

Lenzing Aktiengesellschaft
Werkstraße 2
4860 Lenzing, Austria
www.lenzing.com

Phone +43 7672 701 2743
Fax +43 7672 918 2743
E-mail media@lenzing.com

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Lenzing with revenue and earnings growth in first half of the year – tariff policy slows recovery momentum

- Revenue grows to EUR 1.34 bn, EBITDA at EUR 268.6 mn
- Earnings after tax positive at EUR 15.2 mn
- Tariff measures place a strain on market environment in second quarter
- Performance program takes effect, financing secured until 2027

Lenzing – The Lenzing Group, a leading supplier of regenerated cellulosic fibers for the textile and nonwovens industries, reported both revenue and earnings growth year-on-year in the first half of 2025. In the second quarter, however, international tariff measures and the resultant uncertainty led to tangible stress along the textile value chain and slowed the Lenzing Group's recovery. Market prices remained at a low level while costs for raw materials, energy and logistics continued to be high.

The Lenzing Group generated revenue of EUR 1.34 bn in the first half of 2025, which was higher than in the same period of the previous year. The operating earnings trend benefited significantly from the positive effects of the performance program. EBITDA grew by 63.3 percent to EUR 268.6 mn, which included positive exceptional effects from the sale of surplus EU emission allowances amounting to EUR 30.6 mn and the valuation of biological assets amounting to EUR 12.5 mn. The EBITDA margin rose from 12.5 percent to 20 percent. Earnings before interest and tax (EBIT) amounted to EUR 109 mn (compared with EUR 18.9 mn in the same period of the previous year), which corresponds to an EBIT margin of 8.1 percent (compared with 1.4 percent in the same period of the previous year). Earnings before tax (EBT) amounted to EUR 22.1 mn (compared with minus EUR 22.3 mn in the same period of the previous year). Earnings after tax improved significantly to EUR 15.2 mn (compared with minus EUR 65.4 mn in the same period of the previous year).

“Lenzing made further progress on its path to operational recovery in the first half of 2025. Our performance program is making a clear contribution to earnings improvement. At the same time, we are seeing tangible effects from the growing uncertainties in international trade in the second quarter – particularly as a consequence of the

aggressive tariffs policy. These developments not only affect our visibility, but also our earnings. For this reason, we are all the more determined to continue our measures to secure our turnaround in the long term and further strengthen our margins,” notes Rohit Aggarwal, Lenzing Group CEO.

The Lenzing Group’s performance program is comprehensively geared towards strengthening long-term crisis resilience and enhancing agility in the face of market changes. The aim is to sustainably improve EBITDA and generate free cash flow through increased profitability and consistent cost excellence. Measures such as acquiring new customers for key products and expanding into smaller markets were implemented in order to strengthen sales activities and thereby revenue growth. At the same time, Lenzing is implementing measures to significantly improve its cost structure, which are being reviewed and further developed on an ongoing basis. Over EUR 130 mn in cost savings were already achieved in 2024. Progress was made especially in terms of product costs and product quality. The Managing Board also expects further efficiency gains in the coming quarters, especially in production costs and overhead functions. The ongoing improvements in structures, processes and personnel expenses are expected to lead to an increase in both revenue and margins. The Managing Board anticipates cost savings of in excess of EUR 180 mn in the current financial year.

Lenzing has also successfully strengthened its capital structure over the course of the year to date. A syndicated loan of EUR 545 mn was concluded in May. The structure of the loan comprises a EUR 355 mn term loan with a three-year term and a revolving line of credit of EUR 190 mn, also with a three-year term and extension options totaling two years. In addition, a new EUR 500 mn three-year non-callable hybrid bond was successfully placed on the market. With these measures, Lenzing secures its financing until 2027 and can continue to focus fully on implementing its successful performance program to enhance margins and free cash flow as well as to improve the cost position.

Cash flow from financing activities amounted to EUR 150.1 mn (compared with EUR 239.6 mn in the same period of the previous year). The reduction is partly due to a higher level of working capital. Free cash flow was also positive at EUR 43.1 mn (compared with EUR 141.8 mn in the same period of the previous year). Unlevered free cash flow amounted to EUR 89.4 mn (compared with EUR 180.4 mn in the same period of the previous year).¹

¹ In 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 retrospectively in accordance with IAS 8. A reconciliation to the adjusted figures for the comparative period can be found in Note 1 of the condensed consolidated interim financial statements.

Liquid assets (including liquid bills of exchange) increased by 66.9 percent compared with December 31, 2024, to a level of EUR 754.0 mn as of June 30, 2025, mainly due to the syndicated loan that was agreed in May.

Lenzing also announced personnel changes on its Managing Board during the first half of the year. At the end of March, Walter Bickel relinquished his operational tasks by mutual agreement. Georg Kasperkovitz was appointed as a member of the Managing Board and as Chief Operations Officer (COO) of Lenzing AG with effect from June 1, 2025. As COO, Georg Kasperkovitz took over the management of the company-wide fiber production sites, including the site in Lenzing (Austria). He will also advance the ongoing performance program and, as a consequence, operational cost excellence and the transformation of the company as a whole.

Outlook

For 2025, the IMF forecasts global growth of three percent, followed by 3.1 percent in 2026 – marking a slowdown compared to the previous year (2024: 3.3 percent). The projection remains below the pre-pandemic historical average. At the same time, the IMF warns of persistently high risks to the global economy: a renewed escalation of trade conflicts, geopolitical tensions, or tighter financing conditions could dampen growth and reignite inflationary pressures.²

In an environment characterized by uncertainty and a persistently high cost of living, consumers are anticipated to remain cautious. This is exerting a lasting negative impact on their propensity to spend. Given the announced tariff increases, the rise in spending on apparel in the USA in the first half of the year is to be regarded as a temporary, one-off effect and is unlikely to continue over the course of the remainder of the year.

The currency environment is expected to remain volatile in regions relevant to Lenzing.

In the global bellwether market for cotton, market analysts' current forecasts anticipate a slight increase in stocks to around 16.3 mn tons for the coming 2025/26 harvest season.

Lenzing will continue to consistently implement its performance program and will conduct ongoing evaluations in order to leverage further cost potentials and further improve its revenue and margin generation.

At present, the Lenzing Group confirms its guidance for the 2025 financial year of year-on-year higher EBITDA.

The ongoing tariffs conflict and associated uncertainty are negatively affecting market expectations and are continuing to exert a very restrictive effect on earnings visibility.

² Source: IMF, World Economic Outlook, July 2025

In structural terms, Lenzing continues to expect growing demand for environmentally responsible fibers for the textile and apparel industry as well as the hygiene and medical sectors. Lenzing is therefore very well positioned with its strategy and is pushing both profitable growth with specialty fibers and the further expansion of its market leadership in the sustainability area.

Selected indicators of the Lenzing Group`		
EUR mn	01-06/2025	01-06/2024
Revenue	1,341.1	1,310.7
EBITDA (earnings before interest, tax, depreciation and amortization)	268.6	164.4
EBITDA margin	20.0%	12.5%
Net profit/loss after tax	15.2	(65.4)
Earnings per share in EUR	(0.90)	(1.84)
Cash flow from operating activities	150.1	239.6 ¹
Free cash flow	43.1	141.8 ¹
CAPEX	61.3	59.8 ¹

	30/06/2025	31/12/2024
Net financial debt	1,437.9	1,532.5
Adjusted equity ratio	33.4%	34.7%
Employees (full-time equivalents)	7,712	7,816

1) In 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 retrospectively in accordance with IAS 8. A reconciliation to the adjusted figures for the comparative period can be found in Note 1 of the condensed consolidated interim financial statements.

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**Your contact for
Public Relations:**

Dominic Köfner

Vice President Corporate Communications & Public Affairs
Lenzing Aktiengesellschaft
Werkstraße 2, 4860 Lenzing, Austria

Phone +43 7672 701 2743

E-mail media@lenzing.com

Web www.lenzing.com

Investor Relations:

Sébastien Knus

Vice President Investor Relations
Lenzing Aktiengesellschaft
Werkstraße 2, 4860 Lenzing, Austria

Phone +43 664 828 1576

E-mail s.knus@lenzing.com

Web www.lenzing.com

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 2024

Revenue: EUR 2.66 bn

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

Employees (full-time equivalents): 7,816

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Disclaimer: The above key financial figures are derived primarily from the condensed consolidated interim financial statements and the consolidated financial statements of the previous year of the Lenzing Group. Additional details are provided in the section "Notes on the financial performance indicators of the Lenzing Group", in the glossary to the half-year report and in the condensed consolidated interim financial statements as well as the Lenzing Group's prior year consolidated financial statements. Rounding differences can occur in the presentation of rounded amounts and percentage rates.
