Vestas Wind Systems A/S

SECOND QUARTER 2022

August 2022

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 2021 (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 IN Q2 2022

Sustained price increases continue to pave the way towards profitability target
Maintaining the discipline to protect value creation

Order intake of 2.2 GW
Wind turbine order backlog remains high at EUR 18.9bn

Revenue of EUR 3.3bn
Revenue decreased by 7 percent year-on-year caused by delay of offshore project

Profitability negative in accordance with outlook revised on 1 May
EBIT margin of (5.5) percent driven by supply chain disruptions and cost inflation

Positive policy development in the USA and Europe
Despite evidence of an energy crisis, still a lack of permitting progress

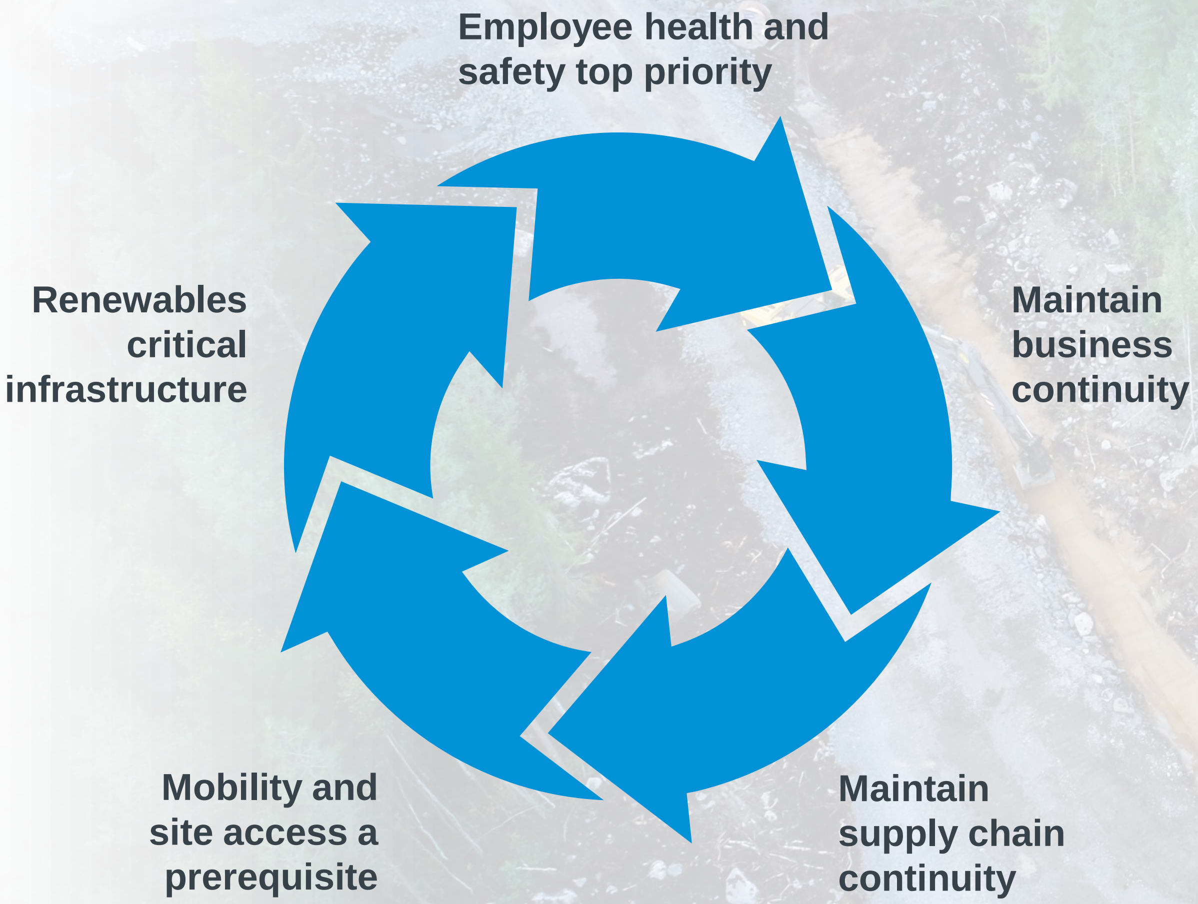
AGENDA

Orders and markets

Financials

Outlook & Q&A

GLOBAL BUSINESS ENVIRONMENT



Challenging global business environment and supply chain disruption expected to last throughout 2022

- Energy crisis underlines wind power's criticality to meet electricity demand, ensure energy supply, and lower CO_2 emissions
- Cost inflation, supply chain disruptions and COVID-related lock-downs continue to impact timelines and increase costs
- Geo-political uncertainty continues to impact global business environment

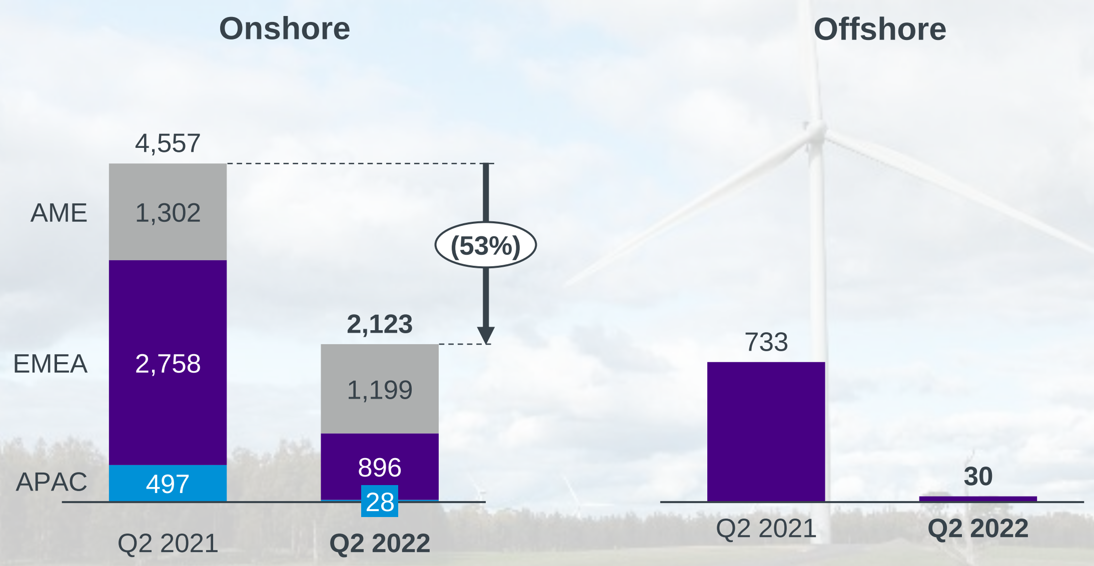
POWER SOLUTIONS

Increased pricing remains key to value creation

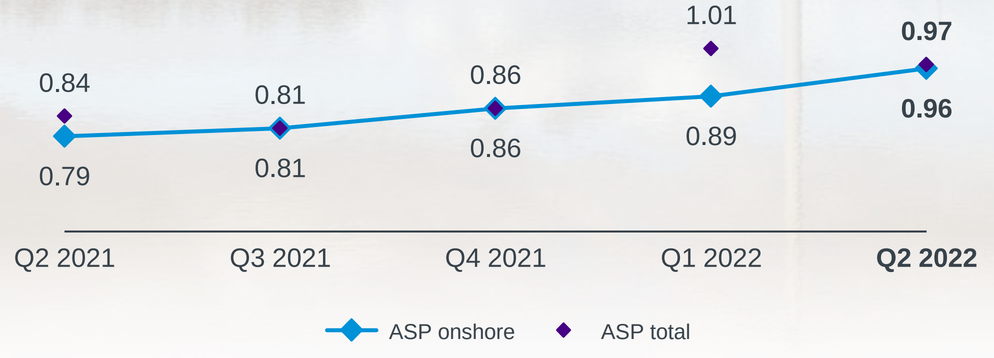
Highlights

- Decrease in order intake driven by EMEA and APAC; impacted by delayed orders from customers balancing cost inflation and offtake uncertainty
- Increased focus on energy independence accelerating ambitions for renewable transition
- Pricing continues to increase to mitigate cost inflation and secure future profitability – highest onshore ASP in last decade
- Wind turbine order backlog remains high at EUR 18.9bn

Firm and unconditional order intake, MW



Average selling price of order intake, mEUR per MW



SERVICE BUSINESS

Well positioned for further growth

Highlights

- Increased activity level and higher transactional sales
- Vestas pioneers world's first hydrogen-powered offshore service vessel
- Average duration on new contracts continues to increase

Service order backlog
Up EUR 4.4bn comp. to Q2 2021

EUR 31.3bn
(27.3bn onshore)

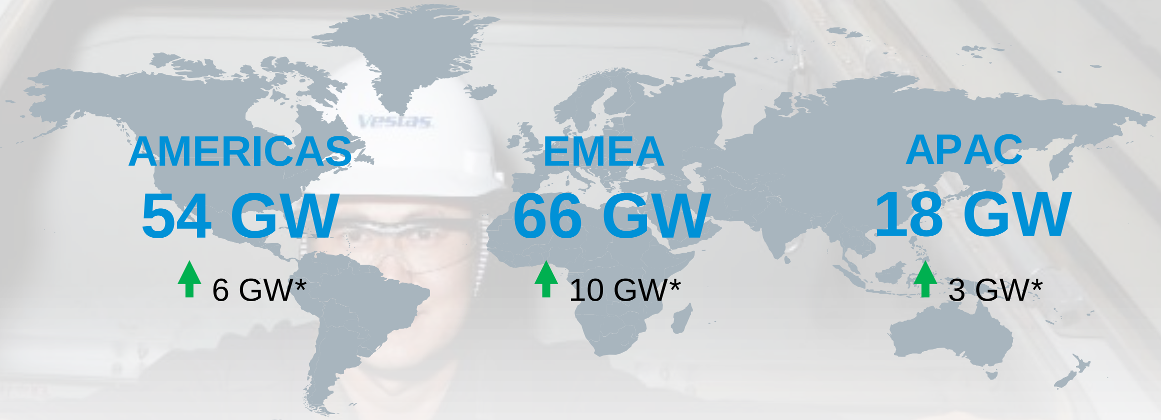
GW under **active service contracts**

138 GW
(130 GW onshore)

Average backlog contract duration

10 Years

Service fleet



* Compared to Q2 2021.

Classification: Public

Vestas

SUSTAINABILITY STRATEGY

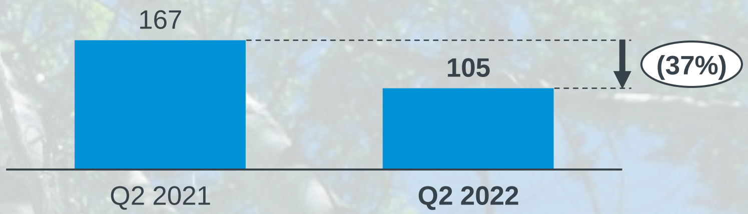
The most sustainable company in the world

Highlights

- Lifetime CO_2e avoided by produced and shipped capacity in the quarter decreased by 37 percent from Q2 2021, due to lower produced and shipped turbines
- Carbon emissions from our own operations decreased by 12 percent due to transitioning of the Daimiel factory heating system from gas to biomass as well as lower overall activity levels

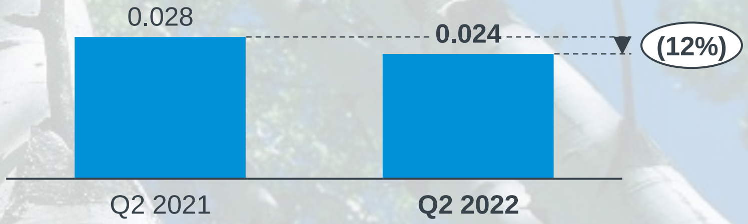
CO_2e avoided

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



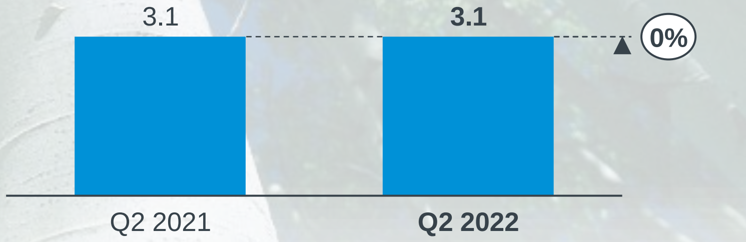
Carbon emissions

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



Safety

Total Recordable Injuries per million working hours (TRIR)



AGENDA

Orders and markets

Financials

Outlook & Q&A

Vestas

INCOME STATEMENT

Challenged profitability as expected in revised outlook

Highlights

- Revenue decreased 7 percent YoY driven by lower offshore installations from delayed project
- Gross margin decreased by 7.7 percentage points YoY, driven primarily by external cost inflation and supply chain disruption
- EBIT margin before special items decreased by 8.2 percentage points YoY, mainly driven by the lower gross profit and lower revenue
- Special items is driven by positive reversals partly offset by further impairments in Asia

mEUR	Q2 2022	Q2 2021**	% change
Revenue	**3,305**	3,536	(6.5%)
Production costs	**(3,208)**	(3,161)	1.5%
Gross profit	**97**	375	(74.1)%
SG&A costs*	**(279)**	(281)	0.7%
EBIT before special items	**(182)**	94	(294)%
Special items	**35**	0	-
EBIT after special items	**(147)**	94	(256)%
Income from investments in joint ventures and associates	**14**	33	(57.6)%
Net profit	**(119)**	83	(413)%
Gross margin	**2.9%**	10.6%	(7.7)%-pts
EBITDA margin before special items	**1.2%**	8.9%	(7.7)%-pts
EBIT margin before special items	**(5.5)%**	2.7%	(8.2)%-pts

*R&D, administration, and distribution, including depreciations and amortisations.
** Comparative figures for 2021 are adjusted in relation to accounting policy change for configuration and customisation cost in cloud computing arrangements, refer to note 5.3.

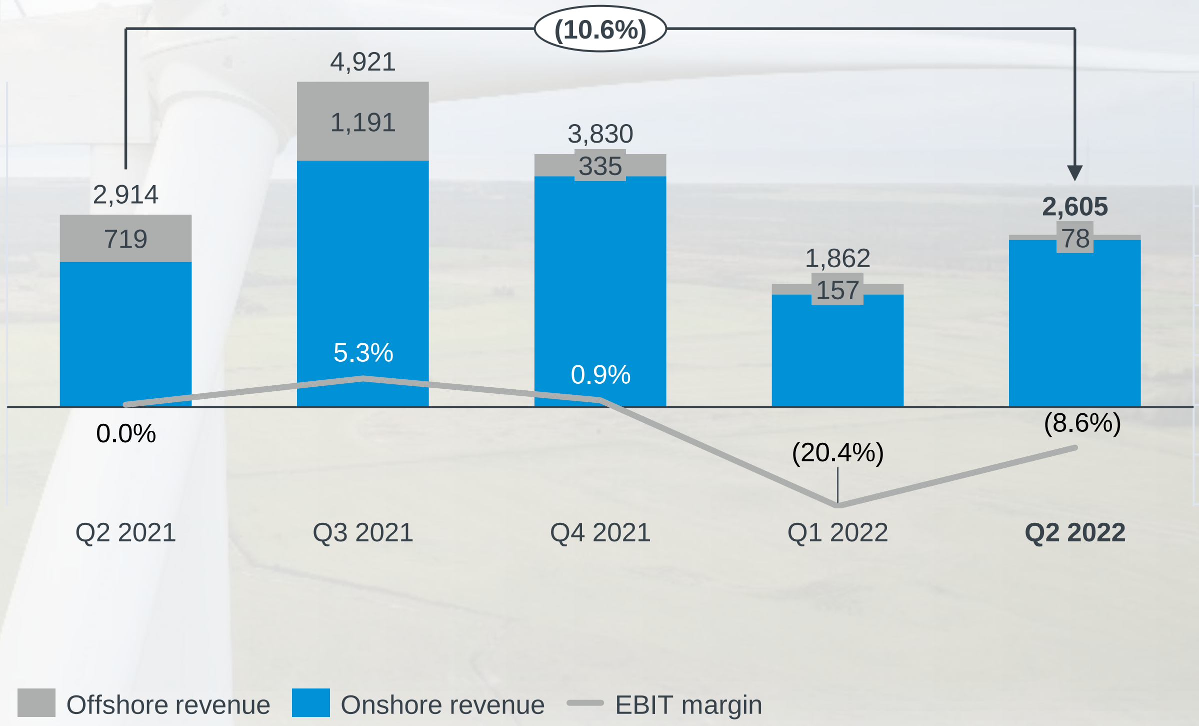
POWER SOLUTIONS

Profitability continuously challenged

Highlights

- Revenue decreased by 11 percent YoY, driven by project delay in offshore
- EBIT margin before special items of negative 8.6 percent, down 8.6 percentage points YoY driven by continued external cost inflation and supply chain disruptions resulting in increased costs and lower revenue

Power Solutions revenue and EBIT margin before special items, mEUR

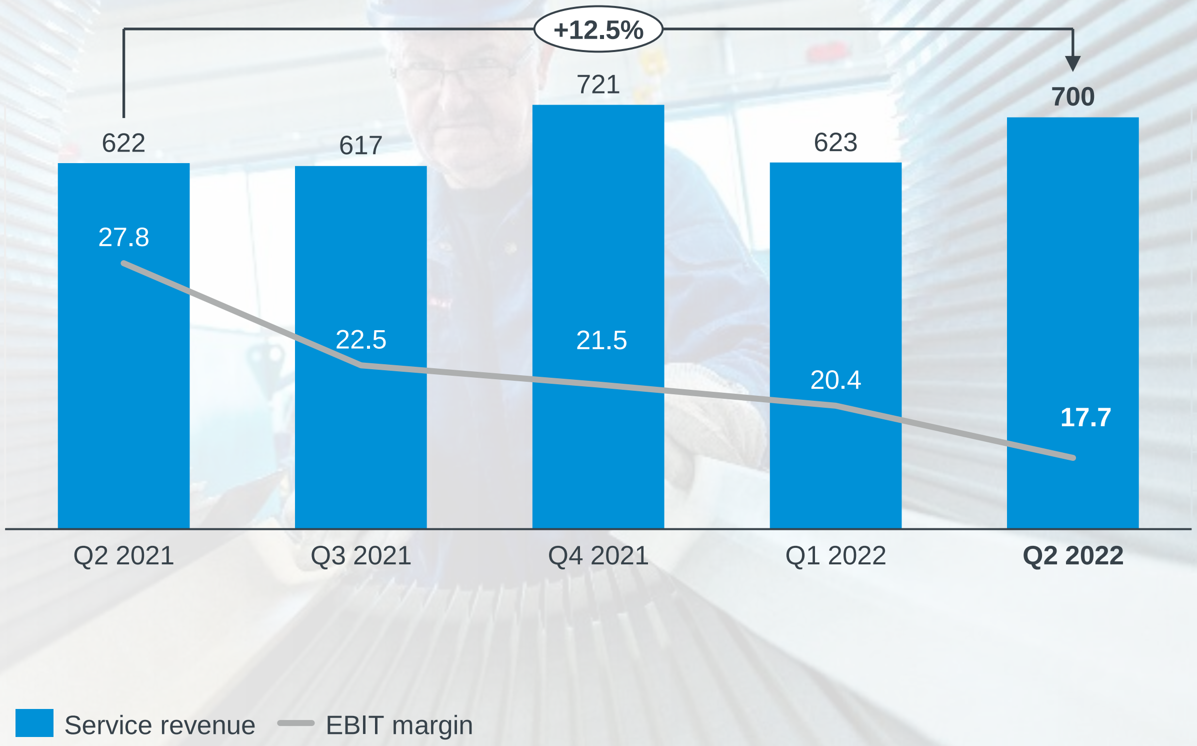


Vestas

SERVICE BUSINESS

Higher activity levels but lower profitability

Service revenue and EBIT margin, mEUR and percent



Highlights

- Service revenue increased 13 percent compared to Q2 2021 driven by higher activity overall and transactional sales as well as inflation levers in contracts
- EBIT before special items of EUR 124m corresponding to 17.7 percent driven by lower profitability on certain projects in USA and Africa

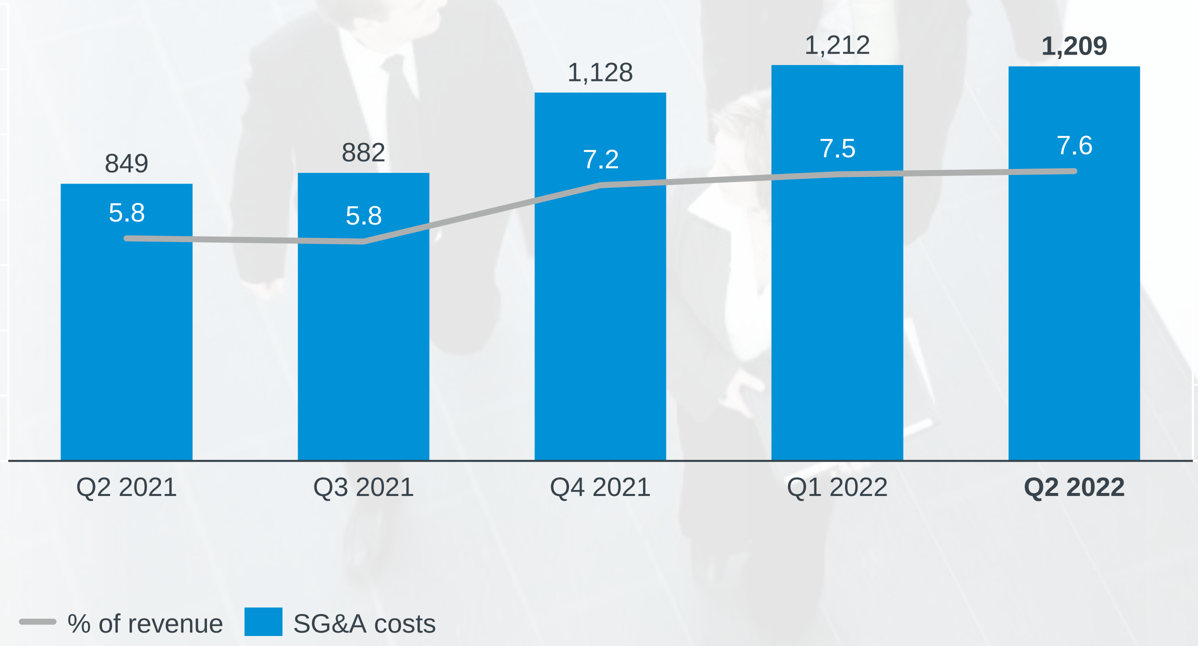
SG&A COSTS

SG&A costs under control

Highlights

- Relative to activity levels, SG&A costs amounted to 7.6 percent – an increase of 1.8 percentage points compared to Q2 2021 primarily related to offshore impairment and transportation equipment

SG&A costs (TTM)*, mEUR and percent



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

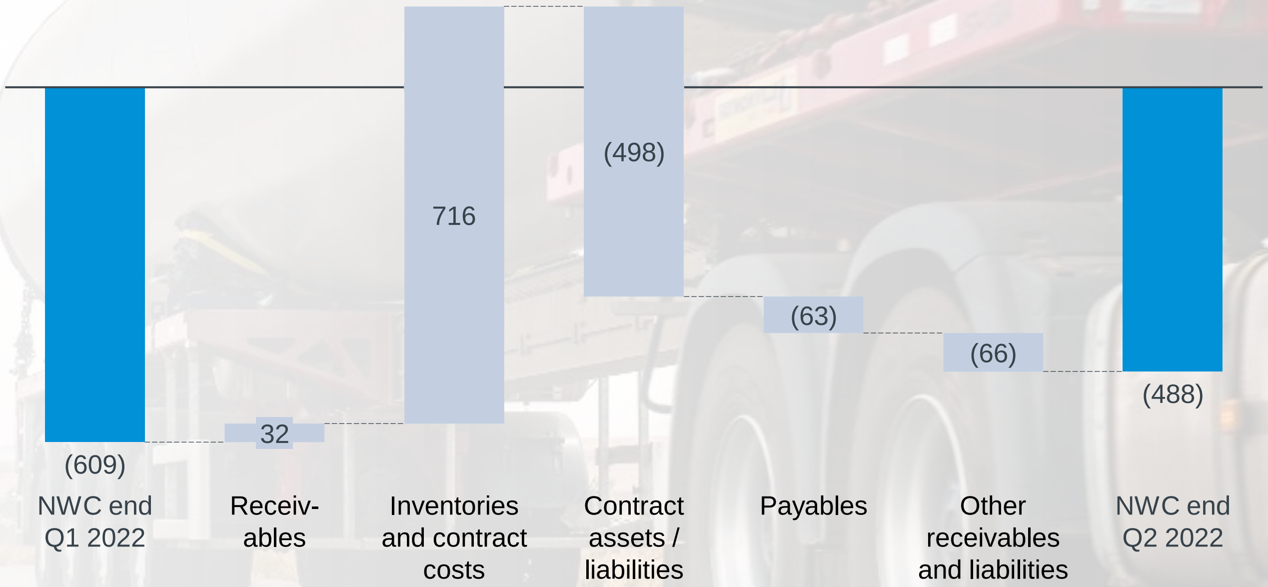
NET WORKING CAPITAL

Increased NWC in the quarter

Highlights

- Net working capital increased in Q2 2022 driven by an increase in the level of inventory partly offset by down- and milestone payments

NWC change over the quarter, mEUR



Vestas

CASH FLOW STATEMENT

Negative cash flow in the quarter

Highlights

- Negative cash flow from operating activities of EUR 188m driven by lower profitability and NWC development leading to negative free cash flow in Q2 2022

mEUR	Q2 2022	Q2 2021***	Abs. change
Cash flow from operating activities before change in net working capital	**(90)**	107	(197)
Change in net working capital*	**(98)**	245	(343)
Cash flow from operating activities	**(188)**	352	540
Cash flow from investing activities**	**(174)**	(169)	(5)
Free cash flow before financial investments**	**(362)**	183	(545)
Free cash flow	**(381)**	166	(547)
Cash flow from financing activities	**(90)**	(255)	165
Net interest-bearing position	**(415)**	334	(749)

* Change in net working capital impacted by non-cash adjustments and exchange rate adjustments with a total amount of net EUR 23m.
** Excl. acquisitions of subsidiaries, joint ventures, associates and financial investments.
*** Comparative figures for 2021 are adjusted in relation to accounting policy change for configuration and customisation cost in cloud computing arrangements, refer to note 5.3.

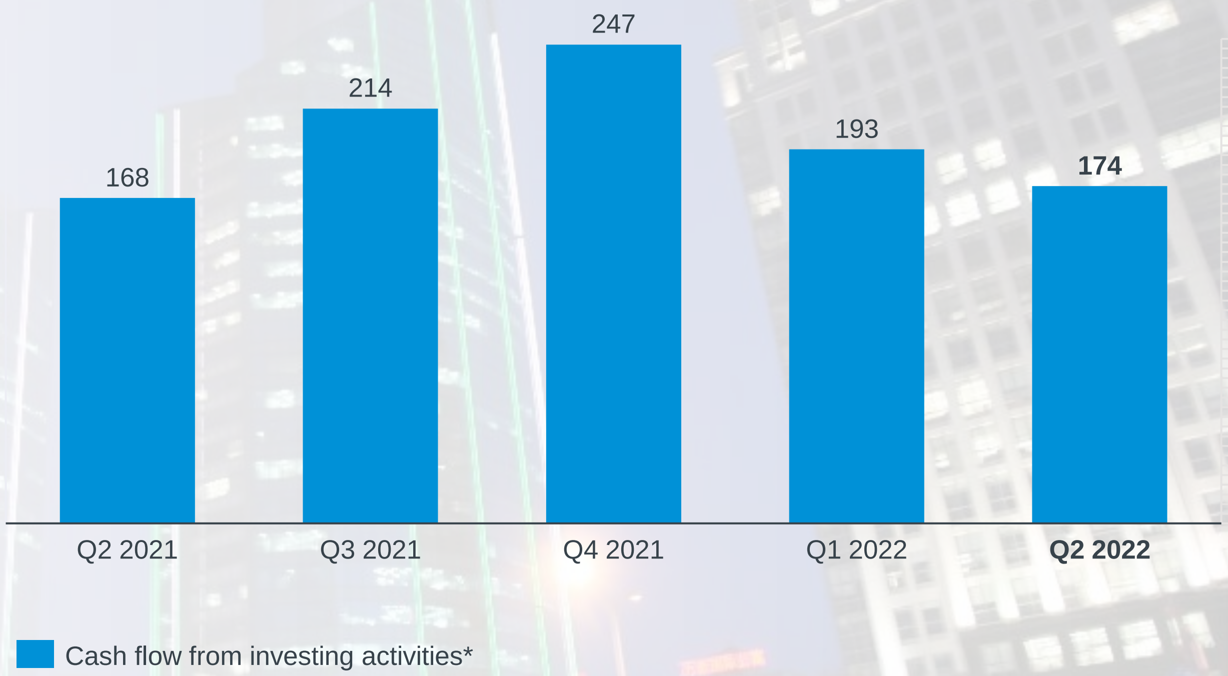
TOTAL INVESTMENTS

Stable investments level

Highlights

- Investments of EUR 174m in Q2 2022, on par with last year

**Total net investments*, ** mEUR



* Excl. acquisitions of subsidiaries, joint ventures, associates and financial investments

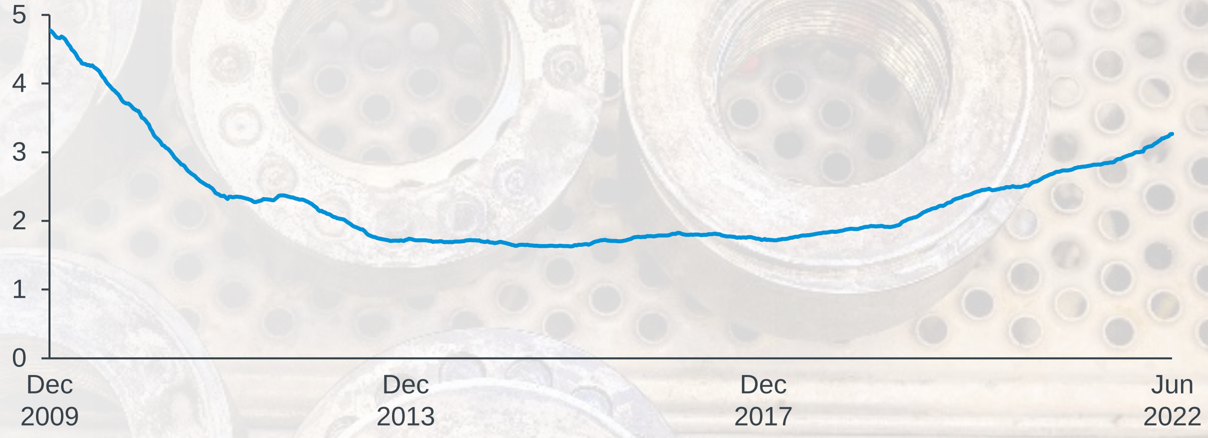
PROVISIONS & LPF

Elevated warranty provisions and LPF

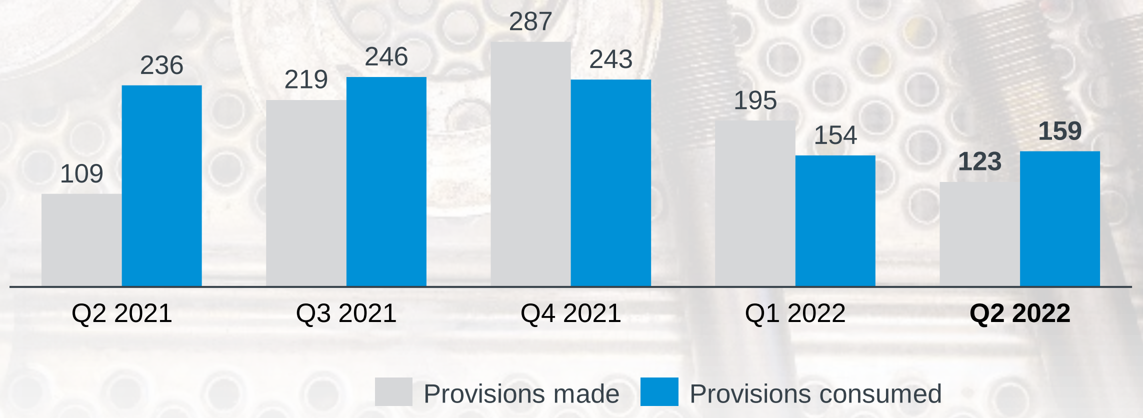
Highlights

- LPF* continues at high level as a consequence of the extraordinary repair and upgrade level
- Warranty provisions made corresponding to 3.7 percent of revenue; elevated level driven by cost inflation and logistics challenges for repair and upgrade of existing cases

Lost Production Factor (LPF), Percent



Warranty provisions made and consumed, mEUR



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

Vestas

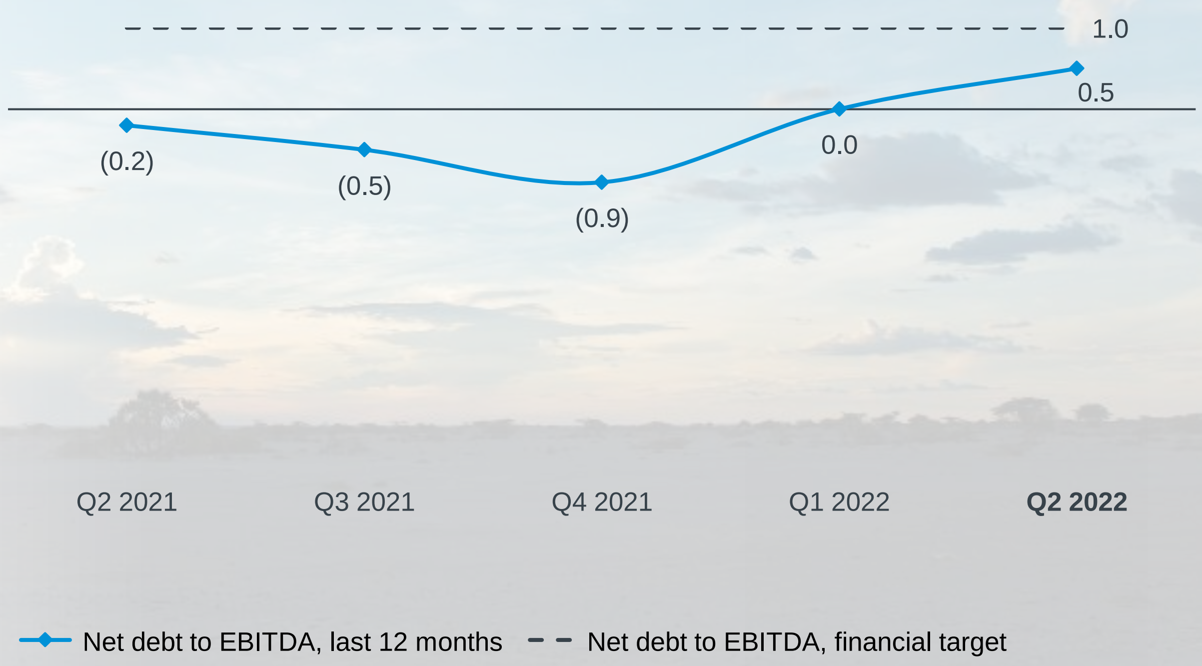
CAPITAL STRUCTURE

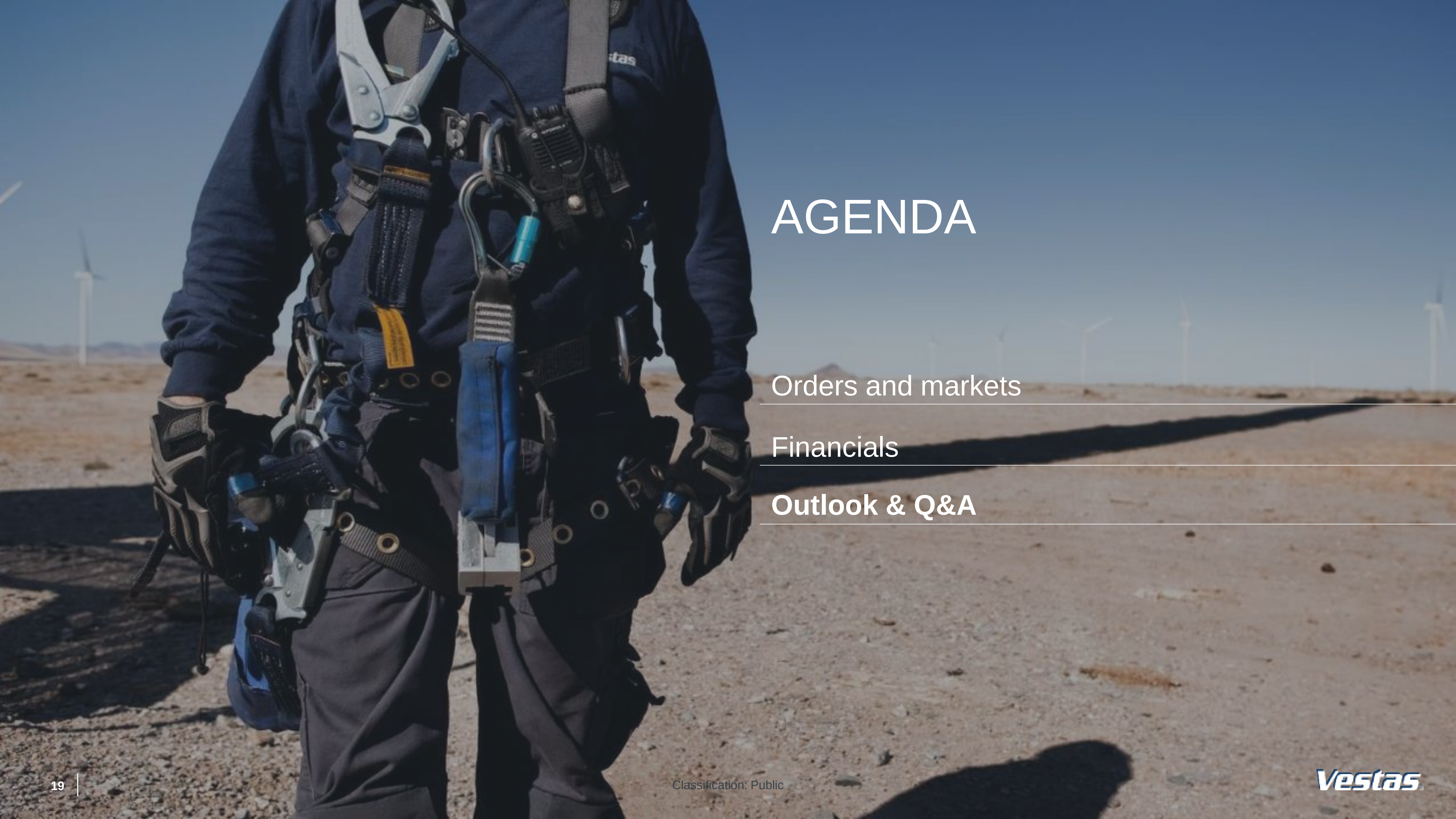
Net debt to EBITDA increasing due to challenged profitability

Highlights

- Net debt to EBITDA at 0.5 in Q2 2022
- Commitment to cash focus and capital allocation policy remains

Net debt to EBITDA before special items





AGENDA

Orders and markets

Financials

Outlook & Q&A

OUTLOOK 2022

	Outlook
Revenue (bnEUR) - Service is expected to grow min. 10 percent	**14.5 – 16**
EBIT margin before special items (%) - Service margin is expected to be approx. 23 percent	**(5) – 0**
Total investments (mEUR) Excl. acquisitions of subsidiaries, joint ventures, associates and financial investments	**Approx. 1,000**

- Important to note that basic assumptions behind the guidance are more uncertain than normal
- The 2022 outlook is based on current foreign exchange rates

Q&A

Financial calendar 2022:

- Disclosure of Q3 2022 (2 November)

Classification: Public

Wind. It means the world to us.™

THANK YOU FOR YOUR ATTENTION