

December 31, 2023*Name:* Vestas Wind Systems A/S Unsponsored ADR*Ticker:* VWDRY-US*Market Cap (\$mm):* \$26,883*Country:* Denmark*Sector:* Industrials*Industry:* Electrical Equipment**Sector Outlook**

Industrials companies tend to be smaller and economically sensitive. An inverted yield curve and slowing loan growth present impediments, but we expect some offset as the market shifts toward cyclical value categories in the early cycle. Within the sector, we prefer companies tied to machinery, factory automation, rail freight, non-residential construction and consumer spending, as well as larger, diversified industrial conglomerates.

Company Description

Vestas Wind Systems A/S engages in the business of developing, manufacturing, selling, and maintaining wind power plants. It operates under the Power Solutions and Service segments. The Power Solutions segment focuses on onshore and offshore wind power plants, wind turbines, and development sites. The Service segment is involved in service contracts and spare parts. The company was founded by Smith Hansen and Peder Hansen in 1898 and is headquartered in Aarhus, Denmark.

Financial Snapshot

Revenue by Product Segment	%	Revenue by Geographic Segment	%
Power Solutions	78%	Denmark	4%
Service	22%	EMEA	44%
Not Allocated		United States	20%
		Americas	15%
		Asia Pacific	11%
		United Kingdom	6%

Company & Sustainability Analysis

Vestas Wind Systems is the world's largest maker of turbines for use in wind energy. The company should continue to benefit from a recovering global economy, as industry-wide order backlogs remain at historically high levels driven by accelerating global adoption of onshore and offshore wind power. Vestas likely sees upside from increasing economies of scale as part of a rapidly growing industry, as well as ongoing high-margin revenues from service agreements for its growing installed base.

Sustainability Analysis

Vestas Wind Systems has been given an MSCI ESG score of AAA. As a peer leader capitalizing on the growing demand for cleantech, Vestas derived 100% of 2022 revenue from supplying or providing products and services that support alternative energy which is substantially higher than the industry average of 27.5% (as of April 2022). The company is a peer leader on corporate governance supported by its ethics framework and board structure. Vestas is targeting to produce zero waste turbines by 2040 and increase recyclability of components by 2025.

With robust strategies for decarbonization, Vestas Wind Systems has pledged to achieve carbon neutrality across their own operations by 2030 in addition to working with key suppliers to improve decarbonization efforts throughout the industry.

Overall, Vestas maintains an 'AAA' ESG score and continues to be a leader in cleantech advancements. Looking forward, the company should continue to benefit from a recovering global economy, as industry-wide order backlogs remain at historically high levels driven by accelerating global adoption of onshore and offshore wind power.

Vestas Wind System's position as a leader in cleantech directly support SDG 7 (Affordable and Clean Energy) meant to *"Ensure access to affordable, reliable, sustainable and modern energy for all"*.

Vestas Winds is categorized as a Sustainable Investment aligned with the environmental objectives of the EU's Sustainable Finance Disclosure Regulation (SFDR) as defined by Fisher Investments. In order for a company to be considered a sustainable investment, it must be assessed by Fisher Investments as meeting the following criteria: (i) it must contribute to an environmental or social objective; (ii) it must do no significant harm (DNSH) to any other environmental or social objective; and (iii) it must follow good governance practices.

**This write-up is provided to fulfil the requirements of the Austrian Ecolabel and should be considered an 'example point in time analysis'. There is no guarantee that the security remains in the relevant strategy or the analysis remains current beyond the date of analysis.*

****Sources: Fisher Investments Research, FactSet Research Systems, Company Investor Relations**

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