

Interim report

Q1

First quarter, January–March 2020

- > Net sales amounted to SEK 2,091m (2,302). Sales decreased by 9.2%. Organically sales decreased by 13.7%.
- > EBITA amounted to SEK 221m (316), corresponding to a margin of 10.6% (13.7).
- > Operating income amounted to SEK 205m (301), corresponding to a margin of 9.8% (13.1).
- > Operating cash flow after investments amounted to SEK 16m (217).
- > Income for the period amounted to SEK 159m (241), and earnings per share was SEK 0.55 (0.84).
- > Net debt/EBITDA was 0.9x (0.8).
- > On March 23, 2020 Electrolux Professional was listed on Nasdaq Stockholm.

Key ratios

SEKm	First quarter		
	Jan–Mar 2020	Jan–Mar 2019	Change, %
Net sales	2,091	2,302	-9.2
EBITA	221	316	-30.0
EBITA margin, %	10.6	13.7	
Operating income	205	301	-31.9
Operating margin, %	9.8	13.1	
Income after financial items	203	298	-31.9
Income for the period	159	241	-34.0
Earnings per share, SEK ¹	0.55	0.84	
Operating cash flow after investments	16	217	
Operating working capital % of net sales	18.2	16.6	

1) Basic number of outstanding shares.

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Stock-listing in a challenging time but with the right foundations to stand strong also after the crisis



Alberto Zanata,
President and CEO

// We have a strong balance sheet and access to credit lines which makes us resilient and well equipped to handle a longer period of downturn. //

The listing of Electrolux Professional on March 23 occurred at an unprecedented time, with the global COVID-19 pandemic heavily affecting not just individuals, but communities and companies alike. Safety is our top priority during this time and several important measures have been taken to secure the health and safety of our employees, as well as that of our customers.

The coronavirus has already heavily affected the hospitality industry, such as hotels, restaurants and pubs, an area representing approximately 50% of our sales. Sales to institutions as well as sales in Laundry have, however, so far been less affected thanks to the installations in coin-operated and in institutional and multi-housing laundries. In total, sales for the quarter declined organically by 13.7%.

Consequently, several measures have been implemented to reduce cost and to apply stricter cash management. Actions have been put in place to secure the operational cash flow, with focus on accounts receivables and cash collection. All investments have been re-evaluated and product and purchasing plans have been adjusted.

EBITA for the period amounted to SEK 221m (316), representing a margin of 10.6% (13.7). The decline in EBITA is primarily impacted by lower volumes in Food & Beverage and higher cost for corporate functions related to operating as a stand-alone company. Savings and efficiency improvements contributed positively.

In January and February, sales and EBITA were only partly impacted by the coronavirus, driven by the development in China

and, to some extent, Italy. From March, the impact due to the coronavirus became more evident in most markets. Sales in March declined organically by approximately 25%.

Currently, all factories are operational, but with reduced production. Warehouses have increased stock to ensure quick delivery of parts and products, but also to handle potential supply chain disruptions.

The general market uncertainty is significant. Since the extent of the pandemic cannot be predicted, it is also not possible to make a forecast for the financial development.

We have a strong balance sheet and access to credit lines which makes us resilient and well equipped to handle a longer period of downturn.

The strategic direction presented in March remains valid. However, the short-term focus is on mitigating the sharp decline in demand. At the same time, it is important to emphasize that Laundry, the most profitable segment, so far has been less affected.

Many of us are currently living in what probably is the most challenging period of our lives, both professionally and personally. This said, once the crisis will end, companies with solid financials, committed employees and the right strategy will have an advantage. I am confident that we have the right foundations to stand strong, also after the crisis.

Alberto Zanata,
President and CEO

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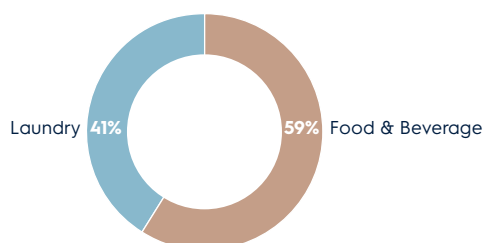
First quarter development

Net sales

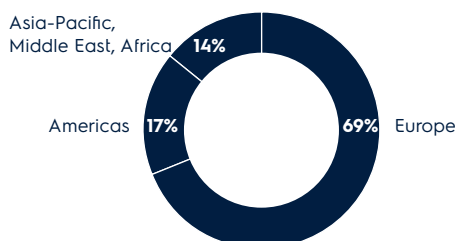
Net sales for the first quarter amounted to SEK 2,091m (2,302), a decline by 9.2% compared to the same period last year. Organically sales decreased by 13.7%, acquisition contributed by 1.7% and currency contributed by 2.9%. The organic sales decline was primarily driven by lower volumes in Food and Beverage due to the coronavirus, but also less rollouts of products to food service chains in the U.S. Sales in Laundry declined only slightly. Overall, the sales decline was higher in the U.S and Asia-Pacific than in Europe.

Changes in net sales, %	Jan-Mar 2020	Jan-Mar 2019
Organic growth	-13.7	9.4
Acquisitions	1.7	6.2
Changes in exchange rates	2.9	4.4
Total	-9.2	20.1

Share of sales by segment, January-March 2020



Share of sales by region, January-March 2020

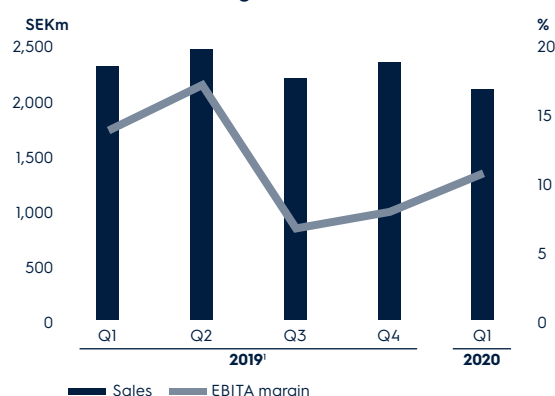


Operating income and EBITA

Operating income amounted to SEK 205m (301), corresponding to a margin of 9.8% (13.1). The decline in operating income is mainly due to lower volumes in Food & Beverage but also higher cost related to new corporate functions. The restructuring program announced in 2019 to compensate for the cost as a stand-alone company and short-term activities to cut cost contributed positively.

Operating income excluding amortization of intangible assets (EBITA) amounted to SEK 221m (316) corresponding to a margin of 10.6% (13.7).

Sales and EBITA margin



1) The second quarter 2019 includes items affecting comparability of SEK +90m and the third quarter includes items affecting comparability of SEK -122m.

Financial net

Net financial items amounted to SEK -2m (-3).

Income for the period

Income for the period amounted to SEK 159m (241), corresponding to SEK 0.55 (0.84) in earnings per share.

Income tax for the period amounted to SEK -44m (57). The effective tax rate was 21.7% (19.2).

Group common cost

Group common cost was SEK -28m (-5). The increase is driven by the new corporate functions needed as a stand-alone stock listed company.

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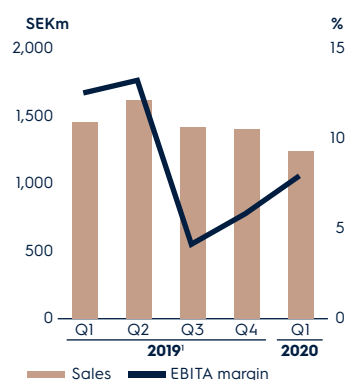
Segment Food & Beverage

In the first quarter, sales for Food & Beverage was SEK 1,243m (1,456), a decline by 14.6% compared to the same period last year. Organically sales decreased by 20.4%, the acquisition of UNIC in April 2019 contributed by 2.7% and currency contributed by 3.1%. The decline in sales were primarily related to lower sales in southern Europe, China and the U.S related to the coronavirus, but in addition the U.S. also had less rollouts of products to food and beverage service chains.

Operating income excluding amortization of intangible assets (EBITA) amounted to SEK 99m (183). EBITA declined, mainly due to lower volumes. Operating income amounted to SEK 87m (173), corresponding to a margin of 7.0% (11.9).

SEKm	First quarter		Change, %
	Jan-Mar 2020	Jan-Mar 2019	
Net sales	1,243	1,456	-14.6
Organic growth, %	-20.4	11.0	
Acquisitions, %	2.7	6.1	
Changes in exchange rates, %	3.1	5.0	
EBITA	99	183	-46.0
EBITA margin, %	7.9	12.5	
Operating income	87	173	-49.8
Operating margin, %	7.0	11.9	

Sales and EBITA margin



1) The second quarter includes items affecting comparability of SEK +31m and the third quarter includes items affecting comparability of SEK -98m.

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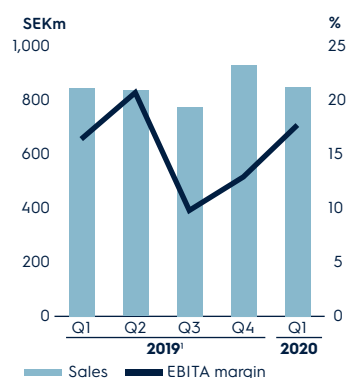
Segment Laundry

In the first quarter, sales for Laundry was SEK 848m (846), an increase by 0.2%. However, organically sales decreased by 2.1% and currency contributed by 2.4%. Sales increased in Europe and declined somewhat in the U.S. In Asia-Pacific sales declined substantially due to the restrictions in Japan and South Korea which created a large reduction in the number of people attending the consumer operated laundries. This reduced the demand for washers and dryers.

Operating income excluding amortization of intangible assets (EBITA) amounted to SEK 150m (138). EBITA improved due to lower product and development cost as well as improved mix. Operating income amounted to SEK 146m (134), corresponding to a margin of 17.3% (15.8).

SEKm	First quarter		
	Jan-Mar 2020	Jan-Mar 2019	Change, %
Net sales	848	846	0.2
Organic growth, %	-2.1	6.7	
Acquisitions, %	-	6.3	
Changes in exchange rates, %	2.4	3.5	
EBITA	150	138	8.5
EBITA margin, %	17.7	16.4	
Operating income	146	134	9.0
Operating margin, %	17.3	15.8	

Sales and EBITA margin



1) The second quarter includes items affecting comparability of SEK +59m and the third quarter includes items affecting comparability of SEK -24m.

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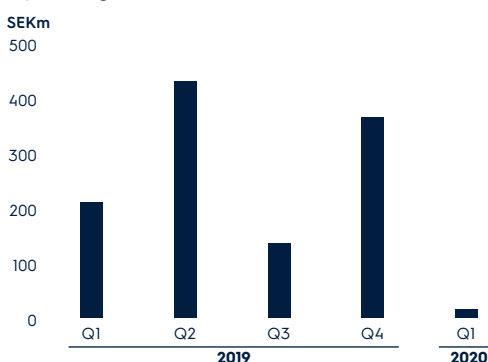
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Cash flow

Operating cash flow after investments amounted to SEK 16m (217) in the quarter. The decline is mainly due to lower operating income and high investments in the building of the new factory in Thailand. Increased inventories also had a negative effect

Operating cash flow after investments

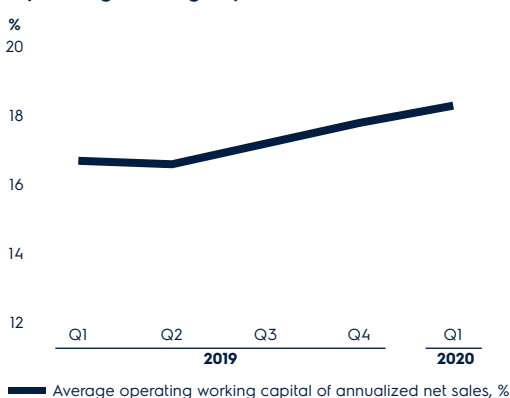


SEKm	First quarter		Full year
	Jan-Mar 2020	Jan-Mar 2019	2019
Operating income	205	301	992
Depreciation	57	47	222
Amortization	16	15	66
Other non-cash items	3	6	7
Operating income adjusted for non-cash items	281	368	1,287
Change in inventories	-125	-52	139
Change in trade receivables	-11	-39	43
Change in accounts payable	75	41	-23
Change in other operating assets, liabilities and provisions	-108	-79	-47
Operating cash flow	113	239	1,399
Investments in tangible and intangible assets	-104	-22	-257
Changes in other investments	7	0	-4
Operating cash flow after investments	16	217	1,138

Operating working capital

Average working capital as a percent of sales increased to 18.2% (16.6) due to receivables and inventory being higher. Inventory is higher in the acquired businesses and increased also due to phasing of new product introductions. In addition, lower sales in the quarter had a negative effect

Operating working capital



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Financial position

Net debt

As of March 31, 2020, Electrolux Professional had a financial net debt position (excluding lease liabilities and post-employment provisions) of SEK 638m compared to SEK 588m as of December 31, 2019.

Lease liabilities decreased somewhat to SEK 230m and net provisions for post-employments benefits increased to SEK 221m.

In total, net debt amounted to SEK 1,088m as of March 31, 2020, an increase by SEK 63m compared to SEK 1,025m per December 31, 2019.

Long-term borrowings amounted to SEK 601m and short-term borrowings amounted to SEK 679m. Total borrowings are only somewhat higher compared to December 31, 2019. During the first quarter, loans to Electrolux Group was repaid and new external credit facilities were put in place.

Liquid funds as of March 31, 2020, amounted to SEK 643m compared to SEK 656m as of December 31, 2019.

Credit facilities and loans

On February 21, 2020, Electrolux Professional AB entered in to a EUR 250m multicurrency revolving credit facilities agreement with its core banking-group with Skandinaviska Enskilda Banken AB (publ) as arranger and on March 6, 2020 a bilateral term loan was entered in to with AB Svensk Exportkredit. The revolving credit facilities has a tenor of five years (with extension options) and the term loan has a tenure of seven years.

Net debt

SEKm	Mar 31, 2020	Mar 31, 2019	Dec 31, 2019
Short-term loans	666	9	4
Trade receivables with recourse	-	20	-
Short-term loans, Electrolux Group	-	97	990
Short-term borrowings	666	126	994
Financial derivative liabilities	11	-	4
Accrued interest expenses and prepaid interest income	2	1	8
Other financial liabilities, Electrolux Group	-	30	234
Total short-term borrowings	679	158	1,241
Long-term loans	601	25	3
Long-term loans, Electrolux Group	-	41	-
Long-term borrowings	601	66	3
Total borrowings¹	1,280	224	1,244
Cash and cash equivalents	627	176	651
Financial derivative assets	14	-	4
Prepaid interest expenses and accrued interest income	1	2	2
Prepaid interest expenses and accrued interest income, Electrolux Group	-	0	-
Cashpool accounts & other short-term financial receivables, Electrolux Group	-	799	-
Liquid funds	643	978	656
Financial net debt	638	-754	588
Lease liabilities	230	158	243
Net provisions for post-employment benefits	221	204	195
Net debt	1,088	-392	1,025
Net debt/EBITDA ratio	0.9	-0.3	0.8
EBITDA	1,196	1,438	1,280

1) Whereof interest-bearing liabilities amounting to SEK 1,267m as of March 31, 2020, SEK 173m as of March 31, 2019 and SEK 997m as of December 2019.

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Other disclosures

Separation and stock listing of Electrolux Professional

At an Extraordinary General Meeting in AB Electrolux held on February 21, 2020, it was resolved to distribute all shares in the wholly-owned subsidiary Electrolux Professional AB to the shareholders of Electrolux. Consequently, Electrolux Professional was on March 23, 2020 listed on Nasdaq Stockholm and is since then a stand-alone company.

Related party transactions

Buying and selling services and products between Electrolux Professional and AB Electrolux and its subsidiaries were regarded as related party

Parent Company

The Parent Company's activities include head office as well as production and sales in and from Sweden.

On February 18, 2020, the Annual General Meeting of Electrolux Professional AB resolved on a bonus issue. The purpose of the bonus issue was to increase the share capital as well as the number of shares to reflect the share capital structure of Electrolux ahead of the separation of Electrolux Professional from Electrolux.

Net sales for the Parent Company, Electrolux Professional AB, for the period from January 1 to March 31, 2020 amounted to SEK 651m (547) of which SEK 270m (226) referred to sales to Group Companies and SEK 381m (321) to external customers.

Risk and uncertainty factors

Electrolux Professional is an international group with a wide geographic spread and is thus exposed to a number of business and financial risks. Risk management in Electrolux Professional aims to identify, control and reduce risks. The risk factors are described in the Prospectus ahead of the listing

transactions up until March 23, 2020, see table on page 15. Transactions with related parties were on market based terms.

Employees

The number of employees at the end of the quarter was 3,608 (3,558).

Events after the balance sheet date

After the end of the reporting period, no significant events have taken place that could affect the company's operations.

Income after financial items was SEK 106m (61). Income for the period amounted to SEK 83m (61).

Capital expenditure and intangible assets was SEK 6m (5). Liquid funds at the end of the period amounted to SEK 297m, as against SEK 204m at the start of the year.

Undistributed earnings in the Parent Company at the end of the period amounted to SEK 7,760m, as against SEK 7,681m at the start of the year.

The income statement and balance sheet for the Parent Company are presented on page 18.

of the shares in Electrolux Professional and consist of operational risk, industry risks, legal risks and financial risks. Compared to the Prospectus, which was issued on March 11, 2020, and the prospectus supplement that was published on March 20, 2020 no new material risks have been identified.

Stockholm, May 6, 2020

Electrolux Professional AB (publ)

Alberto Zanata
President and CEO

This report has not been audited or reviewed by external auditors.

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Customer experiences delivered by OnE integrated solutions



Food: Newly launched total concept with Skyline's innovative product range.

High productivity and performance paired with hygiene and safety. Lean workflow and lower running costs by using OnE partner for multiple operations, even in smaller spaces.



Laundry: Reinforcing leadership in cleaning of micro-fibers such as floor mops.

Best hygiene performance on the market. Helps effective control of the spread of bacteria and virus at low maintenance costs.



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Consolidated statement of total comprehensive income

SEKm	First quarter		Full year
	Jan-Mar 2020	Jan-Mar 2019	2019
Net sales	2,091	2,302	9,281
Cost of goods sold	-1,322	-1,441	-6,040
Gross operating income	769	861	3,241
Selling expenses	-388	-424	-1,699
Administrative expenses	-179	-133	-582
Other operating income/expenses	2	-3	32
Operating income	205	301	992
Financial items, net	-2	-3	-15
Income after financial items	203	298	978
Taxes	-44	-57	-314
Income for the period	159	241	663
Items that will not be reclassified to income for the period:			
Remeasurement of provisions for post-employment benefits	2	18	-33
Income tax relating to items that will not be reclassified	-1	-4	6
	1	14	-27
Items that may be reclassified subsequently to income for the period:			
Exchange-rate differences on translation of foreign operations	186	94	101
	186	94	101
Other comprehensive income, net of tax	187	108	74
Total comprehensive income for the period	346	349	737
Income for the period attributable to:			
Equity holders of the Parent Company	159	241	663
Total	159	241	663
Total comprehensive income for the period attributable to:			
Equity holders of the Parent Company	346	349	737
Total	346	349	737
Earnings per share, SEK			
Basic, SEK	0.55	0.84	2.31
Diluted, SEK	0.55	0.84	2.31
Average number of shares			
Basic, million	287.4	287.4	287.4
Diluted, million	287.4	287.4	287.4

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Consolidated balance sheet

SEKm	31 Mar, 2020	31 Mar, 2019	31 Dec, 2019*
Assets			
Non-current assets			
Property, plant and equipment, owned	1,336	1,084	1,214
Property, plant and equipment, right-of-use	226	160	238
Goodwill	1,946	1,470	1,821
Other intangible assets	399	390	388
Deferred tax assets	369	259	350
Pension plan assets	-	3	13
Other non-current assets	28	21	34
Total non-current assets	4,303	3,386	4,057
Current assets			
Inventories	1,457	1,378	1,265
Trade receivables	1,774	1,722	1,687
Tax assets	92	30	102
Other current assets	237	170	273
Short-term financial assets	-	799	-
Cash and cash equivalents	627	176	651
Total current assets	4,187	4,276	3,978
Total assets	8,490	7,662	8,035
Equity and liabilities			
Equity attributable to equity holders of the Parent Company			
Share capital	29	25	25
Other paid-in capital	5	5	5
Other reserves	451	259	266
Retained earnings	2,572	3,519	2,415
Equity attributable to equity holders of the Parent Company	3,057	3,808	2,711
Total equity	3,057	3,808	2,711
Non-current liabilities			
Long-term borrowings	601	66	3
Long-term lease liabilities	159	107	172
Deferred tax liabilities	160	141	144
Provisions for post-employment benefits	221	206	208
Other provisions	506	364	494
Total non-current liabilities	1,647	885	1,021
Current liabilities			
Trade payables	1,627	1,580	1,606
Tax liabilities	78	61	73
Other liabilities	1,144	1,023	1,361
Short-term borrowings	666	126	994
Short-term lease liabilities	71	51	72
Other provisions	200	128	198
Total current liabilities	3,786	2,969	4,303
Total equity and liabilities	8,490	7,662	8,035

*Year 2019 includes related party balances, see page 15.

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Change in consolidated equity

SEKm	First quarter		Full year
	Jan-Mar 2020	Jan-Mar 2019	2019
Opening balance	2,711	3,527	3,527
Total comprehensive income for the period	346	349	737
Dividend to equity holders of the Parent Company	-	-	-428
Other transactions with equity holders of the Parent Company ¹	-0	-69	-1,125
Total transactions with equity holders	-0	-69	-1,553
Closing balance	3,057	3,808	2,711

1) Transactions related to transfer of assets and liabilities as part of the formation of the Electrolux Professional Group between Electrolux Group and Electrolux Professional Group have been classified as transactions with shareholders. During 2017, 2018 and 2019, asset and liabilities were transferred to Electrolux Professional without any consideration paid. During the latter half of 2019, a major legal restructuring was executed to form the legal Electrolux Professional group and a number of transactions took place where Electrolux Professional paid consideration for the asset and liabilities legally transferred, which, Electrolux Professional already had recognized in its combined financial statements.

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Consolidated cash flow statement

SEKm	First quarter		Full year
	Jan-Mar 2020	Jan-Mar 2019	2019
Operations			
Operating income	205	301	992
Depreciation and amortization	73	61	287
Other non-cash items	3	6	7
Financial items paid, net ¹	-0	-3	-6
Taxes paid	-18	-22	-275
Cash flow from operations, excluding change in operating assets and liabilities	263	344	1,006
Change in operating assets and liabilities			
Change in inventories	-125	-52	139
Change in trade receivables	-11	-39	43
Change in accounts payable	75	41	-23
Change in other operating assets, liabilities and provisions	-108	-79	-47
Cash flow from change in operating assets and liabilities	-169	-130	112
Cash flow from operations	94	214	1,118
Investments			
Acquisition of operations	-	-35	-441
Capital expenditure in property, plant and equipment	-100	-19	-243
Capital expenditure in product development	-1	-3	-9
Capital expenditure in other intangibles	-3	-	-5
Other	7	0	-4
Cash flow from investments	-97	-57	-702
Cash flow from operations and investments	-2	158	417
Financing			
Change in short-term borrowings, net	617	16	-32
New long-term borrowings	600	1	-
Amortization of long-term borrowings	-1	-1	-36
Payment of lease liabilities	-23	-21	-83
Dividend	-	-	-428
Shareholders contribution	-	-	5,702
Change in financial liabilities, Electrolux Group	-1,224	-183	1,672
Cash flow from financing	-31	-187	6,795
Total cash flow	-33	-29	7,211
Cash and cash equivalents at beginning of period	651	230	230
Exchange-rate differences referring to cash and cash equivalents	10	6	14
Other cash flow from transactions with shareholders, Electrolux Group ²	-	-30	-6,804
Cash and cash equivalents at end of period	627	176	651

1) For the period January 1 to March 31: interest and similar items received SEK 2.6m (1.3), interest and similar items paid SEK -2.7m (-2.4) and other financial items received/paid SEK 1.2m (-0.3). Interest paid for lease liabilities SEK -1.6m (-1.3)

2) "Other cash flow from transactions with shareholders, Electrolux group" consists of effects on cash from cash flows presented in Electrolux Professional's combined financial statements belonging to legal entities remaining in the Electrolux Group following the separation. In 2019, it also includes cash paid by Electrolux Professional to the Electrolux Group, to acquire its group companies.

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Alternative performance measures key figures

SEKm, if not otherwise stated	First quarter		Full year
	Jan-Mar 2020	Jan-Mar 2019	2019
Net sales	2,091	2,302	9,281
Organic growth, %	-13.7	9.4	-0.3
EBITA	221	316	1,058
EBITA margin, %	10.6	13.7	11.4
EBITA margin excl. Items affecting comparability, % ¹	10.6	13.7	11.7
Operating income	205	301	992
Operating margin, %	9.8	13.1	10.7
Operating margin excl. Items affecting comparability, % ¹	9.8	13.1	11.0
Income after financial items	203	298	978
Income for the period	159	241	663
Capital expenditure	-104	-22	-257
Operating cash flow after investments	16	217	1,138
Earnings per share, SEK ²	0.55	0.84	2.31
Net debt	1,088	-392	1,025
EBITDA ³	1,196	1,438	1,280
Net debt/EBITDA ratio	0.9	-0.3	0.8
Operating working capital % of net sales	18.2	16.6	17.7
Average number of shares, million	287.4	287.4	287.4
Number of employees, end of period	3,608	3,558	3,623

1) For information on items affecting comparability, see page 17.

2) Basic number of outstanding shares.

3) Rolling four quarters

For definitions, see page 22-23.

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Related party transactions, Electrolux Group

SEKm	First quarter		Full year
	Jan-Mar 2020	Jan-Mar 2019	2019
Income for the period			
Purchase of goods	-15	-13	-50
Interest income	-	1	9
Interest expense	-1	-2	-17
Assets			
Other current assets			
Prepaid expenses and accrued income	-	6	-
Short-term financial assets			
Cashpool account	-	799	-
Liabilities			
Long-term borrowings	-	41	-
Trade payables	-	71	121
Other liabilities			
Other financial liabilities	-	30	234
Other short-term operating liabilities	-	-	4
Accrued expenses and prepaid income	-	-	23
Derivatives	-	2	1
Short-term borrowings			
Short-term loans	-	97	990
Equity			
Dividend to shareholders	-	-	-428
Shareholders contributions received	-	-	7,697
Other transactions with shareholders	-	-69	-8,822

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Net sales, EBITA and operating income by segment

SEKm	Q1 2020	Full year 2019	Q4, 2019	Q3, 2019	Q2, 2019	Q1, 2019
Food & Beverage						
Net sales	1,243	5,895	1,405	1,415	1,619	1,456
EBITA	99	568	82	58	245	183
EBITA margin, %	7.9	9.6	5.8	4.1	15.1	12.5
Amortization	-12	-45	-10	-13	-12	-10
Operating income	87	522	72	45	233	173
Operating margin, %	7.0	8.9	5.1	3.1	14.4	11.9
Laundry						
Net sales	848	3,386	930	774	836	846
EBITA	150	507	120	76	173	138
EBITA margin, %	17.7	15.0	12.9	9.8	20.7	16.4
Amortization	-4	-20	-6	-4	-5	-4
Operating income	146	488	114	71	169	134
Operating margin, %	17.3	14.4	12.3	9.2	20.2	15.8
Group common costs						
	-28	-18	-21	10	-1	-5
Total Group						
Net sales	2,091	9,281	2,334	2,190	2,455	2,302
EBITA	221	1,058	181	144	418	316
EBITA margin, %	10.6	11.4	7.8	6.6	17.0	13.7
Amortization	-16	-66	-16	-18	-17	-15
Operating income	205	992	165	126	401	301
Operating margin, %	9.8	10.7	7.1	5.7	16.3	13.1
Financial items, net	-2	-15	-7	-4	-1	-3
Income after financial items	203	978	157	122	400	298
Income for the period	159	663	168	128	126	241
Earnings per share, SEK ¹	0.55	2.31	0.59	0.45	0.44	0.84

1) Basic number of outstanding shares.

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Items affecting comparability

SEKm	Q1, 2020	Full year 2019	Q4, 2019	Q3, 2019 ¹	Q2, 2019 ²	Q1, 2019
Food & Beverage	-	-67	-	-98	31	-
Laundry	-	35	-	-24	59	-
Total Group	-	-32	-	-122	90	-

1) The SEK -122m relates to restructuring charges for efficiency measures and are included in the functional lines cost of goods sold, marketing and administration.

2) The non-recurring item of SEK 90m relates to a pension plan settlement in Sweden and is included in the functional line administration.

SEKm	Q1, 2020	Full year 2019	Q4, 2019	Q3, 2019	Q2, 2019	Q1, 2019
Total Group						
Operating income excl. items affecting comparability	205	1,024	165	248	311	301
Operating margin excl. items affecting comparability, %	9.8	11,0	7.1	11.3	12.7	13.1
EBITA excl. items affecting comparability	221	1,090	181	266	328	316
EBITA margin excl. items affecting comparability, %	10.6	11.7	7.8	12.1	13.3	13.7

Shares

Number of shares	A-shares	B-shares	Shares total
Number of shares as of March 31, 2020	8,192,539	279,204,911	287,397,450

Exchange rates

SEK	Mar 31, 2020		Mar 31, 2019		Dec 31, 2019	
	Average	End of period	Average	End of period	Average	End of period
CNY	1.39	1.42	1.35	1.38	1.37	1.34
CZK	0.4147	0.4050	0.4035	0.4030	0.4113	0.4100
DKK	1.43	1.48	1.39	1.39	1.41	1.40
EUR	10.71	11.06	10.38	10.40	10.56	10.44
GBP	12.48	12.48	11.89	12.11	12.03	12.25
JPY	0.0892	0.0930	0.0827	0.0836	0.0864	0.0854
NOK	1.02	0.96	1.06	1.08	1.07	1.06
RUB	0.1440	0.1287	0.1374	0.1427	0.1455	0.1507
THB	0.3095	0.3079	0.2869	0.2918	0.3039	0.3119
TRY	1.57	1.53	1.70	1.64	1.67	1.57
USD	9.70	10.10	9.11	9.26	9.43	9.33

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Condensed Parent company income statement

SEKm	First quarter		Full year
	Jan-Mar 2020	Jan-Mar 2019	2019
Net sales	651	547	2,361
Cost of goods sold	-432	-398	-1,757
Gross operating income	219	149	604
Selling expenses	-88	-75	-323
Administrative expenses	-33	-10	-94
Other operating income	8	0	0
Other operating expenses	0	-3	-17
Operating income	106	61	170
Financial income	4	0	74
Financial expenses	-4	0	-9
Financial items, net	0	0	65
Income after financial items	106	61	235
Appropriations	0	0	-252
Income before taxes	106	61	-17
Taxes	-23	0	16
Income for the period	83	61	-1

Condensed Parent company balance sheet

SEKm	Mar 31, 2020	Mar 31, 2019	Dec 31, 2019
Assets			
Non-current assets	8,517	247	8,527
Current assets	1,888	562	1,543
Total assets	10,405	809	10,070
Equity and liabilities			
Restricted equity	49	48	46
Non-restricted equity	7,760	44	7,681
Total equity	7,809	92	7,727
Untaxed reserves	109	78	109
Provisions	97	95	96
Non-current liabilities	600	-	-
Current liabilities	1,790	544	2,138
Total equity and liabilities	10,405	809	10,070

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Note 1 Accounting principles

Electrolux Professional applies International Financial Reporting Standards (IFRS) as adopted by the European Union. This report has been prepared in accordance with IAS 34, Interim Financial Reporting.

All financial information prior to 2020 is based on Combined financial statements. The basis of preparation of these Combined financial statements is described in the Prospectus.

Electrolux Professional interim reports contain a condensed set of financial statements. For the Group this chiefly means that the disclosures are limited compared to the combined financial statements presented in the prospectus. Enumerated amounts presented in tables and statements may not always agree with the calculated sum of the related line items due to rounding differences. The aim is for each line item to agree with its source and therefore there may be rounding differences affecting the total when adding up the presented line items.

The accounting principles adopted in the preparation of this interim report apply to all periods and comply with the accounting principles presented in the prospectus "Admission to trading of Shares in Electrolux Professional AB on Nasdaq Stockholm" in Note 1.

For the Parent Company financial statements in general are presented in condensed versions and with limited disclosures compared to the annual report. The interim financial statements of Electrolux Professional AB have been prepared in accordance with the Swedish Annual Accounts Act and the accounting standard RFR 2, accounting for legal entities. The most recent annual financial statements of Electrolux Professional AB have been prepared in accordance with the Annual Accounts Act and the standard from the Swedish Accounting Standards Board BFNAR 2012:1 Annual report and consolidated accounts (K3).

Reportable segments

Food & Beverage and Laundry represent the Group's reportable segments.

Note 2 Disaggregation of revenue

Sales of products are revenue recognized at a point in time, when control of the products has transferred. Revenue from services related to installation of products, repairs or maintenance service is recognized when control is transferred being over the time the service is provided. Sales of these services are not material in relation to Electrolux Professional total net sales.

Geography is considered to be an important attribute when disaggregating Electrolux Professional revenue. Therefore, the table below presents net sales per geographical region based on the location of the end customer.

SEK	First quarter	
	Jan-Mar 2020	Jan-Mar 2019
Geographical region		
Europe	1,450	1,497
Asia-Pacific, Middle East and Africa	294	347
Americas	347	458
Total	2,091	2,302

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Note 3 Fair values and carrying amounts of financial assets and liabilities

SEK	Mar 31, 2020		Mar 31, 2019		Dec 31, 2019	
	Fair value	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount
Per category						
Financial assets at fair value through profit and loss	1	1	1	1	0	0
Financial assets measured at amortized cost	2,402	2,402	2,698	2,698	2,339	2,339
Derivatives, financial assets at fair value through profit and loss	14	14	1	1	4	4
Total financial assets	2,416	2,416	2,699	2,699	2,344	2,344
Financial liabilities measured at amortized cost	2,894	2,894	1,803	1,803	2,837	2,837
Derivatives, financial liabilities at fair value through profit and loss	11	11	2	2	5	5
Total financial liabilities	2,905	2,905	1,804	1,804	2,843	2,843

The Group strives for arranging master-netting agreements (ISDA) with the counterparts for derivative transactions and has established such agreements with the majority of the counterparties, i.e., if a counterparty will default, assets and liabilities will be netted. Derivatives are presented gross in the balance sheet.

Fair value estimation

Valuation of financial instruments at fair value is done at the most accurate market prices available. Instruments which are quoted on the market, e.g., the major bond and interest-rate future markets, are all marked-to-market with the current price. The foreign-exchange spot rate is used to convert the value into SEK. For instruments where no reliable price is available on the market, cash-flows are discounted using the deposit/swap curve of the cash flow currency. If no proper cash-flow schedule is available, e.g., as in the case with forward-rate agreements, the underlying schedule is used for valuation purposes.

To the extent option instruments are used, the valuation is based on the Black & Scholes' formula.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities is estimated by discounting the future contractual cash flows at the current market-interest rate for similar financial instruments. The Group's financial assets and liabilities are measured according to the following hierarchy:

Level 1: Quoted prices in active markets for identical assets or liabilities. At March 31, 2020, the fair value for Level 1 financial assets was SEK 0m (0) and for financial liabilities SEK 0m (0).

Level 2: Inputs other than quoted prices included in Level 1 that are observable for assets or liabilities either directly or indirectly. At March 31, 2020, the fair value of Level 2 financial assets was SEK 14m (0) and financial liabilities SEK 11m (2).

Level 3: Inputs for the assets or liabilities that are not entirely based on observable market data. At March 31, 2020, the fair value of Level 3 financial assets was SEK 0m (1) and financial liabilities SEK 0m (0).

Note 4 Contingent liabilities

SEKm	Mar 31, 2020	Mar 31, 2019	Dec 31, 2019
Group			
Guarantees and other commitments	133	7	126

On January 21, 2020, a supplier filed a lawsuit in Italy against Electrolux Professional amounting to EUR 11.3m, approximately SEK 125m. The claimed amount covers alleged damages related to products and prices during the contractual period and compensation for costs resulting from allegedly

wrongful termination of the supply agreement. Electrolux Professional rejects the claim but it cannot be ruled out that the final outcome could have a significant impact on Electrolux Professional's operating income and cash flow.

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Operations by segment yearly

SEKm	2019	2018	2017
Food & Beverage			
Net sales	5,895	5,399	4,922
EBITA	568	629	607
EBITA, %	9.6	11.7	12.3
Operating income	522	599	572
Margin, %	8.9	11.1	11.6
Laundry			
Net sales	3,386	3,267	2,801
EBITA	507	573	502
EBITA, %	15.0	17.6	17.9
Operating income	488	558	499
Margin, %	14.4	17.1	17.8
Group common cost			
Operating income	-18	-14	-11
Total Group			
Net sales	9,281	8,666	7,723
EBITA	1,058	1,188	1,098
EBITA, %	11.4	13.7	14.2
Operating income	992	1,143	1,060
Margin, %	10.7	13.2	13.7

Three year overview

SEKm, if not otherwise stated	2019	2018	2017
Net sales	9,281	8,666	7,723
Organic growth, %	-0.3	4.1	5.6
EBITA	1,058	1,188	1,098
EBITA, %	11.4	13.7	14.2
Operating income	992	1,143	1,060
Operating margin, %	10.7	13.2	13.7
Income after financial items	978	1,134	1,052
Income for the period	663	952	786
Items affecting comparability	-32	-	-
Capital expenditure	-257	-169	-167
Operating cash flow after investments	1,138	1,131	1,167
Earnings per share, SEK ¹	2.31	3.31	2.74
Net debt	1,025	-226	-481
EBITDA	1,280	1,363	1,253
Net debt/EBITDA ratio	0.8	-0.2	-0.4
Average number of shares, million	287.4	287.4	287.4
Number of employees, end of period	3,623	3,555	3,183

1) Basic number of outstanding shares.

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Definitions and reconciliation of alternative performance measures

Electrolux Professional presents certain measures that are not defined under IFRS (alternative performance measures – “APMs”). These are used by management to assess the financial and operational performance of the Group. Management believes that these APMs provide useful information regarding the Group’s financial and operating

performance. Such measures may not be comparable to similar measures presented by other companies. Consequently, APMs have limitations as analytical tools and should not be considered in isolation or as a substitute for related financial measures prepared in accordance with IFRS. The APMs have been derived from the Electrolux Professional’s internal reporting and are not audited.

APM	Definition	Reason for use
Organic growth %	Change in sales growth excluding net FX impact and acquisitions.	The Group’s presentation currency is SEK while the net sales are mainly in other currencies. Organic growth is dependent on fluctuations in SEK versus other currencies and in addition acquired business can have an impact on reported net sales. Organic growth adjusted for acquisitions and currency shows the underlying sales development without these parameters.
Acquisitions %	Change in net sales during the current period attributable to acquired operation in relation to prior period’s sales, following a period of 12 months commencing on the acquisition date.	See “Organic growth” above.
Operating income (EBIT)	Earnings before interest and tax.	Used as an indicator that shows the Group’s ability to make a profit, regardless of the method of financing (then determines the optimal use of debt versus equity).
Operating margin (EBIT margin)	Operating income as a percentage of net sales.	Operating margin shows the operating income in percentage of net sales. Operating margin is a key internal measure as the Group believes that it provides users of the financial statements with a better understanding of the Group’s financial performance both short and long term.
Items affecting comparability	Material profit or loss items such as capital gains and losses from divestments of product groups or major units, close down or significant down-sizing of major units or activities, restructuring activities, significant impairment, and other major non-recurring costs or income.	Summarizes events and transactions with significant effects, which are relevant for understanding the financial performance when comparing income for the current period with previous periods.
Operating margin excluding items affecting comparability	Operating income excluding items affecting comparability as a percentage of net sales.	Operating margin excluding items affecting comparability shows the operating income in percentage of net sales adjusted for items affecting comparability. This is a key internal measure, as the Group believes that it provides users of the financial statements with a better understanding of the Group’s financial performance both short and long term.
Capital expenditure	Investments in property, plant and equipment, product development and other intangible assets.	Used to ensure that cash spending is in line with Group’s overall strategy for the use of cash.

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APM	Definition	Reason for use
EBITA	Operating income less amortization and write-down related to intangibles assets (excluding right of use assets).	EBITA gives an indication of the operating income less amortization and write-down related to intangibles assets (excluding right of use assets) and is mainly used to follow up operating income without the distortion of amortization of surplus values related to acquisitions.
EBITA margin	EBITA expressed as a percentage of net sales.	Used to evaluate business performance in relation to net sales in order to measure the efficiency of the Company.
EBITDA	EBITA less depreciation of tangible assets (including right of use assets).	EBITDA is an indicator for business' cash generating capacity in relation to sales.
EBITA margin excluding items affecting comparability	EBITA excluding items affecting comparability, expressed as a percentage of net sales.	Items affecting comparability vary between years and periods and in order to analyse trends, items affecting comparability are excluded from EBITA margin.
Operating cash flow after investments	Cash flow from operations and investments adjusted for financial items paid, net, taxes paid and acquisitions/divestments of operations.	Used to monetize the cash from core operation.
Net debt	Short-term borrowings (short-term loans and trade receivables with recourse), accrued interest expenses and prepaid interest income and long-term borrowings, lease liabilities, net provisions for post-employment benefits, less liquid funds (cash and cash equivalents, prepaid interest expenses and accrued interest income and cashpool accounts Electrolux Group).	Net debt describes the Group's total debt financing and is monitored by management.
Net debt/EBITDA	Net debt in relation to EBITDA (Net debt is based on the end of period balance and EBITDA is calculated based on last four rolling quarters).	A measurement of financial risk, showing net debt in relation to cash generation.
Operating working capital, % of net sales	Sum of currency adjusted last twelve months' average of inventories, non-related party trade receivables and trade payables (Operating working capital) as percentage of currency adjusted last twelve months' average net sales. All months of the period are currency adjusted by applying the end of period average currency rate.	Used to evaluate how efficient the Group is generating cash in relation to net sales.

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President and CEO Alberto Zanata's comments on the first quarter results 2020

Today's press release is available on the Electrolux Professional website www.electroluxprofessional.com/corporate

Telephone conference 09.00 CET

A telephone conference is held at 09.00 today, May 6. Alberto Zanata, President and CEO and Fabio Zarpellon, CFO will comment on the report

Details for participation by telephone are as follows:

Participants in Sweden: +46 8 505 583 68
Participants in UK/Europe: +44 3333 009 266
Participants in US: + 1 833 2498 406

Slide presentations for download:

www.electroluxprofessional.com/corporate

Link to webcast:

<https://electroluxprofessional.creo.se/200506>

For further information, please contact:

Jacob Broberg, Senior Vice President Investor Relations and Communications + 46 70 190 00 33



Financial calendar

	Date
Interim report Q1 2020	May 6, 2020
Interim report Q2 2020	July 24, 2020
Interim report Q3 2020	October 30, 2020
Interim report Q4 2020	February 3 2021

This information is information that Electrolux Professional AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person detailed in the column to the left, at 8:00 a.m. CET on May 6, 2020.

Mission

Making Electrolux Professional's customers' work-life easier, more profitable – and truly sustainable every day.

Strategy

Electrolux Professional's strategy focuses on four pillars, built on a foundation of operational excellence to improve sales productivity and cost efficiency within the supply chain.

GROW the business by developing sustainable, innovative

low-running cost solutions: Set the pace of industry innovation in sustainability and energy efficiency, complemented with a connected and digital platform meeting customers' needs.

EXPAND in food service chains, especially in North America,

grow in beverage and expand in emerging markets: Increase the global footprint and market position in selected industry verticals organically and through selective M&A as a further accelerator.

BOOST Customer Care (aftermarket sales)

by further developing the global service network and competence as a full-service provider while increasing sales of accessories and consumables to enhance product performance and ownership experience.

LEVERAGE the OnE approach: Strengthen the position as a full-solution provider within food, beverage and laundry to cater for all customers' needs under one global brand and make customers' lives easier in a world of connected appliances.

Financial targets

Organic sales growth

Organic annual growth of more than 4 percent over time, complemented by value accretive acquisitions.

EBITA margin

EBITA margin of 15 percent

Operating working capital

Operating working capital below 15 percent of net sales.

Net debt/EBITDA

Leverage ratio below 2.5x Net debt/EBITDA. Higher levels may be temporarily acceptable in case of acquisitions, provided a clear path to deleveraging.

Dividend policy

30% of net income

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About Electrolux Professional

Electrolux Professional is one of the leading global providers of food service, beverage and laundry for professional users. Our innovative products and worldwide service network make our customers' work-life easier, more profitable and truly sustainable every day.

Our solutions and products are manufactured in 12 plants in seven countries and sold in over 110 countries. In 2019, Electrolux Professional had global sales of SEK 9,3bn and approximately 3,600 employees. For more information, visit www.electroluxprofessional.com/corporate

This report 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.



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