

2020

Q2

Report for the first half year

1 January to 30 June 2020

SURTECO

€ million	Q2			Q1-2		
	1/4/-30/6/ 2019	1/4/-30/6/ 2020	Δ %	1/1/-30/6/ 2019	1/1/-30/6/ 2020	Δ %
Sales revenues	170.8	125.4	-27	352.7	297.1	-16
of which						
- Germany	40.8	36.4	-11	88.5	83.5	-6
- Foreign	130.0	89.0	-32	264.2	213.6	-19
EBITDA	19.8	11.4	-42	42.3	35.2	-17
EBITDA margin in %	11.6	9.1		12.0	11.9	
EBIT	8.7	1.0	-88	20.2	14.4	-29
EBIT margin in %	5.1	0.8		5.7	4.8	
EBT	7.1	1.9	-74	17.6	14.6	-17
Consolidated net profit	5.0	0.8	-84	12.7	9.7	-24
Earnings per share in €	0.32	0.05	-84	0.82	0.62	-24
Number of shares	15,505,731	15,505,731		15,505,731	15,505,731	

	30/6/2019	30/6/2020	Δ %
Net financial debt in € million	204.6	173.0	-15
Level of debt in %	57	49	-8 pts.
Equity ratio in %	41.1	44.7	+3.6 pts.
Number of employees	3,241	3,105	-4

	31/12/2019	30/6/2020	Δ %
Net financial debt in € million	179.9	173.0	-4
Level of debt in %	51	49	-2 pts.
Equity ratio in %	45.4	44.7	-0.7 pts.
Number of employees	3,174	3,105	-2

SURTECO GROUP GROUP INTERIM MANAGEMENT REPORT AT 30 JUNE 2020

Business report

Macroeconomic and sector-specific framework conditions

Global economy 2020 significantly impacted by the coronavirus pandemic

The development of business operations at the SURTECO Group is closely connected with the global economic situation because the purchasing and investment appetite of customers is ultimately based on the economic performance in the individual countries and regions, which then exerts the corresponding impact on the demand for SURTECO products. The most important geographical markets for SURTECO are Europe, North and South America, and Australia. Key customer sectors are the wood-processing and furniture industry. Furthermore, the Group supplies a number of other sectors including interior design, the caravan industry and the cruise ship industry.

In its latest forecast update published in June 2020, the International Monetary Fund (IMF) sees the global economy as being much more significantly impacted by the coronavirus

pandemic in the first half of the year than had previously been anticipated and now only expects a slow recovery. Accordingly, the IMF experts have corrected their forecasts significantly downward compared with the last update in April 2020 and they are predicting global economic output of -4.9 % for 2020. The advanced economies are likely to shrink by 8.0 %, while those of the emerging markets and developing economies are projected to contract by 3.0 %.

The IMF is currently anticipating a downturn of -8.0 % in 2020 for the US economy. The eurozone is forecast to undergo an even more dramatic drop with a fall of 10.2 %. The experts at the IMF are expecting a significant weakening in all the important EU countries: Germany (-7.8 %), France (-12.5 %), Italy (-12.8 %), Spain (-12.8 %) and the United Kingdom (-10.2 %). Economic output is also expected to shrink by 5.8 % in Emerging and Developing Europe. Among the BRIC countries, China retains its leading role with a forecast increase of 1.0 %, albeit at a low level, while a major economic collapse is predicted for Brazil (-9.1 %) and Russia (-6.6 %).¹

Sales and business performance

During the first six months of 2020, the SURTECO Group generated sales revenues totalling € 297.1 million after € 352.7 million in the year-earlier period. Apart from the missing sales from the impregnating business disposed of in 2019 and negative foreign exchange-rate effects, the fall of 16 % is clearly due to the global measures put in place to contain

¹ Source: International Monetary Fund (IMF), World Economic Outlook, Update June 2020

the spread of the Covid-19 pandemic. These included the closure of furniture retail outlets and production capacities at manufacturers and suppliers. Adjusted by the disposal and foreign exchange-rate effects, organic business was 11 % below the level for the previous year. As a consequence of the pandemic, statistics provided by the Association of the German Furniture Industry (VDM) indicate that the German furniture industry has posted a drastic decline in purchase orders from retail as a result of the pandemic. Consequently, in the first half year of 2020, the sales revenues of the SURTECO Group in Germany fell back by 6 % compared with the equivalent year-earlier period and by 18 % in the rest of Europe (not including Germany). In America (North and South), sales fell by 27 %, although the impregnating business disposed of in July 2019 and negative exchange rate effects need to be taken into account here. Adjusted by these effects, the drop in sales in America amounted to 5 %. In Asia, Australia and other geographical markets, sales also came down by 5 %.

Decoratives

The measures to contain the Covid-19 pandemic described above led to a tangible decline in the orders booked for the Segment Decoratives, particularly during the second quarter. This impacted on virtually all the locations for the segment. As a result, the management reduced production capacity by introducing short-time working or comparable country-specific measures. As a result, the sales revenues of the segment came down from € 253.7 million in the previous year to € 214.6 million in the months from January to June 2020. All the product areas in the segment were affected by the decline in demand. Accordingly, sales in decorative printing came down

by 10 % in the first half year of 2020, sales in edgebandings and finish foils each fell by 14 %, and with other products and commercial products by 31 % compared with the equivalent year-earlier period.

Profiles

Nevertheless, the Segment Profiles succeeded in bucking the impacts of the Covid-19 pandemic and increased its sales in the first half year of 2020 by 5 % to € 49.6 million (2019: € 47.2 million). The skirtings product area in particular benefited from ongoing good capacity utilization in building and refurbishing and achieved a sales rise of 15 %. Conversely, sales with technical extrusions (profiles) fell by 10 % below the year-earlier value, while commercial products and other products were 4 % above the previous year.

Technicals

In the first half year, sales for the Segment Technicals eased from € 51.8 million in the previous year to € 32.9 million in 2020. This is due firstly to a pandemic-related collapse in demand and secondly to the impregnating business sold in July 2019. In the first half of 2019, this still included revenues amounting to € 15.3 million. Insofar, the adjusted fall in sales for the segment amounted to 10 %. It proved possible to adapt a proportion of the Swedish plastic foil production to the manufacture of hygiene / disposable aprons. As a consequence, business with plastic foils went up by 10 % in the first half year. Sales with impregnates fell by 59 % owing to disposal of the impregnating business and adjusted by 22 %. As a result of the coronavirus-related decline in demand, sales with edgebandings and finish foils

for niche markets in the furniture industry came down by 12 % and 23 % respectively compared with the equivalent year-earlier period.

Expenses

The SURTECO Group essentially processes technical raw papers, plastics and chemical additives. In the first half of 2020, the purchase prices for these materials posted levels almost universally below the year-earlier values. In conjunction with reduced production capacity, the cost of materials for the Group therefore came down from € 174.6 million in the previous year to € 132.9 million in 2020 and the cost of materials ratio (cost of materials / total output) declined from 49.3 % in the previous year to 45.4 % in the months of January to June 2020. Owing to the reduced number of employees and savings resulting from the reduction of time credits and utilization of short-time working, personnel expenses fell from € 90.4 million in the previous year to € 82.8 million in 2020. The corresponding ratio (personnel expenses / total output) rose from 25.5 % in the previous year to 28.3 % in 2020 owing to the significantly reduced total output. A similar trend was evident for other operating expenses. Strict cost discipline brought about a reduction in other operating expenses from € 49.8 million to € 44.1 million, while they rose in relation to total output from 14.0 % to 15.1 %.

Group results

In the first half of 2020, the total output of the Group fell to € 292.9 million after € 354.4 million in the previous year. Deducting the expense items amounting to a total of € 259.9 million (2019: € 314.8 million) and taking into account other operating income amounting to € 2.2 million (2019: € 2.7 million) yields earnings before financial result, income tax and depreciation and amortization (EBITDA) of € 35.2 million (2019: € 42.3 million). The EBITDA margin (EBITDA / Sales) at 11.9 % was slightly below the year-earlier value of 12.0 %. Depreciation and amortization at € 20.8 million were just under the year-earlier value of € 22.0 million. Insofar, earnings before financial result and income tax (EBIT) amounting to € 20.2 million in the previous year fell to € 14.4 million in the first half year of 2020. The corresponding margin (EBIT / Sales) was 4.8 % (2019: 5.7 %). Lower interest expenses owing to the repayment of the last tranche from a US Private Placement in August 2019 and the disposal of shares in Canplast Mexico S.A. de C.V. in June 2020 ensured positive development for the financial result from € -2.6 million in the previous year to € 0.2 million in the first half year of 2020. Hence, earnings before income tax amounted to € 14.7 million after € 17.6 million in the previous year. After deduction of income tax amounting to € -5.0 million (2019: € -4.8 million), consolidated net profit of € 9.7 million (2019: € 12.7 million) was generated. On the basis of an unchanged number of shares at 15,505,731 no-par value shares, earnings per share amounted to € 0.62 (2019: € 0.82).

Result of the segments

In spite of the Covid-19 pandemic, EBIT of the Segment Profiles increased from € 5.0 million in the previous year to € 5.1 million in the first half year of 2020. Earnings also underwent positive development in the Segment Technicals with an increase in EBIT from € 1.1 million in the previous year to the current value of € 1.8 million. Conversely, the biggest Segment Decoratives was significantly impacted by the effects of the pandemic. EBIT for the segment therefore came down from € 17.3 million in the previous year to € 10.4 million.

Net assets and financial position

Abbreviated balance sheet of the SURTECO Group

€ million	31/12/2019	30/6/2020
ASSETS		
Current assets	281.8	295.5
Non-current assets	498.5	493.8
Balance sheet total	780.3	789.3
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities	123.4	145.1
Non-current liabilities	302.3	291.1
Equity	354.6	353.1
Balance sheet total	780.3	789.3

On 30 June 2020, the balance sheet total of the Group at € 789.3 million was slightly above the year-end 2019 value (€ 780.3 million). On the assets side, current assets at € 295.5 million were above the value on 31 December 2019 (€ 281.8 million) on account of credit lines drawn on to secure liquidity. On the other hand, non-current assets at € 493.8 million were slightly below the level of year-end 2019 (€ 498.5 million). On the liabilities side, current liabilities increased from € 123.4 million at year-end 2019 to € 145.1 million at 30 June 2020 also essentially as a result of the credit lines drawn, while non-current liabilities eased from € 302.3 million to € 291.1 million. Equity at € 353.1 million remained approximately at the level of the balance sheet date in 2019 (€ 354.6 million). The equity ratio came down by 0.7 percentage points to 44.7%. Building on strategic liquidity safeguarding measures instituted at the beginning of the Covid-19 pandemic, net financial debt improved to € 173.0 million in the first half of 2020 after € 204.6 million at the year-earlier reporting date. Influenced by the acquisition of the remaining 15 % shareholding in the British Nenplas Group and the sale of shares in the Mexican company Canplast Mexico, cash flow from investment activities amounted to € -20.0 million in the first half of 2020 after € -17.5 million in the previous year and free cash flow was € 8.6 million after € 16.4 million in the previous year.

Calculation of Free Cash flow

Mio. €	1/1/-30/6/ 2019	1/1/-30/6/ 2020
Cash flow from current business operations	33.9	28.6
Acquisition of business	0.0	-3.8
Sale of companies	0.0	4.8
Purchase of property, plant and equipment	-15.1	-19.5
Purchase of intangible assets	-1.0	-2.1
Gains / Losses from disposal of fixed assets	-1.7	0.1
Share of profit of companies accounted for using the equity method	0.3	0.5
Cash flow from investment activities	-17.5	-20.0
Free cash flow	16.4	8.6

Risk and Opportunity Report

SURTECO GROUP SE with its Segments Decoratives, Profiles and Technicals is exposed to a large number of risks on account of global activities and intensification of competition. The detailed description of the Risk Management System and the individual risk categories is provided in the Risk and Opportunities Report that forms part of the Annual Report 2019. The identified individual risks are allocated to damage and probability classes on the basis of their expected gross financial burden to EBT for the current and subsequent years on the basis of the following tables.

Damage class	Qualitative	Quantitative
1	Minor	> € 1.0 million - € 2.0 million
2	Moderate	> € 2.0 million - € 3.0 million
3	Major	> € 3.0 million - € 4.5 million
4	Threat to existence as a going concern	> € 4.5 million

Probability class	Qualitative	Quantitative
1	Slight	0 % - 24 %
2	Moderate	25 % - 49 %
3	Likely	50 % - 74 %
4	Very likely	75 % - 100 %

Compared with year-end 2019, an additional individual legal and regulatory risk above the threshold of € 1.0 million was identified in the Segment Profiles with a damage class 2 and a probability class 1. In the Segment Decoratives, an additional individual macroeconomic risk above the threshold of € 1.0 million was identified in the first half year of 2020 owing to the Covid-19 pandemic with a damage class 4 and probability class 4. We refer to the statements in the consolidated management report for 2019 for the opportunities.

Overall risk assessments

The main risks for the SURTECO Group originate from the development of the sales markets. Globally, these continue to be subject to the uncertainties arising from the Covid-19 pandemic. The Group believes that it is well positioned in relation to these risks and that it is provided with sufficient liquidity. At the current point in time, no risks are therefore identifiable that could represent a risk to the continuation of the Group as a going concern.

Transactions with related parties

Readers are referred to the Appendix for information on transactions with related parties.

Outlook for the Business Year 2020

After a good operating result (EBIT) in the first quarter, SURTECO was able to achieve a slightly positive operating result in the second quarter, despite a drastic drop in sales due to the Covid-19 pandemic. Early countermeasures on the cost side, early effects from the restructuring and effective working capital management contributed to this. In addition, there is a significantly increased liquidity and a reduced net financial debt. Although the sales and operating result for the full year, as announced at the end of April, will be significantly below the original targets of € 675 to 700 million and € 40 to 45 million, the company considers itself to be financially sound set up the future.

The SURTECO Share

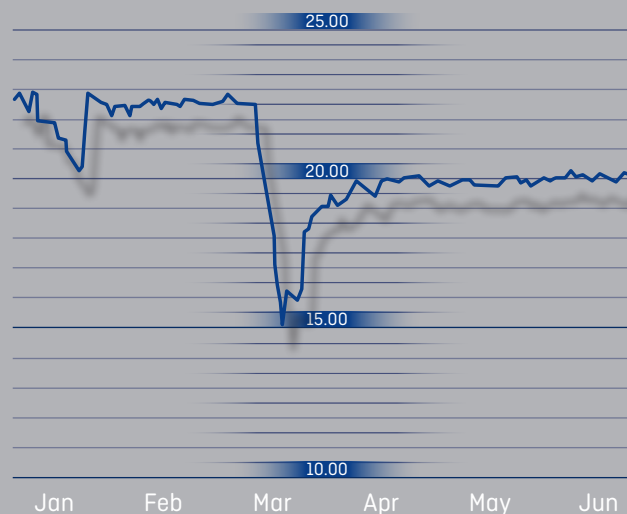
The SURTECO share was unable to escape the all-encompassing turbulence on the stock market triggered by the coronavirus pandemic. After the share price fluctuated between € 20.35 and € 22.80 at the beginning of the year, it underwent a significant drop around mid-March as a result of the coronavirus crisis and reached the low for the reporting period of € 15.04 on 19 March. The price then recovered in tandem with the most important stock-market indexes and on the back of robust operating results, returning to values above € 20 and ended the first half of the year at precisely this value. Overall, the SURTECO share therefore posted a drop of around 12 % compared with the closing price on the last trading day at the end of June in the previous year.

The market capitalization of SURTECO GROUP SE was € 310.1 million based on an unchanged number of shares of around 15.5 million no-par-value shares at the end of June 2020. Around 20.6 % of the shares are currently in free float. 58.5 % of the shares continue to be in the hands of the company's founding shareholders.

Shareholders will find additional information including the latest share analyses and valuations by major financial institutions on the Internet page: www.surteco-group.com under the category "Investor Relations".

January - June 2020

Number of shares	15,505,731
Free float in %	20.6
Price on 30/12/2019 in €	22.65
Price on 30/6/2020 in €	20.00
High in €	22.95
Low in €	15.04
Market capitalization on 30/6/2020 in € million	310.1



| (SHORT VERSION) |

Income Statement

€ 000s	Q2		Q1-2	
	1/4/-30/6/ 2019	1/4/-30/6/ 2020	1/1/-30/6/ 2019	1/1/-30/6/ 2020
Sales revenues	170,834	125,442	352,740	297,085
Changes in inventories	-319	-7,691	-895	-6,522
Other own work capitalized	1,337	1,117	2,549	2,309
Total output	171,852	118,868	354,394	292,872
Cost of materials	-85,416	-53,208	-174,646	-132,942
Personnel expenses	-43,133	-36,910	-90,416	-82,764
Other operating expenses	-25,399	-18,623	-49,758	-44,145
Other operating income	1,880	1,249	2,695	2,228
EBITDA	19,784	11,376	42,269	35,249
Depreciation and amortization	-11,112	-10,349	-22,036	-20,842
EBIT	8,672	1,027	20,233	14,407
Financial result	-1,610	838	-2,599	241
EBT	7,062	1,865	17,634	14,648
Income tax	-1,967	-1,144	-4,821	-4,961
Net income	5,095	721	12,813	9,687
Of which:				
Owners of the parent (consolidated net profit)	5,020	801	12,663	9,687
Non-controlling interests	75	-80	150	-
Basic and undiluted earnings per share in €	0.32	0.05	0.82	0.62
Number of shares	15,505,731	15,505,731	15,505,731	15,505,731

Statement of Comprehensive Income

Q1-2

€ 000s	1/1/-30/6/2019	1/1/-30/6/2020
Net income	12,813	9,687
Components of comprehensive income not to be reclassified to the income statement	0	0
Net gains / losses from hedging of net investment in a foreign operation	-458	91
Exchange differences for translation of foreign operations	493	-7,915
Financial instruments available for sale	0	0
Components of comprehensive income that may be classified to the income statement	35	-7,824
Other comprehensive income for the period	35	-7,824
Comprehensive income	12,848	1,863
Owners of the parent (consolidated net profit)	12,698	1,863
Non-controlling interests	150	0

Consolidated Balance Sheet

€ 000s	31/12/2019	30/6/2020
ASSETS		
Cash and cash equivalents	83,579	113,126
Trade accounts receivable	52,630	58,756
Receivables from affiliated enterprises	172	0
Inventories	123,060	111,029
Current income tax assets	5,187	1,917
Other current non-financial assets	8,281	4,749
Other current financial assets	8,871	5,858
Current assets	281,780	295,435
Property, plant and equipment	236,875	239,486
Rights of use	31,473	29,843
Intangible assets	53,767	51,854
Goodwill	162,844	162,730
Assets accounted for using the equity method	2,516	0
Financial assets	30	30
Other non-current non-financial assets	81	108
Other non-current financial assets	2,188	2,267
Deferred taxes	8,771	7,514
Non-current assets	498,545	493,832
	780,325	789,267

Consolidated Balance Sheet

€ 000s	31/12/2019	30/6/2020
LIABILITIES AND SHAREHOLDERS' EQUITY		
Short-term financial liabilities	8,928	43,217
Trade accounts payable	62,905	51,002
Contractual liabilities in accordance with IFRS 15	4	4
Liabilities to affiliated enterprises	0	182
Income tax liabilities	1,593	3,441
Short-term provisions	20,023	14,848
Other current non-financial liabilities	2,410	6,251
Other current financial liabilities	27,505	26,114
Current liabilities	123,368	145,059
Long-term financial liabilities	254,535	242,910
Pensions and other personnel-related obligations	13,765	13,803
Long-term provisions	126	482
Other non-current non-financial liabilities	113	67
Deferred taxes	33,785	33,861
Non-current liabilities	302,324	291,123
Capital stock	15,506	15,506
Capital reserve	122,755	122,755
Retained earnings	203,396	205,137
Consolidated net profit	9,428	9,687
Capital attributable to owners of the parent	351,085	353,085
Non-controlling interests	3,548	0
Equity	354,633	353,085
	780,325	789,267

Consolidated Cash Flow Statement

€ 000s	Q1-2	
	1/1/-30/6/2019	1/1/-30/6/2020
Earnings before income tax	17,634	14,648
Reconciliation of cash flow from current business operations	20,002	15,891
Internal financing	37,636	30,539
Changes in assets and liabilities (net)	-3,725	-1,977
Cash flow from current business operations	33,911	28,562
Cash flow from investment activities	-17,540	-20,050
Cash flow from financial activities	-14,328	19,671
Change in cash and cash equivalents	2,043	28,183
Cash and cash equivalents		
1 January	120,954	83,579
Effects of changes in the exchange rate on cash and cash equivalents	-73	1,364
30 June	122,924	113,126

| (SHORT VERSION) |

Consolidated Statement of Changes in Equity

€ 000s	Capital stock	Capital reserve	Retained earnings			Consolidated net profit	Non-controlling interests	Total
			Other comprehensive income	Currency translation adjustments	Other retained earnings			
1 January 2019	15,506	122,755	-2,148	-9,674	204,915	18,630	3,221	353,205
Net income	0	0	0	0	0	12,663	150	12,813
Other comprehensive income	0	0	0	35	0	0	0	35
Comprehensive income	0	0	0	35	0	12,663	150	12,848
Dividends – outstanding payments	0	0	0	0	-8,528	0	0	-8,528
Allocation to retained earnings	0	0	0	0	18,630	-18,630	0	0
Other changes	0	0	0	0	-47	0	0	-47
Changes in equity	0	0	0	0	10,055	-18,630	0	-8,575
30 June 2019	15,506	122,755	-2,148	-9,639	214,970	12,663	3,371	357,478
1 January 2020	15,506	122,755	-2,784	-8,837	215,017	9,428	3,548	354,633
Net income	0	0	0	0	0	9,687	0	9,687
Other comprehensive income	0	0	0	-7,824	0	0	0	-7,824
Comprehensive income	0	0	0	-7,824	0	9,687	0	1,863
Allocation to retained earnings	0	0	0	0	9,428	-9,428	0	0
Changes in consolidated companies	0	0	0	0	137	0	-3,548	-3,411
Changes in equity	0	0	0	0	9,565	-9,428	-3,548	-3,411
30 June 2020	15,506	122,755	-2,784	-16,661	224,582	9,687	0	353,085

Segment reporting

Sales revenues

€ 000s	Decoratives	Profiles	Technicals	Reconciliation	SURTECO Group
1/1/-30/6/2020					
External sales	214,593	49,551	32,941	-	297,085
Internal sales	7,244	470	1,266	-8,980	0
Total sales	221,837	50,021	34,207	-8,980	297,085
1/1/-30/6/2019					
External sales	253,720	47,224	51,796		352,740
Internal sales	8,441	654	1,751	-10,846	0
Total sales	262,161	47,878	53,547	-10,846	352,740

Segment earnings

€ 000s	Decoratives	Profiles	Technicals	Reconciliation	SURTECO Group
1/1/-30/6/2020					
EBIT	10,446	5,055	1,774	-2,868	14,407
1/1/-30/6/2019					
EBIT	17,281	5,022	1,058	-3,128	20,233

Segment reporting

By regional markets

Sales revenues SURTECO Group

€ 000s	1/1/-30/6/2019	1/1/-30/6/2020
Germany	88,484	83,500
Rest of Europe	164,452	135,017
America	72,717	52,753
Asia, Australia, Others	27,087	25,815
	352,740	297,085

Sales revenues Decoratives

€ 000s	1/1/-30/6/2019	1/1/-30/6/2020
Germany	54,296	47,467
Rest of Europe	117,898	91,397
America	57,032	52,287
Asia, Australia, Others	24,494	23,442
	253,720	214,593

Sales revenues Profiles

€ 000s	1/1/-30/6/2019	1/1/-30/6/2020
Germany	25,495	28,384
Rest of Europe	21,213	20,608
America	180	180
Asia, Australia, Others	336	379
	47,224	49,551

Sales revenues Technicals

€ 000s	1/1/-30/6/2019	1/1/-30/6/2020
Germany	8,693	7,649
Rest of Europe	25,341	23,012
America	15,505	286
Asia, Australia, Others	2,257	1,994
	51,796	32,941

Accounting principles

The consolidated financial statements of the SURTECO Group for the period ended 31 December 2019 were prepared in accordance with the regulations of the International Financial Reporting Standards (IFRS) as they were adopted by the EU, in the version valid on the closing date for the accounting period. As a matter of principle, the same accounting and valuation principles were used for the preparation of these abbreviated consolidated interim financial statements as at 30 June 2020 as in the preparation of the consolidated financial statements for the business year 2019.

The objective and purpose of interim reporting is to provide an information tool building on the consolidated financial statements and we therefore refer to the standards and interpretations applied in the valuation and accounting methods used in the preparation of the consolidated statements of the SURTECO Group for the period ending 31 December 2019 for further information. The comments included in this report also apply to the quarterly financial statements for the year 2020 if no explicit reference is made to them. The regulations of the International Accounting Standard (IAS) 34 "Interim Financial Reporting" for abbreviated interim financial statements and the German Accounting Standard (DRS) 16 "Interim Reporting (Zwischenberichterstattung)" were applied for this interim report.

The preparation of the abbreviated consolidated interim financial statements requires assumptions and estimates to be made by the management. This means that there may be deviations between the values reported in the interim report and the actual values achieved.

The overall business activities of the SURTECO Group are typically not subject to significant seasonal conditions.

The Group currency is denominated in euros (€). All amounts are specified in thousand euros (€ 000s), unless otherwise indicated.

For computational reasons, rounding differences of +/- one unit can occur.

These interim financial statements and the interim report have not been audited and they have not been subject to an audit review by an auditor.

Group of consolidated companies

As at 30 June 2020, the SURTECO Group interim consolidated financial statements include SURTECO GROUP SE and all the major companies which are material for the net assets, financial position and results of operations in which SURTECO GROUP SE holds a controlling interest.

In the first half-year 2020, the following changes were recognized within the SURTECO Group:

- Acquisition of the remaining 15 % of the shares in the British Nenplas Group.
- Sale of the shares (so far 50 %) of Canplast Mexico S.A. de C.V.

Explanations of the important changes in the abbreviated balance sheet and the abbreviated income statement

The explanations of the most important changes to items in the balance sheet and income statement, and to the development in the reporting period are presented in the interim report.

Report on important transactions with related parties

During the period under review, the companies of the Group undertook no business transactions with related parties that could have exerted a material influence on the net assets, financial position and results of operations of the Group.

Events after the balance sheet date

After 30 June 2020 up to the date when this report went to press, there were no events or developments that would be likely to lead to a significant change in the recognition or valuation of the individual assets or liabilities.

Approval of the interim consolidated financial statements for publication

The Management Board has approved this set of interim consolidated financial statements for publication as a result of the resolution of 4 August 2020.

Responsibility statement

To the best of our knowledge, and in accordance with the applicable reporting principles for interim reporting, the interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the group, and the interim group management report includes a fair review of the development and performance of the business and the position of the group, together with a description of the principal opportunities and risks associated with the expected development of the group in the remaining business year.

Buttenwiesen, 4 August 2020

The Management Board



Wolfgang Moyses



Manfred Bracher

Calculation of indicators

Cost of materials ratio in %	Cost of materials/Total output
Earnings per share in €	Consolidated net profit/Number of shares
EBIT	Earnings before financial result and income tax
EBIT margin in %	EBIT/Sales revenues
EBITDA	Earnings before financial result, income tax and depreciation and amortization
EBITDA margin in %	EBITDA/Sales revenues
Equity ratio in %	Equity/Total capital (= balance sheet total)
Level of debt (gearing) in %	Net debt/Equity
Market capitalization in €	Number of shares x Closing price on the balance sheet date
Net debt in €	Short-term financial liabilities + Long-term financial liabilities – Cash and cash equivalents
Personnel expense ratio in %	Personnel costs/Total output
Working capital in €	Trade accounts receivable + Inventories – Trade accounts payable

Financial calendar

2 October 2020	Annual General Meeting
13 November 2020	Nine-Month Report January – September 2020
30 April 2021	Annual Report 2020
14 May 2021	Three-Month Report January – March 2021

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