AGENDA

Click on a presentation to go the related slides >

10.00-10.15 Welcome and introduction, Anders Runevad, Group President & CEO

10.15-10.45 Market outlook & Strategy update Anders Runevad, Group President & CEO

10.45-11.15 Growing our industry-leading position Juan Araluce, Executive Vice President & CSO

11.15-11.55 North American market continues to be attractive Chris Brown, President, Vestas North America

11.55-12.40 - LUNCH -

12.40-13.15 Connecting future and legacy Anders Vedel, Executive Vice President & CTO

13.15-13.50 A competitive supply chain Jean-Marc Lechêne, Executive Vice President & COO

13.50-14.20 - COFFEE BREAK -

14.20-15.05 The leading service provider in a growing market Christian Venderby, Group Senior Vice President, Global Service

15.05-15.55 Creating a market leader in offshore wind CEO Philippe Kavafyan and Co-CEO Lars Krogsgaard

15.55-16.15 Financial update Marika Fredriksson, Executive Vice President & CFO

16.15-16.30 CLOSING REMARKS AND Q&A

16.30-18.00 - RECEPTION -
MARKET OUTLOOK & STRATEGY UPDATE

Anders Runevad
Group President & CEO

Copenhagen, 29 November 2018
OUTSTANDING GROWTH OUTLOOK FOR THE SECTOR

Renewable energy to become the dominant generation source

Over the next +10 years…

- Renewable energy capacity to grow significantly
- >USD 3tr to be invested by 2030
- Renewable energy to surpass coal and fossils

… making renewable energy the dominant generation source

Source: Bloomberg New Energy Outlook 2018
GROWTH DRIVERS (1/2): HIGH DEMAND FOR NEW ELECTRIC CAPACITY

1. Electricity demand projected to grow >40% till 2035

- Projected electricity demand PWh:
  - 2017: ~25
  - 2035e: ~36

2. Significant retirements of coal and nuclear on the horizon

- Projected retirements PWh:
  - Coal & Nuclear: ~4
  - Total: ~6

- Increased net electricity demand of 11 PWhs by 2035 plus a further 6 PWhs of retirements will lead to significant demand for new energy

Source: Bloomberg New Energy Outlook 2018
3. Strong global policy and commitment to renewables

- EU 2030 target for renewable energy increased from 27% to 32%
- EU nations committing to even bolder targets (DK >50% by 2030, SE 100% by 2040)
- Indian government target for wind and solar increased to 227GW by 2022 (+28%)
- 100 large global corporations committing to going 100% green

4. Accelerated competitiveness of RE

Development of LCOE (US example)
USD/MWh

Wind now the cheapest source of new energy

Source: Lazard estimates (US LCoE)
OUR PORTFOLIO CONSISTS OF THREE ATTRACTION RE SEGMENTS

#1 ONSHORE WIND
Large market, healthy growth

- New installations GW
  - 2018: 50
  - 2021: 61
  - +6-8%

#1 WIND SERVICE
Mid-sized market, high growth

- Installed fleet GW
  - 2018: 514
  - 2021: 757
  - +9-11%

#2 OFFSHORE WIND
Small market, high growth

- New installations GW
  - 2018: 4
  - 2021: 7
  - +15-20%

- US PTC rush towards 2021
- High growth in emerging markets
- India to become top 3 market
- Continued high pace of installations
- Large multi-brand opportunity
- Retirements still very low
- Europe key region
- Expansion in USA and Taiwan
- New markets opening up

Source: Vestas; MAKE Q3 2018
**KEEPPING OUR MARKET LEADERSHIP**

Vestas is the market leader and remains committed to gain market share

<table>
<thead>
<tr>
<th>Market share 2017</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>100% = 47 GW</strong></td>
<td></td>
</tr>
<tr>
<td>Vestas</td>
<td>16.4%</td>
</tr>
<tr>
<td>Siemens Gamesa</td>
<td>14.6%</td>
</tr>
<tr>
<td>Goldwind</td>
<td>11.6%</td>
</tr>
<tr>
<td>GE</td>
<td>10.3%</td>
</tr>
<tr>
<td>Enercon</td>
<td>6.6%</td>
</tr>
<tr>
<td>Nordex</td>
<td>6.1%</td>
</tr>
<tr>
<td>Envision</td>
<td>5.7%</td>
</tr>
<tr>
<td>Senvion</td>
<td>3.2%</td>
</tr>
<tr>
<td>Suzlon</td>
<td>2.6%</td>
</tr>
<tr>
<td>Guodian UP</td>
<td>2.0%</td>
</tr>
<tr>
<td>Others</td>
<td>20.0%</td>
</tr>
<tr>
<td><strong>100% = 30 GW</strong></td>
<td></td>
</tr>
<tr>
<td>Vestas</td>
<td>24.5%</td>
</tr>
<tr>
<td>Siemens Gamesa</td>
<td>22.2%</td>
</tr>
<tr>
<td>GE</td>
<td>15.6%</td>
</tr>
<tr>
<td>Enercon</td>
<td>10.3%</td>
</tr>
<tr>
<td>Nordex</td>
<td>9.5%</td>
</tr>
<tr>
<td>Envision</td>
<td>4.9%</td>
</tr>
<tr>
<td>Senvion</td>
<td>4.5%</td>
</tr>
<tr>
<td>Suzlon</td>
<td>1.7%</td>
</tr>
<tr>
<td>Others</td>
<td>6.8%</td>
</tr>
</tbody>
</table>

**No. 1 position in the US market**

**Increasing market share in LATAM**

**Leading position in EMEA**

**Largest non-Chinese in China**

**Positive development in broader APAC**

_Bloomberg New Energy Finance “Onshore installations”_
WE HAVE FOUR KEY DIFFERENTIATORS IN THIS MARKET

Global reach  
Technology and service leadership  
Scale  
Proven execution
GLOBAL REACH

Order intake from 33 countries across all regions in 2017

- Pioneer and most experienced wind energy company in the world
- Global reach and growth platform in sales, manufacturing, installation, and service
TECHNOLOGY AND SERVICE LEADERSHIP

Continuing to lead the industry on its key competitive parameters

- Industry-leading wind power plant offering
  - 2+4 MW platform technology upgrades
- Pioneering hybrid projects
- World-class siting capabilities
- Modular product design

- Industry-leading service value and cost
  - Scale leverage
- Leading multibrand capabilities
- Data insight from >40,000 turbines
- Unique digital offering through Utopus Insights
SCALE LEADERSHIP

Positioned to leverage leadership economics

Installations 2017 (GW)

Fleet under service 2017 (GW)

Sources: MAKE; Company reports and Vestas estimates;
Note: Excludes Chinese OEMs; Fleet under service numbers roundest to nearest 5
PROVEN EXECUTION

High quality of products continues to bring comfort to customers

**Warranty provisions made and consumed**

<table>
<thead>
<tr>
<th>Year</th>
<th>Provisions made</th>
<th>Provisions consumed</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>117</td>
<td>84</td>
</tr>
<tr>
<td>2014</td>
<td>122</td>
<td>108</td>
</tr>
<tr>
<td>2015</td>
<td>160</td>
<td>95</td>
</tr>
<tr>
<td>2016</td>
<td>228</td>
<td>90</td>
</tr>
<tr>
<td>2017</td>
<td>185</td>
<td>143</td>
</tr>
</tbody>
</table>

- **Lost Production Factor (LPF)**
- **Percent**

- **Provisions made**
- **Provisions consumed**

- Low warranty consumption
- 1.4 percent of revenue in 2017

- LPF consistently below 2 percent
- Maximises turbine performance
RESPONDING TO A CHANGING ENVIRONMENT REMAINS CRITICAL

Quick transition to auctions and merchant markets increases the need to optimise power plant solutions

Industry wide average selling price
mEUR per MW

Subsidised industry
- Projects reliant on Feed-in-Tariffs
- Sub-optimal technology solutions

Introduction of auctions
- Competition increases
- Volume down in key markets

Merchant market
- Market complexity increases
- Projects to combine auction PPA, corporate PPA, and merchant exposure
OUR STRATEGIC FRAMEWORK

We have a clear strategy and priorities

Global leader in Sustainable Energy Solutions

Our long-term vision

Global leader in
Wind Power Plant solutions

Global leader in
Wind Service solutions

Our mid-term objectives

Transform commercial capabilities

Expand industry leading wind portfolio

Expand Service value and cost leadership

Pioneer solutions to increase wind penetration

Actively build project pipeline to grow margin

Our mid-term priorities

Sustain a talented, agile and cost-effective organisation

Our values

Accountability • Collaboration • Simplicity

Market leader in Revenue
Grow faster than the market

Best in class
EBIT margin
Minimum 10 percent

Free Cash Flow
Positive every year
LOOKING FORWARD

Why we are strongly positioned to win in the future

- We are in the best position to win
- We have the right strategy
- We have the right values to guide us
- We have the best people to do it
GROWING OUR INDUSTRY-LEADING POSITION

Juan Araluce
EVP & Chief Sales Officer

Copenhagen, 29 November 2018
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Track record and Performance

Trends in the Sector

Commercial Strategy to maintain #1 position

Summary and Q&A
TRACK RECORD

On track to expand market leadership

Order Intake (GW)

<table>
<thead>
<tr>
<th>Year</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>9M 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vestas</td>
<td>6.0</td>
<td>6.8</td>
<td>8.3</td>
<td>10.5</td>
<td>11.2</td>
<td>8.7</td>
</tr>
<tr>
<td>Transfer</td>
<td>1.9</td>
<td>1.5</td>
<td>2.0</td>
<td>3.1</td>
<td>2.1</td>
<td></td>
</tr>
<tr>
<td>Risk</td>
<td>4.1</td>
<td>5.3</td>
<td>6.3</td>
<td>8.1</td>
<td>6.6</td>
<td></td>
</tr>
</tbody>
</table>

Vestas’ Transfer of Risk (GW), market share* (%)

<table>
<thead>
<tr>
<th>Year</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Market</td>
<td>14.4</td>
<td>10.4</td>
<td>13.4</td>
<td>16.1</td>
<td>16.4</td>
<td></td>
</tr>
<tr>
<td>Vestas</td>
<td>4.7</td>
<td>5.9</td>
<td>7.3</td>
<td>9.3</td>
<td>8.5</td>
<td></td>
</tr>
</tbody>
</table>

* Source: MAKE

Order Backlog (EURbn)

<table>
<thead>
<tr>
<th>Year</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>9M 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Service</td>
<td>17</td>
<td>19</td>
<td>21</td>
<td>24</td>
</tr>
<tr>
<td>Turbines</td>
<td>9</td>
<td>9</td>
<td>9</td>
<td>10</td>
</tr>
</tbody>
</table>

Revenue (EURbn)

<table>
<thead>
<tr>
<th>Year</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>9M 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Service</td>
<td>6.1</td>
<td>6.9</td>
<td>8.4</td>
<td>10.2</td>
<td>10.0</td>
<td>6.8</td>
</tr>
<tr>
<td>Power solutions</td>
<td>5.1</td>
<td>5.9</td>
<td>7.3</td>
<td>8.9</td>
<td>8.4</td>
<td>5.6</td>
</tr>
</tbody>
</table>

+17% +12% +13%
**PRICING AND PROFITABILITY**

Price stabilisation mainly driven by higher volumes and better discipline in the industry

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**Average Selling Price (mEUR/MW) and Vestas EBIT margin (%)**

<table>
<thead>
<tr>
<th>Year</th>
<th>Average Selling Price</th>
<th>EBIT-margin</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>0.89 (8.8%)</td>
<td></td>
</tr>
<tr>
<td>2015</td>
<td>0.93 (10.8%)</td>
<td></td>
</tr>
<tr>
<td>2016</td>
<td>0.90 (13.9%)</td>
<td></td>
</tr>
<tr>
<td>2017</td>
<td>0.80 (12.4%)</td>
<td></td>
</tr>
<tr>
<td>H1 18</td>
<td>0.71 (9.7%)</td>
<td></td>
</tr>
<tr>
<td>9M 18</td>
<td>0.74 (9.8%)</td>
<td></td>
</tr>
</tbody>
</table>

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**Key notes**

**Average Selling Price (ASP) and Profitability**

- Historically, stable ASP delivers increased profitability
- Vestas’ YTD ASP at the same level as in Q4 2017
- 2018: Price stability driven by increased overall market volumes and lower profitability in the industry

**Auction bid levels**

- Auction bids have recovered in 2018
- Lower electricity prices from auctions trigger an increase in volume of Corporate PPAs, available through bilateral agreements
- BNEF: 7.2 GW signed until July 2018, compared to 5.4 GW of total in 2017
- Recent auction prices indicating a price floor
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- Track record and Performance
- Trends in the Sector
- Commercial Strategy to maintain #1 position
- Summary and Q&A
CHANGES IN THE SECTOR’S RISK-REWARD PROFILE

From FiT to Auctions, Corporate PPAs, and Merchant Risk

MARKET EVOLUTION

- Predominantly FiT
- Many types of players
- No committed volume

- Auctions replace support schemes
- Decrease of electricity prices
- Forward Selling and longer lead times
- Committed yearly volume
- Increase of Corporate / Bilateral PPAs

- Wind is competitive without support
- Selling of energy in different schemes
- Generation commitments (short-term) and forecasting capabilities
- Large players with generation portfolios

Key notes

- The transition from support schemes into auctions drove prices downwards
- The customers’ profiles are changing towards players with a strong balance sheet, large and diversified generating portfolio, and trading capabilities
VALUE CHAIN MOVEMENTS

Responding to market trends

Moving across the value chain is the new normal

Commercial Strategy in place to ensure continuous growth

New players in the market, opportunities of new partnerships and new business models

Utilities
Inf. Funds
Long-term / low-cost
OEM (Vestas)

Development
Offtake
Financing
Construction
Ownership

EPC
Co-development
Auctions
Hybrids
KAM
Transform Commercial Capabilities
Value Engineering
Emerging markets
AGENDA

Track record and Performance

Trends in the Sector

Commercial Strategy to maintain #1 position

Summary and Q&A
AUCTIONS

Strong share of wins around the world

YTD auction results

2018 remaining auction pipeline*

2019 expected auction pipeline

Key notes

- In 2018, Vestas has obtained its fair share in auctions across the world
- Most order intake from auctions in 2018 expected in 2019
- Continued growth of auction scheme, with latest countries announcing auctions: China, Finland, Colombia, and Poland

Examples:
- Australia
- Argentina
- Bolivia
- Brazil
- Germany
- Russia
- Mexico 1GW (tech. neutral) COD 2021
- Denmark/Greece 0.3GW COD 2020-21
- Finland 0.6GW COD 2020-21

*Onshore Wind & Tech Neutral Auctions and Tenders, BNEF Q4'18 calendar
EPC & CO-DEVELOPMENT

Being present across the value chain is crucial

Engineering Procurement and Construction

<table>
<thead>
<tr>
<th>2016</th>
<th>2017</th>
<th>9M 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>96%</td>
<td>92%</td>
<td>90%</td>
</tr>
</tbody>
</table>

- % of Order Intake (MW)

Co-development

- Development of own projects to serve customers’ needs
- Capture additional revenue
- +700 MW of firm orders so far
- Successful exits in US, Australia, India, and Spain

Strategic

- Grow revenue: Project revenue increases ~30%
- Support further LCoE reduction

Support other strategic priorities

- Co-development
- Solar/hybrid
- Repowering

Enable more sales

- De-risking projects for institutional investors by simplifying interfaces
- Standard operating model for various customers in Australia, India, and African markets (South Africa, Jordan, etc.)

Other Orders
EPC
HYBRIDS

Capture value in increasingly complex market

Integrated wind, solar and/or storage

Benefits
- Grid stability and utilisation
- Project optimisation

Potential
- Mainly Australia and India
- Growing in other parts of the world

EDPR & Vestas project, Spain

Kennedy project, Australia

1. Turbine
2. Project
3. Portfolio

Optimised use of assets in a system (e.g. by Utilities)
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Track record and Performance

Trends in the Sector

Commercial Strategy to maintain #1 position

Summary and Q&A
SUMMARY

1. Market leading performance, maintaining #1 position
2. Price stabilization in 2018
3. Positive outlook for wind energy in short-, mid- and long-term
NORTH AMERICAN MARKET CONTINUES TO BE ATTRACTION

Chris Brown
President, Vestas North America

Copenhagen, 29 November 2018
CHRIS BROWN
Vestas, North America

1996 -- SVP (Singapore Power)
2005 -- EVP (Detroit Edison Energy)
2008 -- Founder (Deepwater Wind)
2011 -- COO (City of Detroit)
2012 -- GSVP (Vestas)

Vestas WTG Sales
North American Order Intake (MW)

+300p
Sales North America

+3,000p
Service North America

1,733
2013

2,189
2014

2,077
2015

3,700
2016

3,600
2017

2018
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North American Market

Vestas North America

Summary and Q&A
PTC GLIDEPATH CARRIES US MARKET THROUGH 2023

US Industry has 5+ years of policy certainty

North American Installations (MW)

Key highlights

- Organic demand for renewable energy continues to grow … 43% of Fortune 500 companies have RE goals, 9 states strengthening RE goals
- 11 GW of 2021 installations enabled by 80% PTC components. 80% and 60% levelized economics equivalent to today
- Largest US utilities (MidAmerican, PacifiCorp, AEP, Xcel) leading the industry

Source: MAKE and Vestas
RPS DEMAND EXPECTED TO REMAIN IN 2021

States continuing with renewable targets despite lack of federal support
ORGANIC GROWTH OF RENEWABLES CONTINUES

Despite headwinds, renewable energy remains in demand
PPA PRICES IN USA

1. PPA prices have fallen 76% since 2009
2. Product dimensions double in 3 years:
   2017: V110 @ 2MW, 9,498m of swept area
   2020 V150 @ 4.2MW, 17,663m of swept area
3. Asset class maturity attracting institutional capital, driving down Cost of Capital
4. Project durations growing to 30+ years

Key highlights

*Source: S&P Global Market Intelligence
**Source: Wind PPA US DOE
***Source: Solar PPA BNEF
NORTH AMERICAN WIND INDUSTRY FULLY MATURE

Wind infrastructure is built and here to stay

Key highlights

1. NORTH AMERICA TO BREAK 100 GW IN 2018: Supply chain, transportation, and service infrastructure fully mature

2. SUPPLY CHAIN ACROSS ALL 50 STATES: Wind bipartisan political support stems from >500 manufacturing facilities and 100,000+ jobs across the country

3. WIND POWERS AMERICA: Wind energy now delivers over 30% of the electricity produced in four states: Iowa, Kansas, Oklahoma, and South Dakota.

4. WIND FOR FUEL: Utilities across the country are retiring coal plants and replacing with new wind generation

5. GROWTH OF REPOWERING: 2.1 GW of projects repowered in 2017

Source: AWEA
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North American Market

Vestas North America

Summary and Q&A
VESTAS TAKES TOP SPOT IN US INDUSTRY

Commercial success a function of best products, best team

Key methods to gaining market share

1. **Making Markets**: Introducing utility customers to the value of wind ownership and educating them on how to be successful

2. **Best Products**: 2MW and 3/4MW offerings

3. **Efficient Manufacturing**: Strategically located manufacturing plants for transport optimization

4. **Best Team**: Relentless focus on customer intimacy and value engineering to drive loyalty in the market

Source: AWEA
VESTAS IS THE LARGEST OPERATOR IN NORTH AMERICA

Scale and technology enable Vestas to have the lowest operating costs

Source: MAKE
VESTAS TRANSITIONING FROM TURBINE SUPPLIER TO SOLUTIONS PROVIDER

Bringing the widest breadth and depth of solutions to serve the industry

<table>
<thead>
<tr>
<th>Year</th>
<th>Equipment Supply</th>
<th>Construction</th>
<th>Service</th>
<th>Repower</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>V100</td>
<td>Logistics &amp; Commissioning</td>
<td>Full Suite of Service Offerings</td>
<td></td>
</tr>
<tr>
<td>2015</td>
<td>V110, V136</td>
<td>Logistics &amp; Commissioning</td>
<td>Full Suite of Service Offerings</td>
<td></td>
</tr>
<tr>
<td>2016</td>
<td>V116, V136</td>
<td>Logistics &amp; Commissioning</td>
<td>Full Suite of Service Offerings</td>
<td>Multibrand</td>
</tr>
<tr>
<td>2017</td>
<td>V120, V136, V150</td>
<td>EPC</td>
<td>Full Suite of Service Offerings</td>
<td>Clipper 2.5, V80</td>
</tr>
<tr>
<td>2018</td>
<td>V120, V136, V150, Hybrid Systems</td>
<td>EPC</td>
<td>Full Suite Multibrand Variable Pricing</td>
<td>Clipper 2.5, V80, MM92 + more to come</td>
</tr>
</tbody>
</table>
PROJECT DEVELOPMENT

Entering earlier in the value stream brings value to our customers and to Vestas

Optimize Technology

Entering the process earlier allows Vestas to tailor the technical solution and increase the impact of value engineering

Value Creation

By increasing influence on the levers that drive project returns, Vestas is in a stronger position to reduce price pressure in the market

Development

Ownership of development assets allows Vestas to bring more projects or qualification options to customers
VESTAS MODULAR 2 MW PLATFORM CREATES UNIQUE OPPORTUNITY

With 90, 100, 110, 116, and 120m rotors, Vestas has maximum product flexibility

BP Clipper Prototype Adapter Installation - Flat Ridge, Kansas

Repower Platforms (2005-2011 Vintage)

- Other - 2.122
- MWT 2.4 - 1.224
- Clipper - 1.452
- Vestas 3.0 - 1.838
- Suzlon 2.0 - 2.302
- Gamesa 2.0 - 2.529
- Vestas 2.0 - 5.400
- SWT 2.3 - 5.427
- GE 1.5 - 18.377
TARIFFS

Strong footprint in the USA and a global setup provides flexibility

Key highlights

1. US projects use US products: supply for projects in the USA already source nearly 60% of their needs from US factories

2. World’s largest tower factory is in the USA. Pueblo sources 100% of their steel from US companies already
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North American Market

Vestas North America

Summary and Q&A
SUMMARY

1. USA remains strong market both short and long-term
2. Vestas remains a market leader in the USA with tailored product line, efficient manufacturing, and productive customer relationships
3. Expanded offerings add value
CONNECTING FUTURE AND LEGACY

Anders Vedel
Executive Vice President & CTO

Copenhagen, 29 November 2019
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Market trends
Technology strategy
Summary and Q&A
TECHNOLOGY TRENDS IN A CHANGING RENEWABLES INDUSTRY

Auctions and Forward-Selling

Value of energy increasingly important

Faster development cycles

LCOE trend to continue
LEVELISED COST OF ENERGY (LCOE)

Onshore wind among the most cost-efficient sources of electricity

Key highlights

- Global average LCOE of onshore wind declined from 96 USD/MWh in 2009 to 55 USD/MWh in 2018 – a reduction of 48 percent
- This impressive cost decrease has mainly been driven by declining wind turbine prices and increased power output
- Onshore wind is today among the most cost-efficient power generating technologies – and its LCOE is set to decrease further

Source: BNEF, 1H 2018 Wind LCOE Update, 03/2018; BNEF; BNEF 1H 2018 LCOE Global Report, 03/2018; BNEF
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Market trends

Technology strategy

Summary and Q&A
OUR RESPONSE TO ENSURE CONTINUED TECHNOLOGY LEADERSHIP

Short-, medium-, and long-term focus to ensure new technology opportunities are fed into product portfolio

- Committed 1-2 years
- Product candidates road map 3-5 years
- Strategic road map 6-10 years

Future market requirements, technology trends, and opportunities

Proven components and designs

Proven technologies

Future technologies

Low

Uncertainty

High

Uncertainty

High
PRODUCT STRATEGY DEFINED BY OUR CUSTOMERS’ EXPECTATIONS

Broad product range enables tailored solutions for specific markets

What customers need

- Energy Output
- License to Operate
- Cost

What Vestas does

- Proven technology: 2 & 4 MW platforms
- Standardisation and modularisation
- Full supply chain perspective
- Tailored solutions for specific markets
- Compliance with local requirements
- Various options: advanced tower solutions, climate package, and noise optimisation
VESTAS’ GLOBAL PLATFORMS MEET MARKET-SPECIFIC NEEDS

Scale benefits, flexibility, and service simplicity

4 MW PLATFORM
- Rotor size: 105 - 150m
- Power range: 3.45 - 4.2 MW
- Installed globally: +19 GW*

V112-3.0 MW
2010

V117/126-3.3 MW
2013

V105-3.3 MW
2014

V136-3.45 MW
2016

V150-4.2 MW
2018

2 MW PLATFORM
- Rotor size: 90-120m
- Power range: 2.0 - 2.2 MW
- Installed globally: +41 GW**

V90-1.8/2.0 MW
2004

V100-1.8 MW
2009

V110-2.0 MW
2014

V116-2.0 MW
2017

V120-2.0 MW
2018

* As of 30 June 2018, including V112-3.0 MW™
** As of 30 June 2018, including V80-1.8/2.0 MW™ and V90-1.8/2.0 MW™
4 MW PLATFORM CONTINUES TO REPRESENT LARGER PART OF SALES

Shift in market demand from 2 MW to 4 MW
OUR NEXT STEP: MODULARITY

Increasing modularity of our products

**TODAY**
Singular product development

**FUTURE**
Modular product development

- Single product variant
- Individual modules
- Multiple variants
BENEFITS OF MODULARISATION

Modularisation enhances the flexibility of our solutions, while maintaining benefits of scale

- Enabling more customised solutions to match customer needs
- Expanding number of variants, lowering number of components
- More standardised components enable efficiency and scale
- Increased opportunities to build supplier partnerships
Combining technologies with wind at the core that enable further penetration

**Hybrid demonstrator**
Test project in Spain with EDPR to explore combination of wind and solar

**Kennedy Energy Park**
The world’s first on-grid utility-scale hybrid integrating wind, solar and storage

**Northvolt partnership**
Technology collaboration: Lithium-ion battery platform for Vestas power plants
AGENDA

Market trends
Technology strategy
Summary and Q&A
SUMMARY

1. Levelized Cost of Energy accompanied by other significant value drivers

2. 2 MW and 4 MW are strong, proven platforms that continue to deliver customer value

3. Modular products next step on our journey to maximize flexibility and maintain scale
A COMPETITIVE SUPPLY CHAIN

Jean-Marc Lechêne
Executive Vice President & COO

Copenhagen, 29 November 2018
AGENDA

- Safety & Quality
- Competitive Footprint
- Value chain Cost-outs
- Summary and Q&A
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
Our new products V120, V136, and V150 represent 80% of our deliveries in 2019.
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

Manufacturing cost pr. MW
Index, 2013=100

- Production cost per MW decreases as operations gets more efficient
AGENDA

- Safety & Quality
- Competitive Footprint
- Value chain Cost-outs
- Summary and Q&A
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.
THE LEADING SERVICE PROVIDER IN A GROWING MARKET

Christian Venderby
Group Senior Vice President & Head of Vestas Service

Copenhagen, 29 November 2018
**AGENDA**

- **Introduction**
- **Market trends and strategy**
- **Deep dives**
- **Summary and Q&A**
Our aim is to grow the service business, while taking out cost.
VESTAS SERVICE PERFORMANCE

The service business has delivered a CAGR of 16-23% on all key metrics from 2015 to 2017

- **Service revenue (mEUR)**
  - FY 2015: 1,138
  - FY 2016: 1,309
  - FY 2017: 1,522
  - CAGR: +16%

- **Service order backlog (bnEUR)**
  - YE 2015: 8.9
  - YE 2016: 10.7
  - YE 2017: 12.1
  - CAGR: +17%

- **Fleet under service (GW)**
  - YE 2015: 54
  - YE 2016: 70
  - YE 2017: 76
  - CAGR: +19%

- **Service EBIT (mEUR)**
  - FY 2015: 201
  - FY 2016: 225
  - FY 2017: 306
  - CAGR: +23%
KEY FACTS

True global player with 83 GW under service and 20% larger fleet than nearest competitor

- **AMERICAS**: 30.8 GW
- **EMEA**: 43.0 GW
- **APAC**: 9.2 GW

- +10,000 employees dedicated to service
- Servicing +8,000 MW of non-Vestas turbines
- Operating in 64 countries
- €13.2bn Service backlog
- +40,000 turbines under service
AGENDA

Introduction

Market trends and strategy

Deep dives

Summary and Q&A
THE POTENTIAL

The global wind O&M market is expected to grow 8-9% annually until 2026

Global wind O&M market, 2017-2026
BnUSD

Source: Make 2017
MARKET GROWTH DRIVERS

The market growth is supported by an expected 11% annual growth in installed fleet and an aging fleet that are not outweighed by price development that historically has decreased 8% annually.

### Installed base

Global onshore installed wind base, 2017-2021

<table>
<thead>
<tr>
<th>GW</th>
<th>2017</th>
<th>2018e</th>
<th>2019e</th>
<th>2020e</th>
<th>2021e</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>514</td>
<td>567</td>
<td>629</td>
<td>694</td>
<td>757</td>
</tr>
</tbody>
</table>

+ 9-11%

### Aging fleet

Average age of onshore installed fleet, 2012-2017

<table>
<thead>
<tr>
<th>Years</th>
<th>2012</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>5.6</td>
<td>6.9</td>
</tr>
</tbody>
</table>

+24%

### LCOE development

Average annual price per MW for full scope contracts, 2014-H1 2018

<table>
<thead>
<tr>
<th>Thousand USD/MW/Year</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>H1 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>28.8</td>
<td>21.3</td>
<td>26.4</td>
<td>20.5</td>
<td>20.4</td>
</tr>
</tbody>
</table>

-8%

Source: Make Q3 2018 ; Bloomberg NEF 2018
KEY MARKET TRENDS

Vestas is well positioned to maintain leading position

INDUSTRY TRENDS
- From support schemes to competitive market mechanisms
- Industry maturity reduces cost and AEP uncertainty

SERVICE TRENDS
- Commoditisation of basic offering
- Increased focus on Service by OEMs
- Accelerated digitalisation
- Deal complexity and increased sharing of gains and risks

VESTAS COMPETITIVE POSITION
- Scale advantages to continue to benefit Vestas
- Competitive solutions, high renewal rates and multi-brand skills to support Vestas growth
- Best positioned to leverage value from digitalisation given size and domain expertise
- Service innovation to support increase in output and optimised asset management
# CAPTURING THE GROWTH OPPORTUNITIES

Customised offerings supporting main customer segments

<table>
<thead>
<tr>
<th>Customer needs</th>
<th>Financial investors</th>
<th>Active asset managers</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>• Business case certainty</td>
<td>• Flexibility</td>
</tr>
<tr>
<td></td>
<td>• Performance optimization support</td>
<td>• Ease of doing business</td>
</tr>
<tr>
<td></td>
<td>• Few suppliers with aligned incentives</td>
<td>• Low response time across regions</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Value proposition</th>
<th>Financial investors</th>
<th>Active asset managers</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>• Asset lifetime contracts with aligned incentives</td>
<td>• Global footprint and scale advantages</td>
</tr>
<tr>
<td></td>
<td>• Product upgrades</td>
<td>• Tailored solutions</td>
</tr>
<tr>
<td></td>
<td>• Digital solutions for optimised asset operation</td>
<td>• Framework agreements</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Digital solutions and training services</td>
</tr>
</tbody>
</table>

+70% renewal rates and average initial contract duration increased from 9-10 years in 2015 to ~13 years in 2017/18

8-9% annual growth in transactional sales since 2015
CAPTURING SCALE ADVANTAGES IN OPTIMISED OPERATING MODEL

INITIAL FOCUS

- ~5% reduction in back-office cost over the last two years from creating centers of excellence in India and Poland
- ~5% reduction in labour cost over the last two years from application of Lean methods
- Increased digitalisation of core processes and application of advanced analytics to optimise maintenance cost
- Use of artificial intelligence for automation of repetitive processes, e.g. drone inspections, image recognition, etc.

Footprint optimisation

Process optimisation

Automation

Digitalisation
AGENDA

Introduction
Market trends and strategy
Deep dives
Summary and Q&A
MULTIBRAND FOOTPRINT

Vestas is servicing all major platforms across 345 sites, 17 countries and 5 continents.
MULTIBRAND CASE STUDY

Proven capabilities on non-Vestas platforms

Highlights

• Vestas Service team takes over service in January 2018

• Tailored service recovery plan for immediate operational improvements

• Turbine availability performance lifted from 84% to 97% by September 2018

Contractual Availability (%)
OUR AMBITION

Positioning Vestas for accelerated digitalisation

Our ambition is to become the digital leader in sustainable energy

- Industry-leading volume of data across turbine technologies
- Industry-leading technology stack from Utopus Insights
- Industry-leading ability to capture value through scale - internally and externally
UTOPUS INSIGHTS: A DIGITAL POWERHOUSE

With the acquisition of Utopus Insights, Vestas has created a platform for future digital solutions to make Vestas as the digital leader in sustainable energy.

- Advanced analytics capabilities
- Scalable platform and applications
- Multi-brand focus to cover all major platforms
- Multi-asset focus to cover all major renewable technologies
BRIDGING TO THE FUTURE OF DIGITAL ENERGY

Vestas’ digital journey

1. ShopVestas.com
   - Enables easier online shopping

2. Vestas’ digital offerings
   - **XPLORE**
     - Intuitive, interactive and customizable energy asset data visualization and performance monitoring
   - **MAESTROS**
     - Scalable, secure and flexible energy analytics platform for data ingestion and curation
   - **PULSE**
     - State-of-the-art predictive analytics that enable proactive asset maintenance
   - **HYPERCAST**
     - Hyperlocal renewable energy forecasting powered by advanced energy-specialized weather forecasting

3. Firestorm
   - Conditioning monitoring

4. World’s largest data repository

Vestas’ digital journey
SUMMARY

1. **Worlds largest service provider** with 83 GW under service and largest multi-brand service provider

2. Vestas expects to continue being the market leader given strong value propositions on both core and advanced offerings like digital solutions

3. Capturing additional scale advantages in the digital transformation of the operating model to support strong profitability
Vestas Capital Markets Day
MHI Vestas Offshore Wind A/S
Journey since the Joint Venture was established in 2014

Installations and focus areas

2.7 GW installations and 3.8 GW order backlog since the beginning of the JV

<table>
<thead>
<tr>
<th></th>
<th>Before 2014 (Vestas Offshore)</th>
<th>Executed since 2014*</th>
<th>Order backlog (FOI, COI)</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Order Backlog</td>
<td>1,650</td>
<td>2,726</td>
<td>3,833</td>
<td>8,209</td>
</tr>
<tr>
<td>Executed</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Executed before</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Focus areas

Establishing MVOW (2014-2018)

Safety performance
- Strong Health and Safety discipline from shareholders

Winning market access through:
- Establishing a brand
- Successfully deploying the V164 in the first projects

Claiming the position by:
- Improving CoE and product performance
- Establishing tight partnerships with customers and suppliers
- Increase order backlog

Growth (2018 and onwards)
- Continuous safety performance
- Sustainable profitability through:
  1. Core market execution
  2. Expanding reach
- Continuous platform capacity improvement

*Including expected installations for this fiscal year
Current Pipeline
5.6 GW of projects selected V164

Overview of the order pipeline

<table>
<thead>
<tr>
<th>MW</th>
<th>Firm and conditional orders</th>
<th>Preferred supplier agreements</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>3,833</td>
<td>1,725</td>
<td>5,558</td>
<td></td>
</tr>
</tbody>
</table>

Firm orders
- Horns Reef 3 (Vattenfall), DK - 406 MW (49 x V164-8.3 MW) inst. 2018
- Norther (Norther NV), BE - 370 MW (44 x V164-8.4 MW) inst. 2019
- Northwestern 2 (Parkwind), BE - 219 MW (23 x V164-9.5 MW) inst. 2019
- Windfloat Atlantic (Windplus), PT – 25 MW (3 x V164-8.4 MW) inst. 2019
- Deutsche Bucht (British Wind Energy), DE – 277 MW (33 x V164-8.4 MW) inst. 2019
- Borssele 3+4 (Blauwind), NL - 731 MW (77 x V164-9.5 MW) inst. 2020
- Triton Knoll (Innogy/Statkraft), UK - 855 MW (90 x V164-9.5 MW) inst. 2021

Conditional orders
- Moray East (EDPR), UK - 950 MW (100 x V164-9.5 MW) inst. 2021

Preferred supplier agreements
- Nautilus Offshore Wind (EDF), US – 25 MW (3 x V164-8.3 MW) inst. 2020
- Vineyard Wind (CIP/Avangrid), US – 800 MW (84 x V164-9.5 MW) inst. 2021
- Zone 27 (CIP), TW - 100 MW inst. 2022, 452 MW inst. 2023
- Xi Dao (CIP), TW - 48 MW, inst. 2023
- Zone 29 (CSC), TW - 300 MW (33 x V174-9.1 MW) inst. 2024
The V164
Technology split and platform evolution

Installed MW split by Technology since the beginning of the JV in 2014*

<table>
<thead>
<tr>
<th>Year</th>
<th>V112</th>
<th>V164</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>216</td>
<td>16</td>
</tr>
<tr>
<td>2015</td>
<td>414</td>
<td>398</td>
</tr>
<tr>
<td>2016</td>
<td>423</td>
<td>258</td>
</tr>
<tr>
<td>2017</td>
<td>400</td>
<td>372</td>
</tr>
<tr>
<td>2018e</td>
<td>948</td>
<td>258</td>
</tr>
</tbody>
</table>

• Change in demand in current active markets towards the larger machines due to the CoE improvements and reliability of the V164 platform

• V164 the next offshore workhorse

Installed MW split by Technology since the beginning of the JV in 2014*

- Illustration is based on FY, which runs from April to April

Installation years for the V164 platform

<table>
<thead>
<tr>
<th>Year</th>
<th>Power rating (MW)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>8.0</td>
</tr>
<tr>
<td>2017</td>
<td>8.3</td>
</tr>
<tr>
<td>2018</td>
<td>8.8</td>
</tr>
<tr>
<td>2019</td>
<td>9.5</td>
</tr>
<tr>
<td>2021e</td>
<td>10.0</td>
</tr>
</tbody>
</table>

- The power rating continues to increase on the V164 platform
  - In 2017, MVOW revealed the V164-9.5 MW
  - In 2018, MVOW announced the V164-10 MW

- Continuous innovation on the product offerings including not only the rating, but also the MAX performance and the SMART turbine products

*Commercial installation ready from 2021
Service
The offshore service business

Past the initial launch phase, V164 brings long term services contract portfolio

1. OPEX optimization by mutualizing services infrastructure across larger windfarms
2. Technical upgrades for installed base, as V164 platform continues to increase performance
3. Synergies with world leader in services: Vestas
Global offshore market
Volume outlook

Annual forecasted installed capacity split by region, 2017-2027 (GW)*

Future top 12 markets (accumulated installation in GW 2027e)*

Continuous growth in Europe, significant additional volume expected in Asia and the US

*Source: Make Consulting – Q3 2018 Global Wind Power Market Outlook
Global offshore market
Price levels

Price Levels in Recently Awarded Global Projects (EUR/MWh)*

<table>
<thead>
<tr>
<th>Year</th>
<th>UK</th>
<th>DK</th>
<th>US</th>
<th>NL</th>
<th>TW</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2016</td>
<td></td>
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<tr>
<td>2017</td>
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<td></td>
</tr>
<tr>
<td>2018</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2019</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Comments

**Increasingly competitive prices**
- Significant LCoE reductions achieved in recent years
- “Zero subsidy” bids in Germany and the Netherlands
- New markets leaning towards LCoE levels from established markets, yet under specific conditions

**Offshore wind provides benefits for energy systems**
- Large scale projects
- High number of full-load hours
- High predictability of output
- Reduces need for balancing power plants

*LCoE reductions and system benefits drive offshore wind growth*

*source: MAKE Consulting
The illustration shows the results for the UK auctions converted into 2016 euros for ease of comparison with the euro-dominated auctions
Vineyard results shows the price in 2017

**source: Fraunhofer Institute for Wind Energy and Energy Systems
Expanding reach
Development in new MVOW markets

Taiwan
Forecasted installed capacity, 2017-2027e (GW)*

- Ambitious targets: 5.5 GW until 2025
- Plans for 1 GW p.a. from 2026-30
- Preferred supplier agreement: 900 MW package (CIP & CSC)
- On track to secure further pipeline
- Localization efforts in progress

USA
Forecasted installed capacity, 2017-2027e (GW)*

- Market expectation: 8 GW+ until 2030
- Significant East Coast volume potential
- Preferred supplier agreements: Vineyard (CIP, 800 MW) & Nautilus (EdF, 25 MW)
- MVOW in good position to support upcoming tenders

Japan
Forecasted installed capacity, 2017-2027e (GW)*

- Diet expected to pass offshore wind bill this year: 10 GW target by 2030
- Award of 5 offshore wind zones in 2019
- MVOW excellently positioned through MHI – on track to secure early volume
- MVOW’s floating wind track record an advantage in Japan

*Source: Make Consulting – Q3 2018 Global Wind Power Market Outlook
MVOW to **double its business** and **increase profitability** over the next four years

**Operational Excellence:**

- Double revenue
- Build offshore service business
- Continuously improve profitability

**Financial Discipline:**

- Earn freedom to grow
- Selective investment in capacity
- Maintain high product development
## Financial performance

Financial performance is progressing to exceed initial expectations.

### Financial performance

<table>
<thead>
<tr>
<th></th>
<th>2016/17</th>
<th>2017/18</th>
<th>2018/19</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td>531,243</td>
<td>942,155</td>
<td>↑</td>
</tr>
<tr>
<td><strong>Gross profit</strong></td>
<td>-11,892</td>
<td>20,001</td>
<td></td>
</tr>
<tr>
<td><strong>Profit before financial items and depreciation/amortization (EBITDA)</strong></td>
<td>-38,558</td>
<td>-7,775</td>
<td>Positive</td>
</tr>
<tr>
<td><strong>Operating profit (EBIT)</strong></td>
<td>-119,453</td>
<td>-98,566</td>
<td>Positive</td>
</tr>
<tr>
<td><strong>Profit/loss from financial income and expense</strong></td>
<td>5</td>
<td>1,587</td>
<td></td>
</tr>
<tr>
<td><strong>Profit for the year</strong></td>
<td>-120,525</td>
<td>-98,287</td>
<td></td>
</tr>
</tbody>
</table>

Accordingly, MHI Vestas Offshore Wind expects to double its revenue over the three-year period from a base of its completed financial year 2015/16, EBITDA is expected to reach break-even by 2018 and pre-tax profit is anticipated to reach break-even by 2019.

*Vestas Wind Systems A/S’ Annual report 2017*

2018/19 is set to be a watershed year for MHI Vestas as EBIT is expected to break-even by the end of the year.

*MHI Vestas Offshore Wind A/S’ Annual report 2017/18*
Summary

• MVOW is a market leader in the offshore wind industry and will remain a market leader by:

  ✓ Continuously improving health and safety

  ✓ Executing and further building on the strong pipeline through:
    1. Execution in robust core markets
    2. Expansion in new markets
    3. Development of service

  ✓ Leverage and improving the performance and reliability of the current V164 platform

• MVOW is meeting financial targets and is expected to grow sustainably

• MVOW to double its business and increase profitability over the next four years
FINANCIAL UPDATE

Marika Fredriksson
Executive Vice President & CFO

Copenhagen, 29 November 2018
LONG-TERM FINANCIAL AMBITIONS

Long-term ambitions reflect organic growth and profitability improvements

- **Revenue**: Grow faster than the market
- **EBIT margin**: Minimum 10 percent
- **Free Cash Flow**: Positive every year
DIVERSIFICATION OF BUSINESS MODEL CONTINUES

Strong platform for future financial performance

**Power solutions**
- Wind power competing on market-based mechanisms
- RE targets in place in all parts of the world
- Order backlog of EUR 10.5bn

**Service**
- Growth in annual installed wind power capacity
- Increasing contract duration provides better visibility at opportunity to cost out
- Order backlog of EUR 13.2bn with average duration of 7 years

**Offshore**
- JV on track to net profit breakeven in 2019
- Good position in a growing market with limited players
- 5 GW of pipeline projects secured
REVENUE GROWTH SUPPORTED BY STRONG MARKETS

Vestas is in a unique position to outgrow the market

Future drivers

▲ 6-8 percent annual growth in onshore volumes towards 2021

▲ Drop in the US post 2020 expected to be offset by EMEA, and especially Asia Pacific

▲ Service increasingly supporting revenue growth

▼ Continuous reduction of LCOE for wind energy impacts Average Selling Price

Revenue
EURm

<table>
<thead>
<tr>
<th>Year</th>
<th>Power solutions</th>
<th>Service</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>7.285</td>
<td>1.138</td>
<td>8.423</td>
</tr>
<tr>
<td>2016</td>
<td>8.928</td>
<td>1.023</td>
<td>10.237</td>
</tr>
<tr>
<td>2017</td>
<td>8.431</td>
<td>1.522</td>
<td>9.953</td>
</tr>
<tr>
<td>2018e</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Long-term</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Service Power solutions
DELIVERING MINIMUM 10 PERCENT EBIT MARGIN

Service accounts for an increasingly large part of profitability

Future drivers

▲ Increased activity
▲ New products and technology
▲ Committed to cost-out and efficiency improvements
▲ Service to grow its share of profit
▼ Highly competitive markets
▼ Cost inflation from tariffs

EBIT before special items
EURm

<table>
<thead>
<tr>
<th>Year</th>
<th>Service</th>
<th>Power solutions</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>705</td>
<td>201</td>
<td>906</td>
</tr>
<tr>
<td>2016</td>
<td>1.196</td>
<td>225</td>
<td>1.421</td>
</tr>
<tr>
<td>2017</td>
<td>924</td>
<td>306</td>
<td>1.230</td>
</tr>
<tr>
<td>2018e</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Long-term</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Service Power solutions

Capital Markets Day 2018
COSTS: KEEPING A GLOBAL BALANCE

A global company constantly adjusting to reflect global market conditions

Follow market developments

Adjusting global footprint

Constant focus on cost
COST DISCIPLINE REMAINS A KEY PRIORITY

Controlling the fixed cost base

Priorities

- Lean and flexible organisation
- Highest R&D spending in the industry securing best-in-class products

Drivers

- Leverage
- Increased activity in low cost countries
- Higher amortisations and depreciations

<table>
<thead>
<tr>
<th>Year</th>
<th>Percent of Revenue (TTM)</th>
<th>SG&amp;A Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2015</td>
<td>7.7%</td>
<td>645 EURm</td>
</tr>
<tr>
<td>FY 2016</td>
<td>6.9%</td>
<td>705 EURm</td>
</tr>
<tr>
<td>FY 2017</td>
<td>7.4%</td>
<td>733 EURm</td>
</tr>
<tr>
<td>9M 2018</td>
<td>6.7%</td>
<td>7.5%</td>
</tr>
<tr>
<td>Long-term</td>
<td>6.0%</td>
<td>7.5%</td>
</tr>
</tbody>
</table>
INVESTING IN ORDER TO CAPTURE THE GROWTH MOMENTUM

Investments expected to increase in the coming years

**Investments**
EURm, excl. M&A and divestments

<table>
<thead>
<tr>
<th></th>
<th>FY 2015</th>
<th>FY 2016</th>
<th>FY 2017</th>
<th>FY 2018e</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percent of revenue</td>
<td>4%</td>
<td>5%</td>
<td>5%</td>
<td></td>
</tr>
<tr>
<td>Cash flow from investing activities</td>
<td></td>
<td></td>
<td></td>
<td>600</td>
</tr>
</tbody>
</table>

**Priorities**

- Support organic growth initiatives
- Highest R&D spending in the industry securing best-in-class products

**Future drivers**

- Higher activity level requires more investments
- Increased R&D capitalisation as product cycles becomes shorter
- Leveraging industry leading data fleet to drive digitalisation
- Introduction of modular products
MANAGING WORKING CAPITAL IN A GROWTH ENVIRONMENT

Complex and large projects call for careful management, timing, and control of cash flows

Wind turbine order backlog (EURbn)

<table>
<thead>
<tr>
<th>Year</th>
<th>Backlog</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2015</td>
<td>7.9</td>
</tr>
<tr>
<td>FY 2016</td>
<td>8.5</td>
</tr>
<tr>
<td>FY 2017</td>
<td>8.8</td>
</tr>
<tr>
<td>9M 2018</td>
<td>10.5</td>
</tr>
</tbody>
</table>

Net Working Capital priorities

- **Inventories**
  - Close cooperation between Sales, Sourcing and Manufacturing
  - Prepayments and milestone payments funding production
  - Unchanged payment terms

- **Sourcing**
  - Use of standard components
  - Increased outsourcing with partners

- **Cash collection**

- **Construction work**
  - Faster installation
  - Improved experience and know-how
  - Reduced lead times

- **Maintaining solid cash conversion cycle**

SHORT-TERM CHALLENGES

- Longer lead times in a capacity constrained environment
- Increased transportation time due to strategic sourcing
- Increased complexity due to tariffs

Capital Markets Day 2018
Priorities for capital allocation remain unchanged

Capital allocation to shareholders

- EUR 2.5bn returned since 2014 – equaling around 20 percent of current market cap
- Priorities for capital allocation remain unchanged
  1. Organic growth
  2. Bolt-on acquisitions
  3. Dividend (25-30 percent of net profit)
  4. Share buy-back
ALL OPERATIONS TAKE A RESPONSIBLE APPROACH

Sustainability at Vestas

- Local community development
- Social License to Operate
- Health & safety
- Wind turbine environmental performance
- Environmental impact of Vestas' operations
- Responsible supplier management
SUMMARY

1. Business model provides **stability** and **reduced risk profile**
2. Balance sheet remains **strong** and provides **flexibility**
3. **Value creation** shared with our shareholders
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 2017 (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.