Third quarter 2024

Vestas Wind Systems A/S
Copenhagen, 5 November 2024

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Key highlights in Q3 2024

Revenue of EUR 5.2bn

Revenue increased 19 percent YoY, driven by higher volumes and higher pricing on deliveries

EBIT margin of 4.5 percent

Higher activity and better underlying performance improved EBIT margin by almost 3 percentage points YoY

Service EBIT margin of 16 percent

The Service profitability reflects ongoing scrutiny to improve operational efficiency

Order intake of 4.4 GW

Flat order intake YoY leads to all-time-high turbine backlog of more than EUR 28bn

Ramping up manufacturing in the USA and Europe

Onboarding colleagues and ramping up is always challenging, but we continue to make progress

Outlook for 2024

Revenue and EBIT margin guidance maintained with adjustments to Service EBIT and total investments

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Our current business environment

We drive industry maturity within our core circles of influence to power the energy transition

Global Environment

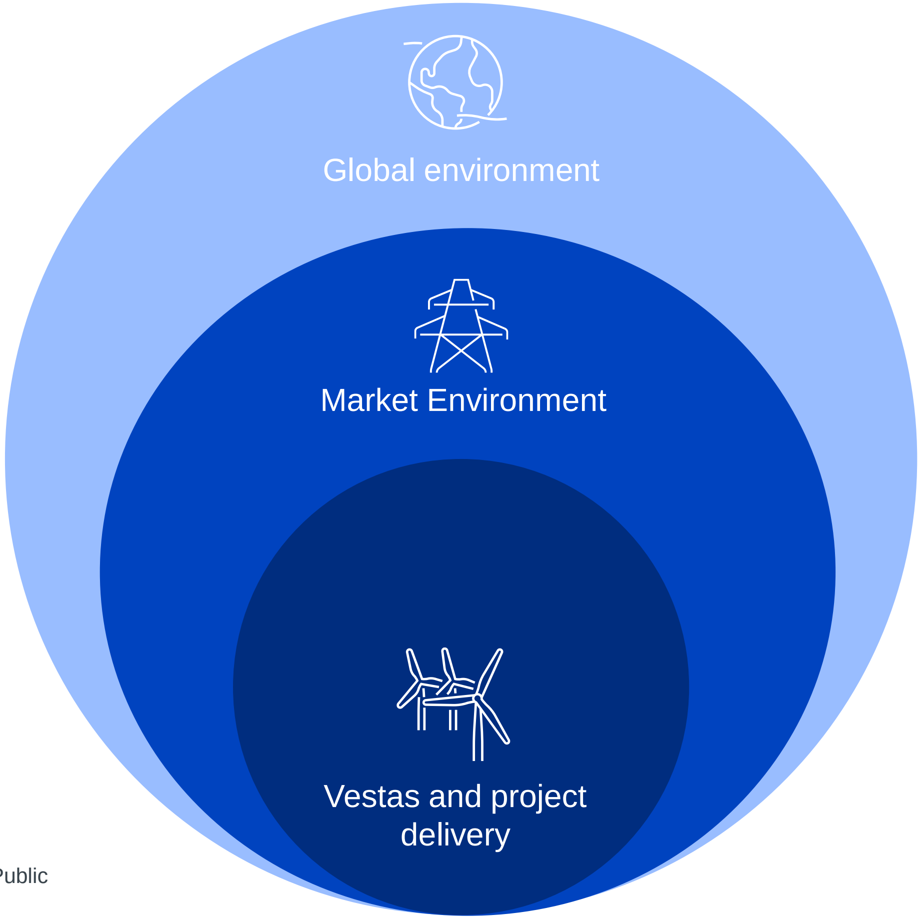
- 🟢 Raw material and transport costs stable
- 🔴 Ongoing geopolitical and trade volatility
- 🔴 Overall inflation declining, but specific components rising

Market Environment

- 🟢 Grid investment prioritised in key markets
- 🔴 Permitting improving in some markets e.g. Germany and UK, but overall permitting, auctions and grid still challenging

Project Level

- 🟡 Regional disruption continues to threaten supply chain
- 🔴 Continued execution of low-margin projects



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Vestas

Power Solutions – Q3 2024

Commercial discipline maintained

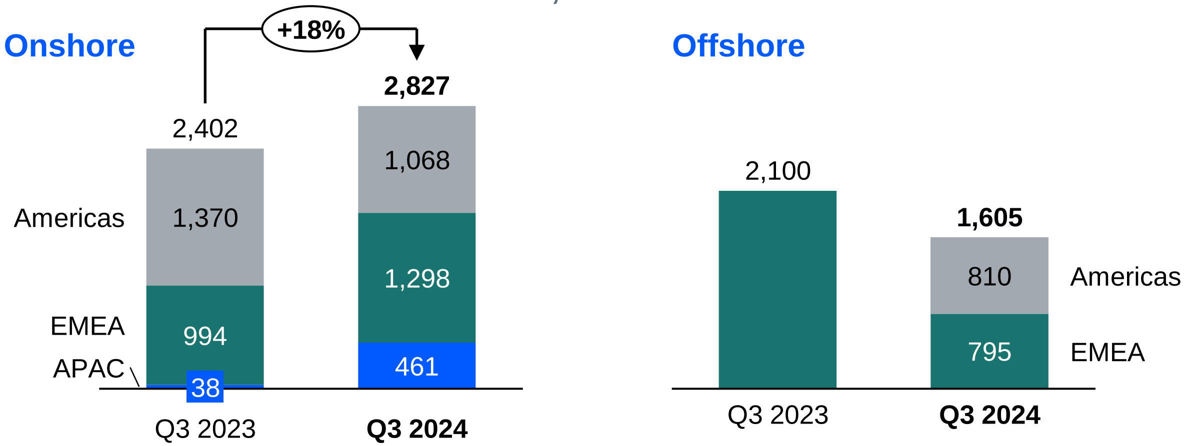
Highlights

Q3 order intake of 4.4 GW was stable compared to last year. Good market activity driven by onshore in all regions, as well as two offshore projects including our first-ever offshore project in the USA

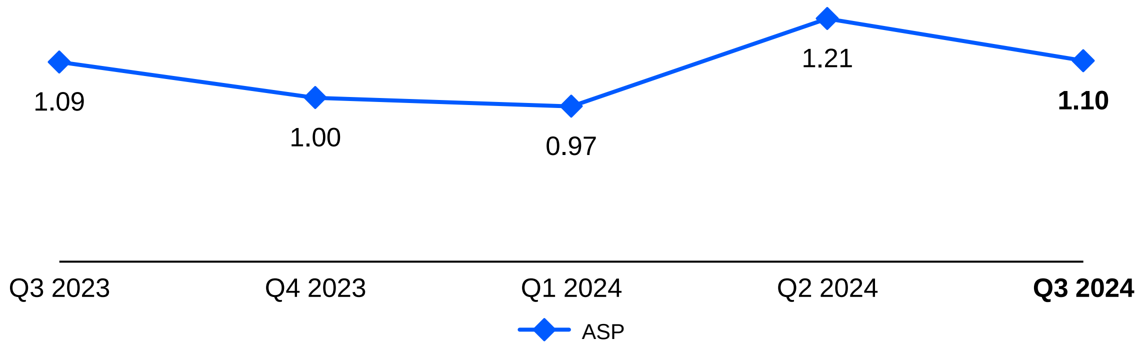
The ASP on new orders was **EUR 1.10m/MW** in the quarter

The order backlog in Power Solutions increased to an **all-time high of EUR 28.3bn,** up almost EUR 7bn compared to last year, as our energy solutions continue to have good traction with customers across our core markets

Firm and unconditional order intake, MW



Average selling price of order intake, mEUR per MW



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Service – Q3 2024

Operational efficiency high on the agenda

Highlights

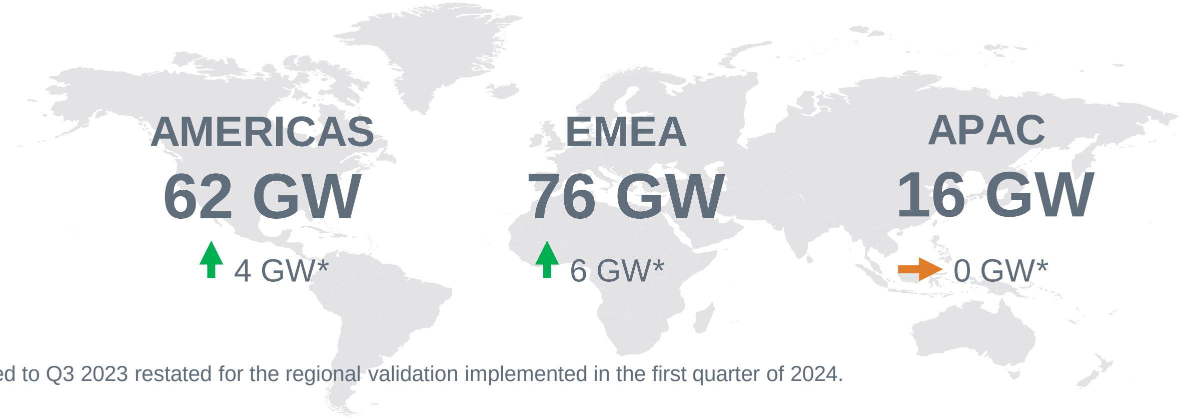
We are scrutinising the Service business to address that **costs are too high.** It will take time to fix, but several steps have been taken including organisational changes

Service order backlog increased to **EUR 35.1bn** from 32.4bn a year ago

At the end of Q3, Vestas had **154 GW** under active service contracts

Service order backlog	GW under active service contracts	Average years contract duration
EUR 35.1bn (29.9 onshore)	154 GW (145 onshore)	11 Years

Service fleet



*Compared to Q3 2023 restated for the regional validation implemented in the first quarter of 2024.

Vestas Development – Q3 2024

Generating good order intake

Highlights

In Q3, Vestas Development **generated 324 MW** of order intake for Vestas including the announced Lotus Creek Wind Farm in Australia

Lotus Creek is the first project developed by Vestas Development in Australia, to reach financial close and construction readiness. We look forward to delivering the first turbines to our customer, CS Energy, in 2026

At the end of Q3, Vestas' **pipeline** of development projects amounted to **28 GW** with Australia, USA, and Brazil holding the largest opportunities

Order intake generated	New secured pipeline	Total project pipeline
324 MW	**0.1 GW**	**28 GW**

Development pipeline

Vestas

Sustainability – Q3 2024

Most sustainable energy company in the world

Highlights

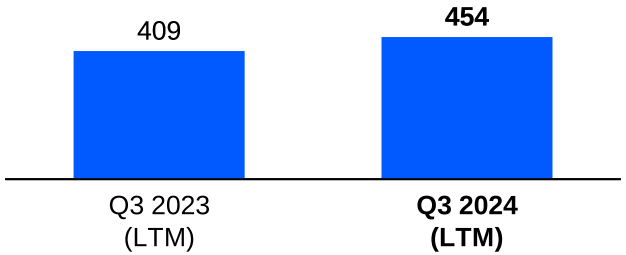
Lifetime CO_2e avoided by produced and shipped capacity increased by 45 million tonnes compared to a year ago

Carbon emissions from our own operations increased by 4,000 tonnes YoY due to increased activity

Number of recordable injuries per million working hours declined to 2.8. We tirelessly work to improve our safety performance across our entire value chain

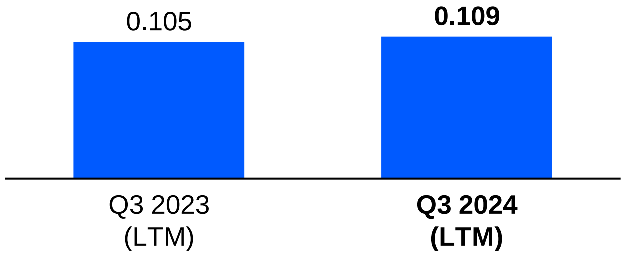
CO_2e avoided

Expected CO_2e avoided over the lifetime of the capacity produced and shipped during the period (million t)



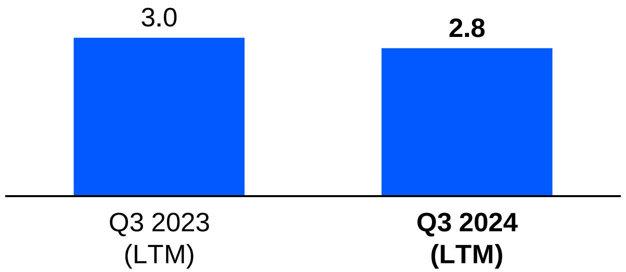
Carbon emissions

Direct and indirect emissions of CO_2e (scope 1&2)(million t)



Safety

Total Recordable Injuries per million working hours (TRIR)



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Income statement – Q3 2024

Profitability continues to improve

Highlights

Revenue increased 19 percent YoY, driven by higher volumes and higher average pricing on turbine deliveries in Power Solutions

Gross margin was 10.5 percent, up from 8.1 percent last year. The improvement was driven by increased activity and better underlying performance in the Power Solutions business, slightly offset by lower profitability in Service

EBIT b.s.i. tripled to EUR 235m, equivalent to a margin of 4.5 percent, resulting in a return on capital employed (ROCE) of 2.1 percent

mEUR	Q3 2024	Q3 2023	% change
Revenue	**5,177**	4,353	19%
Gross profit	**544**	351	55%
SG&A costs*	**(310)**	(295)	5%
Income from investments in JVs and associates	**1**	14	
EBIT before special items	**235**	70	>200%
Special items	**(4)**	(1)	
EBIT	**231**	69	>200%
Net profit	**127**	28	>300%
Earnings per share**	**0.0**	(0.6)	Positive
Gross margin	**10.5%**	8.1%	2.4%-pts
EBITDA margin before special items	**8.6%**	6.1%	2.5%-pts
EBIT margin before special items	**4.5%**	1.6%	2.9%-pts
Return on Capital Employed (ROCE) (%)**	**2.1%**	(7.3)%	9.4%-pts

*R&D, administration, and distribution, including depreciations and amortisations.
**Last twelve months (LTM)

Power Solutions – Q3 2024

Execution and operating levering drives profitability

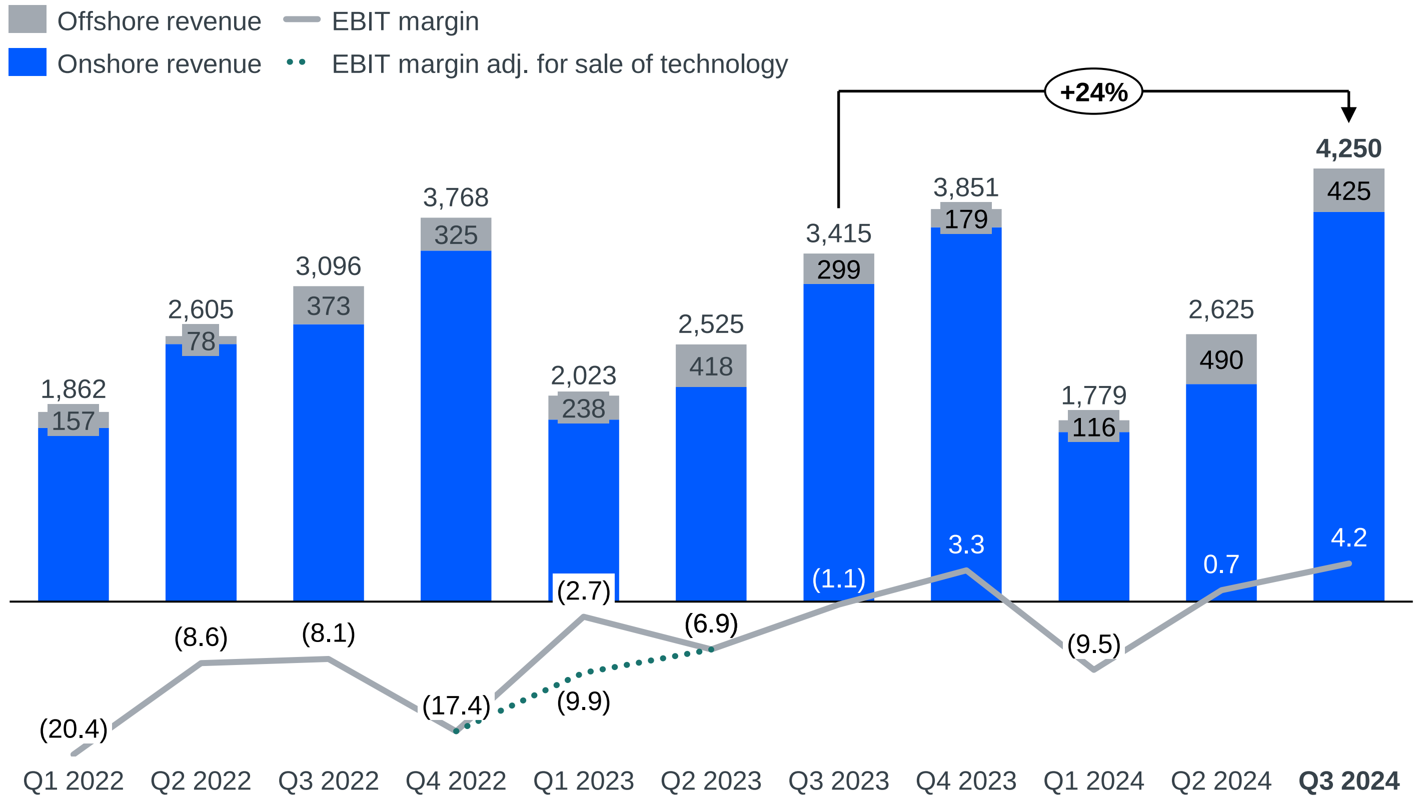
Highlights

Revenue increased by **24 percent YoY**, driven by higher deliveries across many markets, such as Canada, Germany, and France, as well as higher average pricing on deliveries

EBIT margin before special items improved by 5 percentage points YoY to **4.2 percent**, driven by improved project profitability, good project execution and benefits from operating leverage

Nonetheless, in the quarter, **profitability is still hampered** by completion of low-margin projects from mid-2022 and earlier, which should largely be completed by the end of the year

Power Solutions revenue and EBIT margin before special items, mEUR and percent



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Service – Q3 2024

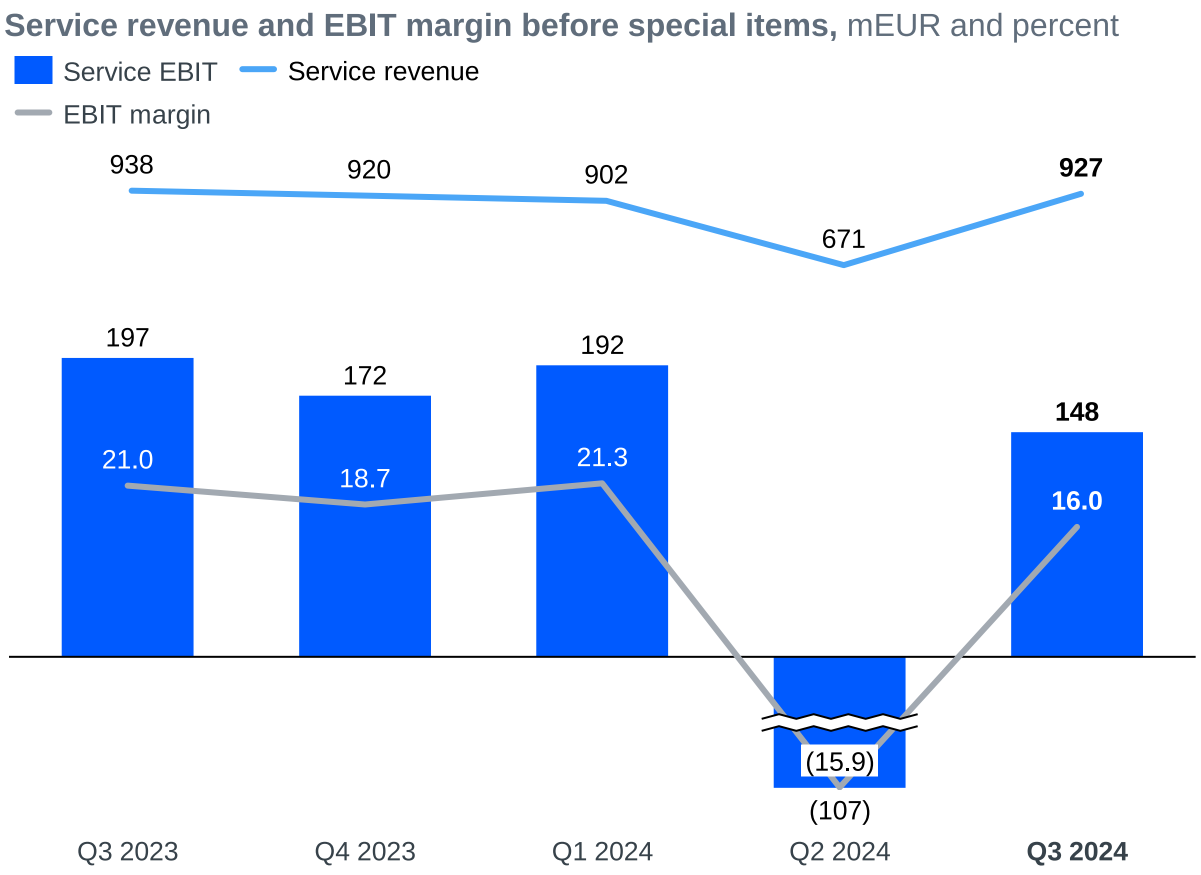
Margin improvement slightly slower than expected

Highlights

Revenue declined 1 percent YoY in Q3. Disregarding currency headwinds revenue was on par with last year. Lower contract activity was offset by higher transactional sales

Service generated an **EBIT margin of 16.0 percent**, corresponding to an EBIT of EUR 148m.

Service margin improvement in Q3 slightly slower than expected due to higher cost in EMEA and Americas, experienced as part of the operational scrutiny of Service initiated earlier this year



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Cash flow statement – Q3 2024

Positive operating cash flow

Highlights

Operating cash flow improved compared to last year to **EUR 89m** in the quarter, driven by improved profitability

Adjusted free cash flow amounted to minus EUR 224m, also an improvement compared to last year

Year-to-date adjusted free cash flow amounted to minus EUR 699m, an **improvement of EUR 1,008m** compared to the same period last year, as reflected in the reduction of our net interest-bearing debt

mEUR	Q3 2024	Q3 2023	Abs. change
Cash flow from operating activities before change in net working capital	**571**	337	234
Change in net working capital*	**(482)**	(368)	(114)
Cash flow from operating activities	**89**	(31)	120
Cash flow from investing activities	**(373)**	(208)	(165)
Free cash flow	**(284)**	(239)	(45)
Adjusted free cash flow**	**(224)**	(284)	60
Cash flow from financing activities	**(143)**	434	(577)
Interest-bearing position (net)	**(868)**	(1,622)	754

* Change in net working capital impacted by non-cash adjustments and exchange rate adjustments with a total amount of net EUR (156)m.

** Free cash flow adjusted for net acquisitions in businesses/activities, payment of lease liabilities, special items and investments in financial assets.

Net working capital – Q3 2024

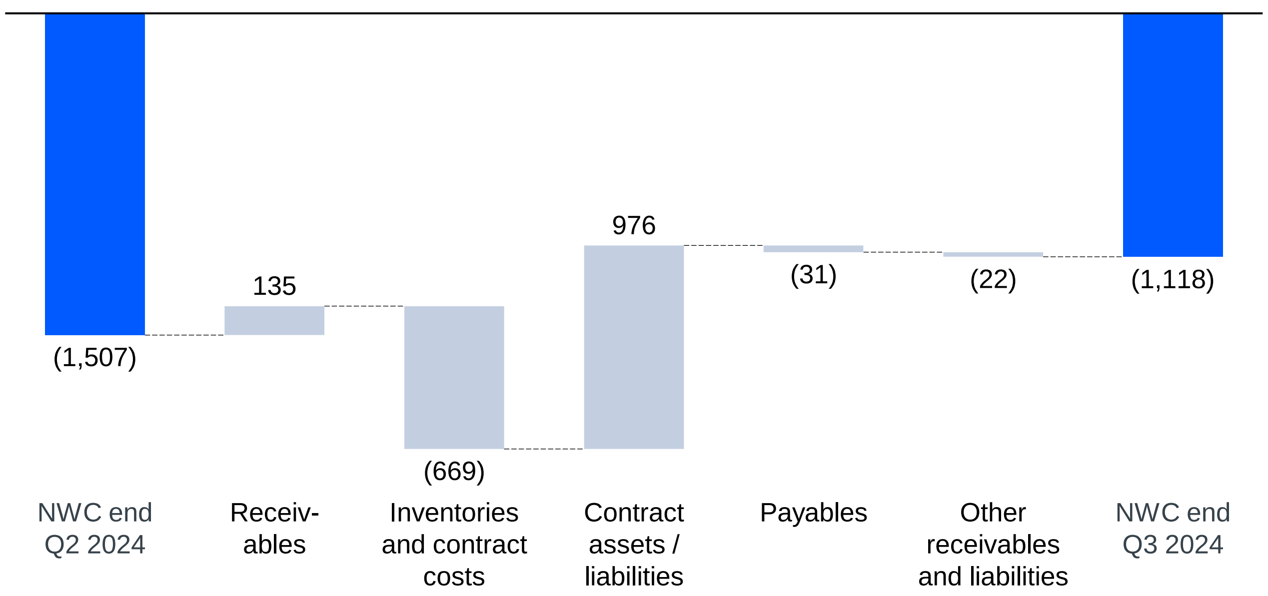
Working capital increased ahead of a busy fourth quarter

Highlights

Net working capital increased during Q3 due to a decrease in the level of **customer down- and milestone payments,** partly offset by a reduction in inventories

The usual **working capital release** is expected in the last quarter of the year

NWC change over the quarter, mEUR



Investments – Q3 2024

Focus on ramping up manufacturing footprint

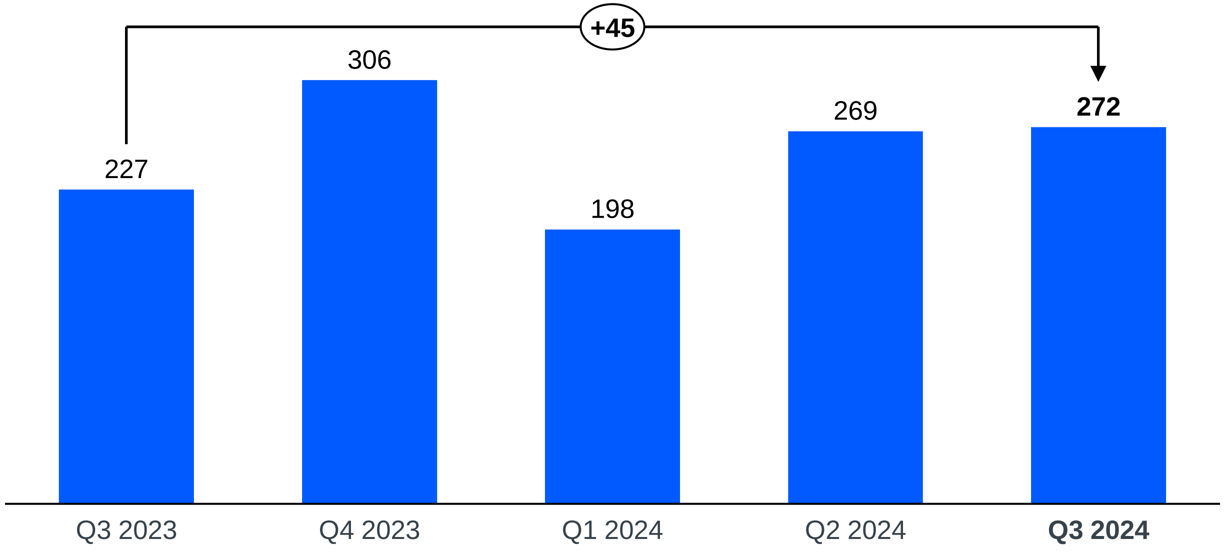
Highlights

Total net investments amounted to **EUR 272m in Q3**. While we are facing ramp-up challenges in both offshore and onshore, we continue to make progress

The **V236 offshore** manufacturing platform in Europe remains a considerable driver of investments, as we prepare for first deliveries to the He Dreiht and Baltic Power projects

In the USA, onshore production is increasing, and we have **added extra shifts**, utilising a larger share of our capacity

Total net investments*, mEUR



* Total net investments in intangible assets and property, plant and equipment.

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Provisions and LPF – Q3 2024

Improving LPF trend continues

Highlights

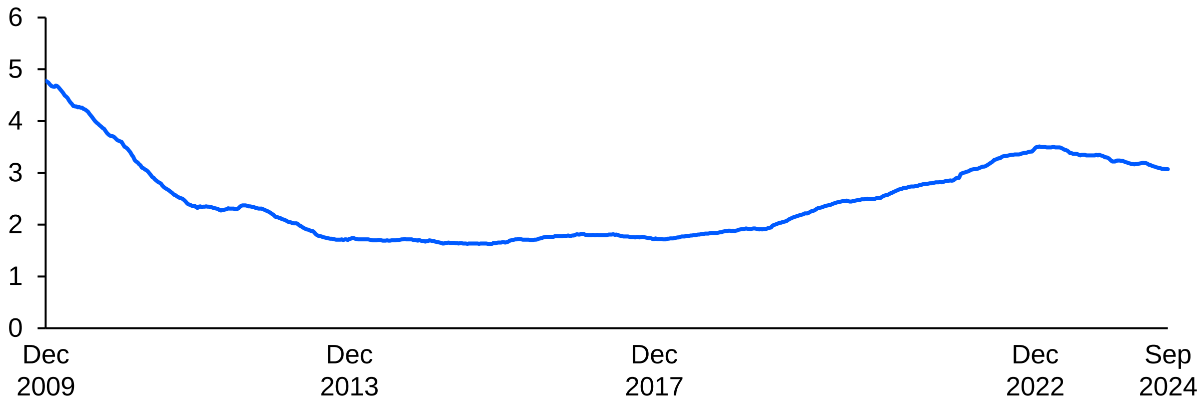
LPF* **continues to improve**, a sign that our heightened focus on quality in recent years is working. Over time, an improved LPF should lead to lower warranty provisions

In the quarter, we made a specific provision for an offshore-related component at two sites, which is the main driver for the elevated warranty costs

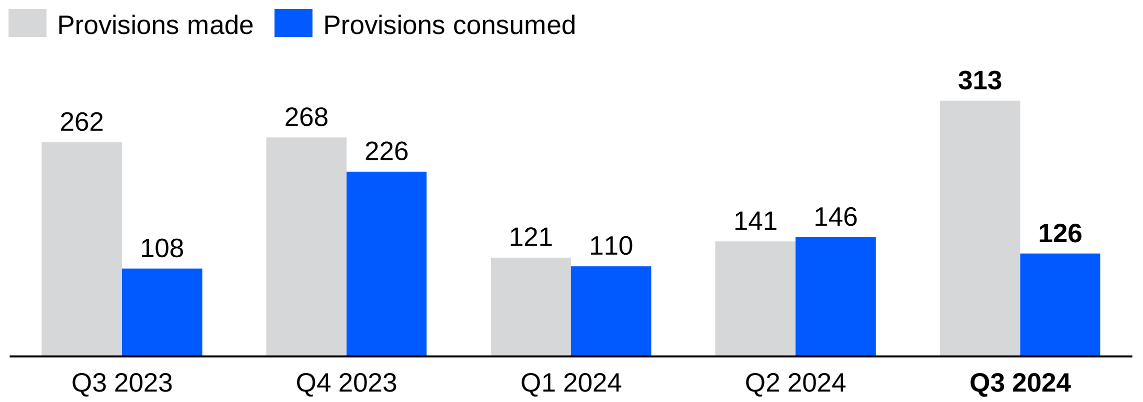
Warranty costs amounted to **EUR 313m** in the quarter corresponding to 6.0 percent of revenue, on par with last year

* LPF measures potential energy production not captured by Vestas' onshore and offshore wind turbines.

Lost Production Factor (LPF), Percent



Warranty costs and consumed provisions, mEUR



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Capital structure – Q3 2024

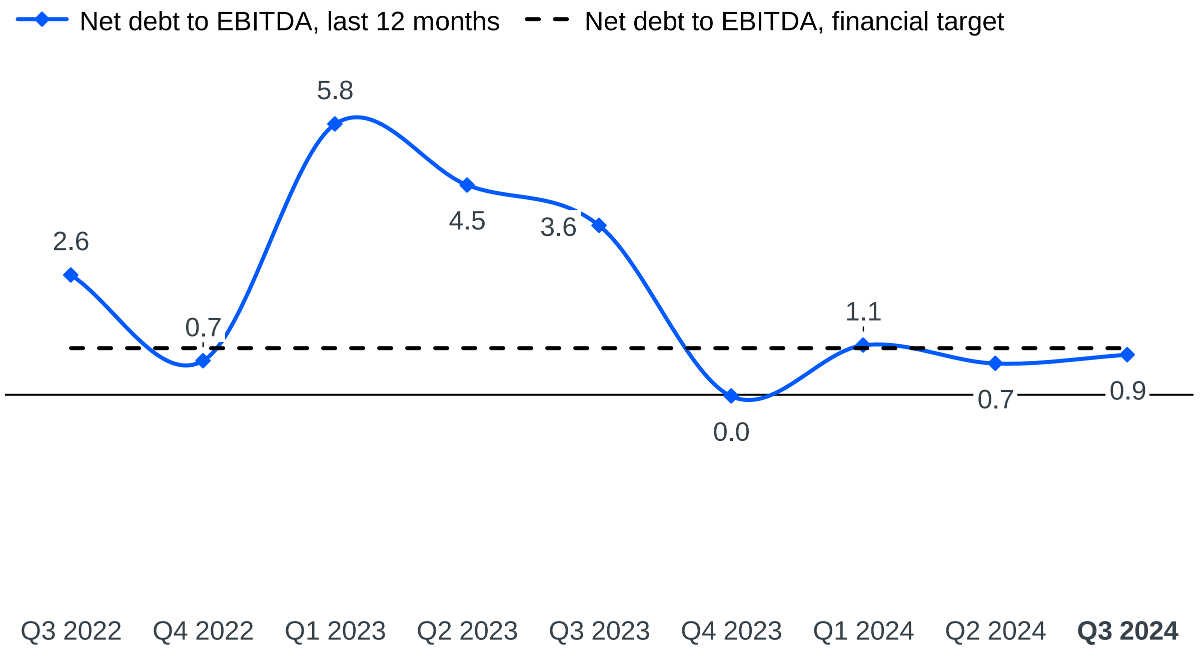
Financial leverage within target

Highlights

Combination of better profitability and cash flow is the main driver for our **net debt to EBITDA** ending the quarter at **0.9x**, compared to 3.6x a year ago

Investment grade rating of Baa2 from Moody's with stable outlook

Net debt to EBITDA before special items



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Outlook 2024

	Outlook	Previous Outlook
Revenue (bnEUR)	**16.5 – 17.5**	**16.5 – 17.5**
EBIT margin before special items (%) - Service is expected to generate EBIT b.s.i. of around EUR 450m (prev. around 500m)	**4 – 5** **Lower end more likely**	**4 – 5**
Total investments (bnEUR) Total net investments in intangible assets and property, plant and equipment	**Approx. 1.0**	**Approx. 1.2**

- The 2024 outlook is based on current foreign exchange rates

Q&A

Financial calendar 2025:

- Disclosure of FY 2024 (5th February)
- Disclosure of Q1 2025 (6th May)
- Disclosure of Q2 2025 (13th August)
- Disclosure of Q3 2025 (5th November)