

EANS-Adhoc: Lenzing AG / Substantial Earnings Improvement in the First Three Quarters of 2015

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Financial Figures/Balance Sheet/quarterly report

In the third quarter of 2015, the Lenzing Group continued the positive development of the first two quarters of the year. Earnings improved substantially compared to the first nine months of the previous year.

Consolidated revenue amounted to EUR 1,458.9 mn, a 7.4% increase versus the first three quarters of 2014 (EUR 1,357.7 mn). Earnings before interest, taxes, depreciation and amortization (EBITDA) of EUR 210.6 mn improved by 31.7% compared to the EUR 159.8 mn in Q1-3 2014.). The corresponding EBITDA margin was 14.4%, compared to 11.8% in the first three quarters of 2014. Earnings before interest and taxes (EBIT) of the Lenzing Group rose to EUR 112.0 mn in the first three quarters of 2015, up 61.1% from EUR 69.5 mn in the previous year. This corresponded to an EBIT margin of 7.7% (Q1-3 2014: EUR 5.1%). Net profit for the period amounted to EUR 84.4 mn, comprising an increase of 90.6% from EUR 44.3 mn in the first three quarters of 2014.

"In the first three quarters of the year we came close to doubling our net profit for the period compared to the same period last year", says Lenzing CEO Stefan Doboczky. "This very good performance was a result of positive exchange rate effects, increasing fiber price and the improved cost structure of the Lenzing Group. We continue to progress well in our profit improvement measures and currently benefit from the somewhat more positive business environment."

Ongoing strong demand for Lenzing fibers

Despite higher market prices, demand for Lenzing fibers remained strong across all regions and all product groups. The fiber and pulp production capacities of the Lenzing Group were operating at high utilization rates in the first nine months of 2015.

Reorganization of the technical services completed

After the successful disposal of three business units of Segment Lenzing Technik in mid-2015 Lenzing decided to initiate the sales process of the unit Lenzing Technik Fertigung, thus finally concluding the reorganization of the technical services units.

Outlook

The fiber processing companies face increasing difficulties to pass on the higher material costs in the cellulosic fiber value chain. To some extent, this could lead to the substitution of cellulosic fibers, especially by polyester in low-end applications over the medium term. In China some of the first previously closed down viscose fiber production capacities are starting operation once again.

The Lenzing Group expects fourth quarter 2015 earnings to show a similar development as in the third quarter of the year. Positive currency effects, higher fiber selling prices and a good cost position in the light of ongoing strong demand for Lenzing products will enable a significant earnings improvement for the year 2015 compared to the previous year.

Key Group indicators
(IFRS)

In EUR mn	1-9/2015	1-9/2014
Revenue	1,458.9	1,357.7
EBITDA (earnings before interest, taxes, depreciation and amortization)	210.6	159.8
EBITDA margin in %	14.4	11.8
EBIT (earnings before interest and taxes)	112.0	69.5
EBIT margin in %	7.7	5.1
Net profit for the period	84.4	44.3

CAPEX(1)

44.3

84.8

	Sept. 30, 2015	Dec. 31, 2014
Adjusted equity ratio(2)in %	48.4	44.9
Number of employees at period-end	6,130	6,356

1) Capital expenditures: Investments in intangible assets, property, plant and equipment

2) Ratio of adjusted equity to total assets as a percentage

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