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Interim Report Q1 2023

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Management review



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Highlights Q1 2023



We have had a good start to the year. The key transformation efforts, which we initiated last year, positively impacted our performance in the first quarter of 2023. Our Mining business saw good underlying development in both revenue and profitability, reflecting our increased focus on the Service business and our continued de-risking approach. Sentiment in the mining industry remains positive and service activity levels remain healthy.

The cement market has remained largely stable compared to the prior quarter despite macroeconomic challenges. Our Cement business' profitability has continued to benefit from our operating model simplification efforts and our increased focus on key markets.

We are pleased with how our transformation journey has progressed during the first quarter of 2023. This includes the accelerated pace of the synergy takeout from the Mining Technologies integration and the Non-Core Activities exit, as successful execution of these is essential in our journey to improve our long-term profitability.*

- Mikko Keto, Group CEO

*Mining Technologies refers to the former thyssenkrupp Mining business, which FLSmidth acquired on 31 August 2022.

Mining



- Service orders intake growth of 15%
- Strong Service revenue growth of 48%
- Adj. EBITA margin of 9.6%
- Cost synergy takeout slightly ahead of plan (reduction of +800 FTEs)

Cement



- Service orders represented 60% of order intake
- Service revenue growth of 6%
- Sustained profitability with EBITA margin of 4.3%
- Positive impact from operating model simplification

Sustainability



- Increased spend with suppliers with SBT targets
- Improvement in share of women managers
- Negative development on safety (TRIR)

Performance and other



- Transformation progress on track
- Non-Core Activities order backlog reduced to DKK 2.1bn
- Negative cash flow in line with expectations
- Financial guidance for 2023 maintained

Financial performance highlights Q1 2023

GROUP

Order intake

DKKkm

5,632

▼ -19.7%



Revenue

DKKkm

6,016

▲ 27.8%



EBITA & EBITA margin

DKKkm - %

235 3.9% (adj. 6.0%)

▼ -22.2%



Cash flow from operating activities

DKKkm (404) ▼ from DKKkm (70) in Q1 2022

Earnings per share

DKK 1.5 ▼ from DKK 2.3 in Q1 2022

Net working capital ratio*

10.6% ▲ from 7.3% end of Q1 2022

NIBD/EBITDA

1.0x ▲ from -0.6x end of Q1 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

DKKkm

4,177

▼ -19.0%



Revenue

DKKkm

4,185

▲ 29.4%



EBITA & EBITA margin

DKKkm - %

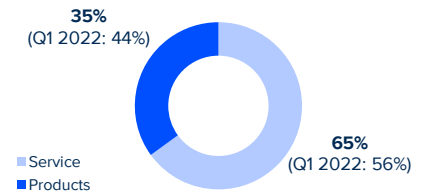
274 6.5% (adj. 9.6%)

▲ 10.0%



Revenue split by Service & Products

%



CEMENT

Order intake

DKKkm

1,344

▼ -27.8%



Revenue

DKKkm

1,582

▲ 7.4%

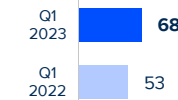


EBITA & EBITA margin

DKKkm - %

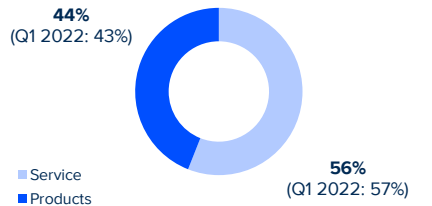
68 4.3%

▲ 28.3%



Revenue split by Service & Products

%



NON-CORE ACTIVITIES

Order intake

DKKkm

111



Revenue

DKKkm

249



EBITA & EBITA margin

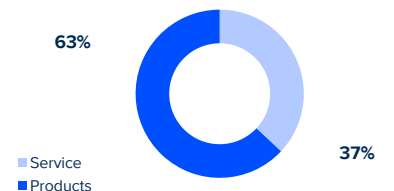
DKKkm - %

(107) -43.0%



Revenue split by Service & Products

%



Sustainability performance highlights Q1 2023

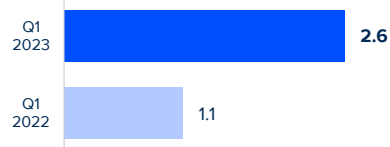
Safety (Total recordable injury rate)

Total recordable injury rate/million working hours

2.6

2023 Target: 1.2

▼ 1.5 deterioration



Total recordable injury rate increased compared to Q1 2022. There is no clear pattern that explains the increase in incidents and they are spread across all regions. As a consequence we will look into our safety guidance and create even more awareness so that we can prevent incidents from happening going forward.

Water withdrawal

m³

38,030

▼ 11.4% deterioration



Water reductions initiatives have been successful in cutting back water consumption, particularly in water-stressed areas. The increase in water usage compared to Q1 2022 is due to the increase in sites after the acquisition of Mining Technologies.

Women managers

%

14.9

2023 Target: 16.3%

▲ 0.6%-points improvement



Due to our ongoing recruitment and leadership initiatives, the number of women managers has increased to 14.9% from 14.3% compared to end of 2022.

Scope 1 & 2 greenhouse gas emissions

tCO₂e (market-based)



10,913

2023 Target: 38,302*

▼ 1.5% deterioration



CO₂e emissions for the first quarter show good progress from effective emissions reductions initiatives. An increase in emissions compared to the same period last year reflects the inclusion of new Mining Technologies sites.

MissionZero developments

We continue to support our customers in their journey to reduce carbon emissions in both mining and cement. Demand for our MissionZero offerings remains strong as we improve efficiency and deliver innovative energy-reducing solutions.

FLS crushing technology to improve copper mine's production and efficiency

In continuing efforts to boost the sustainable performance of its crushing operations, one of the world's leading copper miners, First Quantum, selected a FLSmidth semi-mobile crushing plant for its Sentinel copper mine in Zambia. This was the ninth in-pit crushing and conveying (IPCC) solution supplied by FLSmidth to First Quantum and it will significantly reduce emissions associated with, for example, truck haulage. It will also improve the safety of operations and maintenance. The value of the order has not been disclosed.

Innovative combustion system accelerates cement producer's pursuit of net zero

The Irish construction products manufacturer Mannok expects to eliminate fossil fuel use in clinker production using the FLSmidth FUELFLEX® Pyrolyzer combustion system. This is the result of a co-development project between FLSmidth and Mannok, where the system has operated successfully since July 2022. Mannok expects to remove around 40,000 tonnes of coal and reduce CO₂ emissions by 58,000 tonnes per year, taking advantage of greater efficiency in alternative fuels utilisation.

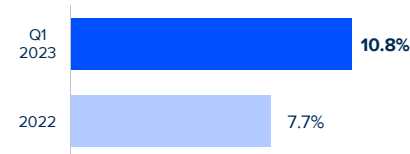
Spend with suppliers with science-based targets

%

10.8%

2023 Target: 10%

▲ 3.1%-points improvement



Spend with suppliers with science-based targets has increased by 3.1%-points from the end of 2022. This reflects dedicated efforts to increase our procurement from suppliers who already have set science-based targets.

*2023 scope 1&2 targets are in the process of being reviewed after the acquisition of Mining Technologies and will be restated in line with the GhG Protocol in Q2.

Key figures

DKKm	Q1 2023	Q1 2022	2022
Income statement			
Revenue	6,016	4,706	21,849
Gross profit	1,397	1,107	5,076
EBITDA	322	382	1,300
EBITA	235	302	943
Adjusted EBITA*	362	339	1,395
EBIT	177	222	619
Financial items, net	(16)	(29)	(67)
EBT	161	193	552
Profit for the period, continuing activities	103	123	351
Loss for the period, discontinued activities	(19)	0	1
Profit for the period	84	123	352
Orders			
Order intake	5,632	7,018	24,644
Order backlog	22,027	19,358	23,541
Earning ratios			
Gross margin	23.2%	23.5%	23.2%
EBITDA margin	5.4%	8.1%	5.9%
EBITA margin	3.9%	6.4%	4.3%
Adjusted EBITA margin*	6.0%	7.2%	6.4%
EBIT margin	2.9%	4.7%	2.8%
EBT margin	2.7%	4.1%	2.5%
Cash flow			
Cash flow from operating activities (CFFO)	(404)	(70)	968
Acquisitions of property, plant and equipment	(24)	(15)	(88)
Cash flow from investing activities (CFFI)	(24)	35	(2,310)
Free cash flow	(428)	(35)	(1,342)
Free cash flow adjusted for acquisitions and disposals of enterprises and activities	(428)	(35)	777
Balance sheet			
Net working capital	2,613	1,354	1,893
Net interest-bearing debt (NIBD)	(1,187)	864	(726)
Total assets	29,643	23,878	29,845
CAPEX	79	91	424
Equity	10,611	10,679	10,787
Dividend to shareholders, paid	0	0	173

DKKm	Q1 2023	Q1 2022	2022
Financial ratios			
Book-to-bill	93.6%	149.1%	112.8%
Order backlog / Revenue	95.1%	104.2%	107.7%
Return on equity**	3.1%	4.7%	3.3%
Equity ratio	35.8%	44.7%	36.1%
ROCE, average**	5.1%	7.8%	5.9%
Net working capital ratio, end**	10.6%	7.3%	7.8%
NIBD / EBITDA**	1.0x	-0.6x	0.6x
Capital employed, average**	17,034	14,715	15,888
Number of employees	10,345	10,039	10,977
Share ratios			
Cash flow per share (CFPS), (diluted)	(7.1)	(1.2)	17.0
Earnings per share (EPS), (diluted)	1.5	2.3	6.5
Share price	262.2	177.5	251.7
Number of shares (1,000), end	57,650	57,650	57,650
Market capitalisation, end	15,116	10,233	14,511
Sustainability key figures			
Scope 1 & 2 GHG emissions (tCO2e) market-based	10,913	10,747	36,767
Water withdrawal (m3)	38,030	34,127	178,064
Safety, TRIR Total Recordable Injury Rate (including contractors)	2.6	1.1	1.5
Women managers	14.9%	14.6%	14.3%
Spend with suppliers with science-based targets	10.8%	n/a	7.7%
Other key figures			
Quality, DIFOT Delivery In Full On Time	83.0%	79.5%	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 11 of this report.

FLSmidth acquired Mining Technologies as per 31st August 2022.

*To reflect the underlying business performance, we present an adjusted EBITA margin to cover for the integration costs of DKK 127m (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 four times the profit for Q1.

2023 financial guidance

Financial guidance for 2023 is maintained. Guidance for full year 2023 reflects continued improvement of the underlying legacy FLSmidth Mining business, integration of Mining Technologies and the establishment of the Non-Core Activities segment.

Mining

Revenue (DKKbn)

16.0-17.0

(DKK 4.2bn)

Adj. EBITA margin

9-10%

(9.6%)

Cement

Revenue (DKKbn)

6.0-6.5

(DKK 1.6bn)

EBITA margin

4.0-5.0%

(4.3%)

Non-Core Activities

Revenue (DKKbn)

0.8-1.0

(DKK 249m)

EBITA

**Loss of ~DKK
250-350m**

(Loss of DKK 107m)

Group

Revenue (DKKbn)

23.0-24.5

(DKK 6.0bn)

Adj. EBITA margin

6.0-7.0%

(6.0%)

EBITA margin

4.0-5.0%

(3.9%)

Following a strong 2022, we expect market activity levels in 2023 to remain largely stable versus 2022.

The former Mining Technologies business is expected to contribute with less than DKK 3bn in revenue in 2023 and is expected to have a dilutive effect on the full year 2023 adjusted Mining EBITA margin of around 2%-points.

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

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

Non-Core Activities 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 Q1 2023 results

Mining financial performance Q1 2023

Market outlook and trends in Q1 2023

The mining industry remains in an active steady state with continued positive long-term demand for minerals essential to economic growth and the green transition.

Q1 2023 was marked by continued high activity in gold and lithium projects, however dampened by some cautiousness in large copper projects in South America due to the political situation and lengthy permitting processes. We however continue to see a strong pipeline supporting the long-term demand for minerals across all regions, despite current macroeconomic uncertainty.

Order intake development in Q1 2023

Q1 2023 order intake declined by 20% excluding currency effects. Compared to Q1 2022, Mining order intake in Q1 2023 does not include Russia or Non-Core Activities. However, Q1 2023 order intake includes Mining Technologies. When

adjusting for Russia, Non-Core Activities and Mining Technologies the underlying order intake in the quarter declined approximately 23%. This development reflects our ongoing transformation and the strong comparison quarter.

The 51% decline in Products order intake was largely due to the strong Q1 2022 comparison quarter, which included four large announced product orders at a total combined value of around DKK 1.4bn. Q1 2023 included one large announced product order valued at around DKK 350m to supply mineral processing equipment for a gold mine in the Middle East.

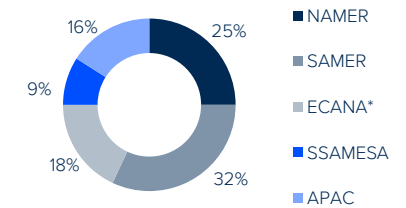
The lower Products order intake in Q1 2023 also reflected our continued de-risking strategy, where we remain focused on opportunities with reduced risks and larger long-term service potential.

Service order intake increased by 15% in Q1 2023 supported by the acquisition of Mining Technologies. The increase reflected improved sales efforts to the installed base as well as a strong activity in spare and wear parts especially in North America, Asia-Pacific and the Sub-Saharan and Middle Eastern regions. The increase indicated a continuing improvement in service activity levels and positive market sentiment, partially offset by our efforts of exiting low margin basic labour services.

During the quarter, Service and Products order intake represented 70% and 30% of Mining order intake, compared to 49% and 51% in Q1 2022, respectively, which is in line with our de-risking strategy and service focus.

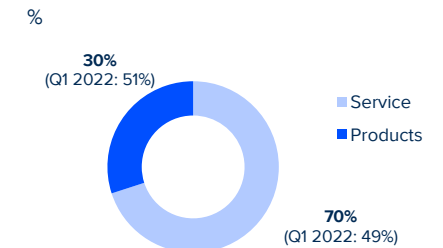


Mining order intake split per region Q1 2023

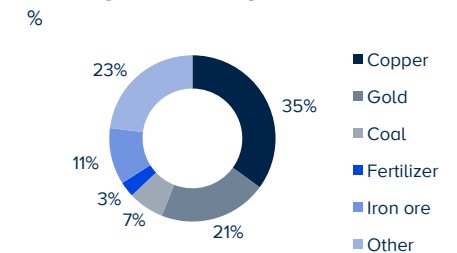


*ECANA refers to the region of Europe, Central Asia and North Africa.

Order intake Q1 2023 split by Products & Service



Mining order intake split by commodity Q1 2023



Mining financial performance Q1 2023

Revenue development in Q1 2023

Q1 2023 revenue increased by 28% excluding currency effects. This development reflects our exit of Russia, the establishment of the Non-Core Activities segment and the acquisition of Mining Technologies. Adjusting for these factors, the underlying revenue growth in the quarter was approximately 29%. Excluding Russia, revenue increased by 45% in Q1 2023.

The key driver for the revenue growth was the Service business, fully in line with our ongoing transformation strategy. Service revenue increased by 48% in the quarter and accounted for 92% of the total revenue growth in the quarter.

This growth was, mainly driven by a continued healthy spare and wear parts demand, especially in North and South America. Service revenue growth was further supported by the acquisition of Mining Technologies.

De-risking our Products portfolio combined with our increased focus on the Service business reduced Products' share of revenue from 44% in Q1 2022 to 35%. Products revenue increased by 5% supported by the acquisition of Mining Technologies.

Gross profit development in Q1 2023

Gross profit increased by 40% to DKK 1,065m from DKK 760m in Q1 2022. The corresponding gross margin increased to 25.4% as a result of the higher Service revenue, partly offset by integration costs related to Mining Technologies.

EBITA development in Q1 2023

Adjusted for integration costs of DKK 127m, the adjusted EBITA margin was 9.6% in Q1 2023. The adjusted EBITA margin was realised despite an approximated dilutive effect from the acquisition of Mining Technologies of around 2%-points.

Including integration costs, the reported EBITA margin decreased to 6.5% from 7.7% in Q1 2022.

While the number of employees in Mining increased compared to Q1 2022 mainly due to Mining Technologies, the number of employees in Mining has been reduced by more than 1,300 employees since the end of Q3 2022. 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.

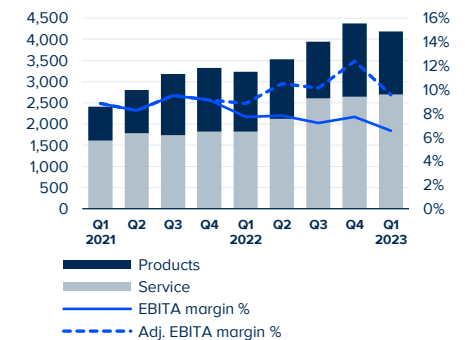
Growth in Mining in Q1 2023 (vs. Q1 2022)

	Order intake	Revenue
Organic*	-20%	28%
Currency	1%	1%
Total growth	-19%	29%

*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 Q1 2022 includes Non-Core Activities.

Revenue and EBITA margin

DKKm EBITA margin %



Mining

(DKKm)	Q1 2023	Q1 2022	Change (%)
Order intake	4,177	5,157	-19%
- Hereof service order intake	2,902	2,530	15%
- Hereof products order intake	1,275	2,627	-51%
Order backlog	13,876	12,911	7%
Revenue	4,185	3,233	29%
- Hereof service revenue	2,700	1,820	48%
- Hereof products revenue	1,485	1,413	5%
Gross profit	1,065	760	40%
Gross margin	25.4%	23.5%	
Adjusted EBITA	400	286	40%
Adjusted EBITA margin	9.6%	8.8%	
EBITA	274	249	10%
EBITA margin	6.5%	7.7%	
Number of employees	6,821	6,305	8%

Cement financial performance Q1 2023

Market outlook and trends in Q1 2023

In Q1 2023, we have seen continued stable activity in both the Service and Products markets versus prior quarters. Cement producers remain focused on the cement industry's required green transition. We are in continued close dialogue with our key customers on how we can help them drive their next steps in this regard.

Despite overcapacity in the market, we see an increased demand in India for additional local capacity due to investments in infrastructure and other development areas. The Chinese market continues to focus on modernisation of existing plants with new and more efficient and sustainable products. In general, we continue to see focus towards on more sustainable cement production trending globally. However, in Europe, the ongoing war in Ukraine, inflation and increasing interest rates have impacted the business climate and

decisions for investments have on some occasions been delayed.

Overall, the Service market showed stable performance throughout Q1 2023. Products pipeline continues to be healthy, where there is an increased focus on sustainability improvements.

Order intake development in Q1 2023

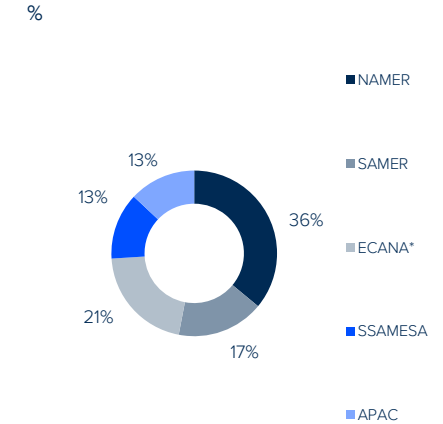
Cement order intake in Q1 2023 declined by 29% excluding currency effects. This development mainly reflects a 42% decrease in Products order intake compared to Q1 2022, which included several sizeable orders, as well as our de-risking strategy.

Service order intake decreased by 14% compared to Q1 2022. The decrease reflected our continued de-risking approach and the implementation of our new simplified operating model. In all our lead countries, we have however seen growth in the Service order intake versus Q1 2022.

During the quarter Service and Products orders represented 60% and 40% of Cement order intake compared to 51% and 49% in Q1 2022, respectively, which is in line with our de-risking strategy and service focus.

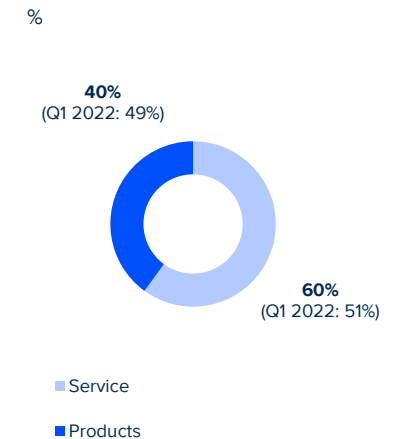


Cement order intake split per region Q1 2023



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

Order intake Q1 2023 split by Products & Service



Cement financial performance Q1 2023

Revenue development in Q1 2023

Q1 2023 revenue increased by 6% excluding currency effects and by 9% excluding Russia compared to Q1 2022. The increase was driven by both Products and Service.

Products revenue increased by 9% compared to Q1 2022 driven by good execution on the order backlog. Service revenue increased by 6% and accounted for 56% of revenue in Q1 2023, driven mainly by a high demand for spare and wear parts especially in North and South America.

Gross profit development in Q1 2023

Gross profit increased by 7% to DKK 372m, as a result of a good execution on higher margin orders. The corresponding gross margin of 23.5% was largely in line with Q1 2022, impacted by additional footprint optimisation costs following the new simplified operating model in Cement.

EBITA development in Q1 2023

Cement EBITA continued the positive trend and increased by 28% compared to Q1 2022. This was driven by a focus on higher Service revenue and cost improvements from the execution of the new simplified operating model activities. EBITA amounted to DKK 68m in Q1 2023 compared to DKK 53m in Q1 2022. The corresponding EBITA margin improved by 0.7%-points to 4.3% in Q1 2023.

The number of employees in Cement has been reduced by 710 compared to Q1 2022. The reduction mainly related to the global footprint optimisation and operating model simplification to improve operations and ensure sustainable profitability.

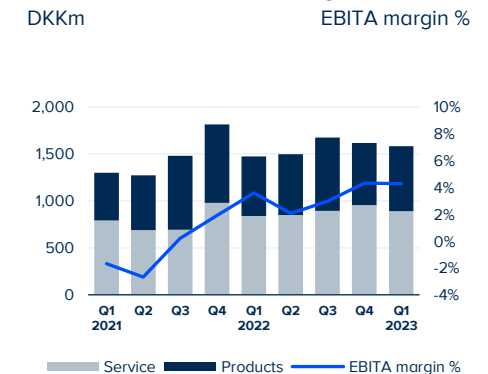
Cement

(DKKm)	Q1 2023	Q1 2022	Change (%)
Order intake	1,344	1,861	-28%
- Hereof service order intake	813	944	-14%
- Hereof products order intake	531	917	-42%
Order backlog	6,066	6,447	-6%
Revenue	1,582	1,473	7%
- Hereof service revenue	890	838	6%
- Hereof products revenue	692	635	9%
Gross profit	372	347	7%
Gross margin	23.5%	23.6%	
EBITA	68	53	28%
EBITA margin	4.3%	3.6%	
Number of employees	3,024	3,734	-19%

Growth in Cement in Q1 2023 (vs. Q1 2022)

	Order intake	Revenue
Organic	-29%	6%
Currency	1%	1%
Total growth	-28%	7%

Revenue and EBITA margin



Non-Core Activities financial performance Q1 2023

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 are to a large extent loss-making mining activities. Activities in the segment will be fully exited either by way of divestment or wind down of the order backlog over the period Q4 2022 to end 2025. We are in dialogue with a potential buyer who has shown interest in acquiring parts of the Non-Core Activities business. This may lead to an agreement in the near future.

Order intake development in Q1 2023

Order intake for Non-Core Activities amounted to DKK 111m. During the quarter, Service and Products orders represented 72% and 28% of Non-Core Activities order intake, respectively. The order intake related to contractual obligations and parts already in stock and showed a decrease of 47% compared to order intake in Q4 2022 of DKK 209m.

Non-Core Activities

(DKKm)	Q1 2023
Order intake	111
- Hereof service order intake	80
- Hereof products order intake	31
Order backlog	2,085
Revenue	249
- Hereof service revenue	92
- Hereof products revenue	157
Gross profit	(40)
Gross margin	-16.1%
EBITA	(107)
EBITA margin	-43.0%
Number of employees	500

Order backlog development in Q1 2023

The order backlog amounted to around DKK 2.1bn by end of Q1 2023, which represented a decrease of DKK 0.8bn compared to Q4 2022. The decrease reflected the execution of the order backlog as well as re-scoping and contract terminations. This was partly offset by the order intake in the quarter. This is fully in line with our strategy to divest or wind down the backlog. The majority of the order backlog is destined for countries within APAC and ECANA.

Revenue development in Q1 2023

Non-Core Activities revenue in Q1 2023 amounted to DKK 249m, which was a decrease of 50% compared to Q4 2022 (DKK 503m). Products accounted for 63% of total revenue, while 37% of revenue was related to Service.

Gross profit development in Q1 2023

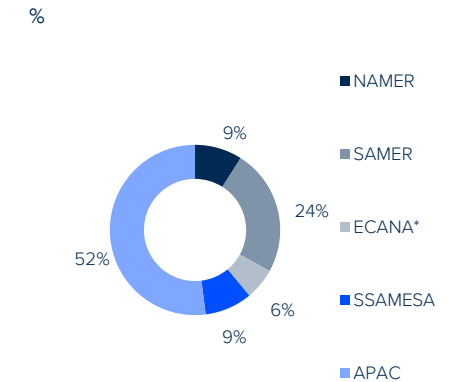
Gross profit was negative as expected and amounted to DKK -40m, reflecting the general volatility and operationally loss-making nature of the Non-Core Activities business. The corresponding gross margin amounted to -16.1%.

EBITA development in Q1 2023

EBITA for Non-Core Activities amounted to DKK -107m, in line with guidance. The corresponding EBITA margin amounted to -43.0% driven by the negative gross profit, timing of the execution of one specific order, and costs related to exiting Non-Core Activities.

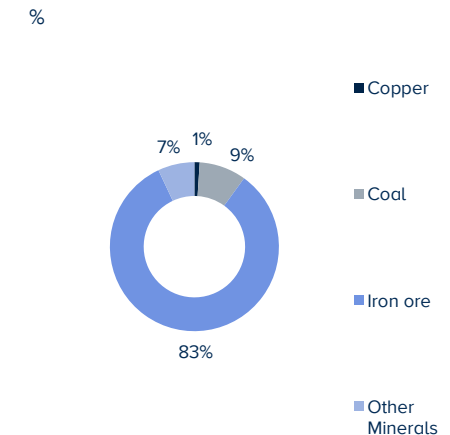
The number of employees amounted to 500 as of end Q1 2023, which is a decline of 81 employees compared to end Q4 2022.

Q1 2023 order intake split per region



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

Q1 2023 order intake split by commodity



Consolidated financial performance Q1 2023

Growth

Group order intake decreased 20% in Q1 2023 driven by a decline in Products. Group revenue increased 28%, driven primarily by the Mining service business and the acquisition of Mining Technologies.

Order intake development in Q1 2023

Q1 2023 order intake declined by 21% excluding currency effects. Compared to Q1 2022, Group order intake in Q1 2023 includes Mining Technologies, but does not include Russia. When adjusting for Russia and Mining Technologies the

underlying order intake in the quarter declined approximately 27%. This development reflects our ongoing transformation and the strong comparison quarter, which included several large product orders.

Service order intake increased by 9% supported by continued healthy market conditions and the acquisition of Mining Technologies. Service represented 67% of total order intake in Q1 2023 against 50% in Q1 2022. Products order intake decreased by 48% compared to Q1 2022, reflecting the year-over-year comparison and our de-risking strategy.

Group – continued activities

(DKKm)	Q1 2023	Q1 2022	Change (%)
Order intake	5,632	7,018	-20%
- Hereof service order intake	3,795	3,474	9%
- Hereof products order intake	1,837	3,544	-48%
Order backlog	22,027	19,358	14%
Revenue	6,016	4,706	28%
- Hereof service revenue	3,682	2,658	39%
- Hereof products revenue	2,334	2,048	14%
Gross profit	1,397	1,107	26%
Gross margin	23.2%	23.5%	
SG&A cost	(1,075)	(725)	48%
SG&A ratio	17.9%	15.4%	
Adjusted EBITA	362	339	7%
Adjusted EBITA margin	6.0%	7.2%	
EBITA	235	302	-22%
EBITA margin	3.9%	6.4%	
Number of employees	10,345	10,039	3%

Order backlog and maturity

The order backlog decreased 6% to DKK 22.0bn compared to the prior quarter (Q4 2022: DKK 23.5bn) due to strong execution of the order backlog and the exit of our Russian and Belarusian activities. Outstanding order backlog related to Russian and Belarusian contracts declined to DKK 0.3bn at the end of Q1 2023 (end of Q4 2022: DKK 0.7bn) reflecting successful contract terminations. The remaining orders are suspended by FLSmidth and are due to the uncertainty included in the '2025 and beyond' maturity. The Non-Core Activities backlog represented around DKK 2.1bn at the end of Q1 2023.

Backlog maturity	Non-Core FLSmidth			
	Mining	Cement	Activities	Group
2023	56%	48%	37%	52%
2024	41%	29%	36%	37%
2025 & beyond	3%	23%	27%	11%

Revenue development in Q1 2023

Revenue increased by 27% excluding currency effects and by 39% excluding Russia compared to Q1 2022. When adjusting for Russia and Mining Technologies the underlying revenue growth in the quarter was approximately 20%. In line with expectations, the quarter included DKK 249m in revenue from Non-Core Activities.

The increase was driven by a 39% increase in Service revenue and 14% increase in Products revenue. Service revenue accounted for 61% of total revenue in the quarter, compared to 56% in Q1 2022.

Growth in order intake in Q1 2023 (vs. Q1 2022)

	Non-Core FLSmidth			
	Mining	Cement	Activities	Group
Organic*	-20%	-29%	n/a	-21%
Currency	1%	1%	n/a	1%
Total growth	-19%	-28%	n/a	-20%

*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 Q1 2022 includes Non-Core Activities.

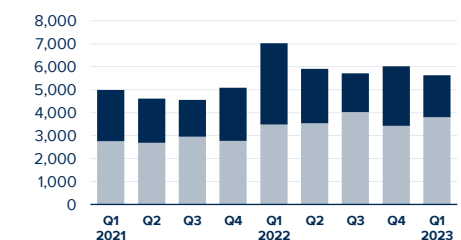
Growth in revenue in Q1 2023 (vs. Q1 2022)

	Non-Core FLSmidth			
	Mining	Cement	Activities	Group
Organic*	28%	6%	n/a	27%
Currency	1%	1%	n/a	1%
Total growth	29%	7%	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 Q1 2022 includes Non-Core Activities.

Order intake

DKKm



■ Service order intake ■ Products order intake

Profit

Gross profit increased 26% driven by the 28% increase in revenue. Adjusted EBITA margin was 6.0% reflecting a continued positive development in the underlying profitability.

Gross profit and margin

Gross profit increased by 26% to DKK 1,397m, driven by the higher revenue level. The corresponding gross margin of 23.2% was largely in line with Q1 2022 and 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 Q1 2023, total research and development costs (R&D) amounted to DKK 82m, representing 1.4% of revenue (Q1 2022: 1.4%).

Research & development costs

(DKKm)	Q1 2023	Q1 2022
Production costs	52	38
Capitalised	30	27
Total R&D	82	65

SG&A costs

Sales, general and administrative costs (SG&A) and other operating items increased 48% compared to Q1 2022, mainly due to the cost base and integration costs related to Mining Technologies in Q1 2023. Further, currencies had a negative impact on SG&A of DKK 5m in the quarter.

As a result of this, SG&A costs as a percentage of revenue increased to 17.9% in Q1 2023 compared to 15.4% in Q1 2022.

EBITA and margin

Excluding integration costs of DKK 127m related to the acquisition of Mining Technologies, adjusted Group EBITA margin was 6.0% in Q1 2023. Including integration costs, the EBITA margin decreased to 3.9% in Q1 2023 compared to 6.4% last year.

Amortisation of intangible assets amounted to DKK 58m (Q1 2022: DKK 80m). The effect of purchase price allocations amounted to DKK 11m (Q1 2022: DKK 14m) and other amortisation to DKK 47m (Q1 2022: DKK 66m).

Financial items

Net financial items amounted to DKK -16m (Q1 2022: DKK -29m), of which net interest amounted to DKK -17m (Q1 2022: DKK -17m) and foreign exchange and fair value adjustments amounted to DKK 1m (Q1 2022: DKK -12m).

Tax

Tax in Q1 2023 totalled DKK -58m (Q1 2022: DKK -70m), corresponding to an effective tax rate of 36% (Q1 2022: 36%).

Profit for the period

Profit in Q1 2023 was a gain of DKK 84m (Q1 2022: DKK 123m). Discontinued activities had a loss of DKK 19m in Q1 2023.

Return on capital employed

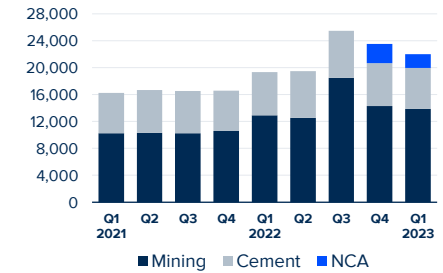
Return on capital employed (ROCE) decreased to 5.1% (Q1 2022: 7.8%) due to a decreased EBITA as well as an increase in average capital employed from the acquisition of Mining Technologies and net working capital in general.

Employees

The number of employees decreased by 632 to 10,345 at the end of Q1 2023, compared to 10,977 at the end of Q4 2022. The decrease is a direct result of workforce reductions carried out in both Mining and Cement in Q1 2023 relating to footprint optimisation and synergies from the acquisition of Mining Technologies.

Backlog

DKKm



Revenue & EBITA margin

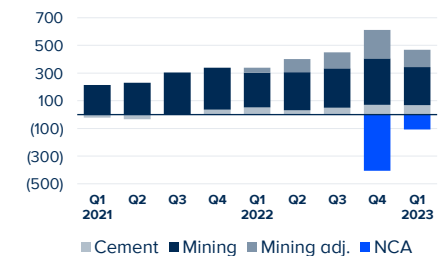
DKKm

EBITA margin %



EBITA

DKKm



Capital

In line with expectations, cash flow was negative in the quarter mainly due to an increase in net working capital. The net working capital ratio increased to 10.6% in Q1 2023.

Net working capital

Net working capital increased DKK 720m to DKK 2,613m at the end of Q1 2023 (end of Q4 2022: DKK 1,893m). The primary driver of the increase in the quarter was a build-up of work in progress, which will be invoiced in coming quarters. Other drivers were a lower accounts payables level due to the payment of larger orders as well as a higher inventory levels. The corresponding net working capital ratio increased from 7.8% of revenue in Q4 2022 to 10.6% of revenue in Q1 2023.

Utilisation of supply chain financing increased to DKK 626m in Q1 2023 (Q4 2022: 590m).

Cash flow from operating activities

The decrease in cash flow from operations (CFFO) in Q1 2023 amounted to DKK -404m (Q1 2022: DKK -70m). This relates to the increase in net working capital which impacted CFFO by DKK -694m. Discontinued activities impacted CFFO by DKK -5m in Q1 2023 (Q1 2022: DKK -15m).

Cash flow from investing activities

Cash flow from investing activities amounted to DKK -24m (Q1 2022: DKK 35m).

Cash flow from financing activities

Cash flow from financing activities amounted to DKK 81m (Q1 2022: DKK 22m).

Free cash flow

Free cash flow was negative DKK 428m in the quarter (Q1 2022: DKK -35m) as a result of the increase in net working capital.

Net interest-bearing debt

Net interest-bearing debt (NIBD) by 31 March 2023 increased to DKK 1,187m (end of 2022: DKK 726m). The increase in debt was primarily due to the increase in working capital in the quarter. The financial gearing end of Q1 2023 increased to 1.0x (Q4 2022: 0.6x) following the increase in NIBD.

Financial position

By the end of Q1 2023, FLSmidth had DKK 6.3bn of available committed credit facilities of which DKK 4.0bn was undrawn. The committed credit facilities have a weighted average time to maturity of 5.0 years.

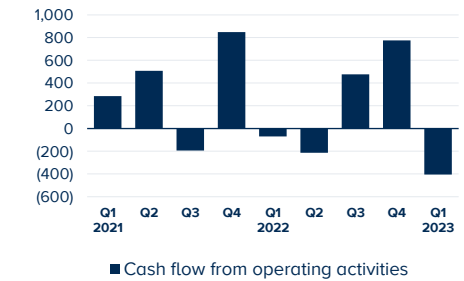
Credit facilities of DKK 5.0bn and DKK 1.1bn will mature in 2027 and 2030, respectively. The remaining DKK 0.2bn matures in later years. FLSmidth also had available DKK 1.2bn of uncommitted credit facilities.

Equity ratio

Equity at the end of Q1 2023 decreased to DKK 10,611m (end of Q4 2022: DKK 10,787m), driven by currency adjustments and provision for dividend amounting to DKK 170m. The equity ratio was 35.8% (end of 2022: 36.1%).

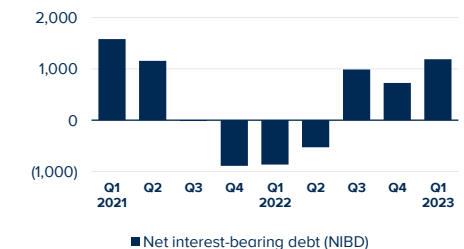
Cash flow

DKKm



Net interest-bearing debt

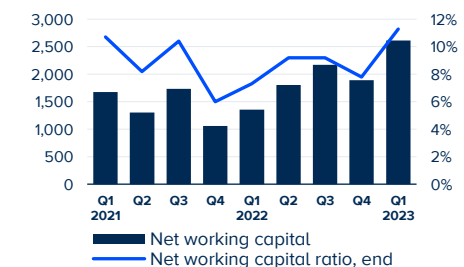
DKKm



Net working capital

DKKm

NWC%





Consolidated Condensed Financial Statements



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Income statement

Notes	DKKm	Q1 2023	Q1 2022
3, 4	Revenue	6,016	4,706
	Production costs	(4,619)	(3,599)
	Gross profit	1,397	1,107
	Sales costs	(433)	(342)
	Administrative costs	(667)	(411)
	Other operating items	25	28
	EBITDA	322	382
	Depreciation and impairment of property, plant and equipment and lease assets	(87)	(80)
	EBITA	235	302
	Amortisation and impairment of intangible assets	(58)	(80)
	EBIT	177	222
	Financial income	424	337
	Financial costs	(440)	(366)
	EBT	161	193
	Tax for the period	(58)	(70)
	Profit for the period, continuing activities	103	123
3, 7	Profit (loss) for the period, discontinued activities	(19)	0
	Profit for the period	84	123
	Attributable to:		
	Shareholders in FLSmidth & Co. A/S	86	130
	Minority interests	(2)	(7)
		84	123
	Earnings per share (EPS):		
	Continuing and discontinued activities per share (DKK)	1.5	2.3
	Continuing and discontinued activities per share, diluted (DKK)	1.5	2.3
	Continuing activities per share (DKK)	1.9	2.3
	Continuing activities per share, diluted (DKK)	1.9	2.3

Statement of comprehensive income

Notes	DKKm	Q1 2023	Q1 2022
	Profit for the period	84	123
	Items that will not be reclassified to profit or loss:		
	Actuarial gains on defined benefit plans	5	27
	Items that are or may be reclassified subsequently to profit or loss:		
	Currency adjustments regarding translation of entities	(127)	315
	Cash flow hedging:		
	- Value adjustments for the period	28	0
	- Value adjustments transferred to work in progress	5	14
	Tax of total other comprehensive income	(11)	(5)
	Other comprehensive income for the period after tax	(100)	351
	Comprehensive income for the period	(16)	474
	Attributable to:		
	Shareholders in FLSmidth & Co. A/S	(16)	483
	Minority interests	0	(9)
		(16)	474

Cash flow statement

Notes	DKKm	Q1 2023	Q1 2022
	EBITDA	322	382
3	EBITDA, discontinued activities	(9)	(1)
	Adjustment for gain on sale of property, plant and equipment and other non-cash items	(11)	(16)
	EBITDA adjusted to reflect cash flows	302	365
	Change in provisions, pension and employee benefits	173	(32)
8	Change in net working capital	(694)	(219)
	Cash flow from operating activities before financial items and tax	(219)	114
	Financial items received and paid	(18)	(18)
	Taxes paid	(167)	(166)
	Cash flow from operating activities	(404)	(70)
	Acquisition of intangible assets	(43)	(36)
	Acquisition of property, plant and equipment	(24)	(15)
	Acquisition of financial assets	0	(5)
	Disposal of property, plant and equipment	33	91
	Disposal of financial assets	1	0
	Dividend from associates	9	0
	Cash flow from investing activities	(24)	35
	Repayment of lease liabilities	(29)	(29)
	Change in net interest bearing debt	110	51
	Cash flow from financing activities	81	22
	Change in cash and cash equivalents	(347)	(13)
	Cash and cash equivalents at beginning of period	2,130	1,935
	Foreign exchange adjustment, cash and cash equivalents	(26)	32
	Cash and cash equivalents at 31 March	1,757	1,954

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

Free cash flow

DKKm	Q1 2023	Q1 2022
Free cash flow	(428)	(35)
Free cash flow, adjusted for acquisitions and disposals of enterprises and activities	(428)	(35)

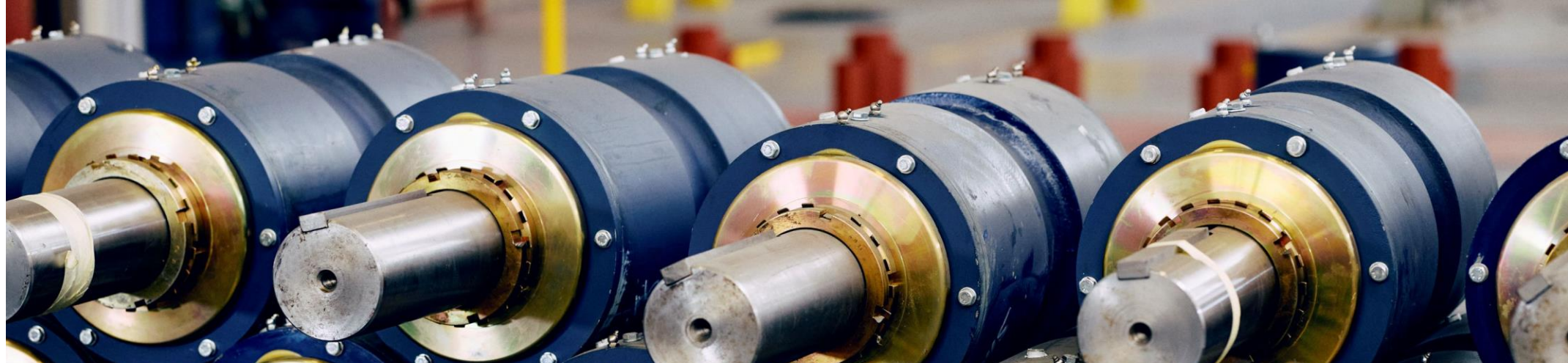
Balance sheet

Notes	DKKm	31/03 2023	31/12 2022	31/03 2022
	Assets			
	Goodwill	6,361	6,433	4,470
	Patents and rights	750	766	768
	Customer relations	374	392	394
	Other intangible assets	139	148	154
	Completed development projects	188	204	212
	Intangible assets under development	460	422	337
	Intangible assets	8,272	8,365	6,335
	Land and buildings	1,911	1,983	1,781
	Plant and machinery	469	493	370
	Operating equipment, fixtures and fittings	125	131	103
	Tangible assets in course of construction	49	40	31
	Property, plant and equipment	2,554	2,647	2,285
	Deferred tax assets	1,936	1,921	1,464
	Investments in associates	141	157	171
	Other securities and investments	54	59	53
	Other non-current assets	2,131	2,137	1,688
	Non-current assets	12,957	13,149	10,308
	Inventories	4,059	3,971	2,782
	Trade receivables	5,022	5,108	3,848
	Work in progress	3,518	3,147	2,782
	Prepayments	820	874	921
	Income tax receivables	374	321	418
	Other receivables	1,136	1,145	865
	Cash and cash equivalents	1,757	2,130	1,954
	Current assets	16,686	16,696	13,570
	Total assets	29,643	29,845	23,878

Notes	DKKm	31/03 2023	31/12 2022	31/03 2022
	Equity and liabilities			
	Share capital	1,153	1,153	1,153
	Foreign exchange adjustments	(646)	(517)	(348)
	Cash flow hedging	(37)	(70)	(40)
9	Retained earnings	10,167	10,247	9,926
	Shareholders in FLSmidth & Co. A/S	10,637	10,813	10,691
	Minority interests	(26)	(26)	(12)
	Equity	10,611	10,787	10,679
	Deferred tax liabilities	256	294	179
	Pension obligations	419	414	306
5	Provisions	925	896	467
	Lease liabilities	187	206	217
	Bank loans and mortgage debt	2,585	1,929	728
	Prepayments from customers	580	578	577
	Income tax liabilities	103	103	119
	Other liabilities	90	85	45
	Non-current liabilities	5,145	4,505	2,638
	Pension obligations	2	2	2
5	Provisions	1,729	1,611	657
	Lease liabilities	115	117	113
	Bank loans and mortgage debt	71	615	33
	Prepayments from customers	2,122	2,193	2,088
	Work in progress	3,599	3,592	2,420
	Trade payables	4,062	4,339	3,407
	Income tax payables	352	346	225
	Other liabilities	1,835	1,738	1,616
	Current liabilities	13,887	14,553	10,561
	Total liabilities	19,032	19,058	13,199
	Total equity and liabilities	29,643	29,845	23,878

Equity statement

DKKm	Q1 2023							Q1 2022						
	Share capital	Currency adjustments	Cash flow hedging	Retained earnings	Shareholders in FLSmidth & Co A/S	Minority interests	Total	Share capital	Currency adjustments	Cash flow hedging	Retained earnings	Shareholders in FLSmidth & Co A/S	Minority interests	Total
Equity at 1 January	1,153	(517)	(70)	10,247	10,813	(26)	10,787	1,153	(665)	(54)	9,937	10,371	(3)	10,368
Comprehensive income for the period														
Profit/loss for the period				86	86	(2)	84				130	130	(7)	123
Other comprehensive income														
Actuarial gains/(losses) on defined benefit plans				5	5		5				27	27		27
Currency adjustments regarding translation of entities		(129)			(129)	2	(127)		317			317	(2)	315
Cash flow hedging:														
- Value adjustments for the period			28		28		28			0		0		0
- Value adjustments transferred to work in progress			5		5		5			14		14		14
Tax on other comprehensive income				(11)	(11)		(11)				(5)	(5)		(5)
Other comprehensive income total	0	(129)	33	(6)	(102)	2	(100)	0	317	14	22	353	(2)	351
Comprehensive income for the period	0	(129)	33	80	(16)	0	(16)	0	317	14	152	483	(9)	474
Transactions with owners:														
Dividend transferred to other liabilities				(170)	(170)		(170)				(170)	(170)		(170)
Share-based payment				10	10		10				7	7		7
Equity at 31 March	1,153	(646)	(37)	10,167	10,637	(26)	10,611	1,153	(348)	(40)	9,926	10,691	(12)	10,679



Notes



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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.

The economic situation has been relatively stable during the first quarter of 2023. However, the geopolitical situation following the war in Ukraine, the inflationary environment etc continue to pose challenges. More information on the resulting uncertainties and the impact on key accounting estimates and judgements can be found on pages 69-70 of the 2022 Annual Report.

The change in estimates had no material impact on the consolidated condensed financial statements in the first quarter 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.

On 31 August 2022, we obtained control of Mining Technologies. During the first quarter of 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, it is likely that 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	Q1 2023	Q1 2022
Revenue	6,016	4,706
Production costs	(4,689)	(3,682)
Gross profit	1,327	1,024
Sales costs, including depreciation and amortisation	(438)	(351)
Administrative costs, including depreciation and amortisation	(737)	(479)
Other operating income	25	28
EBIT	177	222
Depreciation, amortisation and impairment consist of:		
Depreciation and impairment of property, plant and equipment and lease assets	(87)	(80)
Amortisation and impairment of intangible assets	(58)	(80)
	(145)	(160)
Depreciation, amortisation and impairment are divided into:		
Production costs	(70)	(83)
Sales costs	(5)	(9)
Administrative costs	(70)	(68)
	(145)	(160)

3. Segment information

DKKm	Q1 2023					Q1 2022			
	Mining	Cement	Non-Core Activities ¹⁾	FLSmidth Group		Mining	Cement	FLSmidth Group	
				Continuing activities	Discontinued activities ²⁾			Continuing activities	Discontinued activities ²⁾
Revenue	4,185	1,582	249	6,016	0	3,233	1,473	4,706	0
Production costs	(3,120)	(1,210)	(289)	(4,619)	(2)	(2,473)	(1,126)	(3,599)	0
Gross profit	1,065	372	(40)	1,397	(2)	760	347	1,107	0
SG&A costs	(731)	(281)	(63)	(1,075)	(7)	(457)	(268)	(725)	(1)
EBITDA	334	91	(103)	322	(9)	303	79	382	(1)
Depreciation and impairment of property, plant and equipment and lease assets	(60)	(23)	(4)	(87)	0	(54)	(26)	(80)	0
EBITA	274	68	(107)	235	(9)	249	53	302	(1)
Amortisation and impairment of intangible assets	(40)	(18)	0	(58)	0	(57)	(23)	(80)	0
EBIT	234	50	(107)	177	(9)	192	30	222	(1)
Order intake	4,177	1,344	111	5,632	0	5,157	1,861	7,018	0
Order backlog	13,876	6,066	2,085	22,027	0	12,911	6,447	19,358	0
<i>Gross margin</i>	25.4%	23.5%	-16.1%	23.2%		23.5%	23.6%	23.5%	
<i>EBITDA margin</i>	8.0%	5.8%	-41.4%	5.4%		9.4%	5.4%	8.1%	
<i>EBITA margin</i>	6.5%	4.3%	-43.0%	3.9%		7.7%	3.6%	6.4%	
<i>EBIT margin</i>	5.6%	3.2%	-43.0%	2.9%		5.9%	2.0%	4.7%	
Number of employees at 31 March	6,821	3,024	500	10,345	0	6,305	3,734	10,039	0
Reconciliation of profit for the period									
EBIT				177	(9)			222	(1)
Financial income				424	2			337	0
Financial costs				(440)	(13)			(366)	0
EBT				161	(20)			193	(1)

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 reflects the performance of the backlog and 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.

Revenue split by recognition principle

DKKm	Q1 2023			
	Mining	Cement	Non-Core Activities	Group
Point in time	2,350	740	112	3,202
Percentage of completion				
- Service, single machines and product bundles	1,549	741	0	2,290
- Product bundles with engineering under enhanced risk governance	286	101	137	524
Total revenue	4,185	1,582	249	6,016

Revenue split on industry and category

DKKm	Q1 2023			
	Mining	Cement	Non-Core Activities	Group
Products business	1,485	692	157	2,334
Service business	2,700	890	92	3,682
Total revenue	4,185	1,582	249	6,016

Backlog

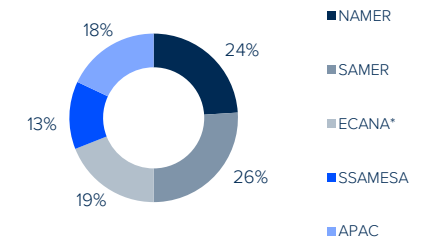
The order backlog at 31 March 2023 amounted to DKK 22,027m (end of 2022: DKK 23,541m).

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.

52% of the backlog is expected to be converted to revenue in the remainder of 2023.

Revenue split by Regions Q1 2023

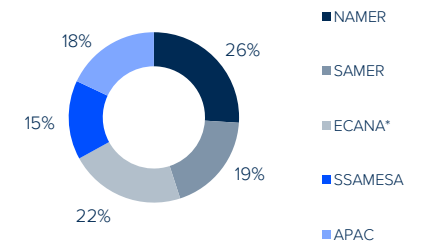
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*ECANA refers to the region of Europe, Central Asia and North Africa.

Revenue split by Regions Q1 2022

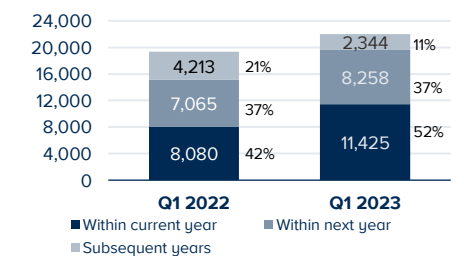
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*ECANA refers to the region of Europe, Central Asia and North Africa.

Backlog

DKKm



5. Provisions

Net provisions increased by DKK 147m compared to 31 December 2022. The increase relates primarily to restructuring provisions following the implementation of global synergies from the acquisition of Mining Technologies 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	31/03 2023	31/12 2022	31/03 2022
Provisions at 1 January	2,507	1,147	1,147
Foreign exchange adjustments	(10)	(17)	7
Acquisition of Group enterprises	0	682	0
Additions	386	1,388	114
Used	(164)	(461)	(117)
Reversals	(65)	(232)	(27)
Provisions	2,654	2,507	1,124

The split of provisions is as follows:

Warranties	994	980	567
Restructuring	462	404	19
Other provisions	1,198	1,123	538
	2,654	2,507	1,124

The maturity of provisions is specified as follows:

Current liabilities	1,729	1,611	657
Non-current liabilities	925	896	467
	2,654	2,507	1,124

6. Contractual Commitments and contingent liabilities

Contingent liabilities at 31 March 2023 amounted to DKK 3.7bn 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 3.2bn (31 December 2022: DKK 3.3bn). In addition to the above mentioned guarantees DKK 0.7bn of corporate contract-support guarantees to customers in connection with the acquisition of Mining Technologies remain outstanding (31 December 2022: DKK 0.8bn). Most of these guarantees will expire during 2023, and by end 2024 almost all will 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	31/03 2023	31/12 2022	31/03 2022
Provisions at 1 January	2,390	999	999
Foreign exchange adjustments	(10)	(17)	7
Acquisition of Group enterprises	0	682	0
Additions	384	1,385	114
Used	(160)	(428)	(108)
Reversals	(65)	(231)	(27)
Provisions	2,539	2,390	985

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 115m shown in the table below, discontinued activities accounts for DKK 356m (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	Q1 2023	31/12 2022	Q1 2022
EBITDA	(9)	(10)	(1)
Change in provisions	(2)	(31)	(9)
Change in net working capital	7	(6)	(5)
Cash flow from operating activities before financial items and tax	(4)	(47)	(15)
Financial items received and paid	(1)	(3)	0
Cash flow from operating activities	(5)	(50)	(15)

Discontinued activities share of Group provisions disclosed in note 5

DKKm	31/03 2023	31/12 2022	31/03 2022
Provisions at 1 January	117	148	148
Additions	2	3	0
Used	(4)	(33)	(9)
Reversals	0	(1)	0
Provisions	115	117	139

8. Net working capital

Net working capital at 31 March 2023 has increased by DKK 0.7bn compared to 31 December 2022. The primary driver of the increase in the quarter was the build-up of work in progress, that will be invoiced in coming quarters. Other drivers were higher inventory levels due to our focus on the Service business and a lower level of trade payables due to the payment of larger orders.

Utilisation of supply chain financing increased in the first three months of 2023 to DKK 626m (31 December 2022: DKK 590m).

Net working capital

DKKm	31/03 2023	31/12 2022	31/03 2022
Inventories	4,059	3,971	2,782
Trade receivables	5,022	5,108	3,848
Work in progress, assets	3,518	3,147	2,782
Prepayments	820	874	921
Other receivables	1,034	1,030	781
Derivative financial instruments	42	54	24
Prepayments from customers	(2,702)	(2,771)	(2,665)
Trade payables	(4,062)	(4,339)	(3,407)
Work in progress, liability	(3,599)	(3,592)	(2,420)
Other liabilities	(1,469)	(1,509)	(1,240)
Derivative financial instruments	(50)	(80)	(52)
Net working capital	2,613	1,893	1,354
Change in net working capital	(720)	(835)	(296)
Financial instruments and foreign exchange effect on cash flow	26	389	77
Cash flow effect from change in net working capital	(694)	(446)	(219)

9. Shareholders' equity

At the Annual General Meeting 29 March 2023, a dividend of DKK 3 per share was declared. The total dividend amounting to DKK 170m, excluding the portion related to FLSmidth's holding of treasury shares, was paid out in April 2023. The amount is included in Other liabilities in the balance sheet 31 March 2023.

10. Events after the balance sheet date

We are not aware of any subsequent matters that could be of material importance to the Group's financial position at 31 March 2023.

11. Accounting policies

The condensed interim report of the Group for the first quarter 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.

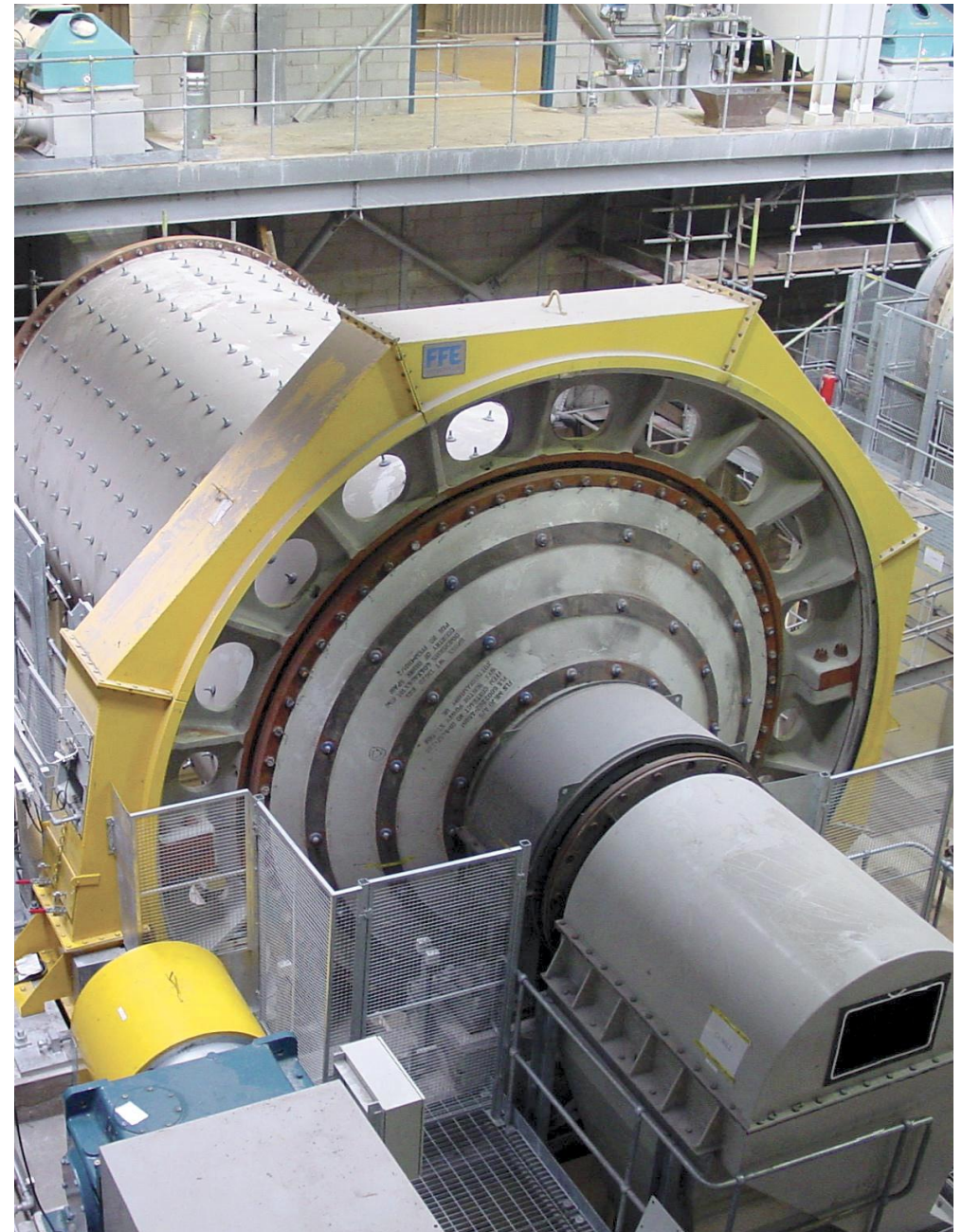
Apart from the below mentioned changes, the accounting policies are unchanged from those applied in the 2022 Annual Report. Reference is made to note 7.5, Accounting policies, note 7.6, Impact from new IFRS, note 7.7, New IFRS not yet adopted and to specific notes in the 2022 Annual Report for further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





Statements



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Statement by Management

The Board of Directors and the Executive Board have today considered and approved the interim report for the period 1 January – 31 March 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 31 March 2023 as well as of the results of its operations and cash flows for the period 1 January – 31 March 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, 11 May 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

Thrasylvoulos 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 – 31 March 2023

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