

FY2022 preliminary and unaudited results in line with guidance and FY2023 financial guidance introduced

Today we are pleased to announce that our full year 2022 preliminary and unaudited results are in line with guidance. In addition, financial guidance for 2023 is introduced.

Preliminary and unaudited key figures for Q4 and FY2022

	Mining		Cement		Non-Core Activities		Consolidated Group	
	Q4 2022	FY 2022	Q4 2022	FY 2022	Q4 2022	FY 2022	Q4 2022	FY 2022
Revenue, DKKbn	4.4	15.1 (14.5-15.0)	1.6	6.3 (6.0-6.5)	0.5	0.5 (~0.5)	6.5	21.8 (21.0-22.0)
Adj. EBITA margin	12.4%	10.6% (10.0-10.5%)					3.2%*	6.4%* (~6%)
EBITA margin	7.7%	7.6% (~7.5%)	4.3%	3.3% (~3%)	Loss of DKK 0.4bn	Loss of DKK 0.4bn (loss of ~0.4bn)	0%	4.3% (~4%)

Note: Numbers in brackets represent latest FY2022 guidance

* Consolidated Group adj. EBITA margin is not adjusted for the loss in Non-Core Activities

The Q4 and full year 2022 results include costs related to the thyssenkrupp Mining acquisition of DKK 125m and DKK 252m, respectively. In addition, the Q4 and full year 2022 results include costs related to wind-down of Russian activities of DKK 80m and DKK 200m, respectively.

FLSmidth will, as previously communicated, release the detailed and audited financial results for the full year of 2022 on 22 February 2023.

Financial guidance for FY2023

Guidance for full year 2023 reflects continued improvement of the underlying legacy Mining business, integration of TK Mining and the establishment of the Non-Core Activities segment.

Guidance 2023	Mining	Cement	Non-Core Activities	Consolidated Group
Revenue, DKKbn	16.0-17.0	6.0-6.5	0.8-1.0	23.0-24.5
Adj. EBITA margin	9-10%			6-7%*

EBITA margin		4-5%	Loss of ~DKK 250- 350m	4-5%
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* Consolidated Group adj. EBITA margin is not adjusted for the loss in Non-Core Activities

Mining

The long-term outlook for the mining industry remains positive driven by strong industry fundamentals. Following a strong 2022, we expect market growth in 2023 to remain largely stable versus 2022. The former TK Mining business is expected to contribute with less than DKK 3bn in revenue in 2023 and is expected to have a dilutive effect on the full year 2023 adjusted Mining EBITA margin of around 2%-point. Guidance for Adjusted EBITA margin includes adjustments for integration costs of around DKK 550m for the full year 2023.

Cement

Short-term outlook for the cement industry remains impacted by overcapacity and the potential recession is expected to impact market demand negatively over the coming period.

Non-Core Activities

Non-Core Activities EBITA margin guidance for 2023 reflects the operationally loss-making nature of the business as well as costs related to contract negotiations aimed at reducing the scope of the Non-Core Activities order backlog.

Consolidated Group

Consolidated Group guidance reflects the sum of the guidance for the three business segments. Guidance for 2023 is subject to uncertainty due to the global supply chain situation, potential recession and geopolitical turmoil.

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