



Nilfisk Q1 Interim Report 2024

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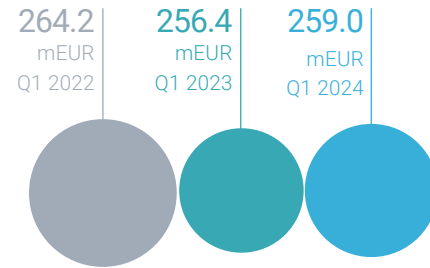


Financial highlights

Q1 2024

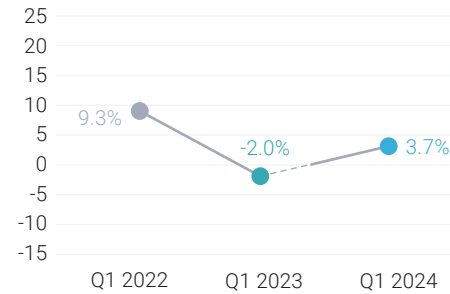
259.0 mEUR
Revenue

Revenue increased to 259.0 mEUR from 256.4 mEUR in Q1 2023, corresponding to reported growth of 1.0%. Consumer saw strong revenue growth, while Professional, Service, and Specialty remained flattish impacted by FX headwinds.



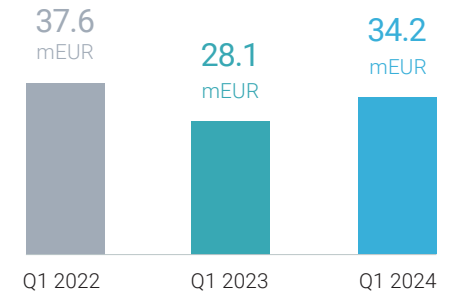
3.7%
Organic revenue growth

Organic growth of 3.7% compared to -2.0% in Q1 2023. Professional and Service delivered growth of 2.8% and 2.5% respectively, while Consumer was 17.2%. Specialty was flattish at 0.3%.



34.2 mEUR
EBITDA before special items (bsi)

Up 6.1 mEUR to 34.2 mEUR compared to Q1 2023, positively impacted by increased revenue, continued gross margin expansion, and lower overhead costs. The structural efficiency measures implemented in 2023 delivered the expected reduction in cost levels in Q1 2024.



13.2%
EBITDA margin bsi

Up 2.2 percentage points from Q1 2023. Positively impacted by the strong gross margin expansion, the reduced overhead cost ratio, and higher revenue.



9.3 mEUR
Profit for the period

Up 4.7 mEUR compared to Q1 2023, driven by increased EBITDA.



-7.4 mEUR
Free cash flow

Down 20.5 mEUR compared to Q1 2023 driven by increased working capital in the quarter and higher investment. Both in line with expectations.



267.3 mEUR
Net interest-bearing debt (NIBD)

Reduced by 50.6 mEUR from Q1 2023, driven by positive cash inflow in 2023. Gearing in Q1 2024 stood at 1.9x, down by 0.5 compared with same period prior year and is within the target range of 1.5x to 2.0x.





Contents

Management review

- 4 Financial highlights for the Group
- 5 Business update
- 6 Group financials

Condensed interim consolidated financial statements

- 9 Condensed income statement
- 9 Condensed statement of comprehensive income
- 10 Condensed statement of financial position
- 11 Condensed cash flow statement
- 12 Condensed statement of changes in equity
- 13 Notes
- 19 Quarterly overview
- 20 Management's statement



Financial highlights for the Group

EUR million	Q1 2024	Q1 2023	Year 2023
Income statement			
Revenue	259.0	256.4	1,033.6
EBITDA before special items	34.2	28.1	132.4
EBITDA	31.6	26.1	123.1
Operating profit (EBIT) before special items	18.9	13.2	71.1
Operating profit (EBIT)	16.3	11.0	61.2
Special items, net	-2.6	-2.2	-9.9
Financial items, net	-4.1	-5.1	-14.7
Profit for the period	9.3	4.6	35.3
Cash flow statement			
Cash flow from operating activities	5.2	20.4	143.0
Cash flow from investing activities	-12.6	-7.3	-27.8
– hereof investments in property, plant and equipment	-5.6	-2.2	-8.6
– hereof investments in intangible assets	-7.1	-4.4	-22.4
Free cash flow	-7.4	13.1	115.2
Statement of financial position			
Total assets	853.9	855.0	814.0
Group equity	288.1	260.8	275.0
Working capital	162.4	197.5	139.6
Net interest-bearing debt	267.3	317.9	252.2
Capital employed	555.4	578.7	527.2
Financial ratios and employees			
Organic growth	3.7%	-2.0%	-0.3%
Gross margin	41.8%	40.2%	40.9%
EBITDA margin before special items	13.2%	11.0%	12.8%
EBITDA margin	12.2%	10.2%	11.9%
Operating profit (EBIT) margin before special items	7.3%	5.1%	6.9%
Operating profit (EBIT) margin	6.3%	4.3%	5.9%
Financial gearing	1.9x	2.4x	1.9x
Overhead costs ratio	34.5%	35.1%	34.0%
CAPEX ratio	4.9%	2.6%	3.0%
Working capital ratio	16.9%	21.9%	17.8%
Return on Capital Employed (RoCE) LTM	13.9%	11.7%	12.7%
Basic earnings per share (EUR)	0.34	0.17	1.30
Diluted earnings per share (EUR)	0.34	0.17	1.30
Number of full-time employees, end of period	4,767	4,684	4,698

Please find definitions in Note 12.



Business update Q1 2024

Volume growth in Q1

The first quarter of 2024 saw the expected momentum shift to overall volume growth. As a result, Nilfisk delivered a good start to the year with solid organic revenue growth and strong margin improvement.

EMEA saw a stabilization in customer demand for our Professional Business also supported by strong growth in Consumer. Demand in Americas saw a momentum change versus the second half of 2023, leading to solid organic growth. APAC was impacted by lower demand and invoicing delays caused by the Red Sea crisis.

Service Business continues steady progress

The Service Business saw progress and delivered moderate organic growth. The service contract attachment rate continued to improve in Q1 2024 because of the ongoing efforts to ensure that Nilfisk offers customers a service contract when selling a serviceable machine.

Alongside intensified training efforts around the value of preventive service, Nilfisk focused on data segmentation and analysis on the area of service management. Nilfisk updated its definition of the service contract attachment rate. It now measures the attachment rate for serviceable Floorcare machines, and the service contract rates for previous years have therefore been restated. For 2023 the attachment rate was 20% (previously 12%) and for 2022 the rate was 14% (previously 10%). In Q1 2024 the rate increased to 22%.

The growing Service Business is an important contributor to Nilfisk's sustainability commitment. In addition to forming a long-lasting relationship with customers, the increasing number of service agreements also secure a more sustainable lifecycle for Nilfisk's products.

Product launches showcasing new innovation

During 2024 Nilfisk will be launching a range of new products and product upgrades. The first new products will first be presented at the Interclean trade fair in Amsterdam in mid-May 2024. In addition, Nilfisk will take part in the ISSA trade fair in Las Vegas in November 2024.

In the first quarter of 2024, Nilfisk launched an upgraded version of its best-selling vacuum VP300 R. The upgrade is built in a case of 30% post-consumer recycled plastic. Using post-consumer recycled plastic has a better environmental impact and contributes to the circular economy.

Nilfisk Leadership Team update

In January adjustments were made to the Nilfisk Leadership Team. Chief Operations Officer and General Manager of APAC Petros Kapelles accepted a role outside Nilfisk and two internal candidates, Thomas Dragø Nielsen and Peter Szabo, were appointed to new roles.

To continue the support for the new regional setup in the Asia Pacific region, the position of EVP APAC was created. Thomas Dragø Nielsen, who has more than 25 years of experience at Nilfisk, was promoted to oversee this region.

Peter Szabo was promoted EVP for Operations, in charge of executing Nilfisk's plans for Operational Excellence.

EcoVadis Gold achieved for 2023

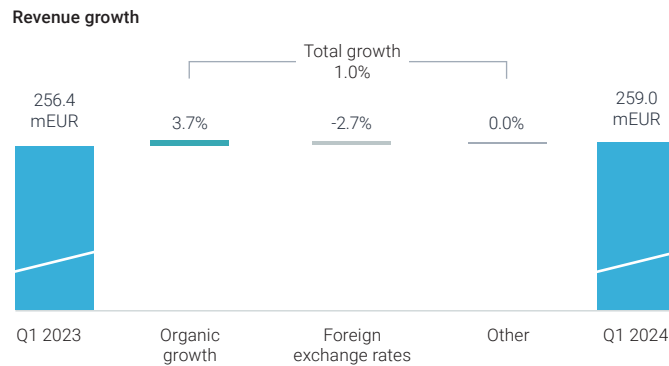
Nilfisk has retained the Gold EcoVadis medal for the second consecutive year.





Strong growth in Consumer supporting the moderate growth across Professional and Service

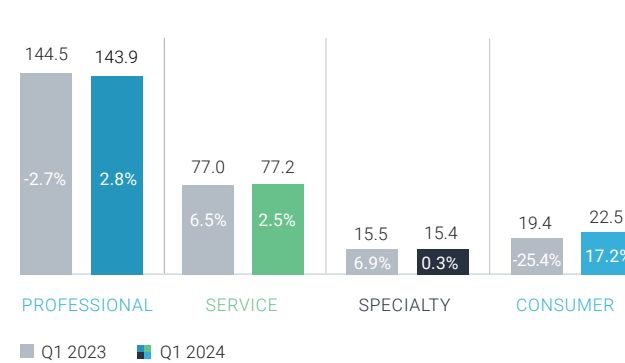
EUR million	Q1 2024	Q1 2023
Revenue	259.0	256.4
Gross profit	108.3	103.1
Overhead costs	89.4	89.9
EBITDA before special items	34.2	28.1
Profit for the period	9.3	4.6
Financial ratios:		
Organic growth	3.7%	-2.0%
Gross margin	41.8%	40.2%
EBITDA margin before special items	13.2%	11.0%
Overhead costs ratio	34.5%	35.1%
CAPEX ratio	4.9%	2.6%



Revenue

For the total business, revenue in Q1 2024 came to 259.0 mEUR, corresponding to solid organic growth of 3.7%. Growth was recorded across all businesses, as volume growth combined with continued diligent price management benefited revenue. Total reported growth was 1.0%, as foreign exchange rates had a negative impact of 2.7%, driven mainly by movements in TRY, ARS, and USD.

Revenue (mEUR) and organic growth (%) by segment



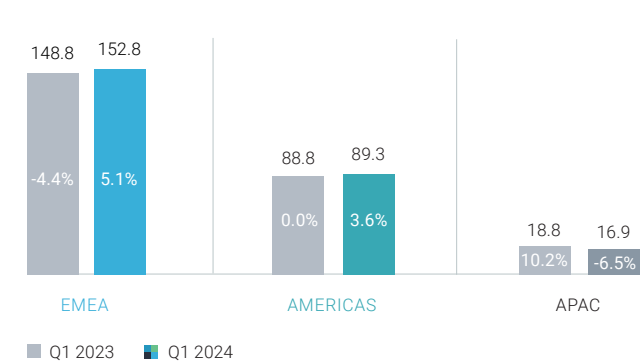
Revenue by segment

Revenue in the Professional Business amounted to 143.9 mEUR in Q1 2024, corresponding to organic growth of 2.8%, driven by solid growth in both EMEA and Americas. Floorcare delivered moderate growth driven by the US market, where increased production capacity benefited the output across the large Industrial Floorcare platform. Private Label also delivered strong growth. VAC saw a minor organic decline, while high-pressure washers continued to see a negative trend across all regions, with the biggest impact in Americas.

Revenue in the Service Business grew to 77.2 mEUR in Q1 2024, corresponding to organic growth of 2.5%. Growth was driven by Field Service in EMEA and Americas. PAC (Parts, Accessories, and Consumables) delivered moderate growth in EMEA and Americas in line with the higher demand for professional products.

Revenue in the Specialty Business grew to 15.4 mEUR in Q1 2024, equal to flattish organic growth of 0.3%. Revenue benefitted from continued price management and volume growth in the Americas, partially offset by a slight volume decrease in EMEA and APAC.

Revenue (mEUR) and organic growth (%) by region



Revenue by region

The Consumer Business delivered very strong organic growth of 17.2% with revenue of 22.5 mEUR in Q1 2024. Overall demand remained strong with a rebound leading to increased volumes across most European markets compared to Q1 last year.

Revenue by region

The EMEA region delivered strong organic growth of 5.1% in Q1 2024. The organic growth was led by the Consumer Business, but the region also saw solid growth in both the Professional and Service segments. Price management remained strong across the region, supported by the high-inflation environment in Türkiye, but at a lower level compared to the same period last year.

The Americas region saw solid organic growth of 3.6% in Q1 2024, driven by very strong growth in LATAM coupled with volume growth in the US. Price impact remained positive, but at a lower level compared to the same period last year.

The APAC region delivered negative organic growth of 6.5% in Q1 2024, as weaker demand and market headwinds in China and across markets in Southeast Asia led to negative volume growth, partially offset by continued price management.

**Gross margin**

The gross margin reached 41.8% in Q1 2024, compared to 40.2% in Q1 2023. The margin was positively impacted by product mix, volume growth, and diligent price and discount management. Overall, there was a stable freight environment, despite the ongoing Suez Canal situation. This led to shipping delays and longer product lead times in Q1, but so far with a limited negative impact on the gross margin.

The gross margin for the Professional Business increased to 40.6% in Q1 2024, compared to 36.8% in Q1 2023. This was driven by favorable price management across all regions, partially offset by increased raw material and labor costs, combined with a tailwind from better capacity utilization at the production sites.

The Service Business gross margin came to 43.9% in Q1 2024, down from 45.8% in Q1 2023, mainly driven by an unfavorable mix towards a higher share of field service and lower PAC sales. Furthermore, merit increases and investments into field service technicians to support the ambitions in Business Plan 2026 also impacted the margin down.

The Specialty Business gross margin declined to 51.9% in Q1 2024, compared to 52.9% in Q1 2023, primarily driven by country mix and also increased raw material and labor costs.

Finally, the Consumer Business gross margin increased to 35.6% in Q1 2024, up from 33.0% in Q1 2023. The improvement was due to a favorable product mix and lower freight costs.

Overhead costs and ratio

Overhead costs in Q1 2024 decreased by 0.5 mEUR compared to Q1 2023, coming to 89.4 mEUR. The decrease was driven by the effects of structural cost efficiency measures implemented during 2023 combined with a favorable evolution of last mile freight costs.

In total, these overhead cost reductions more than offset the impact from merit increases and selected investments in Business Plan 2026 initiatives. As a result, the overhead cost ratio came to 34.5% in Q1 2024, 0.6 percentage point lower than in Q1 2023.

Research and development costs

EUR million	Q1 2024	Q1 2023
Total R&D spend	8.8	7.9
Capitalized	5.0	3.1
Expensed in the P&L	3.8	4.8
R&D ratio (% of revenue)	3.4%	3.1%
Expensed R&D spend	3.8	4.8
Amortization, depreciation and impairment	2.6	2.6
Total R&D expenses	6.4	7.4

Total R&D spend in Q1 2024 increased by 0.9 mEUR compared to Q1 2023 and came to 8.8 mEUR. This corresponds to 3.4% of revenue up from 3.1% in Q1 2023. Investments in R&D continued in line with Business Plan 2026. Of the total spend of 8.8 mEUR, 3.8 mEUR was recognized as an expense in the income statement, while 5.0 mEUR was capitalized. Total reported R&D expenses for Q1 2024 came to 6.4 mEUR including 2.6 mEUR amortization, depreciation, and impairment.

Sales and distribution costs increased by 0.5 mEUR to 64.8 mEUR, primarily due to merit increases, alongside investments in commercial and operational excellence. Administration costs remained flat to the same period last year at 18.6 mEUR. This reflects that the structural efficiency measures implemented in 2023 were effective.

EBITDA and EBITDA margin

EBITDA before special items increased by 6.1 mEUR in Q1 2024 compared to Q1 2023 and came to 34.2 mEUR, corresponding to an EBITDA margin before special items of 13.2%, compared to 11.0% in Q1 2023.

EBITDA amounted to 31.6 mEUR compared to 26.1 mEUR in Q1 2023. The EBITDA margin came to 12.2% compared to 10.2% in Q1 2023, as a result of the increased profitability in the quarter.

Operating profit before special items and operating profit

Operating profit before special items amounted to 18.9 mEUR compared to 13.2 mEUR in Q1 2023. This corresponded to an operating profit margin before special items of 7.3% compared to 5.1% in Q1 2023.

Operating profit amounted to 16.3 mEUR compared to 11.0 mEUR in Q1 2023. This corresponded to an operating profit margin of 6.3% compared to 4.3% in Q1 2023.

Special items

Special items amounted to 2.6 mEUR compared to 2.2 mEUR in Q1 2023. Special items were mainly related to the claim filed against Nilfisk by the owner of the US distribution center building. In addition legal and advisory costs were incurred regarding strategic projects. Q1 2023 was impacted by redundancy costs.

Details on special items are described in Note 6.

Financial items

Net financial items amounted to a cost of 4.1 mEUR, compared to a cost of 5.1 mEUR in Q1 2023, driven by a combination of lower foreign exchange losses partly offset by increased interest rates.

Tax on profit for the period

Tax on profit was a cost of 3.2 mEUR compared to a cost of 1.5 mEUR in Q1 2023, driven by the increase in profit before income taxes.

Profit for the period

Profit for the period amounted to 9.3 mEUR compared to 4.6 mEUR in Q1 2023.



Working capital

As of March 31, 2024 working capital was 162.4 mEUR, down by 35.1 mEUR compared to end of Q1 2023 and up by 22.8 mEUR compared to end 2023. The decrease to Q1 2023 was driven by a reduction in operating working capital.

Trade receivables came to 163.9 mEUR, the same level as end of Q1 2023. The non-recourse factoring program ended the quarter with a total volume of 33.4 mEUR compared to 22.7 mEUR end of Q1 2023. The increase was partly offset by the timing of the quarter end coinciding with Easter public holidays, mostly in EMEA.

Inventories decreased by 11.0 mEUR compared to Q1 2023 and went up by 11.4 mEUR from year-end 2023, primarily from higher activity levels and investments into new production capacity expansion.

Trade payables increased by 12.1 mEUR mainly from increased activity levels.

Other current receivables decreased by 7.2 mEUR mainly from a reduction in the fair value of financial instruments due to the realization of a 2-year interest cap instrument in Q2 2023.

Other current liabilities increased by 4.0 mEUR primarily related to increased accruals for freight, tariffs, and customer bonus.

The 12-month average working capital ratio came to 16.9% at the end of Q1 2024 compared to 21.9% in Q1 2023, driven by the decrease in average working capital level and higher revenue.

Capital employed and RoCE

As of March 31, 2024, capital employed amounted to 555.4 mEUR, down by 23.3 mEUR compared to Q1 2023 and up by 28.2 mEUR compared to 527.2 mEUR at the end of 2023. The development in capital employed since Q1 2023 was due to the above-mentioned development in working capital.

The return on capital employed was 13.9%. This was up by 2.2 percentage points from Q1 2023 and up by 1.2 percentage points compared to end of 2023.

Cash flows

Cash flow from operating activities for Q1 2024 amounted to a net inflow of 5.2 mEUR compared to a net inflow of 20.4 mEUR in Q1 2023. This was driven by increased inventory and accounts receivable from year-end 2023. Higher operating profit had a positive impact for the period. Cash flow from investing activities for Q1 2024 was a net outflow of 12.6 mEUR compared to an outflow of 7.3 mEUR in Q1 2023. This was due to higher investments in strategic R&D projects, alongside the continued roll-out of the ERP system.

Free cash flow decreased by 20.5 mEUR compared to Q1 2023 and amounted to an outflow of 7.4 mEUR.

Equity

Equity was 288.1 mEUR at the end of Q1 2024 against 275.0 mEUR at the end of 2023. For the first three months of 2024, equity was positively impacted by the reported profit for the period, foreign exchange rate gains adjustments, and value adjustment of hedging.

Net interest-bearing debt

At the end of Q1 2024, net interest-bearing debt stood at 267.3 mEUR, up by 15.1 mEUR versus year-end 2023 from the increase in working capital. Compared to Q1 2023, net interest-bearing debt came down by 50.6 mEUR.

The financial gearing at the end of Q1 2024 was 1.9x versus 2.4x end of Q1 2023.

Subsequent events

Other than as set out above or elsewhere in these condensed consolidated interim financial statements, we are not aware of events subsequent to March 31, 2024 that are expected to have a material impact on the Group's financial position.

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 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.

13% to 15%

EBITDA margin before special items

3% to 6%

Organic revenue development

Statements made about the future in this report reflect the Executive Management Boards' 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 the expectations due to economic and financial market developments, legislative and regulatory changes in markets that Nilfisk operates in, development in product demand, competitive conditions, energy and raw material prices, and other risk factors. Also see our latest Annual Report for a more detailed description of 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.



Condensed income statement

for the period ended March 31

EUR million	Note	Q1 2024	Q1 2023
Revenue	4, 5	259.0	256.4
Cost of sales	8	-150.7	-153.3
Gross profit		108.3	103.1
Research and development costs	8	-6.4	-7.4
Sales and distribution costs	8	-64.8	-64.3
Administrative costs	8	-18.6	-18.6
Other operating income		0.6	1.0
Other operating expenses		-0.2	-0.6
Operating profit before special items		18.9	13.2
Special items, net	6	-2.6	-2.2
Operating profit		16.3	11.0
Share of profit from associates		0.3	0.2
Financial income		0.8	0.2
Financial expenses		-4.9	-5.3
Profit before income taxes		12.5	6.1
Tax on profit for the period		-3.2	-1.5
Profit for the period		9.3	4.6
<i>To be distributed as follows:</i>			
Profit attributable to shareholders of Nilfisk Holding A/S		9.3	4.6
Total		9.3	4.6
Earnings per share (based on 27,126,369 shares issued)			
Basic earnings per share (EUR)		0.34	0.17
Diluted earnings per share (EUR)		0.34	0.17

Condensed statement of comprehensive income

for the period ended March 31

EUR million	Note	Q1 2024	Q1 2023
Profit for the period		9.3	4.6
Other comprehensive income			
<i>Items that may be reclassified to the income statement:</i>			
Exchange rate adjustments of subsidiaries		3.0	-3.3
Value adjustment of hedging instruments:			
Value adjustment for the period		0.4	0.2
Transferred to cost of sales		0.5	0.2
Tax on value adjustment of hedging instruments		-0.2	0.1
<i>Items that may not be reclassified to income statement:</i>			
Value adjustment of hedging instruments transferred to inventory		-0.1	-0.6
Comprehensive income for the period		12.9	1.2
<i>To be distributed as follows:</i>			
Comprehensive income attributable to shareholders of Nilfisk Holding A/S		12.9	1.2
Total		12.9	1.2



Condensed statement of financial position

EUR million	Note	March 31 2024	March 31 2023	December 31 2023
Assets				
Goodwill		169.3	169.7	168.7
Trademarks		4.5	5.8	4.7
Customer related assets		2.1	3.4	2.5
Development projects completed		30.3	25.7	32.1
Software, know-how, patents, and competition clauses		13.8	20.8	15.5
Development projects and software in progress		26.0	17.3	19.9
Total intangible assets		246.0	242.7	243.4
Land and buildings		6.3	6.8	6.3
Plant and machinery		4.7	4.7	4.6
Tools and equipment		30.1	29.1	29.9
Assets under construction incl. prepayments		9.7	4.5	5.4
Right-of-use assets		63.2	55.5	66.6
Total property, plant and equipment		114.0	100.6	112.8
Investments in associates		35.3	33.6	34.9
Interest-bearing receivables		1.3	2.1	1.3
Other investments and receivables	7	2.9	12.3	2.8
Deferred tax		24.7	20.4	23.4
Total other non-current assets		64.2	68.4	62.4
Total non-current assets		424.2	411.7	418.6
Inventories		211.9	222.9	200.5
Trade receivables		163.9	163.8	138.7
Interest-bearing receivables		0.4	0.4	0.5
Income tax receivable		2.7	2.0	3.5
Other receivables	7	26.4	33.6	28.9
Cash at bank and in hand		24.4	20.6	23.3
Total current assets		429.7	443.3	395.4
Total assets		853.9	855.0	814.0

EUR million	Note	March 31 2024	March 31 2023	December 31 2023
Equity and liabilities				
Share capital		72.9	72.9	72.9
Reserves		-1.4	11.4	-5.0
Retained earnings		216.6	176.5	207.1
Total equity		288.1	260.8	275.0
Deferred tax		6.9	7.2	6.9
Pension liabilities		3.7	4.1	3.8
Provisions		6.7	5.8	4.9
Interest-bearing loans and borrowings		222.6	279.7	205.9
Lease liabilities		41.7	35.6	44.7
Other liabilities	7	3.8	2.9	3.5
Total non-current liabilities		285.4	335.3	269.7
Interest-bearing loans and borrowings		4.8	3.7	2.1
Lease liabilities		24.3	22.0	24.6
Trade payables		128.3	116.2	123.5
Income tax payable		8.7	8.0	7.8
Other liabilities	7	101.7	97.7	97.2
Provisions		12.6	11.3	14.1
Total current liabilities		280.4	258.9	269.3
Total liabilities		565.8	594.2	539.0
Total equity and liabilities		853.9	855.0	814.0



Condensed cash flow statement

for the period ended March 31

EUR million	Note	Q1 2024	Q1 2023
Operating profit		16.3	11.0
Depreciation, amortization, and impairment	8	15.3	15.1
Other non-cash adjustments		1.4	0.5
Changes in working capital		-24.8	-0.3
Cash flow from operations before financial items and income taxes		8.2	26.3
Financial income received		1.7	0.3
Financial expenses paid		-1.8	-3.7
Income tax paid		-2.9	-2.5
Cash flow from operating activities		5.2	20.4
Purchase of property, plant, and equipment		-5.6	-2.2
Sale/disposal of property, plant, and equipment		0.2	-
Purchase of intangible assets		-7.1	-4.4
Purchase of financial assets		-0.1	-0.7
Cash flow from investing activities		-12.6	-7.3
Free cash flow		-7.4	13.1
Changes in current interest-bearing loans and borrowings		-1.6	1.0
Changes in non-current interest-bearing loans and borrowings		17.4	-9.8
Payment of lease liabilities		-6.9	-6.4
Cash flow from financing activities		8.9	-15.2
Net cash flow for the period		1.5	-2.1
Cash at bank and in hand, January 1		23.3	22.7
Exchange rate adjustments		-0.4	-
Net cash flow for the period		1.5	-2.1
Cash at bank and in hand, March 31		24.4	20.6



Condensed statement of changes in equity

for the period ended March 31

EUR million	2024					2023				
	Share capital	Foreign exchange reserve	Hedging reserve	Retained earnings	Total equity	Share capital	Foreign exchange reserve	Hedging reserve	Retained earnings	Total equity
Equity, January 1	72.9	-3.5	-1.5	207.1	275.0	72.9	5.5	9.3	173.0	260.7
Other comprehensive income										
Exchange rate adjustments	-	3.0	-	-	3.0	-	-3.3	-	-	-3.3
Value adjustment of hedging instruments:										
Value adjustment for the period	-	-	0.4	-	0.4	-	-	0.2	-	0.2
Transferred to cost of sales	-	-	0.5	-	0.5	-	-	0.2	-	0.2
Transferred to inventory	-	-	-0.1	-	-0.1	-	-	-0.6	-	-0.6
Tax on value adjustment of hedging instruments	-	-	-0.2	-	-0.2	-	-	0.1	-	0.1
Total other comprehensive income	-	3.0	0.6	-	3.6	-	-3.3	-0.1	-	-3.4
Profit for the period	-	-	-	9.3	9.3	-	-	-	4.6	4.6
Comprehensive income for the period	-	3.0	0.6	9.3	12.9	-	-3.3	-0.1	4.6	1.2
Share option program	-	-	-	0.2	0.2	-	-	-	-1.1	-1.1
Total changes in equity	-	3.0	0.6	9.5	13.1	-	-3.3	-0.1	3.5	0.1
Equity, March 31	72.9	-0.5	-0.9	216.6	288.1	72.9	2.2	9.2	176.5	260.8

Note 1 Significant accounting policies

This interim report has been prepared in accordance with IAS 34, "Interim Financial Reporting" as adopted by the EU and additional Danish disclosure requirements for listed companies. The interim report contains condensed financial statements for the Group. No interim report has been prepared for the parent company.

The interim report follows the same accounting policies as the consolidated financial statements in the Annual Report for 2023, which provide a full description of the significant accounting policies.

The financial statement figures are presented in EUR million rounded with one decimal.

Implementation of new standards, interpretations and amendments to accounting standards that are mandatorily effective for the current reporting period

Issued amended standards which apply for the first time in 2024 was adopted by the Group. None of these amended standards have had any significant impact on Nilfisk's financial statements.

The Group has not early adopted any standard, interpretation, or amendment that has been issued but not yet effective.

Note 2 Key accounting estimates and judgments

When preparing the consolidated financial statements, the use of reasonable estimates and judgments is an essential part. Given the uncertainties inherent in Nilfisk's business activities, the Executive Management Board makes a number of accounting estimates and judgments. The estimates and judgments are based on assumptions which form the basis for recognition and measurement of our assets, liabilities, cash flows and related disclosures. Estimates and judgments are regularly reassessed.

Regarding accounting estimates and judgments, please refer to Note 1.2 of the 2023 Annual Report. Regarding risks please refer to Note 6.3 of the 2023 Annual Report and the information contained in the section on risk management of the 2023 Annual Report. Please also see Note 10 Contingent liabilities.

Note 3 Seasonal fluctuations

Due to the composition of the Nilfisk business, some degree of seasonality in revenue should be expected. Factors which impact seasonality are among others the market for consumer high-pressure washers, the timing of holidays, etc.

Normally, quarterly operating profit follows the seasonality in revenue.

Cash flow from operations is typically weaker in Q1 due to negative changes in working capital in Q1 and Q2 as inventories increase. Working capital normally improves during Q3 and Q4.

Note 4 Segment information

EUR million	Professional Business	Service Business	Specialty Business	Consumer Business	HQ	Group
Q1 – 2024						
Revenue	143.9	77.2	15.4	22.5	-	259.0
Gross profit	58.4	33.9	8.0	8.0	-	108.3
EBITDA before special items	19.8	18.2	4.3	3.0	-11.1	34.2
Reconciliation to profit before income taxes:						
Special items						-2.6
Amortization, depreciation and impairment						-15.3
Share of profit from associates						0.3
Financial income						0.8
Financial expenses						-4.9
Profit before income taxes						12.5
Organic growth	2.8%	2.5%	0.3%	17.2%	-	3.7%
Gross margin	40.6%	43.9%	51.9%	35.6%	-	41.8%
EBITDA margin before special items	13.8%	23.6%	27.9%	13.3%	-	13.2%
Q1 – 2023						
Revenue	144.5	77.0	15.5	19.4	-	256.4
Gross profit	53.2	35.3	8.2	6.4	-	103.1
EBITDA before special items	10.4	19.8	4.6	1.8	-8.5	28.1
Reconciliation to profit before income taxes:						
Special items						-2.2
Amortization, depreciation and impairment						-14.9
Share of profit from associates						0.2
Financial income						0.2
Financial expenses						-5.3
Profit before income taxes						6.1
Organic growth	-2.7%	6.5%	6.9%	-25.4%	-	-2.0%
Gross margin	36.8%	45.8%	52.9%	33.0%	-	40.2%
EBITDA margin before special items	7.2%	25.7%	29.7%	9.3%	-	11.0%

Note 5 Revenue

Revenue by geographical regions

The table below shows a split of revenue based on the geographical regions in which the sales companies are located, meaning 'sold-from country'.

EUR million	Revenue Q1 2024	Revenue Q1 2023	Organic growth
EMEA region	152.8	148.8	5.1%
Americas region	89.3	88.8	3.6%
APAC region	16.9	18.8	-6.5%
Total	259.0	256.4	3.7%

For information on revenue recognition, please see the accounting policy described in the Annual Report 2023, Note 2.2.

Note 6 Special items, net

EUR million	Q1 2024	Q1 2023
Divestment	-	-0.2
Business restructuring	2.6	2.4
Total	2.6	2.2

Special items represent income and expenses that have a non-recurring and special nature against normal operating income and costs.

Special items are disclosed separately in the income statement and have been reconciled to the income statement line items as specified in the table below.

EUR million	Q1 2024	Special items	Q1 2024 adjusted	Q1 2023	Special items	Q1 2023 adjusted
Revenue	259.0	-	259.0	256.4	-	256.4
Cost of sales	-150.7	-	-150.7	-153.3	-	-153.3
Gross profit	108.3	-	108.3	103.1	-	103.1
Research and development costs	-6.4	-	-6.4	-7.4	-0.7	-8.1
Sales and distribution costs	-64.8	-	-64.8	-64.3	-1.6	-65.9
Administrative costs	-18.6	-2.6	-21.2	-18.6	-0.2	-18.8
Other operating income/expenses, net	0.4	-	0.4	0.4	0.3	0.7
Special items, net	-2.6	2.6	-	-2.2	2.2	-
Operating profit	16.3	-	16.3	11.0	-	11.0
Share of profit from associates	0.3	-	0.3	0.2	-	0.2
Financial income/expenses, net	-4.1	-	-4.1	-5.1	-	-5.1
Profit before income taxes	12.5	-	12.5	6.1	-	6.1
Tax on profit for the period	-3.2	-	-3.2	-1.5	-	-1.5
Profit for the period	9.3	-	9.3	4.6	-	4.6

Special items recognized in Q1 2024 of 2.6 mEUR were mainly related to the claim filed against Nilfisk by the owner of the US distribution center building in Springdale, Arkansas. In addition legal and advisory costs were incurred regarding strategic projects.

Special items recognized in Q1 2023 of 2.2 mEUR, were mainly legal, advisory, and redundancy costs related to execution of Business Plan 2026 and insurance income following the tornado impact on Nilfisk's

US Distribution Center at the end of Q1 2022. In addition, Nilfisk realized divestment income in Q1 2023 of 0.2 mEUR related to the final steps of the liquidation of Nilfisk Russia, which was completed in Q2 2023.

For more information regarding special items, please refer to Note 2.4 in the 2023 Annual Report. For more information about the Springdale claim, please see Note 10.

Note 7 Financial instruments measured at fair value

Financial instruments measured at fair value in the balance sheet are designated as belonging to one of the following three categories (the 'fair value hierarchy'):

- Level 1: Listed prices (unadjusted) in active markets for identical assets and liabilities
- Level 2: Input, other than listed prices on Level 1, which is observable for the asset or liability either directly (as prices) or indirectly (derived from prices)
- Level 3: Input for the asset or liability which is not based on observable market data (non-observable input)

Financial instruments measured at fair value have been categorized into Level 2 as addressed in the Annual Report 2023, Note 6.3. There have been no significant new items compared to December 31, 2023.

The decrease in net financial instruments from 11.6 mEUR in Q1 2023 to -1.2 mEUR in Q1 2024 was mainly due to the realization of a 2-year interest cap instrument in Q2 2023.

EUR million	Q1 2024	Q1 2023
<i>Financial assets:</i>		
Derivative financial instruments	1.1	13.7
Fair value through other comprehensive income	1.1	13.7
Derivative financial instruments	0.7	0.9
Fair value through profit and loss	0.7	0.9
<i>Financial liabilities:</i>		
Derivative financial instruments	2.2	2.0
Fair value through other comprehensive income	2.2	2.0
Derivative financial instruments	0.8	1.0
Fair value through profit and loss	0.8	1.0
Financial instruments, net	-1.2	11.6

Note 8 Amortization, depreciation, and impairment

EUR million	Q1					
	2024		2023		2023	
	2024	2023	2024	2023	2024	2023
	Intangible assets		Property, plant and equipment		Total	
Amortization and depreciation						
Cost of sales	-	-	4.9	4.7	4.9	4.7
Research and development costs	2.5	2.5	0.1	0.1	2.6	2.6
Sales and distribution costs	0.6	0.6	3.0	2.6	3.6	3.2
Administrative costs	2.0	1.9	2.2	2.5	4.2	4.4
Special items	-	-	-	0.2	-	0.2
Total	5.1	5.0	10.2	10.1	15.3	15.1

Amortization of acquisition-related intangibles was 0.7 mEUR in Q1 2024 (Q1 2023: 0.6 mEUR), hereof 0.7 mEUR included in sales and distribution costs (Q1 2023: 0.6 mEUR).

No impairment losses have been recognized in Q1 2024 and Q1 2023.

Note 9 Long-term incentive programs

Performance share program

In line with the remuneration policy approved by the Annual General Meeting in March 2024, the Nilfisk Leadership Team and selected key employees have been awarded performance shares with a three-year cliff vesting depending on performance measures on EBITDA, Total Shareholder Return (TSR), and Sustainability performance (scope 3 targets).

In Q1 2024, the Nilfisk Leadership Team and selected key employees were offered participation in the 2024 program with a total of 122,415 performance share units (PSUs) equal to 0.45% of the total number of shares in Nilfisk Holding A/S.

Following the announcement of the Annual Report 2023 on February 15, 2024, the 2021 Performance share program lapsed as none of the performance conditions had been met.

For performance share programs awarded in 2022 and 2023 the number of outstanding PSUs were 137,159 at March 31, 2024.

Warrant program

In Q1 2024, new members of the Nilfisk Leadership Team were offered the opportunity to participate in the matching warrant program. Warrants have been issued upon the participants' acceptance, fulfillment of the conditions for participation, and approval by the Board of Directors.

During Q1 2024, 46,728 warrants have been issued. At the end of Q1 2024, the total number of outstanding warrants was 188,838.

For further information on Nilfisk's long-term incentive programs please refer to Note 3 in the 2023 Annual Report and 2023 Remuneration Report.

Note 10 Contingent liabilities

Claims filed against Nilfisk

On October 15, 2022, Nilfisk's insurer filed a lawsuit in Denmark against Nilfisk with respect to the insurance payout for the destruction of the US Distribution Center in a tornado. The insurer's total claim stood at 19 mEUR at the end of 2023. The Court in the first instance has ruled in favor of Nilfisk. Subsequently, the insurer has appealed the first instance ruling. The Executive Management Board continues to see a degree of uncertainty related to the potential costs for this claim.

On September 15, 2022, a claim was filed against Nilfisk by the owner of the US Distribution Center building with respect to contractual obligations related to terminating the contract. The resulting costs may exceed the insurance coverage that has already been paid to the owner of the US Distribution Center building. The Court issued a summary judgment on February 22, 2024, and bench trial was completed on February 26-28, 2024. On summary judgment the Court found that Nilfisk was in material breach of its contractual obligations, however, Nilfisk is awaiting the Court's ruling on damages and defenses which is expected within Q2 2024. If the Court's ruling is adverse to Nilfisk, Nilfisk expects to appeal based on external legal advice. Based on additional legal fees and external legal assessment, Nilfisk has made an upwards adjustment of the provision for this dispute. The dispute with the owner of the US Distribution Center building is considered special items and will not affect Nilfisk's operating results. The Executive Management Board continues to see a degree of uncertainty related to potential costs for this claim. Depending on the final outcome an adverse decision may impact special items.

Other contingent liabilities

The Nilfisk Group is engaged in certain disputes, legal proceedings, and inquiries from authorities, including tax authorities, the outcome of which is not expected to materially impact the Group's financial position.

Note 11 Subsequent events

Other than as set out above or elsewhere in these condensed consolidated interim financial statements, we are not aware of events subsequent to March 31, 2024 that are expected to have a material impact on the Group's financial position.

Note 12 Definitions

The Group assesses its performance using a variety of alternative performance measures (APM) which are not defined under IFRS. Please find the definitions of the APM's below.

Item	Key figures and ratios	Definition
1	Cash conversion	Cash flow from operations before financial items and income taxes as a percentage of EBITDA
2	Capital employed	Non-current assets less interest-bearing receivables, provisions, pensions, and deferred tax liabilities and working capital
3	CAPEX	Capital expenditure
4	CAPEX ratio	CAPEX as a percentage of revenue
5	Days sales outstanding	Accounts receivables (excluding VAT) minus bad debt provision divided with latest three months net sales accumulated up to twelve months and multiplied by 365
6	Diluted earnings per share	Profit (loss) attributable to shareholders of Nilfisk Holding A/S as a percentage of diluted average number of outstanding shares
7	EBITDA before special items	Earnings (profit) before interest, tax, depreciation, amortization, impairment, and special items
8	EBITDA	Earnings (profit) before interest, tax, depreciation, amortization, and impairment
9	EBITDA margin before special items	EBITDA before special items as a percentage of revenue
10	EBITDA margin	EBITDA as a percentage of revenue
11	EBIT before special items	Earnings before interest, tax, and special items (operating profit before special items)
12	EBIT	Earnings before interest and tax (operating profit)
13	EBIT margin before special items	EBIT before special items as a percentage of revenue
14	EBIT margin	EBIT as a percentage of revenue
15	Earnings per outstanding share (EPS)	Profit (loss) attributable to shareholders of Nilfisk Holding A/S relative to average number of outstanding shares
16	Equity value per outstanding share	Equity attributable to shareholders of Nilfisk Holding A/S per outstanding share at December 31
17	Financial gearing	Net interest-bearing debt divided by EBITDA before special items LTM
18	Free cash flow	Cash flow from operating activities less cash flow from investing activities
19	Free cash flow excluding acquisitions and divestments	Free cash flow plus cash flow from acquisition of businesses and less cash flow from divestment of businesses
20	Full-time equivalent (FTE)	Full-time equivalent is calculated as the number of total hours worked divided by the numbers of hours for a full-time work.
21	Gross margin	Gross profit as a percentage of revenue
22	Inventory days	Gross inventory divided by latest three months cost of sales excluding amortizations and service department costs accumulated up to twelve months and multiplied by 365
23	Investment ratio	Additions as a percentage of depreciations/amortizations
24	LTM	Latest twelve months
25	Net interest-bearing debt	Current and non-current interest-bearing loans and borrowings less interest-bearing receivables and cash
26	OCI	Other comprehensive income
27	Organic growth	Organic growth in local currency excluding acquisitions and divestments and foreign exchange rates
28	Overhead cost ratio	Overhead costs as a percentage of revenue
29	R&D ratio	Research and development spend as a percentage of revenue
30	Return on capital employed (RoCE)	EBIT before special items LTM as a percentage of average capital employed, calculated by taking the capital employed at December 31 and at the end of the preceding four quarters
31	Working capital	Current assets minus current and non-current liabilities (excluding interest-bearing items and provisions)
32	Working capital ratio	Average working capital LTM as a percentage of revenue



Quarterly overview

EUR million	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023
Income statement					
Revenue	259.0	252.9	247.8	276.5	256.4
EBITDA before special items	34.2	35.1	31.2	38.0	28.1
EBITDA	31.6	32.8	30.1	34.1	26.1
Operating profit (EBIT) before special items	18.9	19.3	15.7	22.9	13.2
Operating profit (EBIT)	16.3	16.9	14.4	18.9	11.0
Special items, net	-2.6	-2.4	-1.3	-4.0	-2.2
Financial items, net	-4.1	-6.6	-6.7	3.7	-5.1
Profit for the period	9.3	7.6	5.8	17.3	4.6
Cash flow					
Cash flow from operating activities	5.2	43.0	36.0	43.6	20.4
Cash flow from investing activities	-12.6	-10.8	-6.2	-3.5	-7.3
– hereof investments in property, plant and equipment	-5.6	-2.8	-2.0	-1.6	-2.2
– hereof investments in intangible assets	-7.1	-8.0	-5.8	-4.2	-4.4
Free cash flow	-7.4	32.2	29.8	40.1	13.1
Statement of financial position					
Total assets	853.9	814.0	826.8	843.4	855.0
Group equity	288.1	275.0	275.6	265.1	260.8
Working capital	162.4	139.6	165.6	179.6	197.5
Net interest-bearing debt	267.3	252.2	271.1	291.5	317.9
Capital employed	555.4	527.2	546.7	556.5	578.7
Financial ratios and employees					
Organic growth	3.7%	-2.9%	-0.7%	4.3%	-2.0%
Gross margin	41.8%	41.8%	41.2%	40.4%	40.2%
EBITDA margin before special items	13.2%	13.9%	12.6%	13.7%	11.0%
EBITDA margin	12.2%	13.0%	12.1%	12.3%	10.2%
Operating profit (EBIT) margin before special items	7.3%	7.6%	6.3%	8.3%	5.1%
Operating profit (EBIT) margin	6.3%	6.7%	5.8%	6.8%	4.3%
Financial gearing	1.9x	1.9x	2.0x	2.2x	2.4x
Overhead costs ratio	34.5%	34.1%	34.9%	32.1%	35.1%
CAPEX ratio	4.9%	4.3%	3.1%	2.1%	2.6%
Working capital ratio	16.9%	17.8%	19.4%	20.9%	21.9%
Return on Capital Employed (RoCE)	13.9%	12.7%	13.0%	12.4%	11.7%
Basic earnings per share (EUR)	0.34	0.28	0.21	0.64	0.17
Diluted earnings per share (EUR)	0.34	0.28	0.21	0.64	0.17
Number of full-time employees, end of period	4,767	4,698	4,681	4,697	4,684



Management's statement

The Board of Directors and the Executive Management Board have today discussed and approved the Q1 Interim Report of Nilfisk Holding A/S for the period January 1 - March 31, 2024.

The Interim consolidated financial statements, which have not been audited or reviewed by the Group's independent auditor, have been prepared in accordance with IAS 34 Interim Financial Reporting, as adopted by the EU. The Interim consolidated financial statements have been prepared in accordance with additional Danish requirements.

In our opinion, the Interim Report gives a true and fair view of the Group's assets, liabilities and financial position on March 31, 2024, and the results of the Group's activities and cash flow for the period January 1 - March 31, 2024.

We also believe that the Management's review provides a fair statement of developments in the activities and financial situation of the Group, financial results for the period, and the general financial position of the Group.

In our opinion, the Q1 Interim Report of Nilfisk Holding A/S for the period January 1 - March 31, 2024 identified as 529900FSU45YYVLKB451-2024-03-31.zip is prepared, in all material respects, in compliance with the ESEF Regulation.

Copenhagen, May 15, 2024

Executive Management Board

René Svendsen-Tune
President and CEO

Reinhard Josef Mayer
CFO

Board of Directors

Göran Peter Nilsson
Chair

Bengt Anders Lennart Thorsson

Are Dragesund

Viveka Marianne Ekberg

Franck Falezan

Ole Kristian Jødahl

René Svendsen-Tune

Claus Dalmose

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Marcus Faber Kappendrup

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Nilfisk's Interim Report Q1 2024 was published on May 15, 2024.
The report is also available at www.nilfisk.com.

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