

**Company announcement**

February 25, 2020

Announcement No. 1/2020

**Nilfisk Annual Report 2019**

Nilfisk, a leading provider of professional cleaning products and services, is announcing its results for 2019.

**Highlights for 2019**

- Full-year results were lower than expected in the beginning of the year but in line with latest guidance. The results were impacted by weakened economic conditions in EMEA leading to negative organic growth, and in Americas growth did not materialize as expected in the US business, which led to negative organic growth for the full year
- Revenue for the total business amounted to 966.5 mEUR, which is 87.8 mEUR lower than in 2018 due to divestments and discontinuation of businesses as well as negative organic growth across the reporting segments
- Organic growth in the branded professional business was -2.6% impacted mainly by EMEA and Americas with -2.2% and -2.8% respectively. In EMEA, challenging market conditions affected the performance especially in Central Europe and in the industrial segment across the entire EMEA region, whereas Americas was impacted by negative organic growth in US. In APAC, Nilfisk posted -4.3% organic growth primarily due to the performance in Australia
- Organic growth for Consumer and Private label was -11.8% and -14.4%, respectively, which led to organic growth for the total business of -4.1%
- EBITDA before special items amounted to 121.4 mEUR corresponding to an EBITDA margin before special items of 12.6%. Excluding the positive impact from IFRS 16 the EBITDA margin before special items was 9.9%, which compares to an EBITDA margin before special items excluding the effect from phantom shares of 11.5% in 2018
- Throughout the year, Nilfisk continued to execute on the Nilfisk Next strategy, especially making progress in the implementation of a global blueprint with shared organizational structures, processes and tools
- End of year, the autonomous Nilfisk Liberty SC50 had been launched in all key markets in Europe and North America as well as selected markets in Asia gaining commercial traction in all regions

## Outlook for 2020

- For 2020 we expect the total business to generate organic growth of -4% to 1% compared to 2019
- The organic growth is expected to differ across the quarters in 2020. Specifically, we expect the organic growth to be negative in the first half of the year, whereas we expect positive organic growth rates in the second half of the year
- We expect the EBITDA margin before special items to materialize in the range of 12%-13%

## CEO comment

Commenting on the results, Hans Henrik Lund, CEO of Nilfisk, says:

“2019 was disappointing in terms of our financial performance, which was significantly lower than our expectations when we entered the year. In Europe, weakened economic conditions affected our performance mainly in Central Europe, and in our US business, results did not materialize as we had expected. This led to negative organic growth and lower than expected earnings for the total business, which is disappointing. On the encouraging side however, we saw good progress in the execution of our strategy. We continued to globally harmonize our organizational structure and launched our autonomous solution in all key markets. With the many changes done over the past years, we now enter 2020 with a renewed focus on our customers and on commercial execution.”

## Key figures

	FY 2019	FY 2018	Q4 2019	Q4 2018
Revenue (mEUR)	966.5	1,054.3	233.8	258.7
Organic growth	-4.1%	2.0%	-6.3 %	-1.9%
Gross margin	42.3%	42.0%	40.3%	41.6%
EBITDA before special items (mEUR)	121.4	125.5	26.1	34.0
EBITDA margin before special items* (mEUR)	9.9%	11.5%	8.8%	12.5%
EBIT before special items (mEUR)	53.5	87.4	8.1	25.2
EBIT margin before special items	5.5%	8.3%	3.5%	9.7%

\* Adjusted for positive impact from IFRS 16 (2019) and impact from phantom shares (2018)

## Conference call

Nilfisk will host a conference call today at 10:00 CET. Please visit [investor.nilfisk.com](https://investor.nilfisk.com) to access the call. Presentation materials will be available on the website prior to the conference call.

To dial in

Denmark: +45 7815 0110

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US: +1 833 823 0587

Link to webcast: <https://nilfisk.eventcdn.net/2019fy/>

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