UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

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

For the quarterly period ended September 30, 2025

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 1-16191

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 each exchange on which registered
Common Stock, par value $0.375 per share	TNC	New York Stock Exchange

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, smaller reporting company, or an emerging growth company. See the 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 is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes ☐ No ☑

As of October 31, 2025, there were 18,125,969 shares of common stock outstanding.

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PART I – FINANCIAL INFORMATION

Item 1. Financial Statements

TENNANT COMPANY
CONSOLIDATED STATEMENTS OF INCOME
(Unaudited)

(In millions, except shares and per share data)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	**2024**	**2025**	**2024**
Net sales	$ 303.3	$ 315.8	$ 911.9	$ 957.8
Cost of sales	173.9	182.0	528.4	543.8
Gross profit	129.4	133.8	383.5	414.0
Selling and administrative expense	96.6	92.7	281.0	275.5
Research and development expense	10.5	10.5	30.0	31.8
Operating income	22.3	30.6	72.5	106.7
Interest expense, net	(2.4)	(2.7)	(6.9)	(7.5)
Net foreign currency transaction (loss) gain	—	(0.4)	(1.0)	0.1
Other (expense) income, net	(0.5)	—	(0.7)	0.2
Income before income taxes	19.4	27.5	63.9	99.5
Income tax expense	4.5	6.7	15.7	22.4
Net income	$ 14.9	$ 20.8	$ 48.2	$ 77.1
Net income per share				
Basic	$ 0.81	$ 1.11	$ 2.60	$ 4.10
Diluted	$ 0.80	$ 1.09	$ 2.57	$ 4.03
Weighted average shares outstanding				
Basic	18,314,488	18,810,267	18,507,222	18,790,824
Diluted	18,547,724	19,093,873	18,722,253	19,120,455

See accompanying notes to consolidated financial statements.

TENNANT COMPANY
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Unaudited)

(In millions)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	**2024**	**2025**	**2024**
Net income	$ 14.9	$ 20.8	$ 48.2	$ 77.1
Other comprehensive income (loss):				
Foreign currency translation adjustments (net of related tax benefit of $0.0, $0.5, $1.9 and $0.4, respectively)	(0.7)	12.9	38.6	(2.4)
Pension and postretirement medical benefits (net of related tax expense of $0, $0, $0 and $0, respectively)	—	(0.2)	—	(0.2)
Derivative financial instruments (net of related tax (expense) benefit of $(0.1), $0.5, $0.0 and $0.1, respectively)	0.2	(1.7)	—	(0.4)
Total other comprehensive (loss) income, net of tax	(0.5)	11.0	38.6	(3.0)
Total comprehensive income including noncontrolling interest	14.4	31.8	86.8	74.1
Foreign currency translation adjustments attributable to noncontrolling interest	—	—	0.5	—
Comprehensive income attributable to Tennant Company	$ 14.4	$ 31.8	$ 86.3	$ 74.1

See accompanying notes to consolidated financial statements.

TENNANT COMPANY
CONSOLIDATED BALANCE SHEETS

(In millions, except shares and per share data)	(Unaudited) September 30, 2025	December 31, 2024
ASSETS		
Cash and cash equivalents	$ 99.4	$ 99.8
Receivables, less allowances of $8.1 and $7.1, respectively	249.3	259.1
Inventories	205.9	183.8
Prepaid and other current assets	43.7	33.9
Total current assets	598.3	576.6
Property, plant and equipment, less accumulated depreciation of $351.2 and $310.9, respectively	192.1	184.4
Operating lease assets	54.7	54.6
Goodwill	208.3	185.6
Intangible assets, net	55.9	58.7
Other assets	147.6	130.2
Total assets	$ 1,256.9	$ 1,190.1
LIABILITIES AND EQUITY		
Current portion of long-term debt	$ 0.4	$ 1.3
Accounts payable	110.6	126.9
Employee compensation and benefits	48.9	53.1
Other current liabilities	121.6	110.9
Total current liabilities	281.5	292.2
Long-term debt	238.3	198.2
Long-term operating lease liabilities	34.3	36.3
Employee benefits	14.9	13.5
Deferred income taxes	1.2	4.9
Other liabilities	44.0	22.9
Total long-term liabilities	332.7	275.8
Total liabilities	$ 614.2	$ 568.0
Commitments and contingencies (Note 12)		
Common Stock, $0.375 par value; 60,000,000 shares authorized; 18,259,632 and 18,849,456 shares issued and outstanding, respectively	6.9	7.1
Additional paid-in capital	26.6	76.7
Retained earnings	641.5	609.7
Accumulated other comprehensive loss	(34.1)	(72.7)
Total Tennant Company shareholders' equity	640.9	620.8
Noncontrolling interest	1.8	1.3
Total equity	642.7	622.1
Total liabilities and total equity	$ 1,256.9	$ 1,190.1

See accompanying notes to consolidated financial statements.

TENNANT COMPANY
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

(In millions)	Nine Months Ended September 30,	
	2025	**2024**
OPERATING ACTIVITIES		
Net income	$ 48.2	$ 77.1
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation expense	33.2	29.6
Amortization expense	10.2	11.4
Deferred income tax benefit	10.1	(1.8)
Share-based compensation expense	8.6	9.4
Bad debt and returns expense	4.4	1.8
Other, net	0.5	0.5
Changes in operating assets and liabilities:		
Receivables	11.5	(12.3)
Inventories	(24.3)	(35.7)
Accounts payable	(16.1)	17.9
Employee compensation and benefits	(6.8)	(8.1)
Other assets and liabilities	(28.7)	(37.6)
Net cash provided by operating activities	50.8	52.2
INVESTING ACTIVITIES		
Purchases of property, plant and equipment	(17.2)	(11.5)
Proceeds from sale of property, plant and equipment	1.5	—
Purchase of investment	—	(32.1)
Payments made in connection with business acquisition, net of cash acquired	(3.2)	(25.7)
Investment in leased assets	(0.3)	(0.4)
Cash received from leased assets	0.9	0.6
Net cash used in investing activities	(18.3)	(69.1)
FINANCING ACTIVITIES		
Proceeds from borrowings	40.0	40.0
Repayments of borrowings	(0.8)	(32.5)
Payment of debt financing costs	—	(2.2)
(Repurchases) proceeds from exercise of stock options, net of employee tax withholdings obligations of $3.0 and $3.8, respectively	(2.5)	19.6
Repurchases of common stock	(56.3)	(17.1)
Dividends paid	(16.4)	(15.9)
Net cash (used in) provided by financing activities	(36.0)	(8.1)
Effect of exchange rate changes on cash and cash equivalents	3.1	(0.8)
Net decrease in cash and cash equivalents	(0.4)	(25.8)
Cash and cash equivalents at beginning of period	99.8	117.1
Cash and cash equivalents at end of period	$ 99.4	$ 91.3

SUPPLEMENTAL CASH FLOW INFORMATION	Nine Months Ended September 30,	
(In millions)	**2025**	**2024**
Cash paid for income taxes	$ 11.2	$ 27.9
Cash paid for interest	9.0	11.3
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	18.2	15.1
Financing cash flows from financing leases	0.1	0.1
Lease assets obtained in exchange for new operating lease liabilities	12.8	24.0
Lease assets obtained in exchange for new financing lease liabilities	0.1	1.0
Supplemental non-cash investing and financing activities:		
Capital expenditures in accounts payable	0.8	1.6

See accompanying notes to consolidated financial statements.

TENNANT COMPANY
CONSOLIDATED STATEMENTS OF EQUITY
(Unaudited)

(In millions, except shares and per share data)

	Tennant Company Shareholders						Noncontrolling Interest	Total Equity
	Common Shares	Common Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Tennant Company Shareholders' Equity		
Balance, December 31, 2024	18,849,456	$ 7.1	$ 76.7	$ 609.7	$ (72.7)	$ 620.8	$ 1.3	$ 622.1
Net income	—	—	—	13.1	—	13.1	—	13.1
Other comprehensive income	—	—	—	—	15.3	15.3	—	15.3
Issue stock for directors, employee benefit and stock plans, net of related tax withholdings of 29,497 shares	89,695	(0.1)	(2.1)	—	—	(2.2)	—	(2.2)
Share-based compensation	—	—	3.2	—	—	3.2	—	3.2
Repurchases of common stock	(235,866)	—	(20.2)	—	—	(20.2)	—	(20.2)
Dividends paid $0.295 per common share	—	—	—	(5.6)	—	(5.6)	—	(5.6)
Other	—	—	—	—	—	—	0.4	0.4
Balance, March 31, 2025	18,703,285	$ 7.0	$ 57.6	$ 617.2	$ (57.4)	$ 624.4	$ 1.7	$ 626.1
Net income	—	—	—	20.2	—	20.2	—	20.2
Other comprehensive income	—	—	—	—	23.8	23.8	—	23.8
Issue stock for directors, employee benefit and stock plans, net of related tax withholdings of 3,925 shares	8,865	—	(0.3)	—	—	(0.3)	—	(0.3)
Share-based compensation	—	—	2.6	—	—	2.6	—	2.6
Repurchases of common stock	(179,824)	—	(13.4)	—	—	(13.4)	—	(13.4)
Dividends paid $0.295 per common share	—	—	—	(5.4)	—	(5.4)	—	(5.4)
Other	—	—	—	—	—	—	0.1	0.1
Balance, June 30, 2025	18,532,326	$ 7.0	$ 46.5	$ 632.0	$ (33.6)	$ 651.9	$ 1.8	$ 653.7
Net income	—	—	—	14.9	—	14.9	—	14.9
Other comprehensive loss	—	—	—	—	(0.5)	(0.5)	—	(0.5)
Issue stock for directors, employee benefit and stock plans, net of related tax withholdings of 1,263 shares	2,837	—	(0.1)	—	—	(0.1)	—	(0.1)
Share-based compensation	—	—	2.8	—	—	2.8	—	2.8
Repurchases of common stock	(275,531)	(0.1)	(22.6)	—	—	(22.7)	—	(22.7)
Dividends paid $0.295 per common share	—	—	—	(5.4)	—	(5.4)	—	(5.4)
Other	—	—	—	—	—	—	—	—
Balance, September 30, 2025	18,259,632	$ 6.9	$ 26.6	$ 641.5	$ (34.1)	$ 640.9	$ 1.8	$ 642.7

	Tennant Company Shareholders						Noncontrolling Interest	Total Equity
	Common Shares	Common Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Tennant Company Shareholders' Equity		
Balance, December 31, 2023	18,631,384	$ 7.0	$ 64.9	$ 547.4	$ (42.3)	$ 577.0	$ 1.3	$ 578.3
Net income	—	—	—	28.4	—	28.4	—	28.4
Other comprehensive loss	—	—	—	—	(7.2)	(7.2)	—	(7.2)
Issue stock for directors, employee benefit and stock plans, net of related tax withholdings of 27,808 shares	388,179	0.1	19.5	—	—	19.6	—	19.6
Share-based compensation	—	—	3.2	—	—	3.2	—	3.2
Repurchases of common stock	(12,725)	—	(1.1)	—	—	(1.1)	—	(1.1)
Dividends paid $0.280 per common share	—	—	—	(5.3)	—	(5.3)	—	(5.3)
Balance, March 31, 2024	19,006,838	$ 7.1	$ 86.5	$ 570.5	$ (49.5)	$ 614.6	$ 1.3	$ 615.9
Net income	—	—	—	27.9	—	27.9	—	27.9
Other comprehensive loss	—	—	—	—	(6.8)	(6.8)	—	(6.8)
Issue stock for directors, employee benefit and stock plans, net of related tax withholdings and repurchases of 5,132 shares	21,337	—	0.1	—	—	0.1	—	0.1
Share-based compensation	—	—	2.1	—	—	2.1	—	2.1
Repurchases of common stock	(77,514)	—	(8.0)	—	—	(8.0)	—	(8.0)
Dividends paid $0.280 per common share	—	—	—	(5.3)	—	(5.3)	—	(5.3)
Balance, June 30, 2024	18,950,661	$ 7.1	$ 80.7	$ 593.1	$ (56.3)	$ 624.6	$ 1.3	$ 625.9
Net income	—	—	—	20.8	—	20.8	—	20.8
Other comprehensive income	—	—	—	—	11.0	11.0	—	11.0
Issue stock for directors, employee benefit and stock plans, net of related tax withholdings and repurchases of 1,026 shares	2,246	—	—	—	—	—	—	—
Share-based compensation	—	—	4.1	—	—	4.1	—	4.1
Repurchases of common stock	(80,115)	—	(8.0)	—	—	(8.0)	—	(8.0)
Dividends paid $0.280 per common share	—	—	—	(5.3)	—	(5.3)	—	(5.3)
Balance, September 30, 2024	18,872,792	$ 7.1	$ 76.8	$ 608.6	$ (45.3)	$ 647.2	$ 1.3	$ 648.5

See accompanying notes to consolidated financial statements.

TENNANT COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)
(In millions, except shares and per share data)

1. Summary of Significant Accounting Policies

Tennant Company ("the Company", "we", "us", or "our") 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.

Basis of Presentation – The accompanying unaudited consolidated financial statements have been prepared in accordance with the U.S. Securities and Exchange Commission (“SEC”) requirements for interim reporting. In our opinion, the consolidated financial statements contain all adjustments (consisting of only normal recurring adjustments) necessary for the fair presentation of our financial position and results of operations.

These statements should be read in conjunction with the consolidated financial statements and notes included in our annual report on Form 10-K for the year ended December 31, 2024. The results of operations for interim periods are not necessarily indicative of the results to be expected for the full year.

Reclassification – Certain prior period amounts have been reclassified to conform to the current period presentation (e.g. payroll tax accruals are now classified from Employee Compensation and Benefits to Other Current Liabilities).

These reclassifications had no effect on previously reported results of operations, total assets, total liabilities or stockholders' equity.

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 17, *Segment Reporting,* for the inclusion of the new required disclosures.

3. Revenue

Disaggregation of Revenue

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

Net sales by geographic area

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Americas	$ 203.6	$ 218.7	$ 614.4	$ 662.1
Europe, Middle East and Africa	80.5	76.3	241.2	234.6
Asia Pacific	19.2	20.8	56.3	61.1
Total	$ 303.3	$ 315.8	$ 911.9	$ 957.8

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

Net sales by groups of similar products and services

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Equipment	$ 179.4	$ 196.6	$ 549.2	$ 597.1
Parts and consumables	69.7	68.0	206.5	207.5
Service and other	54.2	51.2	156.2	153.2
Total	$ 303.3	$ 315.8	$ 911.9	$ 957.8

Net sales by sales channel

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Sales direct to consumer	$ 212.3	$ 222.6	$ 633.9	$ 673.7
Sales to distributors	91.0	93.2	278.0	284.1
Total	$ 303.3	$ 315.8	$ 911.9	$ 957.8

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. A 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 was as follows:

	Nine Months Ended September 30,	
	2025	**2024**
Beginning balance	$ 15.6	$ 21.2
Additions to sales incentive accrual	18.4	20.5
Contract payments	(17.3)	(20.9)
Foreign currency fluctuations	0.7	0.1
Ending balance	$ 17.4	$ 20.9

Deferred Revenue

We sell separately priced prepaid contracts to our customers where we receive payment at the inception of the contract and defer recognition of the consideration received because we have to satisfy 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 bundled with machines, we use an observable price to determine stand-alone selling price for separate performance obligations.

The change in the deferred revenue balance was as follows:

	Nine Months Ended September 30,	
	2025	**2024**
Beginning balance	$ 20.6	$ 10.3
Increase in deferred revenue representing our obligation to satisfy future performance obligations	21.9	21.8
Decrease in deferred revenue for amounts recognized in net sales for satisfied performance obligations	(15.6)	(15.3)
Foreign currency fluctuations	0.6	(0.5)
Ending balance	$ 27.5	$ 16.3

As of September 30, 2025, $13.6 million and $13.9 million of deferred revenue was reported in other current liabilities and other liabilities, respectively, on our consolidated balance sheets. Of these amounts, we expect to recognize the following approximate amounts in net sales in the following periods:

Remaining 2025	$	7.2
2026		7.7
2027		5.9
2028		3.7
2029		2.5
Thereafter		0.5
Total	$	27.5

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.

4. Management Actions

Restructuring Actions

During the three and nine months ended September 30, 2025, we incurred restructuring expenses as part of our ongoing global reorganization efforts. The following pre-tax restructuring charges were included in selling and administrative expense in the consolidated statements of income.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Severance-related costs	$ 1.3	$ —	$ 2.5	$ 0.6
Total pre-tax restructuring costs	$ 1.3	$ —	$ 2.5	$ 0.6

Our restructuring actions represent the continued execution of a multi-year enterprise strategy to drive increased productivity throughout our operations. The charges in 2025 impacted all operating segments and were related to a global workforce realignment to support our key strategic initiatives.

A reconciliation of the beginning and ending liability balances for severance-related costs is as follows:

	Nine Months Ended September 30,	
	2025	2024
Beginning balance	$ 8.6	$ 2.4
New charges	4.1	1.2
Cash payments	(5.5)	(1.3)
Foreign currency fluctuations	0.1	(0.1)
Adjustments to accrual	(1.6)	(0.6)
Ending balance	$ 5.7	$ 1.6

5. Acquisitions

R4Y

On September 1, 2025, we acquired 100% of Reinigungstechnik 4 You GmbH ("R4Y"), as we continue to expand our footprint in the EMEA region. The total purchase price was $3.6 million. The financial results for R4Y have been included in our consolidated financial statements since the acquisition date. The acquisition was not material to our consolidated financial statements.

TCS

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. The total purchase price of the acquisition was $34.9 million.

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. The pro forma impact of this acquisition is immaterial to our operations.

For more information, refer to Note 5, *Acquisitions and Divestitures,* to the Consolidated Financial Statements in the Company's Form 10-K for the year ended December 31, 2024.

6. Inventories

Inventories are valued at the lower of cost or net realizable value and consisted of the following:

	September 30, 2025	December 31, 2024
Inventories carried at LIFO:		
Finished goods[(a)]	$ 85.5	$ 85.4
Raw materials and work-in-process	35.6	38.4
Excess of FIFO over LIFO cost[(b)]	(49.9)	(50.4)
Total LIFO inventories	$ 71.2	$ 73.4
Inventories carried at FIFO:		
Finished goods[(a)]	$ 62.7	$ 53.2
Raw materials and work-in-process	72.0	57.2
Total FIFO inventories	$ 134.7	$ 110.4
Total inventories	$ 205.9	$ 183.8

(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. Goodwill and Intangible Assets

The changes in the carrying amount of goodwill for the nine months ended September 30, 2025 were as follows:

	Goodwill	Accumulated Impairment Losses	Total
Balance as of December 31, 2024	$ 218.1	$ (32.5)	$ 185.6
Additions	1.4	—	1.4
Foreign currency fluctuations	24.1	(2.8)	21.3
Balance as of September 30, 2025	$ 243.6	$ (35.3)	$ 208.3

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

	Customer Lists	Trade Names	Technology	Total
Balance as of September 30, 2025				
Original cost	$ 174.4	$ 31.0	$ 16.5	$ 221.9
Accumulated amortization	(125.3)	(25.8)	(14.9)	(166.0)
Carrying value	$ 49.1	$ 5.2	$ 1.6	$ 55.9
Weighted average original life (in years)	15	11	11	
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 value	$ 49.7	$ 6.8	$ 2.2	$ 58.7
Weighted average original life (in years)	15	11	11	

Amortization expense on intangible assets for the three and nine months ended September 30, 2025 was $3.4 million and $10.2 million, respectively. Amortization expense on intangible assets for the three and nine months ended September 30, 2024 was $3.6 million and $11.4 million, respectively.

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

Remaining 2025	$ 3.8
2026	12.8
2027	9.2
2028	7.4
2029	6.7
Thereafter	16.0
Total	$ 55.9

8. Debt

On April 5, 2021, we and certain of our foreign subsidiaries entered into an Amended and Restated Credit Agreement (the “2021 Credit Agreement”). 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 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 our 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 our 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"), 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 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 its personal property and pledged the stock of certain of its domestic and foreign subsidiaries. The obligations under the 2024 Credit Agreement are also guaranteed by certain of the Company’s 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 the Company’s 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 of its fiscal quarters, 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 and $100.0 million during any fiscal year.

We were in compliance with the above financial covenants as of September 30, 2025.

Debt Outstanding

Debt outstanding consisted of the following:

	September 30, 2025	December 31, 2024
Credit facility borrowings:		
Revolving credit facility borrowings	$ 237.5	$ 197.5
Finance lease liabilities	1.2	1.2
Bank overdrafts	—	0.8
Total debt	238.7	199.5
Less: current portion of long-term debt[(a)]	(0.4)	(1.3)
Long-term debt	$ 238.3	$ 198.2

(a) As of September 30, 2025, the Company was required to repay $0.4 million of finance lease liabilities, and no amounts in outstanding credit facility borrowings, over the next 12 months.

As of September 30, 2025, we had outstanding borrowings of $237.5 million under our revolving credit facility. We had letters of credit and bank guarantees outstanding in the amount of $3.2 million, leaving approximately $409.3 million of unused borrowing capacity on our revolving facility. Commitment fees on unused lines of credit for the nine months ended September 30, 2025 were $0.5 million. The overall weighted average cost of debt was approximately 5.7% and net of related cross-currency swap instruments and fixed rate interest rate swap instruments was approximately 4.5%. Further details regarding the cross-currency swap instrument and fixed rate interest rate swap instrument are discussed in Note 10.

9. Warranty

We record a liability for 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. Warranty terms on machines generally range from one to four years. The majority of the liability for estimated warranty claims represents amounts to be paid out in the near term for qualified warranty issues.

The changes in warranty reserves were as follows:

	Nine Months Ended September 30,	
	2025	2024
Beginning balance	$ 10.5	$ 11.1
Additions charged to expense	4.6	7.9
Foreign currency fluctuations	0.2	—
Claims paid	(5.1)	(8.3)
Ending balance	$ 10.2	$ 10.7

10. 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.

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 along with the time value of purchased contracts in the same line item of the income statement as the item being hedged on our consolidated statements of income.

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

Balance Sheet Hedges

We hedge our net recognized foreign currency denominated assets and liabilities with foreign currency 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 (loss) 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 September 30, 2025 and December 31, 2024, the notional amounts of foreign currency forward contracts outstanding not designated as hedging instruments were $90.7 million and $70.2 million, respectively.

Cash Flow Hedges

We manage our floating rate debt exposure using interest rate swaps. Fixed rate swaps are used to reduce our risk of the possibility of increased interest costs. We 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 September 30, 2025 and December 31, 2024, these cross-currency swaps included €75.0 million of total notional value. As of September 30, 2025, the aggregated scheduled interest payments over the course of the loan and related swaps amounted to €3.6 million. The scheduled maturity and principal payment of the loan of €75.0 million is 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 September 30, 2025 and December 31, 2024, the cross-currency swaps included €75.0 million of total notional value. These swaps are scheduled to mature in April 2027.

The fair value of derivative instruments on our consolidated balance sheets was as follows:

	Derivative Assets			Derivative Liabilities		
	Balance Sheet Location	**September 30, 2025**	**December 31, 2024**	**Balance Sheet Location**	**September 30, 2025**	**December 31, 2024**
Derivatives designated as cash flow hedges:						
Interest rate swaps	Other current assets	$ —	$ 0.1	Other current liabilities	$ 0.5	$ —
Interest rate swaps	Other assets	—	—	Other liabilities	0.3	0.2
Derivatives designated as fair value hedges:						
Cross-currency swaps	Other current assets	1.2	1.5	Other current liabilities	—	—
Cross-currency swaps	Other assets	—	0.5	Other liabilities	9.0	—
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	8.9	—
Derivatives not designated as hedging instruments:						
Foreign currency forward contracts[a]	Other current assets	$ 0.7	$ 0.8	Other current liabilities	$ —	$ —

(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 September 30, 2025, we anticipate reclassifying $2.2 million of gains from accumulated other comprehensive loss to net income during the next 12 months.

The following table includes the amounts in the consolidated statements of income in which the effects of derivatives designated as hedging instruments are recorded:

	Three Months Ended September 30,			
	2025		2024	
	Total	Gain on Hedging	Total	Gain (Loss) on Hedging
Derivatives designated as cash flow hedges:				
Interest expense, net	$ (2.4)	$ 0.1	$ (2.7)	$ 0.3
Net foreign currency transaction loss	—	—	(0.4)	—
Derivatives designated as fair value hedges:				
Interest expense, net	(2.4)	0.3	(2.7)	0.2
Net foreign currency transaction gain (loss)	—	0.4	(0.4)	(2.5)
Derivatives designated as net investment hedges:				
Interest expense, net	$ (2.4)	$ 0.2	$ (2.7)	$ 0.2

	Nine Months Ended September 30,			
	2025		2024	
	Total	Gain (Loss) on Hedging	Total	Gain (Loss) on Hedging
Derivatives designated as cash flow hedges:				
Interest expense, net	$ (6.9)	$ 0.2	$ (7.5)	$ 0.9
Net foreign currency transaction (loss) gain	(1.0)	—	0.1	—
Derivatives designated as fair value hedges:				
Interest expense, net	(6.9)	0.8	(7.5)	0.8
Net foreign currency transaction (loss) gain	(1.0)	(7.9)	0.1	(0.6)
Derivatives designated as net investment hedges:				
Interest expense, net	$ (6.9)	$ 0.7	$ (7.5)	$ 0.7

The effect of derivative instruments designated as hedges and derivative instruments not designated as hedges in our consolidated statements of income was as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Derivatives designated as cash flow hedges:				
Net gain (loss) recognized in other comprehensive income (loss), net of tax[(a)]	$ 0.1	$ (1.7)	$ (0.3)	$ 0.4
Net gain reclassified from accumulated other comprehensive income (loss) into income, net of tax, effective portion to interest expense, net	0.1	0.3	0.2	0.9
Derivatives designated as fair value hedges:				
Net gain recognized in other comprehensive income (loss), net of tax[(a)]	3.1	0.6	1.2	0.9
Net gain reclassified from accumulated other comprehensive income (loss) into income, net of tax, effective portion to interest expense, net	2.9	0.3	0.7	0.8
Derivatives designated as net investment hedges:				
Net (loss) gain recognized in other comprehensive income (loss), net of tax[(a)]	(2.1)	(1.8)	(6.3)	0.2
Net (loss) gain reclassified from accumulated other comprehensive (loss) income into income, net of tax, ineffective portion to interest expense, net	(2.5)	0.2	0.7	0.7
Derivatives not designated as hedging instruments:				
Net (loss) gain recognized in income[(b)]	$ (0.2)	$ (1.9)	$ (8.3)	$ 1.0

(a) Net change in the fair value of the effective portion classified in other comprehensive income (loss).
(b) Classified in net foreign currency transaction (loss) gain.

11. Fair Value Measurements

Financial Instruments

The carrying amounts reported in the consolidated balance sheets for cash and cash equivalents, 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 September 30, 2025 and December 31, 2024, the cost and market values of our debt and equity securities were as follows:

	Cost	Fair Value	Gross Unrealized Gains	Gross Unrealized Losses
Balance as of September 30, 2025				
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	$ —
Balance as of December 31, 2024				
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.
- 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 at September 30, 2025 was 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	0.7	—	0.7	—
Cross-currency swaps	2.4	—	2.4	—
Total assets	35.4	—	3.1	32.3
Liabilities:				
Foreign currency forward contracts	—	—	—	—
Cross-currency swaps	17.9	—	17.9	—
Interest rate swaps	0.8	—	0.8	—
Total liabilities	$ 18.7	$ —	$ 18.7	$ —

Our population of assets and liabilities subject to fair value measurements at December 31, 2024 was 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:				
Interest rate swaps	0.2	—	0.2	—
Total liabilities	$ 0.2	$ —	$ 0.2	$ —

Our foreign currency forward 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 derivative instruments are discussed in Note 10.

There were no transfers into or out of Level 3 investments in the periods ended September 30, 2025 and December 31, 2024.

The fair value and carrying value of total debt, including current portion, was $266.9 million and $238.7 million, respectively, as of September 30, 2025. 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.

12. Commitments and Contingencies

In the ordinary course of business, we are subject to the effects of certain contractual stipulations, events, transactions, and laws and regulations that may, at times, require the recognition of liabilities, such as those related to self-insurance estimated liabilities and claims, legal and contractual issues, environmental laws and regulations, guarantees, and indemnities. We establish estimated liabilities when the associated costs related to uncertainties or guarantees become probable and can be reasonably estimated.

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 (Court). Oxygenator Water Technologies, Inc. (OWT) alleged that between 2015 and 2023, the Company infringed certain of OWT's patents through the manufacture and sale of certain component parts in ecH2O and nanoclean system options included on commercial floor scrubbers. The jury ruled against the Company and awarded compensatory damages of $9.8 million, plus prejudgment interest of $4.7 million, in favor of OWT. Accordingly, in the fourth quarter of 2024, the Company recorded an accrued expense and a corresponding liability of $14.5 million.

Subsequently, on September 17, 2025, the Court issued a post-trial ruling enhancing damages by 30%, resulting in total damages and interest of approximately $20.2 million, including $9.8 million in compensatory damages, $2.9 million in enhanced damages, and $7.4 million in prejudgment interest. As a result, the Company recorded an incremental accrued expense and corresponding liability of $5.3 million in the third quarter of 2025.

As litigation outcomes are inherently uncertain and can result in unanticipated developments, it is possible that the Company's exposure to loss could change following the issuance of these financial statements. The Company intends to vigorously defend its position and is assessing next steps in the proceedings.

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

Except as described above, there have been no material changes in the Company's estimated liabilities for self-insurance, litigation, environmental matters, guarantees, or indemnities, or in the related events and circumstances.

13. Shareholders' Equity

Accumulated Other Comprehensive Loss

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

	Nine Months Ended September 30, 2025				
	Foreign Currency Translation Adjustments [(1)]	Pension and Post-Retirement Medical Benefits	Derivative Financial Instruments	Unrealized Gain on Debt Securities	Total
Beginning balance	$ (75.2)	$ 2.8	$ (0.5)	$ 0.2	$ (72.7)
Other comprehensive income before reclassifications	39.3	—	0.9	—	40.2
Amounts reclassified from accumulated other comprehensive loss	(0.7)	—	(0.9)	—	(1.6)
Net current period other comprehensive income	38.6	—	—	—	38.6
Ending balance	$ (36.6)	$ 2.8	$ (0.5)	$ 0.2	$ (34.1)

(1) Includes foreign currency translation adjustments attributable to noncontrolling interests of $0.5 million.

	Nine Months Ended September 30, 2024			
	Foreign Currency Translation Adjustments	Pension and Post-Retirement Medical Benefits	Derivative Financial Instruments	Total
Beginning balance	$ (45.6)	$ 3.7	$ (0.4)	$ (42.3)
Other comprehensive (loss) income before reclassifications	(1.7)	(0.2)	1.3	(0.6)
Amounts reclassified from accumulated other comprehensive loss	(0.7)	—	(1.7)	(2.4)
Net current period other comprehensive loss	(2.4)	(0.2)	(0.4)	(3.0)
Ending balance	$ (48.0)	$ 3.5	$ (0.8)	$ (45.3)

14. Income Taxes

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 three to five years. We are currently undergoing income tax examinations in various foreign jurisdictions. Although the outcome of these examinations cannot be currently determined, we believe that we have adequate reserves with respect to these examinations.

We recognize potential accrued interest and penalties related to unrecognized tax benefits in income tax expense. In addition to the liability of $6.5 million for unrecognized tax benefits as of September 30, 2025, there was approximately $1.0 million for accrued interest and penalties. The total amount of unrecognized tax benefits that, if recognized, would affect the effective tax rate as of September 30, 2025 was $4.8 million. To the extent interest and penalties are not assessed with respect to uncertain tax positions, amounts accrued will be revised and reflected as an adjustment of the income tax expense.

On July 4, 2025, the U.S. enacted H.R. 1 "A bill to provide for reconciliation pursuant to Title II of H. Con. Res. 14," commonly referred to as the One Big Beautiful Bill Act (the “Act”). The Act includes significant corporate tax provisions such as accelerated depreciation deductions, immediate expensing of domestic research costs, and modifications to the international tax framework. The legislation has multiple effective dates, with certain provisions effective starting January 1, 2025. We currently expect a cash tax benefit in 2025 from the enhanced expensing provisions. The Act does not materially impact our effective tax rate.

15. Share-Based Compensation

Our share-based compensation plans are described in Note 18 of our annual report on Form 10-K for the year ended December 31, 2024. During the three months ended September 30, 2025 and 2024, we recognized total share-based compensation expense of $2.8 million and $4.1 million, respectively. During the nine months ended September 30, 2025 and 2024, we recognized total share-based compensation expense of $8.6 million and $9.4 million, respectively. The total excess tax recognized for share-based compensation arrangements during the nine months ended September 30, 2025 and 2024 was a tax benefit of $0.2 million and $3.0 million, respectively.

16. Income Attributable to Tennant Company Per Share

The computations of basic and diluted earnings per share were as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Numerator:				
Net income	$ 14.9	$ 20.8	$ 48.2	$ 77.1
Denominator:				
Basic - weighted average shares outstanding	18,314,488	18,810,267	18,507,222	18,790,824
Effect of dilutive securities	233,236	283,606	215,031	329,631
Diluted - weighted average shares outstanding	18,547,724	19,093,873	18,722,253	19,120,455
Basic earnings per share	$ 0.81	$ 1.11	$ 2.60	$ 4.10
Diluted earnings per share	$ 0.80	$ 1.09	$ 2.57	$ 4.03

Excluded from the dilutive securities presented above were options to purchase and shares to be paid out under share-based compensation plans totaling 44,322 and 4,124 shares of common stock for the three months ended September 30, 2025 and 2024, respectively. Excluded from the dilutive securities presented above were options to purchase and shares to be paid out under share-based compensation plans totaling 153,540 and 88,992 shares of common stock for the nine months ended September 30, 2025 and 2024, respectively. These instruments were excluded when their exercise prices exceeded the average market price of our common stock for the period, when the number of shares we can repurchase under the treasury stock method exceeded the weighted average shares outstanding, or during periods of net loss, as their inclusion would have been anti-dilutive.

17. 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 evaluates segment performance and makes resource allocation decisions using both net income and gross profit. Net income, which is also reported as consolidated net income on the consolidated statements of income, is regularly reviewed to assess segment performance. Additionally, the CODM uses gross profit to evaluate pricing and compare 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.

Item 2. 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 quarters ended September 30, 2025 and 2024. The MD&A should be read in conjunction with the Company's consolidated financial statements and notes included in Item 1 of this Quarterly 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.

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 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.

Macroeconomic Events

As a company with a global presence, we are subject to risks and uncertainties caused by significant events with macroeconomic impacts, including, but not limited to, persistent geopolitical tensions, elevated interest rates, monetary policy changes, and foreign currency fluctuations.

The global business environment remains volatile and is currently being shaped by ongoing uncertainties, including evolving trade policy dynamics. These trade dynamics are also contributing to competitive shifts within the market. Previously implemented U.S. tariffs and related actions have begun to increase input costs, disrupt supply chains, and affect customer demand as end users absorb higher costs. Ongoing policy changes and retaliatory measures continue to pressure manufacturing costs and pricing, which in turn, are influencing product demand. We are actively monitoring these developments and adapting our operations in response to the changing environment.

Demand trends across our key markets remain mixed. In China, while some targeted stimulus measures have been introduced, the overall economic recovery remains uneven, with market saturation continuing to impact product sales and intensify pricing competition. In other regions like Mexico, elevated interest rates and persistent inflationary pressures are contributing to continued economic uncertainty, leading to delayed capital expenditure decisions and a sustained preference for rental solutions. In Europe, softening economic growth combined with heightened competitive pressures have tempered demand for our products.

To manage these challenges, we are focused on cost control, operational improvements, and diversifying sourcing. We are taking proactive pricing actions alongside supply chain initiatives to mitigate the impact of tariffs and other inflationary pressures. While some margin pressure may persist as the full benefits of our cost-out and pricing initiatives are phased in, we anticipate a gradual improvement in margin rates. At the same time, we are adapting our product and service offerings to meet evolving customer needs, and continuing to invest in innovation to support long-term demand, while maintaining disciplined spending across the organization.

As described in Part I, Item 1A - Risk Factors in the annual report on Form 10-K for the fiscal year ended December 31, 2024, we may encounter financial difficulties if the United States or other global economies experience an additional or continued long-term economic downturn as our product sales are sensitive to declines in capital spending by our customers. Any sustained adverse impacts to our business, the industries in which we operate, market demand for our products, and/or certain suppliers or customers may also affect our future results of operations, financial position, or cash flows. Changes in foreign currency may also adversely impact our new sales, earnings, and financial condition. We are actively monitoring the global macroeconomic environment, including geopolitical conflict, the potential impact of global supply chain constraints on material inflation, and change in demand for our products.

Outlook

Slower global growth and the uncertain effects of higher tariffs on our international and domestic trade are forcing us to aggressively manage our margins. Our core strategy involves market-based pricing actions and targeted supply chain initiatives, including supplier negotiations, dual sourcing, and logistics shifts, which are critical to mitigating tariff-related cost inflation and other input cost pressures. While near-term results may reflect timing mismatches between the realization of price increases, tariff impacts, and cost-out initiatives, which could pressure margins, our disciplined execution across pricing and cost management remains essential to sustaining profitability and driving long-term margin expansion.

Results

The following table compares the results of operations for the three and nine months ended September 30, 2025 and 2024, respectively (in millions, except per share data and percentages):

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2025	**%**	**2024**	**%**	**2025**	**%**	**2024**	**%**
Net sales	$ 303.3	100.0	$ 315.8	100.0	$ 911.9	100.0	$ 957.8	100.0
Cost of sales	173.9	57.3	182.0	57.6	528.4	57.9	543.8	56.8
Gross profit	129.4	42.7	133.8	42.4	383.5	42.1	414.0	43.2
Selling and administrative expense	96.6	31.8	92.7	29.4	281.0	30.8	275.5	28.8
Research and development expense	10.5	3.5	10.5	3.3	30.0	3.3	31.8	3.3
Operating income	22.3	7.4	30.6	9.7	72.5	8.0	106.7	11.1
Interest expense, net	(2.4)	(0.8)	(2.7)	(0.9)	(6.9)	(0.8)	(7.5)	(0.8)
Net foreign currency transaction (loss) gain	—	—	(0.4)	(0.1)	(1.0)	(0.1)	0.1	—
Other (expense) income, net	(0.5)	(0.2)	—	—	(0.7)	(0.1)	0.2	—
Income before income taxes	19.4	6.4	27.5	8.7	63.9	7.0	99.5	10.4
Income tax expense	4.5	1.5	6.7	2.1	15.7	1.7	22.4	2.3
Net income	$ 14.9	4.9	$ 20.8	6.6	$ 48.2	5.3	$ 77.1	8.0
Net income per share - diluted	$ 0.80		$ 1.09		$ 2.57		$ 4.03	

Net Sales

Consolidated net sales for the third quarter of 2025 totaled $303.3 million, a 4.0% decrease as compared to consolidated net sales of $315.8 million in the third quarter of 2024. The components of the consolidated net sales change were as follows:

	Three Months Ended September 30,	Nine Months Ended September 30,
	2025 vs. 2024	
Price	2.8%	1.5%
Volume	(8.2)%	(6.4)%
Organic decline	(5.4)%	(4.9)%
Acquisitions	—%	0.1%
Foreign currency	1.4%	—%
Total	(4.0)%	(4.8)%

The 4.0% decrease in consolidated net sales in the third quarter of 2025 as compared to the same period in 2024 was driven by:

- Organic sales decline of 5.4% primarily due to volume declines in North America, which lapped a significant backlog-reduction benefit in the prior-year period, partly offset by price realization; and
- A net favorable impact from foreign currency exchange of approximately 1.4% primarily due to the strengthening of the Euro relative to the U.S. dollar.

The 4.8% decrease in consolidated net sales in the first nine months of 2025 as compared to the same period in 2024 was driven by:

- Organic sales decline of 4.9% primarily due to volume declines across all geographies, particularly in North America, which lapped a significant backlog-reduction benefit in the prior-year period, partly offset by price realization; and
- Acquisition-related growth of 0.1% driven by TCS.

The following table sets forth the net sales by geographic area for the three and nine months ended September 30, 2025 and 2024 (in millions, except percentages):

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2025	2024	% Change	2025	2024	% Change
Americas	$ 203.6	$ 218.7	(6.9)%	$ 614.4	$ 662.1	(7.2)%
Europe, Middle East and Africa	80.5	76.3	5.5 %	241.2	234.6	2.8 %
Asia Pacific	19.2	20.8	(7.7)%	56.3	61.1	(7.9)%
Total	$ 303.3	$ 315.8	(4.0)%	$ 911.9	$ 957.8	(4.8)%

Americas

Americas net sales were $203.6 million for the third quarter of 2025, a decrease of 6.9% from the third quarter of 2024 driven by:

- Organic sales decline of 7.0% primarily due to volume declines in North America, a result of lapping a significant backlog-reduction benefit in the prior-year period, and the emerging trend of softening customer sentiment. This was partially offset by price realization; and
- A net favorable impact from foreign currency exchange of approximately 0.1%.

Americas net sales were $614.4 million for the first nine months of 2025, a decrease of 7.2% from the first nine months of 2024 driven by:

- Organic sales decline of 6.4% driven by volume declines, particularly in North America industrial equipment, which lapped a significant backlog-reduction benefit in the prior-year period, partly offset by price realization and volume increases in commercial equipment; and

- A net unfavorable impact from foreign currency exchange of approximately 0.8%.

Europe, Middle East and Africa ("EMEA")

EMEA net sales were $80.5 million for the third quarter of 2025, an increase of 5.5% from the third quarter of 2024 driven by:

- A net favorable impact from foreign currency exchange of approximately 5.9%; partly offset by
- Organic sales decline of 0.4% primarily due to mixed regional performance with volume declines in certain markets, partly offset by volume increases in the UK and southern Europe, and price realization.

EMEA net sales were $241.2 million for the first nine months of 2025, an increase of 2.8% from the first nine months of 2024 driven by:

- A net favorable impact from foreign currency exchange of approximately 2.8%;
- Acquisition-related growth of 0.4% due to TCS; partly offset by
- Organic sales decline of 0.4% primarily due to mixed regional performance with volume declines in certain markets, partly offset by volume increases in the UK, and price realization.

Asia Pacific ("APAC")

APAC net sales were $19.2 million for the third quarter of 2025, a decrease of 7.7% from the third quarter of 2024 driven by:

- Organic sales decline of 6.4% driven primarily by decreased commercial equipment volume in China and industrial equipment volume in South Korea; and
- A net unfavorable impact from foreign currency exchange of approximately 1.3%.

APAC net sales were $56.3 million for the first nine months of 2025, a decrease of 7.9% from the first nine months of 2024 driven by:

- Organic sales decline of 6.3% driven primarily by decreased commercial equipment volume in China and industrial equipment volume in South Korea; and
- A net unfavorable impact from foreign currency exchange of approximately 1.6%.

Gross Profit

Gross profit margin of 42.7% was 30 basis points higher in the third quarter of 2025 compared to the third quarter of 2024. The margin rate improved primarily due to strong price realization driven by strategic pricing actions, supplemented by additional tariff-related pricing adjustments. This was partially offset by lower productivity.

Gross profit margin of 42.1% was 110 basis points lower in the first nine months of 2025 compared to the first nine months of 2024. The margin rate decrease was primarily attributed to a shift in product and customer mix as well as ongoing inflation and lower productivity. This was partly offset by price realization. The prior-year periods include benefits from a significant reduction in the backlog, largely consisting of higher-margin industrial products sold through direct channels.

Operating Expense

Selling and Administrative Expense

Selling and administrative expense ("S&A expense") was $96.6 million for the third quarter of 2025, an increase of $3.9 million compared to the third quarter of 2024. As a percentage of net sales, S&A expense for the third quarter of 2025 increased 240 basis points to 31.8% from 29.4% in the third quarter of 2024. The increase in S&A expense was primarily driven by $6.7 million associated with our strategic investments, $5.3 million of legal contingency costs related to an intellectual property dispute, and $1.3 million in restructuring charges. The increase was partially offset by cost savings realized through lower variable compensation and reduced payroll expense following the restructuring actions executed at the end of the prior year.

S&A expense was $281.0 million for the first nine months of 2025, an increase of $5.5 million compared to the first nine months of 2024. As a percentage of net sales, S&A expense for the first nine months of 2025 increased 200 basis points to 30.8% from 28.8% in the first nine months of 2024. The increase in S&A expense was primarily driven by $19.4 million related to our strategic investments, $5.7 million of legal contingency costs related to an intellectual property dispute, a bad debt charge of $2.5 million, and $2.5 million restructuring-related charges. This was partially offset by lower variable compensation expense.

Research and Development Expense

Research and development expense ("R&D expense") was $10.5 million, or 3.5% of net sales, for the third quarter of 2025, with R&D expense as a percentage of net sales increasing 20 basis points compared to the third quarter of 2024. R&D expense was $30.0 million, or 3.3% of net sales, for the first nine months of 2025, with R&D expense as a percentage of net sales flat to the first nine months of 2024.

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

Total Other Expense, Net

Interest Expense, Net

Interest expense, net was $2.4 million in the third quarter of 2025 compared to $2.7 million in the third quarter of 2024. The following table compares the debt levels, average interest rate, interest income and interest expense for the three and nine months ended September 30, 2025 and 2024, respectively (in millions, except percentages):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Weighted Average Outstanding Borrowings	$ 220.6	$ 213.6	$ 213.1	$ 213.9
Average interest rate	5.7 %	6.5 %	5.7 %	6.5 %
Interest expense	3.1	3.6	9.3	10.4
Interest income	(0.7)	(0.9)	(2.4)	(2.9)
Interest expense, net	$ 2.4	$ 2.7	$ 6.9	$ 7.5

Our debt portfolio as of September 30, 2025 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. The Company has an aggregate $120.0 million notional amount of interest rate swaps that exchange a variable rate of interest for a fixed rate of interest of 4.076% over the term of the agreements.

Net Foreign Currency Transaction Loss

Net foreign currency transaction loss decreased by $0.4 million compared to the third quarter of 2024. Net foreign currency translation loss was $1.0 million in the first nine months of 2025 compared to a gain of $0.1 million in the first nine months of 2024. The unfavorable impact in both periods was primarily due to the strengthening of the Euro relative to the U.S. dollar.

Gain on Sale

We recognized a gain on sale of a building of $0.4 million in the third quarter of 2025. The gain was recorded in other (expense) income, net on our consolidated statements of income.

Income Taxes

The effective tax rate for the third quarter of 2025 was 23.2% compared to 24.4% for the third quarter of 2024. The decrease was primarily due to the recognition of discrete tax benefits from additional research credits recognized in the third quarter of 2025.

The effective tax rate for the first nine months of 2025 was 24.6% compared to 22.5% for the first nine months of 2024. The increase was primarily due to a decrease in discrete tax benefits associated with share-based compensation recognized in the first nine months of 2024.

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 upon repatriation of our foreign investments to the U.S.

Liquidity and Capital Resources

Liquidity

Cash and cash equivalents totaled $99.4 million at September 30, 2025 compared to $99.8 million as of December 31, 2024. Wherever possible, cash management is centralized and intercompany financing is used to provide working capital to subsidiaries as needed. Our current ratio was 2.1 as of September 30, 2025 and 2.0 as of December 31, 2024. Our primary working capital, which is comprised of accounts receivable, inventories and accounts payables, was $344.6 million as of September 30, 2025 and $316.0 million as of December 31, 2024. Our debt-to-capital ratio was 27.1% as of September 30, 2025 compared to 24.3% as of December 31, 2024.

As of September 30, 2025, we had letters of credit and bank guarantees outstanding in the amount of $3.2 million, leaving approximately $409.3 million of unused borrowing capacity on our revolving facility.

Cash Flow from Operating Activities

Net cash provided by operating activities during the nine months ended September 30, 2025 was $50.8 million compared to net cash provided by operating activities of $52.2 million during the nine months ended September 30, 2024. The decrease was the result of lower operating performance, partly offset by decreased consumption of working capital.

Cash Flow from Investing Activities

Net cash used in investing activities during the nine months ended September 30, 2025 was $18.3 million compared to net cash used in investing activities of $69.1 million during the nine months ended September 30, 2024. The decrease was primarily due to one-time cash outflows in the prior year related to a $32.1 million investment in Brain, Corp and a $25.7 million net cash outlay for the acquisition of TCS.

Cash Flow from Financing Activities

Net cash used in financing activities during the nine months ended September 30, 2025 was $36.0 million compared to net cash provided by financing activities of $8.1 million during the nine months ended September 30, 2024. The increase was driven by increased repurchases of common stock and lower proceeds from the exercise of stock options, partly offset by lower repayments of borrowings.

Newly Issued Accounting Guidance

See Note 2 to the consolidated financial statements for information on new 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.

Cautionary Statement Relevant to Forward-Looking Information

This Quarterly Report, including “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in Item 2, contains 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; our ability to comply with global laws and regulations; changes in foreign currency exchange rates; our ability to adapt to customer pricing sensitivities; the competition in our business; fluctuations in the cost, quality or availability of raw materials and purchased components; our ability to adjust pricing to respond to cost pressures; unforeseen product liability claims or product quality issues; our ability to attract, retain and develop key personnel and create effective succession planning strategies; our ability to effectively develop and manage strategic planning and growth processes and the related operational plans; our ability to successfully upgrade and evolve our information technology systems; our ability to successfully protect our information technology systems from cybersecurity risks; complications with our new Enterprise Resource Planning ("ERP") system; the occurrence of a significant business interruption; our ability to maintain the health and safety of our workers; our ability to integrate acquisitions; our ability to develop and commercialize new innovative products and services; and risks related to our business transformation and strategic initiatives.

We caution that forward-looking statements must be considered carefully and that actual results may differ in material ways due to risks and uncertainties both known and unknown. 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. Additional information about factors that could materially affect our results can be found in Part I, Item 1A, Risk Factors in our annual report on Form 10-K for the year ended December 31, 2024.

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 3. Quantitative and Qualitative Disclosures About Market Risk

There have been no material changes in our market risk since December 31, 2024. For additional information, refer to Item 7A of our annual report on Form 10-K for the year ended December 31, 2024.

Item 4. Controls and Procedures

Disclosure Controls and Procedures

Our management, with the participation of our Chief Executive Officer and our Chief Financial Officer, has evaluated the effectiveness of our disclosure controls and procedures as of September 30, 2025 (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934 (the “Exchange Act”)). Based on that evaluation, our Chief Executive Officer and our Chief Financial Officer have concluded that our disclosure controls and procedures are effective to ensure that information required to be disclosed by us in reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms, and that such information is accumulated and communicated to our management, including our principal executive and our principal financial officers, as appropriate, to allow timely decisions regarding required disclosure.

Changes in Internal Controls

During 2023, we began a multi-year implementation of our new global ERP system, designed to modernize our operating and transactional financial systems.

In the third quarter of 2025, we completed the initial go-live phase of the ERP system in our APAC region. As part of this deployment, we modified certain existing internal controls over financial reporting and implemented new controls and procedures to reflect changes in our financial reporting processes and systems.

While we expect the ERP system to enhance our internal control environment by automating manual processes and standardizing business and reporting practices across the organization, management continues to evaluate and monitor the design and operating effectiveness of internal controls as each region transitions to the new system.

Except for the changes described above, there were no other changes in our internal control over financial reporting during the fiscal quarter ended September 30, 2025 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II – OTHER INFORMATION

Item 1. Legal Proceedings

Refer to Note 16, *Commitments and Contingencies*, to the Consolidated Financial Statements in the Company’s Form 10-K for information regarding the Company’s legal proceedings. There have been no material developments in any legal proceedings that require reporting in this Form 10-Q.

Item 1A. Risk Factors

We documented our risk factors in Item 1A of Part I of our annual report on Form 10-K for the year ended December 31, 2024. There have been no material changes to our risk factors since the filing of that report.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Share repurchases are made from time to time in the open market or through privately negotiated transactions. 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 2,000,000 shares of our common stock. Under the 2025 share repurchase program, 1,931,840 shares remain authorized.

For the Quarter Ended September 30, 2025	Total Number of Shares Purchased[(1)]	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
July 1-31, 2025	60,421	$ 81.89	60,421	2,146,950
August 1-31, 2025	89,354	$ 82.37	88,091	2,058,859
September 1-30, 2025	127,019	$ 81.26	127,019	1,931,840
Total	276,794	$ 81.76	275,531	1,931,840

(1) The total number of shares purchased includes 1,263 shares withheld to cover withholding taxes related to the exercise of stock options and the vesting of restricted stock under employee share-based compensation plans.

Item 5. Other Information

During the three months ended September 30, 2025, 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 6. Exhibits

Item #	Description	Method of Filing
3.1	Restated Articles of Incorporation	Incorporated by reference to Exhibit 3i to the Company’s report on Form 10-Q for the quarterly period ended June 30, 2006.
3.2	Amended and Restated By-Laws	Incorporated by reference to Exhibit 3.2 to the Company’s Form 8-K dated January 19, 2023.
3.3	Articles of Amendment of Restated Articles of Incorporation of Tennant Company	Incorporated by reference to Exhibit 3iii to the Company's report on Form 10-Q for the quarterly period ended March 31, 2018.
31.1	Rule 13a-14(a)/15d-14(a) Certification of CEO	Filed herewith electronically.
31.2	Rule 13a-14(a)/15d-14(a) Certification of CFO	Filed herewith electronically.
32.1	Section 1350 Certification of CEO	Filed herewith electronically.
32.2	Section 1350 Certification of CFO	Filed herewith electronically.
101	The following financial information from Tennant Company's Quarterly Report on Form 10-Q for the period ended September 30, 2025, formatted in Inline eXtensible Business Reporting Language (iXBRL): (i) Consolidated Statements of Income for the three and nine months ended September 30, 2025 and 2024; (ii) Consolidated Statements of Comprehensive Income for the three and nine months ended September 30, 2025 and 2024; (iii) Consolidated Balance Sheets as of September 30, 2025 and December 31, 2024; (iv) Consolidated Statements of Cash Flows for the nine months ended September 30, 2025 and 2024; (v) Consolidated Statements of Equity for the nine months ended September 30, 2025 and 2024; and (vi) Notes to the Consolidated Financial Statements	Filed herewith electronically.
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)	Filed herewith electronically.

SIGNATURES

Pursuant to the requirements 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

Date:	November 4, 2025	/s/ Fay West
		Fay West Senior Vice President and Chief Financial Officer (Principal Financial and Accounting Officer)

HIDDEN IXBRL

Exhibit 31.1

CERTIFICATIONS

I, David W. Huml, certify that:

1. I have reviewed this quarterly report on Form 10-Q 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: November 4, 2025

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

Exhibit 31.2

CERTIFICATIONS

I, Fay West, certify that:

1. I have reviewed this quarterly report on Form 10-Q 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: November 4, 2025

/s/ Fay West

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

Exhibit 32.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER

PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the quarterly report of Tennant Company (the “Company”) on Form 10-Q for the period ended September 30, 2025 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:	November 4, 2025	/s/ David W. Huml
		David W. Huml President and Chief Executive Officer

Exhibit 32.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER

PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the quarterly report of Tennant Company (the “Company”) on Form 10-Q for the period ended September 30, 2025 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: November 4, 2025

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