



**Well positioned to create value**  
Capital Markets Day 2019

# Factors affecting forward-looking statements



This presentation contains “forward-looking” statements that reflect the company’s current expectations. Although the company believes that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations prove to have been correct as they are subject to risks and uncertainties that could cause actual results to differ materially due to a variety of factors. These factors include, but are not limited to, changes in consumer demand, changes in economic, market and competitive conditions, currency fluctuations, developments in product liability litigation, changes in the regulatory environment and other government actions. Forward-looking statements speak only as of the date they were made, and, other than as required by applicable law, the company undertakes no obligation to update any of them in light of new information or future events.

# Welcome



**08:30** Well positioned to accelerate profitable growth in our consumer business  
**Jonas Samuelson, President and CEO & Therese Friberg, CFO**

Professional Products: Capturing further growth potential through our industry-unique position

**Alberto Zanata, Head of Professional Products**



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**11:00** Deep dive: Business Area Professional Products  
**Factory and R&D lab visit**  
**Break-out sessions: Laundry, Beverage & Aftermarket sales**



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**15:30** Capital Markets Day closes

# Today's team



## **Jonas Samuelson**

President and CEO

Joined Electrolux in 2008

- Various senior positions incl. Group CFO, COO Global Operations Major Appliances, Head of Major Appliances EMEA



## **Alberto Zanata**

Head of Professional Products, EVP

Joined Electrolux in 1989

- Various senior positions incl. Head of Professional Products in North America and senior management positions in Electrolux Professional Products



## **Therese Friberg**

CFO

Joined Electrolux in 1999

- Various senior positions incl. CFO of Major Appliances EMEA, Head of Group Business Control, Sector Controller Home Care & SDA



## **Sophie Arnius**

Head of Investor Relations

Moderator

Joined Electrolux in 2018



**Well positioned to accelerate profitable growth in our consumer business**

Jonas Samuelson, President and CEO





# Well positioned to accelerate profitable growth in our consumer business

Financial targets for profitable growth\*



1. Focus on consumer experience innovation through focused brands that drive mix



2. Modularized products in automated production with digitally integrated global supply chain



3. Healthy cash-flow generation and a strong balance sheet supporting further growth

EBIT  
 $\geq 6\%$

Sales  
Growth  
 $\geq 4\%$

RONA  
 $> 20\%$

\*Over a business cycle



# Electrolux Professional: Creating shareholder value as a stand-alone company\*

1

Sharper focus

2

Greater agility & growth

3

Improved capital market access

Update from the  
Board of Directors  
mid-year 2019

Shareholder  
approval

Listing on  
Nasdaq Stockholm\*\*  
H1 2020

\*Electrolux Board of Directors on Jan 31, 2019, announced it has initiated work intending to propose a separation to shareholders

\*\*Pending shareholder approval

# Executing on our path to profitable growth...



## Key achievements in 2018

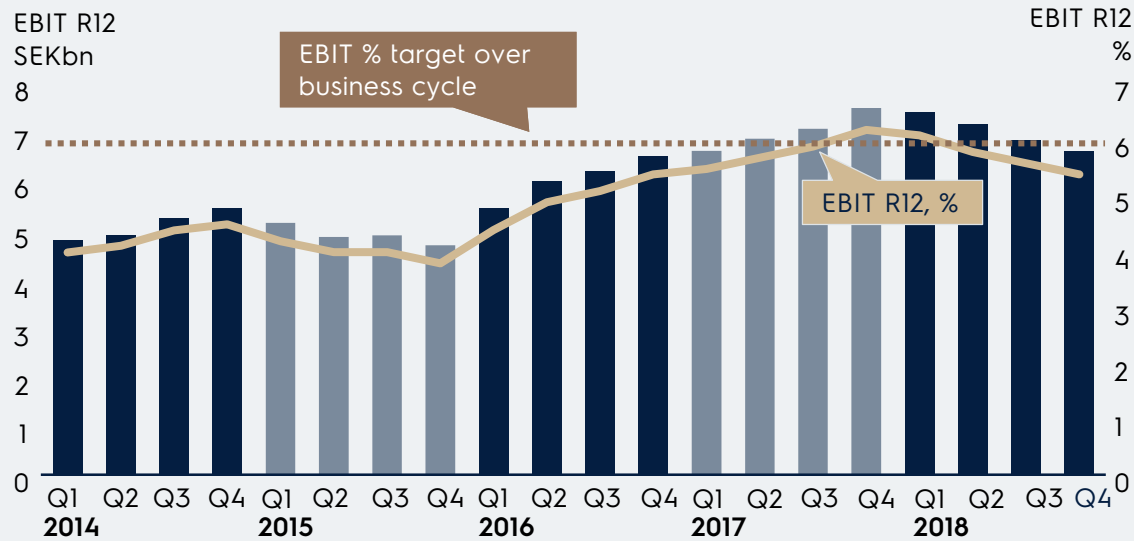
- Sales growth 1.7% - Increased branded market shares
- Price increases and improved mix offsetting majority of cost & FX headwinds
- Increased R&D and marketing investments
- Executing on re-engineering investments
- Solid cash flow and increased dividend



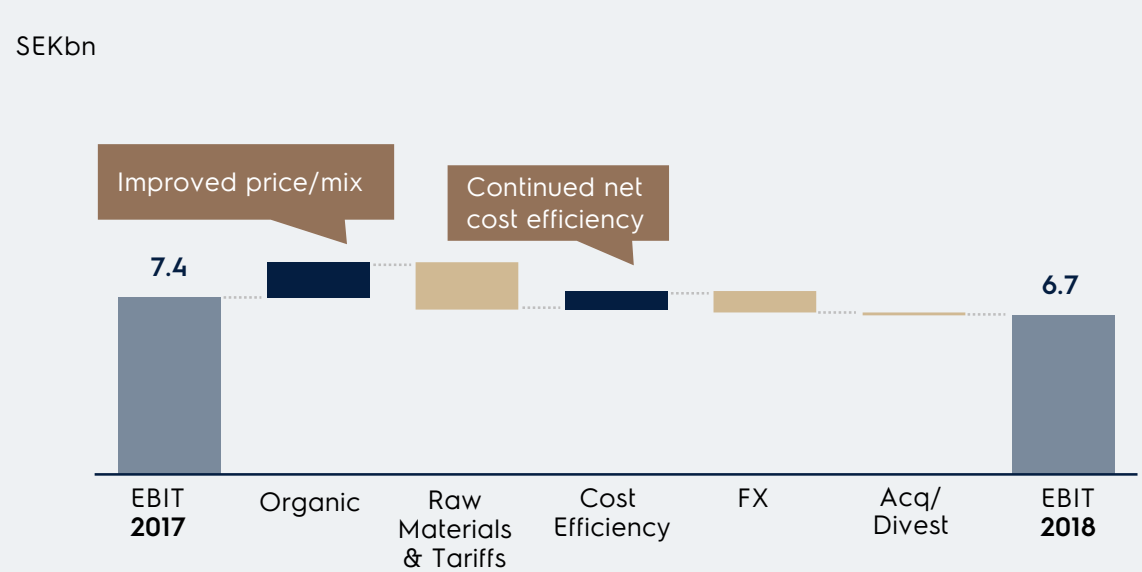
# ...and delivering improved earnings resilience...



### Group EBIT development



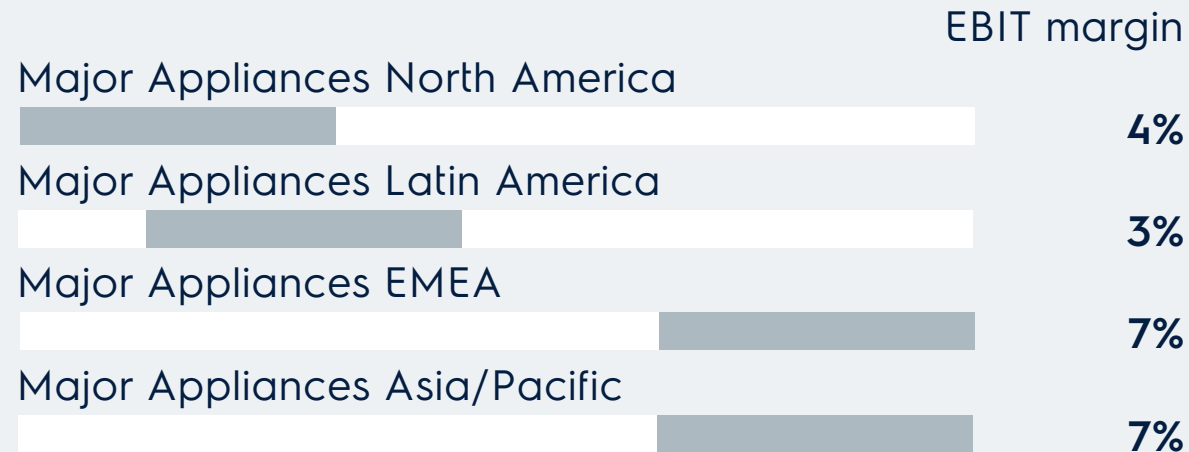
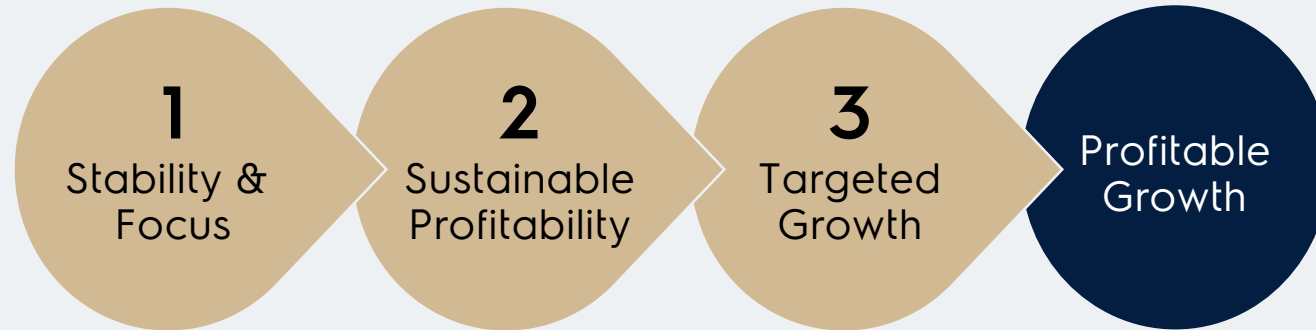
### Group EBIT bridge



Note: Excluding non-recurring items



# ...on target level in EMEA and APAC. Continued margin focus in North America and Latin America

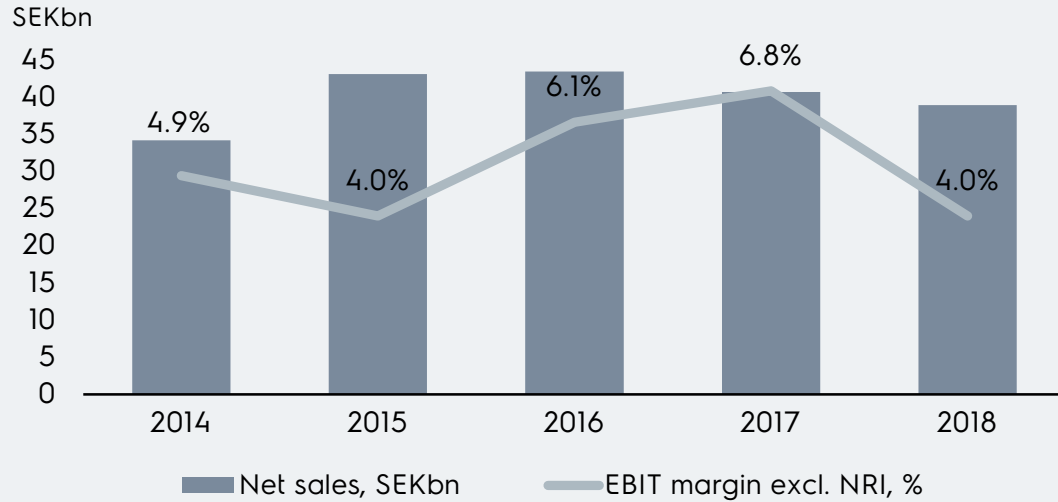


Note: EBIT margin 2018 rounded and excludes non-recurring items

# Driving strong actions to offset unprecedented headwinds...

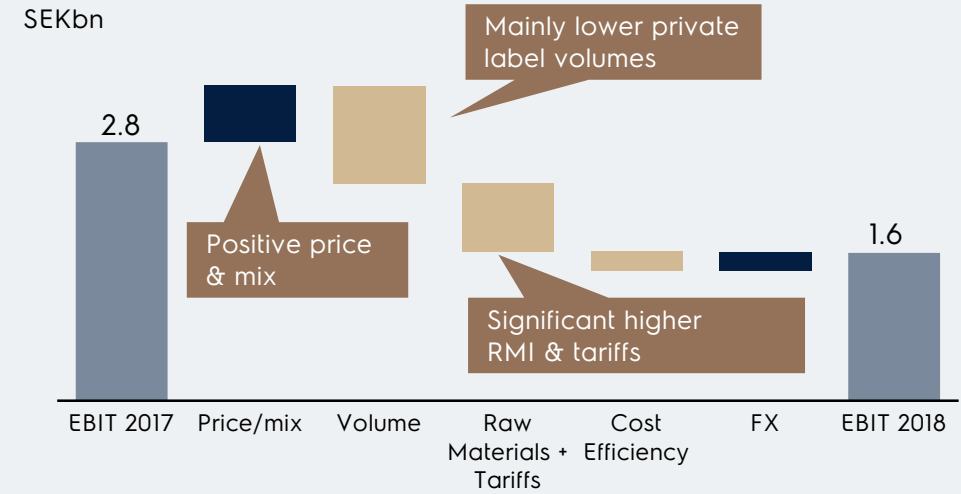


Net sales and margin %



Note: Major Appliances North America

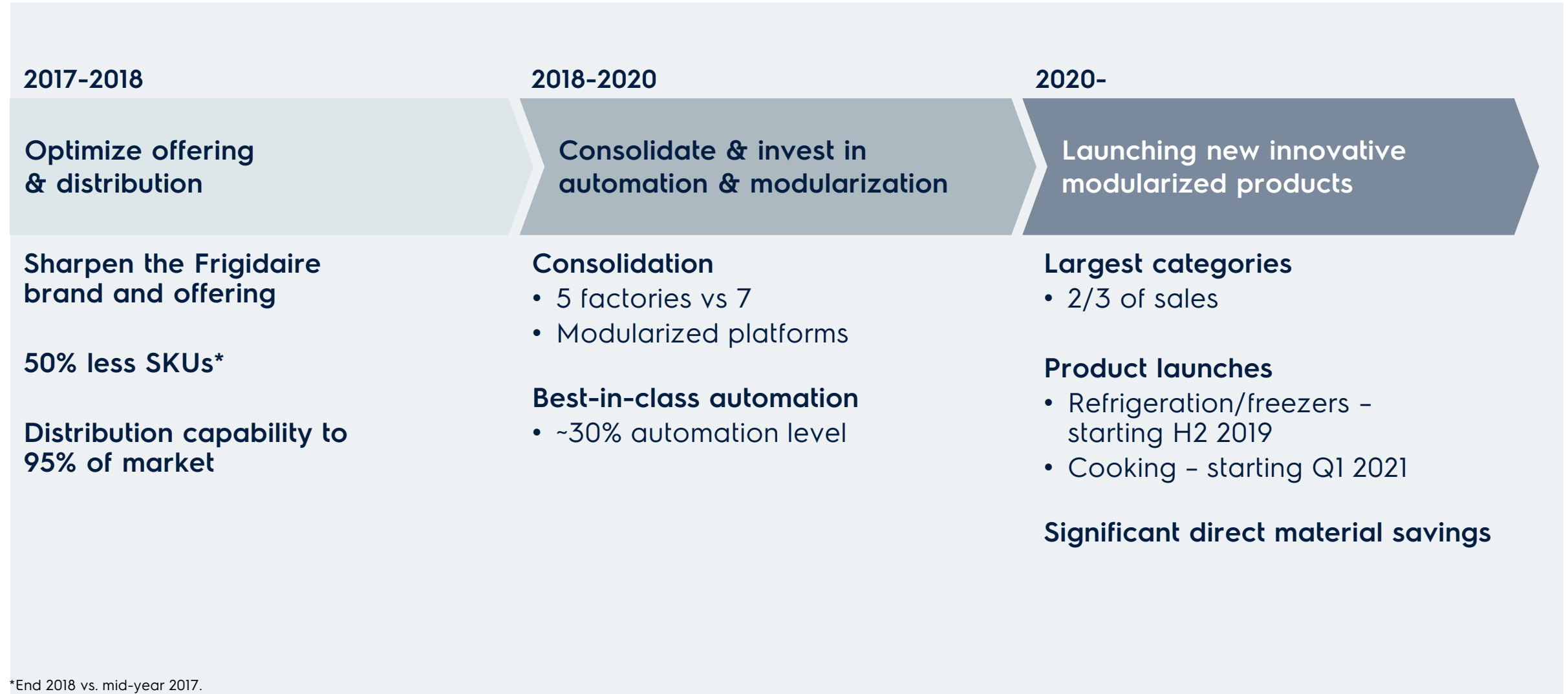
North America EBIT bridge



Note: EBIT excl. NRI

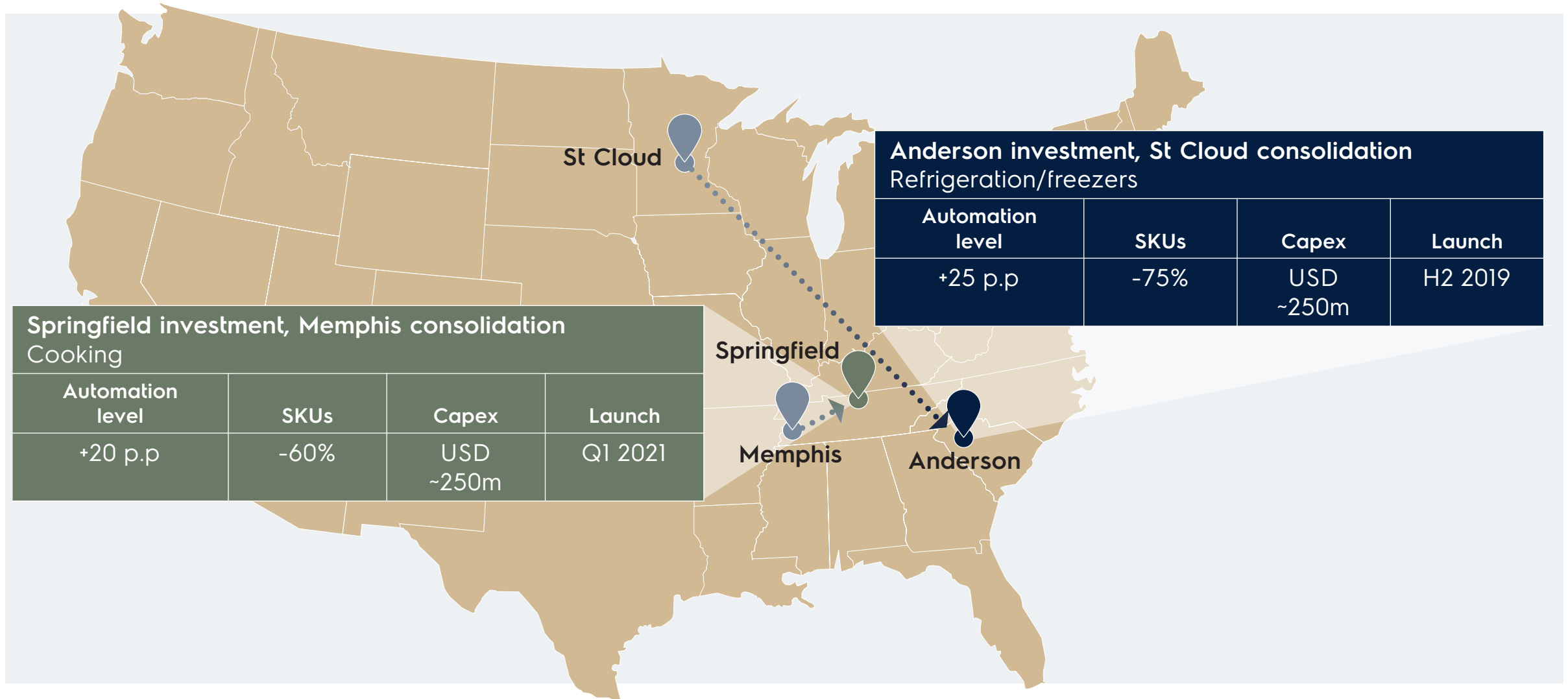


# ...by simplifying operations, reducing cost and increasing speed of innovation



\*End 2018 vs. mid-year 2017.

# We are consolidating and investing in modularized products in automated manufacturing...





# ...and sharpening our offering through new innovative modularized products

## Successfully sharpened Frigidaire brand Strengthened core branded market share (2018)

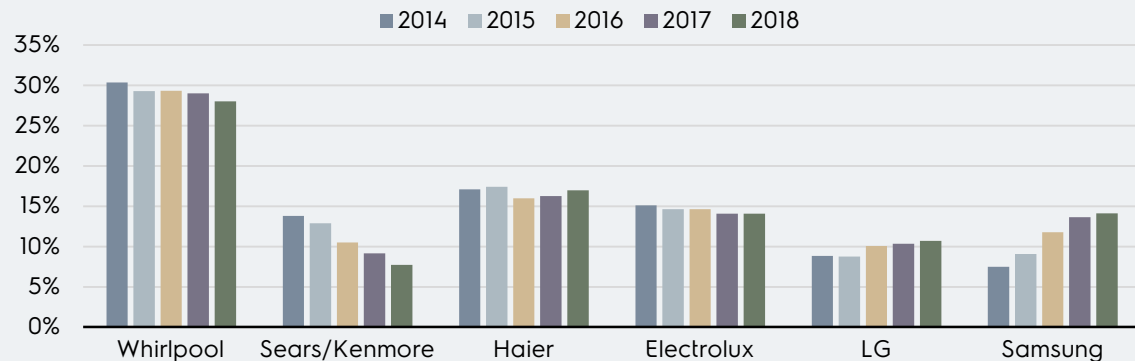
Frigidaire  
wall oven

+10% growth  
in 2018 in a  
+4% market



Frigidaire  
French Door  
refrigerators

+19% growth in  
2018 in a +3%  
market



## New refrigeration product architectures (H2 '19-)

#1

Benefit in consumer testing

Brand in Refrigeration Awareness



Complete overhaul of top-freezer refrigerator and upright freezer lineups from Anderson

- More efficient cooling system
- More capacity
- Modern, sleek design

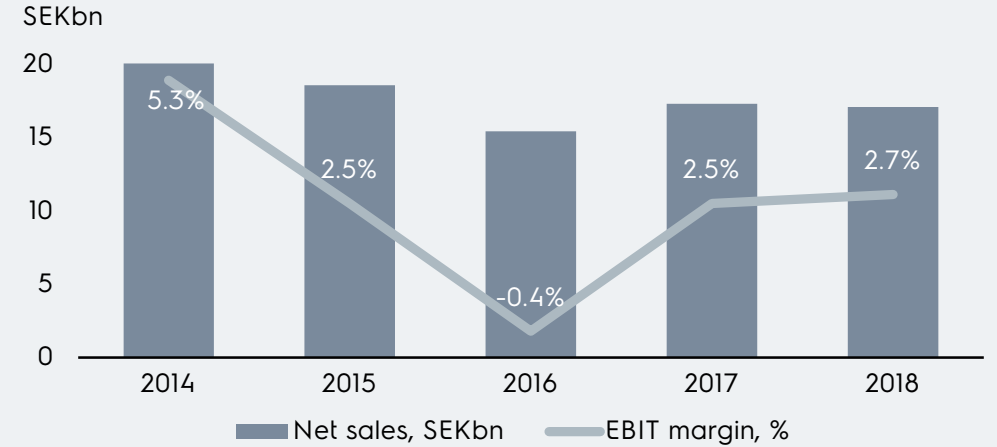
## New cooking product architecture (Q1 '21-)

- One architecture for free-standing and built-in
- Great tasting food innovations

# Driving profitability improvement in a volatile macro environment...

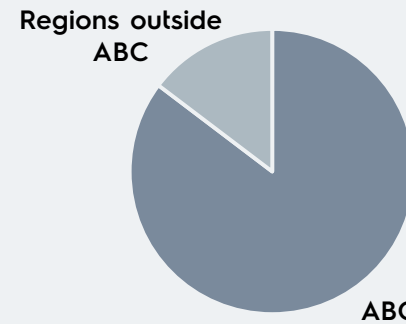


Net sales and margin %



Note: Major Appliances Latin America

Sales breakdown



Sustain strong market position\*

- Argentina: No 1 (~21%)
- Brazil: No 2 (~35%)
- Chile: No 1 (~37%)

\*2018 value share



# ...and in our largest market Brazil we are improving productivity with increased speed of innovation

## Refrigeration (Curitiba)

### Increased automation, productivity and cost savings

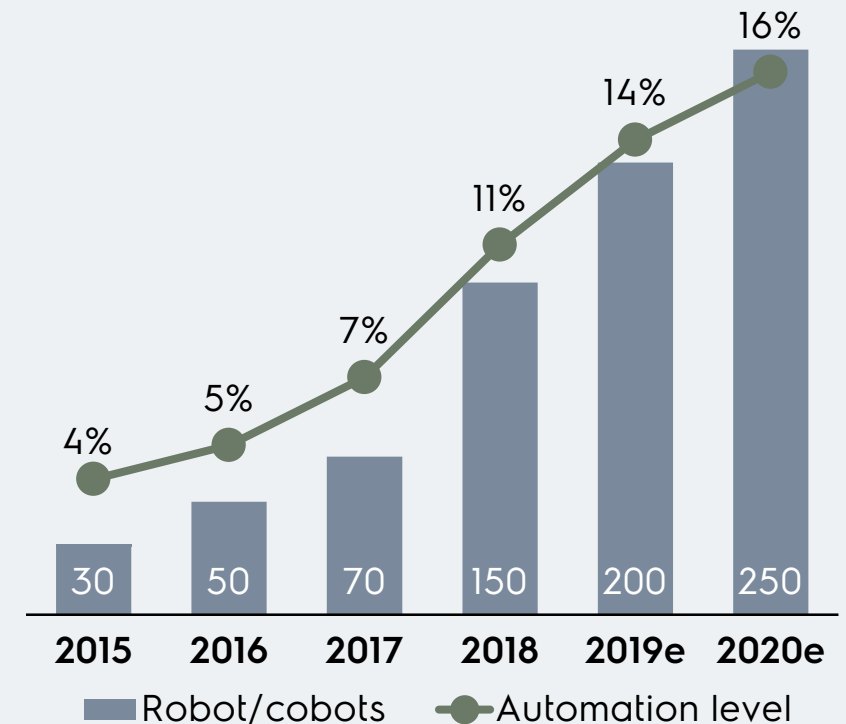
- +16 p.p. to ~20% automation level
- +30% productivity
- New product range in 2019
- Project completion mid 2020
- Capex: SEK ~600m

## Cooking (Sao Carlos)

### Creating efficiency and innovation speed

- Single product architecture for free-standing cookers and built-in
- Increased product offering and innovation through modularity from late 2020
- +5 p.p. to ~15% automation level
- Program duration 2019-2021
- Capex: SEK ~700m

## Significant step-up in automation level in Latin America







# Well positioned to accelerate profitable growth in our consumer business

Financial targets for profitable growth\*



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 $>20\%$

\*Over a business cycle



**The world is changing  
- rapidly...**

**The empowered  
consumer**



# We are streamlining our business structure to be more consumer facing...

## 4 regional consumer business areas

Europe

North America

APAC & MEA

Latin America

Core markets

Growth markets

- Ensure a unified approach with common branded platforms and interactions with consumers
- Leverage new business models, digital transformation and evolving routes to market
- Accelerate emerging markets consumer value proposition to drive growth



# ...and accelerating innovation through our Consumer Experience organization

## Global Consumer Experience organization

Marketing

Design

Digital consumer solutions

Product lines

Ownership experience

- Accelerate product innovation and ownership solutions
- Translate experience innovation into brand storytelling and product design
- Drive connected ownership solutions for aftermarket growth

# Strategic actions to drive growth through outstanding consumer experiences



- 1** Focus on consumer experience innovation
- 2** Sharpened brands and focus on star products
- 3** Aftermarket sales growth through engaging ownership & quality experiences
- 4** Accelerated emerging market growth - focused on urban mass-premium consumers
- 5** Leverage our strength in sustainable solutions



# Consumer experience innovation concentrated on 3 focus areas

Driving growth and improving margins

Taste



Responsive and sustainable kitchen systems  
- better results with less effort

Care



Smart solutions for perfect care every time

Wellbeing



Responsive wellbeing ecosystem



# We delivered substantial growth by leveraging on our professional steam technology into the consumer market

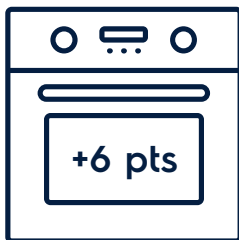
Making steam technology more cost efficient



Value proposition based on consumer needs

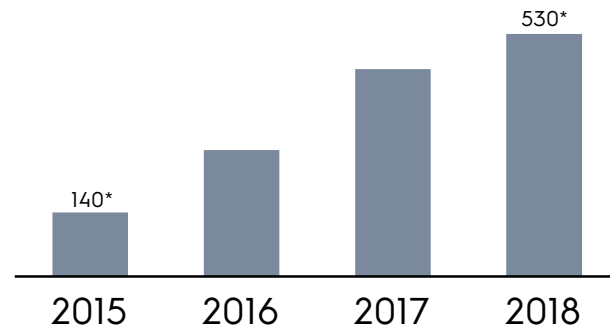
- Better tasting results for most dishes
- Building a clear range ladder with differentiated consumer benefits
- Bringing price points to mass segment

Substantial value market share gains



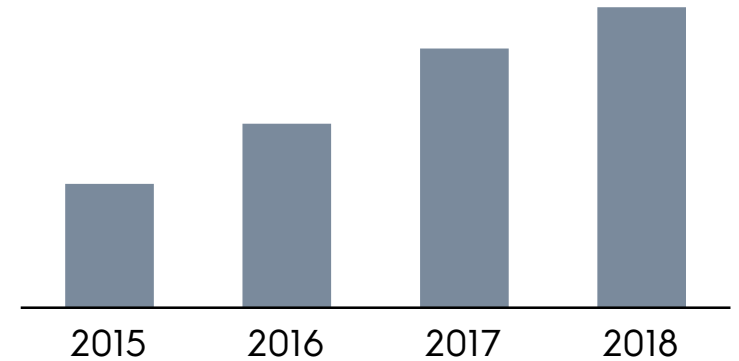
2018 vs 2015

+380% Volume growth (2018 vs 2015)



\* Volume units, in thousand

+250% CTF\*\* growth (2018 vs 2015)



\*\*Contribution to Fixed (Net Sales - Variable cost)

Source: GfK Total EU steam ovens market 2015-2018

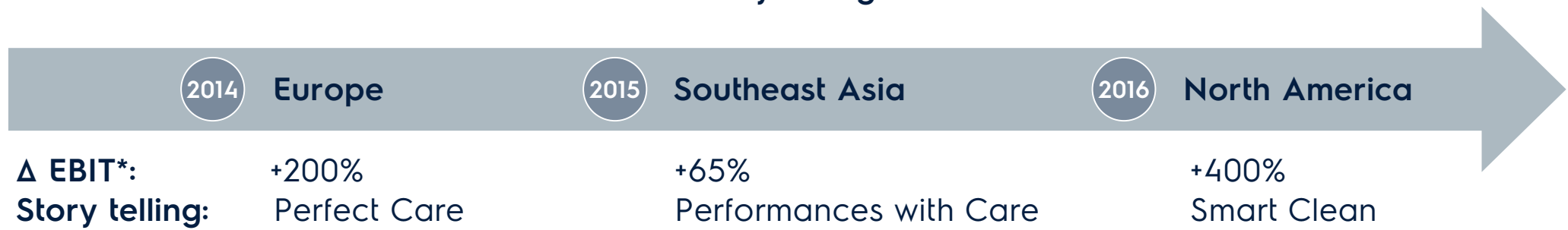


# This is how we turned Laundry from a loss maker to profitable growth through innovations based on consumer insight

- A** **Consumer relevant innovations**
  - Need: A more gentle cleaning process with perfect result
  - New innovation: detergent pre-mixed for better distribution and effectiveness
- B** **Modularized product architectures**
  - Leveraging our global scale, tailored to regional demands
  - Increase innovation speed



## From one market to another – with tailored story telling



\*Change in EBIT shows 2018 vs launch year.





# A portfolio of well-established brands with a clear focus

## Strong brands drive profitable growth

- Top 3 shortlisted brands sell more products at higher prices
- 1.3x higher sales growth for strong brands vs average brands\*
- Clear market and target consumer positioning for higher impact



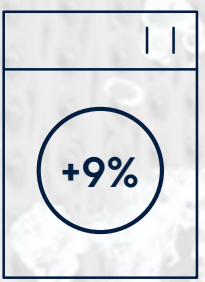
\*Prophet Brand Relevance Index 2017 - 10 year CAGR of most relevant brands vs. S&P 500 Average.

# How a sharpened AEG brand and star products in premium laundry added >30% EBIT improvement – Leveraging Care innovations



## Results 1 year after AEG laundry launch

Net sales



EBIT

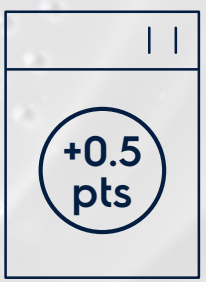


Price Index



EMEA

Market share (value)



EMEA

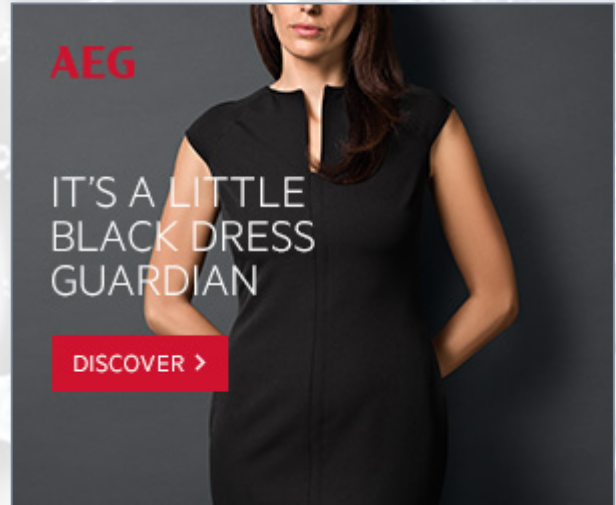


Laundry Nordics



Washers CEE

Changing the focus from cleaning to *caring*



**1** Sharpened brand proposition

**2** Targeting specific consumer segments and price points enabling focused marketing

**3** Execution of the Care story through star products & selecting the right trade partners

Note: Star products are high margin products in focused product categories and brands.

# Sharpening the Electrolux brand

The progressive home life brand, making desirable experiences more sustainable.

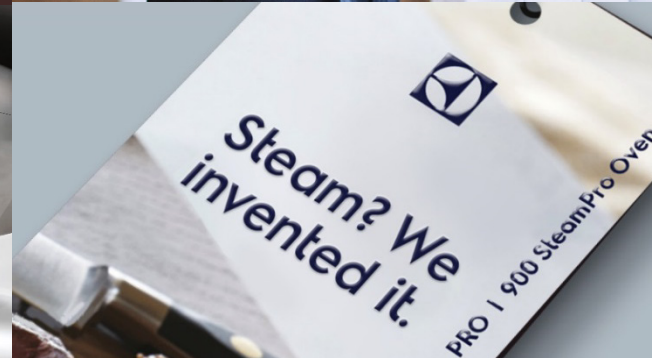
For better living. From Sweden.

Our Swedish values shape consumer home-life experiences



We believe in **sustainable**, mindful ways of living

Our **Professional** heritage makes us excellent at delivering experiences





# Rolling out new innovative star products for premium segments under a sharper Electrolux brand





# Scalable IOT infrastructure and products targeting relevant consumer experiences in place

**Create enduring consumer loyalty by understanding pain points and aspirations**

Earn right to sell more through valuable individualized touch points

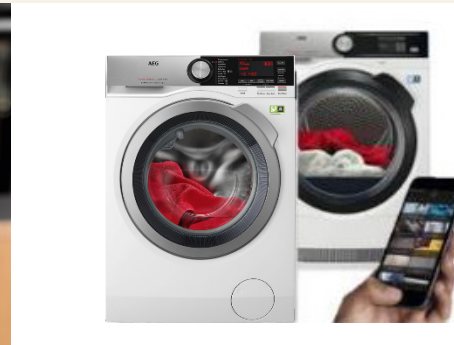
“Enhance my results”

“Give me peace of mind”

“Fix my problems quickly”

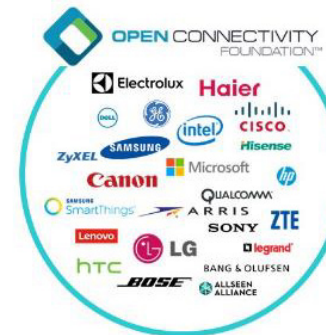
**Connected products delivering new experiences and enabling direct consumer contact**

Majority of new products launched will be connectivity-ready

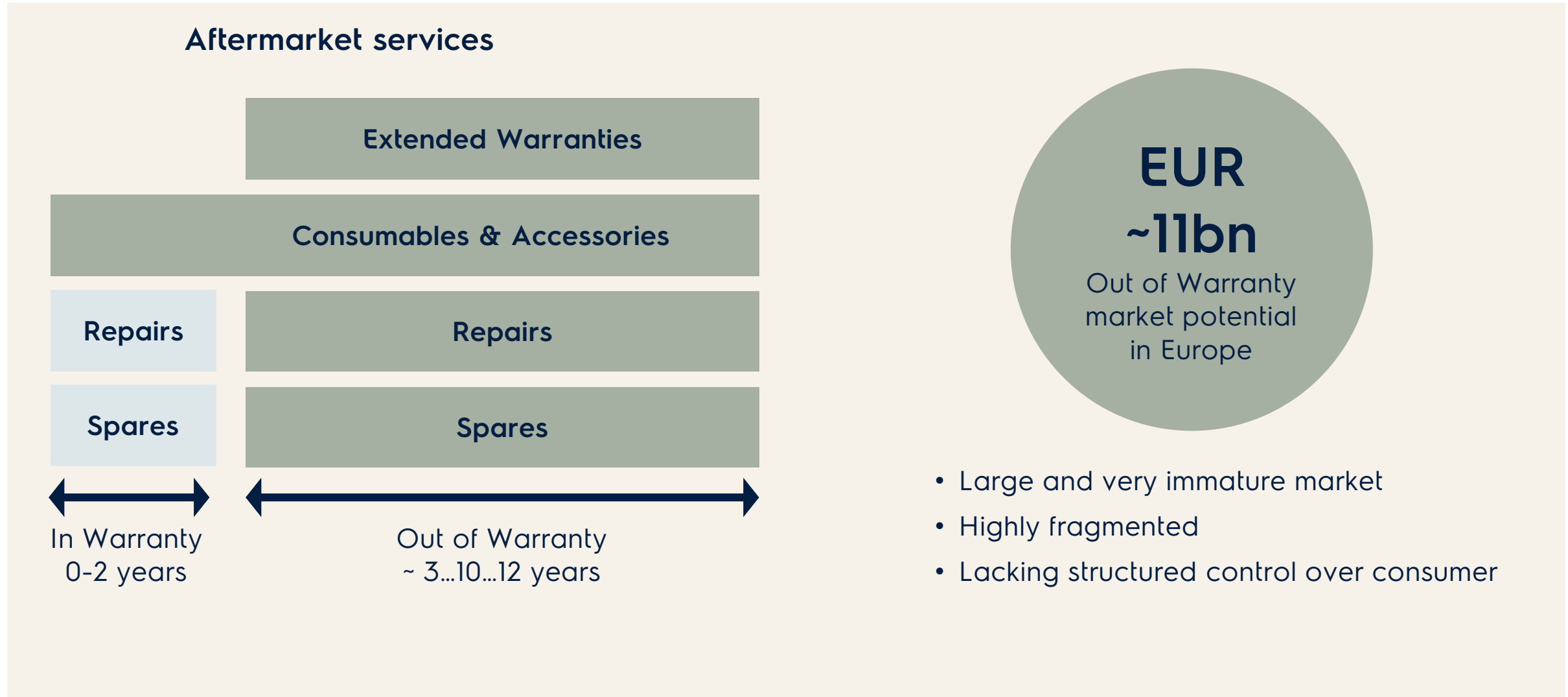


**Partnering to ensure outstanding consumer experiences**

Enabled through cross brand interoperability

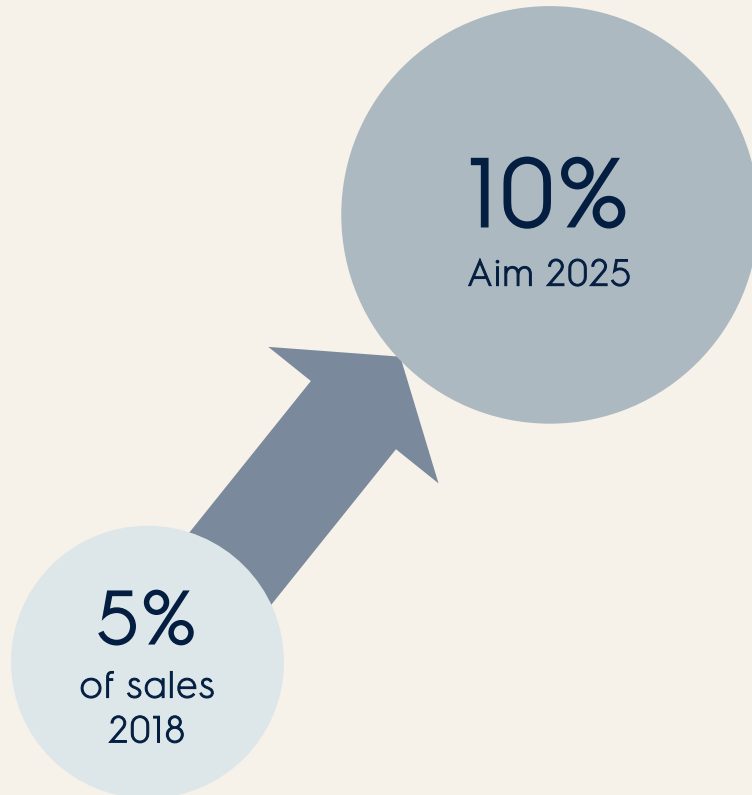


# Capturing the largely un-tapped aftermarket potential...





## ...with a clear aim to double aftermarket sales



~12% penetration today of our installed base potential

### Strengthening our service product offering

- Extended warranties increase aftermarket revenue per product 2-3x
- Fixed price repair model increases competitiveness vs. independents
- Establishing in-house, digitally supported sales force

### Leveraging digital consumer touch points

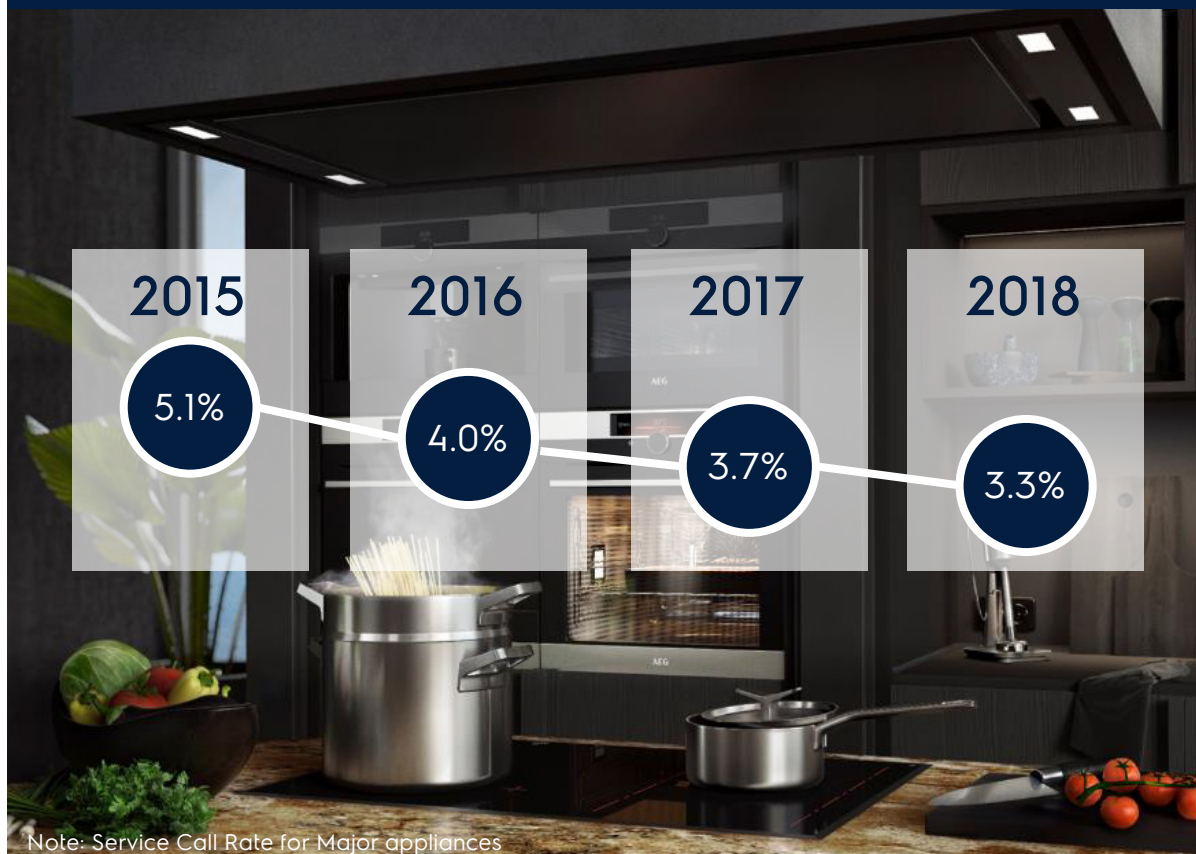
*~15-20% of consumers contact Branded manufacturer for repair*

- Establishing digital interface for all consumer service needs
- CRM systems in roll-out globally
- Connected products and digital consumer interactions increase stickiness of consumer relationship

# Our large installed base and our strong focus on quality are key strengths



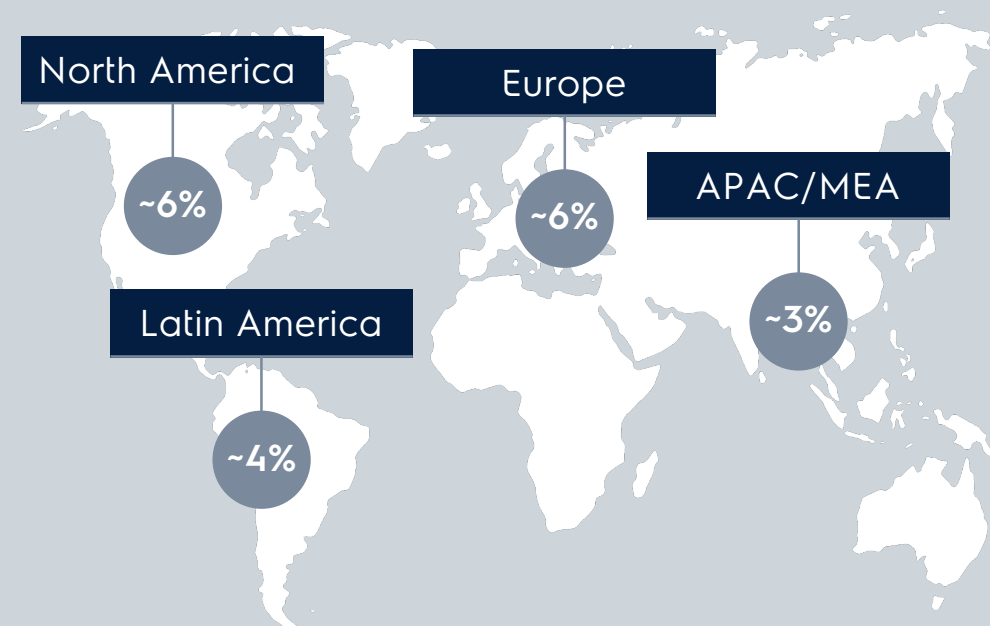
Product quality important when buying appliances  
Service Call Rate is at record low level



Note: Service Call Rate for Major appliances

Large installed base of **~400 million** products  
gives high aftermarket sales potential

Aftermarket sales as % of Group sales



Note: Services, accessories and spares





# A clear roadmap to strengthen our emerging markets position...

<b>Our focus</b>	A clear market position with a focused offering in the emerging urban mass-premium market leveraging our global scale and the Electrolux brand			
<b>Specific roadmap for each region</b>	<b>Seed</b>	<b>Nurture</b>	<b>Grow</b>	<b>Accelerate</b>
<b>Markets</b>	Markets with minimal presence	Markets with active sales and emerging brand position	Market with direct presence and established brands	Markets with direct presence and a faster growth plan
	China and India	MEA Latin America outside ABC	Argentina, Brazil, Chile (ABC)	Eastern Europe SEA



# ...and we are focusing on our existing emerging markets' footprint and investments to extract additional value

## Actions 2018-19

- Extracting synergies with a dedicated offering for urban mass-premium consumers
  - Leveraging Rayong, Thailand, as a manufacturing hub
  - Global emerging market product architectures (refrigeration, laundry, air & water care)
  - Merging Asia/Pacific and Middle East & Africa regions
- Significant investments in Latin America product innovation and manufacturing re-engineering
  - Clarified and strengthened brand strategy
- Increasing our focus on Africa through our acquisitions in South Africa and Egypt, as well as our new sales company in Morocco
- SEA acceleration strategy resulting in double digit growth
- AEG brand launched in China through sales JV



# Emerging markets represent a potential universe of >6 billion consumers

## Consumer needs

- Growing income
- Increasing spend on quality products in homes
- Western brands

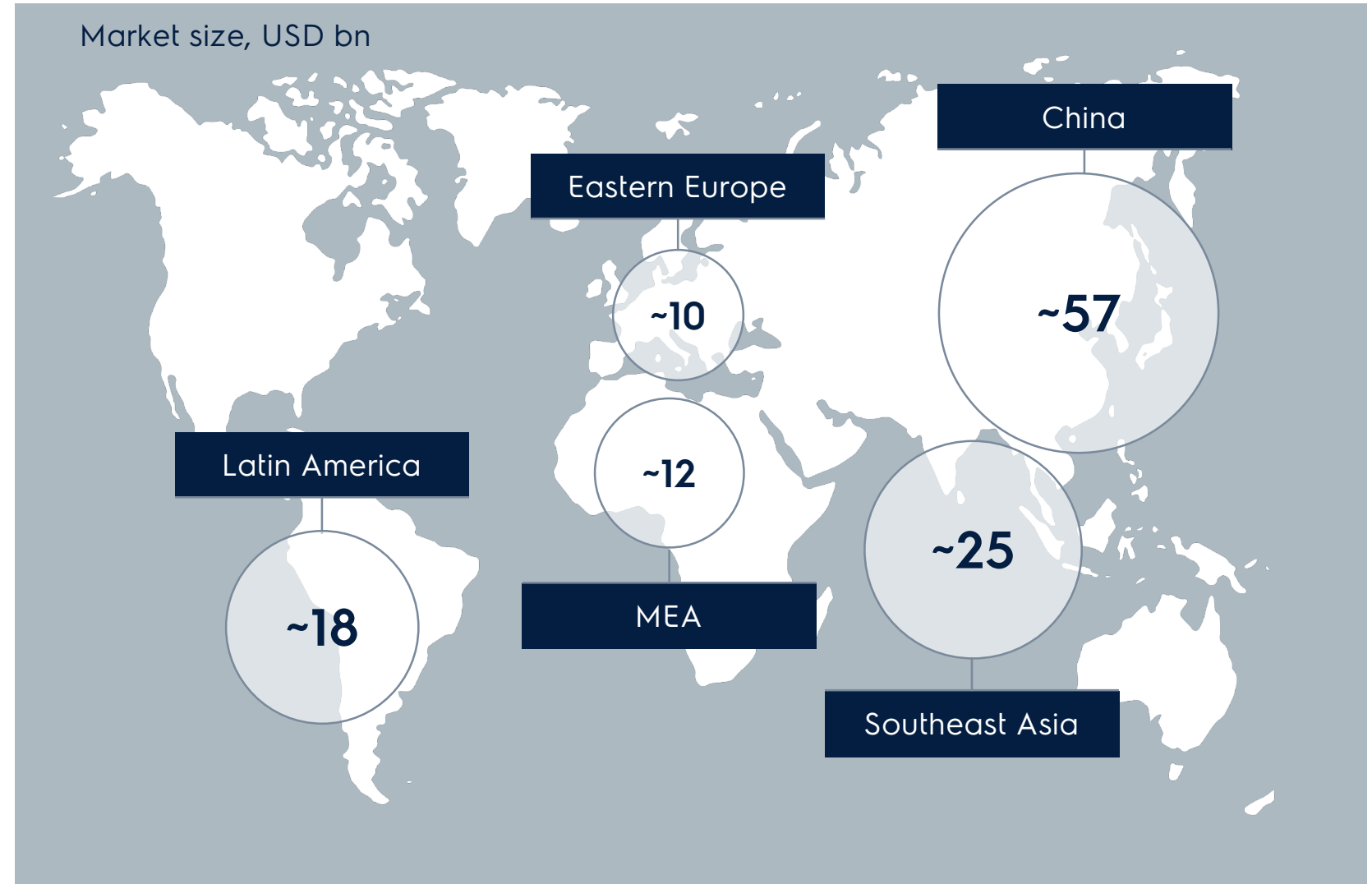
## Customer landscape

- Expansion of cities and urban areas
- Creation of new channels and distribution
- Online sales growth

## Electrolux strength

- Leverage global scale
- Local knowledge and expertise
- Strong innovative brands

Note: Market value in USD. Source: Euromonitor

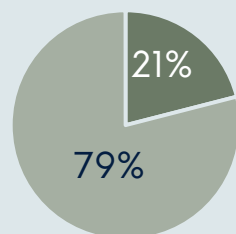


# Sustainability is a key business driver

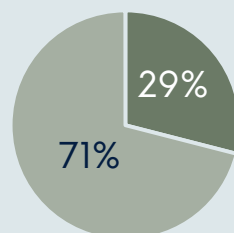


## Sustainability is increasing sales...

Products sold



Gross profit

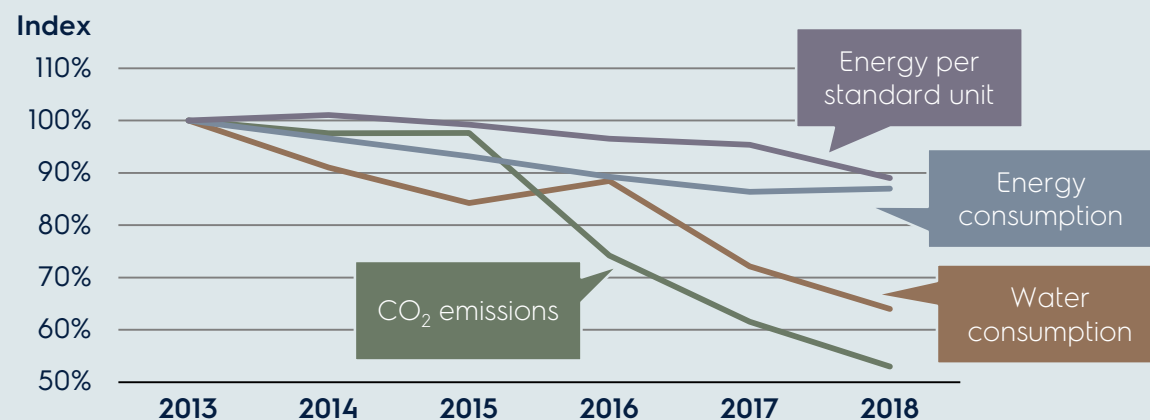


Most sustainable products

Other products

Note: Group, FY 2018

## ...and lowering costs through resource efficiency



## We are the sustainability leader in the appliance industry



MEMBER OF  
**Dow Jones Sustainability Indices**  
 In Collaboration with RobecoSAM

**ROBECOSAM**  
 Sustainability Award  
 Gold Class 2018

# Well positioned to accelerate profitable growth in our consumer business



Financial targets for profitable growth\*



1. Focus on consumer experience innovation through focused brands that drive mix

Focus on consumer experience innovation

Sharpened brands and focus on star products

Aftermarket sales growth through engaging ownership & quality experiences

Accelerated emerging market growth - focused on urban mass-premium consumers

Leverage our strength in sustainable solutions

EBIT  
≥ 6%

Sales  
Growth  
≥ 4%

RONA  
> 20%

\*Over a business cycle



**Well positioned to accelerate profitable  
growth in our consumer business**

Therese Friberg, CFO



# Well positioned to accelerate profitable growth in our consumer business

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# Re-engineering investments of SEK 8 bn strengthens our competitiveness

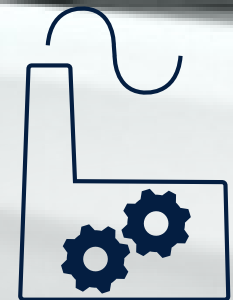


## Modularized products

- Improve product cost
- Improve product design and quality
- Increase innovation speed

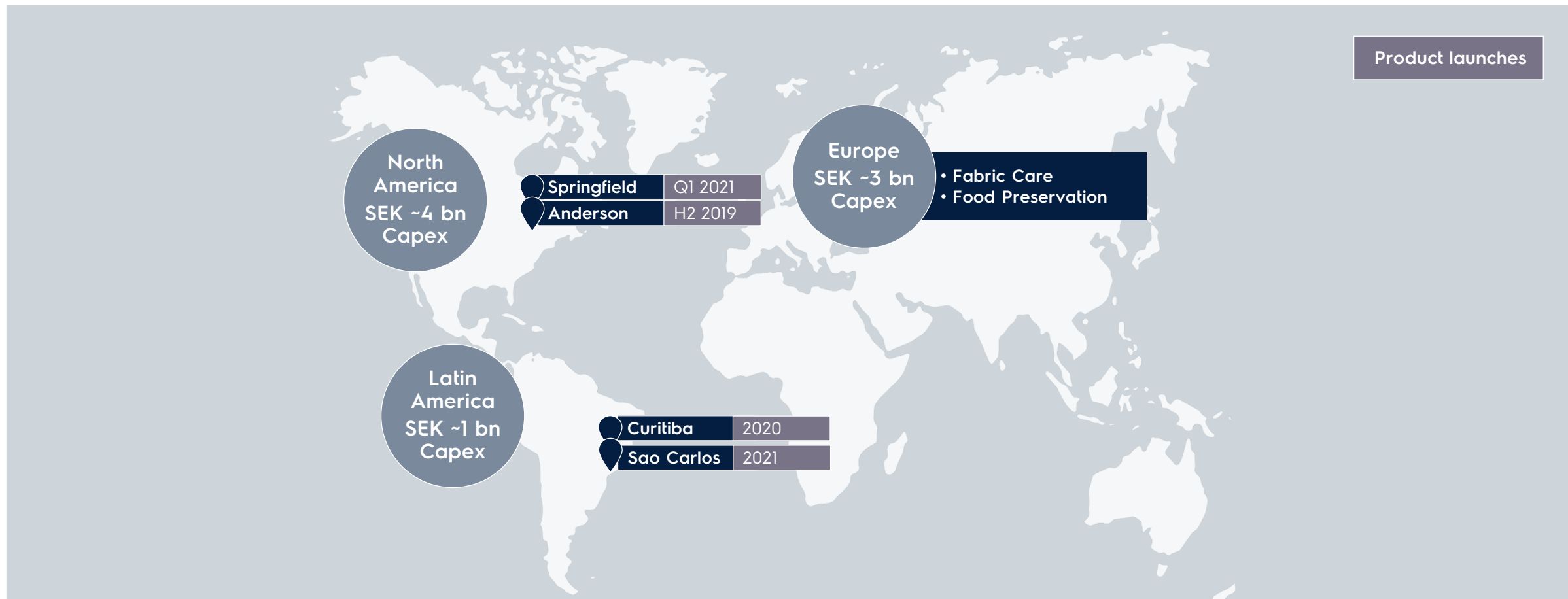
## Automated production

- Increase productivity, faster and leaner execution
- Continue cost efficiencies
- Improve quality and safety





# We are executing on our global re-engineering investments...

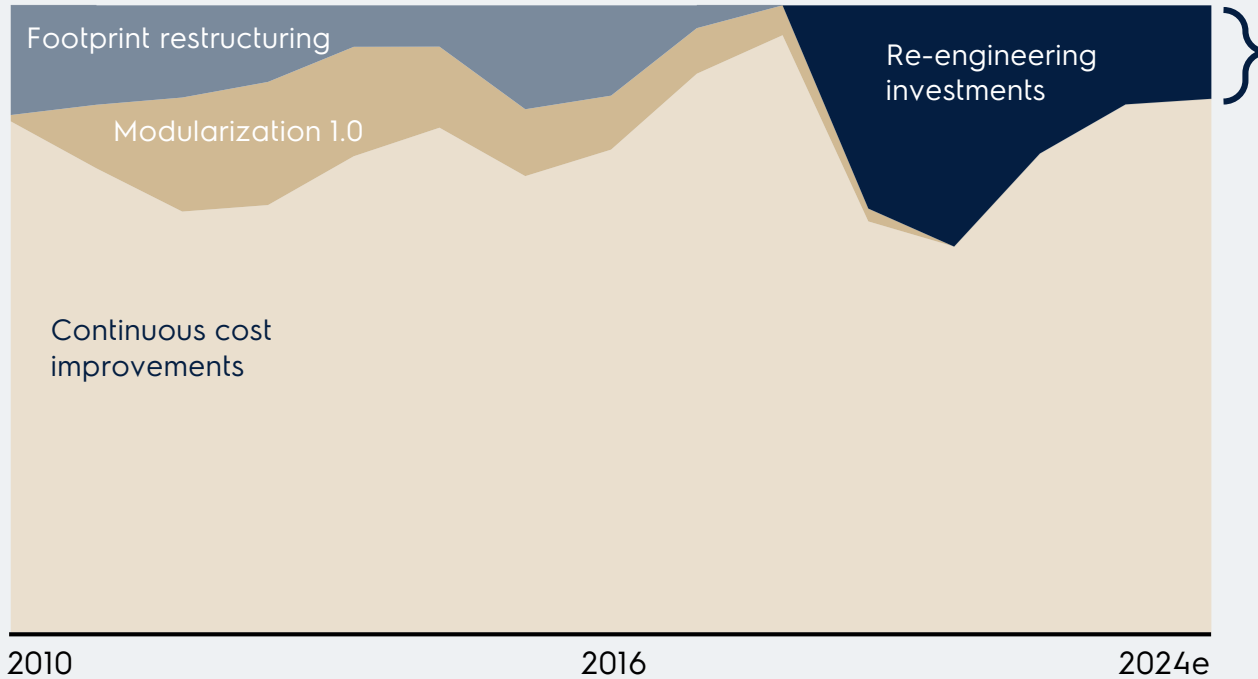


Re-engineering program capex:  
SEK 8 bn during 4-5 years starting 2018

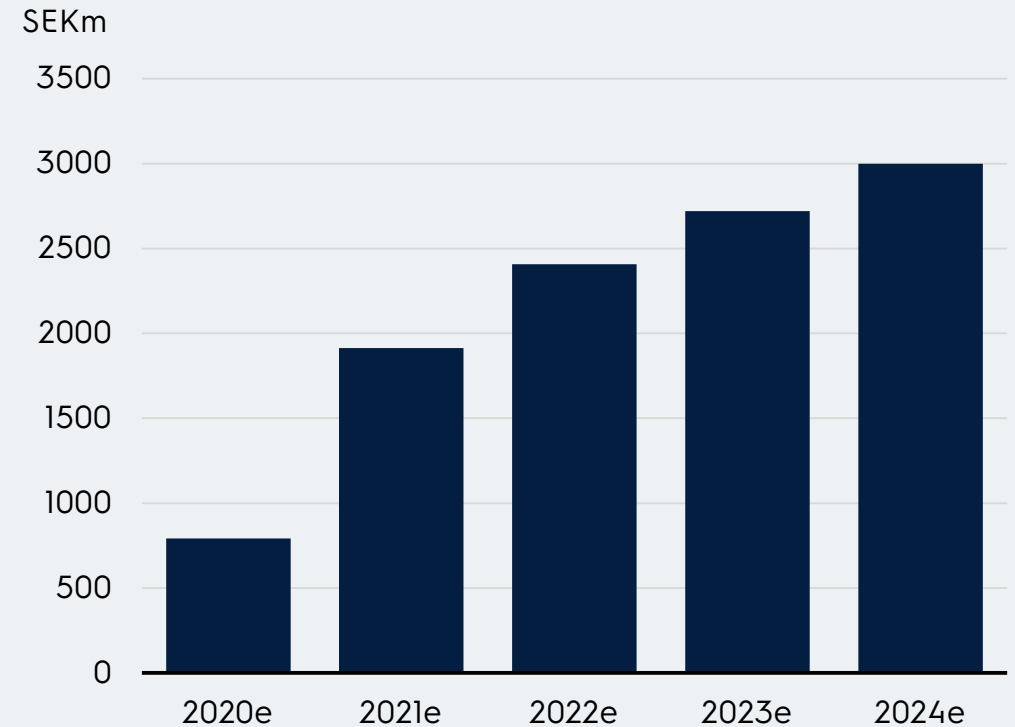
# ...and significantly increasing our cost efficiency



## Strong track-record of delivering cost reductions



## Cost savings from re-engineering investments - mainly in North America



Note: Baseline 2019.

# Case Re-engineering investments also drives mix through an increased innovation pace



## Front loaded washers in Europe

2013-2017

### Complexity & footprint reduction...

- Rationalizing stage
- Footprint restructuring
  - LCC from 62% to 80%
- Structural cost reduction

### ...preparing for modularization

- -43% platform reduction
- Complexity reduction
- Product cost improvement
- Modular product architecture
- Democratization of innovation

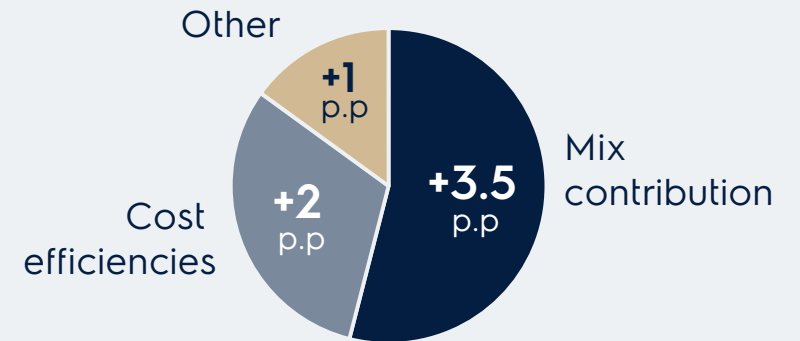
### ... and ability of mixing up

- Executing on the Care story
- Gained market share
- Higher price points
- Profitability focus

Strong EBIT % improvement 2018 vs 2013

EBIT margin +6.5 p.p

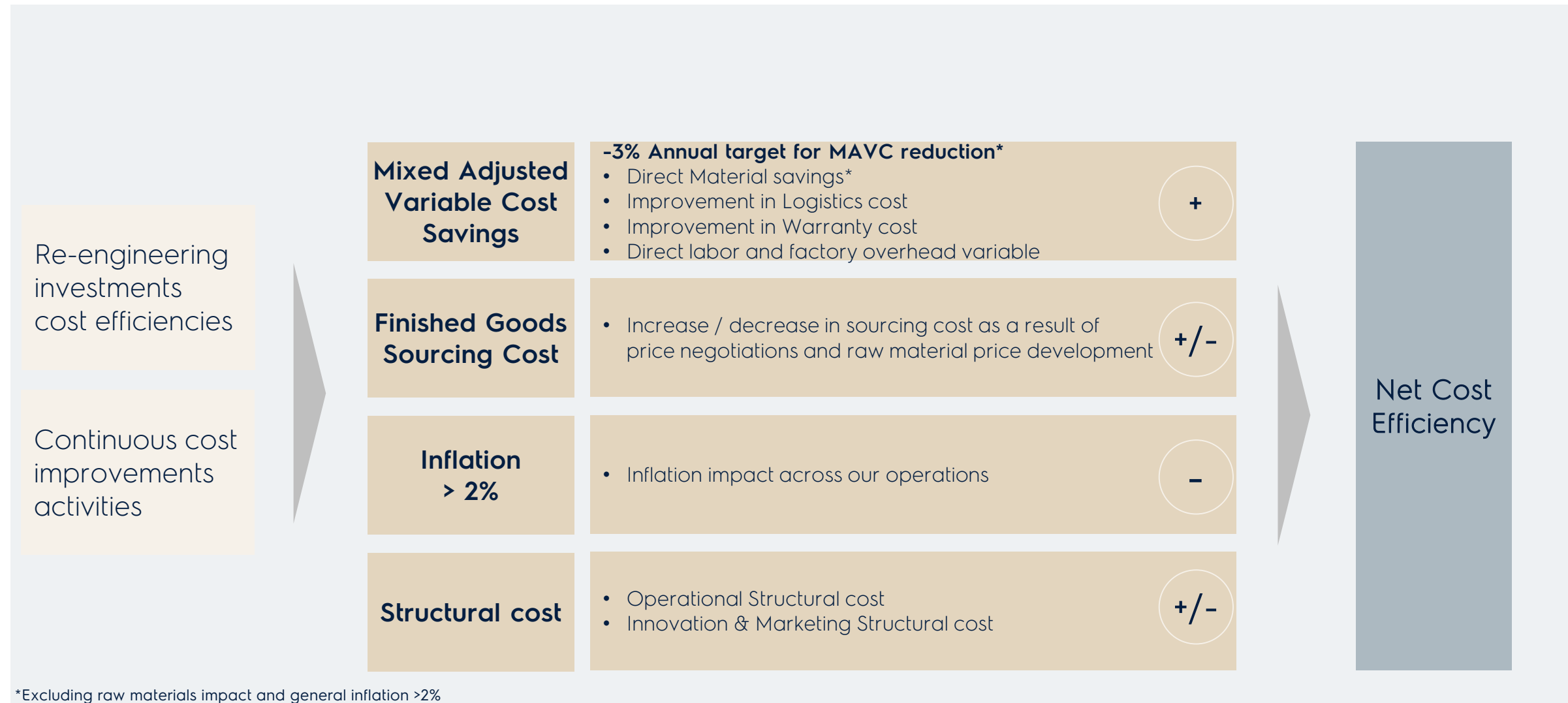
Where of...



# Digital integrated supply chain and manufacturing drive cost efficiencies and improve our agility



# Re-engineering investments and continuous improvements will contribute to our cost saving target





# Well positioned to accelerate profitable growth in our consumer business

Financial targets for profitable growth\*



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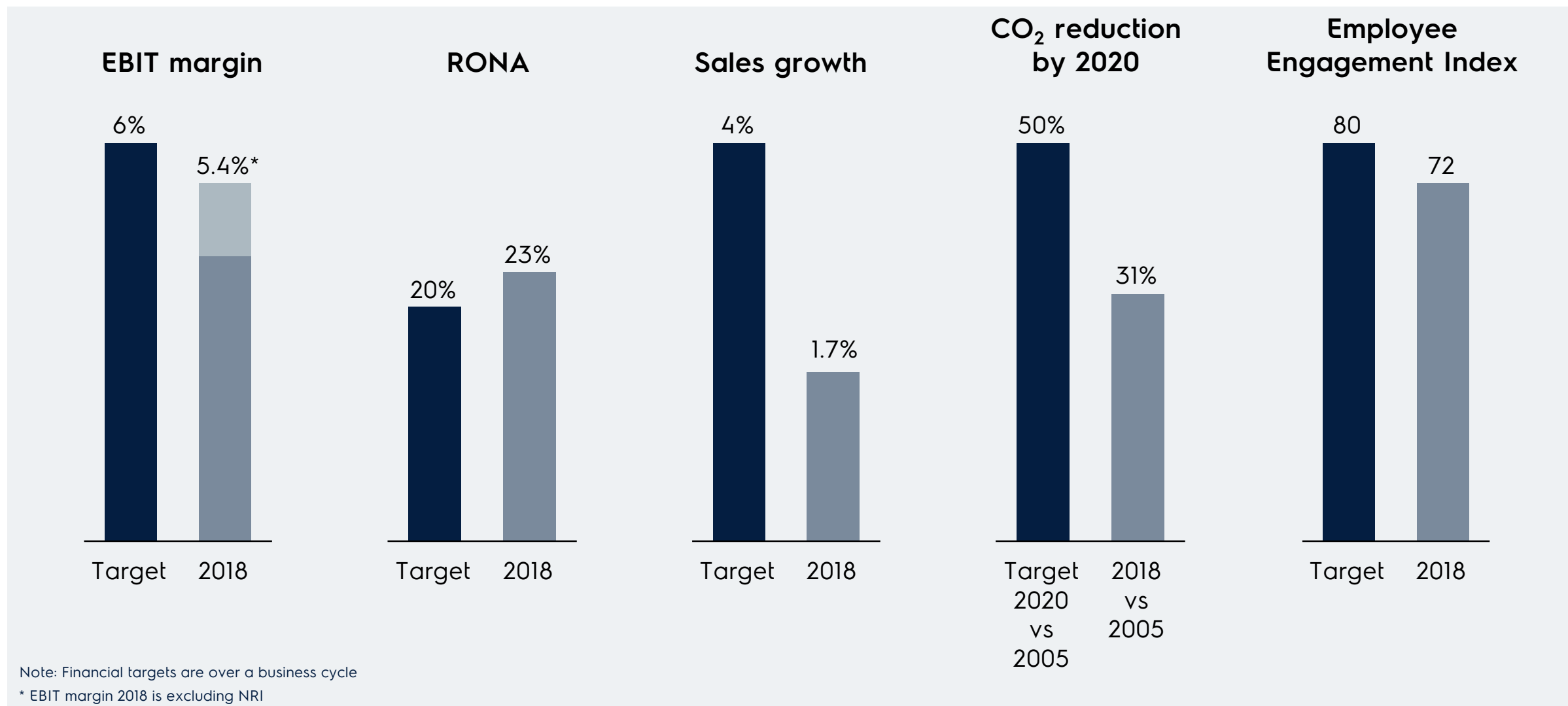
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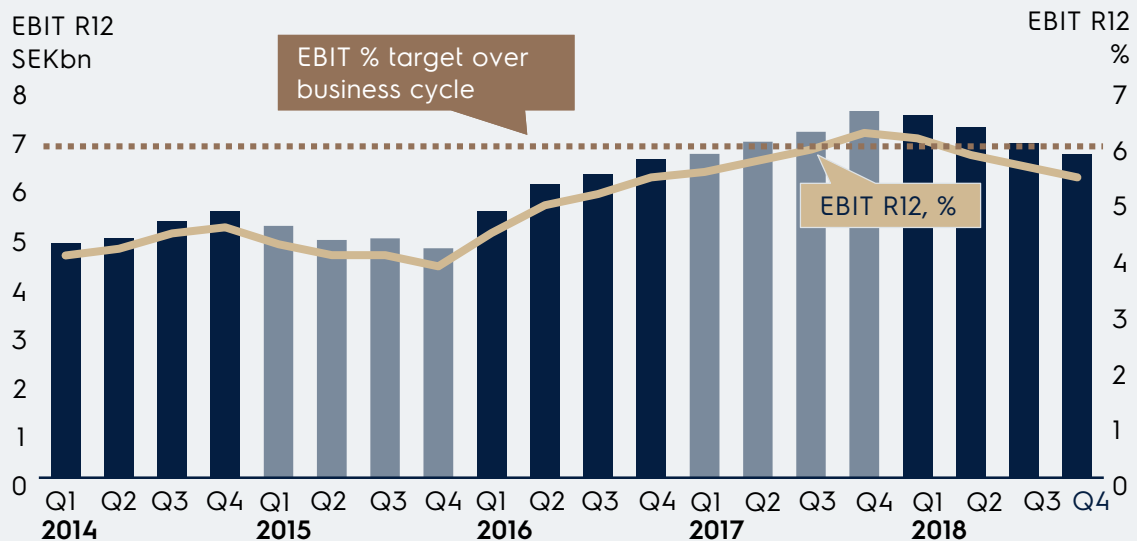
# In 2018 Group made good progress towards targets...



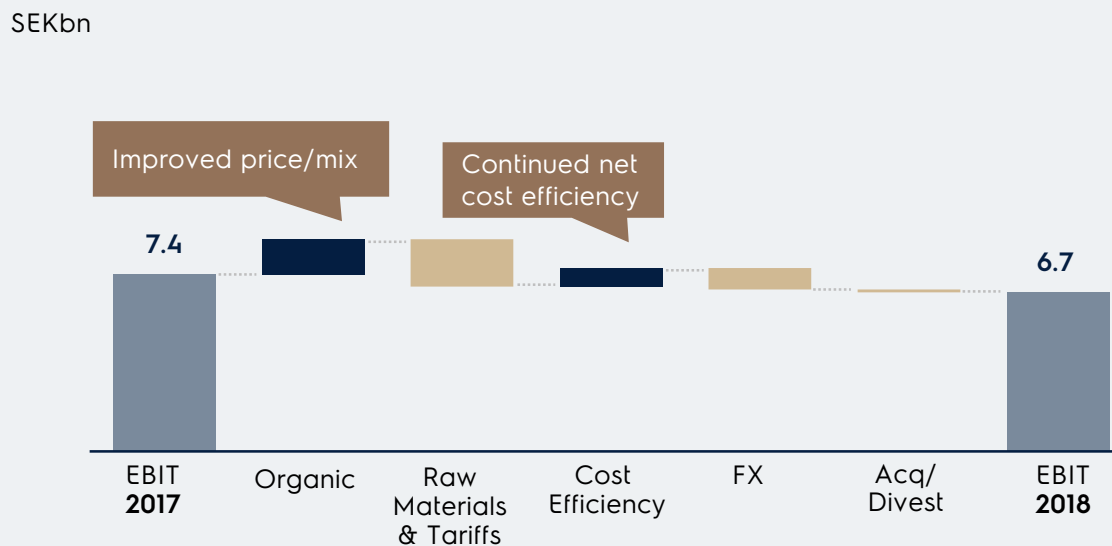
# ...and showed improved earnings resilience



### Group EBIT development



### Group EBIT bridge



Note: Excluding non-recurring items



# Business outlook is unchanged

Published in Q4 2018 report



Business outlook*, y-o-y	Q1 2019	FY 2019	Comments for the full year 2019
Volume/price/mix	Favorable	Favorable	Expect positive contribution from price and mix combined with volume growth
Raw material costs & trade tariffs	Increase of SEK 0.5-0.6bn	Increase of SEK 1.7-2.1bn	Higher costs for steel, chemicals, and tariffs
Net cost efficiency**	Unfavorable	Unfavorable	Continued cost productivity focus, offset by investments and inflation
Currency effect***	SEK -350m	SEK -300m	
- Currency transactional	SEK -350m	SEK -300m	
- Currency translational	SEK 0	SEK 0m	
Capex	Increase	SEK ~7bn	

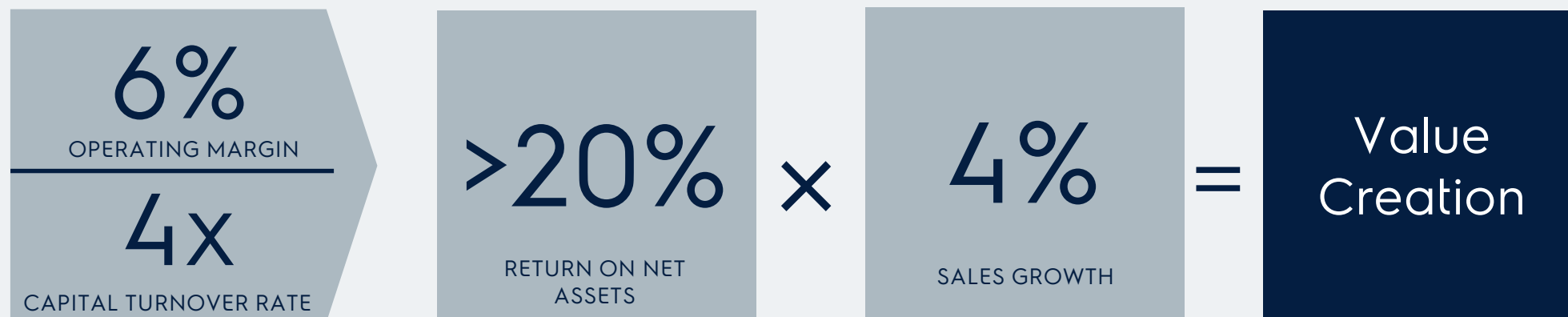
\*Business outlook range: Favorable - Neutral - Unfavorable.

\*\*Efficiencies in variable costs (excl. raw materials) and structural costs.

\*\*\*Currency rates calculated as per January 22, 2019.

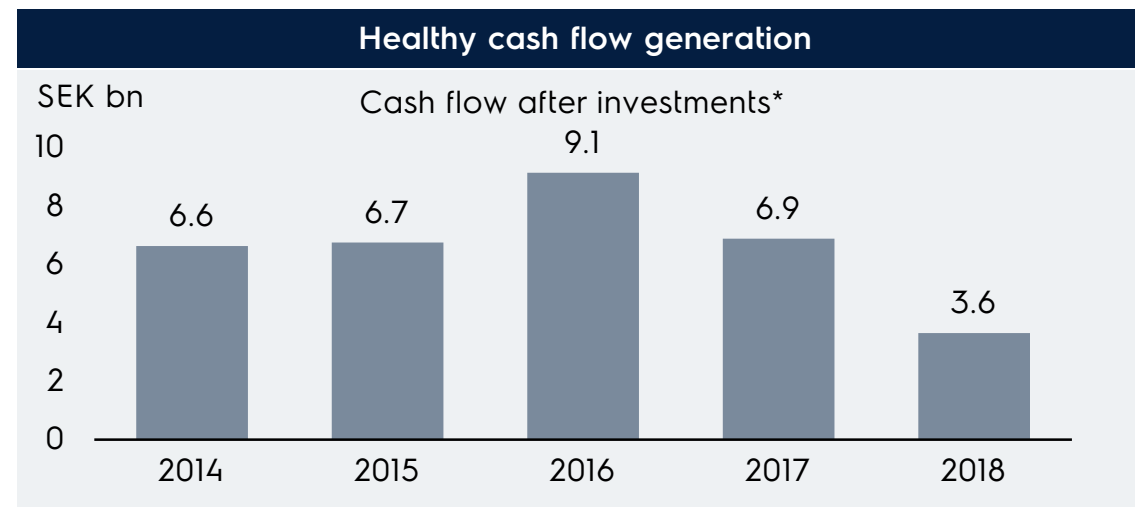
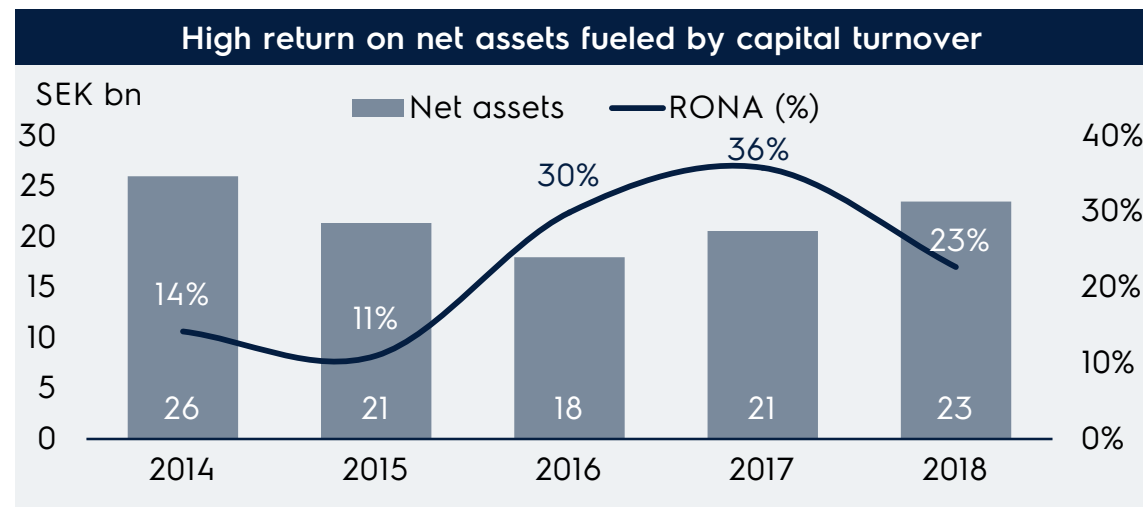
Note: Business outlook in the above table excludes non-recurring items.

# Financial targets for our consumer business are unchanged

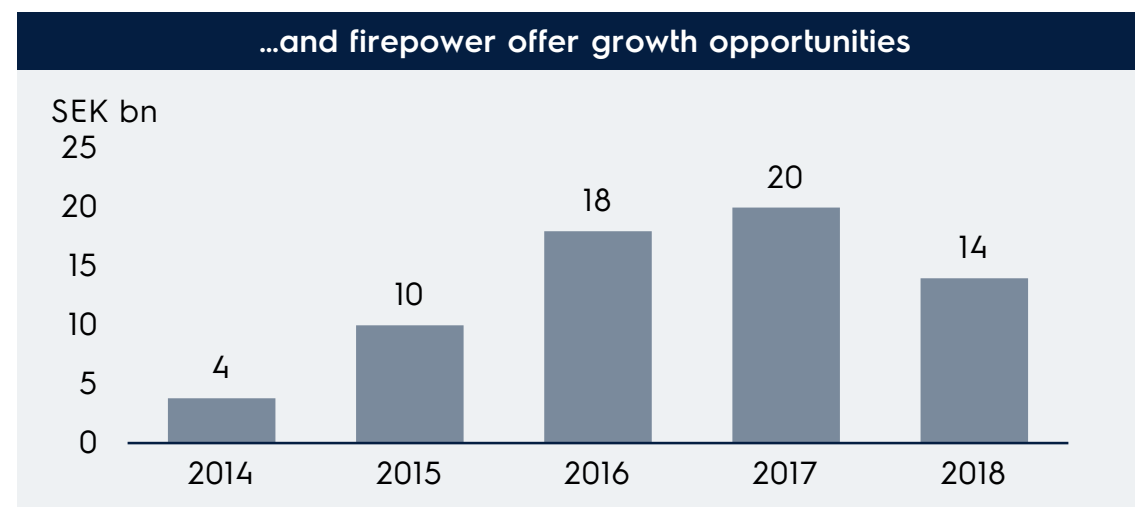
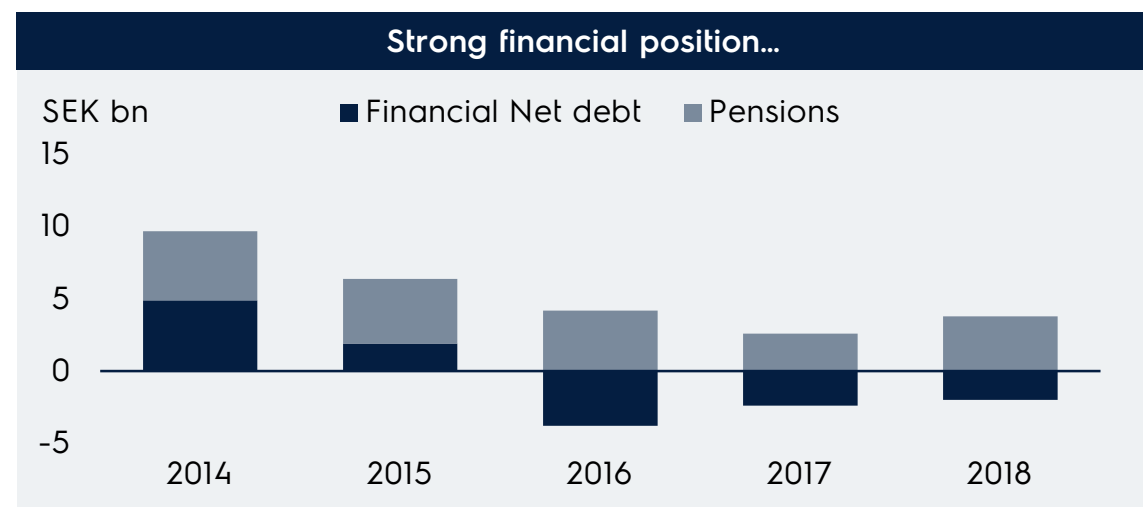


Note: Financial targets are over a business cycle

# Strong balance sheet supporting growth and value creation



\*Before acquisitions and divestments





# Pioneering green bond financing focused on industrial and R&D investments

## 1<sup>st</sup> green bond issued SEK 1 bn

- Earmarked for investments contributing to reduced environmental impacts from the company's products and operations
- Strengthening our financial position given future capex plans

## Act sustainably

- Supports our purpose and integrates sustainability in to our financing strategy
- Enable investors to allocate funds specifically to industrial projects with an environmental profile

## Medium Green rating – second highest grade

- Second opinion from Cicero on Electrolux green bond framework

\*Cicero's second opinion and the green bond framework is available on the Group website <https://www.electroluxgroup.com/greenbond/>



# Capital allocation priorities



## Ordinary dividend

- Target of at least 30% of net income
- Payout has exceeded the target since 2009
- Dividend growth last three years



## Organic growth investments

- Product innovation driven capex
- Capex for digitalization & automation for improved competitiveness



## Acquisitions supporting profitable growth

- Bolt-on acquisitions
- Strategic markets/segments
- Supporting business model transformation
- EPS accretive

## Solid capital structure

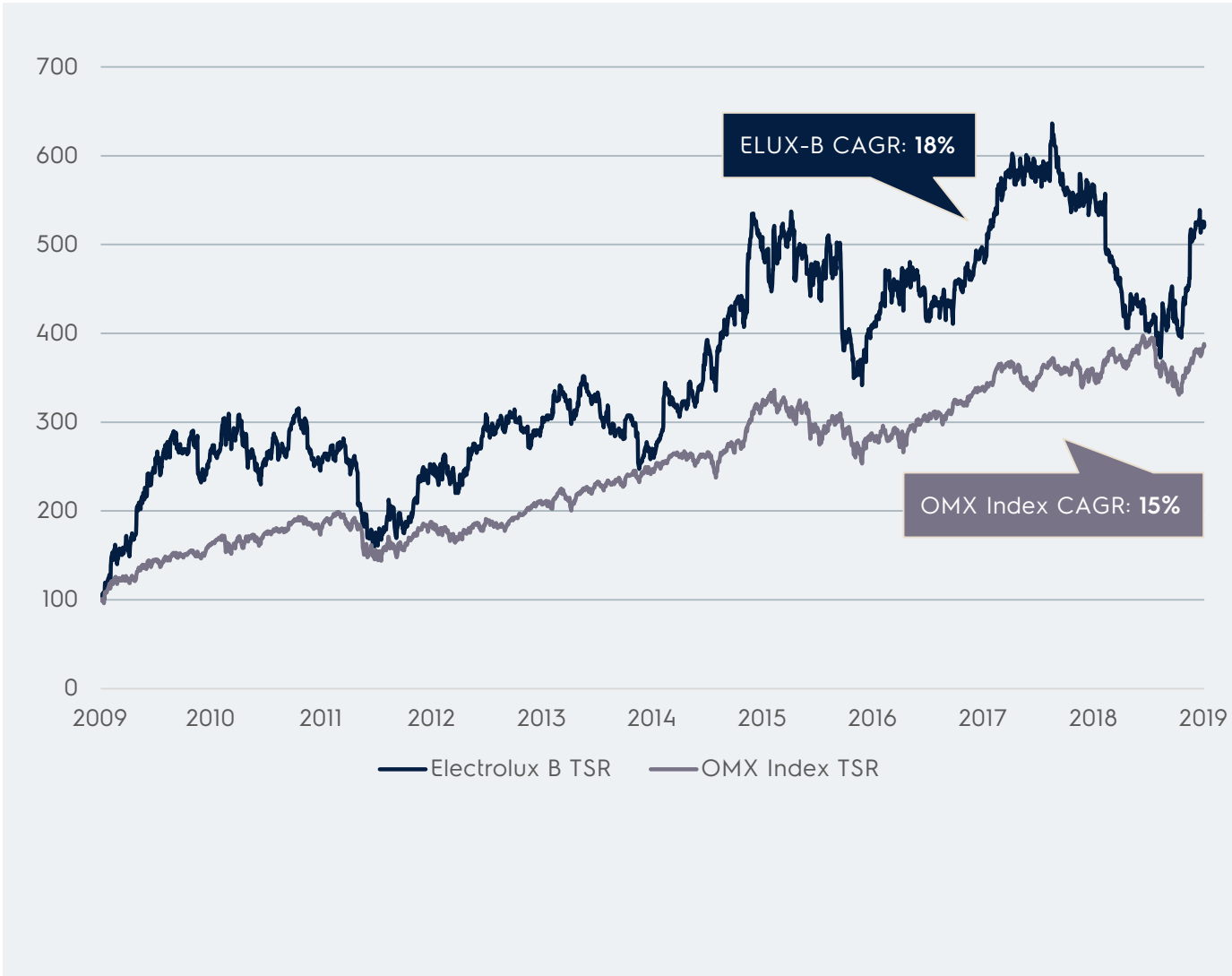
Investment grade rating  
-A

Strong  
balance sheet

Firepower  
of SEK ~14 bn\*

\*As per Q4 2018

# Strong track record of delivering shareholder value



## Committed to deliver shareholder value

- Electrolux TSR of 18% CAGR last 10 years
- Historically outperformed the market index

### Average annualized total return on

Last 5 years	+15%
Last 10 years	+18%
Last 20 years	+10%

Note: based on the closing data as per March 20, 2019



# Well positioned to accelerate profitable growth in our consumer business

Financial targets for profitable growth\*



1. Focus on consumer experience innovation through focused brands that drive mix



2. Modularized products in automated production with digitally integrated global supply chain



3. Healthy cash-flow generation and a strong balance sheet supporting further growth

EBIT  
 $\geq 6\%$

Sales  
Growth  
 $\geq 4\%$

RONA  
 $>20\%$

\*Over a business cycle

**Capturing further growth potential  
through our industry-unique position**

Alberto Zanata, Head of BA Professional Products



# Industry-unique position with full-solutions offerings



One brand covering Food, Beverage and Laundry

Broad customer base in an attractive market

Strong track-record of profitable growth

# Capturing further growth potential through our industry-unique position



Keep developing sustainable, **innovative**, low running cost solutions

**Expand** in food service chains, in Emerging markets and in Beverage

Boost **aftermarket** sales

Leverage the **OnE** platform

Our mission

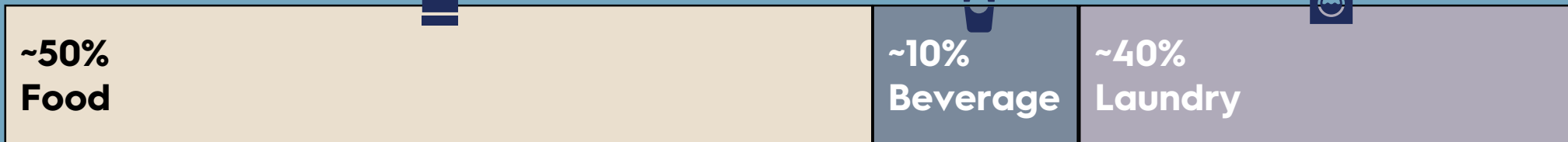
Making our customers' work-life easier, more profitable - and truly sustainable every day

# Professional Products snapshot



CAGR 2013-2018 <b>~7%</b>	<b>2018</b>	Net sales SEK <b>8.7 bn</b>	EBIT SEK <b>1.1 bn</b>	EBIT margin <b>13.1%</b>	Employing <b>~3,500</b>	Serving <b>~140</b> markets
---------------------------------	-------------	--------------------------------	---------------------------	-----------------------------	----------------------------	-----------------------------------

## Net sales



Note: CAGR at local currency

# We play in a fragmented industry...



## Core market positions



Top 3  
in Europe



Top 2  
Globally



Top 5  
in US



Electrolux

One strong brand  
across the professional  
hospitality industry in  
Food, Beverage and  
Laundry

## Competition

Mainly single  
brand/product  
specialists or  
conglomerates of multi  
brand/product  
specialists

# ...providing solutions to a diverse customer base



Restaurants



Hotels



Bars & Cafés



Education, Leisure  
& Sports



Retail



Care Facilities



Business, Transport  
& Industry

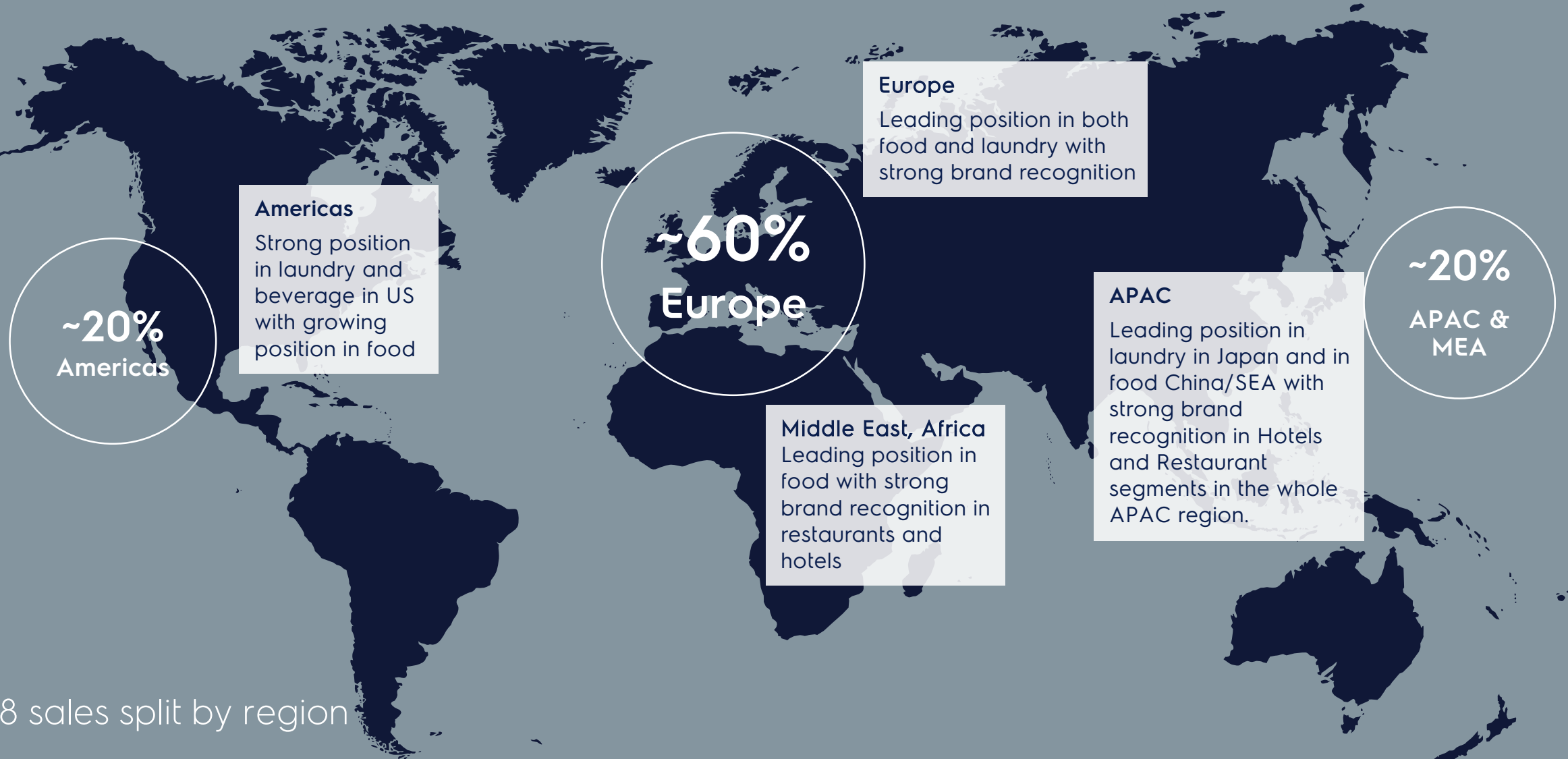


Commercial  
Laundries



Public  
Institutions

# We are expanding our global footprint



2018 sales split by region

# We innovate and manufacture close to our customers



Food solutions



Beverage solutions



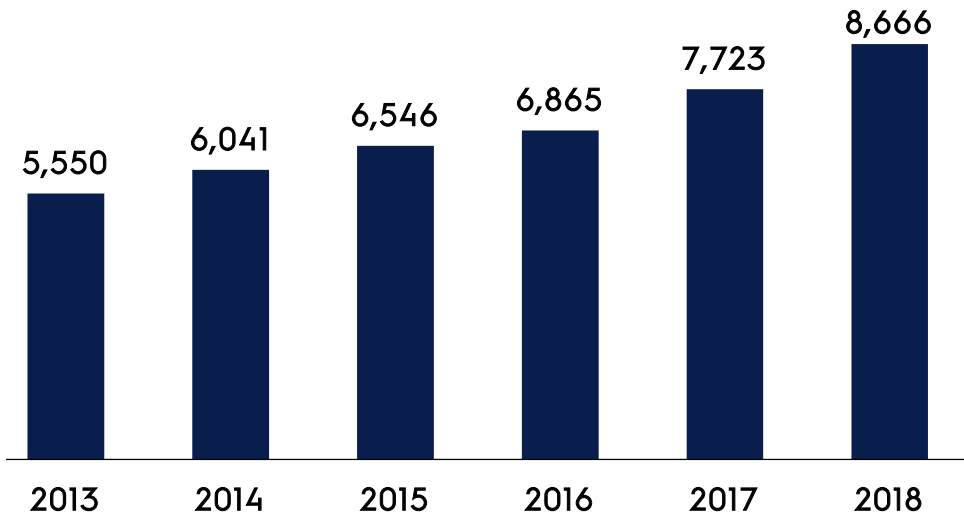
Laundry solutions



# We have a solid track record of delivering profitable growth...

## 2013-2018 net sales CAGR ~7%

■ Net Sales SEKm

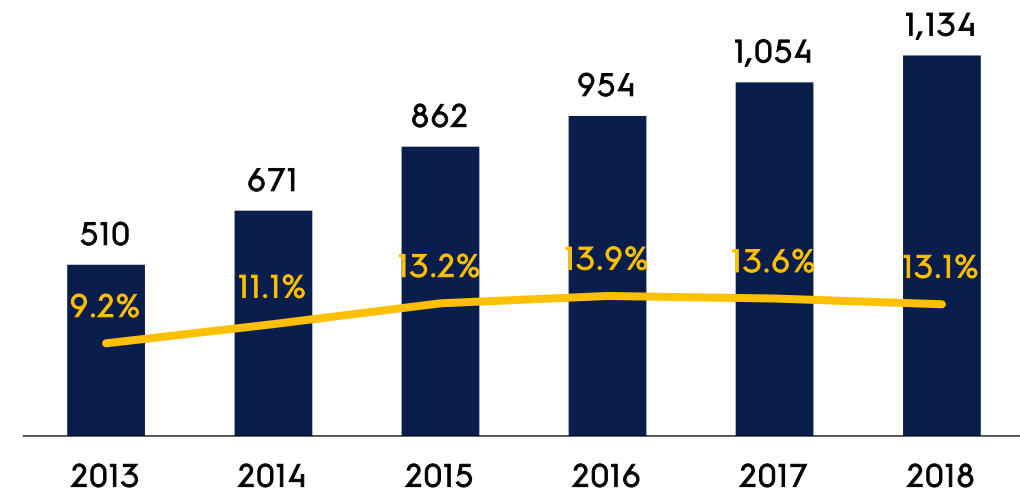


Note: Professional Products reported financials, CAGR at local currency rates

## Average EBIT margin ~13%

■ EBIT SEKm

■ EBIT %



Note: Professional Products reported financials

Note: Professional Products reported financials as per current Electrolux business area reporting.

Electrolux CMD 2019

In 2018, organic growth was ~4% and total net sales growth was ~8%, both in local currency

4 acquisitions impacted EBIT margin in 2015-2018 (further details on next page)



# ...with M&A acting as a further accelerator



**2015**

Professional dishwashing, strong service network (China)

2014 Sales: RMB 86 m

**2017**

Expanding into Beverage (US and Thailand)

2016 Sales: USD 64 m

**2018**

Fast-growing laundry rental Business (Germany)

2017 Sales: EUR 18 m

**2019**

Strengthening our Beverage presence (Italy)

2017 Sales: EUR 29 m

## Strategic priorities

North America and Chains

Emerging markets

Beverage

# We operate in a growing and resilient market



Global market size of USD ~27 bn



USD ~20 bn  
CAGR +3.4%

**Food  
service  
solutions**



USD ~5 bn  
CAGR +5.0%

**Beverage  
solutions**



USD ~2 bn  
CAGR  
+2.7%

**Laundry  
solutions**

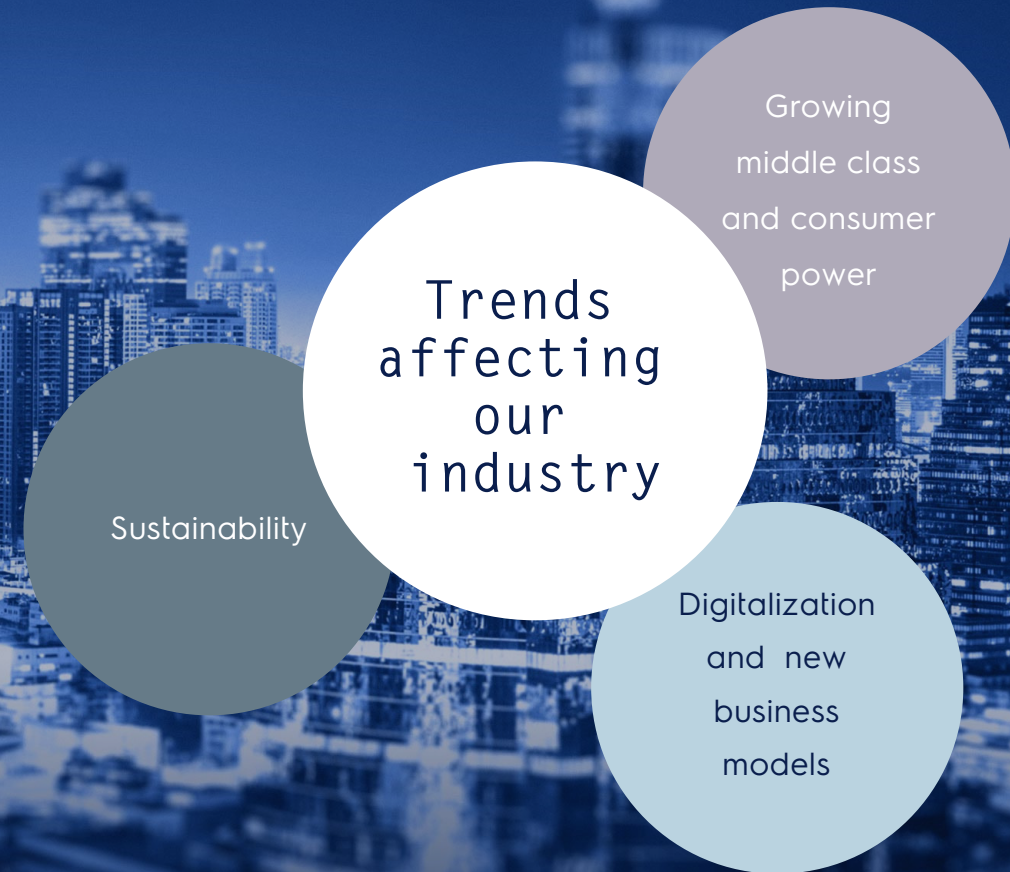
**Market size 2018 and CAGR last 5 years (2013-2018)**

Source: Company estimate based on  
FMI, CSIL, Freedonia, Eurostat  
Electrolux CMD 2019

# The world is changing – rapidly...



We are living in a disruptive environment.  
Businesses, markets and working methods  
are evolving faster than ever before





Growing  
middle class  
and consumer  
power

...eating out and on the go  
is growing fast...

**2026F**

**USD 5,700 bn**

**2016**

**USD 3,200 bn**

**6% CAGR**

Source: The calculation for out of home spending has been made based on facts or information found in the research Cushman & Wakefield "The Global food & beverage Market", 2017

Digitalization  
and new  
business  
models

# ...businesses are becoming multi-functional assets...



And connectivity advances fast, as uptime is critical





Sustainability

...and increasing focus on health and the environment adds complexity and creates new business opportunities

# Capturing further growth potential through our industry-unique position



Keep developing sustainable, **innovative**, low running cost solutions

**Expand** in food service chains, in Emerging markets and in Beverage

Boost **aftermarket** sales

Leverage the **OnE** platform

Our mission

Making our customers' work-life easier, more profitable - and truly sustainable every day

Innovate

# Our low running cost solutions outperform competition



The low running costs on water, energy and chemicals deliver a ROI\* on our solutions in 1½ year

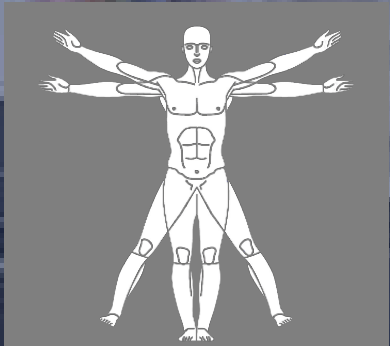
\*) Based on 30,000 washing cycles or 10 years life



# Innovate

## We are the first in our industry to have an ergonomics & usability certification

- increasingly important for professional users



**ERGOCERT**  
ERGONOMICS CERTIFYING INSTITUTE

Electrolux CMD 2019



Key requirement for public tenders



THANK  
Any partner

Source: Washington State  
Department of Labor & Industries

# Innovate

## We drive organic growth through innovation

New innovative products contributing double digit sales growth and above average EBIT margins



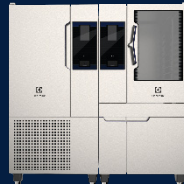
Undercounter refrigeration



SpeedDelight Pep



Lagoon Advanced Care 2.0



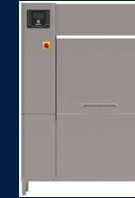
Cook & Chill Skyline



myPRO heatpump



Dynamic preparation



Racktype dishwasher



23 l fryer



Classic premix



Cold liquid Concentrate dispenser



Connected laundry



Precision brewers



myPRO large



L6000 barrier washer

Annual spend

Average 2013-2018

Capex/Net sales

1.8%

R&D/Net sales

3.7%

# 2019: Major star product launches

Higher connectivity increases aftermarket sales



Skyline - the first truly integrated cook&chill system in the market with the products talking to each other



Line 6000 - a step change in the industry in terms of productivity, cost of ownership and usability/ergonomcy



Precision brewers - allows to customize the taste profile of coffee while maintaining its taste for longer

## Expand

We are increasing our North American presence in food service chains...



North America  
and Chains

Growing organically and through M&A to achieve critical mass and recognition as a “US player”

Professional Products % of net sales coming from chains

- 2013-2016: Avg. 9%
- 2017-2018: Avg. 15%

Growing faster

- 2013-2016: CAGR 9%
- 2017-2018: CAGR 16%



# Expand

...as well as growing in Emerging markets and Beverage



## Emerging markets

Increasing presence in China with manufacturing, distribution and service established in major cities

## Beverage

Strengthening our beverage and coffee offer through organic investment and M&A to strengthen our market share

## Aftermarket sales

Our strong service network is a competitive advantage to reduce complexity and increase customers' productivity

We remain connected with our customers throughout the lifetime of the products

~10,000 service engineers\* in ~140 countries



\*via ~2,200 service agents



# Aftermarket sales

# Essentia is our integrated aftermarket service product



Case UK: initiated in January 2018

## Flexible service offering

Service agreements offer	PERFORMANCE	PREMIUM	EXCELLENCE
Call Centre (*)	●	●	●
Technical support telephone assistance	●	●	●
Yearly preventive maintenance visit	●	●	●
Discount on Accessories & Consumables (**)	●	●	●
All labour included	-	-	●
All parts included	-	-	●
Yearly staff training (equipment usage and regular maintenance instructions)	○	○	●
Any machine, any manufacturer (***)	○	○	○
Nationwide coverage	●	●	●
Electrolux certified engineers	●	●	●
Flexible payment plans available	-	-	●
Visit notification prior to visit on request	●	●	●
<b>CALL CENTRE ACCESSIBILITY (*)</b>			
8/5	●	○	●
16/5	○	○	●
24/7 (*)	○	○	●
<b>ONSITE RESPONSE TIME (*) (**)</b> (only one option)			
Best end-of-year Mon-Fri office hours - 8/5	●	●	●
Priority service	○	○	●
16 / 5	○	○	●
24 / 5	○	○	●
8 / 5 (*)	-	○	○
<b>OTHER OPTIONS</b>			
Gas safety and gas exhaust certification (*)	○	○	●
Wear & tear parts replacement	-	○	○
Onsite training with Specialist (*) (**)	-	○	○
Repair & maintenance cost analysis	-	○	○

(\*) subject to local availability ● INCLUDED  
 (\*\*) discount level depends on selected program - NOT INCLUDED  
 (\*\*\*) Discount available on parts ○ OPTION

For more information contact your preferred Electrolux Authorized Service Partner

**Electrolux SERVICE CONTRACT**

MAJING ADDRESS: TELEPHONE LAUNDRY  
 Telephone: 01753 551111  
 Email: sales@electrolux.com  
 Unit: 100/100

Date: 03/04/2018 Quote Ref: [ ] Purchase Order (If Required): [ ]

**KEY CONTACT INFORMATION**

INVOICE ADDRESS: Company: [ ] Address: [ ] City: [ ] Postcode: [ ]

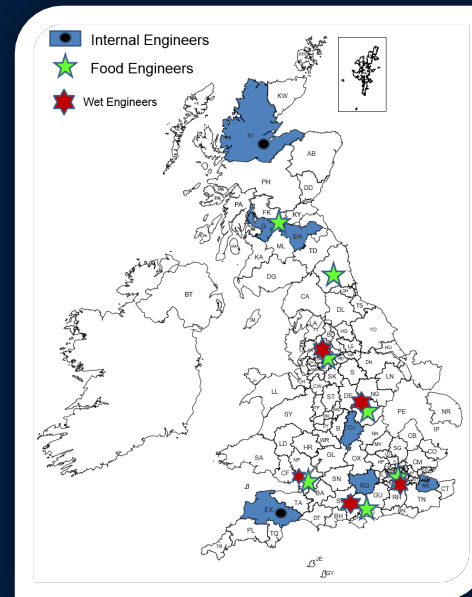
MACHINE ADDRESS (if different from quote): Site Name: [ ] Address: [ ] City: [ ] Postcode: [ ]

Key Contact: [ ] Email: [ ] Phone: [ ]

**MACHINE DETAILS**

Model	Description	Qty.	Serial Number
W475H	Washer	1	041900008820
T490	Dryer	1	000200026788

MARK OFFICES:  
 ELECTROLUX GROUP AG LONDON  
 Tel: +44 (0) 20 396 3400



Keeping track of the installed base

Make your work simple and your equipment last longer with original Accessories & Consumables. To guarantee the best performance and boosting the highest profitability.

### SpeedeLight

The Electrolux solution, engineered to our Customers' needs.

You can create your menu and improve how you manage your resources. Stand out from the competitor with an innovative solution, easy to install, operate and maintain.

To have everything under control With only a few Accessories & Consumables you will guarantee the best result.

- C4I Degreaser for SpeedeLight**  
Can be used at high temperatures  
Code 052292
- Brush**  
To clean the grill plate  
Code 007015
- Scraper**  
To remove residue from the glass surface  
Code 051606
- Multi use**  
The non-soluble assurance excellent results with greasing  
Code 052292
- Spatula**  
To remove cooked food  
Code 007040

Experience how it works:  
To find out more, visit us at: [professional.electrolux.com/custom](http://professional.electrolux.com/custom)

**Electrolux**

Make your work simple and your equipment last longer with original Accessories & Consumables. To guarantee the best performance and boosting the highest profitability.

### We ♥ making your life easier with myPRO

The new Smart Professional laundry solution for small businesses. Just load, start and relax - myPRO delivers great laundry results at the touch of a button. Unique professional expertise for small businesses. Enhance the myPRO experience by using Electrolux accessories and consumables!

- Complete range of detergents for great washing results
- Accessories selected to ease the laundry process
- Optimal safety for users and customers

- Cleanstar Sample Box**  
Cleanstar Wash Powder 0.8 Kg, Cleanstar Wash 1.5kg x3 L, Cleanstar Soft Touch 1 L, Cleanstar Gentle Wash 1 L
- Code** | **Package**  
0W212W | 0.8 Kg x 3 x 1 L
- Stacking Kit**  
Enables you to safely and firmly stack the dryer on top of the washing machine
- Code** | **Package**  
0W212G | 600 x 600 x 600

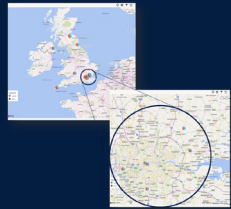
Visit the myPRO website to discover all related accessories and consumables in the webshop [www.electrolux.com/myPRO](http://www.electrolux.com/myPRO)

**Electrolux** **100% machine**

Targeted promotions of Accessories and Consumables

# Aftermarket sales

## Building our aftermarket product portfolio



**Business Intelligence Tool (BIT)**



**Definition of Service Categories**



**Chemicals Catalog Completed**



**"Parts Kits" Pricelists & Packages**



**"Two Pair of Eyes Concept"**



**Cook & Chill Tablet Chemicals**



**Digitalized Services Connected network**

**Service Product 4.0 Essentia Face Lift**



**Accessories Consumables Catalogs**



**Field Testing Training**



**Service Product 2.0 "Digitalization"**



**Service Product 3.0 "World Wide"**



**Complete Range of Product Families**



**Essentia goes digital**



# The OnE platform

## Leverage on our industry-unique position



**Singlebrand  
specialists**



Professional Products

**Conglomerate  
of multibrand  
specialists**



Food



Beverage



Laundry

Leverage the  
**OnE**  
platform



Aftermarket  
sales



Buy or Rent



Business  
community

# Capturing further growth potential through our industry-unique position



Keep developing sustainable, **innovative**, low running cost solutions

**Expand** in food service chains, in Emerging markets and in Beverage

Boost **aftermarket** sales

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Making our customers' work-life easier, more profitable - and truly sustainable every day



**Highlights from deep-dive  
Professional Products business area**



# Growing aftermarket sales

## The OnE

for full-service offerings

Increasing revenue

Increasing customer  
loyalty



Food  
Solutions



Essentia



Laundry  
Solutions



Beverage  
Solutions

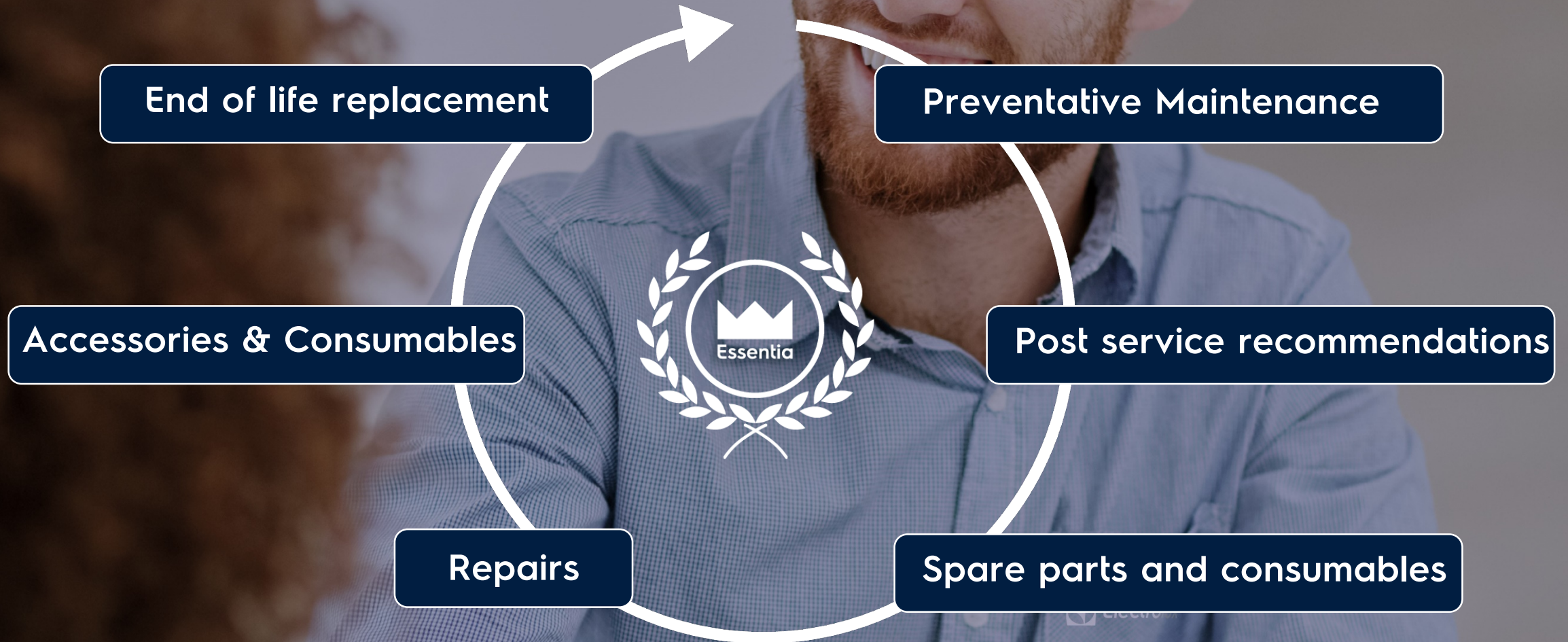
Assured performance  
and peace of mind

Throughout the  
equipment lifetime



# Standardised Support Agreements

Drive growth and increase customer loyalty





# Connectivity drives profitable growth - for us and the customer

- Rent
- Pay per cycle

New business models

- Savings
- Fleet management
- Key Accounts
- Maximize machine uptime

Aftermarket sales

Customer value

- Accessories
- Consumables
- Spares
- Replacement business



# Life cycle cost for washer and dryer installation

Our focus:  
**Sustainable,  
innovative,  
low running cost  
solutions in  
Laundry**

**15%**  
Investment



**55%**  
Chemicals



**20%**  
Energy



**10%**  
Water

Note: Company estimate of total life cycle cost for a professional laundry installation



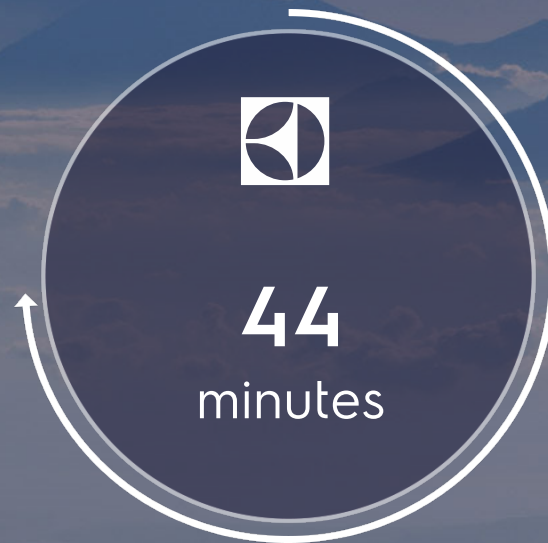


# Our Line 6000 heat pump tumble dryers offer lower life cycle cost and higher productivity thanks to innovative technology



**-60%**

Energy savings  
vs. traditional vented  
dryer



**-50%**

Cycle times  
vs. industry

Note: Company calculation for 7 kg dryer Line 6000 with heat pump.



USD ~5 bn

CAGR +5.0%

# Beverage equipment market is sizeable and fast growing

Highest growth coming from:

1. Coffee Equipment
2. Frozen/Soft Serve
3. Non Frozen dispensers

# Broad product offering in Beverage



## Hot Beverages



## Chilled drinks



## Slush/Frozen Bev



## Drip Coffee



## Frozen Creams



## Soft serve





# SkyLine

The only integrated Cook & Chill offering in the market

Driving  
profitable  
growth



With existing  
customers

With new  
customers

With expanded  
offering



# SkyLine

## The four Pillars for Foodservice Chains



### Made for business

- Lowest consumptions
- Compact design



### Made for performance

- High speed and productivity
- SkyDuo - unique integrated system for Cook & Chill



### Made for you

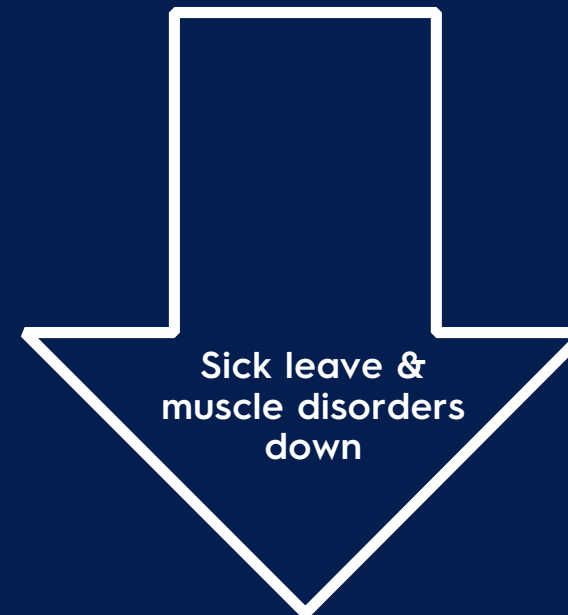
- Industry-unique certification for Ergonomics and Usability
- SkyDuo unique integrated system



### Made for non-stop operations

- Recovery modes
- Connectivity

# Ergonomics and usability are increasingly important for our customers and key requirement for public tenders





# Vallenoncello plant facts

- 140,000 products produced per year
- 46 production lines for 4 categories in food service
- Manufacturing to order
- Lean production
- High level of specialization – skilled manufacturing workforce
- ~1,000 workers, 50% females and 50% males



**Electrolux**