

Company announcement from Vestas Wind Systems A/S

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Vestas Annual Report 2024 – Progress in a challenging year

Summary: For the year 2024, Vestas achieved revenue of EUR 17,295m (outlook: EUR 16.5-17.5bn), with an EBIT margin before special items of 4.3 percent (outlook: 4-5 percent), and total investments of EUR 1,142m (outlook: approx. EUR 1.0bn). The value of the combined order backlog across Power Solutions and Service increased to EUR 68.4bn.

Our financial outlook for 2025 is as follows: Revenue is expected to range between EUR 18-20bn, with an EBIT margin before special items of 4-7 percent. Total investments are expected to amount to approx. EUR 1.2bn in 2025.

The Service segment is expected to generate EBIT before special items in 2025 around EUR 700m.

As a result of the performance in 2024, the Board of Directors of Vestas Wind Systems A/S proposes to the Annual General Meeting that a dividend of DKK 0.55 per share be distributed to the shareholders, equivalent to 15 percent of the net profit for the year. In addition, a share buyback of EUR 100m will be initiated.

Henrik Andersen, Group President & CEO said: *“Vestas continued its positive trajectory in 2024 and achieved its outlook for the year with EUR 17.3bn in revenue and an EBIT margin of 4.3 percent for the full year, an improvement of 2.8 percentage points. The year didn’t evolve as expected, but with a record-high value of the order intake, an all-time high order backlog and an extraordinary turnaround in Power Solutions, Vestas leaves 2024 stronger than we entered it. Our Service business had a challenging 2024, battling rising costs, but remains a strong, profitable business that is executing on its recovery plan, and is key to achieving our long-term ambitions. Our progress in 2024 was driven by our relentless focus on value over volume and improved execution amidst geopolitical uncertainty that is expected to cause disruption for societies and businesses in the coming years. In this environment, wind energy plays a key role to build an affordable, secure and sustainable energy system, and we continue to deliver on our strategic priorities, including ramping up manufacturing to deliver on our order backlog and help the world meet its growing energy needs. We would like to thank our partners, customers, and colleagues for their support in 2024, and are pleased to return value directly to our shareholders based on our 2024 results.”*

Key highlights

Revenue of EUR 17.3bn and an EBIT margin of 4.3 percent

Vestas achieved its Outlook for the year and continued the positive trajectory in 2024.

Service EBIT of EUR 448m

Rising costs caused a challenging year for Service, but the scrutiny is complete and a recovery plan is in place.

Order intake of 17 GW and EUR 19bn in value

A record year of order intake in terms of value, with a high average selling price (ASP) and strong momentum in both Onshore and Offshore.

Continuous ramp-up in the USA and Europe

Manufacturing ramp-up challenges are driving additional costs as we prepare to deliver on a record order backlog.

Returning value to our shareholders

A dividend of DKK 0.55 per share is proposed, and a share buyback of EUR 100m will be initiated.

Outlook for 2025

Revenue expected between EUR 18-20bn, EBIT margin b.s.i. expected between 4-7 percent.

Information meeting (audiocast)

On Wednesday 5 February 2025 at 10 am CET (9 am GMT), Vestas will host a conference call with a presentation on the results. The presentation will be audiocast and can be viewed live or replayed via vestas.com.

The presentation will be held in English and will conclude with a Q&A. Details on how to register for the Q&A are to be found at vestas.com/en/investor.

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Condensed full-year and Q4 key figures

mEUR	2024	2023	Change	Q4 2024	Q4 2023	Change
Financial figures						
Revenue	17,295	15,382	12%	6,141	4,771	29%
- of which service revenue	3,697	3,568	4%	1,197	920	30%
Gross profit	2,057	1,283	60%	1,113	523	113%
Gross margin (%)	11.9	8.3	3.6pp	18.1	11.0	7.1pp
Operating profit (EBIT) before special items	741	231	221%	759	191	297%
EBIT margin (%) before special items	4.3	1.5	2.8pp	12.4	4.0	8.4pp
Profit for the period	494	78	533%	598	149	301%
Total investments	1,142	835	37%	403	306	32%
Net working capital	(2,297)	(1,507)	52%	(2,297)	(1,507)	52%
Adjusted free cash flow ¹	1,095	(51)	2247%	1,792	1,656	8%
Operational figures						
Order intake (bnEUR)	19.2	18.5	4%	7.7	8.2	(6)%
Order intake (MW)	16,844	18,386	(8)%	6,516	8,248	(21)%
Order backlog – wind turbines (bnEUR)	31.6	26.0	22%	31.6	26.0	22%
Order backlog – Service (bnEUR)	36.8	34.1	8%	36.8	34.1	8%
Produced and shipped wind turbines (MW)	13,198	11,666	13%	2,921	2,308	27%
Deliveries (MW)	12,900	12,685	2%	4,601	3,896	18%
Sustainability figures (Last Twelve Months)						
Scope 1 and 2 GHG market-based emissions (1,000 t CO ₂ e)	105	109	(3.7)%			
Scope 3 GHG emissions intensity (target value) (kg CO ₂ e per MWh generated)	5.66	6.30	(10.2)%			
Expected GHG avoided over the lifetime of the capacity produced and shipped during the period (million t CO ₂ e)	455	396	14.9%			
Total Recordable Injuries per million working hours (TRIR)	3.0	3.0	0.0%			

Fourth quarter 2024

In the fourth quarter of 2024, Vestas generated revenue of EUR 6,141m – an increase of 29 percent compared to the year-earlier period. EBIT before special items amounted to EUR 759m, resulting in an EBIT margin before special items of 12.4 percent, compared to 4.0 percent in the fourth quarter of 2023. Adjusted free cash flow¹ amounted to EUR 1,792m compared to EUR 1,656m in the fourth quarter of 2023.

The quarterly intake of firm and unconditional wind turbine orders amounted to 6,516 MW, a decrease from the record-high fourth quarter 2023. The value of the wind turbine order backlog was EUR 31.6bn as at 31 December 2024. In addition to the wind turbine order backlog, at the end of the quarter, Vestas had service agreements with expected contractual future revenue of EUR 36.8bn. Thus, the value of the combined backlog of wind turbine orders and service agreements stood at EUR 68.4bn – an increase of EUR 8.3bn compared to the year-earlier period.

¹ For the definition of 'Adjusted free cash flow', see Vestas' Annual Report 2024, page 210.

Outlook 2025

Wind energy remains key to an affordable, secure and sustainable energy system, and although ongoing geopolitical and trade volatility is expected to cause uncertainty, the execution of our record-high order backlog is expected to drive increased revenue in 2025. Despite a step-up in depreciations and amortisations related to our V236-15.0 MW™ platform, we expect profitability to increase in 2025 through stable raw material and transport costs as well as the completion of low margin legacy projects in 2024.

Revenue is expected to range between EUR 18-20bn, with an EBIT margin before special items of 4-7 percent. Total investments² are expected to amount to approx. EUR 1.2bn in 2025.

The Service segment is expected to generate EBIT before special items in 2025 of around EUR 700m.

The above expectations are based on the assumption that the global geopolitical environment will not significantly change business conditions for Vestas during 2025, including energy or supply chain disruptions, changes to the regulatory environment, or other external conditions, such as bad weather, exchange rates, lack of grid connections and similar. In relation to forecasts on financials from Vestas in general, it should be noted that Vestas' accounting policies only allow the recognition of revenue when the control has passed to the customer, either at a point in time or over time.

Outlook 2025

Revenue (bnEUR)	18-20
EBIT margin (%) before special items	4-7
Total investments ² (bnEUR)	approx. 1.2

Long-term financial ambitions

Wind power has outcompeted fossil fuel alternatives in most parts of the world, and the prospects for the coming years are promising, with wind power's increasingly central role as critical infrastructure. Consequently, Vestas' addressable market is expected to grow significantly in the years ahead. More information about the market outlook can be found in the Annual Report 2024 on page 17-18.

In 2024, Vestas managed to take a significant step to get 'back on track' as our commercial and operational discipline is paying off. The year underlined that Vestas is on the right strategic path to improve the industry structurally and continue to build the commercial and operational maturity to achieve our financial ambitions. In that context, a 10 percent EBIT margin remains achievable in the mid-term, and Vestas is committed to deliver on this trajectory step by step.

Long-term financial ambitions

Revenue	Grow faster than the market and be market leader in revenue
EBIT margin before special items	At least 10 percent
Free cash flow	Positive
ROCE	20 percent over the cycle

² Total cash flows from the purchase of intangible assets and property, plant, and equipment, net of proceeds from the sale of intangible assets and property, plant, and equipment.

Long-term sustainability ambitions

Vestas is leading the industry with a number of groundbreaking sustainability innovations and technologies, including low-emission steel for wind turbine towers and a new recycling method for epoxy-infused blades. Our global sustainability strategy lays out our strategic objectives to reduce carbon emissions, improve circularity of our materials and become the safest, most inclusive and most responsible company in the energy industry.

In 2024, our value chain GHG emissions decreased by 10 percent and material efficiency improved by 17 percent, underlining that we are making good progress on key sustainability ambitions. However, as we are not on track when it comes to reducing GHG emissions in our own operations following the re-integration of the offshore business, our long-term scope 1 & 2 GHG emission reduction target will be revisited during 2025 as part the SBTi five-year revalidation requirement.

Long-term sustainability ambitions

	2025	2030
Reduce scope 1&2 emissions*	by 55%	by 100%
Reduce scope 3 emissions*	-	by 45%
Increase material efficiency rate**	to 1.2	to 0.2
Increase share of women in leadership positions	to 25%	to 30%
Reduce injury rate (TRIR)	2.4	to < 1.0

* Baseline year: 2019.

** Tonnes of waste per MW produced and shipped.

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 2024 (available at www.vestas.com/en/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.