

# Business Plan 2026



CEO TORSTEN TÜRLING

Danske Bank Winter Seminar  
November 29, 2022

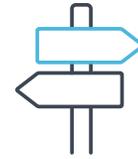
# Nilfisk – a resilient company founded on entrepreneurship in 1906

A global market leader with Danish roots sets out to win with Business Plan 2026



Founder: P. A. Fisker

2021



Revenue

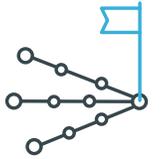
**995 mEUR**

EBITDA bsi

**14.5%**

**115** years

2026



**1.2 to 1.3 bnEUR**

**>16%**

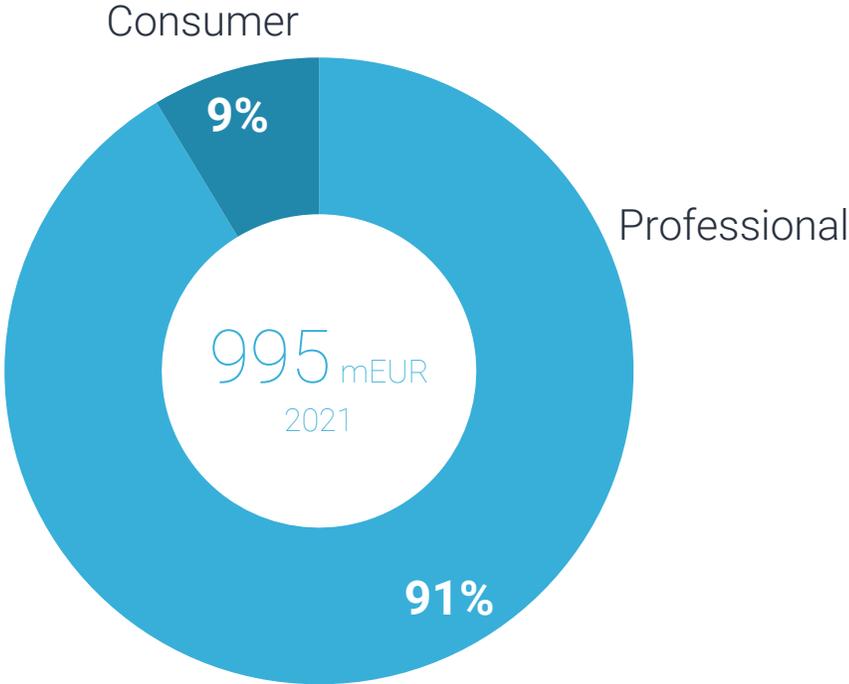
**120** years

# Nilfisk – a leading global provider of professional cleaning solutions

Total Nilfisk revenue of 995 mEUR in 2021

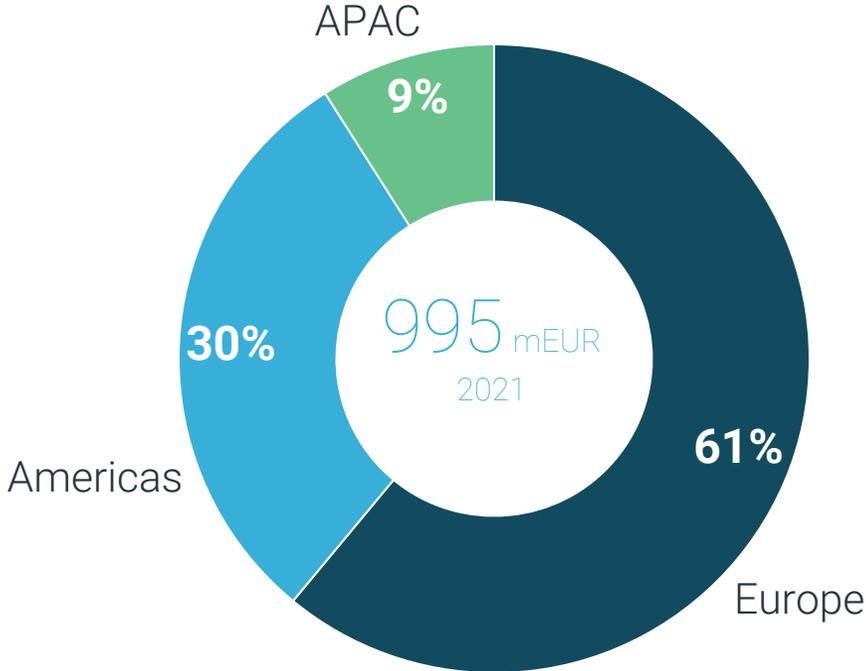
## Focus on professional cleaning

Share of revenue 2021



## Global presence in all relevant markets

Share of revenue 2021



# Nilfisk offers widest breadth of product solutions in the industry

Unparalleled capability to provide comprehensive product and service solutions to our customer base

## Floorcare

## Vacuum cleaners

## High-pressure washers

## Parts & Services

Commercial



Industrial



Proportion of sales  
2021

34%

22%

14%

30%

# Professional cleaning is a growth market

Key trends and market drivers for the global professional cleaning equipment market

1 Labor shortage and rising **labor costs** in developed countries

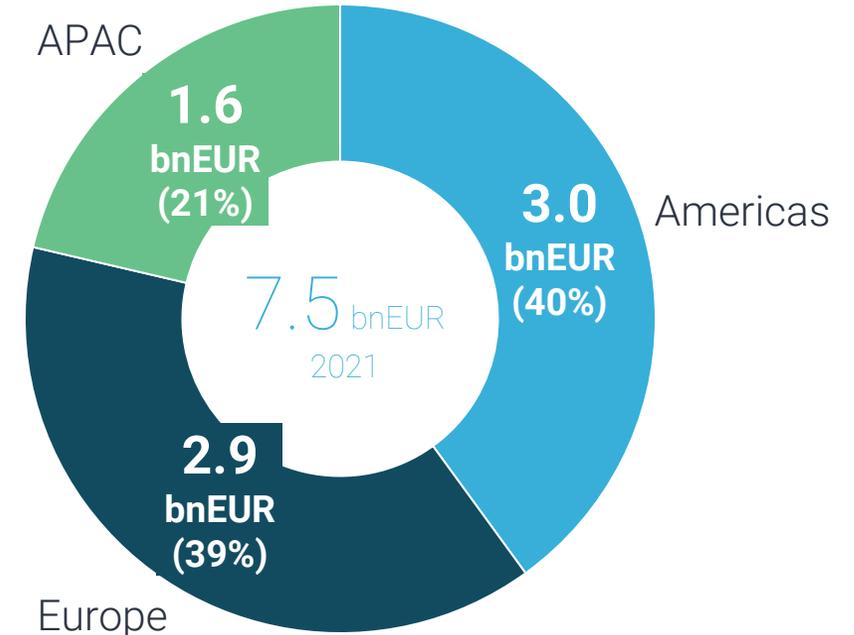
2 Raising regulatory and **sustainability requirements**

3 Digital solutions enabling **productivity improvements** as part of a wider ecosystem

4 Increasing **importance of clean** securing healthier and safer environments

## Global market size of 7.5 mEUR

Revenue in professional cleaning equipment 2021 (%)



# Important segments growing faster than average

Diversified application segments

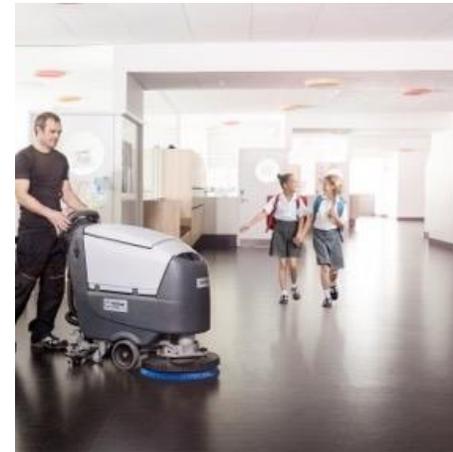
**Contract cleaners  
Facility Services**



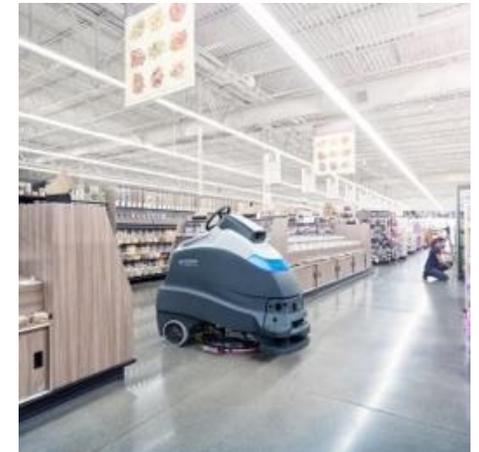
**Logistic & warehouse  
Manufacturing**



**Healthcare  
Education**



**Retail**



**% of global market**

29%

18%

11%

7%

**Growth potential**

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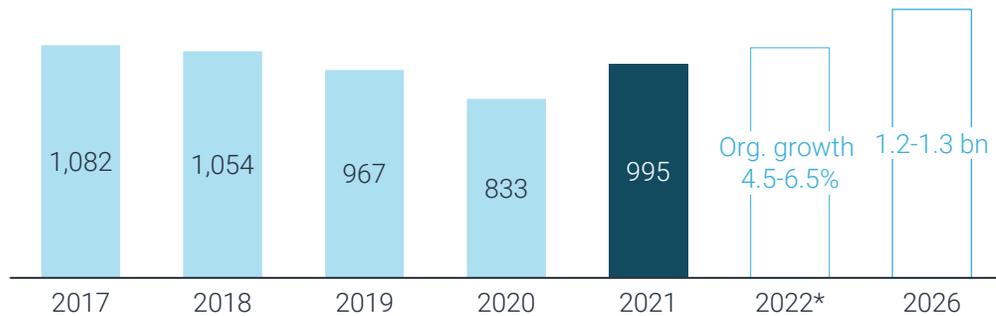
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# Strategy review leading to Business Plan 2026

Focus on long-term, sustainable Growth

Revenue  
mEUR



EBITDA and EBITDA margin bsi  
mEUR and %



\* 2022 indication based on outlook given with company announcement 15/2022

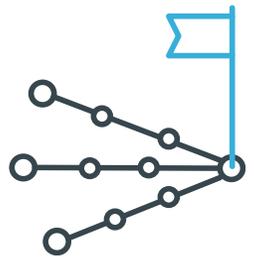
## Strategy review H2 2021

- Create fact base: what went wrong?
- Assess value creation potential
- Identify underutilized opportunities



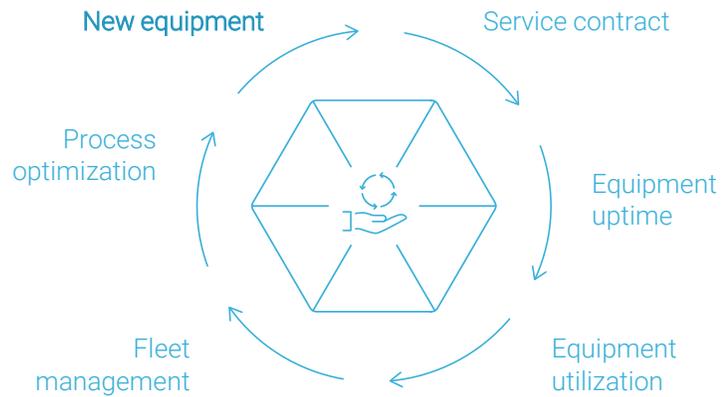
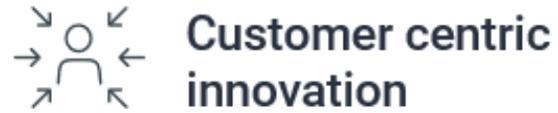
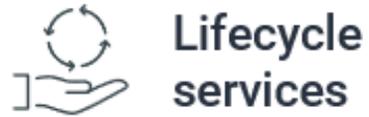
## Business Plan 2026

- Ambitious, yet realistic targets
- Clear focus, actionable implementation plan
- Clarity on resource requirements



# Nilfisk Value Proposition

Based on customer focus and sustainability



**35% reduction**  
GHG EMISSIONS SCOPE 1+2 BY 2030

**48% reduction**  
GHG EMISSIONS SCOPE 3 BY 2030

# Building growth platforms for long-term, sustainable growth

3 strategic priorities to enhance long-term growth potential



# Develop service-as-a-business

A fundamental evolution of Nilfisk's business model

## Shift from

- traditional product-centric model of selling with reactive repair service

## to

- selling a solution combining a range of services around the products to deliver maximum customer value

## Key levers for growth

- Higher share direct customers
- Contract penetration fleet
- Parts sales dealers
- Field service efficiency
- Additional services: Rental, Refurb, Digital

## Key benefits

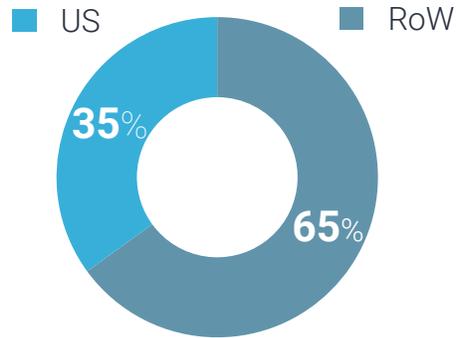
- Growing, non-cyclical sales
- Higher margins
- Increased customer retention
- Business model opportunities



# Grow in large-scale US market

Nilfisk has a growth formula to win market share in the world's largest professional cleaning market

## US is the largest market by far



## Key levers for growth

- Leading position in dealer channel
- Strategic Key Account wins
- Diversified supply base: US, Mexico, Europe, China
- World-class US R&D center

## Results so far – revenue growth

- 2021 (OG) **23.8%**
- 9M 2022 (OG) **11.4%**
- Growth above market in direct as well as indirect channel

## Revenue

Market size 2021

**~2.6** bnEUR

2021

**253** mEUR

2026 ambition

**~380** mEUR

# Investments to enable long-term sustainable growth

Business Plan 2026 caters for the necessary investments creating scalable growth platforms



**Enhance supply chain robustness**

Growth capacity in manufacturing plants



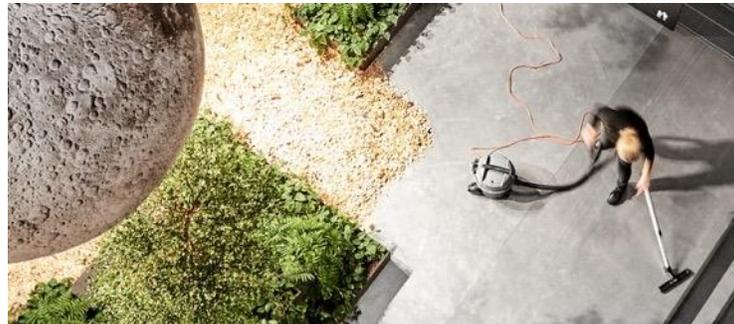
**Lead with sustainable products**

Product upgrades & kick-off modularity



**Digitally-enabled WoW**

IT systems & master data upgrades



# Business Plan 2026 caters for successful execution

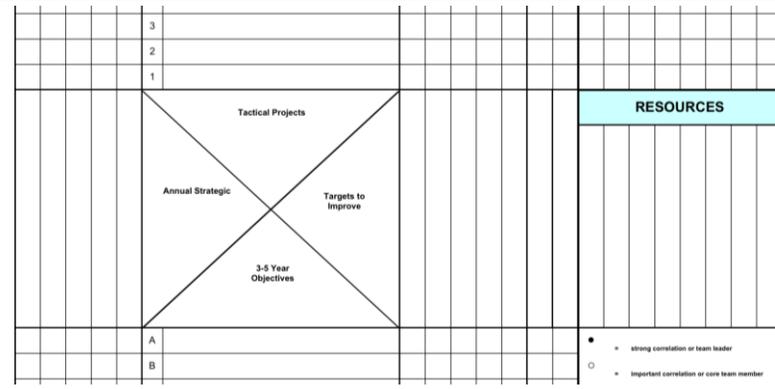
Building execution strength by forming new Ways of Working (WoW)



# Nilfisk Operating System (NOS)

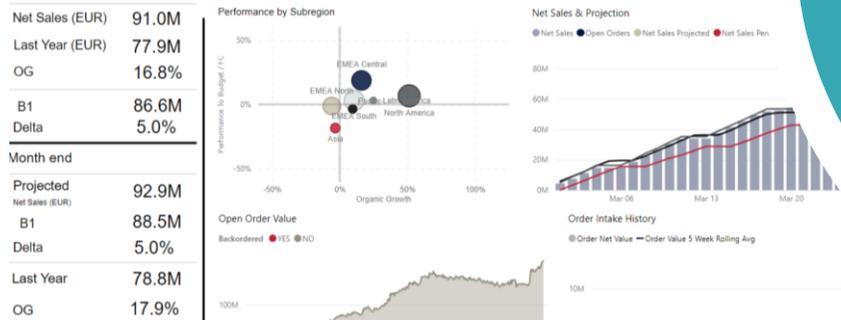
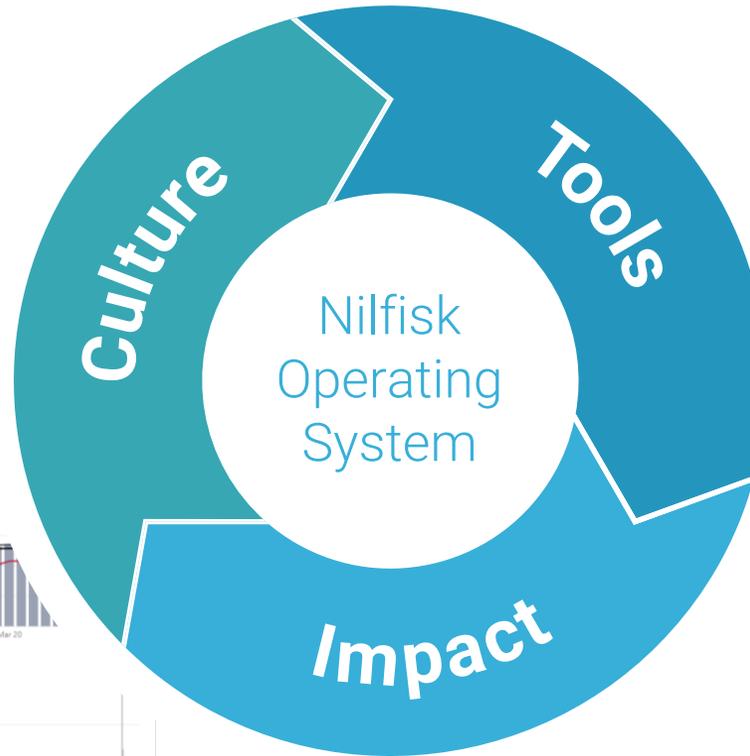
Building a culture of disciplined execution

## Top level strategy deployment



## Manage projects and resources

- Project Charter • Include overview about project team and requirements, goals and overall initiative set up.
- Targets to improve • Clear set of metrics to measure every initiative, outcome and results
- Action plan • Overview about planned actions incl. respective timing to track progress (tool to be discussed)
- Investment • Detailed overview about required investment from 2021-2023 (marketing budget, FTE, R&D, etc.)



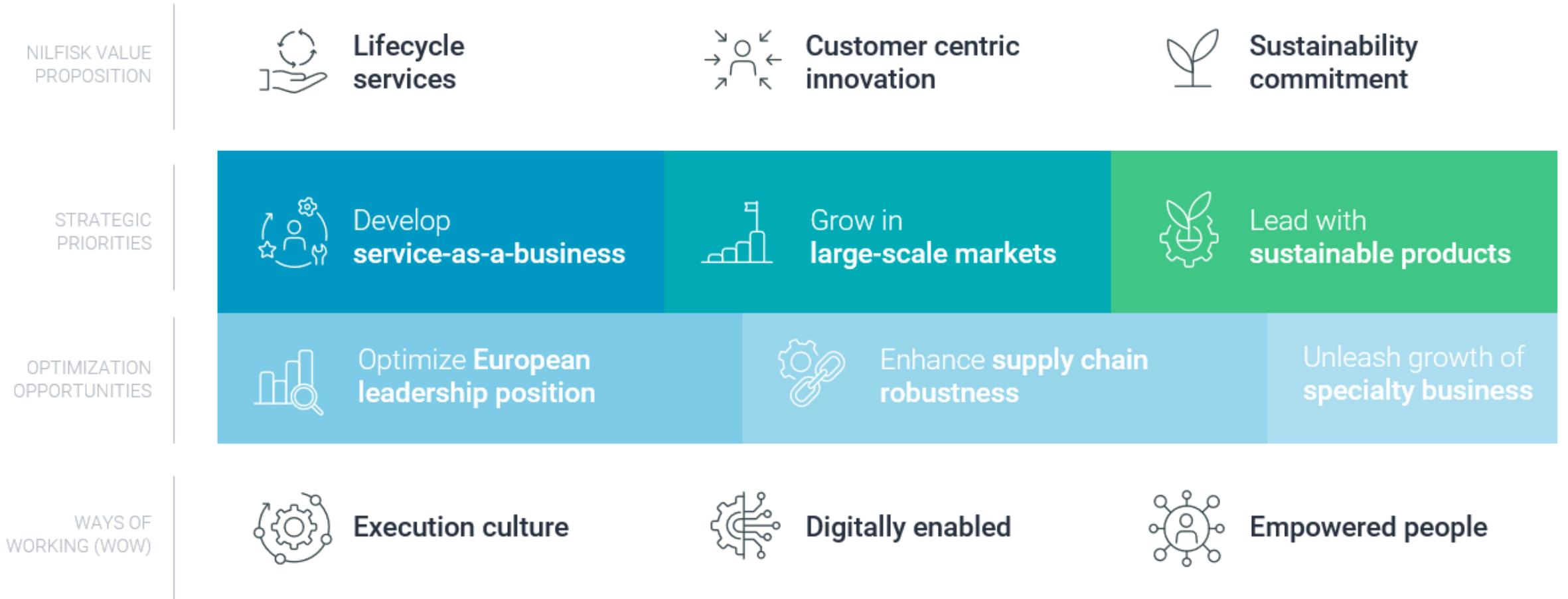
## Manage daily business

## Manage business improvement



# Business Plan 2026

Focus on long-term sustainable growth



# Trading update for 9M 2022

Continued revenue growth, but margin negatively impacted by high cost inflation and US DC tornado event

**799.2 mEUR**

Revenue 9M 2022

**8.8%**

Reported growth 9M 2022

Organic growth (OG) 9M 2022

- Total business 5.8%
- Branded Professional 9.0%

**4.5% to 6.5%**

2022 outlook organic growth  
Previously 4% to 7%

**101.3 mEUR**

EBITDA bsi 9M 2022

**12.7%**

EBITDA margin bsi 9M 2022

**Around 13%**

2022 outlook EBITDA margin bsi  
Previously 13.5% to 15.5%

- Continued sales growth, driven by Branded Professional
- Highest absolute growth from US business
- Consumer and Private Label markets and sales slow down
- Supply chain constraints throughout the year
- Disruption through US distribution center tornado event
- Cost inflation increasingly covered by effective pricing
- All time high order book end-Q3 2022

# Financial targets for 2026

**1.2 to 1.3** bnEUR

Revenue



**Above 16%**

EBITDA margin before special items



**3 to 4%**

CAPEX in % of sales



**1.5 to 2.0x**

Gearing



# Nilfisk on track towards our longer term targets

Business Plan 2026 sets course for successful execution

- 1 Strategy focused on long-term, sustainable growth
- 2 We build on existing strengths
- 3 New Ways of Working secure successful implementation

**NILFISK**

# Forward-looking statements

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