

Nilfisk Q1 results 2022

WEBCAST PRESENTATION

May 17, 2022

NILFISK

Forward-looking statements

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On the call today

Executive Management Team of Nilfisk



< **Torsten Türling**
CEO



Reinhard Mayer >
CFO

Agenda

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CEO comment on Q1 2022

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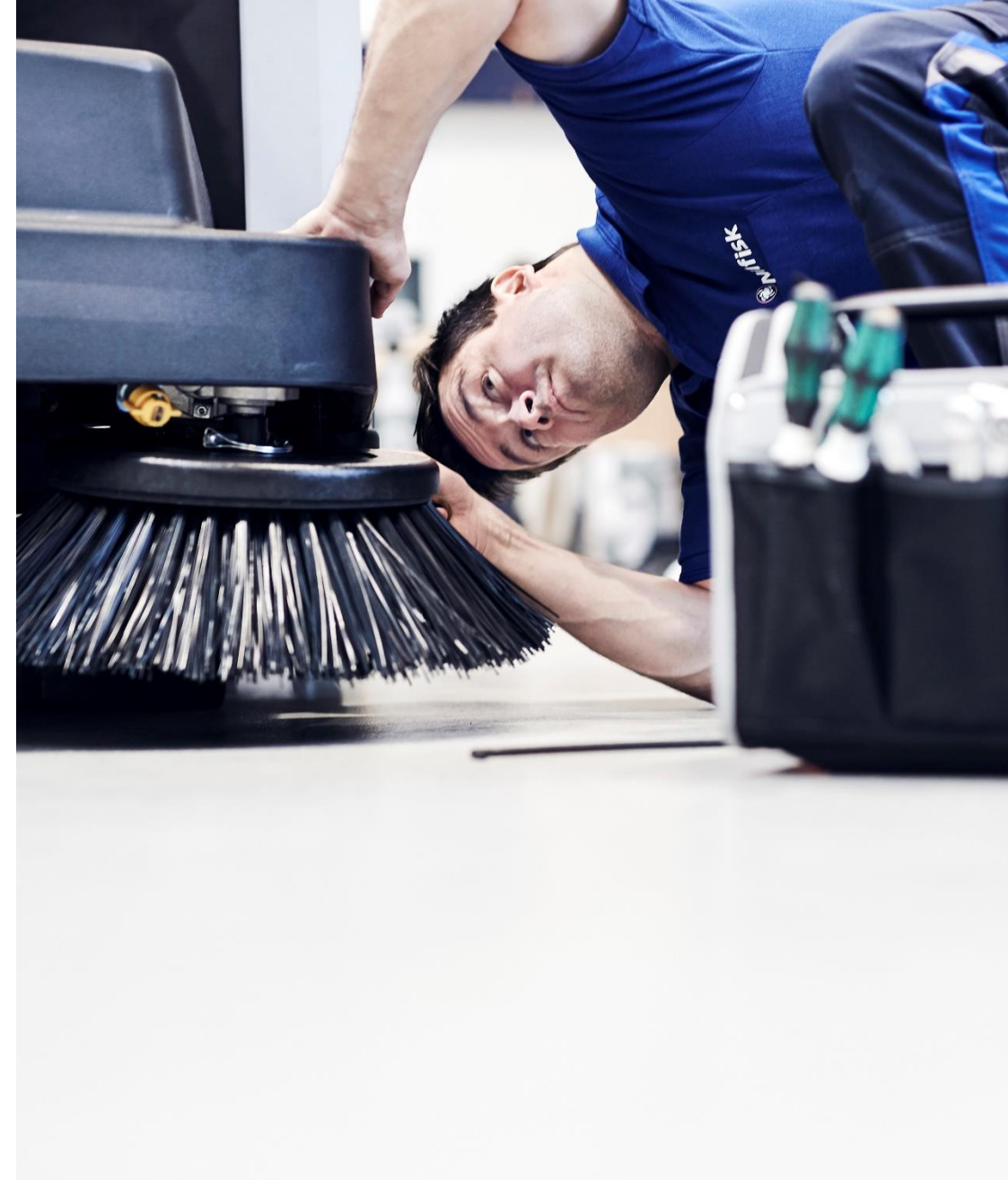
Financials Q1 2022 and sustainability linked financing

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Unchanged outlook for 2022

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Q&A

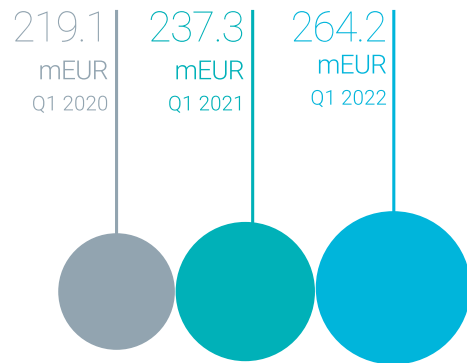


CEO comment

Q1 2022 Financials

264.2 mEUR

Revenue

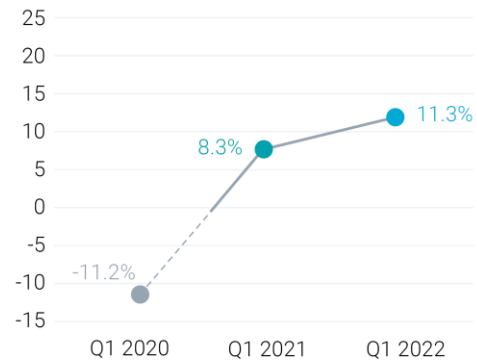


11.3%

Reported revenue growth

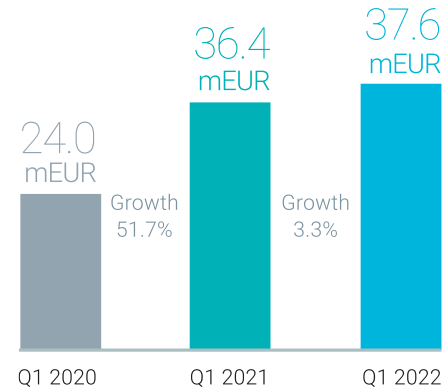
Organic revenue growth of 9.3%

Growth in Americas of 24.3%



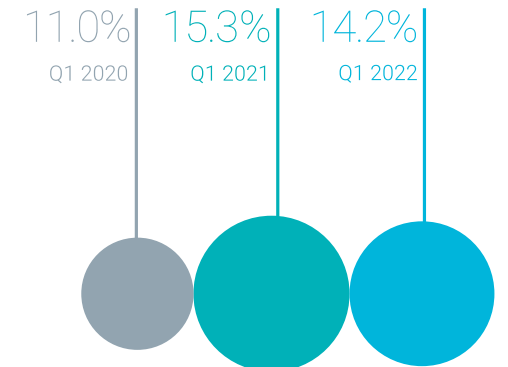
37.6 mEUR

EBITDA bsi



14.2%

EBITDA margin bsi



CEO comment

Business update: Q1 and April

Q1 2022

- Continued strong demand
- Supply chain constraints and margin implications
- Business Plan 2026 launched
- Nilfisk suspended business in Russia on March 4

Developments in April

- Decision to liquidate Nilfisk Russia
- New 400 mEUR financial facility linked to sustainability



CEO comment

Business update: Mitigating tornado impact on US Distribution Center



- A tornado partly destroyed the US Distribution Center on March 30
- No personnel were injured
- Resumed operations in nearby building in April, ramp up ongoing
- Impact on US growth expected to be limited to Q2 with around 20 mEUR revenue delayed to H2

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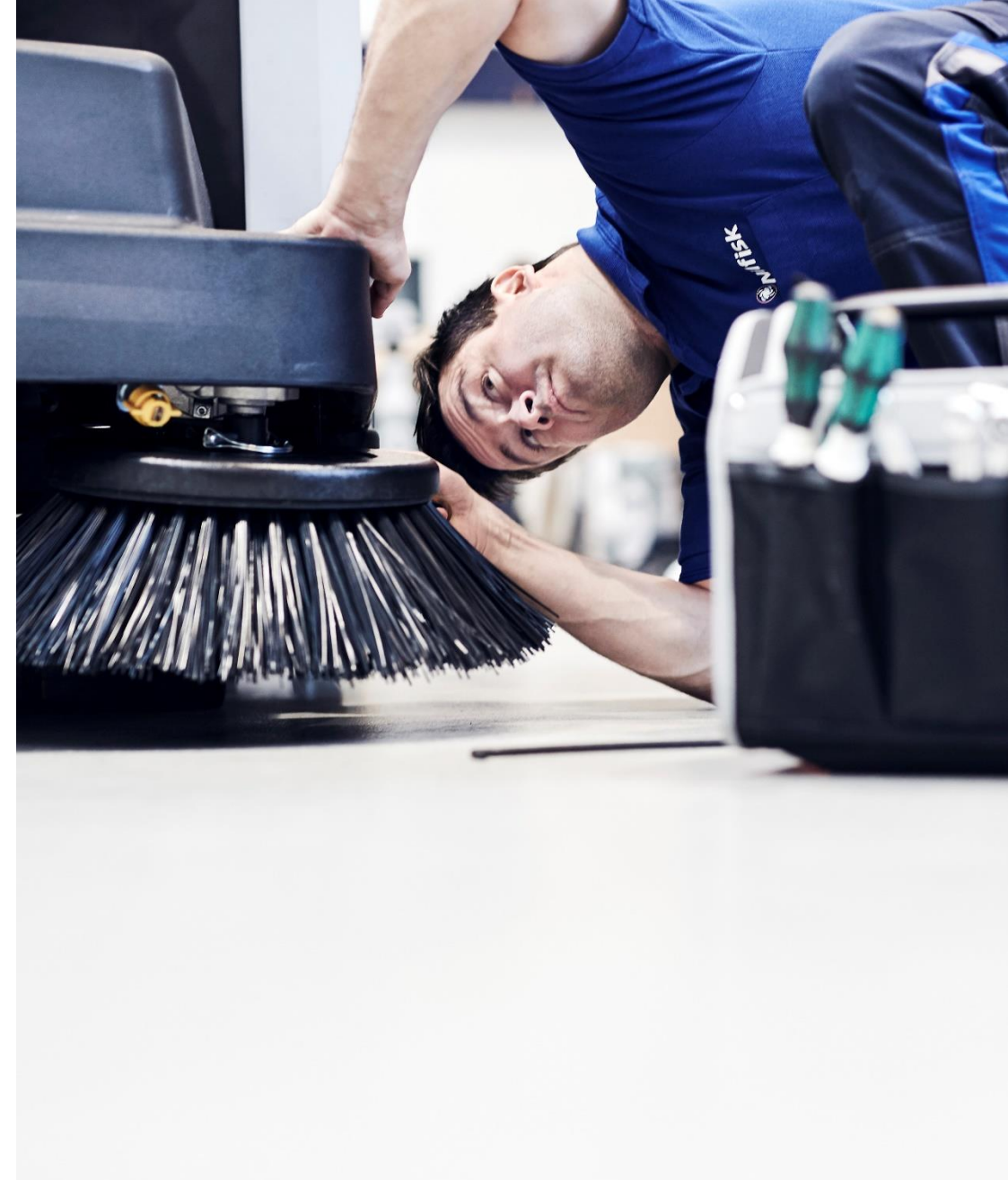
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Highlights for Q1 2022

Q1 income statement

EUR million	Q1 2022	Q1 2021	Change
Net sales	264.2	237.3	26.9
<i>Reported growth</i>	11.3%	8.3%	300 bps
<i>Organic growth</i>	9.3%	11.9%	-260 bps
COGS	-158.6	-138.6	-20.0
Gross profit	105.6	98.7	6.9
<i>Gross margin</i>	40.0%	41.6%	-160 bps
Overhead costs	83.1	77.3	5.8
<i>Overhead cost ratio</i>	31.5%	32.6%	-110 bps
EBITDA before special items	37.6	36.4	1.2
<i>EBITDA margin bsi</i>	14.2%	15.3%	-110 bps
EBITDA	35.0	36.2	-1.2
<i>EBITDA margin</i>	13.2%	15.3%	-210 bps
EBIT before special items	22.5	21.4	1.1
<i>EBIT margin bsi</i>	8.5%	9.0%	-50 bps
Special items	4.8	0.2	4.6
EBIT	17.7	21.2	-3.5
<i>EBIT margin</i>	6.7%	8.9%	-220 bps

Organic **revenue growth of 9.3%** to 264.2 mEUR

- reported growth of 11.3%
- positive impact from FX of 2.3%

High demand from earlier quarters continued in Q1

Gross margin of 40.0%, a decline of 160 bps over Q1 2021 mainly due to

- negative impact from increasing material costs and continued high freight rates
- partly offset by a positive impact from pricing effects and higher revenue

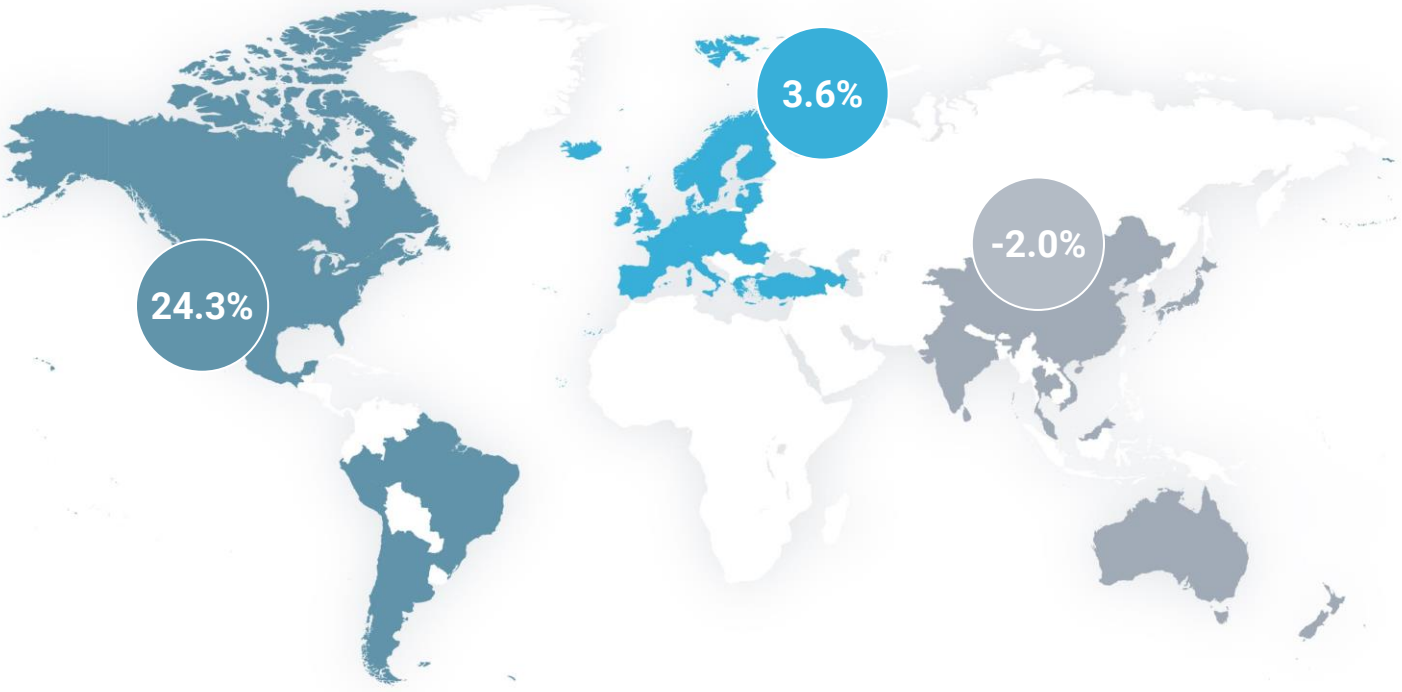
EBITDA bsi up 1.2 mEUR

- positive impact from increased revenue, pricing effects and lower overhead
- negative impact from gross margin pressures

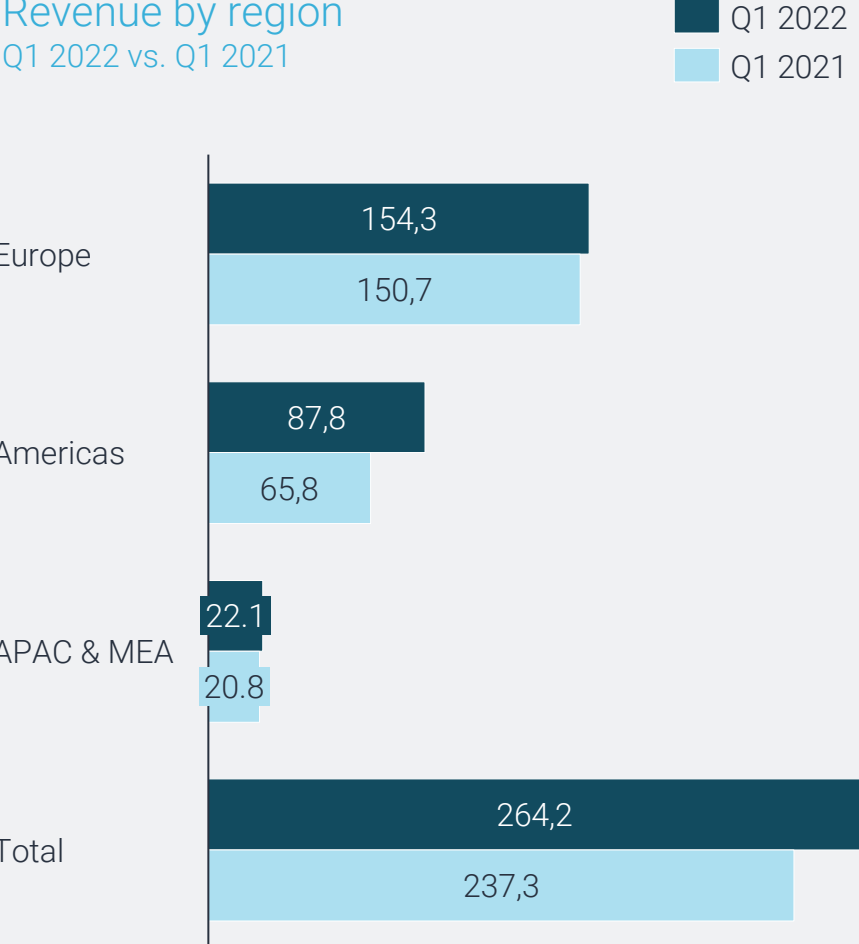
EBITDA margin bsi down 110 bps to 14.2%

Strongest revenue growth in Americas in Q1 2022

Organic revenue growth by region
Q1 2022 vs Q1 2021

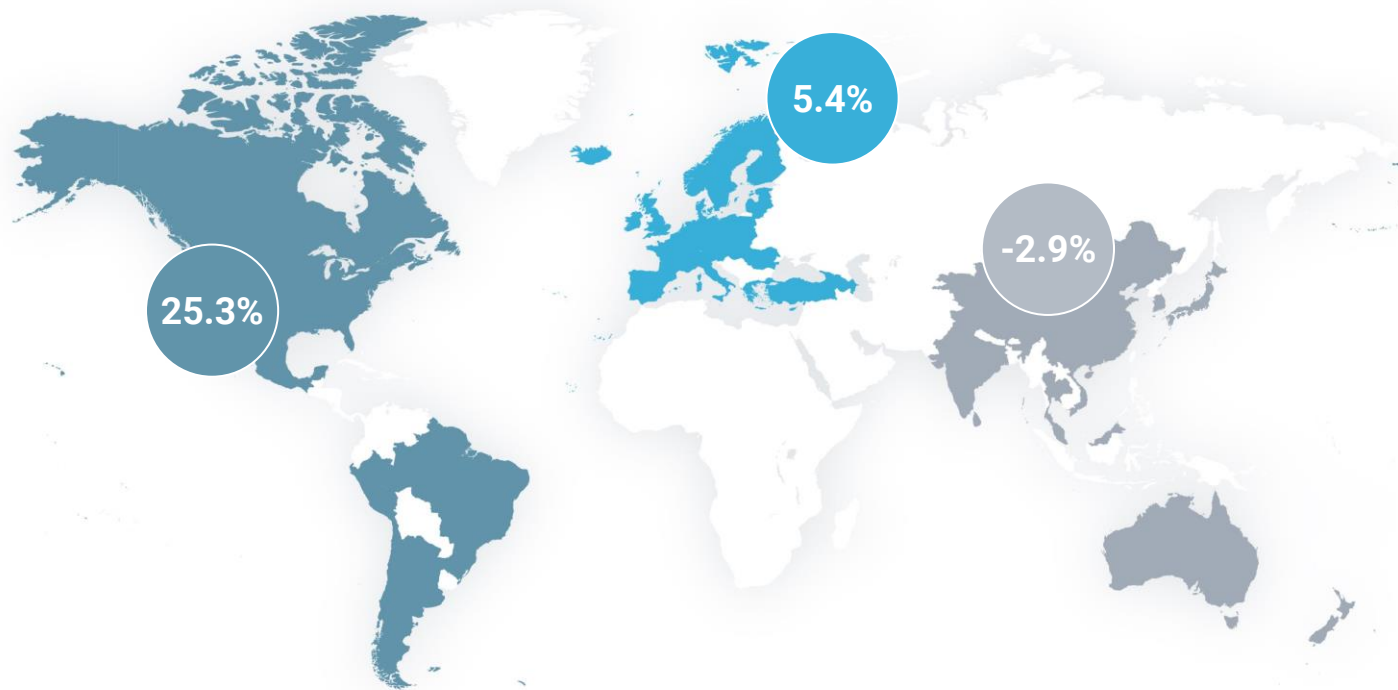


Revenue by region
Q1 2022 vs. Q1 2021

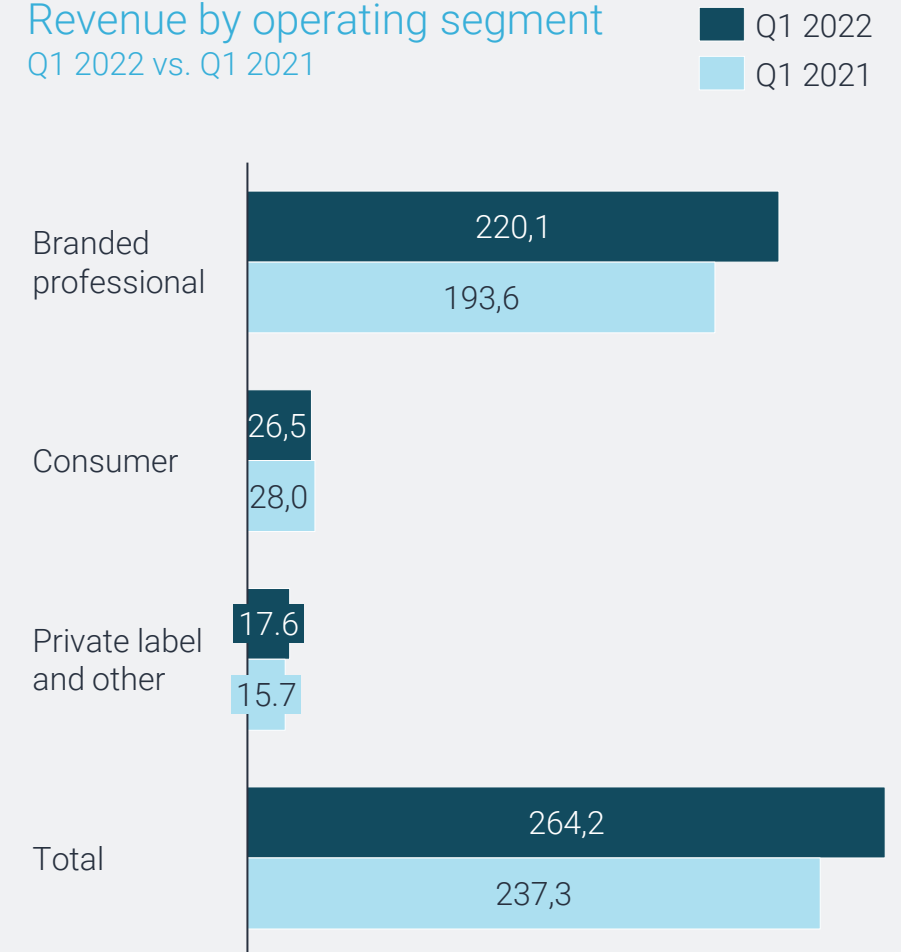


Private label and branded professional driving growth in Q1

Organic growth in branded professional by region
Q1 2022 vs. Q1 2021



Revenue by operating segment
Q1 2022 vs. Q1 2021



Balance sheet and cash flow

EUR million	Q1 2022	Q1 2021	Change
Inventories	235.3	164.6	70.7
Trade receivables	194.5	181.4	13.1
Trade payables	132.6	114.6	18.0
Reported WC	226.6	152.6	74.0
<i>LTM WC ratio</i>	16.7%	17.5%	-80 bps
CAPEX	5.2	2.9	2.3
Tangibles	1.5	0.9	0.6
Intangibles	3.7	2.0	1.7
CAPEX ratio %	2.0%	1.2%	80 bps
Free cash flow	-22.7	9.2	-31.9
RoCE	15.5%	8.6%	690 bps
NIBD	372.4	378.4	-6.0
<i>Financial gearing</i>	2.6 x	3.4 x	-0.8 x

- **Inventories increased by 70.7 mEUR** driven by higher business activity and investments into increased inventory of critical parts and components
- **Working capital increased by 74.0 mEUR**, primarily as a result of higher inventories
- **LTM working capital ratio down 80 bps** compared to last year driven by higher revenue
- Increased efforts in R&D including sustainable products and investment into IT systems drove **CAPEX growth of 2.3 mEUR in Q1 2022** versus prior year period.
- **Free cash flow declined by 31.9 mEUR to -22.7 mEUR** due to the increase in working capital
- **NIBD reduced by 6.0 mEUR** compared to prior year
- Lower NIBD in combination with higher EBITDA led to **a 0.8 reduction in gearing to 2.6**

New 400 mEUR financial facility

Linked to sustainability targets

Q1 2022

- Facility of 400 mEUR, hereof 200 mEUR term loan facility and 200 mEUR revolving credit facility
- 3-year agreement on improved terms
- New and improved syndicate with 5 banks, broadened financial competencies and geographic coverage
- Linked to Nilfisk's 3 sustainability targets and to the EcoVadis rating to ensure supply chain focus



35%

reduction of scope 1 and 2 direct and indirect carbon emissions in 2030



48%

reduction of scope 3 carbon emission intensity linked to use of sold products in 2030



25%

women in senior leadership positions in 2026



Gold

increase silver EcoVadis rating to a gold EcoVadis rating

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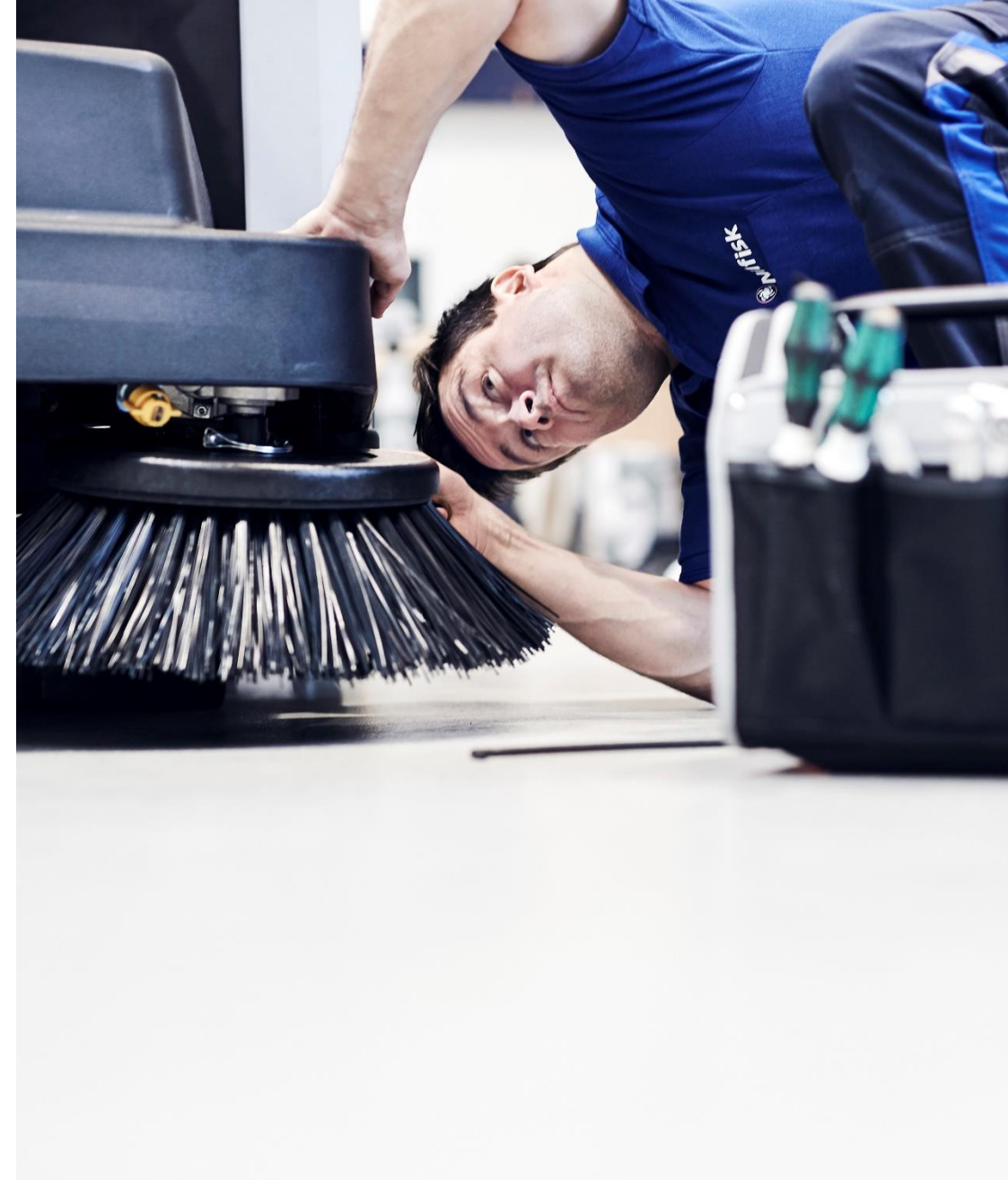
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Outlook for 2022 maintained

Strong Q1 and all-time high order book expected to offset USDC

Guidance maintained given the current visibility on

- market demand, including our all time high order book
- inflationary developments and profitability levels
- impact from USDC expected to be limited to Q2 2022

4% to 7%

organic revenue growth

13.5% to 15.5%

EBITDA margin before special items



Q&A



< **Torsten Türling**
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CFO