Full year 2024

Vestas Wind Systems A/S
Copenhagen, 5 February 2025

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/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 for full year 2024

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 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

Agenda

Market, orders and sustainability

Financials

Strategy Update

Outlook

Q&A

Vestas

Our current business environment

Wind energy key to affordability, security and sustainability amidst geopolitical uncertainty

Global Environment

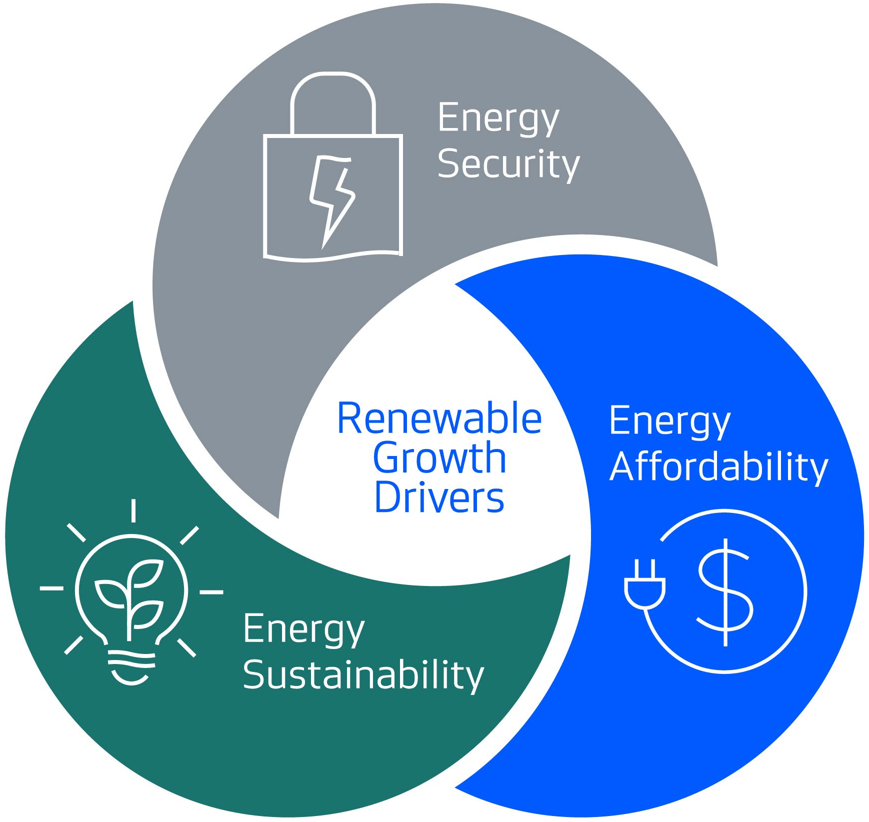
- Raw material and transport costs stable
- Ongoing geopolitical and trade volatility
- Overall inflation stabilising and indices are converging

Market Environment

- Grid investment prioritised in key markets
- Permitting improving in some markets but overall permitting, auctions and market design still challenging
- Wind energy is key to affordability, security and sustainability

Project Level

- Regional disruption continues to threaten supply chain
- Low margin legacy projects completed



Classification: Public

Vestas

Power Solutions – Q4 2024

Another strong end to the year

Highlights

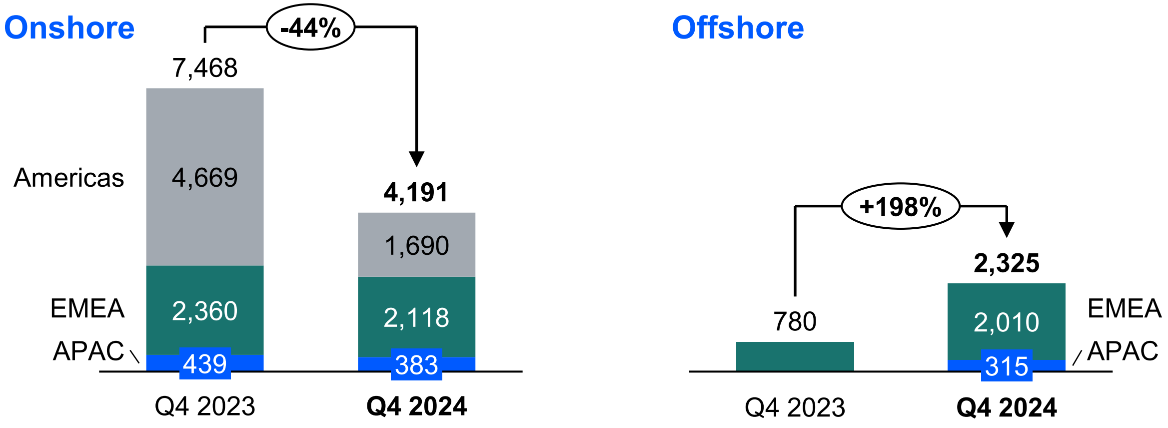
Strong Q4 order intake of 6.5 GW, with continuous momentum across all regions for Onshore, and good market activity for Offshore in EMEA and APAC

Order intake was down from last year, due to a tough comparison with an all-time high quarter in Q4 2023

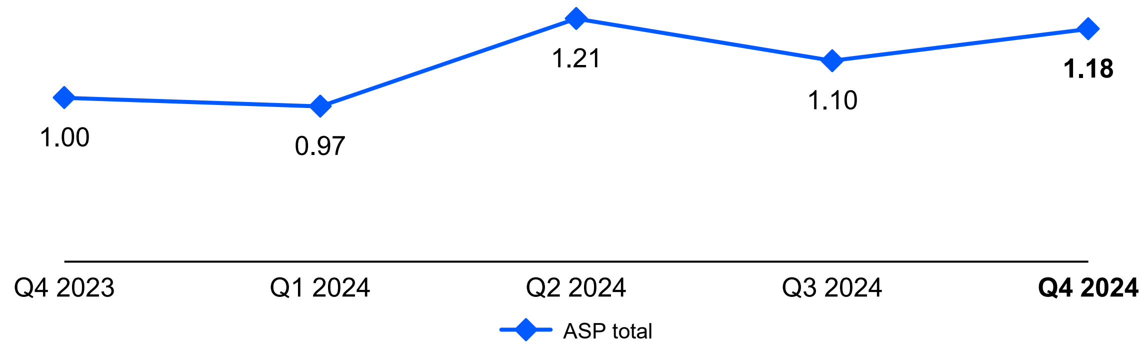
The ASP on new orders was **EUR 1.18m/MW** in the quarter up from EUR 1.00m/MW last year

The order backlog in Power Solutions increased to a **record high of EUR 31.6bn,** up EUR 5.6bn 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



Classification: Public

Vestas

Service – Q4 2024

Scrutiny of Service is complete

Highlights

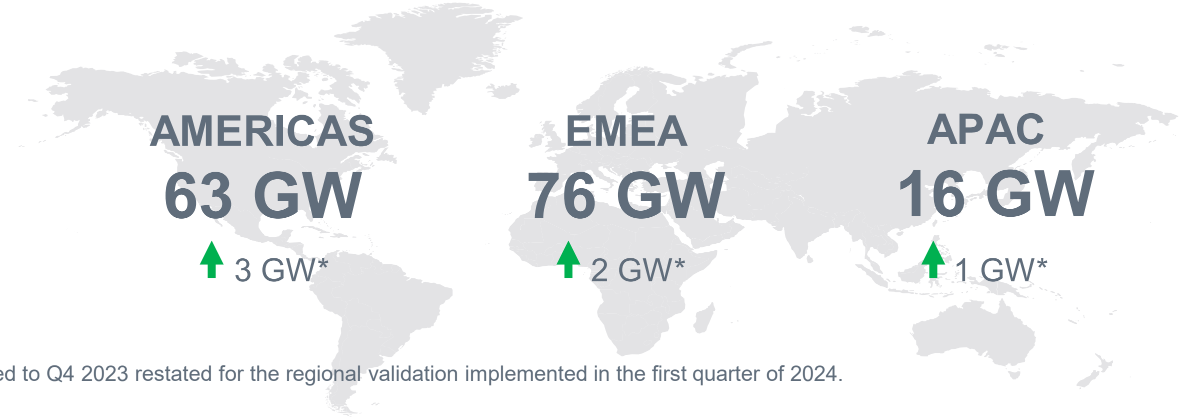
While Service had a difficult year in 2024, the **scrutiny of the business is over**, and a **recovery plan is in place**

Service reached **155 GW under service compared** to 149 GW a year ago, solidifying our position as the largest Service business in the industry

The service order backlog continues to grow, now almost **EUR 37bn** up from EUR 34bn in 2023.

Service order backlog	GW under active service contracts	Average years contract duration
EUR 36.8bn (31.1 onshore)	**155 GW** (147 onshore)	**11 Years**

Service fleet



*Compared to Q4 2023 restated for the regional validation implemented in the first quarter of 2024.

Classification: Public

Vestas

Vestas Development – Q4 2024

Strong order intake and new secured pipeline

Highlights

In Q4, Vestas Development **generated 612 MW** of order intake for Vestas from two development projects in the USA

At the end of Q4, Vestas' **pipeline** of development projects amounted to **28 GW** with Australia, USA, Spain and Brazil holding the largest opportunities

Throughout 2024 Vestas development continued to generate value with **2.0 GW of exits**

Order intake generated

612 MW

New secured pipeline

1.3 GW

Total project pipeline

28 GW

Development pipeline

Classification: Public

Vestas

Sustainability – FY 2024

Vestas is the most sustainable energy company in the world

Highlights

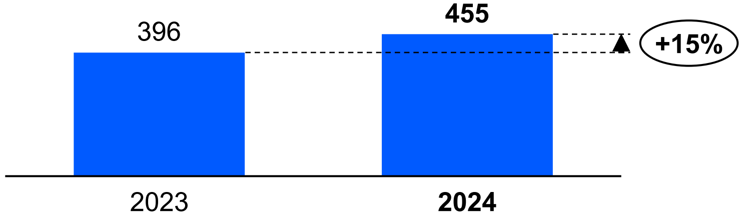
Lifetime emissions avoided by produced and shipped capacity increased by 59 million tonnes compared to a year ago

Number of **recordable injuries** per million working hours (TRIR) was stable at 3.0, but 2024 was marred by five fatalities, including one Vestas employee. We tirelessly work to improve our safety performance across our value chain

While we will not reach our 2025 target for scope 1 and 2 **carbon emissions**, we continue to make progress. Excluding Offshore we would have achieved a **reduction of 44 percent** compared to 2019. We are honored to yet again be heralded as the **most sustainable energy solutions company** by Corporate Knights

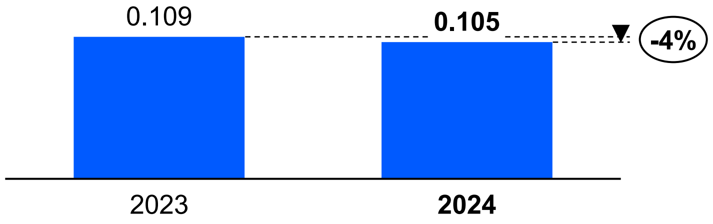
GHG avoided

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



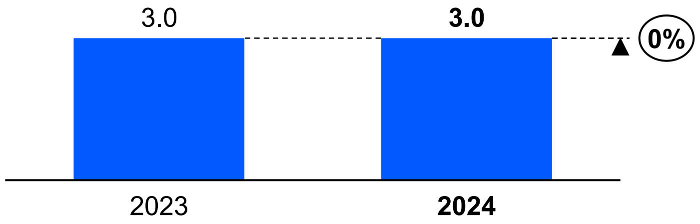
GHG emissions

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



Safety

Total Recordable Injuries per million working hours (TRIR)



Classification: Public

Vestas

Agenda

Market, orders and sustainability

Financials

Strategy Update

Outlook

Q&A

Classification: Public

Vestas

Income statement – Full year 2024

Revenue and EBIT within Outlook range

Highlights

In 2024, **revenue increased 12 percent** YoY to EUR 17.3bn, in the upper end of the guided range. Growth was primarily driven by turbines delivered at higher prices

EBIT margin b.s.i. of 4.3 percent achieved, within our Outlook range. Adjusting for the sale of our controls and converter business in 2023, the improvement in EBIT margin was **3.8 percentage points YoY**

ROCE continues to improve, now at 8.0 percent in 2024, up 5.1 percentage-points from last year

mEUR	2024	2023	% change
Revenue	**17,295**	15,382	12%
Gross profit	**2,057**	1,283	60%
SG&A costs*	**(1,318)**	(1,247)	6%
Sale of technology	**-**	147	Negative
Income from investments in JVs and associates	**2**	48	Negative
EBIT before special items	**741**	231	>200%
Special items	**53**	61	
EBIT	**794**	292	172%
Net profit	**494**	78	>500%
Earnings per share	**0.5**	0.1	Positive
Gross margin	**11.9%**	8.3%	3.6%-pts
EBITDA margin before special items	**9.3%**	6.7%	2.6%-pts
EBIT margin before special items	**4.3%**	1.5%	2.8%-pts
Return on Capital Employed (ROCE) (%)	**8.0%**	2.9%	5.1%-pts

*R&D, administration, and distribution, including depreciations and amortisations.

Income statement – Q4 2024

Double-digit profitability achieved at year-end

Highlights

Revenue **increased by 29 percent** YoY in the fourth quarter, driven by higher revenue in both Power Solutions and Service

Gross margin improved by more than seven percentage points to **18.1 percent**, as the turnaround in Power Solutions is now clearly visible

With SG&A costs fairly stable, Vestas generated **12.4 percent EBIT margin** in Q4, showing double-digit profitability

mEUR	Q4 2024	Q4 2023	% change
Revenue	**6,141**	4,771	29%
Gross profit	**1,113**	523	113%
SG&A costs*	**(355)**	(341)	4%
Sale of technology	**-**	-	-
Income from investments in JVs and associates	**1**	9	-
EBIT before special items	**759**	191	~300%
Special items	**56**	34	
EBIT	**815**	225	~300%
Net profit	**598**	149	~300%
Earnings per share**	**0.5**	0.1	~400%
Gross margin	**18.1%**	11.0%	7.1%-pts
EBITDA margin before special items	**16.1%**	8.3%	7.8%-pts
EBIT margin before special items	**12.4%**	4.0%	8.4%-pts
Return on Capital Employed (ROCE) (%)**	**8.0%**	2.9%	5.1%-pts

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

Vestas

Power Solutions – Q4 2024

Highest quarterly profitability since 2017

Highlights

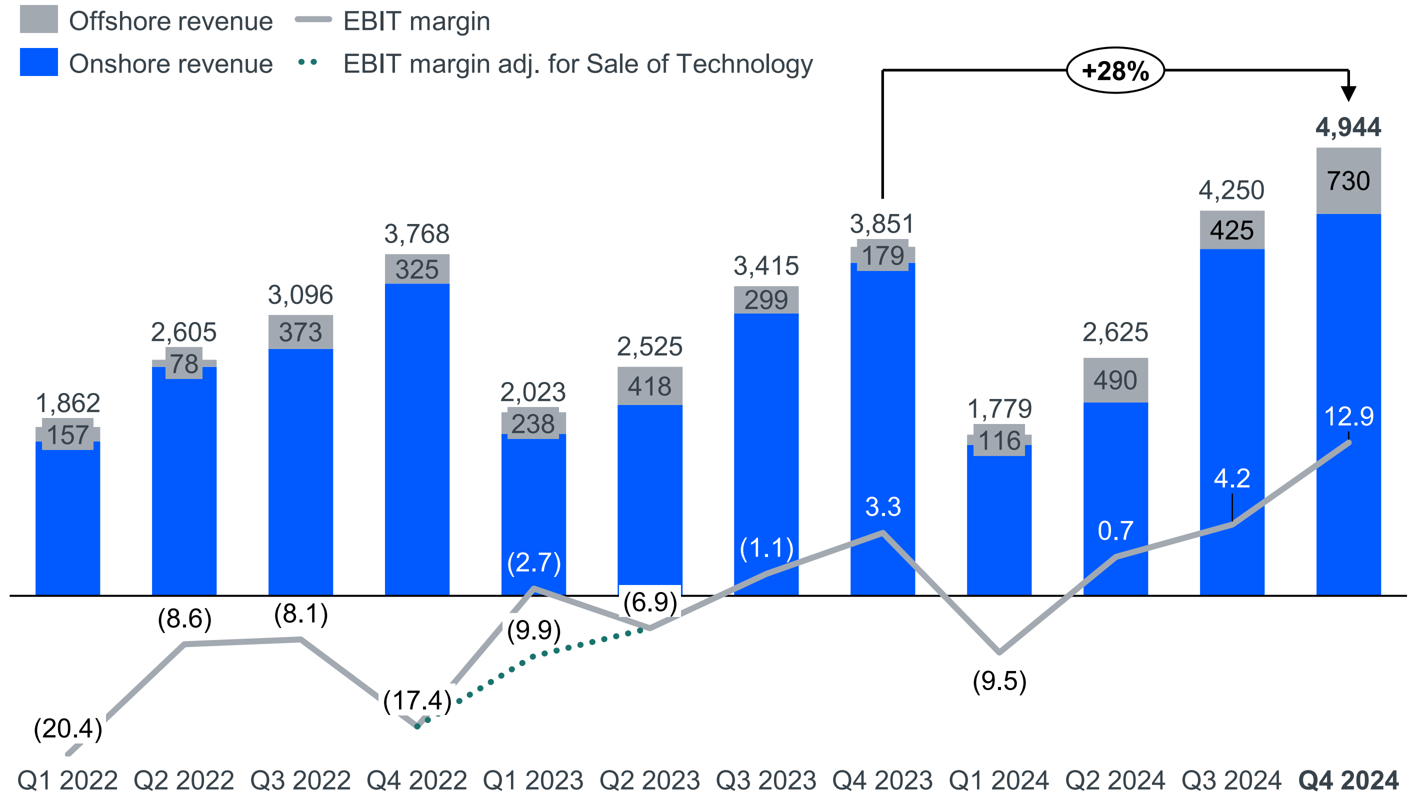
Revenue **increased by 28 percent** YoY, driven by higher MW delivered in both Onshore and Offshore, as well as higher average prices

EBIT margin of **12.9 percent in Q4**, up almost ten percentage points compared to last year, leading to the highest quarterly profitability since 2017, cementing the tremendous **turnaround achieved**

The improvement was driven by better project execution, lower warranty costs and benefits from operating leverage in a **very backend-loaded year.** 2025 is expected to follow a similar profile

The quarter also marks the **completion of the low margin legacy backlog** from mid-2022 and earlier

Power Solutions revenue and EBIT margin, mEUR and percent



Classification: Public

Vestas

Service – Q4 2024

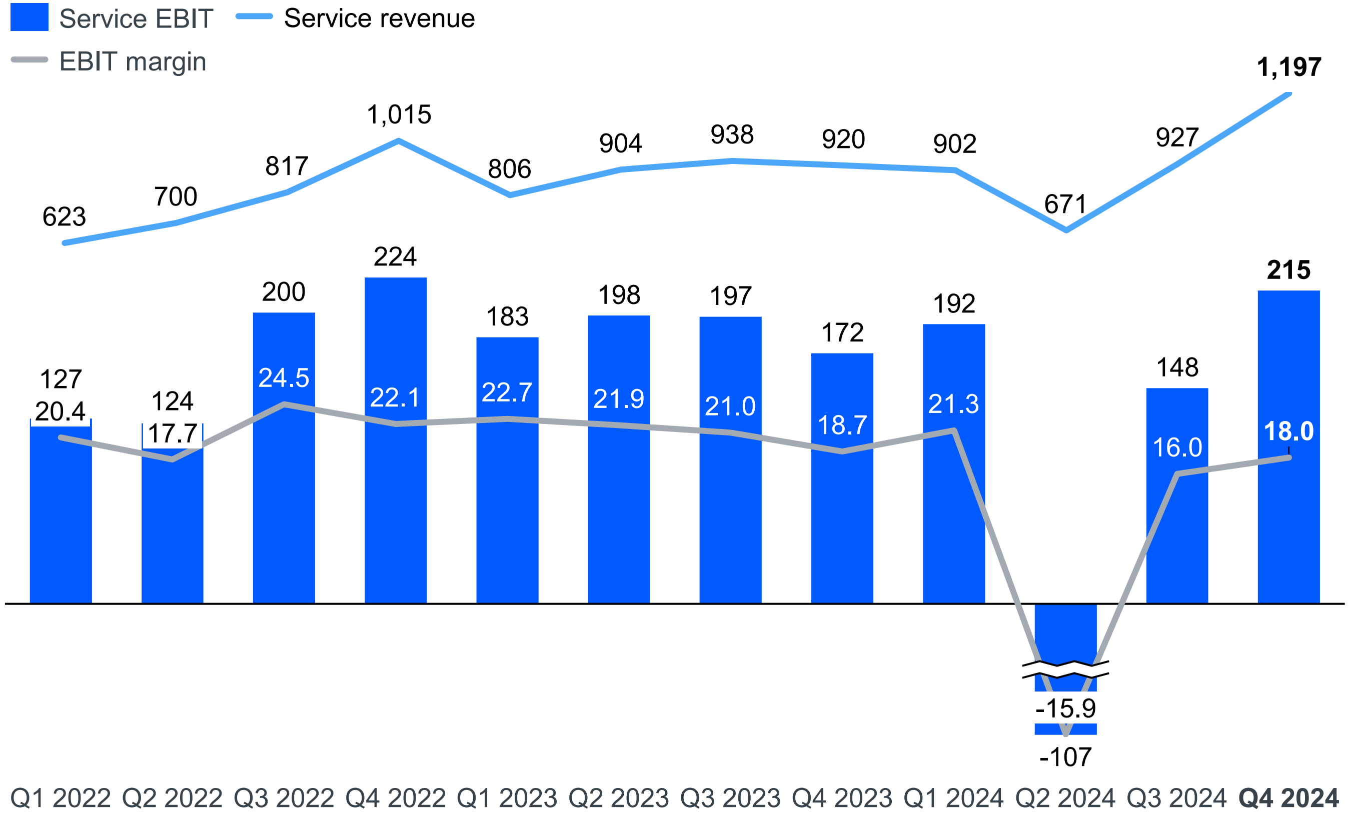
Heading 'back on track'

Highlights

In Service, **revenue increased by 30 percent** YoY, driven by record-high high transactional sales in the quarter, and 4 percent currency tailwind. Underlying contract revenue increased by 12 percent YoY

Service generated **EBIT of EUR 215m**, equivalent to an EBIT margin of 18.0 percent, as expected

Service revenue and EBIT margin before special items, mEUR and percent



Classification: Public

Vestas

Cash flow statement – Q4 2024

Finishing the year with a net cash position

Highlights

Operating cash flow was EUR 2.2bn in the quarter, an improvement compared to Q4 last year, driven by higher profitability and net working capital improvements

Adjusted FCF was EUR 1.8bn, also an improvement YoY, despite the higher investment level

For 2024, adj. FCF amounted to **EUR 1.1bn,** ending the year with a **net cash position of EUR 809m**

mEUR	Q4 2024	Q4 2023	Abs. change
Cash flow from operating activities before change in net working capital	**1,009**	272	737
Change in net working capital*	**1,158**	1,712	(554)
Cash flow from operating activities	**2,167**	1,984	183
Cash flow from investing activities	**(421)**	(305)	(116)
Free cash flow	**1,746**	1,679	67
Adjusted free cash flow**	**1,792**	1,656	136
Cash flow from financing activities	**(148)**	(41)	(107)
Interest-bearing position (net)	**809**	32	777

* Change in net working capital impacted by non-cash adjustments and exchange rate adjustments with a total amount of net EUR (21)m.
** Before acquisitions of subsidiaries, joint ventures, and associates, and financial investments.

Net working capital – Q4 2024

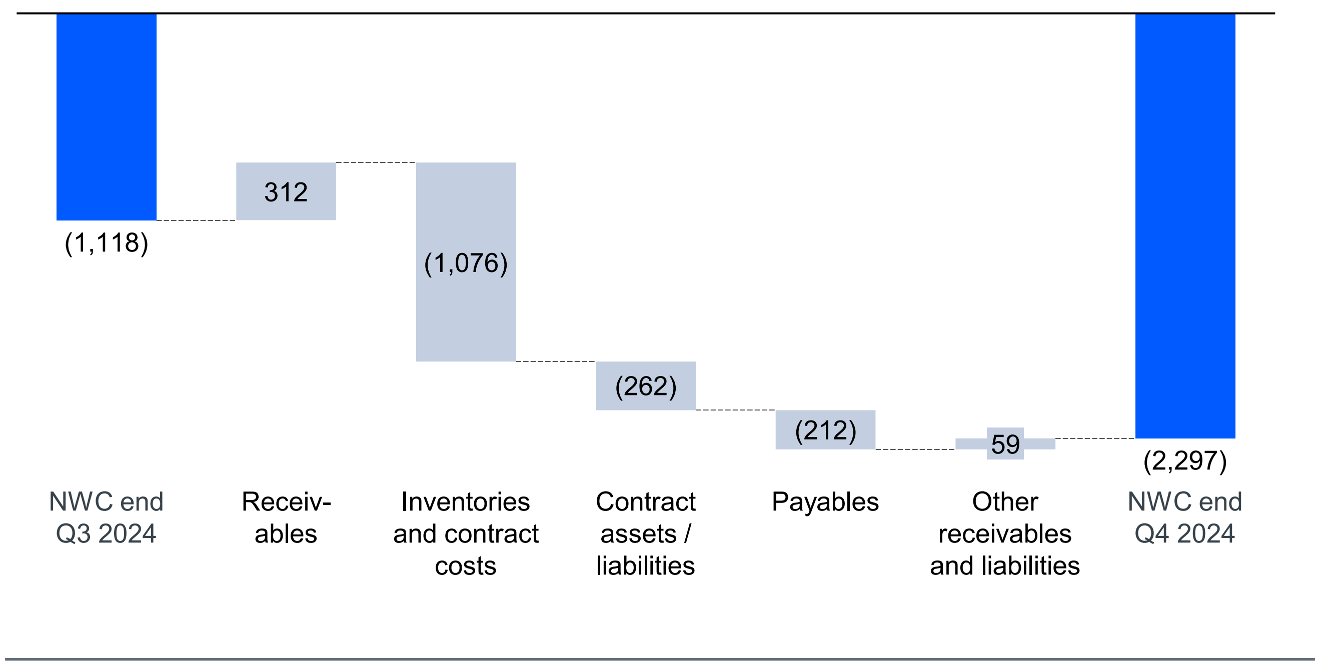
Working capital decreased in a busy fourth quarter

Highlights

Net working capital decreased considerably in Q4, as usual, driven by a **reduction in inventories**, while higher customer down- and milestone payments were largely offset by higher receivables

We ended **2024 with lower inventories and net contract assets** than last year, despite our overall higher activity level

NWC change over the quarter, mEUR



Classification: Public

Vestas

Total investments – Q4 2024

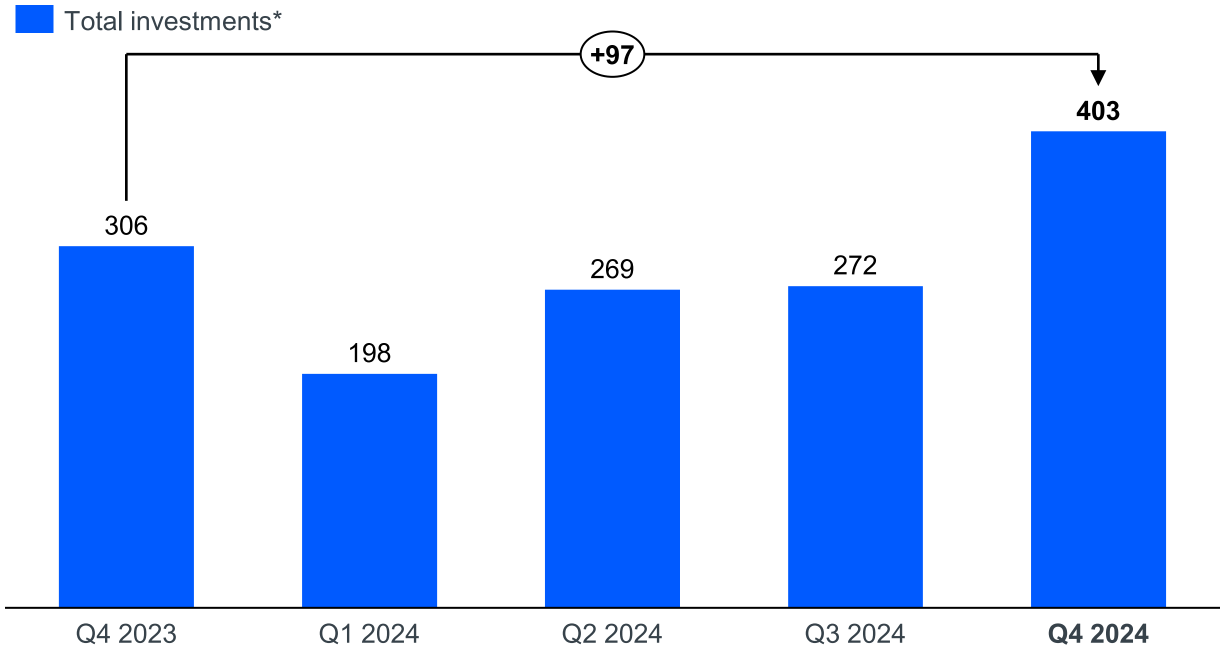
Investing for growth

Highlights

We made investments of **EUR 403m in Q4**, an increase compared to last year, as we continue to prioritise the manufacturing ramp-up in both Offshore, and our 4 MW platform in the USA, in particular

We have now begun **serial manufacturing** of our V236-15.0 MW™ turbine across our European sites to deliver on the first projects in 2025, which will trigger higher depreciations and amortisations

Total investments*, mEUR



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

Classification: Public

Vestas

Provisions and LPF – Q4 2024

LPF is improving but challenged short-term by issue reported in Q3

Highlights

Heightened focus on Quality is helping underlying LPF improve, and warranty provisions decrease. Over time, an improved LPF should lead to lower warranty provisions

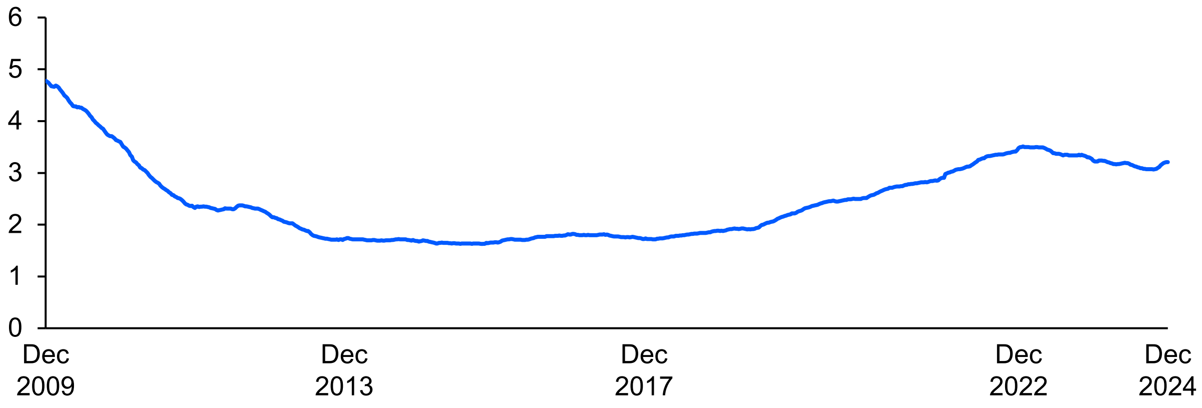
Slight increase in LPF primarily caused by **downtime at the two offshore sites** addressed in Q3

Warranty costs amounted to **EUR 162m** in the quarter corresponding to **2.6 percent of revenue**

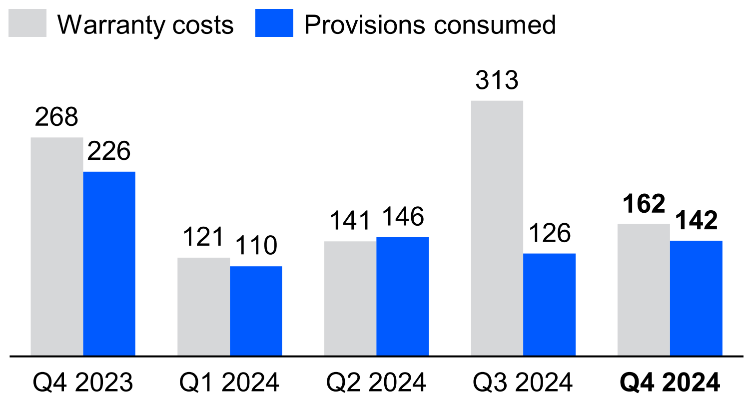
For the **full year**, warranty costs were **4.3 percent of revenue**, compared to 5.3 percent in 2023 and 6.4 percent in 2022

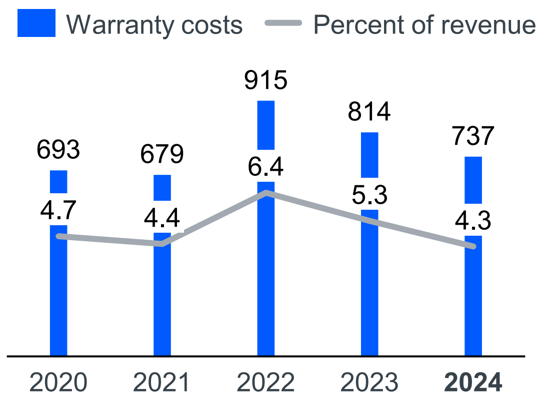
* LPF measures potential energy production not captured by Vestas' onshore and offshore wind turbines.

Lost Production Factor (LPF), Percent



Warranty costs, mEUR





Classification: Public

Vestas

Capital structure – Q4 2024

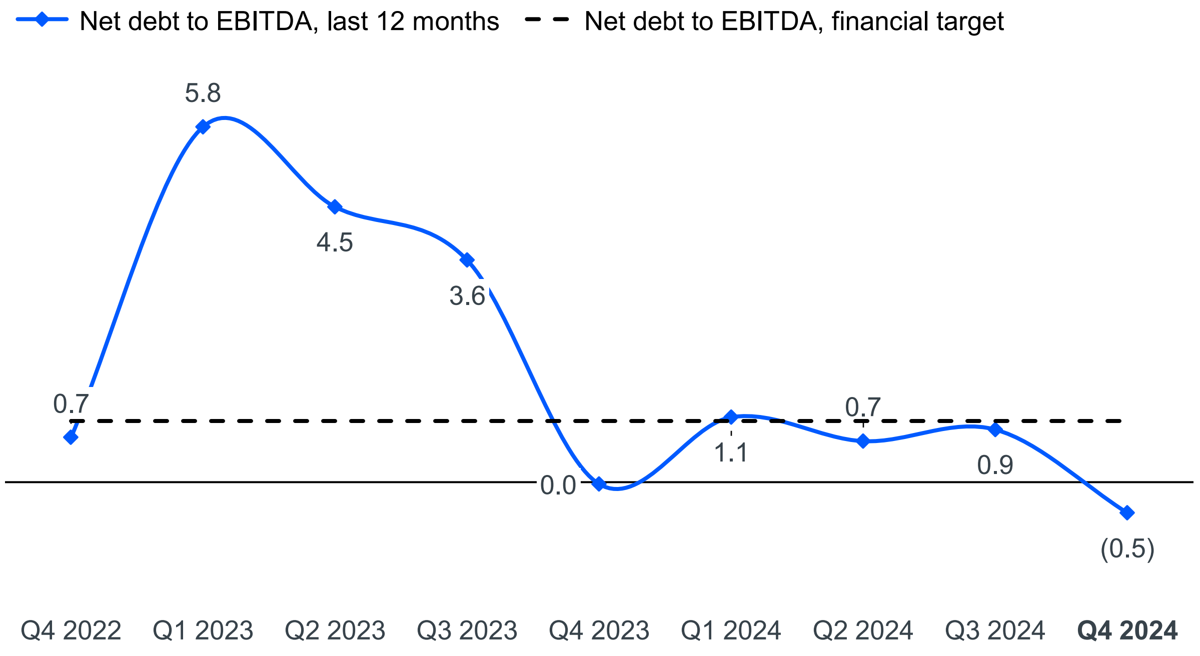
Financial strength allows for shareholder distribution

Highlights

The combination of strong free cash flow and improved earnings, lead to a further decreased of **net debt to EBITDA to negative 0.5x** at the end of 2024

On the back of 2024, we propose payout of a **dividend of DKK 0.55** per share. Additionally, a share **buyback of EUR 100m** will be initiated to return value to our shareholders, resulting in a **payout ratio of 35 percent** of net profit

Net debt to EBITDA before special items



Classification: Public

Vestas

Agenda

Market, orders and sustainability

Financials

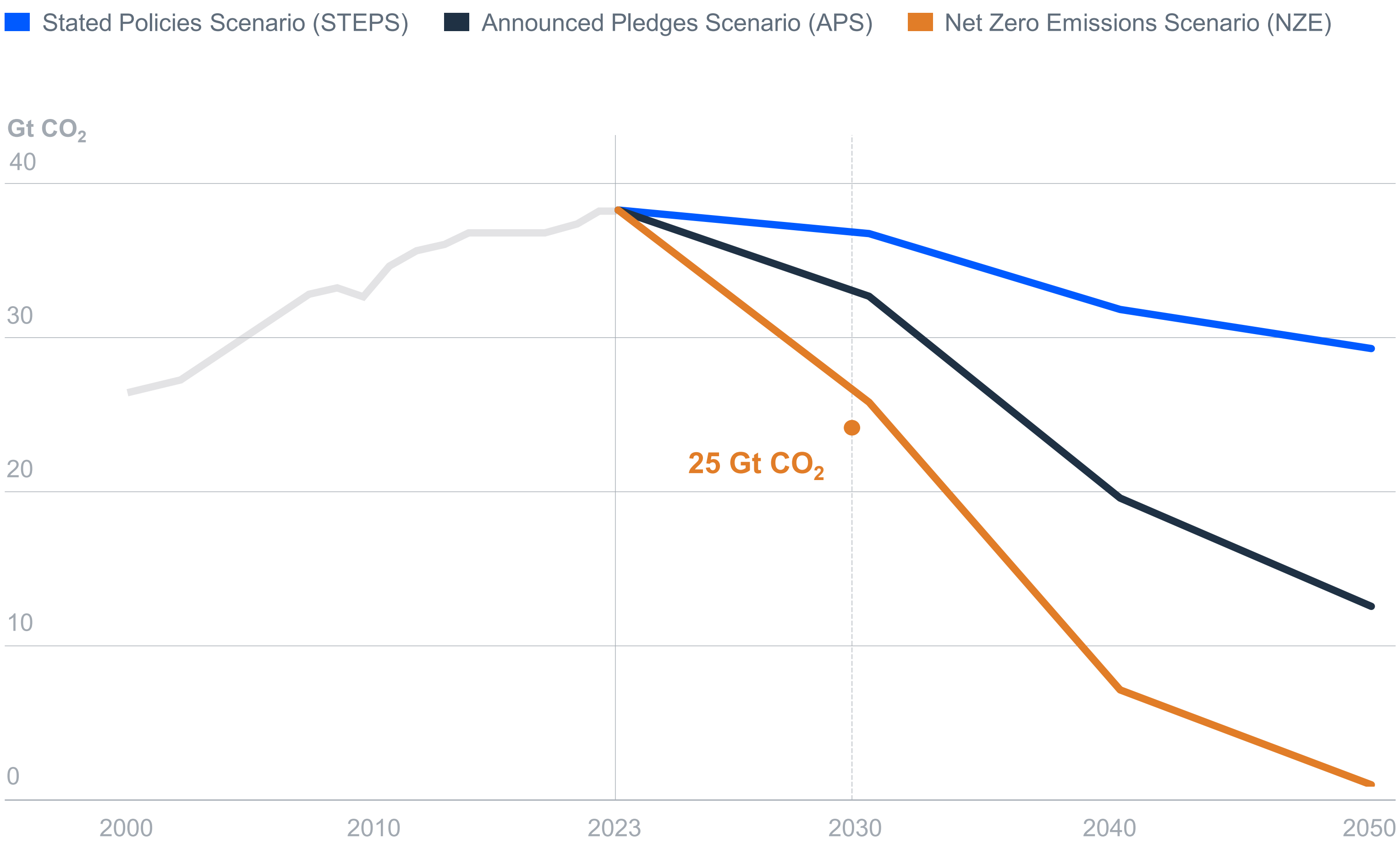
Strategy Update

Outlook

Q&A

The World faces an immense challenge to reduce emissions

CO_2 emissions in World Energy Outlook scenarios over time, 2000-2050



Source: International Energy Agency: IEA World Energy Outlook 2024

Temperature rise in 2100, by scenario

Net Zero scenario corresponds to 1.4 degree scenario

+2.4°

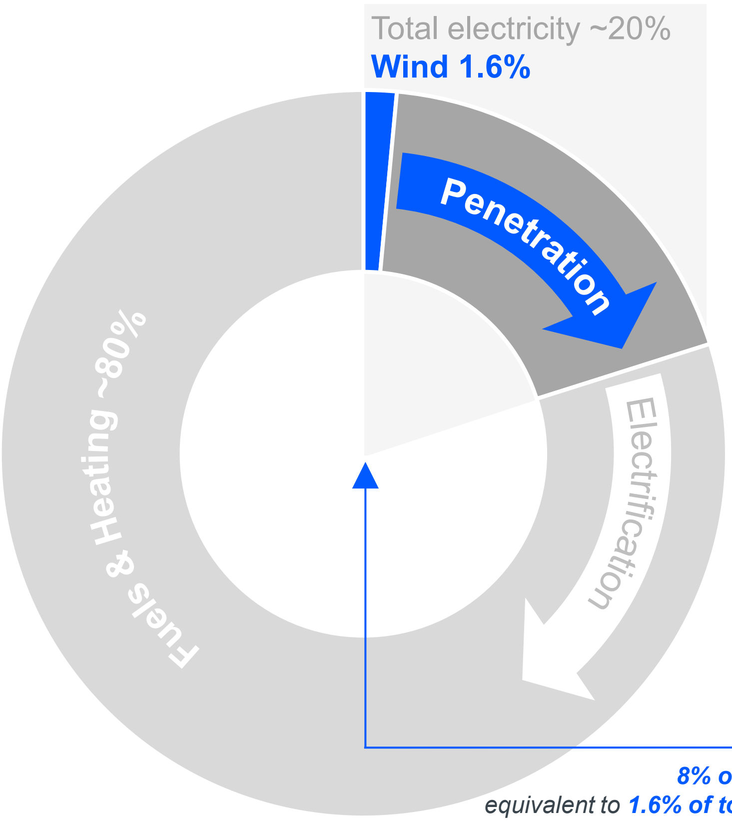
+1.7°

+1.4°

Classification: Public

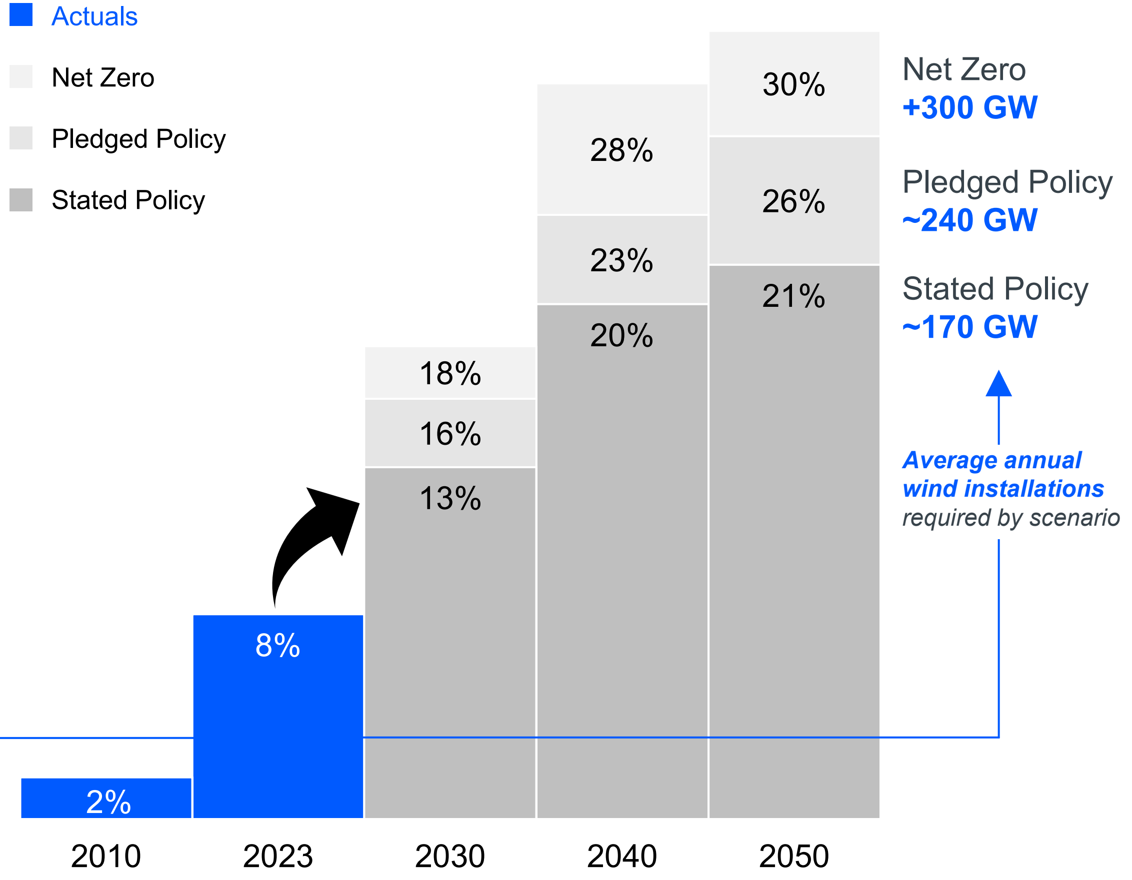
Tremendous growth potential for wind

Global energy consumption 2023
In percent



8% of electricity generated
equivalent to 1.6% of total energy consumed

Global wind capacity penetration ratios by scenario
Share of electricity in %; Average annual installations in GW



Classification: Public

Sources: International Energy Agency (IEA), World Energy Outlook 2024; Vestas internal

Vestas

Global strategic priorities

Strategic priorities to guide Vestas ‘back on track’ to double-digit profitability

2024-2025
Back on Track

Onshore
Capture full momentum in onshore

Offshore
Ramp-up offshore

Service NEW
Build operational excellence and grow profitability

Quality
Ensure the right quality across our solutions

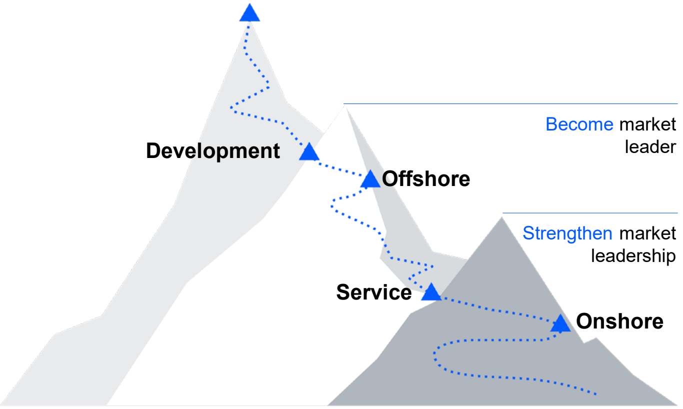
Cash
Free up cash and improve cash control

Efficiency
Strengthen efficiency, scalability and sustainability

People
Align and grow core capabilities to deliver on business priorities

2026-2030
Sustainable Growth

Global Leader in Sustainable Energy Solutions



Classification: Public

Vestas

Service recovery plan

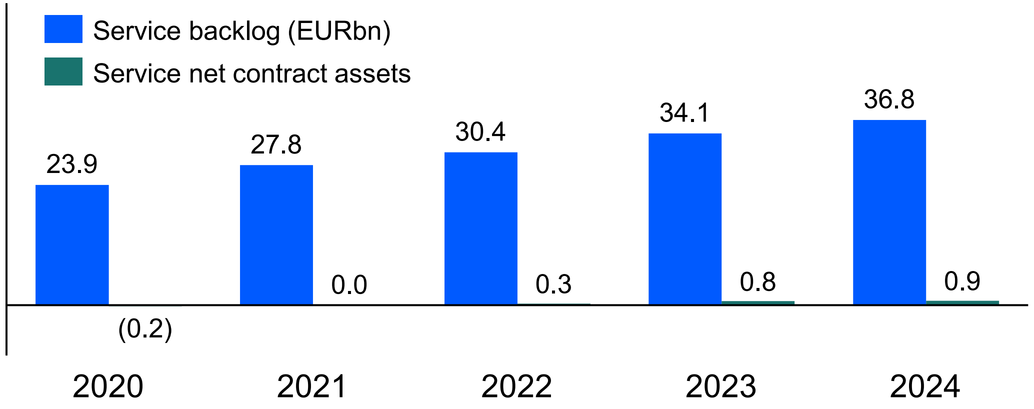
Scrutiny and cost challenges in 2024 lead to revised operating model

Scrutiny of Service business complete. As previously mentioned, the scrutiny highlighted three main cost challenges – equally important: unit costs, operational inefficiencies, and quality-related effects.

Challenge	Description
Unit costs	Wage inflation, rising material costs, indexation, etc.
Operational inefficiency	Productivity, annual visits per turbine, hours per task, etc.
Quality-related effects	Alarms, turbine stops, repairs, demand for service resources, etc.

Net contract assets

At end 2024 Service net contract assets (i.e. unbilled revenue) amounted to EUR 902m, or around 3 percent of the Service backlog



Note: Existing contract billing profiles have not yet 'caught up' with revised cost plans. This implies that Vestas will likely continue to carry a Service net contract asset on the balance sheet.

New Service operating model

implemented as of 1 January 2025 to strengthen accountability and regional engagement

Vestas

Service recovery plan

Getting Service 'back on track'

Service OnePlan

- Cross-functional and regional collaboration
- Global priority initiatives
- Strategic priority in 2025 and 2026
- Long-term ambition of 25 percent EBIT

Priority initiative examples	Unit costs	Operational inefficiency	Quality-related effects
Commercial resetting	●		
Intelligent work order scheduling	●	●	●
Standardised cost control	●	●	
Advanced troubleshooting software		●	●

Challenge addressed ●

Commercial resetting: Drive commercial excellence with focus on price, scope, billing profiles and contract trimming. Wage inflation in mainland Europe settling around 2.5 percent

Intelligent work order scheduling: Introduce automated, intelligent work schedules based on commercial and operational profiles

Standardised cost control: Regional cost control teams. Proactive benchmarking using standardised AI-enabled tools

Advanced troubleshooting software: Develop AI tools to reduce turbine visits and false alarms, and improve predictive maintenance and effective repair guidance

Long-term ambitions

Our financial and ESG ambitions remain unchanged

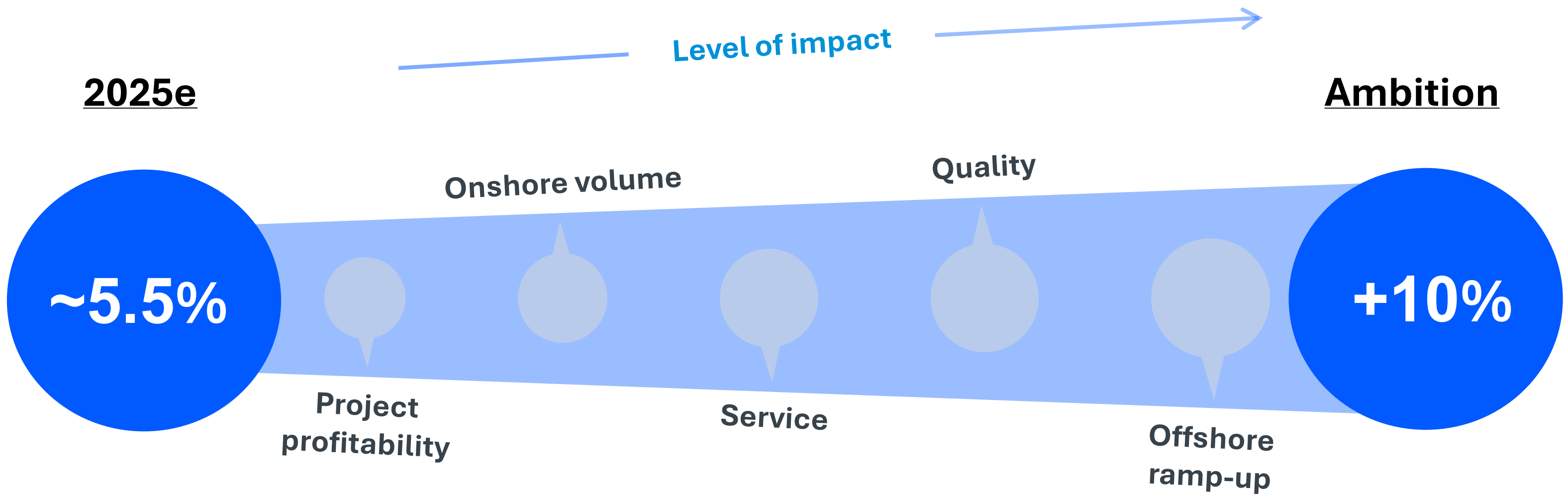
REVENUE	EBIT	ROCE	FCF	ESG
Grow faster than the market and be market leader in revenue	Best-in class earnings, at least 10% EBIT margin	20% return on investment over the cycle	Free cash flow positive	Carbon neutrality across our own operations and 45% scope 3 reduction by 2030

Classification: Public

Drivers to long-term financial ambition

Drivers to achieve 10 percent EBIT margin

- **Project profitability:** Continued journey of commercial culture and further improvement of project execution
- **Onshore volume:** Operational leverage and better absorption of fixed costs
- **Service:** Deliver on Service recovery plan
- **Quality:** Lowering warranty provisions and reducing the cost of poor quality
- **Offshore ramp-up:** Continue to scale Offshore, reach margins on par with Onshore



Classification: Public

Vestas

Agenda

Outlook 2025

	Outlook
Revenue (bnEUR)	**18 – 20**
EBIT margin before special items (%) - Service is expected to generate EBIT b.s.i. of around EUR 700m	**4 – 7**
Total investments (bnEUR)	**Approx. 1.2**

- The 2025 outlook is based on current foreign exchange rates

Q&A

Financial calendar 2025:

- Annual General Meeting (8th April)
- Disclosure of Q1 2025 (6th May)
- Disclosure of Q2 2025 (13th August)
- Disclosure of Q3 2025 (5th November)

Vestas