

INTERIM REPORT Q1 2021

POLYTEC



FORCING
THE PACE

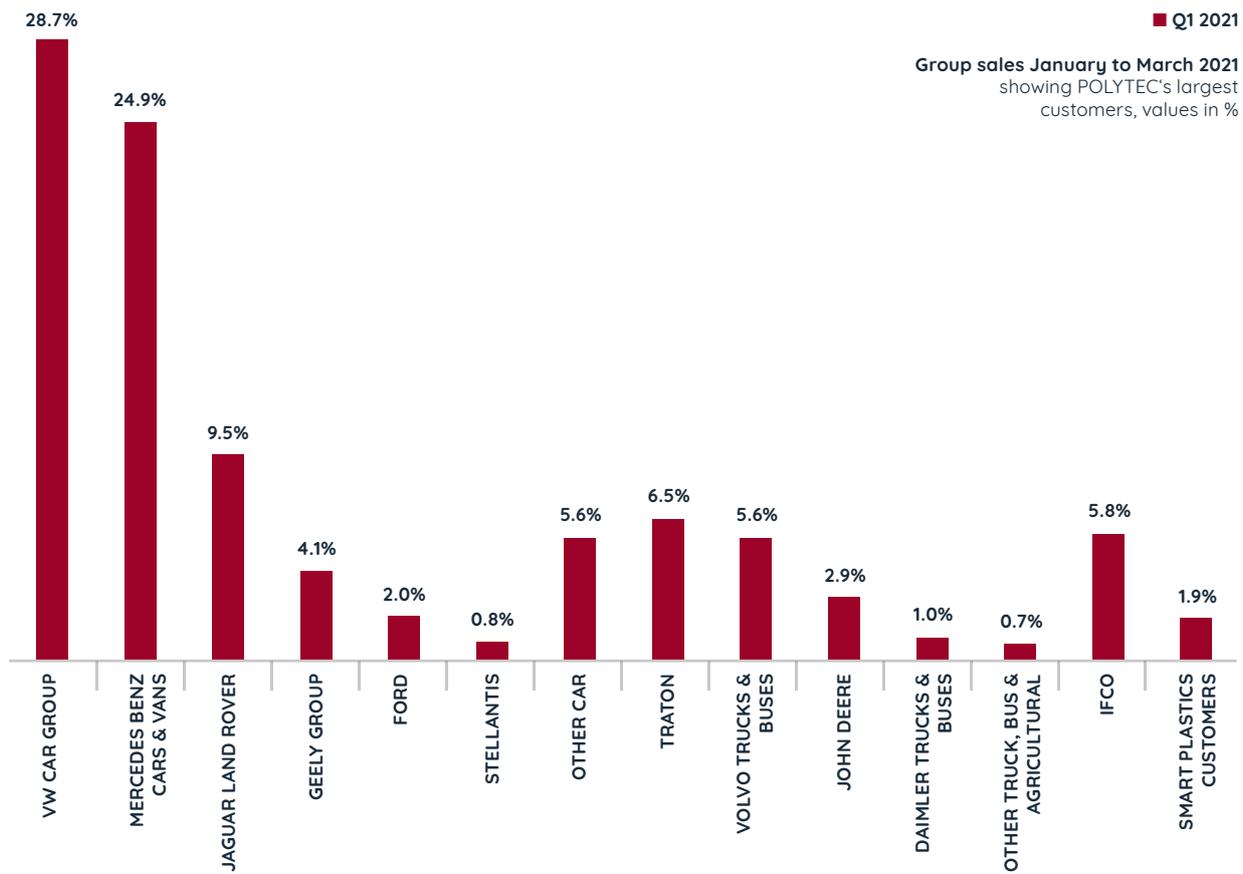


KEY FIGURES

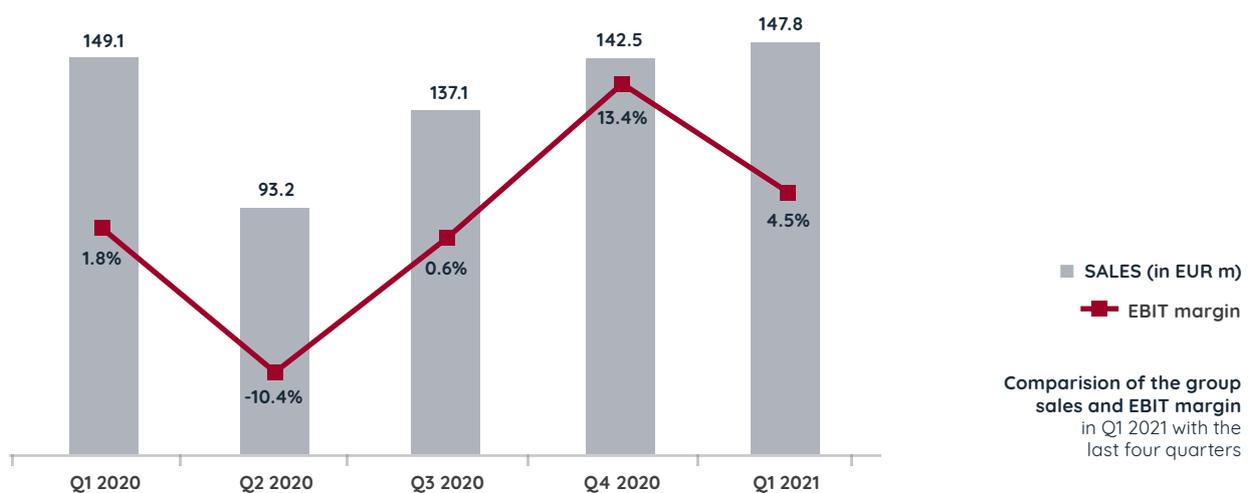
Key figures Q1	Unit	Q1 2021	Q1 2020	Change
Sales	EUR m	147.8	149.1	-0.9%
EBITDA	EUR m	13.8	11.7	18.0%
EBITDA margin (EBITDA/sales)	%	9.3%	7.8%	1.5% pts.
EBIT	EUR m	6.7	2.7	150.9%
EBIT margin (EBIT/sales)	%	4.5%	1.8%	2.7% pts.
Earnings after tax	EUR m	4.8	1.5	227.3%
Earnings per share	EUR	0.21	0.06	250.0%
Investments in fixed assets	EUR m	6.0	5.8	2.9%
Equity ratio (equity/balance sheet total)	%	43.6%	40.7%	2.9% pts.
Net working capital (NWC)	EUR m	110.1	122.6	-10.2%
Average capital employed	EUR m	383.4	431.0	-11.0%
Net debt (+)/assets (-)	EUR m	116.8	150.3	-22.2%
Employees (incl. leasing personnel) end of period	FTE	3,706	4,085	-9.3%

Key figures quarterly	Unit	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021
Sales	EUR m	149.1	93.2	137.1	142.5	147.8
EBITDA	EUR m	11.7	-1.0	9.9	27.7	13.8
EBITDA margin (EBITDA/sales)	%	7.8%	-1.0%	7.2%	19.4%	9.3%
EBIT	EUR m	2.7	-9.7	0.9	19.1	6.7
EBIT margin (EBIT/sales)	%	1.8%	-10.4%	0.6%	13.4%	4.5%
Earnings after tax	EUR m	1.5	-10.3	-1.5	19.8	4.8
Earnings per share	EUR	0.06	-0.48	-0.08	0.79	0.21
Investments in fixed assets	EUR m	5.8	0.7	5.9	1.8	6.0
Equity ratio (equity/balance sheet total)	%	40.7%	40.0%	40.5%	42.6%	43.6%
Net working capital (NWC)	EUR m	122.6	120.9	127.9	92.8	110.1
Capital employed	EUR m	425.8	417.7	421.5	373.8	393.1
Net debt (+)/assets (-)	EUR m	150.3	153.4	157.1	105.8	116.8
Employees (incl. leasing personnel) end of period	FTE	4,085	3,870	3,851	3,636	3,706

GROUP SALES BY CUSTOMERS



SALES & EBIT MARGIN



INTERIM REPORT

Q1 2021

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

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GROUP MANAGEMENT REPORT Q1 2021

AUTOMOTIVE INDUSTRY DEVELOPMENT

The tables below show the numbers of new vehicle registrations during the period from January to March 2021 as compared to the figures from the previous year.

REGISTRATIONS OF NEW CARS IN THE MAJOR INTERNATIONAL MARKETS

in units	Q1 2021	Share	Q1 2020	Share	Change
China	5,000,900	41.8%	2,847,500	30.3%	75.6%
USA	3,869,900	32.4%	3,476,500	37.1%	11.3%
European Union (EU, EFTA and UK)	3,080,800	25.8%	3,054,000	32.6%	0.9%
Total three major markets	11,951,600	100%	9,378,000	100%	27.4%
Other selected countries					
Japan	1,196,800		1,148,500		4.2%
India	848,900		622,700		36.3%
Brazil	498,500		534,300		-6.7%
Russia	387,300		398,500		-2.8%

REGISTRATIONS OF NEW CARS IN EUROPE (EU, EFTA AND UK)

in units	Q1 2021	Share	Q1 2020	Share	Change
Germany	656,400	21.3%	701,400	23.0%	-6.4%
Italy	447,000	14.5%	347,400	11.4%	28.7%
France	441,800	14.3%	364,700	11.9%	21.1%
United Kingdom	425,500	13.8%	483,600	15.8%	-12.0%
Spain	186,100	6.1%	218,700	7.2%	-14.9%
Other European countries	924,000	30.0%	938,200	30.7%	-1.5%
EUROPE (EU, EFTA and UK)	3,080,800	100%	3,054,000	100%	0.9%

REGISTRATIONS OF NEW CARS IN EUROPE (EU, EFTA AND UK) - BY DRIVE TECHNOLOGY

in units	Q1 2021	Share	Q1 2020	Share	Change
Petrol-driven cars	1,316,200	42.8%	1,627,900	53.1%	-19.1%
Diesel-driven cars	653,900	21.2%	853,700	27.9%	-23.4%
Battery electric vehicles (BEV)	202,400	6.6%	130,900	4.3%	54.6%
Plug-in hybrid electric vehicles (PHEV)	250,500	8.1%	98,800	3.2%	153.5%
Hybrid electric vehicles (HEV)	593,600	19.3%	311,700	10.2%	90.4%
Natural gas vehicles (NGV)	14,400	0.5%	16,200	0.5%	-11.3%
Other alternatively-powered vehicles (APV)	46,000	1.5%	23,900	0.8%	92.7%
EUROPE (EU, EFTA and UK)	3,077,000	100%	3,063,100	100%	0.5%

REGISTRATIONS OF NEW COMMERCIAL VEHICLES IN EUROPE (EU, EFTA AND UK)

in units	Q1 2021	Share	Q1 2020	Share	Change
Light commercial vehicles ≤3,5 t	533,100	84.6%	422,500	82.5%	26.2%
Medium commercial vehicles >3.5 t to ≤16 t	15,800	2.5%	15,900	3.1%	-0.6%
Heavy commercial vehicles >16 t	73,600	11.7%	64,000	12.5%	15.1%
Medium and heavy buses & coaches >3.5 t	7,500	1.2%	9,500	1.9%	-21.8%
EUROPE (EU, EFTA and UK)	630,000	100%	511,900	100%	23.1%

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

GROUP RESULTS

SALES

In the first quarter of 2021, the POLYTEC GROUP's consolidated sales revenues amounted to EUR 147.8 million and therefore lay slightly below the level of the previous year (Q1 2020: EUR 149.1 million). This 0.9% fall in sales can be traced primarily to the deconsolidation of the "Industrial" business area, which was completed at the beginning of

December 2020. Furthermore, sales revenues in the Commercial Vehicles market area were also lower, but by contrast sales revenues in the Passenger Cars & Light Commercial Vehicles market area were higher than in the first three months of last year.

SALES BY MARKET AREA

in EUR m	Q1 2021	Share	Q1 2020	Share	Change
Passenger Cars & Light Commercial Vehicles	111.9	75.7%	103.4	69.4%	8.2%
Commercial Vehicles	24.6	16.6%	29.7	19.9%	-17.2%
Smart Plastic & Industrial Applications	11.3	7.7%	16.0	10.7%	-29.4%
POLYTEC GROUP	147.8	100%	149.1	100%	-0.9%

Sales in the first quarter of 2021 in the Passenger Car & Light Commercial Vehicle market area, which with a 75.7% share of total sales (Q1 2020: 69.4%) represents the strongest market area within the POLYTEC GROUP, rose by 8.2% to EUR 111.9 million (Q1 2020: EUR 103.4 million) and were thus markedly higher than those of the identical period of the previous year.

As compared to the first quarter of 2020, sales in the Commercial Vehicles market area (16.6%; Q1 2020: 19.9%) fell by 17.2% from EUR 29.7 million to EUR 24.6 million. This decline was due mainly to the closure of several plants, which derived a large part of their sales revenues from commercial vehicles.

In comparison to the first quarter of the preceding year, the share of the Smart Plastics & Industrial Applications market area in the consolidated sales of the POLYTEC GROUP was three percentage points lower at 7.7% (Q1 2020: 10.7%). In spite of a considerable increase in the sales revenues from the production of logistics boxes for the foods industry, which continued in the first quarter of 2021, in the first three months of the year the market area showed an overall decline in sales to EUR 11.3 million, which above all emanated from the sale of the "Industrial" business area at the beginning of December 2020.

SALES BY CATEGORY

in EUR m	Q1 2021	Share	Q1 2020	Share	Change
Parts and other sales	132.8	89.9%	138.9	93.2%	-4.4%
Tooling and other engineering sales	15.0	10.1%	10.2	6.8%	47.1%
POLYTEC GROUP	147.8	100%	149.1	100%	-0.9%

As opposed to the same period of the previous year, sales in the series production area were down by 4.4% at EUR 132.8 million. By contrast, tooling and other engineer-

ing sales revenues, which are subject to cyclical fluctuations, increased markedly in the first three months of 2021, rising by 47.1% to stand at EUR 15.0 million.

SALES BY REGION

in EUR m	Q1 2021	Share	Q1 2020	Share	Change
Austria	13.5	9.1%	11.0	7.4%	22.7%
Germany	69.5	47.0%	72.7	48.7%	-4.4%
United Kingdom	14.9	10.1%	16.4	11.0%	-9.1%
Other EU countries	40.2	27.2%	40.3	27.1%	-0.2%
Other countries	9.7	6.6%	8.7	5.8%	11.5%
POLYTEC GROUP	147.8	100%	149.1	100%	-0.9%

GROUP EARNINGS FIGURES

	Unit	Q1 2021	Q1 2020	Change
Sales	EUR m	147.8	149.1	-0.9%
EBITDA	EUR m	13.8	11.7	18.0%
EBITDA margin (EBITDA/sales)	%	9.3%	7.8%	1.5% pts.
EBIT	EUR m	6.7	2.7	150.9%
EBIT margin (EBIT/sales)	%	4.5%	1.8%	2.7% pts.
Earnings after tax	EUR m	4.8	1.5	227.3%
Average capital employed	EUR m	383.4	431.0	-11.0%
Earnings per share	EUR	0.21	0.06	250.0%
Dividend per share (proposal to the AGM)	EUR	0.30	0.00	N/A

MATERIAL AND PERSONNEL EXPENSES

In the first three months of 2021, the material expenses of the POLYTEC GROUP were 5.4% or EUR 3.8 million higher at EUR 74.4 million. In particular, owing to worldwide increases in raw material prices and changes in the product mix, the material ratio was two percentage points higher at 49.1% (Q1 2020: 47.1%).

Group personnel expenses in the first quarter of 2021 fell by EUR 5.6 million to EUR 49.6 million. Furthermore, owing to a combination of capacity adjustments, the deconsolidation of the "Industrial" business area and a slight fall in sales revenues, the group personnel ratio was 3.8 percentage points lower at 33.2% (Q1 2020: 37.0%).

EBITDA AND EBIT

In the first three months of 2021, POLYTEC GROUP EBITDA amounted to EUR 13.8 million (Q1 2020: EUR 11.7 million). This increase was primarily the result of the implementation of capacity adjustments. Subsequent expenditure in connection with capacity adjustments had a negative impact upon EBITDA of EUR 0.9 million.

As compared to the same period of the previous year, the EBITDA margin improved by 1.5 percentage points to 9.3%.

Depreciation in the first quarter fell by EUR 1.9 million to EUR 7.1 million as a result of the capacity adjustments, the deconsolidation of the "Industrial" business area and the low investment ratio of the preceding year.

Group EBIT in the months from January to March 2021 totalled EUR 6.7 million (Q1 2020: EUR 2.7 million) and as opposed to the same period of 2020, the EBITDA margin was 2.7 percentage points higher at 4.5%.

FINANCIAL AND GROUP RESULT

The financial result for the first three months of 2021 amounted to minus EUR 0.7 million and was thus at the level of the previous year. The POLYTEC GROUP tax ratio in the period from January to March 2021 stood at 20.5%

(Q1 2020: 24.1%). The group net profit for the first quarter of 2021 amounted to EUR 4.8 million (Q1 2020: EUR 1.5 million), which corresponded with earnings per share of EUR 0.21 (Q1 2020: EUR 0.06).

ASSETS AND FINANCIAL STATUS

INVESTMENTS

in EUR m	Q1 2021	Q1 2020	Change
Investments in fixed assets	6.0	5.8	2.9%

During the first quarter of 2021 investments in fixed assets totalled EUR 6.0 million (Q1 2020: EUR 5.8 million) and in

particular were focused on the enlargement on capacity at the plant in Ebensee, Austria.

GROUP KEY BALANCE SHEET AND FINANCIAL FIGURES

	Unit	31.03.2021	31.12.2020	Change
Equity	EUR m	254,9	247,5	3.0%
Equity ratio (equity/balance sheet total)	%	43.6%	42.6%	1.0% pts.
Balance sheet total	EUR m	585,0	581,5	0.6%
Net working capital ¹⁾	EUR m	110,1	92,8	18.6%
Net working capital/sales	%	21.1%	17.8%	3.3% pts.

¹⁾ Net working capital = current assets less current liabilities

As compared to 31 December 2020, on 31 March 2021, the group's balance sheet total was EUR 3.5 million higher at EUR 585.0 million. The equity ratio on 31 March 2021 was

one percentage point higher than on the balance sheet date of 31 December 2020 at 43.6% and thus remained at a healthy level.

	Unit	31.03.2021	31.12.2020	Change
Net debt (+)/assets (-)	EUR m	116,8	105,8	10,4%
Net debt (+)/assets (-)/EBITDA	-	2,32	2,19	5,9%
Gearing (net debt (+)/assets (-)/equity)	-	0,46	0,43	7,0%

By comparison with the 31 December 2020 reporting date, net debt increased by EUR 11.0 million to EUR 116.8 million. The key figure for the fictive debt repayment duration rose marginally from 2.19 to 2.32. The gearing ratio was slightly

higher at 0.46 and thus remained at the 2020 year-end level. On the 31 March 2021 reporting date, the POLYTEC GROUP disposed over cash and cash equivalents totalling EUR 77.9 million.

EMPLOYEES

Employees (incl. leasing personnel) in terms of full-time equivalents (FTE)	End of period			Average period		
	31.03.2021	31.03.2020	Change	Q1 2021	Q1 2020	Change
Austria	482	534	-52	487	536	-49
Germany	1,819	2,085	-266	1 809	2,141	-332
United Kingdom	343	410	-67	336	418	-82
Other EU countries	971	995	-24	934	1,021	-87
Other countries	91	61	30	82	144	-62
POLYTEC GROUP	3,706	4,085	-379	3,648	4,260	-612

In terms of a comparison with the same quarter of the preceding year, average group workforce numbers (including leasing personnel) were down by 612 (FTE - full time equivalents), or 14.4%, at 3,648. The average leasing personnel quota amounted to 12.9% (Q1 2020: 6.7%).

On the reporting date of 31 March 2021, POLYTEC had a total of 3,706 employees. As opposed to the figure on the

reporting date for the same period of 2020 (4,085 employees) this represented a reduction of 379 (FTE - full time equivalents), or 9.3%. This fall was the result of several plant closures and the sale of the "Industrial" business area at the beginning of December 2020. The effects of short-time working are not included in the statistics shown above.

RISKS AND UNCERTAINTIES

For a number of years, the effects of the diesel crisis, stricter climate protection regulations, the structural transformation in the direction of e-mobility and other risk-bearing influences have been a source of concern for the automotive industry. This ongoing transition will continue to pose economic challenges to both manufacturers and their suppliers.

In the course of its business operations, the POLYTEC GROUP is subject to numerous risks, which are indelibly linked to its entrepreneurial activities. Therefore, for POLYTEC risk management is an integral part of group strategy and all of its business practices. In the retrospective,

it can be stated that the POLYTEC GROUP has implemented target-oriented risk management.

2020 was a year characterised by the COVID-19 virus and the resultant pandemic, which had a negative impact worldwide on virtually every aspect of life. The global economy and hence the automotive industry continue to struggle with the consequences of the corona crisis, which already entered its second year in 2021. In 2021, the international car markets are expected to grow again. A sales revival is also awaited in the commercial vehicle segment although the pre-COVID levels in both categories are unlikely to be reached during the year 2021.

In addition, since the beginning of the year, sizeable increases in the prices for a large number of raw materials could be noted. Experts estimate that this trend could continue throughout 2021. Innumerable force majeure reports from a diversity of raw material suppliers have already resulted in considerable shortages and supply chain disruptions. Indeed, from a current perspective, interruptions to supplies such as those related to the greatly reduced availability of semiconductor chips and of some types of synthetics cannot be entirely excluded.

At present, it is impossible to offer a comprehensive assessment of how the corona pandemic will develop and the influence that it will exert upon the development of the POLYTEC GROUP's sales revenues and income. Accordingly, the management continues to monitor events extremely closely.

With regard to risk reporting, we also refer to the explanations under item 3. and item 4. in the group management report as well as under item G. 2 of the notes to the consolidated financial statements published on 22 April 2021 in the Annual Financial Report 2020 and the Annual Report 2020.

MATERIAL EVENTS AFTER THE REPORTING PERIOD

No events of material significance have occurred after 31 March 2021.

OUTLOOK FINANCIAL YEAR 2021

Subject to the assumption that its business environment recovers, in general the POLYTEC GROUP management anticipates consolidated sales revenues of about EUR 575 million. Moreover, on the basis of the restructuring completed in the preceding year, which saw the closure of four production plants and a resultant lasting reduction in personnel and structural costs, EBIT should improve to about EUR 35 million.

Nonetheless, the realisation of this outlook is prone to a number of significant uncertainties, which continue to lim-

it business development visibility and could lead to a volatile course of business. In fact, such uncertainties have increased tangibly in recent weeks. In particular, the possibility of disruptions to production owing to considerable increases in prices and partial shortages with regard to raw materials makes forecasting problematic. In addition, the course of the corona pandemic continues to threaten negative effects upon consolidated sales revenues and the operative result in the current year.

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 31 March 2021 with comparative figures from the previous year

in EUR k	01.01. - 31.03.	
	2021	2020
Net sales	147,774	149,121
Other operating income	1,495	810
Changes in inventory	1,794	332
Other own work capitalised	422	454
Expenses for materials and services received	-74,361	-70,570
Personnel expenses	-49,618	-55,231
Other operating expenses	-13,708	-13,229
Earnings before interest, taxes and depreciation (EBITDA)	13,797	11,688
Depreciation	-7,089	-9,014
Earnings before interest and taxes = operating result (EBIT)	6,708	2,674
Interest result	-778	-792
Other financial income	43	32
Financial result	-734	-760
Earnings before tax	5,974	1,914
Taxes on income	-1,222	-462
Earnings after tax	4,752	1,452
thereof result of non-controlling interests	-66	-197
thereof result of the parent company	4,686	1,254
Earnings per share in EUR	0.21	0.06

CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2021

with comparative figures from the last balance sheet as at 31.12.2020

ASSETS

in EUR k	31.03.2021	31.12.2020
A. Non-current assets		
I. Intangible assets	4,949	5,120
II. Goodwill	12,643	12,643
III. Tangible assets	252,013	249,862
IV. Other non-current assets	2,137	2,035
V. Deferred tax assets	7,449	8,169
	279,191	277,829
B. Current assets		
I. Inventories	42,786	38,570
II. Trade accounts receivable	61,540	55,020
III. Revenues from contracts with customers	95,108	90,812
IV. Other current receivables	13,736	14,216
V. Income tax receivables	1,427	1,307
VI. Cash and cash equivalents	77,857	90,389
	292,455	290,315
VII. Assets held for sale	13,360	13,360
	305,815	303,675
	585,006	581,504

EQUITY AND LIABILITIES

in EUR k	31.03.2021	31.12.2020
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	205,068	200,383
V. Other reserves	-12,197	-14,820
	250,911	243,601
VI. Non-controlling interests	3,952	3,885
	254,863	247,487
B. Non-current liabilities		
I. Non-current, interest-bearing liabilities	127,254	160,342
II. Provision for deferred taxes	1,952	1,803
III. Provisions for employees	26,987	26,899
	156,193	189,044
C. Current liabilities		
I. Current interest-bearing liabilities	69,440	37,889
II. Liabilities on income taxes	1,998	2,080
III. Trade accounts payable	47,640	52,703
IV. Liabilities from contracts with customers	6,828	5,365
V. Other current liabilities	34,405	31,718
VI. Current provisions	13,637	15,219
	173,949	144,974
	585,006	581,504

CONSOLIDATED CASH FLOW STATEMENT

for the period from 1 January to 31 March 2021 with comparative figures from the previous year

in EUR k	01.01. - 31.03.	
	2021	2020
Earnings before tax	5,974	1,914
+(-) Depreciation on fixed assets	7,089	9,014
-(+) Interest result	734	760
+(-) Other non-cash expenses and income	1,511	-1,483
+(-) Increase (decrease) in non-current provisions for employees	52	-638
-(+) Profit (loss) from fixed asset disposals	-464	-376
-(+) Increase (decrease) in inventories	-1,750	-1,631
-(+) Increase (decrease) in trade and other receivables and contractual revenues	-12,634	-5,226
+(-) Increase (decrease) in trade and other payables and contractual liabilities	-1,681	4,406
+(-) Increase (decrease) in current provisions	-1,626	4,719
= Consolidated cash flow from current activities	-2,796	11,459
+ Interest received	36	23
- Interest paid	-608	-698
- Taxes paid	-558	-1,394
= Consolidated cash flow from operating activities	-3,926	9,390
- Investments in fixed assets	-6,000	-5,833
+ Payments from the disposal of intangible and tangible assets	1,976	7,973
-(+) Increase (decrease) of interest-bearing and other long-term receivables	-53	0
= Consolidated cash flow from investing activities	-4,077	2,140
- Repayments of loan financing	-1,670	-2,924
- Repayments of real estate loan borrowings	-741	-657
- Outflows from leasing agreements	-3,139	-335
+ Equity financing borrowings	1,372	551
- Third party dividends	0	-250
+(-) Other equity changes	-152	-12
= Consolidated cash flow from financing activities	-4,331	-3,627
+(-) Consolidated cash flow from operating activities	-3,926	9,390
+(-) Consolidated cash flow from investing activities	-4,077	2,140
+(-) Consolidated cash flow from financing activities	-4,331	-3,627
= Change in cash and cash equivalents	-12,333	7,903
+(-) Effect from currency translations	-199	-171
+ Opening balance of cash and cash equivalents	90,389	55,609
= Closing balance of cash and cash equivalents	77,857	63,341

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 01.01.2021	22,330	37,563	-1,855	200,383	-14,822	243,601	3,885	247,486
Comprehensive income after tax	0	0	0	4,686	0	4,686	66	4,752
Other result after tax	0	0	0	0	2,625	2,625	0	2,625
Dividends	0	0	0	0	0	0	0	0
As at 31.03.2021	22,330	37,563	-1,855	205,068	-12,197	250,912	3,952	254,864

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 01.01.2020	22,330	37,563	-1,855	197,772	-11,289	244,523	8,060	252,585
Comprehensive income after tax	0	0	0	1,254	0	1,254	197	1,452
Other result after tax	0	0	0	0	-4,333	-4,333	0	-4,333
Dividends	0	0	0	0	0	0	-250	-250
As at 31.03.2020	22,330	37,563	-1,855	199,026	-15,623	241,444	8,008	249,453

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

01.01. - 31.03.2021 in EUR k	Group	Non controlling interests	Total
Earnings after tax	4,686	66	4,752
Currency translations	2,625	0	2,625
Total result	7,311	66	7,377

01.01. - 31.03.2020 in EUR k	Group	Non controlling interests	Total
Earnings after tax	1,254	197	1,452
Currency translations	-4,333	0	-4,333
Total result	-3,079	197	-2,882

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 31 March 2021 was prepared in accordance with the provisions of the International Financial Reporting Standards (IFRS) and in particular IAS 34 (Interim Financial Reporting). The remaining accounting and

valuation methods from 31 December 2020 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 2020 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. The POLYTEC GROUP's scope of consolidation now includes 44 fully consolidated companies (previous year: 44) of which 33 (previous year: 33) are foreign entities.

EQUITY

The Board of Directors and the Supervisory Board will propose the distribution of a dividend of EUR 0.30 per eli-

gible share to the 21st Ordinary Annual General Meeting to be held on 13 July 2021.

MATERIAL TRANSACTIONS WITH RELATED PARTIES AND COMPANIES

POLYTEC Holding AG employs the consulting services of IMC Verwaltungsgesellschaft mbH, Horsching, 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 2020, up to 31 March 2021 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 2020.

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 customers nor-

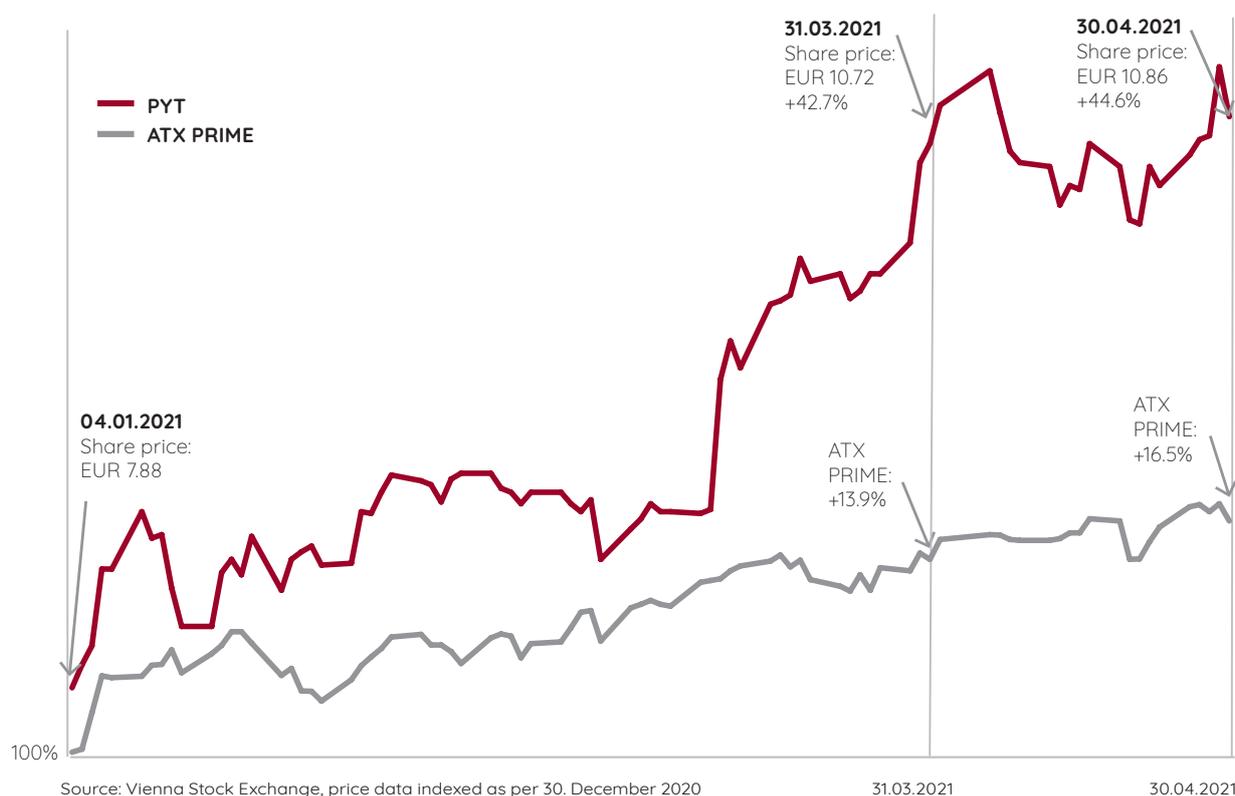
mally close plants for holidays generally produce lower sales revenues than quarters without such effects. In addition, sales from one quarter can also be influenced by the billing of large tooling or engineering projects.

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

No events of material significance occurred after 31 March 2021.

SHARE & INVESTOR RELATIONS

POLYTEC SHARE PRICE DEVELOPMENT



During the first quarter of 2021, the POLYTEC share registered an extremely satisfactory upward trend and constantly developed better than the ATX Prime Index. On 18 March, roughly a year after the EUR 3.21 low in the midst of the corona crisis, the POLYTEC share reached a closing price of EUR 10.12 and thus returned to a double-digit price for the first time. At the end of the first quarter, the share stood at EUR 10.72 and in the performance rankings of the Vienna Stock Exchange occupied third place amongst the 38 prime market titles. Moreover, on 6 April 2021, the POLYTEC share closed at EUR 11.10 and after 631 trading days thus returned to the level last seen on 27 September 2018.

On the editorial closing date for this report, all four of the research institutes that regularly analyse the POLYTEC share gave a unified Buy recommendation. In the first quarter of 2021 three banks included the POLYTEC share in their recommendation lists, which consisted of the "Baader Helvea Top Picks List" (Baader Helvea Equity Research), the "Favourite Stock List Austria" (Raiffeisen Bank International Equity Research) and "Most and Least Preferred Stocks" (M.M.Warburg Research).

SHARE KEY FIGURES

Various stock performance indicators of the POLYTEC share for the period from January to March 2021 compared to the

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

POLYTEC-Aktie (AT0000A00XX9)	Unit	Q1 2021	Q1 2020	Change	Q1 2019	Q1 2018
Closing price last trading day of period	EUR	10.72	4.32	148.1%	8.47	15.72
Highest closing price during period (31 March 2021)	EUR	10.72	8.93	20.0%	10.10	21.00
Average closing price during period	EUR	9.01	6.94	29.8%	9.02	17.67
Lowest closing price during period (1 January 2021)	EUR	7.88	3.21	145.5%	8.36	15.72
Market capitalisation last trading day of period	EUR m	239.4	96.5	148.1%	189.1	351.0
Vienna Stock Exchange money turnover (double counting)	EUR m	43.6	37.2	17.2%	31.1	94.9
Vienna Stock Exchange share turnover (double counting)	Shares m	4.9	6.2	-21.0%	3.4	5.3
Share turnover (daily average, double counting)	Shares	77,592	97,639	-20,5%	54,648	84,089

Source: Vienna Stock Exchange

DIVIDEND POLICY

POLYTEC's dividend policy is based on the profitability, strategic growth perspectives and capital requirements of the group. In the 2020 business year, POLYTEC Holding AG's net profit amounted to EUR 152.8 million (2019: EUR 134.3 million). The Board of Directors and the Supervisory Board will propose the distribution of a dividend of EUR 0.30 per eligible share to the 21st Ordinary Annual General

Meeting to be held on 13 July 2021. This corresponds to a gross dividend payment of around EUR 6.6 million (2019: no dividend). On the basis of the average closing price for the year of EUR 5.92, a dividend yield of 5.1% results. 19 July 2021 is the ex-dividend day and 21 July 2021 the dividend pay-out day.

RESEARCH COVERAGE

The support of the POLYTEC GROUP by national and international investment banks is an important element in its comprehensive investor relations activities and plays a highly significant role in the visibility of the POLYTEC share

within the investor community. The following financial institutions publish reports on POLYTEC GROUP and the recommendations and price targets up to the editorial closing date (beginning of May 2021) are contained in the table below.

Institute	Recommendation	Price target	Updated
BAADER Helvea Equity Research, Munich	Buy	EUR 12.00	25.01.2021
ERSTE Group Research, Vienna	Buy	EUR 12.30	26.03.2021
M.M.Warburg Research, Hamburg	Buy	EUR 16.00	23.04.2021
Raiffeisen Research, Vienna	Buy	EUR 13.50	26.04.2021
Average price target		EUR 13.45	

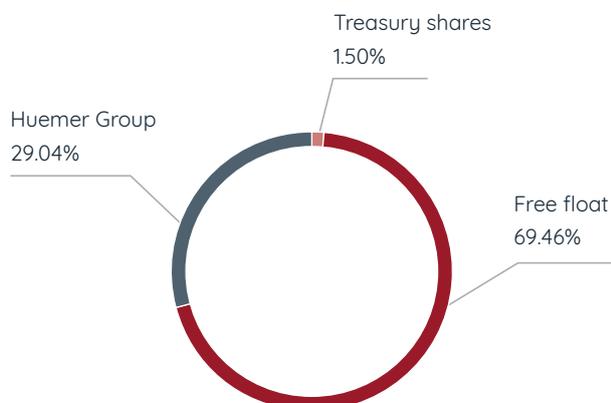
The current recommendations and price targets can be called up from the Investor Relations, Share, Price Infor-

mation and Analyses section of the Group's new website, www.polytec-group.com

SHAREHOLDER STRUCTURE

During the first quarter 2021, POLYTEC Holding AG was informed of three voting right notifications from stockholders. On the editorial closing date of this interim report,

the stockholder structure of POLYTEC Holding AG had the following form:



CORPORATE CALENDAR 2021

22.04.2021	THU	Publication of the financial statements and annual report for 2020
07.05.2021	FRI	Publication of the interim report Q1 2021
03.07.2021	SAT	Record date "AGM"
13.07.2021	TUE	21st Ordinary Annual General Meeting for the 2020 financial year
19.07.2021	MON	Ex-dividend day
20.07.2021	TUE	Record date "Dividends"
21.07.2021	WED	Dividend pay-out day
12.08.2021	THU	Publication of the financial report HY1 2021
11.11.2021	THU	Publication of the interim report Q3 2021

It is possible that owing to corona-related circumstances the day of the 21st Ordinary Annual General Meeting and therewith other related dates may be changed at short notice. The invitation to the AGM will be published punctually in the Official Gazette of the "Wiener Zeitung" and be made known via electronic media. Timely information will also be provided on the group website www.polytec-group.com in the Investor Relations, Annual General Meeting and Calendar section.



The Half Year Financial Report 2021
to be published 12 August 2021.

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. The English translation serves information purposes and the original German text is the sole legally binding version. This Q1 2021 interim report was published on 7 May 2021.

IMPRINT

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