



Q2 2025 Results

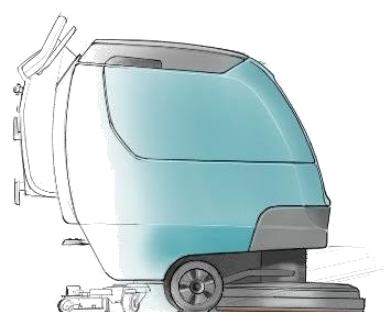
Earnings Release Call

August 7, 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.



Second Quarter Highlights

Lapping Significant Backlog-Reduction Benefit

- ▶ Prior-year period benefited from a \$26 million backlog reduction
- ▶ Second-quarter results reflect a return to typical seasonality, product and channel mix

Continued Momentum in Orders

- ▶ Orders grew 4% during the second quarter and 8% YTD
- ▶ Book-to-bill ratio above 1.0

Delivering Against Margin Expectations

- ▶ Adjusted EBITDA margin in line with expectations
- ▶ EBITDA supported by pricing and disciplined cost management

Second Quarter 2025 Results

Net Sales
\$318.6M

-4.5% Organic Decline

Adj. EBITDA*
\$51.0M

16.0% Adj. EBITDA Margin

Adj. Diluted EPS*
\$1.49/share

\$1.83/share in Q2 2024

Enterprise Growth Strategy Update

Pricing Excellence

- ▶ Early-year pricing initiatives delivered results in Americas and EMEA
- ▶ North America tariff-related pricing began impacting results in June
- ▶ Guidance based on mitigation actions offsetting tariffs full year

Product Innovation

- ▶ Successfully launched the X6 ROVR mid-sized robotic scrubber early in the quarter
- ▶ XC¹ charging dock available for the X6, enabling effortless charging
- ▶ Launched the Z50 Citadel™ Outdoor Sweeper in the latter half of the second quarter

Tennant XC¹
Charging Station



Strong Demand for AMR

- ▶ Results bolstered by sales of X4 ROVR
- ▶ X6 ROVR launch received strong market feedback, boosting presence in retail and industrial sectors
- ▶ AMR sales accelerated to 6% of net sales in Q2 2025, with 10,000+ units deployed, driving long-term growth

AMR Performance



*Since first AMR machine launch in 2018



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Z50 Citadel Outdoor Sweeper

For industrial sites such as mining, manufacturing, logistics, and municipal settings

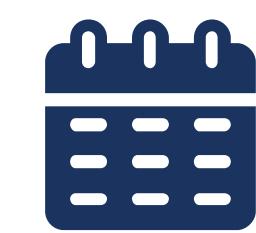
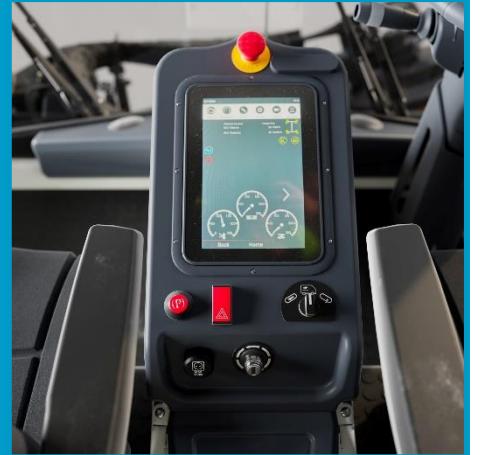
Performance Boost

- ▶ TwinLift Debris Management System delivers exceptional all-around debris-capture performance, fine dust and particulate control, and efficient hopper loading



Health, Safety, and Environment Integrity

- ▶ Protects air quality and the operating environment with air filtration certified to stringent industry standards
- ▶ Ensures operator comfort with a spacious interior, intuitive sweeping controls, climate control, and optional premium seating and cruise control



**Launched in
June 2025**

Reaffirming Full-year 2025 Guidance

Tariff Impact

- ▶ Limited impact on first-half results
- ▶ Mitigation strategies remain effective, with pricing and supply-chain actions expected to offset full-year tariff-related cost inflation

Spending Discipline

- ▶ Prioritizing investments aligned with our strategic objectives
- ▶ Maintaining discipline in discretionary amid ongoing macroeconomic uncertainty

2025 Outlook

- ▶ Second-quarter performance reinforces confidence in full-year trajectory
- ▶ Reaffirming full-year 2025 guidance despite external headwinds



2025 Guidance

Organic Net Sales Decline (1.0)% – (4.0)%

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



T581
Micro Ride-On Floor Scrubber



FINANCIAL RESULTS

Second Quarter 2025

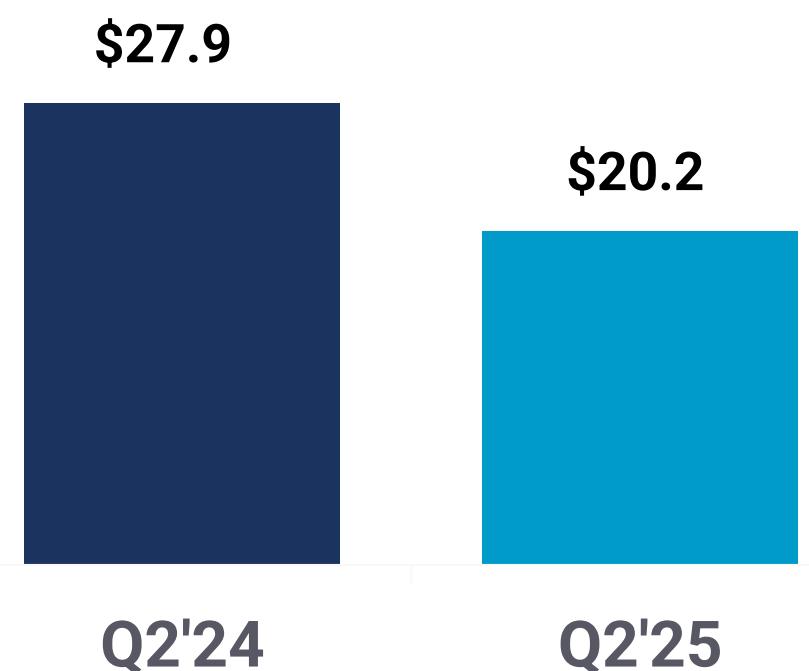
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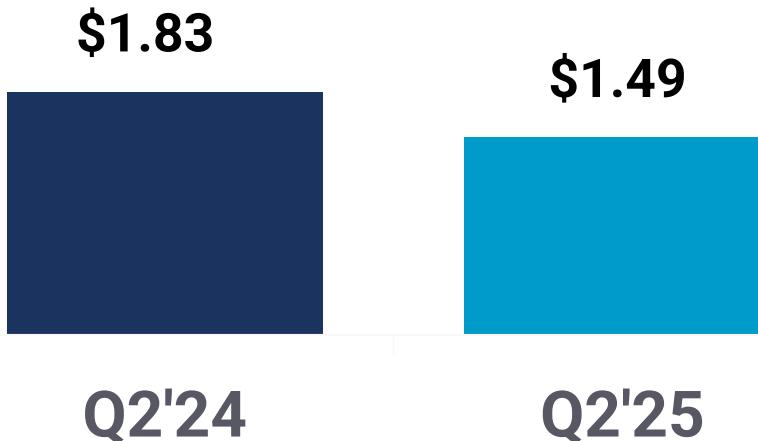
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Second-Quarter 2025 Financial Performance

Net Income In millions of USD



Adjusted EPS*



Second-quarter net income of \$20.2M, compared to \$27.9M 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 increased to 26.0% from 24.4% due to a prior-year discrete tax benefit that did not occur in Q2 2025

Second-quarter adjusted EPS* of \$1.49 per diluted share

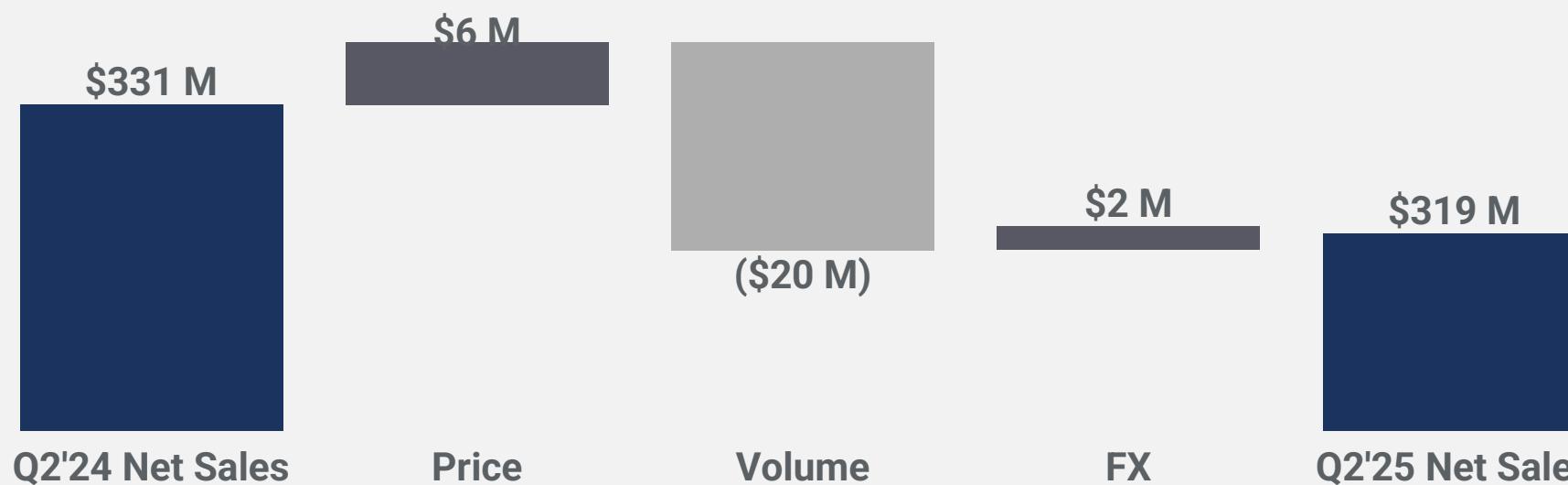
- ▶ Excludes amortization expense, ERP modernization costs and restructuring-related charges

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

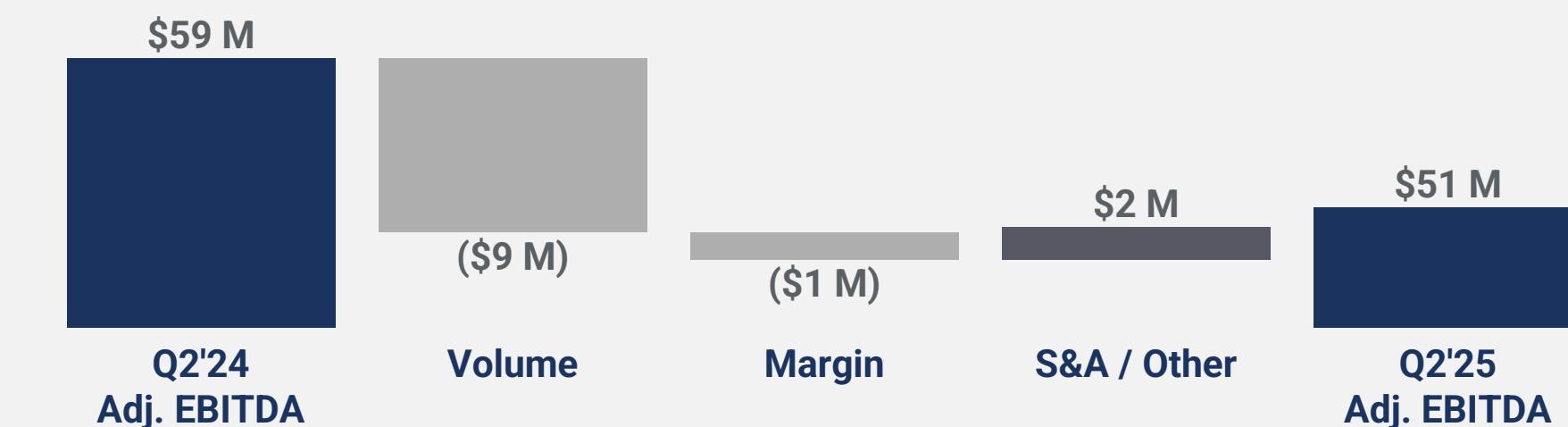
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Second-Quarter 2025 Results

Net Sales



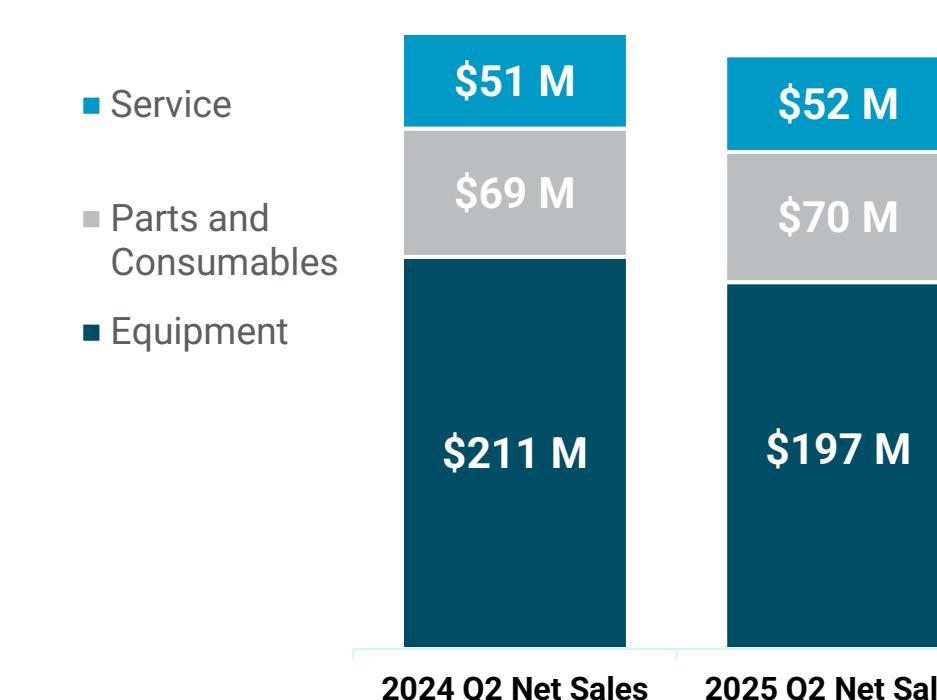
Adjusted EBITDA*



By Region**

-5.5%	Americas
-1.4%	EMEA
-5.0%	APAC
-4.5%	Total

Product Categories



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

Gross Margin decreased 100 bps to 42.1%

► Driven by product and customer mix, as prior-year quarter benefited from a significant backlog reduction concentrated in higher-margin industrial products sold through direct channels, partly offset by price realization

► Additional impact from inflationary pressures and lower productivity

Adjusted S&A* as a percent of net sales increased 90 bps to 27.3%

► Increase mainly due to a bad debt charge related to an insolvent distributor

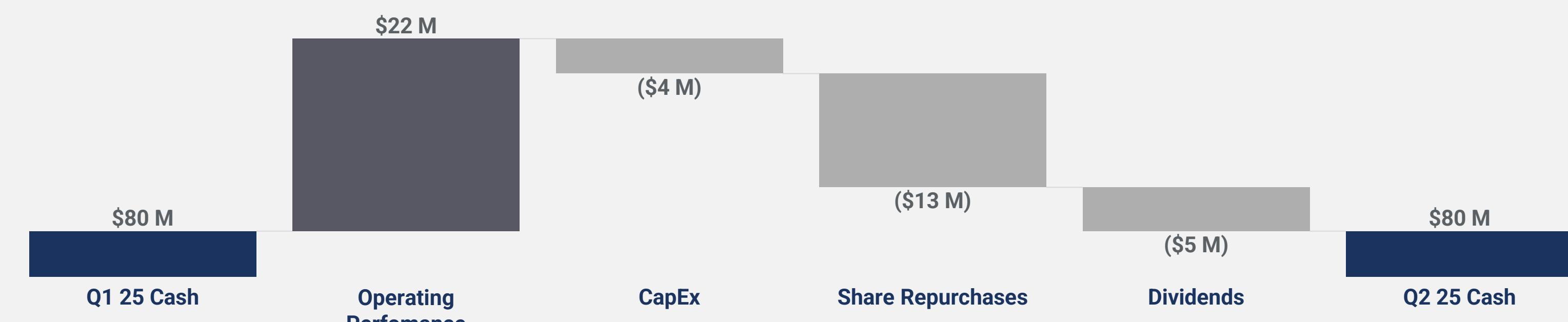
Adjusted EBITDA Margin* decreased 170 bps to 16.0%

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

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Capital Deployment

Cash Flow



	YE 2024	Q2 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

- \$4M of capital expenditures
- \$16M spent on ERP modernization
 - \$7M on Income Statement
 - \$9M on Balance Sheet
- \$10M spent on R&D investments

Shareholder Return

- \$5M of Dividends
- \$13M on repurchases of ~180k shares of common stock

*Based on the mid-point of Adjusted EBITDA guidance

2025

Reaffirms Full-Year Guidance

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\$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⁾

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



Q&A

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APPENDIX

Second Quarter 2025

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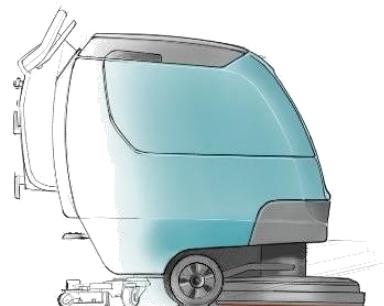
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Non-GAAP Financial Measures

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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 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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Net income - as reported	\$ 20.2	\$ 27.9	\$ 33.3	\$ 56.3
<u>Adjustments:</u>				
Amortization expense	2.5	2.9	5.0	5.8
Restructuring-related charge (S&A expense) ⁽²⁾	(0.3)	0.4	0.8	0.4
ERP modernization costs (S&A expense) ⁽³⁾	5.1	2.6	9.6	4.5
Transaction and integration-related costs (S&A expense) ⁽⁴⁾	—	1.4	—	2.9
Legal contingency costs (S&A expense) ⁽⁵⁾	0.3	—	0.3	—
Net income - as adjusted	\$ 27.8	\$ 35.2	\$ 49.0	\$ 69.9
Net income per share - as reported:				
Diluted	\$ 1.08	\$ 1.45	\$ 1.77	\$ 2.94
<u>Adjustments:</u>				
Amortization expense	0.14	0.15	0.27	0.30
Restructuring-related charge (S&A expense) ⁽²⁾	(0.02)	0.02	0.04	0.02
ERP modernization costs (S&A expense) ⁽³⁾	0.27	0.14	0.51	0.24
Transaction and integration-related costs (S&A expense) ⁽⁴⁾	—	0.07	—	0.15
Legal contingency costs (S&A expense) ⁽⁵⁾	0.02	—	0.02	—
Net income per diluted share - as adjusted	\$ 1.49	\$ 1.83	\$ 2.60	\$ 3.65

⁽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. Represents the expense component of our broader ERP investment, excluding capitalized costs. 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.

⁽⁵⁾ 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 16, *Commitments and Contingencies*, in "Item 8. Financial Statement and Supplementary Data" of the 2024 Form 10-K.

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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 June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Net income - as reported	\$ 20.2	\$ 27.9	\$ 33.3	\$ 56.3
Less:				
Interest expense, net	2.2	2.5	4.5	4.8
Income tax expense	7.1	9.0	11.2	15.7
Depreciation expense	11.3	9.9	21.9	19.5
Amortization expense	3.4	3.9	6.8	7.8
EBITDA	44.2	53.2	77.7	104.1
Adjustments:				
Restructuring-related charge (S&A expense) ⁽²⁾	(0.3)	0.6	1.2	0.6
ERP modernization costs (S&A expense) ⁽³⁾	6.7	3.4	12.7	5.9
Transaction and integration-related costs (S&A expense) ⁽⁴⁾	—	1.4	—	2.9
Legal contingency costs (S&A expense) ⁽⁵⁾	0.4	—	0.4	—
EBITDA - as adjusted	\$ 51.0	\$ 58.6	\$ 92.0	\$ 113.5
EBITDA margin - as adjusted	16.0 %	17.7 %	15.1 %	17.7 %

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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 June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
S&A expense - as reported	\$ 93.7	\$ 92.9	\$ 184.4	\$ 182.8
S&A expense as a percent of net sales - as reported	29.4 %	28.1 %	30.3 %	28.5 %
Adjustments:				
Restructuring-related charge (S&A expense) ⁽²⁾	0.3	(0.6)	(1.2)	(0.6)
ERP modernization costs (S&A expense) ⁽³⁾	(6.7)	(3.4)	(12.7)	(5.9)
Transaction and integration-related costs (S&A expense) ⁽⁴⁾	—	(1.4)	—	(2.9)
Legal contingency costs (S&A expense) ⁽⁵⁾	(0.4)	—	(0.4)	—
S&A expense - as adjusted	\$ 86.9	\$ 87.5	\$ 170.1	\$ 173.4
S&A expense as a percent of net sales - as adjusted	27.3 %	26.4 %	27.9 %	27.0 %
 Operating income - as reported	\$ 30.6	\$ 38.6	\$ 50.2	\$ 76.1
Operating margin - as reported	9.6 %	11.7 %	8.2 %	11.9 %
Adjustments:				
Restructuring-related charge (S&A expense) ⁽²⁾	(0.3)	0.6	1.2	0.6
ERP modernization costs (S&A expense) ⁽³⁾	6.7	3.4	12.7	5.9
Transaction and integration-related costs (S&A expense) ⁽⁴⁾	—	1.4	—	2.9
Legal contingency costs (S&A expense) ⁽⁵⁾	0.4	—	0.4	—
Operating income - as adjusted	\$ 37.4	\$ 44.0	\$ 64.5	\$ 85.5
Operating margin - as adjusted	11.7 %	13.3 %	10.6 %	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 June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Income before income taxes - as reported	\$ 27.3	\$ 36.9	\$ 44.5	\$ 72.0
Adjustments:				
Amortization expense	3.4	3.9	6.8	7.8
Restructuring-related charge (S&A expense) ⁽²⁾	(0.3)	0.6	1.2	0.6
ERP modernization costs (S&A expense) ⁽³⁾	6.7	3.4	12.7	5.9
Transaction and integration-related costs (S&A expense) ⁽⁴⁾	—	1.4	—	2.9
Legal contingency costs (S&A expense) ⁽⁵⁾	0.4	—	0.4	—
Income before income taxes - as adjusted	\$ 37.5	\$ 46.2	\$ 65.6	\$ 89.2
Income tax expense - as reported	\$ 7.1	\$ 9.0	\$ 11.2	\$ 15.7
<i>Effective tax rate - as reported</i>	<i>26.0 %</i>	<i>24.4 %</i>	<i>25.2 %</i>	<i>21.8 %</i>
Adjustments ⁽⁶⁾:				
Amortization expense	0.9	1.0	1.8	2.0
Restructuring-related charge (S&A expense) ⁽²⁾	—	0.2	0.4	0.2
ERP modernization costs (S&A expense) ⁽³⁾	1.6	0.8	3.1	1.4
Legal contingency costs (S&A expense) ⁽⁵⁾	0.1	—	0.1	—
Income tax expense - as adjusted	\$ 9.7	\$ 11.0	\$ 16.6	\$ 19.3
<i>Effective tax rate - as adjusted</i>	<i>25.9 %</i>	<i>23.8 %</i>	<i>25.3 %</i>	<i>21.6 %</i>

⁽⁶⁾ 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 June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Net income - as reported	\$ 20.2	\$ 27.9	\$ 33.3	\$ 56.3
<u>Adjustments:</u>				
ERP modernization costs (S&A expense) ⁽³⁾	5.1	2.6	9.6	4.5
Net income - as adjusted	\$ 25.3	\$ 30.5	\$ 42.9	\$ 60.8
Cash provided by operating activities - as reported	\$ 22.5	\$ 18.6	\$ 22.1	\$ 21.5
<u>Less:</u>				
Capital expenditures	(3.8)	(4.2)	(10.8)	(7.2)
Free cash flow ⁽⁷⁾	\$ 18.7	\$ 14.4	\$ 11.3	\$ 14.3
<u>Adjustments:</u>				
ERP modernization spend	16.0	9.0	28.4	16.2
Free cash flow - as adjusted	\$ 34.7	\$ 23.4	\$ 39.7	\$ 30.5
Net income to free cash flows conversion	137.2 %	76.7 %	92.5 %	50.2 %

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