



Q1 2025 Results

Earnings Release Call

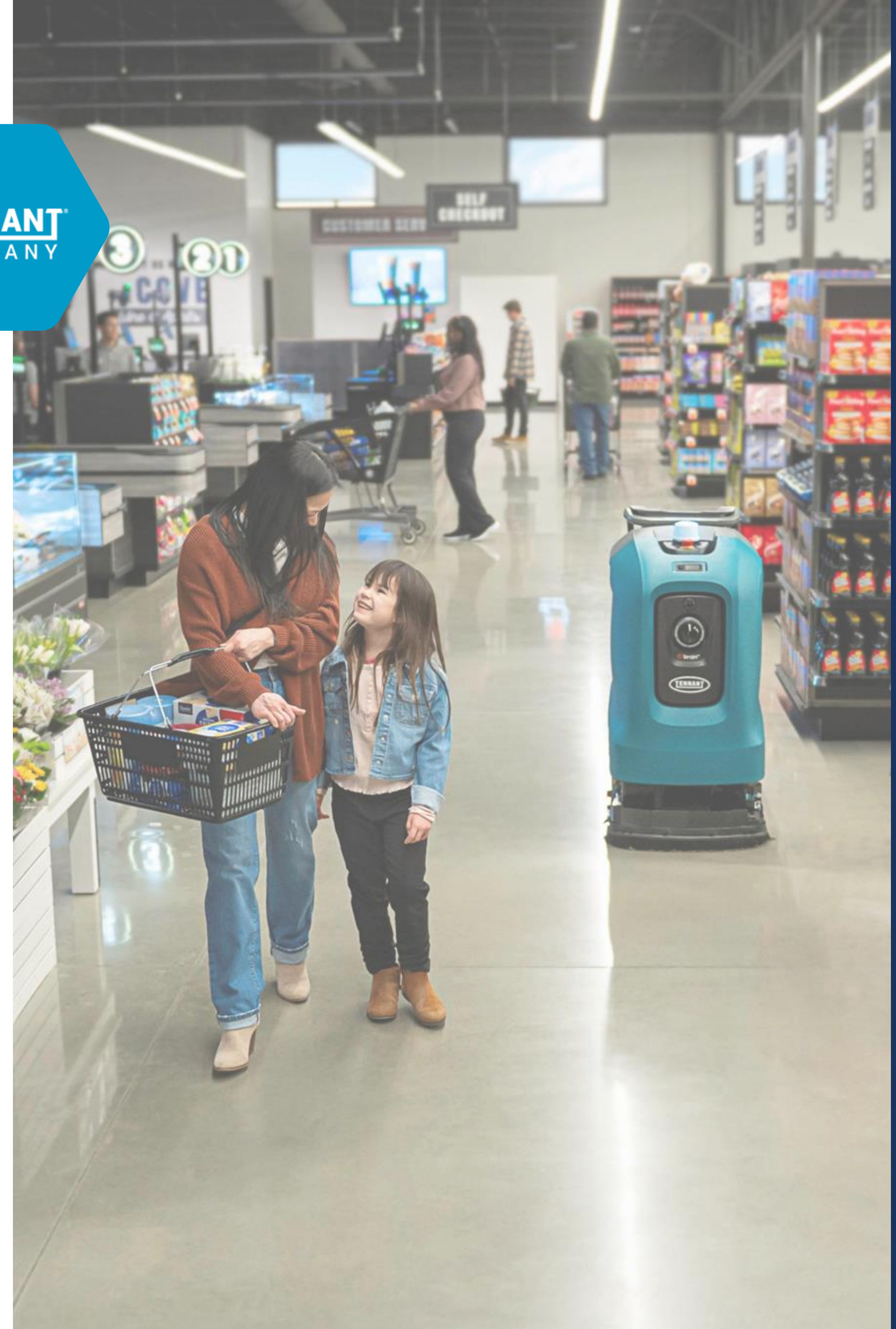
May 1, 2025

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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 us and the markets the Company serves. Particular risks and uncertainties presently facing it include: geopolitical and economic uncertainty throughout the world; our ability to comply with global laws and regulations; changes in foreign currency exchange rates; our ability to adapt to customer pricing sensitivities; the competition in our business; fluctuations in the cost, quality or availability of raw materials and purchased components; our ability to adjust pricing to respond to cost pressures; unforeseen product liability claims or product quality issues; our ability to attract, retain and develop key personnel and create effective succession planning strategies; our ability to effectively develop and manage strategic planning and growth processes and the related operational plans; our ability to successfully upgrade and evolve our information technology systems; our ability to successfully protect our information technology systems from cybersecurity risks; complications with our new ERP system; the occurrence of a significant business interruption; our ability to maintain the health and safety of our workers; our ability to integrate acquisitions; our ability to develop and commercialize new innovative products and services; and risks related to our business transformation and strategic initiatives. 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 2024 Form 10-K. 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

Lapping Significant Backlog-Reduction Benefit

- ▶ Prior-year period benefited from a \$50 million backlog reduction
- ▶ First-quarter results reflect a return to typical seasonality and product mix

Underlying Business Remains Strong

- ▶ Orders grew 13% during the first quarter of 2025
- ▶ Fourth consecutive quarter of strong order growth

2025 Guidance

- ▶ Full-year order rates expected to grow between 3.5% to 7%
- ▶ Estimated tariff costs expected to be offset by supply-chain actions, pricing initiatives and other actions

First-Quarter 2025 Results

Net Sales

\$290.0M

-5.0% Organic Decline

Adj. EBITDA*

\$41.0M

14.1% Adj. EBITDA Margin

Adj. Diluted EPS*

\$1.12/share

\$1.81/share in Q1 2024

Enterprise Growth Strategy Update

2025

Pricing Excellence

- ▶ Impacted by customer mix due to large sales to key strategic customers within the retail channel in North America
- ▶ Partially offset by strong price growth in EMEA and Latin America

Product Innovation

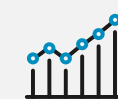
- ▶ Results bolstered by sales of X4 ROVR and product-line extensions
- ▶ New X6 ROVR launching in the second quarter

New Channels & Markets

- ▶ Increased North America service capacity drove YoY growth
- ▶ Go-to-market initiatives in EMEA, specifically in UK and Italy, continue to drive growth in the region



AMR Performance



\$297+ million
in cumulative
AMR sales*



9,800 units
delivered to 950+
customers*



5 AMR
models

*Since first AMR machine launch in 2018

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X6 ROVR Launching in Q2 2025

Performance Boost

- ▶ Highly maneuverable, purpose-built AMR delivering superior cleaning performance and optimal customer productivity
- ▶ Offering 250% cleaning capacity per tank compared to our smaller X4 ROVR

Product Innovation

- ▶ Powered by Brain Corp's market-leading Gen 3, AI-enabled navigation package available exclusively from Tennant
- ▶ New XC¹ Autonomous Charging Station eliminating the need for daily, manual charging plug-ins



Launching one year after the X4 ROVR

Accelerated innovation enabled by scaling of the X4 platform design strategy and strong alignment with Brain Corp on innovation priorities

Maintains 2025 Guidance

Tariff Impact

- ▶ Limited impact on first-quarter results
- ▶ Implementing mitigation strategies through supply-chain actions and pricing initiatives

Spending Discipline

- ▶ Prioritizing investments aligned with our strategic objectives
- ▶ Maintaining discipline in discretionary spending

2025 Guidance

Organic Net Sales Decline	(1.0)% - (4.0)%
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Order Growth Rates	3.5% – 7%
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Adj. EBITDA Margin Expansion*	0-50bps
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*Non-GAAP Measures: refer to the Appendix of this presentation for additional information and reconciliation



T291
Small Walk-behind Scrubber



FINANCIAL RESULTS

First Quarter 2025

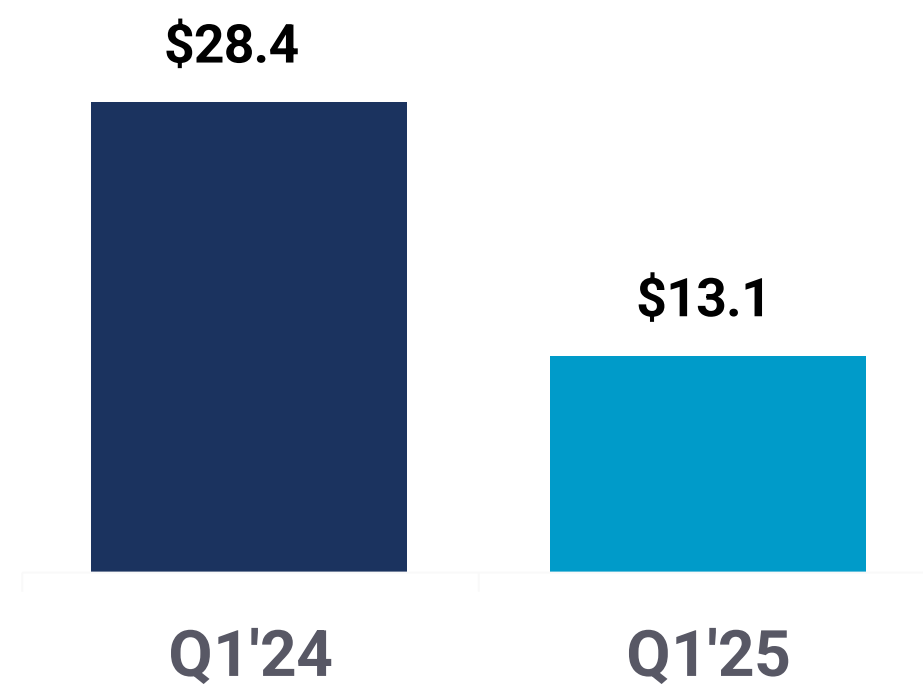
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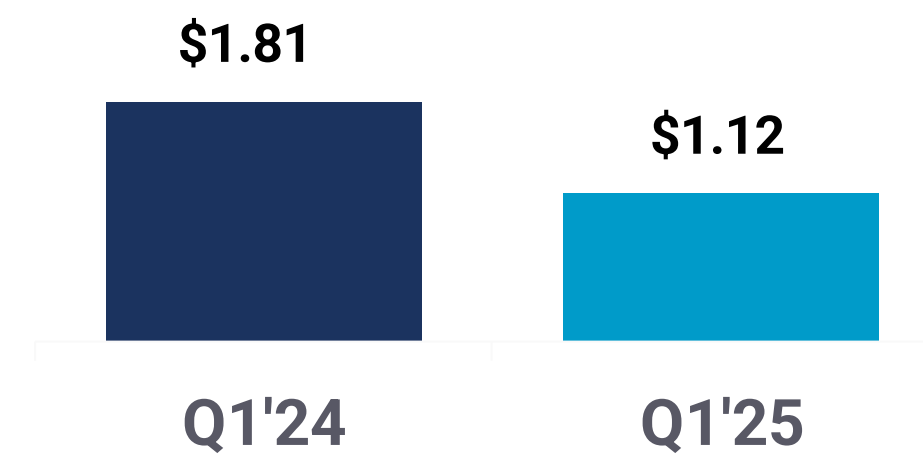
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First-Quarter 2025 Financial Performance

Net Income In millions of USD



Adjusted EPS



First-quarter net income decreased compared to prior-year periods

- ▶ Lower net sales primarily driven by volume declines across all geographies, particularly in North America which was lapping a prior year with a significant backlog-reduction benefit
- ▶ Increased ERP project costs and restructuring-related charges
- ▶ Effective tax rate increased to 23.8% from 19.1% due to a prior-year discrete tax benefit that did not reoccur in Q1 2025

First quarter adjusted EPS of \$1.12 per diluted share

- ▶ Excludes amortization expense, ERP modernization costs, and restructuring-related charges

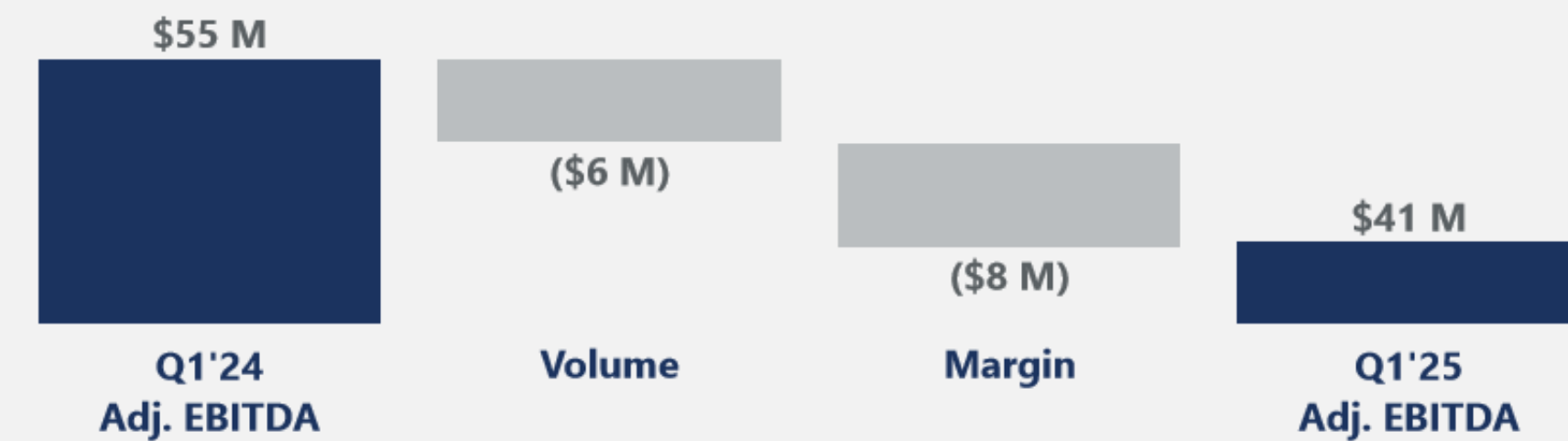
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First-Quarter 2025 Results

Net Sales



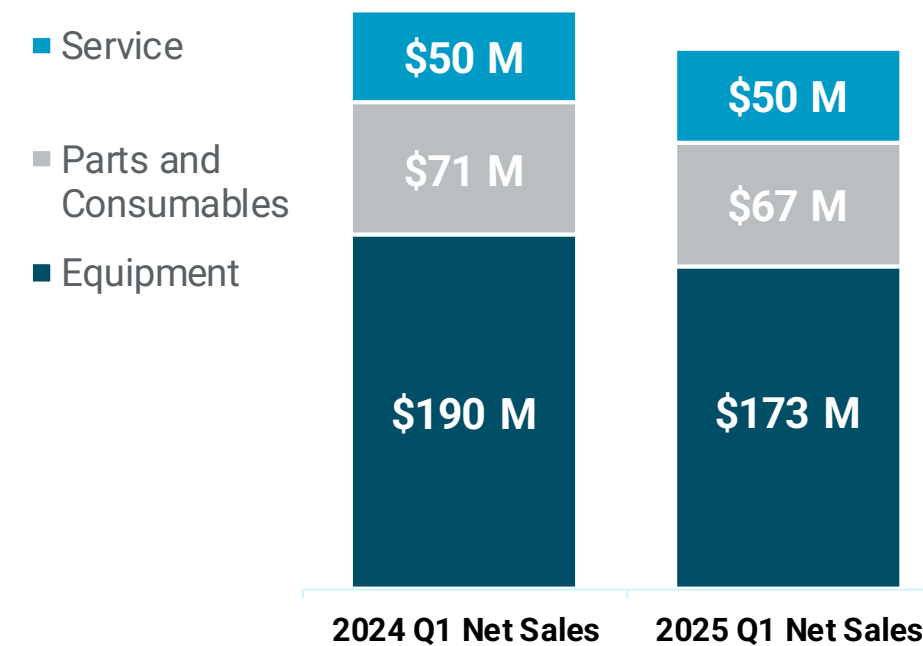
Adjusted EBITDA*



By Region**

-6.9%	Americas
+0.6%	EMEA
-7.5%	APAC
-5.0%	Total

Product Categories



Gross Margin decreased 280 bps to 41.4%

- ▶ Driven by product and customer mix as well as ongoing inflation
- ▶ Prior-year quarter benefited from a significant backlog reduction concentrated in higher-margin industrial products sold through direct channels

Adjusted S&A* as a percent of net sales increased 110 bps to 28.7%

- ▶ Driven primarily by lower net sales performance

Adjusted EBITDA Margin* decreased 360 bps to 14.1%

- ▶ Driven by volume declines in net sales and unfavorable gross margin, partially offset by lower compensation expense and discretionary spending

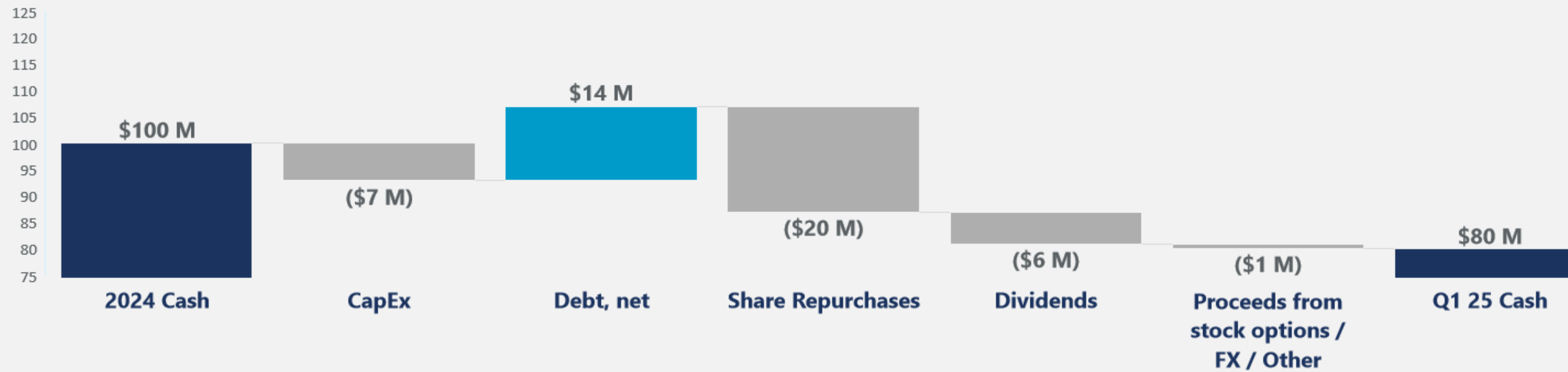
*Non-GAAP Measures: refer to the Appendix of this presentation for additional information and reconciliation

**Organic net sales growth

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Capital Deployment

Cash Flow



	YE 2024	Q1 2025
Total Debt	\$200M	\$214M
Net Debt	\$100M	\$134M
Net Leverage*	0.48x	0.66x
Revolver Availability		\$434.3M

Capital Allocation Priorities

Invest in the Business

- ▶ \$7M of capital expenditures
- ▶ \$12M spent on ERP modernization
 - ▶ \$6M on Income Statement
 - ▶ \$6M on Balance Sheet
- ▶ \$10M spent on R&D investments

Shareholder Return

- ▶ \$6M of Dividends
- ▶ \$20M on repurchases of ~200k shares of common stock

*Based on the mid-point of Adjusted EBITDA guidance

2025

Reaffirms Full-Year Guidance



⁽¹⁾ Excludes ERP modernization costs and certain nonoperational items and amortization expense

\$1.210B - \$1.250B

Net Sales

(1.0)% - (4.0)%

Organic Net Sales Decline

\$3.80 - \$4.30

Diluted EPS

\$5.70 - \$6.20

Adjusted Diluted EPS⁽¹⁾

\$196M - \$209M

Adjusted EBITDA⁽¹⁾

16.2% - 16.7%

Adjusted EBITDA Margin⁽¹⁾

~\$20M

Capital Expenditures⁽¹⁾

23% - 27%

Adjusted Effective Tax Rate⁽¹⁾



Q & A



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THANK YOU



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APPENDIX

First Quarter 2025

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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 measures 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 ERP modernization costs, restructuring-related costs, transaction-related costs and amortization expense. 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 EBITDA margin – as adjusted by dividing EBITDA – as adjusted by net sales.



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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 March 31,	
	2025	2024
Net income - as reported	\$ 13.1	\$ 28.4
Adjustments:		
Amortization expense	2.5	2.9
Restructuring-related charge (S&A expense) ⁽²⁾	1.1	—
ERP modernization costs (S&A expense) ⁽³⁾	4.5	1.9
Transaction and integration-related costs (S&A expense) ⁽⁴⁾	—	1.5
Net income - as adjusted	\$ 21.2	\$ 34.7
Net income per share - as reported:		
Diluted	\$ 0.69	\$ 1.49
Adjustments:		
Amortization expense	0.13	0.15
Restructuring-related charge (S&A expense) ⁽²⁾	0.06	—
ERP modernization costs (S&A expense) ⁽³⁾	0.24	0.10
Transaction and integration-related costs (S&A expense) ⁽⁴⁾	—	0.08
Net income per diluted share - as adjusted	\$ 1.12	\$ 1.81

⁽²⁾ Restructuring expenses reflect our ongoing global reorganization efforts to align our expense structure with key strategic initiatives and long-term business objectives.

⁽³⁾ Enterprise Resource Planning (ERP) modernization initiative investment. This investment is expected to drive future operational efficiencies across the organization.

⁽⁴⁾ Due diligence and integration costs associated with the acquisition of TCS, and costs associated with the investment in Brain Corp, Inc., a privately held autonomous technology company.

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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 March 31,	
	2025	2024
Net income - as reported	\$ 13.1	\$ 28.4
Less:		
Interest expense, net	2.3	2.3
Income tax expense	4.1	6.7
Depreciation expense	10.6	9.6
Amortization expense	3.4	3.9
EBITDA	33.5	50.9
Adjustments:		
Restructuring-related charge (S&A expense) ⁽²⁾	1.5	—
ERP modernization costs (S&A expense) ⁽³⁾	6.0	2.5
Transaction and integration-related costs (S&A expense) ⁽⁴⁾	—	1.5
EBITDA - as adjusted	\$ 41.0	\$ 54.9
<i>EBITDA margin - as adjusted</i>	<i>14.1 %</i>	<i>17.7 %</i>

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SUPPLEMENTAL NON-GAAP FINANCIAL TABLES

TENNANT COMPANY SUPPLEMENTAL NON-GAAP FINANCIAL TABLES

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

(In millions)

	Three Months Ended March 31,	
	2025	2024
S&A expense - as reported	\$ 90.7	\$ 89.9
<i>S&A expense as a percent of net sales - as reported</i>	31.3 %	28.9 %
Adjustments:		
Restructuring-related charge (S&A expense) ⁽²⁾	(1.5)	—
ERP modernization costs (S&A expense) ⁽³⁾	(6.0)	(2.5)
Transaction and integration-related costs (S&A expense) ⁽⁴⁾	—	(1.5)
S&A expense - as adjusted	\$ 83.2	\$ 85.9
<i>S&A expense as a percent of net sales - as adjusted</i>	28.7 %	27.6 %
Operating income - as reported	\$ 19.6	\$ 37.5
<i>Operating margin - as reported</i>	6.8 %	12.1 %
Adjustments:		
Restructuring-related charge (S&A expense) ⁽²⁾	1.5	—
ERP modernization costs (S&A expense) ⁽³⁾	6.0	2.5
Transaction and integration-related costs (S&A expense) ⁽⁴⁾	—	1.5
Operating income - as adjusted	\$ 27.1	\$ 41.5
<i>Operating margin - as adjusted</i>	9.3 %	13.3 %

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SUPPLEMENTAL NON-GAAP FINANCIAL TABLES

TENNANT COMPANY SUPPLEMENTAL NON-GAAP FINANCIAL TABLES

Reported to Adjusted Income Before Income Taxes and Income Tax Expense

(In millions)

	Three Months Ended March 31,	
	2025	2024
Income before income taxes - as reported	\$ 17.2	\$ 35.1
Adjustments:		
Amortization expense	3.4	3.9
Restructuring-related charge (S&A expense) ⁽²⁾	1.5	—
ERP modernization costs (S&A expense) ⁽³⁾	6.0	2.5
Transaction and integration-related costs (S&A expense) ⁽⁴⁾	—	1.5
Income before income taxes - as adjusted	\$ 28.1	\$ 43.0
Income tax expense - as reported	\$ 4.1	\$ 6.7
<i>Effective tax rate - as reported</i>	23.8 %	19.1 %
Adjustments ⁽⁵⁾:		
Amortization expense	0.9	1.0
Restructuring-related charge (S&A expense) ⁽²⁾	0.4	—
ERP modernization costs (S&A expense) ⁽³⁾	1.5	0.6
Income tax expense - as adjusted	\$ 6.9	\$ 8.3
<i>Effective tax rate - as adjusted</i>	24.6 %	19.3 %

⁽⁵⁾ In determining the tax impact, we applied the statutory rate in effect for each jurisdiction where income or expenses were generated.

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SUPPLEMENTAL NON-GAAP FINANCIAL TABLES

Free Cash Flow Conversion

(In millions)

	Three Months Ended March 31,	
	2025	2024
Net income - as reported	\$ 13.1	\$ 28.4
<u>Adjustments:</u>		
ERP modernization costs (S&A expense) ⁽³⁾	4.5	1.9
Net income - as adjusted	\$ 17.6	\$ 30.3
Cash provided by operating activities - as reported	\$ (0.4)	\$ 2.9
<u>Less:</u>		
Capital expenditures	(7.0)	(3.0)
Free cash flow ⁽⁶⁾	\$ (7.4)	\$ (0.1)
<u>Adjustments:</u>		
ERP modernization spend	12.4	7.2
Free cash flow - as adjusted	\$ 5.0	\$ 7.1
Net income to free cash flows conversion	28.4 %	23.4 %

⁽⁶⁾ Free Cash Flow reflects cash provided by operating activities less capital expenditures.