

18 January 2023

FLSmidth Capital Markets Day 2023

Forward-looking statements

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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 the impact from the COVID-19 pandemic, 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.



Welcome

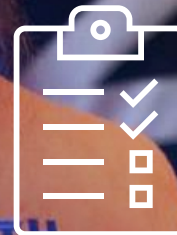
Jannick Denholt
Head of Investor Relations



Safety



**Online
participants**



**Other
practicalities**

Today's agenda

1. State of the nation & business update		2. Mining		3. Mining support		4. Cement		5. Sustainability & Performance	
10.00	Welcome	11.00	Mining strategy	13.00	Digital	13.30	Cement strategy	14.20	Sustainability & Environment
10.05	State of the nation	11.15	Mining Products	13.10	Operations	13.50	Q&A	14.30	Social
10.20	Business update & outlook	11.35	Mining Service	13.20	Q&A	14.05	15 min break	14.40	Governance
10.35	Q&A	11.55	Q&A					14.50	Performance & long-term targets
10.50	10 min break	12.15	45 min lunch break					15.05	Q&A
								15.25	Wrap-up
								16.30	End of CMD 2023



State of the nation

Mikko Keto
CEO

Today's speakers



Mikko Keto
CEO



Roland M. Andersen
CFO



Annette Terndrup
Chief Legal &
Strategy Officer



Cori Petersen
Chief HR &
HSE Officer



Joshua Meyer
President,
Service Business Line



Chris Reinbold
President,
Products Business Line



Asger Lauritsen
Chief Operating Officer &
Cement President



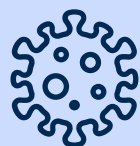
Mikko Tepponen
Chief Digital Officer



Wouter de Groot
Head of Sustainability

Many moving parts of the past three years have kickstarted our transformation journey in 2022

Key events in recent years



Global pandemic



Long-term targets withdrawn



Geopolitical turmoil



TK Mining deal closed



Executive Management changes



Cement towards standalone



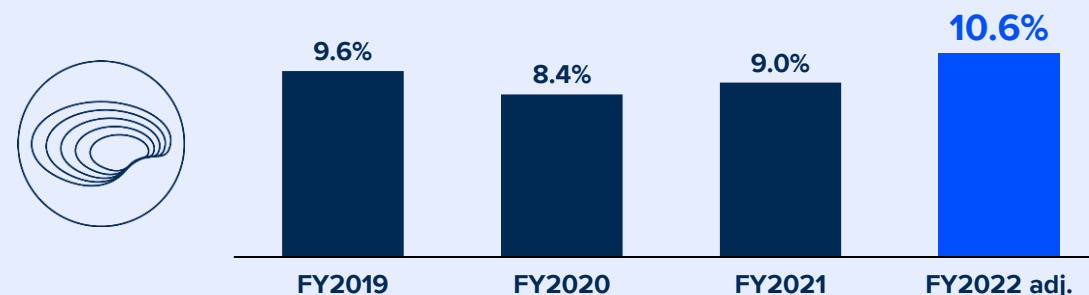
Inflation & energy crisis



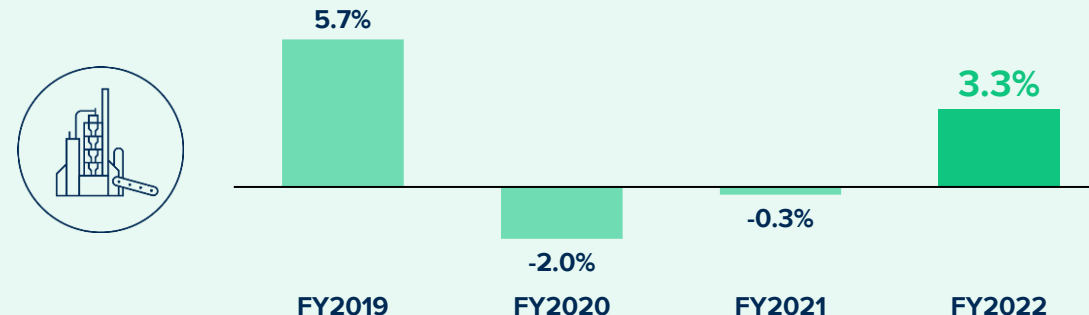
NCA segment established

Our performance has gradually improved in recent years

Mining EBITA margin



Cement EBITA margin



Current macro environment challenges are manageable, and outweighed by the fundamental long-term business drivers

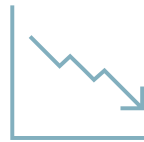
Short-term challenges



Energy
crisis



Geopolitical
turmoil



Recession

Long-term opportunities



Green
transition



Economic
growth

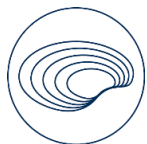


Industry
challenges

We have potential for more, and have implemented a pure play approach to maximise our Mining and Cement opportunities



Business areas



Mining



Cement



**Non-Core
Activities
(NCA)**

Combined financial targets



**Mining
targets**



**Cement
targets**



**NCA
targets**

WHY?

- ✗ Limited synergies
- ✗ Limited overlap in customer base
- ✗ Limited overlap in product offerings
- ✗ Different industries and cycles

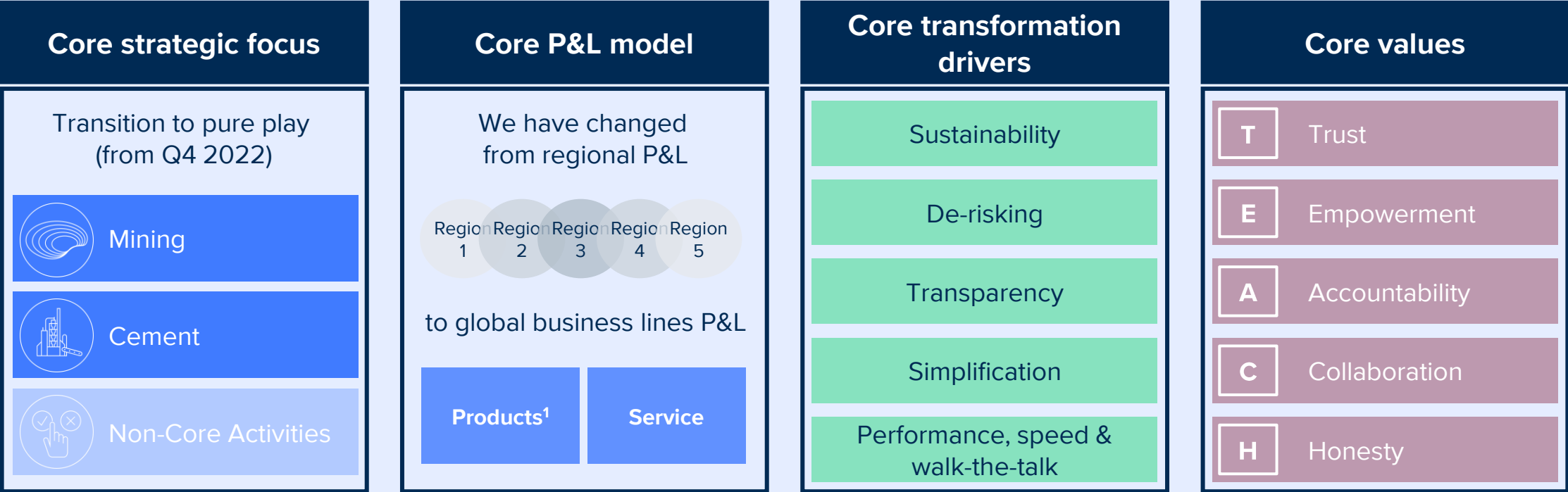
BENEFITS?

- ✓ Clear roles and responsibilities
- ✓ Strong accountability
- ✓ Increased operational flexibility
- ✓ Improved financial transparency

Our business and business environment have changed, and we have consequently sharpened our strategic focus



Our organisation and culture is evolving with our ongoing business transformation



1. Formerly known as 'Capital'

We are walking-the-talk, and we have taken many actions over the past 6-12 months to accelerate our transformation

Changed key leadership positions to strengthen focus and execution



De-risked and pruned the combined mining portfolio



Improved financial transparency internally and externally



Implemented stringent risk governance around the portfolio



Simplified footprint and operating model including significant headcount reduction in Cement



Accelerated focus and improved mix in our Service business



Accelerated commercial push on our MissionZero related products



We have **now exited Russia**



Decided what is core to us and singled out what is not



Raised and accelerated synergy target for the TK Mining acquisition



Introducing our new pure play Mining and Cement strategies



Quality of earnings and reduced earnings volatility are core elements in our new long-term financial targets for the FY2026

Mining

**EBITA margin
of 13-15%
for the
FY2026**

Cement

**EBITA margin
of ~8%
for the
FY2026**



Mission **Zero** Towards zero emissions by 2030

Key messages

A close-up photograph of a male worker in profile, wearing an orange hard hat with 'FL' on it, safety glasses, and an orange high-visibility shirt. He is looking down at a task. The background is blurred, showing industrial equipment and another person in an orange shirt.

“We have improved our underlying performance over the past ~2 years, but we have potential for much more”

“We are fundamentally transforming our business to ensure stronger strategy execution”

“We are walking-the-talk and have set ambitious long-term targets to the benefit of our stakeholders”



Business update & outlook

Roland M. Andersen
CFO

FY2022 preliminary and unaudited results in line with guidance

MINING

Revenue (DKKbn)

15.1

(guidance 14.5-15.0)

Adj. EBITA margin

10.6%

(guidance 10.0-10.5%)

EBITA margin

7.6%

(guidance ~7.5%)

CEMENT

Revenue (DKKbn)

6.3

(guidance 6.0-6.5)

EBITA margin

3.3%

(guidance ~3%)

NON-CORE

Revenue (DKKbn)

0.5

(guidance ~0.5)

EBITA margin

**Loss of
DKK 0.4bn**

(guidance loss of ~0.4bn)

GROUP

Revenue (DKKbn)

21.8

(guidance 21.0-22.0)

Adj. EBITA margin

6.4%

(guidance ~6%)

EBITA margin

4.3%

(guidance ~4%)

- Mining EBITA margin includes DKK 252m in integration costs and DKK 200m in costs related to wind-down of Russian activities
- Non-Core Activities guidance includes DKK 270m in non-recurring exit costs

Strong strategic rationale for acquiring TK Mining

Why did we buy?



Accelerate our growth ambitions with strategic focus on Mining



A stronger, complementary value proposition for our customers



Improving business mix with aftermarket opportunity



Driver of sustainability and digitalisation



Value creation through compelling synergies



Strengthen our competitive position

What did we buy?



~5,000
active installations



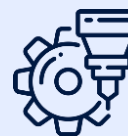
~DKK 5.2bn
order backlog



>900
active patents



~2,000
employees across
+20 countries



Key technologies
including HPGR,
crushers & IPCC

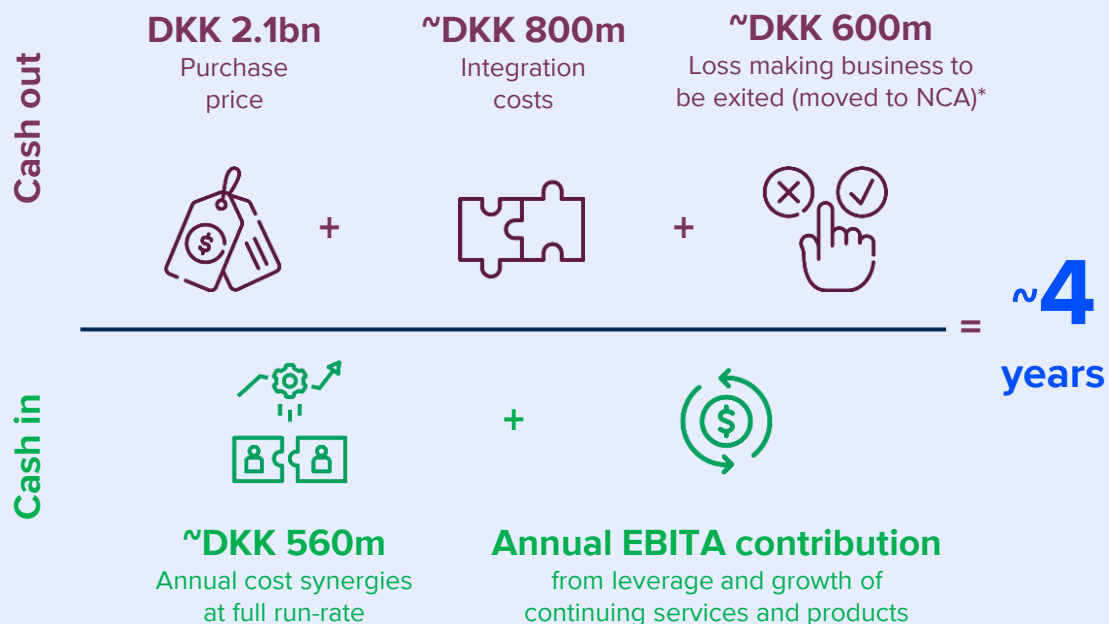


Service centres
and production sites
across the world

HPGR: High Pressure Grinding Roll
IPCC: In-Pit Crushing & Conveying

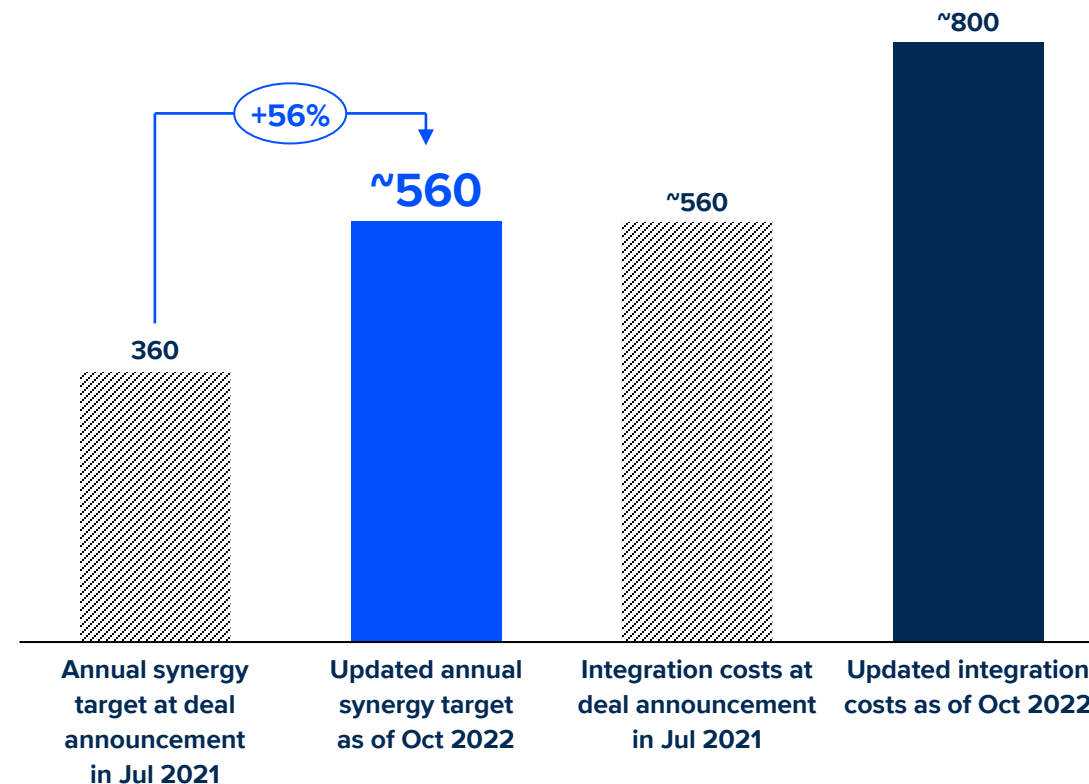
A positive business case for acquiring TK Mining driven by cost synergies and significant commercial potential

Expected payback on the TK Mining acquisition



Target for annual cost synergies raised and accelerated

DKKm

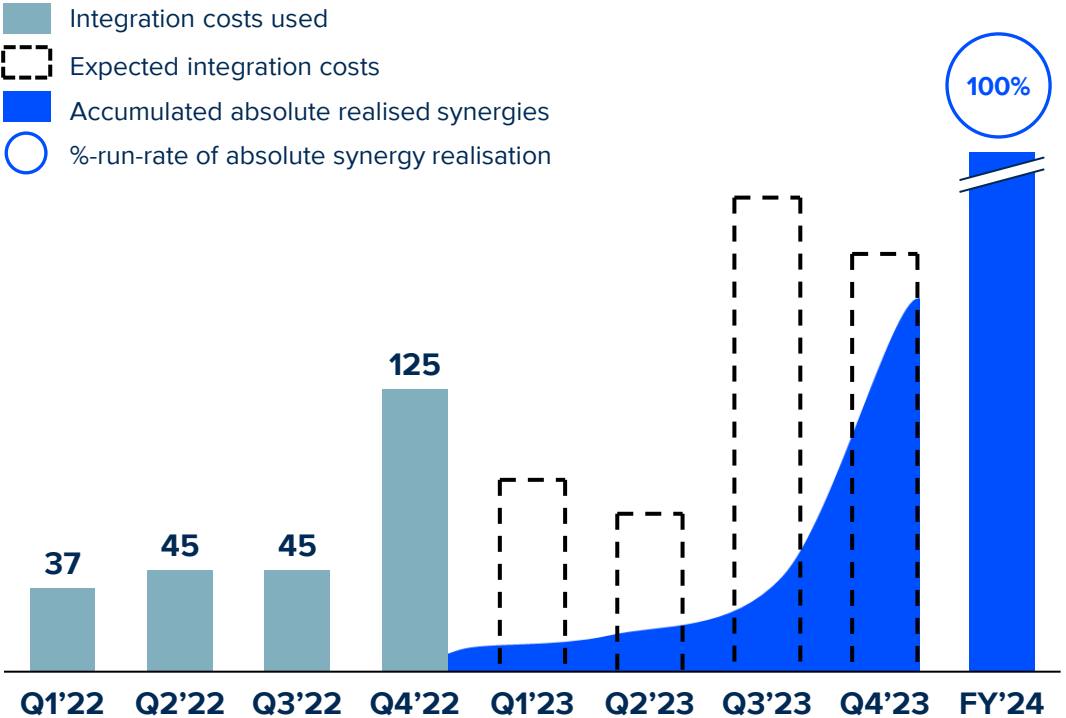


*Based on expected total EBITA loss for the Non-Core Activities (NCA) segment of around DKK 1.2bn over the next three years, of which approximately half originates from the former TK Mining

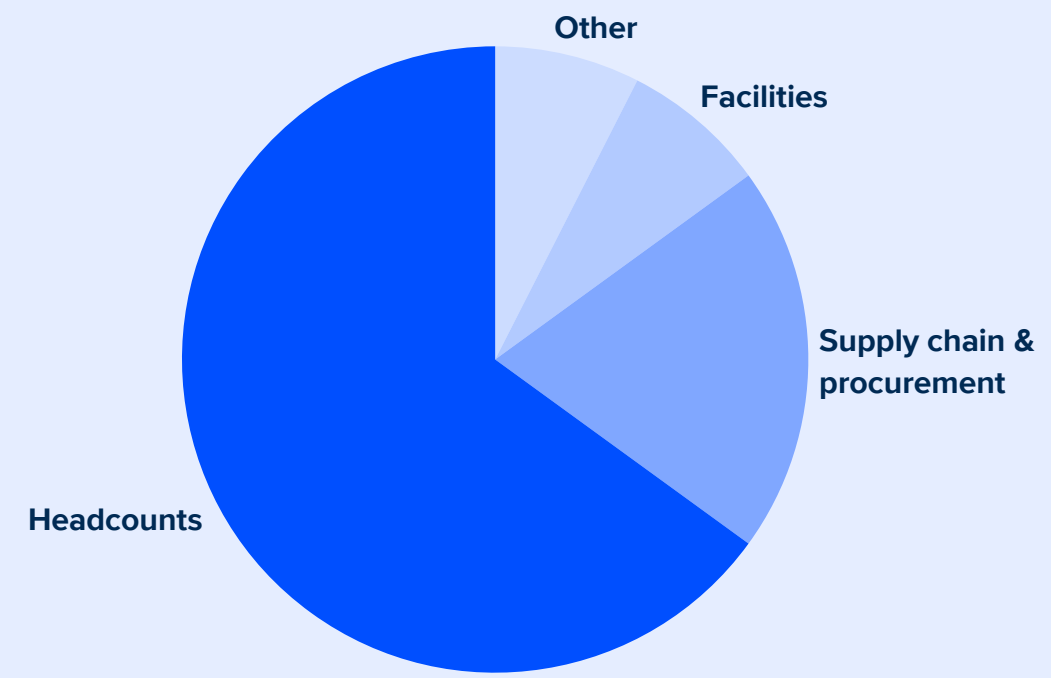
We have reduced the Mining organisation by ~800 employees during Q4'22 and Q1'23, supporting the synergy realisation

Phasing of integration costs and synergies (illustrative)

DKKm



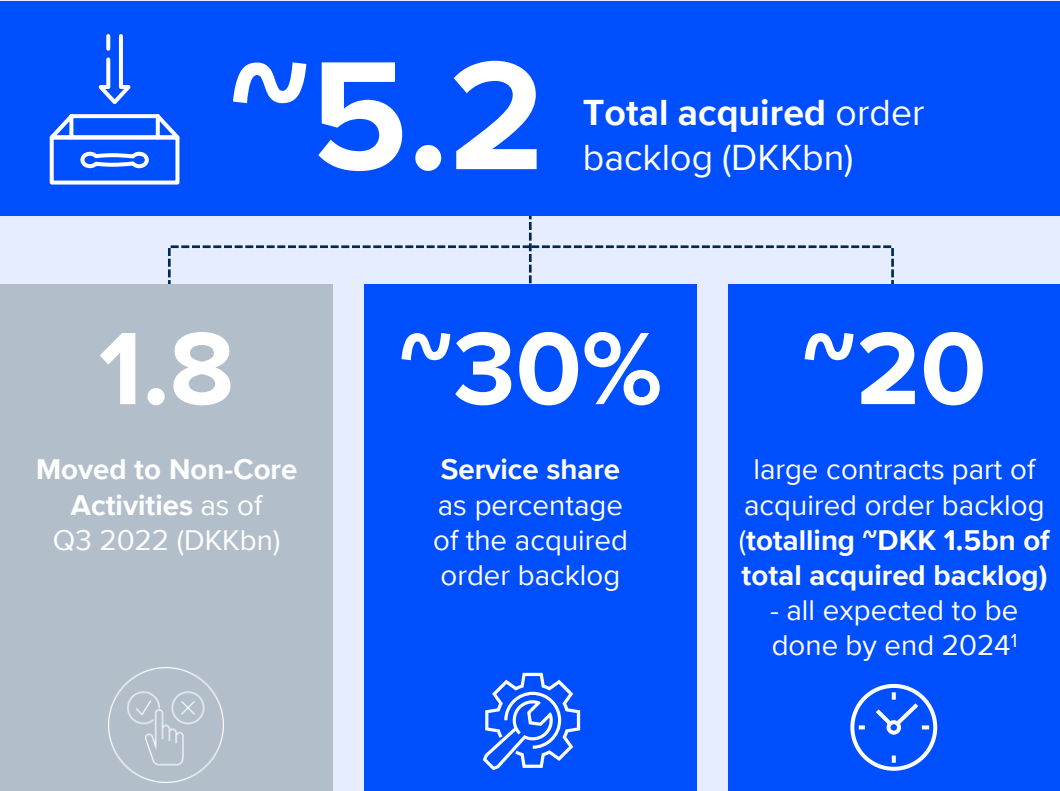
Breakdown of cost synergies



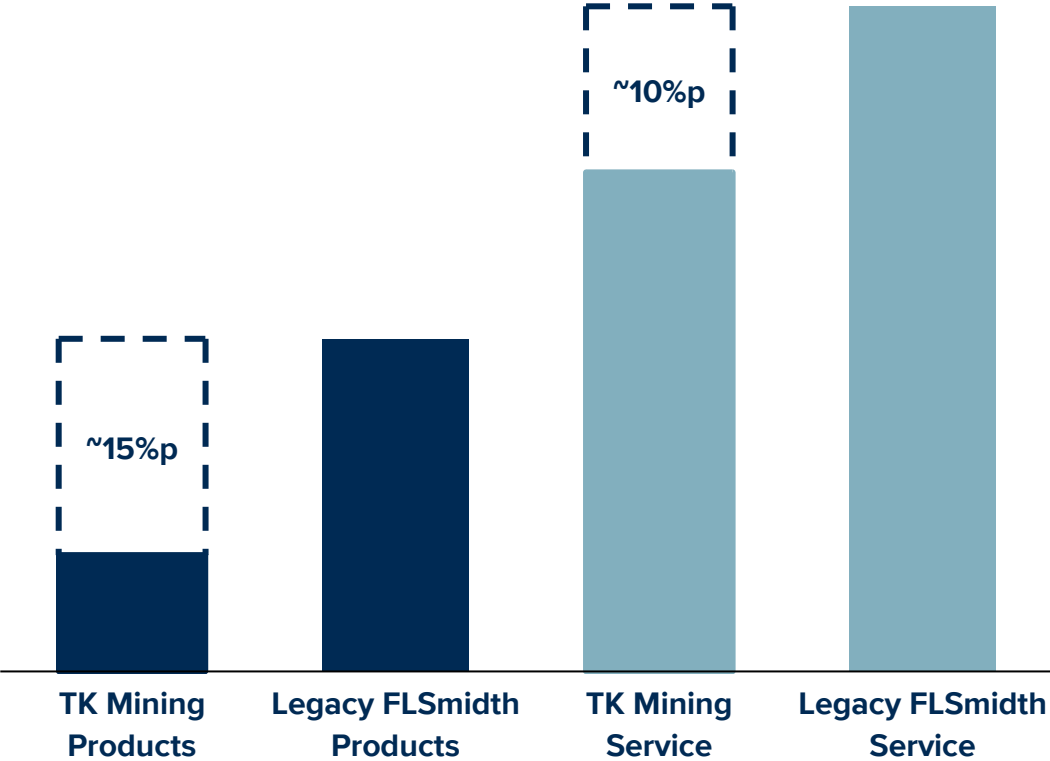
~DKK 560m annual synergies at full run-rate

Integration going according to plan, with key focus on project execution, organisational integration and closing margin gap

Acquired TK Mining order backlog



Underlying margin comparison (illustrative)

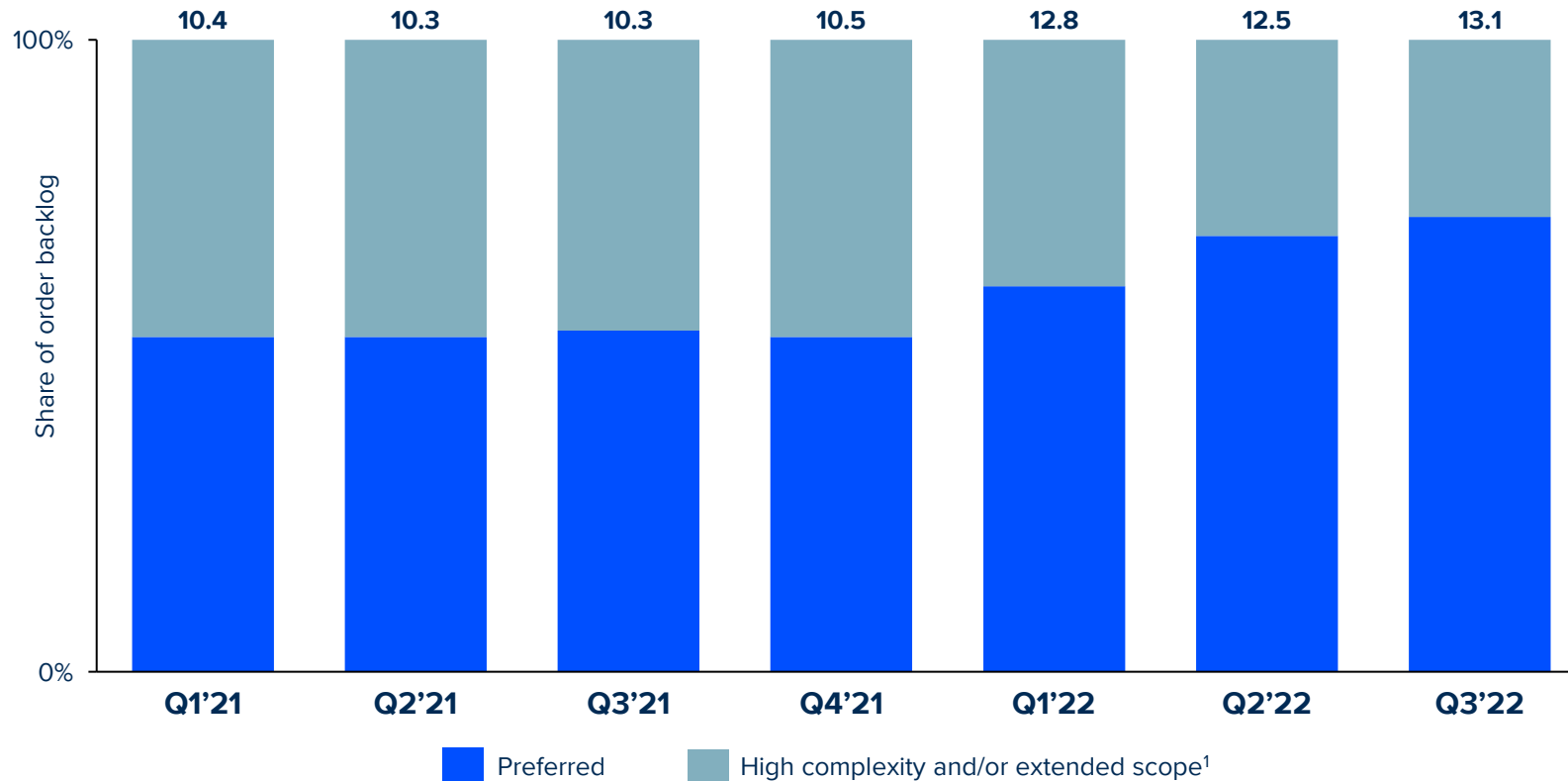


1. Large contracts are defined as contracts with a value of more than EUR 5m

Continued progress on de-risking the portfolio including the acquired portfolio from TK Mining

Order backlog development for legacy FLSmidth Mining

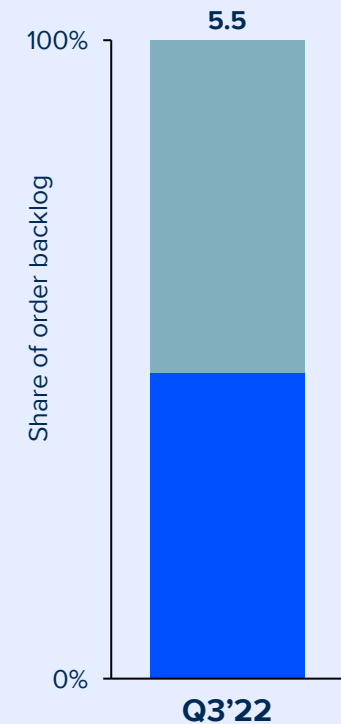
DKKbn



Extended scope includes Engineering, Procurement and Supervision/Service (EPS)

Acquired mining order backlog

DKKbn



Non-Core Activities

Roland M. Andersen
CFO



Clear strategic rationale for carving out Non-Core Activities

Definition of Non-Core Activities

- **No longer** of core strategic importance to FLSmidth
- **Offer limited** or no aftermarket potential
- **Unprofitable** with no viable commercial model for FLSmidth to turn around
- **Characterised by** high execution risks, are highly engineered and/or lack standardisation
- **Does not contribute** to our sustainability agenda

Non-Core Activities products and activities

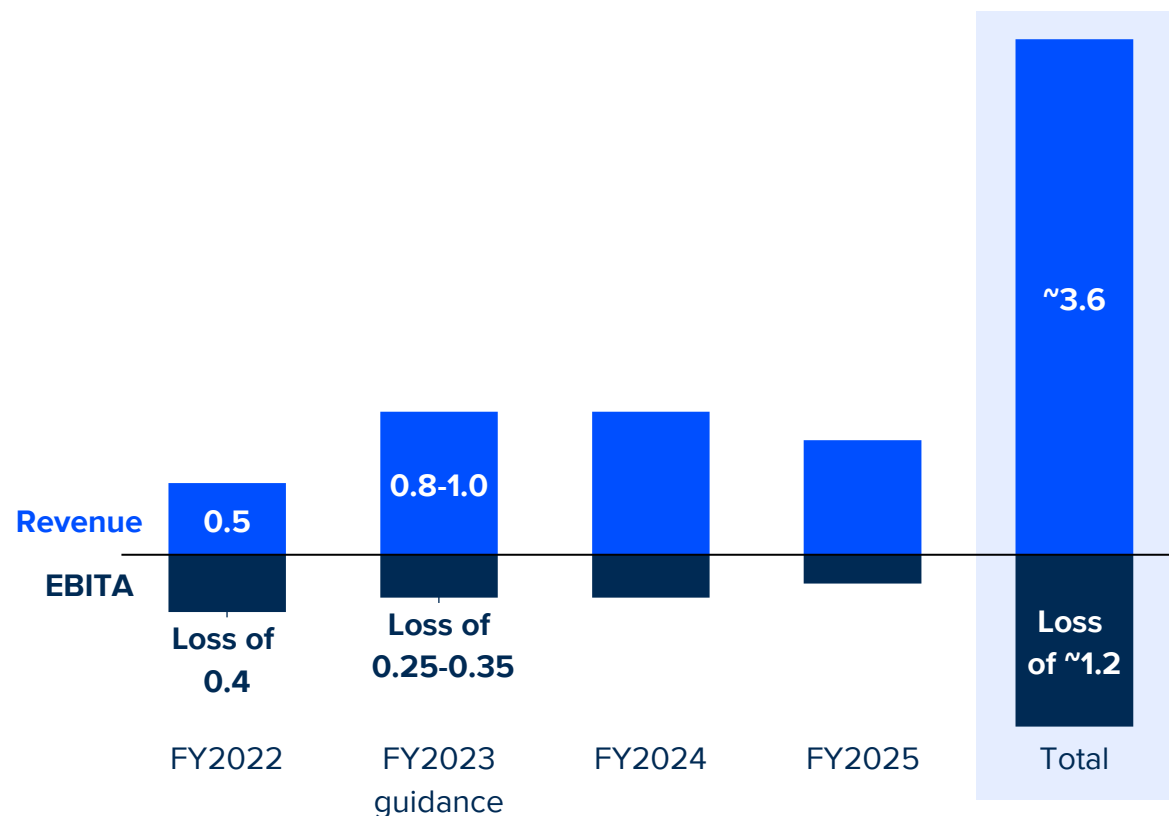
- **All legacy FLSmidth and former TK Mining brands:** Port Systems, Stockyard equipment and Standard bucket wheel excavators
- **Legacy FLSmidth Mining brands:** Continuous Surface Mining equipment and Mine & Overland Conveyors
- **Former TK Mining activities:** Oil extraction technology and aggregate products



Non-Core Activities is expected to be executed and exited over the next three years, assuming limited divestment

Expected phasing of Non-Core Activities (NCA) exit

DKKbn



Key comments

- Starting order backlog for 2023 of ~DKK 2.9bn
- FTEs included in NCA now at ~600 (up from ~450)
- Total loss over the period still expected to be ~DKK 1.2bn (including exit costs)
- DKK 270m in exit costs recognised in Q4 2022
- Underlying operational loss for NCA is on average around -20%
- Expected order intake of DKK 300-400m over the exit period to honour existing contracts (e.g. spares and wears)



Financial guidance

Roland M. Andersen
CFO

Guidance for 2023

MINING

Revenue (DKKbn)

16.0-17.0

Adj. EBITA margin

9-10%

CEMENT

Revenue (DKKbn)

6.0-6.5

EBITA margin

4.0-5.0%

NON-CORE

Revenue (DKKbn)

0.8-1.0

EBITA

**Loss of ~DKK
250-350m**

GROUP

Revenue (DKKbn)

23.0-24.5

Adj. EBITA margin

6.0-7.0%

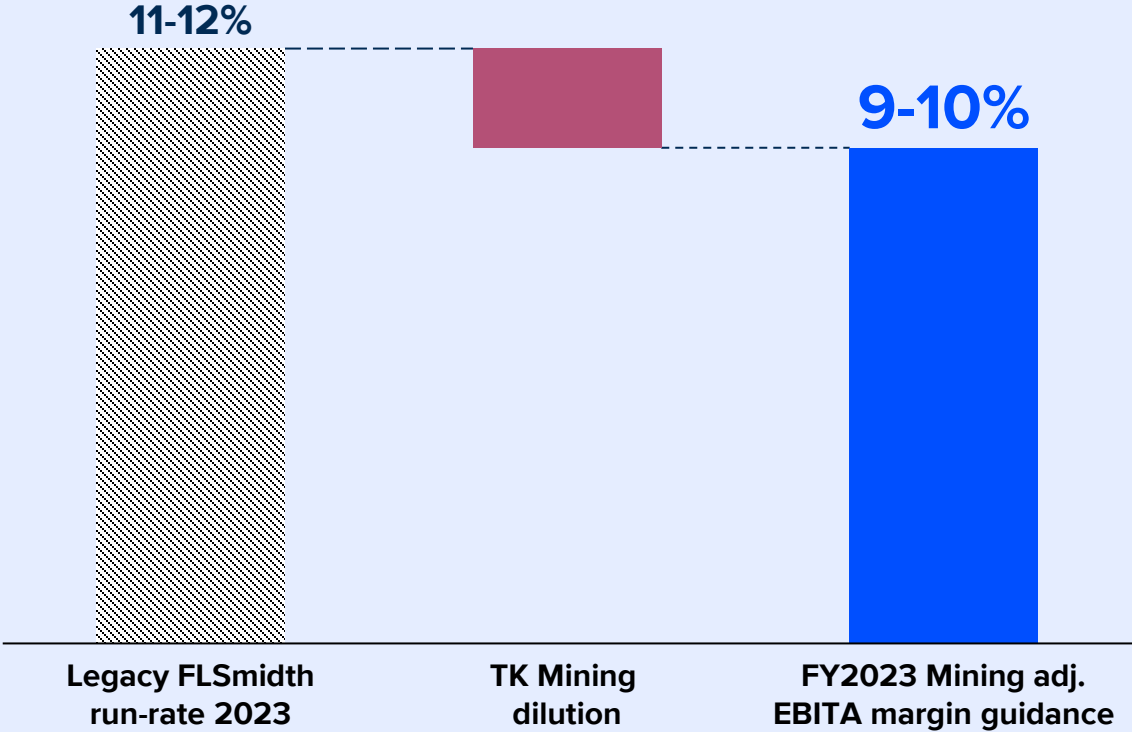
EBITA margin

4.0-5.0%

- Mining EBITA margin guidance includes around DKK 550m in integration costs
- Adjusted Mining EBITA margin guidance includes around 2%p dilution from TK Mining
- Guidance for Non-Core Activities (NCA) is part of the ~DKK 1.2bn total expected loss for NCA over the next three years, as previously communicated
- Guidance is subject to uncertainty due to the global supply chain situation, potential recession and geopolitical turmoil

FY2023 Mining adjusted EBITA margin guidance impacted by TK Mining dilution

Mining adjusted EBITA margin bridge
Approx. %p development



Key messages

“Our legacy FLSmidth Mining business is showing underlying improvements”

“We see a strong business case for the TK Mining acquisition, and we are focused on ensuring a swift integration of TK Mining including cost synergy realisation”

“The decision to fully exit unprofitable and strategically Non-Core Activities is a key step towards improved long-term profitability”



Q&A

Mikko Keto
CEO

Roland M. Andersen
CFO

Break

Sessions after the break

- Mining strategy
- Mining Products
- Mining Service





Mining strategy

Mikko Keto
CEO

Our Mining business in a nutshell

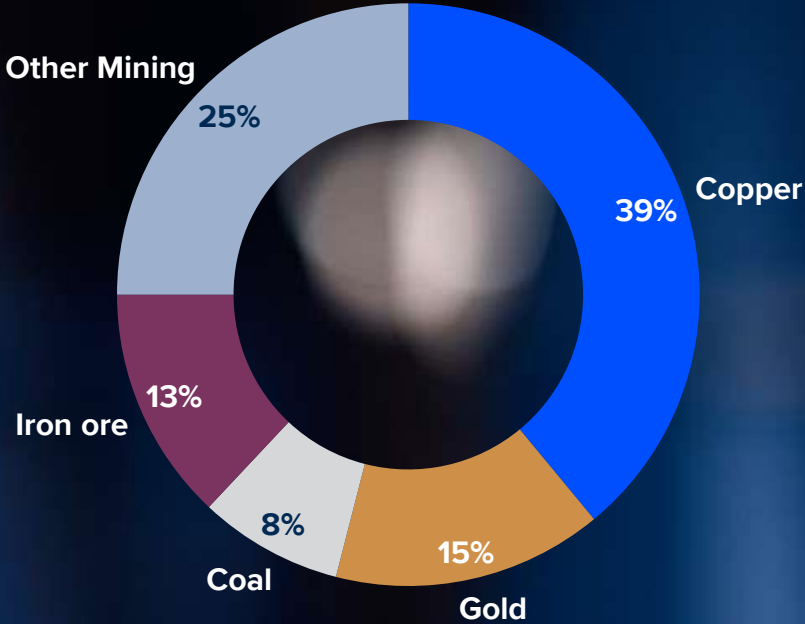


DKK
16-17bn
revenue*

revenue split
~60/40
Service vs. Capital

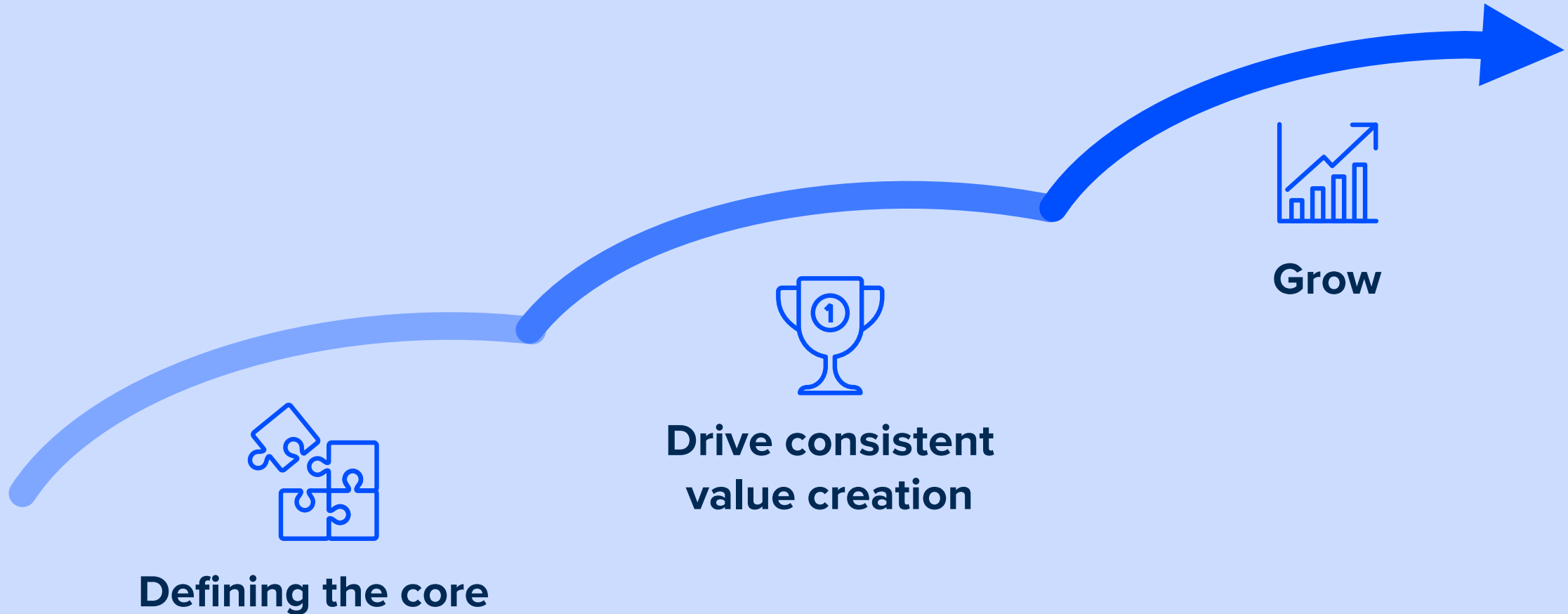
adjusted
9-10%
EBITA margin*

Commodity exposure
based on Q3 2022 order intake



*Based on FY2023 guidance

The path forward to further strengthen our market leadership in sustainable mining technology and services



Our pure play mining strategy: CORE'26

Mining for a sustainable world

Sustainability
Building a better future for our employees, society and the planet

Service
Global partner for life-cycle performance and sustainability

Technology
The complete provider for process and product technology

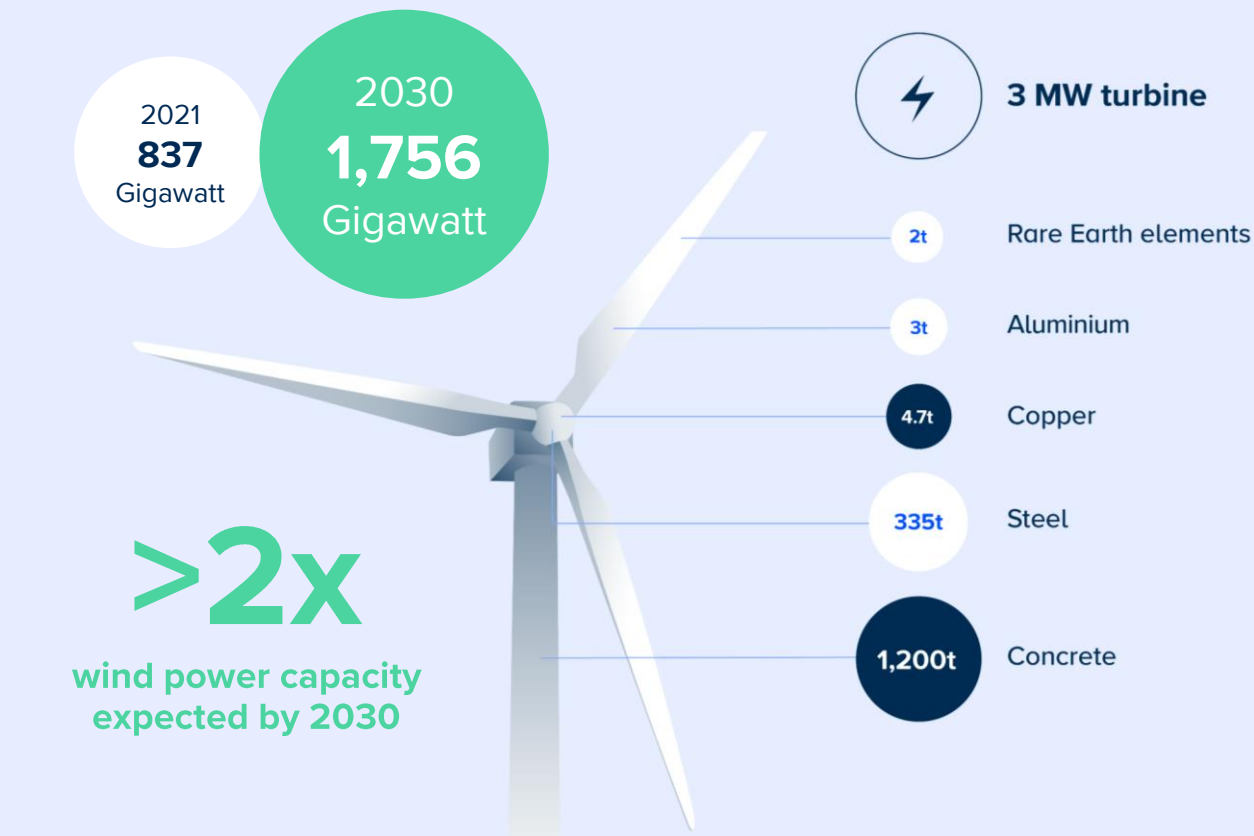
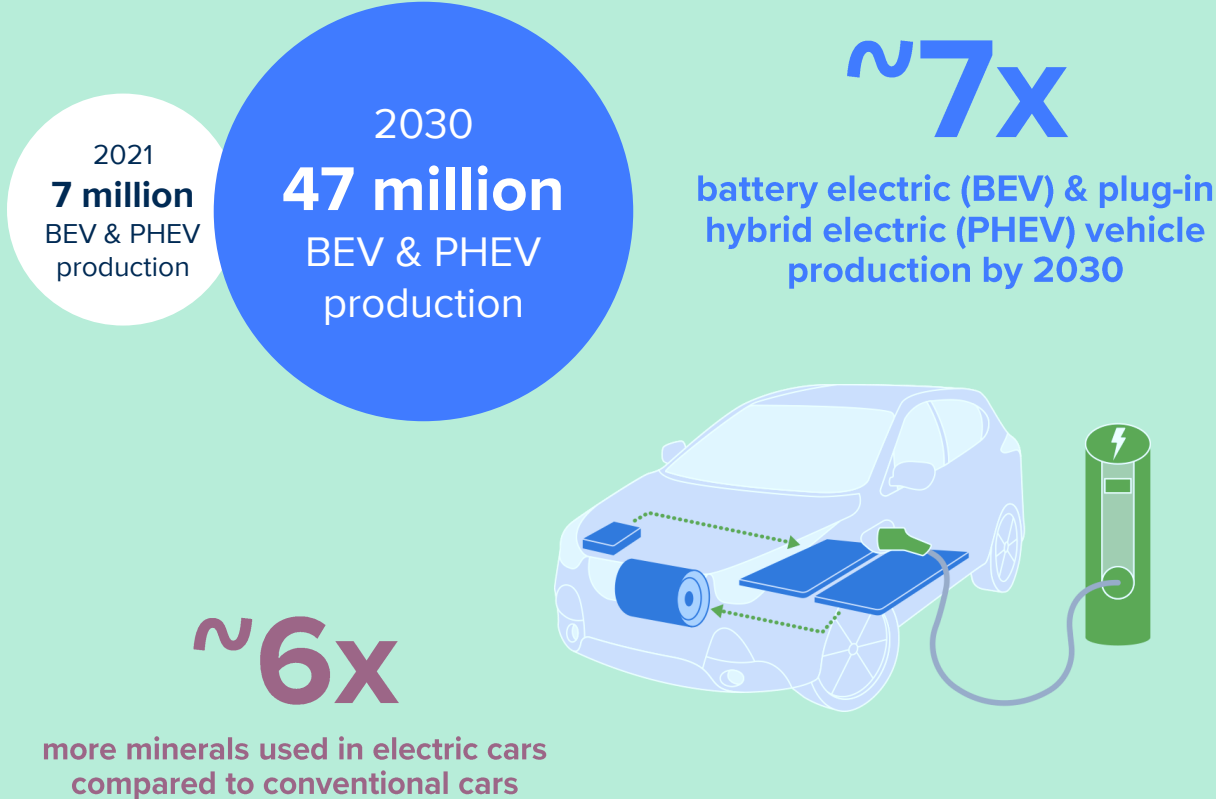
Performance
Accelerating profitability through core businesses, simplification and balanced risk

Delivering solutions for tomorrow's mine

FLSMIDTH Mission Zero

Trust | Empowerment | Accountability | Collaboration | Honesty











Minerals are essential to the green transition



Source: IHS Markit; McKinsey Centre for Future Mobility; IEA

Source: Wood MacKenzie

Green energy technologies require multiple minerals

	Copper	Cobalt	Nickel	Lithium	REEs	Chromium	Zinc	PGMs	Aluminium
 Solar PV	●	○	○	○	○	○	○	○	●
 Wind	●	○	●	○	●	●	●	○	●
 Hydro	●	○	○	○	○	●	●	○	●
 CSP	●	○	●	○	○	●	●	○	●
 Bioenergy	●	○	○	○	○	○	●	○	●
 Geothermal	○	○	●	○	○	●	○	○	○
 Nuclear	●	○	●	○	○	●	○	○	○
 Electricity networks	●	○	○	○	○	○	○	○	●
 EVs & battery storage	●	●	●	●	●	○	○	○	●
 Hydrogen	○	○	●	○	●	○	○	●	●

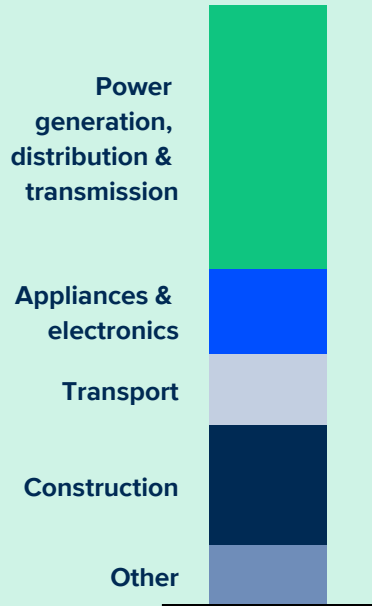
Relative importance of minerals for clean energy technologies

- High
- Moderate
- Low

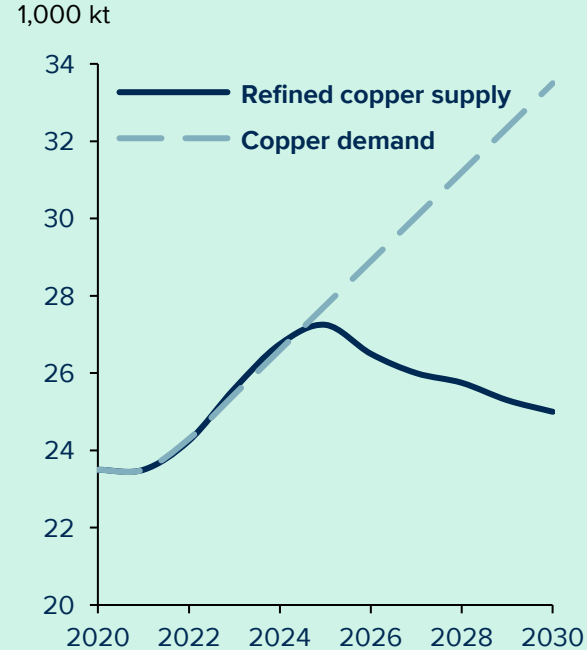
PV: Photovoltaic system. CSP: Concentrated solar power. REEs: Rare Earth Elements. PGM: Platinum group metals. EV: Electric vehicle
 Source: www.iea.org/reports/the-role-of-critical-minerals-in-clean-energy-transitions/mineral-requirements-for-clean-energy-transitions

Copper is the “metal of electrification” and failure to increase copper supply will delay the green transition

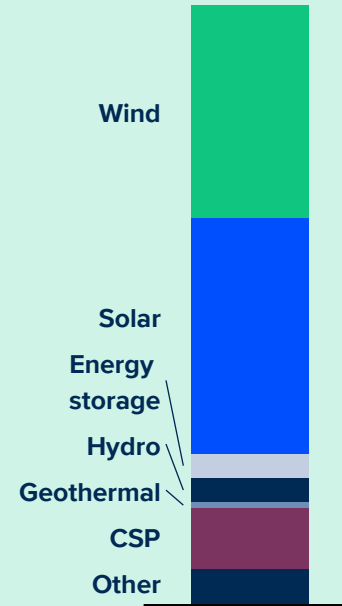
Copper is a multi-use product
Share of use



Copper supply and demand
Projected by 2030



Copper demand by energy technology
Projected by 2050



Key comments

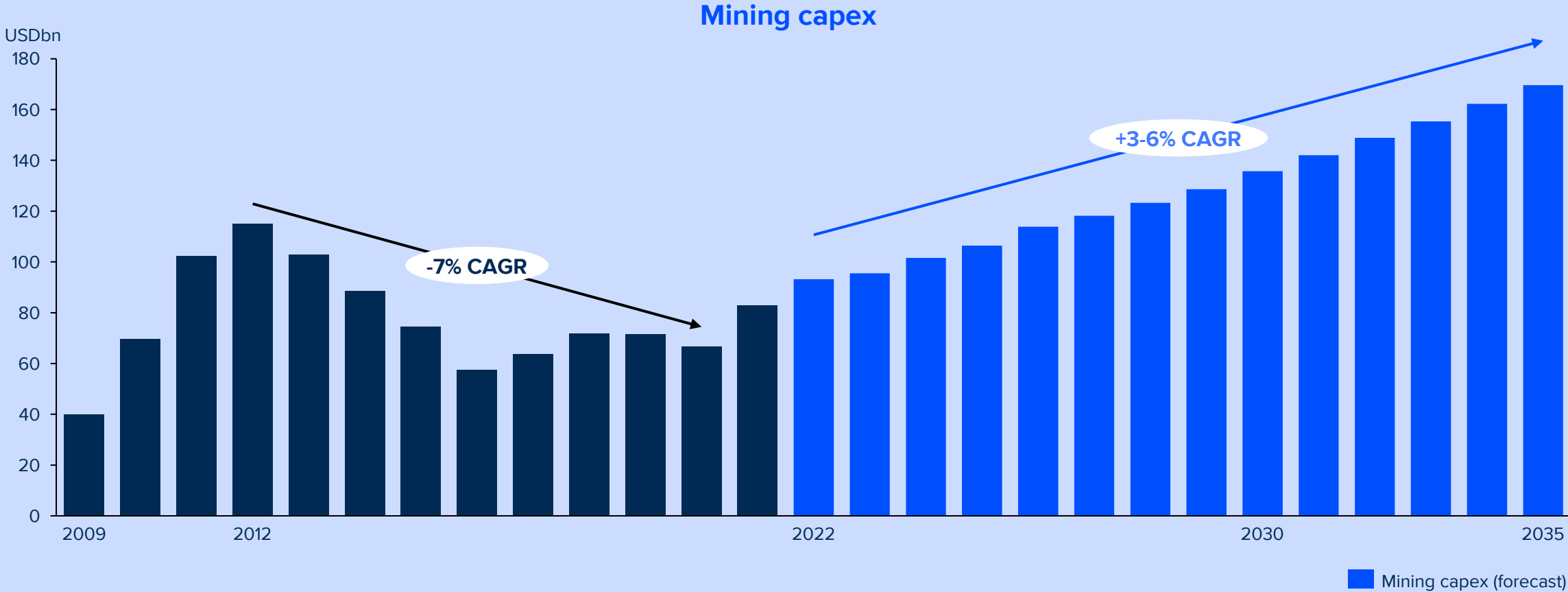
- Copper accounts for ~25% of global capex budgets
- Production is centred in the Americas (especially Chile), China, Africa, Russia and Kazakhstan
- Lead time for new copper mines is on average ~12 years
- ~40% of FLSmidth revenue is generated by the copper segment

Sources: www.copperalliance.org. RFC ambrian – May 2022 market analysis – Goldman Sachs. World Bank

A staggering number of new mines for critical minerals are needed by 2030



Mining capex needs to pick-up significantly to meet demand and mitigate industry challenges



Three key drivers expected to drive a +3-6% CAGR future market growth

1. Green transition



- **Energy systems powered by clean energy technologies differ** profoundly from those fuelled by traditional resources
- **To reach the goals of the Paris Agreement** a quadrupling of minerals for clean energy technologies alone is required by 2040

2. Growing middle-class



- **Mining demand** closely linked with the size of the global middle class
- **More than 50%** of the world's population is expected to be **middle class by 2030**
- Middle-class accounts for **more than 2/3 of global spending**
- Middle class spending expected to **increase by 50% in 2030 vs. 2020**

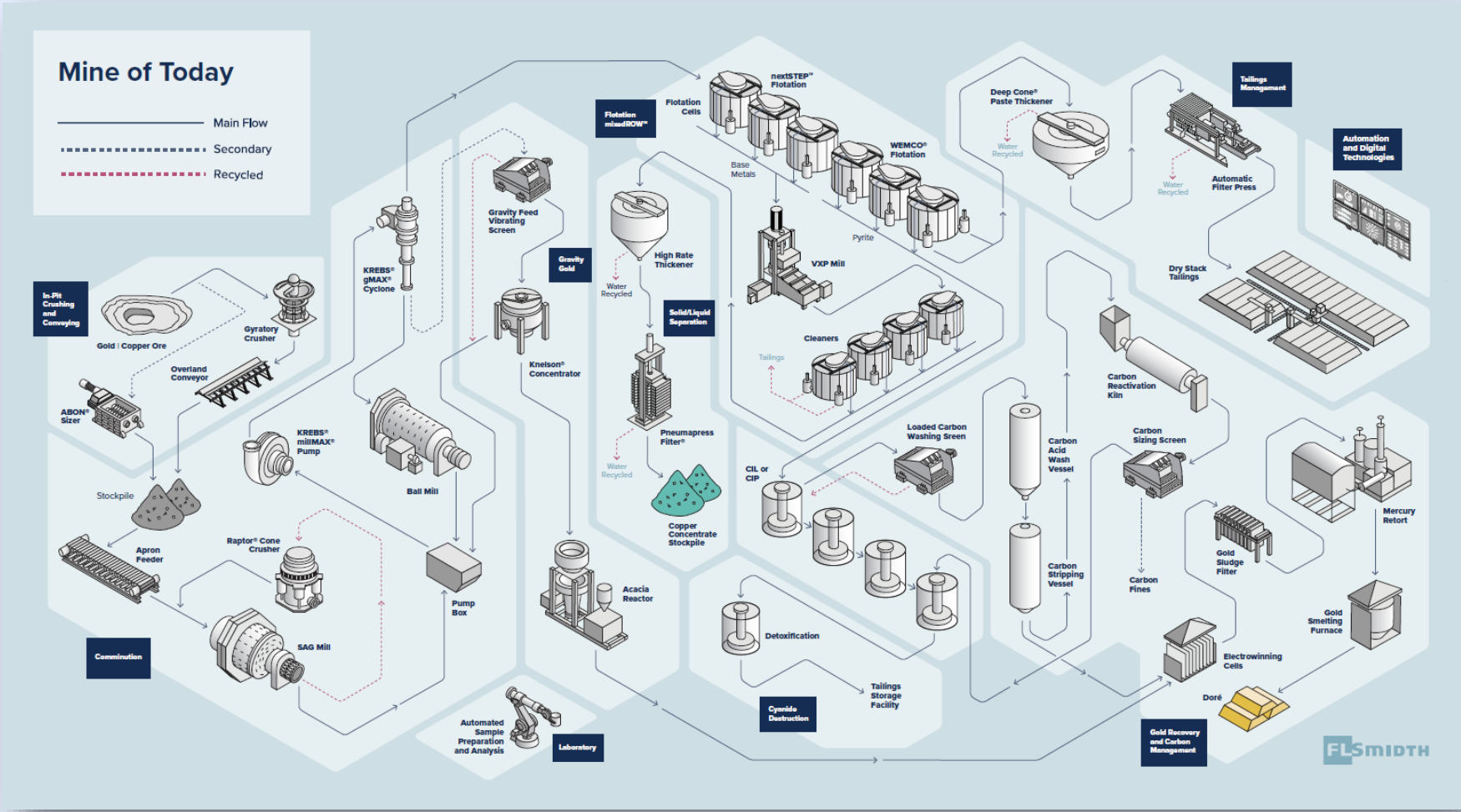
3. Industry challenges



- Historical **sub-scale** capex investments
- **Declining** ore grades
- **Limited discovery** of new resources require optimisation of capex and opex costs
- **Rising exploration costs** drive the need for continuous operations with minimal interruptions

Sources: IEA, Brookings Institution

We are a true full flowsheet provider with market leading process technologies for all key commodities



Limited direct competition and high barriers to entry

One key competitor in an industry that has consolidated over the past decade

Entry barriers



Knowledge and technical expertise



Installed base access



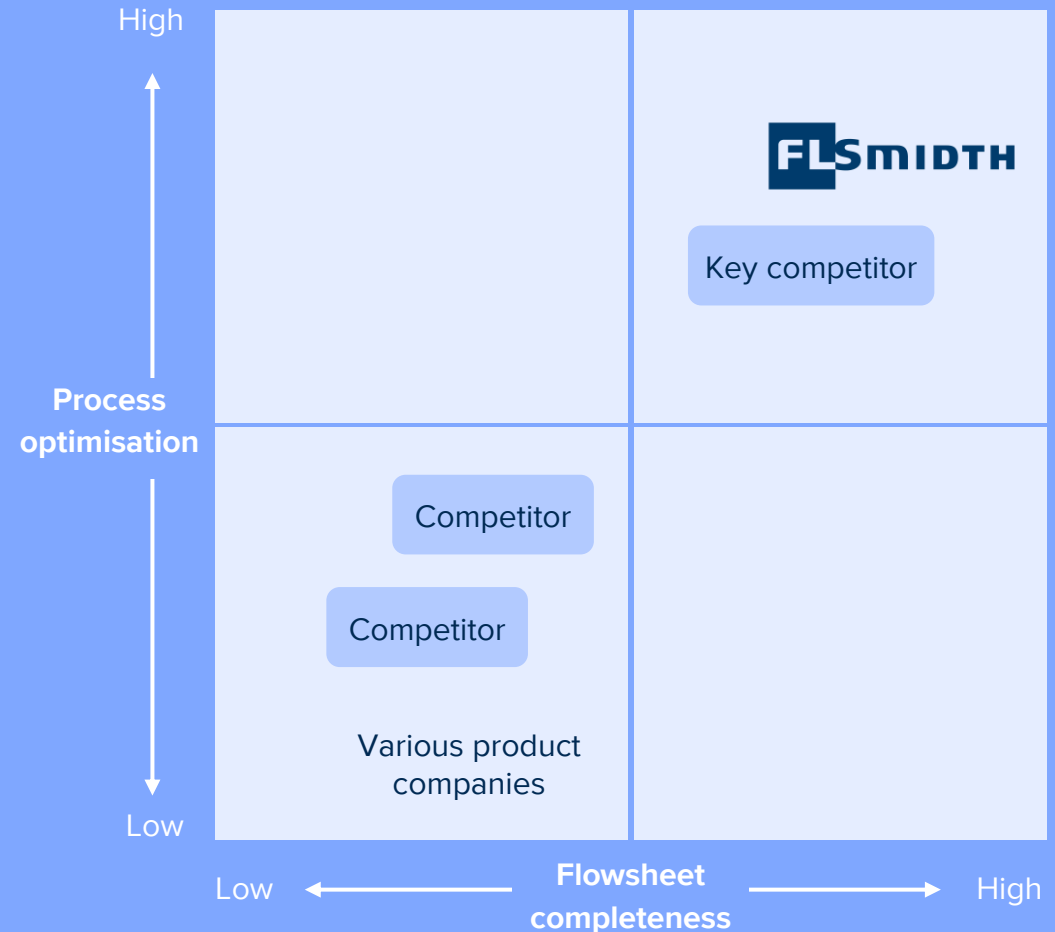
Full flowsheet coverage



IP rights



Innovation, digital & sustainability solutions



Unique competitive edge and a leading position across key commodity flowsheets

What makes us unique



Customer centricity



Large installed base



Full flowsheet coverage



Sustainability and technology innovation



Deep industry know-how and trust

FLSmidth competitive position across key commodities

Copper

Gold

Nickel

Zinc

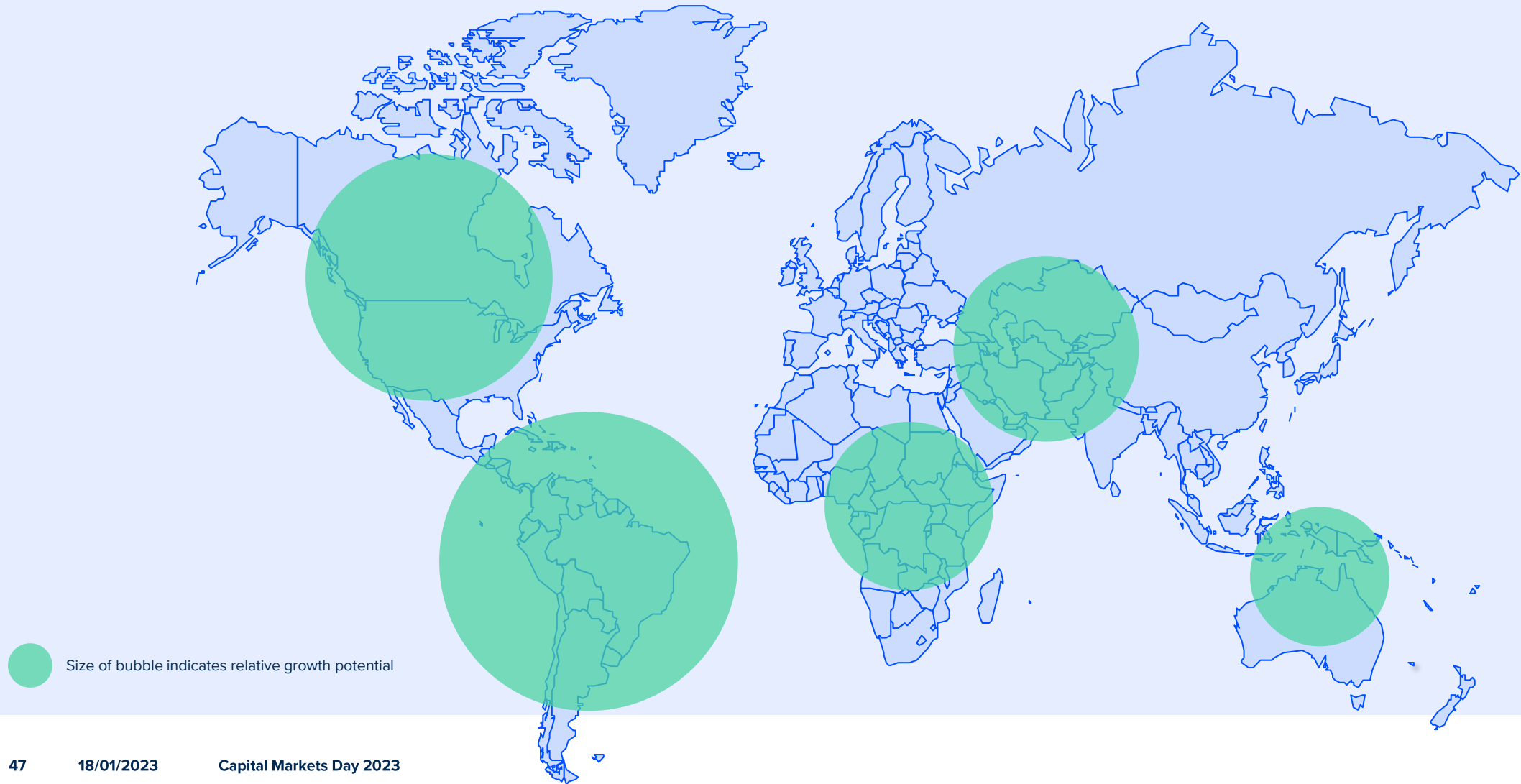
Lithium

Iron ore

Low

High

Attractive growth potential across regions, especially in the Americas and for minerals related to the green transition



Key messages

“Focusing on our core Mining activities to drive growth and increase value creation”

“Fundamentally attractive mining market driven by the green transition, a growing middle-class and persisting industry challenges”

“FLSmidth holds a unique competitive position with few competitors and market leading solutions across the full flowsheet”



Mining Products

Chris Reinbold
Products Business Line President

Products Business Line follows a structured transformation process to de-risk the business and improve profitability



New execution model being implemented with swift and visible results leading to improved underlying margins



Order execution responsibility from Regions to global Product Groups



P&L responsibility shifted from Regions to global Business Lines with focused Products Sales teams



Product centric global value chain approach



De-risk portfolio to reduce execution risk



Accelerate standardisation and modularisation with life cycle Service potential focus

Key margin improvement drivers



Increased control of delivery and execution



Global pricing strategies **driving improved margins**



Strengthened supplier relations, **cost stability** and capacity

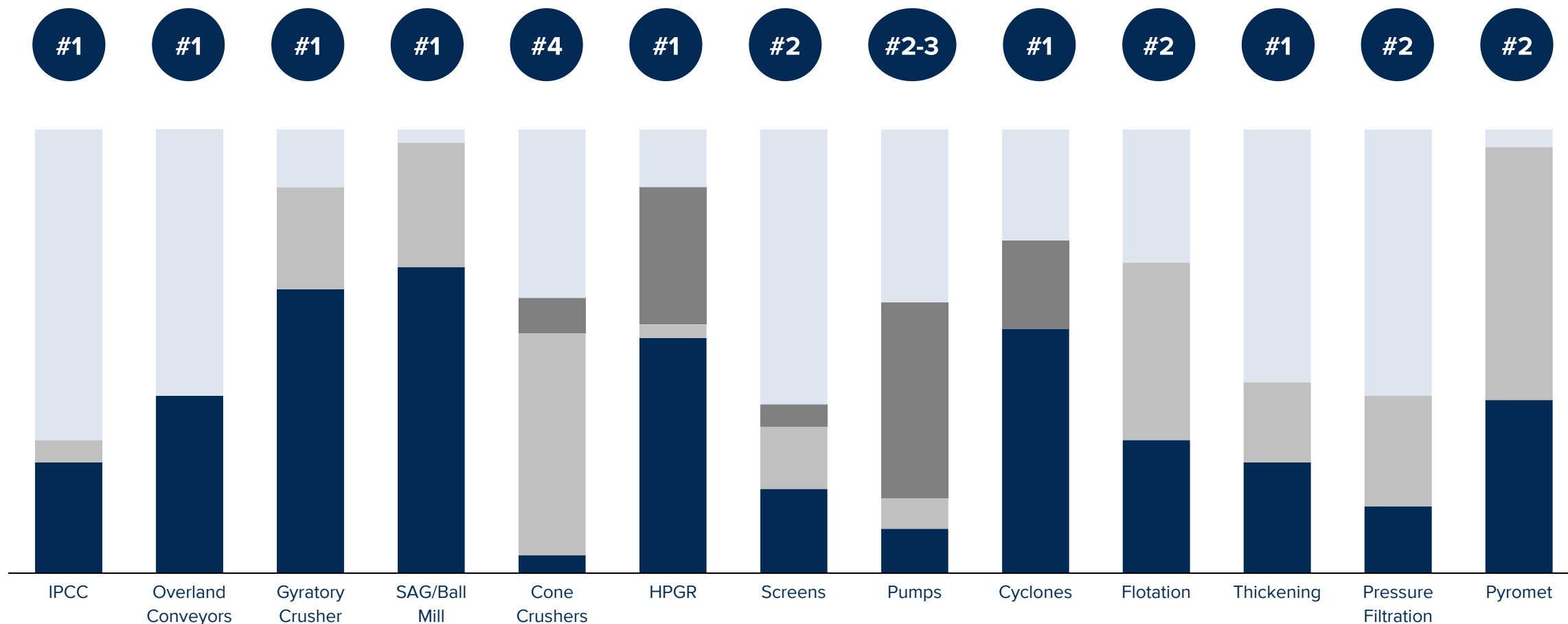


Reduced risks outside our control, improved **backlog quality and product mix**



Improved quality and engineering **efficiency and service focus**

We are market leader in most key product areas across the flowsheet



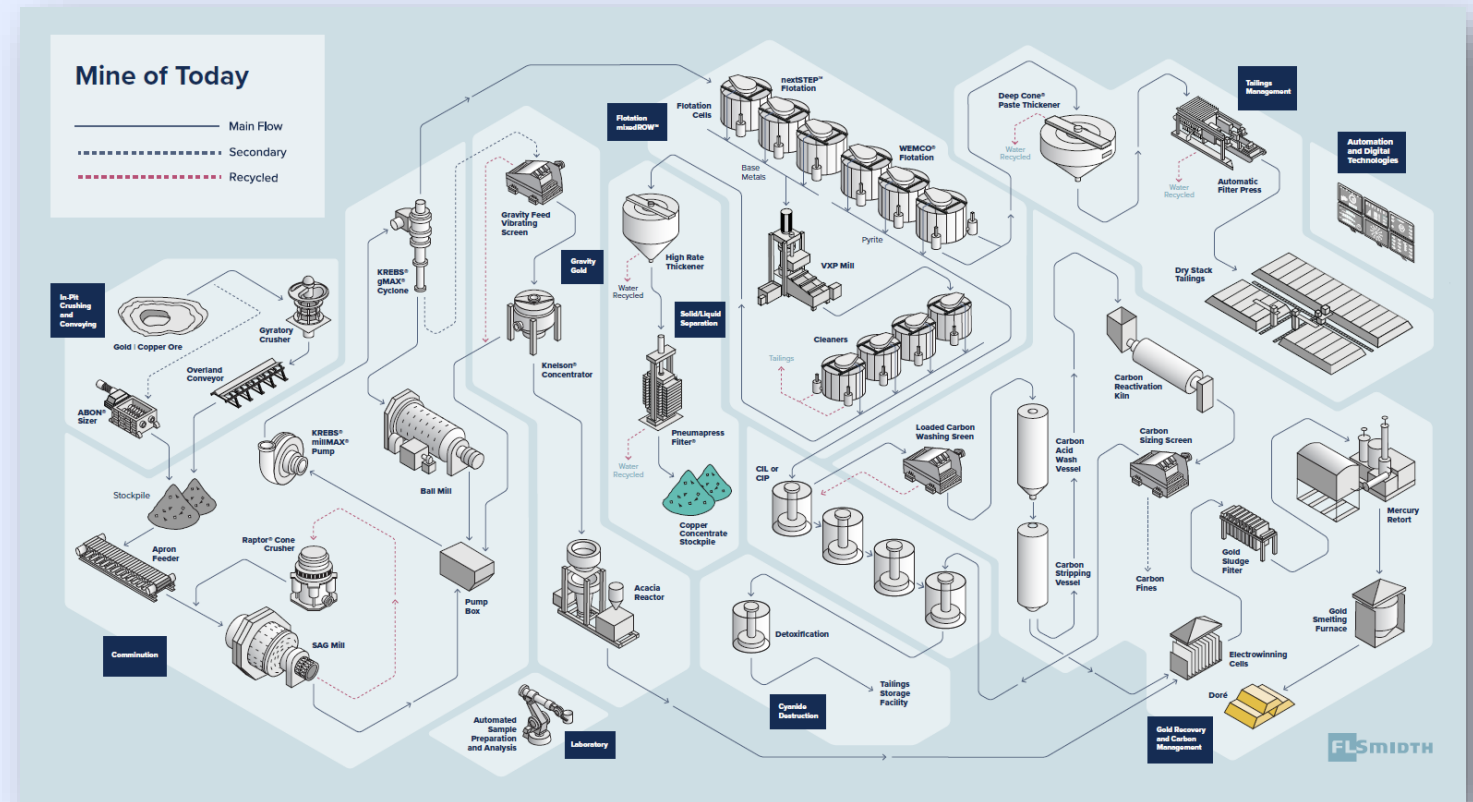
Source: FLSmidth estimates

■ FLSmidth
 ■ Competitor 1
 ■ Competitor 2
 ■ Other competitors

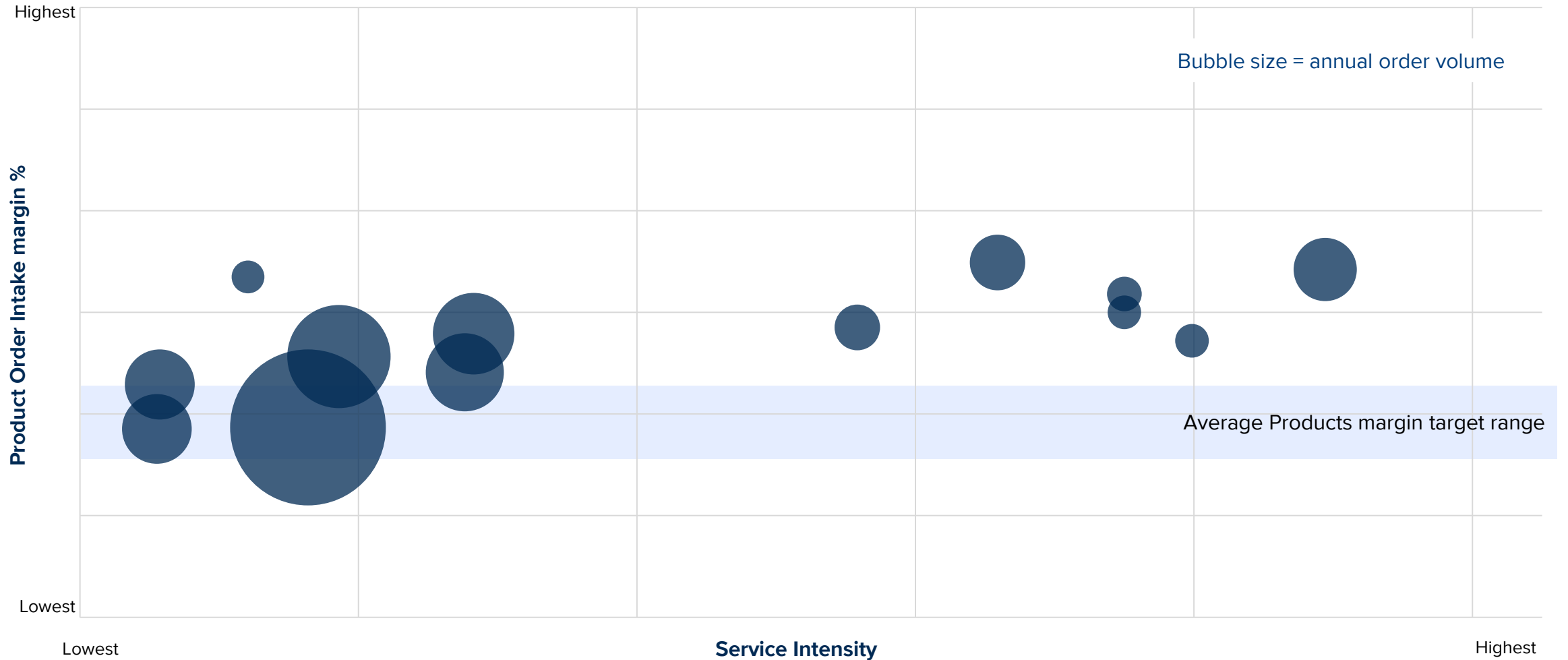
Case example from a large copper processing plant illustrating the scope of a full flowsheet offering

FLSmidth supplied equipment:

- 1 x Gyratory Crusher
- 1 x Overland Conveyor
- 1 x In Plant Conveyor package
- 1 x SAG Mill
- 2 x Ball Mills
- 2 x HPGRs
- 2 x Cone Crushers
- 2 x Cyclone Clusters
- 68 x Flotation Cells
- 3 x Vibrating Screens
- 2 x Concentrate Thickeners
- 3 x Deep Cone Tailings Thickeners
- 14 x Pumps



Active product management driving improved mix and margins with focus on higher service intensity



Source: FLSmidth

We have further expanded our undisputed milling & grinding leadership with the addition of the HPGR-Pro

SAG/Ball Mills

Experience and capacity a key value driver

More 40 ' SAG mills delivered than all other suppliers combined

Installed the worlds largest capacity SAG mill

Ball mills are a cornerstone product for FLSmidth and paired with SAG mills as a first consideration in most grinding flowsheets



HPGR-Pro

Reduced power consumption a key value driver

≤15% less energy consumption¹ **20%** greater throughput¹ **+50%** capture rate of HPGRs over the last +35 years² **~70** of FLSmidth installed HPGRs are in hard rock



HPGR: High Pressure Grinding Roll
1. Compared against the previous generation HPGR
2. FLSmidth analysis

Crushing portfolio and installed base strengthened with TK Mining acquisition

In-Pit Crushing & Conveying (IPCC) Electrification of mines a key value driver

268 units installed over the last 20 years

+60% reduction in CO₂ emissions vs. truck & shovel solution

≤40% lower total cost of ownership for customers from standardisation and modularisation

<3 years payback time on the investment vs. truck & shovel solution



Gyratory crusher

Top service access and self-aligning shaft are key value drivers

Recently awarded world's largest gyratory crusher as part of an IPCC system

Top service design improves safety and maintainability

New generation of Gyratory Crushers can handle more competent ores and have been adopted by the market as new crushing standard



We have a dedicated strategy to grow our pumps, cyclones and valves



#2-3

total market share for pumps

#1

total market share for hydro cyclones

2%

total market share for valves

Growth drivers and execution focus

- Global product management to optimise global supply value chain and pricing quality
- Investing in regional management, local site sales and site support to drive pump conversions and strengthen customer support

Our ambitions for PC&V for FY2026



Become clear #2 in pumps



Maintain market leadership in hydro cyclones

2x

Double order intake for valves

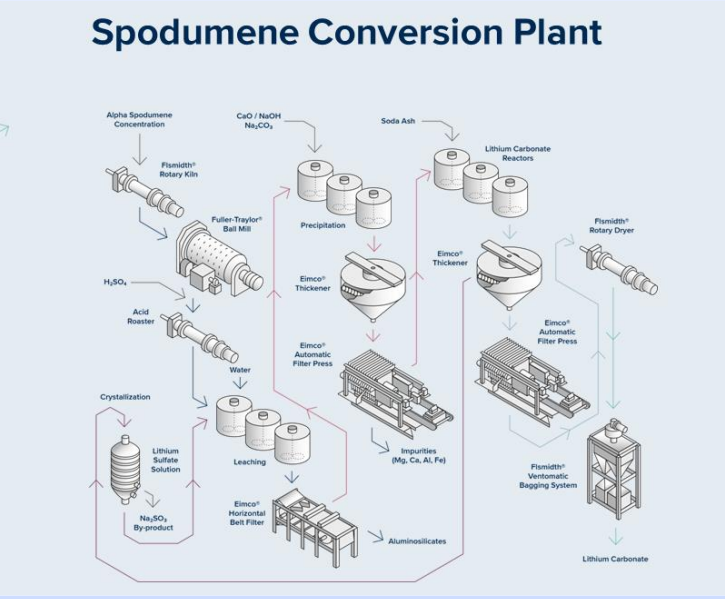
Process technology partner and solution provider for emerging lithium and battery metals demand

Process testing capability and expertise



Enables us with earliest, possible access to customer

Optimum flowsheet development, equipment sizing and design



Potential +DKK 10bn market in lithium alone

Pyromet



Zero combustion CO² possible using green hydrogen or electrical heating

Key messages

“De-risked portfolio, global product management and strengthened order execution model to deliver consistent performance and improved margins”

“Significant growth and earnings potential in pumps through market share gain, and process engineering and technology supporting battery metal growth”

“We have the broadest full flowsheet coverage with market leading products driving key efficiency, productivity and sustainability benefits for customers”

Mining Service

Joshua Meyer

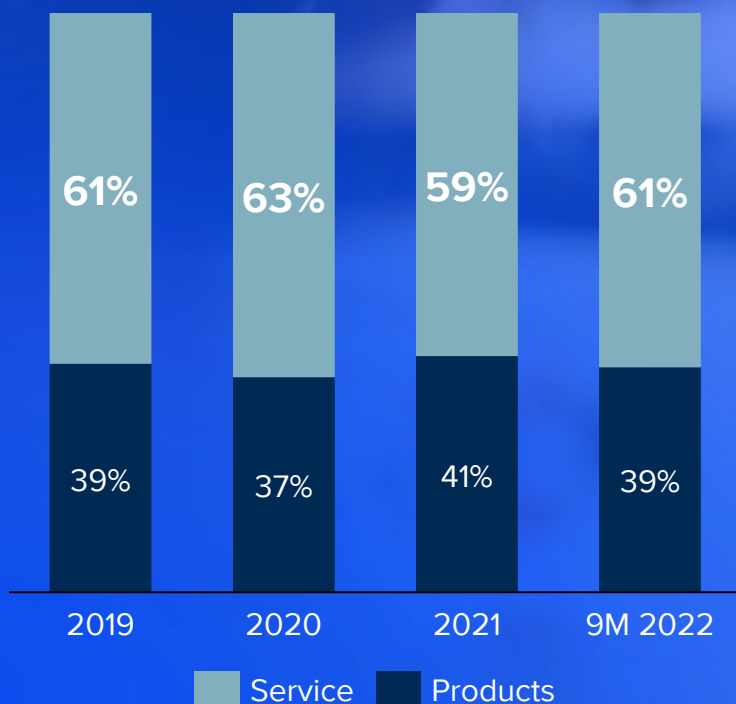
Service Business Line President

FLSMIDTH



Service-based business model drives quality of earnings

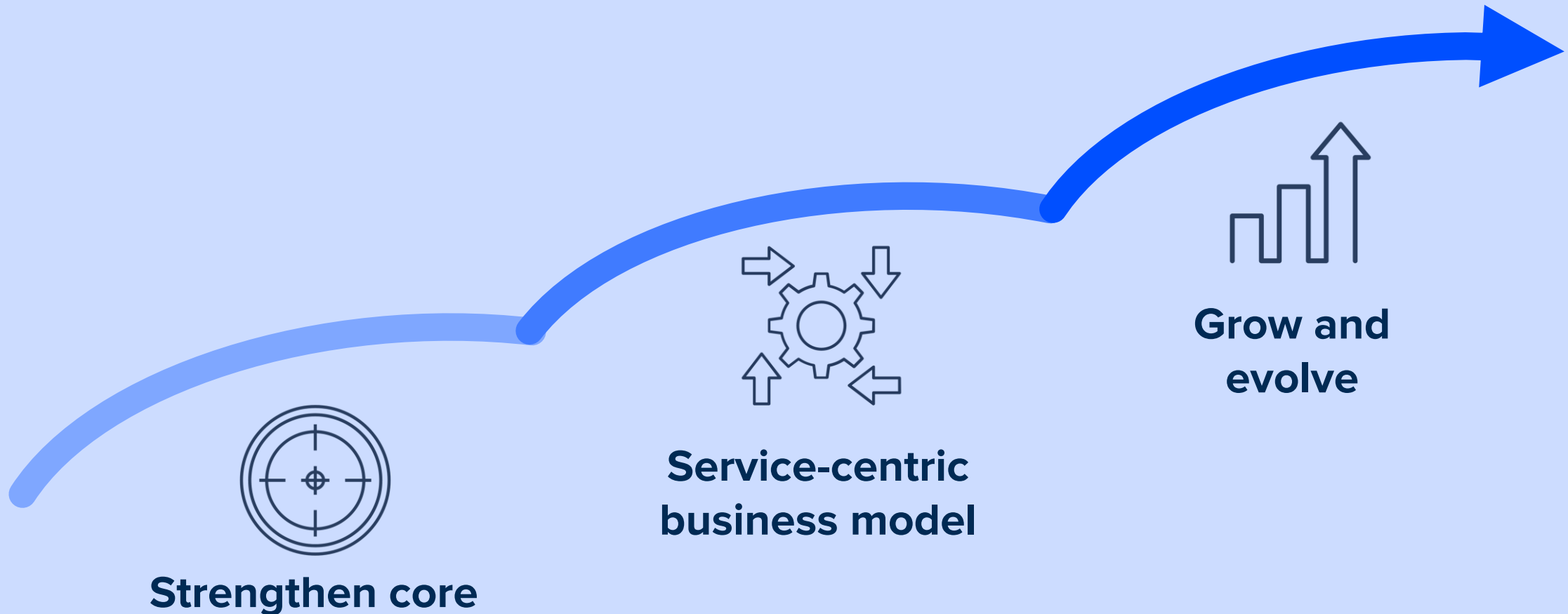
Mining revenue split by Service vs Products



Target
2/3
Service vs
Products split



Service Business Line is building the processes and capabilities to increase market share and improve profitability



We are transforming our service business model to further improve profitability whilst increasing value for our customers



Dedicated Service BL with **full P&L responsibility**



Increased focus on **higher margin spares and wears**



Service offerings **standardisation and optimisation**



Efficiency through process and system controls



Increase share of wallet on installed base



Reap the benefits from sharpened Products portfolio

Key margin improvement drivers

↓ **800**

reduction in headcounts driving synergy savings from duplicate roles in regions

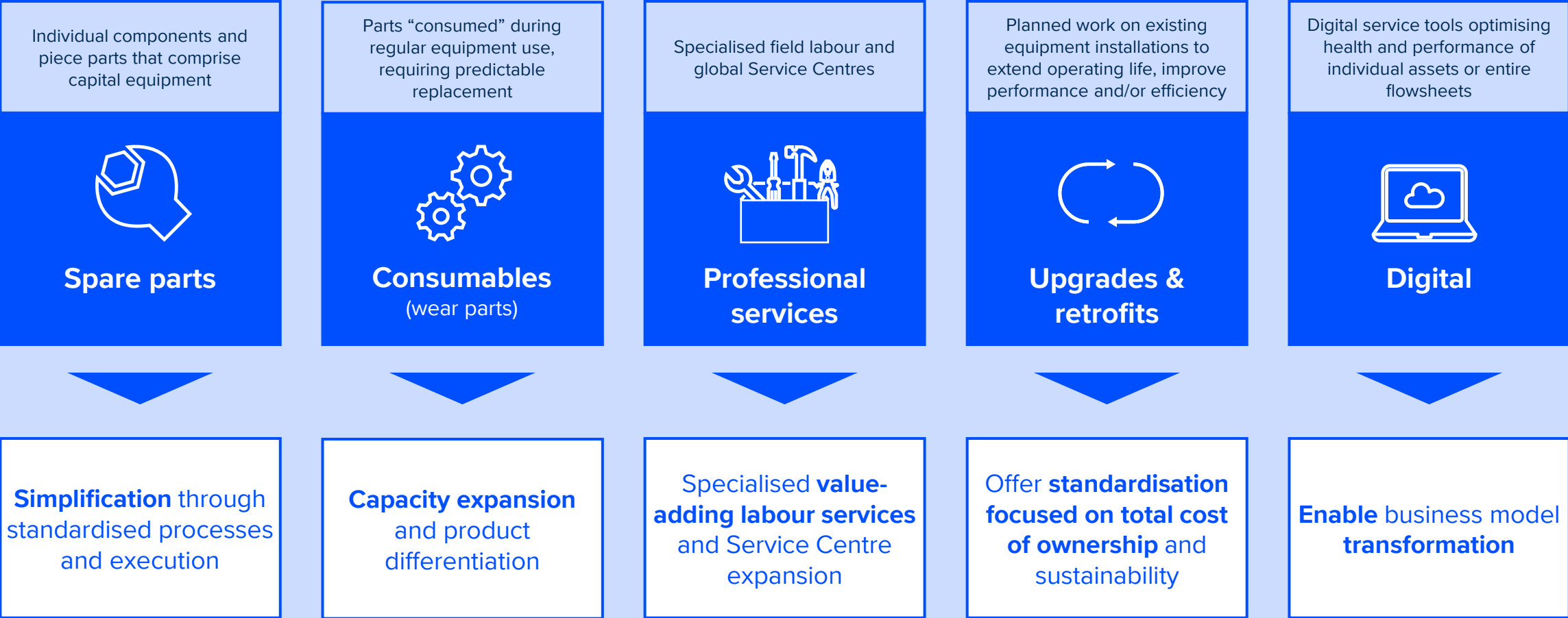
↓ **basic labour**

ongoing exit of dilutive low margin basic labour services

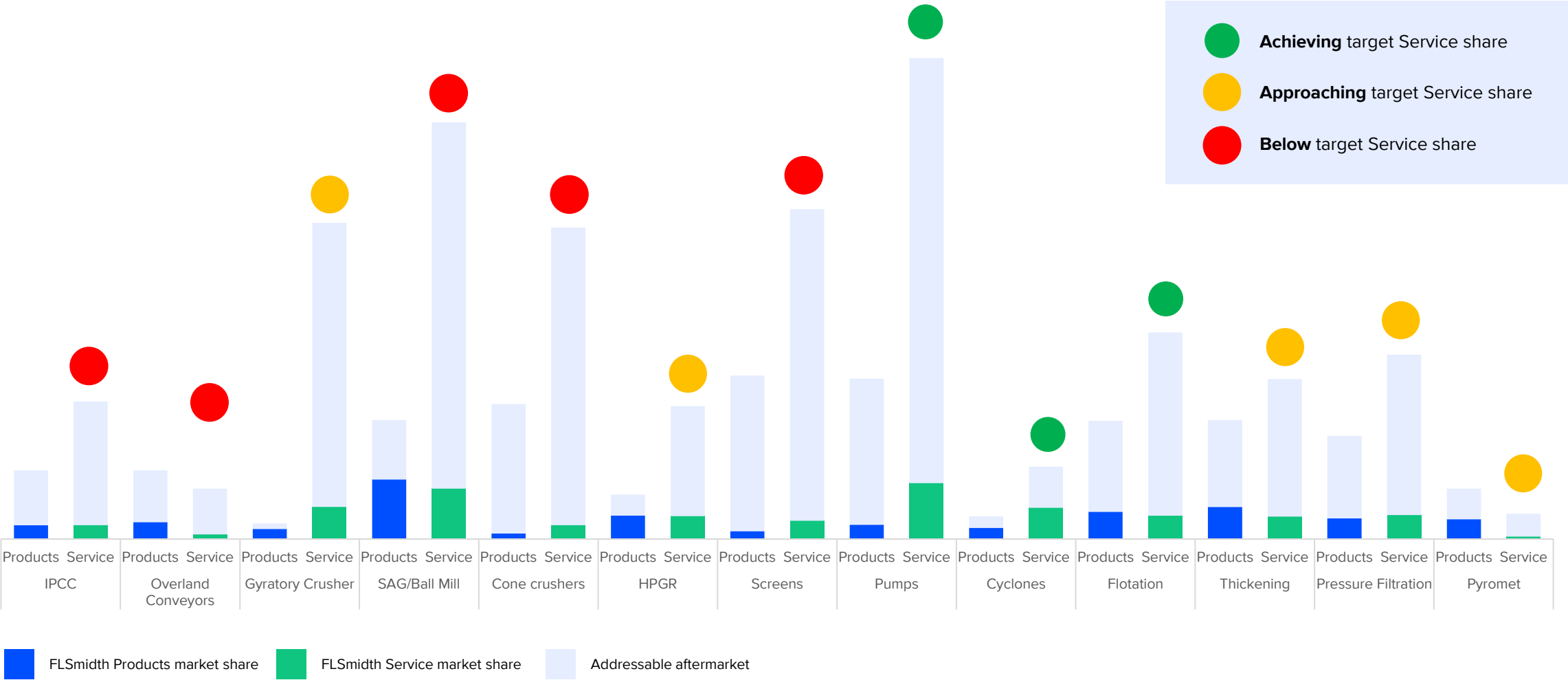
↑ **value capture**

underlying Service margin improvement vs 2021

Path to growth and improved profitability differs by Service type



Significant aftermarket potential across several product areas



Source: Futurebridge research 2021. FLSmidth internal analysis

Targeted growth via strategic investments and prioritisation

Pumps

Key focus on supporting and leveraging installed base growth

+10,000

units installed over the last 10 years

~11

estimated total annual service market potential (DKKbn)¹

~1.6

estimated own installed base annual service potential (DKKbn)¹

High

capture rate on own installed base

SAG/Ball Mill

Key focus on increasing mill liner capacity

+200

units installed to date

~5.4

estimated total annual service market potential (DKKbn)¹

~3.1

estimated own installed base annual service potential (DKKbn)¹

Low

capture rate on own installed base

HPGR

Key focus on service centre optimisation and expansion

+155

units installed to date

~2.4

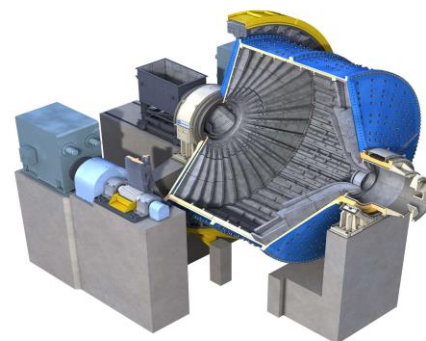
estimated total annual service market potential (DKKbn)¹

~1.1

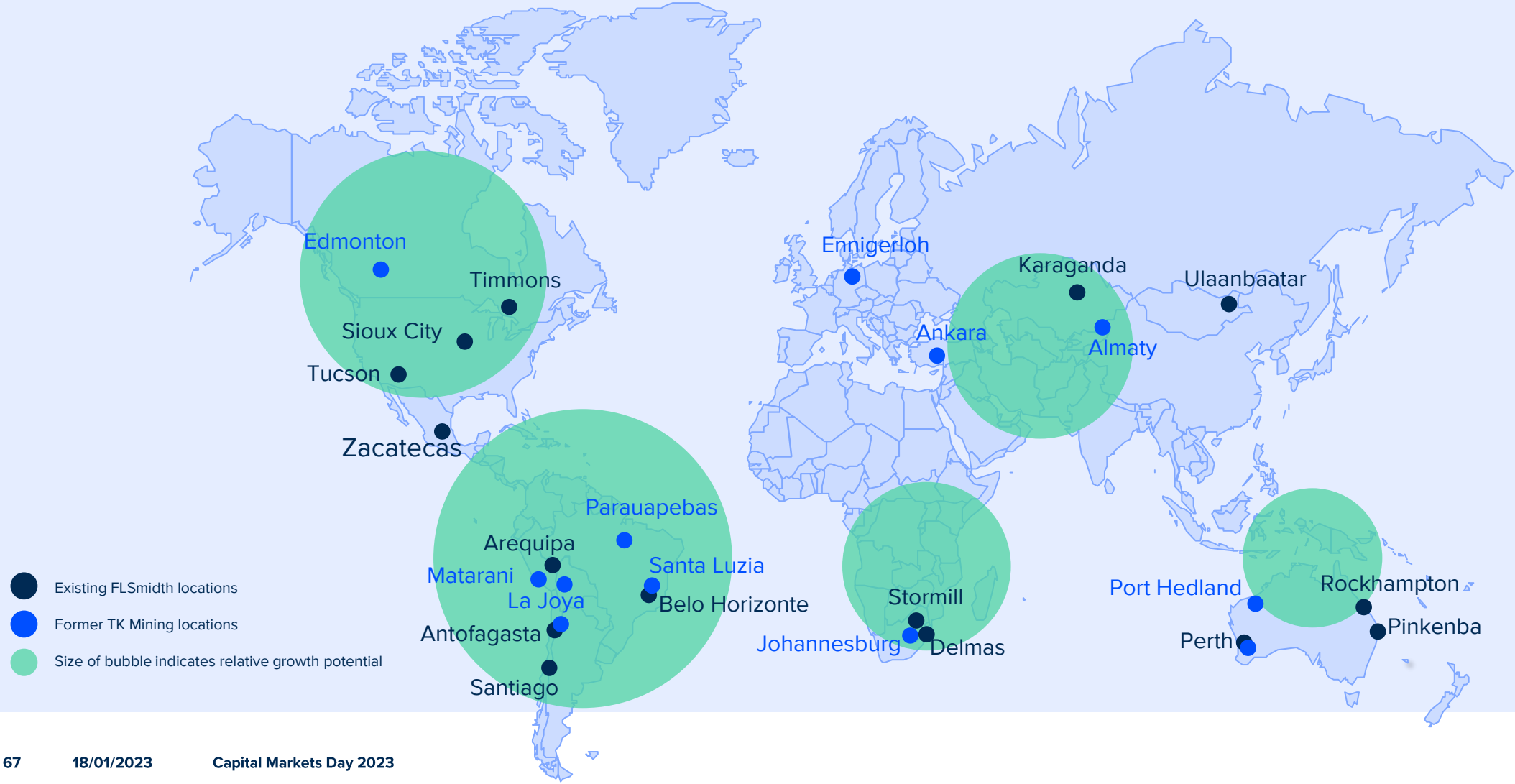
estimated own installed base annual service potential (DKKbn)¹

Medium

capture rate on own installed base

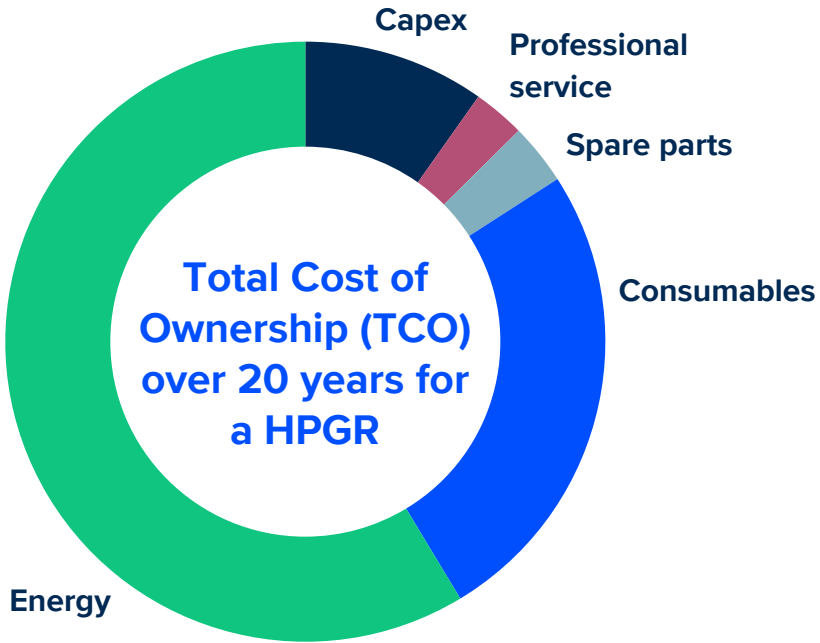


Fully equipped global service centre presence and capabilities further strengthened with the TK Mining acquisition



Value-based growth through customer-focused Service offerings over a total ownership cycle approach

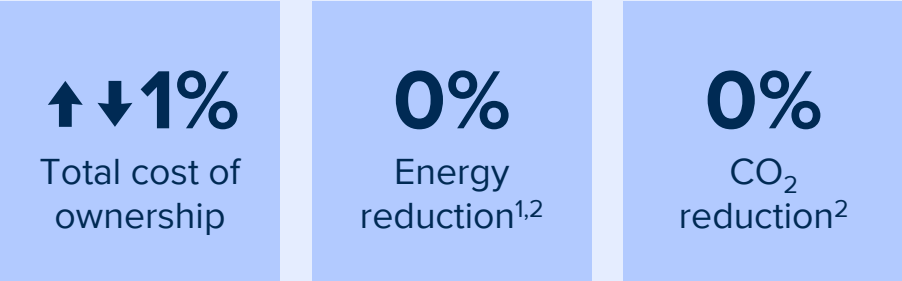
Example



What if....

Customer impact

“the price of a new HPGR changed by 10%?”



“we did TCO focused Service offerings via the HPGR-Pro?”



Source: FLSmidth analysis

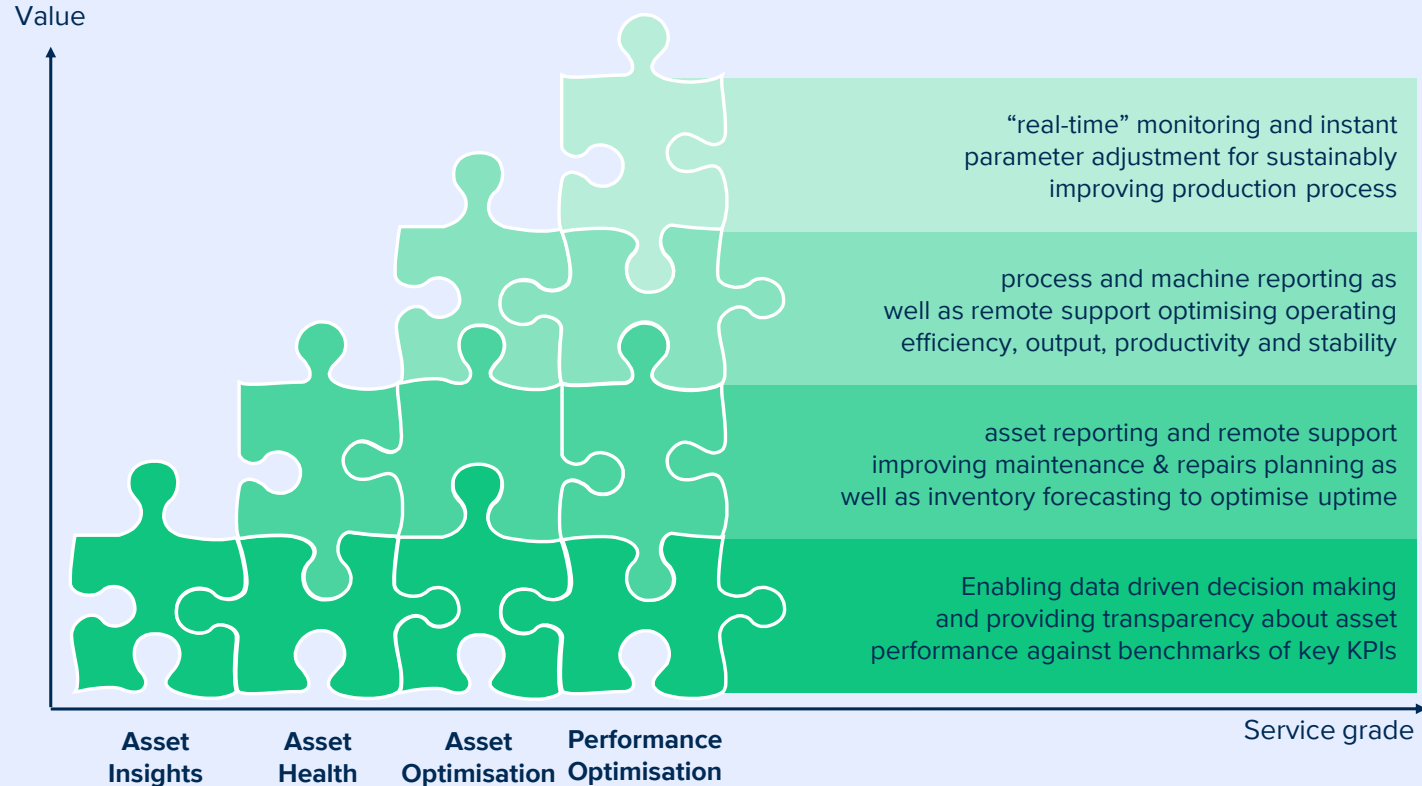
1. Per tonne throughput. 2. Per year.
Source: International Energy Agency 2021

Building scalable integration offerings through digitally-enabled solutions to optimise customers' performance

From
standalone digital product landscape



To
PerformancelQ portfolio



Key messages

“We have implemented a Service-centric business model and have already seen significant benefits from this”

“Large growth potential from increasing installed base penetration and targeting specific higher margin service offerings”

“We have clear initiatives in place to improve our as well as our customers’ profitability”



Q&A

Mikko Keto
CEO

Joshua Meyer
Service Business Line President

Chris Reinbold
Products Business Line President

A wide-angle photograph of a large industrial facility under construction. The scene is dominated by a complex network of steel beams and scaffolding. In the foreground, a worker wearing a high-visibility yellow vest and a blue face mask walks across a wet, reflective floor. To the right, a large piece of machinery is covered with a yellow tarp. The background shows more of the industrial structure and a glimpse of the sky through an opening in the building.

**Lunch break
until 13.00**

Sessions after the break

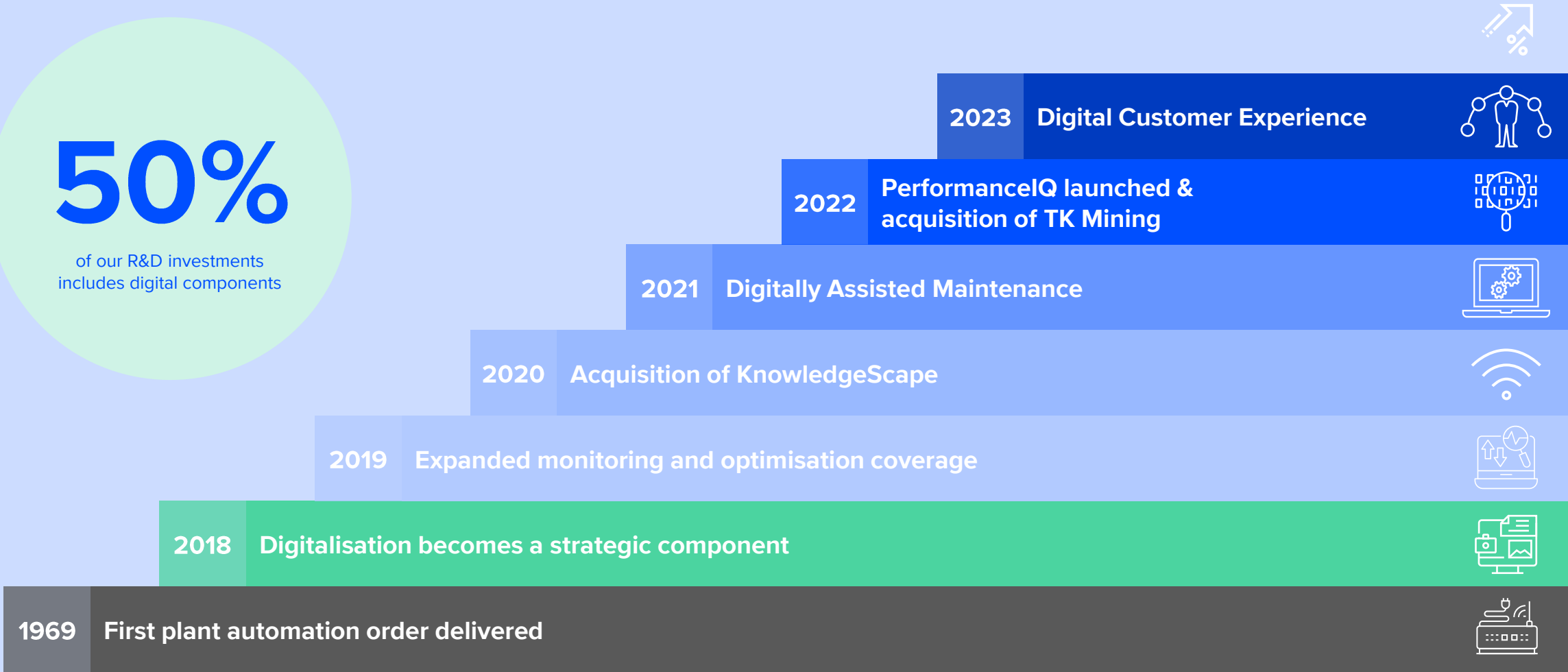
- Digital
- Operations
- Cement strategy

Digital

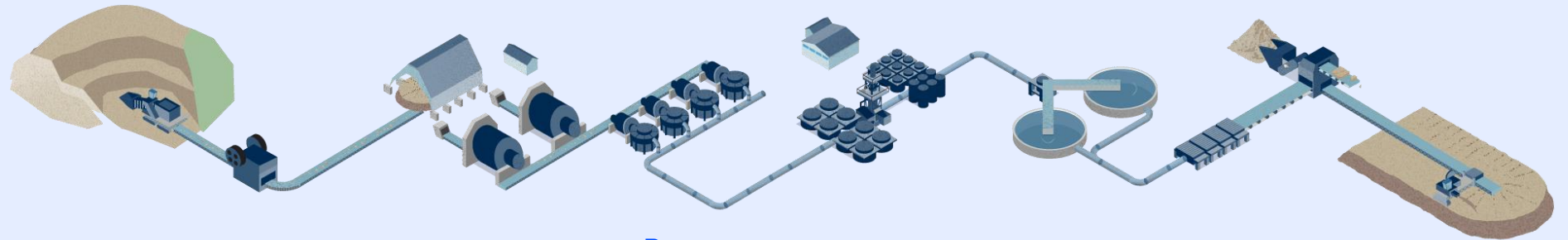
Mikko Tepponen
Chief Digital Officer



Digital is a key business driver and we continue to invest and expand our capabilities and offerings



We are digitalising the entire flowsheet



Product digitalisation level

-  Sensors
-  Product Control
-  Insights
-  Health
-  Optimisation

	Extraction	Conveying	Comminution	Pumps, Cyclones & Valves	Beneficiation and Recovery	Thickening	Filtration	Tailings Management
Sensors		●	●	●	●		●	
Product Control		●	●	●	●	●	●	●
Insights	●	●	●	●	●	●	●	●
Health		●	●	●	●	●	●	●
Optimisation		●	●	●	●	●	●	●

We are accelerating our digital capabilities and offerings through partnerships and acquisitions



Strategic Partnerships

Examples



Microsoft Azure support in safe, secure & scalable Digital platforms and Analytics



Accelerating the connected asset services for our customers

Acquisitions

Examples



Advance sensors & Optimisation



Complimentary digital offerings (e.g. conveying)




End-to-end Lab Automation Solutions

Examples of recently introduced digital assets providing significant efficiency, sustainability and profitability benefits


Thickener optimisation using Advanced Process Control software providing **significant customer efficiency and sustainability gains**

+ 150 Smart Pumps connected and monitored by FLSmidth optimising customers' total cost of ownership


5.1m m³
Reduction in water to tailings



~DKK 125m
Estimated annual customer savings



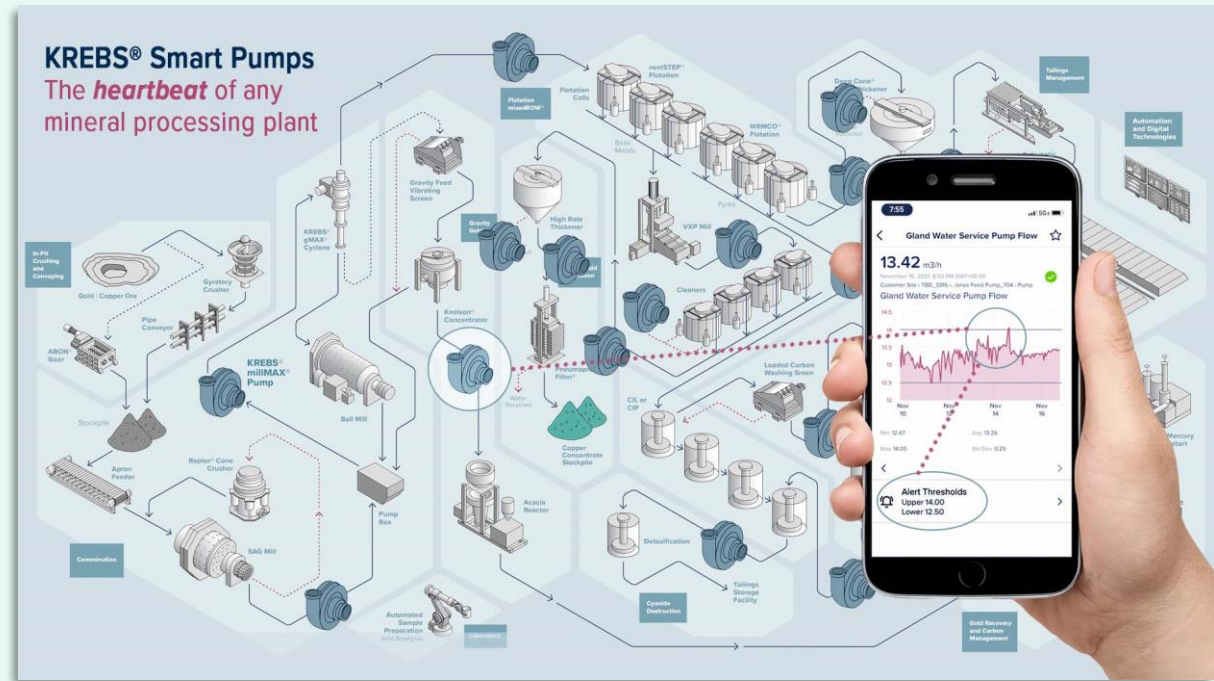
14%
Increased water recovery



~2%
Danish annual household water usage saved

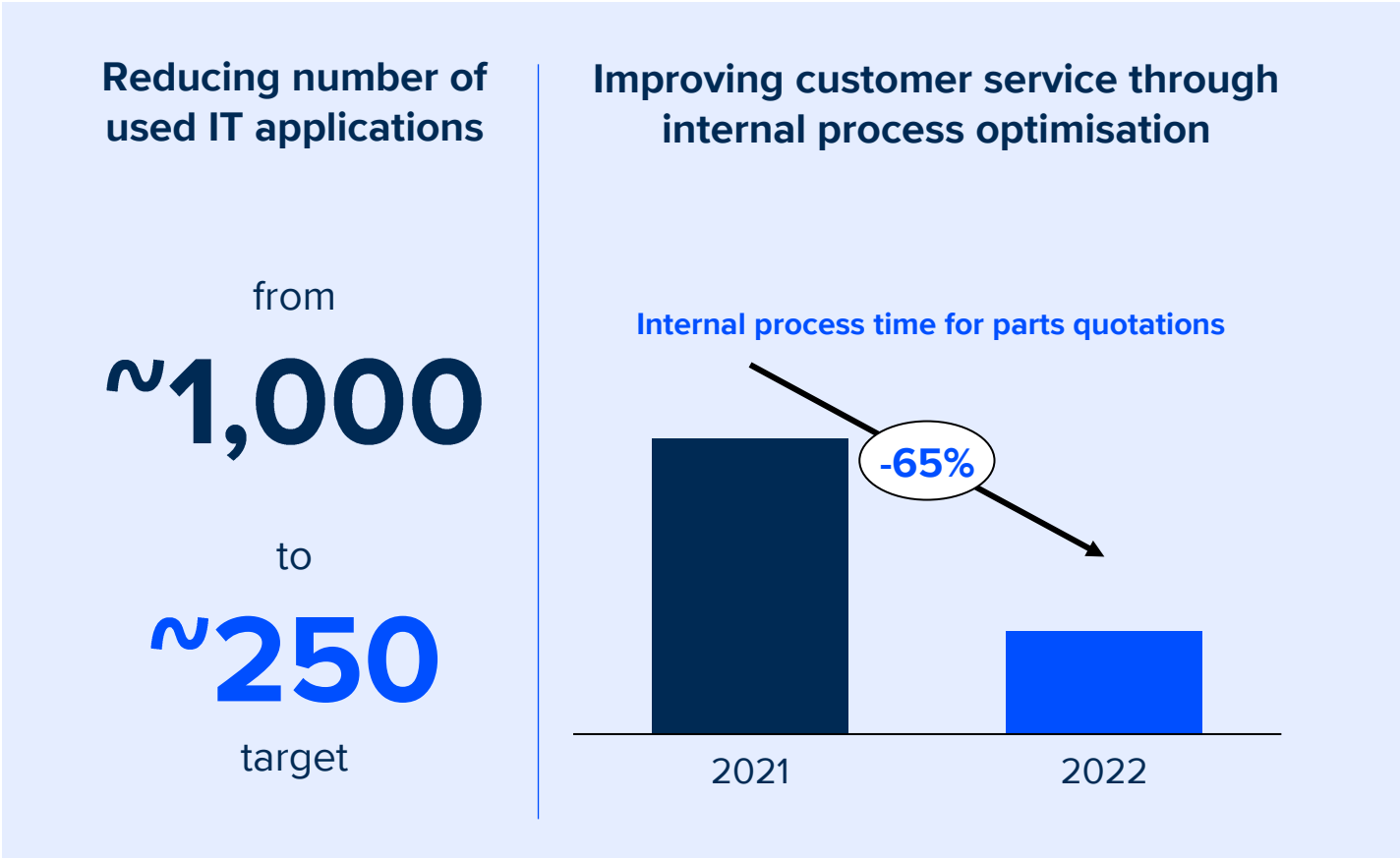


FLSmidth potential
Only ~5% of +2,300 FLSmidth installed thickeners are optimised



FLSmidth potential
Protect and grow Service sales

Simplifying our IT operations to support improved business performance and our transformation journey



Our digital solutions are tailored by design to ensure highest possible protection towards any cyberattacks



Our customers are protected with cybersecure solutions



State-of-the-art gateways to securely connect to our customers

Cybersecure design and practices for field agents, edge, and cloud computing

Compliance with highest industry standard (IEC-62443)

Cybersecurity is embedded in our business operations



Zero Trust Policy

Network Segmentation

Cyber attack response plans in place with drills executed

Key messages

“We are digitalising the entire flowsheet and continue to accelerate our digital capabilities and offerings”

“Significant growth potential from digital solutions providing efficiency, sustainability and profitability benefits to customers”

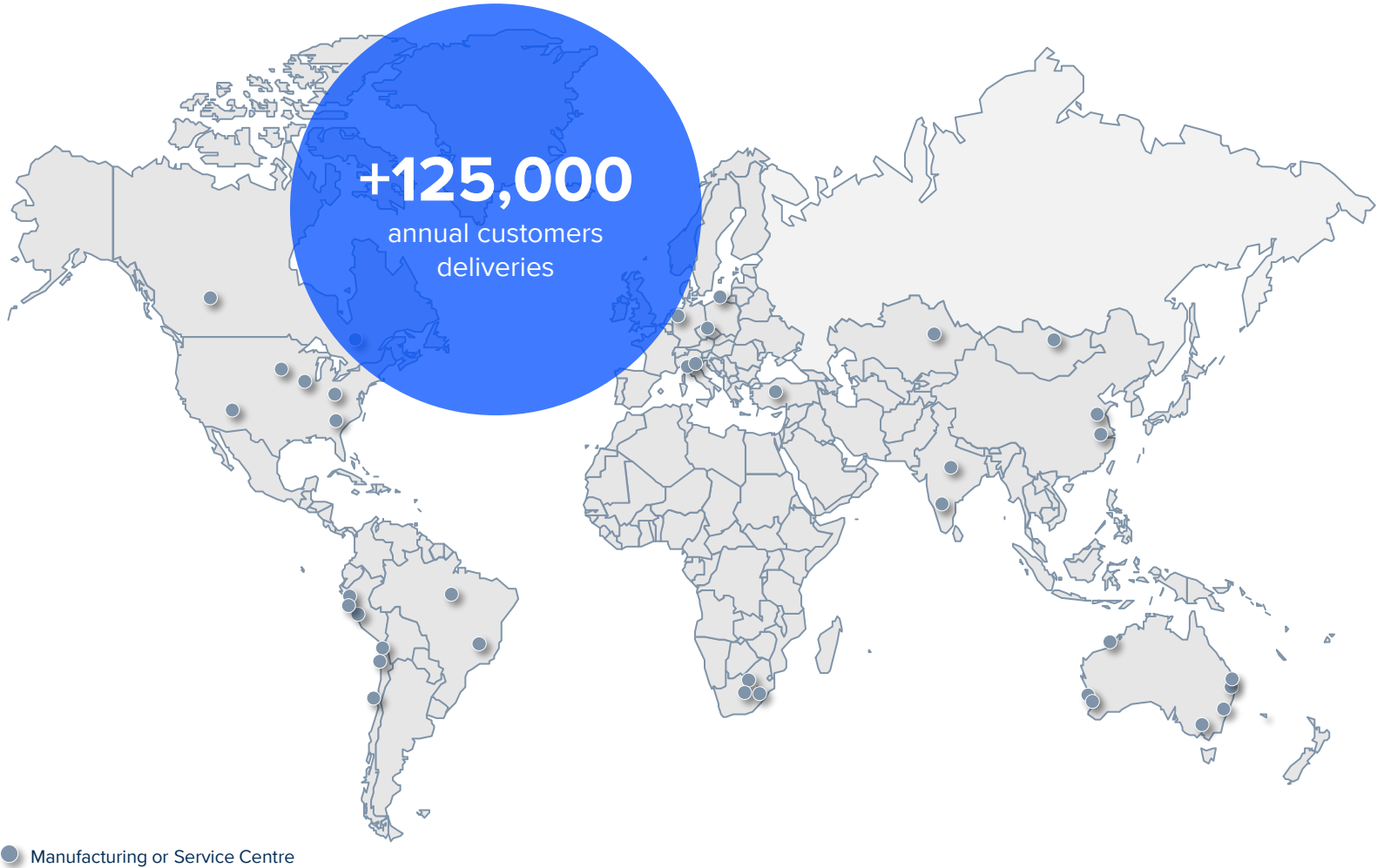
“By simplifying our IT platform, we can improve operational performance, drive efficiencies and strengthen our service to customers”



Operations

Asger Lauritsen
Chief Operating Officer

Our agile global Operations setup serves as a unique competitive advantage



Operations in numbers

- ~4% of revenue spend on logistics & distribution
- 10 factory sites
- +15 service centres globally
- ~35% of all purchase orders are automated
- ~90% delivery in full on time (DIFOT)
- ~90% of spend with ~1,450 suppliers
- +100,000 price list items

Operations has delivered a strong performance and shown strong resilience despite a challenging macroenvironment



Maintained best-in-class customer delivery performance despite disruptions, bottlenecks and geopolitical turmoil



Shortened delivery time enabling high mine utilisation



Integrated TK Mining incl. ~25% increase in volume without any business disruptions



Supported Cement standalone transition including balanced supplier base



Consolidated the global manufacturing network from 15 → 10 plants



Increased inventory turns and maintained product and parts availability



Contained cost and pricing in inflation affected markets with up to ~17% cost avoidance



Implemented sustainability upgrades in own factories and completed +700 supplier audits

Key priorities for Operations to safeguard supply, contain costs and support growth

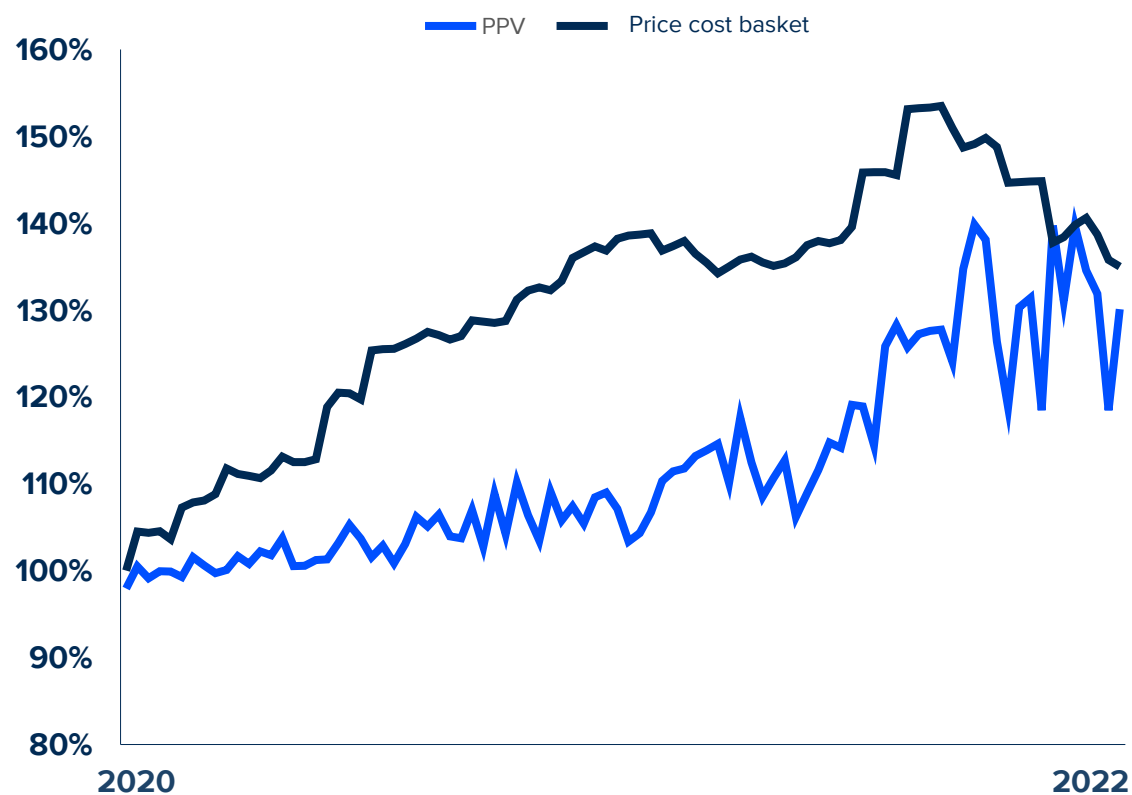
Safeguard supply and ensure best-in-class delivery to customers	Drive cost efficiencies and reductions	Ensure capacity for strategic growth opportunities
Increase supply chain resilience incl. nearshoring	Deliver on procurement cost synergies	Internalise value chain for select growth opportunities
Improve DIFOT towards 90% target	Reduce Standard Unit Costs	Accelerate roll-out of SIOPI to support Service growth
Increase customer and supplier order automation	Optimise manufacturing footprint	Continue to evolve strategic supplier base capabilities
Digitalise logistics processes	Leverage advanced manufacturing technologies	
Drive sustainability efforts		

DIFOT: Delivery in full on time. SIOPI: Sales, Inventory & Operations Planning



Strong 2022 external cost development and a key focus on delivering cost synergies in 2023

Purchase price development vs price cost basket



Source: FLSmidth, MEPS, LME, ICIS and Drewry World Index

2022 achievements

17% cost avoidance compared to commodity drivers for Service parts

1% Cost of Poor Quality, monitored through global quality management tool

Integration of TK Mining

One joint team

25% of combined spend through common supplier base

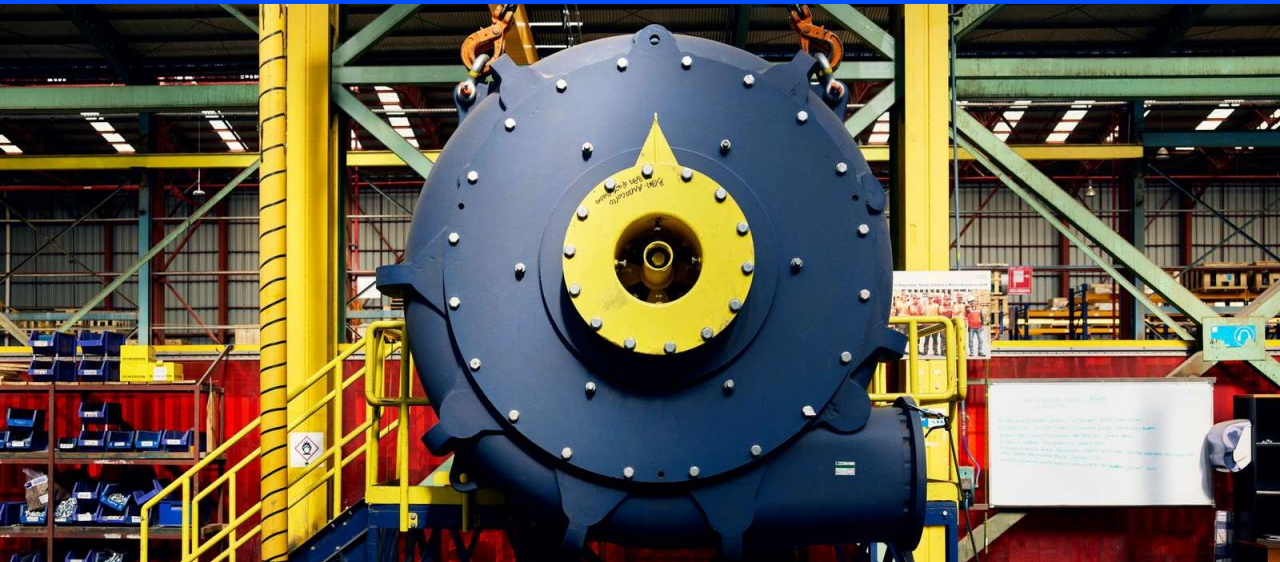
Ambitious annual synergy target on external spend

Selected investments to support our growth ambitions within pumps, cyclones & valves as well as consumables for mills

Creating the supply chain backbone for pumps, cyclones & valves growth

Adding supply options targeting several active sources for key components

Leverage global assembly and manufacturing footprint to improve customer proximity and increase number of assembly points



Strategic composite mill liner investment to increase market captivity

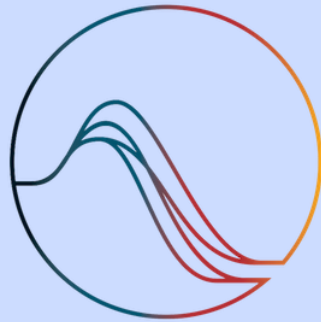
Greenfield, custom built facility strategically located in SAMER

Fully integrated manufacturing process ready for future expansion to meet mill liner growth plans

Interim upgrade of current facility to accelerate market captivity



Driving a strong sustainability agenda in our Operations is key



SCIENCE
BASED
TARGETS

As part of our sustainability agenda, we **commit to 30% of our suppliers by spend**, covering purchased goods and services, **will have Science-Based Targets by 2025**

Key initiatives



Engaging key suppliers directly through dialogue to provide support and resources where needed



Tracking performance to increase visibility and accountability



Including **requirements to track CO₂ emissions and setting targets** in our updated Supplier Code of Conduct

Key messages

“Truly global manufacturing setup leveraging internal and external capabilities as well as near and offshoring to drive resilience and cost efficiency”

“Operations’ cost and performance is well under control, and we continue to drive synergy realisation and support the business transformation”

“We continue to build a future proof and sustainable supply chain to mitigate risks and support strategic growth opportunities”



Q&A

Mikko Tepponen
Chief Digital Officer

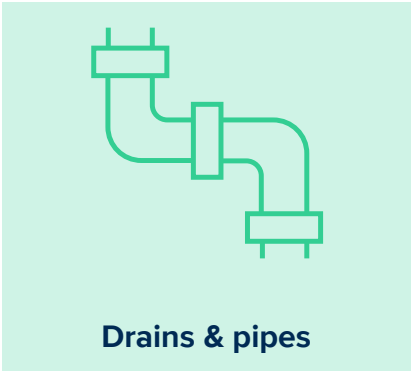
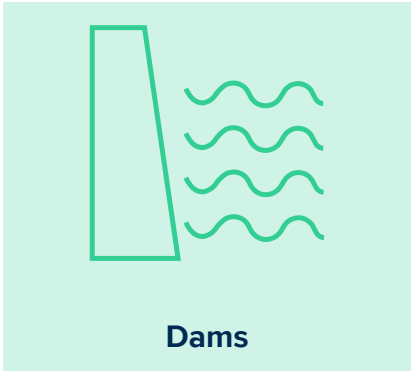
Asger Lauritsen
Chief Operating Officer



Cement strategy

Asger Lauritsen
Cement President

Cement is all around us

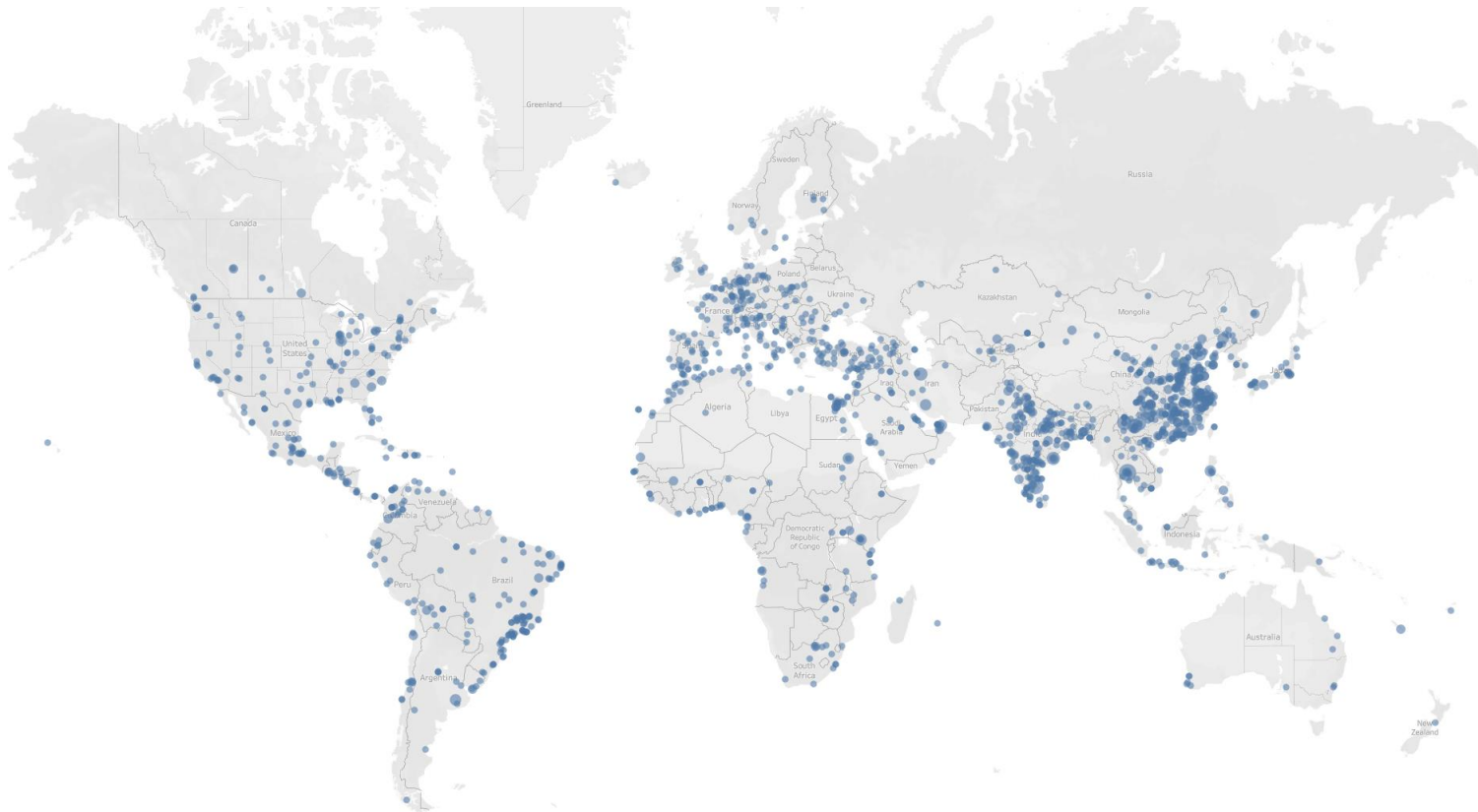


75%
of the infrastructure
needed in 2050
is yet not built

Source: The Global Cement Report. The EU Cement Association, Gates, Bill. How to Avoid a Climate Disaster. Allen Lane, 2021

Confined number of cement plants with large addressable service market potential and green opportunities

Green transition is driven plant-by-plant → Service will be the catalyst



3,027
plants globally

1,598
plants with FLSmidth presence

469
plants with FLSmidth Pyro
(core technology)

Source: Global Cement Directory 2020 and FLSmidth analysis

GREEN'26: Transforming Cement towards improved profitability driven by service and the green transition



We are implementing a completely new execution model to improve profitability, reduce earnings volatility and risks



Dedicated Service & Products BLs with **full P&L responsibility**



Standardised and automated Service offerings



Key Account management with top customers driving data driven, customer centric and proactive sales



Product and technology **focus to support decarbonisation**



Order execution **centralised and being digitalised**

Key margin improvement drivers

↑ **Value capture**

underlying margin improvements for both Service and Products vs 2021

Simplification

and delayering of the organisation driving faster decisions and efficiencies

↑ **Strengthened Service**

to better reflect market conditions

↑ **Improved control**

over delivery, execution and reducing risk

Three focus areas driving Cement's transformation, starting with the transition of our operating model

Operating model transition



Our starting point
Unsatisfactory financial performance

Service business model transition



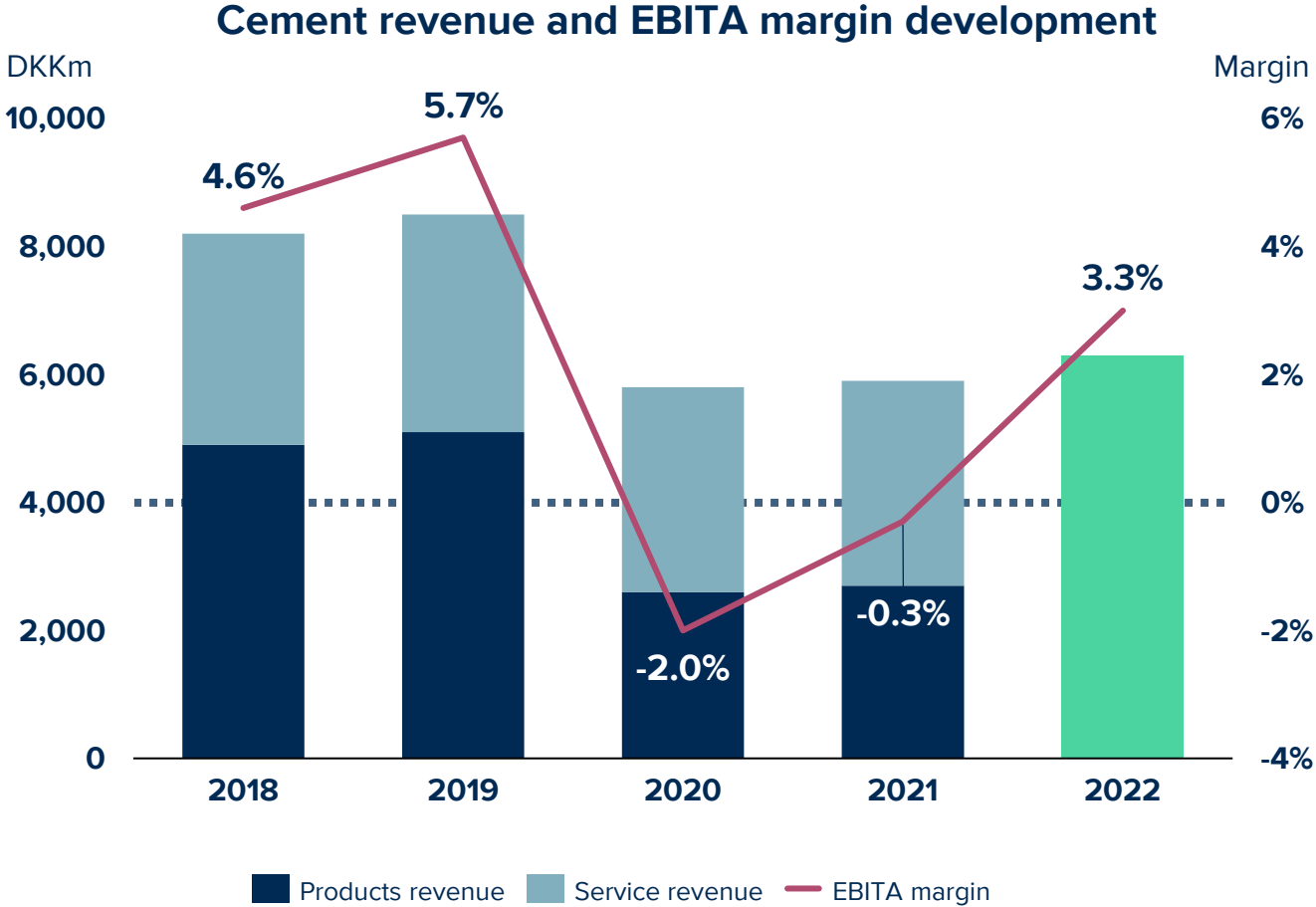
Our starting point
Lack of focus on our service business and core customers

Green transition



Our starting point
One of the most carbon-intensive industries in the world

Performance has been unsatisfactory in recent years and there has been a lack of clear focus



Source: FLSmidth financial releases

Key comments

- 

Too large risk profile on low margin Products business
- 

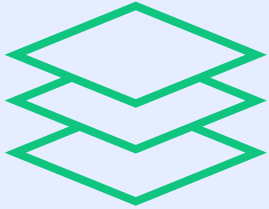
Too heavy global footprint and complex organisational setup
- 

Ongoing transformation for years with insufficient focus and limited impact

We have implemented a new simplified operating model, and key focus is on now delivering sustainable EBITA

Decisive actions taken in 2022 to achieve positive profitability

10 → 4-5



delayering of
organisation

4 → 7

regions

lead
countries



simplified
footprint

↓ 500



reduction of
headcounts

Now short-term focus

Deliver sustainable EBITA

through focus on profitable service,
performance management and
continuing the pure play journey

Next long-term focus

Drive growth

by enabling the green transition,
driving service growth and focusing
on profitable revenue growth

Robust operating model and focus on non-cyclical business makes us more resilient towards a potential recession

Operating model transition

- Former fixed costs made variable
- Underlying cost base being reduced



Service business model transition

- Transitioning to services, which are inherently less cyclical
- Continued ability to price in value creation



Green transition

- Developed energy efficient solutions
- Solutions with shorter pay-back when energy costs are high



Significant growth potential from transitioning to a clear and dedicated service business model

Operating model transition



Now
We have control and are now fit-for-purpose

Service business model transition



Our starting point
Lack of focus on our service business and core customers

Green transition

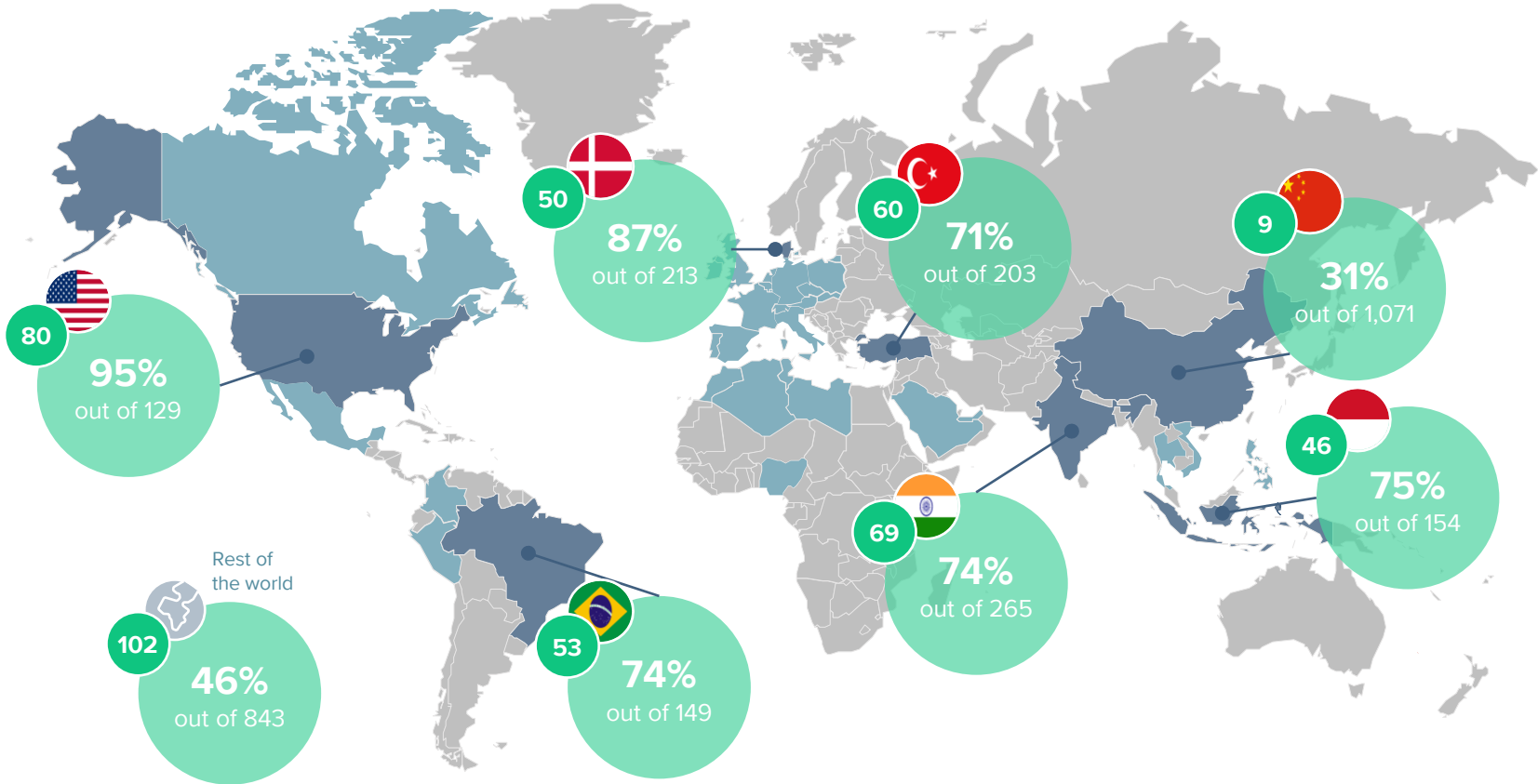


Our starting point
One of the most carbon-intensive industries in the world

We have presence at +50% of all cement plants in the world

Overview of global cement plants including those with FLSmidth presence and FLSmidth pyro installation

- Lead country
- Sales and service
- Export, agents and re-sellers
- ⊗ Number of FLSmidth Pyro
- % Share of FLSmidth plants out of total cement plants

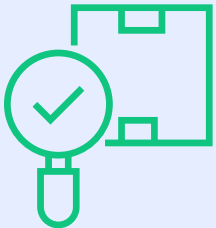


Note: Include full cement plants with FLSmidth installed base and/or service order intake compared to all cement plants
 Source: FLSmidth. Global Cement Directory

We have strengthened our service business, and now it is time to accelerate our service business growth

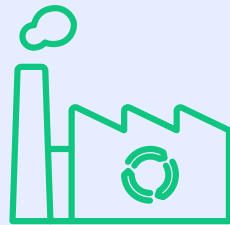
Refocus on profitable services supported by extensive plant mapping

469



plants located with installed FLSmidth pyro

1,598



mapped plants with FLSmidth presence

184



Installed digital plant connections¹

Now short-term focus

Accelerate service and improve green offerings via proactive, data-driven sales with our core customers and building close performance partnerships plant-by-plant

Next long-term focus

Transition installed base to carbon-neutral through continued upgrade of performance offering and co-development of customer centric service offerings

1. Additionally ~200 FLSmidth digitalised plants, which are not yet connected

Joint Service and Products business model focused on key Service opportunities and value drivers

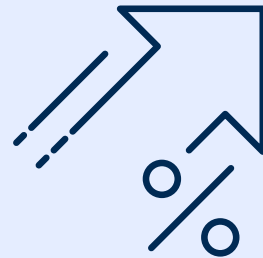
Service

Drive partnerships, active sales and focus on digitalisation

Products

Develop installed base, selective sales and focus on upgrades & retrofits

Key Service opportunities and value drivers



Increase share of wallet



Close white spots



Penetrate third-party

We are determined to drive the green transition in the cement industry

Operating model transition



Now
We have control and are now (almost) fit-for-purpose

Service business model transition



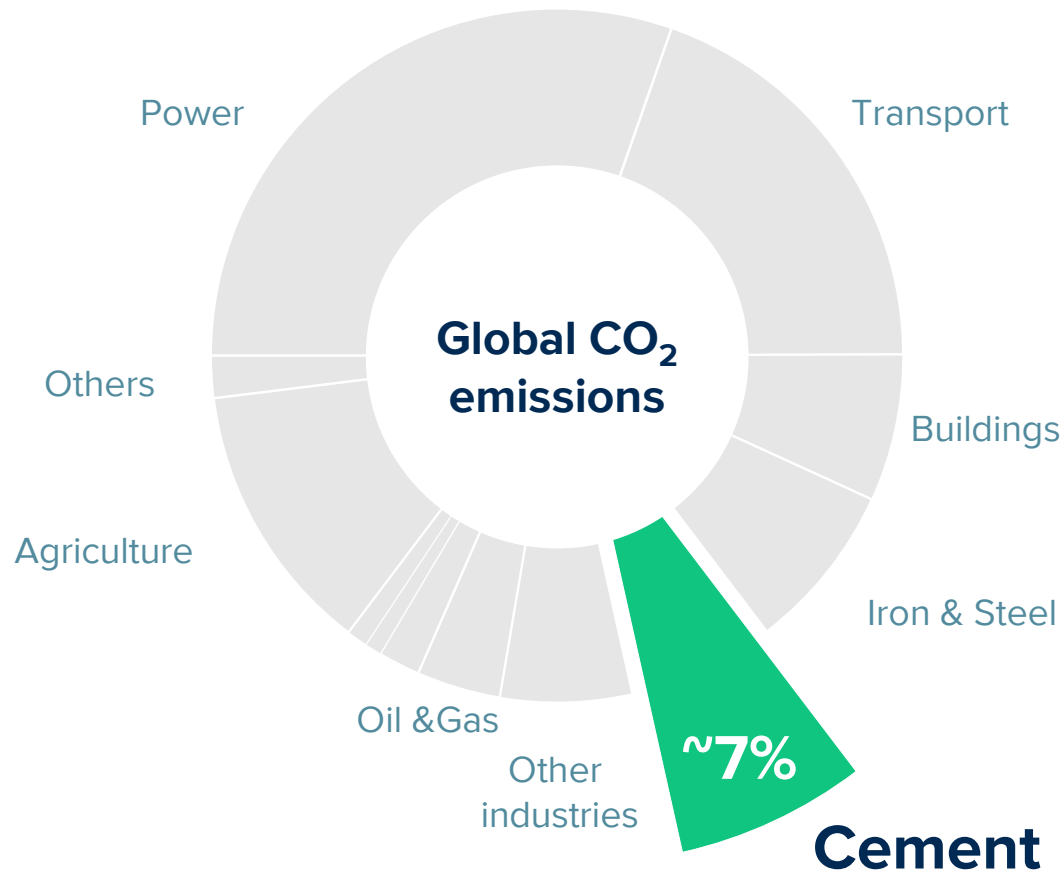
Now
Core focus on being a service and performance partner

Green transition



Our starting point
One of the most carbon-intensive industries in the world

Cement is among the highest emitting industries in the world accounting for ~7% of global CO₂ emissions



Transition to green cement will require significant investments

Decarbonisation technologies are already available

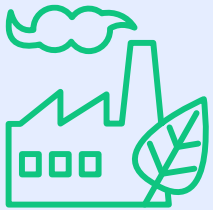
Opportunity to drive the green transition and capture value

Source: Global Cement and Concrete Association 2021. Global Energy Perspective: reference Case, ETC Mission Possible,

We have developed technologies, and now focus is on driving the required green transition in the cement industry

We have developed technologies and increased our 'green' focus

0 CO₂



Designed carbon neutral cement plant

↓60%



Advanced technology to decarbonise and capture CO₂ emissions

+50%



of R&D budget allocated to green innovation

Now short-term focus

Establish carbon neutral plant by focusing on getting the first lighthouse project built and pursuing opportunities with our customers, who are already requesting our products

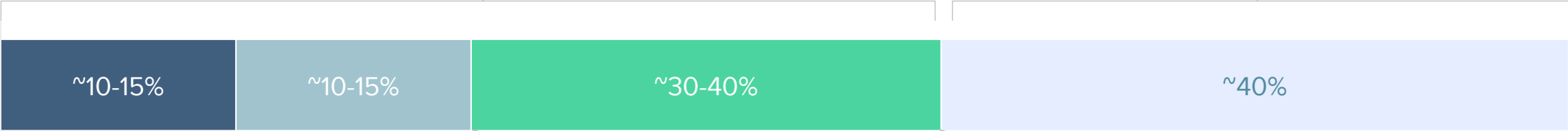
Next long-term focus

Push towards carbon neutral as the norm through collaboration with customer, advocacy, partnerships and innovation

Our current portfolio can facilitate a ~60% reduction of CO₂ emissions on a cement plant

~60% FLSmidth green portfolio
cost neutral/positive to the customers

~40% new green technology
cost increase to the customers



Efficiency improvements

Fuel substitution

Clinker substitution

Case examples


OK-mill
~5-10%
reduced power



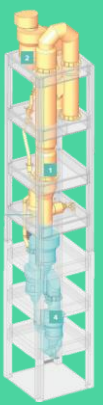
SHAH CEMENT
FLSMIDTH

Hot-disc
~13,000
tons reduced CO₂ p.a.

FletcherBuilding
FLSMIDTH



Calcinated clay
+16%
CO₂ reduction



VICAT
FLSMIDTH

Towards 2026 we will execute to grow sustainable service and provide selected green upgrades

Operating model transition



Now
We have control and are now
(almost) fit-for-purpose

Service business model transition



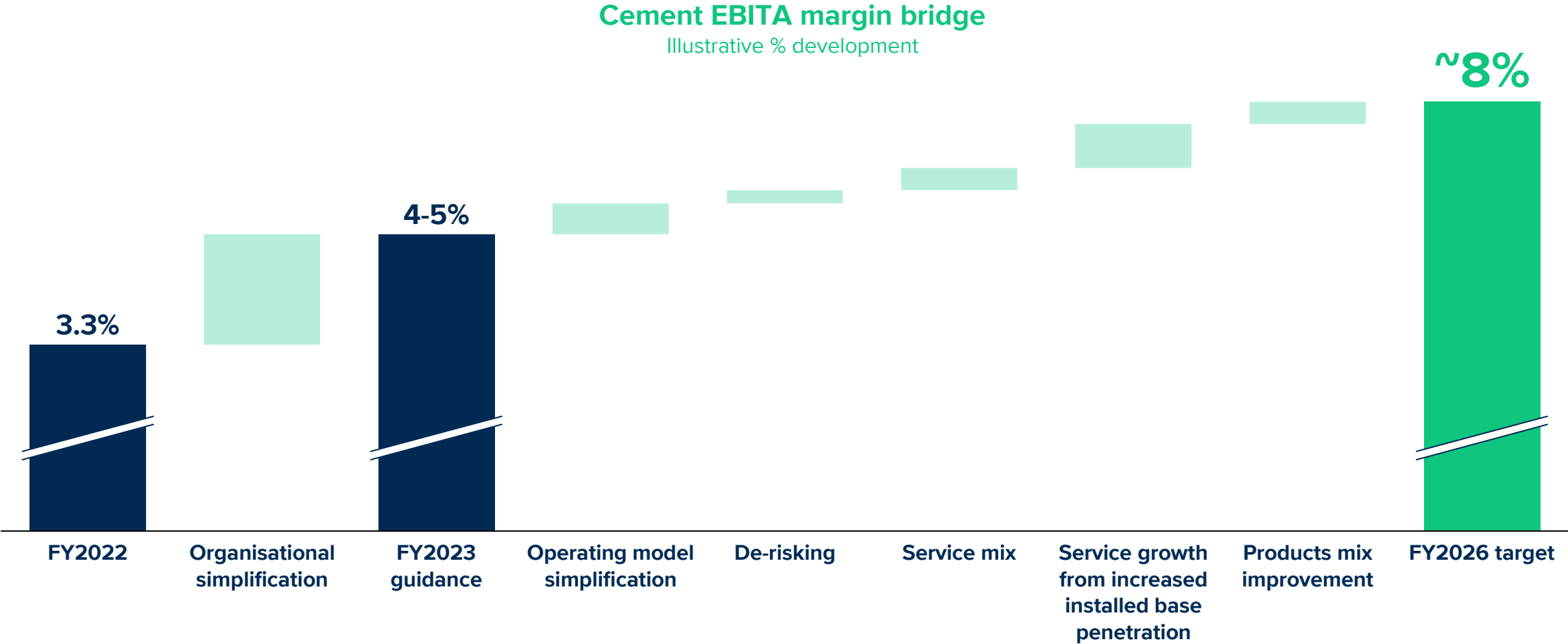
Now
Core focus on being a service and
performance partner

Green transition



Now
Full decarbonisation focus driven by
our know-how

Our long-term EBITA margin target is ~8% for the FY2026



Key messages

“We have made Cement fit-for-purpose to ensure sustainable profitability both short and long-term”

“Significant service growth potential from focusing on improving mix and increasing our share of wallet on the installed base”

“The cement industry has to transition to green, and we are best positioned to drive this transition in the long-term”



Q&A

Mikko Keto
CEO

Asger Lauritsen
Cement President





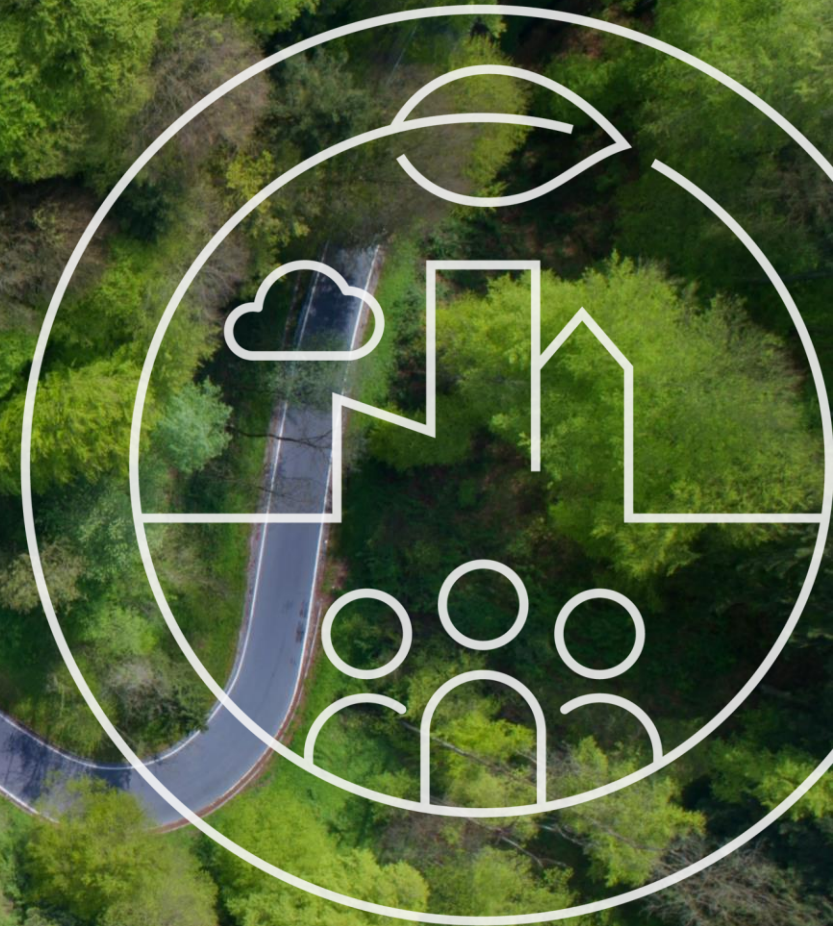
Break

Sessions after the break

- Sustainability
- Performance & long-term targets

Sustainability

Mikko Keto
CEO



Sustainability is more than just a license to operate. Not only is it the right thing to do, it is also a core business opportunity

Our planet is under pressure



We have to build a better future for our employees, society and the planet

Increased regulatory pressure



External targets, standards, frameworks and reporting requirements on sustainability are rapidly increasing

Persisting industry challenges



Our customers are facing increasing environmental and regulatory challenges to run and/or expand operations

Increasing demands from all stakeholders - including customers



Our employees, customers, investors and society in general require actions to fight climate change

Our sustainability framework is integrated with our business model and centred around two areas: MissionZero and ESG

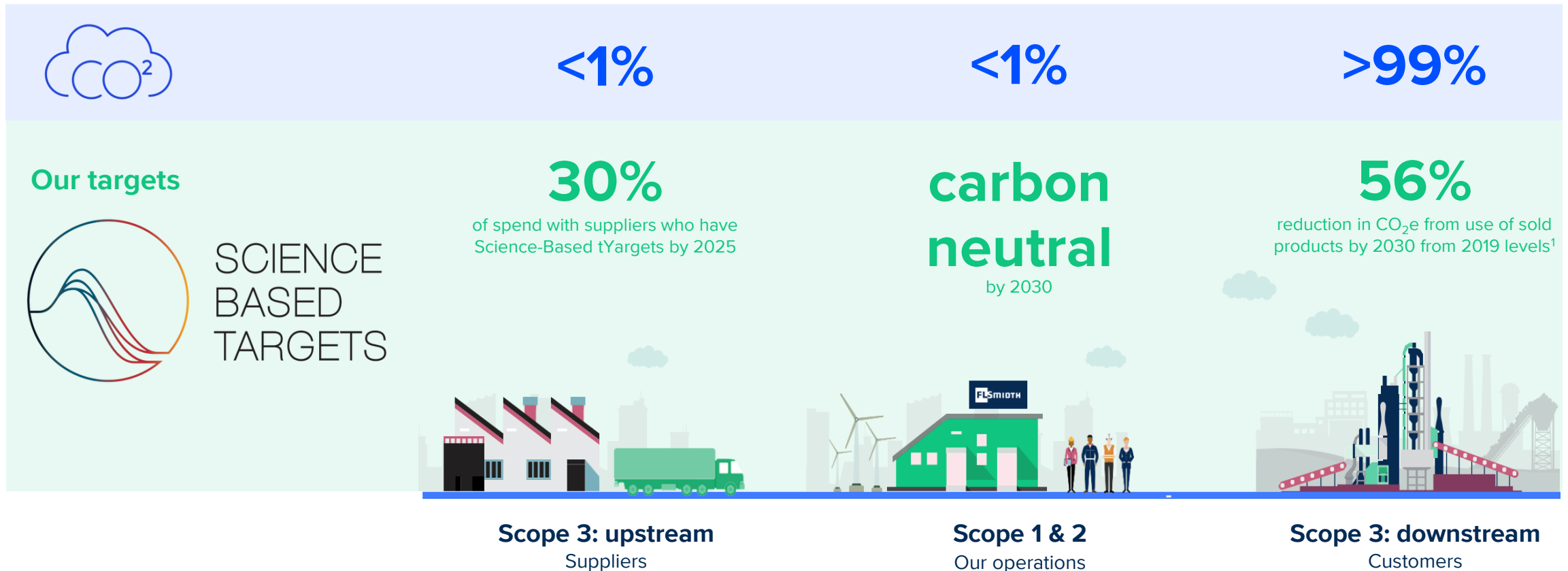


Environment

Wouter de Groot
Head of Sustainability



We are actively addressing our carbon footprint impact across the entire value chain, especially that of our customers



1. Defined as economic intensity: tCO₂ emissions/DKKm order intake

We are progressing in our efforts to become carbon neutral in our own operations via different avenues (scope 1 & 2)

CPH Pulse, future new headquarters of FLSmidth



Solar energy project in Qingdao





Replace power generator diesel to solar photovoltaic in Antofagasta



Sustainability is a key business driver for FLSmidth and is a profitability lever for our customers with no trade-offs

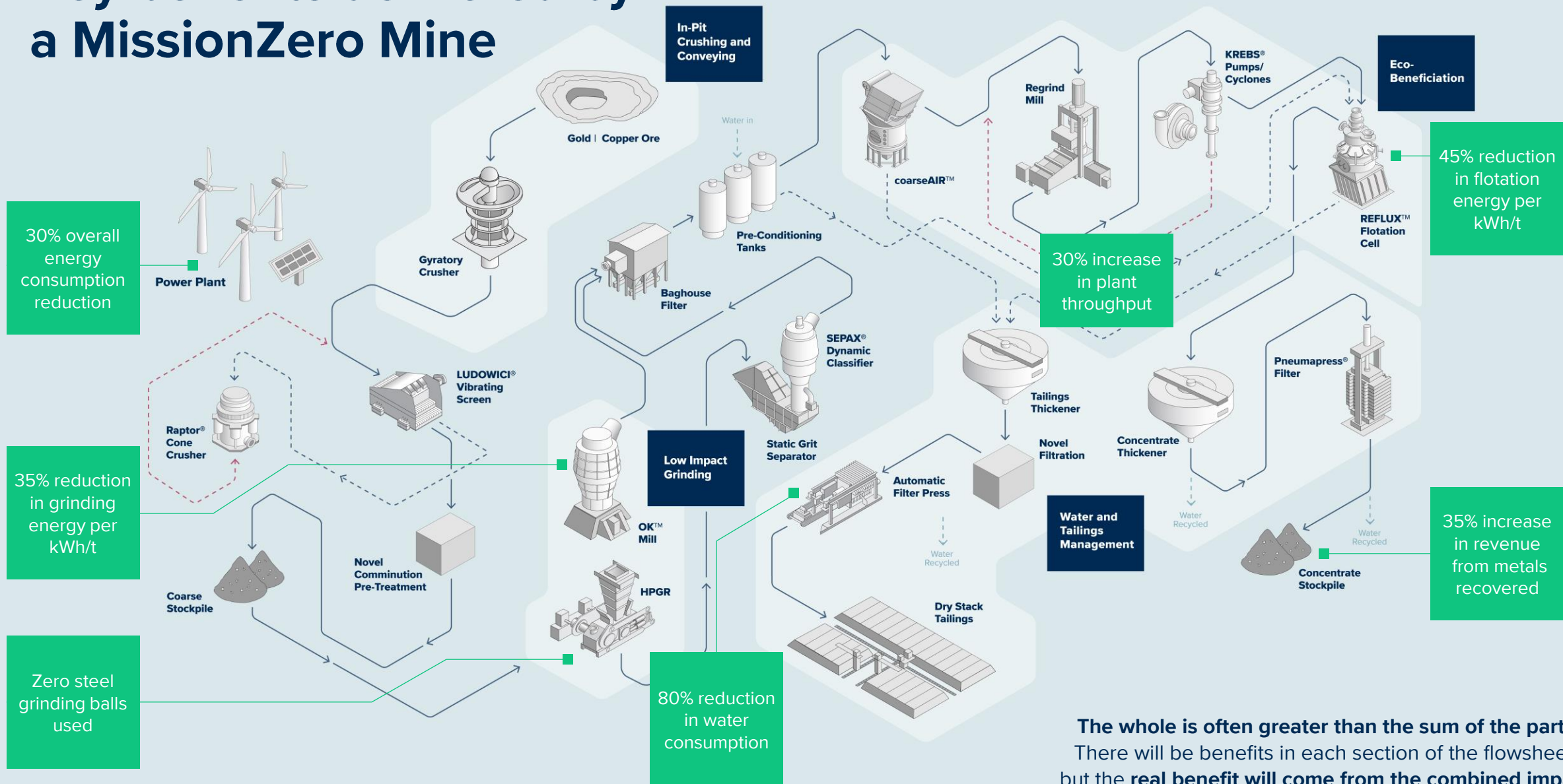
Key focus and challenges for miners

More from the same (Productivity)	 Run time
	 Recovery
	 Throughput
More with Less (Sustainability)	 Energy
	 Water
	 Emissions

Examples of sustainability pledges from Tier 1

		Scope 1-2 net zero by 2040-2050
		Scope 1-2 ~30% reduction by 2030
		Scope 3 net zero by 2050
		Concentrating mine
		Intelligent mine
		Waterless mine
		Tailings management

Key benefits delivered by a MissionZero Mine



The whole is often greater than the sum of the parts
 There will be benefits in each section of the flowsheet, but the **real benefit will come from the combined impact** of solutions and optimisations across the mine site

Customer case example of sustainability and productivity key benefits from the installation of digital solution on SAG mills



8%

Reduction in energy consumption



10%

Increase in throughput



8%

Reduction in CO₂e

External expectations and demands on ESG performance and reporting continue to increase

ESG performance and reporting

 <p>Current score 22.9</p>	 <p>Current score B</p>
 <p>Current score AA</p>	 <p>Current score C</p>

Regulations and standards



Our response

Build a better future for our employees, society and the planet through our two-dimensional sustainability approach:

- 1 Enable profitable sustainability (MissionZero leadership)
- 2 Improve our ESG performance

Key messages

“Customers are rapidly increasing their sustainability demands on original equipment suppliers and competition accelerating their sustainability efforts”

“With our core technologies and R&D roadmaps, including the MissionZero Mine, we have the solutions to drive productivity and sustainability for our customers”

“Sustainability is not just the right thing to do, it is a key business opportunity. We need to accelerate to meet demands and stay ahead”

Social

Cori Petersen
Chief HR & HSE Officer



Strong focus on the employee career lifecycle



Attracting and hiring

+30% gender diverse fill rate



Developing a culture of growth

24% internal fill rate

97% of all employees receives Personal Development Reviews

Aligned incentive plans towards MissionZero



Talent retention

DKK 50m allocated in 2021 and 2022 to close gender pay gap and provide living wages



Key activities and focus areas in 2023



Establish Global Diversity, Equity & Inclusion (DE&I) Council



Leadership development



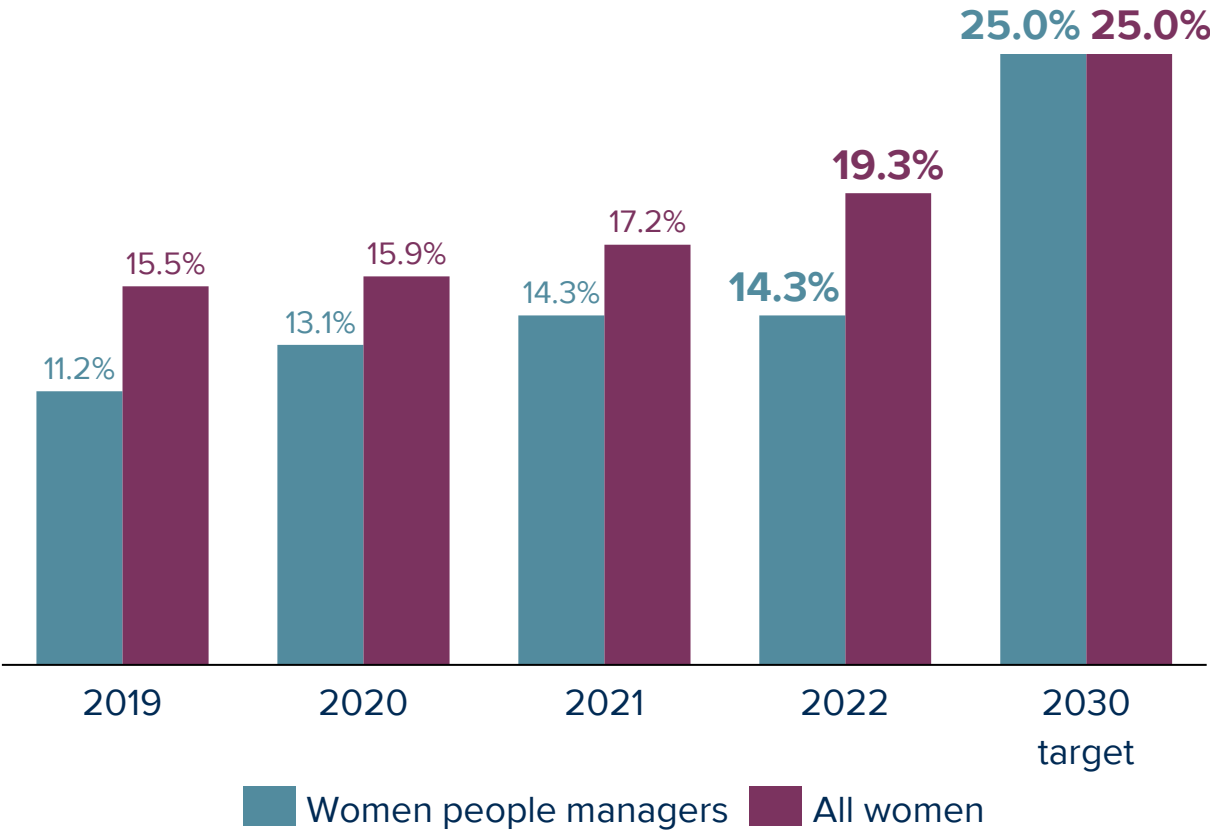
Mental health and wellbeing



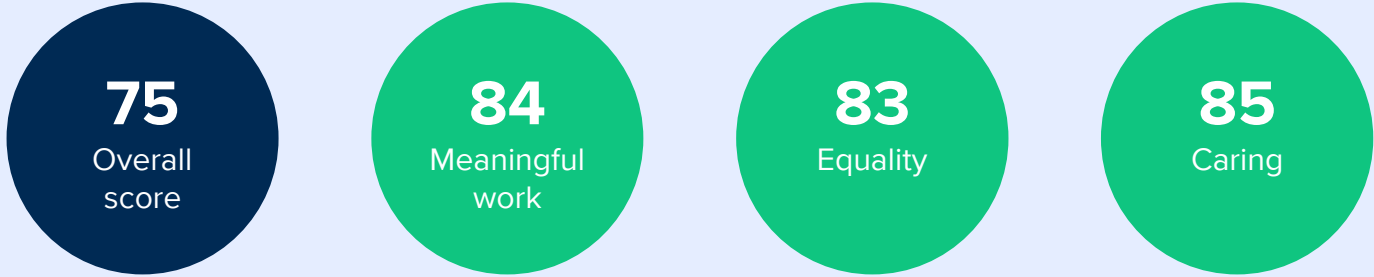


As a global organisation diversity and inclusion is a key focus

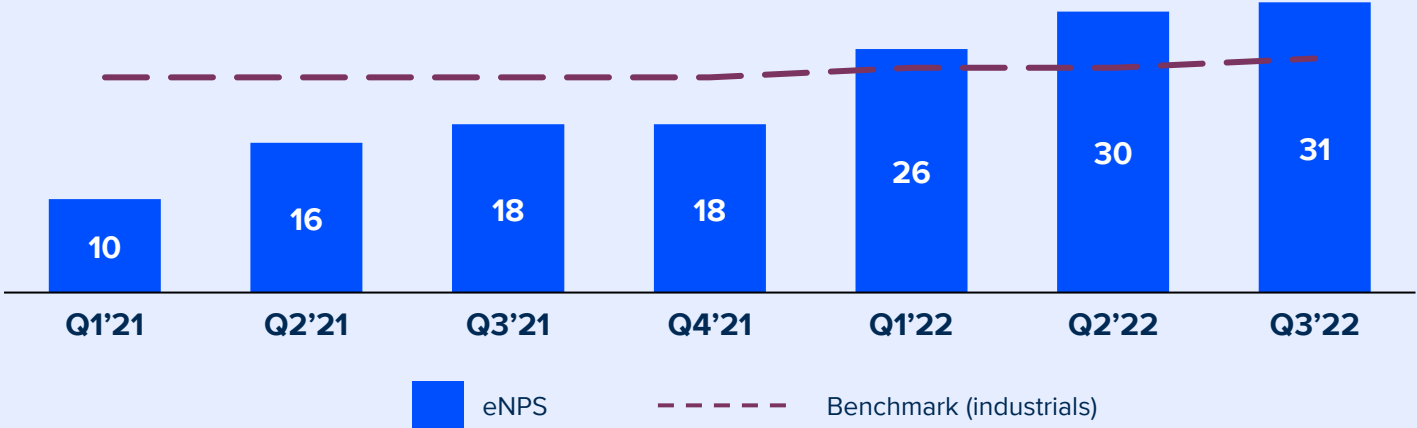
+100 nationalities across +60 countries worldwide



High employee engagement is key to deliver on our strategic ambitions

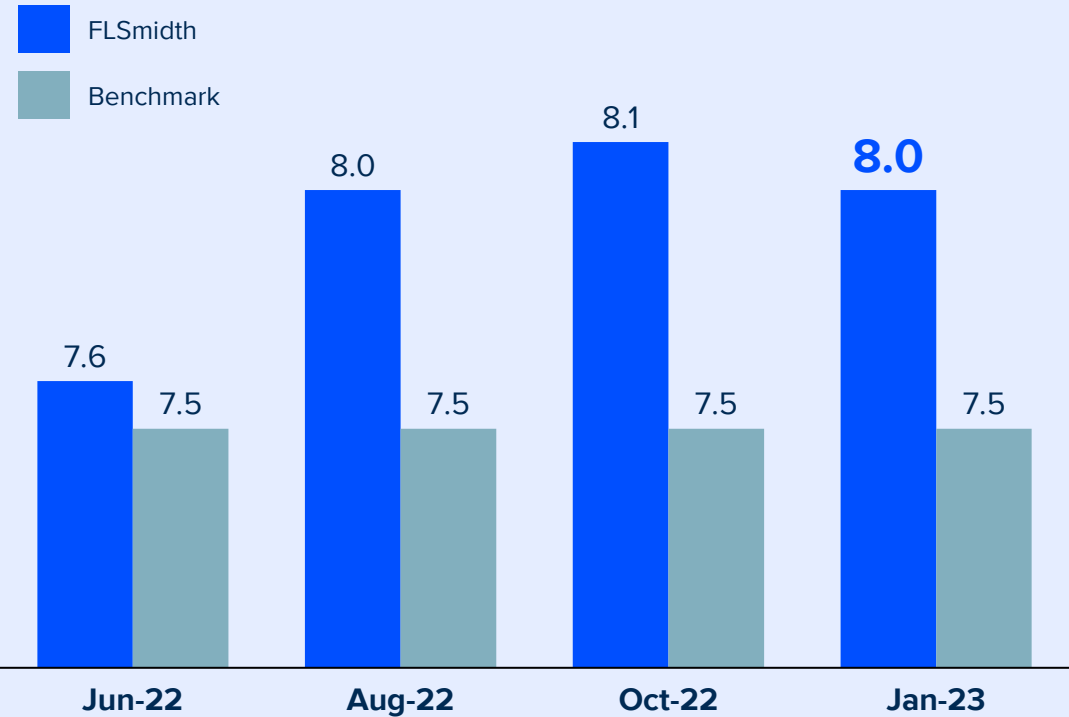


Positive development in Employee Net Promoter Score

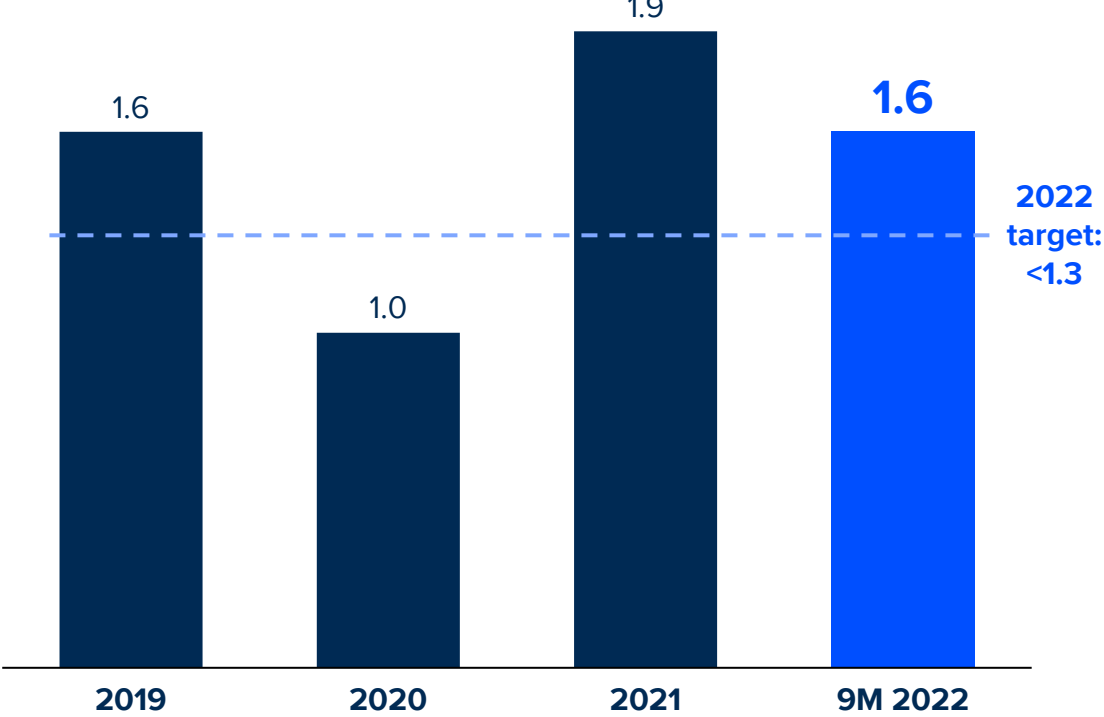


Mental health and safety is a core priority, and we proactively use data to drive improvements

Mental wellbeing scores



Total recordable injury rate (TRIR)



Living our core values is pivotal to ensure strong execution of our strategies

TRUST

We are trustworthy and believe others are as well



EMPOWERMENT

We have the necessary autonomy to drive results



ACCOUNTABILITY

We take ownership to get it done



COLLABORATION

We proactively work together to achieve success



HONESTY

We are transparent and act with good intent



Key messages

“We continue to focus, invest and build a more diverse and inclusive organisation”

“Living our values is key to ensure strong execution of our transformation”

“Keeping our employees engaged is pivotal for our ability to successfully deliver on our strategic ambitions”



Governance

Annette Terndrup
Chief Legal & Strategy Officer

Robust corporate governance structure in place

External rules and regulations

-  Danish and international regulations and laws
-  External auditors, unions, and other stakeholders
-  Corporate governance standards

Governance structure



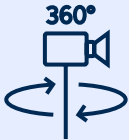
Internal anchoring

-  Policies and guidelines
-  Cascading and feedback procedures
-  Training and awareness
-  Audits and inspections

Governance is at the core in all decision making and in our transformation journey



Business ethics



Compliant and transparent business conduct



Responsible citizenship



Shareholder, employee and customer focus



Risk mitigation and management



Compliance is a continuous and ever-evolving journey

Anti-corruption

Bribery / anti-corruption

Whistle-blower

Conflict of Interest

Donations, gifts and hospitality

Harassment

Trade compliance

Embargoed / sanctioned countries and companies

Dual use and prohibited items

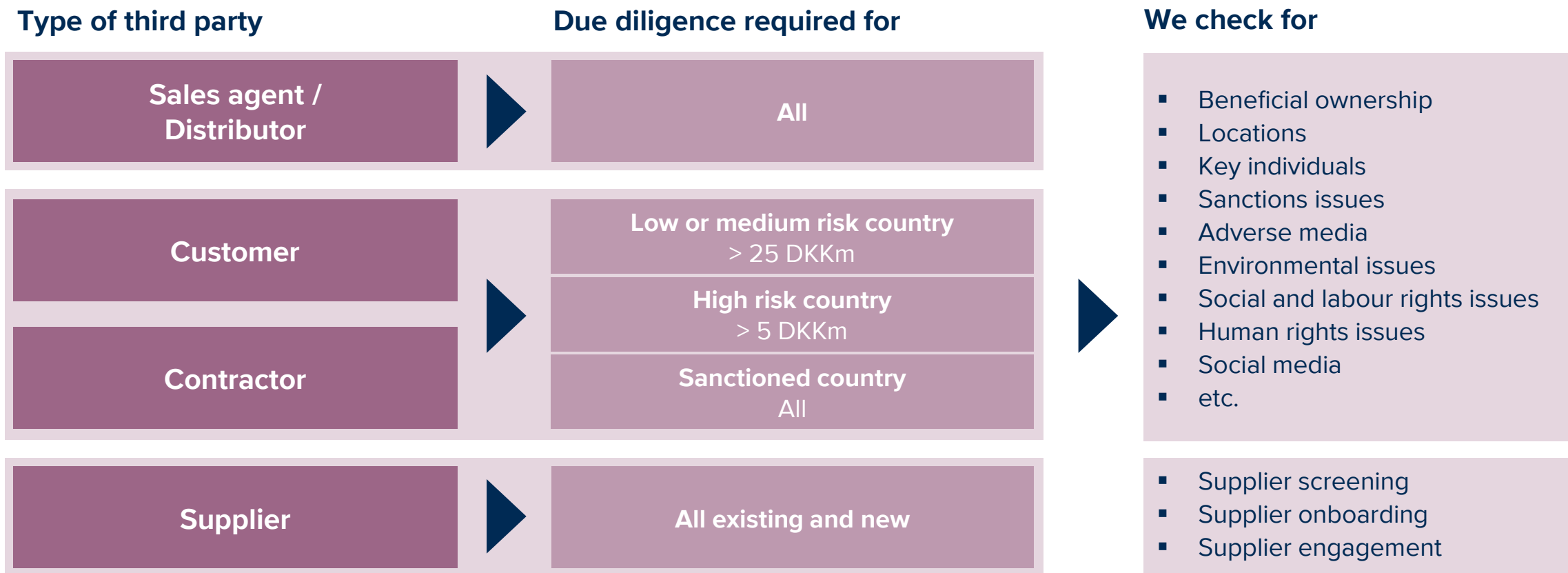
Transactions controls

Human rights

Grievance mechanism

Salience assessment

We have a standardised due diligence process in place, which we continue to develop as our business environment evolves



Short- and long-term incentive programmes are closely linked to both our financial and long-term sustainability targets

Remuneration policy (excerpt)

“remuneration framework shall at any time contribute to FLSmith’s efforts and ability to create short-term and long-term shareholder value through efficient business strategy execution and high performance”

Strategic ambitions

CORE’26
Mining

GREEN’26
Cement

Remuneration report



Key messages

“Strong governance is rooted in responsible, honest and ethical business and is vital to our transformation journey”

“We have strong and well-anchored risk management across our full operations”

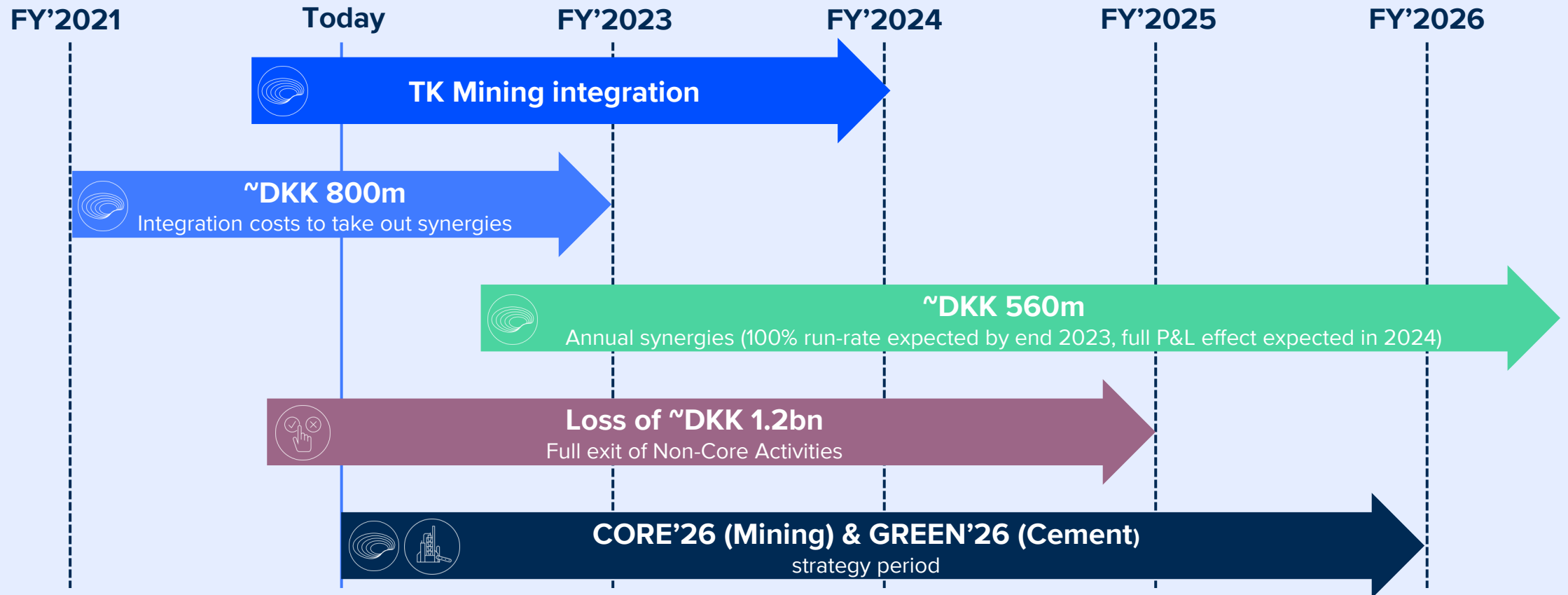
“Compliance is core to us, and is a continuous focus area in an everchanging global environment”



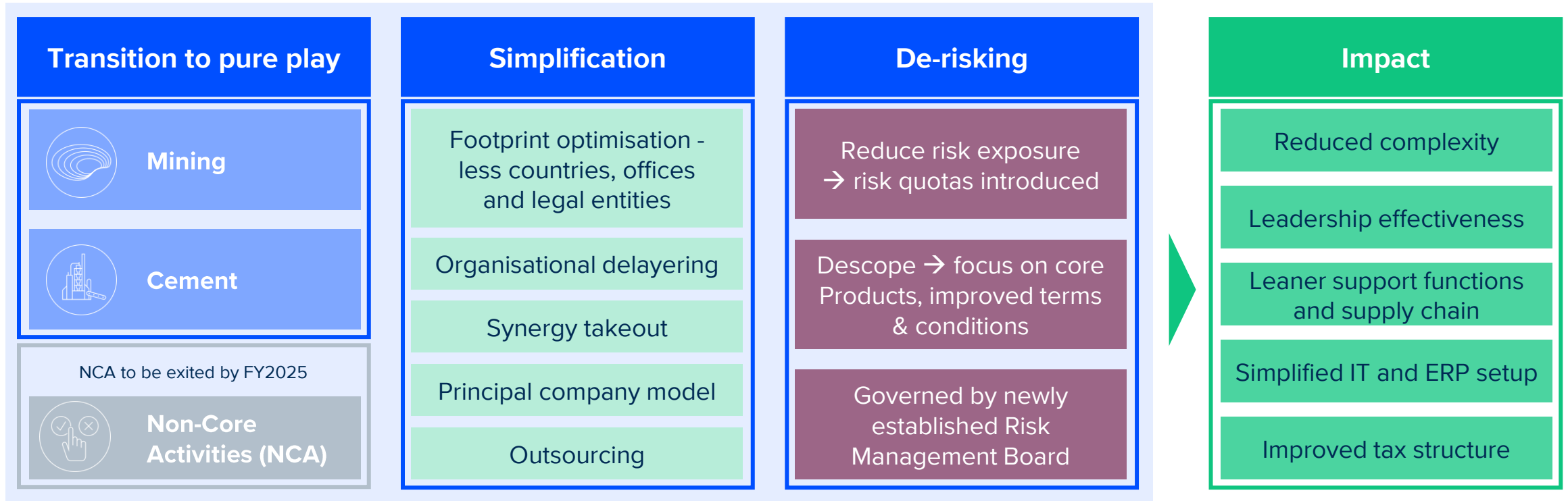
Performance & long-term targets

Roland M. Andersen
CFO

While there are many moving parts in the short-term, it paves the way for an accelerated journey towards our targets



Simplifying our operating model to realise efficiencies, ensure stronger execution and improve profitability

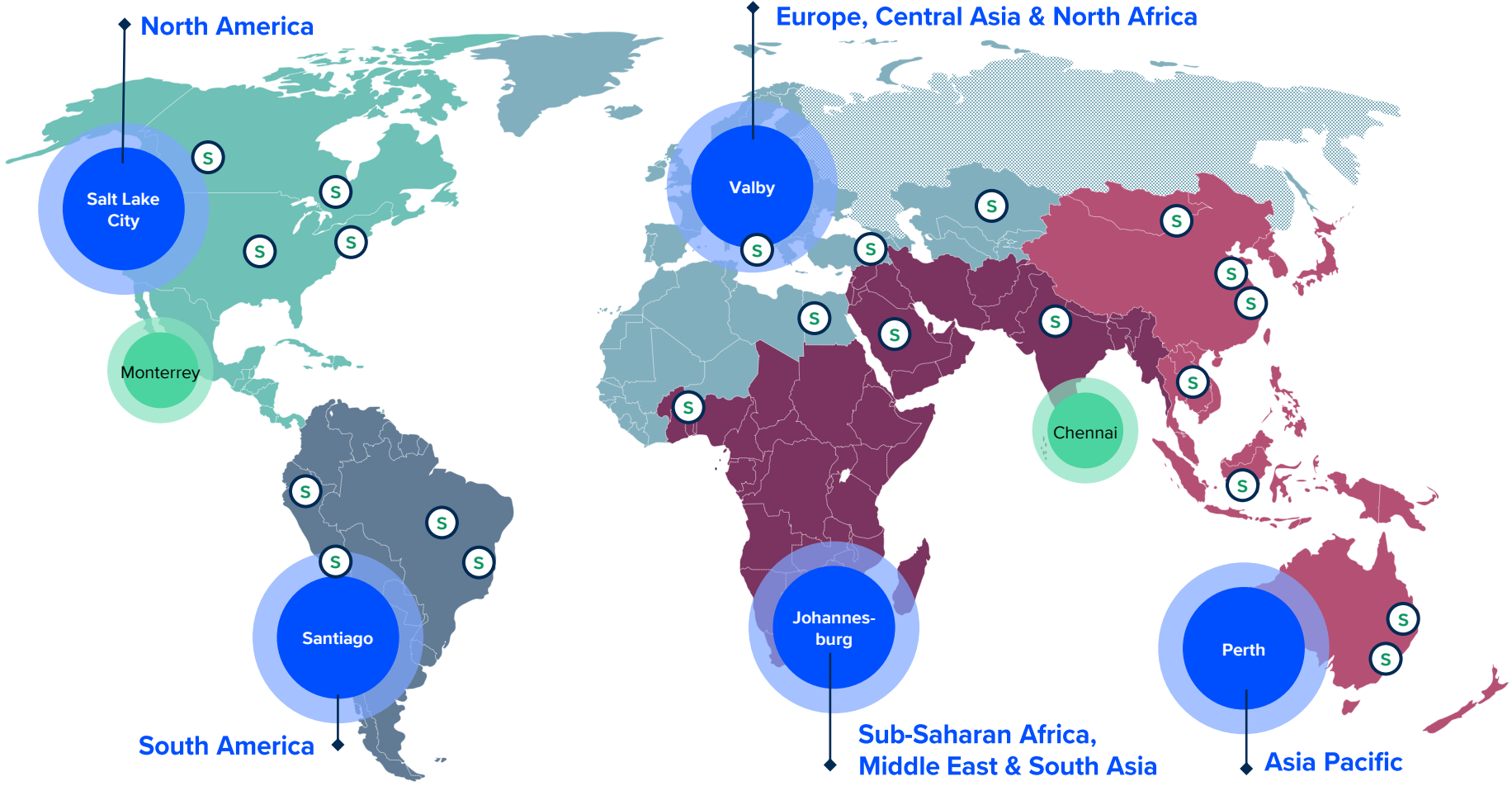


Consolidating into fewer and larger competence centres while maintaining local sales & service presence to accelerate growth

- Regional Hub
- Shared Service Centre
- Local Sales & Service (illustrative only)

Offices
from **150** to **~80**
by end of ~2024

Employees
↓1,300
reduction during
Q4 2022 and Q1 2023



Mining: directional revenue growth expectations

Products



Growth in line with
market growth

Service



Growth above
market growth

Organic revenue CAGR
towards FY2026 based on
FY2023 guidance

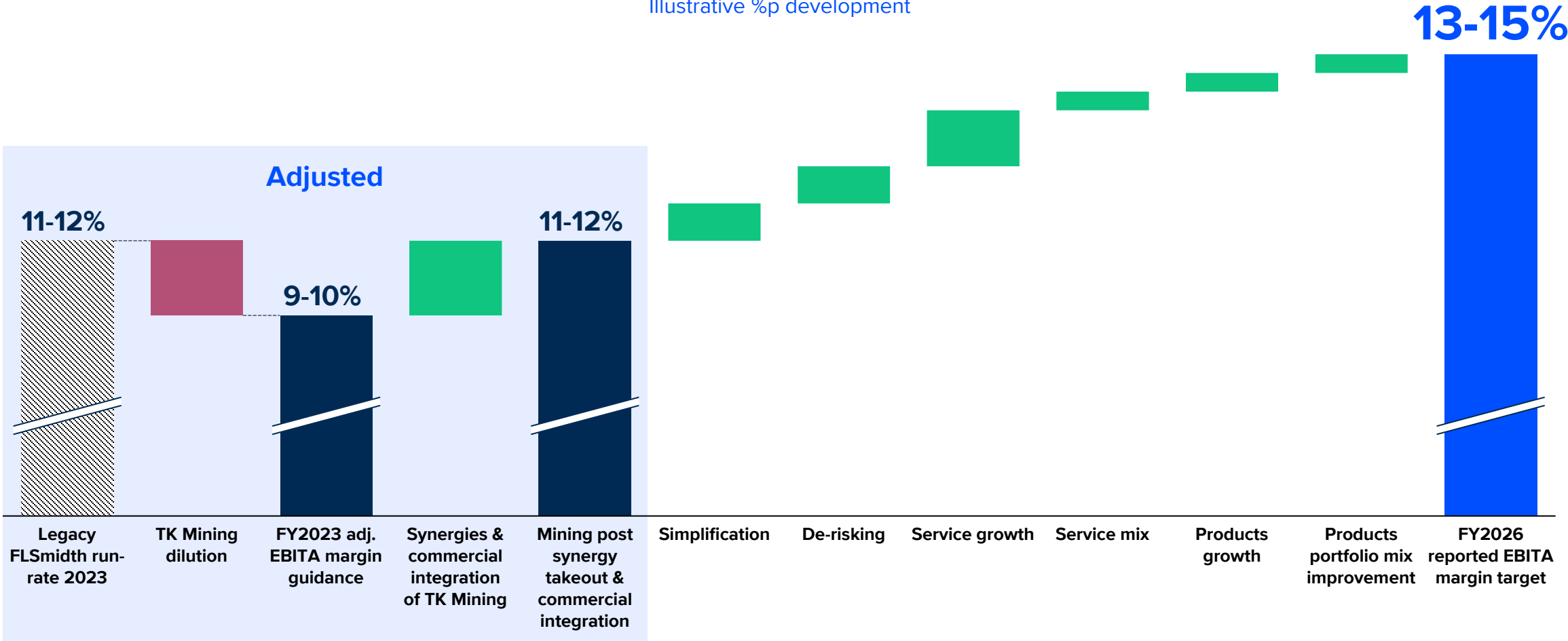
**above
market**

Expected market
growth of 3-6% (CAGR)

We have well-defined initiatives in place to achieve our new long-term Mining EBITA margin target of 13-15% for the FY2026

Mining EBITA margin bridge

Illustrative %p development



Cement: directional revenue growth expectations

Products



Short to mid-term negative impact from recession, **long-term** growth in line with GDP growth

Service



Short to mid-term largely stable growth, **long-term** growth in line with GDP growth

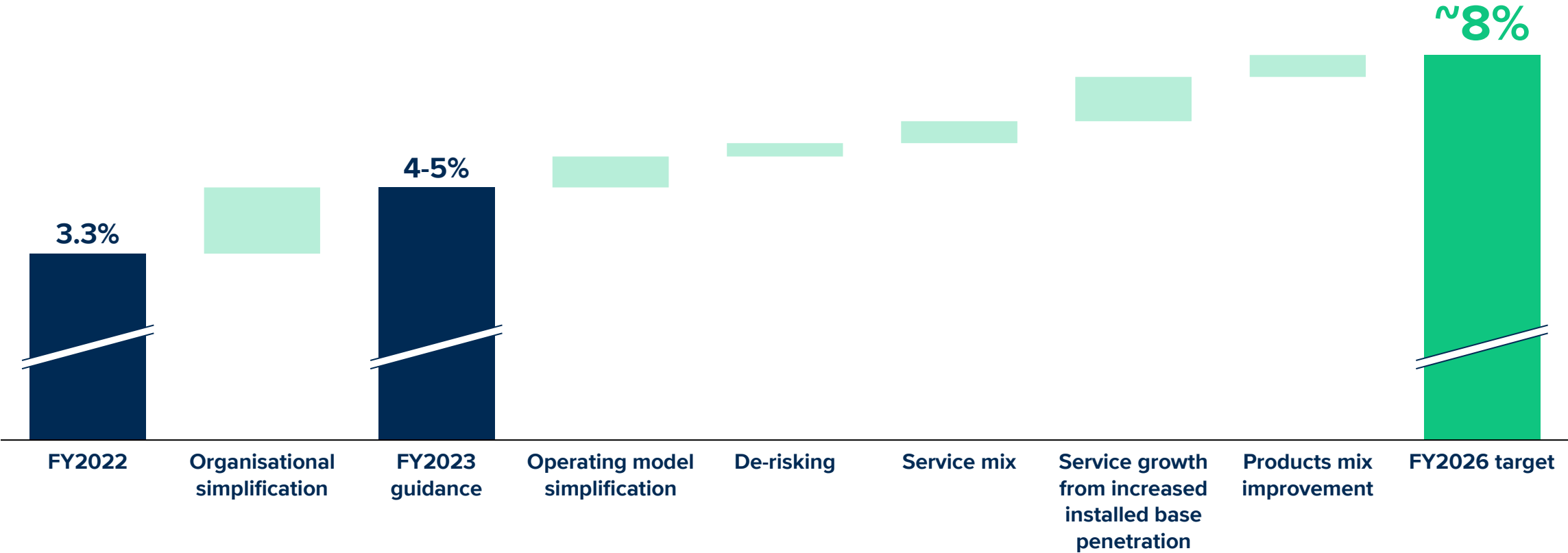
Organic revenue CAGR towards FY2026 based on FY2023 guidance

growth in line with GDP growth

in the markets we are present

Our long-term EBITA margin target is ~8% for the FY2026

Cement EBITA margin bridge Illustrative % development



Directional expectations for cash flow generation



Net working capital (NWC)
ratio to sales for the FY2026

≤15%

Q3 2022: 9.2%

NWC expected to increase in line with increased Service business growth



CAPEX
annual ratio to sales

2-3%

Q3 2022: 1.7%

Investments mainly driven by green technologies and supply chain investments



Effective tax rate



Q3 2022: 38.5%

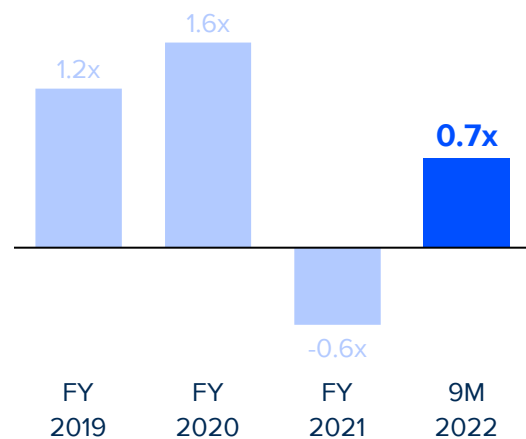
Effective tax rate expected to be reduced from business simplification

Capital allocation is focused on a strong balance sheet while allowing for growth investments and value-adding M&A

1. Leverage

<2x
unchanged target of
(NIBD/EBITDA)

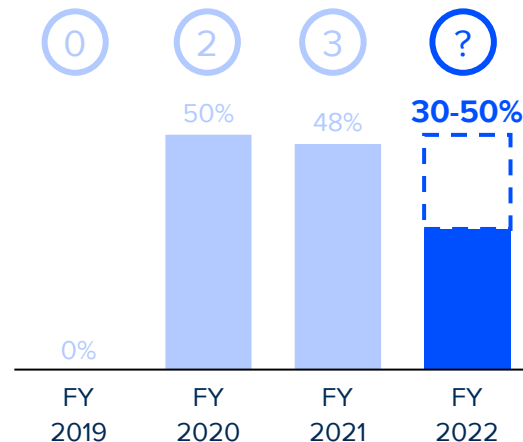
NIBD/EBITDA ratio



2. Dividend pay-out

30-50%
unchanged target ratio
of net profit

Dividend per share and dividend pay-out ratio



3. Investments incl. bolt-on M&A

Key focus on service, digital & complementary sustainability offerings

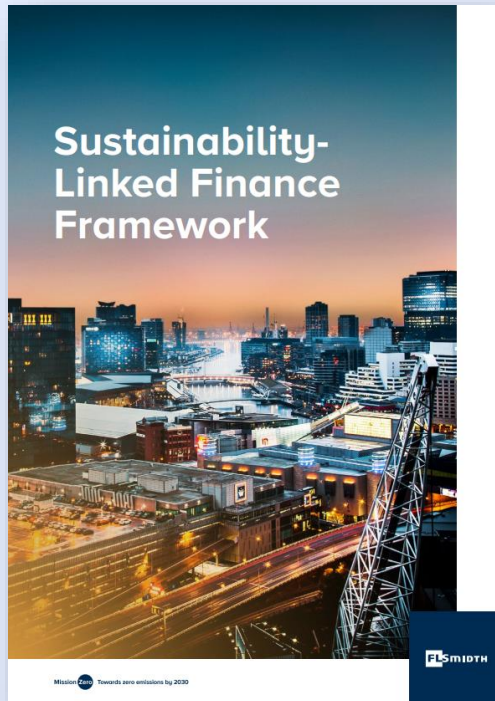
Latest examples



4. Excess cash distribution

Excess cash may be distributed either via **extraordinary dividend or share buyback** programmes

Financing to be increasingly linked to not just our financial targets but also to our sustainability targets



KPI 1



Scope 3 upstream
Increase of suppliers that have a Science-Based Target

KPI 2



Scope 1 and 2
Reduction of CO₂ emissions from our own operations

KPI 3



Scope 3 downstream
Reduction of CO₂ emissions from use of sold products

PRESS RELEASE

13 October 2022, Copenhagen, Denmark



FLSmidth and NIB sign EUR 150 million sustainability-linked loan to support the green transition in the mining and cement industries

FLSmidth has signed its first sustainability linked funding agreement to support the development of technologies and solutions with a sustainability profile. The loan is provided by the Nordic Investment Bank and runs for 7 years.

The loan is linked to three core sustainability KPI's of FLSmidth; namely ratio of suppliers having Science-Based Targets, FLSmidth's own CO₂ emissions (Scope 1 & 2) and finally emission impact from sold products (Scope 3). These three KPI's will ensure a strong focus on driving the green transition in the mining and cement industries.

"With our MissionZero pledge, we are fully committed to developing technologies and solutions that will enable the mining and cement industries to move towards zero emissions by 2030. As sustainability is an integral part of everything we do, it is only natural for us to also link our financing to our sustainability ambitions. This is a first step in this direction, and we are very pleased with the long-term commitment provided by NIB", says Roland M. Andersen, Group CFO at FLSmidth.

André Kүүsvek, NIB President and CEO, comments: "Linking financing to sustainability performance emphasises FLSmidth's commitment to their climate targets. With this loan, NIB can support the transformation of essential business sectors, such as mining and cement, in becoming greener."

Key messages

“Simplifying and de-risking our operating model is key to our business transformation”

“We have core focus on improving quality of earnings and reducing earnings volatility”

“We are already walking-the-talk and have clear line of sight towards our new long-term financial targets “



Q&A

Wouter de Groot
Head of Sustainability

Cori Petersen
Chief HR & HSE Officer

Annette Terndrup
Chief Legal & Strategy Officer



Roland M. Andersen
CFO

Wrap-up

Mikko Keto
CEO



Our value proposition

Our pure play strategies	Key market drivers	Our value creation drivers	Our long-term targets for the FY2026
 <p>Mining CORE'26</p>	<ul style="list-style-type: none">• Green transition• Middle class growth• Industry challenges	<ul style="list-style-type: none">• Full flowsheet coverage• Large installed base• Service centricity• Sustainability & technology• Industry know-how and trust• Simplification and de-risking of operating model	<p>13-15% EBITA margin</p>
 <p>Cement GREEN'26</p>	<ul style="list-style-type: none">• Economic development• Green transition	<ul style="list-style-type: none">• Industry know-how• Sustainability & technology• Large installed base• Service centricity• Simplification and de-risking of operating model	<p>~8% EBITA margin</p>

Thank you

