



# Q3 2025 Results

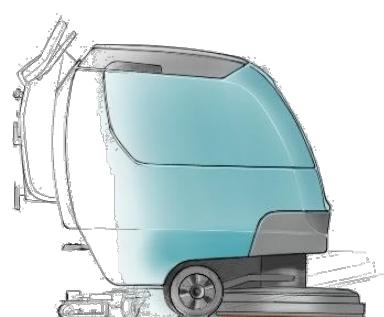
Earnings Release Call

November 4, 2025

# Safe Harbor Statement

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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.



# Third Quarter Highlights

## Order Momentum Continues

- ▶ Orders grew 2% during the second quarter and 6% YTD
- ▶ Executing our Enterprise strategy amid a complex market environment and tariff landscape

## Strong Margin Performance

- ▶ Gross margin expanded by 30 bps
- ▶ Adjusted EBITDA margin improved by 120 basis points

## Return Capital to Shareholders

- ▶ Returned capital to shareholders through dividends totaling \$5.4 million and share repurchases for \$22.7 million during the third quarter
- ▶ YTD returned \$72.7 million to shareholders through dividends and share repurchases

## Third Quarter 2025 Results

**Net Sales**  
**\$303.3M**

-5.4% Organic Decline

**Adj. EBITDA\***  
**\$49.8M**

16.4% Adj. EBITDA Margin

**Adj. Diluted EPS\***  
**\$1.46/share**

\$1.39/share in Q3 2024

# Enterprise Growth Strategy Update

2025

## Pricing Excellence

- ▶ North America tariff-offset pricing reading out
- ▶ Strong price realization delivered 150 bps to top line result

## ERP System Implementation

- ▶ First phase of our ERP transformation – successful go-live in APAC
- ▶ Strong execution builds confidence for future regional rollouts

Tennant T360 scrubber



## Strong Demand for AMR

- ▶ Results bolstered by sales of X4 ROVR
- ▶ X6 ROVR launch received strong customer interest in both retail and industrial sectors
- ▶ AMR sales strong, with year-to-date growth of +9%

Tennant X6 AMR and XC-1 Charging Dock



## Product Innovation

- ▶ Launched the T360 walk-behind scrubber
- ▶ Ramping innovation pipeline – one major new product launched each quarter this year

# Full-Year 2025 Guidance

## Tariff Impact

- Tariff pressures expected to modestly increase in Q4; strategic pricing and supply-chain initiatives substantially offset inflationary impacts
- Proactive sourcing, supplier negotiations, and logistics adjustments position us to mitigate potential 2026 cost escalation

## Spending Discipline

- Maintaining focus on strategic R&D and AMR platform investments while exercising continued discipline in discretionary spend
- Executing a balanced capital allocation strategy, returning \$28 million to shareholders through dividends and share repurchases

## 2025 Outlook

- Softness in Q3, primarily within Americas industrial sales, is expected to be offset by strong Q4 momentum and favorable FX, keeping full-year net sales within guidance
- Full-year Adjusted EBITDA anticipated toward the lower end of guidance, supported by disciplined cost management and improving margins in Q4

## 2025 Guidance

**Organic Net Sales Decline** (3.0)% – (5.0)%

**Order Growth Rates** 3.5% – 7.0%

**Adj. EBITDA Margin Expansion\*** 0-50 bps

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



T981  
Ride-On Floor  
Scrubber



# FINANCIAL RESULTS

## Third Quarter 2025

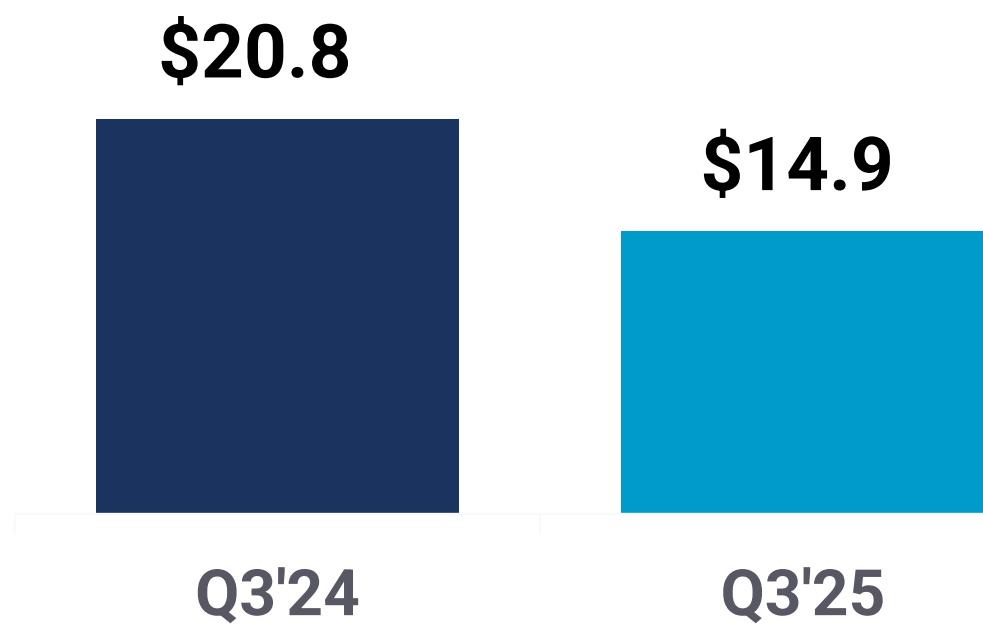
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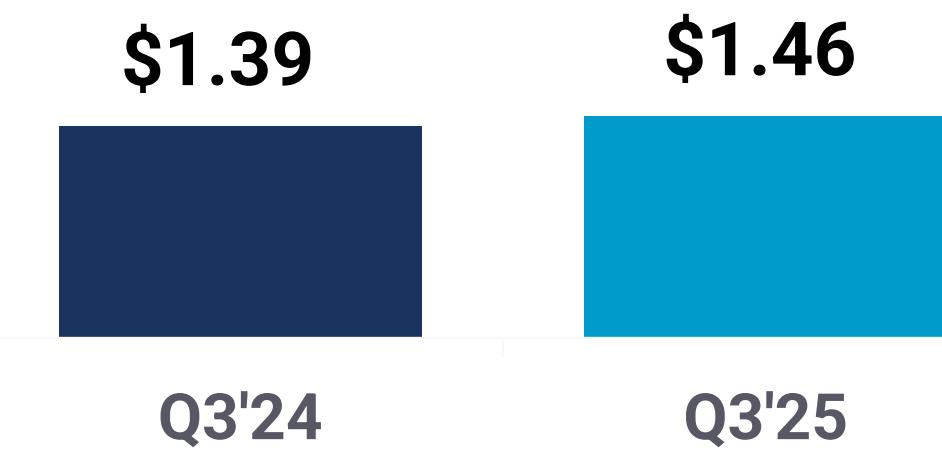
# Third-Quarter 2025 Financial Performance

## Net Income

*In millions of USD*



## Adjusted EPS\*



**Third-quarter net income of \$14.9M, compared to \$20.8M in the prior year**

- ▶ 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
- ▶ Effective tax rate decreased to 23.2% from 24.4% due to recognition of discrete tax benefits from additional research credits in the current quarter

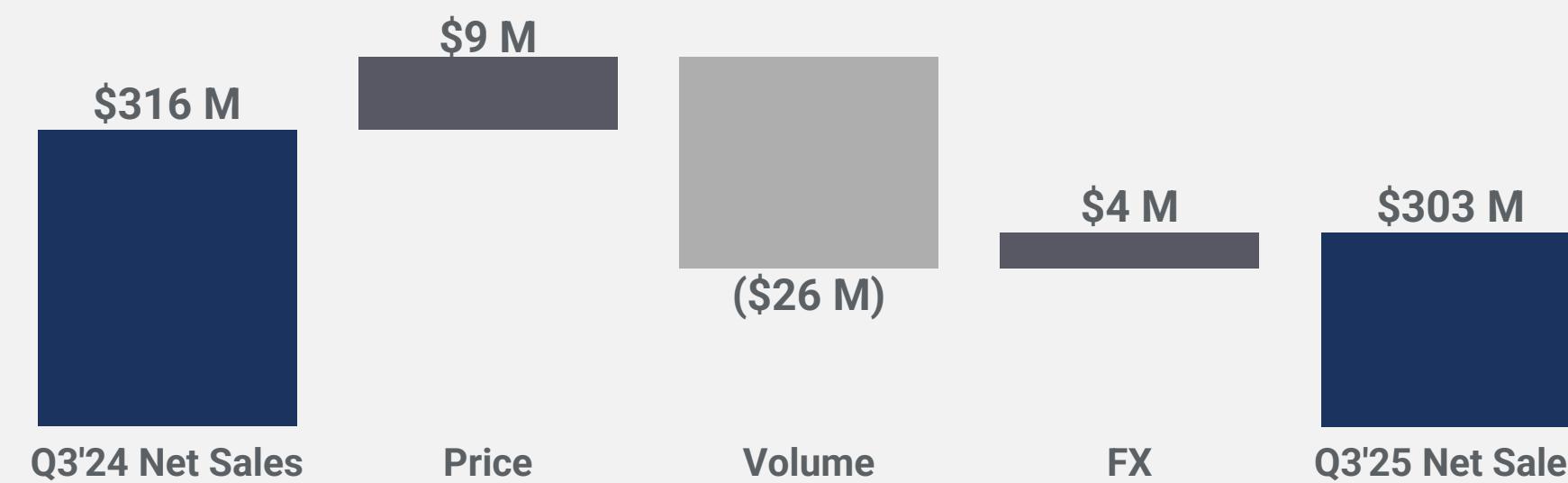
**Third-quarter adjusted EPS\* of \$1.46 per diluted share**

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

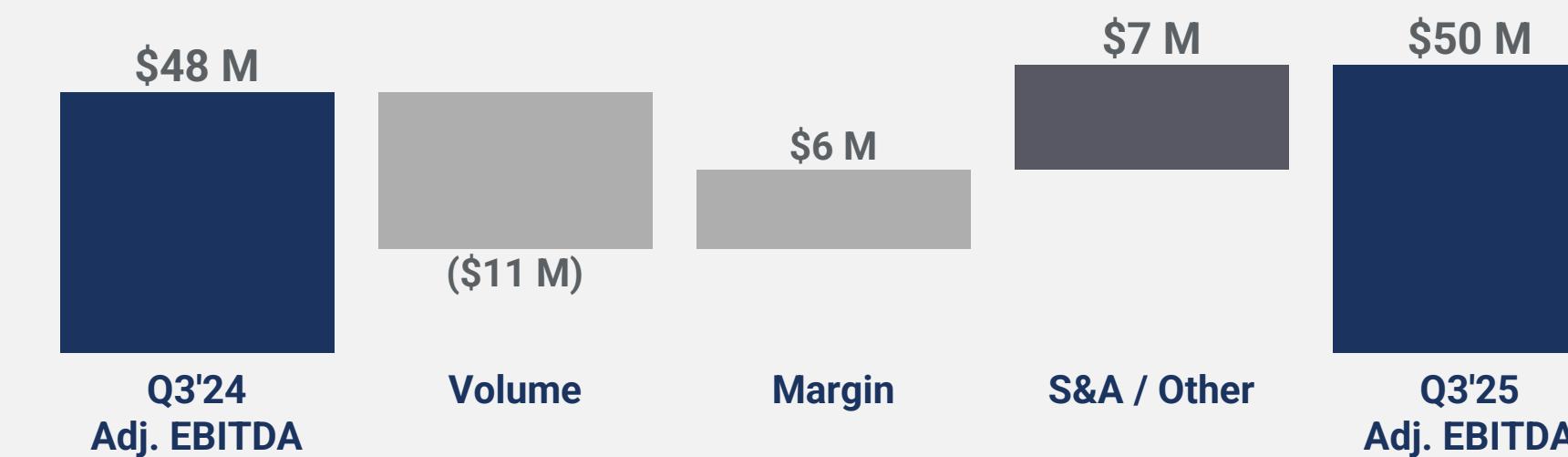
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# Third-Quarter 2025 Results

## Net Sales



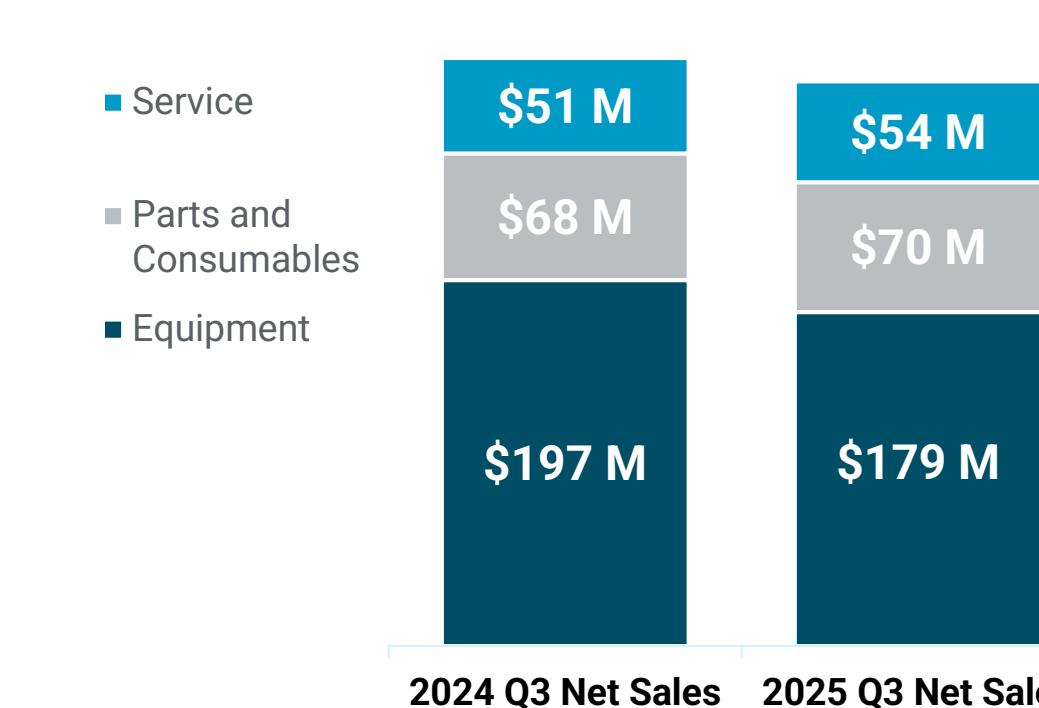
## Adjusted EBITDA\*



## By Region\*\*

-7.0%	Americas
-0.4%	EMEA
-6.4%	APAC
-5.4%	Total

## Product Categories



## Gross Margin increased 30 bps to 42.7%

- ▶ Driven by strong price realization from strategic pricing actions, supplemented by additional tariff-related price adjustments
- ▶ Partly offset by lower productivity due to volume declines

## Adjusted S&A\* as a percent of net sales decreased 60 bps to 27.5%

- ▶ Decrease mainly due to cost savings realized through lower variable compensation and reduced payroll expense

## Adjusted EBITDA Margin\* increased 120 bps to 16.4%

- ▶ Driven by gross margin expansion, as well as S&A leverage

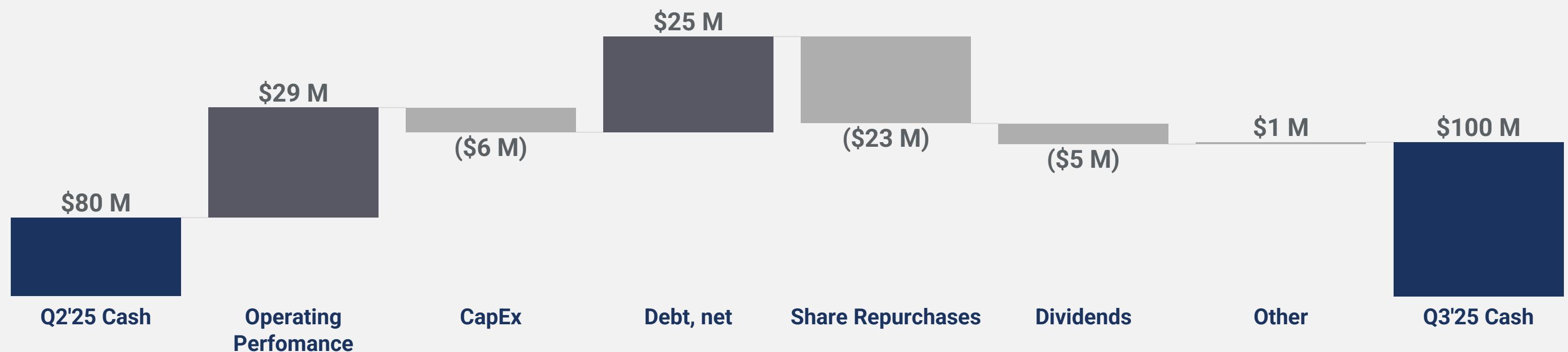
\*Non-GAAP Measures: refer to the Appendix of this presentation for additional information and reconciliation

\*\*Organic net sales decline

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# Capital Deployment

## Cash Flow



	YE 2024	Q3 2025
<b>Total Debt</b>	\$200M	\$239M
<b>Net Debt</b>	\$100M	\$139M
<b>Net Leverage*</b>	0.48x	0.69x
<b>Revolver Availability</b>	\$409.3M	

## Capital Allocation Priorities

### Invest in the Business

- ▶ \$6M of capital expenditures
- ▶ \$14M spent on ERP modernization
  - \$7M on Income Statement
  - \$7M on Balance Sheet
- ▶ \$11M spent on R&D investments

### Shareholder Return

- ▶ \$5M of Dividends
- ▶ \$23M on repurchases of ~275k shares of common stock

\*Based on the mid-point of Adjusted EBITDA guidance

# 2025

## Full-Year Guidance

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**\$1.210B - \$1.250B**

Net Sales

**(3.0)% - (5.0)%**

Organic Net Sales Decline

**\$3.80 - \$4.30**

Diluted EPS

**\$5.70 - \$6.20**

Adjusted Diluted EPS<sup>(1)</sup>

**\$196M - \$209M**

Adjusted EBITDA<sup>(1)</sup>

**16.2% - 16.7%**

Adjusted EBITDA Margin<sup>(1)</sup>

**~\$20M**

Capital Expenditures<sup>(1)</sup>

**23% - 27%**

Adjusted Effective Tax Rate<sup>(1)</sup>

<sup>(1)</sup> Excludes ERP modernization costs and certain nonoperational items and amortization expense



# Q&A

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# THANK YOU

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# APPENDIX

## Third Quarter 2025

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# Non-GAAP Financial Measures

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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, legal contingency 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 September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
<b>Net income - as reported</b>	\$ 14.9	\$ 20.8	\$ 48.2	\$ 77.1
<b>Adjustments:</b>				
Amortization expense	2.5	2.6	7.5	8.4
Restructuring-related charge (S&A expense) <sup>(2)</sup>	1.0	—	1.8	0.4
ERP modernization costs (S&A expense) <sup>(3)</sup>	4.9	2.5	14.5	7.0
Transaction and integration-related costs (S&A expense) <sup>(4)</sup>	—	0.7	—	3.6
Legal contingency costs (S&A expense) <sup>(5)</sup>	4.0	—	4.3	—
<b>Net income - as adjusted</b>	<b>\$ 27.3</b>	<b>\$ 26.6</b>	<b>\$ 76.3</b>	<b>\$ 96.5</b>
<b>Net income per share - as reported:</b>				
Diluted	\$ 0.80	\$ 1.09	\$ 2.57	\$ 4.03
<b>Adjustments:</b>				
Amortization expense	0.13	0.14	0.40	0.44
Restructuring-related charge (S&A expense) <sup>(2)</sup>	0.06	—	0.10	0.02
ERP modernization costs (S&A expense) <sup>(3)</sup>	0.26	0.13	0.77	0.37
Transaction and integration-related costs (S&A expense) <sup>(4)</sup>	—	0.04	—	0.19
Legal contingency costs (S&A expense) <sup>(5)</sup>	0.21	—	0.23	—
<b>Net income per diluted share - as adjusted</b>	<b>\$ 1.46</b>	<b>\$ 1.39</b>	<b>\$ 4.07</b>	<b>\$ 5.05</b>

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

<sup>(3)</sup> Enterprise Resource Planning (ERP) modernization initiative investment. Represents the expense component of our broader ERP investment, excluding capitalized costs. This investment is expected to drive future operational efficiencies across the organization.

<sup>(4)</sup> Due diligence and integration costs associated with the acquisition of TCS, and costs associated with the investment in Brain Corp, Inc.

<sup>(5)</sup> Incremental expense associated with the legal settlement accrual related to the Oxygenator Water Technologies, Inc. (OWT) intellectual property dispute regarding ec-H2O™ technology, as described in Note 12, *Commitments and Contingencies*, of the 2025 Form 10-Q.

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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)

<i>(In millions)</i>	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
<b>Net income - as reported</b>	\$ 14.9	\$ 20.8	\$ 48.2	\$ 77.1
<b>Less:</b>				
Interest expense, net	2.4	2.7	6.9	7.5
Income tax expense	4.5	6.7	15.7	22.4
Depreciation expense	11.3	10.1	33.2	29.6
Amortization expense	3.4	3.6	10.2	11.4
<b>EBITDA</b>	<b>36.5</b>	<b>43.9</b>	<b>114.2</b>	<b>148.0</b>
<b>Adjustments:</b>				
Restructuring-related charge (S&A expense) <sup>(2)</sup>	1.3	—	2.5	0.6
ERP modernization costs (S&A expense) <sup>(3)</sup>	6.7	3.3	19.4	9.2
Transaction and integration-related costs (S&A expense) <sup>(4)</sup>	—	0.7	—	3.6
Legal contingency costs (S&A expense) <sup>(5)</sup>	5.3	—	5.7	—
<b>EBITDA - as adjusted</b>	<b>\$ 49.8</b>	<b>\$ 47.9</b>	<b>\$ 141.8</b>	<b>\$ 161.4</b>
<b>EBITDA margin - as adjusted</b>	<b>16.4 %</b>	<b>15.2 %</b>	<b>15.5 %</b>	<b>16.9 %</b>

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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 September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
<b>S&amp;A expense - as reported</b>	\$ 96.6	\$ 92.7	\$ 281.0	\$ 275.5
<i>S&amp;A expense as a percent of net sales - as reported</i>	31.8 %	29.4 %	30.8 %	28.8 %
<b>Adjustments:</b>				
Restructuring-related charge (S&A expense) <sup>(2)</sup>	(1.3)	—	(2.5)	(0.6)
ERP modernization costs (S&A expense) <sup>(3)</sup>	(6.7)	(3.3)	(19.4)	(9.2)
Transaction and integration-related costs (S&A expense) <sup>(4)</sup>	—	(0.7)	—	(3.6)
Legal contingency costs (S&A expense) <sup>(5)</sup>	(5.3)	—	(5.7)	—
<b>S&amp;A expense - as adjusted</b>	<b>\$ 83.3</b>	<b>\$ 88.7</b>	<b>\$ 253.4</b>	<b>\$ 262.1</b>
<i>S&amp;A expense as a percent of net sales - as adjusted</i>	27.5 %	28.1 %	27.8 %	27.4 %
 <b>Operating income - as reported</b>	 \$ 22.3	 \$ 30.6	 \$ 72.5	 \$ 106.7
<i>Operating margin - as reported</i>	7.4 %	9.7 %	8.0 %	11.1 %
<b>Adjustments:</b>				
Restructuring-related charge (S&A expense) <sup>(2)</sup>	1.3	—	2.5	0.6
ERP modernization costs (S&A expense) <sup>(3)</sup>	6.7	3.3	19.4	9.2
Transaction and integration-related costs (S&A expense) <sup>(4)</sup>	—	0.7	—	3.6
Legal contingency costs (S&A expense) <sup>(5)</sup>	5.3	—	5.7	—
<b>Operating income - as adjusted</b>	<b>\$ 35.6</b>	<b>\$ 34.6</b>	<b>\$ 100.1</b>	<b>\$ 120.1</b>
<i>Operating margin - as adjusted</i>	11.7 %	11.0 %	11.0 %	12.5 %

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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

<i>(In millions)</i>	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
<b>Income before income taxes - as reported</b>	\$ 19.4	\$ 27.5	\$ 63.9	\$ 99.5
<b><u>Adjustments:</u></b>				
Amortization expense	3.4	3.6	10.2	11.4
Restructuring-related charge (S&A expense) <sup>(2)</sup>	1.3	—	2.5	0.6
ERP modernization costs (S&A expense) <sup>(3)</sup>	6.7	3.3	19.4	9.2
Transaction and integration-related costs (S&A expense) <sup>(4)</sup>	—	0.7	—	3.6
Legal contingency costs (S&A expense) <sup>(5)</sup>	5.3	—	5.7	—
<b>Income before income taxes - as adjusted</b>	<b>\$ 36.1</b>	<b>\$ 35.1</b>	<b>\$ 101.7</b>	<b>\$ 124.3</b>
<b>Income tax expense - as reported</b>	\$ 4.5	\$ 6.7	\$ 15.7	\$ 22.4
<i>Effective tax rate - as reported</i>	23.2 %		24.4 %	24.6 %
<b><u>Adjustments</u> <sup>(6)</sup>:</b>				
Amortization expense	0.9	1.0	2.7	3.0
Restructuring-related charge (S&A expense) <sup>(2)</sup>	0.3	—	0.7	0.2
ERP modernization costs (S&A expense) <sup>(3)</sup>	1.8	0.8	4.9	2.2
Legal contingency costs (S&A expense) <sup>(5)</sup>	1.3	—	1.4	—
<b>Income tax expense - as adjusted</b>	<b>\$ 8.8</b>	<b>\$ 8.5</b>	<b>\$ 25.4</b>	<b>\$ 27.8</b>
<i>Effective tax rate - as adjusted</i>	24.4 %		24.2 %	25.0 %

<sup>(6)</sup> 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

## TENNANT COMPANY SUPPLEMENTAL NON-GAAP FINANCIAL TABLES

### Free Cash Flow Conversion

(In millions)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
<b>Net income - as reported</b>	\$ 14.9	\$ 20.8	\$ 48.2	\$ 77.1
<b>Adjustments:</b>				
ERP modernization costs (S&A expense) <sup>(3)</sup>	4.9	2.5	14.5	7.0
<b>Net income - as adjusted</b>	<b>\$ 19.8</b>	<b>\$ 23.3</b>	<b>\$ 62.7</b>	<b>\$ 84.1</b>
<b>Cash provided by operating activities - as reported</b>	<b>\$ 28.7</b>	<b>\$ 30.7</b>	<b>\$ 50.8</b>	<b>\$ 52.2</b>
<b>Less:</b>				
Capital expenditures	(6.4)	(4.3)	(17.2)	(11.5)
<b>Free cash flow <sup>(7)</sup></b>	<b>\$ 22.3</b>	<b>\$ 26.4</b>	<b>\$ 33.6</b>	<b>\$ 40.7</b>
<b>Adjustments:</b>				
ERP modernization spend	14.0	9.4	42.4	25.6
<b>Free cash flow - as adjusted</b>	<b>\$ 36.3</b>	<b>\$ 35.8</b>	<b>\$ 76.0</b>	<b>\$ 66.3</b>
<b>Net income to free cash flows conversion</b>	<b>183.3 %</b>	<b>153.6 %</b>	<b>121.2 %</b>	<b>78.8 %</b>

<sup>(7)</sup> Free Cash Flow reflects cash provided by operating activities less capital expenditures.