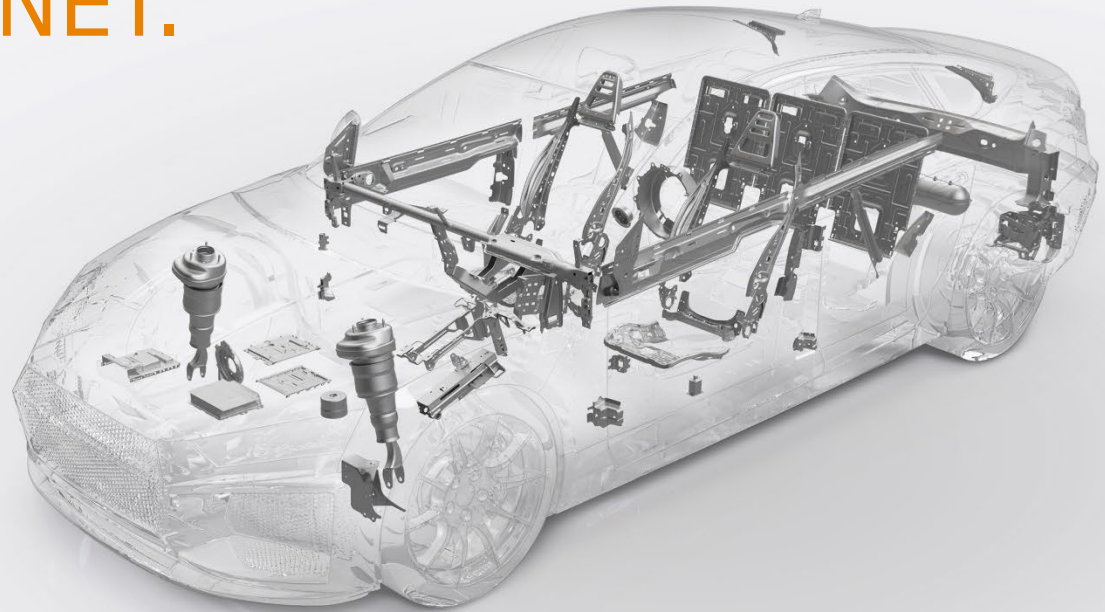




PEOPLE. PLANET.  
PROGRESS.



IR PRESENTATION  
November 2022

# 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](http://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**

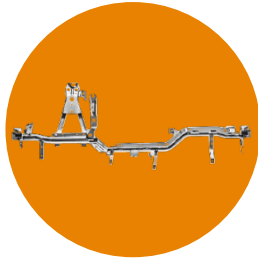
- **Pushing boundaries**  
in metal forming and joining technologies
- **Perfect economical solutions**  
for tomorrow's requirements in terms of function and weight

# Equity story:

## We are an engineering house

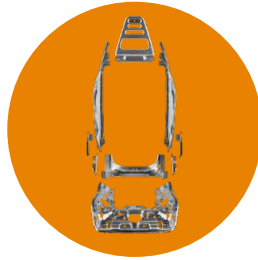


### Instrument panel carriers



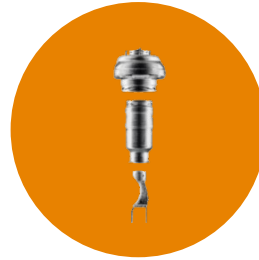
- Lightweight solution with a claim to global leadership
- Modern deep-drawing steels in combination with innovative joining technologies
- Passenger protection and less noise and vibration in the passenger compartment

### 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**

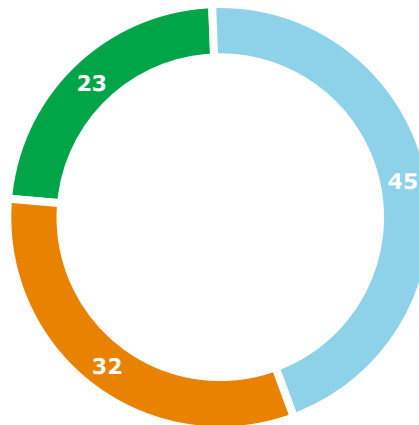
- **Electrification and autonomous driving**  
change the entire design of the vehicle
- **Our comprehensive understanding of the overall system**  
enables us to speak the language of our customers
- **Together with our business partners,  
we are shaping the mobility of the future**

# Equity story: Mobility of the future

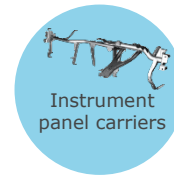


## 2021 revenue breakdown by product area in %

### Mechanical components for electrical and electronic applications



### Structural components and subsystems for vehicle bodies and chassis

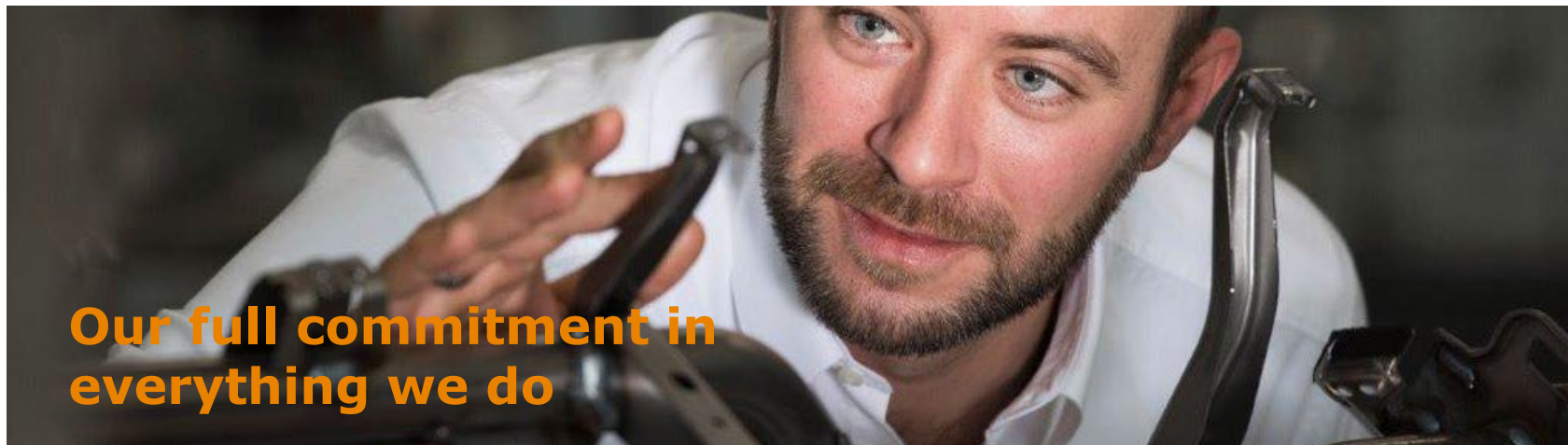


### Safety components for airbags, seats, and steering



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

## Equity story: Going the extra mile



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



# Current strategic initiative: PWO is positioning itself as a growth stock

**Continuously expanding  
our international presence**



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

# PWO

## Our top 10 customers



**BOSCH**



**brose**  
Excellence in Mechatronics

**Vibracoustic**

ŠKODA



**Continental**



**faurecia**  
inspiring mobility



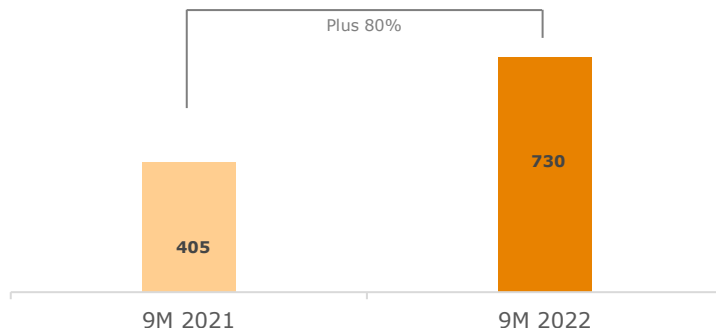


# Current strategic initiative: PWO is positioning itself as a growth stock



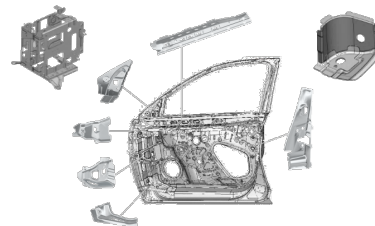
## New business in 2022

(lifetime volume for series and tools; EUR million)

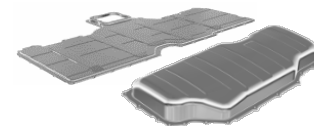


- **Production mainly to start in 2023 and 2024**

*Body and structural components*



*Components for an on-board charger*



*Seat components*

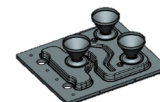


*Instrument panel carriers*



*Fuel cell components*

*Stationary fuel cells*



*Mobile fuel cells*



# Current strategic initiative: Business as a force for good



Environment

Social

Governance

## SBTi – Companies taking action



United Nations  
Global Compact



- **Signing of the SBTi: April 2022**
- **Signing of the Global Compact: June 2022**

# Current strategic initiative: Business as a force for good



Source: SBTi

- **Our SBTi targets are in line with the Paris Agreement**
- **Validation by the SBTi: November 2022**

# PWO



**Scope 1+2 target**  
1.5° target

**Compared with the base year 2019, we aim to reduce our absolute Scope 1+2 GHG emissions by 46.2% by 2030**



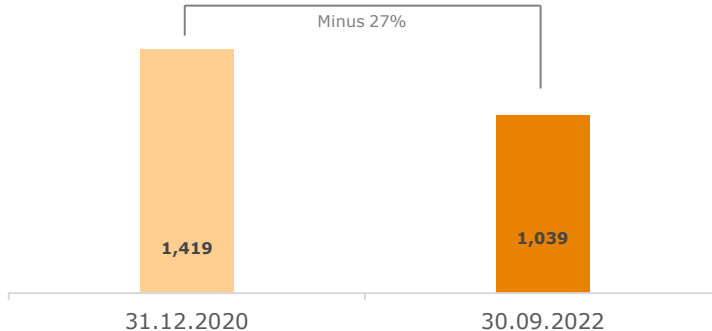
**Scope 3 target**  
Well below 2° target

**Compared with the base year 2019, we aim to reduce our absolute Scope 3 GHG emissions by 28.0% by 2030**

# Current strategic initiative: Repositioning of the Oberkirch production site



## Number of employees

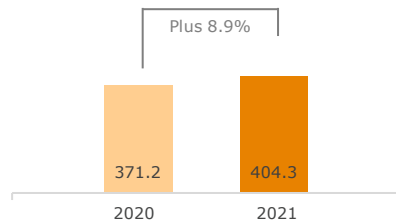


- **Number of employees adjusted significantly**
  - Current business volume considered
  - Extensive increases in productivity implemented
- **Supplementary collective bargaining agreement concluded**
  - Working week remains 37.5 hours
  - Term 4 years from January 1, 2023
  - Updated profit-sharing

# Selected Group financial data: Fiscal years 2020 and 2021

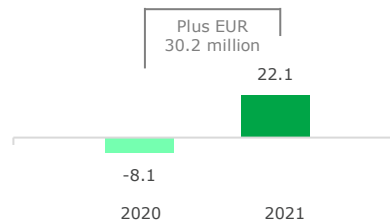


## Revenue (EUR million)



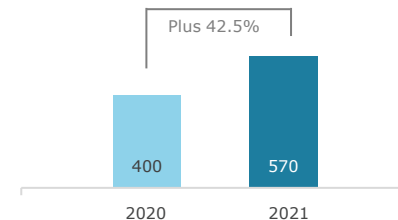
- 2021: More than half achieved abroad for the first time (53%)

## EBIT before currency effects (EUR million)



- 2020 and 2021: Significant positive earnings contributions from the international locations

## New business (lifetime volumes; EUR million)

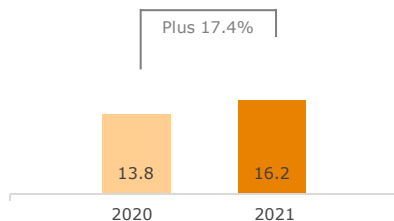


- 2021: Highly successful increase in new business

# Selected Group financial data: Fiscal years 2020 and 2021

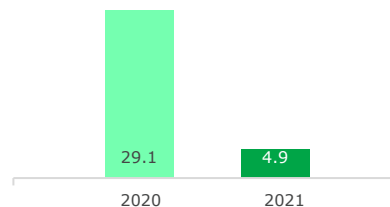


## Capital expenditure (EUR million)



- Capital expenditure above previous year but still restrained due to crises

## Free cash flow (EUR million)



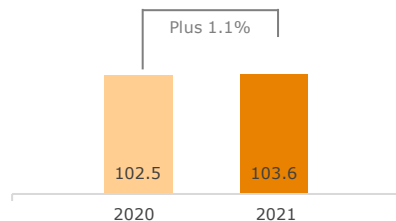
- Increased working capital following growth and payments due to personnel adjustment measures



# Selected Group financial data: Fiscal years 2020 and 2021

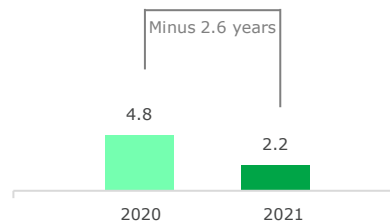


**Net debt**  
(EUR million)



- Successful liquidity management

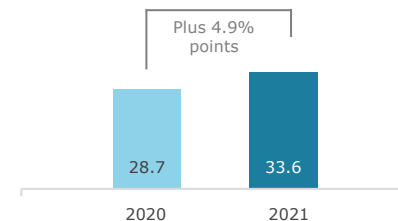
**Leverage ratio\***  
(years)



- Stable net debt and marked improvement in income

\*Financial liabilities minus cash and cash equivalents / EBITDA

**Equity ratio**  
(%)

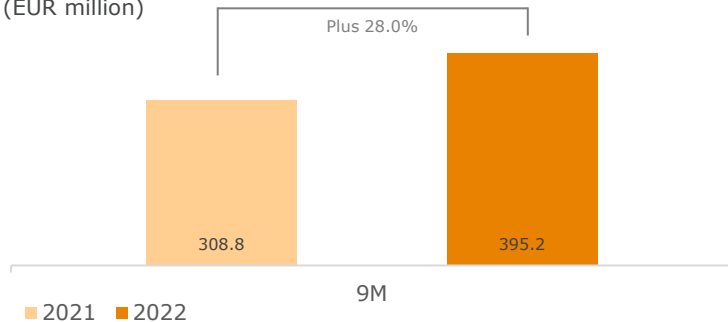


- Significantly improved quality of statement of financial position

# 9M 2022: Group



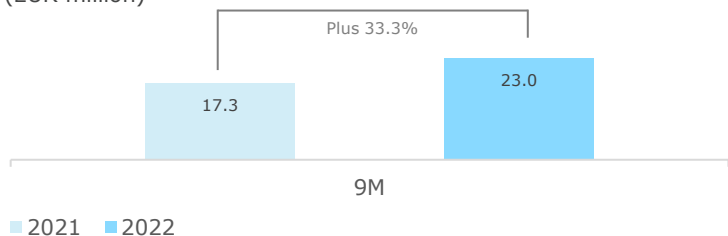
## Revenue (EUR million)



### ● Strong increase in revenue

- Price adjustments due to higher material prices
- Positive currency effects from translation effects

## EBIT before currency effects (EUR million)



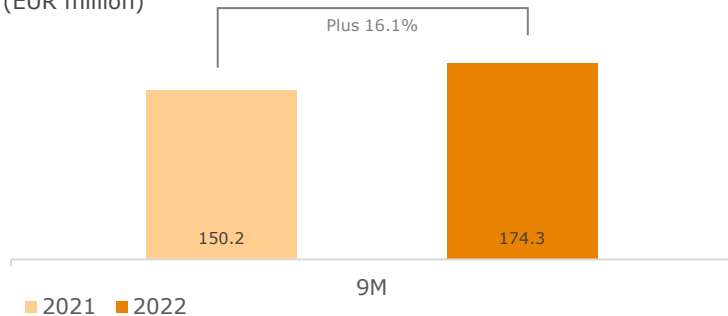
### ● Significant increase in EBIT before currency effects

- Positive currency effects from translation effects
- Falling depreciation and amortization rate due to restrained capital expenditure in the pandemic years
- Disproportionately low increase in other operating expenses (not including currency losses)
- Q3 impacted by depreciation of assets (write-downs) and allocations to contingency reserves (other operating expenses)

# 9M 2022: Germany segment



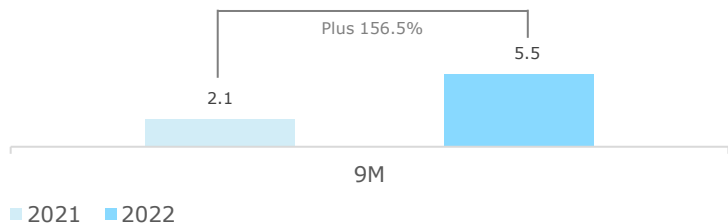
## Revenue (EUR million)



## ● Good business development

- Revenue increases largely due to higher material prices
- Cost reductions and headcount adjustments implemented are having an increasingly positive effect
- Q3 impacted by allocations to contingency reserves of EUR 1.6 million

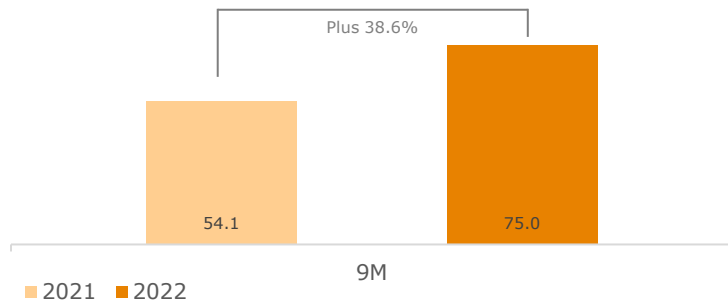
## EBIT before currency effects (EUR million)



# 9M 2022: Czechia segment



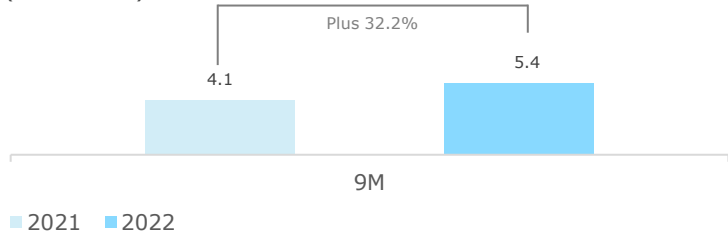
## Revenue (EUR million)



## ● Excellent business development

- Growth spurt resulting from production series starting up and ramping up
- EBIT margin before currency effects approaching the level of the previous year despite the impacts arising from the expansion of the sites

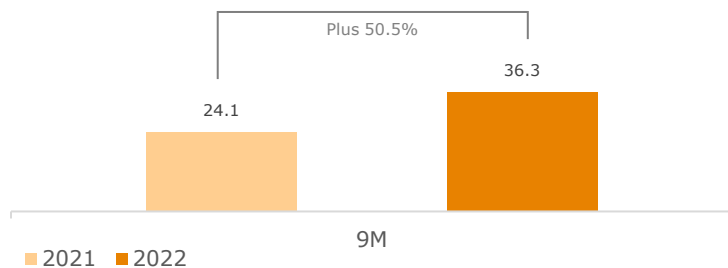
## EBIT before currency effects (EUR million)



# 9M 2022: Canada segment



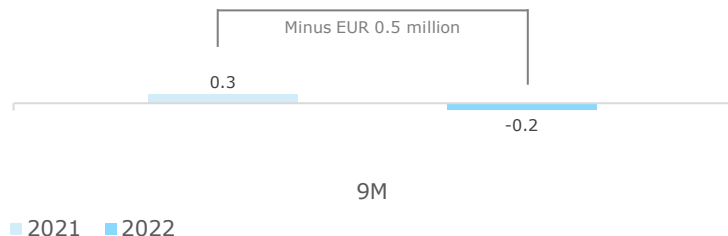
## Revenue (EUR million)



## ● Earnings performance not yet satisfactory

- Significant increase in revenue (price adjustments, series start-ups and ramp-ups, currency effects)
- However, ramp-ups somewhat slower than expected; call-offs fluctuating strongly in the short term
- Profitability still impacted as a result
- High volume of new business acquired in 9M

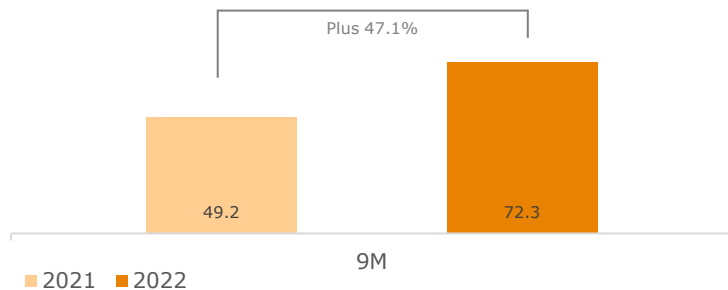
## EBIT before currency effects (EUR million)



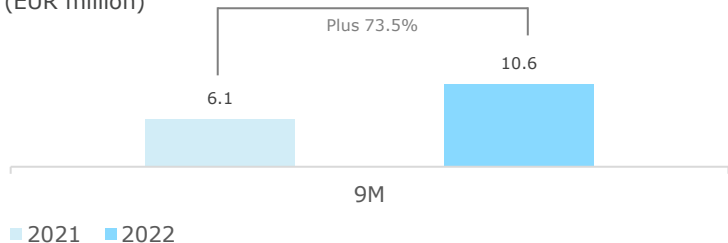
# 9M 2022: Mexico segment



## Revenue (EUR million)



## EBIT before currency effects (EUR million)



## ● Excellent business development

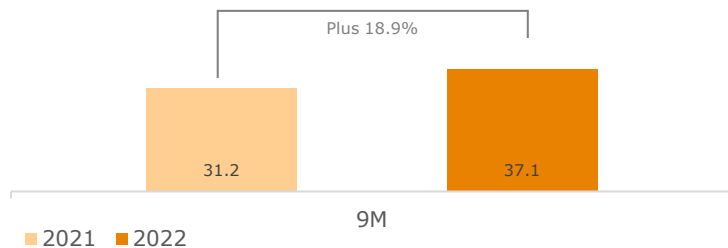
- Significant increase in revenue for the same reasons as in the Canada segment (price adjustments, series start-ups and ramp-ups, currency effects)
- However, start-up curves are above plan and steadier than in Canada
- Profitability is therefore increasing considerably despite the expansion of the Mexican locations



# 9M 2022: China segment

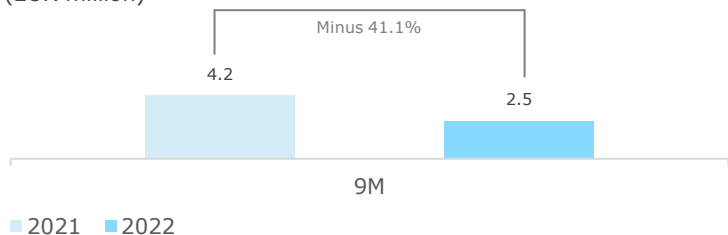


## Revenue (EUR million)



- **Impacted by the hard coronavirus lockdowns**
  - Impacted by tough lockdown measures in the first 6 months
  - Business development more pleasing in Q3
  - Depreciation of assets amounting to EUR 1.7 million in Q3
  - Adjusted for this depreciation, EBIT before currency effects at the same level as the previous year achieved in 9M

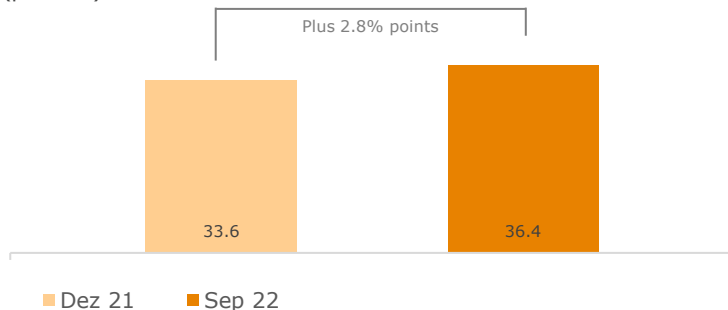
## EBIT before currency effects (EUR million)



# Sept. 2022: Continued improvement in quality of statement of financial position



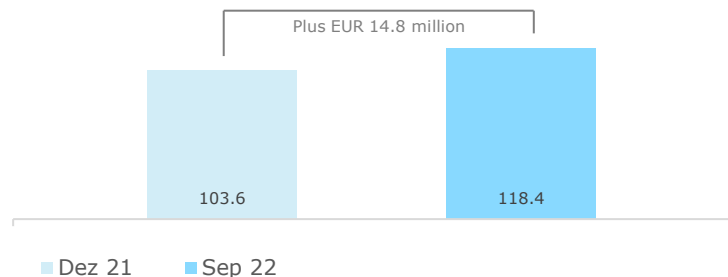
## Equity ratio (percent)



### ● Equity ratio increased

- Positive net income for the period
- Positive other comprehensive income: actuarial gains from the valuation of pension provisions (mainly from capital market interest rates)
- Offset by the dividend payout in the second quarter

## Net debt (EUR million)



### ● Slight increase in net debt

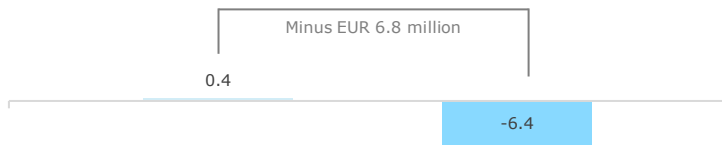
- Capital employed due to increased working capital:  
Higher working capital in particular due to increased material prices and higher inventory levels due to strained supply chains

# 9M 2022: Negative free cash flow



## Free cash flow

(EUR million)



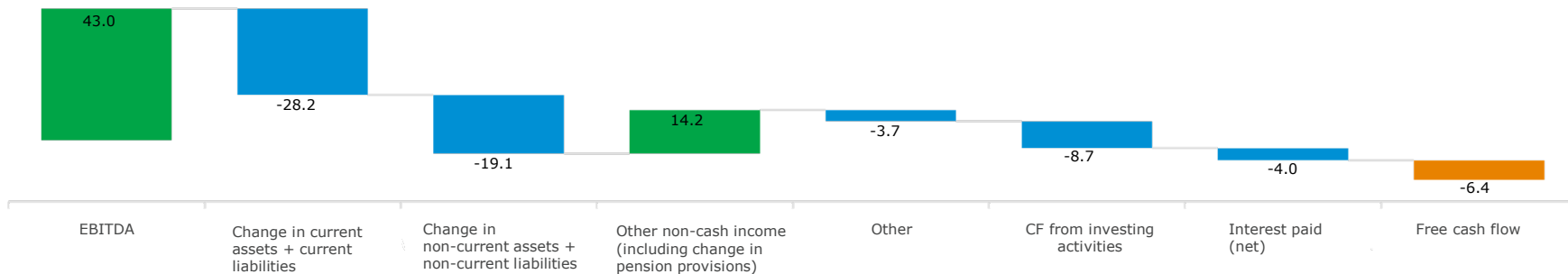
9M

■ 2021 ■ 2022

- Increased working capital above all leads to higher capital employed and, together with capital expenditure, results in a negative free cash flow

## Sources of free cash flow in 9M 2022

(EUR million)



# 2022 fiscal year: Outlook



- Forecast revised upwards on November 3, 2022
- Increased revenue mainly due to higher material prices
- Increase in income from operational business
- Forecast proviso: No further impact due to the Ukraine war, coronavirus measures in China, or supply chain disruptions; possible impacts from the trend in interest rates at December 31, 2022, e.g. in the case of valuations relevant to the financial statements

	2022 forecast <sup>1</sup>	2022 forecast <sup>2</sup>	2021 actual results
<b>Revenue</b>	Approx. EUR 500 million	EUR 480 million	EUR 404.3 million
<b>EBIT before currency effects</b>	~ EUR 23–26 million	~ EUR 19–22 million	EUR 22.1 million
<b>Capital expenditure according to segment report</b>	~ EUR 22 million	~ EUR 30 million	EUR 16.2 million
<b>Free cash flow</b>	Balanced	Balanced	EUR 4.9 million
<b>Equity ratio</b>	~36%	sideward	33.6%
<b>Leverage ratio</b> (Financial liabilities minus cash and cash equivalents / EBITDA)	< 2.5 years	2.5–3.0 years	2.2 years
<b>Lifetime volume of new business</b>	~ EUR 800 million	Close to EUR 600 million	~ EUR 570 million

<sup>1</sup> Forecast as of Nov. 3, 2022

<sup>2</sup> All forecasts published in Annual Report 2022; exception lifetime volume of new business: forecast as of June 9, 2022

# 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 the Group**

Increased earnings power in Germany

International locations are being strategically expanded

Strong increase in new business expected for the Group in 2022

## ● **Compelling equity story**

Focus on the 3 trends of electrification, safety, and comfort

Partner to our customers in helping to shape the mobility of the future

Sustainability is part of our inner motivation

A pair of hands is shown from the wrist up, cupping a globe of the Earth. The globe is rendered with a dark, realistic texture, but it is overlaid with a complex, glowing orange network of lines and nodes, resembling a global communication or data network. The hands are in grayscale, providing a stark contrast to the vibrant orange of the globe's network. The background is a soft, out-of-focus gray with some light bokeh effects.

PWO

PEOPLE.  
PLANET.  
PROGRESS.

Thank you for your attention!