

> Nordex SE Conference Call H1 2016

Pamplona, 28 July 2016



- 1** **Highlights H1 2016**
- 2** Financials H1 2016
- 3** Operational developments
- 4** Market developments
- 5** Order intake
- 6** Outlook and guidance 2016
- 7** Appendix

Highlights

- › Successful **completion of acquisition** of AWP
- › Strong **sales growth** in H1
- › **Profitability improved**
- › **Strong balance sheet:** financing secured until 2020
- › **World's tallest wind turbine** installed
- › **Guidance:**
 - › increase in EBITDA margin
 - › sales target adjusted
 - › order intake target confirmed

Merger transition ahead of plan

- › **New organization** and governance structure **fully operational**
- › **On track** to reach **synergy targets**
- › **COE** programme running, 2018 **target confirmed (-18%)**
- › **Merger costs** in 2016e: EUR 20 mn

- 1 Highlights H1 2016
- 2 Financials H1 2016**
- 3 Operational developments
- 4 Market developments
- 5 Order intake
- 6 Outlook and guidance 2016
- 7 Appendix

Consolidated income statement: Strong topline growth and improved profitability

in EUR mn (AWP consolidated from 1.4.2016)	1.1.-30.6.2016	1.1.-30.6.2015	Δ in %
Sales	1,483.9	1,100.3	34.8
Total revenues	1,503.0	1,083.7	38.7
Cost of materials	-1,129.9	-847.8	33.3
Gross profit	373.1	235.9	58.2
Personal costs	-126.6	-93.3	35.7
Other operating (expenses)/income	-110.0	-54.6	101.5
EBITDA	136.5	88.0	55.1
Depreciation	-44.6	-26.3	69.6
EBIT	91.9	61.7	49.4
Net financial result	-16.1	-10.2	57.8
EBT	75.8	51.5	47.2
Tax	-24.9	-14.3	74.1
Net profit	51.0	36.9	38.2

- **Sales** of almost EUR 1.5 bn in H1 covering 43.5% of target level in FY 2016. AWP Q2 accounted for around EUR 180 mn or 12%. Execution of AWP projects will be back-end loaded this year
- **EBITDA margin** of 9.2% (H1/2015: 7.9%) reflects the improvement in quality management and productivity
- Strong increase in **other operating expenses** reflects revenue-related costs as well merger costs. Depreciation includes EUR 10 mn PPA costs

Preliminary Purchase Price Allocation (PPA) on AWP transaction impact of EUR 10 mn in H1

1 Identified Assets of EUR 292 mn + identified contingent liabilities/ deferred taxes of EUR 135 mn result in Goodwill of EUR 505 mn

2 2/3 of the total amortization effect of EUR 292 mn on EBIT will materialize within the next 3 years

3 Gross P&L effect in 2016 on EBIT of EUR ~35 - 44 mn depending on project execution, effect in H1 EUR 10 mn (for Q2)

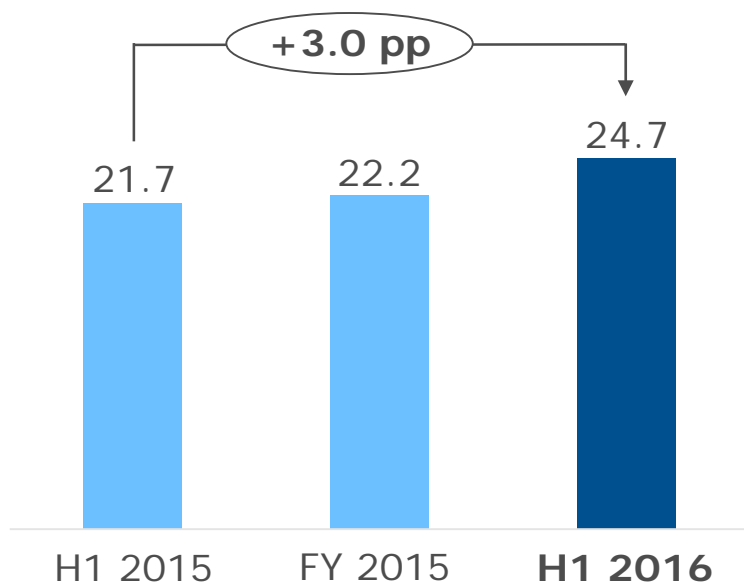
4 Impact on net profit (overall P&L effect) is partly compensated by relief from taxes (deferred tax effect)

5 Cash flow impact neutral

Significant increase of gross margin, productivity almost stable

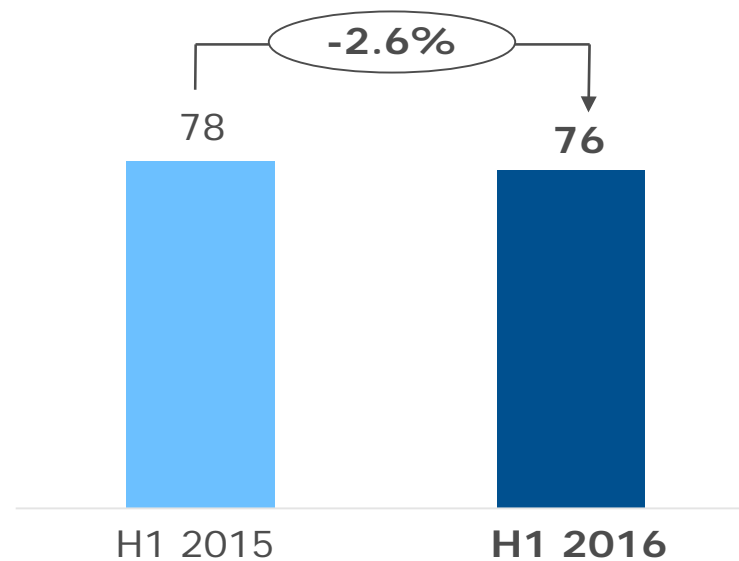
Development of gross margin (%)

- Gross margin increased due to higher productivity and order execution according to plan



Gross profit per employee (EUR k)

- Average gross profit per employee down 2.6% EUR 76 k in H1 2016
- Headcount as of 30 June 2016 of 4,923 (H1 2015: 3,060)

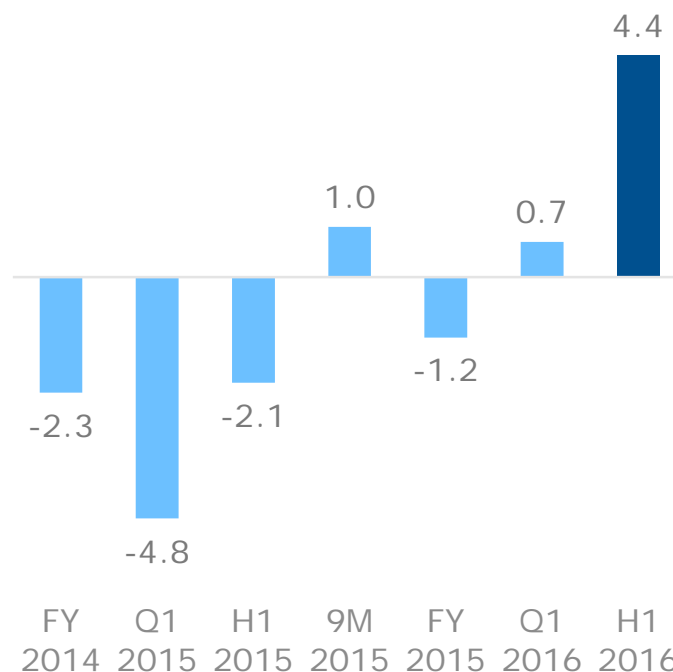


Negative FCF due to acquisition of AWP and increased working capital

Key figures cash flow statement (in EUR mn)

in EUR mn	1.1.- 30.6.2016	1.1.- 30.6.2015
Net profit plus dep./amortisation	95.6	63.2
Cash flow from changes in WC	-145.5	2.4
Cash flow from other operating activities	-53.9	7.7
Cash flow from operating activities	-103.7	73.4
Cash flow from investing activities	-366.6	-31.4
Free cash flow	-470.3	42.0
Cash flow from financing activities	375.6	-35.0

Working capital ratio (in % of sales)



- **Working capital** increased due to payment delays from Brazilian projects, production of H2 installations and preparation for US projects ("safe harbor")
- **Cash flow from other operating activities** reflects high sales tax refund receivables
- **Cash flow from financing activities** includes promissory note (EUR 550 mn), netted out against repayment of the bond (EUR 150 mn)

Balance sheet remains strong

in EUR mn	30.6.2016	31.12.2015		30.6.2016	31.12.2015
Liquid funds	460.3	529.0	Trade payables	495.7	254.9
Trade receivables and future receivables	511.7	275.5	Current bank borrowings	13.2	6.6
Net inventories	391.7	218.6	Other financial liabilities	81.2	184.2
Other current assets	221.0	115.9	Other current liabilities	522.6	431.9
Current assets	1,584.7	1,139.0	Current liabilities	1,112.7	877.6
Property, plant, equipment	263.1	145.6	Financial debt	634.9	43.8
Goodwill	515.7	10.0	Deferred tax liabilities	140.6	55.4
Capitalized R&D exp.	223.4	110.9	Other non-current liabilities	56.7	27.8
Deferred tax assets	71.8	35.1			
Other non-current assets	179.4	19.5			
Non-current assets	1,253.4	321.1	Non-current liabilities	832.2	126.9
			Shareholders' equity	893.2	455.6
Total assets	2,838.1	1,460.1	Total liabilities	2,838.1	1,460.1

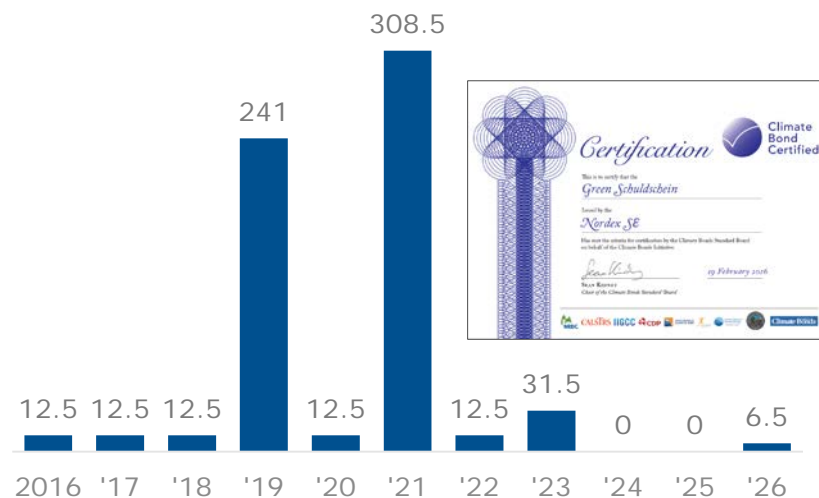
- **Balance sheet** reflects consolidation of AWP from 1.4.2016
- **Net debt** EUR 187.8 mn (31.12.2015: net liquidity EUR 322.0 mn)
- **Equity ratio** post-acquisition almost unchanged at 31.5% (31.12.2015: 31.2%)

Financing secured for upcoming years

Long-term financing of company and projects long-term secured

- First **"Green Schuldschein"** (SSD) worth **EUR 550 mn** issued by Nordex end of March with settlement in April
- SSD tranches of 3, 5, 7 and 10 years with fixed and variable **coupons between 1.5% and 3.0%** (on issue date)
- **EUR 150 mn bond repaid** mid of April
- Effective 1 April, major AWP Banks have joined the syndicated guarantee facility with EUR 65 mn commitment each using the increase option
- **New facility amount: EUR 1.2 bn;** 5-years term until December 2020
- Capital increase with issuance of 16.1 mn New Shares completely subscribed by Acciona S.A.; new **number of shares at 96,982,447**

Debt maturity profile as of July 2016 (in EUR mn)



- Debt profile currently consisting of **two elements**:
 - Original EUR 100 mn R&D loan (EIB) drawn down completely
 - Promissory note („Green Schuldschein“) of EUR 550 mn closed, tranches of 3-10 years, average maturity ~4.3 yrs.

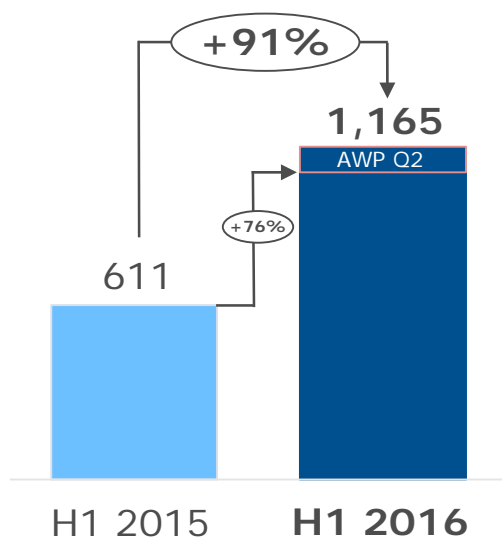
- 1 Highlights H1 2016
- 2 Financials H1 2016
- 3 Operational developments**
- 4 Market developments
- 5 Order intake
- 6 Outlook and guidance 2016
- 7 Appendix



Production and installations show and reflect substantial organic increase as well as impact from consolidation

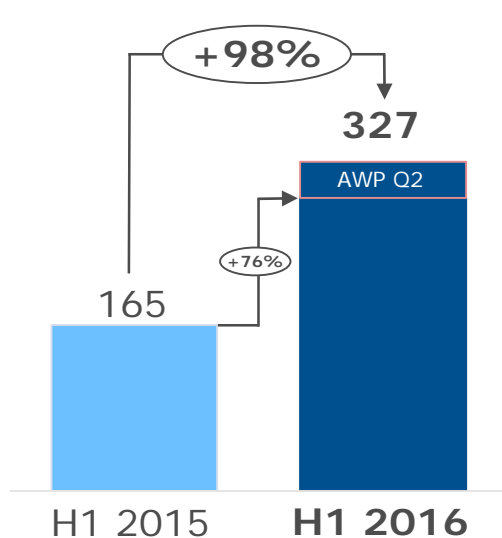
Installations (MW)

- Generation Gamma: 71%, Delta: 21%, AW3000: 8%
- 11 countries, main markets: GER (342 MW), LatAM (183 MW), TUR (143 MW), PAK (123 MW)



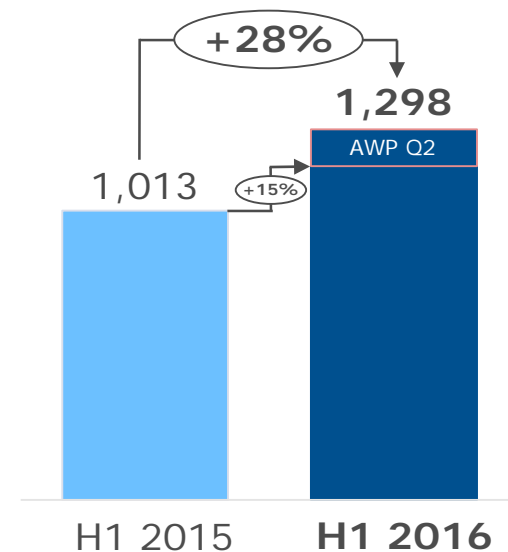
Blade production (#)

- Rostock blade facility benefited from more efficient production processes
- AWP: low blade output order related



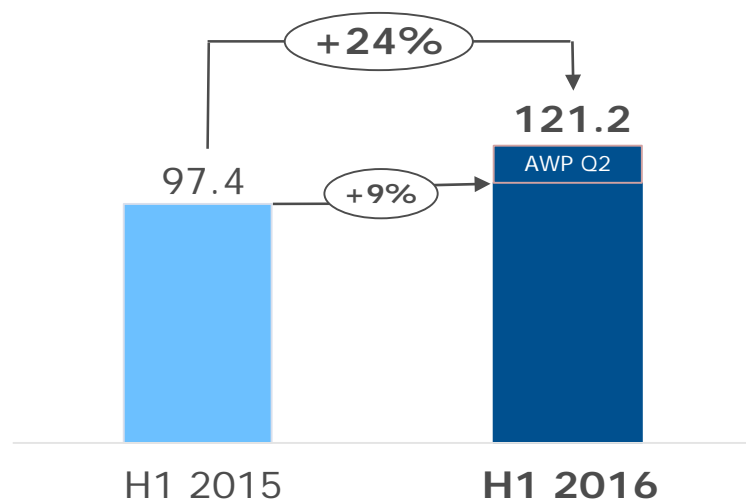
Turbine assembly (MW)

- Turbine production output up more than 28% in line with higher demand
- AW products contributed 10% to total output



Organic growth in service business at 9 %

Service sales (in EUR mn)



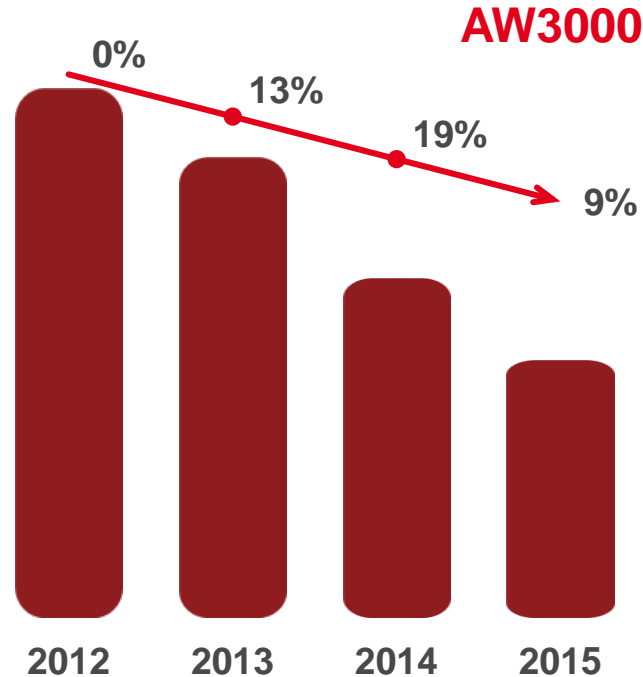
Service KPIs*

KPI	H1 2016	H1 2015
Renewal rate	76%	87%
Availability	97.2%	97.7%
Order backlog	EUR 1.1 bn as of June 2016	

*Nordex wind farms only

- › **Service sales** rose by 24 % to EUR 121.2 mn in H1 2016. AWP Q2 service revenues accounted for EUR 15.2 mn of this increase
- › **Renewal Rate** of expired service contracts declined to 76% (H1 2015: 87%) as Nordex chose to not extend low-margin contracts in the US and Italy

COE program was developed in Acciona Windpower over the last 4 years delivering COE reductions year by year



- > New designs implemented
- > New rotors developed
- > New products launched
- > Site-specific designs

2.058 COST DOWN IDEAS
51 VALUE UP IDEAS

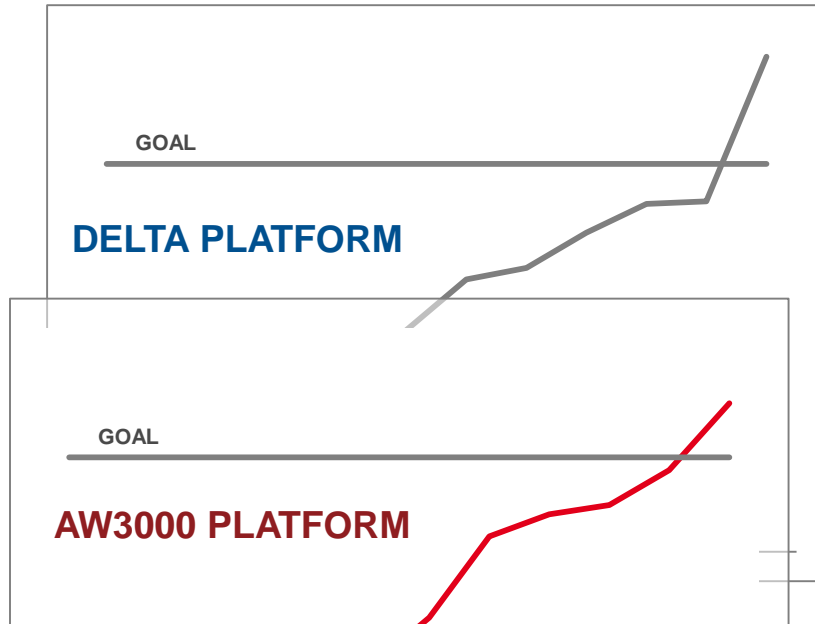
- > One team per COE lever
- > Allocated Engineering resources
- > Critical mass (110 participants)
- > Regional groups (32 participants)

14 MULTIFUNCTIONAL TEAMS
BI-WEEKLY DRUMBEAT MEETINGS
MONTHLY MANAGEMENT REVIEWS

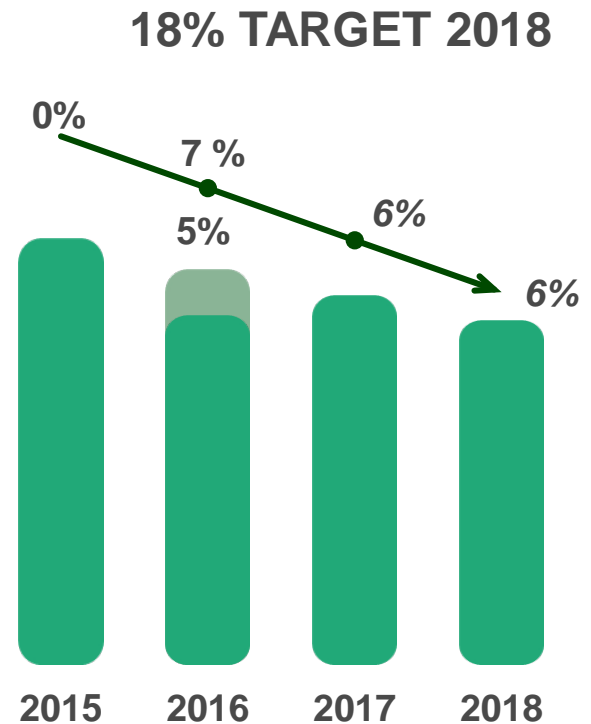
PROCESS REALIGNMENT
IMPROVEMENT METHODOLOGY
MANAGEMENT COMMITMENT
CONSTANT FOCUS
STRONG LEADERSHIP



Both programs have been launched by platform to achieve a common goal in COE reduction



- > 28 multifunctional teams
- > Complete value chain considered
- > TOPE in house improvement process
- > One program per platform
- > Multiple landscapes monitored
- > Bi-weekly drumbeat meetings
- > Monthly management reviews



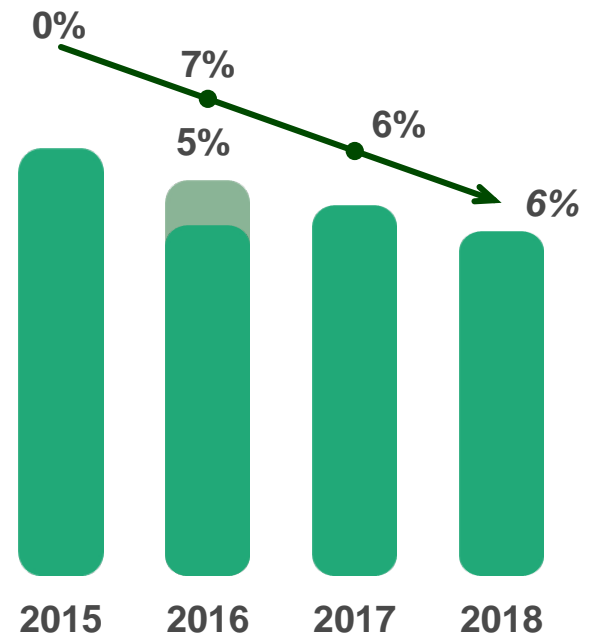
Based on COE know how developed by Acciona Windpower and the experience from Nordex we are ready to deliver in our combined company



- One COE programme running per platform
- Same principles and methodology
- More than 280 people directly participating
- 888 active ideas
- Full Management support and commitment



18% TARGET 2018



- 1 Highlights H1 2016
- 2 Financials H1 2016
- 3 Operational developments
- 4 Market developments**
- 5 Order intake
- 6 Outlook and guidance 2016
- 7 Appendix

Market update: medium and long-term growth in US and emerging markets; near-term competitive advantage in Germany



Germany

- **Reformed EEG** law passed in July
- **Auction System**, annual volume of **2,800 MW**
- **Reference yield model** supports low-wind business



Well positioned with competitive WTGs



USA

- **5-year PTC extension** (degression model)
- 4-year window to tap 2016 PTC
- Volumes expected to be roughly **10 GW p.a.** for the next 5 years



AWP product portfolio will enable growth



Brazil

- **Current challenges** caused by political uncertainty
- Mid-term **potential nonetheless interesting**
- Volumes expected to be in the range of **2 – 2.5 GW till 2020**



In good position to tap future volume



India

- **Ambitious government targets** (60 GW of installed wind capacity by 2022)
- MAKE consulting expects a total market volume **2016 – 2020 of 14.4 GW**



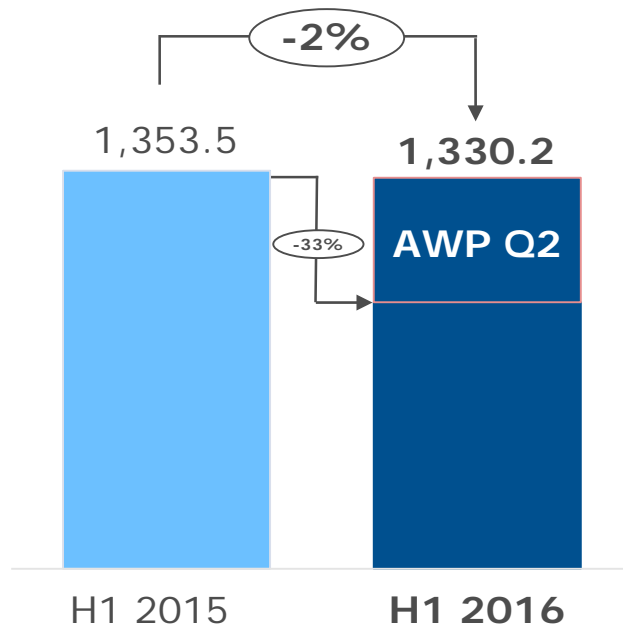
Indian manufacturing in progress – participation in Acciona Energia projects

- 1 Highlights H1 2016
- 2 Financials H1 2016
- 3 Operational developments
- 4 Market developments
- 5 Order intake**
- 6 Outlook and guidance 2016
- 7 Appendix

Acciona Windpower accounts for 1/3 of new orders

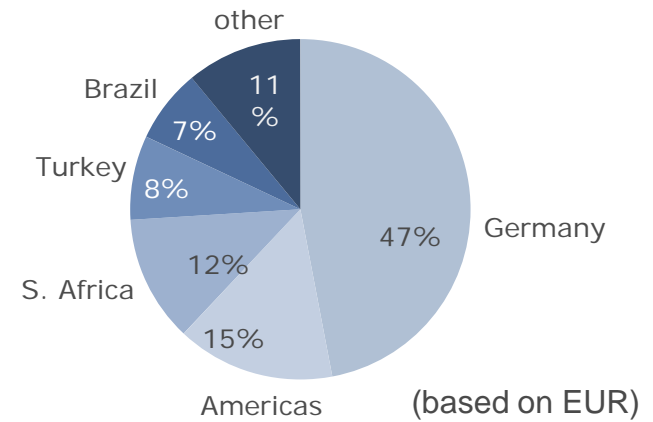
Turbine orders H1 2016 vs. H1 2015 (in EUR mn)

- Large orders from utilities with Nordex technology in H1 2015 not repeated in H1 2016
- Increase in conditional order intake by 57%** to EUR 938 mn compared to end December 2015



Order intake (turbines) by country

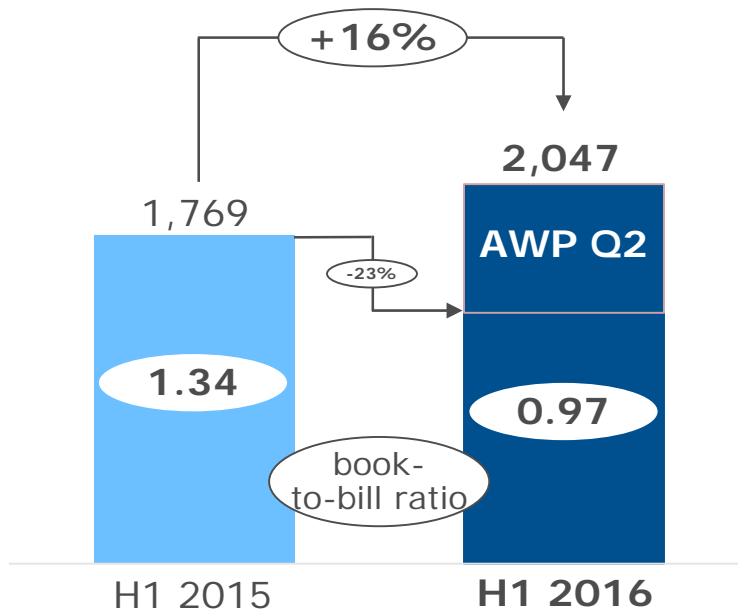
- Strong order intake from Germany supported by upcoming changes in regulation and product fit in IEC III class
- Generation Delta and Generation Gamma turbines account for 27% and 37% of order intake (based on MW) respectively
- AW3000 turbine accounts for 32% of order intake (based on MW)



Order backlog provides strong foundation for H2 sales

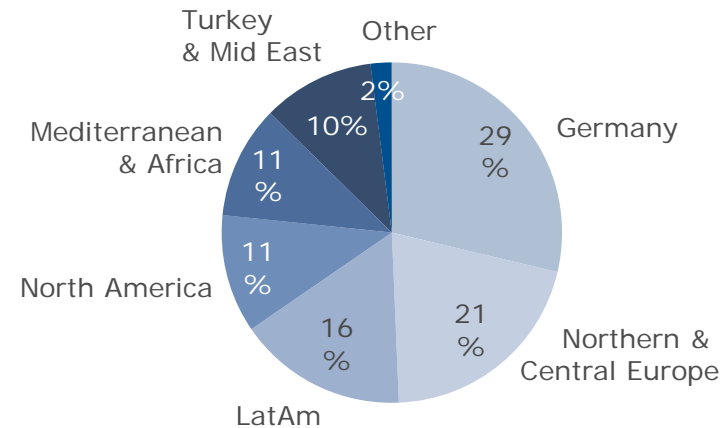
Order backlog turbine business (in EUR mn)

- Firm order backlog of EUR 2,0 bn (turbines, excluding service business)
- Book-to-bill ratio close to 1



Order backlog turbine business by regions

- Two thirds of order backlog in Europe, with a significant pipeline in Brazil
- Additional order pipeline through conditional orders of EUR 938 mn at end June 2016 (end Dec 2015: EUR 597 mn)



(based on EUR)

- 1 Highlights H1 2016
- 2 Financials H1 2016
- 3 Operational developments
- 4 Market developments
- 5 Order intake
- 6 Outlook and guidance 2016**
- 7 Appendix

Increasing EBITDA margin guidance

Outlook for 2016*

Order intake: EUR >3.4 bn

Sales: EUR 3.35-3.45 bn

EBITDA margin: 8.3-8.7%

W/C ratio: <5%

CAPEX: EUR 80-90 mn

Nordex 2018 targets:

- Sales EUR 4.2 - 4.5 bn
- EBITDA margin >10%

*based on consolidation of AWP for 9 months from April 2016 onwards

- 1 Highlights H1 2016
- 2 Financials H1 2016
- 3 Operational developments
- 4 Market developments
- 5 Order intake
- 6 Outlook and guidance 2016
- 7 **Appendix**

Financial Calendar 2016 (status: July 2016)

Date	Event
7-8 January	Investor Conference Lyon (Oddo)
19 January	Investor Conference Frankfurt (Kepler)
2 February	Investor Conference Frankfurt (HSBC)
16 February	Investor Conference Frankfurt (Oddo Seydler)
26 February	Preliminary Results 2015
21 March	Press Conference Annual Accounts 2015 and analyst call
10 May	Interim announcement Q1 2016
10 May	Annual General Meeting in Rostock (AGM)
12-13 May	Investor Conferences London (Goldman Sachs; HSBC)
23 May	Interim report Q1 2016 and analyst call
8-10 June	Investor Conference Berlin (Deutsche Bank)
15 June	Investor Conference London (BoAML)
30 June	Investor Conference Hamburg (Warburg)
28 July	Interim Results H1 2016 and analyst call
30 August	Investor Conference Frankfurt (Commerzbank)
19 September	Investor Conference Munich (Goldman Sachs & Berenberg)
28 September	Capital Markets Day (Hamburg; during EWEA)
8 November	Investor Conference Paris (SocGen)
10 November	Interim Results Q3 2016 and analyst call

Disclaimer

- This presentation was produced in July 2016 by Nordex SE solely for use as a source of general information regarding the economic circumstances and status of Nordex SE. It does not constitute an offer for the sale of securities or an invitation to buy or otherwise acquire securities in the Federal Republic of Germany or any other jurisdiction. In particular it is not intended to be an offer, an investment recommendation or a solicitation of an offer to anyone in the U.S., Canada, Japan and Australia or any other jurisdiction. This presentation is confidential. Any reproduction or distribution of this presentation, in whole or in part, without Nordex SE's prior written consent is expressly prohibited.
- This presentation contains certain forward-looking statements relating to the business, financial performance and results of Nordex SE and/or the industry in which Nordex SE operates, these statements are generally identified by using phrases such "aim", "anticipate", "believe", "estimate", "expect", "forecast", "guidance", "intend", "objective", "plan", "predict", "project", and "will be" and similar expressions. Although we believe the expectations reflected in such forward-looking statements are based upon reliable assumptions, they are prepared as up-to-date and are subject to revision in the future. We undertake no responsibility to update any forward-looking statement. There is no assurance that our expectations will be attained or that any deviations may not be material. No representation or warranty can be given that the estimates, opinions or assumptions made in, or referenced by, this presentation will prove to be accurate.

Together on the same course

Ralf Peters
(Head of Corporate Communications)

Rolf Becker
(Investor Relations)

Nordex SE
Langenhorner Chaussee 600
22419 Hamburg
Germany

Tel: +49-40-30030-1000
Fax: +49-40-30030-1333
Email: info@nordex-online.com
Web: www.nordex-online.com