

Company announcement

October 5, 2020

Announcement No. 11/2020

Nilfisk reinstates financial outlook for 2020

On March 19, 2020, our financial outlook for 2020 was suspended due to global uncertainty caused by the COVID-19 pandemic.

As announced in connection with the interim report for Q2 on August 20, 2020, the development of the pandemic had a significant impact on demand in Q2. We did, however, see improvement in demand month over month during Q2. During Q3, we have seen further recovery in demand compared to Q2, although not to the same levels as seen in Q3 2019. Based on preliminary numbers, organic growth for the total business for Q3 2020 is -7.9% and the preliminary EBITDA margin before special items is approximately 11%. In Q3 2019, the EBITDA margin before special items was 10.2%.

While uncertainty remains high, and consequently the guidance is subject to higher uncertainty than usual, we are re-instating a full-year outlook as follows:

For the full year 2020, we now expect organic growth for the total business of -12% to -14%, and we expect an EBITDA margin before special items of 10.5% to 11.5%.

We base this outlook on the following assumptions:

- The pandemic will not materially escalate causing significant renewed lock-down restrictions in line with levels seen in Q2 in key markets such as US, Germany, France, Italy and UK
- No material deterioration of current demand levels due to significant worsening of macroeconomic conditions
- No material disruptions to our supply chain or manufacturing facilities

Modelling assumptions:

- The consumer business' exit from the Pacific region will affect reported growth for the total business by approximately -1%
- Foreign exchange will affect reported growth for the total business by approximately -1% (based on latest FX rates)
- Special items are expected to be in the range of 15 to 20 mEUR
- The CAPEX ratio is expected to be 3% to 4% of full-year revenue

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