Nordex Group

Nordex SE – Half-year financial figures 2021

12th August 2021

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Executive summary

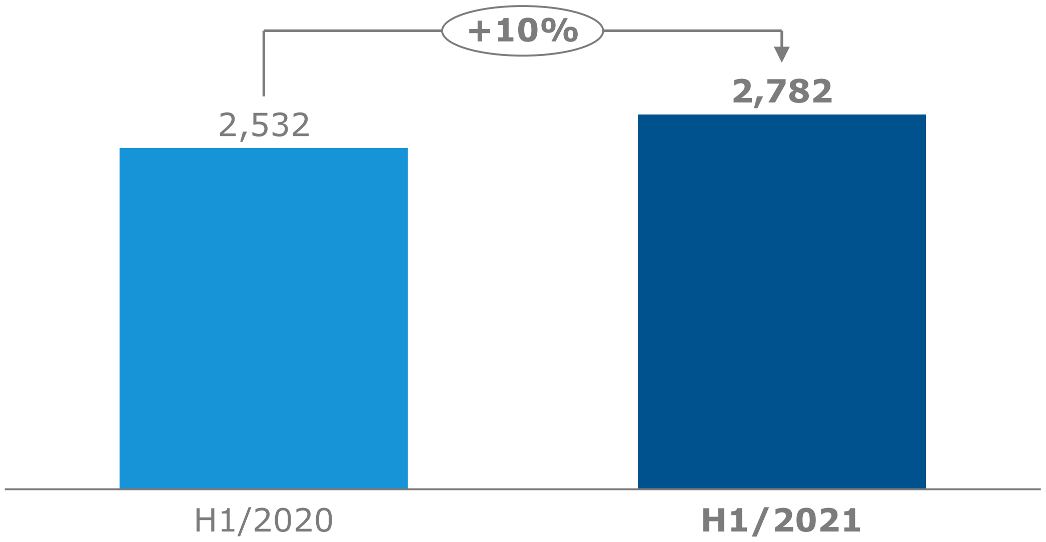
H1/2021 RESULTS

Sales	EBITDA margin	Working capital ratio
EUR 2,697m	2.5%	-6.5%

- Order intake in H1/2021 increased by 9.9% to 2.8GW, thereof 82% coming from the Delta4000 platform.
- Sales went up from EUR 2,048m to EUR 2,697m reflecting the growth trajectory.
- EBITDA margin at 2.5% on the back of 4% EBITDA margin in Q2/2021, in line with expectations.
- Overall cost situation is tighter compared to Q1/2021 and thus challenging.
- Capital raise successfully completed with proceeds of EUR 586m combined with an increase and extension of bond facility to strengthen the balance sheet further and improving interest payments considerably.
- Largest N163/5.X project to date in Q3 from Acciona in Australia: 162 turbines totaling 923 MW.
- Strategic collaboration with TPI Composites for a period of three years in the rotor blade production in Mexico to safeguard profitable growth in the future.
- Guidance for 2021 maintained.

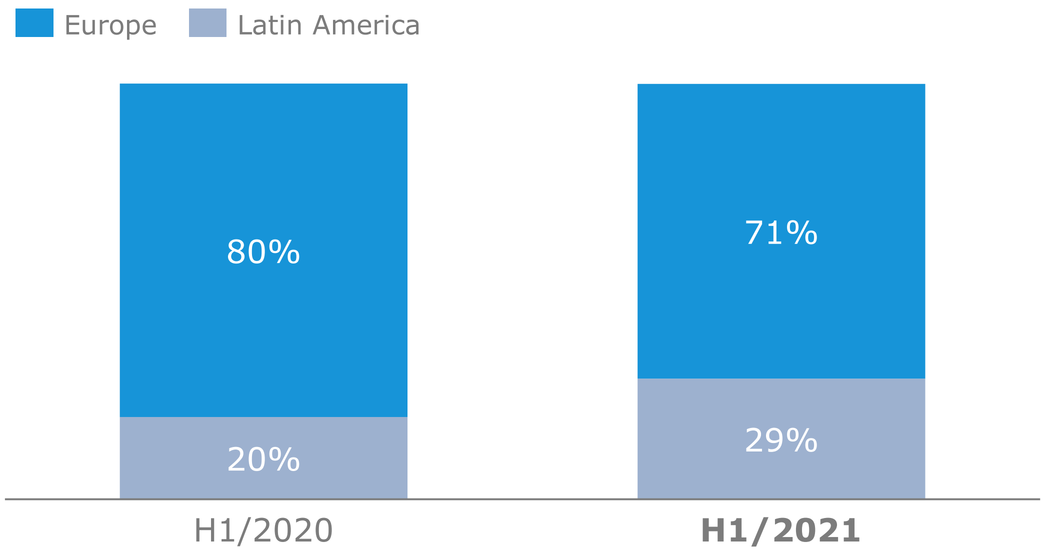
Order intake H1/2021

Order intake turbine* (in MW)



- Order intake in H1/2021: EUR 1,962m (EUR 1,806m in H1/2020)
- Stable ASP of EUR 0.71m/MW in the first half-year 2021 compared to the previous year period (EUR 0.71m/MW)

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



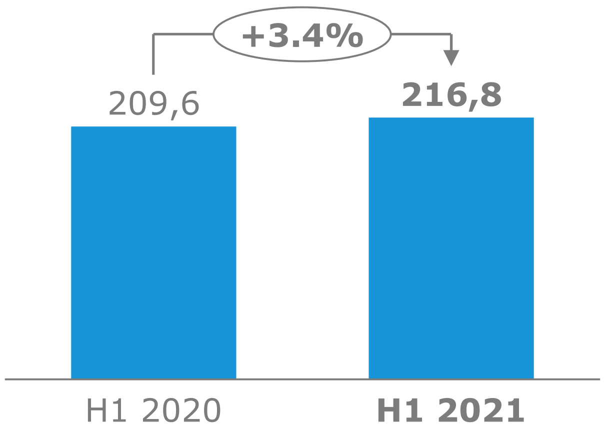
- Largest single markets in H1/2021: Brazil, Finland, Germany and Spain
- 82% of the order intake (in MW) in the first-half year 2021 is attributable to various turbine types of the Delta4000 generation

*Group segment „Projects".

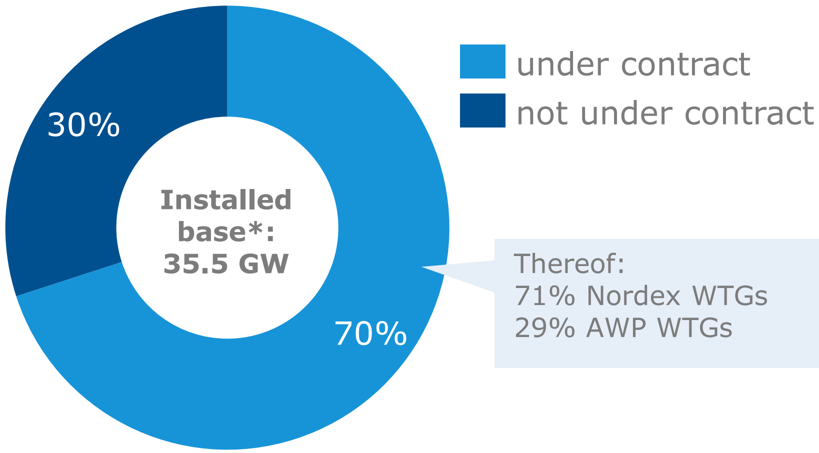
Service business H1/2021

Development of service revenues (EUR m) and EBIT margin

EBIT margin 16.7% 16.6%



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



Thereof:
71% Nordex WTGs
29% AWP WTGs

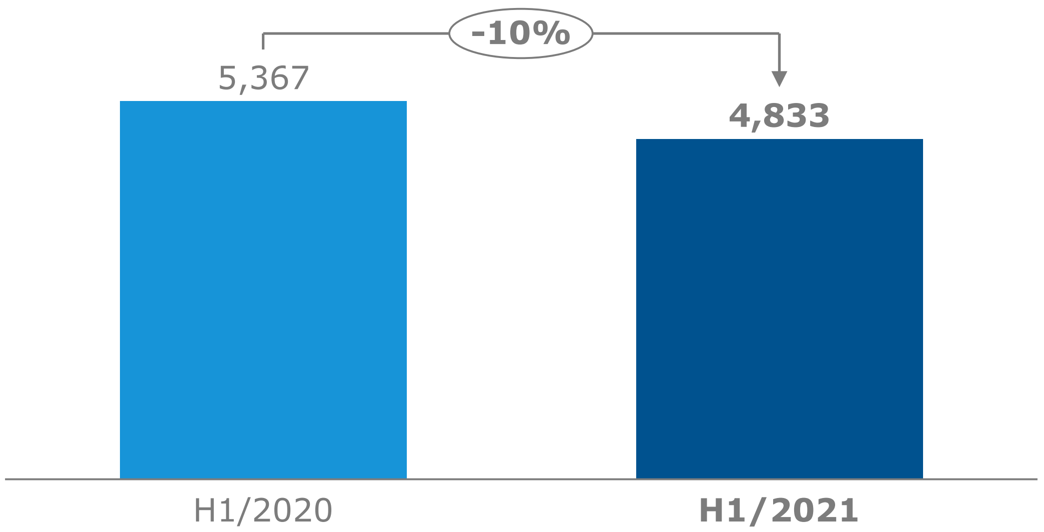
Comments

- Service sales share totaled around 8% of group sales in the first half-year 2021
- Service EBIT margin of 16.6% in the first six months 2021
- 97.2% average availability of WTGs under service in first half-year 2021
- Service order backlog stands at around EUR 2.9bn at the end of Q2/2021

*Commissioned.

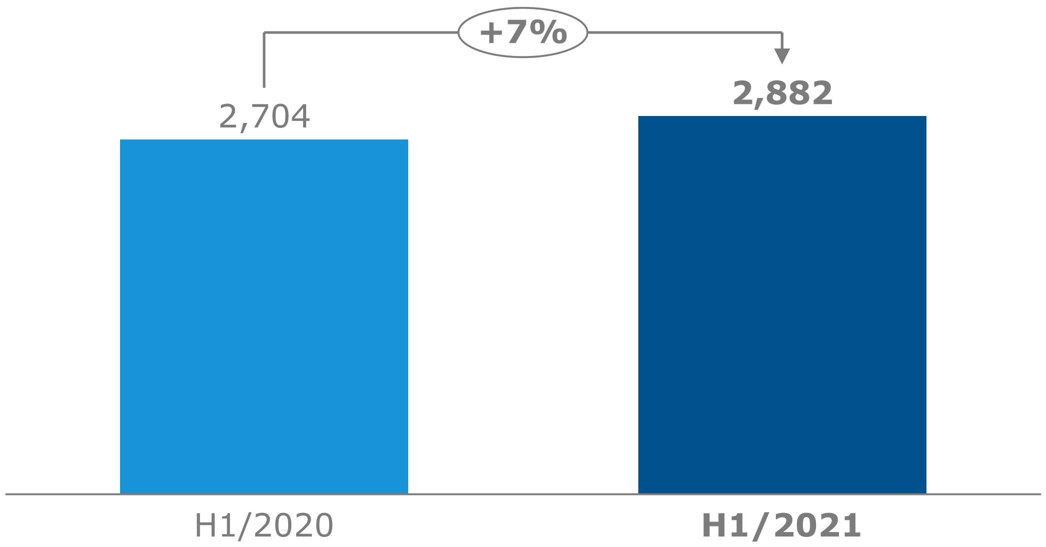
Combined order backlog of around EUR 7.7bn at the end of H1/2021

Order backlog turbines (EUR m)



- Order backlog of EUR 4.8bn at the end of Q2/2021 reflects ongoing high execution level
- Geographical footprint of the order backlog: Europe (68%), Latin America (22%), North America (7%), Rest of World (2%)

Order backlog service (EUR m)



- 9,096 wind turbines under service corresponding to 24.7 GW at the end of Q2/2021

Successful capital raise combined with increase and extension of guarantee facilities to re-set capital structure

€586m equity raise

Cash contribution: ~EUR 390m

Contribution in kind via conversion of SHL by Acciona: ~ EUR 197m

+

Increase and extension of bond line

Increased facility size:
EUR 1.41bn (EUR 171.25m increase, thereof EUR 100m committed cash ancillaries)

Maturity:
Apr-2024 (+1 via extension option)

Strengthened metrics

	Q2 2021 reported	Q2 2021 pro-forma*
Net debt	EUR 68m	EUR -508m
Leverage	0.3	-2.2
Equity ratio	16.6%	27.3%

Lowered interest costs

Reduced shareholder loan leads to lower interest expenses

Lowered bond costs due to improved credit metrics

Flexibility to repay or refinance high yield bond

- **Positioning business for accelerated profitable growth**
- **Balance sheet re-set in line with industry peers**
- **Fully positioned to benefit from industry tailwinds**

*Adjusted for the capital increase and repayment of remaining EIB loans.

Income statement H1/2021

in EUR m	H1/2021	H1/2020	abs. change
Sales	**2,697**	**2,048**	649
Total revenues	2,325	1,990	335
Cost of materials	-1,840	-1,702	-138
Gross profit	**485**	**288**	**197**
Personnel costs	-247	-203	-44
Other operating (expenses)/income	-169	-155	-14
EBITDA	**68**	**-71**	**139**
Depreciation/amortization	-74	-76	2
EBIT	**-6**	**-146**	**140**
Net profit	**-64**	**-180**	**116**
Gross margin*	***18.0%***	***14.0%***	
EBITDA margin	***2.5%***	***-3.5%***	
EBIT margin w/o PPA	***0.0%***	***-6.5%***	

Comments

- Strong sales of EUR 2,697m in the first six months 2021 in line with high execution
- EBITDA margin of 2.5% in line with expectations
- PPA depreciation totaled EUR 6.5m (EUR 13m in the previous-year period)

*Gross profit in relation to sales.

Income statement Q2/2021

in EUR m	Q2/2021	Q2/2020	abs. change
Sales	**1,445**	**1,083**	362
Total revenues	1,204	968	235
Cost of materials	-935	-837	98
Gross profit	**268**	**131**	**137**
Personnel costs	-129	-113	16
Other operating (expenses)/income	-81	-102	-21
EBITDA	**58**	**-84**	**142**
Depreciation/amortization	-35	-39	-4
EBIT	**23**	**-123**	**146**
Net profit	**-9**	**-142**	**133**
Gross margin*	***18.5%***	***12.1%***	
EBITDA margin	***4.0%***	***-7.8%***	
EBIT margin w/o PPA	***1.7%***	***-10.8%***	

Comments

- Strong sales of EUR 1,445m in the second quarter 2021 in line with high execution level
- EBITDA margin increased from 0.8% in Q1/2021 to 4.0% in Q2/2021 (H1/2021 of 2.5% in line with expectations)
- PPA depreciation totaled EUR 1.1m in Q2/2021 (EUR 5.8m in the previous-year quarter)

*Gross profit in relation to sales.

Balance sheet H1/2021

in EUR m	**30.06.21**	31.12.20	abs. change	Δ in %
Non-current assets	1,588	1,526	62	4.1
Current assets	2,500	2,884	-385	-13.3
Total assets	**4,088**	**4,410**	**-322**	**-7.3**
Equity	679	774	-94	-12.2
Non-current liabilities	902	653	249	38.1
Current liabilities	2,506	2,984	-477	-16.0
Equity and total liabilities	**4,088**	**4,410**	**-322**	**-7.3**
*Net debt**	***68***	**41**		
*Working capital ratio***	***-6.5%***	**-6.3%**		
Equity ratio	***16.6%***	**17.5%**		

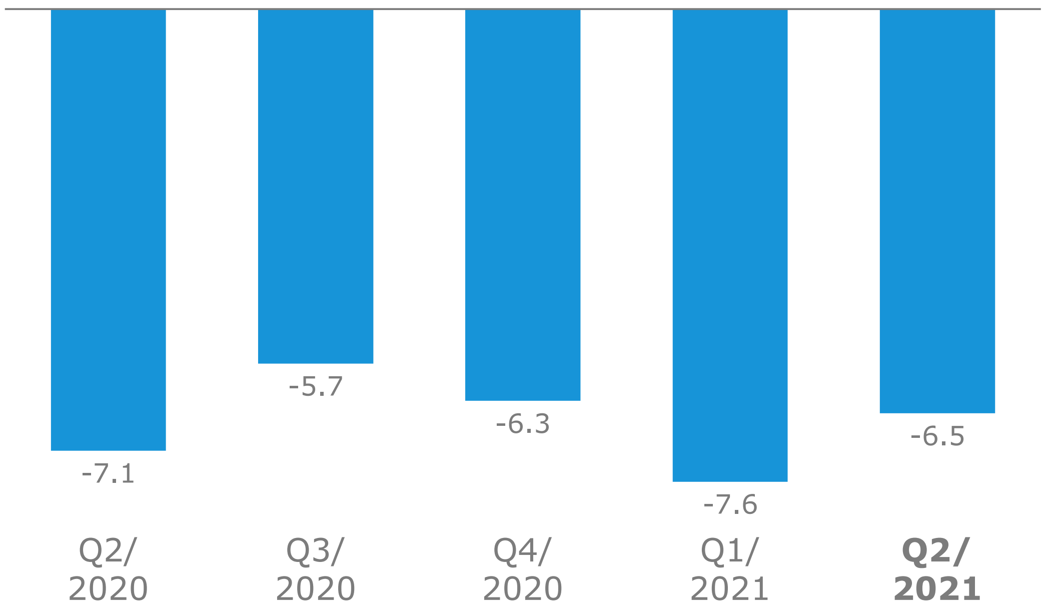
Comments

- Cash position of EUR 502m at the end of H1/2021 (EUR 334m H1/2020) not yet reflecting cash proceeds from capital increase
- Increase in non-current liabilities due to shareholder loan of EUR 215m, of which EUR 197m was swapped to equity in July 2021 as part of the capital increase
- Current liabilities decreased due to repayment under RCF and promissory note (SSD) of EUR 215m in April 2021

*Cash and cash equivalents less bank borrowings, bond and shareholder loan.
**Based on last twelve months sales.

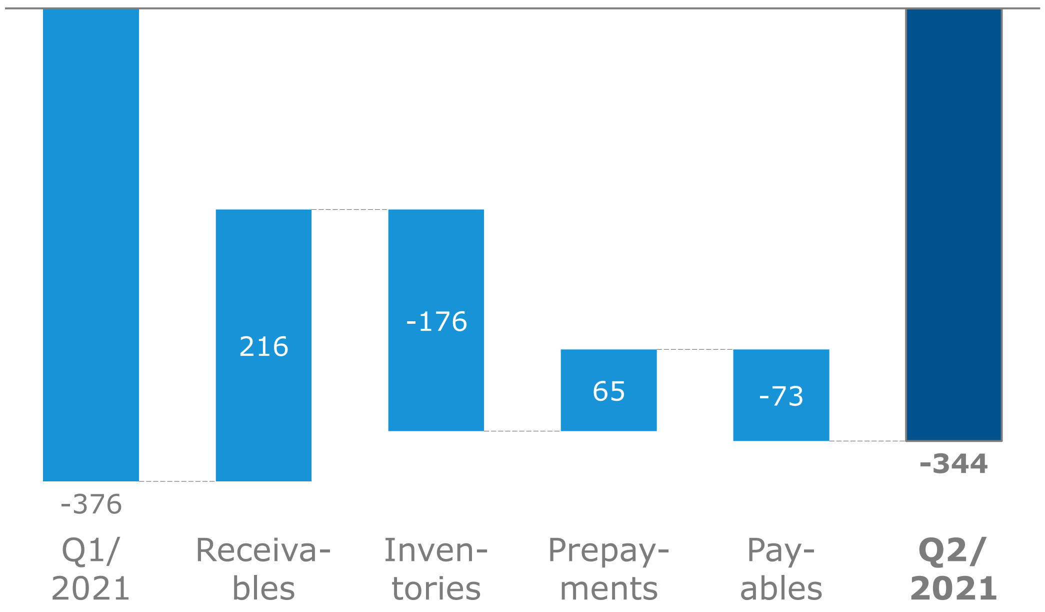
Working capital development H1/2021

Working capital ratio (in % of sales)*



- Despite ongoing disruptions, working capital developed as expected by the end of Q2/2021

Working capital development (in EUR m)*



- Decrease in inventories driven by ongoing high installations

*Based on last twelve months sales.

Cash flow statement H1/2021

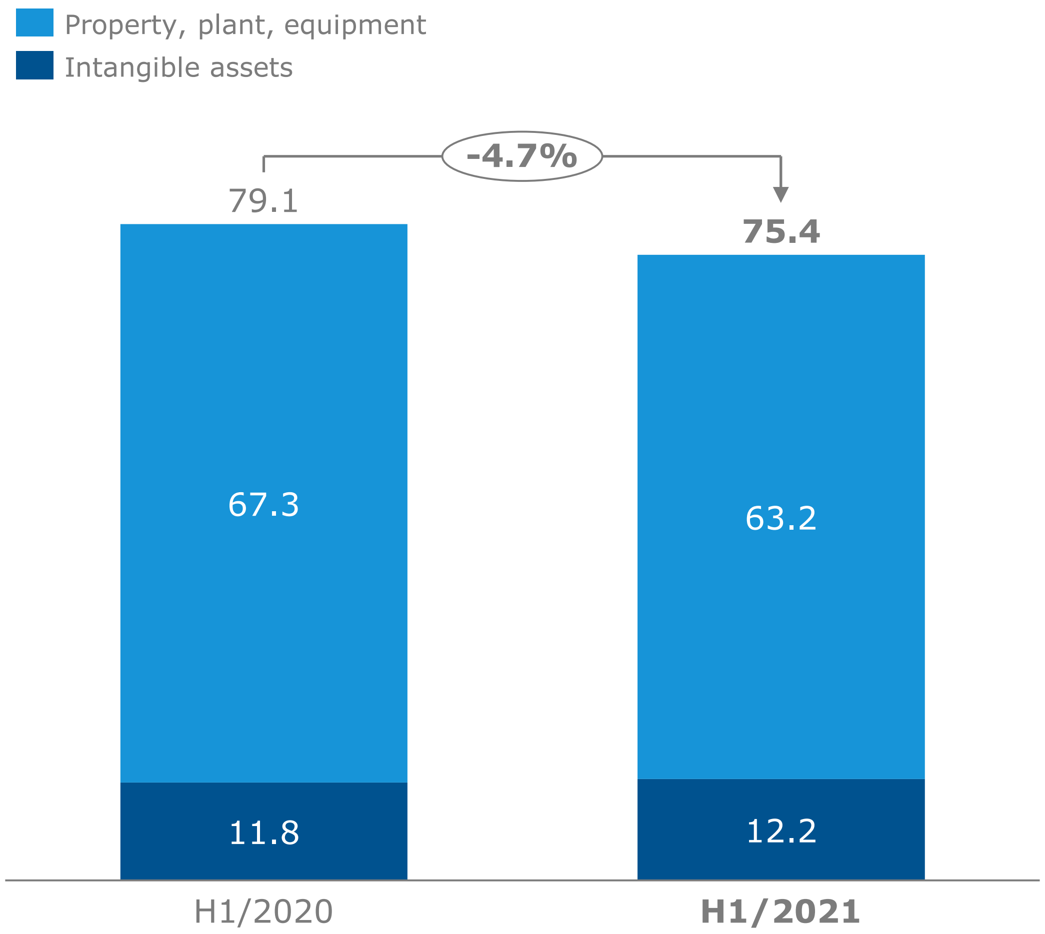
in EUR m	**H1/2021**	H1/2020
Cash flow from operating activities before net working capital	**7.5**	-74.2
Cash flow from changes in working capital	**50.4**	6.2
Cash flow from operating activities	**57.9**	-68.0
Cash flow from investing activities	**-68.1**	-69.0
Free cash flow	**-10.2**	-137.1
Cash flow from financing activities	**-265.4**	-24.1
Change in cash and cash equivalents	**-275.7**	-161.1

Comments

- Cash flow from operating activities mainly supported by positive working capital development
- Cash flow from investing activities in line with further expansion of supply chain and blade production facilities
- Cash flow from financing activities largely driven by shareholder loan refinancing SSD, repayments under RCF and EIB facility
- Cash proceeds from capital increase of EUR 390m not yet reflected in cash flow from financing activities

Total investments in H1/2021

CAPEX (in EUR m)

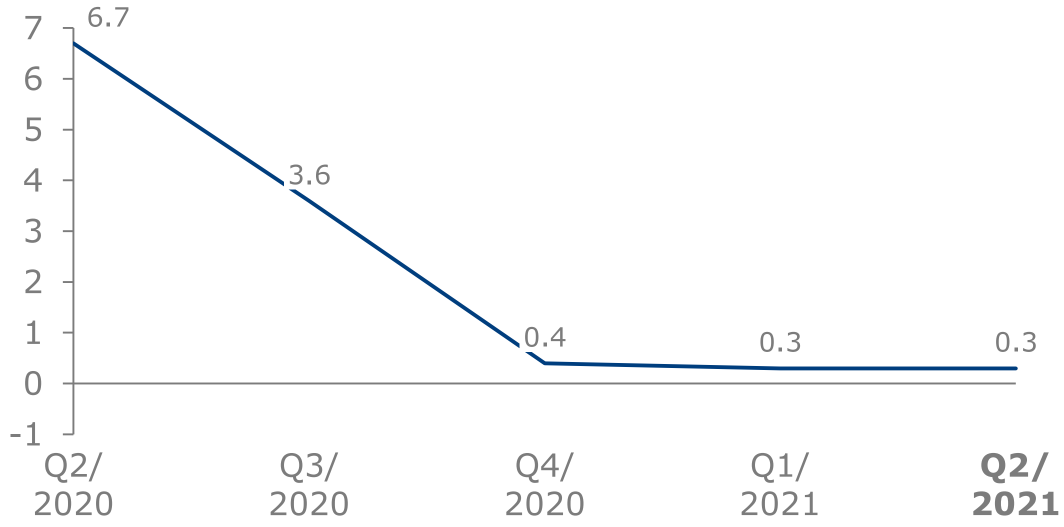


Comments

- Investments in H1/2021 primarily comprise:
  - Investments in blade production facilities, moulds and tooling in India
  - Investments in transport and installation equipment for international projects
- Slight increase in intangible assets due to higher level of development costs compared to previous year period

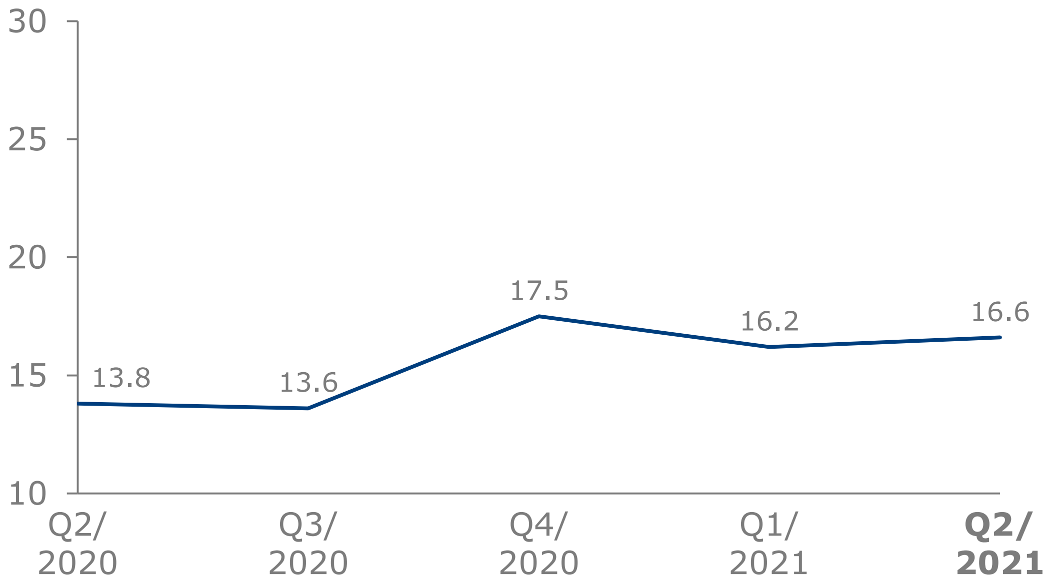
Capital structure H1/2021

Net debt*/EBITDA**



- Leverage ratio remains further below own ambition level of 1.5 at the end of H1/2021

Equity ratio (in %)

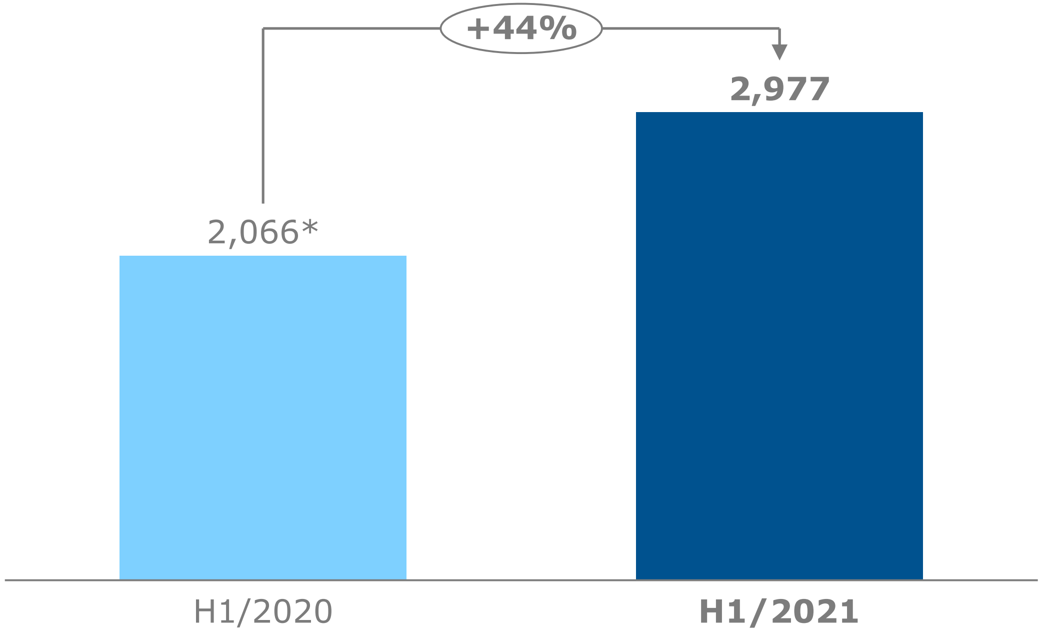


- Equity ratio will substantially improve in Q3/2021 due to inflows coming from capital increase

*Cash and cash equivalents less bank borrowings, bond and shareholder loan.
** Based on last twelve months.

Operations H1/2021

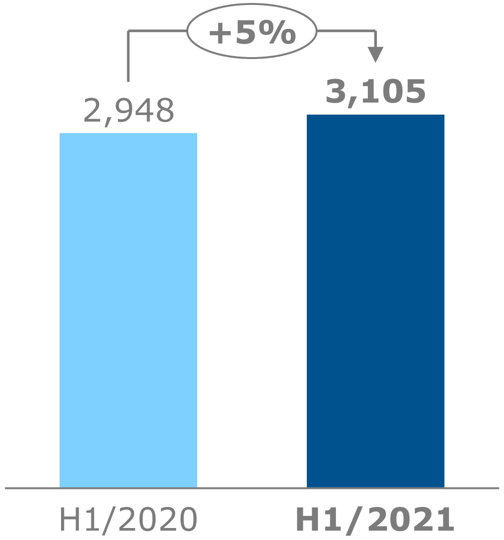
Installations (MW)



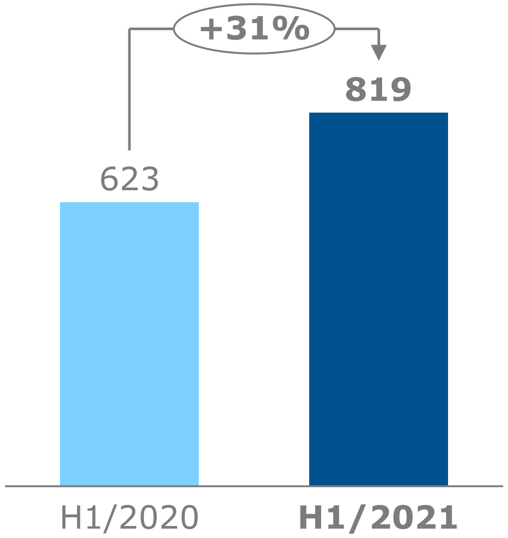
- Total installations of 775 WTGs in 21 countries in H1/2021 (H1/2020: 610 WTGs)
- Geographical split in H1/2021: 52% Europe, 19% Latin America, 14% North America and 15% Rest of World

Production

Turbine assembly (MW)



Inhouse blade production (#)



- Output turbines of 685 units in H1/2021: 373 GER, 289 ESP, 20 BRA and 3 IND
- Inhouse blade production of 819 units in H1/2021: 340 GER, 201 ESP, 196 MEX and 82 IND
- Outsourced blade production of 1,209 units in the first-half year 2021

*Figures adjusted.

Guidance for FY 2021 maintained

Guidance

Sales:	EUR 4.7 – 5.2bn
EBITDA margin:	4.0 – 5.5%
Working capital ratio:	below -6%
CAPEX:	approx. EUR 180m

Comments

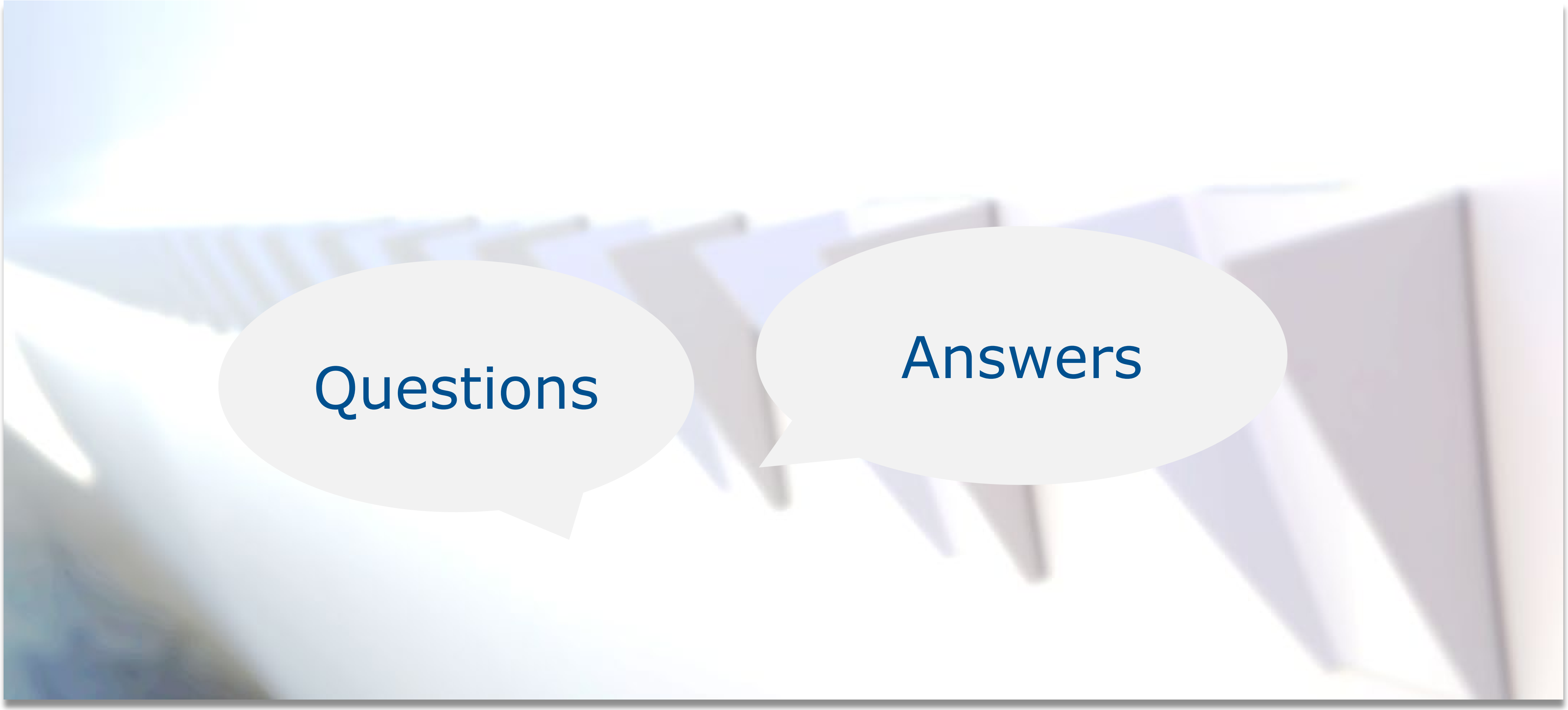
- Assumptions remain subject to greater uncertainties than usual
- As of today, for H2/2021 limited impact from Covid-19 assumed
- However, additional layers of risk for the sector remain, in particular:
  - extraordinary volatility within commodities and logistics markets
  - new waves of Covid-19 causing further repercussions for commodities or logistics
  - in case of such impacts causing delays, there could be extra costs including LDs

Strategic targets

Sales:	~ EUR 5.0bn (in the short term)
EBITDA margin:	8% in FY 2022
Capacity:	6 GW+

Assumptions underlying the strategic targets are subject to greater uncertainties than normal.

Time for your questions



Key takeaways

- EBITDA margin expected to improve further in H2/2021 in line with positive business development.
- Order intake expected to remain strong with continuously high share of Delta4000 series.
- Volatility and inflation in commodities and logistic costs getting more challenging compared to Q1/2021.
- Consequently working on price improvements with some first successful steps to support 2021 and 2022 performance.
- Situation in India under control despite some delays due to Covid-19 disruptions.
- Guidance for financial year 2021 maintained.

Thank you for your attention

Contact details

IF YOU HAVE ANY QUESTIONS PLEASE CONTACT THE INVESTOR RELATIONS TEAM:

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