

EANS-News: Lenzing contracts Wood to deliver world's largest lyocell plant

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Professional partner confirms start-up date of the project in Thailand

Company Information/Contracts

Bangkok - With the recently announced plans to establish a lyocell production facility in Thailand, the Lenzing Group is taking an important step in meeting the strong demand for lyocell fibers and is further strengthening the company's position as an industry leader in the specialty cellulosic fibers market. The proposed plant will be the largest lyocell plant in the world, with an annual capacity of 100,000 tons. The total investment volume for the first production line, including infrastructure and site development, amounts to approximately EUR 400 million. Up to four such lines can be potentially integrated and operated on the site. The project is of great importance to Lenzing as it is the first step in bringing lyocell production to Asia, featuring the largest markets, the most important customers and the most extensive growth potential in specialty fiber production.

Zwtl.: Industrial Park 304 in Prachinburi: the ideal site for this project

The project to build a plant in Prachinburi, Thailand was approved in June 2019. Industrial Park 304 in Prachinburi, located about 150 kilometers east of the Thai capital Bangkok, was selected due to its excellent overall infrastructure and the sustainable biogenic energy supply, which will help Lenzing to meet its ambitious CO2 targets. Above all, the excellent cooperation with the Thailand Board of Investment (BOI), the country's free trade agreements with China and easy access to ASEAN's growing middle class market were all decisive factors in selecting this site. The availability of local staff (for the planned workforce of close to 300 employees) with the required educational background to drive growth was also an important factor. The well-established operator of the industrial park, with whom Lenzing has already signed contracts for utility services, was also a reason for choosing Prachinburi.

Zwtl.: Wood - the ideal engineering partner

A further important step was the selection of a professional engineering partner for crucial tasks such as detailed engineering, purchasing and construction management and supervision, including quality, safety, cost and progress control. These services will be provided as part of an Engineering, Procurement and Construction Management (EPCM) contract.

With Wood, Lenzing has found the ideal partner for this - both companies signed an EPCM contract on the 15th of August 2019. Wood was selected on the basis of having the skills needed for a project of this size and an experienced team with a strong reputation for delivering in line with project stipulations. An important element for Lenzing is the start-up date of this project which was also confirmed by Wood. Following the plant completion in the third quarter of 2021, Lenzing expects to produce the first fibers at this site in the fourth quarter of the same year.

"Growing organically on a global scale requires a strong partner in designing and building up the production assets. I am convinced that we have found the right partner in Wood. During the kick-off meetings we could feel the energy of the integrated team and their eagerness to drive that project to a successful completion and start-up in the second half of 2021", says Heiko Arnold, CTO of the Lenzing Group.

Mike Collins, President of Capital Projects in Wood's Asset Solutions business across Europe, Africa, Asia & Australia, adds: "We are delighted to have been chosen by Lenzing to help deliver what will be the world's largest lyocell plant. Being selected to lead a project of this scale and complexity is testament to the outstanding technical capability we have in our Asia Pacific business, and our strong understanding of the local market environment in Thailand where we have been operating for over 50 years."

Photo download:

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