THIRD QUARTER 2021

Vestas Wind Systems A/S

Copenhagen, November 2021
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.

All forward-looking statements contained in this document are expressly qualified by the cautionary statements contained or referenced to in this statement. Undue reliance should not be placed on forward-looking statements. Additional factors that may affect future results are contained in Vestas’ annual report for the year ended 31 December 2020 (available at www.vestas.com/investor) and these factors also should be considered. Each forward-looking statement speaks only as of the date of this document. Vestas does not undertake any obligation to publicly update or revise any forward-looking statement as a result of new information or future events other than as required by Danish law. In light of these risks, results could differ materially from those stated, implied or inferred from the forward-looking statements contained in this document.
KEY HIGHLIGHTS IN Q3 2021

Organisational update
Marika Fredriksson to step down as CFO effective 1 March 2022; Hans Martin Smith, CFO of Vestas Northern and Central Europe, to succeed.

Vestas’ largest preferred supplier agreement to date secured
Vestas as preferred supplier for the 2.1 GW Empire Wind project in the USA; onshore order intake of 3.7 GW.

Revenue of EUR 5.5bn
Highest ever quarterly revenue secured despite continued supply chain challenges.

EBIT margin of 5.9 percent
EBIT impacted by further cost inflation and higher level of warranty provisions.

Circularity roadmap launched, raising the bar
New targets introduced to achieve full circularity by 2040, and targets to increase rotor recyclability accelerated.

Outlook for full year updated
Guidance on EBIT margin updated to reflect accelerated cost inflation and supply chain challenges.
AGENDA

Orders and markets

Financials

Outlook & Q&A
Challenging global business environment and supply chain instability expected to last throughout 2022

- Wind power is increasingly critical as short-term electricity demand increase around the world, supporting business continuity.
- Supply chain disruptions and instability continue to impact timelines and increase costs.
- Cost inflation continues to accelerate within transportation and raw materials.
- Mobility for construction workers as well as service technicians remains challenging.

Employee health and safety top priority

Renewables critical infrastructure

Maintain business continuity

Maintain supply chain continuity

Mobility and site access a prerequisite

Employee health and safety top priority

Renewables critical infrastructure

Maintain business continuity

Maintain supply chain continuity

Mobility and site access a prerequisite

Employee health and safety top priority

Renewables critical infrastructure

Maintain business continuity

Maintain supply chain continuity

Mobility and site access a prerequisite

Employee health and safety top priority

Renewables critical infrastructure

Maintain business continuity

Maintain supply chain continuity

Mobility and site access a prerequisite

Employee health and safety top priority

Renewables critical infrastructure

Maintain business continuity

Maintain supply chain continuity

Mobility and site access a prerequisite

Employee health and safety top priority

Renewables critical infrastructure

Maintain business continuity

Maintain supply chain continuity

Mobility and site access a prerequisite
POWER SOLUTIONS
Increased pricing level while lower orders

Highlights

- Power prices continue to be record high yet smaller increases in PPA levels
- Fully subscribed auction Germany; non allocated 2021 volume to come on top in 2022 making total auctions expected to exceed 5 GW
- 2.1 GW preferred supplier agreement on the new 15 MW platform adding to 3.7 GW onshore order intake
- Onshore ASP increased in the quarter to partially mitigate cost inflation
SERVICE BUSINESS

Well positioned for further growth

Highlights

- Introduction of Covento, a digital platform to build and leverage scale for renewable aftermarket
- 396 MW Service contract signed in Australia for 30 years on the EnVentus™ platform
- Focus on full scope multibrand service contracts

---

Service order backlog
+EUR 9bn comp. to Q3 2020

GW under active service contracts
124 GW
(118 onshore)

Average years contract duration
10 Years

---

EUR 28bn
(24 onshore)

---

Service fleet

AMERICAS
49 GW

* Compared to Q3 2020.

EMEA
60 GW

APAC
15 GW

4 GW*

9 GW*

3 GW*
SUSTAINABILITY STRATEGY

Sustainability in everything we do

Highlights

- Roadmap launched to secure full circularity by 2040 and accelerating targets for full rotor recyclability by 2030
- Launch of an updated and strengthened Employee and Supplier Codes of Conduct
- Increase in carbon emissions driven by offshore activities, while the added installations displaced an even higher amount of CO₂

--- Displaced CO₂e
Annual CO₂e avoided by the total aggregated installed fleet (million t)

- Q3 2020: 182
- Q3 2021: 206

+13%

--- Carbon emissions
Direct and indirect emissions of CO₂e (scope 1&2)(1,000 t)

- Q3 2020: 16
- Q3 2021: 23

+44%

--- Safety
Total recordable injuries per 1 million working hours (TRIR)

- Q3 2020: 3.5
- Q3 2021: 3.2

(3)%
AGENDA

Orders and markets

Financials

Outlook & Q&A
INCOME STATEMENT

Strong activity levels but challenged profitability

Highlights

• Revenue increased 16 percent YoY, mainly driven by increased service activity and offshore

• Gross margin decreased by 2 percentage points YoY, driven by both Power Solutions and Service and as well additional need for warranty provisions

• EBIT margin before special items decreased by 2.7 percentage points YoY, mainly driven by the lower gross profit and higher SG&A costs as a result of offshore integration

• Special items of EUR 119m related to the alignment of the manufacturing footprint as part of the integration of MHI Vestas Offshore Wind

<table>
<thead>
<tr>
<th></th>
<th>mEUR</th>
<th>Q3 2021</th>
<th>Q3 2020</th>
<th>% change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td></td>
<td>5,538</td>
<td>4,770</td>
<td>16.1%</td>
</tr>
<tr>
<td>Production costs</td>
<td></td>
<td>(4,938)</td>
<td>(4,158)</td>
<td>18.8%</td>
</tr>
<tr>
<td>Gross profit</td>
<td></td>
<td>600</td>
<td>612</td>
<td>(2.0)%</td>
</tr>
<tr>
<td>SG&amp;A costs*</td>
<td></td>
<td>(277)</td>
<td>(200)</td>
<td>38.5%</td>
</tr>
<tr>
<td>EBIT before special items</td>
<td></td>
<td>325</td>
<td>412</td>
<td>(21.1)%</td>
</tr>
<tr>
<td>Special items</td>
<td></td>
<td>(119)</td>
<td>6</td>
<td>(2,083)%</td>
</tr>
<tr>
<td>EBIT after special items</td>
<td></td>
<td>206</td>
<td>418</td>
<td>(50.7)%</td>
</tr>
<tr>
<td>Income from investments in joint ventures and associates</td>
<td></td>
<td>4</td>
<td>1</td>
<td>300%</td>
</tr>
<tr>
<td>Net profit</td>
<td></td>
<td>123</td>
<td>290</td>
<td>(57.6)%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th>% change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross margin</td>
<td>10.8%</td>
<td>12.8%</td>
<td>(2.0)%-pts</td>
<td></td>
</tr>
<tr>
<td>EBITDA margin before special items</td>
<td>10.2%</td>
<td>12.1%</td>
<td>(1.9)%-pts</td>
<td></td>
</tr>
<tr>
<td>EBIT margin before special items</td>
<td>5.9%</td>
<td>8.6%</td>
<td>(2.7)%-pts</td>
<td></td>
</tr>
</tbody>
</table>

*R&D, administration, and distribution.
POWER SOLUTIONS

Profitability continuously challenged

Highlights

- Revenue increased by 15 percent YoY, driven by offshore offsetting a decrease in the onshore activity level impacted by continued supply chain challenges.

- EBIT margin before special items decreased by 2.1 percentage points YoY driven by higher warranty provisions as well as continued increase in external cost inflation.
SERVICE BUSINESS

Continued positive service performance

Highlights

- Service revenue increased 23 percent compared to Q3 2020 driven by higher activity both onshore and offshore
- 2021 Q3 EBIT before special items: EUR 143m
- 2021 Q3 EBIT margin before special items: 23.2 percent
SG&A COSTS

SG&A costs under control

Highlights

- Depreciation and amortisation (excluding impairments) increased by EUR 79m YOY primarily related to offshore

- Relative to activity levels, SG&A costs amounted to 6.5 percent – an increase of 1.1 percentage points compared to Q3 2020

--- SG&A costs (TTM)*, mEUR and percent

<table>
<thead>
<tr>
<th>Q3 2021</th>
<th>Q4 2020</th>
<th>Q1 2021</th>
<th>Q2 2021</th>
<th>Q3 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>813</td>
<td>788</td>
<td>835</td>
<td>916</td>
<td>991</td>
</tr>
<tr>
<td>5.4</td>
<td>5.3</td>
<td>5.7</td>
<td>6.3</td>
<td>6.5</td>
</tr>
</tbody>
</table>

*R&D, administration, and distribution on a 12 months basis.
NET WORKING CAPITAL

Stable NWC development

Highlights

- Net working capital **positively impacted by a significant decrease in the level of inventory** more than offset by down and milestone payments as well as receivables

--- NWC change over the quarter, mEUR

<table>
<thead>
<tr>
<th>NWC end Q3 2021</th>
<th>Receivables</th>
<th>Inventories and contract costs</th>
<th>Contract assets / liabilities</th>
<th>Payables</th>
<th>Other receivables and liabilities</th>
<th>NWC end Q3 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(616)</td>
<td>282</td>
<td>(1,134)</td>
<td>38</td>
<td>146</td>
<td>(526)</td>
</tr>
</tbody>
</table>

NWC change over the quarter, mEUR

- Net working capital positively impacted by a significant decrease in the level of inventory more than offset by down and milestone payments as well as receivables
CASH FLOW STATEMENT

Positive cash flow from operating activities

Highlights

- Positive free cash flow before financial investments of EUR 300m; decrease compared Q3 2020 driven by lower operating cash flow and higher investments
- Decline in net interest-bearing mainly driven by investment in CIP but remains at high level as focus on cash discipline continues

<table>
<thead>
<tr>
<th>mEUR</th>
<th>Q3 2021</th>
<th>Q3 2020</th>
<th>Abs. Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash flow from operating activities before change in net working capital</td>
<td>531</td>
<td>611</td>
<td>(80)</td>
</tr>
<tr>
<td>Change in net working capital*</td>
<td>(8)</td>
<td>77</td>
<td>(85)</td>
</tr>
<tr>
<td>Cash flow from operating activities</td>
<td>523</td>
<td>688</td>
<td>(165)</td>
</tr>
<tr>
<td>Cash flow from investing activities**</td>
<td>(223)</td>
<td>(141)</td>
<td>(82)</td>
</tr>
<tr>
<td>Free cash flow before financial investments**</td>
<td>300</td>
<td>547</td>
<td>(247)</td>
</tr>
<tr>
<td>Free cash flow</td>
<td>385</td>
<td>546</td>
<td>(161)</td>
</tr>
<tr>
<td>Cash flow from financing activities</td>
<td>(103)</td>
<td>(38)</td>
<td>(65)</td>
</tr>
<tr>
<td>Net interest-bearing position</td>
<td>692</td>
<td>1,615</td>
<td>(923)</td>
</tr>
</tbody>
</table>

* Change in net working capital impacted by non-cash adjustments and exchange rate adjustments with a total amount of net EUR 85m.
** Excl. investments in marketable securities and short-term financial investments.
TOTAL INVESTMENTS

Higher investments year-over-year

Highlights

- Investments of **EUR 223m in Q3 2021**, increase from Q3 2020 mainly driven by investments in construction equipment and transport tools and investments in the V236 offshore turbine

---

**Total net investments**, mEUR

- Q3 2020: 141
- Q4 2020: 229
- Q1 2021: 152
- Q2 2021: 177
- Q3 2021: 223

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

---

Cash flow from investing activities*
PROVISIONS & LPF

Focus on warranty provisions and LPF

Highlights

- LPF* increasing further during Q3 2021 as a consequence of the extraordinary repair and upgrade level

- Additional provision of EUR 50m related to cost inflation in components and transport

- Warranty provisions made corresponding to 4.0 percent of revenue

---

Lost Production Factor (LPF), Percent

Warranty provisions made and consumed, mEUR

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

Net debt to EBITDA well below threshold

Highlights

• Net debt to EBITDA at low level of (0.4) in Q3 2021
Orders and markets
Financials
Outlook & Q&A
## OUTLOOK 2021

<table>
<thead>
<tr>
<th></th>
<th>Outlook</th>
<th>Previous Outlook</th>
<th>Initial guidance</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue (bnEUR)</strong></td>
<td>15.5 – 16.5</td>
<td>15.5 – 16.5</td>
<td>16 – 17</td>
</tr>
<tr>
<td>- Service is expected to grow approx. 15 percent</td>
<td>15.5 – 16.5</td>
<td>15.5 – 16.5</td>
<td>16 – 17</td>
</tr>
<tr>
<td><strong>EBIT margin before special items (%)</strong></td>
<td>Around 4</td>
<td>5 – 7</td>
<td>6 – 8</td>
</tr>
<tr>
<td>- Service margin is expected to be approx. 24 percent</td>
<td>Around 4</td>
<td>5 – 7</td>
<td>6 – 8</td>
</tr>
<tr>
<td><strong>Total investments (mEUR)</strong></td>
<td>Below 1,000</td>
<td>Below 1,000</td>
<td>approx. 1,000</td>
</tr>
<tr>
<td>Excl. acquisitions of subsidiaries, joint ventures, associates and financial investments</td>
<td>Below 1,000</td>
<td>Below 1,000</td>
<td>approx. 1,000</td>
</tr>
</tbody>
</table>

- In 2021, warranty provisions are expected to be at a level above 3 percent of revenue as a consequence of increased costs stemming from the supply chain instability and accelerated cost inflation from raw materials, transport, and turbine components.
- Special items are expected to amount to approx. EUR 100m relating to the integration of MHI Vestas Offshore Wind
- Important to note that basic assumptions behind the guidance are more uncertain than normal

The 2021 outlook is based on current foreign exchange rates.
Q&A

Financial calendar 2022:

- Capital Markets Day (15th December)
- Disclosure of Annual Report 2021 (10th February)
- Disclosure of Q1 2022 (4th May)
- Disclosure of Q2 2022 (10th August)
- Disclosure of Q3 2022 (2nd November)