

EANS-Adhoc: Lenzing AG / Lenzing Sells Business Unit Plastics

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Strategic management decisions/Company Information
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Consortium led by Invest AG is the new owner

As part of its efforts to further concentrate on its core business of manufacturing fibers, Lenzing AG agreed to sell 85% of its shareholding in the Business Unit Plastics (Lenzing Plastics GmbH) to an Austrian bidding consortium led by Invest AG, the investment company of the Raiffeisen Banking Group Upper Austria based in Linz. The valuation equals close to 8 EBITDA multiples of the 2012 financial year. This decision was preceded by a multi-stage bidding process in which the new owner proved to be the best bidder.

In the 2012 financial year Lenzing Plastics generated total sales of EUR 109.4 mn and an EBITDA of EUR 11.2 mn.

"For strategic reasons Lenzing aims to increasingly focus on its core fiber business, which currently already accounts for 90% of consolidated sales. With this change of ownership we will enable the excellent company Lenzing Plastics to grow further and optimally exploit business opportunities under a new and experienced industrial owner", says Lenzing's Chief Executive Officer Peter Untersperger in justifying the decision to dispose of the company. Moreover, the present consortium comprises a stable, Austrian solution featuring a responsible owner.

The fact that Lenzing will maintain an interest in Lenzing Plastics as a minority shareholder underlines its ongoing connection to the company, whose production operations have been located at the Lenzing site for decades. Lenzing Plastics will continue to make use of infrastructure services provided by Lenzing AG.

"We see outstanding future and development potential in this high-tech Upper Austrian company, and consider Lenzing AG to be an excellent partner to further develop the company", says Heinrich Schaller, Chief Executive Officer of Raiffeisenlandesbank Upper Austria.

Invest AG currently features a funding volume of EUR 150 mn consisting of about 25 participatory stakes in Austria and Southern Germany. It will support Lenzing Plastics with equity capital and contribute its experience in growth financing. The consortium, in which Invest AG holds a 30% stake, also includes OÖ Beteiligungsgesellschaft m.b.H. & Co OG (18%) and Tyrol Equity AG (30%). Johann Huber, the current Managing Director of Lenzing Plastics GmbH, and Christian Reisinger, who was previously a longstanding Member of the Management Board of Lenzing AG, also belong to the consortium (together 7%). "We are convinced that we will be able to accompany Lenzing Plastics jointly into a promising future thanks to our successful and experienced team", Heinrich Schaller adds.

The sale of Lenzing Plastics is subject to approval by the corporate bodies as well as anti-trust authorities. The closing of the transaction is expected at the end of the second or beginning of the third quarter of 2013.

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