NILFISK

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Nilfisk Holding A/S

Marmorvej 8
DK-2100 Copenhagen Ø
Denmark

T: +45 43 23 81 00
www.nilfisk.com
CVR: 38998870

Nilfisk reports Q1 2025 results: Financial results in line with expectations – 2025 guidance maintained

Nilfisk CEO, Jon Sintorn, comments on Q1 results:

"The first quarter saw high activity and strong focus on execution. Geopolitical uncertainties and recent tariff announcements have influenced overall market sentiment, as well as company operations. However, the financial development was in line with expectations, and initiatives under our strategic roadmap for 2025 are being implemented, including an overhead cost reduction program starting in Q2."

Specifically on the tariff situation, Jon Sintorn comments:

"Tariffs have complicated operations in Q1 and planning for Q2. However, our flexible and robust supply chain, with production facilities in all three regions, allows us to offset the majority of tariff exposure. The remaining impact will be offset through price adjustments. Consequently, our financial guidance for 2025 is maintained."

Financial highlights

mEUR	Q1 2025	Q1 2024
Revenue	256.5	259.0
Organic growth	-1.2%	3.7%
Gross margin	43.2%	41.8%
Overhead costs	95.8	89.4
Overhead cost ratio	37.3%	34.5%
EBITDA before special items	31.3	34.2
EBITDA margin before special items	12.2%	13.2%
Special items, net	-5.2	-2.6

CAPEX ratio	2.7%	4.9%
Free cash flow	-19.8	-7.4
Net interest-bearing debt	292.3	267.3
Financial gearing	2.2x	1.9x
Basic earnings per share (EPS)	0.08	0.34

Financial outlook for 2025

The financial outlook for 2025, as communicated on February 20, 2025, remains unchanged. Organic growth is still expected to be between 1% and 3%, while elevated macroeconomic uncertainty is noted. The EBITDA margin before special items is expected to be in the range of 13% and 14%, based on further structural cost reductions and tariffs being offset with supply chain activities and pricing.

The financial outlook is based on several assumptions including:

- Stable market conditions in EMEA
- Neutral development in the US versus 2024
- The APAC region returning to moderate growth
- Ability to offset tariffs through supply chain optimization and price increases
- Trade wars do not intensify and/or lead to a recession in key markets

Positive contributions from EMEA and APAC fully offset by negative organic growth in Americas

In Q1 2025, revenue decreased by 2.5 mEUR compared to Q1 2024, equal to negative organic growth of 1.2%. This was primarily driven by the Professional Business, where a high backlog release in Q1 2024 and a 4 mEUR revenue decrease in the US high-pressure washer business affected results. Service also declined slightly as challenges in the Americas affected performance. The Consumer and Specialty Businesses supported revenue with strong organic growth of 12.9% and 11.7%, respectively.

By region, EMEA delivered organic growth of 7.9% in Q1 2025. This was primarily driven by strong commercial execution with customers across the region, supported by an increased number of sales and service employees in key markets. APAC also reported moderate organic growth of 2.9%. This was fully offset by negative organic growth of 17.7% in the Americas, driven by a high backlog release in Q1 2024, soft demand, and lower production capacity in the US high-pressure washer business.

The gross margin improved further in Q1 2025, increasing by 1.4 percentage point to 43.2%. This was supported by a favorable price and product mix, alongside continued production footprint optimization. Lower revenue and increased investments in the sales organization and product development led to an EBITDA before special items of 31.3 mEUR, equal to a margin of 12.2%. To reverse the recent trend in cost development, a targeted overhead cost reduction program will be started in Q2 2025.

Special items amounted to 5.2 mEUR in Q1 2025, which were mainly related to structural efficiency improvements that were announced in February 2025.

Free cash flow was negative 19.8 mEUR in Q1 2025, driven by lower operating profit, higher financial expenses, and changes in working capital related to new product launches. Consequently, net interest-bearing debt and financial gearing increased to 292.3 mEUR and 2.2x, respectively, at end-Q1 2025.

Conference call

Nilfisk will host a conference call today at 10:00 am CET. Presentation materials will be available on the website prior to the conference call.

Please pre-register no later than 9:55 through the links below:

Webcast: https://getvisualtv.net/stream/?nilfisk-q1-2025-interim-report

Phone conference:
https://services.choruscall.it/DiamondPassRegistration/register?confirmationNumber=2815503&linkSecurityString=6e2143f3c

The recording will be available for viewing after the event along with the presentation from the day on: https://investor.nilfisk.com/

Contacts

Cameron Hayes, Head of Investor Relations, +45 2271 6217

Nynne Jespersen Lee, Head of Group Communications, +45 4231 0007

Forward-looking statements

Statements made about the future in this report reflect the Executive Management Board's current expectations with regard to future events and financial results. Statements about the future are by their nature subject to uncertainty, and the results achieved may therefore differ from expectations, due to economic and financial market developments, legislative and regulatory changes in markets that the Nilfisk Group operates in, development in product demand, competitive conditions, energy and raw material prices, and other risk factors. Nilfisk Holding A/S disclaims any liability to update or adjust statements about the future or the possible reasons for differences between actual and anticipated results except where required by legislation or other regulations.