Nilfisk Q1 2025

CONFERENCE CALL PRESENTATION

May 13, 2025

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Forward-looking statements

This presentation contains forward-looking statements.

Any such statements are subject to risks and uncertainties, and several different factors, of which many are beyond the Group's control, can mean that the actual development and the actual result will differ significantly from the expectations contained in the Interim Report and this presentation.

Accordingly, forward-looking statements should not be relied on as a prediction of actual results.

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Key highlights Q1 2025

New CFO: Welcome Carl Bandhold

Carl Bandhold joined Nilfisk as Executive Vice President, CFO on March 24

Carl has extensive experience from senior roles, including:

- Deputy CEO and CFO, Profoto
- CFO, JM AB
- CFO, Permobil
- Principal, Boston Consulting Group

Carl brings an owner-oriented mindset and a strong track record of creating shareholder value through disciplined capital allocation

Carl's appointment as CFO does not change Nilfisk's financial guidance for 2025

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Q1 2025: high activity and strong focus on execution

- Strong organic growth in EMEA and moderate growth in APAC offset by decline in the Americas
  - Lower capacity in the US high-pressure washer business led to a 4 mEUR revenue decline versus Q1 2024
- EBITDA margin of 12.2% as strong gross margin expansion was offset by increased overhead costs from investments into the commercial organization
- Financial development in line with expectations, announced initiatives under the strategic roadmap for 2025 have been implemented

256.5 mEUR
Revenue

-1.2 %
Organic growth

31.3 mEUR
EBITDA (bsi)

12.2 %
EBITDA margin (bsi)

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Supply chain and price adjustments to offset existing tariffs

- Geopolitical uncertainties and tariffs have influenced overall market sentiment and company operations
- Flexible and robust supply chain enables repositioning towards US market
- Execution on plan to change product flows, which together with moderate price increases, offsets last week's 145% tariffs on Chinese manufactured goos
- In light of yesterday's announcement, execution of plan will continue
- Product sourcing into the US (FY2024)
  - ~30% China, ~50% North America, 20% European Union

* As of May 13, 2025.

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Market outlook by region

EMEA

- Strong growth in Europe driven by effective commercial execution and expanded sales and service coverage in key markets. Positive momentum expected to continue

Americas

- Weak quarter driven by high backlog release in Q1 2024, lower revenue in US high-pressure washer business, continued soft demand
- Outlook for the remainder of 2025 is uncertain due to tariffs. Improvements in order intake, new leadership and products, increased sales density, will support performance in H2 2025

APAC

- Returned to growth after challenged 2024, driven by pockets of increased demand. Positive momentum is expected continue, with targeted opportunities for growth

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Strategic roadmap for 2025

Organisational changes and enhanced operating model better position Nilfisk for long-term growth

Improve competitive position in North America

- Results in North America below expectations for 2024, continued uncertainty in 2025
- Key focus areas:
  - Increasing sales density
  - Refreshing core product portfolio
  - Strengthening product and parts delivery
  - Implementing organizational changes
- Clear areas for improvement, turning around performance remains a key priority in 2025

Enhance the operating model

- Responsibilities that should sit closer to customers currently reside in centralized functions
- Enhanced operating model will better support customer-facing functions through increased accountability for local business leaders
- Less centralized decision-making will allow for more attractive value propositions across customer verticals
- Commercial functions shifted to respective regions during Q1

Execute structural efficiency improvements

- Reduction in support functions executed and commercial coverage increased in Q1

Production and distribution optimization ongoing:

- Consolidation of Hungarian production sites will be completed early in H2 2025
- Sales entity optimization in APAC ongoing
- US high-pressure washer business presented as assets held for sale

Overhead cost reduction program will start in Q2 2025

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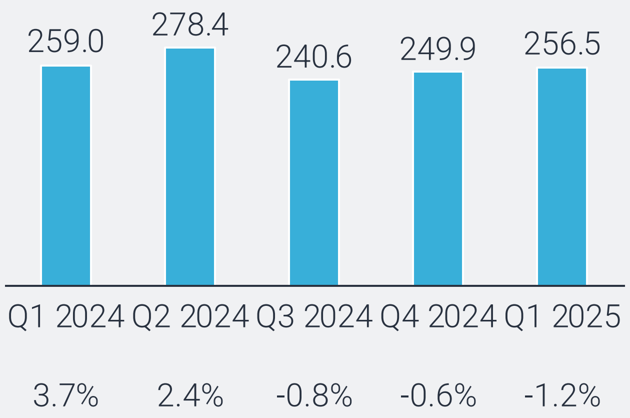
Financial update

High activity across regions and strong focus on execution

Revenue (mEUR), organic revenue growth (%)

-1.2%

Organic revenue growth Q1 2025



-17.7%
74.4 mEUR
Americas region

7.9%
164.6 mEUR
EMEA region

2.9%
17.5 mEUR
APAC region

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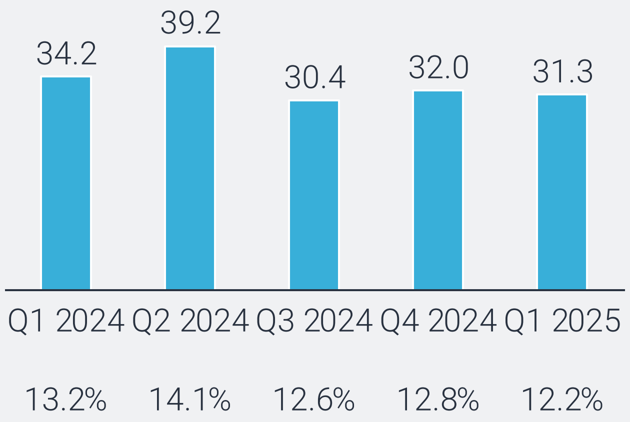
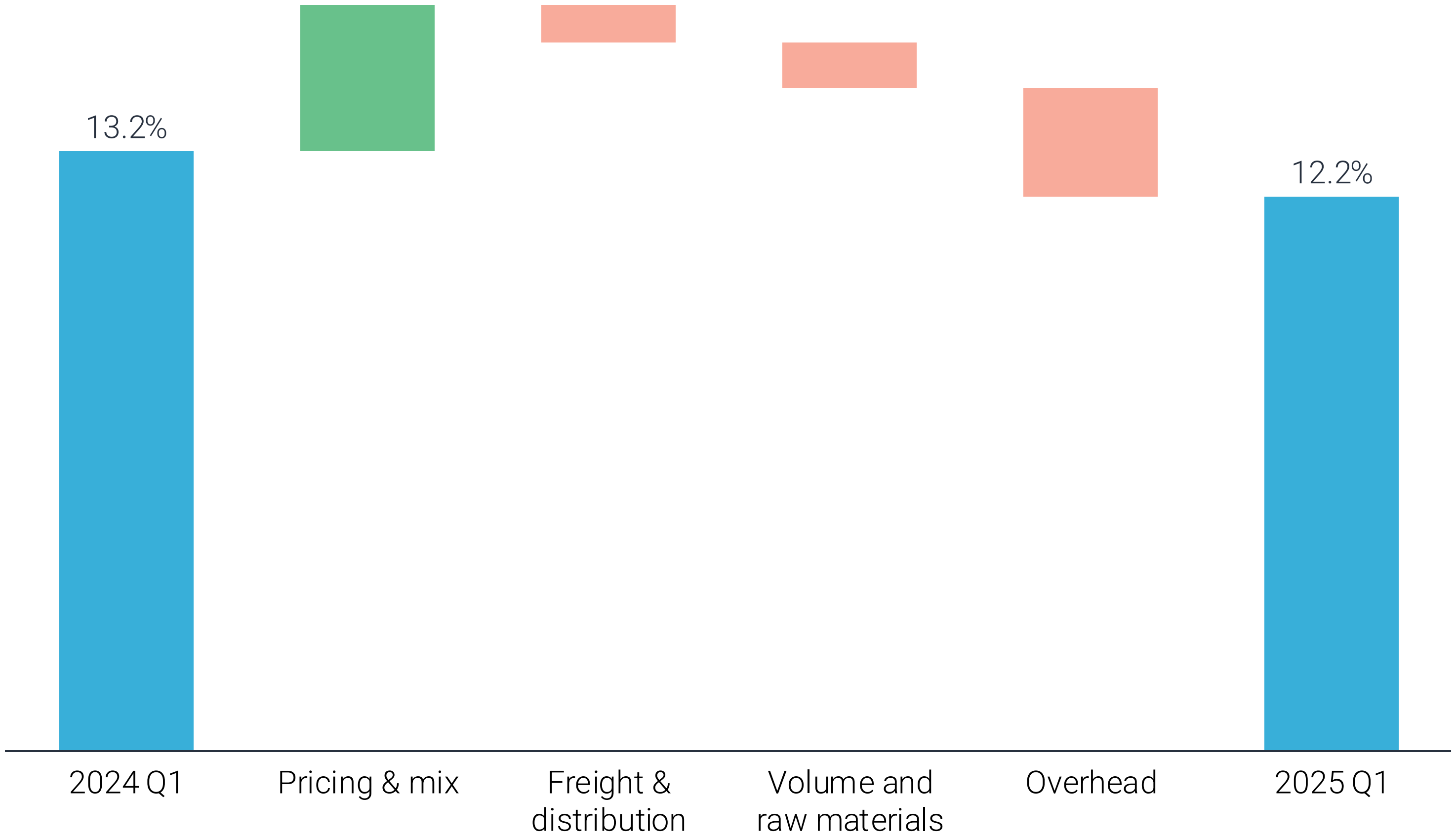
Strong gross margin expansion offset by increased overhead costs

EBITDA bsi (mEUR), EBITDA margin bsi (%)

12.2%

EBITDA margin bsi Q1 2025





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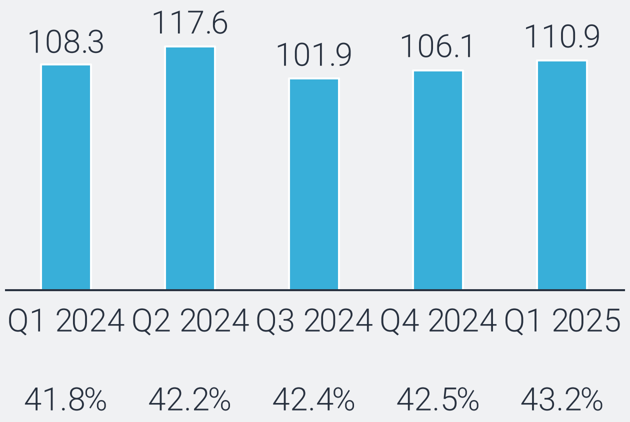
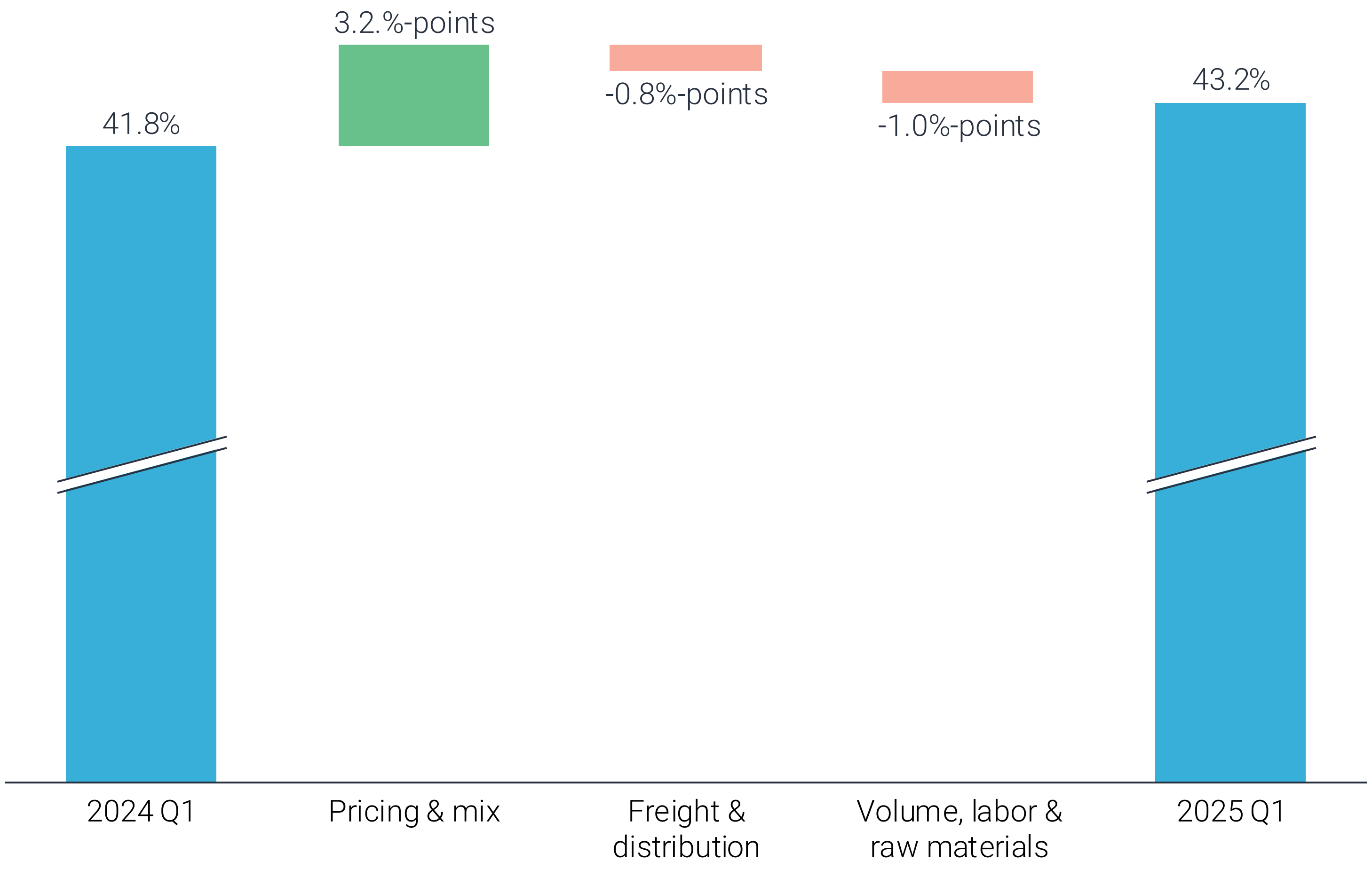
Strong gross margin expansion to quarterly record-high

Gross profit (mEUR), gross margin (%)

43.2%

Gross margin Q1 2025





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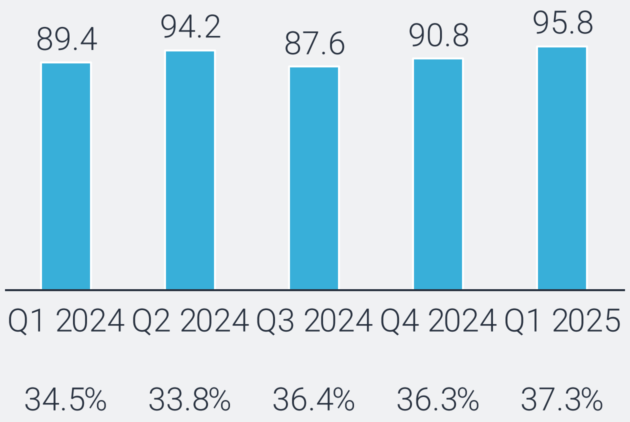
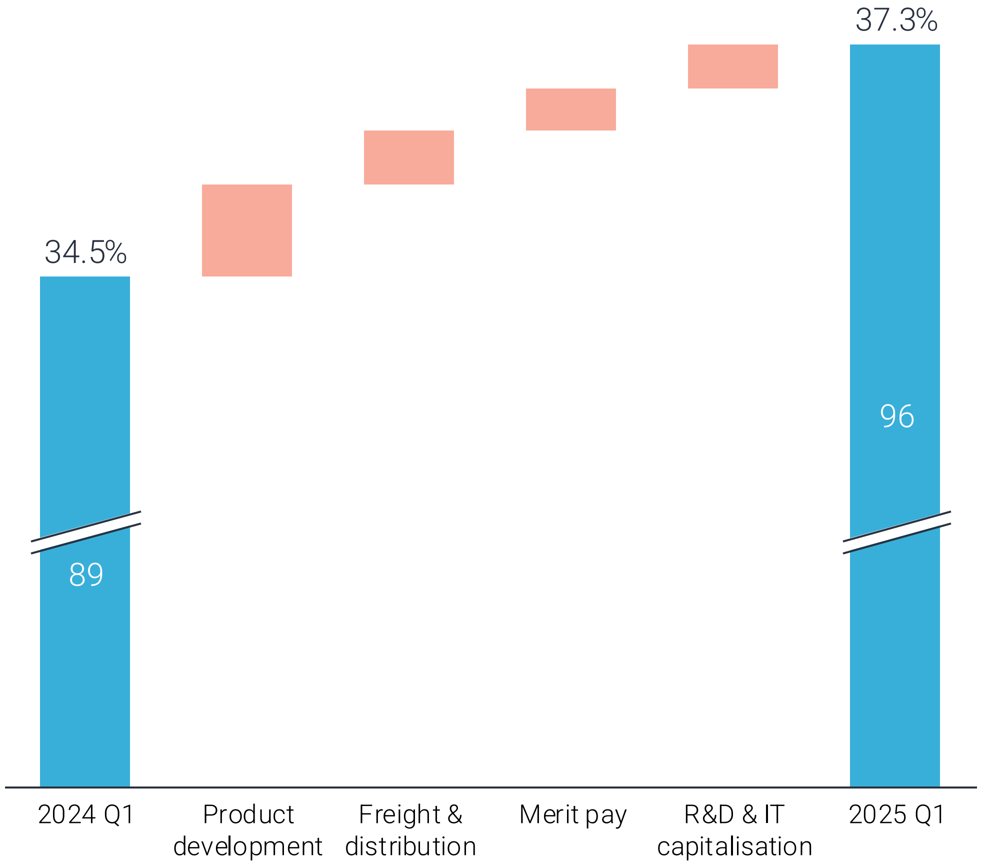
Higher overhead costs driven by sales, service & product investments

Overhead cost (mEUR), overhead cost ratio (%)

37.3%

Overhead costs ratio Q1 2025





Sales and distribution

Up 3.6 mEUR from Q1 2024, driven by increased last-mile freight in the US and volume effects in EMEA. Further investments in the sales force are driving additional cost

R&D

Increased by 2.0 mEUR from Q1 2024, driven by continued investments into new product innovation

Administration

Increased by 0.6 mEUR compared to Q1 2024, driven by strategic projects

Other

Increased by 0.2 mEUR compared to Q1 2024 driven by a favourable one-off effect last year

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Changes in working capital drove negative free cash flow in Q1 2025

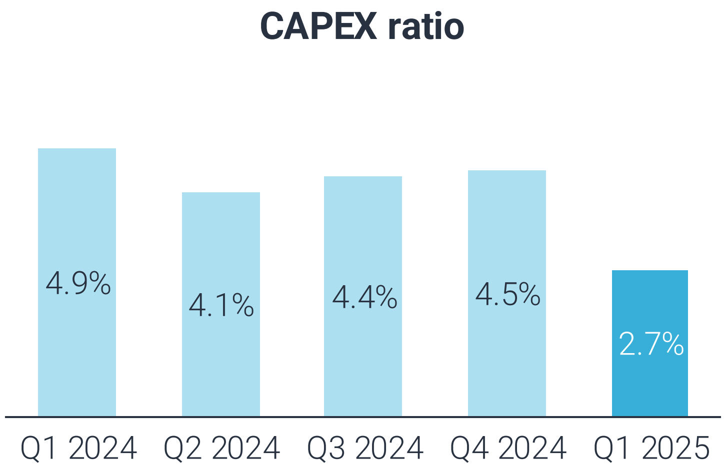
Working capital (mEUR), CAPEX ratio (%), cash flow (mEUR), NIBD (mEUR) and gearing ratio

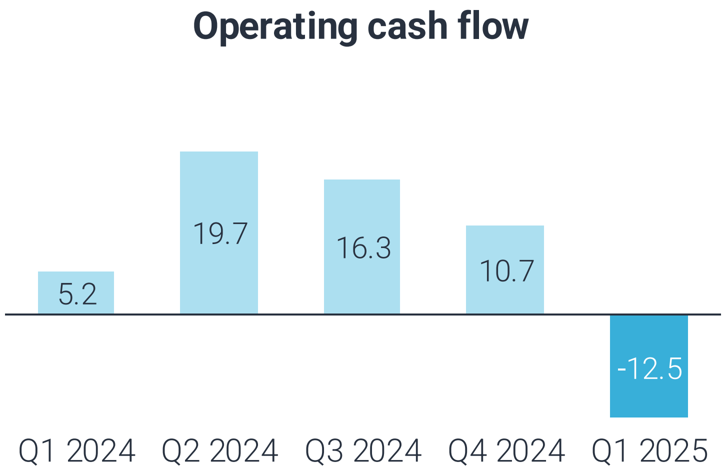
-19.8 mEUR

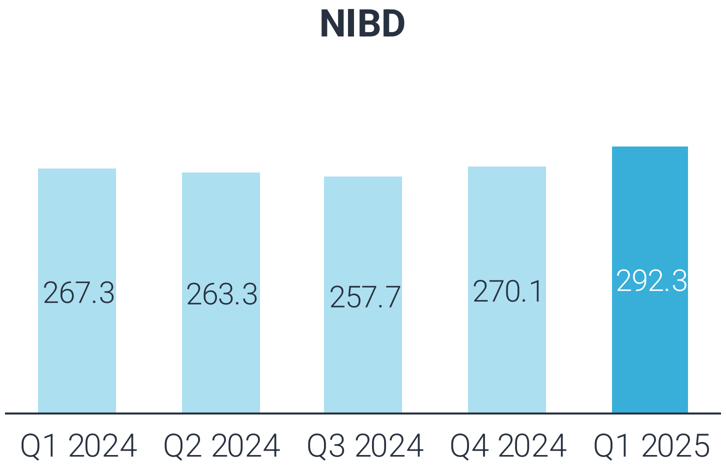
Free cash flow Q1 2025

2.2x

Gearing Q1 2025







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Outlook for 2025

The financial outlook for 2025, as communicated on February 20, 2025, remains unchanged.

The financial outlook is based on several assumptions including:

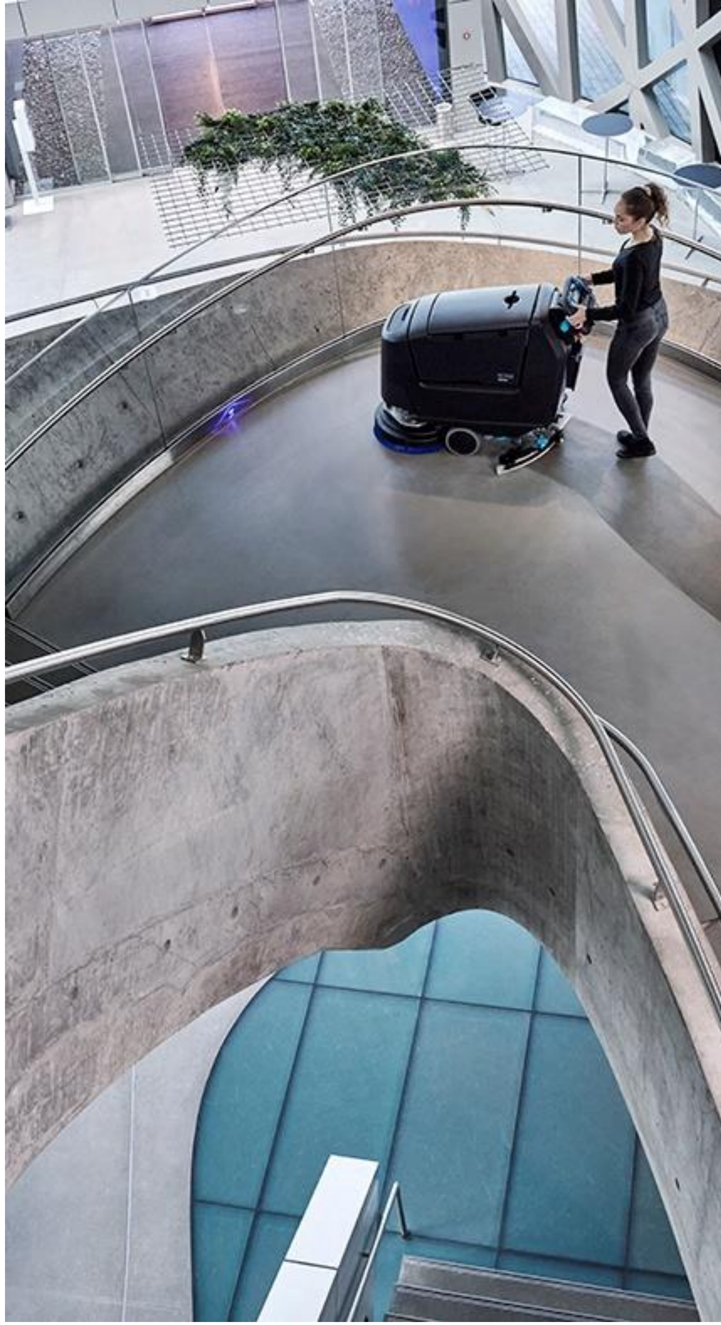
- Stable market conditions in EMEA
- Neutral development in the US versus 2024
- The APAC region returning to moderate growth
- Ability to offset tariffs through supply chain optimization and price increases
- Trade wars do not intensify and/or lead to a recession in key markets

1% to 3%

Organic revenue growth

13% to 14%

EBITDA margin before special items



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