



Nordex Group

# Nordex SE – Financial figures Q1/2023

12<sup>th</sup> May 2023

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# > Agenda

Introduction

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José Luis Blanco

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Markets and orders

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Patxi Landa

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Financials

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Dr Ilya Hartmann

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Operations and technology

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José Luis Blanco

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Guidance and Outlook

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José Luis Blanco

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Q&As

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All

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Key takeaways

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José Luis Blanco

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## > Executive summary Q1/2023

### > Q1/2023 RESULTS

**Sales**  
**EUR 1,217m**

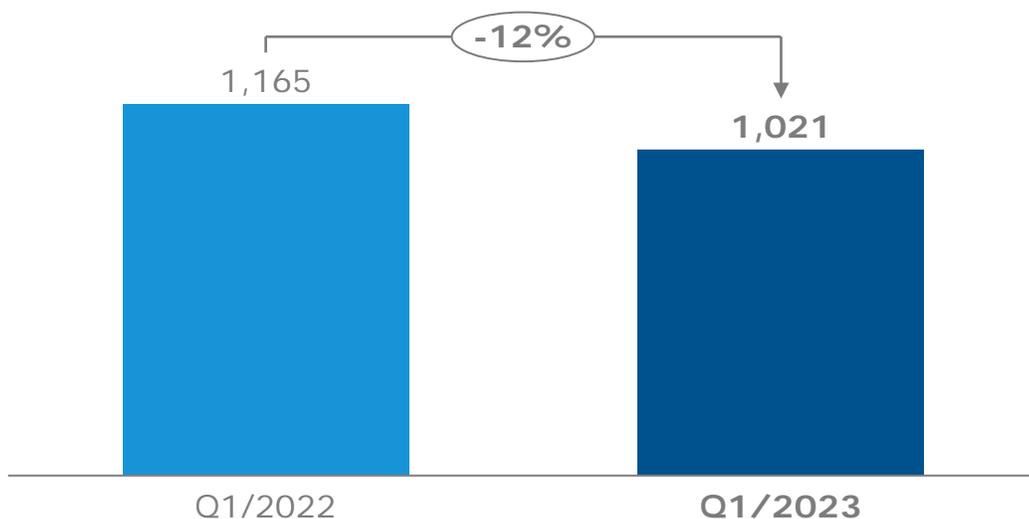
**EBITDA margin**  
**-9.4%**

**Working capital ratio**  
**-10.6%**

- > Order intake of around 1.0 GW shows a solid start into the year with ASP of EUR 0.90m/MW.
- > Sales aggregated to EUR 1,217m; increase of ~31% compared to previous year quarter of EUR 933m.
- > Gross margins continue to be impacted by extra costs of catch up in winter and some further LDs from the delays of the last year. Margins improved sequentially to 8.9% compared to 2.6% in Q4/2022, however still below the normal run-rate due to these one-off effects.
- > EBITDA margin of -9.4% in Q1/2023 similar to previous year quarter, mainly on account of lower gross margins.
- > Strong working capital ratio of -10.6%.
- > Installations of 1,319 MW in Q1/2023; run rate back to normal level but still lower than the run-rate required to catch up for delays of 2022.
- > Successful issuance of the EUR 333m convertible bond in April, further strengthening the balance sheet of the Company.
- > EUR 275m high yield bonds repaid in February 2023 and conversion of the EUR 347m shareholder loans into equity successfully completed in May 2023.
- > 2023 guidance maintained.

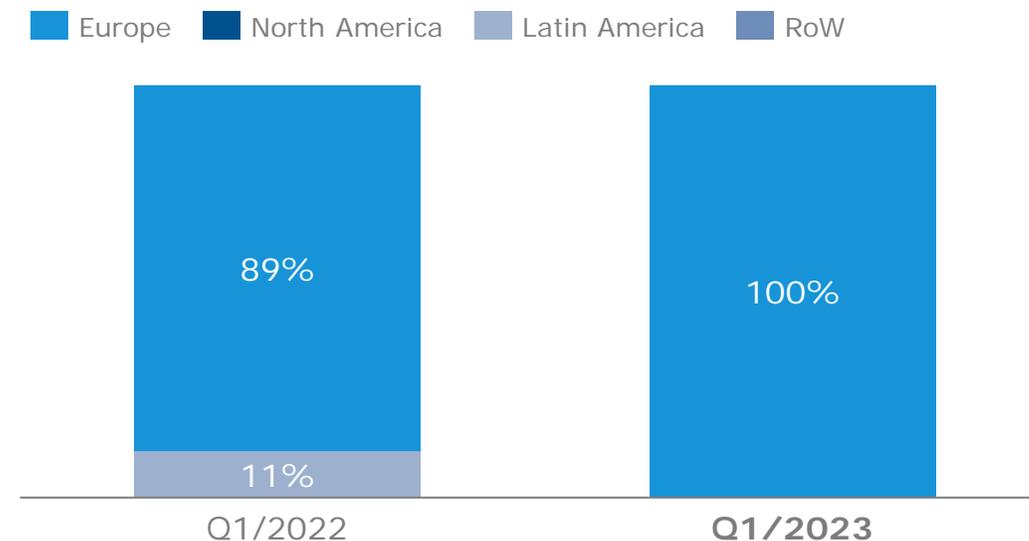
## > Order intake Q1/2023

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



- > Order intake totaled to EUR 917m in Q1/2023 (EUR 903m in Q1/2022)
- > ASP\*\* of EUR 0.90m/MW in Q1/2023 (0.78m/MW in Q1/2022), after a healthy development in FY 2022

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

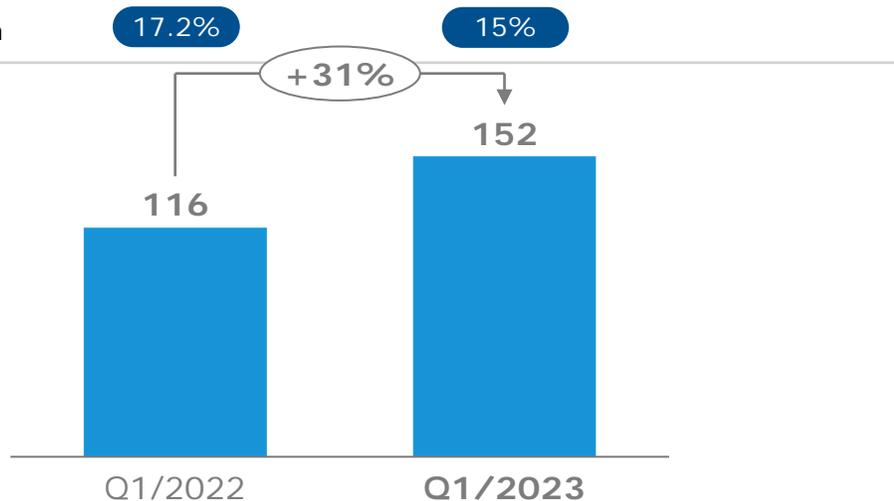


- > Orders received from eight different European countries in Q1/2023
- > Largest single markets were Estonia, Germany and Lithuania

## > Growth in service business Q1/2023

### Development of service revenues (EUR m) and EBIT margin

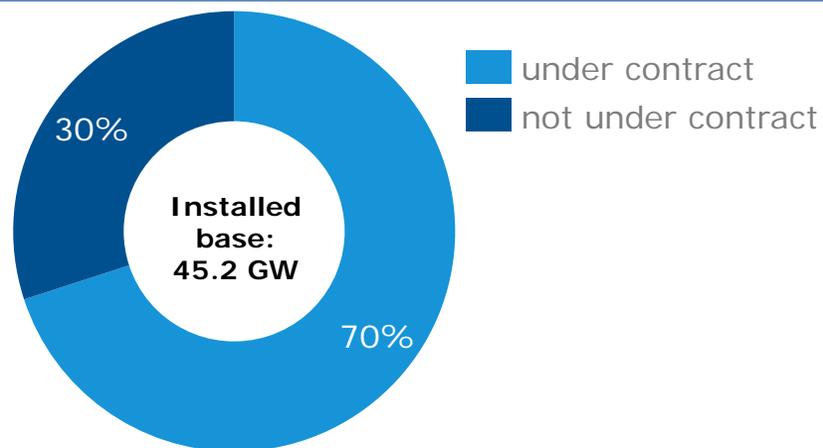
EBIT margin



### Comments

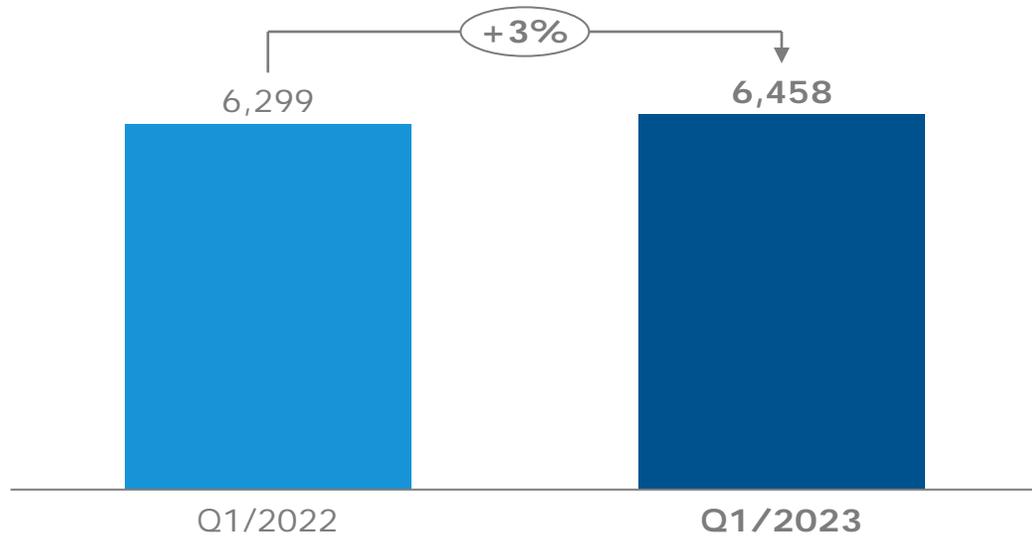
- > Share of service sales amounted to around 12% of group sales in Q1/2023
- > Service EBIT margin of 15% in the first three months 2023, reflecting higher cost inflationary effects
- > 97% average availability of WTGs under service in Q1/2023
- > Service order book remains strong of over EUR 3.4bn at the end of Q1/2023

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

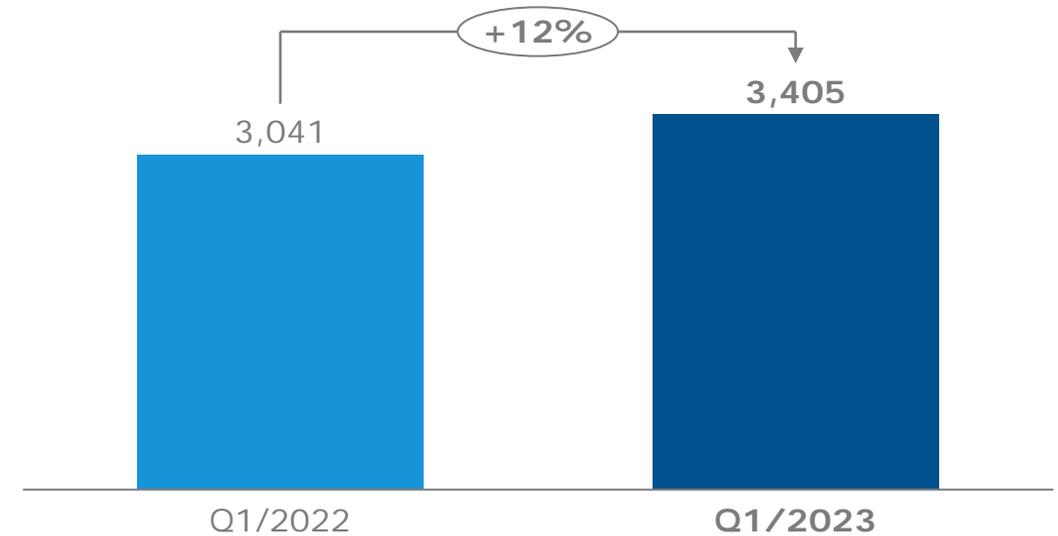


# > Combined order book at EUR 9.9bn at the end of Q1/2023

## Order book turbines (EUR m)



## Order book service (EUR m)



- > Order book of around EUR 6.5bn at the end of Q1/2023 shows continued healthy order intake development
- > Geographical distribution of the order book in Q1/2023: Europe (76%), Latin America (19%), North America (3%) and Rest of World (2%)

- > 10,682 wind turbines under service agreement - corresponding to 31.7 GW at the end of Q1/2023

## ➤ Successful issuance of green convertible bond strengthens capital structure while optimising financing costs

### Deal Terms

|                        |  |
|------------------------|--|
| Issuer:                | Nordex SE                                      |
| Issue Size:            | EUR 333m                                       |
| Ranking:               | Senior Unsecured                               |
| Maturity:              | 7-years  |
| Bondholder Put:        | At the 5 <sup>th</sup> anniversary             |
| Issuer Call:           | After 5 years subject to 130% parity threshold |
| Coupon:                | 4.25% p.a., paid semi annually                 |
| Reference Share Price: | EUR 12.10                                      |
| Conversion Premium:    | 30.0%  |
| Conversion Price:      | EUR 15.73 initially                            |
| Underlying Shares:     | 21.2m shares / 10.0% of issued share capital   |

### Transaction Highlights

- Debut in convertible bond market
- Transaction strengthens capital structure while optimising financing costs
- Display of environmental commitments through issuance under a newly established Green Financing Framework, with the proceeds being earmarked for Eligible Green Projects
- Multiple oversubscription during book-building, demonstrating the high confidence of investors in Nordex business model as well as the industry's long-term prospects

# > Income statement Q1/2023

| in EUR m (rounded figures)        | Q1/2023       | Q1/2022       | abs. change |
|-----------------------------------|---------------|---------------|-------------|
| <b>Sales</b>                      | <b>1,217</b>  | <b>933</b>    | <b>284</b>  |
| Total revenues                    | 1,243         | 1,133         | 110         |
| Cost of materials                 | -1,135        | -1,012        | -123        |
| <b>Gross profit</b>               | <b>108</b>    | <b>121</b>    | <b>-13</b>  |
| Personnel costs                   | -147          | -162          | 15          |
| Other operating (expenses)/income | -76           | -48           | -28         |
| <b>EBITDA</b>                     | <b>-115</b>   | <b>-89</b>    | <b>-26</b>  |
| Depreciation/amortization         | -51           | -42           | -9          |
| <b>EBIT</b>                       | <b>-166</b>   | <b>-131</b>   | <b>-35</b>  |
| <b>Net profit</b>                 | <b>-215</b>   | <b>-151</b>   | <b>-64</b>  |
| <b>Gross margin*</b>              | <b>8.9%</b>   | <b>12.9%</b>  |             |
| <b>EBITDA margin</b>              | <b>-9.4%</b>  | <b>-9.5%</b>  |             |
| <b>EBIT margin w/o PPA</b>        | <b>-13.5%</b> | <b>-13.9%</b> |             |

## Comments

- > Growth of ~31% recorded in sales at the end of Q1/2023 compared to previous year quarter
- > Gross margins still impacted by project delays and resultant LDs from the last quarter, although improving on a sequential basis
- > EBITDA margin of -9.4% primarily due to soft start into the year
- > PPA depreciation amounted to EUR 1.3m in Q1/2023 (EUR 1.2m in previous year quarter)

## > Balance sheet Q1/2023

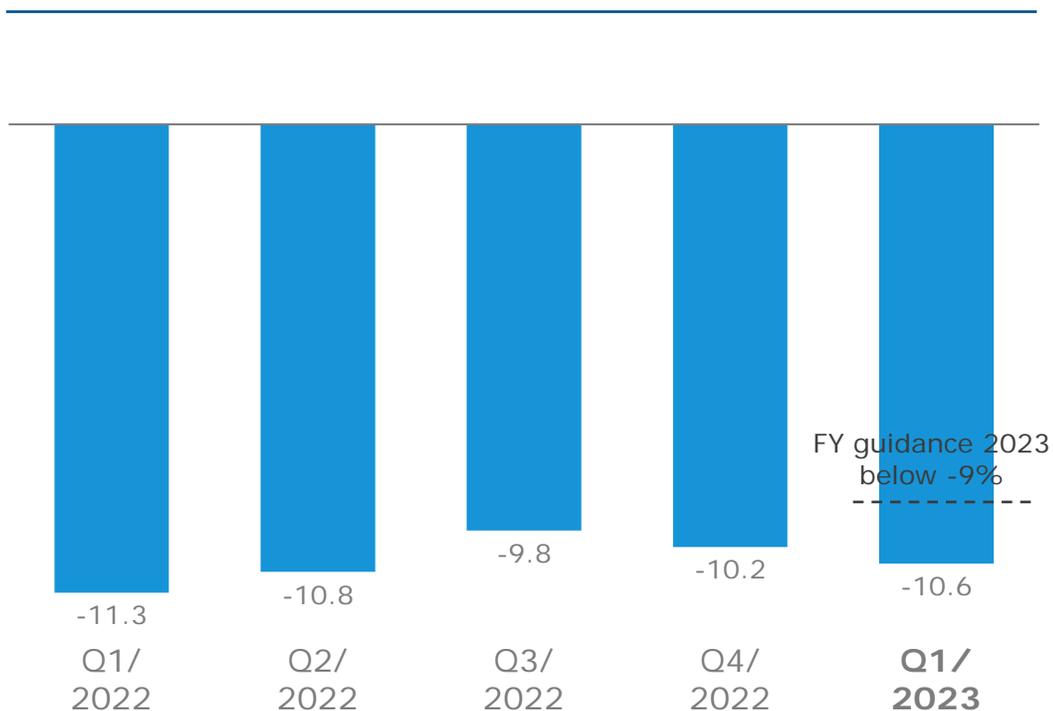
| in EUR m<br>(rounded figures)       | 31.03.23      | 31.12.22      | abs. change | Δ in %      |
|-------------------------------------|---------------|---------------|-------------|-------------|
| Non-current assets                  | 1,788         | 1,795         | -8          | -0.4        |
| Current assets                      | 2,758         | 2,961         | -203        | -6.9        |
| <b>Total assets</b>                 | <b>4,546</b>  | <b>4,757</b>  | <b>-211</b> | <b>-4.4</b> |
| Equity                              | 680           | 878           | -198        | -22.6       |
| Non-current liabilities             | 413           | 452           | -39         | -8.7        |
| Current liabilities                 | 3,453         | 3,427         | 27          | 0.8         |
| <b>Equity and total liabilities</b> | <b>4,546</b>  | <b>4,757</b>  | <b>-211</b> | <b>-4.4</b> |
| <i>Net cash*</i>                    | <b>104</b>    | <b>244</b>    |             |             |
| <i>Working capital ratio**</i>      | <b>-10.6%</b> | <b>-10.2%</b> |             |             |
| <i>Equity ratio</i>                 | <b>15.0%</b>  | <b>18.5%</b>  |             |             |

### Comments

- > Solid liquidity levels of around EUR 600m at the end of Q1/2023
- > The issuance of the EUR 333m convertible bond in April further strengthens the liquidity profile of the company

# > Working capital development Q1/2023

Working capital ratio (in % of sales)\*



Working capital development (in EUR m)\*



- > Working capital ratio remains at a very strong level in Q1/2023 despite operational challenges

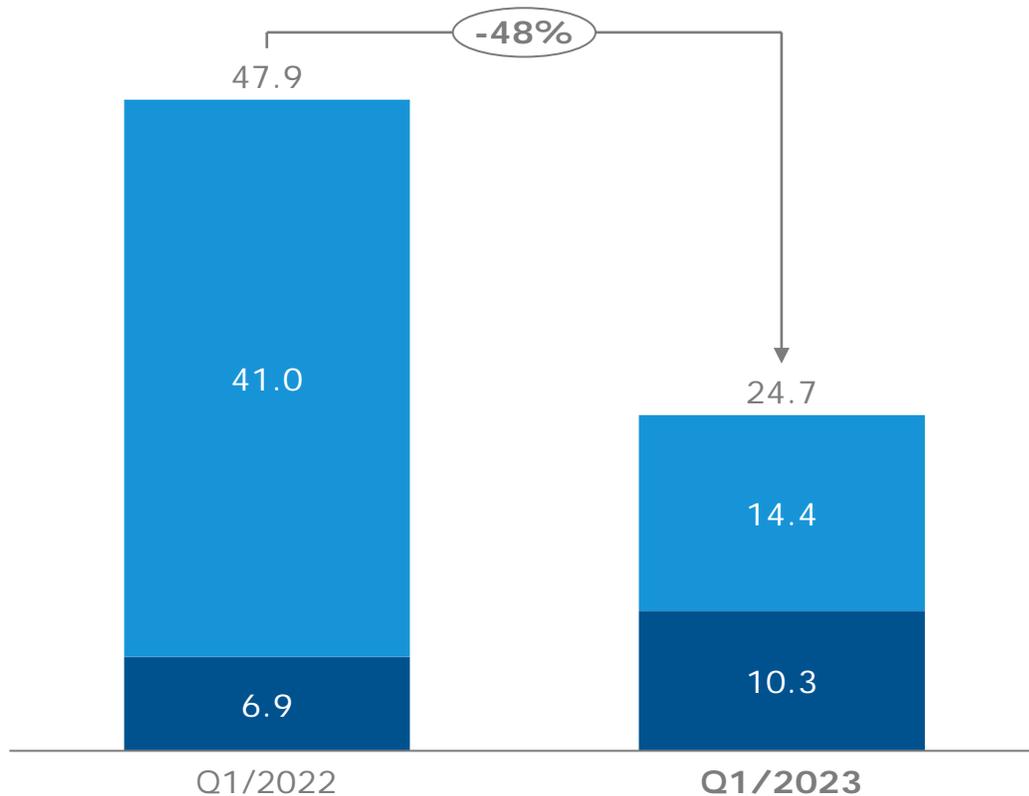
## > Cash flow statement Q1/2023

| in EUR m   | Q1/2023       | Q1/2022       | Comments   |
|--|---------------|---------------|--|
| Cash flow from operating activities before net working capital | <b>-132.6</b> | <b>-103.8</b> | <ul style="list-style-type: none"> <li>&gt; Cash flow from operating activities impacted by softer margin levels in Q1, partially offset by tight working capital management</li> </ul>                                    |
| Cash flow from changes in working capital                      | <b>57.0</b>   | <b>22.9</b>   |  |
| Cash flow from operating activities                            | <b>-75.6</b>  | <b>-80.9</b>  |  |
| Cash flow from investing activities                            | <b>-39.2</b>  | <b>-32.6</b>  | <ul style="list-style-type: none"> <li>&gt; Cash flow from investing activities reflects expected investments in Q1/2023</li> </ul>  |
| Free cash flow   | <b>-114.8</b> | <b>-113.5</b> | <ul style="list-style-type: none"> <li>&gt; Cash flow from financing activities mainly determined by cash drawdowns under the MGF; corporate bond of EUR 275m has been repaid by a shareholder loan in February</li> </ul> |
| Cash flow from financing activities                            | <b>2.5</b>    | <b>2.1</b>    |  |
| Change in cash and cash equivalents*                           | <b>-112.3</b> | <b>-111.5</b> |  |

## > Total investments in Q1/2023

### CAPEX (in EUR m)

- Property, plant, equipment
- Intangible assets

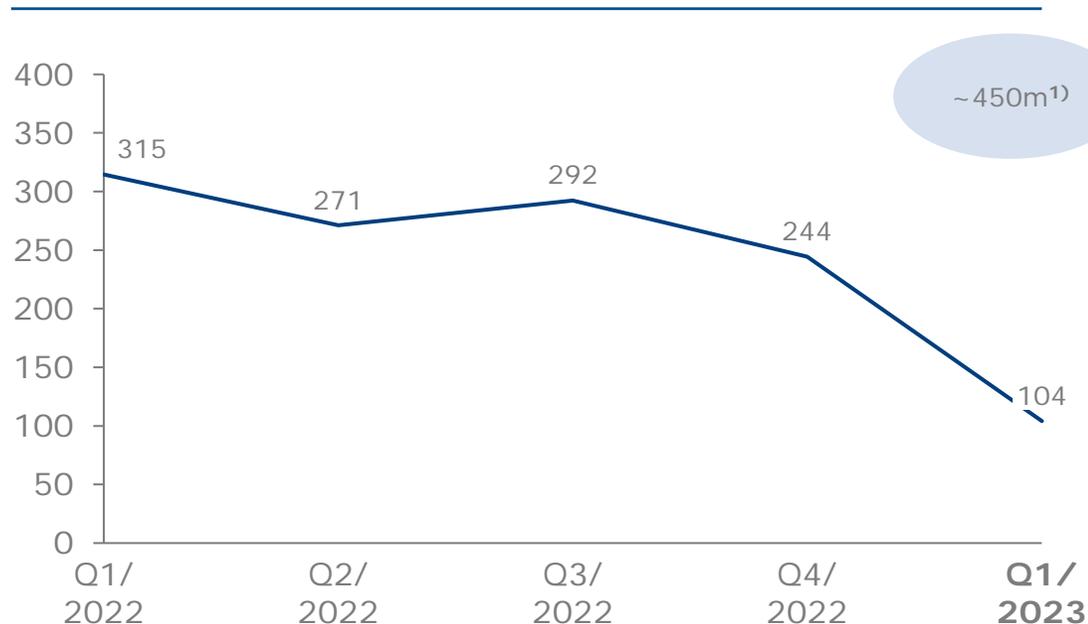


### Comments

- > Investments in Q1/2023 mainly comprises:
  - Investments in the expansion of blade and nacelle production facilities, moulds and tooling
  - Investments in installation and transport tooling and equipment for projects

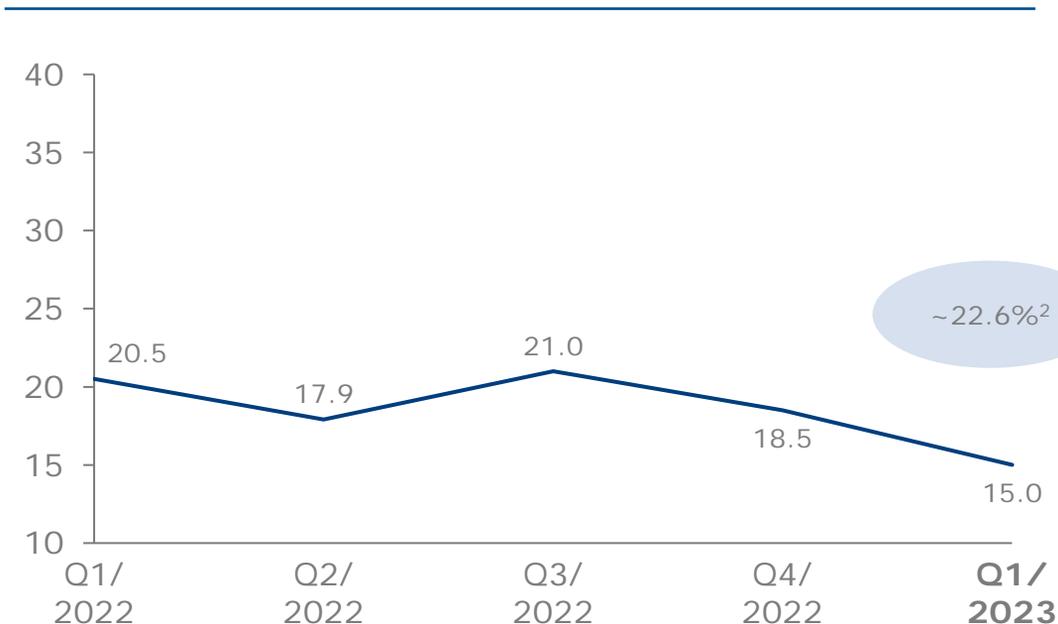
## ➤ Capital structure Q1/2023

### (Net debt) / net cash\*



- Net cash levels remains healthy despite soft Q1/2023
- Issuance of convertible bond further strengthens the cash levels of the company

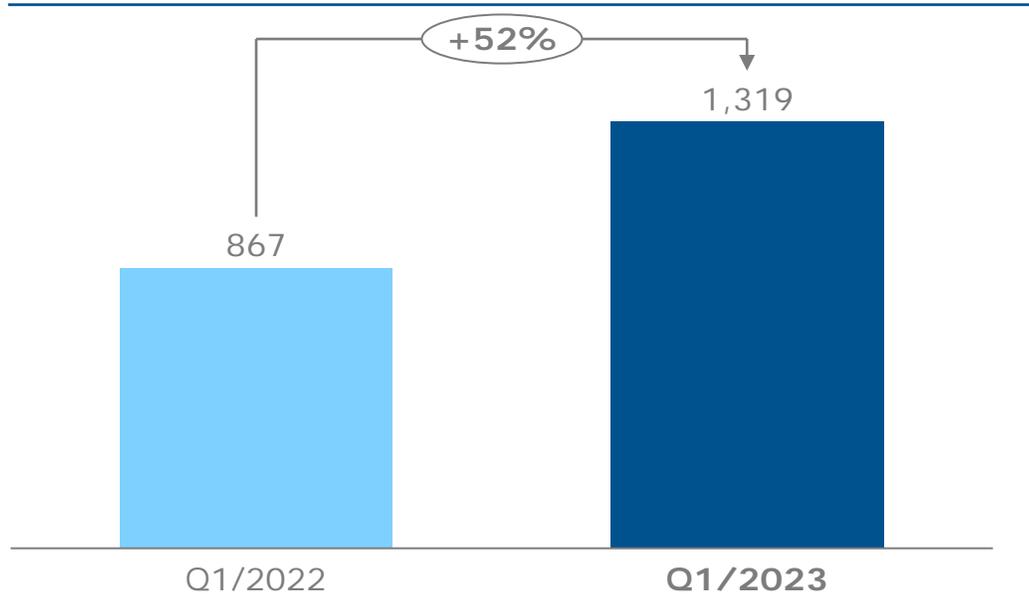
### Equity ratio (in %)



- Equity ratio expected to increase post completion of the debt-to-equity swap

# > Operational performance Q1/2023

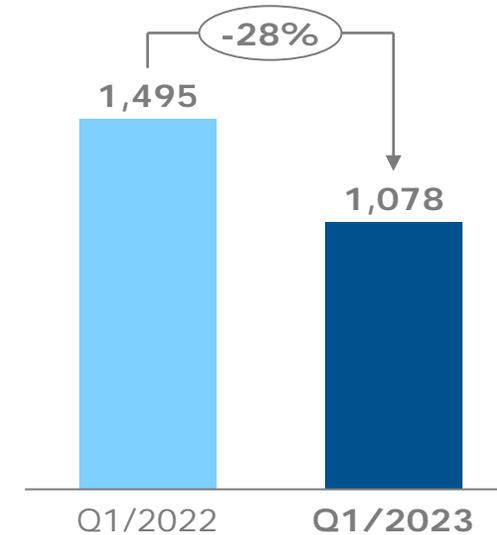
## Installations (MW)



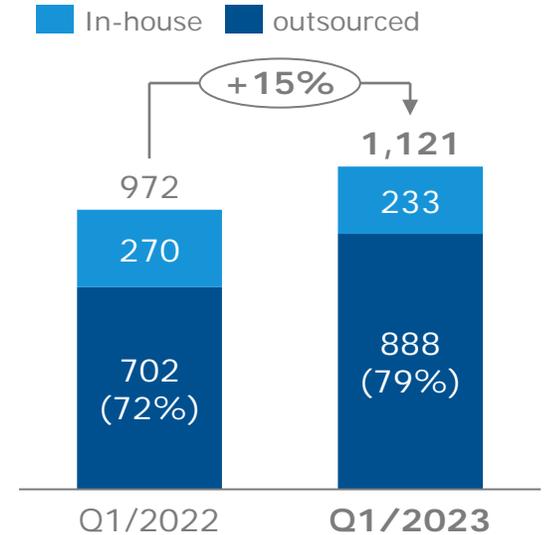
- > Total installations of 276 WTGs in 19 countries in Q1/2023 (197 WTGs in the previous year quarter)
- > Installations of 1,319 MW in Q1/2023; run rate substantially improved, but still lower than required to catch up for delays in 2022
- > Geographical split (MW) in Q1/2023: 54% Europe, 25% Latin America, 14% North America and 7% RoW

## Production

### Turbine assembly (MW)



### Total blade production (#)



- > Output turbines amounted to 217 units in Q1/2023: 131 GER, 56 BRA, 28 IND, 1 ESP and 1 CHN
- > Inhouse blade production of 233 units in Q1/2023: 146 IND and 87 ESP

## > Guidance for FY 2023

|                        | Q1/2023    | 2023 guidance    |
|------------------------|------------|------------------|
| Sales:                 | EUR 1,217m | EUR 5.6 - 6.1bn  |
| EBITDA margin:         | -9.4%      | -2% to +3%       |
| Working capital ratio: | -10.6%     | below -9%        |
| CAPEX:                 | ~25m       | approx. EUR 200m |



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

 Time for your questions



## Key takeaways

- 1 Macro environment improving, but near-term headwinds remain in the form of inflation, higher interest rates and supply chain reliability.
- 2 Order intake and pipeline continues to be healthy with improving margin profile on a more stable cost base.
- 3 Q1/2023 performance soft as expected with sequential improvement in the margins expected over the coming quarters.
- 4 Latest capital measures will further strengthen the financial flexibility of Nordex and protect against short term volatilities.
- 5 Guidance for 2023 confirmed and mid-term strategic target remains in place subject to a stabilized macroeconomic environment.

 Thank you for your attention



## Contact details

### IF YOU HAVE ANY QUESTIONS PLEASE CONTACT:

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