in Grimsby, UK, by the end of 2027. Production of premium fibers is expected to be transferred to Lenzing's core manufacturing sites, ensuring a stable and reliable supply for customers.

As part of the production footprint consolidation, Lenzing AG expects to recognize impairment losses of the non-current assets, especially property, plant and equipment of up to EUR 150 mn in 2026. This non-cash impairment charge is expected to negatively impact consolidated EBIT and consolidated net income in 2026, while having no impact on EBITDA in 2026. In addition, restructuring provisions related to headcount reductions of up to EUR 40 mn are expected to negatively impact EBITDA in 2026.

The Company's strategic ambition is to return to revenue growth with an EBITDA uplift of approximately EUR 150 mn achieving an EBITDA margin of 20-25% and reducing leverage to below 2.5x in the medium term.

Lenzing's transformation is planned to be accompanied by a comprehensive refinancing package designed to strengthen its financial structure, including new financing agreements in an aggregate amount of up to EUR 300 mn and the extension of existing debt's maturity to 2030. Effectiveness of the refinancing package is subject to the completion of a capital increase of EUR 300 mn.

The Management Board, with the consent of the Supervisory Board, today resolved to convene an extraordinary general meeting on or around August 25, 2026, and to submit a proposal to the shareholders for a capital increase with a discounted rights offering of up to EUR 300 mn with pro-rata subscription rights allotted to Lenzing's existing shareholders.

The syndicate formed by B&C Group and Suzano, which together indirectly holds approximately 52.25% of Lenzing's share capital, has, subject to customary conditions, irrevocably committed to participate in the capital increase by investing up to EUR 156.7 mn, representing its approximately 52.25% share of the capital increase. Oberbank AG, which holds approximately 3.86% of Lenzing's share capital, has likewise, subject to customary conditions, committed to participate in the capital increase by investing up to approximately EUR 11.6mn, representing its approximately 3.86% share of the capital increase. A group of international banks have undertaken, subject to terms and conditions in line with market practice for similar transactions, to subscribe for any shares not taken up by Lenzing's shareholders.

Further details regarding the convocation of the extraordinary general meeting, the capital increase and the rights offering will be published in due course.

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