

**Company announcement**

March 1, 2019

Announcement No. 25

## **Nilfisk Annual Report 2018: Good progress towards simplifying Nilfisk in a challenging year**

Nilfisk, a leading provider of professional cleaning products and services, is announcing its results for the full year 2018.

### **Highlights for 2018**

- In 2018 Nilfisk realized total revenue of 1,054 mEUR, representing organic growth of 2.0% in line with the most recent outlook. Growth was driven by positive development in the Nilfisk branded professional business in EMEA with organic growth of 3.6% and a strong performance in the Specialty Professional segment with organic growth of 11.4%
- Overall, the total Nilfisk branded professional business across all regions and segments showed organic growth of 2.8%
- The operating performance measured in the EBITDA margin before special items excluding the impact from the phantom share program, was 11.5%, in line with the outlook and up 0.1 percentage point from 2017. Including the impact of the phantom share program, the EBITDA margin before special items was 11.9%, an increase of 0.8 percentage point
- Return on Capital Employed improved by 0.7 percentage point to 16.7%
- The gross margin was 42.0%, 0.2 percentage point lower than 2017, impacted by increasing raw material prices and tariffs, changes in product mix and less favorable utilization at production facilities
- During 2018 Nilfisk executed significant initiatives supporting the ongoing simplification of the company, including divestments of a number of non-core businesses with annual revenue of approximately 75 mEUR
- In addition, Nilfisk reduced its manufacturing footprint significantly, exiting 7 out of 18 production sites
- The transformation of Nilfisk will continue in 2019, focusing on driving profitability within the core business, while making investments that enable Nilfisk to lead the future of intelligent cleaning. With the recent progress in the simplification and growth of the business, Nilfisk remains confident in the previously stated mid-term targets

## Outlook 2019

- Organic growth in the Nilfisk branded professional business: Above 3.0%
- Organic growth in the Consumer business: Approximately 0%
- Organic growth in the private label business: Approximately -10.0%
- Organic growth in the total business: Approximately 2.0%
- EBITDA margin before special items: Above 14.4%

## CEO comment

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

“2018 was a challenging year in terms of delivering the financial results we expected. We realized total revenue of 1,054 mEUR and showed improvement on certain measures, while experiencing setbacks on others. Total organic growth of 2.0% was clearly below our expectations, which in part was due to the unsatisfactory performance in our US business. The highlight for 2018 was the significant progress we delivered in the execution of our multi-year transformation strategy. With the divestment of five non-core businesses, the exit from seven production sites, and the continuous roll-out of the Nilfisk Liberty SC50, we have established a stronger foundation for the continuous simplification and growth of Nilfisk.”

## Key figures

	Full-year 2018	Full-year 2017	Q4 2018	Q4 2017
Revenue (mEUR)	1,054.3	1,081.9	258.7	280.2
EBITDA before special items (mEUR)	125.5	120.1	33.9	26.7
EBIT before special items (mEUR)	87.4	81.5	25.3	17.0
Organic growth	2.0%	3.7%	-1.9%	5.4%
Gross margin	42.0%	42.2%	41.6%	40.4%
EBITDA margin before special items	11.9%	11.1%	13.1%	9.5%
Operating performance	11.5%	11.4%	12.5%	10.6%
EBIT margin before special items	8.3%	7.5%	9.8%	6.1%
RoCE	16.7%	16.0%	16.7%	16.0%

## 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 prior to the conference call.

To dial in

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