

# POLYTEC

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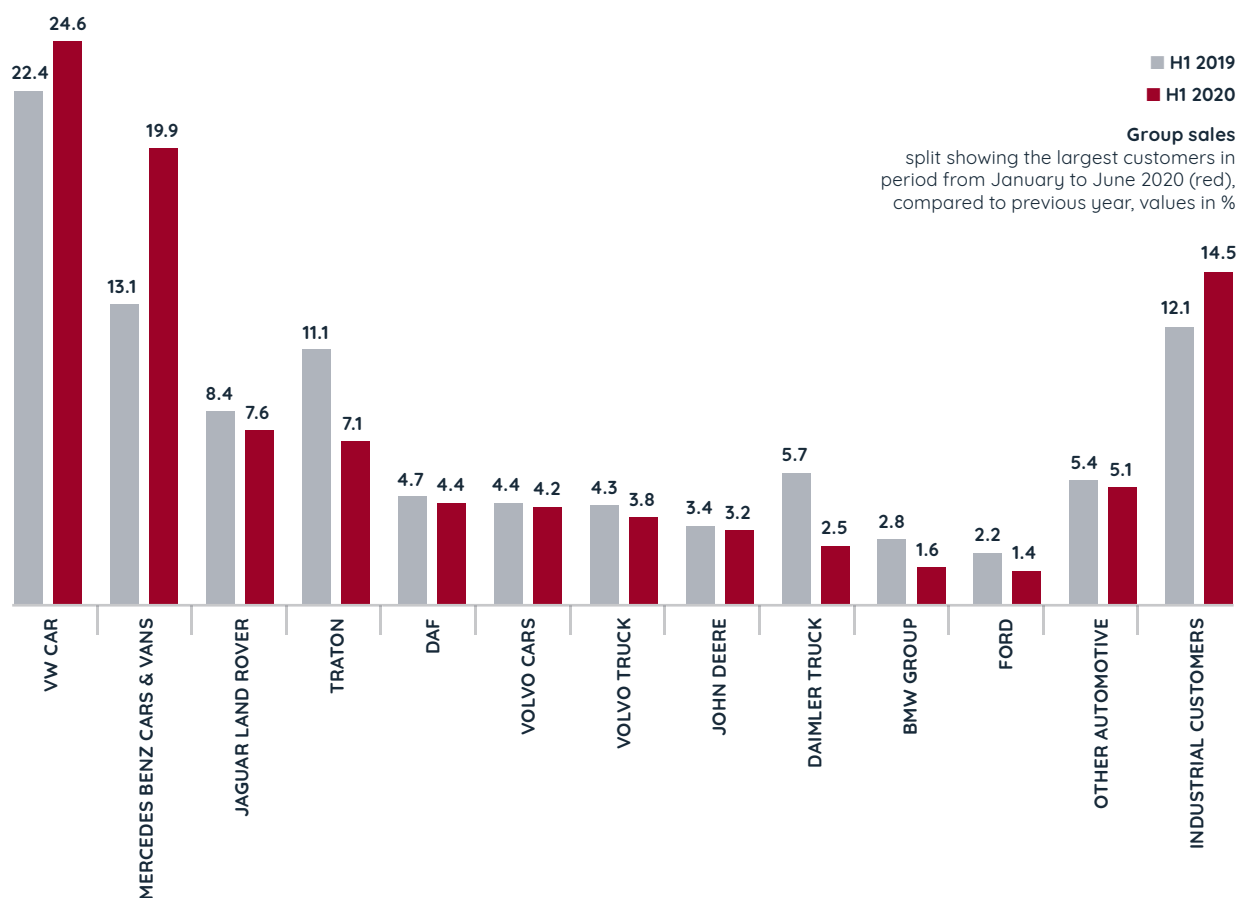
## KEY FIGURES

Key figures Q1	Unit	H1 2020	H1 2019	Change
Sales	EUR m	242.3	320.6	-24.4%
EBITDA	EUR m	10.7	33.2	-67.6%
EBITDA margin (EBITDA/sales)	%	4.4%	10.4%	-6.0%-pt.
EBIT	EUR m	-7.0	16.1	N/A
EBIT margin (EBIT/sales)	%	-2.9%	5.0%	-7.9%-pt.
Earnings after tax	EUR m	-8.9	10.4	N/A
Earnings per share	EUR	-0.42	0.46	N/A
Investments in fixed assets	EUR m	6.5	21.6	-69.8%
Equity ratio (equity/balance sheet total)	%	40.0%	39.7%	0.3%-pt.
Net working capital (NWC)	EUR m	120.9	113.4	6.6%
Average capital employed	EUR m	426.9	383.1	11.4%
Net debt (+)/assets (-)	EUR m	153.4	136.3	12.5%
Employees (incl. leasing personnel) end of period	FTE	3,870	4,269	-9.3%

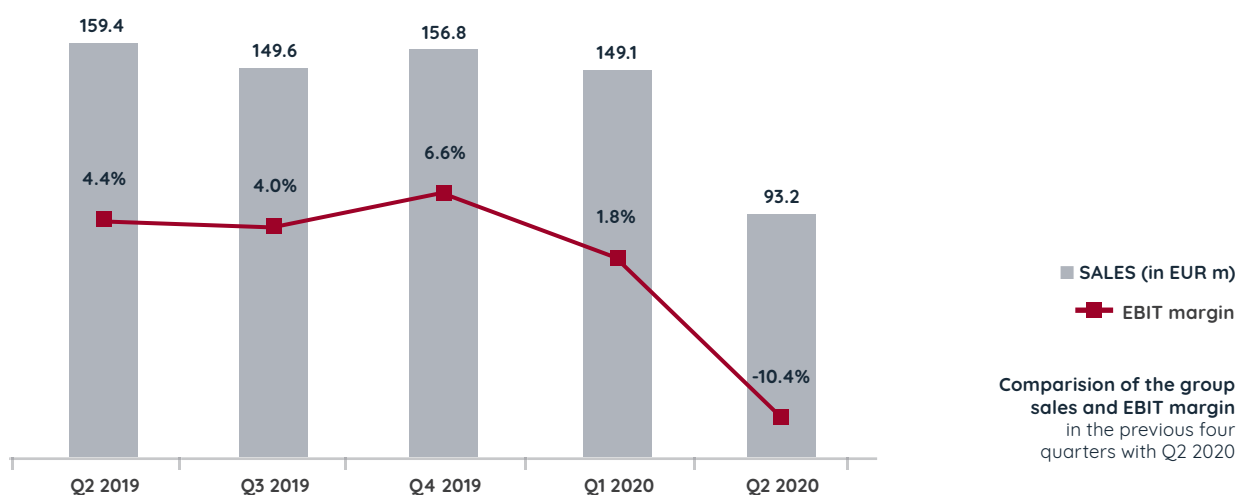
Key figures quarterly	Unit	Q2 2019	Q3 2019	Q4 2019	Q1 2020	Q2 2020
Sales	EUR m	159.4	149.6	156.8	149.1	93.2
EBITDA	EUR m	15.5	14.6	20.6	11.7	-1.0
EBITDA margin (EBITDA/sales)	%	9.7%	9.8%	13.1%	7.8%	-1.0%
EBIT	EUR m	7.0	6.1	10.4	2.7	-9.7
EBIT margin (EBIT/sales)	%	4.4%	4.0%	6.6%	1.8%	-10.4%
Earnings after tax	EUR m	4.4	3.7	9.0	1.5	-10.3
Earnings per share	EUR	0.19	0.16	0.40	0.06	-0.48
Investments in fixed assets	EUR m	13.4	6.6	20.0	5.8	0.7
Equity ratio (equity/balance sheet total)	%	39.7%	41.3%	41.7%	40.7%	40.0%
Net working capital (NWC)	EUR m	113.4	125.3	125.4	122.6	120.9
Capital employed	EUR m	401.5	432.6	436.1	425.8	417.7
Net debt (+)/assets (-)	EUR m	136.3	163.3	156.0	150.3	153.4
Employees (incl. leasing personnel) end of period	FTE	4,269	4,571	4,406	4,085	3,870

## GROUP SALES BY CUSTOMERS

compared to previous year



## SALES & EBIT MARGIN



# HALF YEAR FINANCIAL REPORT H1 2020

This interim report has not been subject to an audit or a review.

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# GROUP MANAGEMENT REPORT H1 2020

## AUTOMOTIVE INDUSTRY DEVELOPMENT

Since March 2020, the COVID-19 crisis has afflicted numerous areas of the economy, including the automotive industry. Accordingly, in spite of a slight easing of the situation in Europe since June, the second quarter of 2020 was massively affected by the consequences of the global economic slump.

The tables below show the numbers of new vehicle registrations during the period from January to June 2020 as compared to the figures from the previous year. The numbers of new car registrations by drive technology relate to the period from January to March 2020, respectively 2019:

### REGISTRATIONS OF NEW CARS IN THE MAJOR INTERNATIONAL MARKETS

In pieces	H1 2020	Share	H1 2019	Share	Change
China	7,717,000	40.1%	9,932,900	37.1%	-22.3%
USA	6,429,000	33.4%	8,412,900	31.4%	-23.6%
European Union (EU+EFTA+UK)	5,101,700	26.5%	8,427,600	31.5%	-39.5%
<b>Total three major markets</b>	<b>19,247,700</b>	<b>100%</b>	<b>26,773,400</b>	<b>100%</b>	<b>-28.10%</b>
Other selected countries					
Japan	1,826,000		2,285,700		-20.1%
Brazil	765,200		1,251,800		-38.9%
Russia	636,000		828,800		-23.3%

### REGISTRATIONS OF NEW CARS IN THE EUROPEAN UNION (EU+EFTA+UK)

In pieces	H1 2020	Share	H1 2019	Share	Change
Germany	1,210,600	23.7%	1,849,000	21.9%	-34.5%
France	715,800	14.0%	1,166,400	13.8%	-38.6%
United Kingdom	653,500	12.8%	1,269,200	15.1%	-48.5%
Italy	584,000	11.5%	1,083,200	12.9%	-46.1%
Spain	339,800	6.7%	692,400	8.2%	-50.9%
Other selected countries	1,598,000	31.3%	2,367,400	28.1%	-32.5%
<b>EUROPEAN UNION (EU+EFTA+UK)</b>	<b>5,101,700</b>	<b>100%</b>	<b>8,427,600</b>	<b>100%</b>	<b>-39.5%</b>

### REGISTRATIONS OF NEW CARS IN THE EUROPEAN UNION - BY DRIVE TECHNOLOGY

In pieces	Q1 2020	Share	Q1 2019	Share	Change
Petrol-driven cars	1,617,000	53.1%	2,413,600	58.6%	-33.0%
Diesel-driven cars	847,400	27.9%	1,310,000	31.8%	-35.3%
Electric chargeable vehicles (ECV)	228,200	7.5%	125,600	3.1%	81.7%
Hybrid electric vehicles (HEV)	310,300	10.2%	208,300	5.1%	49.0%
Alternatively-powered vehicles (APV)	39,800	1.3%	56,900	1.4%	-30.1%
<b>EUROPEAN UNION (EU+EFTA+UK)</b>	<b>3,042,700</b>	<b>100%</b>	<b>4,114,400</b>	<b>100%</b>	<b>-26.0%</b>

## REGISTRATIONS OF NEW COMMERCIAL VEHICLES IN THE EUROPEAN UNION (EU+EFTA+UK)

In pieces	H1 2020	Share	H1 2019	Share	Change
Light commercial vehicles <=3.5 t	758,200	83.3%	1,144,500	81.4%	-33.8%
Medium commercial vehicles >3.5 t to <=16 t	29,000	3.2%	43,900	3.1%	-33.9%
Heavy commercial vehicles >16 t	107,600	11.8%	194,600	13.8%	-44.7%
Medium and heavy buses & coaches >3.5 t	15,500	1.7%	23,900	1.7%	-35.2%
<b>EUROPEAN UNION (EU+EFTA+UK)</b>	<b>910,300</b>	<b>100%</b>	<b>1,406,900</b>	<b>100%</b>	<b>-35.3%</b>

Sources: German Automotive Industry Association (VDA), European Automobile Manufacturers Association (ACEA)

## GROUP RESULTS

### SALES

In the first half of 2020, the POLYTEC GROUP was subject to the negative economic developments that emanated from the COVID-19 pandemic. Moreover, owing to the fact that major customers introduced a halt to production at their plants at the end of March, POLYTEC was also forced to cease production at numerous locations. During April in particular, this resulted in huge sales revenue losses and in May, the slow resumption of plant output also bur-

dened sales activity. In June sales recovered slightly, but overall the lockdown and its repercussions impacted the second quarter of 2020 to a massive extent.

As compared to the same period of the preceding year, consolidated POLYTEC GROUP sales in the first half of 2020 fell by 24.4% to stand at EUR 242.3 million (H1 2019: EUR 320.6 million).

### SALES BY MARKET AREA

In EUR m	Q2 2020	Share	Q2 2019	H1 2020	Share	H1 2019
Passenger Cars & Light Commercial Vehicles	52.2	56.0%	94.6	155.7	64.2%	187.1
Commercial Vehicles	21.8	23.4%	42.8	51.5	21.3%	94.8
Smart Plastic & Industrial Applications	19.2	20.6%	22.0	35.1	14.5%	38.7
<b>POLYTEC GROUP</b>	<b>93.2</b>	<b>100%</b>	<b>159.4</b>	<b>242.3</b>	<b>100%</b>	<b>320.6</b>

Due in particular to the COVID-19 crisis, a marked decline in sales was evident in all three market areas.

In the passenger cars and light commercial vehicles market area, which with a 64.2% (H1 2019: 58.4%) share of total sales represents the strongest area within the POLYTEC GROUP, sales in the first half of 2020 fell sharply and as compared to the identical period of the previous year were 16.8% lower at EUR 155.7 million (H1 2019: EUR 187.1 million).

When compared to the first half of 2019, the share of sales in the commercial vehicles market area (21.3%; H1 2019: 29.5%) showed a marked fall of 45.7% from EUR 94.8 million to EUR 51.5 million. The sales of parts for trucks and other commercial vehicles had already declined considerably in the first three months of 2020 and the Turkish truck market collapsed almost completely, necessitating

the first quarter closure of the local POLYTEC plant. Moreover, owing to the far more important downturn in the global economy during the second quarter, the level of call-offs dropped even further. Therefore, in order to adjust production capacity to market demand, the POLYTEC GROUP management has initiated the shutdown of additional plants, which will be implemented in the course of the current financial year.

In the first half of 2020, the smart plastic and industrial applications market area accounted for a 14.5% (H1 2019: 12.1%) share of POLYTEC GROUP consolidated sales. Despite the sales revenues from the production of logistics boxes for the foods industry, which were also generated during the months affected by COVID-19, in the first six months of 2020 non-automotive products showed a fall of 9.3%.

## SALES BY CATEGORY

In EUR m	Q2 2020	Share	Q2 2019	H1 2020	Share	H1 2019
Parts and other sales	73.6	79.0%	143.9	212.5	87.7%	292.2
Tooling and other engineering sales	19.6	21.0%	15.5	29.8	12.3%	28.4
<b>POLYTEC GROUP</b>	<b>93.2</b>	<b>100%</b>	<b>159.4</b>	<b>242.3</b>	<b>100%</b>	<b>320.6</b>

As opposed to the same period of the previous year, sales in the serial production area showed a marked fall of 27.3% to EUR 212.5 million. In the first half of 2020,

tooling and other engineering sales, which are subject to cyclical fluctuations, demonstrated a slight recovery of 4.9%, or EUR 29.8 million.

## SALES BY REGION

In EUR m	Q2 2020	Share	Q2 2019	H1 2020	Share	H1 2019
Austria	18.9	20.3%	6.7	30.0	12.4%	13.9
Germany	44.9	48.2%	88.8	117.6	48.5%	177.4
Other EU countries	18.6	20.0%	37.9	59.0	24.3%	79.4
United Kingdom	6.2	6.6%	16.2	22.5	9.3%	29.8
Other countries	4.6	4.9%	9.8	13.3	5.5%	20.1
<b>POLYTEC GROUP</b>	<b>93.2</b>	<b>100%</b>	<b>159.4</b>	<b>242.3</b>	<b>100%</b>	<b>320.6</b>

## GROUP EARNINGS FIGURES

	Unit	Q2 2020	Q2 2019	H1 2020	H1 2019
Sales	EUR m	93.2	159.4	242.3	320.6
EBITDA	EUR m	-1.0	15.5	10.7	33.2
EBITDA margin (EBITDA/sales)	%	-1.0%	9.7%	4.4%	10.4%
EBIT	EUR m	-9.7	7.0	-7.0	16.1
EBIT margin (EBIT/sales)	%	-10.4%	4.4%	-2.9%	5.0%
Earnings after tax	EUR m	-10.3	4.4	-8.9	10.4
Average capital employed	EUR m	426.9	383.1	426.9	383.1
Earnings per share	EUR	-0.48	0.19	-0.42	0.46

## MATERIAL AND PERSONNEL EXPENSES

Due especially to the sharp decline in sales revenues, in the first half of 2020 the POLYTEC GROUP's material costs fell by 19.6%, or EUR 30.0 million, to EUR 123.5 million. In spite of lower prices, owing to the altered product mix and lower serial sales revenues, the material ratio rose by 3.3 percentage points to 50.4%. Group personnel costs in the first six months of 2020 totalled EUR 90.1 million and were thus

EUR 20.2 million, or 18.3%, below the level of the same period of the previous year. Despite capacity adjustments, leave reduction measures and the effects emanating from the use of short-time working regulations, due largely to the personnel cost carryover and falling sales, the group personnel ratio increased by 2.9 percentage points to 37.0% (H1 2019: 34.1%).

## EBITDA AND EBIT

In the first six months of 2020, POLYTEC GROUP EBITDA was reduced to EUR 10.7 million (H1 2019: EUR 33.2 million), primarily as a result of COVID-19-related falls in demand. Other operational earnings in the first half of 2020 were doubled to EUR 3.5 million, due amongst other factors to the sale of closed plant facilities. As compared to the

same period of the previous year, the EBITDA margin declined by six percentage points from 10.4% to 4.4%. Depreciation was at the previous year's level. Group EBIT in the months from January to June totalled minus EUR 7.0 million (H1 2019: EUR 16.1 million), which corresponded with an EBIT margin of minus 2.9% (H1 2019: 5.0%).

## FINANCIAL AND GROUP RESULT

The financial result for the first six months of 2020 amounted to minus EUR 1.7 million (H1 2019: minus EUR 2.1 million). The POLYTEC GROUP tax ratio in the period from January

to June 2020 stood at minus 1.6% (H1 2019: 25.6%). The group net profit amounted to minus EUR 8.9 million (H1 2019: EUR 10.4 million), which corresponded with earnings per share of minus EUR 0.42 (H1 2019: EUR 0.46).

## ASSETS AND FINANCIAL STATUS

### INVESTMENTS

In EUR m	Q2 2020	Q2 2019	H1 2020	H1 2019
Investments in fixed assets	0,7	13.4	6.5	21.6

During the first half of 2020 and in the wake of the lockdown, especially in the second quarter, investment activity was restricted to a few important measures. Therefore,

additions to fixed assets in the first six months of 2020 totalled EUR 6.5 million (H1 2019: EUR 21.6 million).

### GROUP KEY BALANCE SHEET AND FINANCIAL FIGURES

	Unit	30.06.2020	31.12.2019	Change
Equity	EUR m	238.3	252.6	-5.7%
Equity ratio (equity/balance sheet total)	%	40.0%	41.7%	-1.7%-pt.
Balance sheet total	EUR m	595.4	605.6	-1.7%
Net working capital <sup>1)</sup>	EUR m	120.9	125.4	-3.6%
Net working capital/sales	%	22.0%	20.0%	2.0%-pt.

<sup>1)</sup> Net working capital = current assets less current liabilities

As compared to 31 December 2019, on 30 June 2020 the group's balance sheet total fell slightly by EUR 10.2 million to stand at EUR 595.4 million.

The finances of POLYTEC Holding AG would permit the payment of a dividend at any time. Nevertheless, on 8 July 2020, the Board of Directors decided not to distrib-

ute a dividend. As compared to the reporting date of 31 December 2019, the equity ratio remained at a healthy level of 40.0%.

Active working capital management showed positive results, for as opposed to the reporting date of 31 December 2019, net working capital were EUR 4.5 million lower.

	Unit	30.06.2020	31.12.2019	Change
Net debt (+)/assets (-)	EUR m	153.4	156.0	-1.7%
Net debt (+)/assets (-)/EBITDA	-	3.44	2.28	50.9%
Gearing (net debt (+)/assets (-)/equity)	-	0.64	0.62	3.2%

As compared to the 31 December 2019 reporting date, net debt fell by EUR 2.6 million to EUR 153.4 million. The key figure for fictive debt repayment duration rose from 2.28 to 3.44. The gearing ratio was slightly higher at 0.64 and thus remained at the 2019 year-end level.

Apart from steering production, since the March of this year preservation of financial liquidity has been the most

important objective of the POLYTEC management. By means of proactive cash flow management, payment flows could be flexibly adjusted and optimised to both internal and external demands at any time. As at 30 June 2020, the POLYTEC GROUP disposed over liquid assets totalling EUR 66.1 million and had a robust equity ratio of 40.0%.



## EMPLOYEES

Employees (incl. leasing personnel) in terms of full-time equivalents (FTE)	End of period		Change	Average period		Change
	30.06.2020	30.06.2019		H1 2020	H1 2019	
Austria	503	549	-46	520	547	-27
Germany	1,988	2,013	-25	2,076	2,038	38
Other EU countries + UK	1,315	1,512	-197	1,373	1,510	-137
Other countries	64	195	-131	99	193	-94
<b>POLYTEC GROUP</b>	<b>3,870</b>	<b>4,269</b>	<b>-399</b>	<b>4,068</b>	<b>4,288</b>	<b>-220</b>

In terms of a comparison with the same quarter of the preceding year, average group workforce numbers (including leasing personnel) fell by 220 (FTE) to 4,068, which represented a reduction of 5.1%. On average, the leasing personnel percentage amounted to 4.5% (H1 2019: 9.0%). On the reporting date of 30 June 2020, POLYTEC had a total of 3,870 employees. Therefore, in spite of a company

acquisition in September 2019, measures aimed at the streamlining of production structures meant that as opposed to 30 June 2019, (4,269 employees), workforce numbers were down by 399, or 9.3%. By the end of the period, the percentage of leasing personnel had been cut from 9.7% to 2.8%, or from 415 to 110 employees. Short-time working is not included in the aforementioned statistics.

## RISKS AND UNCERTAINTIES

From March 2020 onwards, a large number of economic sectors were hit by the COVID-19 crisis and despite a marginal improvement in Europe's situation since June, the fallout from the downturn in the global economy had a monumental impact upon the second quarter of 2020.

As a result of the countermeasures to the crisis initiated by national governments with the aim of protecting the health of their citizens, the lockdowns in many nations resulted in negative economic consequences on a huge scale and hence rising unemployment.

Following notable falls in new passenger car registrations in all the major, international automotive markets in the first quarter of 2020, this trend continued in April and May. In addition, there was an even bigger slump in commercial vehicle markets.

Prior to the begin of the corona crisis, automotive branch experts already forecast that that the numbers of cars manufactured worldwide in 2020 and subsequent years would be below those of 2019. Therefore, against the background of current developments, it can be assumed that the anticipated fall in production and sales figures will be even steeper than predicted.

The Association of German Automobile Manufacturers (VDA) expects that overall sales of passenger cars in Germany and the rest of Europe during 2020 will be down by roughly a quarter. Moreover, that the crisis will hit the commercial vehicle markets even harder. The VDA predicts that the global market for vehicles of over 6 t could decline by as much as 24 per cent. A fall of 40 per cent has

been calculated for the US market, while in Western Europe an unprecedented drop of 35 per cent is forecast.

Although the COVID-19 crisis has pushed the departure of the United Kingdom from the European Union into the medial background, Brexit remains a serious issue for both the national and European automotive industry. This is because a lack of legal certainty and unresolved trading agreements could lead to falling sales and production figures in Europe's second largest car market.

In view of these developments, manufacturers and their suppliers are facing massive economic challenges. Therefore, company decision makers will have to keep an even sharper eye on costs and production structures and capacities must be matched to the change in the business environment.

In order to improve capacity utilisation and raise production efficiency, the POLYTEC management began to match output levels to demand at an early stage. As a consequence, two works were already closed in 2019 and in the first quarter of this year these were followed by another plant in the commercial vehicles market segment. In addition, owing to the even more significant downturn in the global economy during the second quarter, the number of call-offs for truck and commercial vehicle parts declined still further. Consequently, in order to adjust production capacity to the market trend, the POLYTEC GROUP management has commenced the shutdown of additional plants, which will be implemented in the course of the current financial year.

In March 2020, the POLYTEC GROUP management responded immediately to the circumstances triggered by the corona crisis. Accordingly, the measures prescribed by the national authorities for the protection of the workforce and the general public were implemented in timely and rigorous fashion.

At the end of March, important POLYTEC customers in the automotive industry closed both European and international plants. As a reaction, in consultation with the customers, POLYTEC also cut back its own production and at the affected locations introduced requirement-oriented, short-time working.

In addition to plant production planning and steerage, the preservation of liquidity represents the management's primary objective. As a result of proactive cash flow management, payment flows could be adapted flexibly and optimised to match both internal and external demands

at any time. As at 30 June 2020, the POLYTEC GROUP disposed over liquid assets totalling EUR 66.1 million and had a solid equity ratio of 40.0%. Moreover, in order to maintain liquidity, the offers of support from individual national governments, which include the assumption of a share of liabilities and the deferment of tax prepayments, have been utilised on a selective basis.

At present, it is impossible to offer a comprehensive assessment of whether in future the aforementioned and any other additional risks will exert an influence upon the POLYTEC GROUP's sales revenue and income development. However, the management continues to monitor events extremely closely.

With regard to risk reporting we would refer you to the 2019 Annual Report and hence the information contained under the items 3 and 4 in the Group Management Report and item G.2 in the Group Notes.

## **MATERIAL TRANSACTIONS WITH RELATED PARTIES AND COMPANIES**

POLYTEC Holding AG employs the consulting services of IMC Verwaltungsgesellschaft mbH, Hörsching, in exchange for an annual, flat rate fee of EUR 260 k to be paid pro rata on a retroactive, quarterly basis. Otherwise, as compared to 31 December 2019, there were no material

changes regarding business transactions with related parties and companies, and therefore in this regard reference should be made to the notes contained in the consolidated financial statements of POLYTEC Holding AG as at 31 December 2019.

## **MATERIAL EVENTS AFTER THE REPORTING PERIOD**

No events of material significance occurred after 30 June 2020.

## **OUTLOOK**

In view of the gradual improvement in the business trend since June 2020, as far as the course of the second half of the year is concerned, the POLYTEC GROUP management is cautiously optimistic and on the basis of the currently communicated call-offs, anticipates sales revenues of around EUR 520 million. Nonetheless, owing to the COVID-19 pandemic the business environment continues to be characterised by uncertainties and customer behaviour with respect to call-offs remains extremely un-

predictable. Therefore, apart from the fulfilment of call-off expectations, the operating result is largely dependent upon the effects of further capacity adjustments, the success of important negotiations with customers, developments in the UK and the actual implementation of governmental instruments for the amelioration of the COVID-19 crisis. Consequently, a reliable outlook with regard to results remains impossible.

# INTERIM CONSOLIDATED FINANCIAL STATEMENT ACCORDING TO IAS 34

This interim report has not been subject to an audit or a review.

## CONSOLIDATED INCOME STATEMENT

for the period from 1 January to 30 June 2020 and the period from 1 April to 30 June 2020  
compared to the figures from the previous year

In EUR k	H1		Q2	
	01.01. - 30.06.		01.04. - 30.06.	
	2020	2019	2020	2019
Sales	242,339	320,622	93,219	159,356
Other operating income	3,454	1,562	2,644	788
Changes in inventory	1,340	2,400	1,009	-183
Other own work capitalised	469	346	14	328
Expenses for materials and services received	-123,480	-153,488	-52,910	-76,962
Personnel expenses	-90,081	-110,266	-34,850	-54,761
Other operating expenses	-23,303	-27,984	-10,075	-13,100
<b>Earnings before interest, taxes and depreciation (EBITDA)</b>	<b>10,738</b>	<b>33,192</b>	<b>-950</b>	<b>15,467</b>
Depreciation	-17,769	-17,058	-8,756	-8,466
<b>Earnings before interest and taxes = operating result (EBIT)</b>	<b>-7,029</b>	<b>16,134</b>	<b>-9,706</b>	<b>7,001</b>
Interest result	-1,656	-2,038	-864	-1,072
Other financial income	-54	-66	-85	-172
<b>Financial result</b>	<b>-1,710</b>	<b>-2,104</b>	<b>-949</b>	<b>-1,244</b>
<b>Earnings before tax</b>	<b>-8,739</b>	<b>14,030</b>	<b>-10,655</b>	<b>5,757</b>
Taxes on income	-143	-3,587	319	-1,397
<b>Earnings after tax</b>	<b>-8,883</b>	<b>10,443</b>	<b>-10,336</b>	<b>4,360</b>
thereof result of non-controlling interests	-381	-309	-184	-79
<b>thereof result of the parent company</b>	<b>-9,264</b>	<b>10,134</b>	<b>-10,520</b>	<b>4,282</b>
Earnings per share in EUR	-0.42	0.46	-0.48	0.19

## CONSOLIDATED BALANCE SHEET AS AT 30 JUNE 2020

with comparative figures from the last balance sheet as at 31.12.2019

### ASSETS

In EUR k	30.06.2020	31.12.2019
<b>A. Non-current assets</b>		
I. Intangible assets	3,860	4,776
II. Goodwill	19,180	19,180
III. Tangible assets	263,741	276,789
IV. Other non-current assets	126	126
V. Deferred tax assets	10,158	7,245
	<b>297,066</b>	<b>308,117</b>
<b>B. Current assets</b>		
I. Inventories	38,503	40,875
II. Trade accounts receivable	57,726	53,413
III. Contract assets	91,126	104,774
IV. Other current receivables	33,405	31,399
V. Income tax receivables	1,422	1,433
VI. Cash and cash equivalents	66,145	55,609
	<b>288,327</b>	<b>287,504</b>
VII. Assets held for sale	9,980	9,980
	<b>298,307</b>	<b>297,484</b>
	<b>595,373</b>	<b>605,601</b>

### EQUITY AND LIABILITIES

In EUR k	30.06.2020	31.12.2019
<b>A. Shareholder's equity</b>		
I. Share capital	22,330	22,330
II. Capital reserves	37,563	37,563
III. Treasury stock	-1,855	-1,855
IV. Retained earnings	188,509	197,772
V. Other reserves	-16,475	-11,286
	<b>230,073</b>	<b>244,525</b>
VI. Non-controlling interests	8,191	8,060
	<b>238,265</b>	<b>252,585</b>
<b>B. Non-current liabilities</b>		
I. Non-current, interest-bearing liabilities	200,210	194,145
II. Provision for deferred taxes	5,983	4,275
III. Provisions for employees	30,362	30,616
IV. Other long-term provisions	1,410	1,753
	<b>237,965</b>	<b>230,788</b>
<b>C. Current liabilities</b>		
I. Current interest-bearing liabilities	19,290	17,454
II. Liabilities on income taxes	2,990	2,155
III. Trade accounts payable	31,126	52,908
IV. Liabilities from contracts with customers	6,872	2,889
V. Other current liabilities	37,404	29,760
VI. Current provisions	21,461	17,061
	<b>119,143</b>	<b>122,228</b>
	<b>595,373</b>	<b>605,601</b>

## CONSOLIDATED CASH FLOW STATEMENT

For the period from 1 January to 30 June 2020 compared to the figures from the previous year

In EUR k	01.01. - 30.06.	
	2020	2019
<b>Earnings before tax</b>	-8,739	14,030
+(-) Depreciation on fixed assets	17,769	17,058
-(+ ) Interest result	1,740	2,038
+(-) Other non-cash expenses and income	-749	-59
+(-) Increase (decrease) in non-current provisions for employees	-432	239
-(+ ) Profit (loss) from fixed asset disposals	-1,791	-117
-(+ ) Increase (decrease) in inventories	1,736	832
-(+ ) Increase (decrease) in trade and other receivables and contractual revenues	6,443	-22,201
+(-) Increase (decrease) in trade and other payables and contractual liabilities	-9,735	6,445
+(-) Increase (decrease) in current provisions	4,068	-3,080
<b>= Consolidated cash flow from current activities</b>	<b>10,310</b>	<b>15,186</b>
+ Interest received	82	40
- Interest paid	-1,393	-1,024
- Taxes paid	-568	-3,355
<b>= Consolidated cash flow from operating activities</b>	<b>8,431</b>	<b>10,848</b>
- Investments in fixed assets	-6,517	-21,562
- Acquisition of a subsidiary minus cash acquired	-13	0
+ Payments from the disposal of intangible and tangible assets	7,615	1,177
<b>= Consolidated cash flow from investing activities</b>	<b>1,085</b>	<b>-20,385</b>
+ Inflows from promissory note loans	0	28,500
- Repayments of loan financing	-3,803	-2,635
+(-) Changes of right-of-use-assets according to IFRS 16	-3,388	0 <sup>1)</sup>
+(-) Repayments of real estate loans	-1,618	-892
- Outflows from financial leasing agreements	-909	-2,683
+ Equity financing	11,000	1,042
- Third party dividends	-250	-8,823
+(-) Other equity changes	250	0
<b>= Consolidated cash flow from financing activities</b>	<b>1,282</b>	<b>14,509</b>
+(-) Consolidated cash flow from operating activities	8,431	10,848
+(-) Consolidated cash flow from investing activities	1,085	-20,385
+(-) Consolidated cash flow from financing activities	1,282	14,509
<b>= Change in cash and cash equivalents</b>	<b>10,798</b>	<b>4,972</b>
+(-) Effect from currency translations	-262	16
+ Opening balance of cash and cash equivalents	55,609	73,572
<b>= Closing balance of cash and cash equivalents</b>	<b>66,145</b>	<b>78,560</b>

<sup>1)</sup> To enhance the readability of the cashflow statement in this interim report the changes of right-of-use-assets according to IFRS 16 are shown in a separate item. The comparative figures of prior year were not adjusted in this matter.

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

In EUR k	Share capital	Capital reserves	Treasury stock	Retained earnings	Other reserves	Shares of POLYTEC Holding AG stockholders	Non controlling interests	Total
<b>As at 01.01.2020</b>	<b>22,330</b>	<b>37,563</b>	<b>-1,855</b>	<b>197,772</b>	<b>-11,289</b>	<b>244,523</b>	<b>8,060</b>	<b>252,584</b>
Comprehensive income after tax	0	0	0	-9,264	0	-9,264	381	-8,883
Other result after tax	0	0	0	0	-5,186	-5,186	0	-5,186
Dividend	0	0	0	0	0	0	-250	-250
<b>As at 30.06.2020</b>	<b>22,330</b>	<b>37,563</b>	<b>-1,855</b>	<b>188,509</b>	<b>-16,475</b>	<b>230,073</b>	<b>8,191</b>	<b>238,265</b>

In EUR k	Share capital	Capital reserves	Treasury stock	Retained earnings	Other reserves	Shares of POLYTEC Holding AG stockholders	Non controlling interests	Total
<b>As at 01.01.2019</b>	<b>22,330</b>	<b>37,563</b>	<b>-1,855</b>	<b>184,204</b>	<b>-11,600</b>	<b>230,643</b>	<b>7,363</b>	<b>238,006</b>
Comprehensive income after tax	0	0	0	10,134	0	10,134	309	10,443
Other result after tax	0	0	0	0	-124	-124	0	-124
Dividend	0	0	0	-8,798	0	-8,798	-25	-8,823
<b>As at 30.06.2019</b>	<b>22,330</b>	<b>37,563</b>	<b>-1,855</b>	<b>185,540</b>	<b>-11,724</b>	<b>231,855</b>	<b>7,647</b>	<b>239,502</b>

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

01.01. - 30.06.2020 In EUR k	Group	Non controlling interests	Total
Earnings after tax	-9,264	381	-8,883
Currency translations	-5,187	0	-5,187
<b>Total result</b>	<b>-14,450</b>	<b>381</b>	<b>-14,069</b>

01.01. - 30.06.2019 In EUR k	Group	Non controlling interests	Total
Earnings after tax	10,134	309	10,443
Currency translations	-124	0	-124
<b>Total result</b>	<b>10,010</b>	<b>309</b>	<b>10,319</b>

## SELECTED NOTES

### GENERAL INFORMATION

POLYTEC Holding AG (listed in the commercial register of the City of Linz under the number FN 197646 g) is an Aus-

trian holding company, which together with its group subsidiaries operates mainly in the automotive and plastics industries.

### ACCOUNTING AND VALUATION METHODS

The interim report as at 30 June 2020 was prepared in accordance with the provisions of the International Financial Reporting Standards (IFRS) and in particular IAS 34 (Interim Financial Reporting).

Owing to the negative developments across the global economy in connection with the COVID-19 pandemic, the

POLYTEC GROUP reappraised its accounting and valuation methodology and examined the value of the goodwill and intangible assets reported as at 30 June 2020. For this reason, impairment tests were carried out and the planning assumptions and parameters employed on the 31 December 2019 closing date subjected to questioning. This process followed the professional advice issued in April 2020 by the Working Group on Business Valuation of

the Austrian Chamber of Public Accountants and Tax Advisers regarding the impact of the spread of the coronavirus (COVID-19). The increase in planning uncertainty was countered by the extrapolation of anticipated figures, which were allocated weighted occurrence probabilities. Thereby, the POLYTEC GROUP analysed three scenarios for all cash-generating units (high-case, base-case and low-case). As expected, owing to the adapted calculations, as compared to 31 December 2019, the surplus amounts were lower. Nonetheless, all the cash-generating units, including those to which goodwill is allocated, con-

tinued to demonstrate solid surplus cover. For this reason, an impairment requirement was neither identified for the reported goodwill, nor the intangible assets.

The remaining accounting and valuation methods from 31 December 2019 were retained. The interim report does not contain all the information and statements issued in the POLYTEC Holding AG consolidated financial statements as at 31 December 2019 and therefore these should be referred to for further details.

#### **SCOPE OF CONSOLIDATION**

The consolidated financial statement includes all major Austrian and foreign companies in which POLYTEC Holding AG directly or indirectly holds a majority of voting rights. POLYTEC Engineering GmbH, which has its seat in Lohne,

Germany, was added to the POLYTEC GROUP's scope of consolidation in the first half of 2020. The POLYTEC GROUP's scope of consolidation now includes 47 fully consolidated companies (previous year: 46) of which 36 (previous year: 35) are foreign entities.

#### **EQUITY**

On 8 July 2020, the Board of Directors of POLYTEC Holding AG decided to alter its dividend proposal to the Supervisory Board and the Annual General Meeting for the 2019 financial year and not distribute a dividend. Originally, a proposed dividend of EUR 0.25 per share was communicated, but the possible effects of a potential re-intensification of the COVID-19 pandemic upon POLYTEC Holding AG and

its subsidiaries are at present difficult to assess. In addition, the Board of Directors wishes to retain the option of receiving government grants. Therefore, although the financial situation of POLYTEC Holding AG would permit a dividend payment at any time, the Board of Directors nevertheless decided to refrain from distributing a dividend. The 20th Ordinary Annual General Meeting of POLYTEC Holding AG will take place at the company seat on 7 August 2020.

#### **MATERIAL TRANSACTIONS WITH RELATED PARTIES AND COMPANIES**

POLYTEC Holding AG employs the consulting services of IMC Verwaltungsgesellschaft mbH, Hörsching, in exchange for an annual, flat rate fee of EUR 260 k to be paid pro rata on a retroactive, quarterly basis. Otherwise, as compared

to 31 December 2019, there were no material changes regarding business transactions with related parties and companies, and therefore in this regard reference should be made to the notes contained in the consolidated financial statements of POLYTEC Holding AG as at 31 December 2019.

#### **BUSINESS SEASONALITY**

The quarterly reporting of total POLYTEC GROUP sales revenues for a complete financial year correlates largely with the car manufacturing operations of the group's main customers. For this reason, quarters in which cus-

tomers normally close plants for holidays generally produce lower sales revenues than quarters without such effects. In addition, sales from one quarter can also be influenced by the billing of large tooling or engineering projects.

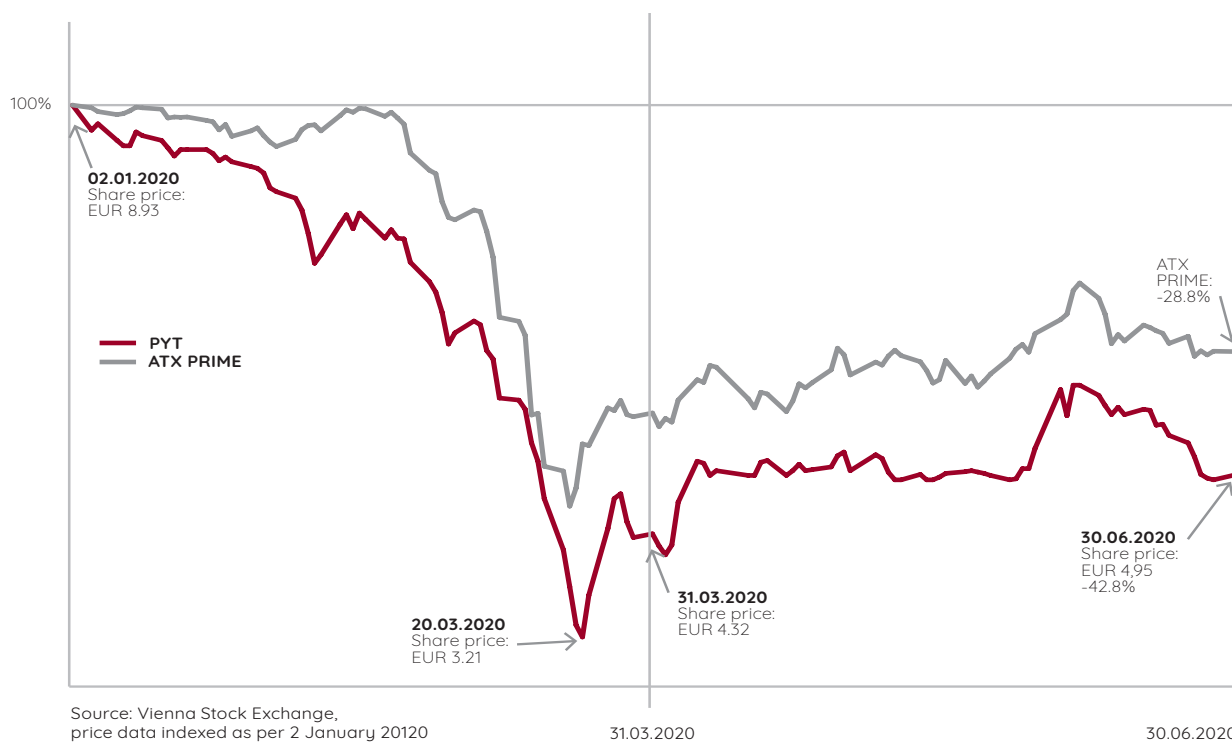
#### **SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD**

As far as significant events occurring after the reporting

date of 30 June 2020, reference should be made to the Management Report section of this interim report.

# SHARE & INVESTOR RELATIONS

## POLYTEC SHARE PRICE DEVELOPMENT



## SHARE KEY FIGURES

Various stock performance indicators of the POLYTEC share for the period from January to June 2020 compared to the

same period of the previous year and further historical periods are contained in the following table:

AT0000A00XX9	Unit	H1 2020	H1 2019	Change	H1 2018	H1 2017
Closing price last trading day of period	EUR	4.95	8.76	-43.5%	12.22	16.49
Highest closing price during period	EUR	8.93	10.64	-16.1%	21.00	18.38
Average closing price during period	EUR	6.05	9.20	-34.2%	16.00	14.65
Lowest closing price during period	EUR	3.21	8.36	-61.6%	12.14	10.40
Market capitalisation last trading day of period	EUR m	110.5	195.6	-43.5%	272.9	368.2
Vienna Stock Exchange money turnover (double counting)	EUR m	56.2	57.8	-2.8%	169.3	131.4
Vienna Stock Exchange share turnover (double counting)	Shares m	10.0	6.3	58.7%	10.6	9.2
Share turnover (daily average, double counting)	Shares	80,179	50,822	57.8%	86,225	74,433

Quelle: Wiener Börse AG



## RESEARCH COVERAGE

The following financial institutions publish reports on POLYTEC GROUP and the recommendations and price targets up to the editorial closing date are contained in the table below. The current recommendations and price

targets can be accessed on the company website, [www.polytec-group.com](http://www.polytec-group.com) in the Investor Relations, Share, Analyses section.

Institut	Recommendation	Latest price target	Updated
BAADER Helvea Equity Research	Buy	EUR 8.0	28.07.2020
ERSTE Group Research	Accumulate	EUR 5.9	06.08.2020
M.M.Warburg Research	Buy	EUR 8.0	09.07.2020
Raiffeisen CENTROBANK Research	Buy	EUR 7.0	12.05.2020

# STATEMENT OF ALL LEGAL REPRESENTATIVES

We confirm to the best of our knowledge that the condensed interim financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the group as required by the applicable accounting standards and that the group management report gives a true and fair view of important events that have occurred during the first six months of the financial year and their impact on

the condensed interim financial statements, and of the principal risks and uncertainties for the remaining six months of the financial year and of the major related party transactions to be disclosed. This interim consolidated financial statement has not been subject to an audit or a review.

Hörsching, August 2020  
The Board of Directors of POLYTEC Holding AG



MARKUS HUEMER  
CEO, Chairman of the Board of Directors

Responsibilities: M & A, Investment Management, Corporate Strategy, Corporate Communications, Purchasing, IT, Human Resources



PETER HAIDENEK  
CFO, Member of the Board of Directors

Responsibilities: Finance, Controlling, Accounting, Investor Relations, Internal Audit, Legal Affairs



HEIKO GABBERT  
COO, Member of the Board of Directors

Responsibilities: Operations, Innovation, Industrial Engineering



PETER BERNSCHER  
CSO, Member of the Board of Directors

Responsibilities: Sales, Engineering, Marketing

The Interim Report Q3 2020 to be published 6 November 2020.

Current news see online in the section Investor Relations of corporate website **[www.polytec-group.com](http://www.polytec-group.com)**

#### **CONTACT**

POLYTEC Holding AG, Paul Rettenbacher, Investor Relations Manager, Polytec-Strasse 1, 4063 Hörsching, Austria; T +43 7221 701-292; paul.rettbacher@polytec-group.com

#### **NOTE**

This interim report has not been subject to an audit or a review. This interim report has been prepared with the greatest possible care and every effort has been made to ensure the accuracy of the data that it contains. Nevertheless, rounding, typographical and printing errors cannot be excluded. The use of automatic calculating devices can result in rounding-related differences during the addition of rounded amounts and percentages. This interim report contains assessments and assertions relating to the future made on the basis of all the information currently available. Such future-related statements are usually introduced with terms such as “expect”, “estimate”, “plan”, “anticipate”, etc. We would draw your attention to the fact that various factors could cause actual conditions and results to deviate from the expectations outlined in this report. This interim report is published in German and English. In cases of doubt, the German version shall take precedence. This interim report was published on 7 August 2020.

#### **IMPRINT**

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