



**Vestas**<sup>®</sup>

Company announcement No.16/2024

# Interim Financial Report Third quarter 2024

Vestas Wind Systems A/S Hedeager  
42,8200 Aarhus N, Denmark  
Company Reg. No.: 10403782

**Wind.** It means the world to us.<sup>™</sup>



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### Conference call (audiocast)

On Tuesday 5 November 2024 at 10 am CET (9 am GMT), Vestas will host a conference call with a presentation on the results. The presentation will be audiocast and can be viewed live or replayed via [vestas.com](https://vestas.com).

The presentation will be held in English and will conclude with a Q&A. Details on how to register for the Q&A are to be found at [vestas.com/en/investor](https://vestas.com/en/investor).

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## Summary

*Quarterly revenue of EUR 5.2bn with an EBIT margin before special items of 4.5 percent. Order intake of 4.4 GW and combined order backlog of EUR 63.4bn. Revenue and EBIT margin guidance maintained with adjustments to Service EBIT and total investments. Lower end of the guidance range now more likely for the Group EBIT margin.*

In the third quarter of 2024, Vestas generated revenue of EUR 5,177m – an increase of 18.9 percent compared to the year-earlier period. EBIT before special items amounted to EUR 235m, resulting in an EBIT margin before special items of 4.5 percent, compared to 1.6 percent in the third quarter of 2023.

Adjusted free cash flow amounted to EUR (224)m compared to EUR (284)m in the third quarter of 2023.

The quarterly intake of firm and unconditional wind turbine orders amounted to 4,432 MW, a 2 percent decrease from third quarter 2023. The value of the wind turbine order backlog was EUR 28.3bn as at 30 September 2024.

In addition to the wind turbine order backlog, at the end of the quarter, Vestas had service agreements with expected contractual future revenue of EUR 35.1bn. Thus, the value of the combined backlog of wind turbine orders and service agreements stood at EUR 63.4bn – an increase of EUR 9.4bn compared to the year-earlier period.

The full-year guidance on revenue and EBIT margin before special items is maintained: Revenue is expected

to range between EUR 16.5bn and 17.5bn. We expect to achieve an EBIT margin before special items for the Group of 4-5 percent, however now more likely in the lower end of the range. The outlook for total investments<sup>1</sup> has been adjusted to approx. EUR 1.0bn (previously approx. EUR 1.2bn). Furthermore, we now expect the Service EBIT before special items to amount to around EUR 450m (previously around EUR 500m).

Group President & CEO Henrik Andersen said: “Vestas achieved revenue of EUR 5.2bn and an EBIT margin of 4.5 percent in the third quarter of 2024, which compared to the same quarter last year represent a 19 percent increase in revenue and an improvement of 3 percentage points in profitability. In the quarter, we received 4.4 GW of orders with an average selling price of EUR 1.10m/MW that elevates our turbine order backlog to an all-time-high of EUR 28bn, underlining our continued strong commercial discipline. Higher activity and higher pricing on deliveries continue to drive significant progress in our underlying business and especially Power Solutions, but the quarter was negatively impacted by a slightly slower-than-expected margin improvement in Service and elevated warranty provisions in the quarter. We maintain our guidance on revenue and EBIT for the year but adjust Service EBIT and total investments. We continue to execute on our strategy and are focused on ending the year strongly. We operate in an environment impacted by geopolitical uncertainty and trade volatility, and we want to thank our partners, customers and more than 33,000 colleagues for their continued support and hard work.”

## Key highlights

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### Revenue of EUR 5.2bn

Revenue increased 19 percent YoY, driven by higher volumes and higher pricing on deliveries.

### EBIT margin of 4.5 percent

Higher activity and better underlying performance improved the EBIT margin by almost 3 percentage points YoY.

### Service EBIT margin of 16 percent

The Service profitability reflects ongoing scrutiny to improve operational efficiency.

### Order intake of 4.4 GW

Flat order intake YoY leads to all-time high turbine backlog of more than EUR 28bn.

### Ramping up manufacturing in the USA and Europe

Onboarding colleagues and ramping up is always challenging, but we continue to make progress.

### Outlook for 2024

Revenue and EBIT margin guidance maintained with adjustments to Service EBIT and total investments.<sup>1)</sup>

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<sup>1</sup> Net investments in intangible assets and property, plant and equipment

# Financial and operational key figures

mEUR	Q3 2024	Q3 2023	9M 2024	9M 2023	FY 2023
<b>Financial key figures</b>					
<b>Income statement</b>					
Revenue	5,177	4,353	11,154	10,611	15,382
Gross profit	544	351	944	760	1,283
Operating profit/(loss) before amortisation, depreciation and impairment (EBITDA) before special items	444	264	615	632	1,028
Operating profit/(loss) (EBIT) before special items	235	70	(18)	40	231
Operating profit/(loss) before amortisation, depreciation and impairment (EBITDA)	440	263	612	659	1,089
Operating profit/(loss) (EBIT)	231	69	(21)	67	292
Net operating profit after tax (NOPAT)	159	69	(14)	67	223
Net financial items	(36)	(32)	(124)	(124)	(164)
Profit/(loss) before tax	184	28	(151)	(71)	102
Profit/(loss) for the period	127	28	(104)	(71)	78
<b>Balance sheet</b>					
Balance sheet total	22,921	20,857	22,921	20,857	22,514
Equity	2,919	2,981	2,919	2,981	3,042
Investments in property, plant, and equipment	172	124	423	295	457
Net working capital	(1,118)	291	(1,118)	291	(1,507)
Capital employed	6,245	6,399	6,245	6,399	6,429
Interest-bearing position (net), end of the period	(868)	(1,622)	(868)	(1,622)	32
Interest-bearing debt, end of the period	3,326	3,418	3,326	3,418	3,387
<b>Cash flow statement</b>					
Cash flow from operating activities	89	(31)	165	(957)	1,027
Cash flow from investing activities	(373)	(208)	(920)	(477)	(782)
Free cash flow	(284)	(239)	(755)	(1,434)	245
Adjusted free cash flow <sup>1)</sup>	(224)	(284)	(699)	(1,707)	(51)
<b>Financial ratios<sup>2)</sup></b>					
<b>Financial ratios</b>					
Gross margin (%)	10.5	8.1	8.5	7.2	8.3
EBITDA margin (%) before special items	8.6	6.1	5.5	6.0	6.7
EBIT margin (%) before special items	4.5	1.6	(0.2)	0.4	1.5
EBITDA margin (%)	8.5	6.0	5.5	6.2	7.1
EBIT margin (%)	4.5	1.6	(0.2)	0.6	1.9
Return on capital employed (ROCE) <sup>3)</sup> (%) before special items	2.1	(7.3)	2.1	(7.3)	2.9
Net interest-bearing debt / EBITDA <sup>3)</sup> before special items	0.9	3.6	0.9	3.6	0.0
Solvency ratio (%)	12.7	14.3	12.7	14.3	13.5
Return on equity <sup>3)</sup> (%)	1.6	(19.7)	1.6	(19.7)	2.6
<b>Share ratios</b>					
Earnings per share <sup>4)</sup> (EUR)	0.0	(0.6)	0.0	(0.6)	0.1
Dividend per share (EUR)	-	-	-	-	-
Pay-out ratio (%)	-	-	-	-	-
Share price at the end of the period (DKK)	147.9	151.6	147.9	151.6	214.3
Number of shares at the end of the period (million)	1,010	1,010	1,010	1,010	1,010
<b>Operational key figures</b>					
Order intake (bnEUR)	4.9	4.9	11.5	10.3	18.5
Order intake (MW)	4,432	4,502	10,328	10,138	18,386
Order backlog – wind turbines (bnEUR)	28.3	21.6	28.3	21.6	26.0
Order backlog – wind turbines (MW)	27,333	20,966	27,333	20,966	23,315
Order backlog – service (bnEUR)	35.1	32.4	35.1	32.4	34.1
Produced and shipped wind turbines (MW)	3,653	2,719	10,277	9,358	11,666
Produced and shipped wind turbines (number)	774	649	2,046	2,073	2,554
Deliveries (MW)	4,162	3,641	8,299	8,789	12,685

- 1) Free cash flow adjusted for acquisitions and divestments of businesses and activities, lease liability repayment, special items, net investments in joint ventures and associates that are deemed outside Vestas' core business activities, net investments in marketable securities, and other financial assets.
- 2) The ratios have been calculated in accordance with the guidelines from The Danish Finance Society (Recommendations & Financial ratios).
- 3) Calculated on a Last Twelve Months (LTM) basis
- 4) Earnings per share has been calculated over a 12-month period and in accordance with IAS 33 on earnings per share.

# Sustainability key figures

	Q3 2024 LTM	Q3 2023 LTM	FY 2023
<b>Environmental</b>			
<b>Utilisation of resources</b>			
Consumption of energy (GWh)	652	624	658
- of which renewable energy (GWh)	207	195	213
- of which renewable electricity (GWh)	161	151	166
Renewable energy (%)	32	31	32
Renewable electricity for own activities (%)	100	100	100
Withdrawal of fresh water (1,000 m³)	303	284	279
<b>Waste</b>			
Volume of waste from own operations (1,000 t)	42	42	44
- of which collected for recycling (1,000 t)	28	27	30
Recyclability rate of hub and blade <sup>1)</sup> (%)	//	//	90
Material efficiency (tonnes of waste excl. recycled per MW produced and shipped)	1.1	1.2	1.2
<b>Carbon emissions</b>			
Direct emissions of CO <sub>2</sub> e (scope 1) (1,000 t)	108	104	108
Indirect emissions of CO <sub>2</sub> e (scope 2) (1,000 t)	1	1	1
Indirect emissions of CO <sub>2</sub> e from the supply chain (scope 3) <sup>1)</sup> (million t)	//	//	7.66
Indirect emissions of CO <sub>2</sub> e from the supply chain (scope 3) <sup>1)</sup> (kg per MWh generated)	//	//	6.30
<b>Products</b>			
Expected CO <sub>2</sub> e avoided over the lifetime of the capacity produced and shipped during the period (million t)	454	409	396
Expected annual CO <sub>2</sub> e avoided by the total aggregated installed fleet at the end of the period (million t)	243	231	231
<b>Social</b>			
<b>Safety</b>			
Total Recordable Injuries per million working hours (TRIR)	2.8	3.0	3.0
Lost Time injuries per million working hours (LTIR)	1.1	1.2	1.3
Total Recordable Injuries (number)	225	212	216
- of which Lost Time Injuries (number)	88	83	91
- of which fatal injuries (number)	2	1	1
<b>Employees</b>			
Average number of employees (FTEs)	31,664	28,949	29,463
Employees at the end of the period (FTEs)	33,678	29,986	30,586
<b>Diversity and inclusion</b>			
Women in the Board and Executive Management at the end of the period (%)	38	21	21
Women in leadership positions at the end of the period (%) <sup>2)</sup>	25	24	24
<b>Human rights<sup>1)</sup></b>			
Community grievances (number)	//	//	3
Community beneficiaries (number)	//	//	9,769
Social Due Diligence on projects in scope (%)	//	//	59
<b>Governance</b>			
<b>Whistle-blower system<sup>1)</sup></b>			
EthicsLine compliance cases (number)	//	//	667
- of which substantiated	//	//	128
- of which unsubstantiated	//	//	461

For general definitions and specifications on these sustainability key figures, see the Notes to Sustainability key figures in the Annual Report 2023, page 128-129. Note that as of Q1 2024, as a standard, sustainability key figures are presented on a Last Twelve Months (LTM) basis to remove seasonal fluctuations.

1) Data only reported on an annual basis.

2) Employees of our subsidiary Utopus Insights, Inc. are not included.

# Group financial performance

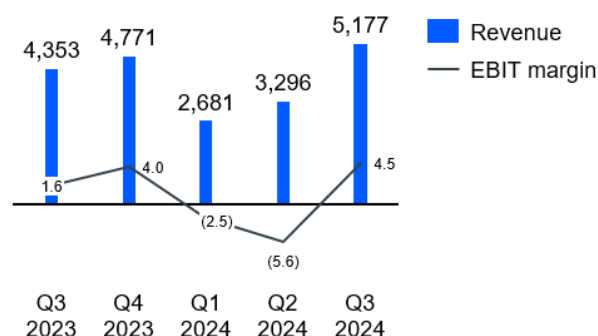
## Income statement

### Revenue

Revenue in the third quarter of 2024 amounted to EUR 5,177m (Q3 2023: EUR 4,353m), an increase of 18.9 percent year-on-year. Revenue in Power Solutions increased with EUR 900m, driven by a higher volume of MW delivered at higher average prices. Revenue from the Service segment was on par with the same period last year. Revenue for the third quarter of 2024 was negatively impacted with approx. EUR 72m from foreign exchange rates compared to 2023.

For the first nine months of the year, revenue amounted to EUR 11,154m (9M 2023: EUR 10,611m), an increase of 5.1 percent. Revenue in Power Solutions increased with EUR 778m, while revenue in Service decreased with EUR 123m following adjustments to planned costs of a larger portfolio of service contracts in the second quarter of 2024. Revenue for the first nine months of 2024 was negatively impacted with EUR 112m from foreign exchange rates compared to 2023.

### Revenue and EBIT margin before special items mEUR and percentage



### Gross profit

Gross profit amounted to EUR 544m in the third quarter of 2024, corresponding to a gross margin of 10.5 percent (Q3 2023: EUR 351m; 8.1 percent), which is a 2.4 percentage point increase compared to the third quarter of 2023. The increase was attributable to improved profitability on projects in the Power Solutions segment, partially offset by lower profitability in the Service segment.

Gross profit in the first nine months of 2024 amounted to EUR 944m, equal to a margin of 8.5 percent of revenue (9M 2023: EUR 760m; 7.2 percent). Gross profit reflected improved margins in the Power Solutions segment, offset by the above-mentioned adjustment to planned costs in the Service segment in the second quarter of 2024.

### Warranty costs

Warranty costs amounted to EUR 313m in the third quarter of 2024 (Q3 2023: EUR 262m). The warranty costs are equivalent to a warranty ratio of 6.0 percent of revenue and on the same level as last year (Q3 2023: 6.0 percent).

For the first nine months of 2024, warranty costs amounted to EUR 575m (9M 2023: EUR 546m). The warranty costs are equivalent to a warranty ratio of 5.2 percent of revenue and on the same level as last year (9M 2023: 5.1 percent).

### Research and development costs, Distribution costs and Administration costs

Total research and development, distribution and administration costs amounted to EUR 310m in the third quarter of 2024 (Q3 2023: EUR 295m), equivalent to 8.2 percent of revenue calculated over a 12-month period (Q3 2023: 8.5 percent).

Research and development costs amounted to EUR 99m in the third quarter of 2024 and on the same level as last year (Q3 2023: EUR 97m).

Distribution costs amounted to EUR 141m in the third quarter of 2024 (Q3 2023: EUR 117m). The third quarter of 2024 was affected by IT costs previously allocated to administration and production cost. Disregarding the re-allocated IT costs, the distribution costs would have been on par with last year.

Administration costs amounted to EUR 70m in the third quarter of 2024 (Q3 2023: EUR 81m). The decrease was driven by lower IT costs allocated to distribution, partially offset by higher employee-related costs.

### Depreciation, amortisation, and impairment

In the third quarter of 2024, overall depreciation, amortisation, and impairment before special items amounted to EUR 209m (Q3 2023: EUR 194m). The increase was attributable to higher investment levels in the production area.

### Operating profit (EBIT) before special items

EBIT before special items amounted to EUR 235m in the third quarter of 2024, equivalent to an EBIT margin of 4.5 percent (Q3 2023: EUR 70m; 1.6 percent). The development was driven by increasing gross margin.

For the first nine months of 2024, EBIT before special items amounted to negative EUR 18m, equal to an EBIT margin of negative 0.2 percent (9M 2023: EUR 40m; 0.4 percent). The operating profit in the first nine months of 2023 was impacted by the sale of the converters and controls business. The underlying EBIT increased by 0.9 percentage points compared to the first nine months of 2023, when disregarding the effects of the sale in the comparison period. The development was primarily driven by the increasing gross margin.

### Operating profit (EBIT) after special items

In the third quarter of 2024, EBIT after special items amounted to EUR 231m, equivalent to a margin of 4.5 percent (Q3 2023: EUR 69m; 1.6 percent).

EBIT after special items in the first nine months of 2024 amounted to negative EUR 21m, equivalent to an EBIT margin after special items of negative 0.2 percent (9M 2023: EUR 67m; 0.6 percent).

### Income from investments in joint ventures and associates from other activities

Income from investments in joint ventures and associates amounted to a loss of EUR 11m in the third quarter of 2024 (Q3 2023: loss of EUR 9m), primarily driven by an impairment of our investment in Blakliden Fäbodberget Holding AB, partially offset by income from Vestas' investment in Copenhagen Infrastructure Partners.

### Net financial items

Financial items amounted to a net loss of EUR 36m in the third quarter of 2024 (Q3 2023: loss of EUR 32m). Net interests and other expenses related to financing activities were on the same level as last year.

### Income tax

Income tax amounted to an expense of EUR 57m in the third quarter of 2024, equivalent to an effective tax rate of 31 percent (Q3 2023: effective tax rate of 0 percent). The effective tax rate in the third quarter of 2023 reflected low expectations to full-year profit before tax.

### Net result for the period

The net result amounted to an income of EUR 127m in the third quarter of 2024 (Q3 2023: income of EUR 28m). The net result for the first nine months of 2024 amounted to a loss of EUR 104m (first nine months of 2023: loss of EUR 71m).

### Financial ratios

Earnings per share calculated over a 12-month period amounted to EUR 0 in the third quarter of 2024 (Q3 2023: negative EUR 0.6). The increase of EUR 0.6 was driven by improved earnings in the period.

Return on capital employed (ROCE) before special items calculated over a 12-month period was 2.1 percent in the third quarter of 2024 (Q3 2023: negative 7.3 percent), an increase compared to 2023 driven by improved operating profit in the period.

### Working capital and free cash flow

#### Net working capital

Net working capital amounted to a net liability of EUR 1,118m as at 30 September 2024 (30 September 2023: a net asset of EUR 291m). The development was primarily attributable to a higher level of contract liabilities from prepayments related to firm order intake and project milestones achieved.

<sup>1)</sup> Net investments in intangible assets and property, plant and equipment.

### Cash flow from operating activities

Cash flow from operating activities was positive EUR 89m in the third quarter of 2024 (Q3 2023: negative 31m) and positive EUR 165m in the first nine months of 2024 (9M 2023: negative EUR 957m). The positive development in cash flow compared to last year was primarily attributable to the development in net working capital and the improved operating profit.

### Cash flow from investing activities

Total net investments<sup>1</sup> amounted to a net outflow of EUR 272m in the third quarter of 2024 (Q3 2023: outflow EUR 227m) and a net outflow of EUR 739m in the first nine months of 2024 (9M 2023: net outflow of EUR 528m). The investment level increased due to manufacturing ramp-up of the V236-15.0 MW™ offshore platform.

### Adjusted free cash flow

Adjusted free cash flow amounted to negative EUR 224m in the third quarter of 2024 (Q3 2023 negative EUR 284m) and negative EUR 699m in the first nine months of 2024 (9M 2023: negative EUR 1,707m). The positive development was primarily driven by the improved cash flow from operating activities.

### Adjusted free cash flow

mEUR

	Q3 2024	Q3 2023	9M 2024	9M 2023
Cash flow from operating activities	89	(31)	165	(957)
Cash flow from investing activities	(373)	(208)	(920)	(477)
<b>Free cash flow</b>	<b>(284)</b>	<b>(239)</b>	<b>(755)</b>	<b>(1,434)</b>
Net acquisitions in businesses/activities <sup>*)</sup>	2	5	(2)	(154)
Payment of lease liabilities	(43)	(51)	(128)	(127)
Special items	-	-	2	4
Investments in financial assets	101	1	184	4
<b>Adjusted free cash flow</b>	<b>(224)</b>	<b>(284)</b>	<b>(699)</b>	<b>(1,707)</b>

<sup>\*)</sup> Includes net investments in joint ventures and associates, outside core business

## Capital structure and financing items

### Equity and solvency ratio

As at 30 September 2024, total equity amounted to EUR 2,919m (30 September 2023: EUR 2,981m) and the solvency ratio 12.7 percent (30 September 2023: 14.3 percent). The lower solvency was mainly driven by the development in contract liabilities.

### Net interest-bearing position and cash position

As at 30 September 2024, the net interest-bearing debt amounted to EUR 868m (30 September 2023: EUR 1,622m). The development was a result of a positive free cash flow during the last 12 months.

Cash and cash equivalents amounted to EUR 2,197m as at 30 September 2024, compared to EUR 1,696m at the end of the third quarter of 2023.

The ratio net interest-bearing debt/EBITDA was 0.9 as at 30 September 2024, compared to 3.6 at the end of the third quarter of 2023. The ratio was impacted by an improved EBITDA during the last 12 months and lower net interest-bearing debt.



### Result for the period

In the third quarter of 2024, revenue from the Power Solutions segment amounted to EUR 4,250m (Q3 2023: EUR 3,415m), which corresponds to a 24.5 percent increase compared to the third quarter of 2023. The increase was driven by higher volume of MW delivered at higher average prices. The third quarter reflected a negative impact of EUR 65m from foreign exchange rates compared to 2023.

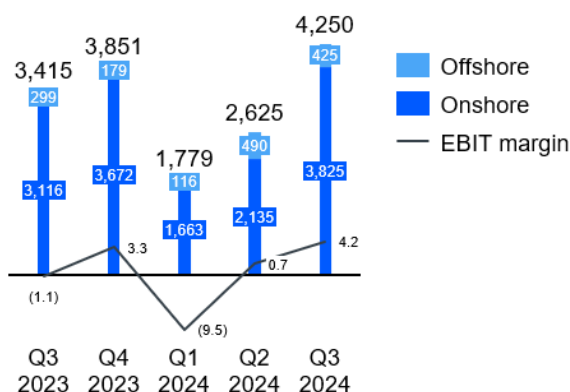
In the first nine months of 2024, revenue in the Power Solutions segment amounted to EUR 8,654m, an increase of 8.7 percent compared to the same period last year (9M 2023: EUR 7,963m). The increase was driven by a higher average sales price on MW delivered. The first nine months of the year reflected a negative impact of EUR 87m from foreign exchange rates compared to 2023.

EBIT before special items amounted to EUR 177m in the third quarter of 2024, equal to an EBIT margin of 4.2 percent (Q3 2023: negative EUR 38m; negative 1.1 percent). The positive development in the EBIT margin was attributable to improved project profitability from continued commercial discipline, good project execution and benefits from operating leverage.

In the first nine months of 2024, EBIT before special items amounted to EUR 27m, equal to an EBIT margin before special items of 0.3 percent and 3.7 percentage points above the same period last year (9M 2023: negative EUR 267m, negative 3.4 percent). The EBIT margin in the first nine months of 2023 included sale of technology. Excluding the technology transaction, the underlying EBIT margin increased by 5.6 percentage points compared to same period last year, highlighting improved margins from projects in the Power Solutions segment.

### Power Solutions revenue and EBIT margin before special items

mEUR and percentage



### Wind turbine order intake

In the third quarter of 2024, wind turbine order intake amounted to 4,432 MW, corresponding to a value of EUR 4.9bn (Q3 2023: 4,502 MW; EUR 4.9bn).

The average selling price per MW was EUR 1.10m in the third quarter of 2024, compared to EUR 1.09m in the third quarter of 2023.

### Wind turbine order intake, third quarter 2024

MW

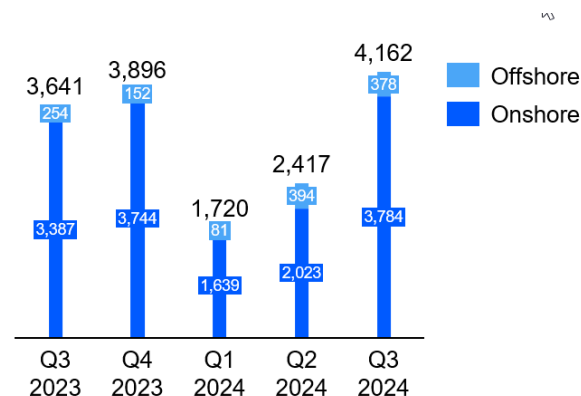
	EMEA	Americas	Asia Pacific	Total
Onshore order intake	1,298	1,068	461	2,827
Offshore order intake	795	810	-	1,605
Total order intake	2,093	1,878	461	4,432

### Wind turbine deliveries

Deliveries to customers amounted to 4,162 MW in the third quarter of 2024 (Q3 2023: 3,641 MW), which corresponds to a 14.3 percent increase compared to the third quarter of 2023. The increase was driven by higher Onshore deliveries in Americas and EMEA.

### Deliveries

MW



By the end of September 2024, Vestas had installed a total capacity of 185 GW in 88 countries.

**Deliveries (onshore and offshore)**
**MW**

	<b>Q3 2024</b>	<b>Q3 2023</b>	<b>FY 2023</b>
Germany	600	420	1,486
Finland	387	362	723
France	235	126	735
United Kingdom	127	188	896
South Africa	89	19	37
Ireland	85	34	36
Sweden	64	109	165
Spain	59	22	177
Italy	58	104	265
Austria	35	72	197
Poland	34	32	292
Croatia	21	-	-
Curaçao	18	-	-
Belgium	13	-	65
Greece	9	10	161
Lithuania	5	24	68
Romania	5	-	72
Denmark	1	40	53
Czech Republic	-	-	9
Egypt	-	11	145
Netherlands	-	62	287
Portugal	-	18	107
Turkey	-	9	32
United Arab Emirates	-	12	42
Estonia	-	38	101
<b>EMEA</b>	<b>1,845</b>	<b>1,712</b>	<b>6,151</b>
<i>o/w Offshore</i>	<i>208</i>	<i>27</i>	<i>563</i>
USA	852	750	2,079
Brazil	453	381	1,635
Canada	403	164	275
Argentina	194	132	420
Chile	14	(1) <sup>*)</sup>	41
Colombia	-	(2) <sup>*)</sup>	332
Dominican Rep.	-	-	18
Puerto Rico	-	-	11
Mexico	-	1	1
<b>Americas</b>	<b>1,916</b>	<b>1,425</b>	<b>4,812</b>
<i>o/w Offshore</i>	<i>-</i>	<i>-</i>	<i>-</i>
Australia	184	183	822
Taiwan	168	245	458
China	42	13	21
India	6	3	193
Japan	1	3	95
New Zealand	-	41	84
South Korea	-	-	21
Sri Lanka	-	-	6
Vietnam	-	3	9
Philippines	-	13	13
<b>Asia Pacific</b>	<b>401</b>	<b>504</b>	<b>1,722</b>
<i>o/w Offshore</i>	<i>170</i>	<i>227</i>	<i>452</i>
<b>Total</b>	<b>4,162</b>	<b>3,641</b>	<b>12,685</b>
<i>o/w Offshore</i>	<i>378</i>	<i>254</i>	<i>1,015</i>

<sup>\*)</sup> Negative values can result as part of Vestas' deliveries are based on a percentage-of-completion method requiring estimates in relation to stage of completion.

**Wind turbine order backlog**

At the end of the third quarter of 2024, the wind turbine order backlog amounted to 27,333 MW, which corresponds to a value of EUR 28.3bn (30 September 2023: 20,966 MW / EUR 21.6bn), of which EUR 7.0bn relates to Offshore wind power projects (30 September 2023: EUR 4.6bn). The development reflects a high level of Onshore order intake in the USA and Germany as well as significant offshore order intake in the Netherlands.

**Order backlog per region**
**MW**

	<b>EMEA</b>	<b>Ameri- cas</b>	<b>Asia Pacific</b>	<b>Total</b>
Total backlog as at 30 September 2023	9,858	8,012	3,096	<b>20,966</b>
Order intake	8,874	7,863	1,839	<b>18,576</b>
Deliveries	(5,365)	(5,043)	(1,801)	<b>(12,209)</b>
<b>Total backlog as at 30 September 2024</b>	<b>13,367</b>	<b>10,832</b>	<b>3,134</b>	<b>27,333</b>
<i>o/w Offshore</i>	<i>4,379</i>	<i>810</i>	<i>537</i>	<i>5,726</i>

**Development business**

At the end of third quarter of 2024, Vestas' pipeline of development projects amounted to 27.7 GW (30 September 2023: 29.9 GW). The pipeline includes 14.7 GW in APAC, 7.8 GW in Americas and 5.2 GW in EMEA, with Australia, the USA, and Brazil being the countries with the largest project pipelines. During the quarter, Vestas secured 0.1 GW of new pipeline projects, mainly in Latvia.

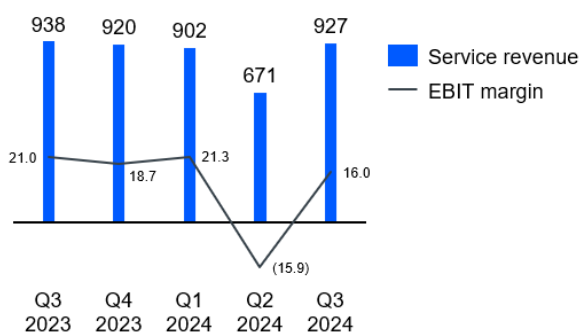


## Result for the period

The Service segment generated revenue of EUR 927m in the third quarter of 2024 which was on par with the third quarter of 2023 (Q3 2023: EUR 938m). Contract activity was slightly lower than last year, while transactional sales in Americas was above last year. The third quarter reflected a negative impact of EUR 7m from foreign exchange rates compared to 2023.

In the first nine months of 2024, revenue from the Service segment amounted to EUR 2,500m (9M 2023: EUR 2,648m), a 5.6 percent decrease compared to first nine months of 2023. The lower revenue was primarily driven by adjustments to planned costs of a larger portfolio of service contracts in the second quarter of 2024, reflecting increasing cost levels. Foreign exchange rates had a negative effect of EUR 25m on revenue growth.

### Service revenue and EBIT margin before special items mEUR and percentage



EBIT before special items amounted to EUR 148m in the third quarter of 2024, corresponding to an EBIT margin of 16.0 percent, lower than the same period last year (Q3 2023: EUR 197m; 21.0 percent). The lower margin was primarily driven by higher cost levels in EMEA and Americas.

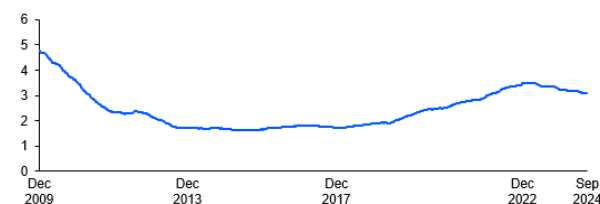
In the first nine months of 2024, EBIT before special items amounted to EUR 233m with an EBIT margin of 9.3 percent, a 12.5 percentage point decrease compared to the first nine months of 2023 (9M 2023: EUR 578m; 21.8 percent). The negative development compared to the first nine months of 2023 was attributable to the above-mentioned adjustments to planned costs of a larger portfolio of service contracts in the second quarter of 2024.

## Wind turbines under service

At the end of September 2024, Vestas had around 56,000 wind turbines under service, equivalent to 154 GW.

### Lost Production Factor<sup>\*)</sup>

Percent



<sup>\*)</sup> Data calculated across more than 40,000 Vestas wind turbines under full-scope service. The lost production factor includes both onshore and offshore turbines.

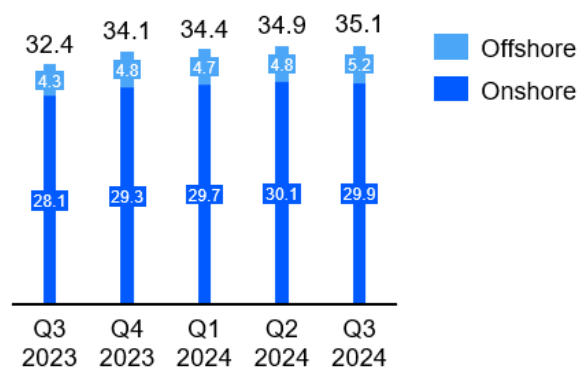
The overall Lost Production Factor continues to improve, although still at an unsatisfactory level at the end of third quarter 2024.

## Service order backlog

At the end of September 2024, Vestas had service contracts in the order backlog with expected contractual future revenue of EUR 35.1bn, an increase of EUR 2.7bn, compared to end of the third quarter last year (30 September 2023: EUR 32.4bn). The order backlog increased EUR 0.7bn from indexation mechanisms in contracts.

### Service order backlog

bnEUR



At the end of the quarter, the average duration of contracts in the service order backlog was 11 years (30 September 2023: 11 years).

# Sustainability

## The Vestas Sustainability Strategy

Vestas has been leading the transition to a world powered by sustainable energy for over four decades. In 2020, we launched our sustainability strategy to embed sustainability in everything we do with four clear ambitions: achieving carbon-neutrality of our own operations by 2030 – without using carbon offsets, and with a 45 percent reduction in our supply chain CO<sub>2</sub>e intensity; creating zero-waste wind turbines by 2040; becoming the safest, most inclusive and socially responsible workplace in the energy industry; and leading the transition to a world powered by sustainable energy.

For our key sustainability figures (page 5), we have since 1 January 2024 transitioned to present most figures on a Last-Twelve Month (LTM) basis. The transition to LTM covers all four KPIs related to our sustainability strategy. Presenting our figures in this manner provides us with an enhanced long-term outlook on progress by removing seasonal fluctuations.

## Carbon footprint

Turbines produced and shipped in the last twelve months are expected to avoid 454 million tonnes of CO<sub>2</sub>e over the course of their lifetime. This is an increase of 45 million tonnes, and an 11 percent improvement, from the comparable last twelve months the year prior. This improvement is driven partly by a 2 percent rise in volume produced and shipped, and in part by improved assumptions in terms of accounting, where the average lifetime of a turbine has increased from 22.2 years to 23.7 years.

In the last 12 months, our total scope 1 and 2 emissions increased to 109,000 tonnes from 105,000 tonnes. This reflects a 4 percent increase compared to the comparable last 12 months the year prior. The increase in our total scope 1 and 2 emissions is driven by an increase in service and production activity in the UK.

Scope 3 emissions are reported annually in the Annual Report.

## Circularity

In the last 12 months, our material efficiency rate, meaning the volume of non-recycled waste per MW produced and shipped, decreased to 1.1 tonnes, compared to 1.2 tonnes in the comparable period a year ago. The improvement stems from higher recycling rates, primarily driven by new blade technology.

In total, our recycling rate is 67 percent in the period, demonstrating that our performance continues to be on track to meet our 2025 target of 70 percent recycling.

## Safety

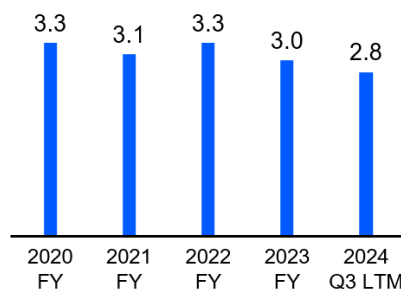
Working towards becoming the safest workplace in the energy industry, we aim to reduce the Total Recordable Injury Rate (TRIR) to 1.5 by 2025 and 0.6 by 2030, equivalent to a 15 percent year-on-year reduction from 2019.

On 2 September 2024, we suffered a fatality of a Vestas technician at a wind farm in Texas, USA. With the fatality of a contractor under Vestas' supervision in the second quarter 2024, two fatal injuries have been recorded within the last twelve months. Any fatality in Vestas' operations is one too many, and we are taking the necessary measures to understand and further learn from the incidents.

In the last 12 months, our TRIR decreased to 2.8 compared to 3.0 in the comparable 12 months the year prior. The 7 percent reduction is driven by an improvement in the accuracy of our accounting of working hours. We continue to improve our understanding of Health and Safety controls, operationally ensuring we proactively assess and improve their effectiveness as well as rolling out broad based Safety leadership programs. We will continue to seek to improve performance by maintaining an operational safety focus across our entire value chain.

## Incidence of total recordable injuries (LTM)

Per million working hours





# Strategy and financial and capital structure targets

(For an extended introduction to the Vestas strategy, please refer to the Annual Report 2023.)

## Net zero requires Vestas to scale

For the world to reach net zero, we estimate wind power installations will need to increase to more than 290 GW per year by 2050, from 78 GW in 2022<sup>1)</sup>, and Vestas is ready to meet demand. Through strong partnerships with key suppliers and customers, through modularisation and the development of digital solutions, and by investing in talent and capabilities, we are laying the foundation for a Vestas that is ready to scale.

## Business area strategy

### Onshore wind

Our strategic priorities in Onshore continue to be a focus on value over volume, driving modularisation to ensure highly competitive products at high quality and lower cost, and working with digitalisation and efficiency measures across the value chain. Further, we will cultivate strategic customer partnerships, and continue to mature industry dynamics to improve some of the fundamentals in onshore wind. This means we must continue to lead the effort to industrialise the wind energy industry, with the aim of restoring and improving profitability.

### Offshore wind

Ramping up Offshore to deliver on significant market ambitions require discipline and continuous attention to our business plan. To achieve our goals, we must secure profitable order intake, sustainably scale up our manufacturing capacity, and ensure operational readiness and execution capabilities for the new V236 platform. At the same time, we will lead a market that is profitable and sustainable in the long term.

### Service

To extend our leading position in wind energy service solutions, we remain focused on maximising customer returns and energy production when electricity demand is highest. To achieve this goal, we are employing an incremental approach to scaling our operations efficiently. This enables us to reap the full benefit of our unparalleled service backlog and prepare for expected growth, onshore and offshore.

### Development

Most of our projects are still in early stages of development. To grow our Development business profitably, our strategy focuses on maturing the project pipeline while ensuring project quality. Building on our industry expertise and experience, we will de-risk projects and maximise the value of our pipeline while maintaining commercial and financial discipline.

## Capital structure

When it comes to financial management, our objective is to create the necessary flexibility and stability to implement strategic development work, while achieving our financial ambitions in the long term. At the same time, we aim to have the most effective cost of capital.

We apply the following priorities to capital allocation:

- Reinvest in our manufacturing footprint and R&D to realise our corporate strategy.
- Make value-creating acquisitions to accelerate or increase profitable growth and explore divestments of non-core assets.
- Pay 25-30 percent of net result after tax in dividend.
- Initiate share buy-backs from time to time.

## Long-term sustainability ambitions

We are committed to carbon neutrality of our own operations by 2030 – without using carbon offsets. At the same time, we are working to decarbonise the entire wind energy supply chain by working with strategic suppliers to lower the carbon intensity of energy generated by our turbines by 45 percent<sup>2)</sup> by 2030.

We are committed to creating zero-waste wind turbines by 2040. Through our industry-leading Circularity Roadmap, we have outlined our pathway and interim targets towards this goal, one of which is to improve our material efficiency rate to 0.2 by 2030. Further, we aim to reduce our injury rate (TRIR) to 0.6 by 2030, and to increase the share of women in leadership positions to 30 percent by 2030.

## Long-term financial ambitions

Our industry needs structural change to increase profitability, especially within the wind turbine segment. The structural changes primarily entail strengthening the commercial discipline in customer dialogues, working closer across the industry supply chain, and lowering the frequency of new technology introductions as well as maturing the assessment of risk. In 2023, Vestas managed to get 'back in black' as our commercial and operational discipline is paying off. The year underlined that Vestas is on the right strategic path to improve the industry structurally and continue to build the commercial and operational maturity to achieve our financial ambitions. In that context, a 10 percent EBIT margin remains achievable in the mid-term.

Vestas has the following long-term financial ambitions:

- Grow revenue faster than the market and be the market leader in revenue.
- Positive free cash flow
- Reach at least 10 percent EBIT margin before special items.
- Achieve 20 percent ROCE over the cycle.

<sup>1)</sup> Source: Global Wind Energy Council: Global Wind Statistics 2023. March 2023.

<sup>2)</sup> Baseline year: 2019

## Outlook 2024

Vestas maintains the expectations to revenue of EUR 16.5bn-17.5bn and EBIT margin before special items of 4-5 percent. The EBIT margin before special items is now more likely at the lower end of the range.

The outlook for total investments<sup>1</sup> has been adjusted to approx. EUR 1.0bn (previously approx. EUR 1.2bn).

The Service segment is now expected to generate EBIT before special items of around EUR 450m in 2024 (previously around EUR 500m).

In relation to forecasts on financials from Vestas in general, it should be noted that Vestas' accounting policies only allow the recognition of revenue when the control has passed to the customer, either at a point in time or over time. Disruptions in production and challenges in relation to shipment of wind turbines and installation hereof, for example bad weather, lack of grid connections, and similar matters, may cause delays that could affect Vestas' financial results for 2024. Further, the full-year results may also be impacted by movements in exchange rates from current levels.

### Outlook 2024

	New Guidance	Previous guidance <sup>2</sup>	Initial guidance
Revenue (bnEUR)	<b>16.5-17.5</b>	16.5-17.5	16-18
EBIT margin (%) b.s.i.	<b>4-5</b>	4-5	4-6
Total investments <sup>1</sup> (bnEUR)	<b>approx.1.0</b>	approx.1.2	approx.1.2

<sup>1</sup> Net investments in intangible assets and property, plant and equipment.

<sup>2</sup> Guidance announced on 12 August 2024.

## Financial calendar 2025

05.02.2025	Disclosure of the Annual Report 2024
24.02.2025	Deadline for the company's shareholders to submit a written request to the Board of Directors that a specific matter be included in the agenda for the Annual General Meeting
07.03.2025	Convening for Annual General Meeting
08.04.2025	Annual General Meeting in Aarhus, Denmark
06.05.2025	Disclosure of the Interim report, Q1 2025
13.08.2025	Disclosure of the Interim report, Q2 2025
05.11.2025	Disclosure of the Interim report, Q3 2025

The financial calendar lists the expected dates of disclosure of quarterly and annual results, and the Annual General Meeting in the financial year 2025 for Vestas Wind Systems A/S.

# Consolidated financial statements 1 January – 30 September

## Condensed income statement 1 January – 30 September

mEUR	Note	Q3 2024	Q3 2023	9M 2024	9M 2023
<b>Revenue</b>	1.1, 1.2	<b>5,177</b>	<b>4,353</b>	<b>11,154</b>	<b>10,611</b>
Production costs		(4,633)	(4,002)	(10,210)	(9,851)
<b>Gross profit</b>		<b>544</b>	<b>351</b>	<b>944</b>	<b>760</b>
Research and development costs		(99)	(97)	(273)	(271)
Distribution costs		(141)	(117)	(396)	(335)
Administration costs		(70)	(81)	(294)	(300)
Sale of technology	1.3	-	-	-	147
Income from investments in joint ventures and associates		1	14	1	39
<b>Operating profit/(loss) (EBIT) before special items</b>	1.1	<b>235</b>	<b>70</b>	<b>(18)</b>	<b>40</b>
Special items	1.4	(4)	(1)	(3)	27
<b>Operating profit/(loss) (EBIT)</b>		<b>231</b>	<b>69</b>	<b>(21)</b>	<b>67</b>
Income from investments in joint ventures and associates		(11)	(9)	(6)	(14)
Net financial items		(36)	(32)	(124)	(124)
<b>Profit/(loss) before tax</b>		<b>184</b>	<b>28</b>	<b>(151)</b>	<b>(71)</b>
Income tax		(57)	0	47	0
<b>Profit/(loss) for the period</b>		<b>127</b>	<b>28</b>	<b>(104)</b>	<b>(71)</b>
<b>Profit/(loss) is attributable to:</b>					
Shareholders of Vestas Wind Systems A/S		127	29	(99)	(71)
Non-controlling interests		-	(1)	(5)	0
<b>Earnings per share (EPS)</b>					
Earnings per share for the period (EUR), basic		0.13	0.03	(0.10)	(0.07)
Earnings per share for the period (EUR), diluted		0.13	0.03	(0.10)	(0.07)

## Condensed statement of comprehensive income 1 January – 30 September

mEUR	Q3 2024	Q3 2023	9M 2024	9M 2023
<b>Profit/(loss) for the period</b>	<b>127</b>	<b>28</b>	<b>(104)</b>	<b>(71)</b>
Items that may be reclassified to the income statement subsequently:				
Exchange rate adjustments relating to foreign entities	(40)	26	(21)	(36)
Fair value adjustments of derivative financial instruments for the period	(116)	90	117	144
Gain/(loss) on derivative financial instruments transferred to the income statement	(13)	(19)	(60)	(105)
Share of fair value adjustments of derivative financial instruments of joint ventures and associates	(2)	1	(1)	0
Tax on items that may be reclassified to the income statement subsequently	31	(14)	(19)	(10)
Other comprehensive income after tax for the period	(140)	84	16	(7)
<b>Total comprehensive income for the period</b>	<b>(13)</b>	<b>112</b>	<b>(88)</b>	<b>(78)</b>

The above condensed statement of comprehensive income should be read in conjunction with the accompanying notes.

## Condensed balance sheet – Assets

mEUR	Note	30 September 2024	30 September 2023	31 December 2023
Goodwill		1,504	1,511	1,507
Completed development projects		317	353	324
Software		113	115	138
Other intangible assets		318	347	340
Development projects in progress		1,053	801	894
<b>Total intangible assets</b>		<b>3,305</b>	<b>3,127</b>	<b>3,203</b>
Land and buildings		403	411	427
Plant and machinery		159	207	193
Other fixtures, fittings, tools and equipment		486	488	520
Right-of-use assets		628	539	524
Property, plant and equipment in progress		476	224	247
<b>Total property, plant and equipment</b>	2.1	<b>2,152</b>	<b>1,869</b>	<b>1,911</b>
Investments in joint ventures and associates		582	598	593
Other investments		129	93	99
Tax receivables		522	89	522
Deferred tax		969	677	795
Other receivables	3.4	378	281	372
Financial investments	3.4	102	96	98
<b>Total other non-current assets</b>		<b>2,682</b>	<b>1,834</b>	<b>2,479</b>
<b>Total non-current assets</b>		<b>8,139</b>	<b>6,830</b>	<b>7,593</b>
Inventories		6,899	7,007	6,530
Trade receivables		1,407	1,262	1,305
Contract assets		2,068	1,814	1,777
Contract costs		711	791	505
Tax receivables		178	83	209
Other receivables	3.4	1,163	1,370	1,274
Financial investments	3.4	159	4	3
Cash and cash equivalents	3.2	2,197	1,696	3,318
<b>Total current assets</b>		<b>14,782</b>	<b>14,027</b>	<b>14,921</b>
<b>Total assets</b>		<b>22,921</b>	<b>20,857</b>	<b>22,514</b>

The above condensed balance sheet should be read in conjunction with the accompanying notes.



## Condensed balance sheet – Equity and liabilities

mEUR	Note	30 September 2024	30 September 2023	31 December 2023
Share capital	3.1	27	27	27
Other reserves		(98)	6	(102)
Retained earnings		2,978	2,933	3,102
<b>Attributable to shareholders of Vestas</b>		<b>2,907</b>	<b>2,966</b>	<b>3,027</b>
Non-controlling interests		12	15	15
<b>Total equity</b>		<b>2,919</b>	<b>2,981</b>	<b>3,042</b>
Provisions	2.2	1,331	1,181	1,225
Deferred tax		159	202	164
Financial debts	3.4	3,139	2,741	3,224
Tax payables		635	170	635
Other liabilities	3.4	177	81	204
<b>Total non-current liabilities</b>		<b>5,441</b>	<b>4,375</b>	<b>5,452</b>
Financial debts	3.4	187	677	163
Contract liabilities		8,676	7,153	7,995
Trade payables		3,917	3,655	3,738
Provisions	2.2	916	752	783
Tax payables		92	119	176
Other liabilities	3.4	773	1,145	1,165
<b>Total current liabilities</b>		<b>14,561</b>	<b>13,501</b>	<b>14,020</b>
<b>Total liabilities</b>		<b>20,002</b>	<b>17,876</b>	<b>19,472</b>
<b>Total equity and liabilities</b>		<b>22,921</b>	<b>20,857</b>	<b>22,514</b>

The above condensed balance sheet should be read in conjunction with the accompanying notes.

## Condensed statement of changes in equity – nine months 2024

mEUR	Reserves					Retained earnings	Non-control-ling interests	Total
	Share capital	Transla- tion reserve	Cash flow hedging reserve	Other reserves	Total reserves			
<b>Equity as at 1 January 2024</b>	27	(80)	(24)	2	(102)	3,102	15	<b>3,042</b>
Profit/(loss) for the period	-	-	-	-	-	(99)	(5)	(104)
Other comprehensive income for the period	-	(23)	38	(1)	14	-	2	16
<b>Total comprehensive income for the period</b>	-	<b>(23)</b>	<b>38</b>	<b>(1)</b>	<b>14</b>	<b>(99)</b>	<b>(3)</b>	<b>(88)</b>
Transfer of cash flow hedge reserve to the initial carrying amount of hedged items	-	-	(10)	-	(10)	-	-	(10)
<i>Transaction with shareholders:</i>								
Acquisition of treasury shares	-	-	-	-	-	(40)	-	(40)
Share-based payments	-	-	-	-	-	20	-	20
Tax on equity transactions	-	-	-	-	-	(5)	-	(5)
<b>Total transactions with shareholders</b>	-	-	-	-	-	<b>(25)</b>	-	<b>(25)</b>
<b>Equity as at 30 September 2024</b>	<b>27</b>	<b>(103)</b>	<b>4</b>	<b>1</b>	<b>(98)</b>	<b>2,978</b>	<b>12</b>	<b>2,919</b>

## Condensed statement of changes in equity – nine months 2023

mEUR	Reserves					Retained earnings	Non-control-ling interests	Total
	Share capital	Transla- tion reserve	Cash flow hedging reserve	Other reserves	Total reserves			
<b>Equity as at 1 January 2023</b>	27	10	(1)	6	15	3,002	16	<b>3,060</b>
Profit/(loss) for the period	-	-	-	-	-	(72)	1	(71)
Other comprehensive income for the period	-	(34)	29	0	(5)	-	(2)	(7)
<b>Total comprehensive income for the period</b>	-	<b>(34)</b>	<b>29</b>	<b>0</b>	<b>(5)</b>	<b>(72)</b>	<b>(1)</b>	<b>(78)</b>
Transfer of cash flow hedge reserve to the initial carrying amount of hedged items	-	-	(4)	-	(4)	-	-	(4)
<i>Transaction with shareholders:</i>								
Acquisition of treasury shares	-	-	-	-	-	(11)	-	(11)
Share-based payments	-	-	-	-	-	17	-	17
Tax on equity transactions	-	-	-	-	-	(3)	-	(3)
<b>Total transactions with shareholders</b>	-	-	-	-	-	<b>3</b>	-	<b>3</b>
<b>Equity as at 30 June 2023</b>	<b>27</b>	<b>(24)</b>	<b>24</b>	<b>6</b>	<b>6</b>	<b>2,933</b>	<b>15</b>	<b>2,981</b>

The above condensed statement of changes in equity should be read in conjunction with the accompanying notes.

## Condensed cash flow statement 1 January – 30 September

mEUR	Note	Q3 2024	Q3 2023	9M 2024	9M 2023
Profit/(loss) for the period		127	28	(104)	(71)
Adjustment for non-cash transactions		545	350	867	888
Interest paid / received, net		(23)	(7)	(38)	(8)
Income tax paid		(78)	(34)	(157)	(87)
<b>Cash flow from operating activities before change in net working capital</b>		<b>571</b>	<b>337</b>	<b>568</b>	<b>722</b>
Change in net working capital		(482)	(368)	(403)	(1,679)
<b>Cash flow from operating activities</b>		<b>89</b>	<b>(31)</b>	<b>165</b>	<b>(957)</b>
Purchase of intangible assets		(100)	(103)	(329)	(291)
Purchase of property, plant and equipment		(172)	(124)	(423)	(295)
Proceeds from sale of intangible assets		-	-	-	2
Proceeds from sale of property, plant and equipment		-	-	13	56
Dividends from investments in joint ventures and associates		2	7	5	13
Purchase of shares in joint ventures and associates		-	(4)	(1)	(10)
Purchase of other non-current financial assets		(102)	-	(231)	(5)
Proceeds from sale of other non-current financial assets		-	-	47	-
Proceeds from sale of investments in joint ventures and associates		(1)	20	(1)	65
Purchase/disposal of financial investments		-	(4)	-	(4)
Net cash flow from deconsolidation of subsidiary		-	-	-	(8)
<b>Cash flow from investing activities</b>		<b>(373)</b>	<b>(208)</b>	<b>(920)</b>	<b>(477)</b>
<b>Free cash flow</b>		<b>(284)</b>	<b>(239)</b>	<b>(755)</b>	<b>(1,434)</b>
Payment of lease liabilities		(43)	(50)	(128)	(126)
Proceeds from borrowings		21	511	65	1,098
Payment of financial debt		(121)	(27)	(227)	(177)
Acquisition of treasury shares		-	-	(40)	(11)
<b>Cash flow from financing activities</b>		<b>(143)</b>	<b>434</b>	<b>(330)</b>	<b>784</b>
<b>Net change in cash and cash equivalents</b>		<b>(427)</b>	<b>195</b>	<b>(1,085)</b>	<b>(650)</b>
Cash and cash equivalents at the beginning of period		2,636	1,504	3,318	2,378
Exchange rate adjustments of cash and cash equivalents		(12)	(3)	(36)	(32)
<b>Cash and cash equivalents at the end of the period</b>	3.2	<b>2,197</b>	<b>1,696</b>	<b>2,197</b>	<b>1,696</b>

The above condensed cash flow statement should be read in conjunction with the accompanying notes.

## Notes

### 1 Result for the period

#### 1.1 Segment information

mEUR	Power Solutions	Service	Not allocated	Total Group
<b>Q3 2024</b>				
Revenue	4,250	927	-	5,177
Income from investments in joint ventures and associates	1	-	-	1
<b>Total income</b>	<b>4,251</b>	<b>927</b>	<b>-</b>	<b>5,178</b>
<b>Total costs</b>	<b>(4,074)</b>	<b>(779)</b>	<b>(90)</b>	<b>(4,943)</b>
<b>Operating profit/(loss) (EBIT) before special items</b>	<b>177</b>	<b>148</b>	<b>(90)</b>	<b>235</b>
Special items	(4)	-	-	(4)
<b>Operating profit/(loss) (EBIT)</b>	<b>173</b>	<b>148</b>	<b>(90)</b>	<b>231</b>
Income from investments in joint ventures and associates	-	-	(11)	(11)
Net financial items	-	-	(36)	(36)
<b>Profit/(loss) before tax</b>				<b>184</b>
Amortisation and depreciation included in total costs	(154)	(42)	(13)	<b>(209)</b>

In the third quarter of 2024, a net loss of EUR 4m was recognised in special items from other expenses related to the Russian invasion of Ukraine.

mEUR	Power Solutions	Service	Not allocated	Total Group
<b>Q3 2023</b>				
Revenue	3,415	938	-	4,353
Income from investments in joint ventures and associates	14	-	-	14
<b>Total income</b>	<b>3,429</b>	<b>938</b>	<b>-</b>	<b>4,367</b>
<b>Total costs</b>	<b>(3,467)</b>	<b>(741)</b>	<b>(89)</b>	<b>(4,297)</b>
<b>Operating profit/(loss) (EBIT) before special items</b>	<b>(38)</b>	<b>197</b>	<b>(89)</b>	<b>70</b>
Special items	(1)	-	-	(1)
<b>Operating profit/(loss) (EBIT)</b>	<b>(39)</b>	<b>197</b>	<b>(89)</b>	<b>69</b>
Income from investments in joint ventures and associates	-	-	(9)	(9)
Net financial items	-	-	(32)	(32)
<b>Profit/(loss) before tax</b>				<b>28</b>
Amortisation and depreciation included in total costs	(147)	(37)	(10)	<b>(194)</b>



## 1.1 Segment information (continued)

mEUR	Power Solutions	Service	Not allocated	Total Group
<b>9M 2024</b>				
Revenue	8,654	2,500	-	11,154
Income from investments in joint ventures and associates	1	-	-	1
<b>Total income</b>	<b>8,655</b>	<b>2,500</b>	<b>-</b>	<b>11,155</b>
<b>Total costs</b>	<b>(8,628)</b>	<b>(2,267)</b>	<b>(278)</b>	<b>(11,173)</b>
<b>Operating profit/(loss) (EBIT) before special items</b>	<b>27</b>	<b>233</b>	<b>(278)</b>	<b>(18)</b>
Special items	(3)	-	-	(3)
<b>Operating profit/(loss) (EBIT)</b>	<b>24</b>	<b>233</b>	<b>(278)</b>	<b>(21)</b>
Income from investments in joint ventures and associates	-	-	(6)	(6)
Net financial items	-	-	(124)	(124)
<b>Profit/(loss) before tax</b>				<b>(151)</b>
Amortisation and depreciation included in total costs	(474)	(124)	(35)	<b>(633)</b>

In the first nine months of 2024, revenue in the Service segment was negatively impacted by EUR 312m from second quarter adjustments to planned costs of ongoing service contracts. The adjustments relate to an increase in the expected total cost to complete the service contracts, primarily driven by updated cost forecasts as well as the expected future impact from cost-out initiatives.

In the first nine months of 2024, a net loss of EUR 3m was recognised in special items primarily from other expenses related to the Russian invasion of Ukraine which was partially offset by a net income of EUR 1m related to the adjustment of the manufacturing footprint in India.

mEUR	Power Solutions	Service	Not allocated	Total Group
<b>9M 2023</b>				
Revenue	7,963	2,648	-	10,611
Sale of technology	147	-	-	147
Income from investments in joint ventures and associates	39	-	-	39
<b>Total income</b>	<b>8,149</b>	<b>2,648</b>	<b>-</b>	<b>10,797</b>
<b>Total costs</b>	<b>(8,416)</b>	<b>(2,070)</b>	<b>(271)</b>	<b>(10,757)</b>
<b>Operating profit/(loss) (EBIT) before special items</b>	<b>(267)</b>	<b>578</b>	<b>(271)</b>	<b>40</b>
Special items	27	-	-	27
<b>Operating profit/(loss) (EBIT)</b>	<b>(240)</b>	<b>578</b>	<b>(271)</b>	<b>67</b>
Income from investments in joint ventures and associates	-	-	(14)	(14)
Net financial items	-	-	(124)	(124)
<b>Profit/(loss) before tax</b>				<b>(71)</b>
Amortisation and depreciation included in total costs	(450)	(110)	(32)	<b>(592)</b>

In the first nine months 2023, a net income of EUR 27m was recognised in special items relating to the adjustment of the manufacturing footprint in India as well as the Russian invasion of Ukraine, impacting the Power Solutions segment. For additional information, refer to note 1.4.

In the first nine months of 2023, a gain of EUR 154m was recognised relating to the sale of the converters and controls business to KK Wind Solutions impacting the Power Solutions segment. Of this gain, EUR 147m was recognised in sale of technology and EUR 7m was recognised in production costs.

## 1.2 Revenue

The illustration below shows the process from order intake to revenue recognition in Vestas.



### Disaggregation of revenue

In the following section, revenue is disaggregated for the two reportable segments, by primary geographical market, major contract types, and timing of revenue recognition.

mEUR	Power Solutions		Service		Total	
	Q3 2024	Q3 2023	Q3 2024	Q3 2023	Q3 2024	Q3 2023
<b>Timing of revenue recognition</b>						
Products and services transferred at a point in time	2,906	2,515	166	121	3,072	2,636
Products and services transferred over time	1,344	900	761	817	2,105	1,717
	<b>4,250</b>	<b>3,415</b>	<b>927</b>	<b>938</b>	<b>5,177</b>	<b>4,353</b>
<b>Revenue from contract types</b>						
Supply-only (at a point in time)	1,407	780	-	-	1,407	780
Supply-and-installation (at a point in time)	1,499	1,735	-	-	1,499	1,735
Supply-and-installation (over time)	959	694	-	-	959	694
Turnkey (EPC) (over time)	385	206	-	-	385	206
Service (over time, spare parts at a point in time)	-	-	927	938	927	938
	<b>4,250</b>	<b>3,415</b>	<b>927</b>	<b>938</b>	<b>5,177</b>	<b>4,353</b>
<b>Primary geographical markets</b>						
EMEA	1,925	1,554	488	516	2,413	2,070
Americas	1,816	1,313	354	345	2,170	1,658
Asia Pacific	509	548	85	77	594	625
	<b>4,250</b>	<b>3,415</b>	<b>927</b>	<b>938</b>	<b>5,177</b>	<b>4,353</b>

## 1.2 Revenue (continued)

mEUR	Power Solutions		Service		Total	
	9M 2024	9M 2023	9M 2024	9M 2023	9M 2024	9M 2023
<b>Timing of revenue recognition</b>						
Products and services transferred at a point in time	5,579	5,304	426	332	6,005	5,636
Products and services transferred over time	3,075	2,659	2,074	2,316	5,149	4,975
	<b>8,654</b>	<b>7,963</b>	<b>2,500</b>	<b>2,648</b>	<b>11,154</b>	<b>10,611</b>
<b>Revenue from contract types</b>						
Supply-only (at a point in time)	1,834	1,430	-	-	1,834	1,430
Supply-and-installation (at a point in time)	3,745	3,874	-	-	3,745	3,874
Supply-and-installation (over time)	2,145	2,142	-	-	2,145	2,142
Turnkey (EPC) (over time)	930	517	-	-	930	517
Service (over time, spare parts at point in time)	-	-	2,500	2,648	2,500	2,648
	<b>8,654</b>	<b>7,963</b>	<b>2,500</b>	<b>2,648</b>	<b>11,154</b>	<b>10,611</b>
<b>Primary geographical markets</b>						
EMEA	4,032	4,098	1,292	1,403	5,324	5,501
Americas	3,238	2,751	963	1,023	4,201	3,774
Asia Pacific	1,384	1,114	245	222	1,629	1,336
	<b>8,654</b>	<b>7,963</b>	<b>2,500</b>	<b>2,648</b>	<b>11,154</b>	<b>10,611</b>

## 1.3 Sale of technology

There was no sale of technology during the first nine months of 2024. During the first nine months of 2023, sale of technology includes consideration received of EUR 147m relating to a perpetual manufacturing license granted to KK Wind Solutions under the agreement for the sale of the converters and controls business.

## 1.4 Special items

mEUR	Q3 2024	Q3 2023	9M 2024	9M 2023
Write-down of inventory	-	(3)	-	30
Provisions	-	-	-	(1)
Impairment loss on intangible and tangible assets	-	2	-	4
Other costs	(4)	-	(3)	(7)
Staff costs	-	-	-	(1)
Derecognition of net assets in Russia	-	-	-	2
<b>Special items</b>	<b>(4)</b>	<b>(1)</b>	<b>(3)</b>	<b>27</b>

During the first nine months of 2024, a net loss of EUR 3m was recognised in special items primarily from other expenses related to the Russian invasion of Ukraine which was partially offset by a net income of EUR 1m related to the adjustment of the manufacturing footprint in India.

During the first nine months of 2023, a net income of EUR 27m was recognised in special items. The adjustment of the manufacturing footprint in India resulted in net income of EUR 32m. This was offset by net expense of EUR 5m related to exiting the Russian market and deconsolidating the Russian entities.

## 2 Other operating assets and liabilities

### 2.1 Property, plant and equipment

In the first nine months of 2024, Vestas acquired assets with a cost of EUR 423m mainly related to manufacturing blade moulds, transport equipment, and construction tools, compared to EUR 295m in the first nine months of 2023.

Lease contracts recognised as right-of-use assets during the first nine months of 2024 amounted to EUR 250m mainly related to extension of a test rig and new vessel leases, compared to EUR 212m in the first nine months of 2023.

## 2.2 Warranty provisions (included in provisions)

mEUR	30 September 2024	30 September 2023	31 December 2023
Warranty provisions, 1 January	1,747	1,490	1,490
Provisions for the period	568	564	845
Warranty provisions consumed during the period	(375)	(366)	(588)
<b>Warranty provisions</b>	<b>1,940</b>	<b>1,688</b>	<b>1,747</b>
The provisions are expected to be payable as follows:			
Non-current	1,136	996	1,031
Current	804	692	716
	<b>1,940</b>	<b>1,688</b>	<b>1,747</b>

During the first nine months of 2024, net warranty provisions charged to the income statement was EUR 575m (EUR 546m in the first nine months of 2023), equivalent to 5.2 percent of revenue. The net amount consists of a gross warranty provision of EUR 568m plus a net adjustment to supplier claims of EUR 7m.

In general, provisions are made for all expected costs associated with wind turbine repairs or replacements, and any reimbursement from other involved parties is not offset unless a written agreement has been made to that effect. Provisions are made to cover possible costs of remedy and other costs in accordance with specific agreements. The provisions are based on estimates, and actual costs may deviate substantially from such estimates.

## 3 Capital structure and financing items

### 3.1 Share capital

Pursuant to authorisation granted to the Board of Directors at the Annual General Meeting 9 April 2024, the Board of Directors was authorised to acquire treasury shares on behalf of Vestas at a nominal value not exceeding 10 percent of the share capital at the time of authorisation.

#### Treasury shares

Nominal value (DKK)	30 September 2024	30 September 2023	31 December 2023
Treasury shares as at 1 January	678,721	737,940	737,940
Purchases for the period	328,300	79,785	79,785
Vested treasury shares for the period	(186,092)	(139,004)	(139,004)
<b>Treasury shares</b>	<b>820,929</b>	<b>678,721</b>	<b>678,721</b>

Each share has a nominal value of DKK 0.20.

### 3.2 Cash and cash equivalents

mEUR	30 September 2024	30 September 2023	31 December 2023
Cash and cash equivalents without disposal restrictions	2,165	1,666	3,288
Cash and cash equivalents with disposal restrictions	32	30	30
<b>Cash and cash equivalents</b>	<b>2,197</b>	<b>1,696</b>	<b>3,318</b>

### 3.3 Financial risks

Management of financial risks, including liquidity, credit and market risks, is core to Vestas. This is governed by policies, and these are addressed in the notes to the consolidated financial statements in the Annual Report 2023, note 4.1 (Financial risk management), pages 82-85. The risks in 2024 remain similar in nature.



As at 30 September 2024, Vestas had EUR 2,197m of cash and cash equivalents. Additionally, Vestas has a committed credit facility of EUR 2,000m maturing in 2028 and uncommitted credit facilities of EUR 475m. As at 30 September 2024, EUR 771m of the committed credit facility was converted into ancillary bank guarantee issuance facilities leaving EUR 1,704m available for cash drawing and/or issuance of guarantees. Vestas has no upcoming bond maturities in the next 12 months.

### 3.4 Financial instruments

Financial investments consist of interest-bearing investments which do not meet the definition for cash and cash equivalents. As at 30 September 2024, financial investments comprised marketable securities with a fair value of EUR 102m and deposits with fair value of EUR 159m, equal to booked value.

Derivative financial instruments were positive with a market value of net EUR 25m, equal to book value, and were recognised in other receivables and other liabilities with EUR 371m and EUR 346m, respectively.

As at 30 September 2024, the carrying amount of the sustainability-linked bonds issued by Vestas amounted to EUR 1,984m and the fair value amounted to EUR 1,930m.

Financial instruments measured at fair value have been categorised into level 1, 2, and 3 as addressed in the Annual Report 2023, note 4.3, page 89.

Financial instrument assets categorised within level 3 comprise other equity investments and renewable energy certificates. Valuation methods remain unchanged from the description in the Annual Report 2023 and with no significant changes in fair values.

## 4 Other disclosures

### 4.1 Related party transactions

Vestas has had the following material transactions with joint ventures and associates:

mEUR	Q3 2024	Q3 2023	9M 2024	9M 2023
<b>Joint ventures</b>				
Revenue for the period	-	26	-	28
Proceeds from investments in joint ventures	1	7	1	12
Capital increase	0	1	0	5
Trade receivable as at 30 September	-	20	-	20
Other assets as at 30 September	11	11	11	11
<b>Associates</b>				
Revenue for the period	1	-	3	2
Proceeds from investments in associates	1	0	4	1
Capital increase	0	-	1	2
Trade receivable as at 30 September	12	-	12	-
Other assets as at 30 September	2	26	2	26
Contract liabilities as at 30 September	1	5	1	5
Payable capital contribution as at 30 September	-	8	-	8

No other significant changes have occurred with related parties or types and scale of transactions with these parties other than what is disclosed in the consolidated financial statements in the Annual Report 2023, note 6.3, page 96.

### 4.2 Subsequent events

As announced on 10 October 2024, arbitration claims regarding contracts in Russia, which were entered into before the Russian invasion of Ukraine, were settled. The settlement entails that both companies waive past, present and future claims related to the dispute at hand. The financial impact of the settlement will be recorded in special items in October 2024.

Other than the events recognised or disclosed in the Interim Financial Report, no events have occurred subsequent to 30 September 2024 which could have a significant impact on the report.

## **5 Basis for preparation**

### **5.1 General accounting policies**

The interim financial report of Vestas comprises a summary of the consolidated financial statements of Vestas Wind Systems A/S and its subsidiaries.

The interim financial report has been prepared in accordance with IAS 34, Interim Financial Reporting as adopted by the EU, accounting policies set out in the Annual Report 2023 of Vestas and additional Danish disclosure requirements for interim financial reporting of listed companies.

The accounting policies remain unchanged compared to the annual report for 2023, to which reference is made.

This interim financial report includes selected notes. Accordingly, this report should be read in conjunction with the annual report for 2023 and any public announcements made during the interim reporting period.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to the expected annual profit or loss.

### **5.2 Implementation of new and amended standards**

The following new and amended accounting standards have been implemented as of 1 January 2024:

- Lease liability in a sale and leaseback – amended IFRS 16 Leases
- Non-current liabilities with covenants – amended IAS 1 Presentation of Financial Statements
- Supplier Finance Arrangements – amended IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures

Vestas did not have to change its accounting policies or make retrospective adjustments as a result of adopting these new and amended standards.

# Statement by the Board of Directors and the Executive Management

The Executive Management and the Board of Directors have today discussed and approved the interim financial report of Vestas Wind Systems A/S for the period 1 January to 30 September 2024.

The interim financial report has been prepared in accordance with IAS 34 on interim financial reporting as adopted by the EU, accounting policies set out in the Vestas Annual Report 2023 and additional Danish disclosure requirements for interim financial reports of listed companies. The interim financial report has neither been audited nor reviewed.

In our opinion the accounting policies used are appropriate and the interim financial report gives a true and fair view of Vestas' assets, liabilities, and financial position as at 30 September 2024 and of the results of Vestas' operations and cash flows for the period 1

January to 30 September 2024. Further, in our opinion the management report gives a true and fair review of the development in Vestas' operations and financial matters, the results of Vestas' operations for the period and Vestas' financial position as a whole and describes the significant risks and uncertainties pertaining to Vestas.

In our opinion, the sustainability statements have been prepared in accordance with the accounting policies applied. They give a fair view of the Group's ESG performance.

Besides what has been disclosed in the Interim Financial Report, no changes in Vestas' most significant risks and uncertainties have occurred relative to what was disclosed in the Annual Report 2023.

Aarhus, Denmark, 5 November 2024

**Executive Management**

Henrik Andersen  
*Group President & CEO*

Hans Martin Smith  
*Executive Vice President & CFO*

**Board of Directors**

Anders Runevad  
*Chair*

Karl-Henrik Sundström  
*Deputy Chair*

Lena Olving

Eva Merete Søfelde Berneke

Helle Thorning-Schmidt

Henriette Hallberg Thygesen

Michael Abildgaard Lisbjerg\*)

Sussie Dvinge\*)

Louise B. Schmidt Nielsen \*)

Claus Skov Christensen\*)

\*) Employee representative



#### 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 2023 (available at [vestas.com/en/investor](https://vestas.com/en/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.