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Company announcement no. 11-2024

FLSmidth & Co. A/S
Vigerslev Allé 77
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CVR No. 58180912

Interim Report 9M 2024

FLSMIDTH

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Highlights Q3 2024

In the third quarter of 2024, we continued to see a stable and healthy Mining service market and a relatively softer Mining products market, and we expect these conditions to continue into next year. The Mining business delivered an Adjusted EBITA margin of 13.3%, and we continue to progress towards our 2026 financial target. The long-term market outlook remains encouraging, among other things exemplified by the recently signed strategic cooperation agreement for a new copper concentrator production line in Uzbekistan – a clear testament to the strength of our full flowsheet offerings and to our proven global execution capabilities. We are exploring opportunities for enhancing our technology, sustainability and service offerings to our mining customers, exemplified by the recent acquisition of the small technology company, Tipco.

For Cement, the stable market conditions continue to provide good opportunities for the Service business, whereas we continue to de-risk the Products business to preserve profitability. In the third quarter of 2024, the Cement business achieved an Adjusted EBITA margin of 10.8%, demonstrating continued strong execution of higher-margin orders as well as release of provisions related to the completion of legacy projects. The process for the divestment of the Cement business is progressing according to plan, and it remains our expectation that a potential transaction can take place at the earliest by the end of 2024.

We remain well on track to exit Non-Core Activities and is still the expectation that the segment will be closed down by the end of the year.

FLSmidth in undergoing a tremendous transformation with significant changes to both the business and to our employees. I want to thank the organisation for their continued dedication and efforts.

Overall, the third quarter showed continued progression on our transformation activities leading to additional improvements in profitability. We have continued our dedicated efforts to implement a cost-efficient operating model and corporate structure. We believe that we are well on track to end the year in line with our plans as well as ensuring a good outset for the coming year.

Mikko Keto, Group CEO

Mining

- Stable Service market and a relatively softer Products market
- Good execution of PCV-related Products orders partly offsets 2% decline in Mining revenue
- Adjusted EBITA margin of 13.3% reflecting continued profitability improvements
- Strategic cooperation agreement in Uzbekistan in October 2024

Cement

- Pockets of market growth partly offsets slow demand in Western Europe and China
- Cement financials impacted by recent divestments and continued de-risking
- Adj. EBITA margin of 10.8% reflecting high gross margin and lower SG&A costs
- Divestment process proceeding according to plan

Sustainability

- Continued good progression on all our Science Based Targets
- Safety performance improved from prior quarter, but remains behind our 2024 target
- Completion of the installation of solar panels in our Delmas Service Centre in South Africa

Performance and other

- Continued investments in the commercial front end
- Continued business simplification, including focus on implementing a more cost-efficient operating model
- Positive cash flow development
- Financial guidance for 2024 is revised

Financial performance highlights

Mining

Order intake (DKKm)

▼ -13.8%

3,724

Q3 2024	3,724
Q3 2023	4,320

Revenue (DKKm)

▼ -2.1%

4,006

Q3 2024	4,006
Q3 2023	4,094

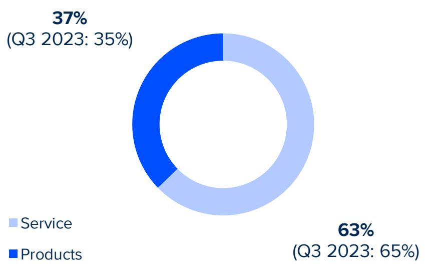
EBITA & EBITA margin (DKKm - %)

▲ 47.2%

496 12.4% (adj. 13.3%)

Q3 2024	496
Q3 2023	337

Revenue split by Service & Products (%)



Cement

Order intake (DKKm)

▼ -31.2%

843

Q3 2024	843
Q3 2023	1,225

Revenue (DKKm)

▼ -27.3%

1,017

Q3 2024	1,017
Q3 2023	1,399

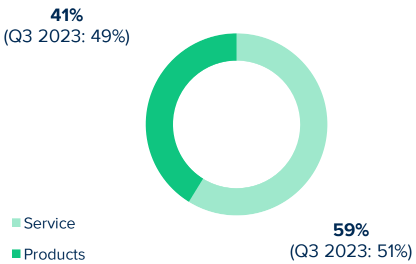
EBITA & EBITA margin (DKKm - %)

▼ -44.5%

91 8.9% (adj. 10.8%)

Q3 2024	91
Q3 2023	164

Revenue split by Service & Products (%)



Non-Core Activities

Order intake (DKKm)

▼ -61.4%

22

Q3 2024	22
Q3 2023	57

Revenue (DKKm)

▼ -84.3%

36

Q3 2024	36
Q3 2023	230

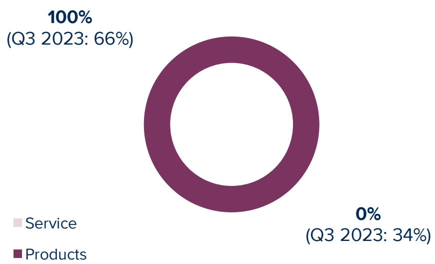
EBITA & EBITA margin (DKKm - %)

▲ 81.0%

(8) -22.2%

Q3 2024	(8)
Q3 2023	(42)

Revenue split by Service & Products (%)



Group

Order intake (DKKm)

▼ -18.1%

4,589

Q3 2024	4,589
Q3 2023	5,601
9M 2024	14,272
9M 2023	16,756

Revenue (DKKm)

▼ -11.6%

5,059

Q3 2024	5,059
Q3 2023	5,723
9M 2024	14,856
9M 2023	18,138

EBITA & EBITA margin (DKKm - %)

▲ 25.9%

579 11.4% (adj. 12.6%)

Q3 2024	579
Q3 2023	460
9M 2024	1,375
9M 2023	1,026

Cash flow from operating activities
DKK 357m ▲ from DKK -276m in Q3 2023

Earnings per share
DKK 5.0 ▲ from DKK 4.8 in Q3 2023

Net working capital ratio
10.6% ▼ from 11.4% end of Q3 2023

NIBD/EBITDA
0.6x ▼ from 1.0x end of Q3 2023

Sustainability performance highlights

Scope 1 and 2 greenhouse gas emissions

SCIENCE BASED TARGETS

tCO_2e (market-based)

23,195

Target: 39,445 in 2024
18.3% improvement

Scope 1 and 2 CO_2 emissions decreased by 18.3% compared to Q3 2023. Consolidation of sites throughout 2024 supported reducing emissions. The completion of a solar panel project in Q2 2024 in the US also positively supported emissions reduction during the current quarter as we produced more renewable electricity for our onsite consumption.

Water withdrawal

m^3

117,095

Target: 192,738 in 2024
6.5% improvement

Water withdrawal was reduced by 6.5% compared to Q3 2023. Consolidation of sites throughout 2024 has supported performance year-to-date. However, a leak on a US site detracted slightly from the period's performance. Performance remains on track to meet our full-year target.

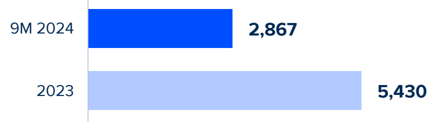
Scope 3: Economic Intensity (use of sold products)

SCIENCE BASED TARGETS

tCO_2e/DKKm order intake

2,867

Target: 4,065 by 2030
47.2% improvement



Scope 3, Economic Intensity decreased by 47.2% compared to the end of last year. The decrease was driven by order mix with a lower share of order intake in high economic intensity product groups such as pyro systems and our mills range combined with a higher share of order intake from lower intensity products such as our pumps range.

Women managers

%

15.6

Target: 18.4% in 2024
0.7%-points reduction

The percentage of women managers saw an improvement in the third quarter of 2024 compared with the previous quarter but remains below our full-year target. Delayering within the organisation continues to impact the performance with short-term swings, with continued efforts needed to regain our progress towards our full-year target.

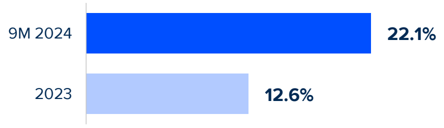
Spend with suppliers with science-based targets

SCIENCE BASED TARGETS

%

22.1

Target: 15% in 2024
9.5%-points improvement



Spend with suppliers with science-based targets increased by 9.5%-points compared to the full year 2023. Spend during the quarter was supported by an increasing share of suppliers setting targets to the Science Based Targets initiative as well as an increased allocation of spend to suppliers with targets already set.

Safety (Total recordable injury rate)

Total recordable injury rate/million working hours

2.0

Target: 1.1 in 2024
1.1 improvement

Safety performance has improved by 1.1 compared to Q3 2023 but we remain behind our target for the full year. The incident rate has continued to decline across the period, as we continue our efforts to regain progress to achieve our long-term target of 'Zero Harm'. This includes more active reporting of near-misses and safety concerns to support more pro-active health and safety management.

Sustainability developments

At FLSmidth, we strive to reduce our environmental impact as well as support our customers' green transition by providing innovative product solutions through our MissionZero programme.

Solar panel installation at our Delmas Service Centre in South Africa

FLSmidth recently completed the installation of solar panels in our Delmas facility in South Africa. An installed capacity of 300kWh is expected to generate over 400MWh of clean electricity each year. The installation covers close to 40% of electricity use at the site and is expected to reduce over 400 tCO_2e of emissions annually. The impact is particularly high in South Africa, as most grid electricity is generated from burning coal. The project will positively support emissions reduction in the final quarter of 2024.

FLS to deliver concentrate and tailing filters to reduce water consumption

During Q3 2024, FLSmidth received an order to deliver five AFP2500 concentrate and tailings filters for a project based in the Patagonia mountains of southern Arizona, U.S. This new order will contribute to an increased supply of critical minerals such as zinc and manganese, which support society's continued electrification.

The mine operation is designed to minimise its environmental impact, and the equipment we will deliver plays a critical role in supporting this. The project's design is expected to result in ~75% less water consumption compared to other mines in the region, and our filter tailings technology will be a key enabler of this.

Key figures

DKKm, unless otherwise stated	Q3 2024	Q3 2023	9M 2024	9M 2023	2023
Income statement					
Revenue	5,059	5,723	14,856	18,138	24,106
Gross profit	1,672	1,636	4,665	4,530	6,087
EBITDA	644	538	1,587	1,275	1,761
EBITA	579	460	1,375	1,026	1,438
Adjusted EBITA*	636	579	1,585	1,369	1,919
EBIT	519	404	1,196	848	1,200
Financial items, net	(67)	31	(149)	(57)	(146)
EBT	452	435	1,047	791	1,054
Profit for the period, continuing activities	289	274	670	500	672
Loss for the period, discontinued activities**	0	(2)	0	(26)	(181)
Profit for the period	289	272	670	474	491
Orders					
Order intake	4,589	5,601	14,272	16,756	21,376
Order backlog			15,678	19,933	17,593
Earning ratios					
Gross margin	33.1%	28.6%	31.4%	25.0%	25.3%
EBITDA margin	12.7%	9.4%	10.7%	7.0%	7.3%
EBITA margin	11.4%	8.0%	9.3%	5.7%	6.0%
Adjusted EBITA margin*	12.6%	10.1%	10.7%	7.5%	8.0%
EBIT margin	10.3%	7.1%	8.1%	4.7%	5.0%
EBT margin	8.9%	7.6%	7.0%	4.4%	4.4%
Cash flow					
Cash flow from operating activities (CFFO)	357	(276)	19	(308)	623
Acquisitions of property, plant and equipment	(125)	(76)	(263)	(134)	(176)
Cash flow from investing activities (CFFI)	(229)	125	(286)	(53)	(257)
Free cash flow	128	(151)	(267)	(361)	366
Free cash flow adjusted for acquisitions and disposals of enterprises and activities	129	(436)	(415)	(604)	201
Balance sheet					
Net working capital			2,208	2,796	1,382
Net interest-bearing debt (NIBD)			(1,180)	(1,325)	(639)
Total assets			27,619	29,236	27,011
CAPEX			550	431	604
Equity			11,094	11,131	10,828
Dividend to shareholders, paid			227	170	170

DKKm, unless otherwise stated	Q3 2024	Q3 2023	9M 2024	9M 2023	2023
Financial ratios					
Book-to-bill	90.7%	97.9%	96.1%	92.4%	88.7%
Order backlog / Revenue			75.3%	80.9%	73.0%
Return on equity			6.2%	5.8%	4.5%
Equity ratio, end			40.2%	38.1%	40.1%
ROCE, average			8.8%	5.6%	8.2%
Net working capital ratio, end			10.6%	11.4%	5.7%
NIBD / EBITDA			0.6x	1.0x	0.4x
Capital employed			18,525	18,710	17,552
Number of employees			7,875	9,674	9,377
Share ratios					
Cash flow per share (CFPS), (diluted), (DKK)	6.2	(4.8)	0.3	(5.4)	10.9
Earnings per share (EPS), (diluted), (DKK)	5.0	4.8	11.5	8.3	8.7
Share price, (DKK)			379.4	319.2	287.2
Number of shares (1,000), end			57,650	57,650	57,650
Market capitalisation, end			21,872	18,402	16,557
Sustainability key figures					
Scope 1 & 2 GHG emissions (tCO2e) market-based			23,195	28,381	38,022
Scope 3 Economic intensity***			2,867		5,430
Spend with suppliers with science-based targets			22.1%	11.8%	12.6%
Water withdrawal (m3)			117,095	125,262	167,610
Women managers			15.6%	16.5%	16.3%
Safety, TRIR Total Recordable Injury Rate (including contractors)			2.0	3.1	2.7
Other key figures					
Quality, DIFOT Delivery In Full On Time			84.3%	82.3%	81.9%

Use of alternative performance measures

Throughout the report, we present financial measures which are not defined according to IFRS. We refer to note 7.4, Alternative performance measures, and note 7.8, Definition of terms, in the 2023 Annual Report for further information.

The financial ratios have been computed in accordance with the guidelines of the Danish Finance Society. Refer to note 7.8 in the 2023 Annual Report for definitions of terms.

*To reflect the underlying business performance, we present an adjusted EBITA margin by excluding costs related to our ongoing transformation activities and the separation of Mining and Cement. In 2023, adjustments were made for integration costs related to the integration of Mining Technologies.

**From 1 January 2024, the remaining responsibilities to finalise legacy projects within discontinued activities are included in Non-Core Activities.

***From 2024, we measure Scope 3 Economic intensity quarterly as a year-to-date figure.

2024 financial guidance

The financial guidance for the full year 2024, as set out in Company Announcement no. 9-2024 on 7 August 2024, is revised. The guidance reflects the ongoing business simplification and transformation efforts, continued improvement in the core Mining business, realisation of the full cost synergies from the Mining Technologies acquisition, continued profitability progress in the Cement business and the ongoing exit from the Non-Core Activities segment.

Mining

	Guidance Aug. 2024	Guidance Nov. 2024
Revenue (DKKbn)	~15.5	**~ 15.5** (DKK 11.4bn)
Adj. EBITA margin	12.5-13.0%	**~13.0%** (12.7%)

Cement

	Guidance Aug. 2024	Guidance Nov. 2024
Revenue (DKKbn)	4.0-4.5	**4.0-4.5** (DKK 3.4bn)
Adj. EBITA margin	8.0-9.0%	**~9.0%** (9.3%)

Non-Core Activities

	Guidance Aug. 2024	Guidance Nov. 2024
Revenue (DKKm)	200-300	**~200** (DKK 130m)
EBITA (DKKm)	Loss of 200-300	**Loss of 200-250** (Loss of DKK 169m)

Group

	Guidance Aug. 2024	Guidance Nov. 2024
Revenue (DKKbn)	~20.0	**~ 20.0** (DKK 14.9bn)
Adj. EBITA margin	10.0-11.0%	**~11.0%** (10.7%)
EBITA margin	8.5-9.5%	**~9.5%** (9.3%)

The numbers in brackets represent realised 9M results.

We expect the mining service market to remain stable, whereas the products market remains soft due to persistent hesitation by some customers on larger investment decisions. Longer term, the mining industry continues to benefit from a positive outlook for minerals crucial to continued global economic development and a successful green energy transition. The guidance for the adjusted EBITA margin includes an adjustment for transformation and separation costs of around DKK 200m for the full year 2024. The adjusted EBITA margin is impacted by the realisation of the full cost synergies from the Mining Technologies acquisition, cost base inflation and re-investment of parts of the synergies into key commercial areas to support our CORE'26 strategy and to fuel our long-term growth ambitions.

We expect the short-term outlook for the cement industry to remain impacted by macroeconomic uncertainty.

The guidance for revenue and adjusted EBITA margin reflects the ongoing execution of the 'GREEN'26' strategy, continued business simplification and product portfolio pruning, including the completed sale of the MAAG business in Q1 2024. Further, the guidance for adjusted EBITA margin includes an adjustment for transformation and separation costs of around DKK 100m for the full year 2024.

The guidance for revenue reflects continued execution of the order backlog and contract negotiations aimed at reducing the scope of the remaining Non-Core Activities order backlog. The EBITA margin guidance reflects the operational loss-making nature of the business as well as costs related to finalising the exit of the business segment by end of 2024.

The Consolidated Group guidance reflects the sum of the guidance for the three business segments.

The guidance for 2024 is subject to uncertainties stemming from the current macroeconomic and geopolitical environment.

Mining financial performance

The mining service market remained stable and active, while we continue to observe persistent softness in the mining products market.

In line with our expectations, the mining service market remains stable and active, underpinned by steady production volumes and metal prices comfortably above cost of production for most mines. Customers are continuously looking to service providers for ways of enhancing their operational efficiency and extending equipment life through upgrades & retrofits. In addition, customers show interest in services and smaller capex opportunities to lower their cost of operation and enhancing operational efficiency through increased mineral throughput and recovery rates as well as reduced energy usage, which will also greatly improve their sustainability performance.

We still see interest in smaller equipment packages to increase production and improve process performance, whereas demand for larger projects remains soft amid persisting hesitation by some customers to allocate capital expenditures for larger brownfield and greenfield projects.

Optimism on the longer-term demand outlook persists, with metals prices (e.g., for copper and gold) remaining relatively high and indications from engineering, procurement and construction managers (EPCMs) that larger projects may progress over the next couple of years, albeit with uncertain timing. This is illustrated by the strategic cooperation agreement that we recently signed for the delivery of core mineral processing equipment for a new copper concentrator production line at Almalyk MMC in Uzbekistan.

Order intake development in Q3 2024

Mining order intake decreased by 14% compared to Q3 2023, mainly due to lower Products order intake. Excluding currency effects, the order intake decreased by 11%.

Service order intake decreased by 6% compared to Q3 2023, driven by lower order intake within upgrades & retrofits and professional services as well as our ongoing exit from basic labour services. The decline was partly offset by relatively higher order intake for consumables, including a multi-year contract for the supply of mill liners to a customer in Australia, representing the largest single order for mill liners that FLSmidth has signed to date.

Products order intake decreased by 28% compared to Q3 2023 reflecting the continued softness in the mining products market and the continued de-risking of our order backlog. One large lithium order valued at approximately DKK 340m was booked in the quarter compared to two large, announced Products orders with a combined value of DKK 730m booked in Q3 2023.

During the quarter, Service and Products orders accounted for 71% and 29% of the total order intake, respectively, compared to 65% and 35% in Q3 2023.

Order intake development in 9M 2024

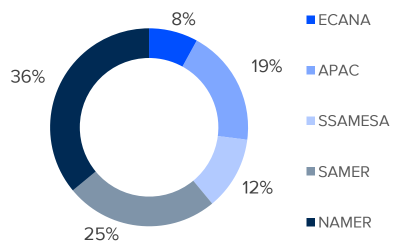
9M 2024 order intake, compared to 9M 2023, decreased by 11% to DKK 11,323m. Excluding currency effects order intake decreased by 9%.

Service order intake decreased by 1% in 9M 2024, reflecting stable market conditions for mining service activities. The year-on-year decrease was driven by lower order intake within spare parts and upgrades and retrofits but was offset by relatively higher order intake within consumables and professional services.

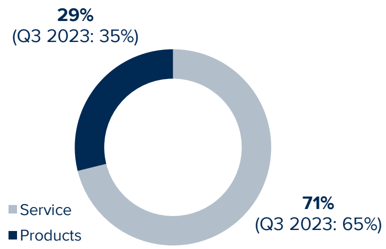
Products order intake decreased by 29% reflecting the ongoing softness in the mining products market that has persisted through the year as well as the continued de-risking of our order backlog. Three large Products orders with a combined value of approximately DKK 1.0bn were announced in 9M 2024 compared to five large orders with a combined value of approximately DKK 1.9bn announced in 9M 2023.

Service and Products order intake represented 73% and 27% of Mining order intake in 9M 2024, respectively, compared to 66% and 34% in 9M 2023.

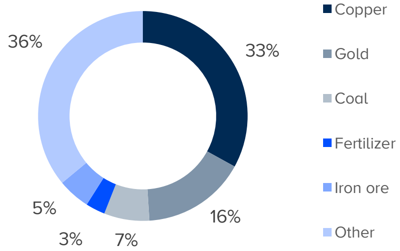
Order intake split by region, Q3 2024



Order intake split by Service and Products, Q3 2024



Order intake split by commodity, Q3 2024



Mining financial performance

Revenue development in Q3 2024

Revenue decreased by 2% compared to Q3 2023. Excluding currency effects, revenue remained at the same level as in Q3 2023. Service revenue decreased by 5% compared to Q3 2023 to DKK 2,513m. The decrease was primarily driven by lower revenue within professional services and spare parts as well as the execution of two major orders positively impacting Service revenue in Q3 2023. The decline was partly offset by relatively higher revenue within consumables.

Products revenue increased by 3% compared to Q3 2023 driven primarily by good execution of PCV Products orders as well as orders related to conveying, crushing and screening. Service and Products revenue comprised 63% and 37% of total Mining revenue in Q3 2024, respectively, compared to 65% and 35% in Q3 2023.

Gross profit development in Q3 2024

Gross profit increased by 5% to DKK 1,305m, from DKK 1,242m in Q3 2023. The corresponding gross margin increased from 30.3% in Q3 2023 to 32.6% in Q3 2024. The strong gross margin was a result of good execution on higher-margin orders following our de-risking strategy.

EBITA development in Q3 2024

The Adjusted EBITA margin was 13.3% when excluding transformation and separation costs of DKK 38m related to our ongoing separation of the Mining and Cement businesses as well as the ongoing business simplification. The higher Adjusted EBITA margin was driven by the improvement in gross profit and a relatively lower level of SG&A costs in the quarter, reflecting the positive effects from our ongoing transformation efforts and the realised synergies from the acquisition of Mining Technologies partly offset by hirings in key commercial areas. The EBITA margin increased to 12.4% from 8.2% in Q3 2023.

Revenue development in 9M 2024

Mining revenue decreased by 10% compared to 9M 2023. Excluding currency effects, revenue decreased by 8%. Service revenue decreased by 9% compared to 9M 2023 primarily as a result of lower revenue within spare parts and professional services. Products revenue decreased by 13% as a result of our de-risking strategy and timing of the execution of certain larger Products orders.

Gross profit development in 9M 2024

Gross profit increased by 10% compared to 9M 2023 to DKK 3,748m in 9M 2024. The corresponding gross margin of 33.0% was driven by good execution on higher-margin orders and lower cost of production resulting from the ongoing business simplification activities.

EBITA development in 9M 2024

EBITA increased by 32% in 9M 2024 with a corresponding EBITA margin of 11.4%, reflecting good execution on higher-margin orders and lower production costs, partly offset by relatively higher SG&A costs due to new hirings in key commercial areas. Excluding transformation and separation costs of DKK 142m, the adjusted EBITA margin was 12.7%.

Employees

The number of employees in Mining has been reduced by 694 since the end of Q3 2023, reflecting synergies from the integration of Mining Technologies in 2023 and the ongoing business simplification activities, partly offset by new hirings in key commercial areas.

Mining

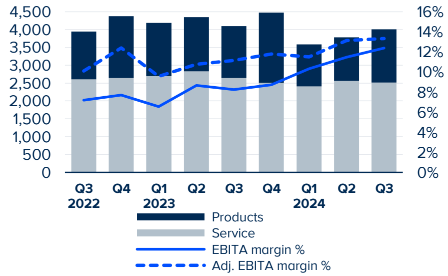
(DKKm)	Q3 2024	Q3 2023	Change (%)	9M 2024	9M 2023	Change (%)
Order intake	**3,724**	**4,320**	**-14%**	**11,323**	**12,712**	**-11%**
- Hereof service order intake	2,649	2,826	-6%	8,227	8,342	-1%
- Hereof products order intake	1,075	1,494	-28%	3,096	4,370	-29%
Order backlog	**11,299**	**13,859**	**-18%**	**11,299**	**13,859**	**-18%**
Revenue	**4,006**	**4,094**	**-2%**	**11,370**	**12,630**	**-10%**
- Hereof service revenue	2,513	2,643	-5%	7,475	8,176	-9%
- Hereof products revenue	1,493	1,451	3%	3,895	4,454	-13%
Gross profit	**1,305**	**1,242**	**5%**	**3,748**	**3,414**	**10%**
Gross margin	32.6%	30.3%		33.0%	27.0%	
Adjusted EBITA	**534**	**456**	**17%**	**1,442**	**1,328**	**9%**
Adjusted EBITA margin	13.3%	11.1%		12.7%	10.5%	
EBITA	**496**	**337**	**47%**	**1,300**	**985**	**32%**
EBITA margin	12.4%	8.2%		11.4%	7.8%	
Number of employees	5,894	6,588	-11%	5,894	6,588	-11%

Growth in order intake and revenue in Q3 2024 (vs. Q3 2023)

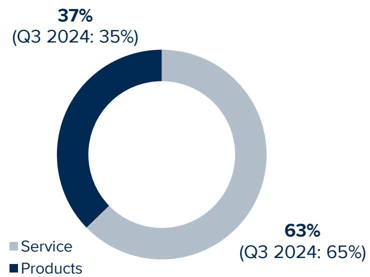
	Order intake	Revenue
Organic	-11%	0%
Currency	-3%	-2%
Total growth	**-14%**	**-2%**

Revenue and EBITA margin

DKKm EBITA margin %



Revenue split by Service and Products, Q3 2024



Cement financial performance

Global cement demand was mixed in Q3 2024 with general slowness in Western Europe, a continued decline in China and slower growth in emerging markets, partly offset by pockets of growth in certain other countries such as India, Poland, Turkey, Mexico and Nigeria.

During Q3 2024, a number of key indicators deteriorated in Western European markets as continued high interest rates and national debt ratios adversely impacted construction and infrastructure investment levels. In contrast, demand in India remains high, driven by residential and commercial construction and government infrastructure spending.

Outside India, expected clinker capacity expansion towards 2030 is overwhelmingly driven by other emerging markets. Solid growth is seen in parts of Africa, where Nigeria is expected to continue to lead the way, Pakistan and Central Asia, with relatively more moderate growth in Southeast Asia and Latin America. Carbon regulations are expected to constrain capacity growth in mature markets, where capital investments are likely focused on import terminals, grinding stations, and supplementary cementitious materials such as calcined clay.

The long-term outlook sees global investment in solutions and services supporting decarbonisation, such as improved energy efficiency, digitalisation, calcined clay, alternative fuels and carbon capture. These investments are expected to reach beyond traditional markets for such technologies, and we are already witnessing export producers investing in green solutions in preparation for the EU Carbon Border Adjustment Mechanism (CBAM) and equivalents in other markets. The Chinese cement market is also actively pursuing more sustainable technologies driven by government-set targets for carbon emissions reductions.

Order intake development in Q3 2024

Cement order intake decreased by 31% in Q3 2024 compared to Q3 2023. Excluding divestments and currency effects of 7%, the organic order intake decreased by 24%.

Service order intake decreased by 20% compared to Q3 2023, in large parts due to the AFT divestment in Q3 2023 and the MAAG divestment in Q1 2024. Adjusting for these divestments, Service order intake showed a single-digit decline. The year-on-year decline was driven by less favourable market conditions in especially Western Europe as well as the timing of the booking of certain larger service orders.

Products order intake decreased by 53% compared to Q3 2023. The year-on-year decline was in large parts driven by the impact of divestments, continued pruning of our product portfolio as well as our exit from project-oriented business with significant risk profiles and lower margins.

Service and Products comprised 78% and 22% of the total Cement order intake in Q3 2024, respectively, compared to 67% and 33% in Q3 2023.

Order intake development in 9M 2024

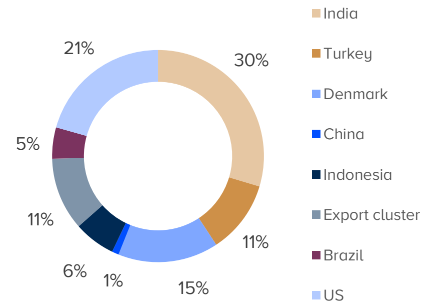
Cement order intake in the first nine months of 2024 declined by 25% compared to the same period in 2023. Excluding divestments and currency effects of 5%, the organic order intake decreased by 20%.

Service order intake decreased by 11% compared to the first three quarters of 2023, mainly due to the AFT divestment in Q3 2023 and the MAAG divestment in Q1 2024. This was partly offset by an increase in orders for our core service offerings, spare parts and professional services, as a result of the overall heightened focus on aftermarket sales and the ability to grow the share of wallet in our installed customer base.

Products order intake decreased by 48% compared to 9M 2023 driven in large parts by the impact of divestments, continued pruning of our product portfolio and our exit from project-oriented business with significant risk profiles and lower margins.

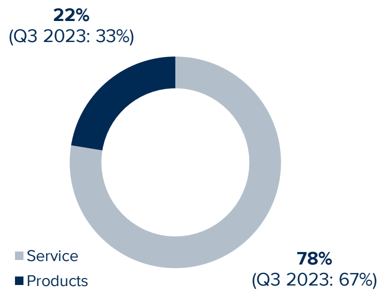
Service and Products comprised 74% and 26% of the total Cement order intake in 9M 2024, respectively, compared to 62% and 38% in 9M 2023.

Order intake split by cluster in Q3 2024



*For more information on clusters, please refer to page 31 in the 2023 Annual Report

Order intake split by Service and Products, Q3 2024



Cement financial performance

Revenue development in Q3 2024

Revenue decreased by 27% compared to Q3 2023. Excluding the effect from divestments and currency of 6%, revenue decreased organically by 21%. Service revenue decreased by 17% compared to Q3 2023 mainly due to the AFT divestment in Q3 2023 and the MAAG divestment in Q1 2024. Products revenue decreased by 39% compared to Q3 2023 driven by the impact of divestments as well as continued pruning of our product portfolio following our de-risking strategy. Service and Products comprised 59% and 41% of total Cement revenue in Q3 2024, respectively, compared to 51% and 49% in Q3 2023.

Gross profit development in Q3 2024

Gross profit increased by 1% compared to Q3 2023 as a result of continued good execution of higher-margin orders as well as release of provisions related to the completion of legacy projects. The corresponding gross margin increased by 10.6%-points to 38.1% in Q3 2024 compared to Q3 2023.

EBITA development in Q3 2024

The Adjusted EBITA margin was 10.8% when excluding transformation and separation costs of DKK 19m. The higher adjusted EBITA margin compared to Q3 2023 was driven by the higher gross profit and a reduction in SG&A costs. EBITA decreased by 45% to DKK 91m compared to DKK 164m in Q3 2023. The corresponding EBITA margin decreased by 2.8%-points to 8.9% in Q3 2024. Excluding the net gain of around DKK 100m from the sale of the AFT business, the EBITA margin would have been 4.7% in Q3 2023.

Cement

(DKKm)	Q3 2024	Q3 2023	Change (%)	9M 2024	9M 2023	Change (%)
Order intake	**843**	**1,225**	**-31%**	**2,891**	**3,844**	**-25%**
- Hereof service order intake	654	820	-20%	2,133	2,385	-11%
- Hereof products order intake	189	405	-53%	758	1,459	-48%
Order backlog	**3,976**	**5,438**	**-27%**	**3,976**	**5,438**	**-27%**
Revenue	**1,017**	**1,399**	**-27%**	**3,356**	**4,651**	**-28%**
- Hereof service revenue	598	717	-17%	1,967	2,477	-21%
- Hereof products revenue	419	682	-39%	1,389	2,174	-36%
Gross profit	**388**	**385**	**1%**	**1,014**	**1,173**	**-14%**
Gross margin	38.1%	27.5%		30.2%	25.2%	
Adjusted EBITA	**110**			**312**		
Adjusted EBITA margin	10.8%			9.3%		
EBITA	**91**	**164**	**-45%**	**244**	**304**	**-20%**
EBITA margin	8.9%	11.7%		7.3%	6.5%	
Number of employees	1,964	2,869	-32%	1,964	2,869	-32%

Employees

The number of employees in Cement was reduced by 905 compared to end Q3 2023. The reduction reflects the continued optimisation of our global footprint, simplification of the operating model to improve long-term profitability as well as the divestments of the AFT and MAAG businesses.

Revenue development in 9M 2024

Cement revenue decreased by 28% to DKK 3,356m in 9M 2024. Service and Products revenue decreased by 21% and 36%, respectively, due to both divestments and continued portfolio pruning. Excluding divestments and currency effects of 7%, revenue decreased organically by 21%.

Gross profit development in 9M 2024

Gross profit decreased by 14% to DKK 1,014m in 9M 2024 driven by the lower revenue. The corresponding gross margin of 30.2% was 5%-points higher than in 9M 2023, driven by good execution on higher-margin orders throughout the period.

EBITA development in 9M 2024

EBITA decreased by 20% in 9M 2024 with a corresponding EBITA margin of 7.3% compared to 6.5% in 9M 2023. The relatively higher EBITA margin reflected good execution on higher-margin orders and lower SG&A cost. Excluding transformation and separation costs of DKK 68m, the Adjusted EBITA margin was 9.3%. Excluding the net gain of around DKK 100m from the sale of the AFT business in Q3 2023 and DKK 30m from the MAAG sale in Q1 2024, the EBITA margin improved by 2%-points from 9M 2023 (4.4%) to 9M 2024 (6.4%).

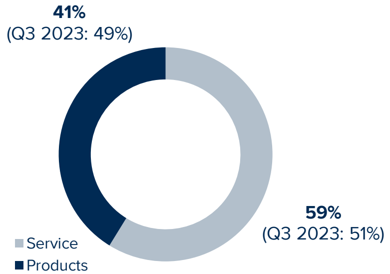
Growth in order intake and revenue in Q3 2024 (vs. Q3 2023)

	Order intake	Revenue
Organic	-24%	-21%
Divestments	-6%	-5%
Currency	-1%	-1%
Total growth	**-31%**	**-27%**

Revenue and EBITA margin

DKKm and EBITA margin

Revenue split by Service and Products, Q3 2024



Non-Core Activities financial performance

Order intake development in Q3 2024
The order intake for Non-Core Activities (NCA) of DKK 22m in Q3 2024 related to contractual obligations and orders of parts already in stock.

Order backlog development in Q3 2024
The order backlog amounted to DKK 403m by the end of Q3 2024 representing a decrease of DKK 32m compared to Q2 2024 and a decrease of DKK 128m compared to end of 2023. The decrease reflected execution of the order backlog as well as continued re-scoping and contract terminations. The majority of the remaining executable order backlog is to be executed in countries within the Asia Pacific and Europe, Central Asia and Northern Africa regions.

Revenue development in Q3 2024
Revenue amounted to DKK 36m in Q3 2024, all of which related to NCA Products.

Gross profit development in Q3 2024
Gross profit was negative by DKK 21m reflecting the general volatility and operationally loss-making nature of the NCA segment.

EBITA development in Q3 2024
NCA's EBITA amounted to DKK -8m, driven by negative gross profit, costs related to the ongoing exit of the segment's activities, partly offset by settlement of legacy projects.

Order intake development in 9M 2024
The order intake for NCA amounted to DKK 58m in 9M 2024 and is related to contractual obligations and orders on parts already in stock.

Revenue development in 9M 2024
NCA revenue amounted to DKK 130m in 9M 2024. Service and Products revenue represented 32% and 68%, respectively.

Gross profit development in 9M 2024
Gross profit amounted DKK -97m in 9M 2024 with a corresponding gross margin of -74.6%.

EBITA development in 9M 2024
EBITA in 9M 2024 amounted to DKK -169m with a corresponding EBITA margin of -130.0% reflecting the operationally loss-making nature of the NCA segment and costs related to the exit.

It remains the expectation that the NCA segment will be fully closed down by end-2024.

Non-Core Activities

(DKKm)	Q3 2024	Q3 2023	Change (%)	9M 2024	9M 2023	Change (%)
Order intake	**22**	**57**	**-61%**	**58**	**200**	**-71%**
- Hereof service order intake	1	48	-98%	5	149	-97%
- Hereof products order intake	21	9	133%	53	51	4%
Order backlog	**403**	**636**	**-37%**	**403**	**636**	**-37%**
Revenue	**36**	**230**	**-84%**	**130**	**857**	**-85%**
- Hereof service revenue	0	79	-100%	28	300	-91%
- Hereof products revenue	36	151	-76%	102	557	-82%
Gross profit	**(21)**	**9**	**333%**	**(97)**	**(57)**	**-70%**
Gross margin	-58.3%	3.9%		-74.6%	-6.7%	
EBITA	**(8)**	**(42)**	**81%**	**(169)**	**(263)**	**36%**
EBITA margin	-22.2%	-18.3%		-130.0%	-30.7%	
Number of employees	17	217	-92%	17	217	-92%

Consolidated financial performance Q3 2024

Order intake

Order intake decreased by 18% in Q3 2024 to DKK 4,589m compared to DKK 5,601m in Q3 2023. Excluding divestments in Cement and currency effects of 4%, order intake decreased organically by 14%.

Service order intake decreased by 11% compared to Q3 2023, driven by a decrease in the Cement business of 20% and in the Mining business of 6%. Products order intake decreased by 33% compared to Q3 2023 driven by lower order intake for both the Mining and Cement businesses.

Service and Products represented 72% and 28% of total order intake, respectively, compared to 66% and 34% in Q3 2023.

Order backlog and maturity

The order backlog decreased by 5% to DKK 15,678m compared to the prior quarter (Q2 2024: DKK 16,518m) as the order intake in Q3 2024 was more than offset by the de-risking strategy, the ongoing execution of the order backlog and current market conditions.

Outstanding order backlog related to Russian and Belarusian contracts was unchanged and amounted to DKK 0.1bn at the end of Q3 2024. All of the remaining backlog is suspended by FLSmidth, and potential termination options are being investigated. Due to the uncertain nature of these contracts, they have been included in the backlog maturity for '2026 and beyond.

Backlog maturity	Mining	Cement	Non-Core Activities	FLSmidth Group
2024	17%	12%	17%	16%
2025	61%	57%	0%	58%
2026 and beyond	22%	31%	83%	26%

At the end of Q3 2024, outstanding backlog for the NCA segment amounted to DKK 403m. As a portion of the backlog is expected to be terminated, this has consequently been included in the backlog maturity for '2026 and beyond'.

Group

(DKKm)	Q3 2024	Q3 2023	Change (%)	9M 2024	9M 2023	Change (%)
Order intake	**4,589**	**5,601**	**-18%**	**14,272**	**16,756**	**-15%**
- Hereof service order intake	3,304	3,694	-11%	10,365	10,876	-5%
- Hereof products order intake	1,285	1,907	-33%	3,907	5,880	-34%
Order backlog	**15,678**	**19,933**	**-21%**	**15,678**	**19,933**	**-21%**
Revenue	**5,059**	**5,723**	**-12%**	**14,856**	**18,138**	**-18%**
- Hereof service revenue	3,111	3,439	-10%	9,470	10,953	-14%
- Hereof products revenue	1,948	2,284	-15%	5,386	7,185	-25%
Gross profit	**1,672**	**1,636**	**2%**	**4,665**	**4,530**	**3%**
Gross margin	33.1%	28.6%		31.4%	25.0%	
SG&A cost	**(1,068)**	**(1,186)**	**-10%**	**(3,153)**	**(3,381)**	**-7%**
SG&A ratio	21.1%	20.7%		21.2%	18.6%	
Adjusted EBITA	**636**	**579**	**10%**	**1,585**	**1,369**	**16%**
Adjusted EBITA margin	12.6%	10.1%		10.7%	7.5%	
EBITA	**579**	**460**	**26%**	**1,375**	**1,026**	**34%**
EBITA margin	11.4%	8.0%		9.3%	5.7%	
Number of employees	7,875	9,674	-19%	7,875	9,674	-19%

*SG&A cost has now been presented without Other operating net income. Comparative information has been restated.

Revenue

Revenue decreased by 12% to DKK 5,059m in Q3 2024, compared to Q3 2023, driven by lower revenue in both the Mining and Cement businesses. Excluding the effect of 4% from divestments in Cement and currency, revenue decreased organically by 8% compared to Q3 2023.

The decrease in Service revenue by 10% compared to Q3 2023 was driven by both the Mining and Cement businesses. For Mining, the decrease was due to lower revenue in professional services. For Cement, the development reflects primarily the divestments.

Products revenue decreased by 15% compared to Q3 2023 driven by the Cement business as a result of our de-risking strategy and divestments. The decline was partly offset by relatively higher Mining Products revenue.

Service and Products revenue accounted for 61% and 39% of total revenue in Q3 2024, respectively, compared to 60% and 40%, respectively, in Q3 2023.

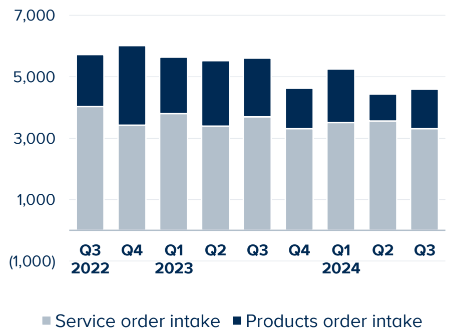
Growth in order intake in Q3 2024 (vs. Q3 2023)

	Mining	Cement	Non-Core Activities	FLSmidth Group
Organic	-11%	-24%	-61%	-14%
Divestments	0%	-6%	0%	-1%
Currency	-3%	-1%	0%	-3%
Total growth	**-14%**	**-31%**	**-61%**	**-18%**

Growth in revenue in Q3 2024 (vs. Q3 2023)

	Mining	Cement	Non-Core Activities	FLSmidth Group
Organic	0%	-21%	-85%	-8%
Divestments	0%	-5%	0%	-1%
Currency	-2%	-1%	1%	-3%
Total growth	**-2%**	**-27%**	**-84%**	**-12%**

Order intake split by Service and Products Q3 2024



Profit in Q3 2024

Gross profit and margin

Gross profit increased by 2% to DKK 1,672m in Q3 2024, compared to DKK 1,636m in Q3 2023. The corresponding gross margin increased to 33.1% in Q3 2024 compared to 28.6% in Q3 2023. The gross margin reflects good execution of higher-margin orders following our de-risking strategy partly offset by lower revenue in the quarter. The gross margin level represents the highest gross margin achieved in several years.

Research & development costs

In Q3 2024, total research and development costs (R&D) amounted to DKK 83m, representing 1.6% of revenue (Q3 2023: 1.7%).

(DKKm)	Q3 2024	Q3 2023
Expensed	26	34
Capitalised	57	62
Total R&D	**83**	**96**

SG&A costs

Sales, general and administrative costs (SG&A) decreased by 10% to DKK 1,068m compared to Q3 2023, reflecting the positive effects from our ongoing transformation efforts and the realised synergies from the acquisition of Mining Technologies. Further, the decrease reflected that one-off costs related to the integration of Mining Technologies incurred in Q3 2023 exceeded the transformation and separation costs incurred in Q3 2024. Currencies had a favourable impact on SG&A of DKK 14m in the quarter.

SG&A costs as a percentage of revenue increased to 21.1% in Q3 2024 compared to 20.7% in Q3 2023 due to the lower revenue.

EBITA and margin

Excluding transformation and separation costs of DKK 57m, the Adjusted Group EBITA margin was 12.6% in Q3 2024 compared to 10.1% in Q3 2023. Including these costs, the EBITA margin was 11.4% in Q3 2024 compared to 8.0% in Q3 2023. Excluding the net gain of around DKK 100m from the sale of the AFT business, the EBITA margin would have been 6.3% in Q3 2023.

Amortisation of intangible assets

Amortisation of intangible assets amounted to DKK 60m (Q3 2023: DKK 56m). The effect of purchase price allocations amounted to DKK 10m (Q3 2023: DKK 11m) and other amortisation to DKK 50m (Q3 2023: DKK 45m).

Financial items

Net financial items amounted to DKK -67m (Q3 2023: DKK 31m), of which net interest amounted to DKK -27m (Q3 2023: DKK -29m) and foreign exchange and fair value adjustments amounted to DKK -42m (Q3 2023: DKK 50m).

Tax

Tax in Q3 2024 totalled DKK -163m (Q3 2023: -161m), corresponding to an effective tax rate of 36.0% (Q3 2023: 37.0%). This includes impact from withholding tax in both periods.

Profit for the period

Profit in Q3 2024 was DKK 289m (Q3 2023: DKK 272m) driven by the improved profitability partly offset by an increase in financial costs.

Return on capital employed

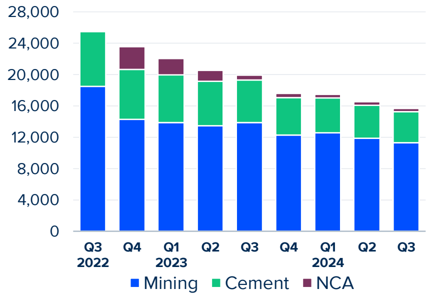
Return on capital employed (ROCE) increased to 8.8% (Q3 2023: 5.6%) due to higher earnings and a decrease in net working capital compared to Q3 2023.

Employees

The number of employees decreased by 350 to 7,875 at the end of Q3 2024, compared to 8,225 at the end of Q2 2024. The decrease was driven by workforce reductions across all business segments relating to footprint optimisation and the continued rightsizing of the organisation.

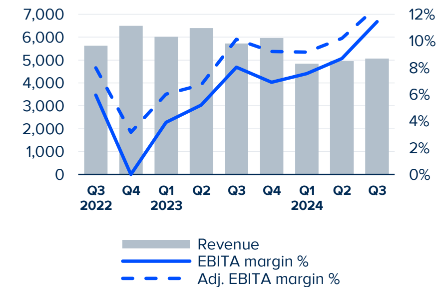
Backlog

DKKm



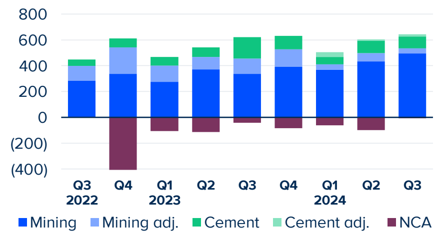
Revenue & EBITA margin

DKKm EBITA margin %



EBITA

DKKm



Capital in Q3 2024

Cash flow from operating activities

Cash flow from operating activities (CFFO) amounted to DKK 357m in Q3 2024 (Q3 2023: DKK -276m). The CFFO was positively impacted by DKK 205m from changes in the carrying amount of provisions, pension and employee benefits but negatively impacted by changes in net working capital. In Q3 2023, changes in both net working capital and provisions impacted CFFO negatively.

Cash flow from investing activities

Cash flow from investing activities amounted to DKK -229m (Q3 2023: DKK 125m) due to R&D and investments in production and warehousing capacity.

Cash flow from financing activities

Cash flow from financing activities amounted to DKK -189m (Q3 2023: DKK -113m) as a result of cash positions being utilised to pay parts of the external loans.

Free cash flow

Free cash flow (the sum of cash flow from operating and investing activities) amounted to DKK 128m in the quarter (Q3 2023: DKK -151m). Free cash flow adjusted for business acquisitions and disposals amounted to DKK 129m in Q3 2024 (Q3 2023: DKK -436m).

Net working capital

Net working capital increased by DKK 187m to DKK 2,208m at the end of Q3 2024 (end of Q2 2024: DKK 2,021m). The increase was primarily driven by an increase in net work-in-progress due to the commencement of the execution of certain orders for which milestone payments from customers are yet to be received.

The corresponding net working capital ratio increased from 9.4% of revenue in Q2 2024 to 10.6% in Q3 2024 in line with expectations.

Utilisation of supply chain financing decreased slightly to DKK 496m in Q3 2024 (Q2 2024: 504m).

Net interest-bearing debt

Net interest-bearing debt (NIBD) at 30 September 2024 decreased to DKK 1,180m (Q2 2024: DKK 1,227m). The financial gearing end of Q3 2024 amounted to 0.6x (Q2 2024: 0.7x) and remains comfortably below our target level of less than 2.0x.

Financial position

By the end of Q3 2024, FLSmidth had DKK 6.3bn of available committed credit facilities of which DKK 4.2bn remained undrawn. The committed credit facilities have a weighted average time to maturity of 2.8 years.

Credit facilities of DKK 5.0bn and DKK 1.1bn will mature in 2027 and 2030, respectively. The remaining DKK 0.2bn mature in later years. Additionally, FLSmidth has DKK 0.8bn of un-committed credit facilities available.

Equity ratio

Equity at the end of Q3 2024 decreased to DKK 11,094m (end of Q2 2024: DKK 11,112m), driven primarily by currency adjustments. The equity ratio was 40.2% at the end of Q3 2024 (end of Q2 2024: 39.6%).

Treasury shares

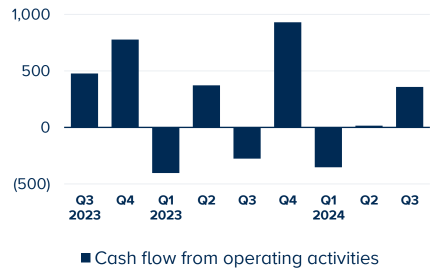
The holding of treasury shares as of 30 September 2024 has decreased from Q2 2024 and amounts to 813,075 shares, representing 1.41% of the total share capital. Treasury shares are used to cover our obligations under the company's share-based incentive programmes.

Other business

In November 2024, FLSmidth announced that Chris Reinbold, Mining Products Business Line President, is to step down from his role and will leave FLSmidth by the end of November 2024. FLSmidth has initiated the process of identifying a replacement and expects the process to be concluded in the near future.

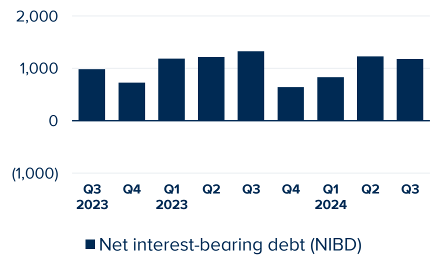
Cash flow

DKKm



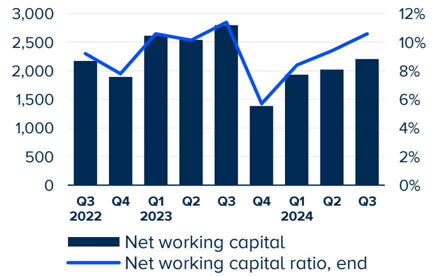
Net interest-bearing debt

DKKm



Net working capital

DKKm NWC%



Consolidated financial performance 9M 2024

Order intake
Order intake decreased by 15% to DKK 14,272m. Excluding divestments and currency effects, order intake decreased by 12%. Service order intake decreased by 5% driven primarily by the divestments in Cement. Products order intake decreased by 34%, driven by both Mining and Cement.

Mining Service orders decreased by 1% in 9M 2024 reflecting stable and healthy market conditions. Mining Products orders decreased by 29% due to our general de-risking strategy as well as customer hesitation on larger capital investments. Mining Products order intake in 9M 2024 included three large, announced orders with a combined value of approximately DKK 1.0bn compared to five large, announced orders with a combined value of approximately DKK 1.9bn in 9M 2023.

Cement order intake decreased by 25% primarily due to a 48% decrease in Products order intake compared to 9M 2023 driven by the continued pruning of our product portfolio, exit from larger projects, our strategic focus on profitability and divestments. Cement Service order intake decreased 11% compared to 9M 2023 driven by strategic choices to reduce upgrades and retrofits order intake.

Order backlog
The order backlog decreased by 21% to DKK 15,678m by end of Q3 2024. The lower backlog is related to both Mining and Cement, which decreased by 18% and 27%, respectively.

Revenue
Revenue decreased by 18% to DKK 14,856m in 9M 2024 comprising a decrease of 10% in Mining and 28% in Cement. Excluding divestments and currency effects revenue decreased by 15% compared to 9M 2023. In line with expectations, 9M 2024 included DKK 130m in revenue from Non-Core Activities. Mining revenue comprised a decrease of 9% in Service revenue and a 13% decrease in Products revenue due to our de-risking strategy and timing of the execution of certain orders. In the first nine months of 2024, Cement showed a decrease of 21% and 36% in Service and Products revenue, respectively due to the completed divestments and the continued pruning of the product portfolio following our de-risking strategy.

Profit in 9M 2024

Gross profit and margin
Gross profit in the first nine months of 2024 increased by 3% to DKK 4,665m. The corresponding gross margin increased by 6.4%-points to 31.4%. The strong gross margin was driven by good execution on higher-margin orders and lower cost of production partly offset by the cost related to the ongoing exit from our Non-Core Activities segment.

Research and Development costs were DKK 251m (9M 2023: DKK 274m), of which DKK 137m were capitalised (9M 2023: DKK 151m).

EBITA and margin
Adjusted EBITA of DKK 1,585m exclude transformation and separation costs of DKK 210m. The corresponding adjusted Group EBITA margin was 10.7% in 9M 2024. Including transformation and separation cost, EBITA was DKK 1,375m with an EBITA margin of 9.3% in 9M 2024 compared to 5.7% in 9M 2023 (5.1% if excluding the net gain of around DKK 100m from the sale of the AFT business).

Excluding the net gain of around DKK 30m from the sale of the MAAG business, the EBITA margin was 9.1% and the Adjusted EBITA margin was 10.5%.

Financial items
Net financial items amounted to DKK -149m (9M 2023: DKK -57m), of which foreign exchange and fair value adjustments amounted to DKK -12m (9M 2023: DKK 9m). Net interest amounted to DKK -98m (9M 2023: DKK -66m). Financial items also include a loss from associates of -39m (9M 2023: DKK 0m) due to an impairment loss on the investment following a downward revision of expected future performance.

Tax
Tax for 9M 2024 totalled DKK -377m (9M 2023: DKK -291m), corresponding to an effective tax rate of 36.0% (9M 2023: 36.8%).

Profit for the period
Profit for the period was a gain of DKK 670m compared to a DKK 474m gain in the first nine months of 2023.

Earnings per share
Earnings per share (diluted) increased to DKK 11.5 from DKK 8.3 in the first nine months of 2023.

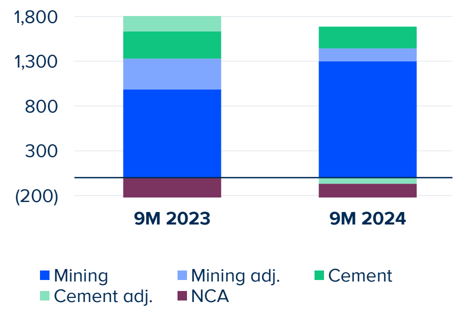
Growth in order intake in 9M 2024 (vs. 9M 2023)

	Mining	Cement	Non-Core Activities	FLSmidth Group
Organic	-9%	-20%	-71%	-12%
Divestments	0%	-4%	0%	-1%
Currency	-2%	-1%	0%	-2%
Total growth	**-11%**	**-25%**	**-71%**	**-15%**

Growth in revenue in 9M 2024 (vs. 9M 2023)

	Mining	Cement	Non-Core Activities	FLSmidth Group
Organic	-8%	-21%	-85%	-15%
Divestments	0%	-6%	0%	-2%
Currency	-2%	-1%	0%	-1%
Total growth	**-10%**	**-28%**	**-85%**	**-18%**

EBITA split by segment
DKKm



Capital in 9M 2024

Net working capital

Net working capital increased in 9M 2024 to DKK 2,208m (end of 2023: DKK 1,382m). The corresponding net working capital ratio was 10.6% of 12-months trailing revenue, compared to 5.7% at the end of 2023.

The increase was primarily driven by payments to suppliers leading to a reduction in trade payables and increases in amounts due from customers for work performed as the execution of the backlog during 9M 2024 exceeded milestone invoicing to customers.

Cash flow from operating activities

Cash flow from operating activities increased to DKK 19m (9M 2023: DKK -308m). CFFO was positively impacted by higher earnings and by DKK 135m from changes in the carrying amount of provisions, pension and employee benefits partly offset by the change in net working capital of DKK 1,082m.

Cash flow from investing activities

Cash flow used for investments was DKK -286m compared to DKK -53m in the first nine months of 2023. The cash flow was positively impacted by the sale of the MAAG business and negatively impacted by the payment for the acquisition of Farnell-Thompson in Q1 2024.

Cash flow from financing activities

Cash flow from financing activities amounted to DKK 367m as the negative cash flow from investing activities of DKK 286m and paid dividends of DKK 228m were funded by interest-bearing debt.

Free cash flow

Free cash flow (the sum of cash flow from operating and investing activities) amounted to DKK -267m (9M 2023: DKK -361m). Free cash adjusted for business acquisitions and disposals amounted to DKK -415m in 9M 2024 (9M 2023: DKK -604m).

Balance sheet

Total assets increased to DKK 27,619m by 30 September 2024 (end of 2023: DKK 27,011), primarily related to increased net working capital assets.

Net interest-bearing debt

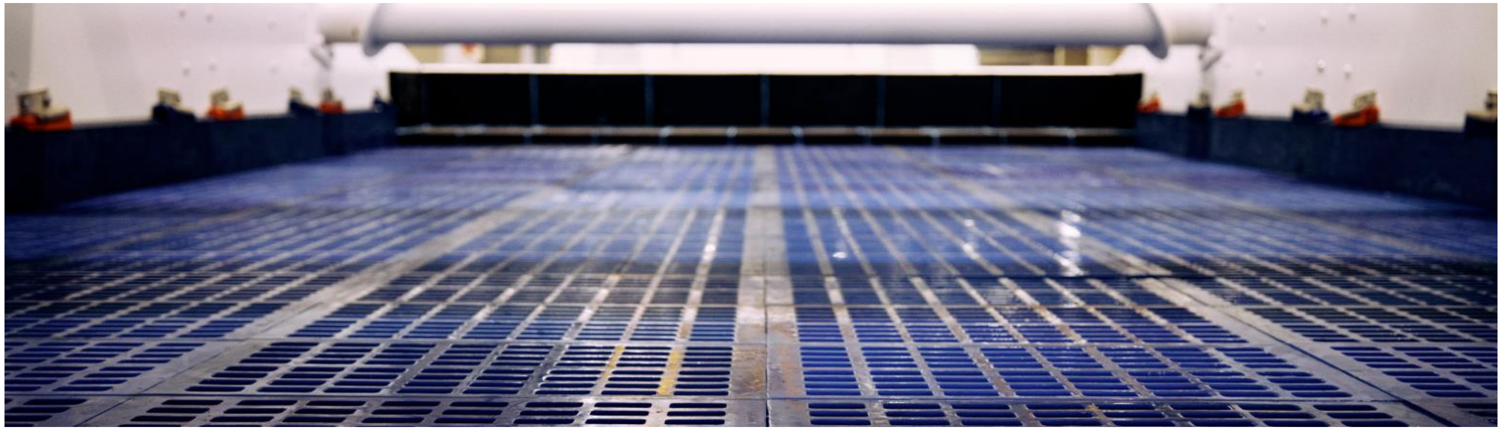
Net interest-bearing debt (NIBD) by 30 September 2024 increased to DKK 1,180m (end of 2023: DKK 639m). The increase in debt was primarily due to the increase in working capital in the first nine months of 2024. The Group's financial gearing in 9M 2024 increased to 0.6x (end of 2023: 0.4x) following the increase in NIBD.

Equity

Equity at end of 9M 2024 increased to DKK 11,094m (end of 2023: DKK 10,828m). The increase was driven by currency adjustments, profit for the period and dividend paid out amounting to DKK 228m.

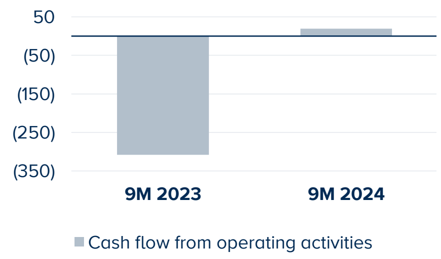
Treasury shares

The holding of treasury shares as of 30 September 2024 has increased from year end 2023 and totals 813,075 shares, representing 1.41% of the total share capital. Treasury shares are used to hedge our share-based incentive programmes.



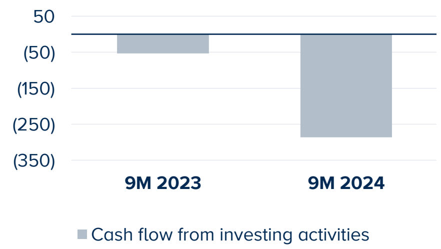
Cash flow from operating activities

DKKm



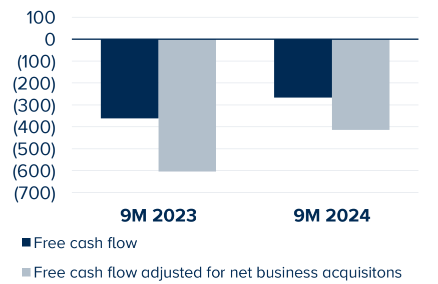
Cash flow from investing activities

DKKm



Free cash flow

DKKm



Consolidated Condensed Interim Financial statements

Income statement

Notes	DKKm	Q3 2024	Q3 2023	9M 2024	9M 2023
3, 4	Revenue	5,059	5,723	14,856	18,138
	Production costs	(3,387)	(4,087)	(10,191)	(13,608)
	Gross profit	**1,672**	**1,636**	**4,665**	**4,530**
	Sales costs	(419)	(407)	(1,280)	(1,265)
	Administrative costs	(649)	(779)	(1,873)	(2,116)
10	Other operating net income	40	88	75	126
	EBITDA	**644**	**538**	**1,587**	**1,275**
	Depreciation and impairment of property, plant and equipment and lease assets	(65)	(78)	(212)	(249)
	EBITA	**579**	**460**	**1,375**	**1,026**
	Amortisation and impairment of intangible assets	(60)	(56)	(179)	(178)
	EBIT	**519**	**404**	**1,196**	**848**
	Financial income	159	303	566	1,095
	Financial costs	(226)	(272)	(715)	(1,152)
	EBT	**452**	**435**	**1,047**	**791**
	Tax for the period	(163)	(161)	(377)	(291)
	Profit for the period, continuing activities	**289**	**274**	**670**	**500**
3, 7	Profit (loss) for the period, discontinued activities	0	(2)	0	(26)
	Profit for the period	**289**	**272**	**670**	**474**
	Attributable to:				
	Shareholders in FLSmidth & Co. A/S	287	274	662	477
	Minority interests	2	(2)	8	(3)
		289	**272**	**670**	**474**
	Earnings per share (EPS):				
	Continuing and discontinued activities per share (DKK)	5.0	4.8	11.6	8.4
	Continuing and discontinued activities per share, diluted (DKK)	5.0	4.8	11.5	8.3
	Continuing activities per share (DKK)	5.0	4.8	11.6	8.9
	Continuing activities per share, diluted (DKK)	5.0	4.8	11.5	8.8

Statement of comprehensive income

Notes	DKKm	Q3 2024	Q3 2023	9M 2024	9M 2023
	Profit for the period	**289**	**272**	**670**	**474**
	Items that will not be reclassified to profit or loss:				
	Actuarial gains on defined benefit plans	5	24	10	33
	Items that are or may be reclassified subsequently to profit or loss:				
	Currency adjustments regarding translation of entities	(326)	122	(178)	(30)
	Reclassification of currency adjustments on disposal	0	0	(18)	0
	Cash flow hedging:				
	- Value adjustments for the period	(6)	(15)	(21)	14
	- Value adjustments transferred to work in progress	6	1	8	10
	Tax of total other comprehensive income	(1)	(3)	0	(16)
	Other comprehensive income for the period after tax	**(322)**	**129**	**(199)**	**11**
	Comprehensive income for the period	**(33)**	**401**	**471**	**485**
	Attributable to:				
	Shareholders in FLSmidth & Co. A/S	(34)	405	465	485
	Minority interests	1	(4)	6	0
		(33)	**401**	**471**	**485**

Cash flow statement

Notes	DKKm	Q3 2024	Q3 2023	9M 2024	9M 2023
	EBITDA	644	538	1,587	1,275
3	EBITDA, discontinued activities	0	(1)	0	(14)
	Adjustment for gain on sale of property, plant and equipment and other non-cash items	18	(87)	23	(79)
	Change in provisions, pension and employee benefits	205	(97)	135	250
8	Change in net working capital	(347)	(442)	(1,082)	(1,074)
	Cash flow from operating activities before financial items and tax	**520**	**(89)**	**663**	**358**
	Financial items received and paid	(32)	(29)	(104)	(67)
	Taxes paid	(131)	(158)	(540)	(599)
	Cash flow from operating activities	**357**	**(276)**	**19**	**(308)**
9	Acquisition of enterprises and activities	0	0	(93)	(42)
	Acquisition of intangible assets	(102)	(88)	(227)	(208)
	Acquisition of property, plant and equipment	(125)	(76)	(263)	(134)
	Acquisition of financial assets	(1)	(1)	(4)	(3)
10	Disposal of enterprises and activities	(1)	285	241	285
	Disposal of property, plant and equipment	0	5	60	39
	Disposal of financial assets	0	0	0	1
	Dividend from associates	0	0	0	9
	Cash flow from investing activities	**(229)**	**125**	**(286)**	**(53)**
	Dividend paid	0	0	(227)	(170)
	Buyout of minority interests	0	0	0	(13)
	Acquisition of treasury shares	0	(1)	(19)	(1)
	Repayment of lease liabilities	(23)	(29)	(71)	(96)
	Change in interest bearing debt	(166)	(83)	684	68
	Cash flow from financing activities	**(189)**	**(113)**	**367**	**(212)**
	Change in cash and cash equivalents	**(61)**	**(264)**	**100**	**(573)**
	Cash and cash equivalents at beginning of period	1,512	1,754	1,352	2,130
	Foreign exchange adjustment, cash and cash equivalents	(24)	20	(25)	(47)
	Cash and cash equivalents at 30 September	**1,427**	**1,510**	**1,427**	**1,510**

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

Free cash flow

DKKm	Q3 2024	Q3 2023	9M 2024	9M 2023
Free cash flow	128	(151)	(267)	(361)
Free cash flow, adjusted for acquisitions and disposals of enterprises and activities	129	(436)	(415)	(604)

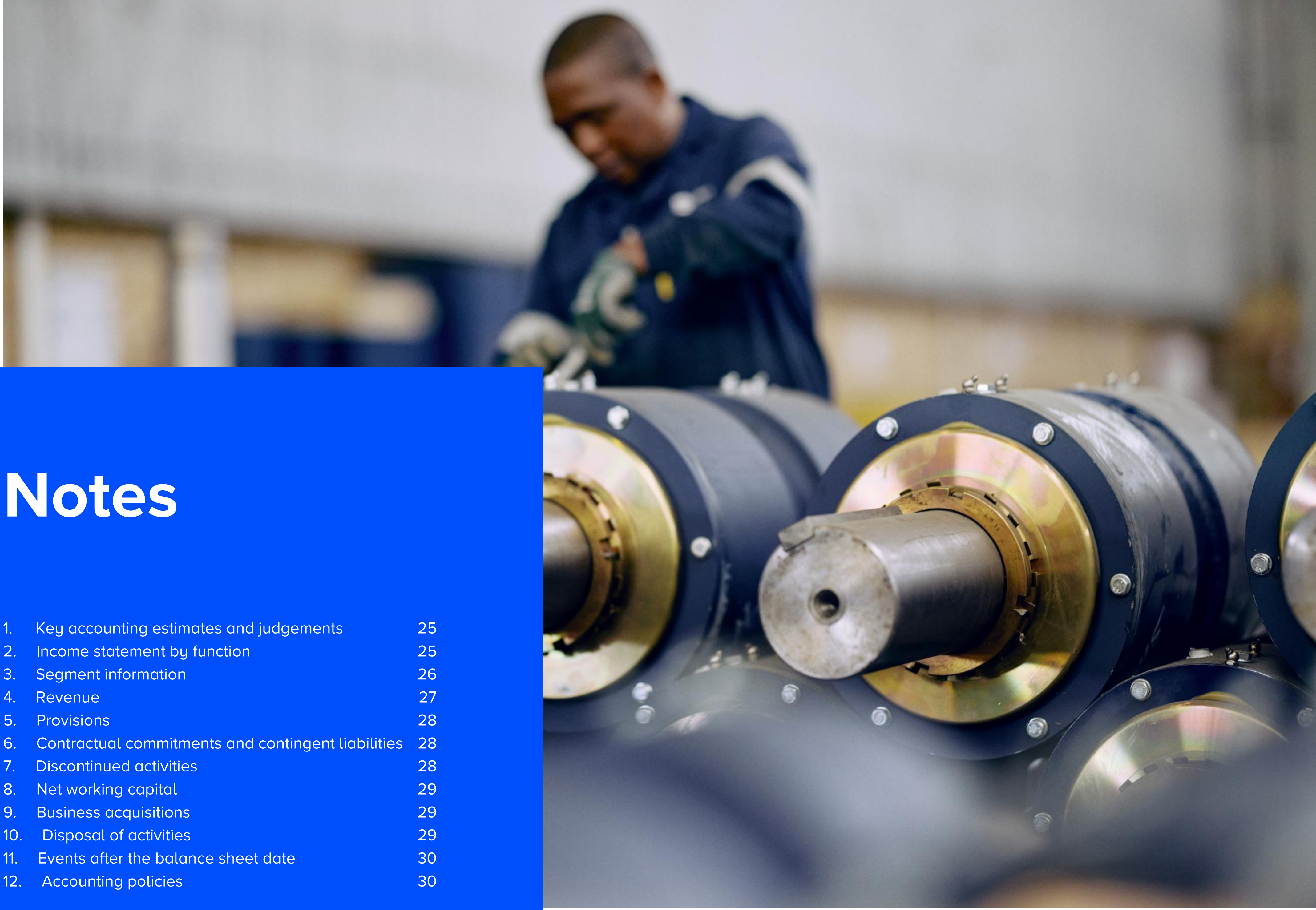
Balance sheet

Notes	DKKm	30/09 2024	31/12 2023	30/09 2023
	Assets			
	Goodwill	6,461	6,448	6,573
	Patents and rights	634	688	707
	Customer relations	293	331	351
	Other intangible assets	101	143	123
	Completed development projects	121	174	159
	Intangible assets under development	877	653	608
	Intangible assets	**8,487**	**8,437**	**8,521**
	Land and buildings	1,582	1,777	1,848
	Plant and machinery	336	391	404
	Operating equipment, fixtures and fittings	96	117	120
	Tangible assets in course of construction	297	104	98
	Property, plant and equipment	**2,311**	**2,389**	**2,470**
	Deferred tax assets	2,231	2,314	1,912
	Investments in associates	42	81	140
	Other securities and investments	54	56	58
	Other non-current assets	**2,327**	**2,451**	**2,110**
	Non-current assets	**13,125**	**13,277**	**13,101**
	Inventories	3,416	3,450	3,847
	Trade receivables	4,639	4,516	4,855
	Work in progress	2,915	2,769	3,450
	Prepayments	486	423	548
	Income tax receivables	648	229	695
	Other receivables	963	995	1,230
	Cash and cash equivalents	1,427	1,352	1,510
	Current assets	**14,494**	**13,734**	**16,135**
	Total assets	**27,619**	**27,011**	**29,236**

Notes	DKKm	30/09 2024	31/12 2023	30/09 2023
	Equity and liabilities			
	Share capital	1,153	1,153	1,153
	Foreign exchange adjustments	(1,073)	(879)	(550)
	Cash flow hedging	(45)	(32)	(46)
	Retained earnings	11,082	10,615	10,600
	Shareholders in FLSmidth & Co. A/S	**11,117**	**10,857**	**11,157**
	Minority interests	(23)	(29)	(26)
	Equity	**11,094**	**10,828**	**11,131**
	Deferred tax liabilities	218	207	181
	Pension obligations	325	363	377
5	Provisions	666	660	892
	Lease liabilities	83	132	138
	Bank loans and mortgage debt	2,179	1,633	2,396
	Prepayments from customers	191	338	463
	Income tax liabilities	110	110	104
	Other liabilities	46	53	61
	Non-current liabilities	**3,818**	**3,496**	**4,612**
	Pension obligations	1	2	2
5	Provisions	1,643	1,635	1,882
	Lease liabilities	89	101	104
	Bank loans and mortgage debt	202	54	87
	Prepayments from customers	1,767	1,595	1,717
	Work in progress	2,914	3,025	3,512
	Trade payables	3,440	4,024	3,719
	Income tax payables	466	277	524
	Other liabilities	2,185	1,974	1,946
	Current liabilities	**12,707**	**12,687**	**13,493**
	Total liabilities	**16,525**	**16,183**	**18,105**
	Total equity and liabilities	**27,619**	**27,011**	**29,236**

Equity statement

							9M 2024							**9M 2023**
DKKm	**Share capital**	**Currency adjust-ments**	**Cash flow hedging**	**Retained earnings**	**Share-holders in FLSmidth & Co A/S**	**Minority interests**	**Total**	**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**	**(879)**	**(32)**	**10,615**	**10,857**	**(29)**	**10,828**	**1,153**	**(517)**	**(70)**	**10,247**	**10,813**	**(26)**	**10,787**
Comprehensive income for the period														
Profit/loss for the period				662	662	8	670				477	477	(3)	474
Other comprehensive income														
Actuarial gains/(losses) on defined benefit plans				10	10		10				33	33		33
Currency adjustments regarding translation of entities		(176)			(176)	(2)	(178)		(33)			(33)	3	(30)
Reclassification of currency adjustments on disposal		(18)			(18)		(18)					0		0
Cash flow hedging:														
- Value adjustments for the period			(21)		(21)		(21)			14		14		14
- Value adjustments transferred to work in progress			8		8		8			10		10		10
Tax on other comprehensive income				0	0		0				(16)	(16)		(16)
Other comprehensive income total	**0**	**(194)**	**(13)**	**10**	**(197)**	**(2)**	**(199)**	**0**	**(33)**	**24**	**17**	**8**	**3**	**11**
Comprehensive income for the period	**0**	**(194)**	**(13)**	**672**	**465**	**6**	**471**	**0**	**(33)**	**24**	**494**	**485**	**0**	**485**
Transactions with owners:														
Dividend paid				(227)	(227)		(227)				(170)	(170)		(170)
Share-based payment				41	41		41				43	43		43
Buyout of minority interests					0		0				(13)	(13)		(13)
Acquisition of treasury shares				(19)	(19)		(19)				(1)	(1)		(1)
Equity at 30 September	**1,153**	**(1,073)**	**(45)**	**11,082**	**11,117**	**(23)**	**11,094**	**1,153**	**(550)**	**(46)**	**10,600**	**11,157**	**(26)**	**11,131**



Notes

1. Key accounting estimates and judgements

When preparing the consolidated condensed interim 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 interim financial statements are categorised as key accounting estimates and judgements. Key accounting estimates and judgements are regularly assessed to adapt to the market conditions and changes in political and economic factors.

Areas affected by key accounting estimates and judgements are unchanged from the Annual report 2023, however, with no significant business acquisition made during the period. Therefore, key accounting judgements are made in relation to the accounting of revenue when determining the recognition method, while key accounting estimates relate to the estimation of warranty provisions and the valuation of inventories, trade receivables, work in progress and deferred tax assets.

For further details, reference is made to Annual Report 2023, Key accounting estimates and judgements, page 69 and to specific notes.

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	Q3 2024	Q3 2023	9M 2024	9M 2023
Revenue	5,059	5,723	14,856	18,138
Production costs	(3,455)	(4,144)	(10,399)	(13,809)
Gross profit	**1,604**	**1,579**	**4,457**	**4,329**
Sales costs, including depreciation and amortisation	(425)	(412)	(1,297)	(1,283)
Administrative costs, including depreciation and amortisation	(700)	(851)	(2,039)	(2,324)
Other operating net income	40	88	75	126
EBIT	**519**	**404**	**1,196**	**848**
Depreciation, amortisation and impairment consist of:				
Depreciation and impairment of property, plant and equipment and lease assets	(65)	(78)	(212)	(249)
Amortisation and impairment of intangible assets	(60)	(56)	(179)	(178)
	(125)	**(134)**	**(391)**	**(427)**
Depreciation, amortisation and impairment are divided into:				
Production costs	(68)	(57)	(208)	(201)
Sales costs	(6)	(5)	(17)	(18)
Administrative costs	(51)	(72)	(166)	(208)
	(125)	**(134)**	**(391)**	**(427)**

3. Segment information

	9M 2024				9M 2023				
								FLSmidth Group	
DKKm	Mining	Cement	Non-Core Activities	Total	Mining	Cement	Non-Core Activities	Continuing activities	Discontinued activities[1]
Revenue	**11,370**	**3,356**	**130**	**14,856**	**12,630**	**4,651**	**857**	**18,138**	**0**
Production costs	(7,622)	(2,342)	(227)	(10,191)	(9,216)	(3,478)	(914)	(13,608)	(9)
Gross profit	**3,748**	**1,014**	**(97)**	**4,665**	**3,414**	**1,173**	**(57)**	**4,530**	**(9)**
SG&A cost	(2,305)	(777)	(71)	(3,153)	(2,261)	(929)	(191)	(3,381)	(5)
Other operating net income	41	33	1	75	2	124	0	126	0
EBITDA	**1,484**	**270**	**(167)**	**1,587**	**1,155**	**368**	**(248)**	**1,275**	**(14)**
Depreciation and impairment of property, plant and equipment and lease assets	(184)	(26)	(2)	(212)	(170)	(64)	(15)	(249)	0
EBITA	**1,300**	**244**	**(169)**	**1,375**	**985**	**304**	**(263)**	**1,026**	**(14)**
Amortisation and impairment of intangible assets	(158)	(21)	0	(179)	(127)	(51)	0	(178)	0
EBIT	**1,142**	**223**	**(169)**	**1,196**	**858**	**253**	**(263)**	**848**	**(14)**
Order intake	11,323	2,891	58	14,272	12,712	3,844	200	16,756	0
Order backlog	11,299	3,976	403	15,678	13,859	5,438	636	19,933	0
Gross margin	*33.0%*	*30.2%*	*-74.6%*	*31.4%*	*27.0%*	*25.2%*	*-6.7%*	*25.0%*	
EBITDA margin	*13.1%*	*8.0%*	*-128.5%*	*10.7%*	*9.1%*	*7.9%*	*-28.9%*	*7.0%*	
EBITA margin	*11.4%*	*7.3%*	*-130.0%*	*9.3%*	*7.8%*	*6.5%*	*-30.7%*	*5.7%*	
EBIT margin	*10.0%*	*6.6%*	*-130.0%*	*8.1%*	*6.8%*	*5.4%*	*-30.7%*	*4.7%*	
Number of employees at 30 September	**5,894**	**1,964**	**17**	**7,875**	**6,588**	**2,869**	**217**	**9,674**	**0**
Reconciliation of profit before tax for the period									
EBIT				1,196				848	(14)
Financial income				566				1,095	3
Financial costs				(715)				(1,152)	(15)
EBT				**1,047**				**791**	**(26)**

1) From 1 January 2024, the remaining responsibilities to finalise legacy projects related to the non-mining bulk material handling sold in 2019 is included in Non-Core Activities. In 2023, it was presented as discontinued activities.

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 NCA segment reflects execution of the backlog and 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 2023.

Backlog

The order backlog at 30 September 2024 amounted to DKK 15,678m (end of 9M 2023: DKK 19,933m).

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 on timing of revenue recognition principle

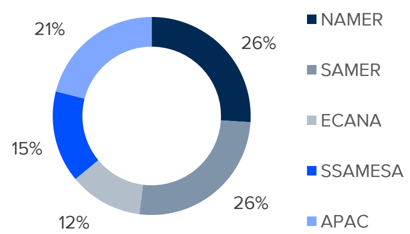
DKKm	9M 2024 Mining	9M 2024 Cement	9M 2024 Non-Core Activities	9M 2024 Group	9M 2023 Mining	9M 2023 Cement	9M 2023 Non-Core Activities	9M 2023 Group
Point in time	6,552	1,578	28	8,158	7,344	2,015	356	9,715
Percentage of completion								
- Service, single machines and product bundles	4,025	1,633		5,658	4,438	2,313	0	6,751
- Product bundles with engineering under enhanced risk governance	793	145	102	1,040	848	323	501	1,672
Total revenue	**11,370**	**3,356**	**130**	**14,856**	**12,630**	**4,651**	**857**	**18,138**

Revenue split on segment and category

DKKm	9M 2024 Mining	9M 2024 Cement	9M 2024 Non-Core Activities	9M 2024 Group	9M 2023 Mining	9M 2023 Cement	9M 2023 Non-Core Activities	9M 2023 Group
Products business	3,895	1,389	102	5,386	4,454	2,174	557	7,185
Service business	7,475	1,967	28	9,470	8,176	2,477	300	10,953
Total revenue	**11,370**	**3,356**	**130**	**14,856**	**12,630**	**4,651**	**857**	**18,138**

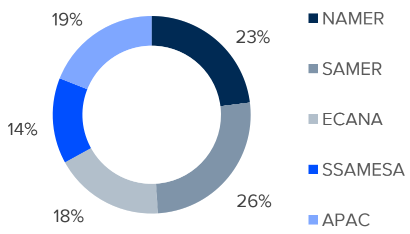
Revenue split by Regions 9M 2024

%



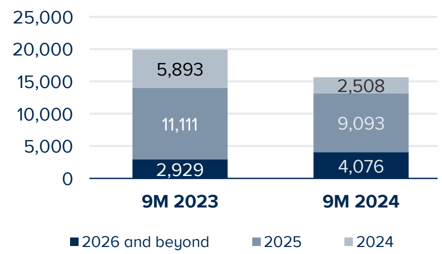
Revenue split by Regions 9M 2023

%



Backlog

DKKm



5. Provisions

Provisions was in line with the level at 31 December 2023. The use of restructuring provisions following execution on the transformation strategy and decline in warranty provisions were offset by increase in other provisions.

For a description of the main provision categories see note 2.7 in the 2023 Annual Report.

Provisions

DKKm	30/09 2024	31/12 2023	30/09 2023
Provisions at 1 January	2,295	2,507	2,507
Foreign exchange adjustments	(16)	(19)	3
Acquisition and disposal of Group enterprises	(12)	14	15
Additions	1,020	1,598	1,141
Used	(717)	(1,399)	(721)
Reversals	(261)	(406)	(171)
Provisions	**2,309**	**2,295**	**2,774**
The split of provisions is as follows:			
Warranties	824	883	926
Restructuring	210	360	521
Other provisions	1,275	1,052	1,327
	2,309	**2,295**	**2,774**
The maturity of provisions is specified as follows:			
Current liabilities	1,643	1,635	1,882
Non-current liabilities	666	660	892
	2,309	**2,295**	**2,774**

6. Contractual Commitments and contingent liabilities

Contingent liabilities at Q3 2024 amounted to DKK 2,202m (31 December 2023: DKK 2,638m).

Contingent liabilities primarily relate to customary performance and payment guarantees. The volume of such guarantees amounted to DKK 1,911m (31 December 2023: DKK 2,272m). 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 291m (31 December 2023 DKK 366m) 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.

In 2021, a customer initiated arbitration against FLSmidth and certain partners for alleged contractual breaches ('the Tunisia contract'). In Q2 2024, the case was settled.

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 2023 Annual Report.

7. Discontinued activities

Discontinued activities related to 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. In Q4 2023, we made a write down of DKK 149m as we foresee a high risk of not being able to collect amounts due from a customer that made an unsubstantiated cash withdrawal on a performance bond in 2021.

From 1 January 2024, the activities are included within the Non-Core Activities segment for full wind-down. This includes the remaining net asset of DKK 67m consisting of net working capital of DKK 132m and provisions of DKK 65m. We do not expect any material future financial impact from the full wind-down of the activities.

8. Net working capital

Net working capital at 30 September 2024 has increased by DKK 0.8bn compared to 31 December 2023. The increase is primarily driven by payments to suppliers leading to a reduction in trade payables but also increase in work in progress, net assets and trade receivables contributed to the increase.

Utilisation of supply chain financing decreased slightly in the 9 months of 2024 to DKK 496m (31 December 2023: 504m).

Net working capital

DKKm	30/09 2024	31/12 2023	30/09 2023
Inventories	3,416	3,450	3,847
Trade receivables	4,639	4,516	4,855
Work in progress, assets	2,915	2,769	3,450
Prepayments	486	423	548
Other receivables	865	855	1,030
Derivative financial instruments	29	37	32
Prepayments from customers	(1,958)	(1,933)	(2,180)
Trade payables	(3,440)	(4,024)	(3,719)
Work in progress, liability	(2,914)	(3,025)	(3,512)
Other liabilities	(1,794)	(1,637)	(1,513)
Derivative financial instruments	(36)	(49)	(42)
Net working capital	**2,208**	**1,382**	**2,796**
Change in net working capital	(826)	511	(903)
Acquisitions/disposal of activities, financial instruments and foreign exchange effect on cash flow	(256)	(213)	(171)
Cash flow effect from change in net working capital	**(1,082)**	**298**	**(1,074)**

9. Business Acquisitions

On 4 March 2024, FLSmidth acquired the Canadian mill engineering, supply and services provider, Farnell-Thompson Applied Technologies Inc. Its offerings is integrated into FLSmidth's core Mining business. The acquisition is aligned with our Mining CORE'26 strategy, which includes targeting service growth through strategic investments and prioritisation.

Farnell-Thompson is a global supplier of engineering services, parts and mills to the mining industry. Prior to the acquisition Farnell-Thompson has been a consulting partner providing these services to FLSmidth for many years. Consequently, a seamless integration of the new business and staff is anticipated.

The purchase price net of cash acquired is DKK 102m with DKK 9m falling due over the next three years. The acquisition increased working capital assets and liabilities by DKK 23m and DKK 18m. The excess of the purchase price over the net assets is recognised as goodwill of DKK 96m in the preliminary allocation of the purchase price. Goodwill represents primarily the value of the assembled workforce. The initial accounting will be retrospectively adjusted to reflect new information obtained in subsequent periods within a maximum period of 12 months after the acquisition date.

The impact on net profit is insignificant.

10. Disposal of activities

On 22 January 2024, FLSmidth Cement entered into an agreement to sell the MAAG gears and drives business to Solix Group AB. The transaction closed on 1 March 2024 and includes all related assets, including intellectual property, technology, employees and customer contracts.

Total assets and liabilities related to the activities of DKK 460m and DKK 262m, respectively, were derecognised. The assets include goodwill of DKK 72m, other non-current assets of DKK 124m and current assets of DKK 264m (primarily working capital). The liabilities include lease liabilities of DKK 54m, provisions of DKK 12m, working capital and other liabilities of DKK 195m. The transaction led to a gain of around DKK 30m, subject to final purchase price adjustments.

In Q3 2023, the transaction on the sale of material handling technology to KOCH Solutions was completed. The final purchase price adjustments are currently being determined. It is expected that the outcome will be a loss from the sale of around DKK 20m that has been included in Q2 2024 within Non-core activities.

Q3 2023 included the preliminary gain of around DKK 100m from the sale of the Advanced Filtration Technology (AFT) business to Micronics. The gain is included within the Cement segment.

Gains and losses from disposal of activities are included in the line item 'Other operating net income'.

11. Events after the balance sheet date

As announced on 19 September 2024, FLSmidth has signed an agreement to acquire TIPCO Tudeshki Industrial Process Control GmbH (Tipco). The transaction closed on 8 October 2024. Tipco is the developer of sensor technology that can measure the particle size distribution of different mass flows, which offers strong applications across FLSmidth's Mining portfolio. The acquisition will be incorporated into the cash generating unit Mining. The acquisition will not have a significant impact on the financial statements.

We are not aware of any subsequent matters that could be of material importance to the Group's financial position at 30 September 2024.

12. Accounting policies

The condensed interim report of the Group for the first nine months of 2024 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 2023 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 2023 Annual Report for further details.

In addition to the changes mentioned in note 7.7 in Annual Report 2023, IASB has issued IFRS 18, Presentation and Disclosure in Financial Statements with effective date 1 January 2027. The Standard replaces IAS 1, Presentation of Financial Statements, and includes requirements on presentation in the primary financial statements together with the disclosure of information in the notes. We are currently assessing the impact of IFRS 18 and foresee some changes to the presentation in the income and cash flow statements and to the disclosures in the notes to the financial statements.

Changes in accounting policies

As of 1 January 2024, FLSmidth Group has implemented all new or amended accounting standards and interpretations as adopted by the EU and applicable for the 2024 financial year. This includes the changes to:

- IAS 1 (Classification of Liabilities as Current or Non-current) and
- IAS 7 and IFRS 7 (Supplier Finance Arrangements) and
- IFRS 16 (Lease Liability in a Sale and Leaseback)

The implementation has not had and is not expected to have significant impact on the consolidated condensed interim 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 September 2024.

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 September 2024 as well as of the results of its operations and cash flows for the period 1 January – 30 September 2024.

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 uncertain-ties that the Group faces.

Valby, 12 November 2024

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

Thrasyvoulos Moraitis

Daniel Reimann

Anna Kristiina Hyvönen

Claus Østergaard

Carsten Hansen

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 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 September 2024

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