November 17, 2017

Nilfisk Q3 Interim Report 2017
Webcast presentation

Today’s presenters

Agenda

1	Highlights for Q3 and the first nine months of 2017
2	Financial review
3	2017 financial outlook
4	Q&A

Performance in Q3 and first nine months of 2017 in line with expectations

Highlights

- Nilfisk realized total revenue of 252.7 mEUR in Q3 2017, up 3mEUR from Q3 2016
- **Solid organic growth** in the total business of 3.4% for Q3 and 3.1% for the first nine months of 2017
- **5.6% organic growth** in Q3 2017 for the total business excluding Specialty segments
- **EBITDA margin before special items of 8.9%** for Q3 and 11.7% for the first nine months of 2017
- **RoCE increased to 16.5%** end-September 2017 from 13.2% end-September 2016

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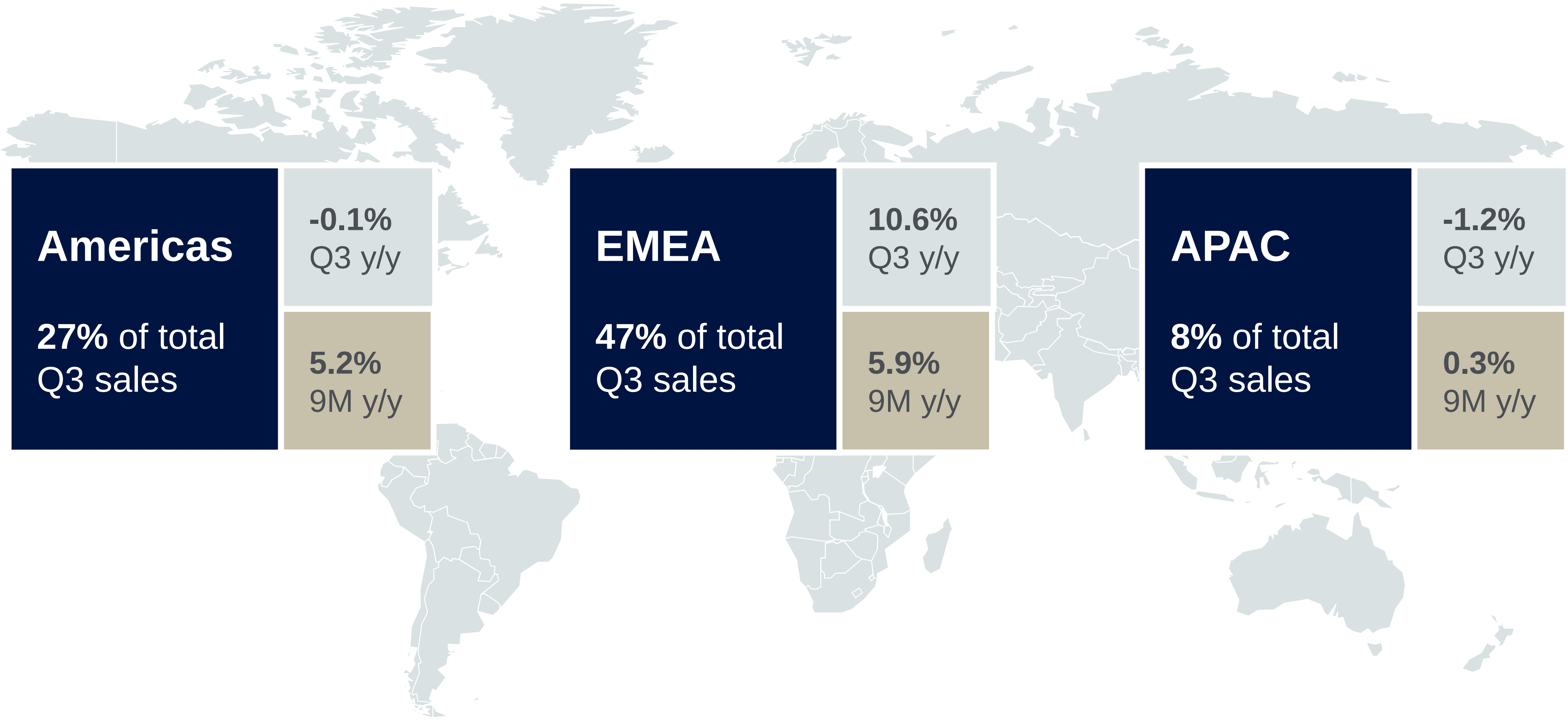
Strong growth in EMEA and satisfactory performance in Americas



Region	Share of total Q3 sales	Q3 y/y	9M y/y
Americas	**27%** of total Q3 sales	**-0.1%** Q3 y/y	**5.2%** 9M y/y
EMEA	**47%** of total Q3 sales	**10.6%** Q3 y/y	**5.9%** 9M y/y
APAC	**8%** of total Q3 sales	**-1.2%** Q3 y/y	**0.3%** 9M y/y

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Specialty Professional in line with expectations

Specialty Professional

11% of total Q3 sales

1.4% Q3 y/y

2.1% 9M y/y

Comments

- Positive growth in Industrial Vacuum Cleaners and Food. Outdoor and Restoration still challenging
- Challenging business areas are currently undergoing a strategic review
- The production set-up in Outdoor is being restructured to reduce complexity

Continued focus on strengthening Specialty Consumer

7% of total Q3 sales

-13.9% Q3 y/y

-9.4% 9M y/y

Comments

- Q3 sales below expectations in a challenging pricing environment and market
- Negative growth affected by the loss of one large customer and timing of orders
- Initiatives in place to stabilize sales and improve production efficiency and hereby earnings

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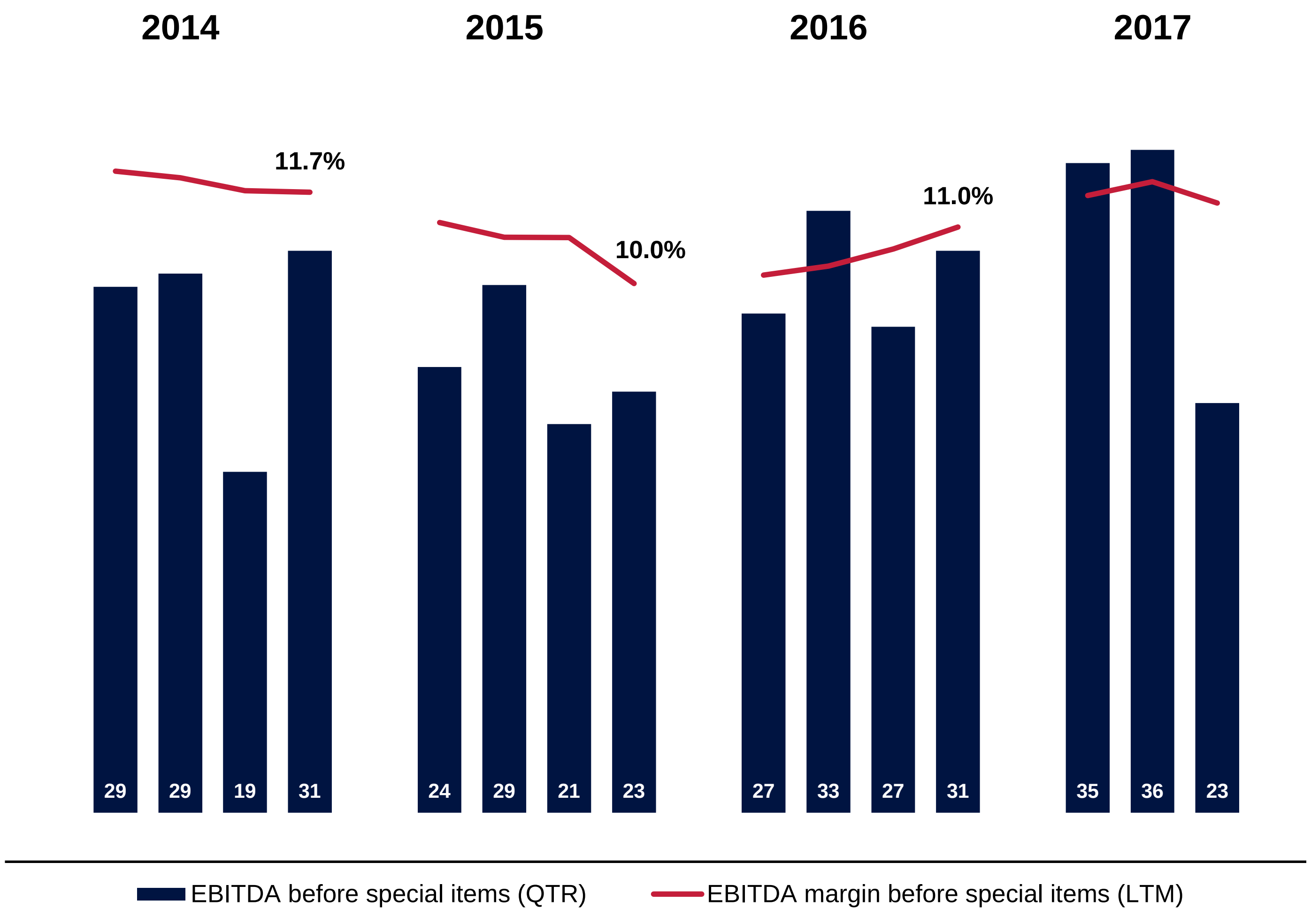
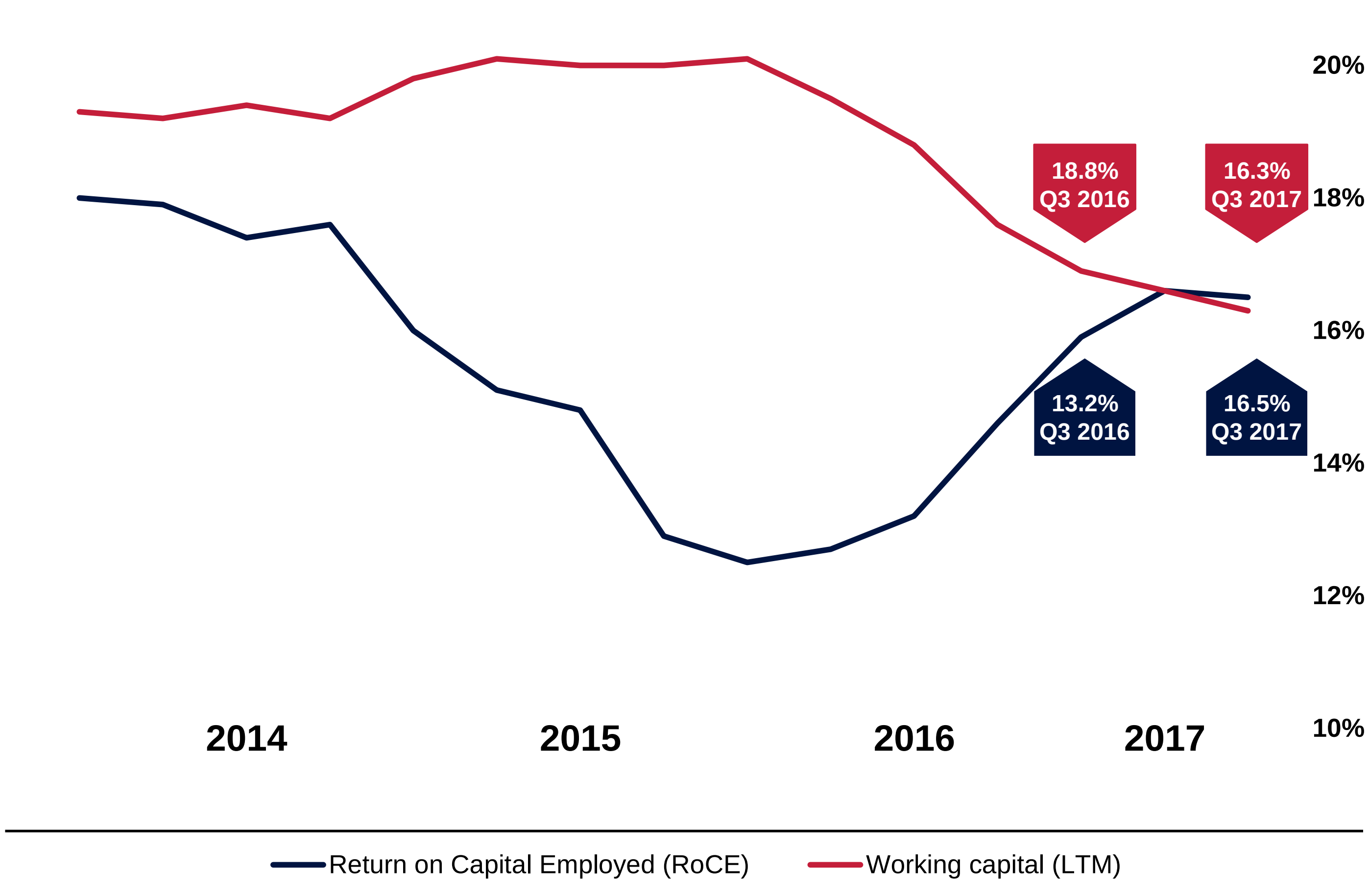
EBITDA margin before special items in line with expectations



Comments

- **EBITDA margin** before special items in Q3 **was 8.9%,** in line with expectations
- **Lower margin in Q3 2017** impacted by significant private label sales, increasing raw material prices, and higher freight costs
  - Private label sales were 8% of total revenue in Q3 2017 compared to 4% at H1 2017
  - Overhead cost ratio 35.0% in Q3 2017 compared to 34.2% at H1 2017 due to lower revenue
- **EBITDA margin** before special items for the first nine month is 11.7%

Working capital at a continued low level – RoCE increasing



Comments

- **Working capital in Q3 2017** continued at a relatively low level due to higher payables and higher production level in China
- **Working capital ratio LTM in Q3 2017** was 16.3%, a decrease of 2.5% compared to Q3 2016
- **Working capital was 180.6 mEUR** at the end of Q3 2017 versus 180.0 mEUR at the end of Q3 2016
- **RoCE was 16.5%** at the end of Q3 2017, an increase of 3.3 percentage points compared to Q3 2016

The Accelerate+ cost savings program is progressing as planned

EUR million	2016	Q1-Q3 2017	2017	2018	2019	Full potential end 2019
Expected annual accumulated impact on EBITDA before Special items related to levers executed prior to the end of reach period	11	18	18-19	25-30	35	35
Expected impact on reported EBITDA before Special items in the income statement for the period	2	12	17-18	20-25	25-32	35
Expected restructuring costs for the period (reported under Special items)	10	7	8-10	8-10	5-9	35
Implementation costs for the period (reported under Special items)	5	0	0	0	0	5
Expected Accelerate+ capex investments for the period	0	2	2-3	4-6	3-5	12

Comments

- **Accelerate+ cost savings program of EUR 35m** on track and with unchanged expectations
- **The program include cost savings from:**
- Overhead reductions through structural changes:
  - Transfer of transactional finance tasks from Denmark and Benelux to Wipro has started
  - Consolidation of customer care functions initiated
- Simplification opportunities in global operation:
  - Production moves to establish dedicated Outdoor sites
  - Singapore production move is ongoing
- Other initiatives such as complexity reduction and price management:
  - Pricing project live in the US

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The 2017 financial guidance is narrowed for organic growth and maintained for EBITDA margin before special items

Organic revenue growth	EBITDA margin before special items
3-4%	**11.0-11.5%**
2017 guidance	**2017 guidance**
Narrowed from 2-4%	

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Summary and Q&A

Performance in Q3 and the first nine months of 2017 **in line with expectations**

Solid organic growth driven especially by a **strong performance in EMEA**

EBITDA margin before special items **in line with expectations.** Outlook unchanged

2017 outlook for **organic growth is narrowed to 3-4%** (from 2-4%)

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Forward-looking statements

This presentation and related comments contain forward-looking statements. Such statements are subject to many uncertainties and risks, as various factors, of which several are beyond Nilfisk Holding's control, may cause that the actual development and results differ materially from the expectations.