

Annual General Meeting

June 17, 2020





Managing the crisis

COVID-19 impact and mitigating actions



- Secured business continuity
- Status as essential business
- Digital customer interactions



- All production sites operational
- Safety measures implemented
- Employees stepping up



- No material impact
- Temporary shortage in Consumer
- Contingency plans in place

2019 in review

Progress in strategic execution despite tough market conditions

SECOND YEAR OF TRANSFORMATION

Progress towards a global operating model

SUSTAINABILITY AND CLIMATE

Commitment to an ambitious reduction of CO2

Second year of transformation

A stronger foundation for commercial execution

PROGRESS TOWARDS A GLOBAL OPERATING MODEL

Organizational structures aligned

Integration of Industrial Vacuum Solutions

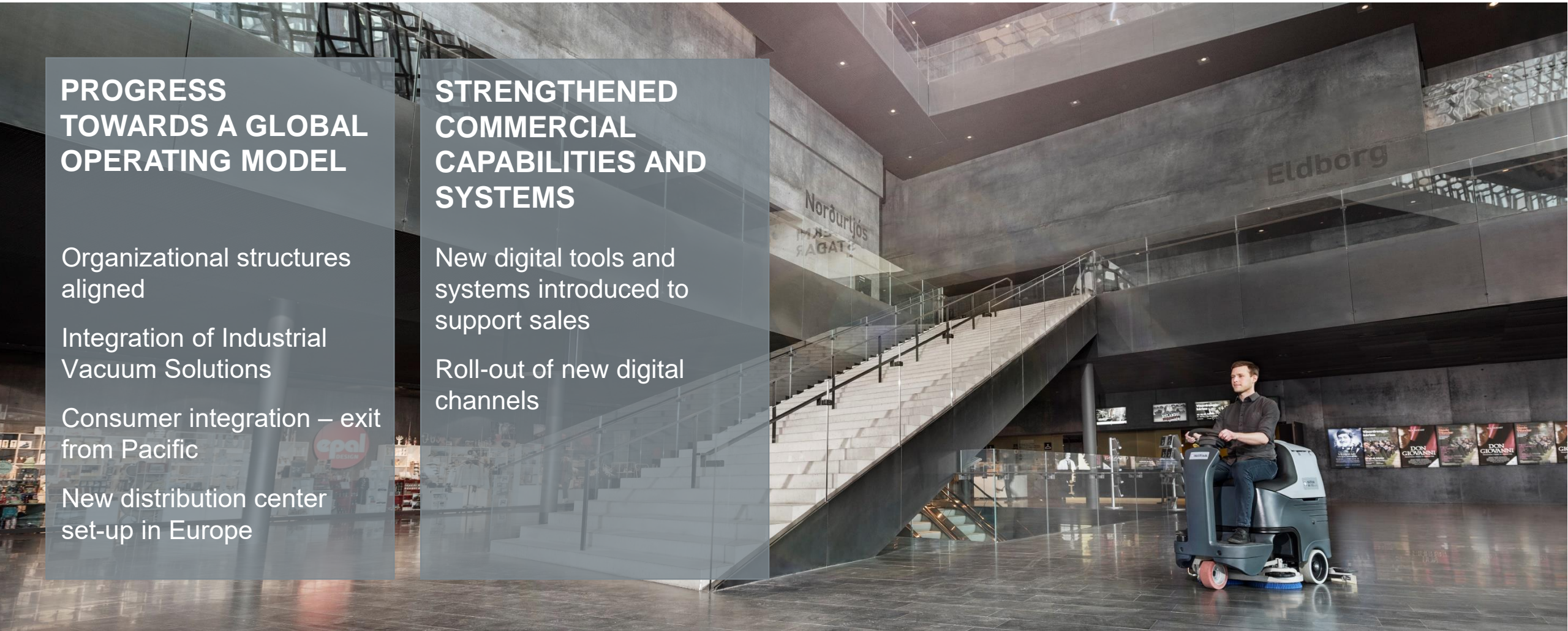
Consumer integration – exit from Pacific

New distribution center set-up in Europe

STRENGTHENED COMMERCIAL CAPABILITIES AND SYSTEMS

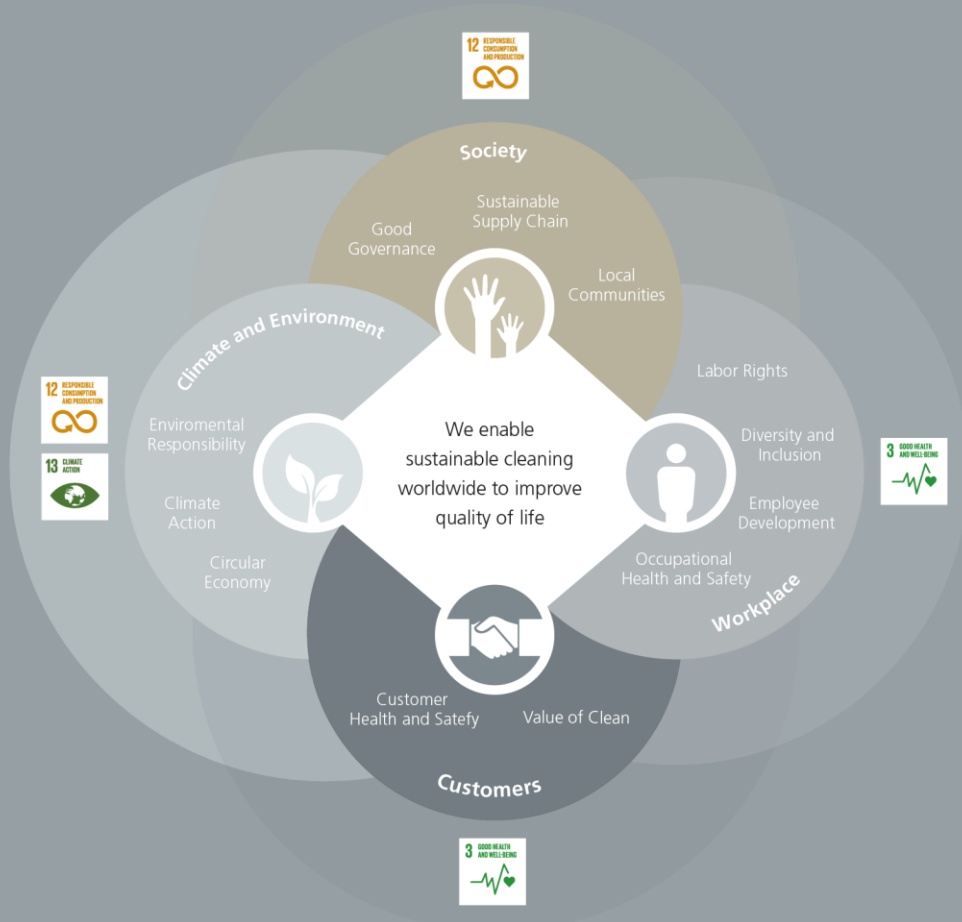
New digital tools and systems introduced to support sales

Roll-out of new digital channels



Sustainability and climate

Commitment to reduce climate impact by 2030



PROGRESS IN CSR EFFORTS DURING THE YEAR

- Comprehensive collection of resource and emission data from all Nilfisk sites
- Committed to reduce carbon footprint by minimum 35% by 2030
- Increased our commitment to the UN Sustainable Development Goals (SDGs); Nilfisk now works with SDG 3, 12 and 13

2019 Annual results

Overall performance

In line with the adjusted guidance for 2019

Lower than initial expectations for 2019

-4.1%
organic growth

42.3%
gross margin

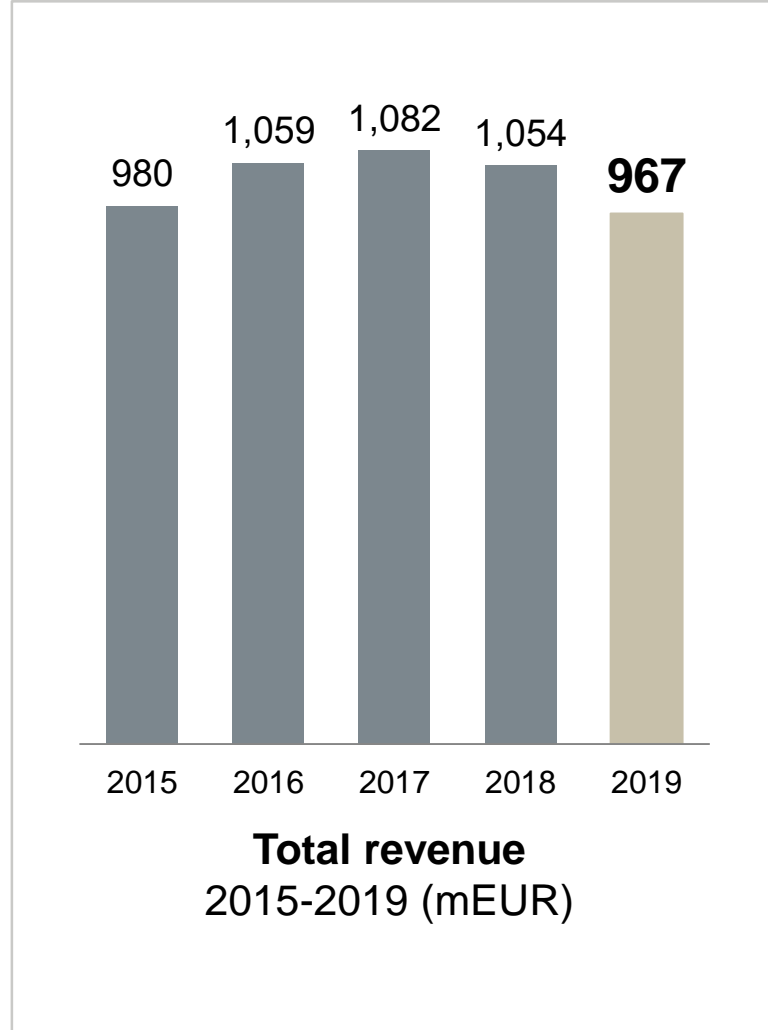
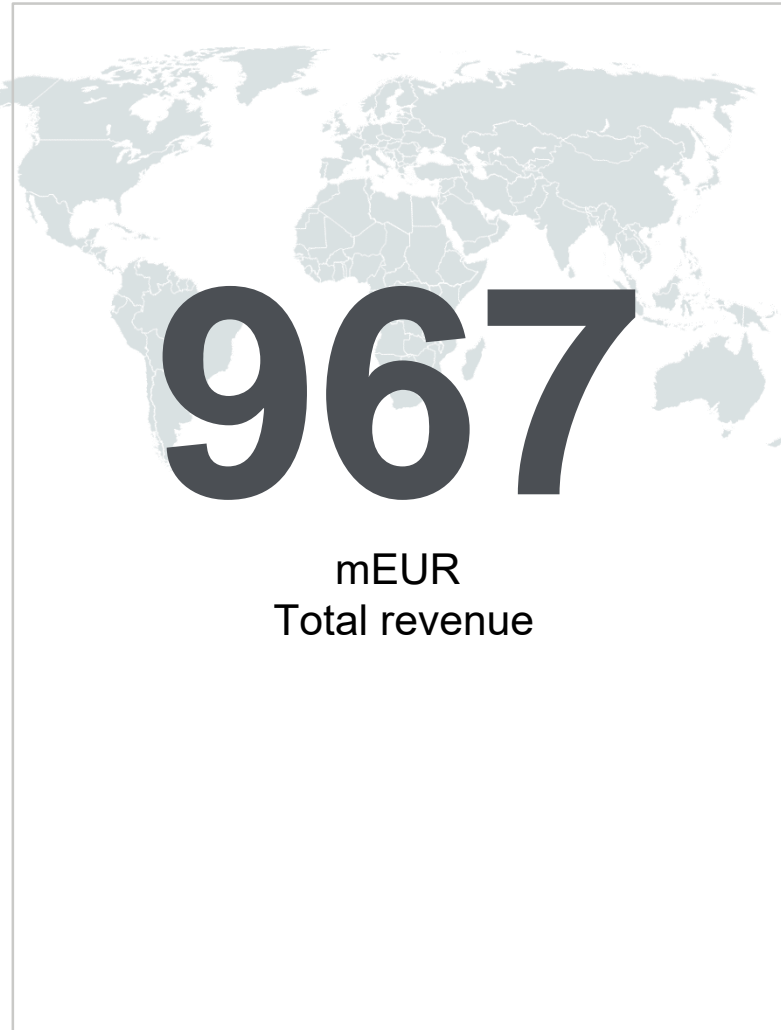
9.9*%
EBITDA margin before special items

We enable
SUSTAINABLE cleaning
worldwide
to improve

* Before special items, phantom share impact (0.4pp 2018) and IFRS 16 (2.7pp in 2019)

2019 Annual results

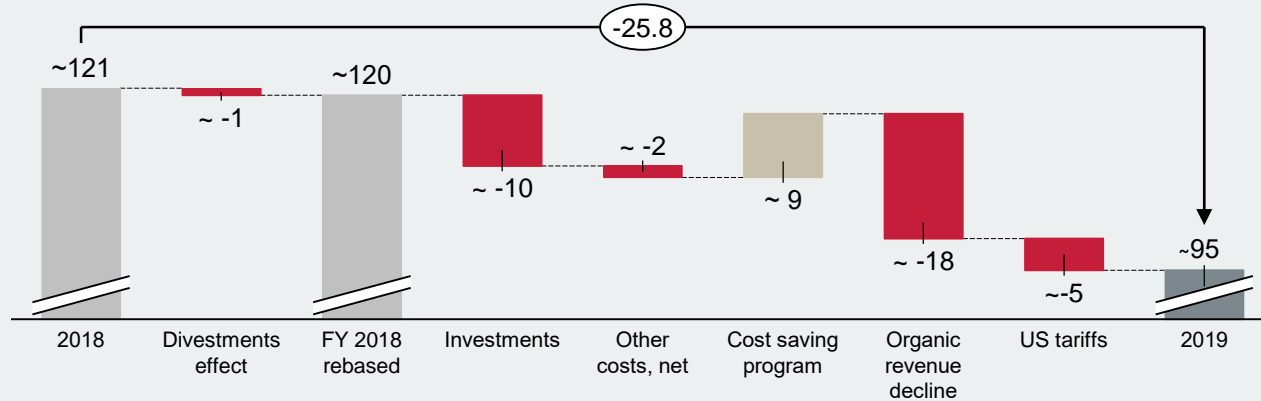
Revenue and organic growth



2019 Annual results

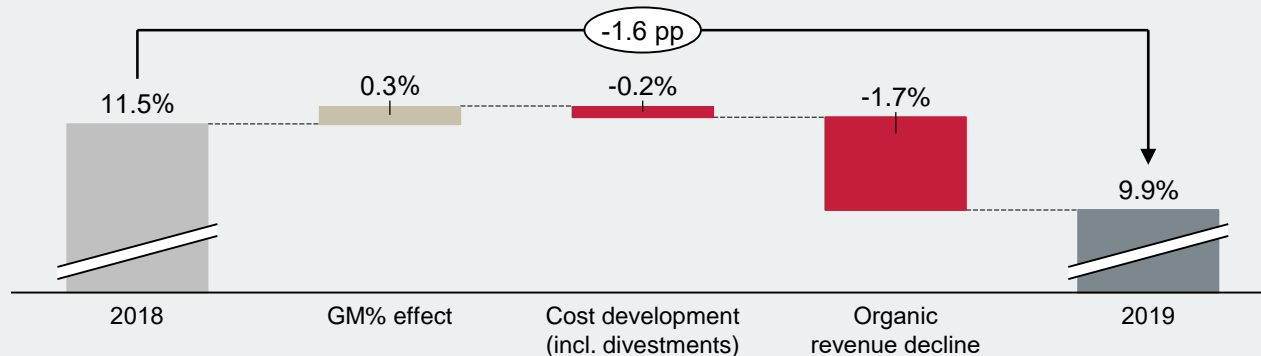
Earnings down due to lower revenue

EBITDA* bridge, mEUR



* Before special items, phantom share impact (4.3 mEUR in 2018) and IFRS 16 (26 mEUR in 2019)

EBITDA margin*



* Before special items, phantom share impact (0.4pp 2018) and IFRS 16 (2.7pp in 2019)

- Earnings lower than the expectations from beginning of the year – but in line with most recent guidance
- Gross margin of 42.3% – slight increase of 0.3 percentage point
- The EBITDA margin before special items was positively impacted by the uplift in the gross margin
- However, with the decline in revenue we were not able to counter through reductions in overhead costs causing a drop in the EBITDA margin

2019 Annual results

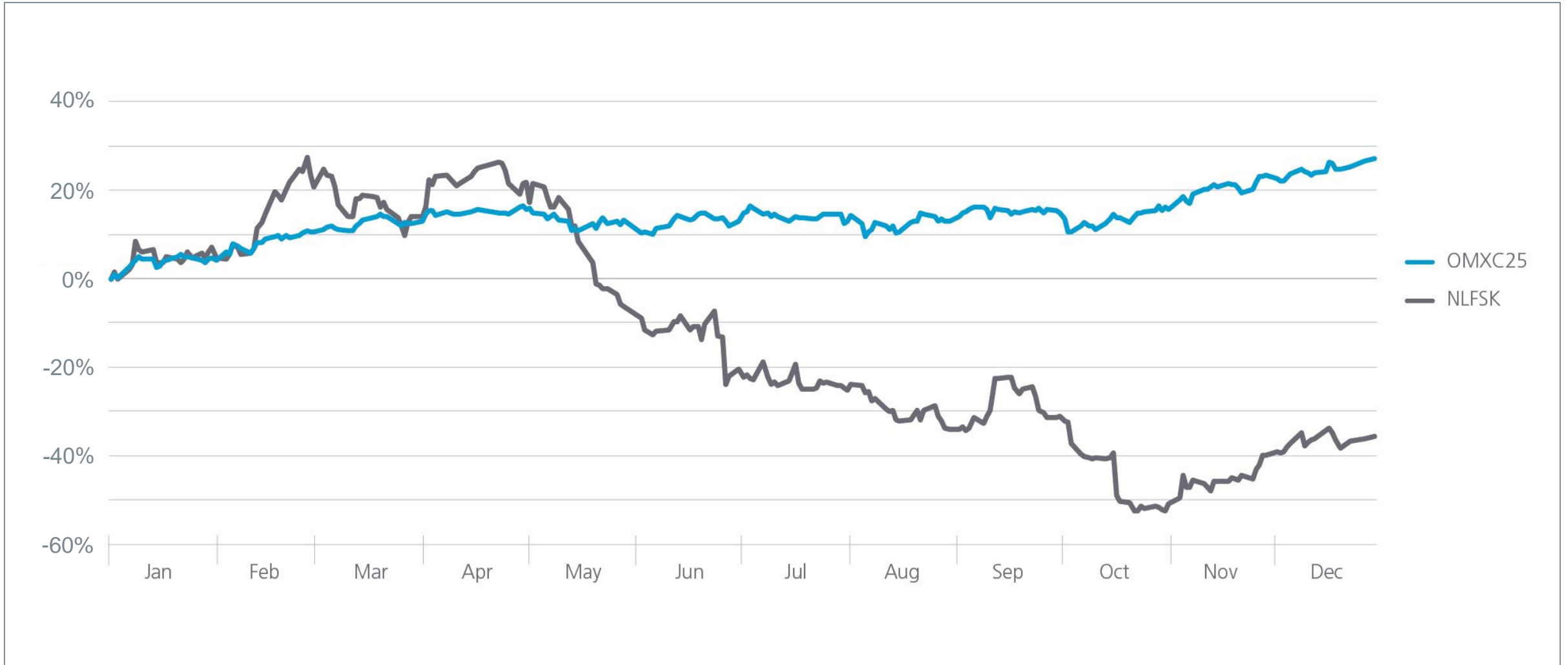
Result and dividend

8.7 mEUR
Result for the year

3.4
Financial gearing

0%
Dividends

Nilfisk share price development January-December 2019



Financial guidance for 2020 remains suspended

- The 2020 guidance was suspended March 19, 2020, due to low visibility and high uncertainty caused by the COVID-19 situation
- Today, visibility remains low and the impact of the crisis cannot be accurately assessed
- Consequently, the financial guidance for 2020 remains suspended



Focus in 2020

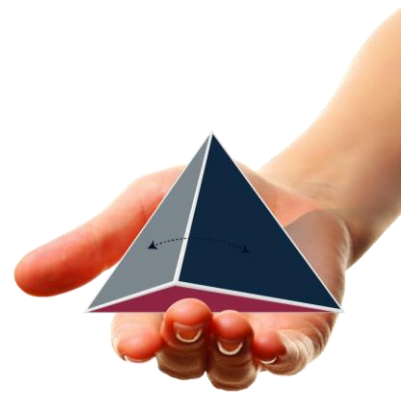
Managing the crisis and preparing for post COVID-19 opportunities

- Focus short-term on capacity adjustments and cost
- Restructuring plan to mitigate crisis impact, including reducing workforce by an estimated 250 FTEs
- Focus mid-term on post-COVID-19 business opportunities
- Continued commitment to strategic direction



Commitment to strategic direction unchanged

Our vision and strategic objectives form the transformation of Nilfisk



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

Globalize and standardize to drive leverage

Solution partner

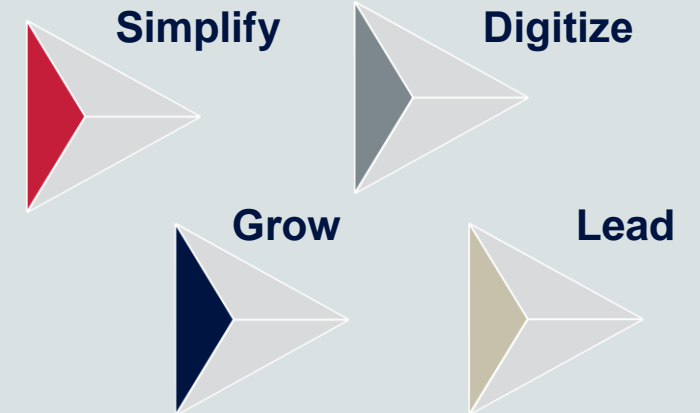
Innovate with large sophisticated customers

Digital leader

Autonomize and digitize everyday interactions

Strategy

HOW we take action



2020 strategic priorities

Focus on customers and growth

Execution



- Foundation for commercial execution in place
- Getting value from the many changes implemented in the past years, simplifying and globalizing Nilfisk

Customer Engagement




- Cross-functional program focused on improving the customer experience
- Optimize customer journey

Growth



- Continued execution of the US growth plan
- Expand sale of the Nilfisk Liberty SC50 solution
- New technology partnership to bring next autonomous solution to market in 2020

Meetings in the Board of Directors 2019 and Board self-assessment

Board of Directors	Audit Committee	Nomination Committee	Remuneration Committee
	<ul style="list-style-type: none">• Jutta af Rosenborg (Chair)• Thomas Lau Schleicher	<ul style="list-style-type: none">• Lars Sandahl Sørensen (Chair)• Jens Due Olsen	<ul style="list-style-type: none">• Jutta af Rosenborg (Chair)• Thomas Lau Schleicher
<ul style="list-style-type: none">• 11 meetings	<ul style="list-style-type: none">• 5 meetings	<ul style="list-style-type: none">• 2 meetings	<ul style="list-style-type: none">• 6 meetings

Board self-assessment

Thank you

