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EANS-News: Lenzing AG / Lenzing Invests More Than EUR 100 Million in New Production Capacities for Specialty Fibers in Austria

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Company Information

- * Expansion of capacities for specialty fibers by 35,000 tons by mid 2018
- * About 70 mn Euro of investments in Heiligenkreuz and 30 mn Euro at the Lenzing site
- * Strategic importance of Heiligenkreuz as site for TENCEL® premium fibers underpinned

The Lenzing Group is expanding its capacities for specialty fibers. Particularly the importance of the manufacturing facility in Heiligenkreuz, Burgenland, is underpinned. Further investments will be made as well at the production site in Lenzing. "We will invest more than 100 million Euro over the next 20 months to expand production capacities for our high-quality botanic fibers, 70% at the Heiligenkreuz site and 30% at Lenzing", says Lenzing's CEO Stefan Doboczky. "Given the strong market demand this expansion will help our customers in their growth plans as well as expanding our global market leadership position for specialty fibers."

As part of its new group strategy sCore TEN, Lenzing set the target of increasing the share of specialty fibers as a proportion of its total revenue to 50% by the year 2020. Specialty fibers currently account for 41.7% of revenue. The planned capacity expansion of 35,000 tons of specialty fibers at the sites in Heiligenkreuz and Lenzing, as well as at the site in Grimsby, Great Britain, is the first step of the announced specialty fiber expansion program of Lenzing AG. Customers will be able to take advantage of some 10,000 tons of specialty fiber capacity already by the end of this year.

The major part of investments will be carried out in the years 2016 and 2017. The Lenzing Group will fully utilize its in house engineering competence, supported by local construction companies and suppliers for these projects. The investment in Heiligenkreuz will create 25 new jobs (full-time equivalents). Lenzing AG decided to start its investment program for specialty fibers at its existing sites in Austria and the UK as it allows fast capacity ramp up. The strategic role of the Heiligenkreuz site as a key location of new types of TENCEL® premium fibers developed by researchers and application engineers in Lenzing in cooperation with customers is strongly underpinned.

Further inquiry note:

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