



Nordex Group

# Nordex SE – Financial figures Q1/2023

12<sup>th</sup> May 2023

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# > Agenda

Introduction

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José Luis Blanco

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Markets and orders

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Patxi Landa

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Financials

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Dr Ilya Hartmann

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Operations and technology

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José Luis Blanco

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Guidance and Outlook

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José Luis Blanco

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Q&As

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All

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Key takeaways

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José Luis Blanco

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# Executive summary Q1/2023

## Q1/2023 RESULTS

**Sales**  
**EUR 1,217m**

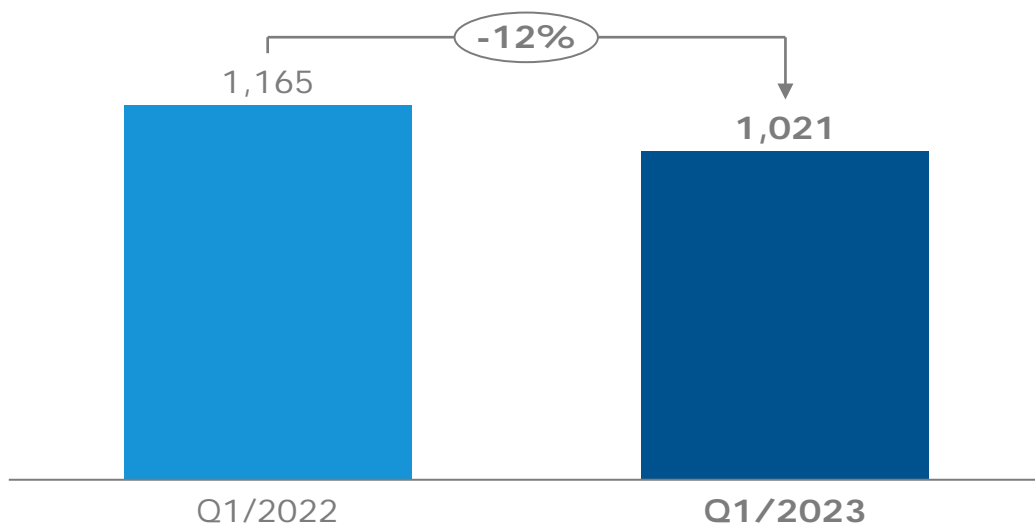
**EBITDA margin**  
**-9.4%**

**Working capital ratio**  
**-10.6%**

- > Order intake of around 1.0 GW shows a solid start into the year with ASP of EUR 0.90m/MW.
- > Sales aggregated to EUR 1,217m; increase of ~31% compared to previous year quarter of EUR 933m.
- > Gross margins continue to be impacted by extra costs of catch up in winter and some further LDs from the delays of the last year. Margins improved sequentially to 8.9% compared to 2.6% in Q4/2022, however still below the normal run-rate due to these one-off effects.
- > EBITDA margin of -9.4% in Q1/2023 similar to previous year quarter, mainly on account of lower gross margins.
- > Strong working capital ratio of -10.6%.
- > Installations of 1,319 MW in Q1/2023; run rate back to normal level but still lower than the run-rate required to catch up for delays of 2022.
- > Successful issuance of the EUR 333m convertible bond in April, further strengthening the balance sheet of the Company.
- > EUR 275m high yield bonds repaid in February 2023 and conversion of the EUR 347m shareholder loans into equity successfully completed in May 2023.
- > 2023 guidance maintained.

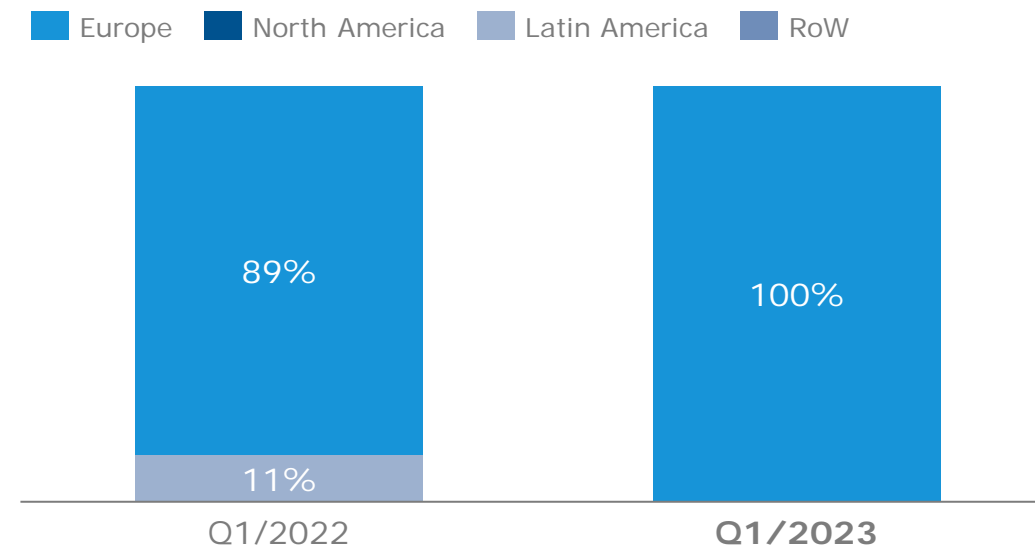
## > Order intake Q1/2023

### Order intake turbine\* (in MW)



- > Order intake totaled to EUR 917m in Q1/2023 (EUR 903m in Q1/2022)
- > ASP\*\* of EUR 0.90m/MW in Q1/2023 (0.78m/MW in Q1/2022), after a healthy development in FY 2022

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

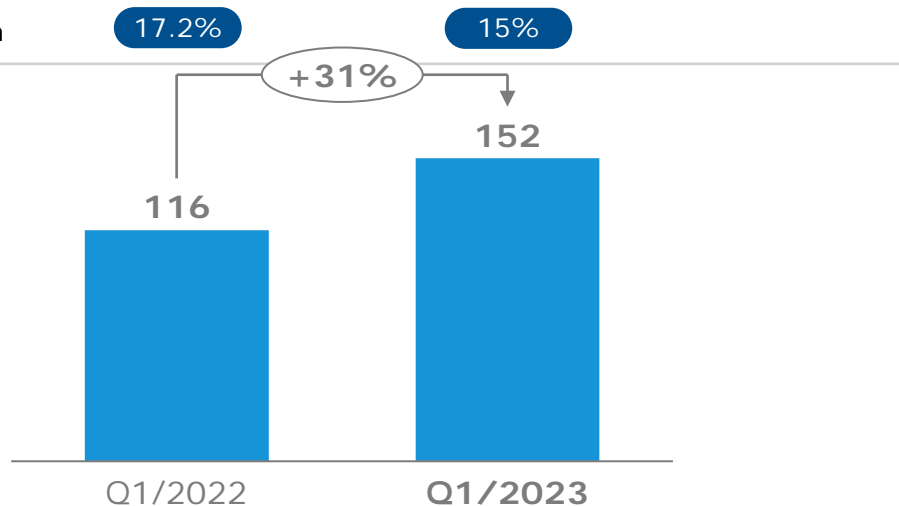


- > Orders received from eight different European countries in Q1/2023
- > Largest single markets were Estonia, Germany and Lithuania

## > Growth in service business Q1/2023

### Development of service revenues (EUR m) and EBIT margin

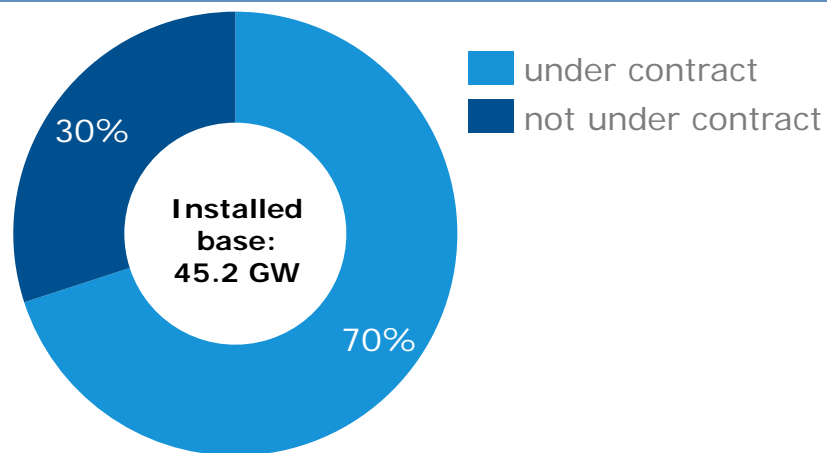
EBIT margin



### Comments

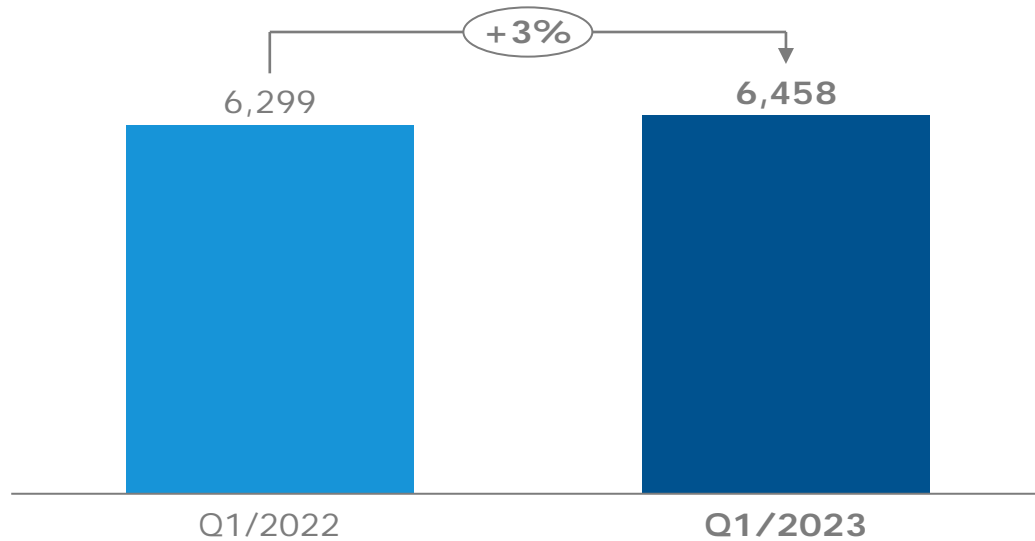
- > Share of service sales amounted to around 12% of group sales in Q1/2023
- > Service EBIT margin of 15% in the first three months 2023, reflecting higher cost inflationary effects
- > 97% average availability of WTGs under service in Q1/2023
- > Service order book remains strong of over EUR 3.4bn at the end of Q1/2023

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



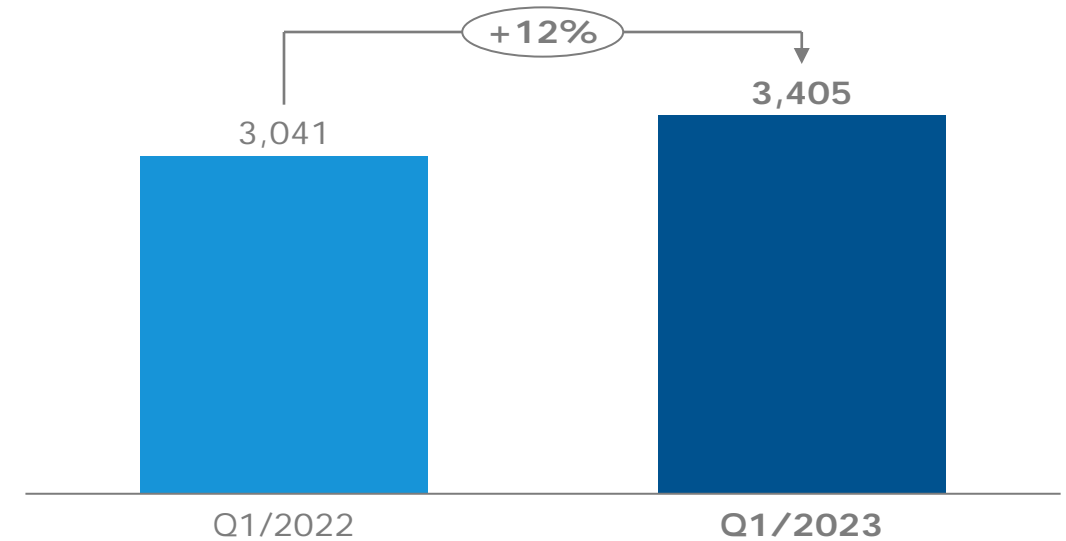
# > Combined order book at EUR 9.9bn at the end of Q1/2023

## Order book turbines (EUR m)



- > Order book of around EUR 6.5bn at the end of Q1/2023 shows continued healthy order intake development
- > Geographical distribution of the order book in Q1/2023: Europe (76%), Latin America (19%), North America (3%) and Rest of World (2%)

## Order book service (EUR m)



- > 10,682 wind turbines under service agreement - corresponding to 31.7 GW at the end of Q1/2023

## ➤ Successful issuance of green convertible bond strengthens capital structure while optimising financing costs

### Deal Terms

Issuer:	Nordex SE
Issue Size:	EUR 333m
Ranking:	Senior Unsecured
Maturity:	7-years
Bondholder Put:	At the 5 <sup>th</sup> anniversary
Issuer Call:	After 5 years subject to 130% parity threshold
Coupon:	4.25% p.a., paid semi annually
Reference Share Price:	EUR 12.10
Conversion Premium:	30.0%
Conversion Price:	EUR 15.73 initially
Underlying Shares:	21.2m shares / 10.0% of issued share capital

### Transaction Highlights

- Debut in convertible bond market
- Transaction strengthens capital structure while optimising financing costs
- Display of environmental commitments through issuance under a newly established Green Financing Framework, with the proceeds being earmarked for Eligible Green Projects
- Multiple oversubscription during book-building, demonstrating the high confidence of investors in Nordex business model as well as the industry's long-term prospects



# > Income statement Q1/2023

in EUR m (rounded figures)	Q1/2023	Q1/2022	abs. change
<b>Sales</b>	<b>1,217</b>	<b>933</b>	<b>284</b>
Total revenues	1,243	1,133	110
Cost of materials	-1,135	-1,012	-123
<b>Gross profit</b>	<b>108</b>	<b>121</b>	<b>-13</b>
Personnel costs	-147	-162	15
Other operating (expenses)/income	-76	-48	-28
<b>EBITDA</b>	<b>-115</b>	<b>-89</b>	<b>-26</b>
Depreciation/amortization	-51	-42	-9
<b>EBIT</b>	<b>-166</b>	<b>-131</b>	<b>-35</b>
<b>Net profit</b>	<b>-215</b>	<b>-151</b>	<b>-64</b>
<b>Gross margin*</b>	<b>8.9%</b>	<b>12.9%</b>	
<b>EBITDA margin</b>	<b>-9.4%</b>	<b>-9.5%</b>	
<b>EBIT margin w/o PPA</b>	<b>-13.5%</b>	<b>-13.9%</b>	

## Comments

- > Growth of ~31% recorded in sales at the end of Q1/2023 compared to previous year quarter
- > Gross margins still impacted by project delays and resultant LDs from the last quarter, although improving on a sequential basis
- > EBITDA margin of -9.4% primarily due to soft start into the year
- > PPA depreciation amounted to EUR 1.3m in Q1/2023 (EUR 1.2m in previous year quarter)

## > Balance sheet Q1/2023

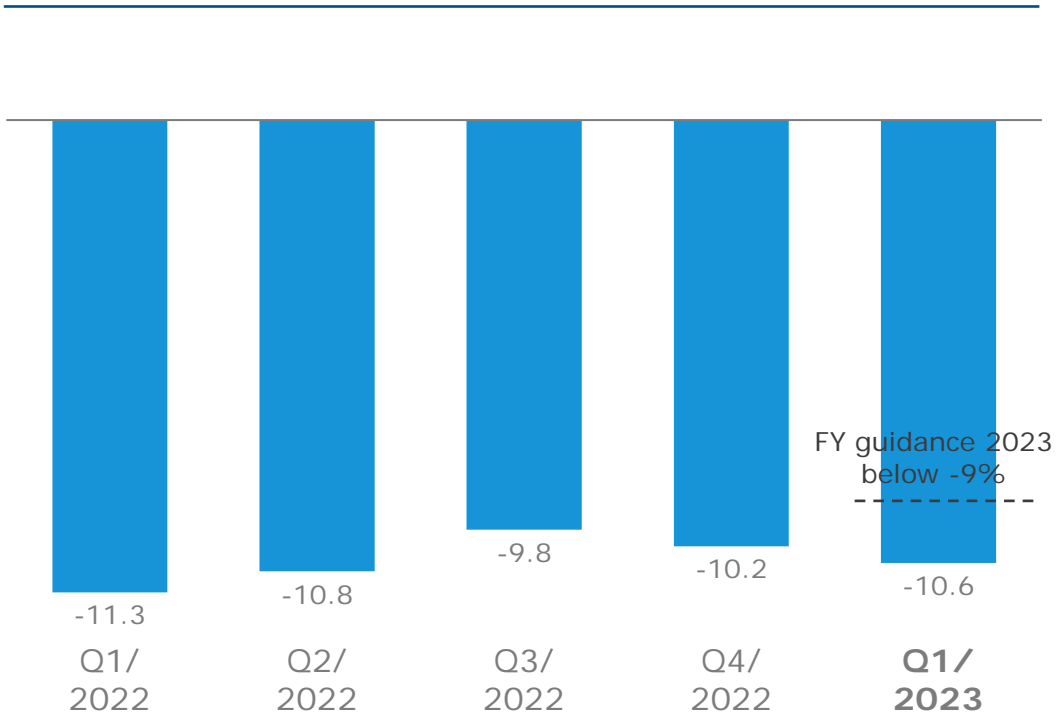
in EUR m (rounded figures)	31.03.23	31.12.22	abs. change	Δ in %
Non-current assets	1,788	1,795	-8	-0.4
Current assets	2,758	2,961	-203	-6.9
<b>Total assets</b>	<b>4,546</b>	<b>4,757</b>	<b>-211</b>	<b>-4.4</b>
Equity	680	878	-198	-22.6
Non-current liabilities	413	452	-39	-8.7
Current liabilities	3,453	3,427	27	0.8
<b>Equity and total liabilities</b>	<b>4,546</b>	<b>4,757</b>	<b>-211</b>	<b>-4.4</b>
<i>Net cash*</i>	<b>104</b>	<b>244</b>		
<i>Working capital ratio**</i>	<b>-10.6%</b>	<b>-10.2%</b>		
<i>Equity ratio</i>	<b>15.0%</b>	<b>18.5%</b>		

### Comments

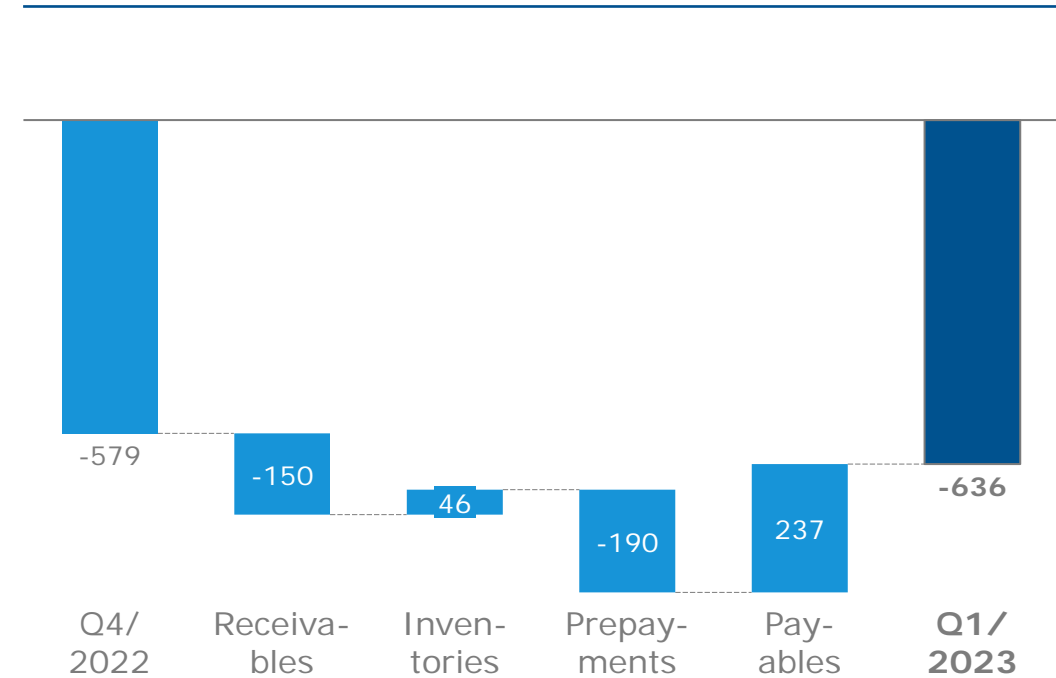
- > Solid liquidity levels of around EUR 600m at the end of Q1/2023
- > The issuance of the EUR 333m convertible bond in April further strengthens the liquidity profile of the company

# > Working capital development Q1/2023

Working capital ratio (in % of sales)\*



Working capital development (in EUR m)\*



> Working capital ratio remains at a very strong level in Q1/2023 despite operational challenges

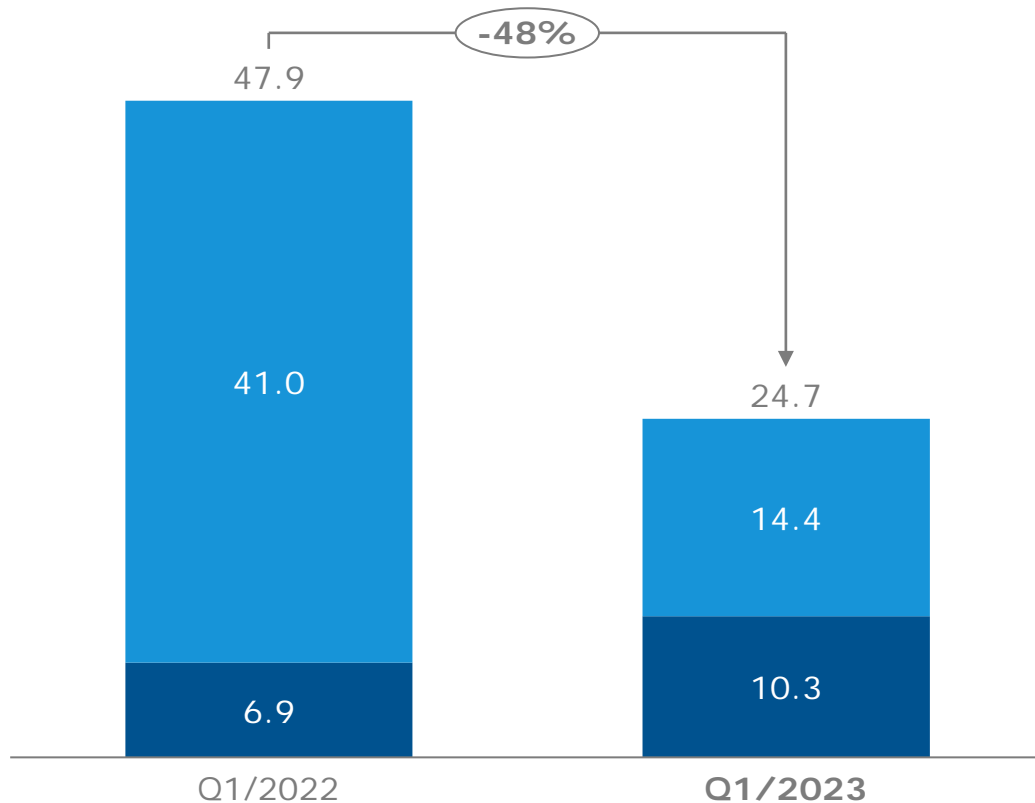
## > Cash flow statement Q1/2023

in EUR m	Q1/2023	Q1/2022	Comments
Cash flow from operating activities before net working capital	<b>-132.6</b>	<b>-103.8</b>	<ul style="list-style-type: none"> <li>&gt; Cash flow from operating activities impacted by softer margin levels in Q1, partially offset by tight working capital management</li> </ul>
Cash flow from changes in working capital	<b>57.0</b>	<b>22.9</b>	
Cash flow from operating activities	<b>-75.6</b>	<b>-80.9</b>	
Cash flow from investing activities	<b>-39.2</b>	<b>-32.6</b>	<ul style="list-style-type: none"> <li>&gt; Cash flow from investing activities reflects expected investments in Q1/2023</li> </ul>
Free cash flow	<b>-114.8</b>	<b>-113.5</b>	
Cash flow from financing activities	<b>2.5</b>	<b>2.1</b>	<ul style="list-style-type: none"> <li>&gt; Cash flow from financing activities mainly determined by cash drawdowns under the MGF; corporate bond of EUR 275m has been repaid by a shareholder loan in February</li> </ul>
Change in cash and cash equivalents*	<b>-112.3</b>	<b>-111.5</b>	

## > Total investments in Q1/2023

### CAPEX (in EUR m)

- Property, plant, equipment
- Intangible assets

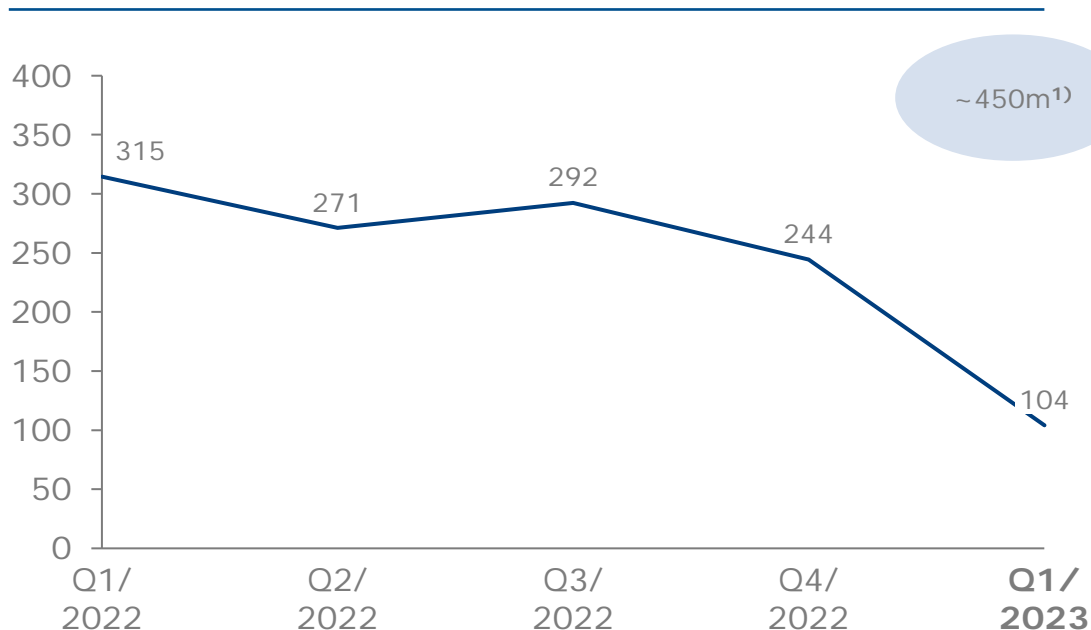


### Comments

- > Investments in Q1/2023 mainly comprises:
  - Investments in the expansion of blade and nacelle production facilities, moulds and tooling
  - Investments in installation and transport tooling and equipment for projects

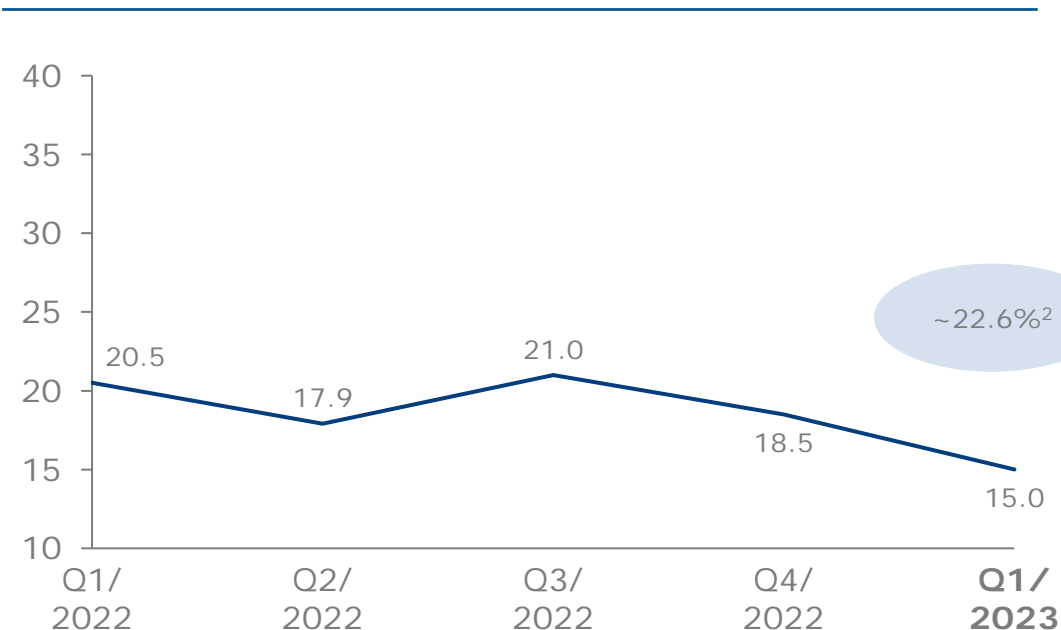
## Capital structure Q1/2023

### (Net debt) / net cash\*



- > Net cash levels remains healthy despite soft Q1/2023
- > Issuance of convertible bond further strengthens the cash levels of the company

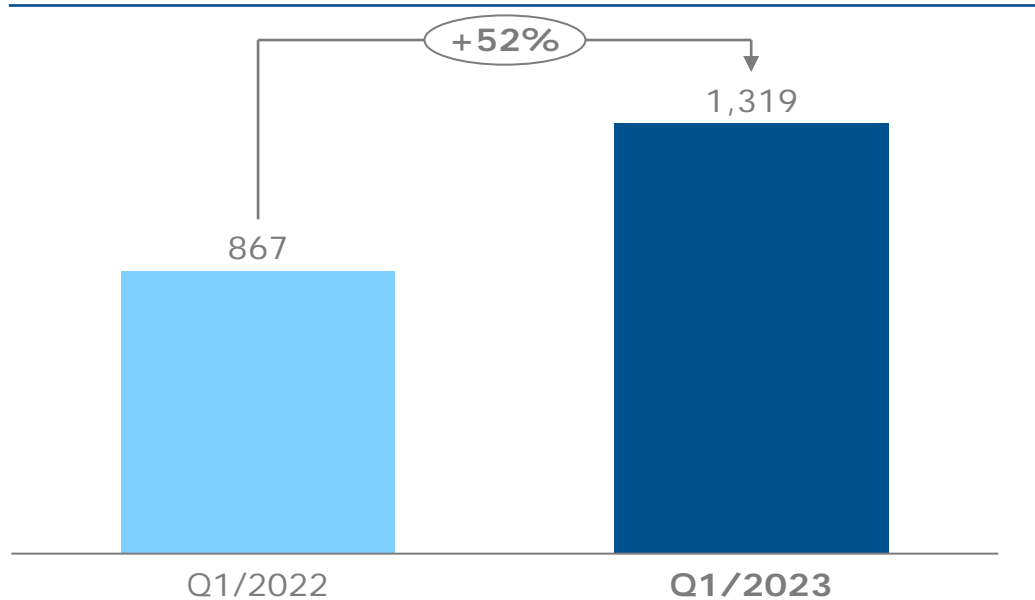
### Equity ratio (in %)



- > Equity ratio expected to increase post completion of the debt-to-equity swap

# > Operational performance Q1/2023

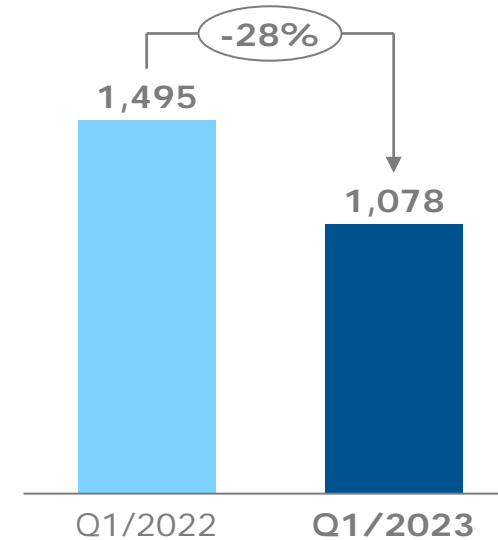
## Installations (MW)



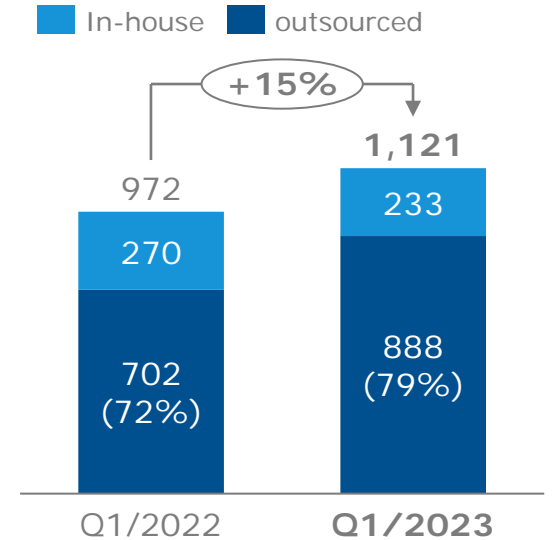
- > Total installations of 276 WTGs in 19 countries in Q1/2023 (197 WTGs in the previous year quarter)
- > Installations of 1,319 MW in Q1/2023; run rate substantially improved, but still lower than required to catch up for delays in 2022
- > Geographical split (MW) in Q1/2023: 54% Europe, 25% Latin America, 14% North America and 7% RoW

## Production

### Turbine assembly (MW)



### Total blade production (#)



- > Output turbines amounted to 217 units in Q1/2023: 131 GER, 56 BRA, 28 IND, 1 ESP and 1 CHN
- > Inhouse blade production of 233 units in Q1/2023: 146 IND and 87 ESP

## > Guidance for FY 2023

	Q1/2023	2023 guidance
Sales:	EUR 1,217m	EUR 5.6 - 6.1bn
EBITDA margin:	-9.4%	-2% to +3%
Working capital ratio:	-10.6%	below -9%
CAPEX:	~25m	approx. EUR 200m



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



 Time for your questions





## Key takeaways

- 1 Macro environment improving, but near-term headwinds remain in the form of inflation, higher interest rates and supply chain reliability.
- 2 Order intake and pipeline continues to be healthy with improving margin profile on a more stable cost base.
- 3 Q1/2023 performance soft as expected with sequential improvement in the margins expected over the coming quarters.
- 4 Latest capital measures will further strengthen the financial flexibility of Nordex and protect against short term volatilities.
- 5 Guidance for 2023 confirmed and mid-term strategic target remains in place subject to a stabilized macroeconomic environment.

 Thank you for your attention



 **Contact details**

**IF YOU HAVE ANY QUESTIONS PLEASE CONTACT:**

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