

Press release

Nordex Group: half-year sales rise to EUR 2 billion, earnings impacted by COVID-19

- ! **Sales double to EUR 2.0 billion in first half of the year**
- ! **COVID-19 impacts earnings: EBITDA of EUR -70.8 million**
- ! **Installations rise significantly to 2.3 gigawatts**
- ! **Syndicated loan from guarantee program to protect Nordex from the effects of COVID-19**
- ! **Refinancing of promissory note secured ahead of schedule**
- ! **Sale of European project development business agreed**

Hamburg, 13 August 2020. The Nordex Group (ISIN: DE000A0D6554) has doubled its sales year-on-year to EUR 2.0 billion in the first half of 2020 (H1 2019: EUR 990.8 million). This rise is due to the significant increase of the activity level. Gross revenue, which also includes changes in inventories, grew to EUR 1,990.0 million (H1 2019: EUR 1,603.6 million). The effects of the COVID-19 pandemic became clearly noticeable in the operational business of the second quarter. As a result, earnings before interest, taxes, depreciation and amortization (EBITDA) fell to EUR -70.8 million (H1 2019: EUR 17.1 million); this corresponds to an EBITDA margin of -3.5 percent (H1 2019: 1.7 percent).

Revolving syndicated loan strengthens financing structure; refinancing of promissory note secured ahead of schedule

The Nordex Group proactively announced an application for support from the coronavirus guarantee scheme back in May, which was approved in the past week. With the guarantee granted by the German federal government and the states of Mecklenburg-West Pomerania and Hamburg, the Nordex Group received a revolving credit facility of EUR 350 million to protect the Company from the effects on its operating business and any remaining uncertainties caused by the COVID-19-pandemic. In this context, the Nordex

Group has also already reached a binding agreement to refinance the promissory note due in April 2021. Together with the EUR 1.2 billion guarantee credit facility extended by three years in April 2020, the Company now has a strong financial structure for the medium term. At the end of July, the Nordex Group also agreed the sale of its European project development portfolio to RWE. The proceeds of around EUR 402.5 million (before taxes and fees) expected from the completion of this transaction will strengthen the Company's balance sheet and support its growth trajectory.

Operating performance

In the Projects segment (excluding Service), the Nordex Group ended the first half of 2020 with order intake of 2,531.9 MW (H1 2019: 3,038.4 MW) valued at EUR 1,805.9 million. Europe accounted for 80 percent of order intake and Latin America for 20 percent. At the end of the first half of the year, the Nordex Group had a total order book of EUR 8.1 billion (H1 2019: EUR 7.6 billion). Of this figure, EUR 5.4 billion was attributable to the Projects segment (H1 2019: EUR 5.3 billion) and EUR 2.7 billion to the Service segment (H1 2019: EUR 2.3 billion).

In the first six months of 2020, the Company increased production in turbine assembly by 70 percent from 1,735 MW in the first half of the previous year to 2,948 MW. At 623, the number of rotor blades produced in the Company's own plants is below the previous year's figure (H1 2019: 659 units). The Nordex Group also sourced 1,215 rotor blades from external suppliers.

In the first half of 2020, the Company installed 662 wind turbines in 21 countries with a total output of 2,287.1 MW (H1 2019: 778.1 MW). Of this total, 45 percent related to Europe, 32 percent to North America, 17 percent to Latin America and 6 percent to the "Rest of the world" region. Sales in the Projects segment increased significantly during the period under review to EUR 1,839.7 million (H1 2019: EUR 810.7 million), primarily as a result of the high number of installations. In the Service segment, which is characterized by a steady stream of income, sales also grew considerably by 15.4 percent in the first half of the year to EUR 209.6 million (H1 2019: EUR 181.6 million).

Key financial figures at a glance

As of 30 June 2020, total assets were virtually unchanged compared to the end of 2019 and amounted to just over EUR 4 billion. The equity ratio fell to 13.8 percent as of 30 June 2020 as a result of the consolidated net loss (31 December 2019: 18.6 percent). Net debt amounted to EUR 241.4 million (31 December 2019: EUR 83.9 million) and the working capital ratio as a percentage of consolidated sales stood at minus 7.1 percent (31 December 2019: minus 9.1 percent).

"The pandemic significantly affected our company's operations during the second quarter. Despite this, we were able to manage the situation in close cooperation with our customers and suppliers. Therefor I would like to thank the entire Nordex team and our business partners," said José Luis Blanco, Chief Executive Officer (CEO) of the Nordex Group. "While processes have normalized or been recalibrated again, the pandemic remains a burden and provides an element of uncertainty. The new credit line supported by the coronavirus guarantee program is protecting us against the effects and remaining uncertainties caused by the COVID-19-pandemic. Hence we are confident, that Nordex remains on its growth trajectory even under these circumstances."

The complete interim report for the first half of 2020 is now available on the Nordex Group's website in the Investor Relations section under "Publications" (ir.nordex-online.com). The Group interim management report and the condensed interim consolidated financial statements were not reviewed by an auditor.

Nordex Group key financials

<i>(in EUR million)</i>	30.6.2020	30.6.2019	Change (%)
Sales	2,047.9	990.8	>100.0
<i>thereof Service segment</i>	209.6	181.6	15.4
Gross revenue	1,990.0	1,603.6	24.1
EBITDA	-70.8	17.1	n/a
<i>EBITDA margin</i>	-3.5%	1.7%	-5.2-PP
<i>EBIT margin (adjusted for PPA)</i>	-6.5%	-3.8%	-2.7-PP
Consolidated net result	-180.0	-55.4	n/a
Capital expenditure	79.1	60.2	31.4
Free cash flow	-137.1	-161.3	15.0
<i>Working capital ratio (31.12.)</i>	-7.1%	-9.1%	-2.0-PP
Liquidity (31.12.)	334.1	510.0	-34.5
Net debt (31.12.)	241.4	83.9	n/a
<i>Equity ratio (31.12.)</i>	13.8%	18.6%	-4.8-PP
Order intake (Projects)	1,805.9	2,111.8	-14.5
Order intake (Service)	327.3	247.0	32.5
Order book (Projects)	5,367.3	5,271.3	1.8
Order book (Service)	2,703.6	2,299.0	17.6

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