



Nordex Group

# Nordex SE – Investor Factbook

December 2022 – February 2023

## > Experienced management team



**José Luis Blanco**  
CEO

- > CEO at Acciona Windpower
- > Various senior management & Chief Officer positions at Gamesa



**Dr Ilya Hartmann**  
CFO

- > CEO Division Europe at Nordex Group
- > Various management positions at Acciona Energy



**Patxi Landa**  
CSO

- > Business development director and Executive Committee member at Acciona Windpower
- > Various Chief Officer positions at Acciona

# > Agenda



- 1 Company overview & business model
- 2 Products & markets
- 3 Financials
- 4 Nordex share
- 5 Sustainability

# > Investment Case

## Strategic drivers

### Global

Global player with strong presence in all volume and growth markets for onshore wind energy



### Technology

Competitive product portfolio will be developed further, ramp-up of production in India for global demand and company program



### Onshore

Onshore wind energy is the key technology for the irrevocable transition to renewable energy



### Shareholder

Strong anchor shareholder supports growth strategy

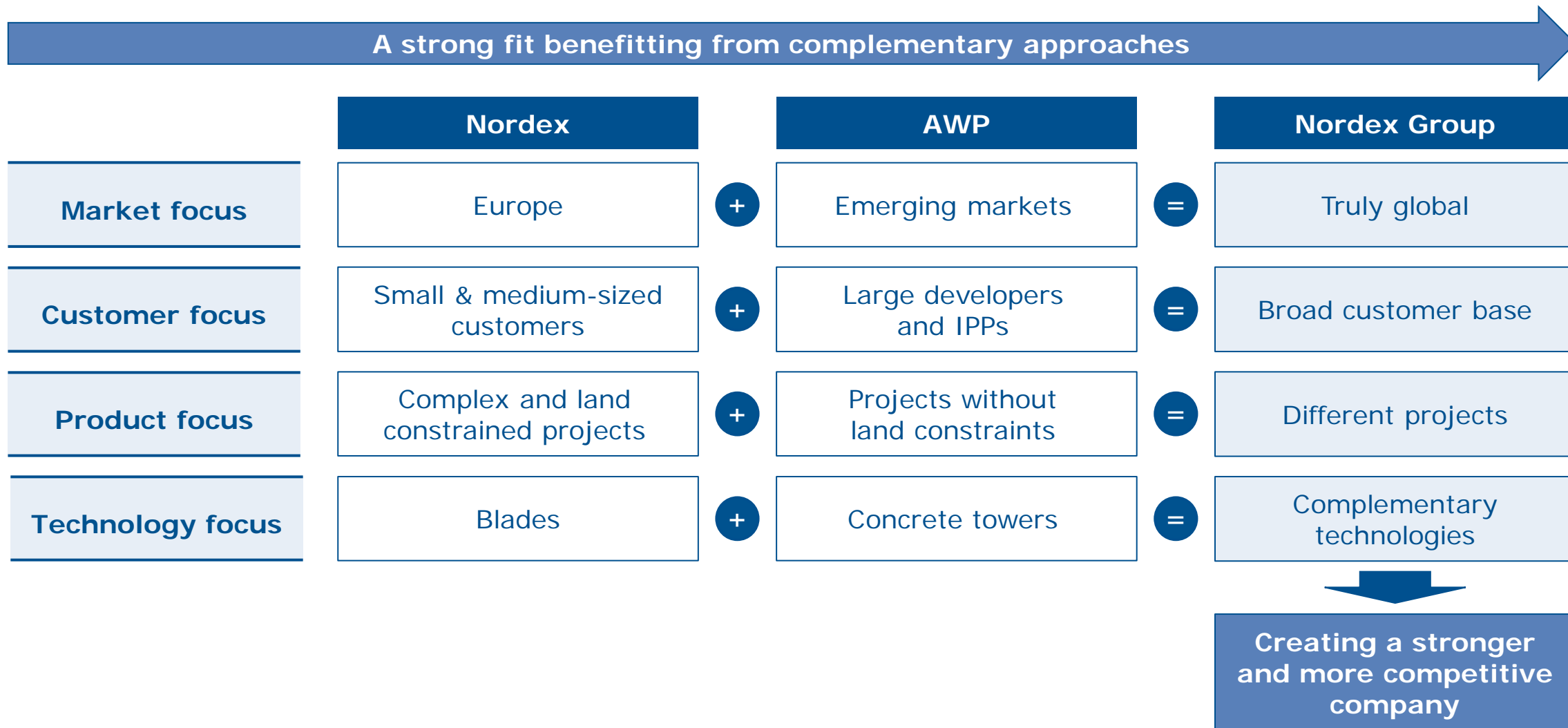


### Team

Experienced management and outstanding team



# > Nordex and Acciona Windpower created a global player in 2016



# > 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 more than **41 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.

**Top 2**

industry leader Europe\*

Highly attractive and resilient Service business with more than:

**29 GW**  
**under service**

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

**Leading-edge product portfolio**

More than

**35 years**

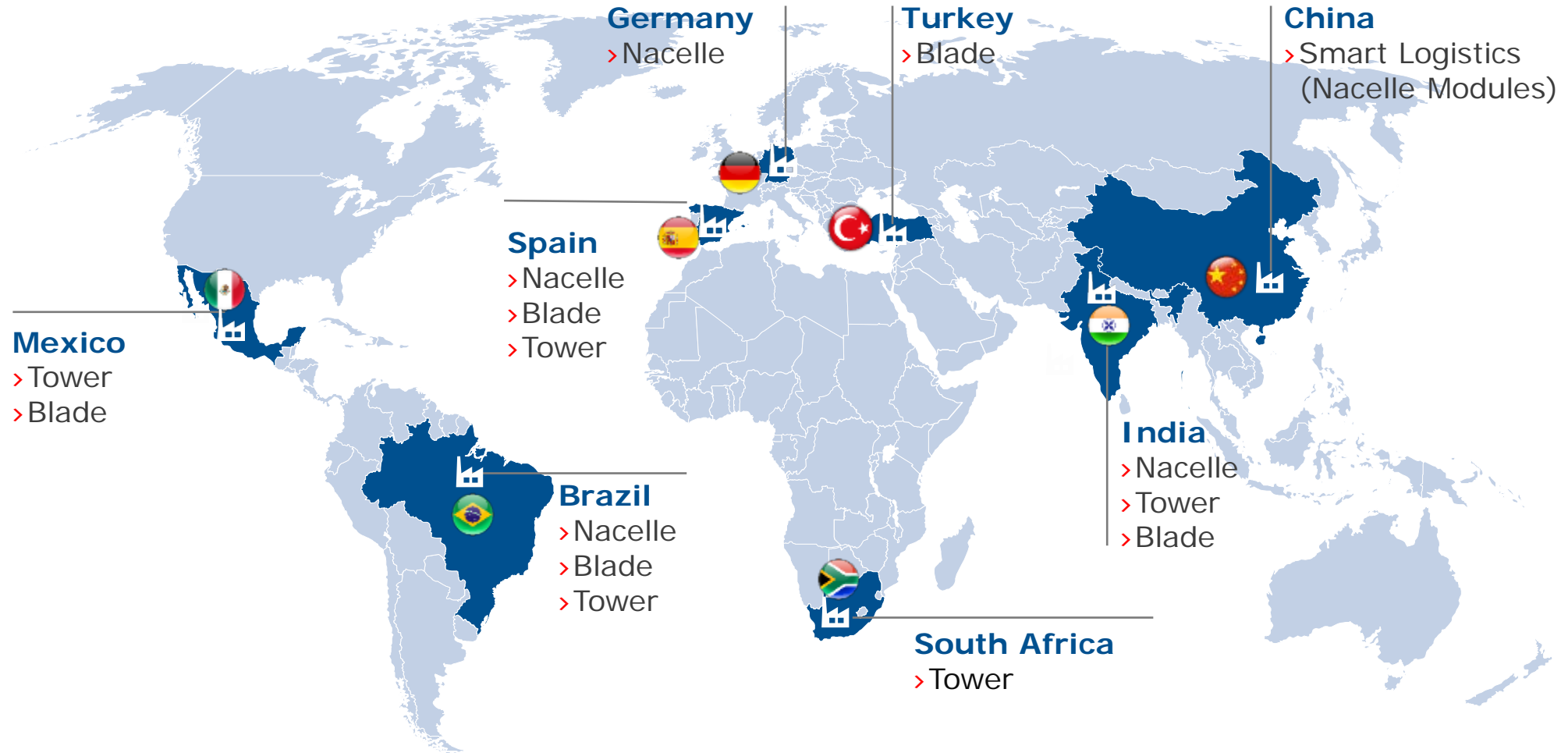
of industry experience:  
At the forefront of the technological development

**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.

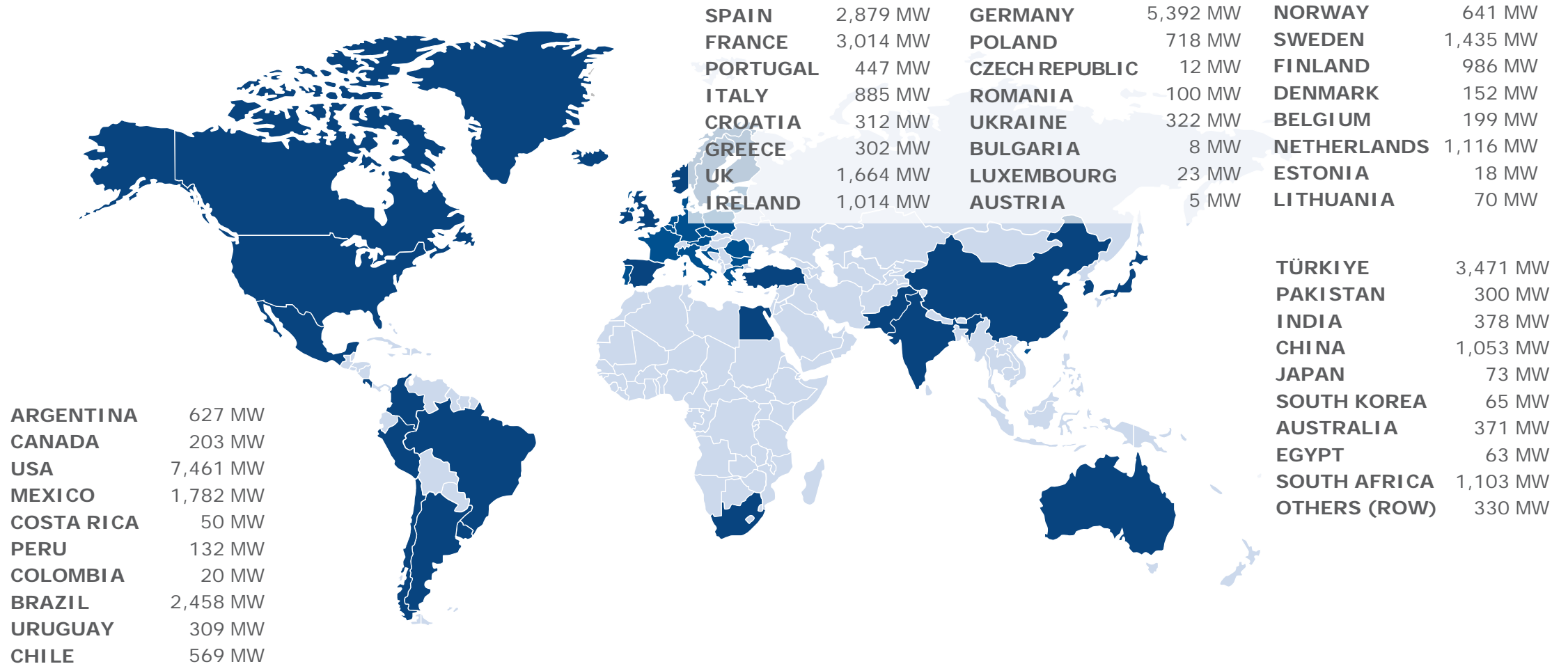
# > Where We Are – The Nordex Group’s Production Footprint

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



# > Where We Are – Track Record

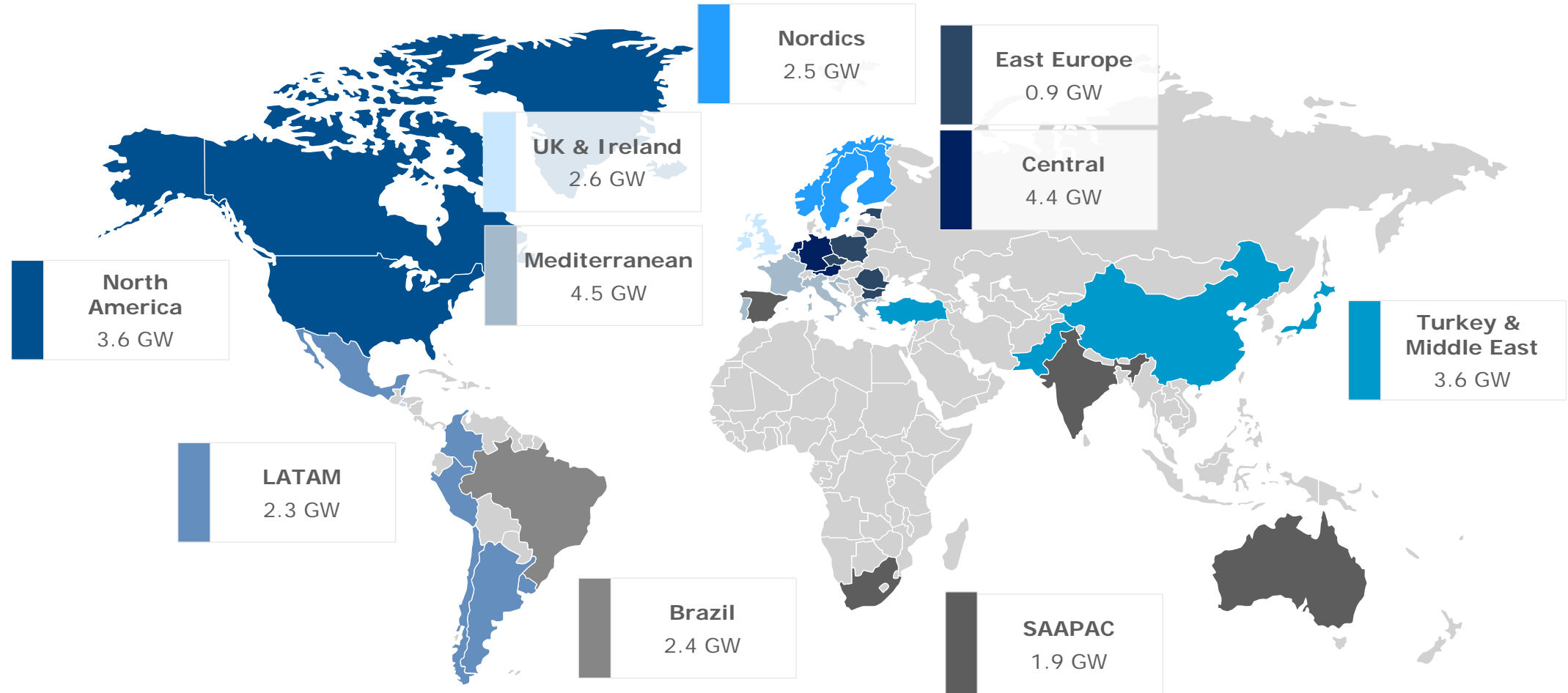
**TOTAL COMMISSIONED: MORE THAN 42,500 MW WORLDWIDE (AT THE END OF Q3/2022)**





# > Where We Are – Nordex Global Service Network

WE PROVIDE A CLOSE-KNIT NETWORK ACROSS THE REGIONS, WITH MORE THAN 29 GW UNDER CONTRACT



Q3 2022

# > Value chain - Nordex core business

## > MORE THAN A MANUFACTURER.



# > Agenda



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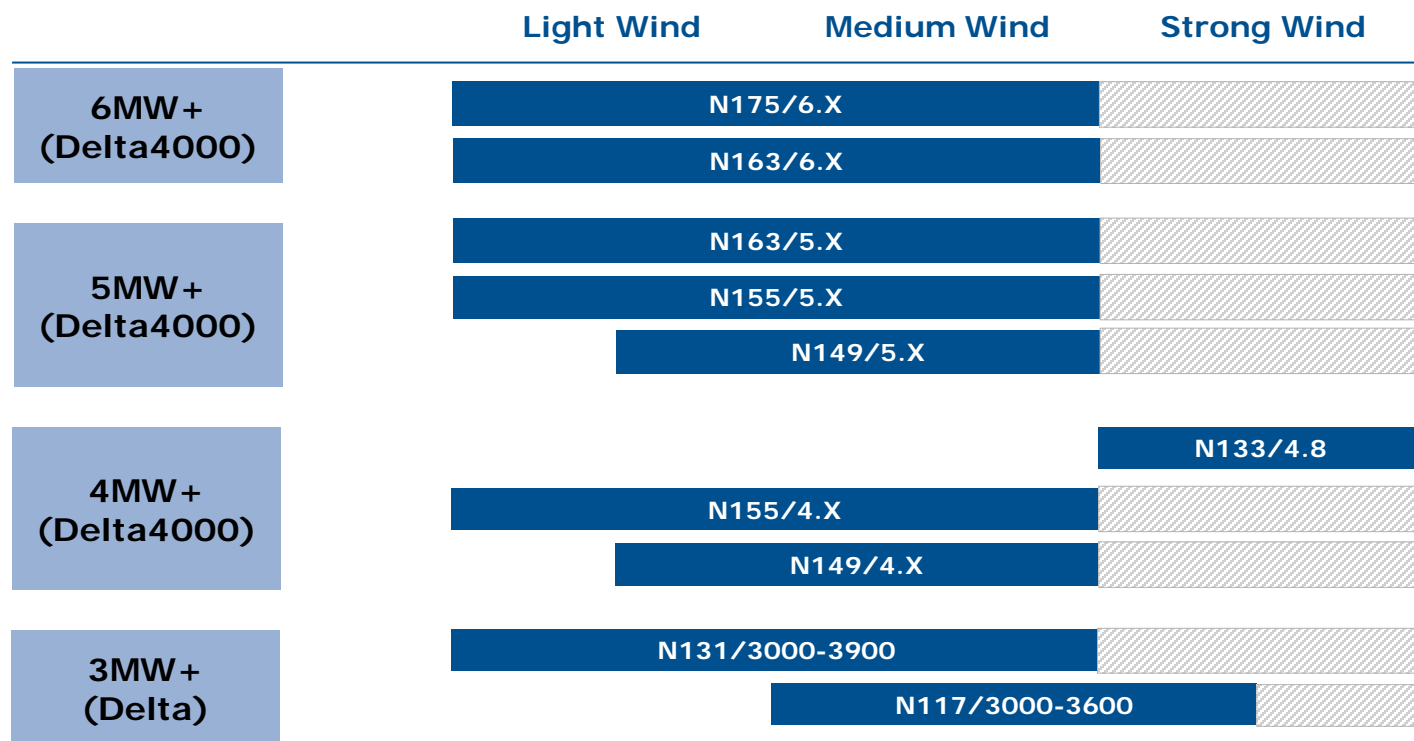
4 Nordex share

5 Sustainability

# > What We Do – 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**

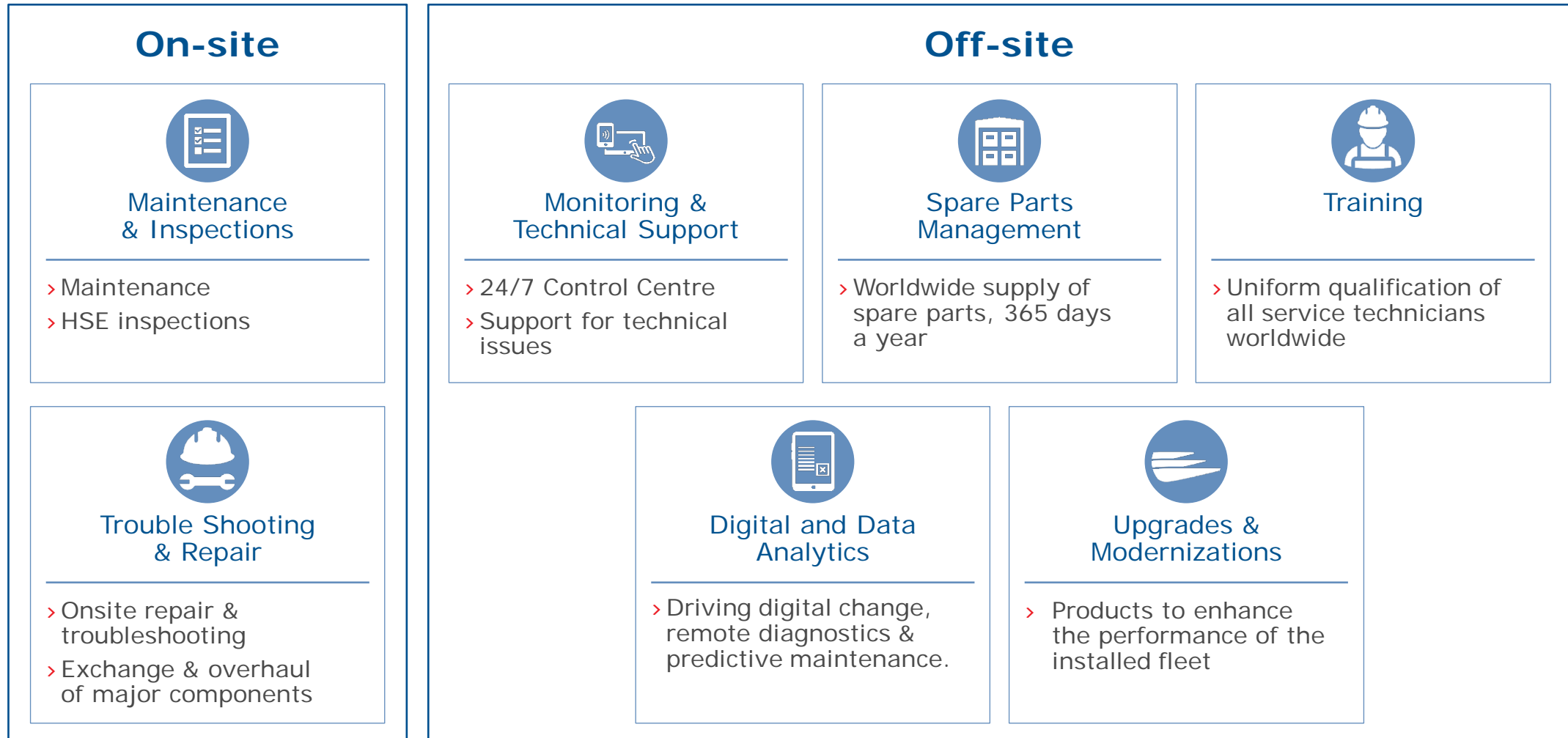


Solutions to serve customer needs around the globe

■ Standard design conditions

▨ Site dependent

# > Service portfolio: Nordex service makes the difference



# > Agenda



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## > Executive summary 9M/2022

### > 9M/2022 RESULTS

**Sales**  
**EUR 3,873m**

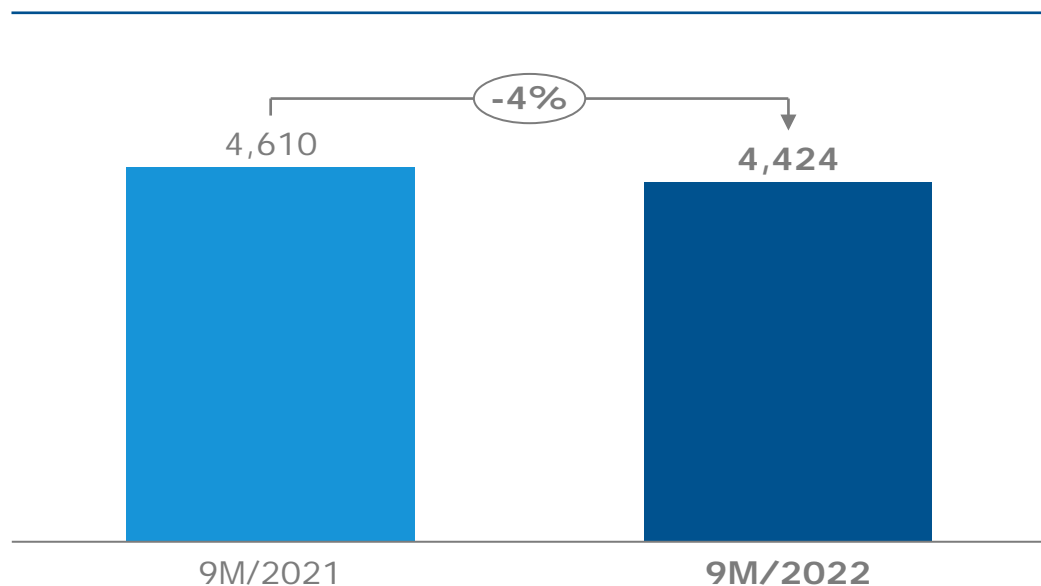
**EBITDA margin**  
**-5.2%**

**Working capital ratio**  
**-9.8%**

- > Order intake remains healthy with 1.4 GW in Q3 with increasing ASP of EUR 0.91m/MW. Order intake for 9M/2022 stands at 4.4 GW (9M/2021: 4.6 GW).
- > Sales reached to almost EUR 3.9bn in 9M/2022 in line with sequentially increasing installations in Q3 but below previous year's level.
- > EBITDA margin at -5.2% in 9M/2022 reflects ongoing tough macro-economic environment with inflationary pressures, supply chain disruptions and resultant project delays.
- > Working Capital level consistent at -9.8%.
- > Pace of installations catching up in Q3, but still below expectations, leaving a heavy back-end loaded installations target for Q4/2022.
- > Guidance for FY 2022: Margin guidance tightened at around -4% in light of the current market conditions.
- > Mid-term outlook remains promising and target for EBITDA margin of 8% feasible to achieve assuming a sustainably stable macro economic environment.

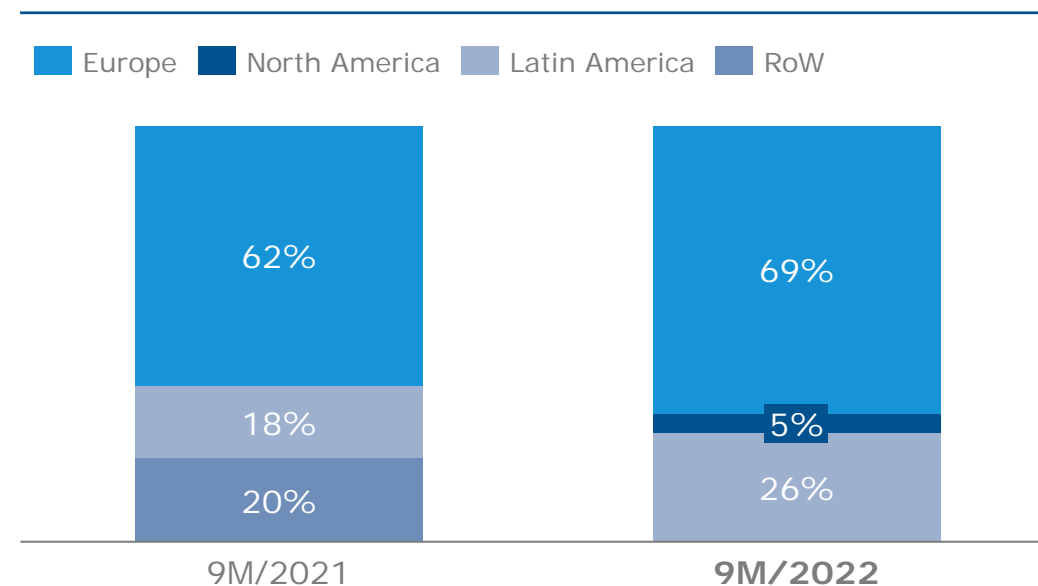
# > Order intake 9M/2022

## Order intake turbine\* (in MW)



- > Order intake in 9M/2022: EUR 3,647m (EUR 3,219m in previous year period)  
thereof in Q3/2022: EUR 1,290m (EUR 1,257m in Q3/2021)
- > Strong increase in ASP\*\* in Q3/2022 to EUR 0.91/MW compared to 0.79m/MW in Q2/2022 and EUR 0.69m/MW in previous year quarter

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



- > Orders received from 19 different countries in 9M/2022
- > Largest single markets in Q3/2022: Brazil, Germany, Finland, Poland and Spain



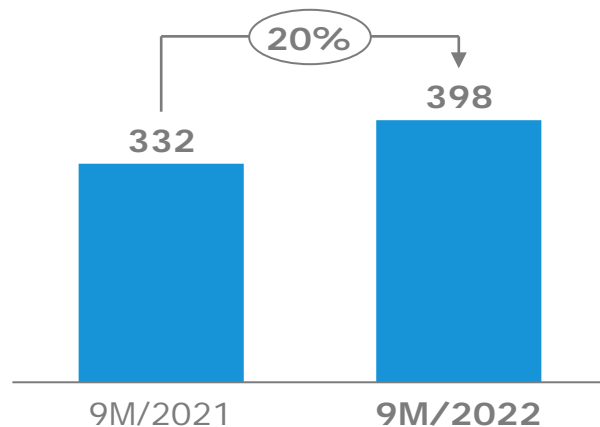
## > Service 9M/2022

### Development of service revenues (EUR m) and EBIT margin

EBIT margin

16.9%

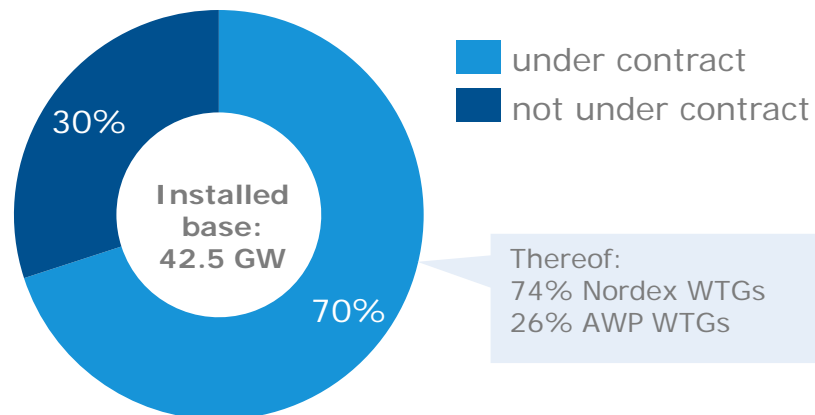
16.1%



### Comments

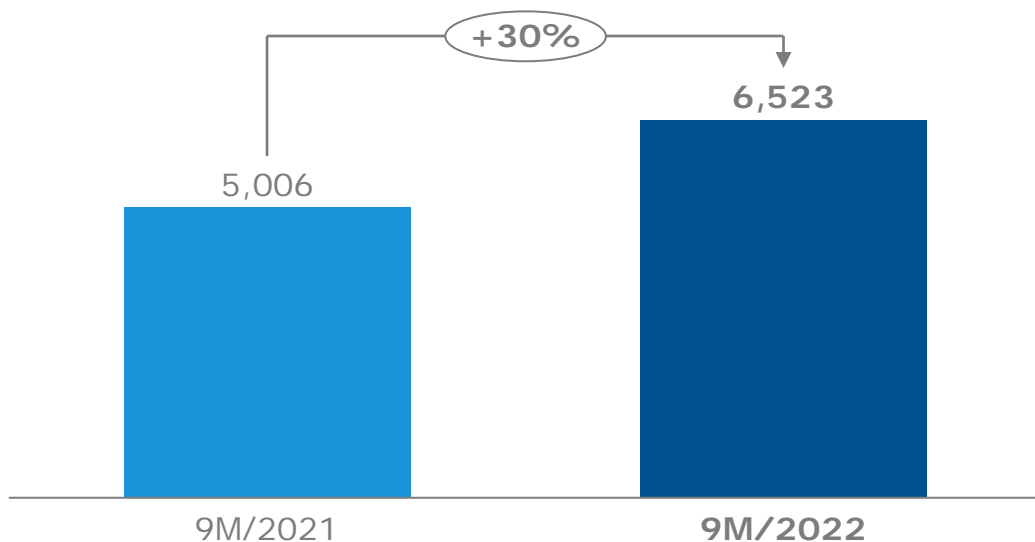
- > Service sales share accounts for around 10% of group sales in the first nine months 2022
- > Service EBIT margin of 16.1% at prior-year level
- > 97.1% average availability of WTGs under service
- > Strong service order book of almost EUR 3.2bn at the end of Q3/2022

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



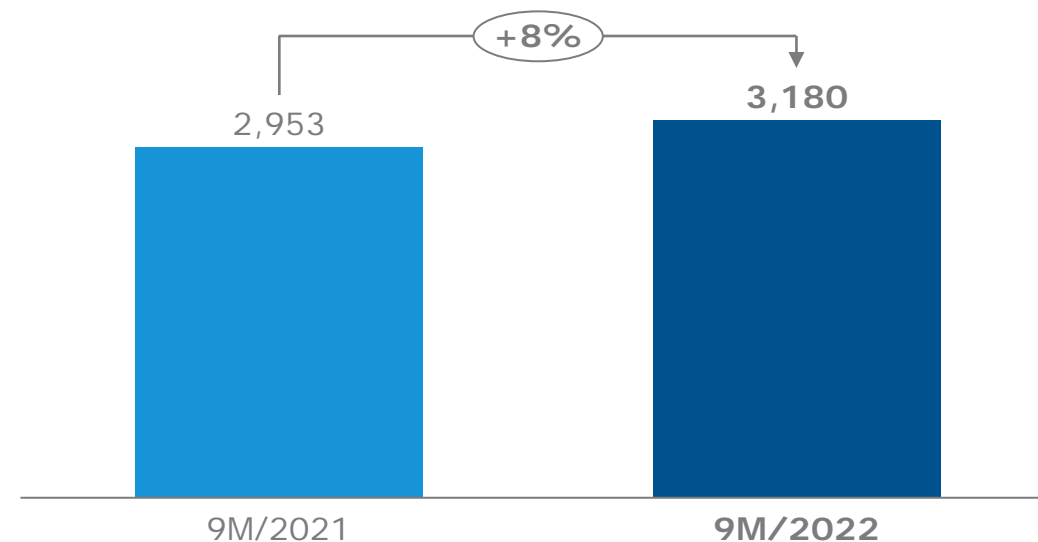
# > Combined order book at a high level of EUR 9.7bn at the end of 9M/2022

## Order book turbines (EUR m)



- > Turbine order book of EUR 6.5bn at the end of 9M/2022 shows ongoing strong order intake momentum
- > Geographical footprint in 9M/2022: Europe (65%), Latin America (27%), Rest of World (5%) and North America (3%)

## Order book service (EUR m)



- > 10,426 wind turbines under service contract corresponding to 29.8 GW at the end of 9M/2022

# > Income statement 9M/2022

in EUR m (rounded figures)	9M/2022	9M/2021	abs. change
<b>Sales</b>	<b>3,873</b>	<b>3,956</b>	<b>-83</b>
Total revenues	3,893	3,585	308
Cost of materials	-3,453	-2,908	-545
<b>Gross profit</b>	<b>439</b>	<b>677</b>	<b>-237</b>
Personnel costs	-425	-348	-77
Other operating (expenses)/income	-214	-228	14
<b>EBITDA</b>	<b>-200</b>	<b>101</b>	<b>-301</b>
Depreciation/amortization	-131	-110	-21
<b>EBIT</b>	<b>-330</b>	<b>-10</b>	<b>-320</b>
<b>Net profit</b>	<b>-372</b>	<b>-104</b>	<b>-268</b>
<b>Gross margin*</b>	<b>11.3%</b>	<b>17.1%</b>	
<b>EBITDA margin</b>	<b>-5.2%</b>	<b>2.5%</b>	
<b>EBIT margin w/o PPA</b>	<b>-8.4%</b>	<b>-0.1%</b>	

## Comments

- > As anticipated, sales improving to EUR 1,747m in Q3/2022 compared to EUR 1,193m in previous quarter on account of higher project activities and installations
- > EBITDA margin continues to be impacted by inflationary pressures and supply chain delays
- > PPA depreciation amounted to EUR 3.6m in 9M/2022 (EUR 7.5m in previous year period)

## > Balance sheet 9M/2022

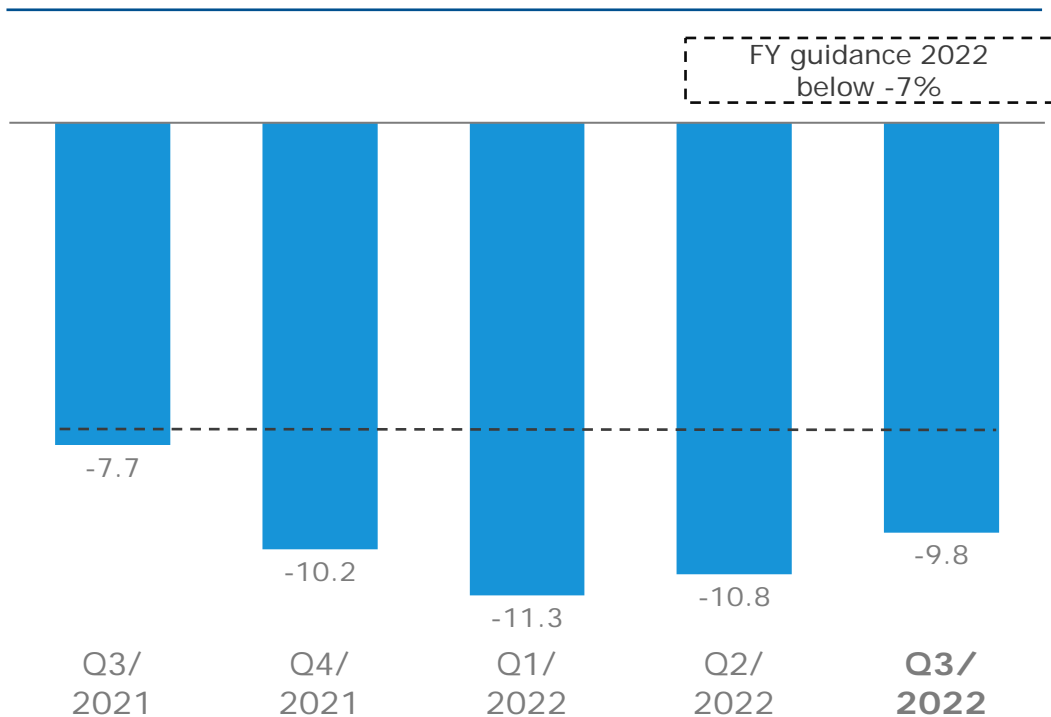
in EUR m	30.09.22	31.12.21	abs. change	Δ in %
Non-current assets	1,615	1,608	7	1.4
Current assets	3,018	2,500	518	20.4
<b>Total assets</b>	<b>4,632</b>	<b>4,108</b>	<b>525</b>	<b>12.8</b>
Equity	971	1,062	-91	-8.6
Non-current liabilities	360	716	-356	-49.7
Current liabilities	3,302	2,330	972	41.7
<b>Equity and total liabilities</b>	<b>4,632</b>	<b>4,108</b>	<b>525</b>	<b>12.8</b>
<i>Net debt/(net cash) *</i>	<b>(292)</b>	<b>(424)</b>		
<i>Working capital ratio **</i>	<b>-9.8%</b>	<b>-10.2%</b>		
<i>Equity ratio</i>	<b>21.0%</b>	<b>25.9%</b>		

### Comments

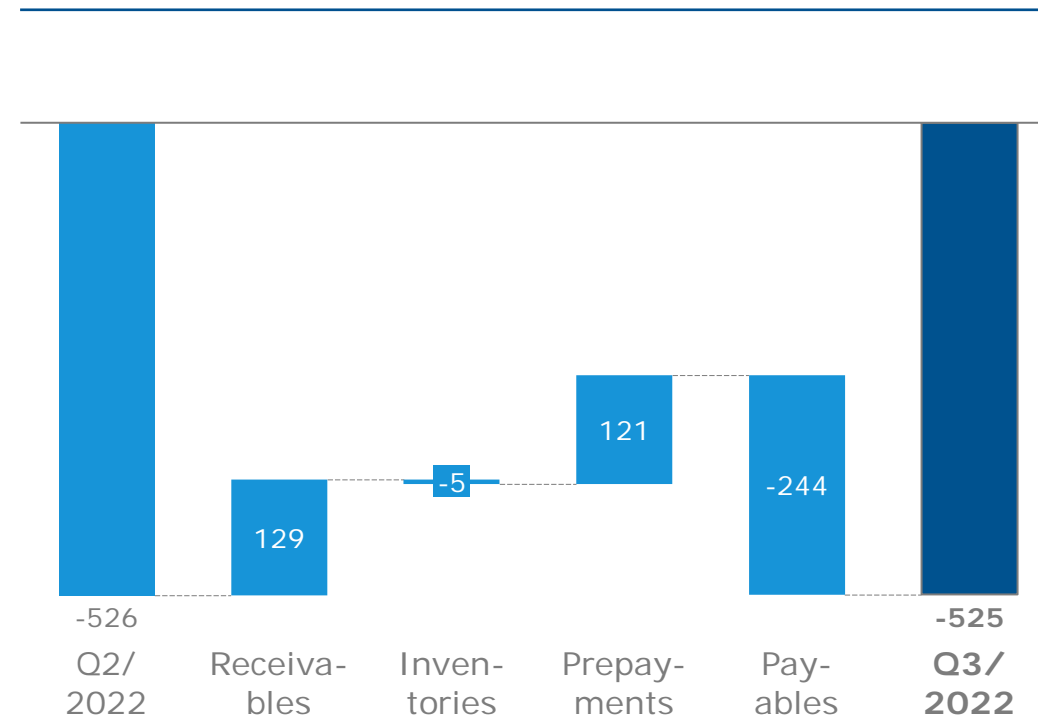
- > Healthy liquidity level of EUR 762m at the end of Q3/2022 including cash facility under MGF
- > Increase in current liabilities mainly driven by reclassification of the corporate bond in Q2/2022

# > Working capital development 9M/2022

Working capital ratio (in % of sales)\*



Working capital development (in EUR m)\*



> Working capital ratio remains consistently under the guidance level for FY 2022

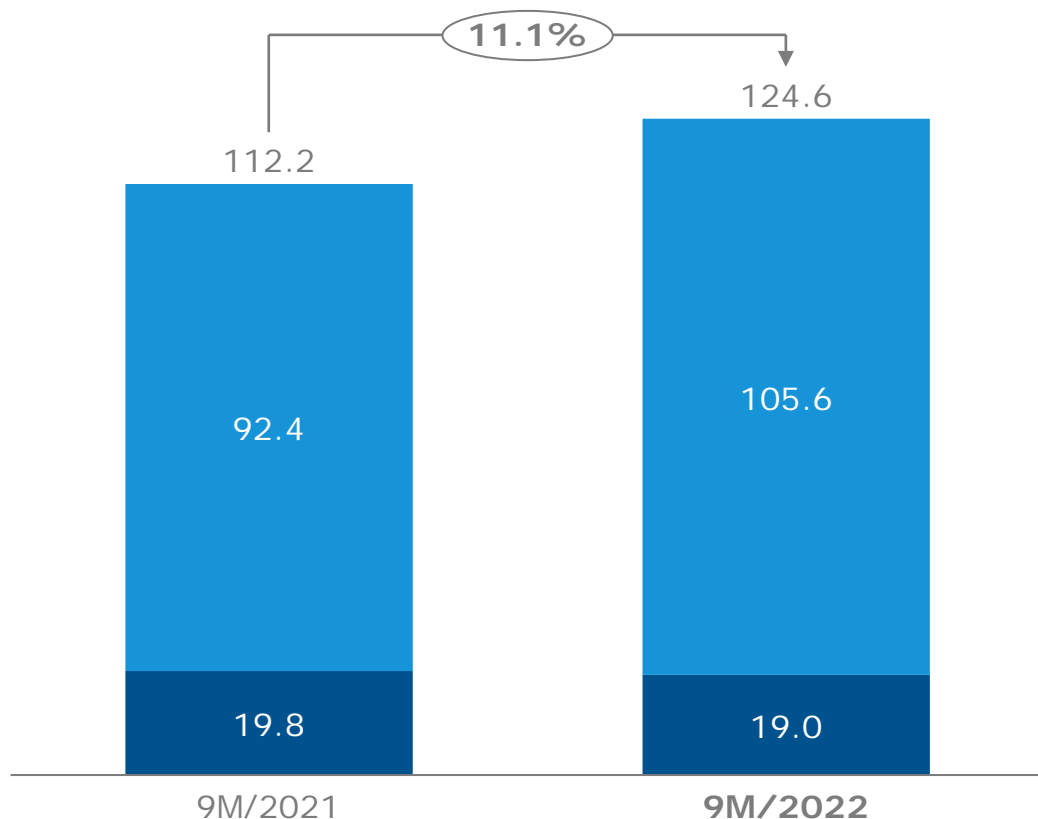
## > Cash flow statement 9M/2022

in EUR m	9M/2022	9M/2021	Comments
Cash flow from operating activities before net working capital	<b>-326.3</b>	2.3	> Cash flow from operating activities mainly determined by lower margin development in 9M/2022
Cash flow from changes in working capital	<b>-31.1</b>	125.2	
Cash flow from operating activities	<b>-357.5</b>	127.5	> Cash flow from investing activities in line with expected investment activities
Cash flow from investing activities	<b>-100.5</b>	-104.3	> Cash flow from financing activities includes cash inflows from capital increase
Free cash flow	<b>-458.0</b>	23.2	
Cash flow from financing activities	<b>341.5</b>	73.0	
Change in cash and cash equivalents*	<b>-116.4</b>	96.2	

## > Total investments 9M/2022

### CAPEX (in EUR m)

■ Property, plant, equipment ■ Intangible assets

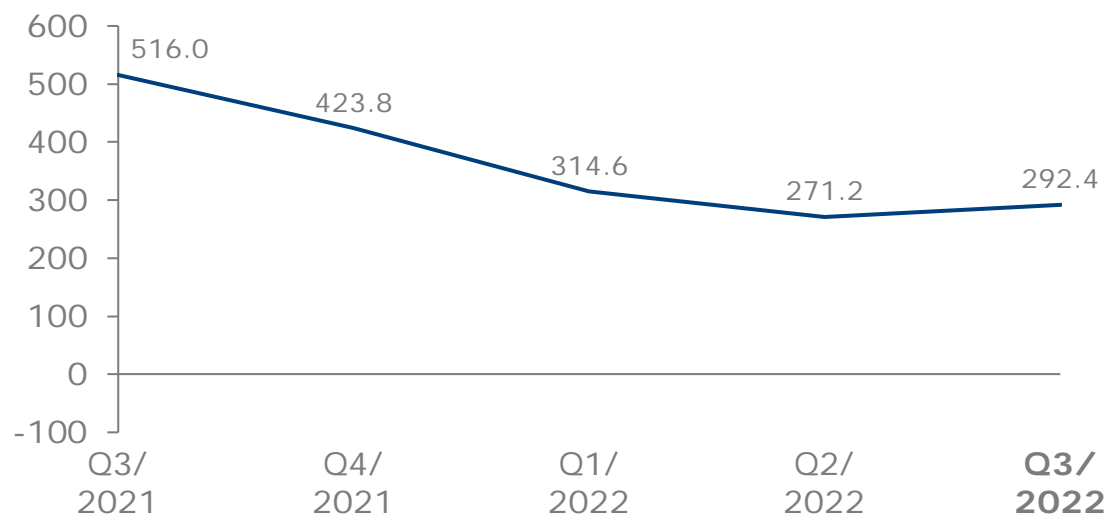


### Comments

- > Investments in 9M/2022 mainly comprises:
  - Investments in blade production facilities and moulds in India and Spain
  - Investments in installation and transport tooling and equipment for projects
- > Intangible assets at comparable level compared with previous year period

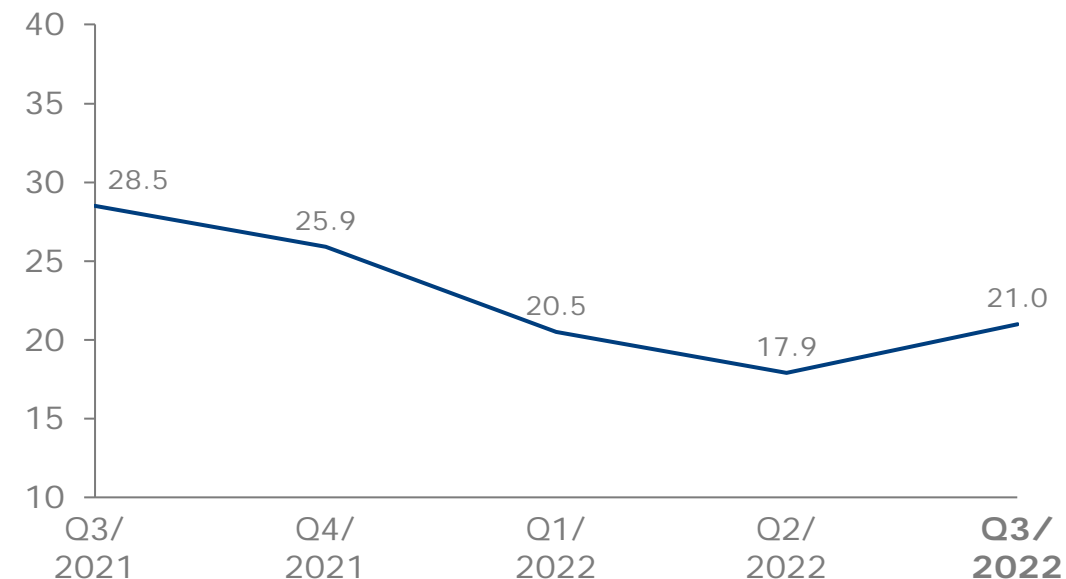
## > Capital structure 9M/2022

### (Net debt) / Net cash<sup>1)</sup>



- > Healthy net cash levels after the rights issue
- > Includes high yield bond of EUR 275m, which will be repaid by a deeply subordinated shareholder loan early next year

### Equity ratio (in %)

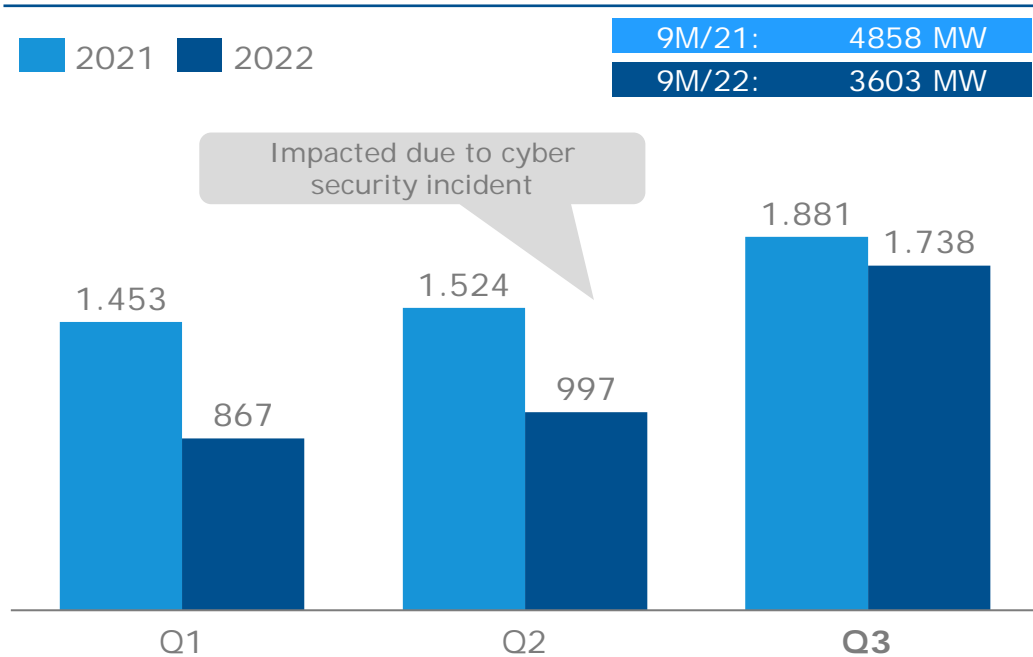


- > Equity ratio improved in Q3 as expected on account of the proceeds from the rights issue



# > Operational performance in 9M/2022

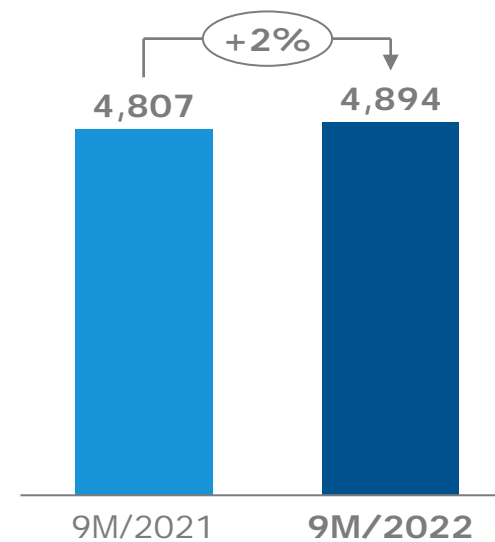
## Installations (MW)



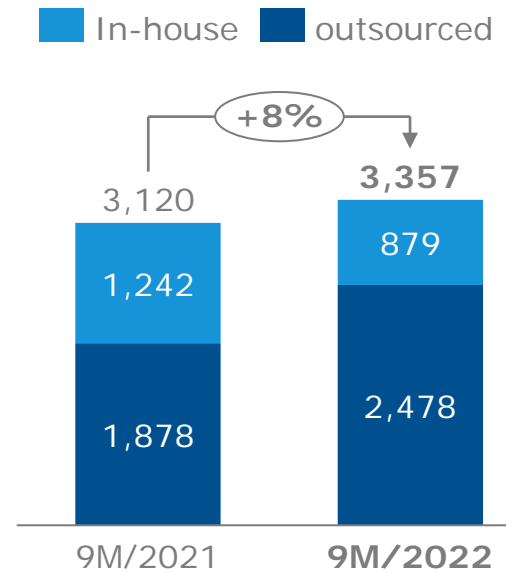
- > Total installations of 791 WTGs in 17 countries in 9M/2022 (9M/2021: 1,216 WTGs)
- > Geographical split (MW) in 9M/2022: 74% Europe, 14% Latin America and 12% North America
- > Increasing risks from year-end installation delays, which were initially caused after the cyber security incident

## Production

### Turbine assembly (MW)



### Total blade production (#)



- > Output turbines amounts to 1,003 units in 9M/2022: 525 GER, 238 IND, 123 BRA, 115 ESP and 2 CHN
- > In-house blade production of 879 units in 9M/2022: 567 IND, 216 GER, 87 ESP and 9 MEX
- > Outsourced blade production of 2,478 units in 9M/2022

# > Demand scenario improving while near term risks remain

## Improving long term prospects

### Germany

#### “Easter package”

- > renewable energy target of 80% in total electricity consumption by 2030
- > Increase of annual auction volume to 12.48 GW in 2023 and 10 GW p.a. for 2025-2028

#### “Summer package”

- > Amendments beyond renewable energy law
- > Aim is to ease permitting to ensure 2% land mass availability for wind onshore

### USA

#### Climate bill

- > 700bn USD economic package approved
- > investment tax credit (ITC) and production tax credit (PTC) restored for 10 years
- > Domestic content to boost ITC up to 50%



## While, near term challenges to be addressed



### Supply chain reliability

- > Effects of cost inflation still coming through in some components with a lag even as shipping rates and commodities start to cool off
- > Struggling smaller suppliers remain a key risk for supply reliability and price increases
- > Component delays, shipping delays leading to project delays and LD discussions in some projects




### Installations

- > Heavy installations catch up plan for Q4 – Increasing risk of spill over into 2023
- > Effects of cyber security incident in the first half not fully unwound

Improving quality of the order intake with the stronger demand backdrop to support mid term EBITDA target of 8%

## > Guidance updated for FY 2022

	2022 guidance <i>All inclusive</i>	Updated 2022 guidance <i>All inclusive*</i>
<b>Sales:</b>	EUR 5.2 – 5.7bn	EUR 5.2 – 5.7bn
<b>EBITDA margin:</b>	(4)% - 0%	Around (4)%
<b>Working capital ratio:</b>	below (7%)	below (7%)
<b>CAPEX:</b>	approx. EUR 180m	approx. EUR 180m



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

\* For clarity, Nordex guidance includes all exceptional and one-off effects including reconfiguration costs, any profits from project development operations, costs from cyber security incident and so on.

## > Who we are – key figures in recent years

Significant Growth in 2021 – Earnings impacted by the Coronavirus pandemic

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

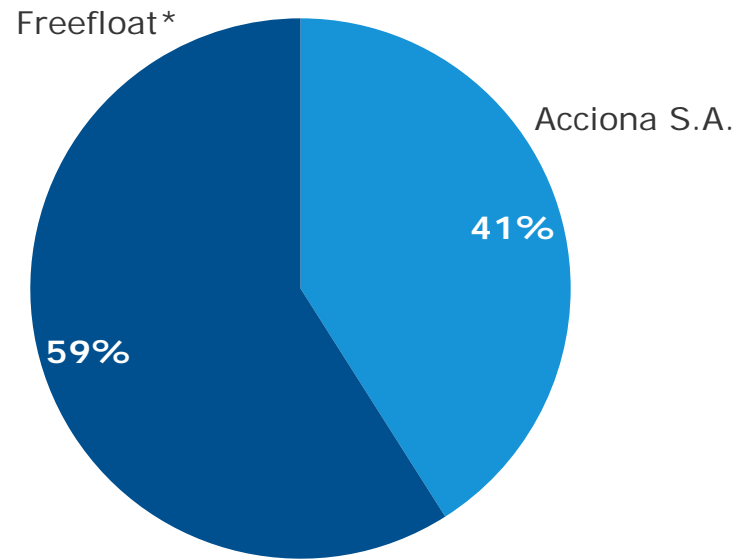
# > Agenda



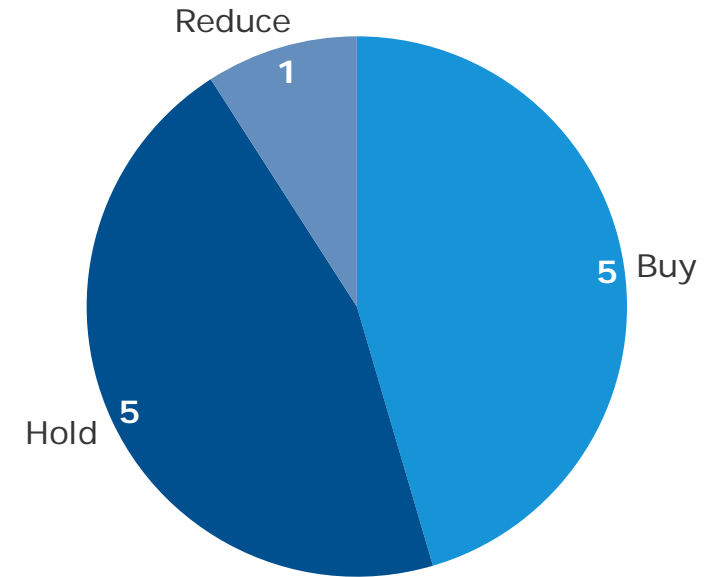
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# > Stable shareholder structure and strong market coverage

## Shareholder structure



## Analyst coverage



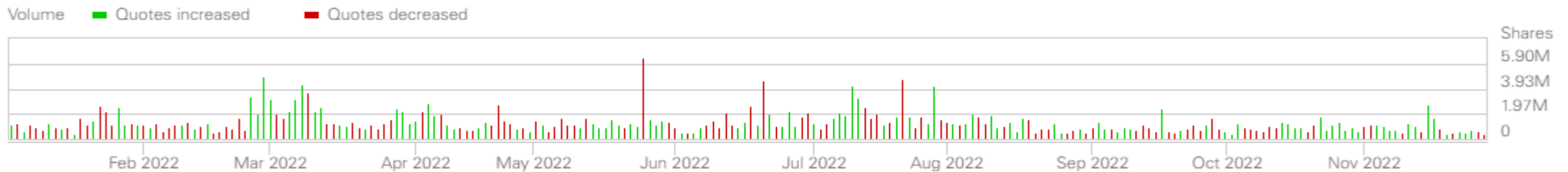
### Key figures:\*\*

- > Number of shares: 211,946,227
- > Share price: EUR 11.78
- > Market capitalization: EUR 2.5bn

### Consensus of 11 analysts FY 2022:\*\*\*

- > Ø Share price: EUR 12.40
- > Ø 2022 Revenues (e): EUR 5.4bn
- > Ø 2022 EBITDA margin (e): -3.9%

# > Nordex share price development (January 2022 – November 2022)



> Nordex included in the indices TecDAX and SDAX of Deutsche Boerse Group.

# > Agenda



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# > Sustainability strategy 2022 - 2025

## Together for change – Wind for a sustainable future



### Main targets:

- 
  - > Provide fully recyclable blades by 2032
  - > Decrease carbon footprint of all turbines by 25%, by 2025
- 
  - > Define Science-based targets in line with the 1.5°C target ambition, in 2022
  - > Achieve climate neutrality by 2023 (Scope 1+2) and continuously improve climate impact
- 
  - > Reduce accidents to a lost time injury frequency of <1.5, by 2025
  - > Achieve a minimum of 25% female representation in management positions, by 2025
- 
  - > Promote responsible and ethical business conduct internally and with our business partners
  - > Engage with and positively impact the supply chain

## > EU Taxonomy and ESG-Rating Scores






### EU Taxonomy Eligibility

Nordex contributes to objectives climate change mitigation and climate change adaptation with two main EU Taxonomy activities:

- > 3.1 Manufacture of renewable energy technologies
- > 7.6 Installation, maintenance and repair of renewable energy technologies

FY 2021	Total (in EUR m)	Proportion of Taxonomy-eligible economic activities (in %)
Turnover	5,444	99.99
CapEx	221	94.86
OpEx	75	92.40

### ESG-Rating Scores

	Scale	Nordex Group
	A+ (best) to D-	<b>B Prime<sup>1)</sup></b>
	A (best) to D	<b>B-</b>
	AAA (best) to CCC	<b>A</b>
	Risk Rating 0 (best) to 100	<b>24.8/100 – Medium</b>
	1-100 (best)	<b>66/100 Gold</b>

 **Financial calendar 2023\***

2023	Event
28 March	Publication of Annual Report 2022 Analyst / Press conference
11 May	Interim Statement Q1/2023
6 June	Annual General Meeting
14 August	Interim Report H1/2023
14 November	Interim Statement Q3/2023

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