

PEOPLE, PLANET, PROGRESS!

IR Presentation

April 2021



Highlights of FY 2020

- **An updated equity story**
- **Significant business recovery in the second half-year**
 - Positive EBIT before currency effects and non-recurring items in the corona year
- **Successful liquidity management**
 - Strong positive free cash flow
 - Credit lines extended
- **Consistent strategic further development**
 - International locations performing well
 - Strengthening competitiveness in Oberkirch

Equity Story: An Engineering House



**Customer solutions
with passion**

- **Pushing boundaries**

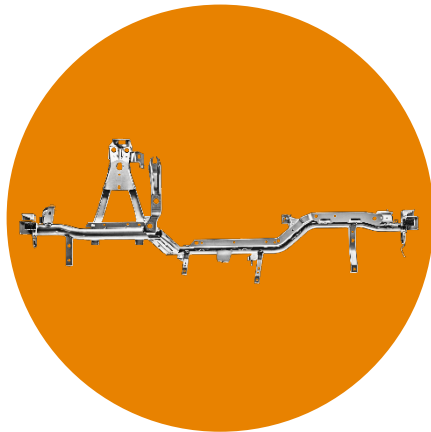
in metal forming and joining technologies

- **Perfecting economic solutions**

for tomorrow's requirements for function and weight

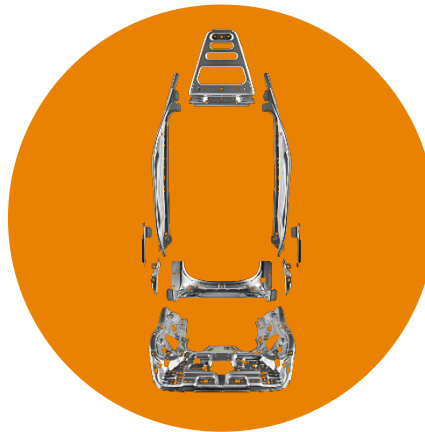
Equity Story: An Engineering House

Instrument panel carriers



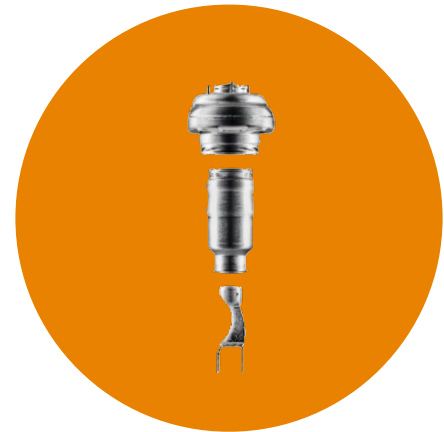
- Lightweight solution with global appeal
- Modern deep drawn steels in combination with innovative joining technologies
- Passenger protection and silence in the passenger compartment

Seat structures



- One of the world's lightest metal structures for front seats
- High-precision components made of high-strength steel combined with aluminum
- Developed and manufactured by PWO for series production; joined at the customer's site using laser welding

Air suspension components



- Hybrid components made of high-strength steel and aluminum
- Optimal weight and price ratio
- Highest performance in transmitting vertical forces of up to 22 kilonewtons

Equity Story: An Engineering House

Components for electromechanical brake boosters



- Key component of electromobility
- Shorter braking distances due to increased pressure build-up depending on the situation
- Higher range of e-mobility through recovery of kinetic energy

Electric engine housings



- Essential components for modern electrification, safety & comfort concepts
- Control of electric seat adjustments and hydraulics for ABS/ESP-ASR systems, among others
- Over 120 million units p.a. manufactured by PWO using the world's fastest production process

Equity Story: Mobility of the Future



**Our team spirit
extends to our business
partners**

- **Electrification and autonomous driving**
change the entire design of the vehicle
- **Our comprehensive understanding of the overall system**
makes it possible to speak the language of our customers
- **Together, we are shaping the mobility of the future**

Equity Story: Mobility of the Future

Revenue breakdown by product area

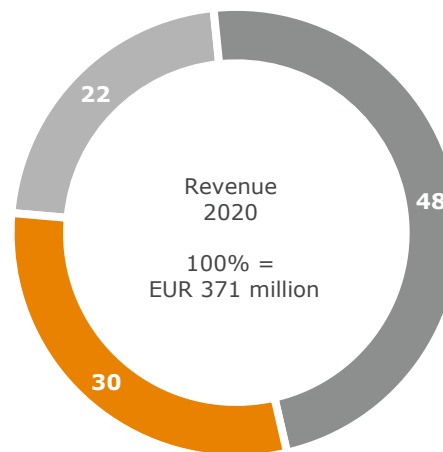
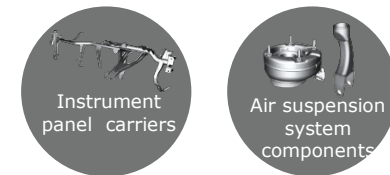
Mechanical components for electrical and electronic applications



Safety components for airbag, seat and steering



Structural components and subsystems for body and chassis



- **Over 1,000 products**
for electrification, safety & comfort
- **More than 90% of revenue is drivetrain-independent**

Equity Story: Business as a Force for Good

A graphic featuring a series of parallel, curved lines in a rainbow spectrum of colors (red, orange, yellow, green, blue, purple) that sweep across the right side of the slide. The background is a dark grey with a fine, metallic texture.

**Responsibility
down to the smallest detail**

- **Sustainability shapes our business model:**

Steel is fully recyclable

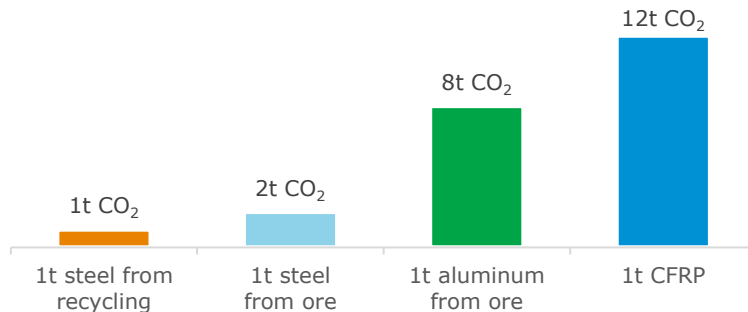
- **PWO's central environmental goal**

CO₂ neutrality in Oberkirch by 2026 and in the Group by 2030

Equity Story: Business as a Force for Good

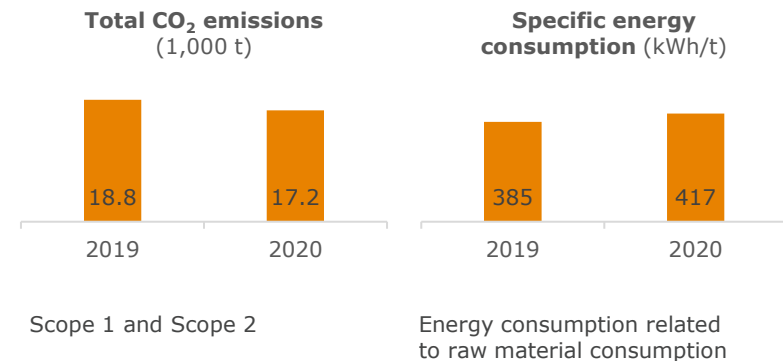


CO₂ emissions during primary production of essential materials



Source: German Steel Federation

Development of selected environmental indicators



● Milestones on the way to CO₂ neutrality in Oberkirch

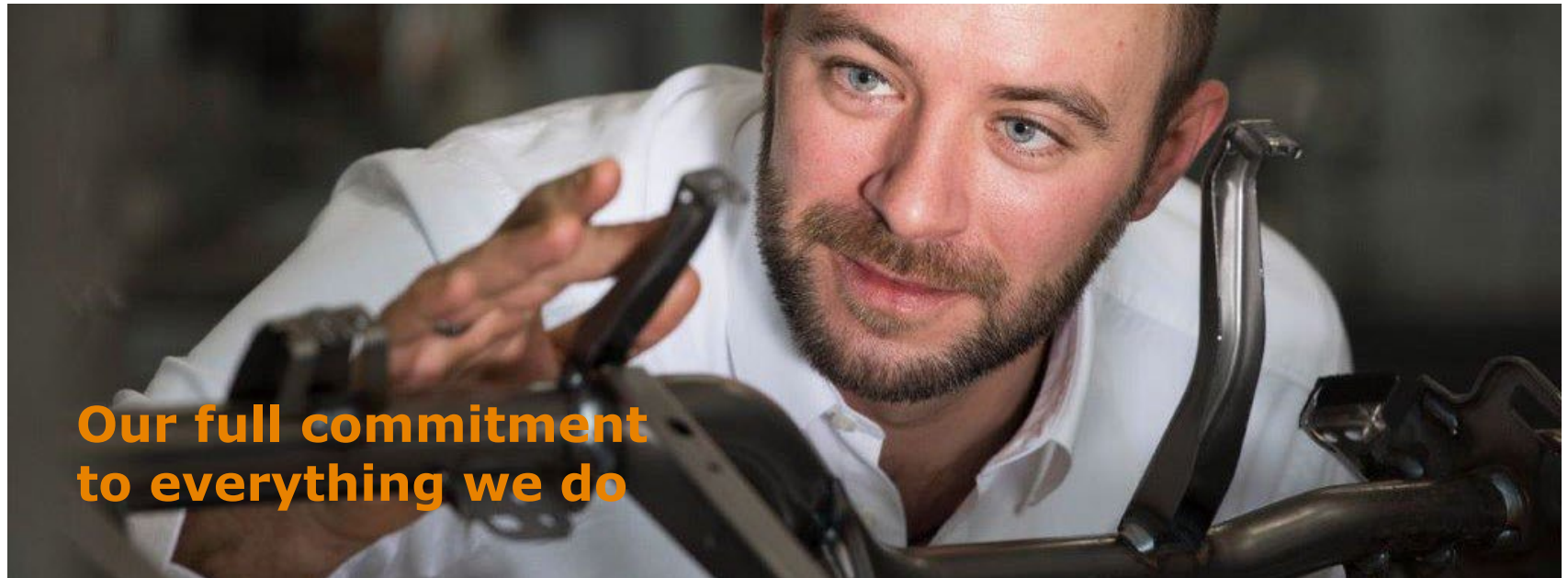
- 1) Increase energy efficiency
- 2) Use of self-generated electricity as far as possible
- 3) Increased use of green power
- 4) Compensation of remaining emissions through certificates

● Drop in absolute CO₂ emissions

● Specific energy consumption

higher due to production inefficiencies during the corona year

Equity Story: Going the Extra Mile



- **Innovative solutions**
for products and processes
- **Zero-defect philosophy**
throughout the Group

Equity Story: Going the Extra Mile

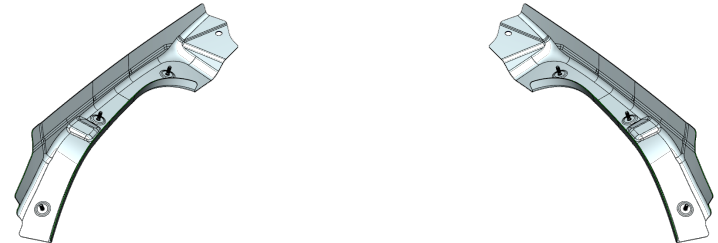
**Design optimization to achieve manufacturability of body components:
Connecting sheets for a premium model**

- **Function:** - Passenger compartment tightness, trunk drain channel
- **Material:** - Aluminum 5,000; 1.15 mm thickness, specialty coatings



Ideal manufacturing process

- Dual production at automatic punching press
- Progressive tool



Ideal manufacturing process with shortened process chain

- Automatic feeding of 6 press-in screws directly in the press
- Dual production with automatic transfer
- Ideal press table size

Equity Story: Think Global, Act Local

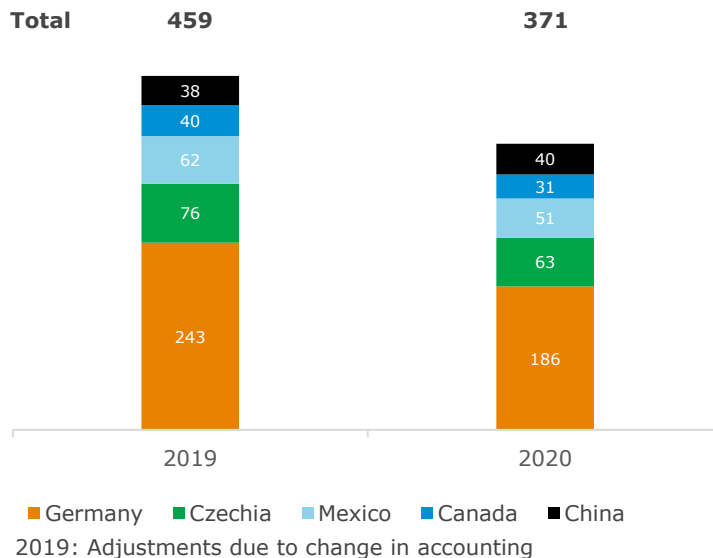


**Continuously expanding
our international presence**

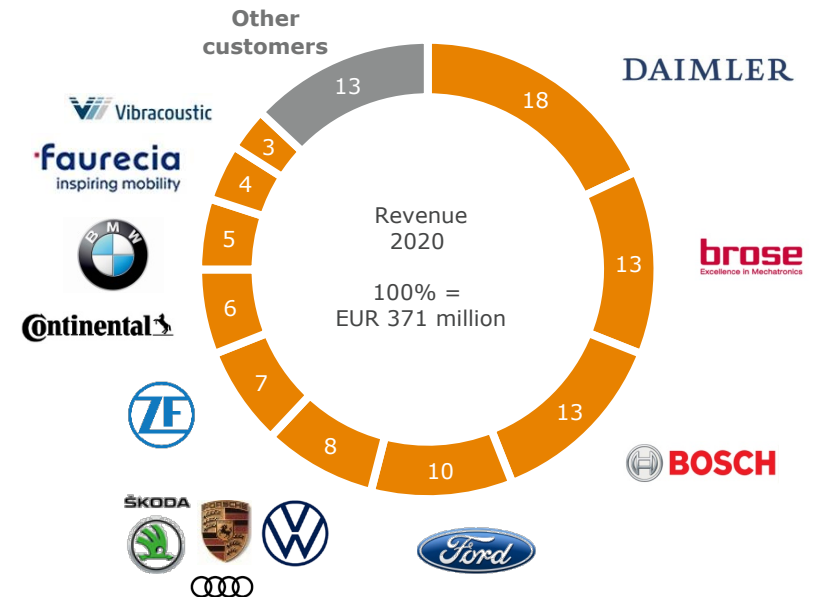
- **Future growth**
to be driven by international locations
- **Worldwide delivery capability**
wherever the customer needs us
- **Global customer base**
to expand further

Equity Story: Think Global, Act Local

Revenue breakdown by location



Revenue breakdown by customer



● Future growth drivers

China, Mexico, and Czechia

● Supplying all of our top 10 customers

from usually several PWO locations worldwide

FY 2020: November forecast confirmed



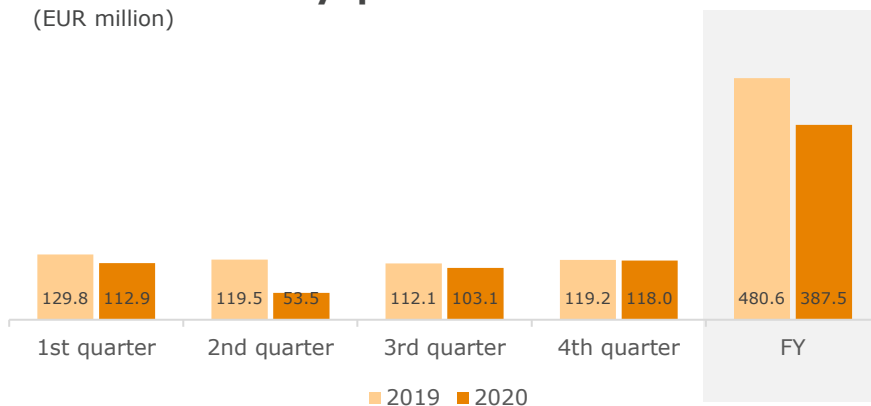
- **Non-recurring items for Oberkirch location had a significant negative impact**
- **Positive EBIT before currency and non-recurring items of EUR 15.9 million**
- **Order placements delayed by customers - no impact on PWO growth prospects**

	Actual results 2019	New forecast 2020 (published Nov. 9, 2020)	Actual business development 2020	Target achievement
Revenue	EUR 458.6 million	Around EUR 350 million	EUR 371.2 million	↑↑ Exceeded
EBIT before currency effects	EUR 22.2 million	Negative due to the high provisions	EUR -8.1 million	→ Confirmed
Free cash flow	EUR 15.0 million	Visibly below previous year	EUR 29.1 million	↑↑ Exceeded
Equity ratio	30.1 percent	Visibly below previous year	28.7 percent	→ Confirmed
Dynamic leverage ratio	2.9 years	Significantly above previous year	4.8 years	→ Confirmed
Capital expenditure	EUR 33.9 million	Visibly below previous year	EUR 13.8 million	→ Confirmed
Lifetime volume of new business	Around EUR 510 million	Not yet foreseeable whether original forecast of more than EUR 500 million can be achieved	Around EUR 400 million	↓ Not achieved

FY 2020: Significant business recovery in H2 2020



Total revenue by quarter (EUR million)



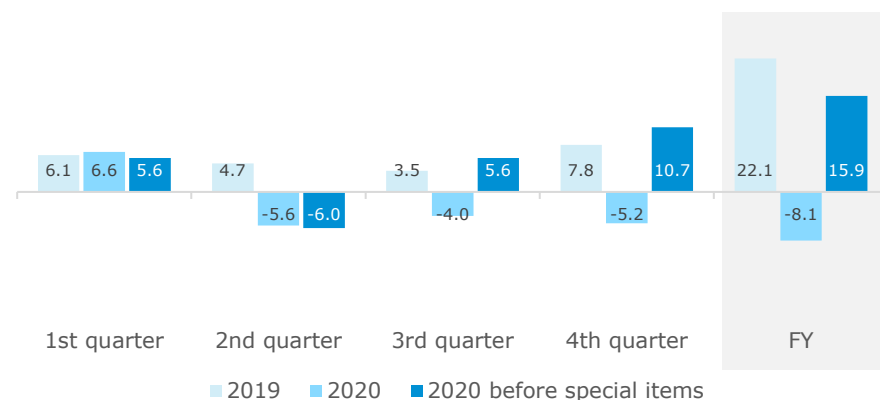
2019: Adjustment due to change in accounting

● Q2 affected by corona-related shutdown

● Revenue in the 4th quarter at prior-year level

- Driven at least in part by customer inventory build-up

EBIT before currency effects by quarter (EUR million)



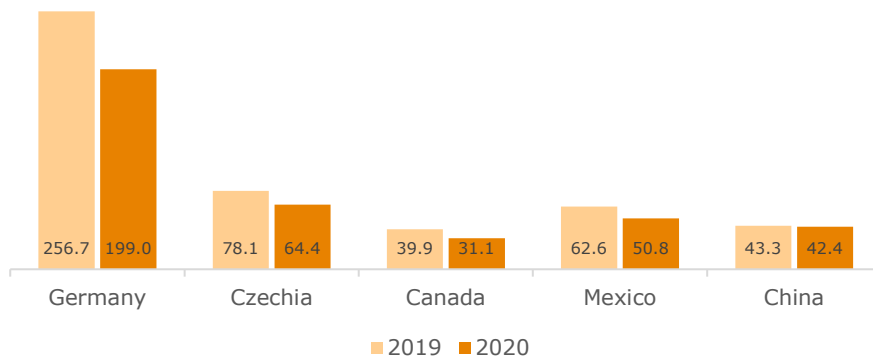
● Net charges in FY 2020:
EUR 24.0 million

- Personal adjustments, provisions for onerous contracts, and impairment of non-current assets result in charges: EUR 27.1 million in the second half-year
- Positive non-recurring items in China: Totalling EUR 3.1 million over all 4 quarters

FY 2020: International locations come through the corona year in satisfactory shape



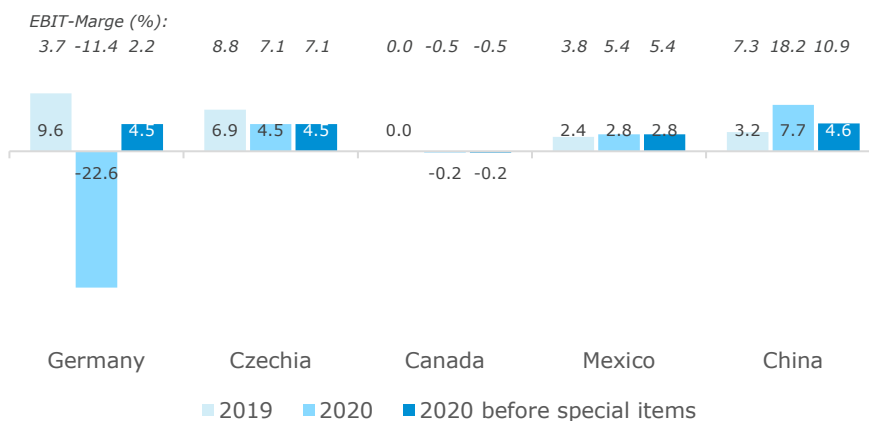
Total revenue by segment (EUR million)



2019: Adjustment due to change in accounting

- Significant drop in revenue in particular in the first half-year at all segments except China

EBIT before currency effects by segment (EUR million)



- EBIT in Germany still under pressure
- EBIT in Canada temporarily reduced by series phase-outs
- EBIT contribution from Czechia, Mexico and China very satisfactory

FY 2020: Strengthening Oberkirch's future viability



2 programs to adjust employee numbers

● Oct. 2020: Number of employees adjusted by 200 persons

- Successfully completed in the fiscal year

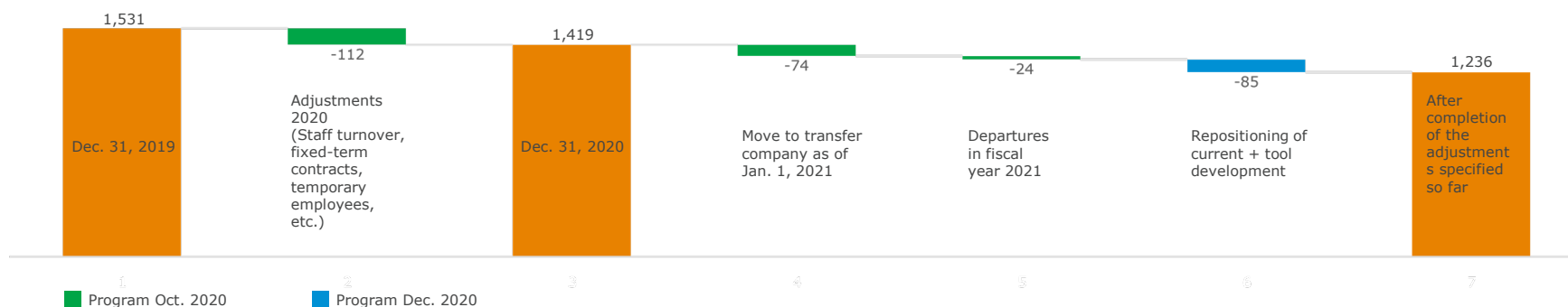
● Dec. 2020: Decision to adjust number of employees by a further 120-150 employees

- Placement of a current order in Czechia and adjustments in tool development: 85 employees
- Efficiency program: 35 - 65 employees

Non-recurring charges from these two programs in 2020 fiscal year: EUR 18.4 million

Headcount development

(incl. trainees and temporary employees)

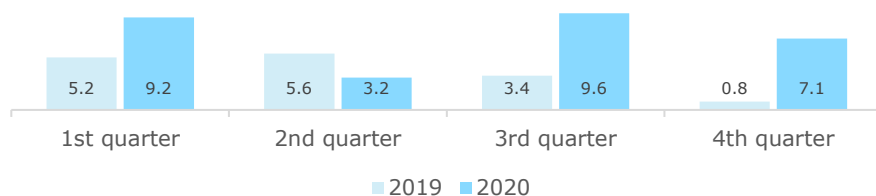


FY 2020: Successful liquidity management

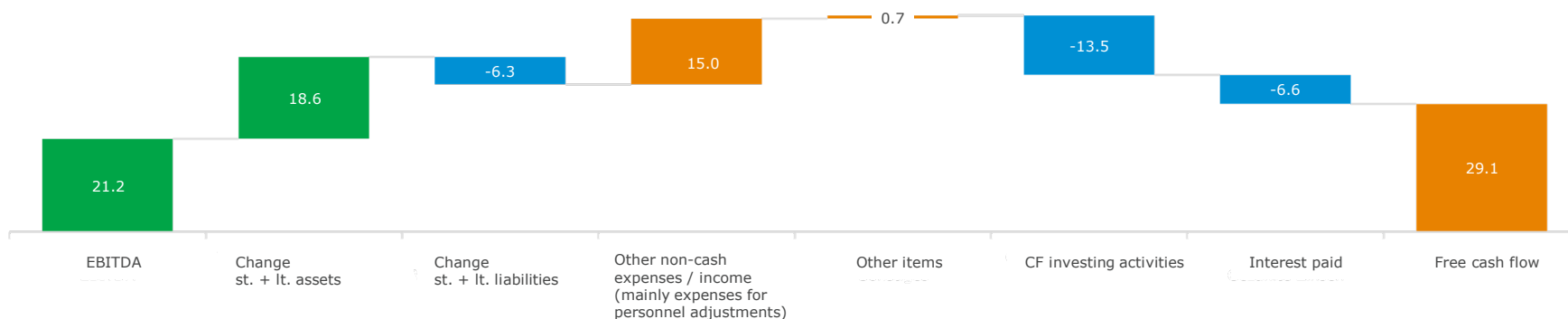


Free cash flow by quarter (EUR million)

● Positive free cash flow in all four quarters thanks to consistent management of costs and capital expenditure



Sources of free cash flow in FY 20 20 (EUR million)

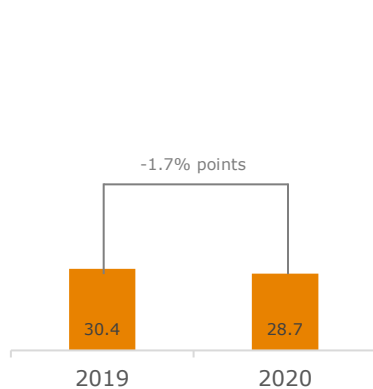


FY 2020: Extensive financial leeway

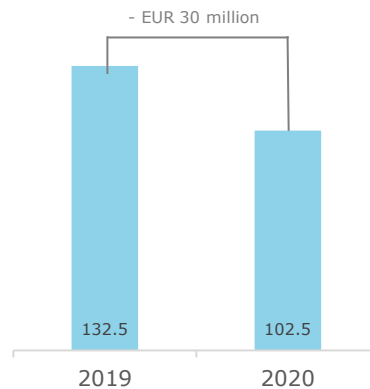


- **Net debt reduced**
- **Solid equity ratio**
- **High available credit lines extended after end of fiscal year**
 - All existing credit lines continued at existing levels
 - Additional KfW financing due in 12/2023 taken out after end of fiscal year

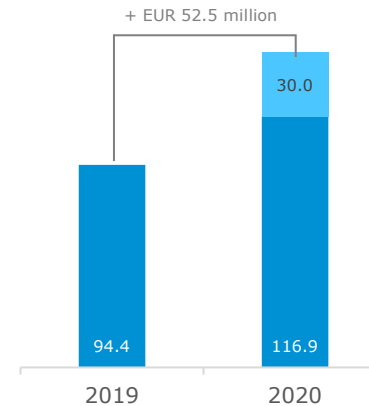
Equity ratio (%)



**Net debt
(EUR million)**



**Available credit lines
(EUR million)**



2019: Adjustment due to change in accounting

FY 2021: Outlook by segment



- **Revenue unchanged**
- **EBIT* slightly positive**
 - Increase in expenses and personnel expenses not quite compensated for by revenue growth
 - Savings from headcount adjustment to take effect only gradually
 - Little relief from short-time work



- **Revenue to grow to more than EUR 35 million due to new ramp-ups**
- **EBIT* at around EUR 1 million due to start-up costs**



- **Unchanged revenue due to pending start-ups and phase-outs**
- **EBIT* around EUR 3.5 million**



- **Revenue to be up by a good 5 percent**
- **EBIT* significantly lower year-on-year temporarily due to site expansion expenses**



- **Revenue to grow to around EUR 55 million due to new ramp-ups**
- **Improvement in EBIT* only to around EUR 3 million due to start-up costs**

* EBIT before currency effects

FY 2021: Outlook for the Group



- **Significantly negative free cash flow temporarily due to cash outflows for personnel adjustments and a renewed increase in capital expenditure**
- **Dynamic leverage ratio to benefit from significant improvement in EBITDA**
- **Strong increase in new business**

	Actual results 2020	Forecast 2021
Revenue	EUR 371.2 million	Around EUR 380 million
EBIT before currency effects	EUR -8.1 million	Positive in low double-digit million EUR range
Free cash flow	EUR 29.1 million	Negative in low double-digit million EUR range
Equity ratio	28.7 percent	Flat
Dynamic leverage ratio	4.8 years	Less than 4 years
Capital expenditure	EUR 13.8 million	Over EUR 20 million
Lifetime volume of new business	Around EUR 400 million	Towards EUR 500 million

Summary

● **Superior market position**

Broad product range for the mobility of the future

Independent of type of vehicle drivetrain

Best reputation for innovative strength, quality and delivery reliability

● **Further strengthening of competitiveness**

Adjustment in employee numbers being implemented in Germany

German location being developed into a high-tech powerhouse

International locations are being strategically expanded

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