



Nordex Group

Nordex SE – company presentation

22nd September 2022 – Baader Investment Conference 2022

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> Nordex – a pioneer in wind with more than 35 years of experience

Nordex is deeply rooted in Germany...

Global manufacturer of onshore wind energy systems with growing market share.

Founded 1985, listed company in the German **SDAX** and **TecDax**.

Track record of over **40 GW** in over **40 countries**.

Headquarters in Hamburg; subsidiaries for sales and service in all core markets.

Production sites in Germany, Spain, Brazil, India, USA (mothballed) and Mexico.

Revenues 2021: EUR 5.4bn.

Main shareholder Acciona S.A. (41.0%).

...and a global industry leader in the wind turbine market

Innovative global manufacturer of onshore wind turbine systems: Among the

Top 4

industry leaders worldwide*

Highly attractive and resilient Service business with more than:

28 GW
under service

Leading product in the 4 MW+ to 6 MW+ class:

Leading-edge
product portfolio

More than

35 years

of industry experience:
At the forefront of the technological development

Nordex has around **5,000 suppliers in Germany**.

Thereof many large **industrial component suppliers**; and numerous small **local suppliers**, such as small **service, logistics** and **specialised construction companies**, many of them depending on Nordex to a large extent.

> Who we are – key figures in recent years

Significant Growth in 2021 – Earnings impacted by the Coronavirus pandemic

<i>(in EUR million)</i>	2017	2018	2019	2020	2021
Sales	3,077.8	2,459.1	3,284.6	4,650.7	5,444.0
EBITDA	200.7	101.7	123.8	94.0	52.7
EBIT	43.4	-54.2	-19.6	-61.8	-107.3
Free Cash Flow	-54.7	44.0	-126.0	-120.4	-24.5
Equity Ratio	33%	23%	18.6%	17.5%	25.9%
Employees (YE)	5,260	5,676	6,880	8,347	8,658
Order Intake	2,216.1	3,637.3	4,415.0	4,217.2	5,680.8

> Executive summary H1/2022

> H1/2022 RESULTS

Sales
EUR 2,126m

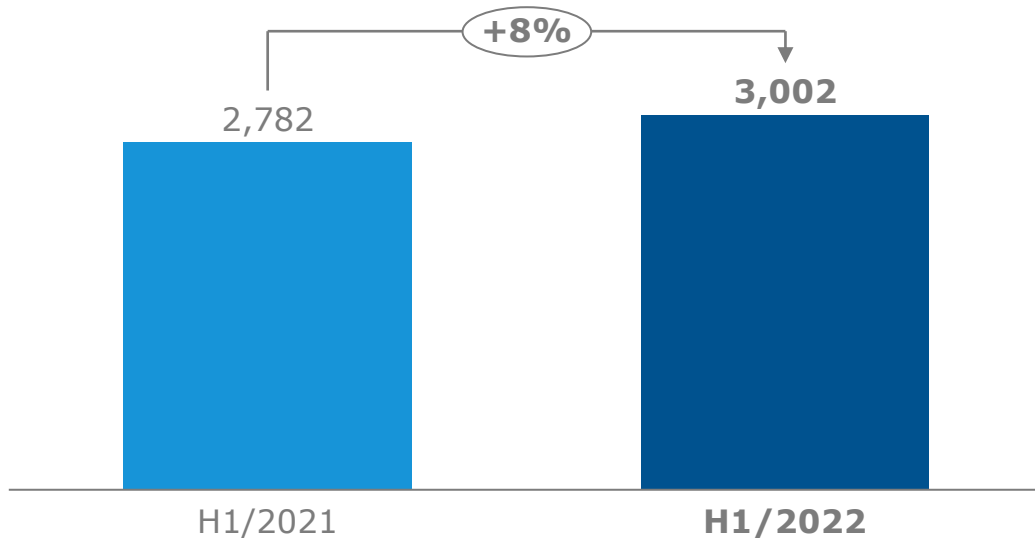
Adjusted EBITDA margin*
-6.8%

Working capital ratio
-10.8%

- > Order intake in the first half-year 2022 increased to 3.0 GW (H1/2021: 2.8 GW) with Q2/2022 contributing 1.8 GW (Q2/2021: 1.5 GW).
- > Sales improved sequentially as expected to EUR 1,193m in Q2/2022 and reaching EUR 2,126m in H1/2022 (EUR 2,697m same period last year). Sales to improve further in the second half 2022 due to increase in installations.
- > Adjusted EBITDA margin before footprint reconfiguration costs stood at -6.8% in H1/2022, mainly due to macro-economic headwinds, effects from Ukraine conflict and supply chain disruptions as expected. Reported EBITDA margins stood at -8.1%.
- > Robust working capital development with -10.8% in H1/2022.
- > Cyber security incident end of March: Nordex back on track - most key systems and applications restored.
- > Guidance for FY 2022 confirmed and strategic target of an EBITDA margin of 8 percent remains in place, once macro economic environment has stabilized.
- > Capital structure significantly strengthened in the current volatile environment on the back of a EUR 637m financing package consisting of equity placement, new shareholder loan facility and the rights issue.

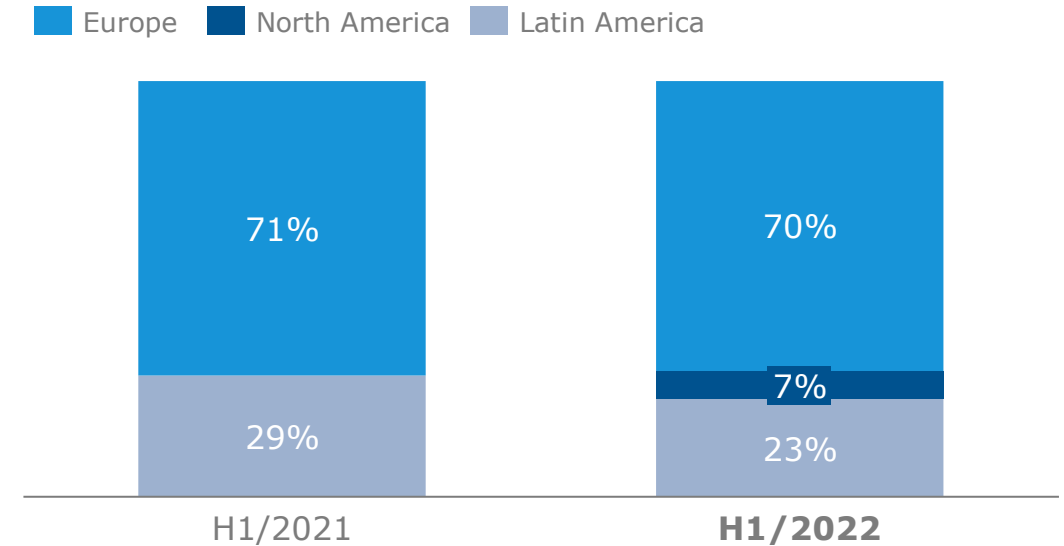
> Order intake H1/2022

Order intake turbine* (in MW)



- > Order intake in H1/2022: EUR 2,357m (EUR 1,962m in the previous year period)
- > Continuous increase in ASP** over the last quarters: EUR 0.79m/MW in Q2/2022, EUR 0.78m/MW in Q1/2022 (Q2/2021: EUR 0.68m/MW)

Order intake turbine* by regions (in MW in %)



- > Orders received from 19 different countries in the first half-year 2022
- > Largest single markets in Q2/2022: Germany, Poland, Spain, Brazil, Colombia and US
- > 92% of the order intake in H1/2022 is attributable to turbine types of the Delta4000 series (82% previous year period)

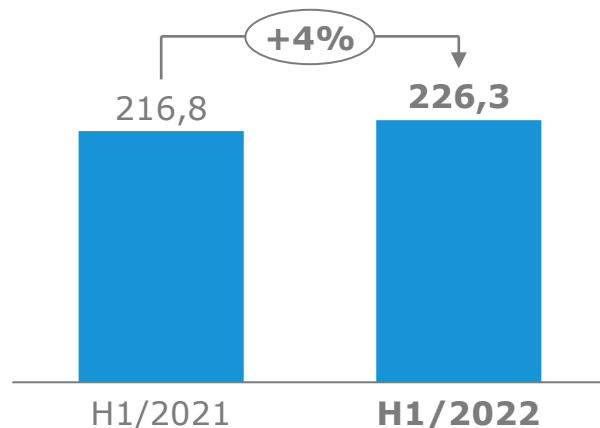
> Service business in H1/2022

Development of service revenues (EUR m) and EBIT margin

EBIT margin

16.6%

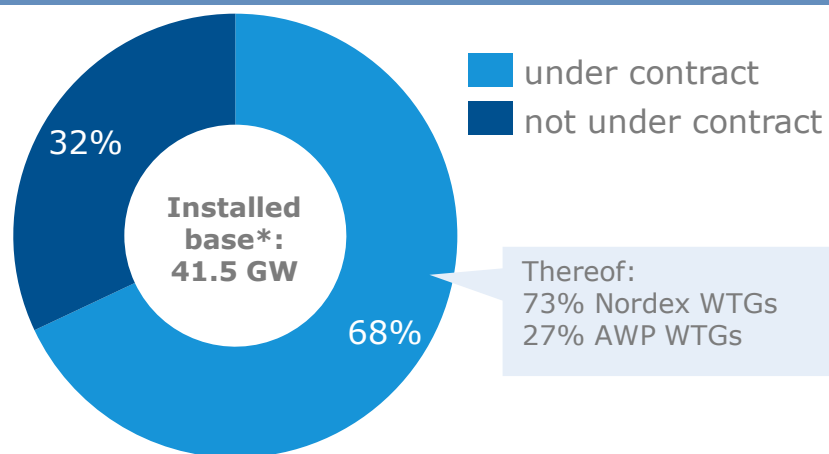
17.3%



Comments

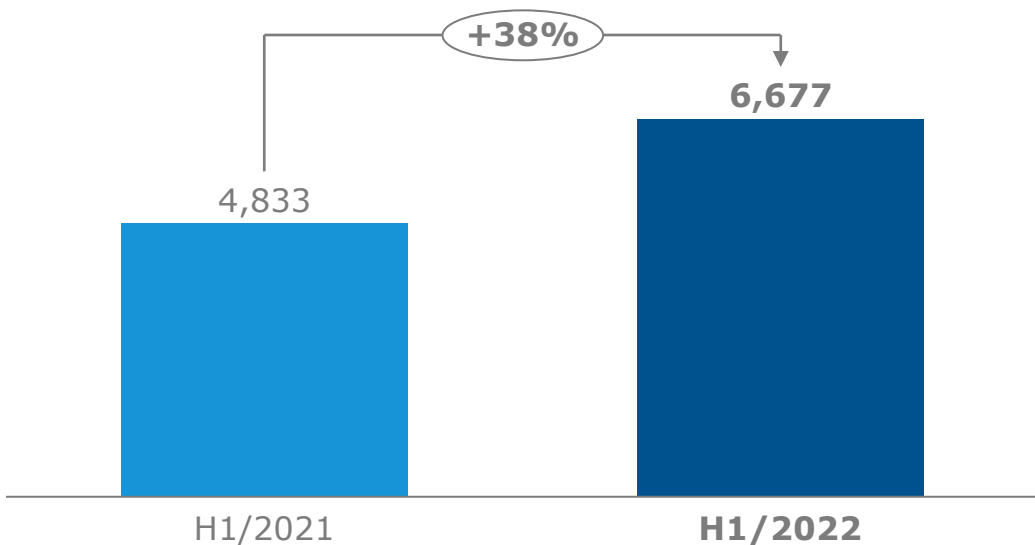
- > Share of service sales totaled 10.6% of group sales in the first half-year 2022
- > Service EBIT margin of 17.3% in the first six months 2022
- > Service order backlog stands at over EUR 3.0bn at the end of Q2/2022

Share of fleet under contract (as % of installed base)



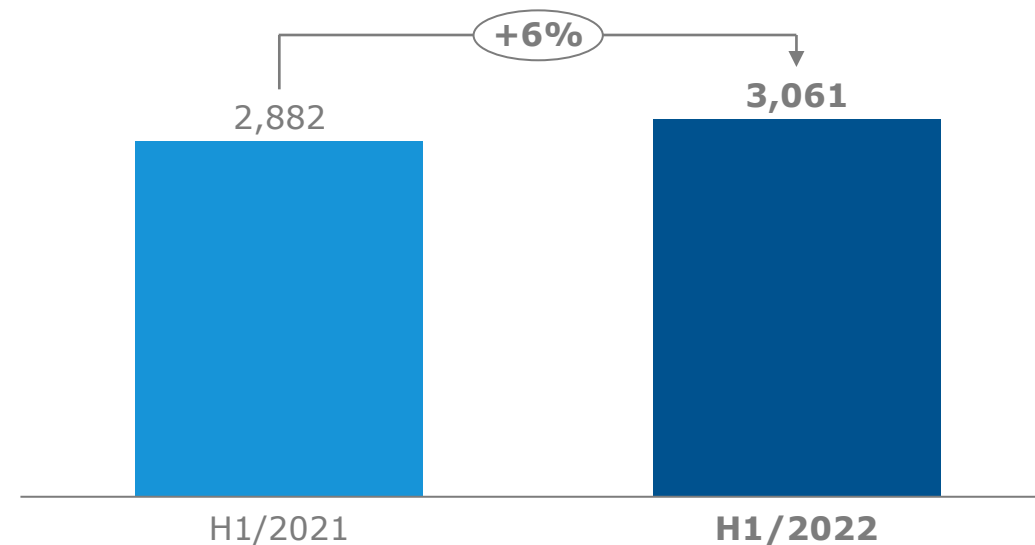
> Combined order book of around EUR 9.7bn at the end of H1/2022

Order book turbines (EUR m)



- > Order book of EUR 9.7bn at the end of H1/2022 reflects continuous high order intake momentum
- > Geographical footprint of the order book in H1/2022: Europe (63%), Latin America (25%), Rest of World (7%) and North America (5%)

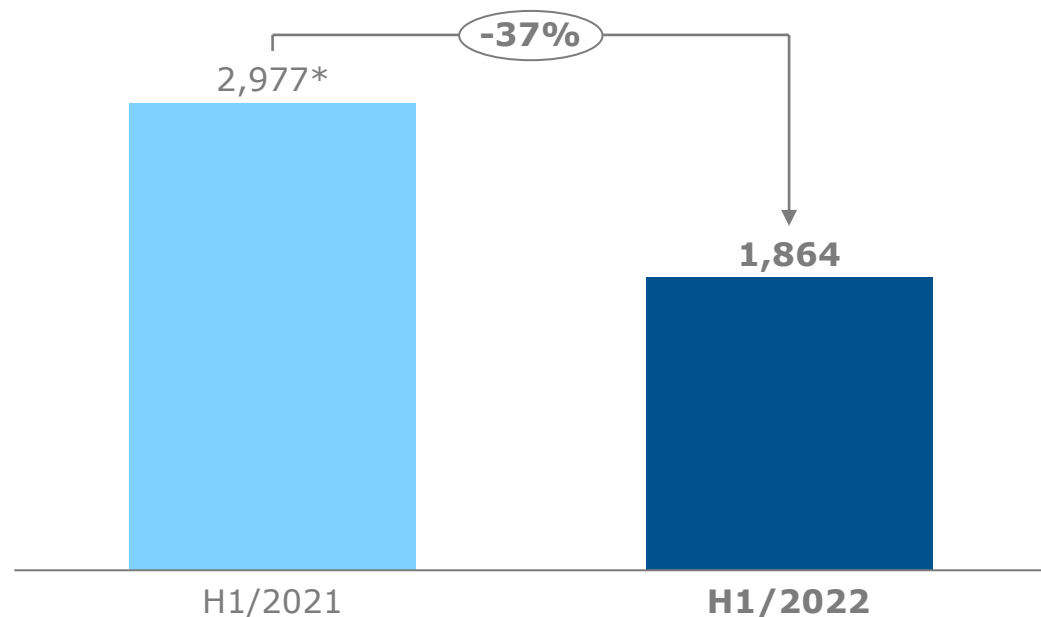
Order book service (EUR m)



- > 10,100 wind turbines under service agreement corresponding to 28.4 GW at the end of Q2/2022

> Operational performance in H1/2022

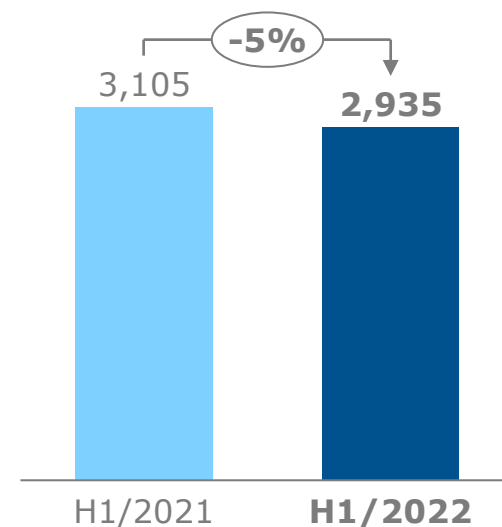
Installations (MW)



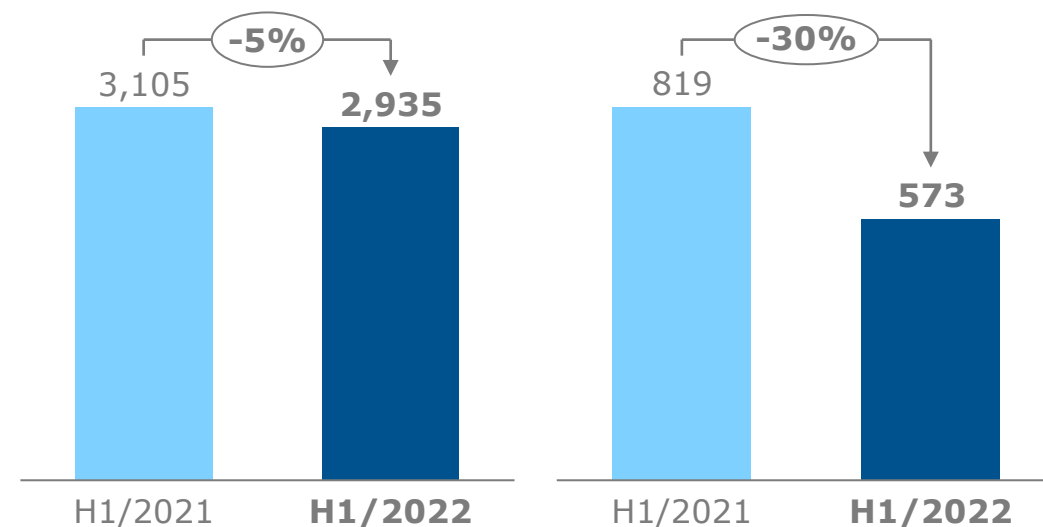
- > Total installations of 416 WTGs in 16 countries in H1/2022 (H1/2021: 775 WTGs)
- > Geographical split (MW) in H1/2022: 75% Europe, 19% Latin America and 6% North America
- > Catch up in installations in second half 2022 expected

Production

Turbine assembly (MW)



Inhouse blade production (#)



- > Output turbines of 604 units in H1/2022: 325 GER, 130 IND, 80 ESP and 69 BRA
- > Inhouse blade production of 573 units in H1/2022: 318 IND, 216 GER, 30 ESP and 9 MEX
- > Outsourced blade production increased to 1,589 units in H1/2022 (1,209 units previous year-period)

➤ Overview of capital measures conducted in the last couple of months

Objectives of the capital measures

- Strengthen the capital structure in the current volatile environment for the wind industry
- Increased cash position to safeguard against risks from the short-term headwinds affecting the industry and improve positioning with customers, net cash proceeds used for general corporate purposes as cash requirements arise in the business

Steps taken

Bilateral equity placement

- **Gross proceeds:** EUR 139m
- **Structure:** Private placement under exclusion of shareholders' subscription rights
- **Offer size:** 10% of share capital
- **Subscription price:** EUR 8.70

Shareholder loan

- **Maximum drawable amount:** EUR 286m
- **Structure:** Unsecured and deeply subordinated Shareholder loan
- **Maturity:** 29 June 2025
- **Purpose:** To redeem the EUR 275m 6.5% senior notes due Feb 2023

Rights issue

- **Gross proceeds:** EUR 212m
- **Structure:** Rights issue
- **Offer size:** 20.4% of share capital
- **Subscription price:** EUR 5.90
- **Take-up:** 96.27%

Robust capital structure

✔ Strengthened pro forma equity ratio

Q1/2022 – reported

20.5%

Q2/2022 – Pro forma incl Rights Issue¹

22.7%

✔ Improved liquidity position

Q1/2022 – reported

EUR 771m

Q2/2022 – Pro forma incl Rights Issue²

955m

¹ Equity ratio includes the gross proceeds from the rights issue.

² Includes cash, revolving credit facility with the banks and gross proceeds from the rights issue.

> Income statement H1/2022

in EUR m (rounded figures)	H1/2022	H1/2021	abs. change
Sales	2,126	2,697	-570
Total revenues	2,220	2,325	-104
Cost of materials	-1,974	-1,840	-134
Gross profit	246	485	-239
Personnel costs	-275	-247	-28
Other operating (expenses)/income	-114	-169	55
Adjusted EBITDA before footprint reconfiguration costs	-144	---	---
Footprint reconfiguration costs	-30	---	---
EBITDA	-173	68	-242
Depreciation/amortization	-88	-74	-14
EBIT	-261	-6	-256
Net profit	-283	-64	-219
Gross margin*	11.6%	18.0%	
Adjusted EBITDA margin before footprint reconfiguration costs	-6.8%	---	
EBITDA margin	-8.1%	2.5%	
EBIT margin w/o PPA	-12.2%	0.0%	

Comments

- > Sales increase as expected compared to Q1/2022 to EUR 2,126m at the end of H1/2022
- > Adjusted EBITDA margin before footprint reconfiguration costs of -6.8% also impacted in Q2/2022 by higher costs due to various macro-economic headwinds
- > PPA depreciation amounted to EUR 2.4m in H1/2022 (EUR 6.5m in previous year period)

> Balance sheet H1/2022

in EUR m	30.06.22	31.12.21	abs. change	Δ in %
Non-current assets	1,628	1,608	20	1.2
Current assets	2,807	2,500	307	12.3
Total assets	4,435	4,108	327	8.0
Equity	796	1,062	-267	-25.1
Non-current liabilities	407	716	-309	-43.1
Current liabilities	3,232	2,330	903	38.8
Equity and total liabilities	4,435	4,108	327	8.0
<i>Net debt/(net cash)*</i>	(271)	(424)		
<i>Working capital ratio**</i>	-10.8%	-10.2%		
<i>Equity ratio</i>	17.9%	25.9%		

Comments

- > Solid liquidity level of EUR 743m including cash facility under MGF
- > Cash position of EUR 653m at the end of H1/2022 (EUR 502m H1/2021) not yet reflecting cash proceeds from rights issue
- > Current liabilities increased predominantly due to the reclassification of the corporate bond

> FY 2022 guidance and mid-term strategic target

Guidance 2022	
Sales:	EUR 5.2bn – 5.7bn
EBITDA margin:	-4% - 0%
Working capital ratio:	below -7%
CAPEX:	approx. EUR 180m

Guidance 2022 includes footprint reconfiguration costs and impact from cyber security incident, in addition to other one-off impacts from macro-economic headwinds

Mid term strategic target
EBITDA margin of 8%
Once macro-economic environment has stabilized

Please note the assumptions underlying the guidance are subject to greater uncertainties than normal.

➤ Recent policy developments in key markets boost the outlook for wind



Germany

“Easter package”

- Amends the renewable energy law (EEG)
- Defines renewable energy power plants as being of specific public interest
- Inclusion of a renewable energy target of 80% in total electricity consumption by 2030 and increase of annual auction volume to 12.48 GW in 2023 and 10 GW p.a. for 2025-2028
- Four annual auctions (Feb, May, Sep, Dec)
- Community wind farms do not need to participate in auctions (need to be locally anchored and 18 MW threshold)

“Summer package”

- Amendments beyond renewable energy law (e.g., BauGB, BNatschG, BImSchG etc.)
- Aim is to ease and accelerate planning and permitting to ensure that 2% of the total land mass of Germany are available for wind onshore and standardize nature conservation regulation



United States

Climate bill

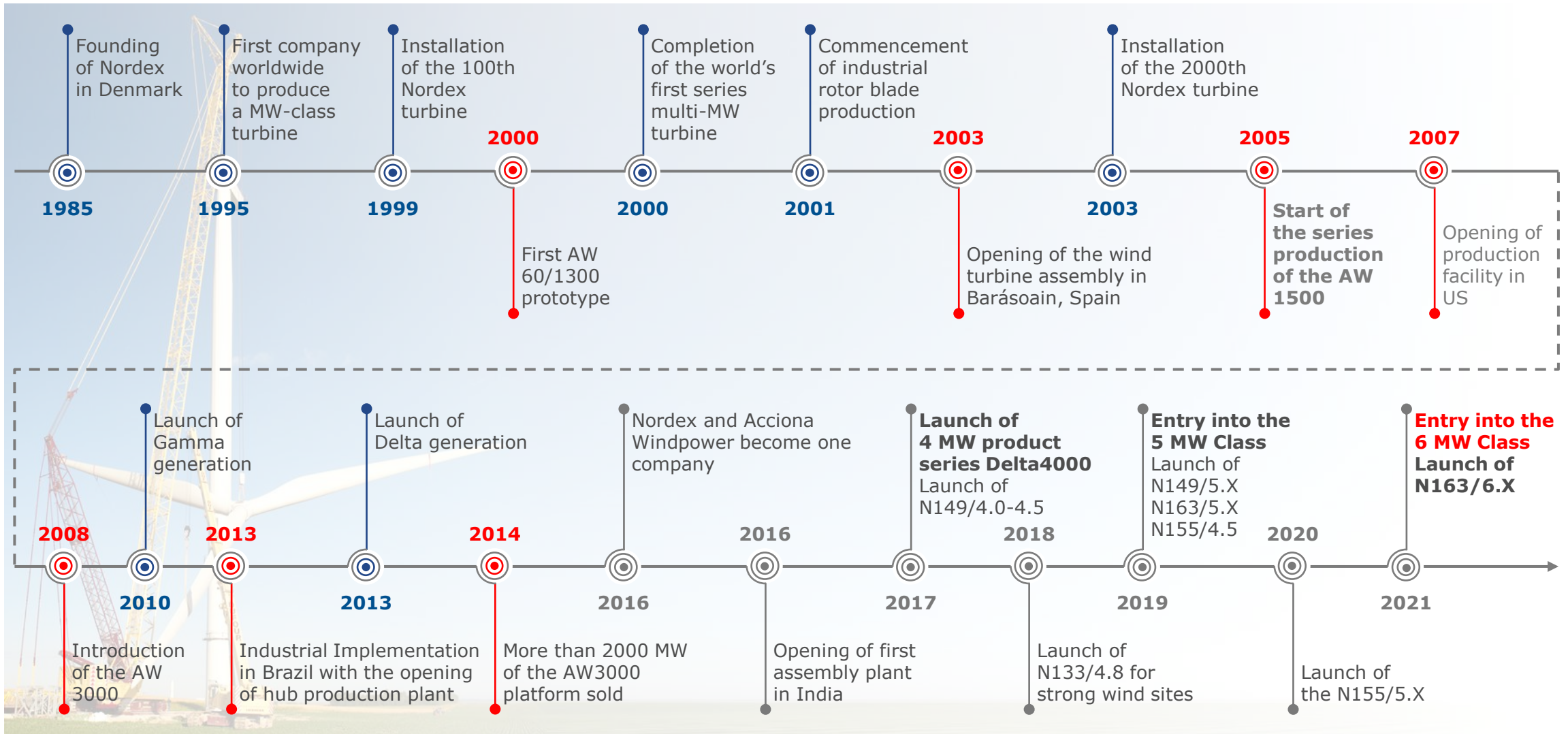
- The US Senate approved a 700bn USD economic package in August 2022 which includes major legislation on healthcare, tax and climate change
- It restores the federal investment tax credit (ITC) and production tax credit (PTC) to their full rates for projects completed this year or later, and they will remain at those levels for at least the next 10 years
- The ITC could reach as high as 50% depending on the location of the project and whether it uses domestic content
- Wind and geothermal projects completed in 2022 should qualify for PTC of 26 USD per MWh
- The bill also allows ‘transferability’ of tax credits through their sale to a third party → tradable market for tax credits expected to develop

> Key takeaways

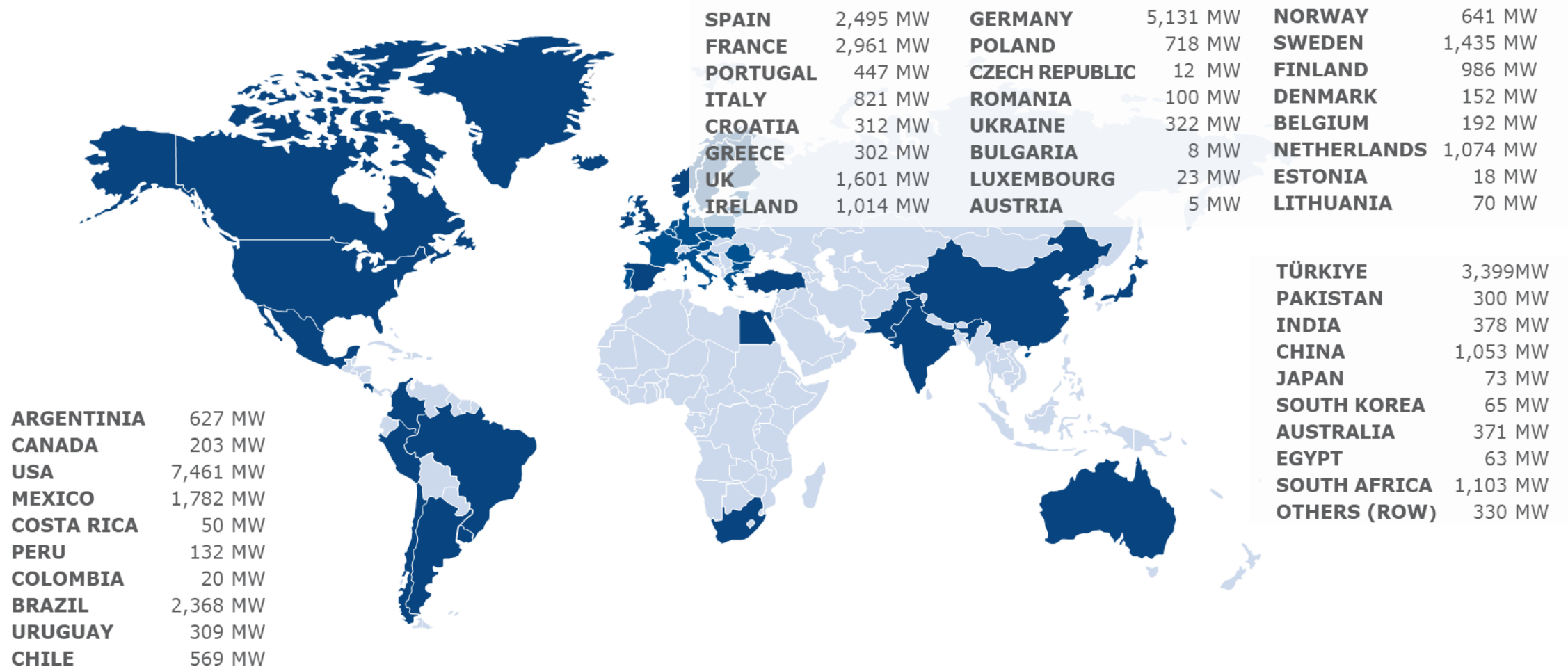
- 1 > Comprehensive financing package of EUR 637m successfully completed to safeguard against short-term headwinds and to focus on improving profitability.
- 2 > Order intake continues to be strong with improving margin profile on the back of Delta4000 platform and supported by encouraging long-term growth prospects and demand for higher MW turbines.
- 3 > As expected, H1/2022 margins severely affected by the Ukraine war and challenging market environment as many other industries.
- 4 > Well diversified geographical production footprint will help to serve our main markets competitively while offsetting the operational risks.
- 5 > Guidance for 2022 confirmed and mid-term strategic target of 8% EBITDA margin remains in place once macro economic environment has further stabilized.

 **Back up slides**

Who we are – combined experience and a proven track record of industry-leading products

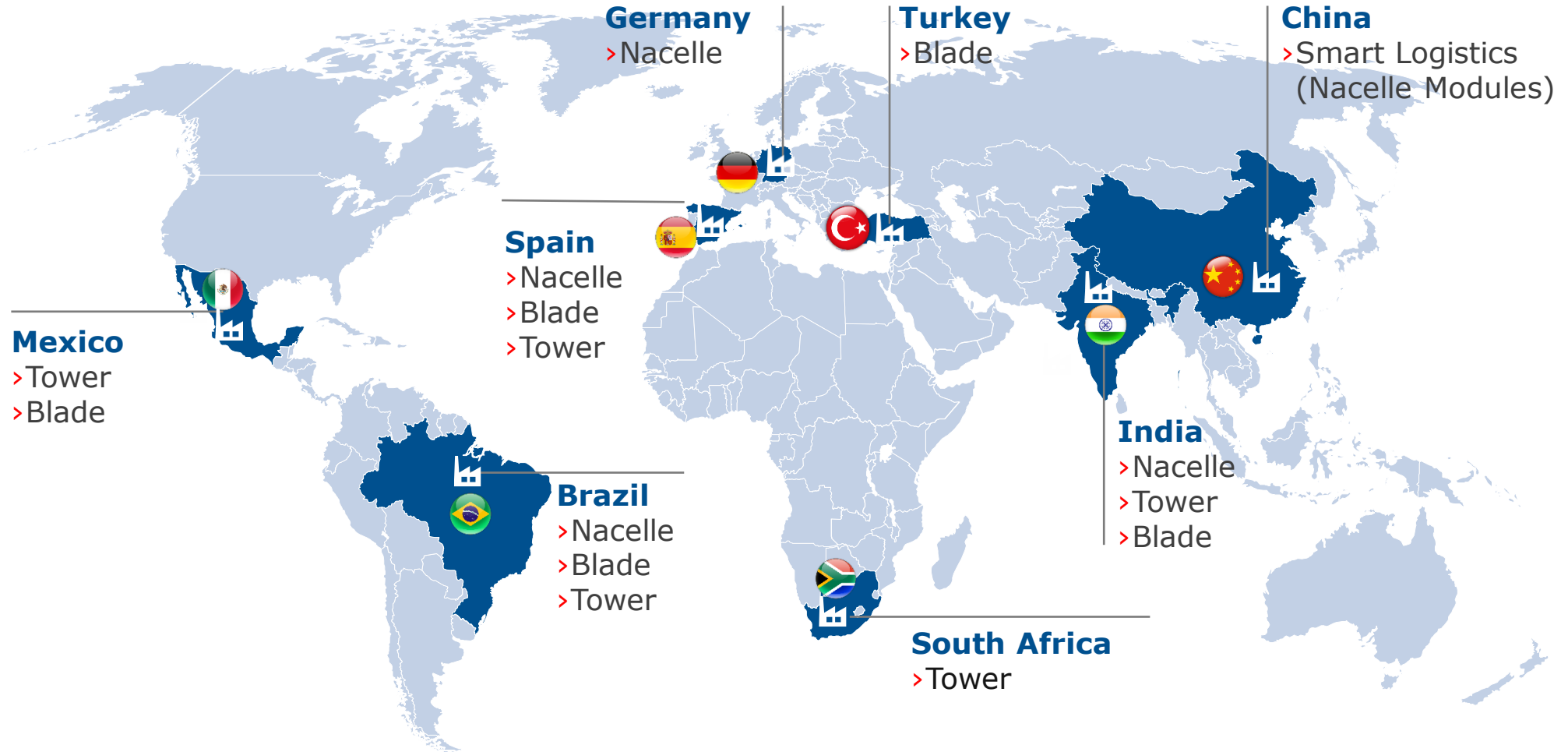


> Our track record – more than 41 GW total commissioned worldwide



> Our production footprint

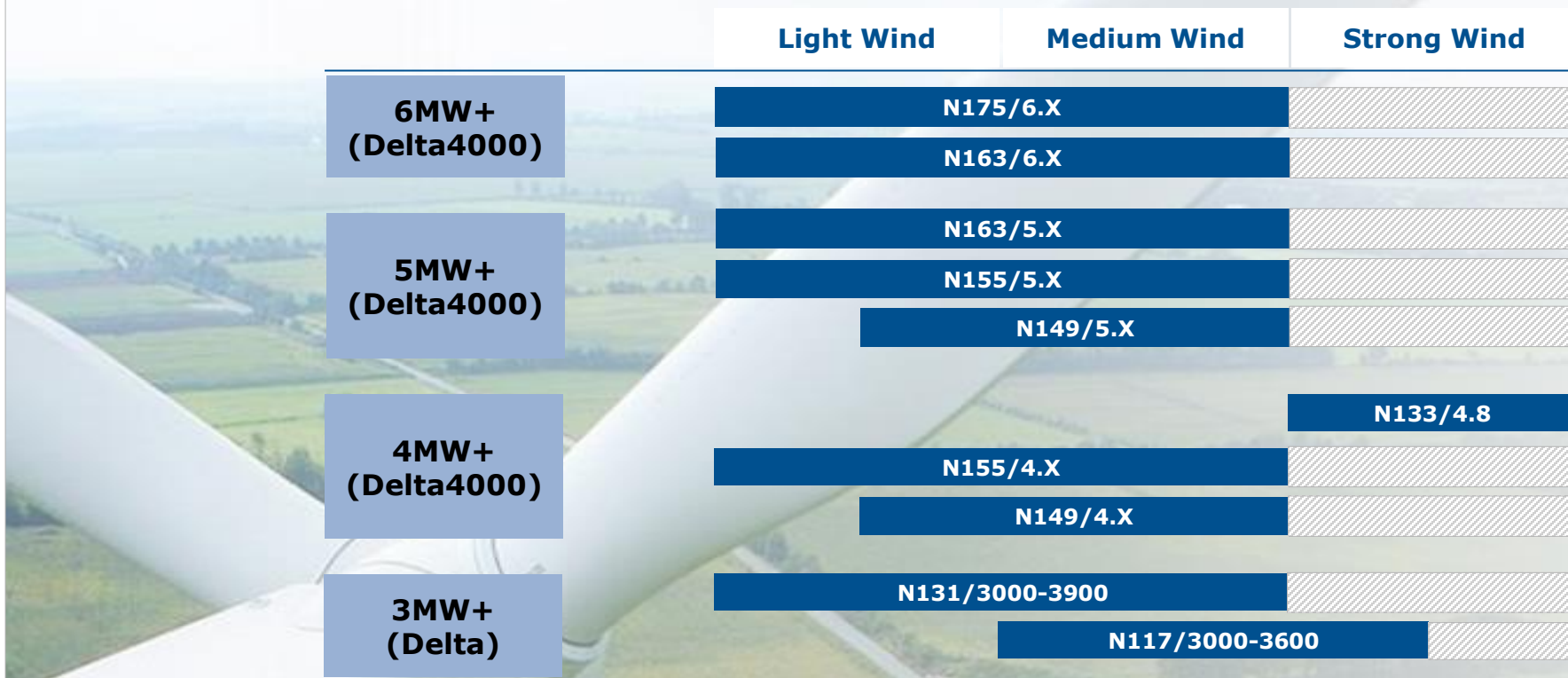
A TRULY GLOBAL SUPPLY CHAIN SET UP TO DELIVER, WITH THE LOWEST TOTAL LANDED COSTS, TO EVERY MAJOR MARKET (SIMPLIFIED PRESENTATION)



> Our product portfolio

BASED ON OUR EVOLUTIONARY PRODUCT DEVELOPMENT PHILOSOPHY AND THE FLEXIBLE DELTA4000 PLATFORM, WE OFFER HIGHLY EFFICIENT PRODUCTS FOR SITE REQUIREMENTS AROUND THE WORLD.

PROVEN PLATFORMS AND COMPONENTS, HIGH-PERFORMANCE PRODUCTS



Solutions to serve customer needs around the globe

■ Standard design conditions

▨ Site dependent