

Company announcement

November 14, 2019

Announcement No. 19/2019

Nilfisk Q3 Interim Report 2019

Nilfisk, a leading provider of professional cleaning products and services, is announcing its results for Q3 2019.

Highlights for Q2 2019

- The financial results for Q3 2019 are overall in line with the preliminary results announced on October 16, 2019
- Nilfisk experienced a weakening of the economic conditions mainly impacting EMEA. In the US and in APAC growth was lower than expected
- Nilfisk posted revenue of 200 mEUR for the branded professional business in Q3 corresponding to an organic growth of -4.7%, primarily impacted by EMEA and APAC
- In EMEA, Q3 organic growth of -7.0% was to a large extent negatively impacted by the Central European region with Germany as the single largest contributor as well as a general weakening of the industrial segment across the region. In Q3 2018, organic growth in EMEA was 8.3%. In Americas, organic growth of -1.1% was impacted mainly by the high-pressure washer business. APAC posted -5.4% organic growth impacted by low performance in Australia in particular
- For the business in total, Nilfisk posted organic growth of -6.8% including organic growth for Consumer and Private label of -9.2% and -28.8%, respectively
- The gross margin increased by 0.6 percentage point to 41.5%. The improvement was driven by simplification initiatives but partly offset by lower capacity utilization and US imposed tariffs
- The EBITDA margin before special items was 10.2%, and 7.2% excluding the impact of IFRS 16 (operating margin). This is 3.3 percentage points lower than the operating margin in Q3 2018
- As announced on October 3, 2019, Nilfisk has appointed Prisca Havranek-Kosicek as Executive Vice President and CFO. Prisca will take up her position on December 1, 2019
- Nilfisk's long-term credit facilities have been extended to 2022

Outlook

Nilfisk maintains its full-year guidance as adjusted October 16, 2019 and expects:

- Organic growth in the professional branded business to be approximately -3.0%
- Organic growth of -10.0% to -15.0% for Consumer
- Organic growth of -10.0% to -15.0% in the Private label business
- Organic growth for 2019 to be approximately -4.5% for the business in total
- An EBITDA margin before special items and excluding the effect of IFRS 16 of approximately 9.5%. The effect from IFRS 16 on the EBITDA margin before special items is expected to be positive by 2.9 percentage points, leading to a guidance of a reported EBITDA margin before special items of approximately 12.4%

CEO comment

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

“Q3 was a disappointing quarter for Nilfisk with negative growth and significant headwind in EMEA impacting us mainly in Central Europe as well as in the industrial segment across the region. At the same time, we are seeing lower than expected growth in US, however we continue to execute our growth plan and remain confident in the actions we are taking”.

Conference call

Nilfisk will host a conference call today at 10:00 CET. Please visit 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 32 72 80 42

UK: +44 (0)844 571 8892

US: +1 631 510 7495

Conference ID: 6179296

Link to webcast: <https://edge.media-server.com/mmc/p/xtuwd62v>

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