



Annual General Meeting of NORDEX SE

Speech by CEO José Luis Blanco

Headquarter Hamburg, May 6, 2025 (virtual)

The spoken word prevails.

Dear Shareholders,

Ladies and gentlemen,

Welcome on behalf of the entire Nordex management team to this year's Annual General Meeting of Nordex SE.

This year, we are once again holding the AGM in virtual form for logistical, scheduling, and, most importantly, sustainability reasons. Today, we will report on the 2024 financial year, discuss current developments, outline the outlook for 2025, and review our strategic direction. Afterwards, we look forward to your questions and comments during the general debate.

As in previous years, I will be presenting in English as I am more familiar with this language. Thank you for your understanding.

Introduction: 2024 - a year of transition to an era of profitable growth

2024 has been a year of remarkable progress for the Nordex Group. Despite the ongoing challenges in the global economic landscape and increasing uncertainty on geopolitical levels, we made a significant step closer towards achieving our medium-term profitability target of 8% EBITDA margin.

The past few years have been anything but easy for us and the industry as a whole. We faced a very volatile period in 2021 and 2022, with significant supply chain disruptions, soaring inflation and, for us, a challenging cyber incident. This period of volatility was followed by a period of stabilization.

With all relevant milestones achieved, our 2024 results now mark the successful transition to an era of profitable growth.

2024 in a nutshell

In detail, 2024 was a year in which we fully delivered on all our operational and financial promises.

Operationally, we achieved a record order intake, resulting in a record high order book of EUR 12.8 billion. This remarkable achievement was driven by strong momentum in both our service and project businesses.

For our project business, order intake amounted to 8.3 GW, corresponding to EUR 7.5 billion in value, and coming from across 24 countries. The strongest individual markets were Germany, Türkiye, Canada, France, Spain and South Africa. Again, we are happy to report that pricing levels continued to remain stable.

Talking about our service business, this segment continues to grow stronger, with higher sales and improved EBIT margins in 2024. This growth underscores the robustness of our service offerings and our ability to meet customer needs effectively.

Financially, we have also made significant progress in 2024. We have consistently improved both our absolute EBITDA and EBITDA margin throughout the year, and we ended the year with a total of 4.1% in EBITDA margin, which is up 400 basis points compared to FY2023. We also managed to deliver a robust free cash flow of EUR 271 million and a net cash position of EUR 848 million.

These figures underline the strengthening of our financial position and our ability to generate cash in an efficient manner.

Our market position

Having talked about the strong order momentum, I am pleased to announce that Nordex has now become the second largest onshore player worldwide in terms of order intake, excluding China. This achievement reflects the solid and consistent performance of our sales and project teams over the years.

In the EMEA region, we have maintained our number one position for the third consecutive year. In the Americas, we have improved our market share, primarily driven by Canadian orders, and we aim to further strengthen our position there.

To maintain a strong customer offering and remain attractive to our clients, we should highlight several product updates realised in 2024. These updates aim to enhance the scope and competitiveness of our portfolio, supporting continuous growth in the European, North American, and international markets.

As you know, the Delta4000 platform is the cornerstone of Nordex's product lineup, reflecting our focus on innovation and adaptability in the wind energy sector aiming to deliver the optimal results for our customers. This platform features a modular design, offering eight distinct product types that cater to a wide range of wind conditions and international markets. Due to its competitiveness we expect that this platform remains a leading choice in the market for several years before we are going to develop a new one.

Now, let me highlight some of the innovative solutions we've developed over the past year. In July 2024 Nordex installed the world's first N175/6.X in the North of Germany. After receiving the type approval certificate for the new inhouse 179-meter hybrid tower, in January 2025, the 2nd N175/6.X prototype was installed on the first 179-meter hybrid in Germany. Specifically in Germany this turbine variant, which enhances energy production at low-wind locations, will play a particular important role.

But 179 meters is not the end yet. I am proud to say that we also introduced a new hybrid tower featuring our highest hub height of 200 meters. This allows the turbine's rotor to operate in higher wind speeds with less turbulence, ideal for low-wind locations.

Based on our proven hybrid tower design, successfully tested in Finland in 2023 already with 168m hub height, this new tower highlights our commitment to providing innovative solutions in key markets like Germany, Finland, and Sweden.

In colder climates, ice accumulation on wind turbine blades can significantly impact performance, leading to reduced energy output and increased maintenance costs. Icing not only affects the efficiency of the turbines but also poses safety risks and operational challenges.

At Nordex, we have developed an advanced anti-icing system designed to mitigate these challenges and ensure optimal performance even in the harshest conditions. Our system incorporates state-of-the-art technology to prevent ice formation and maintain the aerodynamic efficiency of the blades.

The recent orders from the Nordics are clear evidence that our innovative approach truly makes a difference for our customers.

But we are not focusing on Europe alone and we are continuing to focus on rebuilding our North American business. We are currently in the process of re-entering the market, as we believe the US market will remain sizeable despite the current uncertainties surrounding the IRA and Trump's policies.

Our progress in sustainability

Last year, we also made significant progress in implementing our sustainability strategy.

After submitting science-based targets to reduce our greenhouse gas emissions, we received approval from the *Science-Based Targets Initiative* for both our short and long-term goals. We successfully reduced the frequency of lost time injuries (LTIF) across our operations, achieving an LTIF ratio of 1.45 for the full year 2024. This marks a significant reduction of over 50% from the 2021 baseline.

In 2024, we also joined the UN Global Compact, emphasizing our commitment to aligning our operations with universal principles on human rights, labor, environment, and anti-corruption. In line with our ESG rating roadmap, we are performing well in relevant ratings for our customers, investors, and other stakeholders.

Our other sustainability strategy activities are ongoing, and we will initiate further actions throughout this year. Finally, we have published our first CSRD sustainability statement integrated into the FY2024's report to further promote transparency around ESG topics.

Demand and market outlook

As a next point, I would like to take the opportunity to share our views on the key demand drivers of our industry going forward.

We believe that electricity demand across Europe and the Americas will continue to grow for several years, driven by a wave of decarbonization, the surging electricity needs of data centers, and the electrification of transport.

Most recently in February 2025, we saw another positive European trend. I am talking about the Net-Zero Industry Act designed to enhance the EU's capacity to produce and deploy renewable energy technologies. Thereby the broader goals of decarbonization and energy independence will be supported.

In this scenario, onshore wind will play a crucial role because it remains one of the cheapest options in many regions; it can be built more quickly than some other alternatives; and it is flexible and scalable and strengthens energy independence.

Finally, according to the latest IEA report, global electricity consumption is expected to increase by 4% annually between 2025 and 2027. Renewables, including wind power, will account for about 95% of this additional growth. This highlights the critical role wind energy will continue to play in the energy mix for years to come.

When looking concretely at our markets, industry forecasts predict market growth in the short to medium term, despite some uncertainties in certain countries. With our leading position in Europe, we expect to benefit from European markets' growth, driven by key countries such as Germany, France, the UK, Türkiye, Eastern Europe, and Spain.

In the Americas, we anticipate maintaining decent volumes, supported by our strong position in Canada, as well as gaining traction in the US and Latin American markets.

Additionally, we remain optimistic about coming opportunities in markets like Australia.

Based on our robust order intake and our leading position in Europe thanks to our competitive product offering, we believe we can continue to capitalize on these market opportunities going forward.

Outlook for 2025

After having successfully improved our operational and financial KPIs in 2024 compared to 2023, such as delivering a 400-basis points margin improvement and a free cash flow of plus EUR 271 million, we expect 2025 to be another year of continuous improvement.

Based on our order book and project timelines, we anticipate sales to range between EUR 7.4 billion and EUR 7.9 billion. Our EBITDA margin is projected to see a substantial increase, reaching between 5% and 7%. We expect working capital to remain around this year's level, staying below minus 9%.

CAPEX spending is anticipated to be slightly higher than in 2024, around EUR 200 million. While we do not provide specific free cash flow guidance, we are confident that we will achieve another positive free cash flow year.

Regarding order intake, we do not provide specific guidance. However, we are and remain very confident that we will see strong momentum and aim to achieve at least the same level as in 2024.

Mid-term EBITDA target and strategy

At the beginning of my speech, I mentioned that we are fully on track to achieve our 8% EBITDA margin target.

We will continue to expand margins this year as we fully delivered our less profitable orders in 2024, eliminating any drag on operational margins in 2025. Further, our execution is improving in a much more stable cost and supply chain environment, and we see our Service EBIT margins enhancing. Finally, additional volumes are crucial for increasing margins in an operating leverage business.

Let me also note that we have sufficient visibility in our broader pipeline today, even without a significant boost from the US market. This gives us the confidence to reach our mid-term margin target. While success in the US market offers an extra layer of security, it is not essential for us to achieve our mid-term 8% EBITDA margin target.

Snapshot of the first three months of 2025

Overall, I am pleased to report that the first three months of 2025 have progressed as planned, marking a strong start to the year for Nordex. We have delivered improved margins and achieved a positive free cash flow already in the first quarter.

Firstly, our total order book, including service and project orders, grew again and we also recorded a turbine order intake of 2.2 GW in the first quarter, up 5% compared to the first quarter in 2024.

Secondly, profitability increased across all segments. Our total EBITDA rose by 53% to EUR 80 million, resulting in a 5.5% EBITDA margin and a positive net income of EUR 8 million, surpassing the total net income for 2024.

On the strategic side, the last few months have seen positive developments in Europe and Germany. Germany is expected to auction 12-14 GW this year, following a strong year with 12 GW of auctions last year. In Europe, the commitment to the Clean Industrial Deal underscores that renewables are crucial for both energy independence and national security.

Finally, regarding tariff discussions in the US, let me clarify that we do not expect any material impact on our financial performance either this year or next.

Overall, we are on track to deliver our guidance for this year and to achieve our EBITDA margin target of 8% in the medium term.

Conclusion

So, in a nutshell, for 2025, our focus continues to be customer centric and to offer the most optimal solutions while improving our margins and expanding our market footprint. We will continue our path to profitable growth with great determination and commitment in order to bring Nordex to its full earning power.

In conclusion, I would like to express my gratitude to our employees, partners, and shareholders for their unwavering support and dedication, and who have supported us during our journey. Together, we have already made substantial progress, and I am excited about the opportunities that lie ahead.

Thank you for your attention, and we look forward to your questions.