



Nordex Group

Nordex SE – Half-year financial figures 2020

13th August 2020

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> Agenda H1/2020

Executive summary

José Luis Blanco

Markets and orders

Patxi Landa

Financials

Christoph Burkhard

Operations and technology

José Luis Blanco

Q&As

All

Key takeaways

José Luis Blanco

Executive summary

H1/2020 RESULTS

Sales
EUR 2,048m

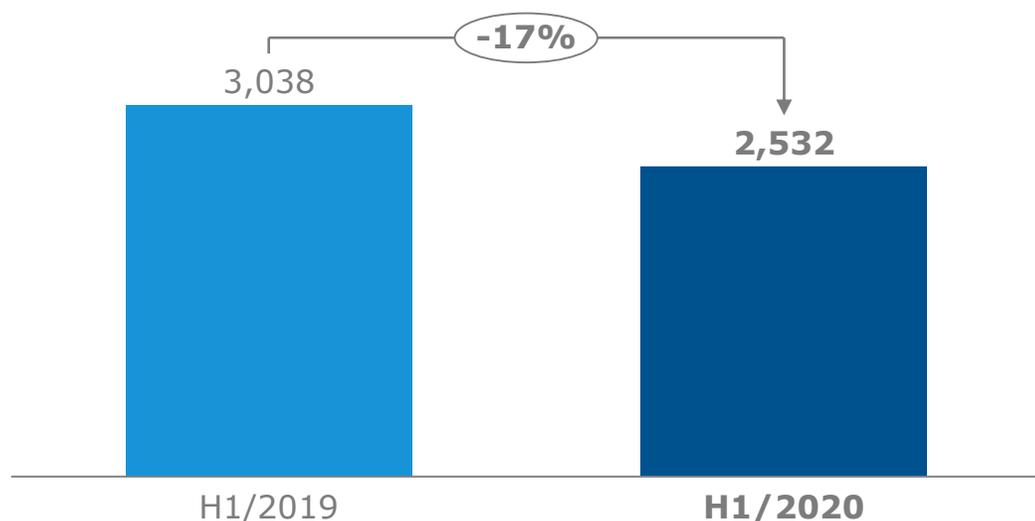
EBITDA margin
-3.5%

Working capital ratio
-7.1%

- › State-guaranteed revolving credit facility of EUR 350m closed on August 6th protecting Nordex Group against the effects and remaining uncertainties caused by the Covid-19 pandemic.
- › In the context of the new facility, the refinancing of the promissory notes (Schuldscheindarlehen) of EUR 215m due in April 2021 has already been secured.
- › Potential sale of Nordex European project development pipeline to RWE for EUR 403m with closing expected in Q4/2020.
- › Successful refinancing of multi-currency guarantee facility of EUR 1.21bn already completed in April 2020.
- › Order intake with a volume of 2,532 MW in H1/2020 dominated by latest turbine generation Delta4000 attributable to around 79% of the order intake.
- › Strong sales number of EUR 2,048m in H1/2020 due to high activity level despite Covid-19.
- › Results in H1/2020 influenced by extraordinary costs due to Covid-19 impact.

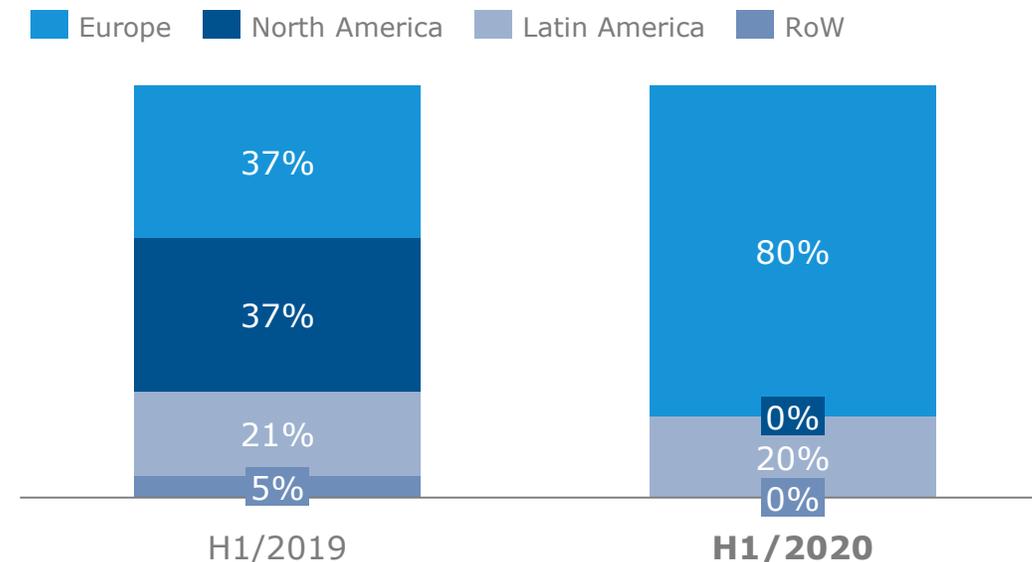
> Order intake H1/2020

Order intake turbine* (in MW)



- > Order intake in H1/2020: EUR 1,806m (EUR 2,112m in previous year period)
- > Stable ASP of EUR 0.71m/MW in first half-year 2020

Order intake turbine* by regions (in %)



- > Largest orders come from Norway, Spain, Great Britain, Chile, Brazil and Turkey in H1/2020
- > Share of latest turbine generation Delta4000 was 65% in Q2/2020 and 79% for the first half-year 2020

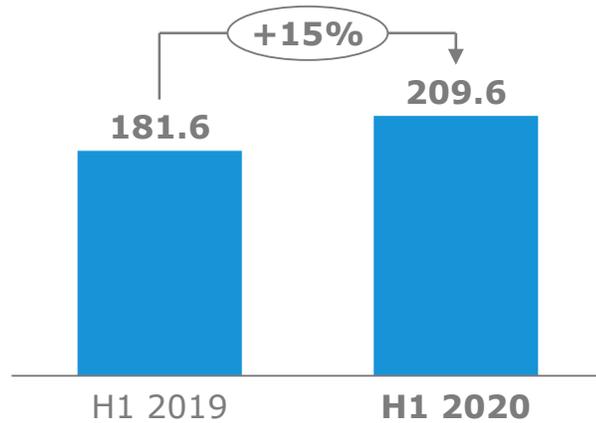
> Growing service business

Development of service revenues (EUR m) and EBIT margin

EBIT margin

17.3%

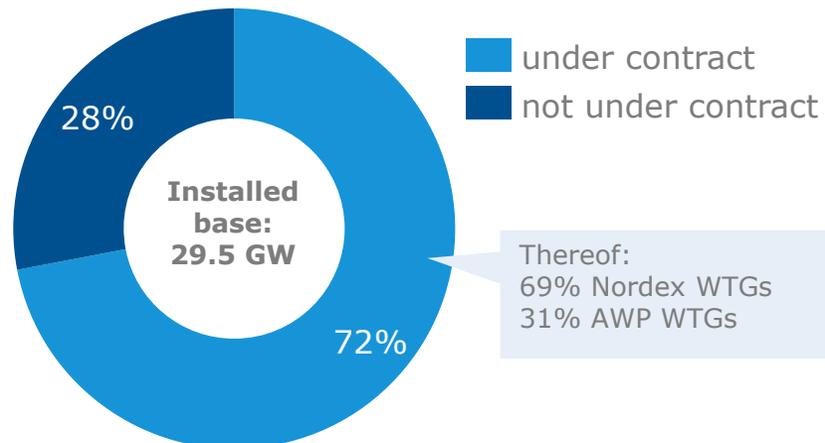
16.7%



Comments

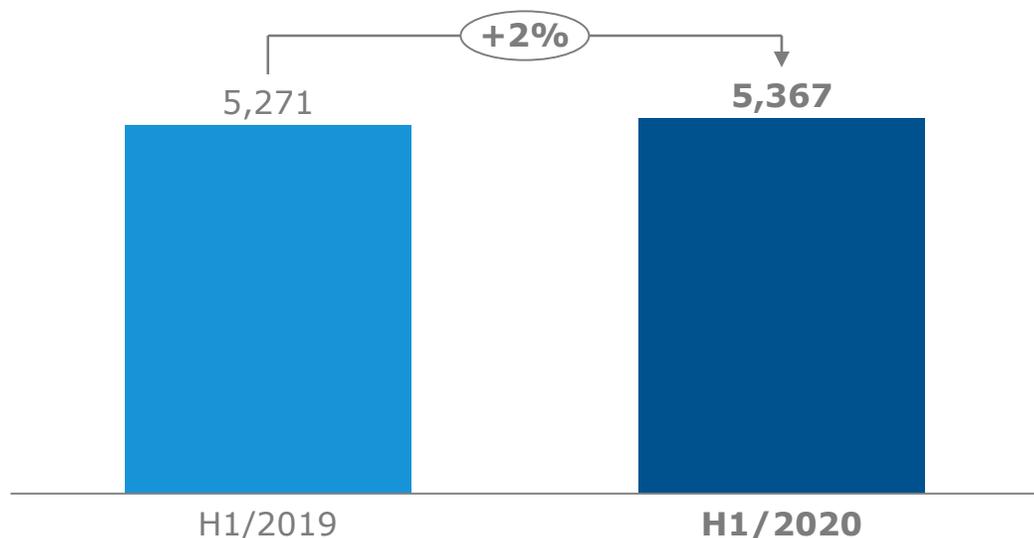
- > Service sales share amounted to 10.2% of group sales in the first half-year 2020
- > Service EBIT margin of 16.7% in the first six months 2020
- > 97.6% average availability of WTGs under service
- > Service order backlog stands at over EUR 2.7bn at the end of Q2/2020

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



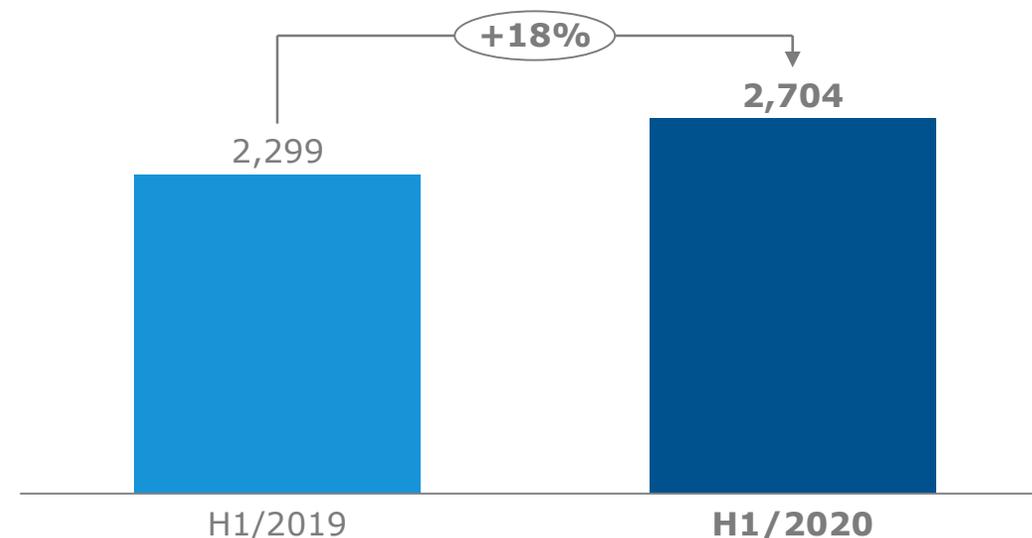
> Combined order backlog of over EUR 8bn at the end of H1/2020

Order backlog turbines (EUR m)



- > Order backlog of EUR 5,367m at the end of Q2/2020 reflects high order intake over the last quarters
- > Well balanced geographical footprint on Nordex focus markets: Europe (64%), Latin America (17%), North America (11%), Rest of World (8%)

Order backlog service (EUR m)



- > 8,257 wind turbines under service corresponding to 21.3 GW at the end of Q2/2020

> Comprehensive financing structure successfully closed

Details	Revolving credit facility (RCF)	Participating Lenders	Recent financing activities
Amount:	350m EUR		<ul style="list-style-type: none"> > Three-year extension of EUR 1.21bn multi-currency guarantee facility (MGF) was closed on April 9th > RCF of EUR 350m backed by German State guarantee covering 90% was closed on August 6th > RCF provided by a consortium of nine lenders was significantly oversubscribed > Refinancing of promissory notes (Schuldscheindarlehen) of EUR 215m due in April 2021 has been secured in the context of the state-guaranteed RCF > MGF and RCF contain an ESG component and fit seamlessly into the company`s sustainable financing structure
Duration:	30th April 2022		
Number of banks:	9		
Purpose:	<ul style="list-style-type: none"> • General corporate purposes • Cash drawings 		
Security:	<ul style="list-style-type: none"> • Unsecured • Pari-passu 		
ESG rating provider:	ISS ESG		
ESG company rating:	B		
			

> Income statement H1/2020

in EUR m	H1/2020	H1/2019	abs. change
Sales	2,047.9	990.8	1,057.1
Total revenues	1,990.0	1,603.6	386.4
Cost of materials	-1,702.3	-1,300.8	-401.5
Gross profit	287.6	302.8	-15.2
Personnel costs	-203.2	-172.9	-30.3
Other operating (expenses)/income	-155.2	-112.8	-42.4
EBITDA	-70.8	17.1	-87.9
Depreciation/amortization	-75.6	-67.3	-8.3
EBIT	-146.4	-50.2	-96.2
Net profit	-180.0	-55.4	-124.6
Gross margin*	14.0%	30.6%	
EBITDA margin	-3.5%	1.7%	
EBIT margin w/o PPA	-6.5%	-3.8%	

Comments

- > Strong sales of EUR 2,048m in the first six months 2020
- > EBITDA margin of -3.5% reflects Covid-19 impact
- > Covid-19 mainly lead to major production stops and site interruptions causing significant cost increases
- > FY impact of Covid-19 cannot be assessed at this point in time

> Balance sheet H1/2020

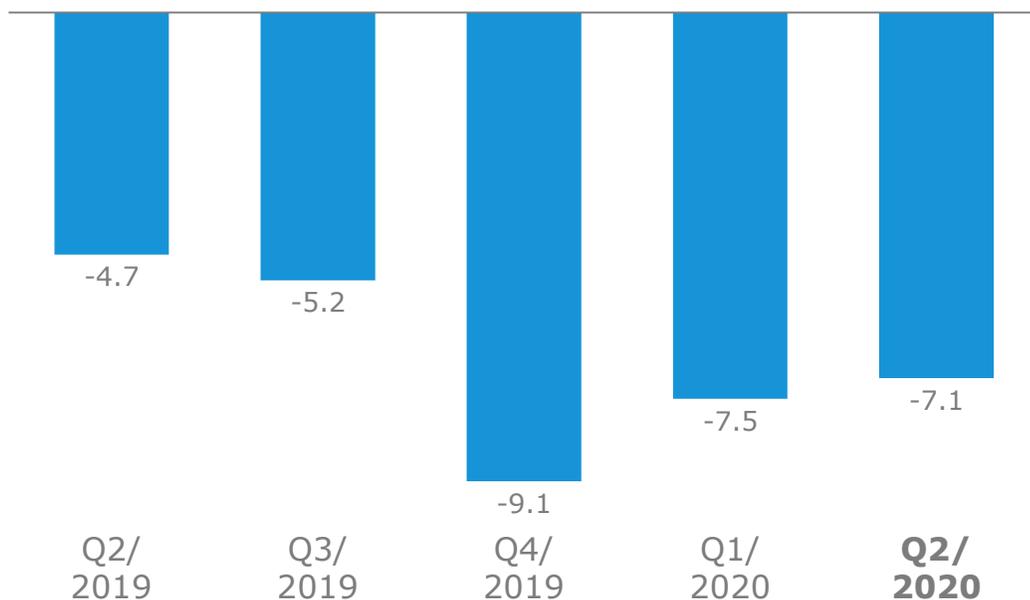
in EUR m	30.06.20	31.12.19	abs. change	Δ in %
Non-current assets	1,457.5	1,488.9	-31.4	-2.1
Current assets	2,566.0	2,513.8	52.2	2.1
Total assets	4,023.5	4,002.7	20.8	0.5
Equity	554.9	745.4	-190.5	-25.6
Non-current liabilities	640.1	914.2	-274.1	-30.0
Current liabilities	2,828.5	2,343.2	485.3	20.7
Equity and total liabilities	4,023.5	4,002.7	20.8	0.5
<i>Net debt*</i>	<i>-241.4</i>	<i>-84.0</i>		
<i>Working capital ratio**</i>	<i>-7.1%</i>	<i>-9.1%</i>		
<i>Equity ratio</i>	<i>13.8%</i>	<i>18.6%</i>		

Comments

- > Cash position of EUR 334m at the end of H1/2020 (EUR 396m H1/2019) reflecting successful Covid-19 mitigation management
- > The shifts between non-current and current liabilities largely relate to the reclassification of the promissory note (SSD) of EUR 215m due in 04/2021
- > The refinancing of EUR 215m promissory notes due in April 2021 has already been secured in the context of the state-guaranteed RCF

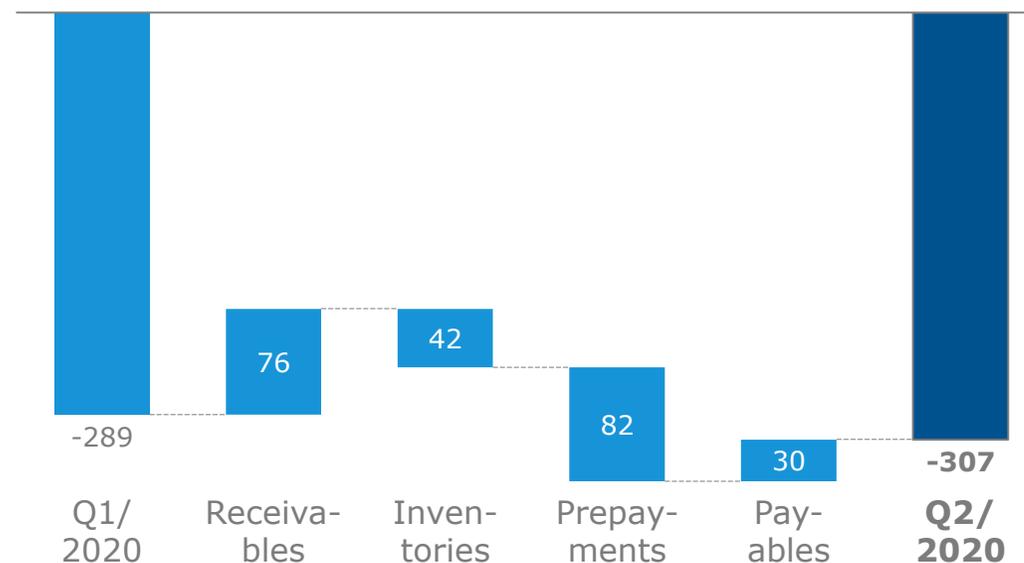
> Working capital development H1/2020

Working capital ratio (in % of sales)*



- > Absolute working capital in Q2/2020 improved compared to the end of previous quarter
- > Working capital ratio increased due to higher sales

Working capital development (in EUR m)*



- > Working capital remains stable compared to YE 2019 reflecting success of short-term Covid-19 mitigation actions

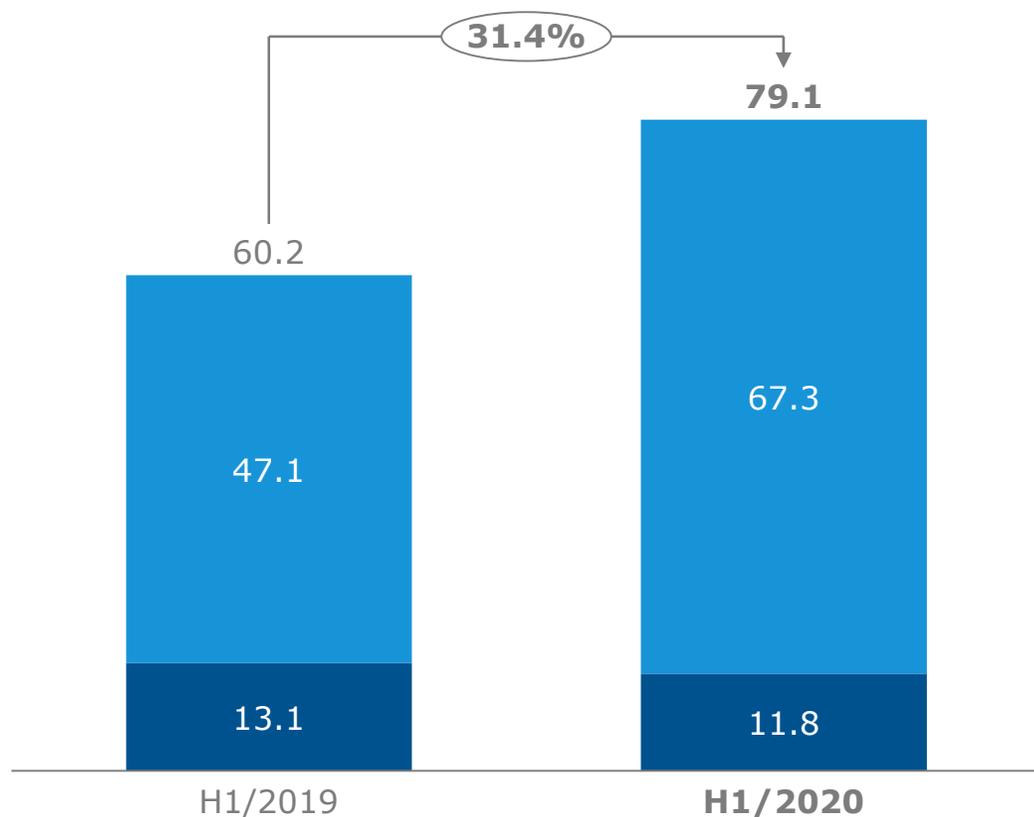
> Cash flow statement H1/2020

in EUR m	H1/2020	H1/2019	Comments
Cash flow from operating activities before net working capital	-74.2	-123.7	<ul style="list-style-type: none"> > Cash flow from operating activities reflecting the negative net result partly compensated by cash inflows from VAT phasing effects
Cash flow from changes in working capital	6.2	23.1	
Cash flow from operating activities	-68.0	-100.6	
Cash flow from investing activities	-69.0	-60.7	<ul style="list-style-type: none"> > Cash flow from investing activities reflects further expansion of supply chain management
Free cash flow	-137.1	-161.3	<ul style="list-style-type: none"> > Cash flow from financing activities primarily driven by repayment of EIB and other short-term loans
Cash flow from financing activities	-24.1	-50.6	
Change in cash and cash equivalents	-161.1	-211.9	

> Total investments in H1/2020

CAPEX (in EUR m)

- Property, plant, equipment
- Intangible assets

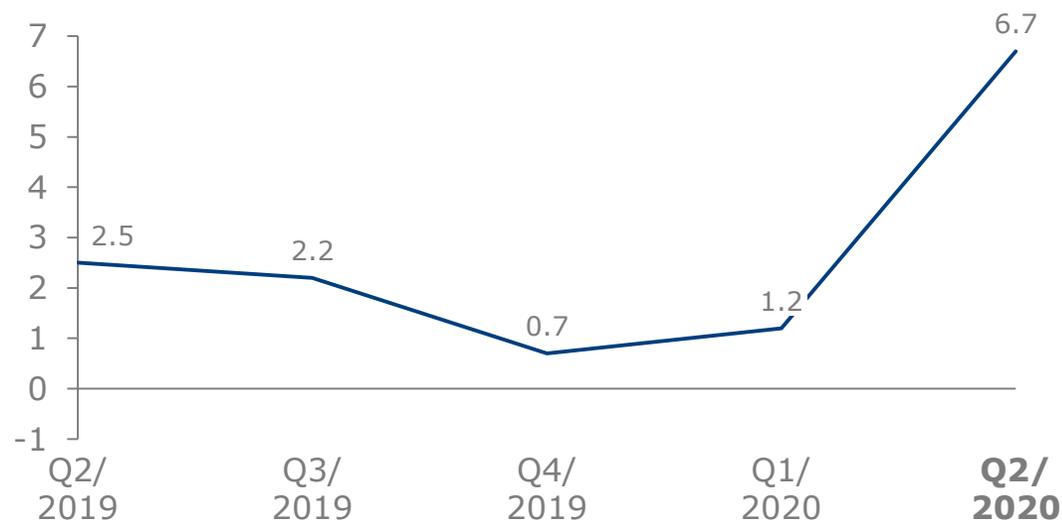


Comments

- > Investments in H1/2020 primarily comprise:
 - Investments in blade production facilities in Mexico and India
 - Investments in tooling and equipment for international projects
 - Investments in product development
- > Slight decrease in intangible assets due to lower level of development costs compared to previous year period

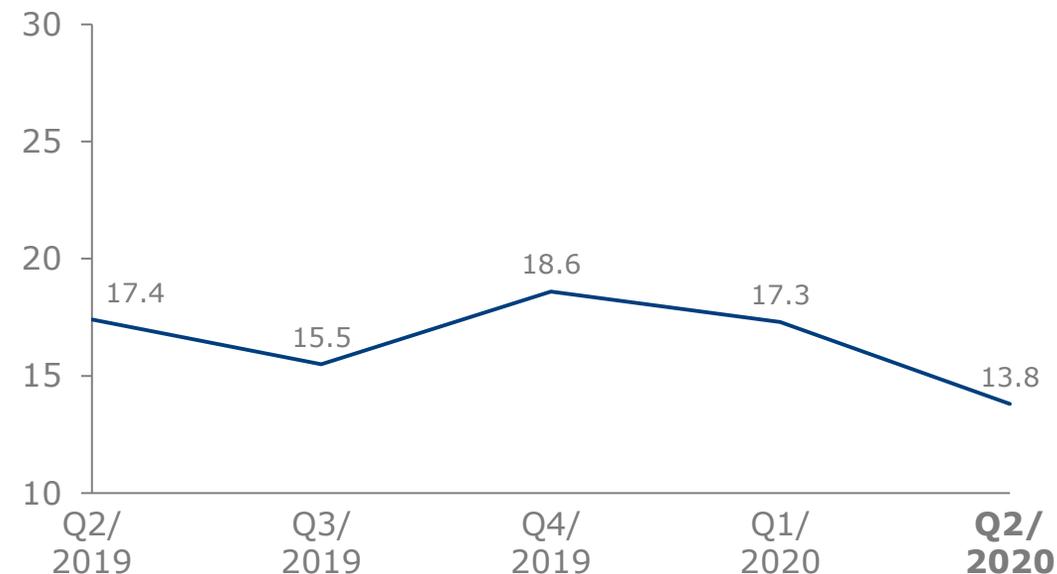
> Capital structure H1/2020

Net debt*/EBITDA**



- > Due to low EBITDA and decreased cash level compared to Q1/2020 both impacted by Covid-19 the leverage ratio increased

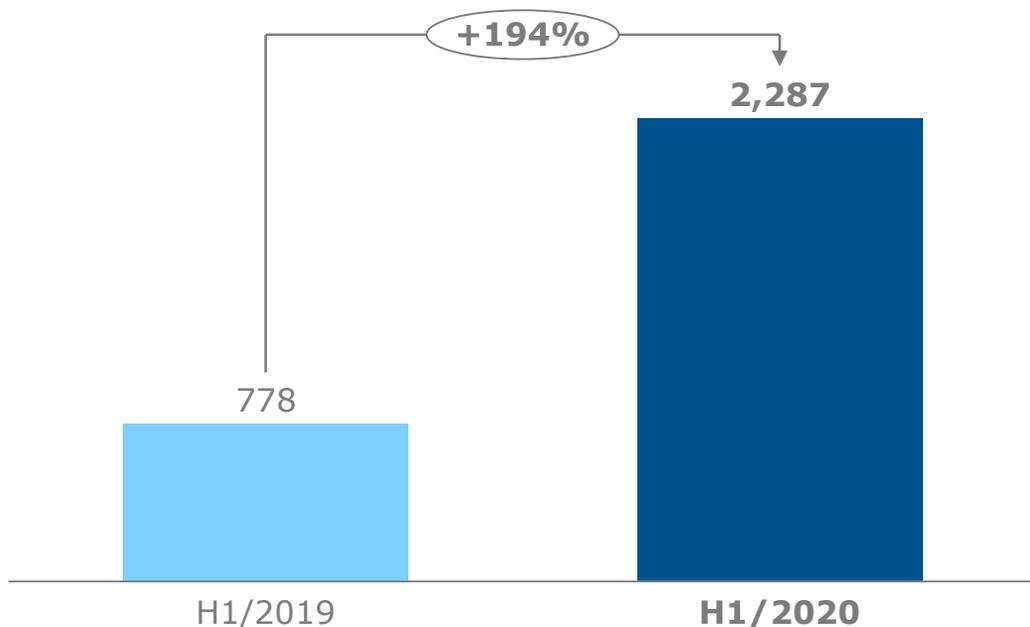
Equity ratio (in %)



- > Equity ratio decreased in Q2/2020 due to negative net result

> Operations H1/2020

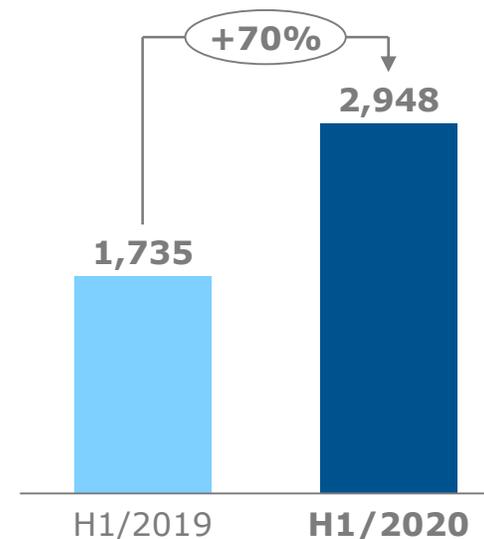
Installations (MW)



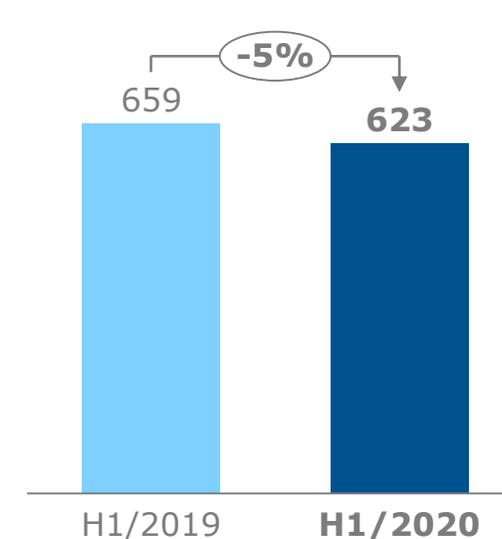
- > Total installations of 662 WTGs in 21 countries in H1/2020 (H1/2019: 242 WTGs)
- > Geographical split: 45% Europe, 17% Latin America, 32% North America and 6% Rest of World

Production

Turbine assembly (MW)



Inhouse blade production (#)



- > Output turbines of 787 units in H1/2020: 392 GER, 247 ESP, 96 IND, 42 BRA and 10 ARG
- > Inhouse blade production of 623 units in H1/2020: 351 GER, 142 IND, 123 MEX and 7 ESP
- > Outsourced blade production of 1,215 units in the first half-year 2020

 **Time for your questions**

Questions

Answers

Key takeaways

Order momentum expected to remain strong in H2/2020 with continuously high share of new turbine generation Delta4000.

Covid-19 impact on further business performance in FY 2020 cannot finally be assessed at this point in time.

Comprehensive financing structure in place in order to protect the company against the effects and remaining uncertainties caused by Covid-19 pandemic.

Potential sale of 2.7 GW project development pipeline to RWE will strengthen Nordex capital structure and support growth trajectory.

 Thank you for your attention



 **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