



# Interim report

# Q2

## Second quarter, April–June 2020

- > The quarter was heavily impacted by the COVID-19 pandemic. Net sales amounted to SEK 1,489m (2,455). Sales decreased by 39.3%. Organically sales decreased by 39.9%.
- > EBITA amounted to SEK –4m (418), corresponding to a margin of –0.2% (17.0).
- > Operating income amounted to SEK –18m (401), corresponding to a margin of –1.2% (16.3).
- > Operating cash flow after investments amounted to SEK 31m (432).
- > Income for the period amounted to SEK –28m (126), and earnings per share was SEK –0.10 (0.44).
- > Net debt/EBITDA was 1.3x (0.1).
- > Actions were put in place during the quarter to reduce costs that partially compensated for the rapid drop in sales due to the COVID-19 pandemic.

## Key ratios

SEKm	Second quarter			Six months		
	Apr–Jun 2020	Apr–Jun 2019	Change, %	Jan–Jun 2020	Jan–Jun 2019	Change, %
Net sales	1,489	2,455	-39.3	3,580	4,757	-24.7
EBITA	-4	418		217	733	-70.3
EBITA margin, %	-0.2	17.0		6.1	15.4	
Operating income	-18	401		187	702	-73.4
Operating margin, %	-1.2	16.3		5.2	14.8	
Income after financial items	-26	400		177	698	-74.7
Income for the period	-28	126		131	367	-64.3
Earnings per share, SEK <sup>1</sup>	-0.10	0.44		0.46	1.28	
Operating cash flow after investments	31	432		47	649	
Operating working capital % of net sales				19.9	16.5	

1) Basic number of outstanding shares.

[First page](#)

[Message from the CEO](#)

[Financial overview](#)

[Financial reports](#)

[Definitions](#)

[Shareholders information](#)

Message from the CEO:

# Swift actions contributed to break-even EBITA, despite significant sales decline



Alberto Zanata,  
President and CEO

**// We continue to stay flexible, to rapidly adapt our ways of working and our organization to the changing market dynamics.**

The global COVID-19 pandemic has had a substantial negative impact on commercial restaurants, hotels and pubs, representing approximately 50% of our sales. Sales to institutions as well as sales in Laundry have also been affected, but to a lesser extent.

Sales in the quarter declined by 40%, however improving throughout the quarter. In June, sales recovered and had a 20% organic decline after the significant 50% drop in April and May. Sales in the beginning of July are in line with the percentage decline registered in June. We interpret this as a sign of recovery.

Sales of Food & Beverage declined by 48% in the quarter, reporting a negative EBITA, while Laundry was more resilient with a sales decline of 22% and a good EBITA-margin of 13.5%.

EBITA for the period came in at break-even. The decline in EBITA is predominantly impacted by the large decline in sales volumes, but also a strong positive one-time-effect from a pension plan settlement in the second quarter of 2019. Short-term savings and improvements from the 2019 restructuring program contributed positively. I am proud of the swift actions taken by the team in this unprecedented time to keep EBITA at break-even and even have a small positive cash flow given the severity of the market decline.

Several actions have been put in place to reduce costs short-term, which only partially compensated for the rapid drop in sales. The cost-saving measures, including some structural savings and government support, have reduced our cost in the quarter by approximately SEK 200m.

In order to be more flexible and to adapt our cost structure, we are reviewing structural cost-saving initiatives. In addition, structural cost-reduction activities have already been implemented in the US and Industrial Operations. The ambition is to define and start to implement new measures during the second half of 2020 that together with the already implemented activities will generate yearly cost savings of SEK 100-150m. The structural measures under review will imply one-off costs which will be communicated later.

Many countries have gradually begun to reopen after the pandemic restrictions. This had a positive effect on our customers, although it is too early to say how fast the continued recovery will be, as the general market uncertainty is still significant. We continue to stay flexible, to rapidly adapt our ways of working and our organization to the changing market dynamics.

The flexibility of our organization has been demonstrated by the release of several new product and service initiatives, for example "Two pairs of eyes" which makes it possible for service technicians to provide remote support with augmented reality, but also new products within hygiene and clean.

I am particularly proud of how our employees have continued to show commitment, perseverance and flexibility during this unprecedented crisis. This is a demonstration that we will continue to stand strong also in the future.

**Alberto Zanata,**  
President and CEO

First page

Message from the CEO

Financial overview

Financial reports

Definitions

Shareholders information

# Financial overview

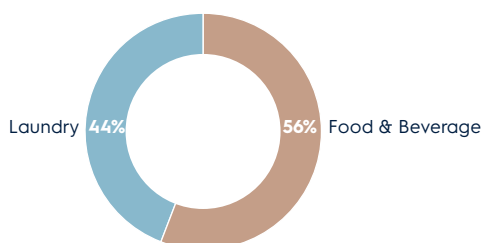
## Second quarter development

### Net sales

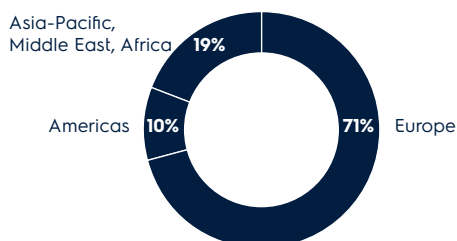
The quarter was heavily impacted by the COVID-19 pandemic. Net sales for the second quarter amounted to SEK 1,489m (2,455), a decline by 39.3% compared to the same period last year. Organically sales decreased by 39.9%. The contribution of acquisitions amounted to 0.8%, while currency had a negative impact of 0.3%. The sales decline was driven by lower sales volumes. Sales of Food & Beverage declined organically by 48% while Laundry was more resilient with a decline of 22%. Overall, the percentage sales decline was higher in the U.S than in Asia-Pacific and Europe, with Asia-Pacific having the smallest decline.

Changes in net sales, %	Apr-Jun 2020	Apr-Jun 2019
Organic growth	-39.9	2.1
Acquisitions	0.8	6.7
Changes in exchange rates	-0.3	2.4
<b>Total</b>	<b>-39.3</b>	<b>11.2</b>

### Share of sales by segment, April-June 2020



### Share of sales by region, April-June 2020

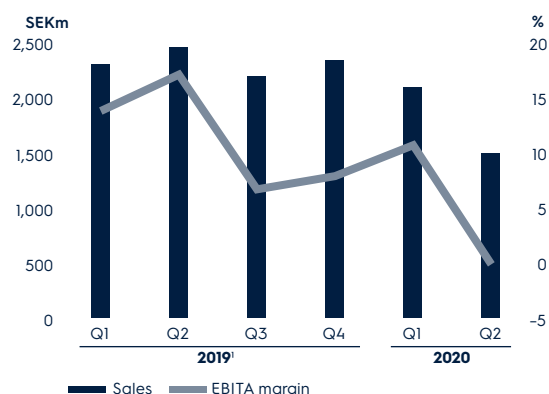


### Operating income and EBITA

Operating income amounted to SEK -18m (401), corresponding to a margin of -1.2% (17.0). The decline in operating income is mainly due to lower sales volumes but also a strong comparator from positive one-off-effect of SEK 90m from a pension plan settlement in the second quarter of 2019 and higher cost related to new corporate functions.

Short-term cost activities to mitigate the sales decline contributed positively. They have included reduced worktime, reduction of consultants, use of holiday and government support and reduced discretionary spending. These actions, together with already implemented structural cost-saving activities, have reduced cost in the quarter by approximately SEK 200m compared to previous year. Operating income excluding amortization of intangible assets (EBITA) amounted to SEK -4 (418) corresponding to a margin of -0.2% (17.0).

### 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 -8m (-1).

### Income for the period

Income for the period amounted to SEK -28m (126), corresponding to SEK -0.10 (0.44) in earnings per share. Income tax for the period amounted to SEK -2m (-274). Income tax in the second quarter 2019 was negatively affected by a tax provision.

### Group common cost

Group common cost was SEK -27m (-1). The increase is driven by the new corporate functions needed as a stand-alone stock listed company.

First page

Message from the CEO

Financial overview

Financial reports

Definitions

Shareholders information



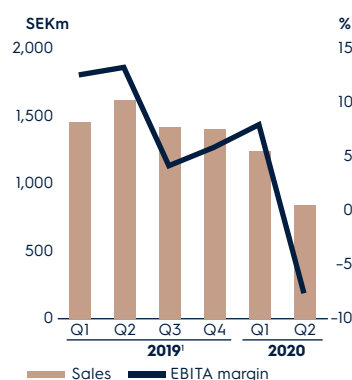
## Segment Food & Beverage

In the second quarter, sales for Food & Beverage amounted to SEK 838m (1,619), a 48.2% decline compared to the same period last year. Organically sales decreased by 49.2%. The contribution from the acquisition of UNIC in April 2019 amounted to 1.3% while currency had an negative impact of 0.3%.

Sales were heavily impacted by COVID-19 and declined by approximately 50% in both Europe and the US, but somewhat less in Asia-Pacific, Middle East and Africa. Northern, Central and Eastern Europe were less affected than Southern Europe and the UK. In the US there is also a strong comparator from a large chain roll out in the second quarter of 2019. Sales in China showed a partial recovery compared to the first quarter and were less affected than sales in South East Asia and Middle East and Africa.

Operating income excluding amortization of intangible assets (EBITA) amounted to SEK -64m (245). EBITA declined due to lower volumes. Operating income amounted to SEK -75m (233), corresponding to a margin of -9.0% (14.4).

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.

SEKm	Second quarter			Six months			Full year
	Apr-Jun 2020	Apr-Jun 2019	Change, %	Jan-Jun 2020	Jan-Jun 2019	Change, %	2019
Net sales	838	1,619	-48.2	2,081	3,075	-32.3	5,895
Organic growth, %	-49.2	3.5		-35.4	7.1		-1.1
Acquisitions, %	1.3	7.8		2.0	7.0		6.4
Changes in exchange rates, %	-0.3	2.8		1.2	3.7		3.9
EBITA	-64	245		34	428	-92.0	568
EBITA margin, %	-7.7	15.1		1.6	13.9		9.6
Operating income	-75	233		12	406	-97.2	522
Operating margin, %	-9.0	14.4		0.6	13.2		8.9

First page

Message from the CEO

Financial overview

Financial reports

Definitions

Shareholders information



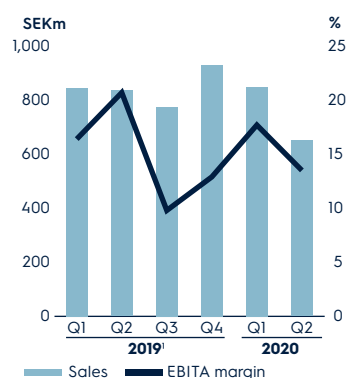
## Segment Laundry

In the second quarter, sales for Laundry amounted to SEK 651m (836), a 22.2% decline compared to the same period last year. Organically, sales decreased by 21.9% and currency had a negative impact of 0.3%.

Sales in Europe declined by approximately 10% where northern and central Europe had unchanged or only a small decline, but southern Europe and UK had a larger decline. In Asia-Pacific, the decline was somewhat higher than in Europe. In the US sales declined substantially due to the COVID-19 restrictions. Sales of Laundry solutions with a combined rental and service agreement showed good growth.

Operating income excluding amortization of intangible assets (EBITA) amounted to SEK 88m (173). EBITA declined due to lower volumes. Operating income amounted to SEK 84m (169), corresponding to a margin of 13.0% (20.2).

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.

SEKm	Second quarter			Six months			Full year
	Apr-Jun 2020	Apr-Jun 2019	Change, %	Jan-Jun 2020	Jan-Jun 2019	Change, %	
Net sales	651	836	-22.2	1,499	1,682	-10.9	3,386
Organic growth, %	-21.9	-0.5		-11.9	3.0		1.0
Acquisitions, %	-	4.7		-	5.5		-
Changes in exchange rates, %	-0.3	1.6		1.0	2.5		2.6
EBITA	88	173	-49.1	238	312	-23.5	507
EBITA margin, %	13.5	20.7		15.9	18.5		15.0
Operating income	84	169	-50.0	231	303	-23.7	488
Operating margin, %	13.0	20.2		15.4	18.0		14.4

First page

Message from the CEO

Financial overview

Financial reports

Definitions

Shareholders information

## Net sales, EBITA and operating income by segment

SEKm	Second quarter		Six months		Full year
	Apr-Jun 2020	Apr-Jun 2019	Jan-Jun 2020	Jan-Jun 2019	2019
<b>Food &amp; Beverage</b>					
Net sales	838	1,619	2,081	3,075	5,895
EBITA	-64	245	34	428	568
Amortization	-11	-12	-23	-22	-45
Operating income	-75	233	12	406	522
<b>Laundry</b>					
Net sales	651	836	1,499	1,682	3,386
EBITA	88	173	238	312	507
Amortization	-4	-5	-8	-9	-20
Operating income	84	169	231	303	488
<b>Group common costs</b>					
EBITA	-27	-1	-55	-6	-18
Amortization	-0	-0	-0	-0	0
Operating income	-27	-1	-55	-6	-18
<b>Total Group</b>					
Net sales	1,489	2,455	3,580	4,757	9,281
EBITA	-4	418	217	733	1,058
Amortization	-15	-17	-31	-31	-66
Operating income	-18	401	187	702	992
Financial items, net	-8	-1	-10	-4	-15
Income after financial items	-26	400	177	698	978
Taxes	-2	-274	-46	-331	-314
Income for the period	-28	126	131	367	663

First page

Message  
from the CEO

Financial  
overview

Financial  
reports

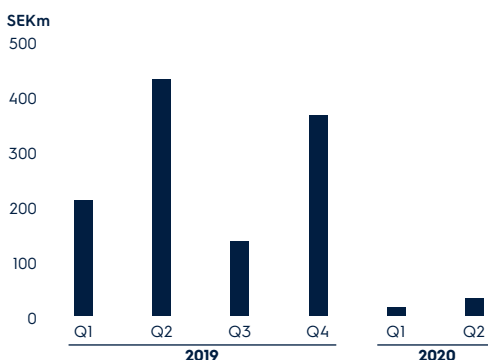
Definitions

Shareholders  
information

## Cash flow

Operating cash flow after investments amounted to SEK 31m (432) in the quarter. The decline is mainly due to lower operating income. The investment in the new factory in Thailand also had an effect on cash flow.

### Operating cash flow after investments

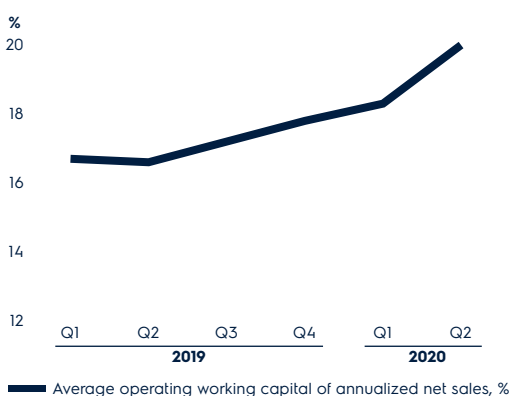


SEKm	Second quarter		Six months		Full year
	Apr-Jun 2020	Apr-Jun 2019	Jan-Jun 2020	Jan-Jun 2019	2019
Operating income	-18	401	187	702	992
Depreciation	60	49	118	95	222
Amortization	15	17	31	31	66
Other non-cash items	4	-85	7	-79	7
<b>Operating income adjusted for non-cash items</b>	<b>61</b>	<b>381</b>	<b>342</b>	<b>750</b>	<b>1,287</b>
Change in inventories	-19	75	-144	24	139
Change in trade receivables	373	-53	363	-92	43
Change in accounts payable	-325	-3	-250	37	-23
Change in other operating assets, liabilities and provisions	-16	57	-124	-23	-47
<b>Operating cash flow</b>	<b>75</b>	<b>457</b>	<b>187</b>	<b>696</b>	<b>1,399</b>
Investments in tangible and intangible assets	-43	-25	-147	-48	-257
Changes in other investments	-1	-0	7	0	-4
<b>Operating cash flow after investments</b>	<b>31</b>	<b>432</b>	<b>47</b>	<b>649</b>	<b>1,138</b>

## Operating working capital

Average working capital as a percent of sales increased to 19.9% (16.5). Average accounts receivables and inventory decreased but lower sales also had a negative effect.

### Operating working capital



First page

Message from the CEO

Financial overview

Financial reports

Definitions

Shareholders information

## Financial position

### Net debt

As of June 30, 2020, Electrolux Professional had a financial net debt position (excluding lease liabilities and post-employment provisions) of SEK 628m compared to SEK 588m as of December 31, 2019. Lease liabilities decreased somewhat to SEK 227m and net provisions for post-employment benefits decreased to SEK 175m.

In total, net debt amounted to SEK 1,030m as of June 30, 2020, compared to SEK 1,025m per December 31, 2019.

Long-term borrowings amounted to SEK 601m and short-term borrowings amounted to SEK 884m. Total borrowings amounted to SEK 1,485 compared to SEK 1,244m on December 31, 2019. During the first quarter of 2020, loans to Electrolux Group was repaid and new external credit facilities were put in place.

Liquid funds as of June 30, 2020, amounted to SEK 857m compared to SEK 656m as of December 31, 2019.

### Credit facilities and loans

On February 21, 2020, Electrolux Professional AB entered into 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 of SEK 600m 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. EUR 82m of the revolving credit facility was utilized on June 30, 2020.

## Net debt

SEKm	Jun 30, 2020	Jun 30, 2019	Dec 31, 2019
Short-term loans	872	14	4
Trade receivables with recourse	-	3	-
Short-term loans, Electrolux Group	-	100	990
<b>Short-term borrowings</b>	<b>872</b>	<b>117</b>	<b>994</b>
Financial derivative liabilities	9	-	4
Accrued interest expenses and prepaid interest income	3	1	8
Other financial liabilities, Electrolux Group	-	17	234
<b>Total short-term borrowings</b>	<b>884</b>	<b>135</b>	<b>1,241</b>
Long-term loans	601	37	3
Long-term loans, Electrolux Group	-	89	-
Long-term borrowings	601	127	3
<b>Total borrowings<sup>1)</sup></b>	<b>1,485</b>	<b>261</b>	<b>1,244</b>
Cash and cash equivalents	848	280	651
Financial derivative assets	8	-	4
Prepaid interest expenses and accrued interest income	1	3	2
Prepaid interest expenses and accrued interest income, Electrolux Group	-	0	-
Cashpool accounts & other short-term financial receivables, Electrolux Group	-	138	-
<b>Liquid funds</b>	<b>857</b>	<b>421</b>	<b>656</b>
<b>Financial net debt</b>	<b>628</b>	<b>-160</b>	<b>588</b>
Lease liabilities	227	182	243
Net provisions for post-employment benefits	175	194	195
<b>Net debt</b>	<b>1,030</b>	<b>215</b>	<b>1,025</b>
Net debt/EBITDA ratio	1.3	0.1	0.8
EBITDA	786	1,528	1,280

1) Whereof interest-bearing liabilities amounting to SEK 1,473m as of June 30, 2020, SEK 240m as of June 30, 2019 and SEK 997m as of December 2019.

First page

Message from the CEO

Financial overview

Financial reports

Definitions

Shareholders information



## 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.

Net sales for the Parent Company, Electrolux Professional AB, for the period from 1 January to 30 June 2020 amounted to SEK 1,137m (1,110) of which SEK 484m (439) referred to sales to Group Companies and SEK 653m (671) to external customers.

Income after financial items was SEK 118m (105). Income for the period amounted to SEK 66m (105).

## 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 17. Transactions with related parties were on market-based terms.

### Employees

The number of employees at the end of the quarter was 3,591 (3,565).

### 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.

Capital expenditure in tangible and intangible assets was SEK 14m (11). Liquid funds at the end of the period amounted to SEK 408m, as against SEK 204m at the start of the year.

Retained earnings in the Parent Company at the end of the period amounted to SEK 7,744m, as against SEK 7,681m at the beginning of the year.

The income statement and balance sheet for the Parent Company are presented on page 20.

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.

[First page](#)

[Message from the CEO](#)

[Financial overview](#)

[Financial reports](#)

[Definitions](#)

[Shareholders information](#)

The Board of Directors and the President and CEO certify that the interim report gives a true and fair overview of the Parent Company Electrolux Professional AB and the Group's operations, their financial position and results of operations and describes significant risks and uncertainties facing the Parent Company and other companies in the Group.

Stockholm, July 24, 2020

Electrolux Professional AB (publ)

Kai Wörn  
*Chairman of the Board*

Katharine Clark  
*Board member*

Lorna Donatone  
*Board member*

Ulf Karlsson  
*Board member,  
Employee representative*

Hans Ola Meyer  
*Board member*

Daniel Nodhäll  
*Board member*

Joachim Nord  
*Board member*

Martine Snels  
*Board member*

Carsten Voigtländer  
*Board member*

Alberto Zanata  
*President and CEO*

## Review Report

### Introduction

We have reviewed the interim report for Electrolux Professional AB (publ) for the period January 1 – June 30, 2020. The Board of Directors and the President are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

### Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review

procedures. A review has a different focus and is substantially less in scope than an audit conducted in accordance with ISA and other generally accepted auditing practices. The procedures performed in a review do not enable us to obtain a level of assurance that would make us aware of all significant matters that might be identified in an audit. Therefore, the conclusion expressed based on a review does not give the same level of assurance as a conclusion expressed based on an audit.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not, in all material respects, prepared for the Group in accordance with IAS 34 and the Annual Accounts Act, and for the Parent Company in accordance with the Annual Accounts Act.

Stockholm, July 24, 2020

Deloitte AB

Jan Berntsson  
*Authorized Public Accountant*

This is a translation of the Swedish language original. In the event of any differences between this translation and the Swedish language original, the latter shall prevail.

First page

Message  
from the CEO

Financial  
overview

Financial  
reports

Definitions

Shareholders  
information

# Hygiene & safety

Safeguarding customers' operations, pairing innovation with hygiene & safety, productivity & performance.

## hygiene&clean ware-washing solutions



- Full range hygiene warewashing solution line.
- > 90° C degrees rinsing performance.
- Stickers provided for end customer.
- Complete offer with chemicals and Essentia Customer Care.



## Serenity cabinet

- fast sanitization of clothing provides an enjoyable shopping experience



- Cabinet for clothes retailers to garment or clothes sanitizing.
- Fully automatic combining high pressure steam, temperature and powerful air flow.
- Completed in 3 easy steps, online training and guide provided, sanitizes up to 30 items in less than 10 minutes.

First page

Message from the CEO

Financial overview

Financial reports

Definitions

Shareholders information



## "Two Pairs of Eyes" – contactless service with augmented reality

### Around

- 30% faster problem solving
- 50% fewer errors compared to standard video calls

- Two Pairs of Eyes is a seamless connection between Field Service Engineers and the Electrolux Professional technical experts.
- Remote Guidance is a solution that lets you see through another person's eyes and guide them – as if you were there.
- Enables shorter equipment downtimes, reduces service costs and as a consequence overall running costs.

# Financial reports

## Consolidated statement of total comprehensive income

SEKm	Second quarter		Six months		Full year
	Apr-Jun 2020	Apr-Jun 2019	Jan-Jun 2020	Jan-Jun 2019	2019
<b>Net sales</b>	<b>1,489</b>	<b>2,455</b>	<b>3,580</b>	<b>4,757</b>	<b>9,281</b>
Cost of goods sold	-1,061	-1,579	-2,383	-3,019	-6,040
<b>Gross operating income</b>	<b>428</b>	<b>876</b>	<b>1,197</b>	<b>1,737</b>	<b>3,241</b>
Selling expenses	-302	-438	-690	-863	-1,699
Administrative expenses	-144	-36	-322	-170	-582
Other operating income/expenses	-0	-1	1	-3	32
<b>Operating income</b>	<b>-18</b>	<b>401</b>	<b>187</b>	<b>702</b>	<b>992</b>
Financial items, net	-8	-1	-10	-4	-15
<b>Income after financial items</b>	<b>-26</b>	<b>400</b>	<b>177</b>	<b>698</b>	<b>978</b>
Taxes	-2	-274	-46	-331	-314
<b>Income for the period</b>	<b>-28</b>	<b>126</b>	<b>131</b>	<b>367</b>	<b>663</b>
<b>Items that will not be reclassified to income for the period:</b>					
Remeasurement of provisions for post-employment benefits	36	-60	38	-42	-33
Income tax relating to items that will not be reclassified	-4	14	-4	10	6
	<b>33</b>	<b>-46</b>	<b>34</b>	<b>-32</b>	<b>-27</b>
<b>Items that may be reclassified subsequently to income for the period:</b>					
Exchange-rate differences on translation of foreign operations	-207	31	-21	125	101
Other comprehensive income, net of tax	-174	-15	13	94	74
<b>Total comprehensive income for the period</b>	<b>-202</b>	<b>111</b>	<b>144</b>	<b>460</b>	<b>737</b>
<b>Income for the period attributable to:</b>					
Equity holders of the Parent Company	-28	126	131	367	663
<b>Total</b>	<b>-28</b>	<b>126</b>	<b>131</b>	<b>367</b>	<b>663</b>
<b>Total comprehensive income for the period attributable to:</b>					
Equity holders of the Parent Company	-202	111	144	460	737
<b>Total</b>	<b>-202</b>	<b>111</b>	<b>144</b>	<b>460</b>	<b>737</b>
<b>Earnings per share, SEK</b>					
Basic, SEK	-0.10	0.44	0.46	1.28	2.31
Diluted, SEK	-0.10	0.44	0.46	1.28	2.31
<b>Average number of shares</b>					
Basic, million	287.4	287.4	287.4	287.4	287.4
Diluted, million	287.4	287.4	287.4	287.4	287.4

First page

Message from the CEO

Financial overview

Financial reports

Definitions

Shareholders information

# Consolidated balance sheet

SEKm	Jun 30, 2020	Jun 30, 2019*	Dec 31, 2019*
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment, owned	1,286	1,100	1,214
Property, plant and equipment, right-of-use	222	186	238
Goodwill	1,828	1,828	1,821
Other intangible assets	361	421	388
Deferred tax assets	362	257	350
Pension plan assets	-	23	13
Other non-current assets	30	23	34
<b>Total non-current assets</b>	<b>4,090</b>	<b>3,837</b>	<b>4,057</b>
<b>Current assets</b>			
Inventories	1,405	1,379	1,265
Trade receivables	1,325	1,834	1,687
Tax assets	76	35	102
Other current assets	277	207	273
Short-term financial assets	-	138	-
Cash and cash equivalents	848	280	651
<b>Total current assets</b>	<b>3,930</b>	<b>3,873</b>	<b>3,978</b>
<b>Total assets</b>	<b>8,020</b>	<b>7,710</b>	<b>8,035</b>
<b>Equity and liabilities</b>			
<b>Equity attributable to equity holders of the Parent Company</b>			
Share capital	29	25	25
Other paid-in capital	5	5	5
Other reserves	244	290	266
Retained earnings	2,577	3,106	2,415
<b>Equity attributable to equity holders of the Parent Company</b>	<b>2,855</b>	<b>3,427</b>	<b>2,711</b>
<b>Total equity</b>	<b>2,855</b>	<b>3,427</b>	<b>2,711</b>
<b>Non-current liabilities</b>			
Long-term borrowings	601	127	3
Long-term lease liabilities	160	122	172
Deferred tax liabilities	138	154	144
Provisions for post-employment benefits	175	216	208
Other provisions	485	528	494
<b>Total non-current liabilities</b>	<b>1,559</b>	<b>1,147</b>	<b>1,021</b>
<b>Current liabilities</b>			
Trade payables	1,239	1,623	1,606
Tax liabilities	116	112	73
Other liabilities	1,142	1,088	1,361
Short-term borrowings	872	117	994
Short-term lease liabilities	67	60	72
Other provisions	170	136	198
<b>Total current liabilities</b>	<b>3,606</b>	<b>3,136</b>	<b>4,303</b>
<b>Total equity and liabilities</b>	<b>8,020</b>	<b>7,710</b>	<b>8,035</b>

\*Year 2019 includes related party balances, see page 17.

First page

Message from the CEO

Financial overview

Financial reports

Definitions

Shareholders information

# Changes in condensed consolidated equity

SEKm	Six months		Full year
	Jan-Jun 2020	Jan-Jun 2019	2019
<b>Opening balance</b>	<b>2,711</b>	<b>3,527</b>	<b>3,527</b>
<b>Total comprehensive income for the period</b>	<b>144</b>	<b>460</b>	<b>737</b>
Dividend to equity holders of the Parent Company	-	-344	-428
Other transactions with equity holders of the Parent Company <sup>1</sup>	-	-217	-1,125
<b>Total transactions with equity holders</b>	<b>-</b>	<b>-561</b>	<b>-1,553</b>
<b>Closing balance</b>	<b>2,855</b>	<b>3,427</b>	<b>2,711</b>

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.

[First page](#)

[Message from the CEO](#)

[Financial overview](#)

[Financial reports](#)

[Definitions](#)

[Shareholders information](#)

# Consolidated cash flow statement

SEKm	Second quarter		Six months		Full year
	Apr-Jun 2020	Apr-Jun 2019	Jan-Jun 2020	Jan-Jun 2019	2019
<b>Operations</b>					
Operating income	-18	401	187	702	992
Depreciation and amortization	75	65	148	126	287
Other non-cash items	4	-85	7	-79	7
Financial items paid, net <sup>1</sup>	-6	-1	-7	-4	-6
Taxes paid	2	-70	-16	-92	-275
<b>Cash flow from operations, excluding change in operating assets and liabilities</b>	<b>56</b>	<b>310</b>	<b>319</b>	<b>654</b>	<b>1,006</b>
<b>Change in operating assets and liabilities</b>					
Change in inventories	-19	75	-144	24	139
Change in trade receivables	373	-53	363	-92	43
Change in accounts payable	-325	-3	-250	37	-23
Change in other operating assets, liabilities and provisions	-16	57	-124	-23	-47
<b>Cash flow from change in operating assets and liabilities</b>	<b>14</b>	<b>76</b>	<b>-135</b>	<b>-53</b>	<b>112</b>
<b>Cash flow from operations</b>	<b>70</b>	<b>386</b>	<b>164</b>	<b>601</b>	<b>1,118</b>
<b>Investments</b>					
Acquisition of operations	-	-406	-	-441	-441
Capital expenditure in property, plant and equipment	-43	-23	-145	-42	-243
Capital expenditure in product development	-0	-2	-1	-6	-9
Capital expenditure in other intangibles	-	-0	-2	-0	-5
Other	-1	-0	7	0	-4
<b>Cash flow from investments</b>	<b>-44</b>	<b>-432</b>	<b>-140</b>	<b>-488</b>	<b>-702</b>
<b>Cash flow from operations and investments</b>	<b>26</b>	<b>-45</b>	<b>24</b>	<b>112</b>	<b>417</b>
<b>Financing</b>					
Change in short-term borrowings, net	238	-44	855	-27	-32
New long-term borrowings	0	-1	600	-	-
Amortization of long-term borrowings	-0	-3	-1	-4	-36
Payment of lease liabilities	-23	-16	-45	-37	-83
Dividend to Electrolux Group	-	-344	-	-344	-428
Shareholders contribution	-	-	-	-	5,702
Change in financial liabilities, Electrolux Group	-	698	-1,224	515	1,672
<b>Cash flow from financing</b>	<b>215</b>	<b>289</b>	<b>184</b>	<b>102</b>	<b>6,795</b>
<b>Total cash flow</b>	<b>241</b>	<b>244</b>	<b>208</b>	<b>215</b>	<b>7,211</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>627</b>	<b>176</b>	<b>651</b>	<b>230</b>	<b>230</b>
Exchange-rate differences referring to cash and cash equivalents	-21	8	-11	14	14
Other cash flow from transactions with shareholders, Electrolux Group <sup>2</sup>	-	-148	-	-178	-6,804
<b>Cash and cash equivalents at end of period</b>	<b>848</b>	<b>280</b>	<b>848</b>	<b>280</b>	<b>651</b>

1) For the period January 1 to June 30: interest and similar items received SEK 3.7m (4.3), interest and similar items paid SEK -5.4m (-5.9) and other financial items received/paid SEK -2.2m (0.3). Interest paid for lease liabilities SEK -3.1m (-2.4)

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.

First page

Message from the CEO

Financial overview

Financial reports

Definitions

Shareholders information

# Alternative performance measures key figures

	Second quarter		Six months		Full year
	Apr-Jun 2020	Apr-Jun 2019	Jan-Jun 2020	Jan-Jun 2019	2019
SEKm, if not otherwise stated					
Net sales	1,489	2,455	3,580	4,757	9,281
Organic growth, %	-39.9	2.1	-27.1	5.6	-0.3
EBITA	-4	418	217	733	1,058
EBITA margin, %	-0.2	17.0	6.1	15.4	11.4
EBITA margin excl. items affecting comparability, % <sup>1</sup>	-0.2	13.3	6.1	13.5	11.7
Operating income	-18	401	187	702	992
Operating margin, %	-1.2	16.3	5.2	14.8	10.7
Operating margin excl. items affecting comparability, % <sup>1</sup>	-1.2	12.7	5.2	12.9	11.0
Income after financial items	-26	400	177	698	978
Income for the period	-28	126	131	367	663
Capital expenditure	-43	-25	-147	-48	-257
Operating cash flow after investments	31	432	47	649	1,138
Earnings per share, SEK <sup>2</sup>	-0.10	0.44	0.46	1.28	2.31
Net debt			1,030	215	1,025
EBITDA <sup>3</sup>			786	1,528	1,280
Net debt/EBITDA ratio			1.3	0.1	0.8
Operating working capital % of net sales <sup>4</sup>			19.9	16.5	17.7
Average number of shares, million	287.4	287.4	287.4	287.4	287.4
Number of employees, end of period	3,591	3,565	3,591	3,565	3,624

1) For information on items affecting comparability, see page 19.

2) Basic number of outstanding shares.

3) Rolling four quarters

4) Last twelve months currency adjusted

For definitions, see page 25-26.

First page

Message  
from the CEO

Financial  
overview

Financial  
reports

Definitions

Shareholders  
information



# Related party transactions, Electrolux Group

SEKm	Second quarter		Six months		Full year
	Apr-Jun 2020	Apr-Jun 2019	Jan-Jun 2020	Jan-Jun 2019	2019
<b>Income for the period</b>					
Purchase of goods	-	-13	-15	-26	-50
Interest income	-	2	-	4	9
Interest expense	-	-2	-1	-5	-17
<b>Assets</b>					
<b>Other current assets</b>					
Prepaid expenses and accrued income	-	18	-	18	-
Derivatives	-	2	-	2	
<b>Short-term financial assets</b>					
Cashpool account	-	138	-	138	-
<b>Liabilities</b>					
Long-term borrowings	-	89	-	89	-
Trade payables	-	71	-	71	121
<b>Other liabilities</b>					
Other financial liabilities	-	17	-	17	234
Other short-term operating liabilities	-	-	-	-	4
Accrued expenses and prepaid income	-	24	-	24	23
Derivatives	-	2	-	2	1
<b>Short-term borrowings</b>					
Short-term loans	-	100	-	100	990
<b>Equity</b>					
Dividend to shareholders	-	-344	-	-344	-428
Shareholders contributions received	-	-	-	-	7,697
Other transactions with shareholders	-	-217	-	-217	-8,822

First page

Message  
from the CEO

Financial  
overview

Financial  
reports

Definitions

Shareholders  
information

# Quarterly data

SEKm	Q2 2020	Q1 2020	Full year 2019	Q4, 2019	Q3, 2019	Q2, 2019	Q1, 2019
<b>Food &amp; Beverage</b>							
Net sales	838	1,243	5,895	1,405	1,415	1,619	1,456
EBITA	-64	99	568	82	58	245	183
EBITA margin, %	-7.7	7.9	9.6	5.8	4.1	15.1	12.5
Amortization	-11	-12	-45	-10	-13	-12	-10
Operating income	-75	87	522	72	45	233	173
Operating margin, %	-9.0	7.0	8.9	5.1	3.1	14.4	11.9
<b>Laundry</b>							
Net sales	651	848	3,386	930	774	836	846
EBITA	88	150	507	120	76	173	138
EBITA margin, %	13.5	17.7	15.0	12.9	9.8	20.7	16.4
Amortization	-4	-4	-20	-6	-4	-5	-4
Operating income	84	146	488	114	71	169	134
Operating margin, %	13.0	17.3	14.4	12.3	9.2	20.2	15.8
<b>Group common costs</b>	-27	-28	-18	-21	10	-1	-5
<b>Total Group</b>							
Net sales	1,489	2,091	9,281	2,334	2,190	2,455	2,302
EBITA	-4	221	1,058	181	144	418	316
EBITA margin, %	-0.2	10.6	11.4	7.8	6.6	17.0	13.7
Amortization	-15	-16	-66	-16	-18	-17	-15
Operating income	-18	205	992	165	126	401	301
Operating margin, %	-1.2	9.8	10.7	7.1	5.7	16.3	13.1
Financial items, net	-8	-2	-15	-7	-4	-1	-3
Income after financial items	-26	203	978	157	122	400	298
Income for the period	-28	159	663	168	128	126	241
Earnings per share, SEK <sup>1</sup>	-0.10	0.55	2.31	0.59	0.45	0.44	0.84

1) Basic number of outstanding shares.

First page

Message  
from the CEO

Financial  
overview

Financial  
reports

Definitions

Shareholders  
information

## Items affecting comparability

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

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	Q2, 2020	Q1, 2020	Full year 2019	Q4, 2019	Q3, 2019	Q2, 2019	Q1, 2019
<b>Total Group</b>							
Operating income excl. items affecting comparability	-18	205	1,024	165	248	311	301
Operating margin excl. items affecting comparability, %	-1,2	9.8	11,0	7.1	11.3	12.7	13.1
EBITA excl. items affecting comparability	-4	221	1,090	181	266	328	316
EBITA margin excl. items affecting comparability, %	-0,2	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 June 30, 2020	8,192,539	279,204,911	287,397,450

## Exchange rates

	Jun 30, 2020		Jun 30, 2019		Dec 31, 2019	
	Average	End of period	Average	End of period	Average	End of period
CNY	1.37	1.32	1.37	1.35	1.37	1.34
CZK	0.4049	0.3925	0.4080	0.4151	0.4113	0.4100
DKK	1.43	1.41	1.40	1.42	1.41	1.40
EUR	10.64	10.49	10.49	10.56	10.56	10.44
GBP	12.19	11.50	11.96	11.78	12.03	12.25
JPY	0.0891	0.0870	0.0843	0.0862	0.0864	0.0854
NOK	1.00	0.96	1.08	1.09	1.07	1.06
RUB	0.1393	0.1318	0.1416	0.1475	0.1455	0.1507
THB	0.3057	0.3031	0.2928	0.3027	0.3039	0.3119
TRY	1.49	1.37	1.67	1.61	1.67	1.57
USD	9.63	9.37	9.26	9.28	9.43	9.33

First page

Message  
from the CEO

Financial  
overview

Financial  
reports

Definitions

Shareholders  
information

# Condensed Parent company income statement

SEKm	Second quarter		Six months		Full year
	Apr-Jun 2020	Apr-Jun 2019	Jan-Jun 2020	Jan-Jun 2019	2019
<b>Net sales</b>	<b>486</b>	<b>563</b>	<b>1 137</b>	<b>1 110</b>	<b>2,361</b>
Cost of goods sold	-343	-421	-775	-819	-1,757
<b>Gross operating income</b>	<b>143</b>	<b>142</b>	<b>362</b>	<b>291</b>	<b>604</b>
Selling expenses	-81	-82	-169	-157	-323
Administrative expenses	-41	-11	-74	-21	-94
Other operating income	-6	-	2	-	0
Other operating expenses	-	-4	-	-7	-17
<b>Operating income</b>	<b>15</b>	<b>45</b>	<b>121</b>	<b>106</b>	<b>170</b>
Financial income	-15	-1	-11	-1	74
Financial expenses	12	-	8	-	-9
<b>Financial items, net</b>	<b>-3</b>	<b>-1</b>	<b>-3</b>	<b>-1</b>	<b>65</b>
<b>Income after financial items</b>	<b>12</b>	<b>44</b>	<b>118</b>	<b>105</b>	<b>235</b>
Appropriations	-	-	-	-	-252
<b>Income before taxes</b>	<b>12</b>	<b>44</b>	<b>118</b>	<b>105</b>	<b>-17</b>
Taxes	-29	-	-52	-	16
<b>Income for the period</b>	<b>-17</b>	<b>44</b>	<b>66</b>	<b>105</b>	<b>-1</b>

# Condensed Parent company balance sheet

SEKm	Jun 30, 2020	Jun 30, 2019	Dec 31, 2019
<b>Assets</b>			
Non-current assets	8,498	788	8,527
Current assets	2,123	591	1,543
<b>Total assets</b>	<b>10,621</b>	<b>1,379</b>	<b>10,070</b>
<b>Equity and liabilities</b>			
Restricted equity	49	48	46
Non-restricted equity	7,744	89	7,681
<b>Total equity</b>	<b>7,793</b>	<b>137</b>	<b>7,727</b>
Untaxed reserves	109	78	109
Provisions	96	101	96
Non-current liabilities	600	-	-
Current liabilities	2,023	1,063	2,138
<b>Total equity and liabilities</b>	<b>10,621</b>	<b>1,379</b>	<b>10,070</b>

First page

Message  
from the CEO

Financial  
overview

Financial  
reports

Definitions

Shareholders  
information

# Notes

## 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.

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.

Government grants and government assistance are recognized in the financial statements when there is reasonable assurance that the entity will

comply with the conditions attached to them and the grants will be received. Grants which are dedicated to a specific and clearly identified expense item, is reported as a deduction of the specific expense. Grants of a more general character are reported as other operating income. Grants related to assets are reported as prepaid income in the balance sheet. The grant is amortized over the useful life of the asset for which it has been received.

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 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	Second quarter		Six months	
	Apr-Jun 2020	Apr-Jun 2019	Jan-Jun 2020	Jan-Jun 2019
<b>Geographical region</b>				
Europe	1,055	1,633	2,506	3,130
Asia-Pacific, Middle East and Africa	277	386	571	733
Americas	157	436	503	894
<b>Total</b>	<b>1,489</b>	<b>2,455</b>	<b>3,580</b>	<b>4,757</b>

First page

Message from the CEO

Financial overview

Financial reports

Definitions

Shareholders information

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

SEK	Jun 30, 2020		Jun 30, 2019		Dec 31, 2019	
	Fair value	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount
<b>Per category</b>						
Financial assets at fair value through profit and loss	0	0	1	1	0	0
Financial assets measured at amortized cost	2,173	2,173	2,252	2,252	2,339	2,339
Derivatives, financial assets at fair value through profit and loss	8	8	2	2	4	4
<b>Total financial assets</b>	<b>2,182</b>	<b>2,182</b>	<b>2,254</b>	<b>2,254</b>	<b>2,344</b>	<b>2,344</b>
Financial liabilities measured at amortized cost	2,712	2,712	1,883	1,883	2,837	2,837
Derivatives, financial liabilities at fair value through profit and loss	9	9	2	2	5	5
<b>Total financial liabilities</b>	<b>2,721</b>	<b>2,721</b>	<b>1,885</b>	<b>1,885</b>	<b>2,843</b>	<b>2,843</b>

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 mark-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.

la. 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 June 30, 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 2 that are observable for assets or liabilities either directly or indirectly. At June 30, 2020, the fair value of Level 2 financial assets was SEK 8m (2) and financial liabilities SEK 9m (2).

**Level 3:** Inputs for the assets or liabilities that are not entirely based on observable market data. At June 30, 2020, the fair value of Level 3 financial assets was SEK 0m (1) and financial liabilities SEK 0m (0).

## Note 4 Contingent liabilities

SEKm	Jun 30, 2020	Jun 30, 2019	Dec 31, 2019
<b>Group</b>			
Guarantees and other commitments	126	8	125

On January 21, 2020, a supplier filed a lawsuit in Italy against Electrolux Professional amounting to EUR 11.3m, approximately SEK 118m. 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 etc. 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.

## Note 5 COVID-19

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As a consequence of the COVID-19 outbreak, Electrolux Professional has assessed any potential impact on the carrying value of asset and liabilities.

### Trade receivables

No material increase in actual credit losses has been experienced. Collection of trade receivables is carefully monitored. Some customers have asked for extended payment terms, each of these requests are evaluated on a case-by-case basis. Management have stressed the need for even more focus on forward looking evaluation of the risk of not being able to collect payments and therefore the expected credit loss provision has increased to SEK 89m compared to year-end SEK 66m.

Credit insurance and other forms of collaterals, for example letter of credit and bank guarantees are used as a protection against credit risk. In addition, some sales are also made to governmental institutions which are deemed as secure.

### Inventories

During the first six months, no material write-down of finished goods inventories or supplies have been recognized as a consequence of the COVID-19 situation.

### Impairment of assets

No extraordinary impairment of assets has been recognized.

### Leases

The Group has received some minor office rent reductions.

### Government grants and government assistance

Companies within the Group have received or assume that they fulfil the requirements of monetary help from governments. As of June 30, the amount recognized in profit or loss is SEK 52m in the quarter and SEK 56m year to date and refers mainly to short-term furlough of personnel.

The Group has also utilized the possibility to postpone tax payments in Sweden resulting in positive operating cash flow effect of 48m in the quarter, the repayment will be made during quarter three and four 2020.

[First page](#)

[Message from the CEO](#)

[Financial overview](#)

[Financial reports](#)

[Definitions](#)

[Shareholders information](#)

# Operations by segment yearly

SEKm	2019	2018	2017
<b>Food &amp; Beverage</b>			
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
<b>Laundry</b>			
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
<b>Group common cost</b>			
Operating income	-18	-14	-11
<b>Total Group</b>			
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 <sup>1</sup>	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.

First page

Message from the CEO

Financial overview

Financial reports

Definitions

Shareholders information



# Definitions

## 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. The APM reconciliations can be found on Electrolux Professional website [www.electroluxprofessional.com/corporate/interim-reports/](http://www.electroluxprofessional.com/corporate/interim-reports/)

APM	Definition	Reason for use
<b>Organic growth %</b>	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.
<b>Acquisitions %</b>	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.
<b>Operating income (EBIT)</b>	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).
<b>Operating margin (EBIT margin)</b>	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.
<b>Items affecting comparability</b>	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.
<b>Operating margin excluding items affecting comparability</b>	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.
<b>Capital expenditure</b>	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.

First page

Message from the CEO

Financial overview

Financial reports

Definitions

Shareholders information

APM	Definition	Reason for use
<b>EBITA</b>	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.
<b>EBITA margin</b>	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.
<b>EBITDA</b>	EBITA less depreciation of tangible assets (including right of use assets).	EBITDA is an indicator for business' cash generating capacity in relation to sales.
<b>EBITA margin excluding items affecting comparability</b>	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.
<b>Operating cash flow after investments</b>	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.
<b>Net debt</b>	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.
<b>Net debt/EBITDA</b>	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.
<b>Operating working capital, % of net sales</b>	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.

First page

Message from the CEO

Financial overview

Financial reports

Definitions

Shareholders information

# Shareholders information

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

Today's press release is available on the Electrolux Professional website [www.electroluxprofessional.com/corporate](http://www.electroluxprofessional.com/corporate)

## Telephone conference 09.00 CET

A telephone conference is held at 09.00 today, July 24. 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 69  
Participants in UK/Europe: +44 333 300 9261  
Participants in US: +1 833 526 8396

## Slide presentations for download:

[www.electroluxprofessional.com/corporate](http://www.electroluxprofessional.com/corporate)

## Link to webcast:

<https://electroluxprofessional.creo.se/200724>

## For further information, please contact:

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## Financial calendar

	Date
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 and the Securities Markets Act. 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 July 24, 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

First page

Message from the CEO

Financial overview

Financial reports

Definitions

Shareholders information



## 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](http://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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