First quarter 2024

Vestas Wind Systems A/S
Copenhagen, May 2024

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Key highlights in Q1 2024

Revenue of EUR 2.7bn

Decline of 5 percent YoY driven by lower activity in Power Solutions, offset by 12 percent growth in Service

EBIT margin of minus 2.5 percent

Disregarding the sale of technology, EBIT improved YoY due to higher project profitability

Order intake of 2.3 GW

Order intake declined by 30 percent YoY due to strong finish to 2023

Solid capital structure

Improved earnings are the main driver for a leverage of 1.1x net debt / EBITDA, compared to 5.8x a year ago

Vestas continues to lead the industry

Through commercial discipline, Vestas maintains the leading position in the global market

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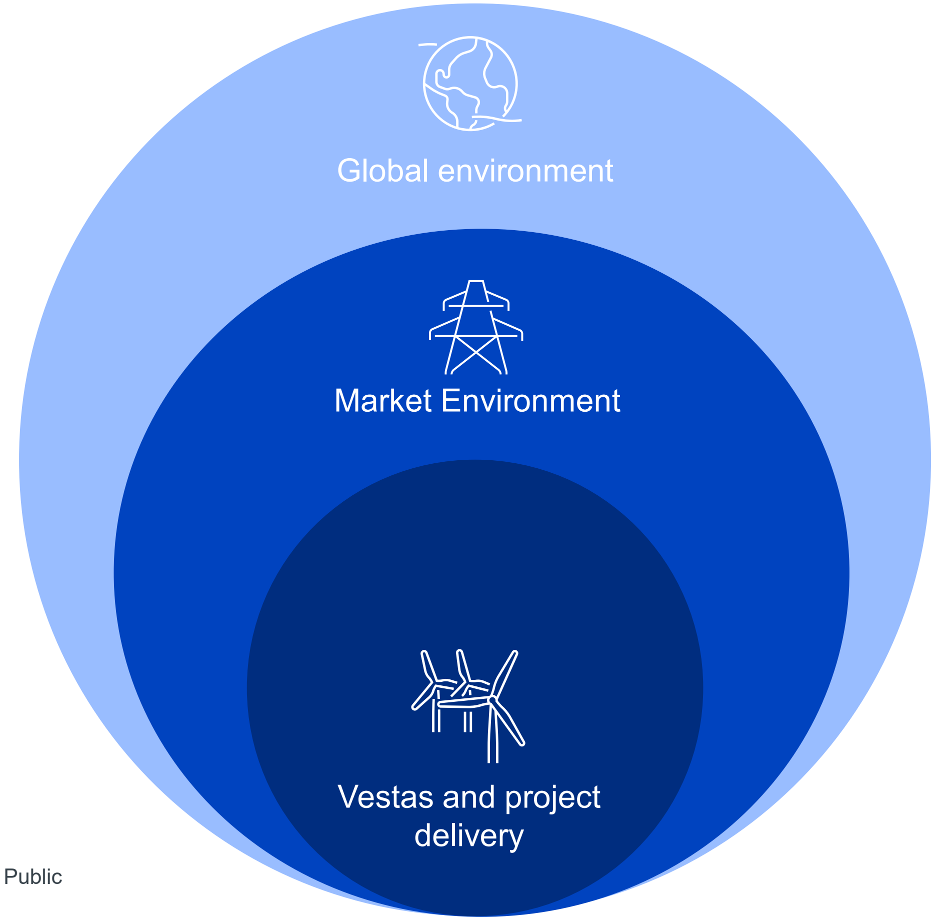
Our current business environment

We drive industry maturity within our core circles of influence to power the energy transition

Global Environment
- ⊕ Raw material and transport costs down
- ⊖ Geopolitical volatility
- ⊖ Inflation and interest rates still high

Market Environment
- ⊕ Grid investment prioritised in key markets
- ⊖ Permitting improving in some markets e.g. Germany and UK, but overall permitting, auctions and grid still challenging

Project Level
- ⊕ Supply chain disruption improving
- ⊖ Continued execution of low-margin projects



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Market shares – 2023

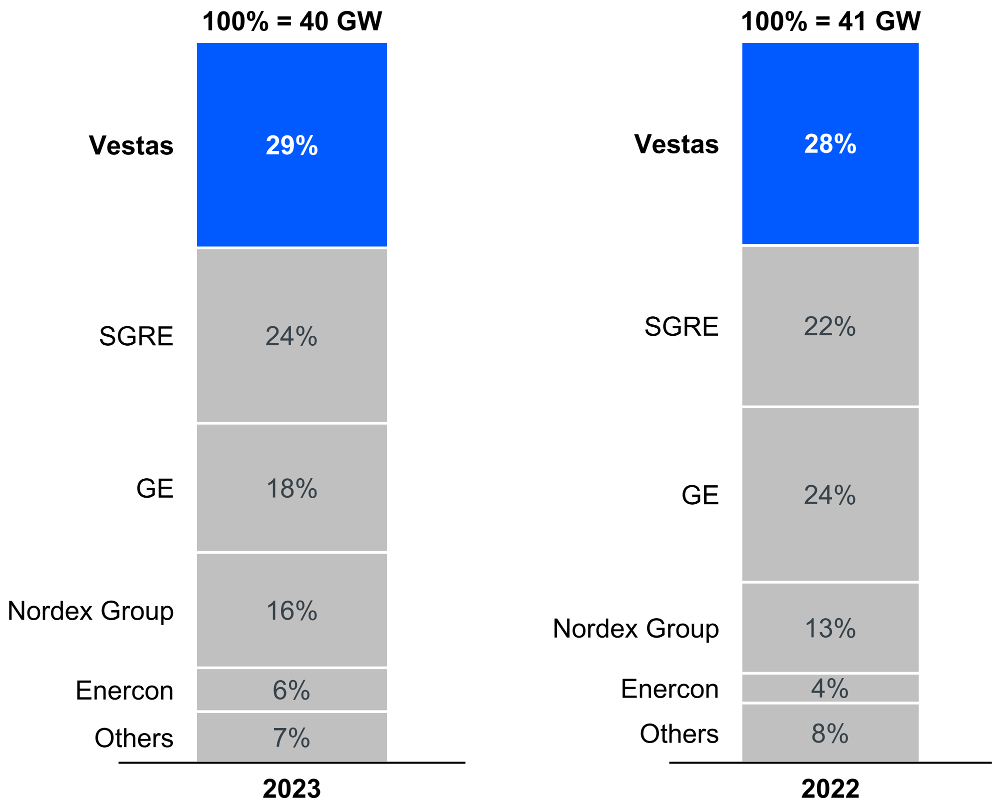
Vestas continues to lead the industry

Highlights

Global installations decreased slightly to **40 GW in 2023** from 41 GW in 2022. Vestas maintains the **leading position** as we continue to emphasize value over volume

Industry **maturity is improving.** Developers and turbine suppliers are being more selective and focusing on building high-quality value-creating projects

Global onshore and offshore installations (excluding China)



Source: WoodMac Global wind turbine OEM 2023 market shares database

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Power Solutions – Q1 2024

Lower order intake YoY due to strong finish to 2023

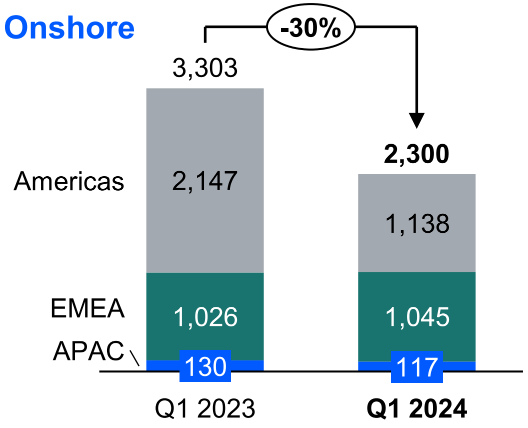
Highlights

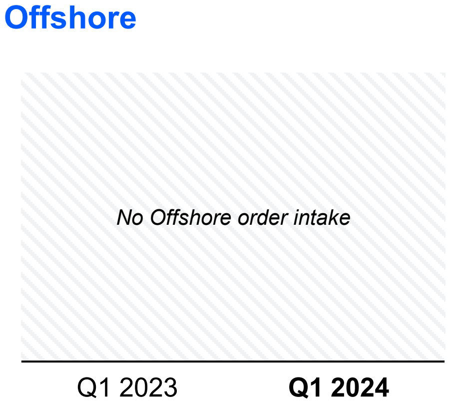
Order intake of 2.3 GW, down 30 percent compared to last year. The main reason for the decline is lower order intake in Americas where Q1 2023 was impacted by the 1.3 GW deal with Casa dos Ventos in Brazil, and the fact that Vestas secured very strong order intake in the USA in Q4 2023

The largest order in the quarter was a **554 MW order in the USA,** which will employ Vestas' latest high capacity factor wind turbine the V163-4.5 MW

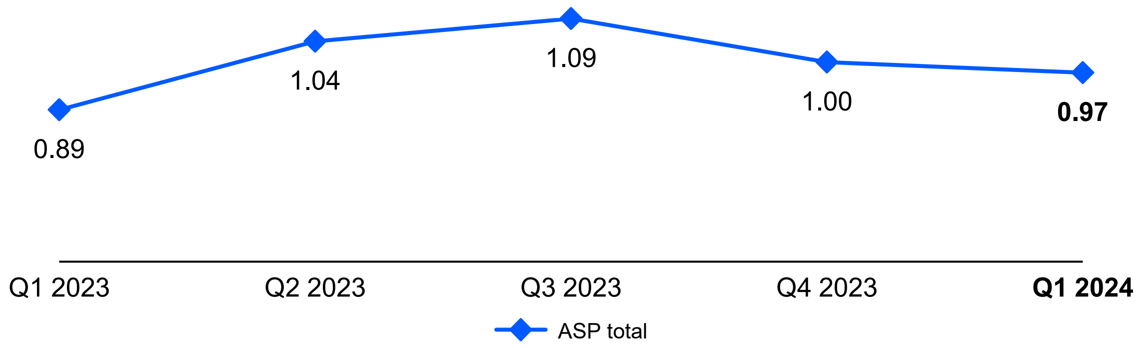
Total ASP was stable at **EUR 0.97m/MW** in Q1 compared to EUR 1.00m/MW in the prior quarter

Firm and unconditional order intake, MW





Average selling price of order intake, mEUR per MW



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Service – Q1 2024

High customer satisfaction

Highlights

Service order backlog increased to **EUR 34bn** from 31bn a year ago; **inflation indexation** remains a vital mechanism to protect backlog profitability

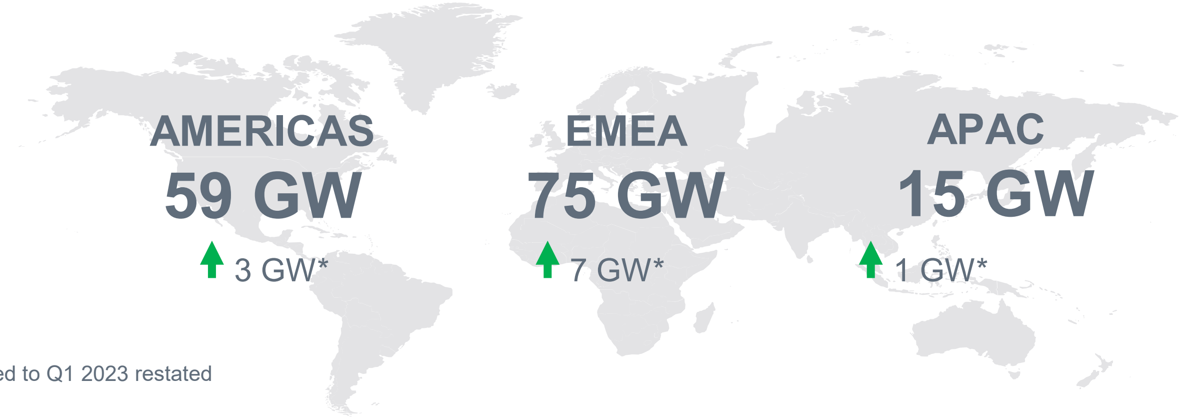
Good start to the year with **high customer satisfaction**, NPS increased to 58, and continued high activity level

Regional validation of **contract data** showed premature inclusion of not-yet-active contracts (e.g. projects at start of construction rather than start of service). The validation led to a two percent reduction in GW under service, and has no effect on customers, employees, or the value of the service backlog.

At the end of Q1, Vestas had **149 GW** under active service contracts

Service order backlog	GW under active service contracts	Average years contract duration
EUR 34.4bn (29.6 onshore)	149 GW (142 onshore)	11 Years

Service fleet



*Compared to Q1 2023 restated

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Vestas Development – Q1 2024

Development continues focus on high quality projects

Highlights

In Q1 2024, Vestas' **pipeline** of development projects amounted to **30 GW** with Australia, USA, and Brazil being the countries with the largest project pipeline

Early-stage projects of 1 GW exited the development pipeline in Q1 which was offset by **1.0 GW of new projects during the quarter**

Order intake generated	New secured pipeline	Total project pipeline
0 MW	1.0 GW	30 GW

Development pipeline

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Sustainability – Q1 2024

Vestas remains the most sustainable energy company in the world

Highlights

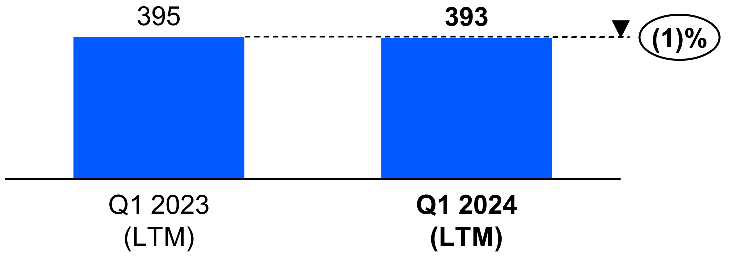
Lifetime CO_2e avoided by produced and shipped capacity decreased by 2 million tonnes from Q1 2023, due to lower produced and shipped turbines

Carbon emissions from our own operations increased by 12 percent as we saw higher activity levels in both offshore service and offshore construction, leading to increased fuel usage

Number of recordable injuries per million working hours declined 9 percent compared to last year

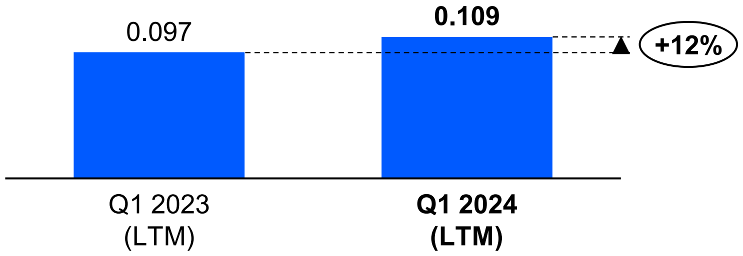
CO_2e avoided

Expected CO_2e avoided over the lifetime of the capacity produced and shipped during the period (million t)



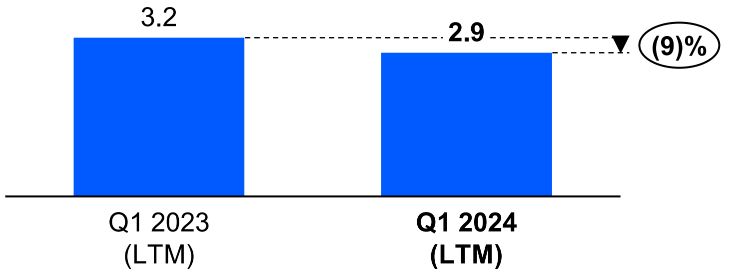
Carbon emissions

Direct and indirect emissions of CO_2e (scope 1&2)(million t)



Safety

Total Recordable Injuries per million working hours (TRIR)



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Income statement – Q1 2024

Underlying margins continues to improve

Highlights

Revenue decreased 5 percent YoY, driven by lower delivery volumes but offset by higher prices on turbine deliveries, and growth in the Service segment

Despite lower revenue, **gross profit increased by 30 percent** to EUR 244m, showcasing our commitment to put value over volume

EBIT margin b.s.i. was minus 2.5 percent, in part due to the seasonally slow first quarter, which resulted in low fixed cost absorption

Return on Capital Employed improved to 1.6 percent as the earnings recovery continues

mEUR	Q1 2024	Q1 2023	% change
Revenue	**2,681**	2,829	(5)%
Gross profit	**244**	188	30%
SG&A costs*	**(312)**	(304)	3%
Sale of technology	**-**	147	-
Income from investments in JVs and associates	**-**	9	-
EBIT before special items	**(68)**	40	Negative
Special items	**1**	26	(96)%
EBIT	**(67)**	66	Negative
Net profit	**(75)**	16	Negative
Earnings per share**	**(0.0)**	(0.8)	Positive
Gross margin	**9.1%**	6.6%	2.5%-pts
EBITDA margin before special items	**4.9%**	8.3%	(3.4)%-pts
EBIT margin before special items	**(2.5)%**	1.4%	(4.0)%-pts
Return on Capital Employed (ROCE) (%)**	**1.6%**	(12.7)%	14.3%-pts

*R&D, administration, and distribution, including depreciations and amortisations.
**Last twelve months (LTM)

Power Solutions – Q1 2024

Earnings impacted by seasonality, while underlying profitability continues to improve

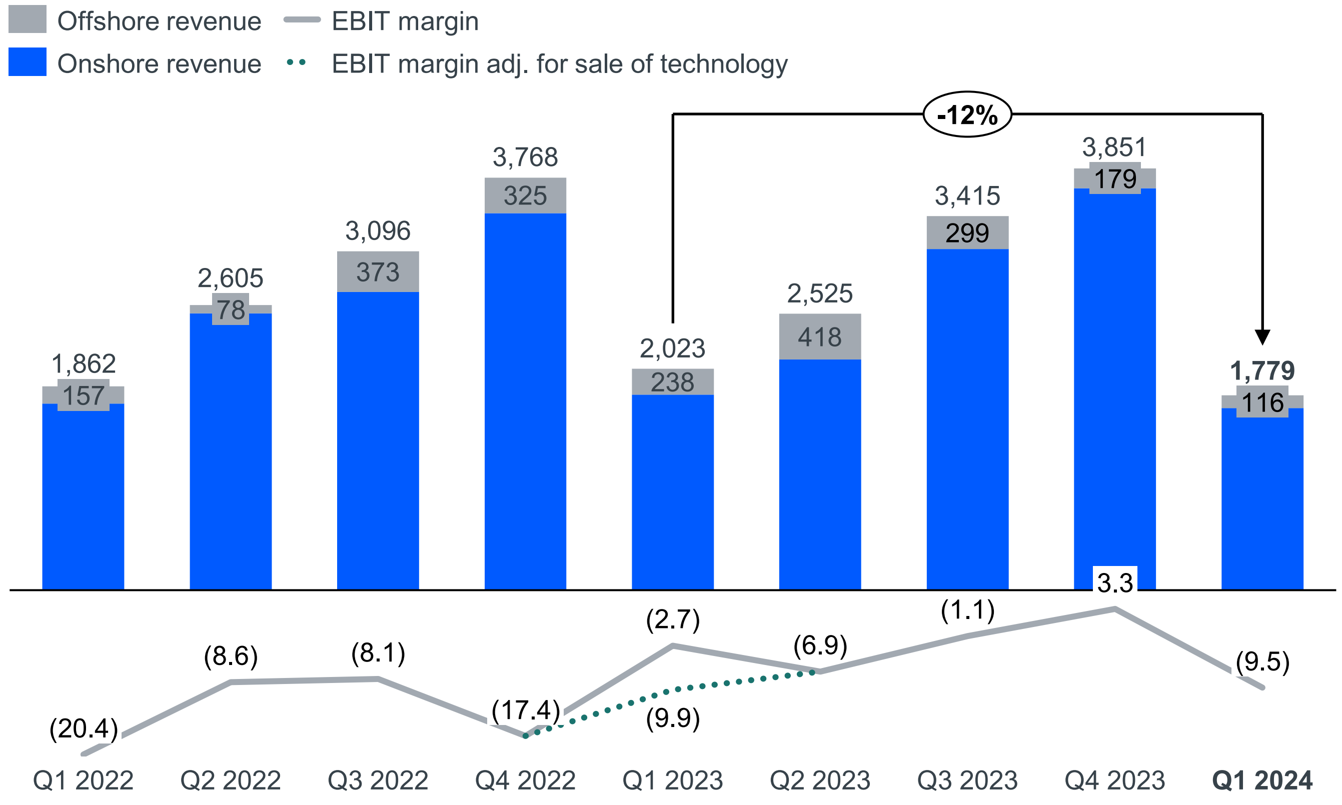
Highlights

Revenue decreased by 12 percent YoY, primarily driven by lower delivery volumes in EMEA and Americas, offset by higher average pricing

EBIT margin before special items of negative **9.5 percent, up 0.4 percentage points YoY** when disregarding the income from sale of technology in Q1 2023

Profitability continues steady improvement but is still held back by execution and completion of low-margin projects from before mid-year 2022, which should largely be completed by the end of the year

Power Solutions revenue and EBIT margin before special items, mEUR and percent



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Service – Q1 2024

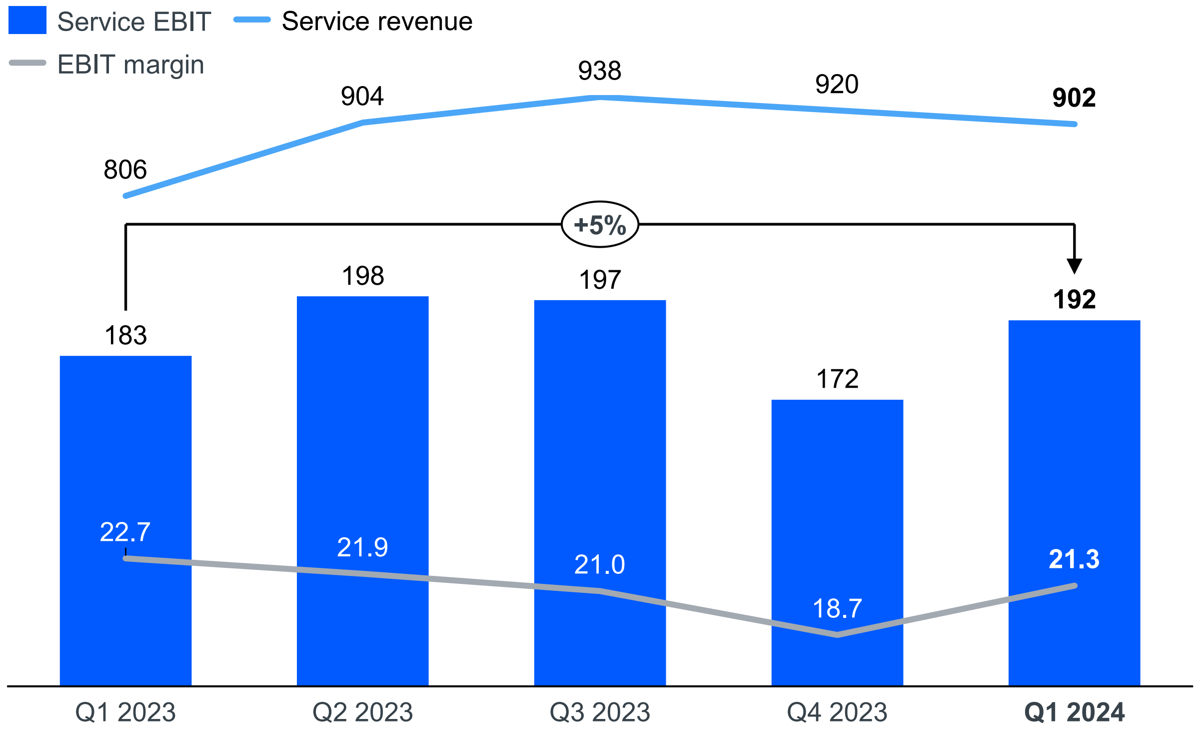
Growth in both revenue and earnings

Highlights

Service generated EBIT of **EUR 192m**, corresponding to **5 percent earnings growth**.

The improvement was driven by higher contract activity, inflation indexation, as well as slight increase in transactional sales, offset by currency headwind of 2 percent

Service revenue and EBIT margin before special items, mEUR and percent



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Net working capital – Q1 2024

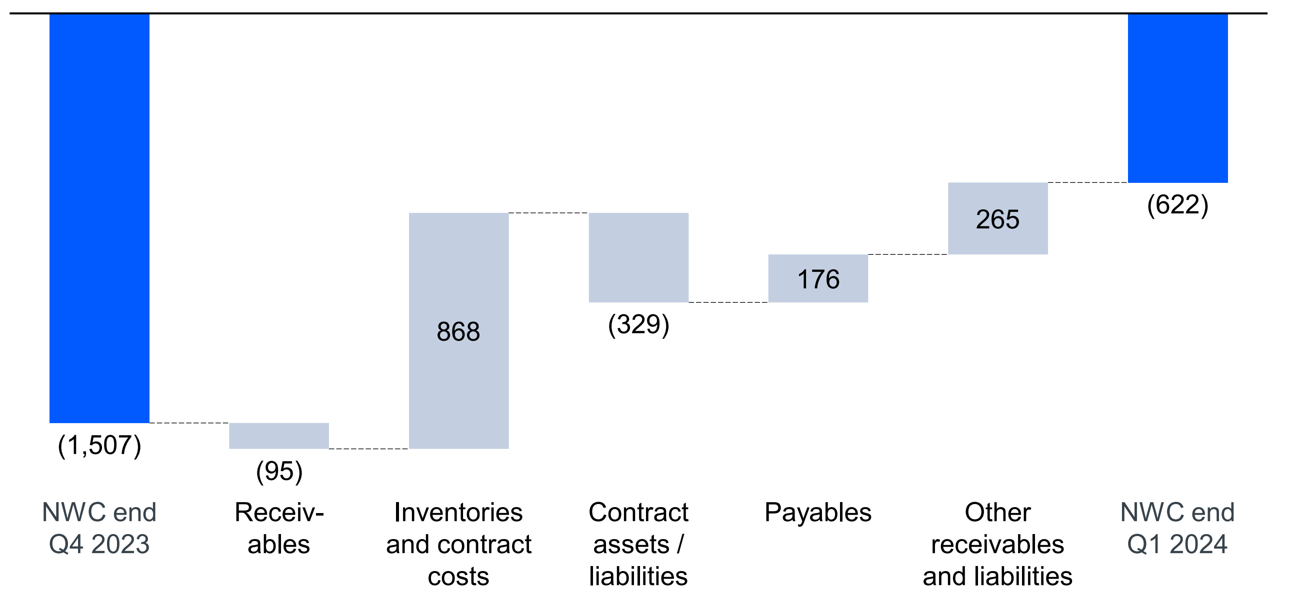
Increased NWC in the quarter reflecting normal seasonality

Highlights

Net working capital increased in Q1 driven by an **increase in inventory levels**, higher level of supplier payments in the quarter, partly offset by down- and milestone payments in Power Solutions

Net working capital reflects the typical seasonality of our business, as we **build inventory for higher activity in the second** half of the year

NWC change over the quarter, mEUR



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Cash flow statement – Q1 2024

Improved cash flow in the quarter

Highlights

Operating cash flow was minus EUR 755 in the quarter, an improvement compared to last year. The improvement was driven mainly by better underlying profitability and less drag from net working capital build this year

Adjusted free cash flow in the quarter amounted to minus EUR 997m, an improvement compared to Q1 last year, again mainly driven by better underlying profitability

mEUR	Q1 2024	Q1 2023	Abs. change
Cash flow from operating activities before change in net working capital	**(86)**	248	(334)
Change in net working capital*	**(669)**	(1,222)	553
Cash flow from operating activities	**(755)**	(974)	219
Cash flow from investing activities	**(215)**	(111)	(104)
Free cash flow	**(970)**	(1,085)	115
Adjusted free cash flow**	**(997)**	(1,280)	283
Cash flow from financing activities	**(36)**	436	(472)
Interest-bearing position (net)	**(979)**	(1,121)	142

* Change in net working capital impacted by non-cash adjustments and exchange rate adjustments with a total amount of net EUR 216m.

** Free cash flow adjusted for net acquisitions in businesses/activities, payment of lease liabilities, special items and investments in financial assets

Total investments – Q1 2024

Investing into offshore and onshore in the USA

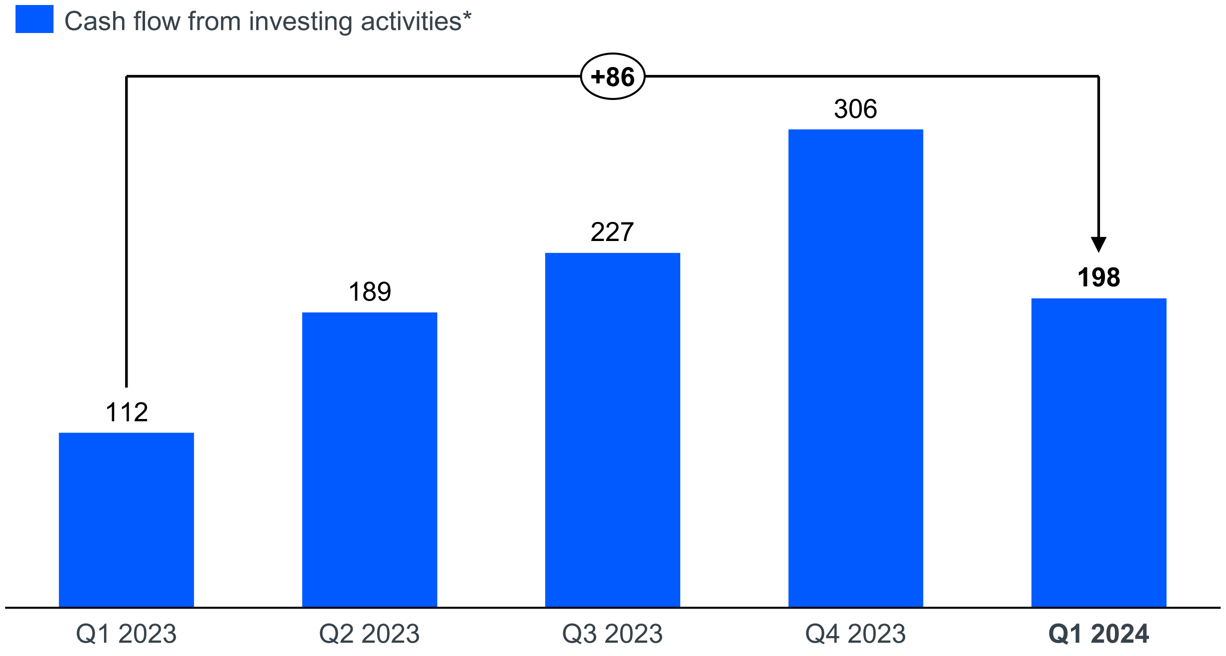
Highlights

Total investments amounted to **EUR 198m in Q1**.

We continue to invest into our **V236 offshore manufacturing footprint**, particularly in Poland, where our nacelle facility is planned to start operating in early 2025 and the blade factory in 2026

We are also investing into our onshore manufacturing footprint in the USA, where we are currently experiencing **good commercial traction**

Total investments*, mEUR



* Total net investments in intangible assets and property, plant and equipment.

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Provisions and LPF – Q1 2024

Lost Production Factor continues steady improvement

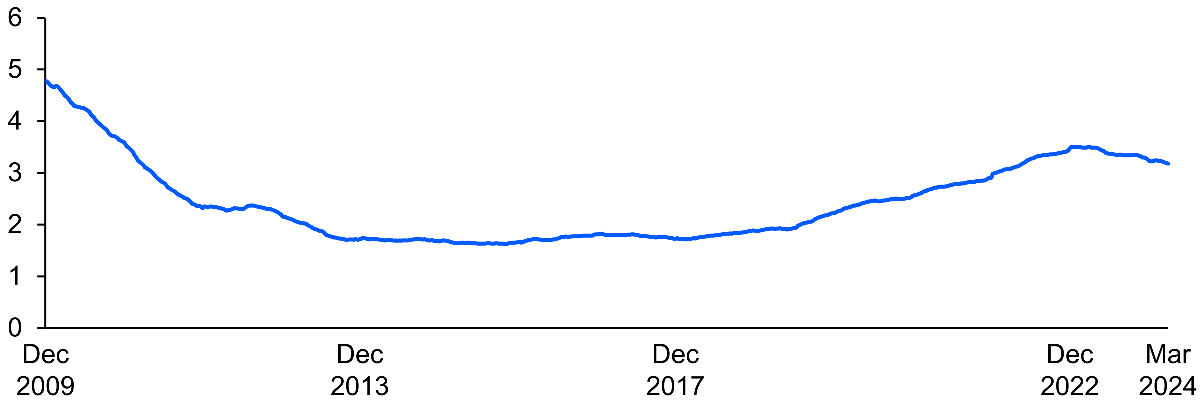
Highlights

LPF*, although still at an unsatisfactory level, **continues to improve also in 2024**

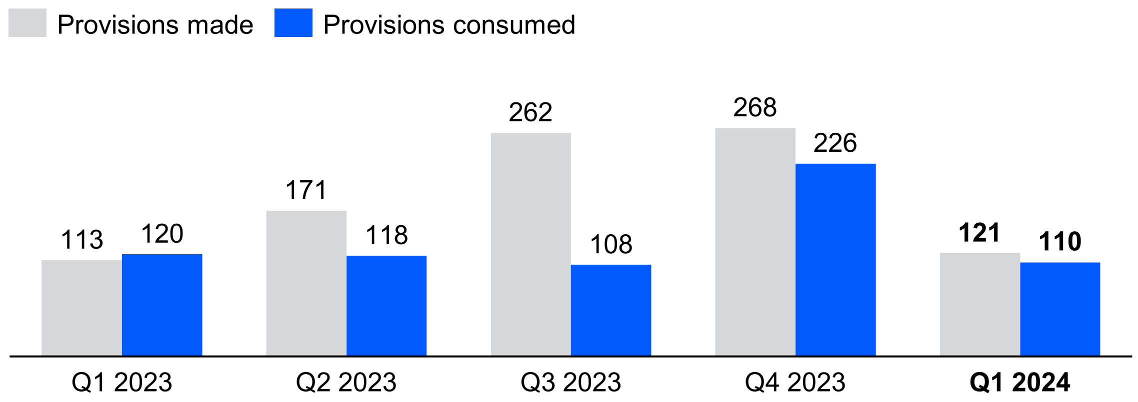
Warranty costs amounted to **EUR 121m** in the quarter corresponding to 4.5 percent of revenue

* LPF measures potential energy production not captured by Vestas' onshore and offshore wind turbines.

Lost Production Factor (LPF), Percent



Warranty provisions made and consumed, mEUR



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Capital structure – Q1 2024

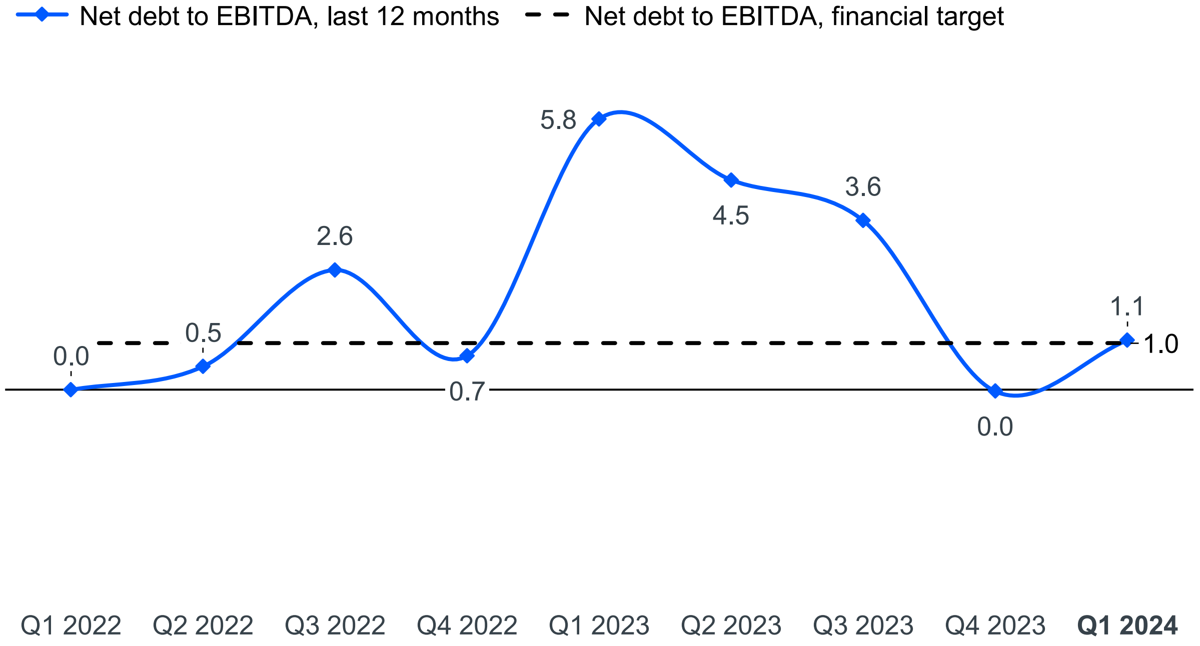
Solid capital structure and investment grade rating

Highlights

Improved financial results are the main driver for our **net debt to EBITDA** ending the quarter at **1.1x**, compared to 5.8x a year ago,

Investment grade rating of Baa2 from Moody's with stable outlook

Net debt to EBITDA before special items



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Outlook 2024

	Outlook
Revenue (bnEUR)	**16 – 18**
EBIT margin before special items (%) - Service is expected to generate EBIT b.s.i. of EUR 800-880m	**4 – 6**
Total investments (bnEUR) Total net investments in intangible assets and property, plant and equipment	**Approx. 1.2**

- The 2024 outlook is based on current foreign exchange rates

Q&A

Financial calendar 2024:

- Disclosure of Q2 2024 (14th August)
- Disclosure of Q3 2024 (5th November)

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