

## **Full year 2024 financial guidance updated; Mining revenue guidance lowered, driven by Products, while the Adjusted EBITA margin guidance for both Mining and Cement is raised as a result of strong strategy execution**

Today, FLSmidth announces preliminary and unaudited financial results for Q2 2024 and H1 2024, and the financial guidance for the full year 2024 is updated.

The updated Mining revenue guidance reflects the expectation of lower revenue from the order backlog due to customer-driven delays affecting the execution and finalisation of certain legacy Products orders. The Adjusted Mining EBITA margin guidance is raised, reflecting continued business improvements, especially in the Service business, as well as our de-risking strategy.

The updated Adjusted EBITA margin guidance for Cement reflects a better-than-expected impact from the implementation of the service-oriented business model, our continued de-risking strategy and the ongoing business simplification.

It remains the expectation that the total loss of exiting the Non-Core Activities (NCA) segment will be around DKK 1.0 billion (over the period since the establishment of the segment as of Q4 2022 until end of 2024). However, the updated NCA revenue guidance reflects that a lower share of the order backlog will now be executed and instead be terminated and/or re-scoped.

As consequence of the updated Mining, Cement and NCA guidance, the FLSmidth Group guidance for revenue, Adjusted EBITA margin and EBITA margin are updated accordingly. The updated FY 2024 Adjusted EBITA margin guidance for Mining and Cement gives us great confidence that we are well on track to meet our long-term ambitions for both Mining and Cement.

FLSmidth will, as previously communicated, release the detailed and unaudited financial results for the first half of 2024 on 15 August 2024.

### **Preliminary and unaudited key figures for Q2 2024 and H1 2024**

	Mining		Cement		Non-Core Activities		Consolidated Group	
	Q2 2024	H1 2024	Q2 2024	H1 2024	Q2 2024	H1 2024	Q2 2024	H1 2024
<b>Revenue, DKK</b>	3.8bn	7.4bn	1.1bn	2.3bn	44m	94m	5.0bn	9.8bn
<b>Adj. EBITA margin</b>	13.1%	12.3%	9.6%	8.6%			10.2%	9.7%
<b>EBITA margin</b>					Loss of DKK 99m	Loss of DKK 161m	8.7%	8.1%
<b>Order intake, DKK</b>	3.4bn	7.6bn	1.0bn	2.0bn	7m	37m	4.4bn	9.7bn

The adjusted Mining EBITA margin includes an adjustment for transformation and separation costs of DKK 63m and DKK 104m for Q2 2024 and H1 2024, respectively. The adjusted Cement EBITA margin includes an adjustment for transformation and separation costs of DKK 12m and DKK 49m for Q2 2024 and H1 2024, respectively.

## Financial guidance for FY 2024

Our updated financial guidance for the full year 2024 reflects the ongoing business simplification and transformation efforts, continued improvement in the core Mining business, realisation of the full cost synergies from the Mining Technologies acquisition, continued profitability progress in the Cement business and the ongoing exit from the Non-Core Activities segment.

Mining	Cement	Non-Core Activities	Group
Revenue (DKKbn) <b>~15.5</b> (16.0-17.0)	Revenue (DKKbn) <b>4.0-4.5</b> (unchanged)	Revenue (DKKbn) <b>200-300</b> (250-350)	Revenue (DKKbn) <b>~20.0</b> (20.0-21.5)
Adj. EBITA margin <b>12.5-13.0%</b> (11.5-12.5%)	Adj. EBITA margin <b>8.0-9.0%</b> (5.5-6.5%)		Adj. EBITA margin <b>10.0-11.0%</b> (9.0-10.0%)
		EBITA (DKKbn) <b>Loss of 200-300</b> (unchanged)	EBITA margin <b>8.5-9.5%</b> (7.5-8.5%)

Note: Numbers in brackets represent prior guidance as provided on 15 May 2024 in Company Announcement No. 8-2024.

### Mining

We expect the mining service market to remain stable, whereas the products market remains soft due to persistent hesitation by some customers on larger investment decisions. Longer term, the mining industry continues to benefit from a positive outlook for minerals crucial to continued global economic development and a successful green energy transition.

The guidance for the adjusted EBITA margin includes an adjustment for transformation and separation costs of around DKK 200m for the full year 2024. The adjusted EBITA margin is impacted by the realisation of the full cost synergies from the Mining Technologies acquisition, cost base inflation and re-investment of parts of the synergies into key commercial areas to support our CORE'26 strategy and to fuel our long-term growth ambitions.

### Cement

We expect the short-term outlook for the cement industry to remain impacted by macroeconomic uncertainty. The guidance for revenue and adjusted EBITA margin reflects the ongoing execution of the 'GREEN'26' strategy, continued business simplification and product portfolio pruning, including the completed sale of the MAAG business in Q1 2024. Further, the guidance for adjusted EBITA margin includes an adjustment for transformation and separation costs of around DKK 100m for the full year 2024.

### Non-Core Activities

The guidance for revenue reflects continued execution of the order backlog and contract negotiations aimed at reducing the scope of the remaining Non-Core Activities order backlog. The EBITA margin guidance reflects

the operational loss-making nature of the business as well as costs related to finalising the exit of the business segment by end of 2024.

### **Consolidated Group**

The Consolidated Group guidance reflects the sum of the guidance for the three business segments. The guidance for 2024 is subject to uncertainties stemming from the current macroeconomic and geopolitical environment.

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### **About FLSmidth**

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