

Nordex Group

Nordex SE – Investor Factbook

December 2021 – February 2022

> 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

> Agenda



- 1 Company overview & business model
- 2 Products & markets
- 3 Financials
- 4 Nordex share
- 5 Sustainability

> Investment Case

Strategic drivers

Global

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



Technology

Competitive product portfolio will be developed further, ramp-up of production in India for global demand and company program



Onshore

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



Shareholder

Strong anchor shareholder supports growth strategy

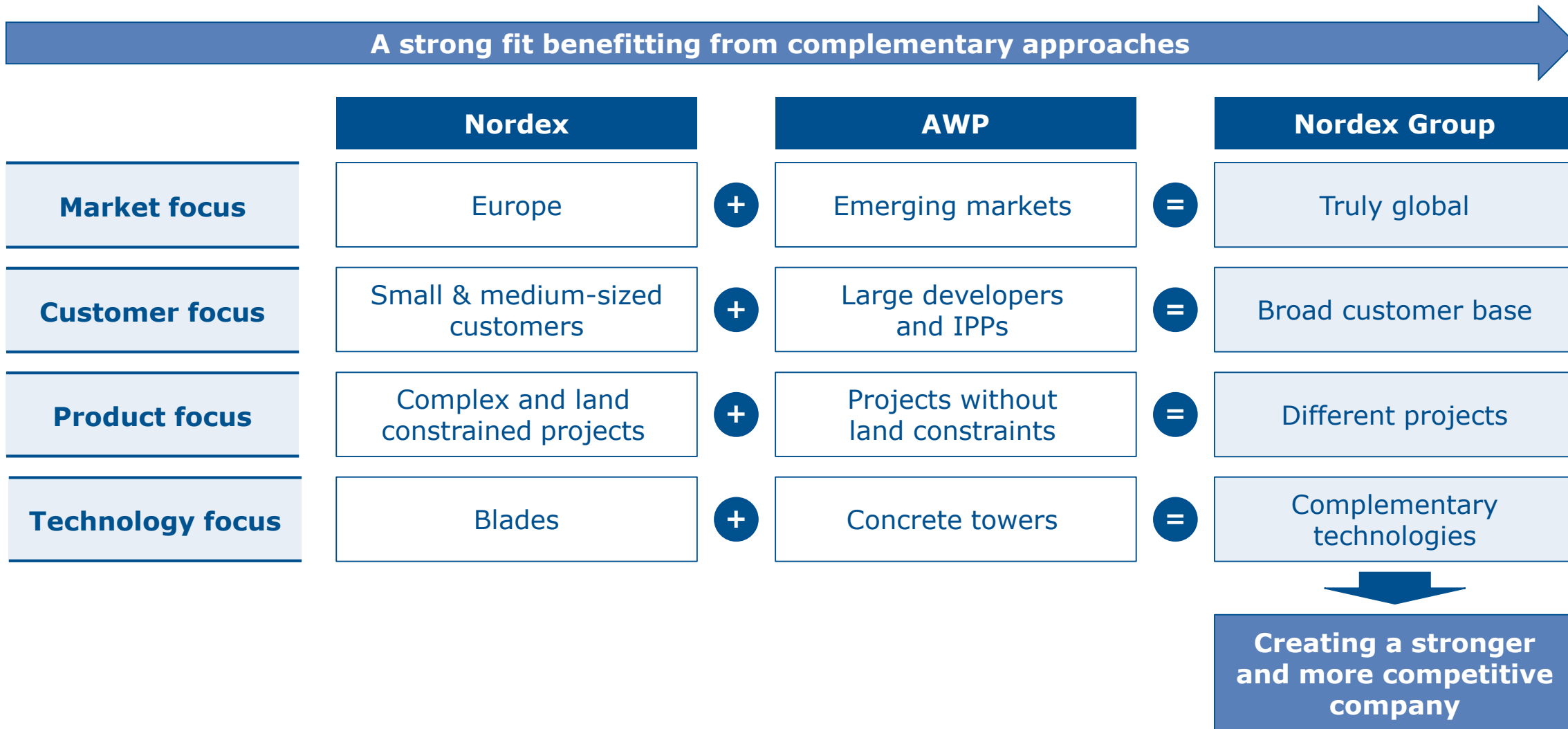


Team

Experienced management and outstanding team



> Nordex and Acciona Windpower created a global player



> 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 more than **37 GW** in over **40 countries**.

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

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

Revenues 2020: around EUR 4.6bn.

Main shareholder Acciona S.A. (33.6%).

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

Innovative global manufacturer of onshore wind turbine systems: Among the

Top 4

industry leaders worldwide*

Highly attractive and resilient Service business with more than:

26 GW
under service

Leading product in the 4 MW+ and 5 MW+ class:

Leading-edge
product portfolio

More than

35 years

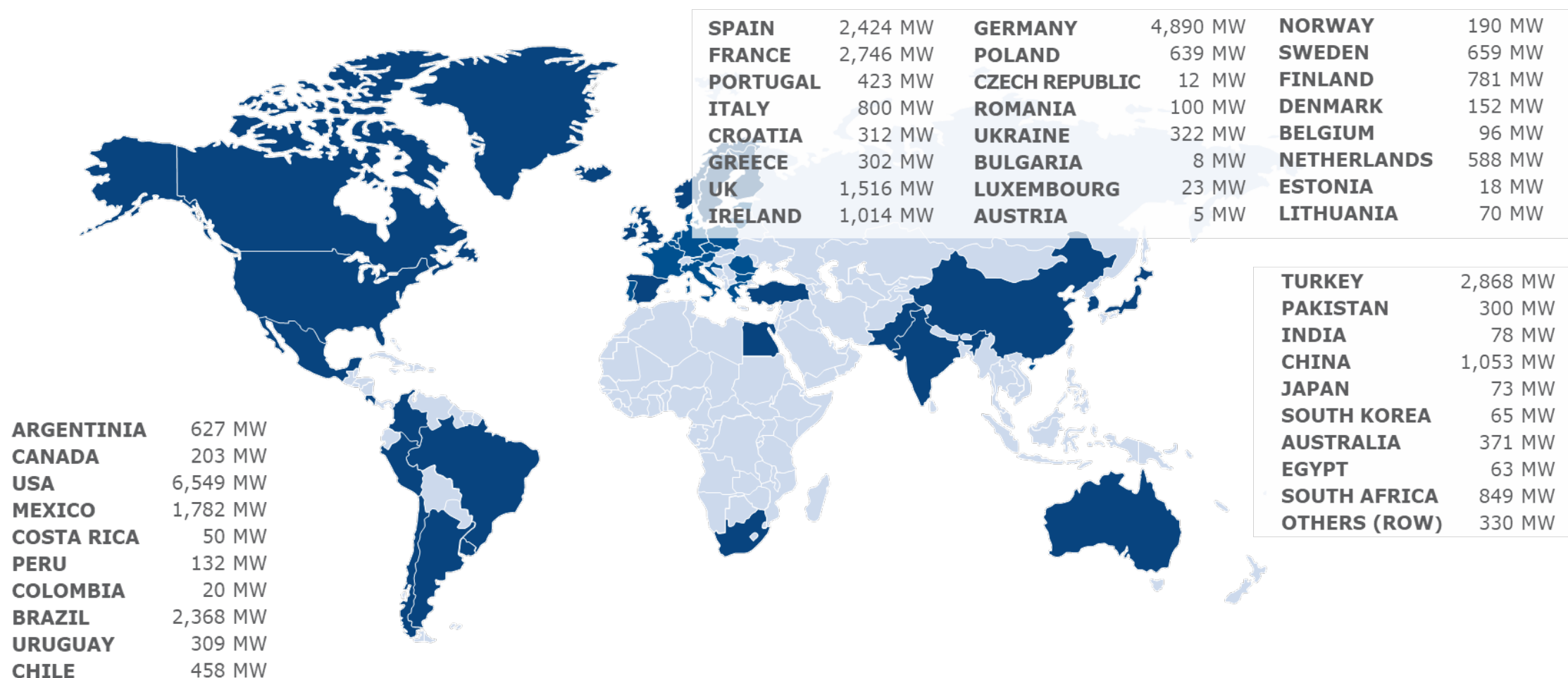
of industry experience:
At the forefront of the technological development

Nordex has around **5,000 suppliers in Germany**.

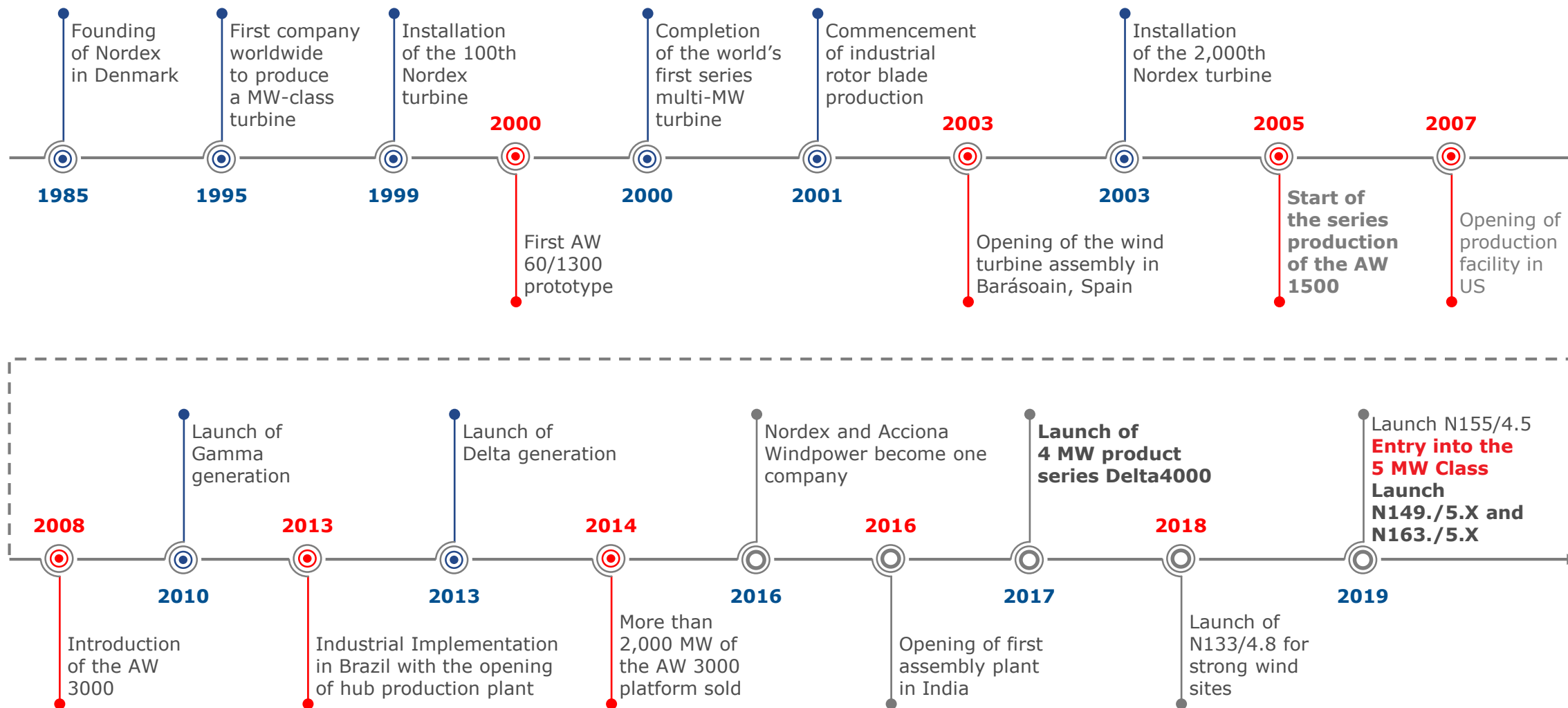
Thereof many large **industrial component suppliers**; and numerous small **local suppliers**, such as small **service, logistics** and **specialised construction companies**, many of them depending on Nordex to a large extent.

> Where We Are – Track Record

TOTAL COMMISSIONED: MORE THAN 37,000 MW WORLDWIDE (AT THE END OF Q3/2021)



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



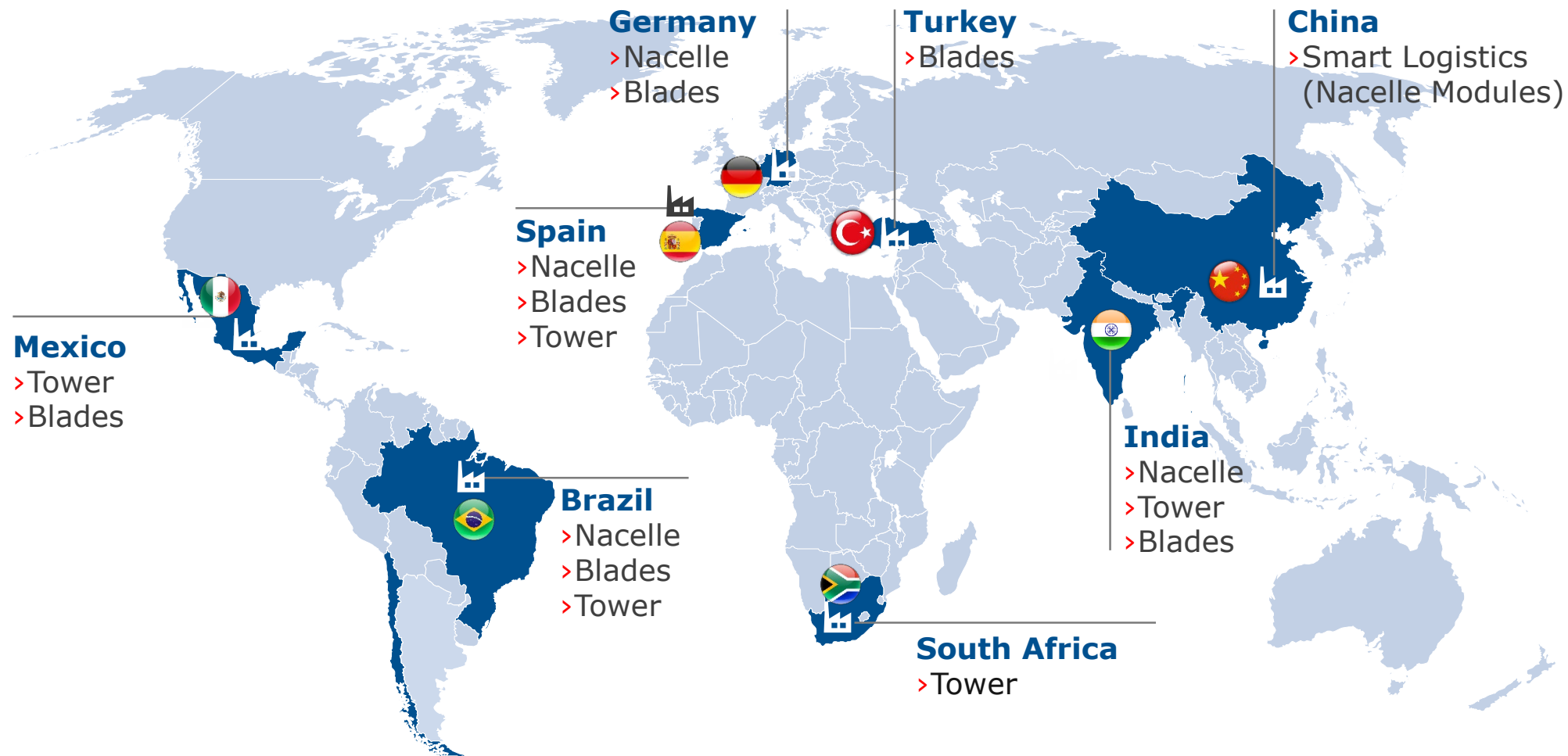
> Value chain - Nordex core business

> MORE THAN A MANUFACTURER.



> Production footprint* supports international supply chain and demand

> A TRULY GLOBAL SUPPLY CHAIN SET UP TO DELIVER, WITH THE LOWEST TOTAL LANDED COSTS, TO EVERY MAJOR MARKET



> Agenda

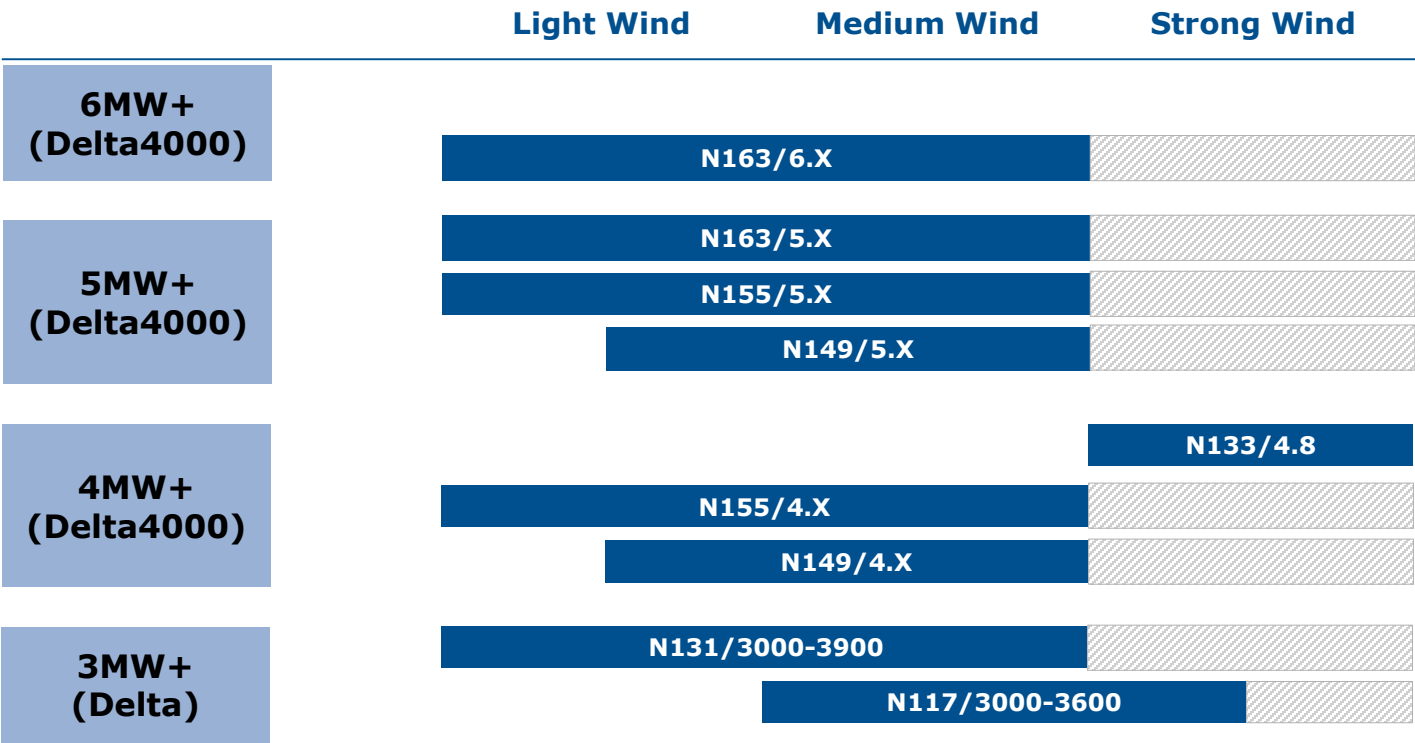


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> Competitive portfolio for all different sites

BASED ON OUR EVOLUTIONARY PRODUCT DEVELOPMENT PHILOSOPHY AND THE FLEXIBLE DELTA4000 PLATFORM, WE OFFER HIGHLY EFFICIENT PRODUCTS FOR SITE REQUIREMENTS AROUND THE WORLD

PROVEN PLATFORMS AND COMPONENTS, HIGH-PERFORMANCE PRODUCTS

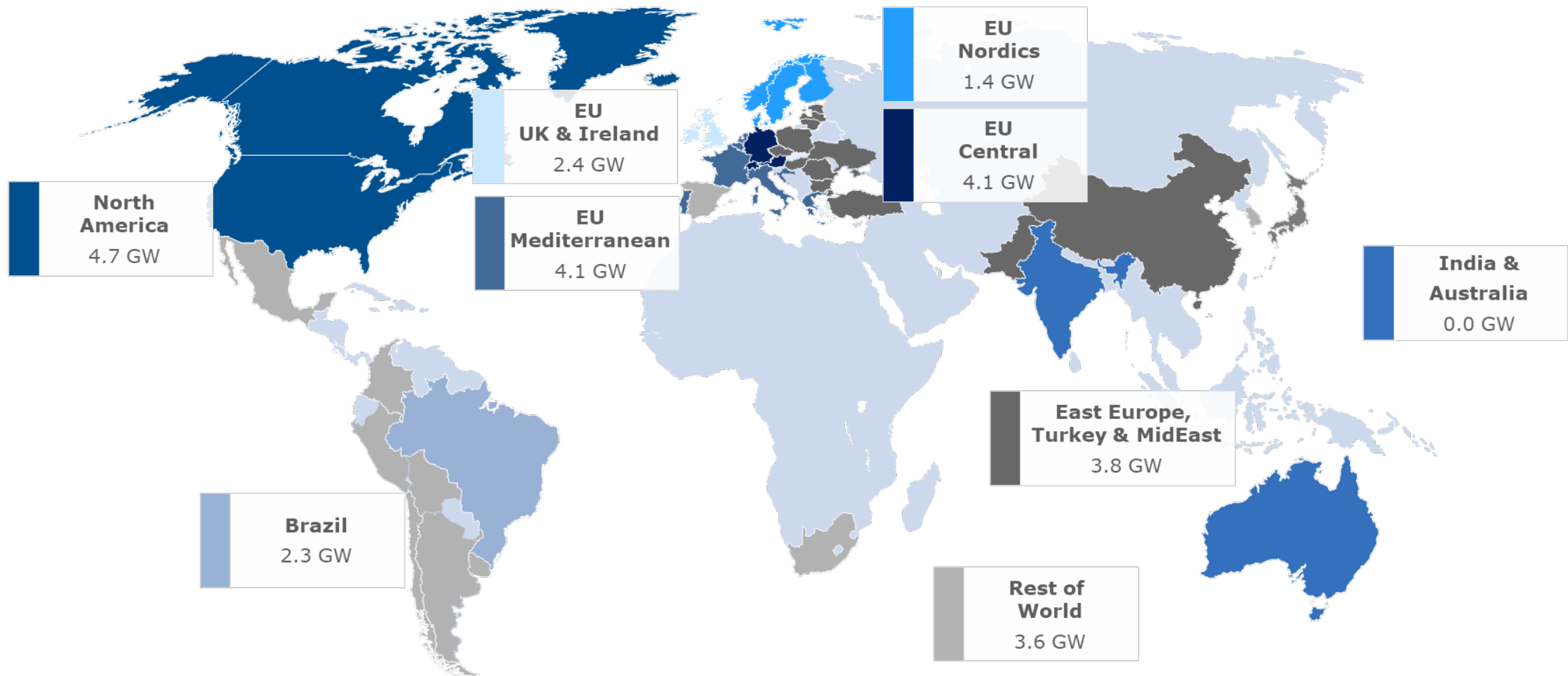


SOLUTIONS TO SERVE CUSTOMER NEEDS AROUND THE GLOBE

■ Standard design conditions ▨ Site dependent

> Nordex Global Service Network

WE PROVIDE A CLOSE-KNIT NETWORK ACROSS THE REGIONS, WITH MORE THAN 26 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.



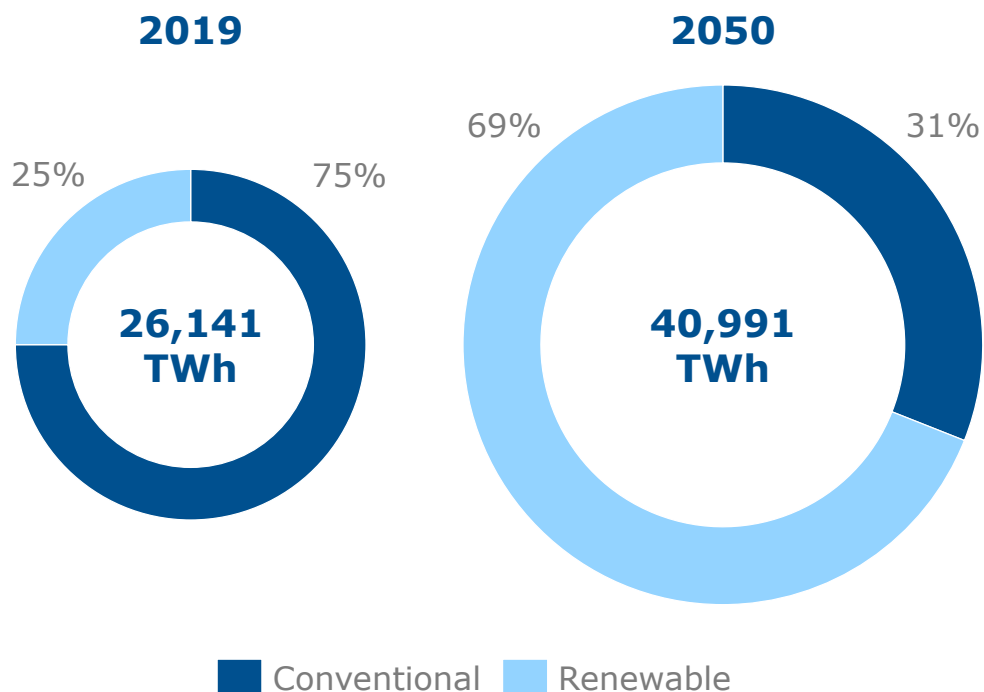
Upgrades & Modernizations

- > Products to enhance the performance of the installed fleet

> Wind will be a prominent source as global energy production rises

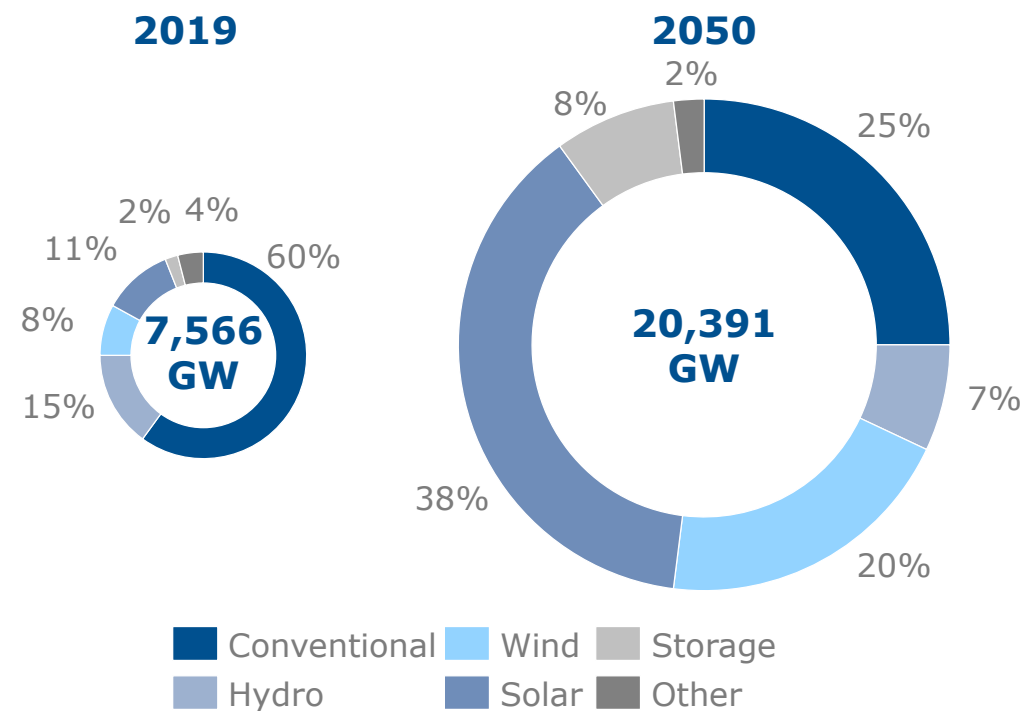
World energy production is rising ...

Electricity generation in 2019 and 2050



... with wind as a major contributor

Global installed capacity mix in 2019 and 2050



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

> Agenda



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2 Products & markets

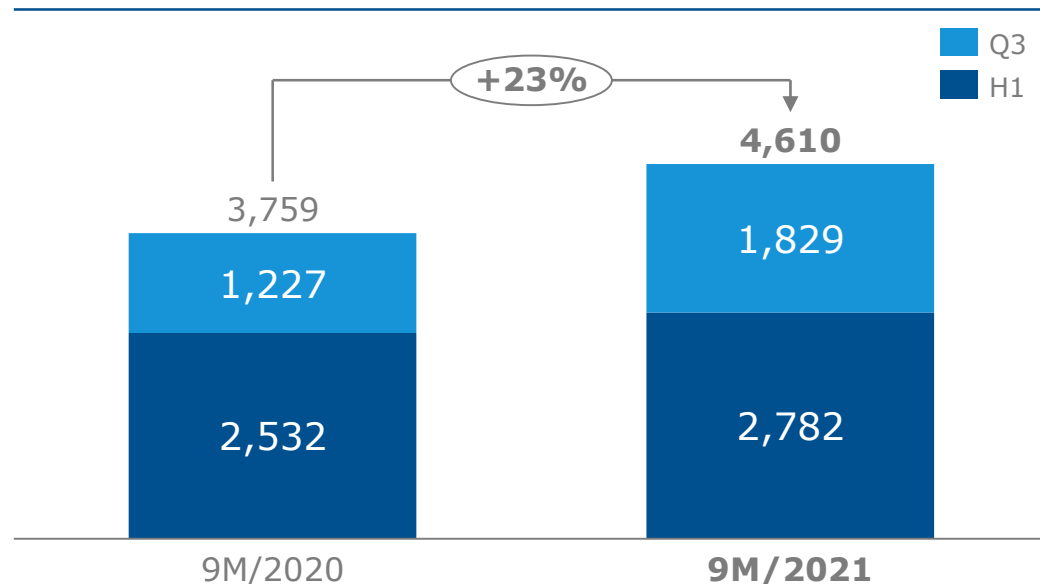
> 3 Financials

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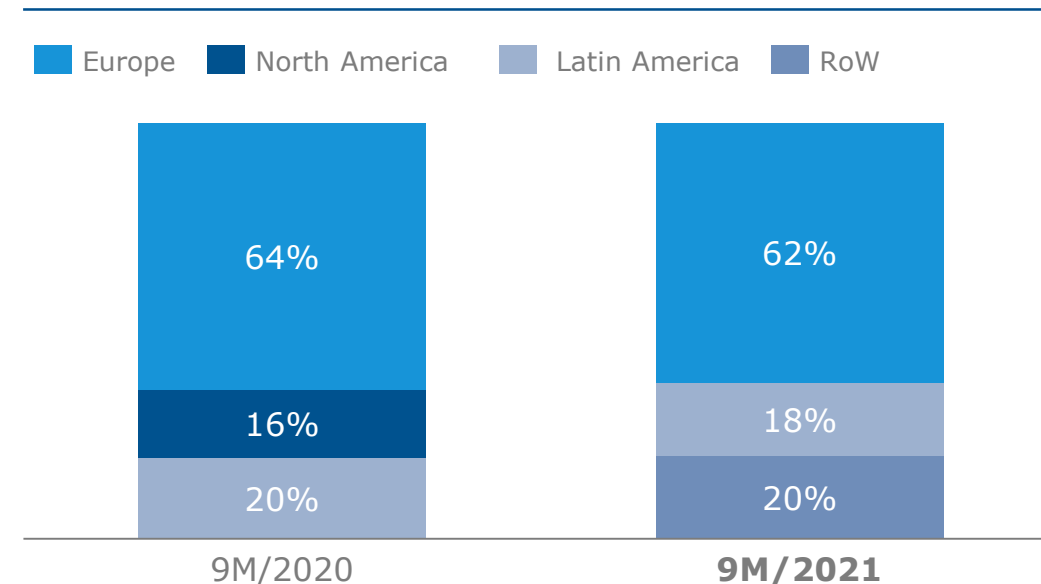
> Order intake 9M/2021

Order intake turbine* (in MW)



- > Order intake in 9M/2021: EUR 3,219m (EUR 2,642m in previous year period)
thereof in Q3/2021:
EUR 1,257m (EUR 836m in Q3/2020)
- > ASP of EUR 0.70m/MW remains stable in 9M/2021 compared to previous year period

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



- > Largest single markets in 9M/2021: Australia, Brazil, Germany, Finland and Spain
- > 80% of the order intake accounts for various turbine types of Delta4000 generation in the 9M/2021
- > Order intake received from 16 different countries in 9M/2021

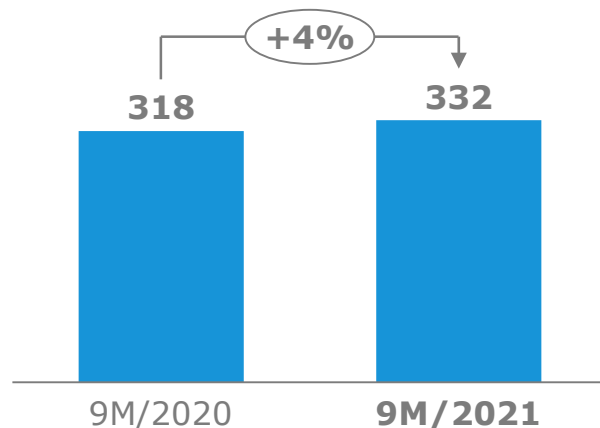
> Service 9M/2021

Development of service revenues (EUR m) and EBIT margin

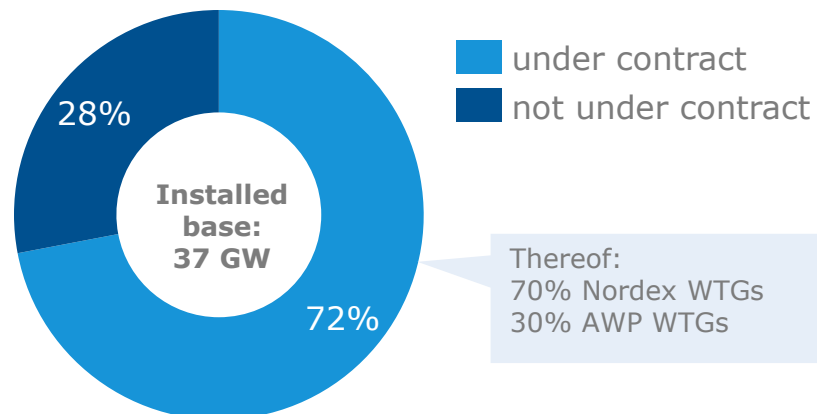
EBIT margin

14.8%

16.7%



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

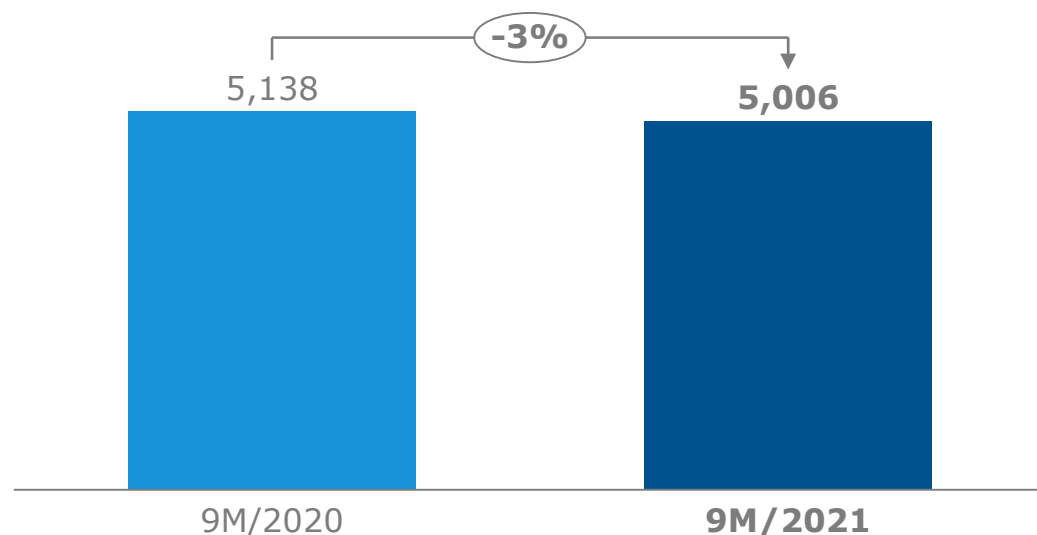


Comments

- > Service sales share accounts for 8.4% of group sales in the first nine months 2021
- > Service EBIT margin stands at 16.7%
- > 97.3% average availability of WTGs under service
- > Strong service order backlog of almost EUR 3.0bn at the end of Q3/2021

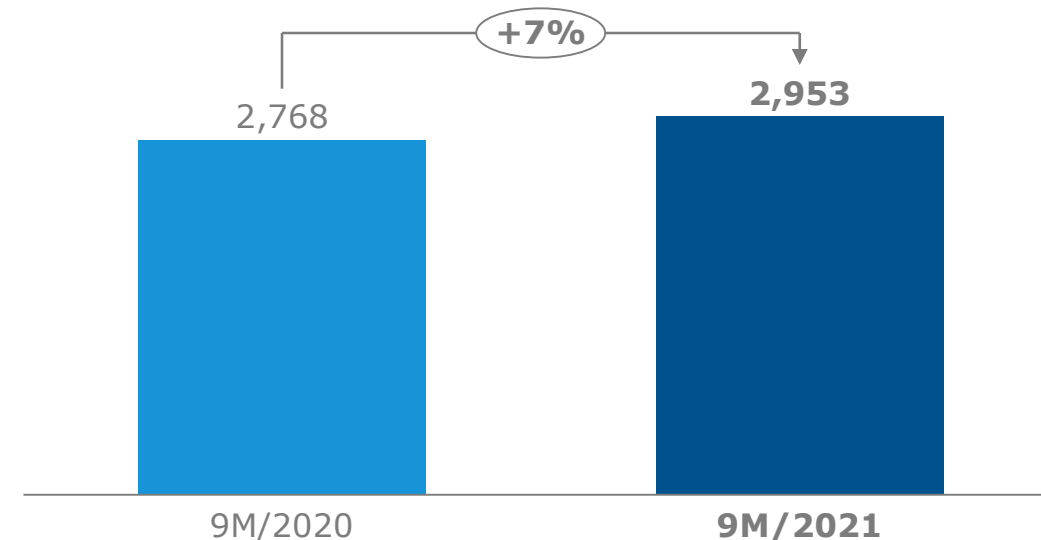
> Combined order backlog at a high level of almost EUR 8.0bn at the end of 9M/2021

Order backlog turbines (EUR m)



- > Turbine order backlog of EUR 5,006m at the end of 9M/2021 remains on a stable level
- > Geographical distribution on Nordex focus markets: Europe (68%), Latin America (19%), RoW (10%) and North America (3%)

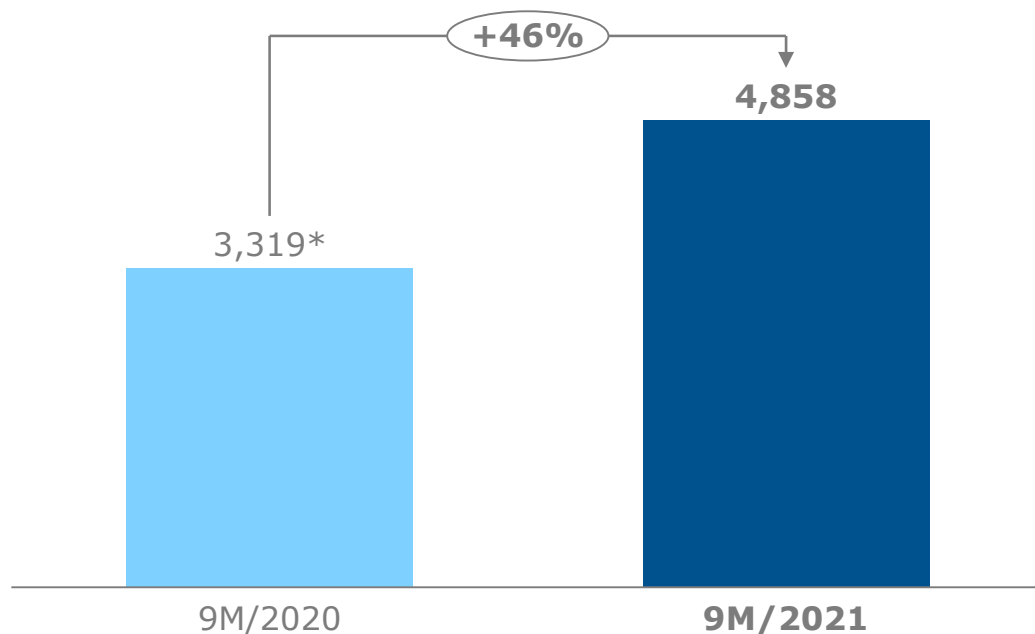
Order backlog service (EUR m)



- > 9,773 wind turbines under service corresponding to 26.6 GW at the end of 9M/2021

> Strong operations in 9M/2021 despite challenging market environment

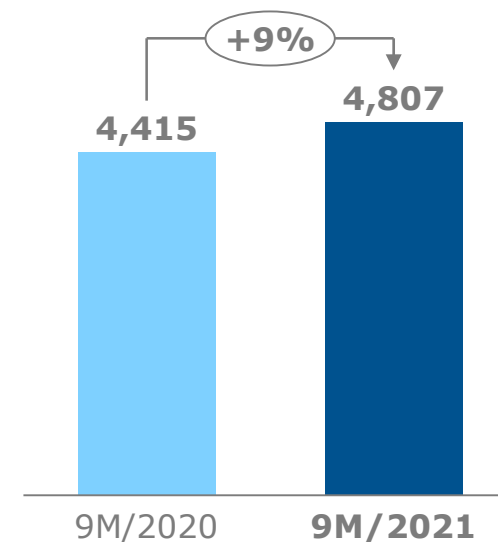
Installations (MW)



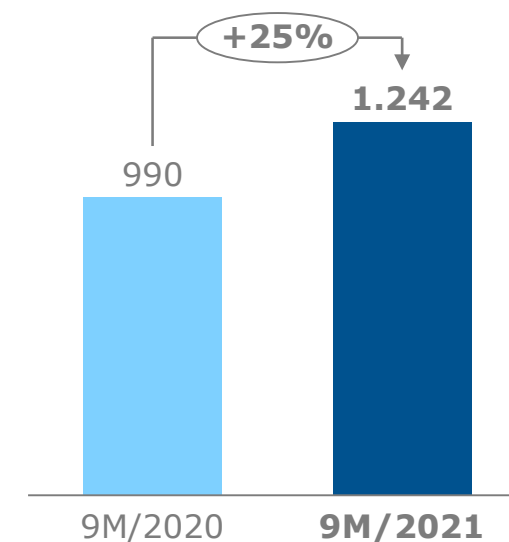
- > Total installations of 1,216 WTGs in 22 countries in 9M/2021: 55% Europe, 17% North America, 14% Latin America and 14% Rest of World

Production

Turbine assembly (MW)



Blade production (#)



- > Output turbines amounts to 1,068 units in 9M/2021: 615 GER, 398 ESP, 35 IND and 20 BRA
- > Inhouse blade production of 1,242 units in 9M/2021: 493 GER, 301 ESP, 291 MEX and 157 IND
- > Outsourced blade production of 1,878 units in 9M/2021

> Income statement 9M/2021

in EUR m	9M/2021	9M/2020	abs. change
Sales	3,956	3,167	789
Total revenues	3,585	3,108	477
Cost of materials	-2,908	-2,764	-144
Gross profit	677	343	333
Personnel costs	-348	-314	-34
Other operating (expenses)/income	-228	41*	-269
EBITDA	101	71	30
Depreciation/amortization	-110	-115	5
EBIT	-10	-44	34
Net profit	-104	-108	4
Gross margin**	17.1%	10.8%	
EBITDA margin	2.5%	2.2%	
EBIT margin w/o PPA	-0.1%	-0.8%	

Comments

- > Strong growth in sales achieved on the back of high execution
- > EBITDA margin of 2.5% achieved in an environment impacted by high inflationary pressures and logistical challenges
- > PPA depreciation amounted to EUR 7.5m in 9M/2021 (EUR 19m in 9M/2020)

> Balance sheet 9M/2021

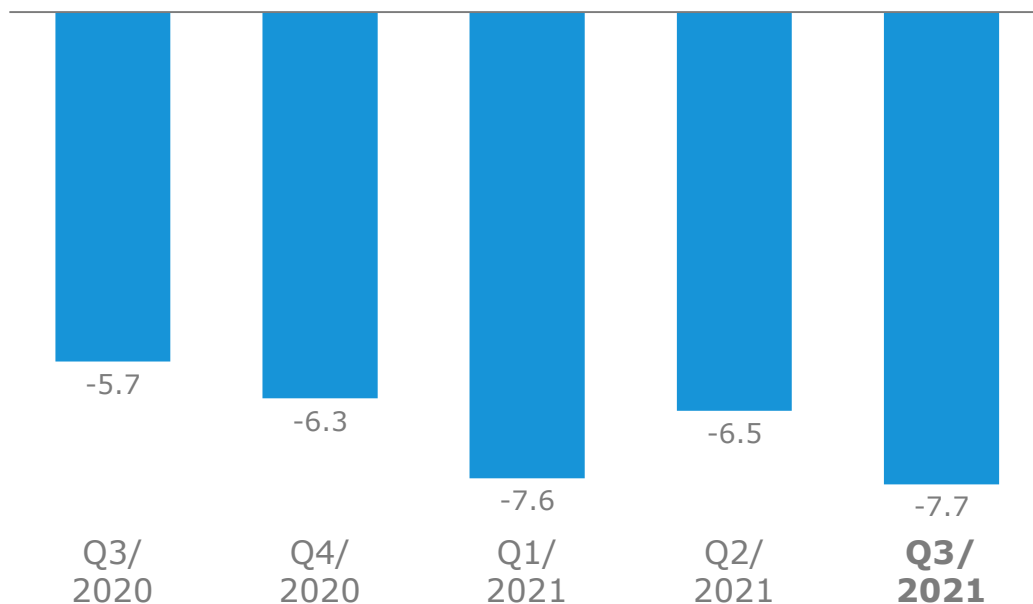
in EUR m	30.09.21	31.12.20	abs. change	Δ in %
Non-current assets	1,573	1,526	47	3.1
Current assets	2,691	2,884	-193	-6.7
Total assets	4,264	4,410	-146	-3.3
Equity	1,217	774	443	57.4
Non-current liabilities	692	653	39	6.1
Current liabilities	2,354	2,984	-630	-21.1
Equity and total liabilities	4,264	4,410	-146	-3.3
<i>Net debt*</i>	(516)	41		
<i>Working capital ratio**</i>	-7.7%	-6.3%		
<i>Equity ratio</i>	28.5%	17.5%		

Comments

- > Balance sheet showing substantially improved equity and leverage ratio
- > Very strong cash position of EUR 871m at the end of 9M/2021 (EUR 408m 9M/2020) due to cash from capital increase and positive free cash flow in Q3
- > Current liabilities decreased mainly due to repayment of promissory note and cancellation of state backed RCF

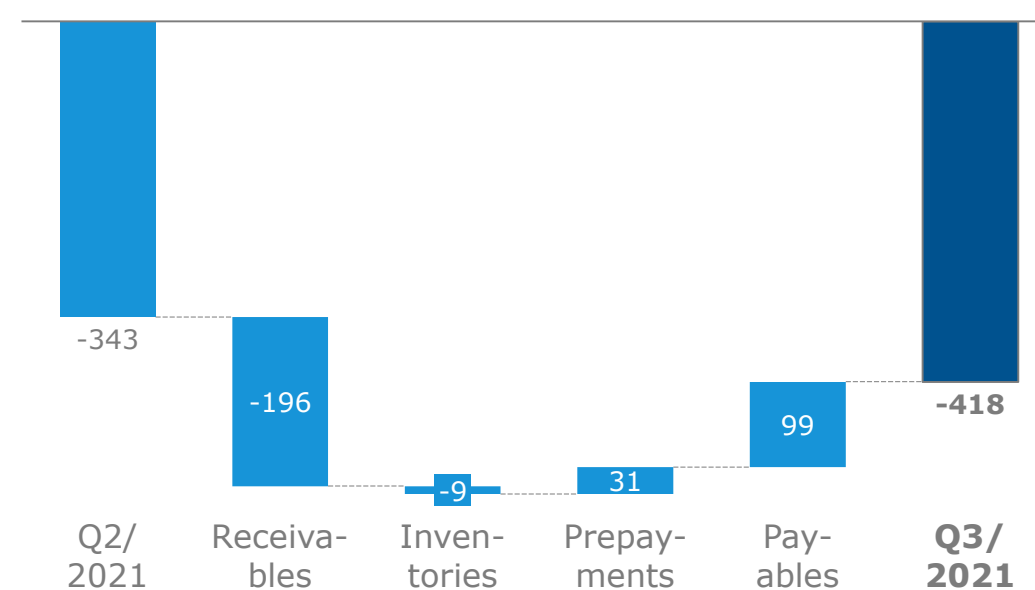
> Working capital development 9M/2021

Working capital ratio (in % of sales)*



- > Working capital ratio on track - well below guided figure for FY 2021 at the end of Q3/2021

Working capital development (in EUR m)*



- > Decrease in receivables mainly driven by positive development of milestone payments

> Cash flow statement 9M/2021

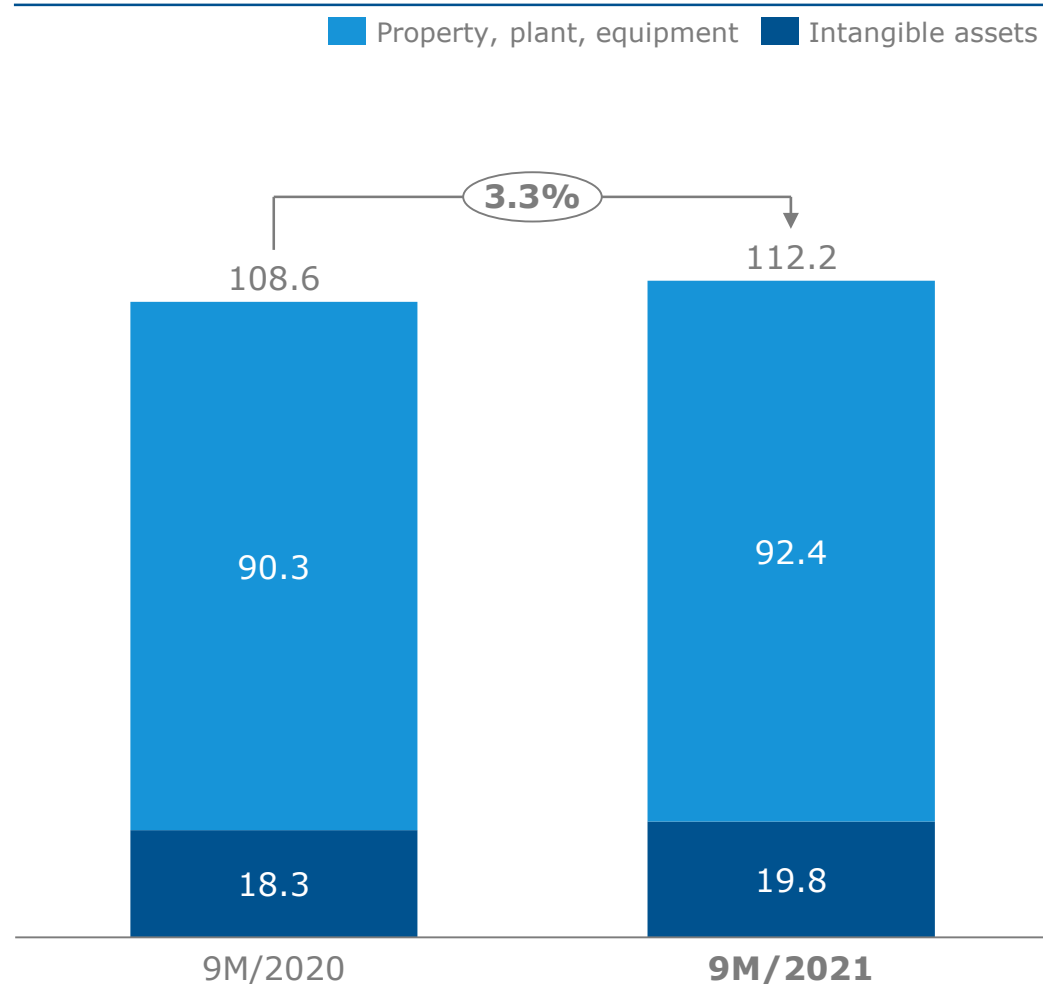
in EUR m	9M/2021	9M/2020
Cash flow from operating activities before net working capital	2.3	-238.5
Cash flow from changes in working capital	125.2	-42.5
Cash flow from operating activities	127.5	-281.0
Cash flow from investing activities	-104.3	-97.2
Free cash flow	23.2	-378.2
Cash flow from financing activities	73.0	298.2
Change in cash and cash equivalents*	96.2	-80.0

Comments

- > Cash flow from operating activities mainly driven by consistent positive working capital development
- > Cash flow from investing activities driven by ongoing supply chain expansion and blade production facilities
- > Cash flow from financing activities reflecting cash inflows from capital increase

> Total investments 9M/2021

CAPEX (in EUR m)

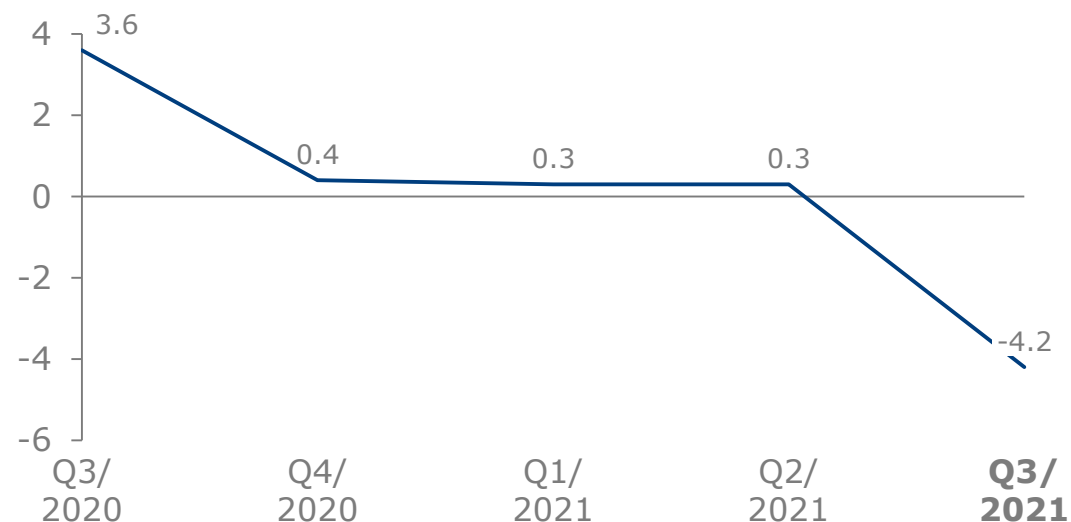


Comments

- > Investments in 9M/2021 mainly consists of:
 - Investments in establishment and expansion of blade production facilities
 - Investments in transport and installation equipment for international projects
- > Slight increase in intangible assets due to higher level of development costs compared to previous year period

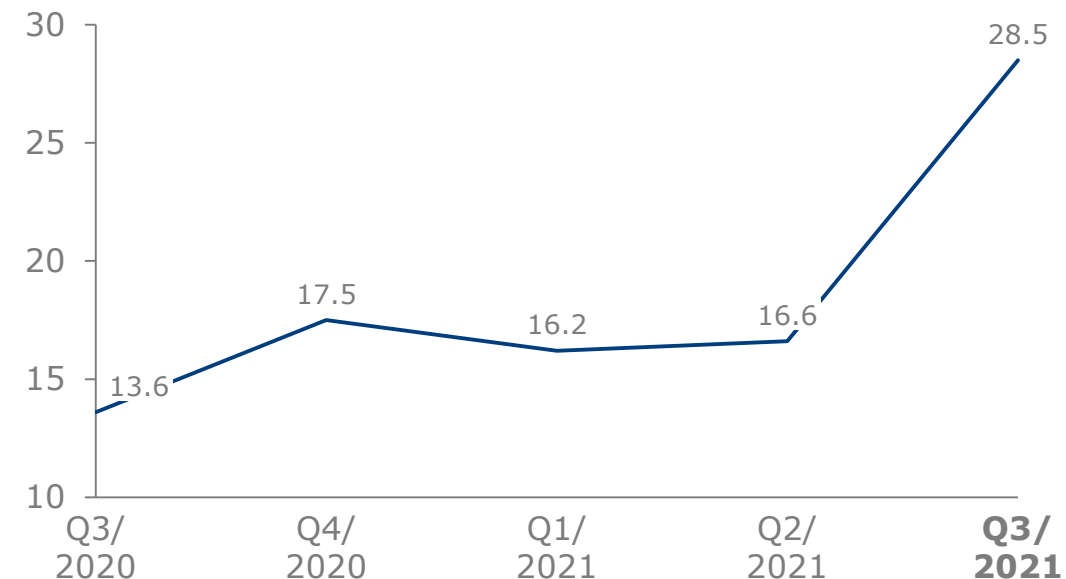
> Capital structure 9M/2021

Net debt*/EBITDA**



- > Leverage ratio in Q3/2021 significantly improved due to cash proceeds from capital increase


Equity ratio (in %)



- > Strong equity ratio as expected due to the inflows from capital increase

> Revised guidance for FY 2021

	Old Guidance		Revision
Sales:	EUR 4.7 – 5.2bn	➡	EUR 5.0 – 5.2bn
EBITDA margin:	4.0 – 5.5%	➡	Around 1%
Working capital ratio:	below -6%	➡	No Change
CAPEX:	approx. EUR 180m	➡	No Change



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

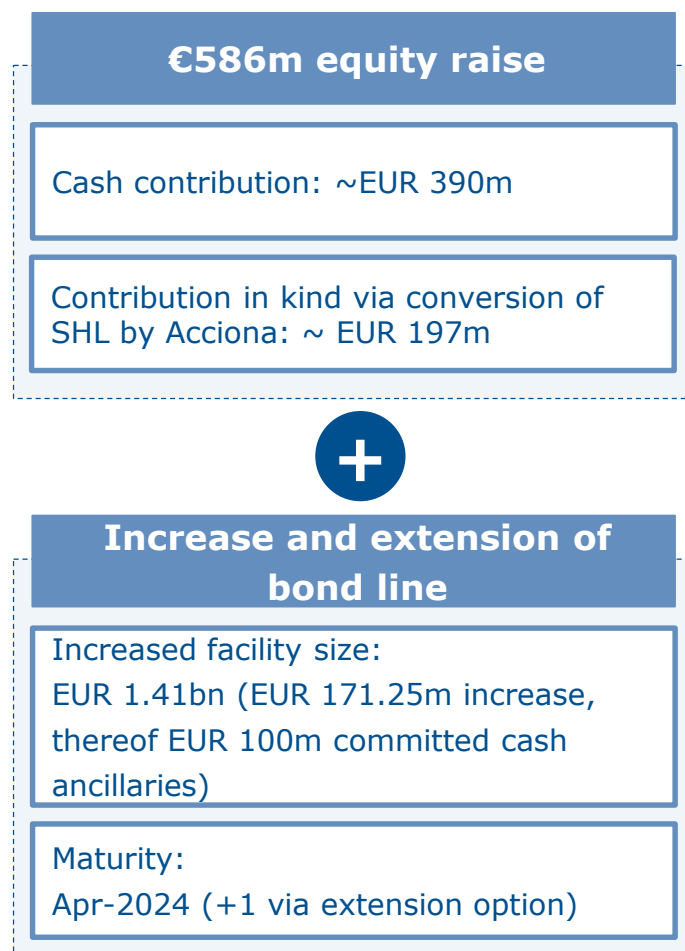
> Strategic targets

			Revision
Sales:	~ EUR 5.0bn (in the short term)	➡	<i>No Change</i>
EBITDA margin:	8% in FY 2022	➡	8% in mid term
Capacity:	6 GW+	➡	<i>No Change</i>

Comments

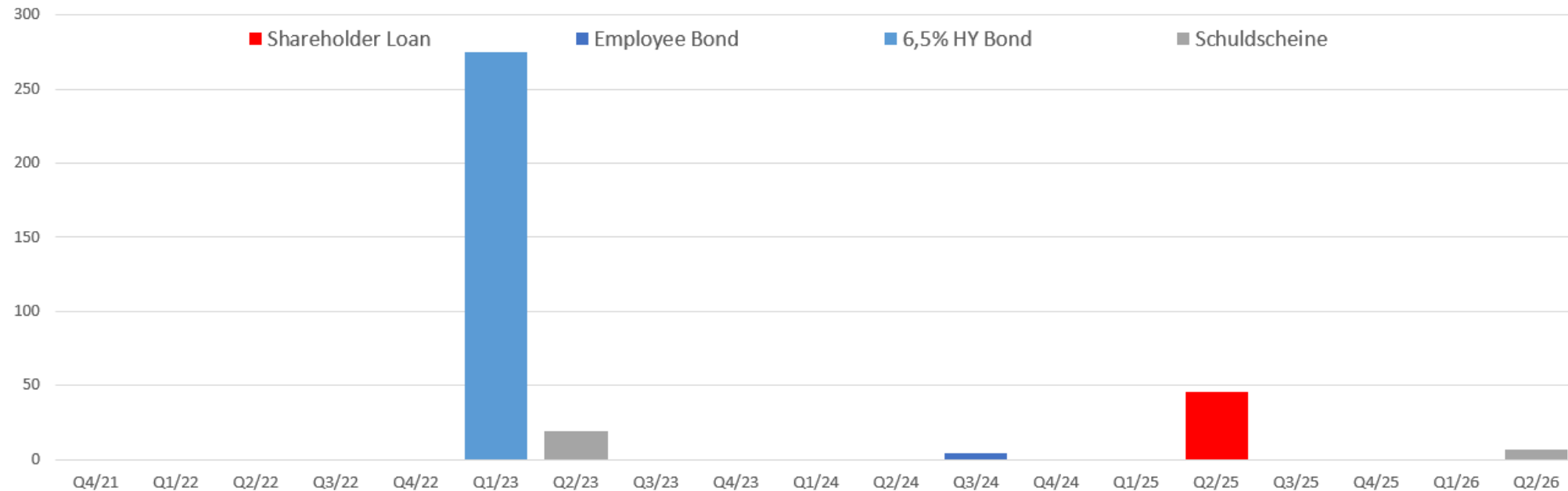
- > FY 2021 and FY 2022 to be impacted by supply chain inflation until compensated by pass-through to customers
- > During transition margins expected to experience additional pressure
- > Return to normalized levels of margins still feasible in the mid-term

> Successful capital raise combined with increase and extension of guarantee facilities resetting capital structure



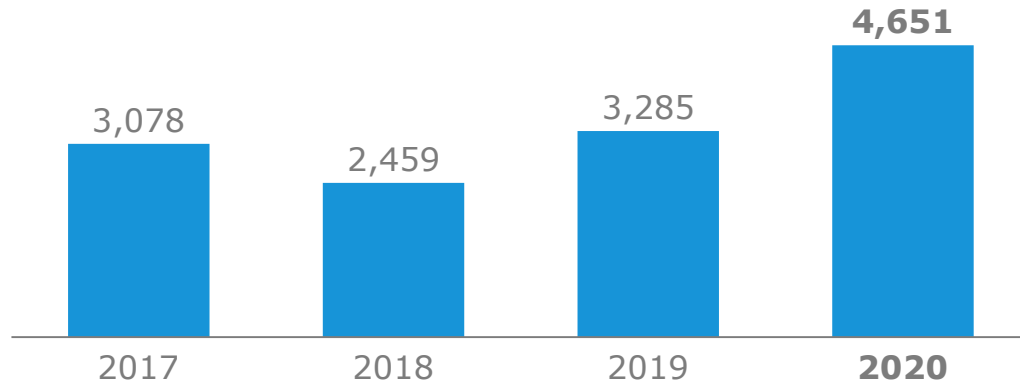
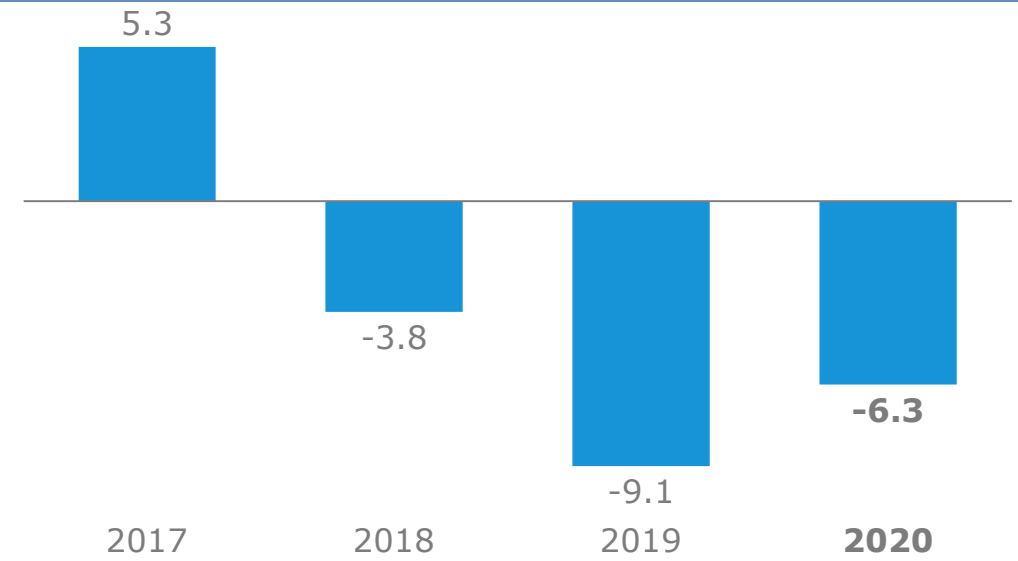
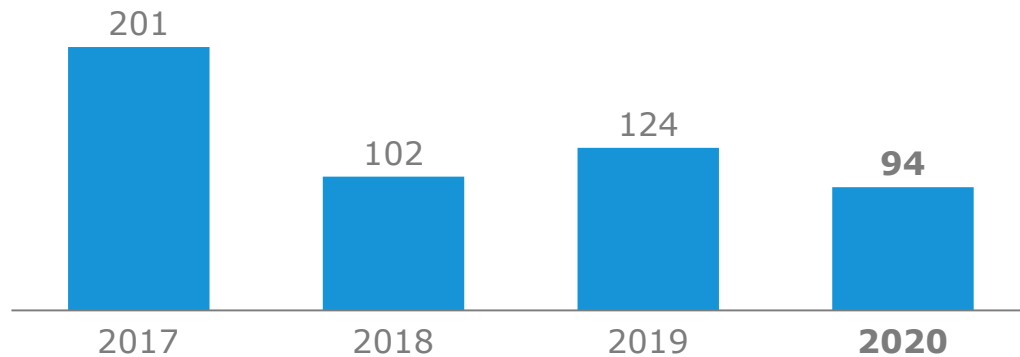
- ✓ **Positioning business for accelerated profitable growth**
- ✓ **Balance sheet re-set in line with industry peers**
- ✓ **Fully positioned to benefit from industry tailwinds**

> Debt maturity profile

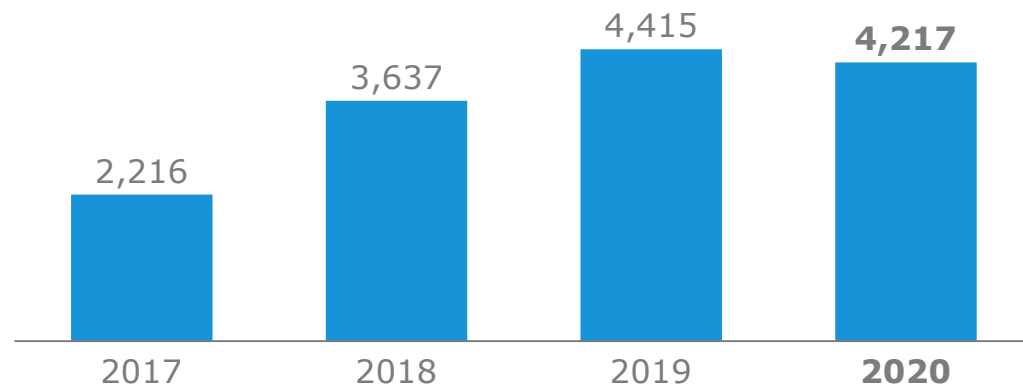
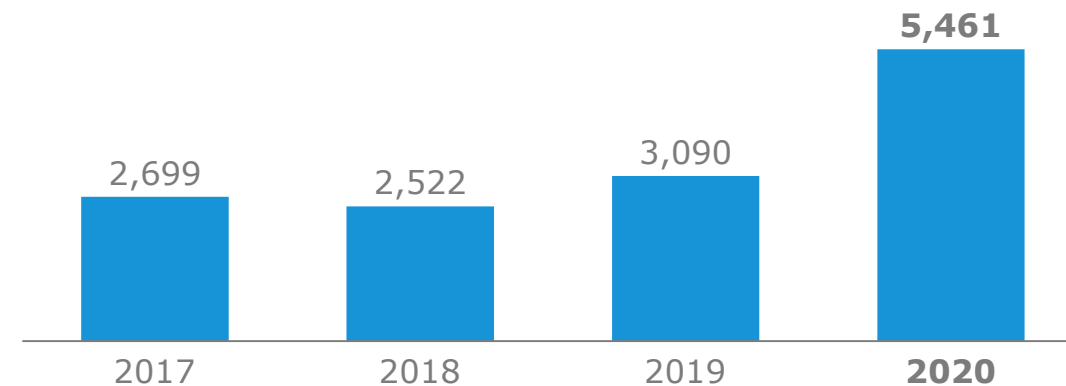
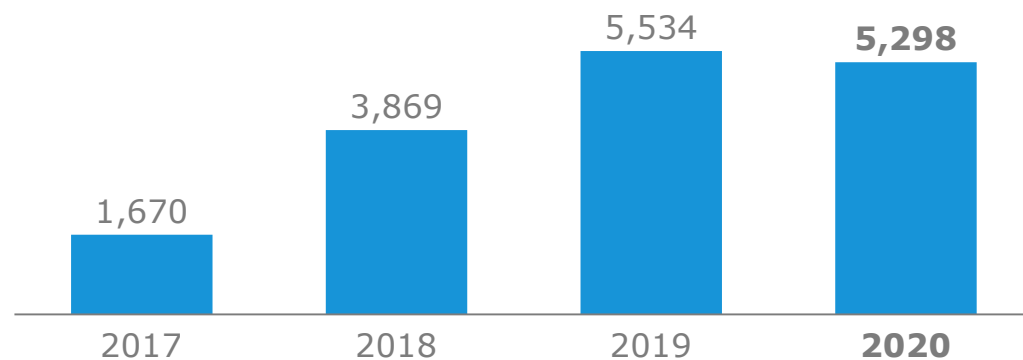
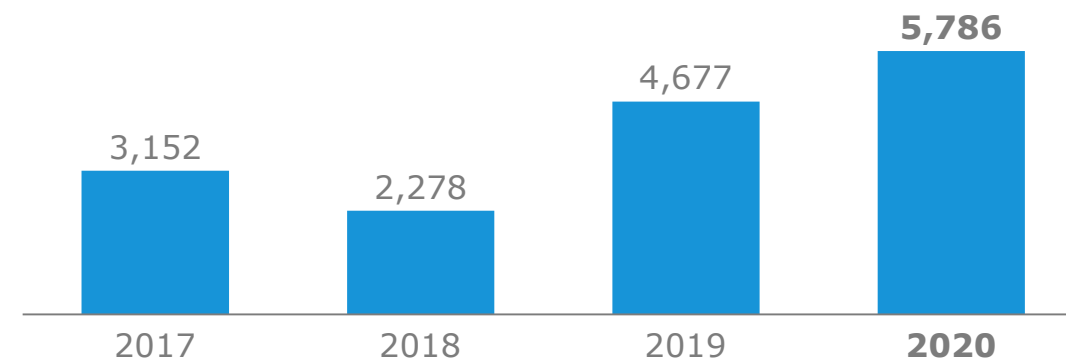


- > Very solid debt maturity profile with next real refinancing due in 2023 (HY-Bond).
- > EUR 1.41bn multi-currency guarantee facility (MGF) due in April 2024.

> Financial key figures in the multi-year overview

Sales (in EUR m)**Working Capital ratio****EBITDA (in EUR m)**

> Operational key figures in the multi-year overview

Order intake turbines (in EUR m)**Installations (in MW)****Order book turbines (in EUR m)****Production output turbines (in MW)**

> Agenda



1 Company overview & business model

2 Products & markets

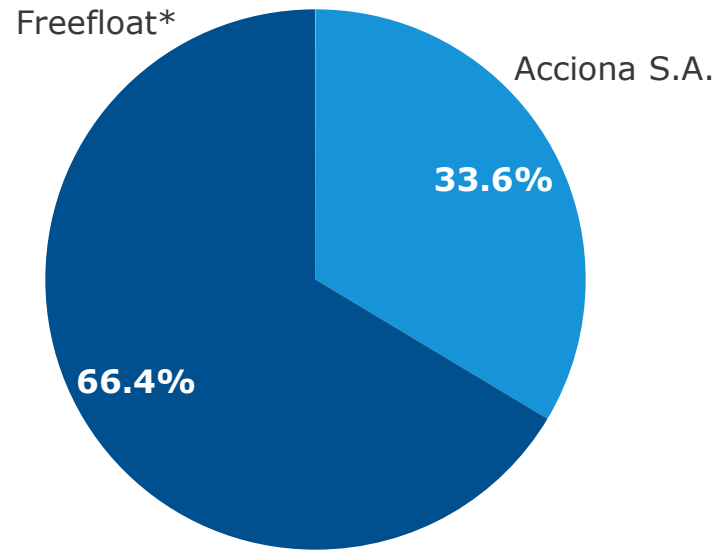
3 Financials

> 4 Nordex share

5 Sustainability

> Stable shareholder structure and strong market coverage

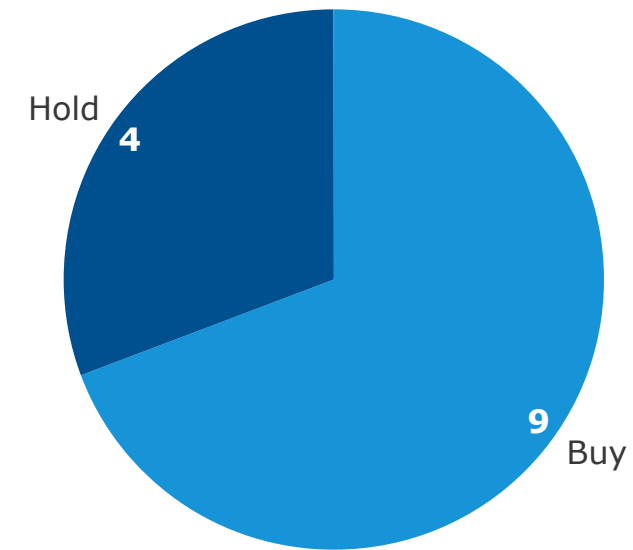
Shareholder structure



Key figures:**

- > Number of shares: 160,021,035
- > Share price: EUR 14.93
- > Market capitalization: EUR 2.4bn

Analyst coverage



Consensus of 13 analysts FY 2021:***

- > Ø Share price: EUR 19.80
- > Ø 2021 Revenues (e): EUR 5.0bn
- > Ø 2021 EBITDA margin (e): 2.3%

> Nordex share price development (January 2020 – 06 December 2021)



- > Nordex share price significantly recovered since Covid-19 dip in March 2020.
- > The interest of the capital market in Nordex remains on a high level, leading to a higher valuation of the share price and increased liquidity.
- > Nordex included in MDAX for mid-caps since 22 March 2021.

> Agenda



1 Company overview & business model

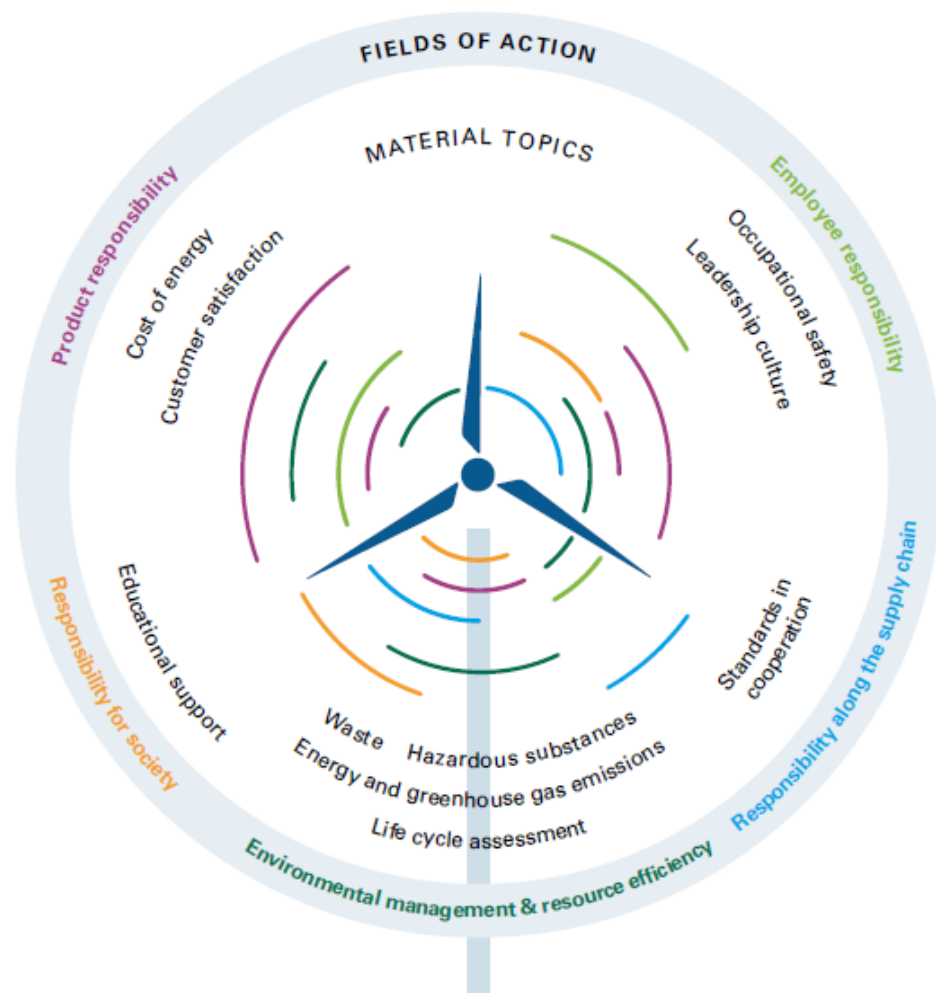
2 Products & markets

3 Financials





4 Nordex share

> 5 Sustainability

> 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
	■ Standards in cooperation	Optimize the supplier due diligence process
	■ Waste	Avoid and reduce waste by -10 %
 Environmental management & resource efficiency	■ Hazardous substances	Reduce hazardous substances and minimize their hazard potential
	■ Energy and greenhouse gas emissions	Procure 100% of the electricity we consume from renewable energy sources
	■ Life cycle assessment	Improve the environmental balance of wind turbines
 Responsibility for society	■ Educational support	Support education initiatives in the region of our sites

> Latest sustainability key facts

Product

Lifecycle assessment of wind farm with Delta4000 turbines shows:

only 6.5 g CO₂e

are emitted per kilowatt-hour electricity generated.

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

4,125

four-person households².

469 g of CO₂

are saved per kWh generated by wind turbines (compared to the global electricity mix 2018³).

Projection for one Delta4000 N149/4.0-4.5 at low wind speed:

savings of approx.

5,392 t CO₂ per year.

Employees

Lost time injury frequency (LTIF) was lowered to **3.9** in FY 2020 (FY 2019: 4.6).

86

nationalities were working at Nordex in FY 2020.

Environment

65.1 %

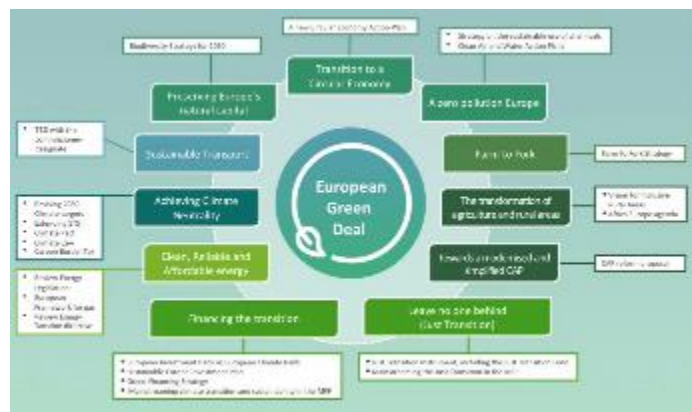
of the overall amount of purchased electricity in 2020 was generated by the use of

renewables.

ESG-Rating

ISS-ESG (B), MSCI (A), SUSTAINALYTICS (24.1), CDP (B) and IMAG (AA).

> Macro & long-term drivers: the trend to renewables is irrevocable



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



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

DRIVERS

US-Market:

Another prolongation of 60% PTC until 2025;
President Biden announced to participate in the Paris Accord again and set target for the US to become carbon free by 2050

New EEG for **Germany** valid since 1 January 2021: strong political support to expand onshore wind by 71 GW by 2030;
Investitionsbeschleunigungsgesetz will support wind power projects, e.g. improving permitting processes

Regional projects:



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

Preliminary financial calendar 2022

2022	Event
29 March	Publication of Annual Report 2021
12 May	Interim Statement Q1/2022
31 May	Annual General Meeting
11 August	Interim Report H1/2022
15 November	Interim Statement 9M/2022

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