

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-K**

(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2024

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____.

Commission File Number **001-16191**



TENNANT COMPANY

(Exact name of registrant as specified in its charter)

Minnesota

41-0572550

State or other jurisdiction of
incorporation or organization

(I.R.S. Employer
Identification No.)

10400 Clean Street

Eden Prairie, Minnesota 55344

(Address of principal executive offices)
(Zip Code)

763-540-1200

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

| Title of each class | Trading Symbol(s) | Name of exchange on which registered |
|---|-------------------|--------------------------------------|
| Common Stock, par value \$0.375 per share | TNC | New York Stock Exchange |

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined by Rule 405 of the Securities Act.

Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.

Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or emerging growth company. See definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act by the registered public accounting firm that prepared or issued its audit report.

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b).

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act).

Yes

No

The aggregate market value of the voting and non-voting common equity held by non-affiliates as of June 30, 2024, was \$1,846,101,525.

As of January 31, 2025, there were 18,816,067 shares of common stock outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's Proxy Statement for its 2025 annual meeting of shareholders (the "2025 Proxy Statement") are incorporated by reference in Part III.

**Tennant Company
Form 10-K
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TENNANT COMPANY
2024
ANNUAL REPORT
Form 10-K
PART I

ITEM 1 – Business

General Development of Business

Founded in 1870 by George H. Tennant, Tennant Company ("the Company, we, us, or our"), headquartered in Eden Prairie, Minnesota, is a world leader in designing, manufacturing and marketing of solutions that help create a cleaner, safer and healthier world. Tennant was incorporated as a Minnesota corporation in 1909 and began as a one-man woodworking business, eventually evolving into a successful wood flooring and wood products company, and finally into a manufacturer of floor cleaning equipment. Throughout its history, the Company has remained focused on advancing its industry by aggressively pursuing new technologies and creating a culture that celebrates innovation.

Today, the Company has 11 global manufacturing locations and operates in three geographic areas including the Americas, Europe, Middle East and Africa ("EMEA") and Asia Pacific ("APAC"). We aggregate our operating segments into one reportable segment that consists of the design, manufacture, sale and servicing of products used primarily in the maintenance of nonresidential surfaces.

Our commitment to innovation and excellence extends across every aspect of our business—from product development and customer service to manufacturing and marketing. We prioritize delivering high-performance solutions that minimize waste, lower costs, enhance safety, and advance sustainability objectives. By dedicating resources to research, development and engineering, we continuously refine existing products and introduce new ones that align with evolving market demands.

Over the past century, we have expanded our brand portfolio, diversified our product offerings, and advanced our technologies through innovation and strategic acquisitions. This disciplined approach to growth ensures that each acquisition complements our existing capabilities and adds value by enhancing our product range or improving technological expertise.

Principal Products, Markets and Distribution

The Company offers products and solutions consisting of manual and autonomous mechanized cleaning equipment for both industrial and commercial use, detergent-free and other sustainable cleaning technologies, aftermarket parts and consumables, equipment maintenance and repair services, and business solutions such as financing, rental and leasing programs, and machine-to-machine asset management solutions. The Company is committed to developing cleaning technologies which increase cleaning productivity. We have strong brand presence in the global markets we serve, offering both premium and mid-tier products for each region to meet customer needs.

The Company's products are used in many types of environments including: retail establishments, distribution centers, factories and warehouses, public venues such as arenas and stadiums, office buildings, schools and universities, hospitals and clinics, and more. The Company markets its offerings under the following brands: Tennant®, Nobles®, Alfa Uma Empresa Tennant™, IPC, Gaomei and Rongen brands as well as private-label brands. The Company has a portfolio of differentiated technology solutions that includes IRIS® as an asset management solution, ec-H2O NanoClean® as a detergent-free cleaning solution, and ReadySpace® as a rapid-drying carpet cleaning technology. The Company's more than 40,000 customers include contract cleaners to whom organizations outsource facilities maintenance, as well as businesses that perform facilities maintenance themselves. The Company reaches these customers through the industry's largest direct sales and service organization and through a strong and well-supported network of authorized distributors worldwide.

The Company has an extensive global field service network. We sell products directly in 21 countries and through distributors in more than 100 countries.

Raw Materials and Component Parts

Steel, metal alloys and resin are the primary raw materials used to manufacture our mechanized cleaning equipment. We purchase various component parts, electronics and services used in production and product development processes from third parties.

Our industry continues to be impacted by input cost inflation, supply chain disruptions and other global macroeconomic challenges. While in recent years we experienced material increases to input costs and supply chain disruptions, during 2024, we experienced some moderation in input cost inflation and increased supply chain stability, which we expect to continue into 2025.

The Company continues work to minimize the impact of cost inflation and market supply challenges by employing local-for-local and region-for-region manufacturing and sourcing to allow us to manufacture our products closer to our customers. At the same time, our engineering teams are evaluating platform design to allow for available parts and to increase our sourcing flexibility.

Intellectual Property

The Company owns a broad range of intellectual property rights in both the United States and a number of foreign countries. Our patents, proprietary technologies and trade secrets, customer relationships, licenses, trademarks, trade names and brand names in the aggregate constitute a valuable asset, but we do not regard our business as being materially dependent upon any single item or category of intellectual property. We take appropriate measures to protect our intellectual property to the extent such intellectual property can be protected.

Research and Development

Research and development expenses include scientific research costs such as salaries, prototypes, shop supplies, testing, technical information technology and administrative expenditures as well as an allocation of corporate costs. We conduct research and development activities to develop new products and to enhance the functionality, effectiveness, ease of use and reliability of our existing products. We believe that our research and development efforts have been, and continue to be, key drivers of our success in the marketplace, and we continue to explore new technologies and methodologies that help improve the efficiency and sustainability of our products.

Seasonality

Although the Company's business is not seasonal in the traditional sense, the percentage of revenues in each quarter typically ranges from 22% to 28% of the total year. The first quarter tends to be at the low end of the range reflecting customers' initial slow ramp up of capital purchases and the Company's efforts to close out orders at the end of each year. The second and fourth quarters tend to be toward the high end of the range and the third quarter is typically in the middle of the range.

Major Customers

The Company sells a wide range of products to a diversified base of customers around the world and has no material concentration of credit risk or significant payment terms extended to customers.

Competition

Public industry data concerning global market share is limited; however, through an assessment of validated third-party sources and sponsored third-party market studies, the Company is confident in its position as a world-leading manufacturer of floor maintenance and cleaning equipment. Several global competitors compete with the Company in virtually every geography of the world. Additionally, small regional competitors are also significant competitors who vary by country, vertical market, product category or channel. The Company primarily competes by offering a diverse range of high-quality, innovative products supported by an extensive sales and service network in major markets.

Human Capital

As of December 31, 2024, we had 4,632 employees worldwide, of which approximately 42.5% are located in the U.S. Our employees are guided by our vision to design, manufacture and market sustainable solutions that help create a cleaner, safer and healthier world.

Ethics and Employee Safety

Tennant Company is committed to fostering and upholding a culture of integrity and stewardship among our employees, distributors, and other business partners. We expect our employees not only to be aware of Tennant's ethical standards, but actively contribute to maintaining them. Tennant has a Code of Conduct and other internal and public facing policies addressing ethics and compliance, and conducts annual Code of Conduct training to empower our employees with the knowledge and tools to make ethical decisions in their roles. We understand the importance of fostering an environment where concerns can be raised without fear of reprisal. To facilitate this, we offer various avenues for reporting concerns, including a dedicated ethics hotline accessible both via phone and online.

We prioritize the health and safety of all employees. We operate under our established safety programs and employ an experienced team of health and safety specialists to provide support to employees globally. All locations work diligently to meet and/or exceed regulatory standards applicable to each site. Tennant employees are empowered to stop work anytime there is a potential hazard identified. Each site maintains public and confidential ways for employees to report safety concerns to ensure employees feel free to report their concerns.

Talent

We believe attraction, development, engagement, and retention of a diverse group of employees is key to achieving our organizational objectives. We focus on creating a high-performance culture, which includes our annual performance management process for all employees which aligns with our employee and leadership competency frameworks.

To support employee development, we have deployed a number of resources and development tools for all employees. We also provide leaders access to on-demand eLearnings and targeted live training sessions. In addition, we engage in annual talent conversations to help identify, develop, and deploy talent to achieve our objectives and address talent risks.

We believe employee feedback is key to engagement, and we survey our employees regularly. Also, we provide other feedback and engagement avenues such as all-employee quarterly town halls and leadership meetings. We take action to drive improvement in our ability to engage and retain talent.

Diversity, Equity, and Inclusion ("DE&I")

Tennant Company believes that an inclusive and diverse workforce contributes to our business success. The inclusion of diverse perspectives enables innovation and our ability to serve customers. We continue our DE&I focus through strategies which engage and educate our employees and promote inclusion.

Tennant Company proudly continues our commitment to be an equal opportunity employer. We make employment decisions based on the basis of individual skill, ability, reliability, productivity, and other factors important to performance.

Women represent 43% of our executive management team and 33% of our Board of Directors as of December 31, 2024.

Gender Equitable Pay

Tennant Company annually performs a gender wage gap for its United States employees that controls for title, grade and work location, which are legitimate and non-discretionary reasons for pay differences. The most

recent assessment found that the median total income for females was 99.9% of the median total income for males, suggesting there is no evidence of a gender pay gap in the United States at Tennant Company.

Employee Gender Statistics

The following table represents employees by region and gender as of December 31, 2024:

| | Female | Male | Total |
|-----------------------------|--------|-------|-------|
| Americas | 493 | 1,961 | 2,454 |
| Europe, Middle East, Africa | 479 | 1,220 | 1,699 |
| Asia Pacific | 139 | 340 | 479 |
| Total | 1,111 | 3,521 | 4,632 |

Total Rewards

Tennant Company's philosophy is to reward employees competitively for the work they perform consistent with position, skill level, experience, knowledge and geographic location. Each year, we evaluate the competitiveness of our pay levels against relevant labor markets and adjust our programs as appropriate. We offer a comprehensive total rewards package to our employees that includes pay, benefits, recognition, and well-being programs which are tailored by geographic location, statutory requirements, and competitive practice.

Available Information

The Company's internet address is www.tennantco.com. The Company makes available free of charge, through the Investor Relations website at investors.tennantco.com, its annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, as soon as reasonably practicable when such material is filed electronically with, or furnished to, the Securities and Exchange Commission ("SEC"). The SEC also maintains an internet site that contains reports, proxy and information statements, and other information, which can be accessed at sec.gov.

Information About Our Executive Officers

The list below identifies those persons designated as executive officers of the Company, including their age, positions held with the Company and their business experience during the past five or more years.

Barb Balinski, Senior Vice President, Chief Transformation Officer

Barb Balinski (61) has served as the Company's Senior Vice President, Chief Transformation Officer since May 2024. Ms. Balinski joined the Company in 2018 as Vice President of Engineering and in March 2021, she was named Senior Vice President, Innovation and Technology, leading Research & Development (R&D), Marketing, and Information Technology (IT) functions for Tennant Company. Prior to joining Tennant, Ms. Balinski held leadership positions of increasing responsibility with the engineering team for the Integrated Business Units at Whirlpool Corporation, a multinational manufacturer of home appliances, from 2005 to 2017, most recently as Director, Product Development, from 2013 to 2017. Prior to Whirlpool Corporation, she spent eleven years with Saturn Corporation, a subsidiary of General Motors.

Brock R. Christianson, Senior Vice President, Chief Human Resources Officer

Brock R. Christianson (55) joined the Company in November 2023 as Senior Vice President, Chief Human Resources Officer. From 2017 to October 2023, Mr. Christianson served in various Human Resources Vice President roles at Thrivent, a Fortune 500 financial services company. He held senior positions at Honeywell International from 2011 to 2017, including global Vice President of HR for the Environmental, Combustion, and Controls business unit. From 1998 to 2011, he worked at Medtronic, a global healthcare technology leader, where he held HR leadership roles in corporate, business units, and EMEA. Prior to Medtronic, he held HR and consulting roles with Emerson Electric and Ernst & Young.

Kristin A. Erickson, Senior Vice President, General Counsel and Corporate Secretary

Kristin A. Erickson (52) has served as the Company's Senior Vice President, General Counsel and Corporate Secretary since December 2020. Ms. Erickson joined the Company's legal department in April 2008, serving in roles of increasing responsibility, including as Vice President, Deputy General Counsel and Chief Compliance Officer from 2019 to 2020, and as Interim General Counsel and Corporate Secretary in 2020. Prior to joining Tennant in 2008, she served as Senior Counsel and Assistant Secretary for MoneyGram International, Inc., from 2004 to 2008. She started her career as a corporate attorney for Lindquist & Vennum, PLLP (n/k/a Ballard Spahr LLP).

David W. Huml, President and Chief Executive Officer

David W. Huml (56) has served as the Company's President and Chief Executive Officer since March 2021, after serving as Chief Operating Officer from March 2020 to March 2021. Mr. Huml joined the Company in November 2014 as Senior Vice President, Global Marketing and was named President and Chief Executive Officer March 1, 2021. In January 2016, he also assumed oversight for the Company's APAC business unit, and in January 2017, he assumed oversight for the Company's EMEA business. From 2006 to October 2014, he held various positions with Pentair plc, a global manufacturer of water and fluid solutions, valves and controls, equipment protection and thermal management products, most recently as Vice President, Applied Water Platform. From 1992 to 2006, he held various positions with Graco Inc., a designer, manufacturer and marketer of systems and equipment to move, measure, control, dispense and spray fluid and coating materials, including Worldwide Director of Marketing, Contractor Equipment Division

Patrick W. Schottler, Senior Vice President, Chief Marketing and Technology Officer

Patrick W. Schottler (45) has served as the Company's Senior Vice President, Chief Marketing and Technology Officer since May 2024. Mr. Schottler joined the Company in 2011 as Senior Program Manager. After holding leadership roles in R&D and regional business development, he was named Vice President and General Manager of the Asia-Pacific Business Unit in 2017, a role he held for five years before assuming responsibility for the Company's global marketing and product management functions in 2022. Prior to joining Tennant Company, Mr. Schottler spent over a decade at Honeywell, where he held leadership roles in product development.

Fay West, Senior Vice President, Chief Financial Officer

Fay West (55) joined the Company in April 2021 as Senior Vice President and Chief Financial Officer. Prior to joining Tennant, she was Senior Vice President and Chief Financial Officer of SunCoke Energy, Inc., a raw material processing and handling company, from 2014 to 2021. Before joining SunCoke Energy, Inc., in 2011, as Vice President and Controller, she was Assistant Controller at United Continental Holdings, Inc. Prior to that role, she served in several leadership roles at PepsiAmericas, Inc., including Vice President of Accounting and Financial Reporting, and Director of Financial Reporting. Prior to joining PepsiAmericas, Inc., she was Vice President and Controller of GATX Rail Company.

Richard H. Zay, Senior Vice President, Chief Commercial Officer

Richard H. Zay (54) has served as the Company's Senior Vice President, Chief Commercial Officer since March 2021. Mr. Zay joined the Company in June 2010 as Vice President, Global Marketing and was named Senior Vice President, Global Marketing in October 2013 and Senior Vice President of the Americas business unit for the Company in 2014. In 2018, he assumed responsibility for Tennant Research and Development as well. From 2006 to June 2010, he held various positions with Whirlpool Corporation, most recently as General Manager, KitchenAid Brand. From 1993 to 2006, he held various positions with Maytag Corporation, including Vice President, Jenn-Air Brand, Director of Marketing, Maytag Brand, and Director of Cooking Category Management.

ITEM 1A – Risk Factors

The following are risk factors known to us that could materially adversely affect our business, financial condition or operating results.

Macroeconomic Risks

We may encounter financial difficulties if the United States or other global economies experience an additional or continued long-term economic downturn, decreasing the demand for our products and negatively affecting our sales growth.

Our product sales are sensitive to declines in capital spending by our customers. Decreased demand for our products could result in decreased revenues, profitability and cash flows and may impair our ability to maintain our operations and fund our obligations to others. In the event of a continued long-term economic downturn in the U.S. or other global economies, our revenues could decline to the point that we may have to take cost-saving measures. In addition, other fixed costs would have to be reduced to a level that is in line with a lower level of sales. A long-term economic downturn that puts downward pressure on sales could also negatively affect investor perception relative to our publicly stated profit targets.

Our operations could be adversely affected by global economic volatility, geopolitical tensions, and regulatory changes.

International operations could be adversely affected by changes in economic, political, regulatory, and social conditions, especially in Russia, China, the Middle East, and other developing or emerging markets where we do business. An economic downturn in the businesses or geographic areas in which we distribute our products could reduce demand for these products and result in a decrease in sales volume that could have a negative impact on our results of operations.

Tariffs and other trade protection measures, anti-bribery and anti-corruption regulations, restrictions on repatriation of earnings and cash, currency controls implemented by foreign governments, differing intellectual property rights and changes in legal and regulatory requirements that restrict the sales of products or increase costs could adversely affect our results of operations. Tariffs may decrease the competitiveness of our products in foreign markets or foreclose our sales entirely into those markets. We could experience a negative impact on our operating results, profitability, customer relationships and future cash flows.

Our global operations are subject to laws and regulations that impose significant compliance costs and create reputational and legal risk.

Due to the international scope of our operations, we are subject to a complex system of commercial, tax, compliance and trade regulations around the world. Recent years have seen an increase in the development and enforcement of laws regarding trade, tax compliance, data privacy, sustainability, labor and safety and anti-corruption, including the U.S. Foreign Corrupt Practices Act, and similar laws from other countries. Our numerous foreign subsidiaries and affiliates are governed by laws, rules and business practices that differ from those of the U.S., but because we are a U.S.-based company, oftentimes they are also subject to U.S. laws which can create a conflict. Despite our due diligence, there is a risk that we do not have adequate resources or comprehensive processes to stay current on changes in laws or regulations applicable to us worldwide and maintain compliance with those changes. Increased compliance requirements may lead to increased costs and erosion of desired profit margin. As a result, it is possible that the activities of these entities may not comply with U.S. laws or business practices or our Code of Conduct. Violations of the U.S. or local laws may result in severe criminal or civil sanctions, could disrupt our business, and result in an adverse effect on our reputation, business and results of operations or financial condition. We cannot predict the nature, scope or effect of future regulatory requirements to which our operations might be subject or the manner in which existing laws might be administered or interpreted.

Changes in foreign currency exchange rates could adversely impact our net sales and earnings.

Fluctuations in foreign currency exchange rates could negatively affect our net sales, earnings, and financial condition. Many of our routine transactions are conducted in foreign currencies, and changes in exchange rates have previously impacted, and may continue to impact, our sales, material costs, earnings, and the valuation of foreign-denominated assets. While the majority of our manufacturing and cost structure is

based in the U.S., a decline in the value of local currencies could make it more difficult for distributors and end users to afford our products. Significant exchange rate volatility could adversely affect our operational results and overall financial stability.

Industry Risks

We may be unable to take advantage of product pricing due to the competitive marketplace and increased price sensitivity.

Simplification of our customer product pricing is a key initiative to reduce the complexity in which we operate. The current competitive landscape, coupled with macroeconomic factors such as inflation, could impact our ability to achieve our pricing targets and influence demand. These pressures, along with internal constraints, may limit our ability to sell our products at our expected prices and may result in a change to the mix of product offerings that affect gross margin rates. Increasing our prices in this competitive market, where customers are very price sensitive, could have an adverse effect on our financial condition or operating results.

We are subject to competitive risks associated with developing innovative products and technologies, including, but not limited to, our inability to expand as rapidly or aggressively in the global market as our competitors, our customers ceasing to pay for innovation and competitive challenges to our products, technology and the underlying intellectual property.

Our products are sold in competitive markets throughout the world. Competition is based on product features and design, brand recognition, reliability, durability, technology, breadth of product offerings, price, customer relationships and after-sale service. Although we believe that the performance and price of our products will produce competitive solutions for our customers' needs, certain products are priced higher than our competitors' products. This is due to our dedication to innovation and continued investments in research and development. We believe that customers will pay for the innovations and quality in our products. However, it may be difficult for us to compete with lower priced products offered by our competitors and there can be no assurance that our customers will continue to choose our products over products offered by our competitors. If our products, markets and services are not competitive, we may experience a decline in sales volume, an increase in price discounting and a loss of market share, which would adversely impact our revenues, margin and the success of our operations.

Third parties may also initiate litigation to challenge the validity of our patents or claims, allege that we infringe upon their patents, violate our patents or they may use their resources to design comparable products that avoid infringing our patents. Regardless of whether such litigation is successful, such litigation could significantly increase our costs and divert management's attention from the operation of our business, which could adversely affect our results of operations and financial condition.

Disruption in the availability of, quality, or increases in the cost of, raw materials and components that we purchase or labor required to manufacture our products could negatively impact our operating results or financial condition.

Our sales growth, expanding geographical footprint, and reliance on sole-source vendors heighten supply chain risks, including potential credit issues among suppliers and disruptions due to limited global production capacity. Sole-sourcing increases concentration risk and vulnerability to defects in highly customized components, which could lead to quality issues, returns, or production delays. Modularization and outsourcing key component designs may further increase reliance on sole suppliers and risk loss of proprietary control.

Vendors failing to meet quality standards could harm our reputation and sales. Supply chain disruptions, cost inflation, and skilled labor shortages negatively impact financial results and gross profit margins. Wage inflation from labor shortages may persist unless mitigated effectively. Government fiscal policies, tariffs, and import restrictions could further raise costs, reduce product demand, or limit raw material sourcing.

Global supply chain disruptions, natural disasters, tariffs, and limited supplier capacity have previously caused shortages of key components, parts, and accessories. Reliance on single suppliers exacerbates these challenges. Continued or new disruptions due to financial hardship, pandemics, natural disasters, or climate change-related events could impede our ability to source necessary materials, adversely affecting production, operations, and financial performance.

Increasing cost pressures could negatively impact our ability to achieve our strategic objectives and affect our financial results.

We are dependent on key suppliers to make certain materials available at a contracted price. Labor, overhead, and material costs have increased and we may not be able to offset these increased manufacturing costs with a higher finished product price. We also may not be able to push those direct cost increases onto our customers in a timely manner given the competitive environment. A decline in demand for our products may have a direct impact on our ability to achieve better pricing through volume discounts.

We are subject to product liability claims and product quality issues that could adversely affect our operating results or financial condition.

Our business exposes us to potential product liability risks that are inherent in the design, manufacturing and distribution of our products. If products are used incorrectly by our customers, injury may result leading to product liability claims against us. Some of our products or product improvements may have defects or risks that we have not yet identified that may give rise to product quality issues, liability and warranty claims. Quality issues may also arise due to changes in parts or specifications with suppliers and/or changes in suppliers. If product liability claims are brought against us for damages that are in excess of our insurance coverage or for uninsured liabilities and it is determined we are liable, our business could be adversely impacted. Any losses we suffer from any liability claims, and the effect that any product liability litigation may have upon the reputation and marketability of our products, may have a negative impact on our business and operating results. We could experience a material design or manufacturing failure in our products, a quality system failure, other safety issues, or heightened regulatory scrutiny that could warrant a recall of some of our products. Any unforeseen product quality problems could result in loss of market share, reduced sales and higher warranty expense.

Operational Risks

Our ability to effectively operate our Company could be adversely affected if we are unable to attract and retain key personnel and other highly skilled employees, provide employee development opportunities and create effective succession planning strategies.

Our growth strategy, expanding global footprint, changing workforce demographics and increased improvements in technology and business processes designed to enhance the customer experience are putting increased pressure on human capital strategies designed to attract, retain and develop top talent.

Our continued success will depend on, among other things, the skills and services of our executive officers and other key personnel. Our ability to attract and retain highly qualified managerial, technical, manufacturing, research, sales and marketing personnel also impacts our ability to effectively operate our business. As companies grow and increase their hiring activities, there is an inherent risk of increased employee turnover and the loss of valuable employees in key positions, especially in emerging markets. We believe the increased loss of key personnel within a concentrated region could adversely affect our sales performance.

We may not be able to develop or manage strategic planning and growth processes or the related operational plans to deliver on our strategies and establish a broad organization alignment, thereby impairing our ability to achieve future performance expectations.

We are continuing to refine our global company strategy to guide our next phase of performance as our structure has become more complex. We continue to consolidate and reallocate resources as part of our ongoing efforts to optimize our cost structure and to drive synergies. Our operating results may be negatively impacted if we are unable to implement new processes and manage organizational changes, which include changes to our go-to-market strategy, systems and processes; simultaneous focus on expense control and growth; and introduction of alternative cleaning methods. In addition, if we do not effectively realize and sustain the benefits that these transformations are designed to produce, we may not fully realize the anticipated savings of these actions or they may negatively impact our ability to serve our customers or meet our strategic objectives.

Complications with the design or implementation of our new Enterprise Resource Planning ("ERP") system that could adversely impact our business and operations.

We rely extensively on information systems and technology to manage our business and support our growth strategy. Many of these systems require significant upgrades to align with our enterprise strategy and meet the demands of the current business environment, particularly with our focus on customer-facing technologies. However, limitations in resources and expertise may hinder our ability to upgrade these systems efficiently, potentially resulting in significant expenses, operational inefficiencies, and challenges in delivering improved technology solutions to our customers.

As part of our enterprise strategy, we are implementing a global enterprise resource planning ("ERP") system to modernize our financial and operational systems, enhance functionality, and provide timely information to management. While we anticipate increased efficiencies by standardizing processes and leveraging a common cloud-based system, the implementation process has been complex and resource-intensive, requiring substantial financial and personnel investments.

Risks associated with this migration include:

- Significant capital and operating expenditures;
- Disruptions to domestic and international supply chains;
- Disruption in customer experience;
- Delays or inaccuracies in fulfilling orders or processing payments;
- Disruption to internal controls and reporting processes; and
- Increased demands on management and staff time, potentially detracting from other corporate initiatives.

If we are unable to successfully design, implement, and stabilize the ERP system, our financial position, operational performance, and liquidity could be adversely impacted. Furthermore, ineffective system implementation or performance could comprise our internal controls over financial reporting, delay required filings, or disrupt our ability to meet operational and customer demands.

We may encounter risks to our information technology ("IT") infrastructure, such as access and security, that may not be adequately designed to protect critical data and systems from theft, corruption, unauthorized usage, viruses, sabotage or unintentional misuse.

Global cybersecurity threats and incidents can range from uncoordinated individual attempts to gain unauthorized access to IT systems to sophisticated and targeted measures known as advanced persistent threats, directed at the Company, its products and its customers. We experience cybersecurity threats and incidents from time to time; however, to date, none have been material. We seek to deploy comprehensive measures to deter, prevent, detect, react to and mitigate these threats, including identity and access controls, data protection, vulnerability assessments, continuous monitoring of our IT networks and systems and maintenance of backup and protective systems.

Despite these efforts, cybersecurity incidents, depending on their nature and scope, could potentially result in the misappropriation, destruction, corruption or unavailability of critical data and confidential or proprietary information (our own or that of third parties) and the disruption of business operations. The potential consequences of a material cybersecurity incident include financial loss, reputational damage, litigation with third parties, theft of intellectual property, diminution in the value of our investment in research, development and engineering, and increased cybersecurity protection and remediation costs due to the increasing sophistication and proliferation of threats, which in turn could adversely affect our competitiveness and results of operations.

We may be unable to conduct business if we experience a significant business interruption in our IT systems, manufacturing plants or distribution facilities for a significant period of time.

We rely on our IT systems, manufacturing plants and distribution facilities to efficiently operate our business. If we experience an interruption in the functionality in any of these items for a significant period of time for any reason, we may not have adequate business continuity planning contingencies in place to allow us to

continue our normal business operations on a long-term basis. In addition, the increase in customer-facing technology raises the risk of a lapse in business operations. Therefore, significant long-term interruption in our business could cause a decline in sales, an increase in expenses and could adversely impact our financial results.

Our ability to manage the health and safety of our global workforce may lead to increased business disruption and financial penalties.

We remain focused on the health and safety measures that impact our business from a manufacturing perspective. Our manufacturing teams monitor the effectiveness of our wellness and safety programs. The Company may be required to make enhancements and incur costs related to any new health guidelines and protocols to adapt to new health crises, which may adversely affect our business, financial conditions, or operating results.

We may consider acquisitions of suitable candidates to accomplish our growth objectives. We may not be able to successfully integrate the businesses we acquire to achieve operational efficiencies, including synergistic and other benefits of acquisition.

We may consider, as part of our growth strategy, supplementing our organic growth through acquisitions of complementary businesses or products. We have engaged in acquisitions in the past and we may determine that future acquisitions may provide meaningful opportunities to grow our business and improve profitability. Acquisitions allow us to enhance the breadth of our product offerings and expand the market and geographic participation of our products and services.

However, our success in growing by acquisition is dependent upon identifying businesses to acquire, integrating the newly acquired businesses with our existing businesses and complying with the terms of our credit facilities. We may incur difficulties in the realignment and integration of business activities when assimilating the operations and products of an acquired business or in realizing projected efficiencies, cost savings, revenue synergies and profit margins. Acquired businesses may not achieve the levels of revenue, profit, productivity or otherwise perform as expected. We are also subject to incurring unanticipated liabilities and contingencies associated with an acquired entity that are not identified or fully understood in the due diligence process. Current or future acquisitions may not be successful or accretive to earnings if the acquired businesses do not achieve expected financial results.

In addition, we may record significant goodwill or other intangible assets in connection with an acquisition. We are required to perform impairment tests at least annually and whenever events indicate that the carrying value may not be recoverable from future cash flows. If we determine that any intangible asset values need to be written down to their fair values, this could result in a charge that may be material to our operating results and financial condition.

Inadequate funding or insufficient innovation of new technologies may result in an inability to develop and commercialize new innovative products and services.

We strive to develop new and innovative products and services to differentiate ourselves in the marketplace. New product development relies heavily on our financial and resource investments in both the short-term and long-term. If we fail to adequately fund product development projects or fund a project which ultimately does not gain the market acceptance we anticipated, we risk not meeting our customers' expectations, which could result in decreased revenues, declines in margin and loss of market share.

We may encounter risks related to our business transformation and strategic initiatives.

Our ability to achieve growth, competitiveness, and long-term successes depends on the effective execution of our ongoing business transformation and global strategies. However, the scope and complexity of these initiatives present significant risks. Challenges in managing this transformation effectively could result in operational disruptions, delays, or failure to realize anticipated benefits. Specific risks include:

- Employee resistance and retention challenges: employees may resist changes due to concerns for job security, discomfort with new technologies and processes, or misalignment with organizational priorities.

Ineffective execution of our employee value proposition strategy could exacerbate these issues, resulting in retention challenges, reduced morale, and lower workforce productivity.

- Resource constraints: successful business transformation requires adequate financial, human, and technological resources. Insufficient or ineffective allocation of these resources could impede our ability to execute transformation initiatives.

Completion of our business transformation may take longer than expected, and there is no guarantee that the intended outcomes will be fully realized or realized within the anticipated timeframe. If we are unable to effectively manage these risks, our business, financial condition and operating results may be materially and adversely affected.

ITEM 1B – Unresolved Staff Comments

None.

ITEM 1C – Cybersecurity

Risk Management and Strategy

We recognize the critical importance of developing, implementing, and maintaining robust cybersecurity processes to safeguard our information systems and protect the confidentiality, integrity, and availability of our data. Our approach to assessing, prioritizing, and effecting cybersecurity processes and projects is based on standards from the National Institute of Standards and Technology ("NIST").

We have established an enterprise risk management ("ERM") program that considers our enterprise strategy, information from internal stakeholders, and information from external sources (e.g., emerging risks and trends, evaluations by third parties, and best practices) to identify, assess, categorize, and monitor risks including cybersecurity risks. The ERM program develops enterprise risk profiles to address individual risk drivers, develop action plans, and monitor against key risk indicators. At least annually, the ERM program is presented to our Board, Audit Committee, and members of management.

We have strategically integrated cybersecurity risk management into our broader ERM program to promote a company-wide culture of cybersecurity risk management. This integration ensures that cybersecurity considerations are an integral part of our decision-making processes. Our strategy includes regular employee training and awareness on cybersecurity risks and related best practices, required password complexity, the use of multi-factor authentication, information security protocols, anti-virus and anti-ransomware software, a patch management program, the execution of tabletop exercises on a periodic basis, established policies and protocols for cyber incident response planning and reporting, and ongoing internal cybersecurity testing. Our risk management team works closely with our IT department to continuously evaluate and address cybersecurity risks in alignment with our business objectives and operational needs.

We test our ability to respond to cybersecurity incidents on a recurring basis. Additionally, we engage third-party service providers to assist with the ongoing monitoring for cybersecurity events and incidents, as well as to complete risk quantification analysis and perform penetration and vulnerability testing. If any gaps are identified, the third-party service providers also assist with incident assessment and response. We conduct thorough up-front security assessments of all third-party providers before engagement, led by our Vice President, Chief Information Office ("CIO") and our cybersecurity team, and we maintain ongoing monitoring to ensure compliance with our cybersecurity standards. This approach is designed to mitigate risks related to security incidents originating from third parties.

We have not encountered cybersecurity incidents or identified risks from cybersecurity threats that have materially impaired our operations or financial standing.

Governance

Within our organization, we have a management team responsible for assessing and managing cybersecurity risks. The team is led by our CIO and consists of the Cyber Security Incident Response Team ("CSIRT") and internal audit personnel. The CSIRT is comprised of IT management and experienced cybersecurity personnel. The role of the CSIRT is to promptly handle an incident so that containment, investigation, and recovery can occur quickly. Where third-party services are leveraged, they ensure they are

engaged as necessary. The CSIRT Leader oversees and prioritizes actions during an incident's detection, analysis, and containment. They are also responsible for conveying the special requirements of high severity incidents to the rest of the organization as well as communicating potential impacts to the CIO. Additionally, they are responsible for understanding the service level agreements ("SLAs") in place with third parties, and the role third parties may play in specific response scenarios. Effective February 2, 2024, our CIO retired from employment and continued to serve as our CIO as a contractor through May 2024. During that time, he continued his existing duties including oversight and management of cybersecurity risk. In June 2024, the Company announced the hiring of a new CIO who will lead the enterprise technology team. The new CIO has over 30 years of experience in IT, enterprise security, and cyber risk management and has previously held global IT infrastructure and business solutions roles. In addition, our CSIRT Leader has 30 years of technology and cybersecurity experience and has previously held data security and global IT infrastructure positions at risk management and asset protection services companies.

The CIO and CSIRT, in combination with the Senior Vice President, Chief Transformation Officer and CEO, play a pivotal role in informing the Audit Committee of the Board of Directors on cybersecurity risks. The Audit Committee is central to the Board's oversight of cybersecurity risks and bears the primary responsibility for this domain. The Audit Committee is composed of Board members with diverse expertise including risk management, technology, and finance, equipping them to oversee cybersecurity risks effectively.

The Vice President, CIO provides comprehensive quarterly briefings to the Audit Committee. These briefings encompass a broad range of topics, including:

- Current cybersecurity landscape and emerging threats;
- Status of ongoing cybersecurity initiatives and strategies;
- Incident reports and learnings from any cybersecurity events; and
- Compliance with regulatory requirements and industry standards.

In addition to our quarterly meetings, the Audit Committee, CIO and CEO maintain an ongoing dialogue regarding emerging or potential cybersecurity risks. The CIO and CEO provide updates on any significant developments in the cybersecurity domain, ensuring the Board's oversight is proactive and responsive. The Audit Committee actively participates in strategic decisions related to cybersecurity, as well as tabletop exercises for tactical response readiness. This involvement ensures that cybersecurity considerations are integrated into the broader strategic objectives of Tennant Company. The Audit Committee conducts an annual review of the Company's cybersecurity posture and the effectiveness of its risk management strategies. This review helps in identifying areas for improvement and ensuring the alignment of cybersecurity efforts with the overall risk management framework.

ITEM 2 – Properties

The Company's corporate offices are owned by the Company and are located in the Minneapolis, Minnesota metropolitan area. Manufacturing facilities located in Golden Valley, Minnesota; Holland, Michigan; Uden, The Netherlands; and the Italian cities of Venice, Cremona and Reggio Emilia and in the Province of Padua are owned by the Company. Manufacturing facilities located in Louisville, Kentucky; São Paulo, Brazil; Hefei, China; and another facility in the Province of Padua are leased to the Company. In addition, we use a dedicated, third-party plant in Germany that specially manufactures heavy-duty stainless steel scrubbers and sweepers to IPC designs. IPC also owns a minor tools and supplies assembly operation in China to service local customers. The facilities are in good operating condition, suitable for their respective uses and adequate for current needs.

Sales offices, warehouse and storage facilities are leased in various locations in the United States, Canada, Mexico, Brazil, Portugal, Spain, Italy, Germany, France, The Netherlands, Belgium, Norway, the United Kingdom, Japan, China, India, Australia, and New Zealand. The Company's facilities are in good operating condition, suitable for their respective uses and adequate for current needs.

Further information regarding the Company's property and lease commitments is included in Note 15 to the consolidated financial statements.

ITEM 3 – Legal Proceedings

Refer to Note 16. Commitments and Contingencies in the consolidated financial statements.

ITEM 4 – Mine Safety Disclosures

Not applicable.

PART II

ITEM 5 – Market for Registrant’s Common Equity, Related Shareholder Matters and Issuer Purchases of Equity Securities

MARKET INFORMATION – Tennant’s common stock is traded on the New York Stock Exchange, under the ticker symbol TNC. As of February 7, 2025, there were 246 shareholders of record.

DIVIDEND INFORMATION – Cash dividends on Tennant’s common stock have been paid for 80 consecutive years. Tennant’s annual cash dividend payout increased for the 53rd consecutive year to \$1.135 per share in 2024, an increase of \$0.06 per share over 2023. Dividends are generally declared each quarter. On February 11, 2025, the Company announced a quarterly cash dividend of \$0.295 per share payable March 14, 2025, to shareholders of record on February 28, 2025.

DIVIDEND REINVESTMENT OR DIRECT DEPOSIT OPTIONS – Shareholders have the option of reinvesting quarterly dividends in additional shares of Company stock or having dividends deposited directly to a bank account. The Transfer Agent should be contacted for additional information.

TRANSFER AGENT AND REGISTRAR – Shareholders with a change of address or questions about their account may contact:

Equiniti Trust Company
Shareowner Services
P.O. Box 64874
St. Paul, MN 55164-0854
(800) 468-9716

SHARE REPURCHASES – Share repurchases are made from time to time in the open market or through privately negotiated transactions. During the twelve months ended December 31, 2024, the Company paid \$19.6 million to repurchase 198,352 shares of its common stock. On October 31, 2016, the Board of Directors authorized the repurchase of 1,000,000 shares of our common stock. Under the share repurchase program, 623,061 shares remain authorized.

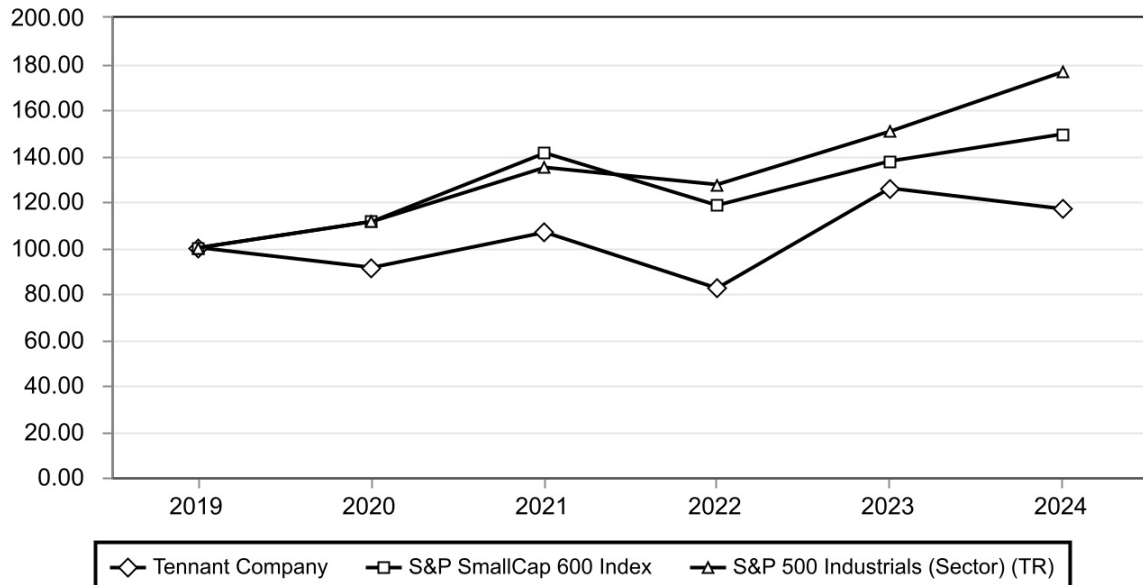
| For the Quarter Ended December 31, 2024 | Total Number of Shares Purchased ^(a) | Average Price Paid Per Share | Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs | Maximum Number of Shares that May Yet Be Purchased Under the Plans or Programs ^(b) |
|--|---|---------------------------------|--|---|
| October 1–31, 2024 | — | \$ — | — | 651,059 |
| November 1–30, 2024 | 28,505 | \$ 89.29 | 27,998 | 623,061 |
| December 1–31, 2024 | — | \$ — | — | 623,061 |
| Total | 28,505 | \$ 79.50 | 27,998 | 623,061 |

^(a) Includes 507 shares delivered or attested to in satisfaction of the exercise price and/or tax withholding obligations by employees who exercised stock options or restricted stock under employee share-based compensation plans.

^(b) On February 11, 2025, the Board of Directors authorized the repurchase of up to 2,000,000 shares. For further information regarding stock repurchase activity, see Note 14 *Shareholders' Equity* to the consolidated financial statements.

STOCK PERFORMANCE GRAPH – The following graph compares the cumulative total shareholder return on Tennant’s common stock to two indices: S&P SmallCap 600 and S&P 500 Industrials (Sector). The graph below compares the performance for the last five fiscal years, assuming an investment of \$100 on December 31, 2019, including the reinvestment of all dividends.

5-YEAR CUMULATIVE TOTAL RETURN COMPARISON



| | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
|-----------------------------------|--------|--------|--------|--------|--------|--------|
| Tennant Company | \$ 100 | \$ 91 | \$ 107 | \$ 82 | \$ 126 | \$ 112 |
| S&P SmallCap 600 | \$ 100 | \$ 111 | \$ 141 | \$ 118 | \$ 137 | \$ 149 |
| S&P 500 Industrials (Sector) (TR) | \$ 100 | \$ 111 | \$ 135 | \$ 127 | \$ 150 | \$ 176 |

Source: Zacks Investment Research, Inc.

ITEM 6 – [Reserved]

ITEM 7 – Management’s Discussion and Analysis of Financial Condition and Results of Operations

The following Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") provides a comparison of the Company's results of operations, as well as liquidity and capital resources for the years ended December 31, 2024 and 2023. The MD&A should be read in conjunction with the Company's consolidated financial statements and notes included in Item 8 of this Annual Report. Throughout this MD&A, the Company refers to measures used by management to evaluate performance, including financial measures that are not defined under generally accepted accounting principles ("GAAP") in the U.S. Net sales excluding foreign currency translation (i.e., organic sales) is not a measure of financial performance under GAAP; however, the Company believes it is useful in understanding its financial results and provides comparable measures for understanding the operating results of the Company between different periods.

The year-over-year comparisons in this MD&A are as of and for the years ended December 31, 2024 and December 31, 2023, unless stated otherwise. The discussion of 2022 results and related year-over-year comparisons as of and for the years ended December 31, 2023 and December 31, 2022 are found in Part II, Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations," of our Form 10-K for the year ended December 31, 2023.

Overview

Tennant Company is a world leader in designing, manufacturing and marketing solutions that help create a cleaner, safer, healthier world. The Company is committed to creating and commercializing breakthrough, sustainable cleaning innovations to enhance its broad suite of products, including floor maintenance and cleaning equipment, detergent-free and other sustainable cleaning technologies, aftermarket parts and consumables, equipment maintenance and repair service, and asset management solutions. Our products are used in many types of environments, including factories and warehouses, distribution centers, office buildings, public venues such as arenas and stadiums, schools and universities, hospitals and clinics, and more. Customers include contract cleaners to whom organizations outsource facilities maintenance as well as businesses that perform facilities maintenance themselves. The Company reaches these customers through the industry's largest direct sales and service organization and through a strong and well-supported network of authorized distributors worldwide.

Macroeconomic Events

Recent geopolitical and macroeconomic events have led to economic uncertainty and volatility globally. Additionally, shifts in the U.S. and international government policies and priorities such as changes in tariffs, trade barriers, and price and exchange controls could impact demand for our products and services, disrupt supply chain, and ultimately have an adverse effect on our business.

Our business is influenced by customer spending and global demand for our products. We are closely monitoring challenging business conditions in APAC, especially in China, which continues to experience market saturation, leading to decreased demand for our mid-tier products and heightened pricing pressures in the region. In Australia, there are signals of reduced demand as customers are delaying equipment orders or moving to rental units. To address these pressures, we've implemented adaptive measures, such as streamlining operations and refining cost management strategies.

Amid the uncertainty of a slowing global economy, global inflation, and geopolitical challenges, we continue to remain focused on long-term resilience. While we are unable to predict the full effect of these geopolitical and macroeconomic events and how they might evolve, we are committed to supporting our customers, maintaining operational stability, and navigating the volatile global landscape with a focus on sustainable growth.

See the "Risk Factors" section in Part I, Item 1A of this Annual Report for further discussion of the possible impact of the above conflicts and macroeconomic events on our business and financial results.

Outlook

As we look ahead to 2025, while we expect to face a significant backlog headwind in 2025, the underlying business continues to drive year-over-year order growth. Given the robust reception to our recent product

introductions and a solid pipeline of upcoming products, combined with expanded go-to-market strategies and a disciplined pricing approach, we are well positioned to continue to execute our enterprise growth strategy effectively.

Historical Results

The following table compares the historical results of operations for the years ended December 31, 2024, and 2023 in dollars and as a percentage of net sales (in millions, except per share amounts and percentages):

| | 2024 | % | 2023 | % |
|---------------------------------------|------------|-------|------------|-------|
| Net sales | \$ 1,286.7 | 100.0 | \$ 1,243.6 | 100.0 |
| Cost of sales | 736.7 | 57.3 | 715.8 | 57.6 |
| Gross profit | 550.0 | 42.7 | 527.8 | 42.4 |
| Selling and administrative expense | 391.9 | 30.5 | 352.6 | 28.4 |
| Research and development expense | 43.8 | 3.4 | 36.6 | 2.9 |
| Operating income | 114.3 | 8.9 | 138.6 | 11.1 |
| Interest expense, net | (9.1) | (0.7) | (13.5) | (1.1) |
| Net foreign currency transaction gain | 0.1 | — | 0.3 | — |
| Other expense, net | (0.5) | — | (1.6) | (0.1) |
| Income before income taxes | 104.8 | 8.1 | 123.8 | 10.0 |
| Income tax expense | 21.1 | 1.6 | 14.3 | 1.1 |
| Net income | 83.7 | 6.5 | 109.5 | 8.8 |
| Net income per share - diluted | \$ 4.38 | | \$ 5.83 | |

Net Sales

Consolidated net sales in 2024 totaled \$1,286.7 million, a 3.5% increase as compared to consolidated net sales of \$1,243.6 million in 2023. The components of the consolidated net sales change were as follows:

| | Twelve Months Ended December 31, 2024 vs. 2023 |
|------------------|--|
| Price | 2.5% |
| Volume | 0.7% |
| Organic growth | 3.2% |
| Acquisitions | 0.7% |
| Foreign currency | (0.4)% |
| Total growth | 3.5% |

The 3.5% increase in consolidated net sales was driven by:

- Organic sales growth of 3.2% attributed to price realization across all regions, favorable product and channel mix, and higher equipment sales in the Americas, partly offset by volume declines in the EMEA and APAC regions;
- Inorganic sales growth of 0.7% driven by the acquisition of TCS; partly offset by
- A net unfavorable impact from foreign currency exchange of approximately 0.4%.

The following table sets forth annual net sales by geographic area and the related percentage change from the prior year (in millions, except percentages):

| | 2024 | % | 2023 | % |
|---------------------------------------|------------|--------|------------|--------|
| Americas | \$ 888.5 | 5.7 | \$ 840.3 | 7.2 |
| Europe, Middle East and Africa (EMEA) | 318.5 | 1.3 | 314.4 | (9.1) |
| Asia Pacific (APAC) | 79.7 | (10.3) | 88.9 | (15.8) |
| Total | \$ 1,286.7 | 3.5 | \$ 1,243.6 | 0.1 |

Americas

Net sales in the Americas were \$888.5 million in 2024, an increase of 5.7% from 2023 driven by:

- Organic sales growth of 6.3%, primarily due to price realization and volume increases in equipment and service, partly offset by volume declines in parts and consumables in North America; and
- A net unfavorable impact from foreign currency exchange of approximately 0.6%.

Europe, Middle East and Africa ("EMEA")

EMEA net sales were \$318.5 million in 2024, an increase of 1.3% from 2023 driven by:

- Inorganic sales growth of 2.6% driven by the acquisition of TCS;
- A net favorable impact from foreign currency exchange of approximately 0.3%; partly offset by
- Organic sales decrease of 1.6%, primarily due to volume declines in both equipment sales and parts and consumables, partly offset by price realization in all categories. EMEA volumes were impacted by weak economic conditions and a small contribution from backlog reduction.

Asia Pacific ("APAC")

APAC net sales were \$79.7 million in 2024, a decrease of 10.3% from 2023 driven by:

- Organic sales decrease of 9.5%, primarily driven by volume declines partly offset by price realization in China and Australia; and
- A net unfavorable impact from foreign currency exchange of approximately 0.8%.

Backlog

Backlog is one of the many indicators of business conditions in the Company's markets. Our order backlog was approximately \$61.5 million at December 31, 2024, compared to \$186.2 million at December 31, 2023. From 2020 to 2022, our backlog grew to unusually high levels due to supply chain constraints resulting from the COVID-19 pandemic. This trend began to reverse in 2023 as supply chain conditions improved, allowing us to obtain key component parts and increase production levels. As a result, our order backlog at December 31, 2024 reflects a return to normalized levels.

Gross Profit

Gross profit margin of 42.7% was 30 basis points higher in 2024 compared to 2023. The margin rate increase was the result of pricing and cost-out initiative efforts, which outpaced the impact of inflation in the year. Strong margin rates are also supported by favorable product mix, including the reduction of industrial equipment backlog in the first half of 2024.

Operating Expenses

Selling and Administrative Expense

Selling and Administrative expense ("S&A expense") was \$391.9 million in 2024, an increase of \$39.3 million compared to 2023. As a percentage of net sales, S&A expense in 2024 increased 210 basis points to 30.5% from 28.4% in 2023. The S&A expense increase was primarily driven by Enterprise Resource Planning

("ERP") modernization costs, legal contingency costs related to an intellectual property dispute, restructuring-related charges associated with our global workforce realignment, and transaction and integration costs.

Research and Development Expense

Research and Development ("R&D") expense was \$43.8 million, or 3.4% of net sales, in 2024, with R&D as a percentage of sales increasing 50 basis points compared to 2023.

We continue to invest in developing innovative products and technologies at levels necessary to propel our technology, innovative leadership position and drive growth.

Total Other Expense, Net

Interest Expense, Net

Interest expense, net was \$9.1 million in 2024, a decrease of \$4.4 million compared to 2023. The decrease was the result of lower weighted average outstanding borrowings. The following table compares the weighted average outstanding borrowings, average interest rate, interest expense and interest income for the years ended December 31 (in millions, except percentages):

| | 2024 | 2023 |
|---|-------------|-------------|
| Weighted Average Outstanding Borrowings | \$ 211.8 | \$ 270.4 |
| Average interest rate | 6.42 % | 6.27 % |
| Interest expense | 13.6 | 17.0 |
| Interest income | (4.5) | (3.5) |
| Interest expense, net | \$ 9.1 | \$ 13.5 |

Our debt portfolio as of December 31, 2024 was comprised of debt predominately in U.S. dollars. The Company manages its floating rate debt exposure using fixed rate interest rate swaps to reduce the Company's risk of the possibility of increased interest costs.

Foreign Currency Transaction Gain/Loss

Net foreign currency transaction gain was \$0.1 million in 2024, compared to a \$0.3 million gain in 2023. The favorable impact was primarily due to hedging gains on foreign denominated receivables.

Income Taxes

The effective tax rate for 2024 was 20.1% compared to 11.6% in 2023. The increase in the effective tax rate was primarily driven by the value of certain non-cash exceptional tax items. Both the 2024 and 2023 tax rates include benefits related to a reduction to a deferred tax liability on undistributed foreign earnings as those cumulative earnings were reduced by current year statutory book losses. We do not expect similar benefits in future years. These non-cash events had impacts of (3.7%) in 2024 and (12.0%) in 2023. Absent these benefits the effective tax rate for 2024 and 2023 would be 23.8% and 23.6%, respectively.

In December 2021, the Organization for Economic Cooperation and Development ("OECD"), which is an international public policy setting organization comprised of member countries including the U.S., published a proposal for the establishment of a global minimum tax rate of 15% (the "Pillar Two rule"). Member states have begun implementing the rules through local legislation and the OECD continues to refine technical guidance. Member states have begun implementing the rules through local legislation and the OECD continues to refine technical guidance. We have considered the applicable developments under the Pillar Two rules and there is no material impact on the 2024 consolidated financial statements.

In general, it is our practice and intention to permanently reinvest the earnings of our foreign subsidiaries and repatriate earnings only when the tax impact is zero or immaterial. No deferred taxes have been provided for withholding taxes or other taxes that would result in repatriation of our foreign investments to the U.S.

Liquidity and Capital Resources

Liquidity

Our primary liquidity needs are to fund working capital, fund investments, service our debt, maintain cash reserves and invest in capital expenditures. Our sources of liquidity include cash generated from operations, borrowings under our revolving credit facility and from time to time, debt and equity offerings. We believe our current resources are sufficient to meet our working capital requirements for our current business for at least the next 12 months and thereafter for the foreseeable future.

Cash, cash equivalents and restricted cash totaled \$99.8 million at December 31, 2024, as compared to \$117.1 million as of December 31, 2023. Wherever possible, cash management is centralized and intercompany financing is used to provide working capital to subsidiaries as needed. Our current ratio was 2.0 as of December 31, 2024 and 2.1 as of December 31, 2023. Our primary working capital, which is comprised of accounts receivable, inventories and accounts payable was \$316.0 million as of December 31, 2024 and \$312.1 million as of December 31, 2023. Our debt-to-capital ratio was 24.3% as of December 31, 2024, compared to 25.8% as of December 31, 2023.

As of December 31, 2024, we had letters of credit and bank guarantees outstanding in the amount of \$3.2 million, leaving approximately \$449.3 million of unused borrowing capacity on our revolving facility.

On February 11, 2025, the Company's Board of Directors authorized a quarterly cash dividend of \$0.295 per share payable on March 14, 2025, to shareholders of record at the close of business on February 28, 2025.

Cash Flow from Operating Activities

Net cash provided by operating activities in 2024 was \$89.7 million compared to net cash provided by operating activities of \$188.4 million in 2023. The decrease in cash provided was the result of consumption of working capital, mainly related to inventories, accounts receivable and bonus payouts, and spend on our ERP modernization project of \$37.3 million.

Cash Flow from Investing Activities

Net cash used in investing activities in 2024 was \$78.4 million compared to net cash used in investing activities of \$23.2 million in 2023. The increase in cash outflows was primarily driven by cash used for the investment in Brain Corp of \$32.1 million and cash used, net of cash acquired, for the acquisition of TCS of \$25.7 million.

Cash Flow from Financing Activities

Net cash used in financing activities in 2024 was \$25.2 million compared to net cash used in financing activities of \$122.6 million in 2023. The decrease in cash outflows was primarily driven by proceeds from exercises of stock options decreased net repayments of borrowings, partly offset by dividend payments and share repurchases.

Stock Repurchase Program

On February 11, 2025, our board of directors authorized the repurchase of up to 2,000,000 shares of our common stock. This increase was in addition to the remaining authorized shares under our prior common stock repurchase program that was authorized on October 31, 2016 (the "Program"). Share repurchases may be made on an opportunistic basis through open market transactions, privately negotiated transactions, or by other means in accordance with applicable federal securities laws. We are not obligated to purchase any shares, and there is no set date that the program will expire. Our board of directors, at its discretion, may increase or decrease the number of authorized shares or terminate the Program at any time.

During the year ended December 31, 2024, we repurchased 198,352 shares under the Program, with 623,061 shares of common stock remaining.

For more information related to our stock repurchases, see Note 14, *Shareholders' Equity*, of the Notes to Consolidated Financial Statements in "Item 8. Financial Statements and Supplementary Data" of this Form 10-K.

Cash Requirements

The Company believes the liquidity available from the combination of expected cash generated by operating activities, existing cash and available credit under existing credit facilities will be sufficient to meet its short-term and long-term cash requirements. Significant contractual obligations include principal and interest payments on long-term debt (Note 9) and operating lease commitments (Note 15). We also have contractual purchase obligations of approximately \$62 million for 2025.

Newly Issued Accounting Guidance

See Note 2 to the consolidated financial statements for information on newly adopted accounting pronouncements.

In October 2023, the FASB issued ASU 2023-06 *Disclosure Improvements: Codification Amendments in Response to the SEC's Disclosure Update and Simplification Initiative*, which aims to clarify or improve disclosure and presentation requirements on a variety of topics and align the requirements in the FASB accounting standard with the Securities and Exchange Commission regulations. This guidance is effective for the Company no later than June 30, 2027. We do not expect the amendments in this update to have a material impact on our consolidated financial statements.

In December 2023, the FASB issued ASU 2023-09 *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*, which is intended to enhance the transparency and decision usefulness of income tax disclosures. The amendments in ASU 2023-09 address investor requests for enhanced income tax information primarily through changes to the rate reconciliation and income taxes paid information. The amendments in this ASU are required to be adopted for fiscal years beginning after December 15, 2024. Early adoption is permitted for annual financial statements that have not yet been issued. The amendments should be applied on a prospective basis although retrospective application is permitted. We are currently evaluating the impact of adoption on our financial disclosures.

In November 2024, the FASB issued ASU 2024-03 *Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures (Topic 220) - Disaggregation of Income Statement Expenses*, which requires disaggregation of certain income statement expense captions into specified categories to be disclosed within the notes to the financial statements, but does not change the expense captions on the consolidated income statement. The ASU is effective for annual periods beginning after December 15, 2026, and interim periods within fiscal years beginning after December 15, 2027. Adoption of this ASU can either be applied prospectively to consolidated financial statements issued for reporting periods after the effective date of this ASU or retrospectively to any or all prior periods presented in the consolidated financial statements. We are evaluating the effect that this guidance will have on our consolidated financial statements and related disclosures.

No other new accounting pronouncements issued but not yet effective have had, or are expected to have, a material impact on our results of operations or financial position.

Critical Accounting Policies and Estimates

Our consolidated financial statements are based on the selection and application of accounting principles generally accepted in the United States of America, which require us to make estimates and assumptions about future events that affect the amounts reported in our consolidated financial statements and the accompanying notes. Our significant accounting policies are described in Note 1 to the consolidated financial statements. Future events and their effects cannot be determined with absolute certainty. Therefore, the determination of estimates requires the exercise of judgment. Actual results could differ from those estimates, and any such differences may be material to the consolidated financial statements. We believe that the following policies may involve a higher degree of judgment and complexity in their application and represent the critical accounting policies used in the preparation of our consolidated financial statements. If different assumptions or conditions were to prevail, the results could be materially different from our reported results.

Goodwill – Goodwill represents the excess of cost over the fair value of net assets of businesses acquired and is allocated to our reporting units at the time of the acquisition. We analyze goodwill on an annual basis and when an event occurs or circumstances change that may reduce the fair value of a reporting unit below its carrying amount. We have the option of first analyzing qualitative factors to determine whether it is more likely

than not that the fair value of any reporting unit is less than its carrying amount. However, we may elect to perform a quantitative goodwill impairment test in lieu of the qualitative test. An entity must recognize an impairment charge for the amount by which the carrying amount exceeds the reporting unit's fair value. Subsequent reversal of goodwill impairment charges is not permitted.

When we perform a qualitative goodwill test, we analyze qualitative factors to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount as a basis for determining whether it is necessary to perform the quantitative goodwill impairment test. If the qualitative test indicates there may be an impairment, we perform the quantitative test, which measures the amount of the goodwill impairment, if any. To perform the quantitative test, we calculate the fair value of each reporting unit, primarily utilizing the income approach and market approach. The income approach is based on discounted cash flow models that use reporting unit estimates for forecasted future financial performance, including revenues, margins, operating expenses, capital expenditures, depreciation, amortization, tax and discount rates. The market approach is based on assumptions related to earnings before interest, taxes, depreciation, and amortization ("EBITDA") multiples. These estimates are developed as part of our planning process based on assumed growth rates, along with historical data and various internal estimates. Projected future cash flows are then discounted to a present value employing a discount rate that properly accounts for the estimated risk-adjusted weighted-average cost of capital relevant to each reporting unit.

We perform our annual goodwill impairment analysis as of October 1 and when an event occurs or circumstances change that may reduce the fair value of a reporting unit below its carrying amount.

In 2024, we elected to perform the quantitative test on the EMEA and APAC reporting units. Our test indicated that the fair value was substantially in excess of its carrying value. There was no goodwill impairment in any of our reporting units as of our annual assessment date.

We had goodwill of \$185.6 million and \$187.4 million at December 31, 2024 and 2023, respectively.

Income Taxes – We are required to estimate our income taxes in each of the jurisdictions in which we operate. This process involves estimating our actual current tax obligations based on expected income, statutory tax rates and tax planning opportunities in the various jurisdictions. We also establish reserves for uncertain tax matters that are complex in nature and uncertain as to the ultimate outcome. Although we believe that our tax return positions are fully supportable, we consider our ability to ultimately prevail in defending these matters when establishing these reserves. We adjust our reserves in light of changing facts and circumstances, such as the closing of a tax audit. We believe that our current reserves are adequate. However, the ultimate outcome may differ from our estimates and assumptions and could impact the income tax expense reflected in our consolidated statements of income.

Tax law requires certain items to be included in our tax return at different times than the items are reflected in our results of operations. Some of these differences are permanent, such as expenses that are not deductible in our tax returns, and some differences will reverse over time, such as depreciation expense on property, plant and equipment. These temporary differences result in deferred tax assets and liabilities, which are included within our consolidated balance sheets. Deferred tax assets generally represent items that can be used as a tax deduction or credit in our tax returns in future years but have already been recorded as an expense in our consolidated statements of income. We assess the likelihood that our deferred tax assets will be recovered from future taxable income, and, based on management's judgment, to the extent we believe that recovery is not more likely than not, we establish a valuation allowance against those deferred tax assets. The deferred tax asset valuation allowance could be materially different from actual results because of changes in the mix of future taxable income, the relationship between book and taxable income and our tax planning strategies. As of December 31, 2024, a valuation allowance of \$3.3 million was recorded against foreign and state tax credit carryforwards.

Cautionary Factors Relevant to Forward-Looking Information

This Annual Report on Form 10-K, including “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in Part II, Item 7, contains certain statements that are considered “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements generally can be identified by the use of forward-looking terminology such as “may,” “will,” “expect,” “intend,” “estimate,” “anticipate,” “believe,” “project,” or “continue” or similar words or the negative thereof. These statements do not relate to strictly historical or current facts and provide current expectations of forecasts of future events. Any such expectations or forecasts of future events are subject to a variety of factors. Particular risks and uncertainties presently facing us include:

- Geopolitical and economic uncertainty throughout the world.
- Ability to comply with global laws and regulations.
- Changes in foreign currency translation rates.
- Ability to adapt to price sensitivity.
- Competition in our business.
- Fluctuations in the cost, quality or availability of raw materials and purchased components.
- Ability to adjust pricing to respond to cost pressures.
- Unforeseen product liability claims or product quality issues.
- Ability to attract, retain and develop key personnel and create effective succession planning strategies.
- Ability to effectively manage strategic plan or growth processes.
- Ability to implement our new ERP system.
- Ability to successfully protect our information technology systems from cybersecurity risks.
- Occurrence of a significant business interruption.
- Ability to maintain the health and safety of our workforce.
- Ability to complete and integrate acquisitions.
- Ability to develop and commercialize new innovative products and services.
- Ability to execute our business transformation strategy.

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 our results can be found in Part I, Item 1A “Risk Factors” of this 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 us in our filings with the SEC 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.

ITEM 7A – Quantitative and Qualitative Disclosures About Market Risk

Commodity Risk – We are subject to exposures resulting from potential cost increases related to our purchase of raw materials or other product components. We do not use derivative commodity instruments to manage our exposures to changes in commodity prices such as steel, oil, gas, lead and other commodities.

Various factors beyond our control affect the price of oil and gas, including, but not limited to, worldwide and domestic supplies of oil and gas, political instability or armed conflict in oil-producing regions, the price and level of foreign imports, the level of consumer demand, the price and availability of alternative fuels, domestic and foreign governmental regulation, weather-related factors and the overall economic environment. We purchase petroleum-related component parts for use in our manufacturing operations. In addition, our freight costs associated with shipping and receiving product and sales and service vehicle fuel costs are impacted by fluctuations in the cost of oil and gas.

We continue to focus on mitigating the risk of future raw material or other product component cost increases through supplier negotiations, ongoing optimization of our supply chain, the continuation of cost-reduction actions and product pricing. The success of these efforts will depend upon our ability to leverage our commodity spend in the current global economic environment. If the commodity prices increase significantly and we are not able to offset the increases with higher selling prices, our results may be unfavorably impacted in the future.

Interest Rate Risk – Our debt portfolio as of December 31, 2024, was comprised of debt predominately denominated in U.S. dollars. We are exposed to changes in interest rates as a result of borrowing activities with variable interest rates that impact interest incurred. The Company manages its floating rate debt exposure using interest rate swaps. Fixed rate swaps are used to reduce the Company's risk of the possibility of increased interest costs.

As of December 31, 2024, the Company's financial liabilities subject to changes in interest rates are \$197.5 million of our revolving credit facility borrowings. The Company entered into an aggregate \$120 million notional amount of interest rate swaps effective December 1, 2022 that exchange a variable rate of interest for a fixed rate of interest of 4.076% over the term of the agreements, which mature on December 1, 2026. Assuming a hypothetical 50 basis point increase in short-term interest rates, with all other variables remaining constant, interest expense, net would have increased by approximately \$0.45 million in 2024.

Foreign Currency Exchange Rate Risk – Due to the global nature of our operations, we are subject to exposures resulting from foreign currency exchange fluctuations in the normal course of business. Our primary exchange rate exposures are with the Euro, Australian and Canadian dollars, British pound, Japanese yen, Chinese renminbi, Brazilian real and Mexican peso against the U.S. dollar. The direct financial impact of foreign currency exchange includes the effect of translating profits from local currencies to U.S. dollars, the impact of currency fluctuations on the transfer of goods between our operations in the United States and our international operations and transaction gains and losses. In addition to the direct financial impact, foreign currency exchange has an indirect financial impact on our results, including the effect on sales volume within local economies and the impact of pricing actions taken as a result of foreign exchange rate fluctuations.

In the normal course of business, we actively manage the exposure of our foreign currency exchange rate market risk by entering into various hedging instruments with counterparties that are highly rated financial institutions. We may use foreign exchange purchased options or forward contracts to hedge our foreign currency denominated forecasted revenues or forecasted sales to wholly owned foreign subsidiaries. Additionally, we hedge our net recognized foreign currency assets and liabilities with foreign exchange forward contracts. We hedge these exposures to reduce the risk that our net earnings and cash flows will be adversely affected by changes in foreign exchange rates. We do not enter into any of these instruments for speculative or trading purposes to generate revenue.

These contracts are carried at fair value and have maturities between one and 12 months. The gains and losses on these contracts generally approximate changes in the value of the related assets, liabilities or forecasted transactions. Some of the derivative instruments we enter into do not meet the criteria for cash flow hedge accounting treatment; therefore, changes in fair value are recorded in foreign currency transaction losses on our consolidated statements of income.

We use foreign currency exchange rate derivatives to hedge our exposure to fluctuations in exchange rates for anticipated intercompany cash transactions between the Company and its subsidiaries.

On April 5, 2022, we entered into Euro to U.S. dollar foreign exchange cross-currency swaps associated with an intercompany loan from a wholly owned European subsidiary. We enter into these foreign exchange cross-currency swaps to hedge the foreign currency risk associated with this intercompany loan, and accordingly, they are not speculative in nature. These cross-currency swaps are designated as fair value hedges. As of December 31, 2024, these cross-currency swaps included €75.0 million of total notional value. As of December 31, 2024, the aggregated scheduled interest payments over the course of the loan and related swaps amounted to €5.3 million. The scheduled maturity and principal payment of the loan and related interest payments of €80.3 million are due in April 2027. Based on the fair value hedges outstanding as of December 31, 2024, a 10% appreciation of the U.S. dollar compared to the Euro would result in a net gain of \$7.8 million in the fair value of these contracts.

On April 5, 2022, we entered into Euro to U.S. dollar foreign exchange cross-currency swaps to hedge our exposure to adverse foreign currency exchange rate movements between Tennant Company and a wholly owned European subsidiary. We enter into these fixed-to-fixed cross-currency swap agreements to protect a designated monetary amount of the Company's net investment in its Euro functional currency subsidiary against the risk of changes in the Euro to U.S. dollar foreign exchange rate. These cross-currency swaps are designated as net investment hedges. As of December 31, 2024, the cross-currency swaps included €75.0 million of total notional values. These swaps are scheduled to mature in April 2027. Based on the net investment hedges outstanding as of December 31, 2024, a 10% appreciation of the U.S. dollar compared to the Euro would result in a net gain of \$7.8 million in the fair value of these contracts.

For further information regarding our foreign currency derivatives and hedging programs, see Note 11 to the consolidated financial statements.

For details of the estimated effects of currency translation on the operations of our operating segments, see Part II, Item 7 – "Management's Discussion and Analysis of Financial Condition and Results of Operations."

Other Matters – Management regularly reviews our business operations with the objective of improving and maximizing our financial performance. As a result of this ongoing process to improve financial performance, we may incur additional restructuring charges in the future which, if taken, could be material to our financial results.

ITEM 8 – Financial Statements and Supplementary Data

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the shareholders and the Board of Directors of Tennant Company

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Tennant Company and subsidiaries (the "Company") as of December 31, 2024 and 2023, the related consolidated statements of income, comprehensive income, cash flows, and equity, for each of the three years in the period ended December 31, 2024, and the related notes and the schedule listed in the Index at Item 15 (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2024, and 2023, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2024, in conformity with accounting principles generally accepted in the United States of America.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2024, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated February 18, 2025, expressed an unqualified opinion on the Company's internal control over financial reporting.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current-period audit of the financial statements that was communicated or required to be communicated to the audit committee and that (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Goodwill – EMEA Reporting Unit - Refer to Notes 1 and 8 of the consolidated financial statements

Critical Audit Matter Description

The Company's annual evaluation of goodwill for impairment involved the comparison of the EMEA reporting unit's fair value to its carrying value. The Company determined the fair value using a combination of income and market approaches. The income approach utilized a discounted cash flow model, which required management to make significant estimates and assumptions related to forecasts of future revenue, profit margins, long-term growth rate, and discount rate. The market approach required management to make significant assumptions

related to earnings before interest, taxes, depreciation, and amortization (EBITDA) multiples. As of December 31, 2024, the goodwill balance for the EMEA reporting unit was \$151.1 million. The fair value of the EMEA reporting unit exceeded its carrying value, and therefore, no impairment was recognized.

Given the significant judgments made by management to estimate the fair value of the EMEA reporting unit and the differences between its fair value and carrying value, performing audit procedures to evaluate the reasonableness of management's estimates and assumptions regarding forecasts of future revenue, profit margins, long-term growth rate, discount rate, and EBITDA multiples required a high degree of auditor judgment and an increased extent of effort, including the need to involve fair value specialists.

How the Critical Audit Matter Was Addressed in the Audit

Our audit procedures related to the forecasts of future revenue, profit margins, long-term growth rate, discount rate, and EBITDA multiples for the EMEA reporting unit included the following, among others:

- We tested the effectiveness of controls over goodwill, including those over the underlying assumptions to forecast future revenue, long-term growth rate, profit margins, the selection of the discount rate, and the selection of the EBITDA multiples.
- We evaluated management's ability to accurately forecast future revenues and profit margins by comparing actual results to management's historical forecasts.
- We evaluated the reasonableness of management's forecasted revenue and profit margins by comparing the forecasts to (1) historical results, (2) internal communications between management and the Board of Directors, and (3) information included in Company press releases as well as in analyst and industry reports of the Company and companies in its peer group.
- With the assistance of our fair value specialists, we evaluated the valuation methodologies, the long-term growth rate and discount rate, including testing the underlying source information and the mathematical accuracy of the calculations, and developing a range of independent estimates and comparing those to the long-term growth rate and discount rate selected by management.
- With the assistance of our fair value specialists, we evaluated the EBITDA multiples used in estimating fair value, including testing the underlying source information and mathematical accuracy of the calculations, and comparing the multiples selected by management to its guideline companies.

/s/ Deloitte & Touche LLP

Minneapolis, Minnesota

February 18, 2025

We have served as the Company's auditor since 2019.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the shareholders and the Board of Directors of Tennant Company

Opinion on Internal Control over Financial Reporting

We have audited the internal control over financial reporting of Tennant Company and subsidiaries (the "Company") as of December 31, 2024, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2024, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by COSO.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated financial statements as of and for the year ended December 31, 2024, of the Company and our report dated February 18, 2025, expressed an unqualified opinion on those financial statements.

As described in Management's Report on Internal Control over Financial Reporting, management excluded from its assessment the internal control over financial reporting at TCS EMEA GmbH ("TCS"), which was acquired on February 29, 2024, and whose financial statements constitute \$37.2 million of total assets and \$22.0 million of total revenues included within the consolidated financial statement amounts of Tennant Company as of and for the year ended December 31, 2024. Accordingly, our audit did not include the internal control over financial reporting at TCS.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Deloitte & Touche LLP

Minneapolis, Minnesota
February 18, 2025

Consolidated Statements of Income
TENNANT COMPANY AND SUBSIDIARIES*(In millions, except shares and per share data)*

| Years ended December 31 | 2024 | | 2023 | | 2022 |
|--|-------------|------------|-------------|------------|-------------|
| Net sales | \$ | 1,286.7 | \$ | 1,243.6 | \$ 1,092.2 |
| Cost of sales | | 736.7 | | 715.8 | 671.3 |
| Gross profit | | 550.0 | | 527.8 | 420.9 |
| Selling and administrative expense | | 391.9 | | 352.6 | 306.3 |
| Research and development expense | | 43.8 | | 36.6 | 31.1 |
| Gain on sale of assets | | — | | — | (3.7) |
| Operating income | | 114.3 | | 138.6 | 87.2 |
| Interest expense, net | | (9.1) | | (13.5) | (7.1) |
| Net foreign currency transaction gain (loss) | | 0.1 | | 0.3 | (1.2) |
| Other (expense) income, net | | (0.5) | | (1.6) | 0.6 |
| Income before income taxes | | 104.8 | | 123.8 | 79.5 |
| Income tax expense | | 21.1 | | 14.3 | 13.2 |
| Net income | \$ | 83.7 | \$ | 109.5 | \$ 66.3 |
| Net income per share | | | | | |
| Basic | \$ | 4.46 | \$ | 5.92 | \$ 3.58 |
| Diluted | \$ | 4.38 | \$ | 5.83 | \$ 3.55 |
| Weighted average shares outstanding: | | | | | |
| Basic | | 18,786,871 | | 18,509,523 | 18,494,356 |
| Diluted | | 19,096,138 | | 18,783,633 | 18,697,255 |

See accompanying notes to consolidated financial statements.

Consolidated Statements of Comprehensive Income
TENNANT COMPANY AND SUBSIDIARIES*(In millions)*

| Years ended December 31 | | 2024 | | 2023 | | 2022 |
|---|----|-------------|----|-------------|----|-------------|
| Net income | \$ | 83.7 | \$ | 109.5 | \$ | 66.3 |
| Other comprehensive (loss) income: | | | | | | |
| Foreign currency translation adjustments (net of related tax (expense) benefit of \$(0.2), \$0.8, and \$(1.2), respectively) | | (29.6) | | 8.3 | | (17.9) |
| Pension and postretirement medical benefits (net of related tax benefit (expense) of \$0.3, \$(0.3), and \$(1.6), respectively) | | (0.9) | | 1.0 | | 4.8 |
| Derivative financial instruments (net of tax benefit (expense) of \$0.0, \$0.4, and \$(0.3), respectively) | | (0.1) | | (1.4) | | 0.8 |
| Unrealized gain on debt securities (net of tax benefit of \$0.1, \$0.0, and \$0.0, respectively) | | 0.2 | | — | | — |
| Total other comprehensive (loss) income, net of tax | | (30.4) | | 7.9 | | (12.3) |
| Comprehensive income | \$ | 53.3 | \$ | 117.4 | \$ | 54.0 |

See accompanying notes to consolidated financial statements.

Consolidated Balance Sheets
TENNANT COMPANY AND SUBSIDIARIES

(In millions, except shares and per share data)

| December 31 | 2024 | 2023 |
|---|------------|------------|
| ASSETS | | |
| Cash, cash equivalents, and restricted cash | \$ 99.8 | \$ 117.1 |
| Receivables, less allowances of \$7.1 and \$7.2, respectively | 259.1 | 247.6 |
| Inventories | 183.8 | 175.9 |
| Prepaid and other current assets | 33.9 | 28.5 |
| Total current assets | 576.6 | 569.1 |
| Property, plant and equipment, less accumulated depreciation of \$310.9 and \$304.0, respectively | 184.4 | 187.7 |
| Operating lease assets | 54.6 | 41.7 |
| Goodwill | 185.6 | 187.4 |
| Intangible assets, net | 58.7 | 63.1 |
| Other assets | 130.2 | 64.4 |
| Total assets | \$ 1,190.1 | \$ 1,113.4 |
| LIABILITIES AND TOTAL EQUITY | | |
| Current portion of long-term debt | \$ 1.3 | \$ 6.4 |
| Accounts payable | 126.9 | 111.4 |
| Employee compensation and benefits | 60.5 | 67.3 |
| Other current liabilities | 103.5 | 88.6 |
| Total current liabilities | 292.2 | 273.7 |
| Long-term debt | 198.2 | 194.2 |
| Long-term operating lease liabilities | 36.3 | 27.4 |
| Employee-related benefits | 13.5 | 13.3 |
| Deferred income taxes | 4.9 | 5.0 |
| Other liabilities | 22.9 | 21.5 |
| Total long-term liabilities | 275.8 | 261.4 |
| Total liabilities | 568.0 | 535.1 |
| Commitments and contingencies (Note 16) | | |
| Common stock, \$0.375 par value per share, 60,000,000 shares authorized; 18,849,456 and 18,631,384 issued and outstanding, respectively | 7.1 | 7.0 |
| Additional paid-in capital | 76.7 | 64.9 |
| Retained earnings | 609.7 | 547.4 |
| Accumulated other comprehensive loss | (72.7) | (42.3) |
| Total Tennant Company shareholders' equity | 620.8 | 577.0 |
| Noncontrolling interest | 1.3 | 1.3 |
| Total equity | 622.1 | 578.3 |
| Total liabilities and total equity | \$ 1,190.1 | \$ 1,113.4 |

See accompanying notes to consolidated financial statements.

Consolidated Statements of Cash Flows TENNANT COMPANY AND SUBSIDIARIES

(In millions)

| December 31 | 2024 | 2023 | 2022 |
|---|----------------|-----------------|----------------|
| OPERATING ACTIVITIES | | | |
| Net income | \$ 83.7 | \$ 109.5 | \$ 66.3 |
| Adjustments to reconcile net income to net cash provided by (used in) operating activities: | | | |
| Depreciation expense | 40.1 | 36.4 | 32.8 |
| Amortization expense | 15.0 | 14.7 | 15.9 |
| Deferred income tax benefit | (9.8) | (26.9) | (15.6) |
| Share-based compensation expense | 11.9 | 11.6 | 7.8 |
| Bad debt and returns expense | 3.4 | 3.4 | 2.3 |
| Gain on sale of assets | — | — | (3.7) |
| Other, net | 0.6 | 1.3 | 1.0 |
| Changes in operating assets and liabilities: | | | |
| Receivables | (15.0) | 4.1 | (46.3) |
| Inventories | (33.0) | 14.3 | (68.3) |
| Accounts payable | 15.4 | (15.3) | 7.7 |
| Employee compensation and benefits | (5.2) | 22.3 | (14.8) |
| Other assets and liabilities | (17.4) | 13.0 | (10.2) |
| Net cash provided by (used in) operating activities | 89.7 | 188.4 | (25.1) |
| INVESTING ACTIVITIES | | | |
| Purchases of property, plant and equipment | (20.9) | (22.8) | (25.0) |
| Purchase of investment | (32.1) | — | — |
| Payments made in connection with business acquisition, net of cash acquired | (25.7) | — | — |
| Investment in leased assets | (0.5) | (1.2) | (4.3) |
| Cash received from leased assets | 0.8 | 0.8 | 0.6 |
| Proceeds from sale of assets, net of cash divested | — | — | 4.1 |
| Other, net | — | — | 0.1 |
| Net cash used in investing activities | (78.4) | (23.2) | (24.5) |
| FINANCING ACTIVITIES | | | |
| Proceeds from borrowings | 40.9 | 20.0 | 52.0 |
| Repayments of borrowings | (42.5) | (120.0) | (19.1) |
| Payment of debt financing costs | (2.2) | — | — |
| Change in finance lease obligations | — | 0.2 | — |
| Proceeds from exercise of stock options, net of employee tax withholdings obligations of \$3.8, \$1.7 and \$2.0, respectively | 19.6 | 19.0 | (0.9) |
| Dividends paid | (21.4) | (20.1) | (18.9) |
| Repurchases of common stock | (19.6) | (21.7) | (5.0) |
| Net cash (used in) provided by financing activities | (25.2) | (122.6) | 8.1 |
| Effect of exchange rate changes on cash, cash equivalents and restricted cash | (3.4) | (2.9) | (4.7) |
| Net (decrease) increase in cash, cash equivalents and restricted cash | (17.3) | 39.7 | (46.2) |
| Cash, cash equivalents and restricted cash at beginning of year | 117.1 | 77.4 | 123.6 |
| Cash, cash equivalents and restricted cash at end of year | \$ 99.8 | \$ 117.1 | \$ 77.4 |

SUPPLEMENTAL CASH FLOW INFORMATION

| Years ended December 31 | 2024 | 2023 | 2022 |
|---|---------|---------|---------|
| Cash paid for income taxes | \$ 30.2 | \$ 39.5 | \$ 34.1 |
| Cash paid for interest | \$ 13.6 | \$ 17.1 | \$ 7.6 |
| Supplemental non-cash investing and financing activities: | | | |
| Capital expenditures in accounts payable | \$ 6.4 | \$ 3.5 | \$ 4.1 |

See accompanying notes to consolidated financial statements.

Consolidated Statements of Equity

TENNANT COMPANY AND SUBSIDIARIES

(In millions, except shares and per share data)

| | Common Shares | Common Stock | Additional Paid-in Capital | Retained Earnings | Accumulated Other Comprehensive Loss | Tennant Company Shareholders' Equity | Noncontrolling Interest | Total Equity |
|---|---------------|--------------|----------------------------|-------------------|--------------------------------------|--------------------------------------|-------------------------|--------------|
| Balance, December 31, 2021 | 18,535,116 | \$ 7.0 | \$ 54.1 | \$ 410.6 | \$ (37.9) | \$ 433.8 | \$ 1.3 | \$ 435.1 |
| Net income | — | — | — | 66.3 | — | 66.3 | — | 66.3 |
| Other comprehensive loss | — | — | — | — | (12.3) | (12.3) | — | (12.3) |
| Issue stock for directors, employee benefit and stock plans, net of related tax withholdings of 27,653 shares | 66,125 | — | (0.9) | — | — | (0.9) | — | (0.9) |
| Share-based compensation | — | — | 7.8 | — | — | 7.8 | — | 7.8 |
| Dividends paid \$1.015 per common share | — | — | — | (18.9) | — | (18.9) | — | (18.9) |
| Repurchases of common stock | (79,756) | — | (5.0) | — | — | (5.0) | — | (5.0) |
| Other | — | — | — | — | — | — | — | — |
| Balance, December 31, 2022 | 18,521,485 | \$ 7.0 | \$ 56.0 | \$ 458.0 | \$ (50.2) | \$ 470.8 | \$ 1.3 | \$ 472.1 |
| Net income | — | — | — | 109.5 | — | 109.5 | — | 109.5 |
| Other comprehensive income | — | — | — | — | 7.9 | 7.9 | — | 7.9 |
| Issue stock for directors, employee benefit and stock plans, net of related tax withholdings of 23,622 shares | 400,819 | — | 19.0 | — | — | 19.0 | — | 19.0 |
| Share-based compensation | — | — | 11.6 | — | — | 11.6 | — | 11.6 |
| Dividends paid \$1.075 per common share | — | — | — | (20.1) | — | (20.1) | — | (20.1) |
| Repurchases of common stock | (290,920) | — | (21.7) | — | — | (21.7) | — | (21.7) |
| Balance, December 31, 2023 | 18,631,384 | \$ 7.0 | \$ 64.9 | \$ 547.4 | \$ (42.3) | \$ 577.0 | \$ 1.3 | \$ 578.3 |
| Net income | — | — | — | 83.7 | — | 83.7 | — | 83.7 |
| Other comprehensive loss | — | — | — | — | (30.4) | (30.4) | — | (30.4) |
| Issue stock for directors, employee benefit and stock plans, net of related tax withholdings of 34,511 shares | 416,424 | 0.1 | 19.5 | — | — | 19.6 | — | 19.6 |
| Share-based compensation | — | — | 11.9 | — | — | 11.9 | — | 11.9 |
| Dividends paid \$1.135 per common share | — | — | — | (21.4) | — | (21.4) | — | (21.4) |
| Repurchases of common stock | (198,352) | — | (19.6) | — | — | (19.6) | — | (19.6) |
| Balance, December 31, 2024 | 18,849,456 | \$ 7.1 | \$ 76.7 | \$ 609.7 | \$ (72.7) | \$ 620.8 | \$ 1.3 | \$ 622.1 |

See accompanying notes to consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Tables in millions, except shares and per share data)

1. Operations and Summary of Significant Accounting Policies

Nature of Operations – Tennant Company ("the Company", "we", "us", or "our") is a world leader in designing, manufacturing and marketing solutions that empower customers to achieve quality cleaning performance, reduce environmental impact and help create a cleaner, safer, healthier world. The Company is committed to creating and commercializing breakthrough, sustainable cleaning innovations to enhance its broad suite of products, including floor maintenance and cleaning equipment, detergent-free and other sustainable cleaning technologies, aftermarket parts and consumables, equipment maintenance and repair service, and asset management solutions.

Our products are used in many types of environments, including retail establishments, distribution centers, factories and warehouses, public venues such as arenas and stadiums, office buildings, schools and universities, hospitals and clinics, and more.

Customers include contract cleaners to whom organizations outsource facilities maintenance as well as businesses that perform facilities maintenance themselves. The Company reaches these customers through the industry's largest direct sales and service organization and through a strong and well-supported network of authorized distributors worldwide.

Consolidation – The consolidated financial statements include the accounts of the Company and all subsidiaries in which we have a controlling financial interest. All intercompany transactions and accounts are eliminated in consolidation.

Translation of Non-U.S. Currency – Foreign currency-denominated assets and liabilities have been translated to U.S. dollars at year-end exchange rates, while income and expense items are translated at average exchange rates prevailing during the year. Gains or losses resulting from translation are included as a separate component of accumulated other comprehensive loss. The majority of translation adjustments are not adjusted for income taxes as substantially all translation adjustments relate to permanent investments in non-U.S. subsidiaries. Net foreign currency transaction losses are included in income before income taxes on the consolidated statements of income.

Use of Estimates – The preparation of our consolidated financial statements in conformity with U.S. generally accepted accounting principles ("U.S. GAAP") requires us to make estimates and assumptions that affect the amounts reported in these consolidated financial statements and accompanying notes, disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Estimates are used in determining, among other items, sales promotions and incentives accruals, inventory valuation, warranty reserves, allowance for doubtful accounts, pension and postretirement accruals, useful lives for intangible assets, valuing investments, and future cash flows associated with impairment testing for goodwill and other long-lived assets. Actual results could differ from our estimates.

Cash and Cash Equivalents – We consider all highly liquid investments with original maturities of three months or less from the date of purchase to be cash equivalents.

Restricted Cash – We have a total of \$0.2 million as of December 31, 2024 and 2023 that serves as collateral backing certain bank guarantees and is therefore restricted. This money is invested in time deposits. Restricted cash is recorded in cash, cash equivalents and restricted cash on the consolidated balance sheets.

Receivables – Credit is granted to our customers in the normal course of business. Receivables are recorded at original carrying value less reserves for estimated uncollectible accounts and sales returns. To assess the collectability of these receivables, we perform ongoing credit evaluations of our customers' financial condition. Through these evaluations, we may become aware of a situation where a customer may not be able to meet its financial obligations due to deterioration of its financial viability, credit ratings or bankruptcy. The reserve requirements are based on the best facts available to us and are reevaluated and adjusted as additional information becomes available.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Tables in millions, except shares and per share data)

Our reserves are also based on amounts determined by using percentages applied to trade receivables, using a loss rate method. We considered the following in determining the expected loss rate: (1) historical loss rate, (2) macroeconomic factors, and (3) creditworthiness of customers. The historical loss rate is calculated by taking the yearly write-off expense, net of collections, as a percentage of the annual average balance of trade receivables for each of the past three years. An account is considered past-due or delinquent when it has not been paid within the contractual terms. Uncollectible accounts are written off against the reserves when it is deemed that a customer account is uncollectible.

Inventories – Inventories are valued at the lower of cost or net realizable value. Cost is determined on a first-in, first-out (“FIFO”) basis except for inventories in North America, which are determined on a last-in, first-out (“LIFO”) basis.

Cloud Computing Arrangements – We capitalize implementation costs incurred in cloud computing (i.e., hosting arrangements) during the application development phase, and depreciate the costs over the non-cancellable term of the cloud computing arrangements plus any optional renewal periods that are reasonably certain to be exercised or for which the exercise is controlled by the service provider. We classify the amortization of capitalized implementation costs in the same line item in the consolidated statements of income as the fees associated with the hosting service (i.e., operating and selling and administrative expense) and classify the related payments in the consolidated statements of cash flows in the same manner as payments made for fees associated with the hosting service (i.e. cash flows from operating activities). In addition, the capitalization of implementation costs is reflected in the consolidated balance sheets consistent with the location of prepayment of fees for the hosting element (i.e., within prepaid and other current assets). As of December 31, 2024 and 2023, there was \$23.3 million and \$0.2 million, respectively, recorded in prepaid and other current assets in the consolidated balance sheets. Amortization expense for the years ended December 31, 2024 and 2023 was not material.

Property, Plant and Equipment – Property, plant and equipment is carried at cost. Additions and improvements that extend the lives of the assets are capitalized, while expenditures for repairs and maintenance are expensed as incurred. We generally depreciate buildings and improvements by the straight-line method over a life of 30 years. Other property, plant and equipment are generally depreciated using the straight-line method based on lives of 3 years to 15 years.

Leases – We assess whether an arrangement is a lease at inception.

Operating leases with an initial term of 12 months or less are expensed as incurred as short-term lease cost. We have elected the practical expedient to not separate lease and non-lease components for all asset classes. Operating lease assets and operating lease liabilities are calculated based on the present value of the future lease payments over the lease term at the lease commencement date. When future lease payments are based on an index or rate, operating lease assets and operating lease liabilities are calculated using the prevailing index or rate at the lease commencement date. As the implicit rate is not readily determinable, we use our incremental borrowing rate based on the information available at the lease start date in determining the present value of future payments. Information used in determining the incremental borrowing rates for the Company's leases includes: (1) the market yield on the Company's traded bond, adjusted for the presence of collateral and the difference in terms of the bond and the leases, (2) consideration of the currency in which each lease was denominated, and (3) the lease term. The operating lease asset is increased by any lease payments made at or before the lease start date, increased by initial direct costs incurred, and reduced by lease incentives. The lease term includes options to renew or terminate the lease when it is reasonably certain that we will exercise that option. The exercise of lease renewal options is at our sole discretion. The useful life of lease assets and leasehold improvements are limited by the lease term, unless there is a transfer of title or purchase option reasonably certain of exercise. Certain leases also include options to purchase the leased asset. Lease expense for operating leases is recognized on a straight-line basis over the lease term. Certain leases contain variable lease payments for items such as index-based changes in rent, fuel and common area maintenance, which we expense as incurred as variable lease cost.

Finance leases are not material to our consolidated financial statements.

Goodwill – Goodwill represents the excess of cost over the fair value of net assets of businesses acquired and is allocated to our reporting units at the time of the acquisition. We analyze goodwill on an annual basis as

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Tables in millions, except shares and per share data)

of October 1 and when an event occurs, or circumstances change that may reduce the fair value of one of our reporting units below its carrying amount. We have the option of first analyzing qualitative factors to determine whether it is more likely than not that the fair value of any reporting unit is less than its carrying amount. However, we may elect to perform a quantitative goodwill impairment test even if no indications of a potential impairment exist.

During 2024, we performed a qualitative goodwill assessment on all reporting units except for Europe, Middle East and Africa ("EMEA") and Asia-Pacific ("APAC") for which we performed a quantitative goodwill assessment. Our assessments indicated that there was no goodwill impairment in any of our reporting units as of our annual assessment date.

During 2023, we performed a qualitative goodwill assessment on all reporting units. Our assessment indicated that there was no goodwill impairment in any of our reporting units as of our annual assessment date.

Intangible Assets – Intangible assets consist of definite lived customer lists, trade names and technology. Generally, intangible assets classified as trade names are amortized on a straight-line basis and intangible assets classified as customer lists or technology are amortized using an accelerated method of amortization.

Impairment of Long-Lived Assets and Assets Held for Sale – We periodically review our intangible and long-lived assets for impairment and assess whether events or circumstances indicate that the carrying amount of the assets may not be recoverable. We generally deem an asset group to be impaired if an estimate of undiscounted future operating cash flows are less than its carrying amount. If impaired, an impairment loss is recognized based on the excess of the carrying amount of the individual asset group over its fair value.

Assets held for sale are measured at the lower of their carrying value or fair value less costs to sell. Upon retirement or disposition, the asset cost and related accumulated depreciation or amortization are removed from the accounts and a gain or loss is recognized based on the difference between the fair value of proceeds received and carrying value of the assets held for sale.

Purchase of Common Stock – We repurchase our common stock under a 2016 repurchase program authorized by our Board of Directors. This program allows us to repurchase up to an aggregate of 1,000,000 shares of our common stock, and 623,061 shares remain authorized under the program. Upon repurchase, the par value is charged to common stock and the remaining purchase price is charged to additional paid-in capital. If the amount of the remaining purchase price causes the additional paid-in capital account to be in a negative position, this amount is then reclassified to retained earnings. Common stock repurchased is included in shares authorized but is not included in shares outstanding.

Warranty – We record a liability for estimated warranty claims at the time of sale. The amount of the liability is based on the trend in the historical ratio of claims to sales, the historical length of time between the sale and resulting warranty claim, new product introductions and other factors. In the event we determine that our current or future product repair and replacement costs exceed our estimates, an adjustment to these reserves would be charged to earnings in the period such determination is made. Warranty terms on machines range from one to four years. Warranty costs are recorded as a component of selling and administrative expense in the consolidated statements of income.

Pension and Profit Sharing Plans – Substantially all U.S. employees are covered by various retirement benefit plans, including postretirement medical plans and defined contribution savings plans. Retirement benefits for eligible employees in foreign locations are funded principally through defined benefit plans, annuity or government programs.

Postretirement Benefits – We accrue and recognize the cost of retiree health benefits over the employees' period of service based on actuarial estimates. Benefits are only available for U.S. employees hired before January 1, 1999.

Derivative Financial Instruments – The Company uses cross-currency swaps, interest rate swaps and foreign exchange forward and option contracts to manage risks generally associated with foreign exchange rate and interest rate volatility. We account for our hedging instruments as either assets or liabilities on the consolidated balance sheets and measure them at fair value. Gains and losses resulting from changes in fair value are accounted for depending on the use of the derivative and whether it is designated and qualifies for

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Tables in millions, except shares and per share data)

hedge accounting. Gains and losses for all instruments that do not qualify for hedge accounting are recorded each period to net foreign currency transaction loss in our consolidated statements of income. Changes in the fair value of designated hedges are reported in accumulated other comprehensive loss on the consolidated balance sheet until a related transaction occurs. If the underlying hedged transaction ceases to exist, all changes in fair value of the related derivatives that have not been settled are recorded in our consolidated statements of income.

Revenue Recognition – Revenue is recognized when control transfers under the terms of the contract with our customers. Revenue is measured as the amount of consideration we expect to receive in exchange for transferring goods or providing services. Sales and other taxes we collect concurrently with revenue-producing activities are excluded from revenue. We do not account for shipping and handling as a distinct performance obligation as we generally perform shipping and handling activities after we transfer control of goods to the customer. We have elected to account for shipping and handling costs associated with outbound freight after control of goods has transferred to a customer as a fulfillment cost. Incidental items that are immaterial in the context of the contract are not recognized as a separate performance obligation. We do not have any significantly extended payment terms as payment is generally received within one year of the point of sale.

In general, we transfer control and recognize a sale at the point in time when products are shipped from our manufacturing facilities both direct to consumers and to distributors. Service revenue is recognized in the period the service is performed or ratably over the period of the related service contract. Consideration related to service contracts is deferred if the proceeds are received in advance of the satisfaction of the performance obligations and recognized over the contract period as the performance obligation is met. We use an output method to measure progress toward completion for certain prepaid service contracts, as this method appropriately depicts performance toward satisfaction of the performance obligations.

For contracts with multiple performance obligations (i.e., a product and service component), we allocate the transaction price to the performance obligations in proportion to their stand-alone selling prices. We use an observable price to determine the stand-alone selling price for separate performance obligations. When allocating on a relative stand-alone selling price basis, any discounts contained within the contract are allocated proportionately to all of the performance obligations in the contract.

We generally expense the incremental costs of obtaining a contract when incurred because the amortization period would be less than one year. These costs relate primarily to sales commissions and are recorded in selling and administrative expense in the consolidated statements of income.

We do not disclose the value of unsatisfied performance obligations for contracts with an original expected length of one year or less. In addition, we do not adjust the promised amount of consideration for the effects of a significant financing component if we expect, at contract inception, that the period between when we transfer a promised good or service to a customer and when the customer pays for that good or service will be one year or less.

Share-Based Compensation – We account for share-based compensation awards on a fair value basis. The estimated grant date fair value of each option award is recognized in income on a straight-line basis over the requisite service period (generally the vesting period). The estimated fair value of each option award is calculated using the Black-Scholes option-pricing model. From time to time, we have elected to modify the terms of the original grant. These modified grants are accounted for as a new award and measured using the fair value method, resulting in the inclusion of additional compensation expense in our consolidated statements of income.

Restricted share awards and units are recorded as compensation cost over the requisite service periods based on the market value on the date of grant. To determine the amount of compensation cost to be recognized in each period for these awards and for option awards, we account for forfeitures as they occur.

Performance share awards ("PSUs") are stock awards where the ultimate number of shares issued will be contingent on the Company's performance against certain performance goals. The Compensation Committee can adjust performance goals or modify the manner of measuring or evaluating a performance goal using its discretion. The fair value of each PSU is based on the market value on the date of grant. We recognize expense related to the estimated vesting of our PSUs granted. The estimated vesting of the PSUs is based on the

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Tables in millions, except shares and per share data)

probability of achieving certain performance metrics over the specified performance period. To determine the amount of compensation cost to be recognized in each period, we estimate forfeitures.

Research and Development – Research and development costs are expensed as incurred.

Advertising Costs – We advertise products, technologies and solutions to customers and prospective customers through a variety of marketing campaign and promotional efforts. These efforts include tradeshows, online advertising, e-mail marketing, mailings, sponsorships and telemarketing. Advertising costs are expensed as incurred. In 2024, 2023 and 2022, such activities amounted to \$5.7 million, \$4.6 million and \$4.0 million, respectively.

Income Taxes – Deferred tax assets and liabilities are recognized for the expected future tax consequences of temporary differences between the book and tax bases of existing assets and liabilities. A valuation allowance is provided when, in management's judgment, it is more likely than not that some portion or all of the deferred tax asset will not be realized. We have established uncertain tax position accruals using management's best judgment. We adjust these accruals as facts and circumstances change. Interest expense is recognized in the first period the interest would begin accruing. Penalties are recognized in the period we claim or expect to claim the position in our tax return. Interest and penalty expenses are classified as an income tax expense.

Earnings Per Share – Basic earnings per share is computed by dividing net earnings attributable to Tennant Company by the weighted average shares outstanding during the period. Diluted earnings per share assumes conversion of potentially dilutive stock options, performance shares, restricted shares and restricted stock units. These are not included in our computation of diluted earnings per share if we have a net loss attributable to the Company in a reporting period or if the instrument's effects are anti-dilutive.

Investments, Available-for-Sale – As described in Note 12, debt securities classified as available-for-sale securities are carried at fair market value, with the unrealized gains and losses, net of tax, included in the determination of comprehensive income (loss) and reported in shareholders' equity. These investments are subject to periodic impairment review.

Investments, Measurement Alternative – The Company's investments as described in Note 12 which are valued under the measurement alternative include equity securities for which the Company does not have significant influence and fair value is not readily determinable. Accounting Standard Update ("ASU") 2016-01 requires equity securities to be recorded at cost and adjusted to fair value at each reporting period. However, the guidance allows for a measurement alternative, which is to record investments at cost, less impairment, if any, and subsequently adjust for observable price changes of identical or similar investments of the same issuer.

Due to the lack of readily determinable fair values for such investments, for which the Company does not have significant influence, the Company accounts for these investments under the measurement alternative at cost, less impairment.

The Company performs qualitative impairment assessments on its investments recorded under the measurement alternative.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Tables in millions, except shares and per share data)

2. Newly Adopted Accounting Pronouncements

Segment Reporting

In November 2023, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2023-07, *Improvements to Reportable Segment Disclosures* ("ASU 2023-07"), which amends the existing segment reporting guidance (ASC Topic 280 — Segment Reporting ("ASC 280")) to improve reportable segment disclosure requirements, primarily through enhanced disclosures about significant segment expenses that are regularly provided to the chief operating decision maker ("CODM") and included within each reported measure of segment profit or loss, an amount for other segment items by reportable segment and a description of its composition, the title and position of the CODM and an explanation of how the CODM uses the reported measure(s) of segment profit or loss in assessing segment performance and deciding how to allocate resources. We have adopted the new standard effective December 31, 2024. While the adoption has no impact on our consolidated financial statements, it has resulted in incremental disclosures within the footnotes to our consolidated financial statements. Refer to Note 20, *Segment Reporting* for the inclusion of the new required disclosures.

3. Revenue

Revenue is recognized upon the transfer of control of promised products or services to customers in an amount that reflects the consideration we expect to receive in exchange for those products and services. Generally, these criteria are met at the time the product is shipped.

We also enter into contracts that can include combinations of products and services, which are generally capable of being distinct and are accounted for as separate performance obligations. Revenue is recognized net of allowances for returns and any taxes collected from customers, which are subsequently remitted to governmental authorities.

Disaggregation of Revenue

The following tables illustrate the disaggregation of revenue by geographic area, groups of similar products and services and sales channels for the years ended December 31:

Net sales by geographic area

| | 2024 | | 2023 | | 2022 | |
|---------------------------------------|------|---------|------|---------|------|---------|
| Americas | \$ | 888.5 | \$ | 840.3 | \$ | 705.9 |
| Europe, Middle East and Africa (EMEA) | | 318.5 | | 314.4 | | 301.6 |
| Asia Pacific (APAC) | | 79.7 | | 88.9 | | 84.7 |
| Total | \$ | 1,286.7 | \$ | 1,243.6 | \$ | 1,092.2 |

Net sales are attributed to each geographic area based on the end user country and are net of intercompany sales.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Tables in millions, except shares and per share data)

Net sales by groups of similar products and services

| | 2024 | 2023 | 2022 |
|-----------------------|------------|------------|------------|
| Equipment | \$ 808.7 | \$ 776.4 | \$ 664.0 |
| Parts and consumables | 274.3 | 279.5 | 263.1 |
| Service and other | 203.7 | 187.7 | 165.1 |
| Total | \$ 1,286.7 | \$ 1,243.6 | \$ 1,092.2 |

Net sales by sales channel

| | 2024 | 2023 | 2022 |
|--------------------------|------------|------------|------------|
| Sales direct to consumer | \$ 905.7 | \$ 854.4 | \$ 712.6 |
| Sales to distributors | 381.0 | 389.2 | 379.6 |
| Total | \$ 1,286.7 | \$ 1,243.6 | \$ 1,092.2 |

Contract Liabilities

Sales Returns

The right of return may exist explicitly or implicitly with our customers. When the right of return exists, we adjust the transaction price for the estimated effect of returns. We estimate the expected returns using the expected value method by assessing historical sales levels and the timing and magnitude of historical sales return levels as a percent of sales and projecting this experience into the future.

Sales Incentives

Our sales contracts may contain various customer incentives, such as volume-based rebates or other promotions. We reduce the transaction price for certain customer programs and incentive offerings that represent variable consideration. Sales incentives given to our customers are recorded using the most likely amount approach for estimating the amount of consideration to which the Company will be entitled. We forecast the most likely amount of the incentive to be paid at the time of sale, update this forecast quarterly, and adjust the transaction price accordingly to reflect the new amount of incentives expected to be earned by the customer. The majority of our customer incentives are settled within one year. We record our accruals for volume-based rebates and other promotions in other current liabilities on our consolidated balance sheets.

The change in our sales incentive accrual balance for the years ended December 31, 2024 and 2023 was as follows:

| | 2024 | 2023 |
|--------------------------------------|---------|---------|
| Beginning balance | \$ 21.2 | \$ 20.0 |
| Additions to sales incentive accrual | 22.4 | 29.5 |
| Contract payments | (27.2) | (28.5) |
| Foreign currency fluctuations | (0.3) | 0.2 |
| Ending balance | \$ 16.1 | \$ 21.2 |

Deferred Revenue

We provide separately priced prepaid contracts to our customers, collecting payment at the start of the agreement. Revenue recognition is deferred until we meet our future performance obligations. Our deferred revenue balance includes autonomous subscription sales and prepaid maintenance contracts on our machines ranging from 12 months to 60 months. In circumstances where prepaid contracts are sold simultaneously with machines, we use an observable price to determine stand-alone selling price for separate performance obligations.

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The change in the deferred revenue balance for the years ended December 31, 2024 and 2023 was as follows:

| | 2024 | 2023 |
|--|-------------|-------------|
| Beginning balance | \$ 10.3 | \$ 9.3 |
| Increase in deferred revenue representing our obligation to satisfy future performance obligations | 31.7 | 21.7 |
| Decrease in deferred revenue for amounts recognized in net sales for satisfied performance obligations | (20.8) | (20.8) |
| Foreign currency fluctuations | (0.6) | 0.1 |
| Ending balance | \$ 20.6 | \$ 10.3 |

As of December 31, 2024, \$9.8 million and \$10.8 million of deferred revenue was reported in other current liabilities and other liabilities, respectively, on our consolidated balance sheets. Of this, we expect to recognize the following approximate amounts in net sales in the following periods:

| | |
|------------|---------|
| 2025 | \$ 9.8 |
| 2026 | 4.7 |
| 2027 | 3.3 |
| 2028 | 1.7 |
| 2029 | 1.0 |
| Thereafter | 0.1 |
| Total | \$ 20.6 |

As of December 31, 2023, \$7.9 million and \$2.4 million of deferred revenue was reported in other current liabilities and other liabilities, respectively, on our consolidated balance sheets.

4. Management Actions

Restructuring Actions

In 2024 and 2023, we incurred restructuring expenses as part of our ongoing global reorganization efforts. The following pre-tax restructuring charges were included in the consolidated statements of income:

| | 2024 | 2023 |
|---|-------------|-------------|
| Severance-related costs - Selling and administrative expense | \$ 8.2 | \$ 1.9 |
| Severance-related costs - Cost of sales | — | 0.7 |
| Other costs - Selling and administrative expense ^(a) | — | 0.3 |
| Total pre-tax restructuring costs | \$ 8.2 | \$ 2.9 |

^(a) Includes facility exit costs associated with facility moves.

Our restructuring actions represent the continued execution of a multi-year enterprise strategy to drive increased productivity throughout our operations. The charges in 2024 impacted all operating segments and

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were related to a global workforce realignment to support our key strategic initiatives. The charges in 2023 impacted the Europe, Middle East and Africa ("EMEA") and Asia Pacific ("APAC") operating segments.

A reconciliation to the ending liability balance of severance and related costs as of December 31, 2024 and 2023 is as follows:

| | | 2024 | | 2023 |
|------------------------------|----|-------------|----|-------------|
| Beginning balance | \$ | 2.4 | \$ | 1.7 |
| New charges | | 8.8 | | 3.2 |
| Cash payments | | (2.3) | | (1.9) |
| Foreign currency adjustments | | 0.3 | | — |
| Adjustment to accrual | | (0.6) | | (0.6) |
| Ending balance | \$ | 8.6 | \$ | 2.4 |

5. Acquisitions and Divestitures*Acquisition of M&F Management and Financing GmbH*

On February 29, 2024, we acquired 100% of M&F Management and Financing GmbH ("M&F"), the parent company of TCS EMEA GmbH ("TCS"), as we seek to accelerate growth in the EMEA region.

Based in Austria, TCS was Tennant Company's largest Central and Eastern Europe distributor. The acquisition gives Tennant a knowledgeable and experienced sales force and an established direct channel into countries including Romania, Hungary, Czech Republic, and Slovakia, along with an expanded network in Austria, Switzerland, Poland, and other nations in the region, as well as the Middle East and Africa.

Our consolidated financial results for the year ended December 31, 2024 include \$22.0 million of revenue and \$0.2 million of net income related to TCS. The proforma impact of this acquisition is immaterial to our operations.

The purchase price has been allocated based on the estimated fair value of assets acquired and liabilities assumed at the date of the acquisition.

The following table summarizes the fair value measurement of the assets acquired and liabilities assumed as of the date of acquisition:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Tables in millions, except shares and per share data)

| | March 31, 2024 | Adjustments | June 30, 2024 | Adjustments | December 31, 2024 |
|---|-------------------|---------------|------------------|-----------------|----------------------|
| Components of purchase price: | | | | | |
| Cash paid | \$ 30.8 | \$ 0.2 | \$ 31.0 | \$ — | \$ 31.0 |
| Settlement of preexisting transactions | 3.9 | — | 3.9 | — | 3.9 |
| Total purchase price | 34.7 | 0.2 | 34.9 | — | 34.9 |
| ASSETS | | | | | |
| Cash | 5.3 | 0.1 | 5.4 | — | 5.4 |
| Other current assets | 8.0 | (0.7) | 7.3 | 1.6 | 8.9 |
| Intangible assets subject to amortization | | | | | |
| Customer lists | 13.6 | (0.4) | 13.2 | — | 13.2 |
| Backlog | 0.6 | — | 0.6 | — | 0.6 |
| Other assets | 5.3 | 0.3 | 5.6 | 0.1 | 5.7 |
| Total identifiable assets acquired | 32.8 | (0.7) | 32.1 | 1.7 | 33.8 |
| LIABILITIES | | | | | |
| Current liabilities | (1.5) | — | (1.5) | | (1.6) |
| Long-term liabilities | (5.0) | (0.2) | (5.2) | (1.5) | (6.7) |
| Total identifiable liabilities assumed | (6.5) | (0.2) | (6.7) | (1.6) | (8.3) |
| Net assets acquired | 26.3 | (0.9) | 25.4 | 0.1 | 25.5 |
| Goodwill | \$ 8.4 | \$ 1.1 | \$ 9.5 | \$ (0.1) | \$ 9.4 |

The total purchase price includes cash paid of \$31.0 million and the settlement of \$3.9 million of preexisting transactions. In connection with the acquisition, we paid cash totaling \$30.8 million on the acquisition date of February 29, 2024 and \$0.2 million in the second quarter of 2024. The adjustments made to the purchase price allocation in the fourth quarter of 2024 relate to the finalization of the impacts associated with income taxes.

The goodwill is not expected to be deductible for income tax purposes. The expected lives of the acquired intangible assets is 3 months and 10 years for backlog and customer lists, respectively, and are being amortized on a straight-line basis.

Sale of Building

During the second quarter of 2022, we sold a building located in Golden Valley, Minnesota. The resulting pre-tax gain was \$3.7 million and is reflected as a gain on sale of assets in the consolidated statements of income. Proceeds from the sale of assets were \$4.1 million.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Tables in millions, except shares and per share data)

6. Inventories

Inventories as of December 31 consisted of the following:

| | 2024 | 2023 |
|--|-----------------|-----------------|
| Inventories carried at LIFO: | | |
| Finished goods ^(a) | \$ 85.4 | \$ 74.7 |
| Raw materials and work-in-process | 38.4 | 38.5 |
| Excess of FIFO over LIFO cost ^(b) | (50.4) | (47.7) |
| Total LIFO inventories | \$ 73.4 | \$ 65.5 |
| Inventories carried at FIFO: | | |
| Finished goods ^(a) | \$ 53.2 | \$ 52.8 |
| Raw materials and work-in-process | 57.2 | 57.6 |
| Total FIFO inventories | \$ 110.4 | \$ 110.4 |
| Total inventories | \$ 183.8 | \$ 175.9 |

(a) Finished goods include machines, parts and consumables and component parts that are used in our products.

(b) The difference between replacement cost and the stated LIFO inventory value is not materially different from the reserve for the LIFO valuation method.

7. Property, Plant and Equipment

Property, plant and equipment and related accumulated depreciation, including equipment under finance leases, as of December 31, consisted of the following:

| | 2024 | 2023 |
|--|-----------------|-----------------|
| Property, plant and equipment: | | |
| Land | \$ 24.1 | \$ 21.0 |
| Buildings and improvements | 134.1 | 137.6 |
| Machinery and manufacturing equipment | 210.4 | 209.5 |
| Office equipment | 122.2 | 116.0 |
| Construction in progress | 4.5 | 7.6 |
| Total property, plant and equipment | 495.3 | 491.7 |
| Less: accumulated depreciation | (310.9) | (304.0) |
| Property, plant and equipment, net | \$ 184.4 | \$ 187.7 |

Depreciation expense was \$40.1 million, \$36.4 million and \$32.8 million in 2024, 2023 and 2022, respectively.

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(Tables in millions, except shares and per share data)
8. Goodwill and Intangible Assets

For purposes of performing our goodwill impairment analysis, we have identified our reporting units as North America, Latin America, EMEA and APAC.

The changes in the carrying amount of goodwill were as follows:

| | Goodwill | Accumulated Impairment Losses | Total |
|---------------------------------|-----------------|--|--------------|
| Balance as of December 31, 2024 | \$ 218.1 | \$ (32.5) | \$ 185.6 |
| Additions | 9.4 | — | 9.4 |
| Foreign currency fluctuations | (12.0) | 0.8 | (11.2) |
| Balance as of December 31, 2023 | \$ 220.7 | \$ (33.3) | \$ 187.4 |
| Foreign currency fluctuations | 1.9 | 3.5 | 5.4 |
| Balance as of December 31, 2022 | \$ 218.8 | \$ (36.8) | \$ 182.0 |

There has been no impairment of goodwill for any of the years presented.

The additions recorded to goodwill during 2024 were related to the acquisition of TCS, as described further in Note 5.

The balances of acquired intangible assets, excluding goodwill, were as follows:

| | Customer Lists | Trade Names | Technology | Total |
|---|---------------------------|------------------------|-------------------|--------------|
| Balance as of December 31, 2024 | | | | |
| Original cost | \$ 154.6 | \$ 27.6 | \$ 15.2 | \$ 197.4 |
| Accumulated amortization | (104.9) | (20.8) | (13.0) | (138.7) |
| Carrying amount | \$ 49.7 | \$ 6.8 | \$ 2.2 | \$ 58.7 |
| Weighted-average original life (in years) | 15 | 11 | 11 | |
| Balance as of December 31, 2023 | | | | |
| Original cost | \$ 150.6 | \$ 29.3 | \$ 16.3 | \$ 196.2 |
| Accumulated amortization | (100.8) | (19.2) | (13.1) | (133.1) |
| Carrying amount | \$ 49.8 | \$ 10.1 | \$ 3.2 | \$ 63.1 |
| Weighted-average original life (in years) | 15 | 11 | 11 | |

As part of our acquisition of TCS, we acquired customer lists and backlog with a combined fair value of \$13.8 million. Further details regarding the purchase price allocation of TCS are described further in Note 5.

Amortization expense of intangible assets was \$15.0 million, \$14.7 million and \$15.9 million for the years ended December 31, 2024, 2023 and 2022, respectively.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Tables in millions, except shares and per share data)

Estimated aggregate amortization expense based on the current carrying amount of amortizable intangible assets for each of the five succeeding years is as follows:

| | | |
|------------|----|------|
| 2025 | \$ | 12.6 |
| 2026 | | 11.4 |
| 2027 | | 8.2 |
| 2028 | | 6.6 |
| 2029 | | 6.0 |
| Thereafter | | 13.9 |
| Total | \$ | 58.7 |

9. Debt

On April 5, 2021, we and certain of our foreign subsidiaries entered into an Amended and Restated Credit Agreement (the "2021 Credit Agreement") with JPMorgan Chase Bank, N.A. as administrative agent. The 2021 Credit Agreement provides us and certain of our foreign subsidiaries access to a senior secured credit facility until April 3, 2026, consisting of a term loan facility in an amount up to \$100.0 million and a revolving facility in an amount up to \$450.0 million with an option to expand the credit facility by up to \$275.0 million, with the consent of the lenders willing to provide additional borrowings in the form of increases to their revolving facility commitment or funding of incremental term loans. Borrowings may be denominated in U.S. dollars or certain other currencies.

On November 10, 2022, we further amended the 2021 Credit Agreement (the "Amendment") to update the benchmark provisions to replace LIBOR with Term SOFR (as defined in the Amendment) as the reference rate for purposes of calculating interest under the 2021 Credit Agreement. Pursuant to the Amendment, borrowings denominated in U.S. dollars bear interest at a rate per annum equal to (a) the Term SOFR Rate (as defined in the Amendment) plus a credit spread adjustment of 0.10% per annum, but in any case, not less than 0%, plus an additional spread of 1.10% to 1.70%, depending on the Company's leverage ratio, or (b) the Alternate Base Rate (as defined in the Amendment), which is the greatest of (i) the prime rate, (ii) the federal funds rate plus 0.50% and (iii) the adjusted Term SOFR Rate for a one month period, but in any case, not less than 1.0%, plus, in any such case, 1.0%, plus an additional spread of 0.10% to 0.70%, depending on the Company's leverage ratio. All other material terms included in the 2021 Credit Agreement remain unchanged as a result of the Amendment.

On August 7, 2024, we and certain of our foreign subsidiaries entered into an Amended and Restated Credit Agreement (the "2024 Credit Agreement") with JPMorgan Chase Bank, N.A. as administrative agent, which amends and restates the 2021 Credit Agreement as amended by the Amendment. The 2024 Credit Agreement provides us and certain of our foreign subsidiaries access to a senior secured credit facility until August 7, 2029, consisting of a revolving facility in an amount up to \$650.0 million, with an option to expand the revolving facility or obtain incremental term loans by up to \$325.0 million, with the consent of the lenders willing to provide additional borrowings in the form of increases to their revolving facility commitment or funding of incremental term loans. Borrowings may be denominated in U.S. dollars or certain other currencies.

The fee for undrawn committed funds under the revolving facility of the 2024 Credit Agreement ranges from an annual rate of 0.15% to 0.30%, depending on our leverage ratio. Borrowings denominated in U.S. dollars under the 2024 Credit Agreement bear interest at a rate per annum equal to (a) the greatest of (i) the prime rate, (ii) the NYFRB Rate (as defined in the 2024 Credit Agreement) plus 0.50% and (iii) the Adjusted Term SOFR Rate (as defined in the 2024 Credit Agreement) for a one month period plus 1%; but in any case not less than 1%, plus an additional spread of 0.25% to 1%, depending on our leverage ratio, (b) the Adjusted Term SOFR Rate plus an additional spread of 1.25% to 2%, depending on our leverage ratio, or (c) the Adjusted Daily

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS*(Tables in millions, except shares and per share data)*

Simple RFR (as defined in the 2024 Credit Agreement) plus an additional spread of 1.25% to 2%, depending on our leverage ratio.

In connection with the 2024 Credit Agreement, we reaffirmed our security interest in favor of the lenders in substantially all our personal property and pledged the stock of certain of our domestic and foreign subsidiaries. The obligations under the 2024 Credit Agreement are also guaranteed by certain of our subsidiaries and those subsidiaries also provided a security interest in their similar personal property.

The 2024 Credit Agreement contains customary representations, warranties and covenants, including but not limited to covenants restricting our ability to incur indebtedness and liens and merge or consolidate with another entity. Further, the 2024 Credit Agreement contains the following covenants:

- a covenant requiring us to maintain an indebtedness to EBITDA ratio, determined as of the end of each fiscal quarter, of no greater than 3.75 to 1.00, with certain alternative requirements for permitted acquisitions of at least \$50.0 million;
- a covenant requiring us to maintain an EBITDA to interest expense ratio for a period of four consecutive fiscal quarters as of the end of each quarter of no less than 3.00 to 1; and
- a covenant restricting us from paying dividends or repurchasing stock if, after giving effect to such payments and assuming no default exists or would result from such payment, our leverage ratio is greater than 2.50 to 1, in such case limiting such payments to the greater of 10% of consolidated total assets or \$100.0 million during any fiscal year.

We were in compliance with the financial covenants as of December 31, 2024.

Debt outstanding as of December 31 consisted of the following:

| | 2024 | 2023 |
|--|-----------------|-----------------|
| Credit facility borrowings: | | |
| Revolving credit facility borrowings | \$ 197.5 | \$ 110.0 |
| Term loan facility borrowings | — | 90.0 |
| Finance lease liabilities | 1.2 | 0.6 |
| Bank overdrafts | 0.8 | — |
| Total debt | 199.5 | 200.6 |
| Less: current portion of long-term debt ^(a) | (1.3) | (6.4) |
| Long-term debt | \$ 198.2 | \$ 194.2 |

^(a) As of December 31, 2024, the Company is required to repay \$0.8 million in bank overdrafts and \$0.5 million of current maturities of finance lease liabilities over the next 12 months.

As of December 31, 2024, we had outstanding borrowings of \$197.5 million under our revolving credit facility. We had letters of credit and bank guarantees outstanding in the amount of \$3.2 million, leaving approximately \$449.3 million of unused borrowing capacity on our revolving facility. Commitment fees on unused lines of credit for the year ended December 31, 2024 were \$0.6 million. The overall weighted average cost of debt is approximately 6.1% and net of a related cross-currency swap and interest rate swap instruments is approximately 4.3%. Further details regarding the cross-currency swap instrument are discussed in Note 11.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS*(Tables in millions, except shares and per share data)*

The aggregate maturities of our outstanding debt, excluding unamortized debt issuance costs, as of December 31, 2024, are as follows:

| | | |
|-----------------------------------|-----------|--------------|
| 2025 | \$ | 1.3 |
| 2026 | | 0.2 |
| 2027 | | 0.2 |
| 2028 | | 0.2 |
| 2029 | | 197.6 |
| Thereafter | | — |
| Total aggregate maturities | \$ | 199.5 |

10. Other Current Liabilities

Other current liabilities as of December 31 consisted of the following:

| | 2024 | 2023 |
|--|-----------------|----------------|
| Other current liabilities: | | |
| Taxes | \$ 13.1 | \$ 11.3 |
| Warranty reserve | 6.9 | 7.4 |
| Deferred revenue | 9.8 | 7.9 |
| Customer sales incentives | 16.1 | 21.3 |
| Freight | 4.0 | 3.9 |
| Restructuring | 8.5 | 2.4 |
| Operating leases | 18.5 | 14.4 |
| Miscellaneous accrued expenses | 26.6 | 20.0 |
| Total other current liabilities | \$ 103.5 | \$ 88.6 |

11. Derivatives*Hedge Accounting and Hedging Programs*

We recognize all derivative instruments as either assets or liabilities in our consolidated balance sheets and measure them at fair value. Gains and losses resulting from changes in fair value are accounted for depending on the use of the derivative and whether it is designated and qualifies for hedge accounting.

To receive hedge accounting treatment, all hedging relationships are formally documented at the inception of the hedge. We evaluate hedge effectiveness on our hedges that are designated and qualify for hedge accounting at the inception of the hedge prospectively, as well as retrospectively, and record any ineffective portion of the hedging instruments in net foreign currency transaction loss on our consolidated statements of income. The time value of purchased contracts is recorded in net foreign currency transaction loss in our consolidated statements of income. If we do not elect hedge accounting, or the contract does not qualify for hedge accounting treatment, the changes in fair value from period to period are recorded in net foreign currency transaction losses in our consolidated statements of income.

Our hedging policy establishes maximum limits for each counterparty to mitigate any concentration of risk.

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Balance Sheet Hedges

We hedge our net recognized foreign currency denominated assets and liabilities with foreign exchange forward contracts to reduce the risk that the value of these assets and liabilities will be adversely affected by changes in exchange rates. These contracts hedge assets and liabilities that are denominated in foreign currencies and are carried at fair value as either assets or liabilities on the consolidated balance sheets with changes in the fair value recorded to net foreign currency transaction gain in our consolidated statements of income. These contracts do not subject us to material balance sheet risk due to exchange rate movements because gains and losses on these derivatives are intended to offset gains and losses on the assets and liabilities being hedged. At December 31, 2024 and December 31, 2023, the notional amounts of foreign currency forward exchange contracts outstanding not designated as hedging instruments were \$70.2 million and \$73.0 million, respectively.

Cash Flow Hedges

The Company manages its floating rate debt exposure using interest rate swaps. Fixed rate swaps are used to reduce the Company's risk of the possibility of increased interest costs. The Company entered into an aggregate \$120.0 million notional amount of interest rate swaps effective December 1, 2022, that exchange a variable rate of interest for a fixed rate of interest of 4.076%. These interest rate swaps are designated as cash flow hedges. These swaps are scheduled to mature on December 1, 2026.

Fair Value Hedges

On April 5, 2022, we entered into Euro to U.S. dollar foreign exchange cross-currency swaps associated with an intercompany loan from a wholly owned European subsidiary. We enter into these foreign exchange cross-currency swaps to hedge the foreign currency risk associated with this intercompany loan, and accordingly, they are not speculative in nature. These cross-currency swaps are designated as fair value hedges. As of December 31, 2024, these cross-currency swaps included €75.0 million of total notional value. As of December 31, 2024, the aggregated scheduled interest payments over the course of the loan and related swaps amounted to €5.3 million. The scheduled maturity and principal payment of the loan and related interest payments of €80.3 million are due in April 2027.

Net Investment Hedges

On April 5, 2022, we entered into Euro to U.S. dollar foreign exchange cross-currency swaps to hedge our exposure to adverse foreign currency exchange rate movements between Tennant Company and a wholly owned European subsidiary. We enter into these fixed-to-fixed cross-currency swap agreements to protect a designated monetary amount of the Company's net investment in its Euro functional currency subsidiary against the risk of changes in the Euro to U.S. dollar foreign exchange rate. These cross-currency swaps are designated as net investment hedges. As of December 31, 2024, the cross-currency swaps included €75.0 million of total notional values. These swaps are scheduled to mature in April 2027.

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The fair value of derivative instruments on our consolidated balance sheets as of December 31 consisted of the following:

| | Derivative Assets | | | Derivative Liabilities | | |
|---|------------------------|-------------------|-------------------|---------------------------|-------------------|-------------------|
| | Balance Sheet Location | December 31, 2024 | December 31, 2023 | Balance Sheet Location | December 31, 2024 | December 31, 2023 |
| Derivatives designated as cash flow hedges: | | | | | | |
| Interest rate swaps | Other current assets | 0.1 | 0.8 | Other current liabilities | — | — |
| Interest rate swaps | Other assets | — | — | Other liabilities | 0.2 | 1.9 |
| Derivatives designated as fair value hedges: | | | | | | |
| Cross-currency swaps | Other current assets | 1.5 | 1.3 | Other current liabilities | — | — |
| Cross-currency swaps | Other assets | 0.5 | — | Other liabilities | — | 3.3 |
| Derivatives designated as net investment hedges: | | | | | | |
| Cross-currency swaps | Other current assets | 1.2 | 1.2 | Other current liabilities | — | — |
| Cross-currency swaps | Other assets | 0.2 | — | Other liabilities | — | 3.4 |
| Derivatives not designated as hedging instruments: | | | | | | |
| Foreign currency forward contracts ^(a) | Other current assets | 0.8 | — | Other current liabilities | — | 1.6 |

^(a) Contracts that mature within the next 12 months are included in other current assets and other current liabilities for asset derivatives and liabilities derivatives, respectively, on our consolidated balance sheets. Contracts with maturities greater than 12 months are included in other assets and other liabilities for asset derivatives and liability derivatives, respectively, in our consolidated balance sheets. Amounts included in our consolidated balance sheets are recorded net where a right of offset exists with the same derivative counterparty.

As of December 31, 2024, we anticipate reclassifying approximately \$2.5 million of gains from accumulated other comprehensive loss to net income during the next 12 months.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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The following tables include the amounts in the consolidated statements of income in which the effects of derivative instruments are recorded and the effects of derivative instruments activity on these line items for the years ended December 31, 2024 and December 31, 2023:

| | 2024 | | 2023 | |
|---|-------|-------------------------------|--------|-------------------------------|
| | Total | Gain (Loss) on Hedge Activity | Total | Gain (Loss) on Hedge Activity |
| Derivatives designated as cash flow hedges: | | | | |
| Interest expense, net | (9.1) | 1.0 | (13.5) | 0.9 |
| Net foreign currency transaction gain | 0.1 | — | 0.3 | — |
| Derivatives designated as fair value hedges: | | | | |
| Interest expense, net | (9.1) | 1.1 | (13.5) | 1.1 |
| Net foreign currency transaction gain (loss) | 0.1 | 3.9 | 0.3 | (1.9) |
| Derivatives designated as net investment hedges: | | | | |
| Interest expense, net | (9.1) | 1.0 | (13.5) | 1.0 |

The effect of derivative instruments designated as hedges and derivative instruments not designated as hedges in our consolidated statements of income for the three years ended December 31 were as follows:

| | 2024 | 2023 | 2022 |
|--|--------|--------|--------|
| Derivatives designated as cash flow hedges: | | | |
| Net gain recognized in other comprehensive (loss) income, net of tax ^(a) | \$ 1.8 | \$ 0.6 | \$ 3.1 |
| Net gain reclassified from accumulated other comprehensive loss into income, net of tax, effective portion to interest expense, net | 1.0 | 2.0 | 0.5 |
| Net gain (loss) reclassified from accumulated other comprehensive loss into income, net of tax, effective portion to net foreign currency transaction losses | — | — | 3.6 |
| Derivatives designated as fair value hedges: | | | |
| Net gain recognized in other comprehensive (loss) income, net of tax ^(a) | 0.2 | — | 2.7 |
| Net gain reclassified from accumulated other comprehensive loss into income, net of tax, effective portion to interest expense, net | 1.1 | — | 0.9 |
| Derivatives designated as net investment hedges: | | | |
| Net gain recognized in other comprehensive (loss) income, net of tax ^(a) | 3.8 | 2.0 | 4.2 |
| Net gain reclassified from accumulated other comprehensive loss into income, net of tax, ineffective portion to interest expense, net | 1.0 | 1.0 | 0.7 |
| Derivatives not designated as hedging instruments: | | | |
| Net gain recognized in income ^(b) | \$ 6.1 | \$ 1.7 | \$ 1.0 |

^(a) Net change in the fair value of the effective portion classified in other comprehensive (loss) income.

^(b) Classified in net foreign currency transaction gain (loss).

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12. Fair Value Measurements

Financial Instruments

The carrying amounts reported in the consolidated balance sheets for cash and cash equivalents, restricted cash, accounts receivable, other current assets, accounts payable and other current liabilities approximate fair value due to their short-term nature.

On February 21, 2024, the Company acquired certain investment securities in Brain Corp, a privately held autonomous technology company located in San Diego, California. The investment will drive the development and adoption of Brain Corp's next generation of robotic and AI technologies.

The investment securities include \$12.1 million of redeemable convertible preferred stock, accounted for as available-for-sale debt instruments. The investment securities also include \$12.2 million of non-redeemable convertible preferred stock and \$7.8 million of warrants, accounted for as equity instruments under the elected measurement alternative. The equity and debt securities were recorded at closing at their allocated fair values. For equity instruments, the carrying amount will be adjusted to fair value through net income each period based upon observable transactions for identical or similar investments of the same issuer and monitored for impairment. For debt instruments, the carrying amount will be adjusted to fair value each period through accumulated other comprehensive income (loss). The securities will be measured to fair value based on Level 3 inputs.

As of December 31, 2024, and December 31, 2023, a comparison of cost and market values of our debt and equity securities was as follows:

| | Cost | | Fair Value | | Gross Unrealized Gains | | Gross Unrealized Losses | |
|------------------------------------|---------|------|------------|------|------------------------|------|-------------------------|------|
| | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| Available-for-sale debt securities | \$ 12.1 | \$ — | \$ 12.3 | \$ — | \$ 0.2 | \$ — | \$ — | \$ — |
| Equity securities | 20.0 | — | 20.0 | — | — | — | — | — |
| Total debt and equity securities | \$ 32.1 | \$ — | \$ 32.3 | \$ — | \$ 0.2 | \$ — | \$ — | \$ — |

The aggregate unrealized gains and losses on available-for-sale debt securities, net of tax effects, are classified in accumulated other comprehensive loss within shareholders' equity.

Scheduled maturities of our debt securities were as follows:

| | Cost | Fair Value |
|--------------------------------|---------|------------|
| After 5 years through 10 years | \$ 12.1 | \$ 12.3 |
| Total debt securities | \$ 12.1 | \$ 12.3 |

Fair Value Measurements and Financial Statement Presentation

Estimates of fair value for financial assets and financial liabilities are based on the framework established in the accounting guidance for fair value measurements. The framework defines fair value, provides guidance for measuring fair value and requires certain disclosures. The framework discusses valuation techniques, such as the market approach (comparable market prices), the income approach (present value of future income or cash flow) and the cost approach (cost to replace the service capacity of an asset or replacement cost). The framework utilizes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three broad levels. The following is a brief description of those three levels:

- Level 1: Observable inputs such as quoted prices (unadjusted) in active markets for identical assets or liabilities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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- Level 2: Inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets and quoted prices for identical or similar assets or liabilities in markets that are not active.
- Level 3: Unobservable inputs that reflect the reporting entity's own assumptions.

Our population of assets and liabilities subject to fair value measurements as of December 31, 2024 were as follows:

| | Fair Value | Level 1 | Level 2 | Level 3 |
|------------------------------------|---------------|-------------|---------------|-------------|
| Assets: | | | | |
| Equity securities | \$ 20.0 | \$ — | \$ — | \$ 20.0 |
| Debt securities | 12.3 | — | — | 12.3 |
| Foreign currency forward contracts | 0.8 | — | 0.8 | — |
| Cross-currency swaps | 3.4 | — | 3.4 | — |
| Interest rate swaps | 0.1 | — | 0.1 | — |
| Total assets | 36.6 | — | 4.3 | 32.3 |
| Liabilities: | | | | |
| Foreign currency forward contracts | — | — | — | — |
| Cross-currency swaps | — | — | — | — |
| Interest rate swaps | 0.2 | — | 0.2 | — |
| Total liabilities | \$ 0.2 | \$ — | \$ 0.2 | \$ — |

Our population of assets and liabilities subject to fair value measurements as of December 31, 2023 were as follows:

| | Fair Value | Level 1 | Level 2 | Level 3 |
|------------------------------------|----------------|-------------|----------------|-------------|
| Assets: | | | | |
| Cross-currency swaps | \$ 2.5 | \$ — | \$ 2.5 | \$ — |
| Interest rate swaps | 0.8 | — | 0.8 | — |
| Total assets | 3.3 | — | 3.3 | — |
| Liabilities: | | | | |
| Foreign currency forward contracts | 1.6 | — | 1.6 | — |
| Cross-currency swaps | 6.7 | — | 6.7 | — |
| Interest rate swaps | 1.9 | — | 1.9 | — |
| Total liabilities | \$ 10.2 | \$ — | \$ 10.2 | \$ — |

Our foreign currency forward exchange contracts, cross-currency swaps and interest rate swaps are valued using observable Level 2 market expectations at the measurement date and standard valuation techniques to convert future amounts to a single present value amount. Further details regarding our foreign currency forward exchange and option contracts are discussed in Note 11.

There were no transfers into or out of Level 3 investments in 2024 or 2023.

The fair value and carrying value of total debt, including current portion, was \$235.9 million and \$199.5 million, respectively, as of December 31, 2024. The fair value was estimated using Level 3 inputs based on the borrowing rates currently available to us for bank loans with similar terms and remaining maturities.

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13. Retirement Benefit Plans

Substantially all U.S. employees are covered by various retirement benefit plans, including defined contribution savings plans and postretirement medical plans. Retirement benefits for eligible employees in foreign locations are funded principally through defined benefit plans, annuity or government programs. The total cost of benefits for our plans was \$15.7 million, \$16.6 million and \$11.6 million in 2024, 2023 and 2022, respectively.

We had a qualified, funded defined benefit retirement plan (the "U.S. Pension Plan") covering certain current and retired employees in the U.S. During 2015, the plan was amended to freeze benefits for all participants effective January 31, 2017. On February 15, 2017, the Board of Directors approved the termination of the U.S. Pension Plan, effective May 15, 2017. Participants who elected an immediate lump sum distribution were paid out in December 2017. Assets for participants who elected or are currently receiving annuity payments and those who have elected to defer their benefits were transferred to the annuity company, Pacific Life, in December 2017. Excess assets were transferred from the Tennant Company Pension Trust to the Tennant Company Retirement Savings Plan to deliver future discretionary benefits to plan participants. During 2023, all remaining excess assets were utilized, and none remained outstanding as of December 31, 2023.

We have a U.S. postretirement medical benefit plan (the "U.S. Retiree Plan") to provide certain healthcare benefits for U.S. employees hired before January 1, 1999. Eligibility for those benefits is based upon a combination of years of service with us and age upon retirement.

Our defined contribution savings plan ("401(k) plan") covers substantially all U.S. employees. Under this plan, we match up to 3% of the employee's annual compensation in cash to be invested per their election. We also make a discretionary profit sharing contribution to the 401(k) plan for employees with more than one year of service in accordance with our Profit Sharing Plan. This contribution is based upon our financial performance and can be funded in the form of a direct deposit into the employees 401(k) account, cash, or a combination of both. Expenses for the 401(k) plan, including profit sharing contributions, were \$10.0 million, \$10.5 million and \$6.0 million during 2024, 2023 and 2022, respectively.

We have a U.S. nonqualified supplemental benefit plan (the "U.S. Nonqualified Plan") to provide additional retirement benefits for certain employees whose benefits under our 401(k) plan or U.S. Pension Plan are limited by either the Employee Retirement Income Security Act or the Internal Revenue Code.

We also have defined benefit pension plans in the United Kingdom, Germany, France and Italy (the "U.K. Pension Plan", the "German Pension Plan," "French Pension Plan" and the "Italian Pension Plan"). The U.K. Pension Plan, French Pension Plan, German Pension Plan and Italian Pension Plan cover certain current and retired employees and all plans are closed to new participants.

In December 2018, the U.K. Pension Plan was amended to close all future accrual of benefits to existing active members.

In December 2024, the Trustees of the U.K. Pension Plan entered into an agreement with an insurer to acquire an insurance policy that operates as an investment asset, with the intent of matching part of the U.K. Pension Plan's future cash outflow arising from the accrued pension liabilities of 26 non-insured pensioner members. Such an arrangement is commonly termed as a "partial buy-in." The benefit obligation was not transferred to the insurer and remains with the Company. The partial buy-in insurance contract is classified as a Level 3 investment. The value of the insurance contract is based on significant unobservable inputs including plan participant demographics, in addition to observable inputs which include expected return on assets and estimated value premium.

The partial buy-in arrangement also allows for the possible future conversion into a buy-out arrangement where the insurance company would assume responsibility for paying the insured benefits directly to the members of the U.K. Pension Plan, at which time the Company would derecognize the assets and liabilities of the pension plan but would, however, remain responsible for any residual risks once the U.K. Pension Plan is wound-up.

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The Italian Plan is an employee termination indemnity mandated by Italian law to all employees employed prior to 2008. Benefits are paid out when employees covered under the plan are terminated for any reason. Due to changes in Italian law, such termination indemnities are no longer available to new participants.

We expect to contribute less than \$0.1 million to our U.S. Nonqualified Plan and \$0.5 million to our U.S. Retiree Plan in 2024. We expect contributions to our U.K. Pension Plan, German Pension Plan, French Pension Plan and Italian Pension Plans to be \$0.3 million in 2024.

Weighted-average asset allocations by asset category of the U.K. Pension Plan as of December 31, 2024 were as follows:

| Asset category | Fair Value | Quoted Prices in Active Markets for Identical Assets (Level 1) | Significant Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) |
|--|----------------|--|---|---|
| Investment account held by pension plan ^(a) | \$ 6.7 | \$ — | \$ — | \$ 6.7 |
| Buy-in Insurance Contract ^(b) | 5.9 | — | — | 5.9 |
| Total | \$ 12.6 | \$ — | \$ — | \$ 12.6 |

^(a) This category is comprised of investments in insurance contracts.

^(b) This represents the U.K. Pension Plan partial buy-in assets comprised of investments in insurance contracts.

Weighted-average asset allocations by asset category of the U.K. Pension Plan as of December 31, 2023 were as follows:

| Asset category | Fair Value | Quoted Prices in Active Markets for Identical Assets (Level 1) | Significant Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) |
|--|----------------|--|---|---|
| Investment account held by pension plan ^(a) | \$ 12.7 | \$ — | \$ — | \$ 12.7 |
| Total | \$ 12.7 | \$ — | \$ — | \$ 12.7 |

^(a) This category is comprised of investments in insurance contracts.

Estimates of the fair value of the U.K. Pension Plan are based on the framework established in the accounting guidance for fair value measurements. A brief description of the three levels can be found in Note 12. The Investment Account held by the U.K. Pension Plan invests in insurance contracts for purposes of funding the U.K. Pension Plan and is classified as Level 3. The fair value of the Investment Account is the cash surrender values as determined by the provider which are the amounts the plan would receive if the contracts were cashed out at year-end. The underlying assets held by these contracts are primarily invested in assets traded in active markets.

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(Tables in millions, except shares and per share data)

A reconciliation of the beginning and ending balances of the Level 3 investments of our U.K. Pension Plan during the years ended December 31 was as follows:

| | | 2024 | | 2023 |
|--|----|-------------|----|-------------|
| Fair value at beginning of year | \$ | 12.7 | \$ | 11.3 |
| Purchases, sales, issuances and settlements, net | | (0.4) | | (0.3) |
| Net (loss) gain | | (0.2) | | 1.1 |
| Net transfer in | | 0.7 | | — |
| Foreign currency | | (0.2) | | 0.6 |
| Fair value at end of year | \$ | 12.6 | \$ | 12.7 |

The primary objective of our U.K. Pension Plan is to meet retirement income commitments to plan participants at a reasonable cost to us and to maintain a sound actuarial funded status. This objective is accomplished through growth of capital and safety of funds invested. Assets are invested in securities to achieve growth of capital over inflation through appreciation and accumulation and reinvestment of dividend and interest income. Investments are diversified to control risk. The U.K. Pension Plan is invested in insurance contracts with underlying investments primarily in equity and fixed income securities. All other Pension Plans are unfunded, which is customary.

Weighted-average assumptions used to determine benefit obligations as of December 31 were as follows:

| | U.S. Nonqualified Plan | | Non-U.S. Pension Benefits | | Postretirement Medical Benefits | |
|-------------------------------|------------------------|--------|---------------------------|--------|---------------------------------|--------|
| | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| Discount rate | 5.42 % | 5.07 % | 4.65 % | 4.26 % | 5.39 % | 5.06 % |
| Rate of compensation increase | — % | — % | 3.00 % | 3.00 % | — % | — % |

Weighted-average assumptions used to determine net periodic benefit costs as of December 31 were as follows:

| | U.S. Nonqualified Plan | | | Non-U.S. Pension Benefits | | | Postretirement Medical Benefits | | |
|--|------------------------|--------|--------|---------------------------|--------|--------|---------------------------------|--------|--------|
| | 2024 | 2023 | 2022 | 2024 | 2023 | 2022 | 2024 | 2023 | 2022 |
| Discount rate | 5.07 % | 5.37 % | 2.54 % | 4.26 % | 4.68 % | 1.55 % | 5.06 % | 5.37 % | 2.53 % |
| Expected long-term rate of return on plan assets | — % | — % | — % | 6.10 % | 6.10 % | 3.20 % | — % | — % | — % |
| Rate of compensation increase | — % | — % | — % | 3.00 % | 2.25 % | 1.50 % | — % | — % | — % |

The discount rate is used to discount future benefit obligations back to today's dollars. Our discount rates were determined based on high-quality fixed income investments. The resulting discount rates are consistent with the duration of plan liabilities. The Mercer Above Mean Yield Curve for high-quality corporate bonds is used in determining the discount rate for the U.S. Nonqualified Plan in 2024. The Mercer Yield Curve is used in determining the discount rate for the Non-U.S. Plans in 2024. Before 2019, the FTSE (formerly known as Citigroup) Above Median Spot rates for high-quality corporate bonds were used in determining the discount rate for the U.S. Plans. Before 2021, the iBoxx € Corporates AA 7-10 and iBoxx € Corporates AA 10+ Benchmark were used to determine the discount rate for the Italian Pension Plan.

The expected return on assets assumption on the investment portfolios for the pension plans is based on the long-term expected returns for the investment mix of assets currently in the portfolio. Management uses

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historic return trends of the asset portfolio combined with recent market conditions to estimate the future rate of return.

The accumulated benefit obligations as of December 31 for all defined benefit plans were as follows:

| | | 2024 | | 2023 |
|------------------------|----|-------------|----|-------------|
| U.S. Nonqualified Plan | \$ | 0.8 | \$ | 0.9 |
| U.K. Pension Plan | | 6.3 | | 6.2 |
| German Pension Plan | | 0.9 | | 1.0 |
| French Pension Plan | | 0.5 | | 0.4 |
| Italian Pension Plan | | 2.4 | | 2.5 |

Information for our plans with an accumulated benefit obligation in excess of plan assets as of December 31 was as follows:

| | | 2024 | | 2023 |
|--------------------------------|----|-------------|----|-------------|
| Accumulated benefit obligation | \$ | 4.6 | \$ | 4.8 |

As of December 31, 2024 and 2023, the U.S. Nonqualified, the German Pension, the French Pension and the Italian Pension Plans had an accumulated benefit obligation in excess of plan assets.

Information for our plans with a projected benefit obligation in excess of plan assets as of December 31 was as follows:

| | | 2024 | | 2023 |
|------------------------------|----|-------------|----|-------------|
| Projected benefit obligation | \$ | 4.9 | \$ | 5.0 |

As of December 31, 2024 and 2023, the U.S. Nonqualified, the German Pension, the French Pension and the Italian Pension Plans had a projected benefit obligation in excess of plan assets.

Assumed healthcare cost trend rates as of December 31 were as follows:

| | 2024 | 2023 |
|---|-------------|-------------|
| Healthcare cost trend rate assumption for the next year Pre-65 | 7.20 % | 8.00 % |
| Healthcare cost trend rate assumption for the next year Post-65 | 7.90 % | 8.80 % |
| Rate to which the cost trend rate is assumed to decline (the ultimate trend rate) | 4.00 % | 4.00 % |
| Year that the rate reaches the ultimate trend rate | 2047 | 2047 |

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Summaries related to changes in benefit obligations and plan assets and to the funded status of our defined benefit and postretirement medical benefit plans were as follows:

| | U.S. Nonqualified Plan | | Non-U.S. Pension Benefits | | Postretirement Medical Benefits | |
|---|------------------------|----------|---------------------------|----------|---------------------------------|----------|
| | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| Change in benefit obligation: | | | | | | |
| Benefit obligation at beginning of year | \$ 0.9 | \$ 0.9 | \$ 10.4 | \$ 10.3 | \$ 4.6 | \$ 5.4 |
| Service cost | — | — | 0.1 | 0.1 | — | — |
| Interest cost | — | — | 0.4 | 0.5 | 0.2 | 0.3 |
| Actuarial loss (gain) | — | 0.1 | (0.2) | (0.3) | 0.1 | (0.7) |
| Foreign exchange | — | — | (0.4) | 0.5 | — | — |
| Net transfer in | — | — | 0.7 | — | — | — |
| Benefits paid | (0.1) | (0.1) | (0.7) | (0.7) | (0.6) | (0.4) |
| Benefit obligation at end of year | \$ 0.8 | \$ 0.9 | \$ 10.3 | \$ 10.4 | \$ 4.3 | \$ 4.6 |
| Change in fair value of plan assets and net accrued liabilities: | | | | | | |
| Fair value of plan assets at beginning of year | \$ — | \$ — | \$ 12.7 | \$ 11.3 | \$ — | \$ — |
| Actual return on plan assets | — | — | (0.2) | 1.1 | — | — |
| Employer contributions | 0.1 | 0.1 | 0.3 | 0.3 | 0.6 | 0.4 |
| Foreign exchange | — | — | (0.2) | 0.6 | — | — |
| Net transfer in | — | — | 0.7 | — | — | — |
| Benefits paid | (0.1) | (0.1) | (0.7) | (0.6) | (0.6) | (0.4) |
| Fair value of plan assets at end of year | — | — | 12.6 | 12.7 | — | — |
| Funded status at end of year | \$ (0.8) | \$ (0.9) | \$ 2.3 | \$ 2.3 | \$ (4.3) | \$ (4.6) |
| Amounts recognized in the consolidated balance sheets consist of: | | | | | | |
| Noncurrent other assets | \$ — | \$ — | \$ 6.4 | \$ 6.5 | \$ — | \$ — |
| Current liabilities | (0.1) | (0.1) | (0.3) | (0.3) | (0.5) | (0.6) |
| Long-term liabilities | (0.7) | (0.8) | (3.8) | (3.9) | (3.8) | (4.0) |
| Net accrued liability | \$ (0.8) | \$ (0.9) | \$ 2.3 | \$ 2.3 | \$ (4.3) | \$ (4.6) |
| Amounts recognized in accumulated other comprehensive loss consist of: | | | | | | |
| Prior service cost | \$ — | \$ — | \$ (0.1) | \$ (0.1) | \$ — | \$ — |
| Net actuarial (loss) gain | (0.7) | (0.7) | 2.7 | 3.6 | 1.4 | 1.8 |
| Accumulated other comprehensive (loss) income | \$ (0.7) | \$ (0.7) | \$ 2.6 | \$ 3.5 | \$ 1.4 | \$ 1.8 |

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The components of the net periodic benefit cost (credit) for the three years ended December 31 were as follows:

| | U.S. Nonqualified Plan | | | Non-U.S. Pension Benefits | | | Postretirement Medical Benefits | | |
|---|------------------------|--------|--------|---------------------------|----------|--------|---------------------------------|--------|--------|
| | 2024 | 2023 | 2022 | 2024 | 2023 | 2022 | 2024 | 2023 | 2022 |
| Service cost | \$ — | \$ — | \$ — | \$ 0.1 | \$ 0.1 | \$ 0.3 | \$ — | \$ — | \$ — |
| Interest cost | — | — | — | 0.4 | 0.5 | 0.2 | 0.2 | 0.3 | 0.2 |
| Expected return on plan assets | — | — | — | (0.8) | (0.7) | (0.4) | — | — | — |
| Amortization of net actuarial loss (gain) | 0.1 | 0.1 | 0.1 | (0.1) | (0.1) | — | (0.3) | (0.2) | — |
| Net periodic benefit cost (credit) | \$ 0.1 | \$ 0.1 | \$ 0.1 | \$ (0.4) | \$ (0.2) | \$ 0.1 | \$ (0.1) | \$ 0.1 | \$ 0.2 |

The changes in accumulated other comprehensive loss for the three years ended December 31 were as follows:

| | U.S. Nonqualified Plan | | | Non-U.S. Pension Benefits | | | Postretirement Medical Benefits | | |
|---|------------------------|--------|----------|---------------------------|----------|----------|---------------------------------|----------|----------|
| | 2024 | 2023 | 2022 | 2024 | 2023 | 2022 | 2024 | 2023 | 2022 |
| Net actuarial loss (gain) | 0.1 | 0.1 | (0.1) | 0.8 | (0.9) | (5.0) | 0.1 | (0.7) | (1.1) |
| Foreign exchange | — | — | — | 0.1 | — | — | — | — | — |
| Amortization of net actuarial (loss) gain | (0.1) | (0.1) | (0.1) | 0.1 | 0.1 | — | 0.3 | 0.2 | — |
| Total recognized in other comprehensive (income) loss | \$ — | \$ — | \$ (0.2) | \$ 1.0 | \$ (0.8) | \$ (5.0) | \$ 0.4 | \$ (0.5) | \$ (1.1) |
| Total recognized in net benefit cost (credit) and other comprehensive (income) loss | \$ 0.1 | \$ 0.1 | \$ (0.1) | \$ 0.6 | \$ (1.0) | \$ (4.9) | \$ 0.3 | \$ (0.4) | \$ (0.9) |

The following benefit payments, which reflect expected future service, are expected to be paid:

| | U.S. Nonqualified Plan | Non-U.S. Pension Benefits | Postretirement Medical Benefits |
|--------------|------------------------|---------------------------|---------------------------------|
| 2025 | \$ 0.1 | \$ 0.7 | \$ 0.5 |
| 2026 | 0.1 | 0.7 | 0.5 |
| 2027 | 0.1 | 0.6 | 0.5 |
| 2028 | 0.1 | 0.8 | 0.5 |
| 2029 | 0.1 | 0.7 | 0.5 |
| 2028 to 2031 | 0.3 | 3.8 | 1.9 |
| Total | \$ 0.8 | \$ 7.3 | \$ 4.4 |

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14. Shareholders' Equity

Authorized Shares

We are authorized to issue an aggregate of 60,000,000 shares, all of which are designated as Common Stock having a par value of \$0.375 per share. The Board of Directors is authorized to establish one or more series of preferred stock, setting forth the designation of each such series, and fixing the relative rights and preferences of each such series.

Accumulated Other Comprehensive Loss

The changes in components of accumulated other comprehensive loss, net of tax, were as follows:

| | Foreign Currency Translation Adjustments | Pension and Postretirement Medical Benefits | Derivative Financial Instruments | Unrealized Gain on Debt Securities | Total |
|--|--|---|--|--|-----------|
| December 31, 2022 | \$ (53.9) | \$ 2.7 | \$ 1.0 | \$ — | \$ (50.2) |
| Other comprehensive (loss) income before reclassifications | 9.3 | 1.0 | 0.6 | — | 10.9 |
| Amounts reclassified from accumulated other comprehensive loss | (1.0) | — | (2.0) | — | (3.0) |
| Net current period other comprehensive (loss) income | 8.3 | 1.0 | (1.4) | — | 7.9 |
| December 31, 2023 | \$ (45.6) | \$ 3.7 | \$ (0.4) | \$ — | \$ (42.3) |
| Other comprehensive (loss) income before reclassifications | (28.6) | (0.9) | 2.0 | 0.2 | (27.3) |
| Amounts reclassified from accumulated other comprehensive loss | (1.0) | — | (2.1) | — | (3.1) |
| Net current period other comprehensive (loss) income | (29.6) | (0.9) | (0.1) | 0.2 | (30.4) |
| December 31, 2024 | \$ (75.2) | \$ 2.8 | \$ (0.5) | \$ 0.2 | \$ (72.7) |

Accumulated other comprehensive loss associated with pension and postretirement benefits, derivative financial instruments, and unrealized gain on debt securities is included in Notes 13, 11 and 9, respectively.

Repurchase of Common Stock

On October 31, 2016, the Board of Directors authorized the repurchase of 1,000,000 shares of our common stock. On February 11, 2025, the Board of Directors authorized the repurchase of up to 2,000,000 shares. Our stock repurchase program is not subject to an expiration date.

During the year ended December 31, 2024, the Company paid \$19.6 million to repurchase 198,352 shares of its common stock at an average price of \$98.92 per share. As of December 31, 2024, 623,061 shares were available to be repurchased. The Company paid \$21.7 million to repurchase 290,920 shares during the year ended December 31, 2023.

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15. Leases

We lease facilities, vehicles and equipment under the operating lease agreements, which include both monthly and longer-term arrangements.

Certain operating leases for vehicles contain residual value guarantee provisions, which would generally become due at the expiration of the operating lease agreement if the fair value of the leased vehicles is less than the guaranteed residual value. As of December 31, 2024, the aggregate residual value guarantee related to these leases was approximately \$24.0 million. We believe the likelihood of funding the guarantee obligation under any provision of the operating lease agreement is remote.

The lease assets and liabilities as of December 31 were as follows:

| Leases | Classification | | 2024 | | 2023 |
|-------------------------|--|----|------|----|------|
| Assets | | | | | |
| Operating lease assets | Operating lease assets | \$ | 54.6 | \$ | 41.7 |
| Finance lease assets | Property, plant and equipment ^(a) | | 1.1 | | 0.6 |
| Total leased assets | | \$ | 55.7 | \$ | 42.3 |
| Liabilities | | | | | |
| Current: | | | | | |
| Operating | Other current liabilities | \$ | 18.5 | \$ | 14.4 |
| Finance | Current portion of long-term debt | | 0.5 | | 0.1 |
| Noncurrent: | | | | | |
| Operating | Long-term operating lease liabilities | | 36.3 | | 27.4 |
| Finance | Long-term debt | | 0.7 | | 0.4 |
| Total lease liabilities | | \$ | 56.0 | \$ | 42.3 |

^(a) Finance lease assets are recorded net of accumulated amortization of \$0.3 million and \$0.1 million as of December 31, 2024 and December 31, 2023, respectively.

The lease cost for the three years ended December 31 was as follows:

| Lease Cost | | 2024 | | 2023 | | 2022 |
|-------------------------------------|----|------|----|------|----|------|
| Operating lease cost ^(a) | \$ | 30.1 | \$ | 28.9 | \$ | 26.2 |
| Finance lease cost ^(b) | | 0.2 | | 0.1 | | 0.1 |
| Total lease cost | \$ | 30.3 | \$ | 29.0 | \$ | 26.3 |

^(a) Includes short-term lease costs of \$6.2 million and \$5.9 million and variable lease costs of \$2.4 million and \$4.2 million for the years ended December 31, 2024 and December 31, 2023, respectively.

^(b) Includes amortization of leased assets and interest on lease liabilities.

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The maturity of lease liabilities as of December 31, 2024 was as follows:

| Maturity of Lease Liabilities | Operating Leases | Finance Leases | Total |
|---|-------------------------|-----------------------|----------------|
| 2025 | \$ 21.0 | \$ 0.5 | \$ 21.5 |
| 2026 | 17.6 | 0.3 | 17.9 |
| 2027 | 12.8 | 0.2 | 13.0 |
| 2028 | 6.1 | 0.2 | 6.3 |
| 2029 | 2.2 | 0.1 | 2.3 |
| Thereafter | 1.5 | — | 1.5 |
| Total lease payments | \$ 61.2 | \$ 1.3 | \$ 62.5 |
| Less: Interest | (6.4) | (0.1) | (6.5) |
| Present value of lease liabilities | \$ 54.8 | \$ 1.2 | \$ 56.0 |

The lease term and discount rate as of December 31 were as follows:

| Lease Term and Discount Rate | 2024 | 2023 |
|---|-------------|-------------|
| Weighted-average remaining lease term (years): | | |
| Operating leases | 3.5 | 3.8 |
| Finance leases | 4.0 | 4.7 |
| Weighted-average discount rate: | | |
| Operating leases | 6.1% | 6.0% |
| Finance leases | 5.2% | 6.0% |

Other information related to cash paid related to lease liabilities and lease assets obtained for the years ended December 31 was as follows:

| Other Information | 2024 | 2023 |
|--|-------------|-------------|
| Cash paid for amounts included in the measurement of lease liabilities: | | |
| Operating cash flows from operating leases | \$ 21.3 | \$ 18.9 |
| Financing cash flows from finance leases | 0.2 | 0.1 |
| Lease assets obtained in exchange for new finance lease liabilities | 1.0 | 0.7 |
| Lease assets obtained in exchange for new operating lease liabilities | 34.2 | 18.8 |

16. Commitments and Contingencies

In the ordinary course of business, we may become liable with respect to pending and threatened litigation, tax, environmental and other matters. Legal costs associated with such matters are expensed as incurred.

Oxygenator Water Techs vs. Tennant Company

On November 25, 2024, the Company received an adverse jury verdict in an intellectual property damages dispute in the United States District Court for the District of Minnesota. In the dispute, Oxygenator Water Technologies, Inc. (OWT) alleges that between 2015 and 2023 Tennant Company infringed certain of OWT's patents through the Company's manufacture and sale of certain component parts in eCH₂O and nanoclean system options included on commercial floor scrubbers. A jury ruled against the Company and awarded \$9.8 million, plus prejudgment interest of \$4.7 million, in favor of OWT. The Company strongly disagrees with the verdict and is exploring all available options, including seeking to overturn the verdict and the resulting judgment through an appeals process. However, based on the jury verdict, the Company has recorded an accrued expense in selling and administrative expense in the Company's Consolidated Statements of Income

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and a current liability in the Company's Consolidated Balance Sheets for the total amount of \$14.5 million. As the litigation process is not predictable and can lead to unexpected results, it is possible that the Company's exposure to loss could change after the issuance of these financials.

The ruling does not impact the Company's ability to sell any of its products and is not expected to affect the Company's long-term business objectives.

Other Matters

In addition to the above matter, the Company is involved in various other claims and litigation incidental to its business. Although the outcome of these matters cannot be determined with certainty, we do not expect that the final outcome will have a material effect on the Company's consolidated results of operations or financial position.

17. Income Taxes

Income before income taxes for the three years ended December 31 was as follows:

| | 2024 | 2023 | 2022 |
|--------------------|-----------------|-----------------|----------------|
| U.S. operations | \$ 92.3 | \$ 94.2 | \$ 58.9 |
| Foreign operations | 12.5 | 29.6 | 20.6 |
| Total | \$ 104.8 | \$ 123.8 | \$ 79.5 |

Income tax expense (benefit) for the three years ended December 31 was as follows:

| | 2024 | 2023 | 2022 |
|---------------------------------|-----------------|------------------|------------------|
| Current: | | | |
| Federal | \$ 19.1 | \$ 28.7 | \$ 17.1 |
| Foreign | 7.9 | 8.5 | 7.9 |
| State | 3.6 | 4.0 | 3.8 |
| Total current | \$ 30.6 | \$ 41.2 | \$ 28.8 |
| Deferred: | | | |
| Federal | \$ (1.8) | \$ (8.7) | \$ (6.3) |
| Foreign | (7.7) | (17.3) | (8.5) |
| State | — | (0.9) | (0.8) |
| Total deferred | \$ (9.5) | \$ (26.9) | \$ (15.6) |
| Total: | | | |
| Federal | \$ 17.3 | \$ 20.0 | \$ 10.8 |
| Foreign | 0.2 | (8.8) | (0.6) |
| State | 3.6 | 3.1 | 3.0 |
| Total income tax expense | \$ 21.1 | \$ 14.3 | \$ 13.2 |

In general, it is our practice and intention to permanently reinvest the earnings of our foreign subsidiaries and repatriate earnings only when the tax impact is zero or immaterial. Accordingly, no deferred taxes have been provided for withholding taxes or other taxes that would result upon repatriation of our approximately \$119.3 million of undistributed earnings from foreign subsidiaries to the United States as those earnings continue to be permanently reinvested.

In December 2021, the Organization for Economic Cooperation and Development (OECD), which is an international public policy setting organization comprised of member countries including the U.S., published a proposal for the establishment of a global minimum tax rate of 15% (the "Pillar Two rule"). Member states have

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begun implementing the rules through local legislation and the OECD continues to refine technical guidance. We have considered the applicable developments under the Pillar Two rules and there is no material impact on the 2024 consolidated financial statements.

Our effective income tax rate varied from the U.S. federal statutory tax rate for the three years ended December 31 as follows:

| | 2024 | 2023 | 2022 |
|---|-------------|-------------|-------------|
| Tax at statutory rate | 21.0 % | 21.0 % | 21.0 % |
| Increases (decreases) in the tax rate from: | | | |
| State and local taxes, net of federal benefit | 3.4 | 2.4 | 2.4 |
| Effect of foreign operations | (2.2) | (10.9) | (4.9) |
| Effect of changes in valuation allowances | — | (0.2) | (1.2) |
| Nondeductible executive compensation | 2.5 | 1.0 | 1.1 |
| Stock based compensation | (2.9) | 0.1 | (0.4) |
| Research and development credit | (1.6) | (1.3) | (1.5) |
| Other, net | (0.1) | (0.5) | 0.1 |
| Effective income tax rate | 20.1 % | 11.6 % | 16.6 % |

The effect of foreign operations line item includes (3.7%) and (12.0%) benefits for 2024 and 2023, respectively, associated with reductions to deferred tax liabilities on undistributed foreign earnings as those cumulative earnings were reduced by current year statutory book losses.

Deferred tax assets and liabilities were comprised of the following as of December 31:

| | 2024 | 2023 |
|--|-------------|-------------|
| Deferred tax assets: | | |
| Inventory | \$ 2.2 | \$ 3.8 |
| Compensation and employee benefits | 12.3 | 13.2 |
| Warranty reserves | 2.2 | 2.4 |
| Allowance for doubtful accounts and deferred revenue | 2.8 | 2.7 |
| Operating lease liabilities | 11.0 | 9.0 |
| Tax loss carryforwards | 7.7 | 6.9 |
| Tax credit carryforwards | 3.6 | 3.7 |
| Capitalized research and development costs | 19.0 | 12.3 |
| Goodwill and intangible assets | 7.0 | 4.5 |
| Other | 2.5 | 1.2 |
| Gross deferred tax assets | \$ 70.3 | \$ 59.7 |
| Less: valuation allowance | (3.3) | (3.2) |
| Total net deferred tax assets | \$ 67.0 | \$ 56.5 |
| Deferred tax liabilities: | | |
| Operating lease assets | \$ 11.3 | \$ 9.5 |
| Fixed assets | 9.2 | 9.5 |
| Capitalized implementation costs | 5.0 | — |
| Total deferred tax liabilities | \$ 25.5 | \$ 19.0 |
| Net deferred tax assets | \$ 41.5 | \$ 37.5 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS*(Tables in millions, except shares and per share data)*

Tax credit carryforwards consist of \$3.1 million of U.S. federal and state tax credits and \$1.2 million of Netherlands tax credits. We have non-U.S. cumulative tax losses of \$29.8 million in various countries (\$7.7 million tax effected). Cumulative losses can be used to offset the income tax liabilities on future income in these countries. Of these losses, \$29.5 million have unlimited carryforward periods. Less than \$0.3 million of these losses have a limited carryforward period.

The valuation allowance as of December 31, 2024 principally applies to foreign net operating losses as well as foreign and domestic tax credit carryforwards which, in the opinion of management, are more likely than not to expire unutilized. However, to the extent that tax benefits related to these carryforwards are realized in the future, the reduction in the valuation allowance will reduce income tax expense. In 2024, we recorded a net valuation allowance increase of \$0.1 million due to the acquisition of TCS and internal restructuring. As of December 31, 2024, we believe it is more likely than not that the remainder of our deferred tax assets are realizable.

A reconciliation of the beginning and ending amount of unrecognized tax benefits was as follows:

| | | 2024 | | 2023 |
|---|----|-------------|----|-------------|
| Beginning balance | \$ | 4.1 | \$ | 4.2 |
| (Decreases) as a result of tax positions taken during a prior period | | — | | — |
| Increases as a result of tax positions taken during the current year | | 0.9 | | 1.2 |
| Increase relating to prior period tax positions of acquired entities | | 1.4 | | — |
| Decreases relating to settlement with tax authorities | | — | | (0.2) |
| Decreases as a result of a lapse of the applicable statute of limitations | | (0.5) | | (1.1) |
| Decreases as a result of foreign currency fluctuations | | — | | — |
| Ending balance | \$ | 5.9 | \$ | 4.1 |

Included in the balance of unrecognized tax benefits as of December 31, 2024 and 2023 are potential benefits of \$5.5 million and \$3.7 million, respectively, that if recognized, would affect the effective tax rate.

We recognize potential accrued interest and penalties related to unrecognized tax benefits as a component of income tax expense. In addition to the liability of \$5.9 million and \$4.1 million for unrecognized tax benefits as of December 31, 2024 and 2023, there was approximately \$0.6 million and \$0.5 million, respectively, for accrued interest and penalties. To the extent interest and penalties are not assessed with respect to uncertain tax positions, the amounts accrued will be revised and reflected as an adjustment to income tax expense.

We and our subsidiaries are subject to U.S. federal income tax as well as income tax of numerous state and foreign jurisdictions. We are generally no longer subject to U.S. federal tax examinations for taxable years before 2018. The number of years which remain open for audit for U.S. state or foreign tax purposes varies by jurisdiction but generally ranges from 3-5 years. We are currently undergoing income tax examinations in various foreign jurisdictions. Although the final outcome of these examinations cannot be currently determined, we believe that we have adequate reserves with respect to these examinations.

18. Share-Based Compensation

We have five plans under which we have awarded share-based compensation grants: The 1997 Non-Employee Directors Option Plan ("1997 Plan"), which provided for stock option grants to our non-employee Directors, the 2007 Stock Incentive Plan ("2007 Plan"), the Amended and Restated 2010 Stock Incentive Plan, as Amended ("2010 Plan"), the 2017 Stock Incentive Plan ("2017 Plan") and the 2020 Amended and Restated Stock Incentive Plan ("2020 Plan").

As of December 31, 2024, there were 148,502 shares subject to outstanding compensation awards under the 2007 Plan, the 2010 Plan, and the 2017 Plan. As of December 31, 2024, there were 1,846,357 shares available for issuance under the 2020 Plan. The Compensation Committee of the Board of Directors determines the number of shares awarded and the grant date, subject to the terms of our equity award policy.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Tables in millions, except shares and per share data)

We recognized total share-based compensation expense of \$11.9 million, \$11.6 million and \$7.8 million, respectively, during the years ended 2024, 2023 and 2022. The total excess tax benefit recognized for share-based compensation arrangements during the years ended 2024, 2023 and 2022 was \$3.1 million, \$0.1 million and \$0.3 million, respectively.

Stock Option Awards

We determined the fair value of our stock option awards using the Black-Scholes valuation model that uses the assumptions noted in the table below. The expected term selected for stock options granted during the year represents the period of time that the stock options are expected to be outstanding based on historical data of stock option holder exercise and termination behavior of similar grants. The risk-free interest rate for periods within the contractual life of the stock option is based on the U.S. Treasury rate over the expected life at the time of grant. Expected volatility is based upon historical volatility of our stock over a period equal to the expected life of each stock option grant. Dividend yield is estimated over the expected life based on our dividend policy and historical dividends paid. To determine the amount of compensation cost to be recognized in each period, we account for forfeitures as they occur. We did not grant any stock options during 2024.

The following table illustrates the valuation assumptions used for the 2023 and 2022 stock option grants:

| | 2023 | 2022 |
|--|------------|------------|
| Expected volatility | 35 % | 34 - 34% |
| Weighted-average expected volatility | 35 % | 34 % |
| Expected dividend yield | 1.6 % | 1.2 - 1.2% |
| Weighted-average expected dividend yield | 1.6 % | 1.2 % |
| Expected term, in years | 5 | 5 |
| Risk-free interest rate | 4.2 - 4.2% | 1.9 - 1.9% |

New stock option awards granted vest one-third each year over a three-year period and have a ten-year contractual term. Compensation expense equal to the grant date fair value is recognized for these awards on a straight-line basis over the awards' vesting period. Stock options granted to employees are subject to accelerated expensing if the option holder meets the retirement definition set forth in the applicable equity and incentive plan.

The following table summarizes the activity during the year ended December 31, 2024 for stock option awards:

| | Shares | Weighted-Average Exercise Price |
|----------------------------------|-----------|---------------------------------|
| Outstanding at beginning of year | 642,431 | \$ 70.43 |
| Granted | — | — |
| Exercised | (340,027) | 68.88 |
| Forfeited | — | — |
| Expired | — | — |
| Outstanding at end of year | 302,404 | \$ 72.18 |
| Exercisable at end of year | 247,575 | \$ 71.59 |

There were no options granted during the year ended December 31, 2024. The weighted-average grant date fair value of stock options granted during the years ended 2023 and 2022 was \$24.21 and \$23.45, respectively.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Tables in millions, except shares and per share data)

The total intrinsic value of stock options exercised during the years ended December 31, 2024, 2023 and 2022 was \$14.5 million, \$5.9 million and \$0.4 million, respectively. The aggregate intrinsic value of options outstanding and exercisable at December 31, 2024 was \$2.9 million and \$2.5 million, respectively. The weighted-average remaining contractual life for options outstanding and exercisable as of December 31, 2024 was 5.3 years and 4.8 years, respectively.

As of December 31, 2024, there was unrecognized compensation cost related to nonvested stock options of \$0.6 million, which is expected to be recognized over a weighted-average period of 0.9 years.

Restricted Share Awards

Restricted share awards for employees generally have a three-year vesting period from the effective date of the grant. Restricted share awards to non-employee directors vest upon a change of control or upon termination of service as a director occurring at least six months after grant date of the award so long as termination is for one of the following reasons: death; disability; retirement in accordance with Tennant policy (e.g., age, term limits, etc.); resignation at request of Board (other than for gross misconduct); resignation following at least six months' advance notice; failure to be renominated (unless due to unwillingness to serve) or reelected by shareholders; or removal by shareholders. We use the closing share price the day before the grant date to determine the fair value of our restricted share awards. Expenses for these awards are recognized over the vesting period.

The following table summarizes the activity during the year ended December 31, 2024 for nonvested restricted share awards:

| | Shares | Weighted-Average Grant Date Fair Value |
|--------------------------------|----------|--|
| Nonvested at beginning of year | 84,966 | \$ 63.48 |
| Granted | 28,753 | 110.16 |
| Vested | (27,514) | 59.92 |
| Forfeited | — | — |
| Nonvested at end of year | 86,205 | \$ 80.18 |

The weighted-average grant date fair value of restricted share awards granted during the years ended December 31, 2024, 2023 and 2022 was \$110.16, \$72.88 and \$78.78, respectively.

The total fair value of restricted shares vested during the years ended December 31, 2024, 2023 and 2022 was \$1.6 million, \$0.4 million and \$1.7 million, respectively. As of December 31, 2024, there was \$2.9 million of total unrecognized compensation cost related to restricted share awards, which is expected to be recognized over a weighted-average period of 1.9 years.

Performance Share Awards

We grant performance share awards to key employees as a part of our long-term management compensation program. These awards are earned based upon achievement of certain financial performance targets over a three year period. The number of shares of common stock a participant receives will be increased (up to 200 percent of target levels) or reduced (down to zero) based on the level of achievement of the financial performance targets. We use the closing share price the day before the grant date to determine the fair value of our performance share awards. Expenses on these awards are recognized over a three-year performance period. Performance shares are granted in restricted stock units. They are payable in stock and vest solely upon achievement of certain financial performance targets during this three-year period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS*(Tables in millions, except shares and per share data)*

The following table summarizes the activity during the year ended December 31, 2024 for nonvested performance share awards:

| | Shares | Weighted-Average Grant Date Fair Value |
|--------------------------------|----------|--|
| Nonvested at beginning of year | 153,148 | \$ 76.44 |
| Granted | 50,846 | 108.97 |
| Vested | (51,712) | 79.30 |
| Forfeited | (2,665) | 107.73 |
| Nonvested at end of year | 149,617 | \$ 85.94 |

The weighted-average grant date fair value of performance share awards granted during the years ended December 31, 2024, 2023 and 2022 was \$108.97, \$73.12 and \$77.19, respectively.

As of December 31, 2024, there was \$6.0 million of total unrecognized compensation costs related to performance share awards, which is expected to be recognized over a weighted-average period of 1.5 years.

Restricted Stock Units

We grant restricted stock units to employees and non-employee directors, which generally vest within three years from the date of the grant. Vested restricted stock units are paid out in stock. We use the closing share price the day before the grant date to determine the fair value of our restricted stock units. Expenses on these awards are recognized on a straight-line basis over the vesting period of the award.

The following table summarizes the activity during the year ended December 31, 2024 for nonvested restricted stock units:

| | Shares | Weighted-Average Grant Date Fair Value |
|--------------------------------|----------|--|
| Nonvested at beginning of year | 129,219 | \$ 73.89 |
| Granted | 52,357 | 106.54 |
| Vested | (30,443) | 73.30 |
| Forfeited | (18,990) | 86.99 |
| Nonvested at end of year | 132,143 | \$ 85.08 |

The weighted-average grant date fair value of restricted stock units granted during the years ended December 31, 2024, 2023 and 2022 was \$106.54, \$77.59 and \$68.48, respectively.

The total fair value of shares vested during the years ended December 31, 2024, 2023 and 2022 was \$2.2 million, \$3.0 million and \$0.5 million, respectively. As of December 31, 2024, there was \$4.2 million of total unrecognized compensation cost related to restricted stock units, which is expected to be recognized over a weighted-average period of 1.5 years.

Share-Based Liabilities

As of December 31, 2024 and 2023, we had \$0.4 million and \$0.4 million in total share-based liabilities recorded on our consolidated balance sheets, respectively.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS*(Tables in millions, except shares and per share data)***19. Income Attributable to Tennant Company Per Share**

The computations of basic and diluted earnings attributable to Tennant Company per share for the years ended December 31 were as follows:

| | 2024 | | 2023 | | 2022 |
|---|-------------|----|-------------|----|-------------|
| Numerator: | | | | | |
| Net income | \$ 83.7 | \$ | 109.5 | \$ | 66.3 |
| Denominator: | | | | | |
| Basic - weighted average shares outstanding | 18,786,871 | | 18,509,523 | | 18,494,356 |
| Effect of dilutive securities | 309,267 | | 274,110 | | 202,899 |
| Diluted - weighted average shares outstanding | 19,096,138 | | 18,783,633 | | 18,697,255 |
| Basic earnings per share | \$ 4.46 | \$ | 5.92 | \$ | 3.58 |
| Diluted earnings per share | \$ 4.38 | \$ | 5.83 | \$ | 3.55 |

Excluded from the dilutive securities shown above were options to purchase and shares to be paid out under share-based compensation plans of 97,463, 249,690 and 649,054 shares of common stock during 2024, 2023 and 2022, respectively. These exclusions were made if the exercise prices of these options are greater than the average market price of our common stock for the period, if the number of shares we can repurchase under the treasury stock method exceeds the weighted shares outstanding in the options, or if we have a net loss, as these effects are anti-dilutive.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Tables in millions, except shares and per share data)

20. Segment Reporting

We are organized into four operating segments: North America; Latin America; Europe, Middle East, Africa; and Asia Pacific. We combine our North America and Latin America operating segments into the "Americas" for reporting net sales by geographic area. In accordance with the objective and basic principles of the applicable accounting guidance, we aggregate our operating segments into one reportable segment that consists of the design, manufacture and sale of products used primarily in the maintenance of nonresidential surfaces.

The Company's chief operating decision maker ("CODM") is our chief executive officer.

The CODM uses net income, that is also reported on the income statement as consolidated net income, to evaluate return on assets and decide whether to reinvest profits into segments or other areas, such as acquisitions or dividends. It is also used to monitor budget versus actual results, conduct competitive analysis by benchmarking against the Company's competitors, and assess segment performance. Additionally, the CODM uses net income to allocate resources, evaluate performance, and make key operating decisions, considering budget-to-actual variances on a quarterly basis. The CODM also uses gross profit to evaluate pricing, allocate resources, and assess segment performance by comparing actual results to historical and forecasted data.

Significant expenses within net income include cost of sales, research and development, and selling and administrative expenses, which are each separately presented on the Company's Consolidated Statements of Income. Other segment items within net income include net foreign currency transaction gain (loss), interest expense, net, other (expense) income, net, and income tax expense.

The measure of segment assets is reported on the balance sheet as total consolidated assets. The following table presents net sales by geographic area for the three years ended December 31:

| | 2024 | | 2023 | | 2022 |
|-----------------------------|-------------|----|-------------|----|-------------|
| Net Sales: | | | | | |
| United States | \$ 766.9 | \$ | 726.8 | \$ | 618.8 |
| Other Americas | 121.6 | | 113.5 | | 87.1 |
| Americas | 888.5 | | 840.3 | | 705.9 |
| Europe, Middle East, Africa | 318.5 | | 314.4 | | 301.6 |
| Asia Pacific | 79.7 | | 88.9 | | 84.7 |
| Total | \$ 1,286.7 | \$ | 1,243.6 | \$ | 1,092.2 |

Accounting policies of the operations in various operating segments are the same as those described in Note 1. Net sales are attributed to each operating segment based on the end user country and are net of intercompany sales. Apart from the United States shown in the table above, there were no individual foreign locations which had net sales which represented more than 10% of our consolidated net sales. No single customer represents more than 10% of our consolidated net sales.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Tables in millions, except shares and per share data)

The following table presents long-lived assets by geographic area as of December 31:

| | 2024 | | 2023 | | 2022 |
|-----------------------------------|-------------|----|-------------|----|-------------|
| Long-lived assets: | | | | | |
| United States | \$ 166.6 | \$ | 104.2 | \$ | 105.9 |
| Other Americas | 29.0 | | 31.9 | | 26.4 |
| Americas | 195.6 | | 136.1 | | 132.3 |
| Italy | 193.7 | | 218.0 | | 223.5 |
| Other Europe, Middle East, Africa | 93.6 | | 75.6 | | 69.6 |
| Europe, Middle East, Africa | 287.3 | | 293.6 | | 293.1 |
| Asia Pacific | 29.6 | | 30.4 | | 32.1 |
| Total | \$ 512.5 | \$ | 460.1 | \$ | 457.5 |

Long-lived assets consist of property, plant and equipment, goodwill, intangible assets and certain other assets. Apart from the United States and Italy shown in the table above, there are no other individual foreign locations which have long-lived assets which represent more than 10% of our consolidated long-lived assets.

21. Subsequent Event

On February 11, 2025, the Board of Directors authorized the repurchase of up to 2,000,000 shares of our common stock from time to time in the open market or in privately negotiated transactions, pursuant to a newly authorized share repurchase program. The share repurchase program is in addition to the 2016 share repurchase program.

ITEM 9 – Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None.

ITEM 9A – Controls and Procedures

Disclosure Controls and Procedures

Our management, including our Chief Executive Officer and Chief Financial Officer and Principal Accounting Officer, have conducted an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934, as amended (the Exchange Act)) as of December 31, 2024. Based on that evaluation, our Chief Executive Officer and Chief Financial Officer and Principal Accounting Officer concluded that, as of December 31, 2024, our disclosure controls and procedures were effective.

For purposes of Rule 13a-15(e), the term disclosure controls and procedures means controls and other procedures of an issuer that are designed to ensure that information required to be disclosed by the issuer in the reports that it files or submits under the Exchange Act (15 U.S.C. 78a et seq.) is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by an issuer in the reports that it files or submits under the Exchange Act is accumulated and communicated to the issuer's management, including its Chief Executive Officer and Chief Financial Officer and Principal Accounting Officer, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

Management's Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Rule 13a-15(f) under the Exchange Act.

The Company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that:

- (i) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (ii) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (iii) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

A material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of the Company's annual or interim financial statements will not be prevented or detected on a timely basis.

Under the supervision of the Audit Committee of the Board of Directors and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer and Principal Accounting Officer, we conducted an evaluation of the effectiveness of our internal control over financial reporting using the criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring

Organizations of the Treadway Commission (COSO). Based on our assessment and those criteria, our Chief Executive Officer and Chief Financial Officer and Principal Accounting Officer concluded that our internal control over financial reporting was effective as of December 31, 2024.

We acquired M&F Management and Financing GmbH ("M&F"), the parent company of TCS EMEA GmbH ("TCS") in February 2024, which was accounted for as a business combination. Management excluded from its assessment of the effectiveness of our internal control over financial reporting as of and for the year ended December 31, 2024 TCS's internal control over financial reporting associated with \$37.2 million of total assets and \$22.0 million of total revenues included in the consolidated financial statements of the Company as of and for the year ended December 31, 2024. This exclusion is in accordance with the SEC's guidance, which permits companies to omit an acquired business's internal control over financial reporting from management's assessment for up to one year from the date of the acquisition.

Deloitte & Touche LLP, our independent registered public accounting firm, has audited the effectiveness of the Company's internal control over financial reporting as of December 31, 2024 and has issued a report which is included in Item 8 of this Annual Report on Form 10-K.

Changes in Internal Control Over Financial Reporting

There were no significant changes in the Company's internal control over financial reporting during the quarter ended December 31, 2024 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

ITEM 9B – Other Information

During the three months ended December 31, 2024, no director or officer of the Company adopted, modified, or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement," as each term is defined in Item 408(a) of Regulation S-K.

ITEM 9C – Disclosure Regarding Foreign Jurisdictions that Prevent Inspections

None.

PART III

ITEM 10 – Directors, Executive Officers and Corporate Governance

Information required under this item with respect to directors is contained in the section entitled “Board of Directors” as part of our 2025 Proxy Statement and is incorporated herein by reference. See also *Item 1, Information About Our Executive Officers* in Part I hereof.

Code of Conduct

We have adopted the Tennant Company Code of Conduct, which applies to all of our employees, directors, consultants, agents and anyone else acting on our behalf. The Code of Conduct includes particular provisions applicable to our senior financial management, which includes our Chief Executive Officer, Chief Financial Officer, Chief Accounting Officer and other employees performing similar functions. A copy of our Code of Conduct is available on the Investor Relations website at investors.tennantco.com. We intend to post on our website any amendment to, or waiver from, a provision of our Code of Conduct that applies to our Principal Executive Officer, Principal Financial Officer, Principal Accounting Officer, Chief Accounting Officer and other persons performing similar functions promptly following the date of such amendment or waiver. In addition, we have also posted copies of our Corporate Governance Principles and the Charters for our Audit, Compensation, Governance and Executive Committees on our website.

ITEM 11 – Executive Compensation

Information required under this item is contained in the sections entitled “Director Compensation,” “Executive Compensation Information” and “Pay Ratio” as part of our 2025 Proxy Statement and is incorporated herein by reference.

ITEM 12 – Security Ownership of Certain Beneficial Owners and Management and Related Shareholder Matters

Information required under this item is contained in the sections entitled “Security Ownership of Certain Beneficial Owners and Management” and “Equity Compensation Plan Information” as part of our 2025 Proxy Statement and is incorporated herein by reference.

ITEM 13 – Certain Relationships and Related Transactions, and Director Independence

Information required under this item is contained in the sections entitled “Director Independence” and “Related-Person Transaction Approval Policy” as part of our 2025 Proxy Statement and is incorporated herein by reference.

ITEM 14 – Principal Accountant Fees and Services

Information required under this item is contained in the section entitled “Fees Paid to Independent Registered Public Accounting Firm” as part of our 2025 Proxy Statement and is incorporated herein by reference.

PART IV

ITEM 15 – Exhibits and Financial Statement Schedules

A. The following documents are filed as a part of this report:

1. Financial Statements

Consolidated financial statements and related notes, together with the reports of Deloitte & Touche LLP, Independent Registered Public Accounting Firm (PCAOB ID No. 34), appear in Part II Item 8. Financial Statements and Supplementary Data of this Form 10-K.

2. Financial Statement Schedule

Schedule II - Valuation and Qualifying Accounts

| <i>(In millions)</i> | 2024 | 2023 | 2022 |
|---|---------|---------|---------|
| Allowance for doubtful accounts: | | | |
| Balance at beginning of year | \$ 7.2 | \$ 6.1 | \$ 5.3 |
| Charged to costs and expenses | 2.6 | 4.4 | 1.9 |
| Charged to other accounts ^(a) | — | — | 0.1 |
| Deductions ^(b) | (2.7) | (3.3) | (1.2) |
| Balance at end of year | \$ 7.1 | \$ 7.2 | \$ 6.1 |
| Sales returns reserve: | | | |
| Balance at beginning of year | \$ 1.9 | \$ 1.4 | \$ 1.0 |
| Charged to costs and expenses | 1.1 | 2.0 | 0.9 |
| Deductions ^(b) | (0.8) | (1.5) | (0.5) |
| Balance at end of year | \$ 2.2 | \$ 1.9 | \$ 1.4 |
| Allowance for excess and obsolete inventories: | | | |
| Balance at beginning of year | \$ 17.2 | \$ 14.2 | \$ 14.3 |
| Charged to costs and expenses | 2.8 | 8.9 | 0.5 |
| Charged to other accounts ^(a) | 0.1 | 0.1 | 0.2 |
| Deductions ^(c) | (4.9) | (6.0) | (0.8) |
| Balance at end of year | \$ 15.2 | \$ 17.2 | \$ 14.2 |
| Valuation allowance for deferred tax assets: | | | |
| Balance at beginning of year | \$ 3.2 | \$ 3.3 | \$ 4.8 |
| Charged to costs and expenses | (0.3) | (0.3) | (1.4) |
| Charged to other accounts ^(a) | 0.4 | 0.2 | (0.1) |
| Balance at end of year | \$ 3.3 | \$ 3.2 | \$ 3.3 |
| Warranty reserve: | | | |
| Balance at beginning of year | \$ 11.2 | \$ 10.9 | \$ 10.4 |
| Charged to costs and expenses | 9.5 | 12.2 | 9.9 |
| Charged to other accounts ^(a) | (0.1) | (0.1) | (0.1) |
| Deductions ^(d) | (10.1) | (11.8) | (9.3) |
| Balance at end of year | \$ 10.5 | \$ 11.2 | \$ 10.9 |

^(a) Primarily includes impact from foreign currency fluctuations.

^(b) Includes accounts determined to be uncollectible and charged against reserves, net of collections on accounts previously charged against reserves.

^(c) Includes inventory identified as excess, slow moving or obsolete and charged against reserves.

(d) Includes warranty claims charged against reserves.

All other schedules are omitted because they are not applicable or the required information is shown in the consolidated financial statements or notes thereto.

3. Exhibits

| Item # | Description | Method of Filing |
|--------|---|---|
| 3.1 | Restated Articles of Incorporation | Incorporated by reference to Exhibit 3i to the Company's Form 10-Q for the quarter ended June 30, 2006. |
| 3.2 | Amended and Restated By-Laws | Incorporated by reference to Exhibit 3.2 to the Company's Current Report on Form 8-K dated January 13, 2023. |
| 3.3 | Articles of Amendment of Restated Articles of Incorporation of Tennant Company | Incorporated by reference to Exhibit 3iii to the Company's Form 10-Q for the quarter ended March 31, 2018. |
| 4.1 | Description of Securities | Incorporated by reference to Exhibit 4.1 to the Company's Form 10-K for the year ended December 31, 2022. |
| 10.1 | Tennant Company Executive Nonqualified Deferred Compensation Plan, as restated effective January 1, 2009, as amended* | Incorporated by reference to Exhibit 10.1 to the Company's Form 10-Q for the quarter ended September 30, 2012. |
| 10.2 | Form of Amended and Restated Management Agreement and Executive Employment Agreement* | Incorporated by reference to Exhibit 10.3 to the Company's Form 10-K for the year ended December 31, 2011. |
| 10.3 | Schedule of parties to Management and Executive Employment Agreement | Filed herewith electronically. |
| 10.4 | Tennant Company Non-Employee Director Stock Option Plan (as amended and restated effective May 6, 2004)* | Incorporated by reference to Exhibit 10.6 to the Company's Form 10-Q for the quarter ended June 30, 2004. |
| 10.5 | Tennant Company Amended and Restated 1999 Stock Incentive Plan* | Incorporated by reference to Appendix A to the Company's Proxy Statement for the 2006 Annual Meeting of Shareholders filed on March 15, 2006. |
| 10.6 | Tennant Company 2007 Stock Incentive Plan* | Incorporated by reference to Appendix A to the Company's Proxy Statement for the 2007 Annual Meeting of Shareholders filed on March 15, 2007. |
| 10.7 | Amended and Restated 2010 Stock Incentive Plan, as Amended* | Incorporated by reference to Appendix A to the Company's Proxy Statement for the 2013 Annual Meeting of Shareholders filed on March 11, 2013. |
| 10.8 | 2017 Stock Incentive Plan* | Incorporated by reference to Appendix A on the Company's Proxy Statement for the 2017 Annual Meeting of Shareholders filed March 15, 2017. |
| 10.9 | Form of Tennant Company 2017 Stock Incentive Plan Non-Statutory Stock Option Agreement* | Incorporated by reference to Exhibit 10.3 to the Company's Form 10-Q for the quarter ended June 30, 2017. |
| 10.10 | Form of Tennant Company 2017 Stock Incentive Plan Restricted Stock Agreement* | Incorporated by reference to Exhibit 10.4 to the Company's Form 10-Q for the quarter ended June 30, 2017. |
| 10.11 | Form of Tennant Company 2017 Stock Incentive Plan Non-Employee Director Restricted Stock Agreement* | Incorporated by reference to Exhibit 10.5 to the Company's Form 10-Q for the quarter ended June 30, 2017. |
| 10.12 | Form of Tennant Company 2017 Stock Incentive Plan Restricted Stock Unit Agreement* | Incorporated by reference to Exhibit 10.6 to the Company's Form 10-Q for the quarter ended June 30, 2017. |
| 10.13 | Form of Tennant Company 2017 Stock Incentive Plan Non-Employee Director Restricted Stock Unit Agreement* | Incorporated by reference to Exhibit 10.1 to the Company's Form 10-Q for the quarter ended June 30, 2018. |

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| 10.14 | Tennant Company Executive Officer Cash Incentive Plan* | Incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed August 20, 2018. |
| 10.15 | Tennant Company Executive Officer Severance Plan and Summary Plan Description* | Incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed October 10, 2018. |
| 10.16 | Tennant Company 2020 Stock Incentive Plan* | Incorporated by reference to Exhibit 10.3 to the Company's Form 10-Q for the quarter ended June 30, 2020. |
| 10.17 | Form of Tennant Company 2020 Stock Incentive Plan Non-Statutory Stock Option Agreement* | Incorporated by reference to Exhibit 10.4 to the Company's Form 10-Q for the quarter ended June 30, 2020. |
| 10.18 | Form of Tennant Company 2020 Stock Incentive Plan Restricted Stock Agreement* | Incorporated by reference to Exhibit 10.5 to the Company's Form 10-Q for the quarter ended June 30, 2020. |
| 10.19 | Form of Tennant Company 2020 Stock Incentive Plan Restricted Stock Unit Agreement* | Incorporated by reference to Exhibit 10.6 to the Company's Form 10-Q for the quarter ended June 30, 2020. |
| 10.20 | Form of Tennant Company 2020 Stock Incentive Plan Non-Employee Director Restricted Stock Unit Agreement* | Incorporated by reference to Exhibit 10.7 to the Company's Form 10-Q for the quarter ended June 30, 2020. |
| 10.21 | Form of Tennant Company 2020 Stock Incentive Plan Performance Restricted Stock Unit Agreement* | Incorporated by reference to Exhibit 10.8 to the Company's Form 10-Q for the quarter ended June 30, 2020. |
| 10.22 | Form of Tennant Company 2020 Stock Incentive Plan Special Performance Restricted Stock Unit Agreement* | Incorporated by reference to Exhibit 10.9 to the Company's Form 10-Q for the quarter ended June 30, 2020. |
| 10.23 | Amendment to Employment Agreement with David Huml* | Incorporated by reference to Exhibit 10.2 to the Company's Form 10-Q for the quarter ended March 31, 2021. |
| 10.24 | Non-Statutory Stock Option Agreement (Inducement Grant), between Fay West and Tennant Company, dated May 7, 2021* | Incorporated by reference to Exhibit 99.1 to the Company's Registration Statement on Form S-8 filed on May 10, 2021. |
| 10.25 | Restricted Stock Agreement (Inducement Grant), between Fay West and Tennant Company, dated May 7, 2021* | Incorporated by reference to Exhibit 99.2 to the Company's Registration Statement on Form S-8 filed on May 10, 2021. |
| 10.26 | Restricted Stock Unit Agreement (Performance Based Inducement Grant), between Fay West and Tennant Company, dated May 7, 2021* | Incorporated by reference to Exhibit 99.3 to the Company's Registration Statement on Form S-8 filed on May 10, 2021. |
| 10.27 | Restricted Stock Unit Agreement (Inducement Grant), between Fay West and Tennant Company, dated May 7, 2021* | Incorporated by reference to Exhibit 99.4 to the Company's Registration Statement on Form S-8 filed on May 10, 2021. |
| 10.28 | Second Amended and Restated Credit Agreement, dated August 7, 2024 | Incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on August 7, 2024. |
| 10.29 | Offer Letter with Fay West commencing April 15, 2021* | Incorporated by reference to Exhibit 10.2 to the Company's Form 10-Q for the quarter ended June 30, 2021. |
| 19 | Insider Trading Policy | Filed herewith electronically. |
| 21 | Subsidiaries of the Registrant | Filed herewith electronically. |
| 23.1 | Consent of Deloitte & Touche LLP, Independent Registered Public Accounting Firm | Filed herewith electronically. |
| 24.1 | Powers of Attorney | Included on signature page. |
| 31.1 | Rule 13a-14(a)/15d-14(a) Certification of Chief Executive Officer | Filed herewith electronically. |
| 31.2 | Rule 13a-14(a)/15d-14(a) Certification of Chief Financial Officer | Filed herewith electronically. |
| 32.1 | Section 1350 Certification of Chief Executive Officer | Filed herewith electronically. |

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| 32.2 | Section 1350 Certification of Chief Financial Officer | Filed herewith electronically. |
| 97 | Compensation Recoupment Policy | Incorporated by reference to Exhibit 97 to the Company's Annual Report on Form 10-K filed on February 22, 2024. |
| 101 | The following financial information from Tennant Company's annual report on Form 10-K for the period ended December 31, 2024, filed with the SEC on February 18, 2025, formatted in Inline Extensible Business Reporting Language (iXBRL): (i) the Consolidated Statements of Income for the years ended December 31, 2024, 2023, and 2022, (ii) the Consolidated Statements of Comprehensive Income for the years ended December 31, 2024, 2023, and 2022, (iii) the Consolidated Balance Sheets as of December 31, 2024 and 2023, (iv) the Consolidated Statements of Cash Flows for the years ended December 31, 2024, 2023, and 2022, (v) the Consolidated Statements of Equity for the years ended December 31, 2024, 2023, and 2022, and (vi) Notes to the Consolidated Financial Statements. | Filed herewith electronically. |
| 104 | Inline Extensible Business Reporting language (iXBRL) for the cover page of this Annual Report on Form 10-K, included in Exhibit 101 | Filed herewith electronically. |

* Management contract or compensatory plan or arrangement required to be filed as an exhibit to this annual report on Form 10-K.

ITEM 16 – Form 10-K Summary

None.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

TENNANT COMPANY

By /s/ David W. Huml
David W. Huml
President, CEO and
Board of Directors
Date February 18, 2025

Each of the undersigned hereby appoints David W. Huml and Kristin A. Erickson, and each of them (with full power to act alone), as attorneys and agents for the undersigned, with full power of substitution, for and in the name, place and stead of the undersigned, to sign and file with the Securities and Exchange Commission under the Securities Exchange Act of 1934, any and all amendments and exhibits to this annual report on Form 10-K and any and all applications, instruments, and other documents to be filed with the Securities and Exchange Commission pertaining to this annual report on Form 10-K or any amendments thereto, with full power and authority to do and perform any and all acts and things whatsoever requisite and necessary or desirable.

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, this report has been signed by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

By /s/ David W. Huml
David W. Huml
President, CEO and Board of Directors
Date February 18, 2025

By /s/ Andrew P. Hider
Andrew P. Hider
Board of Directors
Date February 18, 2025

By /s/ Fay West
Fay West
Chief Financial Officer and Principal Accounting Officer
Date February 18, 2025

By /s/ Timothy R. Morse
Timothy R. Morse
Board of Directors
Date February 18, 2025

By /s/ Azita Arvani
Azita Arvani
Board of Directors
Date February 18, 2025

By /s/ Donal L. Mulligan
Donal L. Mulligan
Board of Directors
Date February 18, 2025

By /s/ Carol S. Eicher
Carol S. Eicher
Board of Directors
Date February 18, 2025

By /s/ Mark W. Sheahan
Mark W. Sheahan
Board of Directors
Date February 18, 2025

By /s/ Maria C. Green
Maria C. Green
Board of Directors
Date February 18, 2025

By /s/ David Windley
David Windley
Board of Directors
Date February 18, 2025

HIDDEN IXBRL

**SCHEDULE OF PARTIES TO
MANAGEMENT AND EXECUTIVE EMPLOYMENT AGREEMENT**

Parties to current form of amended and restated management agreement:

| Name | Title |
|-------------------|---|
| David W. Huml | President and Chief Executive Officer |
| Carol E. McKnight | Senior Vice President, Chief Administrative Officer |
| Richard H. Zay | Senior Vice President, Chief Commercial Officer |

INSIDER TRADING POLICY

General Statement

Tennant Company ("Tennant") has adopted the following policies for all employees, members of its board of directors ("directors") and officers of Tennant. Tennant may also determine that other persons should be subject to these policies, such as contractors or consultants who have access to material non-public information.

From time to time you may know about material information concerning Tennant which has not been disclosed to the public (sometimes referred to "insider information"). Because of the possible penalties imposed by law resulting from insider trading (which are very substantial), because Tennant's reputation is among its most important assets, and because of the damage to your and Tennant's reputations if you are accused of insider trading, Tennant has adopted the following policies. Please read and follow them carefully.

Pursuant to the policies set forth below under "What You Cannot Do," you may not discuss any material non-public information with, or disclose it to, people outside Tennant, including family members, friends, or work associates. Also, you cannot discuss the information with, or disclose it to, people at Tennant unless they are authorized to receive it.

Pursuant to the policies set forth below under "What You Cannot Do," you may not trade (buy or sell) Tennant stock when you are aware of material non-public information. That means, if you have oral or written material non-public information regarding, for example, Tennant's financial performance (either positive or negative) or a significant event or development, which has not been publicly disclosed, you may not buy or sell Tennant stock (subject to limited exceptions described below) and you may not make any recommendations to anyone else that would encourage them to buy or sell such stock.

If you have been notified that you are an Access Person as defined in the attached Supplemental Policy, you are also subject to additional restrictions.

From time to time, Tennant may engage in transactions in its own securities. It is the Company's policy that any transactions by the Company will comply with applicable laws with respect to insider trading.

Material Non-public Information

Material information is information that a reasonable investor would find important to making an investment decision in the company's stock (such as whether to buy, sell or hold the stock). This material information may be positive or negative and may include, among other information, the following:

- company or business unit revenue, margins, earnings (or losses) or other financial or operating results, as well as future projections thereof;
 - potential acquisitions or divestitures of businesses, joint ventures or similar transactions;
-

- significant technological advances, technological setbacks, cybersecurity matters or operating or production problems;
- significant expansion or restructuring plans or changes in such plans;
- significant litigation or regulatory actions;
- the gain or loss of a major supplier or customer or a major order;
- changes in dividend policies or the pending declaration of a stock split or stock dividend; or
- changes in senior management.

Information is not considered to become known to the public until after it has been disclosed generally to the public, usually through a press release, SEC filing or pre-announced, broadly-accessible webcast or conference call. Accordingly, do not buy or sell stock unless a suitable period of time has passed after the public disclosure is issued to allow the public to react to the information.

In all cases, the responsibility for determining whether an individual is aware of material non-public information rests with that individual, and any action on the part of Tennant, the General Counsel or any other employee or director pursuant to these policies (or otherwise) does not in any way constitute legal advice or insulate an individual from liability under applicable securities laws.

What You Cannot Do

- 1. Prohibition on Trading While Aware of Material Non-public Information** – You cannot buy or sell Tennant stock (including the purchase or sale of other securities such as options to purchase any shares of Tennant stock or the purchase or sale of securities convertible into or exchangeable for shares of Tennant stock) when you are aware of material non-public information about Tennant. References in this policy to Tennant includes any other securities of Tennant.
 - 2. Prohibition on Tipping Material Nonpublic Information** – You cannot give anyone else, including relatives, friends or work associates, any material non-public information orally or in writing. This applies whether or not you believe the recipient or any of their contacts might use the information in buying or selling Tennant securities. In addition, you must not make any recommendations that could be used by anyone to buy or sell Tennant securities if you have material non-public information (even if you do not actually disclose the information resulting in such recommendations).
 - 3. Prohibition on Short Selling and Derivative Transactions** – Purchases of Tennant securities should be made as long-term investments. It is also a policy of Tennant that you cannot sell short any Tennant stock. You also should not engage in other speculative trading in Tennant securities, including writing or trading in options, warrants, puts and calls on Tennant's stock.
 - 4. Margin Accounts and Pledges** – Securities held in a margin account or pledged as collateral for a loan may be sold without your consent by the broker if you fail to meet a margin call or by the lender in foreclosure if you default on the loan. Because a margin
-

sale or foreclosure sale may occur at a time when you are aware of material, non-public information or otherwise are not permitted to trade in Tennant securities, you are prohibited from holding Tennant securities in a margin account or pledging Tennant securities as collateral for a loan.

5. **Hedging and Speculative Trading** – Certain forms of hedging or monetization transactions, such as zero-cost collars and forward sale contracts, may allow you to lock in much of the value of your Tennant securities, often in exchange for all or part of the potential upside appreciation in the securities, which precludes you from having the full risks and rewards of ownership. As a result, you are prohibited from any speculative trading or hedging of positions in Tennant securities and from entering into any transactions specifically designed to protect or hedge against a decrease in the value of Tennant securities.

These prohibitions apply even if you want to make the proposed transaction for reasons having nothing to do with your possession of the insider information, such as your desire to raise money for unanticipated expenditures. **There are no exceptions to these prohibitions except as set forth herein.**

Event Specific Blackout Periods

From time to time, an event may occur that is material to Tennant and is known by only a few directors, officers and/or employees. So long as the event remains material and non-public, the persons designated by the General Counsel may not trade Tennant securities. If the existence of an event-specific trading restriction period is communicated to you, you should not disclose this information to others. Even if the General Counsel has not designated you as a person who should not trade due to an event-specific restriction, you should not trade while aware of material non-public information.

Responsibility for Transactions by Your Family Members and Related Entities

These policies also apply to your family members and others living in your household. These policies also apply to any family members who do not live in your household but whose transactions in Tennant securities are directed by you or are subject to your influence or control, such as parents or children who consult with you before they trade in securities. Furthermore, these policies apply to entities, including a trust, corporation, partnership or other association, whose transactions in Tennant securities are influenced or controlled by you. You are expected to be responsible for the compliance of your immediate family and other persons and entities subject to these policies.

Trading in Other Companies' Securities

In the course of your services to Tennant, you may become aware of material non-public information regarding other companies, such as customers, suppliers, competitors or acquisition targets. You may not trade in the securities of those other companies when you are aware of material non-public information about those companies, and you may not disclose that information to other persons.

Gifts of Tennant Securities

Bona fide gifts of Tennant stock are not subject to these policies so long as either (i) the gift is being made to someone who is subject to this policy and the Supplemental Policy, if applicable, to the same extent as the person making the gift, or (ii) the person making the gift has a reasonable basis to believe that the recipient will not sell the Tennant stock during a closing trading in effect for the person making the gift at the time of the gift.

Employee Equity and Company Sponsored Programs

Stock Options - These policies do not relate to the exercise of options granted by Tennant, because the stock purchases are made directly from Tennant rather than from the public (e.g., a cash exercise, stock swap or net exercise where the shares acquired are held by you). They do, however, relate to sales of such stock acquired upon exercise of the options, including sales to pay the exercise price and tax withholding (e.g., a broker-assisted cashless exercise).

Restricted Stock, RSUs and PSUs – These policies do not apply to the vesting of restricted stock or restricted stock units (including performance-based restricted stock or units), or the forfeiture of shares to satisfy tax withholding requirements upon the vesting of any such award. These policies do apply, however, to any sale of shares received upon vesting or settlement of such awards.

Dividend Reinvestment – These policies also do not relate to purchases of Tennant stock through a Tennant sponsored dividend reinvestment plan, including dividend reinvestment within the Tennant Company stock funds of the Tennant Company Retirement Savings Plan.

Tennant Stock Fund under Retirement Savings Plan - These policies do apply, however, to voluntary transfers into and out of the Tennant Company stock funds of the Tennant Company Retirement Savings Plan, including any asset allocation changes impacting the Tennant Company stock funds.

Post-Termination Transactions

If you cease to be subject to these policies when you are aware of material non-public information, the applicable provisions will continue to apply to you until that information has become public or is no longer material.

What May Happen

If you buy or sell Tennant stock shortly before something happens or is disclosed which changes Tennant's stock price in a way that makes it appear you knew something not then known to the public, you may be investigated by the Securities and Exchange Commission, the Department of Justice, FINRA or others even if you in fact had no insider information. Defending against such a charge is very difficult and embarrassing, not only to you but also to Tennant. Although it is impossible to assure that your trading in Tennant stock will not occur shortly before such a price change, it is very important that you do your best to avoid even an appearance that you might have traded while aware of insider financial or other information.

Possible Penalties for Trading on Insider Information

A civil penalty of up to three times the profit made or loss avoided.

A criminal fine (no matter how small the profit was) of up to \$5 million (\$25 million for entities).

A prison term of up to 20 years.

In addition, if you violate any of these policies, Tennant may take any disciplinary action that it determines to be appropriate, **which may include termination of your employment for cause.**

Compliance Procedures

Tennant will post a copy of the current version of this policy on its intranet, and you may request a copy from the General Counsel. The Company will distribute a calendar of quarterly blackout periods to Access Persons subject to the Supplemental Policy. The Company provides training on this policy and the insider trading rules to Company personnel from time to time, and you are required to attend all trainings assigned to you.

Contacts for Assistance

For questions regarding this policy or about specific transactions, please contact the General Counsel of Tennant or others designated by the General Counsel whose names are found on Tennant's Intranet site.

Remember, however, that the ultimate responsibility for adhering to these policies and avoiding improper transactions rests with you.

TENNANT COMPANY
SUPPLEMENTAL POLICY FOR ACCESS PERSONNEL
TO
POLICIES AS TO CONFIDENTIALITY AND SECURITIES
TRADING

To ensure that its Policies as to Confidentiality and Securities Trading (the “Policy”) are effectively implemented, Tennant Company (“Tennant”) is requiring all members of its Board of Directors, executive officers and other employees of Tennant with frequent access to material, non-public information regarding Tennant (individually an “Access Person” and collectively “Access Personnel”) to comply with this supplemental policy (the “Supplemental Policy”). Tennant will inform you if you have been designated as an Access Person.

Pre-Clearance. All transactions (purchases, sales, etc.) by Access Personnel in securities of Tennant (other than the limited transactions exempt from these policies), including voluntary transfers and asset allocation changes into and out of the Tennant Company stock funds of the Tennant Company Retirement Savings Plan, must be pre-cleared with Tennant’s General Counsel or Designated Approvers.

Quarterly Blackout Periods. No transaction by Access Personnel in securities of Tennant (other than the limited transactions exempt from these policies), including voluntary transfers and asset allocation changes into and out of the Tennant Company stock funds of the Tennant Company Retirement Savings Plan, may be made during the following blackout periods: for Tennant’s fiscal year-end (December 31) and for Tennant’s first, second and third fiscal quarter-ends (March 31, June 30 and September 30, respectively), during the period beginning on the 10th day of the last month of each such period and ending after two full trading days have passed following the public release of the annual or quarterly results.

Transactions Pursuant to Certain Contracts, Instructions or Plans. You may buy, sell, or effect transactions in securities of Tennant pursuant to certain contracts, instructions and plans (e.g., 10b5-1 trading plans) regardless of whether you have material, non-public information so long as you are not aware of material, non-public information when you enter into or adopt the contract, instructions or plan and the plan and your trades comply with the requirements set forth on [Appendix A](#). Prior to entering into any such contract, instruction or plan, you must pre-clear the arrangement with the General Counsel. The General Counsel may request that the existence of the contract, instruction or plan be disclosed publicly.

Reasons for Supplemental Policy

Because of the greater access you have as an Access Person to sensitive information regarding Tennant, and even though you may not believe that you possess any material, non-public information at that time, you are required to pre-clear with Tennant all trading activity in securities of Tennant. Pre-clearance is being required to avoid even the appearance of an improper transaction and to provide some uniformity to the definition of “material, non-public information” among Tennant personnel. Therefore, prior to making any purchase or sale of

Tennant securities, including voluntary transfers and asset allocation changes into and out of the Tennant Company stock funds of the Tennant Company Retirement Savings Plan, you must contact the General Counsel or Designated Approvers others designated by him or her, to determine whether a trade at such time is permitted under the Policy. The General Counsel will be advised by the Board of Directors and management of Tennant, on an on-going basis, any time there exists any material, non-public information regarding Tennant. Based upon such advice, the General Counsel or Designated Approvers will advise you if a trade may take place without contravention of the Policy. The General Counsel and Designated Approvers are responsible for keeping a record of the inquiry and the response given.

If you are advised that the trade may occur, then you may proceed with your proposed transaction. A response by the General Counsel or Designated Approver that a trade may occur in compliance with the Policy is effective from the time of response for five trading days or, if earlier, until the next blackout period begins, unless you are otherwise advised by the General Counsel prior to trading.

If you are advised that the trade may not occur, then the proposed transaction may not be affected. To avoid signaling to others that something material and non-public is happening with respect to Tennant, you should keep this response confidential and not disclose it to anyone. Such confidentiality will be easier to maintain if you go through the required pre-clearance procedures prior to discussing a proposed trade with others. If you talk to others first and then get a response that the trade cannot be made, you may be in the position of having to provide an explanation for your change of mind. To further minimize such potential signaling issues, you should make an effort to avoid divulging the existence and nature of Tennant's pre-clearing procedures to anyone who is not subject to this Supplemental Policy.

The fact that you receive a response from the General Counsel or Designated Approver that a trade may occur without contravention of the Supplemental Policy should not be interpreted by you as approval by Tennant of the advisability of the proposed trade or its compliance with other applicable policies, laws and regulations. It is your responsibility to ascertain whether a contemplated transaction is within the scope of these other restrictions. In any event, you should not effect the proposed trade if you are, in fact, in possession of material non-public information about Tennant.

In addition, because of the access you may have to internal financial information concerning Tennant prior to the public distribution of such information, this Supplemental Policy provides that, subject to limited exceptions, no trade by Access Personnel may be made during certain blackout periods. These blackout periods begin at a time when information regarding the financial performance of Tennant during any fiscal period begins to come into focus and to be generally available for internal review and ends after such information has been publicly disseminated.

APPENDIX A

Guidelines for Rule 10b5-1 Trading Plans

The following guidelines apply to all Rule 10b5-1 trading plans entered into by Access Persons:

- Access Persons may not enter into or modify a Rule 10b5-1 trading plan when the trading window is closed or while otherwise aware of material nonpublic information.
- For directors and officers subject to Section 16 of the Securities Exchange Act of 1934 (“Section 16 Persons”), no transaction may take place under a Rule 10b5-1 trading plan until expiration of a cooling-off period consisting of the later of (i) 90 days after adoption or modification (e.g., a change in the amount, price or timing) of the Rule 10b5-1 trading plan or (ii) two business days following the disclosure of the Company’s financial results in a Form 10-Q or Form 10-K for the fiscal quarter (the Company’s fourth fiscal quarter in the case of a Form 10-K) in which the Rule 10b5-1 trading plan was adopted or modified, but in any event, this required cooling-off period is subject to a maximum of 120 days after adoption or modification of the Rule 10b5-1 trading plan.
- For Access Persons who are not Section 16 Persons, no transaction may take place under a Rule 10b5-1 trading plan until the expiration of a cooling-off period that is 30 days following the adoption or modification of a Rule 10b5-1 trading plan.
- Subject to certain limited exceptions specified in Rule 10b5-1, an Access Person may not have more than one Rule 10b5-1 trading plan in effect at any same time.
- Subject to certain limited exceptions specified in Rule 10b5-1, an Access Person may only enter into a Rule 10b5-1 trading plan that is designed to effect an open market purchase or sale of the total amount of securities subject to the Rule 10b5-1 trading plan as a single transaction (a “single-transaction plan”) if the Access Person has not entered into a “single-transaction plan” in the prior 12 months.
- The Access Person must act in good faith with respect to a Rule 10b5-1 trading plan. A Rule 10b5-1 trading plan cannot be entered into as part of a plan or scheme to evade the prohibitions of Rule 10b-5.
- Section 16 Persons must include a representation in the Rule 10b5-1 trading plan that (i) the person is not aware of material nonpublic information about the Company or Company securities and (ii) the person is adopting the plan in good faith and not as part of plan or scheme to evade the prohibitions of Rule 10b-5.

The Company and the Section 16 Persons must make certain disclosures in SEC filings concerning Rule 10b5-1 trading plan. Accordingly, such directors and officers must provide any information requested by the Company regarding Rule 10b5-1 trading plan for the purpose of providing the required disclosures or any other disclosures that the Company deems to be appropriate under the circumstances.

Subsidiaries of the Registrant

Listed below are subsidiaries of Tennant Company as of December 31, 2024

Subsidiary

Anhui Rongen Environmental Protection Technology Co., Ltd.
 Applied Kehrmaschinen GmbH
 CT Corporation Ltd.
 Foma Norge AS
 Hefei Gaomei Cleaning Machines Co., Ltd.
 Hofmans Machinefabriek en Constructiebedrijf B.V.
 IP Cleaning India Pvt. Ltd.
 IP Cleaning S.r.l.
 IPC Eagle Corporation
 IPC Industria e Comercio Ltda.
 IPC Tools S.p.A.
 IRC Refurbishment & Recycle Center SRL
 M&F Management & Financing GmbH
 Sociedade Alfa Ltda.
 TCS EMEA GmbH
 TCS Ceska Republika s.r.o.
 TCS Middle East DMCC
 TCS Slovenská Republika, s.r.o.
 Tennant Asia Pacific Holdings Pte Ltd.
 Tennant Australia Pty Limited
 Tennant Cleaning Solutions Ireland Limited
 Tennant Cleaning Systems and Equipment (Shanghai) Co., Ltd.
 Tennant Company Far East Headquarters Pte Ltd.
 Tennant Company (Thailand) Ltd.
 Tennant Company Japan, Ltd.
 Tennant Europe B.V.
 Tennant Europe N.V.
 Tennant GmbH & Co. KG
 Tennant Holding B.V.
 Tennant International Holding B.V.
 Tennant Magyarország Korlátolt Felelősségű Társaság
 Tennant NL B.V.
 Tennant N.V.
 Tennant Netherland Holding B.V.
 Tennant New Zealand Ltd.
 Tennant Portugal E. de L., S.U., L. da
 Tennant S.A.
 Tennant SA Holdings LLC

Jurisdiction of Organization

People's Republic of China
 Federal Republic of Germany
 People's Republic of China
 Kingdom of Norway
 People's Republic of China
 Netherlands
 Republic of India
 Italian Republic
 Minnesota
 Federative Republic of Brazil
 Italian Republic
 Romania
 Austria
 Federative Republic of Brazil
 Austria
 Czech Republic
 United Arab Emirates
 Slovak Republic
 Republic of Singapore
 Australia
 Ireland
 People's Republic of China
 Republic of Singapore
 Thailand
 Japan
 Netherlands
 Belgium
 Federal Republic of Germany
 Netherlands
 Netherlands
 Hungary
 Netherlands
 Netherlands
 Netherlands
 New Zealand
 Portuguese Republic
 French Republic
 Minnesota

Tennant Sales & Service Canada ULC
Tennant Sales and Service Company
Tennant Sales and Service Spain, S.A.
Tennant Scotland Limited
Tennant Sverige AB
Tennant UK Cleaning Solutions Ltd.
Tennant Ventas & Servicios de Mexico
Tennant Verwaltungs-gesellschaft GmbH
TenRom Cleaning Solutions Srl
Vaclensa Ltd.

Joint Ventures

I-Team North America B.V.

British Columbia, Canada
Minnesota
Kingdom of Spain
United Kingdom
Kingdom of Sweden
United Kingdom
United Mexican States
Federal Republic of Germany
Romania
United Kingdom

Netherlands

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in Registration Statement Nos. 333-279110, 333-255979, 333-238160, 333-219833, 333-188151, 333-166342, and 333-142581 on Form S-8 of our reports dated February 18, 2025, relating to the financial statements of Tennant Company and the effectiveness of Tennant Company's internal control over financial reporting appearing in this Annual Report on Form 10-K for the year ended December 31, 2024.

/s/ Deloitte & Touche LLP

Minneapolis, Minnesota
February 18, 2025

CERTIFICATIONS

I, David W. Huml, certify that:

1. I have reviewed this annual report on Form 10-K of Tennant Company;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 18, 2025

/s/ David W. Huml

David W. Huml
President and Chief Executive Officer

CERTIFICATIONS

I, Fay West, certify that:

1. I have reviewed this annual report on Form 10-K of Tennant Company;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 18, 2025

/s/ Fay West

Fay West
Senior Vice President and Chief Financial Officer
(Principal Financial and Accounting Officer)

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the annual report of Tennant Company (the "Company") on Form 10-K for the period ended December 31, 2024 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, David W. Huml, President and Chief Executive Officer, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in this periodic report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: February 18, 2025

/s/ David W. Huml
David W. Huml
President and Chief Executive Officer

**CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the annual report of Tennant Company (the "Company") on Form 10-K for the period ended December 31, 2024 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Fay West, Senior Vice President and Chief Financial Officer, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in this periodic report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: February 18, 2025

/s/ Fay West
Fay West
Senior Vice President and Chief Financial Officer