First quarter 2023

Vestas Wind Systems A/S
Copenhagen, May 2023

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Key highlights in Q1 2023

Revenue of EUR 2.8bn

Growth of 14 percent YoY driven by higher average pricing on deliveries, higher volume, and 29 percent Service growth

EBIT margin of 1 percent

Profitability improvement driven by the sale of the converter business, lower warranty provisions, and strong Service business

Order intake of 3.3 GW

Wind turbine orders in GW grew by 12 percent YoY with an ASP of EUR 0.89m/MW impacted by mix

Solid capital structure with more than EUR 1bn of new financing in Q1

EUR 500m sustainability-linked bond issued and EUR 750m revolving credit facility signed

Vestas leading the industry forward with discipline

Despite driving industry maturity, Vestas maintains a leading position in the global market

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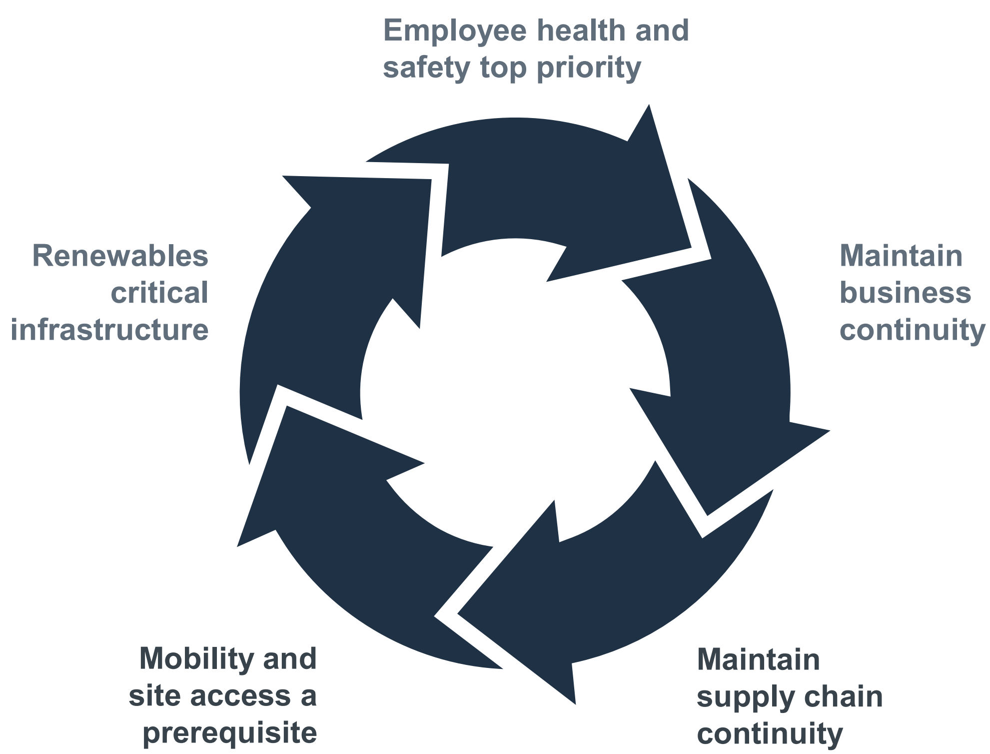
Global business environment



Global business environment expected to remain challenging throughout 2023

- **Russia exit** and geo-political uncertainty
- **Inflation becoming more pervasive**, impacting production, and execution costs
- Market **design and permitting** still a barrier to new installations
- Difficult conditions for completing **projects**

Market shares – 2022

Leading the industry with discipline

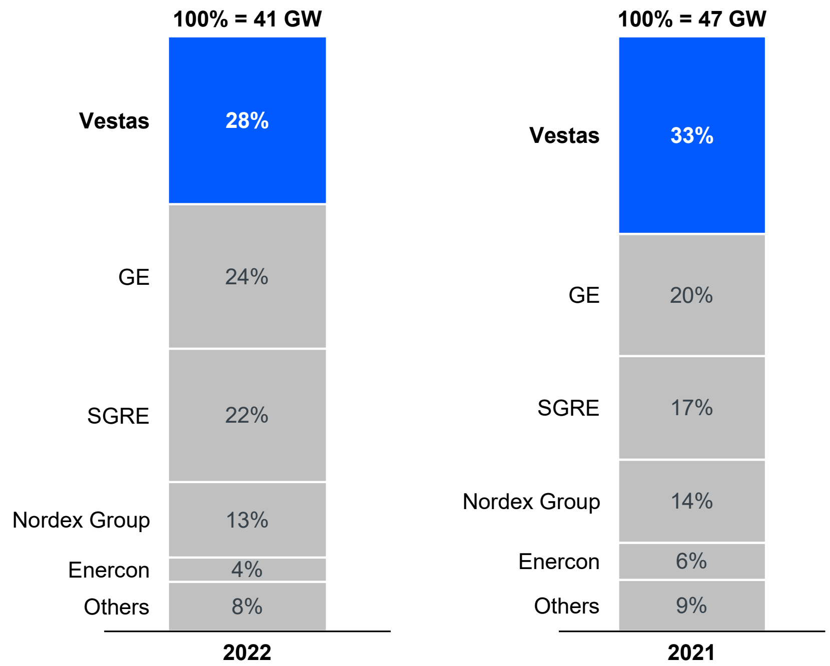
Highlights

Global installations outside China declined 13 percent in 2022 driven by lower installations in the USA, Vietnam and Sweden

Despite driving industry **discipline**, Vestas maintains **leading position** in the global market share outside China as we continue to put value before volume

Chinese OEMs still mainly active in their home market

Global onshore and offshore installations (excluding China)



Source: WoodMac Global wind turbine OEM 2022 market shares database (May 2023)

Power Solutions – Q1 2023

Commercial discipline intact - a necessity for industry wide profitability

Highlights

Strong order intake, up 12 percent YoY, driven by Americas and South Africa

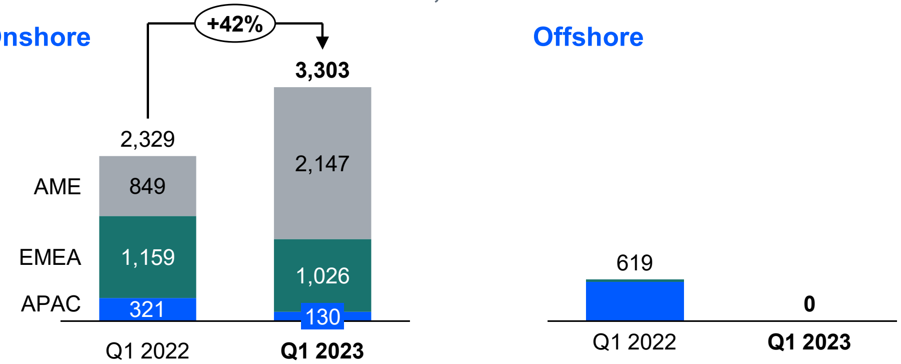
The **1.3 GW Casa dos Ventos order in Brazil** is the largest onshore order ever for Vestas

Slow permitting processes and regulatory uncertainty remains a challenge in both onshore and offshore

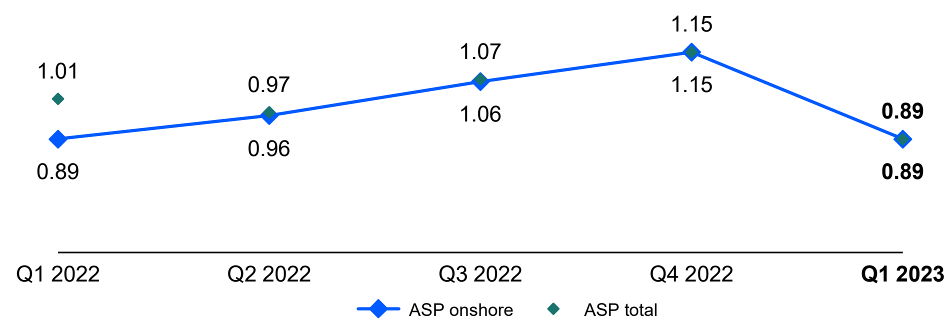
ASP declined from EUR 1.15m/MW in Q4 2022 to EUR 0.89m/MW in Q1 2023 **impacted by mix effects** from scope, country and FX – underlying ASP and profitability not diluted

Strong momentum with new offshore V236-15 MW™ turbine with more than **10 GW of total preferred supplier agreements**

Firm and unconditional order intake, MW



Average selling price of order intake, mEUR per MW



Service – Q1 2023

Well positioned for further growth

Highlights

Strong operational start to the year with **continued high activity**

Service order backlog increased to **EUR 31bn; inflation indexation** continues to protect profitability of the backlog

Covento – Vestas' digital platform for **aftermarket parts and services** – building momentum

Service order backlog

EUR 31.0bn
(27.5 onshore)

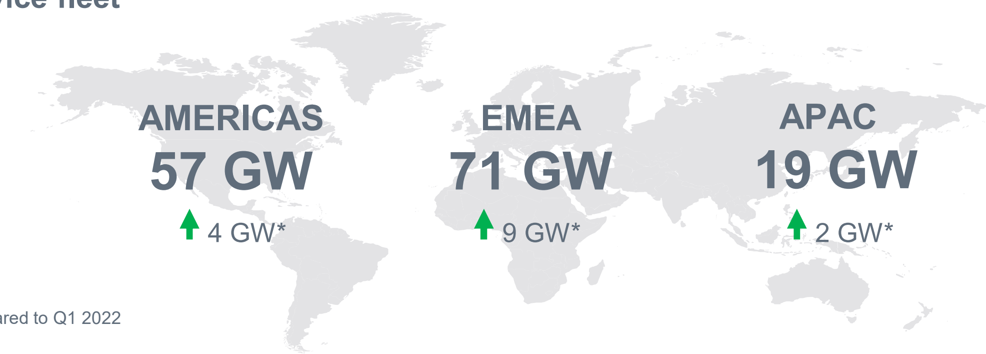
GW under **active service contracts**

147 GW
(136 onshore)

Average years contract duration

11 Years

Service fleet



*Compared to Q1 2022

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Vestas Development – Q1 2023

High activity level in major energy markets

Highlights

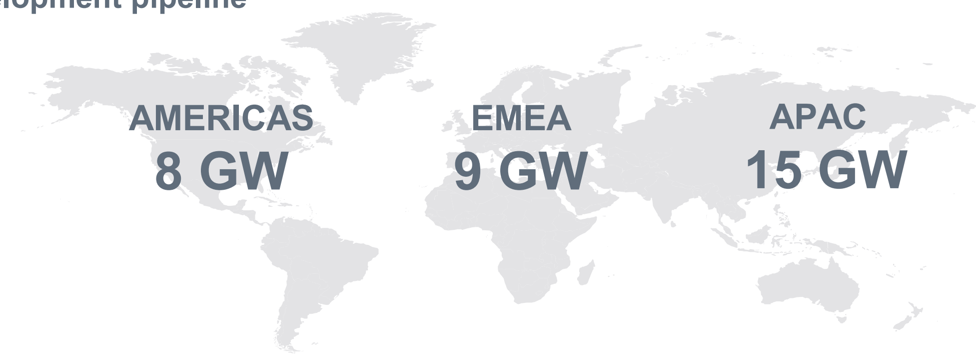
In Q1 2023, Vestas' **pipeline** of development projects amounted to **32 GW** with Australia, USA, and Brazil being the countries with the largest project pipeline

During the quarter, **Vestas secured 1.1 GW of new pipeline projects**

Finland **generated 50 MW** of order intake in the quarter

Order intake generated	New secured pipeline	Total project pipeline
50 MW	1.1 GW	32 GW

Development pipeline



Sustainability – Q1 2023

The most sustainable energy company in the world

Highlights

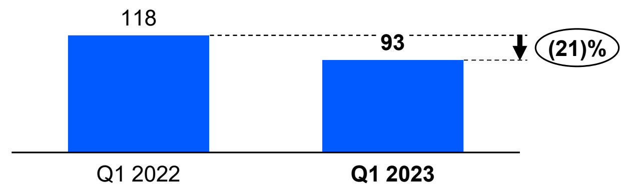
Lifetime CO_2e avoided by produced and shipped capacity decreased by 21 percent from Q1 2022, due to lower produced and shipped turbines

Carbon emissions from our own operations decreased by 4 percent due to lower activity

New methodology resulting in improved data quality on contractors monitored introduced in Q1 making TRIR non-comparable year-on-year; **Number of recordable injuries declined compared to last year**

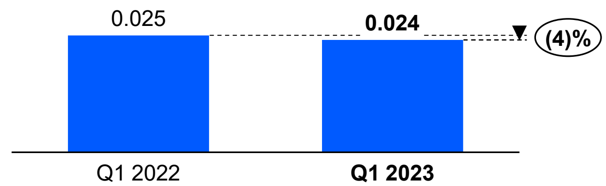
CO_2e avoided

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



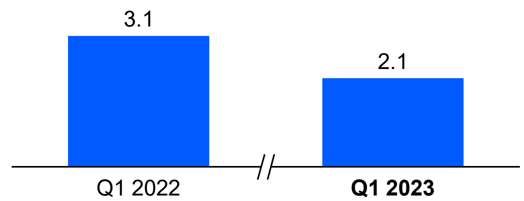
Carbon emissions

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



Safety

Total Recordable Injuries per million working hours (TRIR)



NOTE: *As of 1 January 2023, the safety data methodology has been revised to improve the data quality of contractor working hours.*

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Income statement – Q1 2023

Profitability improving from low level

Highlights

Revenue increased 14 percent YoY, driven by higher average pricing on wind turbine deliveries, higher volume, and increasing Service activity

Gross margin increased by 5.7 percentage points YoY, driven by higher revenue in both segments and improved margin in Power Solutions

Sale of technology of **EUR 147m** relating to the sale of the converters & controls business to KK Wind

EBIT margin before special items increased by 15 percentage points YoY, driven by increased gross margin, better fixed cost absorption in the quarter, as well as the offshore adjustments made in the first quarter of 2022

mEUR	Q1 2023	Q1 2022	% change
Revenue	**2,829**	2,485	14%
Production costs	**(2,641)**	(2,463)	7%
Gross profit	**188**	22	755%
SG&A costs*	**(304)**	(351)	(13)%
Sale of technology	**147**	-	-
Income from investments in JVs and associates	**9**	-	-
EBIT before special items	**40**	(329)	Positive
Special items	**26**	(565)	-
EBIT	**66**	(894)	Positive
Income from investments in joint ventures and associates	**(1)**	(1)	-
Net profit	**16**	(765)	Positive
Gross margin	**6.6**	0.9	5.7%-pts
EBITDA margin before special items	**8.3**	(0.8)	9.1%-pts
EBIT margin before special items	**1.4**	(13.2)	14.6%-pts

*R&D, administration, and distribution, including depreciations and amortisations.

Power Solutions – Q1 2023

Profitability improving

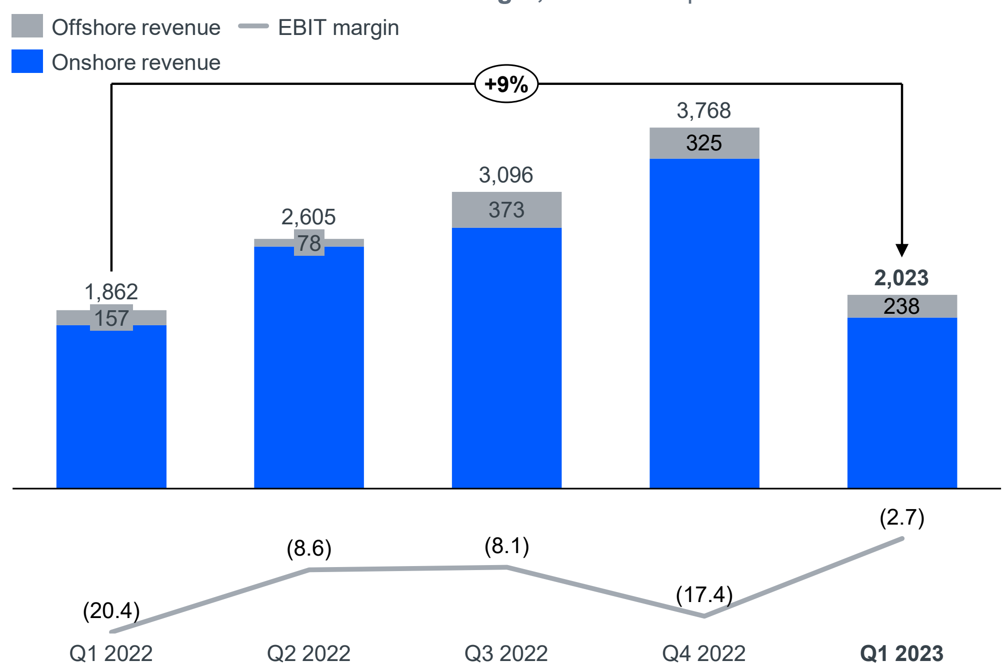
Highlights

Revenue increased by 9 percent YoY, driven by higher activity in EMEA and Americas

EBIT margin before special items of negative **2.7 percent, up by 18 percentage points YoY** driven by the sale of the converter business, offshore adjustment last year, and higher activity

Underlying **profitability improving** but still hampered by execution of low-margin projects from the backlog

Power Solutions revenue and EBIT margin, mEUR and percent



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Service – Q1 2023

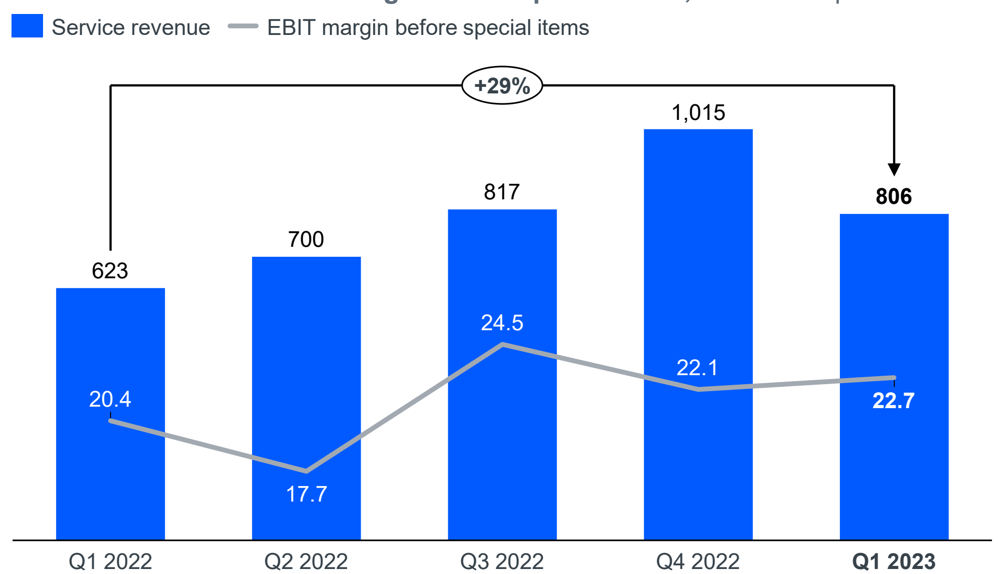
Strong growth and stable EBIT margin

Highlights

Revenue increased 29 percent YoY, driven by higher activity overall, inflation indexation in contracts and higher transactional sales – offset slightly by negative currency

Service generated EBIT of **EUR 183m** corresponding to a margin of **22.7 percent**

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

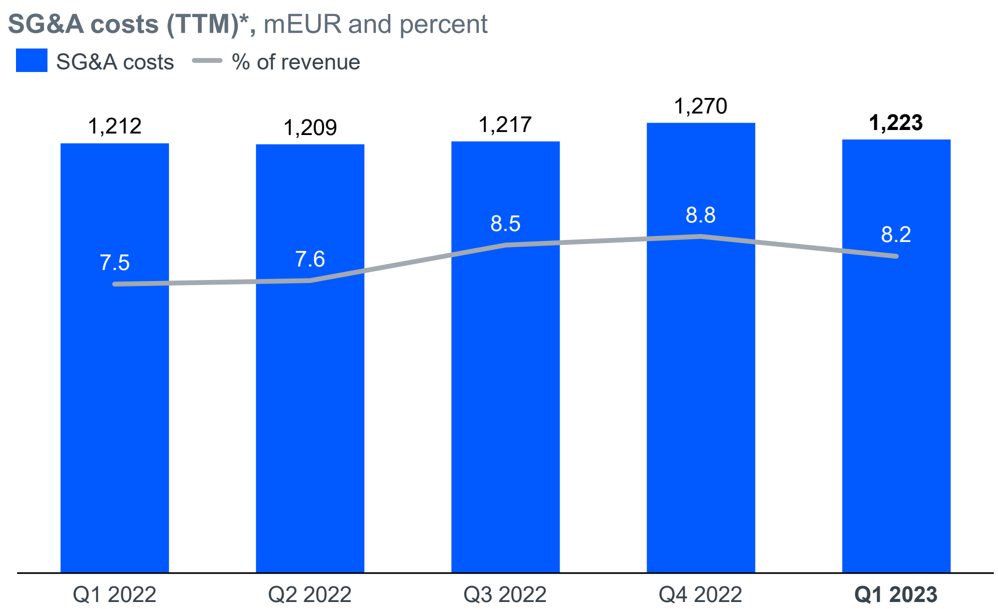


SG&A costs – Q1 2023

Fixed capacity costs at same level

Highlights

SG&A costs of **8.2 percent** of revenue on a trailing 12-month basis, which is the same level as last year



*R&D, administration and distribution costs on trailing twelve months basis.

Classification: Public

Net working capital – Q1 2023

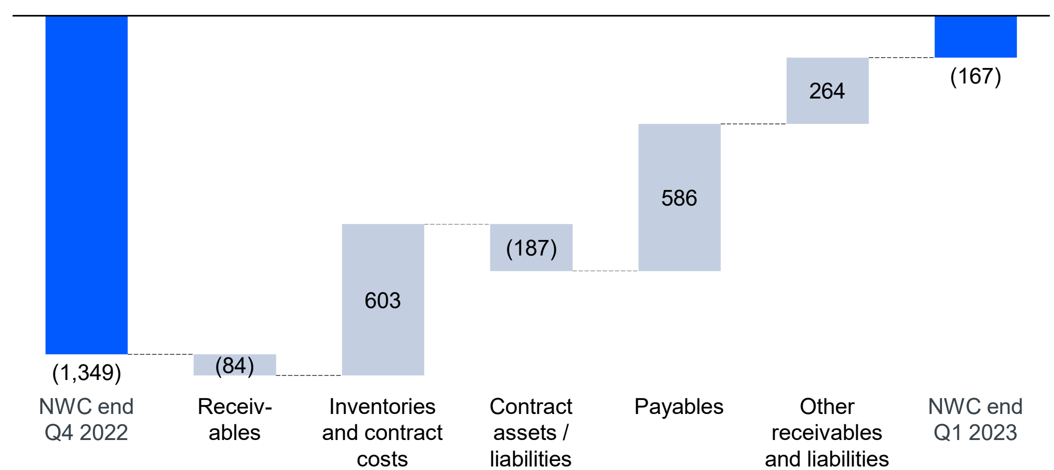
Increased NWC in the quarter reflecting normal seasonality

Highlights

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

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

NWC change over the quarters, mEUR



Cash flow statement – Q1 2023

Cash flow in the quarter driven by typical seasonality

Highlights

Operating cash flow before change in NWC increased **EUR 567m** driven by higher profitability

Negative free cash flow of EUR 1.1bn on par with last year and driven by net working capital

mEUR	Q1 2023	Q1 2022	Abs. Change
Cash flow from operating activities before change in net working capital	**248**	(319)	567
Change in net working capital*	**(1,222)**	(609)	(613)
Cash flow from operating activities	**(974)**	(928)	(46)
Cash flow from investing activities**	**(107)**	(193)	86
Free cash flow before financial investments**	**(1,081)**	(1,121)	40
Free cash flow	**(1,085)**	(1,123)	38
Cash flow from financing activities	**436**	494	(58)
Net interest-bearing position	**(1,121)**	58	(1,179)

* Change in net working capital impacted by non-cash adjustments and exchange rate adjustments with a total amount of net EUR 39m.
** * Excl. acquisitions of subsidiaries, joint ventures, associates and financial investments.

Total investments – Q1 2023

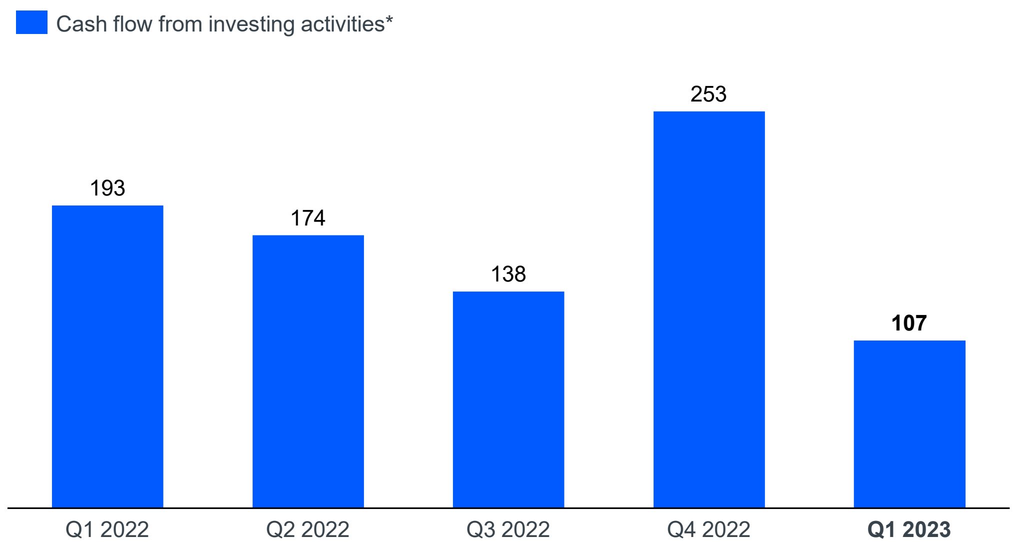
Sale of converters and controls business to KK Wind finalised in the quarter

Highlights

Investments of **EUR 107m in Q1**, a decrease from Q1 last year mainly driven by a cash inflow related to the sale of the converters & controls business of EUR 58m

Additionally, lower investments in transportation equipment and construction tools lead to **lower net investments in the quarter**

Total net investments*, mEUR



* Excl. acquisitions of subsidiaries, joint ventures, associates and financial investments.

Provisions and LPF – Q1 2023

Warranty provisions remain elevated but improved year-on-year

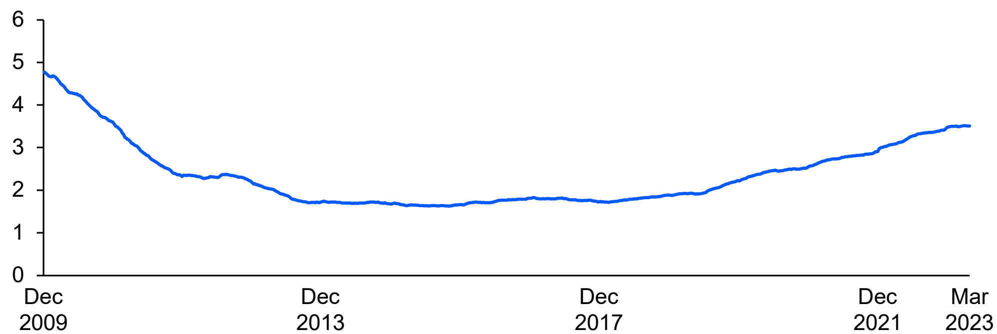
Highlights

LPF* continues at high level as a consequence of the **extraordinary repair and upgrade** level

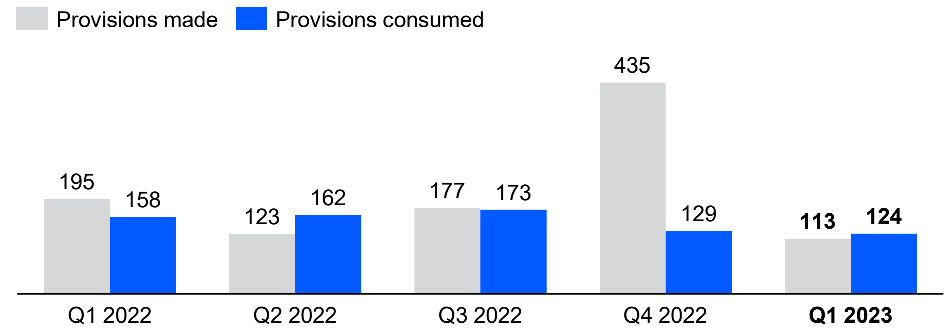
Warranty provisions made in Q1 2023 corresponding to **4.0 percent of revenue**; a decrease from 7.8 percent in Q1 2022

* 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



Classification: Public

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Capital structure – Q1 2023

Solid capital structure and investment grade rating

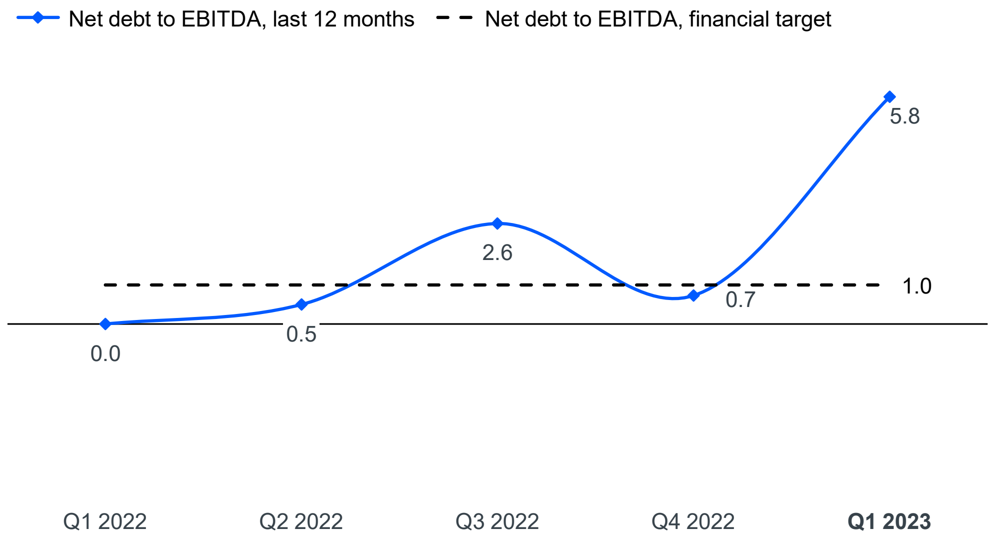
Highlights

As expected, **net debt to EBITDA** increased to **5.8x** in Q1 mainly affected by the low EBITDA on a trailing 12-month basis

In March, Vestas issued a EUR 500m **sustainability-linked bond** maturing in 2026; and signed a EUR 750m revolving credit facility maturing in 2024

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

Net debt to EBITDA before special items



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Outlook 2023

	Outlook
Revenue (bnEUR) - Service is expected to grow min. 5 percent	**14 – 15.5**
EBIT margin before special items (%) - Service margin is expected to be approx. 22 percent	**(2) – 3**
Total investments (bnEUR) Excl. acquisitions of subsidiaries, joint ventures, associates and financial investments	**approx. 1**

- Important to note that basic assumptions behind the guidance are more uncertain than normal
- The 2023 outlook is based on current foreign exchange rates

Q&A

Financial calendar 2023:

- Disclosure of Q2 2023 (9th August)
- Disclosure of Q3 2023 (8th November)