QUARTERLY STATEMENT
3RD QUARTER | 9 MONTHS 2017

PWO

DEAR SHAREHOLDERS AND BUSINESS ASSOCIATES,

We are pleased to be able to report third quarter performance that was within expectations and a successful 2017 nine-month period. We are now on the final stretch to reaching our forecasts for the fiscal year as a whole.

We are very proud of the fact that all of our locations continue to meet the higher-than-expected level of customer call orders with the utmost in delivery reliability and quality. At the same time, the majority of the Group has returned to an essentially normal production schedule.

Over the last few quarters, the Company has succeeded in processing the largest new tool volume required in the Company's history. Design, purchasing and a large part of the production steps have already been completed for substantial volumes. Now the task is to speed up customer acceptance so that these tools can be invoiced as soon as possible. The focus will then turn even more towards the extensive series start-ups currently on the agenda.

And finally, after two rather disappointing quarters, we managed to significantly improve the profitability of our home location, Oberkirch. Even though we may still need to do more in the future, what is important is that we are going in the right direction.

Our investments indicate that further expansion lies ahead for the Group. While investments were still somewhat modest during the first half of the year as scheduled, we are now preparing for our expected future growth with a sharp increase in our investment volumes, particularly in China, Mexico and Czechia. We invite you to join us on this path!

Oberkirch, November 2017

The Management Board

SELECTED SEGMENT AND GROUP INFORMATION

EURK

9 months of 2017	Germany	Rest of Europe	NAFTA Area	Asia	Consolidation effects	Group
Total revenue	207,685	55,108	74,448	35,109	–26,367	345,983
Total output	218,804	53,420	78,827	38,574	–26,643	362,982
EBIT before currency effects	9,196	5,838	4,861	–933	-257	18,705
EBIT including currency effects	8,321	5,842	4,326	–1,996	–333	16,160
Investments	8,686	6,321	6,896	2,853	0	24,756
9 months of 2016						
Total revenue	184,060	52,143	66,280	25,060	–18,365	309,178
Total output	188,925	51,923	69,288	23,660	–18,596	315,200
EBIT before currency effects	9,118	4,601	3,187	1,131	–255	17,782
EBIT including currency effects	8,794	4,587	2,683	108	–205	15,967
Investments	13,481	5,465	1,005	299	0	20,250

RESULTS OF OPERATIONS

Driven by sustained high customer call orders and the ability to pass on higher material prices, revenue and total output in the nine-month period rose sharply. The third quarter was somewhat weaker than the first two quarters merely due to the usual seasonality experienced during the holidays.

The disproportionate increase in total output continued to result from the high volume of tools currently in production in preparation for future series start-ups. The tools cannot be invoiced until the customer accepts delivery, which in turn causes a rise in inventories on the balance sheet and contributes significantly to the sharp increase in the cost of materials ratio.

The lower staff cost ratio reflects the productivity increases realized at our locations. Still, it is important to note that we use temporary employees to cover production peaks, which has contributed to the increase in other operating expenses. The rise in other operating expenses was also a result of growth-related expenses. Overall, however, EBIT before currency effects managed to improve.

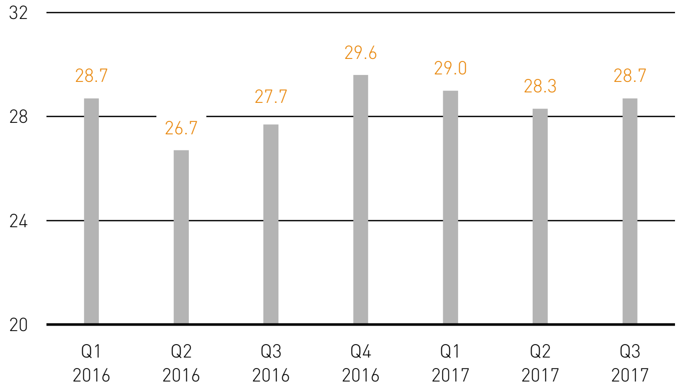
After currency effects of EUR –2.5 million (p/y: EUR –1.8 million), slightly higher financial expenses and a somewhat higher tax rate, earnings per share in the first nine months of 2017 declined to EUR 2.61 (p/y: EUR 2.70).

SEGMENTS

The following description of the segment results refers to EBIT before currency effects as this is the figure that best reflects the Group's operating development.

In terms of our home location of Oberkirch, which comprises the Germany segment, we can now report that the targeted turnaround was achieved in the third quarter.

EQUITY RATIO
IN PERCENT



After EBIT in the first six months of the year was weighed down by additional growth-related expenses, EBIT in the reporting quarter significantly exceeded the previous year's figure and led to a slight year-on-year rise in EBIT for the nine-month period. This development was also supported by an excellent level of capacity utilization from the persistently high level of customer call orders. Even though additional effort will still be needed to stabilize EBIT at the higher level, the current quarterly results clearly indicate that we are headed in the right direction.

The Czech location, which forms the Rest of Europe segment, is currently growing at a slightly slower pace than the Group as a whole due to capacity constraints. It is however doing so at a gratifying level of profitability and, therefore, makes a significant contribution to the Group's positive performance. The ongoing expansion of production capacities will open up further growth potential in the future.

In the NAFTA Area segment, lower call orders and prolonged plant holidays among customers affected the revenue and EBIT of our two locations in Mexico and Canada in the third quarter. Despite this, both locations developed satisfactorily on a nine-month basis.

Growth in the Asia segment, which includes our Chinese locations, continues to be very strong. In addition to the high customer call orders, these locations have to execute large and complex series start-ups. Therefore, the EBIT development for this emerging segment is still relatively volatile.

NET ASSETS AND FINANCIAL POSITION

The strong, growth-driven increase in total assets has continued to slow down in the course of the year and increased only slightly in the third quarter. Total assets as of September 30 increased to EUR 395.3 million compared to EUR 359.4 million as of December 31, 2016.

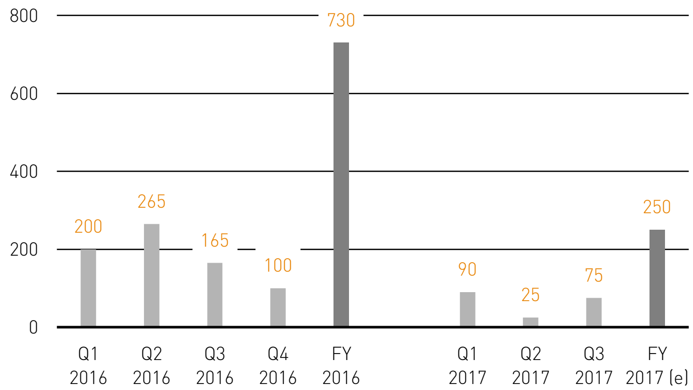
This increase resulted mainly from the high inventories of unfinished tools. Meanwhile, receivables and other assets have almost reached the level they had at the start of the fiscal year.

Higher current assets were financed mainly through an increase in trade payables and, to a lesser extent, a rise in current financial liabilities.

Net debt increased accordingly from EUR 124.5 million as of December 31, 2016 to EUR 135.7 million as of the reporting date. At 28.7 percent, the equity ratio was only moderately below its level of 29.6 percent at the end of 2016.

Cash flow from operating activities improved significantly in the third quarter, amounting to EUR 20.1 million in the nine-month period compared to EUR 8.0 million in the first half-year.

NEW BUSINESS (LIFETIME VOLUME OF SERIES AND TOOL ORDERS)
IN EUR MILLION



Despite this performance, the cash flow in the first nine months remained well below the previous year's level of EUR 43.1 million. The cause for this decline was the ongoing high level of working capital recorded under current assets and especially tool inventories.

Cash flow from investing activities amounted to EUR –22.8 million in the nine-month period (p/y: EUR –19.9 million). The investments made are detailed in the section below. As a result, free cash flow after interest paid and received amounted to EUR –6.0 million (p/y: EUR 20.2 million).

After the net assumption of loans totaling EUR 27.5 million (versus repayments of EUR 7.1 million in the prior year), there was a change recorded in cash and cash equivalents in the amount of EUR 16.5 million (p/y: EUR 8.2 million).

INVESTMENT

Investments rose significantly in the reporting quarter following relatively low levels of planned investment in the first six months of 2017. As shown in the segment report, total investment in the nine-month period equaled EUR 24.8 million (p/y: EUR 20.3 million). Of that amount, EUR 11.6 million (p/y: EUR 8.7 million) occurred in the third quarter.

Over the past three months, our foreign locations have been at the heart of our investment activities. While the expansion of the press facilities in Czechia is making good progress, advance payments were made for one forming press in China and two in Mexico.

Further investments at all three locations were primarily made in production facilities for future cross-member production.

The German location continued to focus on preparations for the upcoming major new series start-ups and also carried out some construction work.

Overall, the Company has earmarked up to EUR 40 million in investments for the current fiscal year but does not intend to consume the full amount.

NEW BUSINESS

In terms of new business, we are on course to reach our target volume of around EUR 250 million. We have won new orders with a lifetime volume of around EUR 190 million in the first nine months, including related tool volumes of around EUR 9 million. Of this amount, EUR 75 million was won in the third quarter.

In the nine-month period, we were able to win a wide range of orders, especially for the German location. We continue to be successful in both China and Mexico, and the Czech site recently won another large tender in the seat segment.

The start of production for current new orders is mainly scheduled to take place in fiscal years 2018 and 2019. Series production times still take between 5 to 8 years.

REPORT ON OPPORTUNITIES AND RISKS

The opportunities and risks for the development of the PWO Group and its segments presented in the 2016 Annual Report remain valid.

In the 2016 Annual Report, we stated that our earnings development in 2017 may be particularly affected by performance risk due to the increase in capacity utilization, as well as by material price risk.

Meanwhile, all locations have adjusted to the higher-than-expected call orders and have largely returned to their normal production schedules. Although there are still risks from the complex start-ups and ramp-ups scheduled, the risk in the fourth quarter of the current fiscal year is limited.

We are no longer anticipating additional unexpected material price risks to occur in the fourth quarter.

Projections about the future development of exchange rates are not part of our corporate forecasts. We enter into the appropriate hedging transactions to avoid currency risks with the aim of hedging the currency parities on which the contracts are based so that we can lock in the expected contribution margins. Additional risks are mainly related to inter-company loans. Since these loans are not subject to economic risk, they are only partially hedged.

REPORT ON FORECASTS AND OUTLOOK

The third quarter performance, which was within expectations, reinforces yet again our forecast for the current fiscal year.

The amount by which we may exceed our revenue target of approximately EUR 450 million – of which EUR 20 million stem from material price effects – will depend on the length of our customers' plant holidays in December. As we have explained in the half-year report, our revenue target should be seen as conservative.

We now believe our forecast for EBIT before currency effects of EUR 23 to 24 million is secured. This is supported, above all, by the renewed improvement in our German location.

In terms of tools, we are working intensively on invoicing the largest volume possible by the end of the year. At the same time, we do not intend to make full use of our investment budget, where possible. Both of these factors should help us achieve our forecasts for positive free cash flow and maintain our equity ratio and dynamic leverage ratio at last year's levels.

CONSOLIDATED INCOME STATEMENT

EURK

	Q3 2017	% share	Q3 2016	% share
Revenue	112,869	94.9	100,517	95.5
Change in finished goods and work-in-progress/ other own work capitalized	6,027	5.1	4,747	4.5
TOTAL OUTPUT	**118,896**	**100.0**	**105,264**	**100.0**
Other operating income	2,731	2.3	827	0.8
Cost of materials	67,537	56.8	54,418	51.7
Staff costs	29,149	24.5	27,864	26.5
Depreciation and amortization	6,073	5.1	6,120	5.8
Other operating expenses	13,098	11.0	11,725	11.1
EBIT	**5,770**	**4.9**	**5,964**	**5.7**
Financial expenses	1,615	1.4	1,332	1.3
EBT	**4,155**	**3.5**	**4,632**	**4.4**
Income taxes	1,901	1.6	1,037	1.0
NET INCOME FOR THE PERIOD	**2,254**	**1.9**	**3,595**	**3.4**
Earnings per share in EUR	0.72	—	1.15	—

CONSOLIDATED INCOME STATEMENT

EURK

	9M 2017	% share	9M 2016	% share
Revenue	345,983	95.3	309,178	98.1
Change in finished goods and work-in-progress/ other own work capitalized	16,999	4.7	6,022	1.9
TOTAL OUTPUT	**362,982**	**100.0**	**315,200**	**100.0**
Other operating income	9,044	2.5	4,113	1.3
Cost of materials	203,996	56.2	165,135	52.4
Staff costs	90,757	25.0	85,356	27.1
Depreciation and amortization	18,118	5.0	18,740	5.9
Other operating expenses	42,995	11.8	34,115	10.8
EBIT	**16,160**	**4.5**	**15,967**	**5.1**
Financial expenses	4,356	1.2	4,145	1.3
EBT	**11,804**	**3.3**	**11,822**	**3.8**
Income taxes	3,643	1.0	3,396	1.1
NET INCOME FOR THE PERIOD	**8,161**	**2.3**	**8,426**	**2.7**
Earnings per share in EUR	2.61	—	2.70	—

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EURK

	Q3 2017	Q3 2016
NET INCOME FOR THE PERIOD	**2,254**	**3,595**
Net gains from cash flow hedges	1,046	72
Tax effect	–302	–29
Items that may be reclassified to profit and loss in future	**744**	**43**
Currency translation differences	**–34**	**–387**
Actuarial losses from defined benefit pension plans	–4	–2,179
Tax effect	1	619
Items that will not be reclassified to profit and loss	**–3**	**–1,560**
OTHER COMPREHENSIVE INCOME AFTER TAX	**707**	**–1,904**
TOTAL COMPREHENSIVE INCOME AFTER TAX	**2,961**	**1,691**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EURK

	9M 2017	9M 2016
NET INCOME FOR THE PERIOD	**8,161**	**8,426**
Net gains from cash flow hedges	6,007	2,816
Tax effect	–1,653	–774
Items that may be reclassified to profit and loss in future	**4,354**	**2,042**
Currency translation differences	**–1,205**	**–550**
Actuarial gains/losses from defined benefit pension plans	905	–14,890
Tax effect	–257	4,233
Items that will not be reclassified to profit and loss	**648**	**–10,657**
OTHER COMPREHENSIVE INCOME AFTER TAX	**3,797**	**–9,165**
TOTAL COMPREHENSIVE INCOME AFTER TAX	**11,958**	**–739**

CONSOLIDATED BALANCE SHEET

ASSETS

EURK

	Sep. 30, 2017	Dec. 31, 2016
Property, plant and equipment	178,071	176,637
Intangible assets	11,682	11,452
Deferred tax assets	12,624	13,400
NON-CURRENT ASSETS	**202,377**	**201,489**
Inventories	114,474	97,104
Receivables and other assets	62,384	58,491
Other financial assets	4,147	192
Income tax receivables	1,707	129
Cash and cash equivalents	10,199	2,014
CURRENT ASSETS	**192,911**	**157,930**
TOTAL ASSETS	**395,288**	**359,419**

EQUITY AND LIABILITIES

EURK

	Sep. 30, 2017	Dec. 31, 2016
EQUITY	**113,494**	**106,536**
Non-current financial liabilities	99,975	87,395
Provisions for pensions	52,075	52,927
Other provisions	1,573	1,732
Deferred tax liabilities	837	0
NON-CURRENT LIABILITIES	**154,460**	**142,054**
Current portion of provisions for pensions	1,540	1,540
Current portion of other provisions	1,318	1,231
Trade payables and other liabilities	76,612	54,103
Other financial liabilities	1,903	14,878
Current financial liabilities	45,961	39,077
CURRENT LIABILITIES	**127,334**	**110,829**
TOTAL EQUITY AND LIABILITIES	**395,288**	**359,419**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

EURK

	Equity attributable to PWO AG shareholders						
					Other components of equity items that may be reclassified to profit and loss in future periods		
	Subscribed capital	**Capital reserves**	**Retained earnings**	**Defined benefit pension plans**	**Currency translation differences**	**Cash flow hedges**	**Total**
JANUARY 1, 2016	**9,375**	**37,494**	**68,913**	**–12,003**	**3,382**	**–4,050**	**103,111**
Net income for the period			8,426				8,426
Other comprehensive income				–10,657	–550	2,042	–9,165
TOTAL COMPREHENSIVE INCOME	**9,375**	**37,494**	**77,339**	**–22,660**	**2,832**	**–2,008**	**102,372**
Dividend payment			–4,844				–4,844
SEPTEMBER 30, 2016	**9,375**	**37,494**	**72,495**	**–22,660**	**2,832**	**–2,008**	**97,528**
JANUARY 1, 2017	**9,375**	**37,494**	**73,591**	**–14,614**	**3,639**	**–2,949**	**106,536**
Net income for the period			8,161				8,161
Other comprehensive income				648	–1,205	4,354	3,797
TOTAL COMPREHENSIVE INCOME	**9,375**	**37,494**	**81,752**	**–13,966**	**2,434**	**1,405**	**118,494**
Dividend payment			–5,000				–5,000
SEPTEMBER 30, 2017	**9,375**	**37,494**	**76,752**	**–13,966**	**2,434**	**1,405**	**113,494**

CONSOLIDATED STATEMENT OF CASH FLOWS

EURK	9M 2017	9M 2016
Net income for the period	8,161	8,426
Depreciation of property, plant, and equipment, net of write-ups	18,118	18,740
Income tax expense/refund	3,643	3,396
Interest income and expenses	4,356	4,145
Change in current assets	–25,929	4,056
Change in current liabilities (excluding financial liabilities)	10,779	6,527
Change in non-current liabilities (excluding financial liabilities)	–1,977	14,290
Income taxes paid	–6,313	–2,664
Other non-cash expenses/income	9,223	–13,758
Gains/losses on disposal of property, plant, and equipment	8	–44
CASH FLOW FROM OPERATING ACTIVITIES	**20,069**	**43,114**
Proceeds from disposal of property, plant, and equipment	50	129
Payments for investments in property, plant, and equipment	–21,494	–18,953
Payments for investments in intangible assets	–1,372	–1,082
CASH FLOW FROM INVESTING ACTIVITIES	**–22,816**	**–19,906**
Dividends paid	–5,000	–4,844
Interest paid	–3,336	–3,130
Interest received	48	117
Proceeds from borrowings	65,851	19,188
Repayment of borrowings	–38,331	–26,334
CASH FLOW FROM FINANCING ACTIVITIES	**19,232**	**–15,003**
Net change in cash and cash equivalents	16,485	8,205
Effect of exchange rates on cash and cash equivalents	284	35
Cash and cash equivalents as of January 1	–11,782	–7,308
CASH AND CASH EQUIVALENTS AS OF SEPTEMBER 30	**4,987**	**932**
of which cash and cash equivalents	10,199	9,296
of which bank borrowings due on demand	–5,212	–8,364

SEGMENT REPORT

SEGMENT INFORMATION BY LOCATION (9 MONTHS 2017)

EURK

	Germany	Rest of Europe	NAFTA Area	Asia	Consolida-tion effects	Group
Total revenue	207,685	55,108	74,448	35,109	0	372,350
Inter-segment revenue	–14,650	–3,194	–81	–8,442	0	–26,367
EXTERNAL REVENUE	**193,035**	**51,914**	**74,367**	**26,667**	**0**	**345,983**
TOTAL OUTPUT	**218,804**	**53,420**	**78,827**	**38,574**	**–26,643**	**362,982**
Other income (aggregated)	9,079	263	1,800	783	–2,881	9,044
Other expenses (aggregated)	211,035	44,508	72,095	39,283	–29,173	337,748
Depreciation and amortization	8,527	3,333	4,206	2,070	–18	18,118
EARNINGS BEFORE INTEREST AND TAXES (EBIT)	**8,321**	**5,842**	**4,326**	**–1,996**	**–333**	**16,160**
Interest income	2,711	34	1	1	–2,518	229
Interest expenses	3,640	878	1,550	1,035	–2,518	4,585
EARNINGS BEFORE TAXES (EBT)	**7,392**	**4,998**	**2,777**	**–3,030**	**–333**	**11,804**
Income taxes	3,056	–163	823	0	–73	3,643
NET INCOME FOR THE PERIOD	**4,336**	**5,161**	**1,954**	**–3,030**	**–260**	**8,161**
Assets	208,841	84,120	87,747	58,676	–44,096	395,288
of which non-current assets	76,373	48,491	36,903	28,085	–99	189,753
Liabilities	45,416	34,421	62,695	63,402	75,860	281,794
Investments	8,686	6,321	6,896	2,853	0	24,756
Employees (as of Sep. 30)	1,600	632	771	349	—	3,352

SEGMENT REPORT

SEGMENT INFORMATION BY LOCATION (9 MONTHS 2016)

EURK

	Germany	Rest of Europe	NAFTA Area	Asia	Consolida-tion effects	Group
Total revenue	184,060	52,143	66,280	25,060	0	327,543
Inter-segment revenue	–9,859	–3,576	–99	–4,831	0	–18,365
EXTERNAL REVENUE	**174,201**	**48,567**	**66,181**	**20,229**	**0**	**309,178**
TOTAL OUTPUT	**188,925**	**51,923**	**69,288**	**23,660**	**–18,596**	**315,200**
Other income (aggregated)	4,378	416	1,713	154	–2,548	4,113
Other expenses (aggregated)	175,068	44,760	63,883	21,815	–20,920	284,606
Depreciation and amortization	9,441	2,992	4,435	1,891	–19	18,740
EARNINGS BEFORE INTEREST AND TAXES (EBIT)	**8,794**	**4,587**	**2,683**	**108**	**–205**	**15,967**
Interest income	2,526	53	0	1	–2,464	116
Interest expenses	3,358	946	1,321	1,496	–2,860	4,261
EARNINGS BEFORE TAXES (EBT)	**7,962**	**3,694**	**1,362**	**–1,387**	**191**	**11,822**
Income taxes	2,935	–87	608	0	–60	3,396
NET INCOME FOR THE PERIOD	**5,027**	**3,781**	**754**	**–1,387**	**251**	**8,426**
Assets	185,390	83,980	75,181	51,779	–44,281	352,049
of which non-current assets	73,878	45,000	34,812	29,623	–137	183,176
Liabilities	32,066	41,395	55,619	55,789	69,652	254,521
Investments	13,481	5,465	1,005	299	0	20,250
Employees (as of Sep. 30)	1,514	645	698	288	—	3,145

GOVERNING BODIES

The composition of the Management Board and Supervisory Board did not change during the reporting period.

MEMBERS OF THE MANAGEMENT BOARD
- Dr. Volker Simon | Speaker
- Bernd Bartmann
- Johannes Obrecht | Deputy Member

MEMBERS OF THE SUPERVISORY BOARD
- Karl M. Schmidhuber | Chairman
- Dr. Gerhard Wirth | Deputy Chairman
- Dr. Georg Hengstberger
- Herbert König | Employee Representative
- Ulrich Ruetz
- Gerhard Schrempp | Employee Representative

FINANCIAL CALENDAR AND CONTACT DETAILS

27/11/2017	German Equity Forum, Frankfurt/Main
22/02/2018	2017 preliminary results
26/03/2018	2017 final results
03/05/2018	Quarterly statement for the first quarter of 2018
23/05/2018	2018 Annual General Meeting

Bernd Bartmann
Member of the Board (Administration & Finance)

Charlotte Frenzel
Investor Relations

Phone: +49 7802 84-844
Email: ir@progress-werk.de

FORWARD-LOOKING STATEMENTS AND FORECASTS

This quarterly statement contains forward-looking statements that are based on current assumptions, expectations, estimates, forecasts and other information currently available to the PWO Management Board, and on assumptions, expectations, estimates, forecasts, and budgets that are derived from these. The forward-looking statements should not be understood as guarantees of future developments and results that are mentioned therein. Various known and unknown risks and uncertainties, as well as other factors, may result in actual developments and results diverging significantly from estimates that are mentioned here explicitly or are contained implicitly. These factors include those that PWO has described in published reports, and which are available on the PWO website at www.progress-werk.de. Irrespective of statutory regulations, PWO accepts no obligation to update such forward-looking statements and to adjust them to future events or develop.

DISCLAIMER

Figures in this report are typically presented on EURk and EUR million. Differences in comparison to the actual number in euro may emerge in individual figures due to rounding. Such differences are not of a significant nature. For improved readability, individuals are sometimes referred to in this report using solely the masculine form, which explicitly refers to men and women equally.