



WHO WE ARE – Key figures 2018

NORDEX IS A LEADING GLOBAL WIND TURBINE MANUFACTURER

SALES

EUR 2.459.1 million

Free Cash Flow

EUR 44.0 million



New installed capacity

2.522 MW



Employees

5.676

EBITDA

EUR 101.7 million

Working Capital Ratio

-3.8 %

Headquarter:

Hamburg







WHAT WE DO - Core business & products

VALUE CHAIN. MORE THAN A MANUFACTURER.

PROJECT DEVELOPMENT

- >Selection of location
- **>**Ownership
- >Optimal siting
- >Wind measurements
- Soil survey
- Sound / shade emission
- >Economic viability
- >Grid connection
- > Special purpose registration
- >Environmental permitting
- >Building permitting











Project Development, Marketing, Financing

- > Leading company in France
- > Active also in India

Wind Farm System Planning

- > Review customer micro-site planning
- > Support customers (co-development) to receive approvals and to optimise park layouts

Production and Technical Implementation

- > Assemble WTG
- > Produce selected components (blades, control systems)
- > Install onsite
- > Carry out initial operation

Wind Farm Operations

> Offer additional services: increased demand due to new wind farm investors interested in stable cash flows

Services and

> Provide high quality service to minimize downtime and maximize yield





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WHERE WE ARE - Nordex Group production footprint

> GOOD GEOGRAPHIC FIT FOR PRODUCTION TO SERVE GLOBAL DEMAND



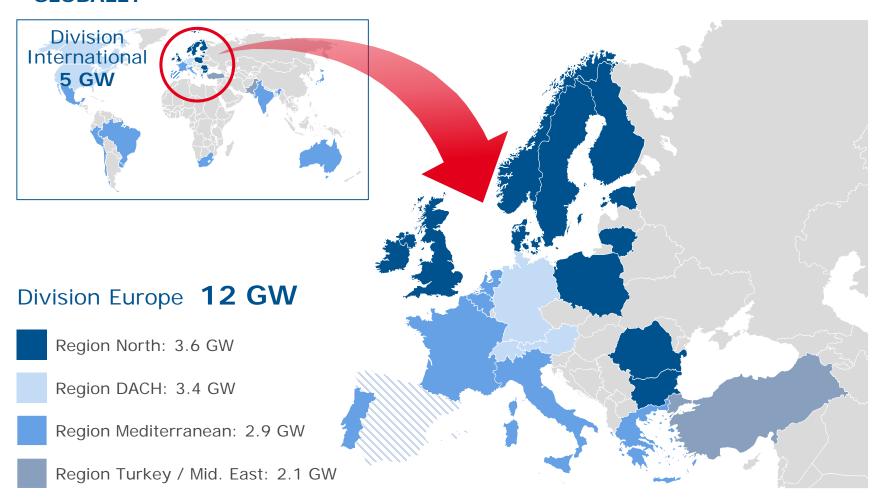






WHERE WE ARE – Fleet under Service Contract

AS OF 2018 NORDEX HAS 17 GW OF TURBINES UNDER SERVICE CONTRACT GLOBALLY







WHAT WE DO IN SERVICE - Typical Service Jobs

> SITE WORKS RANGE FROM INSPECTIONS TO MAJOR COMPONENT EXCHANGES











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WHERE WE WORK – Examples

> THE SITES ARE TYPICALLY REMOTE AND OFTEN WITH CHALLENGING ACCESS











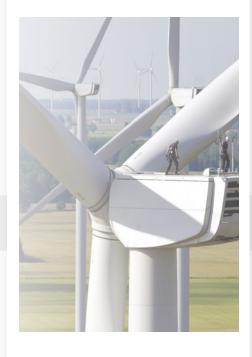




At Nordex, safety is what matters

SAFETY + LOW COST / KWH + PREDICTABLE PRODUCTION MATTER





Cost / kWh

- > Cost driver examples
 - > # of interventions
 - Unexpected major component failures
 - > Crane @ spot market price
 - > No access due to weather conditions > Upgrades
 - > No transport permission
 - > Part not available

- ➤ None-stop Production
 - > 24h a day
- > 365 hours a year
- > 25 years or more



- ➤ No wind → No lost production
- ➤ Energy price = 0 → No lost production





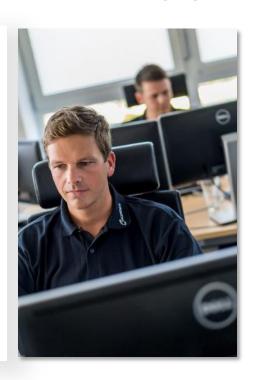
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"Normal" Remote Monitoring

REACTIVE REMOTE MONITORING HAS BEEN STATE OF THE ART FOR MANY YEARS TO MAXIMIZE AVAILABILITY AND MINIMIZE SITE INTERVENTIONS

- > 24/7 Monitoring
- > Remote diagnostics/ root cause analysis and fault correction
- > Providing possible solutions for fault remedy and preventive maintenance information in order to reduce downtime
- > Weekend Dispatching
- > Scheduled start/stop



PREDICTIVE MAINTENANCE BRINGS US TO THE NEXT LEVEL





My definition of predictive maintenance

> WHAT DO I ACTUALLY MEAN BY "PREDICTIVE MAINTENANCE"?



React after the failure has occurred

Act before a potential failure

Exchange a component based on actual condition

Act based on a computer model that can predict component failure / remaining useful life

(e.g. drive to turbine when it stopped due to a broken hydraulic pump and exchange it) (e.g. exchange hydraulic pump motors every 5 years, independent of their condition) (e.g. annually inspect slip ring brushes and exchange when required) (e.g. exchange the hydraulic pump because a computer model says it will fail within the next 3 months)



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Two Approaches for predictive maintenance

BOTH APPROACHES ARE COMPLEMENTARY AND COVER MOST FAILURE MODES

APPROACH



PREDICTIVE MONITORS



CONDITION-MONITORING SYSTEMS (CMS)

DATA USED

SCADA data, e.g.,

- wind speed and a direction
- > rotor shaft speed
- gearbox oil temperature
- > generator voltages
- > pitch angle
- yaw movements

METHODS

- > State-of-the-art artificial intelligence algorithms to model normal component behavior
- Impending failures are predicted as deviation from normal behavior

DATA USED

Vibration data from sensors, e.g.,

- Time signal from vibration sensors
- Spectrum data (Acceleration, Velocity, Displacement)

METHODS

- > Trend analysis
- Signal analysis (time and spectrum)

Abnormally high vibrations are indicative of impending failures.

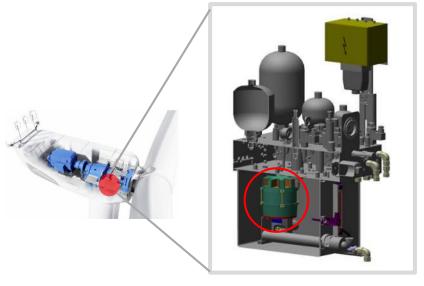




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Example - Hydraulic pump failure prediction



Hydraulic oil pump unit

Purpose

Build pressure to operate rotor and yaw brakes

Normal operation

- Runs ~300 times per day;5 seconds cycle runtime
- Some seasonal deviation

Failure

- Upward trend in cycle runtime
- → Pump to be exchanged



KEY FACTS

- Undetected pump issue results to entire hydraulic unit failure
- Our detection method prevents this secondary damage
- > Cost of pump: ~\$400
- ➤ Cost of unit: ~\$5000





Operational process is key to success

> ALIGNED OPERATIONAL PROCESS CONVERTS PREDICTIONS INTO ACTIONS



















Predictive models raise alert when abnormal behaviour is detected Alert registered into incident management tool

Expert data analysts validate alert

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Work order planning and preparation begins

Technician
carry necessary
equipment to
the turbine
and resolve
the issue





THE FUTURE – Some examples

PREDICTIVE MAINTENANCE IN WIND WILL DEVELOP FURTHER, SOME EXAMPLES / THOUGHTS ...

- I mage analysis (e.g. blade crack propagation)
- More data (IoT, more sensors)
- Forecast remaining component life through periodic load assessment

More and better predictions



- Continous replacement of time based preventive jobs
- Predictive based spare parts planning not just for selected components
- Automized job scheduling based on predicted repairs, expected energy production and power price

Better integration into operations





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- Wind industry is moving towards more predictive maintenance because it has the potential to further reduce cost/kWh
- > We do it leveraging:
 - > Skills (data analysts, operations and specialist engineers)
 - > Standard AI / machine learning models
 - > Scale (big fleet under contract)
 - > Solid link between field operations and central support
- > Predictive maintenance is **not the solution to all our challenges**, but an important and exciting part of **future service concepts**

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Thank you for your attention