Forward-looking statements

FLSmidth & Co. A/S’ financial reports, whether in the form of annual reports or interim reports, filed with the Danish Business Authority and/or announced via the company’s website and/or NASDAQ Copenhagen, as well as any presentations based on such financial reports, and any other written information released, or oral statements made, to the public based on this report or in the future on behalf of FLSmidth & Co. A/S, may contain forward looking statements.

Words such as ‘believe’, ‘expect’, ‘may’, ‘will’, ‘plan’, ‘strategy’, ‘prospect’, ‘foresee’, ‘estimate’, ‘project’, ‘anticipate’, ‘can’, ‘intend’, ‘target’ and other words and terms of similar meaning in connection with any discussion of future operating or financial performance identify forward-looking statements. Examples of such forward-looking statements include, but are not limited to:

▪ Statements of plans, objectives or goals for future operations, including those related to FLSmidth & Co. A/S’ markets, products, product research and product development.

▪ Statements containing projections of or targets for revenues, profit (or loss), CAPEX, dividends, capital structure or other net financial items.

▪ Statements regarding future economic performance, future actions and outcome of contingencies such as legal proceedings and statements regarding the underlying assumptions or relating to such statements.

▪ Statements regarding potential merger & acquisition activities.

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Welcome
Jannick Denholt
Head of Investor Relations
Safety

Online participants

Other practicalities
**Today’s agenda**

<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td>10.00 Welcome</td>
<td>11.00 Mining strategy</td>
<td>13.00 Digital</td>
<td>13.30 Cement strategy</td>
<td>14.20 Sustainability &amp; Environment</td>
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<tr>
<td>10.05 State of the nation</td>
<td>11.15 Mining Products</td>
<td>13.10 Operations</td>
<td>13.50 Q&amp;A</td>
<td>14.30 Social</td>
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<td>10.20 Business update &amp; outlook</td>
<td>11.35 Mining Service</td>
<td>13.20 Q&amp;A</td>
<td>14.05 15 min break</td>
<td>14.40 Governance</td>
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<td>10.35 Q&amp;A</td>
<td>11.55 Q&amp;A</td>
<td>13.20 Q&amp;A</td>
<td>14.05 15 min break</td>
<td>14.50 Performance &amp; long-term targets</td>
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<tr>
<td>10.50 10 min break</td>
<td>12.15 45 min lunch break</td>
<td>15.05 Q&amp;A</td>
<td>15.25 Wrap-up</td>
<td>16.30 End of CMD 2023</td>
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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**

<table>
<thead>
<tr>
<th>Year</th>
<th>FY2019</th>
<th>FY2020</th>
<th>FY2021</th>
<th>FY2022 adj.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>9.6%</td>
<td>8.4%</td>
<td>9.0%</td>
<td>10.6%</td>
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</table>

**Cement EBITA margin**

<table>
<thead>
<tr>
<th>Year</th>
<th>FY2019</th>
<th>FY2020</th>
<th>FY2021</th>
<th>FY2022</th>
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<tbody>
<tr>
<td></td>
<td>5.7%</td>
<td>3.3%</td>
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</tbody>
</table>
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.

**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.

Where we’ve been:
- Engineering
- Projects
- Conglomerate
- Low financial performance

Where we’re going:
- Technology
- Products & Service
- Pure play
- High quality of earnings

Sustainability – Innovation – Digitalisation

Leadership capabilities

Values
Our organisation and culture is evolving with our ongoing business transformation

**Core strategic focus**
- Transition to pure play (from Q4 2022)
  - Mining
  - Cement
  - Non-Core Activities

**Core P&L model**
- We have changed from regional P&L to global business lines P&L
- Products¹
  - Region 1
  - Region 2
  - Region 3
  - Region 4
  - Region 5
  - Service

**Core transformation drivers**
- Sustainability
- De-risking
- Transparency
- Simplification
- Performance, speed & walk-the-talk

**Core values**
- T Trust
- E Empowerment
- A Accountability
- C Collaboration
- H Honesty

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

1. **Changed key leadership positions** to strengthen focus and execution
2. **De-risked and pruned** the combined mining portfolio
3. **Improved financial transparency** internally and externally
4. **Implemented stringent risk governance** around the portfolio
5. **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

Mining
CORE’26

Cement
GREEN’26
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

“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

<table>
<thead>
<tr>
<th><strong>MINING</strong></th>
<th><strong>CEMENT</strong></th>
<th><strong>NON-CORE</strong></th>
<th><strong>GROUP</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue (DKKbn)</strong></td>
<td><strong>Revenue (DKKbn)</strong></td>
<td><strong>Revenue (DKKbn)</strong></td>
<td><strong>Revenue (DKKbn)</strong></td>
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<tr>
<td>15.1</td>
<td>6.3</td>
<td>0.5</td>
<td>21.8</td>
</tr>
<tr>
<td>(guidance 14.5-15.0)</td>
<td>(guidance 6.0-6.5)</td>
<td>(guidance ~0.5)</td>
<td>(guidance 21.0-22.0)</td>
</tr>
<tr>
<td><strong>Adj. EBITA margin</strong></td>
<td><strong>EBITA margin</strong></td>
<td><strong>EBITA margin</strong></td>
<td><strong>Adj. EBITA margin</strong></td>
</tr>
<tr>
<td>10.6%</td>
<td>3.3%</td>
<td>Loss of DKK 0.4bn</td>
<td>6.4%</td>
</tr>
<tr>
<td>(guidance 10.0-10.5%)</td>
<td>(guidance ~3%)</td>
<td>(guidance loss of ~0.4bn)</td>
<td>(guidance ~6%)</td>
</tr>
<tr>
<td><strong>EBITA margin</strong></td>
<td><strong>Loss of</strong></td>
<td><strong>EBITA margin</strong></td>
<td><strong>EBITA margin</strong></td>
</tr>
<tr>
<td>7.6%</td>
<td>DKK 0.4bn</td>
<td>4.3%</td>
<td>4.3%</td>
</tr>
<tr>
<td>(guidance ~7.5%)</td>
<td>(guidance ~3%)</td>
<td>(guidance ~4%)</td>
<td></td>
</tr>
</tbody>
</table>

- 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

**Cash out**

- **DKK 2.1bn** Purchase price
- ~**DKK 800m** Integration costs
- ~**DKK 600m** Loss making business to be exited (moved to NCA)

**Cash in**

- ~**DKK 560m** Annual cost synergies at full run-rate
- Annual EBITA contribution from leverage and growth of continuing services and products

\[ \text{Cash out} + ~ \text{Cash in} = \text{~4 years} \]

Target for annual cost synergies raised and accelerated

**DKKm**

- **~560**
- **~800**

*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)**

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Integration costs used</th>
<th>Expected integration costs</th>
<th>Accumulated absolute realised synergies</th>
<th>+%run-rate of absolute synergy realisation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1'22</td>
<td>37</td>
<td>45</td>
<td>45</td>
<td>0</td>
</tr>
<tr>
<td>Q2'22</td>
<td>45</td>
<td>45</td>
<td>125</td>
<td>5</td>
</tr>
<tr>
<td>Q3'22</td>
<td>45</td>
<td>45</td>
<td>125</td>
<td>5</td>
</tr>
<tr>
<td>Q4'22</td>
<td>125</td>
<td>45</td>
<td>125</td>
<td>5</td>
</tr>
<tr>
<td>Q1'23</td>
<td>125</td>
<td>45</td>
<td>125</td>
<td>5</td>
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<tr>
<td>Q2'23</td>
<td>125</td>
<td>45</td>
<td>125</td>
<td>5</td>
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<tr>
<td>Q3'23</td>
<td>125</td>
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<td>5</td>
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<tr>
<td>Q4'23</td>
<td>125</td>
<td>45</td>
<td>125</td>
<td>5</td>
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<tr>
<td>FY'24</td>
<td>125</td>
<td>45</td>
<td>125</td>
<td>5</td>
</tr>
</tbody>
</table>

**Breakdown of cost synergies**

- Facilities
- Supply chain & procurement
- Headcounts
- Other

~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**

- **Total acquired order backlog** (DKKbn): \(~5.2\)
- **Moved to Non-Core Activities as of Q3 2022** (DKKbn): \(~1.8\)
- **Service share as percentage of the acquired order backlog**: \(~30\%\)
- **Large contracts part of acquired order backlog (totalling ~DKK 1.5bn of total acquired backlog)** - all expected to be done by end 2024\(^1\)

**Underlying margin comparison (illustrative)**

- **TK Mining Products**: ~15%p
- **Legacy FLSmidth Products**: ~10%p
- **TK Mining Service**: ~15%p
- **Legacy FLSmidth Service**: ~30%

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

<table>
<thead>
<tr>
<th>Quarter</th>
<th>DKKbn</th>
<th>Share of order backlog</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1’21</td>
<td>10.4</td>
<td></td>
</tr>
<tr>
<td>Q2’21</td>
<td>10.3</td>
<td></td>
</tr>
<tr>
<td>Q3’21</td>
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<td></td>
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<tr>
<td>Q4’21</td>
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<td></td>
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<tr>
<td>Q1’22</td>
<td>12.8</td>
<td></td>
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<tr>
<td>Q2’22</td>
<td>12.5</td>
<td></td>
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<tr>
<td>Q3’22</td>
<td>13.1</td>
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</table>

Acquired mining order backlog

<table>
<thead>
<tr>
<th>Quarter</th>
<th>DKKbn</th>
<th>Share of order backlog</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q3’22</td>
<td>5.5</td>
<td></td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Year</th>
<th>Revenue</th>
<th>EBITA</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY2022</td>
<td>0.5</td>
<td>Loss of 0.4</td>
</tr>
<tr>
<td>FY2023 guidance</td>
<td>0.8-1.0</td>
<td>Loss of 0.25-0.35</td>
</tr>
<tr>
<td>FY2024</td>
<td></td>
<td></td>
</tr>
<tr>
<td>FY2025</td>
<td></td>
<td></td>
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<tr>
<td>Total</td>
<td></td>
<td>Loss of ~1.2</td>
</tr>
</tbody>
</table>

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%

- 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

11-12%

Legacy FLSmidth run-rate 2023
TK Mining dilution
FY2023 Mining adj. EBITA margin guidance

9-10%
“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*

*Based on FY2023 guidance
The path forward to further strengthen our market leadership in sustainable mining technology and services

Defining the core

Drive consistent value creation

Grow
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

Trust | Empowerment | Accountability | Collaboration | Honesty
Minerals are essential to the green transition

- 2021: 7 million BEV & PHEV production
- 2030: 47 million BEV & PHEV production
- Battery electric (BEV) & plug-in hybrid electric (PHEV) vehicle production by 2030: ~7x
- 2021: 837 Gigawatt
- 2030: 1,756 Gigawatt
- More minerals used in electric cars compared to conventional cars: ~6x
- Wind power capacity expected by 2030: >2x

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

Source: Wood MacKenzie
Green energy technologies require multiple minerals

<table>
<thead>
<tr>
<th></th>
<th>Copper</th>
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<th>Nickel</th>
<th>Lithium</th>
<th>REEs</th>
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<th>Aluminium</th>
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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

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

Copper is a multi-use product

Share of use

<table>
<thead>
<tr>
<th>Power generation, distribution &amp; transmission</th>
<th>Appliances &amp; electronics</th>
<th>Transport</th>
<th>Construction</th>
<th>Other</th>
</tr>
</thead>
</table>

Copper supply and demand

Projected by 2030

Copper demand by energy technology

Projected by 2050

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

70 new lithium and nickel mines
80 new copper mines
30 new cobalt mines
Mining capex needs to pick-up significantly to meet demand and mitigate industry challenges

Source: MineSpans, S&P Market intelligence, GlobalData, FLSmidth analysis
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

<table>
<thead>
<tr>
<th>Commodity</th>
<th>Low</th>
<th>High</th>
</tr>
</thead>
<tbody>
<tr>
<td>Copper</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gold</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nickel</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Zinc</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lithium</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Iron ore</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
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.

- Transform
- Strengthen
- Grow
New execution model being implemented with swift and visible results leading to improved underlying margins

**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**

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

Source: FLSmidth estimates
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

Bubble size = annual order volume

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

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

≤40% lower total cost of ownership for customers from standardisation and modularisation
≤3 years payback time on the investment vs. truck & shovel solution
+60% reduction in CO₂ emissions vs. truck & shovel solution
We have a dedicated strategy to grow our pumps, cyclones and 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
- Double order intake for valves

#1 total market share for hydro cyclones
#2-3 total market share for pumps
2% total market share 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 CO$_2$ 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
Service-based business model drives quality of earnings

Mining revenue split by Service vs Products

<table>
<thead>
<tr>
<th>Year</th>
<th>Service</th>
<th>Products</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>39%</td>
<td>61%</td>
</tr>
<tr>
<td>2020</td>
<td>37%</td>
<td>63%</td>
</tr>
<tr>
<td>2021</td>
<td>41%</td>
<td>59%</td>
</tr>
<tr>
<td>9M 2022</td>
<td>39%</td>
<td>61%</td>
</tr>
</tbody>
</table>

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

- **Spare parts**
  - Individual components and piece parts that comprise capital equipment

- **Consumables (wear parts)**
  - Parts “consumed” during regular equipment use, requiring predictable replacement

- **Professional services**
  - Specialised field labour and global Service Centres

- **Upgrades & retrofits**
  - Planned work on existing equipment installations to extend operating life, improve performance and/or efficiency

- **Digital**
  - Digital service tools optimising health and performance of individual assets or entire flowsheets

**Simplification** through standardised processes and execution

**Capacity expansion** and product differentiation

**Specialised value-adding labour services** and Service Centre expansion

**Offer standardisation focused on total cost of ownership and sustainability**

**Enable business model transformation**
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)

~1.6 estimated own installed base annual service potential (DKKbn)

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)

~3.1 estimated own installed base annual service potential (DKKbn)

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 estimated own installed base annual service potential (DKKbn)

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

Total Cost of Ownership (TCO) over 20 years for a HPGR

Energy
Capex
Spare parts
Professional service
Consumables

What if…

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

Customer impact

↑↓1% Total cost of ownership
0% Energy reduction\(^1,2\)
0% CO\(_2\) reduction\(^2\)

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

↓12% TCO reduction\(^1\)
↓20% Energy reduction\(^1,2\)
↓2,800 Tonnes CO\(_2\) reduction\(^2\)

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 PerformanceIQ portfolio

- "real-time" monitoring and instant parameter adjustment for sustainably improving production process
- process and machine reporting as well as remote support optimising operating efficiency, output, productivity and stability
- asset reporting and remote support improving maintenance & repairs planning as well as inventory forecasting to optimise uptime
- Enabling data driven decision making and providing transparency about asset performance against benchmarks of key KPIs

Value

Service grade

Asset Insights
Asset Health
Asset Optimisation
Performance Optimisation
“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
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

<table>
<thead>
<tr>
<th>Product digitalisation level</th>
<th>Extraction</th>
<th>Conveying</th>
<th>Comminution</th>
<th>Pumps, Cyclones &amp; Valves</th>
<th>Beneficiation and Recovery</th>
<th>Thickening</th>
<th>Filtration</th>
<th>Tailings Management</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sensors</td>
<td>⬜</td>
<td>⬜</td>
<td>⬜</td>
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<td>⬜</td>
<td>⬜</td>
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<tr>
<td>Product Control</td>
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<td>⬜</td>
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<td>Insights</td>
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<td>Health</td>
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<tr>
<td>Optimisation</td>
<td>⬜</td>
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<td>⬜</td>
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<td>⬜</td>
<td>⬜</td>
<td>⬜</td>
<td>⬜</td>
</tr>
</tbody>
</table>
We are accelerating our digital capabilities and offerings through partnerships and acquisitions

**Strategic Partnerships**

- **Microsoft**
  - Microsoft Azure support in safe, secure & scalable Digital platforms and Analytics
- **AVEVA**
  - Accelerating the connected asset services for our customers

**Acquisitions**

- **Examples**
  - **thyssenkrupp BU MIN**
    - Complimentary digital offerings (e.g. conveying)
  - **IMP**
    - End-to-end Lab Automation Solutions

Advance sensors & Optimisation
**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**

- **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

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

**KREBS® Smart Pumps**
The *heartbeat* of any mineral processing plant

**FLSmidth potential**
Protect and grow Service sales
Simplifying our IT operations to support improved business performance and our transformation journey

Focus areas for simplifying our IT platform

- Enable data-based MissionZero and ESG reporting
- Provide seamless customer journey and ease of doing business
- Prepare products for integration to service models
- Drive efficiencies through simplification and process standardisation

Reducing number of used IT applications from \( \sim 1,000 \) to \( \sim 250 \)

Target 2021

Improving customer service through internal process optimisation

Internal process time for parts quotations: -65%
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”
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

+125,000 annual customers deliveries

Manufacturing or Service Centre
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

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

DIFOT: Delivery in full on time. SIOP: 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

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

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

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

- Transition to “fit-for-purpose”
- Drive profitable service growth
- Drive green growth
We are implementing a completely new execution model to improve profitability, reduce earnings volatility and risks

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

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**
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

Cement revenue and EBITA margin development

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

Source: FLSmidth financial releases
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**: 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
Overview of global cement plants including those with FLSmidth presence and FLSmidth pyro installation

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

Rest of the world
102
46% out of 843

95%
out of 129

87%
out of 213

74%
out of 265

71%
out of 203

74%
out of 213

31%
out of 1,071

9

75%
out of 154

46

60

69

50

53

69

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 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 $\sim 7\%$ of global CO$_2$ emissions. Transition to green cement will require significant investments. Decarbonisation technologies are already available. Opportunity to drive the green transition and capture value.

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
↓60%
+50%

- Designed carbon neutral cement plant
- Advanced technology to decarbonise and capture CO₂ emissions
- 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

<table>
<thead>
<tr>
<th>Efficiency improvements</th>
<th>Fuel substitution</th>
<th>Clinker substitution</th>
</tr>
</thead>
<tbody>
<tr>
<td>OK-mill</td>
<td>Hot-disc</td>
<td>Calcined clay</td>
</tr>
<tr>
<td>~5-10% reduced power</td>
<td>~13,000 tons reduced CO₂ p.a.</td>
<td>+16% CO₂ reduction</td>
</tr>
</tbody>
</table>

Case examples

- OK-mill: ~5-10% reduced power
- Hot-disc: ~13,000 tons reduced CO₂ p.a.
- Calcined clay: +16% CO₂ reduction
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

Cement EBITA margin bridge
Illustrative % development

<table>
<thead>
<tr>
<th>FY2022</th>
<th>Organisational simplification</th>
<th>FY2023 guidance</th>
<th>Operating model simplification</th>
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<th>Service growth from increased installed base penetration</th>
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<td>4-5%</td>
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<td></td>
<td>~8%</td>
</tr>
</tbody>
</table>

Illustrative % development
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

<table>
<thead>
<tr>
<th>Our targets</th>
<th>&lt;1%</th>
<th>&lt;1%</th>
<th>&gt;99%</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Scope 3: upstream</strong></td>
<td>30% of spend with suppliers who have Science-Based Targets by 2025</td>
<td>carbon neutral by 2030</td>
<td>56% reduction in CO₂e from use of sold products by 2030 from 2019 levels</td>
</tr>
<tr>
<td>Suppliers</td>
<td>Our operations</td>
<td>Customers</td>
<td></td>
</tr>
</tbody>
</table>

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
### Key focus and challenges for miners

<table>
<thead>
<tr>
<th>More from the same</th>
<th>Run time</th>
<th>Recovery</th>
<th>Throughput</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Productivity</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>More with Less</th>
<th>Energy</th>
<th>Water</th>
<th>Emissions</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sustainability</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Examples of sustainability pledges from Tier 1

<table>
<thead>
<tr>
<th>BHP</th>
<th>Scope 1-2 net zero by 2040-2050</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Scope 1-2 ~30% reduction by 2030</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>RGL</th>
<th>Scope 3 net zero by 2050</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Concentrating mine</td>
</tr>
<tr>
<td></td>
<td>Intelligent mine</td>
</tr>
<tr>
<td></td>
<td>Waterless mine</td>
</tr>
<tr>
<td></td>
<td>Tailings management</td>
</tr>
</tbody>
</table>
30% increase in plant throughput

30% overall energy consumption reduction

35% reduction in grinding energy per kWh/t

80% reduction in water consumption

Zero steel grinding balls used

45% reduction in flotation energy per kWh/t

35% increase in revenue from metals recovered

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 CO$_2$e
External expectations and demands on ESG performance and reporting continue to increase

**ESG performance and reporting**

- **Sustainalytics**
  - Current score: 22.9
- **CDP**
  - Current score: B
- **MSCI**
  - Current score: AA
- **ISS ESG**
  - Current score: C

**Regulations and standards**

- **EU Taxonomy**
- **Corporate Sustainable Reporting Directive**

**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
“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 receive 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

Women people managers | All women
---|---
2019 | 11.2% | 15.9%
2020 | 13.1% | 14.3%
2021 | 14.3% | 17.2%
2022 | 14.3% | 19.3%
2030 target | 25.0% | 25.0%
High employee engagement is key to deliver on our strategic ambitions

**Overall score**
- **75**

**Meaningful work**
- **84**

**Equality**
- **83**

**Caring**
- **85**

Positive development in Employee Net Promoter Score

- **Q3’21**: 18
- **Q2’22**: 30
- **Q3’22**: 31

**eNPS**

**Benchmark (industrials)**
Mental health and safety is a core priority, and we proactively use data to drive improvements

Mental wellbeing scores

<table>
<thead>
<tr>
<th></th>
<th>FLSmidth</th>
<th>Benchmark</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jun-22</td>
<td>7.6</td>
<td>7.5</td>
</tr>
<tr>
<td>Aug-22</td>
<td>8.0</td>
<td>7.5</td>
</tr>
<tr>
<td>Oct-22</td>
<td>8.1</td>
<td>7.5</td>
</tr>
<tr>
<td>Jan-23</td>
<td>8.0</td>
<td>7.5</td>
</tr>
</tbody>
</table>

Total recordable injury rate (TRIR)

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>9M 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1.6</td>
<td>1.0</td>
<td>1.9</td>
<td>1.6</td>
</tr>
</tbody>
</table>

2022 target: <1.3
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
- **Shareholders**
- **Board of Directors**
  - Chairmanship
  - Nomination Committee
  - Compensation Committee
  - (6 AGM and 3 employee elected members)
  - Compliance Chair
  - Audit Committee
  - Technology Committee
- **Executive Management**
- **Employees**

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

<table>
<thead>
<tr>
<th></th>
<th>Anti-corruption</th>
<th>Trade compliance</th>
<th>Human rights</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bribery / anti-corruption</td>
<td>Whistle-blower</td>
<td>Embargoed / sanctioned countries and companies</td>
<td>Grievance mechanism</td>
</tr>
<tr>
<td>Conflict of Interest</td>
<td>Donations, gifts and hospitality</td>
<td>Dual use and prohibited items</td>
<td>Salience assessment</td>
</tr>
<tr>
<td>Harassment</td>
<td></td>
<td>Transactions controls</td>
<td></td>
</tr>
</tbody>
</table>
We have a standardised due diligence process in place, which we continue to develop as our business environment evolves.

<table>
<thead>
<tr>
<th>Type of third party</th>
<th>Due diligence required for</th>
<th>We check for</th>
</tr>
</thead>
</table>
| Sales agent / Distributor | All                                                             | ▪ Beneficial ownership  
▪ Locations  
▪ Key individuals  
▪ Sanctions issues  
▪ Adverse media  
▪ Environmental issues  
▪ Social and labour rights issues  
▪ Human rights issues  
▪ Social media  
▪ etc. |
| Customer                  | Low or medium risk country > 25 DKKm                           | ▪ Supplier screening  
▪ Supplier onboarding  
▪ Supplier engagement |
|                           | High risk country > 5 DKKm                                     |                                                                          |
| Contractor                | Sanctioned country All                                         |                                                                          |
| Supplier                  | All existing and new                                           |                                                                          |
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 FLSmidth’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.

- **Today**: TK Mining integration
- **FY’2021**: TK Mining integration
- **FY’2022**: ~DKK 800m (Integration costs to take out synergies)
- **FY’2023**: ~DKK 560m (Annual synergies (100% run-rate expected by end 2023, full P&L effect expected in 2024))
- **Loss of ~DKK 1.2bn**: Full exit of Non-Core Activities
- **CORE’26 (Mining) & GREEN’26 (Cement)**: strategy period
Simplifying our operating model to realise efficiencies, ensure stronger execution and improve profitability

**Transition to pure play**
- **Mining**
- **Cement**
- Non-Core Activities (NCA) to be exited by FY2025

**Simplification**
- Footprint optimisation - less countries, offices and legal entities
- Organisational delayering
- Synergy takeout
- Principal company model
- Outsourcing

**De-risking**
- Reduce risk exposure → risk quotas introduced
- Descope → focus on core Products, improved terms & conditions
- Governed by newly established Risk Management Board

**Impact**
- Reduced complexity
- Leadership effectiveness
- Leaner support functions and supply chain
- Simplified IT and ERP setup
- Improved tax structure
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

- Salt Lake City
- Monterrey
- Santiago
- Johannesburg
- Valby
- Chennai
- Perth
- Sub-Saharan Africa, Middle East & South Asia
- Asia Pacific

North America
Europe, Central Asia & North Africa
South America
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.
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

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<th>Year</th>
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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

Sustainability-Linked Finance Framework

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

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

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

KPI 1

KPI 2

KPI 3

PRESS RELEASE
11 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 final 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 Küüsivil, 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

<table>
<thead>
<tr>
<th>Our pure play strategies</th>
<th>Key market drivers</th>
<th>Our value creation drivers</th>
<th>Our long-term targets for the FY2026</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Mining</strong></td>
<td></td>
<td>• Full flowsheet coverage</td>
<td>13-15% EBITA margin</td>
</tr>
<tr>
<td>CORE’26</td>
<td>• Green transition</td>
<td>• Large installed base</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Middle class growth</td>
<td>• Service centricity</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Industry challenges</td>
<td>• Sustainability &amp; technology</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>• Industry know-how and trust</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Simplification and de-risking of operating model</td>
<td></td>
</tr>
<tr>
<td><strong>Cement</strong></td>
<td>• Economic development</td>
<td>• Industry know-how</td>
<td>~8% EBITA margin</td>
</tr>
<tr>
<td>GREEN’26</td>
<td>• Green transition</td>
<td>• Sustainability &amp; technology</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Large installed base</td>
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Thank you