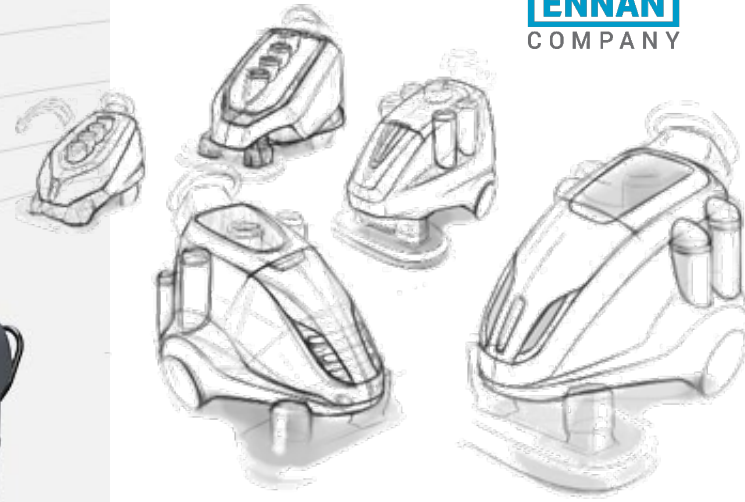


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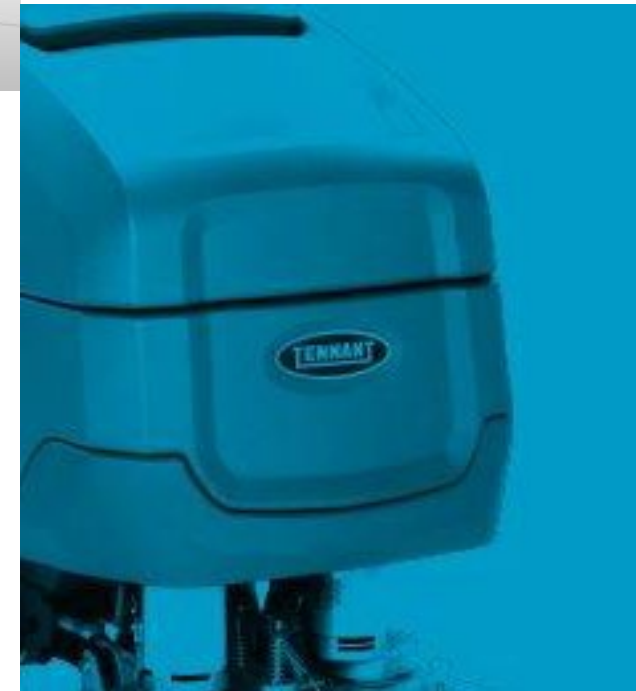


Earnings Release Call

Fourth Quarter and Full Year 2023 Results
Full Year 2024 Guidance

February 22, 2024

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SAFE HARBOR STATEMENT

Certain statements contained in this document are considered “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act. These statements do not relate to strictly historical or current facts and provide current expectations or forecasts of future events. Any such expectations or forecasts of future events are subject to a variety of factors. These include factors that affect all businesses operating in a global market as well as matters specific to the Company and the markets it serves. Particular risks and uncertainties presently facing the Company include: geopolitical and economic uncertainty throughout the world; uncertainty surrounding the impacts and duration of the COVID-19 pandemic; the Company’s ability to comply with global laws and regulations; the Company’s ability to adapt to customer pricing sensitivities; the competition in the Company’s business; fluctuations in the cost, quality or availability of raw materials and purchased components; the Company’s ability to adjust pricing to respond to cost pressures; unforeseen product liability claims or product quality issues; the Company’s ability to attract, retain and develop key personnel and create effective succession planning strategies; the Company’s ability to effectively develop and manage strategic planning and growth processes and the related operational plans; the Company’s ability to successfully upgrade and evolve its information technology systems; the Company’s ability to successfully protect its information technology systems from cybersecurity risks; the occurrence of a significant business interruption; the Company’s ability to maintain the health and safety of its workers; the Company’s ability to integrate acquisitions; and the Company’s ability to develop and commercialize new innovative products and services. We caution that forward-looking statements must be considered carefully and that actual results may differ in material ways due to risks and uncertainties both known and unknown. Information about factors that could materially affect the Company’s results can be found in our 2023 Form 10-K, when filed. Shareholders, potential investors and other readers are urged to consider these factors in evaluating forward-looking statements and are cautioned not to place undue reliance on such forward-looking statements. We undertake no obligation to update or revise any forward-looking statement, whether as a result of new information, future events or otherwise, except as required by law. Investors are advised to consult any further disclosures by the Company in its filings with the Securities and Exchange Commission and in other written statements on related subjects. It is not possible to anticipate or foresee all risk factors, and investors should not consider any list of such factors to be an exhaustive or complete list of all risks or uncertainties.



Executive Summary

- Full year organic sales growth of ~14%
~9% price growth and 5% volume growth
- Full year adjusted EBITDA margin increased 330 bps to 15.5%
- \$140 million backlog reduction during 2023
- Converted 150% of net income to free cash flow in 2023

Fourth-Quarter Results

| Net Sales | Adj. EBITDA* | Adj. Diluted EPS* |
|----------------------|--------------------------|----------------------------|
| \$311.4M | \$41.5M | \$1.92/share |
| +5.4% Organic Growth | 13.3% Adj. EBITDA Margin | +31.5% higher than Q4 2022 |

Full-Year Results

| Net Sales | Adj. EBITDA* | Adj. Diluted EPS* |
|-----------------------|--------------------------|----------------------------|
| \$1.243B | \$192.9M | \$6.57/share |
| +13.6% Organic Growth | 15.5% Adj. EBITDA Margin | +60.2% higher than FY 2022 |

*Non-GAAP Measures: refer to the Appendix of this presentation for additional information and reconciliation

Achieved Enterprise Strategy Targets in Four Years

2023 Accomplishments

- Translated strategic investments to stabilize supply chain into net sales
- Established long-term sustainability goals which were validated by SBTi
- AMR cumulative sales have surpassed \$200 million
- Disciplined capital allocation strategy

2019–2023 Enterprise Strategy Results

| | Targets | | Achievement | |
|------------------|---------|---|-------------|---|
| Net Sales | 2-3% | » | ~3% | ✓ |
| EBITDA | 6-10% | » | ~9% | ✓ |
| EBITDA % | 15% | » | 15%+ | ✓ |
| Years | 5 | » | 4 | ✓ |

Launching New Enterprise Strategy 2024-2026



GROWTH

Customer-focused new product innovation

Channel expansion and new go-to-market opportunities

Price growth across product categories

Activate M&A Strategy



PERFORMANCE

Modernize existing ERP systems and create a scalable digital infrastructure

Accelerate our sustainability progress by embedding our *Thriving People, Healthy Planet* framework across entire enterprise



PEOPLE

Invest in our employee value proposition to attract, retain and develop top talent

Above-market
growth rates

Continued margin
improvements

Target 100% FCF
Conversion

Focused M&A Framework



Defend & Grow Cleaning Core

Closing Product Gaps
and Strengthening our
Channel Position



Drive Value Through Connected Autonomy

Grow Recurring
Revenue Potential



Expand Equipment Portfolio into Select Adjacencies

Leverage Existing
Strengths Beyond
Cleaning



M&A Priorities

Strategic Value

Operational Fit

Financial Return

Tennant Company and Brain Corp sign exclusive technology agreement to accelerate robotic floor cleaning innovation and adoption



Tennant invests \$32 million in Brain Corp to fuel the next generation of AI-enabled robotic cleaning technologies, enhance customer Return on Investment, and accelerate Autonomous Mobile Robotic (“AMR”) revenue growth



Expanded relationship creates a differentiated customer support ecosystem led by Tennant sales and service and supported by Brain Corp analytics and insights



Launching New Enterprise Strategy 2024-2026



GROWTH

- Customer-focused new product innovation
- Channel expansion and new go-to-market opportunities
- Price growth across product categories
- Activate M&A Strategy



PERFORMANCE

- Modernize existing ERP systems and create a scalable digital infrastructure
- Accelerate our sustainability progress by embedding our *Thriving People, Healthy Planet* framework across entire enterprise



PEOPLE

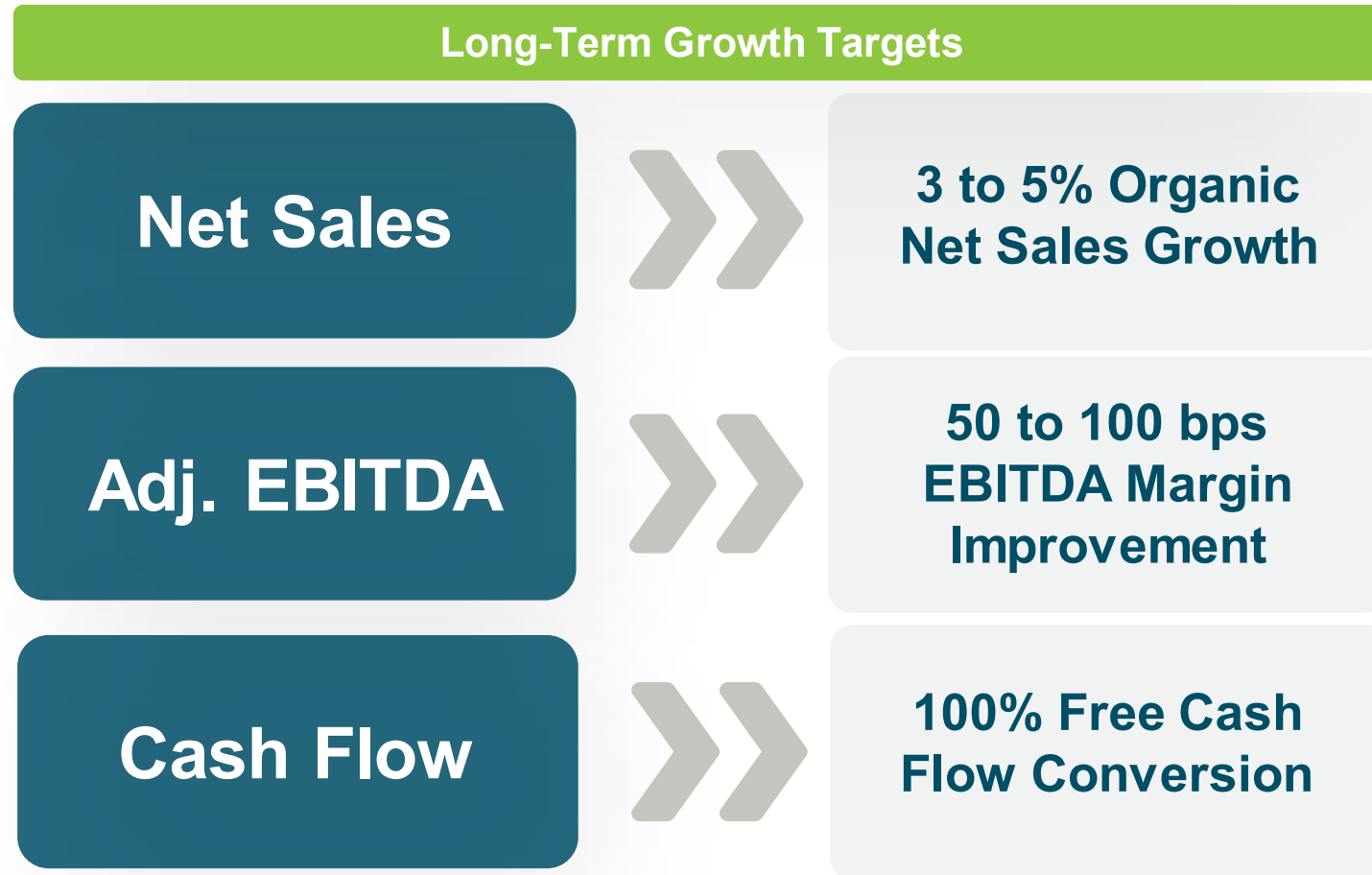
- Invest in our employee value proposition to attract, retain and develop top talent

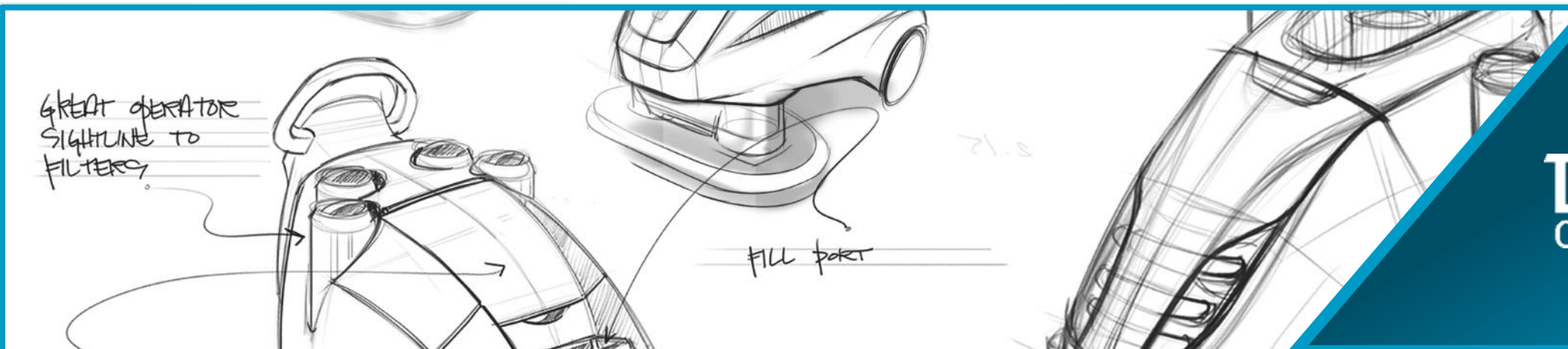
**Above-market
growth rates**

**Continued margin
improvements**

**Target 100% FCF
Conversion**

Long-Term Outlook





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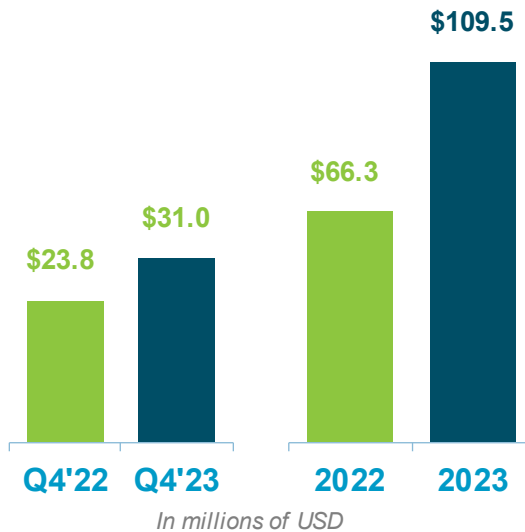
Financial Results

Fourth Quarter and Full Year 2023

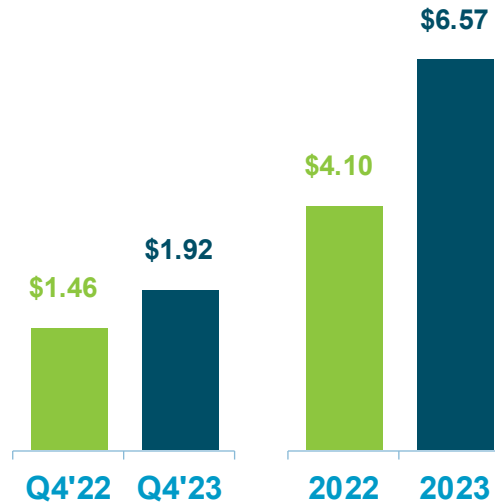
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Fourth-Quarter and Full-Year Financial Performance

Net Income



Adjusted Diluted EPS*



Net Income

- ▶ **Record high full-year net income of \$109.5M**
Increase of \$43.2M from 2022 driven by strong operating performance and gross margin expansion through price realization
- ▶ **Q4 2023 net income of \$31M**
Increase of \$7.2M from Q4 2022 due to a lower effective tax rate as a result of a discrete nonrecurring and noncash item

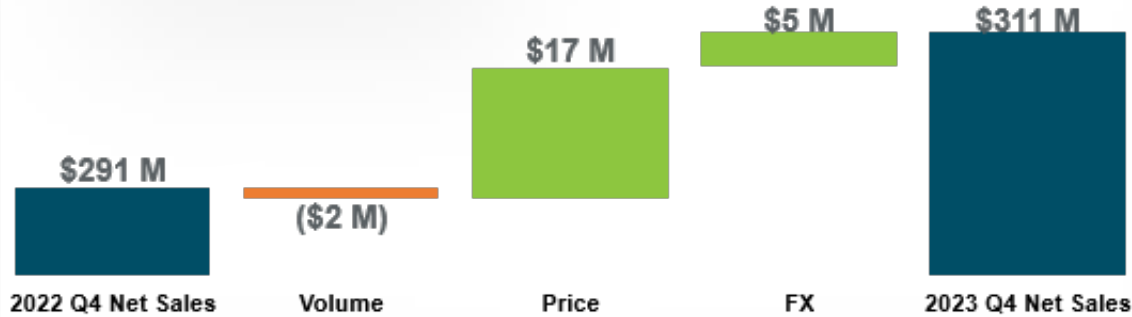
Adjusted Diluted EPS*

- ▶ **Full-year adjusted EPS of \$6.57 per diluted share**
60% increase compared to 2022
- ▶ **Q4 2023 adjusted EPS of \$1.92 per diluted share**
~32% increase from Q4 2022

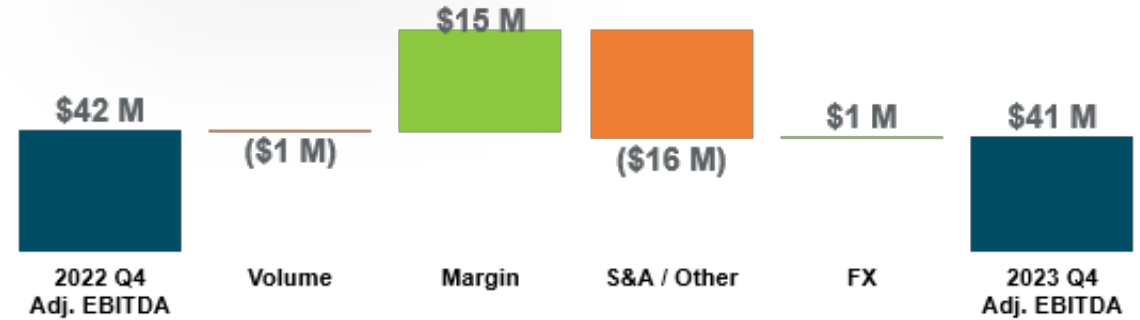
*Non-GAAP Measures: refer to the Appendix of this presentation for additional information and reconciliation

Fourth Quarter 2023 Results


Net Sales



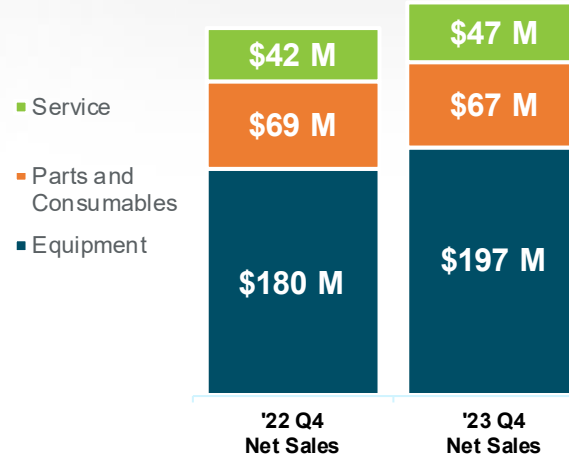
Adjusted EBITDA*



Region**

| | |
|-------|---|
| +7.3% | Americas |
| -0.6% | EMEA |
| +9.6% | APAC |
| +5.4% | Total  |

Product Categories



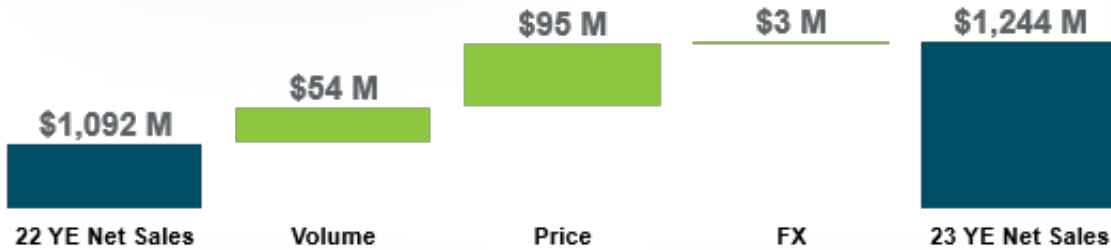
- ▶ **Gross margin* improved to 42.2%**
Primarily driven by price realization, cost-out activities and productivity increases which offset inflationary pressure
- ▶ **S&A* as a percent of net sales increased to 29.9%**
Driven by higher variable employee costs and investments in R&D to propel our innovation leadership position
- ▶ **Adjusted EBITDA Margin* declined 100 bps to 13.3%**
Due to expected S&A investments to fuel future growth

*Non-GAAP Measures: refer to the Appendix of this presentation for additional information and reconciliation

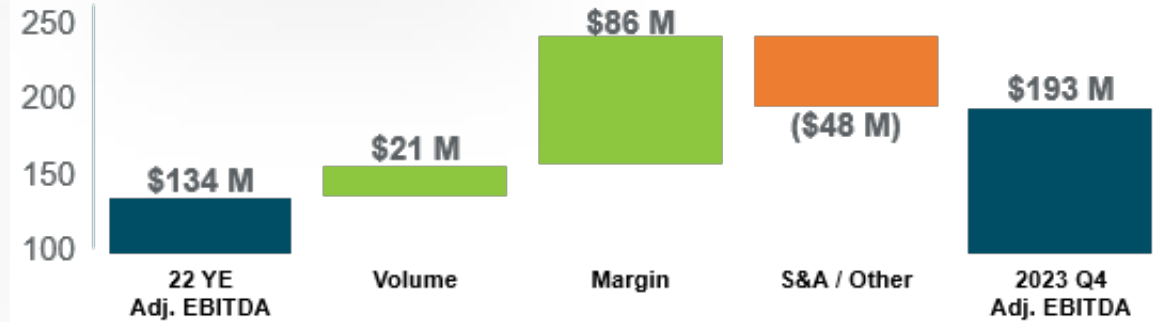
**Organic net sales growth

Full Year 2023 Results

Net Sales



Adjusted EBITDA*



Region**

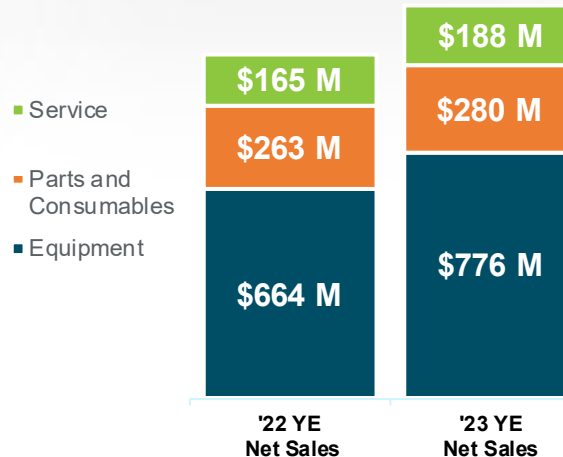
+18.9% Americas

+2.6% EMEA

+8.6% APAC

+13.6% Total

Product Categories

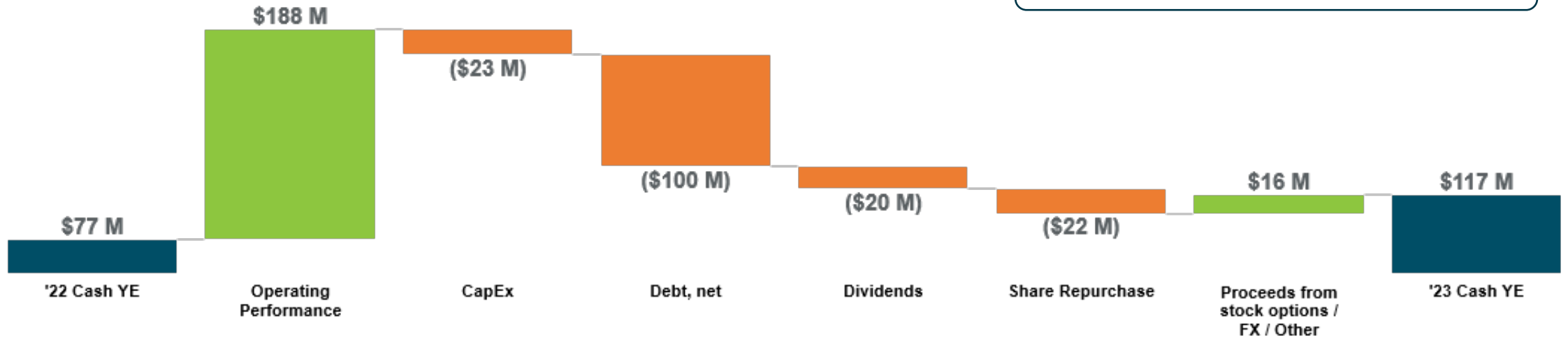


- ▶ **Gross margin* improved to 42.5%**
Primarily driven by price realization, cost-out activities and productivity increases which offset inflationary pressure
- ▶ **S&A* as a percent of net sales increased to 28%**
Driven by higher variable costs linked to improved operating performance as well as strategic investments to deliver future growth
- ▶ **Adjusted EBITDA Margin* increased 330 bps to 15.5%**
Increased 330 bps compared to 2022

*Non-GAAP Measures: refer to the Appendix of this presentation for additional information and reconciliation

**Organic net sales growth

Capital Deployment



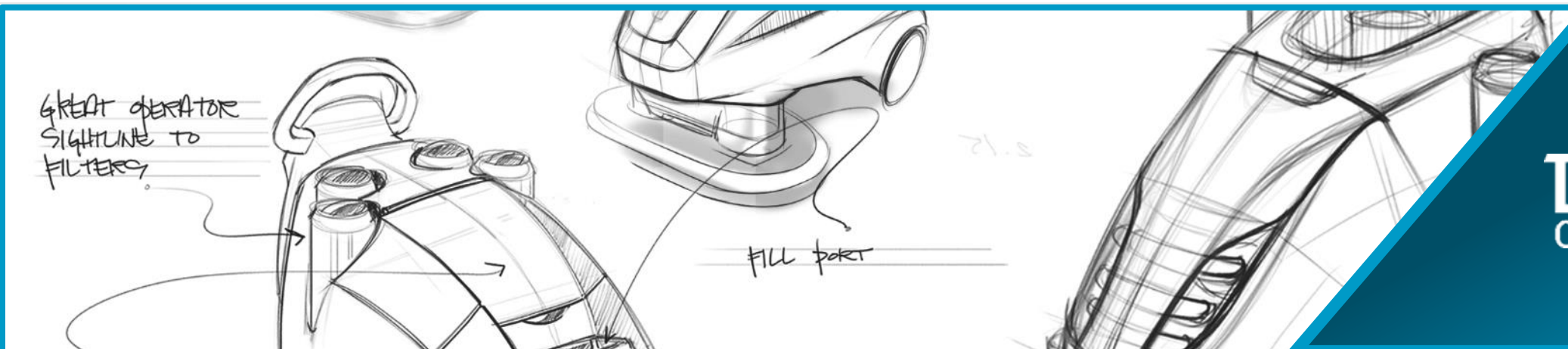
| | YE 2022 | YE 2023 |
|------------------------|----------|---------|
| Total Debt | \$300M | \$201M |
| Net Leverage | 1.67x | 0.43x |
| Revolver Availability: | \$336.8M | |

▶ Net cash provided by operating activities of ~\$188M driven by operating performance and moderating investments in working capital

▶ Capital expenditures of ~\$23M in line with guidance expectations

▶ Debt paydown of ~\$100M reducing exposure to rising interest rates

▶ Returned capital to shareholders via dividend and share repurchases



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Full Year 2024 Guidance

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2024 Full-Year Guidance

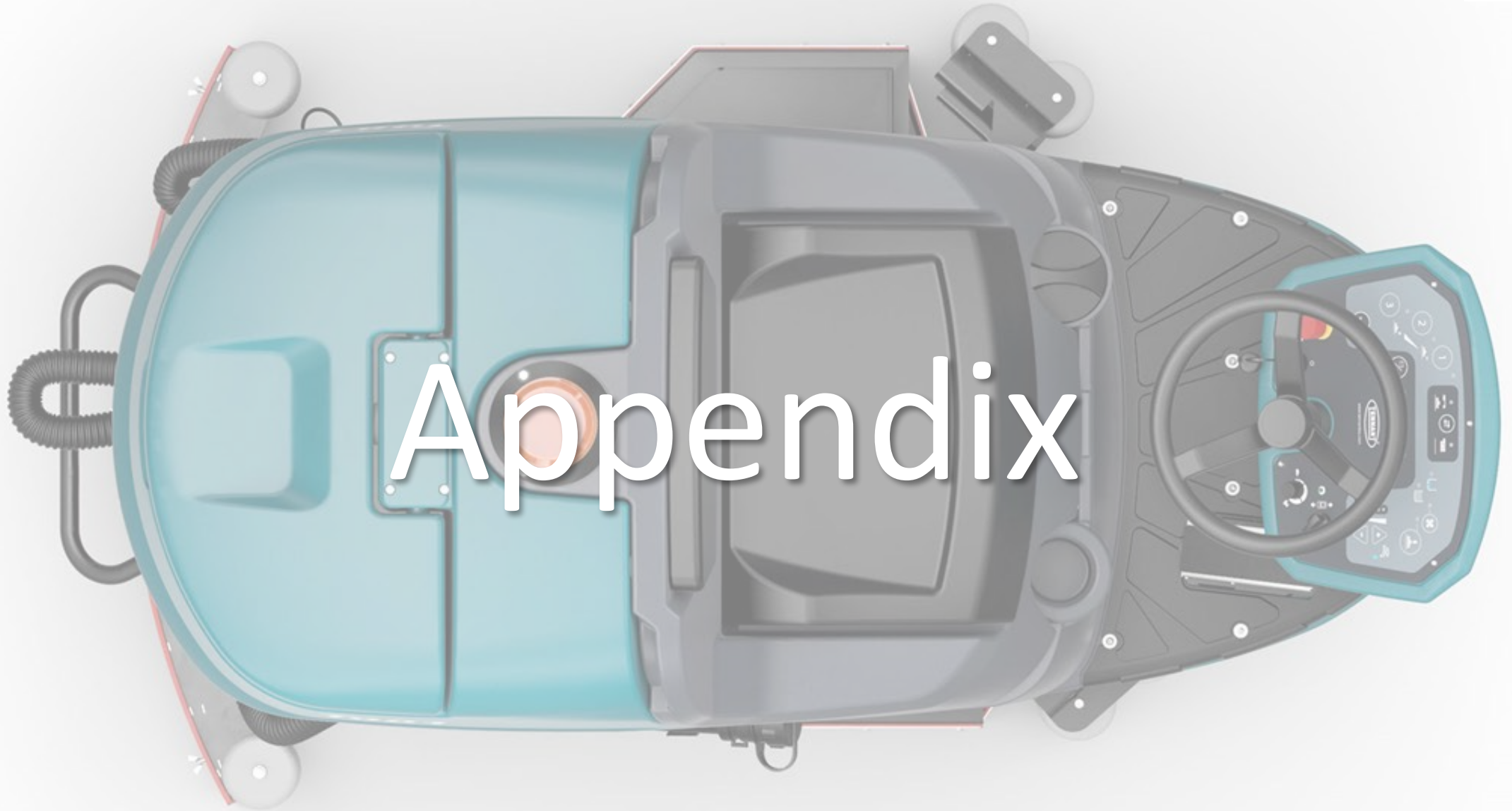
| | 2024 Guidance |
|--|---------------------------|
| Net Sales | \$1.27B - \$1.295B |
| Organic Net Sales Growth | 2% - 4% |
| Adjusted Diluted EPS⁽¹⁾ | \$6.05 - \$6.65 |
| Adjusted EBITDA⁽¹⁾ | \$198M - \$213M |
| Adjusted EBITDA Margin | 15.6% - 16.4% |
| Capital Expenditures⁽¹⁾ | \$20M - \$25M |
| Adjusted Effective Tax Rate⁽¹⁾ | 22% - 27% |

Questions?

Tennant Company Earnings Release Call | Fourth Quarter and Full Year 2023

Thank you

Tennant Company Earnings Release Call | Fourth Quarter and Full Year 2023



Appendix

Non-GAAP Financial Measures

This presentation and the related conference call include presentation of Non-GAAP measures that include or exclude special items of a nonrecurring and/or nonoperational nature (hereinafter referred to as “special items”). Management believes that the Non-GAAP measures provide useful information to investors regarding the Company’s results of operations and financial condition because they permit a more meaningful comparison and understanding of Tennant Company’s operating performance for the current, past or future periods. Management uses these Non-GAAP measures to monitor and evaluate ongoing operating results and trends and to gain an understanding of the comparative operating performance of the Company.

The Company believes that disclosing selling and administrative (“S&A”) expense – as adjusted, S&A expense as a percent of net sales – as adjusted, operating income – as adjusted, operating margin – as adjusted, income before income taxes – as adjusted, income tax expense – as adjusted, net income – as adjusted, net income per diluted share – as adjusted, EBITDA – as adjusted, and EBITDA margin – as adjusted (collectively, the “Non-GAAP measures”), excluding the impacts from special items, is useful to investors as a measure of operating performance. The Company uses these as one measure to monitor and evaluate operating performance. The Non-GAAP measures are financial measures that do not reflect United States Generally Accepted Accounting Principles (GAAP). The Company calculates the Non-GAAP measures by adjusting for restructuring-related charges and amortization expense, and any gain or loss on a sale of assets. The Company calculates income tax expense – as adjusted by adjusting for the tax effect of these Non-GAAP measures. The Company calculates net income per diluted share – as adjusted by adjusting for the after-tax effect of these Non-GAAP measures and dividing the result by the diluted weighted average shares outstanding. The Company calculates operating margin – as adjusted by dividing operating income – as adjusted by net sales. The Company calculates EBITDA margin – as adjusted by dividing EBITDA – as adjusted by net sales.

TENNANT COMPANY

SUPPLEMENTAL NON-GAAP FINANCIAL TABLES

TENNANT COMPANY SUPPLEMENTAL NON-GAAP FINANCIAL TABLES

Reported to Adjusted Net Income and Net Income Per Share

(In millions, except per share data)

| | Three Months Ended December 31, | | Twelve Months Ended December 31, | |
|---|------------------------------------|---------|-------------------------------------|---------|
| | 2023 | 2022 | 2023 | 2022 |
| Net income - as reported | \$ 31.0 | \$ 23.8 | \$ 109.5 | \$ 66.3 |
| <u>Adjustments:</u> | | | | |
| Gain on sale of assets | — | — | — | (2.8) |
| Amortization expense | 2.7 | 2.7 | 10.6 | 11.5 |
| Restructuring-related charge (Cost of sales) | 0.5 | 0.2 | 0.5 | 0.2 |
| Restructuring-related charge (S&A expense) | 0.8 | 0.5 | 1.6 | 1.3 |
| ERP modernization (S&A expense) | 1.2 | — | 1.2 | — |
| Net income - as adjusted | \$ 36.2 | \$ 27.2 | \$ 123.4 | \$ 76.5 |
| Net income per share - as reported: | | | | |
| Diluted | \$ 1.64 | \$ 1.27 | \$ 5.83 | \$ 3.55 |
| <u>Adjustments:</u> | | | | |
| Gain on sale of assets | — | — | — | (0.15) |
| Amortization expense | 0.14 | 0.15 | 0.56 | 0.62 |
| Restructuring-related charge (Cost of sales) | 0.03 | 0.01 | 0.03 | 0.01 |
| Restructuring-related charge (S&A expense) | 0.05 | 0.03 | 0.09 | 0.07 |
| ERP modernization (S&A expense) | 0.06 | — | 0.06 | — |
| Net income per diluted share - as adjusted | \$ 1.92 | \$ 1.46 | \$ 6.57 | \$ 4.10 |

TENNANT COMPANY

SUPPLEMENTAL NON-GAAP FINANCIAL TABLES

TENNANT COMPANY
SUPPLEMENTAL NON-GAAP FINANCIAL TABLES

Reported Net Income to Adjusted Earnings Before Interest, Taxes, Depreciation, and Amortization
(EBITDA)

(In millions)

| | Three Months Ended December 31, | | Twelve Months Ended December 31, | |
|--|------------------------------------|----------------|-------------------------------------|-----------------|
| | 2023 | 2022 | 2023 | 2022 |
| Net income - as reported | \$ 31.0 | \$ 23.8 | \$ 109.5 | \$ 66.3 |
| Less: | | | | |
| Interest expense, net | 2.5 | 3.4 | 13.5 | 7.1 |
| Income tax expense | (9.0) | 0.9 | 14.3 | 13.2 |
| Depreciation expense | 10.0 | 8.8 | 36.4 | 32.8 |
| Amortization expense | 3.7 | 3.8 | 14.7 | 15.9 |
| EBITDA | \$ 38.2 | \$ 40.7 | \$ 188.4 | \$ 135.3 |
| Adjustments: | | | | |
| Gain on sale of assets | — | — | — | (3.7) |
| Restructuring-related charge (Cost of sales) | 0.7 | 0.3 | 0.7 | 0.3 |
| Restructuring-related charge (S&A expense) | 1.0 | 0.7 | 2.2 | 1.8 |
| ERP modernization (S&A expense) | 1.6 | — | 1.6 | — |
| EBITDA - as adjusted | \$ 41.5 | \$ 41.7 | \$ 192.9 | \$ 133.7 |
| <i>EBITDA margin - as adjusted</i> | <i>13.3 %</i> | <i>14.3 %</i> | <i>15.5 %</i> | <i>12.2 %</i> |

TENNANT COMPANY

SUPPLEMENTAL NON-GAAP FINANCIAL TABLES

TENNANT COMPANY SUPPLEMENTAL NON-GAAP FINANCIAL TABLES

Reported to Adjusted Gross Profit, Selling and Administrative Expense (S&A expense) and Operating Income

(In millions)

| | Three Months Ended December 31, | | Twelve Months Ended December 31, | |
|--|------------------------------------|----------|-------------------------------------|----------|
| | 2023 | 2022 | 2023 | 2022 |
| Gross profit - as reported | \$ 130.8 | \$ 115.2 | \$ 527.8 | \$ 420.9 |
| <i>Gross margin - as reported</i> | 42.0 % | 39.6 % | 42.4 % | 38.5 % |
| Adjustments: | | | | |
| Restructuring-related charge (Cost of sales) | 0.7 | 0.3 | 0.7 | 0.3 |
| Gross profit - as adjusted | \$ 131.5 | \$ 115.5 | \$ 528.5 | \$ 421.2 |
| <i>Gross margin - as adjusted</i> | 42.2 % | 39.7 % | 42.5 % | 38.6 % |
| S&A expense - as reported | | | | |
| | \$ 95.7 | \$ 79.2 | \$ 352.6 | \$ 306.3 |
| <i>S&A expense as a percent of net sales - as reported</i> | 30.7 % | 27.2 % | 28.4 % | 28.0 % |
| Adjustments: | | | | |
| Restructuring-related charge (S&A expense) | (1.0) | (0.7) | (2.2) | (1.8) |
| ERP modernization (S&A expense) | (1.6) | — | (1.6) | — |
| S&A expense - as adjusted | \$ 93.1 | \$ 78.5 | \$ 348.8 | \$ 304.5 |
| <i>S&A expense as a percent of net sales - as adjusted</i> | 29.9 % | 27.0 % | 28.0 % | 27.9 % |
| Operating income - as reported | | | | |
| | \$ 24.5 | \$ 28.4 | \$ 138.6 | \$ 87.2 |
| <i>Operating margin - as reported</i> | 7.9 % | 9.8 % | 11.1 % | 8.0 % |
| Adjustments: | | | | |
| Restructuring-related charge (Cost of sales) | 0.7 | 0.3 | 0.7 | 0.3 |
| Gain on sale of assets | — | — | — | (3.7) |
| Restructuring-related charge (S&A expense) | 1.0 | 0.7 | 2.2 | 1.8 |
| ERP modernization (S&A expense) | 1.6 | — | 1.6 | — |
| Operating income - as adjusted | \$ 27.8 | \$ 29.4 | \$ 143.1 | \$ 85.6 |
| <i>Operating margin - as adjusted</i> | 8.9 % | 10.1 % | 11.5 % | 7.8 % |

TENNANT COMPANY

SUPPLEMENTAL NON-GAAP FINANCIAL TABLES

Reported to Adjusted Income Before Income Taxes and Income Tax Expense

| (In millions) | Three Months Ended December 31, | | Twelve Months Ended December 31, | |
|---|------------------------------------|---------|-------------------------------------|---------|
| | 2023 | 2022 | 2023 | 2022 |
| Income before income taxes - as reported | \$ 22.0 | \$ 24.7 | \$ 123.8 | \$ 79.5 |
| Adjustments: | | | | |
| Gain on sale of assets | — | — | — | (3.7) |
| Amortization expense | 3.7 | 3.8 | 14.7 | 15.9 |
| Restructuring-related charge (Cost of sales) | 0.7 | 0.3 | 0.7 | 0.3 |
| Restructuring-related charge (S&A expense) | 1.0 | 0.7 | 2.2 | 1.8 |
| ERP modernization (S&A expense) | 1.6 | — | 1.6 | — |
| Income before income taxes - as adjusted | \$ 29.0 | \$ 29.5 | \$ 143.0 | \$ 93.8 |
| Income tax expense - as reported | \$ (9.0) | \$ 0.9 | \$ 14.3 | \$ 13.2 |
| <i>Effective tax rate - as reported</i> | (40.9)% | 3.6 % | 11.6 % | 16.6 % |
| Adjustments⁽¹⁾: | | | | |
| Gain on sale of assets | — | — | — | (0.9) |
| Amortization expense | 1.0 | 1.1 | 4.1 | 4.4 |
| Restructuring-related charge (Cost of sales) | 0.2 | 0.1 | 0.2 | 0.1 |
| Restructuring-related charge (S&A expense) | 0.2 | 0.2 | 0.6 | 0.5 |
| ERP modernization (S&A expense) | 0.4 | — | 0.4 | — |
| Income tax expense - as adjusted | \$ (7.2) | \$ 2.3 | \$ 19.6 | \$ 17.3 |
| <i>Effective tax rate - as adjusted</i> | (24.8)% | 7.8 % | 13.7 % | 18.4 % |

⁽¹⁾ In determining the tax impact, we applied the statutory rate in effect for each jurisdiction where income or expenses were generated.