

Company announcement

May 28, 2021

Announcement No. 16/2021

Nilfisk reports first-quarter 2021 results

Nilfisk, a leading provider of professional cleaning products and services, today announced financial results for Q1 2021.

Q1 2021 highlights

- The strong performance in the quarter is driven by positive and earlier than expected development in demand recovery in the branded professional business and strong high-season sales in the Consumer business
- Revenue for the total business amounted to 237.3 mEUR, corresponding to organic growth of 11.9% compared to -10.3% in Q1 2020
- Reported revenue growth for the total business was 8.3%
- The branded professional business posted organic growth of 8.3%, with on track recovery across regions and strong performance in the US and the south of Europe. Europe posted organic growth of 5.5%. In Americas, organic growth was 11.2%. In APAC, organic growth was 15.5%
- The Consumer business continued the strong performance seen in 2020 with a better than expected high season posting organic growth of 34.0%. Private Label posted organic growth of 28.7% due to higher demand from key customers
- The gross margin was 41.6%, which is below the 42.8% reported in Q1 2020, as the positive effect of increased capacity utilization was offset by exceptionally high freight rates, higher raw materials costs and negative mix effects coming from higher revenue in Consumer and Private Label
- As a result of the revenue increase, disciplined cost control measures, and the restructuring program executed in Q2 and Q3 2020, EBITDA before special items increased by 12.4 mEUR compared to Q1 2020 and came to 36.4 mEUR. This corresponds to an EBITDA margin before special items of 15.3% compared to 11.0% in Q1 2020
- Free cash flow amounted to 9.2 mEUR compared to 2.2 mEUR in Q1 2020, mainly driven by a combination of a higher operating profit partly offset by higher working capital investments due to increased business activity, a low level of special items and a low CAPEX level

Outlook for 2021

In connection with the Annual Report 2020 on March 3, 2021, Nilfisk announced its financial outlook for the full year 2021 as follows:

- Organic growth for the total business expected in the range of 5% to 10%
- EBITDA margin before special items in the range of 12.5% to 14.5%

As a consequence of current strong trading conditions in our key markets and improved visibility for Q2 including a strong order book, which in particular in the industrial segment can be a result of pent up demand, we adjust the outlook for the full year 2021, disclosed in our announcement 14/2021, as follows:

- Organic growth for the total business expected in the range of 8% to 12%
- EBITDA margin before special items in the range of 13% to 15%

The range provided reflects the better than expected performance of the business but also a continued uncertainty related to the development of the COVID-19 pandemic and supply chain constraints including pressure on freight and raw material prices.

Comment by Chairman

Commenting on the results, Jens Due Olsen, Chairman, says:

“We are pleased to see a continued increase in market activity throughout the quarter and to see that demand is recovering from the pandemic faster than expected. We are especially pleased to see that our key markets in US and the south of Europe have had a strong performance in the first quarter of 2021. Of course, all numbers need to be seen in the context of a very unusual and challenging year of 2020, but as we see that most markets have now adjusted to the economy and conditions of the pandemic, we are confident that we are on the right track.”

“Finally, the high season for the consumer business exceeded all expectations, helped by new consumer trends led by the pandemic freeing more time to household maintenance, but mostly thanks to a great team effort with stronger focus on sales execution and new product launches.”

Key figures

	Q1 2021	Q1 2020
Revenue (mEUR)	237.3	219.1
Organic growth	11.9%	-10.3%
Gross margin	41.6%	42.8%
EBITDA before special items (mEUR)	36.4	24.0
EBITDA margin before special items	15.3%	11.0%
EBIT before special items (mEUR)	21.4	7.3
EBIT margin before special items	9.0%	3.3%

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, please use the following numbers:

- DK: +45 78150107
- UK: +44 3333009034
- US: +1 8332498405

Link to webcast: <https://streams.eventcdn.net/nilfisk/2021q1/>

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