

Adjusted EBITA margin increased to 15.2% in Q2 2025, driven by the continued execution of our strategic priorities

Today, the Board of Directors of FLSmidth have approved the H1 2025 Interim Financial Report.

Highlights in Q2 2025:

- Continued and disciplined execution of our strategic priorities despite macroeconomic and geopolitical uncertainties
- Further reduction in SG&A driving strong progression in underlying profitability, with an Adjusted EBITA margin of 15.2%
- Solid organic order intake growth in PC&V and Products, whereas organic Service order intake is slightly down versus Q2 2024
- Solid cash flow generation and launch of the company's first share buy-back programme since 2012
- Signed agreements to sell the Cement business and corporate headquarters in Copenhagen
- The financial guidance for the full year 2025 was updated on 14 August 2025 (ref. Company Announcement no. 22-2025)
- Continued progression on all our science-based sustainability targets

FLSmidth Group CEO, Mikko Keto, comments: *"In Q2 2025, we advanced our strategy despite ongoing macroeconomic and geopolitical uncertainty. Profitability strengthened with an Adjusted EBITA margin of 15.2%, reflecting continued momentum. Orders grew by 3% year-on-year, driven especially by higher Products orders, while Pumps, Cyclones & Valves delivered 13% organic growth from targeted sales force investments. Service orders declined by 1% due to delayed modernisation projects in North America linked to tariff uncertainty, though these remain in the pipeline and recovery is expected in the coming quarters. We also achieved three strategic milestones: the DKK 730 million sale of our headquarters, strengthening the balance sheet; the divestment of FLSmidth Cement, advancing our transition to a pure-play mining technology and service provider; and the launch of our first share buy-back programme since 2012, reinforcing our commitment to shareholder returns. Alongside an upgraded earnings guidance, these results underline our delivery on strategy and the creation of a stronger, more resilient FLSmidth."*

Updated segment reporting

As a result of the signed agreements to divest FLSmidth Cement, including the Air Pollution Control business, the business has been classified as discontinued activities and assets held for sale. Consequently, FLSmidth has as of Q2 2025 changed its segment reporting to reflect that FLSmidth going forward will be a pure-play supplier of technology and services to the mining industry.

As such, FLSmidth will as of Q2 2025 report on the following three continuing segments: Service, Products, and Pumps, Cyclones & Valves (PC&V). On average, the PC&V segment is expected to comprise approximately 25% equipment-related orders and 75% aftermarket-related orders.

The new segments have been defined based on our go-to-market strategy and are consistent with the Group's internal management and reporting structure going forward.

Results in Q2 2025

Commercial performance

Service order intake decreased by 8% compared to Q2 2024 (decrease of 1% if excluding currency effects and effects from divestments). The year-on-year decline can primarily be attributed to a lower order intake within upgrades & retrofits due to the delays to larger modernisation projects in North America. The order backlog decreased to DKK 4,781m compared to DKK 5,093m at the end of Q2 2024. The book-to-bill ratio was 100.2% in Q2 2025.

Products order intake increased by 44% compared to Q2 2024 (increase of 53% if excluding currency effects and effects from divestments). No large orders were announced in neither Q2 2025 nor in Q2 2024. The order backlog decreased to DKK 4,869m compared to DKK 5,681m at the end of Q2 2024. The book-to-bill ratio was 112.2% in Q2 2025.

PC&V order intake increased by 7% compared to Q2 2024 (increase of 13% if excluding currency effects and effects from divestments). The year-on-year increase was driven by a higher level of equipment orders as well as an unchanged level for aftermarket-related orders. In addition, the increase was primarily driven by higher order intake in the SAMER and EMEA regions, partly offset by a lower order intake in the NAMER region. The order backlog decreased to DKK 1,000m compared to DKK 1,078m at the end of Q2 2024. The book-to-bill ratio was 108.5% in Q2 2025.

Consolidated order intake increased by 3% in Q2 2025 (increase of 9% if excluding currency effects and effects from divestments). The year-on-year increase was primarily a result of a higher order intake in Products and was partly offset by a lower order intake in Service. In addition, Non-Core Activities contributed with DKK 7m in order intake in Q2 2024. The order backlog decreased by 13% to DKK 10,650m compared to Q2 2024. The book-to-bill ratio was 104.1% in Q2 2025.

Financial performance

Service revenue decreased by 3% compared to Q2 2024 (decrease of 1% if excluding currency effects and effects from divestments). The year-on-year decline is primarily a reflection of the timing of the execution of certain orders. The decline was partly offset by higher revenue within professional services and upgrades & retrofits. The Adjusted EBITA margin was 19.6% when excluding transformation and separation costs of DKK 27m as well as other operating net income of DKK 34m, which primarily related to sale of certain properties in Q2 2025. Including these items, EBITA increased to DKK 411m corresponding to an EBITA margin of 19.9% compared to DKK 403m corresponding to an EBITA margin of 19.0% in Q2 2024.

Products revenue decreased by 43% compared to Q2 2024 (decrease of 39% if excluding currency effects and effects from divestments). The year-on-year decline was primarily a reflection of the delayed execution of orders within certain product groups. FLSmidth expects the majority of these orders will be executed during the second half of 2025. The Adjusted EBITA margin was -9.7% when excluding transformation and separation costs of DKK 16m as well as other operating net income of DKK 25m, which primarily related to sale of certain properties in Q2 2025. Including these items, EBITA increased to DKK -50m corresponding to an EBITA margin of -8.2% compared to DKK -103m corresponding to an EBITA margin of -9.7% in Q2 2024.

PC&V revenue increased by 17% compared to Q2 2024 (increase of 24% if excluding currency effects and effects from divestments). The year-on-year increase reflects the positive momentum in the business and was driven by both higher equipment- and aftermarket-related revenue. The Adjusted EBITA margin was 23.7% when excluding transformation and separation costs of DKK 8m. There was no impact from other operating net income in the quarter. Including these items, EBITA increased to DKK 160m corresponding to an EBITA margin of 22.6% compared to DKK 134m corresponding to an EBITA margin of 22.1% in Q2 2024.

Consolidated revenue decreased by 12% compared to Q2 2024 (decrease of 5% if excluding currency effects and effects from divestments). The year-on-year decline was primarily driven by lower revenue in Products. In addition, Non-Core Activities contributed with DKK 44m in revenue in Q2 2024. The decline was partly offset by higher revenue in the PC&V business. The gross profit amounted to DKK 1,199m (unchanged compared to Q2 2024) corresponding to a gross margin of 35.5% (31.3% in Q2 2024). Excluding transformation and separation costs of DKK 50m and other operating net income of DKK 59m, the Adjusted EBITA margin was 15.2% in Q2 2025. Including these items, the EBITA margin was 15.5% compared to 8.8% in Q2 2024. Non-Core Activities impacted EBITA negatively by DKK 99m in Q2 2024. Excluding Non-Core Activities, the EBITA margin would have been 11.5% in Q2 2024. Profit from the continuing business was DKK 262m in Q2 2025 (Q2 2024: DKK 76m). Discontinued activities reported a total loss of DKK 717m compared to a gain of DKK 112m in Q2 2024. The loss includes impairment charges of DKK 495m relating to the divestment of the Cement business and derecognition of certain deferred tax assets.

Results in H1 2025

Commercial performance

Service order intake decreased by 7% compared to H1 2024 (decrease of 4% if excluding currency effects and effects from divestments). The decline was primarily a result of a lower order intake for upgrades & retrofits and spare parts and primarily in North America as well as in South America where orders were particularly strong in H1 2024. The year-on-year decline was partly offset by a higher order intake for consumables.

Products order intake decreased by 9% compared to H1 2024 (decrease of 7% if excluding currency effects and effects from divestments). The year-on-year decline reflects that a single large order was announced during H1 2025 (albeit with undisclosed total value), whereas two large orders with a combined value of approximately DKK 680m were announced in H1 2024.

PC&V order intake increased by 12% compared to H1 2024 (increase of 16% if excluding currency effects and effects from divestments). The year-on-year increase was driven by a higher level of both equipment- and aftermarket-related orders. In addition, the increase was primarily driven by a higher order intake in the EMEA and SAMER regions.

Consolidated order intake decreased by 4% compared to H1 2024 (decrease of 1% if excluding currency effects and effects from divestments). The year-on-year decrease was primarily a result of a lower order intake in Service. In addition, Non-Core Activities contributed with DKK 37m in order intake in H1 2024. The decline was partly offset by a higher order intake in the PC&V business.

Financial performance

Service revenue increased by 5% compared to H1 2024 (increase of 9% if excluding currency effects and effects from divestments). The higher revenue was primarily driven by higher revenue from consumables and upgrades & retrofits, driven by effective backlog management and improved order execution, partly offset by lower revenue in professional services, which can be partly explained by the exit from basic labour services. The Adjusted EBITA margin was 20.0% when excluding transformation and separation costs of DKK 52m as well as other operating net income of DKK 36m, which primarily related to sale of certain properties in H1 2025. Including these items, EBITA increased to DKK 831m corresponding to an EBITA margin of 19.6% compared to DKK 716m corresponding to an EBITA margin of 17.7% in H1 2024.

Products revenue decreased by 33% compared to H1 2024 (decrease of 32% if excluding currency effects and effects from divestments). The year-on-year decline was primarily driven by delayed execution of certain orders. FLSmidth expects the majority of these orders to be executed during the second half of 2025. The Adjusted EBITA margin was -9.9% when excluding transformation and separation costs of DKK 32m as well as other operating net income of DKK 41m, which primarily related to sale of certain properties in Q2 2025. Including these items, EBITA increased to DKK -131m corresponding to an EBITA margin of -9.3% compared to DKK -208m corresponding to an EBITA margin of -9.9% in Q2 2024.

PC&V revenue increased by 17% compared to H1 2024 (increase of 21% if excluding currency effects and effects from divestments). The year-on-year increase was driven by a higher level of aftermarket-related revenue. In addition, the increase was primarily a result of higher revenue in the EMEA region. The Adjusted EBITA margin was 24.2% when excluding transformation and separation costs of DKK 17m. There was no impact from other operating net income in the quarter. Including these items, EBITA increased to DKK 330m corresponding to an EBITA margin of 23.0% compared to DKK 296m corresponding to an EBITA margin of 24.2% in Q2 2024.

Consolidated revenue decreased by 5% compared to H1 2024 (decrease of 1% if excluding currency effects and effects from divestments). The year-on-year decline was primarily driven by lower revenue in Products. In addition, Non-Core Activities contributed with DKK 94m in revenue in H1 2024. The decline was partly offset by higher revenue in the Service and PC&V businesses. Gross profit increased by 8% to DKK 2,503m (DKK 2,311m in H1 2024) corresponding to a gross margin of 35.3% (31.0% in H1 2024). Excluding transformation and separation costs of DKK 101m and other operating net income of DKK 77m, the Adjusted EBITA margin was 14.9% in H1 2025. Including these items, the EBITA margin was 14.5% compared to 8.6% in H1 2024. Non-Core Activities impacted EBITA negatively by DKK 161m in H1 2024. Excluding Non-Core Activities, the EBITA margin would have been 10.9% in H1 2024. Profit for the period for the continuing business amounted to DKK 570m compared to DKK 277m in H1 2024. Discontinued activities reported a total loss of DKK 674m compared to a gain of DKK 104m in H1 2024. The loss includes impairment charges of DKK 495m relating to the divestment of the Cement business and derecognition of certain deferred tax assets.

Other business

Divestment of Corporate Headquarters

Ref. Company Announcement no. 9-2025, FLSmidth has entered into an agreement to sell its corporate headquarters for a total net cash gain of approximately DKK 730m to be paid in full to FLSmidth upon closing of

the transaction, expectedly at the end of Q1 2026. The expected accounting gain amounts to approximately DKK 690 million.

Divestment of FLSmidth Cement

Ref. Company Announcement no. 10-2025, FLSmidth has entered into an agreement to divest its Cement business for a total initial consideration of approximately DKK 550m, plus a deferred cash consideration of up to approximately DKK 550m. The transaction is expected to close during the second half 2025.

Divestment of Air Pollution Control business

On 30 June 2025, FLSmidth announced that it had entered into an agreement to divest its Air Pollution Control business. The transaction is expected to close during the second half of 2025 and includes all related assets, including intellectual property, technology, employees and order backlog.

Changes to Executive Leadership Team

In June, FLSmidth announced that Mikko Tepponen, Chief Digital Officer & Chief Operations Officer, had decided step down from his position to pursue an opportunity outside of the company. As part of the implementation of the new corporate model, the role of Chief Digital Officer & Chief Operations Officer will be eliminated. Consequently, the respective responsibilities for Digital and Manufacturing will be transferred to other members of the executive team. Further, the Chief Financial Officer will take over the responsibility for IT, and manufacturing activities will be managed by the three Business Lines, enhancing their respective end-to-end P&L ownership.

In addition, following the agreement to divest FLSmidth Cement, Christopher Ashworth, President of FLSmidth Cement, has left the company. During the period until closing of the transaction, Cori Petersen, Chief People Officer & Global Business Services Executive Vice President, will act as interim President of FLSmidth Cement.

Financial guidance for the full year 2025

The financial guidance for 2025, which was updated on 14 August 2025 (ref. Company Announcement no. 22-2025), is maintained. As such, FLSmidth expects revenue of DKK 14.5-15.0bn (previously DKK ~15.0bn). The downward adjustment from previous guidance is partly attributable to the expectation of lower revenue from the order backlog due to customer-driven delays affecting the execution of certain Products orders. Further, the updated revenue guidance reflects adverse foreign exchange rate movements. In addition, FLSmidth expects an Adjusted EBITA margin of 15.0-15.5% (previously 14.0-14.5%). The upgraded Adjusted EBITA margin guidance incorporates the stronger-than-anticipated benefits from the ongoing implementation of our corporate model, driving further business simplification and operational efficiency.

	Guidance 20 June 2025	Guidance 14 August 2025
Revenue, DKK	~15.0bn	14.5-15.0bn
Adj. EBITA margin ¹	14.0-14.5%	15.0-15.5%

Compared to 2024, we expect market demand for aftermarket services in the global mining industry to remain stable and active, whereas the market demand for equipment is expected to remain soft.

The Adjusted EBITA margin is expected to be positively impacted by the ongoing implementation of our corporate model, driving further business simplification and operational efficiency, as well as enhanced commercial execution. The Adjusted EBITA margin guidance excludes costs related to the ongoing transformation activities and the separation of the Mining and Cement businesses. These costs are expected to amount to approximately DKK 200m for the full year 2025. In addition, the guidance for Adjusted EBITA margin now excludes Other Operating Net Income. Other Operating Net Income totalled an income of DKK 77m in H1 2025.

Earnings call details

A presentation of the H1 2025 Interim Financial Report is scheduled for Wednesday 20 August 2025 at 11:00 a.m. CEST. During the presentation, Group CEO, Mikko Keto, and Group CFO, Roland M. Andersen, will comment on the report and developments in the Group. The presentation will be followed by a Q&A session.

Live audio-webcast

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

If you wish to ask questions during the Q&A session, please sign up [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.

Presentation slides

The presentation slides will be made available shortly before the scheduled start of the webcast at <https://fls.com/en/investors/financial-downloads>.

Consolidated key figures for Q2 2025 and H1 2025 (continuing business)

DKK million, unless otherwise stated	Q2 2025	Q2 2024**	Change (%)	H1 2025	H1 2024**	Change (%)
Order intake	3,517	3,430	3%	7,294	7,636	-4%
Order backlog	10,650	12,287	-13%	10,650	12,287	-13%
Revenue	3,378	3,827	-12%	7,086	7,458	-5%
Gross profit*	1,199	1,199	0%	2,503	2,311	8%
Gross margin*	35.5%	31.3%		35.3%	31.0%	
SG&A costs	-677	-805	-16%	-1,432	-1,546	-7%
SG&A ratio	20.0%	21.0%		20.2%	20.7%	
Other operating net income	59	4		77	5	
Adjusted EBITA***	513	394	30%	1,054	743	42%
Adjusted EBITA margin***	15.2%	10.3%		14.9%	10.0%	
EBITA	522	335	56%	1,030	643	60%
EBITA margin	15.5%	8.8%		14.5%	8.6%	
Profit for the period, continuing activities	260	75	247%	570	277	106%
Profit for the period, discontinued activities	-717	112	-740%	-674	104	-748%
Profit for the period	-455	187	-343%	-104	381	-127%
CFFO	527	14		515	-338	
Free cash flow	309	-89		187	-395	
Net working capital				1,562	2,021	
Net interest-bearing debt (NIBD)				-1,286	-1,227	
NIBD/EBITDA ratio				0.6x	0.7x	

* Q2 2024 and H1 2024 information has been restated to reflect a reclassification of DKK 28m and DKK 55m from Administration costs to Production costs, respectively.

** All 2024 numbers have been restated to reflect the continuing business. 2024 continuing business figures include the impact from Non-Core Activities.

*** To illustrate the underlying business performance, we present an Adjusted EBITA margin, which excludes costs related to our ongoing transformation activities and the separation of the Mining and Cement businesses as well as items reported as other operating net income.

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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