



Electrolux Professional Handelsbanken Mid-cap day June 8, 2022

Alberto Zanata, President and CEO

Jacob Broberg, SVP Investor Relations & Communications

Electrolux Professional snapshot 2021 (2020)



Net sales SEK
7.9 bn
(7.3)

EBITA SEK
0.6 bn
(0.5)

EBITA margin
8.4%
(6.3)

Employing
~4,000

Serving
~110
countries

Net sales by segment

60%
Food & Beverage



40%
Laundry



6.4% (2.1)
EBITA margin

15.6% (15.2)
EBITA margin

Net sales by geography

~69%
Europe



~16%
Americas



~15%
APAC & MEA

A resilient market driven by long term positive trends despite the pandemic



Source: Company estimates for 2021.

Underlying trends

- Post-pandemic new normal
- Population growth
- Increasing workforce participation
- Climate change and resource shortage
- Urbanization
- Digitalization
- Growing disposable household income
- Climate change and effective use of resources

The OnE



Electrolux Professional is one of the leading global providers of food service, beverage and laundry solutions for professional users with:

- Digital connectivity
- Global Customer care
- Project capabilities



Laundry
Solutions



Food
Solutions



Beverage
Solutions



Customer
Care

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

Our guiding principles:

- Be Customer obsessed
- Build Trust
- Be Bold
- Act Sustainably

Strategic cornerstones



Grow the business through developing sustainable, low running cost solutions



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



Boost customer care



Leverage the OnE approach and drive digital transformation



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

Unified Brands acquisition

- On December 1, 2021, Unified Brands, a leading manufacturer of food service solutions in the U.S., was acquired
- Significantly strengthens our presence in the US and support our focus on growth in food service chains.
- Unified Brands is a leading US based manufacturer of foodservice equipment
 - Production and R&D facilities in Michigan and Mississippi
 - Approximately 600 employees
 - 2021 net sales SEK 1,134m
 - Sales primarily to restaurants, schools, health care, institutions and hospitality



Primary Cooking



Refrigeration & Custom Fabrication



Ventilation



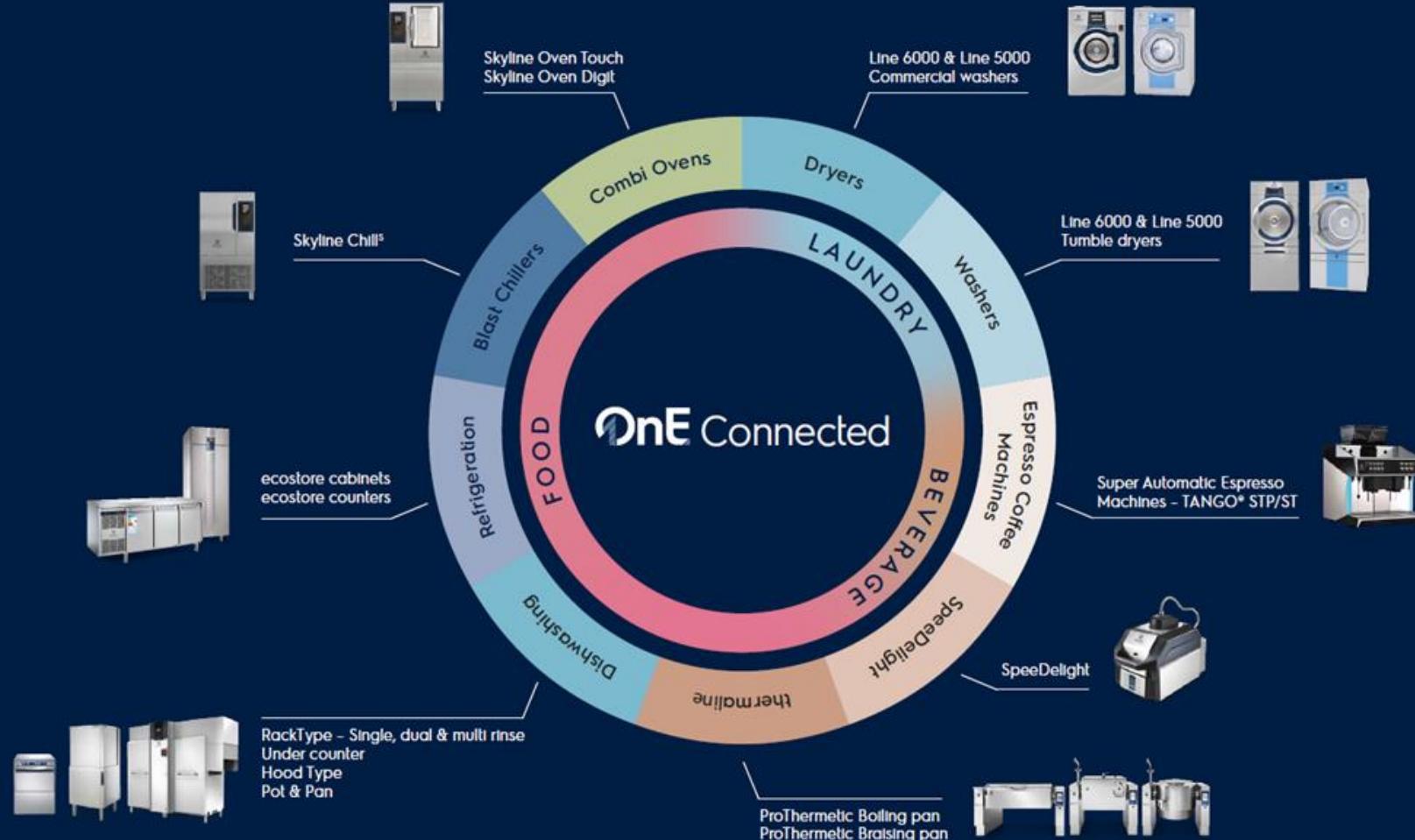
Continuous Motion Ware-washing



Cook-Chill & Sous Vide



Uniquely positioned through OnE concept to deliver customer value by connecting the whole operation



2021 sustainability performance and highlights



CO2 emissions
Scope 1&2

CO2e Reduction*
-31%



Injury rate

Lost time
Injury rate**
0,7



Gender
balance

Managerial
Positions***
26/74



Energy

Renewable
Energy
47%



Waste
Incl. waste to energy
and material
recovery

Waste
Recovery
93%



Suppliers
Audits incl
environment,
health & safety

72/95



Certifications

ISO 14001
coverage
96%

* Scope 1 and 2 -
emissions from own
operations. Target
-50% by 2025
compared to 2015.

** Target below
0.3 by 2025

*** 26% women,
74% men. Target is
40/60 gender
balance by 2030.



Net sales and profitability development



2013-2016 figures from Electrolux Annual Report

■ Net Sales SEKm — EBITA%, excl IAC

- Track record of growth and profitability improvement (2013-2018)
- 2020-2021 impacted by pandemic

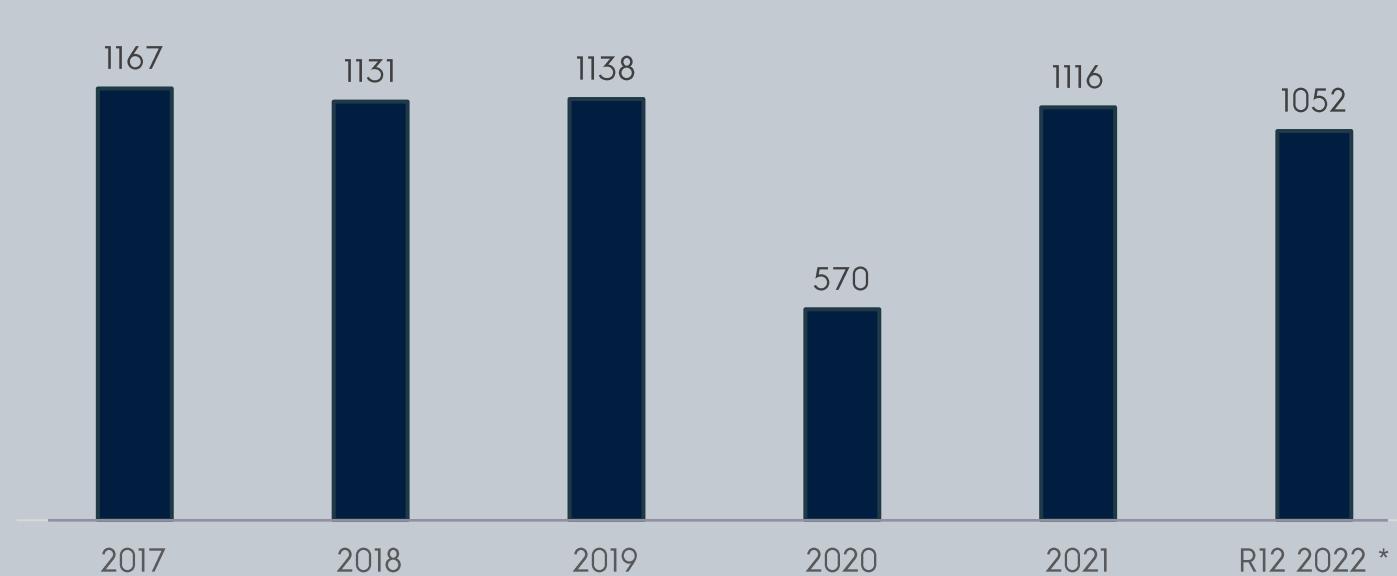
* includes Unified Brands Dec 2021 – Mar 2022

Good cash flow while investments have continued



Operating cash flow after investments⁽¹⁾

SEKm



- Proven good cash flow generation over the years

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

*R12 includes Unified Brands Dec 2021 – Mar 2022

Medium-term financial targets to drive shareholder value are confirmed



Net sales growth

Organic annual growth of more than 4% over time, complemented by 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.

Building blocks to reach 15% EBITA margin in place



Innovative Products and OnE offer

New products to the market with competitive advantages and higher than average margin



2020

Chain Business

Grow sales in the Chain Segment



Develop Customer Care

Increase the Customer Care business through sales of PA&C and service contracts



Operational Excellence

Continuously reduce operational costs through rationalization and digitalization of operations



Plan in place - delivering 15% EBITA margin

Key take aways



Attractive industry with strong profitability



Market with stable growth that has recovered quickly after the pandemic



Track record of delivering solid EBITA and cash flow also in difficult times



Focused plan to generate margin expansion





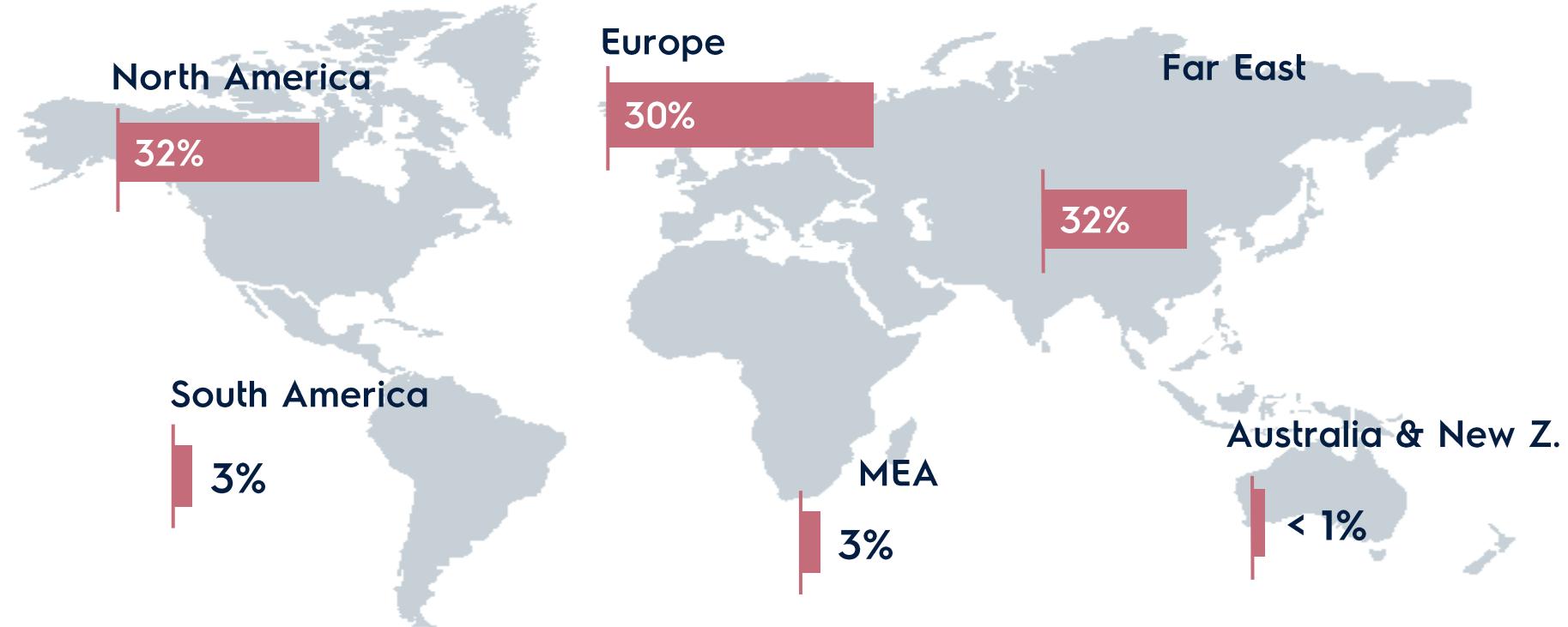
Appendix

Professional Food & Beverage market



% of Global Food & Beverage market

Professional Food & Beverage market
USD 21.8 bn (18.5) in 2021 (2020)

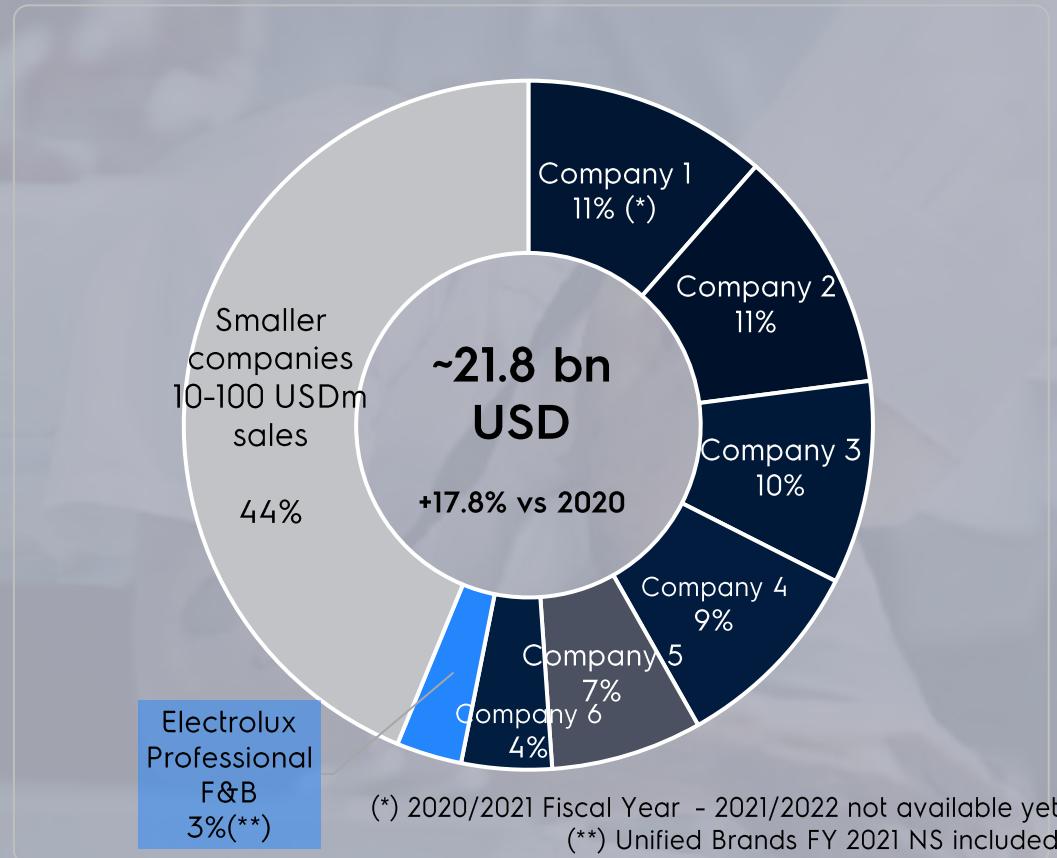


Source: Euromonitor Passport Database - Consumer Foodservice 2021. FY 2021 Results Major FS&Bev Competitors (available at the moment of the analysis - May 2022). MAFSI Market Forecast 2021. Technomic projections - State of the Industry 2021. Deloitte - Foodservice Market Monitor 2021.

Food & Beverage equipment market



Food & Beverage Key market players



Monobrand Specialists



Monobrand Full-Systems



Multibrand



Global

Regional

> 500 Companies



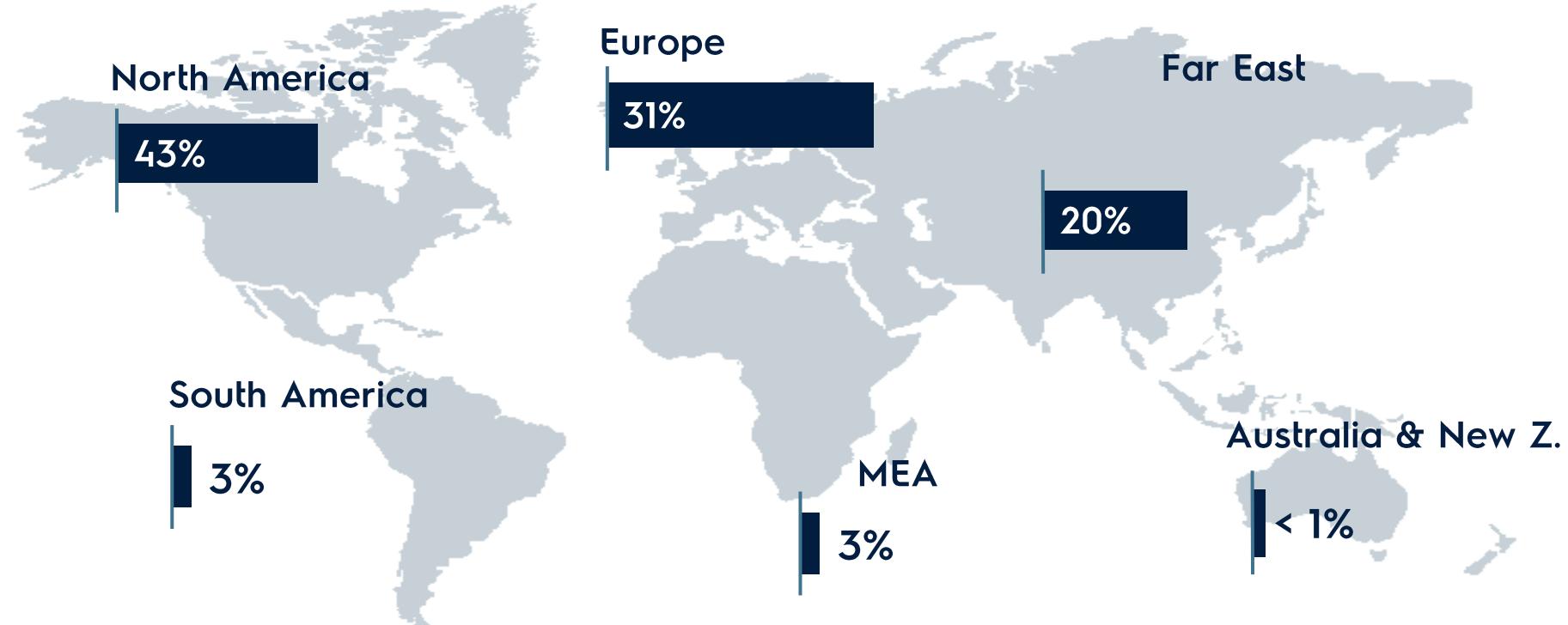
Market size and (excluding domestic appliances) market shares: Source company internal estimates on the basis of publicly available information

Professional Laundry market



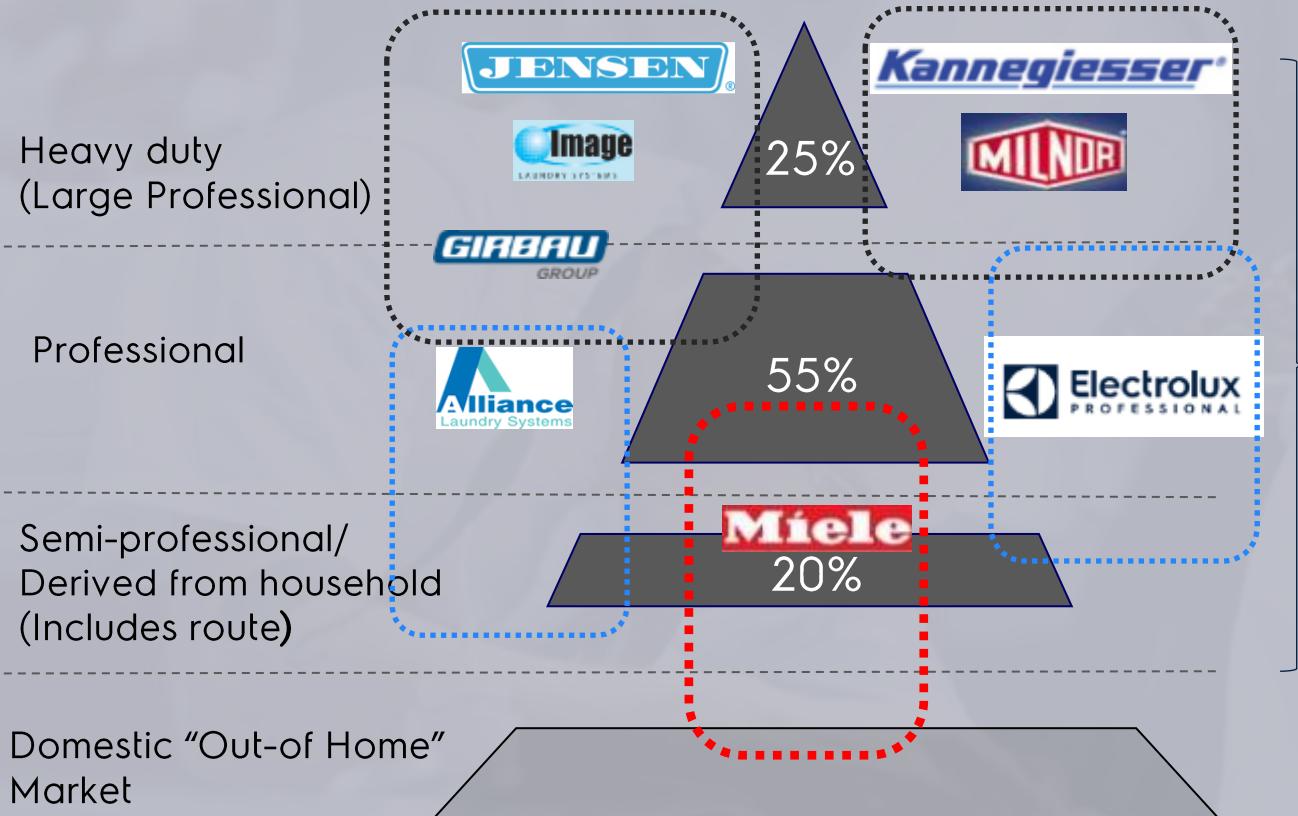
% of Global
Laundry

Professional
Laundry market
USD 2.3 bn (2.2)
in 2021 (2020)

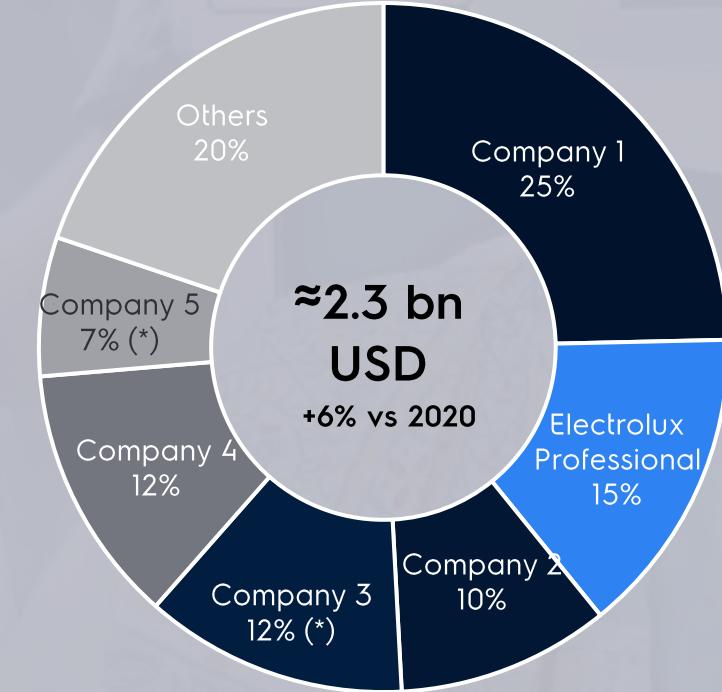


Source: Euromonitor Passport Database - Laundering and (Dry)Cleaning Services 2021
FY 2021 Results Major LS Competitors (available at the moment of the analysis - May 2022)

Laundry equipment market



Laundry key market players



(*) 2020 Financials (2021 not available yet)

Market size (excluding domestic appliances) and market shares: Source company internal estimates on the basis of publicly available information

Multiple customer segments having different needs but with commonalities



Simplification, speed and flexibility

Reduced energy consumption and carbon footprint

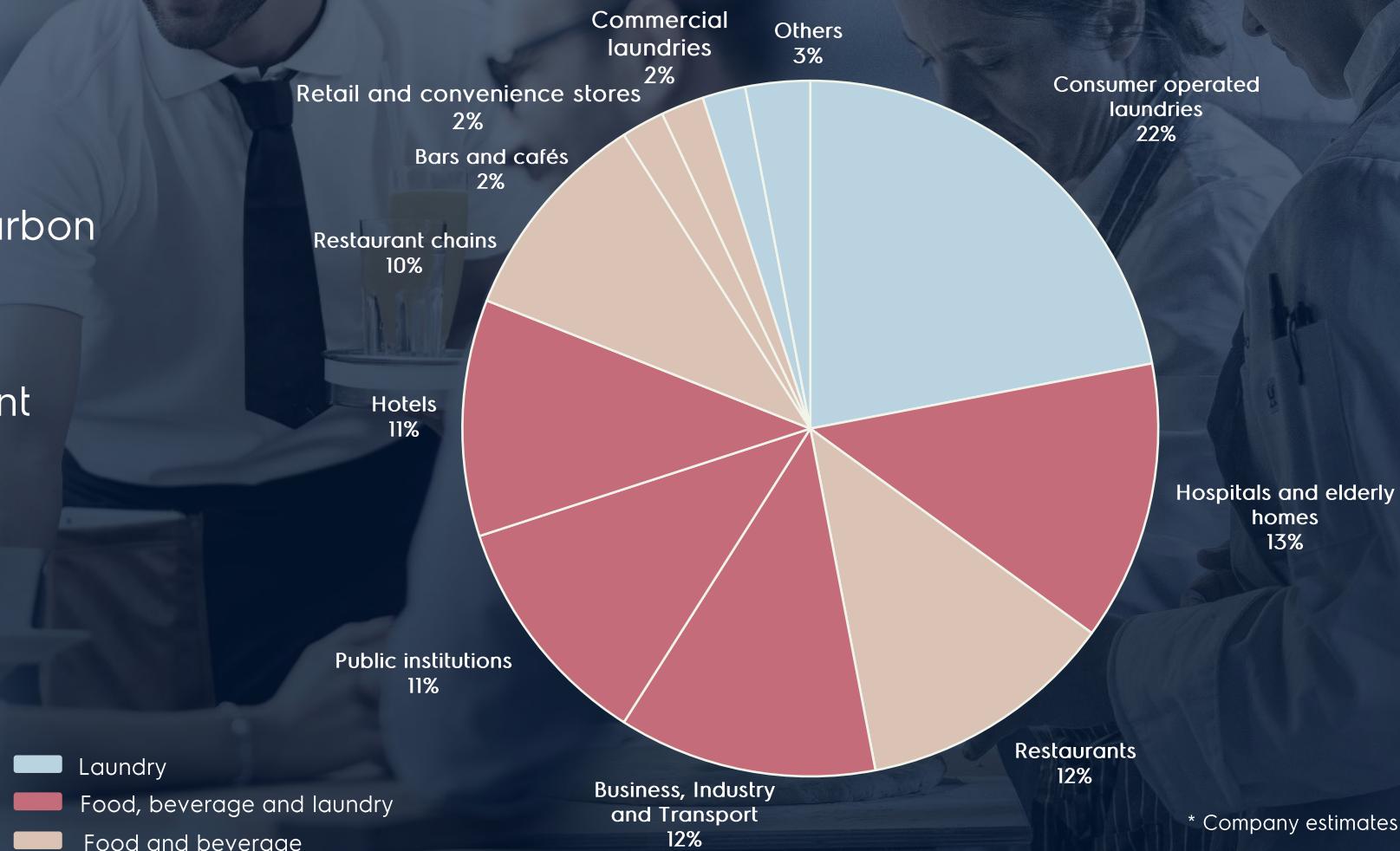
Lower total lifetime costs

Reliability and quality of the equipment

Ergonomic and human centric design

Enhanced hygiene demands

Electrolux Professional distribution per customer segment *



A Global industrial footprint to serve customers expanding globally



2020 and first part of 2021 impacted by the pandemic - but is now recovering

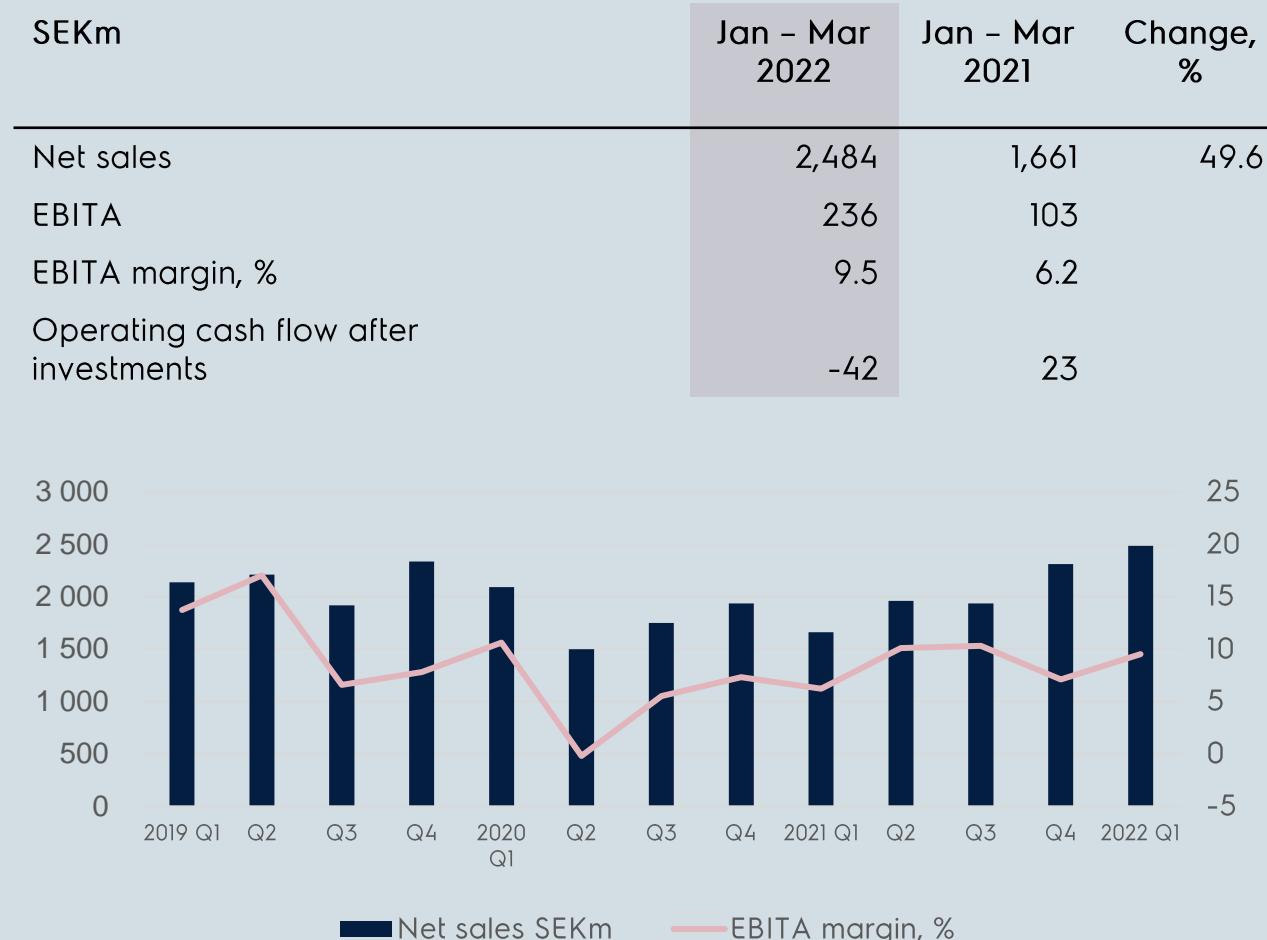


- From the second quarter 2021 the market started to recover
- From the third quarter of 2021 continued and broadened market recovery
- Continued strong sales recovery in the first quarter of 2022 - fourth consecutive quarter growth



Q1: highlights

- Continued strong sales recovery for the fourth consecutive quarter
- Organic sales increase of 25.5%
- Unified Brands contributed with a strong sales growth, and underlying EBITA margin of 11.0%
- The impact of executed price increases continue to lag behind cost increases
- Cost increase is primarily from raw material and components
- EBITA was SEK 236m (103), corresponding to a margin of 9.5%, including Unified Brands integration costs of SEK -15m. Underlying EBITA-margin 10.1%
- Operating cash flow after investments amounted to SEK -42m (23)



Q1 Summary



- Continued strong sales recovery
- Unified Brands delivered strong sales in the quarter
- Price have not yet fully mitigated raw material cost increases
- Availability of raw material, component and transportation continue to be a challenge
- Additional price increases or surcharges will be implemented
- Simplified organization with business areas to drive strategic priorities and be closer to customers
- Strong order trend continues with a solid order stock - gives confidence for the second quarter

Food Service offering - examples



Ranges and Primary Cooking



Combi ovens & Blast Chillers



Refrigeration and Servery



Food Preparation



Warewashing



High-speed Cooking



Beverage offering - examples



Hot Beverages



Chilled Drinks



Slush/Frozen Beverages



Coffee



Frozen Creams



Soft Serve



Laundry system offering - examples



Front loaded washer extractors



Tumble dryers



Barrier washers and Ironers



myPRO semi-professional washers,
dryers and ironers



Digital is shaping the Professional industry



Traditional
dealership
changing



E-commerce
increasingly
important



IoT is
now



Large
accounts
direct
relationship

Digital ambition 2024

Connected appliance
of future installed
base

50%

On-line sales
distribution

65%

Cutting edge innovation – R&D to differentiate the offer by adding value solutions



Cater to customers' needs and increase customer productivity and efficiency

- › digitalization of appliances
- › appliance connectivity
- › appliance agility
- › minimizing environmental impact
- › more energy-efficient and resource-efficient solutions



SkyLine Chill®

SkyLine Premium®

O + I

- 4% of sales invested in R&D - highest in the industry
- Product Testing
- Internal PhD Academy
- Partnering with Universities on research projects





Strategic cornerstones - GROW

Cutting edge innovation will differentiate the offer by adding value solutions

- Annual spend R&D / net sales average 2017-2020: 4%
- 50% of sales from products introduced last 3 years
- Cater to customers' needs and increase customer productivity and efficiency
 - digitalization of appliances
 - appliance connectivity
 - appliance agility
 - minimizing environmental impact
 - more energy-efficient and resource-efficient solutions





Strategic cornerstones - CHAINS

Expand in commercial restaurant chains



- Grow organically and through M&A
- Focus on North America food service chains
- Chains to be addressed through product champions and further penetrated with additional solutions





Strategic cornerstones - CUSTOMER CARE

Grow Customer care



- 15% of sales in 2021 but growing
- Ambition to grow faster than product sales
- Long term ambition to be in line with industry peers

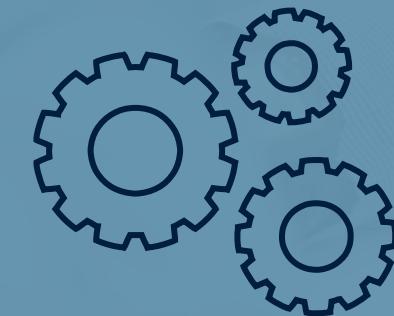


Consumables

Complete range of product families



Chemicals for appliances



Spare Parts

Parts kits



Service & Repair

Service product 3.0 "world wide"



Digitalized services connected network

Product milestones and sustainability achievements



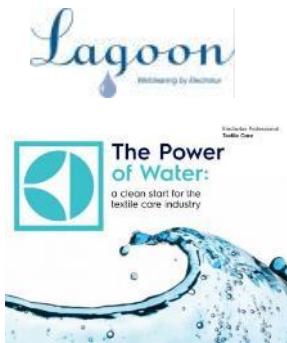
Automatic Saving System



Barrier washer for Risk Analysis Biocontamination Control (RABC)



Heat Pump Dryer (Energy efficiency)



"Green and clean rack type"
(One Glass of Water + C2 as refrigerant)



Line 6000 Heat Pump Dryer
(Productivity, Sustainability, Insourced HP manufacturing)



"hygiene&clean" dishwashers keep customers safe
In 2020, the unprecedented challenges of the global pandemic led to the creation of the first dishwasher range with third-party certified disinfection performance.

1995

1995
First Env. cert.



2012



2011
First OHS cert.



2014

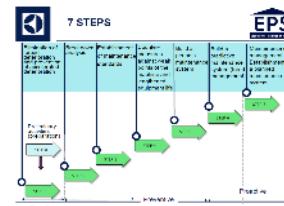
2014
First energy cert.



2015
Electrolux for the better program



2016
EPS introduction



2018



2018
First Green Spirit audits and platina plant



2020

New framework and commitment "OnE Sustainable Partner"

2020 Signing the UN Global Compact and first rating



