

> Nordex SE Conference Call Q1 2017

Hamburg, 11 May 2017



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Introduction of new CEO: José Luis Blanco

- CEO Nordex SE (since 4/2017)
- COO & deputy CEO Nordex SE (4/2016 – 3/2017)
- CEO Acciona Windpower (2012 – 3/2016)

- Various management positions at Gamesa Group (1993 – 2012)
 - CSO Gamesa
 - GM Gamesa Offshore
 - CTO & CEO Made S.A.
- owned by Gamesa -
 - Interim CEO Gamesa Solar
 - COO Gamesa USA
 - CEO Gamesa Eolica USA
 - Several operational & executive positions



Agenda

- 1 Introduction *José Luis Blanco*
- 2 Markets, orders & installations *Patxi Landa*
- 3 Financials *Christoph Burkhard*
- 4 "30-by-18" *Christoph Burkhard*
- 5 Product development *José Luis Blanco*
- 6 Outlook *José Luis Blanco*
- 7 Q&A *All Board members*

Strategic and operating priorities

Priorities

- › Improving the efficiency and profitability of the company
 - › Continued improvement of COE
 - › Lean and efficient organization
 - › Focus on cost and CAPEX control
- › Major investment in technology and supply chain development to grow market share in the medium/long-term

Key actions

- › Reorganization (only 3 divisions)
- › Adapt production capacity to demand
- › Reduce structure costs (“30-by-18”)
- › Optimize supply chain in lead competitive countries
- › Leveraging our existing global footprint

Our goal: offer best-in-class products while further reducing cost base in order to improve profitability

Key facts

Q1/2017

- › Revenues of EUR 648.4m
- › EBITDA margin of 7.9%
- › Service sales plus 57%
- › “30-by-18” measures identified and in implementation phase
- › Installations in GER at record level (158 MW)
- › Major new order booked for delivery in 2017: 285 MW (USA)

Recent developments

- › Major order received in April: 195 MW (BRA) “Lagoa do Barro”
- › FIT-PPAs for two projects in India secured (177 MW)

 2017 is developing according to plan

Short term uncertainty as markets transition towards auction systems

Europe

- General trend in European markets transitioning towards auction based systems
- Germany held first auction with results expected in May
- Short term uncertainty in Turkey as it transitions to auction based market mechanisms

America

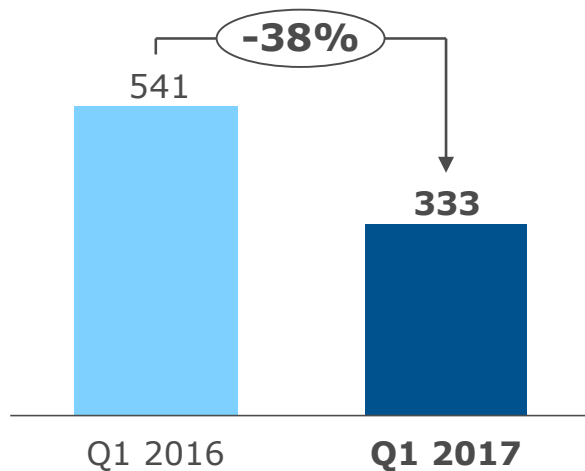
- Strong US market demand driven by current PTC cycle
- New auctions to be held in the second half of the year in Mexico, Argentina and Chile
- Uncertainty remains short term in Brazil as it is unclear whether a new auction will take place this year

Rest of World

- India expected to grow and account for sustained volume, but transition to auctions creating uncertainty
- Achieved wind energy competitiveness fuels new markets into setting renewable energy targets

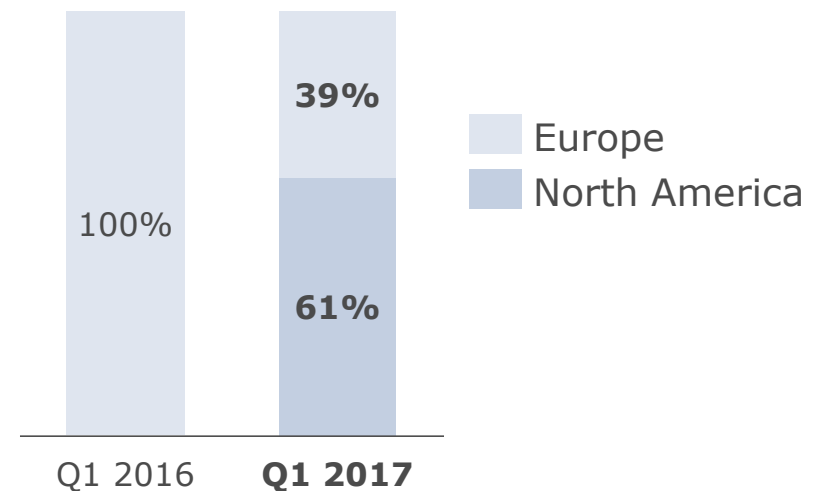
Q1 order intake of EUR 333m in line with expectations

Order intake* (in EUR m)



*excl. Service

Order intake by regions (in %)

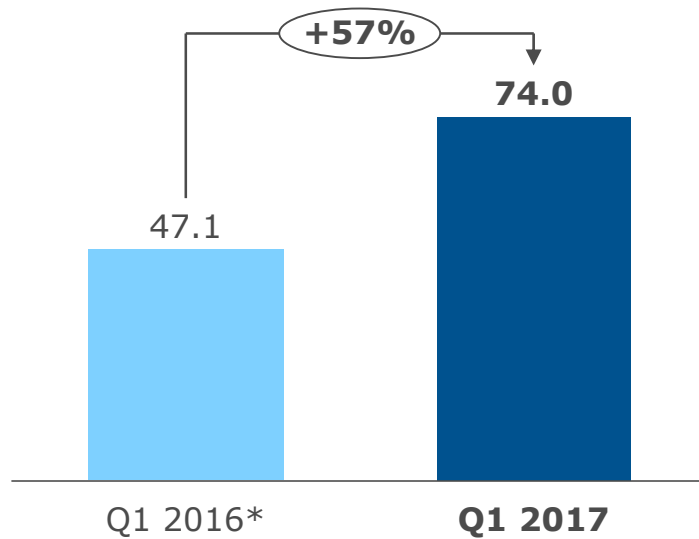


- › Slow start of the year in European markets as expected
- › 13% of the permitted projects (8.9 GW) in GER in 2016 are planned with NDX turbines
- › Back-end loaded order intake expected for the year

- › Orders from the US, Germany, Finland and France

Organic growth and AW turbines driver for service segment

Service sales (in EUR m)



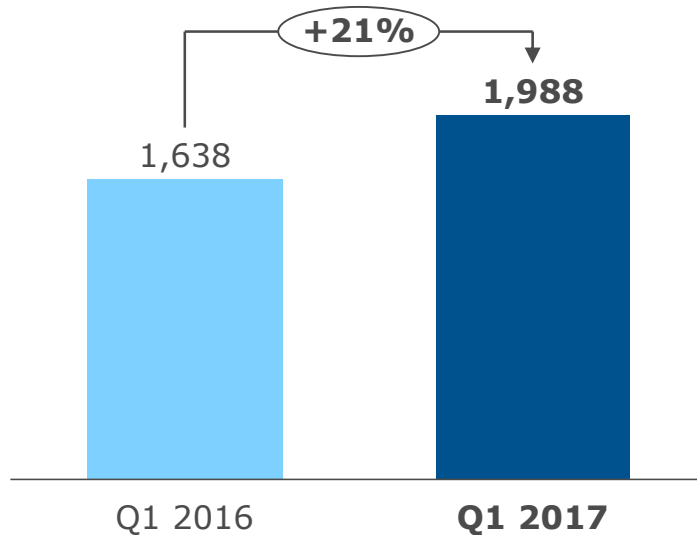
*Adjusted after change in segment reporting

Comments

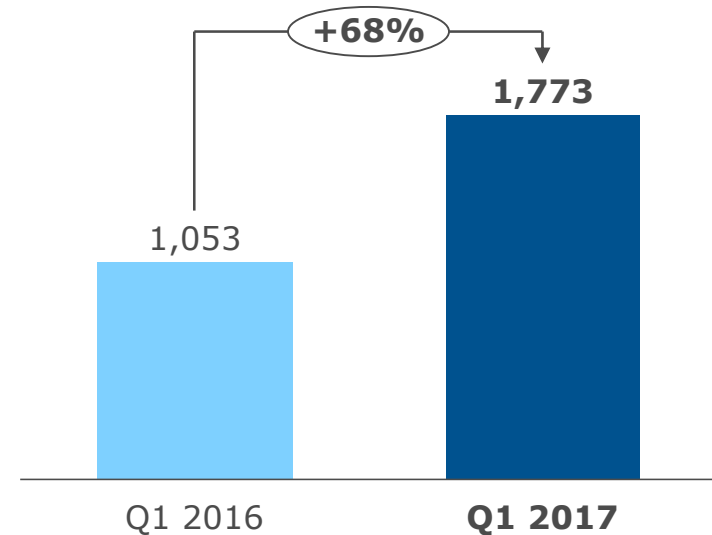
- Organic growth on Nordex platform of ~17%
- Service share increased to 11.4% of total sales

Combined turbine and service backlog stands at EUR 3.8bn

Order backlog turbines (EUR m)



Order backlog service (EUR m)

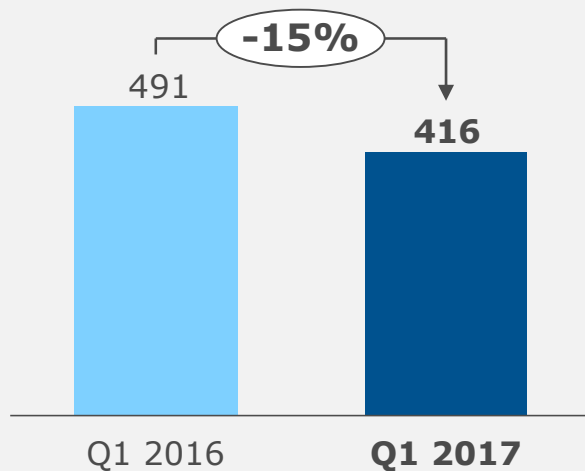


- Turbine order backlog distributed across Europe (EUR 982m), North America (EUR 366m), Latin America (EUR 526m) and RoW (EUR 114m)
- Distribution shows a well balanced geographical business footprint

- Service backlog increased by EUR 720m
- 13.6 GW under service

Operational performance

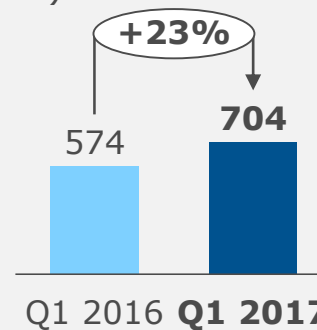
Installations (MW)



- 152 WTGs in 11 countries: 66% Europe, 18% RoW, 12% LatAM, 4% USA

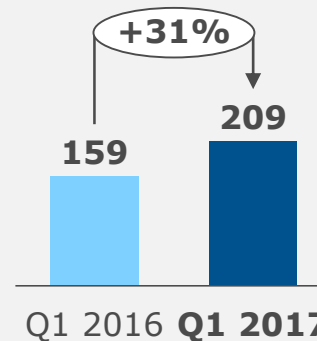
Production

- Turbine assembly (MW)



- Output of 250 units: GER 166, ESP 72, BRA 11, IND 1
- Preparing for higher installations in summer

- Blade production (#)



- Output: 111 GER, 98 ESP

Income statement Q1 2017

in EUR m	Q1 2017	Q1 2016	Δ in %
Sales	648.4	637.0	1.8
Total revenues	663.6	639.7	3.7
Cost of materials	-471.4	-479.3	-1.7
Gross profit	192.2	160.4	19.8
Personnel costs	-81.8	-52.8	54.9
Other operating (expenses)/income	-59.2	-48.5	22.1
EBITDA	51.2	59.1	-13.4
Depreciation/amortization	-34.1	-14.2	140.1
EBIT	17.1	44.9	-61.9
Net profit	7.1	25.5	-72.2
Gross margin	29.0%	25.1%	
EBITDA margin	7.9%	9.3%	
EBIT margin w/o PPA	4.6%	n/a	

Comments

- Sales according to plan
- Good project margins due to favourable project mix
- Depreciation includes EUR 12.5m from PPA
- Tax rate stands at 34.9%

Balance sheet Q1 2017

in EUR m	31.3.17	31.12.16	abs. change	Δ in %
Non-current assets	1,277.9	1,275.1	2.8	0.2
Current assets	1,594.2	1,719.1	-124,9	-7.3
Total assets	2,872.1	2,994.2	-122.1	-4.1
Shareholders' equity	948.8	940.0	8.3	0.9
Non-current liabilities	812.1	812.0	0.1	0.0
Current liabilities	1,111.2	1,242.2	-131.0	-10.5
Total liabilities	2,872.1	2,994.2	-122.1	-4.1
<i>Net debt*</i>	<i>176.3</i>	<i>-6.2</i>		
<i>Working capital ratio**</i>	<i>8.4%</i>	<i>4.1%</i>		
<i>Equity ratio</i>	<i>33.0%</i>	<i>31.4%</i>		

Comments

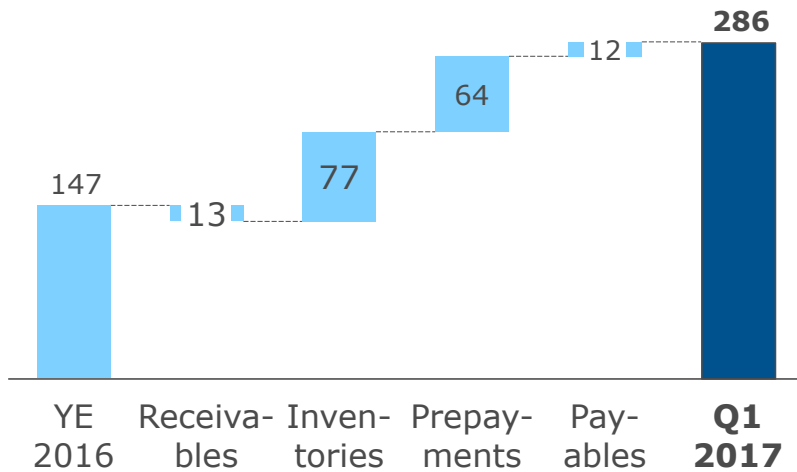
- Increase in inventories catering for higher activity level expected in summer
- Current liabilities decreased due to lower customer prepayments

*Cash and cash equivalents less bank borrowings and bond

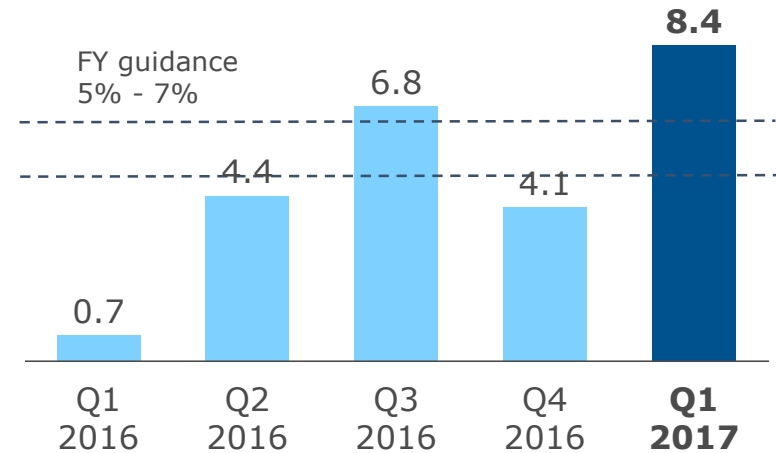
**Based on full year AWP sales (Q1/2016: EUR 187.8m)

Working capital development Q1 2017

Changes in working capital Q1 2017 (in EUR m)



Working capital ratio (in % of sales*)



➤ Increased working capital as per plan due to higher inventories and reduced prepayments

➤ Working capital ratio expected to peak in Q2 and to decline in second half 2017

*Based on full year AWP sales (Q1/2016: EUR 187.8m)

Cash flow statement Q1 2017

Key figures cash flow statement

in EUR m	Q1 2017	Q1 2016
Cash flow from operating activities before net working capital	-4.0	21.7
Cash flow from changes in WC	-139.5	-48.3
Cash flow from operating activities	-143.5	-26.6
Cash flow from investing activities	-35.5	-14.3
Free cash flow	-179.0	-40.9
Cash flow from financing activities	10.3	46.9
Change in cash and cash equivalents*	-168.7	6.0

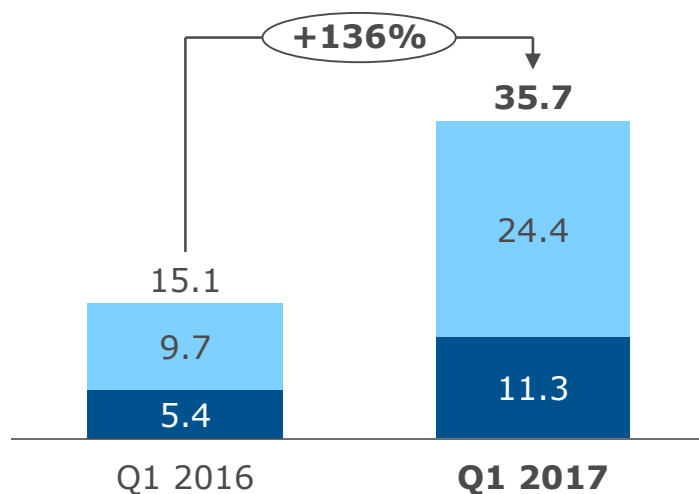
Comments

- Free cash flow reflecting working capital development
- Cash flow from financing activities reflecting utilization of local working capital facility in Brazil and quarterly instalments of EIB loan

*Including FX effects

➤ Total investments Q1 2017

CAPEX (in EUR m)



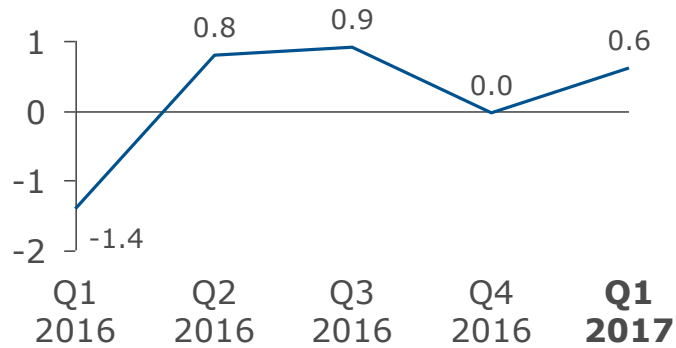
- Property, plant, equipment
- Intangible assets

Comments

- Increase in property, plant, equipment mainly driven by:
 - Activity increase on AW platform (production equipment)
 - Blade moulds Delta generation
 - SSP acquisition
 - Indian blade production to support global volume
- Increased intangible assets related to development of new WTG for land constrained markets

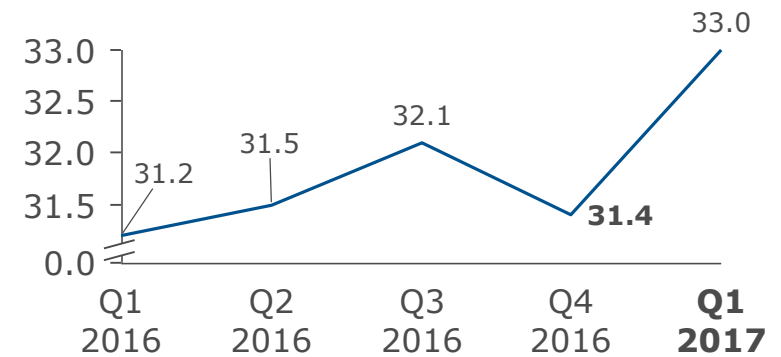
Capital structure

Net debt* to EBITDA** (xEBITDA)



- Leverage increase to 0.6 in Q1 reflects higher net debt position

Equity ratio (in %)



- Solid equity ratio of 33.0% at the end of Q1 2017

*Cash and cash equivalents less bank borrowings and bond

** Last twelve months

“30-by-18” cost reduction programme to support long-term profitability

Programme is progressing well

Scope



- › **Target: EUR 30m** reduction in structural costs
- › **Focus area: Corporate and general admin functions**
 - ➔ Reductions represent **>15% of 2017 baseline costs despite increased** post-merger **scope**

Progress



- › **Measure identification** phase has been **successfully completed**
- › **OPEX measures** already in **implementation** phase
- › **Headcount related measures** are being discussed and will be **negotiated with works council**

No overlap or double-counting with ongoing COE activities and factory utilization adjustments

Product development in land-constrained markets (Delta platform)

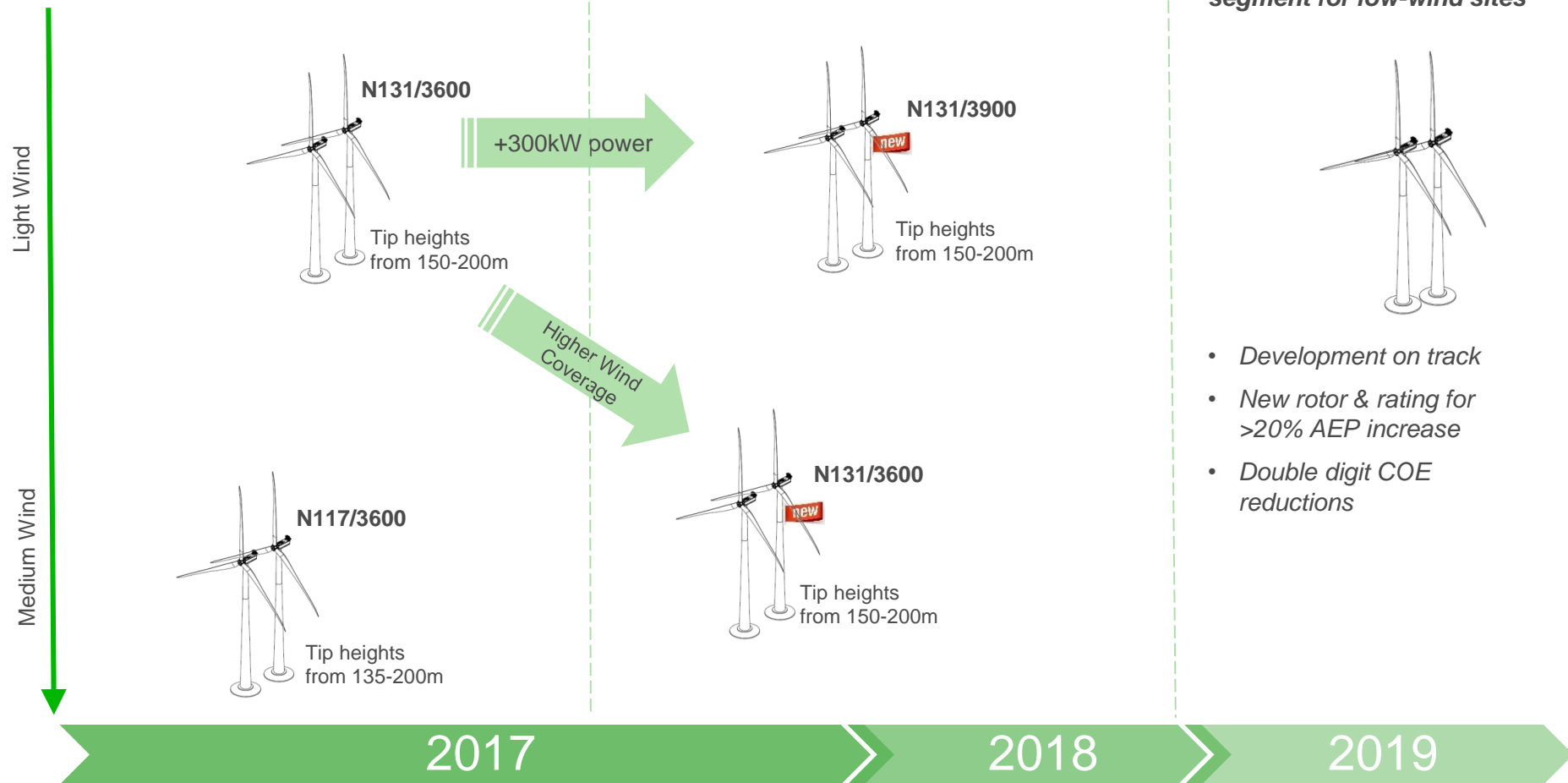
1. Step: Power Shift

2. Step: Wind Class & Power Shift

Next Product Move

Entering the >140m rotor segment for low-wind sites

Ø Wind Speed

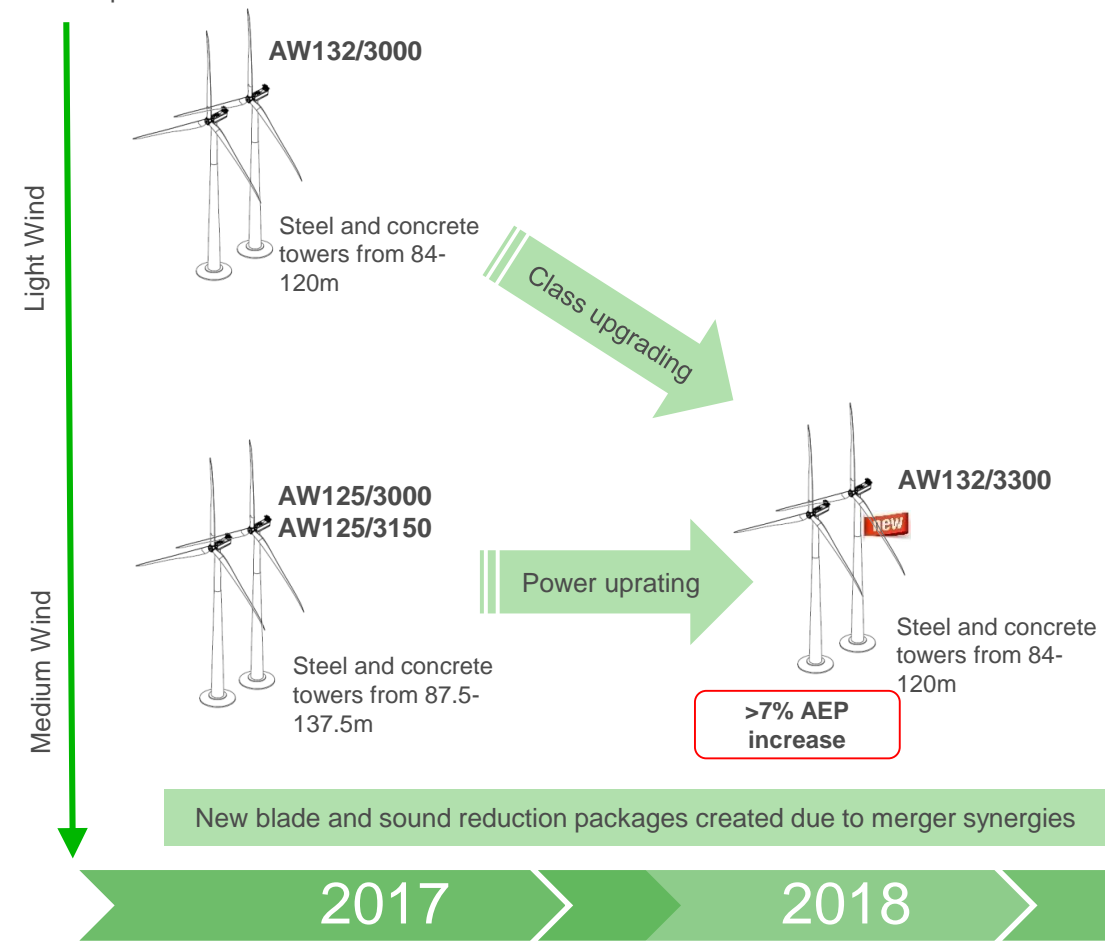


- Development on track
- New rotor & rating for >20% AEP increase
- Double digit COE reductions

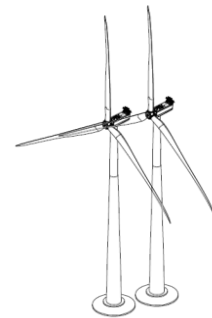
Start of Serial Production

Product development in grid-constrained markets (AW platform)

Ø Wind Speed



Next Product Move
Enhancing competitiveness in the light-wind segment



- Targeting quick time to market
- Extending platform with limited additional investment
- Sizable COE improvements for low-wind sites

Start of Serial Production

> Guidance 2017 confirmed

2017e

Sales **EUR 3.1-3.3bn**

EBITDA margin **7.8-8.2%***

W/C ratio **5.0-7.0%**

CAPEX **approx. EUR 150m**

*Excluding costs related to "30-by-18" programme

Guidance 2018 **published in Q1 2018**

Medium/long-term strategy

Goals

- Increasing Nordex global market share
- Improving profitability of the company

Levers

- Strong global customer base
- Global top player in the industry
- Global market & operations footprint
- Competent & committed team to execute the plan

Measures supporting the strategy

- Adapt capacity to demand short-term
- Improve efficiency („30-by-18“)

- Increase lead competitive countries leveraging on suppliers optimizing CAPEX
- Investing in products & technology

- Continuous COE reduction by high single digit percentage every year

- Mid term market share improvement

- Mid term profitability improvement

The management team



José Luis Blanco
› CEO

- › CEO Acciona Windpower
- › Various Senior Management & Chief Officer positions at Gamesa



Christoph Burkhard
› CFO

- › CFO Siemens Wind Power Offshore
- › Various other positions at Siemens
- › BHF Bank, EBRD



Patxi Landa
› CSO

- › Business Development Director and Executive Committee member at Acciona Windpower
- › Various Chief Officer Positions at Acciona

Financial calendar 2017

Date	Event
11 May	Interim statement Q1 2017
30 May	Annual General Meeting (Rostock)
3 August	Interim report H1 2017
14 November	Interim statement Q3 2017

> **Together** on the same course

Ralf Peters
(Head of Corporate Communications)

Tobias Vossberg
(Investor Relations)

Rolf Becker
(Investor Relations)

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