

Nordex Group

Nordex SE – Investor Factbook



Experienced 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





Agenda



- Company overview & business model
- Products & markets
- Financials
- Nordex share
- Sustainability





Strategic pillars

Global

Global player with strong presence in all volume and growth markets for onshore wind energy



COE

Competitive and COE-driven product portfolio covers all regions and market conditions



Onshore

Onshore wind energy is the key technology for the irrevocable transition to renewable energy



Shareholder

Strong anchor shareholder supports growth strategy



Team

Experienced management and outstanding team









Nordex and Acciona Windpower created a truly 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 more than 30 years of experience

- Solution > Global manufacturer of wind energy systems focused on turbines in the 2-5 MW class
- > WTG variants for different wind and climate conditions, addressing the requirements of developed as well as emerging markets
- > **Production sites** in Germany, Spain, Brazil, India, USA, 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
- Acquisition of Acciona Windpower (AWP) in 04/2016

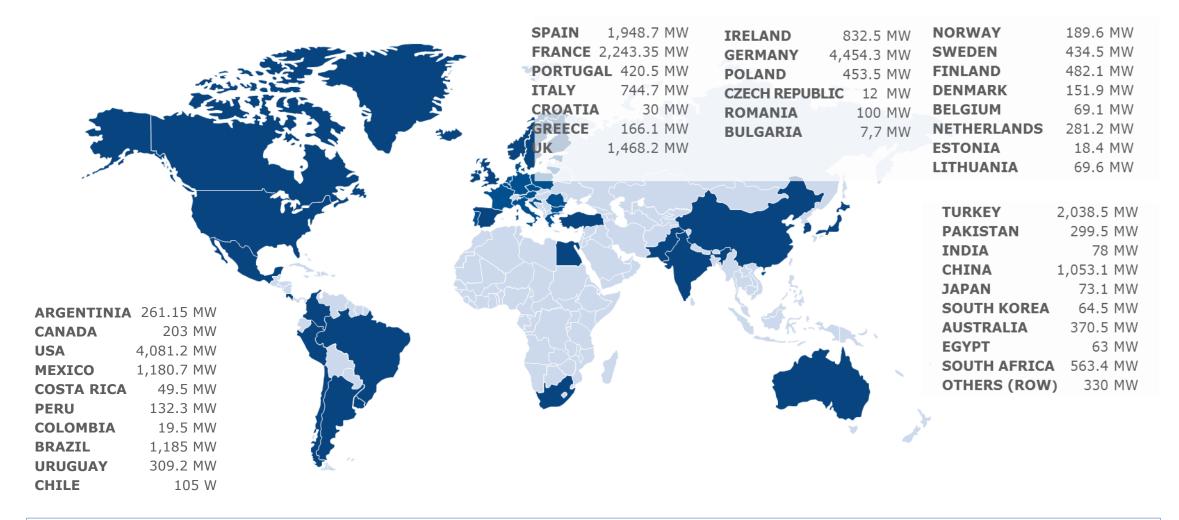
Main shareholder Acciona S.A. (36.3%)

Revenues 2018: Around EUR 2.5bn

Track record of more than 27 GW in over 40 countries

Where we are - track record of Nordex

MORE THAN 27,038 GW INSTALLED WORLDWIDE

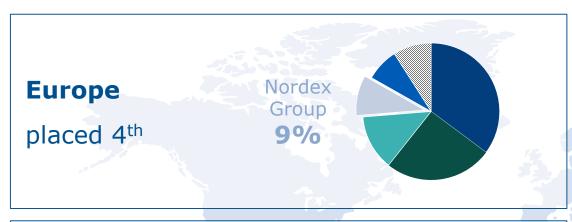


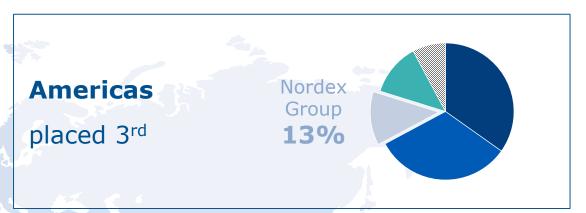


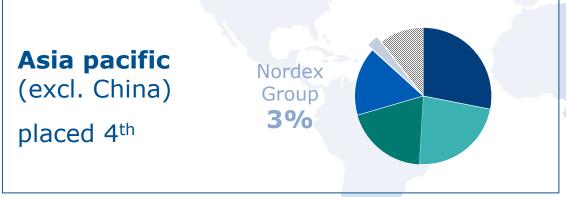


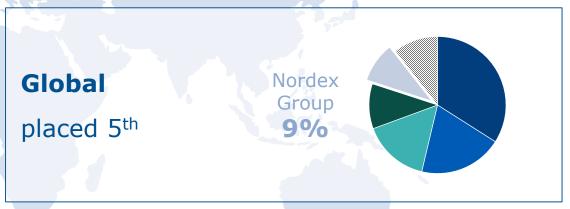
Nordex achieved global top 5 in 2018

MARKET SHARES (BASED ON MW INSTALLED)

















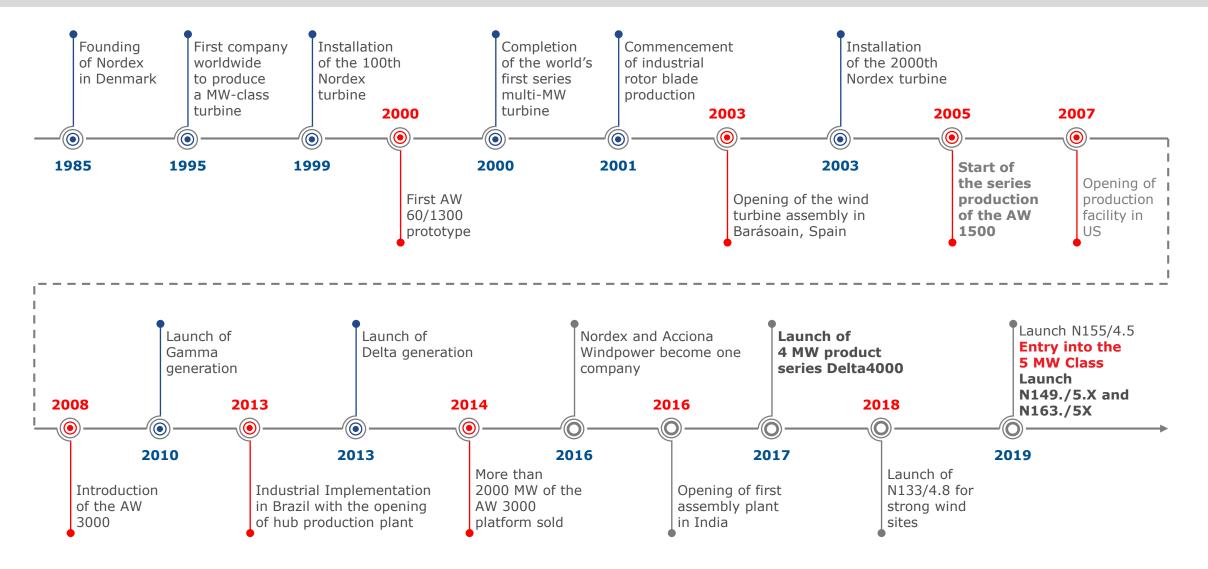








Our history as one of the pioneers in onshore wind industry







> What we do - Nordex core business

> VALUE CHAIN. MORE THAN A MANUFACTURER.

Project Development

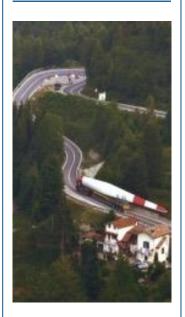
Wind Farm System Planning **Production and Technical Implementation**

Wind Farm Operations **Services and Maintenance**

Project Development

- > Selection of location
- > Ownership
- > Optimal siting
- > Wind measurements
- > Soil survey
- > Sound / shade emission
- > Economic viability
- > Grid connection
- > Special purpose registration
- > Environmental permitting
- > Building permitting

Turbine Delivery



Civil Works



Electrical Infrastructure



Installation & Commissioning



Service









Strategy roadmap further strengthens our competitive position

We are: **Sustainable | Global | COE Leader** We focus on: **COE** | Speed | Flexibility 2 (3) 5 We deliver: **Global market COE** optimized **Operational cost Supply chain** Service product portfolio transformation efficiencies business presence Continuously 4.7 GW order intake New product Ramping up Stringent in 9M/2019 India and N163/5.X enlarges W/C-management growing with dedicated features regionally well product portfolio blade production programme balanced in Turkey implemented as predictive maintenance

Leading global onshore wind turbine supplier

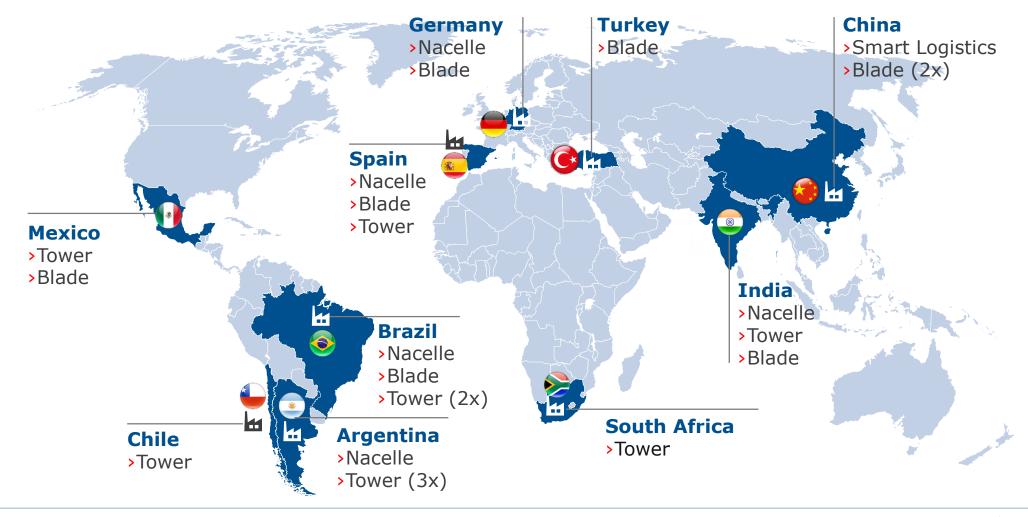






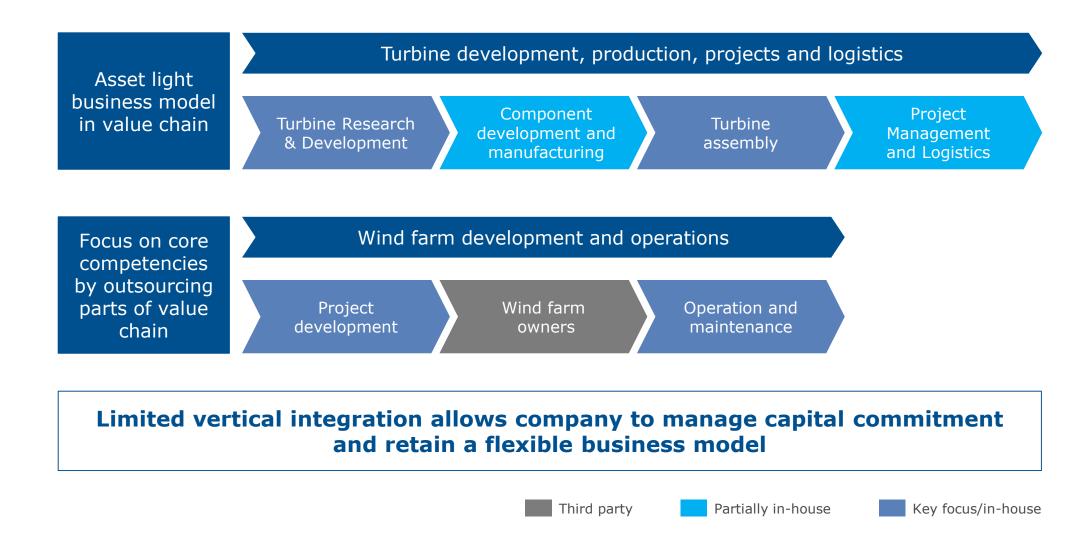
Nordex production footprint shows international supply chain

> GOOD GEOGRAPHICAL FIT FOR PRODUCTION TO SERVE GLOBAL DEMAND.





Nordex operates a lean and flexible business model





Agenda

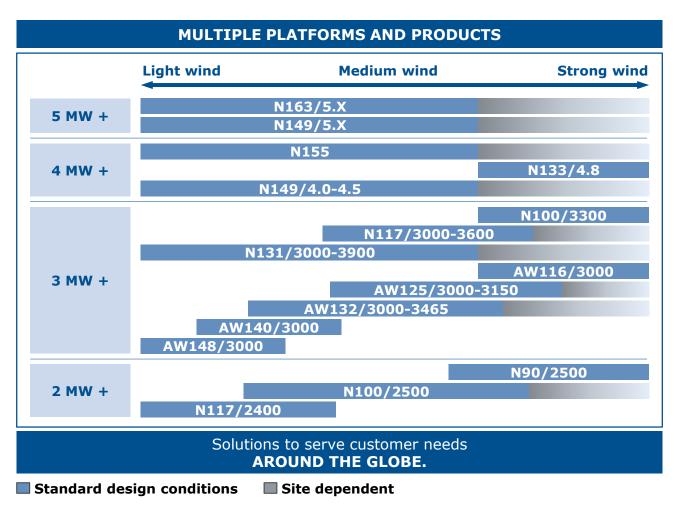


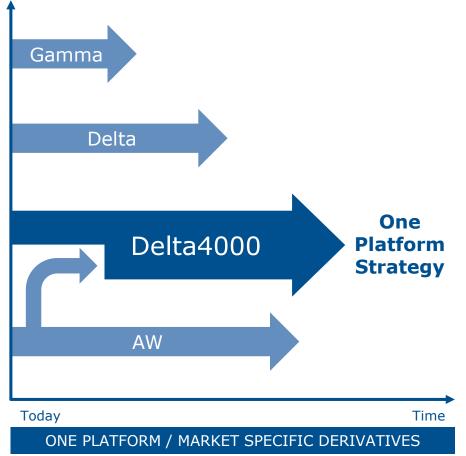
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Nordex competitive and state-of-the-art product portfolio covers all markets and wind conditions











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

first contracts already signed

lifetime extension up to 25 years

Standard design lifetime of 20 years

149m rotor

proven blade of N149/4.0-4.5

N149/5.X

>5MW rating

utilizing site potential

up to 164m hub heights

site-specific towers

104.8 dB(A) @ 5.5 MW

+ numerous sound modes

Nacelle dimensions remain unchanged to N149/4.0-4.5







WTG design purely focused on lowest possible COE

163m rotor

Same nacelle as N149/5.X

IEC S class

N163/5.X

>5MW rating

utilizing site potential

various site-specific towers up to 164m hub height

Single-piece blade

based on N149 design

Suitable in core low-to-medium wind speed sites

lifetime extension up to 25 years

Standard design lifetime of 20 years

numerous sound modes

+20% AEP

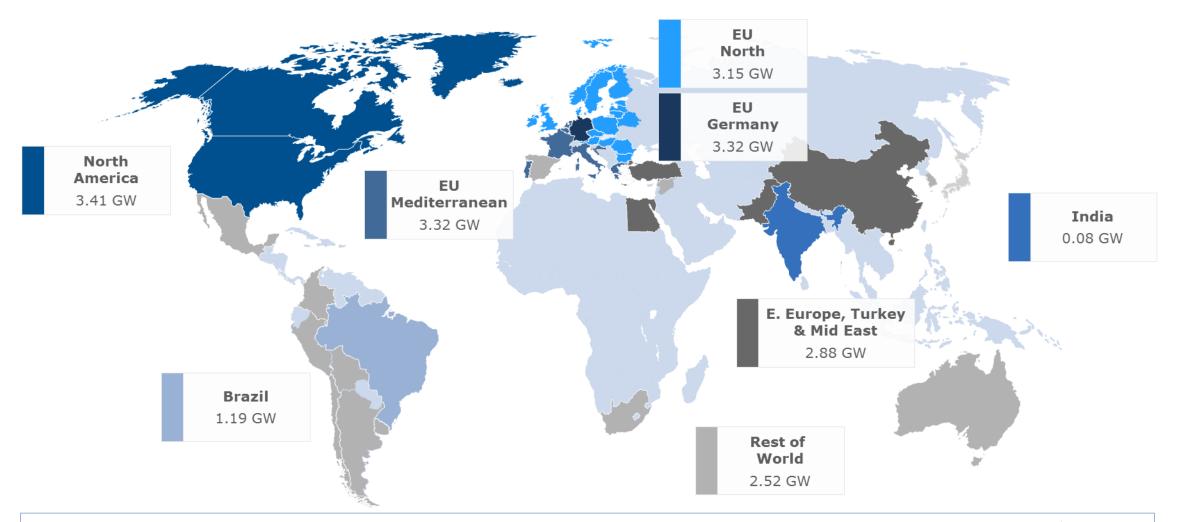
(vs. N149/4.0-4.5)





Global service network

WE PROVIDE A CLOSE-KNIT NETWORK ACROSS THE REGIONS, WITH MORE THAN 19 GW UNDER CONTRACT







Service portfolio: Nordex service makes the difference

On-site



Maintenance & Inspections

- > Maintenance
- > HSE inspections



Trouble Shooting & Repair

- >Onsite repair & troubleshooting
- > Exchange & overhaul of major components

Off-site



Monitoring & Technical Support

- >24/7 Control Centre
- > Support for technical issues



Spare Parts Management

> Worldwide supply of spare parts, 365 days a year



Training

> Uniform qualification of all service technicians worldwide



Digital and Data **Analytics**

> Driving digital change, remote diagnostics & predictive maintenance.



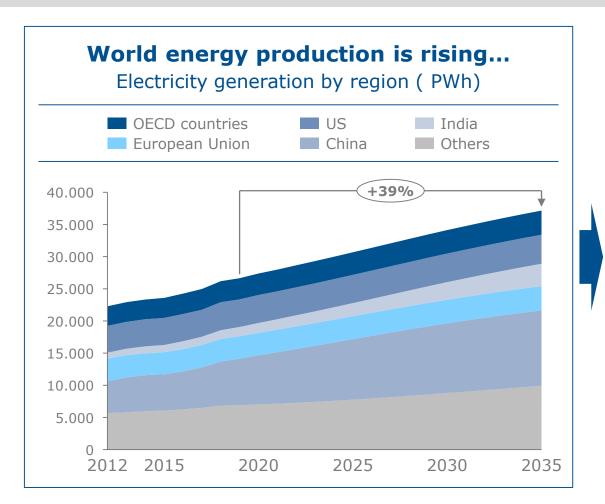
Upgrades & Modernizations

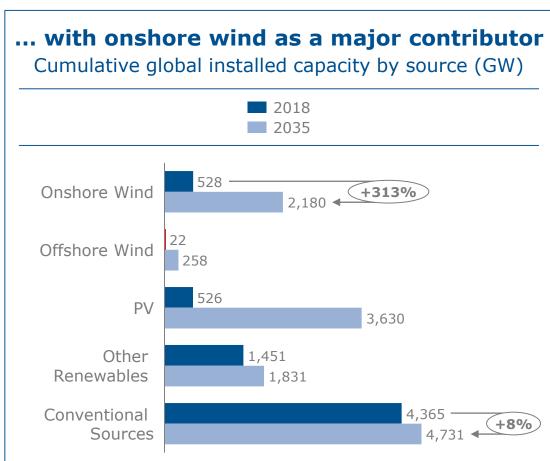
> Products to enhance the performance of the installed fleet





Wind will be a prominent source as global energy production rises





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



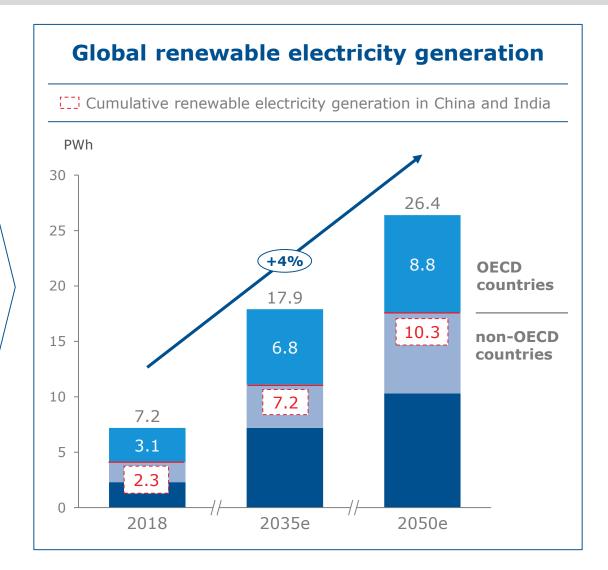




Global demand for electricity continues to grow and will increasingly be met by renewables

Key drivers of trend

- Global demand for electricity will grow by almost 62% until 2050:
 - In non-OECD countries, power demand is expected to double
 - Most of the growth comes from large, rapidly expanding economies, especially China and India
 - In OECD countries, demand will be flat or even negative, reflecting a combination of improved energy efficiency, modest economic expansion, and retreat from energy-intensive industries
 - These dynamics are slightly offset by the increasingly important role of electric vehicles
- Cheap renewable energy and batteries fundamentally reshape the electricity system
- A total of USD 13.3 trillion will be invested in new power generating capacity between 2018 and 2050, with over 83% going to renewables







© Nordex 2020 Source: BNEF NEO 2019



Latest market developments

Americas

- Very high activity level expected in 2020 and 2021 due to anticipated demand from new offtakers – especially in the commercial & industrial field.
- Change of government in Mexico creates uncertainties but market supported by corporate PPAs.
- Brazil held a technology neutral auction with 1.04 GW awarded to wind in October.
- Colombia held an auction with 1.1 GW awarded to wind in October.

Europe

- Climate Protection Program released in Germany defines roadmap for onshore wind until 2030. Permitting difficulties continue to result in undersubscribed auctions in Germany.
- Oversubscribed auction in France with 575 MW of wind awarded.
- Poland, Greece and Italy holding new auctions still within 2019.

Rest of World

- Federal and State policies supporting market activities in India in the long-term.
 Short term market uncertainties with latest auctions significantly undersubscribed.
- > 14.4 GW of new wind capacity planned for 2022-2030 in RSA as per final IRP. Round 5 expected to take place in first half of 2020.





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Increased activity in Q3/2019 according to expectations

> 9M/2019 RESULTS

Sales

EUR 1,943m

EBITDA margin

3.1%

Working capital ratio

-5.2%

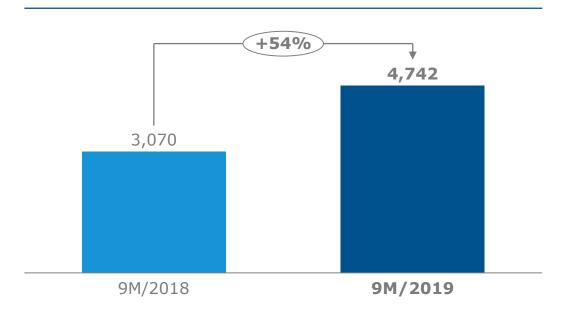
- > Guidance for full year 2019 confirmed.
- > Q3/2019 another strong quarter with order intake of 1.7 GW (Q3/2018: 974 MW).
- > Around 50 percent of Q3 order intake volume accounts for latest turbine generation Delta4000.
- > Delta4000 product portfolio with meanwhile five different product types covering all customer requirements.
- > On October 8th cash capital increase of EUR 99.0m through private placement to anchor shareholder Acciona.





Order intake 9M/2019

Order intake turbine* (in MW)

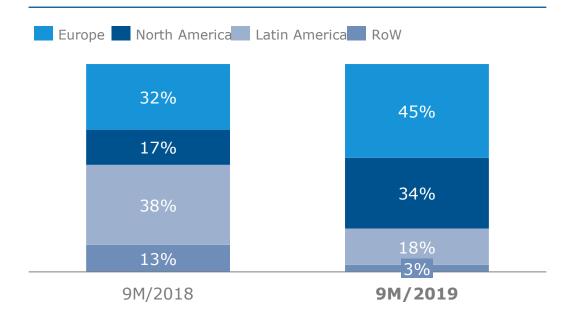


> Strong order intake in 9M/2019: EUR 3,314m (EUR 2,343m in previous year period)

thereof in Q3/2019: EUR 1,199m (EUR 733m in O3/2018)

> Stable ASP of EUR 0.70m/MW for 9M/2019

Order intake turbine* by regions (in %)



- > Largest order volume coming from USA, Brazil, Sweden and Spain in 9M/2019
- > 40 percent of order intake accounts for new Delta4000 generation in first nine months
- > Order intake received from 21 different countries showing Nordex global footprint

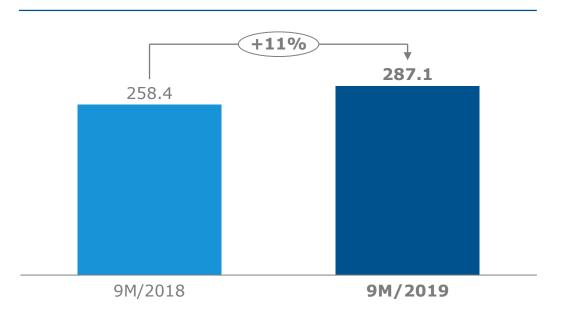






Further growth of service business

Service sales (in EUR m)



Comments

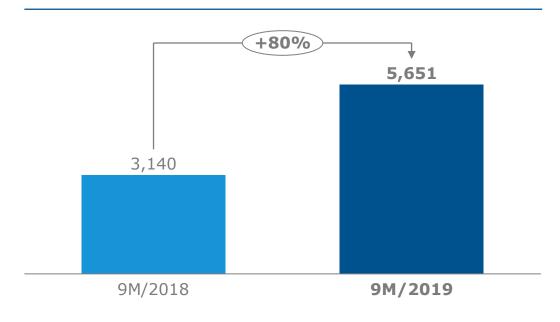
- > Service sales share amounted to 14.8% of group sales in 9M/2019
- > Service EBIT margin of for 17.6% in first nine months 2019
- > 97.5% average availability of WTG under service
- > Strong Service order backlog of EUR around 2.5bn





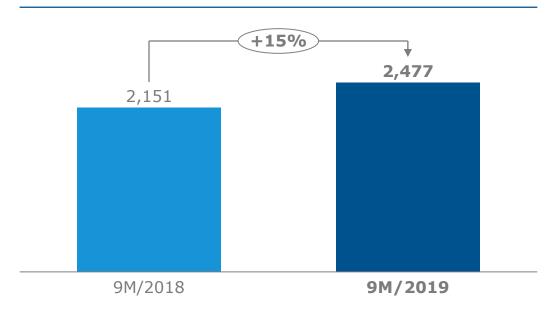
Combined order backlog of EUR 8.1bn as of 9M/2019

Order backlog turbines (EUR m)



- > Strong increase in turbine order backlog to EUR 5,651m at the end of 9M/2019 due to continuously high order intake over the last quarters
- > Order backlog reflects Nordex geographical footprint on focus markets: Europe (43%), North America (22%), Latin America (22%), RoW (13%)

Order backlog service (EUR m)



> Increasing number of wind turbines under service: 7,791 – corresponding to 19.7 GW at the end of 9M/2019







Income statement 9M/2019

in EUR m	9M/2019	9M/2018	abs. change
Sales	1,943.0	1,772.9	170.1
Total revenues	2,519.7	1,753.3	766.4
Cost of materials	-2,004.3	-1,281.5	-722.8
Gross profit	515.4	471.8	43.6
Personnel costs	-264.9	-238.1	-26.8
Other operating (expenses)/income	-190.3	-162.3	-28.0
EBITDA	60.2	71.4	-11.2
Depreciation/amortization	-102.4	-110.4	8.0
EBIT	-42.2	-39.0	-3.2
Net profit	-76.5	-51.8	-47.7
Gross margin*	26.5%	26.6%	
EBITDA margin	3.1%	4.0%	
EBIT margin w/o PPA	-1.2%	0.4%	

Comments

- > Q3/2019 sales figures of EUR 952m reflecting expected high execution
- > High total revenues signal further increasing sales in Q4/2019
- > Further normalization of gross margin as anticipated
- > EBITDA margin in line with increasing business activities in Q3/2019
- > PPA depreciation amounted to EUR 18.3m in 9M/2019 (EUR 45.5m in 9M/2018)







Balance sheet 9M/2019

in EUR m	30.09.19	31.12.18	abs. change	Δin %
Non-current assets	1,425.3	1,277.6	147.7	11.6
Current assets	2,570.5	1,781.0	789.5	44.3
Total assets	3,995.8	3,058.5	937.3	30.6
Equity	619.6	697.3	-77.7	-11.1
Non-current liabilities	897.6	822.9	74.7	9.1
Current liabilities	2,478.7	1,538.3	940.4	61.1
Equity and total liabilities	3,995.8	3,058.5	937.3	30.6
Net debt*	200.9	32.5		
Working capital ratio**	-5.2%	-3.8%		
Equity ratio	15.5%	22.8%		

Comments

- > Cash position of EUR 388m at the end of 9M/2019
- > Further balance sheet prolongation based on increased current assets and liabilities due to high activity level in second half 2019



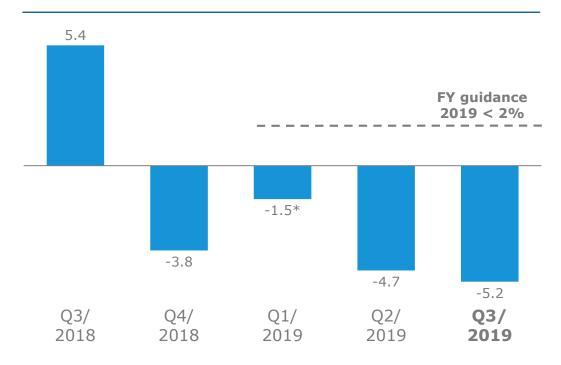


^{*}Cash and cash equivalents less bank borrowings and bond.



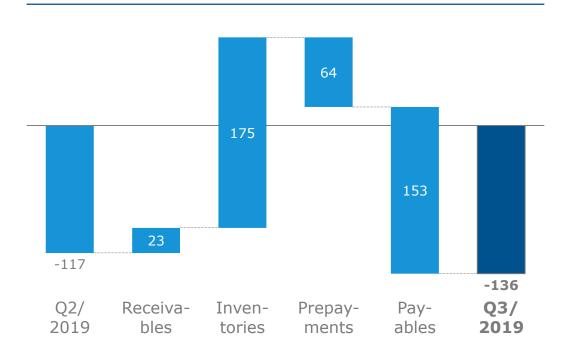
Working capital development 9M/2019

Working capital ratio (in % of sales)



> Working capital ratio remains on low level due to consistently high order intake

Working capital development (in EUR m)*



> Increase in inventories reflecting preparation of high activity level in the last quarter of 2019







Cash flow statement 9M/2019

in EUR m	9M/2019	9M/2018
Cash flow from operating activities before net working capital	-93.6	9.9
Cash flow from changes in WC	30.8	-67.6
Cash flow from operating activities	-62.8	-57.7
Cash flow from investing activities	-93.2	-26.6
Free cash flow	-156.0	-84.3
Cash flow from financing activities	-62.5	-43.9
Change in cash and cash equivalents*	-218.4	-128.2

Comments

- > Cash flow from operating activities mainly influenced by net loss and phasing-related VAT outflows
- > Cash flow from changes in WC (EUR 30.8m) positively impacted by strong order intake over the last quarters
- > Cash flow from investing activities in line with expectations
- > Cash flow from financing activities mainly driven by repayment of SSD tranche in April

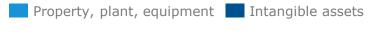


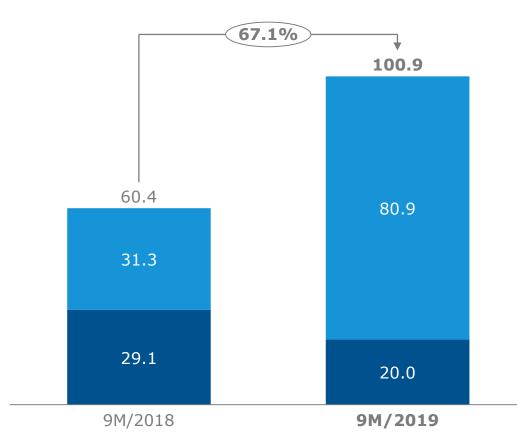




Total investments 9M/2019

CAPEX (in EUR m)





Comments

- > Investments in 9M/2019 primarily comprise:
 - Investments in blade production facilities in Mexico and Spain
 - Investments in nacelle production facility in India
 - Investments in tooling and equipment for international projects
 - Investments in product development
- > Decrease in intangible assets due to lower level of development costs compared to prior-year period







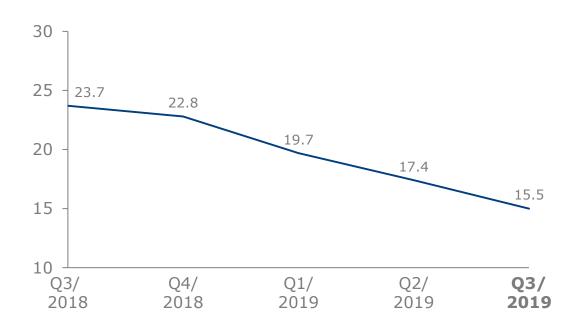
Capital structure 9M/2019

Net debt*/EBITDA**



> Leverage ratio in Q3/2019 as expected and will further decline towards the end of the year

Equity ratio (in %)



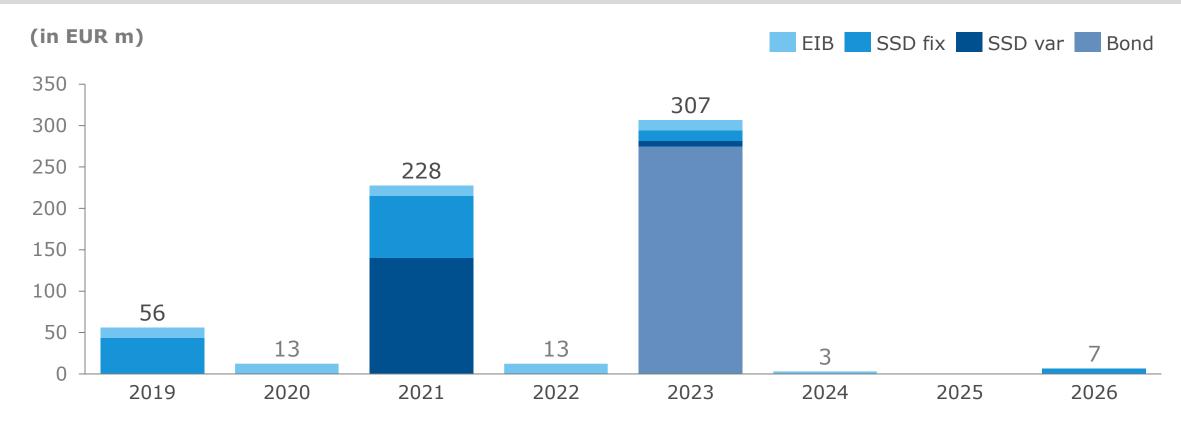
> Equity ratio decreased due to continuous increase in total assets leading to a balance sheet prolongation







Debt maturity profile of Nordex Group



- > SSD maturity of EUR 43.5m was fully repaid out of cash in April 2019.
- > Major upcoming debt maturities in Q2/2021 (SSD) and 2023.
- > All Nordex debt instruments well within its covenant thresholds.

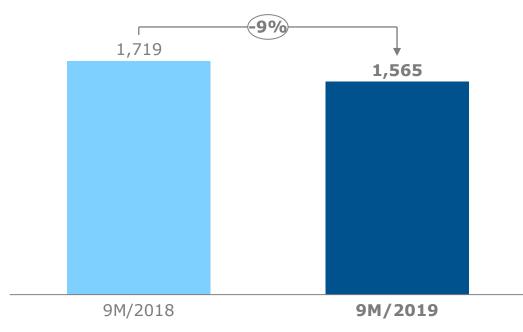






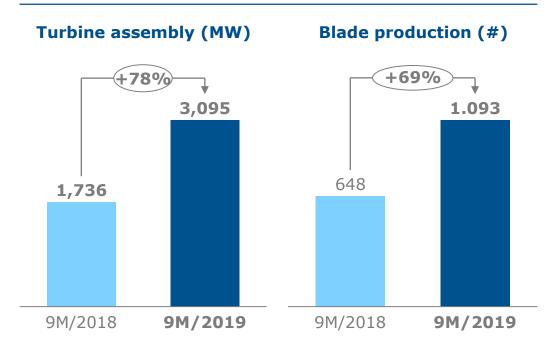
Operations 9M/2019

Installations (MW)



> Total installations of 476 WTGs in 16 countries in the first nine months 2019: 47% Europe, 24% Latin America and 29% North America

Production



- > Output turbines amounts to 920 units in 9M/2019: 348 GER, 357 ESP, 46 BRA, 150 IND and 19 ARG
- > Inhouse blade production of 1,093 units in 9M/2019: 328 GER, 561 ESP, 24 MEX and 180 IND
- > Outscourced blade production of 1,695 units in 9M/2019







Guidance for 2019 confirmed

Sales: EUR 3.2 - 3.5bn

EBITDA margin: 3.0 - 5.0%

Working capital ratio: <2%

CAPEX: approx. EUR 160m



Agenda



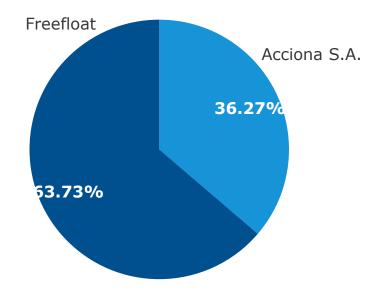
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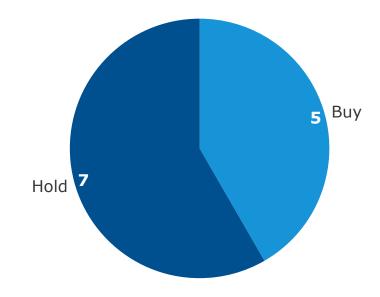


Stable shareholder structure & comprehensive market coverage

Shareholder structure



Analyst coverage



Key figures:*

> Number of shares: 106,680,691

EUR 12.40 > Share price:

Market capitalization: EUR 1,323m

Consensus of 12 analysts:*

> Ø Share price: EUR 13.60

> Ø 2019 Revenues: EUR 3.3bn

> Ø 2019 EBITDA margin: 4.10%

NORDEX (acciona



© Nordex 2020 *As of 20.11.2019



Nordex share price development



Volatility of share price is mainly driven by transformation phase of industry and company





Strong and committed anchor shareholder supporting Nordex

- > Acciona Group profile / strategy
- Holding company with a presence in over 40 countries that invests, develops and operates infrastructure, with a particular emphasis on renewable energy
- > Group operates through three main business segments:
 - Infrastructure: Covers construction activities, industrial activities, concessions, water and services
 - > **Energy**: Includes activities ranging from construction of wind farms to generation and distribution
 - Other: Deals with businesses relating to fund management and stock market brokerage, wine production, real estate business and other investments

> Recent support for Nordex

Continuously strong commitment to strategic investment into Nordex recently underpinned by €99m capital increase in October 2019

- 1 Long-term supportive shareholder since merger of wind turbine business into Nordex in 2016
- Additional liquidity facilitates expected growth due to ongoing demand for Delta4000 platform
- Commitment of anchor shareholder proves Nordex' path of profitable growth

Key facts:

- Market capitalization: c. €5bn
- > Revenue 2018A: €7.5bn
- > EBITDA 2018A: €1.2bn
- > Established track record across Debt and Equity Capital Markets
- > Entrecanales family as main anchor shareholder holding over 50%, free float c. 39%





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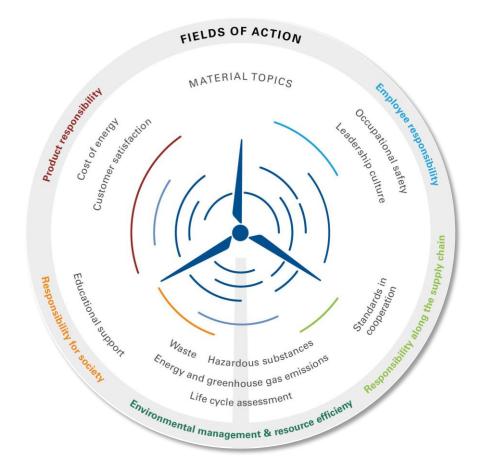
Sustainability strategy 2019 - 2021

Sustainability@Nordex

Nordex's highly efficient wind power systems are already making a major contribution to climate-friendly energy generation today.

> We will continue this sustainable approach through our new Sustainability Strategy 2019 to 2021.

Strategy – Fields of Action









Sustainability key facts (1)

Product

During its more than

30 years

of history, Nordex has built turbines with a rated output of more than

25,000 MW.

A single Nordex large-scale turbine¹ covers the average annual electricity demand of about

3,000

four-person households².

489 g of CO₂

are saved per kWh generated by wind turbines (compared to the German electricity mix 2017³).

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

6,500 t CO₂ per year.

Employees

37%

less disclosable occupational accidents $(2016: 156 \rightarrow 2018: 98)$

69

nationalities were working at Nordex in 2018

Environment

88.1%

of the overall amount of purchased electricity in 2018 was generated by the use of

renewables

(2016: 66.8 %)





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 (without electric water heating).

³ Projected value; Source: Umweltbundesamt (2018): Entwicklung der spezifischen Kohlendioxid-Emissionen des deutschen Strommix in den Jahren 1990-2017.

Sustainability key facts (2)

All production sites, the headquarters in Hamburg and Spain as well as other offices are certified according to the environmental management standard for occupational health and safety

ISO 14001 and the OHSAS 18001

Nordex has **ESG ratings** from oekom, MSCI, sustainalytics, CDP and IMAG

In March 2019, Nordex published its **3rd** separate

Sustainability Report

(integrated non-financial report was audited)

Financing by **Green Bond**







Financial calendar 2020

2020*	Event
9 March	Publication of preliminary figures FY 2019
24 March	Analyst conference / Publication of Annual Report 2019
11 May	Interim Statement Q1 2020
10 June	Annual General Meeting (Rostock)
13 August	Interim Report H1 2020
12 November	Interim Statement Q3 2020





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