QUARTERLY STATEMENT
1ST QUARTER 2019

100 YEARS OF PIONEERING

DEAR SHAREHOLDERS AND BUSINESS ASSOCIATES,

The challenges facing the automotive industry have increased significantly worldwide. For this reason, our planning for the current year, communicated in the 2018 Annual Report, assumed a restrained market environment in 2019. This was confirmed in the first three months of 2019 and is expected to remain unchanged for the remainder of the year.

Against this backdrop, the business development in the first quarter of 2019 was in line with our expectations. Whereas revenue was slightly lower year-on-year, EBIT before currency effects recorded a noticeable decline. Important to note here is that the business development in the first half of 2018 – and especially in the first quarter – was still very strong. The industry's performance did not start to significantly deteriorate until the second half of 2018.

This greatly affects our German location in Oberkirch. Beyond the impact of the sector environment, we are currently incurring the typical up-front costs for start-ups and ramp-ups of large-scale series productions at this location. As already communicated, it will take some time for Oberkirch to establish an upward trend in profitability, as it is only able to align the staff costs to changes in the market environment with a certain delay, due to the structures of the collective wage agreement and the supplementary collective agreement.

All the more important and gratifying is the fact that all international locations are now operating profitably. Positive EBIT contributions from the locations in China and Mexico have meanwhile been added to the consistently successful and highly profitable Czech location. As anticipated, the positive EBIT contribution from the Canadian location is temporarily below the prior year due to the phase-out and start-up of series productions. We make it a point to manage the balance sheet in a manner that conserves our capital and postpone investments to the extent reasonable and possible. As a result, we were able to generate positive free cash flow in the first quarter of 2019.

The next few quarters will remain challenging. We have therefore made adjustments to our cost-cutting measures and will continue to do so during the year. The positive effects of these efforts should lead us to reaching our revenue and EBIT targets for the current 2019 fiscal year.

Oberkirch, May 2019

The Management Board

SELECTED SEGMENT AND GROUP INFORMATION

EURK

First 3 months of 2019	Germany	Rest of Europe	North America	Asia	Consolidation effects	Group
Total revenue	66,669	21,458	22,850	13,405	-6,349	118,033*
Total output	70,121	20,800	26,745	12,444	-6,347	123,763
EBIT before currency effects	1,522	2,075	1,735	712	57	6,101
EBIT including currency effects	963	2,040	1,626	1,200	57	5,886
Investments	3,810	715	1,086	1,301	0	6,912
First 3 months of 2018						
Total revenue	76,433	19,826	25,077	12,911	-11,483	122,764
Total output	76,334	19,501	27,372	12,843	-11,368	124,682
EBIT before currency effects	3,780	1,804	1,754	0	110	7,448
EBIT including currency effects	3,656	1,816	1,754	114	126	7,466
Investments	2,291	341	1,732	587	0	4,951

* External revenue

RESULTS OF OPERATIONS

In the first quarter of 2019, revenue declined to EUR 118.0 million (p/y: EUR 122.8 million). An increase in finished goods and work-in-progress, especially in tools, contributed to total output of EUR 123.8 million (p/y: EUR 124.7 million), which nearly matched the previous year's level.

EBIT before currency effects experienced a higher-than-average decline due to the decrease in revenue and the fact that the cost measures taken had not yet shown their full effect. Currency effects shown in the table above have an impact on other operating income and other operating expenses.

A lower cost of materials ratio took pressure off of the earnings situation. Other operating expenses excluding currency effects were lower than in the previous year. The other operating expense ratio was also slightly lower year-on-year.

Staff costs, as previously explained, can only be reduced after a longer time delay and, therefore, recorded a rise in the first quarter. Depreciation and amortization were also slightly higher year-on-year as a result of our ongoing investments in the expansion and increased efficiency in our locations.

Following the completion of the tax audit at Progress-Werk Oberkirch AG during the past fiscal year, the Group's tax rate fell significantly, as announced, to 22.0 percent in the reporting quarter (p/y: 32.7 percent).

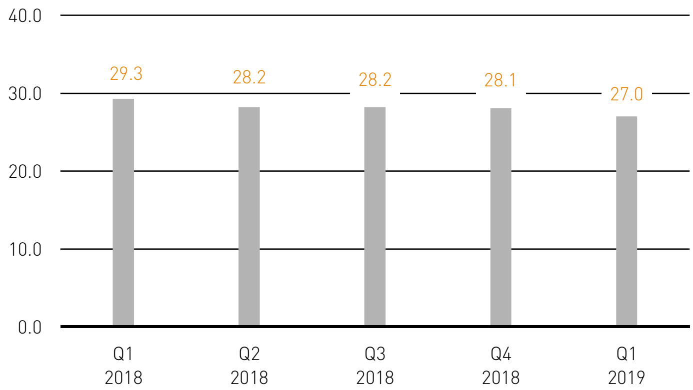
In total, the net income for the period declined to EUR 3.2 million (p/y: EUR 4.0 million) and the earnings per share to EUR 1.03 (p/y: EUR 1.29).

SEGMENTS

The PWO Group is represented worldwide with five production locations and four assembly locations. As the latter are separate operating sites of the production locations, the explanations that follow refer to the five locations and subsidiaries, respectively.

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

EQUITY RATIO
IN PERCENT



At our German location in Oberkirch, the economic slowdown in the automotive industry is becoming particularly clear. Total revenue and total output in the reporting quarter were significantly below the levels in the previous year. EBIT was additionally burdened by the up-front costs that typically arise in the start-up and ramp-up of large series productions.

In the first quarter, we made adjustments to the cost-cutting measures that we had introduced in and across all departments and processes during the past fiscal year. In the personnel area, however, our ability to maneuver when it comes to permanent employees is limited by the supplemental collective agreement existing at the Oberkirch location. This agreement contains a clause that is intended to safeguard employment. We are therefore making sure that we specifically take advantage of the existing flexibility within the scope of the collective agreement. We also have a large-scale hiring freeze, and use the flexibility we have available with temporary workers.

The Czech location, which forms the Rest of Europe segment, was less affected by market developments in the automotive industry. Total revenue and total output exceeded the previous year's figures. EBIT was also higher year-on-year. Once again, this location managed to underscore its high level of stability and efficiency.

In the North America segment, which consists of the locations in Canada and Mexico, total revenue and total output were below the prior year. EBIT matched the level reported in the first quarter of 2018 as a result of two different developments coming together.

As communicated earlier, the Canadian location is experiencing an expected temporary business slowdown. During the present market phase, customers are rapidly reducing the number of call orders for expiring series, while only gradually increasing the call orders for new series.

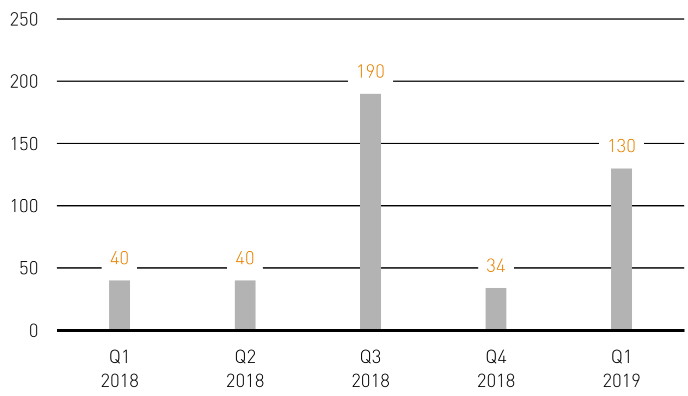
The Mexican location, in contrast, has been able to continue its positive development. Total revenue and total output increased in the reporting quarter, and the EBIT margin was clearly positive and significantly exceeded the previous year's level.

In the Asia segment, which encompasses our Chinese activities, total revenue increased in the first three months, while total output was unable to fully reach the prior year's level due to a reduction in upfront investments in tools. The positive earnings trend also continued at this location. Following a break-even EBIT in the previous year, this segment also achieved a significantly positive EBIT margin in the first three months of 2019.

NET ASSETS AND FINANCIAL POSITION

As usual for this time of year, total assets increased from EUR 405.6 million at the end of the prior year to EUR 424.0 million as of the March 31, 2019 reporting date. This rise was primarily due to an increase in property, plant and equipment as a result of our investments. Inventories and trade receivables also recorded a noticeable increase after the business slowdown in the autumn of 2018.

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



On the liabilities side of the balance sheet, the capital market-related increase in pension provisions was the primary cause of the rise in total liabilities. Additionally, we recorded a significant expansion in our trade payables.

Operating development in the first quarter resulted in a reduction in net debt of EUR 4.1 million compared to the end of the previous fiscal year. However, the new accounting rules for leases under IFRS 16 led to an increase in net debt of EUR 6.4 million as of January 1, 2019. On balance, net debt rose slightly from EUR 131.4 million as of December 31, 2018 to EUR 133.7 million as of the reporting date. The equity ratio equaled 27.0 percent at the end of the first quarter compared to 28.1 percent at the end of 2018.

Cash flow from operating activities in the reporting quarter significantly exceeded the previous year's level rising to EUR 12.3 million (p/y: EUR 4.8 million). This increase was primarily a result of the rise in current liabilities (excluding financial liabilities).

The cash inflow was offset by cash flow from investing activities of EUR –5.8 million (p/y: EUR –4.9 million). The investments made during the reporting period are explained below. Free cash flow after interest paid and received therefore amounted to EUR 5.2 million (p/y: EUR –1.3 million).

The cash-effective change in cash and cash equivalents amounted to EUR 0.3 million (p/y: EUR –0.2 million). Included in this item was the net repayment of loans totaling EUR 5.0 million (compared to a net assumption of EUR 1.1 million in the prior year).

INVESTMENTS

As explained in the segment report, investments in the first quarter amounted to EUR 6.9 million (p/y: EUR 5.0 million). We currently manage our investments with a capital-preservation approach and constantly review our investment plans in comparison to the actual development of our orders.

In the first quarter of 2019, investments were mainly made in our German location to expand our lines for the production of instrument panel carriers, as well as a down payment for a new press and a degreasing system. We are also investing in preparations for new start-ups of instrument panel carriers at our Canadian location. At our Chinese site, another forming press is in the pipeline and the Mexican location will receive a new measuring machine that is anticipated to further improve that location's production efficiency.

In 2019, we are planning an overall investment volume that is just above the previous year's level of EUR 35 million. After a recently lower level of investment at our German location, we are now planning on a higher volume of investment, with some of the investment being temporarily reduced at other locations, particularly, at our sites in China and Mexico.

NEW BUSINESS

In the first three months of the new reporting year, we have achieved new business volume of roughly EUR 130 million, which includes related tool volumes of around EUR 14 million.

New orders will be mainly produced at the Canada, Mexico and Czechia locations. We continue to be successful in the areas of seat components and instrument panel carriers.

The start of production for the new business we are currently accumulating is mainly scheduled for the 2020 and 2021 fiscal years. The production periods of these series tend to be higher than the average lifetime of 5 to 8 years.

Within the scope of our medium-term growth plans, we are aiming for total new business volume of around EUR 400 million for the 2019 fiscal year as a whole.

REPORT ON OPPORTUNITIES AND RISKS

The opportunities and risks for the development of the PWO Group and its segments presented in the 2018 Annual Report remain valid.

The automotive industry has recently stabilized after weak sales performance in the autumn of 2018. Still, the industry is not yet showing any signs of a substantial recovery.

There is still significant uncertainty regarding the political environment, which affects the economy as a whole (e.g., as far as Brexit and US-China trade relations are concerned). In addition, the automotive industry cannot rule out the possibility of import duties for vehicles exported from Europe to the USA. The conversion of vehicle registrations under the new WLTP procedure is still not completely finished.

And finally, discussions concerning limits for pollutant emissions, as well as the switch to e-mobility, are delaying the purchase decisions of end customers, especially in Europe.

As a consequence, the forecasts for the 2019 fiscal year continue to be subject to uncertainties. In response, we are focusing on intensifying our internal efforts to improve the Group's profitability.

Projections of future exchange rate developments are not a component of our business forecasts. We enter into the appropriate hedging transactions in order to avoid currency risks.

The aim of these transactions is to safeguard the currency parities assumed upon the receipt of an order and, thereby, lock in the expected contribution margins. We are also subject to risk from Group loans. These loans are hedged only partially as they represent intercompany obligations.

REPORT ON FORECASTS AND OUTLOOK

Given the development of the sector and taking into account the strength of the comparative first quarter in 2018, the development of revenue and EBIT before currency effects in the reporting quarter was in line with our planning.

As a result, we are confirming our forecast for a stabilization in revenues in the range of EUR 480 to 490 million and EBIT before currency effects at a level between EUR 18 to 19 million.

The next few quarters, however, will remain challenging. We have therefore made adjustments to our cost-cutting measures and will continue to do so during the year.

CONSOLIDATED INCOME STATEMENT

EURK

	Q1 2019	% share	Q1 2018	% share
Revenue	118,033	95.4	122,764	98.5
Change in finished goods and work-in-progress / other own work capitalized	5,730	4.6	1,918	1.5
TOTAL OUTPUT	**123,763**	**100.0**	**124,682**	**100.0**
Other operating income	3,678	3.0	3,344	2.7
Cost of materials	66,519	53.7	67,699	54.3
Staff costs	34,599	27.9	32,777	26.3
Depreciation and amortization	6,377	5.2	6,251	5.0
Other operating expenses	14,060	11.4	13,833	11.1
EBIT	**5,886**	**4.8**	**7,466**	**6.0**
Financial expenses	1,767	1.4	1,494	1.2
EBT	**4,119**	**3.3**	**5,972**	**4.8**
Income taxes	905	0.7	1,955	1.6
NET INCOME FOR THE PERIOD	**3,214**	**2.6**	**4,017**	**3.2**
Earnings per share in EUR	1.03	--	1.29	--

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EURK

	Q1 2019	Q1 2018
NET INCOME FOR THE PERIOD	**3,214**	**4,017**
Net losses (p/y: gains) from cash flow hedges	-157	543
Tax effect	44	-139
Currency translation differences	1,284	-681
Items that may be reclassified to profit and loss in future	**1,171**	**-277**
Actuarial losses from defined benefit pension plans	-5,435	0
Tax effect	1,545	0
Items that will not be reclassified to profit and loss	**-3,890**	**0**
OTHER COMPREHENSIVE INCOME AFTER TAX	**-2,719**	**-277**
TOTAL COMPREHENSIVE INCOME AFTER TAX	**495**	**3,740**

CONSOLIDATED BALANCE SHEET

ASSETS

EURK

	Mar. 31, 2019	Dec. 31, 2018
Property, plant and equipment	197,955	189,496
Intangible assets	11,222	10,990
Contract assets	21,191	22,925
Deferred tax assets	13,647	12,437
NON-CURRENT ASSETS	**244,015**	**235,848**
Inventories	92,065	87,282
Trade receivables and other receivables	47,618	42,090
Contract assets	18,336	16,663
Other assets	9,258	12,047
Other financial assets	161	510
Income tax receivables	2,723	785
Cash and cash equivalents	9,828	10,382
CURRENT ASSETS	**179,989**	**169,759**
TOTAL ASSETS	**424,004**	**405,607**

EQUITY AND LIABILITIES

EURK

	Mar. 31, 2019	Dec. 31, 2018
EQUITY	**114,363**	**113,868**
Non-current financial liabilities	91,576	89,851
Provisions for pensions	58,156	52,509
Other provisions	1,445	1,481
Deferred tax liabilities	0	0
NON-CURRENT LIABILITIES	**151,177**	**143,841**
Current portion of provisions for pensions	1,604	1,602
Current portion of other provisions	1,325	1,209
Trade payables and other liabilities	96,309	83,617
Other financial liabilities	7,288	9,580
Current financial liabilities	51,938	51,890
CURRENT LIABILITIES	**158,464**	**147,898**
TOTAL EQUITY AND LIABILITIES	**424,004**	**405,607**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

EURK

	Equity attributable to PWO AG shareholders						
				Other reserves			
	Subscribed capital	Capital reserves	Retained earnings	Defined benefit pension plans	Currency translation differences	Cash flow hedges	Total
JANUARY 1, 2018	**9,375**	**37,494**	**78,650**	**-15,935**	**2,206**	**1,326**	**113,116**
Net income for the period			4,017				4,017
Other comprehensive income			-177		-681	404	-454
TOTAL COMPREHENSIVE INCOME	**9,375**	**37,494**	**82,490**	**-15,935**	**1,525**	**1,730**	**116,679**
MARCH 31, 2018	**9,375**	**37,494**	**82,490**	**-15,935**	**1,525**	**1,730**	**116,679**
JANUARY 1,2019	**9,375**	**37,494**	**79,967**	**-13,708**	**1,066**	**-326**	**113,868**
Net income for the period			3,214				3,214
Other comprehensive income				-3,890	1,284	-113	-2,719
TOTAL COMPREHENSIVE INCOME	**9,375**	**37,494**	**83,181**	**-17,598**	**2,350**	**-439**	**114,363**
MARCH 31, 2019	**9,375**	**37,494**	**83,181**	**-17,598**	**2,350**	**-439**	**114,363**

CONSOLIDATED STATEMENT OF CASH FLOWS

EURK

	Q1 2019	Q1 2018
Net income for the period	3,214	4,017
Depreciation/amortization of property, plant and equipment and intangible assets	6,397	6,251
Income tax expense	892	1,955
Interest income and expenses	1,767	1,493
Change in current assets	-8,846	-1,017
Change in non-current assets	1,734	-8,523
Change in current liabilities (excluding financial liabilities)	10,584	1,037
Change in non-current liabilities (excluding financial liabilities)	5,284	-137
Income taxes paid	-2,695	-1,578
Other non-cash expenses/income	-6,220	1,277
Loss (p/y: gain) on disposal of property, plant and equipment	219	-13
CASH FLOW FROM OPERATING ACTIVITIES	**12,330**	**4,762**
Proceeds from disposal of property, plant, and equipment	112	21
Payments for investments in property, plant, and equipment	-4,351	-4,533
Payments for investments in intangible assets	-1,533	-389
CASH FLOW FROM INVESTING ACTIVITIES	**-5,772**	**-4,901**
Interest paid	-1,358	-1,167
Interest received	42	9
Proceeds from borrowings	632	6,380
Repayment of borrowings	-5,587	-5,314
CASH FLOW FROM FINANCING ACTIVITIES	**-6,271**	**-92**
Net change in cash and cash equivalents	287	-231
Effect of exchange rates on cash and cash equivalents	-151	116
Cash and cash equivalents as of January 1	6,060	1,440
CASH AND CASH EQUIVALENTS AS OF MARCH 31	**6,196**	**1,325**
of which cash and cash equivalents	9,828	7,225
of which bank borrowings due on demand that are included in the Group's cash management	-3,632	-5,900

SEGMENT REPORT

SEGMENT INFORMATION BY REGION FOR THE 1ST QUARTER OF 2019

EURK

	Germany	Rest of Europe	North America	Asia	Consolidation effects	Group
Total revenue	66,669	21,458	22,850	13,405	55	124,437
Inter-segment revenue	-3,712	-820	-26	-1,846	0	-6,404
EXTERNAL REVENUE	**62,957**	**20,638**	**22,824**	**11,559**	**55**	**118,033**
TOTAL OUTPUT	**70,121**	**20,800**	**26,745**	**12,444**	**-6,347**	**123,763**
Other income (aggregated)	3,608	58	690	248	-926	3,678
Other expenses (aggregated)	69,628	17,604	24,581	10,695	-7,330	115,178
Depreciation and amortization	3,138	1,214	1,228	797	0	6,377
EARNINGS BEFORE INTEREST AND TAXES (EBIT)	**963**	**2,040**	**1,626**	**1,200**	**57**	**5,886**
Interest income	1,022	0	3	2	-983	44
Interest expenses	1,388	194	639	573	-983	1,811
EARNINGS BEFORE TAXES (EBT)	**597**	**1,846**	**990**	**629**	**57**	**4,119**
Income taxes	427	281	185	0	12	905
NET INCOME FOR THE PERIOD	**170**	**1,565**	**805**	**629**	**45**	**3,214**
Assets	212,667	83,927	112,044	61,097	-45,731	424,004
of which non-current assets [1]	76,383	53,143	47,148	32,572	-69	209,177
of which contract assets	25,314	3,985	7,172	3,205	-149	39,527
Liabilities	51,950	35,656	89,228	63,169	69,638	309,641
Investments	3,810	715	1,086	1,301	0	6,912
Employees (as of March 31)	1,615	677	735	331	—	3,358

[1] Non-current assets do not include deferred taxes.

SEGMENT REPORT

SEGMENT INFORMATION BY REGION FOR THE 1ST QUARTER OF 2018

EURK

	Germany	Rest of Europe	North America	Asia	Consolidation effects	Group
Total revenue	76,433	19,826	25,077	12,911	-5	134,242
Inter-segment revenue	-6,803	-1,559	-192	-2,924	0	-11,478
EXTERNAL REVENUE	**69,630**	**18,267**	**24,885**	**9,987**	**-5**	**122,764**
TOTAL OUTPUT	**76,334**	**19,501**	**27,372**	**12,843**	**-11,368**	**124,682**
Other income (aggregated)	3,234	169	614	80	-753	3,344
Other expenses (aggregated)	72,756	16,687	24,950	12,164	-12,248	114,309
Depreciation and amortization	3,156	1,167	1,282	645	1	6,251
EARNINGS BEFORE INTEREST AND TAXES (EBIT)	**3,656**	**1,816**	**1,754**	**114**	**126**	**7,466**
Interest income	785	4	0	1	-781	9
Interest expenses	1,125	222	530	407	-781	1,503
EARNINGS BEFORE TAXES (EBT)	**3,316**	**1,598**	**1,224**	**-292**	**126**	**5,972**
Income taxes	1,264	287	374	0	30	1,955
NET INCOME FOR THE PERIOD	**2,052**	**1,311**	**850**	**-292**	**96**	**4,017**
Assets	206,935	84,080	89,995	59,518	-42,907	397,621
of which non-current assets [1]	73,758	47,609	36,609	28,862	-91	186,747
of which contract assets	15,174	3,063	3,573	3,179	-143	24,846
Liabilities	48,948	33,350	65,754	64,312	68,578	280,942
Investments	2,291	341	1,732	587	0	4,951
Employees (as of March 31)	1,628	669	801	339	—	3,437

[1] Non-current assets do not include deferred taxes.

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 | CEO
- Bernd Bartmann
- Johannes Obrecht

MEMBERS OF THE SUPERVISORY BOARD

- Karl M. Schmidhuber | Chairman
- Dr. Georg Hengstberger | Deputy Chairman
- Carsten Claus
- Herbert König | Employee Representative
- Dr. Jochen Ruetz
- Gerhard Schrempp | Employee Representative

FINANCIAL CALENDAR

22/05/2019	Annual General Meeting 2019
05/08/2019	Interim financial report 2nd Quarter and 1st Half-Year of 2019
07/11/2019	Quarterly Statement 3rd Quarter and 9 Months of 2019
25–27/11/2019	German Equity Forum, Frankfurt/Main
27/05/2020	Annual General Meeting 2020

CONTACT DETAILS

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Member of the Board (Administration & Finance)

Charlotte Frenzel
Investor Relations

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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 developments.

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 reasons of better readability, the generic masculine form is used in addition to gender-specific forms but expressly refers to all genders.