

## **FLSmidth's acquisition of TK Mining to exclude thyssenkrupp's mining activities in India**

### **Company Announcement No. 12**

It was announced on 29 July 2021 (company announcement No. 7 2021) that FLSmidth will acquire thyssenkrupp's Mining business (TK Mining). As stated in the announcement, it was still being negotiated if thyssenkrupp's mining activities in India which are part of a larger integrated entity not fully owned by thyssenkrupp would be part of the transaction. Following discussions between the parties and with the minority shareholders, it has now been agreed to exclude the TK Mining activities in India from the final transaction. Consequently the total consideration (enterprise value) for TK Mining will be reduced by EUR 45 million (approximately DKK 335 million) to EUR 280 million (approximately DKK 2.1 billion).

FLSmidth already has a strong presence in India and the TK Mining activities in India are not strategically important for the transaction. The exclusion of the TK Mining activities in India will not affect the transfer of TK Mining's key IP and technologies to FLSmidth as part of the overall transaction.

In 2020<sup>1</sup>, the TK Mining activities in India delivered revenue of ~EUR 100 million. TK Mining (excl. TK Mining activities in India) delivered revenue of ~EUR 680 million (~DKK 5.1 billion). The exclusion of the TK Mining activities in India has no impact on the expected synergies and integration costs for the transaction. TK Mining is still expected to be net profit and cash flow positive from 2024 on a stand-alone basis. The EV/EBITDA normalised incl. synergies is around 3.5x post integration.

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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 ~10,100 employees are present in more than 60 countries. In 2020, FLSmidth generated a revenue of DKK 16.4 billion. [www.flsmidth.com](http://www.flsmidth.com)

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<sup>1</sup> September 2020 FYE

### **Important notice**

This announcement contains forward-looking statements that reflect FLSmidth's current expectations and views of future events. Some of these forward-looking statements can be identified by terms and phrases such as "estimate," "expect," "target," "plan," "project," "will" and similar expressions. These forward-looking statements include but are not limited to statements relating to: the expected characteristics of the combined company; expected financial results and characteristics of the combined company; expected timing of completion of the transaction and satisfaction of conditions precedent, including regulatory conditions; expected benefits of the proposed transaction, including related synergies; expected integration costs; and expectations regarding raise of equity. These forward-looking statements are based on FLSmidth's beliefs, assumptions, and expectations of future performance and events, considering the information currently available to it. These forward-looking statements are subject to a number of known and un-known risks and uncertainties, many of which are beyond FLSmidth's control, any of which could cause actual results to differ materially from such forward-looking statements. Risks and uncertainties include among other: timing of completion of the transaction; performance of TK Mining until completion of transaction; the ability of FLSmidth to integrate TK Mining into FLSmidth's operations; the performance of the global economy; the effect of changes in governmental regulations; disruption from the proposed transaction making it more difficult to maintain relationships with customers, employees or suppliers; and the impact on the combined company (after giving effect to the proposed transaction with TK Mining) of any of the foregoing risks, as well as other risk factors listed from time to time in FLSmidth's public disclosures and other risks that have not yet been identified or which FLSmidth has not considered to be material. Except as required by law or rules and regulations, FLSmidth undertakes no obligation to publicly update or publicly revise any forward-looking statements, whether as a result of new information, future events or otherwise.