



# Nilfisk Q3 Interim Report 2024

**NILFISK**

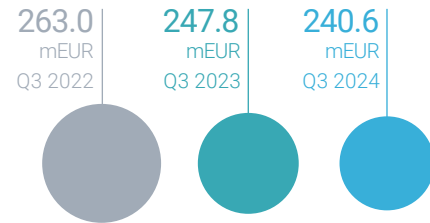


# Financial highlights Q3 2024

## 240.6 mEUR

### Revenue

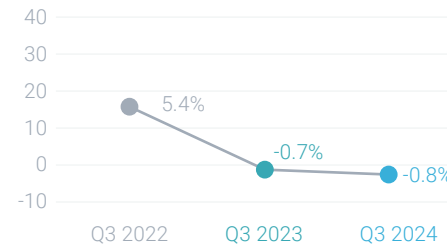
Revenue decreased to 240.6 mEUR from 247.8 mEUR in Q3 2023, corresponding to reported negative growth of 2.9%. Consumer and Specialty achieved strong revenue growth. Service and Professional saw a decline in revenue.



## -0.8%

### Organic revenue growth

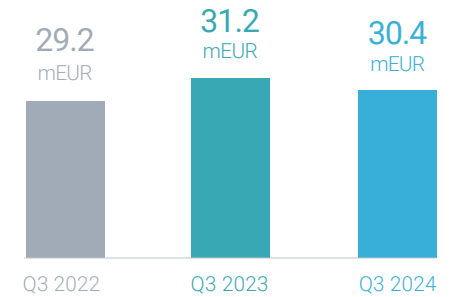
Organic growth of -0.8% compared to organic growth in Q3 2023 of -0.7%. Consumer and Specialty increased by 22.0% and 20.1% in Q3 2024 respectively. Service and Professional delivered organic growth of -1.6% and -4.3% respectively.



## 30.4 mEUR

### EBITDA before special items (bsi)

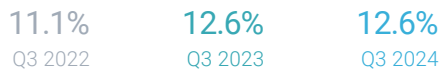
Down 0.8 mEUR from Q3 2023, negatively impacted by lower revenue and higher overhead costs, partly offset by higher gross margins.



## 12.6%

### EBITDA margin bsi

The EBITDA margin was flat compared to Q3 2023. It was positively impacted by the continued gross margin expansion, offset by reduced revenue and an increase in overhead costs.



## 5.5 mEUR

### Profit for the period

Profit for the period came to 5.5 mEUR, down 0.3 mEUR from Q3 2023. Profit was impacted by the lower EBITDA, partly offset by lower net financial expenses.



## 7.4 mEUR

### Free cash flow

Free cash flow decreased by 22.4 mEUR compared to Q3 2023, ending at an inflow of 7.4 mEUR. The decrease was driven by investment in working capital and higher capital investment.



## 257.7 mEUR

### Net interest-bearing debt (NIBD)

NIBD was reduced by 13.4 mEUR from Q3 2023, driven by positive cash inflow in 2023. Gearing in Q3 2024 stood at 1.9x, down by 0.1 compared with the same period in the prior year. It remained 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

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



# Financial highlights for the Group<sup>1</sup>

EUR million	Q3 2024	Q3 2023	9M 2024	9M 2023	Year 2023
<b>Income statement</b>					
Revenue	240.6	247.8	778.0	780.7	1,033.6
EBITDA before special items	30.4	31.2	103.8	97.3	132.4
EBITDA	29.2	30.1	99.2	90.3	123.1
Operating profit (EBIT) before special items	14.3	15.7	56.6	51.8	71.1
Operating profit (EBIT)	13.1	14.4	52.0	44.3	61.2
Special items, net	-1.2	-1.3	-4.6	-7.5	-9.9
Financial items, net	-6.2	-6.7	-16.3	-8.1	-14.7
Profit for the period	5.5	5.8	29.0	27.7	35.3
<b>Cash flow statement</b>					
Cash flow from operating activities	16.3	36.0	41.2	100.0	143.0
Cash flow from investing activities	-8.9	-6.2	-32.8	-17.0	-27.8
– hereof investments in property, plant and equipment	-2.6	-2.0	-11.0	-5.8	-8.6
– hereof investments in intangible assets	-8.1	-5.8	-23.9	-14.4	-22.4
Free cash flow	7.4	29.8	8.4	83.0	115.2
<b>Statement of financial position</b>					
Total assets			871.8	826.8	814.0
Group equity			303.8	275.6	275.0
Working capital			167.4	165.6	139.6
Net interest-bearing debt			257.7	271.1	252.2
Capital employed			561.5	546.7	527.2
<b>Financial ratios and employees</b>					
Organic growth	-0.8%	-0.7%	1.8%	0.6%	-0.3%
Gross margin	42.4%	41.2%	42.1%	40.6%	40.9%
EBITDA margin before special items	12.6%	12.6%	13.3%	12.5%	12.8%
EBITDA margin	12.1%	12.1%	12.8%	11.6%	11.9%
Operating profit (EBIT) margin before special items	5.9%	6.3%	7.3%	6.6%	6.9%
Operating profit (EBIT) margin	5.4%	5.8%	6.7%	5.7%	5.9%
Financial gearing			1.9x	2.0x	1.9x
Overhead cost ratio	36.4%	34.9%	34.9%	34.0%	34.0%
CAPEX ratio	4.4%	3.1%	4.5%	2.6%	3.0%
Working capital ratio			16.3%	19.4%	17.8%
Return on Capital Employed (RoCE) LTM			13.8%	13.0%	12.7%
Basic earnings per share (EUR)	0.20	0.21	1.07	1.02	1.30
Diluted earnings per share (EUR)	0.20	0.21	1.07	1.02	1.30
Number of full-time employees, end of period			4,830	4,681	4,698

<sup>1</sup> Please find definitions in Note 12.



# Business update Q3 2024

## Positive contributions from Consumer and Specialty Businesses

The third quarter began well and according to plan with July growing organically by 7.1%. However, demand slowed down in the Americas, which impacted the Professional Business and resulted in overall organic growth of -0.8%.

The Consumer Business maintained its robust trajectory, achieving double-digit growth for a third consecutive quarter. The Service Business delivered organic growth of -1.6%, influenced by temporary shipment delays in the US. Service attachment rates were flattish at 25%. The Specialty Business delivered a strong quarter with 20.1% organic growth.

EMEA continued to deliver solid results, with positive growth across all segments. Revenue performance in the Americas declined in both August and September. In APAC, challenging market conditions continued to suppress demand.

## Two financial targets for 2026 removed

Following a demand slowdown in the Americas and macroeconomic challenges, Nilfisk revised its outlook for the full year on October 24, 2024. Organic growth for 2024 is now expected to be between 1% to 3% and the EBITDA margin bsi in the range of 13% to 14%.

Nilfisk has opted to remove two of its financial targets for 2026 - revenue of 1.2 to 1.3 bnEUR and the EBITDA bsi margin above 16%.

Given the macroeconomic headwinds Nilfisk will also look for structural efficiency improvements across the group. Nilfisk will announce its financial outlook for 2025 and provide an update in connection with the 2024 Annual Report in February 2025.

## Completion of US SAP Rollout

This quarter the implementation of the “Nilfisk Global SAP Template” was finalized in the US. The comprehensive SAP-based platform integrates Sales, Service, Operations, and Finance across the business. The US rollout marks a shift in how Nilfisk operates, bringing Mexico, US, EMEA, and soon Canada, into a single platform.

The platform is designed to improve data management, enhance collaboration, and streamline operations, allowing Nilfisk to scale more effectively. By driving greater efficiency, it strengthens the company’s ability to meet market demands and positions Nilfisk for growth and better customer service. The SAP rollout is a part of the digital enablement driver in Business Plan 2026. While the US go-live in September was successful, it did lead to some delays in shipments, which amounted to approximately 7 mEUR of revenue. This is expected to flow over into Q4 2024.

## Consolidation of US High-Pressure Washer Operations

In line with Nilfisk’s commitment to enhancing customer service and optimizing capabilities for long-term growth, the strategic decision was made to consolidate the two US High-Pressure Washer operations. This led to the closure of the Redlands, California facility and the centralization of operations at the Fort Pierce, Florida site.

## Hurricane Milton affects Fort Pierce operations

On October 9, 2024, Nilfisk’s high-pressure washer business located in Fort Pierce, Florida, was impacted by extreme weather as a result of Hurricane Milton. There was only structural damage to the building, and no people were injured. The event is described in more detail in subsequent events.

## Launch of New Cold-Water High-Pressure Washers

In September, Nilfisk expanded its HPW portfolio in the Professional channels with the introduction of the MC1C and MC2C, aimed at price-sensitive customers in the current macroeconomic climate.

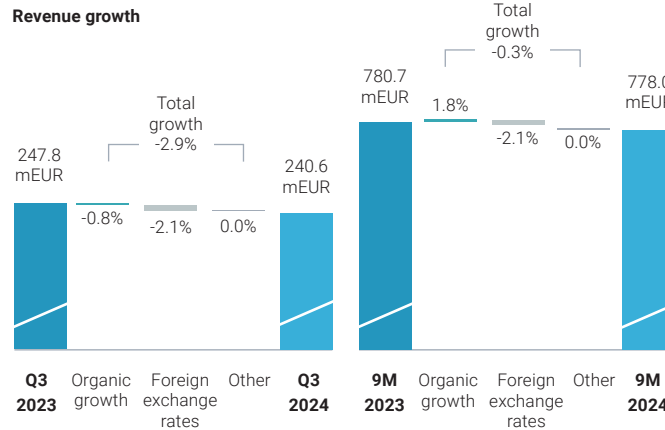
In Q3, shipments began of the new SC25 autonomous floorscrubber first introduced at the InterClean trade show in Amsterdam. The two newly-launched IVS products, VBH 120 and Mini VIS, shipped in large numbers.



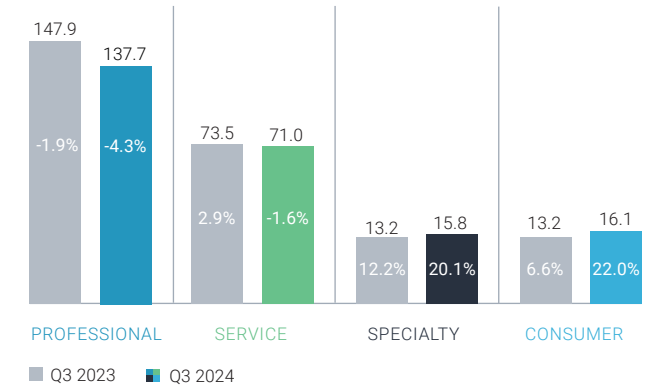


# Gross margin expansion offset by negative organic growth

EUR million	Q3 2024	Q3 2023	9M 2024	9M 2023
Revenue	240.6	247.8	778.0	780.7
Gross profit	101.9	102.2	327.8	316.9
Overhead costs	87.6	86.5	271.2	265.1
EBITDA before special items	30.4	31.2	103.8	97.3
Profit for the period	5.5	5.8	29.0	27.7
<b>Financial ratios:</b>				
Organic growth	-0.8%	-0.7%	1.8%	0.6%
Gross margin	42.4%	41.2%	42.1%	40.6%
EBITDA margin before special items	12.6%	12.6%	13.3%	12.5%
Overhead cost ratio	36.4%	34.9%	34.9%	34.0%
CAPEX ratio	4.4%	3.1%	4.5%	2.6%



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



## Revenue

For the total business, revenue in Q3 2024 came to 240.6 mEUR, corresponding to negative organic growth of 0.8%. The negative organic growth was driven by Professional and Service, while Consumer and Specialty delivered very strong organic growth. In total, the quarter saw continued diligent price management, while volumes declined. Total reported growth was negative at 2.9% as foreign exchange rates had a negative impact of 2.1%, driven mainly by movements in the currencies TRY, ARS, and USD.

For the first nine months of 2024, total revenue amounted to 778.0 mEUR, corresponding to organic growth of 1.8%. Total reported growth was negative at 0.3% as foreign exchange rates had a negative impact of 2.1%, mainly due to TRY, ARS, and USD.

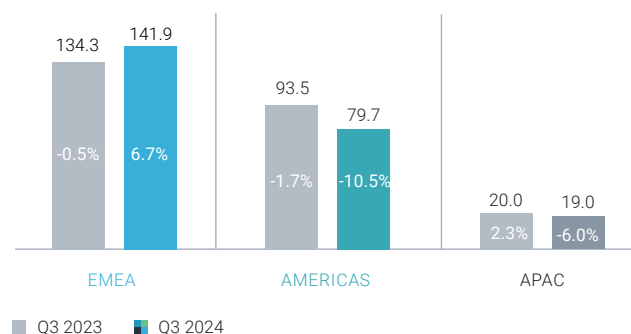
## Revenue by segment

Revenue in the Professional Business amounted to 137.7 mEUR in Q3 2024, corresponding to negative organic growth of 4.3%. The negative growth was driven by Americas and APAC, partly offset by solid growth in EMEA. Private Label continued to deliver strong organic growth, while Floorcare, HPW and VACS saw a decline in Q3 2024 versus Q3 2023 due to softer market conditions. For the first nine months of 2024, revenue in the Professional Business amounted to 442.4 mEUR, corresponding to negative organic growth of 0.3%.

Revenue in the Service Business was 71.0 mEUR in Q3 2024, corresponding to negative organic growth of 1.6%. The negative organic growth was driven by Americas, partly offset by growth in EMEA and APAC. Field Service grew across all Regions while PAC (Parts, Accessories, and Consumables) delivered negative growth. This was mainly driven by Americas and impacted by temporary shipment delays in the US due to the SAP launch during September. The PAC performance was also impacted by the lower demand for Professional machines. For the first nine months of 2024, revenue in the Service Business amounted to 226.0 mEUR, corresponding to organic growth of 1.2%.

Revenue in the Specialty Business increased to 15.8 mEUR in Q3 2024, corresponding to very strong organic growth of 20.1%. Revenue benefitted from a strong momentum for the IVS business in all three Regions combined with continued diligent price management. Food also contributed to growth with very strong momentum in EMEA. For the first nine months of 2024, revenue in the Specialty Business amounted to 46.5 mEUR corresponding to organic growth of 5.3%.

The Consumer Business delivered very strong organic growth of 22.0% and reached revenue of 16.1 mEUR in Q3 2024. Overall demand remained strong with increased volumes across most European markets compared to Q3 2023. For the first nine months of 2024, revenue in the Consumer Business amounted to 63.1 mEUR, corresponding to very strong organic growth of 18.8%.

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

The EMEA region delivered strong organic growth of 6.7% in Q3 2024. The organic growth was driven by a continued very strong performance in the Consumer and Specialty Businesses, alongside solid growth across the Professional and Service segments. Price management remained strong across the region and key markets delivered positive organic growth, including Spain, Italy, United Kingdom and Ireland, and the Nordics. For the first nine months of 2024, revenue in the EMEA region amounted to 457.5 mEUR, corresponding to strong organic growth of 6.1%.

The Americas region delivered negative organic growth of 10.5% in Q3 2024. Demand in the US slowed down in the quarter, which negatively impacted volume. There was also an adverse impact from the roll-out of SAP in the US during September 2024, which caused temporary delays in shipments amounting to approximately 7 mEUR of revenue. Price management continued to support the Americas performance positively. For the first nine months of 2024, revenue reached 265.8 mEUR in the Americas region, corresponding to negative organic growth of 3.0%.

The APAC region delivered negative organic growth of 6.0% in Q3 2024, as weak demand and market headwinds continued in China and the Pacific region. Continued price management offset part of the negative volume growth. For the first nine months of 2024, revenue in the APAC region amounted to 54.7 mEUR, corresponding to negative organic growth of 7.1%.

**Gross margin**

The gross margin reached 42.4% in Q3 2024, compared to 41.2% in Q3 2023, positively impacted by stronger margins in the Professional and Consumer segments. Diligent price and discount management and a favourable product mix supported the development.

For the first nine months of 2024, the gross margin increased to 42.1% compared to 40.6% for the same period last year. This was a direct result of strong price management across all regions and a reduction in raw material cost offsetting an increase in labor rates.

The gross margin for the Professional Business increased to 42.0% in Q3 2024, compared to 40.2% in Q3 2023. This was driven by favorable price management across all regions combined with a favorable mix effect, partially offset by increased labor costs. For the first nine months of 2024, the gross margin for the Professional Business amounted to 41.1%.

The Service Business gross margin came to 42.4% in Q3 2024, a slight increase from 42.3% in Q3 2023. The margin expansion was driven by efficiency measures in the Field Service organization, offsetting an unfavourable mix of PAC sales. For the first nine months of 2024, the gross margin for the Service Business amounted to 43.5%.

The Specialty Business gross margin declined to 51.3% in Q3 2024, compared to 54.5% in Q3 2023. This was primarily driven by the mix of products in the industrial vacuum range and increased production costs. For the first nine months of 2024, the gross margin for the Specialty Business amounted to 51.4%.

Finally, the Consumer Business gross margin increased to 36.6% in Q3 2024, up from 33.3% in Q3 2023. The improvement was driven by a favorable product mix of high-pressure-washers and continued strong sales of the Stick-vac. For the first nine months of 2024, the gross margin for the Consumer Business amounted to 37.4%.

**Overhead costs and ratio**

Overhead costs in Q3 2024 increased by 1.1 mEUR compared to Q3 2023, coming to 87.6 mEUR. The increase was mainly due to merit increases. The overhead cost ratio came to 36.4% in Q3 2024, an increase of 1.5 percentage point compared to Q3 2023, as a result of lower sales in the quarter.

For the first nine months of 2024, total overhead costs amounted to 271.2 mEUR compared to 265.1 mEUR in the same period of 2023, driven by merit increases, sales activities, and investments in product launches. The overhead cost ratio of 34.9% corresponded to an increase of 0.9 percentage point compared to the same period in 2023.

**Research and development costs**

EUR million	Q3 2024	Q3 2023	9M 2024	9M 2023
Total R&D spend	8.5	8.1	27.1	23.9
Capitalized	4.7	4.3	15.1	11.0
Expensed in the P&L	3.8	3.8	12.0	12.9
<b>R&amp;D ratio (% of revenue)</b>	<b>3.5%</b>	<b>3.3%</b>	<b>3.5%</b>	<b>3.1%</b>
Expensed R&D spend	3.8	3.8	12.0	12.9
Amortization, depreciation, and impairment	2.9	2.8	8.2	8.2
<b>Total R&amp;D costs</b>	<b>6.7</b>	<b>6.6</b>	<b>20.2</b>	<b>21.1</b>

Total R&D spend in Q3 2024 increased by 0.4 mEUR, compared to Q3 2023, and came to 8.5 mEUR, corresponding to 3.5% of revenue compared to 3.3% in Q3 2023. Of the total spend of 8.5 mEUR, 3.8 mEUR was recognized as an expense in the income statement, while 4.7 mEUR was capitalized. Total reported R&D costs for Q3 2024 came to 6.7 mEUR including amortization, depreciation, and impairment of 2.9 mEUR. For the first nine months of 2024, total R&D spend was 27.1 mEUR, corresponding to 3.5% of revenue.

Sales and distribution costs in Q3 2024 increased by 2.7 mEUR to 63.2 mEUR, primarily due to merit increases. For the first nine months of 2024, sales and distribution costs amounted to 194.6 mEUR.



Administration costs increased by 0.8 mEUR and came to 19.8 mEUR. This was primarily driven by merit increases. For the first nine months of 2024, administration costs came to 58.7 mEUR.

Other operating income and expenses net came to an income of 2.1 mEUR for the quarter, positively impacted by the revision of the provision for expected credit losses, compared to an expense of 0.4 mEUR for the same period last year. For the first nine months of 2024, operating income and expenses net came to an income of 2.3 mEUR compared to an income of 1.8 mEUR for the first nine months of 2023.

#### **EBITDA and EBITDA margin**

EBITDA before special items decreased by 0.8 mEUR in Q3 2024 compared to Q3 2023 and came to 30.4 mEUR, corresponding to an unchanged EBITDA margin before special items of 12.6%. EBITDA amounted to 29.2 mEUR compared to 30.1 mEUR in Q3 2023. The EBITDA margin came to 12.1%, also unchanged compared to Q3 2023.

For the first nine months of 2024, EBITDA before special items amounted to 103.8 mEUR compared to 97.3 mEUR for the first nine months of 2023. This corresponded to an EBITDA margin before special items of 13.3% which is an increase of 0.8 percentage point compared to the same period last year. EBITDA for the first nine months of 2024 amounted to 99.2 mEUR compared to 90.3 mEUR for the first nine months of 2023, corresponding to an EBITDA margin of 12.8% compared to 11.6% the year before.

#### **Operating profit before special items and operating profit**

Operating profit before special items amounted to 14.3 mEUR compared to 15.7 mEUR Q3 2023. This corresponded to an operating profit margin before special items of 5.9% compared to 6.3% in Q3 2023. Operating profit amounted to 13.1 mEUR compared to 14.4 mEUR in Q3 2023. This corresponded to an operating profit margin of 5.4% compared to 5.8% in Q3 2023.

For the first nine months of 2024, operating profit before special items amounted to 56.6 mEUR compared to 51.8 mEUR for the first nine months of 2023. This corresponded to an operating profit margin before special items of 7.3% for the first nine months of 2024 compared to 6.6% for the same period in 2023. Operating profit amounted to 52.0 mEUR for the first nine months of 2024 compared to 44.3 mEUR in the first nine months of 2023. This corresponded to an operating profit margin of 6.7% for the first nine months of 2024 compared to 5.7% for the first nine months of 2023.

#### **Special items**

Special items amounted to 1.2 mEUR compared to 1.3 mEUR in Q3 2023. The special items were mainly advisory costs incurred for strategic improvement projects supporting Business Plan 2026 as well as restructuring costs from consolidating the two US High-Pressure Washer operations. Special items in Q3 2023 were mainly redundancy and advisory costs incurred from structural efficiency measures related to the continued execution of Business Plan 2026.

For the first nine months of 2024, special items, net amounted to 4.6 mEUR compared to 7.5 mEUR in the first nine months of 2023 impacted by the same factors as in the quarter, alongside the costs related to the claim filed against Nilfisk by the owner of the US distribution center building in Springdale, Arkansas.

Details on special items are described in Note 6.

#### **Financial items**

Net financial items amounted to a cost of 6.2 mEUR, compared to a cost of 6.7 mEUR in Q3 2023, driven by lower foreign exchange rate losses. For the first nine months of 2024, net financial items amounted to a cost of 16.3 mEUR, compared to a cost of 8.1 mEUR in the same period of 2023 as Q2 2023 was positively impacted from realization of a 2-year interest cap instrument.

#### **Tax on profit for the period**

Tax on profit was a cost of 1.9 mEUR compared to a cost of 2.1 mEUR in Q3 2023, driven by the lower profit before income taxes for the period. For the first nine months of 2024, tax on profit amounted to a cost of 9.9 mEUR compared to a cost of 9.6 mEUR in the first nine months of 2023.

#### **Profit for the period**

Profit for the period amounted to 5.5 mEUR compared to 5.8 mEUR in Q3 2023. For the first nine months of 2024, profit for the period amounted to 29.0 mEUR compared to 27.7 mEUR in the same period of 2023.

#### **Working capital**

As of September 30, 2024 working capital was 167.4 mEUR, up by 1.8 mEUR compared to end of Q3 2023 and by 27.8 mEUR compared to end 2023. The increase compared to the end of 2023 came primarily from higher inventory and trade receivable levels.

Inventories increased by 18.0 mEUR compared to same period last year and 26.1 mEUR compared to the end of 2023. The increase compared to the end of 2023 was primarily from timing in deliveries, although it was also influenced by the US going live with the SAP rollout, alongside inventory build relating to the new product launches.

Trade receivables came to 150.5 mEUR, an increase of 1.2 mEUR from the end of Q3 2023. The non-recourse factoring program ended the quarter with a total volume of 30.7 mEUR compared to 25.6 mEUR end of September 2023.

Trade payables increased by 20.7 mEUR compared to end of September 2023, following the development in inventory levels and timing of payments.

Other current receivables increased by 3.0 mEUR, mainly from higher outstanding VAT receivables compared to the end of September 2023.





Other current liabilities increased by 8.9 mEUR compared to end of September 2023 primarily related to increased accruals for freight and customer bonus.

The 12-month average working capital ratio came to 16.3% at the end of Q3 2024 compared to 19.4% end of September 2023, driven by the lower average working capital level and higher revenue.

### Capital employed and RoCE

As of September 30, 2024, capital employed amounted to 561.5 mEUR, up by 14.8 mEUR compared to Q3 2023 and up by 34.3 mEUR compared to 527.2 mEUR at the end of 2023. The development in capital employed since Q3 2023 was due to the above-mentioned development in working capital.

The return on capital employed was 13.8%. This was up by 0.8 percentage point from Q3 2023 and up by 1.1 percentage point compared to the end of 2023.

### Cash flows

Cash flow from operating activities for Q3 2024 amounted to a net inflow of 16.3 mEUR compared to a net inflow of 36.0 mEUR in Q3 2023. This was driven by changes in working capital, primarily from increased inventory and accounts receivable from year-end 2023 as well as higher financial expenses paid. Cash flow from investing activities for Q3 2024 was a net outflow of 8.9 mEUR compared to a net outflow of 6.2 mEUR in Q3 2023. This was due to higher investments in strategic R&D projects, alongside the continued rollout of SAP. The CAPEX spend continues to track as planned.

Free cash flow decreased by 22.4 mEUR compared to Q3 2023 and amounted to an inflow of 7.4 mEUR.

For the first nine months of 2024, cash flow from operating activities amounted to an inflow of 41.2 mEUR compared to an inflow of 100.0 mEUR for the same period 2023. Cash flow was negatively affected by outflow from changes in working capital in line with the quarterly impact. Cash flow from investing activities for the first nine months of 2024 was an outflow of 32.8 mEUR compared to an outflow of

17.0 mEUR for the same period in 2023 positively impacted by the realization of the interest cap.

For the first nine months of 2024, free cash flow was an inflow of 8.4 mEUR, compared to an inflow of 83.0 mEUR for the first nine months of 2023.

### Equity

Equity was 303.8 mEUR at the end of Q3 2024 against 275.0 mEUR at the end of 2023. For the first nine months of 2024, equity was positively impacted by the reported profit for the period while foreign exchange impact was a loss for the period.

### Net interest-bearing debt

At the end of Q3 2024, net interest-bearing debt stood at 257.7 mEUR, up by 5.5 mEUR versus year-end 2023 from the increase in working capital. Compared to Q3 2023, net interest-bearing debt came down by 13.4 mEUR.

The financial gearing at the end of Q3 2024 was 1.9x versus 2.0x at the end of Q3 2023.

### Subsequent events

On October 9, 2024, Nilfisk's high-pressure washer business located in Fort Pierce, Florida, was impacted by extreme weather as a result of Hurricane Milton. Business operations have been disrupted in Q4 2024 and Nilfisk expects a minor, non-material loss of revenue of around 6 mEUR in the Americas associated with these events. Efforts to restore business continuity are ongoing and insurance providers have been engaged regarding potential future claims.

Other than as set out above or elsewhere in these condensed consolidated interim financial statements, the Executive Management Board are not aware of events subsequent to September 30, 2024 that are expected to have a material impact on the Group's financial position.

### Outlook for 2024

The financial outlook was updated in Company announcement No. 22 on October 24, 2024.

Organic revenue growth is expected to be between 1% and 3% (previously 3% to 6%).

The EBITDA margin before special items is expected to be between 13% and 14% (previously 13% to 15%).

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

Special items are expected to be around mid-single digit mEUR (previously low to mid-single digit mEUR).

**13% to 14%**

*EBITDA margin before special items*

**1% to 3%**

*Organic revenue growth*

	New outlook October 24, 2024	Previous outlook February 15, 2024
Organic revenue growth	1% to 3%	3% to 6%
EBITDA margin before special items	13% to 14%	13% to 15%
Special items	Mid-single digit mEUR	Low to mid-single digit mEUR

*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 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 September 30

EUR million	Note	Q3 2024	Q3 2023	9M 2024	9M 2023
Revenue	4,5	240.6	247.8	778.0	780.7
Cost of sales	7	-138.7	-145.6	-450.2	-463.8
<b>Gross profit</b>		<b>101.9</b>	<b>102.2</b>	<b>327.8</b>	<b>316.9</b>
Research and development costs	7	-6.7	-6.6	-20.2	-21.1
Sales and distribution costs	7	-63.2	-60.5	-194.6	-188.9
Administrative costs	7	-19.8	-19.0	-58.7	-56.9
Other operating income		0.4	0.6	3.2	3.7
Other operating expenses		1.7	-1.0	-0.9	-1.9
<b>Operating profit before special items</b>		<b>14.3</b>	<b>15.7</b>	<b>56.6</b>	<b>51.8</b>
Special items, net	6	-1.2	-1.3	-4.6	-7.5
<b>Operating profit</b>		<b>13.1</b>	<b>14.4</b>	<b>52.0</b>	<b>44.3</b>
Share of profit from associates		0.5	0.2	3.2	1.1
Financial income		0.3	0.3	1.1	10.2
Financial expenses		-6.5	-7.0	-17.4	-18.3
<b>Profit before income taxes</b>		<b>7.4</b>	<b>7.9</b>	<b>38.9</b>	<b>37.3</b>
Tax on profit for the period		-1.9	-2.1	-9.9	-9.6
<b>Profit for the period</b>		<b>5.5</b>	<b>5.8</b>	<b>29.0</b>	<b>27.7</b>
<i>To be distributed as follows:</i>					
Profit attributable to shareholders of Nilfisk Holding A/S		5.5	5.8	29.0	27.7
<b>Total</b>		<b>5.5</b>	<b>5.8</b>	<b>29.0</b>	<b>27.7</b>
<b>Earnings per share (based on 27,126,369 shares issued)</b>					
Basic earnings per share (EUR)		0.20	0.21	1.07	1.02
Diluted earnings per share (EUR)		0.20	0.21	1.07	1.02

# Condensed statement of comprehensive income

for the period ended September 30

EUR million	Note	Q3 2024	Q3 2023	9M 2024	9M 2023
Profit for the period		5.5	5.8	29.0	27.7
<b>Other comprehensive income</b>					
<i>Items that may be reclassified to the income statement:</i>					
Exchange rate adjustments of subsidiaries		-5.5	4.9	-0.9	-1.6
Value adjustment of hedging instruments:					
Value adjustment for the period		-0.8	-0.8	-1.4	-2.2
Transferred to cost of sales		0.2	0.2	0.7	-0.1
Transferred to financial income and expenses		-	-	-	-9.6
Tax on value adjustment of hedging instruments		0.1	0.2	-	2.9
<i>Items that may not be reclassified to income statement:</i>					
Value adjustment of hedging instruments transferred to inventory		0.2	-	0.7	-1.1
<b>Comprehensive income for the period</b>		<b>-0.3</b>	<b>10.3</b>	<b>28.1</b>	<b>16.0</b>
<i>To be distributed as follows:</i>					
Comprehensive income attributable to shareholders of Nilfisk Holding A/S		-0.3	10.3	28.1	16.0
<b>Total</b>		<b>-0.3</b>	<b>10.3</b>	<b>28.1</b>	<b>16.0</b>



# Condensed statement of financial position

EUR million	Note	September 30 2024	September 30 2023	December 31 2023
<b>Assets</b>				
Goodwill		168.4	170.0	168.7
Trademarks		3.8	5.1	4.7
Customer related assets		1.4	2.8	2.5
Development projects completed		29.0	25.6	32.1
Software, know-how, patents, and competition clauses		17.3	17.5	15.5
Development projects and software in progress		31.2	21.3	19.9
<b>Total intangible assets</b>		<b>251.1</b>	<b>242.3</b>	<b>243.4</b>
Land and buildings		6.1	6.5	6.3
Plant and machinery		6.1	4.7	4.6
Tools and equipment		31.2	29.0	29.9
Assets under construction incl. prepayments		8.0	5.1	5.4
Right-of-use assets		61.1	60.8	66.6
<b>Total property, plant and equipment</b>		<b>112.5</b>	<b>106.1</b>	<b>112.8</b>
Investments in associates		36.1	35.3	34.9
Interest-bearing receivables		1.5	0.6	1.3
Other investments and receivables	8	3.1	3.4	2.8
Deferred tax		21.1	25.5	23.4
<b>Total other non-current assets</b>		<b>61.8</b>	<b>64.8</b>	<b>62.4</b>
<b>Total non-current assets</b>		<b>425.4</b>	<b>413.2</b>	<b>418.6</b>
Inventories		226.6	208.6	200.5
Trade receivables		150.5	149.3	138.7
Interest-bearing receivables		6.4	0.3	0.5
Income tax receivable		3.4	3.4	3.5
Other receivables	8	29.9	26.9	28.9
Cash and cash equivalents		29.6	25.1	23.3
<b>Total current assets</b>		<b>446.4</b>	<b>413.6</b>	<b>395.4</b>
<b>Total assets</b>		<b>871.8</b>	<b>826.8</b>	<b>814.0</b>

EUR million	Note	September 30 2024	September 30 2023	December 31 2023
<b>Equity and liabilities</b>				
Share capital		72.9	72.9	72.9
Reserves		-5.9	3.1	-5.0
Retained earnings		236.8	199.6	207.1
<b>Total equity</b>		<b>303.8</b>	<b>275.6</b>	<b>275.0</b>
Deferred tax		6.8	7.0	6.9
Pension liabilities		3.7	3.9	3.8
Provisions		7.1	5.7	4.9
Interest-bearing loans and borrowings		229.1	229.1	205.9
Lease liabilities		38.9	40.2	44.7
Other liabilities	8	3.4	3.2	3.5
<b>Total non-current liabilities</b>		<b>289.0</b>	<b>289.1</b>	<b>269.7</b>
Interest-bearing loans and borrowings		2.4	4.5	2.1
Lease liabilities		24.8	23.3	24.6
Trade payables		125.8	105.1	123.5
Income tax payable		3.4	12.8	7.8
Other liabilities	8	110.4	101.5	97.2
Provisions		12.2	14.9	14.1
<b>Total current liabilities</b>		<b>279.0</b>	<b>262.1</b>	<b>269.3</b>
<b>Total liabilities</b>		<b>568.0</b>	<b>551.2</b>	<b>539.0</b>
<b>Total equity and liabilities</b>		<b>871.8</b>	<b>826.8</b>	<b>814.0</b>



# Condensed cash flow statement

for the period ended September 30

EUR million	Note	Q3 2024	Q3 2023	9M 2024	9M 2023
Operating profit		13.1	14.4	52.0	44.3
Depreciation, amortization, and impairment	7	16.1	15.7	47.2	46.0
Other non-cash adjustments		-1.2	-1.3	0.7	1.1
Changes in working capital		-0.2	12.4	-31.5	19.7
<b>Cash flow from operations before financial items and income taxes</b>		<b>27.8</b>	<b>41.2</b>	<b>68.4</b>	<b>111.1</b>
Financial income received		-	0.4	3.6	10.8
Financial expenses paid		-8.4	-1.6	-18.6	-12.2
Income tax paid		-3.1	-4.0	-12.2	-9.7
<b>Cash flow from operating activities</b>		<b>16.3</b>	<b>36.0</b>	<b>41.2</b>	<b>100.0</b>
Purchase of property, plant, and equipment		-2.6	-2.0	-11.0	-5.8
Sale/disposal of property, plant, and equipment		0.1	-	0.4	3.2
Purchase of intangible assets		-8.1	-5.8	-23.9	-14.4
Purchase of financial assets		-0.3	-	-0.4	-1.6
Sale/disposal of financial assets		-	0.1	0.1	0.1
Dividend received from associates		2.0	1.5	2.0	1.5
<b>Cash flow from investing activities</b>		<b>-8.9</b>	<b>-6.2</b>	<b>-32.8</b>	<b>-17.0</b>
<b>Free cash flow</b>		<b>7.4</b>	<b>29.8</b>	<b>8.4</b>	<b>83.0</b>
Changes in current interest-bearing receivables		-6.0	-	-6.0	-
Changes in current interest-bearing loans and borrowings		1.9	-1.5	-1.5	0.4
Changes in non-current interest-bearing loans and borrowings		10.4	-20.6	27.4	-60.2
Payment of lease liabilities		-7.7	-6.9	-21.2	-19.6
<b>Cash flow from financing activities</b>		<b>-1.4</b>	<b>-29.0</b>	<b>-1.3</b>	<b>-79.4</b>
<b>Net cash flow for the period</b>		<b>6.0</b>	<b>0.8</b>	<b>7.1</b>	<b>3.6</b>
Cash and cash equivalents, at the beginning of the period		24.5	24.6	23.3	22.7
Exchange rate adjustments		-0.9	-0.3	-0.8	-1.2
Net cash flow for the period		6.0	0.8	7.1	3.6
<b>Cash and cash equivalents, September 30</b>		<b>29.6</b>	<b>25.1</b>	<b>29.6</b>	<b>25.1</b>



# Condensed statement of changes in equity

for the period ended September 30

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
<b>Other comprehensive income</b>										
Exchange rate adjustments	-	-0.9	-	-	-0.9	-	-1.6	-	-	-1.6
<i>Value adjustment of hedging instruments:</i>										
Value adjustment for the period	-	-	-1.4	-	-1.4	-	-	-2.2	-	-2.2
Transferred to cost of sales	-	-	0.7	-	0.7	-	-	-0.1	-	-0.1
Transferred to inventory	-	-	0.7	-	0.7	-	-	-1.1	-	-1.1
Transferred to financial income and expenses	-	-	-	-	-	-	-	-9.6	-	-9.6
Tax on value adjustment of hedging instruments	-	-	-	-	-	-	-	2.9	-	2.9
<b>Total other comprehensive income</b>	-	<b>-0.9</b>	-	-	<b>-0.9</b>	-	<b>-1.6</b>	<b>-10.1</b>	-	<b>-11.7</b>
Profit for the period	-	-	-	29.0	29.0	-	-	-	27.7	27.7
<b>Comprehensive income for the period</b>	-	<b>-0.9</b>	-	<b>29.0</b>	<b>28.1</b>	-	<b>-1.6</b>	<b>-10.1</b>	<b>27.7</b>	<b>16.0</b>
Share option program	-	-	-	0.7	0.7	-	-	-	-1.1	-1.1
<b>Total changes in equity</b>	-	<b>-0.9</b>	-	<b>29.7</b>	<b>28.8</b>	-	<b>-1.6</b>	<b>-10.1</b>	<b>26.6</b>	<b>14.9</b>
Equity, September 30	72.9	-4.4	-1.5	236.8	303.8	72.9	3.9	-0.8	199.6	275.6

## 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 the Group’s assets, liabilities, cash flows and related disclosures. Estimates and judgments are regularly reassessed.

During the year, the Executive Management Board have revised the estimate for expected credit losses to better reflect the lifetime expected credit loss exposure. The impact from the revision is included in other operating expenses.

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 include, the market for consumer high-pressure washers, holiday seasons, 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 Distribution of 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	2024	2023	Organic growth
<b>Q3</b>			
EMEA region	141.9	134.3	6.7%
Americas region	79.7	93.5	-10.5%
APAC region	19.0	20.0	-6.0%
<b>Total</b>	<b>240.6</b>	<b>247.8</b>	<b>-0.8%</b>
<b>9M</b>			
EMEA region	457.5	438.8	6.1%
Americas region	265.8	282.4	-3.0%
APAC region	54.7	59.5	-7.1%
<b>Total</b>	<b>778.0</b>	<b>780.7</b>	<b>1.8%</b>

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



## Note 5 Segment information

EUR million	Professional Business	Service Business	Specialty Business	Consumer Business	HQ	Group
<b>Q3 2024</b>						
Revenue	137.7	71.0	15.8	16.1	-	240.6
Gross profit	57.8	30.1	8.1	5.9	-	101.9
EBITDA before special items	18.6	14.9	4.6	0.9	-8.6	30.4
<i>Reconciliation to profit before income taxes:</i>						
Special items						-1.2
Amortization, depreciation and impairment						-16.1
Share of profit from associates						0.5
Financial income						0.3
Financial expenses						-6.5
<b>Profit before income taxes</b>						<b>7.4</b>
Organic growth	-4.3%	-1.6%	20.1%	22.0%	-	-0.8%
Gross margin	42.0%	42.4%	51.3%	36.6%	-	42.4%
EBITDA margin before special items	13.5%	21.0%	29.1%	5.6%	-	12.6%
<b>Q3 2023</b>						
Revenue	147.9	73.5	13.2	13.2	-	247.8
Gross profit	59.5	31.1	7.2	4.4	-	102.2
EBITDA before special items	20.2	16.2	4.1	0.1	-9.4	31.2
<i>Reconciliation to profit before income taxes:</i>						
Special items						-1.3
Amortization, depreciation and impairment						-15.5
Share of profit from associates						0.2
Financial income						0.3
Financial expenses						-7.0
<b>Profit before income taxes</b>						<b>7.9</b>
Organic growth	-1.9%	2.9%	-12.2%	6.6%	-	-0.7%
Gross margin	40.2%	42.3%	54.5%	33.3%	-	41.2%
EBITDA margin before special items	13.7%	22.0%	31.1%	0.8%	-	12.6%

EUR million	Professional Business	Service Business	Specialty Business	Consumer Business	HQ	Group
<b>9M 2024</b>						
Revenue	442.4	226.0	46.5	63.1	-	778.0
Gross profit	182.0	98.3	23.9	23.6	-	327.8
EBITDA before special items	62.1	52.0	13.3	7.7	-31.3	103.8
<i>Reconciliation to profit before income taxes:</i>						
Special items						-4.6
Amortization, depreciation and impairment						-47.2
Share of profit from associates						3.2
Financial income						1.1
Financial expenses						-17.4
<b>Profit before income taxes</b>						<b>38.9</b>
Organic growth	-0.3%	1.2%	5.3%	18.8%	-	1.8%
Gross margin	41.1%	43.5%	51.4%	37.4%	-	42.1%
EBITDA margin before special items	14.0%	23.0%	28.6%	12.2%	-	13.3%
<b>9M 2023</b>						
Revenue	455.1	227.4	44.7	53.5	-	780.7
Gross profit	173.3	100.8	24.2	18.6	-	316.9
EBITDA before special items	50.0	55.1	14.4	4.8	-27.0	97.3
<i>Reconciliation to profit before income taxes:</i>						
Special items						-7.5
Amortization, depreciation and impairment						-45.5
Share of profit from associates						1.1
Financial income						10.2
Financial expenses						-18.3
<b>Profit before income taxes</b>						<b>37.3</b>
Organic growth	-0.3%	7.1%	-3.8%	-12.4%	-	0.6%
Gross margin	38.1%	44.3%	54.1%	34.8%	-	40.6%
EBITDA margin before special items	11.0%	24.2%	32.2%	9.0%	-	12.5%

## Note 6 Special items

EUR million	Q3 2024	Q3 2023	9M 2024	9M 2023
Divestment	-	-	-	-0.2
Business restructuring	1.2	1.3	4.6	7.7
<b>Total</b>	<b>1.2</b>	<b>1.3</b>	<b>4.6</b>	<b>7.5</b>

Special items represent income and expenses that have a non-recurring and special nature against normal operating income and costs. They are disclosed separately in the income statement and have been reconciled to the income statement line items as specified in the table below.

Special items recognized in Q3 2024 came to 1.2 mEUR, mainly from advisory costs incurred for strategic improvement projects supporting Business Plan 2026 as well as restructuring costs from the consolidation of the two US high-pressure washer operations as mentioned on page 5.

Special items recognized in Q3 2023 came to 1.3 mEUR, mainly from redundancy and advisory costs incurred regarding implementation of structural efficiency measures related to the continued execution of Business Plan 2026.

For the first nine months of 2024, special items amounted to 4.6 mEUR, driven by the factors mentioned above alongside the costs related to the claim filed against Nilfisk by the owner of the US distribution center building in Springdale, Arkansas.

For the first nine months of 2023, special items amounted to 7.5 mEUR and were mainly redundancy and advisory costs.

For more information regarding special items, please refer to Note 2.4 in the 2023 Annual Report.

EUR million	2024	Special items	2024 adjusted	2023	Special items	2023 adjusted
<b>Q3</b>						
Revenue	240.6	-	240.6	247.8	-	247.8
Cost of sales	-138.7	-0.6	-139.3	-145.6	-	-145.6
<b>Gross profit</b>	<b>101.9</b>	<b>-0.6</b>	<b>101.3</b>	<b>102.2</b>	<b>-</b>	<b>102.2</b>
Research and development costs	-6.7	-	-6.7	-6.6	-	-6.6
Sales and distribution costs	-63.2	-	-63.2	-60.5	-0.4	-60.9
Administrative costs	-19.8	-0.6	-20.4	-19.0	-0.9	-19.9
Other operating income/expenses, net	2.1	-	2.1	-0.4	-	-0.4
Special items, net	-1.2	1.2	-	-1.3	1.3	-
<b>Operating profit</b>	<b>13.1</b>	<b>-</b>	<b>13.1</b>	<b>14.4</b>	<b>-</b>	<b>14.4</b>
<b>9M</b>						
Revenue	778.0	-	778.0	780.7	-	780.7
Cost of sales	-450.2	-0.7	-450.9	-463.8	-0.1	-463.9
<b>Gross profit</b>	<b>327.8</b>	<b>-0.7</b>	<b>327.1</b>	<b>316.9</b>	<b>-0.1</b>	<b>316.8</b>
Research and development costs	-20.2	-	-20.2	-21.1	-1.2	-22.3
Sales and distribution costs	-194.6	-	-194.6	-188.9	-3.3	-192.2
Administrative costs	-58.7	-3.9	-62.6	-56.9	-3.2	-60.1
Other operating income/expenses, net	2.3	-	2.3	1.8	0.3	2.1
Special items, net	-4.6	4.6	-	-7.5	7.5	-
<b>Operating profit</b>	<b>52.0</b>	<b>-</b>	<b>52.0</b>	<b>44.3</b>	<b>-</b>	<b>44.3</b>



## Note 7 Amortization, depreciation, and impairment

This note shows the split of amortization, depreciation, and impairment for the Nilfisk Group in the condensed income statement.

EUR million	Q3						9M					
	2024		2023		2024		2023		2024		2023	
	Intangible assets	Property, plant and equipment	Total		Intangible assets	Property, plant and equipment	Total					
<b>Amortization and depreciation:</b>												
Cost of sales	0.1	0.1	5.1	4.9	5.2	5.0	0.1	0.1	15.2	14.3	15.3	14.4
Research and development costs	2.7	2.7	0.2	0.1	2.9	2.8	7.7	7.8	0.4	0.4	8.1	8.2
Sales and distribution costs	0.6	0.6	3.0	2.7	3.6	3.3	1.9	1.9	8.8	7.8	10.7	9.7
Administrative costs	1.9	1.9	2.5	2.5	4.4	4.4	6.0	5.8	6.8	7.4	12.8	13.2
Special items	-	-	-	0.2	-	0.2	-	-	-	0.5	-	0.5
<b>Total amortization and depreciation</b>	<b>5.3</b>	<b>5.3</b>	<b>10.8</b>	<b>10.4</b>	<b>16.1</b>	<b>15.7</b>	<b>15.7</b>	<b>15.6</b>	<b>31.2</b>	<b>30.4</b>	<b>46.9</b>	<b>46.0</b>
<b>Impairment:</b>												
Research and development costs	-	-	-	-	-	-	0.1	-	-	-	0.1	-
Administrative costs	-	-	-	-	-	-	-	-	0.2	-	0.2	-
<b>Total impairment</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.1</b>	<b>-</b>	<b>0.2</b>	<b>-</b>	<b>0.3</b>	<b>-</b>
<b>Total amortization, depreciation, and impairment</b>	<b>5.3</b>	<b>5.3</b>	<b>10.8</b>	<b>10.4</b>	<b>16.1</b>	<b>15.7</b>	<b>15.8</b>	<b>15.6</b>	<b>31.4</b>	<b>30.4</b>	<b>47.2</b>	<b>46.0</b>

Amortization of acquisition-related intangibles was 0.7 mEUR in Q3 2024, here of 0.1 mEUR included in cost of sales and 0.6 mEUR in sales and distribution costs, unchanged from Q3 2023.

For the first nine months of 2024 amortization of acquisition-related intangibles was 2.0 mEUR, here of 0.1 mEUR in cost of sales and 1.9 mEUR included in sales and distribution costs, unchanged from same period 2023.

No impairments were realized in Q3 2024. Total impairment in the first nine months of 2024 came to 0.3 mEUR, including 0.1 mEUR related to an outphased R&D project and 0.2 mEUR related to an outphased software project. No impairments were realized for the same period 2023.

## Note 8 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.

EUR million	September 30 2024	September 30 2023
<b>Financial assets:</b>		
Derivative financial instruments	0.8	1.8
<b>Fair value through other comprehensive income</b>	<b>0.8</b>	<b>1.8</b>
Derivative financial instruments	0.9	1.1
<b>Fair value through profit and loss</b>	<b>0.9</b>	<b>1.1</b>
<b>Financial liabilities:</b>		
Derivative financial instruments	2.8	3.0
<b>Fair value through other comprehensive income</b>	<b>2.8</b>	<b>3.0</b>
Derivative financial instruments	0.6	1.7
<b>Fair value through profit and loss</b>	<b>0.6</b>	<b>1.7</b>
<b>Financial instruments, net</b>	<b>-1.7</b>	<b>-1.8</b>

## 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 before special items, Total Shareholder Return (TSR), and Sustainability performance (Scope 3 targets).

During Q1 and Q2 2024, the Nilfisk Leadership Team and selected key employees were offered participation in the 2024 program with a total of 143,504 performance share units (PSUs) equal to 0.53% 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 the end of Q3, 2024.

### Warrant program

In Q1 and Q2 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 and Q2 2024, 137,197 warrants have been issued. At the end of Q3 2024, the total number of outstanding warrants was 279,307.

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 the 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. Nilfisk has now received the Court's ruling on damages where the Court determines that Nilfisk should pay damages in the amount of 13.8 mEUR. Nilfisk disagrees with the Court's rulings, and has filed an appeal of both the summary judgment and the ruling now received on damages. Nilfisk will also file for a stay of execution of the Court's ruling on damages in due course. The appeal is further supported by external legal assessment of merit. Based on additional legal fees and external legal assessment, Nilfisk made an upwards adjustment of the provision for this dispute in Q1 2024. 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

On October 9, 2024, Nilfisk's high-pressure washer business located in Fort Pierce, Florida, was impacted by extreme weather as a result of Hurricane Milton. Business operations have been disrupted in Q4 2024 and Nilfisk expects a minor, non-material loss of revenue of around 6 mEUR in the Americas associated with these events. Efforts to restore business continuity are ongoing and insurance providers have been engaged regarding potential future claims.

Other than as set out above or elsewhere in these condensed consolidated interim financial statements, the Executive Management Board is not aware of events subsequent to September 30, 2024 that are expected to have a material impact on the Group's financial position.

## Note 12 Definitions

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 (investments in property, plant, and equipment and intangible assets)
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	Gross margin	Gross profit as a percentage of revenue
21	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
22	Investment ratio	Additions as a percentage of depreciations/amortizations
23	LTM	Latest twelve months
24	Net interest-bearing debt	Current and non-current interest-bearing loans and borrowings less interest-bearing receivables and cash
25	OCI	Other comprehensive income
26	Organic growth	Organic growth in revenue in local currency excluding acquisitions and divestments and foreign exchange rate effects
27	Overhead cost ratio	Overhead costs as a percentage of revenue
28	R&D ratio	Research and development spend as a percentage of revenue
29	Return on capital employed (RoCE)	EBIT before special items LTM as a percentage of average capital employed, calculated by taking the capital employed at the end of the period and at the end of the preceding four quarters
30	Working capital	Current assets minus current and non-current liabilities (excluding interest-bearing items and provisions)
31	Working capital ratio	Average working capital LTM as a percentage of revenue



# Quarterly overview

EUR million	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023
<b>Income statement</b>					
Revenue	240.6	278.4	259.0	252.9	247.8
EBITDA before special items	30.4	39.2	34.2	35.1	31.2
EBITDA	29.2	38.4	31.6	32.8	30.1
Operating profit (EBIT) before special items	14.3	23.4	18.9	19.3	15.7
Operating profit (EBIT)	13.1	22.6	16.3	16.9	14.4
Special items, net	-1.2	-0.8	-2.6	-2.4	-1.3
Financial items, net	-6.2	-6.0	-4.1	-6.6	-6.7
Profit for the period	5.5	14.2	9.3	7.6	5.8
<b>Cash flow</b>					
Cash flow from operating activities	16.3	19.7	5.2	43.0	36.0
Cash flow from investing activities	-8.9	-11.3	-12.6	-10.8	-6.2
– hereof investments in property, plant and equipment	-2.6	-2.8	-5.6	-2.8	-2.0
– hereof investments in intangible assets	-8.1	-8.7	-7.1	-8.0	-5.8
Free cash flow	7.4	8.4	-7.4	32.2	29.8
<b>Statement of financial position</b>					
Total assets	871.8	867.6	853.9	814.0	826.8
Group equity	303.8	303.8	288.1	275.0	275.6
Working capital	167.4	171.1	162.4	139.6	165.6
Net interest-bearing debt	257.7	263.3	267.3	252.2	271.1
Capital employed	561.5	567.1	555.4	527.2	546.7
<b>Financial ratios and employees</b>					
Organic growth	-0.8%	2.4%	3.7%	-2.9%	-0.7%
Gross margin	42.4%	42.2%	41.8%	41.8%	41.2%
EBITDA margin before special items	12.6%	14.1%	13.2%	13.9%	12.6%
EBITDA margin	12.1%	13.8%	12.2%	13.0%	12.1%
Operating profit (EBIT) margin before special items	5.9%	8.4%	7.3%	7.6%	6.3%
Operating profit (EBIT) margin	5.4%	8.1%	6.3%	6.7%	5.8%
Financial gearing	1.9x	1.9x	1.9x	1.9x	2.0x
Overhead costs ratio	36.4%	33.8%	34.5%	34.1%	34.9%
CAPEX ratio	4.4%	4.1%	4.9%	4.3%	3.1%
Working capital ratio	16.3%	16.2%	16.9%	17.8%	19.4%
Return on Capital Employed (RoCE)	13.8%	14.0%	13.9%	12.7%	13.0%
Basic earnings per share (EUR)	0.20	0.52	0.34	0.28	0.21
Diluted earnings per share (EUR)	0.20	0.52	0.34	0.28	0.21
Number of full-time employees, end of period	4,830	4,843	4,767	4,698	4,681



# Management's statement

The Board of Directors and the Executive Management Board have today discussed and approved the Q3 Interim Report of Nilfisk Holding A/S for the period January 1 - September 30, 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 September 30, 2024, and the results of the Group's activities and cash flow for the period January 1 - September 30, 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.

Copenhagen, November 14, 2024

## Executive Management Board

**Jon Sintorn**  
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**

**Gerner Raj Andersen**

**Marcus Faber Kappendrup**

**Nadia Roya Damiri**

Nilfisk's Interim Report Q3 2024 was published on November 14, 2024. The report is also available at [www.nilfisk.com](http://www.nilfisk.com).

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