

INTERIM REPORT

Q3 2019



PASSION CREATES INNOVATION



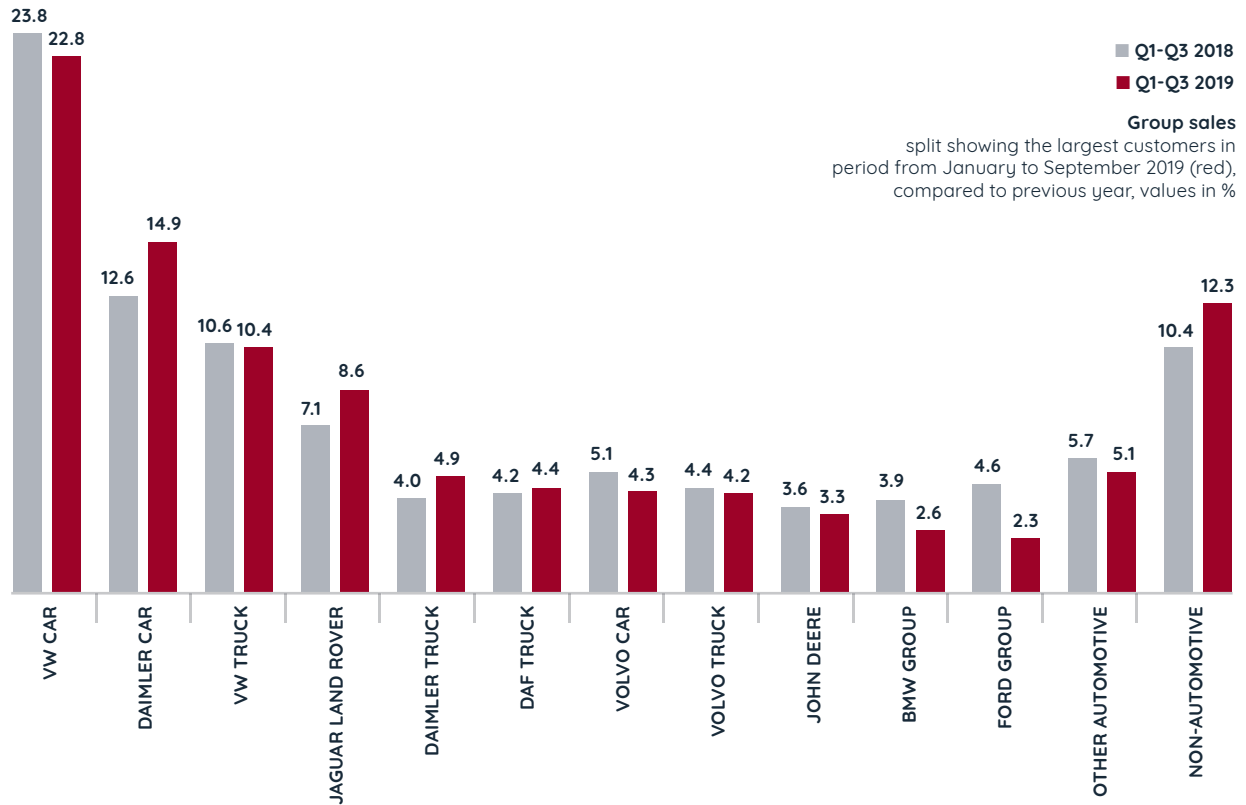
KEY FIGURES

Key figures Q1-Q3	Unit	Q1-Q3 2019	Q1-Q3 2018	Change
Sales	EUR m	470.3	478.7	-1.8%
EBITDA	EUR m	47.8	50.0	-4.3%
EBITDA margin (EBITDA/sales)	%	10.2	10.4	-0.2% Points
EBIT	EUR m	22.2	30.9	-28.1%
EBIT margin (EBIT/sales)	%	4.7	6.4	-1.7% Points
Earnings after tax	EUR m	14.1	22.2	-36.5%
Earnings per share	EUR	0.62	0.98	-36.7%
Investments in fixed assets	EUR m	28.2	28.9	-2.3%
Equity ratio (equity/balance sheet total)	%	41.3	45.2	-3.9% Points
Net working capital (NWC)	EUR m	125.3	103.1	21.6%
Average capital employed	EUR m	398.7	337.8	18.0%
Net debt (+)/assets (-)	EUR m	163.3	101.5	60.9%
Employees (incl. leasing personnel) end of period	FTE	4,571	4,455	2,6%

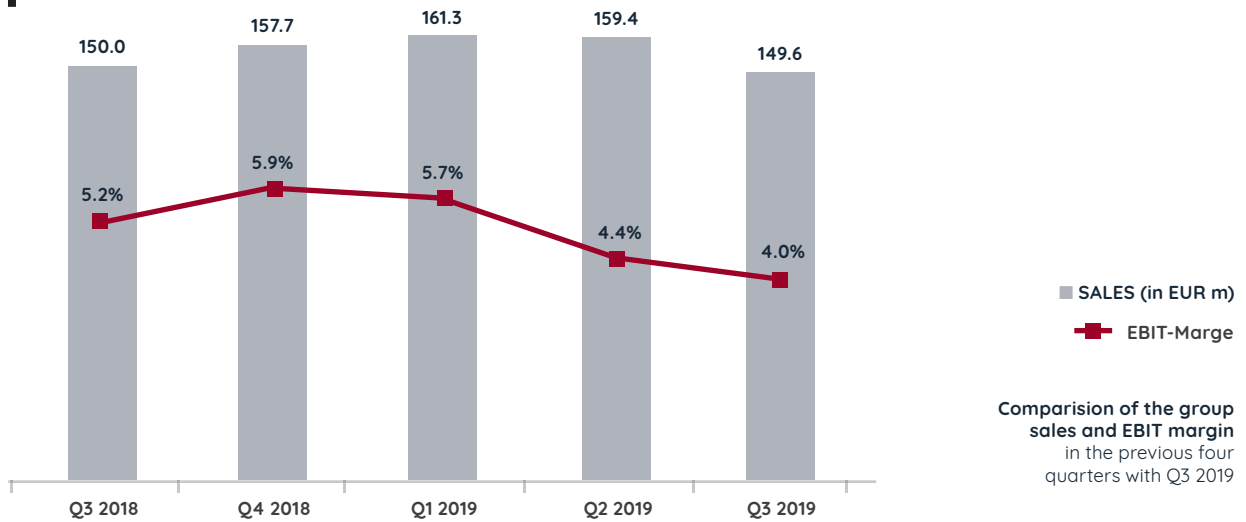
Key figures quarterly	Unit	Q3 2018	Q4 2018	Q1 2019	Q2 2019	Q3 2019
Sales	EUR m	150.0	157.7	161.3	159.4	149.6
EBITDA	EUR m	14.7	17.1	17.7	15.5	14.6
EBITDA margin (EBITDA/sales)	%	9.8	10.9	11.0	9.7	9.8
EBIT	EUR m	7.8	9.2	9.1	7.0	6.1
EBIT margin (EBIT/sales)	%	5.2	5.9	5.7	4.4	4.0
Earnings after tax	EUR m	5.6	7.8	6.1	4.4	3.7
Earnings per share	EUR	0.24	0.34	0.27	0.19	0.16
Investments in fixed assets	EUR m	10.1	13.7	8.1	13.4	6.6
Equity ratio (equity/balance sheet total)	%	45.2	42.7	40.3	39.7	41.3
Net working capital (NWC)	EUR m	103.1	95.2	115.1	113.4	125.3
Capital employed	EUR m	356.7	364.7	401.2	401.5	432.6
Net debt (+)/assets (-)	EUR m	101.5	101.8	130.0	136.3	163.3
Employees (incl. leasing personnel) end of period	FTE	4,455	4,315	4,279	4,269	4,571

GROUP SALES BY CUSTOMERS

compared to previous year



SALES & EBIT MARGIN



INTERIM REPORT

Q3 2019

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

KEY FIGURES	02
Group Sales by Customers	03
Sales & Ebit Margin	03
GROUP MANAGEMENT REPORT	05
Automotive Industry Development	05
Group Results	06
Assets and Financial Status	08
Employees	09
Risks and Uncertainties	09
Material Transactions with Related Parties and Companies	10
Outlook	10
INTERIM CONSOLIDATED FINANCIAL STATEMENT	11
Consolidated Income Statement	11
Consolidated Balance Sheet	12
Consolidated Cash Flow Statement	13
Consolidated Statement of Changes In Equity	14
Consolidated Statement of Comprehensive Income	14
Selected Notes	15
SHARE AND INVESTOR RELATIONS	18
Polytec Share Price Development	18
Share Key Figures	18
Research Coverage	19
Corporate Calendar 2020	19

GROUP MANAGEMENT REPORT Q3 2019

AUTOMOTIVE INDUSTRY DEVELOPMENT

The tables below show registration numbers of new vehicles for the period from January to September 2019 compared to the figures from the previous year, registration numbers of

new cars by drive technology represent the period from January to June 2019:

REGISTRATIONS OF NEW CARS IN THE MAJOR INTERNATIONAL MARKETS

In pieces	Q1-Q3 2019	Share	Q1-Q3 2018	Share	Change
China	14,963,000	37.9%	16,922,600	40.6%	-11.6%
USA	12,709,100	32.2%	12,841,700	30.8%	-1.1%
European Union	11,769,200	29.9%	11,955,400	28.6%	-1.6%
Total three major markets	39,441,300	100%	41,719,700	100%	-5.5%
Other selected countries					
Japan	3,441,200		3,367,300		2.2%
India	2,177,500		2,605,800		-16.4%
Brazil	1,940,200		1,783,000		8.8%
Russia	1,271,400		1,297,400		-2.0%

REGISTRATIONS OF NEW CARS IN THE EUROPEAN UNION

In pieces	Q1-Q3 2019	Share	Q1-Q3 2018	Share	Change
Germany	2,740,200	23.3%	2,673,400	22.4%	2.5%
United Kingdom	1,862,300	15.8%	1,910,800	16.0%	-2.5%
France	1,641,400	13.9%	1,662,700	13.9%	-1.3%
Italy	1,467,700	12.5%	1,491,700	12.5%	-1.6%
Spain	965,300	8.2%	1,042,700	8.7%	-7.4%
Other EU countries	3,092,300	26.3%	3,174,100	26.5%	-2.6%
EUROPEAN UNION	11,769,200	100%	11,955,400	100%	-1.6%

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

In pieces	H1 2019	Share	H1 2018	Share	Change
Petrol-driven cars	4,818,400	59.4%	4,703,000	56.1%	2.5%
Diesel-driven cars	2,574,800	31.7%	3,109,400	37.1%	-17.2%
Electric chargeable vehicles (ECV)	197,800	2.4%	143,500	1.7%	37.8%
Hybrid electric vehicles (HEV)	398,900	4.9%	292,300	3.5%	36.5%
Alternatively-powered vehicles (APV)	127,900	1.6%	132,400	1.6%	-3.4%
EUROPEAN UNION	8,117,800	100%	8,380,600	100%	-3.1%

REGISTRATIONS OF NEW COMMERCIAL VEHICLES IN THE EUROPEAN UNION

In pieces	Q1-Q3 2019	Share	Q1-Q3 2018	Share	Share
Light commercial vehicles <=3.5 t	1,597,500	82.7%	1,529,600	82.8%	4.4%
Medium commercial vehicles >3.5 t to <=16 t	57,100	3.0%	53,000	2.9%	7.7%
Heavy commercial vehicles >16 t	244,700	12.7%	232,500	12.6%	5.3%
Medium and heavy buses & coaches >3.5 t	32,200	1.6%	31,300	1.7%	2.9%
EUROPEAN UNION	1,931,500	100%	1,846,400	100%	4.6%

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

GROUP RESULTS

SALES

In the first three quarters of 2019, consolidated POLYTEC GROUP sales declined by 1.8% to total EUR 470.3 million (Q1-Q3 2018: EUR 478.7 million). The initial consolidation of the newly founded POLYTEC CAR STYLING Weierbach GmbH, which will continue to operate the automotive business activities of the insolvent Wayand AG, took place on 1 September 2019. The group's consolidated sales revenues thus contain EUR 7.2 million generated by the new company. For several quarters, the material changes within the automotive industry have impacted POLYTEC's core business, causing reductions in call-offs and sales revenue losses in

the passenger car market area. However, during the third quarter, products in this segment showed slight growth, albeit on the basis of the poor figures for the previous year.

As compared to the preceding year, during the third quarter of 2019 the commercial vehicles area, which in the preceding periods developed in a positive manner for the POLYTEC GROUP, had to accept a marked decline in sales revenues. By contrast, as opposed to the weak level of the same period of the previous year, the non-automotive market area demonstrated pleasing growth.

SALES BY MARKET AREA

In EUR m	Q3 2019	Share	Q3 2018	Q1-Q3 2019	Share	Q1-Q3 2018
Passenger cars	98.4	65.8%	90.6	285.5	60.7%	300.0
Commercial vehicles	32.0	21.4%	41.1	126.9	27.0%	129.0
Non-automotive	19.2	12.8%	18.3	57.9	12.3%	49.7
POLYTEC GROUP	149.6	100%	150.0	470.3	100%	478.7

In comparison to the same period of the previous year, sales revenues in the passenger car market area, which include EUR 7.2 million from the newly founded POLYTEC CAR STYLING Weierbach GmbH, fell by around 4.8% to EUR 285.5 million (Q1-Q3 2018: EUR 300.0 million). Nevertheless, this area still represents the strongest within the POLYTEC GROUP with a 60.7% (Q1-Q3 2018: 62.7%) share of total sales. As compared to the period from January to September

2018, sales in the commercial vehicles market area (27.0%, Q1-Q3 2018: 26.9%) declined slightly, falling from EUR 129.0 million to EUR 126.9 million, or 1.6%. In the current nine months, the share of the non-automotive market area in POLYTEC's consolidated sales revenues increased markedly, rising from 10.4% to 12.3%, although the basis for this figure was provided by a reduction in call-offs from one major customer during the same period of last year.

SALES BY CATEGORY

In EUR m	Q3 2019	Share	Q3 2018	Q1-Q3 2019	Share	Q1-Q3 2018
Parts and other sales	135.2	90.4%	134.4	427.5	90.9%	434.7
Tooling and other engineering sales	14.4	9.6%	15.6	42.8	9.1%	44.0
POLYTEC GROUP	149.6	100%	150.0	470.3	100%	478.7

As opposed to the same period of the previous year, sales in the parts and other sales area, which include EUR 7.2 million from the newly founded POLYTEC CAR STYLING Weierbach GmbH, showed a small fall of 1.7% and amounted

to EUR 427.5 million. However, in the first three quarters, tooling and other engineering sales, which are normally subject to cyclical fluctuations, amounted to EUR 42.8 million and thus remained at the level of the preceding year.

SALES BY REGION

In EUR m	Q3 2019	Share	Q3 2018	Q1-Q3 2019	Share	Q1-Q3 2018
Austria	12.0	8.0%	6.3	25.9	5.5%	17.9
Germany	79.9	53.4%	84.6	257.4	54.7%	269.4
Other EU countries	47.4	31.7%	48.1	156.5	33.3%	160.5
Other countries	10.3	6.9%	11.0	30.5	6.5%	30.9
POLYTEC GROUP	149.6	100%	150.0	470.3	100%	478.7

GROUP EARNINGS FIGURES

	Unit	Q3 2019	Q3 2018	Change	Q1-Q3 2019	Q1-Q3 2018	Change
Sales	EUR Mio.	149.6	150.0	-0.3%	470.3	478.7	-1.8%
EBITDA	EUR Mio.	14.6	14.7	-0.0%	47.8	50.0	-4.3%
EBITDA margin (EBITDA/sales)	%	9.8	9.8	0.0% points	10.2	10.4	-0.2% points
EBIT	EUR Mio.	6.1	7.8	-22.7%	22.2	30.9	-28.1%
EBIT margin (EBIT/sales)	%	4.0	5.2	-1.2% points	4.7	6.4	-1.7% points
Earnings after tax	EUR Mio.	3.7	5.6	-34.3%	14.1	22.2	-36.5%
Average capital employed	EUR Mio.	398.7	337.8	18.0%	398.7	337.8	18.0%
Earnings per share	EUR	0.16	0.24	-33.3%	0.62	0.98	-36.7%

MATERIAL AND PERSONNEL EXPENSES

At 47.2%, the material ratio of the first three quarters was slightly below of the previous year (Q1-Q3 2018: 47.5%). In

the first nine months of 2019, the group personnel ratio increased by 0.4 percentage points to 34.9%, due mainly to higher costs in combination with falling sales revenues.

EBITDA AND EBIT

In the first nine months of 2019, POLYTEC GROUP EBITDA amounted to EUR 47.8 million (Q1-Q3 2018: EUR 50.0 million). This fall was due largely to unrealised contribution margins resulting from the tangibly lower sales revenues from regular business in the passenger car market area. As compared to the 10.4% of the same period of the previous year, the EBITDA margin was down by 0.2 percentage points at 10.2%.

In the period from January to September 2019, Group EBIT totalled EUR 22.2 million (Q1-Q3 2018: EUR 30.9 million). The increase in depreciation emanated largely from the initial adoption of accounting and evaluation methods in line with IFRS 16 Leases, which became mandatory on 1 January 2019. As compared to the same period of 2018, the EBIT margin fell by 1.7 percentage points from 6.4% to 4.7%.

FINANCIAL AND GROUP RESULT

The financial result for the first three quarters of 2019 amounted to minus EUR 2.9 million (Q1-Q3 2018: minus EUR 2.6 million). The POLYTEC GROUP tax ratio in the period from January to September 2019 stood at 26.7% and was therefore 5.4 percentage points higher than in the

same months of the previous year. This was due mainly to the fact that the pre-tax results were generated largely in high-taxation countries such as Germany and the Netherlands. Consequently, the group net profit totalled EUR 14.1 million (Q1-Q3 2018: EUR 22.2 million), which corresponded with earnings per share of EUR 0.62 (Q1-Q3 2018: EUR 0.98).

ASSETS AND FINANCIAL STATUS

INVESTMENTS

In EUR m	Q3 2019	Q3 2018	Change	Q1-Q3 2019	Q1-Q3 2018	Change
Investments in fixed assets	6.6	10.1	-34.7%	28.2	28.9	-2.3%

Additions to fixed assets in the first nine months of 2019 totalled EUR 28.2 million and thus remained at the level of the previous year.

GROUP KEY BALANCE SHEET AND FINANCIAL FIGURES

	Unit	30.09.2019	31.12.2018	Change
Equity	EUR m	243.7	238.0	2.4%
Equity ratio (equity/balance sheet total)	%	41.3	42.7	-1.4% points
Balance sheet total	EUR m	590.6	557.6	5.9%
Net working capital ¹⁾	EUR m	125.3	95.2	31.6%
Net working capital/sales	%	20.0	15.0	5.0% points

¹⁾ Net working capital = current assets less current liabilities

As compared to 31 December 2018, on 30 September 2019, the group's balance sheet total was EUR 33.0 million higher at EUR 590.6 million. This increase can be traced primarily to an investment ratio, which was above that of depreciation, as well as a tangible rise in the volume of working capital committed to tooling and engineering projects. Equally, the initial adoption of accounting and evaluation methods in line

with IFRS 16 Leases also exerted an influence upon the balance sheet, as since 1 January 2019 it must disclose right-of-use assets and leasing liabilities. More detailed information in this regard is contained in the selected notes to this interim report. The equity ratio as at 30 September 2019 was 1.4 percentage points lower than the figure for the 31 December 2018 reporting date at 41.3%.

	Unit	30.09.2019	31.12.2018	Change
Net debt (+)/assets (-)	EUR m	163.3	101.8	60.4%
Net debt (+)/assets (-)/EBITDA	-	2.51	1.52	65.1%
Gearing (net debt (+)/assets (-)/equity)	-	0.67	0.43	55.8%

Among other factors, owing to the new IFRS 16 standard and a significant increase in the committed net working capital (in particular for tooling and engineering projects), as compared to the 31 December 2018 reporting date, net financial

debt was EUR 61.5 million higher at EUR 163.3 million. Correspondingly, the key figure for the fictive debt repayment duration increased from 1.52 to 2.51. The gearing ratio rose from 0.43 to 0.67.

EMPLOYEES

Employees (incl. leasing personnel) in terms of full-time equivalents (FTE)	End of period		Change	Average period		Change
	30.09.2019	30.09.2018		Q1-Q3 2019	Q1-Q3 2018	
Austria	565	564	1	555	568	-13
Germany	2,311	2,154	157	2,042	2,168	-126
Other EU countries	1,499	1,532	-33	1,511	1,553	-42
Other countries	196	205	-9	194	199	-5
POLYTEC GROUP	4,571	4,455	116	4,302	4,488	-186

In terms of a comparison with the preceding year, average group workforce numbers (including leasing personnel) declined by 186 (FTE) to 4,302, which represented a fall of 4.1%. On the reporting date of 30 September 2019, including a

workforce of 414 (FTE) from the newly founded POLYTEC CAR STYLING Weierbach GmbH, the POLYTEC GROUP had a total of 4,571 employees of whom 9.0%, or 411, were leasing personnel (Q1-Q3 2018: 9.9% or 439).

RISKS AND UNCERTAINTIES

The automotive industry is faced by massive challenges and upheaval. Since last year, this uncertain engineering has been evidenced by both the operative business figures and negative share performance amongst automotive manufacturers and suppliers alike.

Consumer insecurity during 2018 resulted in declining demand for diesel cars and this remained the case in the first half of 2019. The transition to the new WLTP exhaust emission and fuel consumption standard, which since the beginning of September 2018 has applied to newly licensed vehicles in the European Union, has resulted in a significant reduction in the production volumes of certain engine versions of relevance to the POLYTEC GROUP. As a consequence, the POLYTEC GROUP was and is confronted by sizeable call-off reductions and sales losses.

As in the first half of 2019, during the year's third quarter all the main international car markets registered a fall in new passenger car registrations. Moreover, car industry analysts and experts anticipate an equally challenging market environment in the coming quarters.

The eight-month phase of rising new commercial vehicle registrations in European Union ended in September 2019. With the exception of Italy and France, demand in all segments and important markets fell considerably.

The further delay in the departure of the UK from the European Union (Brexit) means that at present it is impossible to give a thorough assessment of the related effects, the consequences of any restrictions on the global exchange of goods, or the general economic weakening. Likewise, a comprehensive estimate of whether or not in future these and other risks and uncertainties will exert an influence on the POLYTEC GROUP's sales revenues and income cannot be given at present. However, the executive management continues to monitor these developments very closely.

As far as risk reporting is concerned, we would also refer you to the information contained under G. 2 in the group notes of the 2018 Annual Report.

MATERIAL TRANSACTIONS WITH RELATED PARTIES AND COMPANIES

Since the beginning of 2019, POLYTEC Holding AG has employed 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 Decem-

ber 2018, 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 2018.

OUTLOOK

From a current perspective, the POLYTEC executive management anticipates that including the consolidation of Polytec Car Styling Weierbach on 1 September 2019, group sales revenues in the 2019 financial year will amount to approximately EUR 650 million and EBIT will probably total around EUR 35 million. The fulfilment of these forecasts will

depend largely upon the success of final negotiations concerning outstanding claims against customers. This result outlook also includes positive, one-off effects from capacity adjustments, but serious effects emanating from Brexit, global trade barriers, or political and geopolitical events were omitted.

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 September 2019 and the period from 1 June to 30 September 2019 compared to the figures from the previous year

In EUR k	01.01. - 30.09.		01.07. - 30.09.	
	2019	2018	2019	2018
Sales	470,245	478,695	149,624	150,018
Other operating income	6,525	5,918	4,963	2,696
Changes in inventory	2,747	1,097	347	-593
Own work capitalised	716	3,389	370	1,142
Expenses for materials and services received	-224,717	-228,642	-71,229	-71,964
Personnel expenses	-165,061	-165,526	-54,796	-52,726
Other operating expenses	-42,622	-44,976	-14,638	-13,929
Earnings before interest, taxes and depreciation (EBITDA)	47,833	49,955	14,642	14,645
Depreciation	-25,649	-19,110	-8,591	-6,821
Earnings before interest and taxes = operating result (EBIT)	22,185	30,845	6,051	7,823
Interest result	-3,060	-2,764	-1,023	-1,180
Other financial income	157	166	223	84
Financial result	-2,903	-2,598	-800	-1,096
Earnings before tax	19,282	28,248	5,252	6,727
Taxes on income	-5,155	-6,014	-1,568	-1,119
Earnings after tax	14,126	22,233	3,683	5,608
thereof result of non-controlling interests	-490	-641	-181	-255
thereof result of the parent company	13,637	21,592	3,502	5,353
Earnings per share in EUR	0.62	0.98	0.16	0.24

CONSOLIDATED BALANCE SHEET AS AT 30 SEPTEMBER 2019

with comparative figures from the last balance sheet as at 31.12.2018

ASSETS (in EUR k)	30.09.2019	31.12.2018
A. Non-current assets		
I. Intangible assets	20,791	5,302
II. Goodwill	19,180	19,180
III. Tangible assets	267,266	245,062
IV. Other non-current assets	126	126
V. Deferred tax assets	6,043	8,225
	313,406	277,895
B. Current assets		
I. Inventories	46,521	41,632
II. Trade accounts receivable	59,903	54,036
III. Contract assets	103,127	86,491
IV. Other current receivables	24,487	23,367
V. Income tax receivables	418	644
VI. Cash and cash equivalents	42,772	73,572
	277,228	279,741
	590,635	557,636
EQUITY AND LIABILITIES (in EUR k)	30.09.2019	31.12.2018
A. Shareholder's equity		
I. Share capital	22,330	22,330
II. Capital reserves	37,563	37,563
III. Treasury stock	-1,855	-1,855
IV. Retained earnings	189,042	184,204
V. Other reserves	-11,260	-11,599
	235,822	230,644
VI. Non-controlling interests	7,828	7,363
	243,651	238,007
B. Non-current liabilities		
I. Non-current, interest-bearing liabilities	183,211	127,046
II. Provision for deferred taxes	3,787	5,829
III. Provisions for employees	27,981	27,447
IV. Other long-term provisions	2,700	4,430
	217,679	164,753
C. Current liabilities		
I. Current interest-bearing liabilities	22,869	48,337
II. Liabilities on income taxes	2,066	1,622
III. Trade accounts payable	45,701	54,306
IV. Contract liabilities	4,007	2,382
V. Other current liabilities	33,470	28,597
VI. Current provisions	21,193	19,634
	129,306	154,877
	590,635	557,636

CONSOLIDATED CASH FLOW STATEMENT

For the period from 1 January to 30 September 2019 compared to the figures from the previous year

In EUR k	01.01. - 30.09.	
	2019	2018
Earnings before tax	19,282	28,248
+(-) Depreciation on fixed assets	25,649	19,110
- Non-cash earnings from initial consolidation	-2,140	0
-(+) Interest result	3,060	2,764
+(-) Other non-cash expenses and earnings	-258	-1,190
+(-) Increase (decrease) in non-current provisions for employees	272	166
-(+) Profit (loss) from fixed asset disposals	-230	-203
-(+) Increase (decrease) in inventories	235	-462
-(+) Increase (decrease) in trade and other receivables and contract assets	-23,425	-13,034
+(-) Increase (decrease) in trade and other payables and contract liabilities	-2,187	-6,026
+(-) Increase (decrease) in current provisions	-4,671	-5,051
= Consolidated cash flow from current activities	15,586	24,322
+ Interest received	92	93
- Interest paid	-2,683	-3,161
- Taxes paid	-4,341	-5,857
= Consolidated cash flow from operating activities	8,655	15,397
- Investments in fixed assets	-28,179	-28,852
+ Purchase of subsidiary	-10,939	0
+ Payments from the disposal of intangible and tangible assets	1,719	1,186
= Consolidated cash flow from investing activities	-37,399	-27,666
+ Inflows from promissory note loans	28,500	0
- Repayments of promissory note loans	-39,712	0
+ Inflows from loan financing	22,932	0
- Repayments of loan financing	-7,526	-3,869
- Repayments of real estate loans	-1,333	-1,349
- Outflows from leasing agreement	-3,715	-1,036
+(-) Change in current financial liabilities	7,500	94
- Third party dividends	-8,769	-9,899
+(-) Other changes in equity	25	0
= Consolidated cash flow from financing activities	-2,099	-16,059
+(-) Consolidated cash flow from operating activities	8,655	15,397
+(-) Consolidated cash flow from investing activities	-37,399	-27,666
+(-) Consolidated cash flow from financing activities	-2,099	-16,059
= Change in cash and cash equivalents	-30,843	-28,328
+(-) Effect from currency translations	44	10
+ Opening balance of cash and cash equivalents	73,572	56,899
= Closing balance of cash and cash equivalents	42,772	28,581

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
As at 01.01.2019	22,330	37,563	-1,855	184,204	-11,600	230,643	7,363	238,006
Comprehensive income after tax	0	0	0	13,637	0	13,637	490	14,127
Other result after tax	0	0	0	0	340	340	0	340
Dividend	0	0	0	-8,798	0	-8,798	-25	-8,823
As at 30.09.2019	22,330	37,563	-1,855	189,042	-11,260	235,822	7,828	243,651

In EUR k	Share capital	Capital reserves	Treasury stock	Retained earnings	Other reserves	Shares of POLYTEC Holding AG stockholders	Non controlling interests	Total
As at 01.01.2018	22,330	37,563	-1,855	163,359	-10,369	211,028	6,465	217,493
Impact due to change of accounting method	0	0	0	1,623	0	1,623	0	1,623
Adjusted amounts as at 01.01.2018	22,330	37,563	-1,855	164,982	-10,369	212,651	6,465	219,116
Comprehensive income after tax	0	0	0	21,592	0	21,592	641	22,233
Other result after tax	0	0	0	0	-1,551	-1,551	0	-1,551
Dividend	0	0	0	-9,898	0	-9,898	0	-9,898
As at 30.09.2018	22,330	37,563	-1,855	176,676	-11,920	222,794	7,106	229,900

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

01.01. - 30.09.2019 In EUR k	Group	Non controlling interests	Total
Earnings after tax	13,637	490	14,126
Currency translations	340	0	340
Total result	13,977	490	14,467

01.01. - 30.09.2018 In EUR k	Group	Non controlling interests	Total
Earnings after tax	21,592	641	22,233
Currency translations	-1,552	0	-1,552
Total result	20,040	641	20,681

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 Austrian

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

ACCOUNTING AND VALUATION METHODS

The interim report as at 30 September 2019 was prepared in accordance with the provisions of the International Financial Reporting Standards (IFRS) and in particular IAS 34 (Interim Financial Reporting).

With effect from 1 January 2019, the POLYTEC GROUP adopted IFRS 16 *Leases* and this has resulted in changes to the accounting and valuation policy. Accordingly, the cumulative effect of the application was reported as a correction to the opening balance sheet as per 1 January 2019, without adjusting the comparative period. For the adoption of IFRS 16, the POLYTEC GROUP applied the modified retrospective method and the practical expedient in line with IFRS 16.C10 a), c) and d) was also employed.

The right-of-use assets, which were first recognised as per 1 January 2019, are shown in the consolidated balance sheet as at 30 September 2019 as non-current assets under the position **intangible assets**. The leasing liabilities are shown as **non-current, interest-bearing liabilities** and **current, interest-bearing liabilities**.

Regarding leasing agreements concluded prior to the date of transition, the group decided not to re-examine whether at the date of initial use these represented or contained a leasing agreement. Instead, it opted to retain the previous estimations made subject to IAS 17 and IFRIC 4.

The adjustments relating to the initial adoption of IFRS 16 are as follows:

In EUR k	31.12.2018	Adjustments owing to IFRS 16	01.01.2019
Intangible assets	5,302	15,151	20,453
Assets	557,636	15,151	572,787
Non-current, interest-bearing liabilities	127,046	11,888	138,934
Current, interest-bearing liabilities	48,377	3,263	51,640
Equity and Liabilities	557,636	15,151	572,787

The adjustments relating to the initial adoption of IFRS 16 are as follows:

CONSOLIDATED BALANCE SHEET

30 September 2019 (in EUR k)	As reported	Adjustments	Without adjustments owing to IFRS 16
Intangible assets	20,791	15,101	5,690
Non-current, interest-bearing liabilities	183,211	10,550	172,661
Current, interest-bearing liabilities	22,869	4,551	18,318
Balance sheet total	590,635	15,101	575,534

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

30 September 2019 (in EUR k)	As reported	Adjustments	Without adjustments owing to IFRS 16
Other operating expenses	-42,622	3,499	-46,121
Depreciations	-25,649	-3,440	-22,209
Interest result	-3,060	-59	-3,001

CONSOLIDATED CASH FLOW

30 September 2019 (in EUR k)	As reported	Adjustments	Without adjustments owing to IFRS 16
Depreciations on fixed assets	25,649	3,440	22,209
Interest result	3,060	59	3,001
Consolidated cash flow from current activities	15,586	3,499	12,087
Interest paid	-2,683	-59	-2,624
Consolidated cash flow from operative activities	8,655	3,440	5,215
Outflows from leasing agreements	-3,715	-3,440	-275
Consolidated cash flow from financing activities	-2,099	-3,440	1,341

The right-of-use assets refer to the asset types shown below:

Carrying values (in EUR k)	30 September 2019	1 January 2019
Land and buildings	10,058	12,024
Technical equipment and machinery (incl. vehicles)	5,043	3,127
Right-of-use assets total	15,101	15,151

The right-of-use assets developed in the first three quarters of 2019 as follows:

In EUR k	Land and buildings	Technical equipment and machinery (incl. vehicles)	Total
As at 1 January 2019	12,024	3,127	15,151
Additions / corrections	150	3,248	3,398
Disposals / corrections	0	-9	-9
Depreciations	-2,116	-1,323	-3,440
As at 30 September 2019	10,058	5,043	15,101

The remaining accounting and valuation methods from 31 December 2018 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 2018 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 COMPOSITES South Africa (Pty) was included in the POLYTEC GROUP's scope of consolidation, due to its commencement of entrepreneurial activity in the first half of 2019.

On 13 August 2019, within the scope of an asset deal the newly founded POLYTEC CAR STYLING Weierbach GmbH (subsequent PCSW) concluded a company purchase agreement for the acquisition of the automotive business operation of the insolvent Wayand AG, headquartered in Idar-Oberstein, Germany. The date of purchase pursuant to IFRS 3.8 is 3 September 2019. For reasons of simplification, initial consolidation was completed on 1 September 2019, as the effects are immaterial.

Since its takeover, the business operation, which is located in the Weierbach district of the town of Idar-Oberstein, has been managed by PCSW, which is fully owned by POLYTEC GROUP.

As at 30 September 2019, operative business operations involved 414 employees (full-time equivalents). In 2020, additional sales revenues of some EUR 50 million are anticipated. The bulk of production relates to plastic components and modules for European manufacturers of premium class vehicles and this company acquisition represents part of the realisation of the POLYTEC strategy aimed at consolidating both its market position in Europe and that of its Car Styling Business Area. This step underlines the group's market status as a leading manufacturer of plastic solutions and original accessory parts. As a consequence, existing customer relationships can be strengthened and additional contact points will be established for both current and new customers.

On the basis of the provisionally established fair values, the purchase price on the date of acquisition demonstrates the following structure:

In EUR k	
Purchase price settled in cash	10.910
Purchase price liability	1.290
Contingent consideration	1.000
Provisional net assets	15.340
Badwill	2.140

The income derived from badwill is reported under the item "Other operating income". The fair values are based on an initial estimate of the documents received under due diligence, an inventory and the findings emanating from post-merger integration, which remains in progress. A comprehensive scrutiny, examination and acceptance of all the contracts has yet to be concluded, which is the reason why changes pursuant to IFRS 3.45 may still occur in the evaluation period. The completion of post-merger integration is planned for the second quarter of 2020.

To date, operative sales revenues of approximately EUR 7.2 million and a consolidated result of around EUR 0.5 million have been recognised (excluding badwill). Pro forma information regarding sales revenues and results subject to the assumption of the completion of the transaction on 1 January 2019 cannot be provided owing to the lack of access to complete data and the transaction structure derived from the insolvency.

The POLYTEC GROUP's scope of consolidation now includes 46 fully consolidated companies (previous year: 44) of which 35 (previous year: 33) are foreign entities.

EQUITY

At the 19th Ordinary Annual General Meeting on 10 May 2019, a dividend of EUR 8.8 million (previous year: EUR 9.9

million) was approved and paid out on 17 May 2019. This corresponds with a dividend of EUR 0.40 per eligible share (previous year: EUR 0.45).

MATERIAL TRANSACTIONS WITH RELATED PARTIES AND COMPANIES

Since the beginning of 2019, POLYTEC Holding AG has employed 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 retroac-

tive, quarterly basis. Otherwise, as compared to 31 December 2018, 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 2018.

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 customers. For this reason, quarters in which customers normally

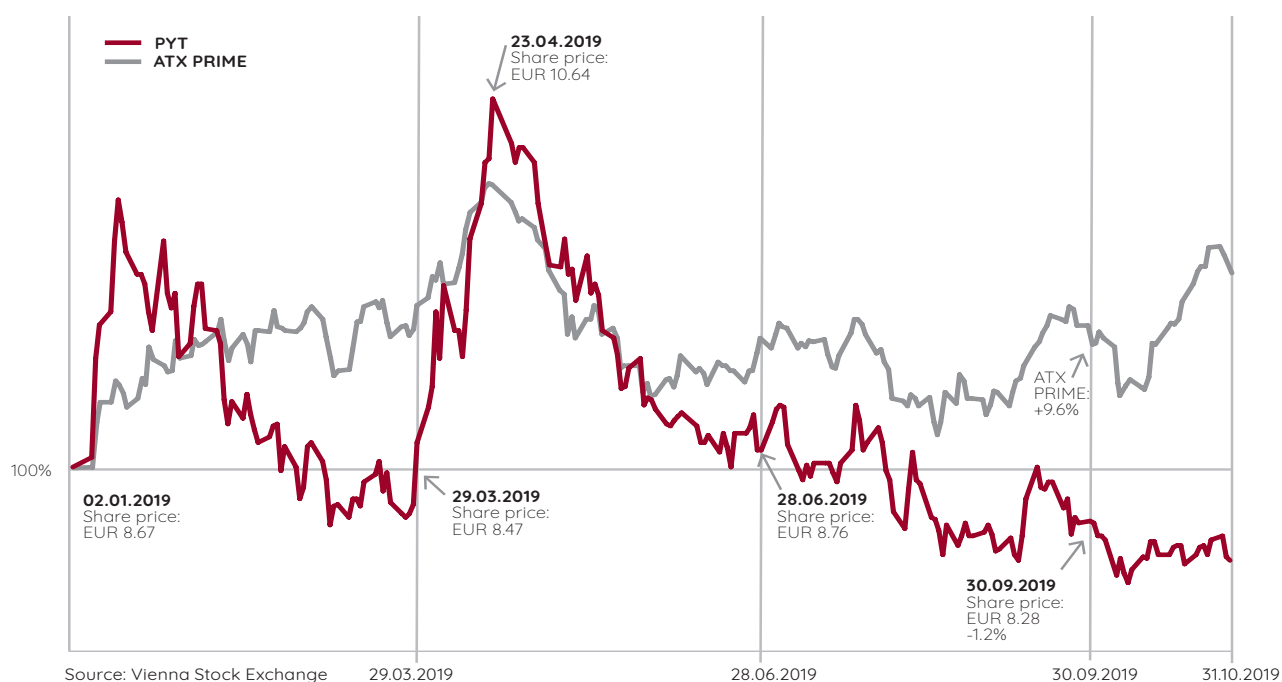
close plants for holidays generally produce lower sales revenues than quarters without such effects. In addition, sales from one quarter can also be influenced by the billing of large tooling or engineering projects.

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

No significant events occurred after 30 September 2019.

SHARE & INVESTOR RELATIONS

POLYTEC SHARE PRICE DEVELOPMENT



SHARE KEY FIGURES

Various stock performance indicators of the POLYTEC share for the period from January to September 2019 compared

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

AT0000A00XX9	Unit	Q1-Q3 2019	Q1-Q3 2018	Change	Q1-Q3 2017	Q1-Q3 2016
Closing price last trading day of period	EUR	8.28	10.96	-24.5%	20.07	7.99
Highest closing price during period	EUR	10.64	21.00	-49.3%	20.07	8.19
Average closing price during period	EUR	9.00	14.56	-38.2%	15.36	7.52
Lowest closing price during period	EUR	8.17	10.20	-19.9%	10.40	6.65
Market capitalisation last trading day of period	EUR m	184.9	244.7	-24.4%	448.2	178.4
Vienna Stock Exchange money turnover (double counting)	EUR m	79.3	242.8	-67.3%	187.4	43.1
Vienna Stock Exchange share turnover (double counting)	Shares m	8.9	17.0	-47.6%	12.5	5.8
Share turnover (daily average, double counting)	Shares	46,576	90,740	-48.7%	66,559	30,983

Source: Vienna Stock Exchange

RESEARCH COVERAGE

The following financial institutions publish reports on POLYTEC GROUP and the recommendations and price targets up to the editorial closing date of this report at the end of October 2019 are contained in the table below. The cur-

rent recommendations and price targets can be accessed on the company website, www.polytec-group.com in the Investor Relations, Share, Analyses section.

Institut	Recommendation	Latest price target	Updated
BAADER Helvea Equity Research	Buy	EUR 12.0	02.04.2019
ERSTE Group Research	Hold	EUR 9.8	04.04.2019
M.M.Warburg Research	Buy	EUR 12.5	02.10.2019
Raiffeisen CENTROBANK Research	Hold	EUR 9.5	26.02.2019

CORPORATE CALENDAR 2020

This is the corporate calendar of POLYTEC Holding AG for the 2020 financial year:

27.03.2020	FRI	Financial statements and annual report FY 2019
07.05.2020	THU	Interim report Q1 2020
08.05.2020	FRI	Record date „Annual General Meeting“
18.05.2020	MON	20 th Annual General Meeting FY 2019, Hörsching, Austria, 10:00 a.m.
22.05.2020	FRI	Ex-dividend date
25.05.2020	MON	Record date „Dividends“
26.05.2020	TUE	Dividend payment date
07.08.2020	FRI	Half-year financial report 2020
06.11.2020	FRI	Interim report Q3 2020

The Financial Statements and Annual Report for 2019 financial year to be published 27 March 2020.

Current news see online in the section Investor Relations of corporate website www.polytec-group.com

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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 November 2019.

IMPRINT

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