

## News release from Vestas Wind Systems A/S

Aarhus, 28 September 2018

### Vestas to adjust footprint and fixed costs to reflect market conditions

With business in 79 countries, and as wind energy strengthens its position as the cheapest form of energy generation in many markets, Vestas is seeing a shift in growth from more traditional wind markets to high-growth markets primarily outside of Europe. Accordingly, this requires Vestas to shift its global footprint to ensure costs are balanced with activity levels.

Responding to these market developments and to sustain its competitiveness through the right organisational setup, Vestas therefore intends to lay off approximately 400 employees across its global organisation, with approximately 75 percent being in markets in northern and central Europe. As of June 30<sup>th</sup>, Vestas employed 24,300 people globally, making this staff reduction represent approximately 1.6 per cent of Vestas' global workforce.

Vestas' CEO and President, Anders Runevad said: *"It's always hard to let good, hardworking colleagues go, but with most of market growth expected to be outside of Europe, our global footprint must reflect the market development we see in order to grasp those growth opportunities. With today's announcement, Vestas continues to proactively manage its cost base and ensure an agile organisation that enables us to invest in products and services that meet customer needs and markets where we can capture future growth"*.

Most of the intended staff reductions are expected to be within white collar staff, with approximately 60 percent of those being in Denmark and Germany. Vestas' record order backlog, including deliveries in all global regions, means production capacity is relatively unaffected by these layoffs and will have no impact on our ability to deliver on current and future orders.

However, as part of today's announcement and of Vestas' continuous optimisation of its manufacturing footprint, Vestas' factory in Hammel, Denmark intends to reduce its staff by approximately 80 employees. The factory, which produces wind turbine converters, will increase its focus on introducing new products by maintaining and developing core capabilities within this field, including prototype building, testing and documenting. This allows Vestas to effectively collaborate with its main research & development and testing sites in Denmark.

The legal process for collective dismissals will now commence and be done in accordance with legal requirements.

The organisational changes will lead to annual savings of approximately EUR 30m from 2019.

#### For more information, please contact:

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### About Vestas

Vestas is the energy industry's global partner on sustainable energy solutions. We design, manufacture, install, and service wind turbines across the globe, and with 94 GW of wind turbines in 79 countries, we have installed more wind power than anyone else. Through our industry-leading smart data capabilities and unparalleled 79 GW of wind turbines under service, we use data to interpret, forecast, and exploit wind resources and deliver best-in-class wind power solutions. Together with our customers, Vestas' more than 24,300 employees are bringing the world sustainable energy solutions to power a bright future.

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<https://www.vestas.com/en/media/images>

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