A COMPETITIVE SUPPLY CHAIN

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BUSINESS STARTS WITH SAFETY

Continuous improvements through targeted efforts

Vestas Safety Principles

1. All injuries can be prevented
2. Every hazard can be managed
3. Management is accountable for safety
4. People are the most critical factor in a safety effort
5. Working safely is a condition of employment

- 2005-2018: 95% reduction in Lost Time Injuries
- 2015-2018: More than 50% reduction in Total Recordable Injuries
- 2017: 275 people injured
SAFETY MATTERS TO OUR CUSTOMERS
AGENDA

- Safety & Quality
- Competitive Footprint
- Value chain Cost-outs
- Summary and Q&A
FLEXIBLE, ASSET- LIGHT, AND LOW-COST SUPPLY CHAIN FOOTPRINT

Increasing share in low cost locations and outsourcing percentage

OBJECTIVES

• Agility in ramp up and down
• Lowest landed cost

MEASURES

• Asset light setup
• Supply and manufacturing footprint in lowest cost countries
• More outsourcing to support growth
RAMPING UP PRODUCTION TO MEET HIGH MARKET DEMAND

Our new products V120, V136, and V150 represent 80% of our deliveries in 2019

- **Mexico**: TPI ramped up V136 in 2018, adding V150 in 2019.
- **Brazil**: Aeris V150 in 2019 and new Vestas V150 assembly plans.
- **Argentina**: Assembly factory opened by our partner Newsan in 2018.
- **Spain**: Daimiel ramp up V150 lines during 2018 and 2019.
- **India**: Ahmedabad blade factory ramp up to V120 during 2018.
STRENGTHENING OUR GLOBAL SUPPLY CHAIN TO WIN NEW BUSINESS

Focus on cost competitiveness and strategic partnerships

Russia: Blade / assembly factory

Argentina: Hub / nacelle assembly factory

Brazil: V150 assembly production

China: Blade supply agreements
IMPROVING PRODUCTIVITY WHILE INCREASING ACTIVITY

Efficient manufacturing and supply chain setup reduces cost

Key highlights

• Production cost per MW decreases as operations gets more efficient
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E2E PROGRAM TAKES US TO THE NEXT LEVEL

Unlocking savings through multi-functional collaboration

- **E2E multi-functional**
  - Full value chain optimisation
  - Accelerate Earnings Phase III

- **Cross-functional**
  - Procurement & R&D co-operation
  - Accelerate Earnings Pro

- **Functional**
  - Procurement price focus
  - Accelerate Earnings
E2E INITIATIVES OPTIMISE THE FULL VALUE CHAIN

Unprecedented levels of cross-functional collaboration

Functional

Cross-functional

End-to-end multi-functional

Optimising **THE FULL VALUE CHAIN** to develop the best solutions for **OUR CUSTOMERS**
AGENDA

Safety & Quality

Competitive Footprint

Value chain Cost-outs

Summary and Q&A
SUMMARY

1. Excellence in **Safety** and **Quality** remains the foundation of our competitive supply chain.

2. Manufacturing and supply chain footprint secures ongoing action to deliver **lowest cost** and **agility to ramp up**.

3. Our organizational maturity unlocks further **saving opportunities** across the full value chain.
THANK YOU FOR YOUR ATTENTION
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