



Nilfisk full-year results 2022

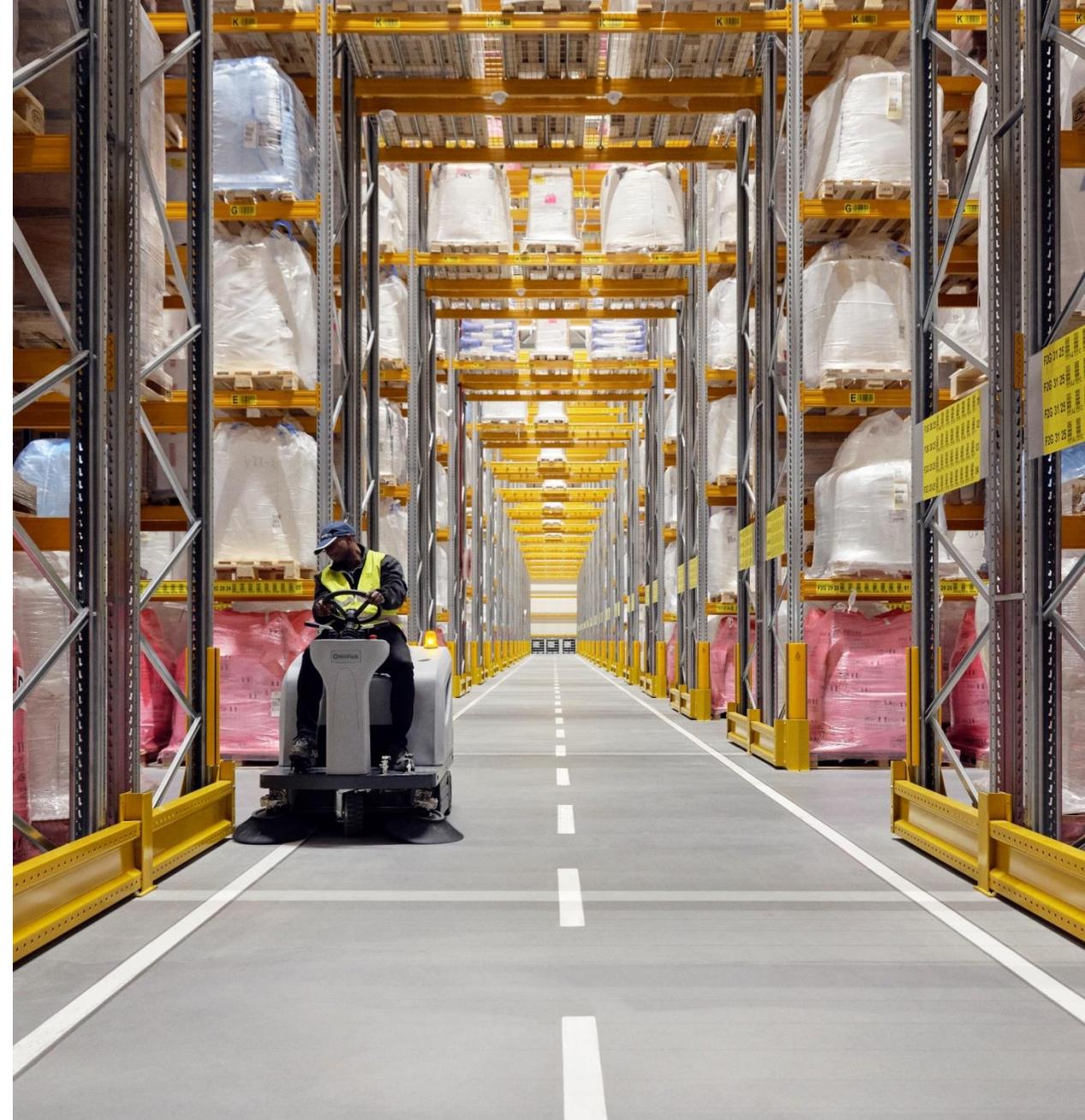
WEBCAST PRESENTATION
February 23, 2023

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.





Key highlights Q4 and FY2022 Business Plan 2026 update

Q4 2022 delivered margin recovery and continued growth

- Branded professional growth across all regions
- Highest EBITDA level and strongest margin of 2022
- US Distribution Center (USDC) not yet at full capacity

270.3_{mEUR}
Revenue

3.7%
Revenue growth

39.5_{mEUR}
EBITDA (bsi)

14.6%
EBITDA margin (bsi)



FY 2022 second consecutive year of substantial revenue growth

- Resilient strategy execution fostering revenue growth
- Organic revenue growth and an EBITDA margin bsi in line with the updated outlook provided on October 26, 2022

1,069.5 mEUR
Revenue

7.5%
Revenue growth

140.8 mEUR
EBITDA (bsi)

13.2%
EBITDA margin (bsi)



Overcoming challenges during 2022

Business Plan 2026 as guiding principle

Macroeconomic climate and business dynamics

Exit from Nilfisk Russia

Rising energy prices and inflationary pressure

Economic slow down, primarily in Consumer and Private Label

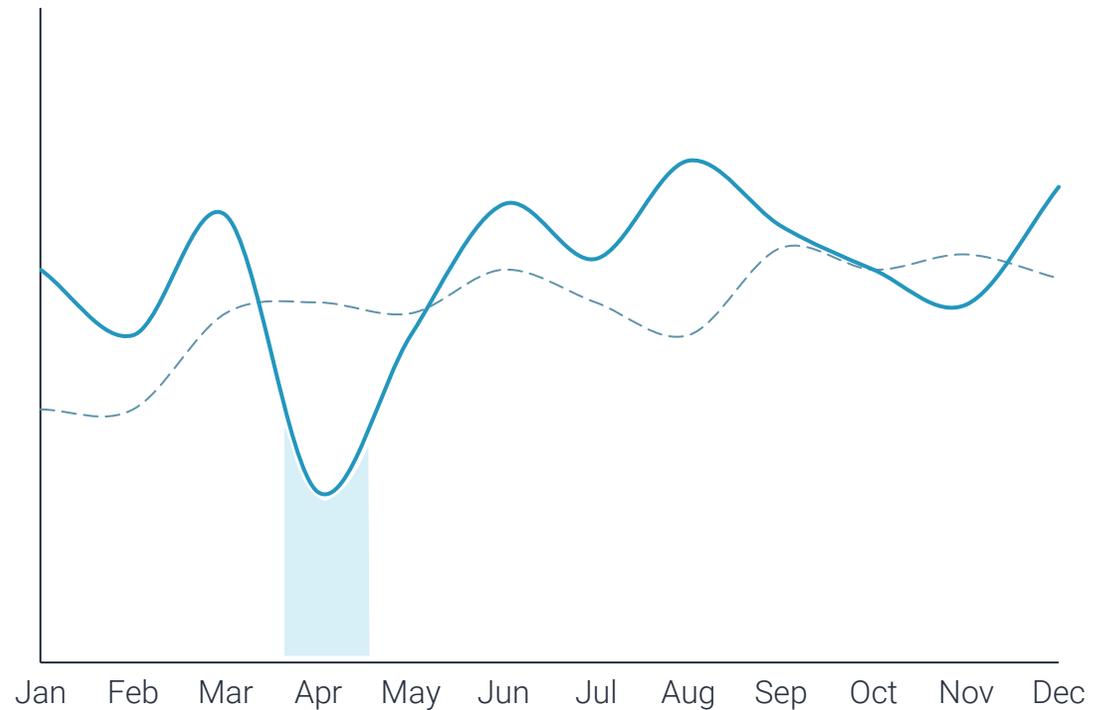
Business Plan 2026 helped weather challenges

Optimize Europe: *Upgrade pricing practice*

Supply chain robustness: *Rebound of USDC*

Develop service business: *Mitigate supply challenges*

Shipment Value from USDC 2022, LTM (mUSD)



Business Plan 2026

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



Grow in large-scale US market

- 24.7% reported growth
- Share of revenue from 25% to 30%
- Overcoming US DC supply chain disruption
- Significant order book remains



Develop service-as-a-business

- Service Leadership Team
- 8.5% reported growth (aftermarket)
- Successful pilots of new dispatching leading to productivity up by 15%



Execution culture



Digitally enabled



Empowered people

New ways of working

- Roll-out of Nilfisk Operating System
- SAP implementation Americas
- More customer focused operating model
 - Regions: Americas, Europe and APAC
 - Innovation, Service, Customer Experience

Accelerating our sustainability efforts in 2022

Sustainability results for 2022 and targets towards 2030

□ : 2022 results
○ : Targets towards 2030



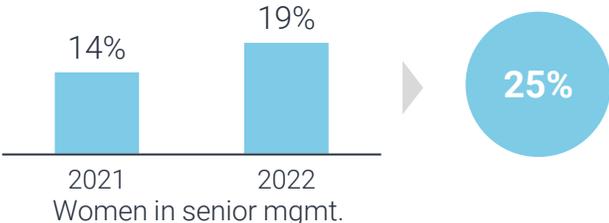
Scope 1 & 2 absolute emission reductions



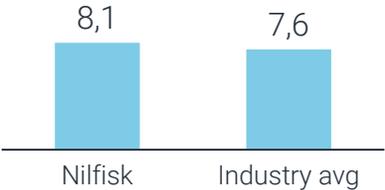
Scope 3 emission intensity reductions



Increased gender diversity



High engagement score



EcoVadis Gold rating



Human rights commitment

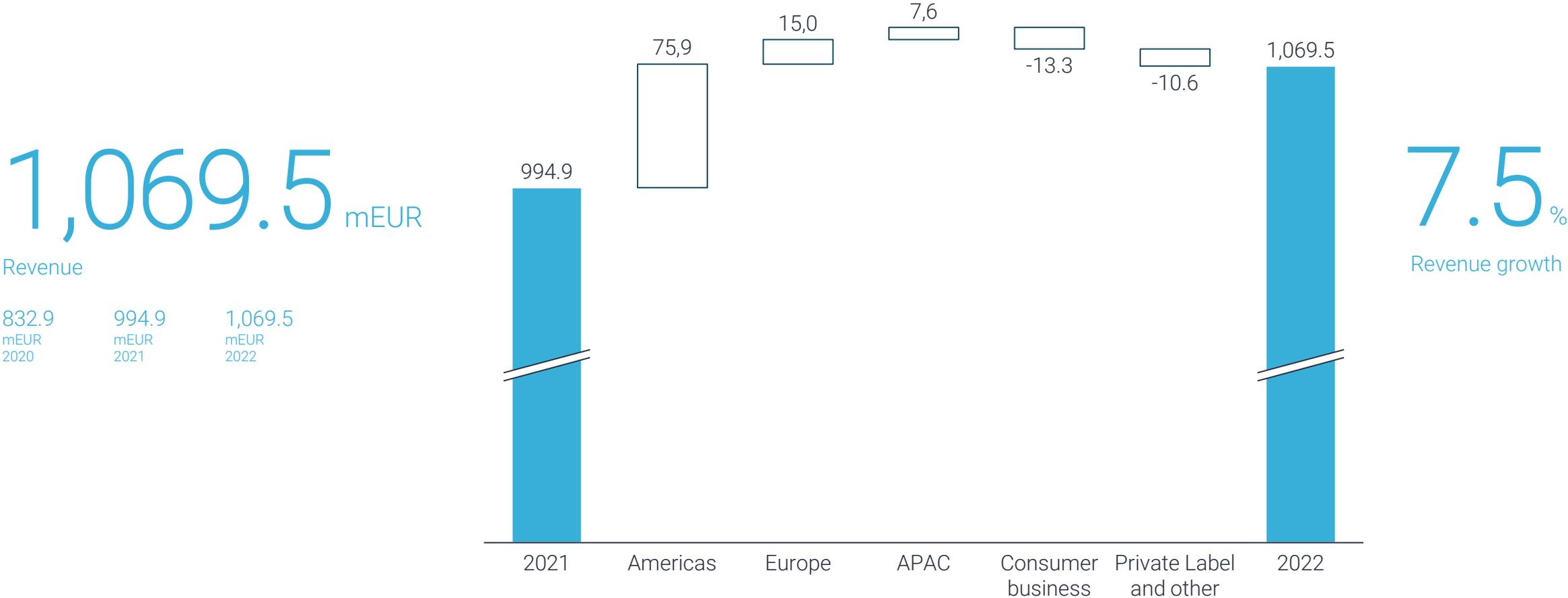




Financials

2022 revenue growth driven across regions with Americas strongest

Revenue development (mEUR)



Organic revenue growth driven by branded professional

2022 organic revenue growth

4.9%

Organic revenue growth

Europe

Despite macroeconomic slowdown, Europe achieved growth across many markets, supported by strong pricing execution.

Americas

Solid market demand, determined pricing execution and an increasing market share despite the USDC destruction by a tornado end-March 2022.

APAC

Increasing economic activity in the southeast Asian markets and Australia. Negative growth in China due to COVID-19 lockdowns until early December.

Branded professional

6.7%

Europe

12.5%

Americas

4.6%

APAC

Segments

8.6%

Branded professional

-15.2%

Consumer

-15.7%

Private Label & Other



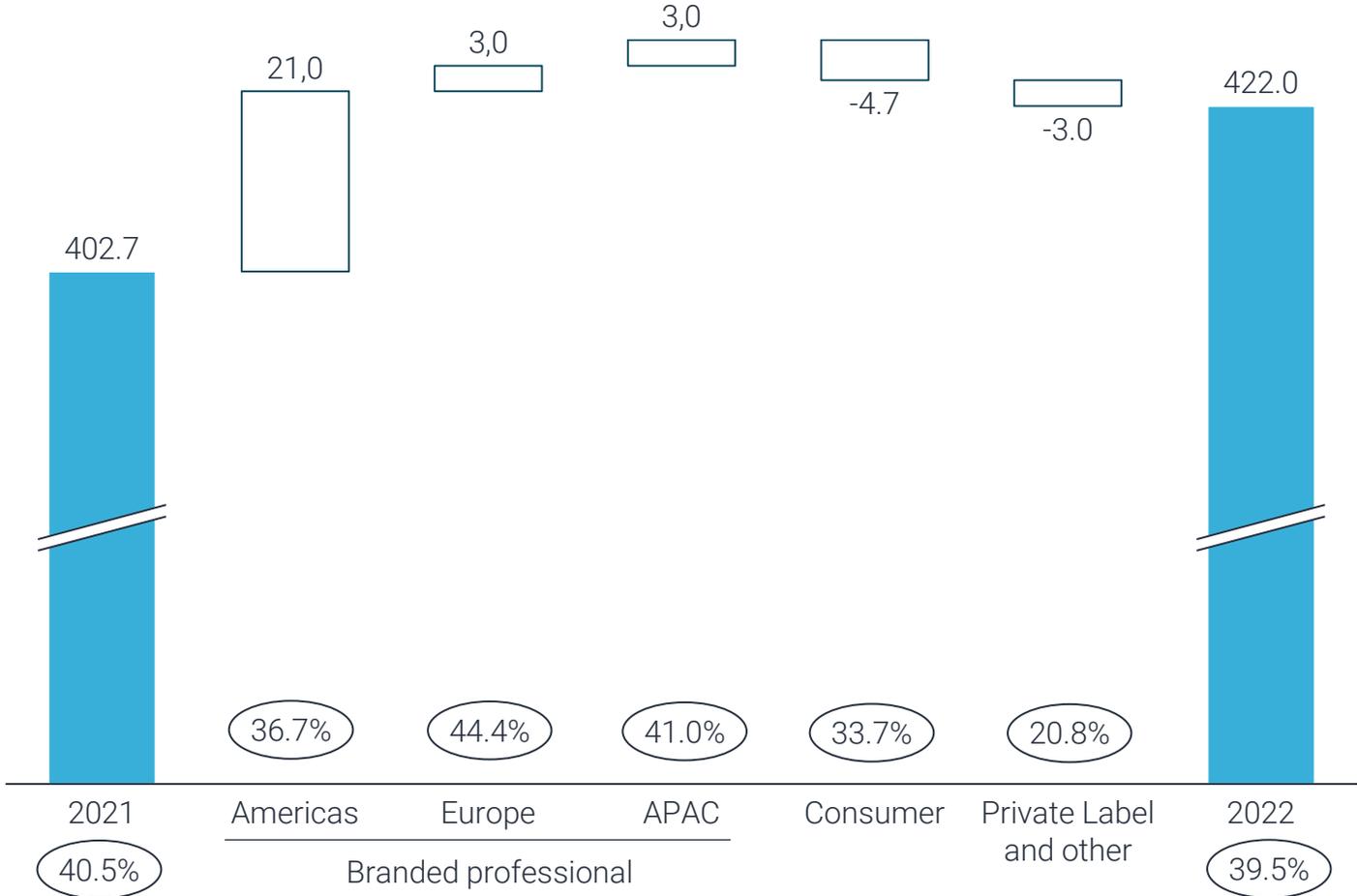
Positive gross profit contribution, lower gross margin from headwinds

Gross profit (mEUR), gross margin (%)

39.5%

Gross margin

41.6% 2020 40.5% 2021 39.5% 2022



Overhead costs impacted by activity, inflation and exchange rates

Cost development (mEUR)

Overhead cost ratio unchanged at 32.0%

Overhead costs came to 342.5 mEUR, an increase of 23.9 mEUR compared to 2021

32.0%

Overhead cost ratio

37.7%
2020

32.0%
2021

32.0%
2022

Sales and distribution

Up 15.9 mEUR from 2021, driven by a 8.7 mEUR increase from exchange rates as well as increase from higher activity in our large-scale US market, cost inflation and outbound freight

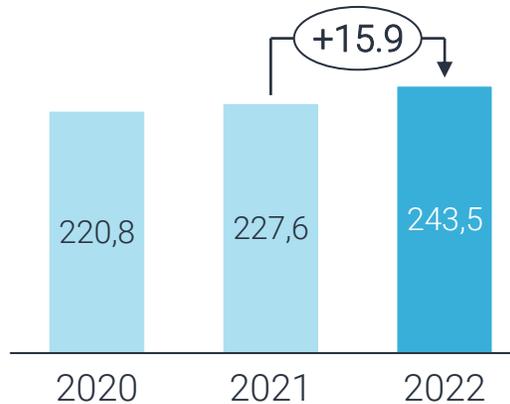
Administration

Up 6.3 mEUR from 2021, driven by cost inflation, investments in Business Plan 2025 and 1.2 mEUR increase from exchange rates

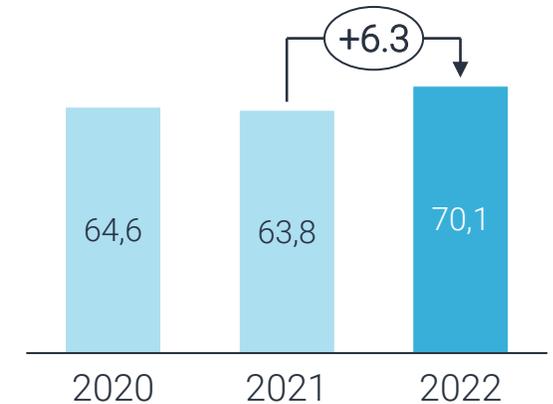
R&D

R&D spend increased by 5.2 mEUR from 2021, equivalent to 2.9% of revenue, an increase from 2.6% in 2021 driven by investments in modular platforms and software development. Total R&D expenses increased by 2.1 mEUR.

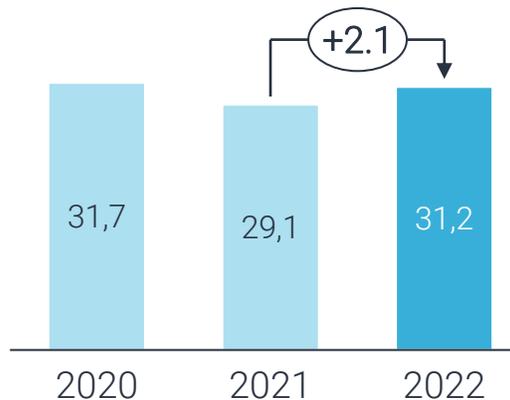
Sales and distribution (mEUR)



Administration (mEUR)

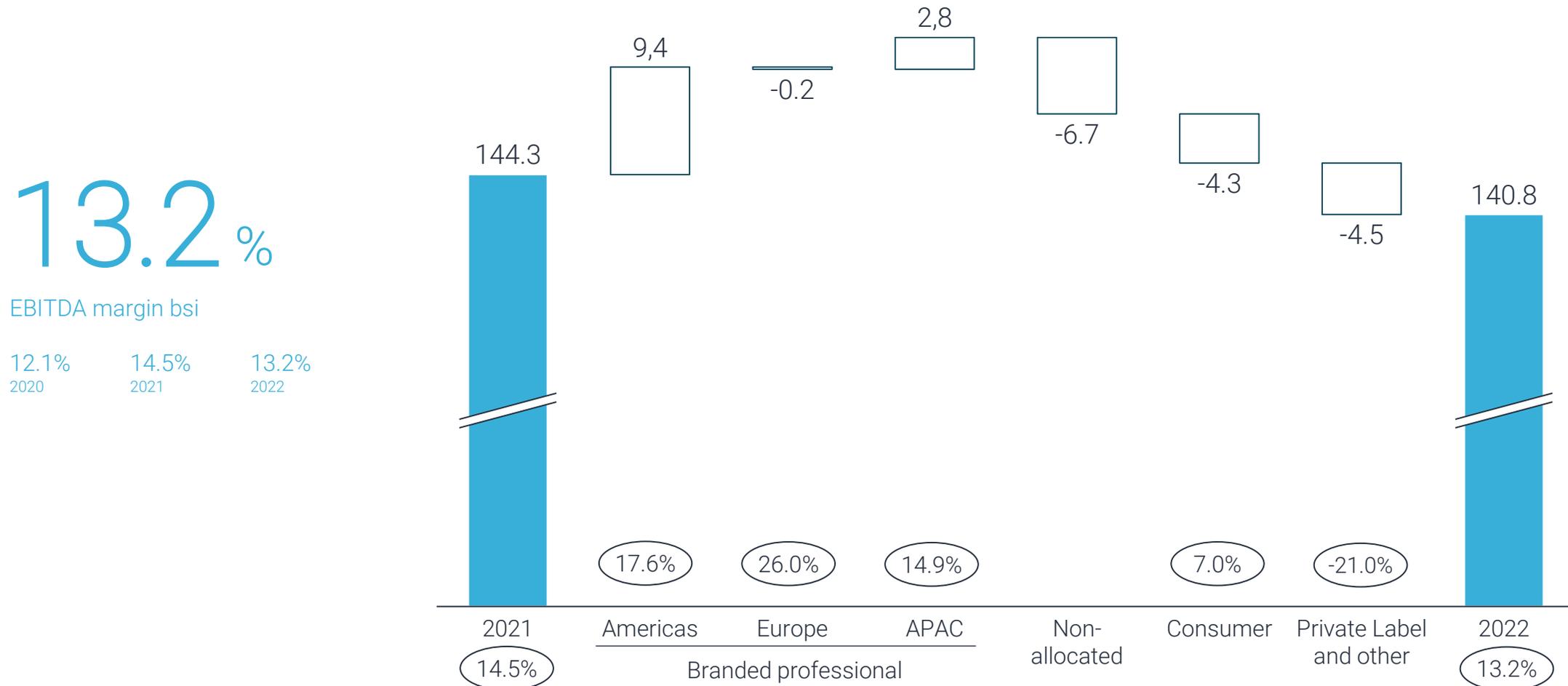


Total R&D expenses (mEUR)



EBITDA bsi supported by revenue, margin affected by GM pressure

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



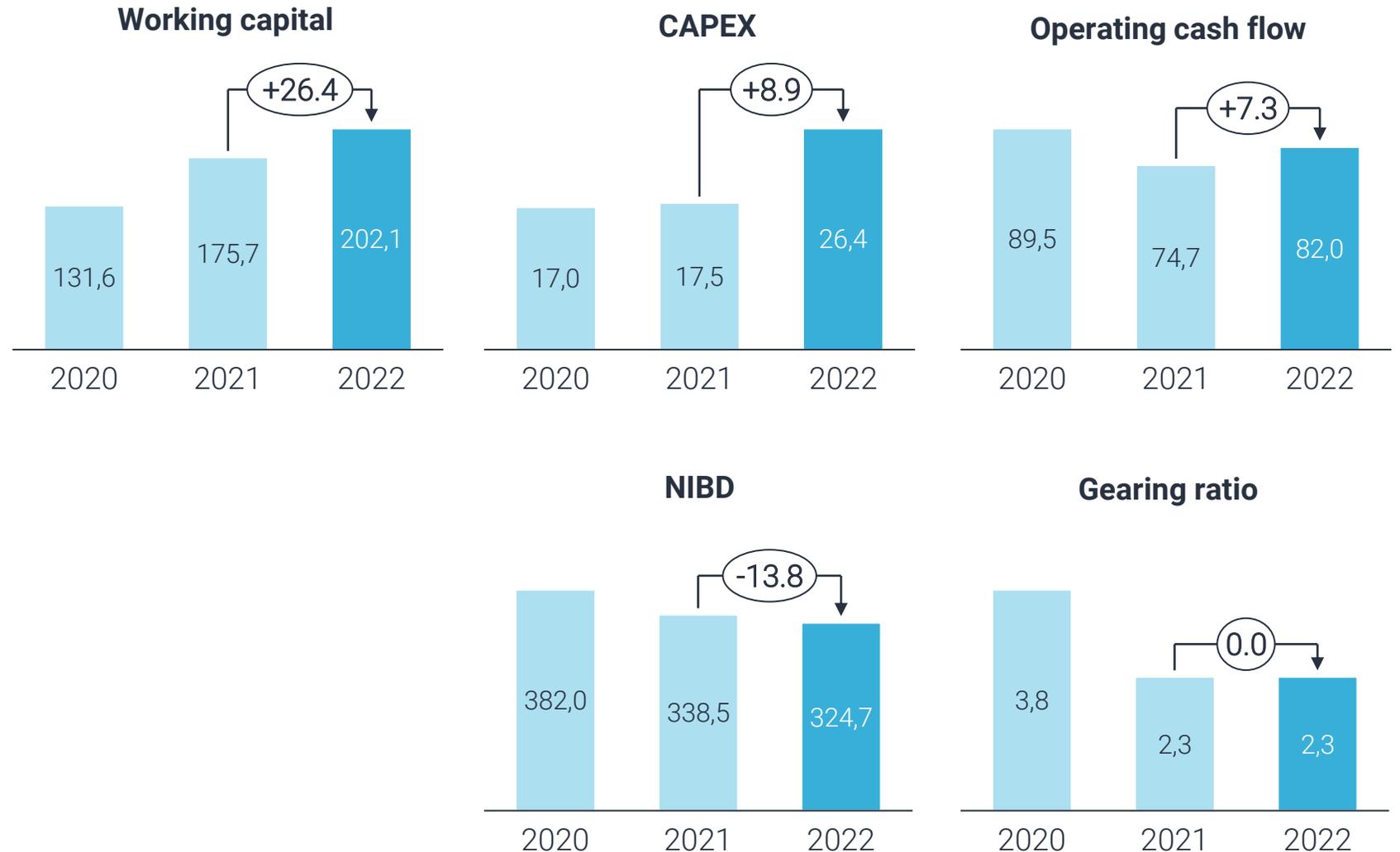
Focus on cash flow, working capital, CAPEX, NIBD and gearing

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

54.5 mEUR

Free cash flow

73.5 mEUR 2020
58.5 mEUR 2021
54.5 mEUR 2022



Outlook for 2023



Outlook for 2023

-2% to 2%

Organic revenue growth

12% to 14%

EBITDA margin bsi

For our outlook, we expect that the current macro-economic uncertainty will continue into 2023, leading to some volume decline, particularly in the European market.

- The range for organic revenue growth is expected to be -2% to 2%. This is supported by full-year effects of pricing actions completed in 2022 and by a substantial order book at end-2022. Negative organic growth would require a worsening of current trading conditions.
- The range for the EBITDA margin bsi is expected to be 12% to 14%.

Given our ongoing initiatives and investments in structurally improving the business, our financial targets for 2026 are confirmed.

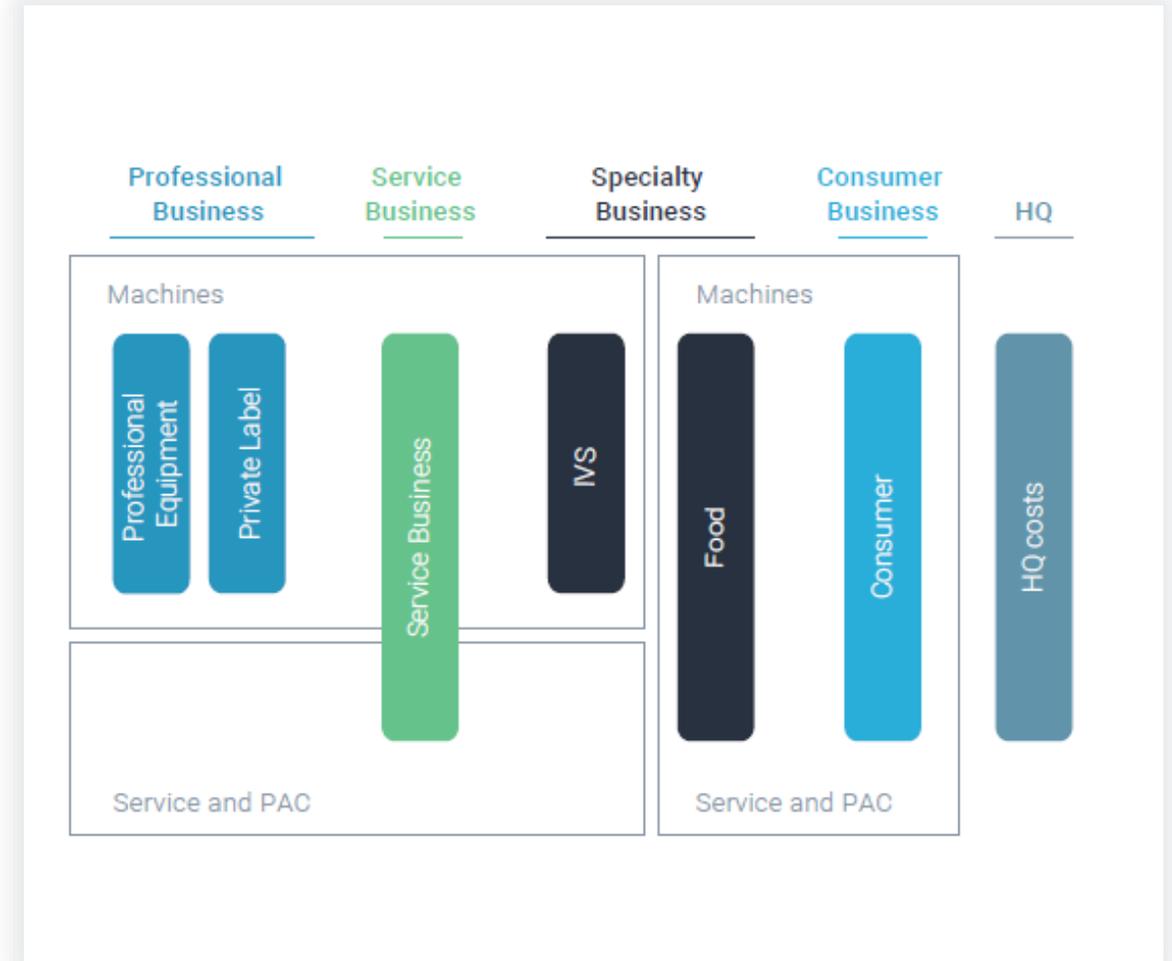


New financial reporting structure

New financial reporting structure from Q1 2023

Future segments

- Providing revenue, gross profit and EBITDA by segment.
- **Professional Business** covering all professional machines (floorcare, vacuum cleaners and high-pressure washers) including private label.
- **Service Business** contains a comprehensive range of service solutions throughout the lifecycle of our professional cleaning equipment. It captures field service offerings, including managed service packages and Parts, Accessories and Consumables (PAC) for the Professional Business and IVS.
- **Specialty Business** covering IVS and Nilfisk Food. Service and PAC are included for Nilfisk Food.
- **Consumer Business** covering consumer machines, service and PAC related to consumer products.
- **HQ (Headquarter)** covering overhead costs related to HQ activities.



Q&A session

