

German Equity Forum

November 16-18, 2020



MORE THAN *100 Years of* INNOVATIONS

PWO

Highest innovative strength in metal forming

International growth opportunities in the post-corona period

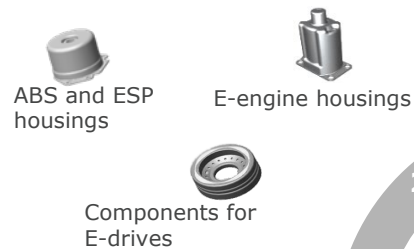
Consistent increase in competitiveness

Wide range of solutions for automotive comfort and safety



Revenue 2019

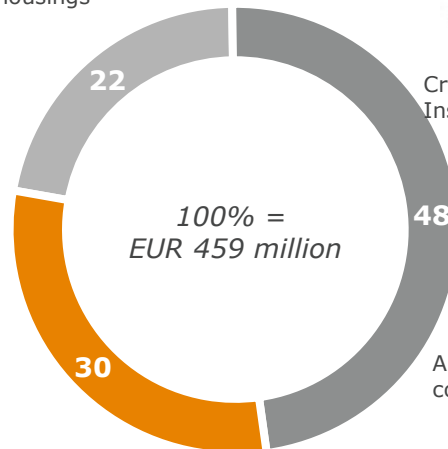
MECHANICAL COMPONENTS FOR ELECTRICAL/ELECTRONIC APPLICATIONS



SAFETY COMPONENTS FOR AIRBAG, SEATS, AND STEERING



STRUCTURAL COMPONENTS AND SUBSYSTEMS FOR THE VEHICLE BODY AND CHASSIS



- Most important products
 - Instrument panel carriers
 - E-engine housings
 - Seat structures
 - Air suspension components
- Independent of the vehicle's drivetrain
 - Revenue decline should production of combustion engines cease completely: <10% (in clutch and transmission components, for example)

Series production for today's requirements

- Use of modern 3rd generation sheet steel materials and high-strength aluminum materials
- Realization of structural lightweight construction solutions



Development focus for the future

- Continuous development of concepts for functional hybrid lightweight construction
- New cost- and weight-optimized solutions that are economically suitable for large series production

One of the most lightweight metal structures for front seats worldwide

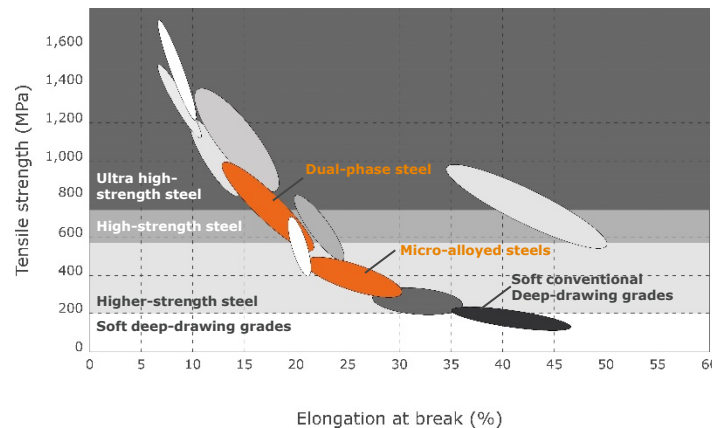


PWO structure for front seats

- Delivery to a Tier 1 supplier for several OEM platforms -



3rd generation ultra high-strength dual-phase steel



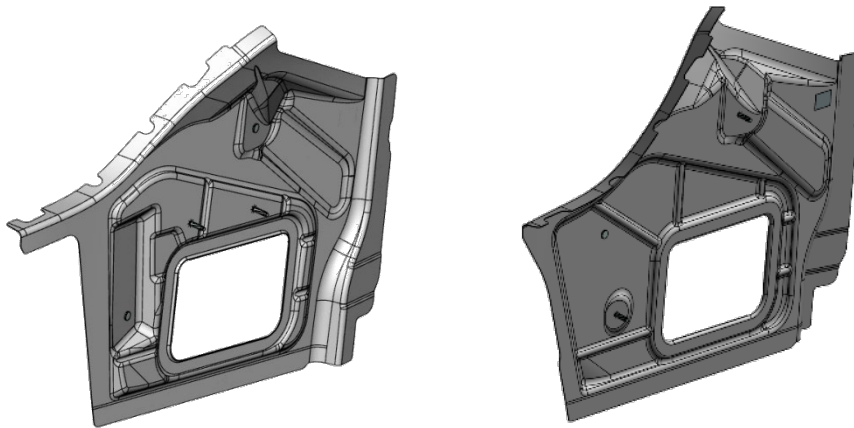
Sources: IFUM, ArcelorMittal, Salzgitter, ThyssenKrupp, Posco, Bentler - simplified display

- Worldwide unique solution in cold forming
 - Pushing the manufacturing limits of component complexity and the use of ultra-high strength materials
- Dual production using a specially developed forming press

Shorter process chain for production of chassis components



PWO strike plates for a premium class model

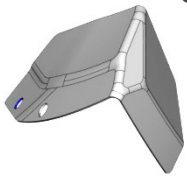


- Function
 - Impermeability of passenger compartment
 - Mounting diaphragm for buffering pressure
- Material
 - Aluminum 6,000; 1 mm thickness
 - Specially coated
- Ideal production process; shorter process chain
 - Automatic feeding of 6 clinch bolts directly in the press
 - Dual production with automatic transfer
 - Ideal press bed size

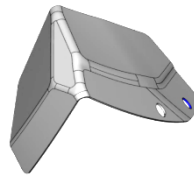
Chassis components: Optimized design to achieve manufacturability



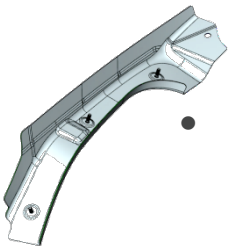
PWO connecting plates for a premium class model



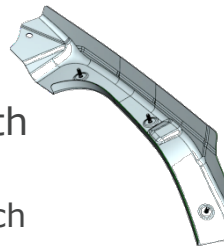
- Ideal production process
 - Dual production with automatic punching press progressive tool



- Function
 - Impermeability of passenger compartment
 - Trunk drainage



- Ideal production process with shorter process chain
 - Automatic feeding of 6 clinch bolts directly in the press
 - Dual production with automatic transfer
 - Ideal press bed size

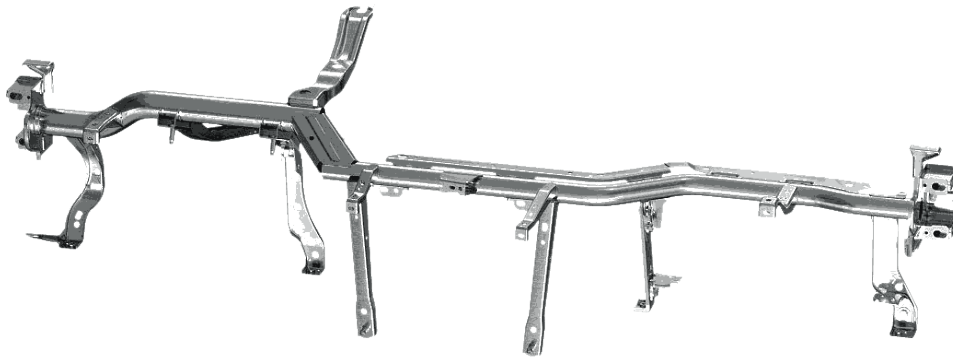


- Material
 - Aluminum 5,000; 1.15 mm thickness
 - Specially coated

Latest weight-optimized instrument panel carrier

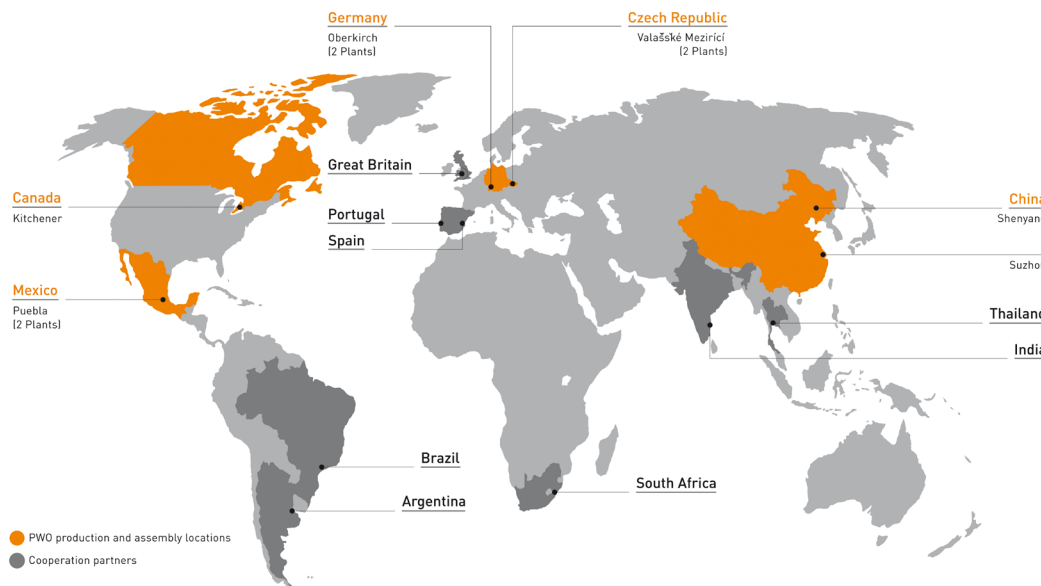


Supplying a variety of automotive manufacturers



- Cost-efficient lightweight construction using the most superior design principles possible
- Different stiffness and/or strength requirements of the individual components taken into consideration
- Worldwide delivery capability at all PWO locations

Ideally positioned worldwide

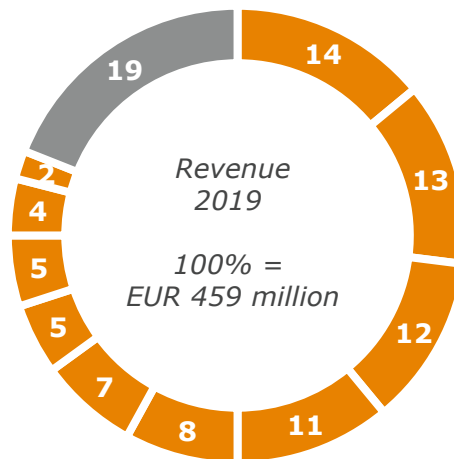


- 9 production and assembly locations on 3 continents meet today's demand
- Project-related manufacturing in other countries carried out by cooperation partners
- Long-term development of further sites conceivable in Eastern Europe, China and USA

... facilitates delivery to our international customer base



Established relationships with important clients for PWO



- Relationships with some customers span decades
- Deliveries predominantly worldwide from numerous PWO locations
- Status as a Tier 1 or Tier 2 supplier, depending on the product

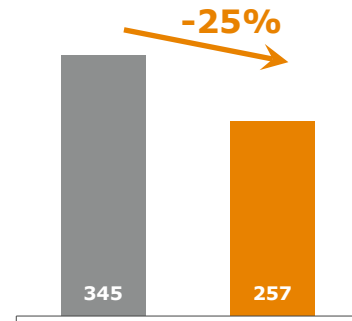


10 largest customers Other customers

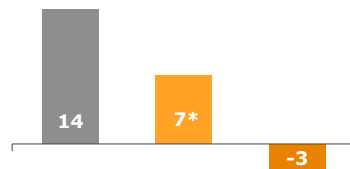
9M 2020: Corona pandemic impacts business development



Revenue



EBIT before currency effects



Net income/loss for the period



* Before provisions of EUR 10 million for personnel adjustments

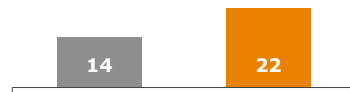
■ 9M 2019 ■ 9M 2020 Figures in EUR millions
2019 revenue adjusted due to change in accounting

- Declining revenue
 - Second quarter was especially affected
- EBIT before currency effects and provisions still positive
 - Cost reduction measures took effect
 - All international locations contributed positively

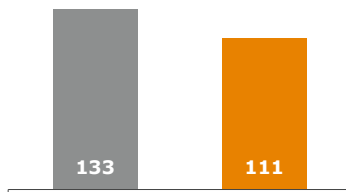
9M 2020: Significant rise in free cash flow and a reduction in liabilities



Free cash flow (in EUR millions)



Net debt (in EUR millions)



Equity ratio (in %)



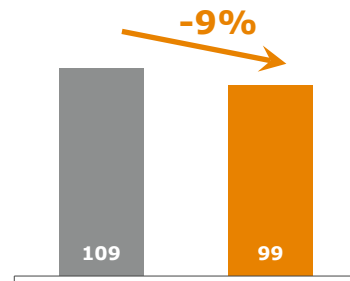
■ 12/2019 ■ 9/2020

- Increase in free cash flow
 - Cash flow from operating activities at prior-year level
 - Investment tightly limited
- Reduction in net debt
 - Lower level of working capital on the balance sheet
- Lower equity ratio
 - Net loss for the period
 - Higher additions to pension provisions as a result of lower interest rates

Q3 2020: Successive recovery in demand



Revenue



EBIT before currency effects



Net income/loss for the period



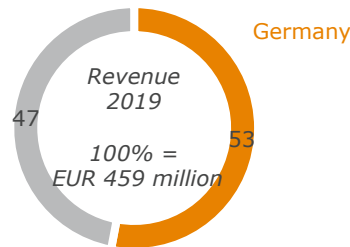
* Before provisions of EUR 10 million for personnel adjustments

■ Q3 2019 ■ Q3 2020 Figures in EUR millions
2019 revenue adjusted due to change in accounting

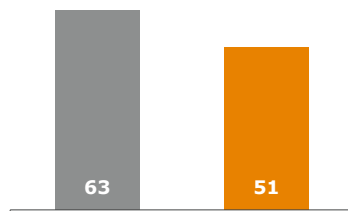
- Declining revenue
 - Marked slowdown in decline in comparison to nine-month period
 - International demand is recovering
- EBIT before currency effects and provisions still positive
 - Comprehensive adjustments made at all locations
 - Higher degree of cost flexibility at international locations than in Oberkirch

Q3 2020: Germany affected the most by market's slowdown

Mid-term prospects (pre-corona): Future stabilization of revenue as best possible scenario



Total revenue

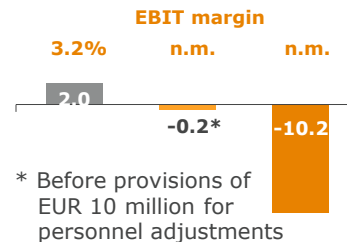


■ Q3 2019 ■ Q3 2020

Figures in EUR millions

2019 revenue adjusted due to change in accounting

EBIT before currency effects

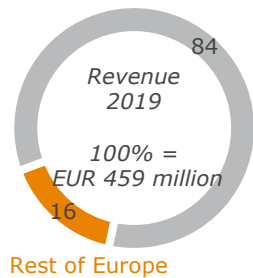


- Declining revenue
 - Market continues to be weak
- EBIT still not at a viable level
 - Process improvements and cost reductions insufficient for securing the location
 - Staff numbers will be reduced by 150 – 200 employees
 - Provisions of EUR 10.0 million recognized for voluntary termination program
 - Savings of up to EUR 12 million p.a. targeted starting in 2021

Q3 2020: Rest of Europe is weathering the crisis and is stable



Mid-term prospects (pre-corona): Growth of approx. 25%

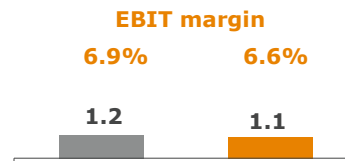


- Revenue almost back to prior year's level
- Satisfactory EBIT
 - Firm cost reductions
 - Number of staff reduced again in Q3

Total revenue



EBIT before currency effects

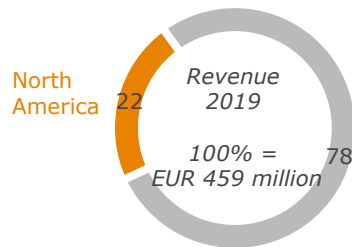


■ Q3 2019 ■ Q3 2020 Figures in EUR millions
2019 revenue adjusted due to change in accounting

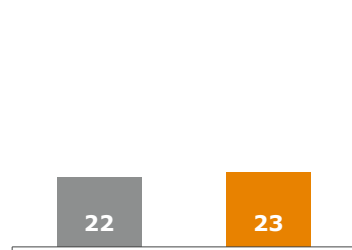
Q3 2020: North America is emerging from crisis from a position of strength



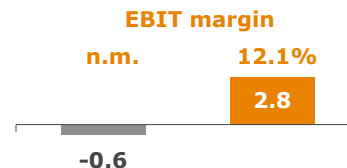
Mid-term prospects (pre-corona): Growth of approx. 25%



Total revenue



EBIT before currency effects



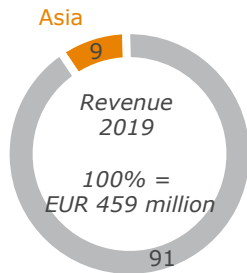
■ Q3 2019 ■ Q3 2020 Figures in EUR millions
2019 revenue adjusted due to change in accounting

- Current development at both locations
 - Revenue exceeds prior-year level, especially in Canada
 - Double-digit EBIT margin
- Medium-term outlook
 - Canada: Strong margins but limited growth potential
 - Mexico: Strong margins with above-average growth potential

Q3 2020: Excellent prospects in China



Mid-term prospects (pre-corona): Growth of approx. 30%

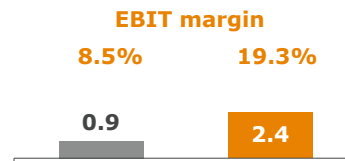


- Revenue significantly higher versus last year
 - Corona restrictions could be reduced significantly
- EBIT increase in Q3
 - Location is developing into a pillar for the Group

Total revenue



EBIT before currency effects



■ Q3 2019 ■ Q3 2020 Figures in EUR millions
2019 revenue adjusted due to change in accounting

Outlook: New forecast presented for 2020



- Forecast continues to be dominated by significant uncertainty
- Customary level of forecast detail therefore not possible

	Actual 2019	Forecast 2020
Revenue	EUR 458.6 million	Approx. EUR 350 million
EBIT before currency effects	EUR 22.2 million	Negative as a result of high provisions
Free cash flow	EUR 15.0 million	Visibly below prior-year level
Equity ratio	30.1 percent	Visibly below prior-year level
Dynamic leverage ratio	2.9 years	Significantly above prior-year level
Investments	EUR 33.9 million	Visibly below prior-year level
Lifetime volume of new business	Approx. EUR 510 million	Not yet clear whether original forecast can be achieved

Excellent market position

- Broad product portfolio
- Independent of vehicles' drivetrain
- Utmost reputation for innovative strength, quality and delivery reliability

Additional measures underway to increase competitiveness

- Measures implemented at all locations in 2019 are taking full effect during the corona period
- Comprehensive cost-reduction program in Germany to continue; currently up to EUR 12 million additional savings in staff costs targeted starting in 2021

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