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Company Announcement No. 3-2020:

FLSmidth: Long-term Incentive Programme 2020

The Board of Directors of FLSmidth & Co. A/S has today allocated performance shares to members of the Executive Management and key staff (168 persons in total) as part of the Group's Long-term Incentive Programme.

The maximum number of performance shares allocated is 205,016, of which 36,406 pertain to members of the Executive Management. The vesting period is three years, and vesting is subject to fulfilment of stretched financial targets. The applicable financial targets are EBITA margin and net working capital ratio, calculated at three-year-averages. Furthermore, approximately 9,800 performance shares have been allocated for grants during the year. The cost for this purpose is DKK 2.5 million.

The cost of the programme is DKK 52.5 million assuming full vesting, based on the average closing share price during the period from 12-18 February 2020 (the first five trading days after the release of the Annual Report).

The primary purpose of the programme is to retain key staff and to align the interests of shareholders and the incentive programme participants by rewarding performance in accordance with the company's strategy and its long-term financial targets.

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FLSmidth delivers sustainable productivity to the global mining and cement industries. We deliver market-leading engineering, equipment and service solutions to our customers enabling them to improve performance, drive down costs and reduce environmental impact. Our operations span the globe and our ~11,800 employees are present in more than 60 countries. In 2019, FLSmidth generated a revenue of DKK 20.6 billion. www.flsmidth.com