

**Company announcement**

August 21, 2019

Announcement No. 12/2019

**Nilfisk Q2 Interim Report 2019: Organic growth of -1.1% for the branded professional business**

Nilfisk, a leading provider of professional cleaning products and services, is announcing its results for Q2 2019.

**Highlights for Q2 2019**

- Weakening economic conditions in EMEA affected the performance of Nilfisk in Q2
- Nilfisk posted organic growth of -1.1% for the branded professional business, which was negatively impacted by EMEA and APAC
- In EMEA, a weakening economy impacted the industrial segment across the region, and the German and Nordic businesses in general, leading to organic growth of -1.5%. APAC was affected by low performance in Australia in particular, leading to organic growth of -4.4%, while Americas had organic growth of 0.4% helped by Latin America and Canada
- For the business in total, Nilfisk posted organic growth of -4.4%, further impacted by Private label (-9.5%) and Consumer (-25.8%), where a disappointing high season was reflected in the performance of the high pressure washer category
- The gross margin increased by 1.3 percentage points compared to Q2 2018 and came to 44.1%. The improvement was driven by simplification initiatives
- The EBITDA margin before special items was 15.2%, and 12.5% excluding the impact of IFRS 16. This is in line with Q2 2018
- Continuing our simplification strategy, Nilfisk initiated the implementation of a new distribution center structure in EMEA to optimize the future supply chain set-up
- The implementation of our cost saving program progressed as planned, and we continued to consolidate our global organizational blueprint across more markets and functions to allow for common processes and ways of working

## Outlook

- We maintain the full-year guidance for 2019 as announced on June 26, 2019, under the assumption of unchanged macroeconomic conditions
- We continue to expect flat organic growth for the branded professional business, flat organic growth for the Private label business and -10% to -15% organic growth for the Consumer business, leading to an expected organic growth of approximately -1.0% for the total business
- We continue to expect an EBITDA margin before special items in the range of 11.0% to 11.5% before IFRS 16. The effect from IFRS 16 on the EBITDA margin before special items is expected to be positive by 2.7 percentage points, leading to our guidance of an EBITDA margin before special items in the range of 13.7% to 14.2%

## CEO comment

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

“We are disappointed with our sales performance in the second quarter of 2019. We experienced headwind in key markets, particularly a weakening economy in EMEA, and this had a negative impact on the growth of our business. While we have found it prudent to take measures to reduce our overheads, re-prioritize our investments and focus on cash generation, we remain confident in the strategic direction and potential of Nilfisk.”

## Conference call

Nilfisk will host a conference call today at 10:00 CET. Please visit [investor.nilfisk.com](http://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: 9551679

Link to webcast: <https://edge.media-server.com/mmc/p/9fdohwdu>

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