

# Report of the Month

ReportWatch e.com

July 2008

## Polytec

Hörsching, Austria



## Report Facts

**Company name:** Polytec Holding AG  
**Fiscal year end:** December 31, 2007  
**Report title:** *Achievements, Targets, Strategy*  
**Chairman and CEO:** Friedrich Huemer  
**Number of books:** 1  
**Report length:** 84 pages  
**Auditors:** KPMG Austria  
**Concept:** BCA Mensalia  
**Design:** Rosebud Inc.  
**E-mail:** [investor.relations@polytec-group.com](mailto:investor.relations@polytec-group.com)

Report Rating: ★★★(★)

(Rating scale below)

**Profile-Mission** (Excerpted from the report)  
*The Polytec Group manufactures and assembles at 27 locations worldwide. It comprises three divisions: Automotive Systems (56% of sales); Automotive Composites (30%); Car Styling (11%). Products include: seat back panels, engine covers, cabin roofs and steps, oil scrapers, bumpers, clutch pedals...*

(Italics are own company's words)

## Key Figures

**Group sales:** EUR 665.0 million

**EBIT:** EUR 41.0 million

**Net income:** EUR 37.3 million

**Earnings per share:** EUR 1.66

**Dividend per share:** EUR 0.30 (proposed)

**Return on capital employed:** 23.9%

**Net profit margin:** 5.6%

**Gearing:** 18.4%

(Source: figures sourced from the annual report)

## Some Competitors

- Autoliv
- Delphi
- Oerlikon
- Applied Materials
- Bosch
- Visteon
- Valeo
- Grammer

# Report Rating: ★★★(★)

## Brief

Company founded in **1986** by Mr. Huemer and his wife. Initial Public Offering (IPO) at the Vienna Stock Exchange in April **2006**. The **2007** Annual Report is the first to report for a full year as a listed company.

## Prima

- > A cover that starts telling the story through headlines and a CEO portrait that shows some confidence. It really plays as a first step in packaging a communicative and convincing investment proposition. Despite its weak points, the whole reporting effort deserves praise, as such, but also when compared with established companies who has turned complacent or idle and could draw some inspiration here –and for some get back to their roots.
- > *Key Figures* are placed inside the front cover; are thorough; include year-on-year change columns, major ratios and cash flows; with some charted (including *Balance sheet structure*).
- > *We kept our promises*, states the founder and CEO in a straightforward six-page interview that also says that (sic) *Banks are knocking on our doors* and ends with a question about *margin* and... *direction is more important than speed* as a conclusion.
- > A nice blend of report content and a magazine-leaning style, illustrated e.g. in the *Contents* page (see below), and sustained throughout fifty percent of the book.
- > *Milestones of the Polytec Group* charts the history though sales progress and major events.

## Gut

- > Though too short, the *Management Report* features margins and other key ratios.
- > Questions to the Specialist are addressed to an... insider who joined the company in 1988 and enlightens.
- > *Investor Relations* section (pp 40-42) is matter-of-fact.

## Aber...

- > The profiling job is done by small touches but doesn't fully compensate for a more explicit mission statement.
- > Financial reporting, notes to statements, outlook and targets underdeveloped.
- > Governance lags far behind best practice.
- > Risk factors and management pushed to the notes and not up to demanding requirements.
- > Leave the front cover up because the ending and back covering are dull!

### Rating Scale

★★★★★: First-rate ★★★(★): Excellent ★★★★★: Very good ★★★(★): Sound ★★\*: Average  
★★(★): Uneven ★\*: Common ★(★): Substandard ★: Poor (★): Uncompetitive

The rating is based on ReportWatch internal desk research and does not take into account the independent Rating Panel's judgment. It may therefore differ from ratings (to be) published in the **Annual Report on Annual Reports**.

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*How does the company report in key areas? What are the main report pluses and minuses?*

*The **Report Scan** gives an overview of strengths and weaknesses, and scores each item.*

Contact [e.com@reportwatch.net](mailto:e.com@reportwatch.net)



## “We kept our promises”

This is what the Chief Executive Officer of POLYTEC, Mr. Friedrich Huemer says about the financing of potential acquisitions, kept promises of the past and promises for the future—and why the booming economic situation for trucks does not only provide advantages for the company.



## Clear + Concise

Information concerning celebrated entrepreneurs, top sellers, ground-breaking new developments and rushing working students—stories that moved the company in 2007.

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## Questions to the Specialist

While other competitors are outsourcing, the POLYTEC GROUP is expanding the value-added chain. Karl Heinz Solly, deputy Chief Executive Officer of the POLYTEC GROUP explains why.

