



Nordex Group

Nordex SE – Nine-month figures 2019

Conference Call, 13 November 2019

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 **Agenda**

Executive summary

José Luis Blanco

Markets and orders

Patxi Landa

Financials

Christoph Burkhard

Operations and technology

José Luis Blanco

Guidance 2019

José Luis Blanco

Q&As

All

Key takeaways

José Luis Blanco

> 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.

> 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

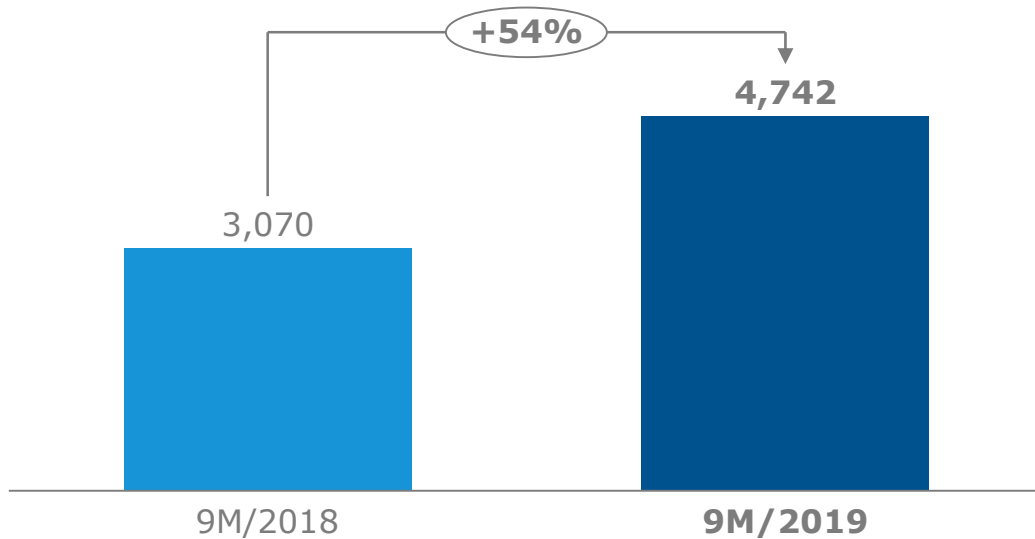
- > Climate Protection Program released in Germany defines roadmap for onshore wind until 2030. Permitting difficulties continue to result in under-subscribed auctions in Germany.
- > Oversubscribed auction in France with 575 MW of wind awarded.
- > Poland, Greece and Italy holding new auctions still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

> Order intake 9M/2019

Order intake turbine* (in MW)

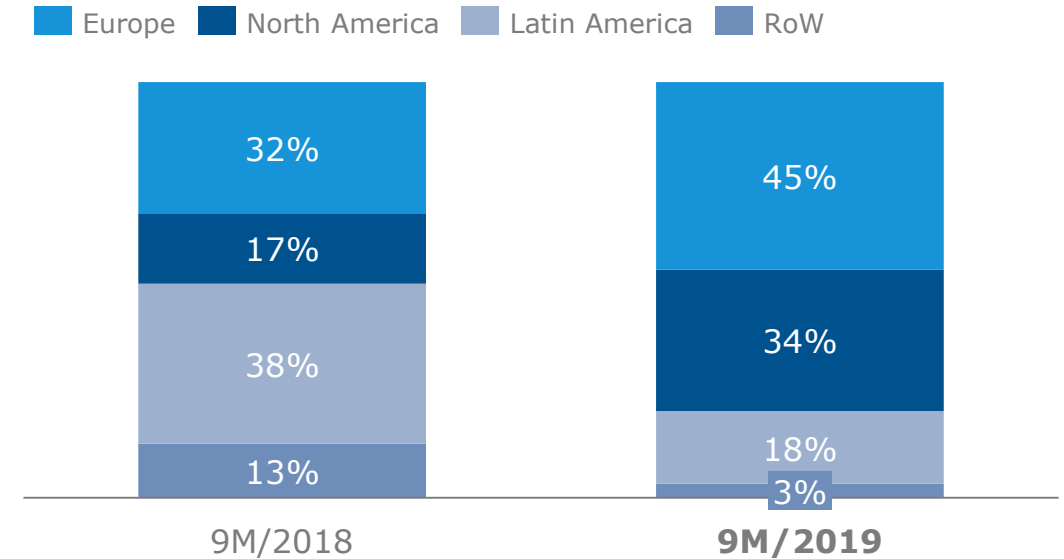


- > Strong order intake in 9M/2019: EUR 3,314m (EUR 2,343m in previous year period)

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

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

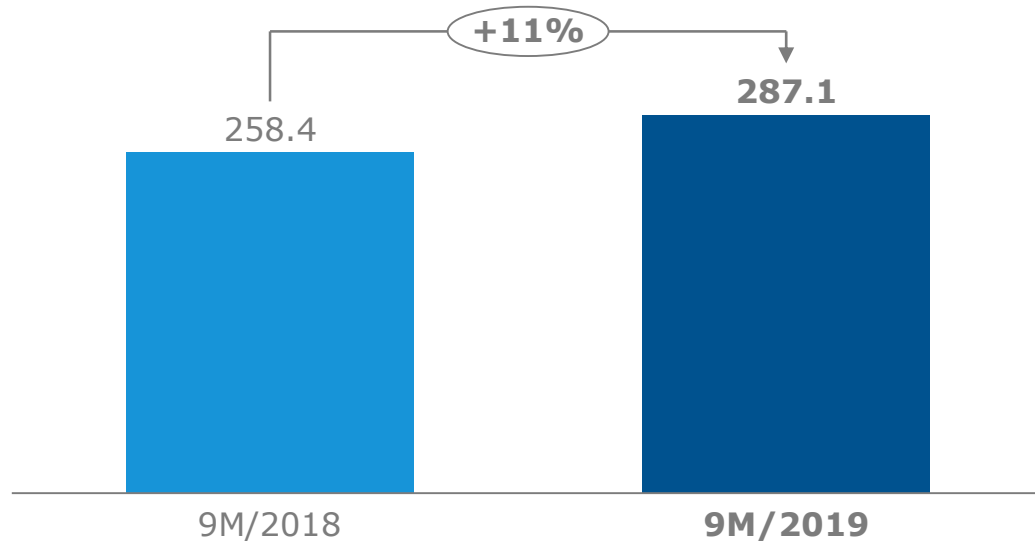
Order intake turbine* by regions (in %)



- > 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)

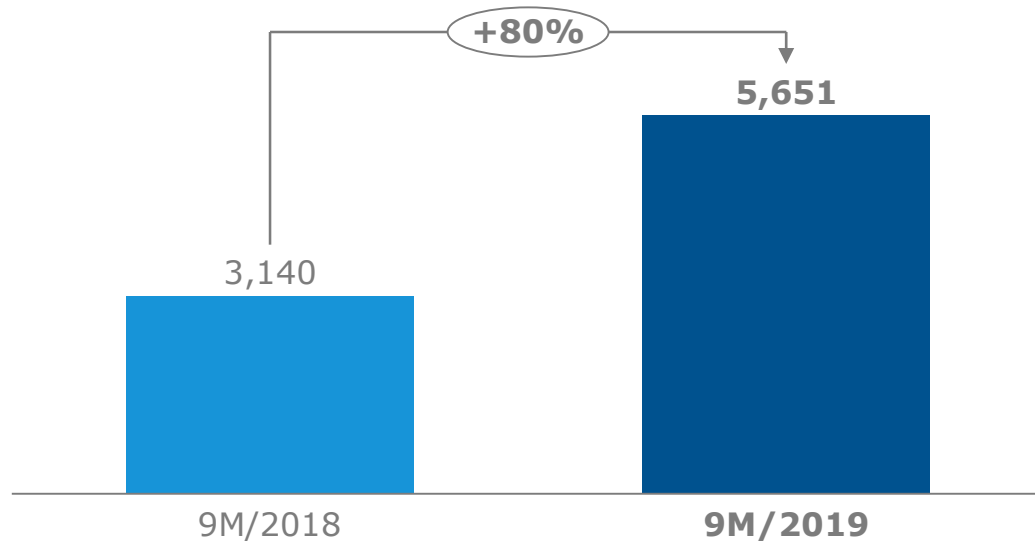


Comments

- > 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

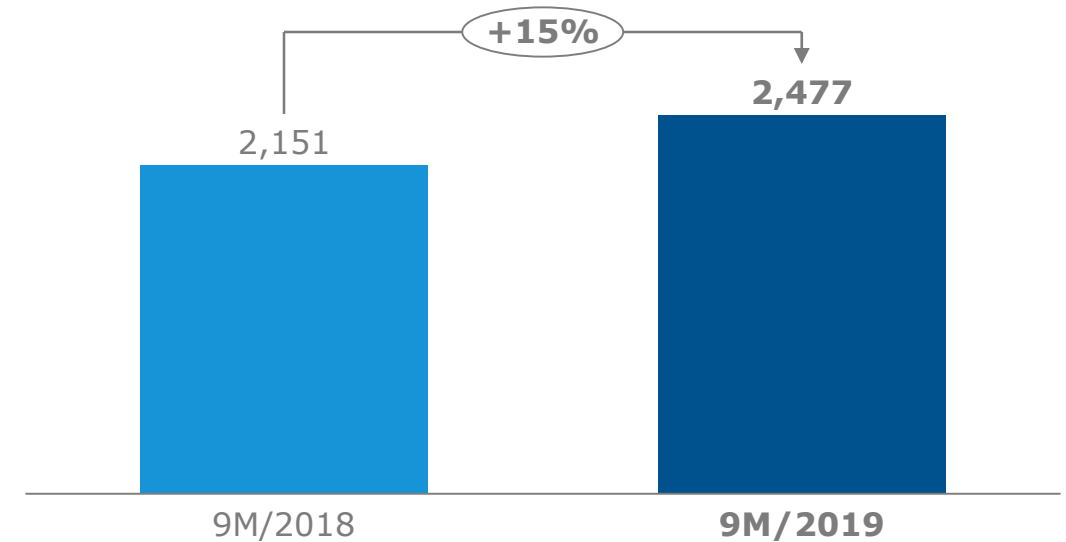
> Combined order backlog of EUR 8.1bn as of 9M/2019

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

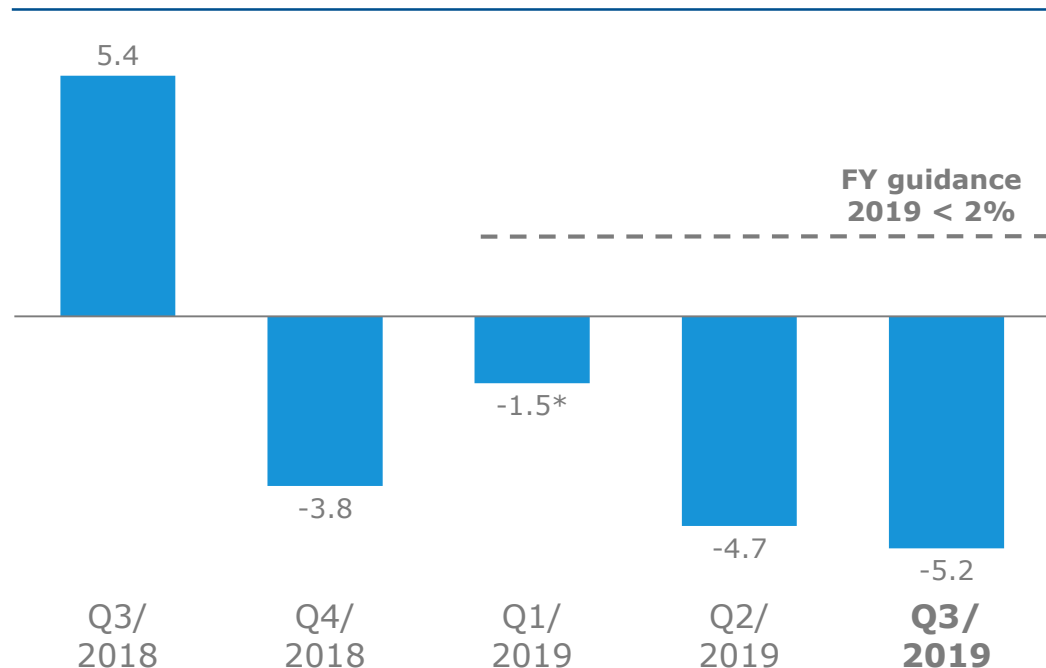
in EUR m	30.09.19	31.12.18	abs. change	Δ in %
Non-current assets	1,425.3	1,277.6	147.7	11.6
Current assets	2,570.5	1,781.0	789.5	44.3
Total assets	3,995.8	3,058.5	937.3	30.6
Equity	619.6	697.3	-77.7	-11.1
Non-current liabilities	897.6	822.9	74.7	9.1
Current liabilities	2,478.7	1,538.3	940.4	61.1
Equity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

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

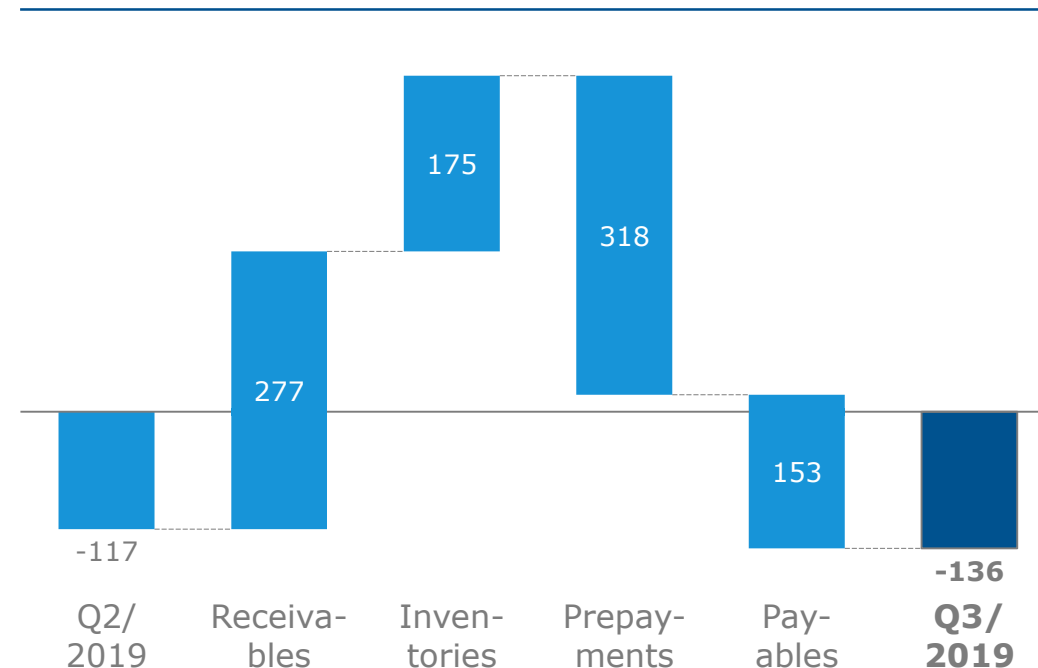
> Working capital development 9M/2019

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 receivables due to strong sales volume in Q3/2019

> Increase in payables corresponds to an ongoing high activity level

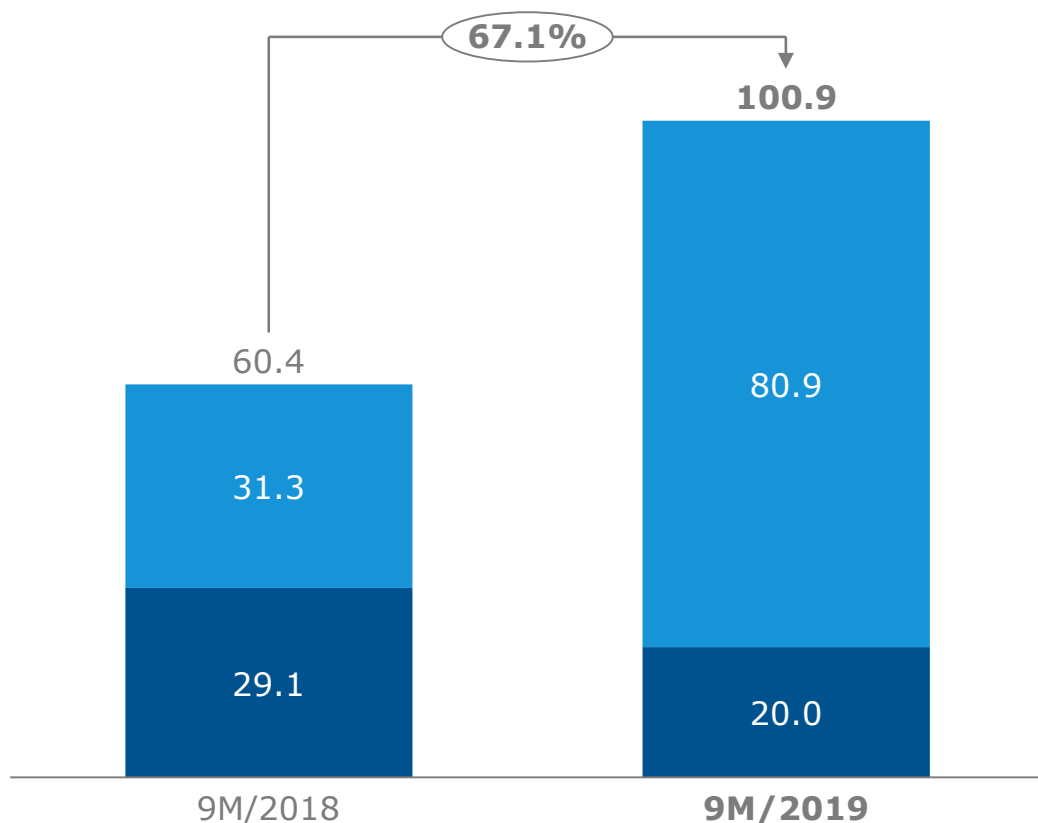
> Cash flow statement 9M/2019

in EUR m	9M/2019	9M/2018	Comments
Cash flow from operating activities before net working capital	-93.6	9.9	> Cash flow from operating activities mainly influenced by net loss and phasing-related VAT outflows
Cash flow from changes in WC	30.8	-67.6	> Cash flow from changes in WC (EUR 30.8m) positively impacted by strong order intake over the last quarters
Cash flow from operating activities	-62.8	-57.7	
Cash flow from investing activities	-93.2	-26.6	> Cash flow from investing activities in line with expectations
Free cash flow	-156.0	-84.3	
Cash flow from financing activities	-62.5	-43.9	> Cash flow from financing activities mainly driven by repayment of SSD tranche in April
Change in cash and cash equivalents*	-218.4	-128.2	

> Total investments 9M/2019

CAPEX (in EUR m)

■ Property, plant, equipment ■ Intangible assets



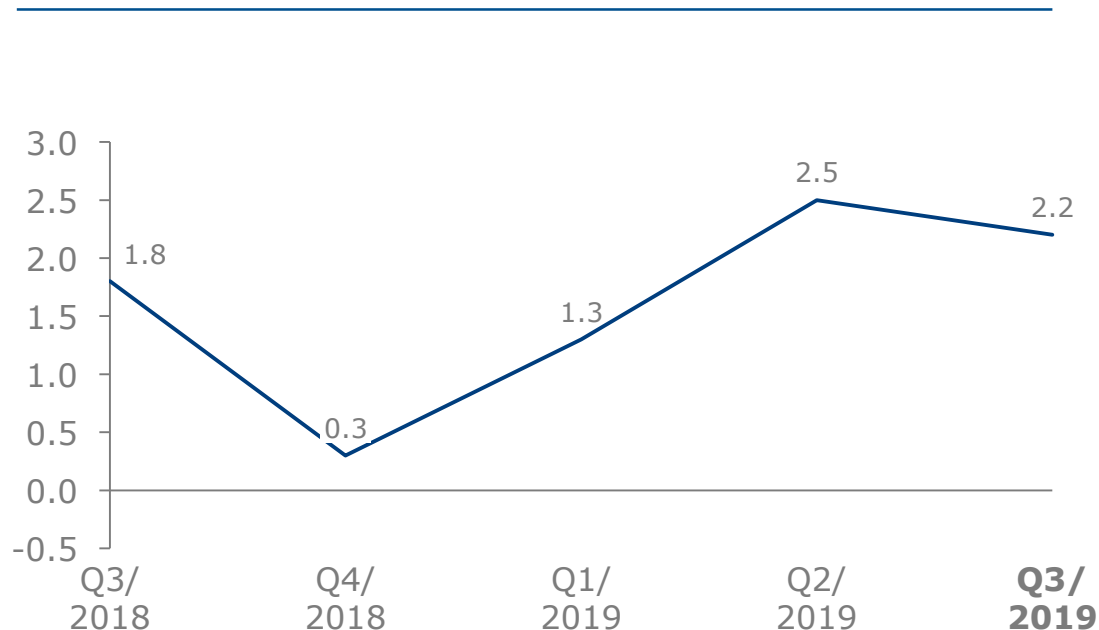
Comments

- > 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

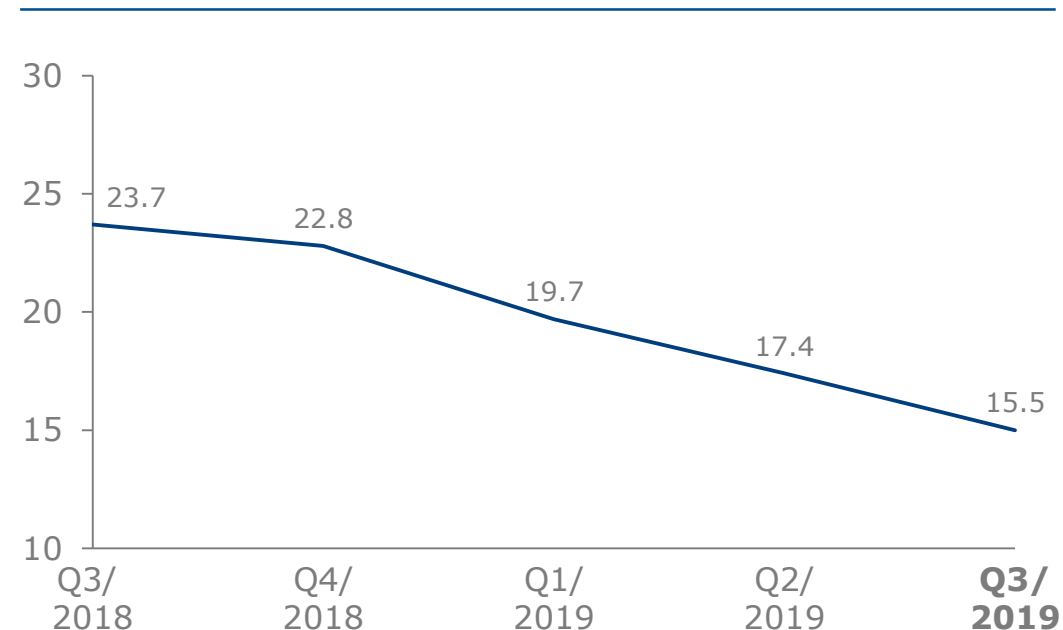
> Capital structure 9M/2019

Net debt*/EBITDA**



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

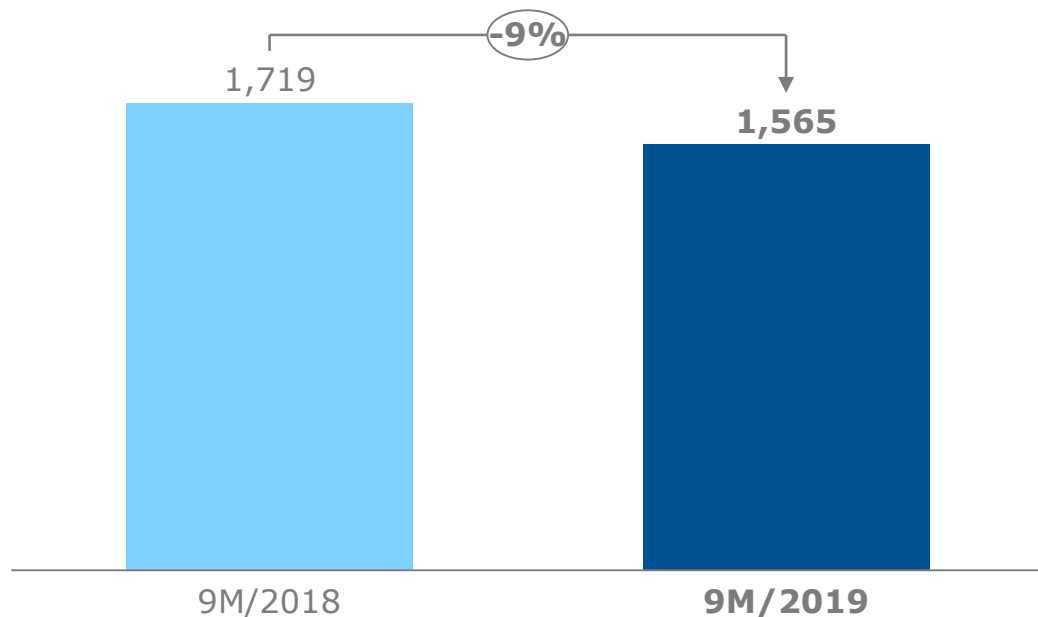
Equity ratio (in %)



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

> Operations 9M/2019

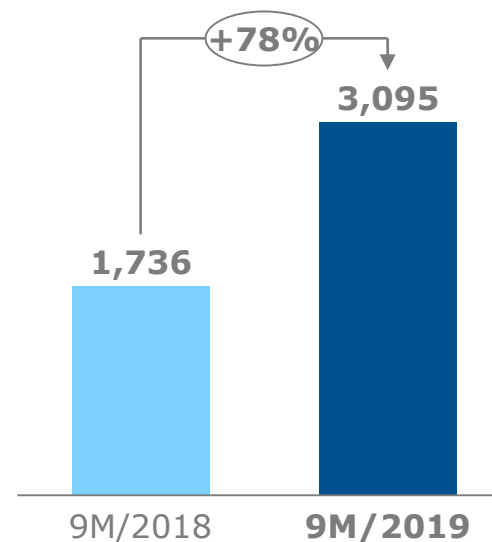
Installations (MW)



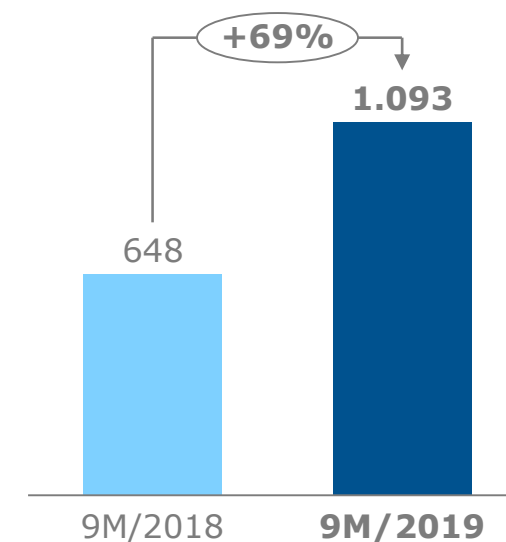
- > Total installations of 476 WTGs in 16 countries in the first nine months 2019: 47% Europe, 24% Latin America and 29% North America

Production

Turbine assembly (MW)



Blade 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
- > Outsourced blade production of 1,695 units in 9M/2019

> Guidance for FY 2019 confirmed

Sales: EUR 3.2 - 3.5bn

EBITDA margin: 3.0 - 5.0%

Working capital ratio: <2%

CAPEX: approx. EUR 160m

 **Time for your questions**

Questions

Answers

Key takeaways

Full year 2019 with strong seasonal pattern is developing as anticipated.

Back-end loaded year showing high activity level in the fourth quarter.

Order intake will remain on a good level driven by further demand for Delta4000 product portfolio.

Nordex confirming guidance for 2019.

 Thank you for your attention



Financial calendar 2020

2020*	Event
9 March	Publication of preliminary figures FY 2019
24 March	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

 **Contact details**

**IF YOU HAVE ANY QUESTIONS PLEASE
CONTACT THE INVESTOR RELATIONS TEAM:**

**Felix Zander
Tobias Vossberg
Rolf Becker**

Nordex SE
Langenhorner Chaussee 600
22419 Hamburg
Germany

Phone: +49-40-30030-1000
Email: investor-relations@nordex-online.com
Web: www.nordex-online.com