

## Company announcement

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## Nilfisk Holding A/S

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## Nilfisk reports Q2 2024 results: Organic revenue growth and continued margin improvement

Nilfisk, a leading global provider of professional cleaning products and services, reported its Q2 2024 results today with organic growth and continued gross margin improvement.

Revenue was 278.4 mEUR, up 1.9 mEUR from Q2 2023. Organic growth for Q2 2024 was 2.4%. The EBITDA margin before special items (bsi) was 14.1%.

Jon Sintorn, CEO of Nilfisk comments on the Q2 results:

*"Nilfisk delivered a solid margin improvement for Q2 2024. A strong peak season in the Consumer Business and a strong performance in EMEA. Americas saw muted demand. While in APAC there was falling demand due to market conditions. The Service Business continued to grow, driven by the solid performance in EMEA and increased attachment rates."*

The ongoing gross margin improvement continued into Q2 2024 at 42.2%, up 1.8 percentage point from the same period in the prior year. This was driven by a favorable product mix, volume growth, and diligent price and discount management. Overhead costs increased in Q2 compared to the prior year, due to investments in product launches, including a significant presence at InterClean in Amsterdam, the largest professional cleaning tradeshow in the world. Net debt continued to decrease and was 263.3 mEUR, and the gearing of 1.9x remained in Nilfisk's target range. Free cash flow decreased by 31.7 mEUR in Q2 2024 to 8.4 mEUR from Q2 2023 due to building working capital and increased investments into the business. Special items in the quarter were 0.8 mEUR.

### **Q2 2024 financial highlights**

- Organic growth at 2.4% in Q2 2024, compared to 4.3% in Q2 2023
- The gross margin reached 42.2% in Q2 2024, up from 40.4% in Q2 2023
- Overhead costs amounted to 94.2 mEUR in Q2 2024, up from 88.7 mEUR in Q2 2023
- The overhead cost ratio increased to 33.8% in Q2 2024 from 32.1% in Q2 2023
- The EBITDA margin bsi amounted to 14.1% in Q2 2024, compared with 13.7% in Q2 2023
- Free cash flow was 8.4 mEUR in Q2 2024, down by 31.7 mEUR from 40.1 mEUR in Q2 2023
- Net interest-bearing debt was 263.3 mEUR at the end of Q2 2024, a reduction of 28.2 mEUR from end-Q2 2023
- Gearing at the end of Q2 2024 was 1.9x, down from 2.2x a year ago

- CAPEX ratio was 4.1% at the end of Q2 2024, up from 2.1% in Q2 2023
- Special items amounted to 0.8 mEUR in Q2 2024, down from 4.0 mEUR in Q2 2023

### **Outlook for 2024**

We confirm the full-year outlook as communicated in the Annual Report 2023.

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 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**

<b>mEUR</b>	<b>Q2 2024</b>	<b>Q2 2023</b>
Revenue	278.4	276.5
Organic growth	2.4%	4.3%
Gross margin	42.2%	40.4%
Overhead cost	94.2	88.7
Overhead cost ratio	33.8%	32.1%
EBITDA before special items	39.2	38.0
EBITDA margin before special items	14.1%	13.7%
CAPEX ratio	4.1%	2.1%
Free cash flow	8.4	40.1
Net interest-bearing debt	263.3	291.5
Financial gearing	1.9x	2.2x

### **Conference call**

Nilfisk will host a conference call today 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-q2-2024-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/>

### **Contacts**

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### **Forward-looking statements**

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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.