



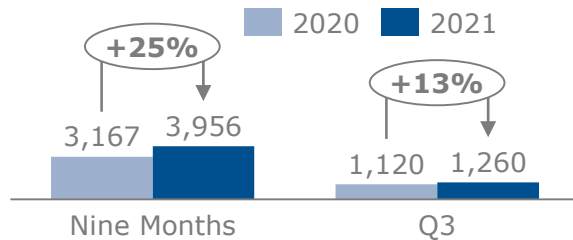
Nordex Group

## **Nordex SE – Prelim figures 9M/2021 and revised guidance 2021**

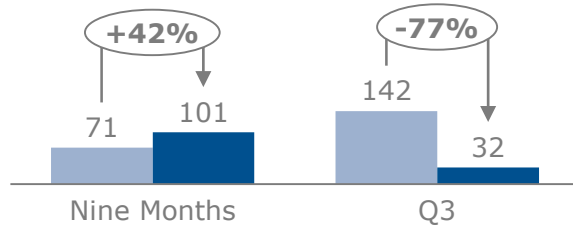
9 November 2021

# > Update on preliminary 9M/2021 performance

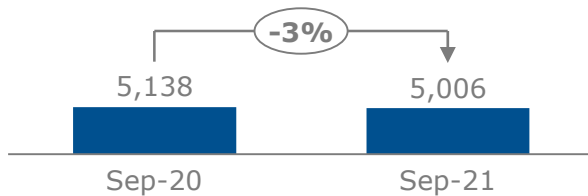
## Sales (€mn)



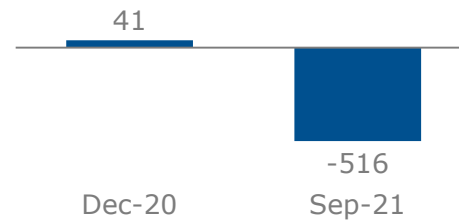
## EBITDA (€mn)\*



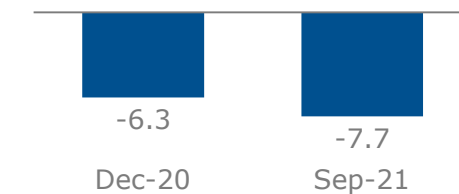
## Order book (€mn)



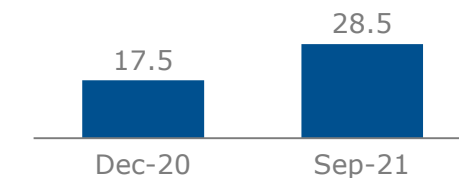
## Net Debt (€mn)



## Working capital (%)



## Equity ratio (%)



## Comments

- > **Strong balance sheet** with
  - > **€871mn cash** on the back of rights issue and positive free cash flow in the quarter
  - > Negative 7.7% working capital level – on track
  - > Much stronger equity ratio
  
- > **Growth in sales** supported by continued strong execution despite ongoing supply chain disruptions
  
- > 9M/2021 EBITDA margin at 2.5%
  
- > **Stable turbine order book**, thanks to continued positive order intake momentum

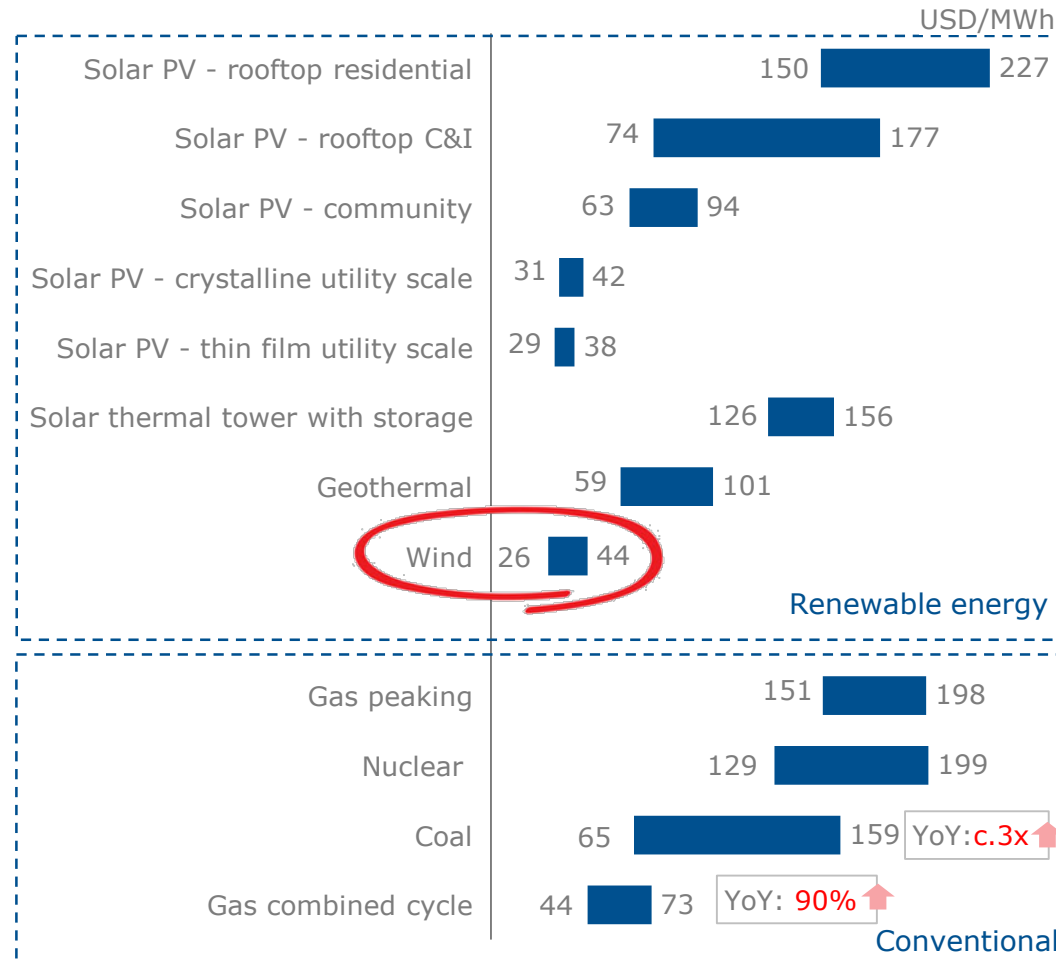
\*Q3/2020 includes profits from sale of European project development business to RWE

# > Long-term drivers for wind are only getting stronger

## Green energy targets<sup>1</sup>

- > Accelerating policy momentum across the globe:
  - > The **EU** increased 2030 emission reduction target to 55% and aims for **net zero by 2050**
  - > The **US** plans to reduce emissions to half the level of 2005 by 2030 and aims for a **carbon-free power sector by 2035**
  - > **China** adopted a **net zero target by 2060**
- > Wind and solar PV comprised ONLY 10% of total electricity generation in 2020 - **drastic additions needed** to meet targets
- > Growing demand for **green hydrogen** could turbocharge the outlook for renewables

## Levelized cost of energy (LCOE) – Oct 2020<sup>2</sup>



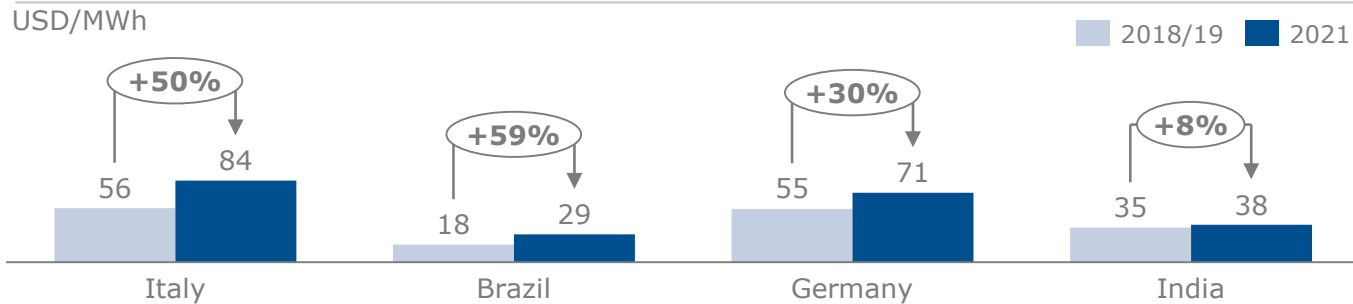
## Takeaways

- > **Huge gap** between current renewable energy penetration vs government targets across the world - A **multi-decade growth cycle** for wind in motion
- > Wind and solar beating conventional sources already, while LCOE increases expected for gas and coal after recent price jump<sup>3</sup>
- > Onshore wind will continue to be competitive even after compensating for recent cost increases

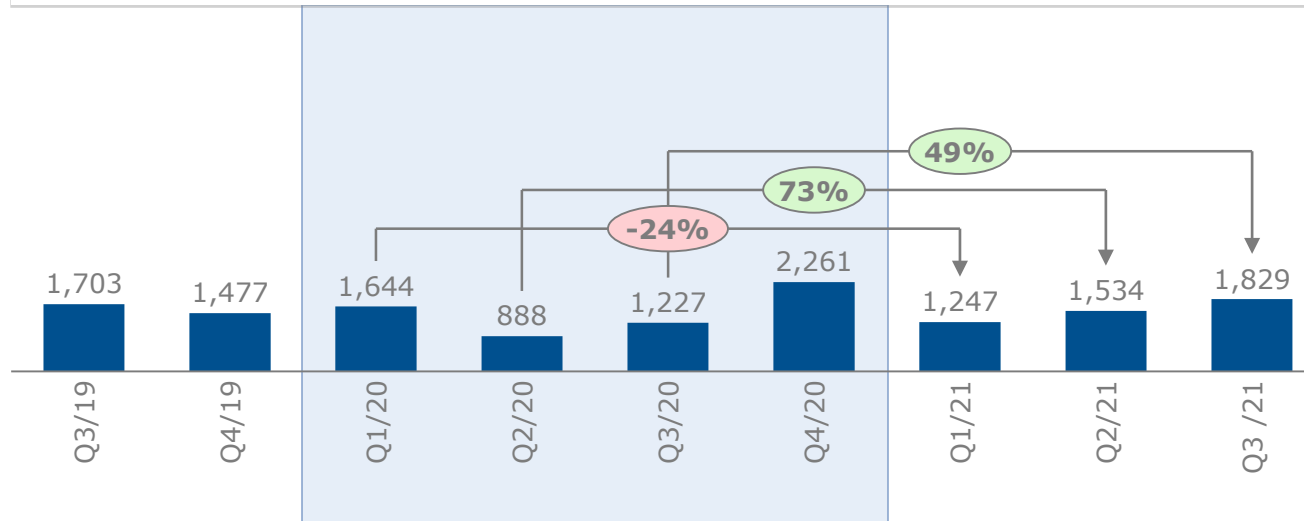
<sup>1</sup>Source: IEA 2021, Net zero by 2050; <sup>2</sup>Source: Lazard's Levelized Cost of Energy Analysis – Version 14.0, October 2020, figures in brackets show increase in input costs between Oct 2020 and 2021 based on data from Bloomberg; <sup>3</sup>IEA 2021, World Energy Outlook 2021

# > Nordex order intake momentum intact within improving pricing environment

## Auction results are increasing from their lows in 2018/19\*



## Nordex order intake (MW)



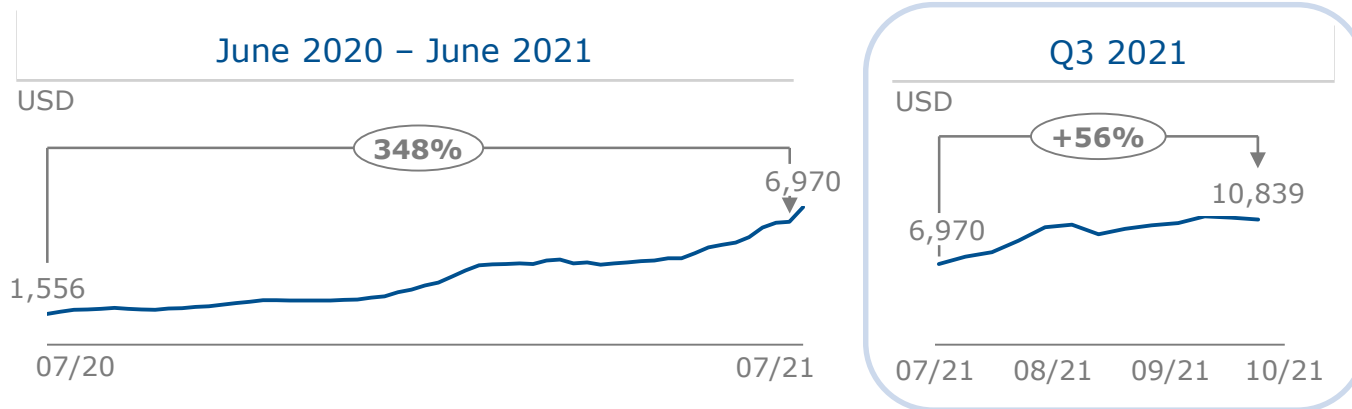
## Comments

- > Power prices improving from lows of 2018/19
- > However turbine prices relatively flat
- > Constructive client feedback on cost pass-through to date
- > Nordex continuing with strong order intake momentum in 2021
- > Better visibility for 2021 and 2022 revenue, supported by strong execution despite external supply chain challenges and shortages
- > **Tightening 2021 sales guidance to the top end at €5.0-5.2bn**

\* BNEF 2021, 3Q 2021 Global Auctions and Tender Results; values indicate lowest average auction price in 2018/19 and highest average auction price in the latest onshore wind auction which has taken place in the respective country

## ➤ However, continued inflationary pressures and headwinds in logistics likely to impact margins in the short term

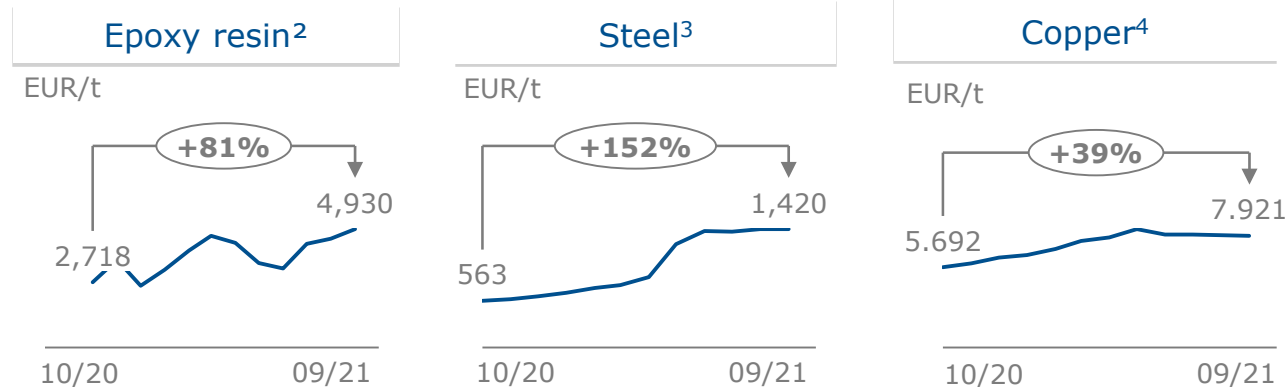
### Global container freight index<sup>1</sup>



### Inflationary pressures

- > Continued and **increasing inflationary pressures in Q3** vs earlier expectations, particularly in the **shipping market**
  - > Higher shipping costs and vessel shortages continue to disrupt supply chains, impact timelines and increase costs
- > Other commodities also volatile, but less so compared to shipping
- > Transitory impact on margins in 2021 and 2022 expected

### Price development for selected commodities (last 12 months)




### Nordex views

- > Cost pass-through possible in the mid-term, but unlikely to be 100% effective in the short term
- > Company programme on track to partially offset the cost pressures
- > **Expected financial impact of c. 2-3% in 2021, mainly due to headwinds in logistics**

<sup>1</sup>Source: Freightos Baltic Index, <https://fbx.freightos.com/>; <sup>2</sup>Epoxy Resin Standard, Liquid (Asia Pacific-low-spot prices "DEL" drums) in EUR/t; <sup>3</sup>Non-alloy structural steel, S355J0 (1.0553), <sup>4</sup>LME (3 Months)

## > 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%	➔	<i>No Change</i>
CAPEX:	approx. EUR 180m	➔	<i>No Change</i>



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

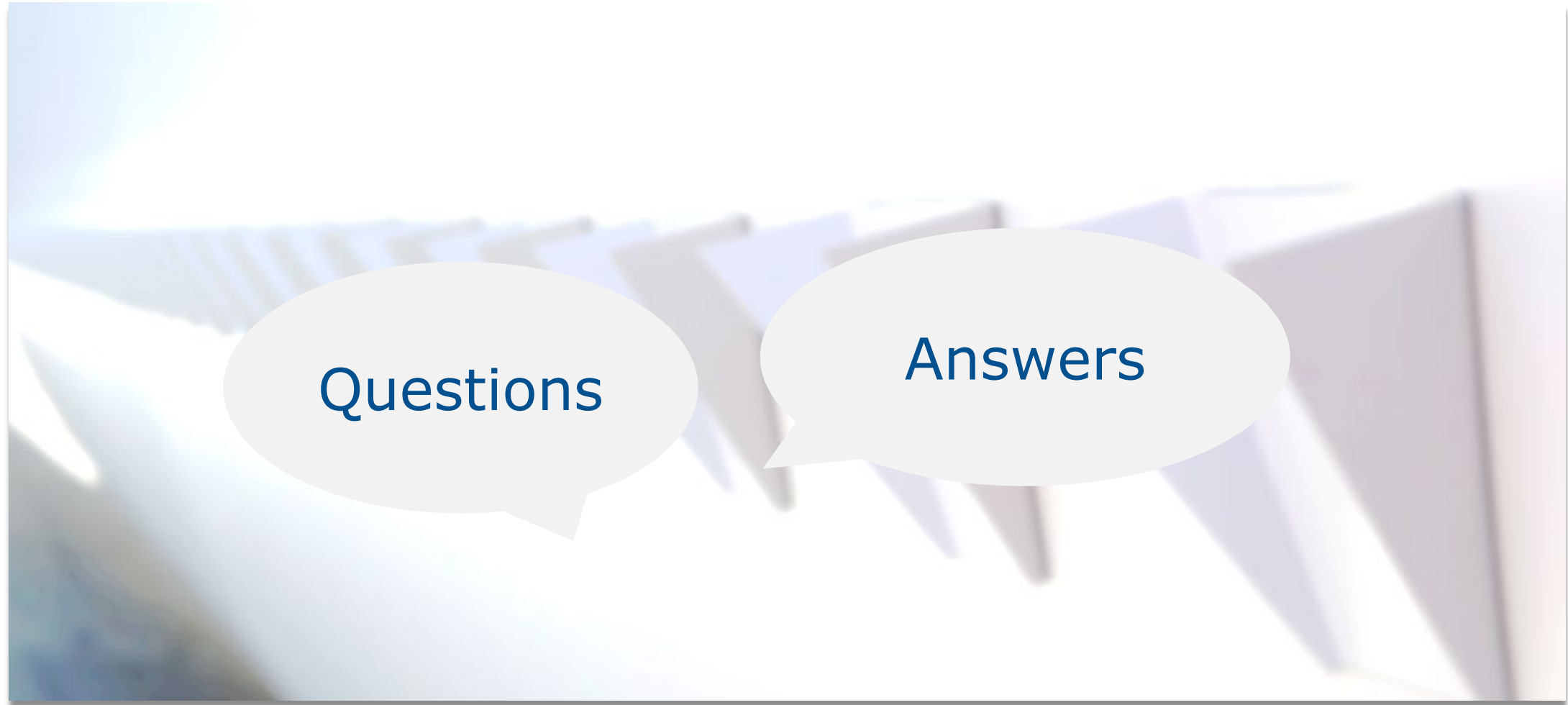
## > Strategic targets

			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

- > 2021 and 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

## > Time for your questions





## Contact details



**IF YOU HAVE ANY QUESTIONS PLEASE  
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