Electrolux PROFESSIONAL

Carnegie, September 10, 2020

Alberto Zanata, President and CEO

Fabio Zarpellon, CFO

Positioned for profitable growth in an attractive industry

Strong position in attractive markets

Well positioned to meet customer needs

Solid financial profile with further upside

Experienced management team to deliver on the plan

Electrolux Professional snapshot

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Total net sales CAGR 2017-19[(1)]	2019	Net sales SEK	EBITA SEK	EBITA margin	Employing	Serving
~10%		9.3 bn	1.1 bn	11.4%	~3,600	~110 countries

Net sales by segment

64%
Food & Beverage

36%
Laundry

9.6%
EBITA margin

15.0%
EBITA margin

Net sales by geography

~66%
Europe

~17%
Americas

~16%
APAC & MEA

Note:
1. Organic growth of ~3% (i.e. excluding acquisition and currency impact).

Industry-unique position with full-solutions offering under one brand

- One brand covering Food, Beverage and Laundry
- Broad customer base in an attractive market
- Attractive financial profile with a solid track record

Operating in a growing and resilient market

Global market size of USD ~28 bn

USD ~**25.5 bn**

Growth 3-4%

Food and Beverage solutions

USD ~**2.5 bn**

Growth 2-3%

Laundry solutions

Underlying trends

- Population growth
- Urbanization
- Increasing workforce participation
- Growing disposable household income
- Changes to customer and consumer behavior (such as increased eating on-the-go and eating out-of-home)

Estimated market size 2019 and historical annual growth

Source: Company estimates

A changing consumer and customer behaviour

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Sustainability

Growing focus on total cost of ownership vs. upfront investment cost

Digitalization

Demand for technologically advanced equipment to increase uptime & support staff

Flexibility

Demand for more flexible appliances to reduce footprint

Trends

Changing consumer habits and customer preferences (mainly food & beverage trends)

Strategic cornerstones

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Grow the business through developing sustainable, innovative low-running cost solutions

Expand in food service chains, especially in North America, beverage and emerging markets

Boost customer care

Leverage the OnE approach

OnE

Built on a foundation of operational excellence to improve sales productivity and cost efficiency within the supply chain

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

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2015	2017	2018		2019
Food solutions	Beverage solutions	Laundry solutions	Beverage solutions	Beverage solutions
EETSAN	Grindmaster Cecilware	Schneidereit Professional	SPM	UNIC
Professional dishwashing, strong service network (China)	Expanding into beverage (US and Thailand)	Fast-growing laundry rental business (Germany)	Strengthening our beverage presence (Italy)	Strengthening our beverage & coffee presence (France)
2014 Sales: RMB 86m	2016 Sales: USD 64m	2017 Sales: EUR 18m	2017 Sales: EUR 29m	2018 Sales: EUR 20m

Strategic priorities

North America and chains	Emerging markets	Beverage

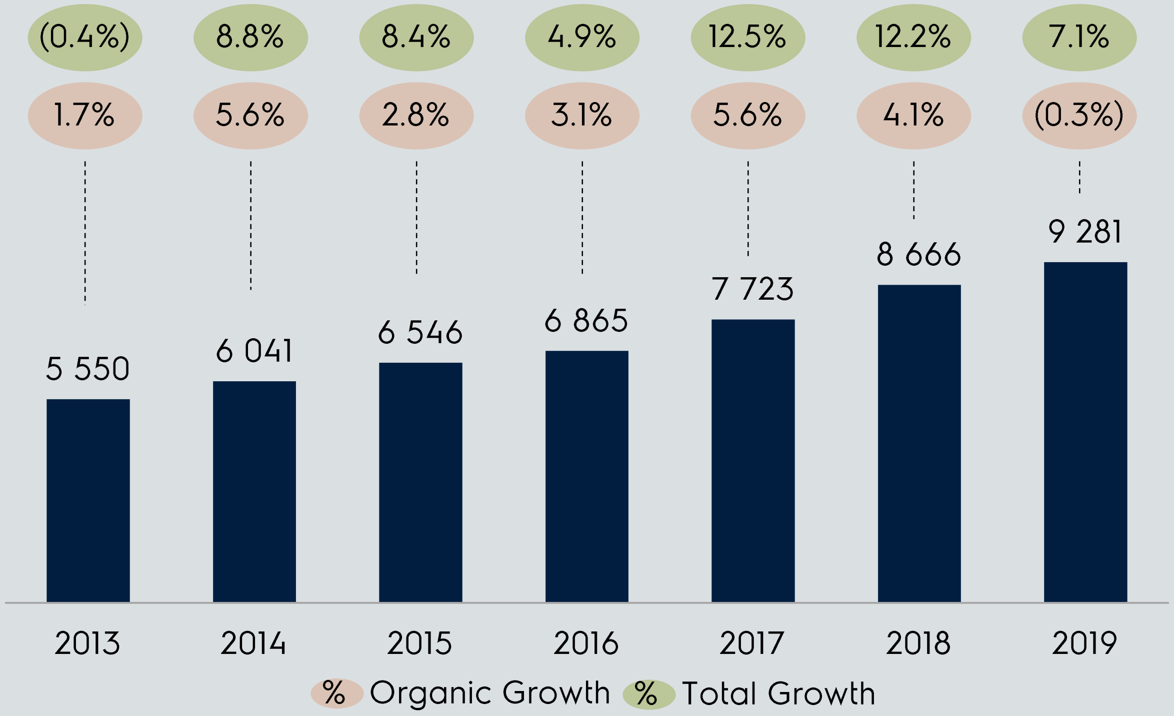
Note: In 2016 asset transfer of Kelvinator brand and stock into business area professional perimeter

Financial targets and financial history

Track record of delivering growth, solid profitability…

Net sales[1] | CAGR ~9%

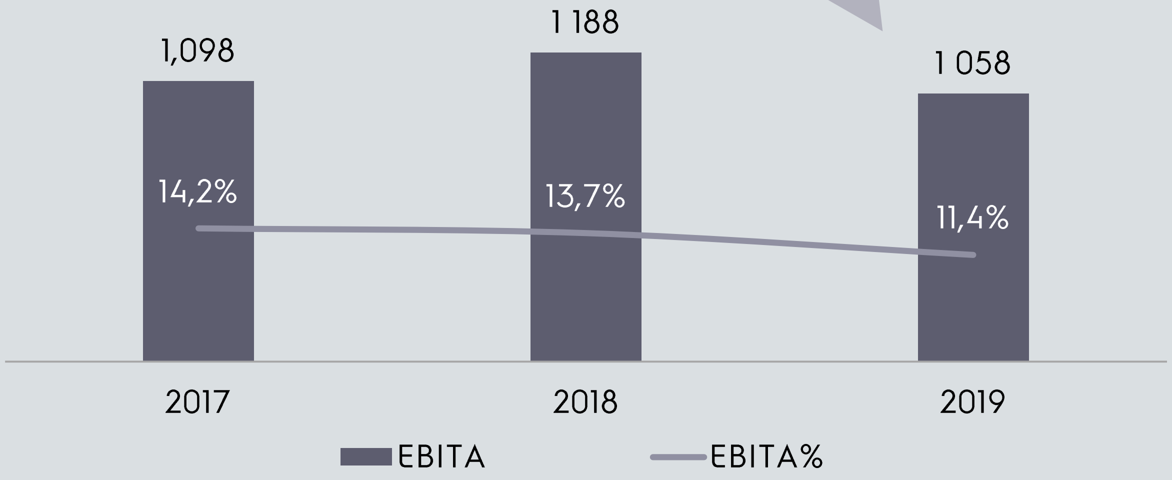
SEKm



EBITA[1] | Average margin ~13%

SEKm

- 2019 decrease in EBITA was primarily driven by reduced sales and production volumes and the additional costs for the development and launch of new products
- Additional one-off separation activity costs and running cost to operate as a standalone company

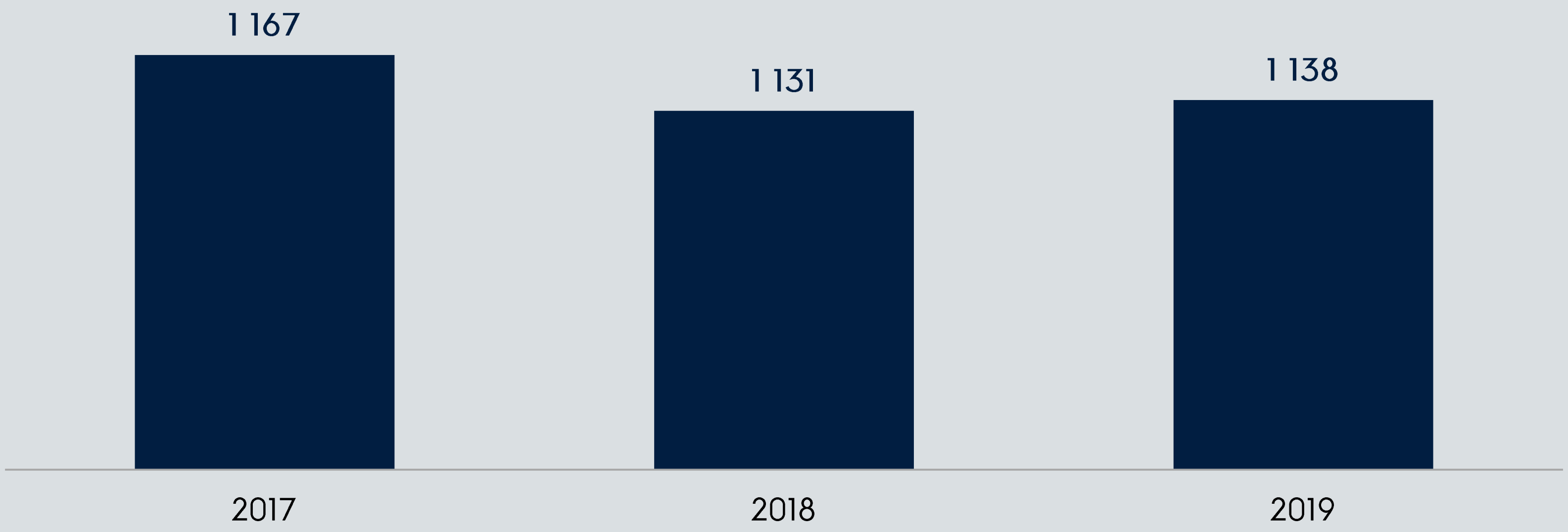


Note: Electrolux Professional reported financials, CAGR at local currency rates

…and strong cash flow

Operating cash flow after investments[1]

SEKm



Comment

- Professional has delivered strong cash flow historically
- Even in 2019, when profitability was below average, cash flow remained strong thanks to a reduction of operating assets and liabilities

Note:
1. Cash flow defined as cash flow from operations and investments adjusted for financial items paid, taxes paid and acquisitions/divestments of operations

Medium-term financial targets to drive shareholder value

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Net sales growth

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

Profitability

15% EBITA margin

Assets efficiency

Operating working capital <15% of net sales

Capital structure

Leverage ratio below 2.5x Net debt/EBITDA[1]

Dividend policy

Pay-out ratio of c. 30% of net income for the year[2]

Note:
1. Higher levels may be temporarily acceptable in case of acquisitions, provided a clear path to deleveraging
2. As proposed annually by the Board of Directors at its discretion, to correspond to c.30 % of the income for the year, out of funds legally available for that purpose. The Company aims to use capital efficiently to generate as much shareholder value as possible, including potential acquisitions. The timing, declaration and amount of future dividends will depend on the Company's financial condition, earnings, capital requirements and debt service obligations

Q2 highlights

Health and safety of employees first priority

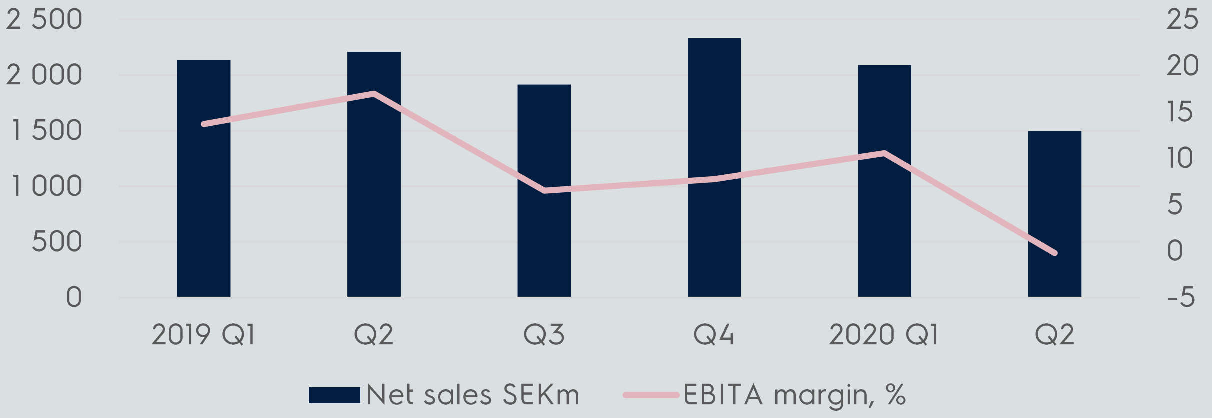
Market conditions heavily impacted by COVID-19

- Organic sales declined by 39.9%
- Laundry less affected than Food & Beverage
- Improved sales trend in June

SEKm	Apr - Jun 2020	Apr - Jun 2019	Change, %
Net sales	1,489	2,455	-39.3
EBITA	-4	418	
EBITA margin, %	-0.2	17.0	
Operating cash flow after investments	31	432	

Swift actions contributed to break-even EBITA

- Short-term activities and improvements announced in 2019 have reduced cost by approximately SEK 200m in the quarter
- Structural cost reduction activities implemented in the US and Industrial Operations



Hygiene & safety for all operations in hospitality and laundry

“hygiene&clean”

Full range hygiene warewashing solution line.

> 90° C degrees rinsing performance and complete offer with chemicals and Essentia Customer Care.

Serenity cabinet

Fast sanitization of clothing provides an enjoyable shopping experience.

“Two Pairs of Eyes”

Contactless service with augmented reality.

Seamless connection between Field Service Engineers and the Electrolux Professional technical experts.

Around 30% faster problem solving, 50% fewer errors compared to standard video calls.

Outlook

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- Opening of countries is having a positive effect on our customers
- Signs of recovery in June and July
- Speed of future market recovery is still uncertain
- Structural cost actions implemented in the US and Industrial Operations
- Ambition to implement structural cost-saving measures second half of 2020 that together with the newly implemented structural activities shall generate yearly cost savings of SEK 100 – 150m
- The structural measures under review will imply one-off costs which will be communicated later

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The OnE