



Nordex Group

Nordex SE – Financial figures H1/2024

25th July 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&As

All

Key takeaways

José Luis Blanco

Appendix

Executive summary H1/2024

Sales:

€3.4 bn
(+25% yoy)

EBITDA margin:

3.4%
(H1/2023: -4.2%)

Q2 Working capital ratio:

-7.4%
(Q2/2023: -9.6%)

Operations

- > Order intake of over 3.4 GW in H1/2024 (H1/2023: 2.6 GW) with stable ASP of €0.89 m/MW (H1/2023: €0.89 m/MW).
- > Installations of around 3.0 GW on a comparable level yoy and in line with our internal planning. Run rate expected to improve going forward

Financials

- > Continuous improvement of gross margins to 19.5% in the first half of 2024
- > EBITDA margin of 3.4% (H1/2023: -4.2%) mainly driven by better project mix, stable gross margins and better execution
- > Healthy liquidity levels of €827 m at the end of H1/2024
- > Positive free cash flow of €94 m in Q2/2024

Strategic update & Outlook

- > Two important milestones in the US: re-opening of the manufacturing facility in Iowa and the launch of our new product N169/5.X
- > 2024 guidance tightened to the upper end of the corridor
- > On track for achieving the 8% medium-term EBITDA margin target

➤ Strong long term onshore market dynamics in EMEA and the Americas

1 Sector tailwinds...

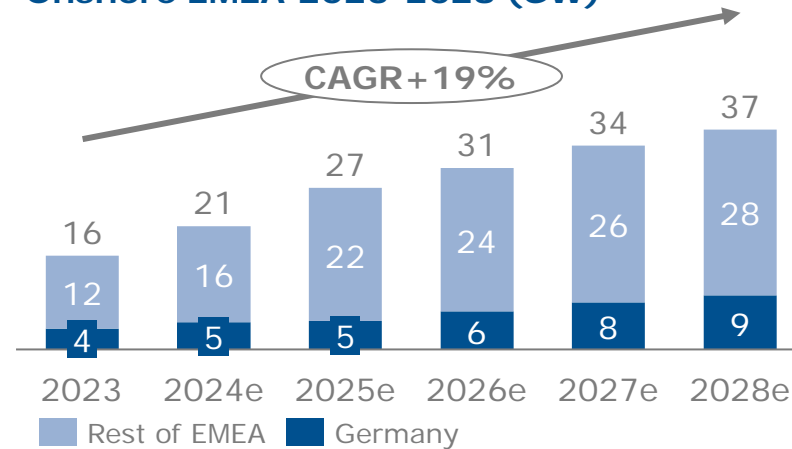
EU's 2050 Climate Neutrality Target

US Inflation Reduction Act

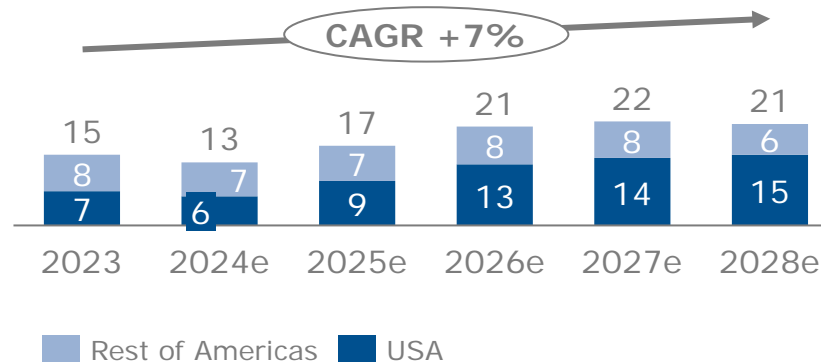
Repowering Trends

2 ...result in capacity addition plans

Onshore EMEA 2023-2028 (GW)



Onshore Americas 2023-2028 (GW)



EMEA:

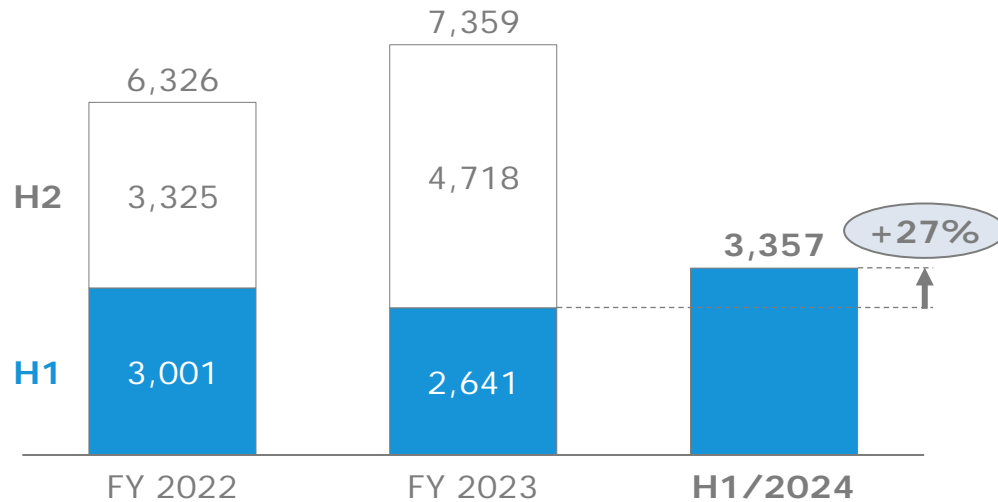
- > EU elections: Green party still with majority and abandoning renewables no longer a realistic option
- > Growth driven by Germany with recent parliament decisions to simplify permitting and repowering
- > Permitting hurdles easing in the UK and Italy

Americas:

- > Higher electricity demand to drive the region's growth
- > The US likely to remain the biggest market outside of China in the medium term
- > Nordex rebuilding its position in the US

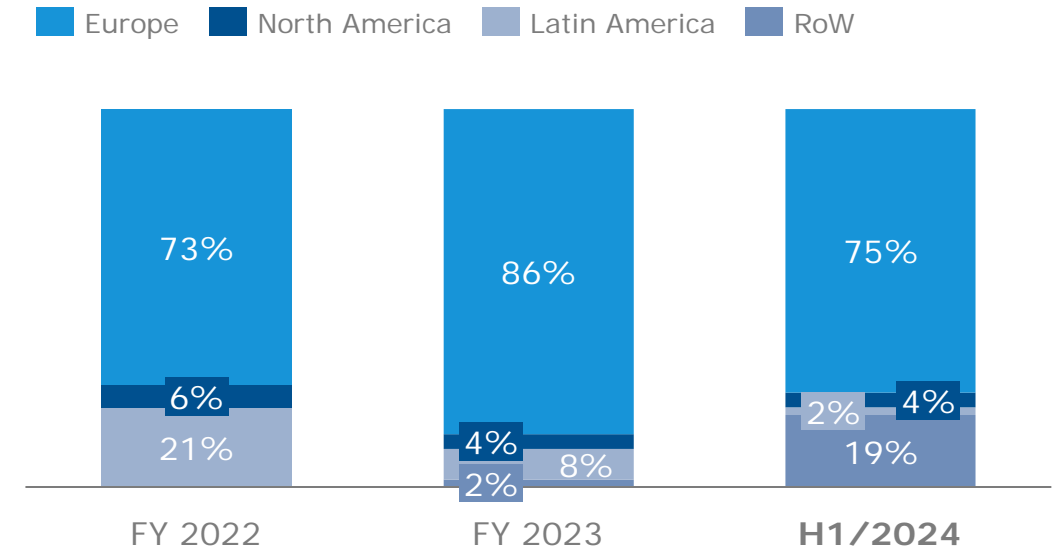
> Robust order intake in H1/2024

Order intake turbine* (in MW)



- > Increase in half year order intake of around 27% to €2,990 m (H1/2023 €2,354 m)
- > Stable pricing continued
- > ASP** of €0.89 m/MW in H1/2024 and €0.96 m/MW in Q2/2024 – on a stable level (€0.89 m/MW Q2/2023)

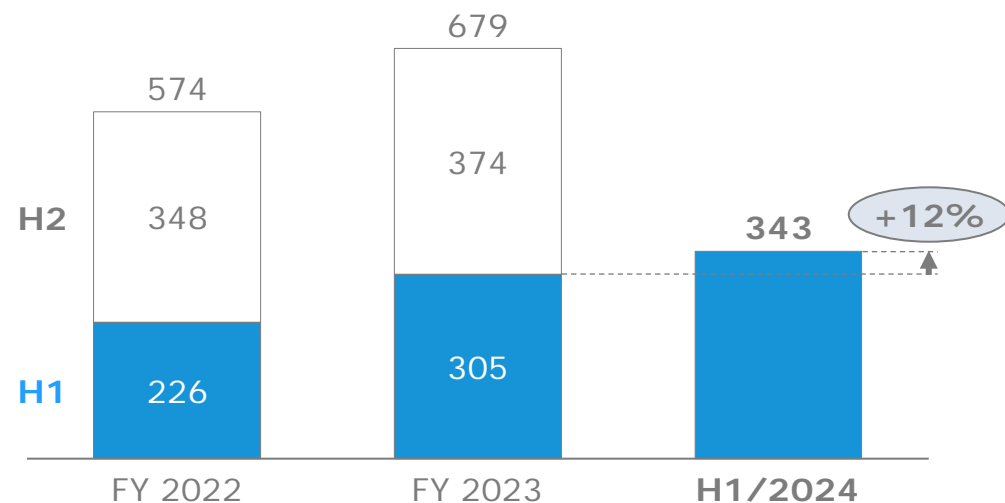
Order intake turbine* by regions (in MW in %)



- > Orders received from 17 different countries
- > Largest single markets were Germany, South Africa, Lithuania and Turkey

> Service business grew by around 12% in H1/2024

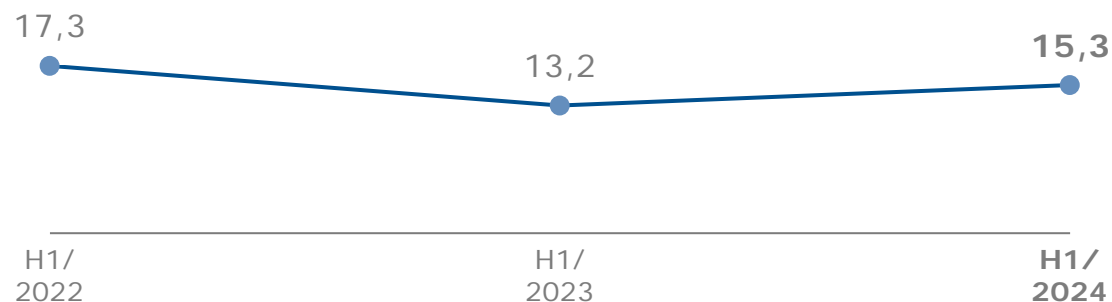
Service revenues (€ m)



Comments

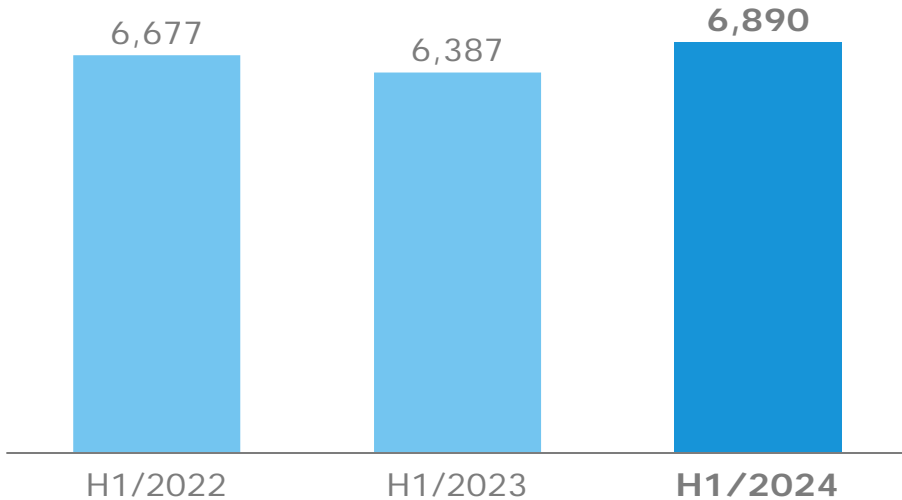
- > Share of service sales amounted to around 10% of group sales in H1/2024
- > Service EBIT margin of 15.3% in the first six months 2024, reflects a slight uptick in the margins year over year
- > 97% average availability of WTGs under service in the first half of 2024
- > Service order book totaled around €4.1 bn at the end of H1/2024 (H1/2023: €3.4 bn)

EBIT margin development (in %)



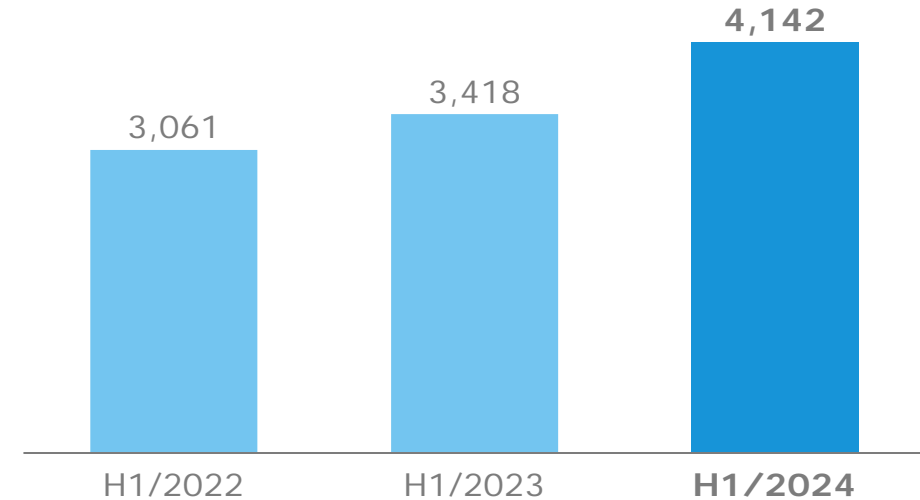
> Combined order book of over €11 bn at the end of H1/2024

Order book turbines (€ m)



- > Healthy growth of the order book to around €6.9 bn at the end of Q2/2024 compared to €6.4 bn at the end of the previous year period
- > Geographical distribution of the order book in H1/2024: Europe (81%), Latin America (8%), North America (3%) and Rest of World (8%)

Order book service (€ m)



- > 12,425 wind turbines under service agreement - corresponding to over 39 GW at the end of Q2/2024

> Income statement H1/2024

in € m (rounded figures)	H1/2024	H1/2023	abs. change	Δ in %
Sales	3,435	2,753	681	24.7
Total revenues	3,254	2,799	455	16.3
Cost of materials	-2,585	-2,505	-80	3.2
Gross profit	670	294	376	128
Personnel costs	-338	-299	-40	13.2
Other operating (expenses)/income	-213	-109	-104	95.0
EBITDA	118	-114	232	203.2
Depreciation/amortization	-89	-93	4	4.1
EBIT	29	-207	236	114.1
Net profit	-13	-299	286	95.8
Gross margin*	19.5%	10.7%		
EBITDA margin	3.4%	-4.2%		
EBIT margin	0.8%	-7.5%		

Comments

- > Sales in H1/2024 increased by around 25% to €3.4 bn
- > Gross margins consistently stable for the last four quarters
- > EBITDA margin of 3.5% in Q2/2024, driven by higher revenues and partially offset by legacy projects

> Balance sheet H1/2024

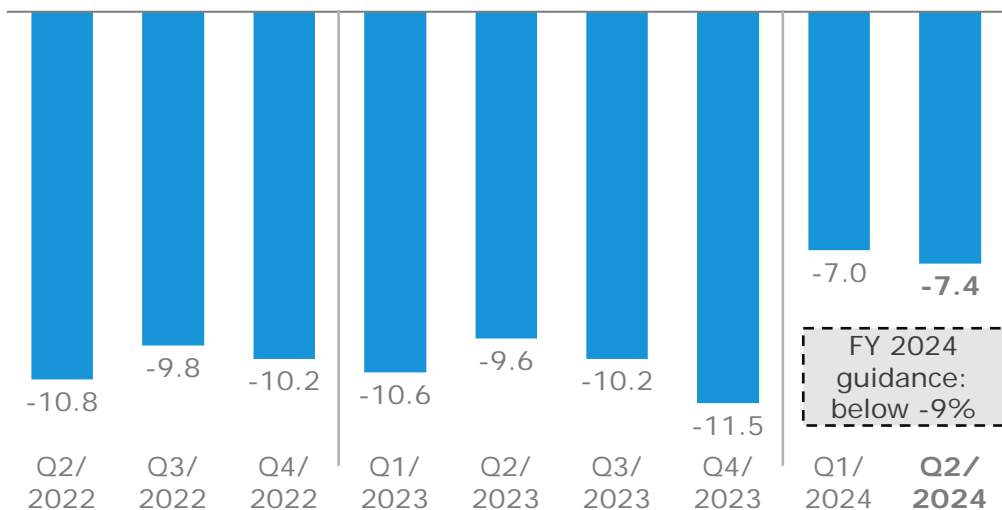
in € m (rounded figures)	30.06.24	31.12.23	abs. change
Non-current assets	2,038	1,869	169
Current assets	3,410	3,553	-143
Total assets	5,448	5,422	26
Equity	974	978	-4
Non-current liabilities	1,019	771	248
Current liabilities	3,456	3,673	-217
Equity and total liabilities	5,448	5,422	26
<i>Net cash*</i>	446	631	
<i>Working capital ratio**</i>	-7.4%	-11.5%	
<i>Equity ratio</i>	17.9%	18.0%	

Comments

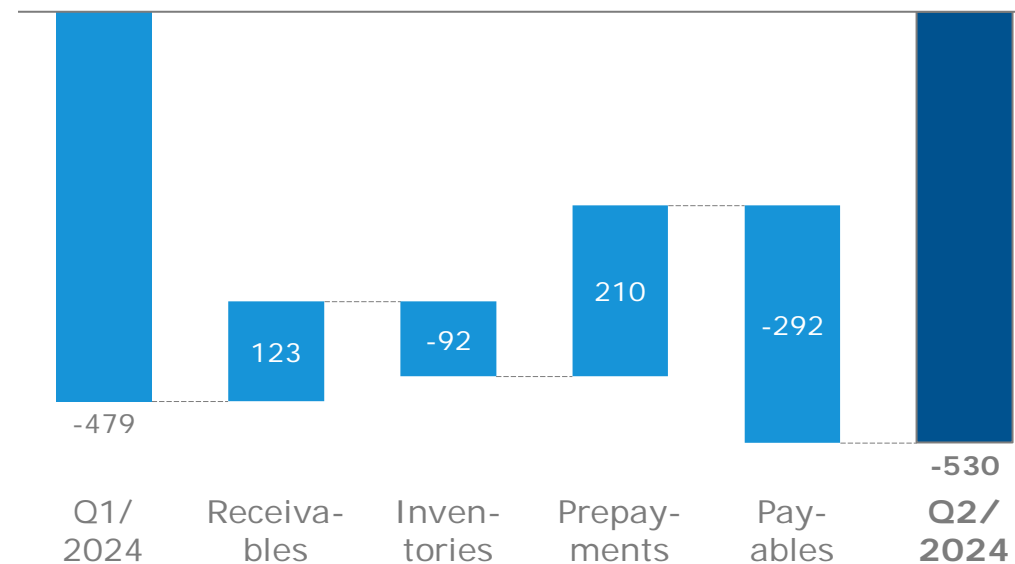
- > Solid liquidity levels of around €827 m including cash facility under MGF at the end of Q2/2024 (€741 m Q1/2024)
- > Working Capital ratio stable at minus 7.4%, reflecting the stable business environment

> Working capital development Q2/2024

Working capital ratio (in % of sales)*



Working capital development (in € m)*



> Slightly improved working capital ratio in Q2 to prepare for high activity levels in the second half of the year

> Higher operational performance in Q2 leads to an increase of trade payables

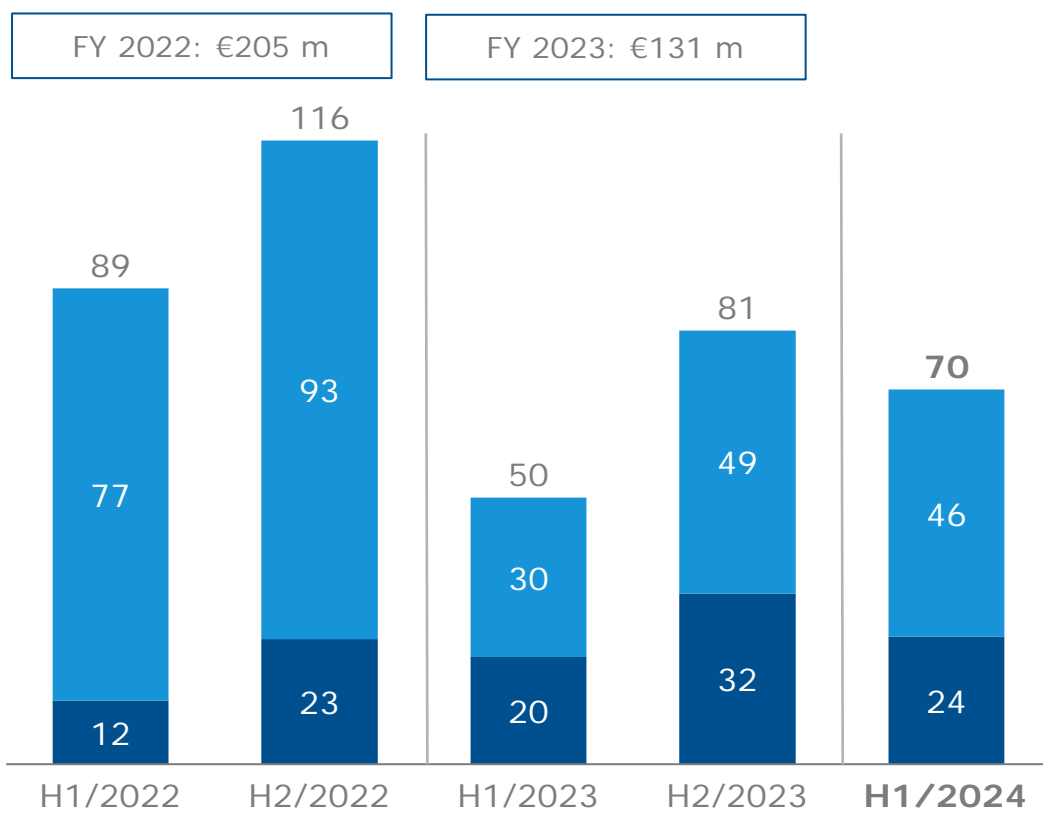
> Cash flow statement H1/2024

in € m	H1/2024	H1/2023	Comments
Cash flow from operating activities before net working capital	144	-244	<ul style="list-style-type: none"> > Cash flow from operating activities before net working capital mainly driven by normalized operational performance
Cash flow from changes in working capital	-216	26	
Cash flow from operating activities	-72	-218	<ul style="list-style-type: none"> > Performance partially offset by higher working capital
Cash flow from investing activities	-88	-63	<ul style="list-style-type: none"> > Cash flow from investing activities in line with internal planning
Free cash flow*	-160	-282	<ul style="list-style-type: none"> > Positive free cash flow of €94 m in Q2, leading to a net free cash flow of minus €160 m in the first half year
Cash flow from financing activities	-17	308	
Change in cash and cash equivalents	-177	26	

> Total investments H1/2024

CAPEX (in € m)

■ Property, plant, equipment ■ Intangible assets

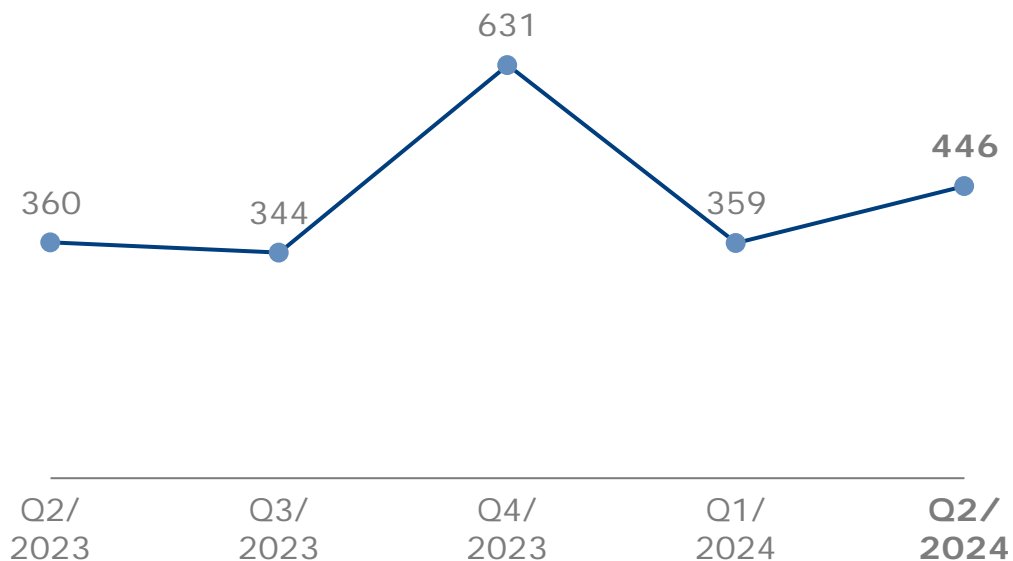


Comments

- > The key investment priorities in H1/2024 include the following:
 - 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 our guidance

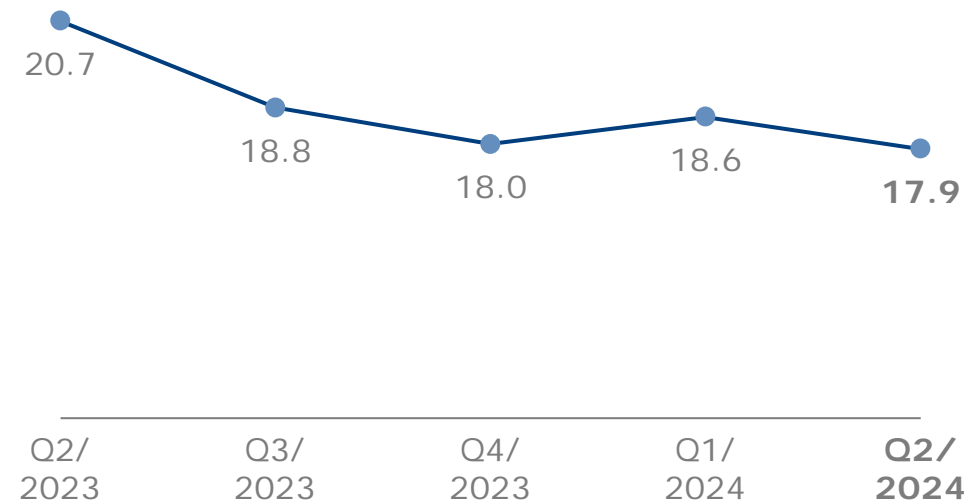
> Solid capital structure Q2/2024

(Net debt)/net cash (in € m) *



- > Higher cash levels at the end of Q2/2024 mainly reflecting slight improvement of working capital management

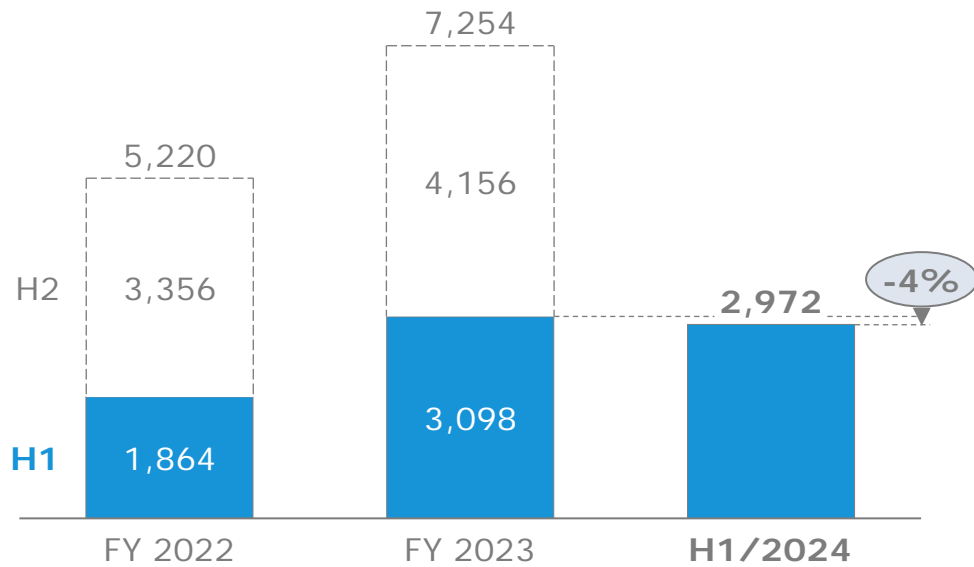
Equity ratio (in %)



- > Equity ratio at a comparable level to end of the previous year as operational performance has stabilized and margins have further improved

> Operational performance H1/2024

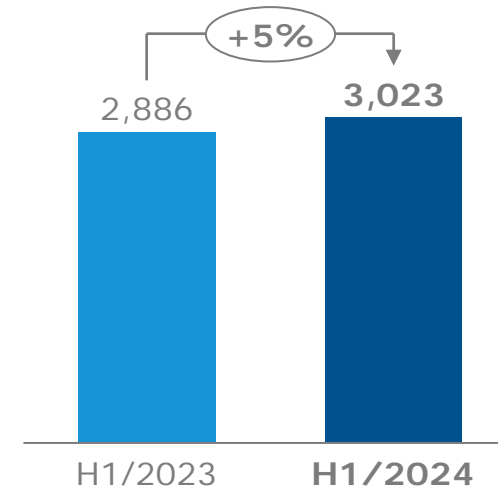
Installations (MW)



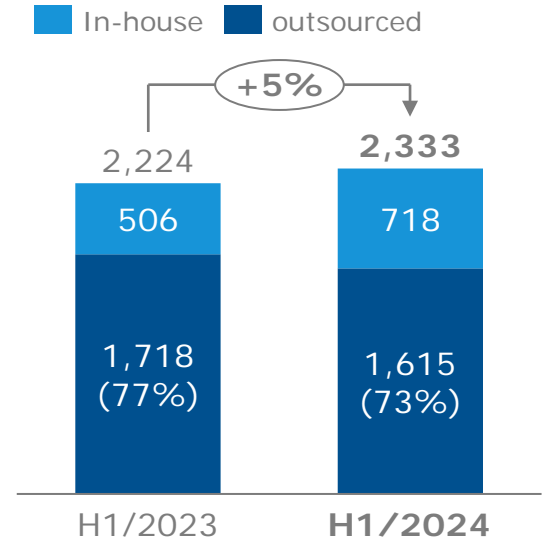
- > Total installations of 592 WTGs in 20 countries in H1/2024 (632 WTGs in the previous year quarter)
- > Installations of 1,869 MW in Q2/2024; run rate substantially improved compared to Q1/2024 (1,103 MW)
- > Geographical split (MW) in H1/2024: 73% Europe, 16% Latin America, 2% North America and 9% RoW

Production

Turbine assembly (MW)



Total blade production (#)



- > Output turbines amounted to 533 units in H1/2024: 288 GER, 113 CHN, 100 IND and 92 ESP
- > Inhouse blade production of 718 units in H1/2024: 520 IND, 191 ESP and 7 Germany

➤ EBITDA margin guidance tightened reflecting stable environment

	H1/2024	2024 old guidance	2024 new guidance
Sales:	€3,435 m	€7.0 - 7.7 bn	€7.0 - 7.7 bn
EBITDA margin:	3.4%	2.0% to 4.0%	3.0% to 4.0%
Working capital ratio:	-7.4%	below -9%	below -9%
CAPEX:	€~ 70 m	approx. €175 m	approx. €175 m

Mid term target of 8% EBITDA margin confirmed

 Time for your questions



Key takeaways

- 1 Stable operating environment continues, with stable selling prices and largely stable supply chains
- 2 Making progress in rebuilding our market position in the US and maintaining market position in Europe
- 3 H1/2024 continues to show a stable margin profile building confidence in the sustainability of the margin recovery
- 4 Free cash flow turned positive in Q2/2024 and is likely to remain positive in the second half
- 5 Margin guidance for 2024 tightened to the upper end and mid-term strategic EBITDA margin target remains in place subject to a stabilized environment

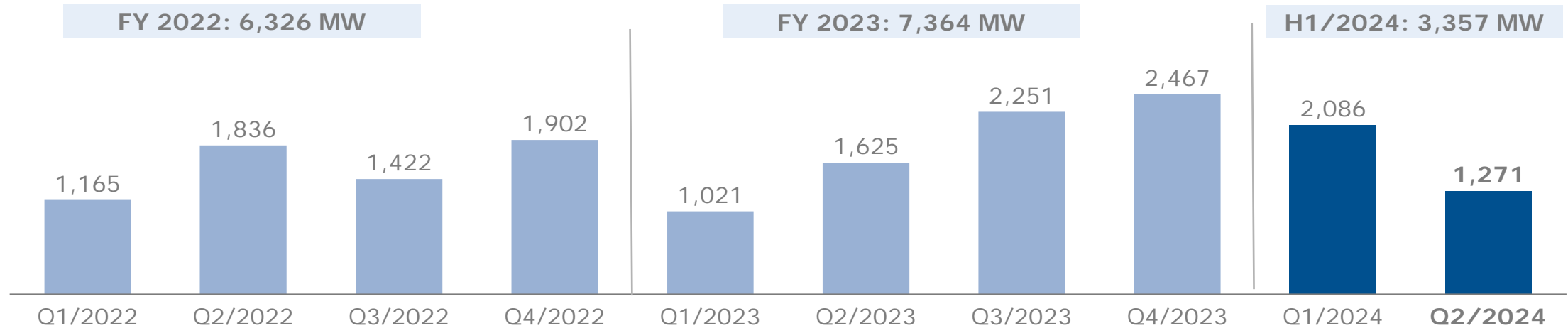
> Appendix



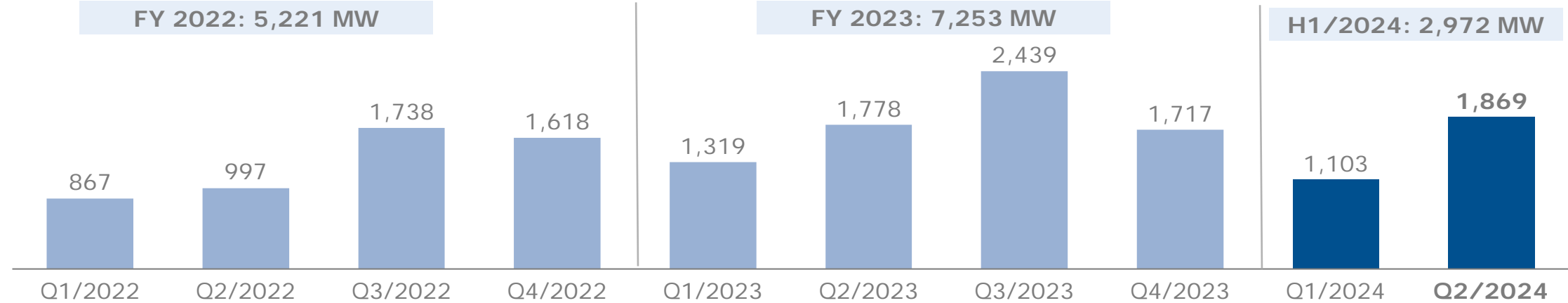
- > Quarterly order intake and installations
- > Quarterly order book development
- > Quarterly income statement
- > Quarterly balance sheet development
- > Quarterly cash flow development

Quarterly order intake and installations development

Order intake development in MW

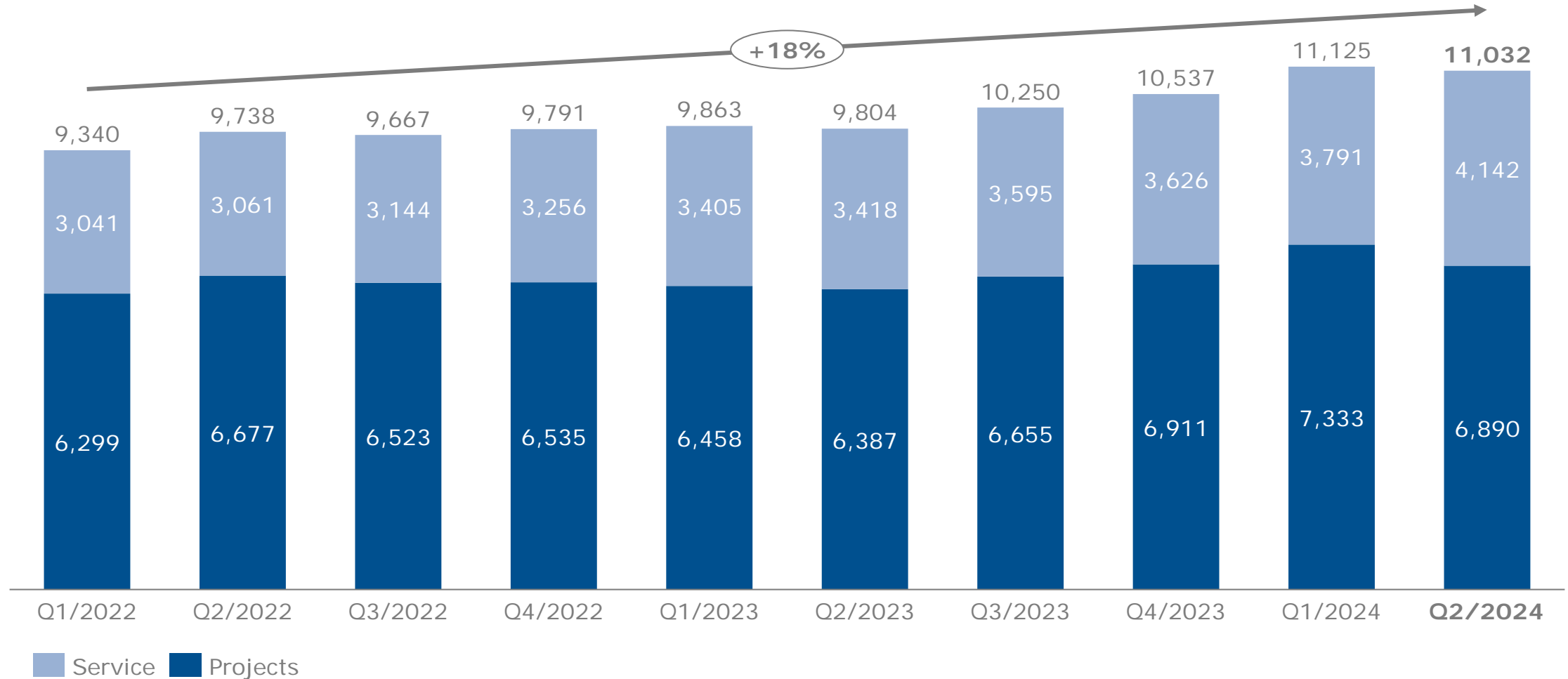


Installations in MW



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

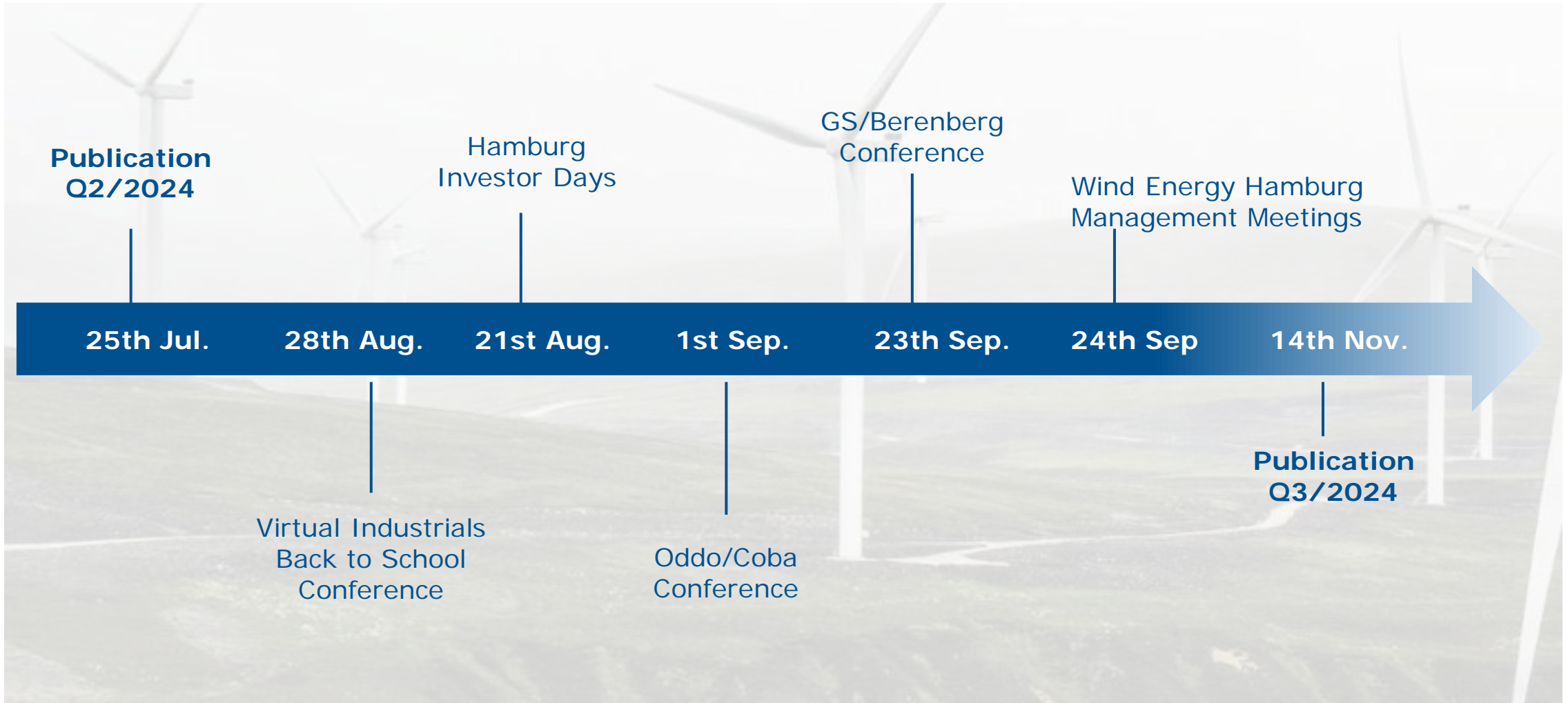
Quarterly balance sheet development

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

Quarterly cash flow statement

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

> Nordex publication dates & events 2024



 **Contact details****IF YOU HAVE ANY QUESTIONS PLEASE CONTACT:****Anja Siehler**

phone: +49 (0)162 351 53 34

email: asiehler@nordex-online.com**Tobias Vossberg**

phone: +49 (0)173 4573 63 3

email: tvossberg@nordex-online.com**Torben Rennemeier**

phone: +49 (0)152 3461 79 54

email: trennemeier@nordex-online.com**Nordex SE**

Langenhorner Chaussee 600

22419 Hamburg / Germany

www.nordex-online.com