



Nordex Group

# Nordex SE - company presentation

Munich, 21<sup>st</sup> September 2023 – Baader Investment Conference

## > Experienced management team

**José Luis Blanco**  
CEO



- > CEO at Acciona Windpower
- > Various senior management & Chief Officer positions at Gamesa

**Dr. Ilya Hartmann**  
CFO



- > CEO Division Europe at Nordex Group
- > Various management positions at Acciona Energy

**Patxi Landa**  
CSO



- > Business development director and Executive Committee member at Acciona Windpower
- > Various Chief Officer positions at Acciona

# > Nordex a pioneer in wind with more than 35 years of experience

## Nordex is deeply rooted in Germany...

**Global manufacturer of onshore wind energy systems** with growing market share.

**Founded 1985**, listed company in the German **MDAX and TecDax**.

Track record of over **45 GW** in over **40 countries**.

**Headquarter in Hamburg**; subsidiaries for sales and service in all core markets.

**Production sites** in Germany, Spain, Brazil, India, USA (mothballed) and Mexico.

**Revenues 2022:** EUR 5.7bn.

**Main shareholder:** Acciona S.A. (47.1%).

## ...and a global industry leader in the wind turbine market

Innovative manufacturer of onshore wind turbine systems:

**Top 2**

Manufacturer in Europe\*

Highly attractive and resilient Service business with more than:

**32 GW under service**

Leading product in the 4 MW+ to 6 MW+ class:

**Leading-edge product portfolio**

More than

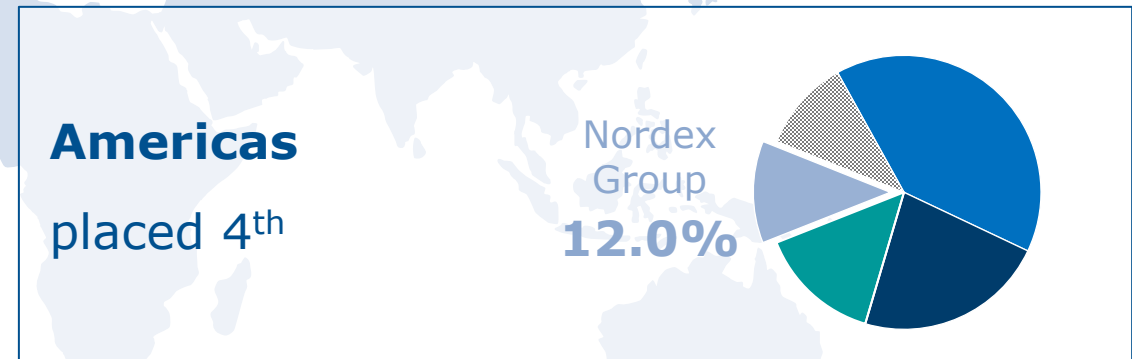
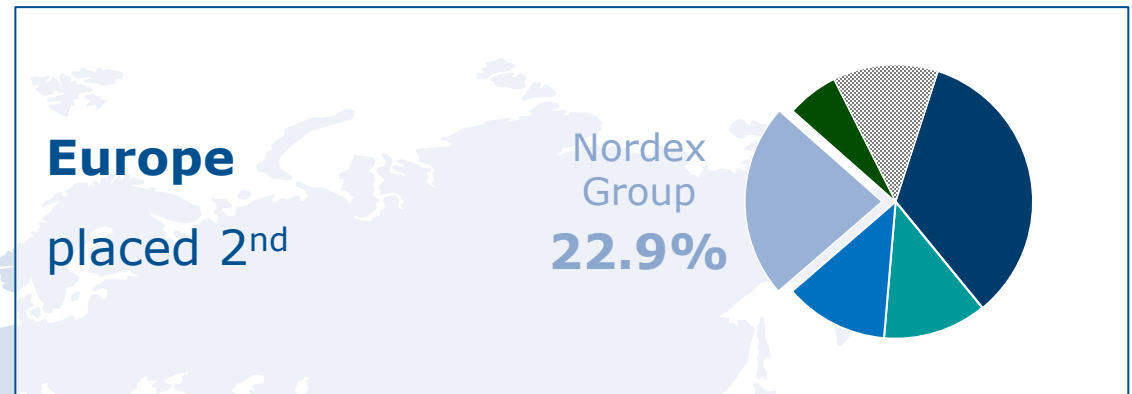
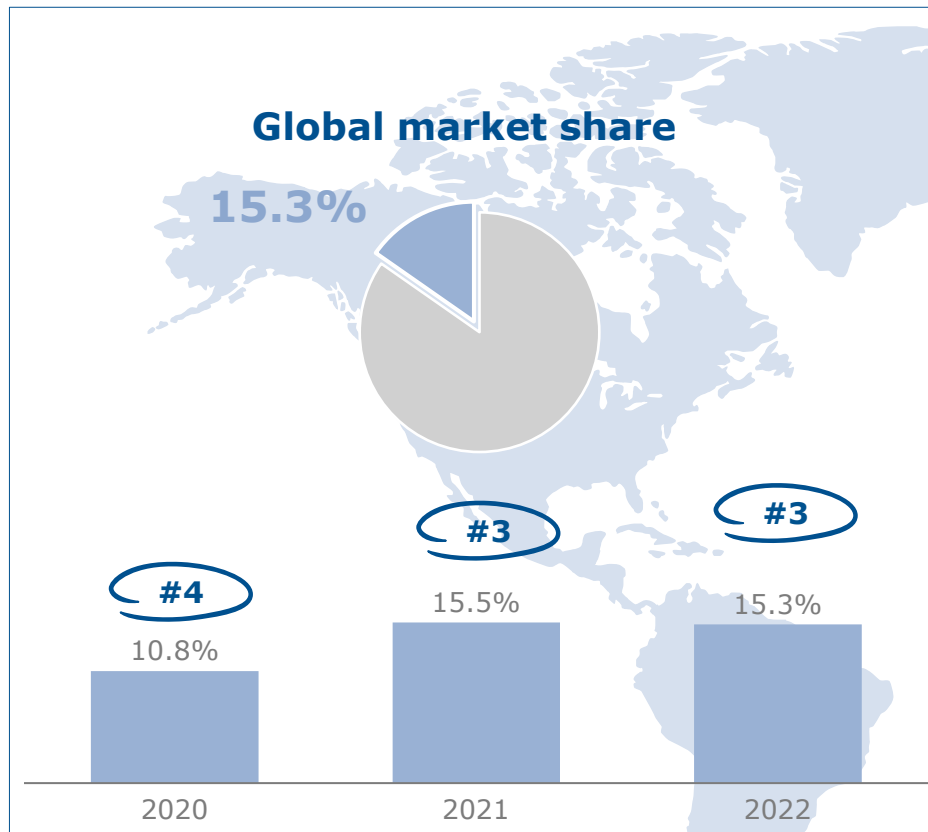
**35 years**

of industry experience:  
At the forefront of the technological development

**Nordex** has around **5,000 suppliers in Germany**.  
Thereof many large **industrial component suppliers**; and numerous small **local suppliers**, such as small **service, logistics** and **specialised construction companies**, many of them depending on Nordex to a large extent.

# > Nordex makes top 3 worldwide in 2022 for installations

## > ONSHORE MARKET SHARE EX CHINA (BASED ON MW INSTALLATIONS)



# Executive summary H1/2023

## H1/2023 RESULTS

**Sales**  
**EUR 2,753m**

**EBITDA margin**  
**-4.2%**

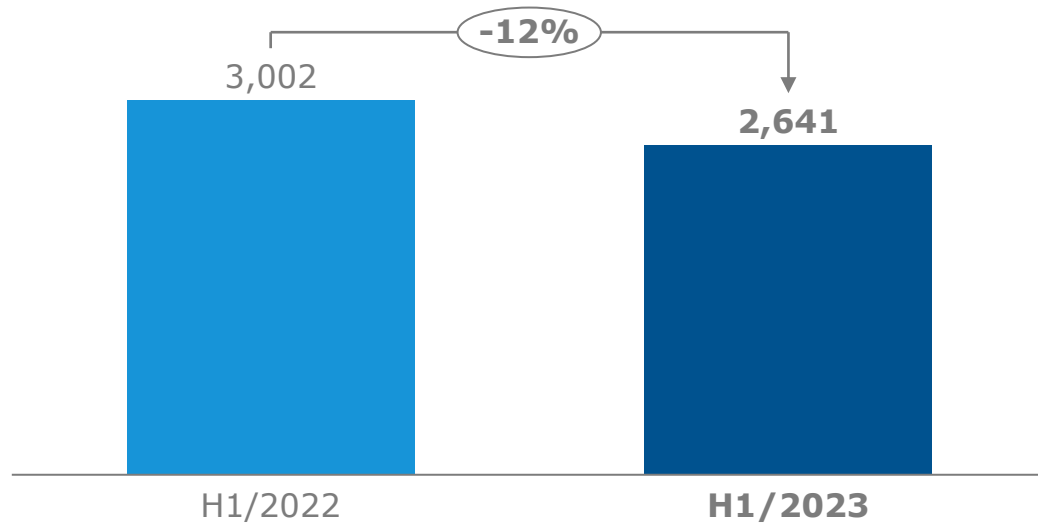
**Working capital ratio**  
**-9.6%**

- > Order intake of over 2.6 GW in H1/2023 (previous year: 3.0 GW) with improved ASP of EUR 0.89m/MW compared to the first-half 2022 (EUR 0.79m/MW).
- > Sales increased to EUR 1,536m in Q2/2023 and reaching EUR 2,753m in H1/2023 (EUR 2,126m in H1/2022).
- > Q2/2023 gross margins further improving sequentially to 12.1% as expected and as impact of delays from last year recede.
- > EBITDA margin significantly improved to breakeven in Q2/2023 compared to -9.4% in the first quarter 2023. As a result, H1/2023 margin improved to -4.2% compared to -8.1% in H1/2022. EBITDA margin is expected to improve further in the second half, as extra project costs start to recede with a higher share of revenues coming from better-quality orders.
- > Working capital stable at -9.6%.
- > Installations of 1,778 MW in Q2/2023.
- > Balance sheet strengthened with the issuance of the EUR 333m convertible bond in April and conversion of the EUR 347m shareholder loans into equity in May 2023.
- > Guidance for FY 2023 maintained.



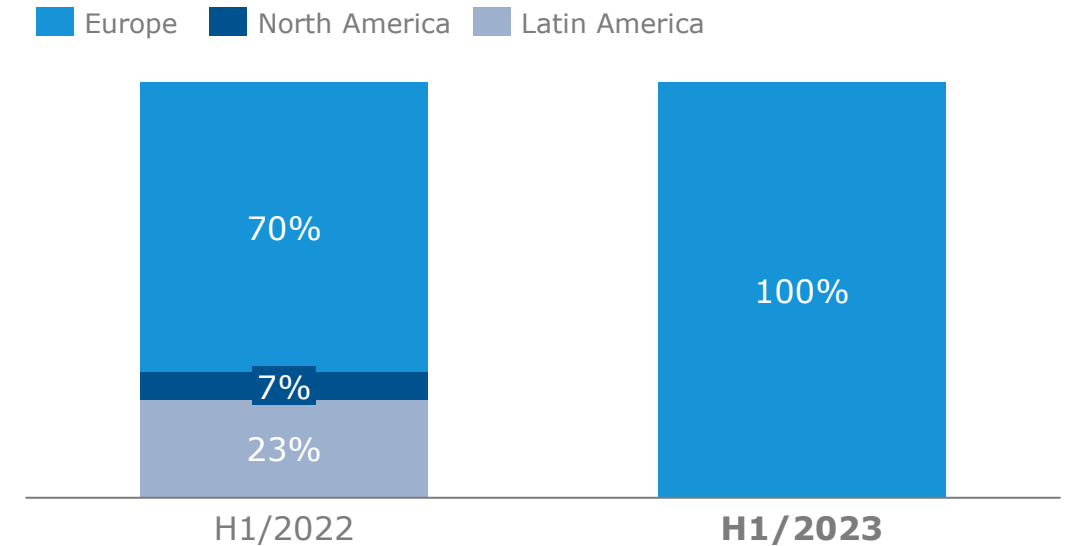
## > Order intake H1/2023

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



- > Order intake in H1/2023: EUR 2,354m (EUR 2,357m in the previous year period)
- > Stable ASP\*\* of EUR 0.89m/MW in Q2/2023 in line with the previous quarter
- > ASP in H1/2023 of EUR 0.89m/MW increased compared to EUR 0.79m/MW in H1/2022

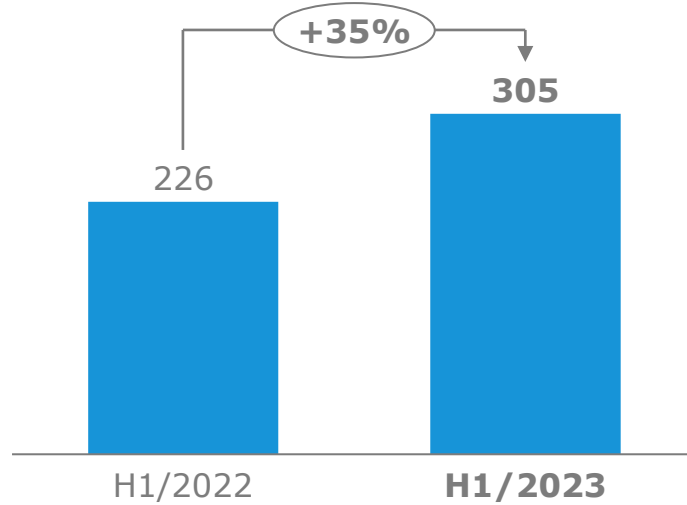
### Order intake turbine\* by regions (in MW in %)



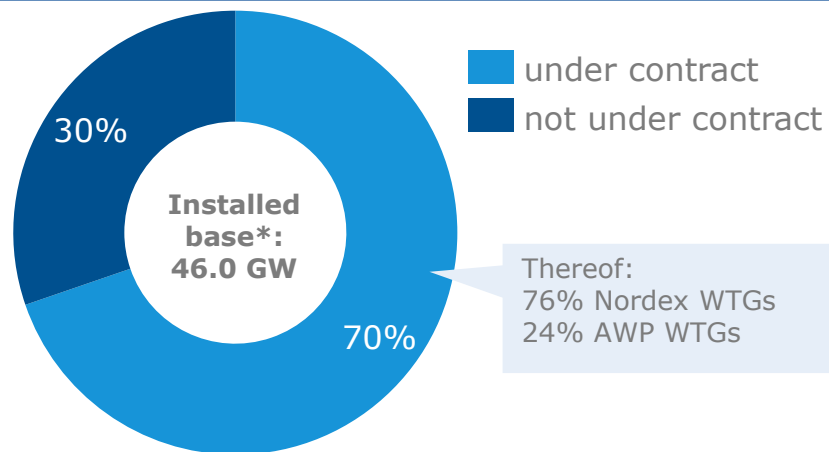
- > Orders received from 16 different countries in the first half-year 2023
- > Largest individual markets were Germany, Lithuania, Greece and Estonia in H1/2023

## > Service business in H1/2023

### Development of service revenues (EUR m)



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

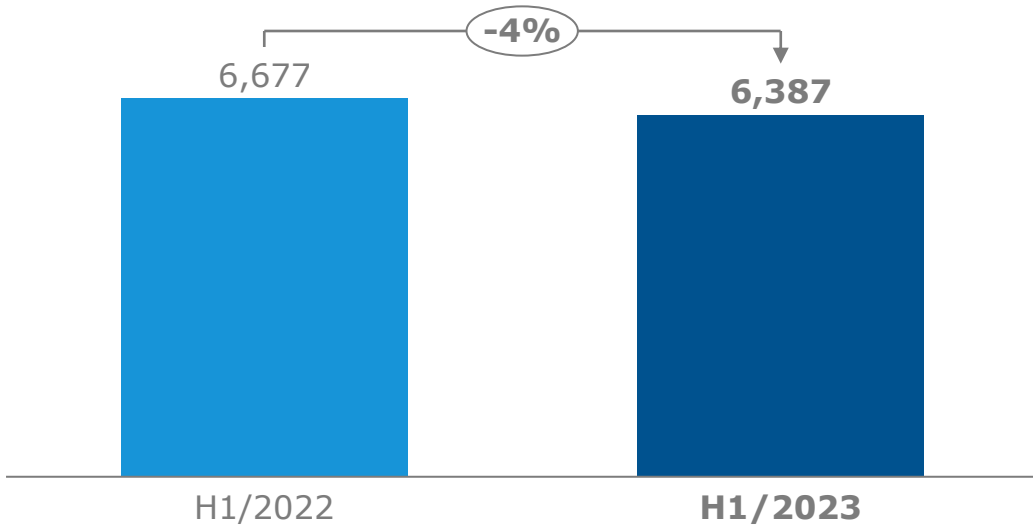


### Comments

- > Share of service sales totaled 11% of group sales in the first half-year 2023
- > Service order intake increased by over 70% to EUR 401m at the end of Q2/2023 (EUR 235m previous year period)
- > Service order backlog stands at over EUR 3.4bn at the end of Q2/2023
- > Different types of contracts depending on customers needs for:
  - > On-site (e.g., maintenance and inspections) and
  - > off-site (e.g., spare part management, upgrades, monitoring, and digital and data analytics)

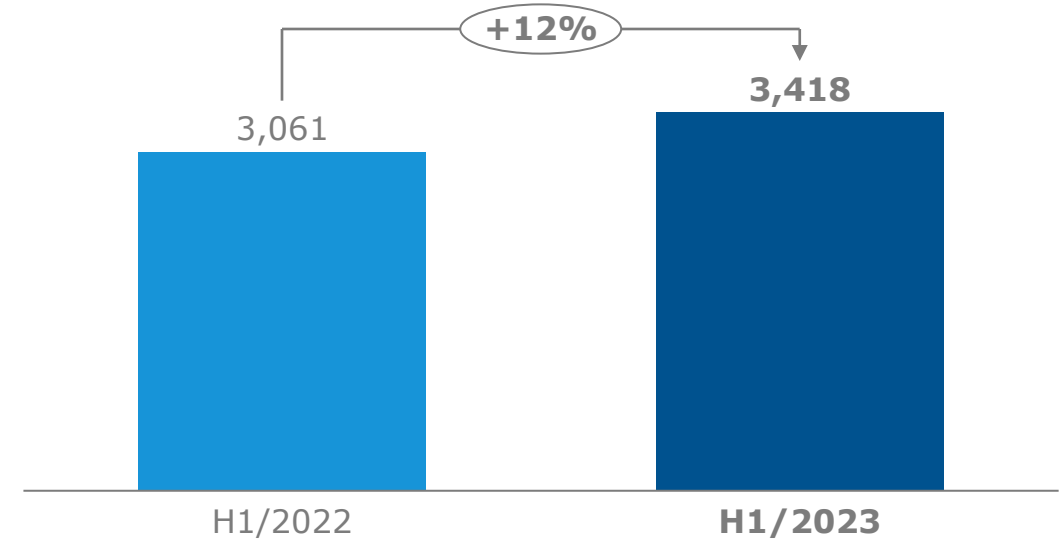
## > Combined order book of EUR 9.8bn at the end of H1/2023

### Order book turbines (EUR m)



- > Order book of EUR 6.4bn at the end of H1/2023 reflects ongoing solid order intake momentum
- > Geographical footprint of the order book in H1/2023: Europe (83%), Latin America (14%), North America (2%) and Rest of World (1%)

### Order book service (EUR m)

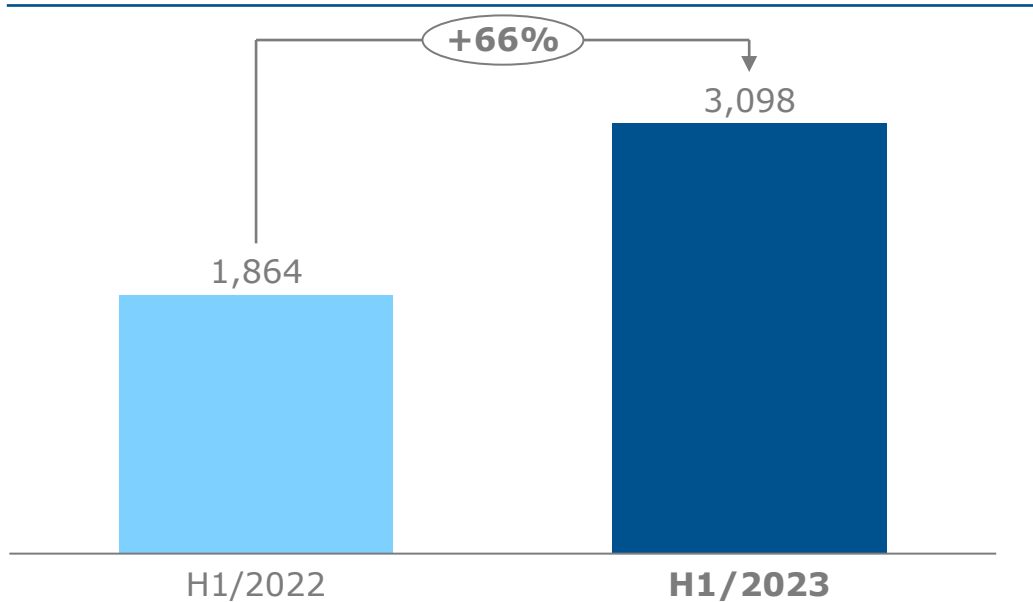


- > 10,956 wind turbines under service agreement corresponding to 32.8 GW at the end of Q2/2023



# > Operational performance H1/2023

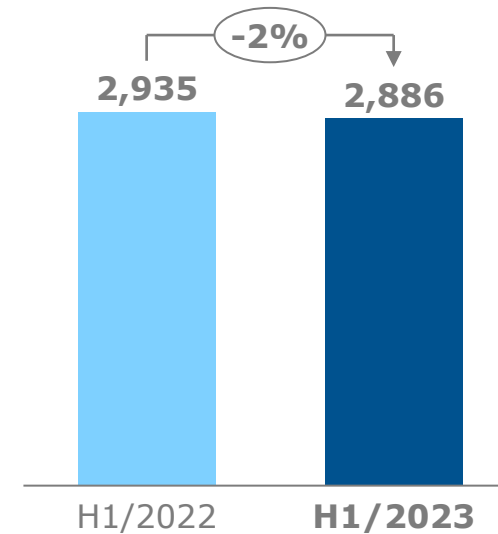
## Installations (MW)



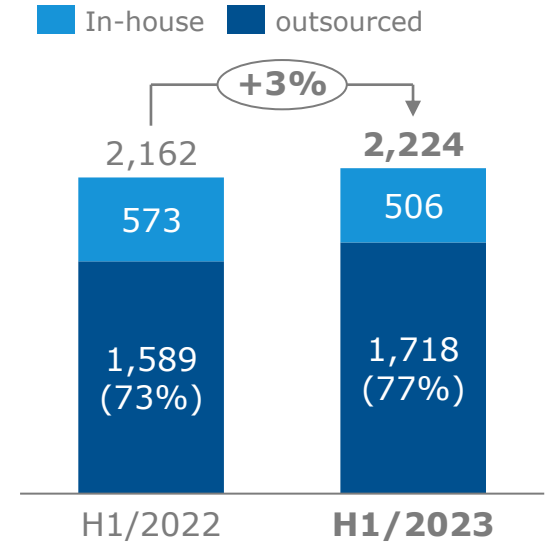
- > Total installations of 356 WTGs in 20 countries in Q2/2023 (219 WTGs in the previous year quarter)
- > Installations of 1,778 MW in Q2/2023; run rate substantially improved compared to Q1/2023
- > Geographical split (MW) in Q2/2023: 64% Europe, 24% Latin America, 5% North America and 7% RoW

## Production

### Turbine assembly (MW)



### Total blade production (#)



- > Output turbines amounted to 340 units in Q2/2023: 188 GER, 51 IND, 34 CHN, 34 ESP and 33 BRA
- > Inhouse blade production of 506 units in H1/2023: 311 IND and 195 ESP

# > Income statement H1/2023

in EUR m (rounded figures)	H1/2023	H1/2022	Δ in %
<b>Sales</b>	<b>2,753</b>	<b>2,126</b>	<b>29.5</b>
Total revenues	2,799	2,220	26.1
Cost of materials	-2,505	-1,974	26.9
<b>Gross profit</b>	<b>293</b>	<b>246</b>	<b>19.3</b>
Personnel costs	-299	-302	-1.2
Other operating (expenses)/income	-109	-117	-6.7
<b>EBITDA</b>	<b>-114</b>	<b>-173</b>	<b>-34.0</b>
Depreciation/amortization	-93	-88	5.0
<b>EBIT</b>	<b>-207</b>	<b>-261</b>	<b>-20.9</b>
<b>Net profit</b>	<b>-299</b>	<b>-283</b>	<b>5.5</b>
<b>Gross margin*</b>	<b>10.7%</b>	<b>11.6%</b>	
<b>EBITDA margin</b>	<b>-4.2%</b>	<b>-8.1%</b>	
<b>EBIT margin w/o PPA</b>	<b>-7.4%</b>	<b>-12.2%</b>	

## Comments

- > Sales in H1/2023 increased by around 30% compared to the same period last year
- > Gross margins still impacted by LDs from the past delays, although further improving on a sequential basis
- > EBITDA margin in Q2/2023 significantly improved reaching break-even in line with expectations
- > PPA depreciation amounted to EUR 2.5m in H1/2023 (EUR 2.4m in H1/2022)

## > Balance sheet H1/2023

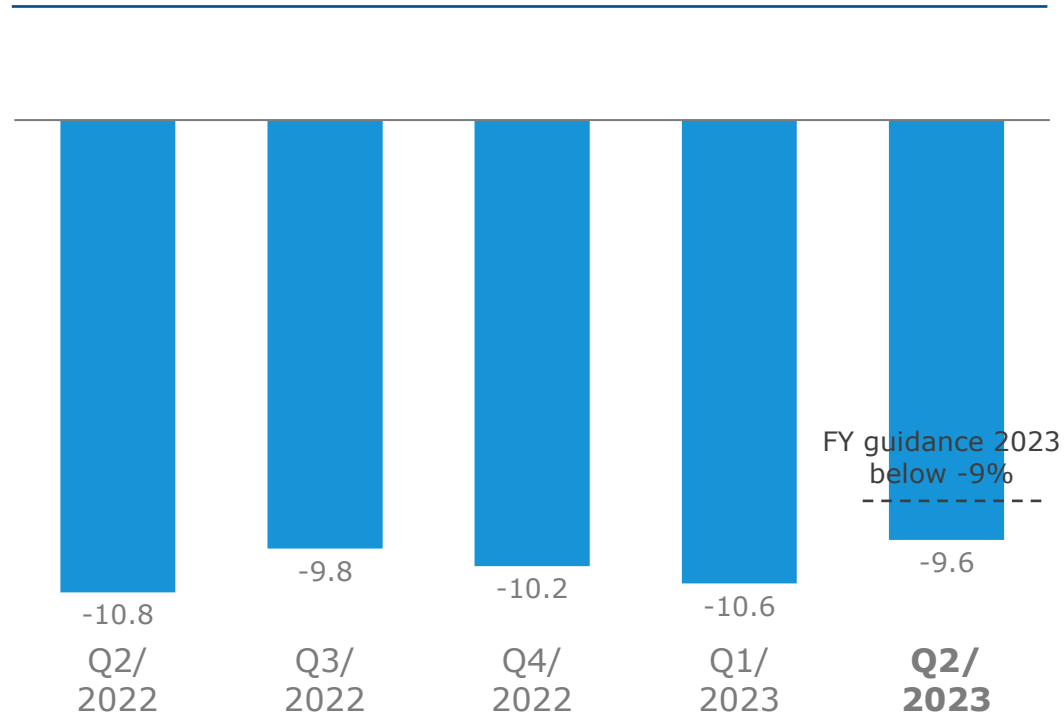
in EUR m (rounded figures)	30.06.23	31.12.22	Δ in %
Non-current assets	1,771	1,795	-1.4
Current assets	3,025	2,961	2.1
<b>Total assets</b>	<b>4,796</b>	<b>4,757</b>	<b>0.8</b>
Equity	992	878	13.0
Non-current liabilities	659	452	45.7
Current liabilities	3,145	3,427	-8.2
<b>Equity and total liabilities</b>	<b>4,796</b>	<b>4,757</b>	<b>0.8</b>
<b>Net cash*</b>	<b>360</b>	<b>244</b>	
<b>Working capital ratio**</b>	<b>-9.6%</b>	<b>-10.2%</b>	
<b>Equity ratio</b>	<b>20.7%</b>	<b>18.5%</b>	

### Comments

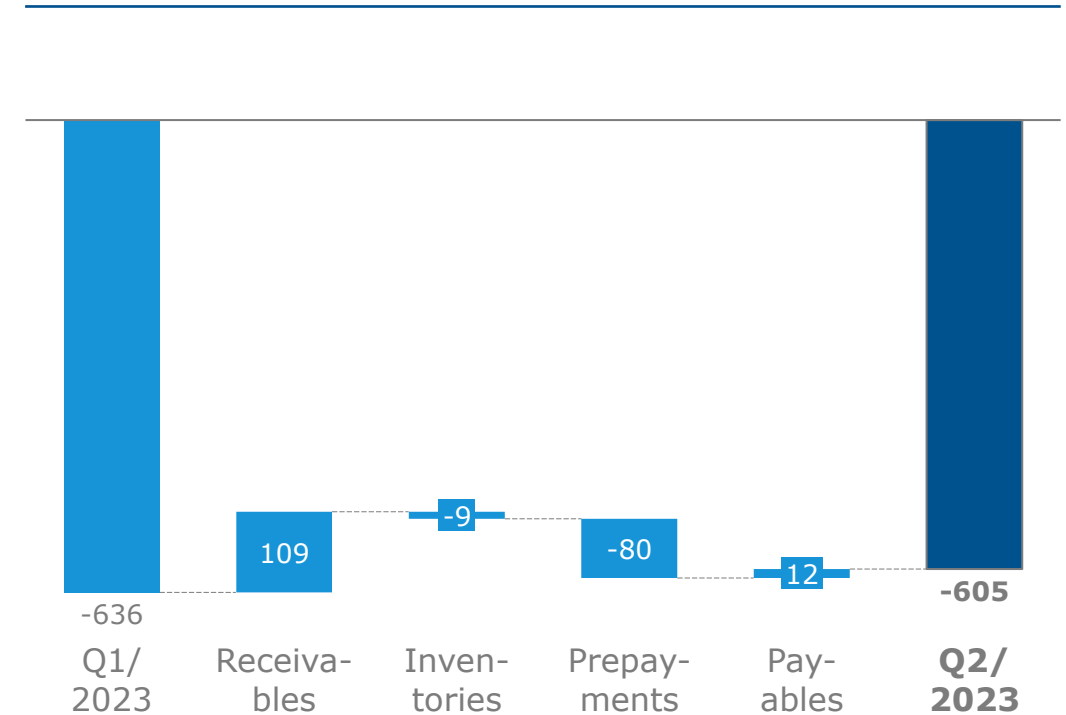
- > Solid liquidity levels of around EUR 741m (incl. RCF) at the end of H1/2023
- > The issuance of the EUR 333m convertible bond in April has further strengthened the liquidity profile of the company

## > Working capital development H1/2023

### Working capital ratio (in % of sales)\*



### Working capital development (in EUR m)\*



- > Working capital ratio increased slightly compared to Q1/2023 but still in line with guided figure of below -9% for FY 2023

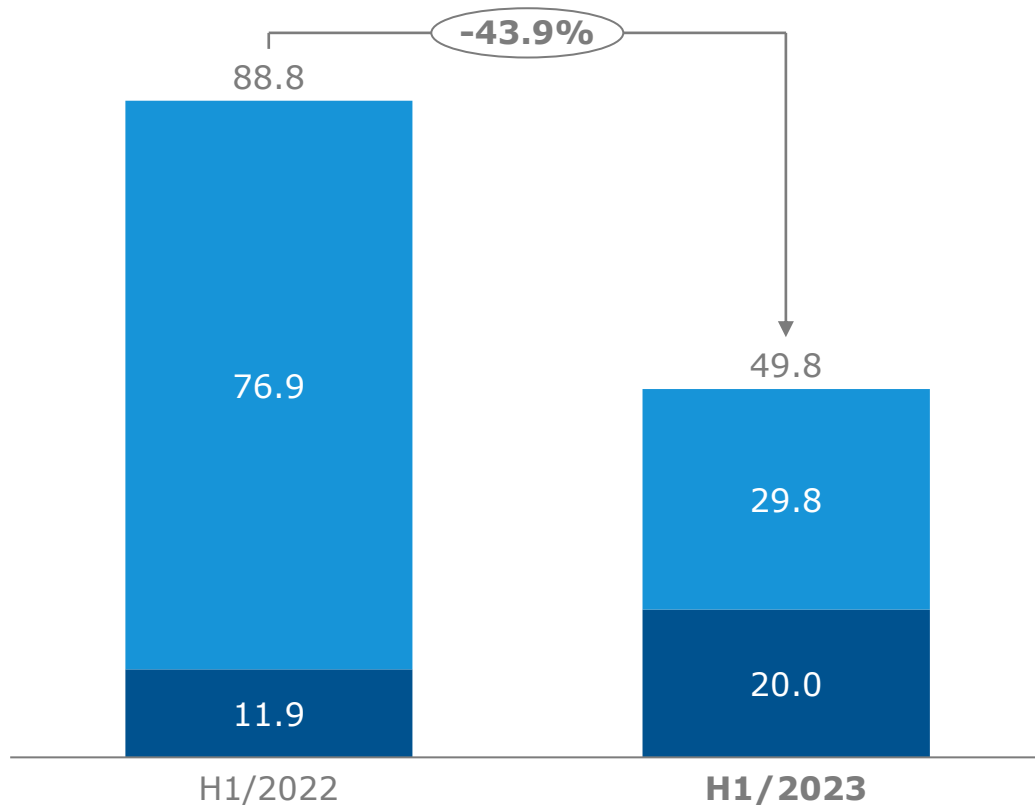
## > Cash flow statement H1/2023

in EUR m	H1/2023	H1/2022	Comments
Cash flow from operating activities before net working capital	<b>-243.8</b>	<b>-187.8</b>	> Cash flow from operating activities impacted by softer margin levels
Cash flow from changes in working capital	<b>25.6</b>	<b>-30.3</b>	> Cash flow from investing activities in line with expected investments in H1/2023
Cash flow from operating activities	<b>-218.2</b>	<b>-218.1</b>	> Cash flow from financing activities mainly influenced by inflows from green convertible bond in April
Cash flow from investing activities	<b>-63.4</b>	<b>-68.7</b>	
Free cash flow	<b>-281.6</b>	<b>-286.7</b>	
Cash flow from financing activities	<b>307.6</b>	<b>144.8</b>	
Change in cash and cash equivalents	<b>26.0</b>	<b>-141.9</b>	

## > Total investments in H1/2023

### CAPEX (in EUR m)

- Property, plant, equipment
- Intangible assets

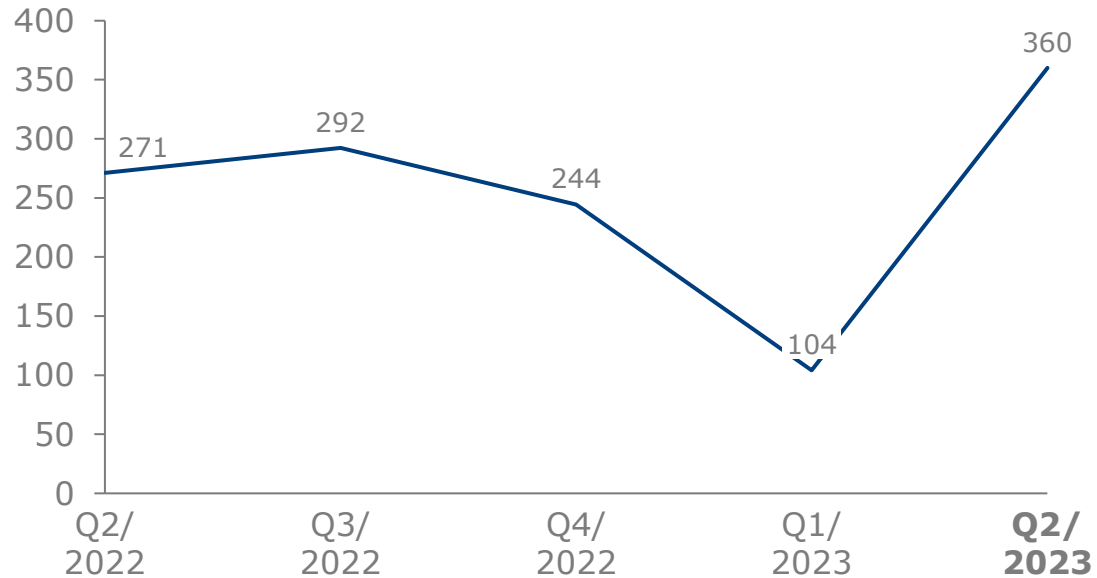


### Comments

- > Investments in H1/2023 primarily comprise:
  - Investments in moulds and equipment
  - Investments in transport equipment for blade and tower
- > Intangible assets increased compared with previous year period

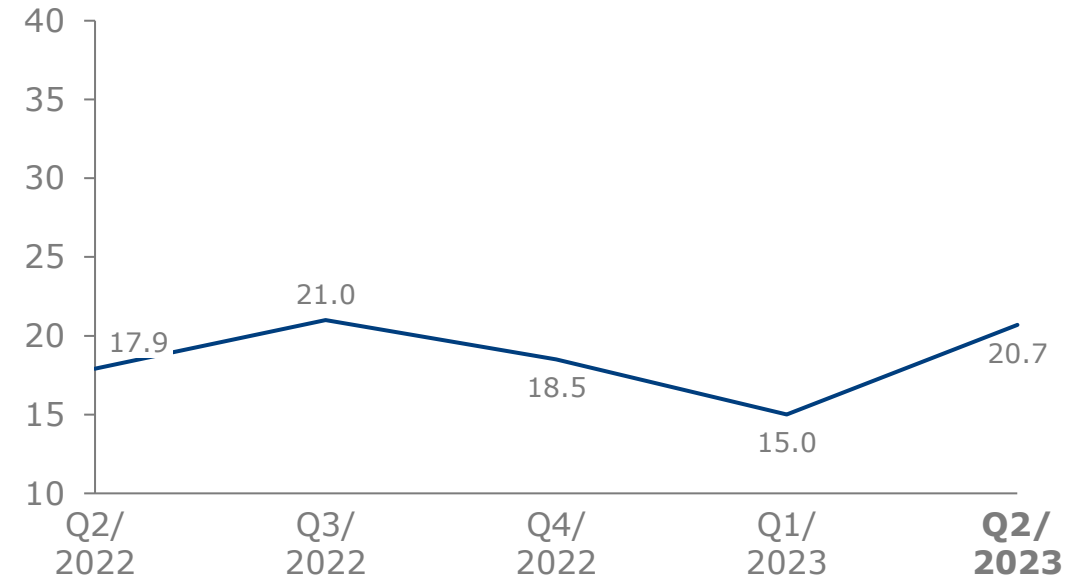
## > Capital structure H1/2023

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



- > Net cash levels increased as expected, due to the issuance of debt-to-equity swap

### Equity ratio (in %)




- > Equity ratio increased as expected, post successful completion of the debt-to-equity swap



## > Guidance for FY 2023

	H1/2023	Guidance FY 2023
<b>Sales:</b>	EUR ~2.8bn	EUR 5.6 - 6.1bn
<b>EBITDA margin:</b>	-4.2%	-2% to +3%
<b>Working capital ratio:</b>	-9.6%	below -9%
<b>CAPEX:</b>	~50m	approx. EUR 200m



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

**THANK YOU VERY MUCH FOR YOUR ATTENTION! ANY QUESTIONS?**



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## > Contact details

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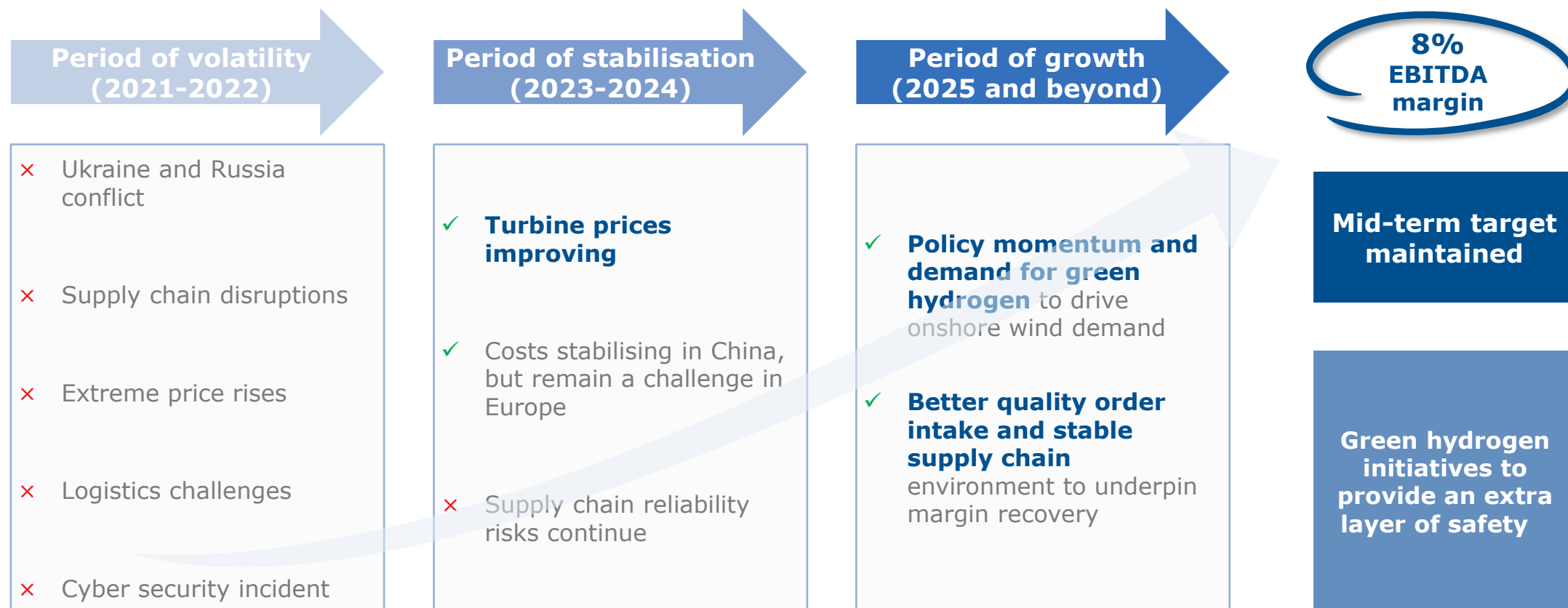
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# > Appendix



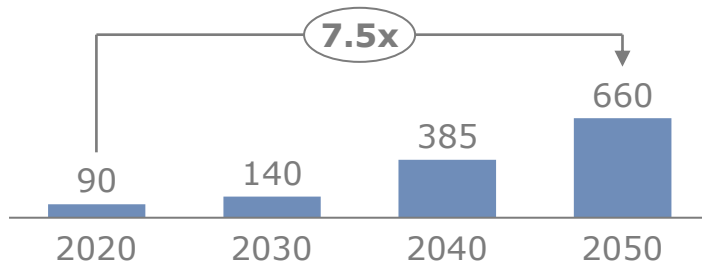
# > Mid-term outlook



# > Nordex taking early initiatives in the green hydrogen market to complement its core business

## Demand for green hydrogen likely to take off

Global hydrogen demand (Mtpa)



- > Global hydrogen demand likely to grow by **7x** over the next 30 years
- > Green hydrogen production expected to grow to **c.40mtpa by 2030** from <1mtpa in 2020.
- > This requires **c.750GW** of new renewables and **c.400 GW** of electrolyzer capacity by 2030
- > Ample policy support offered under **US IRA 2022; 10mtpa** of green hydrogen import targeted under **REPowerEU by 2030**

## Hydrogen initiatives

### 1 Project development initiatives

- > **Large pipeline** of projects in early stage of development
- > Number of agreements in place with **local credible developers**
- > Efforts focused on **off-grid onshore windy sites** across south and north America and Middle eastern regions
- > **Joint venture with Acciona** to support the investments for the next four years

### 2 Electrolyzers

- > In-house development at an early stage
- > Based on proven and cost-effective **alkaline technology**
- > 50kw prototype ready and tested
- > **500kw** prototype to be ready within **2023**
- > Collaboration with **Sodena**, a Spanish private equity fund founded by the local government
- > Investments jointly covered with Sodena and govt grants



# > Auctions and permits in Germany

## Historical permitting

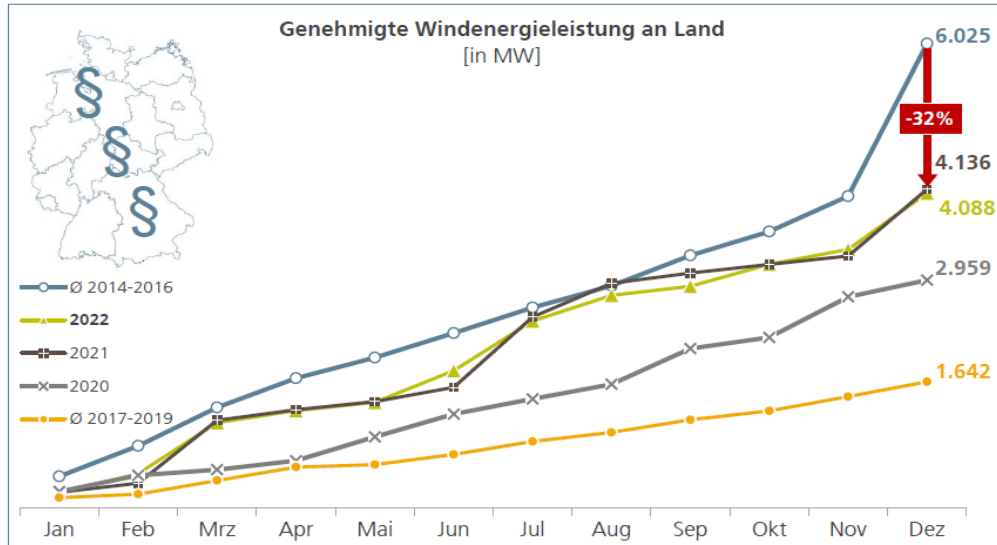
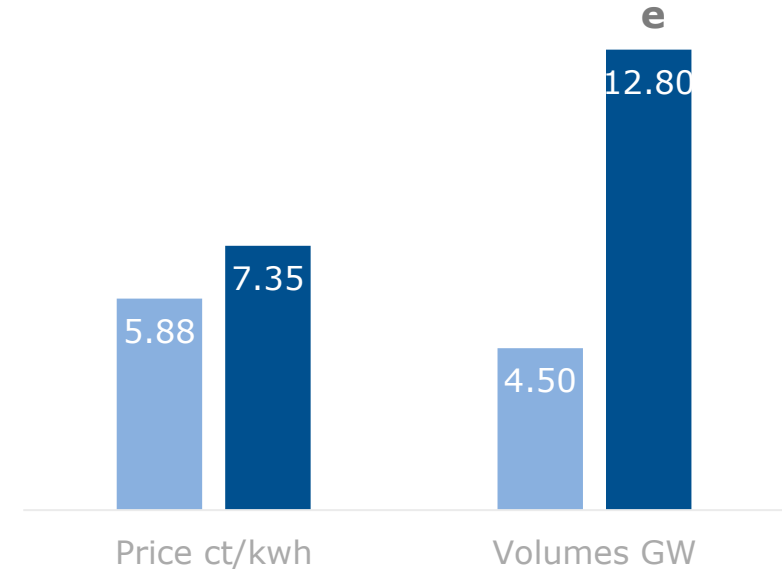


Abbildung 14: Jährlich genehmigte Windenergieleistung; Daten: MaStR, AnlReg; Auswertung und Grafik: FA Wind

## Development 2022 vs 2023



- > Volume of permits 32% below average volume from 2014-16
- > Number of permits increased in Q1/2023 compared to last year (40%)
- > Nordex share in permits is growing by around 31% from 11/22 to 05/23
- > Average permitting time of approx. 2 years (12-38 months)
- > Several measures for acceleration of permits underway
- > 2022 undersubscribed due to maximum price being too low due to increased inflation
- > Four auctions planned for 2023 - first auction undersubscribed but with volume of 1.4GW
- > Shift in demand from shorter to longer blades (in case of Nordex to 163m)
- > Average nameplate capacity is supposed to increase

## ➤ Installations in Germany: history and outlook



Quelle: Arbeitsgruppe Erneuerbare Energien-Statistik (AGEE-Stat)

### Drivers for 2023 growth:

- > New government is expecting demand of 720 TWh instead of 580 TWh with increasing share of renewables of 80%
- > Thus, installed on-shore base needs to grow from 57 GW today to 115-120 GW in 2030
- > Repowering of approx. 10,000 turbines within the next years
- > Currently around 10 GW are in permitting process

### Nordex' position:





- > Important market with leading position
- > Product portfolio is excellently covering needs of German market
- > Broad customer base
- > Nordex Group can execute all sizes and types of projects
- > 2022: market share of 32% (769 MW out of 2,405 MW)

# > Nordex sustainability strategy 2025 was developed in 2021 based on comprehensive materiality analysis; first targets achieved in 2022

## Together for change – Wind for a sustainable future



### Main targets

- 
  - > Provide fully recyclable blades by 2032
  - > Decrease carbon footprint of our turbines by 25% ✓
- 
  - > Define science-based targets in line with the 1.5°C target ambition
  - > Achieve climate neutrality by 2023 (Scope 1+2) and continuously improve climate impact
- 
  - > Reduce accidents to a lost time injury frequency of <1.5 ✓
  - > Achieve a minimum of 25% female representation in management positions
- 
  - > Promote responsible and ethical business conduct internally and with our business partners
  - > Engage with and positively impact the supply chain