



PEOPLE, PLANET, PROGRESS!

IR Presentation

November 2021



Disclaimer



This presentation contains forward-looking statements that are based on current assumptions, expectations, estimates, forecasts, and other information currently available to the Executive Board of PWO and on assumptions, expectations, estimates, forecasts, and budgeting that it has derived herefrom. The forward-looking statements are not to be interpreted as guarantees of the future developments and results specified therein. Various known and unknown risks, uncertainties, and other factors could cause actual developments and results to differ materially from the estimations expressed or implied herein. These factors include the ones described by PWO in published reports available on the PWO website at www.progress-werk.de. Statutory requirements notwithstanding, PWO assumes no obligation whatsoever to update these forward-looking statements or to adjust them to future events or developments.

The figures in this presentation are usually presented in EUR million. Differences may occur between the individual amounts and the sum of these amounts due to rounding. Such differences are not of a significant nature.

Equity Story: We Are an Engineering House



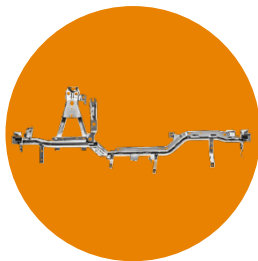
**Customer solutions
with passion**

- **Pushing boundaries**
in metal forming and joining technologies
- **Perfect economical solutions**
for tomorrow's requirements in terms of function and weight

Equity Story: We Are an Engineering House

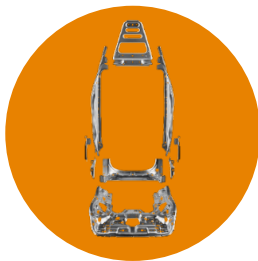


Instrument panel carriers



- Lightweight solution with a claim to global leadership
- Modern deep-drawing steels in combination with innovative joining technologies
- Passenger protection and less noise and vibration 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

Air suspension components



- Hybrid components made of high-strength steel and aluminum
- Optimum combination of weight and price ratio
- Utmost performance

Components for electromechanical brake boosters



- Key components of electromobility
- Greater range for e-mobility through recovery of kinetic energy

Electric motor housings



- Essential components for modern electrification, safety, and comfort concepts
- Over 120 million units p.a. manufactured using the world's fastest production process

Equity Story: Mobility of the Future



**Our focus:
Electrification, safety, and comfort**

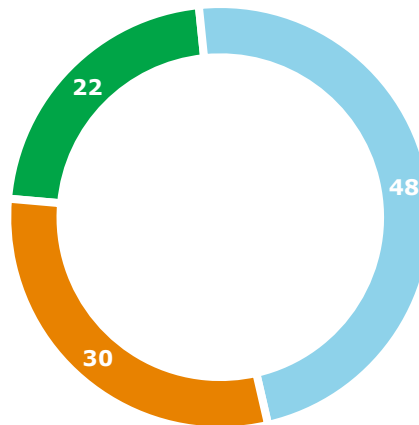
- **Electrification and autonomous driving**
change the entire design of the vehicle
- **Our comprehensive understanding of the overall system**
enables us to speak the language of our customers
- **Together with our business partners, we are shaping the mobility of the future**

Equity Story: Mobility of the Future

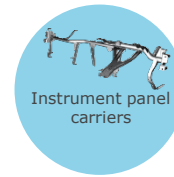


2020 revenue breakdown by product area in %

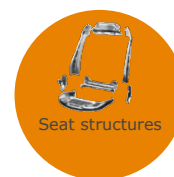
Mechanical components for electrical and electronic applications



Structural components and subsystems for vehicle bodies and chassis



Safety components for airbags, seats, and steering



- **Over 1,000 products**
for electrification, safety, and comfort
- **Product range is already independent of combustion engines**

Equity Story: Business as a Force for Good

A graphic of a rainbow with multiple bands of color (red, orange, yellow, green, blue, purple) curving upwards from the bottom right towards the top right of the slide.

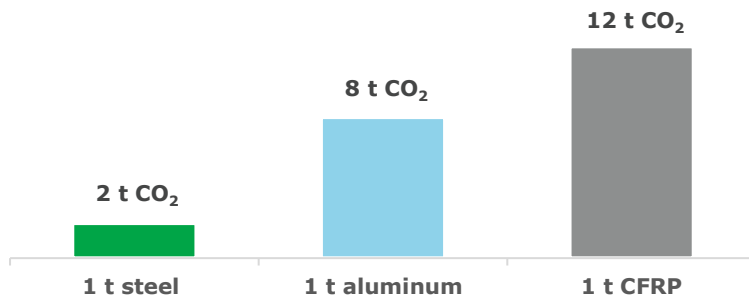
**Responsibility
down to the smallest detail**

- **Sustainability shapes our business model**
Steel is environmentally friendly
- **PWO's central environmental goal: Carbon neutrality**
At the Oberkirch location by 2026
Throughout the Group by 2030

Equity Story: Business as a Force for Good



Steel reduces CO₂ emissions



Source: German Steel Federation

- 1) Extracting aluminum from bauxite releases 4 times more CO₂ than extracting steel from iron ore
- 2) The production of carbon fiber-reinforced plastic even releases six times the amount of CO₂

Steel is environmentally friendly in several ways

- 1) Extremely durable
- 2) 100% recyclable
- 3) Steel is light: We minimize material usage with our expertise in lightweight design

Milestones on the way to carbon neutrality in Oberkirch

- 1) Switch to green electricity starting in 2022
- 2) Increase in energy efficiency
- 3) Use of self-generated electricity
- 4) Compensation of remaining emissions through certificates

Equity Story: Going the Extra Mile



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

Equity Story: Think Global, Act Local

Two globes are shown side-by-side against a dark blue space background with stars. Each globe is covered with a dense network of glowing orange lines, representing global connectivity or a network. The lines are most concentrated over landmasses.

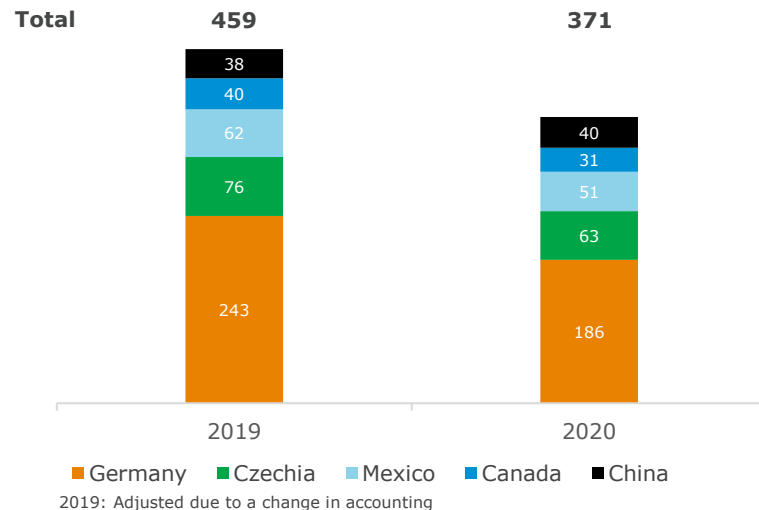
**Continuously expanding
our international presence**

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

Equity Story: Think Global, Act Local



Revenue breakdown by location



Our top 10 customers



SKODA



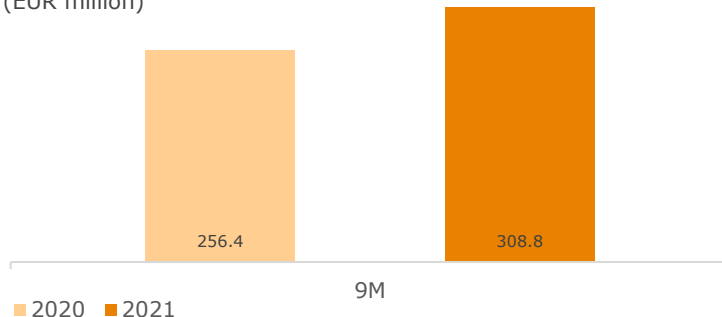
- **Future growth drivers**
China, Mexico, Czechia

- **Supplying all our top 10 customers**
typically from several PWO locations worldwide

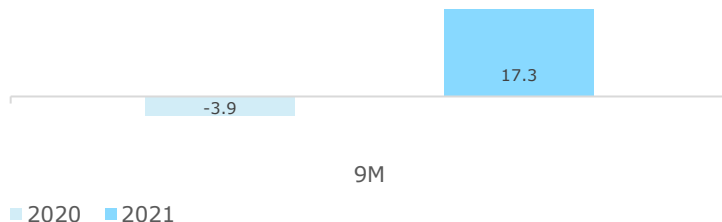
9M 2021: Group



Revenue (EUR million)



EBIT before currency effects (EUR million)



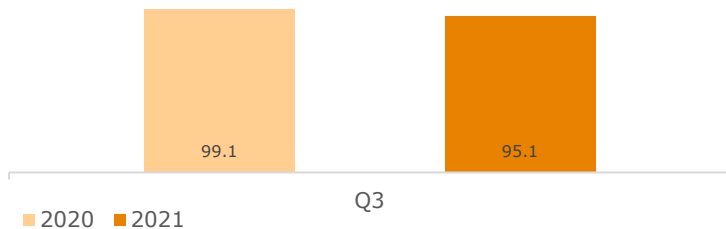
2020 revenue and EBIT before currency effects restated due to change in accounting policies

- **Business improves significantly after weak previous year as a result of the coronavirus pandemic**
- **However, shortages in semiconductors in particular are slowing the rise**
- **EBIT before currency effects also increases considerably**
 - Forecast range for fiscal 2021 already achieved
 - Non-recurring expense of EUR 10.0 million for headcount adjustments in Germany segment in previous year
 - Earnings reduced by higher purchase prices and exaggerated call-off volumes later reduced at short notice

Q3 2021: Group



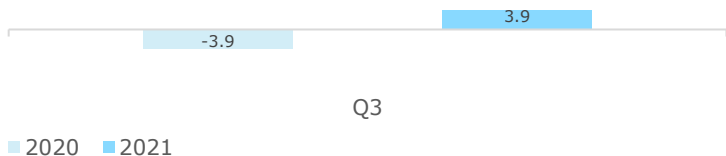
Revenue (EUR million)



- **Q3 2021 lower year-on-year due to value chain distortions (mainly semiconductor shortage) in the entire industry**

– Still, we were at all times able to deliver

EBIT before currency effects (EUR million)



- **EBIT before currency effects clearly positive despite negative factors**

- Year-on-year revenue decline affects EBIT
- Higher materials prices typically only passed on after a delay
- Earnings helped by savings in other operating expenses
- Cost of headcount adjustments impacted Q3 in previous year

2020 revenue and EBIT before currency effects restated due to change in accounting policies

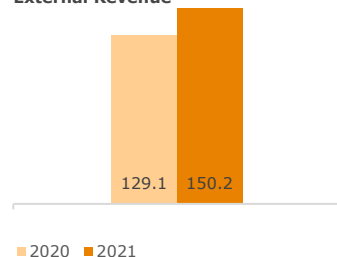
9M and Q3 2021: Germany Segment



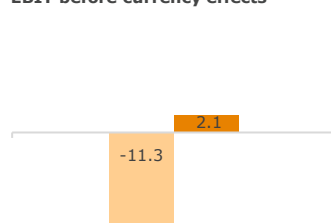
9M 2021

(EUR million)

External Revenue



EBIT before currency effects



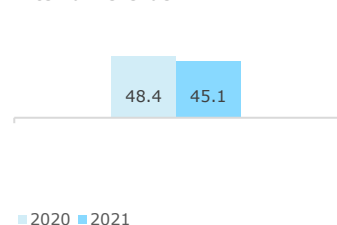
Continued efforts to secure the future viability of the German production site

- Product line-oriented matrix organization by early 2022 allows further headcount adjustment
- This is part of the site restructuring already communicated
- Therefore further impact on earnings in 2021 unlikely

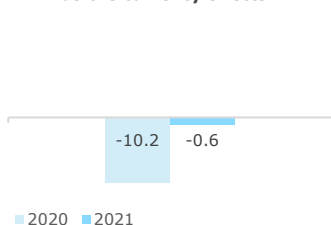
Q3 2021

(EUR million)

External Revenue



EBIT before currency effects



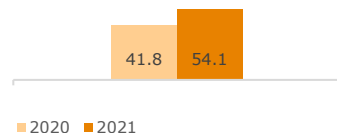
9M and Q3 2021: Czechia Segment



9M 2021

(EUR million)

External Revenue



EBIT before currency effects



● Performance consistently positive with good profitability

- Expenses for site expansion largely compensated by various measures
- Considerable area extensions for additional expansion in next 3 years
- High growth foreseeable on basis of current new business

Q3 2021

(EUR million)

External Revenue



EBIT before currency effects



■ 2020 ■ 2021

■ 2020 ■ 2021

2020 external revenue and EBIT before currency effects restated due to change in accounting policies

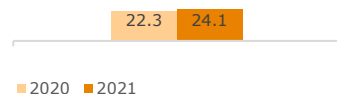
9M and Q3 2021: Canada Segment



9M 2021

(EUR million)

External Revenue



EBIT before currency effects



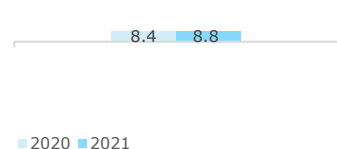
● Major series productions currently ramping up

- Therefore, revenue increasing steadily despite slow market
- EBIT improves and exceeds 9M figure in Q3
- Further growth expected in coming years

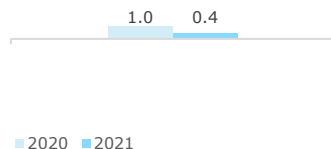
Q3 2021

(EUR million)

External Revenue



EBIT before currency effects



2020 external revenue and EBIT before currency effects restated due to change in accounting policies

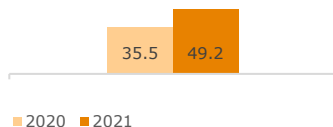
9M and Q3 2021: Mexico Segment



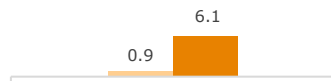
9M 2021

(EUR million)

External Revenue



EBIT before currency effects



● Highly successful performance

- Strong growth in 9M
- Temporarily no growth in Q3 (production halted by customers due to shortage of electronic components)
- Growth trend nonetheless intact thanks to highly successful new business

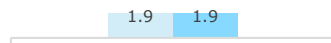
Q3 2021

(EUR million)

External Revenue



EBIT before currency effects



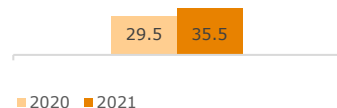
9M and Q3 2021: China Segment



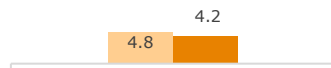
9M 2021

(EUR million)

External Revenue



EBIT before currency effects



Q3 2021

(EUR million)

External Revenue



EBIT before currency effects



● Only temporarily slightly weaker

- Persistent strong growth in 9M
- Volume declines due to semiconductor shortages spread to China in Q3
- EBIT before currency effects: positive one-off effects in previous year
- No instrument similar to German short-time allowances; in addition, higher purchase prices and 5 days of factory closures due to electricity rationing
- However, further growth in China also strengthened by high volume of new orders

■ 2020 ■ 2021

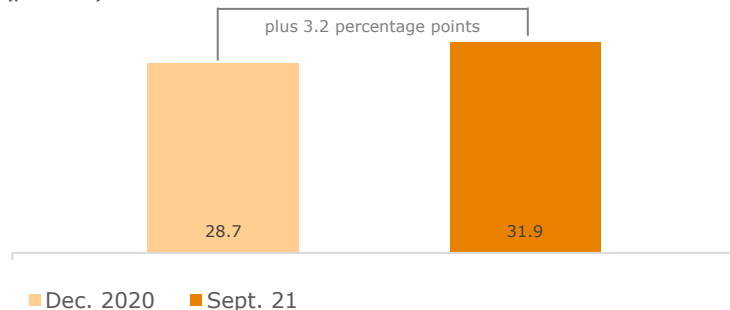
■ 2020 ■ 2021

2020 external revenue and EBIT before currency effects restated due to change in accounting policies

9M 2021: Improved Quality of Statement of Financial Position



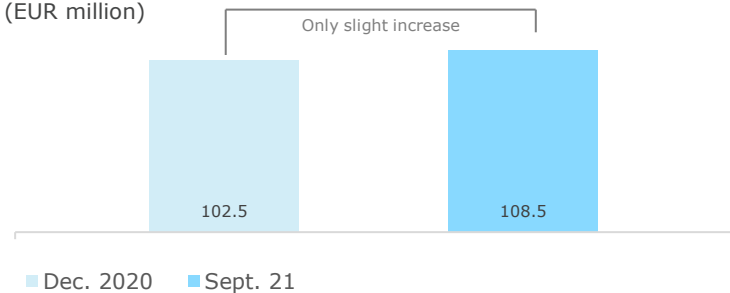
Equity ratio (percent)



● Equity ratio increased

- Positive net income for the period
- Positive other comprehensive income:
Measurement of pension provisions essentially in Q1 (effect of capital market interest rates) and currency translation difference

Net debt (EUR million)



● Net debt rises only slightly

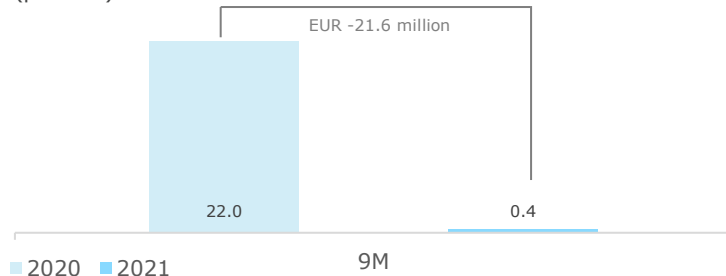
- Capital expenditure at EUR 10.8 million stable year-on-year according to segment report
- Extensive, unutilized credit facilities ensure flexibility
- Not called KfW loans of EUR 30 million returned early

9M 2021: Free Cash Flow at break even



Free cash flow

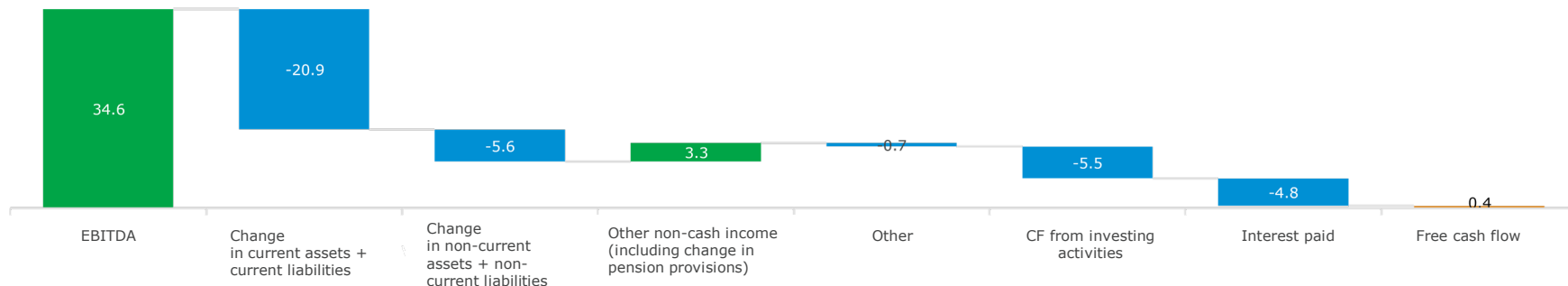
(percent)



- Higher working capital due to rising business volume
- Payments in conjunction with headcount adjustments

Sources of free cash flow in 9M 2021

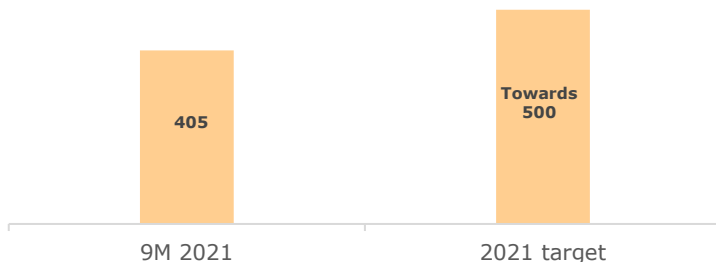
(EUR million)



9M 2021: New Business Consistently High



New business (lifetime volume series and tools) (EUR million)



- **Confident of outperforming target for year**
- **Around a third of new business for instrument panel carriers**
- **Other major orders: electric motor housings, airbag components, body components**
- **Strong new business particularly in Canada, Mexico and China**
- **Production mainly to start in 2022 and 2024**
- **Lifetime of new orders at upper end of typical average range of 5 to 8 years**

Fiscal 2021: Outlook



- **Business performance currently extraordinarily volatile and unpredictable**
- **Forecast for 2021 therefore unchanged;**
however, delays in investments until after the end of the year cannot be ruled out,
and we are confident of outperforming the forecast for new business

In EUR	Current 2021 forecast	2021 forecast as per 2020 Annual Report	2020 actual results
Revenue¹	400 - 410 million	~ 380 million	371.2 million
EBIT before currency effects¹	15 - 18 million	Positive in low double-digit millions	-8.1 million
Free cash flow²	Negative in low double-digit millions	Negative in low double-digit millions	29.1 million
Equity ratio²	30.0 %	Flat	28.7 %
Dynamic leverage ratio²	< 3.5 years	< 4 years	4.8 years
Capital expenditure²	> 20 million	> 20 million	13.8 million
Lifetime volume new business²	Towards 500 million	Towards 500 million	Approximately 400 million

¹Forecast from April 23, 2021 ²Forecast from August 2, 2021

Summary

● **First-class market position**

Broad product range for the mobility of the future

Independent of type of vehicle drivetrain

Excellent reputation for innovative strength, quality, and delivery reliability

● **Further strengthening of competitiveness**

Additional efficiency enhancements being implemented in Germany

Oberkirch production location is being developed into a high-tech powerhouse

International locations are being strategically expanded

● **Equity story**

Focusing on electrification, safety, and comfort

PWO is positioning itself as a partner for shaping the mobility of the future

Sustainability and digitalization are shaping the development of our processes