Third quarter 2023

Vestas Wind Systems A/S
Copenhagen, November 2023

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Key highlights in Q3 2023

Order intake of 4.5 GW

Wind turbine orders more than doubled year-on-year driven by Offshore and higher activity in North America and Europe

Positive earnings from operations

Return to profitability reflects good execution in the quarter and gradual improvements in project profitability

Revenue of EUR 4.4bn

Growth of 11 percent year-on-year driven by higher value of turbine deliveries, stable volumes, and double-digit growth in Service

EBIT margin of 1.6 percent

Profitability improvement driven by higher gross margin, better pricing, and solid performance and profitability in Service

Outlook narrowed

On track to deliver positive EBIT in 2023

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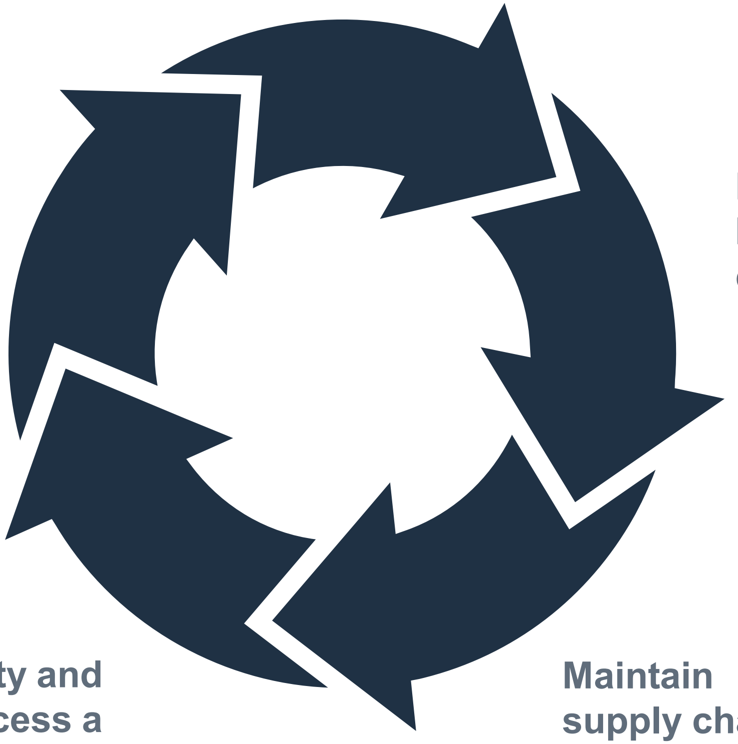
Global business environment

Global business environment expected to remain challenging for the rest of 2023



- Market **design and permitting** pose a barrier to new installations, but **EU Wind Power Action Plan** is a step in the right direction
- **Industry still needs to mature** to ensure operational efficiency, quality, and scalability
- The business environment has improved during 2023, but **supply chain disruptions and inflation remain a concern**

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Power Solutions – Q3 2023

Commercial discipline and strong order intake

Highlights

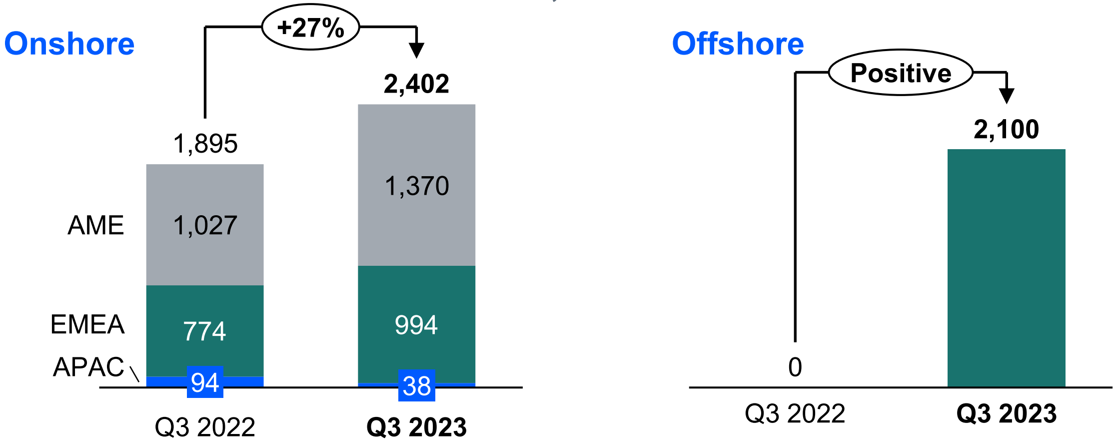
Order intake of 4.5 GW, more than doubled compared to last year, driven by Offshore and growth in Onshore activity in the USA and Germany in particular

We **secured the two first orders** for our V236-15.0 MW™ turbine for the Baltic Power and He Dreiht offshore projects. Vestas had **more than 10 GW of PSAs** for the V236 at the end of the third quarter

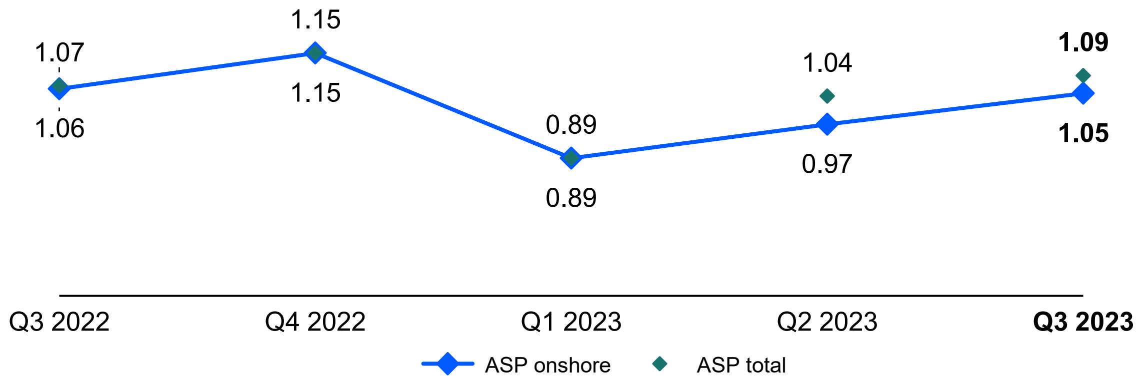
Onshore ASP increased to **EUR 1.05m/MW** in Q3 from EUR 0.97m/MW in the prior quarter. Overall **mix was typical** in Q3

For business reasons, Vestas will adjust disclosure relating to ASP to avoid exposing individual offshore project values in the future

Firm and unconditional order intake, MW



Average selling price of order intake, mEUR per MW



Service – Q3 2023

Strong position for further profitable growth

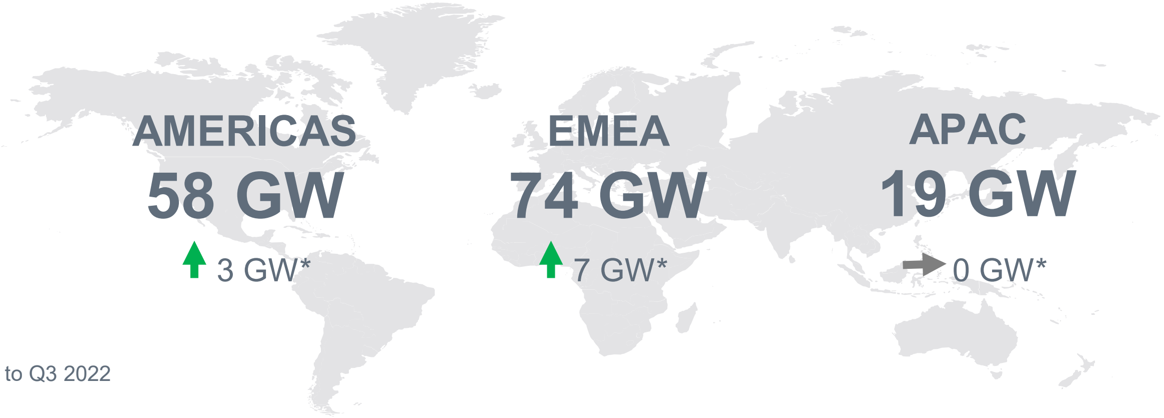
Highlights

Service **maintained a high activity level** and despite inflationary cost pressures delivered a continued strong operational performance

The service order backlog continues to grow, now more than **EUR 32bn. Inflation indexation** remains a vital mechanism in preserving the profitability

Service order backlog	GW under active service contracts	Average years contract duration
EUR 32.4bn (28.1 onshore)	151 GW (142 onshore)	11 Years

Service fleet



*Compared to Q3 2022

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Vestas Development – Q3 2023

Focus on pipeline quality

Highlights

During the quarter, Vestas secured **1.2 GW of new pipeline projects**, primarily originating from South Korea

Focus on **pipeline quality** led to closing of some early-stage projects and adjustments in projects sizes, as well as successful sale of projects in EMEA, which offset the pipeline additions in the quarter

At the end of Q3 2023, Vestas' **pipeline** of development projects amounted to **30 GW** with Australia, the USA, and Brazil contributing the most

Order intake generated

0 MW

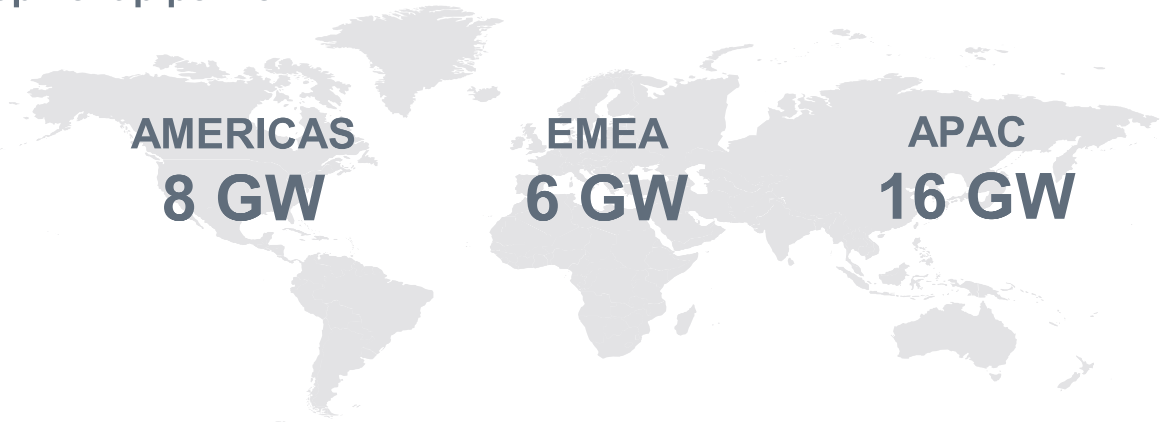
New secured pipeline

1.2 GW

Total project pipeline

30 GW

Development pipeline



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Sustainability – Q3 2023

The most sustainable energy company in the world

Highlights

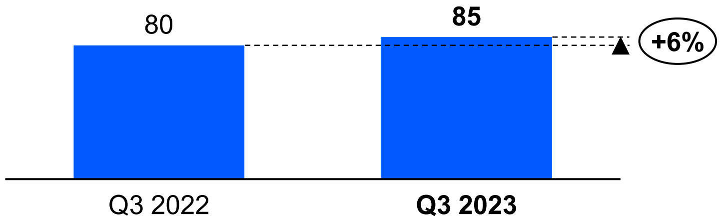
Lifetime CO_2e avoided by produced and shipped capacity increased by 6 percent from Q3 2022, due to higher produced volumes

Carbon emissions from our own operations (scope 1+2) decreased 17 percent compared to Q3 2022

On **Safety,** numbers in the quarter were stable compared to the same quarter last year, at a Total Recordable Injury Rate of 3.5 per million working hours

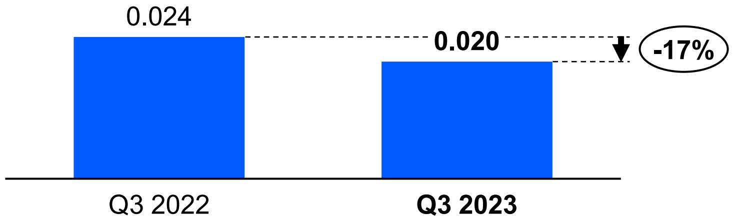
CO_2e avoided

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



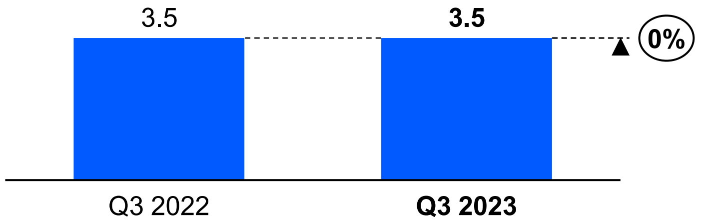
Carbon emissions

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 – Q3 2023

Gross margin continues to improve

Highlights

Revenue increased 11 percent YoY, driven by higher value of turbine deliveries, stable volumes and continued growth in Service

Gross margin was 8.1 percent, up from 4.1 percent last year. The improvement was again this quarter driven by Power Solutions and increased pricing as well as Service

Income from JVs and associates related to **Development activities** generated EUR 14m to EBIT in the quarter

EBIT margin b.s.i. was 1.6 percent, a significant improvement from minus 3.2 last year

mEUR	Q3 2023	Q3 2022	% change
Revenue	**4,353**	3,913	11%
Production costs	**(4,002)**	(3,752)	7%
Gross profit	**351**	161	118%
SG&A costs*	**(295)**	(288)	2%
Sale of technology	**-**	-	-
Income from investments in JVs and associates	**14**	-	-
EBIT before special items	**70**	(127)	Positive
Special items	**(1)**	13	-
EBIT	**69**	(114)	Positive
Income from investments in joint ventures and associates below EBIT	**(9)**	8	-
Net profit	**28**	(147)	Positive
Gross margin	**8.1**	4.1	4.0%-pts
EBITDA margin before special items	**6.1**	2.6	3.5%-pts
EBIT margin before special items	**1.6**	(3.2)	4.8%-pts

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

Power Solutions – Q3 2023

Profitability approaching breakeven

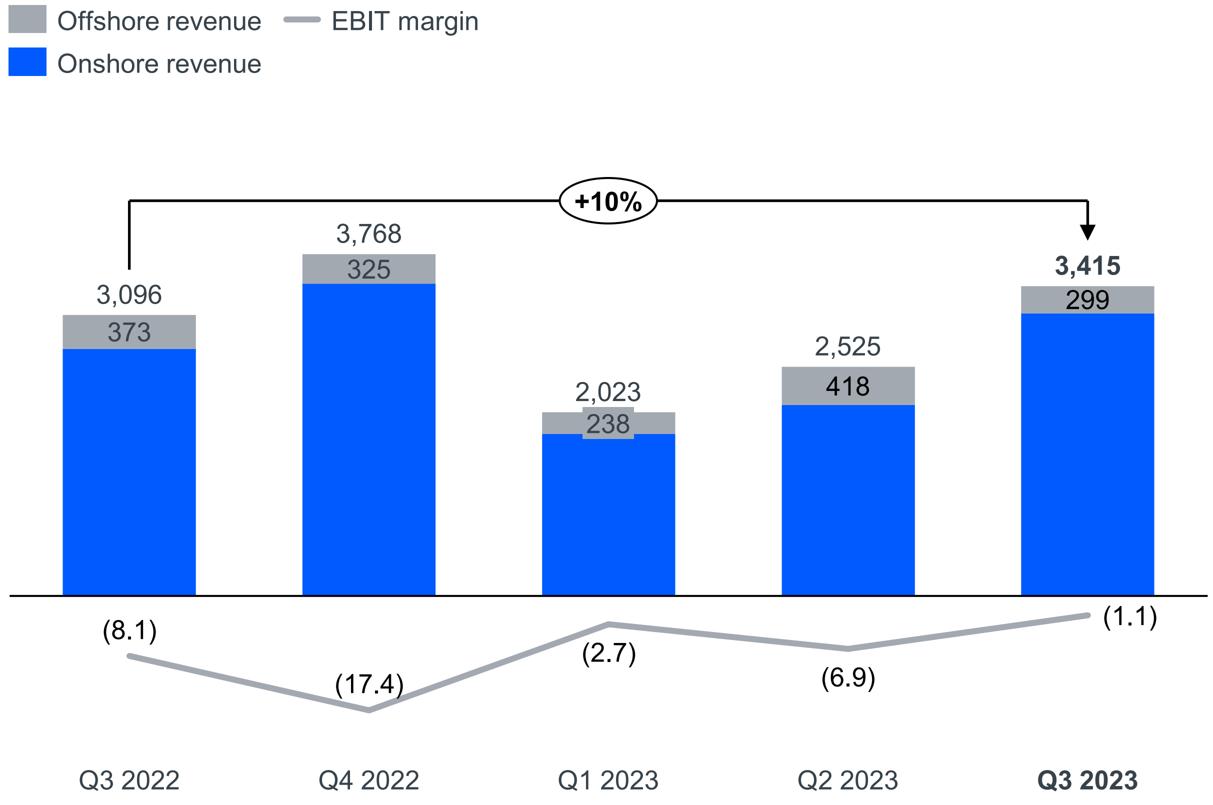
Highlights

Revenue increased by 10 percent YoY, driven by higher activity in AMERICAS and APAC partly offset by lower activity in Offshore and currency headwind of 7 percent

EBIT margin b.s.i. **improved** by 7 percentage points to **minus 1.1 percent**. The increase was primarily driven by better project pricing and execution

Profitability continues to improve gradually but remains hampered by execution of low-margin projects from the backlog

Power Solutions revenue and EBIT margin, mEUR and percent



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Service – Q3 2023

Double-digit growth and stable profitability

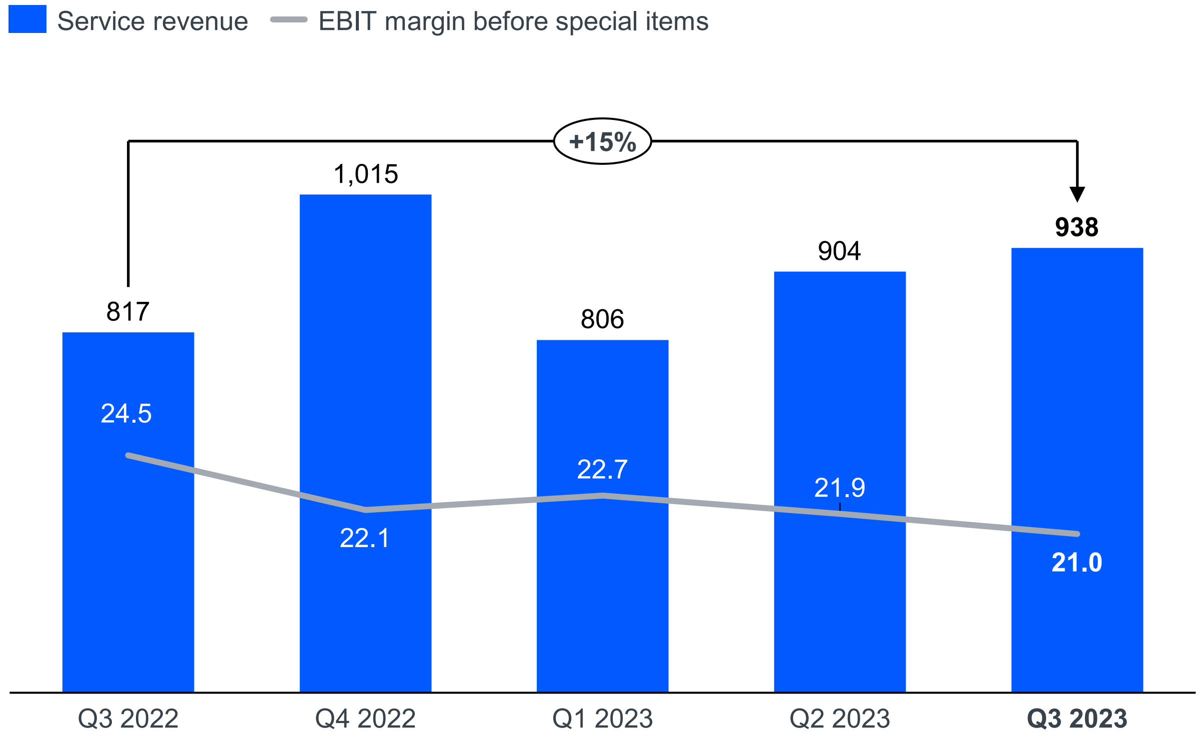
Highlights

Revenue increased 15 percent YoY in Q3, driven by higher contract activity, particularly in EMEA and AMERICAS, as well as inflation indexation

Transactional sales were slightly down for the second quarter in a row, and currency translation was an 8 percent headwind

Despite some inflationary cost pressures, Service continues to be a stronghold for the Group, generating EBIT of **EUR 197m** corresponding to a solid margin of **21.0 percent**

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



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SG&A costs – Q3 2023

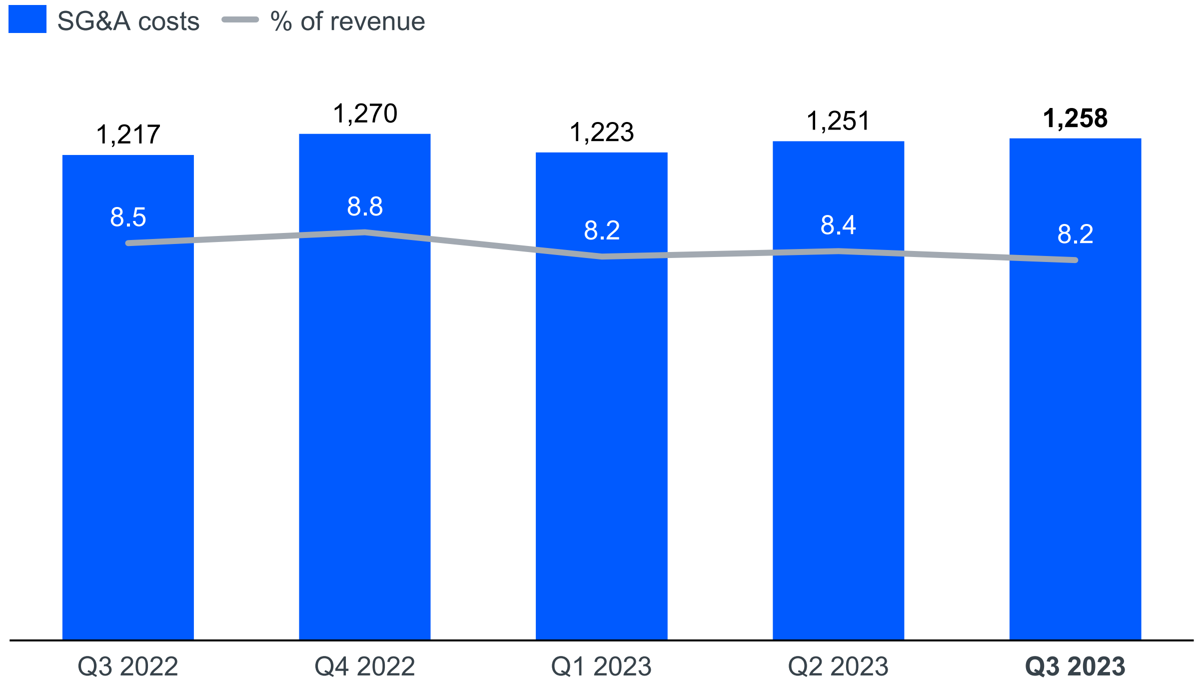
Fixed capacity costs at same level

Highlights

Relative to activity levels, SG&A costs amounted to **8.2 percent** on a trailing 12-month basis

The improvement in the ratio compared to Q3 last year is mainly driven by higher revenue and lower administrative costs, partly offset by higher R&D and employee-related costs

SG&A costs (LTM)*, mEUR and percent



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

Classification: Public

Net working capital – Q3 2023

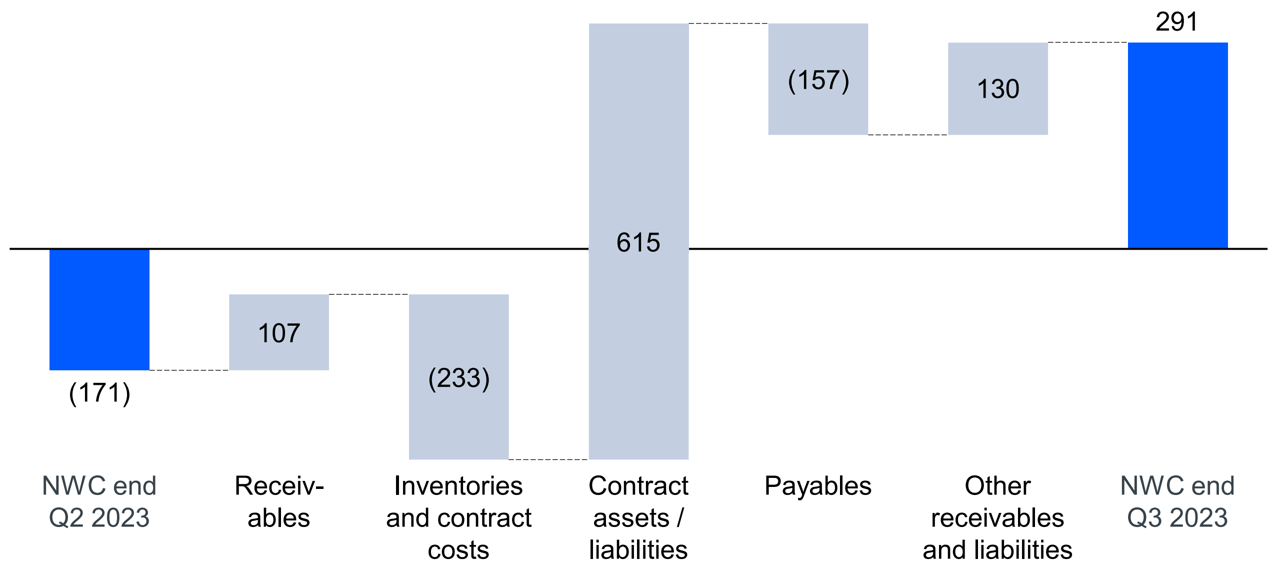
Working capital increased ahead of a busy fourth quarter

Highlights

Net working capital increased during Q3. A decrease in the level of **down- and milestone payments** from customers was partly offset by a reduction in **inventories** and lower **supplier payments** in the quarter

The usual **working capital unwind expected** in the last quarter of the year

NWC change over the quarter, mEUR



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Cash flow statement – Q3 2023

Cash flow improving with profitability

Highlights

Operating cash flow improved substantially compared to last year to **minus EUR 31m** in the quarter. The improvement was driven by better profitability

Free cash flow before financial investments also improved significantly to **minus EUR 251m**, despite a higher investment level

mEUR	Q3 2023	Q3 2022	Abs. change
Cash flow from operating activities before change in net working capital	**337**	81	256
Change in net working capital*	**(368)**	(695)	327
Cash flow from operating activities	**(31)**	(614)	583
Cash flow from investing activities**	**(220)**	(138)	(82)
Free cash flow before financial investments**	**(251)**	(752)	501
Free cash flow	**(239)**	(644)	405
Cash flow from financing activities	**434**	435	(1)
Net interest-bearing debt	**1,622**	1,195	427

* Change in net working capital impacted by non-cash adjustments and exchange rate adjustments with a total amount of net EUR (94)m.
** Before acquisitions of subsidiaries, joint ventures, associates, and financial investments.

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Total investments – Q3 2023

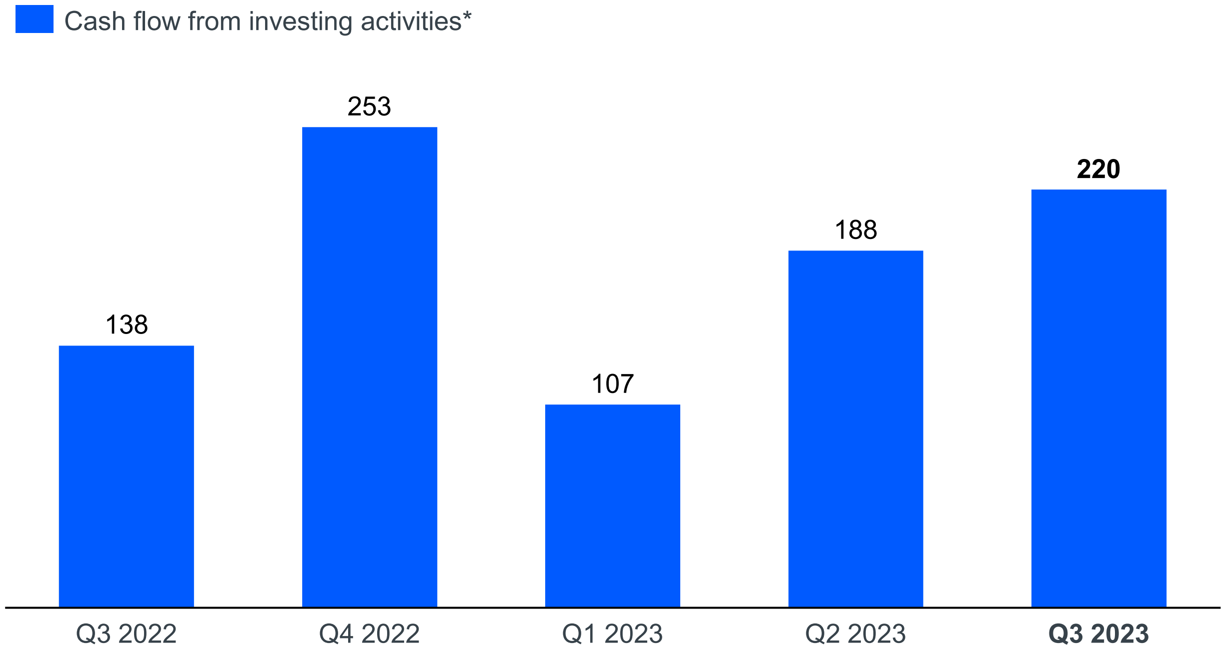
Investments in offshore manufacturing continue

Highlights

Investments of **EUR 220m in Q3** increased compared to last year, mainly driven by higher investments in tools and moulds for our V236 offshore manufacturing footprint, while investments in intangible assets remain stable

Note that the comparison quarter in 2022 was unusually low due to proceeds from the disposal of Lauchhammer

Total net investments*, mEUR



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

Provisions and LPF – Q3 2023

Warranty provisions remain elevated but LPF stable

Highlights

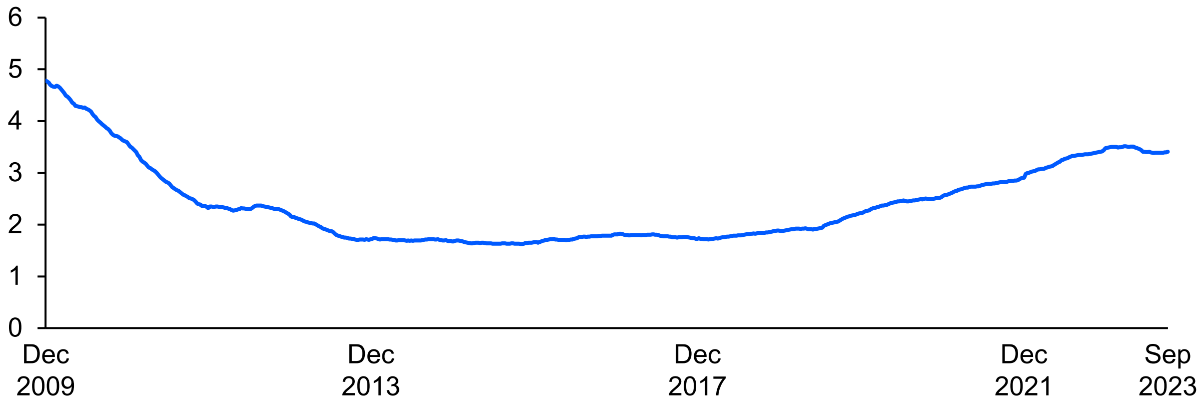
LPF* showing signs of stabilisation, but still at high level mainly from extraordinary repair and upgrades

Warranty costs amounted to EUR 262m in Q3 corresponding to **6.0 percent of revenue**; the increase from 5.0 percent in the previous quarter reflects cost volatility across existing cases

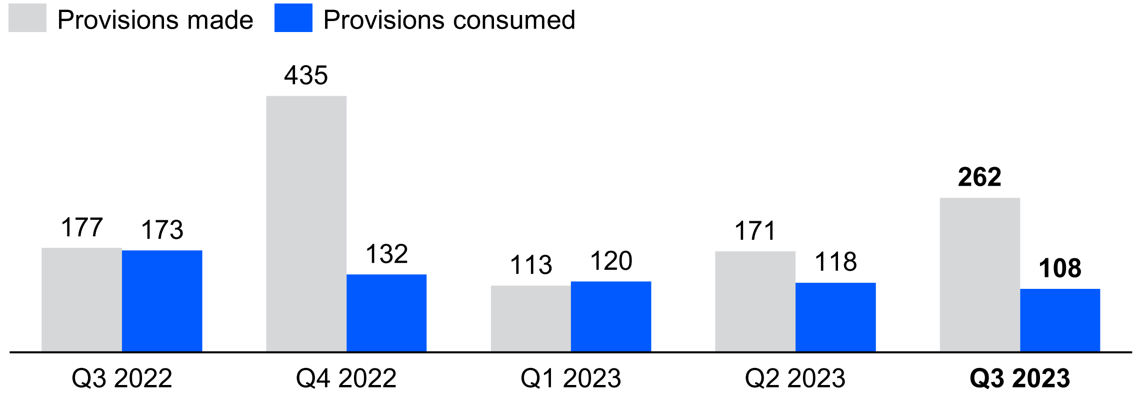
Warranty **provisions consumed** in the first nine months was EUR 346m a decrease from EUR 486m in the same period last year

* 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 – Q3 2023

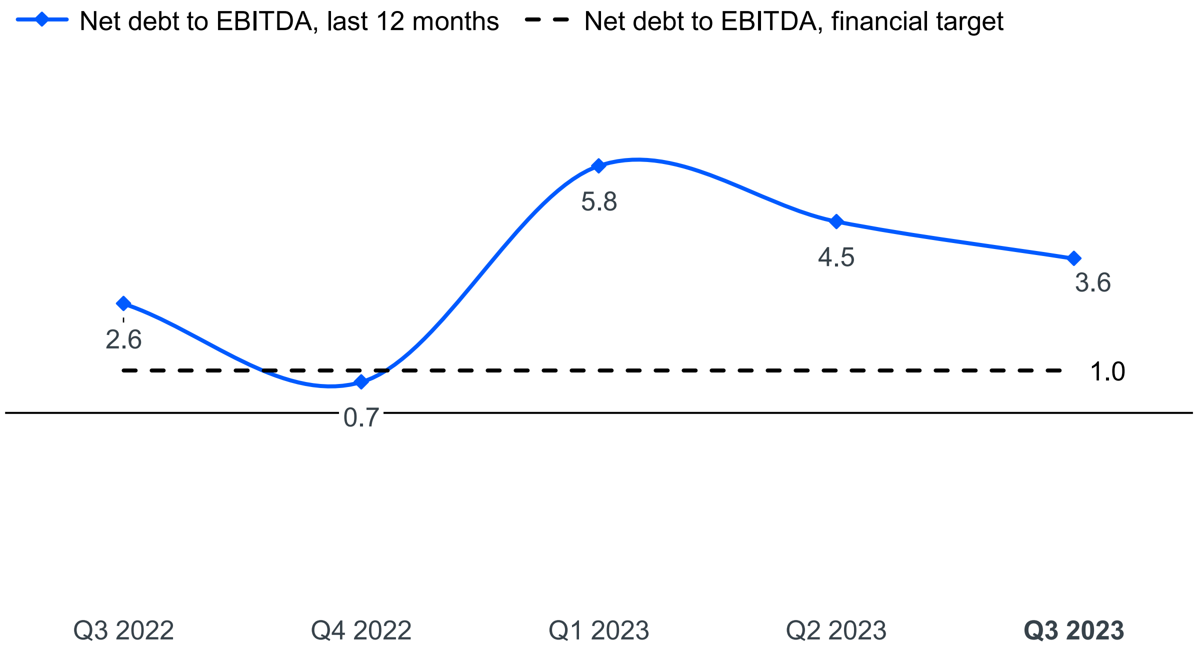
Financial leverage decreased as earnings recover

Highlights

Net debt to EBITDA decreased to **3.6x** in Q3 due to higher EBITDA on a trailing 12-month basis, as the earnings recovery continues

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	Previous outlook
Revenue (bnEUR) - Service is expected to grow around 10 percent (unchanged)	**14.5 – 15.5**	**14 – 15.5**
EBIT margin before special items (%) - Service margin is expected to be approx. 21 percent (prev. 22)	**0 – 2**	**(2) – 3**
Total investments (bnEUR) Excl. acquisitions of subsidiaries, joint ventures, associates, and financial investments	**Approx. 0.8**	**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 2024:

- Disclosure of FY 2023 (7th February)
- Disclosure of Q1 2024 (2nd May)
- Disclosure of Q2 2024 (14th August)
- Disclosure of Q3 2024 (5th November)