

# Nilfisk Annual General Meeting

March 26, 2021



# 2020 in review

## Impact from the COVID-19 pandemic





# 2020 in review

## Swift action as a response to the pandemic

### **Maintaining operations to serve customers**

- Fully operational
- Critical infrastructure
- Status as essential business

### **Launching solutions to target COVID challenges**

- Steam cleaners and disinfectant sprayer
- UV-light module

### **Exploring new ways of customer interaction**

- Meeting customers online
- Virtual product demos

### **Enforcing strict cost management focus**

- Proactive cash management
- CAPEX reduction
- Restructuring plan executed



# 2020 Annual results

Key takeaways: Stable margins despite drop in revenue

## 12.1%

EBITDA margin  
before special items

- Strict cost control and disciplined measures
- Earnings in line with last year despite lower revenue

## -11.5%

Organic growth

- Steep decline in demand as the pandemic hit
- Followed by gradual and steady recovery in demand



# 2020 Annual results

## Revenue and organic growth

# 832.9

mEUR  
Total revenue

- Revenue down by **133.6** mEUR from 2019
- Corresponding to a drop of **11.5%** organically

- Steep decline in demand in the first half of 2020
- Recovery in demand quarter over quarter in the second half of the year

## -2.1%

Organic growth Q4 2020

EMEA	Americas	APAC
<b>-11.6%</b>	<b>-12.4%</b>	<b>-28.0%</b>

Consumer **15.7%**

Private label  
and other **-11.3%**

**Organic growth**  
Reporting segments 2020



# 2020 Annual results

## Earnings

**41.6%**

Gross margin

- Gross margin negatively affected by low capacity utilization and higher freight rates

**100.5** **12.1%**

mEUR  
EBITDA before  
special items

EBITDA margin  
before special  
items

- EBITDA margin before special items in line with last year due to lower overhead costs

# 2020 Annual results

## Result and dividend

**-2.6**

mEUR

Result for the year

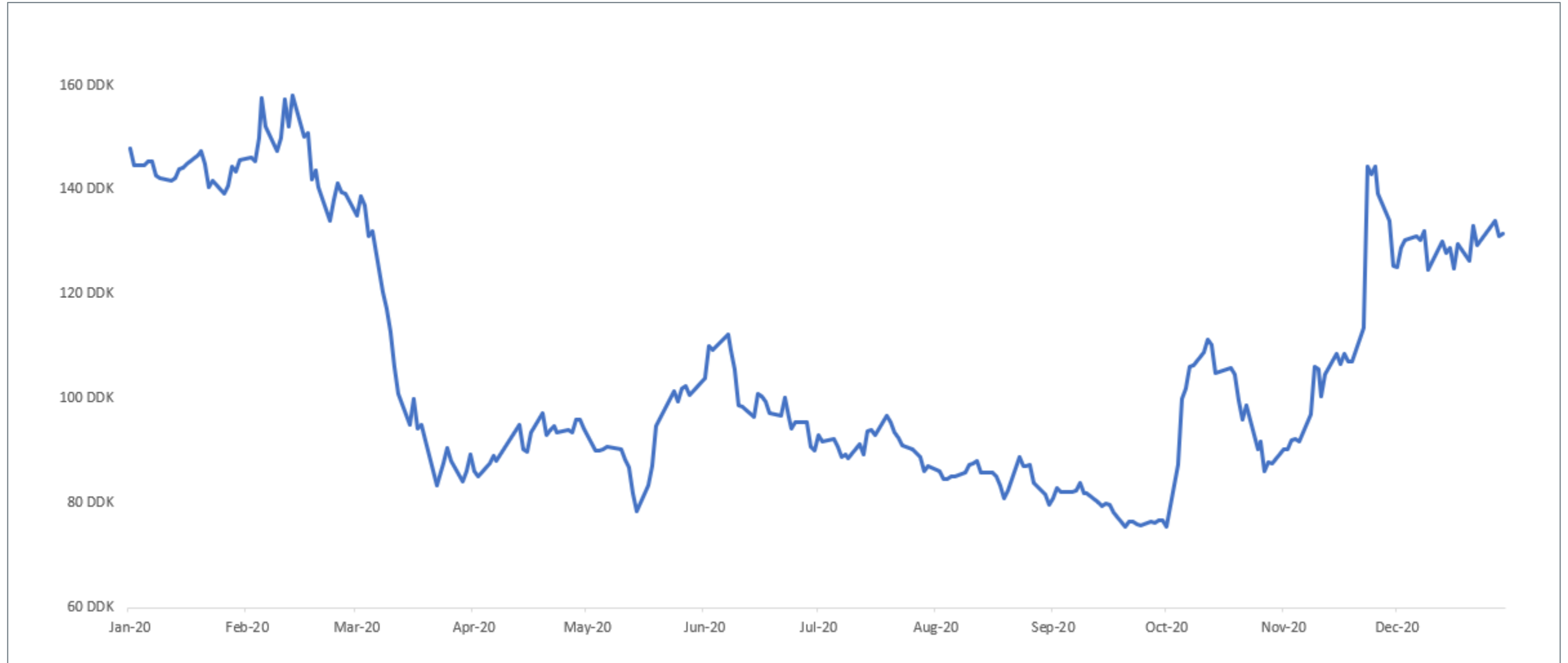
**3.8x**

Financial gearing

**No dividends  
distributed**

# 2020 Annual results

## Nilfisk share price development January-December 2020





# 2020 Annual results

## Sum-up

### Customer focus

- Navigating through challenging market conditions
- Serving our customers

### Swift action

- Strict cost management
- Restructuring

### Stayed on strategy

- Strategic direction maintained
- Autonomous and digital focus

# 2020 Annual results

## Outlook 2021

- A more normalized environment expected during the second half of 2021
- Continued uncertainty for market conditions
- Growth expectations based on the market demand trends we are experiencing, and on the overall expected economic recovery
- EBITDA margin expectations based on continued focus on cost discipline and revenue growth as described above

Organic growth for the total business expected in the range of

**5% to 10%**

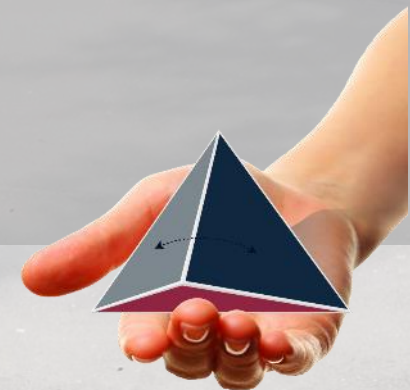
EBITDA margin before special items in the range of

**12.5% to 14.5%**



# Commitment to strategic direction unchanged

## Our vision and strategic objectives form the transformation of Nilfisk



### Our mission

- **WHY** we exist

**We enable sustainable cleaning worldwide to improve quality of life**

### Our vision

- and **WHY** we need to transform

**We will lead intelligent cleaning to make your business smarter**

### Objectives

**WHAT** we want Nilfisk to become

#### Global company

*We have harmonized processes and ways of working that ensure consistent customer service and product quality*

#### Solution partner

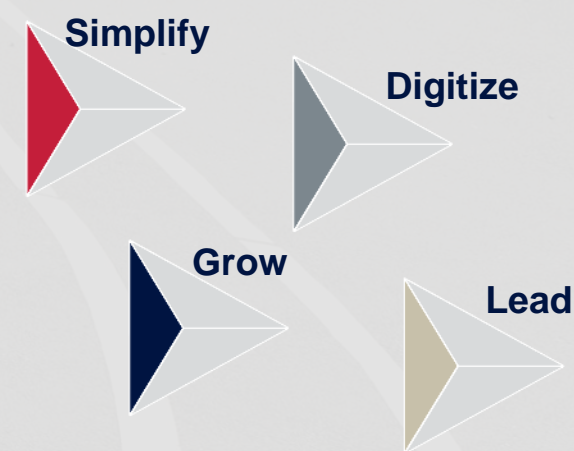
*We add value beyond the machine and deliver complete solutions for our customers*

#### Digital leader

*We have a 'digital-first' mindset that helps us to improve the customer experience and build a coherent IT backbone*

### Strategy

**HOW** we take action





# Execution of key strategic initiatives continued in 2020 according to plan

## Expanding sales of autonomous solutions

- Airports, retail and healthcare
- Growing interest in autonomous technology

## New autonomous scrubber

- Launching the Nilfisk Liberty SC60
- Large applications
- Building on software from BrainCorp

## Executing US growth plan

- Leveraging the full portfolio
- Serving distribution partners better
- Strategic accounts

## Successful roll-out of e-commerce

- Global e-commerce solution
- 16 European markets by year-end 2020

## Consolidation of distribution centers

- Two new European distribution centers
- Operated by third party
- Operations moved from Denmark



# Enhanced focus on sustainability and carbon emission reductions

A background image showing two children, a girl and a boy, looking out of a window. The girl is in the foreground, wearing a purple shirt, and the boy is behind her, wearing a dark blue shirt. They are both looking out of a window with a white frame and a white mesh screen. The background outside the window is blurred, showing some greenery and a building.

## Growing need for sustainable cleaning

- Increased focus on cleanliness and hygiene worldwide
- Sustainability becoming a basic requirement
- The pandemic has reinforced public health and safety

## Commitment to an ambitious reduction of CO2

- Progress on climate action initiatives
- Committed to ambitious reduction of Nilfisk's carbon footprint by

**35% in 2030**



# Focusing on commercial execution as markets recover



## **Innovation as a continuous driver**

- Sustainability
- Digital solutions and customer experience

## **Expected pick-up in demand**

- Focus on regaining sales volumes as markets recover from the pandemic
- Towards normalized market conditions – but visibility still low

## **Commercial execution in place**

- Progress made in simplifying structures and processes
- Better foundation for commercial execution



# Nilfisk Board of Directors

## Meetings in 2020

### Board of Directors

14 meetings in 2020

#### Audit Committee

5 meetings in 2020

- Jutta af Rosenberg (Chair)
- Are Dragesund

#### Nomination Committee

5 meetings in 2020

- René Svendsen-Tune (Chair)
- Franck Falézan

#### Remuneration Committee

3 meetings in 2020

- Jutta af Rosenberg (Chair)
- Thomas Lau Schleicher

#### Project Management Office Committee

4 meetings in 2020

- Anders Runevad (Chair)
- Are Dragesund
- Franck Falézan

#### US Committee

2 meetings in 2020

- Jens Due Olsen (Chair)
- René Svendsen-Tune
- Richard Bisson

# Nilfisk Board of Directors Remuneration



## Level maintained

- Proposal to maintain the same level of remuneration for the Board of Directors in 2021 as in 2020

## Base fee

- Each ordinary member of the Board shall receive a base fee of 300,000 DKK
- One member refrains from receiving base fee

## Chairmanship

- The Chairman shall receive 3 times the base fee, and no additional fee for the committee work
- The Deputy Chairman shall receive 2 times the base fee

## Ad hoc committees

- No base fee for the work done in the Project Management Office Committee and the US Committee



# Nilfisk Remuneration policy

## Policy

- The remuneration policy sets out the general framework for remuneration
- The Board of Directors proposes certain changes to the Remuneration Policy

## Report

- The remuneration of the Board of Directors and the Executive Board is described in further detail in Nilfisk's Remuneration Report

# Nilfisk Board of Directors

## Board self-assessment



### 2021 assessment

- Board self-assessment conducted in the first quarter of 2021



# Nilfisk Board of Directors

## Composition and governance



**Jens Due Olsen**  
Independent



**Anders Runevad**  
Independent  
**Does not seek re-election**



**Richard Bisson**  
Independent



**Are Dragesund**  
Non-independent



**Gerner Raj Andersen**  
Employee-elected member



**Søren Giessing  
Kristensen**  
Employee-elected member



**Franck Falézan**  
Non-independent



**Jutta af Rosenberg**  
Independent



**Thomas Schleicher**  
Non-independent



**René Svendsen-Tune**  
Independent



**Yvonne Markussen**  
Employee-elected member



# Thank you