

Nordex Group

Nordex SE – Financial figures 9M/2023

14th November 2023

 **Disclaimer**

- › All financial figures within this presentation are unaudited.
- › This presentation was produced in November 2023 by Nordex SE solely for use as a source of general information regarding the economic circumstances and status of Nordex SE. It does not constitute an offer for the sale of securities or an invitation to buy or otherwise acquire securities in the Federal Republic of Germany or any other jurisdiction. In particular it is not intended to be an offer, an investment recommendation or a solicitation of an offer to anyone in the U.S., Canada, Japan and Australia or any other jurisdiction. This presentation is confidential. Any reproduction or distribution of this presentation, in whole or in part, without Nordex SE's prior written consent is expressly prohibited.
- › This presentation contains certain forward-looking statements relating to the business, financial performance and results of Nordex SE and/or the industry in which Nordex SE operates, these statements are generally identified by using phrases such "aim", "anticipate", "believe", "estimate", "expect", "forecast", "guidance", "intend", "objective", "plan", "predict", "project", and "will be" and similar expressions. Although we believe the expectations reflected in such forward-looking statements are based upon reliable assumptions, they are prepared as up-to-date and are subject to revision in the future. We undertake no responsibility to update any forward-looking statement. There is no assurance that our expectations will be attained or that any deviations may not be material. No representation or warranty can be given that the estimates, opinions or assumptions made in, or referenced by, this presentation will prove to be accurate.

> 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 9M/2023

> 9M/2023 RESULTS

Sales
EUR 4,477m

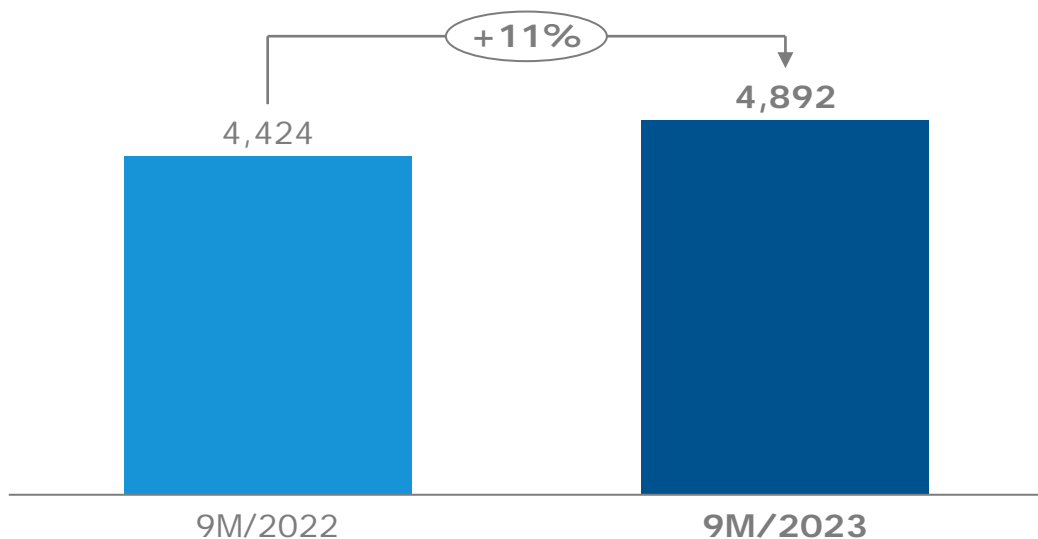
EBITDA margin
-1.5%

Working capital ratio
-10.2%

- > Continued **healthy order intake momentum** of 2.3 GW in Q3/2023 – 58% growth versus 1.4 GW in the previous year quarter. 9M/2023 order intake stands at 4.9 GW (9M/2022: 4.4 GW).
- > **Sales** grew by **16%** to EUR 4.5bn in 9M/2023 in line with increasing installations in Q3 and above previous year`s level of EUR 3.9bn.
- > Q3/2023 **gross margins** further improving sequentially to **18%** as expected and as impact of delays from last year recede.
- > Q3/2023 **EBITDA margin** reached **almost 3%** compared to -1.5% in the same period last year. As a result, 9M/2023 margin improved to -1.5% compared to -5.2% in 9M/2022.
- > Working capital stable at -10.2% at the end of Q3/2023.
- > Installations sequentially improving with 458 turbines installed in Q3/2023 compared to 356 turbines in the previous year period.
- > Guidance for FY 2023 maintained.

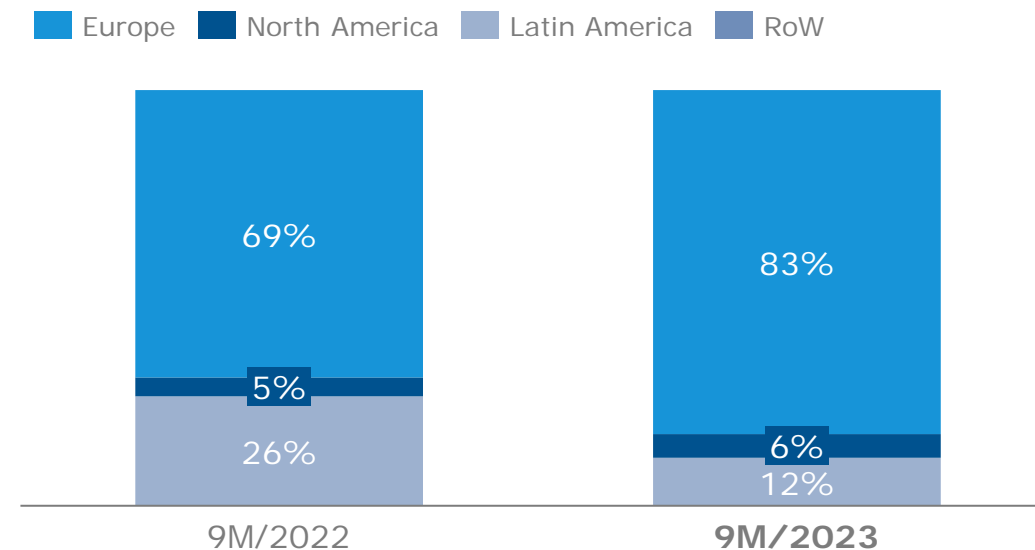
> Order intake 9M/2023

Order intake turbine* (in MW)



- > Order intake in 9M/2023: EUR 4,143m (EUR 3,647m in previous year period)
thereof in Q3/2023: EUR 1,789m (EUR 1,290m in Q3/2022)
- > ASP** increased to EUR 0.85m/MW in 9M/2023 compared to EUR 0.82m/MW in the previous year period

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



- > Orders received from 19 different countries in 9M/2023
- > Largest single markets in Q3/2023: Turkey, Chile, Germany, Canada and Spain

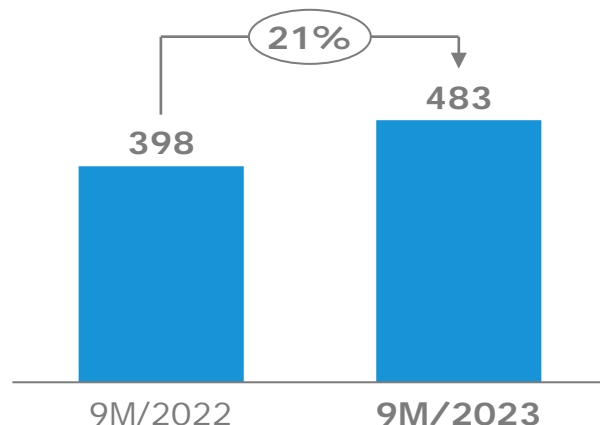
> Service 9M/2023

Development of service revenues (EUR m) and EBIT margin

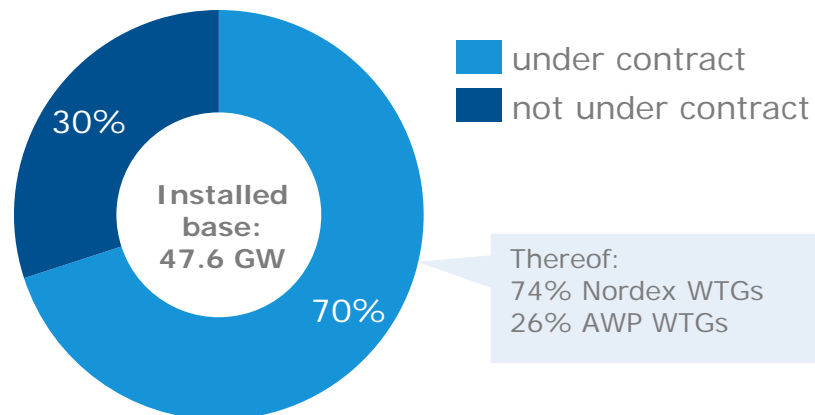
EBIT margin

16.1%

13.9%



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

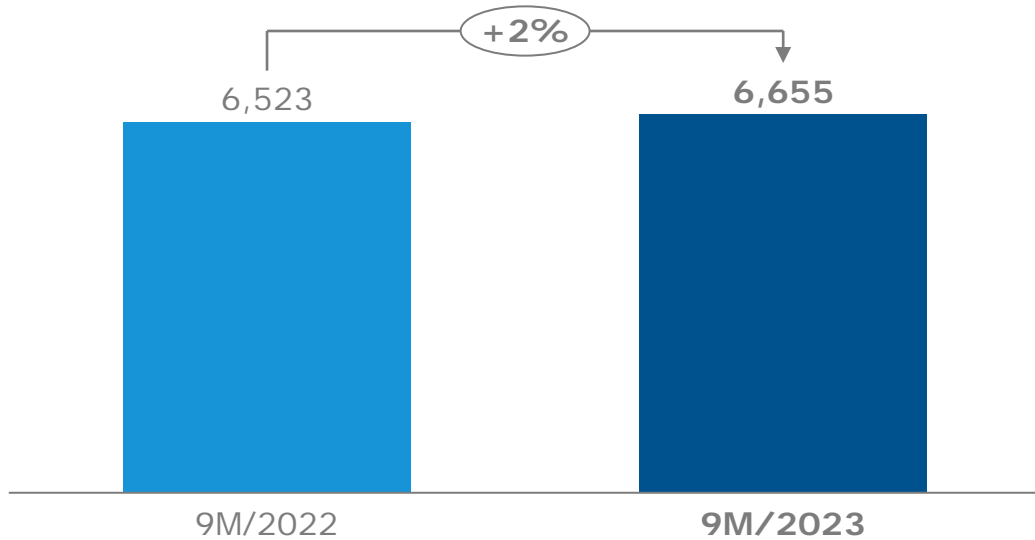


Comments

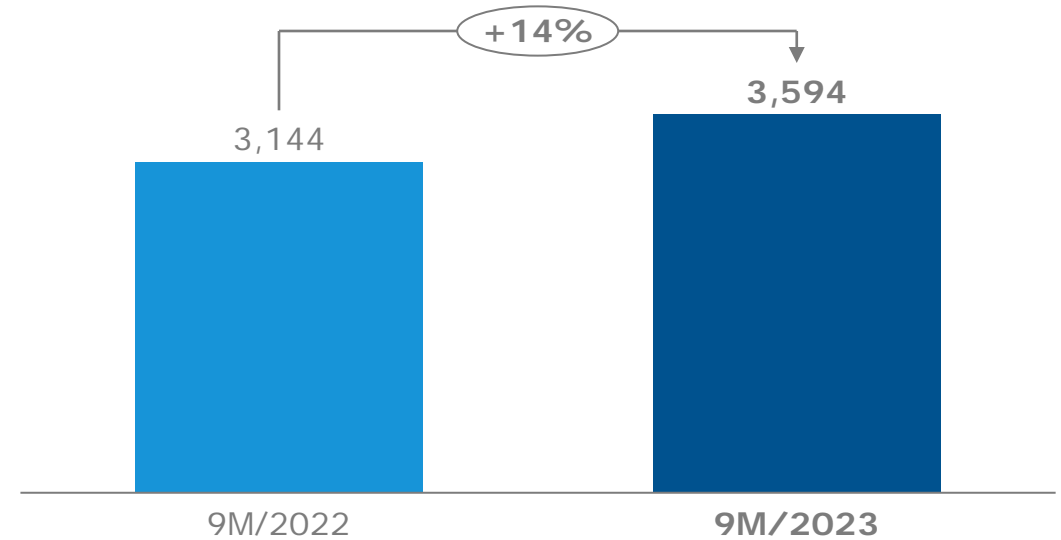
- > Service sales share accounts for 10.8% of group sales in the first nine months 2023
- > Service EBIT margin slightly better sequentially, but still impacted by higher inflationary pressures on the costs as well as regional mix
- > 97% average availability of WTGs under service
- > Strong service order book of EUR 3.6bn at the end of Q3/2023

> Combined order book of over EUR 10bn at the end of 9M/2023

Order book turbines (EUR m)



Order book service (EUR m)



- > Turbine order book of almost EUR 6.7bn at the end of 9M/2023 shows ongoing healthy order intake development
- > Geographical footprint in 9M/2023: Europe (80%), Latin America (15%), North America (4%) and Rest of World (1%)

- > 10,999 wind turbines under service contract corresponding to 33.3 GW at the end of 9M/2023

> Income statement 9M/2023

in EUR m (rounded figures)	9M/2023	9M/2022	Δ in %
Sales	4,477	3,873	15.6
Total revenues	4,424	3,893	13.6
Cost of materials	-3,814	-3,453	10.4
Gross profit	610	439	38.9
Personnel costs	-460	-425	8.1
Other operating (expenses)/income	-217	-214	1.3
EBITDA	-67	-200	66.7
Depreciation/amortization	-138	-131	6.1
EBIT	-205	-330	37.9
Net profit	-334	-372	10.2
Gross margin*	13.6%	11.3%	
EBITDA margin	-1.5%	-5.2%	
EBIT margin w/o PPA	-4.5%	-8.4%	

Comments

- > As anticipated, sales further improved to EUR 1,724m in Q3/2023 compared to EUR 1,536m in Q2/2023, mainly driven by higher installations
- > EBITDA margin improved further on the back of stronger gross margin of around 18% in Q3/2023 (12% in Q2/2023) as “better-quality orders” start flowing through the financials
- > PPA depreciation totaled EUR 3.8m (EUR 3.6m in previous year period)

> Balance sheet 9M/2023

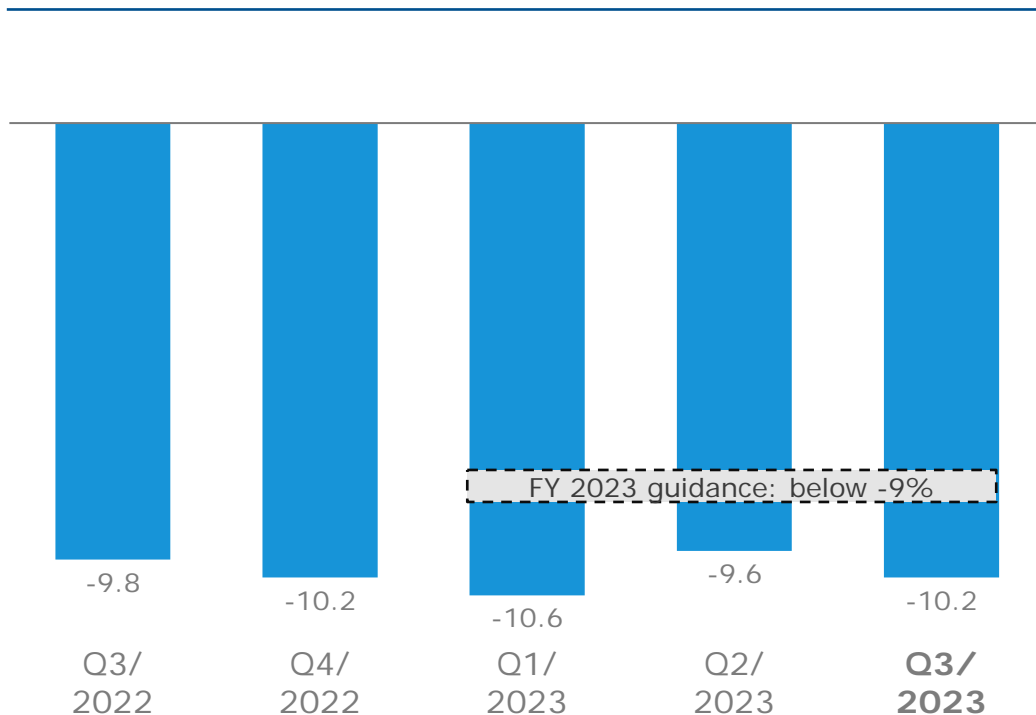
in EUR m (rounded figures)	30.09.23	31.12.22	Δ in %
Non-current assets	1,758	1,795	-2.1
Current assets	3,242	2,961	9.5
Total assets	5,000	4,757	5.1
Equity	939	878	6.9
Non-current liabilities	692	452	53.1
Current liabilities	3,369	3,427	-1.7
Equity and total liabilities	5,000	4,757	5.1
<i>Net cash*</i>	344	244	
<i>Working capital ratio**</i>	-10.2%	-10.2%	
<i>Equity ratio</i>	18.8%	18.5%	

Comments

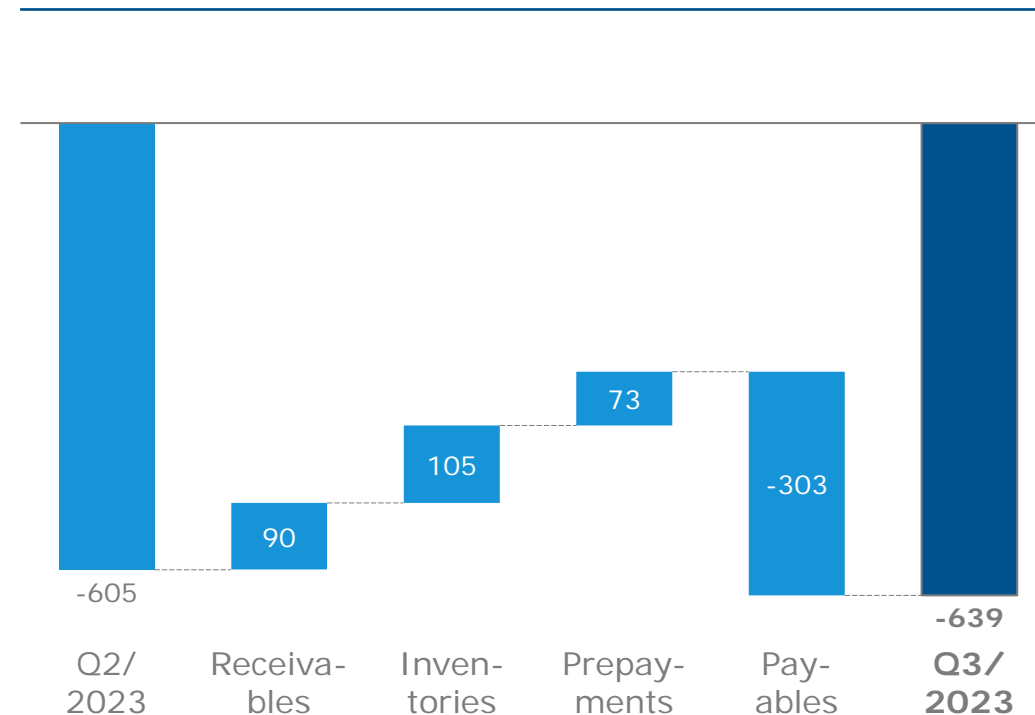
- > Solid liquidity levels of around EUR 732m (incl. RCF) at the end of 9M/2023
- > The issuance of the EUR 333m convertible bond in April has further strengthened the liquidity profile of the company

> Working capital development 9M/2023

Working capital ratio (in % of sales)*



Working capital development (in EUR m)*



- > Working capital ratio slightly improved compared to Q2/2023 and remains well below the guided figure of below -9% for FY 2023

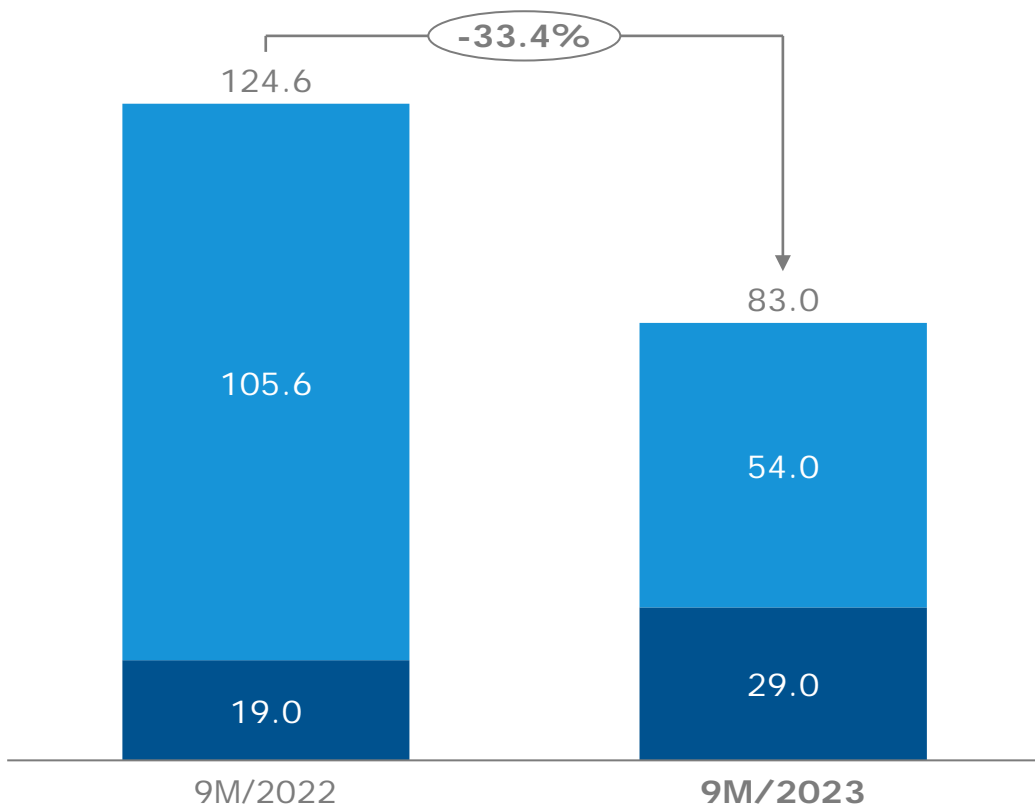
> Cash flow statement 9M/2023

in EUR m	9M/2023	9M/2022	Comments
Cash flow from operating activities before net working capital	-249.1	-326.3	> Cash flow from operating activities mainly reflect softer margin levels in 9M/2023, partly offset by improving performance in Q3/2023
Cash flow from changes in working capital	60.3	-31.1	
Cash flow from operating activities	-188.8	-357.5	> Cash flow from investing activities in line with expected investment activities
Cash flow from investing activities	-94.5	-100.5	> Free cash flow almost break-even at EUR -1.7m in Q3/2023 (EUR -171m in previous year period)
Free cash flow	-283.4	-458.0	
Cash flow from financing activities	299.7	341.5	> Cash flow from financing activities mainly influenced by inflows from convertible bond in April
Change in cash and cash equivalents*	16.4	-116.4	

> Total investments 9M/2023

CAPEX (in EUR m)

■ Property, plant, equipment ■ Intangible assets

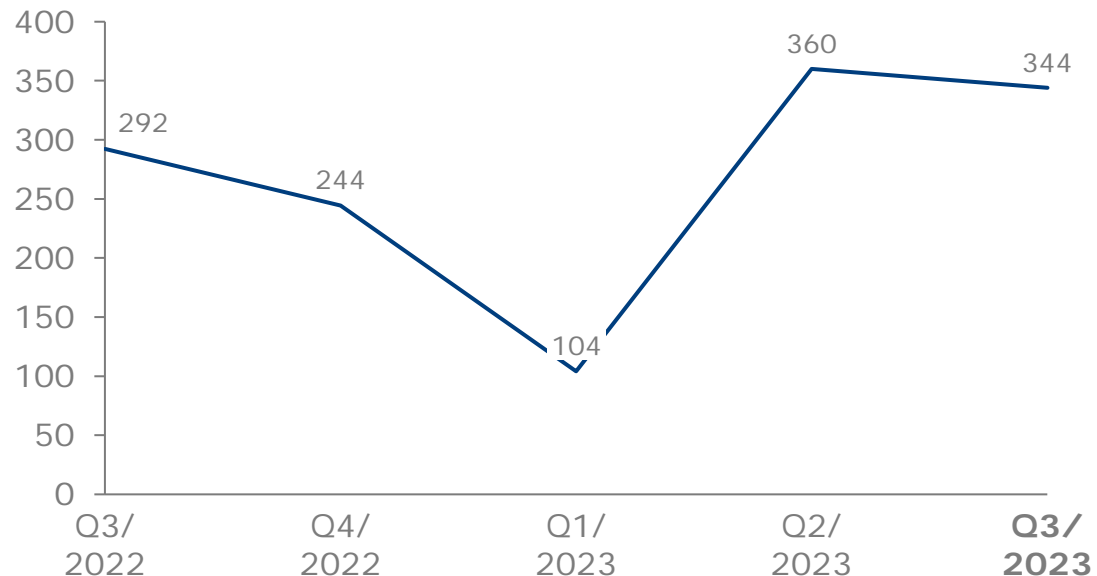


Comments

- > Investments in 9M/2023 mainly consists of:
 - Investments in blade production facilities and moulds in India and Spain
 - Investments in installation and transport tooling and equipment for projects
- > Intangible assets on a higher level compared with the previous year period

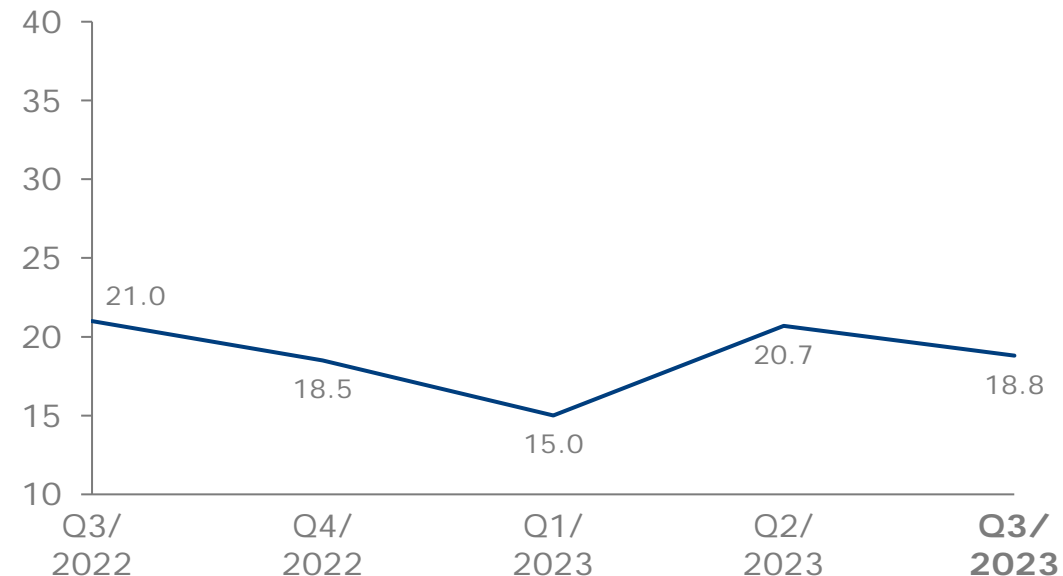
> Capital structure 9M/2023

(Net debt) / net cash*



> Net cash levels remain solid at the end of Q3/2023

Equity ratio (in %)

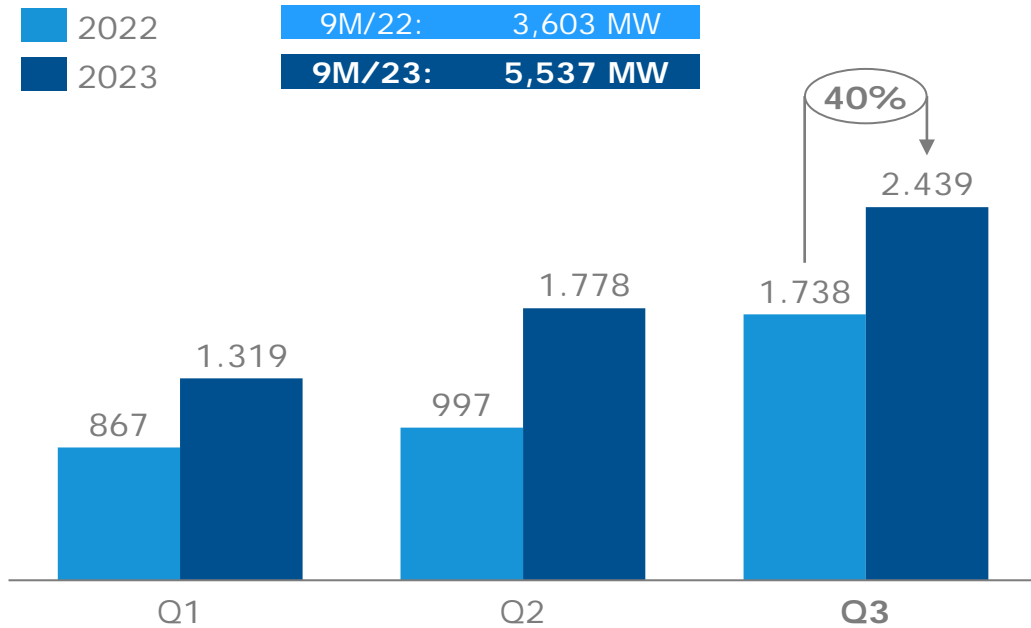


> Equity ratio on a healthy level, after successful completion of the debt-to-equity swap in April

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

> Operational performance in 9M/2023

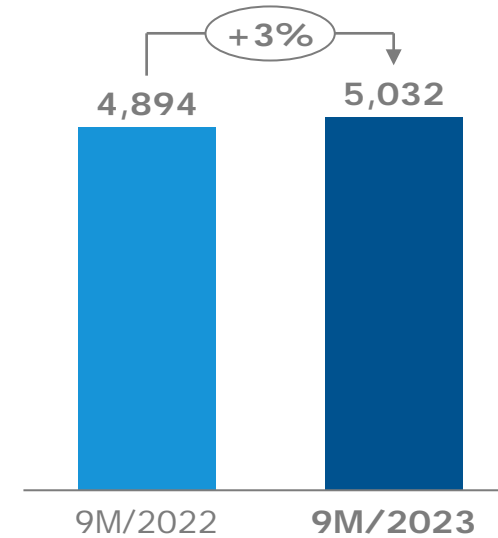
Installations (MW)



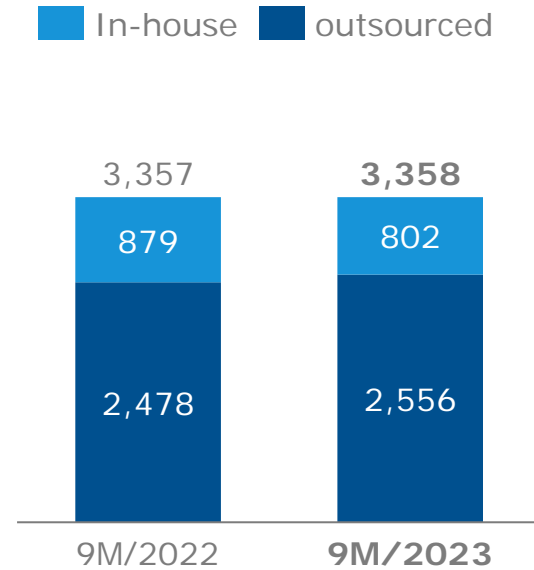
- > Installations improving sequentially with total installations of 458 WTGs in Q3/2023 versus 356 WTGs in Q2/2023
- > Total installations of 1,090 WTGs in 24 countries in 9M/2023 (9M/2022: 791 WTGs)
- > Potential risks from year-end installation delays remain

Production

Turbine assembly (MW)




Total blade production (#)




- > Output turbines amounts to 979 units in 9M/2023: 527 GER, 170 IND, 100 BRA and 97 CHN and 85 ESP
- > In-house blade production of 802 units in 9M/2023: 523 IND and 279 ESP
- > Outsourced blade production of 2,556 units in 9M/2023

> Guidance for FY 2023

	9M/2023	Guidance FY 2023
Sales:	EUR 4.5bn	EUR 5.6 - 6.1bn
EBITDA margin:	-1.5%	-2% to +3%
Working capital ratio:	-10.2%	below -9%
CAPEX:	~83m	approx. EUR 200m



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

 Time for your questions



Key takeaways

- 1 Continued strong momentum in order intake in Europe partially offset the risks of delays in the non-EU markets.
- 2 Performance in the third quarter further improved as communicated earlier with improving margin profile as better priced orders start flowing through the financials.
- 3 Healthy financial position and flexibility with strong working capital levels, improving free cash flow profile and convertible bond issuance.
- 4 Guidance for 2023 is maintained and mid-term target remains in place subject to a stabilized macroeconomic environment.

 Thank you for your attention



 **Contact details****IF YOU HAVE ANY QUESTIONS PLEASE CONTACT:****Felix Zander**

Phone: +49 152 0902 40 29

Email: fzander@nordex-online.com**Tobias Vossberg**

Phone: +49 173 4573 633

Email: tvossberg@nordex-online.com**Torben Rennemeier**

Phone: +49 152 3461 7954

Email: trennemeier@nordex-online.com**Nordex SE**

Langenhorner Chaussee 600

22419 Hamburg / Germany

www.nordex-online.com