Vestas

Wind. It means the world to us.™

FIRST QUARTER 2020

Copenhagen, 5 May 2020

Vestas Wind Systems A/S

DISCLAIMER AND CAUTIONARY STATEMENT

This document contains forward-looking statements concerning Vestas' financial condition, results of operations and business. All statements other than statements of historical fact are, or may be deemed to be, forward-looking statements. Forward-looking statements are statements of future expectations that are based on management's current expectations and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance, or events to differ materially from those expressed or implied in these statements.

Forward-looking statements include, among other things, statements concerning Vestas' potential exposure to market risks and statements expressing management's expectations, beliefs, estimates, forecasts, projections and assumptions. A number of factors that affect Vestas' future operations and could cause Vestas' results to differ materially from those expressed in the forward-looking statements included in this document, include (without limitation): (a) changes in demand for Vestas' products; (b) currency and interest rate fluctuations; (c) loss of market share and industry competition; (d) environmental and physical risks, including adverse weather conditions; (e) legislative, fiscal, and regulatory developments, including changes in tax or accounting policies; (f) economic and financial market conditions in various countries and regions; (g) political risks, including the risks of expropriation and renegotiation of the terms of contracts with governmental entities, and delays or advancements in the approval of projects; (h) ability to enforce patents; (i) product development risks; (j) cost of commodities; (k) customer credit risks; (l) supply of components; and (m) customer created delays affecting product installation, grid connections and other revenue-recognition factors.

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KEY HIGHLIGHTS IN Q1 2020

Safety first in a challenging environment
Measures to secure business continuity in the COVID-19 crisis in place

Increased order intake
Firm order intake of 3.3 GW; up 10 percent compared to Q1 2019

All-time high order backlog
Combined order backlog of more than EUR 34bn

Revenue and profitability in line with our expectations
Revenue increased 29 percent to EUR 2.2bn; profitability impacted by low gross margin in the quarter

Strong performance in Service
Organic growth of 12 percent in Service compared to Q1 2019; EBIT margin of 26 percent

AGENDA

Orders and markets

Financials

Outlook & Q&A

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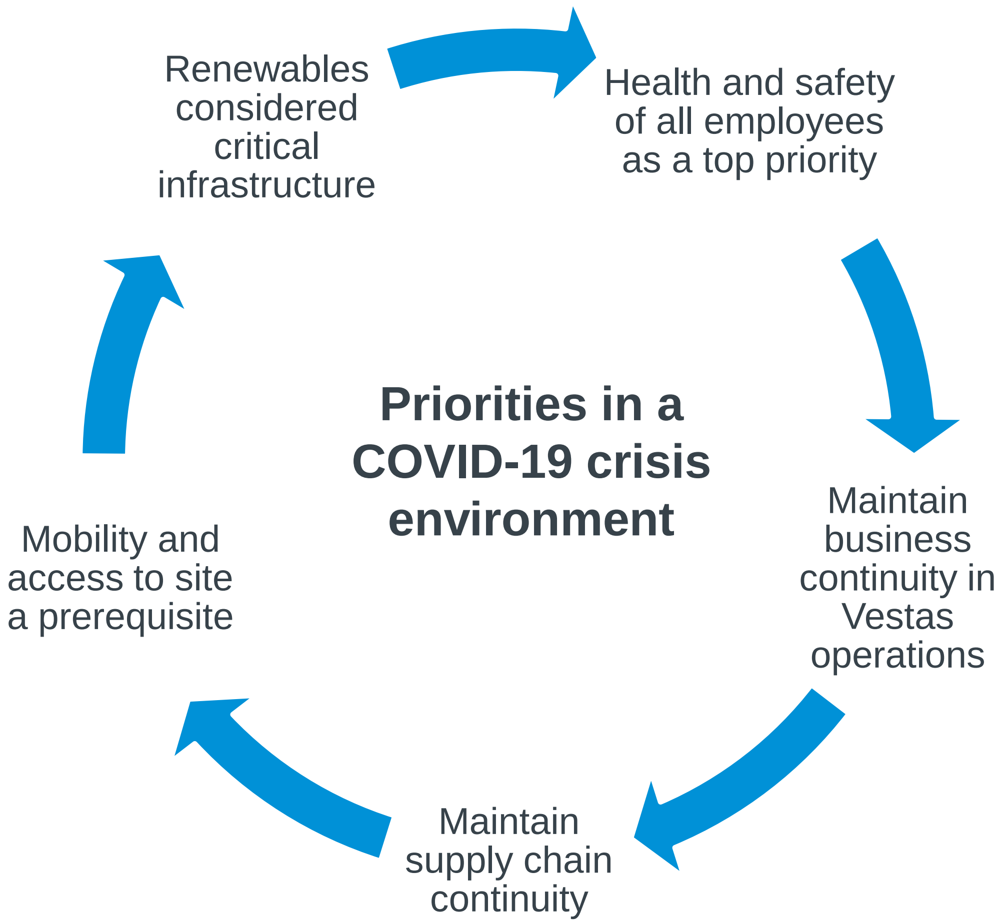
HOW IS THE COVID-19 CRISIS IMPACTING VESTAS



Global situation and business environment

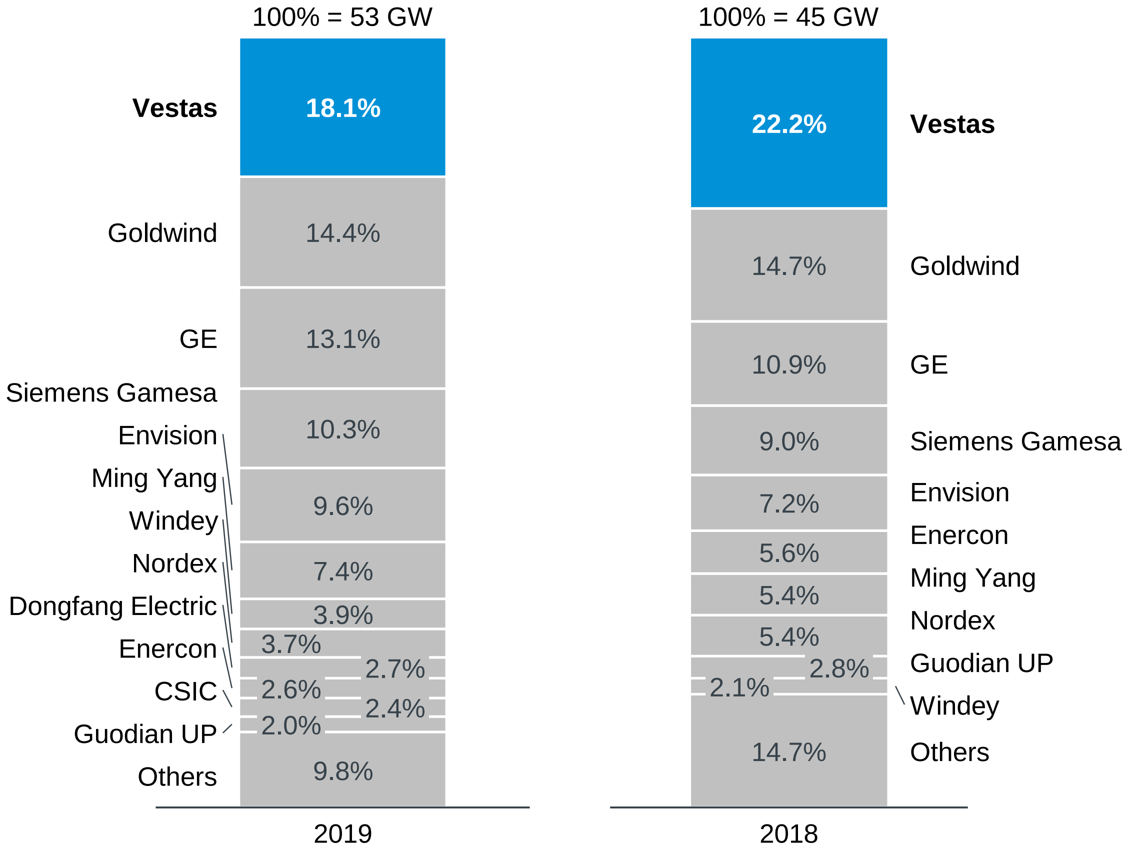
- Energy and wind power deemed critical infrastructure, supporting business continuity
- Pandemic impacting global economy and reducing energy demand
- Country lockdowns and restrictions potentially impact all parts of value chain
- Reduced mobility for service technicians, construction workers, and goods
- Increasing demand for green energy to jumpstart economy post COVID-19

Relentless focus on our business continuing to run safely

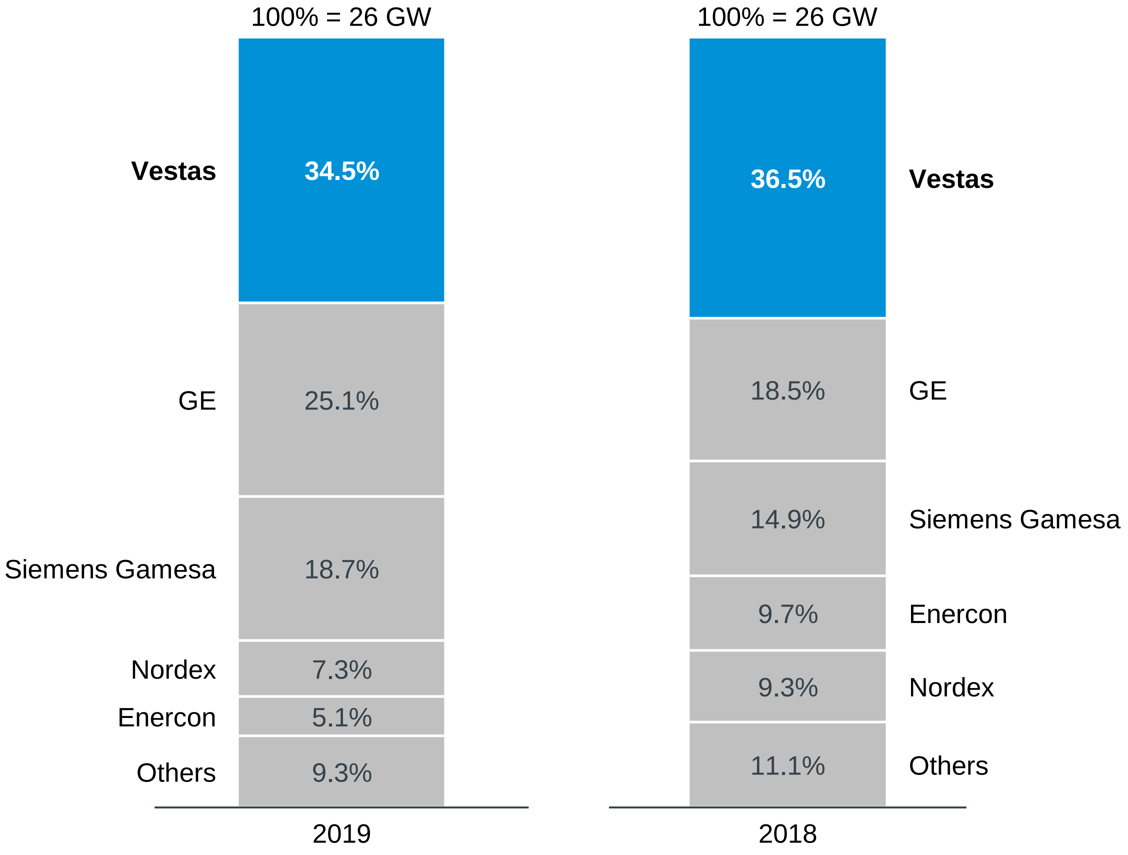
- Company-wide, cross-functional Crisis Management Team
- Comprehensive safety measures to prevent COVID-19 spread
- Obtaining permissions for factories to operate, and service technicians and construction workers to access sites
- Working with and supporting suppliers to keep goods flowing and limit bottlenecks
- Leveraging DSV Panalpina partnership to handle transportation challenges

MARKET SHARES

Sustaining our global leadership position



Global onshore installations



Global onshore installations
Excluding China

Source: Bloomberg New Energy Finance

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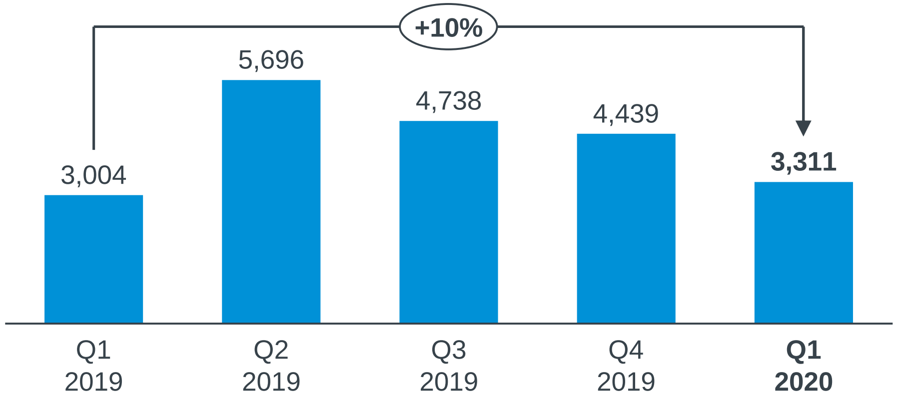
FIRST QUARTER ORDER INTAKE

Order intake at 3.3 GW, with an average selling price of EUR 0.72m per MW

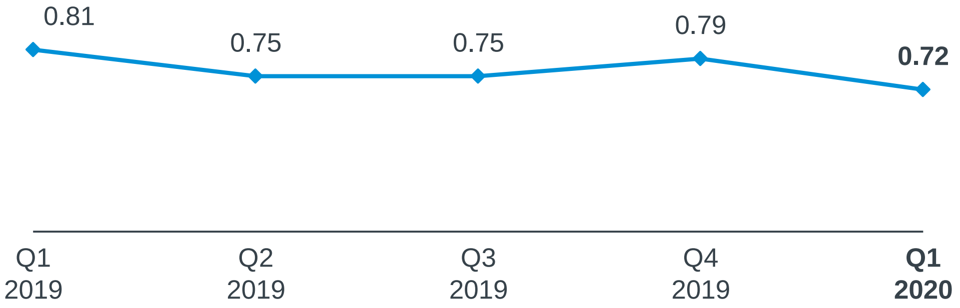
Order intake
MW



Key highlights

- Q1 2020 order intake increased 10 percent compared to Q1 2019
- China, Sweden, Poland, and Brazil were the main contributors to the order intake in Q1 2020

Average selling price of order intake
mEUR per MW



Key highlights

- Price per MW remained underlying stable in Q1 2020; excluding China, the ASP was EUR 0.77m
- Geography, turbine type, scope, and uniqueness of the offering still a factor

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ALL-TIME HIGH ORDER BACKLOG OF MORE THAN EUR 34BN

Combined backlog increased by EUR 5.8bn YoY, a growth of 20 percent

Wind turbines:

EUR 15.9bn

EUR +2.6bn*

Service:

EUR 18.2bn

EUR +3.2bn*

* Compared to Q1 2019.

POWER SOLUTIONS

Leveraging our global leadership position

115 **GW of installed turbines globally**

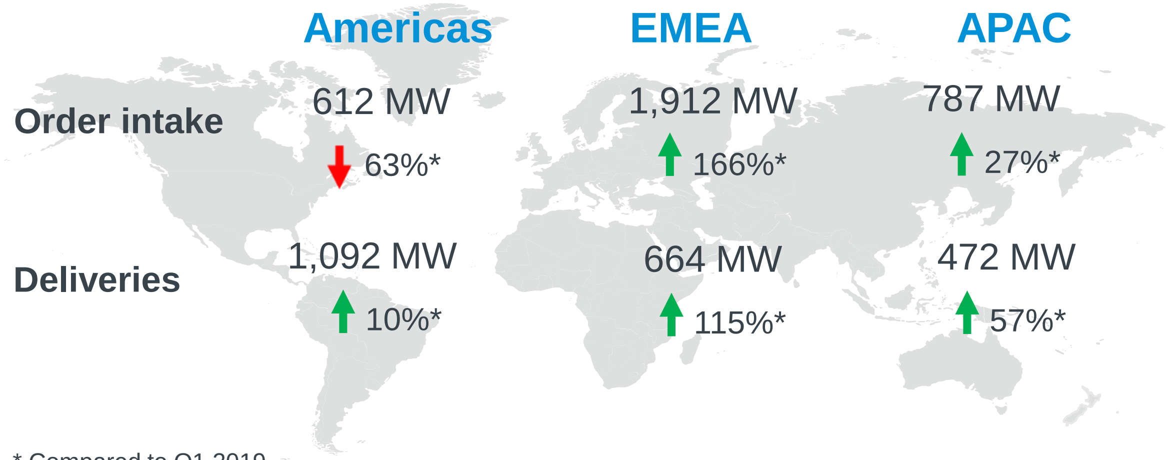
154 **Million tonnes of displaced CO_2 emissions – every year**

17 **Cumulative market share**

Source: WoodMackenzie

Q1 2020 highlights

- Strong efforts globally to secure business continuity despite the COVID-19 situation; some postponement of auctions in Latin America while commitment to 2020 auction schedule remains in Europe
- Broad-based increase in orders and deliveries in EMEA, driven by important core markets
- Lower order intake in Americas driven by the US as order activity for 2021 is not firm yet; Brazil partly offsetting some of the decline



	Americas	EMEA	APAC
Order intake	612 MW ↓ 63%*	1,912 MW ↑ 166%*	787 MW ↑ 27%*
Deliveries	1,092 MW ↑ 10%*	664 MW ↑ 115%*	472 MW ↑ 57%*

* Compared to Q1 2019

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SERVICE BUSINESS

Well positioned as the world’s largest service provider

98 **GW of onshore turbines with active service contracts**

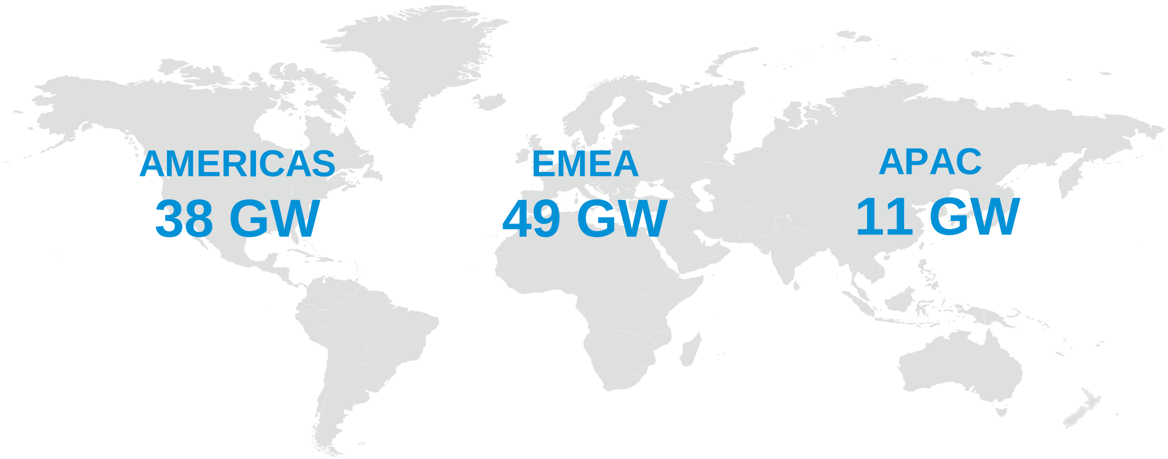
18 **Years of average duration on new contracts signed**

70 **Countries with active service contracts**

Q1 2020 highlights

- First 20-year full scope service contract signed in China
- Service win in Australia covering a long-term AOM 5000 agreement on 126 MW of Senvion turbines

Service fleet



MHI VESTAS OFFSHORE WIND

Growing portfolio of firm orders for Asia Pacific

5.0 **GW installed; more than 1,230 turbines**

3.4 **GW under installation/ unconditional orders**

2.1 **GW of conditional orders/ preferred supplier agreements**

Q1 2020 highlights

- 589 MW of firm orders signed for the Changfang and Xidao projects in Taiwan, the first MHI Vestas projects to reach financial close in APAC
- Firm order signed for Akita Noshiro Offshore Wind Farm Project to supply 33 V117- 4.2 MW™ turbines
- Limited interruption from COVID-19; Northwester 2 project nears completion as first V164-9.5 MW™ project to come online

Projects in progress

Borssele III/IV (NL)
731.5 MW
V164-9.5 MW™

WindFloat Atlantic (PT)
25 MW
V164-8.4 MW™

Northwester 2 (BE)
219 MW
V164-9.5 MW™

Moray East (UK)
950 MW
V164-9.5 MW™

Borssele V (NL)
19 MW
V164-9.5 MW™

Kincardine (UK)
50 MW
V164-9.5 MW™

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Classification: Public

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INCOME STATEMENT

Decreased profitability driven by Power solutions in accordance with expectations

mEUR	Q1 2020	Q1 2019	% change
Revenue	2,235	1,730	29%
Production costs	(2,076)	(1,495)	39%
Gross profit	159	235	(32)%
SG&A costs*	(213)	(192)	11%
EBIT before special items	(54)	43	(226)%
Special items	(58)	-	-
EBIT after special items	(112)	43	(360)%
Income from investments in joint ventures and associates	7	6	17%
Net profit	(80)	25	(420)%

Gross margin	7.1%	13.6%	(6.5)%-pts
EBITDA margin before special items	4.3%	9.8%	(5.5)%-pts
EBIT margin before special items	(2.4)%	2.5%	(4.9)%-pts

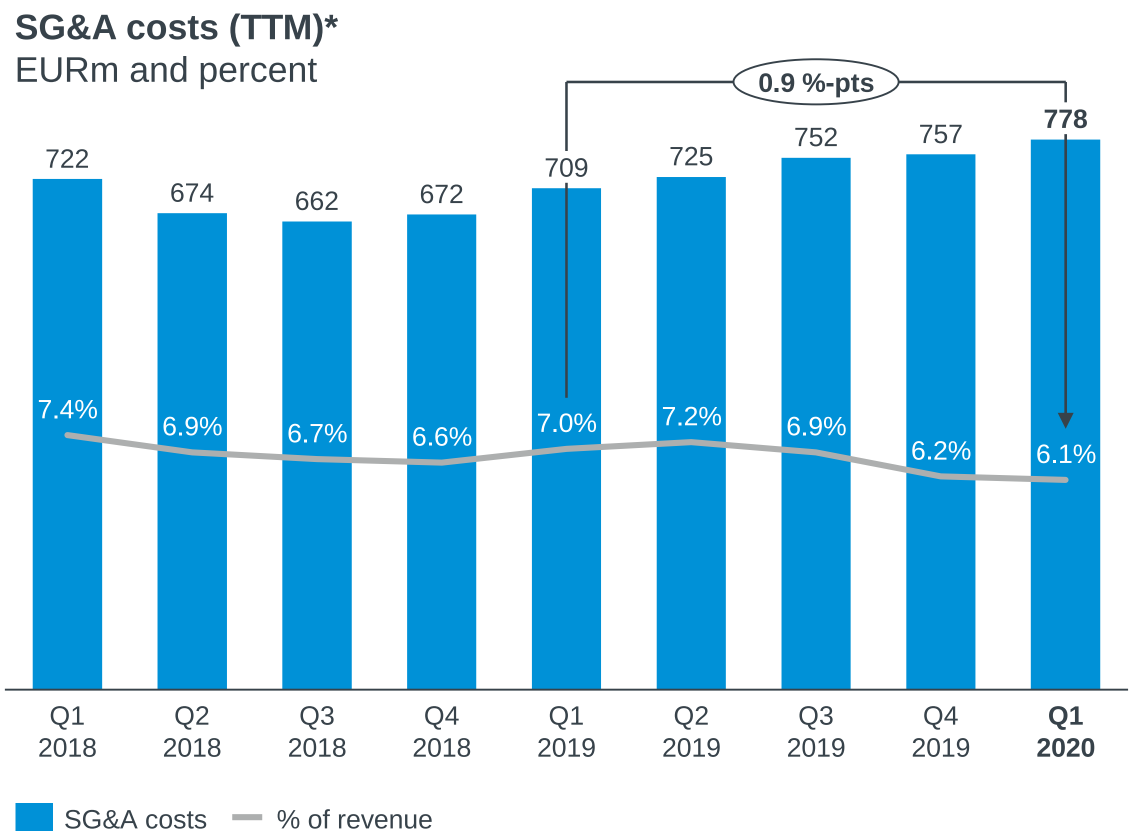
*R&D, administration, and distribution

Key highlights

- Revenue increased 29 percent driven by all regions; mainly driven by high activity levels in Power solutions
- Gross margin down by 6.5 percentage points mainly driven by existing logistical challenges and supply chain bottlenecks which is amplified by COVID-19; lower share of service and higher provisions also a factor
- EBIT margin before special items decreased by 4.9 percentage points, mainly driven by lower gross profit
- Special items of EUR (58)m driven by technology optimisation and simplification

SG&A COSTS

SG&A costs under control



Key highlights

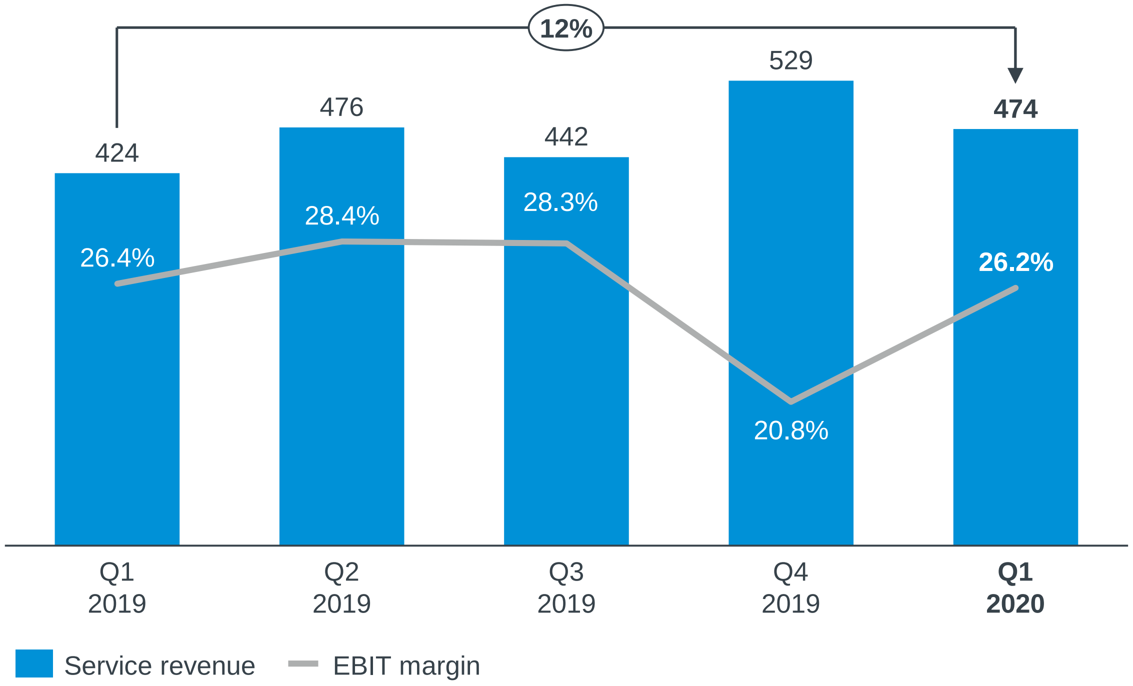
- Continuing to leverage on SG&A costs
- Depreciation and amortisation (excluding impairments) increased EUR 25m YoY primarily due to introduction of new products
- Relative to activity levels, SG&A costs amounted to 6.1 percent – a decrease of 0.9 percentage points compared to Q1 2019

*R&D, administration, and distribution on a 12 months basis

SERVICE BUSINESS

Strong service performance

Service revenue and EBIT margin, onshore
mEUR and percent



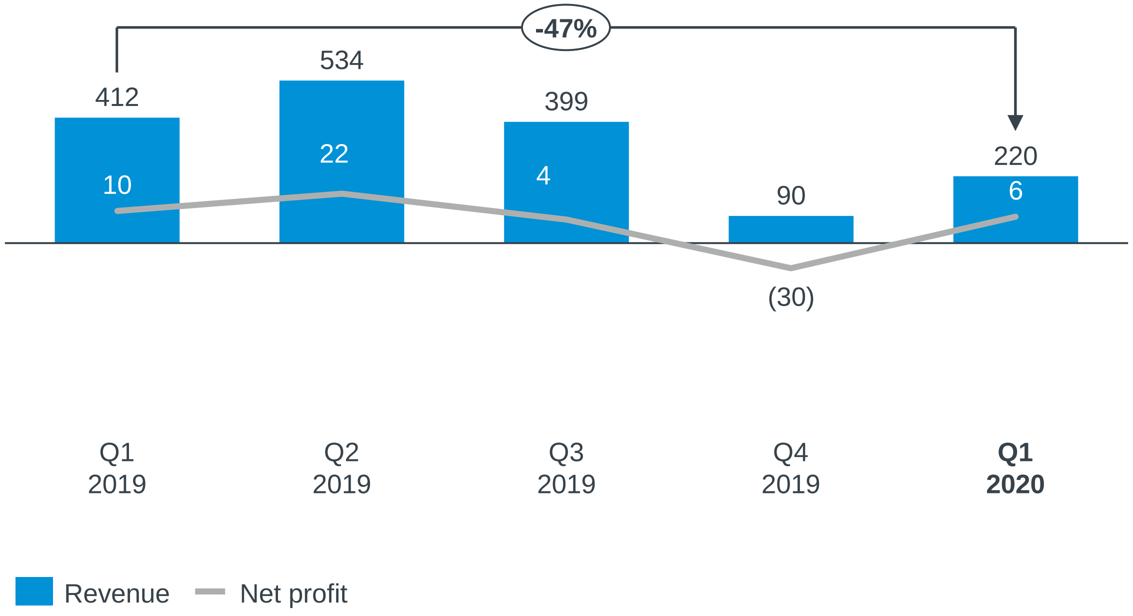
Key highlights

- Service revenue increased by 12 percent compared to Q1 2019, mainly driven by higher activity levels
- 2020 Q1 EBIT before special items: EUR 124m
  2020 Q1 EBIT margin before special items: 26.2 percent

MHI VESTAS OFFSHORE WIND

Activity levels down as expected YoY

Revenue and net result*
EURm



Key highlights

- Revenue in the JV of EUR 220m; down 47 percent from Q1 2019 as 2020 will see lower activity levels
- EBIT margin improved YoY
- Net profit of EUR 6m

* Vestas accounting for MHI Vestas Offshore Wind: The joint venture is accounted for using the equity method.

Classification: Public

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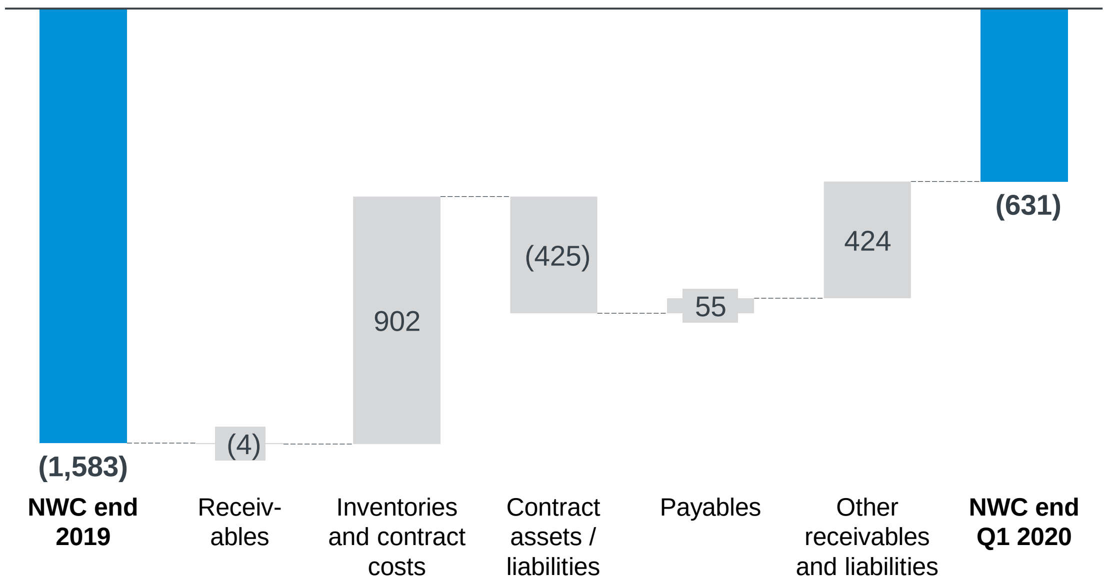
CHANGE IN NET WORKING CAPITAL

Inventory increased to cater for increasing activity levels

NWC change over the year
mEUR



Key highlights

- Net working capital negatively impacted by increased level of inventory to cater for high activity levels; partly offset by down- and milestone payments
- Other liabilities impacted by pay-out of global employee bonus

CASH FLOW STATEMENT

Negative free cash flow in the quarter

mEUR	Q1 2020	Q1 2019	Abs. change
Cash flow from operating activities before change in net working capital	(85)	156	(241)
Change in net working capital*	(675)	(856)	181
Cash flow from operating activities	(760)	(700)	(60)
Cash flow from investing activities**	(159)	(176)	17
Free cash flow before financial investments**	(919)	(876)	(43)
Free cash flow	(919)	(895)	(24)
Cash flow from financing activities	42	19	23
Net interest-bearing position	1,482	1,971	(489)

Key highlights

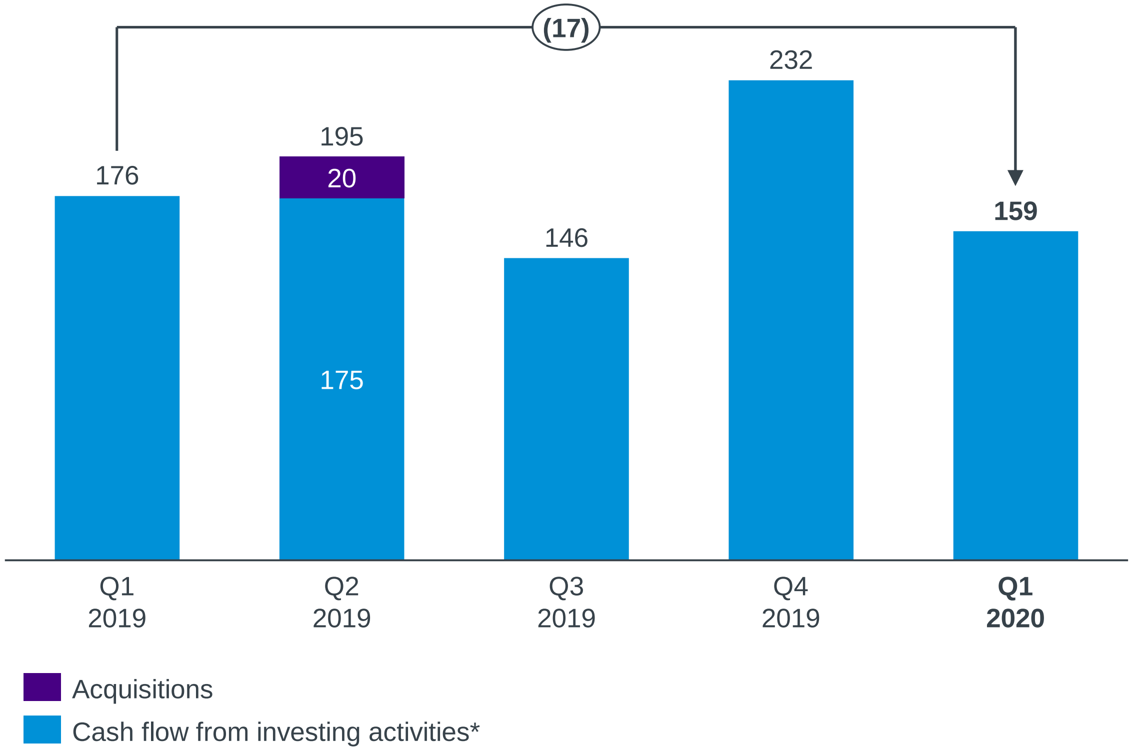
- Negative free cash flow before financial investments of EUR (919)m compared to EUR (876)m in 2019, negatively impacted by change in net working capital and cash outflow from operating activities
- Net interest-bearing position of EUR 1.5bn; constant focus on cash discipline

* Change in net working capital in 2020 impacted by non-cash adjustments and exchange rate adjustments with a total amount of net EUR (277)m.
** Excl. investments in marketable securities and short-term financial investments.

TOTAL INVESTMENTS

Investments stable year-over-year

Total net investments*
EURm



Key highlights

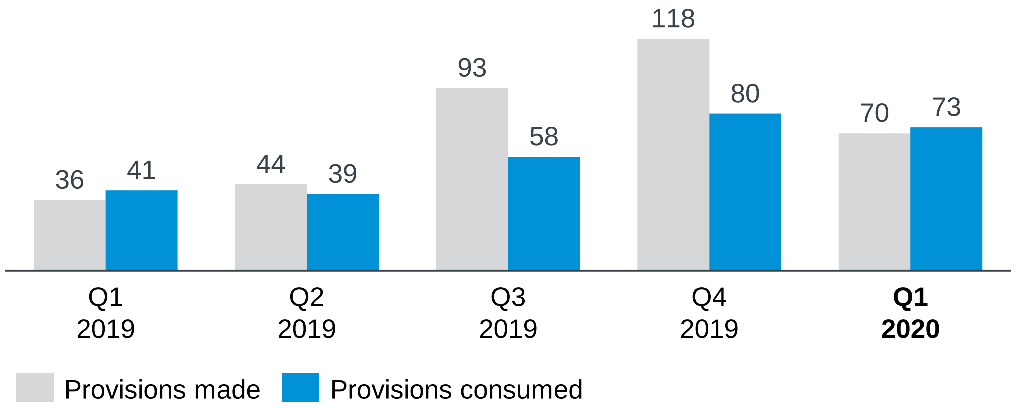
- Investments of EUR 159m in Q1 2020; roughly unchanged from EUR 176m in Q1 2019
- Optimisation of product portfolio to reduce total investment need; focus on 2020 execution and long-term competitiveness remains

* Excl. any investments in marketable securities and short-term financial investments.

WARRANTY PROVISIONS AND LOST PRODUCTION FACTOR

Warranty consumption and LPF continue at a low level

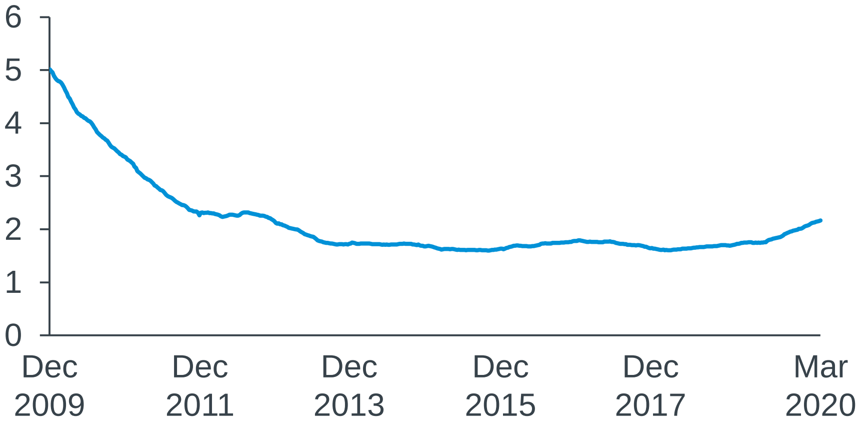
Warranty provisions made and consumed
mEUR



Key highlights

- Warranty provisions made increased EUR 34m YoY
- Warranty provisions made corresponded to 3.1 percent of revenue in Q1 2020

Lost Production Factor (LPF)
Percent



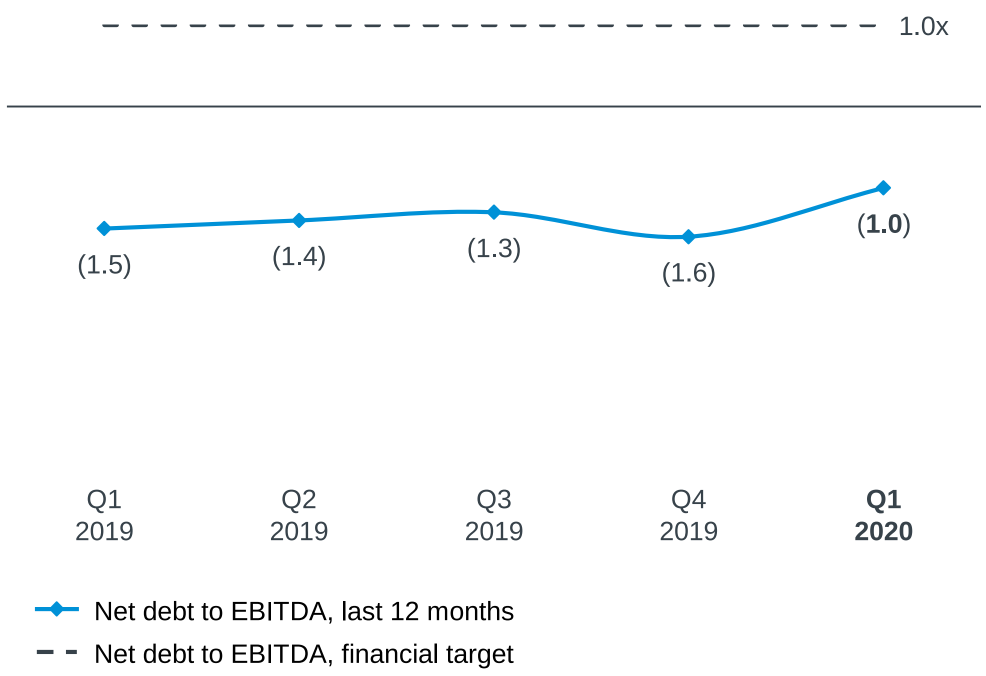
Key highlights

- LPF continues at a low level
- LPF measures potential energy production not captured by Vestas' wind turbines

CAPITAL STRUCTURE

Net debt to EBITDA well below threshold

Net debt to EBITDA before special items



Key highlights

- Net debt to EBITDA remains at low level of (1.0) in Q1 2020
- Liquidity position remains strong with EUR 2bn cash at hand
- Total credit facilities available for cash drawing of EUR 1.55bn with new one-year committed loan facilities totalling EUR 1bn as at May 1 2020

AGENDA

Orders and markets

Financials

Outlook & Q&A

Vestas

OUTLOOK 2020

	Current guidance	Initial guidance
Revenue (bnEUR)	**Suspended**	14 - 15
EBIT margin before special items (%)	**Suspended**	7 - 9
Total investments (mEUR) Excl. any investments in marketable securities and short-term financial investments	**Suspended**	approx. 700

- Guidance suspended as per 7 April 2020 due to the COVID-19 situation, and **Vestas maintains the suspension of the 2020 guidance.** For a full description, please refer to page 15 of the Interim Financial Report Q1 2020.
- With the **current visibility** Vestas' assessment for the year shows the following
    - **Service revenue** is expected to **grow approx. 7 percent** with an **EBIT margin** before special items of **approx. 25 percent**
    - **Total investments** is currently expected to be **below EUR 700m**

Q&A

Financial calendar 2020:

- Disclosure of Q2 2020 (11 August)
- Disclosure of Q3 2020 (4 November)

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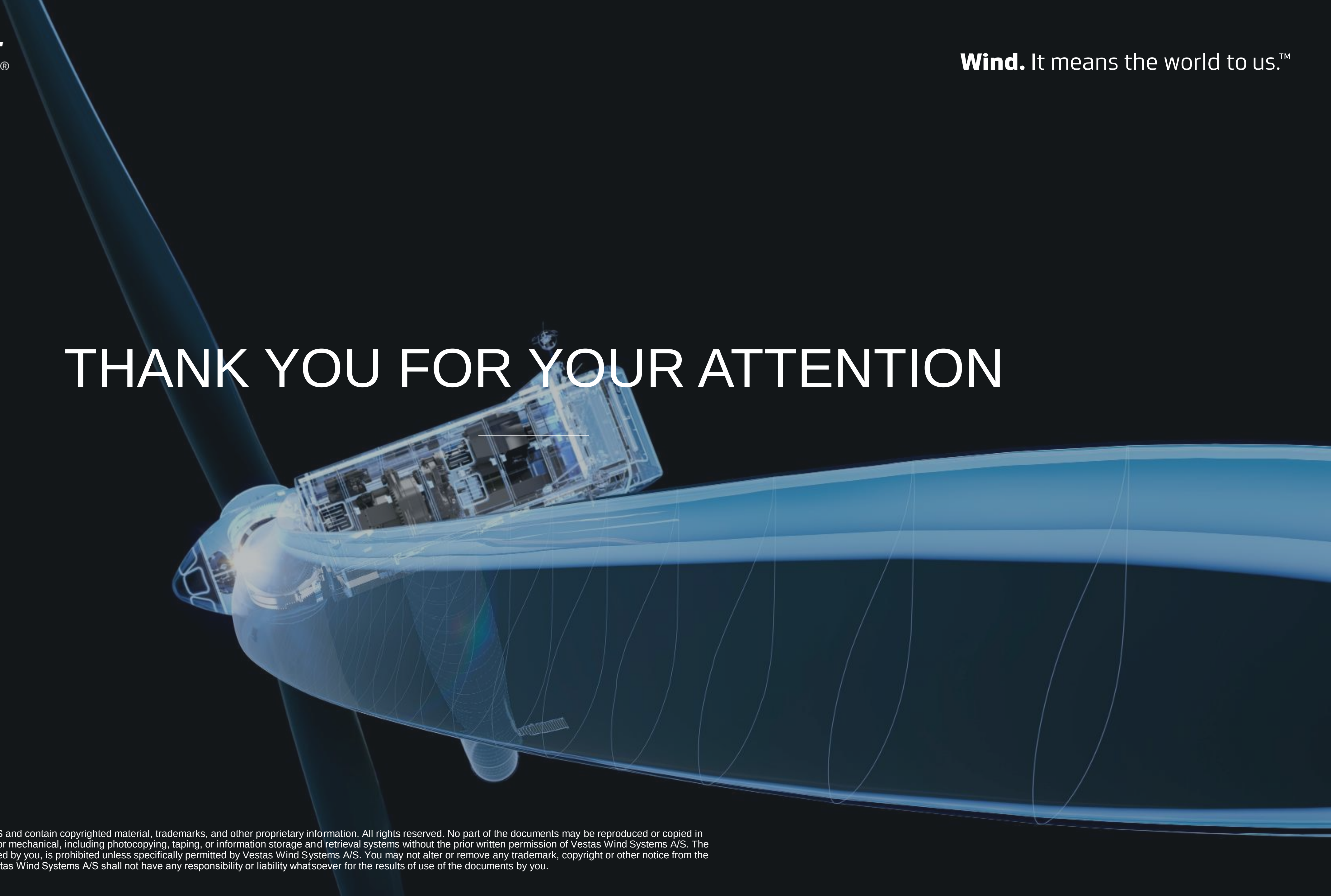

THANK YOU FOR YOUR ATTENTION