

Company announcement

May 15, 2024
Announcement No. 10/2024

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Nilfisk reports Q1 2024 results: Solid organic growth and robust financial performance in line with plan

Nilfisk, a leading global provider of professional cleaning products and services, reported its Q1 2024 results today with solid organic growth and gross margin increase.

Revenue was 259.0 mEUR, up 2.6 mEUR compared with Q1 2023. Organic growth for Q1 2024 was 3.7%. The EBITDA margin before special items (bsi) was 13.2%, leading to an EBITDA before special items of 34.2 mEUR.

René Svendsen-Tune, CEO of Nilfisk comments on the Q1 results:

"Nilfisk delivered a solid set of results in line with plan for Q1 2024. Stabilization in EMEA and a positive change in US momentum delivered volume growth for our Professional Business. We also saw our Service Business continue to grow, alongside a strong rebound from the Consumer Business. Also, we are delighted to announce that we have retained our Gold EcoVadis status".

Nilfisk delivered a significant increase in gross margin in Q1 2024 to 41.8% from the same period in the prior year at 40.2%. This was due to a favorable product mix, volume growth, and diligent price management. The structural efficiency measures implemented in 2023 delivered the promised reduction in cost levels in Q1 2024. Net debt was 267.3 mEUR, and the financial gearing was 1.9x which was within Nilfisk's target range of 1.5x to 2x. Free cash flow came to -7.4 mEUR which was a decrease of 20.5 mEUR from Q1 2023, due to an increase in working capital from year end 2023 and increased investment in Nilfisk's growth through product innovation and capacity expansion. Special items in the quarter were 2.6 mEUR.

Q1 2024 financial highlights

- Organic growth at 3.7% in Q1 2024, compared to -2.0% in Q1 2023
- The gross margin reached 41.8% in Q1 2024, up from 40.2% in Q1 2023
- Overhead costs amounted to 89.4 mEUR in Q1 2024, down from 89.9 mEUR in Q1 2023
- The overhead cost ratio decreased to 34.5% in Q1 2024, down from 35.1% in Q1 2023
- The EBITDA margin bsi amounted to 13.2% in Q1 2024, compared with 11.0% in Q1 2023
- Free cash flow was -7.4 mEUR in Q1 2024, down by 20.5 mEUR from 13.1 mEUR in Q1 2023

- Net interest-bearing debt was 267.3 mEUR at the end of Q1 2024, a reduction of 50.6 mEUR from end-Q1 2023
- Gearing at the end of Q1 2024 was 1.9x, down from 2.4x a year ago
- CAPEX ratio was 4.9% at the end of Q1 2024, up from 2.6% in Q1 2023
- Special items amounted to 2.6 mEUR in Q1 2024, up from 2.2 mEUR in Q1 2023

Outlook for 2024

We confirm the full-year outlook as communicated in the Annual Report 2023. As expected, we are now starting to see the pickup in demand and output in 2024, leading to volume growth across products and services.

The range for organic revenue growth is expected to be 3% to 6%, mainly supported by demand, increased output, a solid order book end-2023, and minor effects of pricing actions.

The range for the EBITDA margin before special items is expected to be 13% to 15%. The EBITDA margin is expected to be supported by increased revenue, gross margin expansion, and the structural efficiency improvements realized in 2023.

CAPEX spend is expected to be around 4% of revenue with more than half directed towards product investments.

Special items are expected in the range from low to mid-single digit mEUR.

Key figures

mEUR	Q1 2024	Q1 2023
Revenue	259.0	256.4
Organic growth	3.7%	-2.0%
Gross margin	41.8%	40.2%
Overhead cost	89.4	89.9
Overhead cost ratio	34.5%	35.1%
EBITDA before special items	34.2	28.1
EBITDA margin before special items	13.2%	11.0%
CAPEX ratio	4.9%	2.6%
Free cash flow	-7.4	13.1
Net interest-bearing debt	267.3	317.9
Financial gearing	1.9x	2.4x

Conference call

Nilfisk will host a conference call tomorrow at 10:00 am CET. Presentation materials will be available on the website prior to the conference call.

Please pre-register no later than 9:55 through the links below:

Webcast: <https://getvisualtv.net/stream/?nilfisk-q1-2024-interim-report>

Phone conference:

<https://services.choruscall.it/DiamondPassRegistration/register?confirmationNumber=6401522&linkSecurityString=dac6f7e4c>

The recording will be available for viewing after the event along with the presentation from the day on:

<https://investor.nilfisk.com/>

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Forward-looking statements

Statements made about the future in this report reflect the Executive Management Board's current expectations with regard to future events and financial results. Statements about the future are by their nature subject to uncertainty, and the results achieved may therefore differ from expectations, due to economic and financial market developments, legislative and regulatory changes in markets that the Nilfisk Group operates in, development in product demand, competitive conditions, energy and raw material prices, and other risk factors. Nilfisk Holding A/S disclaims any liability to update or adjust statements about the future or the possible reasons for differences between actual and anticipated results except where required by legislation or other regulations.