

Lenzing advances its transformation: Higher EBITDA, stronger free cash flow and more than EUR 200 million in cost savings

- Revenues in 2025 amounted to EUR 2.6 billion, broadly unchanged from the previous year (-2.3 percent)
- Performance program shows impact: adjusted EBITDA increased by 7.6 percent to EUR 425.6¹ million despite ongoing pressure on sales prices (reported EBITDA EUR 413 million); free cash flow amounted to EUR 173.9 million (after EUR 169.4² million in the previous year)
- Strategic review of the Indonesian production site completed, resulting in a non-cash impairment of EUR 82.1 million

Lenzing – The business performance of the Lenzing Group in 2025 was affected particularly in the second half of the year by external factors such as international tariff measures, subdued demand and declining market prices. As a result, revenue decreased slightly by 2.3 percent to EUR 2.6 billion, primarily due to lower fiber sales volumes and lower prices for fibers and pulp, which were further negatively impacted by currency developments. Nevertheless, thanks to the comprehensive Performance Program, Lenzing was able to improve its operating performance and key financial indicators compared with the previous year. Adjusted for restructuring expenses, EBITDA increased by 7.6 percent from EUR 395.4 million in 2024 to EUR 425.6 million (reported EBITDA EUR 413 million). EBIT – before the impairment of long-term assets at the Indonesian production site – amounted to EUR 99.6 million in 2025 (EUR 88.5 million in 2024) and came in at EUR 17.6 million after the non-cash adjustment of the carrying amount. Although the result after tax remained negative, it improved slightly to minus EUR 135.2 million compared to minus EUR 138.3 million in the previous year. Free cash flow rose to EUR 173.9 million (EUR 169.4¹ million in 2024), while unlevered free cash flow increased to EUR 279.3 million (EUR 244.6 million in 2024).

“We are continuing to drive the transformation of the Lenzing Group forward. In 2025, despite a challenging environment, we made substantial progress: higher EBITDA, improved free cash flow and significant cost

¹Excl. restructuring costs of EUR 12.6 million.

²In order to improve the transparency and comparability of the financial key performance indicators, the Lenzing Group has newly exercised the accounting options available under IAS 7 and consequently adjusted the presentation of the cash flow statement. The new structure starts with EBT and enables the calculation of unlevered free cash flow, which serves as a key performance indicator in addition to free cash flow as part of the performance program. The adjustment is in line with standard market reporting practices and improves the informative value of the cash flow statement for internal and external stakeholders. The change in presentation was made retroactively in accordance with IAS 8. A reconciliation to the adjusted figures for the comparative period can be found in note 2 of the consolidated financial statements.

reductions. Through the Performance Program, our organizational development and targeted investments in our sites, we are strengthening profitability and consistently advancing our premiumization strategy. This is how we create stability for today and growth opportunities for the future,” said the Managing Board of the Lenzing Group: Mathias Breuer, CFO, Christian Skilich, CPO/CTO, and Georg Kasperkovitz, COO.

Market environment and operational measures

Staple fiber prices remained under pressure in 2025, and dissolving wood pulp prices declined significantly; at the same time, raw material, energy and logistics costs remained high.

Income statement

The Lenzing Group’s EBITDA adjusted for restructuring expenses increased to EUR 425.6¹ million in the 2025 financial year, supported by the effective implementation of performance measures as well as efficiency improvements in core processes. EBIT – impacted by a non-cash impairment of EUR 82.1 million in connection with the strategic options for the Indonesia site – amounted to EUR 17.6 million (EBIT margin 0.7 percent). EBT came in at minus EUR 122.5 million; income tax expense amounted to EUR 12.7 million. The result after tax improved slightly to minus EUR 135.2 million.

Cash flow, liquidity and financing

Cash flow from operating activities amounted to EUR 419.7 million; free cash flow increased to EUR 173.9 million and unlevered free cash flow to EUR 279.3 million. To support operating cash flow, Lenzing selectively adjusted production capacities, resulting in a 21.6 percent reduction in working capital to EUR 453.4 million. Lenzing strengthened its capital structure through a syndicated financing package of EUR 545 million (loan: EUR 355 million / revolving credit facility: EUR 190 million), the issuance of a new hybrid bond of EUR 500 million, and the repayment of the 2020 hybrid bond. Liquid assets as of December 31, 2025 amounted to EUR 690.9 million; net financial debt decreased to EUR 1.35 billion; the adjusted equity ratio stood at 29.6 percent.

Investments and cost program

Cost savings of more than EUR 200 million (2024: EUR 130 million) were realized in 2025. Capital expenditures (CAPEX) amounted to EUR 141.1 million and were primarily allocated to maintenance and license-to-operate projects as well as initiatives aimed at strengthening operational excellence and optimizing energy efficiency. In addition, Lenzing is implementing a comprehensive cost-optimization program that includes a planned reduction of around 600 positions in Austria. The annual savings of approximately EUR 45 million are expected to be fully

¹Excl. restructuring costs of EUR 12.6 million.

realized by the end of 2027 at the latest. Of this amount, EUR 22 million has already been achieved in the final months of the year through the termination of employment for more than 200 employees.

Segment and sales performance

New customers for key products and expansion into important, higher-margin markets in North America and Asia supported revenue development. External revenue distribution in 2025 was 61 percent in Asia, 29 percent in Europe including Turkey, 9 percent in the Americas and 1 percent in other regions. Fiber sales volumes amounted to roughly 904,000 tonnes (2024: approximately 960,000 tonnes). The pulp business ensured the supply of dissolving wood pulp for fiber production while also generating significant external pulp revenues that contributed positively to the Group result.

Management Board and governance

In 2025, several changes occurred within the Managing Board of the Lenzing Group. After Walter Bickel stepped down as Chief Transformation Officer at the end of March 2025, Georg Kasperkovitz assumed the role of Chief Operations Officer (COO) as of June 1, 2025. Mathias Breuer succeeded Nico Reiner as CFO on January 1, 2026, following the regular expiration of Reiner's term. The mandate of Christian Skilich was extended early through May 31, 2029. CEO Rohit Aggarwal stepped down on January 31, 2026; since then, the company has been led by a three-member board: CFO Mathias Breuer, COO Georg Kasperkovitz and CPO/CTO Christian Skilich. To support the organization's further development, an Executive Committee was established.

Outlook

Trade policy uncertainties and geopolitical tensions – including the indirect effects of the US–Iran conflict on energy markets, supply chains and consumer confidence – are slowing global developments and resulting in limited visibility. Prices in the market for generic fibers are expected to remain under pressure due to further capacity additions. However, slightly improved price trends and demand in the pulp and fiber businesses can be observed in Q1 2026. Lenzing will continue to consistently drive the company's transformation through its holistic performance program and premiumization strategy in order to further enhance profitability, resilience and agility.

Selected indicators of the Lenzing Group		
EUR mn	2025	2024
Revenue	2,602.4	2,663.9
EBITDA (earnings before interest, tax, depreciation and amortization)	413.0	395.4
EBITDA margin	15.9 %	14.8 %
Net profit/loss after tax	(135.2)	(138.3)
Earnings per share in EUR ¹	(5.45)	(4.06)
Cash flow from operating activities	419.7	395.0 ²
Free cash flow	173.9	169.4 ²
CAPEX	141.1	153.8 ²
	31/12/2025	31/12/2024
Net financial debt	1,350.1	1,532.5
Adjusted equity ratio	29.6 %	34.7 %
Employees (full-time equivalents)	7,738	7,816

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¹The net result is allocated among the shareholders of Lenzing AG, the non-controlling interests and the hybrid capital holders. Earnings per share are calculated by dividing the portion of the net result attributable to the shareholders of Lenzing AG by the weighted average number of shares outstanding during the year. Although the net result improved year-on-year, earnings per share declined in the reporting period. This development primarily reflects the higher share attributable to hybrid capital holders as well as changes in the share attributable to non-controlling interests, driven in particular by foreign exchange effects within income tax expense.

²Since the second quarter of the 2025 financial year, the consolidated statement of cash flows is presented according to a new format (see footnote 1).

About the Lenzing Group

The Lenzing Group stands for the responsible production of specialty and premium fibers based on regenerated cellulose. 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 are the raw material for a wide range of textile applications – ranging from functional, comfortable, and fashionable clothing through to durable and sustainable home textiles. TÜV-certified biodegradable and compostable Lenzing fibers are also ideal for demanding use in everyday hygiene applications.

The Lenzing Group's business model extends far beyond that of a traditional fiber producer. Together with its customers and partners, Lenzing develops innovative products along the value chain, adding value for consumers. The Lenzing Group strives for efficient utilization and processing of all raw materials and offers solutions for the transition of the textile industry from the current linear economic system to a circular economy. In order to align its commitment to limiting man-made climate change with the goals of the Paris Agreement, Lenzing has a clear, science-based climate action plan that provides for a significant reduction in greenhouse gas emissions (Scopes 1, 2, and 3) by 2030 and a net-zero target by 2050.

Key Facts & Figures Lenzing Group 2025

Revenue: EUR 2.60 bn

Nominal capacity (fibers): 1,110,000 tonnes

Employees (full-time equivalents): 7,738

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Disclaimer: The above financial indicators are derived primarily from the Lenzing Group's IFRS consolidated financial statements. Additional details are provided in the section "Notes on the financial performance indicators of the Lenzing Group", in the glossary to the Annual and Sustainability Report and in the Lenzing Group's consolidated financial statements.
