



Nordex SE Q1 figures 2019

Conference Call, 14 May 2019

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Agenda

- 1 Executive summary *José Luis Blanco*
- 2 Markets and orders *Patxi Landa*
- 3 Financials *Christoph Burkhard*
- 4 Operations and technology *José Luis Blanco*
- 5 Guidance 2019 *José Luis Blanco*
- 6 Q&As *All*

Q1 2019 as expected

Q1 2019 results

Sales:	EUR 398.9m
EBITDA margin:	0.8%
Working capital ratio:	-1.5%

- Q1 2019 sixth quarter in a row with around 1 GW order intake.
- Profitability in Q1 2019 affected by low sales volume resulting in lower overhead coverage.
- Start series production of N149/4.0-4.5 of Delta4000 platform in Rostock.
- First international orders for N149/4.0-4.5 turbines from Argentina and Australia.
- Entering 5 MW class with third turbine type as Delta4000 platform derivative.
- Key structural patterns for 2019 remain valid as presented with the FY-figures 2018.
- Guidance for FY 2019 confirmed.

Market developments

Europe

- Draft National Energy and Climate Plans submitted to meet EU goal of 32% renewables by 2030.
- Low installations in Q1 in Germany but permitting picking up.
- Swedish and Finnish market with corporate PPAs.
- Spain rushing to get the awarded 4 GW of wind into the ground before end of 2019.
- Poland will hold another auction in 2019.
- Activity in Ukraine for FIT projects to be installed in 2019 & 2020.

America

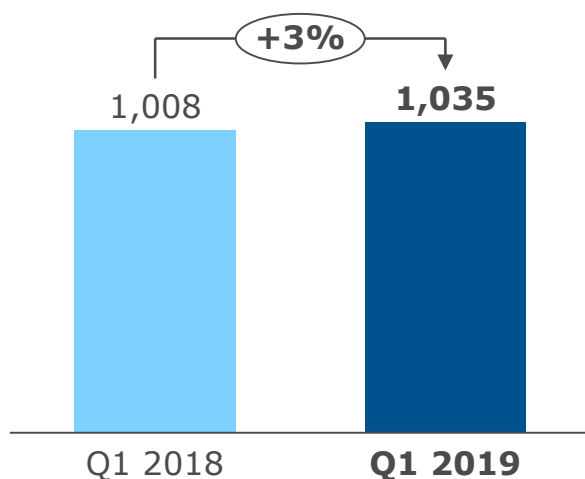
- PTC cycle still in full swing in the US, with very high activity level expected in 2020.
- Change of government in Mexico creates uncertainties but market supported by corporate PPAs.
- Colombia and Brazil expected to hold auctions still this year.

Rest of World

- Federal and State policies supporting market activities in India.
- South African round 5 expected to take place in the coming months.

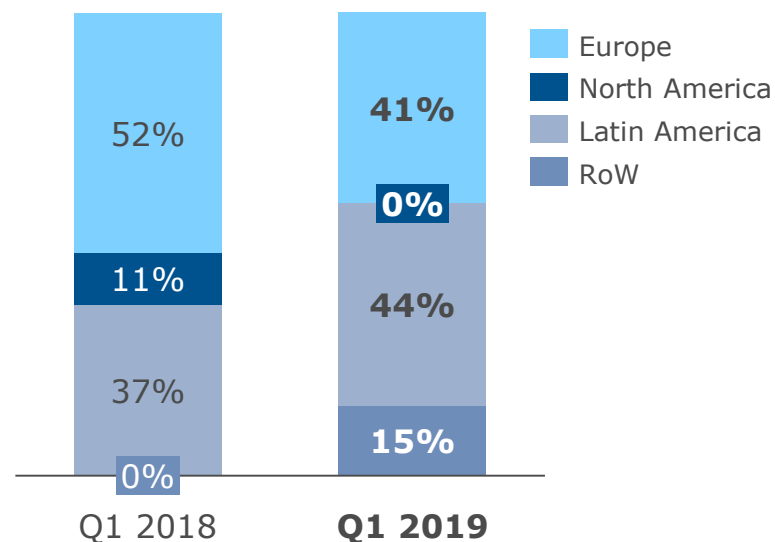
Order intake Q1 2019

Order intake turbine* (in MW)



- Solid start into the year – EUR 810m order intake in Q1 2019 (Q1 2018: EUR 820m)
- ASP of EUR 0.78m/MW for Q1 2019

Order intake turbine* by regions (in %)

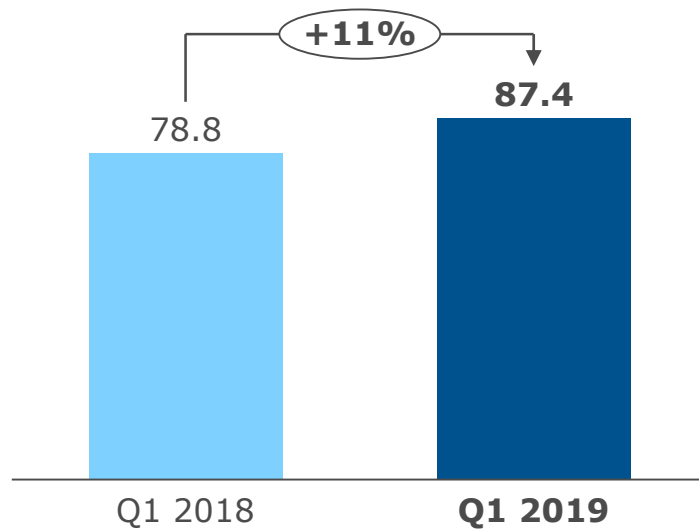


- Australia, Argentina and Mexico largest single markets in the first quarter 2019
- First orders from outside Europe (Argentina and Australia) for new turbine Delta4000

*Group segment „Projects“.

Service business continuously growing

Service sales (in EUR m)



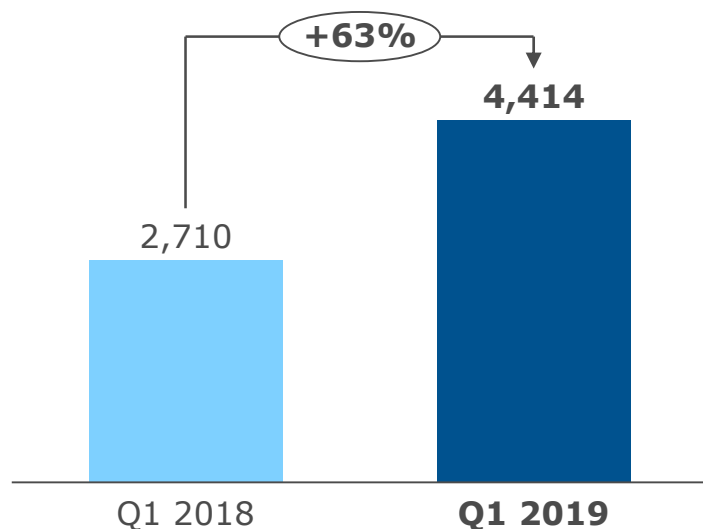
Comments

- Service sales share amounted to 21.9% of group sales in Q1 2019
- Service EBIT margin* of 16.5% in Q1 2019
- 97.4% average availability of WTG under service
- Strong Service order backlog (EUR 2.2bn)

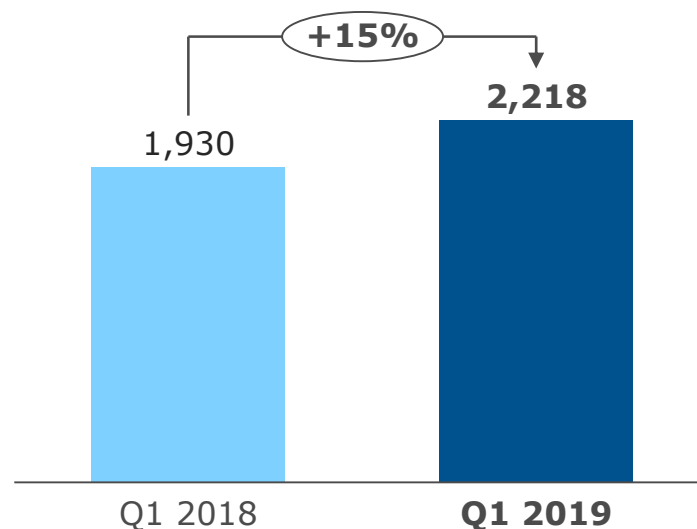
*Based on segment specific overhead allocation

Combined order backlog increased to EUR 6.6bn in Q1 2019

Order backlog turbines (EUR m)



Order backlog service (EUR m)



- Turbine order backlog reflects strong order intake over the last quarters
- Well balanced distribution on Nordex focus markets: Europe (49%), North America (8%), Latin America (25%), RoW (18%)
- Over 7,600 wind turbines under service, corresponding to around 19.1 GW at the end of Q1 2019

Income statement Q1 2019

in EUR m	Q1 2019	Q1 2018	abs. change
Sales	398.9	487.9	-89.0
Total revenues	583.6	384.3	199.3
Cost of materials	-441.1	-242.6	-198.5
Gross profit	142.5	141.7	0.8
Personnel costs	-85.0	-79.6	-5.4
Other operating (expenses)/income	-54.2	-42.1	-12.1
EBITDA	3.3	20.0	-16.7
Depreciation/amortization	-33.6	-36.5	2.9
EBIT	-30.4	-16.5	-13.9
Net profit	-35.0	-19.4	-15.6
Gross margin*	35.7%	29.0%	
EBITDA margin	0.8%	4.1%	
EBIT margin w/o PPA	-5.9%	-0.2%	

Comments

- Q1 sales in line with expectations reflecting back-end loaded year
- Gross margin of 35.7% impacted by favorable project mix and low volume
- EBITDA margin within expectations for Q1 2019
- PPA depreciation totaled EUR 6.8m in Q1 2019 (EUR 15.5m in Q1 2018)

*Gross profit in relation to sales.

Balance sheet Q1 2019

in EUR m	31.03.19	31.12.18	abs. change	Δ in %
Non-current assets	1,364.6	1,277.6	87.0	6.8
Current assets	1,966.6	1,781.0	215.6	12.1
Total assets	3,361.1	3,058.5	302.6	9.9
Equity	662.9	697.3	-34.4	-4.9
Non-current liabilities	891.1	822.9	68.2	8.3
Current liabilities	1,807.0	1,538.3	268.7	17.5
Equity and total liabilities	3,361.1	3,058.5	302.6	9.9
<i>Net debt*</i>	<i>110.3</i>	<i>32.5</i>		
<i>Working capital ratio**</i>	<i>-1.5%</i>	<i>-3.8%</i>		
<i>Equity ratio</i>	<i>19.7%</i>	<i>22.8%</i>		

Comments

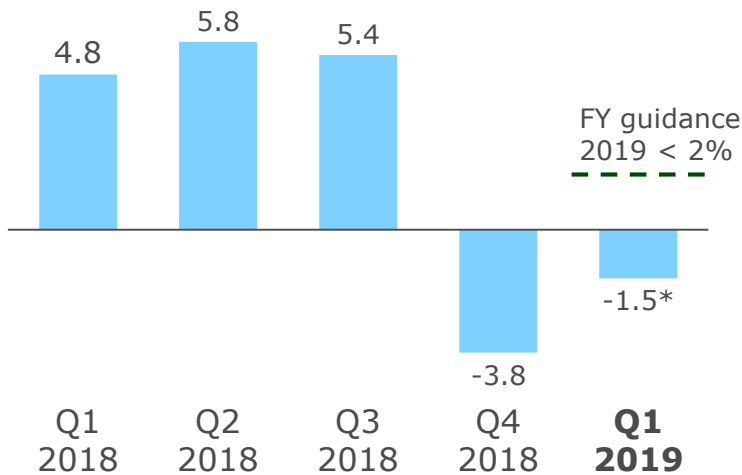
- Cash position of EUR 531m at the end of Q1 2019
- Balance sheet prolongation in Q1 2019 due to increased activity level
- Increase in current assets and liabilities due to working capital

*Cash and cash equivalents less bank borrowings and bond.

**Based on last twelve months sales (31.12.2018: actual sales figures).

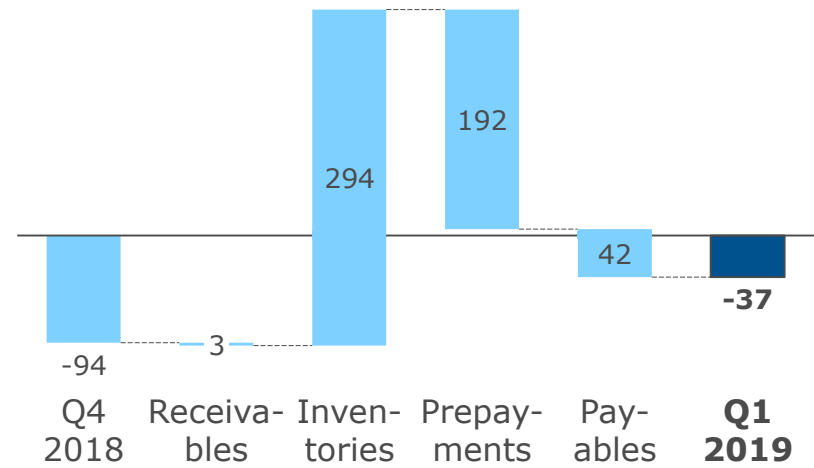
Working capital development in Q1 2019

Working capital ratio (in % of sales)



- Working capital increase in Q1 2019 reflecting preparation for high activity level in second half year

Working capital development (in EUR m)*



- Increase in working capital mainly driven by preparation for high installations in H2 2019

* Based on last twelve months sales.

Cash flow statement Q1 2019

in EUR m	Q1 2019	Q1 2018
Cash flow from operating activities before net working capital	3.2	-14.6
Cash flow from changes in WC	-57.9	-51.0
Cash flow from operating activities	-54.7	-65.6
Cash flow from investing activities	-21.6	-18.8
Free cash flow	-76.3	-84.3
Cash flow from financing activities	-2.4	142.3
Change in cash and cash equivalents*	-78.8	58.0

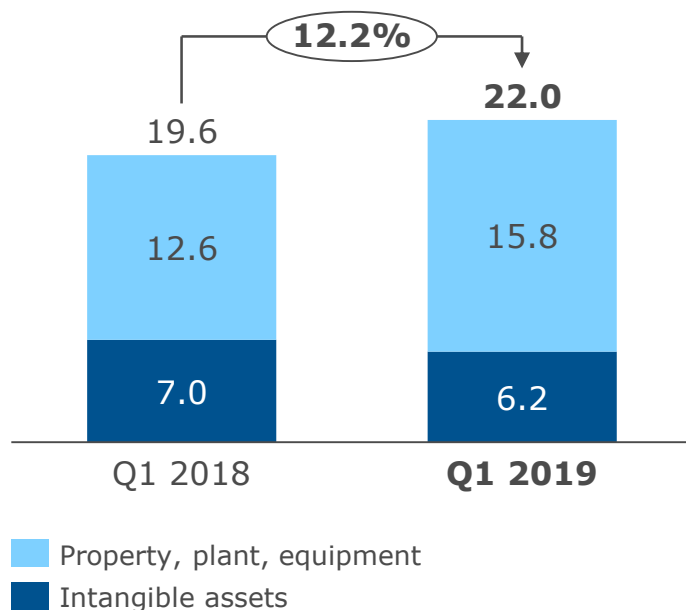
Comments

- Cash flow from changes in WC (EUR -57.9m) impacted by higher business activities
- Cash flow from operating activities driven by working capital development
- Cash flow from investing activities in line with expectations not reflecting additional order intake momentum in the course of this year
- Total cash of EUR 531m at the end of Q1 2019 compared to EUR 510m in Q1 2018

*Including FX effects.

Total investments in Q1 2019

CAPEX (in EUR m)

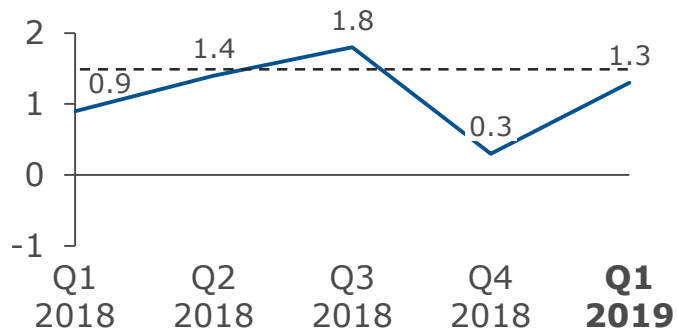


Comments

- Investments in Q1 2019 mainly comprised
 - Investments in tooling and equipment in Spain
 - Ramping up new production facility in India and Mexico
 - Investments in product development
- Decrease in intangible assets due to lower level of development costs compared to prior-year quarter

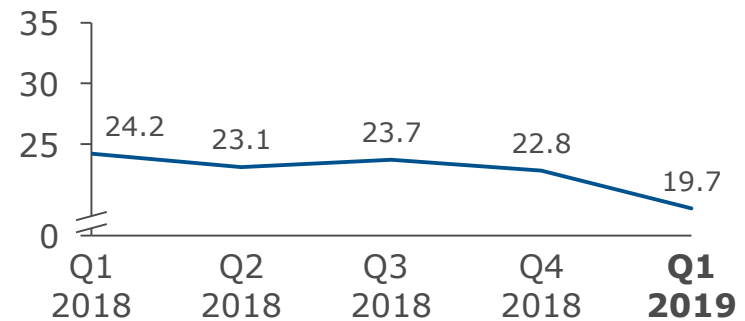
Capital structure Q1 2019

Net debt*/EBITDA**



- Leverage ratio impacted by an increase in working capital

Equity ratio (in %)



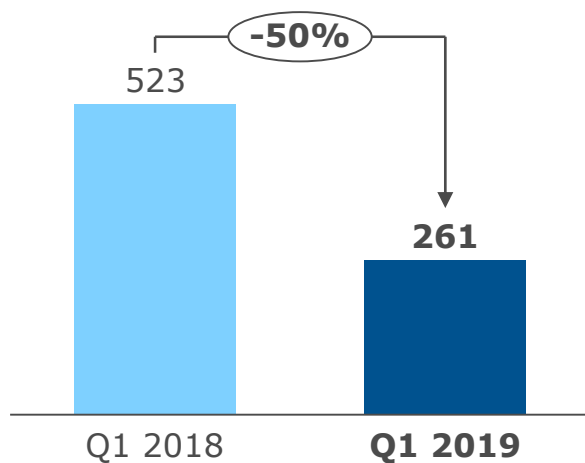
- Equity ratio decreased due to an increase in total assets leading to a balance sheet prolongation

*Cash and cash equivalents less bank borrowings and bond.

** Last twelve months.

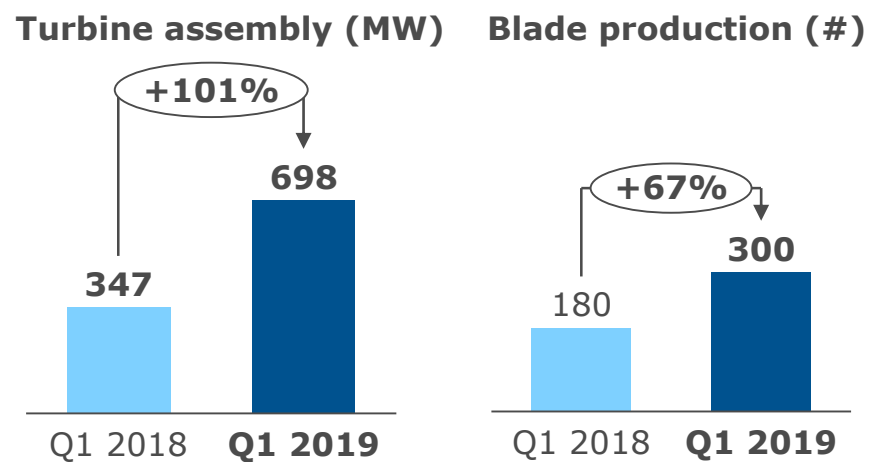
Operations in Q1 2019

Installations (MW)



- Total installations of 84 WTGs in 8 countries in Q1 2019: 36% Europe and 64% Latin America
- Project execution will significantly increase in H2 2019 in order to secure revenues in FY 2019

Production



- Output turbines of 214 units in Q1 2019: 81 GER, 93 ESP, 8 BRA, 32 IND
- Inhouse blade production of 300 units in Q1 2019: 84 GER, 216 ESP

N149/5.X – Key facts

WTG design purely focused on lowest possible COE

proven Delta4000 product series
"Staged Approach" philosophy

only 5 MW+ WTG based on **proven platform**

IEC S class
up to IEC A

suitable in core low-to-medium wind speed sites

first contracts already signed

lifetime extension up to 25 years
Standard design lifetime of 20 years

149m rotor
proven blade of N149/4.0-4.5

up to 164m hub heights
site-specific towers

N149/5.X

Nacelle dimensions remain unchanged to N149/4.0-4.5

>5MW rating
utilizing site potential

104.8 dB(A) @ 5.5 MW
+ numerous sound modes

 **Guidance for 2019 confirmed**

Sales: EUR 3.2-3.5bn

EBITDA margin: 3.0-5.0%

Working capital ratio: <2%

CAPEX: approx. EUR 120m*

* Depending on order intake momentum for Delta4000 in the course of 2019.

Time for your questions

Questions

Answers



**Thank you for
your attention**

Financial calendar 2019

2019	Event
26 March	Publication of Annual Report 2018
14 May	Interim statement Q1 2019
4 June	Annual General Meeting (Rostock)
14 August	Interim report H1 2019
13 November	Interim statement Q3 2019

Contact details

**IF YOU HAVE ANY QUESTIONS PLEASE
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