



Nilfisk Q2 2023

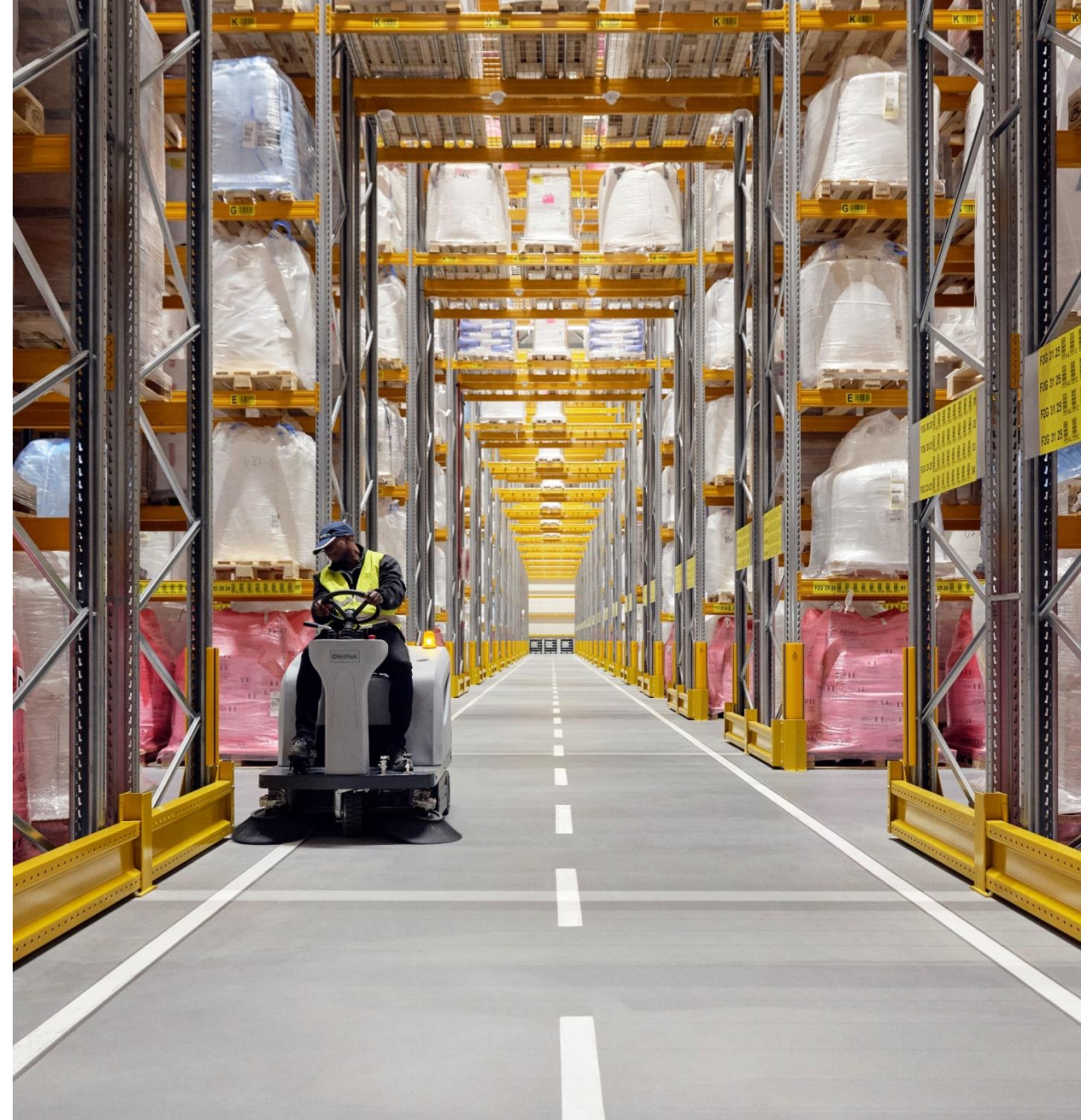
CONFERENCE CALL PRESENTATION
August 18, 2023

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 annual report and this presentation.

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



René Svendsen-Tune interim CEO of Nilfisk

- Torsten Türling resigned as CEO of Nilfisk in June 2023, and has asked for an early release from his duties
- This request was accepted by Nilfisk's Board of Directors on August 17
- René Svendsen-Tune steps in as interim CEO from August 18, while staying on the Board

Background

- Member of the Board of Directors at Nilfisk since 2017
- Deputy Chair at Nilfisk from 2021 to August 17, 2023
- Former CEO of GN Store Nord A/S & GN Audio, stepped down in January 2023 after 8 years of service
- Holds a number of board positions e.g. as Deputy Chairman of the board of directors of NKT A/S, Chairman of the board of directors of Stokke A/S and Chairman of the board of Asetek A/S





Key highlights Q2 2023 Business Plan 2026 update

Q2 2023: Service and Professional driving solid organic growth of 4.3%

276.5_{mEUR}
Revenue

4.3%
Organic revenue growth

40.4%
Gross margin

38.0_{mEUR}
EBITDA (bsi)

13.7%
EBITDA margin (bsi)

40.1_{mEUR}
Free cash flow

Revenue dynamics

- Service and Professional driving growth
- Consumer and Specialty declined
- Strong performance from Americas and APAC regions
- Market slowdown visible in EMEA

Supply constraints easing

- Temporary output challenges from Querétaro solved
- Supply constraints within Americas plants eased, output steadily growing
- Order book remained elevated, primarily within Industrial range in Americas

Gross profit margin recovery continues

- Margin recovery from price management, lower freight costs and business mix
- Headwinds from inflation and lower volumes
- Negative mix effect from higher share of revenue from Americas

EBITDA margin improvement

- Margin recovery from higher revenue and business mix
- Headwinds from inflation and investments in BP26

Significantly improved free cash flow

- Driven by strong improvement in operating cash flow from improved results and lower working capital

Update on progress with Business Plan 2026

Business Plan 2026 roll-out mobilizing the organization and building value creating growth platforms

Grow in large-scale US market

- 17.8% organic growth in Americas
- Output growth from Mexico production facility supporting Americas growth

Leading with sustainable products

Launch of new products

- SC4000 ride-on scrubber
- SC370 walk-behind

Develop service-as-a-business

- 12.3% organic growth in Service,
- Contract attachment rate YTD 2023 of 10.4%, up from 8.9% YTD 2022

New ways of working

- Implementation of structural efficiency measures well underway
- Progress with building our more customer focused operating model





Financials

Q2 2023 revenue driven by strong Service Business

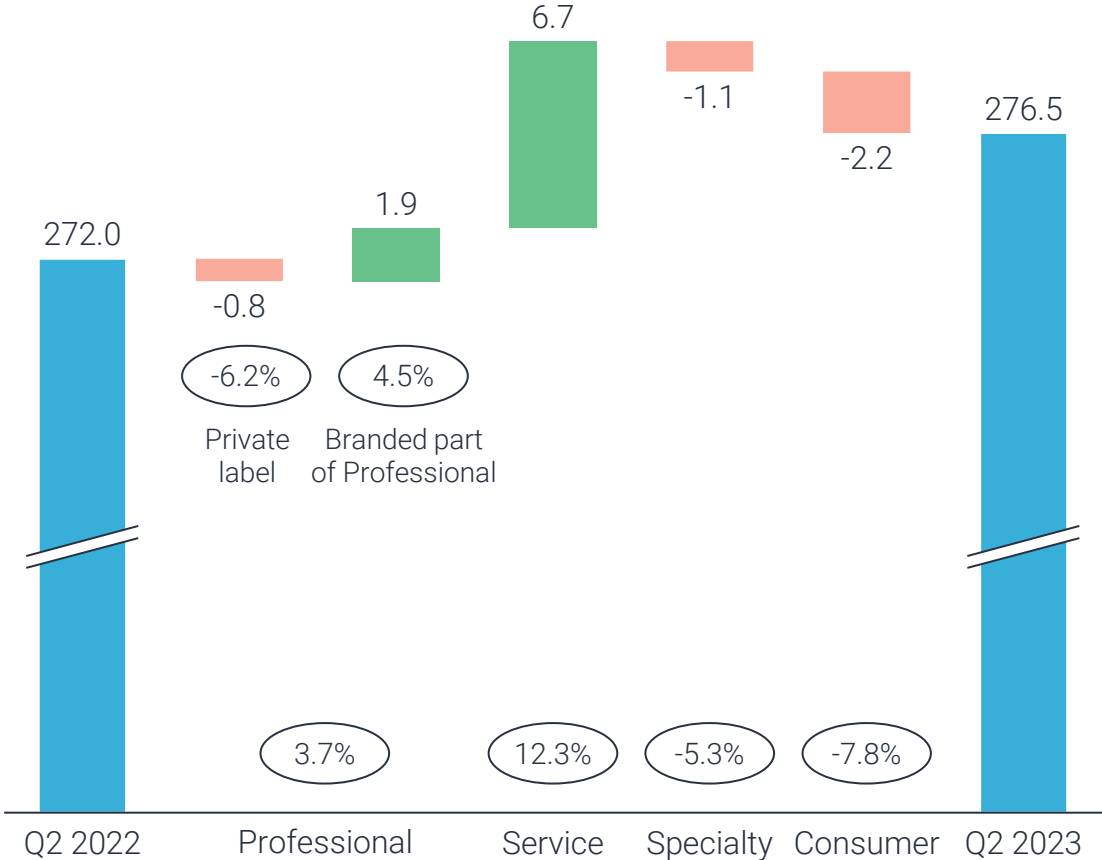
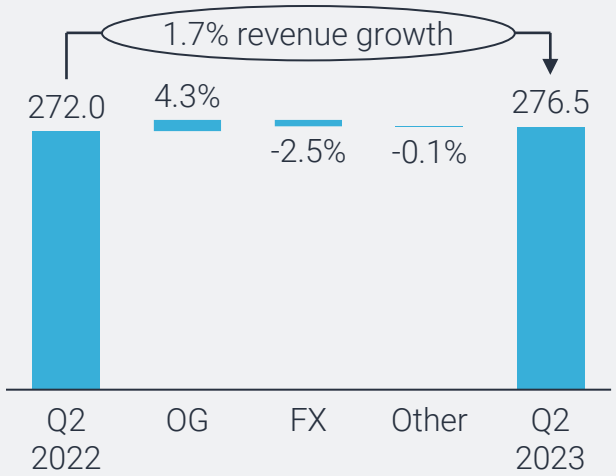
Revenue (mEUR), organic revenue growth (%)

(x) = Organic Growth (%)

276.5 mEUR

Revenue

257.8 mEUR Q2 2021
 272.0 mEUR Q2 2022
 276.5 mEUR Q2 2023



4.3%
Organic growth

Q2 2023 organic growth driven by Americas and APAC

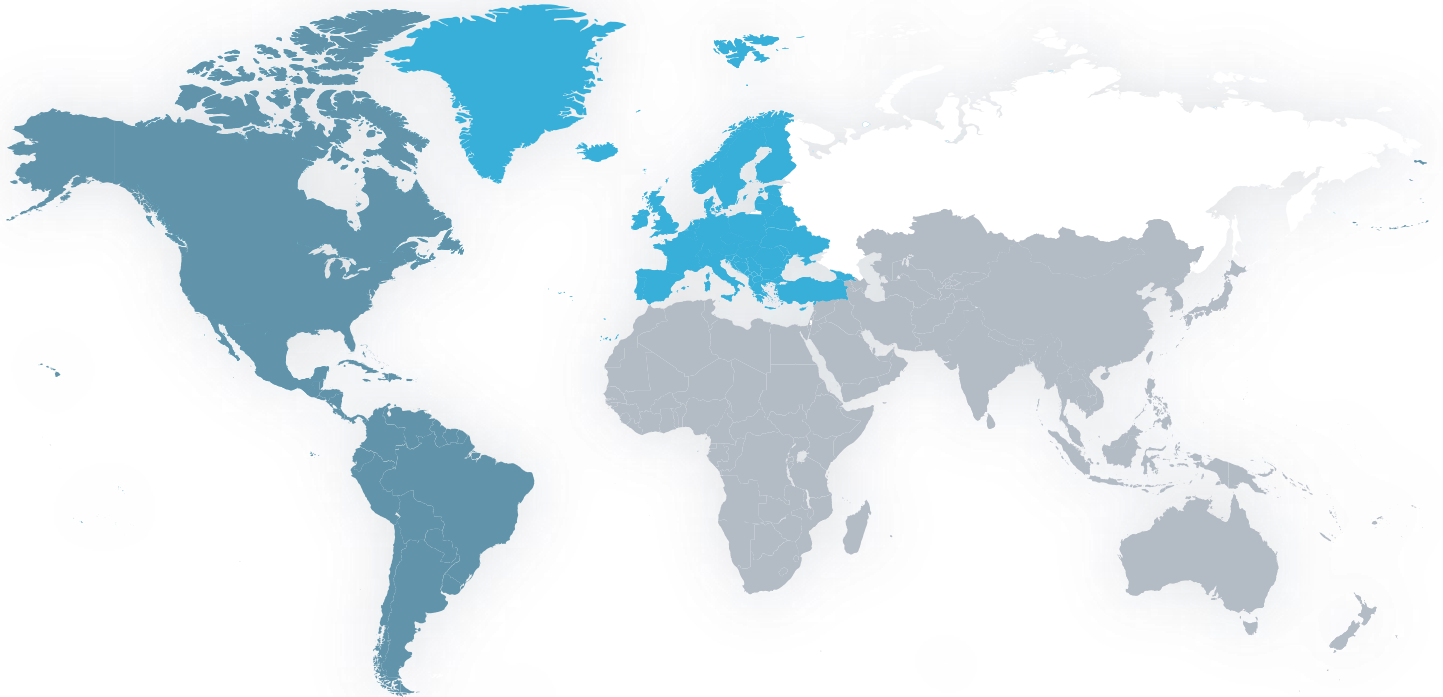
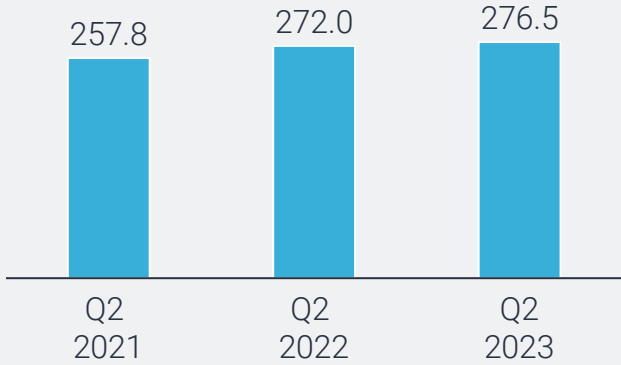
Revenue (mEUR), organic revenue growth (%)

(x) = Organic Growth Branded Professional (%)

4.3%

Organic revenue growth

38.5% Q2 2021 2.8% Q2 2022 4.3% Q2 2023



17.8%
100.1 mEUR
Americas region

17.8%

-4.3%
155.7 mEUR
EMEA region

-3.7%

19.1%
20.7 mEUR
APAC region

20.0%

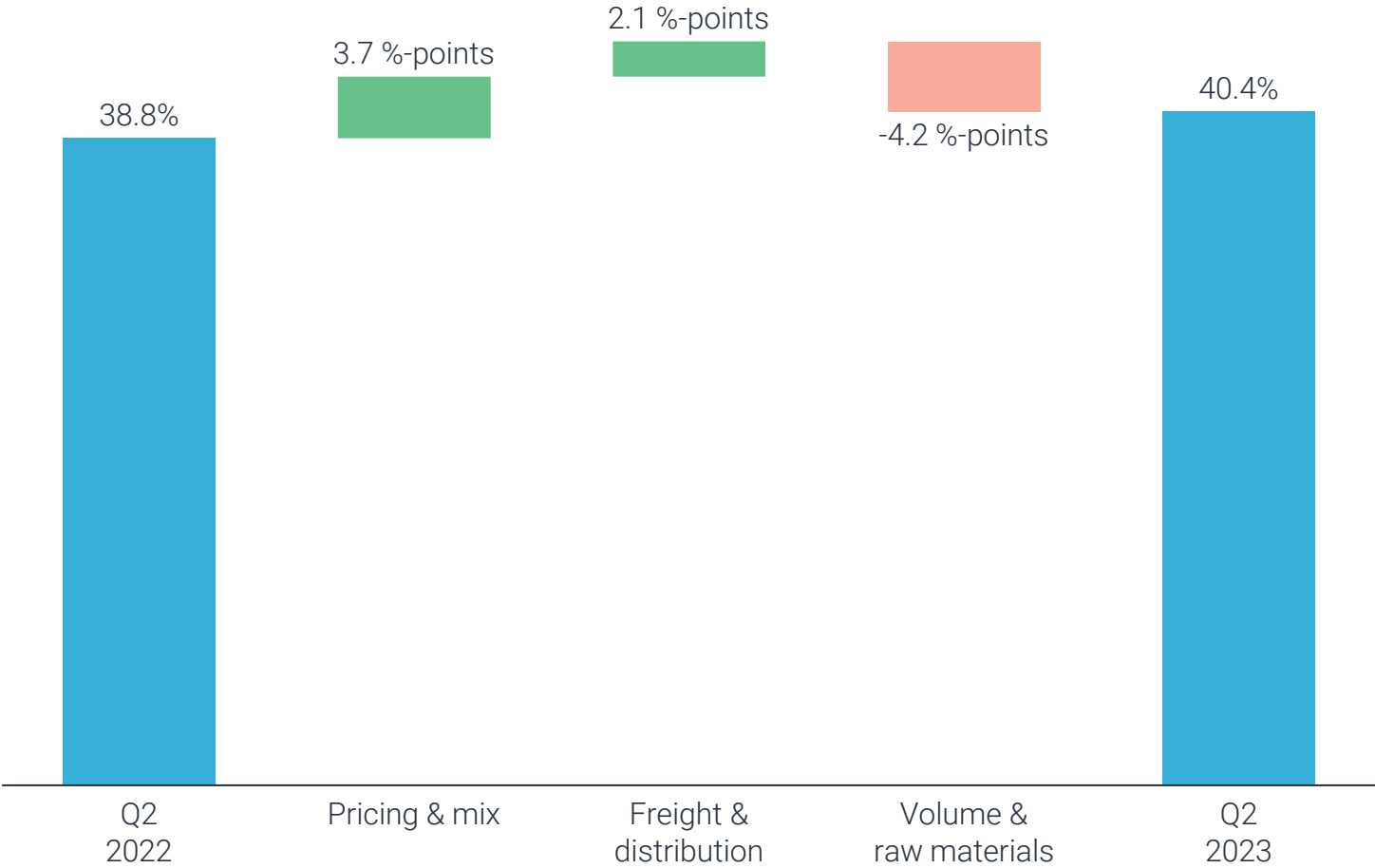
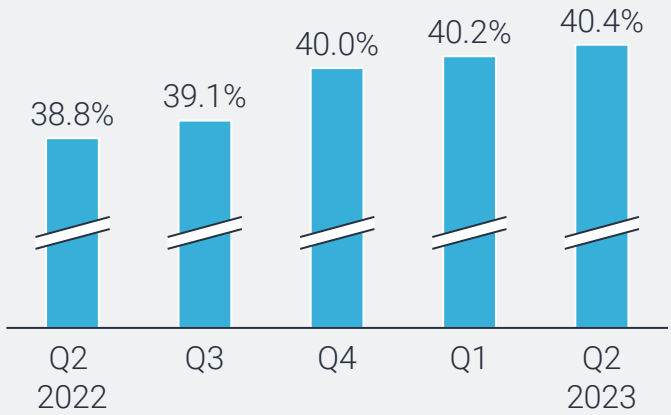
Gross margin recovery from pricing, mix & freight

Gross margin (%)

40.4%

Gross margin

40.9% Q2 2021 38.8% Q2 2022 40.4% Q2 2023



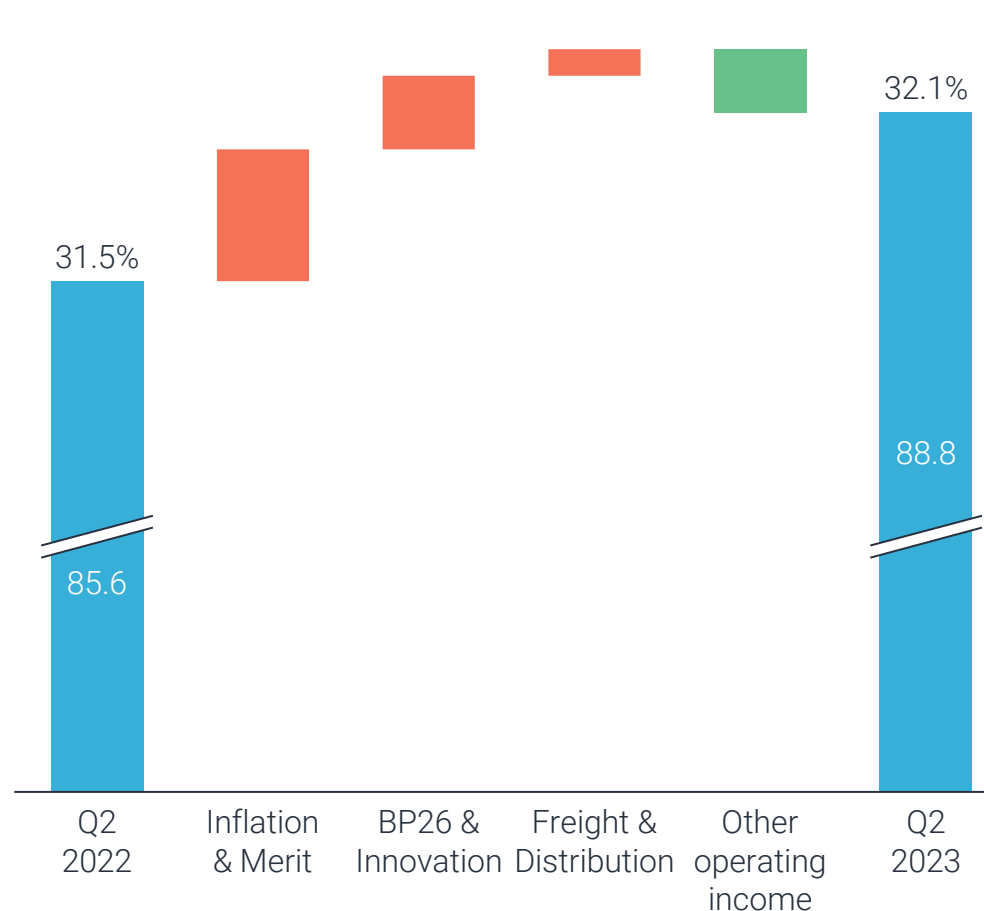
Overhead costs impacted by inflation, BP26 and innovation

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

32.1%

Overhead cost ratio

30.3%	31.5%	32.1%
78.2 mEUR	85.6 mEUR	88.7 mEUR
Q2 2021	Q2 2022	Q2 2023



Overhead cost ratio rose to 32.1%

Overhead costs came to 88.7 mEUR, an increase of 3.1 mEUR compared to Q2 2022

Sales and distribution

Up 3.0 mEUR from Q2 2022, driven by cost inflation incl. merit, higher freight costs and investments in Business Plan 2026.

Administration

Up 1.6 mEUR from Q2 2022, driven by cost inflation and investments in new Ways of Working including digitalization.

R&D

R&D spend increased by 0.6 mEUR from Q2 2022, equivalent to 2.9% of revenue, an increase from 2.7% in Q2 2022 driven by investments in modular platforms and software development. Total R&D costs decreased by 0.1 mEUR.

EBITDA bsi supported by GM recovery, headwinds from overhead

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

13.7%

EBITDA margin bsi

16.3%	12.7%	13.7%
41.9 mEUR	34.5 mEUR	38.0 mEUR
Q2 2021	Q2 2022	Q2 2023



Significant cash flow improvement yielding substantial NIBD reduction

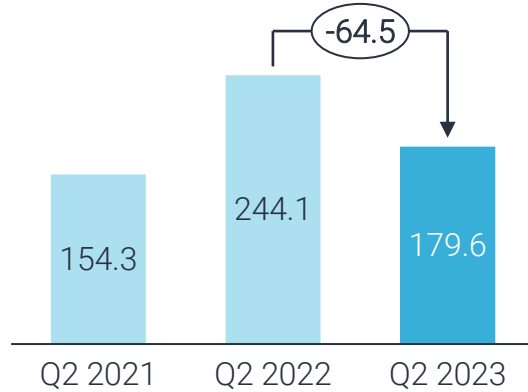
Working capital, CAPEX, cash flow, NIBD (mEUR) and gearing ratio

40.1 mEUR

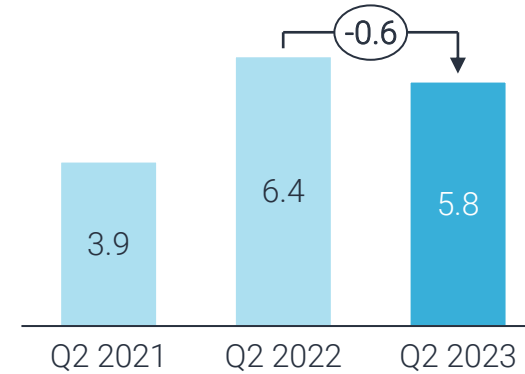
Free cash flow

19.2 mEUR Q2 2021
11.1 mEUR Q2 2022
40.1 mEUR Q2 2023

Working capital

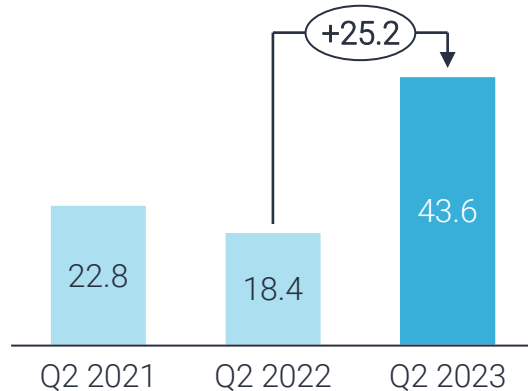


CAPEX

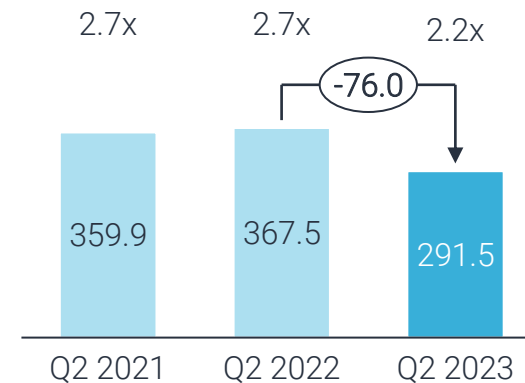


2.2x
Gearing

Operating cash flow



NIBD and gearing ratio



Outlook for 2023



Outlook for 2023 confirmed

-2% to 2%

Organic revenue growth

12% to 14%

EBITDA margin bsi

We expect that the current macro-economic uncertainty will continue in the second half of 2023, leading to some volume decline, particularly in the European market.

- The range for organic revenue growth is expected to be -2% to 2%. Negative organic growth for the full year of 2023 would require a worsening of current trading conditions.
- The range for the EBITDA margin bsi is expected to be 12% to 14%.

Q&A session

