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FLSmidth & Co. A/S
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Interim Report H1 2023

FLSmidth

Contents

Management review

Consolidated Condensed Financial statements

Notes

Statements

Management review

Highlights Q2 2023

We have maintained the strong momentum on our key transformation efforts, positively impacting both operational and financial performance during Q2 2023. While we have continued to progress on our MissionZero agenda, our safety performance has been unsatisfactory and mitigating actions have been taken.

Our Mining business has seen good revenue growth and continued improvement in underlying profitability in a relatively stable mining market. This has primarily been driven by strong execution in the Service business coupled with a better-than-expected progression of the Mining Technologies integration. This positive development was offset by delays in some customers' larger investment decisions, mainly in the Products business.*

While our Cement business has been impacted by an increasing slow-down in market demand, a stable profitability has been maintained as a result of the operating model simplification and de-risking approach. Our Cement business remains on target for the full year, however its short- to mid-term market outlook has deteriorated. Consequently, continued organisational rightsizing is required to preserve profitability.

Going into the second half of the year we remain positive with a continued strong focus on executing our core transformation efforts.

Mikko Keto, Group CEO

Mining

- 6% growth in order intake supported by Mining Technologies
- Revenue growth of 23% mainly driven by Service
- Adj. EBITA margin of 10.8%
- Morse Rubber acquired to strengthen mill liner business
- FY'23 adj. EBITA guidance was raised mainly due to better-than-expected Service performance

Cement

- 33% decline in order intake due to a slow-down in market demand
- Revenue growth of 11% driven by order backlog execution
- EBITA margin of 4.3%
- FY'23 EBITA guidance was raised due to one-off net gain of around DKK 100m from sale of AFT media business

Sustainability

- Two large MissionZero related orders received in Mining
- Continued improvement in share of women managers
- Unsatisfactory development on safety (TRIR)
- Calcined clay technology gains sustainability recognition

Performance and other

- Transformation progressing ahead of plans
- Non-Core Activities order backlog reduced to DKK 1.4bn**
- Good cash flow generation
- Financial guidance for 2023 was raised on 8 August 2023

*Mining Technologies refers to the former thyssenkrupp Mining business, which FLSmidth acquired on 31 August 2022.
**Non-Core Activities order backlog includes around DKK 400m, which is expected to be transferred to KOCH Solutions as part of the Asset Purchase & Transfer Agreement announced on 14 June 2023. The transaction is expected to be completed in Q3 2023, subject to customary regulatory approvals from relevant authorities.

Financial performance highlights

GROUP

Order intake
DKKm

5,523
▼ -6.4%

Q2 2023	**5,523**
Q2 2022	5,901
H1 2023	**11,155**
H1 2022	12,919

Revenue
DKKm

6,399
▲ 27.3%

Q2 2023	**6,399**
Q2 2022	5,027
H1 2023	**12,415**
H1 2022	9,733

EBITA & EBITA margin
DKKm - %

332 5.2% (adj. 6.7%)
▲ 8.1%

Q2 2023	**332**
Q2 2022	307
H1 2023	**567**
H1 2022	609

Cash flow from operating activities
DKKm 372 ▲ from DKKm (214) in Q2 2022

Earnings per share
DKK 2.0 ▼ from DKK 2.5 in Q2 2022

Net working capital ratio*
10.1% ▲ from 9.2% end of Q2 2022

NIBD/EBITDA
1.0x ▲ from -0.3x end of Q2 2022

*For an explanation on the calculation of the net working capital ratio refer to section 7.8 in the 2022 Annual Report.

MINING

Order intake
DKKm

4,215
▲ 5.7%

Q2 2023	**4,215**
Q2 2022	3,989

Revenue
DKKm

4,351
▲ 23.3%

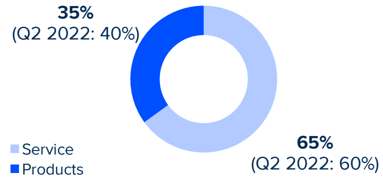
Q2 2023	**4,351**
Q2 2022	3,529

EBITA & EBITA margin
DKKm - %

372 8.6% (adj. 10.8%)
▲ 34.8%

Q2 2023	**372**
Q2 2022	276

Revenue split by Products & Service



CEMENT

Order intake
DKKm

1,276
▼ -33.3%

Q2 2023	**1,276**
Q2 2022	1,912

Revenue
DKKm

1,670
▲ 11.5%

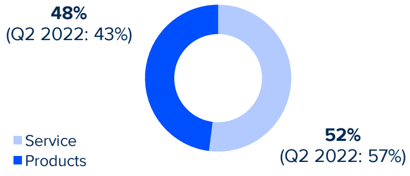
Q2 2023	**1,670**
Q2 2022	1,498

EBITA & EBITA margin
DKKm - %

73 4.3%
▲ 135.5%

Q2 2023	**73**
Q2 2022	31

Revenue split by Products & Service



NON-CORE ACTIVITIES

Order intake
DKKm

32

Q2 2023	**32**
Q2 2022	-

Revenue
DKKm

378

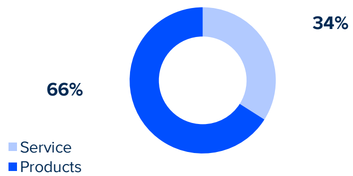
Q2 2023	**378**
Q2 2022	-

EBITA & EBITA margin
DKKm - %

(113) -29.9%

Q2 2023	**(113)**
Q2 2022	-

Revenue split by Products & Service



Sustainability performance highlights

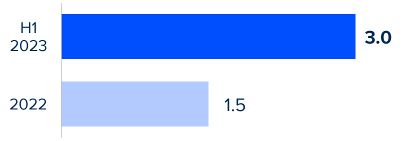
Safety (Total recordable injury rate)

Total recordable injury rate/million working hours

3.0

2023 Target: 1.2

▼1.5 deterioration



In Q2 2023, we saw a rise to the number of incidents, particularly in North America. In response, we have implemented both immediate and long-term mitigation actions, and we will monitor the progress and success of these closely. We continue to work with team leaders and regional managers to ensure incident prevention. Safety is a top priority at all times and our employees are trained to implement safe working practices.

Water withdrawal

m^3

75,382

2023 Target: <205,093

▲ 5.1% improvement

Water withdrawal in Q2 2023 decreased compared to Q1 2023 and H1 2022, showing a good progress towards our end-of-year target. The main reason for the decrease is less usage of water during the wet season in some regions, and less staff in some sites. We continue to focus on initiatives to reduce water withdrawal at our sites and improve water efficiency in our processes.

Women managers

%

16.1

2023 Target: 16.3%

▲ 1.8%-points improvement

The share of women managers increased during Q2 2023. Dedicated activities such as diverse hiring pools, diverse interview panels, managers taking a more active role in hiring and promoting women plus continued restructuring contributed to this improvement especially in our products, engineering and R&D functions.

Scope 1 & 2 greenhouse gas emissions

tCO_2e (market-based)

19,742

2023 Target: <46,019*

▼ 9.7% deterioration

CO2e emissions are higher compared to H1 2022. This is due to the increased number of sites after the acquisition of Mining Technologies. Q2 2023 emissions were lower than in Q1 2023 due to more renewable energy usage at three sites and less heating usage in regions with warmer temperatures. We are performing well and are on track to meet our end of year target.

MissionZero developments

Through our MissionZero programme, we aim to drive the green transition in the mining and cement industries. Our customers continue to adopt our innovative technologies to reduce emissions, water consumption and waste across the full flowsheet.

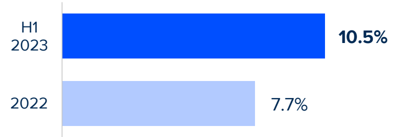
Spend with suppliers with science-based targets

%

10.5%

2023 Target: 10%

▲ 2.8% points improvement



Spend with suppliers who have set science-based targets has shown good development since 2022 and remains above our 2023 target of 10%. We continue to work closely with our suppliers to support them in setting their own science-based targets.

Australian gold mine aims to reduce energy consumption

A range of crushing, milling, flotation and dewatering equipment will be supplied to a major gold mine in Australia. The unique flotation mechanism delivers the lowest power draw on the market compared to similar systems. The high-energy milling equipment will be optimised via our mill scanner smart sensor technology and will incorporate lighter weight composite wear liners. A high-tech vision system across the circuit will further optimise productivity and reduce energy consumption.

Gearless mill drives for better energy efficiency

A northern Chilean copper mine has ordered several FLSmidth grinding mills as part of its grinding capacity expansion plans, adding to its existing FLSmidth mineral processing technology. The order includes a SAG mill and two Ball mills installed with gearless mill drives offering improved efficiency, energy savings and long-lasting quality.

Calcined clay technology gains recognition

The Danish financial media Børsen selected our calcined clay technology as one of Denmark's 50 most innovative and green projects. In a series of cases, Børsen features initiatives from various companies as inspiration for outstanding sustainable practices. Our work within scope 3 emissions reductions in cement production has been recognised for its innovation, scalability and impact on global CO2 reductions.

*Scope 1&2 target has been updated since Q1 2023 to reflect the inclusion of Mining Technologies.

Key figures

DKKm	Q2 2023	Q2 2022	H1 2023	H1 2022	2022
Income statement					
Revenue	6,399	5,027	12,415	9,733	21,849
Gross profit	1,497	1,244	2,894	2,351	5,076
EBITDA	415	388	737	770	1,300
EBITA	332	307	567	609	943
Adjusted EBITA*	429	402	791	741	1,395
EBIT	267	235	444	457	619
Financial items, net	(73)	(5)	(89)	(34)	(67)
EBT	194	230	355	423	552
Profit for the period, continuing activities	123	137	226	260	351
Loss for the period, discontinued activities	(5)	(3)	(24)	(3)	1
Profit for the period	118	134	202	257	352
Orders					
Order intake	5,523	5,901	11,155	12,919	24,644
Order backlog			20,544	19,461	23,541
Earning ratios					
Gross margin	23.4%	24.7%	23.3%	24.2%	23.2%
EBITDA margin	6.5%	7.7%	5.9%	7.9%	5.9%
EBITA margin	5.2%	6.1%	4.6%	6.3%	4.3%
Adjusted EBITA margin*	6.7%	8.0%	6.4%	7.6%	6.4%
EBIT margin	4.2%	4.7%	3.6%	4.7%	2.8%
EBT margin	3.0%	4.6%	2.9%	4.3%	2.5%
Cash flow					
Cash flow from operating activities (CFFO)	372	(214)	(32)	(284)	968
Acquisitions of property, plant and equipment	(34)	(18)	(58)	(33)	(88)
Cash flow from investing activities (CFFI)	(154)	(83)	(178)	(48)	(2,310)
Free cash flow	218	(297)	(210)	(332)	(1,342)
Free cash flow adjusted for acquisitions and disposals of enterprises and activities	260	(281)	(168)	(316)	777
Balance sheet					
Net working capital			2,542	1,805	1,893
Net interest-bearing debt (NIBD)			(1,214)	528	(726)
Total assets			29,217	24,509	29,845
CAPEX			215	163	424
Equity			10,715	11,033	10,787
Dividend to shareholders, paid	170	170	170	170	170

DKKm	Q2 2023	Q2 2022	H1 2023	H1 2022	2022
Financial ratios					
Book-to-bill	86.3%	117.4%	89.9%	132.7%	112.8%
Order backlog / Revenue			83.7%	99.7%	107.7%
Return on equity**			3.8%	4.8%	3.3%
Equity ratio			36.7%	45.0%	36.1%
ROCE, average**			5.0%	8.4%	5.9%
Net working capital ratio, end**			10.1%	9.2%	7.8%
NIBD / EBITDA**			1.0x	-0.3x	0.6x
Capital employed, average**			18,041	14,830	15,888
Number of employees			10,234	10,055	10,977
Share ratios					
Cash flow per share (CFPS), (diluted)	6.5	(3.8)	(0.6)	(5.0)	17.0
Earnings per share (EPS), (diluted)	2.0	2.5	3.6	4.8	6.5
Share price			330.2	174.5	251.7
Number of shares (1,000), end			57,650	57,650	57,650
Market capitalisation, end			19,036	10,060	14,511
Sustainability key figures					
Scope 1 & 2 GHG emissions (tCO2e) market-based			19,742	18,002	36,767
Water withdrawal (m3)			75,382	79,436	178,064
Safety, TRIR Total Recordable Injury Rate (including contractors)			3.0	1.3	1.5
Women managers			16.1%	14.1%	14.3%
Spend with suppliers with science-based targets			10.5%	n/a	7.7%
Other key figures					
Quality, DIFOT Delivery In Full On Time			83.0%	81.2%	81.9%

Use of alternative performance measures

Throughout the report we present financial measures which are not defined according to IFRS. The financial ratios have been computed in accordance with the guidelines of the Danish Finance Society. We have included additional information in note 7.4 Alternative performance measures and 7.8 Definition of terms in the 2022 Annual Report and in note 12 of this report.

*To reflect the underlying business performance, we present an adjusted EBITA margin to adjust for the integration costs of DKK 224m in H1 2023 (2022: DKK 252m) related to the integration of Mining Technologies. In 2022, EBITA was also adjusted for cost related to the exit of Russian activities of DKK 200m.

**For an explanation on the ratios, please refer to the Annual Report 2022, pages 121 - 122. Return on equity is based on an annualised profit determined as two times the profit for H1.

2023 financial guidance

Financial guidance for 2023, as set out in the Company Announcement no. 14-2023 on 8 August 2023, is maintained. Guidance for full year 2023 reflects continued improvement of the underlying legacy FLSmidth Mining business and integration of Mining Technologies.

Mining

	Guidance July 2023	Guidance August 2023
Revenue (DKKbn)	16.0-17.0	**Around 17.0** (DKK 8.5bn)
Adj. EBITA margin	9.0-10.0%	**10.0-11.0%** (10.2%)

Cement

	Guidance July 2023	Guidance August 2023
Revenue (DKKbn)	Around 6.0	**Around 6.0** (DKK 3.3bn)
EBITA margin	5.5-6.5%	**5.5-6.5%** (4.3%)

Non-Core Activities

	Guidance July 2023	Guidance August 2023
Revenue (DKKbn)	0.8-1.0	**0.8-1.0** (DKK 627m)
EBITA	Loss of ~DKK 250-350m	**Loss of ~DKK 250-350m** (Loss of DKK 220m)

Group

	Guidance July 2023	Guidance August 2023
Revenue (DKKbn)	23.0-24.0	**Around 24.0** (DKK 12.4bn)
Adj. EBITA margin	6.5-7.5%	**7.5-8.5%** (6.4%)
EBITA margin	4.5-5.5%	**5.5-6.5%** (4.6%)

Following a strong 2022, we expect mining market activity levels in 2023 to remain largely stable versus 2022 with some delays in larger investment decisions, mainly within Products.

The former Mining Technologies business is expected to contribute 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 less than 2%-points.

Guidance for Adjusted EBITA margin includes adjustments for integration costs of around DKK 550m for the full year 2023.

The short- to mid-term outlook for the cement industry is increasingly impacted by a slow-down in market demand.

Cement EBITA is positively impacted by a one-off net gain of around DKK 100m from the sale of the Advanced Filtration Technologies filter media business. The underlying operational performance of Cement is expected to remain unchanged.

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 guidance reflects the sum of the guidance for the three business segments.

Guidance for Adjusted EBITA margin includes adjustments for integration costs of around DKK 550m for the full year 2023.

Guidance for 2023 is subject to uncertainty due to the global supply chain situation, potential recession and geopolitical turmoil.

Note: Numbers in brackets represent realised H1 2023 results

Mining financial performance

Market outlook and trends in Q2 2023

Q2 2023 continued to show an active mining market in major commodities, specifically in lithium, gold and copper. This has been partly offset by continued delays in large capital investment decisions due to political uncertainties and permitting issues in certain markets as well as prevailing macroeconomic uncertainty. The pipeline however remains encouraging supporting the long-term demand for minerals across all regions, particularly within copper, lithium and gold.

The service market remained stable and active with continued healthy influx of inquiries as customers aim to optimise operations and maximise production volumes, partly offset by some timing delays within larger capital spares.

Order intake development in Q2 2023

Q2 2023 order intake increased by 6% to DKK 4,215m. Excluding currency effects the order intake increased by 12%.

Compared to Q2 2022, Mining order intake in Q2 2023 includes Mining Technologies but does not include Non-Core Activities. If excluding a high-level estimate of the impact from those changes the underlying order intake in the quarter increased approximately 1% compared to Q2 2022.

Products order intake increased 11% compared to Q2 2022. The second quarter of 2023 included two large, announced product orders with a combined value of around DKK 785m, whereas the comparative quarter included one large, announced product order at around DKK 270m.

The higher Products order intake in Q2 2023 reflects continued healthy market conditions, partly offset by our continued de-risking approach and some customers delaying capex investments.

Service order intake increased by 3% in Q2 2023 supported by the acquisition of Mining Technologies. The increase was mainly driven by spare and wear parts in North America and Asia-Pacific as well as good Upgrade sales in North America, South America and Asia-Pacific. This reflects continued focus on the larger post-acquisition installed base and customers' needs for improving productivity. Service order intake growth was partly offset by timing of capital spares and our efforts of exiting low-margin basic labour services as our focus remains on maximising customers' equipment reliability and improving energy efficiency.

During the quarter, Service and Products order intake represented 62% and 38% of Mining order intake, compared to 64% and 36% in Q2 2022, respectively, reflecting our strong service focus.

Order intake development in H1 2023

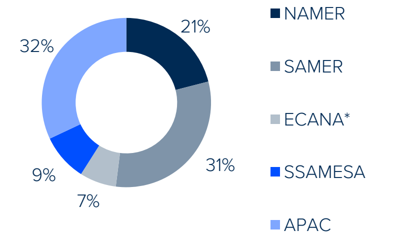
H1 2023 order intake, compared to H1 2022, decreased by 8% to DKK 8,392m. Excluding currency effects order intake decreased by 6%. Compared to H1 2022, Mining order intake in H1 2023 includes Mining Technologies but does not include Non-Core Activities or Russia. If excluding a high-level estimate of the impact from those changes the underlying order intake in H1 2023 declined approximately 12%.

Product order intake decreased by 29% due to a continued delay in large capital investments due to political uncertainties and permitting issues and an extraordinary strong Products order intake in H1 2022 that included five large product orders with a combined value of around DKK 1.6bn. H1 2023 included three large, announced product orders with a combined value of approximately DKK 1.1bn.

Service order intake increased by 9% in H1 2023 supported by the acquisition of Mining Technologies.

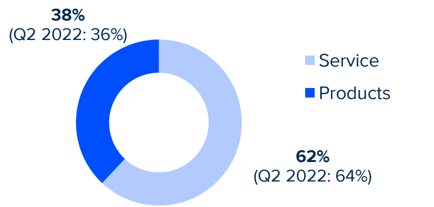
During the first half of the year, Service and Products order intake represented 66% and 34% of Mining order intake, compared to 55% and 45% in H1 2022.

Order intake split per region Q2 2023

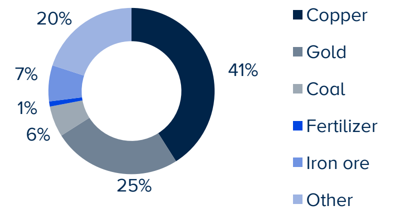


*ECANA refers to the region of Europe, Central Asia and North Africa.

Order intake split by Products & Service Q2 2023



Order intake split by commodity Q2 2023



Mining financial performance

Revenue development in Q2 2023
Q2 2023 revenue increased by 23%. Excluding currency effects revenue increased by 29% and by 39% excluding Russia compared to Q2 2022.

Compared to Q2 2022, Mining revenue in Q2 2023 reflects our exit of Russia, the establishment of the separate Non-Core Activities segment and the acquisition of Mining Technologies. If excluding a high-level estimate of the impact from these factors, the underlying revenue growth in the quarter was approximately 16%.

Revenue growth was mainly driven by the Service business, fully in line with our ongoing transformation strategy. Service revenue increased by 33% in the quarter and accounted for 65% of the total revenue in the quarter. This was mainly driven by a continued healthy demand for spare and wear parts especially in North and South America. Service revenue growth was further supported by the acquisition of Mining Technologies.

The Products business' share of revenue decreased from 40% in Q2 2022 to 35% in Q2 2023, reflecting our de-risking portfolio strategy as well as our increased service focus. Products revenue increased by 8% supported by the acquisition of Mining Technologies.

Gross profit development in Q2 2023
Gross profit increased by 26% to DKK 1,107m from DKK 876m in Q2 2022. The corresponding gross margin increased to 25.4% as a result of the higher Service revenue, our de-risking strategy and scalability, partly offset by integration costs related to Mining Technologies.

Mining

(DKKm)	Q2 2023	Q2 2022	Change (%)	H1 2023	H1 2022	Change (%)
Order intake	**4,215**	**3,989**	**6%**	**8,392**	**9,146**	**-8%**
- Hereof service order intake	2,615	2,542	3%	5,517	5,072	9%
- Hereof products order intake	1,600	1,447	11%	2,875	4,074	-29%
Order backlog	**13,472**	**12,544**	**7%**	**13,472**	**12,544**	**7%**
Revenue	**4,351**	**3,529**	**23%**	**8,536**	**6,762**	**26%**
- Hereof service revenue	2,833	2,123	33%	5,533	3,943	40%
- Hereof products revenue	1,518	1,406	8%	3,003	2,819	7%
Gross profit	**1,107**	**876**	**26%**	**2,172**	**1,636**	**33%**
Gross margin	25.4%	24.8%		25.4%	24.2%	
Adjusted EBITA	**469**	**371**	**26%**	**869**	**657**	**32%**
Adjusted EBITA margin	10.8%	10.5%		10.2%	9.7%	
EBITA	**372**	**276**	**35%**	**646**	**525**	**23%**
EBITA margin	8.6%	7.8%		7.6%	7.8%	
Number of employees	6,742	6,314	7%	6,742	6,314	7%

EBITA development in Q2 2023
Adjusted for integration costs of DKK 97m, the adjusted EBITA margin was 10.8% in Q2 2023. The adjusted EBITA margin was realised with an approximated dilutive effect from the acquisition of Mining Technologies of less than 2%-points in the quarter. Including integration costs, the EBITA margin increased to 8.6% from 7.8% in Q2 2022.

The number of employees in Mining remains higher than in Q2 2022 mainly due to Mining Technologies. Since the end of Q3 2022, the number of employees in Mining has however been reduced by more than 1,400 employees. The reduction reflects the establishment of the Non-Core Activities segment as of Q4 2022 and the ongoing synergy takeout related to the Mining Technologies' integration.

Revenue development in H1 2023
Mining revenue increased by 26% and 42% excluding Russia compared to H1 2022. If excluding a high-level estimate of the impact from our exit of Russia, the establishment of the Non-Core Activities segment and the acquisition of Mining Technologies, the underlying revenue growth in H1 2023 was approximately 22%, compared to H1 2022. The increase was mainly driven by the Service business.

Gross profit development in H1 2023
Gross profit increased by 33% to DKK 2,172m in H1 2023. The corresponding gross margin of 25.4% is 1.2%-points above H1 2022 as a result of good margin execution and higher Service revenue.

EBITA development in H1 2023
Adjusted for integration costs of DKK 224m, the adjusted EBITA margin was 10.2% in H1 2023.

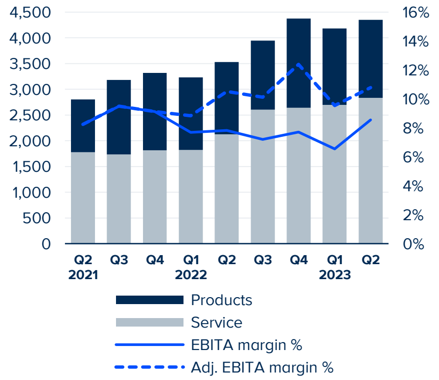
Growth in Mining in Q2 2023 (vs. Q2 2022)

	Order intake	Revenue
Organic*	12%	29%
Currency	-6%	-6%
Total growth	**6%**	**23%**

*Acquired growth from Mining Technologies is included in organic growth, as it is no longer possible to fully separate this from the legacy FLSmidth Mining business. Mining Q2 2022 includes Non-Core Activities.

Revenue and EBITA margin

DKKm EBITA margin %



Cement financial performance

Market outlook and trends in Q2 2023

Following relatively stable market conditions in the beginning of the year, the cement market has been increasingly impacted by a slow-down in market demand during the second quarter of the year.

While globally the long-term trend towards more sustainable cement production remains, which supports the long-term service potential, the short- to mid-term market outlook has deteriorated. As a result, cement producers are faced with difficulties in securing adequate budgets for new expansions leading to significant delays on major investment decisions.

Market conditions continue to vary across regions. While certain markets like India and the US have shown increased demand for new capacity due to infrastructure expansions and modernisation plans, markets like China and Europe currently remain weaker.

Order intake development in Q2 2023

Cement order intake in Q2 2023 declined by 33% to DKK 1,276m. The underlying margins in the pipeline remain at stable levels and the profitability of the order intake is improving across all offerings.

Compared to Q2 2022, the decline in order intake is mainly driven by a 43% decrease in Products order intake. Q2 2022 included one large, announced product order at more than DKK 400m, whereas Q2 2023 did not include any large, announced orders. This reflects our continuing de-risking approach and our strategy of not accepting product orders which do not support our service business or green ambitions.

We continue to support customers through a blend of Service, Products, Upgrades & Retrofits and increased green offerings without engaging in high-risk projects. In addition, we continue to focus on standardisation and modularisation both within Service and Products.

Service order intake decreased by 24% compared to Q2 2022. The decrease reflected the challenging market conditions affected by the Ukrainian war, inflation and interest rates.

In our main markets, our Service business has maintained at a satisfactory performance throughout Q2 2023. However, in some markets there has been a slow-down in market demand during the quarter.

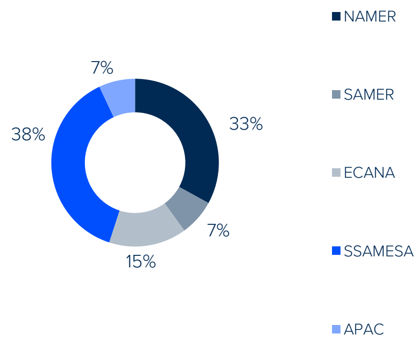
During the quarter Service and Products orders represented 59% and 41% of Cement order intake compared to 52% and 48% in Q2 2022, respectively, in line with our de-risking strategy and service focus.

Order intake development in H1 2023

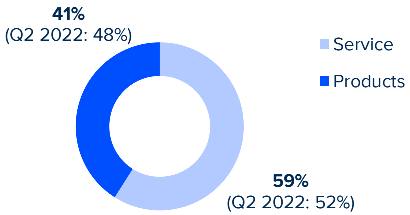
Cement order intake in H1 2023 declined by 31%. This is mainly due to a 43% decrease in Products order intake compared to H1 2022.

Service order intake decreased by 19% compared to H1 2022 reflecting the current market conditions. In the main parts of our main markets, we have seen some growth in the Service order intake versus H1 2022, offset by a decline in markets we decided to serve through agents and/or exit.

Order intake split per region Q2 2023



Order intake split by Products & Service Q2 2023



Cement financial performance

Revenue development in Q2 2023

Q2 2023 revenue increased by 11%. Excluding currency effects revenue increased by 14% driven by the Products business.

Products revenue increased by 23% compared to Q2 2022 driven by good order backlog execution. Service revenue increased by 2% despite challenging market conditions and the implementation of the new simplified operating model. Service accounted for 52% of revenue in Q2 2023.

Gross profit development in Q2 2023

Gross profit increased by 13% to DKK 416m, reflecting good execution on higher margin orders. The corresponding gross margin of 24.9% was largely in line with Q2 2022, impacted by footprint optimisation costs related to the implementation of the new operating model.

EBITA development in Q2 2023

Cement EBITA continued the positive trend in improving profitability and increased by 135% compared to Q2 2022. EBITA amounted to DKK 73m in Q2 2023 compared to DKK 31m in Q2 2022, reflecting continued focus on higher margin orders and cost improvements. The corresponding EBITA margin improved by 2.2%-points to 4.3% in Q2 2023.

The number of employees in Cement has been reduced by around 690 compared to Q2 2022. The reduction reflects the continued global footprint optimisation and operating model simplification to improve operations and ensure sustainable profitability.

Revenue development in H1 2023

Cement revenue increased by 9% to DKK 3,252m in H1 2023 mainly driven by Products revenue. Service and Products revenue increased by 4% and 16%, respectively.

Gross profit development in H1 2023

Gross profit increased by 10% to DKK 788m in H1 2023. The corresponding gross margin of 24.2% was in line with H1 2022.

EBITA development in H1 2023

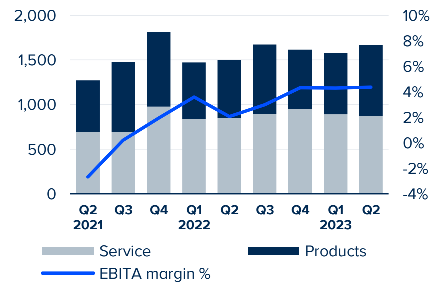
EBITA increased by 68% in H1 2023 with a corresponding EBITA margin of 4.3%, reflecting good execution on higher margin orders, partly offset by the effect of the current market conditions.

Growth in Cement in Q2 2023 (vs. Q2 2022)

	Order intake	Revenue
Organic	-31%	14%
Currency	-2%	-3%
Total growth	**-33%**	**11%**

Revenue and EBITA margin

DKKm EBITA margin %



Cement

(DKKm)	Q2 2023	Q2 2022	Change (%)	H1 2023	H1 2022	Change (%)
Order intake	**1,276**	**1,912**	**-33%**	**2,620**	**3,773**	**-31%**
- Hereof service order intake	752	987	-24%	1,565	1,931	-19%
- Hereof products order intake	524	925	-43%	1,055	1,842	-43%
Order backlog	**5,658**	**6,917**	**-18%**	**5,658**	**6,917**	**-18%**
Revenue	**1,670**	**1,498**	**11%**	**3,252**	**2,971**	**9%**
- Hereof service revenue	870	849	2%	1,760	1,687	4%
- Hereof products revenue	800	649	23%	1,492	1,284	16%
Gross profit	**416**	**368**	**13%**	**788**	**715**	**10%**
Gross margin	24.9%	24.6%		24.2%	24.1%	
EBITA	**73**	**31**	**135%**	**141**	**84**	**68%**
EBITA margin	4.3%	2.1%		4.3%	2.8%	
Number of employees	3,053	3,741	-18%	3,053	3,741	-18%

Non-Core Activities financial performance

Non-Core Activities outlook

The Non-Core Activities segment was established as of Q4 2022 and comprises products that are no longer deemed to be of core strategic importance to FLSmidth and to a large extent are loss-making mining activities. Activities in the segment will be fully exited either by way of divestment or wind-down of the order backlog.

In June 2023, FLSmidth signed an Asset Purchase & Transfer Agreement with KOCH Solutions, who will acquire a mix of intellectual property, order backlog, employees and facilities from the Non-Core Activities segment. Assuming completion of the transaction, it is expected that the Non-Core Activities segment will be exited around end of 2024 (previously towards end of 2025).

Order intake development in Q2 2023

Order intake for Non-Core Activities amounted to DKK 32m. This related to contractual obligations and parts already in stock. Compared to Q1 2023, order intake in Q2 2023 decreased by 71%. Service and Products orders represented 66% and 34% of Non-Core Activities order intake in Q2 2023, respectively.

Order backlog development in Q2 2023

The order backlog amounted to around DKK 1.4bn by end of Q2 2023. This represented a decrease of around DKK 0.7bn compared to Q1 2023 and a decrease of around DKK 1.5bn compared to Q4 2022. The decrease reflected the execution of the order backlog as well as continued re-scoping and contract terminations. The majority of the order backlog remains destined for countries within APAC and ECANA.

Revenue development in Q2 2023

Non-Core Activities revenue in Q2 2023 amounted to DKK 378m. Products and Service accounted for 66% and 34% of total revenue, respectively.

Gross profit development in Q2 2023

Gross profit was negative as expected, reflecting the general volatility and operationally loss-making nature of the Non-Core Activities business. The corresponding gross margin amounted to -6.9%.

EBITA development in Q2 2023

EBITA amounted to DKK -113m with a corresponding EBITA margin of -29.9% driven by the negative gross profit and costs related to the exit.

The number of employees amounted to 439 as of end of Q2 2023, which is a decline of 61 employees compared to end of Q1 2023.

Order intake development in H1 2023

Order intake for Non-Core Activities amounted to DKK 143m in H1 2023. Service and Products orders represented 71% and 29%, respectively.

Revenue development in H1 2023

Non-Core Activities revenue amounted to DKK 627m in H1 2023. Service and Products revenue represented 35% and 65%, respectively.

Gross profit development in H1 2023

Gross profit amounted DKK -66m in H1 2023 with a corresponding gross margin of -10.5%

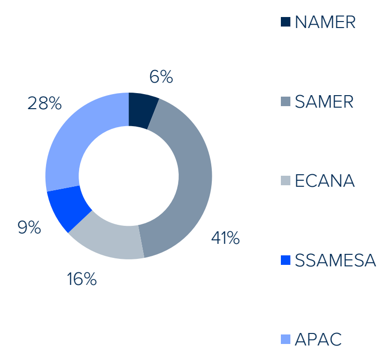
EBITA development in H1 2023

EBITA in H1 2023 amounted to DKK -220m with a corresponding EBITA margin of -35.1% reflecting the operationally loss-making nature of the Non-Core Activities business and costs related to the exit.

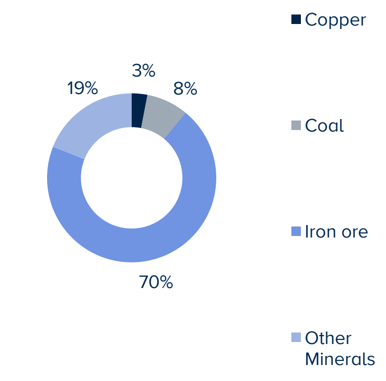
Non-Core Activities

(DKKm)	Q2 2023	H1 2023
Order intake	**32**	**143**
- Hereof service order intake	21	101
- Hereof products order intake	11	42
Order backlog	**1,414**	**1,414**
Revenue	**378**	**627**
- Hereof service revenue	130	222
- Hereof products revenue	248	405
Gross profit	**(26)**	**(66)**
Gross margin	-6.9%	-10.5%
EBITA	**(113)**	**(220)**
EBITA margin	-29.9%	-35.1%
Number of employees	439	439

Order intake split per region Q2 2023



Order intake split by commodity Q2 2023



Consolidated financial performance Q2 2023

Growth

Group order intake in Q2 2023 decreased 6% mainly driven by Products. Group revenue increased 27% driven primarily by the Mining service business supported by the acquisition of Mining Technologies.

Order intake

Q2 2023 order intake declined by 6% to DKK 5,523m. Excluding currency effects order intake declined by 1% compared to Q2 2022.

Compared to Q2 2022, Group order intake in Q2 2023 includes Mining Technologies. If excluding a high-level estimate of the impact from Mining Technologies the underlying order intake in the quarter declined approximately 14%.

Service order intake decreased by 4% compared to Q2 2022, reflecting current service markets in Cement. Service represented 61% of total order intake in Q2 2023 against 60% in Q2 2022. Products order intake decreased by 10% compared to Q2 2022, reflecting our de-risking strategy and prevailing macroeconomic uncertainty.

Order backlog and maturity

The order backlog decreased 7% to DKK 20.5bn compared to the prior quarter (Q1 2023: DKK 22.0bn) due to strong execution of the order backlog and the exit of our Russian and Belarusian activities as well as wind-down of our Non-Core Activities. Outstanding order backlog related to Russian and Belarusian contracts declined to DKK 0.2bn at the end of Q2 2023 (end of Q1 2023: DKK 0.3bn) reflecting successful contract terminations. The remaining orders are suspended by FLSmidth and are due to uncertainty included in the '2025 and beyond' maturity. The Non-Core Activities backlog represented around DKK 1.4bn at the end of Q2 2023.

Backlog maturity	Mining	Cement	Non-Core Activities	FLSmidth Group
2023	33%	27%	20%	31%
2024	61%	49%	66%	58%
2025 & beyond	6%	24%	14%	11%

Revenue

Revenue increased by 27% to DKK 6,399m. Excluding currency effects revenue increased by 32% and by 39% excluding Russia compared to Q2 2022.

If excluding a high-level estimate of the impact from Russia and Mining Technologies the underlying revenue growth in the quarter was approximately 12%. The quarter included DKK 378m in revenue from Non-Core Activities.

The increase was driven by a 29% increase in Service revenue and 25% increase in Products revenue compared to Q2 2022. Service revenue accounted for 60% of total revenue in the quarter, compared to 59% in Q2 2022.

Group – continued activities

(DKKm)	Q2 2023	Q2 2022	Change (%)	H1 2023	H1 2022	Change (%)
Order intake	**5,523**	**5,901**	**-6%**	**11,155**	**12,919**	**-14%**
- Hereof service order intake	3,388	3,529	-4%	7,183	7,003	3%
- Hereof products order intake	2,135	2,372	-10%	3,972	5,916	-33%
Order backlog	**20,544**	**19,461**	**6%**	**20,544**	**19,461**	**6%**
Revenue	**6,399**	**5,027**	**27%**	**12,415**	**9,733**	**28%**
- Hereof service revenue	3,833	2,972	29%	7,515	5,630	33%
- Hereof products revenue	2,566	2,055	25%	4,900	4,103	19%
Gross profit	**1,497**	**1,244**	**20%**	**2,894**	**2,351**	**23%**
Gross margin	23.4%	24.7%		23.3%	24.2%	
SG&A cost	**(1,082)**	**(856)**	**26%**	**(2,157)**	**(1,581)**	**36%**
SG&A ratio	16.9%	17.0%		17.4%	16.2%	
Adjusted EBITA	**429**	**402**	**7%**	**791**	**741**	**7%**
Adjusted EBITA margin	6.7%	8.0%		6.4%	7.6%	
EBITA	**332**	**307**	**8%**	**567**	**609**	**-7%**
EBITA margin	5.2%	6.1%		4.6%	6.3%	
Number of employees	10,234	10,055	2%	10,234	10,055	2%

Growth in order intake in Q2 2023 (vs. Q2 2022)

	Mining	Cement	Non-Core Activities	FLSmidth Group
Organic*	12%	-31%		-1%
Currency	-6%	-2%		-5%
Total growth	**6%**	**-33%**	**n/a**	**-6%**

*Acquired growth from Mining Technologies is included in organic growth, as it is no longer possible to fully separate this from the legacy FLSmidth Mining business. Mining Q2 2022 includes Non-Core Activities.

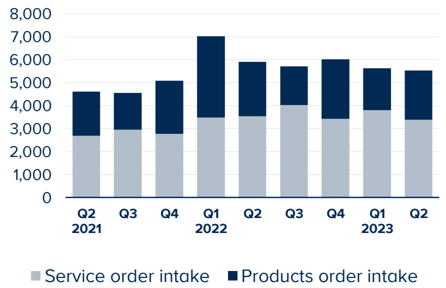
Growth in revenue in Q2 2023 (vs. Q2 2022)

	Mining	Cement	Non-Core Activities	FLSmidth Group
Organic*	29%	14%		32%
Currency	-6%	-3%		-5%
Total growth	**23%**	**11%**	**n/a**	**27%**

*Acquired growth from Mining Technologies is included in organic growth, as it is no longer possible to fully separate this from the legacy FLSmidth Mining business. Mining Q2 2022 includes Non-Core Activities.

Order intake

DKKm



Profit

Gross profit increased 20% driven by the 27% increase in revenue compared to Q2 2022. Adjusted EBITA increased 7% reflecting positive impact from our key transformation efforts.

Gross profit and margin

Gross profit increased by 20% to DKK 1,497m, driven by the higher revenue level. The corresponding gross margin of 23.4% was impacted by the new simplified operating model in Cement, the integration cost of Mining Technologies and the ongoing handling of our Non-Core Activities.

In Q2 2023, total research and development costs (R&D) amounted to DKK 96m, representing 1.5% of revenue (Q2 2022: 1.6%).

Research & development costs

(DKKm)	Q2 2023	Q2 2022
Production costs	37	44
Capitalised	59	37
Total R&D	**96**	**81**

SG&A costs

Sales, general and administrative costs (SG&A) and other operating items increased 26% compared to Q2 2022, mainly due to the cost base and integration costs related to Mining Technologies in Q2 2023. On the contrary, currencies had a positive impact on SG&A of DKK 27m in the quarter.

SG&A costs as a percentage of revenue was 16.9% in line with the comparative quarter, reflecting the increased revenue offset by the additional costs mainly related to Mining Technologies.

EBITA and margin

Excluding integration costs of DKK 97m related to the acquisition of Mining Technologies, adjusted Group EBITA margin was 6.7% in Q2 2023. Including integration costs, the EBITA margin was 5.2% in Q2 2023 compared to 6.1% in Q2 2022.

Amortisation of intangible assets amounted to DKK 65m (Q2 2022: DKK 72m). The effect of purchase price allocations amounted to DKK 11m (Q2 2022: DKK 14m) and other amortisation to DKK 54m (Q2 2022: DKK 58m).

Financial items

Net financial items amounted to DKK -73m (Q2 2022: DKK -5m), of which net interest amounted to DKK -20m (Q2 2022: DKK -11m) and foreign exchange and fair value adjustments amounted to DKK -53m (Q2 2022: DKK 8m).

Tax

Tax in Q2 2023 totalled DKK -71m (Q2 2022: DKK -93m), corresponding to an effective tax rate of 36.6% (Q2 2022: 40.4%).

Profit for the period

Profit in Q2 2023 was a gain of DKK 118m (Q2 2022: DKK 134m). Discontinued activities had a loss of DKK 5m in Q2 2023 (Q2 2022: DKK -3m).

Return on capital employed

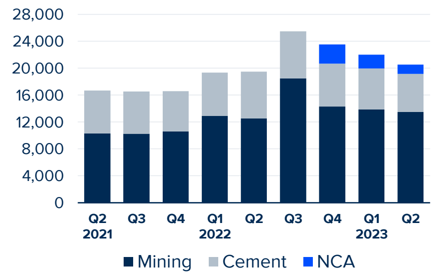
Return on capital employed (ROCE) decreased to 5.0% (Q2 2022: 8.4%) due to a decreased EBITA as well as an increase in average capital employed from the acquisition of Mining Technologies and net working capital in general.

Employees

The number of employees decreased by 111 to 10,234 at the end of Q2 2023, compared to 10,345 at the end of Q1 2023. The decrease is a direct result of workforce reductions carried out in both Mining and Cement in Q2 2023 relating to footprint optimisation and synergies from the acquisition of Mining Technologies.

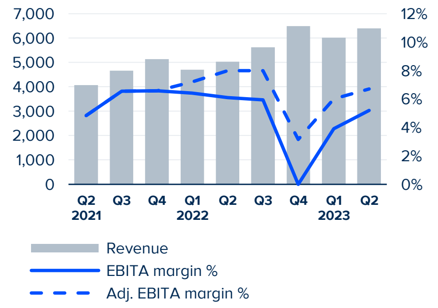
Backlog

DKKm



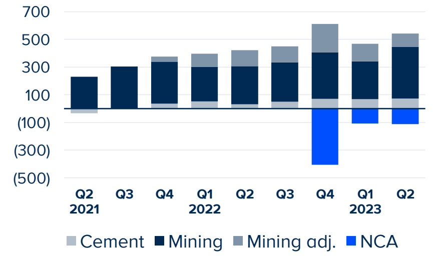
Revenue & EBITA margin

DKKm | EBITA margin %



EBITA

DKKm



Capital

In line with expectations, cash flow from operations was positive in the quarter and the net working capital ratio decreased to 10.1% in Q2 2023.

Net working capital

Net working capital decreased DKK 71m to DKK 2,542m at the end of Q2 2023 (end of Q1 2023: DKK 2,613m). The primary drivers for the decrease in the quarter were good cash collection from trade receivables and work in progress and from the increase in trade payables partly offset by lower prepayments from customers. The corresponding net working capital ratio decreased from 10.6% of revenue in Q1 2023 to 10.1% of revenue in Q2 2023.

Utilisation of supply chain financing increased to DKK 648m in Q2 2023 (Q1 2023: 626m).

Cash flow from operating activities

The increase in cash flow from operations (CFFO) in Q2 2023 amounted to DKK 372m (Q2 2022: DKK -214m). This relates to a positive impact in change in provision of DKK 174m as well as the decrease in net working capital, which positively impacted CFFO by DKK 62m. Discontinued activities impacted CFFO by DKK 25m in Q2 2023 (Q2 2022: DKK -19m).

Cash flow from investing activities

Cash flow from investing activities amounted to DKK -154m (Q2 2022: DKK -83m).

Cash flow from financing activities

Cash flow from financing activities amounted to DKK -180m (Q2 2022: DKK -26m) due to dividend paid out amounting to DKK -170m.

Free cash flow

Free cash flow (cash flow from operating and investing activities) adjusted for business acquisitions and disposals amounted to DKK 260m in the quarter (Q2 2022: DKK -281m) as a result of the decrease in net working capital.

Net interest-bearing debt

Net interest-bearing debt (NIBD) by 30 June 2023 increased to DKK 1,214m (Q1 2023: DKK 1,187m). The financial gearing end of Q2 2023 remained at 1.0x (Q1 2023: 1.0x).

Financial position

By the end of Q2 2023, FLSmidth had DKK 6.3bn of available committed credit facilities of which DKK 3.7bn was undrawn. The committed credit facilities have a weighted average time to maturity of 4.8 years.

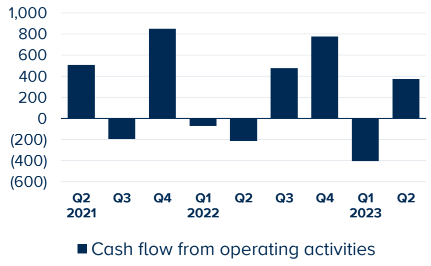
Credit facilities of DKK 5.0bn and DKK 1.1bn will mature in 2027 and 2030, respectively. The remaining DKK 0.2bn matures in later years. FLSmidth also had available DKK 0.8bn of uncommitted credit facilities.

Equity ratio

Equity at the end of Q2 2023 increased to DKK 10,715m (end of Q1 2023: DKK 10,611m), driven by currency adjustments and dividend paid out amounting to DKK 170m. The equity ratio was 36.7% (Q1 2023: 35.8%).

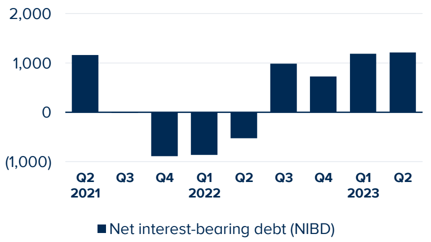
Cash flow

DKKm



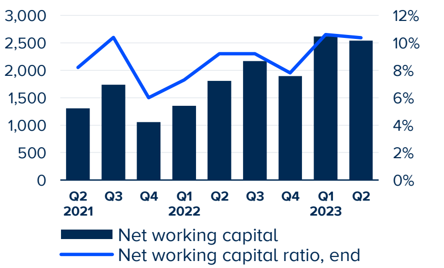
Net interest-bearing debt

DKKm



Net working capital

DKKm NWC%



Consolidated financial performance H1 2023

GROWTH

Order intake

Order intake decreased 14% to DKK 11,155m and by 11% excluding Russia compared to H1 2022. Service order intake increased by 3% driven by Mining. Products order intake decreased by 33%, driven by both Mining and Cement.

Compared to H1 2022, Group order intake in H1 2023 includes Mining Technologies, but does not include Russia. If excluding a high-level estimate of the impact from Mining Technologies the underlying order intake in H1 2023 declined approximately 21%.

Mining Service orders increased by 9% largely supported by the acquisition of Mining Technologies. Mining Products orders decreased by 29% due to a strong Products order intake in H1 2022 that included five large, announced product orders with a combined value of around DKK 1.6bn compared to three large Mining Products orders announced in H1 2023 with a combined value of around DKK 1.1bn. Excluding currency effects, Mining order intake decreased 6% in H1 2023 compared to H1 2022.

Cement order intake decreased by 31%, reflecting our de-risking strategy, challenging market conditions and one large, announced order of more than DKK 400m in the comparative quarter.

Order backlog

The order backlog increased 6% to DKK 20,544m by end of Q2 2023 and includes Russian contracts at a total value of approximately DKK 0.2bn. The higher backlog is related to Mining, which increased by 7%. Cement order backlog decreased by 18%.

Revenue

Revenue grew by 28% to DKK 12,415m in the first half year of 2023 comprising an 28% increase in Mining and an 10% increase in Cement. Excluding Russia revenue grew by 39% compared to H1 2022.

If excluding a high-level estimate of the impact from Russia and Mining Technologies the underlying revenue growth in H1 2023 was approximately 16%. In line with expectations, H1 2023 included DKK 627m in revenue from Non-Core Activities.

Growth in Mining revenue comprised a 40% increase in Service revenue and a 7% increase in Products revenue. In the first half year of 2023, Cement continued the positive trend from Q1 2023 and showed growth of 4% and 16% in Service and Products revenue, respectively.

PROFIT

Gross profit and margin

Gross profit in the first half year of 2023 increased by 23% to DKK 2,894m. The corresponding gross margin decrease to 23.3% was impacted by costs related to the implementation of the new simplified operating model in Cement, the integration cost of Mining Technologies and the ongoing handling of our Non-Core Activities.

In the first half year of 2023, Research and Development costs were DKK 178m (H1 2022: 146m), of which DKK 89m were capitalised (H1 2022: 64m) and the balance reported as production costs.

EBITA and margin

Adjusted EBITA of DKK 791m exclude integration costs of DKK 224m related to the acquisition of Mining Technologies. The corresponding adjusted Group EBITA margin was 6.4% in H1 2023. Including integration costs, EBITA was 567m with an EBITA margin of 4.6% in H1 2023 compared to 6.3% in H1 2022.

Financial items

Net financial items amounted to DKK -89m (H1 2022: DKK -34m), of which foreign exchange and fair value adjustments amounted to DKK -37m (H1 2022: DKK -1m). Net interest amounted to DKK -52m (H1 2022: DKK -33m).

Tax

Tax for H1 2023 totalled DKK -129m (H1 2022: DKK -163m), corresponding to an effective tax rate of 36.3% (H1 2022: 38.5%).

Profit for the period

Profit for the period was a gain of DKK 202m. Continuing activities declined to DKK 226m from DKK 260m in H1 2022. Discontinued activities reported a DKK 24m loss in H1 2023, compared to a DKK 3m loss in the first half year of 2022.

Earnings per share

Earnings per share (diluted) decreased to DKK 3.6 from DKK 4.8 in the first half year of 2022.

Growth in order intake in H1 2023 (vs. H1 2022)

	Mining	Cement	Non-Core Activities	FLSmidth Group
Organic*	-6%	-30%		-12%
Currency	-2%	-1%		-2%
Total growth	**-8%**	**-31%**	**n/a**	**-14%**

*Acquired growth from Mining Technologies is included in organic growth, as it is no longer possible to fully separate this from the legacy FLSmidth Mining business. Mining Q2 2022 includes Non-Core Activities.

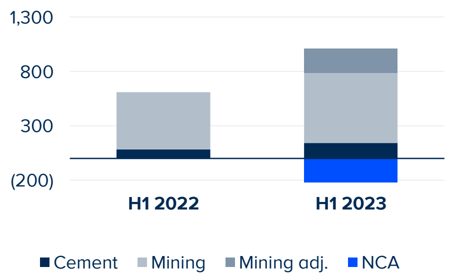
Growth in revenue in H1 2023 (vs. H1 2022)

	Mining	Cement	Non-Core Activities	FLSmidth Group
Organic*	28%	10%		30%
Currency	-2%	-1%		-2%
Total growth	**26%**	**9%**	**n/a**	**28%**

*Acquired growth from Mining Technologies is included in organic growth, as it is no longer possible to fully separate this from the legacy FLSmidth Mining business. Mining Q2 2022 includes Non-Core Activities.

EBITA split by segment

DKKm



CAPITAL

Net working capital

Net working capital increased in H1 2023 to DKK 2,542m (end of 2022: DKK 1,893m). In line with expectations, the corresponding net working capital ratio was 10.1% of 12-months trailing revenue, compared to 7.8% at the end of 2022.

The increase related primarily to an increase in net work in progress driven by higher execution of Products orders and to a decrease in prepayments from customers due to the de-risking strategy creating a slow-down in Products orders.

Cash flow from operating activities

Cash flow from operating activities increased to DKK –32m (H1 2022: DKK -284m), due to the positive impact of DKK 347m in change in provision and a smaller cash outflow of DKK 632m to working capital in the period compared to the cash outflow of DKK 785m in the comparison period H1 2022.

Cash flow from investing activities

Cash flow used for investments was DKK -178m compared to DKK -48m in the first half year of 2022.

Cash flow from financing activities

Cash flow from financing activities amounted to DKK -99m as paid dividend of DKK 170m and repayment of lease liabilities was partially funded by increased net interest-bearing debt.

Free cash flow

Free cash (cash flow from operating and investing activities) adjusted for business acquisitions and disposals amounted to DKK -168m in H1 2023 (H1 2022: DKK -316m).

Balance sheet

Total assets decreased to DKK 29,217m by 30 June 2023 (end of 2022: DKK 29,845), primarily related to decreased net working capital assets and cash.

Net interest-bearing debt

Net interest-bearing debt (NIBD) by 30 June 2023 increased to DKK 1,214m (end of 2022: DKK 726m). The increase in debt was primarily due to the increase in working capital in the first half of 2023. The Group's financial gearing in H1 2023 increased to 1.0x (end of 2022: 0.6x) following the increase in NIBD.

Equity

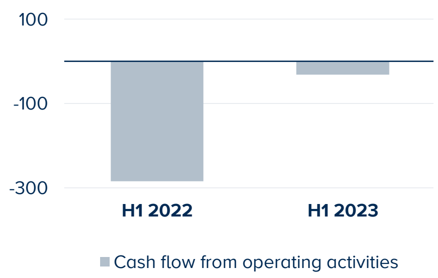
Equity at end H1 2023 decreased to DKK 10,715m (end of 2022: DKK 10,787m). The decrease was driven by currency adjustments and dividend paid out amounting to DKK 170m.

Treasury shares

The holding of treasury shares as of 30 June 2023 was unchanged from year end 2022 and amounts to 913,828 shares, representing 1.6% of the total share capital. Treasury shares are used to hedge our share-based incentive programmes.

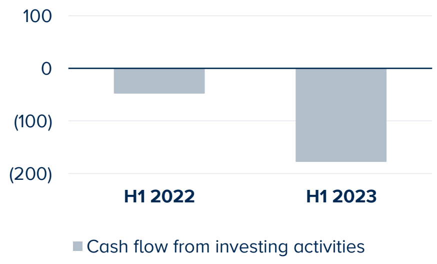
Cash flow from operating activities

DKKm



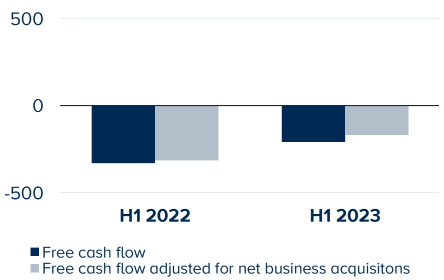
Cash flow from investing activities

DKKm



Free cash flow

DKKm



Consolidated Condensed Financial Statements

Income statement

Notes	DKKm	Q2 2023	Q2 2022	H1 2023	H1 2022
3, 4	Revenue	6,399	5,027	12,415	9,733
	Production costs	(4,902)	(3,783)	(9,521)	(7,382)
	Gross profit	**1,497**	**1,244**	**2,894**	**2,351**
	Sales costs	(425)	(394)	(858)	(736)
	Administrative costs	(670)	(470)	(1,337)	(881)
	Other operating income	13	8	38	36
	EBITDA	**415**	**388**	**737**	**770**
	Depreciation and impairment of property, plant and equipment and lease assets	(83)	(81)	(170)	(161)
	EBITA	**332**	**307**	**567**	**609**
	Amortisation and impairment of intangible assets	(65)	(72)	(123)	(152)
	EBIT	**267**	**235**	**444**	**457**
	Financial income	367	391	791	728
	Financial costs	(440)	(396)	(880)	(762)
	EBT	**194**	**230**	**355**	**423**
	Tax for the period	(71)	(93)	(129)	(163)
	Profit for the period, continuing activities	**123**	**137**	**226**	**260**
3, 7	Profit (loss) for the period, discontinued activities	(5)	(3)	(24)	(3)
	Profit for the period	**118**	**134**	**202**	**257**
	Attributable to:				
	Shareholders in FLSmidth & Co. A/S	117	142	203	272
	Minority interests	1	(8)	(1)	(15)
		118	**134**	**202**	**257**
	Earnings per share (EPS):				
	Continuing and discontinued activities per share (DKK)	2.0	2.5	3.6	4.8
	Continuing and discontinued activities per share, diluted (DKK)	2.0	2.5	3.6	4.8
	Continuing activities per share (DKK)	2.1	2.6	4.0	4.9
	Continuing activities per share, diluted (DKK)	2.1	2.6	4.0	4.9

Statement of comprehensive income

Notes	DKKm	Q2 2023	Q2 2022	H1 2023	H1 2022
	Profit for the period	**118**	**134**	**202**	**257**
	Items that will not be reclassified to profit or loss:				
	Actuarial gains on defined benefit plans	4	15	9	42
	Items that are or may be reclassified subsequently to profit or loss:				
	Currency adjustments regarding translation of entities	(25)	239	(152)	554
	Cash flow hedging:				
	- Value adjustments for the period	1	(52)	29	(52)
	- Value adjustments transferred to work in progress	4	3	9	17
	Tax of total other comprehensive income	(2)	7	(13)	2
	Other comprehensive income for the period after tax	**(18)**	**212**	**(118)**	**563**
	Comprehensive income for the period	**100**	**346**	**84**	**820**
	Attributable to:				
	Shareholders in FLSmidth & Co. A/S	96	352	80	835
	Minority interests	4	(6)	4	(15)
		100	**346**	**84**	**820**

Cash flow statement

Notes	DKKm	Q2 2023	Q2 2022	H1 2023	H1 2022
	EBITDA	415	388	737	770
3	EBITDA, discontinued activities	(4)	(3)	(13)	(4)
	Adjustment for gain on sale of property, plant and equipment and other non-cash items	19	7	8	(9)
	EBITDA adjusted to reflect cash flows	**430**	**392**	**732**	**757**
	Change in provisions, pension and employee benefits	174	57	347	25
8	Change in net working capital	62	(566)	(632)	(785)
	Cash flow from operating activities before financial items and tax	**666**	**(117)**	**447**	**(3)**
	Financial items received and paid	(20)	(11)	(38)	(29)
	Taxes paid	(274)	(86)	(441)	(252)
	Cash flow from operating activities	**372**	**(214)**	**(32)**	**(284)**
	Acquisition of enterprises and activities	(42)	(16)	(42)	(16)
	Acquisition of intangible assets	(77)	(48)	(120)	(84)
	Acquisition of property, plant and equipment	(34)	(18)	(58)	(33)
	Acquisition of financial assets	(2)	(4)	(2)	(9)
	Disposal of property, plant and equipment	1	3	34	94
	Disposal of financial assets	0	0	1	0
	Dividend from associates	0	0	9	0
	Cash flow from investing activities	**(154)**	**(83)**	**(178)**	**(48)**
	Dividend paid	(170)	(170)	(170)	(170)
	Buyout of minority interests	(13)	0	(13)	0
	Repayment of lease liabilities	(38)	(32)	(67)	(61)
	Change in net interest bearing debt	41	176	151	227
	Cash flow from financing activities	**(180)**	**(26)**	**(99)**	**(4)**
	Change in cash and cash equivalents	**38**	**(323)**	**(309)**	**(336)**
	Cash and cash equivalents at beginning of period	1,757	1,954	2,130	1,935
	Foreign exchange adjustment, cash and cash equivalents	(41)	8	(67)	40
	Cash and cash equivalents at 30 June	**1,754**	**1,639**	**1,754**	**1,639**

The cash flow statement cannot be inferred from the published financial information only

Free cash flow

DKKm	Q2 2023	Q2 2022	H1 2023	H1 2022
Free cash flow	218	(297)	(210)	(332)
Free cash flow, adjusted for acquisitions and disposals of enterprises and activities	260	(281)	(168)	(316)

Balance sheet

Notes	DKKm	30/06 2023	31/12 2022	30/06 2022
	Assets			
	Goodwill	6,356	6,433	4,587
	Patents and rights	731	766	752
	Customer relations	359	392	387
	Other intangible assets	131	148	162
	Completed development projects	174	204	202
	Intangible assets under development	527	422	354
	Intangible assets	**8,278**	**8,365**	**6,444**
	Land and buildings	1,908	1,983	1,798
	Plant and machinery	461	493	369
	Operating equipment, fixtures and fittings	120	131	94
	Tangible assets in course of construction	67	40	23
	Property, plant and equipment	**2,556**	**2,647**	**2,284**
	Deferred tax assets	1,941	1,921	1,448
	Investments in associates	130	157	164
	Other securities and investments	56	59	58
	Other non-current assets	**2,127**	**2,137**	**1,670**
	Non-current assets	**12,961**	**13,149**	**10,398**
	Inventories	3,978	3,971	2,976
	Trade receivables	4,821	5,108	4,300
	Work in progress	3,279	3,147	3,085
	Prepayments	717	874	758
	Income tax receivables	526	321	391
	Other receivables	1,181	1,145	962
	Cash and cash equivalents	1,754	2,130	1,639
	Current assets	**16,256**	**16,696**	**14,111**
	Total assets	**29,217**	**29,845**	**24,509**

Notes	DKKm	30/06 2023	31/12 2022	30/06 2022
	Equity and liabilities			
	Share capital	1,153	1,153	1,153
	Foreign exchange adjustments	(674)	(517)	(111)
	Cash flow hedging	(32)	(70)	(89)
	Retained earnings	10,290	10,247	10,098
	Shareholders in FLSmidth & Co. A/S	**10,737**	**10,813**	**11,051**
	Minority interests	(22)	(26)	(18)
	Equity	**10,715**	**10,787**	**11,033**
	Deferred tax liabilities	236	294	185
	Pension obligations	404	414	296
5	Provisions	856	896	505
	Lease liabilities	187	206	198
	Bank loans and mortgage debt	2,646	1,929	757
	Prepayments from customers	532	578	608
	Income tax liabilities	103	103	119
	Other liabilities	90	85	47
	Non-current liabilities	**5,054**	**4,505**	**2,715**
	Pension obligations	2	2	2
5	Provisions	1,967	1,611	670
	Lease liabilities	101	117	105
	Bank loans and mortgage debt	46	615	43
	Prepayments from customers	1,713	2,193	1,902
	Work in progress	3,505	3,592	2,754
	Trade payables	4,166	4,339	3,687
	Income tax payables	336	346	179
	Other liabilities	1,612	1,738	1,419
	Current liabilities	**13,448**	**14,553**	**10,761**
	Total liabilities	**18,502**	**19,058**	**13,476**
	Total equity and liabilities	**29,217**	**29,845**	**24,509**

Equity statement

H1 2023

DKKm	Share capital	Currency adjust-ments	Cash flow hedging	Retained earnings	Share-holders in FLSmidth & Co A/S	Minority interests	Total
Equity at 1 January	**1,153**	**(517)**	**(70)**	**10,247**	**10,813**	**(26)**	**10,787**
Comprehensive income for the period							
Profit/loss for the period				203	203	(1)	202
Other comprehensive income							
Actuarial gains/(losses) on defined benefit plans				9	9		9
Currency adjustments regarding translation of entities		(157)			(157)	5	(152)
Cash flow hedging:							
- Value adjustments for the period			29		29		29
- Value adjustments transferred to work in progress			9		9		9
Tax on other comprehensive income				(13)	(13)		(13)
Other comprehensive income total	**0**	**(157)**	**38**	**(4)**	**(123)**	**5**	**(118)**
Comprehensive income for the period	**0**	**(157)**	**38**	**199**	**80**	**4**	**84**
Transactions with owners:							
Dividend paid				(170)	(170)		(170)
Share-based payment				27	27		27
Buyout of minority interests				(13)	(13)		(13)
Equity at 30 June	**1,153**	**(674)**	**(32)**	**10,290**	**10,737**	**(22)**	**10,715**

H1 2022

DKKm	Share capital	Currency adjust-ments	Cash flow hedging	Retained earnings	Share-holders in FLSmidth & Co A/S	Minority interests	Total
Equity at 1 January	**1,153**	**(665)**	**(54)**	**9,937**	**10,371**	**(3)**	**10,368**
Comprehensive income for the period							
Profit/loss for the period				272	272	(15)	257
Other comprehensive income							
Actuarial gains/(losses) on defined benefit plans				42	42		42
Currency adjustments regarding translation of entities		554			554		554
Cash flow hedging:							
- Value adjustments for the period			(52)		(52)		(52)
- Value adjustments transferred to work in progress			17		17		17
Tax on other comprehensive income				2	2		2
Other comprehensive income total	**0**	**554**	**(35)**	**44**	**563**	**0**	**563**
Comprehensive income for the period	**0**	**554**	**(35)**	**316**	**835**	**(15)**	**820**
Transactions with owners:							
Dividend paid				(170)	(170)		(170)
Share-based payment				15	15		15
Buyout of minority interests					0		0
Equity at 30 June	**1,153**	**(111)**	**(89)**	**10,098**	**11,051**	**(18)**	**11,033**

Notes

1. Key accounting estimates and judgements

When preparing the consolidated condensed financial statements, we are required to make several estimates and judgements. The estimates and judgements that can have a significant impact on the consolidated condensed financial statements are categorised as key accounting estimates and judgements. Key accounting estimates and judgements are regularly assessed to adapt to market conditions and changes in political and economic factors. In general, key accounting judgements are made in relation to the accounting of revenue when determining the performance obligations and the recognition method, while key accounting estimates relate to the estimation of warranty provisions, valuation of inventories, trade receivables, work in progress and deferred tax. For further details, reference is made to The Annual Report 2022, Key accounting estimates and judgements, pages 69-70 and to specific notes.

H1 2023 showed an active mining market in major commodities partly offset by delays in some customers' larger investment decisions. For the cement market, relatively stable market conditions in the beginning of the year have been increasingly impacted by a slow-down in market demand during the second quarter of 2023.

The change in market conditions has not resulted in any material impact on key accounting estimates and judgements in the consolidated condensed financial statements in the first half of 2023.

By nature, the updated key accounting estimates contain uncertainties, and it is possible that the outcomes in the next financial period can differ from those on which management's estimates are based.

More information on the uncertainties and the impact on key accounting estimates and judgements can be found on pages 69-70 of the 2022 Annual Report.

On 31 August 2022, we obtained control of Mining Technologies. During the first half year 2023, no changes to the initial accounting of the acquisition as shown in note 2.10 in Annual report 2022 has been recognised. Due to the complexity of the transaction, the completion of the initial accounting will extend into Q3 2023. During the measurement period ending no later than 12 months after acquisition, new information on facts and circumstances that existed on 31 August 2022 is adjusted retrospectively in the initial accounting with a resulting impact on goodwill as will the change resulting from the final purchase price. Such changes may be significant.

2. Income statement by function

It is our policy to prepare the income statement based on an adjusted classification of the cost by function in order to show the earnings before depreciation, amortisation and impairment. Depreciation, amortisation, and impairment are therefore separated from the individual functions and presented in separate lines.

The income statement prepared on the basis of cost by function is shown below:

Income Statement by function

DKKm	Q2 2023	Q2 2022	H1 2023	H1 2022
Revenue	6,399	5,027	12,415	9,733
Production costs	(4,976)	(3,860)	(9,665)	(7,542)
Gross profit	**1,423**	**1,167**	**2,750**	**2,191**
Sales costs, including depreciation and amortisation	(433)	(402)	(871)	(753)
Administrative costs, including depreciation and amortisation	(736)	(538)	(1,473)	(1,017)
Other operating income	13	8	38	36
EBIT	**267**	**235**	**444**	**457**
Depreciation, amortisation and impairment consist of:				
Depreciation and impairment of property, plant and equipment and lease assets	(83)	(81)	(170)	(161)
Amortisation and impairment of intangible assets	(65)	(72)	(123)	(152)
	(148)	**(153)**	**(293)**	**(313)**
Depreciation, amortisation and impairment are divided into:				
Production costs	(74)	(77)	(144)	(160)
Sales costs	(8)	(8)	(13)	(17)
Administrative costs	(66)	(68)	(136)	(136)
	(148)	**(153)**	**(293)**	**(313)**

3. Segment information

DKKm	H1 2023 Mining	H1 2023 Cement	H1 2023 Non-Core Activities [1]	H1 2023 FLSmidth Group Continuing activities	H1 2023 FLSmidth Group Discontinued activities [2]	H1 2022 Mining	H1 2022 Cement	H1 2022 FLSmidth Group Continuing activities	H1 2022 FLSmidth Group Discontinued activities [2]
Revenue	**8,536**	**3,252**	**627**	**12,415**	**0**	**6,762**	**2,971**	**9,733**	**0**
Production costs	(6,364)	(2,464)	(693)	(9,521)	(8)	(5,126)	(2,256)	(7,382)	(3)
Gross profit	**2,172**	**788**	**(66)**	**2,894**	**(8)**	**1,636**	**715**	**2,351**	**(3)**
SG&A costs	(1,409)	(603)	(145)	(2,157)	(5)	(1,001)	(580)	(1,581)	(1)
EBITDA	**763**	**185**	**(211)**	**737**	**(13)**	**635**	**135**	**770**	**(4)**
Depreciation and impairment of property, plant and equipment and lease assets	(117)	(44)	(9)	(170)	0	(110)	(51)	(161)	0
EBITA	**646**	**141**	**(220)**	**567**	**(13)**	**525**	**84**	**609**	**(4)**
Amortisation and impairment of intangible assets	(85)	(37)	(1)	(123)	0	(111)	(41)	(152)	0
EBIT	**561**	**104**	**(221)**	**444**	**(13)**	**414**	**43**	**457**	**(4)**
Order intake	8,392	2,620	143	11,155	0	9,146	3,773	12,919	0
Order backlog	13,472	5,658	1,414	20,544	0	12,544	6,917	19,461	0
Gross margin	*25.4%*	*24.2%*	*-10.5%*	*23.3%*		*24.2%*	*24.1%*	*24.2%*	
EBITDA margin	*8.9%*	*5.7%*	*-33.7%*	*5.9%*		*9.4%*	*4.5%*	*7.9%*	
EBITA margin	*7.6%*	*4.3%*	*-35.1%*	*4.6%*		*7.8%*	*2.8%*	*6.3%*	
EBIT margin	*6.6%*	*3.2%*	*-35.2%*	*3.6%*		*6.1%*	*1.4%*	*4.7%*	
Number of employees at 30 June	**6,742**	**3,053**	**439**	**10,234**	**0**	**6,314**	**3,741**	**10,055**	**0**
Reconciliation of profit for the period									
EBIT				444	(13)			457	(4)
Financial income				791	2			728	0
Financial costs				(880)	(13)			(762)	(1)
EBT				**355**	**(24)**			**423**	**(5)**

1) Non-Core Activities constitutes a separate reportable segment prospectively from 1 October 2022. Comparative information has not been restated. Further information can be found in the 2022 Annual Report note 1.2. Under the previous segmentation Mining and Non-Core Activities was presented as one segment.
2) Discontinued activities mainly consist of non-mining bulk material handling.

4. Revenue

Revenue arises from sale of life cycle offerings to our customers. We sell a broad range of goods and services within the Mining and Cement segments split into the main businesses Products and Services. Revenue within the Non-Core Activities segment reflect the performance of the backlog the sale of parts already in stock.

In the graphs on the right, revenue is split by regions in which delivery takes place.

Revenue is recognised either at a point in time where the control over the goods and/or services is transferred to the customer or over time to reflect the percentage of completion of the performance obligations in the contracts. Percentage of completion covers a wide range of different types of contracts, from contracts where the customer consumes the services over time, such as fixed price service contracts, to more complex product bundles with engineering subject to the enhanced risk governance structure under the Risk Management Board and to risk quotas. More information on when and how the two recognition principles are applied can be found in note 1.4 in the Annual report 2022. To reflect the wide range of contracts that are accounted for using percentage of completion, the category has been decomposed into two subcategories from 1 January 2023 with comparative information restated.

Backlog

The order backlog at 30 June 2023 amounted to DKK 20,544m (end of H1 2022: DKK 19,461m).

The backlog represents the value of outstanding performance obligations on current contracts. The value of outstanding performance obligations on current contracts is a combination of value from contracts where we will transfer control at a future point in time and the value of the remaining performance obligations on contracts where we transfer control over time.

Revenue split by recognition principle

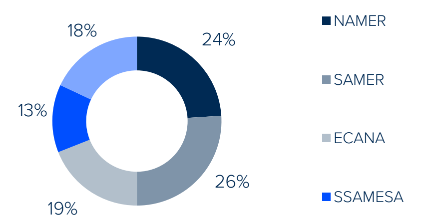
DKKm	H1 2023 Mining	H1 2023 Cement	H1 2023 Non-Core Activities	H1 2023 Group	H1 2022 Mining	H1 2022 Cement	H1 2022 Group
Point in time	4,995	1,423	260	6,678	3,455	1,258	4,713
Percentage of completion							
- Service, single machines and product bundles	3,040	1,635	0	4,675	2,040	1,414	3,454
- Product bundles with engineering under enhanced risk governance	501	194	367	1,062	1,267	299	1,566
Total revenue	**8,536**	**3,252**	**627**	**12,415**	**6,762**	**2,971**	**9,733**

Revenue split on industry and category

DKKm	H1 2023 Mining	H1 2023 Cement	H1 2023 Non-Core Activities	H1 2023 Group	H1 2022 Mining	H1 2022 Cement	H1 2022 Group
Products business	3,003	1,492	405	4,900	2,819	1,284	4,103
Service business	5,533	1,760	222	7,515	3,943	1,687	5,630
Total revenue	**8,536**	**3,252**	**627**	**12,415**	**6,762**	**2,971**	**9,733**

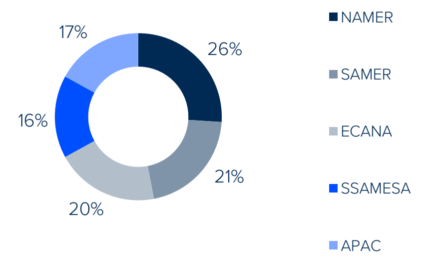
Revenue split by Regions H1 2023

%



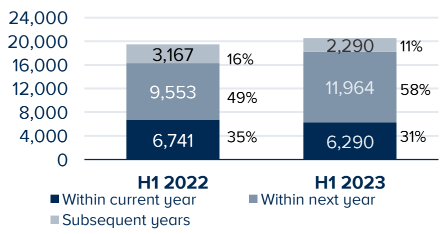
Revenue split by Regions H1 2022

%



Backlog

DKKm



5. Provisions

Net provisions increased by DKK 316m compared to 31 December 2022. The increase relates primarily to restructuring provisions following the implementation of our transformation strategy and from provisions for loss-making contracts in Non-Core Activities.

For a description of the main provision categories see note 2.7 in the 2022 Annual Report.

Provisions

DKKm	30/06 2023	31/12 2022	30/06 2022
Provisions at 1 January	2,507	1,147	1,147
Foreign exchange adjustments	(22)	(17)	15
Acquisition of Group enterprises	2	682	0
Additions	874	1,388	288
Used	(400)	(461)	(212)
Reversals	(138)	(232)	(63)
Provisions	**2,823**	**2,507**	**1,175**
The split of provisions is as follows:			
Warranties	1,009	980	605
Restructuring	516	404	13
Other provisions	1,298	1,123	557
	2,823	**2,507**	**1,175**
The maturity of provisions is specified as follows:			
Current liabilities	1,967	1,611	670
Non-current liabilities	856	896	505
	2,823	**2,507**	**1,175**

6. Contractual Commitments and contingent liabilities

Contingent liabilities at 30 June 2023 amounted to DKK 3.2bn excluding the Mining Technologies issued corporate guarantees mentioned below (31 December 2022: DKK 3.8bn).

Contingent liabilities primarily relate to customary performance and payment guarantees. The volume of such guarantees amounted to DKK 2.7bn (31 December 2022: DKK 3.3bn). At the end of 2022, additional corporate contract-support guarantees to customers of DKK 0.7bn was outstanding. By the end of June 2023, almost all such guarantees have expired. It is customary market practice to issue guarantees to customers, which serve as a security that we will deliver as promised in terms of performance, quality, and timing. The volume of the guarantees varies with the activity level and reflects the outstanding backlog, finalised projects and deliveries that are covered by warranties etc. Only a minor share of such guarantees is expected to materialise into losses. In the event a guarantee is expected to materialise, a provision is recognised to cover the risk. Information on provisions is included in note 5.

Other contingent liabilities of DKK 0.5bn (31 December 2022: 0.5bn) relate to our involvement in legal disputes, which are already pending with courts or other authorities and other disputes which may or may not lead to formal legal proceedings being initiated against us.

No significant changes have occurred to the nature and extent of our contractual commitments and contingent liabilities compared to what was disclosed in note 2.9 in the 2022 Annual Report.

Provisions related to continued activities

DKKm	30/06 2023	31/12 2022	30/06 2022
Provisions at 1 January	2,390	999	999
Foreign exchange adjustments	(22)	(17)	15
Acquisition of Group enterprises	2	682	0
Additions	869	1,385	288
Used	(391)	(428)	(199)
Reversals	(136)	(231)	(63)
Provisions	**2,712**	**2,390**	**1,040**

7. Discontinued activities

Discontinued activities include the remaining responsibilities to finalise legacy projects, handling of claims, etc. retained on the sale of the non-mining bulk material handling business in 2019. For further information on discontinued activities, please refer to note 2.11 of Annual report 2022.

In addition to provisions of DKK 111m shown in the table below, discontinued activities accounts for DKK 332m (31 December 2022: DKK 362m) of the Group's net working capital shown in note 8.

Discontinued activities' effect on cash flow from operating activities

DKKm	H1 2023	31/12 2022	H1 2022
EBITDA	(13)	(10)	(4)
Change in provisions	(6)	(31)	(13)
Change in net working capital	42	(6)	(16)
Cash flow from operating activities before financial items and tax	**23**	**(47)**	**(33)**
Financial items received and paid	(3)	(3)	(1)
Cash flow from operating activities	**20**	**(50)**	**(34)**

Discontinued activities share of Group provisions disclosed in note 5

DKKm	30/06 2023	31/12 2022	30/06 2022
Provisions at 1 January	117	148	148
Additions	5	3	0
Used	(9)	(33)	(13)
Reversals	(2)	(1)	0
Provisions	**111**	**117**	**135**

8. Net working capital

Net working capital at 30 June 2023 has increased by DKK 0.6bn compared to 31 December 2022. The increase related primarily to an increase in net work in progress driven by higher execution of Products orders and prepayments from customers decrease due to the de-risking strategy creating a slow-down in Products orders.

Utilisation of supply chain financing increased in the first half of 2023 to DKK 648m (31 December 2022: DKK 590m).

Net working capital

DKKm	30/06 2023	31/12 2022	30/06 2022
Inventories	3,978	3,971	2,976
Trade receivables	4,821	5,108	4,300
Work in progress, assets	3,279	3,147	3,085
Prepayments	717	874	758
Other receivables	1,077	1,030	846
Derivative financial instruments	44	54	52
Prepayments from customers	(2,245)	(2,771)	(2,510)
Trade payables	(4,166)	(4,339)	(3,687)
Work in progress, liability	(3,505)	(3,592)	(2,754)
Other liabilities	(1,417)	(1,509)	(1,173)
Derivative financial instruments	(41)	(80)	(88)
Net working capital	**2,542**	**1,893**	**1,805**
Change in net working capital	(649)	(835)	(747)
Financial instruments and foreign exchange effect on cash flow	17	389	(38)
Cash flow effect from change in net working capital	**(632)**	**(446)**	**(785)**

9. Business Acquisitions

Effective from 1 June 2023, FLSmidth has acquired the American company Morse Rubber. The acquisition supports FLSmidth Mining's CORE'26 strategy and will be adding advanced molding capabilities for rubber and composite mill liners, as well as screen media and various rubber and rubber ceramic wear components to our existing offerings.

The acquisition increased assets and liabilities by DKK 48m and DKK 6m, respectively. The impact on net profit was insignificant.

10. Events after the balance sheet date

On 14 June 2023, FLSmidth and KOCH Solution signed an asset purchase & transfer agreement involving material handling technology that is part of the Non-Core Activities segment. The transaction is expected to be completed in the third quarter of 2023, subject to customary regulatory approvals from relevant authorities. No significant gain is expected and the impact on assets and liabilities from the divestment is expected to be insignificant.

On 14 July 2023, FLSmidth Cement sold its Advanced Filtration Technologies (AFT) business to Micronics, a leading global provider of industrial filtration solutions. The sale included all related assets, including intellectual property, technology, employees and customer contracts.

The divestment of the AFT business is part of FLSmidth Cement's pure play strategy, which includes focusing the cement Products portfolio on the core technologies required for the green transition in the cement industry.

The sale led to a gain of around DKK 100m that will be included in the line item 'Other operating income in the Q3 2023 interim report'. The impact on assets and liabilities is insignificant.

We are not aware of any subsequent matters that could be of material importance to the Group's financial position at 30 June 2023.

11. Accounting policies

The condensed interim report of the Group for the first half year of 2023 is presented in accordance with IAS 34, Interim Financial Reporting, as approved by the EU and additional Danish disclosure requirements regarding interim reporting by listed companies.

Apart from the below mentioned changes, the accounting policies are unchanged from those applied in the 2022 Annual Report. Reference is made to note 7.5, Accounting policies, note 7.6, Impact from new IFRS, note 7.7, New IFRS not yet adopted and to specific notes in the 2022 Annual Report for further details.

Note 7.4, Alternative Performance Measures, and note 7.8, Definition of terms, in the 2022 Annual Report describes the APMs used throughout annual and interim reports. Following the significant integration of Mining Technology into the Mining segment it is impracticable to make the usual decomposition of growth into organic growth and acquired growth for the first 12 months. Starting from Q1 2023, organic growth therefore also includes acquired growth. Besides this, APMs are unchanged from those applied in the 2022 Annual Report.

Changes in accounting policies

As of 1 January 2023, the FLSmidth Group has implemented all new or amended accounting standards and interpretations as adopted by the EU and applicable for the 2023 financial year. This includes the changes to IAS 1 (Disclosure on Accounting Policies), IAS 8 (definition of Accounting Estimates) and IAS 12 (Deferred Tax).

The implementation has not had and is not expected to have significant impact on the consolidated condensed financial statements.

Statements

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the interim report for the period 1 January – 30 June 2023.

The consolidated condensed interim financial statements are presented in accordance with IAS 34, Interim Financial Reporting, as adopted by the EU and Danish disclosure requirements for interim reports of listed companies. The consolidated condensed interim financial statements have not been audited or reviewed by the Group's independent auditors.

In our opinion, the consolidated condensed interim financial statements give a true and fair view of the Group's financial position at 30 June 2023 as well as of the results of its operations and cash flows for the period 1 January – 30 June 2023.

In our opinion, the management's review gives a fair review of the development in the Group's activity and financial matters, results of operations, cash flows and financial position as well as a description of the principal risks and uncertainties that the Group faces.

Valby, 15 August 2023

Executive management

Mikko Juhani Keto
Group CEO

Roland M. Andersen
Group CFO

Board of directors

Tom Knutzen
Chair

Mads Nipper
Vice chair

Anne Louise Eberhard

Daniel Reimann

Gillian Dawn Winckler

Thrasyvoulos Moraitis

Carsten Hansen

Claus Østergaard

Leif Gundtoft

Forward looking statements

FLSmidth & Co. A/S' financial reports, whether in the form of annual reports or interim reports, filed with the Danish Business Authority and/or announced via the company's website and/or NASDAQ Copenhagen, as well as any presentations based on such financial reports, and any other written information released, or oral statements made, to the public based on this report or in the future on behalf of FLSmidth & Co. A/S, may contain forward looking statements.

Words such as 'believe', 'expect', 'may', 'will', 'plan', 'strategy', 'prospect', 'foresee', 'estimate', 'project', 'anticipate', 'can', 'intend', 'target' and other words and terms of similar meaning in connection with any discussion of future operating or financial performance identify forward-looking statements. Examples of such forward-looking statements include, but are not limited to:

- Statements of plans, objectives or goals for future operations, including those related to FLSmidth & Co. A/S' markets, products, product research and product development.
- Statements containing projections of or targets for revenues, profit (or loss), CAPEX, dividends, capital structure or other net financial items.
- Statements regarding future economic performance, future actions and outcome of contingencies such as legal proceedings and statements regarding the underlying assumptions or relating to such statements.
- Statements regarding potential merger & acquisition activities.

These forward-looking statements are based on current plans, estimates and projections. By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, which may be outside FLSmidth & Co. A/S' influence, and which could materially affect such forward-looking statements.

FLSmidth & Co. A/S cautions that a number of important factors, including those described in this report, could cause actual results to differ materially from those contemplated in any forward-looking statements.

Factors that may affect future results include, but are not limited to, global as well as local political and economic conditions, including the impact from interest rate and exchange rate fluctuations, delays or faults in project execution, fluctuations in raw material prices, delays in research and/or development of new products or service concepts, interruptions of supplies and production, unexpected breach or termination of contracts, market-driven price reductions for FLSmidth & Co. A/S' products and/or services, introduction of competing products, reliance on information technology, FLSmidth & Co. A/S' ability to successfully market current and new products, exposure to product liability and legal proceedings and investigations, changes in legislation or regulation and interpretation thereof, intellectual property protection, perceived or actual failure to adhere to ethical marketing practices, investments in and divestitures of domestic and foreign enterprises, unexpected growth in costs and expenses, failure to recruit and retain the right employees and failure to maintain a culture of compliance. Unless required by law FLSmidth & Co. A/S is under no duty and undertakes no obligation to update or revise any forward-looking statement after the distribution of this report.

Interim Report
1 January – 30 June 2023

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