



Capital Markets Day

Børsen, Copenhagen | Denmark

Vestas **Capital Markets Day**

Wednesday 15th December 2021

Wind. It means the world to us.™

AGENDA | Capital Markets Day 2021



Part I

- | | | |
|----|--|--|
| 1. | Welcome speech | Brian Mikkelsen, CEO, Danish Chamber of Commerce |
| 2. | Strategic perspectives | Henrik Andersen, Group President & CEO & Kerstin Knapp, EVP & CPCO |

Part II

- | | | |
|----|---|---|
| 3. | Leading the renewable journey | Javier Rodriguez Diez, EVP & CSO, Sales |
| 4. | Unlocking renewable opportunities through development | Thomas Alsbjerg, GSVP, Head of Global Development |

Part III

- | | | |
|----|--|---------------------------------|
| 5. | Leading the way with renewable solutions | Anders Nielsen, EVP & CTO |
| 6. | Building the future supply chain | Tommy Rahbek Nielsen, EVP & COO |

Part IV

- | | | |
|----|--|--|
| 7. | Sustainable Service leadership | Christian Venderby, EVP & CSO, Service |
| 8. | Financial position | Marika Fredriksson, EVP & CFO |

Strategic perspectives

Henrik Andersen

Group President & Chief Executive Officer

Kerstin Knapp

Chief People & Culture Officer

GLOBAL
LEADER
IN SUSTAINABLE
ENERGY SOLUTIONS

AGENDA

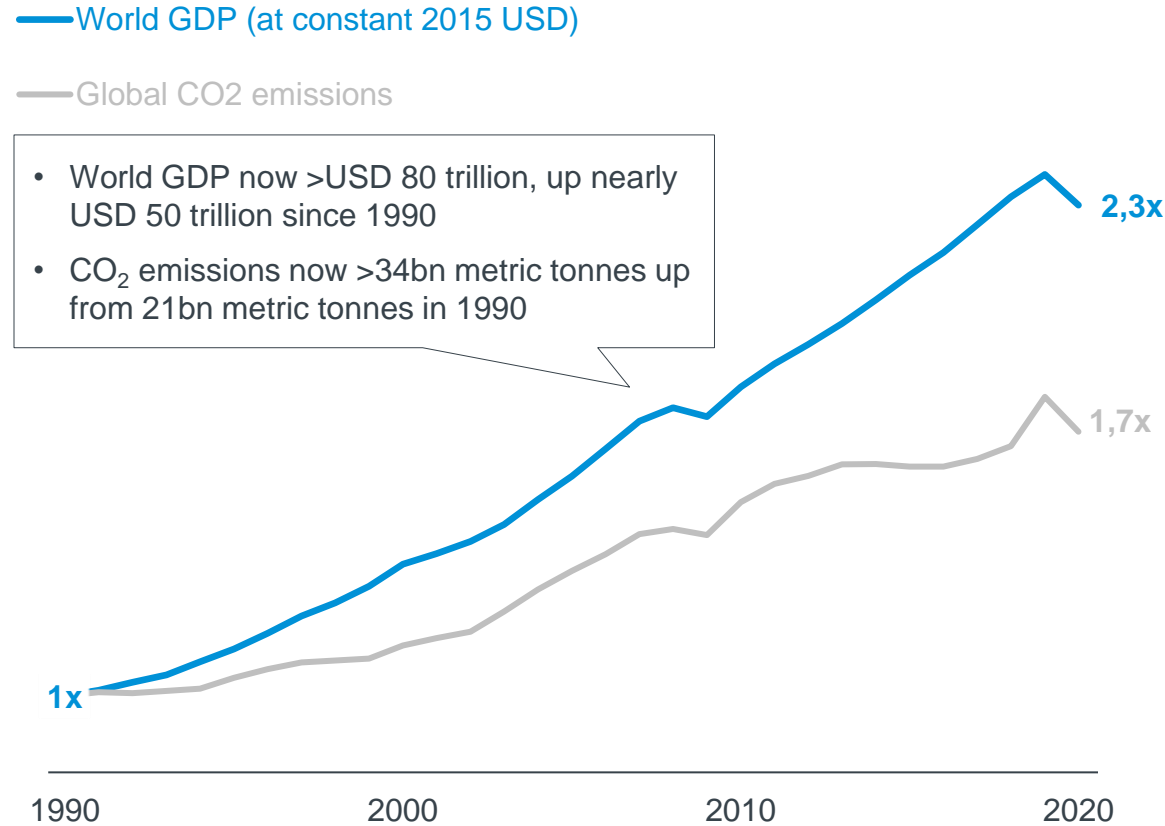
- 1 Wind market outlook
- 2 Vestas' position
- 3 Our people
- 4 Growth foundation

THE WORLD HAS BECOME A BETTER PLACE

...not without costs – but luckily we have the solution

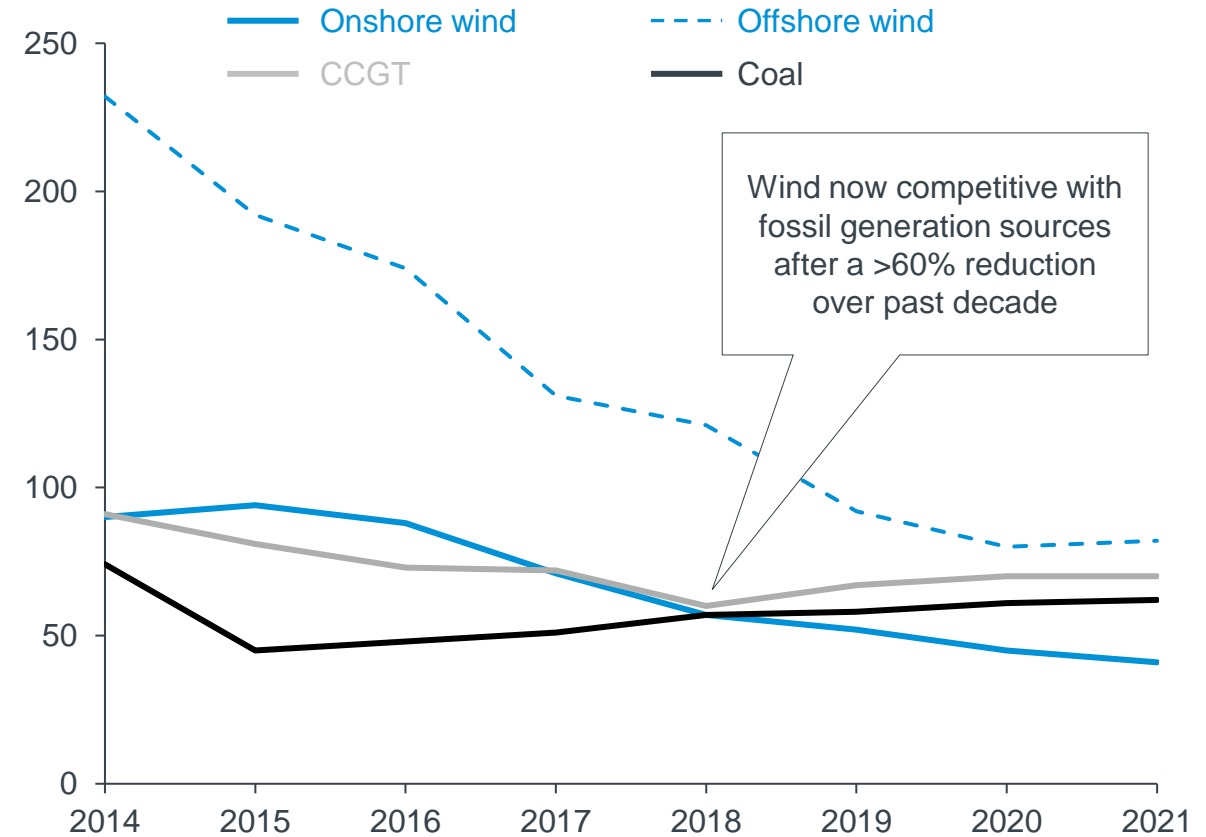
Development in world wealth and CO₂ emissions 1990 to 2020

Indexed to 1990



Global levelised cost of energy (LCOE)

USD/MWh (2020 real)



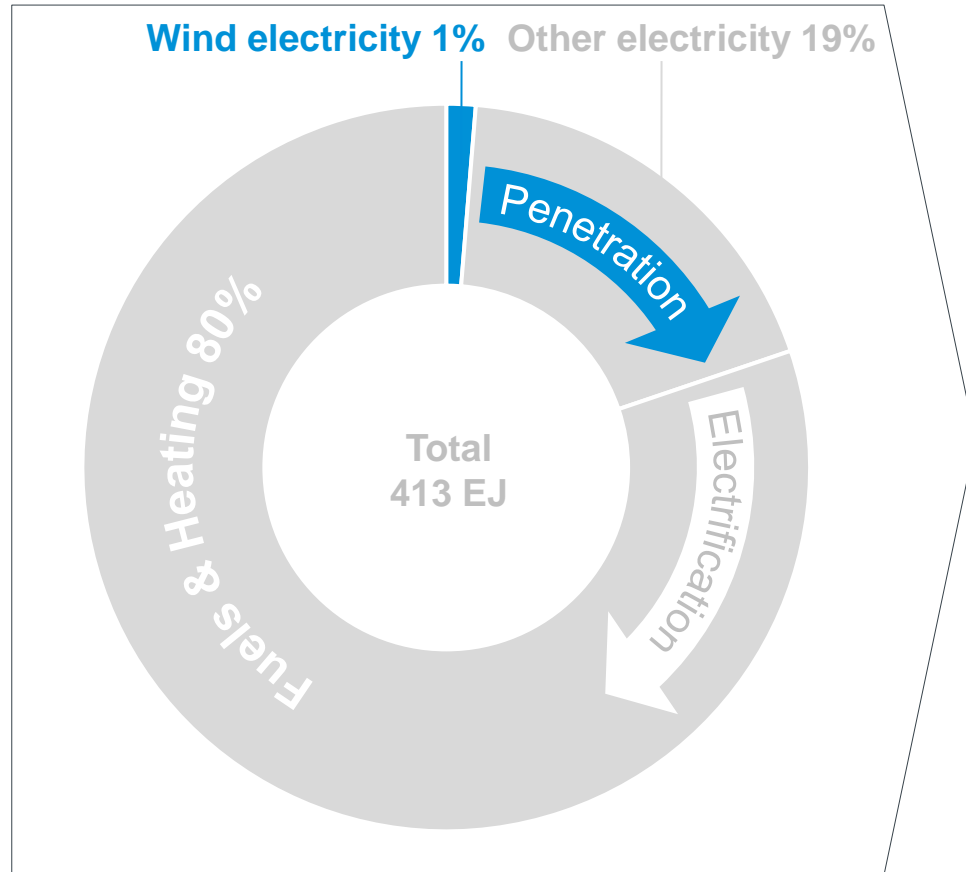
Source: World Bank, IEA, Bloomberg New Energy Finance

FOR WIND THIS MEANS A STEP CHANGE IN ANY SCENARIO

Vestas is fundamentally in the right place at the right time

World energy consumption by source 2020

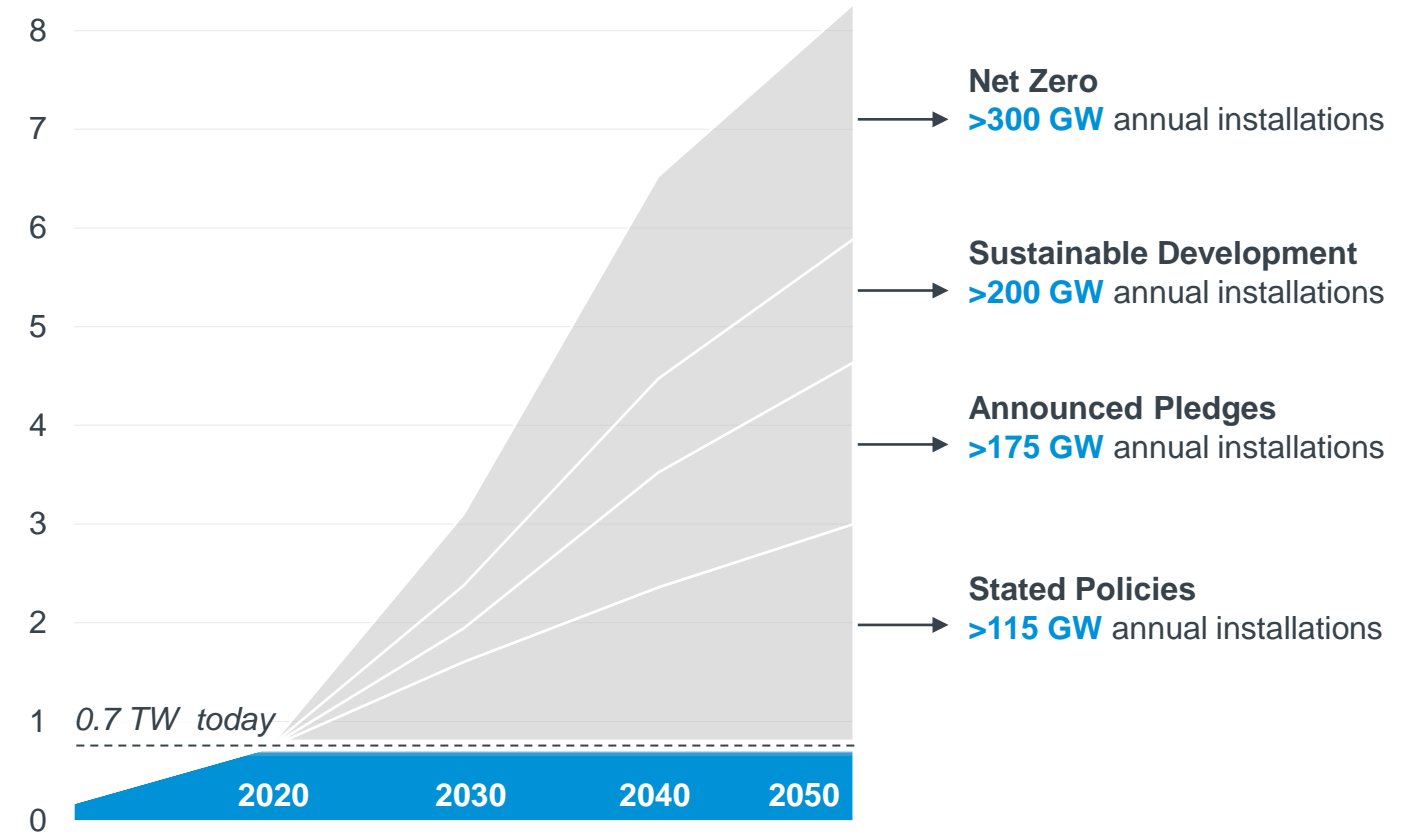
In exajoule (EJ) and percent (%)



Source: IEA World Energy Outlook 2021

Global wind generation capacity scenarios

In terawatts (TW)



NEAR TERM ISSUES NEED TO BE ADDRESSED

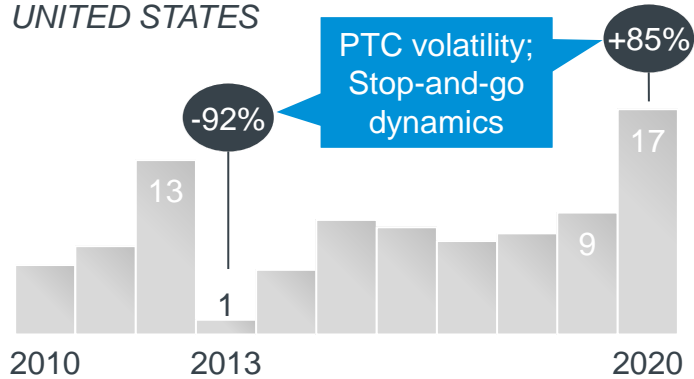
Across a spectrum of external and internal factors

External factors

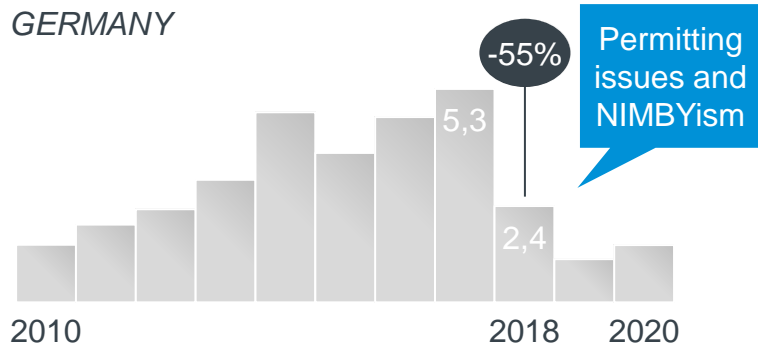
Stable and conducive framework conditions

Examples

UNITED STATES



GERMANY



Source: GWEC; Company financial reports; *As per firm order intake in period of measurement

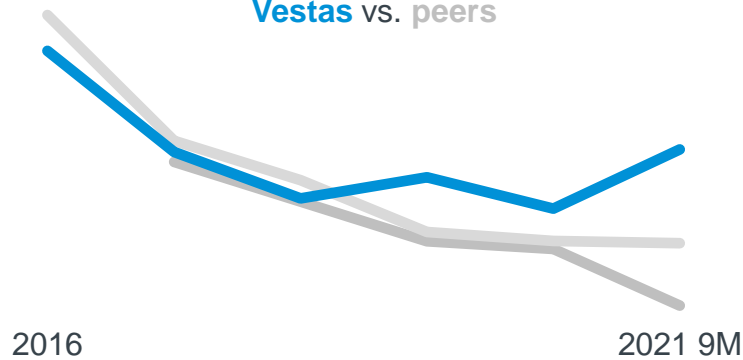
Internal factors

Competition and ability to pass through

Examples

AVERAGE TURBINE SELLING PRICE PER MW*

Vestas vs. peers



FREIGHT COSTS ↑

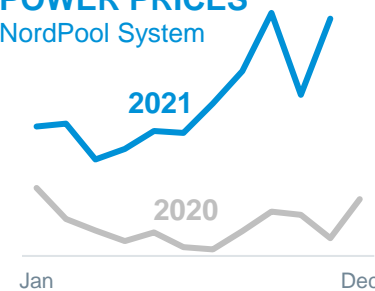


STEEL COSTS ↑



POWER PRICES

NordPool System

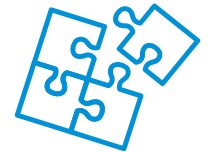


Scaling and professionalising operations

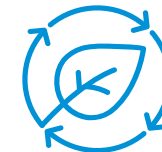
Examples



Talent & Leadership



Modularisation



Sustainability



LEAP



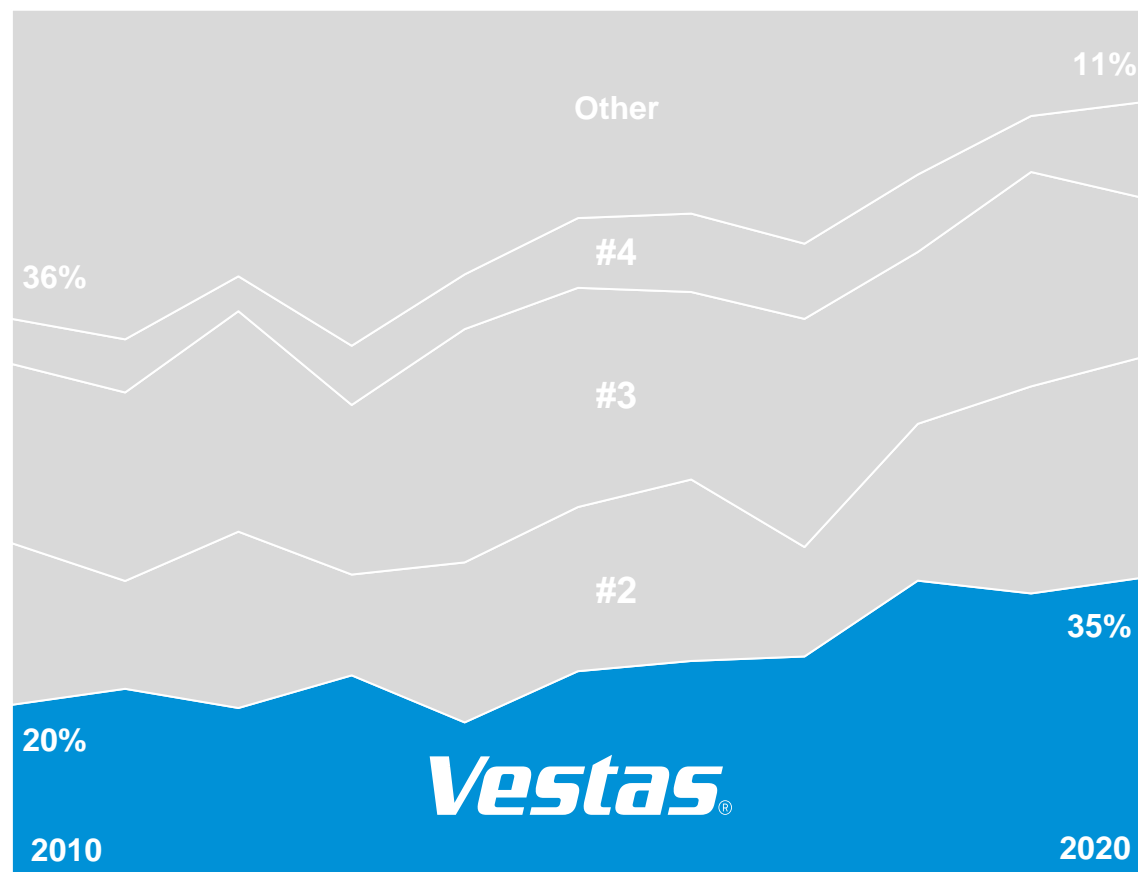
Quality

VESTAS STRONGLY POSITIONED IN A CONSOLIDATING INDUSTRY

Market leadership, commercial momentum and best-in-class financials

Market share development for leading wind OEMs outside China 2010-2020

In percent, based on total onshore and offshore commissioned capacity



Source: Wood Mackenzie; Company financial reports; *Leading Western OEMs only

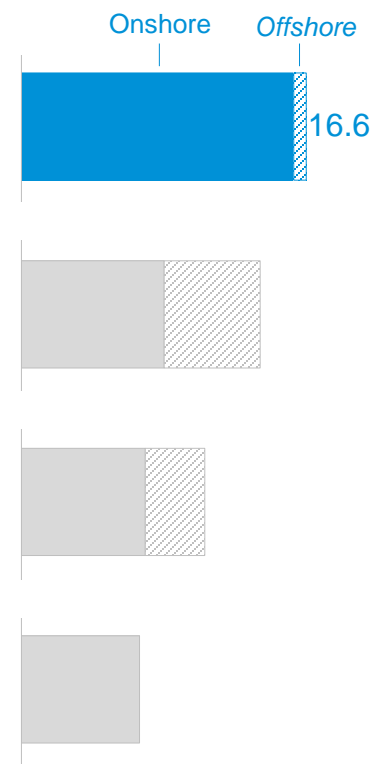
Key financial performance metrics

LTM per September 2021

■ Vestas
■ Competitors*

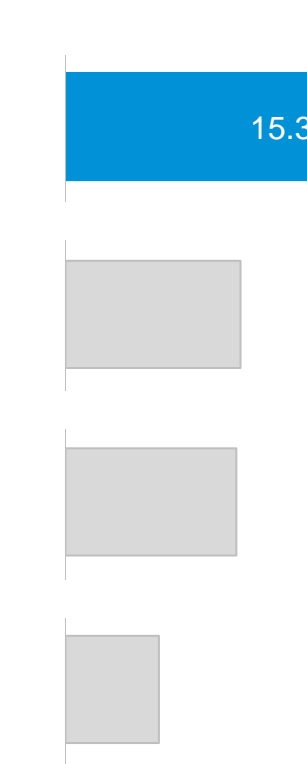
Firm Orders

In GW



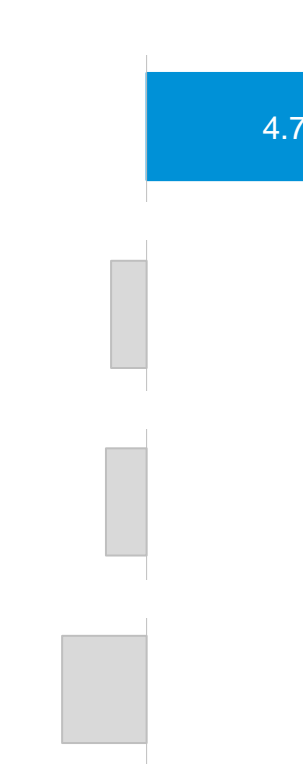
Wind revenues

In EUR bn



Adj. EBIT margin

In percent



THE BEST PRODUCTS AND COMMERCIAL OFFERINGS

Across onshore, offshore, service and newer business segments

EnVentus onshore platform based on advanced modular architecture offering +6 MW turbine solutions

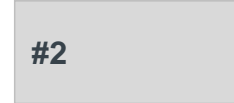


Our **next generation offshore** platform spearheaded by V236-15.0 MW



Industry leading **service capabilities**

Fleet under Service (GW)



BUILDING STRONG PARTNERSHIPS FOR FUTURE SUCCESS

With best-in-class companies across the value chain



Examples of our strategic partners across the value chain

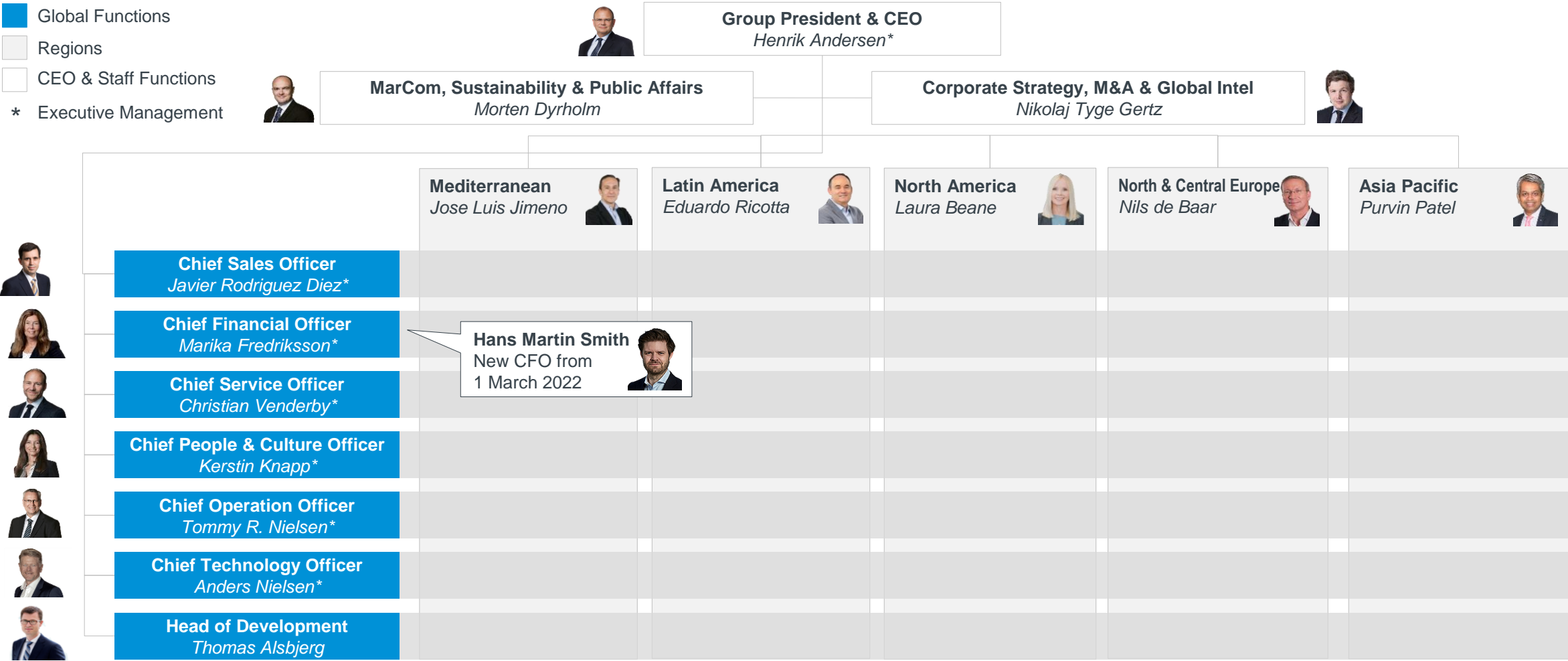
Not exhaustive



STRONG MANAGEMENT TEAM

New global operating model from Jan 2022

-  Global Functions
-  Regions
-  CEO & Staff Functions
- * Executive Management



STRENGTHENING REGIONAL EXECUTION

Introducing one common regional blueprint to pave the way towards offshore leadership



SCALABILITY AND COMMONALITY

- **One** aligned organisational blueprint across regions
- Mirroring of **global operating model** to drive scalability and reduce complexity



ENABLE OFFSHORE LEADERSHIP

- **Offshore business** to be fully integrated into regional structure
- Successful **integration** and **customer centricity**



SIMPLIFYING INTERFACES BETWEEN FUNCTIONS

- **Simplified** EVP areas in regions to **match global structure**
- **Streamlined management structure** for the regional Presidents



EMPOWERING SUCCESSION AND CAREER DEVELOPMENT

- Identical regional leadership teams
 - Regional succession planning
 - Leadership development opportunities

BUILDING LEADERSHIP FOR THE FUTURE

Talent management, diversity and inclusion as key enablers

>3300

Positions part of succession baseline scope

- **Global succession baseline** established for all leadership positions
- **Line of sight to succession pipeline** and development needs

>60%

Internal fill rate for leadership positions

- Target fill rate **80%**
- **Leadership pipeline established** through development programs

~500

Participants on talent programs



- Increased effort in building our leadership pipeline in 2021:
 - 57% increase in **Regional Talent Programs**
 - 145% increase in **Rising Executives**
 - 65% increase in **Executive Leadership Program**

>21 %

Women in corporate leadership positions



- **Targeted effort** led to increase since 2017 (~19% from 2017-2020)
- Aim → **25%** women in leadership positions in 2025, **30%** in 2030

VESTAS EMPLOYEE VALUE PROPOSITION

It takes all kinds of people to change the world - Together we can #PowerTheSolution

“ Acting global means acting diverse

Vestas.

Can you help tackle climate change?



Power the solution.

Vestas.


Can you widen the wind energy footprint?



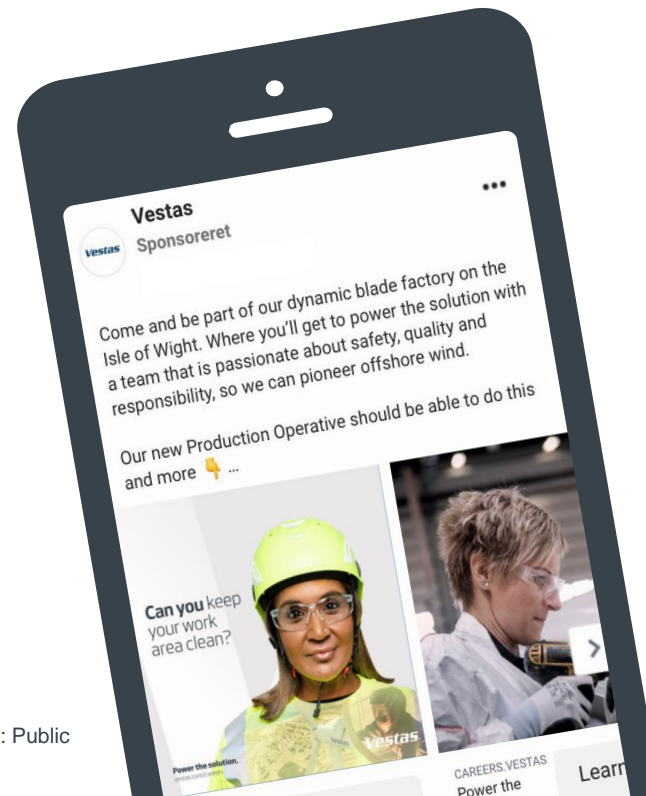
Power the solution.

Vestas.

Can you see a world powered by sustainable energy?



Power the solution.



Vestas[®]

Our new growth areas

FUTURE
INNOVATION



DEVELOPMENT



OFFSHORE



Our strong value generating core

SERVICE



ONSHORE



GLOBAL
LEADER
IN SUSTAINABLE
ENERGY SOLUTIONS

WITH OUR LONG-TERM FINANCIAL TARGETS IN PLACE



AND AMBITIOUS TARGETS FOR OUR SUSTAINABILITY JOURNEY

CARBON FOOTPRINT

Carbon neutral company by 2030 – without using carbon offsets



CIRCULARITY

Producing zero-waste wind turbines by 2040



PEOPLE

Safest, most inclusive & socially-responsible company in the energy industry



ENERGY TRANSITION

Leading the transition towards a world powered by sustainable energy



LICENSE TO OPERATE

Q&A



Leading the renewable journey

Javier Rodriguez Diaz

Chief Sales Officer

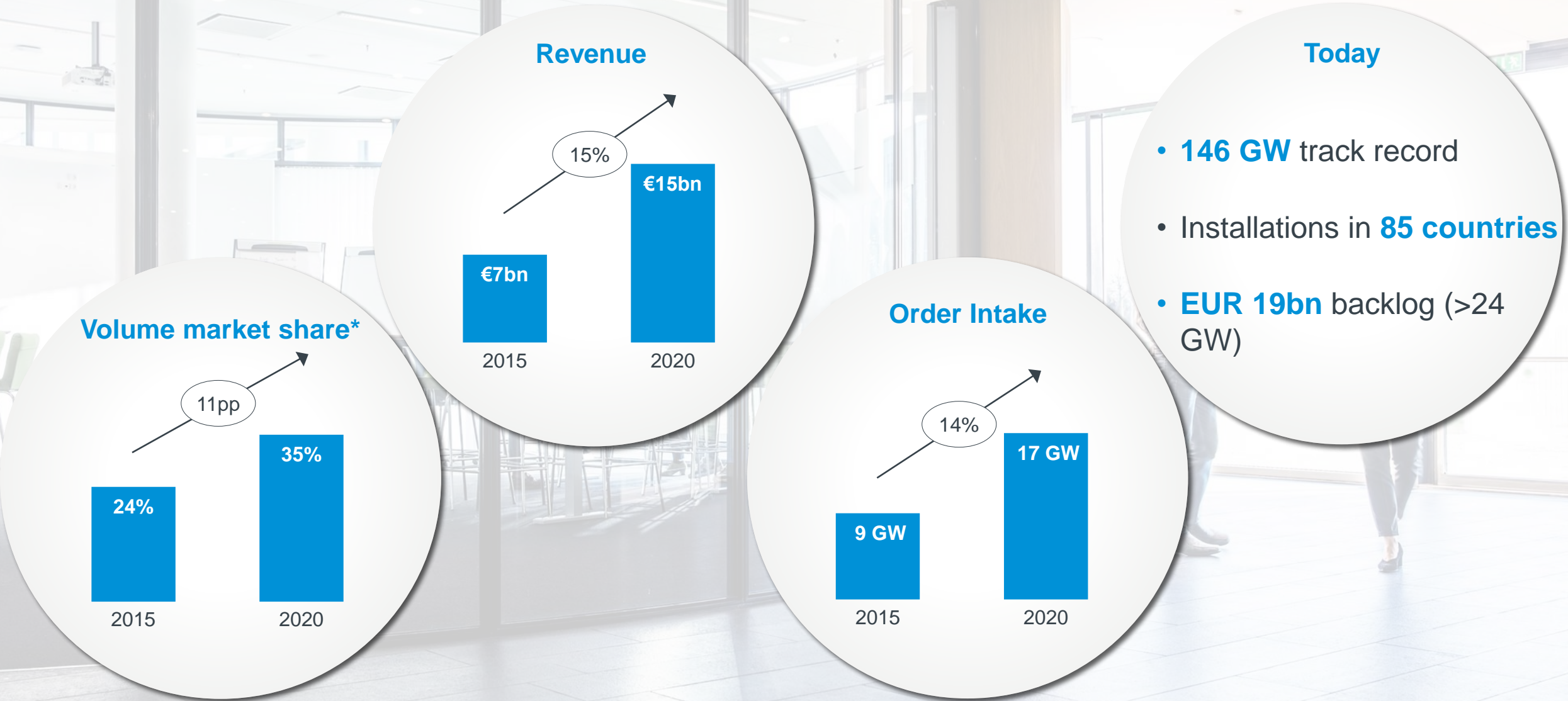
AGENDA

1 Wind market outlook to 2030

2 Value creation

3 Market leadership

VESTAS POWER SOLUTIONS AT A GLANCE



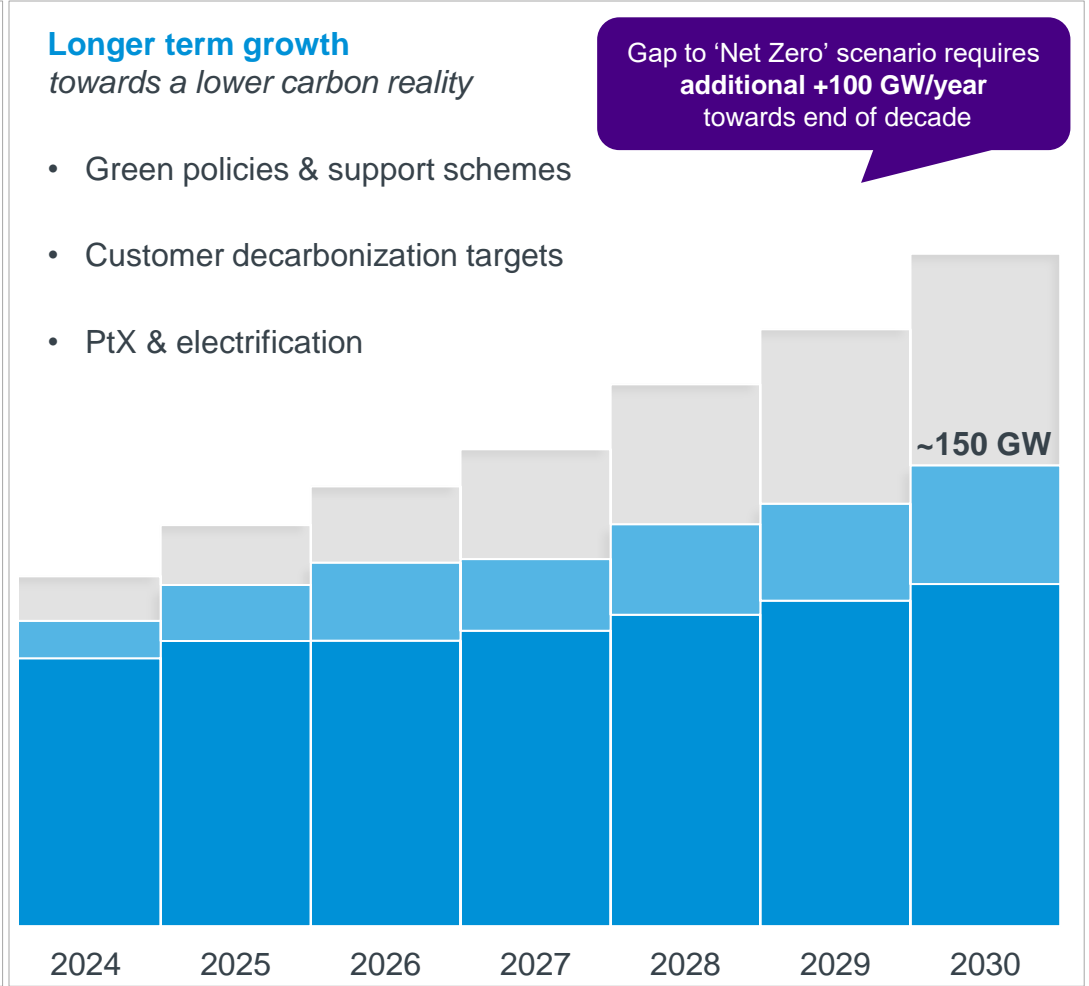
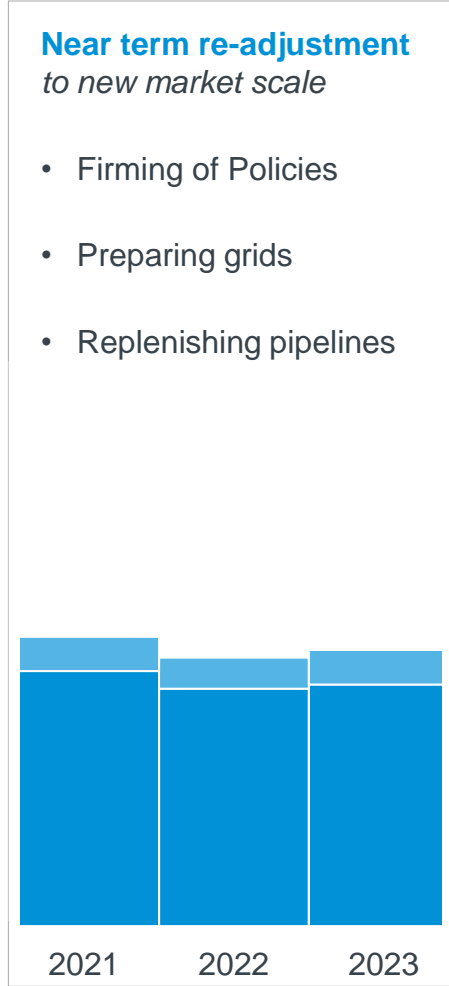
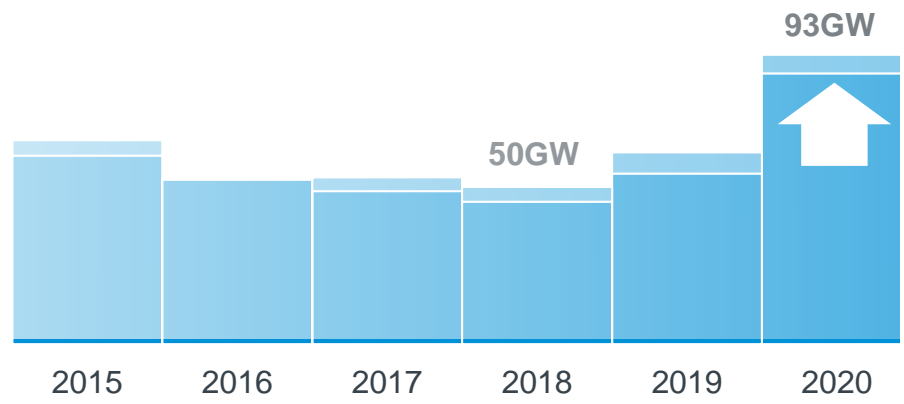
Source: *Wood Mackenzie, excl China

ATTRACTIVE LONG-TERM MARKET POTENTIAL FOR WIND

Short-term re-adjustment followed by strong long-term growth with significant upsides

Wind installations towards 2030
In GW

- Onshore
- Offshore
- Upside




Source: Vestas; *Directionally based on IEA World Energy Outlook: Net Zero Emissions 2050 scenario

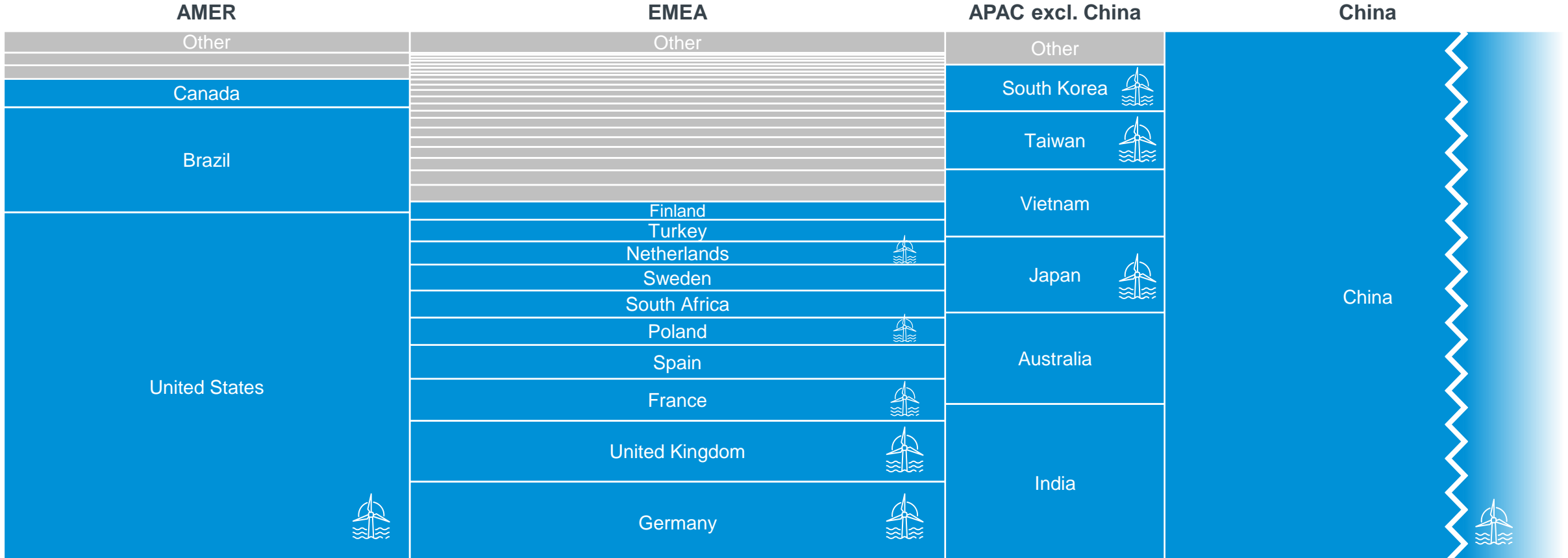
KEY MARKETS POISED TO DRIVE WIND POTENTIAL

Broad based contribution led by established markets

Global total wind market installations potential 2021-2030 across regions and key countries

Tile size = relative size of market volume; Total 10 year potential > 1.1 TW

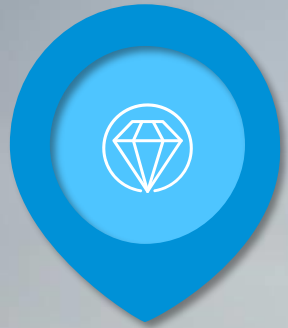
■ > 10 GW
 Top 10 offshore markets



Source: Vestas

OUR AMBITION IS PROFITABLE LEADERSHIP ACROSS SEGMENTS

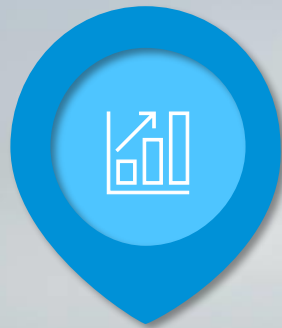
Driving customer centricity and commercial excellence to enable ambition



A

Partner of Choice

*Create superior value
for customers & Vestas*



B

Commercial Excellence

*Realign profitability
across value chain*



C

Onshore Leadership

*Expand global leadership
position profitably*



D

Offshore Leadership

*Create long-term
sustainable business*

CONTINUING AS PARTNER OF CHOICE



Global one-stop-shop for renewable energy projects and solutions

We are reshaping our customer approach to reinforce global partnerships...



Continued focus on optimising the business case of our existing customers

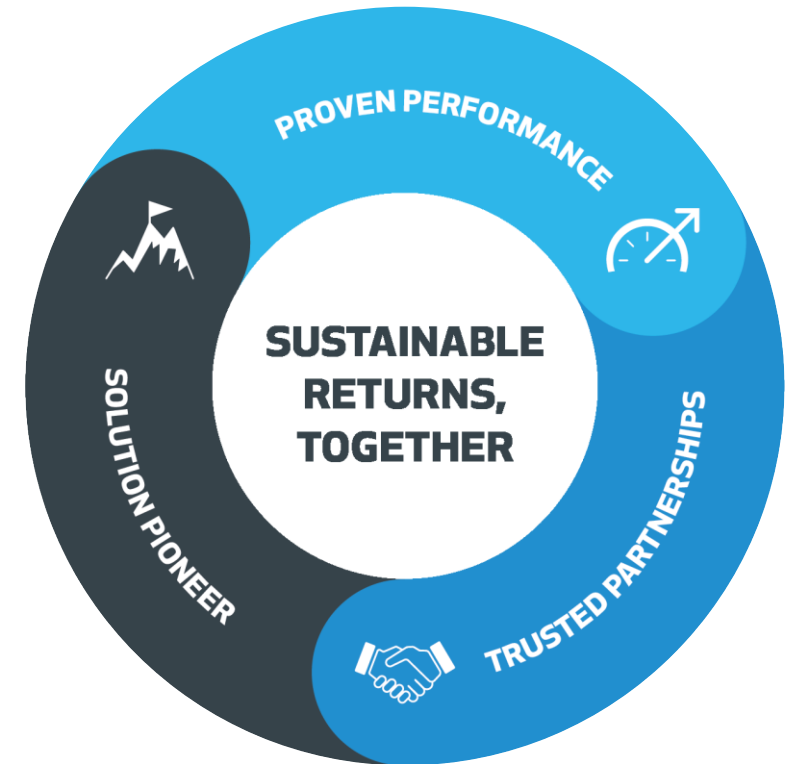


Helping new customer segments as they are entering their sustainability journey, e.g. oil majors, C&I



Innovating together: Leveraging Vestas' core capabilities to support customer journeys into new markets and segments, e.g. PtX

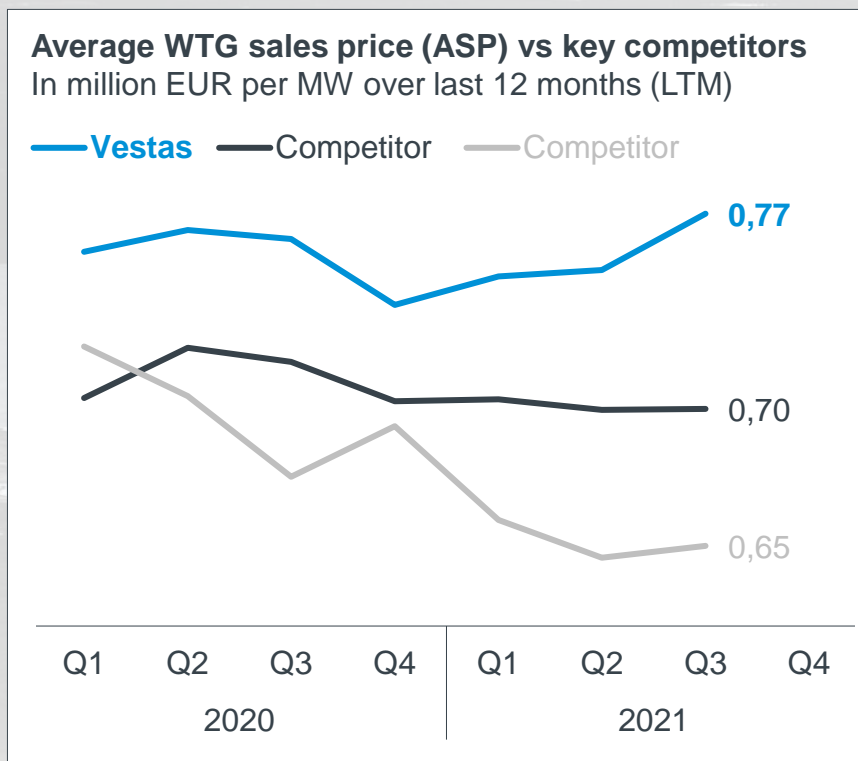
...moving from transactional approach to partnerships across the full value chain



CREATING VALUE FOR BOTH VESTAS AND CUSTOMERS



Employing commercial excellence to optimise business case potential



ENABLERS
for continued pricing leadership



INTELLIGENCE

Understanding broader market environment, supply/demand, commodities, competition etc.



VALUE ENGINEERING

Understanding customer business case and activate right value levers



INFORMED PRICING

Considering portfolio, capacity, geography, customer pipeline, project size & risk



AGILITY

Systems and processes to swiftly and easily leverage information across Sales



EARLY PERMITTING

Locking in projects early to capture value of Vestas' technology

Source: Company reports; Vestas



MOVING FROM COST OF ENERGY TO VALUE OF ENERGY

Maturing how we partner across the value chain to enable the renewable transition

Wind industry evolution

High level overview

	Early years Past	Becoming mainstream Today	Technology of choice Future
Description	Entrepreneurialism	Consolidation	<ul style="list-style-type: none">• Industrialisation
Value paradigm	<ul style="list-style-type: none">• Subsidies	<ul style="list-style-type: none">• Levelised Cost of Energy	<ul style="list-style-type: none">• Value of Energy
Selling approach	<ul style="list-style-type: none">• Opportunistic	<ul style="list-style-type: none">• Deal-to-deal	<ul style="list-style-type: none">• Global frameworks

CONTINUED LEADERSHIP IN ONSHORE



Onshore continues as core segment with steady growth

Onshore leadership levers

Main levers



Ability to optimise **modular solutions** for diverse customer needs



Ability to efficiently operate **global supply chains** at unparalleled scale



Being a **globally diversified partner** resistant to individual market volatility

Leadership levers in action: Examples of how we drive leadership in specific markets

Non-exhaustive



HIGHLIGHT USA:

- Local manufacturing positions Vestas well for next PTC
- On track to recapture market with +40% share of FOI vol. YTD Sep 2021



HIGHLIGHT POLAND:

- Legacy products capturing tip height constrained market
- 49% share with +1 GW FOI vol. in 2020



HIGHLIGHT BRAZIL:

- Market leadership with 4 MW platform
- 42% share with 2.4 GW V150 FOI 2020



HIGHLIGHT VIETNAM:

- Tailored solutions
- Market leadership with +1 GW FOI in 2020

CAPTURING OFFSHORE LEADERSHIP



Offshore to drive growth on medium to long term

Offshore leadership levers

Main levers



Setting up right footprint & supply chain



Strengthening external partnerships



Market development & new segments

Offshore leadership levers in action

Examples of how we drive Vestas leadership in specific markets



NORTH AMERICA:

Vestas selected as preferred supplier for the 2.1 GW Empire 1 and Empire 2 projects - V236.



NORTH AND CENTRAL EUROPE:

Vestas selected as preferred supplier for the 960 MW He Dreiht project - V236. Offshore wind sector deal signed in Poland.



ASIA PACIFIC:

Full steam ahead on key markets. Firmed projects in ASP with installation beginning in 2022.

KEY TAKEAWAYS

ATTRACTIVE MARKET OUTLOOK

1

Short term market uncertainty followed by strong long-term growth with significant upsides

COMMON VALUE CREATION

2

Maturing how we partner across the value chain to create maximum value for Vestas and our customers

MARKET LEADERSHIP

3

Securing steady growth through continued onshore leadership while building the foundation for future offshore leadership

Unlocking renewable opportunities through development

Thomas Alsbjerg
Head of Global Development

AGENDA

- 1 Vestas' development value proposition
- 2 Track record and ambition
- 3 CIP acquisition
- 4 Development case study

RENEWABLES NOT BEING DEPLOYED QUICKLY ENOUGH

Shortage of high-quality projects to reach net zero by 2050



IBERDROLA

95 GW
By 2030



bp

50 GW
By 2030



TotalEnergies

100 GW
By 2030

Source: Company websites

STRATEGIC RATIONALE FOR THE NEW BUSINESS UNIT

Creating value for partners and Vestas in a sizeable market

1

Market conditions
and Vestas'
competitiveness



Global **wind capacity** will continue growing
Following the ambitious decarbonisation targets



Vestas **capabilities and network** as enablers
Leveraging on existing competitive advantage

2

Adding value to
customers and
partners



Quality & risk control over the final product
Projects value engineered since inception



New solution added to Vestas offering
As a response to the market's demand for quality
projects

3

Adding value to
Vestas as a whole



Provide **certainty** to the overall Vestas business
Bringing more visibility to pipeline and future orders

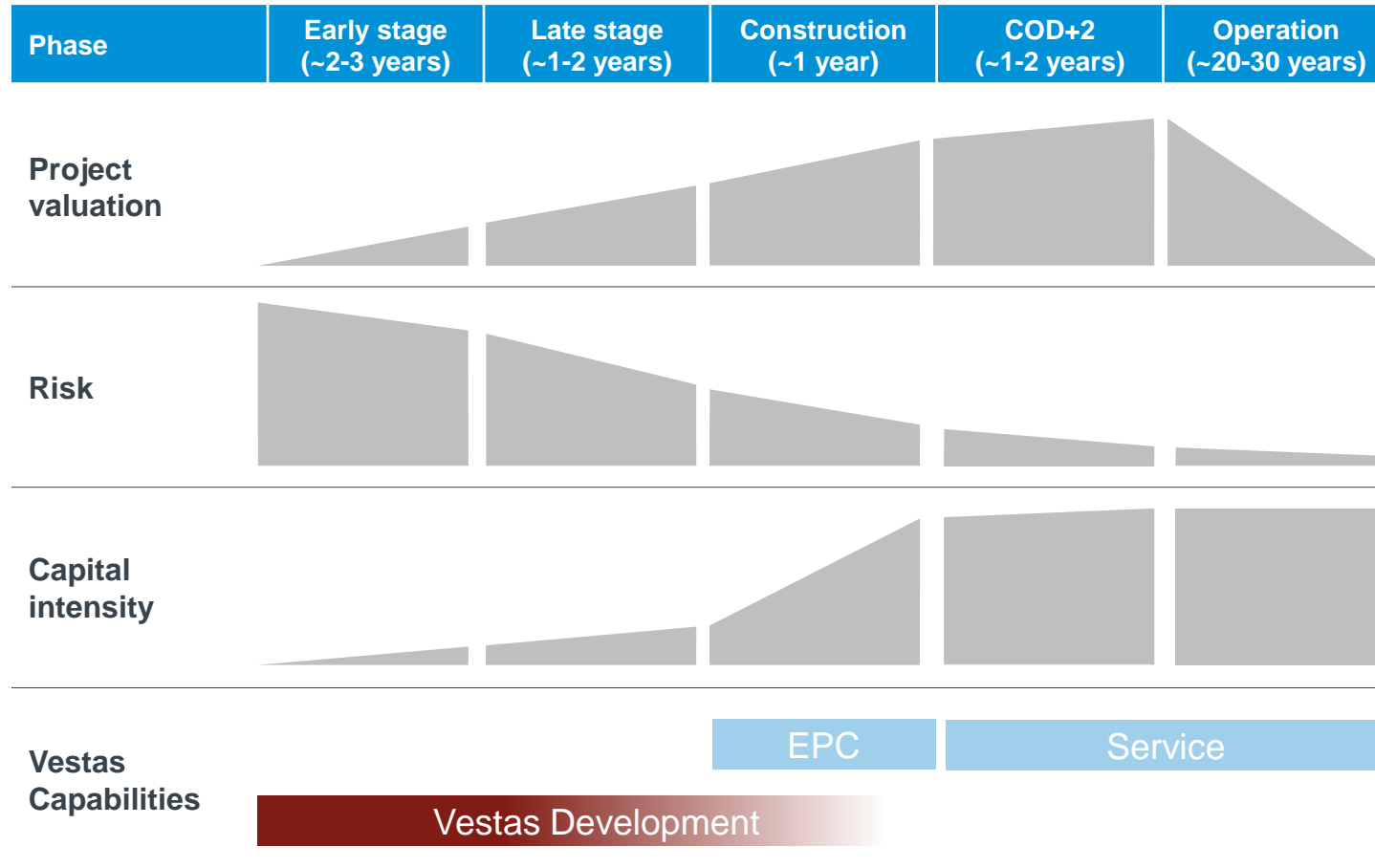


New Business area for Vestas
Creating an additional profitability unit

Source: Global wind power market outlook update - Q3 2021, September 2021, WoodMackenzie

CREATING VALUE IN THE INITIAL STAGES

Flexible project entry and exit to maximise value and accommodate partners' needs



- Project entry from **greenfield to late-stage**
- Building pipeline **both in-house and in partnerships**
- Retain **control** to manage risks
- Leverage on **Vestas' strengths**
- **1-5 years of development** depending on maturity stage at project entry
- Typical **exit before construction** start
- **Vestas' technology and O&M** contract included
- **Control of exit** strategy

Note: Capital intensity refers to the cumulative DEVEX, CAPEX and O&M costs

STRONG VALUE PROPOSITION WITH DEVELOPMENT

Technical capabilities, financial strength and global reach build competitive advantage



Technical expertise

- Extensive wind database
- +124 GW under operation
- Ongoing met mast campaigns
- Micro-siting expertise
- Grid capabilities
- Site optimisation for Vestas' technology



Financial strength

- Grid bonds
- Warranties
- Balance sheet to support acquisitions
- Financial solutions
- Establish offtake



Global reach

- Installations in more than 85 countries
- Access to pipeline worldwide
- Point of contact for global energy players
- Institutional relations

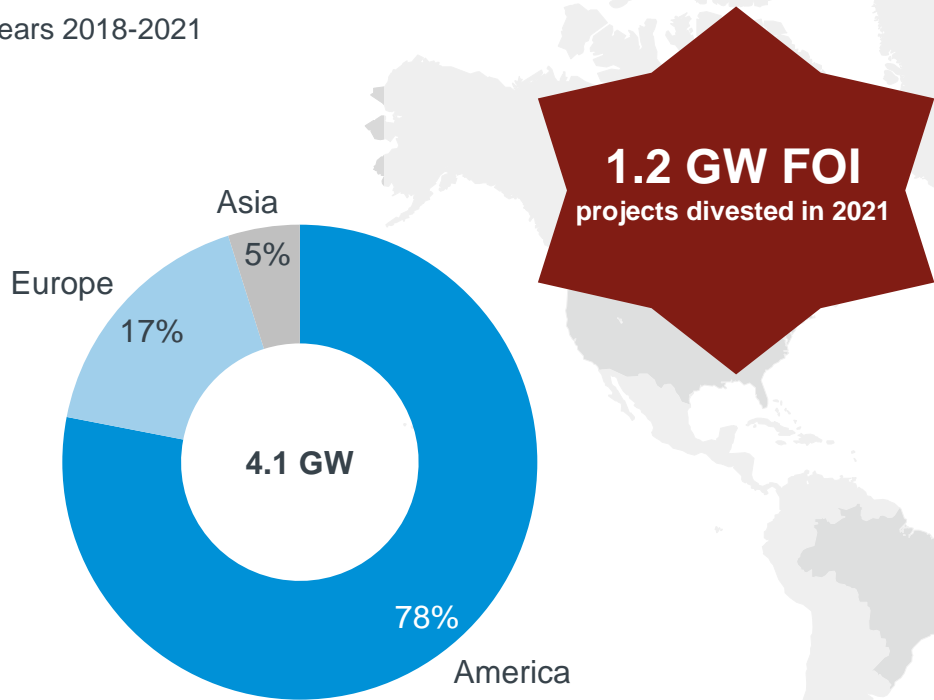
Note: Data as of Q3 2021

STRONG PERFORMANCE TO DATE, LARGE PIPELINE AHEAD

Strong pipeline of +130 projects with focus on activities within wind, solar, PtX, and hybrid solutions

FOI generated from development activities

In years 2018-2021

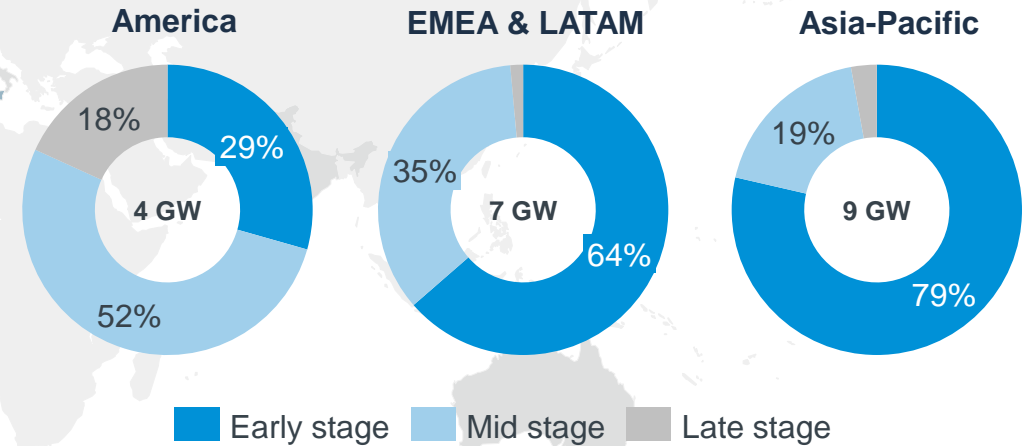


Development returns in range of 1-5x multiple in addition to Vestas' technology and O&M contracts

Data as of Q3 2021

Vestas Development Pipeline

At several stages of maturity with different risk levels associated



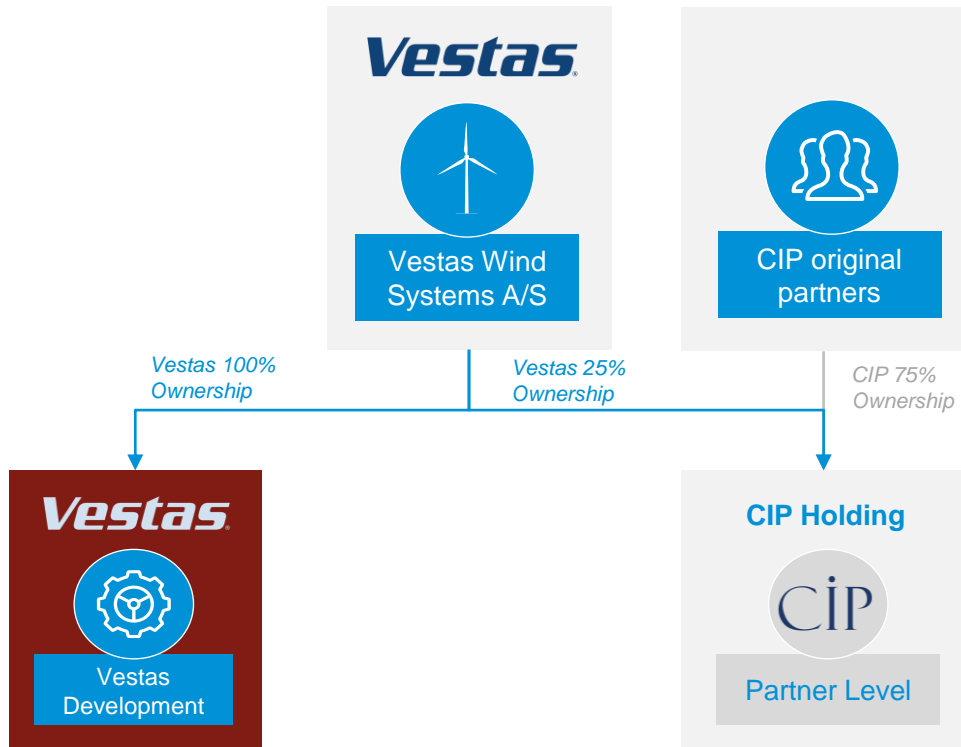
20 GW of pipeline currently

→ Targeting 30-40 GW

CIP ACQUISITION CREATING FURTHER OPPORTUNITIES

Accessing long term value of projects, exploration of technology segments and entering new markets

Overall structure of the acquisition



Possibilities unlocked for Vestas through CIP



Take part of the value creation related to **ownership and asset management** of RE projects



Have access to **value creation through gradual de-risking** during the construction phase



Closer cooperation on identified **project co-developments** (e.g., new market entry)



Exploration of **next generation energy decarbonising assets** (e.g., PtX)

MULTIPLE SUCCESSFUL DIVESTMENT CASES IN 2021

Case study: US Mile Creek project sold with FOI

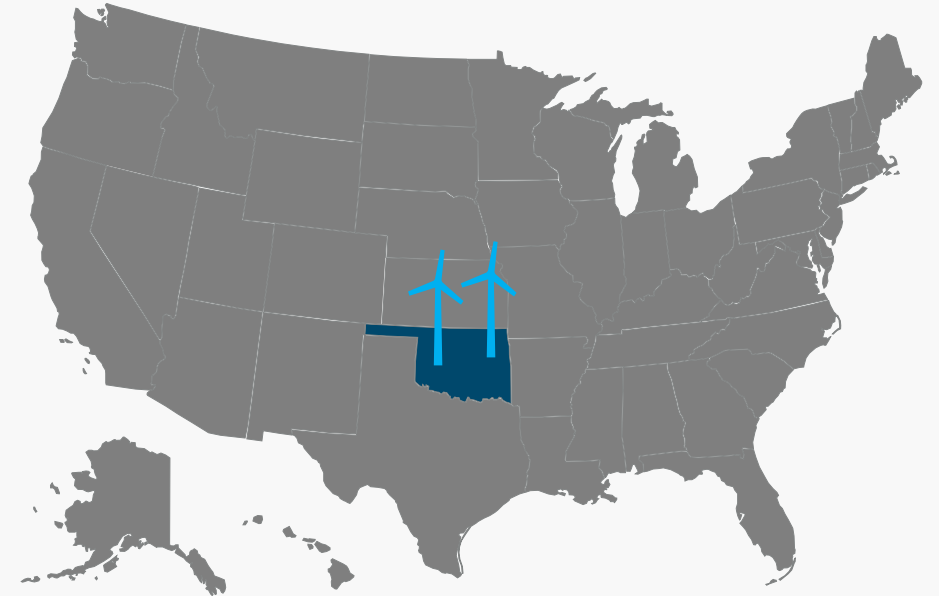
Development deal

- 250 MW late-stage project, 60 x V150- 4.2 MW
- **Fully owned by Vestas** Development since 2019
- **Acquired as an early-stage** project, brought to NTP by the American Development team
- **Successful project exit** represents the growing in-house development expertise of the AME Development team: land, environmental, micro-siting, resource assessment, interconnection, BOP scoping and design.
- FOI: 2021 Q3, COD: 2022



Divestment of 25 Mile Creek

Securing FOI of 250 MW in August 2021



Key takeaways

ENERGY TRANSITION

1

*Vestas Development will play an influential role in **progressing deployment** of renewable energy*

CAPABILITIES & TRACK RECORD

2

***Our capabilities and 4.1 GW track record** position Vestas to become a leading player in the industry*

VALUE CREATION

3

*The **20 GW pipeline** and future Development portfolio create **value both to Vestas' customers, partners and shareholders***

Q&A



Leading the way with renewable solutions

Anders Nielsen

Chief Technology Officer

AGENDA

- 1 Vestas' current technology portfolio
- 2 Modular foundation
- 3 Onshore and offshore synergies
- 4 Future solutions

54+ GW

installed
since 2000

**2 MW
Platform**

51+ GW

installed
since 2010

**4 MW
Platform**

5+ GW

installed
since 2014

**9 MW
Platform**

5+ GW

Firm Order
Intake

Modular architecture

EnVentus™
Proven System
Designs

3 GW

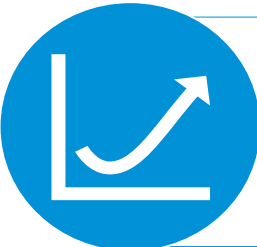
Preferred
supplier
agreement

Modular architecture

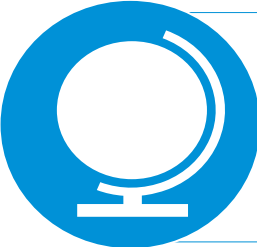
**Next
generation
offshore
Designs**

INDUSTRY CALLS FOR NEW SOLUTIONS

Vestas' modular approach as the foundation across the value chain



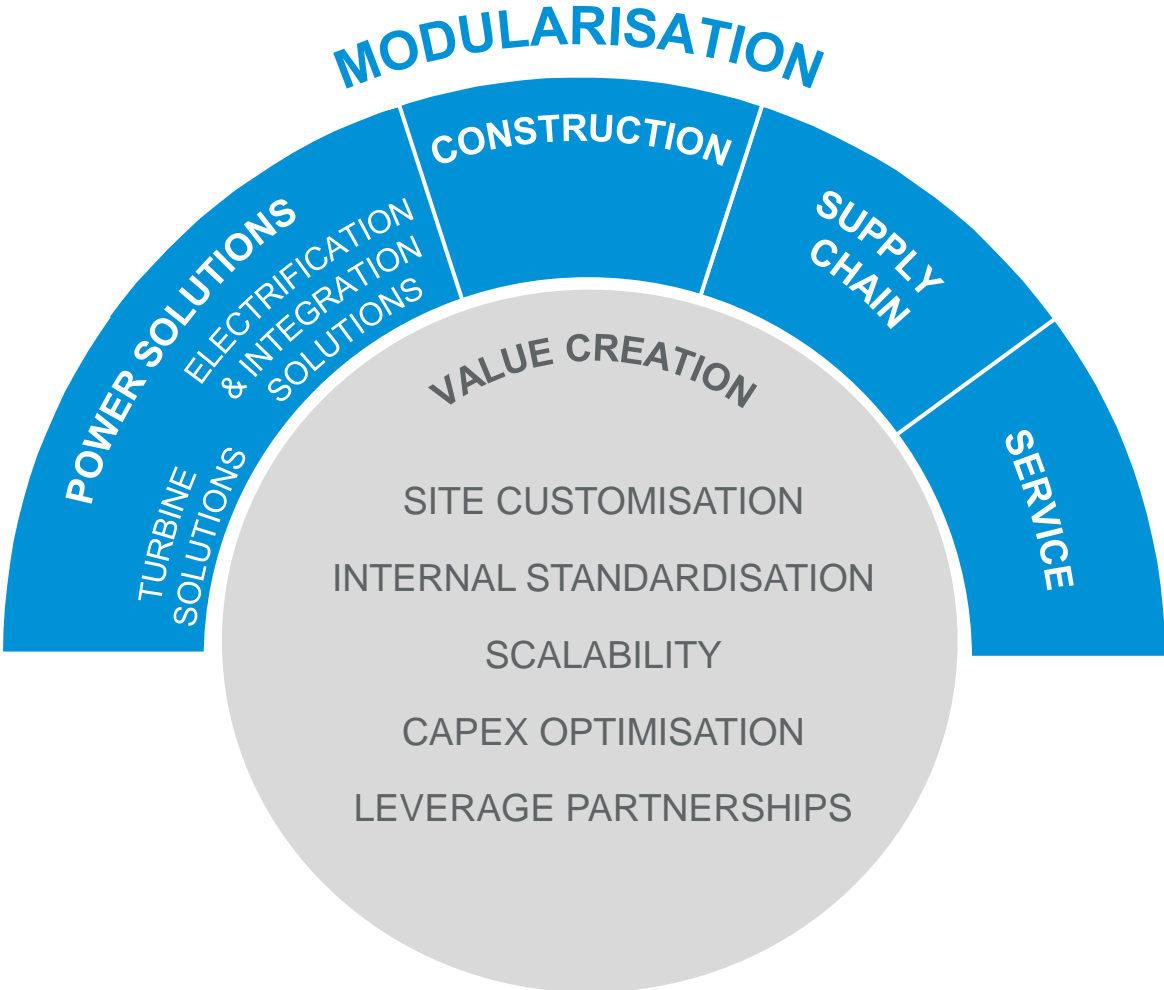
Rapid volume growth increasing complexity across the value chain



Availability of attractive sites in markets with high penetration

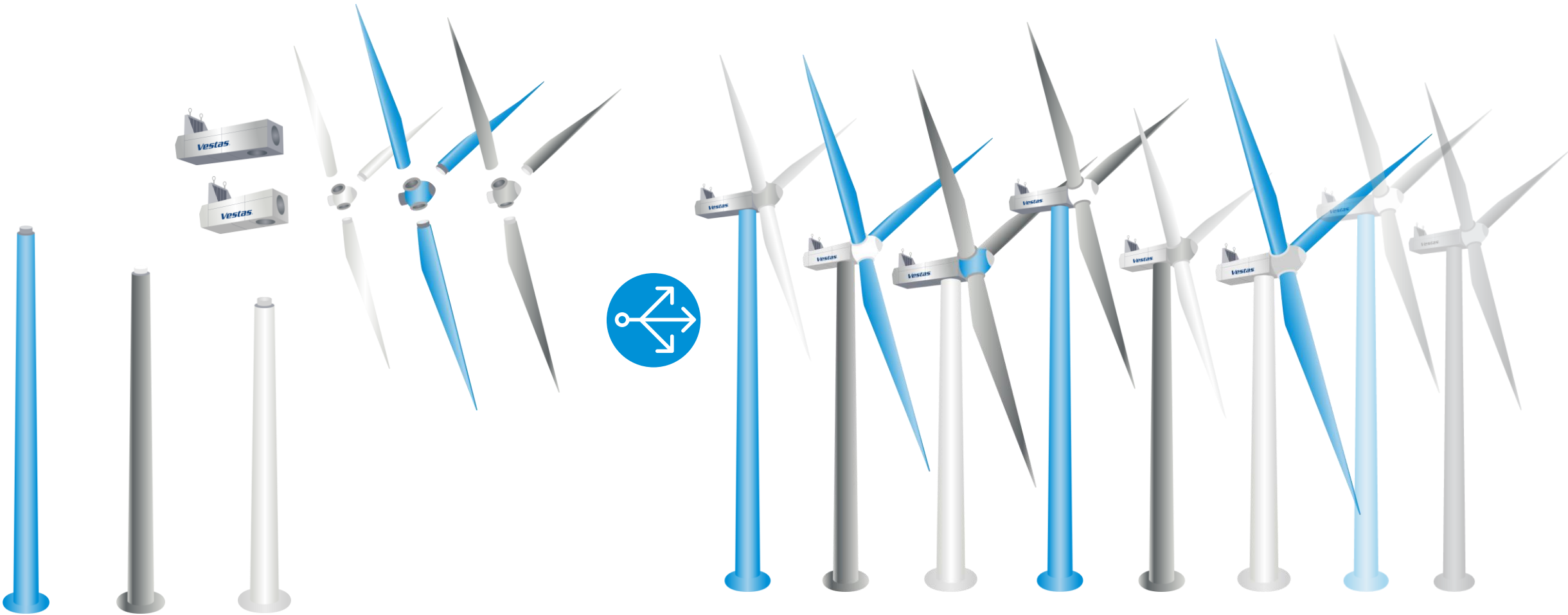


Increasing penetration of renewables challenge grid stability



INCREASED CUSTOMISATION WITHOUT ADDING COMPLEXITY

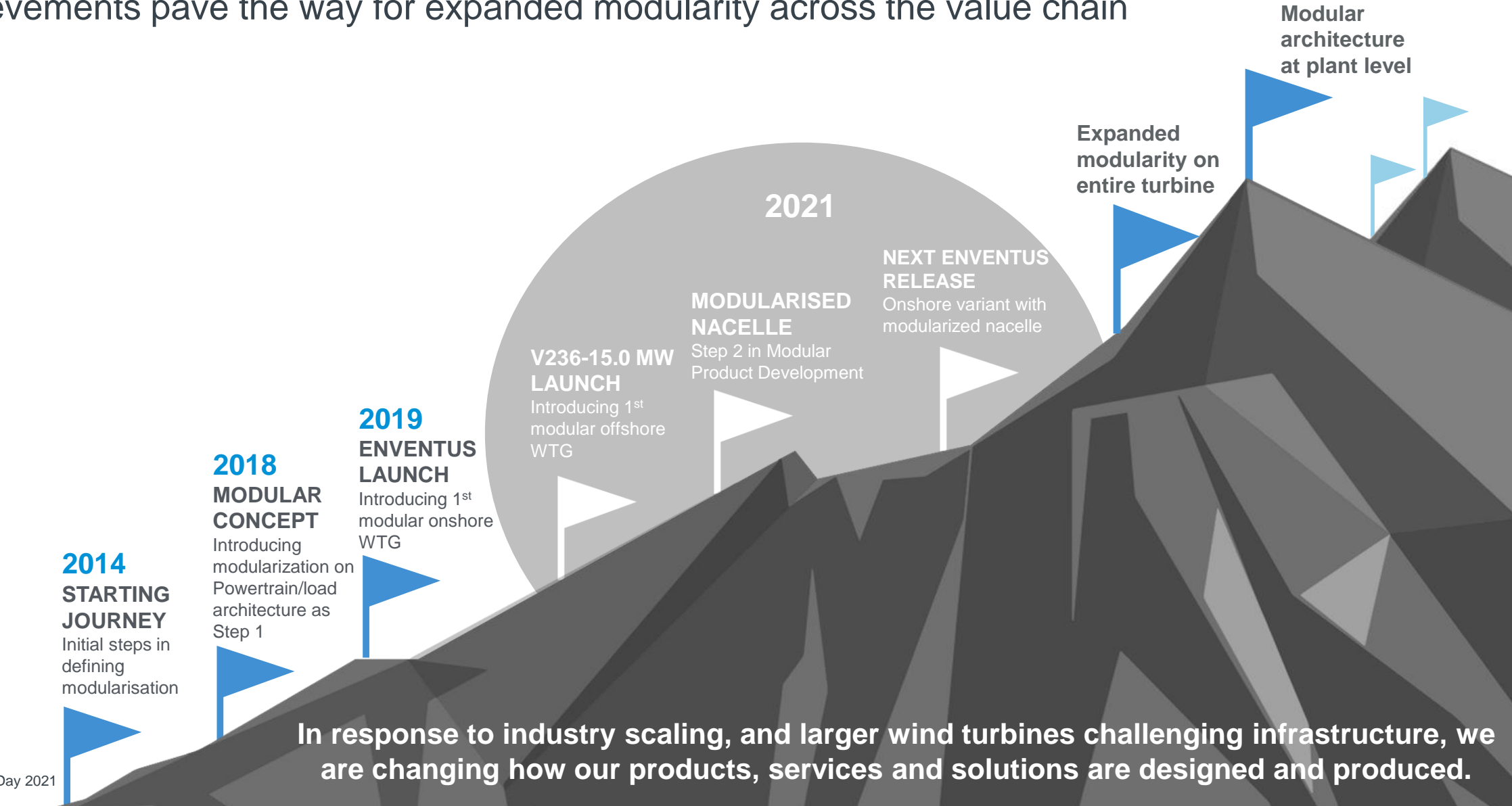
The larger no longer the better, modularisation to drive further value



Note: Illustrative number of modules and turbine variants

KEY MILESTONES ON VESTAS MODULARISATION JOURNEY

2021 achievements pave the way for expanded modularity across the value chain



In response to industry scaling, and larger wind turbines challenging infrastructure, we are changing how our products, services and solutions are designed and produced.

VALUE CREATION THROUGH MODULAR APPROACH

Unlocking customer value while increasing value creation for Vestas

DESIGN

Reducing **time to market** and **development expenses** across onshore offshore

TRANSPORT

Breaking **transport cost curve** through smaller dimensions

*We are **changing the energy system**, and we need to take **new steps** to be able to scale our technology **efficiently** to **meet the growing renewable energy demand** and **realise tomorrow's energy system***

CUSTOMER VALUE

Maximising AEP potential on constrained sites
Improved siteability and layout optimisation

PRODUCTION

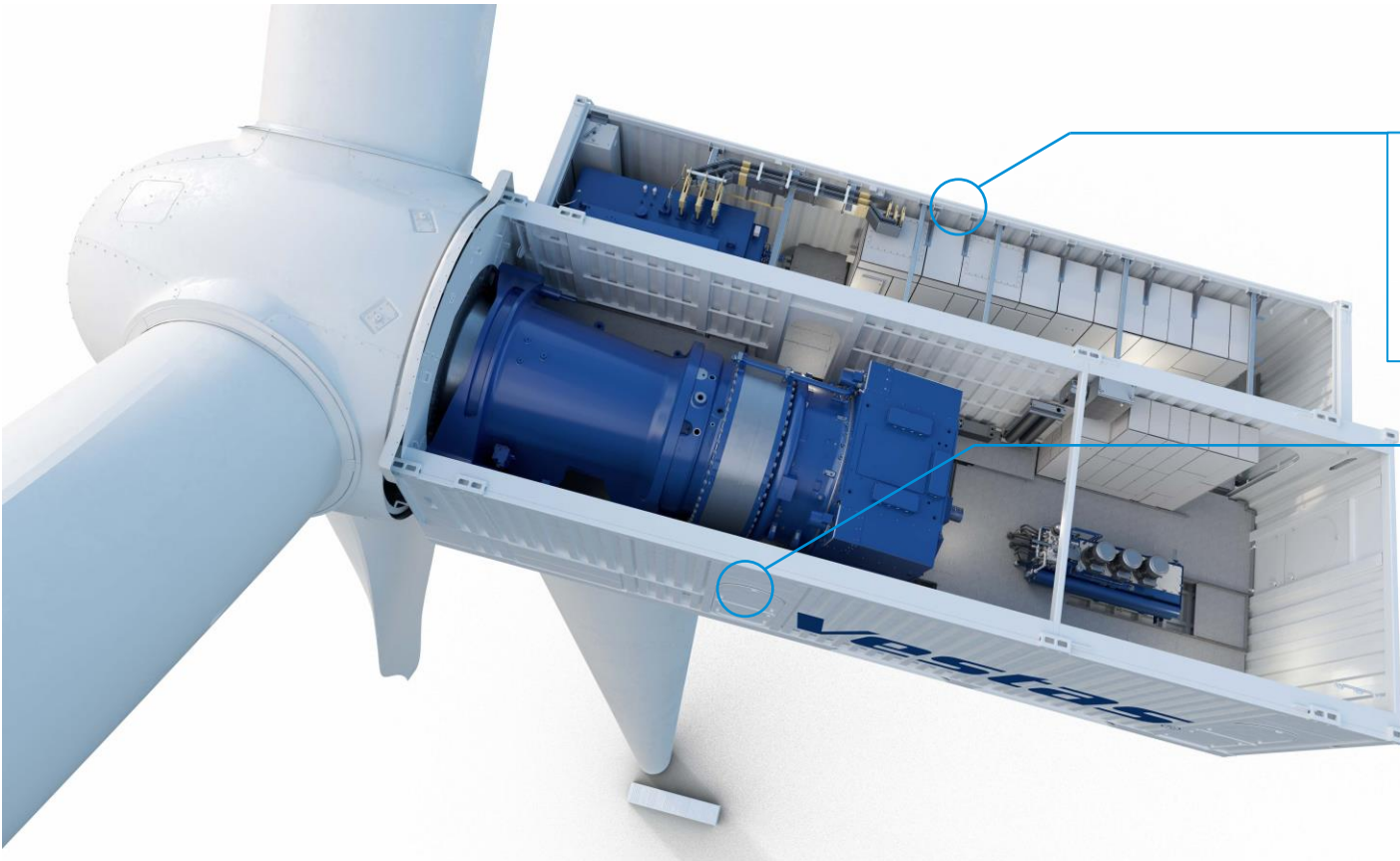
Improved **capex utilisation** while increasing product variety

QUALITY

Improving quality by **re-use of proven design elements**

MODULARISED NACELLE UNLOCKS MULTIPLE BENEFITS

New architecture with main nacelle house & side-compartment



Side-compartment

Side-compartment with standardised and modularised **Power Unit** to use across onshore and offshore platforms

Main nacelle house

Industrialised and **assembly-optimised nacelle architecture**

Note: Illustrations and animations are for visualization purposes only and remain subject to final design and technical solutions.

INTERFACE DESIGN INCREASES FLEXIBILITY

Connecting main nacelle house and side-compartment

Click-on interface

- For upholding **vertical load**
- Cater and **optimise load distribution** in yaw motion
- **Eliminating stress** in material and structure

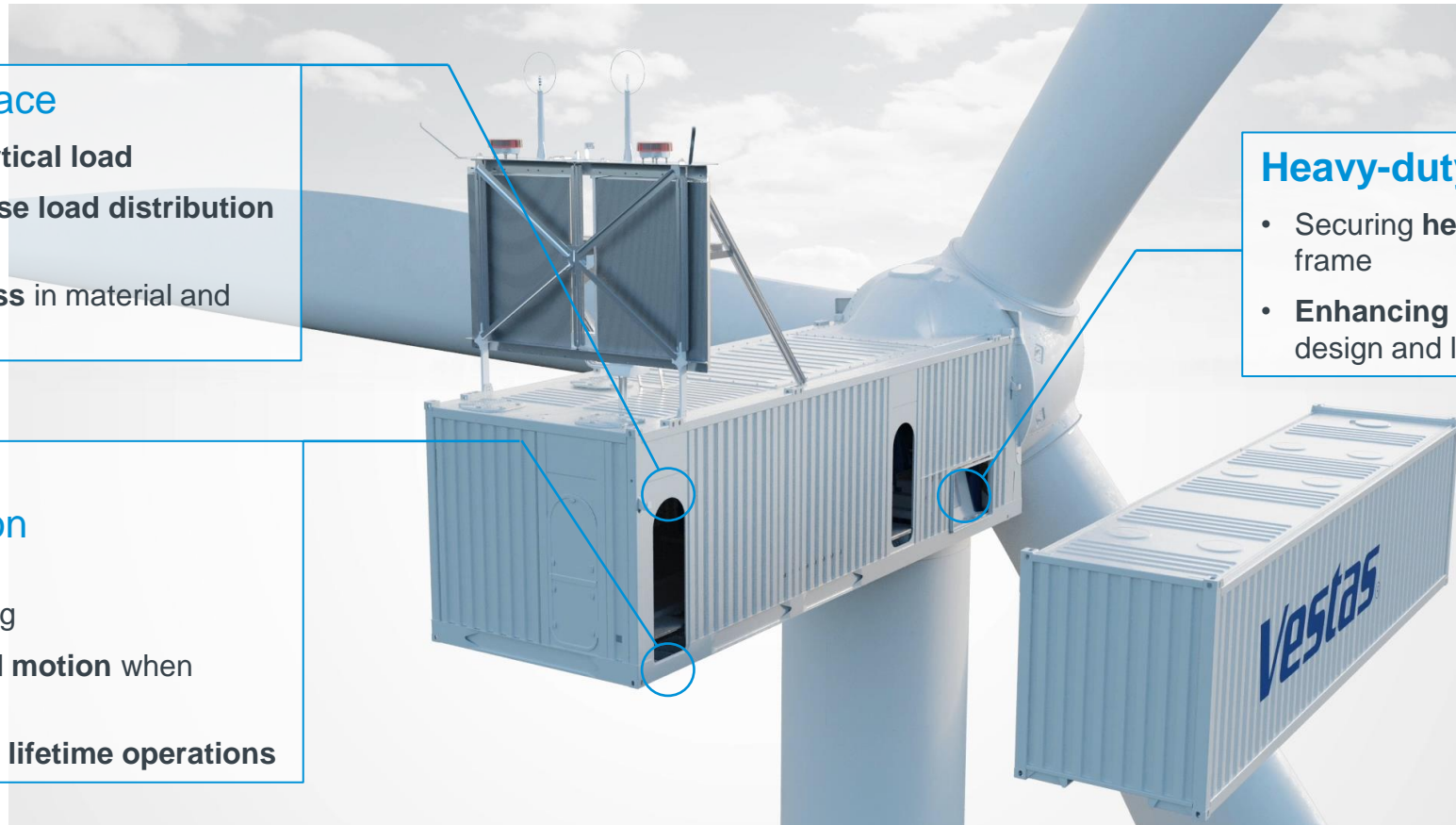
Single-axis Locking Solution

(outward motion)

- No weight carrying
- **Prevent outward motion** when yawing
- Ensuring **reliable lifetime operations**

Heavy-duty interface

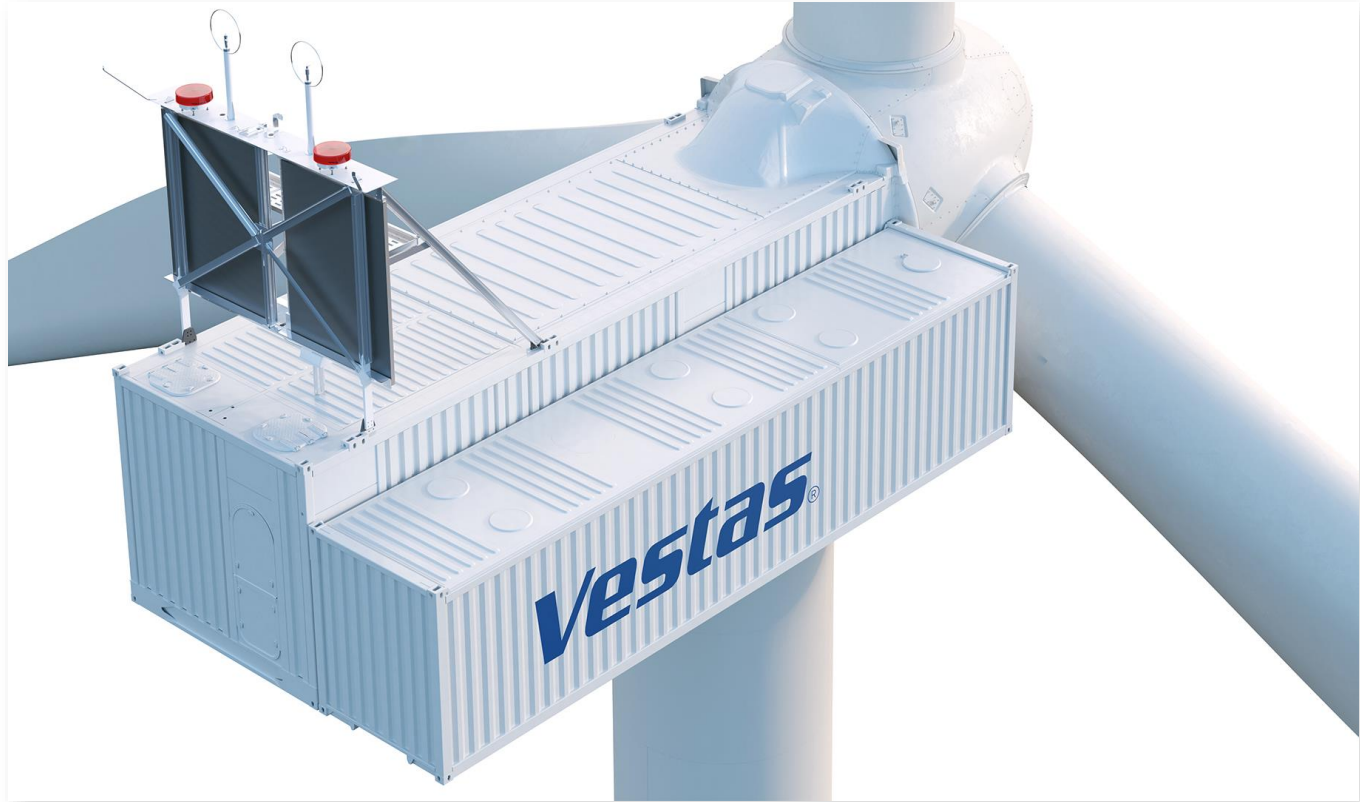
- Securing **heavy loads** directly to base frame
- **Enhancing reliability** in product design and lifetime operations



Note: Illustrations and animations are for visualization purposes only and remain subject to final design and technical solutions.

SYNERGIES ACROSS ONSHORE & OFFSHORE

Shared side-compartment and main components



Shared architecture

Standardised connection interface

Common Power Unit

Standardised transportation

Optimised positioning of heavy components

ADVANCED MODULARITY ENABLES SCALABILITY

Future renewable solutions to build on the modular foundation

CURRENT SOLUTIONS

Modular Nacelle



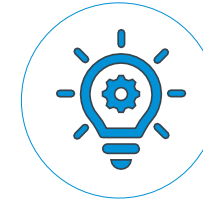
Transport solutions



Service crane



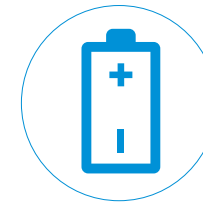
FUTURE POSSIBILITIES



Future Innovation



Grid Capability



Battery Storage

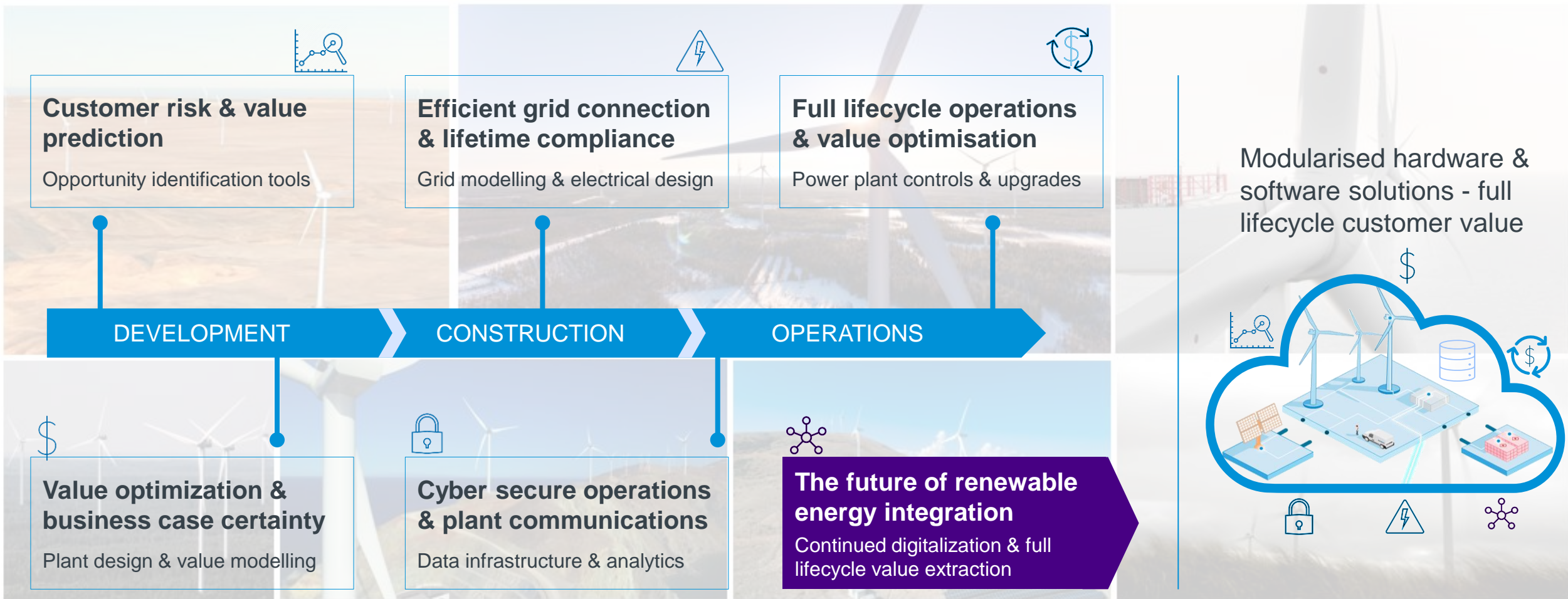


Power To X

Note: This overview is only a representation of the concept vision. The P2X, Battery Storage are NOT released for sale.

VALUE CREATION THROUGH PLANT & ENERGY SOLUTIONS

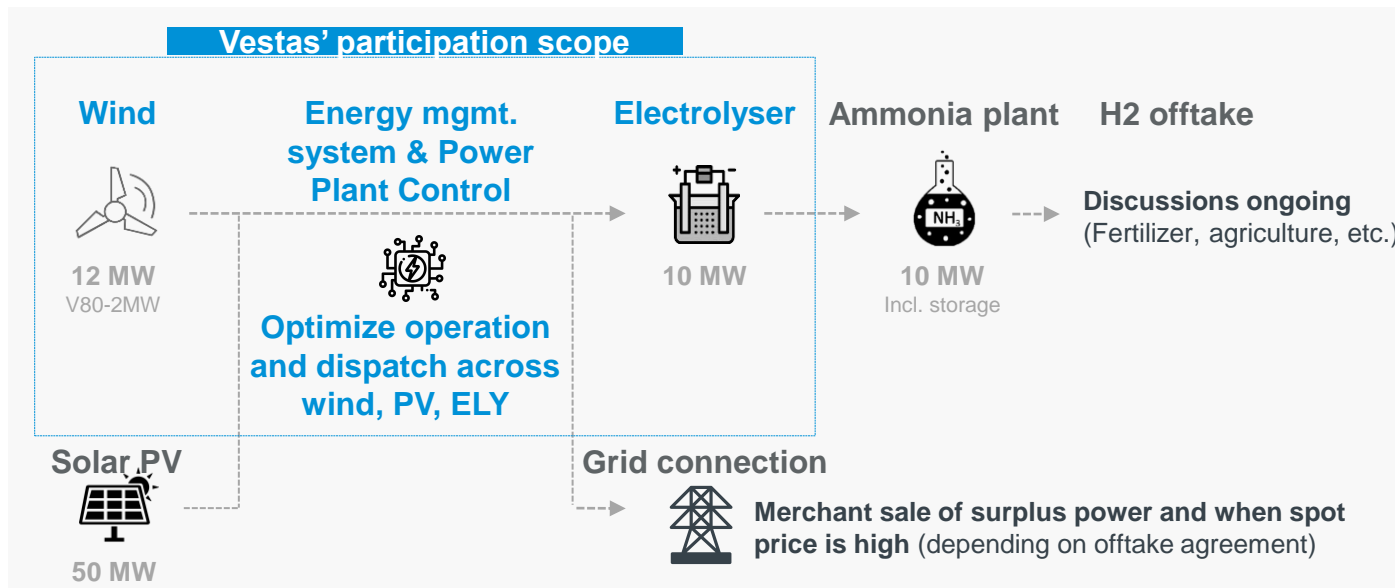
Platform of industry leading power plant and system integration capabilities



CASE STUDY: FIRST DYNAMIC WIND-TO-AMMONIA PLANT

Partnering to shape the future wind-to-hydrogen opportunity

World's 1st commercial green ammonia plant



- **Commercial operation in 2023** without grid support – retrofit of existing site
- **Fully behind-the-meter solution** (avoid grid-tariffs) with **dual offtake opportunity** to achieve highest price

Vestas playing a crucial role

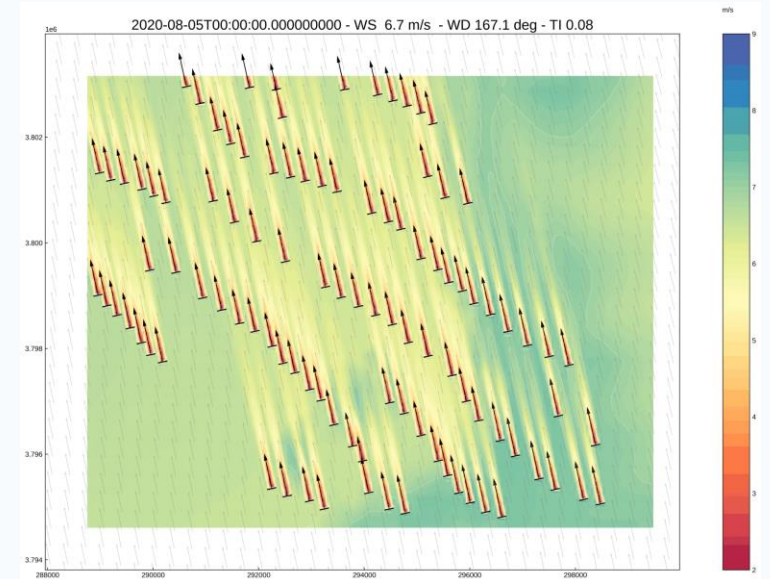
- **Integrate power generation** (wind & PV) with grid and electrolysis, incl.
 - Development of hybrid power plant control
 - Development of energy mgmt. system and dispatch strategy
- **Co-develop** specification of electrolysis and procurement
- **Operation** of wind, PV, electrolyzer and BoP

CASE STUDY: VESTAS PARTNERS WITH INDUSTRY LEADERS

Award winning AI operation to optimise overall plant production



Conquering the largest source of operational losses with AI



KEY TAKEAWAYS

LEADING TURBINE SOLUTIONS

1

Enventus and V236 leveraging on strong synergies and paving the way for the next generation modular turbine solutions

SCALABILITY

2

Modular approach is the solution to scalability and sustainably expanding the technology portfolio of product offerings while optimizing the value chain

RENEWABLE INTEGRATION

3

New energy solutions are needed to enable the integration of RE in the grid through balancing and optimising the energy production

Building the future supply chain

Tommy Rahbek Nielsen

Chief Operating Officer

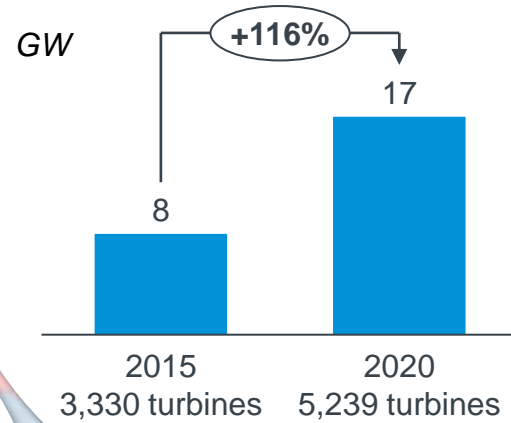


AGENDA

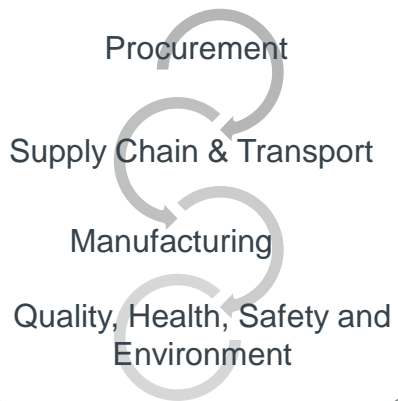
- 1 Business starts with Safety & Quality
- 2 Volatility & cost headwinds
- 3 Shaping the future supply chain

VESTAS GLOBAL OPERATIONS AT A GLANCE

Turbine deliveries



Four areas within the COO organisation



Manufacturing across +15 countries



21 internal & 92 external factories across the world

+400k shipments from **41** different countries

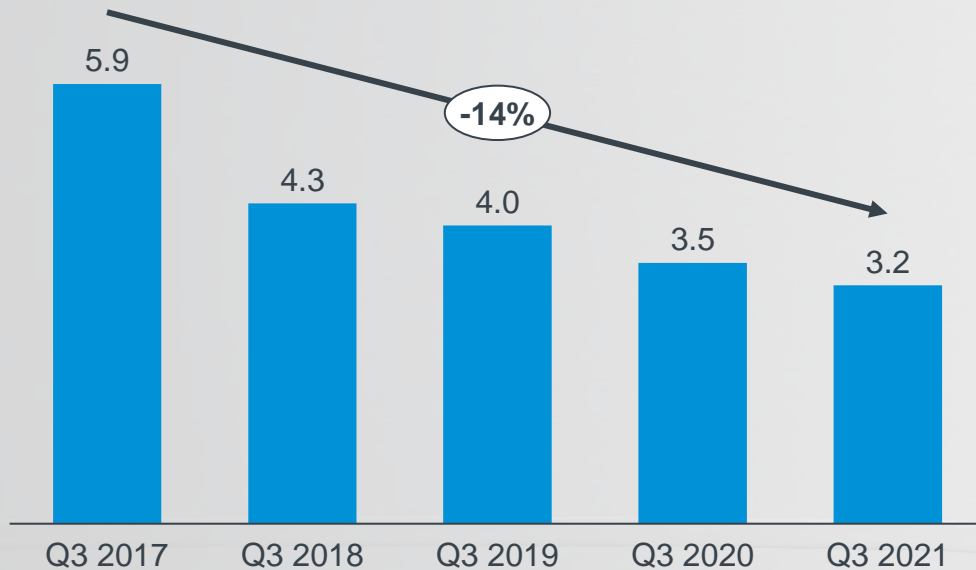
600+ vessels used

SAFETY ALWAYS COMES FIRST

Going the extra mile in challenging times

Trend of total recordable injuries

Per million working hours



Remaining safe during a pandemic

- Continued operations as **critical infrastructure**
- COVID-19 protocol enforcement **anchored with leadership**
- Cross-functional global & local **Crisis Management Teams**
- Global governance – **local response**
- Additional measures on top of national legislation to **protect staff**
- Close **cooperation with suppliers** to ensure customer deliveries
- **No long-term factory shutdowns**

QUALITY LEADERSHIP TO CONTINUE AS PARTNER OF CHOICE

Concrete quality programs launched and anchored throughout the organisation

FROM

Following Quality

- Product quality only
- Internal focus
- QSE department responsible for quality
- Limited ownership for quality performance
- Many new variants adding complexity



TO

Living Quality

- Increase customer value
- “Quality starts with me”
- Quality ownership in the full value chain
- Modularisation enabling standardisation



Quality



Stop & speak up



Adhere to processes



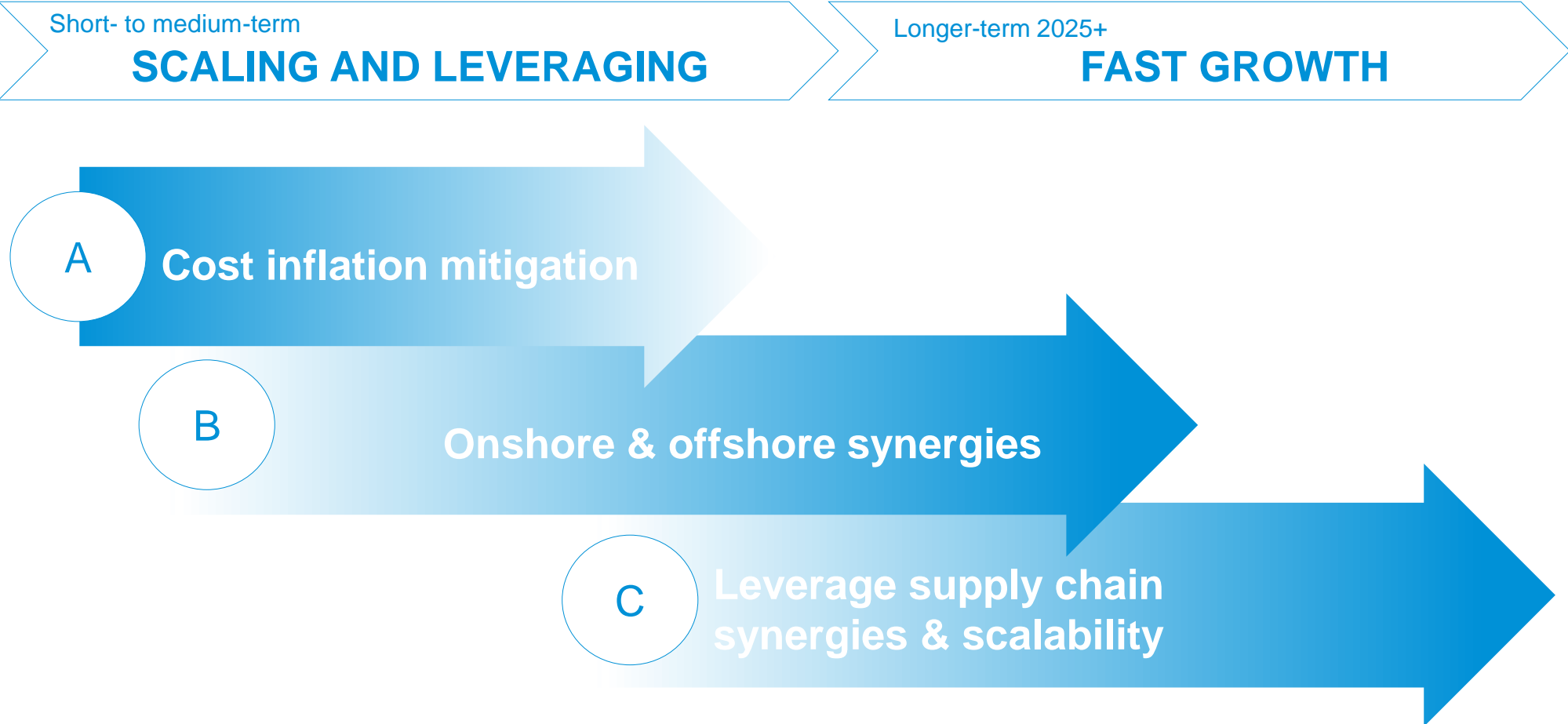
Do it right first time



Learn from mistakes

PREPARING FOUNDATION FOR LONG-TERM GROWTH

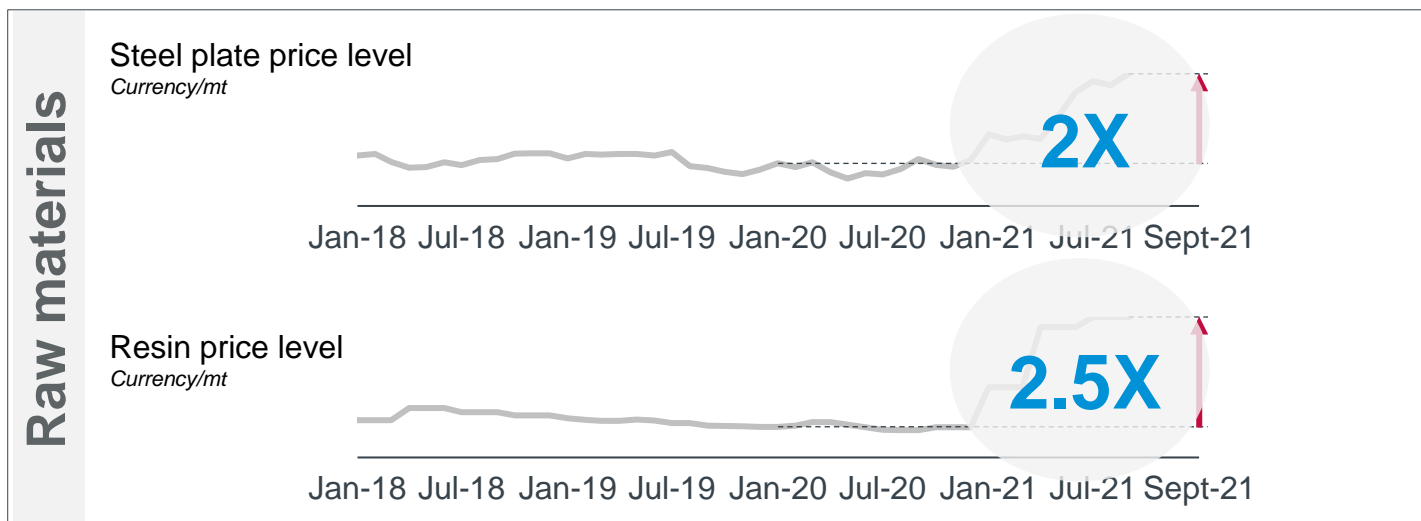
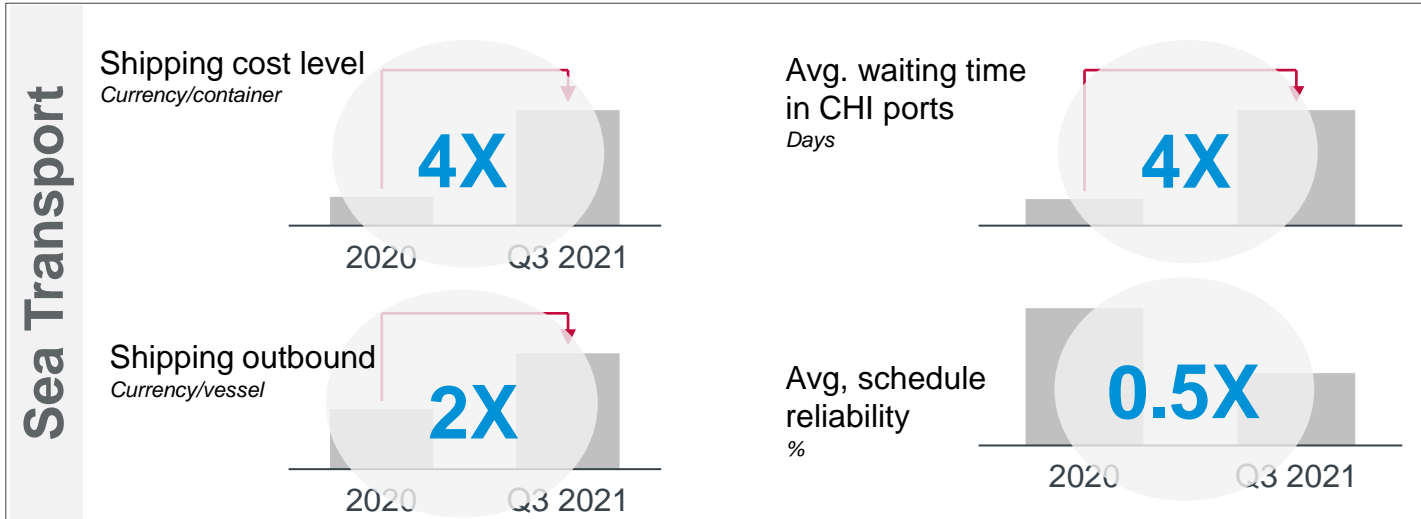
While managing uncertainty on short term - three key operational priorities



GLOBAL HEADWINDS INCREASE COST



Partnerships to alleviate some of the impact



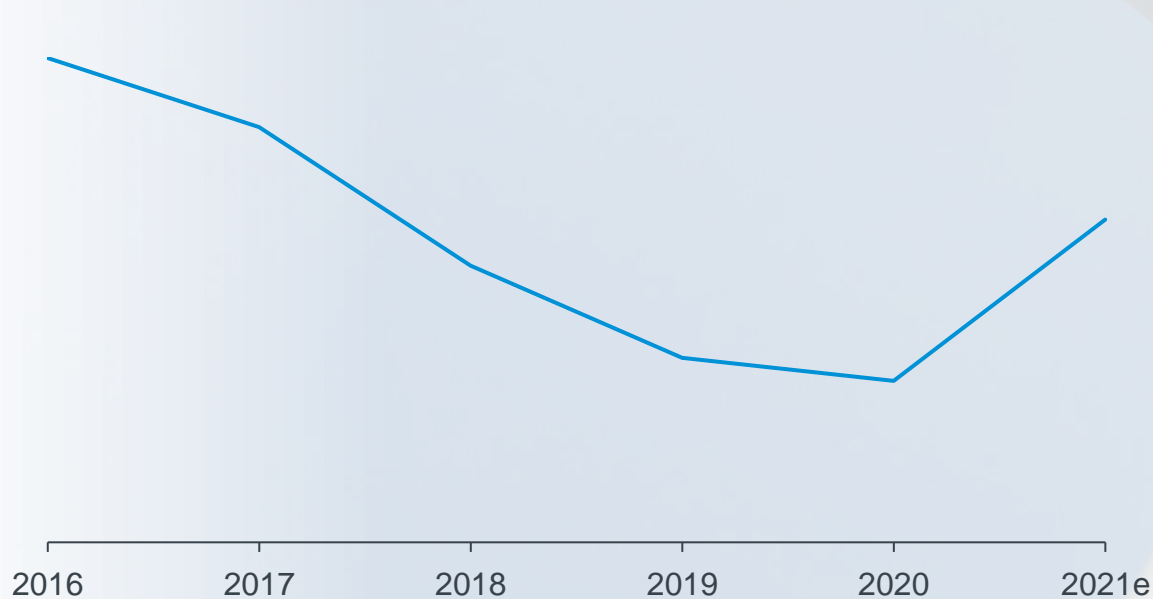
- MITIGATIONS**
- **Partnerships**
Partnership with Maersk to ensure flexibility throughout the inbound container transport and delivery
 - **Portfolio visibility**
Longer terms capacity commitments with strategic partners
 - **Vessel indexation**
Pursuing indexation clauses in both down and upstream contracts
 - **Raw materials locking**
Signing fixed price agreements to protect against raw material movements
 - **Raw materials clauses**
Strengthening clauses and indexation in selective supplier agreements
 - **Financial hedging**
Financial hedging of steel

VESTAS INITIATIVES DRIVING EFFICIENCY GAINS

But only partially mitigating the impact from cost headwinds short term

Cost per MW historical overview (manufacturing & transport)

2016 = index 100



Improvement drivers

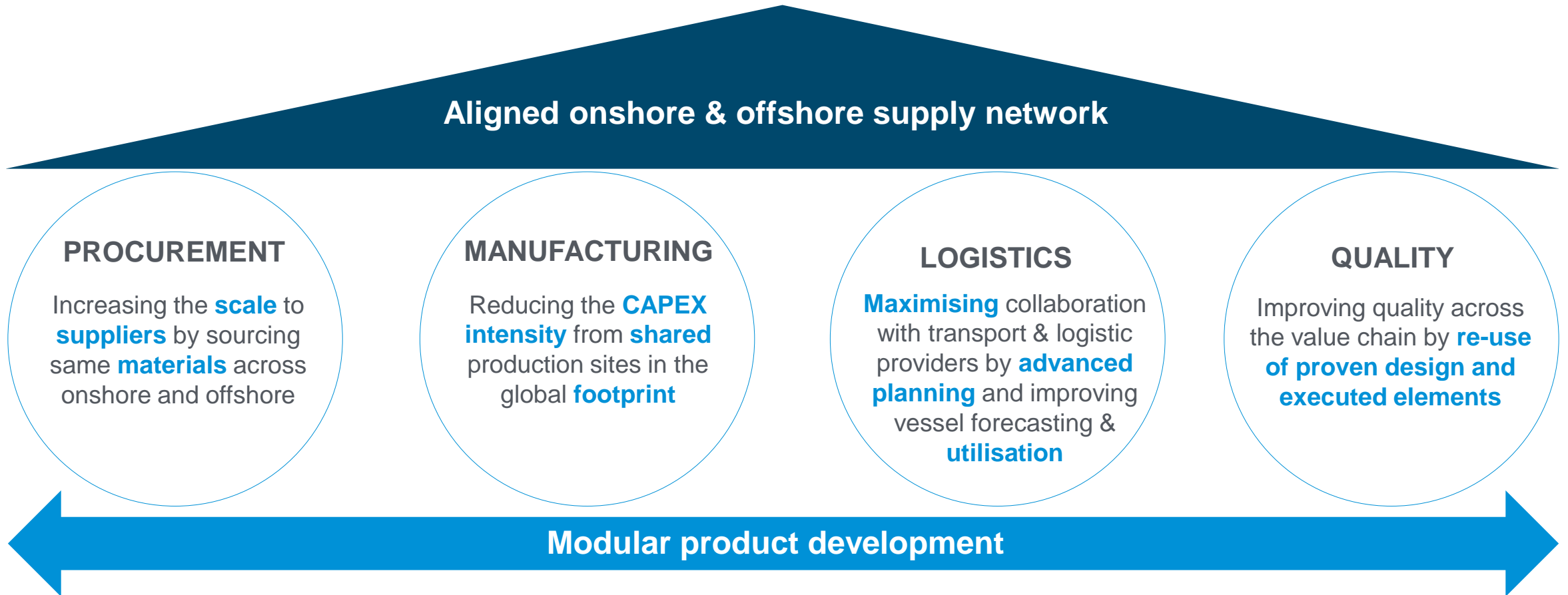
- Standard work and **efficiency programs**
- Supply chain maturity and scale
- **Transport partnerships** and portfolio visibility
- **Outsourcing** of main components
- Establishment of supply chains in best cost countries



REALISING SYNERGIES ACROSS ONSHORE AND OFFSHORE



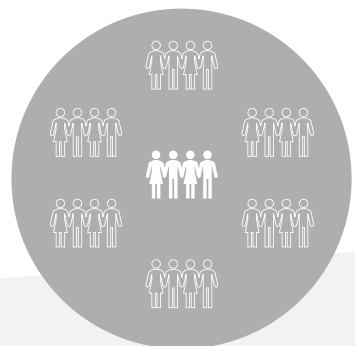
Through designing an integrated supply network across the value chain



INTRODUCING VALUE ALIGNED ECO SYSTEMS



Unlocking profitability and scalability through partnership networks



FUNCTIONAL
Procurement price focus
Accelerate Earnings ✓



CROSS-FUNCTIONAL
Procurement R&D co-operation
Accelerate Earnings^{Pro} ✓



E2E MULTI-FUNCTIONAL
Full value chain optimisation
Accelerate Earnings Phase III ✓



ECO-SYSTEMS
Business network optimization
Continues cost out structure embedded ✓

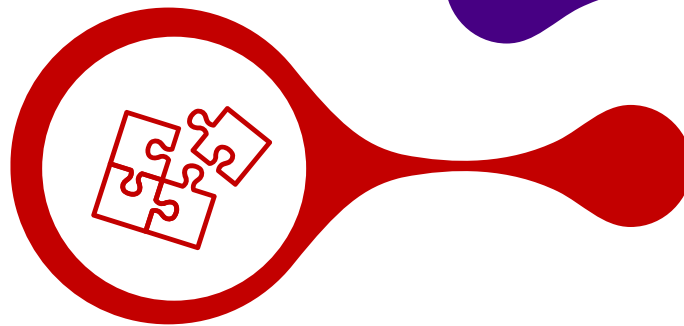


LEVERAGING VALUE ALIGNED PARTNERSHIPS

To enable joint sustainable growth, and cost efficiencies within eco-systems

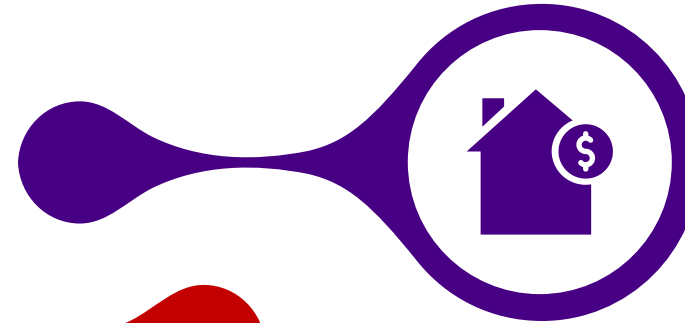
Enabling Modularisation

Modularisation enables utilisation of suppliers' eco-systems leading to suppliers to become system-providers



Strategic Alliances

Strategic important for Vestas and partners to develop long-term relationship



Few, Bigger, Better Companies

Invest in development, competences and capacity to mature industry for global, industrial approach leading to supplier base consolidation



Shared Vision & Objectives

Joint operational model and activities incl. development, sustainability etc. captured in individual account plans



Joint Growth

Partnership to enable growth for both Vestas and partners hereunder develop new business opportunities

TRANSFORMING OUR SUPPLY CHAIN

Increased collaboration to drive both scalability and sustainability



PREVIOUS FOCUS
Safety, Quality, Delivery & Cost



FUTURE FOCUS
Safety, Quality, Delivery & Cost
&
Scalability, Sustainability & Supply Network

KEY TAKEAWAYS

MANAGING COMPLEXITY

1

*Increased variants
managed by
modularisation and
standardisation*

SUPPLY CHAIN EVOLVEMENT

2

*Supply chain
maturity must evolve to
next level within 5-10
years*

SUPPLIER PARTNERSHIPS

3

*The future
supplier is competitive,
sustainable & scalable
integrated into Vestas'
supply network*

Q&A



Sustainable Service leadership

Christian Venderby

Chief Service Officer

AGENDA

- 1 Market and leadership position
- 2 Capturing growth
- 3 Profitability journey

WORLD CLASS SCALE WITH 124 GW UNDER MANAGEMENT

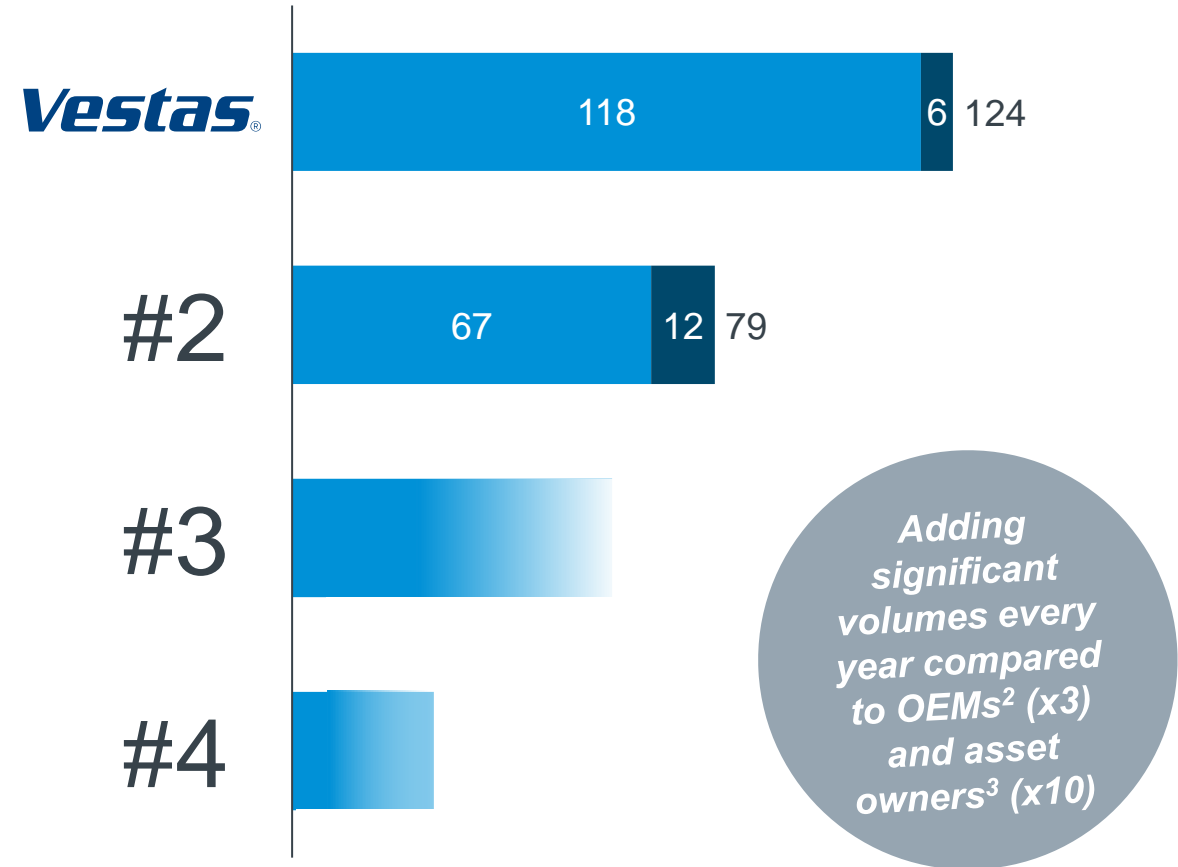
Ideally positioned to continue leadership and to gain market share within on- and offshore

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

Fleet under Service¹, GW

■ Onshore ■ Offshore

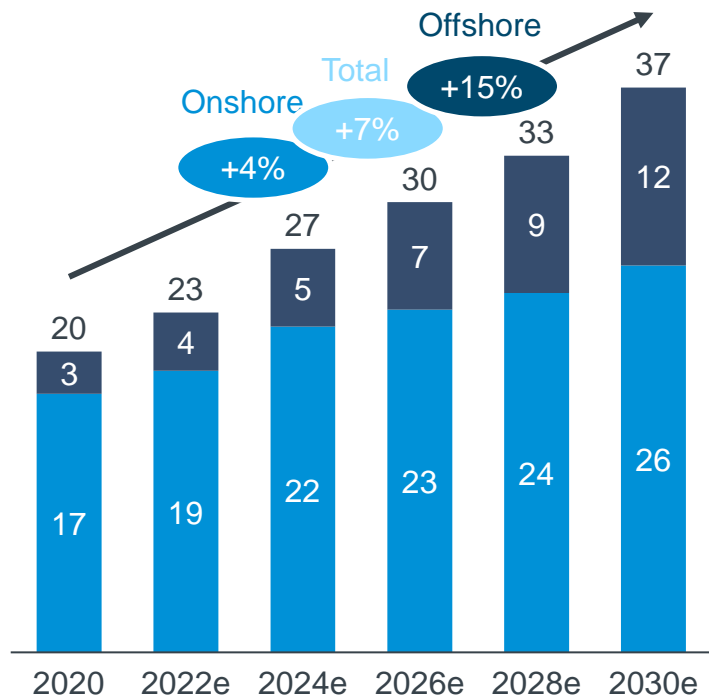


Adding significant volumes every year compared to OEMs² (x3) and asset owners³ (x10)

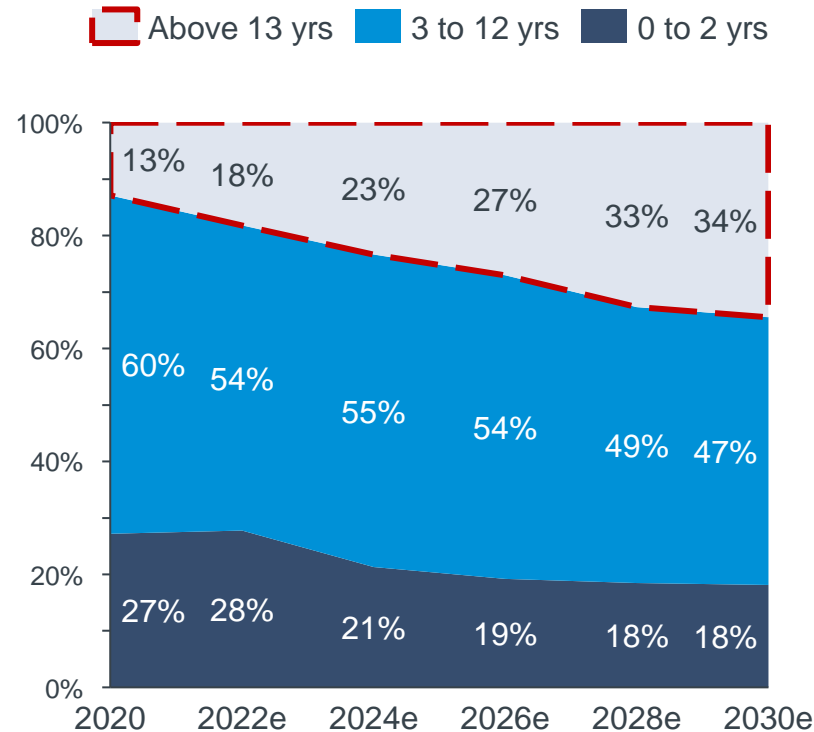
WIND O&M MARKET EXPECTED TO REACH USD 40BN BY 2030

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

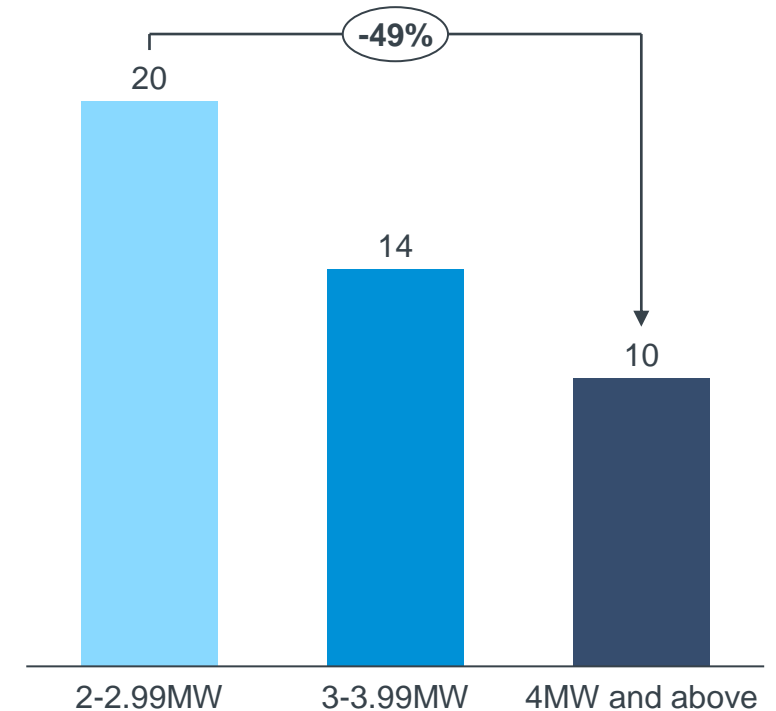
Global wind O&M market, USDbn, CAGR



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



Digitally-enabled operating model

Operational excellence through digital platforms

Consolidating a fragmented market with Covento

Bringing down costs further through automation, robotics & AI

Leveraging full strength to become leading offshore wind service provider

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



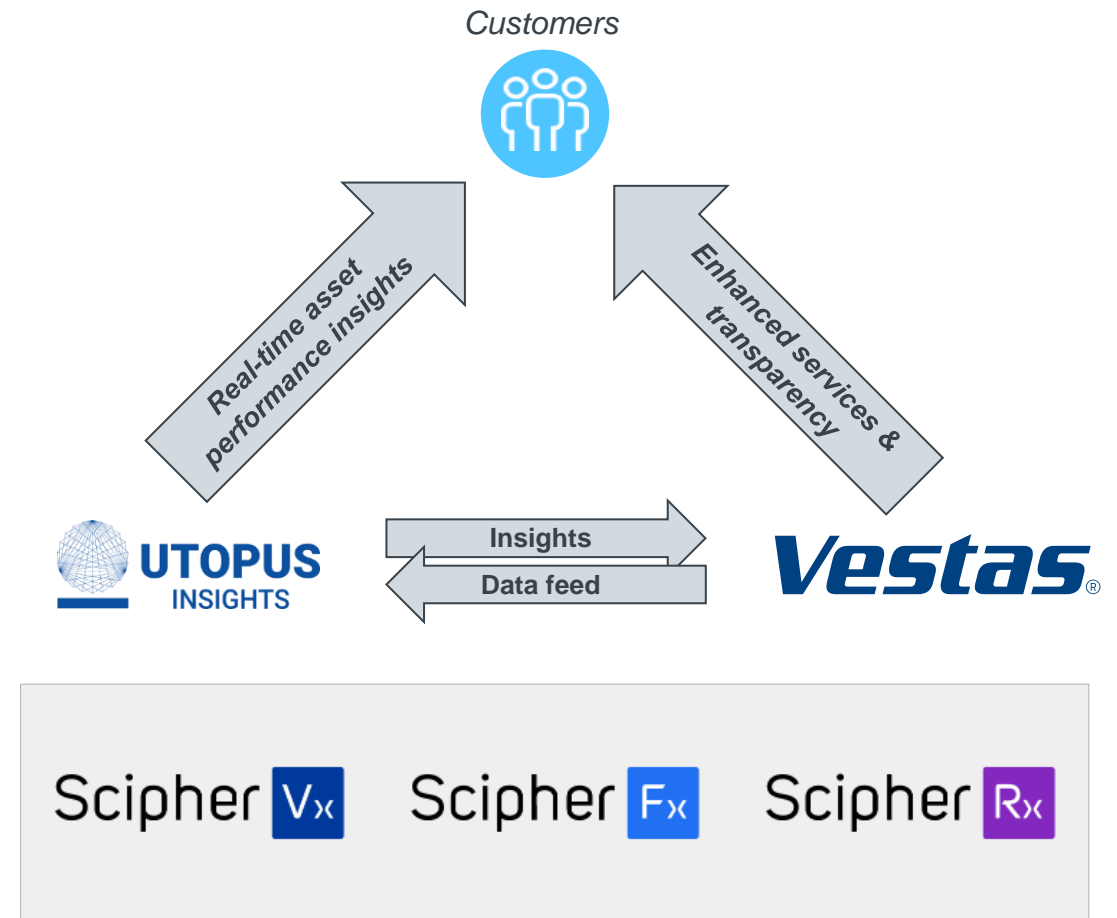
Providing additional value to the customer by powering the next-generation Service offering



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

Across **six different departments** that needs to complete the process

Needed part arrives after between two days and **several weeks**

VS.



COVENTO

BY *Vestas*



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



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



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



Strong global supply chain with expertise in the transactional business



Leveraging our B2B e-commerce knowledge from Shop.Vestas



Strong relationship with large existing customer base

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



✓ Buyers access a one-stop-shop for all parts in the industry

✓ Sellers leverage one digital platform to reach the entire industry, efficiently

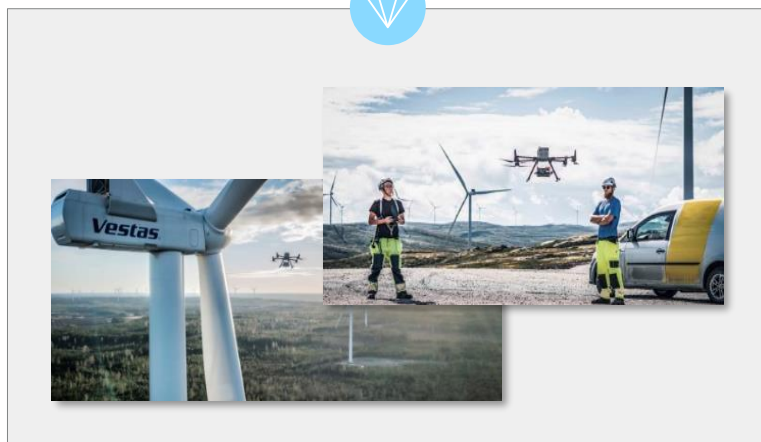
✓ Covento as orchestrator of enhanced customer experience, powered by industry expertise

NEXT GEN TOOLS & ROBOTICS UNLOCK CUSTOMER VALUE

Driving innovations to bring down cost of renewables even further

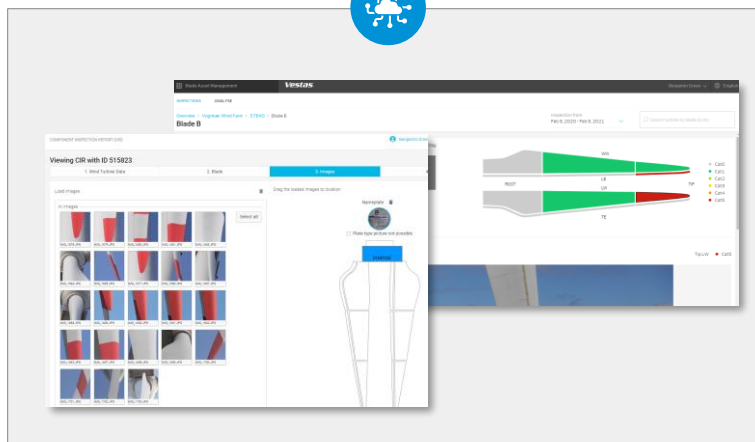
Drone inspections decrease costs...

- 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



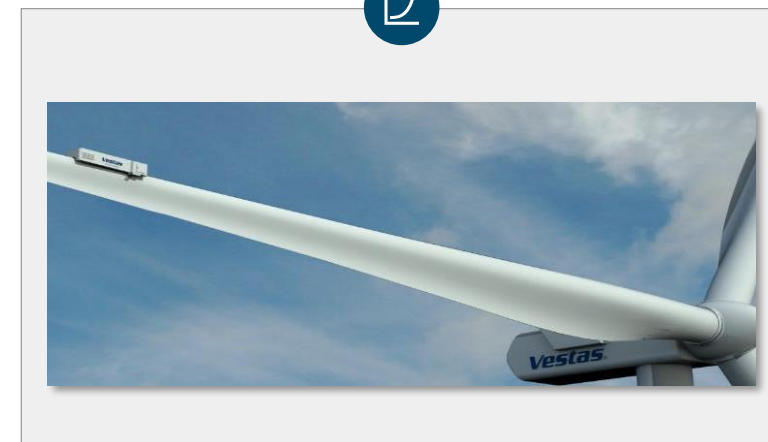
...using AI for advanced analytics...

- 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**



...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...



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

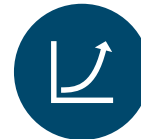
...and Vestas is predestined for Offshore O&M leadership



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

SERVICE EBIT POSITIONED TO DOUBLE BY 2030

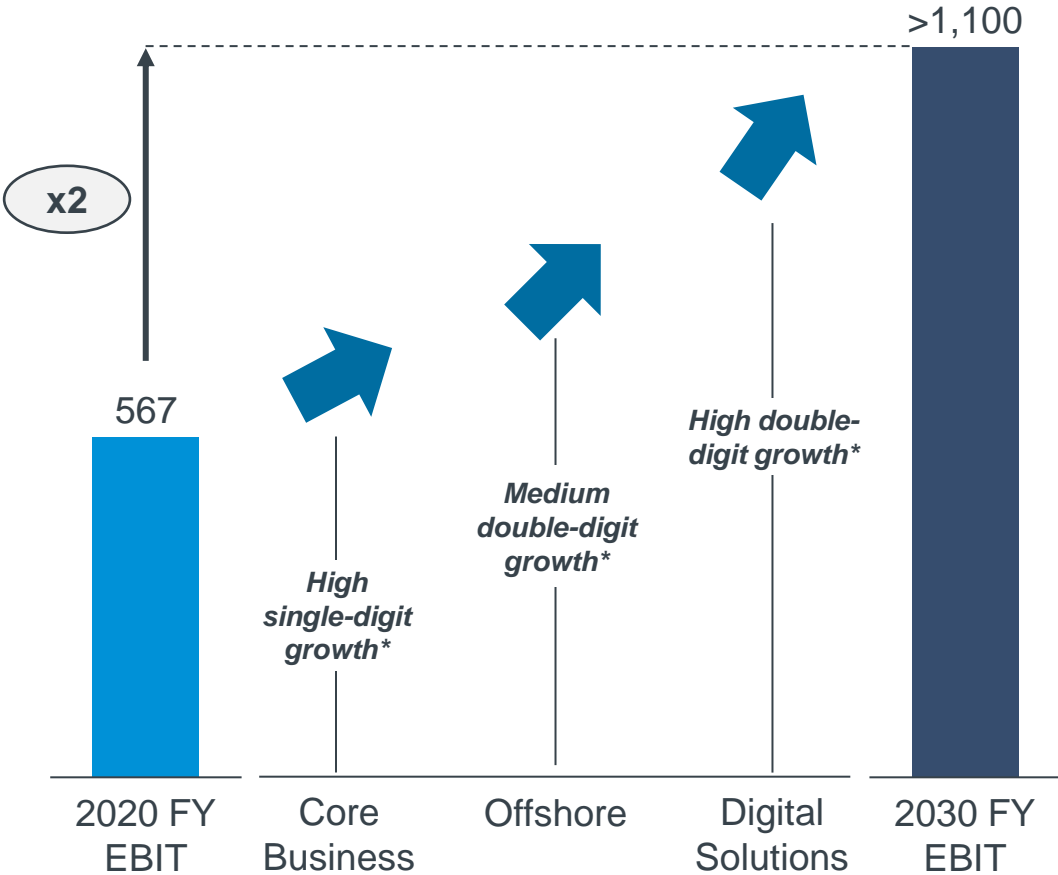
Well positioned to continue value leadership

x2030 Vestas Service to double EBIT by 2030 through...

- Scalability
- Digitalisation
- Operational Excellence

EBIT, EURm

Illustrative and not to scale



* 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 position

Marika Frederiksson
Chief Financial Officer

AGENDA

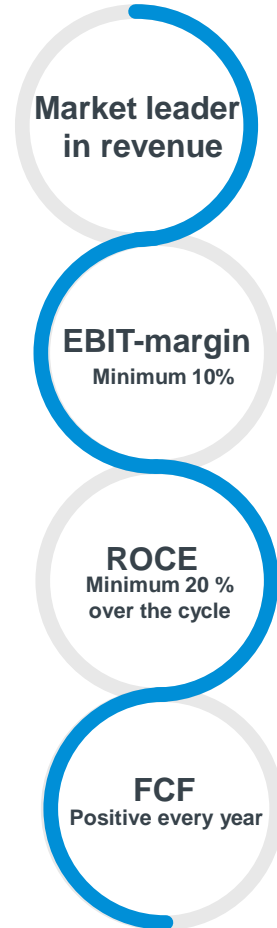
- 1 Financial situation and ambitions
- 2 Path to secure ambitions
- 3 Sustainability

FINANCIAL STABILITY IS THE FOUNDATION

Top-rated OEM in the wind turbine manufacturing industry



Strong financial ambitions



EXTRAORDINARY COSTS IMPACTING EBIT

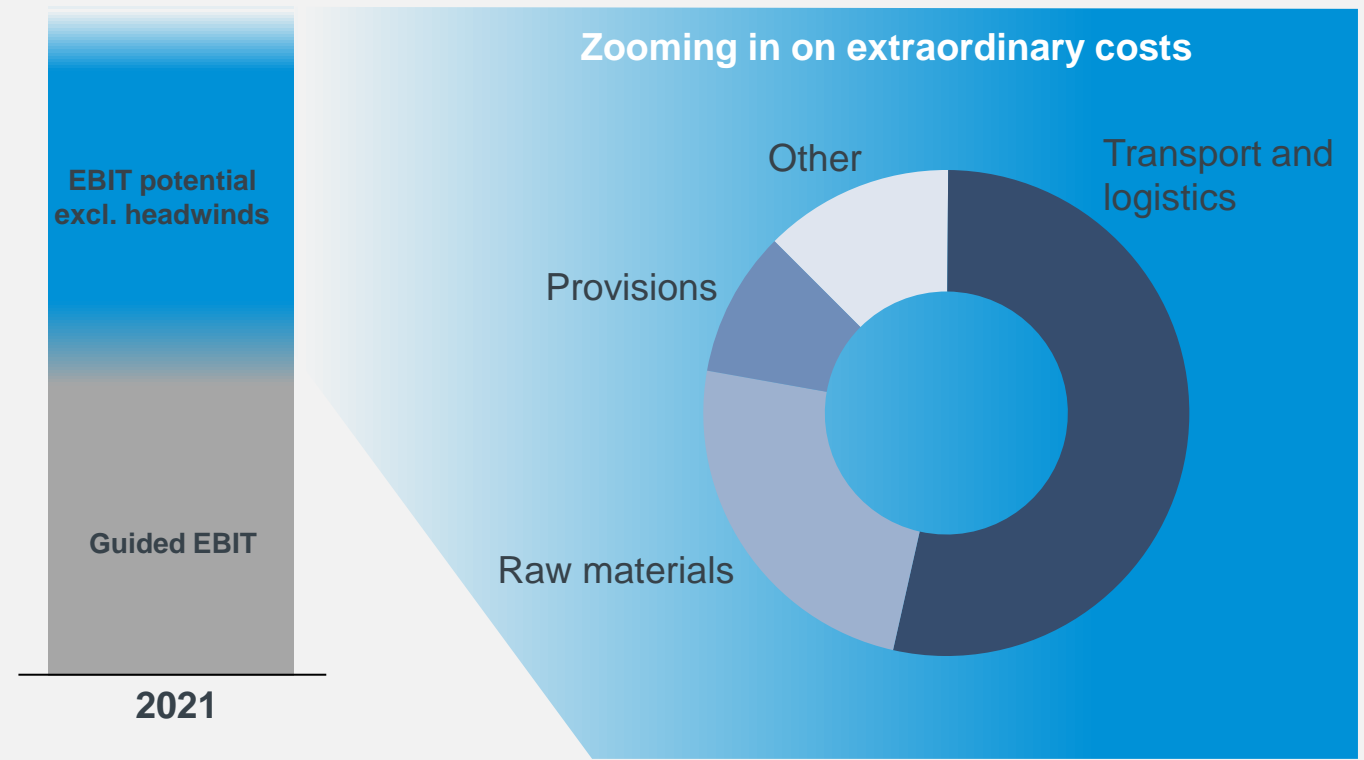
Internal and external impacts weighing on profitability

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

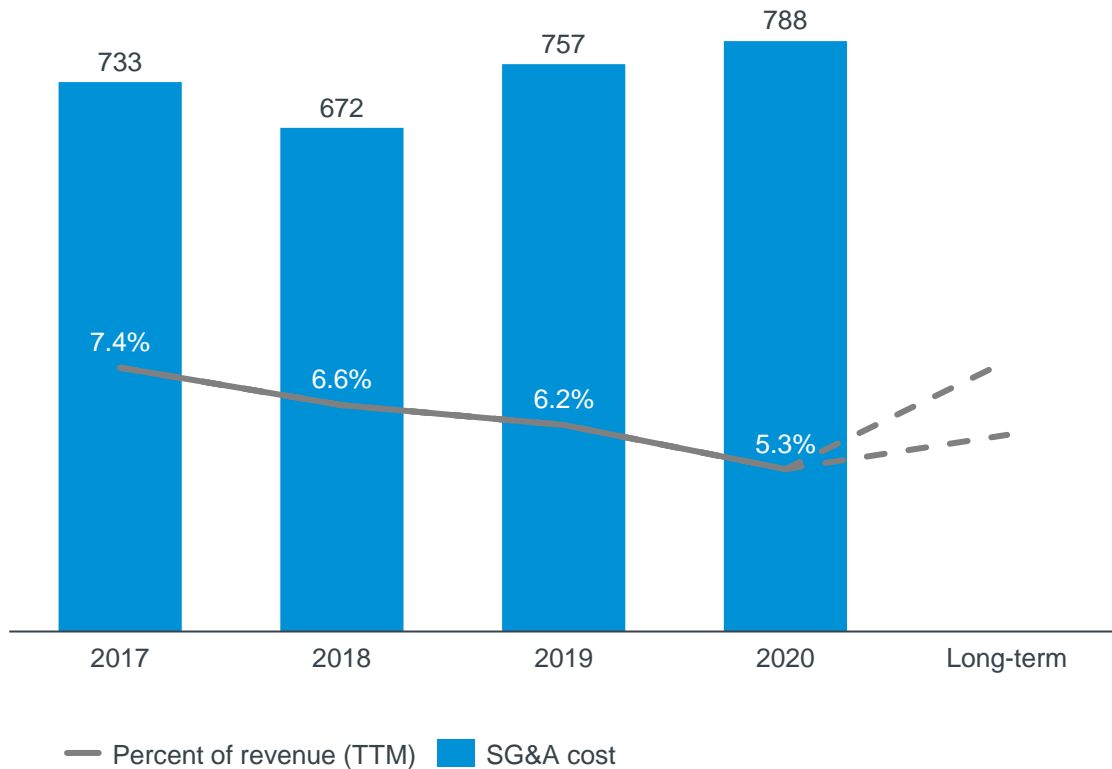
Excluding special items



FIXED COSTS UNDER CONTROL

Levering Vestas' global scale to retain fixed cost efficiency

Selling, General and Administrative costs
EURm



Priorities

- Secure leadership in Offshore
- Retain efficient operating model



Drivers

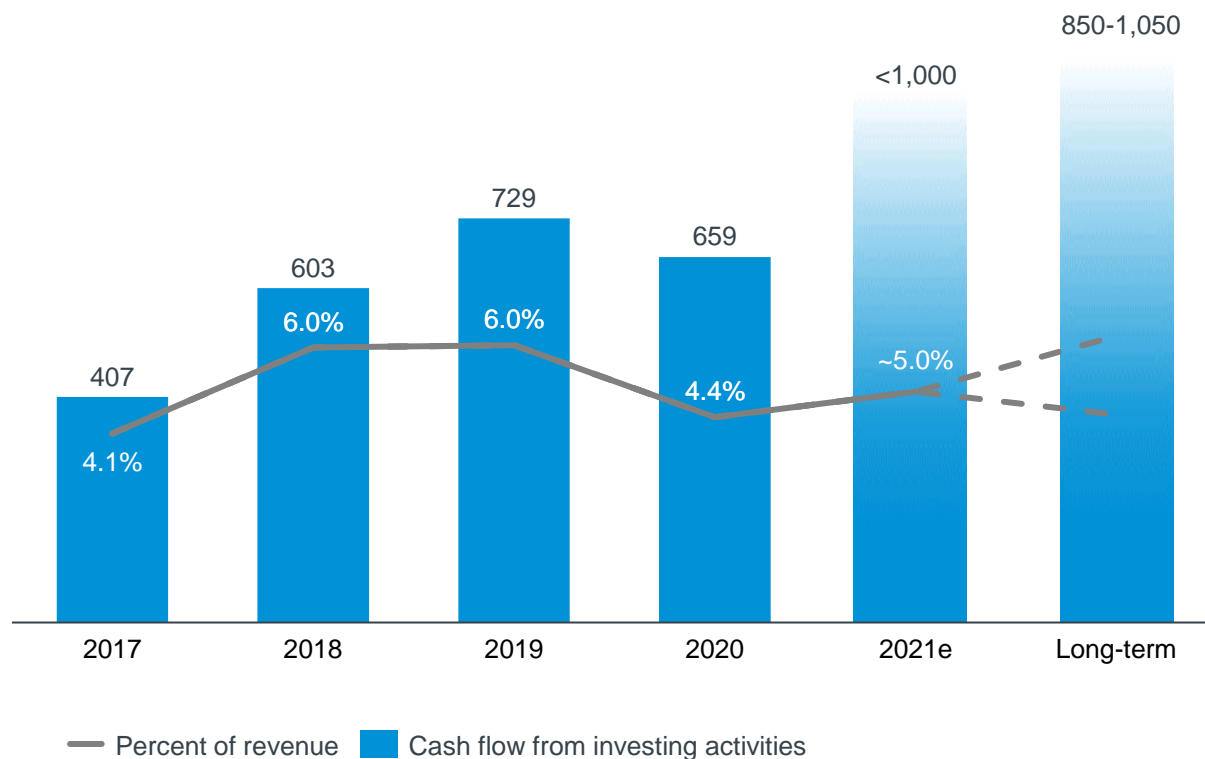
- ▲ Offshore capability and capacity building
- ▲ Capacity building to capture new market opportunities
- ▲ IT investments
- ▼ Leverage scale

INVESTING TO CAPTURE SYNERGIES

Creating CAPEX efficiencies across onshore and offshore

Investments

EURm, excl. M&A and divestments



Priorities

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



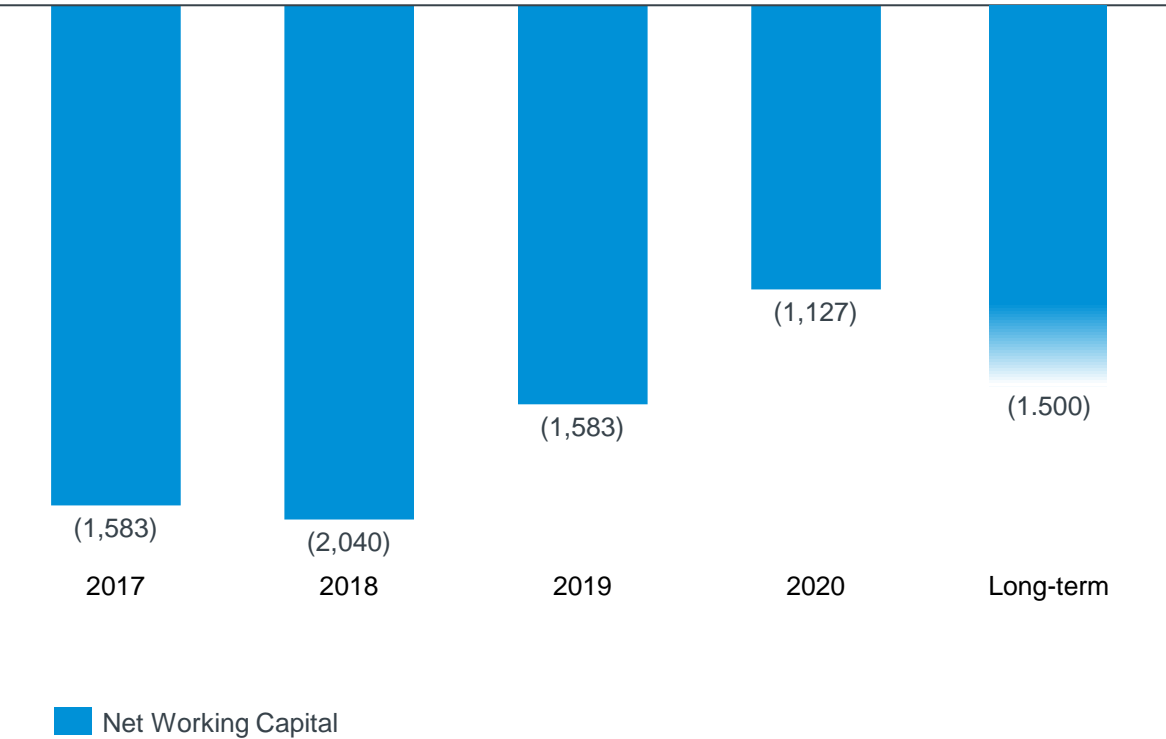
Drivers

- ▲ ~ 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

Net Working Capital
EURm



Priorities

- Inventory management
- Manufacturing footprint



Drivers

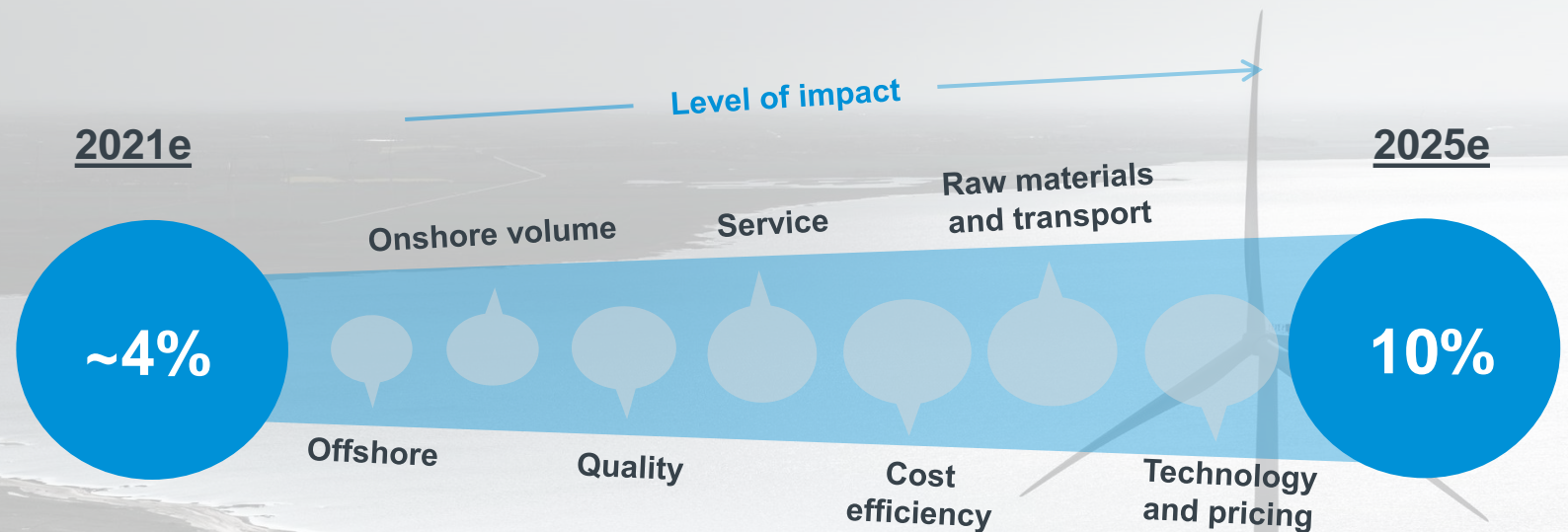
- ▼ Inventory optimisation
- ▼ Supplier flexibility
- ▼ Manufacturing footprint closer to installation
- ▲ Larger projects, longer lead times and growing share of emerging markets

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



Solutions that accelerate renewable energy growth through grid stability and electrification

Technologies that improve the attractiveness of utility-scale wind energy

Innovative solutions to support Vestas' Sustainability Strategy



MODVION wooden towers

- 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



**GLOBAL
LEADER
IN SUSTAINABLE
ENERGY SOLUTIONS**