FLSmidth’s acquisition of thyssenkrupp Mining business
Forward-looking statements

This presentation contains forward-looking statements that reflect FLSmidth’s current expectations and views of future events. Some of these forward-looking statements can be identified by terms and phrases such as “estimate,” “expect,” “target,” “plan,” “project,” “will” and similar expressions. These forward-looking statements include but are not limited to statements relating to: the expected characteristics of the combined company; expected financial results and characteristics of the combined company; expected timing of completion of the transaction and satisfaction of conditions precedent, including regulatory conditions; expected benefits of the proposed transaction, including related synergies; expected integration costs; and expectations regarding raise of equity. These forward-looking statements are based on FLSmidth’s beliefs, assumptions, and expectations of future performance and events, considering the information currently available to it. These forward-looking statements are subject to a number of known and unknown risks and uncertainties, many of which are beyond FLSmidth’s control, any of which could cause actual results to differ materially from such forward-looking statements.

Risks and uncertainties include among other: timing of completion of the transaction; performance of TK Mining until completion of transaction; the ability of FLSmidth to integrate TK Mining into FLSmidth’s operations; the performance of the global economy; the effect of changes in governmental regulations; disruption from the proposed transaction making it more difficult to maintain relationships with customers, employees or suppliers; and the impact on the combined company (after giving effect to the proposed transaction with TK Mining) of any of the foregoing risks, as well as other risk factors listed from time to time in FLSmidth’s public disclosures and other risks that have not yet been identified or which FLSmidth has not considered to be material. Except as required by law or rules and regulations, FLSmidth undertakes no obligation to publicly update or publicly revise any forward-looking statements, whether as a result of new information, future events or otherwise.
A journey to become Productivity Provider #1

Acquisition of thyssenkrupp Mining is a significant milestone in our quest to become productivity provider #1 and further accelerates our ambition to be the leading sustainability provider for the mining industry.
A transformational acquisition
Generating significant value for all stakeholders

Shareholders
✓ Ongoing restructuring to make target net profit and cash positive
✓ Transformation towards FLSmidth's higher-margin mix and model
✓ Cost synergies of ~€50m

Customers
✓ Expand technology and competencies from pit to plant
✓ Accelerating innovation and sustainability ambitions
✓ Improved geographic coverage and stronger local support

Employees
✓ Stronger talent pool in mining
✓ More pathways for growing skills and work with innovation
✓ Improved career opportunities within a global industry leader in mining
Overview of thyssenkrupp Mining

Key technologies
- IPCC² and continuous mining
- Crushing & grinding (focus on HPGR³)
- Material handling
- Digital solutions and services

Key financials
- Revenue: ~€780m (~DKK 5.8bn)
- Backlog: €940m (~DKK 7.0bn)

Revenue split
- ~23% Services
- ~34% Material handling
- ~27% Mineral processing
- ~16% Mining system

By segment
- North America
- Europe, North Africa & CIS
- Asia
- Central & S America
- Africa, ME & S Asia
- Australia

By geography

Key facts
- Leading full-line supplier to the mining industry
- Worldwide installed base of ~5,000 active installations
- 24 countries
- 12 engineering centers
- 11 global service centers
- Asset light business model
- ~340 employees globally
- >900 active patents

Footnotes:
1 Based on September 2020 FYE;
2 IPCC = In Pit Crushing & Conveying;
3 HPGR = High Pressure Grinding Roll
Strategic rationale

*Increased shareholder value by creating a global industry leader in mining*

1. **Accelerate our growth ambitions with strategic focus on Mining**
   - Building scale through a transformational deal, creating one of the world’s largest and strongest suppliers to the mining industry
   - Adding more than 50% to FLSmidth’s Mining revenue, Mining is expected to account for ~75% of Group revenue after transaction closing
   - Timing of acquisition ideal to capture enhanced value from the mining growth cycle underway

2. **A stronger value proposition for our customers**
   - Forming a leading full-line supplier of solutions for continuous mining, material handling, mineral processing and services
   - Creating a stronger global talent pool and a leading technology provider for operations from pit to plant
   - Extending strategic customer relationships with complementary product offerings and improved geographic coverage

3. **Improving business mix with aftermarket opportunity**
   - Access to a large installed base of c.5,000 active installations providing additional aftermarket opportunities for FLSmidth
   - Value uplift by transforming thyssenkrupp Mining towards FLSmidth’s business mix with ~60% service share

4. **Driver of sustainability and digitalisation**
   - Drive innovation and digitalization faster with combined R&D portfolio, workforce and investment with focus on sustainability
   - Minerals are indispensable for the green transition and the transaction favourably positions FLSmidth to benefit from this trend

5. **Value creation through compelling synergies**
   - Large cost synergies derived from a combined customer approach and service setup as well as pooled innovation, procurement, administrative structure and geographic footprint
   - Additional upside from a leaner and simplified corporate structure and the ongoing TK restructuring
Accelerate our growth ambitions with strategic focus on Mining

Transformational deal creating a leading player in mining

Strengthening leadership position

Competitor revenue overview (2020 revenue in €bn)

<table>
<thead>
<tr>
<th>Company</th>
<th>Mining (€bn)</th>
<th>Minerals (€bn)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Weir</td>
<td>2.2</td>
<td>2.2</td>
</tr>
<tr>
<td>Metso Outotec</td>
<td>3.0</td>
<td>3.9</td>
</tr>
<tr>
<td>FLSmidth</td>
<td>0.8</td>
<td></td>
</tr>
</tbody>
</table>
| Source: Companies’ financial reports, FLSmidth estimates

1 EUR/DKK exchange rate of 7.44; 2 2020PF revenue; All financials as per 2020 FY

Stronger mining focus (€bn)

- **FLSmidth revenues 2020 pre transaction**
  - Mining ~65%
  - Cement ~35%
  - €2.2bn

- **FLSmidth revenues 2020 proforma combined**
  - Mining ~75%
  - Cement ~25%
  - €3.0bn

29 July 2021
Accelerate our growth ambitions within mining
Timing of acquisition ideal to capture value from positive global mining industry fundamentals

- Positive outlook and green transition driving minerals demand
- Commodity prices at high level
- Ageing equipment
- Compensation for depletion and grade erosion needed
- Large investments expected to grow post COVID-19
- Regional structure supports customer proximity and service business

Global mining capex and commodity trend

- Mining capex
- Copper price
- LME index trendline

Source: McKinsey research, S&P Market intelligence, GlobalData, LME, FLSmidth analysis

USD bn

CAGR ~3-6%


USD/t

0 1,000 2,000 3,000 4,000 5,000 6,000 7,000 8,000 9,000 10,000

29 July 2021
A stronger value proposition for our customers

Complementary product offering

**Strong offering / Market leader**

- Metallurgical testing
- Minerals/ore characterization analysis
- Continuous surface mining
- In-pit Crushing & Conveying

**Reinforced offering / Market follower**

- Conveying solutions
- Stockyard handling equipment
- Mine Shaft System

**Limited or no offering**

- Large capacity mills
- Vertical mills
- Gyratory crushers
- Pumps & cyclones
- Centrifuges
- Gravity & density separation
- Flotation
- Tailings management
- Pyro processing
- Hydro processing
- Emission control

**Strengthened mining portfolio**

- Minerals testing
- Mine planning
- Open pit mining systems
- Continuous and Semi & mobile crushing
- Stockyard & Port handling equipment
- Heavy duty Overland conveying
- Crushing, screening
- Portfolio of smaller mills
- HPGR
- Tailings stacking
- Pyro Processing

Source: Companies’ information
A stronger value proposition for our customers
Creating a global leading technology provider from pit to plant

Source: Companies’ information, equity research
A stronger value proposition for our customers

Complementary customer base and improved geographic coverage

FLSmidth revenue split by geography
2020 proforma combined

% sales contribution
FLSmidth
thyssenkrupp
Mining
Mining
Low
High

FLSmith revenue split by geography
2020 proforma combined

- N America
- Central & S America
- Europe, North Africa & CIS
- Africa, Middle East & South Asia
- Asia
- Australia

Source: Company information
Note: thyssenkrupp mining sales split as of September 2020 FYE
Improving business mix with aftermarket opportunity

FLSmidth can derive additional value by transforming TK Mining towards FLSmidth’s business mix with a higher margin service share.

FLSmidth Mining 2020 revenue split pre transaction

- Capital: 37%
- Services: 63%

thyssenkrupp Mining 2020 revenue split pre transaction

- Capital: 66%
- Services: 34%

FLSmidth Mining 2020 revenue Proforma combined

- Capital: 47%
- Services: 53%

Service target of up to 60%

1 Split based on September 2020 FYE
4 Driver of sustainability and digitalisation
Faster innovation with combined R&D portfolio and workforce

- Exploration
- Development
- Extraction
- Minerals Material Handling
- Commination
- Beneficiation & Recovery
- Refining & Smelting

**Availability**
Digital Maintenance Assist Systems, Condition Monitoring for all equipment, Digital Twin, Remote Field Engineer, …

**Performance**
Remote Operations Centres, Plant Automation (ECS), Advanced Process Control, LoadIQ™, Stockpile Management, …

**Quality**
Sampling, Preparation and Analysis / IMP Automated Laboratories, Minerals testing and research centre, …

- In Pit Crushing & Conveying (IPCC)
- Pyro Processing
- Smart-Cyclone™
- EcoTails™
- EcoPaste™
- DST
- HPGR Gyro Gen V SAGWise™
- NexiSTEP™ REFLUX™ ROL

**Impact**
- Waste reduction
- Diesel reduction
- Emissions reductions
- Energy waste reduction
- Water reduction

**Digital**
**Technology/Products**

Source: Company information
### Driver of sustainability and digitalisation

**Strong competence in IPCCs, HPGRs and large mine conveyors, complemented by best-in-class digital capabilities to support the green transition**

<table>
<thead>
<tr>
<th>Category</th>
<th>Features</th>
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</thead>
</table>
| In Pit Crushing & Conveying (IPCC) | - Electrification of mine  
- Significantly reducing need for trucks                                    |
| Overland / large mine / gearless conveyors | - Conveyor offering complemented by excellent simulation capabilities  
- Cornerstones of the de-carbonization of mines  
- Significant power savings though electrification of mines |
| Crushers                        | - Revolutionary Eccentric Roll technology to further enhance efficiency in mining operations |
| High Pressure Grinding Roll (HPGR) | - Significantly reducing energy consumption of energy intensive process |
| Digital                          | - Digital product and service solutions and control systems  
- Digital inspection tools for mobile machines |
5 Value creation through compelling synergies

- ~€50m run-rate annual EBITDA synergies by the end of year 2024\(^1\)
- Integration costs of ~ €75m phased over three years (2022-2024)\(^1\)
- As this is a carve-out, seller retains HQ structure and transfers operations to FLSmidth
- Geographic overlap offers large potential for footprint rationalisation

\(^1\) Phasing and realisation of synergies and integration costs are subject to timing of closing and more detailed integration planning. Closing assumed in early Q3 2022. Estimates to be updated post transaction close
## Transaction highlights

<table>
<thead>
<tr>
<th>Transaction considerations</th>
<th>Details</th>
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<tbody>
<tr>
<td>Total consideration (enterprise value) of €325m / DKK2.4bn</td>
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<tr>
<td>Equity value of €241m / DKK1.8bn subject to change between signing and closing</td>
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<tr>
<td>EV / EBITDA normalised incl. synergies of less than 4x post integration</td>
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<table>
<thead>
<tr>
<th>Synergies</th>
<th>Details</th>
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<tbody>
<tr>
<td>Expected annual run-rate synergies of €50m / DKK 370m by end 2024, excl. benefits of the ongoing TK restructuring</td>
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<tr>
<td>Expected integration cost of €75m / DKK 560m phased over three years (2022-2024)</td>
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<table>
<thead>
<tr>
<th>Funding</th>
<th>Details</th>
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<tbody>
<tr>
<td>Funding secured through debt facilities expected to be supplemented with equity before transaction close</td>
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<tr>
<td>Plan to seek approval at EGM to raise up to 20% new equity</td>
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<tr>
<td>Based on current market conditions FLSmidth expects to raise 15-20% new equity</td>
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<tr>
<th>Targets</th>
<th>Details</th>
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<tbody>
<tr>
<td>TK Mining is expected to be net profit and cash flow positive from 2024 on a stand-alone basis in addition to net effects from synergies</td>
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<tr>
<td>Service target for combined Mining business of up to 60%</td>
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<table>
<thead>
<tr>
<th>Other</th>
<th>Details</th>
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<tbody>
<tr>
<td>Risks related to the target business are managed via customary arrangements, including due diligence review, representations and warranties from the seller, insurance coverage and risk-sharing arrangement for ongoing disputes</td>
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<tr>
<td>Transaction expected to close in H2 2022 and conditional on merger control approvals and other</td>
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Next steps envisaged

- **Q3 2021**: Agreement to acquire TK Mining
- **Q4 2021**: Filing to relevant authorities
- **Q1 2022**: Merger control and regulatory approvals process
- **Q2 2022**: FLSmidth EGM
- **Q3 2022**: Equity issue
- **Q4 2022**: Expected closing and start of integration