

FLSmidth sells its Advanced Filtration Technologies business to Micronics. Cement EBITA margin FY2023 guidance raised from the one-off net gain

On 14 July 2023, FLSmidth Cement sold its Advanced Filtration Technologies (AFT) filter media business to Micronics, a leading global provider of industrial filtration solutions. The sale is effective immediately and includes all related assets, including intellectual property, technology, employees and customer contracts.

The divestment of the AFT business is part of FLSmidth Cement's pure play strategy, which includes focusing the cement product portfolio on the core technologies required for the green transition in the cement industry.

"FLSmidth's AFT filter media business has grown to become one of the leading manufacturers of industrial filter bags, serving clients worldwide in among other the cement, lime, minerals, metals and power industries. FLSmidth appreciates the talent, dedication and commitment to quality of the AFT team, and we are pleased to see this successful business transition to Micronics," says Asger Lauritsen, President at FLSmidth Cement.

The acquisition will enable Micronics to expand its product portfolio and strengthen its offerings to existing customers. All employees currently working for the AFT business will join Micronics to ensure a smooth transition process for customers.

"I am excited to welcome AFT to the Micronics family of trusted industrial filtration brands. I look forward to working with our new colleagues in the USA, Europe and India as we bring together our combined talents, capabilities, technical expertise and process knowledge to better serve our valued global industrial filtration customers," says Chris Cummins, President and CEO of the Micronics Engineered Filtration Group.

FY2023 financial guidance updated

The updated revenue guidance for Cement and Group reflects the transfer of customer contracts to Micronics as part of the transaction. As a result of a net gain of around DKK 100m from the divestment, Cement EBITA margin, Group adjusted EBITA margin and Group EBITA margin guidance for FY2023 is raised. The underlying operational performance of Cement is still expected to be in line with prior guidance.

Guidance 2023	Mining	Cement	Non-Core Activities	Consolidated Group
Revenue, DKKbn	16.0-17.0 <i>(unchanged)</i>	Around 6.0 <i>(6.0-6.5)</i>	0.8-1.0 <i>(unchanged)</i>	23.0-24.0 <i>(23.0-24.5)</i>
Adj. EBITA margin	9-10% <i>(unchanged)</i>			6.5-7.5% <i>(6-7%)</i>
EBITA margin		5.5-6.5% <i>(4-5%)</i>	Loss of ~DKK 250-350m <i>(unchanged)</i>	4.5-5.5% <i>(4-5%)</i>

Note: Numbers in brackets represent prior guidance

COMPANY ANNOUNCEMENT NO. 13-2023

14 July 2023, Copenhagen, Denmark

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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. FLSmidth works within fully validated Science-Based Targets, our commitment to keep global warming below 1.5°C and to becoming carbon neutral in our own operations by 2030. www.flsmidth.com