



# POLYTEC WORLD

01/2019 - JUNE 2019

TRANSFORMING.  
DEDICATED.

## EXPANSION FOR FURTHER GROWTH

POLYTEC INDUSTRIAL enlarges its capacity in Marchtrenk and Bochum, page 6

## THINKING IN PLASTICS

POLYTEC moves into pole position on the R&D grid, page 10

## AN EVERYDAY COMPANION

POLYTEC provides cosmetic packaging with a unique finishing, page 17

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POLYTEC GROUP

# Content



4

## Cover Story

- 4 **TRANSFORMING. DEDICATED. PREPARED.**  
Seven key strategic factors for overcoming the challenges of the future

## Company

- 6 **EXPANSION FOR FURTHER GROWTH**  
POLYTEC INDUSTRIAL enlarges its capacity in Marchtrenk and Bochum
- 8 **POLYTEC SUPPLIES ON-THE-SPOT EXPERTISE**  
POLYTEC is building a new plant in South Africa

## Passion Creates...

- 10 **THINKING IN PLASTICS**  
POLYTEC moves into pole position on the R&D grid
- 12 **SAFE. QUIET. LIGHT. SUCCESSFUL.**  
Acoustic functionality, design and lightness combined in a single part

## Finance

- 13 **INTERIM REPORT Q1 2019**  
GROUP results
- 17 **AN EVERYDAY COMPANION**  
POLYTEC provides cosmetic packaging with a unique finishing
- 18 **THE P3 POLYPERSPECTIVE PROGRAMME HAS BEGUN**  
This tailor-made management development programme furthers the designers of the future within the group's own ranks

- 20 **CONVERSATIONS WITH A CUSTOMER**  
In January 2019, the POLYTEC GROUP attended the Renault Group's supplier innovation day in Paris

- 21 **NETWORKED COMMUNICATIONS**  
A new Intranet system enables the faster exchange of information and know-how within the POLYTEC GROUP

## Passion for People

- 22 **CONCENTRATED FINANCIAL KNOW-HOW**  
The Finance Department managers introduce themselves

- 26 **WE ADORE PASSION**  
Events 2018/2019

- 27 **READ & WIN**  
GLOSSARY: AN OVERVIEW OF ABBREVIATIONS AND SPECIALIST TERMS !



8



12



18



21



26



Peter Bernscher,  
CSO

Dear Reader,

In this first edition of the POLYTEC WORLD in 2019, we will take you on a reading journey into the future of our company under the motto, "Transforming. Dedicated. Prepared."

The automotive market is in a state of upheaval and customer demands are changing. However, we see precisely this transition as an opportunity and measures in seven strategic directions constitute pointers for the future of POLYTEC, as well as targeted preparations for the challenges ahead.

The aforementioned shifts in the market demand the adoption of fresh approaches in the automotive industry. However, in this technological transformation, one constant, the versatility of plastic, remains unaltered and in view of the required reduction in pollutant vehicle emissions, is in greater demand than ever before. Moreover, as a result of the ongoing further development of the company's organisation in the field of research and development, we are able to continually employ new materials, applications and production processes, in order to convince our customers with innovative solutions.

Within this context, the development of our employees is of central importance and in January 2019, in conjunction with the LIMAK Austrian Business School, we launched the P3 POLYPERSPECTIVE PROGRAMME.

In order that nothing stands in the way of a strong start to the future, our company invests continually in expansion and for example, following a steady upward trend, in 2018 the decision was taken to enlarge POLYTEC INDUSTRIAL's capacity at the Marchtrenk and Bochum locations.

At present, a further large-scale project is in progress in the city of East London in South Africa, where POLYTEC is building a new plant. From 2021, this will produce composites and injection moulded parts for premium class cars. As a result, POLYTEC's lightweight know-how will be directly available to a leading German automotive manufacturer at its South African location.

In closing, may I wish you highly pleasurable reading with this latest issue of POLYTEC WORLD.

Yours sincerely,  
Peter Bernscher

# TRANSFORMING. DEDICATED. PREPARED.

## SEVEN KEY STRATEGIC FACTORS FOR OVERCOMING THE CHALLENGES OF THE FUTURE

The automotive market is currently undergoing fundamental change in a transitional phase characterised by increasingly stringent customer demands with regard to innovative capacity and quality, as well as the flexibility of subsupply companies. POLYTEC initiated targeted preparations for the challenges of tomorrow at an early stage and launched a far-reaching transformation process that has made the group more manoeuvrable, agile and efficient. In the course of this process, seven key strategic factors were defined that plot POLYTEC's path into the future.

### 1 STANDARDS UND OPERATIONAL EXCELLENCE

In particular, POLYTEC wishes to establish a broader footprint in the non-automotive sector and thus greatly expand its current product and customer portfolio. Moreover, growing product range complexity and accelerating market dynamism mean that flexibility, rapid decision-making and speed of reaction are essential for the retention of a position at the top of a market that is constantly in motion.

This objective can only be achieved with qualified personnel, who act on their own initiative on every level of the group.

### 2 DIGITAL EFFICIENCY

However, even top class employees in a highly efficient organisation cannot take competent decisions based on personal responsibility, when they lack the relevant information. And in order to achieve the targeted use of information for the concrete support of daily business activities, the full integration of differing IT systems and the best possible data networking are required. Accordingly, POLYTEC has placed the focus on the improvement of both, data quality and availability by means of an extensive, group-wide digitisation offensive. Information should thus be provided punctually user-friendly, correct and easily comprehensible.

### 3 INDUSTRIAL EXCELLENCE

The deepening of wealth creation and the emphasis on increasingly complex products mean that the demands on production processes are constantly rising. Therefore, in order to guarantee a high degree of process reproducibility and simultaneously secure the competitiveness of locations in high-wage countries, POLYTEC is looking to increase the extent of its automated capacity. This involves the employment of largely universal, modular and robust industrial solutions, in order that plants can be adapted flexibly to the production of differing products.

### 4 SALES EXCELLENCE

Driving bans on diesel vehicles, pollutant emission limits and new testing procedures have led to insecurity among manufacturers, suppliers and consumers alike and hence turbulent times in the automotive market. Automotive market customers have responded to this upheaval with modifications to their business models and adjustments to their product portfolios that are intended to match the new situation.

In order to recognise and exploit fresh opportunities at an early stage, POLYTEC concerns itself intensively with new innovations and sales markets and is therefore very well acquainted with the needs of customers in a market undergoing transformation. Together with its customers, the group wishes to already develop the solutions of tomorrow today by supporting new applications and products in areas such as e-mobility.

### 5 INNOVATION

Versatility is one of POLYTEC's great strengths. The group's mastery of almost every available plastics technology and offers extensive value added depth. Indeed, virtually no other market player possesses such a wide-ranging technology and product portfolio. This not only furnishes POLYTEC with a clear competitive advantage, but also an invaluable lead with regard to future developments.

In order to exploit this leadership to the full, POLYTEC puts enormous effort into market-independent innovations and advance development of new technologies. Teams and initiatives, created specifically for this purpose, are continually searching for new applications and have networked all the available competences within the group. In addition, close cooperation takes place with New Business Development and in this way the group is able to discover answers to future questions at an early point in time.

### 6 FINANCIAL STRENGTH

The realisation of these manifold strategic and operative measures requires investment, which furthers growth and development. In turn, such spending demands a solid capital base and with an equity ratio of around 43% and sufficient liquidity, the POLYTEC GROUP's financing stands on sound foundations.

### 7 UNLEASHED PASSION

We personify our **PASSION CREATES INNOVATION** mission statement out of a sense of conviction because the further development of the POLYTEC GROUP depends greatly upon its personnel and their motivation. In fact, a strong team is of critical importance to the success of the group's ambitious plans.

However, skilled labour shortages have resulted in "talent warfare". POLYTEC identified, understood and analysed this situation some time ago and responded by stepping up its investments in recruiting, personnel development and employee loyalty. The group is thus making every effort to equip itself for the battle for the best minds and achieve the status of a highly attractive employer brand.



# EXPANSION FOR FURTHER GROWTH

## POLYTEC INDUSTRIAL ENLARGES ITS CAPACITY IN MARCHTRENK AND BOCHUM

POLYTEC ELASTOFORM GmbH launched its production of polyurethane parts for snow groomers more than thirty years ago. Today, together with POLYTEC Thelen in Bochum and the machinery and engineering supplier, POLYTEC EMC, it forms the POLYTEC INDUSTRIAL Division, which represents a full-service provider of customised polyurethane solutions and complex machinery.



### IMPRESSIVE GROWTH IN A DEMANDING MARKET

INDUSTRIAL is the smallest POLYTEC GROUP division and is therefore occasionally overshadowed by the concern's other units. However, in actual fact the very history of the POLYTEC GROUP began with the foundation of POLYTEC ELASTOFORM GmbH in 1986. Today, Ulrike Huemer and Peter Stinshoff manage the division jointly. Ulrike Huemer is one of the group founders and has thus

been involved from the outset: "As a result of an independent and flexible approach, we have been able to establish a solid position in a demanding market over the years. In 2018, with our motivated workforce of 150 persons we have been able to again increase our sales revenues. Moreover, our branch diversity also meant that even in the crisis years 2008 and 2009 we remained virtually unscathed."



POLYTEC ELASTOFORM's business has been running smoothly for over thirty years. Apart from a range of other products, the company still produces so-called finishers for snow groomers.

### SUCCESS BUILT ON TWO BUSINESS

In 2018, POLYTEC INDUSTRIAL's steady upward business trend resulted in the decision to markedly expand the production capacity at both, its locations in Marchtrenk (Austria) and Bochum (Germany) where an extensive portfolio consisting of two product lines is manufactured. The first of these is comprised by customised polyurethane components and coatings, which are mainly utilised for industrial wear parts or in special vehicle production.

The second POLYTEC INDUSTRIAL business line consists of the production of machines and plants for the dosing and processing of liquid reactive plastics. This machinery is not only exported worldwide, but is also employed within the POLYTEC GROUP. That allows the rapid and uncomplicated implementation of new ideas for further developments and optimisation.

### FUTURE-PROOF THROUGH RESEARCH AND DEVELOPMENT

The fact that POLYTEC INDUSTRIAL has enjoyed over three decades of market success is not least to its dynamic research and development activities. The division offers its customers products that employ some 150 differing, in-house produced polyurethane formulations. Moreover, this total is continually increasing and amongst the latest advances is sylothan, a material that is used in components that must cushion, level out and attenuate vibrations. Sylothan could soon be used, for example, for the production of impact protection elements.

### PARTNERSHIP ON AN EQUAL FOOTING

As opposed to the competition, POLYTEC INDUSTRIAL profits from the synergy effects that result from teamwork with its sister companies within the POLYTEC GROUP. The division also places a clear emphasis on customer orientation and during the development of optimum solutions for every problem, its experts employ open communications and provide clients with targeted pointers regarding the technical possibilities and advantages of POLYTEC INDUSTRIAL's own TECTHAN and THELAN brands.

ULRIKE HUEMER, PETER STINSHOFF, MARCHTRENK, AUSTRIA

"DURING OUR CUSTOMER DEALINGS, WE DO NOT SEE OURSELVES AS MERELY A SUPPLIER, BUT AS A PARTNER, WHO BY MEANS OF INNOVATIVE IDEAS ASSUMES PARTIAL RESPONSIBILITY FOR THE SUCCESS OF A PRODUCT."

ULRIKE HUEMER

### READY FOR TOMORROW

For more than thirty years, POLYTEC INDUSTRIAL division has enjoyed continual growth and in order to ensure that this expansion can continue in future, its locations in Marchtrenk and Bochum are to be enlarged by 2020.

#### Marchtrenk location enlargement

+ 6,000 m<sup>2</sup> property  
+ 4,000 m<sup>2</sup> production area

#### Bochum location enlargement

+ 5,000 m<sup>2</sup> property  
+ 3,000 m<sup>2</sup> production area



# POLYTEC SUPPLIES ON-THE-SPOT EXPERTISE

## POLYTEC IS BUILDING A NEW PLANT IN SOUTH AFRICA

The POLYTEC GROUP is investing up to EUR 15 million in a new location in the South African city of East London. The new facility corresponds with the group's fundamental corporate strategy of supporting key customers in growth regions through on-the-spot production capacity, which enables their local supply with innovative parts and tailor-made component systems.

Symbolic photo Underbodies

In order to be able to grow in a global market, on the one hand POLYTEC seeks to cooperate with selected partners outside Europe, while on the other, it follows handpicked customers into strategically interesting markets through the establishment of local production capacity. Accordingly, the construction of a new plant in East London will furnish one of Germany's largest automotive manufacturers with lightweight know-how directly in South Africa, where between 2021 and 2028 it intends to produce of up to one million premium class cars using lightweight parts from POLYTEC.

### COMPLEX, MULTIFUNCTIONAL AND SIMULTANEOUSLY ULTRA-LIGHT

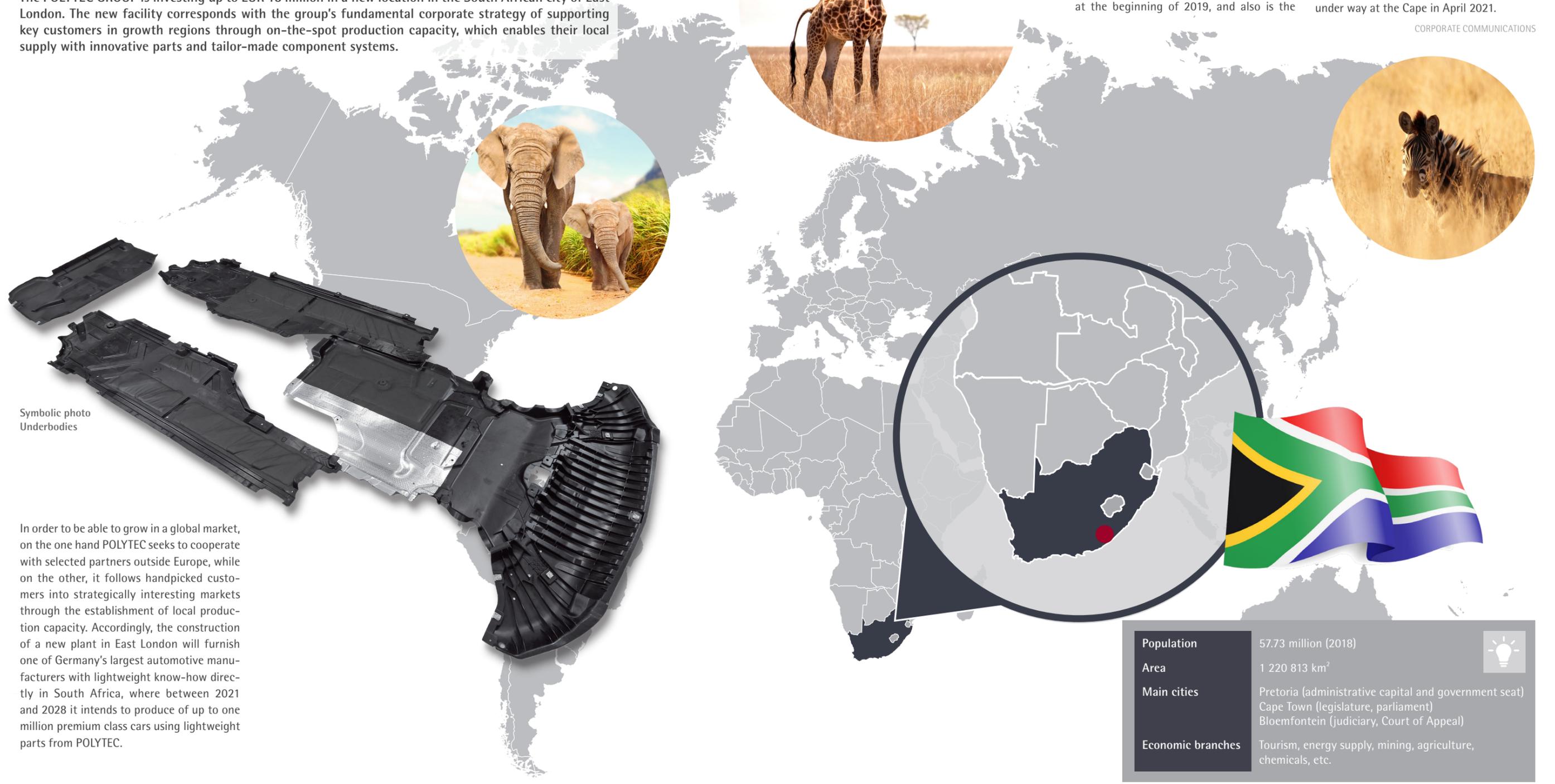
From 2021 onwards, composites and injection-moulded components will be manufactured in East London in 6,500 m<sup>2</sup> of production space. It is planned that as many as 170,000 sets of highly complex, multi-functional and, above all, ultra-light underbody covers will come off the production lines annually.

Work on the new production and warehousing facilities commenced in the East London Industrial Development Zone at the beginning of 2019, and also is the

installation of the entire technical equipment for the production lines, which includes a 2,500 t compression moulding press, planned to already start early in 2020.

Part of the new order is intended for the European and NAFTA markets and will be provided by the POLYTEC plant in Roosendaal in the Netherlands. As a result, prior to the launch in South Africa, the production process can be subjected to comprehensive testing in an already existing plant. In this way, the group can be certain of avoiding any surprises when manufacturing gets under way at the Cape in April 2021.

CORPORATE COMMUNICATIONS



Population	57.73 million (2018)	💡
Area	1 220 813 km <sup>2</sup>	
Main cities	Pretoria (administrative capital and government seat) Cape Town (legislature, parliament) Bloemfontein (judiciary, Court of Appeal)	
Economic branches	Tourism, energy supply, mining, agriculture, chemicals, etc.	

Passion creates...

# THINKING IN PLASTICS

Market upheaval in the shape of driving bans on diesel cars, pollutant emissions limits and stringent testing procedures has led to insecurity amongst manufacturers, suppliers and consumers. New mobility concepts and restrictive legislation mean that the automotive industry must adopt fresh approaches and increase its investment in the development of alternative drive solutions. What remains constant is the versatility of plastics.

## A FOCUS ON IDEAS

Owing to the stricter legislation regarding pollutant emissions, POLYTEC's conceptual solutions surrounding the conventional combustion engine are in greater demand than ever. This is because its patented concepts for important functional components made from plastic can contribute to the required reduction in vehicle emissions.

Nonetheless, POLYTEC is not merely an automotive supplier, but rather an experienced innovator in the plastics solution field. Indeed, the group has adopted a proactive approach to market change through research into new materials, applications and production technologies and the development of new products on this basis.

## EXPERIENCE IN VERSATILE APPLICATIONS

The POLYTEC GROUP is as diverse as the plastics that it employs for highly complex components. Comprehensive material and technological competence constitutes both the foundation stone of its success and a clear competitive advantage. Moreover, such extensive know-how can be transferred to new areas of application and employed for profitable, innovative products.

E-mobility not only demands lightweight construction solutions, but quite frequently also short runs. In addition, the number of start-ups that are seeking to capture the market as small OEMs with creative concepts for e-mobility, is on the increase.

In this regard, POLYTEC scores with flexible manufacturing solutions, which also allow the economic output of limited series.

## INNOVATIVE PRODUCTS RESULT FROM INNOVATIVE THINKING

In order to remain on course for success, the POLYTEC GROUP continually fine tunes its organisational structure in the research and development sector, as evidenced by the creation of new units and competence centres.

Furthermore, over the years POLYTEC has built up a motivated engineering team, which now enjoys even greater creative and operative freedom.

Since the end of 2017, the ten-strong **POLYTEC ENGINEERING SERVICES (PES)** team has been working on innovative product and application concepts, while also offering support with the development of structural components, equipment and jig design.

During the same year, the **TechCenter South** was launched in southern Germany and since then personnel from the development, project management and sales areas have been working in unison on the development and manufacture of complex injection moulding toolings. Furthermore, a connected plastics technology centre looks for ways to advance processing technologies and optimise toolings from in-house production.

In 2018, POLYTEC formed its own innovation team of experts under the name **Valuable Plastics Solutions**. This has the task of considering new topics in the development field and reports directly to the Board of Directors.

On the basis of the comprehensive know-how within the POLYTEC GROUP as a whole, research into new materials, applications and production technologies takes place. This provides a platform for the development of entirely new products. The focus of the team of experts is the creation of ideas for customers and products outside the automotive industry, e-mobility solutions and the economic manufacture of small batches.

Freed from the strictures of concrete customer assignments, an emphasis is placed on



Toolings are sampled and optimised on the spot using the newly installed injection moulding machine in Thannhausen.

the possibilities offered by plastics for the integration of new functions into a component and additional areas of application in which opportunities for top quality plastic components are opening up. Subsequently, the concepts thus created are handed over to other development centres within the POLYTEC GROUP for realisation.

## ON THE TRAIL OF THE SOLUTIONS OF TOMORROW

In order to ensure that the development team deals with the right questions, it is advantageous to simultaneously combine research activities with the closest possible proximity to the market.

Accordingly, last year the POLYTEC GROUP matriculated at the Rhine Westphalian University of Technology (RWTH) in Aachen, Germany, and thus entered into a partners-

hip with the Aachen Center for Integrative Lightweight Production (AZL). The aim of this initiative is to push ahead with the development of new areas of application for plastic components. POLYTEC has thus moved into unexplored territory, as the group has never before been involved in research and development at such an early stage.

This new **innovation hub**, offers POLYTEC virtually ideal conditions, as it can not only profit from valuable contentual impulses, but also

the opportunity for mutual inspiration and contacts with important potential partners. Furthermore, it furnishes an opportunity to acquire fresh ideas from start-ups in order to subsequently manufacture products possessing serial output maturity, as well as access to a variety of research institutes and clusters within the university landscape.

As a premium partner, the POLYTEC GROUP has established an engineering office at the AZL and not least, the presence on this platform strengthens both the POLYTEC brand and the group's image as an attractive employer for young specialists and engineers, as well as its ability to find potential answers to the questions of the future.



CORPORATE COMMUNICATIONS



The Valuable Plastic Solutions team of experts works intensively on new development aspects.

PASSION creates...

# SAFE. QUIET. LIGHT. SUCCESSFUL.

ACOUSTIC FUNCTIONALITY, DESIGN AND LIGHTNESS COMBINED IN A SINGLE PART

The success story of the soft engine cover has entered a new chapter. In addition to the 300,000 pieces that Horsching has been manufacturing annually since 2013, POLYTEC now produces two additional types with differing characteristics. As a result, three premium customers are already employing the group's soft engine covers.

## SERIES SUCCESS

Soft engine covers number among POLYTEC's most successful innovations. They are made from flexible PUR integral foam and the first example came off the production line in 2013. The covers are manufactured using the patented oneshot process in which two basic material components react together and are then foamed up by means of a propellant. Subsequently, so-called "inmould coating" optimises the medium resistance and colour intensity of the upper side and facilitates the use of sophisticated surface designs. The hidden underside of the component is characterised by an open pore structure, which provides highly effective engine noise attenuation. Moreover, minimum weight, improved headon impact behaviour and special flameresistance also number among the benefits offered by the covers.

## INTER-LOCATION COOPERATION

For POLYTEC, the soft engine cover represents more than just a major sales success, as it also stands for successful teamwork. This is due to the fact that several group locations played a major role in its development.

## NEW CAPACITY FOR NEW ORDERS

Apart from Volvo, which has been installing the covers in its cars since 2013, two other major European vehicle manufacturers have now opted for innovative soft engine covers from Upper Austria. As a result of this increased demand, during 2017 POLYTEC installed a new production line at its Horsching plant. This completes the central production steps fully automatically and also possesses integrated

assembly and quality checks. At present this line, which is of modular and productindependent design, is being enlarged for the new order that will commence in 2019. Overall production capacity will then amount to a maximum of 1.5 million pieces per year and thus the soft engine cover success story is set to continue.

CORPORATE COMMUNICATIONS



The soft engine cover not only protects the upper side of the engine, but also safeguards the passengers in the vehicle against noise and in the case of an accident, pedestrians against injury.



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# INTERIM REPORT Q1 2019

## GROUP RESULTS

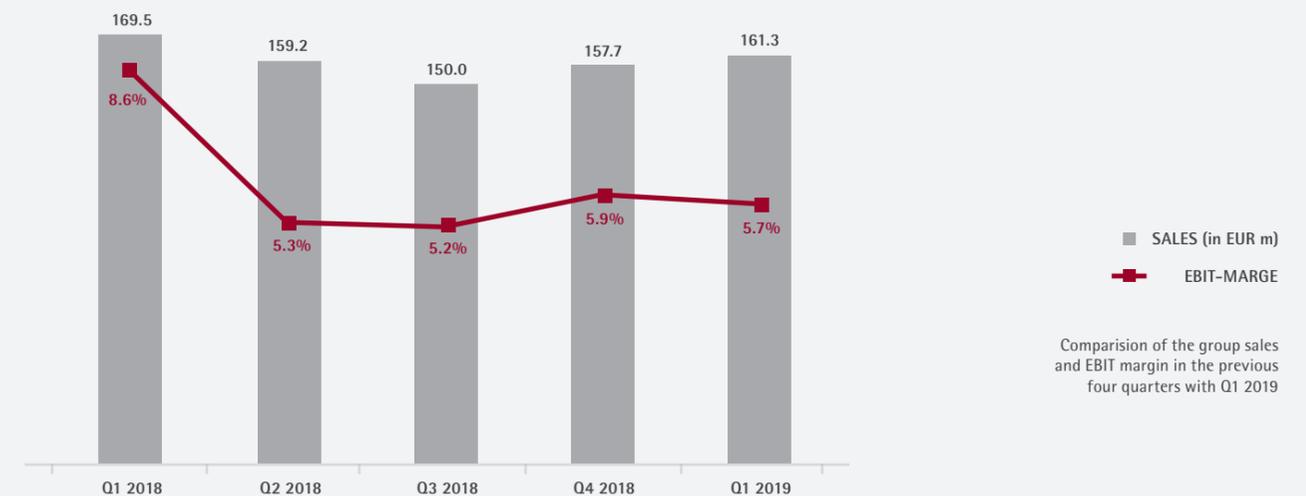
In the first quarter of 2019, consolidated POLYTEC GROUP sales declined from the excellent level of the preceding year by 4.9% to stand at EUR 161.3 million (Q1 2018: EUR 169.5 million). In the first quarter of 2018, the transition to the WLTP exhaust emission

and fuel consumption standard had no significant impact upon the POLYTEC GROUP. However, in the course of 2018 the resultant effects increased and led to considerable reductions in call-offs and sales revenue losses in the passenger car market area, which

were then prolonged in the first quarter of 2019. By contrast, the commercial vehicles market area remained positive and showed a marked increase in sales over the previous year.

	Unit	Q1 2019	Q1 2018	Change
Sales	EUR m	161.3	169.5	-4.9%
EBITDA	EUR m	17.7	21.1	-15.9%
EBITDA-margin (EBITDA/sales)	%	11.0	12.4	-1.4% points
EBIT	EUR m	9.1	14.6	-37.3%
EBIT-margin (EBIT/sales)	%	5.7	8.6	-2.9% points
Earnings after tax	EUR m	6.1	10.6	-42.6%
Average capital employed	EUR m	383.0	327.8	16.8%
ROCE before tax (EBIT/average capital employed)	%	9.0	16.4	-7.4% points
Earnings per share	EUR	0.27	0.47	-42.6%

## SALES & EBIT MARGIN



## SALES BY MARKET AREA

In EUR m	Q1 2019	Share	Q1 2018
Passenger cars	92.5	57.4%	109.8
Commercial vehicles	52.1	32.3%	44.0
Non-automotive	16.7	10.3%	15.7
<b>POLYTEC GROUP</b>	<b>161.3</b>	<b>100%</b>	<b>169.5</b>

Compared to the same period of the previous year, sales in the passenger car market area, which with 57.4% (Q1 2018: 64.8%) represents the strongest area within the POLYTEC GROUP, fell sharply by around 15.8% to EUR 92.5 million (Q1 2018:

EUR 109.8 million). By contrast, sales in the commercial vehicles market area (32.3%, Q1 2018: 26.0%) were considerably higher than in the comparative months from January to March 2018, rose by 18.4% from EUR 44.9 million to EUR 52.1 million. The

share of consolidated POLYTEC GROUP sales revenues from the non-automotive market area increased from 9.2% in the first quarter of 2018 to 10.3% in the current year.

## SALES BY CATEGORY

In EUR m	Q1 2019	Share	Q1 2018
Parts and other sales	148.3	91.9%	154.7
Tooling and other engineering sales	13.0	8.1%	14.8
<b>POLYTEC GROUP</b>	<b>161.3</b>	<b>100%</b>	<b>169.5</b>

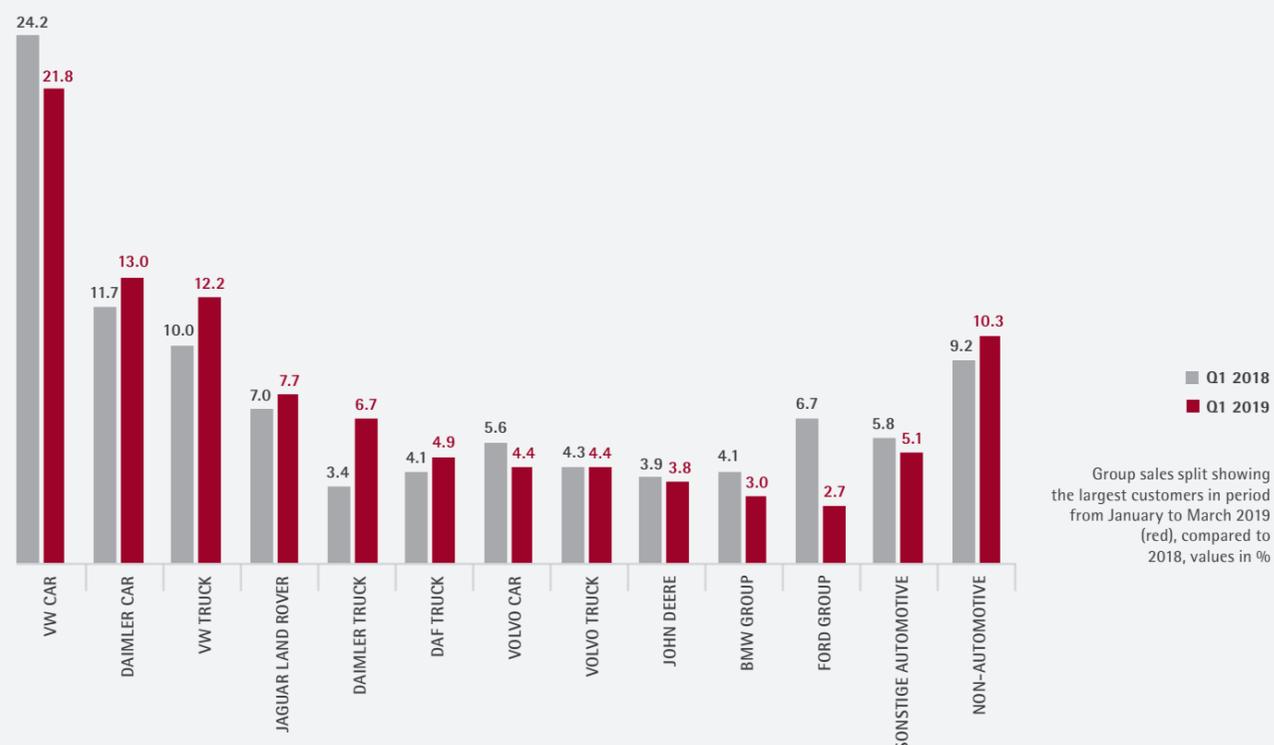
As opposed to the same period of the previous year, parts and other sales were 4.1% lower at EUR 148.3 million. Tooling and other

engineering sales are subject to cyclical fluctuations and when compared to the level of the preceding year were 12.2% or EUR 1.8

million lower. While the passenger car sector demonstrated a fall, development in the commercial vehicles area was positive.

## GROUP SALES BY CUSTOMERS

compared to previous year



## ASSETS AND FINANCIAL STATUS

	Unit	31.03.2019	31.12.2018	Change
Equity	EUR m	246.1	238.0	3.4%
Equity ratio (equity/balance sheet total)	%	40.3	42.7	-2.4% points
Balance sheet total	EUR m	610.7	557.6	9.5%
Net working capital <sup>1)</sup>	EUR m	115.1	95.2	20.9%
Net working capital/sales	%	18.3	15.0	3.3% points

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

As compared to 31 December 2018, at the end of the first quarter of 2019 balance sheet total was EUR 53.1 million higher at EUR 610.7 million. This increase can be traced primarily to the issue of a further promissory note bond at the beginning of 2019, which was employed for the financ-

ing of higher net working capital and the consolidation of liquidity reserves. 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 rights-of-use and leasing li-

abilities. More detailed information in this regard is contained in the selected notes to the interim report. The equity ratio as at 31 March 2019 was 2.4 percentage points lower than the figure for the 31 December 2018 reporting date at 40.3%.

	Unit	31.03.2019	31.12.2018	Change
Net debt (+)/-assets (-)	EUR m	130.0	101.8	27.7%
Net debt (+)/-assets (-)/EBITDA	-	2.04	1.52	34.2%
Gearing (net debt (+)/-assets (-)/equity)	-	0.53	0.43	23.3%

Among other factors, owing to the new IFRS 16 standard, as compared to the 31 December 2018 reporting date net debt

was EUR 28.2 million higher at EUR 130.0 million. Correspondingly, the key figure for the fictive debt repayment duration

increased from 1.52 to 2.04. The gearing ratio rose from 0.43 to 0.53.

## EMPLOYEES

Employees (incl. leasing personnel) in terms of full-time equivalents (FTE)	End of period			Average period		
	31.03.2019	31.03.2018	Change	Q1 2019	Q1 2018	Change
Austria	548	568	-20	547	568	-21
Germany	2,026	2,161	-135	2,053	2,185	-132
Other EU countries	1,515	1,570	-55	1,514	1,575	-61
Other countries	190	196	-6	193	197	-4
<b>POLYTEC GROUP</b>	<b>4,279</b>	<b>4,495</b>	<b>-216</b>	<b>4,307</b>	<b>4,525</b>	<b>-218</b>

In terms of a comparison with the preceding year, average group workforce numbers (including leasing personnel) fell by

218 (FTE) to 4,307, which represented a drop of 4.8%. On the reporting date of 31 March 2019, the POLYTEC GROUP had

a total of 4,279 employees of whom 9.0%, or 384, were leasing personnel (Q1 2018: 10.2% or 460).

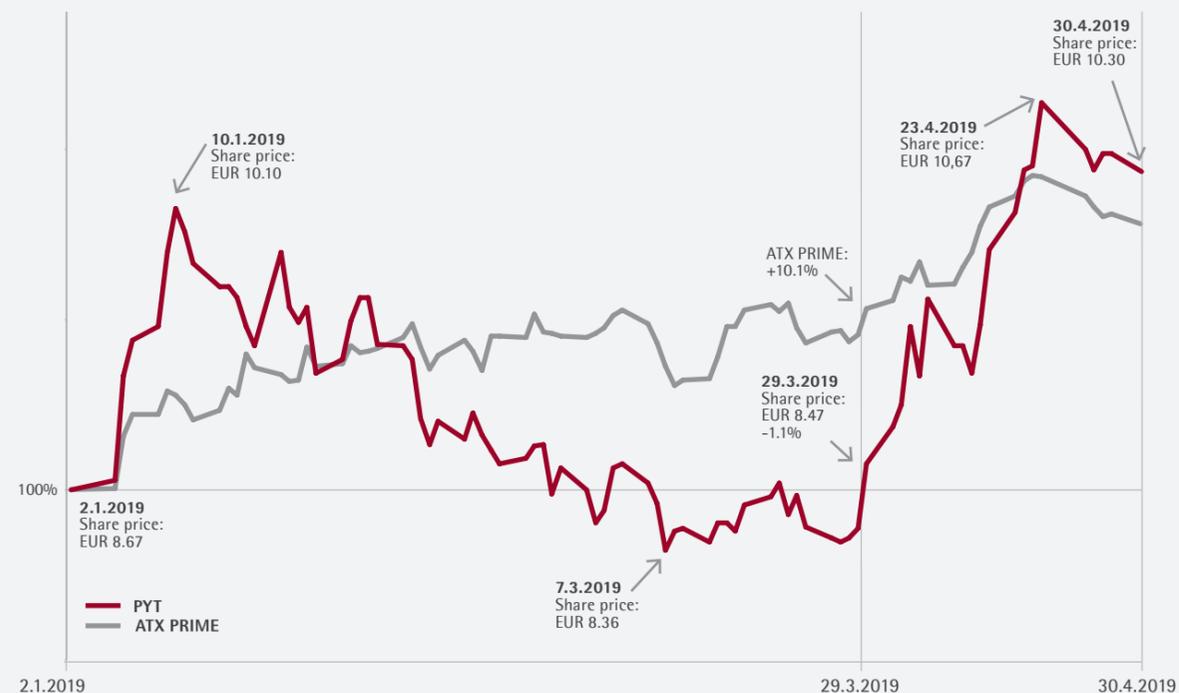
## OUTLOOK

From a current perspective, the POLYTEC GROUP executive management continues to anticipate that in the 2019 financial year, group sales revenues and EBIT (operating result before interest and taxes) will em-

ulate the level of the 2018 financial year. The fulfilment of this outlook will depend largely upon successful negotiations concerning outstanding claims against customers, which have been and will continue to

be caused largely by the sales losses relating to the WLTP and higher material prices. In addition, the effects of a possible Brexit also constitute a significant factor in connection with outlook realisation.

## POLYTEC SHARE PRICE DEVELOPMENT



Source: Vienna Stock Exchange, price data indexed as per 2 January 2019

## SHARE KEY FIGURES

Various stock performance indicators of the POLYTEC share for the period from January to March 2019 compared to the same period of the previous year and further historical periods are contained in the following table:

AT0000A00XX9	Unit	Q1 2019	Q1 2018	Change	Q1 2017	Q1 2016
Closing price last trading day of period	EUR	8.47	15.72	-46.1%	13.26	7.57
Highest closing price during period	EUR	10.10	21.00	-51.9%	13.99	7.70
Lowest closing price during period	EUR	8.36	15.72	-46.8%	10.40	6.75
Average closing price during period	EUR	9.02	17.67	-49.0%	12.71	7.27
Market capitalisation last trading day of period	EUR m	189.1	351.0	-46.1%	296.1	169.0
Vienna Stock Exchange money turnover (double counting)	EUR m	31.1	94.9	-67.2%	66.5	12.0
Vienna Stock Exchange share turnover (double counting)	Shares m	3.4	5.3	-35.9%	5.3	1.7
Share turnover (daily average, double counting)	Shares	54,648	84,089	-35.0%	82,743	27,473

Sources: Vienna Stock Exchange

## RESEARCH COVERAGE

The following financial institutions publish reports on POLYTEC GROUP and the recommendations and price targets as at 17 May 2019 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.

Institute	Recommendation	Latest price target	Updated
BAADER Helvea Equity Research	Buy	12.0	02.04.2019
ERSTE Group Research	Hold	9.8	04.04.2019
M.M.Warburg Research	Buy	13.5	01.04.2019
Raiffeisen CENTROBANK Research	Hold	9.5	26.02.2019

PAUL RETTENBACHER, HÖRSCHING, AUSTRIA

# AN EVERYDAY COMPANION

## POLYTEC PROVIDES COSMETIC PACKAGING WITH A UNIQUE FINISHING

During daily life, one not only encounters POLYTEC products while on the road, but also in other contexts. One example in this connection is provided by the lipstick holders, which are manufactured at the Altenstadt location in Germany for a globally active cosmetics producer.

### PACKAGING IS THE KEY!

Although at first glance the packaging of a product may appear to be relatively insignificant, as a result of numerous developments, in recent years it has gained in importance. Apart from numerous other factors, saturated markets, information overkill and product exchangeability have meant that in the brand communications field attention is increasingly being directed towards packaging design.

### SUCCESSFUL KNOW-HOW TRANSFER

Versatile technologies and comprehensive know-how are two of POLYTEC's core strengths and are both successfully employed during the design of lipstick holder packaging for a global player in the cosmetics production industry. The group location in Altenstadt specialises in coatings and upgrades products with differing surface technologies such as "Softtouch". This is important, as apart from functional requirements, optical and haptic factors frequently play a major role in packaging design. This is because in the final analysis, the aim is to catch the eye of the consumer and direct attention to the brand. Accord-

ingly, the bottle of a cosmetic product can say a great deal about the characteristics of the article that it contains. And precisely in the case of lipsticks, the colour of the holder is matched to that of the product, an effect that is achieved in a special and elaborate coating process.

### CONVINCING COOPERATION

POLYTEC convinces through its comprehensive specialist know-how in the product handling area and extensive range of colours. In addition, the customer benefits from rapid reaction times along the entire value added chain.

TIMO SCHMIDT, KRAICHTAL-GOCHSHEIM, GERMANY



PASSION

# THE P3 POLYPERSPECTIVE PROGRAMME HAS BEGUN

## THIS TAILOR-MADE MANAGEMENT DEVELOPMENT PROGRAMME FURTHERS THE DESIGNERS OF THE FUTURE WITHIN THE GROUP'S OWN RANKS

Challenging, out of the box, interesting and enriching are just some of the adjectives that our attendees use when describing the P3 POLYPERSPECTIVE PROGRAMME, which was launched in January 2018 in cooperation with the LIMAK Austrian Business School.

After a multi-phase selection process held in autumn 2018, eleven applicants from various POLYTEC locations and with differing professional backgrounds qualified for participation in P3. As a result, the seminar content was enhanced with multifaceted perspectives and practical experience, and a platform created for exciting and intensive discussions.

### A SUCCESSFUL START

The P3 POLYPERSPECTIVE PROGRAMME commenced in January 2019 and during each of five sessions, two coordinated modules with differing content are offered, both of which require intensive personal preparatory and follow-up study on the part of the attendees. An evening fireside chat accompanies the various thematic topics and every attendee receives indi-

vidual mentoring from a member of the Board of Directors. Moreover, by means of POLYTEC case studies, during reflection days the teaching content is transferred to the world of the group. The detailed programme is then concluded with a closing event.

The P3 POLYPERSPECTIVE PROGRAMME was officially launched during the first session and the initial two modules "HR Management and Organisational Forms" and "Strategic Management and Marketing" were rounded off with fireside chats with CEO



Lars Diener | Controllor | POLYTEC PLASTICS Germany



*The P3 launch was fantastic. Highly competent coaches communicated the content from a practical angle. The newly acquired "tools" were then tested and applied directly during workshops, which proved extremely instructive and fascinating. All in all, the week was superbly organised, exciting and interesting. I am already looking forward to the next round in March!*



Markus Huemer and CSO Peter Bernscher respectively. The second session, "Accounting and Balance Sheet Analysis" was held at the end of March and in line with these topics, CFO Peter Haidenek and COO Heiko Gabbert were invited to the fireside evenings. During the following modules, the attendees dealt with the topics of "Cost Accounting and Management", "Supply Chain Management, Production and Logistics Planning", "Project and Change Management" and "Investment and Financing", which partly involved teaching in English.



Baris Kinaci | Senior Lean Manager | POLYTEC INDUSTRIELACKIERUNGEN



*I did not expect that during the second session topics such as accounting, balance sheet analysis and economics would be communicated in such a gripping and interesting manner. The PS team is splendid and the coaches are absolute specialists in their fields. Moreover, the fireside chats with the directors are a genuine highlight. They represent a singular opportunity to see things from the different perspective of the Board and this greatly motivates us all. P3 is most enjoyable and I am honoured to be a participant.*



**Challenging** – describes the P3 POLYPERSPECTIVE PROGRAMME's strict session schedule, the thematic density of the major topics dealt with and the additional, intensive personal preparation required both before and after each module.

**Out of the box** – thinking derives from the fact the attendees are confronted in detail with themes that are beyond their specialist areas. Discussions result and their powers of perception are enhanced with fresh insights during every coaching unit.

**Interesting** – aspects derive primarily from the bridges formed between theory and practice, which are lent decisive support by the conversations with the Board members.

**Enriching** – expertise emanates from the experiences of the coaches, directors and top managers that are integrated, exchanged and discussed during every module.

UTA STOCKBAUER, HÖRSCHING, AUSTRIA





# CONVERSATIONS WITH A CUSTOMER

IN JANUARY 2019, THE POLYTEC GROUP ATTENDED THE RENAULT GROUP'S SUPPLIER INNOVATION DAY IN PARIS

POLYTEC was delighted to accept an invitation to attend the Renault Group's Supplier Innovation Day at the Technocentre in Paris Guyancourt and exhibit its latest plastic solutions for the automotive industry.

## CONNECTED MOBILITY, LIGHTWEIGHT CONSTRUCTION, ELECTRIC DRIVE TRAIN

On 30 January, the POLYTEC GROUP's know-how formed a focal point of the Renault Supplier Innovation Day in Paris. Indeed, the Upper Austrian automotive subsupplier was one of only nineteen companies to be selected to participate.

At the initiative of the Automotive Cluster of Business Upper Austria, the region's loca-

tion agency, and in cooperation with the Internationalisation and Innovation Agency of the Austrian Chamber of Commerce in Paris, POLYTEC focused on its technological concepts in the areas of connected mobility, lightweight construction and electric drive trains.

## BONJOUR A PARIS...

... was the motto for the POLYTEC GROUP, which also took advantage of an exclusive

appointment with Renault to demonstrate at first hand its innovations, technologies and processes to the responsible, managerial decision-makers, engineers and buyers. POLYTEC was able to showcase its development and production competence, and among the highlights of its exhibit were not only exterior and engine compartment components, but also innovative ideas for structural parts in e-vehicles.

CORPORATE COMMUNICATIONS



# NETWORKED COMMUNICATIONS

A NEW INTRANET SYSTEM ENABLES THE FASTER EXCHANGE OF INFORMATION AND KNOW-HOW WITHIN THE POLYTEC GROUP

Particularly in view of intensified globalisation, it is becoming increasingly vital to implement systems that facilitate and assist location-independent and networked communications. Therefore, in order to contribute to efficient information dissemination during a one-year project phase, POLYTEC worked on the creation of a new inter-group Intranet solution, which has been available to employees since the beginning of March 2019.

## THE START SIGNAL FOR GROUP-WIDE NETWORKING

The new inter-group POLYTEC Intranet went online on 1 March 2019. One central objective is the efficient networking of various company locations and departments with the aim of strengthening the teamwork between the different POLYTEC GROUP factories and promoting interactivity and information exchanges.

## ALWAYS UP TO SPEED

In future, news and matters of interest from all the group's locations will be published

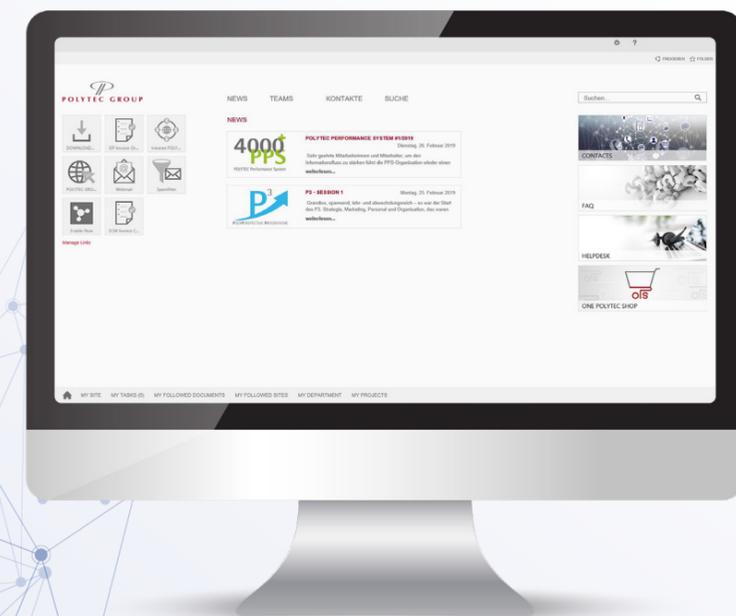
in order to optimise the information flow. For this purpose, an editorial team has been appointed, which will continually publish information from the business units. In addition, current documents and pictures are available in the download-area and, irrespective of the location, are accessible throughout the group.

## SUCCESSIVE ROLLOUT

The IT Department is a pilot in the SharePoint project. The intention is to steadily expand the group-wide Intranet to other teams, business units and plants. Over time, the new

Intranet will replace the current versions and, through new possibilities, facilitates teamwork activities. In addition, specific location-related areas are to be created in order to offer the various plants opportunities to visualise working procedures or pass on information via this medium. Furthermore, work is currently in progress with regard to a group-wide, quality management portal, which will also be shown via the new platform.

RUDOLF WIESBECK, HÖRSCHING, AUSTRIA



Introducing...

# CONCENTRATED FINANCIAL KNOW-HOW

As financial specialists, Matthias Mayr, Uwe Kämper, Holger Harnack and Stefan Schneckenleitner are more than at home in the world of numbers. On a daily basis they contribute to the transparent and comprehensible analysis of the monetary aspects of managerial decisions, and financial clarity is also a fundamental prerequisite with regard to corporations such as POLYTEC. Moreover, the findings of the Finance Department are not only of central importance for investors, but equally for internal planning. With its recommendations, the department accompanies the strategic processes within the POLYTEC GROUP and thus plays a major role in corporate success.

### What are your passions?

My family, football and wind surfing.

### What is important for you with regard to teamwork with colleagues?

Mutual trust and esteem forms the basis for solid teamwork.

### The most important things in life are ...

family and friends.

### In the animal kingdom I would be a ....., because ...

fox, that's my wife's opinion.

### Change means ...

being constantly on the move and fit for the future.

### On a lonely island ...

I would be very bored and therefore not go there voluntarily.

### The world needs ...

to show greater understanding with regard to differing cultures.

### My dream car ...

Porsche 911.

### A successful company ...

is subject to a process of constant change.

### My motto:

*der Weg ist das Ziel*

*The way is the goal.*



## Uwe Kämper

Finance Director  
Managing Director  
POLYTEC PLASTICS

Personality authentic, direct, success-oriented

Team member since October 1993

Location Lohne, Germany



## Matthias Mayr

Vice President Financial Services  
POLYTEC GROUP

Personality committed, humorous, result-oriented

Team member since November 2015

Location Hörsching, Austria



In the animal kingdom I would be a ....., because ...  
an elk, because it is a freedom loving, placid but powerful creature.

### A successful company ...

is not created in isolation and above all requires a large number of motivated and capable employees, who all pull together.

### What are your passions?

My family, friends and naturally the LASK football team.

### My dream car ...

is fast, self-driven, can fly and has a large range.

### My motto:

*Sei die beste Version  
deiner selbst,  
dann kannst Du  
die Welt verändern!*



*Matthias Mayr*

*Be the best version of yourself because then you can change the world!*

### What is important for you with regard to teamwork with colleagues?

Enjoyment, esteem and objectivity.

### What has been your biggest success at POLYTEC to date?

To have moulded so many different and splendid people into an efficient team.

### The world needs ...

more equanimity, optimism and mutual understanding.

### Change means ...

creating the new and not standing still.

### Contentment ...

is an automatic result of always doing one's best.

### The future means ...

change.

# People

## A successful company ...

has a vision and strategy that all can take with them on a common path, arouse enthusiasm and serve every individual as guidance for decision-making.

## What is important for you with regard to teamwork with colleagues?

Candour, reliability and tough factual discussions, but then a friendly conversation over a beer in the evening. Above all, work must also be enjoyable because during the week we spend more time with our colleagues than with our families.

## The world needs ...

people who can understand the thoughts of others and further togetherness.

## In the animal kingdom I would be a ....., because ...

lion, although basically peaceful, lions can be fierce when it matters.



## The most important thing in life is ...

a healthy and happy family.

## Change means ...

a continuous flow of new questions and assignments.

## My friends describe me as being ...

reliable.

## My dream car ...

this depends upon the phase of one's life. On one occasion during my student years, in California I already had a dream car, a golden 73 Cadillac Sedan Deville with a white roof and 7.7 l V8 engine.

## Contentment ...

emanates from the possession of a certain modesty instead of a constant striving for more.

## My motto:

KISS - keep it short & simple !



## Stefan Schneckleitner

Finance Director  
Member Executive Management  
POLYTEC CAR STYLING

Personality	sporty, humorous, lively
Team member	since August 2015
Location	Hörsching, Austria



## Holger Harnack

Finance Director  
Member Executive Management  
POLYTEC COMPOSITES

Personality	team player, pragmatist, lateral thinker
Team member	since July 2018
Location	Gochsheim, Germany



## What are your passions?

Sports and social evenings.

## What is important for you with regard to teamwork with colleagues?

Openness, honesty and humour.

## The world needs ...

an energy revolution as soon as possible.

## The most important thing in life is ...

health.

## Change means ...

the receipt of a chance to develop further.

## Contentment ...

is the basic premise of a happy life.

## Future means ...

having a possibility to learn from the past.

## A successful company ...

lives and progresses through the commitment and continual development of its employees.

## On a lonely island ...

I would take my swimming goggles, bicycle, running shoes and sports watch with me.

## In the animal kingdom I would be a ....., because ...

a snail, because it moves steadily forwards (albeit slowly, but surely) and does not allow anything to divert it from its path.

## My dream car ...

a Lamborghini Centenario.

## My motto:

Life begins at the end of your comfort zone

# WE ADORE PASSION

At POLYTEC, regular exchanges of ideas with customers and intensive networking with the workforce play a decisive role. Consequently, the group's passion is very much in the air during everything from top class sporting performance to specialist exhibitions.

## AIRPORT NIGHT RUN 2018

In September 2018, 2,300 runners, including twelve POLYTEC GROUP employees, took part in the Linz Airport Night Run, which uses the starting and landing runways at the city's Blue Danube Airport as a course. Congratulations are due to the colleagues for their notable successes:

- Mixed team placings: 3rd, 10th, 48th and 96th
- Three victories for Mario Schuh in the "Overall Finish Place", "Age Group" and "Gender Finish" categories



## A COMPANY EXCURSION TO HAMBURG

"Moin, moin Hamburg!" Under this motto, personnel from POLYTEC PLASTICS in Lohne paid a visit to the Hansa city at the end of 2018. The participants spent eventful and laughter-filled hours with a tour of the port complete with sumptuous buffet and a visit to the world-famous St. Pauli musical "Heiße Ecke" at Schmidts Tivoli theatre. The finale was provided by a hearty dinner at one of Hamburg's oldest beer cellars, where the guests were able to tap their own tankards of regional brew from traditional wooden barrels. The trip was financed from the bonus won for victory in the 2018 PLANT CHALLENGE, the POLYTEC GROUP's inter-company competition.



## AUTOMOTIVE ENGINEERING

For the first time, the Advanced Engineering trade fair in Gothenburg, Sweden, devoted part of its exhibition space to the topic of automotive engineering. POLYTEC was represented with a stand and presented customers and interested visitors from the Scandinavian region with a display of its solutions competence, which included complex vehicle underbodies.

Win a city break for two!



## READ & WIN

1. What are the seven strategic factors that plot the POLYTEC GROUP's path to the future?
2. What is the name of the innovation team that is working intensively on new development topics?
3. When did POLYTEC's new group-wide Intranet go online?

Send your answers to the questions above by 28 July 2019 per e-mail to [polytecworld@polytec-group.com](mailto:polytecworld@polytec-group.com) and win a voucher for three nights for two persons complete with breakfast at the Hotel „Porta Fira“ in Barcelona, Spain. The voucher will be valid until 31 December 2022. The winner will be drawn in week 31 and informed in writing. The editorial team is excluded from the competition.

THE WINNER FROM THE LAST ISSUE:  
WALTER DRECHSLER, KRAUSSMAFFEI TECHNOLOGIES GMBH,  
GERMANY



## GLOSSARY

CEO	Chief Executive Officer: Chairman of the Board of Directors
CSO	Chief Sales Officer: Responsible for sales, engineering, marketing
In-Mould-Coating	A special type of plastic part decoration using a coloured, scratch-resistant coating
Injection moulding	Process in which material is liquefied (plastified) and injected into a mould under pressure
OEM	Original equipment manufacturer
One-Shot process	Production in one single step
P3	Customised general management training
THE POLYPERSPECTIVE PROGRAMME	
Polyurethane	Polyurethane: a material that depending upon the choice of isocyanates and polyols demonstrates differing characteristics. It is used in the CAR STYLING und INDUSTRIAL business units
PUR	see polyurethane
Sylothan	A POLYTEC-developed polyurethane recipe



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**PASSION  
CREATES  
INNOVATION**