FULL YEAR 2018

Vestas Wind Systems A/S

Copenhagen, 7 February 2019

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 2018 (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.

KEY HIGHLIGHTS

Financial and operational results

- Highest ever order intake of 14.2 GW across 43 countries; up 27 percent compared to 2017
- All-time high combined order backlog of more than EUR 26bn
- FY 2018 guidance met on all parameters; revenue of EUR 10.1bn, EBIT margin before special items of 9.5 percent, FCF of EUR 418m*, and net investments of EUR 603m*
- Organic growth of 13 percent in Service compared to 2017; EBIT margin of 25 percent
- MHI Vestas breaking even on net profit
- 25 percent improvement on safety performance; total recordable injuries down to 4.0
- Recommended dividend payment of DKK 7.44 per share, equal to a payout ratio of 30.0 percent

Profitable growth strategy firmly on track

- Vestas strengthened its leadership position in a transitioning market

*Excl. the acquisition of Utopus Insights, Inc., any investments in marketable securities, and short-term financial investments.

AGENDA

Orders and markets

Financials

Strategy

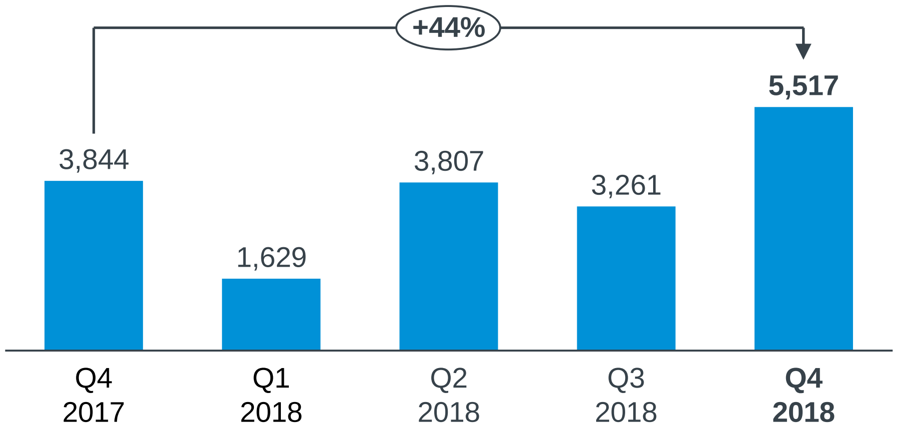
Outlook and Q&A

Vestas

INCREASED Q4 ORDER INTAKE

Order intake at 5,517 MW, with an average selling price of EUR 0.76m per MW in the quarter

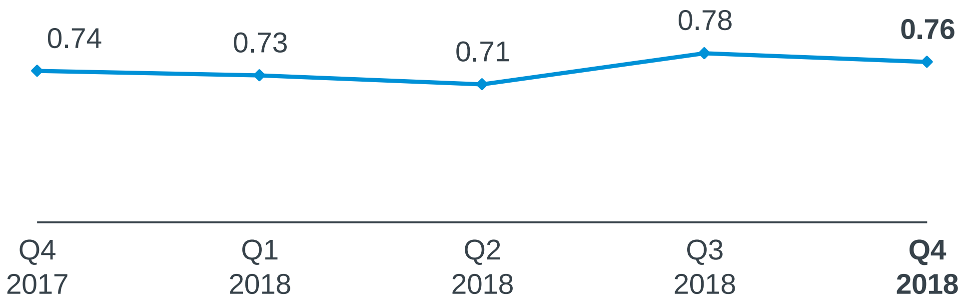
Order intake
MW



Key highlights

- Q4 2018 order intake was 1,673 MW higher than in Q4 2017
- US, Australia, South Africa, and China were the main contributors to order intake in Q4 2018
- 170 MW of PTC qualifying component orders

Average selling price of order intake
mEUR per MW



Key highlights

- Price per MW remained stable in Q4
- Geography, turbine type, scope, and uniqueness of the offering still a factor

Vestas

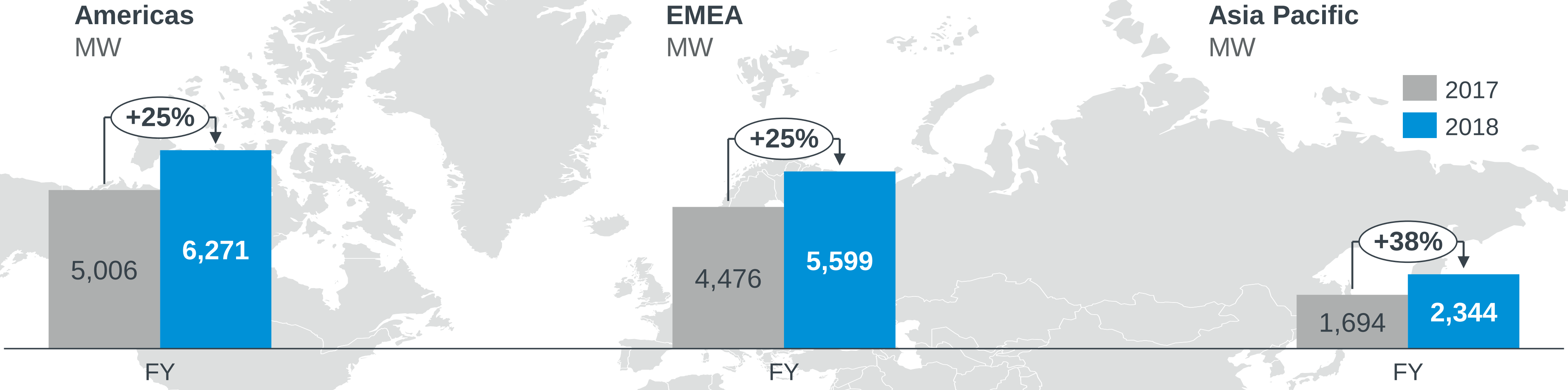
GLOBAL REACH

Order intake from 43 countries highlights unique global reach and strong global demand

First orders ever in:
- Senegal
- Panama
- Bolivia
- Kazakhstan

ORDER INTAKE

Highest-ever order intake in all regions totalling 14.2 GW; up 27 percent compared to 2017



Americas

- Increasing order intake in the US and Brazil
- Argentina, Canada, and Mexico remained at high level

EMEA

- Strong development in South Africa and Norway more than offsetting decline in Germany
- High order intake in Sweden and France continued

Asia Pacific

- Australia driving the increase with more than 1 GW in order intake
- Diverse order intake from nine different countries underlines region's potential

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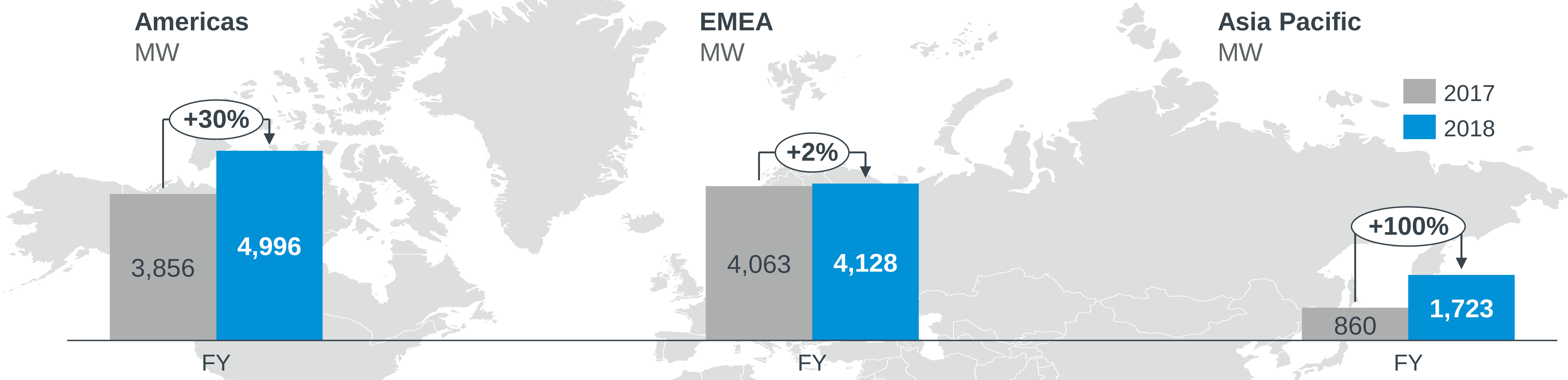
DELIVERIES

Increasing deliveries in all regions



Americas

- FY 2018 increase driven by Mexico and Argentina
- US deliveries remained at high level

EMEA

- Increased deliveries in Scandinavia offsetting decline in Germany
- France and Italy deliveries at high level

Asia Pacific

- Strong development in Australia, India, and Thailand
- Lower level of deliveries in China

ALL-TIME HIGH ORDER BACKLOG OF MORE THAN EUR 26BN

Combined backlog increased by EUR 5.3bn YoY, an increase of 25 percent

Wind turbines:

EUR 11.9bn

EUR +3.1bn*

Service:

EUR 14.3bn

EUR +2.2bn*

* Compared to FY 2017.

MHI VESTAS OFFSHORE WIND

MHI VESTAS OFFSHORE WIND

Ramping up in core and new markets as order book increases

Track record…

~3.8 GW — **> 1.000 turbines installed across 28 projects**

Pipeline…

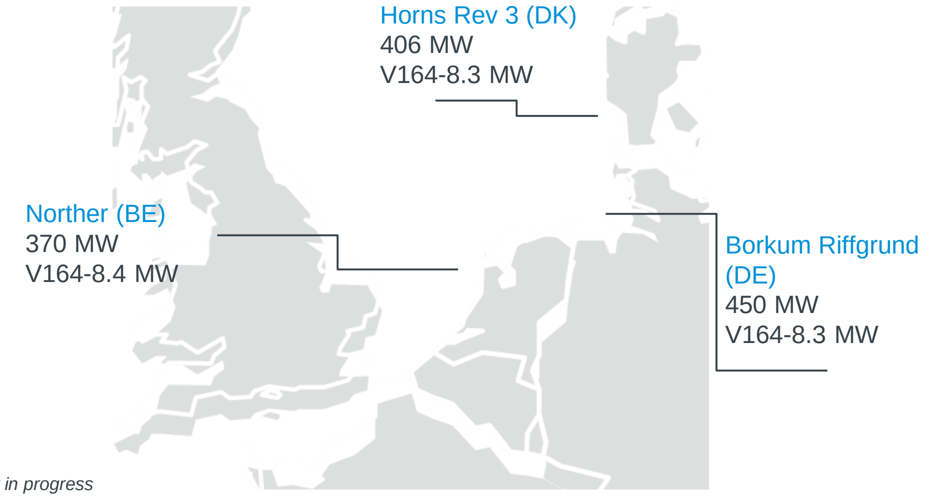
~3.8 GW — **Under installation/ unconditional orders**

~1.7 GW — **Conditional orders/ preferred supplier**

Key highlights

- Firm order intake of 3,180 MW; all based on the industry-leading V164 turbine, which during the year was upgraded to a nominal rating of 10 MW
- Preferred supplier agreement for the 800 MW Vineyard Wind project – the first utility scale offshore wind project in the US
- Secured a strong position in Taiwan with 900 MW in preferred supplier agreements

Near-term project execution



Projects currently in progress

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AGENDA

- Orders and markets
- **Financials**
- Strategy
- Outlook and Q&A

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INCOME STATEMENT – FULL YEAR

Increased competition impacting profitability

mEUR	FY 2018	FY 2017*	% change
Revenue	10,134	9,953	2%
Production costs	(8,503)	(7,990)	(6)%
Gross profit	1,631	1,963	(17)%
SG&A costs**	(672)	(733)	8%
EBIT before special items	959	1,230	(22)%
Income from investments in associates and joint ventures	40	(40)	200%
Net profit	683	894	(24)%
Gross margin	16.1%	19.7%	(3.6)%-pts
EBITDA margin before special items	13.8%	16.6%	(2.8)%-pts
EBIT margin before special items	9.5%	12.4%	(2.9)%-pts

Key highlights

- Revenue up 2 percent compared to 2017; mainly driven by increased revenue in Service, partly offset by lower prices in Power solutions
- Gross profit down by 3.6 percentage points, mainly driven by lower average margins in Power solutions
- EBIT margin before special items down by 2.9 percentage points, mainly driven by lower gross profit
- Result from JVs at EUR 40m; EUR 13m in stand-alone profit, and EUR 26m from delivery of 3 MW turbines

*Refer to note 7.3, Changes in accounting policies and disclosures, Annual report 2018
**R&D, administration, and distribution

INCOME STATEMENT – Q4

Lower profitability driven by Power solutions

mEUR	Q4 2018	Q4 2017	% change
Revenue	3,369	3,119	8%
Production costs	(2,870)	(2,543)	(13)%
Gross profit	499	576	(13)%
SG&A costs*	(201)	(191)	(5)%
EBIT before special items	298	385	(23)%
Income from investments in associates and joint ventures	12	10	20%
Net profit	219	295	(26)%
Gross margin	14.8%	18.5%	(3.7)%-pts
EBITDA margin before special items	12.3%	16.0%	(3.7)%-pts
EBIT margin before special items	8.8%	12.3%	(3.5)%-pts

Key highlights

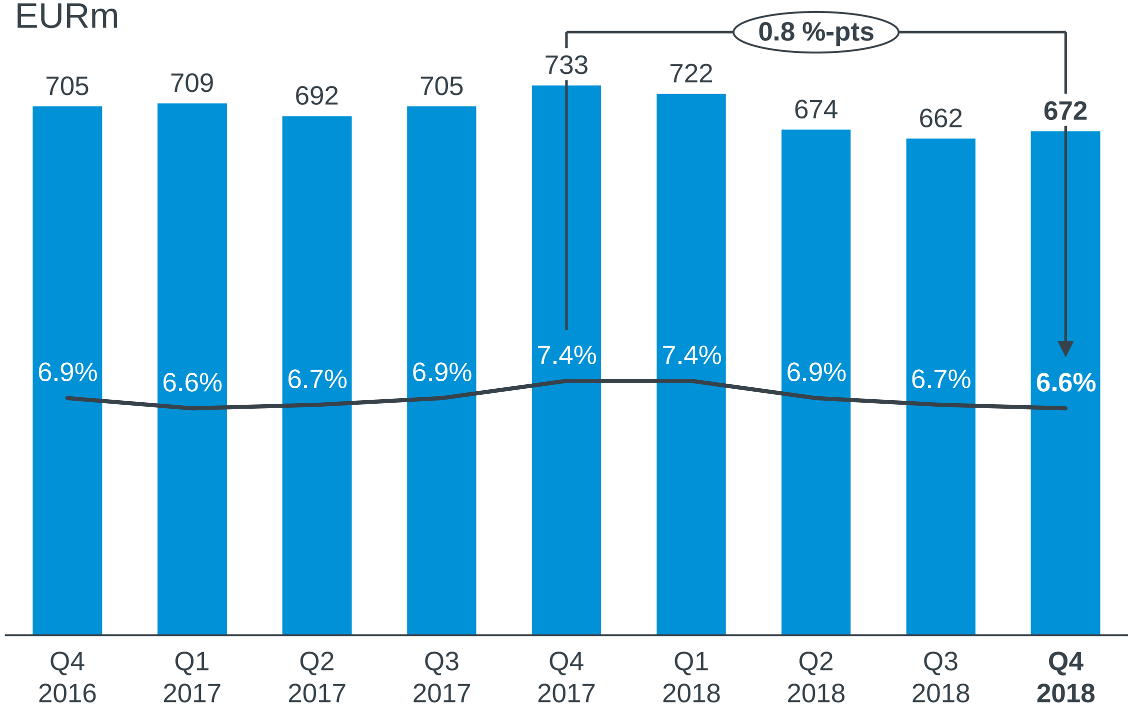
- Revenue increased 8 percent, primarily driven by higher activity in Power solutions and increased Service revenue
- Gross margin down by 3.7 percentage points, mainly driven by lower average margins in Power solutions
- EBIT down by 23 percent, mainly driven by lower gross profit

*R&D, administration, and distribution

SG&A COSTS

SG&A costs under control

SG&A costs (TTM)*
EURm



Key highlights

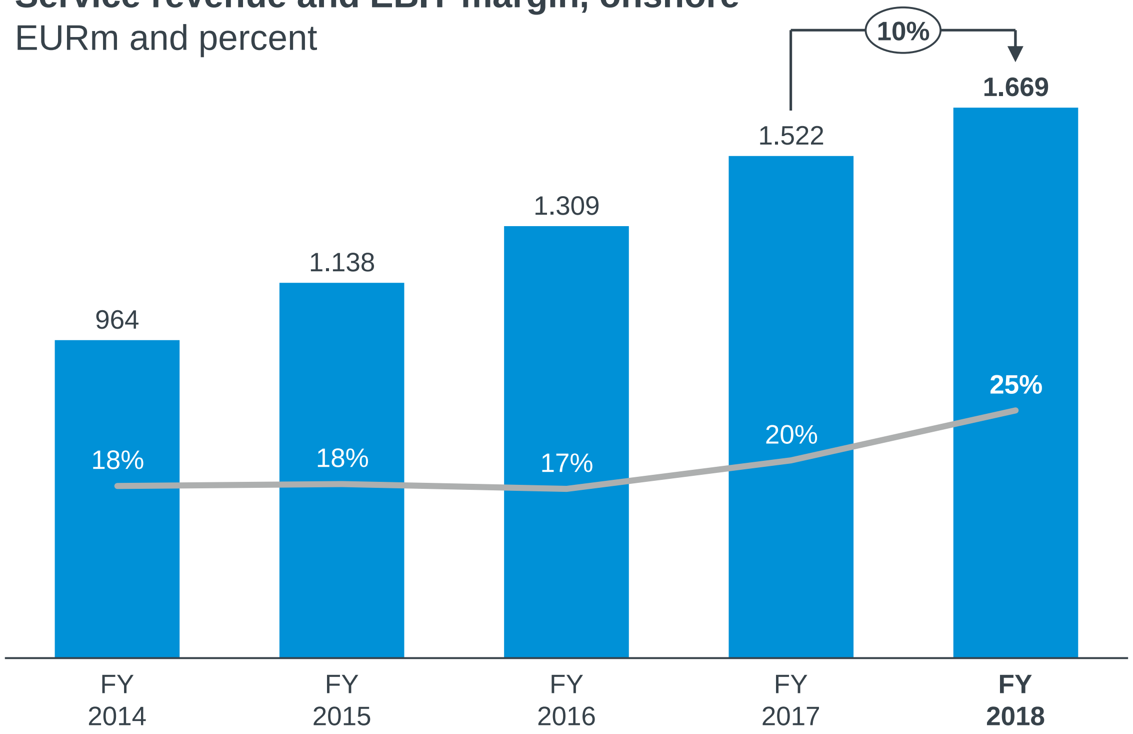
- SG&A down YoY
- Relative to activity levels, SG&A costs amounted to 6.6 percent – a decrease of 0.8 percentage points compared to Q4 2017, primarily driven by distribution and administration costs

* R&D, administration, and distribution on trailing 12 months basis

SERVICE

Strong service performance

Service revenue and EBIT margin, onshore
EURm and percent



Key highlights

- Service revenue increased by 10 percent compared to 2017, mainly driven by higher activity levels; FX headwind of EUR 54m, resulting in 13 percent organic growth
- 2018 EBIT: EUR 421m
  2018 EBIT margin: 25.2 percent
- Q4 2018 revenue: EUR 481m, up 16 percent YoY
  Q4 2018 EBIT Margin: 24.7 percent

BALANCE SHEET

Balance sheet remains strong

Assets (mEUR)	FY 2018	FY 2017*	Abs. change	% change
Non-current assets	3,344	2,865	479	17%
Current assets	8,555	8,006	549	7%
Total assets	11,899	10,871	1,028	9%
Liabilities (mEUR)				
Equity	3,104	3,112	(8)	(0)%
Non-current liabilities	1,390	1,226	164	13%
Current liabilities	7,405	6,533	868	13%
Total equity and liabilities	11,899	10,871	1,028	9%
Key figures (mEUR)				
Interest bearing position (net)	3,046	3,359	(313)	(9)%
Net working capital	(2,040)	(1,984)	(56)	3%
Solvency ratio (%)	26.1	28.6	-	(2.5)%-pts
ROCE (%)	20.4	25.1	-	(4.7)%-pts

Key highlights

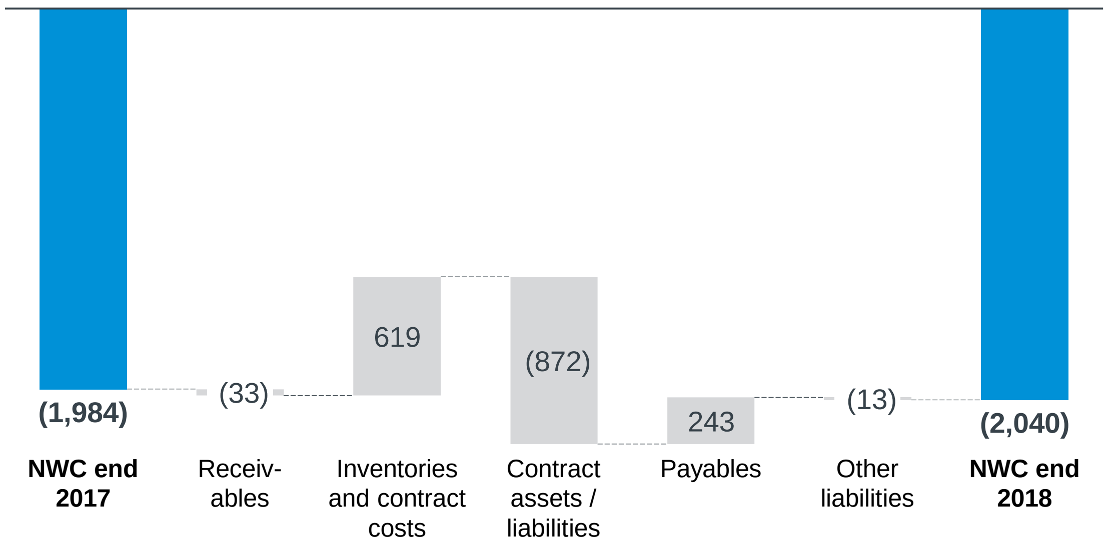
- Continued strong cash position of EUR 3,046m
- ROCE of 20.4 percent driven by lower operating profit

* Refer to note 7.3, Changes in accounting policies and disclosures, Annual report 2018

CHANGE IN NET WORKING CAPITAL

Satisfactory net working capital management

NWC change over the last 12 months*
mEUR



Key highlights

- Improvement driven by higher down- and milestone payments partly driven by strong order intake, especially in Q4
- Higher level of inventory to cater for increased activity expected in 2019

* Refer to note 7.3, Changes in accounting policies and disclosures, Annual report 2018

CASH FLOW STATEMENT – FULL YEAR

Underlying free cash flow of EUR 418m

mEUR	FY 2018	FY 2017*	Abs. change
Cash flow from operating activities before change in net working capital	1,190	1,461	(271)
Change in net working capital**	(169)	164	(333)
Cash flow from operating activities	1,021	1,625	(604)
Cash flow from investing activities***	(603)	(407)	(196)
Free cash flow before financial investments***	418	1,218	(800)
Acquisition of subsidiaries	(65)	-	(65)
Purchase of financial investments	(422)	-	(422)
Free cash flow	(69)	1,218	(1,287)
Cash flow from financing activities	(639)	(974)	335

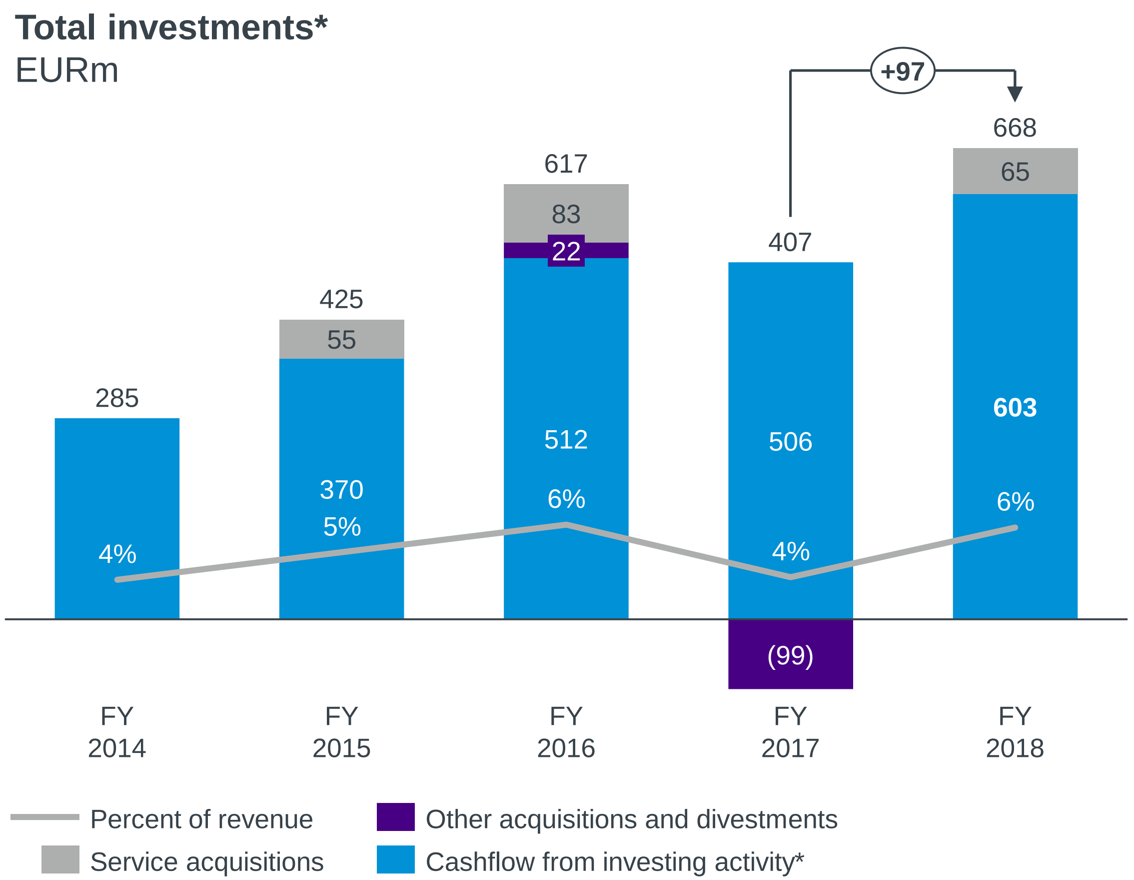
Key highlights

- Free cash flow was in line with the updated outlook of approx. EUR 400m disclosed on 9 January 2019
- Decline in free cash flow primarily driven by lower net profit and higher investments
- Net working capital impacted by non-cash adjustments and exchange rate adjustments with a total amount of net EUR (225)m

***** Refer to note 7.3, Changes in accounting policies and disclosures, Annual report 2018
** Change in net working capital in FY 2018 impacted by non-cash adjustments and exchange rate adjustments with a total amount of net EUR (225)m
******* Before investments in marketable securities and short-term financial investments

TOTAL INVESTMENTS

Total investments in line with expectations



* Before investments in marketable securities and short-term financial investments.

Key highlights

- Underlying investments increased approx. EUR 100m in order to meet strong demand for 2019 and new product launches
- Total investments increased by EUR 261m further driven by sale of office buildings in Aarhus in 2017, and acquisition of Utopus Insights, Inc. in 2018.

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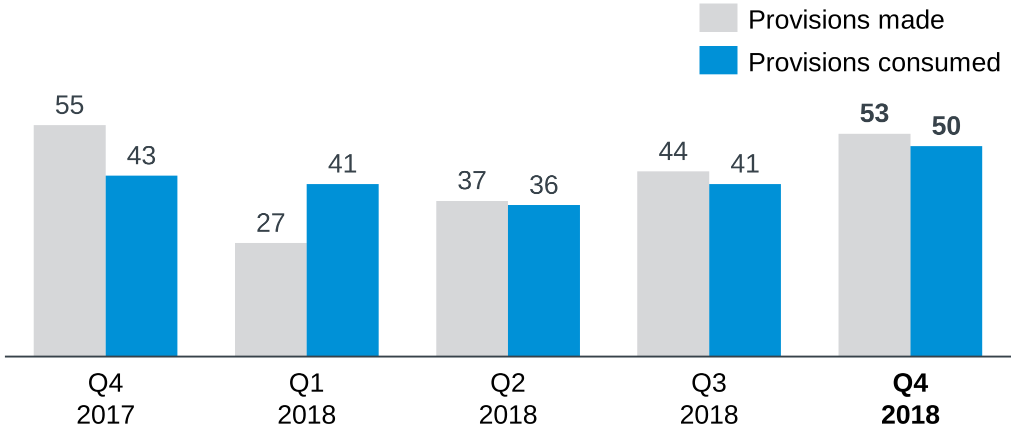
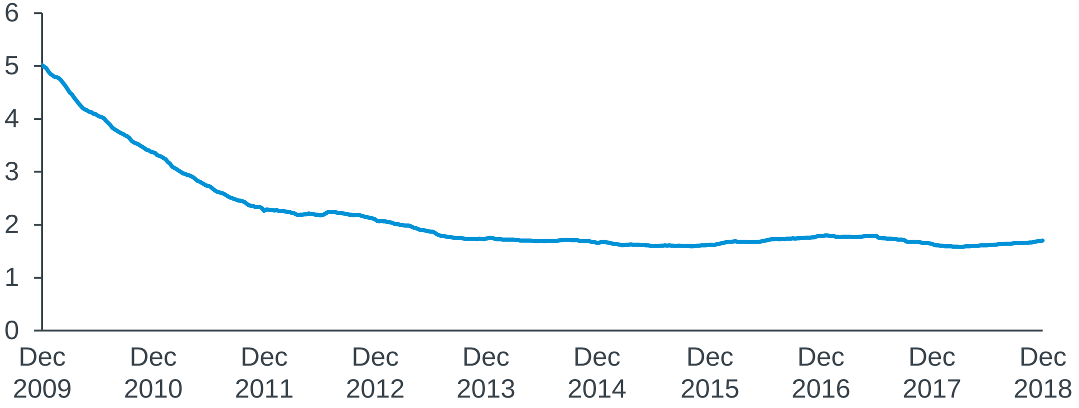
WARRANTY PROVISIONS AND LOST PRODUCTION FACTOR

Warranty consumption and LPF continue at a low level

Warranty provisions made and consumed
mEUR



Lost Production Factor (LPF)
Percent



Key highlights

- Warranty consumption increased, reflecting higher activity
- Warranty provisions made correlates with revenue in the quarter, corresponding to 1.6 percent in Q4 2018

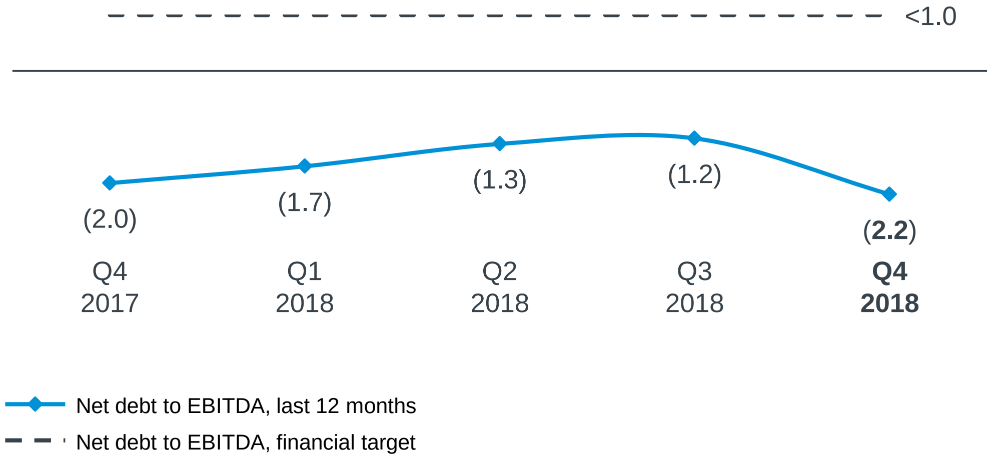
Key highlights

- LPF continues at a low level – below 2.0
- LPF measures potential energy production not captured by Vestas' wind turbines

CAPITAL STRUCTURE

Net debt to EBITDA well below threshold

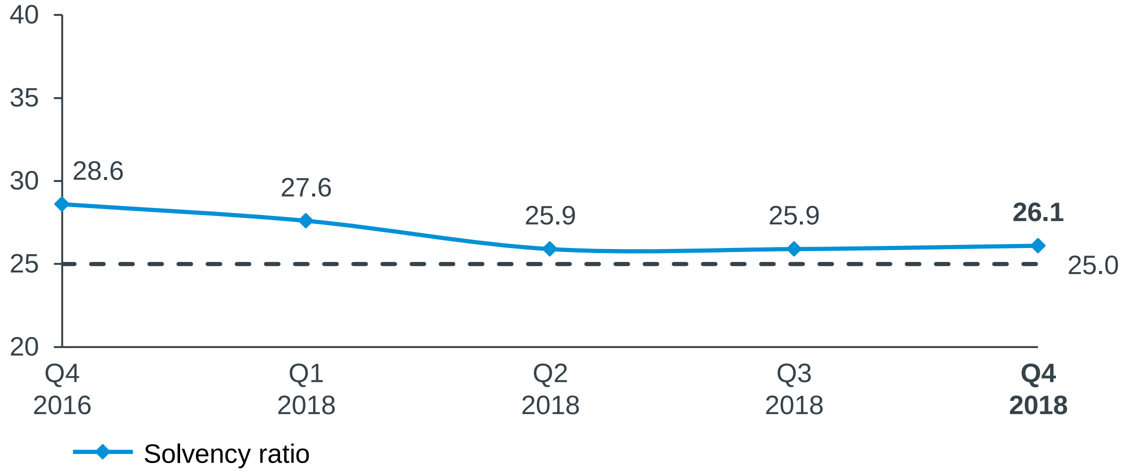
Net debt to EBITDA before special items*
mEUR



Key highlights

- Net debt to EBITDA remains at low level of (2.2) in Q4 2018

Solvency ratio*
Percent



Key highlights

- Solvency ratio of 26.1 percent in Q4 2018
- Low level primarily driven by share buy-back programmes

* Refer to note 7.3, Changes in accounting policies and disclosures, Annual report 2018

CAPITAL ALLOCATION

Total distribution to shareholders reaches EUR 607m

EURm	FY 2018	FY 2017	FY 2016
Dividend per share (DKK)*	7.44	9.23	9.71
Dividend per share (EUR)*	1.00	1.24	1.31
Dividend payout ratio*	30.0	29.9	30.0
Dividend based on net results (mEUR)**	205	267	289
Share buy-back programme (mEUR)	402	694	401
Total distribution (mEUR)*	607	961	690

Key highlights

- For 2018, the Board recommends to the AGM to pay out a dividend of DKK 7.44 per share – corresponding to 30.0 percent of the net result for the year
- During 2018, Vestas completed two share buy-back programmes of EUR 402m in total

*Based on proposed dividend.
**Based on shares issued at year end.

AGENDA

Orders and markets

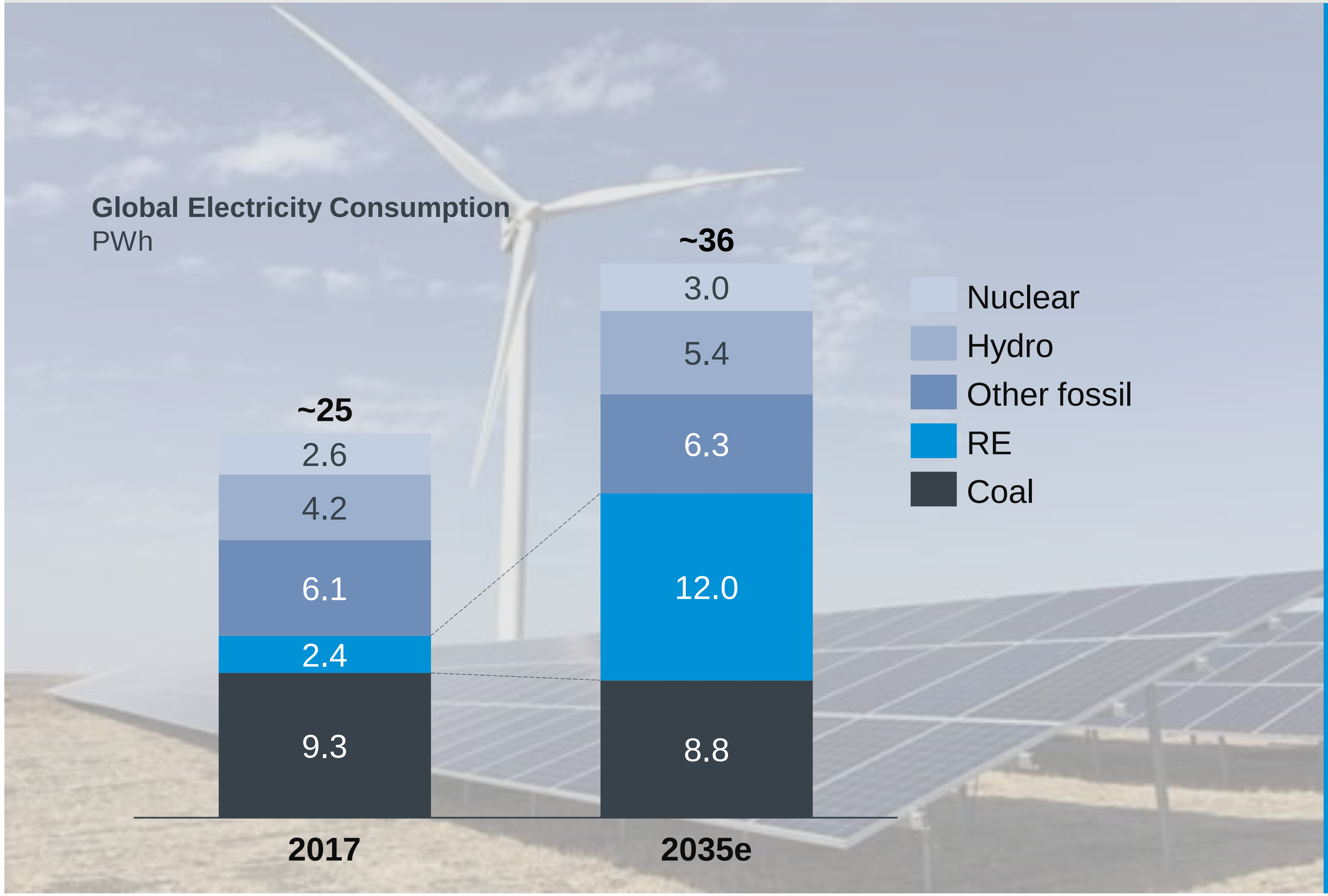
Financials

Strategy

Outlook and Q&A

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

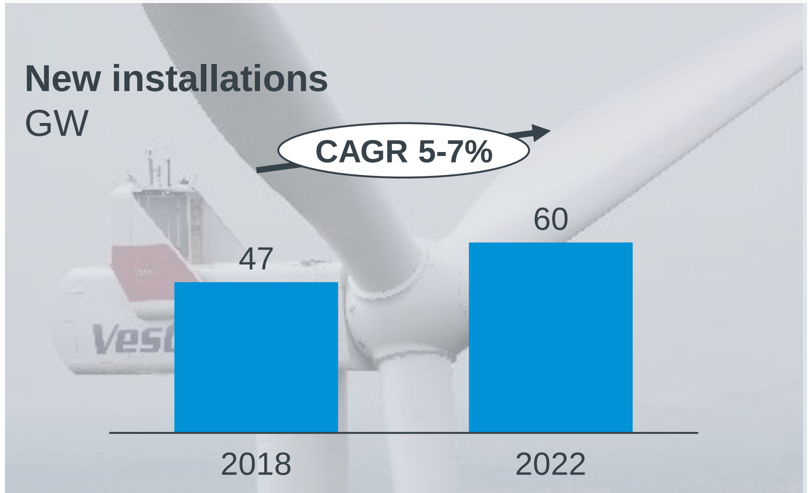
… making renewable energy the dominant generation source

Source: Bloomberg New Energy Outlook 2018

OUR PORTFOLIO CONSISTS OF THREE ATTRACTIVE RE SEGMENTS

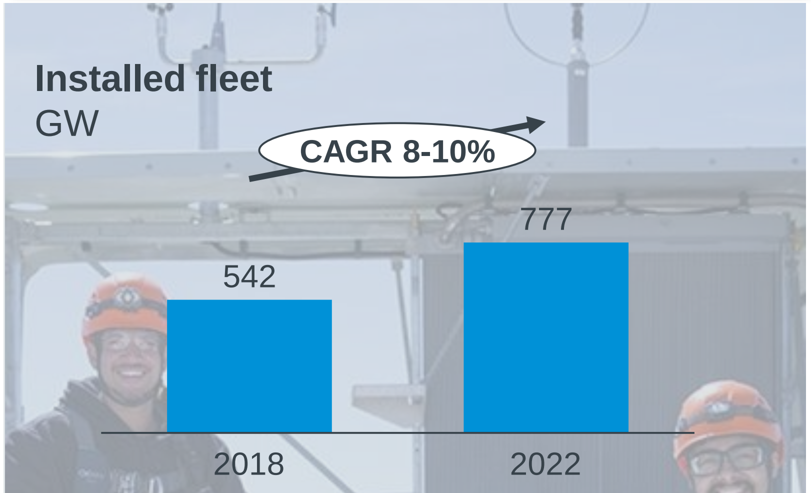
Vestas' market position

#1 ONSHORE WIND
Large market, healthy growth



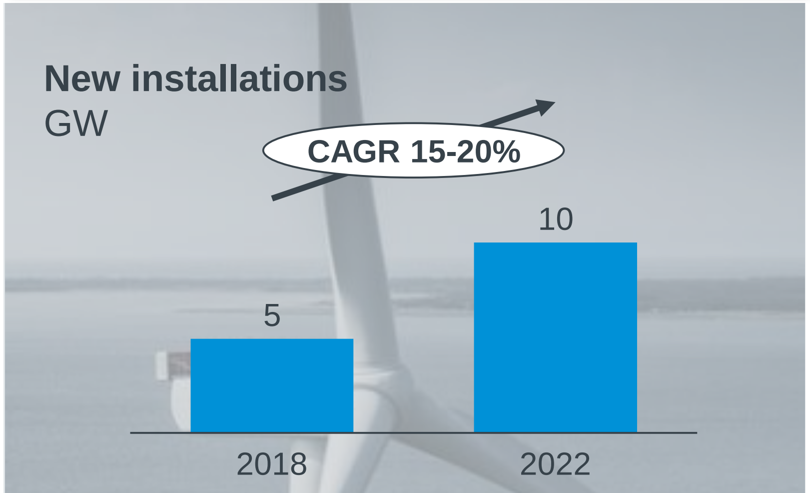
- Strong support for RE in replacement
- Increasing electricity consumption leads to growth in emerging markets
- Attractive repowering market beyond 2022

#1 WIND SERVICE
Mid-sized market, high growth



- Continued high pace of installations
- More advanced service offerings
- Large multi-brand opportunity

#2 OFFSHORE WIND
Small market, high growth



- UK as key driver in the North Sea region
- USA and Taiwan opening up
- High ambitions in China

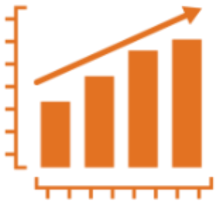
Source: MAKE Q4 2018

WE HAVE FOUR KEY DIFFERENTIATORS IN THIS MARKET

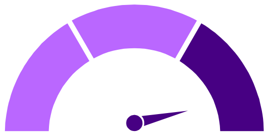
Global reach

Technology and service leadership

Scale



Proven execution



NEXT STEP: ADVANCED MODULAR DESIGN

Modularity 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

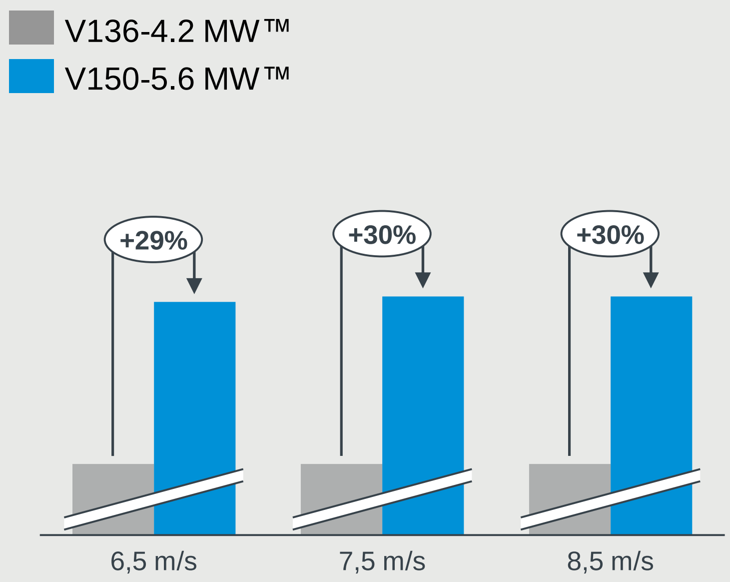
More standardised components enable efficiency and scale

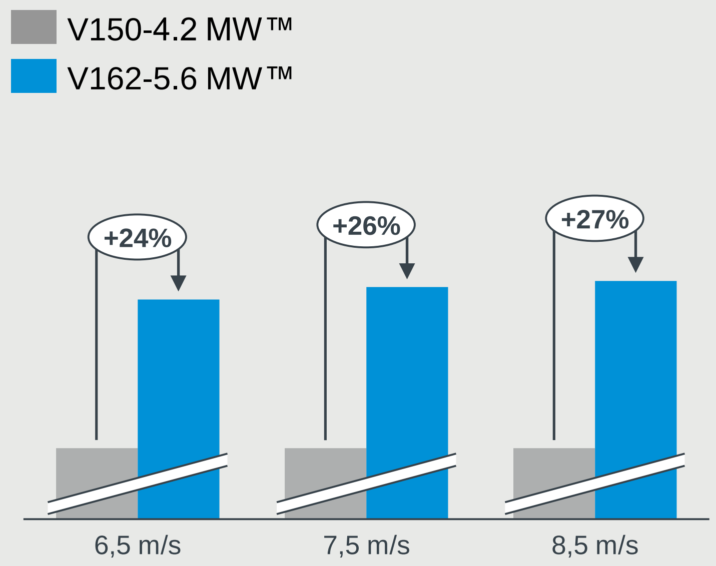
Increased opportunities to build supplier partnerships

INTRODUCING TWO NEW VARIANTS

Starting with V150-5.6 MW and V162-5.6 MW offering significant output increase

Annual Energy Production*





* Average wind speed at same HH, standard site characteristics: k = 2; ρ = 1.225 Kg/m^3

OUR STRATEGIC FRAMEWORK

We have a clear strategy and priorities

Our long-term vision

Global leader in Sustainable Energy Solutions

Our mid-term objectives

Global leader in Wind Power Plant solutions

Global leader in Wind Service solutions

Our mid-term priorities

- 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

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

ROCE
Minimum 20 percent

Vestas

MARKET LEADERSHIP

Summarising our market-leading position

Revenue:

EUR 11bn

- Grow faster than the market
- Leading market share of 16 percent

EBIT:

EUR 1bn

- Best-in-class margins
- Largest R&D investments in the industry
- Modular design enabling flexibility and benefits of scale

Backlog:

EUR 30bn

- Annual order intake of almost 16 GW
- Largest installed base of more than 100 GW
- More than 90 GW under service

Note: Consolidation of Vestas and Vestas' proportionate share of MHI Vestas financial and operational figures per 31 December 2018. Combined market share for Vestas and MHI Vestas is based on MAKE 2017 market share statistics.

AGENDA

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OUTLOOK 2019

	Outlook
Revenue (bnEUR) - Service is expected to grow approx. 10 percent	**10.75 - 12.25**
EBIT margin before special items (%) - Service margin is expected to be approx. 24 percent	**8 - 10**
Total investments (mEUR) (Excl. any investments in marketable securities and short-term financial investments)	**approx. 700**

The 2019 outlook is based on current foreign exchange rates

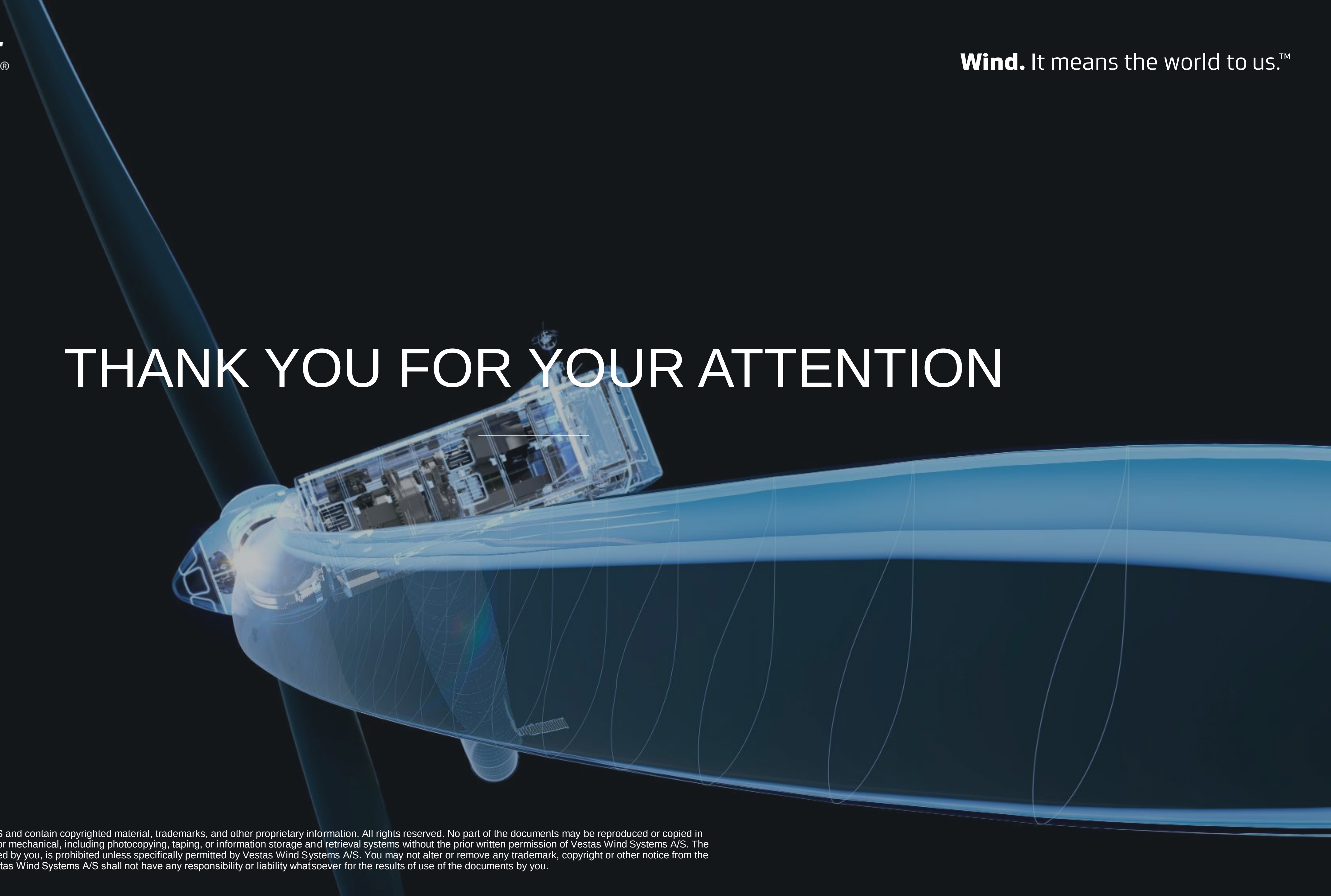
Q&A

Financial calendar 2019:

- Annual General Meeting in Aarhus (3 April)
- Disclosure of Q1 2019 (8 May)
- Disclosure of Q2 2019 (15 August)
- Disclosure of Q3 2019 (7 November)

Vestas®

Wind. It means the world to us.™



THANK YOU FOR YOUR ATTENTION