Nordex Group

Nordex SE – Nine-month financial figures 2021

15th November 2021

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Agenda

Introduction	José Luis Blanco
Markets and orders	Patxi Landa
Financials	Dr Ilya Hartmann
Operations and technology	José Luis Blanco
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Strategic targets	José Luis Blanco
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Executive summary

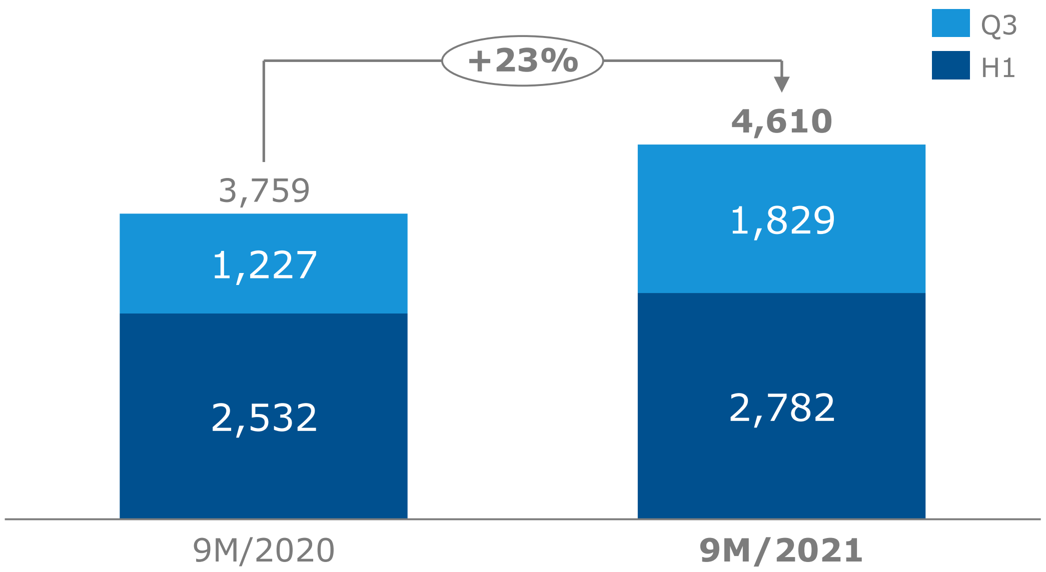
9M/2021 RESULTS

Sales	EBITDA margin	Working capital ratio
EUR 3,956m	**2.5%**	**-7.7%**

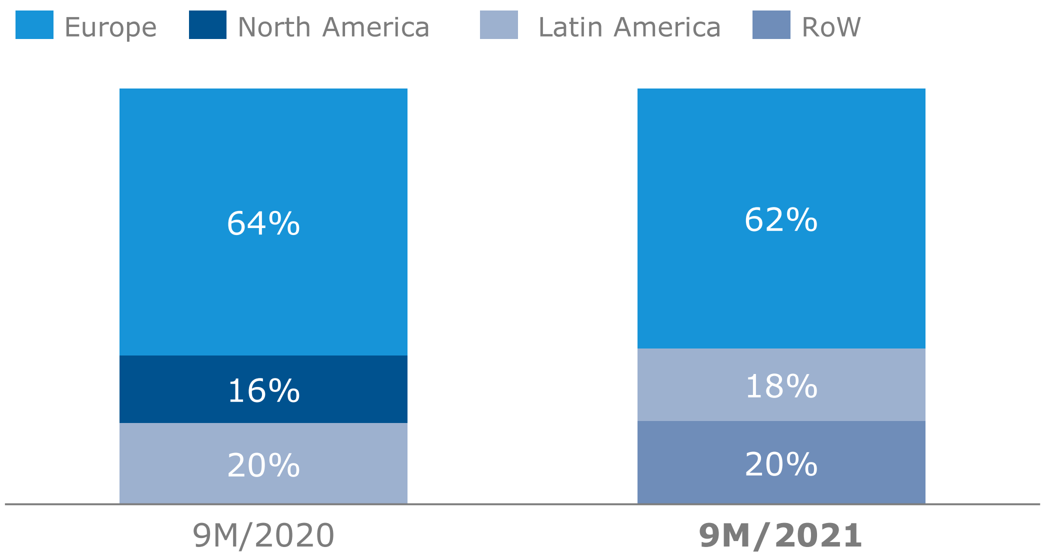
- 4.6 GW of order intake (+23% yoy), thereof around 80% accounting for Delta4000 series.
  - 923 MW/162 turbines - Largest single order booked in the quarter from Acciona.
- Strong sales of almost EUR 4.0bn (+25% yoy) demonstrating solid execution despite ongoing supply chain disruptions.
- EBITDA margin at 2.5%, significantly impacted by ongoing inflationary pressures and logistical challenges.
- Much improved equity ratio at 28.5%, with net cash of EUR 516m, on the back of successful capital increase of EUR 586m completed in July 2021.
- Entry into the 6 MW class with the new N163/6.X turbine in September 2021.
- Guidance for FY 2021 and strategic targets revised due to accelerated cost increases in commodities and logistics.

Order intake 9M/2021

Order intake turbine* (in MW)



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



- Order intake in 9M/2021: EUR 3,219m (EUR 2,642m in previous year period)

  thereof in Q3/2021:
  EUR 1,257m (EUR 836m in Q3/2020)

- ASP of EUR 0.70m/MW remains stable in 9M/2021 compared to previous year period

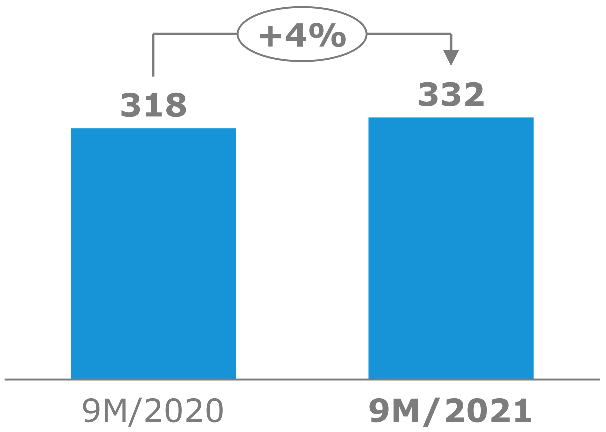
- Largest single markets in 9M/2021: Australia, Brazil, Germany, Finland and Spain
- 80% of the order intake accounts for various turbine types of Delta4000 generation in the 9M/2021
- Order intake received from 16 different countries in 9M/2021

*Group segment „Projects".

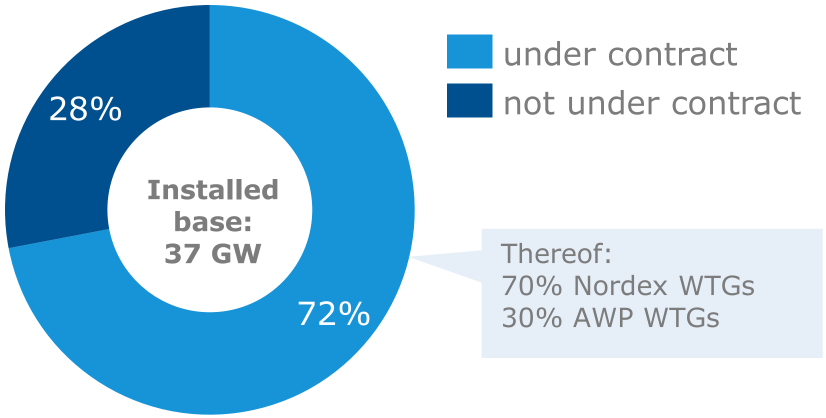
Service 9M/2021

Development of service revenues (EUR m) and EBIT margin

EBIT margin 14.8% 16.7%



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

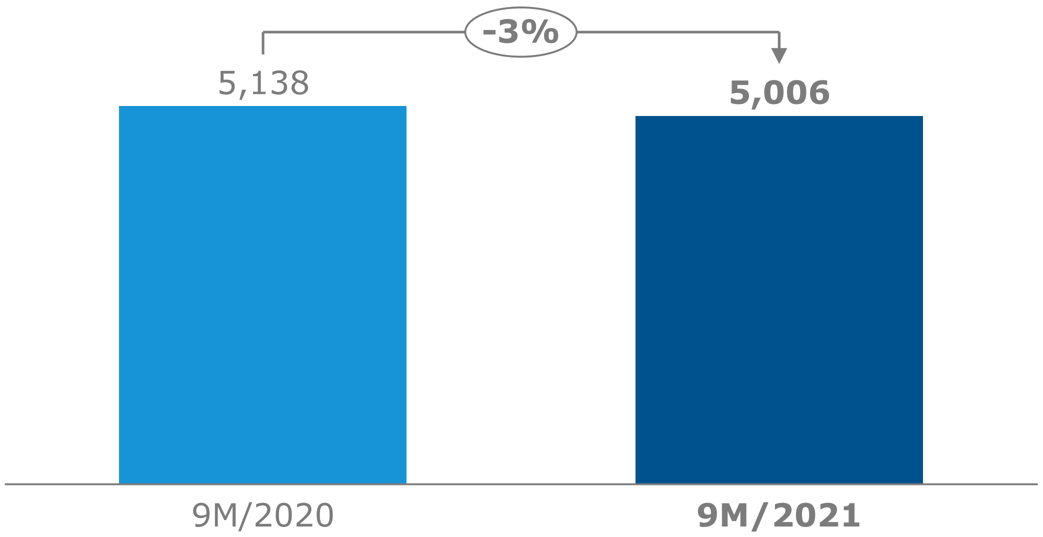


Comments

- Service sales share accounts for 8.4% of group sales in the first nine months 2021
- Service EBIT margin stands at 16.7%
- 97.3% average availability of WTGs under service
- Strong service order backlog of almost EUR 3.0bn at the end of Q3/2021

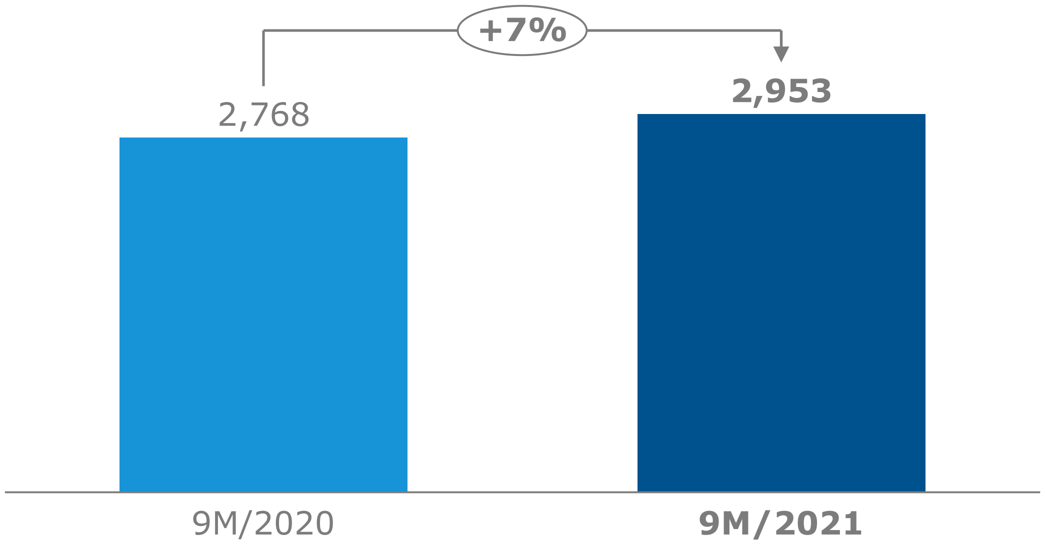
Combined order backlog at a high level of almost EUR 8.0bn at the end of 9M/2021

Order backlog turbines (EUR m)



- Turbine order backlog of EUR 5,006m at the end of 9M/2021 remains on a stable level
- Geographical distribution on Nordex focus markets: Europe (68%), Latin America (19%), RoW (10%) and North America (3%)

Order backlog service (EUR m)



- 9,773 wind turbines under service corresponding to 26.6 GW at the end of 9M/2021

Income statement 9M/2021

in EUR m	9M/2021	9M/2020	abs. change
Sales	**3,956**	**3,167**	789
Total revenues	3,585	3,108	477
Cost of materials	-2,908	-2,764	-144
Gross profit	**677**	**343**	**333**
Personnel costs	-348	-314	-34
Other operating (expenses)/income	-228	41*	-269
EBITDA	**101**	**71**	**30**
Depreciation/amortization	-110	-115	5
EBIT	**-10**	**-44**	**34**
Net profit	**-104**	**-108**	**4**
Gross margin	***17.1%***	***10.8%***	
EBITDA margin	***2.5%***	***2.2%***	
EBIT margin w/o PPA	***-0.1%***	***-0.8%***	

Comments

- Strong growth in sales achieved on the back of high execution
- EBITDA margin of 2.5% achieved in an environment impacted by high inflationary pressures and logistical challenges
- PPA depreciation amounted to EUR 7.5m in 9M/2021 (EUR 19m in 9M/2020)

*Q3/2020 includes profits from sale of European project development business to RWE.
**Gross profit in relation to sales.

Balance sheet 9M/2021

in EUR m	30.09.21	31.12.20	abs. change	Δ in %
Non-current assets	1,573	1,526	47	3.1
Current assets	2,691	2,884	-193	-6.7
Total assets	**4,264**	**4,410**	**-146**	**-3.3**
Equity	1,217	774	443	57.4
Non-current liabilities	692	653	39	6.1
Current liabilities	2,354	2,984	-630	-21.1
Equity and total liabilities	**4,264**	**4,410**	**-146**	**-3.3**
*Net debt**	**(516)**	**41**		
*Working capital ratio***	**-7.7%**	**-6.3%**		
Equity ratio	**28.5%**	**17.5%**		

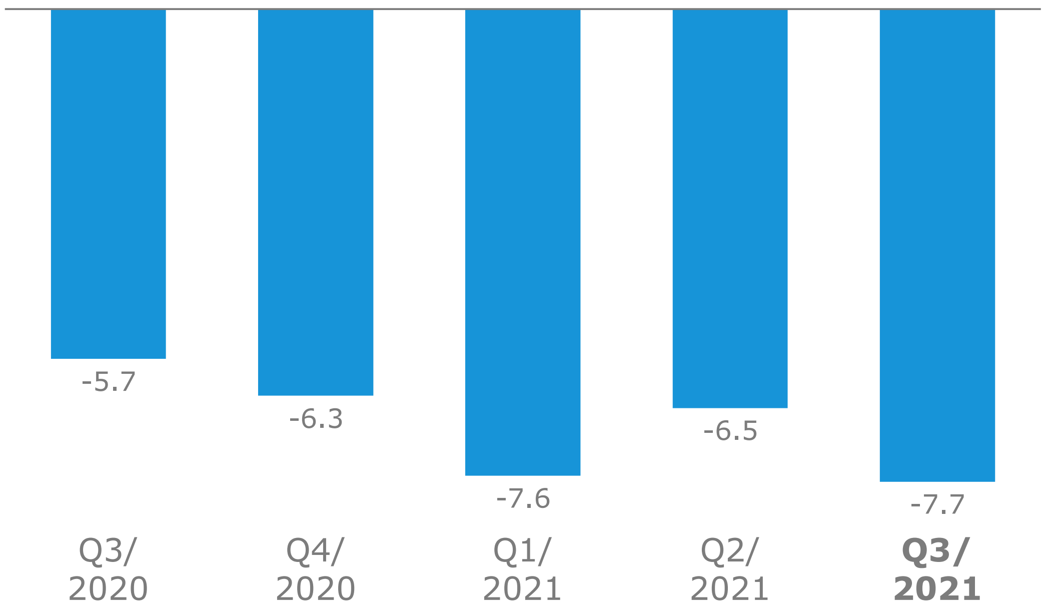
Comments

- Balance sheet showing substantially improved equity and leverage ratio
- Very strong cash position of EUR 871m at the end of 9M/2021 (EUR 408m 9M/2020) due to cash from capital increase and positive free cash flow in Q3
- Current liabilities decreased mainly due to repayment of promissory note and cancellation of state backed RCF

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

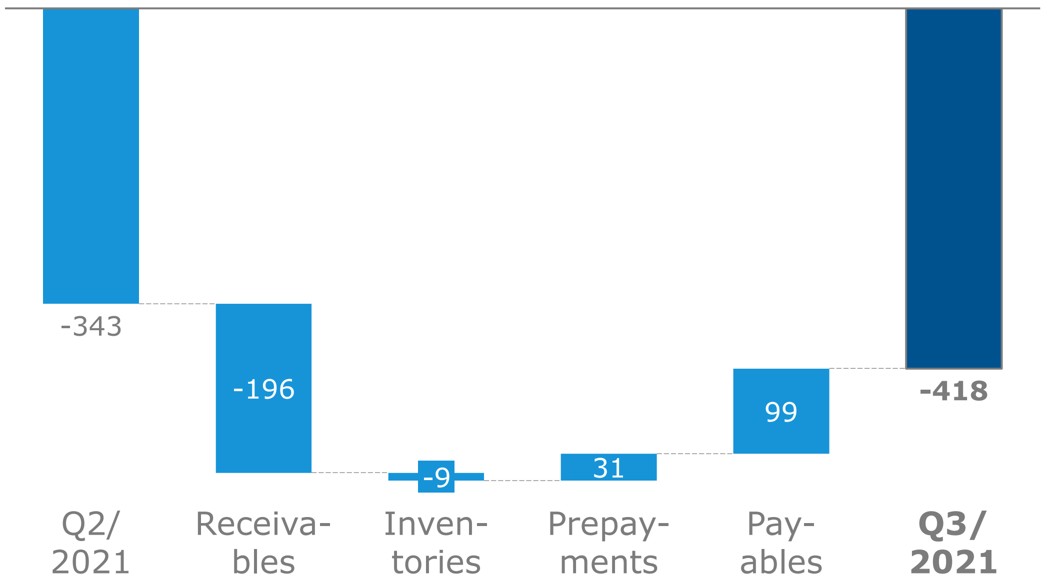
Working capital development 9M/2021

Working capital ratio (in % of sales)*



› Working capital ratio on track - well below guided figure for FY 2021 at the end of Q3/2021

Working capital development (in EUR m)*



› Decrease in receivables mainly driven by positive development of milestone payments

*Based on last twelve months sales.

Cash flow statement 9M/2021

in EUR m	9M/2021	9M/2020
Cash flow from operating activities before net working capital	**2.3**	-238.5
Cash flow from changes in working capital	**125.2**	-42.5
Cash flow from operating activities	**127.5**	-281.0
Cash flow from investing activities	**-104.3**	-97.2
Free cash flow	**23.2**	-378.2
Cash flow from financing activities	**73.0**	298.2
Change in cash and cash equivalents*	**96.2**	-80.0

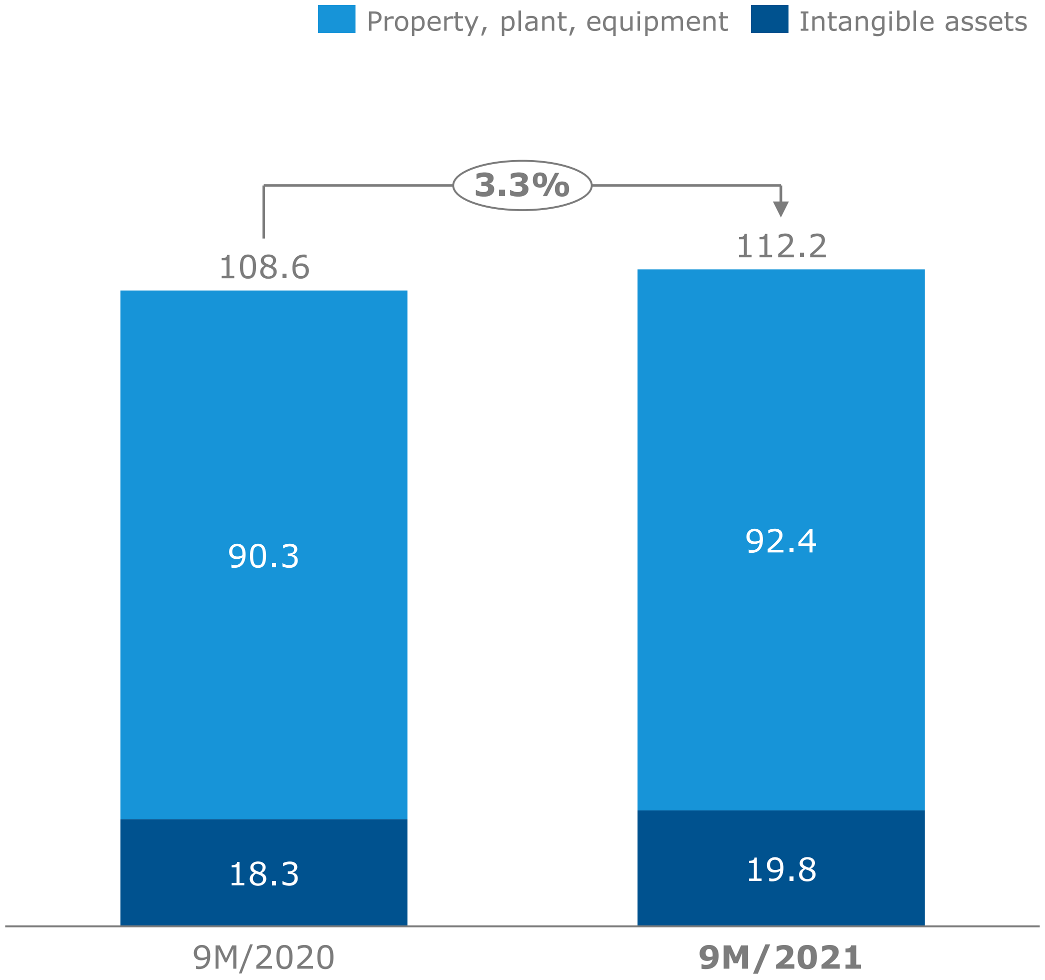
Comments

- Cash flow from operating activities mainly driven by consistent positive working capital development
- Cash flow from investing activities driven by ongoing supply chain expansion and blade production facilities
- Cash flow from financing activities reflecting cash inflows from capital increase

*Including FX effects.

Total investments 9M/2021

CAPEX (in EUR m)

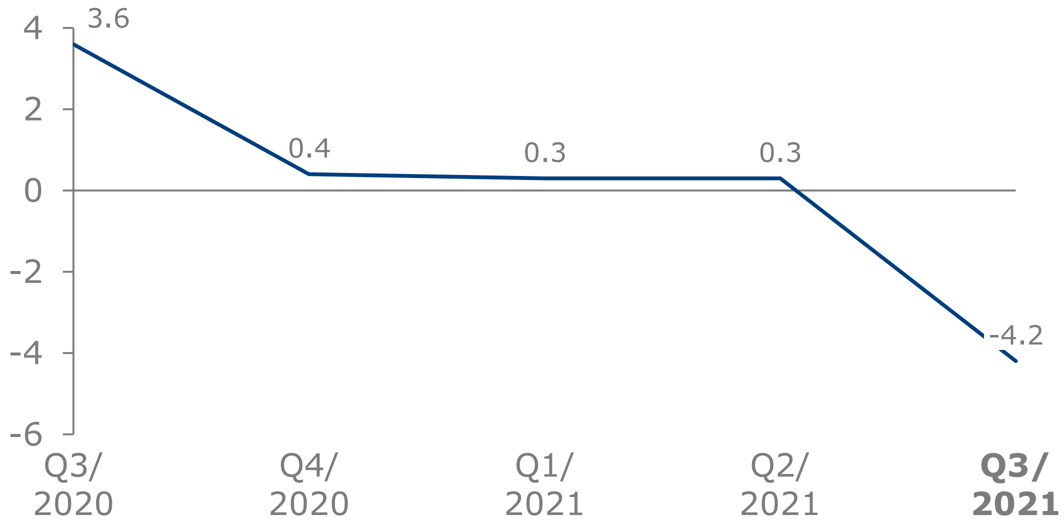


Comments

- Investments in 9M/2021 mainly consists of:
  - Investments in establishment and expansion of blade production facilities
  - 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

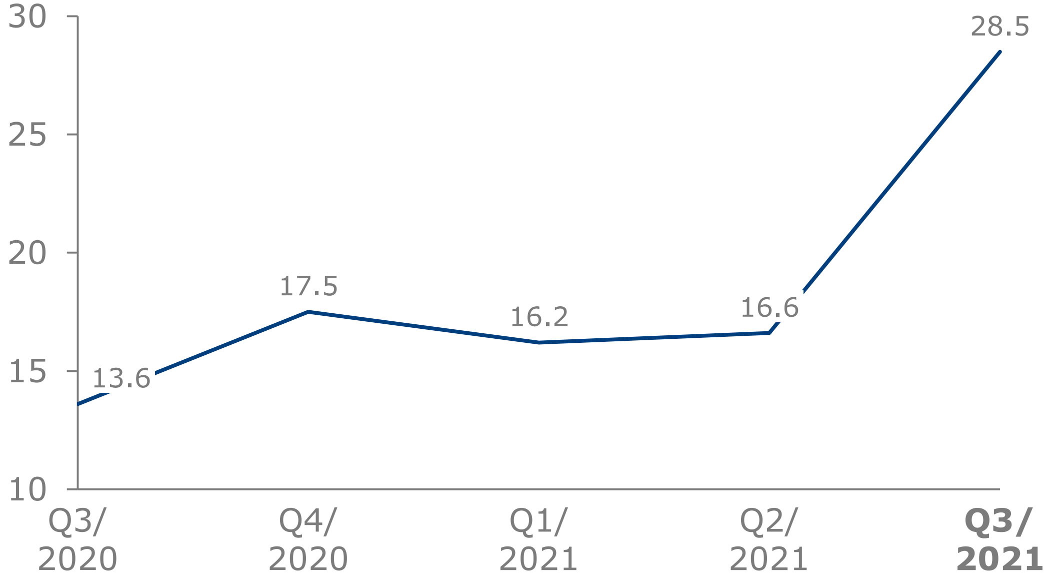
Capital structure 9M/2021

Net debt*/EBITDA**



- Leverage ratio in Q3/2021 significantly improved due to cash proceeds from capital increase

Equity ratio (in %)

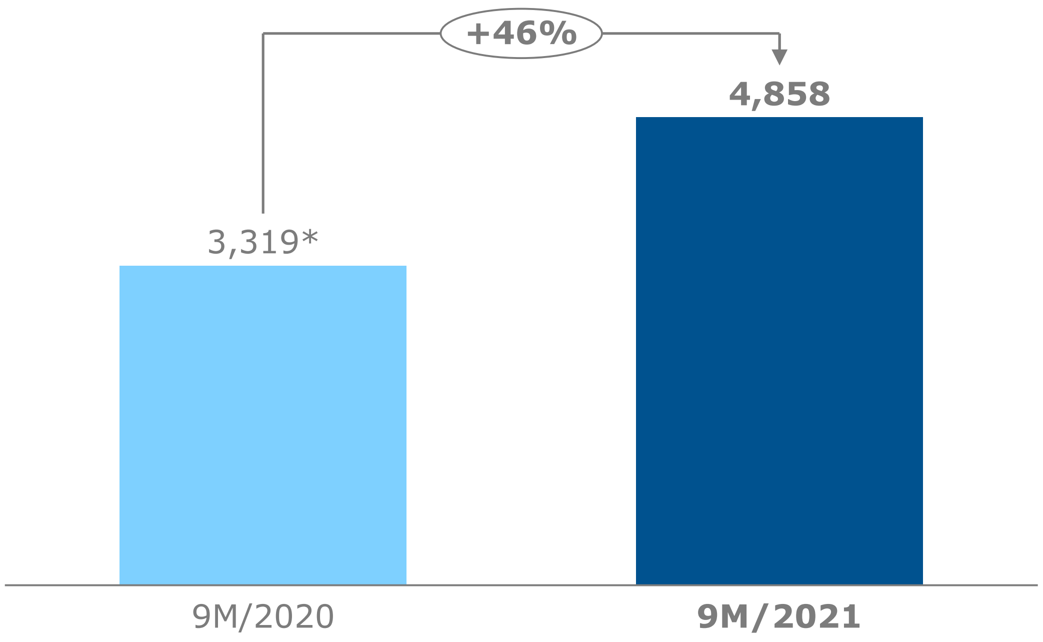


- Strong equity ratio as expected due to the inflows from capital increase

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

Strong operations in 9M/2021 despite challenging market environment

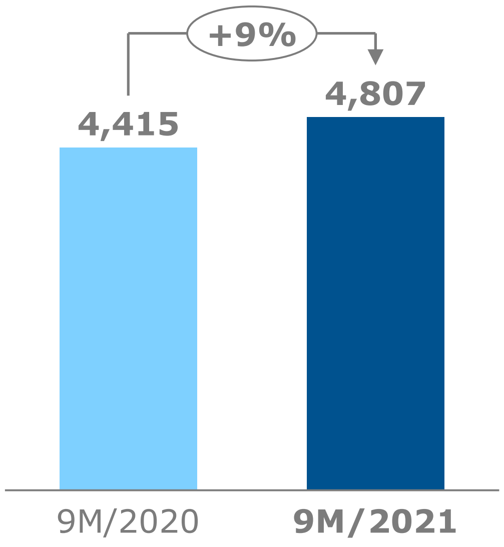
Installations (MW)



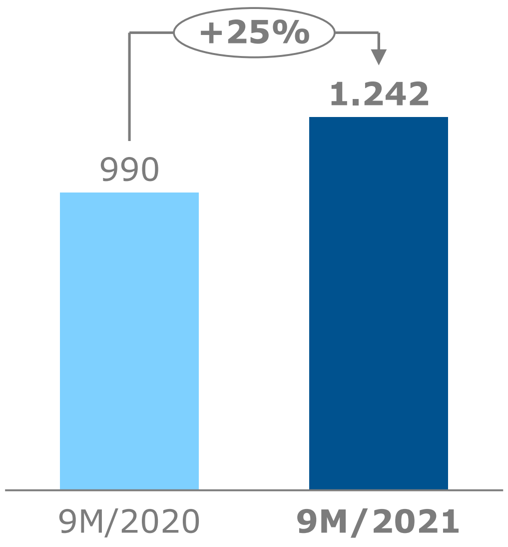
- Total installations of 1,216 WTGs in 22 countries in 9M/2021: 55% Europe, 17% North America, 14% Latin America and 14% Rest of World

Production

Turbine assembly (MW)



Blade production (#)



- Output turbines amounts to 1,068 units in 9M/2021: 615 GER, 398 ESP, 35 IND and 20 BRA
- Inhouse blade production of 1,242 units in 9M/2021: 493 GER, 301 ESP, 291 MEX and 157 IND
- Outsourced blade production of 1,878 units in 9M/2021

* Figures adjusted.

Revised guidance for FY 2021

	Old Guidance	Revision
Sales:	EUR 4.7 – 5.2bn	EUR 5.0 – 5.2bn
EBITDA margin:	4.0 – 5.5%	Around 1%
Working capital ratio:	below -6%	*No Change*
CAPEX:	approx. EUR 180m	*No Change*

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

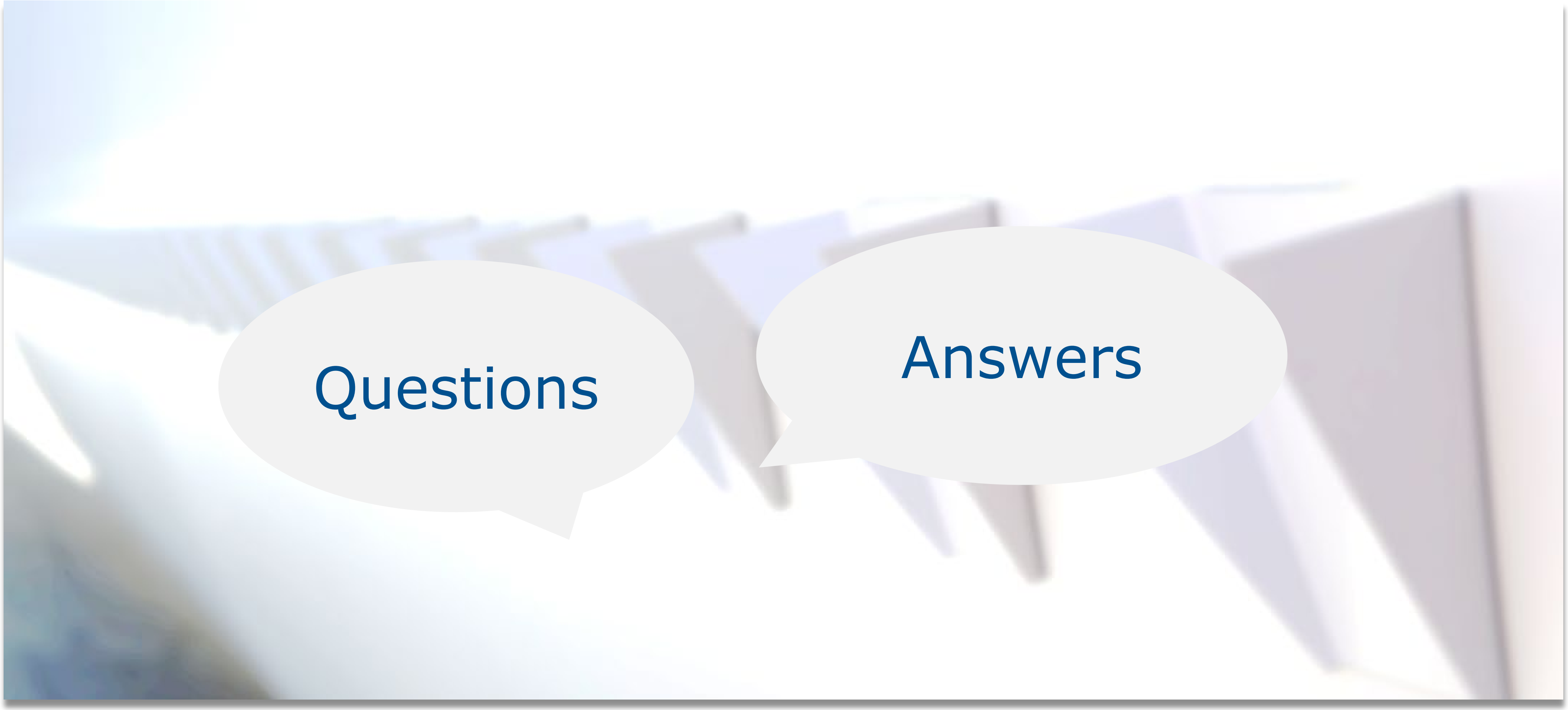
Strategic targets

		Revision
Sales:	~ EUR 5.0bn (in the short term)	*No Change*
EBITDA margin:	8% in FY 2022	8% in mid term
Capacity:	6 GW+	*No Change*

Comments

- FY 2021 and FY 2022 to be impacted by supply chain inflation until compensated by pass-through to customers
- During transition margins expected to experience additional pressure
- Return to normalized levels of margins still feasible in the mid-term

Time for your questions



Key takeaways

- Ongoing strong order intake momentum relative to the industry with a high share of Delta4000 series.

- Continuous inflationary pressures and supply chain disruptions to impact margins in the short to mid-term.

- Long-term industry prospects are promising due to very low wind LCOE supporting competitiveness which should allow us to pass on cost increases to end customers.

- Nordex balance sheet strengthened to overcome this period of volatility, cost inflation and sale price adjustments.

- Feasible to achieve normalized EBITDA margin of 8% in the mid-term, once wider markets have stabilized again.

Thank you for your attention

Contact details

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

Felix Zander
Phone: +49-40-30030-1116
Email: fzander@nordex-online.com

Tobias Vossberg
Phone: +49-40-30030-2502
Email: tvossberg@nordex-online.com

Nordex SE
Langenhorner Chaussee 600
22419 Hamburg / Germany
www.nordex-online.com