

Nordex Group

Nordex SE – Financial figures 9M/2024

7th November 2024

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> Agenda

Introduction

José Luis Blanco

Markets and orders

Patxi Landa

Financials

Dr Ilya Hartmann

Operations and technology

José Luis Blanco

Guidance and outlook

José Luis Blanco

Q&A

All

Key takeaways

José Luis Blanco

Appendix

Executive summary 9M/2024

Sales:

€5.1 bn
(+14% YoY)

EBITDA margin:

3.7%
(9M/2023: -1.5%)

Working capital ratio:

-7.3%
(Q3/2023: -10.2%)

Operations

- › Order intake grew to 5.1 GW in the first nine months of 2024 (9M/2023: 4.9 GW) with ASP of €0.90 m/MW, another quarter with stable pricing (9M/2023: €0.85 m/MW)
- › Order intake momentum expected to continue on the back of positive developments in our core markets
- › Installations of around 5.0 GW slightly lower YoY as installation activities normalize after a year of catch-up effects

Financials

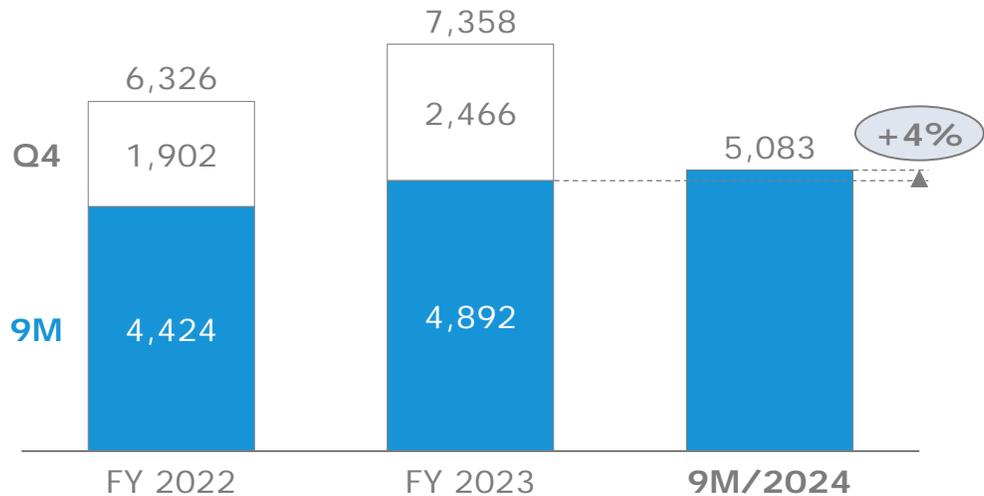
- › Further improvement of gross margin to 21.6% in Q3/2024
- › EBITDA margin of 3.7% in the first nine months 2024 (9M/2023: -1.5%) and 4.3% in Q3/2024 (Q3/2023: 2.8%)
- › Strong liquidity levels of €962 m at the end of September with FCF reaching breakeven; FY/2024 FCF expected to be higher than in FY/2023

Update & Outlook

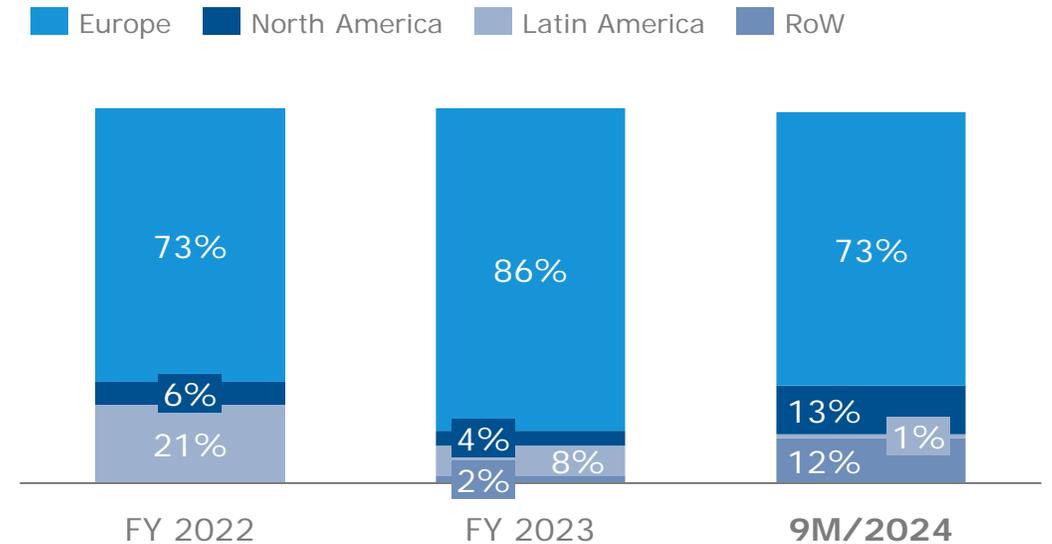
- › Installation of the first N175/6.X turbine in Germany; TÜV SÜD certificate received
- › 2024 EBITDA margin expected to be closer to the top end of the guidance corridor
- › Medium-term target of 8% EBITDA margin remains unchanged

> Robust order intake in 9M/2024

Order intake turbine* (in MW)



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

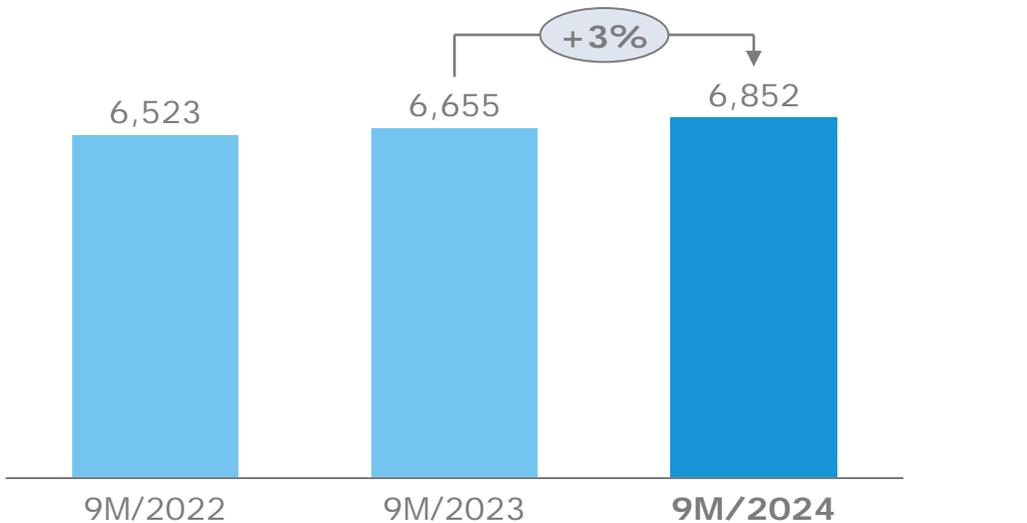


- > Order intake in value increased by 10.4% to €4,572 m in first nine months of 2024 (9M/2023 €4,143 m)
- > Stable pricing continued
- > ASP of €0.90 m/MW in 9M/2024 and €0.92 m/MW in Q3/2024 – compared with €0.85 m/MW in 9M/2023 and €0.80 m/MW in Q3/2023

- > Orders received from 23 different countries
- > Strongest single markets were Germany, South Africa, Canada as well as Baltic States including Latvia and Lithuania

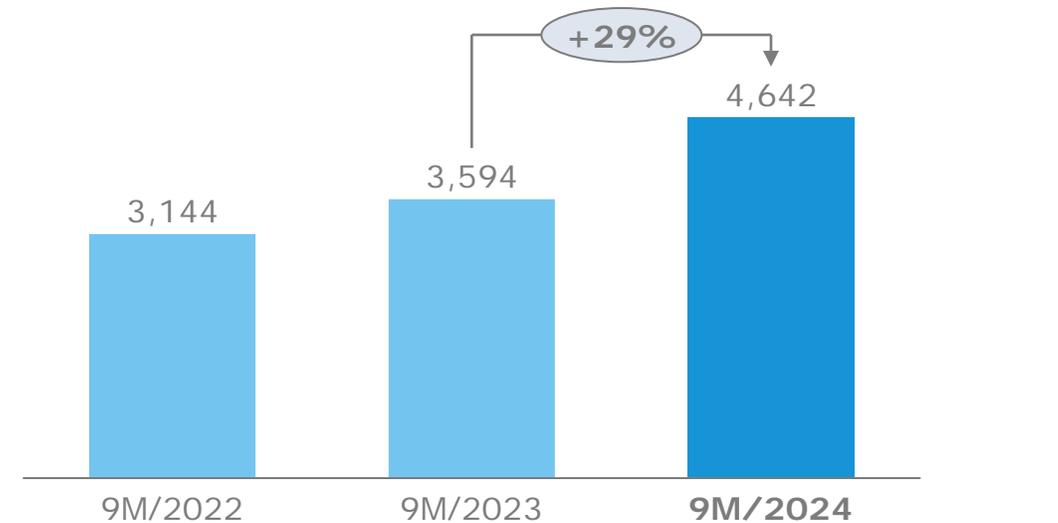
> Order book remains strong – total order book of over €11.5 bn

Order book turbines (€ m)



- > Healthy growth of the order book to around €6.9 bn at the end of Q3/2024 compared to €6.7 bn at the end of the previous year period
- > Geographical distribution of the order book in 9M/2024: Europe (79%), North America (8%), Rest of World (7%) and Latin America (6%)

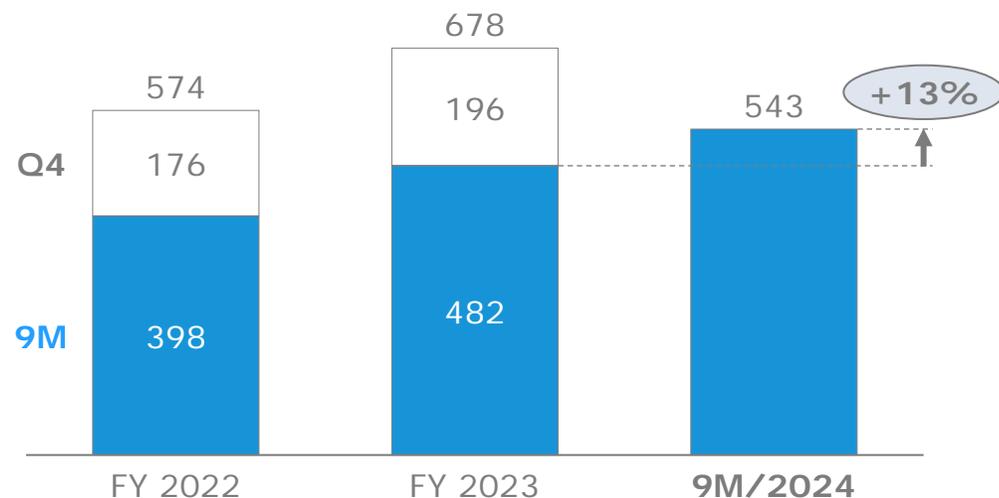
Order book service (€ m)



- > 12,625 wind turbines under service agreement - corresponding to over 40.3 GW at the end of the first nine months 2024
- > Order book increase largely a reflection of the strong turbine order intake momentum in the last two years across different regions

> Service EBIT margin on track to return to former profitability levels

Service revenues (€ m)



Service EBIT margin development (in %)



Comments

- > Share of service sales amounted to 10.6% of group sales
- > Service EBIT margin of 15.5% in 9M/2024 shows expected moderate improvement in the margins YoY
- > Service EBIT margin in Q3/2024 increased to 16.0%
- > 97% average availability of WTGs under service in the first nine months 2024
- > Average tenor of the service contracts slightly increased to 12 years

> Income statement 9M/2024

in € m (rounded figures)	9M/2024	9M/2023	abs. change	Δ in %
Sales	5,105	4,477	628	14.0
Total revenues	4,847	4,424	423	9.6
Cost of materials	-3,817	-3,814	-3	0.1
Gross profit	1,030	610	420	68.8
Personnel costs	-514	-460	-54	11.7
Other operating (expenses)/income	-326	-217	-109	50.8
EBITDA	189	-67	257	>100
Depreciation/amortization	-134	-138	4	-3.0
EBIT	55	-205	260	>100
Net profit	-9	-334	325	>100
Gross margin*	20.2%	13.6%		
EBITDA margin	3.7%	-1.5%		
EBIT margin	1.2%	-4.5%		

Comments

- > Sales increased by around 14% to €5.1 bn YoY reflecting higher ASPs, higher activity levels and growth in service revenues
- > Gross margin continues to improve with 21.6% recorded in Q3/2024
- > Q3/2024 EBITDA further increased to €72 m (4.3% EBITDA margin), reflecting normalized operations
- > Positive net profit in Q3/2024 of €4 m

> Balance sheet 9M/2024

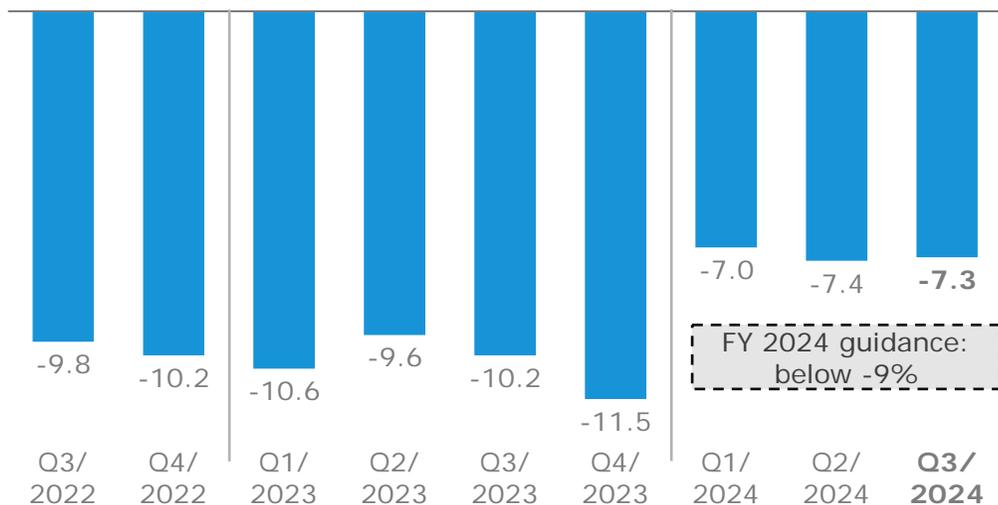
in € m (rounded figures)	30.09.24	31.12.23	abs. change
Cash and cash equivalents	882	926	-44
Non-current assets	1,954	1,869	85
Current assets without cash and cash equivalents	2,473	2,627	-154
Total assets	5,309	5,422	-113
Equity	980	978	2
Non-current liabilities	921	771	150
Current liabilities	3,408	3,673	-265
Equity and total liabilities	5,309	5,422	-113
<i>Net cash*</i>	583	631	
<i>Working capital ratio**</i>	-7.3%	-11.5%	
<i>Equity ratio</i>	18.5%	18.0%	

Comments

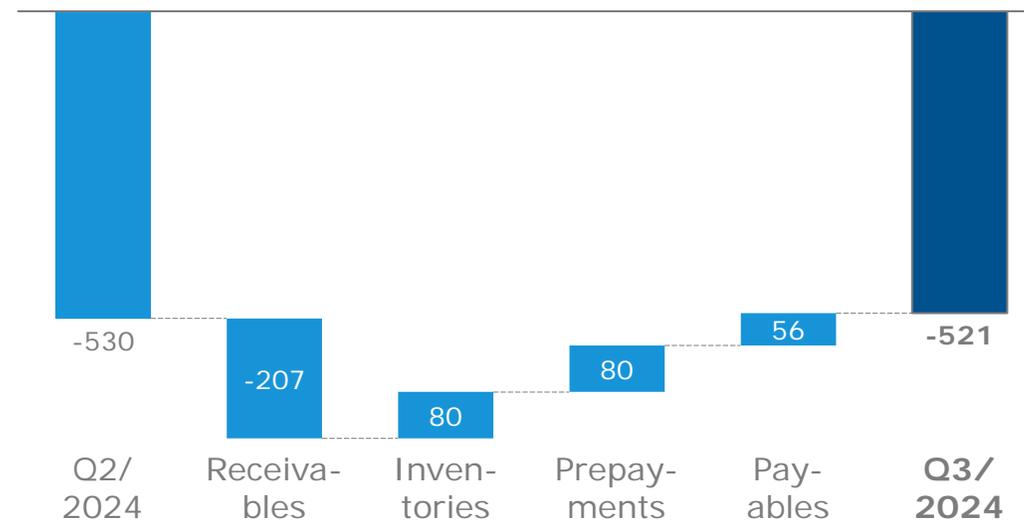
- > Robust liquidity levels of around €962 m including cash facility under MGF at the end of Q3/2024
- > Working Capital ratio continued to be stable during the year
- > Improvement in the equity ratio to 18.5%

> Working capital development Q3/2024

Working capital ratio (in % of sales)*



Working capital development (in € m)*



- > Q3/2024 W/C ratio on a similar level compared to Q2/2024
- > W/C ratio likely to improve in Q4 driven by higher activity levels and higher expected order intake

- > Strong order intake and progress in projects lead to an increase in pre-payments compensating higher working capital from increased activity levels

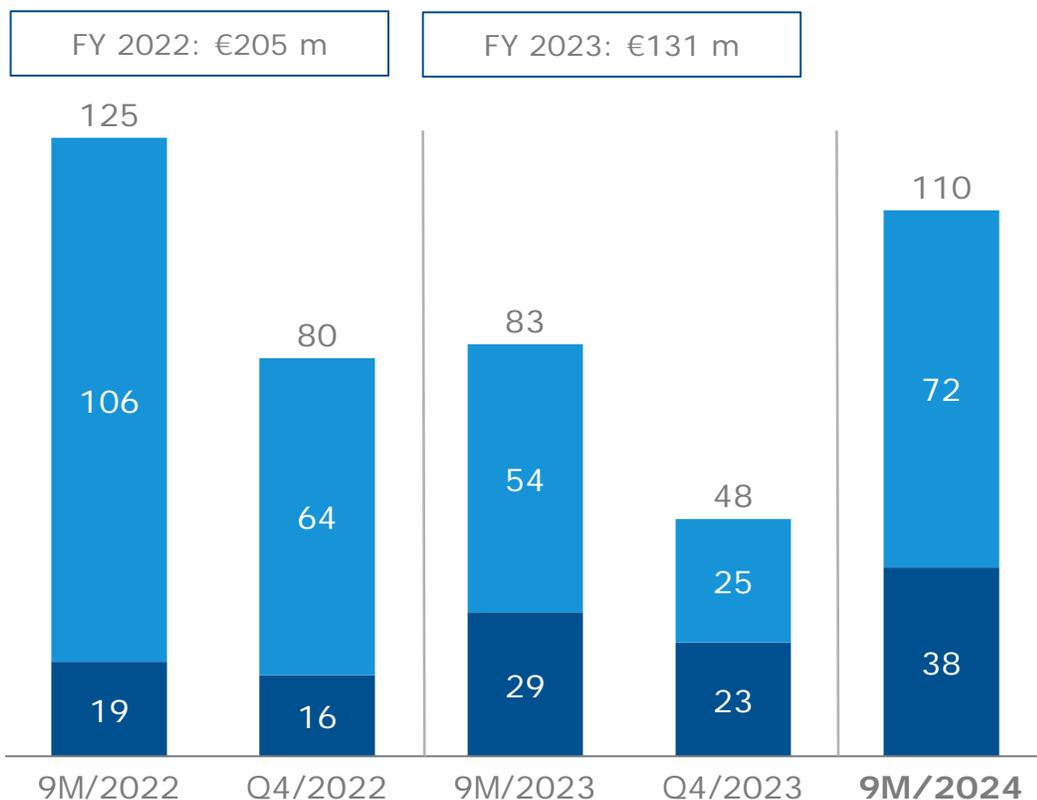
> Reaching FCF breakeven in 9M/2024

in € m (rounded figures)	9M/2024	9M/2023	Comments
Cash flow from operating activities before net working capital	336	-249	> Cash flow from operating activities before net working capital driven by normalized operational performance
Cash flow from changes in working capital	-225	60	> Strong operating cash flow, despite the cash outflow from stable working capital
Cash flow from operating activities	112	-189	> Cash flow from investing activities in line with our CAPEX and investment plans
Cash flow from investing activities	-112	-95	> Positive free cash flow of €159 m in Q3, leading to break even in free cash flow for the first nine months 2024
Free cash flow*	0.0	-283	
Cash flow from financing activities	-33	300	
Change in cash and cash equivalents	-33	16	

> Total investments 9M/2024

CAPEX (in € m)

■ Property, plant, equipment ■ Intangible assets

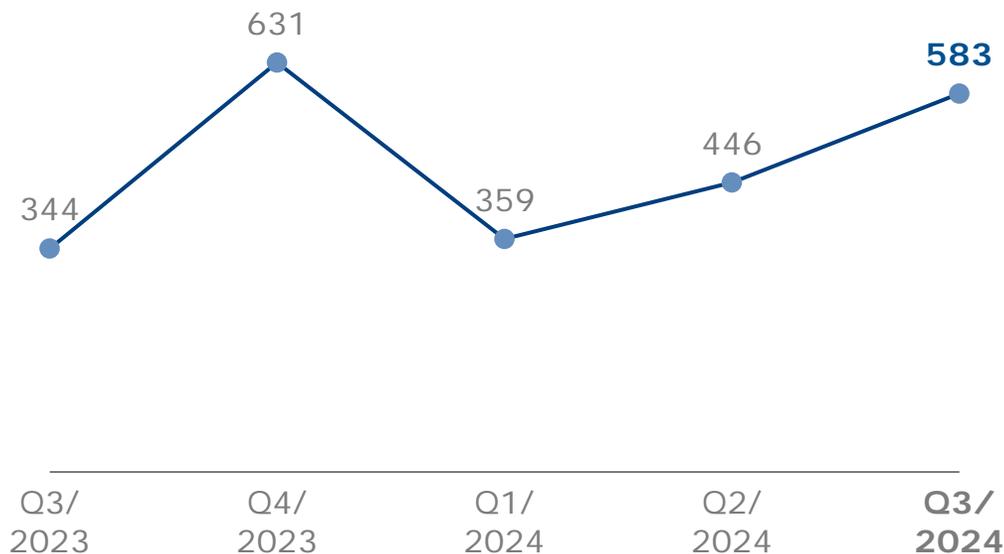


Comments

- > CAPEX spending in line with expectations:
 - Investments in blade and nacelle production facilities, moulds and tooling
 - Investments in installation and transport tooling and equipment for projects
- > CAPEX for the re-opening of mothballed Iowa facility and the new US turbine variant covered within guidance
- > Full Year CAPEX expected to be around €175 m

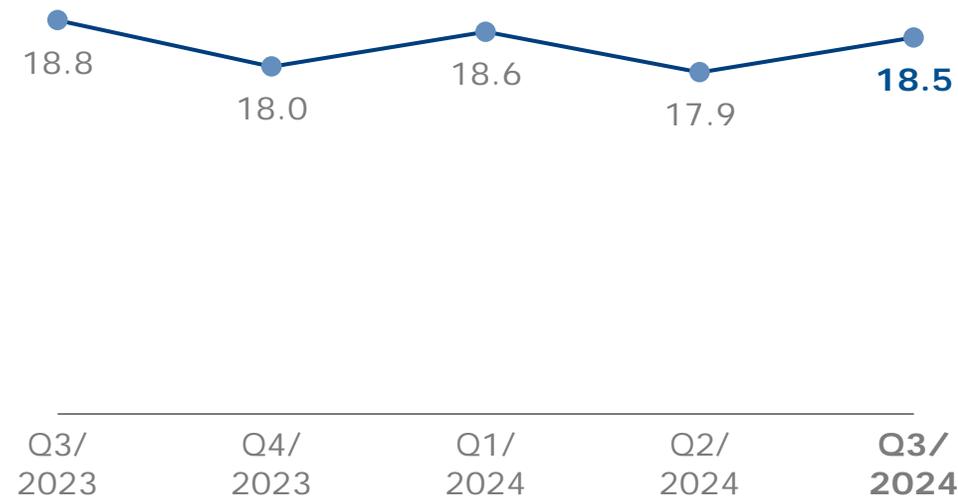
> Solid capital structure in Q3/2024

(Net debt)/net cash (in € m) *



- > Net cash levels further increased towards the end of Q3/2024

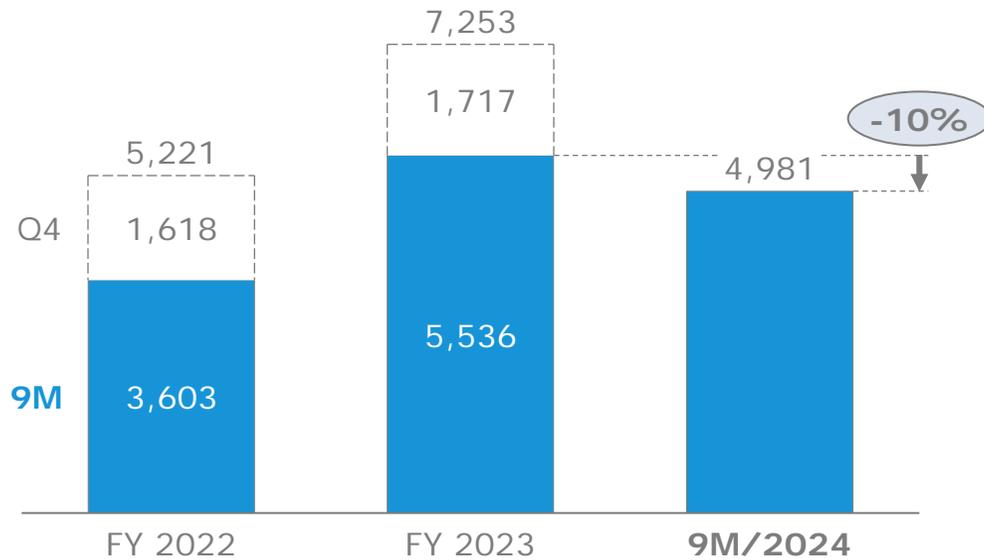
Equity ratio (in %)



- > Equity ratio increased in Q3 to 18.5% due to positive net income and ongoing stable operational performance

> Operational performance 9M/2024

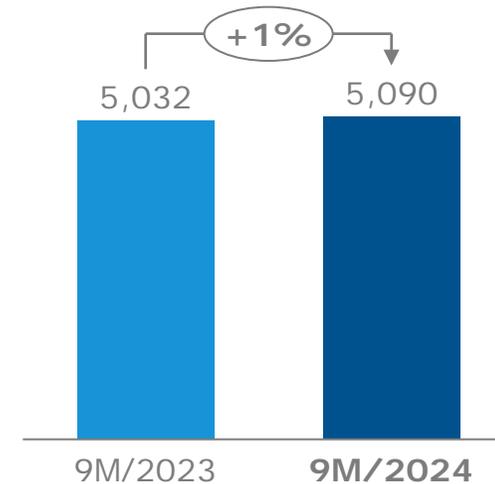
Installations (MW)



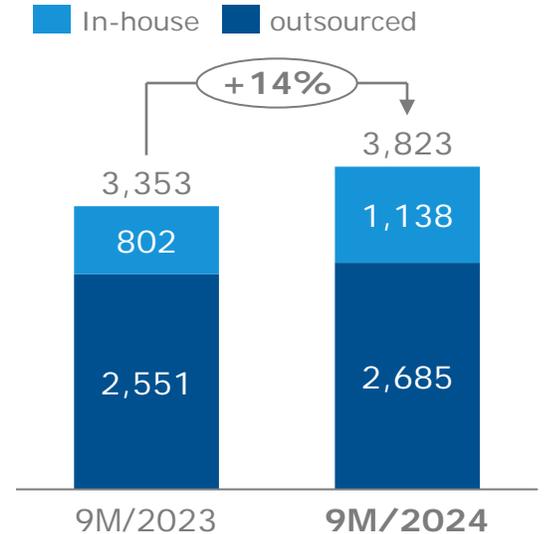
- > Total installations of 944 WTGs in 24 countries in 9M/2024 (1,090 WTGs in 9M/2023)
- > Installations of 2,010 MW in Q3/2024; run rate improved QoQ
- > Geographical split (MW) in 9M/2024: 73% Europe, 15% Latin America, 5% North America and 7% RoW

Production

Turbine assembly (MW)



Total blade production (#)



- > Turbine assembly output amounted to 867 units in 9M/2024: 344 in Germany, 201 in China, 197 in India, 119 in Spain and 6 in Brazil
- > Inhouse blade production of 1,138 units in 9M/2024: 854 in India, 272 in Spain and 12 in Germany

> 2024 guidance confirmed

	9M/2024	2024 guidance
Sales:	€5,105 m	€7.0 - 7.7 bn
EBITDA margin:	3.7%	3.0% to 4.0%
Working capital ratio:	-7.3%	below -9%
CAPEX:	€ ~ 110 m	approx. €175 m

Mid term target of 8% EBITDA margin reaffirmed

 Time for your questions



Key takeaways

- 1 Ambitious wind targets across our core markets underpin the sustainable case for the wind industry in the mid- to long-term
- 2 Substantial order intake pipeline for Nordex with stability in selling prices, supply chain and cost base
- 3 Consistently improving EBITDA margins showcase fundamental profitability improvements
- 4 Full year results likely to deliver positive free cash flow
- 5 Margin outlook improved for 2024, building confidence in mid-term margin target achievement

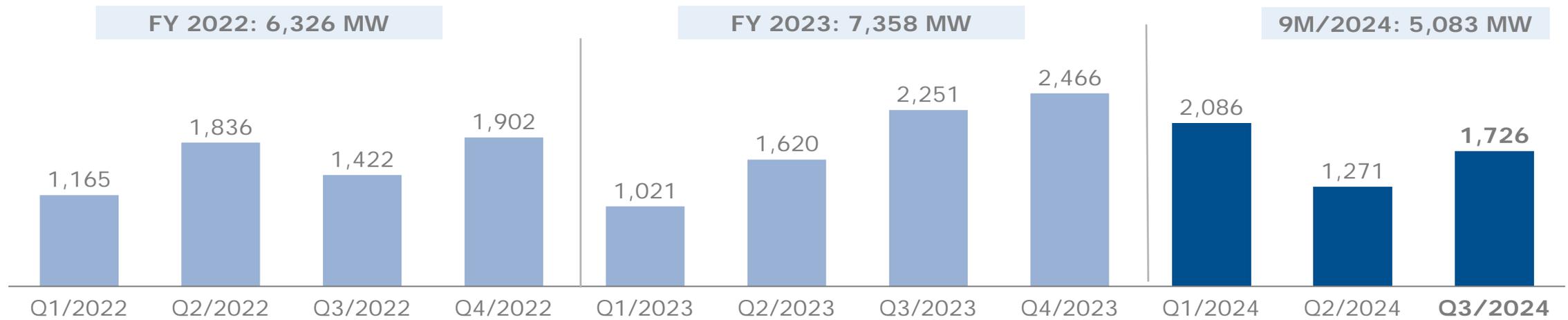
> Appendix



- > Quarterly order intake and installations
- > Quarterly order book development
- > Quarterly income statement
- > Quarterly balance sheet development
- > Quarterly cash flow development

> Quarterly order intake and installations

Order intake development in MW

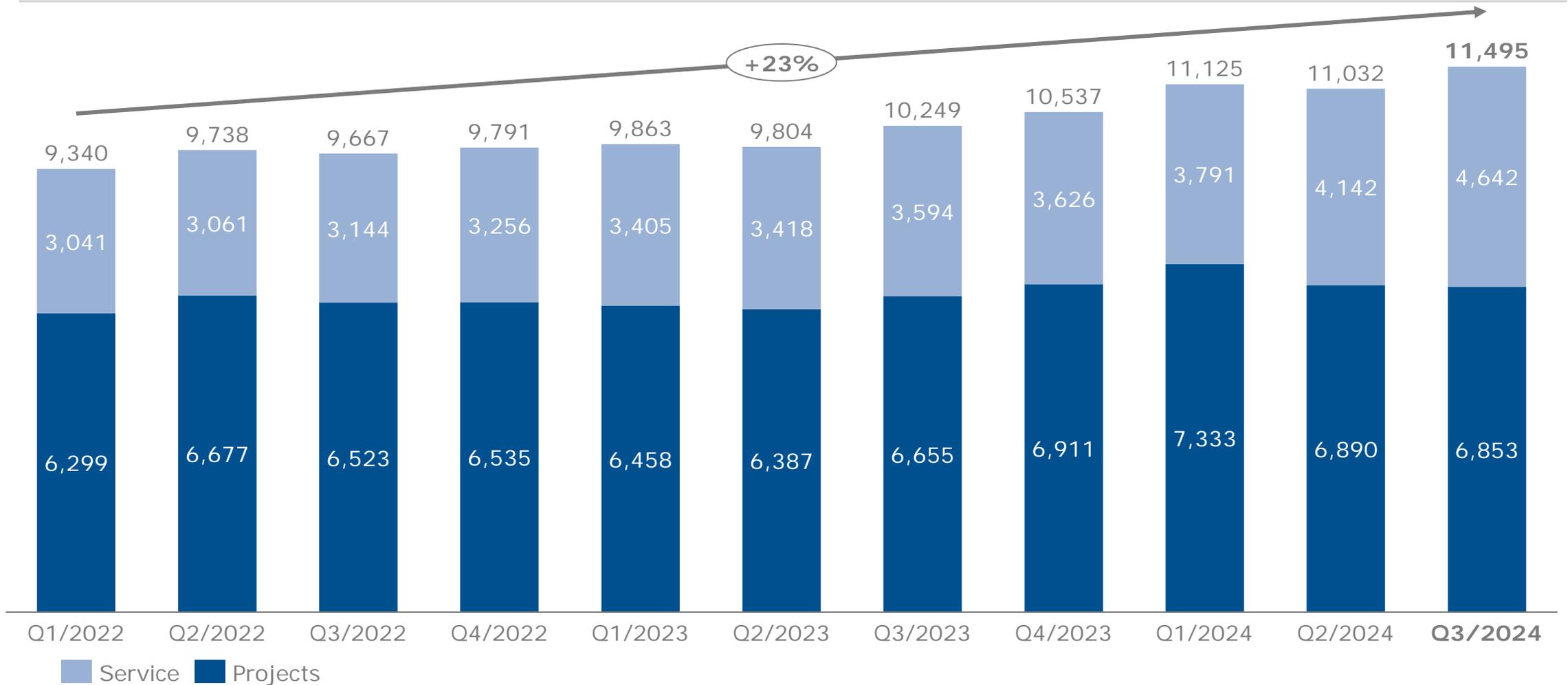


Installations in MW



Quarterly order book development

Order book development in € m



➤ Quarterly income statement development

in € m (rounded figures)	Q1/2023	Q2/2023	Q3/2023	Q4/2023	Q1/2024	Q2/2024	Q3/2024
Sales	1,217	1,536	1,724	2,012	1,574	1,860	1,671
Total revenues	1,243	1,556	1,625	2,127	1,458	1,796	1,593
Cost of materials	-1,135	-1,371	-1,308	-1,752	-1,149	-1,437	1,232
Gross profit	108	186	316	375	309	360	361
Personnel costs	-147	-151	-161	-170	-167	-171	-176
Other operating (expenses)/income	-76	-34	-107	-137	-90	-123	-114
EBITDA	-115	1	48	69	52	66	72
Depreciation/amortization	-51	-42	-46	-50	-45	-44	-46
EBIT	-166	-41	2	19	7	22	26
Net profit	-215	-84	-35	31	-13	1	4
Gross margin*	8.9%	12.1%	18.3%	18.6%	19.6%	19.3%	21.6%
EBITDA margin	-9.4%	0.0%	2.8%	3.4%	3.3%	3.5%	4.3%
EBIT margin	-13.6%	-2.7%	0.1%	0.9%	0.4%	1.2%	1.6%

Quarterly balance sheet development

in € m (rounded figures)	31.03.23	30.06.23	30.09.23	31.12.23	31.03.24	30.06.24	30.09.24
Non-current assets	1,788	1,771	1,758	1,869	1,915	2,038	1,954
Current assets	2,758	3,025	3,242	3,553	3,273	3,410	3,355
Total assets	4,546	4,796	5,000	5,422	5,188	5,448	5,309
Equity	680	992	939	978	964	974	980
Non-current liabilities	413	659	692	771	832	1,019	921
Current liabilities	3,453	3,145	3,369	3,673	3,392	3,456	3,408
Equity and total liabilities	4,546	4,796	5,000	5,422	5,188	5,448	5,309
<i>Net cash*</i>	104	360	344	631	359	446	583
<i>Working capital ratio**</i>	-10.6%	-9.6%	-10.2%	-11.5%	-7.0%	-7.4%	-7.3%
<i>Equity ratio</i>	15.0%	20.7%	18.8%	18.0%	18.6%	17.9%	18.5%

➤ Quarterly cash flow statement development

in € m (rounded figures)	Q1/2023	Q2/2023	Q3/2023	Q4/2023	Q1/2024	Q2/2024	Q3/2024
Cash flow from operating activities before net working capital	-133	-112	-6	244	65	79	193
Cash flow from changes in working capital	57	-31	35	106	-267	51	-9
Cash flow from operating activities	-76	-143	29	350	-203	130	184
Cash flow from investing activities	-39	-24	-31	-47	-51	-36	-25
Free cash flow	-115	-167	-2	303	-254	94	159
Cash flow from financing activities	3	305	-8	-14	-8	-9	-16
Change in cash and cash equivalents*	-112	138	-10	289	-262	85	144

Abbreviations

- › FCF – Free Cash Flow
- › YoY – Year over Year
- › QoQ – Quarter over Quarter
- › m – millions
- › bn – billions
- › GW – Gigawatts
- › MGF – Multi Guarantee Facility
- › MW - Megawatts
- › FY – Financial Year ending December
- › ASP – Average Selling Price (Calculated as price/MW)
- › W/C ratio – Working Capital ratio

> Nordex publication dates & events in 2024 and 2025



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