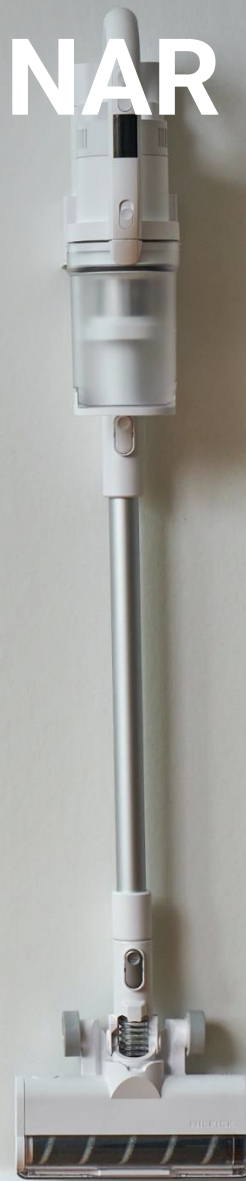


# COPENHAGEN WINTER SEMINAR 2023

November 29

René Svendsen-Tune  
CEO Nilfisk



**NILFISK**

# A global market leader within professional cleaning equipment

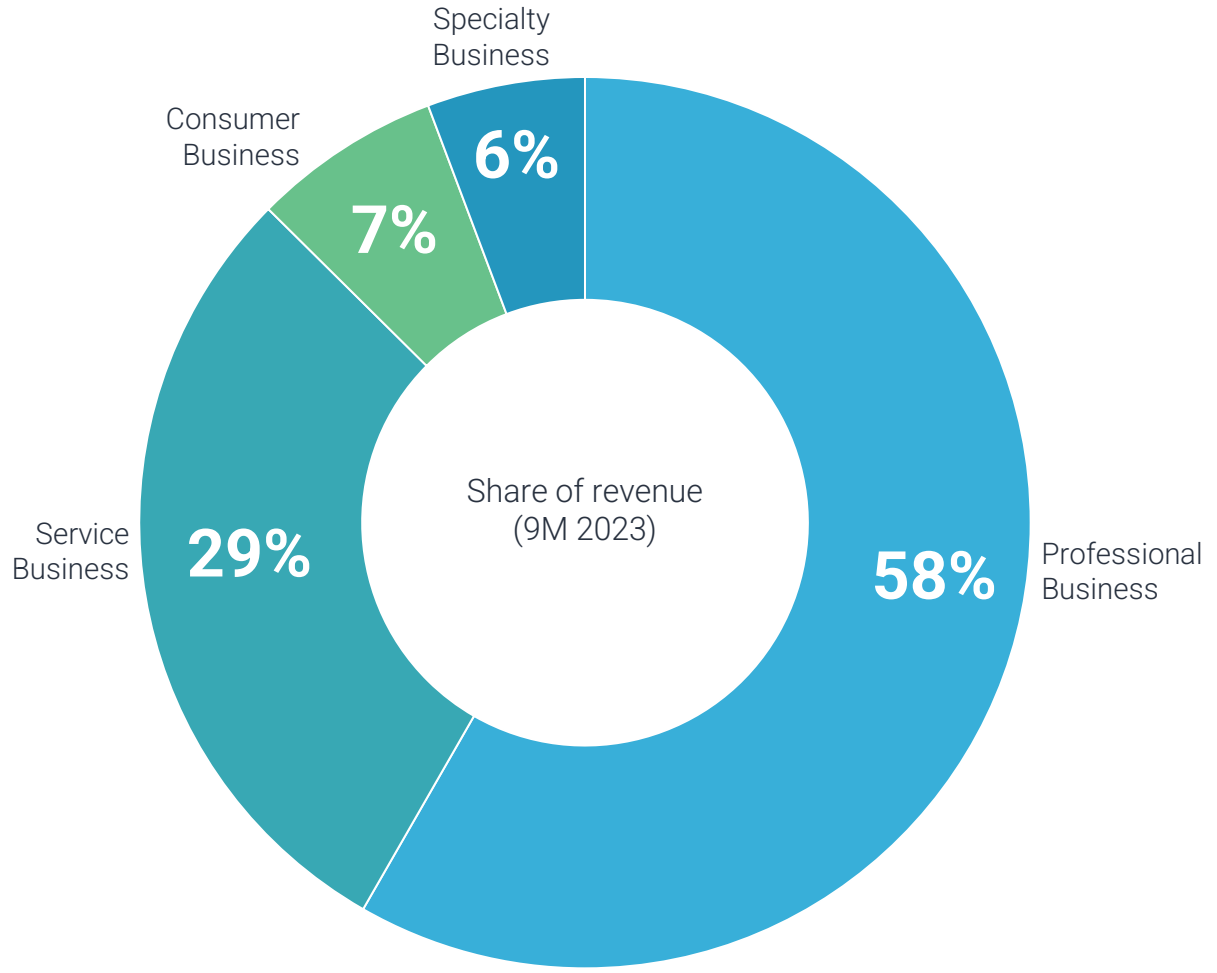
 **4,700** employees worldwide (approx.)

 **3** regions: Americas, EMEA and APAC

 **40+** countries with sales companies

 **100+** countries where Nilfisk products are sold

 **1** E-commerce platform



# Product offerings

Industry leading professional range of cleaning equipment and consumer products

## Floorcare



Sweepers, scrubber dryers, combination riders, carpet extractors, and burnishers.

## Vacuum cleaners



Commercial vacuum cleaners, wet/dry, industrial vacuum cleaners, consumer products, central vacuum cleaners.

## Pressure washers



Professional high-pressure washers, ultra-high/low pressure, consumer high-pressure washers.

# Nilfisk's global presence by region and market

## Our geographies

Share of revenue (9M 2023)



**36%**

Americas region

**56%**

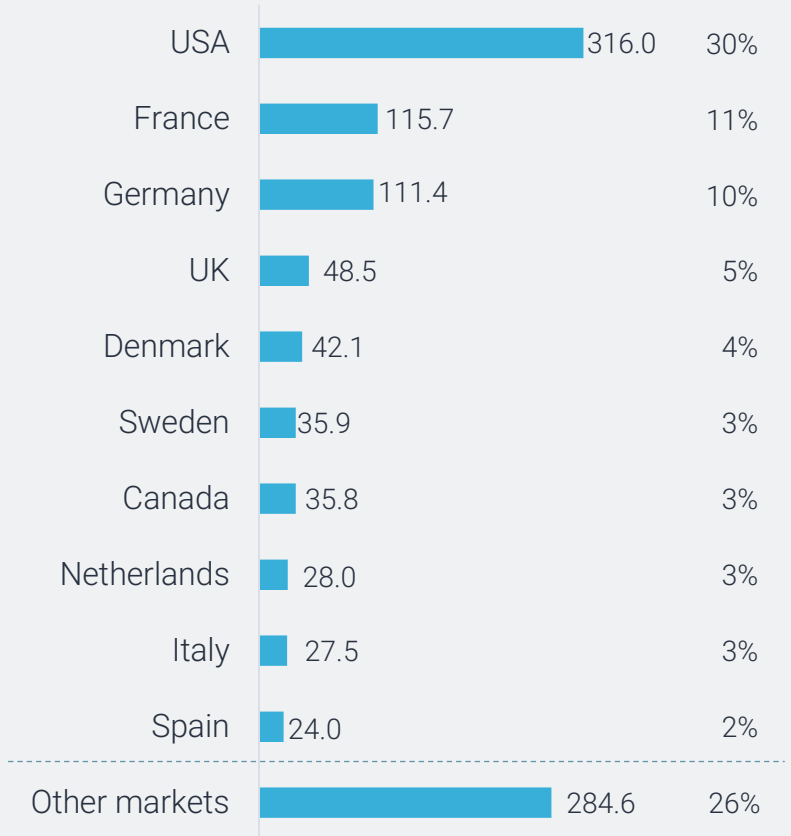
EMEA region

**8%**

APAC region

## Our 10 largest markets

By 2022 revenue (mEUR)



**Total revenue**  
2022 (mEUR)

**1,069.5**

# We serve a broad range of customers across segments

Customer segments split into three business verticals



## Industry

Industrial customers for whom cleaning is business critical for product quality, and an integrated part of the ongoing optimization and automation of facilities and production.



Manufacturing



Warehouse & Logistics



Food & Beverage



Pharma



Iron & Metal



## Contract Cleaners & Institutions

Optimization of the cleaning task is a key focus for the CCI businesses, utilizing new and flexible ways of cleaning supported by new digital opportunities.



Office & Public Buildings



Healthcare



Retail



Education



Hospitality



## ABCA

Within these businesses, cleaning enables safe working conditions and ensures equipment is maintained for optimal efficiency.



Agriculture



Building & Construction



Automotive

# A targeted go-to-market approach with different channels

~70% of revenue from product sales via four targeted channels, ~30% of revenue from our service offering



## Strategic accounts

We serve our largest customers as a **global partner** with dedicated, tailored key account management



## Direct sales

**1,500+** FTE in Nilfisk sales force and sales support functions across **40+** countries



## Distributors

Expansive network of **dealers and distributors** ensuring that Nilfisk's products and solutions are sold in **100+** countries



## E-commerce

**Globalizing digital sales** processes while creating a seamless and improved customer experience online

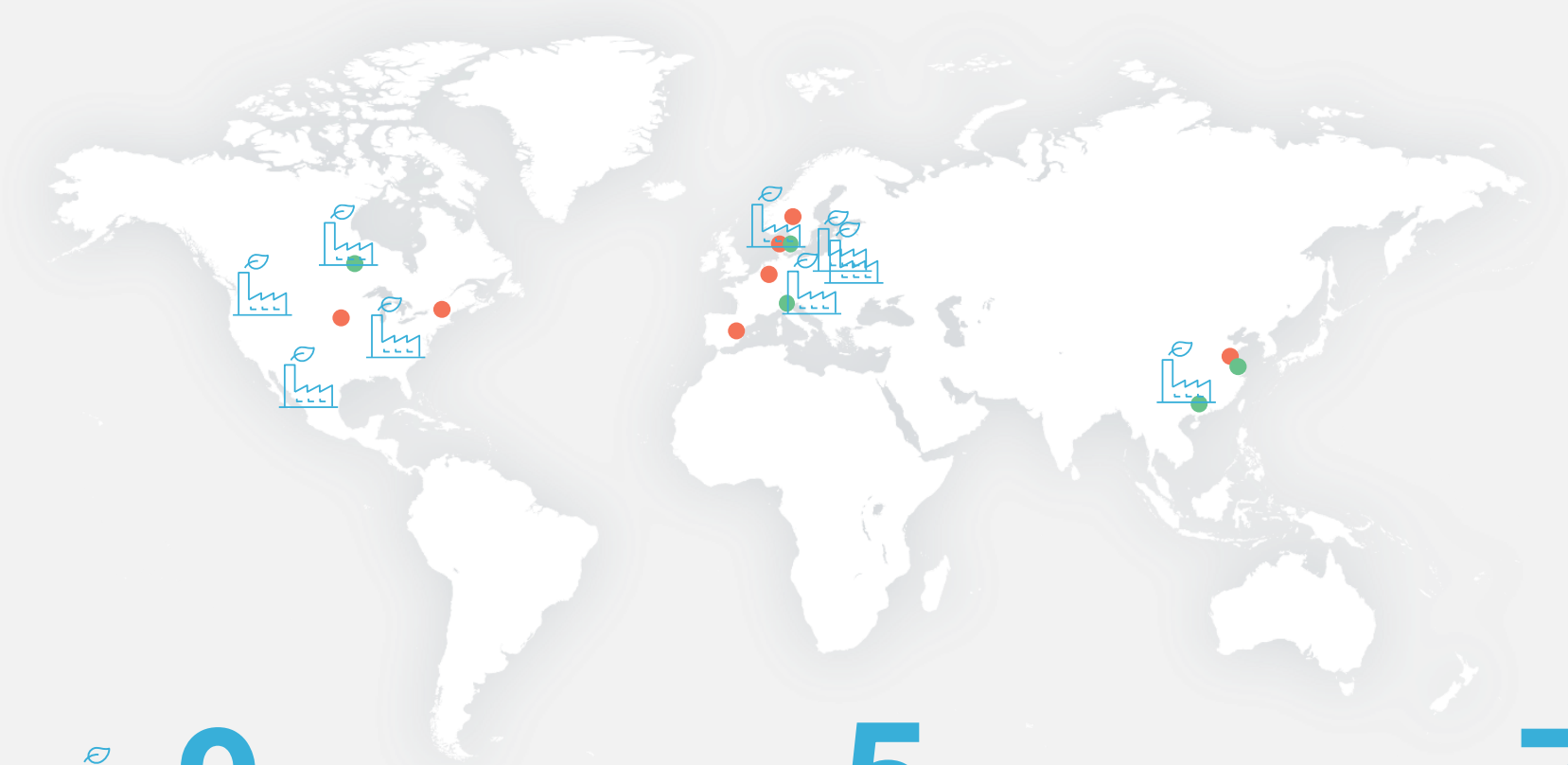


## Service

**500** field service engineers and **300** authorized third-party technicians ensure consistent service quality globally

# Nilfisk's moving towards more local for local

Global operations spanning from R&D over manufacturing to distribution



 **9**

Manufacturing sites

 **5**

R&D facilities

 **7**

Distribution facilities

# Strategy review leading to Business Plan 2026

## Strategy review

During second half of 2021

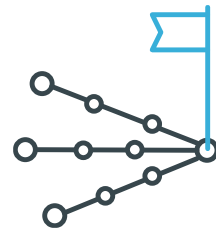


## Targets

For 2026 and 2030

## Business Plan 2026

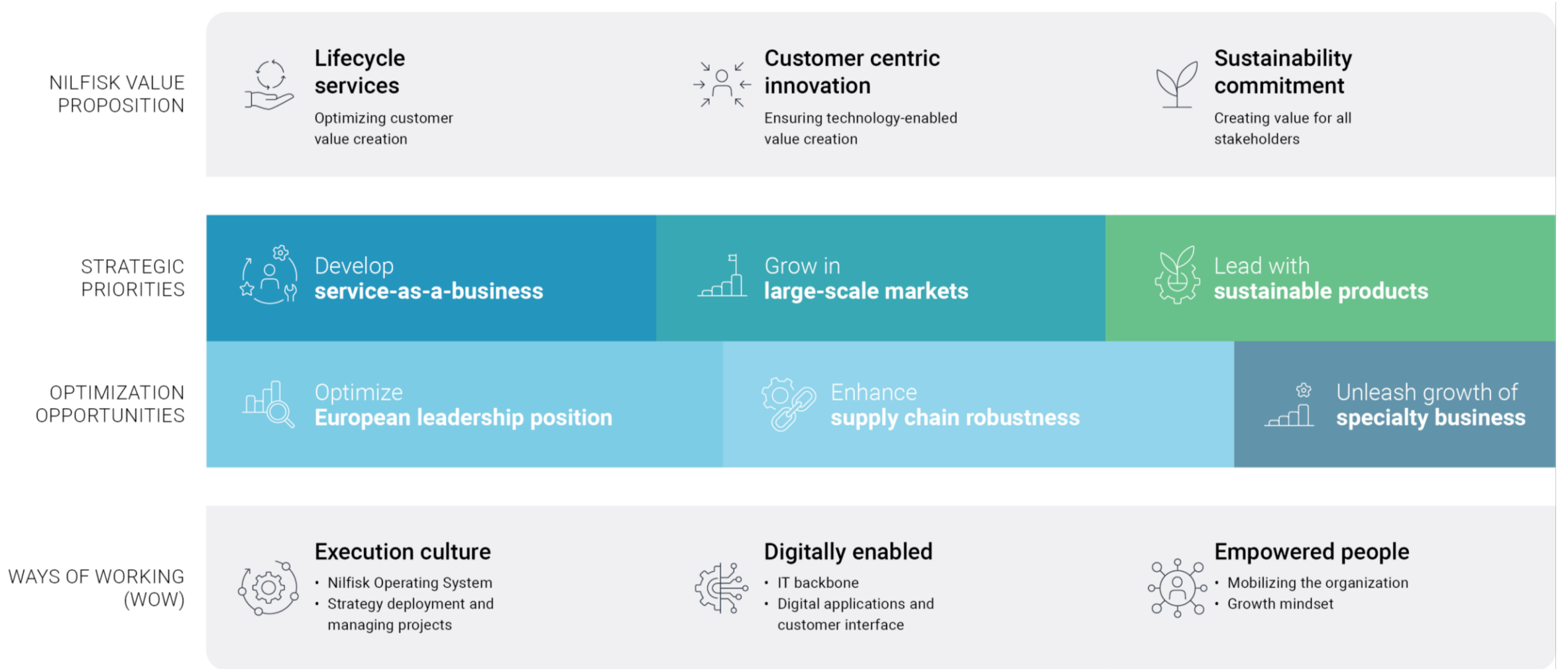
Focus on long-term sustainable growth





# Business Plan 2026

We are focusing on long-term sustainable growth



# Service-as-a-Business

A fundamental change in Nilfisk to fuel growth and customer relations

## Key workstreams

- Selling service contracts
- Efficiency & profitability
- PAC business development
- 'Equipment-as-a-service'

## Results so far

Actual (9M 2023) / Target (2026)

Contract attachment rate

12% / 40%

Service share of sales

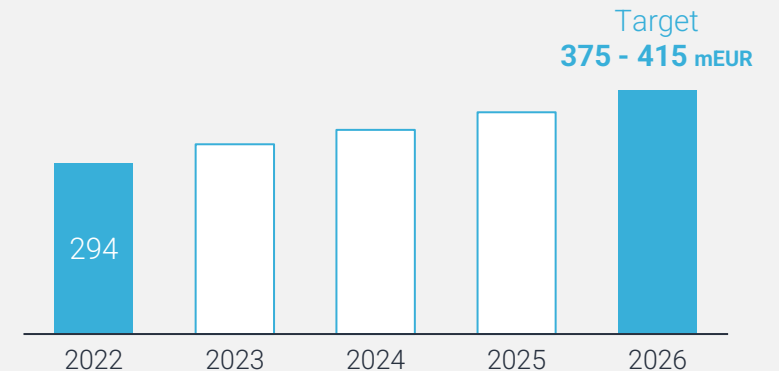
29% / 35%



## Ambition

From traditional **product-centric model** of selling with **reactive repair** service to a **total solution** combining a range of services around the product to deliver a stronger value proposition to our customers.

## Revenue from 2022 to 2026



# Grow in large-scale US market

US is the worlds single largest market for professional cleaning equipment

## Key workstreams

- Continue roll-out of commercial strategy
- Win in the industrial segment
- Develop Service-as-a-Business
- Optimize supply chain robustness
- Build IT backbone

## Results so far

Actual (2021, 2022, 9M 2023) / Target (2026)

Org. growth 2021

**22.2%**

Org. growth 2022

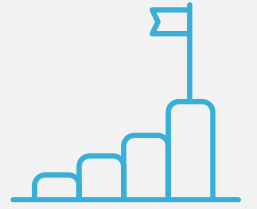
**10.0%**

Org. growth 9M 2023

**3.1%**

United Rentals (# stores)

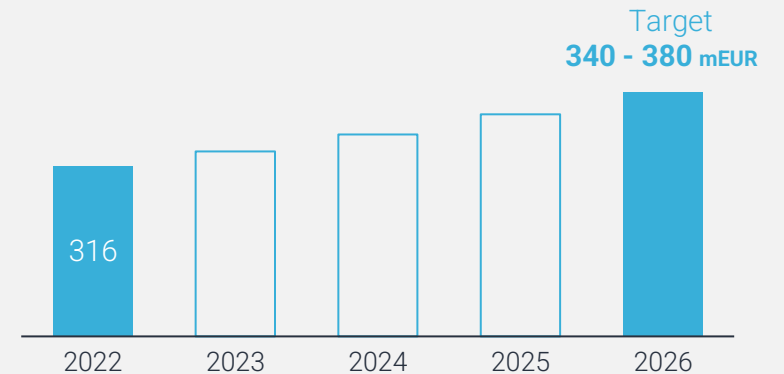
**49 / 85**



## Ambition

US is the **world's single largest cleaning market** accounting for **40%** of the global market, and with one of the highest growth rates for mature markets. With **30%** of revenue from US, Nilfisk has **large growth potential**.

## Revenue from 2022 to 2026



# Lead with sustainable products

To become a recognized leader, Nilfisk steps up innovation and increase portfolio vitality

## Key workstreams

- Upgrade existing product range
- Establish modular architectures
- Expand autonomous portfolio
- Develop ecosystems

## Results so far

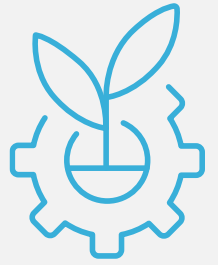
2022 actual / 2030 target

Upgrade of **SC351 Li-Ion, SC650, VP300 (R), SC50, VP930, Excellent HPW (digital UI)**

New consumer line **S1 incl. Allergy and Pet**

Scope 3 intensity reduction

# -11% / -48%



## Ambition

Our ambition is to become the **recognized leader** in the professional cleaning equipment industry and increase **product vitality**.



# Financial targets for 2026

**1.2 - 1.3** bnEUR

Revenue



Above **16%**

EBITDA margin before special items



**3 - 4%**

CAPEX in % of sales



**1.5 - 2.0x**

Gearing



# Accelerating our sustainability efforts

Sustainability results for 2022/2023 and targets towards 2030

□ : 2022 results  
○ : Targets towards 2030



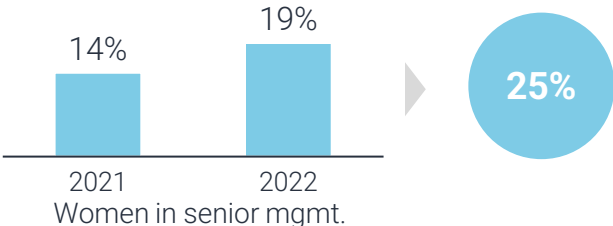
### Scope 1 & 2 absolute emission reductions



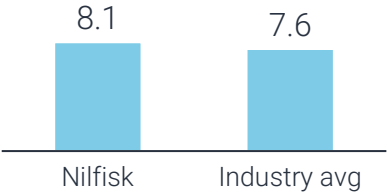
### Scope 3 emission intensity reductions



### Increased gender diversity



### High engagement score



### EcoVadis rating



### Human rights commitment





# Financial highlights 9M 2023

780.7 mEUR  
Revenue

0.6%  
Organic revenue growth

40.6%  
Gross margin

97.3 mEUR  
EBITDA (bsi)

12.5%  
EBITDA margin (bsi)

83.0 mEUR  
Free cash flow





# Q3 2023: Solid progress on many business KPI's

247.8<sub>mEUR</sub>  
Revenue

-0.7%  
Organic revenue growth

41.2%  
Gross margin

31.2<sub>mEUR</sub>  
EBITDA (bsi)

12.6%  
EBITDA margin (bsi)

29.8<sub>mEUR</sub>  
Free cash flow

## Revenue dynamics

- Consumer and Service contributed with growth
- Professional and Specialty declined
- Negative organic growth in EMEA and Americas, positive in APAC

## Supply constraints easing

- Supply chain constraints have eased in all production sites except for Brooklyn Park
- Order book remained elevated, but at a lower level than earlier quarters.

## Gross profit margin recovery continues

- Positively impacted by price management, lower freight costs and product mix
- Strong price management across all regions, mitigating external cost inflation on raw materials and labor rate increases

## EBITDA margin improvement

- Positively impacted by the continued gross margin recovery
- Benefitting from the planned decline in overhead costs

## Significantly improved free cash flow

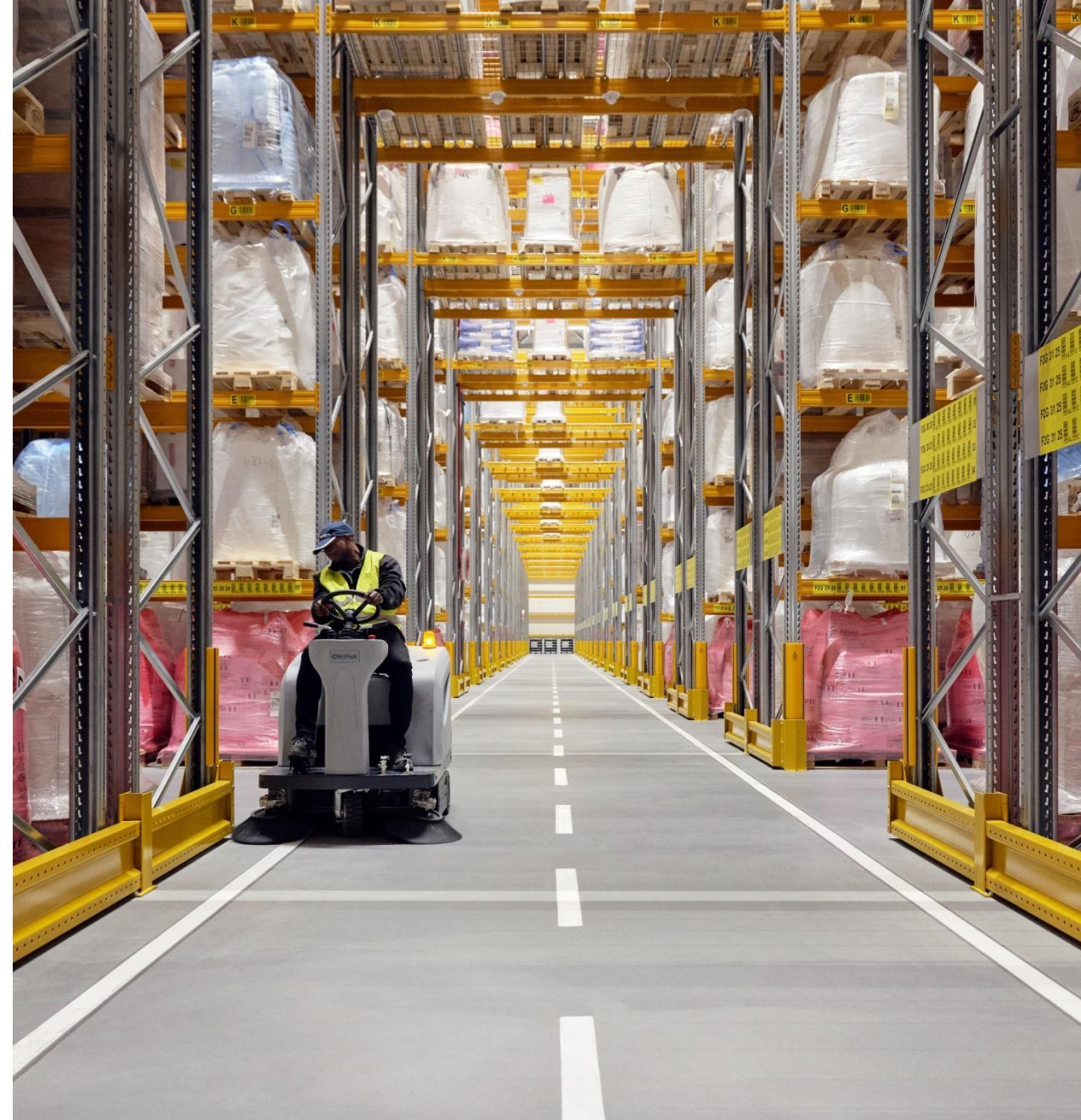
- Driven by EBITDA improvements, the reduction in working capital, including effects from factoring, and lower investments

# 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 this presentation.

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



**NILFISK**