FLSmidth

1 January – 31 March 2020
(Company announcement no. 9)

WE DISCOVER POTENTIAL

INTERIM REPORT Q1 2020

Order Intake (DKKm)	CFFO (DKKm)
6,526	(35)
Up from DKKm 5,640	Down from DKKm 234

EBITA margin	ROCE
5.0%	10.2%
Down from 7.1%	Down from 10.8%

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CONTENTS

MANAGEMENT REVIEW

CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

NOTES

QUARTERLY HIGHLIGHTS

Order intake (DKKm)	Revenue (DKKm)	EBITA (DKKm)	EBITA margin	Earnings per share (DKK)	Net working capital ratio	ROCE
6,526	4,525	228	5.0%	2.0	13.5%	10.2%
Up from 5,640	Up from 4,416	Down from 312	Down from 7.1%	Down from 2.8	Up from 13.3%	Down from 10.8%

Mining 60%
EBITA margin 7.3%

Cement 40%
EBITA margin 1.8%

Safety (TRIR)[1)]

1.0

Down from 1.6

Quality (DIFOT)[2)]

87%

Up from 86%

1) TRIR = Total recordable injury rate
2) DIFOT = Delivery in full on time
Safety and Quality are measured YTD against full year 2019
Net working capital ratio is quarter-on-quarter development
All other development highlights are year-on-year figures

Service 58%

Capital 42%

QUARTERLY HIGHLIGHTS

Q1 Highlights

The COVID-19 pandemic impacted our first quarter results, especially in the month of March. It has also significantly affected FLSmidth's share price, in line with industry peers.

Order intake grew 16% owing to record high service orders and three large announced orders in Mining. Two years back, we changed our operating model to a more localised business set-up which is showing its true value in the current situation. We have seen significantly increased demand for our local resources, our remote support and our digital solutions.

Apart from the announced mining orders, customer hesitation on large investments has intensified, particularly in cement, and customers are increasingly deferring large investments. Demand for spare and wear parts is relatively stable, whereas technical services are challenged by restricted access to sites.

Revenue increased 4% organically, driven by Mining, whereas Cement revenue declined modestly.

EBITA was impacted by extraordinary costs related to business improvement initiatives and costs associated with more complex logistics and lower capacity utilisation because of the pandemic, as well as the previously communicated lower profitability in the mining capital business. Consequently, the EBITA margin declined to 5.0%.

Q1 saw an adjusted free cash flow of DKK -103m. The net working capital ratio increased from 13.3% to 13.5%, despite strong collection of receivables.

Management focus

Entering the year 2020, our focus has been anchored around order intake and cash generation, combined with strong efforts on implementing our business improvement program and delivering on our MissionZero sustainability ambitions.

Throughout the quarter, we have increasingly had to navigate the unpredictability of the COVID-19 outbreak. In this regard, our clear top priority has been the safety of our employees and customers.

Around 70% our employees are currently working from home and a safe working environment has been established for the remaining employees. At the same time, we have been adapting our operations to the changing circumstances to support our customers the best way possible.

We have taken further actions to reduce costs and preserve cash. Amongst others, we have implemented a hiring freeze, an expansion of the ongoing business improvement program, postponement of salary adjustments, employees on furlough, reduced capex spend, and the withdrawal of the proposed dividend.

We have a strong financial position with a net debt to EBITDA of 1.4 and undrawn committed credit facilities of DKK 3.4bn by the end of March. In April, we bolstered our liquidity further by ensuring additional DKK 500m of available credit facilities.

GUIDANCE

On 23 March, FLSmidth suspended its financial guidance for 2020 as a consequence of the global uncertainty caused by the current pandemic and pending further clarification of market developments and the actual financial impact on the business.

Visibility remains low and our guidance remains suspended. However, we now expect that the full year results will be below the initial guidance for the year.

We are increasingly seeing disruptions to cement plants and mine sites which could impact near-term demand for equipment and services. Lockdowns and mobility restrictions are affecting suppliers and parts of our own operations, resulting in more complex logistics and lower capacity utilisation. We expect the biggest direct impact in Q2 and a more moderate impact in Q3, but we are unable to assess the duration of disruptions and the extent of the impact.

GUIDANCE FOR 2020 (SUSPENDED)

DKK	Initial guidance 2020	Current Guidance 2020
Revenue (DKKbn)	18.5-20.5	suspended
EBITA margin	8-9%	suspended
ROCE	9-12%	suspended

FINANCIAL KEY FIGURES

DKKm	Q1 2020	Q1 2019	Year 2019
INCOME STATEMENT			
Revenue	4,525	4,416	20,646
Gross profit	1,047	1,081	4,849
EBITDA before special non-recurring items	319	395	2,008
EBITA	228	312	1,663
EBIT	146	218	1,286
Financial items, net	3	(3)	(118)
EBT	150	215	1,171
Profit for the period, continuing activities	106	145	798
Loss for the period, discontinued activities	(5)	(9)	(22)
Profit for the period	101	136	776
ORDERS			
Order intake (gross), continuing activities	6,526	5,640	19,554
Order backlog, continuing activities	15,591	17,824	14,192
EARNING RATIOS			
Gross margin	23.1%	24.5%	23.5%
EBITDA margin before special non-recurring items	7.0%	8.9%	9.7%
EBITA margin	5.0%	7.1%	8.1%
EBIT margin	3.2%	4.9%	6.2%
EBT margin	3.3%	4.9%	5.7%
CASH FLOW			
Cash flow from operating activities (CFFO)	(35)	234	948
Acquisitions of property, plant and equipment	(32)	(39)	(177)
Cash flow from investing activities (CFFI)	(109)	(85)	(661)
Free cash flow	(144)	149	287
Free cash flow adjusted for acquisitions and disposals of enterprises and activities	(103)	155	574

DKKm	Q1 2020	Q1 2019	Year 2019
BALANCE SHEET			
Net working capital	2,792	2,207	2,739
Net interest-bearing debt (NIBD)	2,663	2,059	2,492
Total assets	22,305	23,001	23,532
Equity	8,537	8,201	8,793
Dividend to shareholders, paid	0	0	450
FINANCIAL RATIOS			
CFFO / Revenue	-0.8%	5.3%	4.6%
Book-to-bill	144.2%	127.7%	94.7%
Order backlog / Revenue	75.1%	94.2%	68.7%
Return on equity	4.7%	6.6%	9.1%
Equity ratio	38.3%	35.7%	37.4%
ROCE, average	10.2%	10.8%	10.9%
Net working capital ratio, end	13.5%	11.7%	13.3%
NIBD / EBITDA	1.4	1.1	1.2
Capital employed, average	15,424	14,348	15,251
Number of employees	12,001	12,273	12,346
SHARE RATIOS			
Cash flow per share (CFPS), (diluted)	(0.7)	4.7	18.9
Earnings per share (EPS), (diluted)	2.0	2.8	15.5
Share price	153.6	287.5	265.4
Number of shares (1,000), end	51,250	51,250	51,250
Market capitalisation, end	7,869	14,734	13,602

The financial ratios have been computed in accordance with the guidelines of the Danish Finance Society and financial definitions according to note 7.8 in the Annual Report 2019.

Number of employees
Number of employees have been restated in comparison periods as the measure has changed in Q1 2020. The number of employees includes temporary employees compared to previous where only permanent headcount was disclosed.

Use of alternative performance measures
Throughout the report we present financial measures which are not defined according to IFRS. We have included additional information in the Annual Report 2019 note 7.4 Alternative performance measures and note 7.8 Definition of terms.

QUARTERLY PERFORMANCE

GROWTH

Order intake increased 16% owing to a record high service order intake and three large announced orders in Mining. Revenue increased 2%, attributable to Mining.

Order intake

Order intake increased 16% to DKK 6,526m (Q1 2019: DKK 5,640m). Currency had a 1% negative impact and acquisitions a 1% positive impact on order intake in Q1.

Mining order intake increased 73%, comprising a 16% increase in service orders and 160% growth in capital orders. The service business benefitted from our strong local presence and in some cases customers have increased purchase of critical parts to ensure continued plant production, as they are concerned about potential supply delays related to COVID-19. Mining capital orders included three large announced orders in Russia and Belarus, a region where FLSmidth has successfully expanded its presence in recent years. The orders had a combined value of around DKK 2.4bn.

Cement service order intake was stable compared to Q1 2019 but total Cement order intake declined 50% due to hesitation on capital investments and the absence of large project orders. The comparative quarter contained two large cement plant orders with a combined value of around DKK 900m.

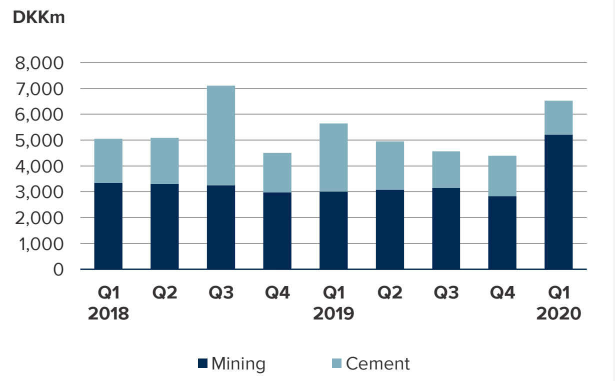
Growth in order intake Q1 2020 (vs. Q1 2019)	Mining	Cement	FLSmidth Group
Organic	73%	-51%	16%
Acquisition	3%	0%	1%
Currency	-3%	1%	-1%
Total growth	**73%**	**-50%**	**16%**

Based on recent market developments, it is expected that some customers in both Mining and Cement will defer part of their capital investments to later in the year, which could adversely impact our capital order intake. The service business has so far been more resilient, with a relatively stable demand for spare and wear parts in line with production rates, whereas plant shutdowns and restricted access to sites are significantly reducing the activity level within technical services and commissioning. Mining and Cement are, however, deemed "essential" industries in many parts of the world which helps sustain production during the virus outbreak.

GROUP (Continuing activities)

(DKKm)	Q1 2020	Q1 2019	Change (%)
Order intake (gross)	**6,526**	**5,640**	**16%**
- Hereof service order intake	2,931	2,648	11%
- Hereof capital order intake	3,595	2,992	20%
Order backlog	**15,591**	**17,824**	**-13%**
Revenue	**4,525**	**4,416**	**2%**
- Hereof service revenue	2,606	2,414	8%
- Hereof capital revenue	1,919	2,002	-4%
Gross profit	**1,047**	**1,081**	**-3%**
Gross profit margin	23.1%	24.5%	
SG&A cost	**(728)**	**(686)**	**6%**
SG&A ratio	16.1%	15.5%	
EBITDA before special non-recurring items	**319**	**395**	**-19%**
EBITDA margin before special non-recurring items	7.0%	8.9%	
EBITA	**228**	**312**	**-27%**
EBITA margin	5.0%	7.1%	
EBIT	**146**	**218**	**-33%**
EBIT margin	3.2%	4.9%	
Number of employees	11,999	12,270	-2%

ORDER INTAKE



Order backlog

Order backlog for the Group increased to DKK 15,591m (end of 2019: DKK 14,192m). The increase of DKK 1.4bn was explained by higher order intake than the level of revenue recognised of DKK 2.0bn, less foreign exchange adjustments of DKK -0.6bn. There were no significant order terminations in Q1.

Approximately 56% of the backlog is expected to be converted to revenue in 2020, 23% in 2021, and 21% in 2022 and beyond.

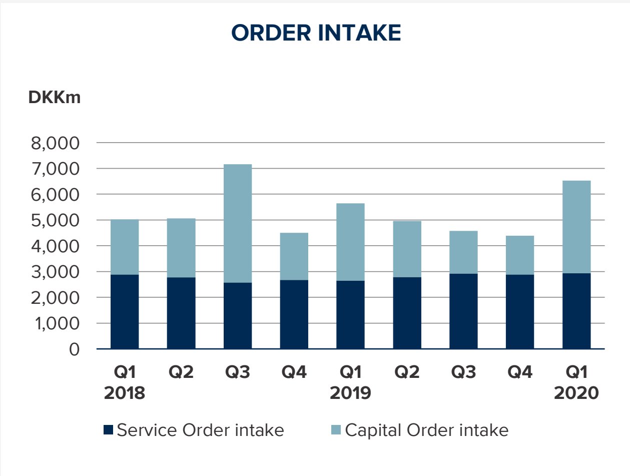
Revenue

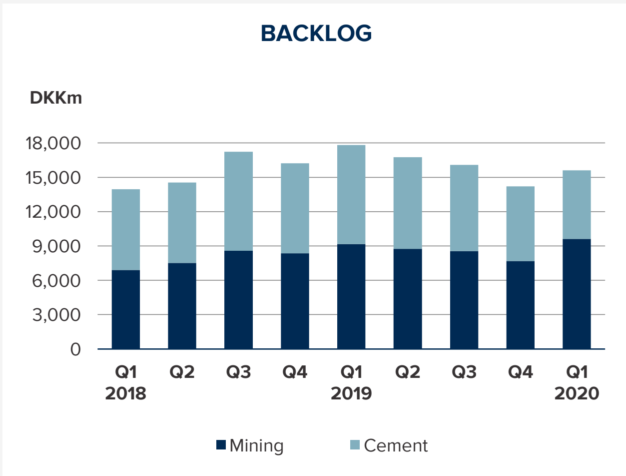
Revenue increased 2% to DKK 4,525m in Q1 2020 (Q1 2019: DKK 4,416m), explained by a 6% growth in Mining, partly offset by a 3% decline in Cement. Organic growth for the Group was 4%.

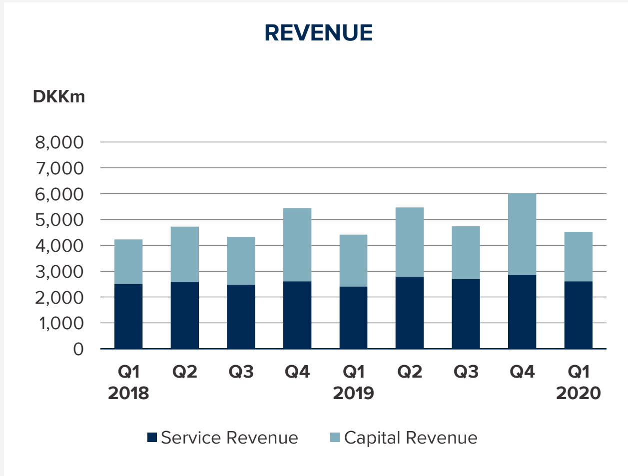
Service revenue in Mining accounted for 61% of the total Mining revenue (Q1 2019: 64%). Mining saw a 15% growth in capital revenue and a 1% growth in service revenue.

Growth in revenue Q1 2020 (vs. Q1 2019)	Mining	Cement	FLSmidth Group
Organic	9%	-4%	4%
Acquisition	1%	0%	0%
Currency	-4%	1%	-2%
Total growth	**6%**	**-3%**	**2%**

Service revenue in Cement accounted for 52% of the total Cement revenue (Q1 2019: 41%). Cement saw a 23% growth in service revenue and a 20% decline in capital revenue.







PROFIT

Profitability was impacted by extraordinary costs related to business improvement initiatives and costs associated with more complex logistics and lower capacity utilisation because of the pandemic. Consequently, the group EBITA margin declined to 5.0%.

Extended business improvement initiatives

In the third quarter of 2019, we announced that we accelerated ongoing business improvement initiatives, including site consolidation, an improved logistical setup and a reduction of headcount. Within Mining, our project execution is being consolidated into fewer centres to strengthen competencies in the main centres and ensure better absorption of resources in line with fluctuating capital order intake. Within procurement, we are optimising our warehouse infrastructure and ensuring a better utilisation at manufacturing and assembly sites.

In total, the initiatives were expected to generate an annual EBITA improvement of DKK 100m with a full run-rate from end of 2020. The implementation costs were anticipated to be around DKK 150m. Based on the current market environment, the program has been extended with a further EBITA improvement of DKK 50m at a cost of DKK 30m which gives the combined program a total EBITA improvement of DKK 150m at a cost of DKK 180m. The program contains sustainable improvements only. It does not include temporary savings such as employees on furlough and reduced travel expenses.

Expected financial impact

Savings, DKKm	Initial program	Extended program	Run-rate end Q1	Run-rate end 2020
EBITA improvement[1]	100	150	75	150

Costs, DKKm	Initial program	Extended program	Realised Q1 2020	2020
Implementation costs[1]	(150)[2]	(180)[2]	(53)	(140)

1) Mining and Cement Impact based on the segment's relative share of Group revenue

2) Includes DKK 40m of costs in 2019

The EBITA improvement run-rate by the end of Q1 2020 was DKK 75m, and the implementation cost in Q1 was DKK 53m. 350 employees were terminated in Q1 and an additional 250 employees will be terminated in April.

The business improvement program is on track with respect to workforce adjustments. The other initiatives, such as the improved logistical setup, are also progressing well but the pace of implementation could be impacted by the current virus outbreak.

Gross profit and margin

Gross profit declined 3% to DKK 1,047m (Q1 2019: DKK 1,081m). The gross margin decreased to 23.1% (Q1 2019: 24.5%), attributable to both Mining and Cement. The decline was a result of impacts from COVID-19, costs related to the implementation of business improvement initiatives, and the previously communicated lower profitability in the Mining capital business.

Lockdowns and mobility restrictions related to the virus outbreak has impacted our internal and external supply chain, resulting in more complex and costly logistics and increased costs related to quality control. It has also affected utilisation of our workshops and global service technicians.

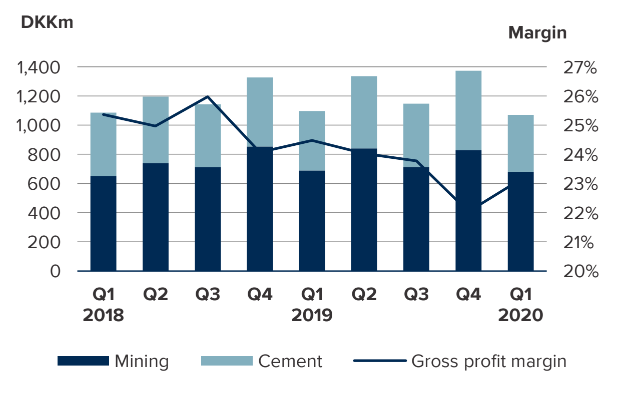
On the positive side, we have managed to maintain our capability to deliver, due to a flexible supply chain enabling us to switch between in-house workshops and between external suppliers across countries and continents.

In January, our large workshop in Qingdao, China was shut down because of the virus outbreak. This workshop, and our other Chinese facilities are now back to normal operation but transportation of goods to and from China remains challenging.

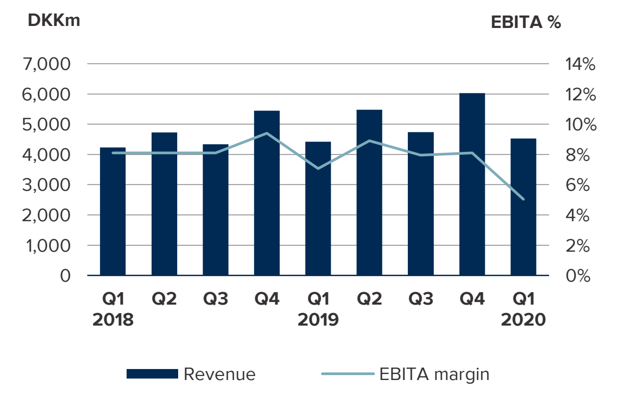
Supply chain disruptions have since moved to Western Europe, South Africa and India, although some countries have started easing restrictions. Other regions have, so far, seen only little or moderate supply chain impact.

In Q1 2020, total research and development costs (R&D) amounted to DKK 66m (Q1 2019: DKK 63m), representing 1.5% of revenue (Q1 2019: 1.4%), of which DKK 26m was capitalised (Q1 2019: DKK 24m) and the balance of DKK 40m expensed as production costs (Q1 2019: DKK 39m). R&D costs in Q1 related to several projects, including new sustainable cement technologies, digitalization, standard-isation and dry stack tailings.

GROSS PROFIT AND GROSS MARGIN



REVENUE AND EBITA MARGIN



SG&A costs

Sales, general and administrative costs (SG&A) and other operating items increased 6% to DKK 728m in Q1 2020, explained by costs related to the implementation of business improvement initiatives. The cost percentage was 16.1% of revenue, compared to 15.5% in Q1 2019. Adjusted for costs related to the implementation of business improvement initiatives, the SG&A ratio was 15.3% in Q1 2020.

Sales costs increased 10% in Q1 2020, reflected in the strong order intake for the quarter. Administrative costs increased 3% in Q1, but decreased if adjusted for costs related to the business improvement initiatives.

We are monitoring the development of the virus outbreak and its impact on our business, and we are taking actions to align the cost base with prevailing market conditions.

Depreciation increased to DKK 91m (Q1 2019: DKK 83m) attributable to leased assets.

EBITA and margin

EBITA decreased 27% to DKK 228m (Q1 2019: DKK 312m), as a result of the extraordinary costs related to business improvement initiatives of DKK 53m and COVID-19 (estimated at DKK 47m, including currency impact), as well as lower profitability in the Mining capital business of DKK 26m. Consequently, the EBITA margin decreased to 5.0% (Q1 2019: 7.1%). Adjusted for extraordinary costs, the EBITA margin was 7.2% in Q1 2020.

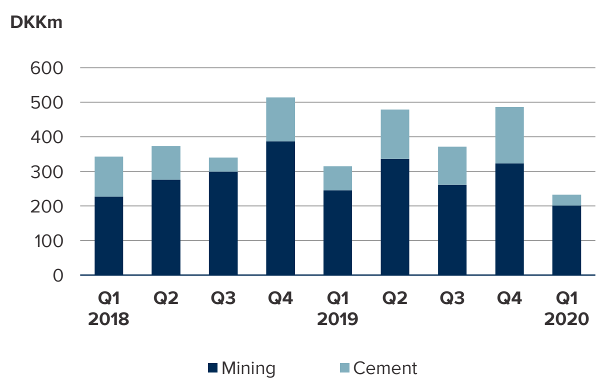
Amortisation of intangible assets decreased to DKK 82m (Q1 2019: DKK 94m), equally explained by completed R&D projects and lower purchase price allocations. Purchase price allocations amounted to DKK 24m (Q1 2019: DKK 30m).

Earnings before interest and tax (EBIT) decreased 33% to DKK 146m (Q1 2019: 218m).

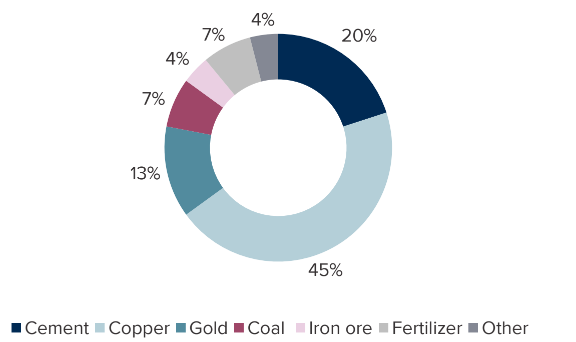
Financial items

Net financial items amounted to DKK 3m (Q1 2019: DKK -3m), of which foreign exchange and fair value adjustments amounted to DKK 22m (Q1 2019: DKK 0m) and net interest amounted to DKK -19m (Q1 2019: DKK -3m).

EBITA



ORDER INTAKE BY COMMODITY



Tax

Tax for the period was DKK -44m (Q1 2019: DKK -70m), corresponding to an effective tax rate of 29% (Q1 2019: 33%).

Profit for the period

Profit for the period decreased to DKK 101m (Q1 2019: DKK 136m) as a result of the lower operating income.

Profit from continuing activities decreased to DKK 106m (Q1 2019: DKK 145m).

Loss from discontinued activities was DKK -5m in Q1 2020 (Q1 2019: DKK -9m). As previously disclosed, FLSmidth retains the responsibility to finalise legacy projects, which are expected to be finalised during 2020. See note 8 for further information about discontinued activities.

Earnings per share

Earnings per share decreased to DKK 2.0 per share (diluted) (Q1 2019: DKK 2.8).

Employees

The number of employees was 12,001 at the end of Q1 2020 (end of 2019: 12,346). The decrease reflects the workforce adjustment which took place in Q1 as part of our business improvement initiatives.

The method for counting employees has been changed in 2020, as temporary workers now are included in the reported headcount. The comparison number for 2019, above, has been restated to also reflect this change.

Acquisitions

In January, FLSmidth acquired a service centre to strengthen its Mining service business in North America as part of the strategy to expand sales of standardised products and services.

CAPITAL

FLSmidth has a strong financial position with a net debt to EBITDA of 1.4 and undrawn committed credit facilities of DKK 3.4bn by the end of March. Despite strong collection of receivables, Q1 saw a negative free cash flow. ROCE decreased to 10.2% due to higher capital employed.

Net working capital

Despite DKK 0.6bn reduction in trade receivables, net working capital increased slightly to DKK 2,792m at the end of Q1 2020 (end of 2019: DKK 2,739m), because of lower trade payables and a lower level of prepayments from customers. The corresponding net working capital ratio was 13.5% of 12-months trailing revenue (end of 2019: 13.3% of revenue). Excluding currency adjustments, net working capital would have been DKK 168m higher by the end of Q1 2020, which is reflected in the net working capital development in the cash flow statement.

Supply chain financing led to a moderate decrease in trade payables (increase in net working capital) in Q1.

Return on capital employed

ROCE decreased to 10.2% in Q1 2020 (Q1 2019: 10.8%) because of a higher capital employed, whereas 12-months trailing EBITA increased to DKK 1,579m (Q1 2019: DKK 1,554m). Average capital employed increased to DKK 15.4bn in Q1 2020 (Q1 2019: DKK 14.3bn). The increase was related to working capital and intangible assets.

Net interest-bearing debt

Due to the negative free cash flow, net interest-bearing debt (NIBD) increased to DKK 2,663m (end of 2019: DKK 2,492m). Consequently, the Group's financial gearing was 1.4 (end of 2019: 1.2), still well below the long term maximum threshold of two times NIBD to EBITDA.

Dividend

Given the global uncertainty caused by the COVID-19 pandemic, the Board of Directors decided on 23 March to withdraw the proposal to pay a dividend of DKK 8 per share to ensure resilience in a period of market uncertainty and to further strengthen FLSmidth's financial position. Once market conditions have stabilised, the Board will revisit the capital structure and allocation to shareholders.

Financial position

By the end of March, FLSmidth had DKK 6.5bn of available committed credit facilities of which DKK 3.4bn was undrawn.

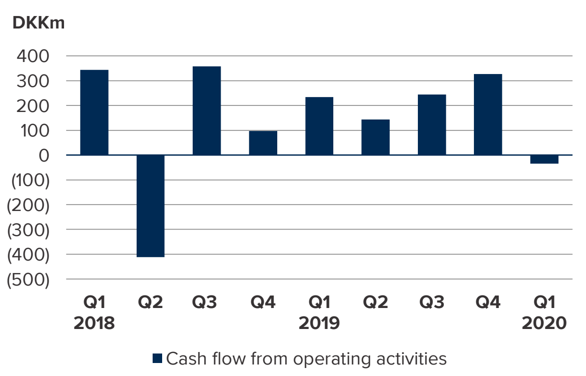
On 3 April 2020, FLSmidth obtained additional committed credit facilities of DKK 500m to bolster its liquidity buffer in a period of extraordinary uncertainty.

The committed credit facilities have a weighted average time to maturity of 4.2 years. DKK 1.7bn of credit facilities are maturing in 2022 and the majority, DKK 5.0bn, is maturing in 2025. The remaining DKK 0.3bn is maturing in later years.

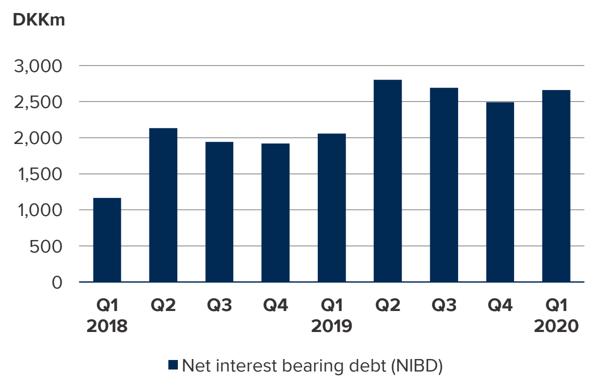
Equity ratio

Equity at the end of Q1 2020 increased to DKK 8,537m (end of Q1 2019: DKK 8,201m), explained by the profit for the period and currency translation effects. The equity ratio was 38.3% (end of Q1 2019: 35.7%), well above the long-term target of minimum 30%.

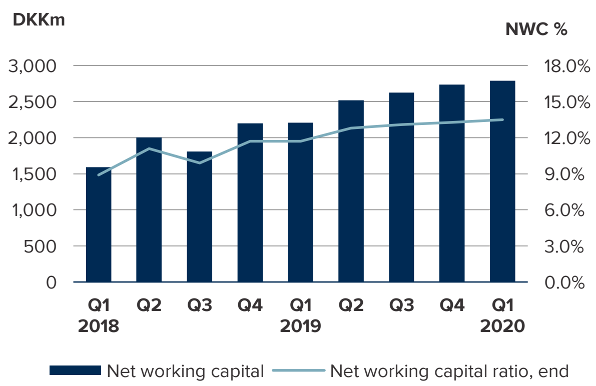
CASH FLOW FROM OPERATING ACTIVITIES



NET INTEREST BEARING DEBT



NET WORKING CAPITAL



Cash flow from operating activities (CFFO)

CFFO decreased to DKK -35m in Q1 2020 (Q1 2019: DKK 234m), due to a lower EBITDA and cash outflow from working capital. CFFO in discontinued activities amounted to DKK 1m (Q1 2019: DKK -72m). Discontinued activities are not expected to generate any significant net cash flow in 2020. There can, however, be a timing difference between cash paid and cash received related to the outstanding net working capital and provision balances.

Change in net working capital had a DKK 197m negative impact in Q1 2020 (Q1 2019: DKK 58m positive impact), of which discontinued activities accounted for a DKK 10m positive impact (Q1 2019: DKK 9m positive impact).

Change in provisions had a DKK 58m negative impact in Q1 2020 (Q1 2019: DKK 120m negative impact). The change related mainly to used provisions in continuing activities. Provision changes related to discontinued activities had a DKK 5m negative impact in Q1 2020.

Cash flow from investing activities

Cash flow from investing activities amounted to DKK -109m in Q1 2020 (Q1 2019: DKK -85m). The increase related to an investment in a service centre in North America. Excluding this, the level of investments was below last year, and investments are currently being curtailed.

Free cash flow

Free cash flow adjusted for acquisitions and disposals amounted to DKK -103m (Q1 2019: DKK 155m).

COVID-19 IMPACT – CURRENT MARKET SITUATION APRIL 2020

	Mining	Cement
Customers	~90% of sites in operation. Some sites operating at reduced capacity. Largest impact in South Africa and India. Lower impact in the Americas.	~80% of cement plants* in operation but some with reduced capacity. Largest impact in India and The Middle East but all regions are impacted.
Own operations	Running well overall. Impact from lockdown in India and South Africa. Around 70% of employees working remotely. Low capacity utilisation for service technicians and some sites.	
External supply chain	More complex logistics. High disruption in India, South Africa and Western Europe - Other regions less impacted. Flexibility to switch between own workshops and between external suppliers.	

* Excluding China

MINING

MARKET DEVELOPMENTS

Service relatively stable – cautious on capex

The COVID-19 outbreak has caused a severe economic downturn and it has triggered travel restrictions and shutdowns complicating the run of mining operations and disrupting supply chains around the world. At this point, it is not possible to assess the impact on our mining business, not least because some governments continue lockdowns or impose additional restrictions, while others have started to ease restrictions.

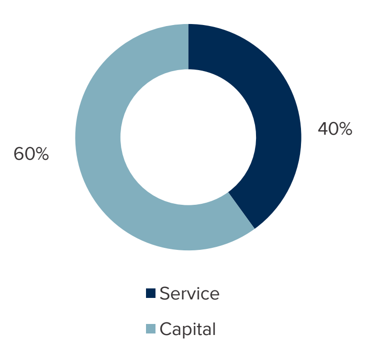
In many countries, mining is deemed an "essential" industry and around 90% of mine sites are currently in operation with some operating at reduced capacity. Plant shutdowns appear to be driven by regulatory restrictions and not lack of demand. In North America, all US sites remain open but the crisis has led to the shutdown of all sites in Mexico and some sites in Canada. Activity in India is very low at present.

In South America, national lockdowns and regionally imposed restrictions on movement have reduced activity in a number of countries. In South Africa, almost all miners had declared force majeure by mid-April. At the same time, the situation had improved in Europe and Russia where all of our customers' mine sites are in operation. In Asia most mines are open, and in Australia all mines are operating.

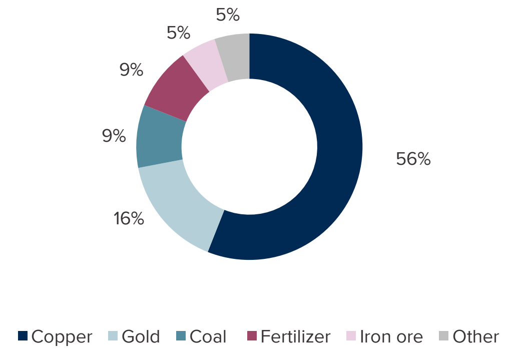
Several producers have started to defer investments during the outbreak, which has impacted our capital order intake since March and several projects in the pipeline are being postponed to later in the year. However, we still see opportunities and Q1 showed strong activity in the service business, as we saw increased demand for our local resources and digital solutions as access to sites becomes limited by virus control activities, our customers have increasingly been looking at digital and remote capabilities and there has been an increased focus on digitalized aftermarket support. We also see continued interest in solutions to operate more sustainably. As such, service activity increased in some regions during the quarter based on the response to the impact of the pandemic. The increase in gold price has also provided gold mining companies with a good incentive to invest. It is uncertain to what extent mine disruptions will impact our service business, but so far, the impact has been limited to technical services and commissioning.

As for many other industries, the COVID-19 crisis is having negative implications for the global mining industry, but it will also create an opportunity for a significant rebound as restrictions are eased. The extensive global policy response already seen, such as the proposed USD 2 trillion infrastructure package in the US, could fuel growth in metals demand and prices. By the end of March, copper was trading at a four-year low, but improved in April when data showed that Chinese copper imports had increased as the manufacturing sector resumed production.

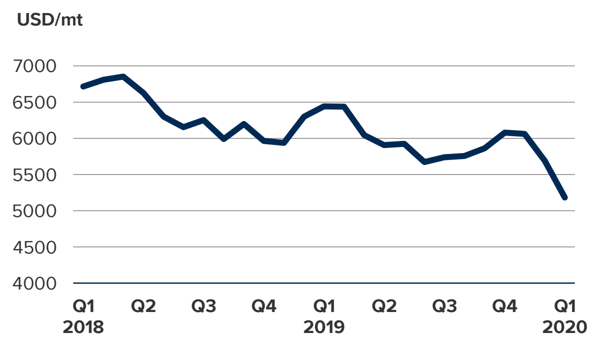
MINING ORDER INTAKE



MINING ORDER INTAKE BY COMMODITY



COPPER PRICE USD/MT, LME



FINANCIAL PERFORMANCE IN Q1 2020

Very strong capital and service order intake

Order intake in Q1 2020 increased by 73% to DKK 5,214m (Q1 2019: DKK 3,008m), driven by an exceptionally strong capital order intake and a strong increase in service orders. The increase in capital orders was related to the three large announced orders received in Russia and Belarus, with a combined value of around DKK 2.4bn. Due to the virus outbreak, customers in many other regions are delaying decisions on larger capital investments, and several projects are currently being postponed.

We continued to see strong activity in the service business, as we saw increased demand for our local resources and digital solutions. Mining service order intake increased by 16% to DKK 2,083m compared to the first quarter in 2019 (Q1 2019: DKK 1,802).

Acquisitions had a 3% positive impact on order intake while currency effects had a 3% negative impact on order intake compared to the same quarter last year.

Increase in revenue

Revenue increased by 6% to DKK 2,735m (Q1 2019: DKK 2,579m). This increase was mainly driven by a strong capital revenue, which increased by 15% compared to the same quarter last year. Service revenue increased 1% year-on-year.

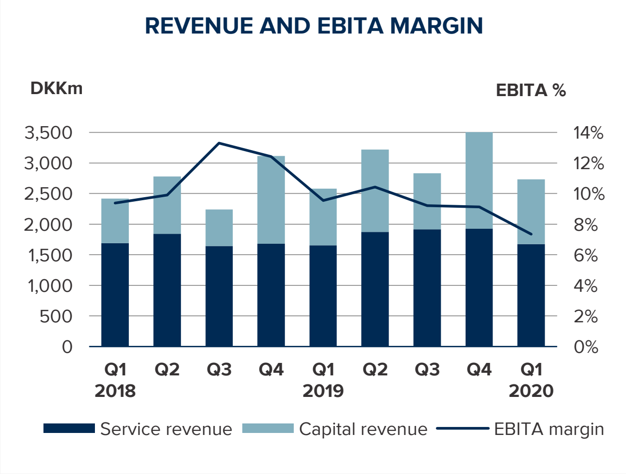
Acquisitions had a 1% positive impact on revenue while currency effects had a 4% negative impact on revenue in the quarter.

Weaker profitability

Gross profit, before allocation of shared costs, was slightly down to DKK 680m (Q1 2019: DKK 689m). The gross margin decreased to 24.9% (Q1 2019: 26.7%), due to a combination of impacts from COVID-19, costs related to the implementation of business improvement initiatives and lower profitability in the Mining capital business. EBITA decreased 18% year-on-year to DKK 201m (Q1 2019: DKK 246m) and the corresponding EBITA margin decreased to 7.3% (Q1 2019: 9.5%).

MINING

(DKKm)	Q1 2020	Q1 2019	Change (%)
Order intake (gross)	**5,214**	**3,008**	**73%**
- Hereof service order intake	2,083	1,802	16%
- Hereof capital order intake	3,131	1,206	160%
Order backlog	**9,621**	**9,171**	**5%**
Revenue	**2,735**	**2,579**	**6%**
- Hereof service revenue	1,673	1,654	1%
- Hereof capital revenue	1,062	925	15%
Gross profit before allocation of shared cost	**680**	**689**	**-1%**
Gross profit margin before allocation of shared cost	24.9%	26.7%	
EBITA before allocation of shared cost	**414**	**442**	**-6%**
EBITA margin before allocation of shared cost	15.1%	17.1%	
EBITA	**201**	**246**	**-18%**
EBITA margin	7.3%	9.5%	
EBIT	**143**	**180**	**-21%**
EBIT margin	5.2%	7.0%	
Number of employees	5,682	5,208	9%



CEMENT

MARKET DEVELOPMENTS

Service relatively stable - cautious on capex

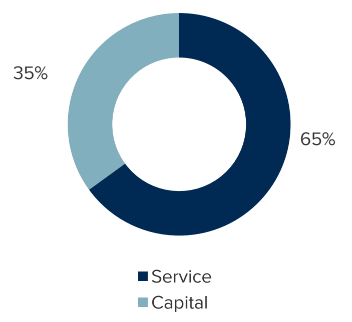
The COVID-19 outbreak is disrupting the construction and building materials markets in many parts of the world. In some countries, the activity level has decreased significantly due to lockdowns and construction site closures. The cement industry, however, is deemed an "essential" industry in many countries and around 80% of the world's cement plants (excluding China) are currently in operation, some operating at reduced capacity. The market for services was relatively stable in the first quarter, but cement consumption is being impacted by reduced construction activity, and plant shutdowns and restricted access to sites has reduced the activity level within technical services and commissioning. Despite the pandemic, there is still an ongoing market activity in most regions.

In Europe, Russia and North Africa, cement plants are still in operation in most countries and the supply and demand situation has so far only been slightly negatively impacted. The majority of the plants in the region are in operation, but some at reduced capacity. In Asia (excluding China), most plants are operating, but we see shutdowns in Malaysia and the Philippines. In January and February, Chinese cement consumption declined by 30%, but the Chinese government is now pushing to get construction and production back on track. In North America, about 15% of our installed base is currently shut down (all Mexican sites are closed), but the demand for service bundles remains strong with a record high order intake the first quarter. In South America, we see significantly reduced activity. In Peru and Argentina, national lockdowns have reduced activity at cement plants, and in the case of Colombia, some customers have decided to either reduce or suspend production. In Australia, plants are running at full capacity.

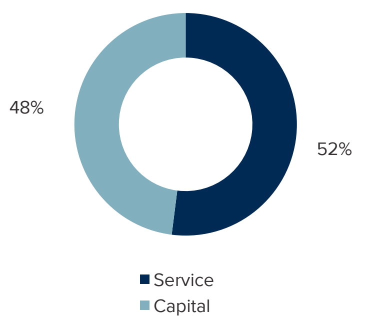
We see the biggest impact from COVID-19 in India and The Middle East, where activity is very low. Across regions, many cement producers are suspending capital investments until the COVID-19 impact on the macroeconomic outlook is clearer. We do, however, see continued interest for our sustainability upgrades and a growing interest in our digital solutions and remote support, driven by the restrictions of on-site services. Also, several customers are looking for services that can drive down OPEX in the short term to manage the impact of the pandemic.

As for many other industries, the virus outbreak is having negative implications for the cement industry, but the duration and impact of the disruption is still unknown. Strong supportive measures are being implemented world-wide to boost the economy, including prospects for infrastructure stimulus, which could speed up the recovery in several local cement markets.

CEMENT ORDER INTAKE



CEMENT REVENUE



FINANCIAL PERFORMANCE IN Q1 2020

Stable service orders - absence of large orders

Order intake in Q1 2020 decreased 50% year-on-year to DKK 1,312m (Q1 2019: DKK 2,632m). The decrease was attributable to capital order intake which to a large extent can be explained by the exceptionally strong comparative quarter in 2019, which included two large cement plant orders together worth around DKK 900m. Adjusted for these two large capital orders, order intake in Q1 2020 decreased by 24% compared to Q1 2019. Service order intake was stable at DKK 848m (Q1 2019: DKK 846m). Currency effects had a 1% positive impact on order intake compared to the same quarter last year.

Slightly lower revenue

In Q1 2020, revenue decreased by 3% to DKK 1,790m compared to the same quarter last year (Q1 2019: DKK 1,837m). Cement service revenue increased by 23% while capital revenue declined by 20%. Currency effects had a 1% positive impact on revenue in the quarter.

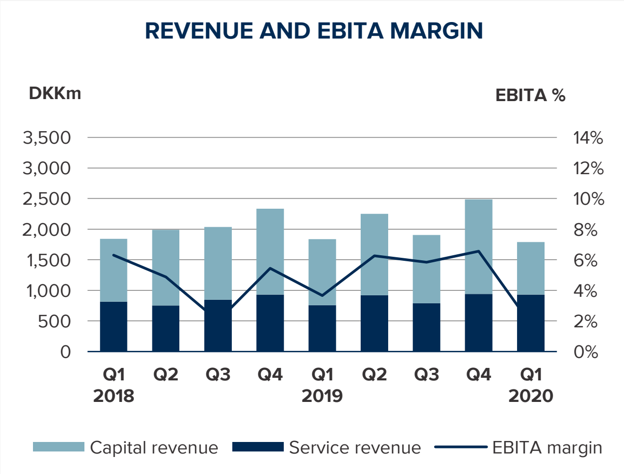
The development in revenue mix should be seen in the context of our continued efforts to grow services and standardised products while being selective with respect to large orders.

Profitability impacted by extra costs

Gross profit, before allocation of shared cost, was slightly down to DKK 391m (Q1 2019: DKK 408m) and gross margin decreased to 21.8% (Q1 2019: 22.2%). Cement profitability was affected by a combination of the lower revenue, increased costs due to the COVID-19 pandemic, as well as costs related to the implementation of business improvement initiatives. Consequently, EBITA decreased by 54% year-on-year to DKK 32m (Q1 2019: DKK 69m) and the corresponding EBITA margin decreased to 1.8% (Q1 2019: 3.7%).

CEMENT

(DKKm)	Q1 2020	Q1 2019	Change (%)
Order intake (gross)	**1,312**	**2,632**	**-50%**
- Hereof service order intake	848	846	0%
- Hereof capital order intake	464	1,786	-74%
Order backlog	**5,970**	**8,653**	**-31%**
Revenue	**1,790**	**1,837**	**-3%**
- Hereof service revenue	933	760	23%
- Hereof capital revenue	857	1,077	-20%
Gross profit before allocation of shared cost	**391**	**408**	**-4%**
Gross profit margin before allocation of shared cost	21.8%	22.2%	
EBITA before allocation of shared cost	**197**	**235**	**-16%**
EBITA margin before allocation of shared cost	11.0%	12.8%	
EBITA	**32**	**69**	**-54%**
EBITA margin	1.8%	3.7%	
EBIT	**8**	**41**	**-80%**
EBIT margin	0.4%	2.2%	
Number of employees	4,784	5,559	-14%



SUSTAINABILITY – MISSIONZERO

At the end of 2019, we launched our new sustainability programme MissionZero with the objective to enable our customers to operate with zero emissions by 2030. Sustainability challenges, such as emissions, water- and energy consumption are increasingly impacting our customers' operations in terms of productivity, costs and license to operate. With MissionZero we are accelerating our efforts to deliver new solutions to support our customers and further position ourselves as a premium supplier. During the first quarter of 2020 we have received strong interest from customers and decision makers in the programme.

Towards zero emissions
in mining and cement

MISSONZERO PARTNERSHIP WITH VIETNAM'S LEADING CEMENT PRODUCER

In February, FLSmidth and The Vietnam National Cement Corporation (VICEM), the leading cement producer in Vietnam, announced a cooperation to pioneer new solutions to significantly improve the sustainability of the cement sector in Vietnam. The goal is to implement technologies that radically reduce greenhouse gas emissions, pioneer solutions for using alternative fuels and improve air quality.

Vietnam is one of the fastest growing countries in terms of cement production with output expected to double in the next ten years. It is also one of the world's leading exporting countries in the global cement industry. The government is committed to fighting climate change and has set objectives to improve efficiency and reduce the environmental impact of its cement production.

As the largest cement producer in Vietnam, VICEM's ambition is to take an industry leadership role and implement solutions to reduce the environmental impact of cement production. This will specifically focus on reducing the emission of particulate matter, CO2, NOX and SO2, there-of preventing air, soil and water pollution from waste burning and landfills.

The cooperation between the two companies includes the commitment to jointly develop industrial-scale innovations to accelerate sustainable cement production. A key focus will be on the utilisation of municipal and other waste streams as alternative fuel sources, thereby preventing air pollution from waste burning, for instance. While management of waste is a growing concern in Vietnam, FLSmidth is developing solutions that enable a 100% switch to alternative fuels, which can reduce carbon emissions by approximately 33%. Other areas of the partnership will focus on solutions related to energy efficiency and waste-heat recovery.

ADVISING THE INTERNATIONAL ENERGY AGENCY

The International Energy Agency (IEA) invited FLSmidth to peer review its upcoming report on decarbonising energy intensive industries such as cement and the building industry. This invitation reflects our responsibility as leader in sustainable technology to enable the transition of the sector towards zero emission.

The IEA is an autonomous intergovernmental organisation committed to shaping a secure and sustainable energy future for all. The IEA's reports act as reference documents for governments around the world guiding them on what is feasible within industries, highlighting trends and outlining potential future scenarios for decarbonisation.

Peer reviewing is an opportunity to highlight what we believe is technologically feasible to reach zero emissions within cement in line with our sustainability ambition MissionZero.

OPERATIONALISING MISSIONZERO

During Q1, most of our efforts have been on developing a data-driven, commercial approach that will support the further operationalisation of the MissionZero programme. We are piloting two new methodologies that will help to better articulate the sustainability savings for our customers from our technologies. A bespoke data framework is being developed that aims to track our progress from an innovation and sales point of view. This will be rolled-out during Q2 and Q3 of this year.

SUSTAINABILITY – INTERNAL PERFORMANCE

SAFETY

Year-to-date, our Q1 2020 Total Recordable Injury Rate decreased to 1.0 against a 2020 target of ≤ 2.5. This decrease is mainly explained by the COVID-19 situation since a larger part of our workforce is working from home. Any potential work-related incidents occurring at home during the “working from home” restrictions are still reported and counted in our statistics.

COMPLIANCE

As a result of our efforts to encourage whistleblowing, Group Compliance continues to see an increasing number of reports through the whistleblower hotline. To promote the disclosure of any potential wrongdoings, we have also increased resources to conduct internal investigations. In 2020 Q1, 107 due diligence reports were completed, which is on track for our target of 200 for the year.

PEOPLE

In Q1 2020, our share of women managers increased slightly from 11.2% to 11.4%, against our target of 12.5% and our overall share of women employees was relatively unchanged. Due to the ongoing virus outbreak, there has been a decrease in recruiting which could impact our ability to achieve our recruitment targets for women in the near term.

ENVIRONMENT

The global lock down of facilities and offices due to the virus outbreak is also reflected in the carbon footprint. Compared to the same period last year, our carbon intensity has decreased by 21.8% to 2.26 tonnes/DKKm revenue.

SUPPLY CHAIN

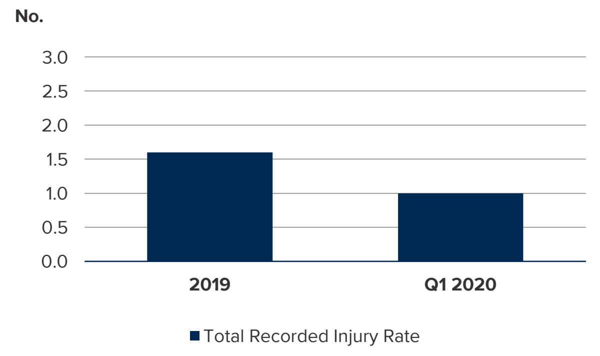
Due to the ongoing travel restrictions, supplier visits and thereby also supplier screenings have been very limited in Q1 2020. In 141 screenings completed (annual target of 800), 7 findings have been identified. Limited resources at suppliers’ sites have resulted in a lower level of agreed improvement plans than targeted.

HUMAN RIGHTS

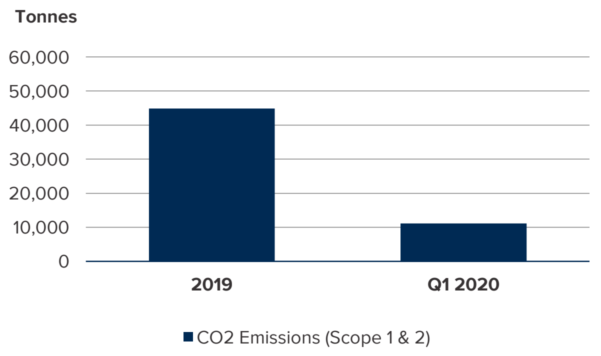
So far in 2020, we have conducted two off-site human rights audits and no on-site audits. This is due in part to travel restrictions in light of the COVID-19 situation. We are currently revising our strategy for human rights.

All data will be externally assured by year end 2020.

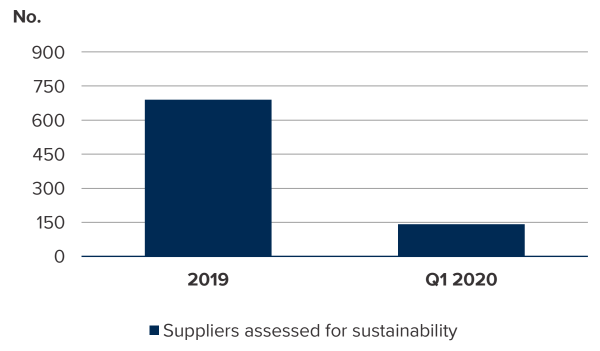
TOTAL RECORDABLE INJURY RATE



CO2 EMISSIONS (SCOPE 1 & 2)



SUPPLIERS ASSESSED FOR SUSTAINABILITY



QUARTERLY KEY FIGURES

DKKm	2018				2019				2020
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
INCOME STATEMENT									
Revenue	4,235	4,730	4,335	5,450	4,416	5,472	4,736	6,022	4,525
- Hereof service revenue	2,507	2,599	2,489	2,613	2,414	2,794	2,703	2,866	2,606
- Hereof capital revenue	1,728	2,131	1,846	2,837	2,002	2,678	2,033	3,156	1,919
Gross profit	**1,074**	**1,181**	**1,126**	**1,312**	**1,081**	**1,315**	**1,126**	**1,327**	**1,047**
SG&A costs	(678)	(741)	(718)	(730)	(686)	(741)	(667)	(747)	(728)
EBITDA before special non-recurring items	**396**	**440**	**408**	**582**	**395**	**574**	**459**	**580**	**319**
Special non-recurring items	3	0	0	(5)	0	0	0	0	0
Depreciation and impairment of property, plant and equipment	(56)	(59)	(58)	(66)	(83)	(87)	(82)	(93)	(91)
EBITA	**343**	**381**	**350**	**511**	**312**	**487**	**377**	**487**	**228**
Amortisation and impairment of intangible assets	(95)	(82)	(96)	(92)	(94)	(106)	(83)	(94)	(82)
EBIT	**248**	**299**	**254**	**419**	**218**	**381**	**294**	**393**	**146**
Income from associates	0	0	0	0	0	0	2	1	1
Financial income/costs, net	(35)	(16)	(17)	(93)	(3)	(32)	(12)	(71)	3
EBT	**213**	**283**	**237**	**326**	**215**	**349**	**284**	**323**	**150**
Tax for the period	(66)	(95)	(66)	(21)	(70)	(115)	(94)	(94)	(44)
Profit on continuing activities for the period	**147**	**188**	**171**	**305**	**145**	**234**	**190**	**229**	**106**
Loss on discontinued activities for the period	(11)	(20)	(9)	(136)	(9)	(11)	0	(2)	(5)
Profit/loss for the period	**136**	**168**	**162**	**169**	**136**	**223**	**190**	**227**	**101**
Effect of purchase price allocation	(40)	(40)	(40)	(40)	(30)	(30)	(32)	(36)	(24)
Gross margin	*25.4%*	*25.0%*	*26.0%*	*24.1%*	*24.5%*	*24.0%*	*23.8%*	*22.0%*	*23.1%*
EBITDA margin before special non-recurring items	*9.4%*	*9.3%*	*9.4%*	*10.7%*	*8.9%*	*10.5%*	*9.7%*	*9.6%*	*7.0%*
EBITA margin	*8.1%*	*8.1%*	*8.1%*	*9.4%*	*7.1%*	*8.9%*	*8.0%*	*8.1%*	*5.0%*
EBIT margin	*5.9%*	*6.3%*	*5.9%*	*7.7%*	*4.9%*	*6.9%*	*6.2%*	*6.5%*	*3.2%*
Cash flow from operating activities	343	(412)	357	97	234	143	244	327	(35)
Cash flow from investing activities	(42)	(83)	(109)	(51)	(85)	(373)	(111)	(92)	(109)
Net working capital	1,590	2,003	1,809	2,200	2,207	2,519	2,624	2,739	2,792
Order intake, continuing activities (gross)	5,018	5,056	7,164	4,503	5,640	4,954	4,571	4,389	6,526
- Hereof service order intake	2,885	2,773	2,569	2,680	2,648	2,784	2,928	2,890	2,931
- Hereof capital order intake	2,133	2,283	4,595	1,823	2,992	2,170	1,643	1,499	3,595
Order backlog, continuing activities	13,874	14,454	17,228	16,218	17,824	16,762	16,088	14,192	15,591

DKKm	2018				2019				2020
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
SEGMENT REPORTING									
Mining									
Revenue	2,418	2,780	2,242	3,117	2,579	3,221	2,832	3,537	2,735
- Hereof service revenue	1,689	1,844	1,644	1,681	1,654	1,876	1,916	1,924	1,673
- Hereof capital revenue	729	936	598	1,436	925	1,345	916	1,613	1,062
Gross profit before allocation of shared costs	653	739	711	853	689	840	713	829	680
EBITA before allocation of shared costs	434	493	456	589	442	541	463	528	414
EBITA	227	276	299	387	246	336	261	323	201
EBIT	165	221	228	323	180	274	195	256	143
Gross margin before allocation of shared costs	*27.0%*	*26.6%*	*31.7%*	*27.4%*	*26.7%*	*26.1%*	*25.2%*	*23.4%*	*24.9%*
EBITA margin before allocation of shared costs	*18.0%*	*17.8%*	*20.3%*	*18.9%*	*17.1%*	*16.8%*	*16.3%*	*14.9%*	*15.1%*
EBITA margin	*9.4%*	*9.9%*	*13.3%*	*12.4%*	*9.5%*	*10.4%*	*9.2%*	*9.1%*	*7.3%*
EBIT margin	*6.8%*	*7.9%*	*10.2%*	*10.4%*	*7.0%*	*8.5%*	*6.9%*	*7.2%*	*5.2%*
Order intake (gross)	3,339	3,297	3,250	2,980	3,008	3,075	3,148	2,833	5,214
- Hereof service order intake	2,084	1,948	1,702	1,707	1,802	1,901	2,024	1,807	2,083
- Hereof capital order intake	1,255	1,349	1,548	1,273	1,206	1,174	1,124	1,026	3,131
Order backlog	6,900	7,526	8,579	8,350	9,171	8,757	8,544	7,683	9,621
Cement									
Revenue	1,841	1,990	2,038	2,335	1,837	2,251	1,904	2,485	1,790
- Hereof service revenue	818	754	846	932	760	918	787	942	933
- Hereof capital revenue	1,023	1,236	1,192	1,403	1,077	1,333	1,117	1,543	857
Gross profit before allocation of shared costs	433	456	432	475	408	496	434	543	391
EBITA before allocation of shared costs	304	295	150	321	235	319	263	331	197
EBITA	116	97	41	127	69	143	111	163	32
EBIT	82	71	16	99	41	99	94	136	8
Gross margin before allocation of shared costs	*23.5%*	*22.9%*	*21.2%*	*20.4%*	*22.2%*	*22.0%*	*22.8%*	*21.9%*	*21.8%*
EBITA margin before allocation of shared costs	*16.5%*	*14.8%*	*7.4%*	*13.7%*	*12.8%*	*14.1%*	*13.8%*	*13.3%*	*11.0%*
EBITA margin	*6.3%*	*4.9%*	*2.0%*	*5.4%*	*3.7%*	*6.3%*	*5.8%*	*6.6%*	*1.8%*
EBIT margin	*4.5%*	*3.6%*	*0.8%*	*4.2%*	*2.2%*	*4.4%*	*4.9%*	*5.5%*	*0.4%*
Order intake (gross)	1,707	1,792	3,858	1,524	2,632	1,879	1,423	1,556	1,312
- Hereof service order intake	801	825	867	973	846	883	904	1,083	848
- Hereof capital order intake	906	967	2,991	551	1,786	996	519	473	464
Order backlog	7,057	7,003	8,653	7,872	8,653	8,005	7,544	6,509	5,970

INTERIM FINANCIAL STATEMENTS

INCOME STATEMENT

Notes	DKKm	Q1 2020	Q1 2019
3, 4	Revenue	4,525	4,416
	Production costs	(3,478)	(3,335)
	Gross profit	**1,047**	**1,081**
	Sales costs	(378)	(343)
	Administrative costs	(362)	(351)
	Other operating items	12	8
	EBITDA before special non-recurring items	**319**	**395**
	Special non-recurring items	0	0
	Depreciation and impairment of property, plant and equipment	(91)	(83)
	EBITA	**228**	**312**
	Amortisation and impairment of intangible assets	(82)	(94)
	EBIT	**146**	**218**
	Income from associates	1	0
	Financial income	439	196
	Financial costs	(436)	(199)
	EBT	**150**	**215**
	Tax for the period	(44)	(70)
	Profit for the period, continuing activities	**106**	**145**
3, 8	Loss for the period, discontinued activities	(5)	(9)
	Profit for the period	**101**	**136**
	Attributable to:		
	Shareholders in FLSmidth & Co. A/S	98	138
	Minority interests	3	(2)
		101	**136**
11	Earnings per share (EPS):		
	Continuing and discontinued activities per share	2.0	2.8
	Continuing and discontinued activities per share, diluted	2.0	2.8
	Continuing activities per share	2.1	3.0
	Continuing activities per share, diluted	2.1	3.0

STATEMENT OF COMPREHENSIVE INCOME

Notes	DKKm	Q1 2020	Q1 2019
	Profit for the period	**101**	**136**
	Items that will not be reclassified to profit or loss:		
	Actuarial gains/(losses) on defined benefit plans	0	0
	Tax hereof, including reversal of impairment of tax assets	0	0
	Items that are or may be reclassified subsequently to profit or loss:		
	Currency adjustments regarding translation of entities	(336)	218
	Cash flow hedging:		
	- Value adjustments for the period	(31)	9
	- Value adjustments transferred to work in progress	(1)	3
	Tax hereof	0	(2)
	Other comprehensive income for the period after tax	**(368)**	**228**
	Comprehensive income for the period	**(267)**	**364**
	Attributable to:		
	Shareholders in FLSmidth & Co. A/S	(269)	366
	Minority interests	2	(2)
		(267)	**364**

CASH FLOW STATEMENT

	DKKm	Q1 2020	Q1 2019
	EBITDA before special non-recurring items, continuing activities	319	395
	EBITDA before special non-recurring items, discontinued activities	(2)	(10)
	EBITDA	**317**	**385**
	Adjustment for gain on sale of property, plant and equipment and other non-cash items	10	14
	Adjusted EBITDA	**327**	**399**
	Change in provisions, pension and employee benefits	(58)	(120)
9	Change in net working capital	(197)	58
	Cash flow from operating activities before financial items and tax	**72**	**337**
	Financial items received and paid	(18)	(5)
	Taxes paid	(89)	(98)
	Cash flow from operating activities	**(35)**	**234**
7	Acquisition of enterprises and activities	(41)	(6)
	Acquisition of intangible assets	(35)	(40)
	Acquisition of property, plant and equipment	(32)	(39)
	Acquisition of financial assets	(3)	0
	Disposal of property, plant and equipment	2	0
	Cash flow from investing activities	**(109)**	**(85)**
	Addition of minority interests	0	6
	Exercise of share options	0	4
	Repayment of lease liabilities	(30)	(21)
	Change in net interest bearing debt	23	(50)
	Cash flow from financing activities	**(7)**	**(61)**
	Change in cash and cash equivalents	**(151)**	**88**
	Cash and cash equivalents at beginning of period	1,001	875
	Foreign exchange adjustment, cash and cash equivalents	(39)	21
	Cash and cash equivalents at 31 March	**811**	**984**

The cash flow statement cannot be inferred from the published financial information only.

DKKm	Q1 2020	Q1 2019
Free cash flow	(144)	149
Free cash flow, adjusted for acquisitions and disposals of enterprises and activities	(103)	155

BALANCE SHEET

Notes	DKKm	31/03 2020	31/12 2019	31/03 2019
	ASSETS			
	Goodwill	4,309	4,376	4,306
	Patents and rights	945	967	1,004
	Customer relations	564	609	669
	Other intangible assets	92	94	50
	Completed development projects	235	203	288
	Intangible assets under development	343	362	230
	Intangible assets	**6,488**	**6,611**	**6,547**
	Land and buildings	1,524	1,575	1,618
	Plant and machinery	409	439	470
	Operating equipment, fixtures and fittings	96	106	104
	Tangible assets in course of construction	90	80	77
	Property, plant and equipment	**2,119**	**2,200**	**2,269**
	Lease assets	**282**	**312**	**309**
	Deferred tax assets	1,149	1,246	1,186
	Investments in associates	147	165	0
12	Other securities and investments	44	44	43
	Other non-current assets	**1,340**	**1,455**	**1,229**
	Non-current assets	**10,229**	**10,578**	**10,354**
	Inventories	2,726	2,714	2,966
	Trade receivables	4,452	5,068	4,454
10	Work in progress	2,440	2,612	2,662
	Prepayments	540	591	451
	Income tax receivables	193	164	286
	Other receivables	914	804	844
	Cash and cash equivalents	811	1,001	984
	Current assets	**12,076**	**12,954**	**12,647**
	Total assets	**22,305**	**23,532**	**23,001**

Notes	DKKm	31/03 2020	31/12 2019	31/03 2019
	EQUITY AND LIABILITIES			
	Share capital	1,025	1,025	1,025
	Foreign exchange adjustments	(635)	(300)	(236)
	Cash flow hedging	(60)	(28)	(41)
	Retained earnings	8,191	8,082	7,439
	Proposed dividend	0	0	0
	Shareholders in FLSmidth & Co. A/S	**8,521**	**8,779**	**8,187**
	Minority interests	16	14	14
	Equity	**8,537**	**8,793**	**8,201**
	Deferred tax liabilities	234	352	318
	Pension obligations	362	362	272
5	Provisions	455	467	491
	Lease liabilities	182	204	234
	Bank loans and mortgage debt	3,095	2,890	2,550
	Prepayments from customers	192	251	235
	Other liabilities	100	90	41
	Non-current liabilities	**4,620**	**4,616**	**4,141**
	Pension obligations	3	4	13
5	Provisions	489	551	681
	Lease liabilities	108	114	78
	Bank loans and mortgage debt	91	285	171
	Prepayments from customers	1,301	1,517	1,539
10	Work in progress	1,595	1,578	1,880
	Trade payables	3,934	4,350	4,033
	Income tax liabilities	340	315	279
	Other liabilities	1,287	1,409	1,985
	Current liabilities	**9,148**	**10,123**	**10,659**
	Total liabilities	**13,768**	**14,739**	**14,800**
	Total equity and liabilities	**22,305**	**23,532**	**23,001**

EQUITY STATEMENT

2020

DKKm	Share capital	Currency adjust-ments	Cash flow hedging	Retained earnings	Share-holders in FLSmidth & Co A/S	Minority interests	Total
Equity at 1 January	**1,025**	**(300)**	**(28)**	**8,082**	**8,779**	**14**	**8,793**
Comprehensive income for the period							
Profit for the period				98	98	3	101
Other comprehensive income							
Actuarial gains/(losses) on defined benefit plans					0		0
Currency adjustments regarding translation of entities		(335)			(335)	(1)	(336)
Cash flow hedging:							
- Value adjustments for the period			(31)		(31)		(31)
- Value adjustments transferred to work in progress			(1)		(1)		(1)
Tax on other comprehensive income				0	0		0
Other comprehensive income total	**0**	**(335)**	**(32)**	**0**	**(367)**	**(1)**	**(368)**
Comprehensive income for the period	**0**	**(335)**	**(32)**	**98**	**(269)**	**2**	**(267)**
Transactions with owners:					0		0
Dividend transferred to other liabilities					0		0
Share-based payment				11	11		11
Exercise of share options					0		0
Addition of minority interests					0		0
Equity at 31 March	**1,025**	**(635)**	**(60)**	**8,191**	**8,521**	**16**	**8,537**

2019

DKKm	Share capital	Currency adjust-ments	Cash flow hedging	Retained earnings	Proposed dividend	Share-holders in FLSmidth & Co A/S	Minority interests	Total
Equity at 1 January	**1,025**	**(454)**	**(53)**	**7,277**	**461**	**8,256**	**10**	**8,266**
Comprehensive income for the period								
Profit for the period				138		138	(2)	136
Other comprehensive income								
Actuarial gains/(losses) on defined benefit plans						0		0
Currency adjustments regarding translation of entities		218				218		218
Cash flow hedging:								
- Value adjustments for the period			9			9		9
- Value adjustments transferred to work in progress			3			3		3
Tax on other comprehensive income				(2)		(2)		(2)
Other comprehensive income total	**0**	**218**	**12**	**(2)**	**0**	**228**	**0**	**228**
Comprehensive income for the period	**0**	**218**	**12**	**136**	**0**	**366**	**(2)**	**364**
Transactions with owners:						0		0
Dividend transferred to other liabilities				11	(461)	(450)		(450)
Share-based payment				11		11		11
Exercise of share options				4		4		4
Addition of minority interests						0	6	6
Equity at 31 March	**1,025**	**(236)**	**(41)**	**7,439**	**0**	**8,187**	**14**	**8,201**

As a consequence of the current uncertainty due to the global COVID-19 pandemic, the Board of Directors decided to withdraw the dividend proposal of DKK 8 per share, totaling DKK 410m.

1. KEY ACCOUNTING ESTIMATES AND JUDGEMENTS

When preparing the financial statements, we are required to make several estimates and judgements. The estimates and judgements that can have a significant impact on the financial statements are categorised as key accounting estimates and judgements. Key accounting estimates and judgements are regularly assessed to adapt to the market conditions and changes in political and economic factors.

All key accounting estimates and judgements may have a significant impact to the financial statements. For further details, reference is made to The Annual Report 2019, Key accounting estimates and judgements, page 72 and to specific notes.

Compared to what was disclosed in the Annual Report 2019 the COVID-19 outbreak encountered during Q1-2020 is considered to impose significant uncertainty to the interim financial statements. The financial impacts of COVID-19 requires significant judgement and are included in the estimates of the activity of the group, the valuation of our asset base and the liquidity situation.

As for any other significant uncertainties we will, given the evolving nature of the pandemic and the uncertainties involved, monitor the situation and implication on Group's financial position, activities and cash flows. As of 31 March 2020, we have included updated estimates to assess the recoverability of our asset base, including expected credit losses (ECL). We have made no specific impairments of assets and no additional obligations or liabilities have been recognised as a direct result of COVID-19.

We have on 3 April 2020 bolstered our liquidity by ensuring additional DKK 500m of available credit facilities to accommodate for any significant uncertainty.

2. INCOME STATEMENT BY FUNCTION

It is our policy to prepare the income statement based on an adjusted classification of the cost by function in order to show the earnings before special non-recurring items, depreciation, amortisation and impairment (EBITDA). Depreciation, amortisation, and impairment are therefore separated from the individual functions and presented in separated lines.

The income statement classified by function includes allocation of depreciation, amortisation and impairment:

DKKm	Q1 2020	Q1 2019
Revenue	4,525	4,416
Production costs, including depreciation, amortisation and impairment	(3,568)	(3,428)
Gross profit	**957**	**988**
Sales costs, including depreciation and amortisation	(395)	(364)
Administrative costs, including depreciation and amortisation	(428)	(414)
Other operating income	12	8
EBIT	**146**	**218**
Depreciation, amortisation and impairment consist of:		
Depreciation and impairment of property, plant and equipment and lease assets	(91)	(83)
Amortisation and impairment of intangible assets	(82)	(94)
	(173)	**(177)**
Depreciation, amortisation and impairment are divided into:		
Production costs	(90)	(93)
Sales costs	(17)	(21)
Administrative costs	(66)	(63)
	(173)	**(177)**

3. SEGMENT INFORMATION FOR Q1 2020

DKKm	Mining	Cement	Shared costs[1]	Other compa-nies [2]	Con-tinuing activities	Discon-tinued activities[3]	FLSmidth Group
Revenue	**2,735**	**1,790**	**-**	**0**	**4,525**	**0**	**4,525**
Production costs	(2,055)	(1,399)	(24)	0	(3,478)	0	(3,478)
Gross profit	**680**	**391**	**(24)**	**0**	**1,047**	**0**	**1,047**
SG&A costs	(231)	(170)	(323)	(4)	(728)	(2)	(730)
EBITDA before special non-recurring items	**449**	**221**	**(347)**	**(4)**	**319**	**(2)**	**317**
Special non-recurring items	0	0	-	0	0	-	0
Depreciation and impairment of property, plant and equipment	(35)	(24)	(32)	0	(91)	-	(91)
EBITA before allocation of shared costs	**414**	**197**	**(379)**	**(4)**	**228**	**(2)**	**226**
Allocation of shared costs	(213)	(165)	379	(1)	0	-	0
EBITA	**201**	**32**	**0**	**(5)**	**228**	**(2)**	**226**
Amortisation and impairment of intangible assets	(58)	(24)	-	-	(82)	-	(82)
EBIT	**143**	**8**	**-**	**(5)**	**146**	**(2)**	**144**
Order intake (gross)	5,214	1,312			6,526	0	6,526
Order backlog	9,621	5,970			15,591	0	15,591
Gross margin	*24.9%*	*21.8%*			*23.1%*		*23.1%*
EBITDA margin before special non-recurring items	*16.4%*	*12.3%*			*7.0%*		*7.0%*
EBITA margin before allocation of shared costs	*15.1%*	*11.0%*			*-*		*-*
EBITA margin	*7.3%*	*1.8%*			*5.0%*		*5.0%*
EBIT margin	*5.2%*	*0.4%*			*3.2%*		*3.2%*
Number of employees at 31 March 2020	**5,682**	**4,784**	**1,533**		**11,999**	**2**	**12,001**
Reconciliation of profit/(loss) for the period							
EBIT					146	(2)	144
Income from associates					1		1
Financial income					439	4	443
Financial costs					(436)	(4)	(440)
EBT					**150**	**(2)**	**148**

1) Shared costs consist of costs that are managed on Region or Group level and subsequently allocated to the divisions.
2) Other companies consist of companies with no activity, real estate companies, eliminations and the parent company.
3) Discontinued activities mainly consist of bulk material handling.

3. SEGMENT INFORMATION FOR Q1 2019 – continued

DKKm	Mining	Cement	Shared costs1)	Other companies 2)	Continuing activities	Discontinued activities3)	FLSmidth Group
Revenue	**2,579**	**1,837**	**-**	**0**	**4,416**	**0**	**4,416**
Production costs	(1,890)	(1,429)	(18)	2	(3,335)	(3)	(3,338)
Gross profit	**689**	**408**	**(18)**	**2**	**1,081**	**(3)**	**1,078**
SG&A costs	(205)	(158)	(324)	1	(686)	(7)	(693)
EBITDA before special non-recurring items	**484**	**250**	**(342)**	**3**	**395**	**(10)**	**385**
Special non-recurring items	0	0	-	0	0	0	0
Depreciation and impairment of property, plant and equipment	(42)	(15)	(25)	(1)	(83)	0	(83)
EBITA before allocation of shared costs	**442**	**235**	**(367)**	**2**	**312**	**(10)**	**302**
Allocation of shared costs	(196)	(166)	367	(5)	0	0	0
EBITA	**246**	**69**	**0**	**(3)**	**312**	**(10)**	**302**
Amortisation and impairment of intangible assets	(66)	(28)	-	-	(94)	0	(94)
EBIT	**180**	**41**	**-**	**(3)**	**218**	**(10)**	**208**
Order intake (gross)	3,008	2,632			5,640	0	5,640
Order backlog	9,171	8,653			17,824	111	17,935
Gross margin	*26.7%*	*22.2%*			*24.5%*		*24.4%*
EBITDA margin before special non-recurring items	*18.7%*	*13.6%*			*8.9%*		*8.7%*
EBITA margin before allocation of shared costs	*17.1%*	*12.8%*			-		-
EBITA margin	*9.5%*	*3.7%*			*7.1%*		*6.8%*
EBIT margin	*7.0%*	*2.2%*			*4.9%*		*4.7%*
Number of employees at 31 March 2019	**5,208**	**5,559**	**1,503**		**12,270**	**3**	**12,273**
Reconciliation of profit/(loss) for the period							
EBIT					218	(10)	208
Income from associates					0	0	0
Financial income					196	5	201
Financial costs					(199)	(7)	(206)
EBT					**215**	**(12)**	**203**

1) Shared costs consist of costs that are managed on Region or Group level and subsequently allocated to the divisions.
2) Other companies consist of companies with no activity, real estate companies, eliminations and the parent company.
3) Discontinued activities mainly consist of bulk material handling.

4. REVENUE

Revenue arises from sale of life-cycle offerings to our customers. We sell a broad range of goods and services within the Mining and Cement Industries split into the main categories projects, products and services.

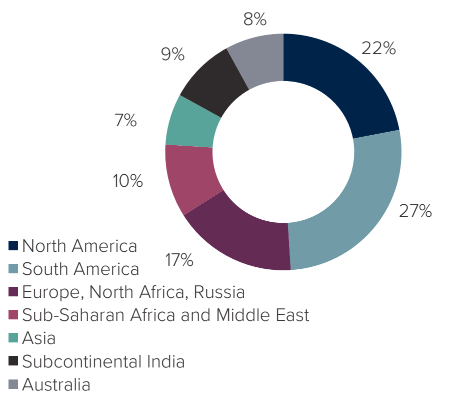
DKKm	Q1 2020	Q1 2019
Point in time	2,164	2,261
Percentage of completion	2,356	2,134
Cash	5	21
Total revenue	**4,525**	**4,416**

Seven Regions support the sales within the Mining and Cement Industries. Below, revenue is presented in the Regions in which delivery takes place. In Q1 2020, South America represented an 11% higher share of Group revenue than the same quarter last year, whereas the share of revenue in North America and Europe contracted.

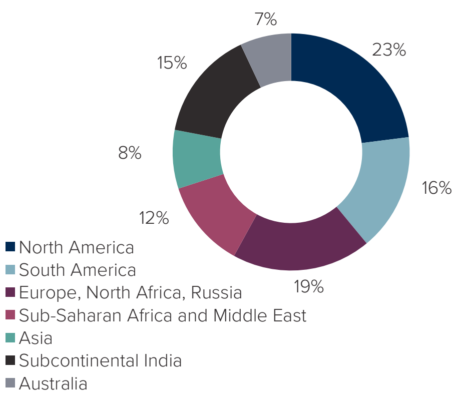
			Q1 2020
DKKm	Mining	Cement	Group
Projects	731	520	1,251
Products	331	337	668
Capital business	**1,062**	**857**	**1,919**
Service business	**1,673**	**933**	**2,606**
Total revenue	**2,735**	**1,790**	**4,525**

			Q1 2019
DKKm	Mining	Cement	Group
Projects	636	746	1,382
Products	289	331	620
Capital business	**925**	**1,077**	**2,002**
Service business	**1,654**	**760**	**2,414**
Total revenue	**2,579**	**1,837**	**4,416**

REVENUE SPLIT BY REGIONS (Q1 2020)



REVENUE BY REGIONS (Q1 2019)



5. PROVISIONS

DKKm	31/03 2020	31/12 2019	31/03 2019
Provisions at 1 January	1,018	1,279	1,279
Foreign exchange adjustments	(17)	16	20
Additions	72	439	77
Used	(82)	(525)	(173)
Reversals	(47)	(191)	(31)
Provisions	**944**	**1,018**	**1,172**
The split of provisions is as follows:			
Warranties	537	578	630
Restructuring	37	40	28
Other provisions	370	400	514
	944	**1,018**	**1,172**
The maturity of provisions is specified as follows:			
Current liabilities	489	551	681
Non-current liabilities	455	467	491
	944	**1,018**	**1,172**

Used provisions amounted to DKK 82m in Q1 2020, a decrease of DKK 91m from Q1 2019. Provisions used in Q1 2020 related to discontinued activities amounted to DKK 5m (Q1 2019: DKK 71m). Refer to note 8 for a further description. The remainder of the used provisions were mainly to cover our warranty obligations and loss-making projects.

5. PROVISIONS – continued

Continued activities' share of Group provisions is shown below. The provisions from continued and discontinued activities add up to our total provisions.

Continued activities' share of Group provisions:

DKKm	31/03 2020	31/12 2019	31/03 2019
Provisions at 1 January	807	961	961
Foreign exchange adjustments	(18)	16	20
Additions	72	439	77
Used	(77)	(418)	(102)
Reversals	(47)	(191)	(31)
Provisions	**737**	**807**	**925**

6. CONTRACTUAL OBLIGATIONS AND CONTINGENT ASSETS AND LIABILITIES

No significant changes have occurred to the nature and extent of our contractual obligations and contingent assets and liabilities compared to what was disclosed in note 2.9 in the Annual Report 2019.

Contingent liabilities at 31 March 2020 amounted to DKK 2.7bn (31 December 2019: DKK 2.8bn), which primarily include performance bonds, payment guarantees and bid bonds at DKK 2.4bn (31 December 2019: DKK 2.5bn) issued to cover project-related risks.

7. BUSINESS ACQUISITIONS

On 31 January 2020, FLSmidth acquired the business Mill-Ore Group, an Eastern Canadian provider of equipment and aftermarket services to the mining industry.

The acquisition is part of our long-term commitment to increase the level of service and support to our customers in Eastern Canada.

The assets and liabilities in the opening balance are measured using the current available information. The purchase price allocation has not been finalised. If new information becomes available this could affect the values.

DKKm	Mill-Ore Group	Q1 2020
Property, plant and equipment	9	9
Patens and rights acquired	3	3
Other intangible assets	9	9
Inventories	6	6
Carrying amount of net assets acquired	**27**	**27**
Goodwill	14	14
Transaction price, cash effect	**41**	**41**

8. DISCONTINUED ACTIVITIES

Discontinued activities effect on cash flow from operating activities:

DKKm	Q1 2020	2019	Q1 2019
EBITDA	(2)	(19)	(10)
Adjustment for gain on sale of property, plant and equipment etc.	0	3	3
Adjusted EBITDA	**(2)**	**(16)**	**(7)**
Change in provisions	(5)	(108)	(71)
Change in net working capital	10	(58)	9
Cash flow from operating activities before financial items and tax	**3**	**(182)**	**(69)**
Financial items received and paid	0	(9)	(3)
Taxes paid	(2)	0	0
Cash flow from operating activities	**1**	**(191)**	**(72)**

Discontinued activities' share of Group provisions:

DKKm	31/03 2020	31/12 2019	31/03 2019
Provisions at 1 January	211	318	318
Foreign exchange adjustments	1	0	0
Used	(5)	(107)	(71)
Provisions	**207**	**211**	**247**

8. DISCONTINUED ACTIVITIES – continued

Cash flow from discontinued operating activities totalled DKK 1m. The cash outflow was mainly due to change in provisions of DKK 5m.

Cash flow from net working capital from discontinued activities amounted to DKK 10m (Q1 2019: 9m), as net working capital related to discontinued business decreased from DKK 227m end of 2019 to DKK 215m end of Q1 2020.

Loss for the period from discontinued activities total DKK -5m (Q1 2019: DKK -9m), primarily consisting of SG&A cost.

9. NET WORKING CAPITAL

Despite reduction in trade receivables net working capital increased at the end of Q1 2020, due to lower level of trade payables and lower level of prepayments from customers.

DKKm	31/03 2020	31/12 2019	31/03 2019
Inventories	2,726	2,714	2,966
Trade receivables	4,452	5,068	4,454
Work in progress, assets	2,440	2,612	2,662
Prepayments	540	591	451
Other receivables	769	710	733
Derivative financial instruments	86	36	36
Prepayments from customers	(1,493)	(1,768)	(1,774)
Trade payables	(3,934)	(4,350)	(4,033)
Work in progress, liability	(1,595)	(1,578)	(1,880)
Other liabilities	(1,120)	(1,242)	(1,360)
Derivative financial instruments	(79)	(54)	(48)
Net working capital	**2,792**	**2,739**	**2,207**
Change in net working capital	(53)	(539)	(7)
Financial instruments and foreign exchange effect on cash flow	(144)	91	65
Cash flow effect from change in net working capital	**(197)**	**(448)**	**58**

10. WORK IN PROGRESS

DKKm	31/03 2020	31/12 2019	31/03 2019
Total costs incurred	28,500	29,666	25,426
Profit recognised as income, net	2,946	2,479	2,094
Work in progress	**31,446**	**32,145**	**27,520**
Invoicing on account to customers	(30,601)	(31,111)	(26,738)
Net work in progress	**845**	**1,034**	**782**
Of which is recognised as work in progress:			
Under assets	2,440	2,612	2,662
Under liabilities	(1,595)	(1,578)	(1,880)
Net work in progress	**845**	**1,034**	**782**

11. EARNINGS PER SHARE (EPS)

DKKm	Q1 2020	Q1 2019
Profit for the year, continuing activities	106	145
Minority interests	(3)	2
FLSmidth's share of profit, continuing activities	**103**	**147**
Loss for the year, discontinued activities	(5)	(9)
FLSmidth's share of loss, discontinuing activities	**(5)**	**(9)**
FLSmidth's share of profit	**98**	**138**

Number of shares (1,000)	Q1 2020	Q1 2019
Average number of outstanding shares	50,105	49,929
Dilutive effect of share options in the money	0	181
Average diluted number of outstanding shares	**50,105**	**50,110**

DKK	Q1 2020	Q1 2019
Earnings per share from continuing activities	2.1	3.0
Earnings per share from discontinued activities	(0.1)	(0.2)
Earnings per share from continuing and discontinued activities	**2.0**	**2.8**

DKK	Q1 2020	Q1 2019
Diluted earnings per share from continuing activities	2.1	3.0
Diluted earnings per share from discontinued activities	(0.1)	(0.2)
Diluted earnings per share from continuing and discontinued activities	**2.0**	**2.8**

12. FAIR VALUE MEASUREMENT

				Q1 2020
DKKm	Level 1	Level 2	Level 3	Total
Securities and investments	6		38	44
Hedging instruments asset		86		86
Hedging instruments liability		(79)		(79)
	6	7	38	51

				Q1 2019
DKKm	Level 1	Level 2	Level 3	Total
Securities and investments	9		34	43
Hedging instruments asset		36		36
Hedging instruments liability		(48)		(48)
	9	(12)	34	31

Financial instruments measured at fair value are measured on a recurring basis and categorised into the following levels of the fair value hierarchy:

- Level 1: Observable market prices for identical instruments
- Level 2: Valuation techniques primarily based on observable prices or traded prices for comparable instruments
- Level 3: Valuation techniques primarily based on unobservable prices

Securities and investments measured at fair value through profit/loss are either measured at quoted prices in an active market for the same type of instrument (level 1) or at fair value based on available data (level 3).

Hedging instruments are not traded on an active market based on quoted prices. Measured instead using a valuation technique, where all significant inputs are based on observable market data; such as exchange rates, interest rates, credit risk and volatilities (level 2).

There have been no significant transfers between the levels in Q1 2020 and Q1 2019.

13. EVENTS AFTER THE BALANCE SHEET DATE

On 3 April 2020, FLSmidth obtained additional committed credit facilities of DKK 500m to bolster its liquidity buffer in a period of extraordinary uncertainty, due to the COVID-19 pandemic. We are closely monitoring the development in the COVID-19 pandemic and the governments' and other businesses' responses which may have an impact on us.

We are not aware of any other subsequent matters that could be of material importance to the Group's financial position.

14. ACCOUNTING POLICIES

The condensed interim report of the Group for the first quarter of 2020 is presented in accordance with IAS 34, Interim Financial Reporting, as approved by the EU and additional Danish disclosure requirements regarding interim reporting by listed companies.

Apart from the below mentioned changes, the accounting policies are unchanged from those applied in the 2019 Annual Report. Reference is made to note 7.5, Accounting policies, note 7.6, Impact from new IFRS, note 7.7, New IFRS not yet adopted and to specific notes in the 2019 Annual Report for further details.

CHANGES IN ACCOUNTING POLICIES

As of 31 March 2020, the FLSmidth Group has implemented all new or amended accounting standards and interpretations as adopted by the EU and applicable for the 2020 financial year. None of the new or amended standards or interpretations are expected to have significant impact on the consolidated financial statements.

STATEMENT BY MANAGEMENT

The Board of Directors and Executive Management have today considered and approved the consolidated condensed interim financial statements for the period 1 January – 31 March 2020.

The consolidated condensed interim financial statements are presented in accordance with IAS 34, Interim Financial Reporting, as adopted by the EU and Danish disclosure requirements for interim reports of listed companies. The consolidated condensed interim financial statements have not been audited or reviewed by the Group´s independent auditors.

In our opinion, the consolidated condensed interim financial statements give a true and fair view of the Group's financial position at 31 March 2020 as well as of the results of its operations and cash flows for the period 1 January – 31 March 2020.

In our opinion, the management review gives a fair review of the development in the Group's activity and financial matters, results of operations, cash flows and financial position as well as a description of the principal risks and uncertainties that the Group faces.

Valby, 28 April 2020

EXECUTIVE MANAGEMENT

Thomas Schulz
Group CEO

Annette Høi Butt Terndrup
Group Executive Vice President

BOARD OF DIRECTORS

Vagn Sørensen
Chairman

Tom Knutzen
Vice Chairman

Gillian Dawn Winckler

Thrasyvoulos Moraitis

Richard Robinson Smith

Anne Louise Eberhard

Mette Dobel

Søren Dickow Quistgaard

Claus Østergaard

FORWARD-LOOKING STATEMENTS

FLSmidth & Co. A/S' financial reports, whether in the form of annual reports or interim reports, filed with the Danish Business Authority and/or announced via the company's website and/or NASDAQ Copenhagen, as well as any presentations based on such financial reports, and any other written information released, or oral statements made, to the public based on this report or in the future on behalf of FLSmidth & Co. A/S, may contain forward looking statements.

Words such as 'believe', 'expect', 'may', 'will', 'plan', 'strategy', 'prospect', 'foresee', 'estimate', 'project', 'anticipate', 'can', 'intend', 'target' and other words and terms of similar meaning in connection with any discussion of future operating or financial performance identify forward-looking statements. Examples of such forward-looking statements include, but are not limited to:

- Statements of plans, objectives or goals for future operations, including those related to FLSmidth & Co. A/S' markets, products, product research and product development.
- Statements containing projections of or targets for revenues, profit (or loss), capital expenditures, dividends, capital structure or other net financial items.
- Statements regarding future economic performance, future actions and outcome of contingencies such as legal proceedings and statements regarding the underlying assumptions or relating to such statements.
- Statements regarding potential merger & acquisition activities.

These forward-looking statements are based on current plans, estimates and projections. By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, which may be outside FLSmidth & Co. A/S' influence, and which could materially affect such forward-looking statements.

FLSmidth & Co. A/S cautions that a number of important factors, including those described in this report, could cause actual results to differ materially from those contemplated in any forward-looking statements.

Factors that may affect future results include, but are not limited to, the severity, magnitude and duration of the COVID-19 pandemic, including impacts from governments' responses to the pandemic on our operations as well as derivative effects on our customers' businesses, and on global supply chains that may impact our operations, cash flows, financial performance and position, global as well as local political and economic conditions, including interest rate and exchange rate fluctuations, delays or faults in project execution, fluctuations in raw material prices, delays in research and/or development of new products or service concepts, interruptions of supplies and production, unexpected breach or termination of contracts, market-driven price reductions for FLSmidth & Co. A/S' products and/or services, introduction of competing products, reliance on information technology, FLSmidth & Co. A/S' ability to successfully market current and new products, exposure to product liability and legal proceedings and investigations, changes in legislation or regulation and interpretation thereof, intellectual property protection, perceived or actual failure to adhere to ethical marketing practices, investments in and divestitures of domestic and foreign enterprises, unexpected growth in costs and expenses, failure to recruit and retain the right employees and failure to maintain a culture of compliance. Unless required by law FLSmidth & Co. A/S is under no duty and undertakes no obligation to update or revise any forward-looking statement after the distribution of this report.