



Nordex Group

Nordex SE – Financial figures H1/2023

27th July 2023

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> Agenda

Introduction

José Luis Blanco

Markets and orders

Patxi Landa

Financials

Dr Ilya Hartmann

Operations and technology

José Luis Blanco

Guidance and Outlook

José Luis Blanco

Q&As

All

Key takeaways

José Luis Blanco

Executive summary H1/2023

H1/2023 RESULTS

Sales
EUR 2,753m

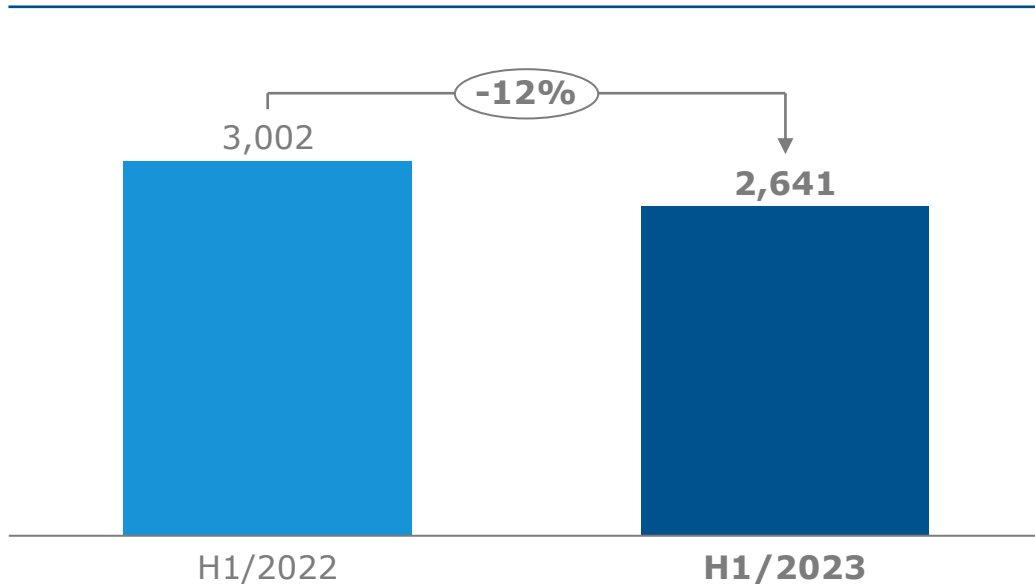
EBITDA margin
-4.2%

Working capital ratio
-9.6%

- > Order intake of over 2.6 GW in H1/2023 (previous year: 3.0 GW) with improved ASP of EUR 0.89m/MW compared to the first-half 2022 (EUR 0.79m/MW).
- > Sales increased to EUR 1,536m in Q2/2023 and reaching EUR 2,753m in H1/2023 (EUR 2,126m in H1/2022).
- > Q2/2023 gross margins further improving sequentially to 12.1% as expected and as impact of delays from last year recede.
- > EBITDA margin significantly improved to breakeven in Q2/2023 compared to -9.4% in the first quarter 2023. As a result, H1/2023 margin improved to -4.2% compared to -8.1% in H1/2022. EBITDA margin is expected to improve further in the second half, as extra project costs start to recede with a higher share of revenues coming from better-quality orders.
- > Working capital stable at -9.6%.
- > Installations of 1,778 MW in Q2/2023.
- > Balance sheet strengthened with the issuance of the EUR 333m convertible bond in April and conversion of the EUR 347m shareholder loans into equity in May 2023.
- > Guidance for FY 2023 maintained.

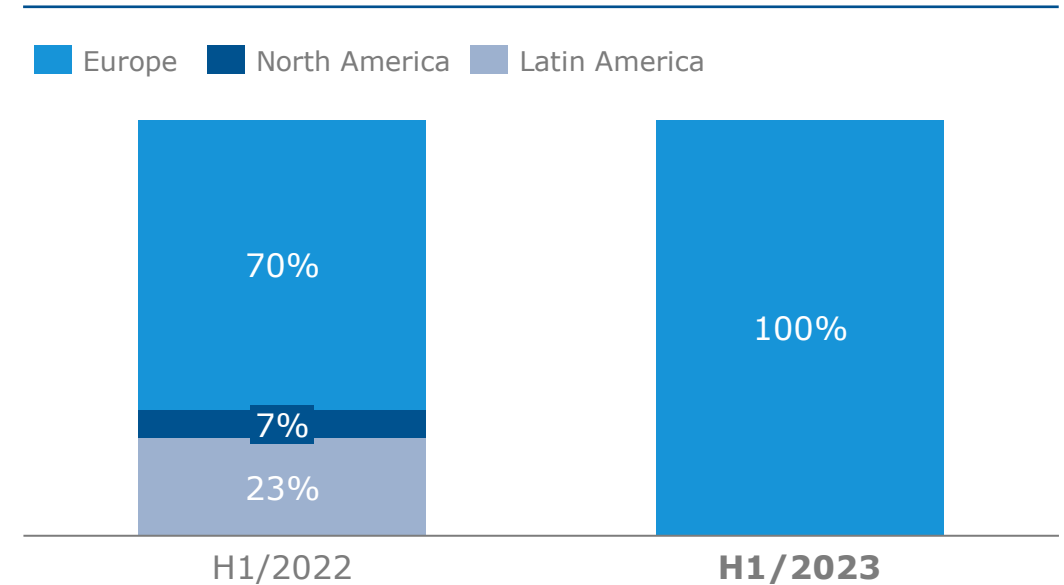
> Order intake H1/2023

Order intake turbine* (in MW)



- > Order intake in H1/2023: EUR 2,354m (EUR 2,357m in the previous year period)
- > Stable ASP** of EUR 0.89m/MW in Q2/2023 in line with the previous quarter
- > ASP in H1/2023 of EUR 0.89m/MW increased compared to EUR 0.79m/MW in H1/2022

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



- > Orders received from 16 different countries in the first half-year 2023
- > Largest individual markets were Germany, Lithuania, Greece and Estonia in H1/2023

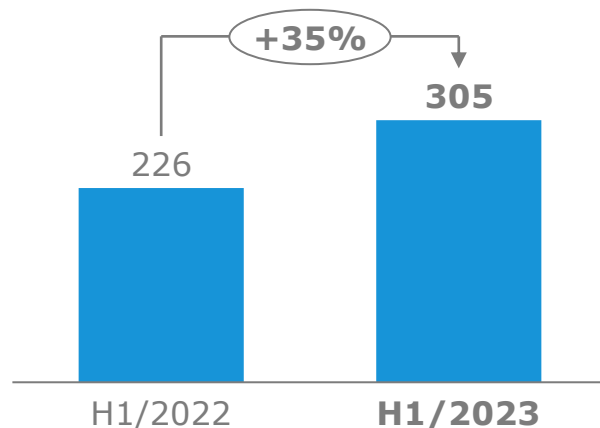
> Service business in H1/2023

Development of service revenues (EUR m) and EBIT margin

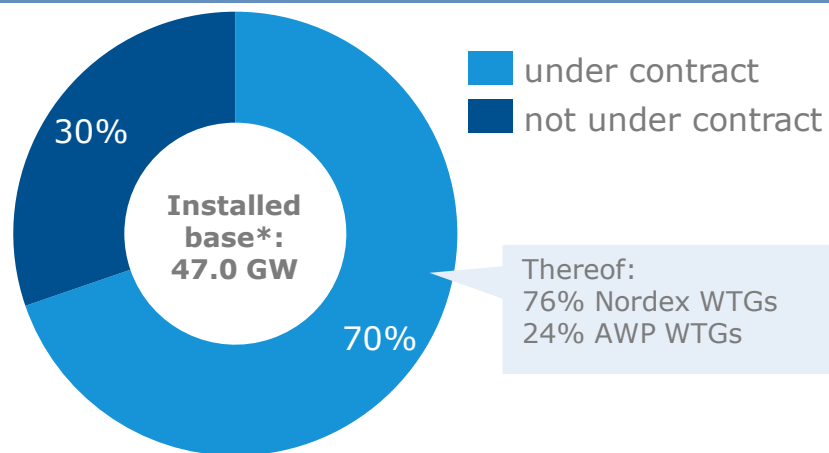
EBIT margin

17.3%

13.2%



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

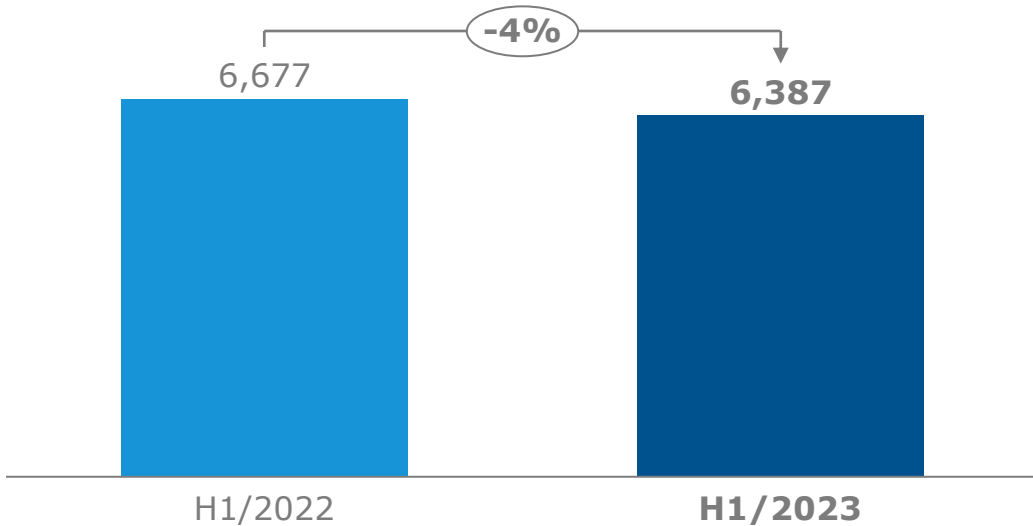


Comments

- > Share of service sales totaled 11% of group sales in the first half-year 2023
- > Service EBIT margin of 13.2% in the first six months 2023, on account of higher than anticipated inflationary pressures on the costs as well as regional mix
- > Service order backlog stands at over EUR 3.4bn at the end of Q2/2023

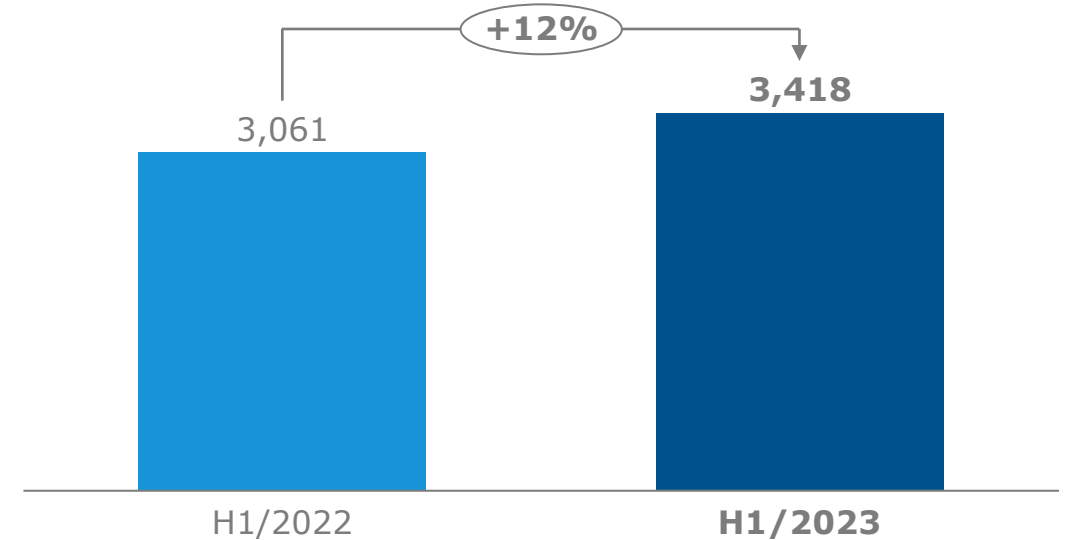
> Combined order book of EUR 9.8bn at the end of H1/2023

Order book turbines (EUR m)



- > Order book of EUR 6.4bn at the end of H1/2023 reflects ongoing order intake momentum
- > Geographical footprint of the order book in H1/2023: Europe (83%), Latin America (14%), North America (2%) and Rest of World (1%)

Order book service (EUR m)



- > 10,956 wind turbines under service agreement corresponding to 32.8 GW at the end of Q2/2023

> Income statement H1/2023

in EUR m (rounded figures)	H1/2023	H1/2022	abs. change
Sales	2,753	2,126	627
Total revenues	2,799	2,220	579
Cost of materials	-2,505	-1,974	-531
Gross profit	293	246	48
Personnel costs	-299	-302	3
Other operating (expenses)/income	-109	-117	8
EBITDA	-114	-173	59
Depreciation/amortization	-93	-88	-5
EBIT	-207	-261	54
Net profit	-299	-283	-16
Gross margin*	10.7%	11.6%	
EBITDA margin	-4.2%	-8.1%	
EBIT margin w/o PPA	-7.4%	-12.2%	

Comments

- > Sales in H1/2023 increased by around 30% compared to the same period last year
- > Gross margins still impacted by LDs from the past delays, although further improving on a sequential basis
- > EBITDA margin in Q2/2023 significantly improved reaching break-even in line with expectations
- > PPA depreciation amounted to EUR 2.5m in H1/2023 (EUR 2.4m in H1/2022)

> Balance sheet H1/2023

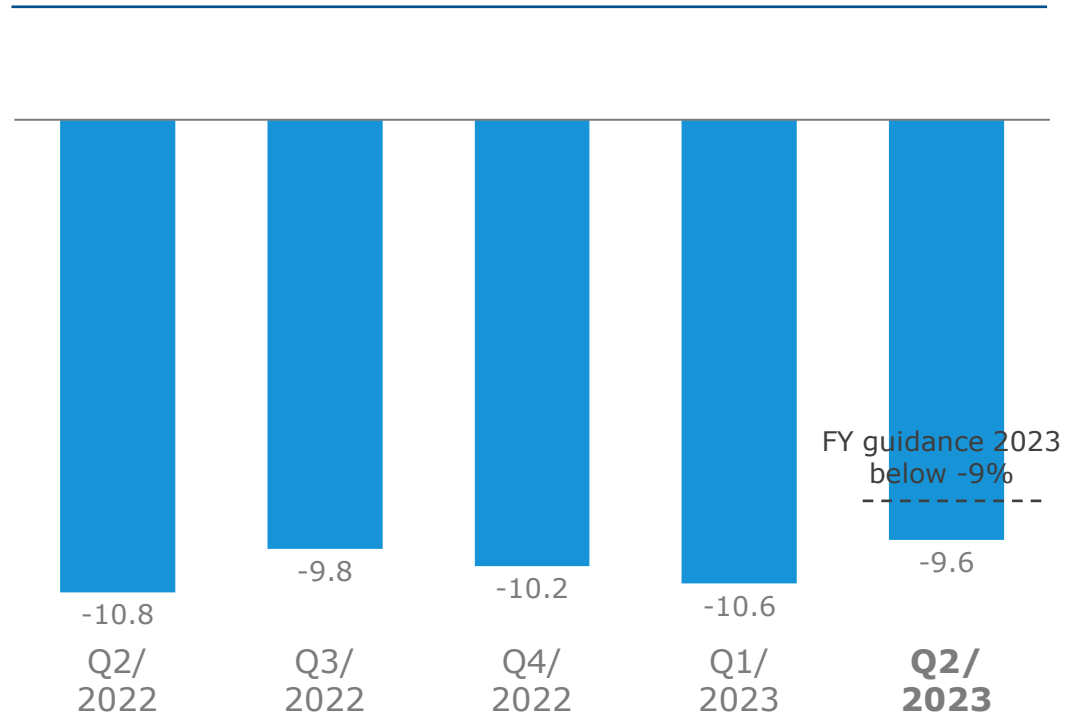
in EUR m (rounded figures)	30.06.23	31.12.22	abs. change	Δ in %
Non-current assets	1,771	1,795	-24	-1.4
Current assets	3,025	2,961	64	2.1
Total assets	4,796	4,757	39	0.8
Equity	992	878	114	13.0
Non-current liabilities	659	452	207	45.7
Current liabilities	3,145	3,427	-282	-8.2
Equity and total liabilities	4,796	4,757	39	0.8
<i>Net cash*</i>	360	244		
<i>Working capital ratio**</i>	-9.6%	-10.2%		
<i>Equity ratio</i>	20.7%	18.5%		

Comments

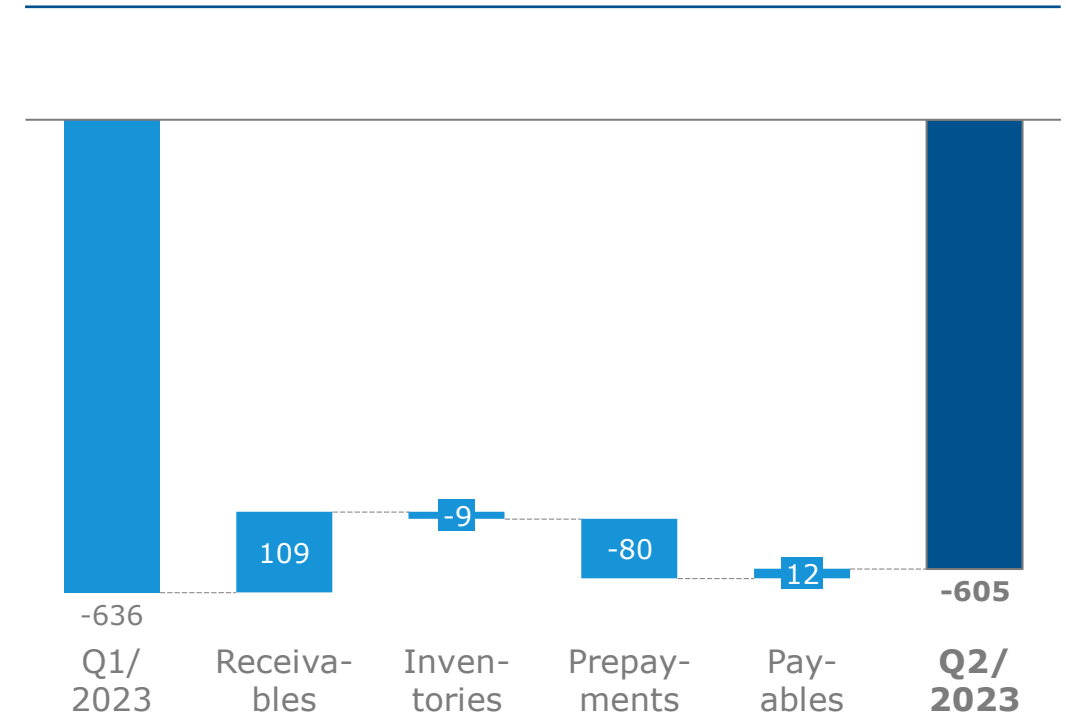
- > Solid liquidity levels of around EUR 741m (incl. RCF) at the end of H1/2023
- > The issuance of the EUR 333m convertible bond in April has further strengthened the liquidity profile of the company

> Working capital development H1/2023

Working capital ratio (in % of sales)*



Working capital development (in EUR m)*



- > Working capital ratio increased slightly compared to Q1/2023 but still in line with guided figure of below -9% for FY 2023

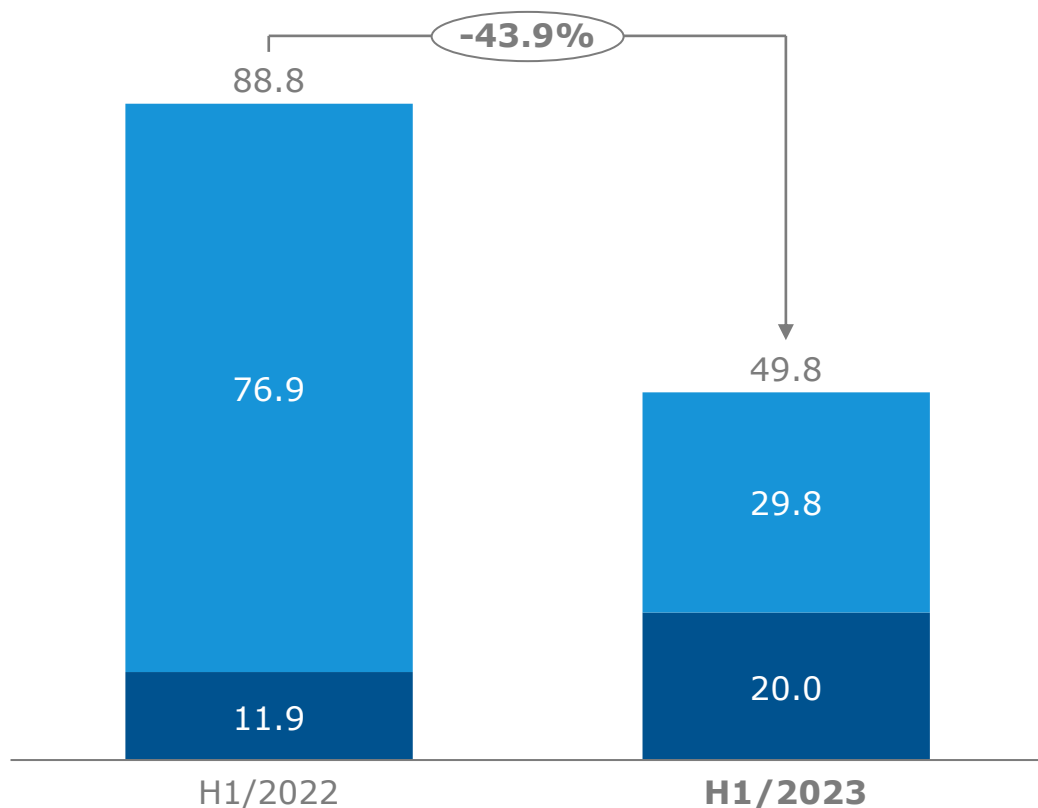
> Cash flow statement H1/2023

in EUR m	H1/2023	H1/2022	Comments
Cash flow from operating activities before net working capital	-243.8	-187.8	> Cash flow from operating activities impacted by softer margin levels
Cash flow from changes in working capital	25.6	-30.3	> Cash flow from investing activities in line with expected investments in H1/2023
Cash flow from operating activities	-218.2	-218.1	> Cash flow from financing activities mainly influenced by inflows from green convertible bond in April
Cash flow from investing activities	-63.4	-68.7	
Free cash flow	-281.6	-286.7	
Cash flow from financing activities	307.6	144.8	
Change in cash and cash equivalents	26.0	-141.9	

> Total investments in H1/2023

CAPEX (in EUR m)

- Property, plant, equipment
- Intangible assets

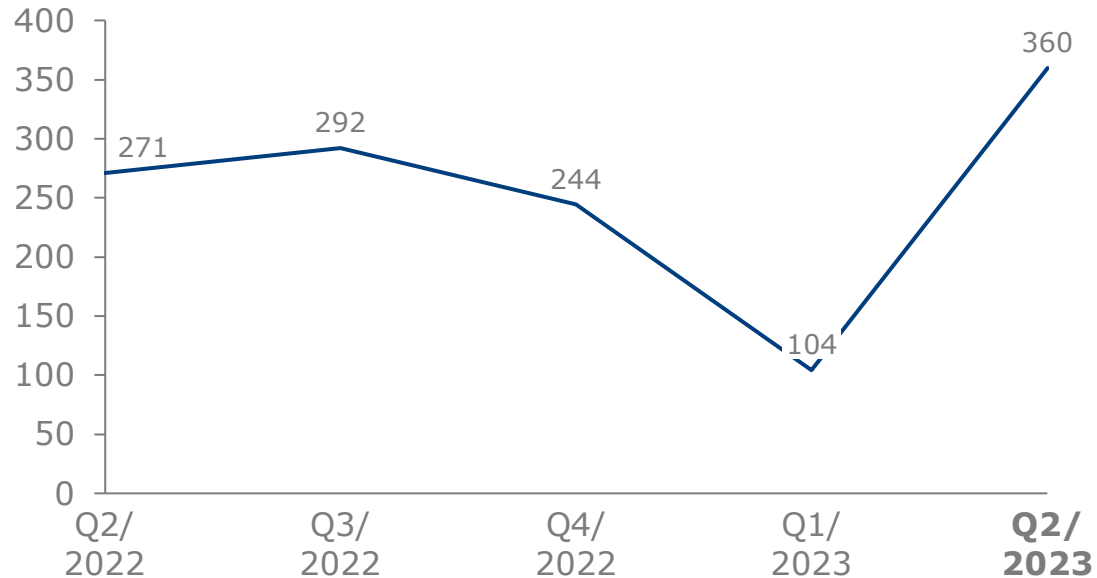


Comments

- > Investments in H1/2023 primarily comprise:
 - Investments in moulds and equipment
 - Investments in transport equipment for blade and tower
- > Intangible assets increased compared with previous year period

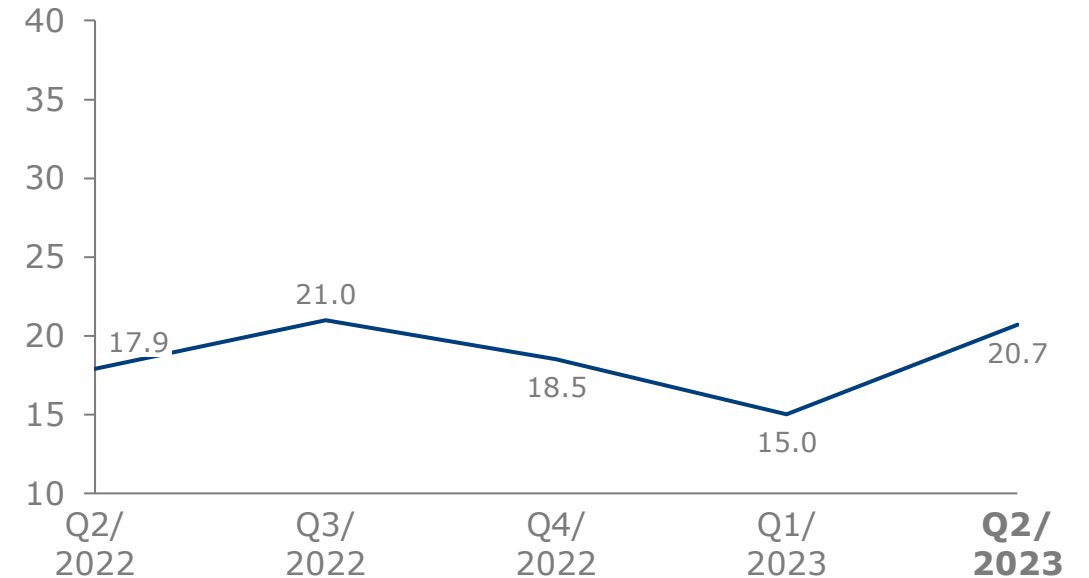
> Capital structure H1/2023

(Net debt) / net cash*



- > Net cash levels increased as expected, due to the issuance of debt-to-equity swap

Equity ratio (in %)

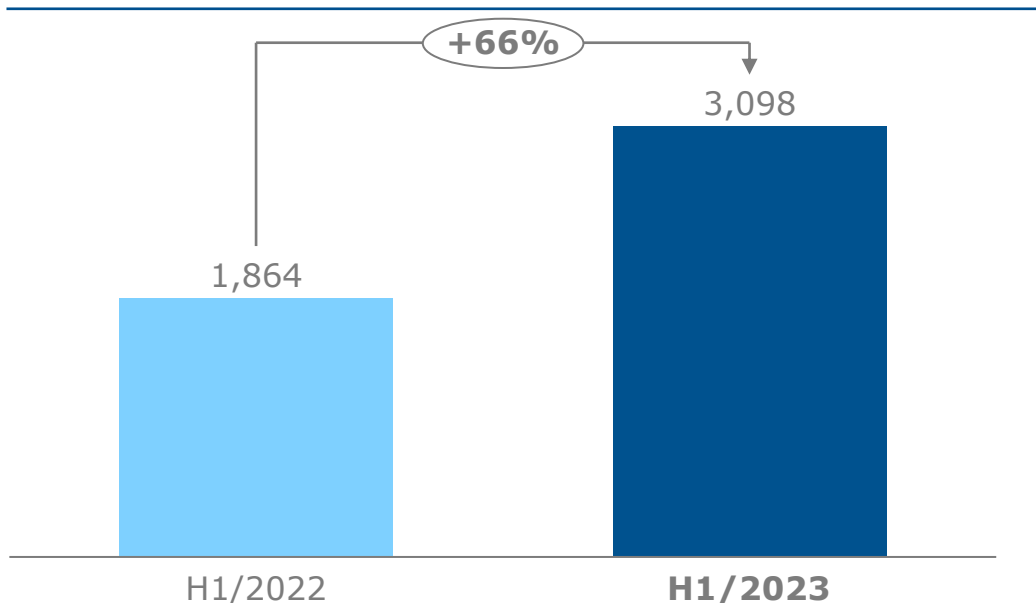


- > Equity ratio increased as expected, post successful completion of the debt-to-equity swap

* Bank borrowings, bond, employee bond and shareholder loan less cash and cash equivalents.

> Operational performance H1/2023

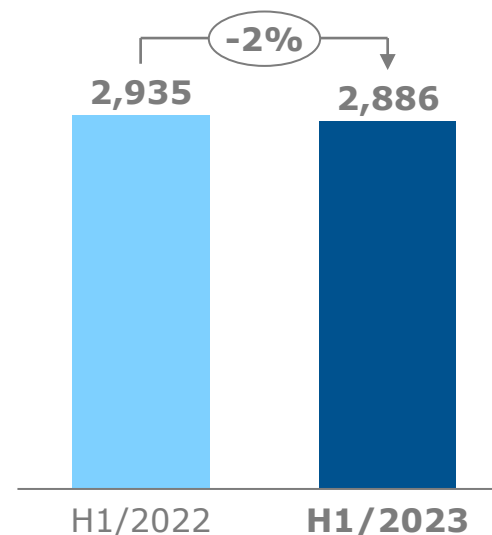
Installations (MW)



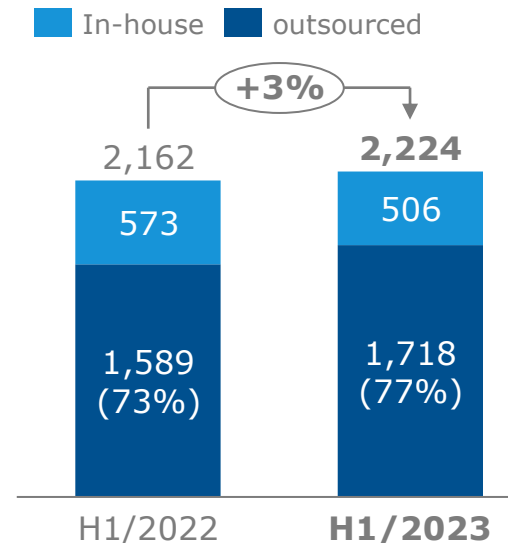
- > Total installations of 356 WTGs in 20 countries in Q2/2023 (219 WTGs in the previous year quarter)
- > Installations of 1,778 MW in Q2/2023; run rate substantially improved compared to Q1/2023
- > Geographical split (MW) in Q2/2023: 64% Europe, 24% Latin America, 5% North America and 7% RoW

Production

Turbine assembly (MW)




Total blade production (#)



- > Output turbines amounted to 340 units in Q2/2023: 188 GER, 51 IND, 34 CHN, 34 ESP and 33 BRA
- > Inhouse blade production of 506 units in H1/2023: 311 IND and 195 ESP

> Guidance for FY 2023

	H1/2023	Guidance FY 2023
Sales:	EUR ~2.8bn	EUR 5.6 - 6.1bn
EBITDA margin:	-4.2%	-2% to +3%
Working capital ratio:	-9.6%	below -9%
CAPEX:	~50m	approx. EUR 200m



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

> Time for your questions



Key takeaways

- 1** Order intake back-end loaded for 2023 with further sequential improvement of margins.
- 2** Development in the second quarter was in line with expectations with a stronger second half compared to the first one.
- 3** Nordex has strengthened its financial position and flexibility with the recent debt-to-equity swap and convertible bond.
- 4** Guidance for 2023 is confirmed and mid-term target remains in place subject to a stabilized macroeconomic environment.

> Thank you for your attention



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