

## **FLSmidth signs agreement to divest its Cement business to become a pure-play supplier of technology and services to the mining industry**

**Today, FLSmidth announces that it has entered into an agreement to divest its Cement business to an affiliate of Pacific Avenue Capital Partners, a global private equity firm focused on carve-outs and other complex transactions, for a total initial consideration of EUR 75 million, corresponding to approximately DKK 550 million (Enterprise Value), plus a conditional deferred cash consideration of up to EUR 75 million, corresponding to approximately DKK 550 million.**

In early 2023, FLSmidth embarked on a strategic journey with the announcement of new pure-play strategies for its Mining and Cement businesses (ref. Company Announcement no. 2-2023). Since then, FLSmidth has simplified and rightsized both businesses to further strengthen their respective market positions, with a strategic focus on the core technologies and services required in the mining and cement industries. This has resulted in a significantly improved and more stable commercial and financial performance for both businesses.

On 29 January 2024 (ref. Company Announcement no. 1-2024), FLSmidth announced its intention to explore the available divestment options for its Cement business, with the objectives of enabling the Cement business to maximise its full potential as well as to further strengthen our Mining business' market-leading position as a full flowsheet technology and service provider to the global mining industry.

Chair of the Board of Directors of FLSmidth, Mads Nipper, comments: *"I am incredibly proud of what our Cement business has achieved in its more than 140-year long history with FLSmidth. We firmly believe that this divestment represents a pivotal step in unlocking the full potential for both our Mining and Cement businesses. Our Cement business is now well positioned for future success, with the flexibility to pursue its strategic ambitions and create exciting new opportunities for its employees to innovate and grow."*

CEO of FLSmidth, Mikko Keto, comments: *"The divestment allows us to sharpen our focus on our core Mining business, positioning FLSmidth as a pure-play leader in the mining industry. With a clear and focused Mining strategy, we are confident that we are well positioned to drive long-term value for our customers, shareholders and other stakeholders and enhance our competitive position."*

Jason Leach, Partner and Investment Committee Member at Pacific Avenue Capital Partners, comments: *"We are excited to acquire FLSmidth Cement, a global leader providing mission critical equipment and aftermarket solutions in the cement sector. The business has a rich history and strong brands including Fuller, Pfister, and Ventomatic. We believe that cement will continue to play a crucial role in global economic development, and that FLSmidth Cement's product innovation will play an important role in the decarbonisation of the industry"*.

Chris Sznewajs, Founder and Managing Partner, at Pacific Avenue Capital Partners, comments: *"We are honoured to be the trusted partner for FLSmidth on this highly complex transaction. We strive to be the buyer of choice for corporate sellers, with the ability to seamlessly complete cross-border transactions. The Cement division is an excellent fit within our portfolio given our focus on acquiring market leading companies. We are impressed with the Company's ability to deliver innovative, mission-critical solutions to its longstanding customers, and look forward to providing the necessary resources to support continued growth and value creation in partnership with management."*

The transaction includes all related employees, assets, intellectual property and technology. Certain legacy contracts and the Air Pollution Control (APC) asset will be retained by FLSmidth with immaterial impact on the continuing Mining business.

The transaction is expected to close during the second half 2025, subject to customary closing conditions, including regulatory approval from the relevant authorities.

### **Financial implications and outlook**

The net cash proceeds from the divestment are subject to final adjustments, debt-like items and transaction costs. It is expected that after these adjustments the result is a limited net cash gain from the transaction. Further, the transaction includes a deferred cash consideration of up to EUR 75 million, or approximately DKK 550 million, which is conditional upon the achievement of certain undisclosed objectives.

As a consequence of the transaction, FLSmidth Cement will be classified as held-for-sale and discontinued operations in the Q2 2025 Interim Financial Report. As a result of the transaction, a fair value adjustment of asset and liabilities will result in an impairment charge of approximately DKK 700 million with no cash impact, which will be accounted for in the profit/(loss) from discontinued operations in the Q2 2025 Interim Financial Report.

FLSmidth's financial guidance for the full year 2025 does not include discontinued operations and will thus be adjusted to only reflect the financial outlook for the Mining business. The financial guidance for the full year 2025 for the Mining business is unchanged (ref. Company Announcement no. 8-2025). FLSmidth thus expects revenue for the full year 2025 of DKK ~15.0 billion and an Adjusted EBITA margin in the range of 14.0% to 14.5%. The Adjusted EBITA margin excludes transformation and separation costs of around DKK 200m for the full year 2025.

In addition, and as a consequence of the transaction, the long-term financial target for FLSmidth Cement of an EBITA margin of ~8% for the full year 2026 is withdrawn. The long-term financial target for the Mining business of an EBITA margin of 13-15% for the full year 2026 remains unchanged (ref. Company Announcement no. 2-2023).

Further impact of the transactions will be communicated in connection with the release of FLSmidth's Q2 2025 Interim Financial Report on 20 August 2025.

Until closing of the transactions, FLSmidth Cement will continue to execute on its GREEN'26 strategy. Further, during the period to closing of the transactions and for a limited time thereafter, FLSmidth will continue to provide support and services to FLSmidth Cement.

## Conference call

On 20 June 2025 at 13.30 CEST, Mr. Mikko Keto (CEO) and Mr. Roland M. Andersen (CFO) will host a conference call to comment on this announcement. The presentation will be followed by a short Q&A session. The presentation will be held in English.

The presentation can be followed live or as a replay [here](#).

If you wish to ask questions or just listen to the presentation via telephone, please register [here](#). After registration, you will receive phone numbers, pin codes and a calendar invite. Please note that you will receive two codes (a pass code and a PIN code), both of which are needed when dialling into the webcast.

The presentation slides will be made available shortly after the conference call has ended at [www.fls.com/en/investors/financial-downloads](http://www.fls.com/en/investors/financial-downloads).

## Contacts:

### Investors Relations

Andreas Holkjær, +45 24 85 03 84, [andh@flsmidth.com](mailto:andh@flsmidth.com)

Jannick Denholt, +45 21 69 66 57, [jli@flsmidth.com](mailto:jli@flsmidth.com)

### Media

Jannick Denholt, +45 21 69 66 57, [jli@flsmidth.com](mailto:jli@flsmidth.com)

## About FLSmidth

*FLSmidth is a full flowsheet technology and service supplier to the global mining industry. We enable our customers to improve performance, lower operating costs and reduce environmental impact. MissionZero is our sustainability ambition towards zero emissions in mining by 2030. We work within fully validated Science-Based Targets, have a clear commitment to improving the sustainability performance of the global mining industry and aim to become carbon neutral in our own operations by 2030. [www.fls.com](http://www.fls.com)*

## About Pacific Avenue Capital Partners

*Pacific Avenue Capital Partners is a Los Angeles-headquartered private equity firm focused on corporate divestitures and other complex situations in the middle market. Pacific Avenue has extensive M&A and operations experience, allowing the firm to navigate complex transactions and unlock value through operational improvement, capital investment, and accelerated growth. Pacific Avenue takes a collaborative approach in partnering with strong management teams to drive lasting and strategic change while assisting businesses in reaching their full potential. Pacific Avenue has more than USD 2.1 billion Assets Under Management (AUM) as of 31 March 2025. For more information, please visit [www.pacificavenuecapital.com](http://www.pacificavenuecapital.com)*