Vestas.

Sustainable Service leadership

Christian Venderby

Chief Service Officer

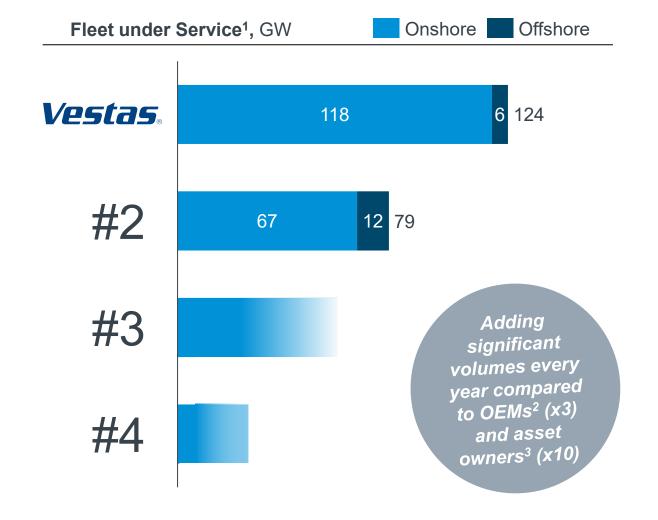


WORLD CLASS SCALE WITH 124 GW UNDER MANAGEMENT

Ideally positioned to continue leadership and to gain market share within on- and offshore

Vestas Service Track Record

- +11,000 employees dedicated to service
- +8,200 MW of Multibrand under Service
- Operating in 77 countries
- EUR 28.0bn Service backlog
- +51.000 turbines under service





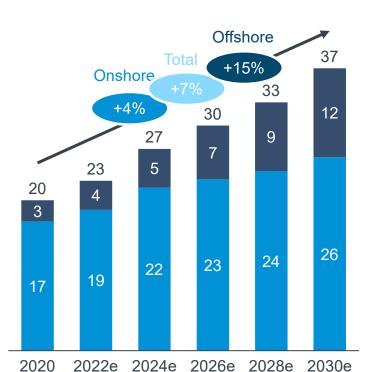
^{3.} Average of 7 top asset owners



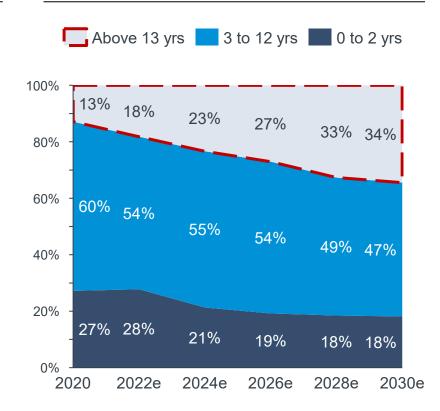
WIND O&M MARKET EXPECTED TO REACH USD 40BN BY 2030

Installed base ageing while new turbine introductions continue to reduce service costs

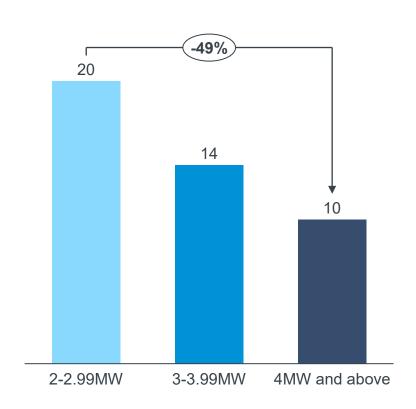
Global wind O&M market, USDbn, CAGR



Installed Onshore MW by age, Years



O&M prices per WTG size, EURk/MW/yr

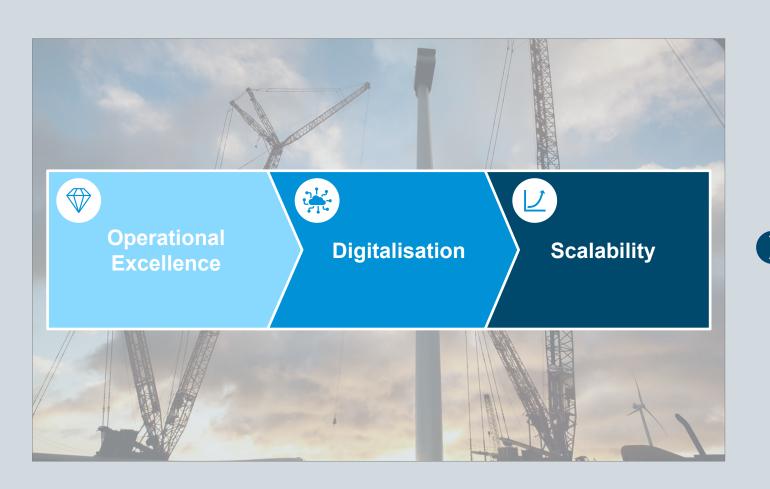


Source: Wood Mackenzie, Global Onshore Wind Power O&M 2020, Global Bottom Fixed Offshore Wind O&M Trends 2021, Global Wind Power Market Outlook Q3 2021, and BloombergNEF, 1H 2021 Wind OM Price Index



VESTAS IDEALLY POSITIONED TO LEAD THE INDUSTRY

Delivering operational excellence to customers and serving them in the best possible way







INTRODUCING THE DIGITAL OPERATING MODEL

Leveraging Salesforce as the backbone of the new operating model to sustain scale

Reaping scale benefits through standardisation



Increasing operational excellence through next-gen scheduling engine



Setting a strong data foundation for continued, sustainable growth



Optimising and standardising our operating model to enable scalability



Introducing Salesforce

To align and lift Service performance



Our people

Enabling everyone to innovate and work together while doing their best in the most efficient way



Our customers

Ensure customer centricity to deliver the best customer experience within the renewable industry



Our business

Driving higher revenue, scalability and efficiency to maintain profitable growth





DELIVERING OPERATIONAL EXCELLENCE

Utopus Insights provides a platform to create a shared reality between customers and Vestas

Utopus Insights is Vestas' SaaS provider...



Increasing operational excellence through industry-leading data science capabilities

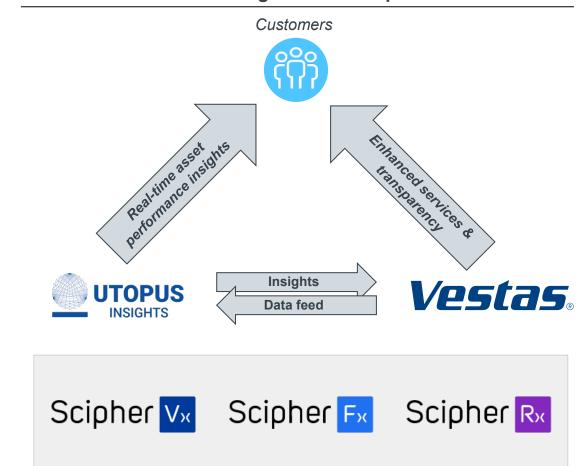


Providing additional value to the customer by powering the next-generation Service offering



Asset- and brand-agnostic Software-as-a-Service solutions for the wider energy value chain

...and enables the next-gen service experience





TACKLING THE FRAGMENTED RENEWABLE SUPPLY CHAIN

Covento will simplify procurement process with unified steps for a next-gen experience

THE RENEWABLE INDUSTRY

The process when a field engineer needs to buy a part





Up to 15 people involved to support the current procurement process



Sellers and buyers are procuring directly on Covento reducing people involved to a minimum

Across six different departments that needs to complete the process



Automated digital platform reduces departments involved saving time to focus on strategic work

Needed part arrives after between two days and several weeks



Transparency and availability increase delivery time accuracy and reduce lead time



MERGING SCALE WITH DIGITAL CAPABILITIES

Covento offers simplicity, efficiency, and scalability for buyers and sellers in a fragmented market

Service's starting point

Covento as a one-stop-shop for the whole Renewable Energy industry



Strong global supply chain with expertise in the transactional business



Leveraging our B2B e-commerce **knowledge** from Shop.Vestas



St ex

Strong relationship with large existing customer base



- ✓ Buyers access a onestop-shop for all parts in the industry
- ✓ Sellers leverage one digital platform to reach the entire industry, efficiently
- ✓ Covento as orchestrator of enhanced customer experience, powered by industry expertise



NEXT GEN TOOLS & ROBOTICS UNLOCK CUSTOMER VALUE

Driving innovations to bring down cost of renewables even further

Drone inspections decrease costs...

- More than 25,000 wind turbine inspections across 28 countries performed, both on- and offshore
- Time saving of up to 7hrs / WTG, equalling cost saving of ~70% vs. rope access
- Utilising both partners and in-house expertise

Vestas

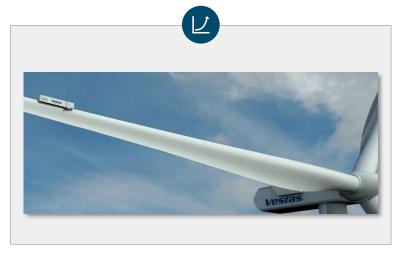
...using AI for advanced analytics...

- Analysing more than 200 photos per inspection
- Leveraging AI for evaluation and recommendation of actions
- Ongoing AI development aims to increase savings to 70% in 2 years

Notice and the second s

...and *BladeRobots*™ to repair damage

- In-house developed autonomously operating robot reduces time spent on blade repair by ~66%
- Pre-commercial testing in the field ongoing and first customer engagement being discussed
- Opens an opportunity for both internal use and licensing





OFFSHORE GROWTH TO DRIVE SERVICE OPPORTUNITIES

Leveraging our vast experience to capture offshore leadership

Global Offshore market is scaling up...



...and Vestas is predestined for Offshore O&M leadership



Winning customer value proposition through operational and commercial excellence



Enabling new business models through digital solutions and innovations



Leveraging experience and global scale to unlock cost efficiencies

Offshore wind service solution leader by 2025

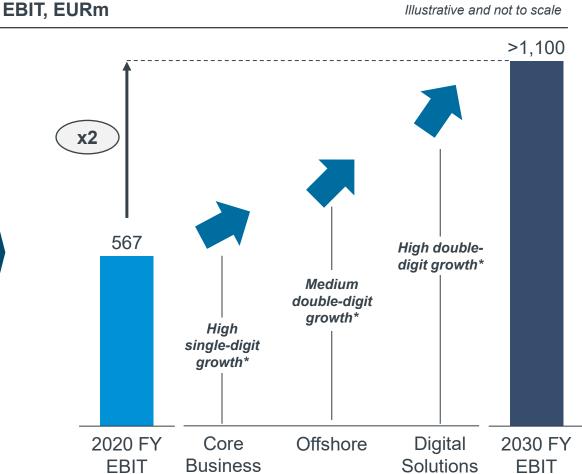
Source: Wood Mackenzie, Global wind power market outlook update Q3 2021 1. excl. China



SERVICE EBIT POSITIONED TO DOUBLE BY 2030

Well positioned to continue value leadership





^{*} Compared to current EBIT contribution



KEY TAKEAWAYS

OPERATIONAL EXCELLENCE

1

Leveraging scale and digitalisation to achieve operational excellence, the foundation for offshore leadership

DIGITALISATION

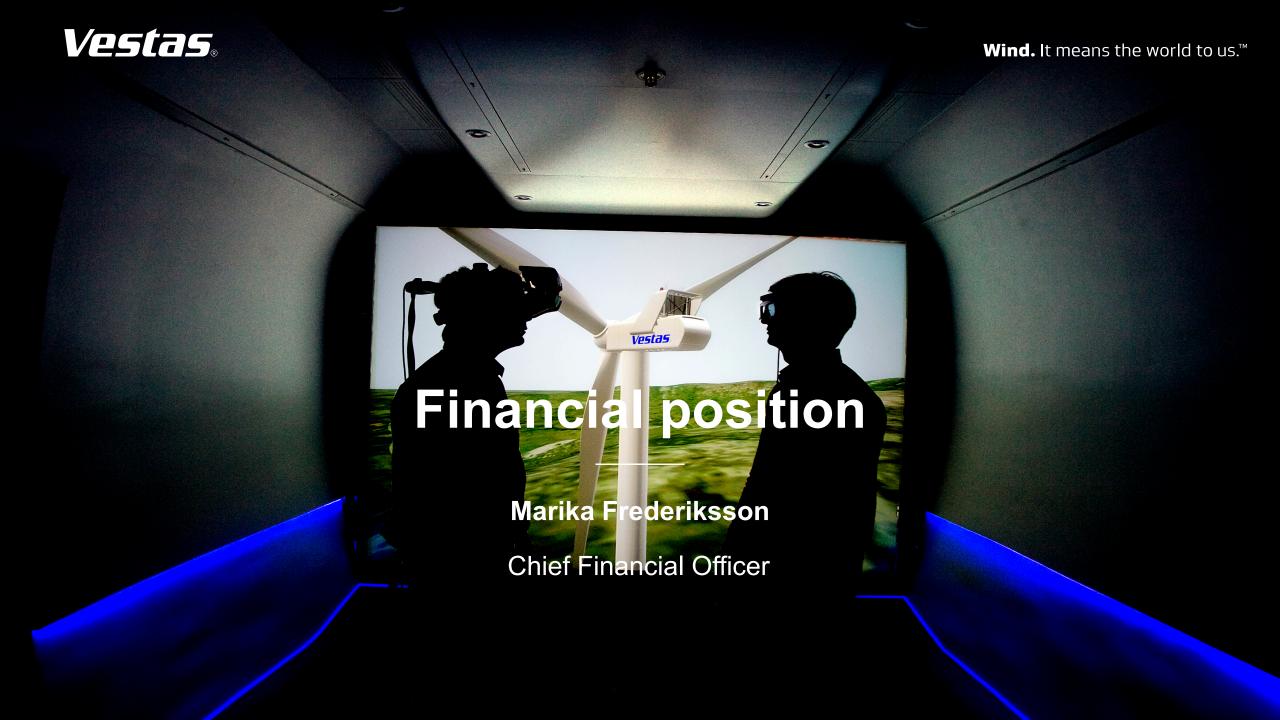
2

Merging industry-leading digital capabilities with domain expertise to launch new business models and capturing growth

SCALABILITY

3

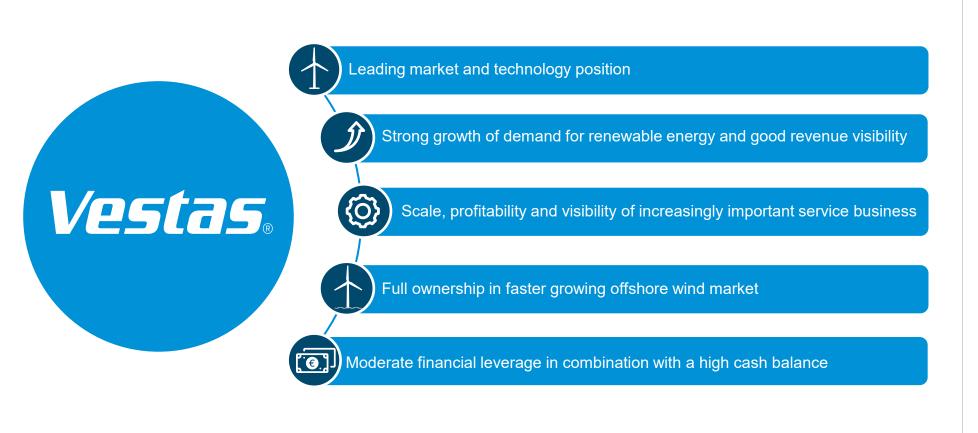
Largest, most scalable wind O&M provider in the world – ideally positioned to continue leadership





FINANCIAL STABILITY IS THE FOUNDATION

Top-rated OEM in the wind turbine manufacturing industry



Strong financial ambitions





EXTRAORDINARY COSTS IMPACTING EBIT

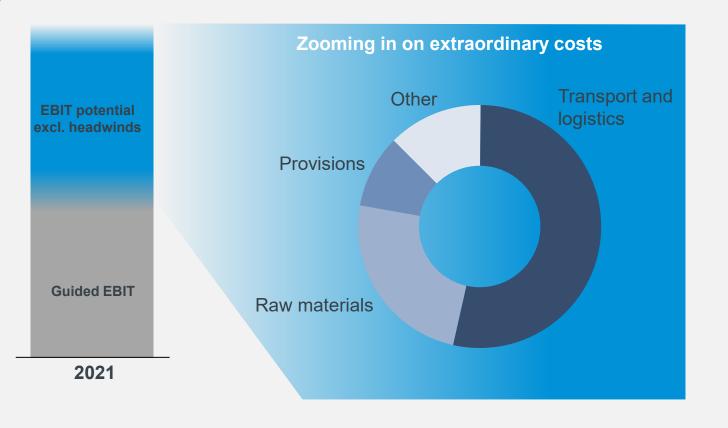
Internal and external impacts weighing on profitability

2017-2021 EBIT hampered by extraordinary events

- Industry-wide reduction in pricing of 15% following roll-out of auctions (2017-2018)
- Sudden introduction of tariffs in the USA resulting in higher US steel prices (2018-2020)
- "Growing pains" during 65 percent increase in deliveries in 2018-2020
- Extraordinary provisions in 2020
- Increasing extraordinary costs in 2021 primarily driven by cost inflation

The effect of extraordinary costs on EBIT

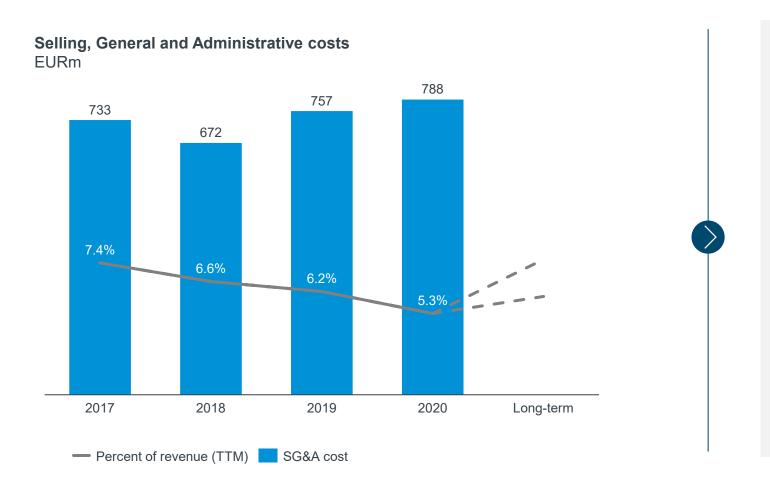
Excluding special items





FIXED COSTS UNDER CONTROL

Levering Vestas' global scale to retain fixed cost efficiency





Priorities

- Secure leadership in Offshore
- Retain efficient operating model



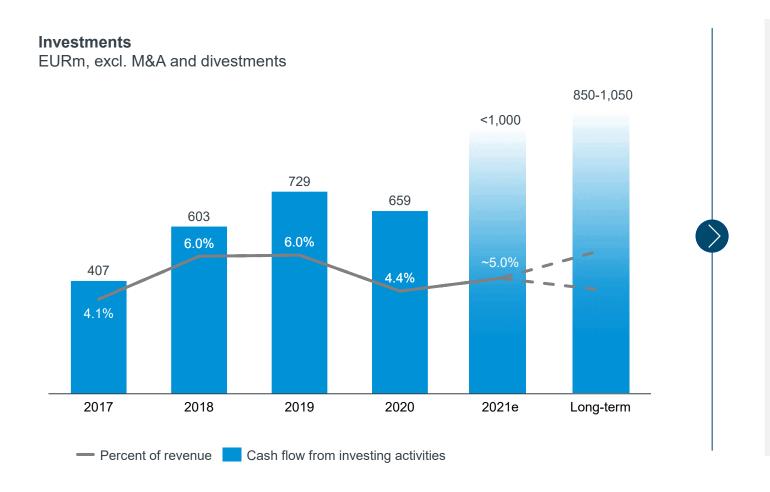
Drivers

- ▲ Offshore capability and capacity building
- Capacity building to capture new market opportunities
- IT investments
- Leverage scale



INVESTING TO CAPTURE SYNERGIES

Creating CAPEX efficiencies across onshore and offshore





Priorities

- V236-15.0 MW launch and ramp up
- Bring Next generation EnVentus to market



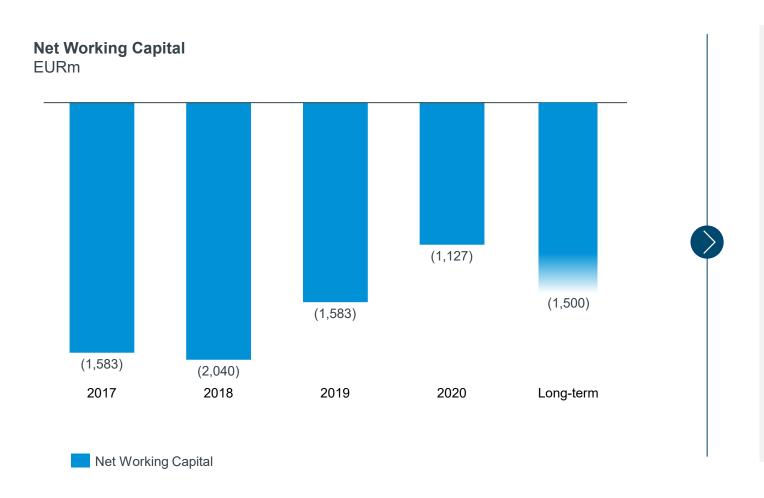
Drivers

- ▲ ~ 25% of investments injected to Offshore
- Offshore V236 platform development and capacity ramp-up on Onshore EnVentus platform
- Slowdown in investment level towards 2025 as EnVentus is rolled out and onshore offshore synergies start to materialise



NET WORKING CAPITAL TO REMAIN NEGATIVE

Retaining a sustainable net working capital is a key priority



Priorities

- Inventory management
- Manufacturing footprint

Drivers

- Inventory optimisation
- Supplier flexibility
- Manufacturing footprint closer to installation
- ▲ Larger projects, longer lead times and growing share of emerging markets

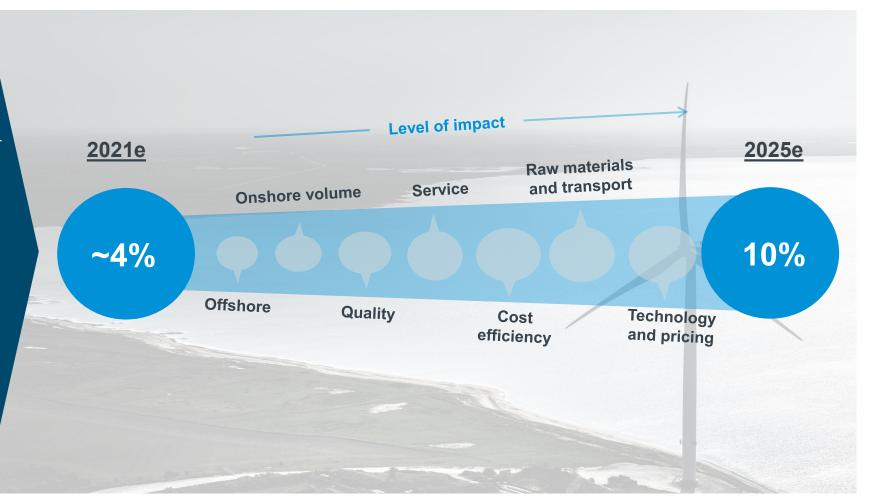


DRIVERS TO LONG-TERM EBIT TARGET

Internal and external drivers to achieve 10 percent EBIT margin by 2025

Assumptions

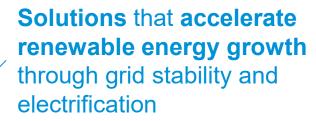
- Technology and pricing: keeping value creations from technology advancements and ensure pricing stability
- Raw material and transport: To normalise or passed through to customers in coming years
- Cost efficiency: Enabled by employee and supply chain efficiency gains among other things from EnVentus roll-out and synergies between onshore and offshore
- **Service:** Continued revenue growth at stable margins
- Quality: Provisions expected to reverse to between 2 and 3 percent
- Onshore volume: Better leverage of fixed costs
- Offshore: 2025 step change in revenue





VESTAS VENTURES – A STRATEGIC BUSINESS ENABLER

Utilising financial strength to accelerate the sustainability journey





Technologies that **improve** the attractiveness of utility-scale wind energy

Innovative solutions to support Vestas' **Sustainability Strategy**



- Potential to significantly reduce CO₂ emissions
- Modular design allows for ease of transportation
- First commercial demonstrator to be installed late 2022



SALAMANDER crane technology

- Enables heavy lifts on hub heights well beyond 200 meters
- Potential to significantly reduce CO₂ emissions
- Reduced trucking need and saves installation times



KEY TAKEAWAYS

SHORT-TERM IMPACTS

1

Significant impact from extraordinary costs over the last years and especially in 2021

FINANCIAL STRENGTH

2

Financial stability and strength allows strategic investments supporting market leadership and future margin improvement

10 PERCENT EBIT BY 2025

3

With current visibility and the levers in place, we aim for 10 percent EBIT margin in 2025





Q&A



