

## Nordex Group

# **Nordex SE – Investor Factbook**

November 2020 – January 2021





### José Luis Blanco CEO

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





- 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







## Company overview & business model

Products & markets

Financials

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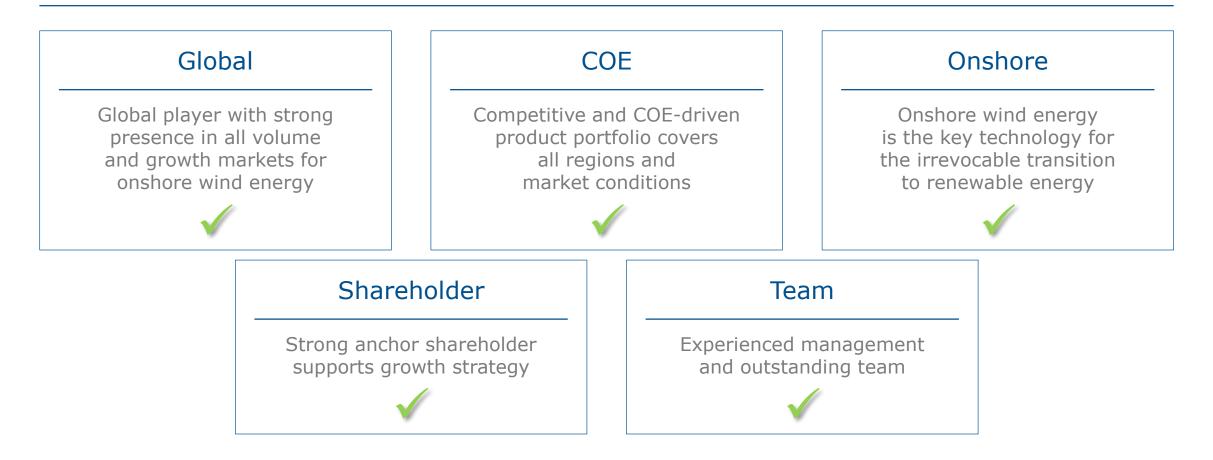


Sustainability





## **Strategic drivers**





## Nordex and Acciona Windpower created a top 4 global player

#### A strong fit benefitting from complementary approaches Nordex AWP **Nordex Group** + **Emerging markets** Truly global Market focus Europe Small & medium-sized Large developers + Broad customer base **Customer focus** and IPPs customers Complex and land Projects without + **Product focus Different projects** constrained projects land constraints Complementary + **Concrete towers Technology focus** Blades technologies

Creating a stronger and more competitive company



## Nordex – a pioneer in wind with meanwhile 35 years of experience

- Global manufacturer of wind energy systems focused on turbines in the 2-5 MW class
- >WTG variants for all different wind and climate conditions, addressing the requirements of developed as well as emerging markets
- Production sites in Germany, Spain, Brazil, India, USA (mothballed), Argentina and Mexico
- >Headquarter in Hamburg; subsidiaries for sales and service in all core markets

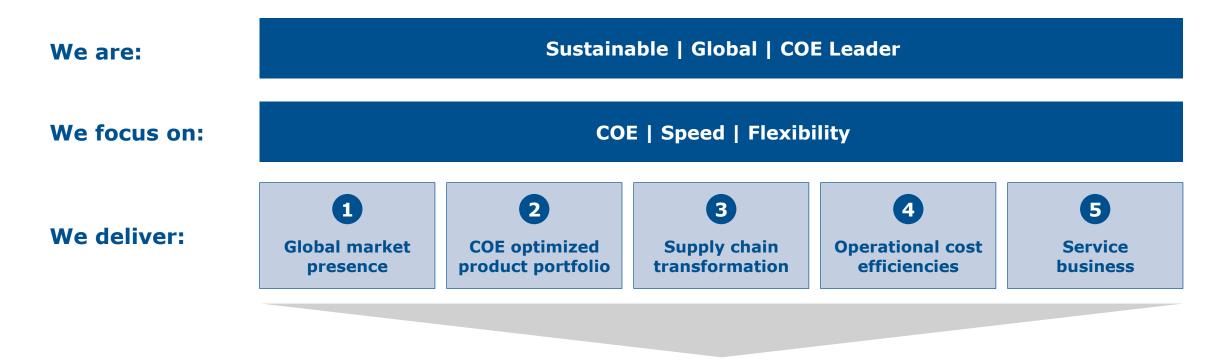
- Listed company in the German TecDax and SDAX
- > Founded 1985 in Denmark, IPO in 2001
- Merger with Acciona Windpower (AWP) in 04/2016
- Main shareholder Acciona S.A. (36.41%)
   Revenues 2019: Around EUR 3.3bn

Installations of more than **30 GW** in over **40 countries** 



7 | Company overview & business model

Strategy further strengthens Nordex competitive position

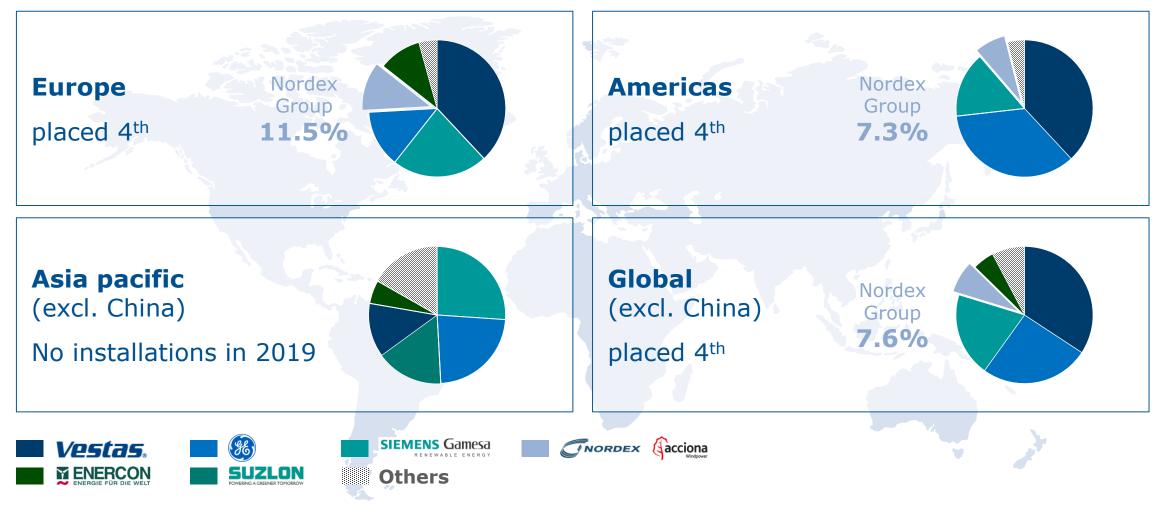


Leading global onshore wind turbine supplier



# Nordex achieved global top 4 in 2019

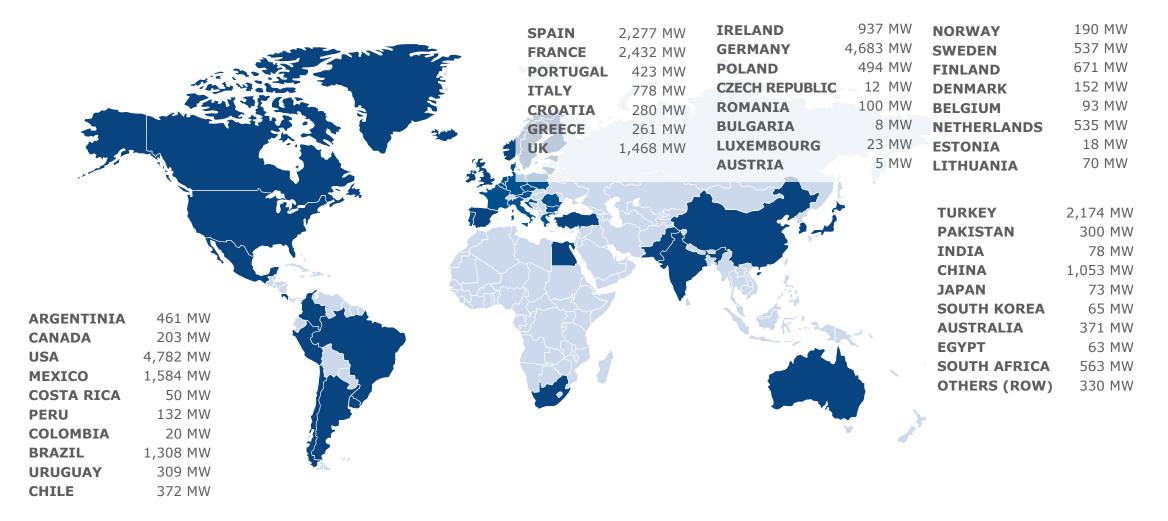
## > MARKET SHARES (BASED ON MW INSTALLED)





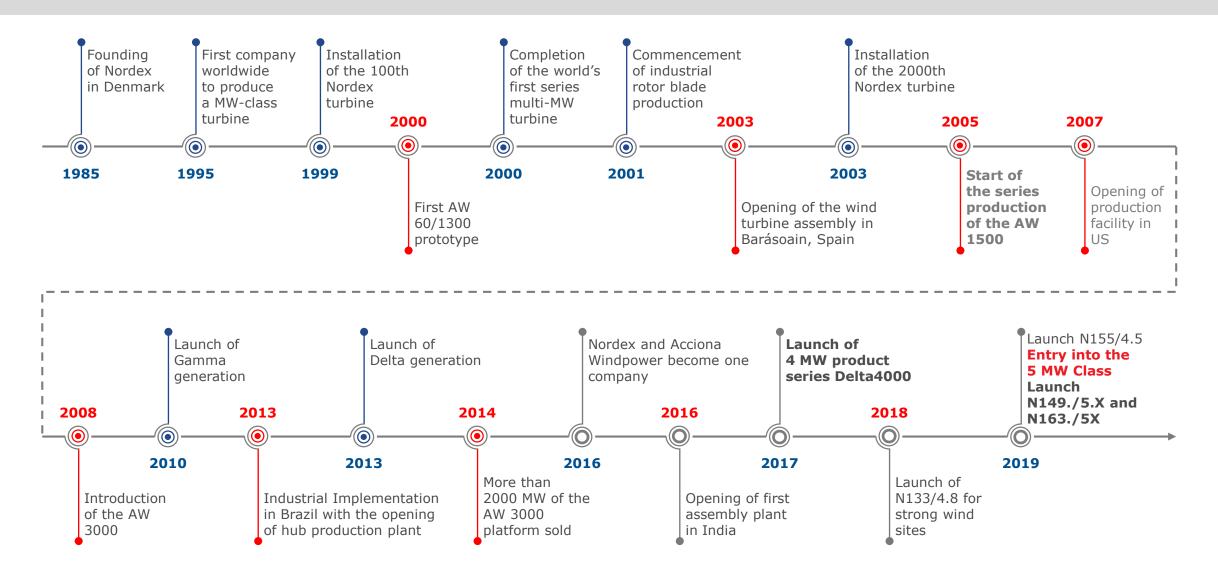
# Installation track record of Nordex

### MORE THAN 30,735 MW INSTALLED WORLDWIDE





# Long history as one of the pioneers in onshore wind industry





# > Value chain - Nordex core business

## > MORE THAN A MANUFACTURER.





Production footprint supports international supply chain and demand

## **>** GOOD GEOGRAPHICAL FIT FOR PRODUCTION TO SERVE GLOBAL DEMAND.





# Nordex operates lean and flexible business model





### Balanced vertical integration allows Nordex to manage capital commitment efficiently and retain a flexible business model

Third party

Partially in-house

Key focus/in-house



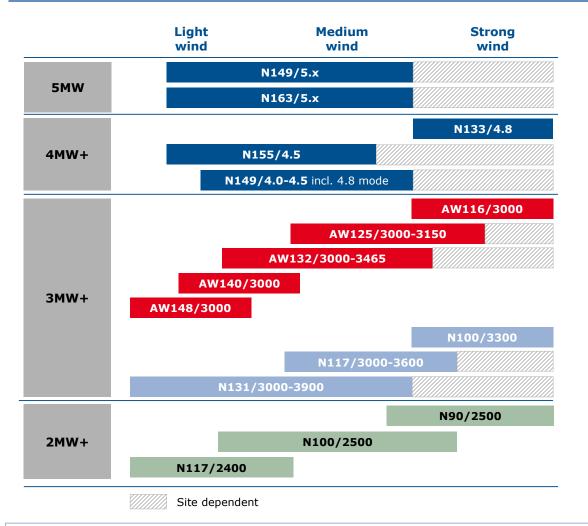


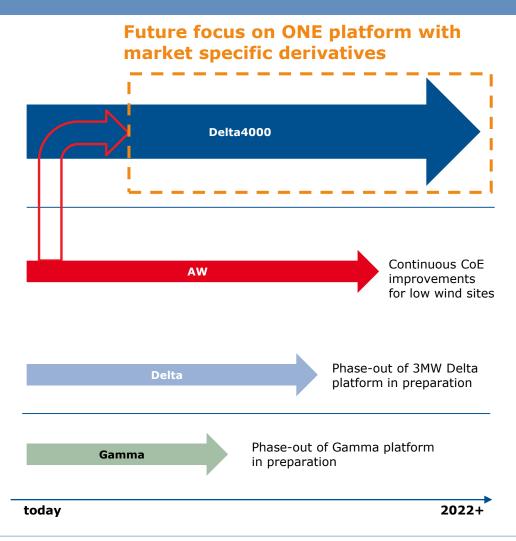




# Competitive portfolio for all different sites

**Development of product portfolio & pipeline** 







16 | Products & markets



## 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-tomedium wind speed sites Nacelle dimensions remain unchanged to N149/4.0-4.5

### **first contracts already signed** (major order of 400 MW from Norway received in March 2020)

## lifetime extension up to 25 years

Standard design lifetime of 20 years

# 149m rotor

proven blade of N149/4.0-4.5



# >5MW rating

utilizing site potential

## up to 164m hub heights

site-specific towers

## 104.8 dB(A) @ 5.5 MW

+ numerous sound modes



**17** | Products & markets



## WTG design purely focused on lowest possible COE

lifetime extension up to 25 years

Standard design lifetime of 20 years

Same nacelle as N149/5.X

**IEC S class** 



163m rotor

# >5MW rating

utilizing site potential

Suitable in core low-to-medium wind speed sites

**various site-specific towers** up to 164m hub height

Single-piece blade

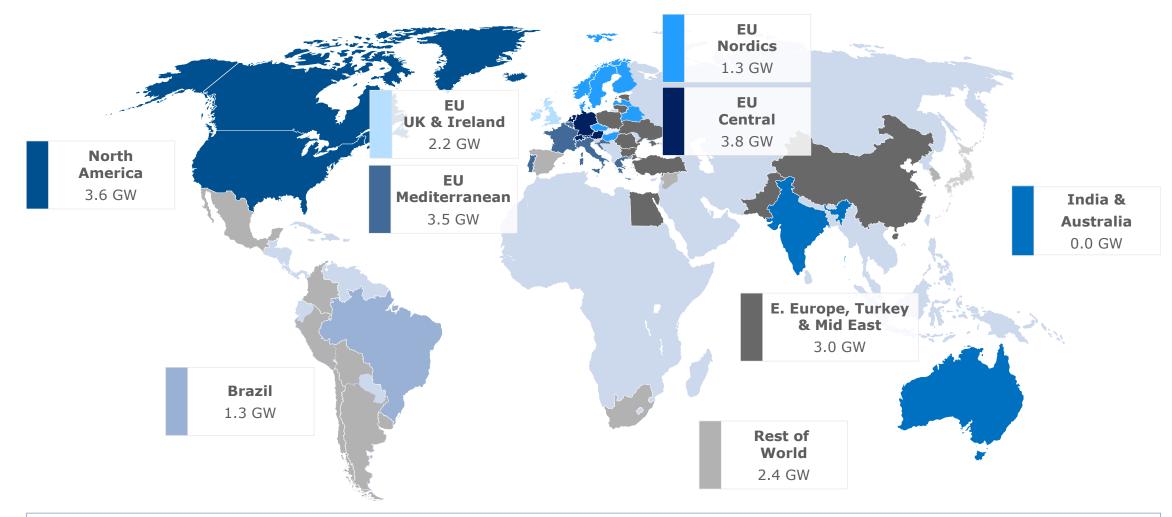
based on N149 design

numerous sound modes

+20% AEP (Annual Energy Production) (vs. N149/4.0-4.5)



# Nordex global service network with more than 21 GW under contract



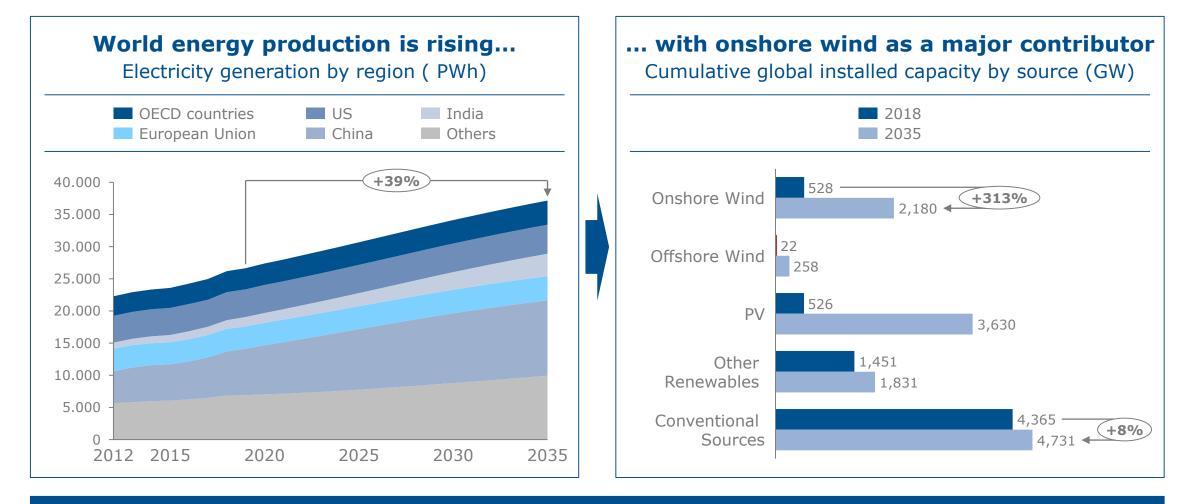


# Service portfolio: Nordex service makes the difference







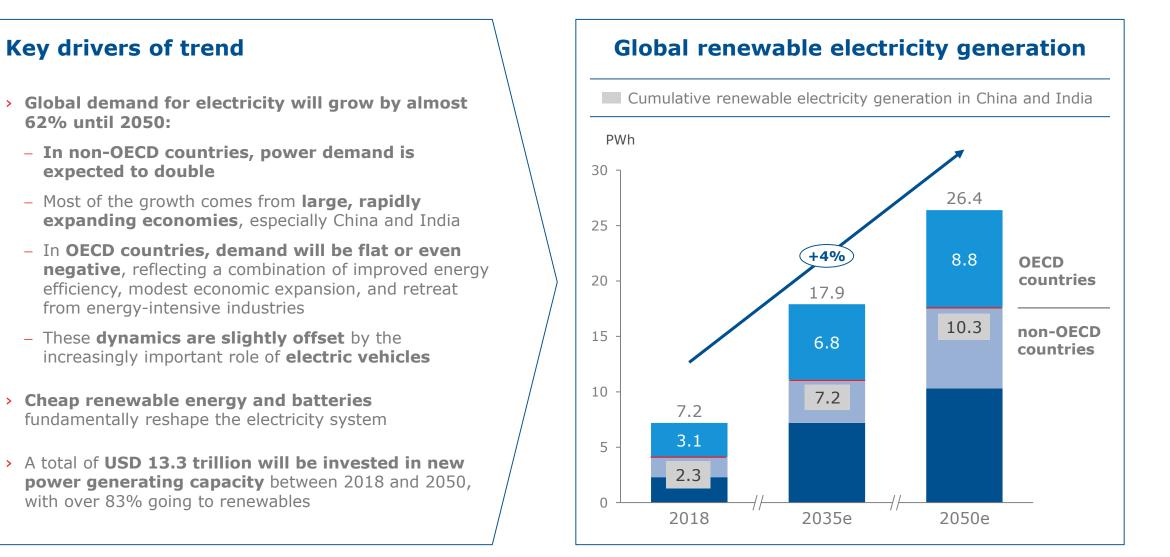


### Strong, continuous growth of onshore wind in the medium term expected

Source: Bloomberg New Energy Finance, New Energy Outlook 2019, as of Jun-2019 Conventional sources include nuclear, coal, gas and oil capacities Other renewables include geothermal, hydro and others



Global demand for electricity continues to grow and will increasingly be met by renewables











# Executive summary

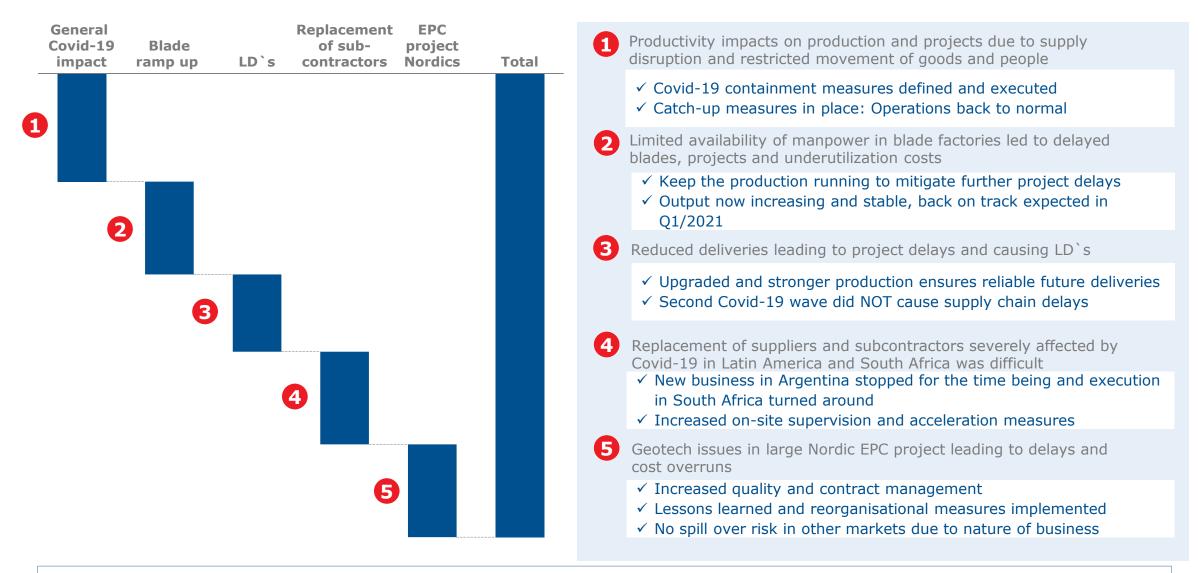
## > 9M/2020 RESULTS

Sales	EBITDA margin	Working capital ratio
EUR 3,167m	2.2%	-5.7%

- > Order intake amounted to 3,759 MW in 9M/2020 with a share of 81% coming from turbine generation Delta4000.
- > 9M/2020 sales of EUR 3.2bn up 63% versus 9M/2019 (EUR 1.9bn).
- > EBITDA of EUR 71m versus EUR 60m (3.1%) in 9M/2019 and despite Covid-19 slightly better working capital ratio at minus 5.7% (9M/2019: minus 5.2%).
- > 9M/2020 results negatively impacted by Covid-19 and major non-recurring events accounting for approximately EUR 300m in FY 2020.
- > Sale of Nordex European project development pipeline to RWE for around EUR 400m successfully completed.
- > Nordex scored a share of 31% in Germany's latest auction in October sharing top position with Vestas.
- > Reinstated new guidance for FY 2020 with sales of approx. EUR 4.4bn and an EBITDA margin of 2%.
- > Strategic targets set for FY 2022: Sales of approx. EUR 5bn with an EBITDA margin of 8%.
- > Comprehensive company program in implementation in order to secure performance in FY 2021 and fulfillment of strategic targets for FY 2022.



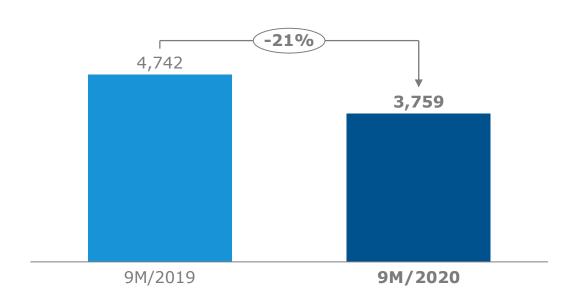
# COVID-19 and major non-recurring events impacting EBITDA in 2020





# Order intake 9M/2020

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

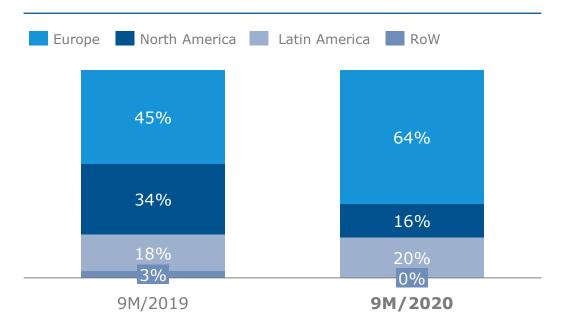


 Order intake in 9M/2020: EUR 2,642m (EUR 3,314m in previous year period)

thereof in Q3/2020: EUR 836m (EUR 1,199m in Q3/2019)

> ASP remains stable of EUR 0.70m/MW in 9M/2020

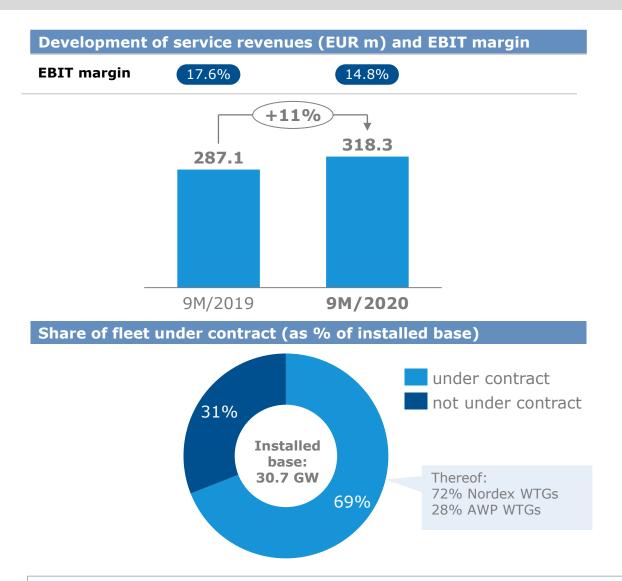
## Order intake turbine\* (in MW) by regions (in %)



- Largest orders received from USA, Norway, Great Britain, Spain and Chile in 9M/2020
- > 86% of order intake accounts for Delta4000 generation in Q3/2020 and 81% for the first nine months 2020
- Order intake received from 20 different countries in 9M/2020 showing well balanced footprint



# Service 9M/2020

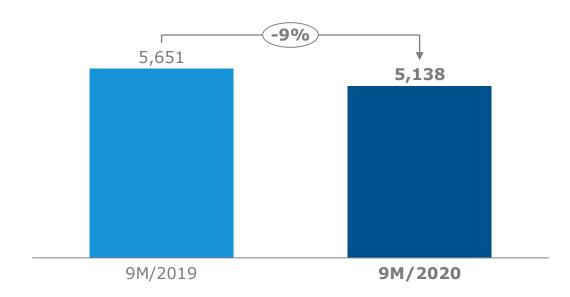


#### Comments

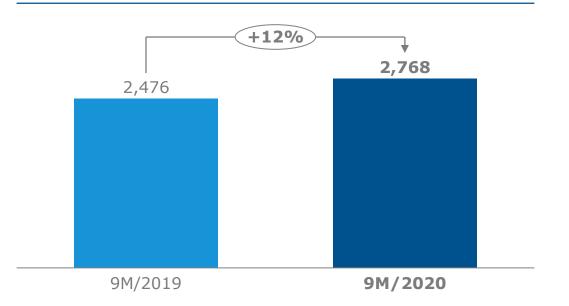
- Service sales share accounts for 10.0% of group sales in the first nine months 2020
- > Service EBIT margin of 14.8% at the end of 9M/2020
- > 97.4% average availability of WTGs under service
- Strong service order backlog of around EUR 2.8bn at the end of 9M/2020

# • Order backlog remains on high level: EUR 7.9bn at the end of 9M/2020

### Order backlog turbines (EUR m)



### **Order backlog service (EUR m)**



- Turbine order backlog of EUR 5,138m at the end of 9M/2020 remains on a high level
- Distribution on Nordex focus markets: Europe (62%), Latin America (16%), North America (15%), RoW (7%)

 > 8,192 wind turbines under service corresponding to 21.1 GW at the end of 9M/2020



# Income statement 9M/2020

in EUR m (rounded figures)	9M/2020	9M/2019	abs. change
Sales	3,167	1,943	1,224
Total revenues	3,108	2,520	588
Cost of materials	-2,764	-2,004	-760
Gross profit	343	515	-172
Personnel costs	-314	-265	-49
Other operating (expenses)/income	41	-190	231
EBITDA	71	60	11
Depreciation/amortization	-115	-102	-13
EBIT	-44	-42	-2
Net profit	-108	-77	-31
Gross margin*	10.8%	26.5%	
EBITDA margin	2.2%	3.1%	
EBIT margin w/o PPA	-0.8%	-1.2%	

### Comments

- Sales figures of EUR 3,167m at the end of Q3/2020 reflecting overall growth of Nordex despite the pandemic
- > EBITDA carry significant Covid-19 impact and nonrecurring costs counterbalanced by proceeds from the pipeline sale to RWE
- RWE transaction has been recognized as Other operating income
- PPA depreciation amounted to EUR 19m in 9M/2020 (EUR 18m in 9M/2019)



# Balance sheet 9M/2020

in EUR m (rounded figures)	30.09.20	31.12.19	abs. change	∆ in %
Non-current assets	1,495	1,489	6	0.4
Current assets	3,171	2,514	657	26.1
Total assets	4,665	4,003	662	16.6
Equity	635	745	-110	-14.8
Non-current liabilities	850	914	-64	-7.1
Current liabilities	3,181	2,343	838	35.7
Equity and total liabilities	4,665	4,003	662	16.6
Net debt*	493	84		
Working capital ratio**	-5.7%	-9.1%		
Equity ratio	13.6%	18.6%		

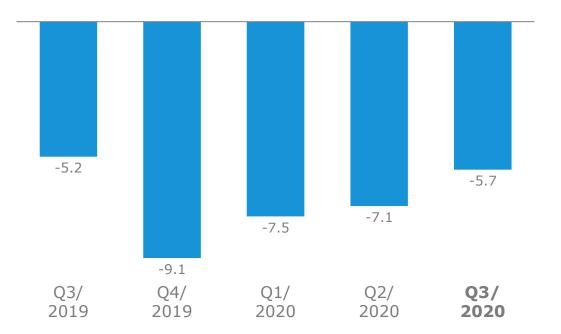
### Comments

- Cash position of EUR 408m at the end of 9M/2020 (EUR 334m end of Q2/2020)
- Increase in current assets due to recognition of transaction, i.e. sale of European project development business to RWE
- Reclassification of promissory notes (SSD) into current liability
- Refinancing of promissory notes of EUR 215m due in April 2021 already been secured in the context of the state-guaranteed RCF



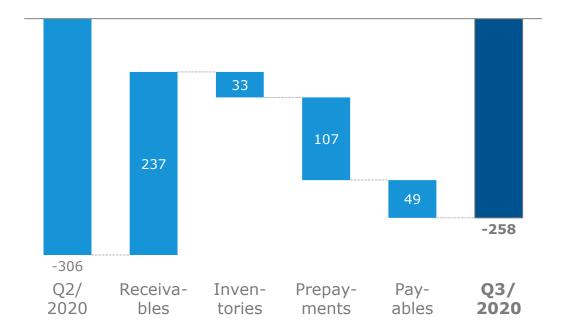
# Working capital development 9M/2020

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



 Working capital ratio impacted by Covid-19 but still on a very acceptable level

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



 Temporary increase of receivables due to Covid-19 related project delays





## Cash flow statement 9M/2020

in EUR m	9M/2020	9M/2019
Cash flow from operating activities before net working capital	-239	-94
Cash flow from changes in WC	-42	31
Cash flow from operating activities	-281	-63
Cash flow from investing activities	-97	-93
Free cash flow	-378	-156
Cash flow from financing activities	298	-62
Change in cash and cash equivalents*	-80	-218

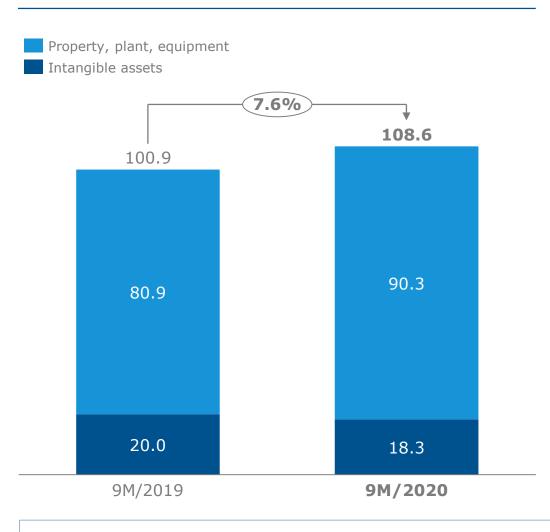
### Comments

- Negative cash flow from operating activities not yet reflecting cash from RWE transaction (received on November 2nd)
- Cash flow from investing activities mainly reflects ongoing expansion of supply chain and blade production facilities
- Cash flow from financing activities largely determined by funds received from new RCF and outflows from leasing payments and repayment under EIB facility





### CAPEX (in EUR m)



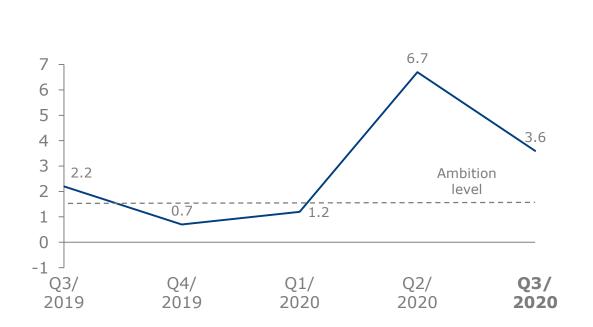
### **Comments**

- > Investments in 9M/2020 primarily comprise:
  - Investments in blade production facilities in Mexico, India and Brazil
  - Investments in installation and transport tooling and equipment for international projects
  - Investments in product development
- Slight decrease in intangible assets due to lower level of development costs compared to previous year period



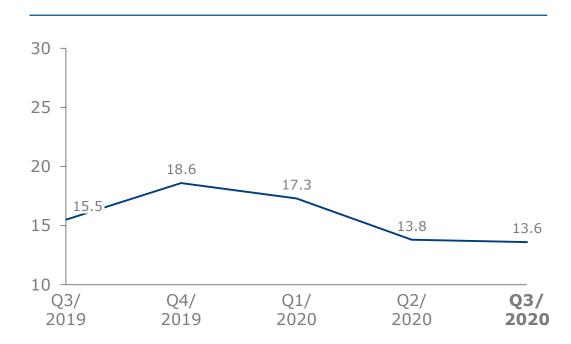
# Capital structure 9M/2020

### **Net debt\*/EBITDA\*\***



 Leverage ratio in Q3/2020 decreased as expected due to EBITDA contribution from RWE transaction

Equity ratio (in %)



 Equity ratio remains on a similar level compared to Q2/2020



\* Bank borrowings, bond, employee bond and shareholder loan less cash and cash equivalents. \*\* Based on last twelve months.

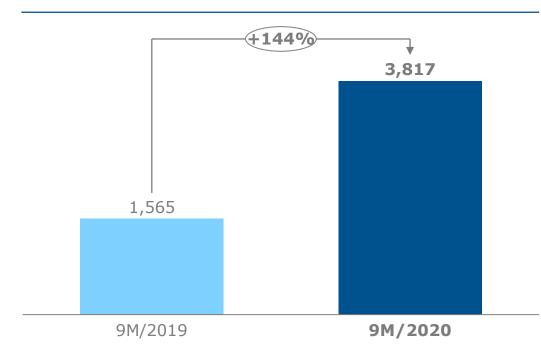
# Comprehensive financing structure successfully closed

Details	Revolving credit facility (RCF)	Participating Lenders		Recent financing activities
Amount:	350m EUR			
Duration:	30th April 2022		>	Three-year extension of EUR 1.21bn multi- currency guarantee facility (MGF) was closed on April 9 <sup>th</sup>
Number of banks:	9		>	RCF of EUR 350m <b>backed by German</b> State guarantee covering 90% was
Purpose:	<ul><li>General corporate purposes</li><li>Cash drawings</li></ul>		>	closed on August 6 <sup>th</sup> RCF provided by a consortium of nine lenders <b>was</b> significantly <b>oversubscribed</b>
Security:	<ul><li>Unsecured</li><li>Pari-passu</li></ul>		>	<b>Refinancing</b> of promissory notes (Schuldscheindarlehen) of EUR 215m due in April 2021 has been <b>secured</b> in the
		NORD/LB	>	context of the state-guaranteed RCF MGF and RCF contain an <b>ESG</b> component
ESG rating provider:	ISS ESG Corporate ESG Performance			and fit seamlessly into the company`s sustainable financing structure
ESG company rating:	B Prime ISS ESG >	Rabobank		



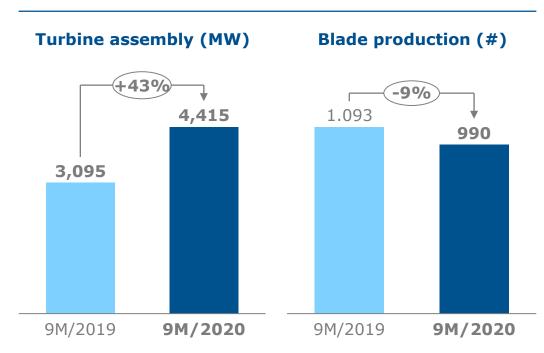


### **Installations (MW)**



 Total installations of 1,052 WTGs in 21 countries in the first nine months 2020: 43% Europe, 33% North America, 18% Latin America and 6% Rest of world

### Production



- Output turbines amounts to 1,154 units in 9M/2020: 594 GER, 332 ESP, 154 IND, 64 BRA and 10 ARG
- Inhouse blade production of 990 units in 9M/2020: 521 GER, 220 MEX, 194 IND and 55 ESP
- Outsourced blade production of 2,065 units in 9M/2020 (9M/2019: 1,695 units)

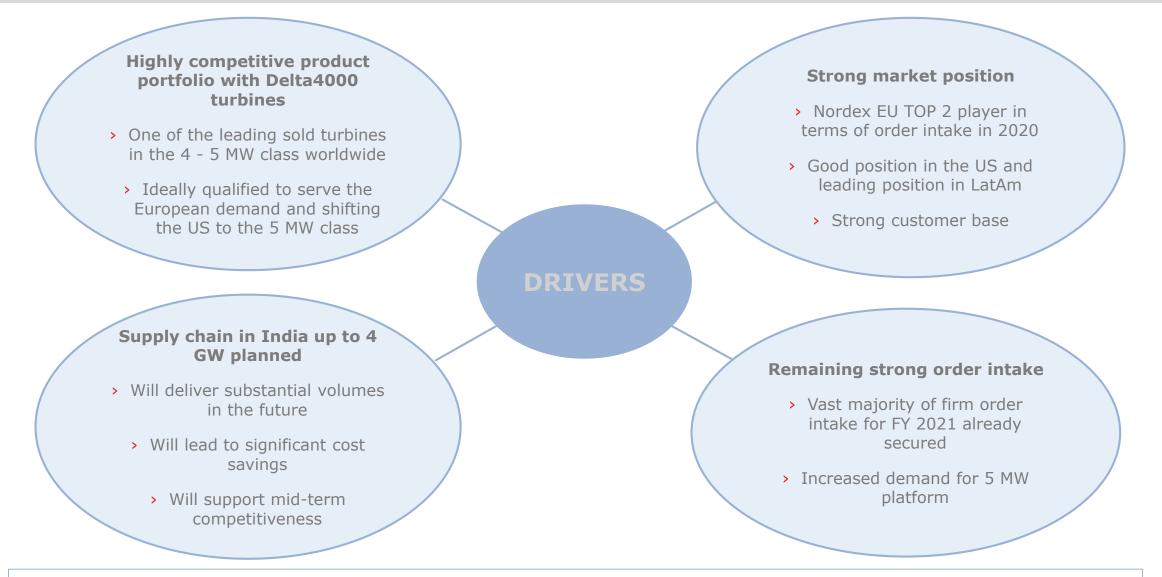








# Drivers to keep the order intake momentum to support strategic targets for FY 2022





# Modules of company program

Initiative clusters		Initiative targets		Overall project status
<b>1</b> Supply chain transformation	>	Setting up 4 GW supply chain in India and moving current EU partners to India	>	Supply chain topics starting to mature into contracting stage already
2 Productivity enhancement	>	Safer, stronger ramp-up and focus on efficiency and productivity		
<b>3</b> Increase service profitability	>	Building a global service unit to further improve the margin profile	>	2021 and 2022 costs being negotiated show material improvement compared to current base levels
<b>4</b> PM/EPC excellence	>	Using experience of examples of excellence from high-performance countries for new markets	>	Further initiatives beyond procurement
5 Product delivery	>	Stay at the curve of the market benchmark for products		being integrated to allow sustainable transformation into 2022 and beyond
<b>6</b> Continuation of the sales success story	>	Stay in top 3 position in onshore business, as already shown over the last 5 to 6 quarters	>	Sales in the onshore wind industry continue to reach or approach the second
<b>7</b> Expanding engineering further	>	Expand presence and competency depth with a new engineering office in India to secure new supplies		highest pace













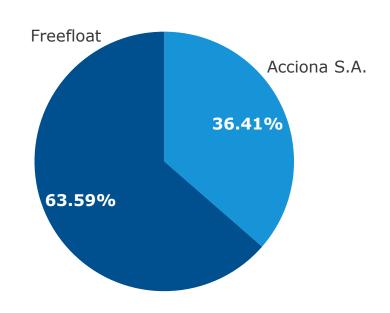
Company overview & business model



#### 41 | Nordex share

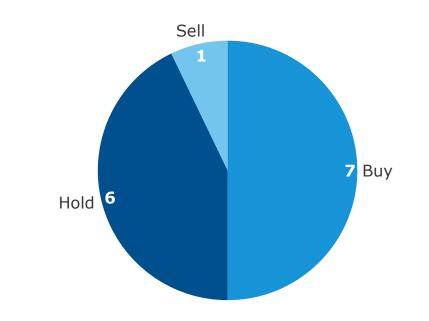
### Stable shareholder structure and strong market coverage

#### **Shareholder structure**



EUR 16.70

#### Analyst coverage



#### Key figures:\*

- > Number of shares: 106,680,691
- > Share price:
- > Market capitalization: EUR 1,8bn

#### Consensus of 14 analysts:\*\*

Ø Share price: EUR 18.00
Ø 2020 Revenues (e): EUR 4,4bn
Ø 2020 EBITDA margin (e): 1.7%



## Nordex share price development (Jan 2019 – 23 November 2020)

- Nordex SE (XETRA) - SDAX



Share price significantly recovered since Covid-19 dip in March 2020



## Strong and committed anchor shareholder

#### > Acciona Group profile / strategy > Recent support for Nordex > Holding company with a presence in over 40 countries that invests, develops and operates infrastructure, with a particular emphasis on renewable energy **Continuously strong commitment to strategic** > Group operates through three main business segments: investment into Nordex recently underpinned by €99m capital increase in October 2019 > **Infrastructure**: Covers construction activities, industrial activities, concessions, water and services > Energy: Includes activities ranging from construction of Long-term supportive shareholder since merger wind farms to generation and distribution of wind turbine business into Nordex in 2016 > Other: Deals with businesses relating to fund management and stock market brokerage, wine production, real estate business and other acciona 2 Additional liquidity facilitates expected growth investments due to ongoing demand for Delta4000 platform Key facts FY 2019: Commitment of anchor shareholder proves 3 Market capitalization: c. €5.2bn Nordex' path of profitable growth > Revenue: €7.2bn > EBITDA: €1.4bn > Established track record across Debt and Equity Capital Markets > Entrecanales family as main anchor shareholder holding over 50%, free float c. 39%







Company overview & business model

Products & markets

Financials

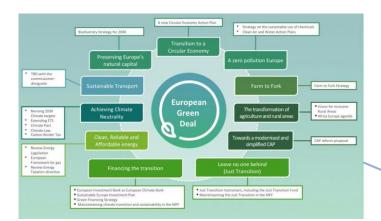
Nordex share

Sustainability



#### **45** | Sustainability



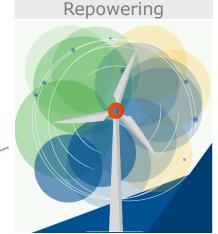


The European Green Deal as a multilayer regulatory package



On its way to an economy with net-zero GHG emissions: EU aims for climate neutrality by 2050

DRIVERS



10,000 WTGs running out alone within the next three years in Germany. Further repowering potential coming from the US, Denmark, Spain, India

Draft of upcoming EEG amendment for Germany passed in September 2020: strong political signal of change expansion path onshore wind is targeted at 71 GW by 2030

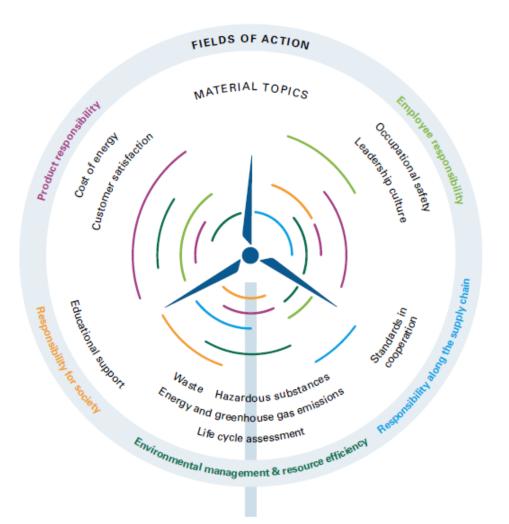
German Investitionsbeschleunigungsgesetz: will support wind power projects in Germany, e.g. improving permitting processes Regional projects:

### NEW 4.0 Norddeutsche EnergieWende

100% electricity from renewables for federal state Schleswig-Holstein and Hamburg until 2035



# > Sustainability strategy 2019 to 2021



#### Sustainability objectives 2019-2021

	Fields of action	Material topics	Specific objectives
Product responsibility	Cost of energy	Reduce cost of energy continuously	
	Customer satisfaction	Achieve a high recommendation rate	
		Occupational safety	Reduce accidents to a lost time injury frequency (LTIF) of less than 5 per 1 million working hours
Employee responsibility	Leadership culture	Further strengthen leadership culture and values	
			Continue established programs & processes for employee development
			Promote diversity in the company
P	Responsibility along the supply chain	Standards in cooperation	Optimize the supplier due diligence process
Environmental management & resource efficiency	Waste	Avoid and reduce waste by -10 %	
		<ul> <li>Hazardous substances</li> </ul>	Reduce hazardous substances and minimize their hazard potential
	Energy and greenhouse gas emissions	Procure 100% of the electricity we consume from renewable energy sources	
		<ul> <li>Life cycle assessment</li> </ul>	Improve the environmental balance of wind turbines
	Responsibility for society	Educational support	Support education initiatives in the region of our sites
		·	



# Sustainability key facts

### **Product**

Lifecycle assessment of wind farm with Delta4000 turbines shows:

#### only 6.4 g CO<sub>2</sub>e

are emitted per kilowatt-hour electricity generated

A single Nordex large-scale turbine<sup>1</sup> covers the average annual electricity demand of about

3,000

four-person households<sup>2</sup>.

### 474 g of CO<sub>2</sub>

are saved per kWh generated by wind turbines (compared to the German electricity mix 2018<sup>3</sup>).

Projection for one Delta4000 at medium wind speed: savings of approx.

#### 6,300 t CO<sub>2</sub> per year.

### **Employees**

Lost time injury frequency (LTIF) lowered to 4.6 in FY 2019 (FY 2018: 5.6)

#### 73

nationalities were working at Nordex in FY 2019

### Environment

#### 73.5%

of the overall amount of purchased electricity in 2019 was generated by the use of

#### renewables

### **ESG-Rating**

ISS-ESG (B), MSCI (A), SUSTAINALYTICS (25.8), CDP (C) and IMAG (AA)



1 Reference: N149/4.0-4.5, medium wind speed of 6.5m/s, excl. losses.

2 https://www.musterhaushalt.de/durchschnitt/stromverbrauch/ average electricity demand of 4,432 kWh per year. 3 https://www.umweltbundesamt.de/sites/default/files/medien/1410/publikationen/2019-04-10 cc 10-2019 strommix 2019.pdf.

# Preliminary financial calendar 2021\*

2021	Event
March	Publication of preliminary figures FY 2020
23 March	Publication of Annual Report 2020
Spring	Capital Markets Day
11 May	Interim Statement Q1/2021
1 June	Annual General Meeting
12 August	Interim Report H1/2021
15 November	Interim Statement 9M/2021







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