



Nordex Group

Nordex SE – Financial figures Q1/2020

11th May 2020

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Agenda Q1/2020

Executive summary

José Luis Blanco

Covid-19

José Luis Blanco

Markets and orders

Patxi Landa

Financials

Christoph Burkhard

Operations and technology

José Luis Blanco

Withdrawal guidance 2020

José Luis Blanco

Q&As

All

Key takeaways

José Luis Blanco

Executive summary

Q1/2020 RESULTS

Sales
EUR 965m

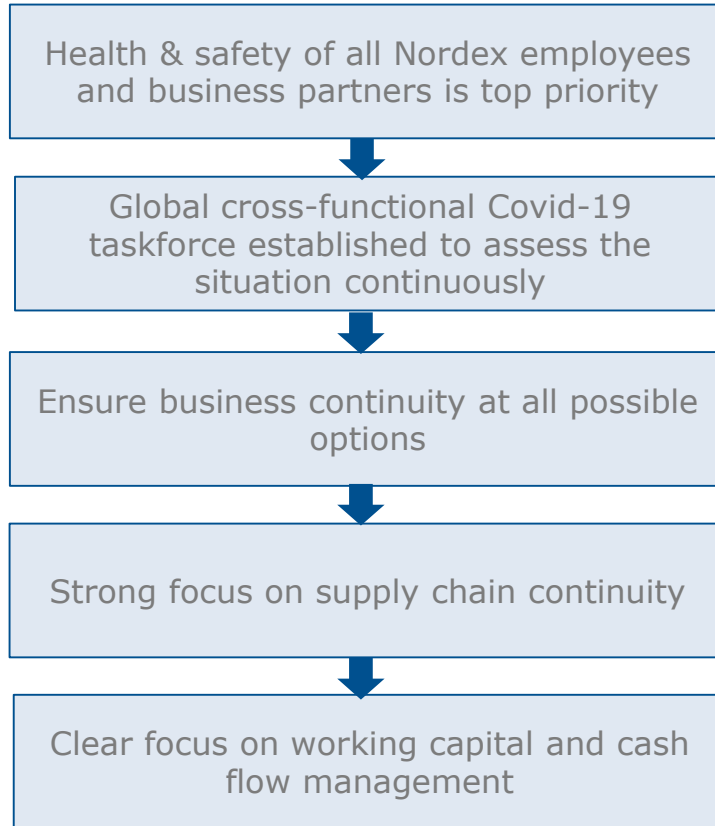
EBITDA margin
1.4%

Working capital ratio
-7.5%

- > Q1/2020 business results in line with expectations.
- > Successful refinancing of multi-currency guarantee facility of EUR 1.21bn until April 2023.
- > Order intake in Q1/2020 increased by 59% to 1.6 GW compared to previous year quarter.
- > 85% of the order intake in Q1/2020 accounts for latest turbine generation Delta4000.
- > Book-to-bill-ratio of 1.37 in Q1/2020 indicating further growth.
- > Withdrawal of guidance for financial year 2020 due to Covid-19 pandemic.

> Impact of Covid-19 pandemic on Nordex business performance

Management priorities



Global environment

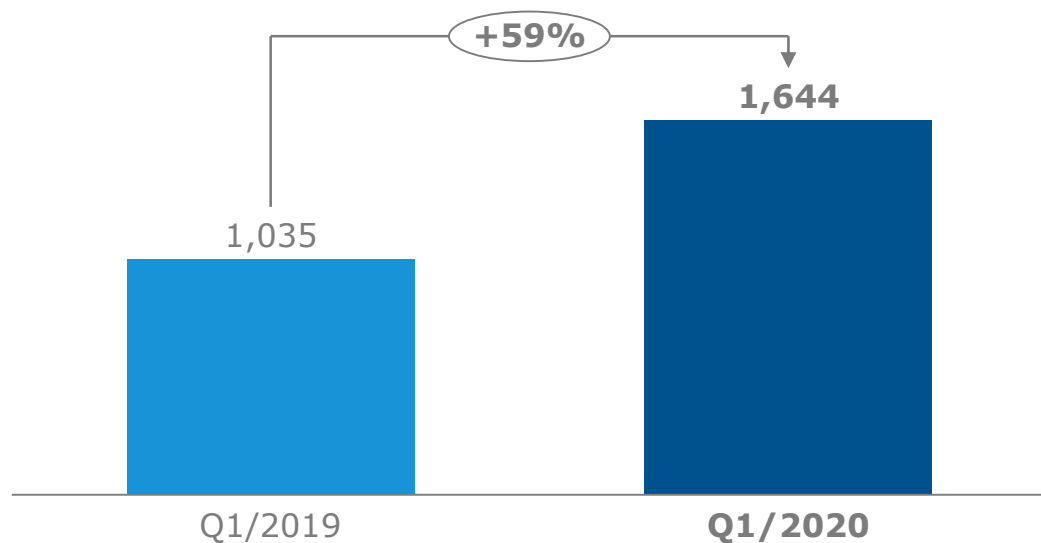
- Covid-19 pandemic started in China causing disruptions globally
- Shutdowns and restrictions impacting value chain at different stages and at different times
- Travel and transport restrictions limiting mobility for people as well as for goods
- Increasing demand of green energy expected for the time post Covid-19

Impact on Nordex

- Reduced capacity utilization due to temporary shutdowns (e.g. Mexico)
- Higher costs related to disruptions in project execution
- Delays in installations leading to an increase of inventories
- Negotiations with customers and suppliers on Liquidated Damages (LD) and prolongation costs
- Delays in ramping up and enlarging the supply chain

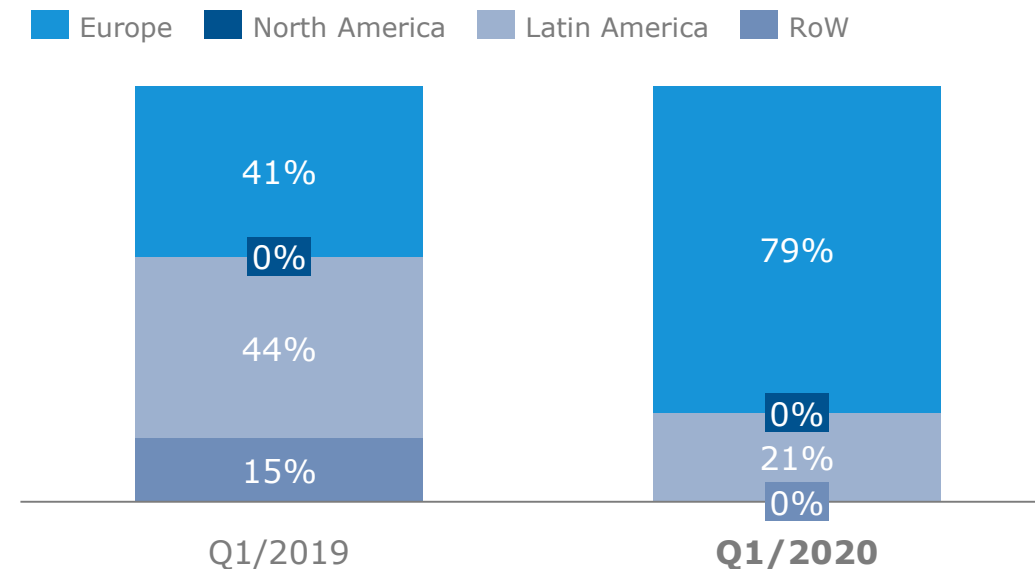
> Order intake Q1/2020

Order intake turbine* (in MW)



- > Strong order intake in Q1/2020 compared to previous year quarter: EUR 1,185m (EUR 810m in Q1/2019)
- > Stable ASP of EUR 0.72m/MW in Q1/2020 compared to FY 2019

Order intake turbine* by regions (in %)



- > Largest orders from Norway, Chile, Great Britain, Turkey and Finland in Q1/2020
- > 85% of order intake in Q1/2020 accounted for latest turbine generation Delta4000

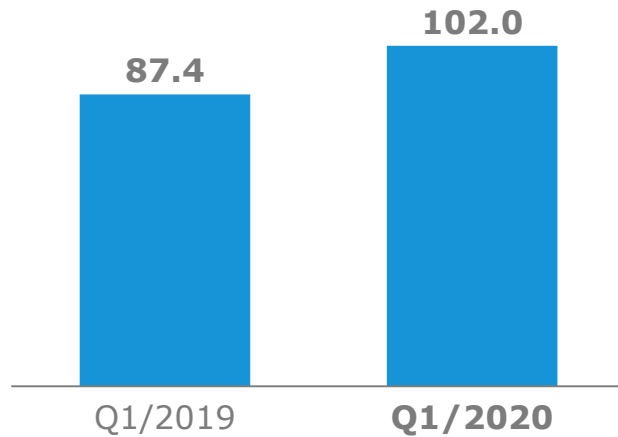
> Steady growth in service business

Development of service revenues (EUR m) and EBIT margin

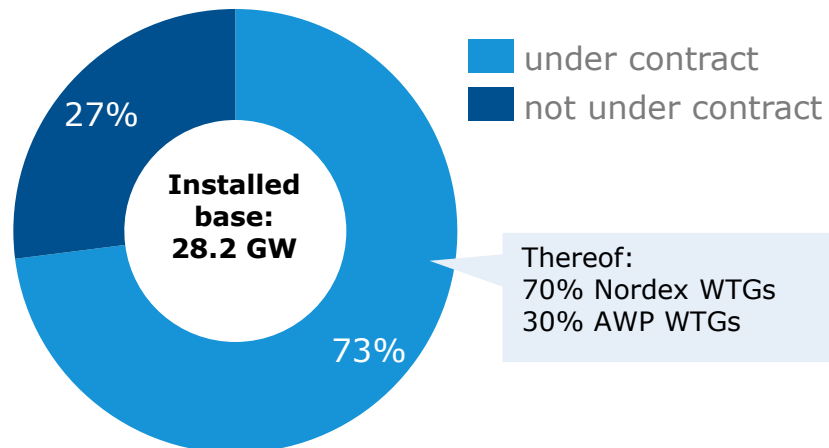
EBIT margin

16.5%

18.0%



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

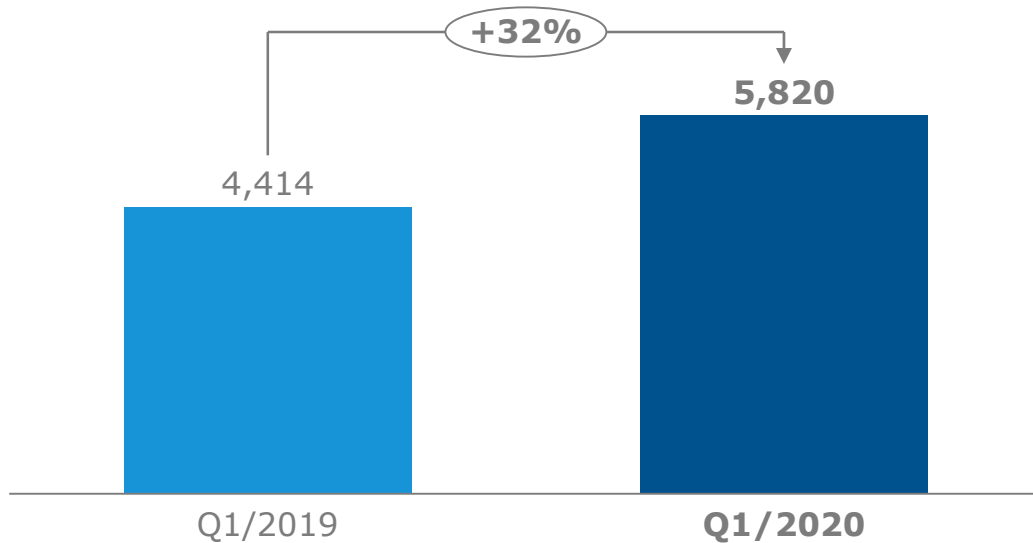


Comments

- > Service sales share amounted to 10.6% of group sales in Q1/2020
- > Service EBIT margin of 18.0% in the first three months 2020
- > 97.7% average availability of WTGs under service
- > Strong service order backlog of over EUR 2.6bn at the end of Q1/2020

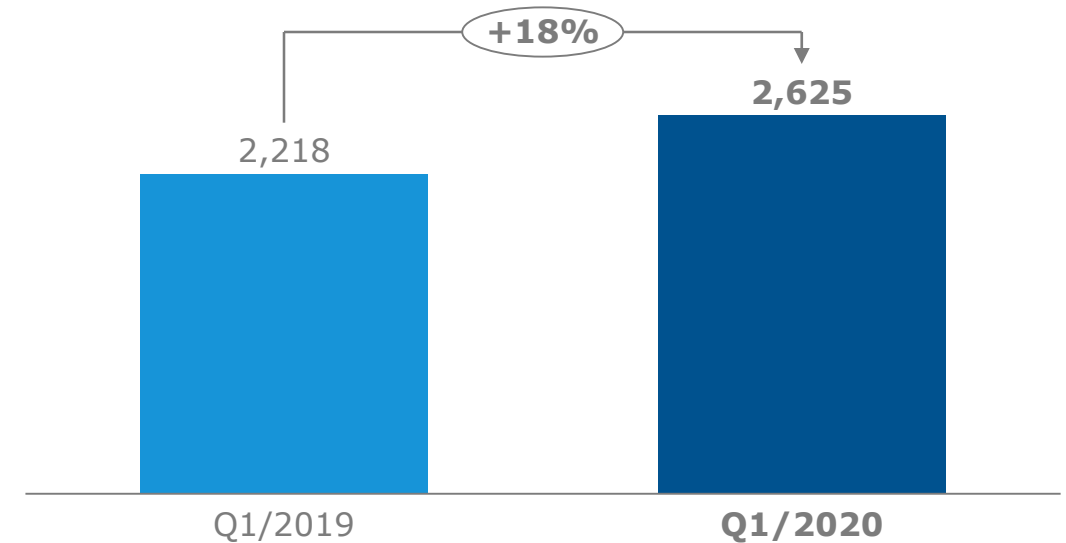
> Combined order backlog of around EUR 8.4bn at the end of Q1/2020

Order backlog turbines (EUR m)








- > Order backlog of EUR 5,820m at the end of Q1/2020 due to continuously high order intake over the last quarters
- > Well balanced distribution on Nordex focus markets: Europe (58%), Latin America (18%), North America (16%), Rest of World (8%)

Order backlog service (EUR m)



- > 8,054 wind turbines under service at the end of Q1/2020 corresponding to 20.6 GW

➤ Multi-currency guarantee facility successfully refinanced – international syndicate further supports Nordex' growth path

Details:		Lead banks:	
Amount:	1.21bn EUR	BNP Paribas	
Duration:	3 years (until April 2023)	Commerzbank	
Renewal option:	1+1 year	HSBC	
Number of banks & insurances:	21	Intesa Sanpaolo	
Purpose:	Issuance of guarantees	UniCredit Bank	
Security:	Pari passu, unsecured		
ESG rating provider:	ISS ESG		
ESG company rating:	B		



> Income statement Q1/2020

in EUR m	Q1/2020	Q1/2019	abs. change
Sales	964.6	398.9	565.7
Total revenues	1,021.5	583.6	437.9
Cost of materials	-865.2	-441.1	-424.1
Gross profit	156.3	142.5	13.8
Personnel costs	-89.7	-85.0	-4.7
Other operating (expenses)/income	-53.5	-54.2	0.7
EBITDA	13.1	3.3	9.8
Depreciation/amortization	-36.8	-33.6	-3.2
EBIT	-23.7	-30.4	6.7
Net profit	-38.0	-35.0	-3.0
Gross margin*	16.2%	35.7%	
EBITDA margin	1.4%	0.8%	
EBIT margin w/o PPA	-1.7%	-5.9%	

Comments

- > Sales of EUR 965m and EBITDA margin of 1.4% in line with expectations
- > PPA depreciation totaled EUR 7.2m in Q1/2020 (EUR 6.8m in previous year quarter)

> Balance sheet Q1/2020

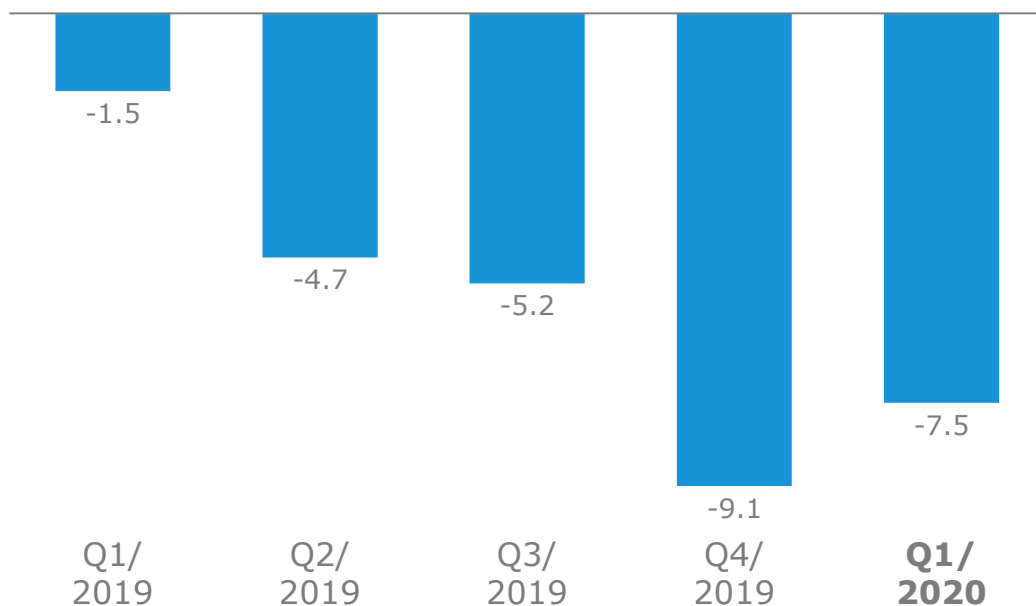
in EUR m	31.03.20	31.12.19	abs. change	Δ in %
Non-current assets	1,454.2	1,488.9	-34.7	-2.3
Current assets	2,638.1	2,513.8	124.3	4.9
Total assets	4,092.4	4,002.7	89.7	2.2
Equity	707.4	745.4	-38.0	-5.1
Non-current liabilities	871.2	914.2	-43.0	-4.7
Current liabilities	2,513.8	2,343.2	170.6	7.3
Equity and total liabilities	4,092.4	4,002.7	89.7	2.2
<i>Net debt*</i>	<i>-156.4</i>	<i>-84.0</i>		
<i>Working capital ratio**</i>	<i>-7.5%</i>	<i>-9.1%</i>		
<i>Equity ratio</i>	<i>17.3%</i>	<i>18.6%</i>		

Comments

- > Cash position of EUR 432m at the end of Q1/2020 (EUR 510m year-end 2019)
- > Balance sheet prolongation based on increased assets and liabilities due to high activity level

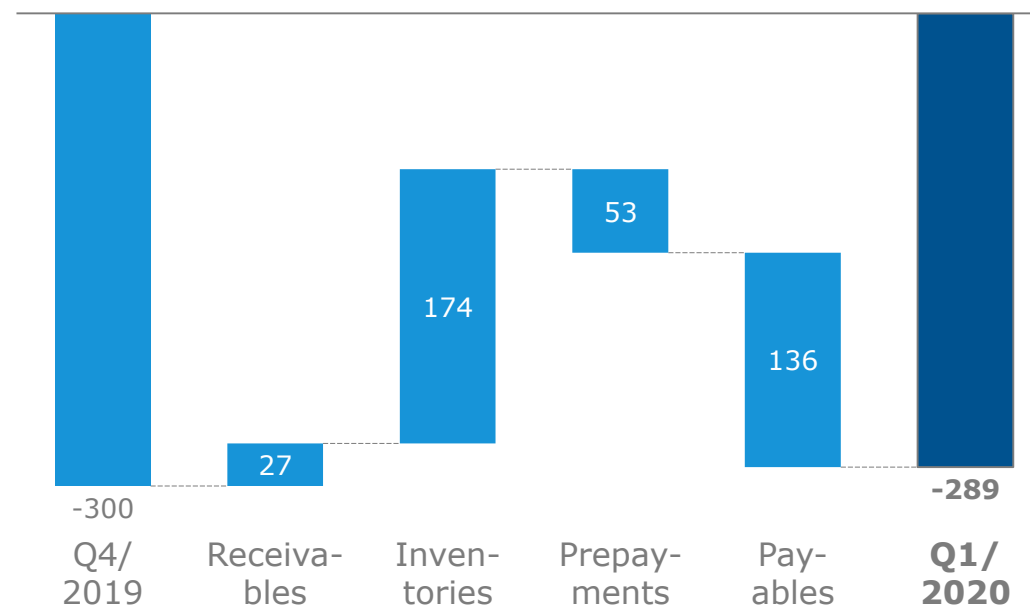
> Working capital development Q1/2020

Working capital ratio (in % of sales)*



- > Low working capital ratio supported by ongoing stringent working capital management

Working capital development (in EUR m)*



- > High business activity leads to an increase in inventories largely offset by trade payables
- > Working capital remains on low level due to consistently high order intake in Q1/2020

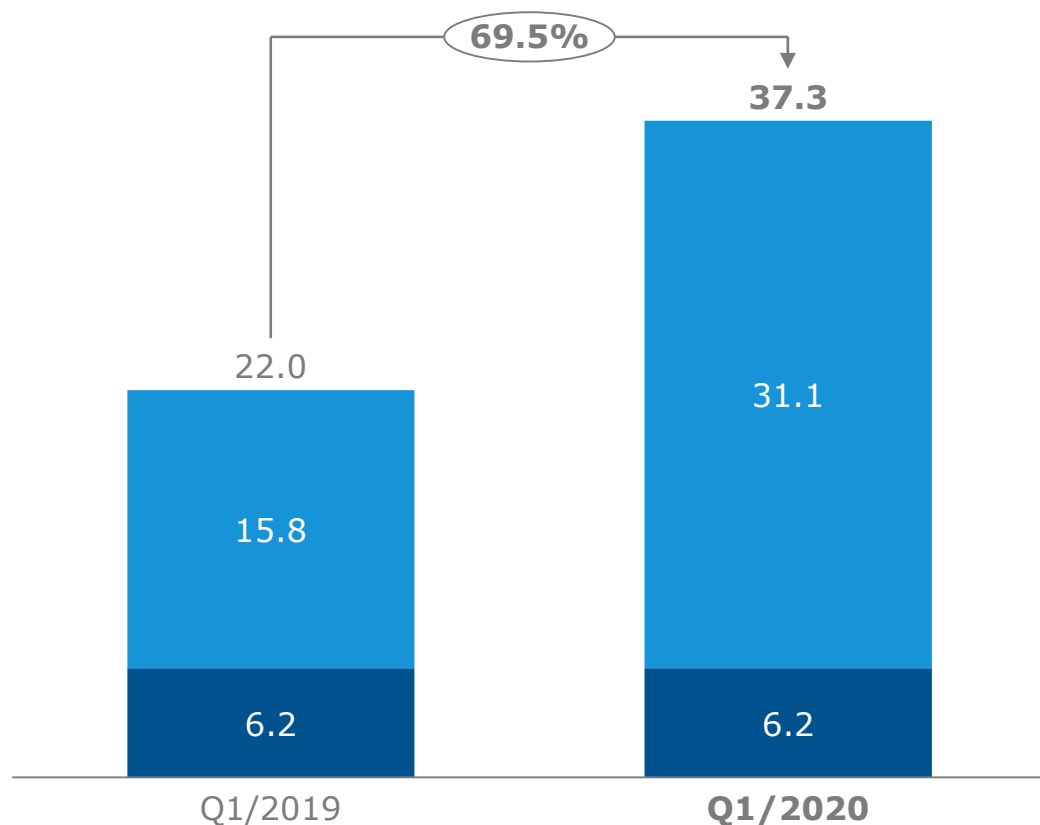
> Cash flow statement Q1/2020

in EUR m	Q1/2020	Q1/2019	Comments
Cash flow from operating activities before net working capital	-10.3	3.2	> Cash flow from operating activities mainly impacted by working capital development
Cash flow from changes in working capital	-11.5	-57.9	> Cash flow from investing activities reflects further expansion of supply chain management
Cash flow from operating activities	-21.8	-54.7	> Cash flow from financing activities primarily driven by repayment of EIB loan
Cash flow from investing activities	-35.1	-21.6	
Free cash flow	-56.9	-76.3	
Cash flow from financing activities	-6.7	-2.4	
Change in cash and cash equivalents*	-63.6	-78.8	

> Total investments in Q1/2020

CAPEX (in EUR m)

- Property, plant, equipment
- Intangible assets

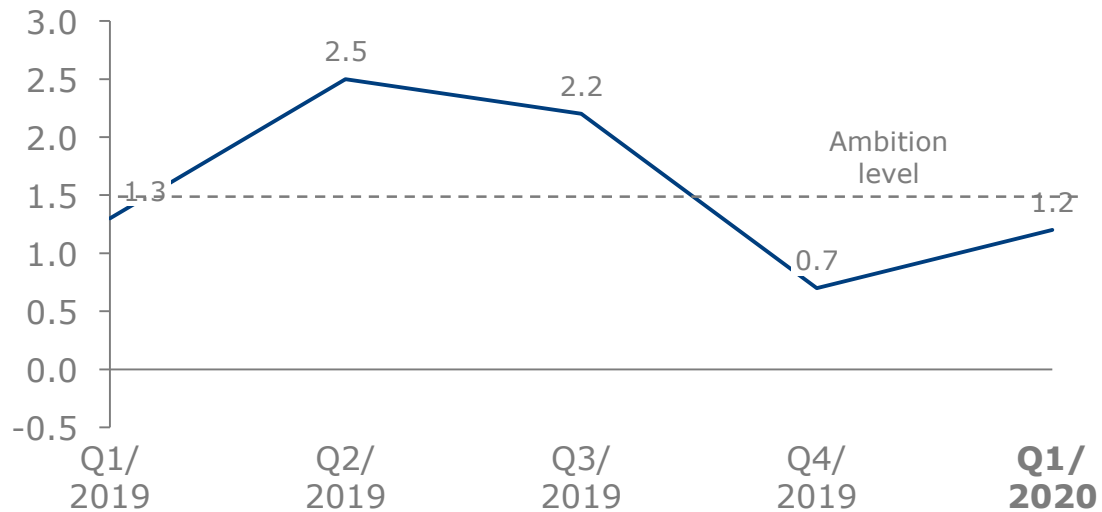


Comments

- > Investments in Q1/2020 mainly consists of:
 - Investments in blade production facilities in Mexico and Spain
 - Investments in tooling and equipment for international projects
 - Investments in product development
- > Intangible assets remain on the same level compared to previous year quarter

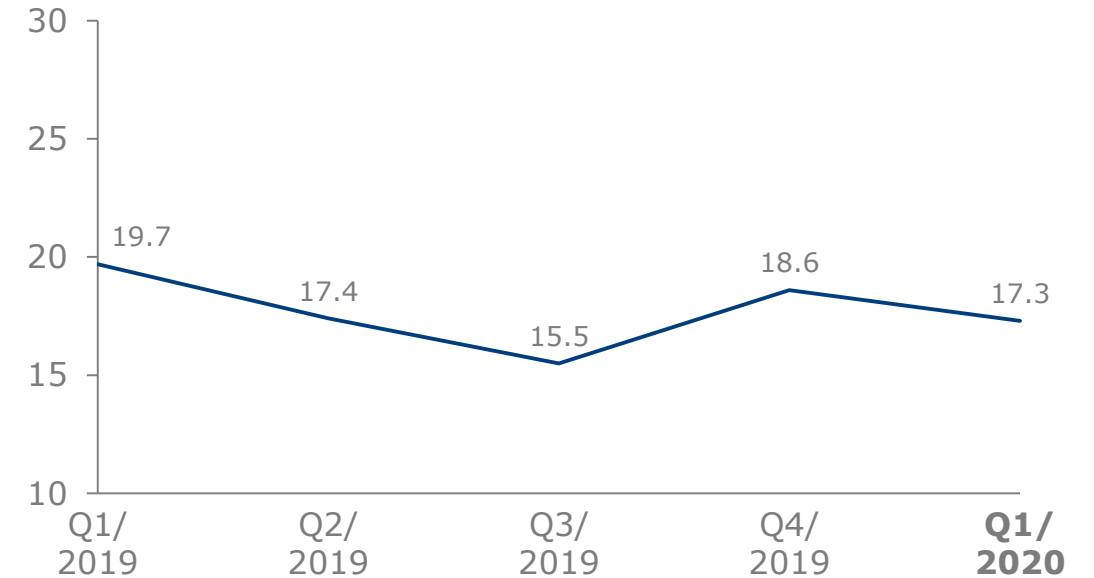
> Capital structure Q1/2020

Net debt*/EBITDA**



- > Leverage ratio remains further below own ambition level of 1.5

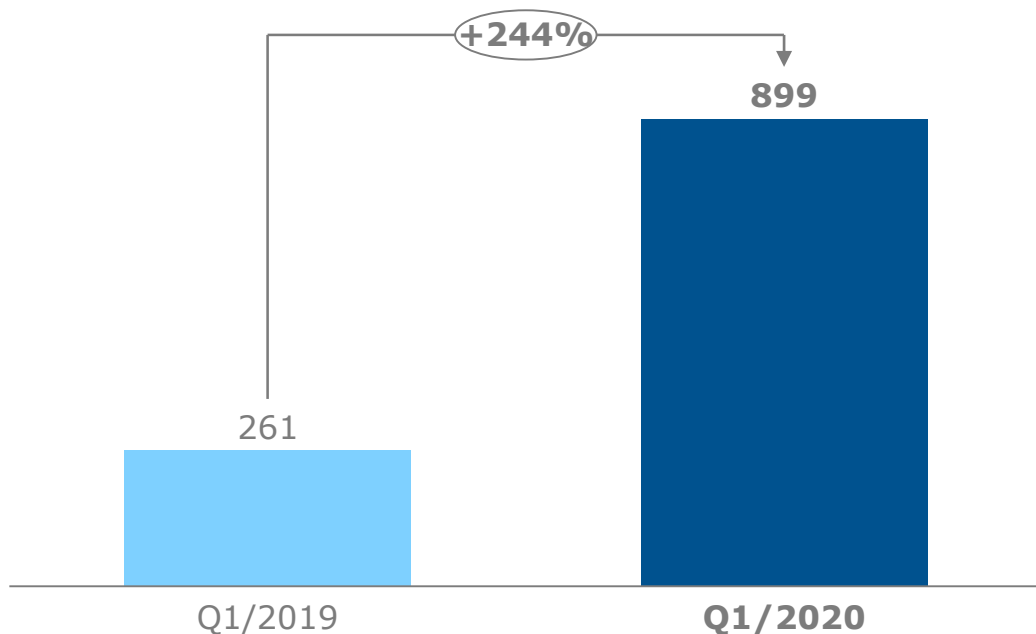
Equity ratio (in %)



- > Equity ratio at stable level at the end of Q1/2020

> Operations Q1/2020

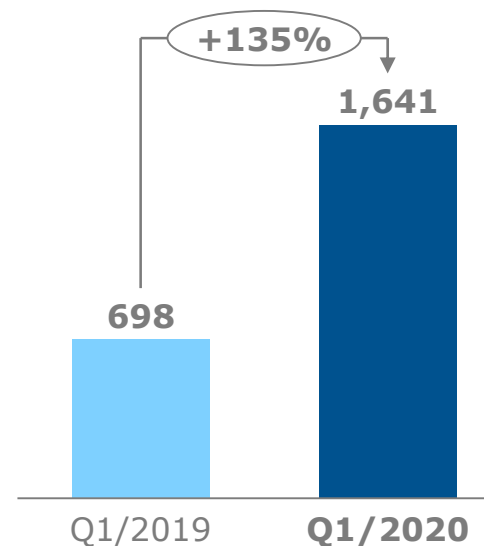
Installations (MW)



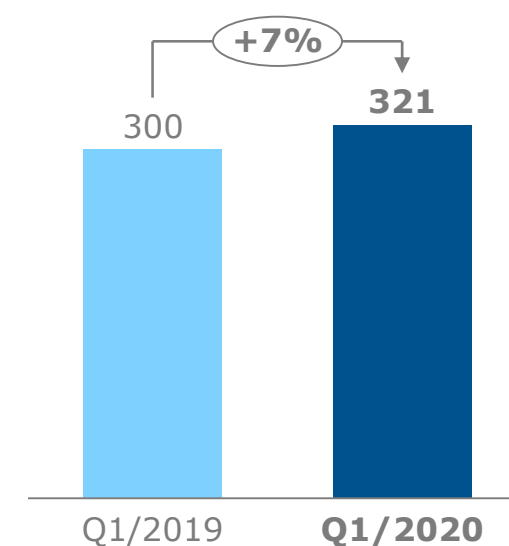
- > Total installations of 269 WTGs in 21 countries in Q1/2020 (Q1/2019: 84 WTGs)
- > Geographical split: 60% Europe, 15% Latin America, 13% North America and 12% Rest of World

Production

Turbine assembly (MW)



Inhouse blade production (#)



- > Output turbines of 448 units in Q1/2020: 210 GER, 147 ESP, 61 IND, 23 BRA and 7 ARG
- > Inhouse blade production of 321 units in Q1/2020: 168 GER, 108 IND and 45 MEX
- > Outsourced blade production of 528 units in Q1/2020

> Guidance 2020 withdrawn due to Covid-19 pandemic*

Sales:	EUR 4.2 - 4.8bn	Withdrawn
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EBITDA:	EUR 160 - 240m	Withdrawn
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Working capital ratio:	<0%	Withdrawn
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CAPEX:	min. EUR 140m**	Withdrawn
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 **Time for your questions**

Questions

Answers

Key takeaways

Remaining strong order intake momentum with increasing share of new turbine generation Delta4000.

Sustainable service business generating steady cash flows.

Guidance for financial year 2020 withdrawn due to Covid-19 pandemic leading to a temporary impact on business performance.

Overall global demand for green energy will further grow supporting the recovery of the economy post Covid-19.

 Thank you for your attention



 **Contact details**

**IF YOU HAVE ANY QUESTIONS PLEASE
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