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31 March 2024
Company announcement no. 8

FLSmidth & Co. A/S
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Interim Report Q1 2024

FLSMIDTH

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Highlights Q1 2024

We have had a good start to the year, where we have not only progressed on all our core transformation activities, but also seen further improvements in profitability in both Mining and Cement as well as shown good progression on all our Science Based Targets.

The market dynamics in the mining industry remain unchanged compared to prior quarter. Consequently, we continue to see a stable and healthy service market, whereas the products market – despite the recent increases in key commodity prices such as copper and gold – remains softer due to persisting hesitation by some customers on larger investment decisions as well as continued permitting issues in many countries. Meanwhile, we remain focused on simplifying our Mining operations and continue to invest into key commercial areas and innovation, all of which with the aim of boosting our long-term growth opportunities in the Service business.

The largely stable cement market provides good opportunities for our Service business in our core market clusters, whereas further de-risking of our Products business to preserve profitability is ongoing.

Finally, we are progressing on our exit from Non-Core Activities, and we remain confident that by end of 2024, we will have fully exited this segment.

The good start to the year makes us confident that we can achieve both our ambitions for 2024 as well as our long-term targets.

Mikko Keto, Group CEO

Mining

- 3% organic order intake growth reflecting a stable Service market and large Products order wins
- Organic revenue decline of 11% reflecting timing of both Service- and Products order execution
- Strong gross margin driven by mix and backlog execution
- Continued profitability progress with adj. EBITA margin of 11.5%

Cement

- 22% decrease in order intake reflecting unchanged market conditions and continued de-risking
- Revenue decline of 24% due to portfolio pruning and divestments
- Adj. EBITA margin of 7.7% reflecting good execution
- Divestment of MAAG business completed on 1 March 2024

Sustainability

- Good progress on all our Science Based Targets
- Safety performance improved from end of 2023 but remains behind our 2024 target

Performance and other

- Separation of Mining and Cement progressing according to plan
- Continued business simplification with >1,500 fewer FTEs vs. Q1'23
- Financial guidance for FY2024 maintained

Financial performance highlights Q1 2024

Mining

Order intake (DKKm)

0.0%

4,176

Revenue (DKKm)

▼ -14.4 %

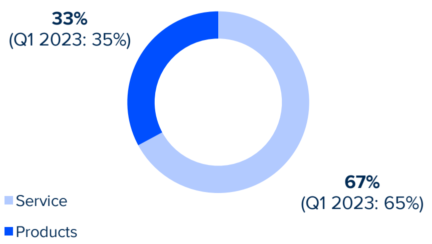
3,581

EBITA & EBITA margin (DKKm - %)

▲ 35.0 %

370 10.3% (adj. 11.5%)

Revenue split by Service & Products (%)



Cement

Order intake (DKKm)

▼ -22.5%

1,042

Revenue (DKKm)

▼ -23.6 %

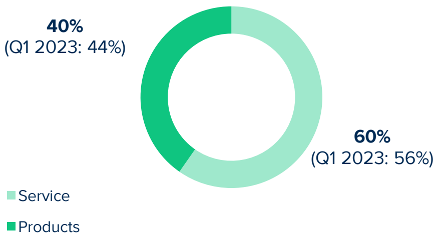
1,208

EBITA & EBITA margin (DKKm - %)

▼ -16.2 %

57 4.7% (adj. 7.7%)

Revenue split by Service & Products (%)

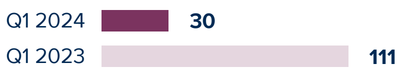


Non-Core Activities

Order intake (DKKm)

▼ -73.0 %

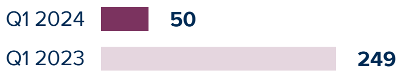
30



Revenue (DKKm)

▼ -79.9 %

50

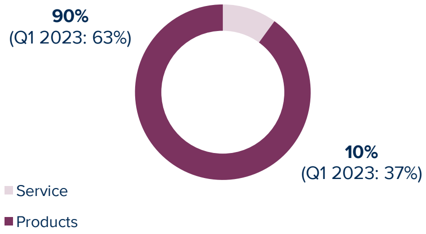


EBITA & EBITA margin (DKKm - %)

▲ 42.1 %

(62) -124.0%

Revenue split by Service & Products (%)



Group

Order intake (DKKm)

▼ -6.8 %

5,248

Revenue (DKKm)

▼ -19.6 %

4,839

EBITA & EBITA margin (DKKm - %)

▲ 55.3 %

365 7.5% (adj. 9.2%)

Cash flow from operating activities
DKK (352)m ▲ from DKK (404)m in Q1 2023

Earnings per share
DKK 3.4 ▲ from DKK 1.5 in Q1 2023

Net working capital ratio
8.4% ▼ from 10.6% end of Q1 2023

NIBD/EBITDA
0.5x ▼ from 1.0x end of Q1 2023

Sustainability performance highlights Q1 2024

Scope 1 and 2 greenhouse gas emissions

SCIENCE BASED TARGETS

tCO_2e (market-based)

8,947

Target: 39,445 in 2024

18.0% improvement

Scope 1 and 2 CO_2 emissions were reduced by 18.0% compared to Q1 2023. Consolidation of Mining Technologies sites during 2023 and the recent sale of MAAG has supported a reduction in emissions. To support further emissions reductions, we are running energy efficiency programmes in manufacturing sites to reduce energy use.

Scope 3: Economic intensity (use of sold products)

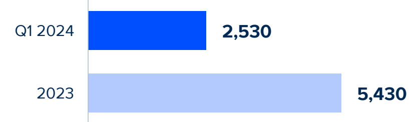
SCIENCE BASED TARGETS

tCO_2e/DKKm order intake

2,530

Target: 4,065 by 2030

53.4% improvement



Scope 3 economic intensity for the first quarter improved from the end of last year by 53.4%. The significant reduction was driven by the order mix, with Mining orders representing an increased share of order intake relative to Cement orders during the quarter. This was driven by a decline in Cement Products orders, including pyro systems. We expect quarterly volatility with this KPI relating to order mix.

Spend with suppliers with science-based targets

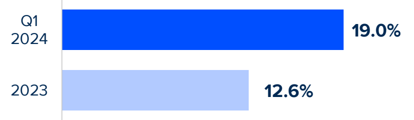
SCIENCE BASED TARGETS

%

19.0

Target: 15% in 2024

6.4%-points improvement



Spend with suppliers with science-based targets has increased by 6.4%-points compared to 2023, representing a positive start towards meeting our full year 2024 target. This was primarily driven by a greater share of our large suppliers committing to the Science Based Targets initiative. The improvement reflects our ongoing engagement with suppliers to promote environmentally responsible practices.

Water withdrawal

m^3

30,523

Target: 192,738 in 2024

19.7% improvement

Water withdrawal was reduced by 19.7% compared to Q1 2023. Consolidation of Mining Technologies sites during 2023 and the recent sale of MAAG has supported a drop in water use. Exposure to water-stressed areas increased with acquired Minng Technologies sites and as regions experienced increasing water stress. We will launch a water conservation plan during 2024.

Women managers

%

15.5

Target: 18.4% in 2024

0.8%-points reduction

The percentage of women managers decreased in the first quarter of 2024. The overall number of managers was reduced during the quarter. A large portion were from parts of the organisation with a larger representation of our female workforce. Continued efforts are needed to regain our progress towards our targets despite short term swings, in recruiting as well as growing internal successors.

Safety (Total recordable injury rate)

Total recordable injury rate/million working hours

2.3

Target: 1.1 in 2024

0.3 improvement

Safety performance has improved by 0.3 compared to Q1 2023 but remains behind our target for the full year 2024. To support improvement in safety, we have increased focus on safety initiatives towards the end of 2023. This includes our 'GoLookSee' programme engaging all shop floor operators in identifying and reporting safety risks through our safety walks and focus on improving our machine safety standards.

In Q1 2024, we progressed positively in all our KPIs linked to the Science Based Targets initiative. Whilst our safety numbers have improved since last year's deterioration, performance remains behind target. The number of women managers decreased during the first quarter from ongoing restructuring.

FLSmidth receives large HGPRs orders

During the quarter FLSmidth received two separate High-Pressure Grinding Rolls (HGPR) orders – one in South America and one in the Asia Pacific region – for a total of five HPGRs. Our HGPR technology is well known to be among the most energy-efficient comminution technologies available, lowering power consumption, while providing a more stable grinding operation and eliminating the need for grinding media.

FLSmidth wins three Technology and Innovation awards

Our REFLUX™ Concentrating Classifier (RCC™), REFLUX™ Flotation Cell (RFC™) and HPGR Pro all won awards in technology and Innovation in 2023: two presented from Mining Technology's Excellence Awards and the other from Mining Magazine. The RCC™ offers improved performance efficiency to drive mineral recovery from ores with declining grades; whilst the RFC™ combines several technologies, resulting in superior flotation performance. Our HPGR Pro enhances operational efficiency and sustainability, by increasing throughput by up to 20% and reducing energy consumption by up to 15% relative to the standard HPGR.

Key figures

DKKm, unless otherwise stated	Q1 2024	Q1 2023	2023
Income statement			
Revenue	4,839	6,016	24,106
Gross profit	1,415	1,397	6,087
EBITDA	442	322	1,761
EBITA	365	235	1,438
Adjusted EBITA*	443	362	1,919
EBIT	305	177	1,200
Financial items, net	(2)	(16)	(146)
EBT	303	161	1,054
Profit for the period, continuing activities	194	103	672
Loss for the period, discontinued activities**	-	(19)	(181)
Profit for the period	194	84	491
Orders			
Order intake	5,248	5,632	21,376
Order backlog	17,482	22,027	17,593
Earning ratios			
Gross margin	29.2%	23.2%	25.3%
EBITDA margin	9.1%	5.4%	7.3%
EBITA margin	7.5%	3.9%	6.0%
Adjusted EBITA margin*	9.2%	6.0%	8.0%
EBIT margin	6.3%	2.9%	5.0%
EBT margin	6.3%	2.7%	4.4%
Cash flow			
Cash flow from operating activities (CFFO)	(352)	(404)	623
Acquisitions of property, plant and equipment	(58)	(24)	(176)
Cash flow from investing activities (CFFI)	46	(24)	(257)
Free cash flow	(306)	(428)	366
Free cash flow adjusted for acquisitions and disposals of enterprises and activities	(454)	(428)	201
Balance sheet			
Net working capital	1,935	2,613	1,382
Net interest-bearing debt (NIBD)	(830)	(1,187)	(639)
Total assets	26,904	29,643	27,011
CAPEX	109	79	604
Equity	11,085	10,611	10,828
Dividend to shareholders, paid	-	-	231

DKKm, unless otherwise stated	Q1 2024	Q1 2023	2023
Financial ratios			
Book-to-bill	108.5%	93.6%	88.7%
Order backlog / Revenue	76.2%	95.1%	73.0%
Return on equity	7.1%	3.1%	4.5%
Equity ratio	41.2%	35.8%	40.1%
ROCE, average	7.8%	5.1%	8.2%
Net working capital ratio, end	8.4%	10.6%	5.7%
NIBD / EBITDA	0.5.x	1.0x	0.4x
Capital employed, average	18,078	17,034	17,552
Number of employees	8,769	10,345	9,377
Share ratios			
Cash flow per share (CFPS), (diluted), (DKK)	(6.2)	(7.1)	10.9
Earnings per share (EPS), (diluted), (DKK)	3.4	1.5	8.7
Share price, (DKK)	344.0	262.2	287.2
Number of shares (1,000), end	57,650	57,650	57,650
Market capitalisation, end	19,832	15,116	16,557
Sustainability key figures			
Scope 1 & 2 GHG emissions (tCO2e) market-based	8,947	10,913	38,022
Scope 3 Economic intensity***	2,530		5,430
Spend with suppliers with science-based targets	19.0%	10.8%	12.6%
Water withdrawal (m3)	30,523	38,030	167,610
Women managers	15.5%	14.9%	16.3%
Safety, TRIR Total Recordable Injury Rate (including contractors)	2.3	2.6	2.7
Other key figures			
Quality, DIFOT Delivery In Full On Time	83.2%	83.0%	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 Annual Report 2023 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 Annual Report 2023 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 of DKK 78m. 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 on a quarterly basis.

2024 financial guidance

Financial guidance for 2024 is maintained. 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 underlying Cement business and the ongoing exit from the Non-Core Activities segment.

Mining	Cement	Non-Core Activities	Group
Revenue (DKKbn) **16.0-17.0** (DKK 3.6bn)	Revenue (DKKbn) **4.0-4.5** (DKK 1.2bn)	Revenue (DKKm) **250-350** (DKK 50m)	Revenue (DKKbn) **20.0-21.5** (DKK 4.8bn)
Adj. EBITA margin **11.5-12.5%** (11.5%)	Adj. EBITA margin **5.5-6.5%** (7.7%)		Adj. EBITA margin **9.0-10.0%** (9.2%)
		EBITA (DKKm) **Loss of 200-300** (Loss of DKK 62m)	EBITA margin **7.5-8.5%** (7.5%)

Note: The numbers in brackets represent Q1 2024 results.

Compared to 2023, we expect market demand to be softer in 2024, mainly driven by the Products business due to some customers delaying larger investment decisions. However, the mining industry continues to benefit from a positive long-term outlook for minerals crucial to global economic development and the green transition.

The guidance for adjusted EBITA margin includes 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 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 guidance reflects the operational loss-making nature of the business as well as costs related to finalise 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 uncertainty due macroeconomic uncertainty and geopolitical turmoil.

Mining financial performance

We continue to observe a stable service market, while softness in the products market persists. The long-term industry outlook remains positive, supported by economic development and a growing demand for minerals crucial for the green transition.

Throughout Q1 2024, the global mining markets have remained active within major commodities. This especially applies to the global copper and gold markets. Despite recent increases in key commodity prices, such as for copper and gold, we continue to see customer hesitations on large capital investment decisions, permitting challenges in many countries and prevailing macroeconomic and geopolitical uncertainty.

Looking further into 2024, the service market is expected to remain stable and active, and we continue to see a steady inflow of customer service enquiries from miners aimed at improving their operating performance through continued investments in productivity and sustainability solutions.

The products market is inherently more volatile, and demand currently remains soft, albeit with a prevailing demand for products offering high-efficiency and sustainability solutions.

Order intake development in Q1 2024

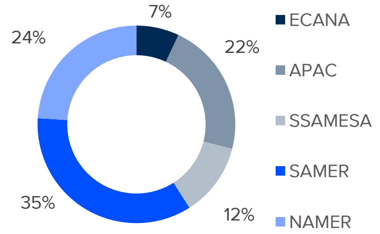
Mining order intake was on par with the level from Q1 2023. Excluding currency effects, the order intake increased by 3% driven by a higher Products order intake compared to Q1 2023.

Service order intake decreased by 4% compared to Q1 2023, mainly explained by currency effects and very high order intake in the comparative quarter of 2023. Overall, market conditions for Service remain stable and at healthy levels.

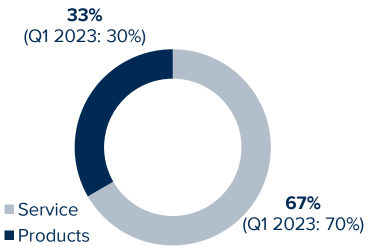
The 9% increase in Products order intake was mainly a result of two large Products orders announced in Q1 2024 with a total value of DKK 680m compared to one large order valued at DKK 350m in Q1 2023. The large orders announced in Q1 2024 comprised comminution technologies to a leading copper miner in South America, including ball mills and HPGRs, as well as, among other things, the delivery of two HPGRs to a copper concentrator in the Asia Pacific region.

During the quarter, Service and Products orders accounted for 67% and 33% of the total order intake, respectively, compared to 70% and 30% in Q1 2023, respectively.

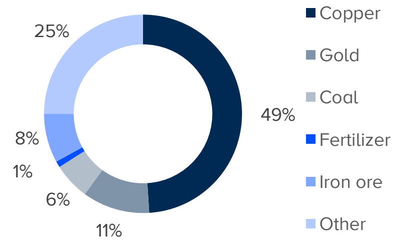
Order intake split by region, Q1 2024



Order intake split by Service and Products, Q1 2024



Order intake split by commodity, Q1 2024



Mining financial performance

Revenue development in Q1 2024

Q1 2024 revenue decreased by 14%. Excluding currency effects, revenue decreased organically by 11%.

Service revenue decreased by 11% compared to Q1 2023 to DKK 2,404m. The year-on-year decrease was primarily due to lower revenue within spare parts and consumables driven by timing of order execution with revenue from a number of contracts in South America being realised in early 2023 as well as the ongoing exit from basic labour services. The decline was partly offset by relatively higher revenue within upgrades & retrofits.

Products revenue decreased by 21% compared to Q1 2023. The decrease was driven by our de-risking portfolio strategy and timing of the execution of certain larger Products orders.

Service and Products revenue comprised 67% and 33% of total Mining revenue in Q1 2024, respectively, compared to 65% and 35% in Q1 2023, respectively.

Gross profit development in Q1 2024

Gross profit increased by 11% to DKK 1,180m, from DKK 1,065m in Q1 2023. The corresponding gross margin increased from 25.4% in Q1 2023 to 32.9% in Q1 2024. This represents the highest gross margin achieved for our Mining business in several years, and was a result of good margin execution, mix and our de-risking strategy.

EBITA development in Q1 2024

The Adjusted EBITA margin was 11.5% when excluding transformation and separation costs of DKK 42m, which relates to our ongoing pure play separation of the Mining and Cement businesses as well as our ongoing business simplification. The improvement in Adjusted EBITA margin was driven by continued strong execution and realised synergies from the acquisition of Mining Technologies. The EBITA margin increased to 10.3% from 6.5% in Q1 2023.

Mining

(DKKm)	Q1 2024	Q1 2023	Change (%)
Order intake	**4,176**	**4,177**	**0%**
- Hereof service order intake	2,784	2,902	-4%
- Hereof products order intake	1,392	1,275	9%
Order backlog	**12,581**	**13,876**	**-9%**
Revenue	**3,581**	**4,185**	**-14%**
- Hereof service revenue	2,404	2,700	-11%
- Hereof products revenue	1,177	1,485	-21%
Gross profit	**1,180**	**1,065**	**11%**
Gross margin	32.9%	25.4%	
Adjusted EBITA	**412**	**400**	**3%**
Adjusted EBITA margin	11.5%	9.6%	
EBITA	**370**	**274**	**35%**
EBITA margin	10.3%	6.5%	
Number of employees	6,553	6,821	-4%

Employees

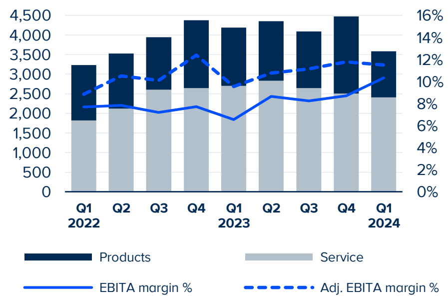
The number of employees in Mining has been reduced by 268 since the end of Q1 2023. This reduction reflects the synergy takeout related to the integration of Mining Technologies, partly offset by new hirings in key commercial areas to fuel our long-term growth ambitions to support our CORE'26 strategy.

Growth in order intake and revenue in Q1 2024 (vs. Q1 2023)

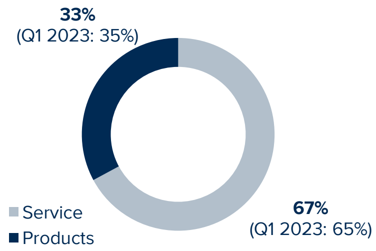
	Order intake	Revenue
Organic	3%	-11%
Currency	-3%	-3%
Total growth	**0%**	**-14%**

Revenue and EBITA margin

DKKm EBITA margin %



Revenue split by Service and Products, Q1 2024



Cement financial performance

Following a mixed year for the cement industry in 2023, Q1 2024 has shown some promise, as cement demand grows alongside infrastructure investments in Asia, the Americas and the Middle East. While global geopolitical and macroeconomic uncertainties remain, the cement industry's continued focus on sustainability will drive long-term demand for our services and solutions.

In 2023, global cement demand declined by approximately 2% driven primarily by a challenging industry cycle in China, which accounts for over half of global cement capacity. However, growing infrastructure investments across Asia, the Americas, and the Middle East are driving improvements in global cement demand.

In addition to market demand, the impact of regulatory and commercial pressure to deliver a net-zero future forms another significant long-term growth driver. Across the world, cement plants are focused on optimisation projects, seeking to decarbonise in the first instance through clinker substitution, fossil fuels replacement and reduced energy consumption, while keeping an eye on developing carbon capture and storage technologies.

We are well-positioned to support the industry with services and solutions that enable progress towards their sustainability goals.

Order intake development in Q1 2024

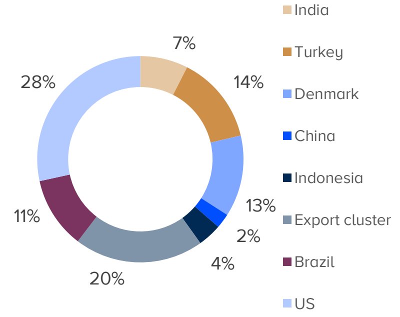
Cement organic order intake decreased by 22% in Q1 2024 compared to Q1 2023.

Service order intake decreased by 11% compared to Q1 2023, reflecting the divestments of the AFT business in Q3 2023, the sale of the MAAG business on 1 March 2024 and exit from selected markets. However, during the quarter, we have seen underlying growth in orders for spare parts and professional services within our core market clusters, partly offset by lower orders for upgrades & retrofits.

Products order intake decreased by 40% compared to Q1 2023 driven in part by the continued pruning of our product portfolio, exit of larger projects with a significant risk profile and lower margins as well as the impact from the divested businesses.

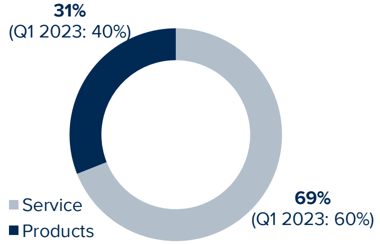
Service and Products comprised 69% and 31% of the total Cement order intake in Q1 2024, respectively, compared to 60% and 40% in Q1 2023, respectively.

Order intake split by cluster in Q1 2024



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

Order intake split by Service and Products, Q1 2024



Cement financial performance

Revenue development in Q1 2024

Revenue decreased by 24% compared to Q1 2023. Excluding currency effects, revenue decreased organically by 23%.

Service revenue decreased by 19% compared to Q1 2023 due to the divestment of the AFT business completed in Q3 2023 and the MAAG business divestment on 1 March 2024.

Products revenue decreased by 30% compared to Q1 2023 driven in part by the continued pruning of our product portfolio, exit of larger projects with a significant risk profile and lower margins as well as the impact from the divested businesses.

Service and Products comprised 60% and 40% of total Cement revenue in Q1 2024, respectively, compared to 56% and 44% in Q1 2023, respectively.

Gross profit development in Q1 2024

Gross profit decreased by 26% in Q1 2024 compared to Q1 2023 as a result of the lower revenue, inventory write downs as well as costs related to the separation of the Mining and Cement business, partly offset by good margin execution. The corresponding gross margin decreased by 0.7%-points to 22.8% in Q1 2024.

EBITA development in Q1 2024

The Adjusted EBITA margin was 7.7% when excluding transformation and separation costs of DKK 36m. EBITA decreased by 16% in Q1 2024 to DKK 57m compared to DKK 68m in Q1 2023. The decrease was primarily a result of relatively higher SG&A costs due to the ongoing separation of the Mining and Cement businesses, partly offset by the net gain from the divestment of the MAAG business. The corresponding EBITA margin improved by 0.4%-points to 4.7% in Q1 2024.

Excluding the net gain of around DKK 30m from the sale of the MAAG business, the EBITA margin was 2.2% and the Adjusted EBITA margin was 5.2%.

Employees

The number of employees in Cement was reduced by 896 compared to end Q1 2023. The reduction reflects continued optimisation of our global footprint, simplification of the operating model to improve operations and long-term profitability as part of the separation of the Mining and Cement businesses as well as the divestments of the AFT business completed in Q3 2023 and the MAAG business completed on 1 March 2024.

Cement

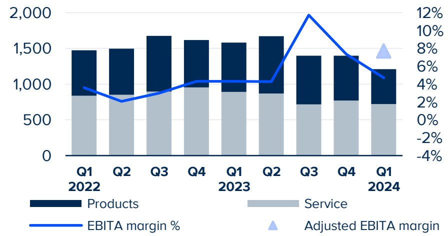
(DKKm)	Q1 2024	Q1 2023	Change (%)
Order intake	**1,042**	**1,344**	**-22%**
- Hereof service order intake	721	813	-11%
- Hereof products order intake	321	531	-40%
Order backlog	**4,422**	**6,066**	**-27%**
Revenue	**1,208**	**1,582**	**-24%**
- Hereof service revenue	721	890	-19%
- Hereof products revenue	487	692	-30%
Gross profit	**275**	**372**	**-26%**
Gross margin	22.8%	23.5%	
Adjusted EBITA	**93**	**68**	**37%**
Adjusted EBITA margin	7.7%	4.3%	
EBITA	**57**	**68**	**-16%**
EBITA margin	4.7%	4.3%	
Number of employees	2,128	3,024	-30%

Growth in order intake and revenue in Q1 2024 (vs. Q1 2023)

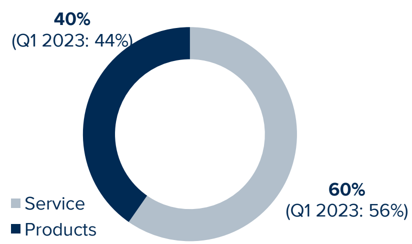
	Order intake	Revenue
Organic	-22%	-23%
Currency	0%	-1%
Total growth	**-22%**	**-24%**

Revenue and EBITA margin

DKKm EBITA margin



Revenue split by Service and Products, Q1 2024



Non-Core Activities financial performance

Order intake development in Q1 2024
Order intake for Non-Core Activities (NCA) amounted to DKK 30m, all of which related to Products order intake. The order intake was related to contractual obligations and parts already in stock.

Order backlog development in Q1 2024
Order backlog amounted to DKK 479m by end of Q1 2024 representing a decrease of around DKK 0.1bn compared to Q4 2023 and a decrease of around DKK 2.4bn since the establishment of the NCA segment as of Q4 2022. The decrease reflected the divestment to KOCH Solutions and 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 the Europe, Central Asia and Northern Africa regions.

Revenue development in Q1 2024
Revenue amounted to DKK 50m in Q1 2024. Service and Products accounted for 10% and 90% of total NCA revenue, respectively.

Gross profit development in Q1 2024
Gross profit was negative and amounted to DKK -40m. The corresponding gross margin amounted to -80.1% reflecting the general volatility and operationally loss-making nature of the NCA segment.

EBITA development in Q1 2024
EBITA for NCA amounted to DKK -62m, corresponding to a EBITA margin of -124% driven by the negative gross profit and costs related to the ongoing exit of the activities in the segment.

Non-Core Activities

(DKKm)	Q1 2024	Q1 2023	Change (%)
Order intake	**30**	**111**	**-73%**
- Hereof service order intake	-	80	-100%
- Hereof products order intake	30	31	-3%
Order backlog	**479**	**2,085**	**-77%**
Revenue	**50**	**249**	**-80%**
- Hereof service revenue	5	92	-95%
- Hereof products revenue	45	157	-71%
Gross profit	**(40)**	**(40)**	**0%**
Gross margin	-80.1%	-16.1%	
EBITA	**(62)**	**(107)**	**42%**
EBITA margin	-124.0%	-43.0%	
Number of employees	88	500	-82%

Consolidated Quarterly financial performance

Order intake in Q1 2024

Order intake decreased by 7% in Q1 2024 to DKK 5,248m compared to DKK 5,632m in Q1 2023. Excluding currency effects, order intake decreased organically by 4%.

Service order intake decreased by 8% compared to Q1 2023, driven by relatively lower order intake for both the Mining and Cement businesses.

Products order intake decreased by 5% compared to Q1 2023 driven by lower Cement Products orders.

Service and Products represented 67% and 33% of total order intake, respectively, which was unchanged compared to Q1 2023.

Order backlog and maturity in Q1 2024

The order backlog decreased by 1% to DKK 17,482m compared to the prior quarter (Q4 2023: DKK 17,593m) as the order intake in Q1 2024 was more than offset by the divestment of MAAG business, the continued wind-down of the NCA segment and the ongoing execution of the order backlog.

Outstanding order backlog related to Russian and Belarusian contracts was unchanged and amounted to DKK 0.1bn at the end of Q1 2024. The remaining orders are 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 'Within 3 years and beyond'.

Group

(DKKm)	Q1 2024	Q1 2023	Change (%)
Order intake	**5,248**	**5,632**	**-7%**
- Hereof service order intake	3,505	3,795	-8%
- Hereof products order intake	1,743	1,837	-5%
Order backlog	**17,482**	**22,027**	**-21%**
Revenue	**4,839**	**6,016**	**-20%**
- Hereof service revenue	3,130	3,682	-15%
- Hereof products revenue	1,709	2,334	-27%
Gross profit	**1,415**	**1,397**	**1%**
Gross margin	29.2%	23.2%	
SG&A cost*	**(1,008)**	**(1,100)**	**-8%**
SG&A ratio	20.8%	18.3%	
Adjusted EBITA	**443**	**362**	**22%**
Adjusted EBITA margin	9.2%	6.0%	
EBITA	**365**	**235**	**55%**
EBITA margin	7.5%	3.9%	
Number of employees	8,769	10,345	-15%

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

Backlog maturity	Mining	Cement	Non-Core Activities	FLSmidth Group
2024	59%	45%	52%	56%
2025	32%	33%	0%	31%
2026 and beyond	9%	22%	48%	13%

At the end of Q1 2024, outstanding backlog for the NCA segment amounted to DKK 479m. As a portion of the backlog is expected to be terminated, this has been included in the backlog maturity for '2026 and beyond'. It remains the expectation that the NCA segment will be fully exited by end-2024.

Revenue in Q1 2024

Revenue decreased by 20% to DKK 4,839m in Q1 2024, compared to Q1 2023, driven by lower revenue in both the Mining and Cement business. Organically, revenue decreased by 17% compared to Q1 2023.

The decrease in Service revenue by 15% compared to Q1 2023 was driven by both the Mining and Cement businesses. For Mining, the decrease was due to timing of order execution as well as the exit from basic labour services. For Cement, the development reflects the divestments.

Products revenue decreased by 27% compared to Q1 2023. For Mining, the decrease was driven by our de-risking portfolio strategy and timing of the execution of certain larger Products orders. For Cement, the decrease was driven by our de-risking strategy, exit from larger projects as well as divestments.

Service and Products revenue accounted for 65% and 35% of total revenue in Q1 2024, respectively, compared to 61% and 39%, respectively, in Q1 2023.

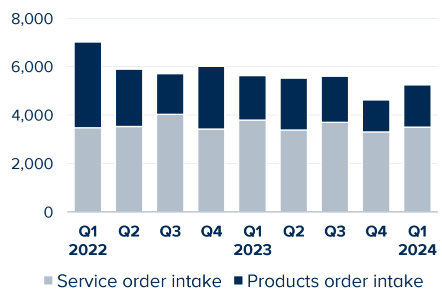
Growth in order intake in Q1 2024 (vs. Q1 2023)

	Mining	Cement	Non-Core Activities	FLSmidth Group
Organic	3%	-22%	-71%	-4%
Currency	-3%	0%	-2%	-3%
Total growth	**0%**	**-22%**	**-73%**	**-7%**

Growth in revenue in Q1 2024 (vs. Q1 2023)

	Mining	Cement	Non-Core Activities	FLSmidth Group
Organic	-11%	-23%	-79%	-17%
Currency	-3%	-1%	-1%	-3%
Total growth	**-14%**	**-24%**	**-80%**	**-20%**

Order intake split by Service and Products Q1 2024



Profit in Q1 2024

Gross profit and margin

Gross profit increased by 1% to DKK 1,415m in Q1 2024, compared to DKK 1,397m in Q1 2023, reflecting the good margin execution, mix effects and our de-risking strategy, partly offset by lower revenue in the quarter as well as costs related to our ongoing transformation activities and the pure play separation of the Mining and Cement businesses. The corresponding gross margin increased to 29.2% in Q1 2024 compared to 23.2% in Q1 2023. This represents the highest gross margin achieved in several years.

Research & development costs

In Q1 2024, total research and development costs (R&D) amounted to DKK 71m, representing 1.5% of revenue (Q1 2023: 1.4%).

(DKKm)	Q1 2024	Q1 2023
Production costs	45	52
Capitalised	26	30
Total R&D	**71**	**82**

SG&A costs

Sales, general and administrative costs (SG&A) decreased by 8% to DKK 1,008m compared to Q1 2023, reflecting positive effects from our ongoing transformation efforts and the realised synergies from the acquisition of Mining Technologies partly offset by transformation and separation costs. Further, currencies had a favourable impact on SG&A of DKK 18m in the quarter.

SG&A costs as a percentage of revenue increased to 20.8% in Q1 2024 compared to 18.3% in Q1 2023 due to the lower revenue.

EBITA and margin

Excluding transformation and separation costs of DKK 78m, the Adjusted Group EBITA margin was 9.2% in Q1 2024 compared to 6.0% in Q1 2023. Including these costs, the EBITA margin was 7.5% in Q1 2024 compared to 3.9% in Q1 2023, which was adversely impacted by costs related to the integration of Mining Technologies.

Excluding the net gain of around DKK 30m from the sale of the MAAG business, the EBITA margin was 6.9% and the Adjusted EBITA margin was 8.5%

Amortisation of intangible assets

Amortisation of intangible assets amounted to DKK 60m (Q1 2023: DKK 58m). The effect of purchase price allocations amounted to DKK 10m (Q1 2023: DKK 11m) and other amortisation to DKK 50m (Q1 2023: DKK 47m).

Financial items

Net financial items amounted to DKK -2m (Q1 2023: DKK -16m), of which net interest amounted to DKK -34m (Q1 2023: DKK -17m), foreign exchange and fair value adjustments amounted to DKK 32m (Q1 2023: DKK 1m). The latter includes the reclassification of DKK 18m in accumulated currency adjustments from other comprehensive income due to the sale of the MAAG business in Q1 2024.

Tax

Tax in Q1 2024 totalled DKK -109m (Q1 2023: -58m), corresponding to an effective tax rate of 36.0% (Q1 2023: 36.0%). This includes impact from withholding tax in both periods.

Profit for the period

Profit in Q1 2024 was DKK 194m (Q1 2023: DKK 84m) driven by the improved profitability as well as supported by the net gain of around DKK 30m from the sale of the MAAG business.

Return on capital employed

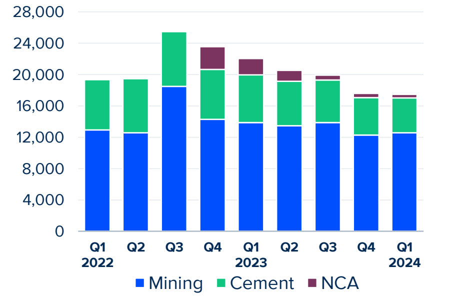
Return on capital employed (ROCE) increased to 7.8% (Q1 2023: 5.1%) due to higher earnings and a decrease in net working capital compared to Q1 2023.

Employees

The number of employees decreased by 608 to 8,769 at the end of Q1 2024, compared to 9,377 at the end of Q4 2023. The decrease was driven by workforce reductions across all business segments relating to footprint optimisation, the divestment of the MAAG business and the continued rightsizing of the Cement organisation.

Backlog

DKKm

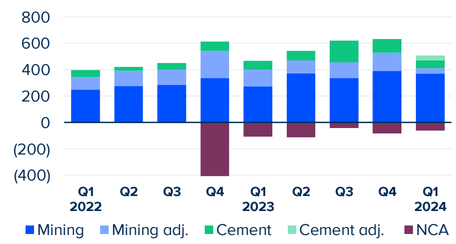


Revenue & EBITA margin

DKKm EBITA margin %

EBITA

DKKm



Capital in Q1 2024

Cash flow from operating activities
Cash flow from operating activities (CFFO) amounted to DKK -352m in Q1 2024 (Q1 2023: DKK -404m). This was driven by an increase in net working capital, negatively impacting CFFO by DKK 650m, partly offset by changes in provisions, which impacted CFFO positively by DKK 120m.

Cash flow from investing activities
Cash flow from investing activities amounted to DKK 46m (Q1 2023: DKK -24m). The positive cash flow is primarily related to the sale of the MAAG business partly offset by the payment for the recent acquisition of Farnell-Thompson.

Cash flow from financing activities
Cash flow from financing activities amounted to DKK 513m (Q1 2023: DKK 81m) driven by the increase in interest-bearing debt. The development reflects the negative cash flow from operating activities during Q1 2024 and an increase in cash.

Free cash flow
Free cash flow (the sum of cash flow from operating and investing activities) amounted to DKK -306m in the quarter (Q1 2023: DKK -428m). Free cash flow adjusted for business acquisitions and disposals amounted to DKK -454m in Q1 2024 (Q1 2023: DKK -428m).

Net working capital
Net working capital increased by DKK 553m to DKK 1,935m at the end of Q1 2024 (end of Q4 2023: DKK 1,382m). The increase is primarily driven by payments to suppliers leading to a reduction in trade payables and an increase in prepayments, partly offset by a reduction in trade receivables from increased cash collection.

The corresponding net working capital ratio increased from 5.7% of revenue in Q4 2023 to 8.4% in Q1 2024.

Utilisation of supply chain financing decreased to DKK 456m in Q1 2024 (Q4 2023: 504m).

Net interest-bearing debt
Net interest-bearing debt (NIBD) at 31 March 2024 increased to DKK 830m (Q4 2023: DKK 639m). The financial gearing end of Q1 2024 amounted to 0.5x (Q4 2023: 0.4x) and remains comfortably below our target level of less than 2.0x.

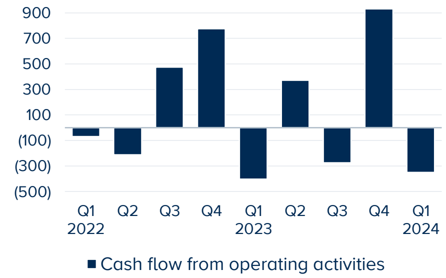
Financial position
By the end of Q1 2024, FLSmidth had DKK 6.3bn of available committed credit facilities of which DKK 4.7bn remained undrawn. The committed credit facilities have a weighted average time to maturity of 4.0 years.

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 uncommitted credit facilities available.

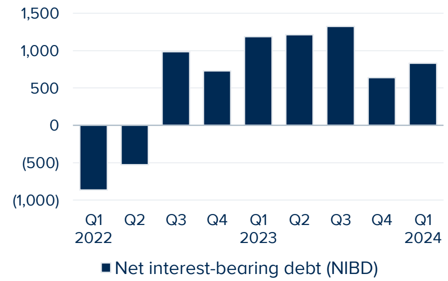
Equity ratio
Equity at the end of Q1 2024 increased to DKK 11,085m (end of Q4 2023: DKK 10,828m), driven primarily by currency adjustments and profit for the period. The equity ratio was 41.2% at the end of Q1 2024 (end of Q4 2023: 40.1%).

Treasury shares
The holding of treasury shares as of 31 March 2024 has decreased from year end 2023 and amounts to 764,785 shares, representing 1.33% of the total share capital. Treasury shares are used to cover our obligations under the company's share-based incentive programmes. The decrease reflects the vesting of the long-term incentive program granted in 2021.

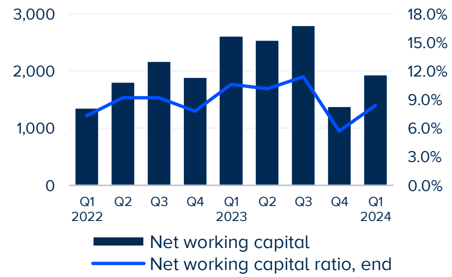
Cash flow
DKKm



Net interest-bearing debt
DKKm



Net working capital
DKKm NWC%



Consolidated Condensed Financial statements

Income statement

Notes	DKKm	Q1 2024	Q1 2023
3, 4	Revenue	4,839	6,016
	Production costs	(3,424)	(4,619)
	Gross profit	**1,415**	**1,397**
	Sales costs	(416)	(433)
	Administrative costs	(592)	(667)
10	Other operating net income	35	25
	EBITDA	**442**	**322**
	Depreciation and impairment of property, plant and equipment and lease assets	(77)	(87)
	EBITA	**365**	**235**
	Amortisation and impairment of intangible assets	(60)	(58)
	EBIT	**305**	**177**
	Financial income	224	424
	Financial costs	(226)	(440)
	EBT	**303**	**161**
	Tax for the period	(109)	(58)
	Profit for the period, continuing activities	**194**	**103**
3, 7	Profit (loss) for the period, discontinued activities	-	(19)
	Profit for the period	**194**	**84**
	Attributable to:		
	Shareholders in FLSmidth & Co. A/S	194	86
	Minority interests	-	(2)
		194	**84**
	Earnings per share (EPS):		
	Continuing and discontinued activities per share (DKK)	3.4	1.5
	Continuing and discontinued activities per share, diluted (DKK)	3.4	1.5
	Continuing activities per share (DKK)	3.4	1.9
	Continuing activities per share, diluted (DKK)	3.4	1.9

Statement of comprehensive income

Notes	DKKm	Q1 2024	Q1 2023
	Profit for the period	**194**	**84**
	Items that will not be reclassified to profit or loss:		
	Actuarial gains on defined benefit plans	5	5
	Items that are or may be reclassified subsequently to profit or loss:		
	Currency adjustments regarding translation of entities	65	(127)
	Reclassification of currency adjustments on disposal	(18)	-
	Cash flow hedging:		
	- Value adjustments for the period	(5)	28
	- Value adjustments transferred to work in progress	3	5
	Tax of total other comprehensive income	(1)	(11)
	Other comprehensive income for the period after tax	**49**	**(100)**
	Comprehensive income for the period	**243**	**(16)**
	Attributable to:		
	Shareholders in FLSmidth & Co. A/S	242	(16)
	Minority interests	1	-
		243	**(16)**

Cash flow statement

Notes	DKKm	Q1 2024	Q1 2023
	EBITDA	442	322
3	EBITDA, discontinued activities	-	(9)
	Adjustment for gain on sale of property, plant and equipment and other non-cash items	(17)	(11)
	Change in provisions, pension and employee benefits	120	173
8	Change in net working capital	(650)	(694)
	Cash flow from operating activities before financial items and tax	**(105)**	**(219)**
	Financial items received and paid	(34)	(18)
	Taxes paid	(213)	(167)
	Cash flow from operating activities	**(352)**	**(404)**
9	Acquisition of enterprises and activities	(93)	-
	Acquisition of intangible assets	(42)	(43)
	Acquisition of property, plant and equipment	(58)	(24)
	Acquisition of financial assets	(2)	-
10	Disposal of enterprises and activities	241	-
	Disposal of property, plant and equipment	-	33
	Disposal of financial assets	-	1
	Dividend from associates	-	9
	Cash flow from investing activities	**46**	**(24)**
	Repayment of lease liabilities	(28)	(29)
	Change in interest bearing debt	541	110
	Cash flow from financing activities	**513**	**81**
	Change in cash and cash equivalents	**207**	**(347)**
	Cash and cash equivalents at beginning of period	1,352	2,130
	Foreign exchange adjustment, cash and cash equivalents	1	(26)
	Cash and cash equivalents at 31 March	**1,560**	**1,757**

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

Free cash flow

DKKm	Q1 2024	Q1 2023
Free cash flow	(306)	(428)
Free cash flow, adjusted for acquisitions and disposals of enterprises and activities	(454)	(428)

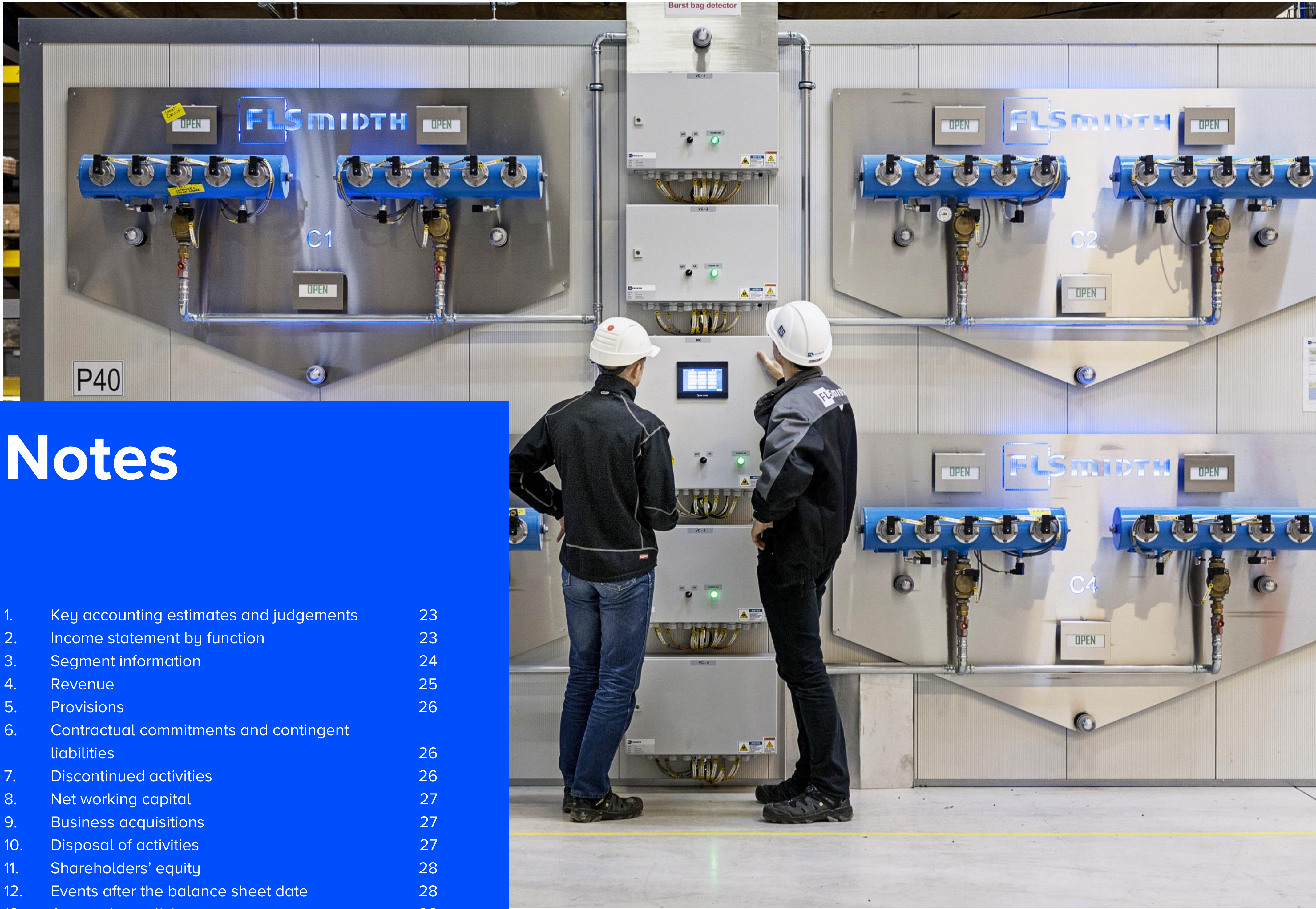
Balance sheet

Notes	DKKm	31/03 2024	31/12 2023	31/03 2023
	Assets			
	Goodwill	6,505	6,448	6,361
	Patents and rights	666	688	750
	Customer relations	320	331	374
	Other intangible assets	130	143	139
	Completed development projects	153	174	188
	Intangible assets under development	694	653	460
	Intangible assets	**8,469**	**8,437**	**8,272**
	Land and buildings	1,702	1,777	1,911
	Plant and machinery	339	391	469
	Operating equipment, fixtures and fittings	100	117	125
	Tangible assets in course of construction	139	104	49
	Property, plant and equipment	**2,280**	**2,389**	**2,554**
	Deferred tax assets	2,173	2,314	1,936
	Investments in associates	78	81	141
	Other securities and investments	56	56	54
	Other non-current assets	**2,307**	**2,451**	**2,131**
	Non-current assets	**13,056**	**13,277**	**12,957**
	Inventories	3,447	3,450	4,059
	Trade receivables	4,156	4,516	5,022
	Work in progress	2,785	2,769	3,518
	Prepayments	502	423	820
	Income tax receivables	440	229	374
	Other receivables	958	995	1,136
	Cash and cash equivalents	1,560	1,352	1,757
	Current assets	**13,848**	**13,734**	**16,686**
	Total assets	**26,904**	**27,011**	**29,643**

Notes	DKKm	31/03 2024	31/12 2023	31/03 2023
	Equity and liabilities			
	Share capital	1,153	1,153	1,153
	Foreign exchange adjustments	(833)	(879)	(646)
	Cash flow hedging	(34)	(32)	(37)
11	Retained earnings	10,827	10,615	10,167
	Shareholders in FLSmidth & Co. A/S	**11,113**	**10,857**	**10,637**
	Minority interests	(28)	(29)	(26)
	Equity	**11,085**	**10,828**	**10,611**
	Deferred tax liabilities	203	207	256
	Pension obligations	352	363	419
5	Provisions	696	660	925
	Lease liabilities	83	132	187
	Bank loans and mortgage debt	2,058	1,633	2,585
	Prepayments from customers	380	338	580
	Income tax liabilities	110	110	103
	Other liabilities	46	53	90
	Non-current liabilities	**3,928**	**3,496**	**5,145**
	Pension obligations	2	2	2
5	Provisions	1,723	1,635	1,729
	Lease liabilities	86	101	115
	Bank loans and mortgage debt	44	54	71
	Prepayments from customers	1,704	1,595	2,122
	Work in progress	2,849	3,025	3,599
	Trade payables	3,369	4,024	4,062
	Income tax payables	273	277	352
	Other liabilities	1,841	1,974	1,835
	Current liabilities	**11,891**	**12,687**	**13,887**
	Total liabilities	**15,819**	**16,183**	**19,032**
	Total equity and liabilities	**26,904**	**27,011**	**29,643**

Equity statement

							Q1 2024							Q1 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				194	194		194				86	86	(2)	84
Other comprehensive income														
Actuarial gains/(losses) on defined benefit plans				5	5		5				5	5		5
Currency adjustments regarding translation of entities		64			64	1	65		(129)			(129)	2	(127)
Reclassification of currency adjustments on disposal		(18)			(18)		(18)					0		0
Cash flow hedging:														
- Value adjustments for the period			(5)		(5)		(5)			28		28		28
- Value adjustments transferred to work in progress			3		3		3			5		5		5
Tax on other comprehensive income				(1)	(1)		(1)				(11)	(11)		(11)
Other comprehensive income total	**-**	**46**	**(2)**	**4**	**48**	**1**	**49**	**-**	**(129)**	**33**	**(6)**	**(102)**	**2**	**(100)**
Comprehensive income for the period	**-**	**46**	**(2)**	**198**	**242**	**1**	**243**	**-**	**(129)**	**33**	**80**	**(16)**	**-**	**(16)**
Transactions with owners:														
Dividend transferred to other liabilities					-		-				(170)	(170)		(170)
Share-based payment				14	14		14				10	10		10
Equity at 31 March	**1,153**	**(833)**	**(34)**	**10,827**	**11,113**	**(28)**	**11,085**	**1,153**	**(646)**	**(37)**	**10,167**	**10,637**	**(26)**	**10,611**



Notes

1. Key accounting estimates and judgements

When preparing the consolidated condensed financial statements, we are required to make several estimates and judgements. The estimates and judgements that can have a significant impact on the consolidated condensed financial statements are categorised as key accounting estimates and judgements. Key accounting estimates and judgements are regularly assessed to adapt to 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, valuation of inventories, trade receivables, work in progress and deferred tax.

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	Q1 2024	Q1 2023
Revenue	4,839	6,016
Production costs	(3,496)	(4,689)
Gross profit	**1,343**	**1,327**
Sales costs, including depreciation and amortisation	(421)	(438)
Administrative costs, including depreciation and amortisation	(652)	(737)
Other operating net income	35	25
EBIT	**305**	**177**
Depreciation, amortisation and impairment consist of:		
Depreciation and impairment of property, plant and equipment and lease assets	(77)	(87)
Amortisation and impairment of intangible assets	(60)	(58)
	(137)	**(145)**
Depreciation, amortisation and impairment are divided into:		
Production costs	(72)	(70)
Sales costs	(5)	(5)
Administrative costs	(60)	(70)
	(137)	**(145)**

3. Segment information

DKKm	Mining	Cement	Non-Core Activities	Total	Mining	Cement	Non-Core Activities	Continuing activities	Discontinued activities[1]
				Q1 2024					Q1 2023
								FLSmidth Group	
Revenue	**3,581**	**1,208**	**50**	**4,839**	**4,185**	**1,582**	**249**	**6,016**	**0**
Production costs	(2,401)	(933)	(90)	(3,424)	(3,120)	(1,210)	(289)	(4,619)	(2)
Gross profit	**1,180**	**275**	**(40)**	**1,415**	**1,065**	**372**	**(40)**	**1,397**	**(2)**
SG&A cost	(748)	(240)	(20)	(1,008)	(743)	(294)	(63)	(1,100)	(7)
Other operating net income	1	34	0	35	12	13	0	25	(9)
EBITDA	**433**	**69**	**(60)**	**442**	**334**	**91**	**(103)**	**322**	**(9)**
Depreciation and impairment of property, plant and equipment and lease assets	(63)	(12)	(2)	(77)	(60)	(23)	(4)	(87)	0
EBITA	**370**	**57**	**(62)**	**365**	**274**	**68**	**(107)**	**235**	**(9)**
Amortisation and impairment of intangible assets	(52)	(8)	0	(60)	(40)	(18)	0	(58)	0
EBIT	**318**	**49**	**(62)**	**305**	**234**	**50**	**(107)**	**177**	**(9)**
Order intake	4,176	1,042	30	5,248	4,177	1,344	111	5,632	0
Order backlog	12,581	4,422	479	17,482	13,876	6,066	2,085	22,027	0
Gross margin	*32.9%*	*22.8%*	*-80.1%*	*29.2%*	*25.4%*	*23.5%*	*-16.1%*	*23.2%*	
EBITDA margin	*12.1%*	*5.7%*	*-120.0%*	*9.1%*	*8.0%*	*5.8%*	*-41.4%*	*5.4%*	
EBITA margin	*10.3%*	*4.7%*	*-124.0%*	*7.5%*	*6.5%*	*4.3%*	*-43.0%*	*3.9%*	
EBIT margin	*8.9%*	*4.1%*	*-124.0%*	*6.3%*	*5.6%*	*3.2%*	*-43.0%*	*2.9%*	
Number of employees at 31 marts	**6,553**	**2,128**	**88**	**8,769**	**6,821**	**3,024**	**500**	**10,345**	**0**
Reconciliation of profit for the period									
EBIT				305				177	(9)
Financial income				224				424	2
Financial costs				(226)				(440)	(13)
EBT				**303**				**161**	**(20)**

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.

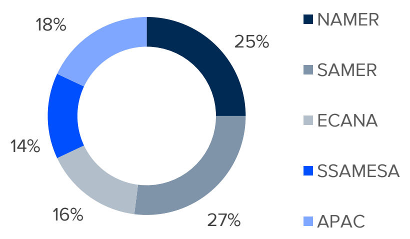
Backlog

The order backlog at 31 March 2024 amounted to DKK 17,482m (end of 2023: DKK 17,593m).

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

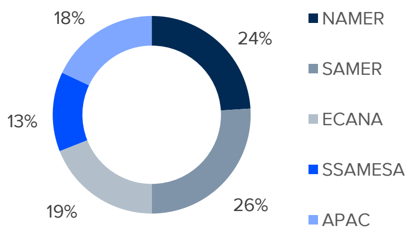
Revenue split by Regions Q1 2024

%



Revenue split by Regions Q1 2023

%



Revenue split on timing of revenue recognition principle

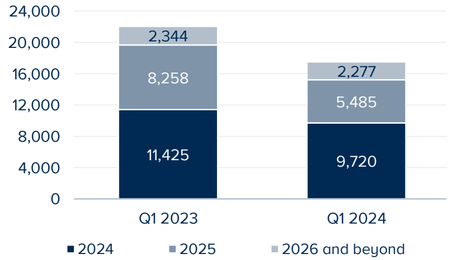
DKKm	Mining	Cement	Non-Core Activities	Group Q1 2024	Mining	Cement	Non-Core Activities	Group Q1 2023
Point in time	2,684	619	5	3,308	2,350	740	112	3,202
Percentage of completion								
- Service, single machines and product bundles	606	546	0	1,152	1,549	741	0	2,290
- Product bundles with engineering under enhanced risk governance	291	43	45	379	286	101	137	524
Total revenue	**3,581**	**1,208**	**50**	**4,839**	**4,185**	**1,582**	**249**	**6,016**

Revenue split on industry and category

DKKm	Mining	Cement	Non-Core Activities	Group Q1 2024	Mining	Cement	Non-Core Activities	Group Q1 2023
Products business	1,177	487	45	1,709	1,485	692	157	2,334
Service business	2,404	721	5	3,130	2,700	890	92	3,682
Total revenue	**3,581**	**1,208**	**50**	**4,839**	**4,185**	**1,582**	**249**	**6,016**

Backlog

DKKm



5. Provisions

Provisions increased by DKK 124m compared to 31 December 2023. The increase relates primarily to increases in other provisions that were partly offset by the use of restructuring provisions following execution on the transformation strategy.

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

Provisions

DKKm	31/03 2024	31/12 2023	31/03 2023
Provisions at 1 January	2,295	2,507	2,507
Foreign exchange adjustments	3	(19)	(10)
Acquisition and disposal of Group enterprises	(11)	14	0
Additions	395	1,598	386
Used	(201)	(1,399)	(164)
Reversals	(62)	(406)	(65)
Provisions	**2,419**	**2,295**	**2,654**
The split of provisions is as follows:			
Warranties	913	883	994
Restructuring	269	360	462
Other provisions	1,237	1,052	1,198
	2,419	**2,295**	**2,654**
The maturity of provisions is specified as follows:			
Current liabilities	1,723	1,635	1,729
Non-current liabilities	696	660	925
	2,419	**2,295**	**2,654**

6. Contractual Commitments and contingent liabilities

Contingent liabilities at Q1 2024 amounted to DKK 2,722m (31 December 2023: DKK 2,638m).

Contingent liabilities primarily relate to customary performance and payment guarantees. The volume of such guarantees amounted to DKK 2,360m (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 362m (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.

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 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 31 March 2024 has increased by DKK 0.6bn compared to 31 December 2023. The increase relates primarily to payments to suppliers leading to reduction in trade payables and increase in prepayments partly offset by a reduction in trade receivables from increased cash collection.

Utilisation of supply chain financing decreased in the first three months of 2024 to DKK 456m (31 December 2023: 504m).

Net working capital

DKKm	31/03 2024	31/12 2023	31/03 2023
Inventories	3,447	3,450	4,059
Trade receivables	4,156	4,516	5,022
Work in progress, assets	2,785	2,769	3,518
Prepayments	502	423	820
Other receivables	860	855	1,034
Derivative financial instruments	40	37	42
Prepayments from customers	(2,084)	(1,933)	(2,702)
Trade payables	(3,369)	(4,024)	(4,062)
Work in progress, liability	(2,849)	(3,025)	(3,599)
Other liabilities	(1,532)	(1,637)	(1,469)
Derivative financial instruments	(21)	(49)	(50)
Net working capital	**1,935**	**1,382**	**2,613**
Change in net working capital	(553)	511	(720)
Acquisitions/disposal of activities, financial instruments and foreign exchange effect on cash flow	(97)	(213)	26
Cash flow effect from change in net working capital	**(650)**	**298**	**(694)**

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 subject to final purchase price adjustments and 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.

11. Shareholders' equity

At the Annual General Meeting 10 April 2024, a dividend of DKK 4 per share was declared. The total dividend amounting to DKK 227m, excluding the proportion related to FLSmidth's holding of treasury shares, was paid out in April 2024.

In 2023, the Annual General Meeting was held in March and the total dividend of DKK 170m was included in Other liabilities in the balance sheet 31 March 2023.

12. 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 2024.

13. Accounting policies

The condensed interim report of the Group for the first three 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. It is not expected that the implementation will have a significant impact on the presentation and disclosure.

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
- 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 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 – 31 March 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 31 March 2024 as well as of the results of its operations and cash flows for the period 1 January – 31 March 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 uncertainties that the Group faces.

Valby, 15 May 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 – 31 March 2024

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