

NKT

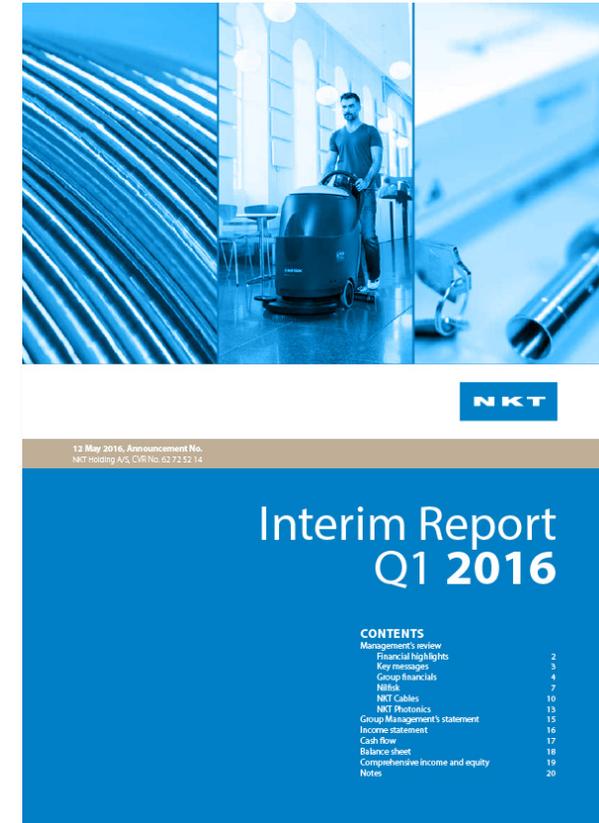
Carnegie - Nilfisk Americas Roadshow

23 June 2016

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 NKT Group's control, may cause that the actual development and results differ materially from the expectations



Today's presenters



Jonathan Kingsbury
Nilfisk Americas

Vice President Commercial Sales,
US Floorcare



Anton Sørensen
Nilfisk Global R&D

Senior Vice President, Global R&D

Agenda

Nilfisk Americas introduction

Nilfisk Americas sales

- Introduction
- Market situation
- Working with global Accelerate strategy and local strategy

Nilfisk Global R&D overview

Nilfisk Global Operations Minnesota production site

Questions & Answers

Introduction to Jonathan Kingsbury



Jonathan Kingsbury

Nilfisk

Vice President Commercial Sales

US Floorcare

Career in Nilfisk

2014-Current Vice President Commercial Sales, US Floorcare
2014-2014 Vice President Marketing & Strategy, America's

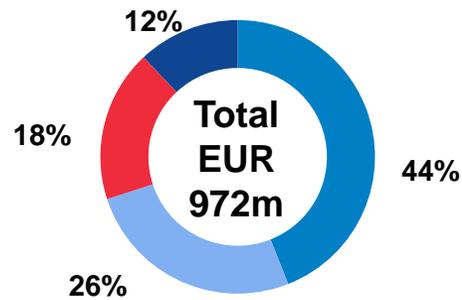
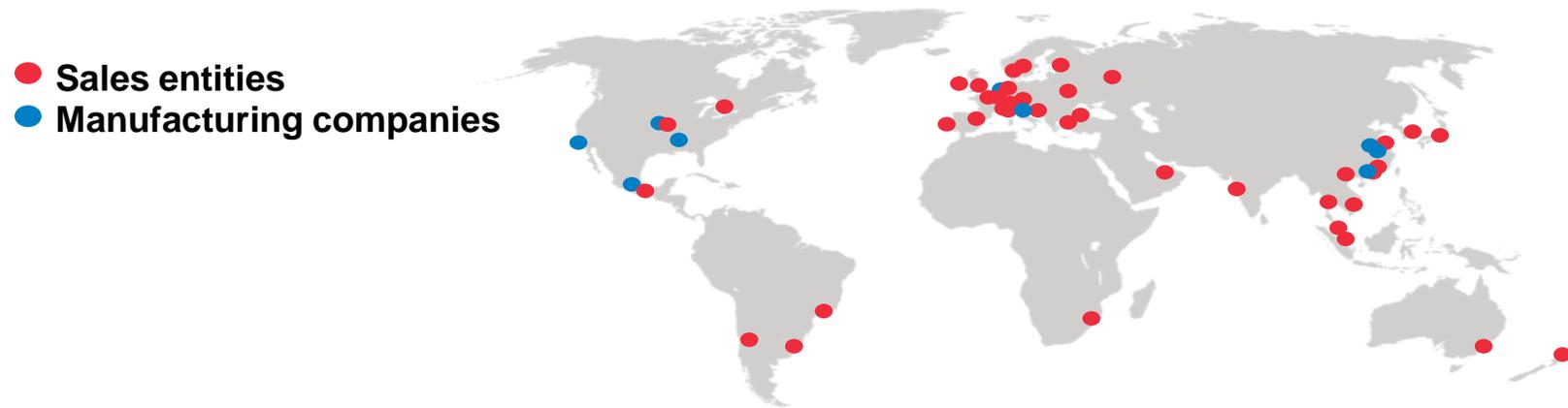
Previous employment

2010-2013 Global Automation Director, Ecolab
2008-2010 General Manager, Australia F&B Division of Ecolab
2006-2007 Director of Marketing, Asia Pacific & Latin America, Ecolab
1999-2005 Various Marketing roles within USA F&B Division of Ecolab

Education

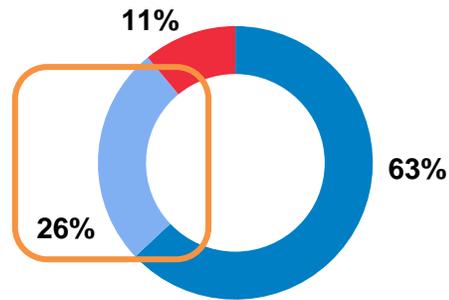
1989-1993 B.A. DePauw University, Greencastle, IN
1998-2000 M.B.A. University of Minnesota, Minneapolis, MN

Nilfisk overview on products, geographies and segments



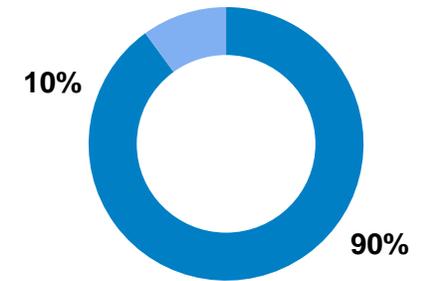
Sales by products

- Floor care
- Vacuum cleaners
- High-pressure washers
- Service and other



Sales by geography

- EMEA
- Americas
- APAC



Sales by customers

- Professional market
- Consumer market

Floorcare is the stronghold in Americas

Floorcare equipment

- Scrubbers and sweepers



~64% of Nilfisk Americas

~44% of Nilfisk globally

Vacuum cleaners

- Commercial
- Industrial



~14% of Nilfisk Americas

~25% of Nilfisk globally

High-pressure washers

- Professional



Hydro Tek and Pressure Pro acquisitions drive this area

~17% of Nilfisk Americas

~19% of Nilfisk globally

Service

- Service and maintenance



~5% of Nilfisk Americas

~9% of Nilfisk globally

Other sales

- Dust mops, etc



~1% of Nilfisk Americas

~3% of Nilfisk globally

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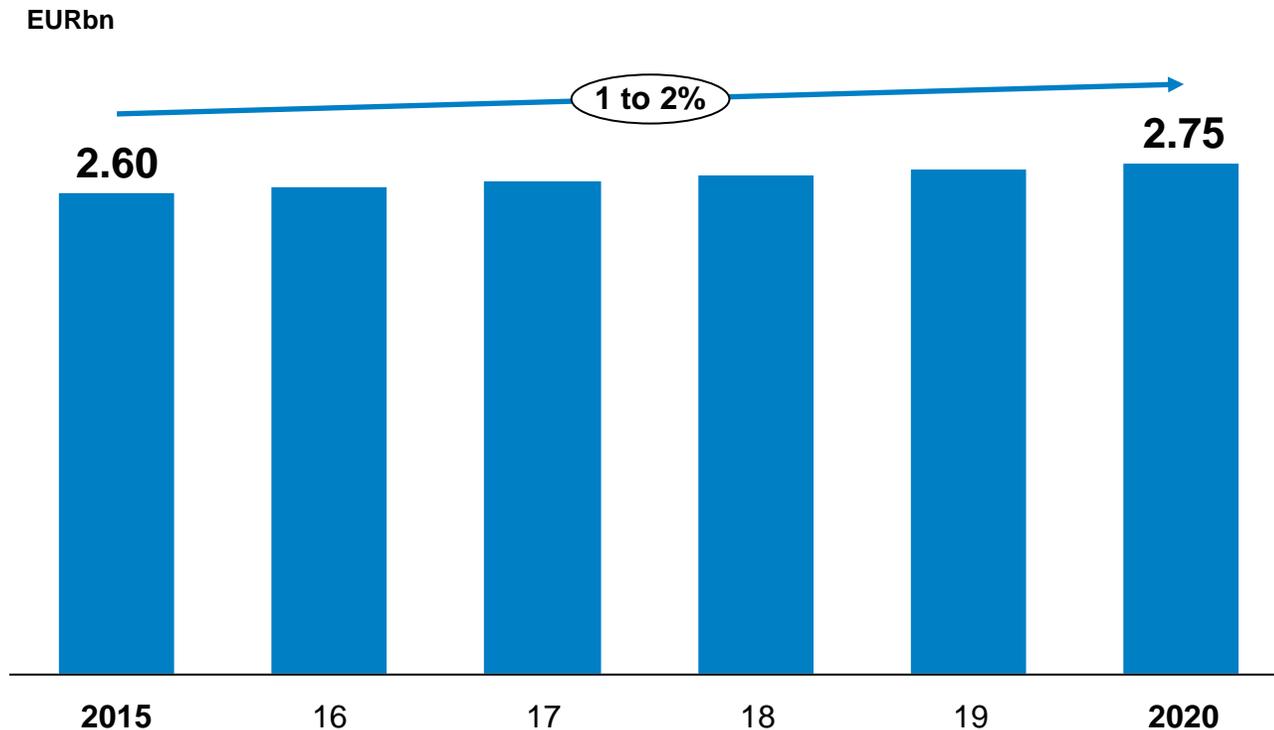
Nilfisk Global R&D overview

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Questions & Answers

Market outlook indicates overall moderate growth

US market outlook 2015-2020



Market outlook for US indicates moderate growth around 1-2%

Macro economic forecast:

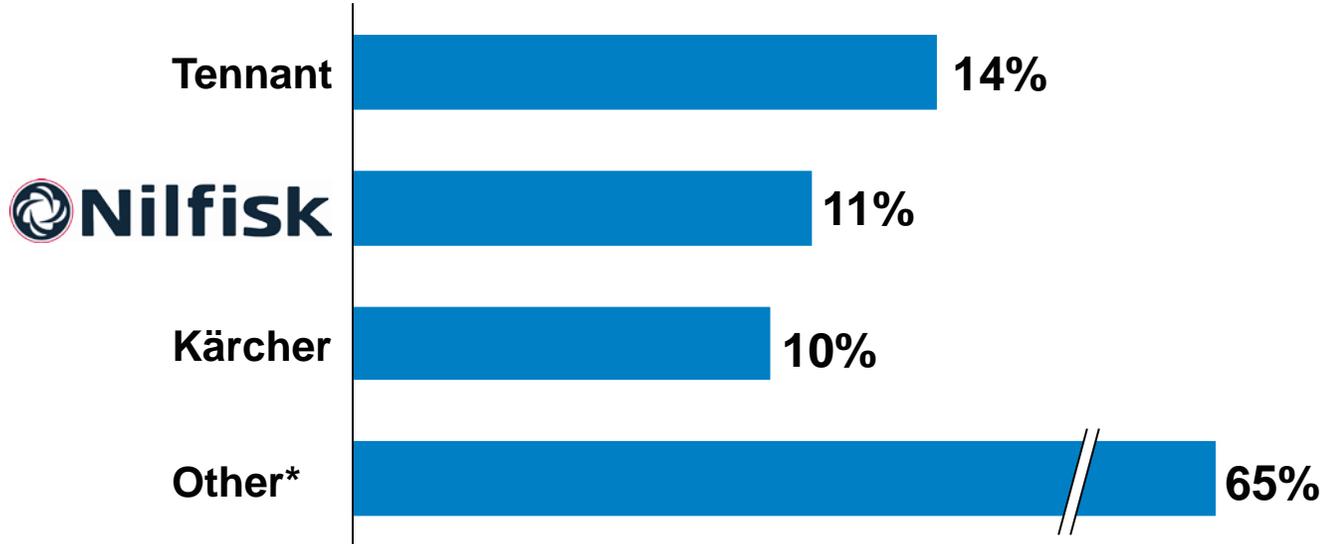
- GDP growth is moderate for US market around 2-2.5%
- Cleaning equipment market is very mature
- Some new growth areas, especially in microcleaning

*Refers to Nilfisk standard professional cleaning equipment
Source: Internal Nilfisk market estimates, and IMF

One of the US leaders in a fragmented industry

Professional cleaning equipment, US*

Market shares of total US market, %



- Nilfisk is among the **US leaders** in the professional cleaning equipment industry
- **Three top global companies combined** have ~35% market share
- **Industry is fragmented** with many regional players (e.g. Factory-cat), often privately owned

*Based on broad definition of products groups. No other competitor has >5% market share in US.
Source: Internal Nilfisk market estimates

Nilfisk Americas sales organization supports clear sales focus

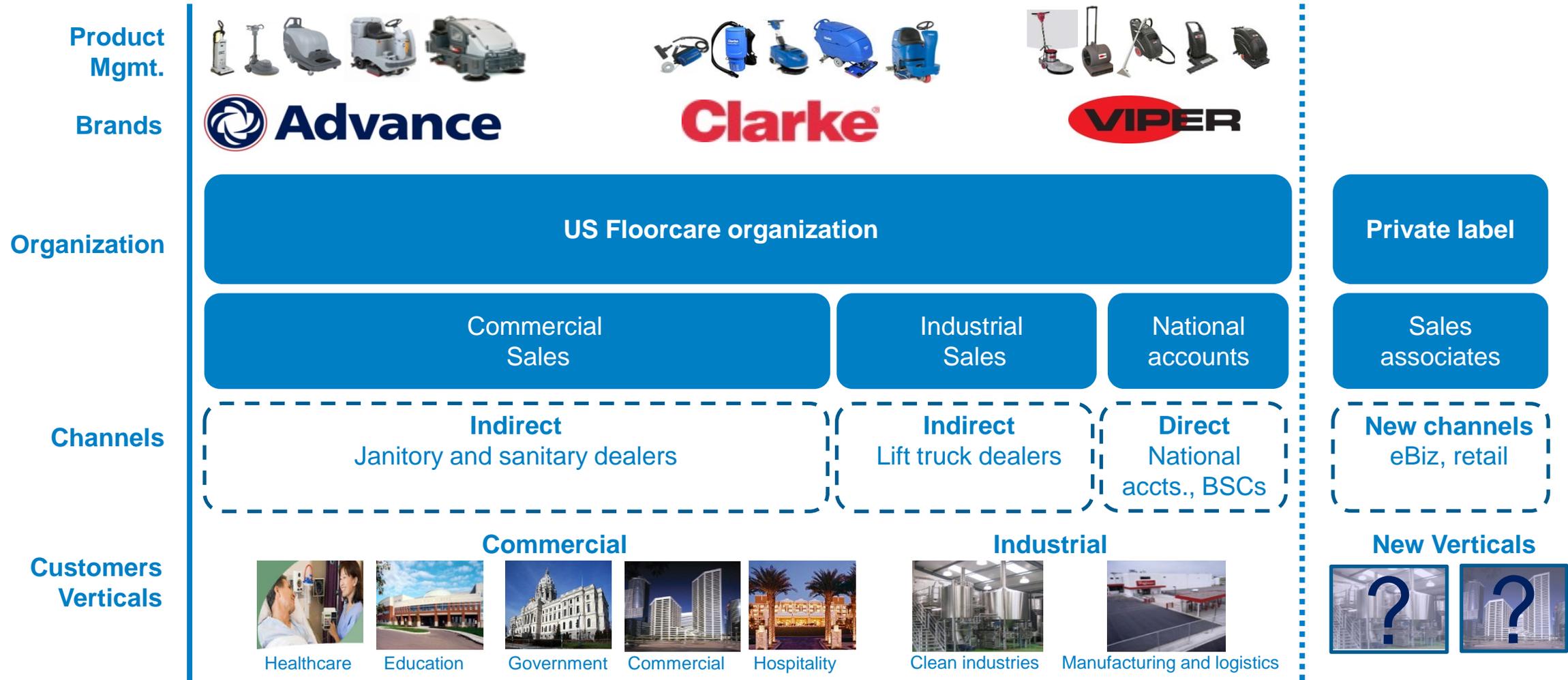
Nilfisk Americas: 9 independent sales companies with 3 central support functions



■ Nilfisk sales offices

- Sales and support office
- Sales office
- Support function

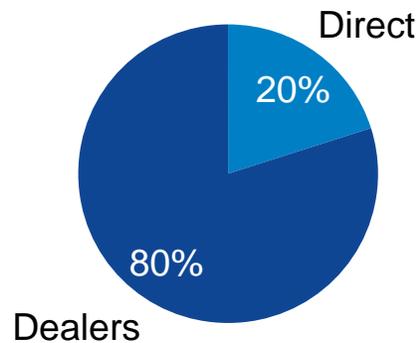
Overview of US floorcare business structure



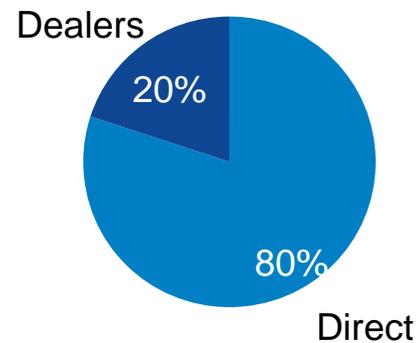
Challenge: Expanding GTM approach to reach new end-customers

Current go-to-market (GTM) approaches, illustrative

Nilfisk



Tennant



Dealers have strong relationships with end-users, but are sensitive to suppliers selling direct

Nilfisk's current GTM strategy leverages **being #1 dealer partner** with dealers strong in traditional channels

Nilfisk is reaching new end-customer segments via

- Targeted direct selling in selective areas
- Direct and/or indirect online sales channels

Expanding GTM and more targeted direct selling

Identifying market segments to sell directly

- Identify under-served Nilfisk markets (white spot direct selling)
- Refrain from back-filling with dealers
- Position Nilfisk assets in each market to sell/provide service
- Manage dealer sensitivities when direct selling grows

Other important direct selling programs

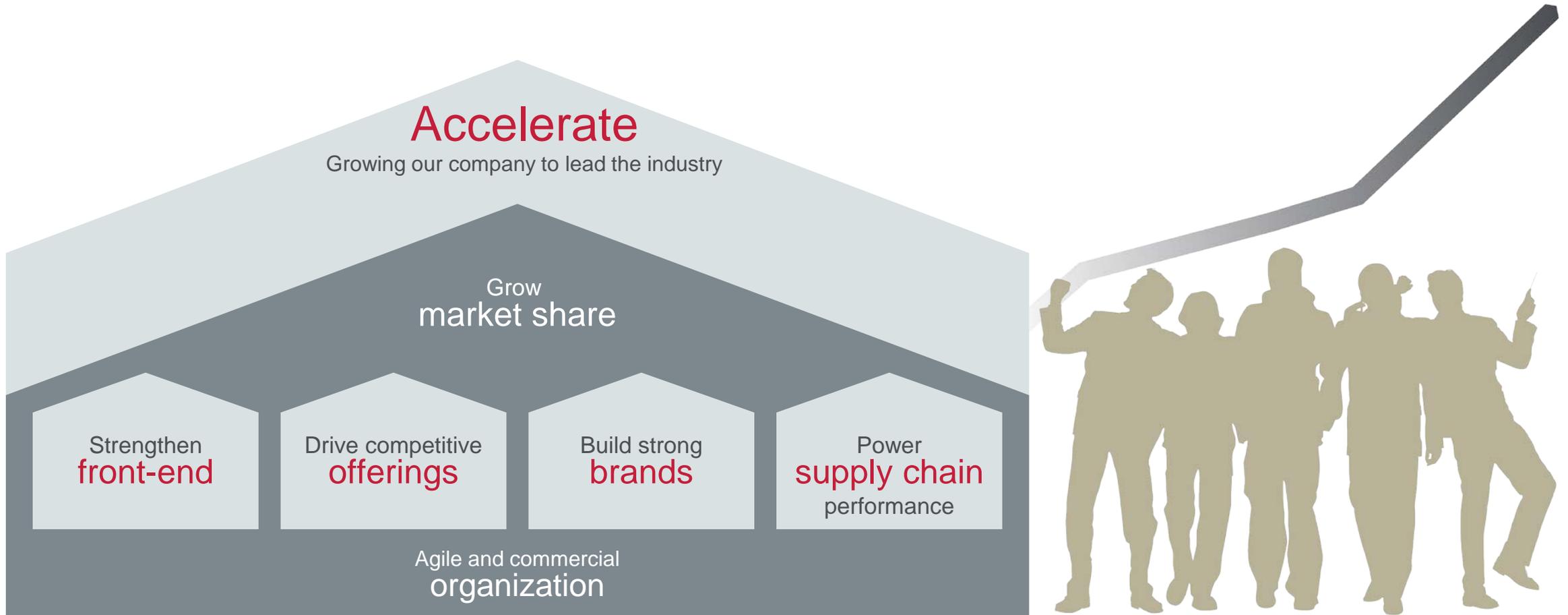
- Vacuum segment: Hospitality, healthcare, etc.
- Micro-cleaning: QSR, Automotive, retail, brewery, convenience stores
- Rental model
- Online direct/indirect sales and re-sales



Primary objectives of increased direct selling

- Transition to less dealer reliant model
- Capitalize on margin improvement by excluding dealer margin expectations
- Ensure bundled relationship with end-user (machine sale, parts, service)

Working with Accelerate strategy in Nilfisk Americas



Strengthen front-end

Nilfisk has a strong-hold in the high-end and potential to grow in mid-market

		Americas market value	How the market works	Nilfisk go-to-market
High-end		(~35%)	<ul style="list-style-type: none"> • Service • Features 	<ul style="list-style-type: none"> • Direct sales • Distributors • Service
Mid-market		(~55%)	<ul style="list-style-type: none"> • Price • “Good-enough” products • Some competitors “playing up” closer to high-market features 	<ul style="list-style-type: none"> • Distributors
Low-end		(~10%)	<ul style="list-style-type: none"> • Price 	<ul style="list-style-type: none"> • Not relevant

Strengthen front-end Competition overview with brands



Mid-market is growing by “playing up” and offering products closer to high-market features and benefits

Product offering, brands and supply chain

Actions

Benefits

Drive competitive offerings

- Focused offering for target segments
- Strong product management

- Easier for the sales reps
- Offer tested solutions
- Better delivery performance

Build strong brands

- Increasing use of digital marketing
- Maximizing effectiveness of key brands

- Stronger identity
- More visibility

Power supply chain performance

- Closer cooperation with distribution centres
- Better stocking policy for critical parts
- Hire stronger competencies

- Better delivery performance
- Reduce working capital
- Complexity reduction

Solution selling and market access are essential competitive elements

Americas trends



- Commoditization
- Need for basic products
- Pressure on cleaning costs
- Battle for distribution
- Must reach more end-customer segments

How we respond



- Solution selling and strong Clarke & Viper offerings
- Extending Viper portfolio
- Expand rental
- Investments in targeted direct selling and marketing
- Offer real value beyond the product portfolio
 - Customer support
 - Track Clean data management
 - Process improvements and lower total cost of ownership

US high pressure washer acquisitions

Differentiated businesses with complimentary strengths

Hydro Tek

Hot water pressure washers

Cold water pressure washers

Western US coverage

Eastern US coverage

Industry-leading operational excellence

Industry-leading sales growth

Pressure Pro

Hot water pressure washers

Cold water pressure washers

Western US Coverage

Eastern US Coverage

Industry-leading operational excellence

Industry-leading sales growth

- Strength
- Opportunity area

Complimentary acquisitions with strong growth in 2016

Integration of acquisitions going according to plan

New industry leader with Nilfisk now having 2nd largest market share

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Introduction to Anton Sørensen



Anton Sørensen

Nilfisk

Senior Vice President

Global R&D

Career in Nilfisk

2015- Senior Vice President Global R&D, Brooklyn Park, US
2004-2015 General Manager R&D Vac's & Pressure Washers, Hadsund, DK

Previous employment

2002 - 2004 VP R&D ALTO Europe / Asia
2001 - 2002 Marketing Manager – ALTO Floor Care Europe, Copenhagen,DK
1999 - 2001 VP R&D ALTO Group, St Louis, US
1995 - 1998 R&D Director KEW Industry, Hadsund DK.
1984 - 1994 R&D Engineer & Project Manager in KEW Industry, Hadsund DK

Education

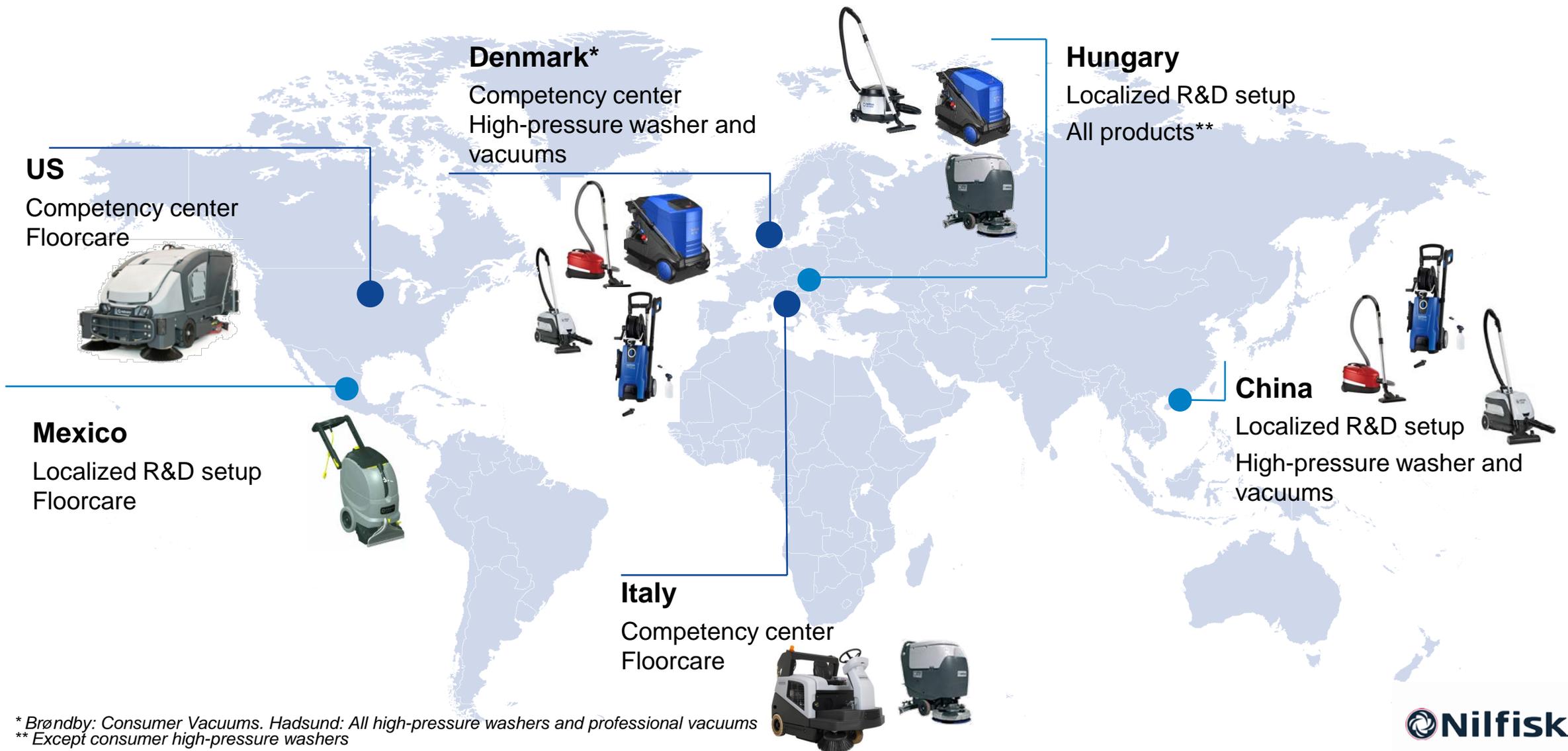
1978 – 1983 MSc, Mechanical Engineering, Aalborg University, DK

Global R&D

Organization and structure



Nilfisk global R&D driven by 3 competency centers and localized R&D setup



* Brøndby: Consumer Vacuums. Hadsund: All high-pressure washers and professional vacuums
 ** Except consumer high-pressure washers

Global R&D priorities

Key R&D performance indicators

- Right time
- Right quality
- Right products
- Right cost



Time to market - Typically 9-24 months



Focus on quality



Cost cutting programs ~5% for new products



Complexity reduction



Program planning

Key R&D trends in market

Americas trends



- Connected Products, monitoring & diagnostics
- Need for basic products
- Total cost of ownership (TCO)
- Modular solutions / configuration
- Automation

How we respond



- Track Clean solution, first generation released
- Introduced Nilfisk Hero and Viper Products
- TCO value proposition, rental programs
- Implement a modular new product portfolio including configurable solutions

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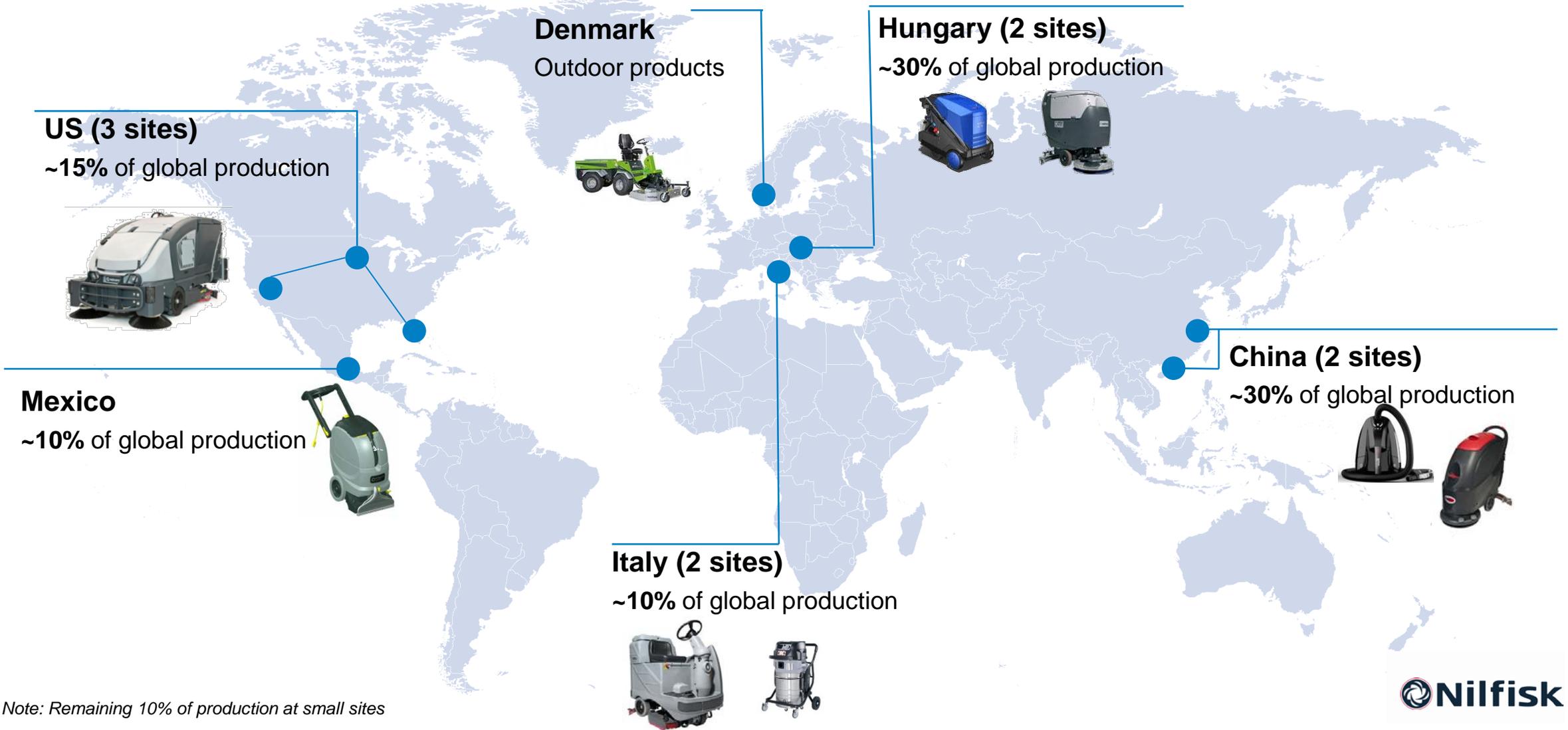
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Asset-light production through assembly-only

Americas 25% of global production



Note: Remaining 10% of production at small sites

New Americas HQ in Brooklyn Park in Dec 2015



- Better working environment to support a more collaborative and productive team
- Improved plant configuration for production lines and warehouse
- Maintain commitment to providing world-class products & service to our customers



Key figures of Nilfisk Minnesota site

Product portfolio of Nilfisk Americas site focuses on high-value products

Key facts

- 285 total employees, 69 in manufacturing
- 17,000 m² building, 9,000 m² manufacturing
- 2 assembly lines
- ~300 active suppliers
- +13 different product platforms and 169 SKUs (machines)

Industrial combination scrubber/sweepers



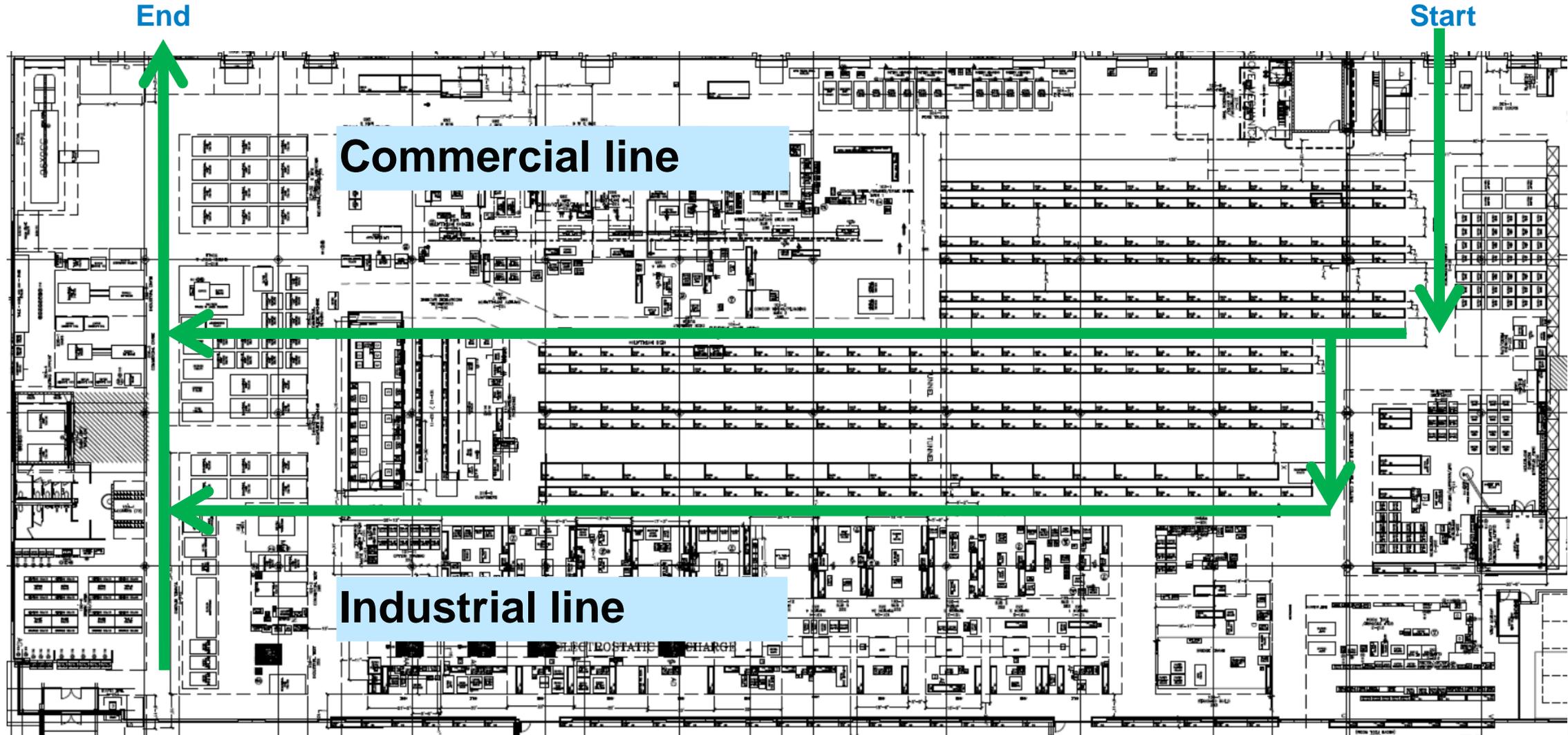
Industrial sweepers



Rider scrubbers Accessories



Nilfisk Minnesota site layout ensures clear production flow



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Nilfisk Global R&D and Minnesota site

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Financial calendar

2016

18 August Interim Report, Q2

11 November Interim Report, Q3

2017

1 March 2016 Annual Report

 For the list of Investor Relations events, go to www.nkt.dk