



Nilfisk Q3 2023

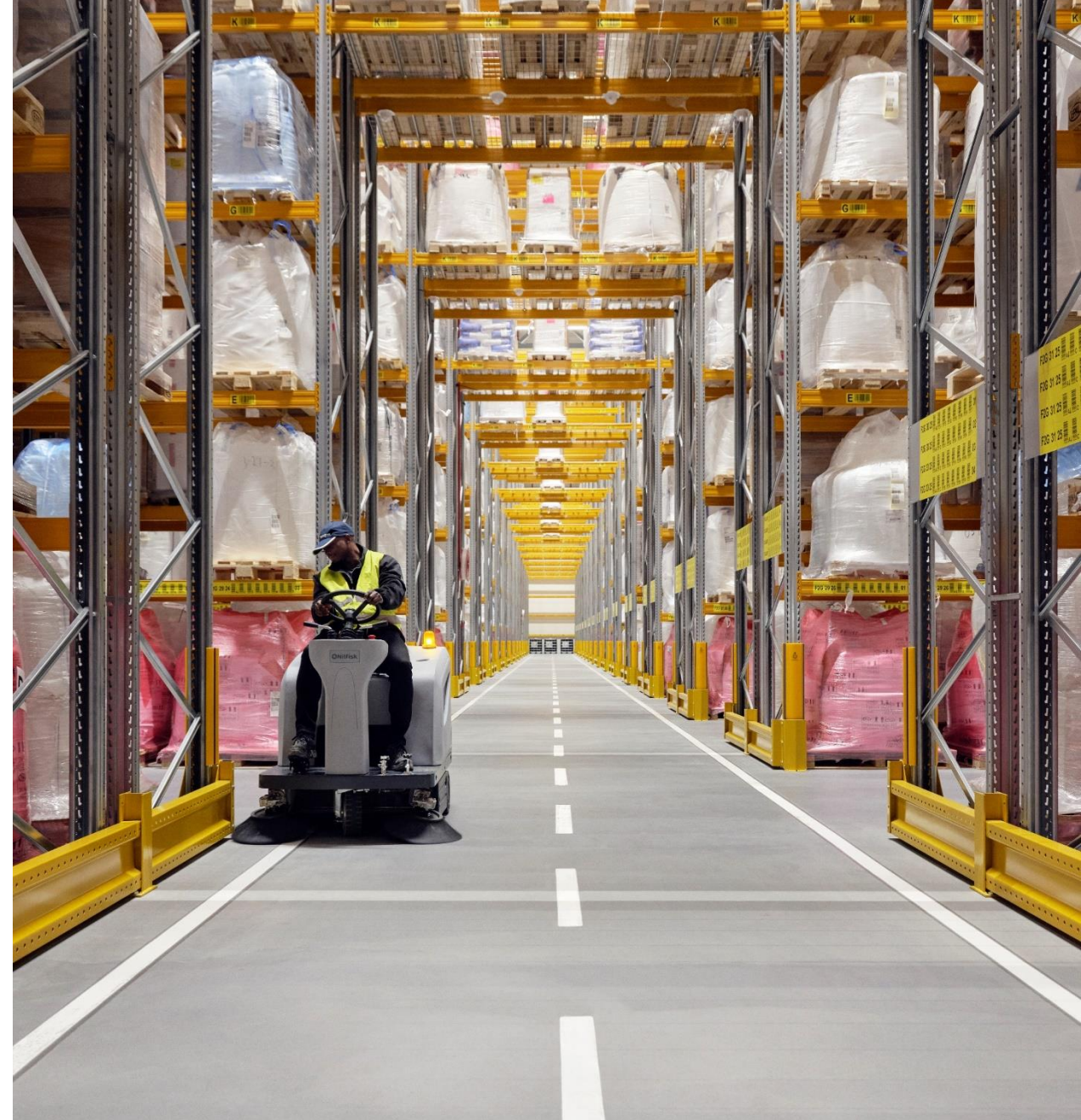
CONFERENCE CALL PRESENTATION
November 16, 2023

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 Interim Report and this presentation.

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





Key highlights Q3 2023 Business Plan 2026 update

Q3 2023: Service growth intact while demand in Professional was soft

247.8_{mEUR}
Revenue

-0.7%
Organic revenue growth

41.2%
Gross margin

31.2_{mEUR}
EBITDA (bsi)

12.6%
EBITDA margin (bsi)

29.8_{mEUR}
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

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

- -1.7% organic growth in Americas
- Soft demand within commercial floorcare and US HPW
- Continued ramp up of output for large industrial equipment from Brooklyn Park

Product launches

Q3 2023 launches

- Commercial: SC351 Li-ion

Q4 2023 launches

- Commercial: SC650
- Consumer: Nilfisk S1

Develop service-as-a-business

- Growth momentum continued in Service
- Share of revenue up to 30% in Q3 2023 from 28% in Q3 2022
- Contract attachment rate YTD 2023 of 11.8%, up from 9.3% for the same period in 2022

New ways of working

- Establishing the APAC Region
- Clear leadership in place for EMEA and APAC regions
- Further implementation of structural efficiency measures in Q3, coming to a close in Q4





Financials

Q3 2023 revenue driven by continued Service Business momentum

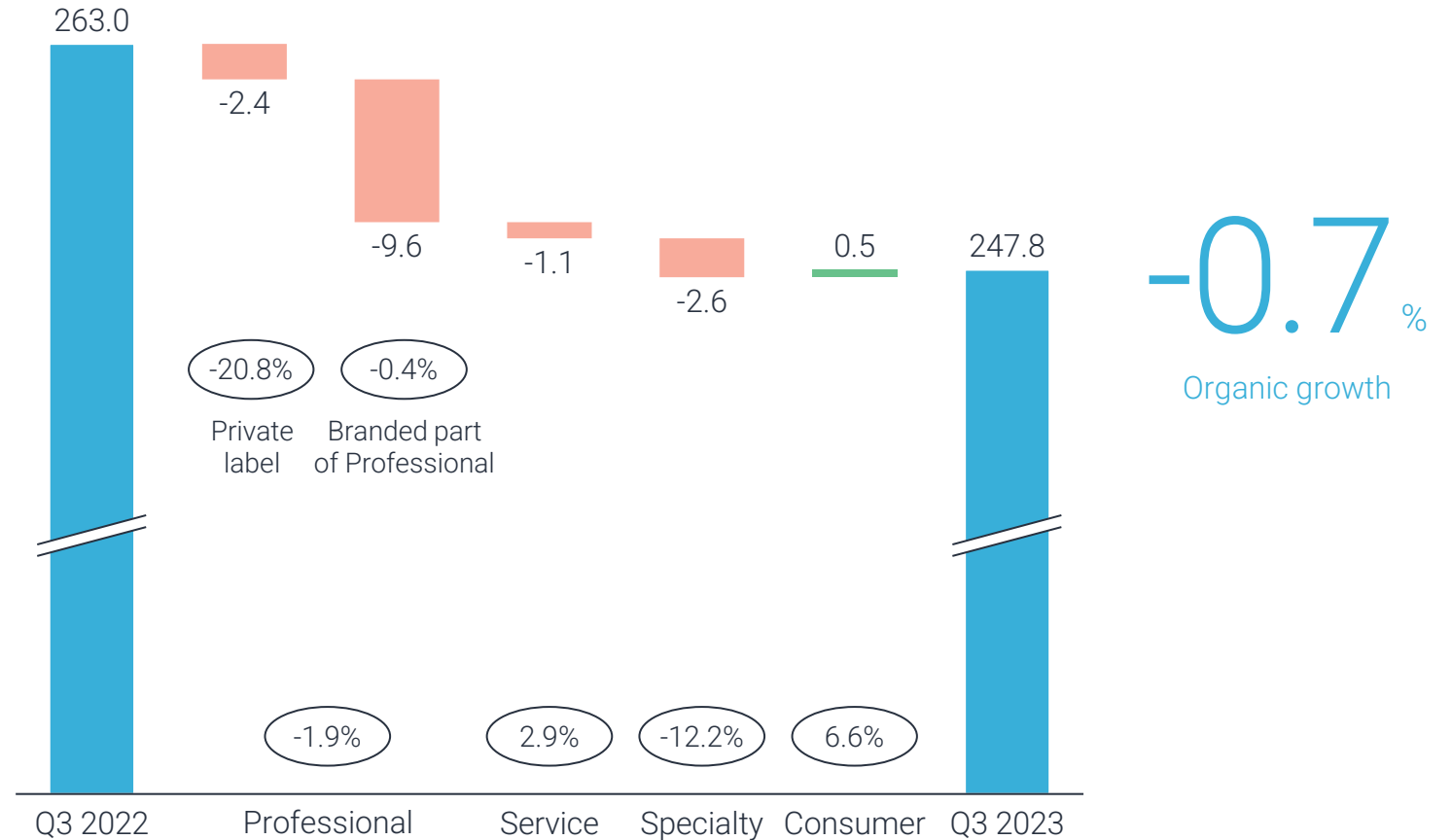
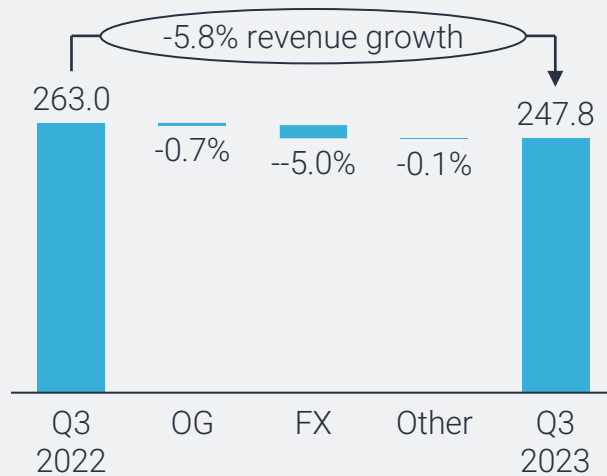
Revenue (mEUR), organic revenue growth (%)

(x) = Organic Growth (%)

247.8 mEUR

Revenue

239.2 mEUR Q3 2021	263.0 mEUR Q3 2022	247.8 mEUR Q3 2023
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Q3 2023 organic growth impacted by soft demand

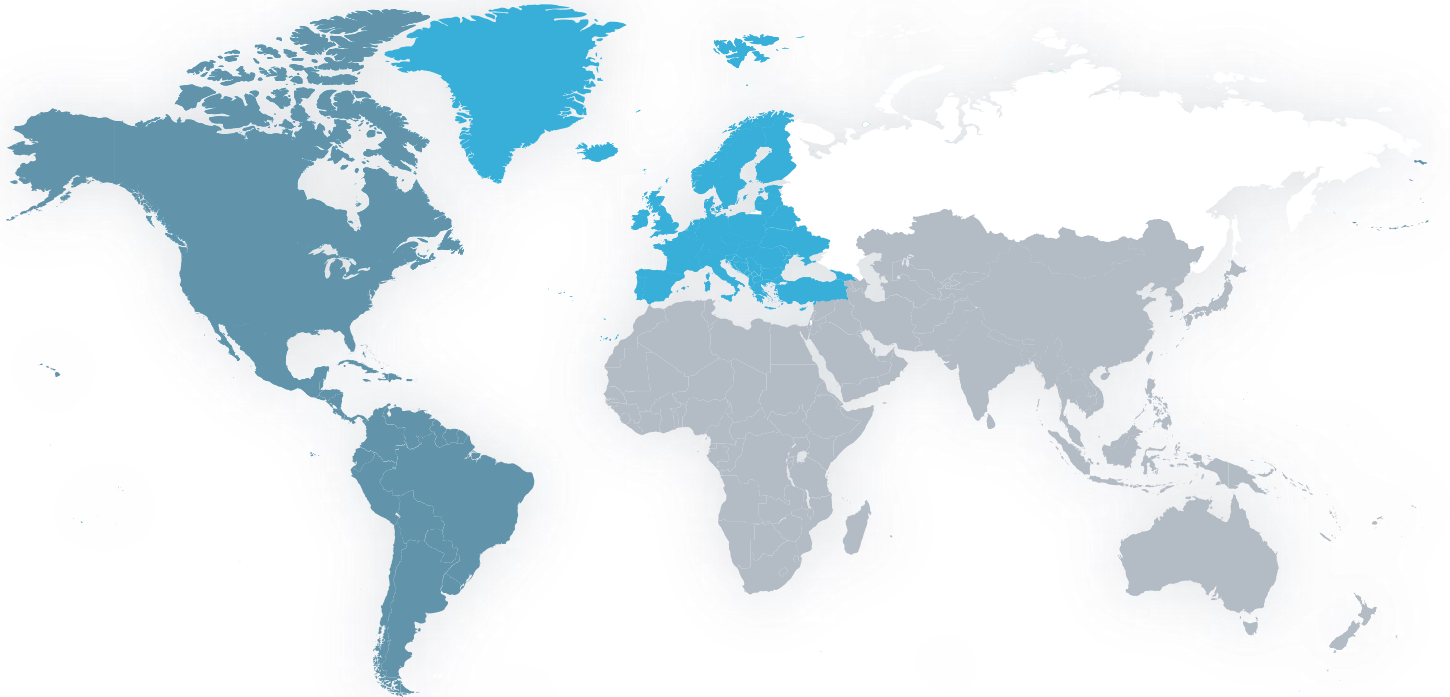
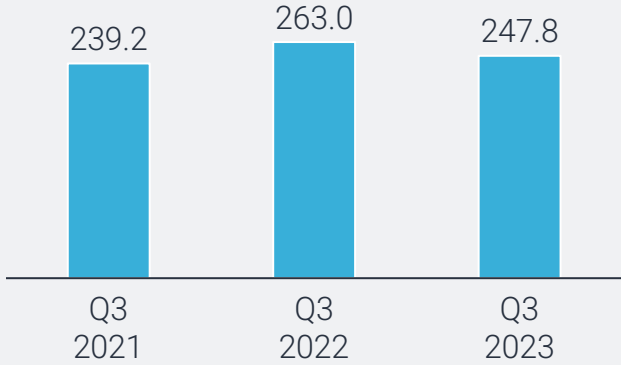
Revenue (mEUR), organic revenue growth (%)

(x) = Organic Growth Branded Professional (%)

-0.7%

Organic revenue growth

17.9% Q3 2021 5.4% Q3 2022 -0.7% Q3 2023



-1.7%
93.5 mEUR
Americas region

(-2.2%)

-0.5%
134.3 mEUR
EMEA region

(-1.4%)

2.3%
20.0 mEUR
APAC region

(2.7%)

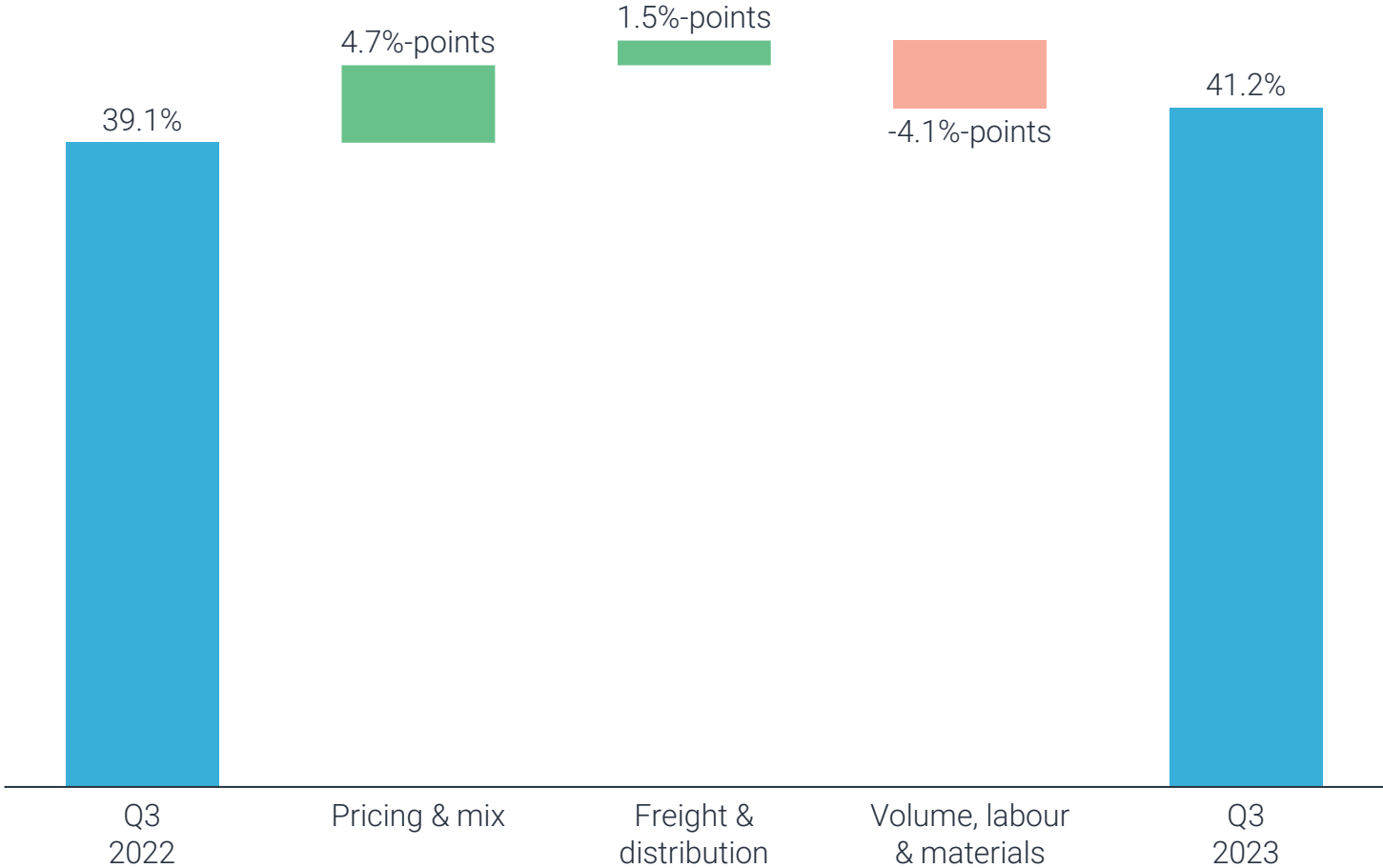
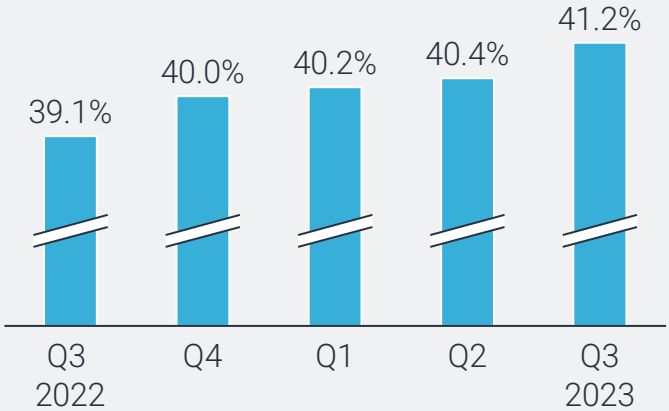
Gross margin increase from pricing and lower freight, more than offsetting increase in raw material and labour cost

Gross margin (%)

41.2%

Gross margin

40.7% Q3 2021 39.1% Q3 2022 41.2% Q3 2023



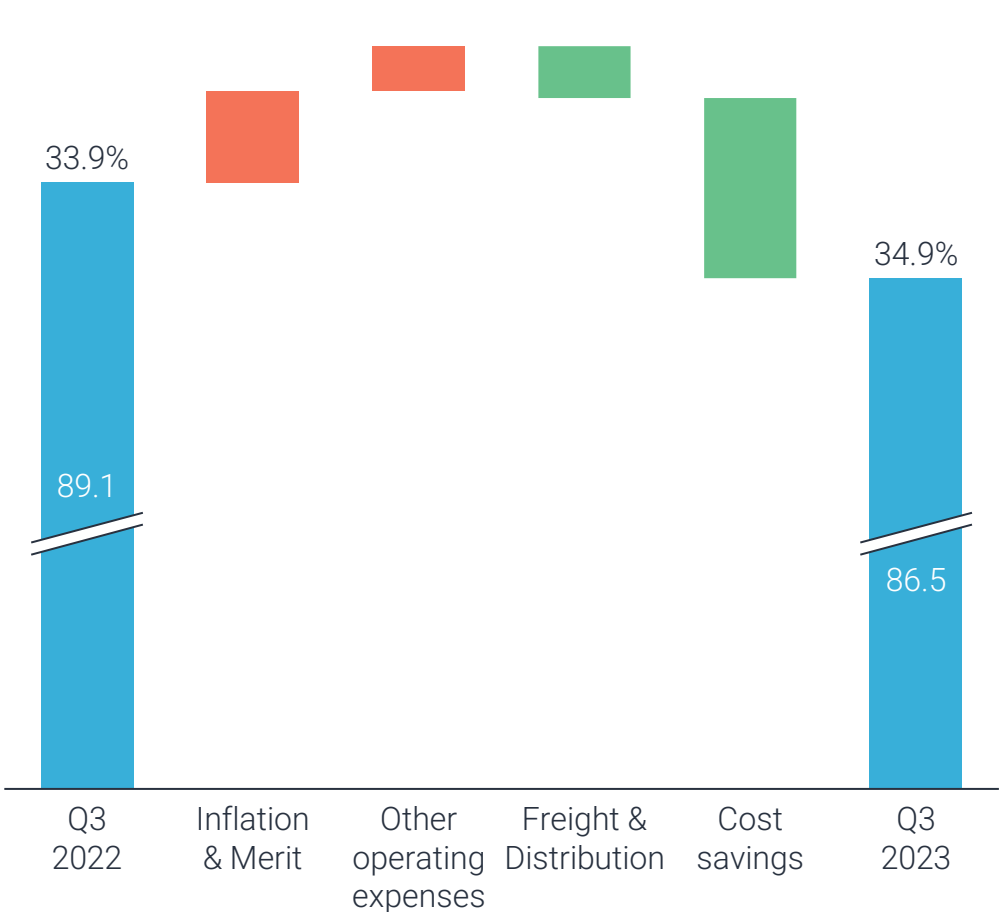
Overhead cost level decline from structural cost efficiency measures

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

34.9%

Overhead cost ratio

33.9%	33.9%	34.9%
77.4 mEUR	89.1 mEUR	86.5 mEUR
Q3 2021	Q3 2022	Q3 2023



Sales and distribution
Down 2.4 mEUR from Q3 2022, driven by implementation of the structural efficiency improvements.

Administration
Administration costs increased by 0.5 mEUR in Q3 2023 to 19.0 mEUR compared to Q3 2022, primarily due to cost inflation and CEO change.

R&D
R&D spend increased slightly by 0.2 mEUR in Q3 2023 to 8.1 mEUR compared to Q3 2022, corresponding to 3.3% of revenue compared to 3.0% in Q3 2022. Total R&D costs decreased by 1.9 mEUR to 6.6 mEUR in Q3 2023.

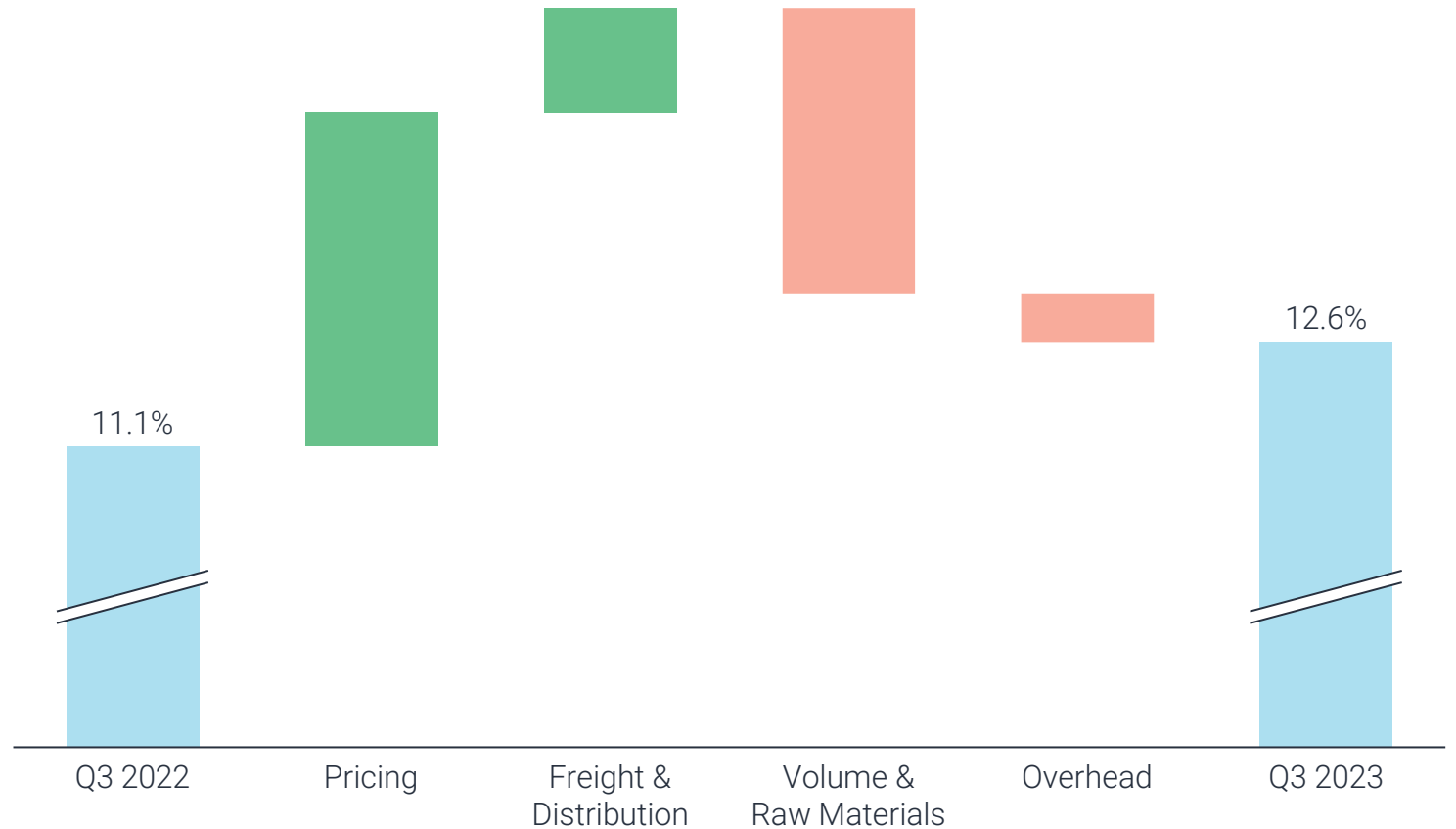
EBITDA bsi supported by GM recovery and tailwinds from overhead

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

12.6%

EBITDA margin bsi

14.4%	11.1%	12.6%
34.5 mEUR	29.2 mEUR	31.2 mEUR
Q3 2021	Q3 2022	Q3 2023



Significant cash flow improvement yielding solid NIBD reduction

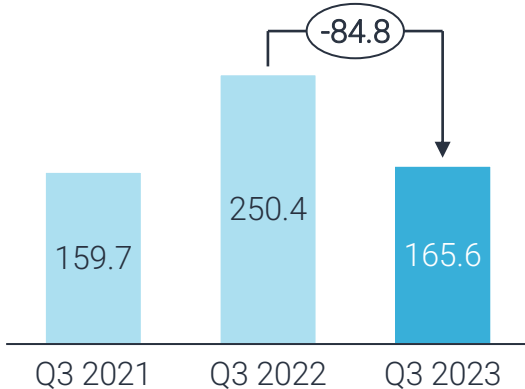
Working capital, CAPEX, cash flow, NIBD (mEUR) and gearing ratio

29.8 mEUR

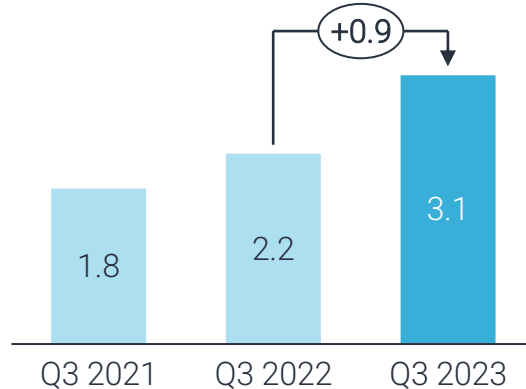
Free cash flow

14.6	17.7	29.8
mEUR	mEUR	mEUR
Q3 2021	Q3 2022	Q3 2023

Working capital



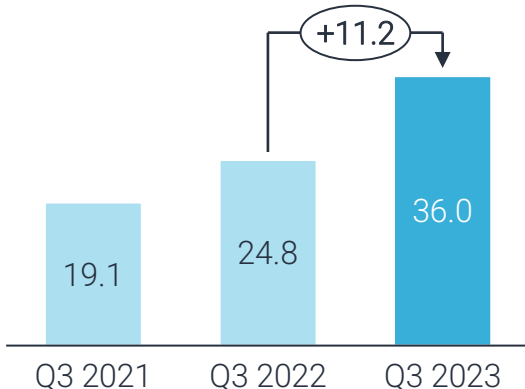
CAPEX



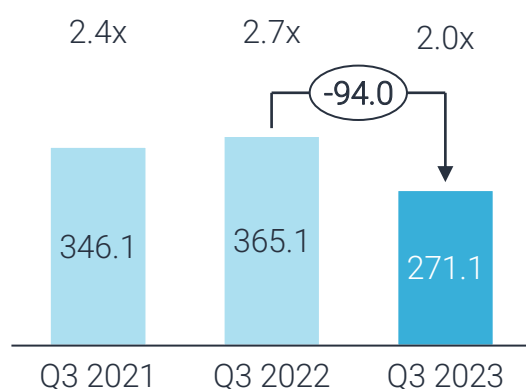
2.0x

Gearing

Operating cash flow



NIBD and gearing ratio



Outlook for 2023



Outlook for 2023 narrowed

Around 0%

Organic revenue growth

Around 13%

EBITDA margin bsi

With one quarter left of 2023, we are narrowing our outlook for the full year. We have factored in that the current macroeconomic uncertainty will continue for the remainder of 2023, leading to continued volume decline.

- Organic revenue growth is expected around 0% (previously between -2% to 2%).
- The EBITDA margin bsi is expected around 13% (previously 12% to 14%).

