

March 23 2020

Guidance suspended, dividend withdrawn and Annual General Meeting postponed.

Company announcement 8-2020, COPENHAGEN, DENMARK

As a consequence of the global uncertainty caused by the COVID-19 pandemic, we suspend our financial guidance for 2020 pending further clarification of market developments and the actual financial impact on our business. The underlying mining and cement industries remain sound but given the day-to-day development in markets around the world, we are currently unable to assess the extent of the impact.

The activity level for the Group at the beginning of 2020 was similar to 2019, and in addition we have booked three large Mining orders with a combined value of around DKK 2.4bn. We are now increasingly seeing disruptions to customers and own operations, and we see higher costs related to, amongst others, more complex logistics and a weaker fixed cost absorption. We continue the implementation of our business improvement initiatives launched last year and have taken further actions to manage the cost base, including hiring freeze, reduced capex spend and postponement of salary adjustments etc.

We continue to monitor the development of COVID-19 and to take mitigating actions. Around half of our employees are currently working remotely, and our primary focus remains on the well-being of our employees and ensuring the safety of our customers while we adapt to the changing situation and service our customers in the best way possible.

Leveraging remote monitoring and other digital competences in addition to a more localised business set-up, our top priority is on partnering with our customers to navigate these challenging times, and this commitment will continue through their return to normal operations once restrictions are lifted.

Given the global uncertainty caused by the COVID-19 pandemic, the Board of Directors of FLSmidth & Co. A/S has decided 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.

As the Danish Government has announced new safety guidelines and a ban of public gatherings larger than 10 people, it has been decided to postpone the Annual General Meeting that was originally scheduled to be held on 25 March 2020. The Annual General Meeting will be rescheduled to a later date, which will be announced separately.

Contacts

Media Relations

Rasmus Windfeld, +45 40 44 60 60, rwin@flsmidth.com

Investor Relations

Nicolai Mauritzen, +45 30 93 18 51, nicm@flsmidth.com



FLSmidth provides sustainable productivity to the global mining and cement industries. We deliver market-leading engineering, equipment and service solutions that enable our customers to improve performance, drive down costs and reduce environmental impact. Our operations span the globe and our close to 12,000 employees are present in more than 60 countries. In 2019, FLSmidth generated revenue of DKK 20.6 billion. www.flsmidth.com