
Vestas has 38,892 wind turbines under service distributed all over the world, from Nicaragua over Morocco to China.

# **Capital structure** strategy

Vestas' capital structure targets, as well as related dividend policy, link to the strategic aspirations of the company.

The main priority is to invest in Vestas' corporate strategy and use capital resources for required investments and R&D to realise this strategy.

As a player in a market where projects, customers, and wind turbine investors are becoming larger, Vestas aims to be a strong financial counterpart. Capital resources will be maintained to secure compliance with the capital structure targets:

- Net interest bearing debt/EBITDA ratio below 1x at any point in the cycle
- Solvency ratio of min. 25 percent by the end of each financial year

Available capital resources may also be used for bolt-on acquisitions to accelerate or increase profitable growth prospects.

Any decision to distribute cash to shareholders will be taken in appropriate consideration of the capital structure targets and availability of excess cash. Determining the level of excess cash will be based on the company's growth plans and liquidity requirements.

The dividend policy reflects the general intention of the Board of Directors to recommend a dividend of 25-30 percent of the year's net result after tax, which will be paid out following the approval by the Annual General Meeting.

In addition, Vestas may from time to time supplement with share buy-back programmes to adjust the capital structure. Such share buy-backs, if any, will likely be initiated in the second half of the year based on realised performance.

In years without major investments, most of the free cash flow may be distributed to shareholders through dividends and share buy-backs.

## Priorities for capital allocation

**1. Organic growth**
- Investments
- Research and development
- Strong balance sheet to enable growth

**2. Acquisitions**
- Bolt-on acquisitions

**3. Dividend**
- 25-30 percent of the net result of the year after tax
- Payout during first half year given approval by the Annual General Meeting

**4. Share buy-back**
- From time to time to adjust capital structure
- If relevant, launch during second half year based on realised performance