

October 11, 2019

Adjustment of guidance on EBITA margin to around 8%, ROCE to 10-12%, and revenue guidance narrowed to DKK 20-21bn

COMPANY ANNOUNCEMENT NO. 10-2019, COPENHAGEN

FLSmidth revises its financial guidance for the full-year 2019.

Revenue is now expected to be in the range of DKK 20-21bn (previously expected to be in the higher end of the DKK 19-21bn range).

The EBITA margin is now expected to be around 8% (previously expected to be in the lower end of the 9-10% range).

Return on capital employed is now expected to be 10-12% (previously 12-14%).

In connection with the 2019 half-year results, FLSmidth specified that it expected the full-year EBITA margin to be in the lower end of the range of 9-10% due to "a different development in business mix".

Despite good momentum in service order intake and a solid performance in Cement, we now expect an EBITA margin of around 8% for the year. The changes are based primarily on lower than expected margin in parts of our Mining capital business, but we also continue to see a more unfavourable business mix for the year. The changed EBITA margin guidance further takes into consideration expected costs related to business improvement initiatives to be announced later in the year.

FLSmidth Group CEO, Thomas Schulz, comments: "We see good momentum in the service business, but parts of our Mining capital business are not delivering the planned margin. We have reviewed the project portfolio to ensure a better link between planned and executed margin going forward. A contributing factor has been the weakening business environment which has delayed customer decisions and added costs as it has been difficult to ensure satisfactory progress on some projects. At the same time, we experience that it is becoming increasingly difficult for miners to obtain licenses for new projects.

Later in the year, we will inform about mitigating initiatives to improve business performance, which will include an acceleration of ongoing efforts to improve business performance."

We will publish our Q3 interim report on 29 October 2019.

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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 11,400 employees are present in more than 60 countries. In 2018, FLSmidth generated a revenue of DKK 18.8 billion. www.flsmidth.com