

25 April 2017

Senvion Q1 Performance Update

Hamburg: Based on the preliminary draft of our internal management accounts, we currently expect our revenues, total performance and gross profit for the first quarter ended March 31, 2017 to be substantially in line with the first quarter ended March 31, 2016. We also currently expect that selling, general and administrative expenses and personnel costs will be substantially in line with the first quarter ended March 31, 2016. Our Adjusted EBITDA will be lower than in the first quarter ended March 31, 2016; however, when normalizing for certain foreign exchange gains, the timing of which positively contributed to Adjusted EBITDA in the first quarter ended March 31, 2016, Adjusted EBITDA in the first quarter ended March 31, 2017 was in line with the first quarter ended March 31, 2016. In the first quarter ended March 31, 2016, foreign exchange gains contributed an amount of €5 million, but were reversed later in the financial year ended December 31, 2016 as a result of FX hedging. Our first quarter is typically the slowest quarter in each year and installations (and consequently revenue generation) have historically increased throughout the financial year.

Our work in progress (and consequently, net working capital) is expected to be substantially increased by over €100 million in the first quarter ended March 31, 2017 due to a build-up of inventory related to our Chilean project and offshore projects (including replacement blades for our 6XM offshore WTGs). The customer for our 300 MW Chilean project continues to seek the most attractive financing available, and hence this project has not yet converted into firm order status. Another large project, a 55 MW wind farm in Canada, has been delayed due to environmental claims, but our customer is expecting to come to a successful conclusion following the completion of an objection period of four weeks.

As a result, while our order intake grew in the first quarter ended March 31, 2017 compared to the first quarter ended March 31, 2016, due to these delays, our firm order intake for the first quarter ended March 31, 2017 was behind our expectations. However, we have not adjusted our budget for the financial year, as we expect to convert these delayed orders in time to recognize revenues within the year.

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Disclaimer

The preliminary results and estimates presented above have not been audited, are derived from internal management accounts and are subject to our financial closing procedures. These procedures have not been completed. They are subject to the risks related to our business and are inherently subject to modification. While we believe these preliminary results and estimates to be reasonable, our actual results could vary from these estimates and these differences could be material.