

Company announcement

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Nilfisk reports Q2 2025 results: Margins in line with target amid soft topline – ongoing initiatives support outlook

Nilfisk CEO, Jon Sintorn, comments on Q2 results:

“Our second-quarter results reflect both challenges and progress in a year marked by continued market caution and geopolitical uncertainties. While organic growth was slightly negative, we saw encouraging signs in the UK, Southern Europe, and Latin America, and our gross margin remained stable demonstrating disciplined execution. We took important steps to improve our cost base, strengthen the supply chain, and sharpen our commercial effort. With a new operating model that creates regional accountability for managing efficiency and profitability to deliver on customer needs combined with a solid product pipeline, we maintain our full-year outlook.”

Financial highlights

mEUR	Q2 2025	Q2 2024	H1 2025	H1 2024
Revenue	268.9	278.4	525.4	537.4
Organic growth	-1.1%	2.4%	-1.2%	3.0%
Gross margin	42.0%	42.2%	42.6%	42.0%
Overhead costs	92.2	94.2	188.0	183.6
Overhead cost ratio	34.3%	33.8%	35.8%	34.2%
EBITDA before special items	36.4	39.2	67.7	73.4
EBITDA margin before special items	13.5%	14.1%	12.9%	13.7%
Special items, net	-8.1	-0.8	-13.3	-3.4
CAPEX ratio	2.7%	4.1%	2.7%	4.5%
Free cash flow	-16.3	8.4	-36.1	1.0
Net interest-bearing debt			317.4	263.3
Financial gearing			2.4x	1.9x
Basic earnings per share (EPS)	0.24	0.52	0.32	0.87

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% to 14%, based on tariffs being offset with supply chain activities and pricing as well as further structural cost reductions.

The financial outlook is based on several assumptions including:

- Stable market conditions in EMEA
- Neutral development in the US versus 2024
- The APAC region maintaining 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

Very strong Specialty Business growth partially offsets continued softness in Americas

Revenue declined by 9.5 mEUR in Q2 2025 compared to the same period last year, corresponding to negative organic growth of 1.1%. We continued to grow in EMEA and APAC. Americas improved compared to the previous quarter but is still showing negative organic growth year-on-year.

The Specialty Business delivered very strong organic growth of 10.8%, supported by solid sales momentum in the US and robust demand for new products. The Consumer Business saw a decline of 5.1% due to muted demand in the high-pressure washer category. The Service Business grew slightly by 0.3%. The Professional Business saw a negative organic growth of 2.4%.

By region, EMEA delivered organic growth of 0.7% in Q2 2025. The Professional segment in EMEA benefitted from continued strong commercial execution, new products, and an increased number of sales and service employees in key markets. However, the growth in EMEA was impacted by a decline in the Consumer Business. Excluding Consumer organic growth in EMEA was 1.8%.

APAC reported moderate organic growth of 2.7%. In the Americas region we saw negative growth of 4.9%, this was driven by a high backlog in the same quarter last year, a soft demand and a lower production capacity in the hurricane-affected US high-pressure washer business, which is now held for sale. Excluding the high-pressure washer business, growth in Americas was -1.4%, showing sequential improvement. Latin America continued to show very strong growth of 14.0% in favorable market conditions.

The gross margin in Q2 2025 decreased by 0.2 percentage point to 42.0% driven by temporarily high tariffs from China to the US offset by favorable price and product mix, alongside continued production footprint optimization.

Lower revenue, combined with increased investments in the sales organization and product development, resulted in EBITDA before special items of 36.4 mEUR, corresponding to a margin of 13.5%, down from 14.1% in the same quarter last year.

As previously communicated, a cost reduction program was initiated in Q2 to protect profitability. Consequently, several cost reduction measures including workforce reductions were implemented in the quarter. The program will continue throughout 2025 and into 2026 and savings will be realized gradually throughout this period. As a result of the measures already implemented a significant part of

the special items in the quarter were related to severance pay. Total special items amounted to 8.1 mEUR in Q2 2025.

Free cash flow was negative at 16.3 mEUR in Q2 compared to 8.4 mEUR in the same quarter last year. This was driven by an increase in trade receivables from higher sales at the end of the quarter, trade payables due to timing of payments as well as cash outflow from severance payments.

Consequently, net interest-bearing debt and financial gearing increased to 317.4 mEUR and 2.4x, respectively, at end-Q2 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-q2-2025>

Phone conference (link for analysts):

<https://services.choruscall.it/DiamondPassRegistration/register?confirmationNumber=4958314&linkSecurityString=c3e2faf22>

The recording will be available for viewing after the event along with the presentation from the day on:

<https://investor.nilfisk.com/>

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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.