



Electrolux
PROFESSIONAL

Investor presentation Carnegie, September 2021

Alberto Zanata, CEO

Fabio Zarpellon, CFO



Electrolux Professional snapshot 2020



Net sales SEK
7.3 bn

EBITA SEK
0.5 bn

EBITA margin
6.3%

Employing
~3,500

Serving
~110
countries

Net sales by segment

58%

Food & Beverage



42%

Laundry



Net sales by geography

~70%

Europe

~16%

APAC & MEA

~14%

Americas

Positioned for profitable growth in an attractive industry

Strong position in attractive markets



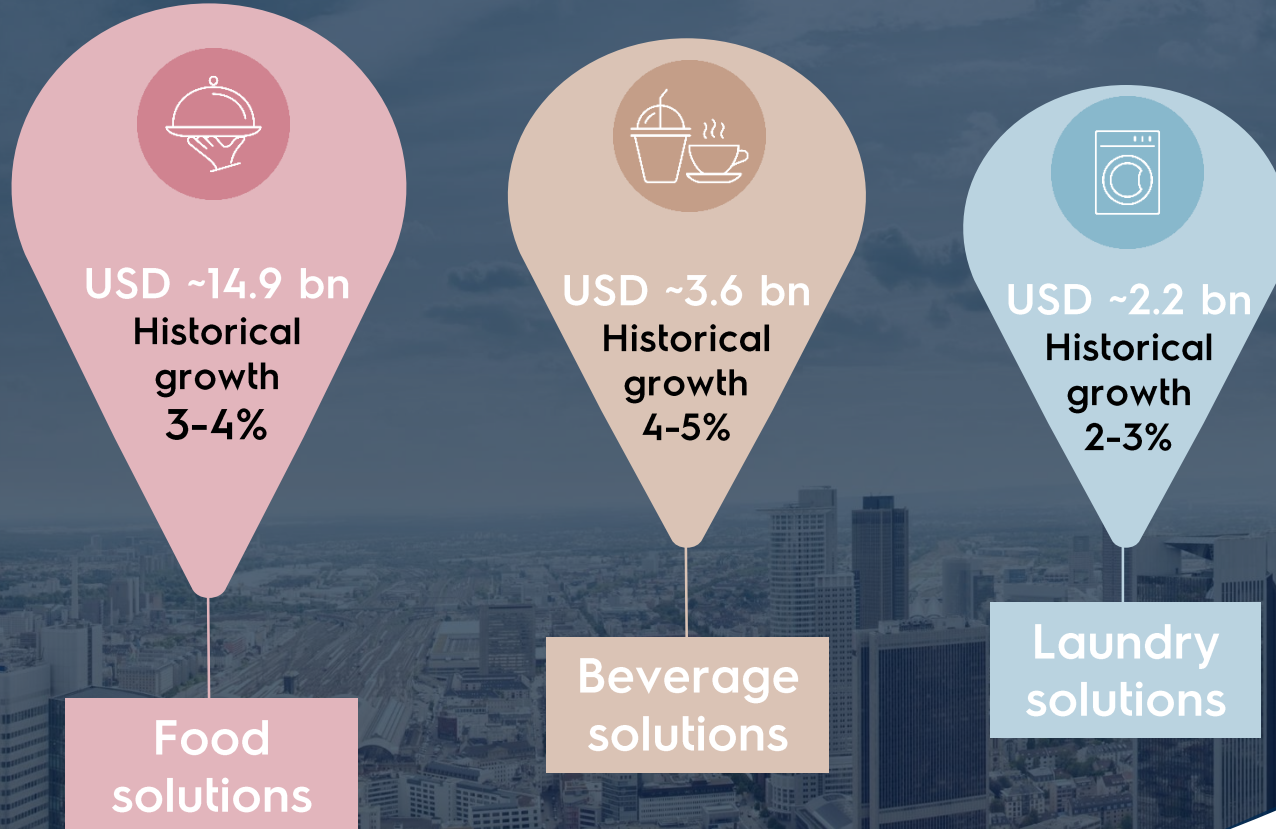
Well positioned to meet customer needs



Solid financial profile with further upside



A resilient market driven by long term positive trends despite 2020-2021 crisis



Source: Company estimates for 2020.

- Estimated global market decline of 20-25% in 2020

Underlying trends

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

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

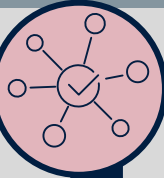


- **One brand** covering Food, Beverage and Laundry
- **Broad customer base in an attractive market** with leading position in the resilient laundry business
- **Attractive financial profile** with a solid track record

Strategic cornerstones



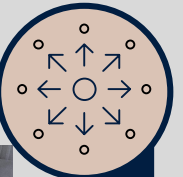
Grow the business through developing sustainable, innovative low-running cost solutions



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



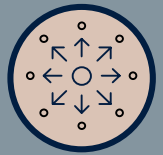
Boost customer care



Leverage the OnE approach



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




Food solutions



Beverage solutions



Laundry solutions



Beverage solutions



Beverage solutions



2015

Professional dishwashing, strong service network (China)

2017

Expanding into beverage (US and Thailand)

2018

Fast-growing laundry rental business (Germany)

2019

Strengthening our beverage & coffee presence (France)

Strategic priorities

North America and chains

Emerging markets

Beverage

Despite the pandemic we continued to invest

**Develop innovative
and sustainable
solutions**



**Accelerate
digitalization**



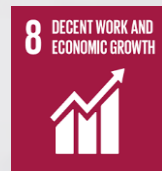
Improve efficiency



Sustainability strategy and targets

- **Target set to be climate neutral by 2030**

- Sustainable solutions - Grow the business by developing sustainable, innovative low-running cost solutions
- Sustainable operations - Operational excellence and Electrolux Professional Production System drives sustainability performance
- Ethics and relationship - Ethical practices enabling business by providing trust



- **CO2 reduction aligned with Paris agreement**



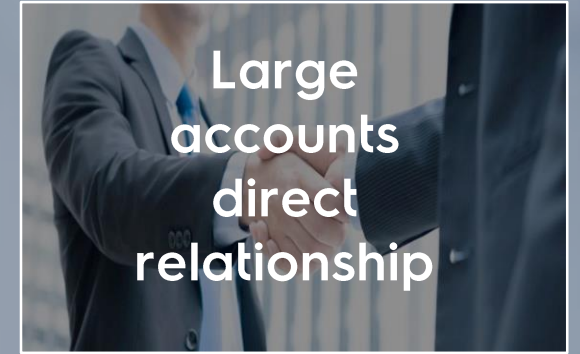
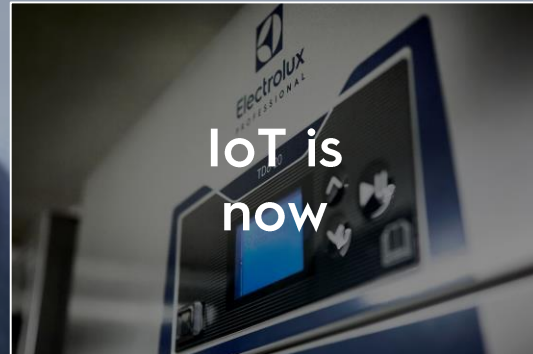
- **Lost time injury rate**



- **Diversity & inclusion**



Digital is shaping the Professional industry




Our digital vision 2024

Connected appliance of future installed base

50%

Distribution - on line sales

65%



Financial targets and financial history

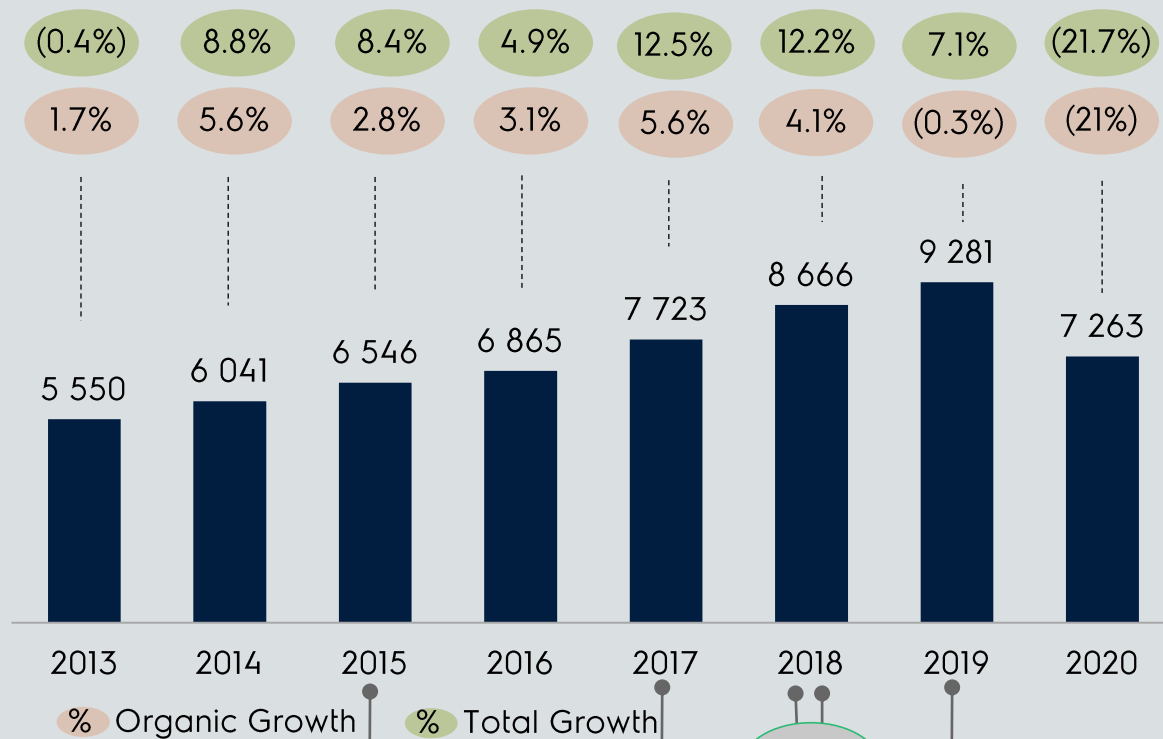
Fabio Zarpellon, CFO

Track record of delivering growth

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

Net sales 2013-2020

SEKm



EBITA 2017-2020

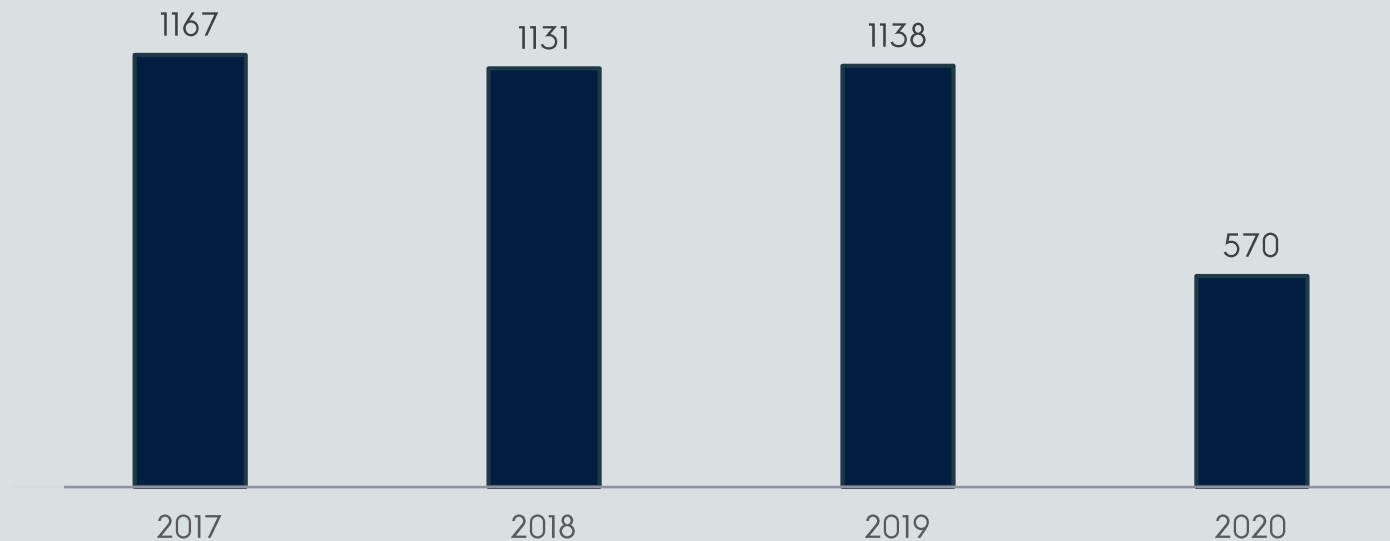
SEKm



...and strong cash flow

Operating cash flow after investments⁽¹⁾

SEKm



- Electrolux Professional has delivered strong cash flow historically
- Solid balance sheet with the same net debt/EBITDA ratio as before the pandemic
- Debt reduced by half during 2020

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

2020 and 2021 heavily impacted by the pandemic but the recovery already started

- In 2020 sales declined by 22% and EBITA declined by 57%
 - Food & Beverage declined more than Laundry
- From Q2 2021 sales started to recover vs 2020
- In Q2 2021, sales still approximately 15% below 2019 level
- The gap vs 2019 diminished towards the end of the quarter



Benefits from restructuring plans

	2019 Restructuring plan	2020 Restructuring plan
Status	Fully executed	In execution
Yearly savings full run rate	SEK 100m	SEK 130m
Full effect from	Q3 2020	Q2 2022
Impact in 2021	Full run rate	SEK 110m from Q2 2021

- 2019 program launched to adapt the organization and off-set cost as a stand-alone company
- 2020 program launched to adapt the organization to a new reality. One-off cost SEK 77m

Beverage production in US will move - transforming the facility into a competence center for chains



- The Chain customer competence center will support growth in the segment
- Production of Beverage products in Louisville will move to factories in Thailand and Italy
- Facilities will be transformed into a Chain Competence center and Logistics hub
- Consolidation of Beverage production will reduce complexity and improve profitability
- Estimated yearly savings of approx. SEK 30m from 2nd quarter, 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 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



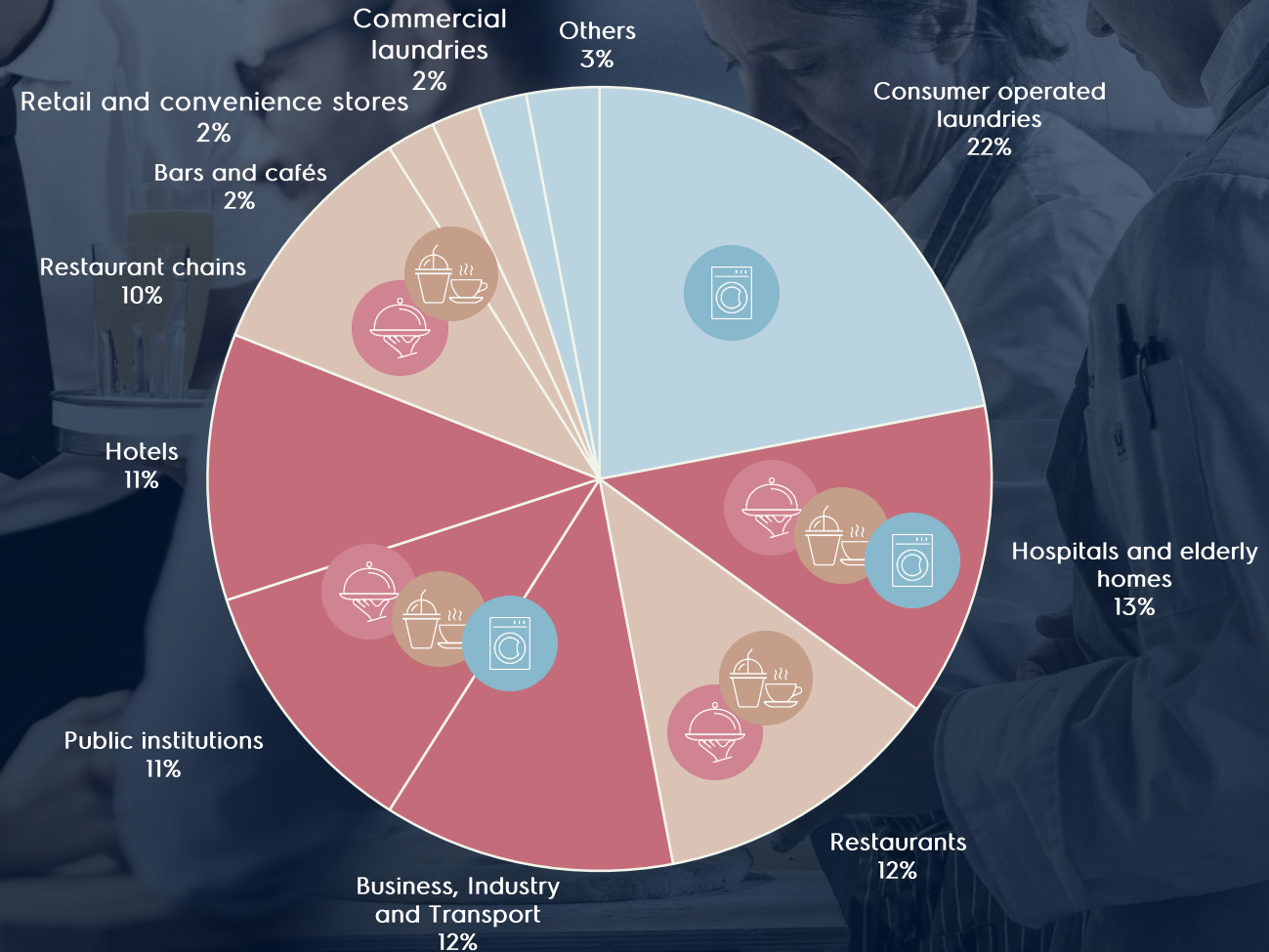
Electrolux
P R O F E S S I O N A L

Back-up slides

Multiple customer segments having different needs but with commonalities

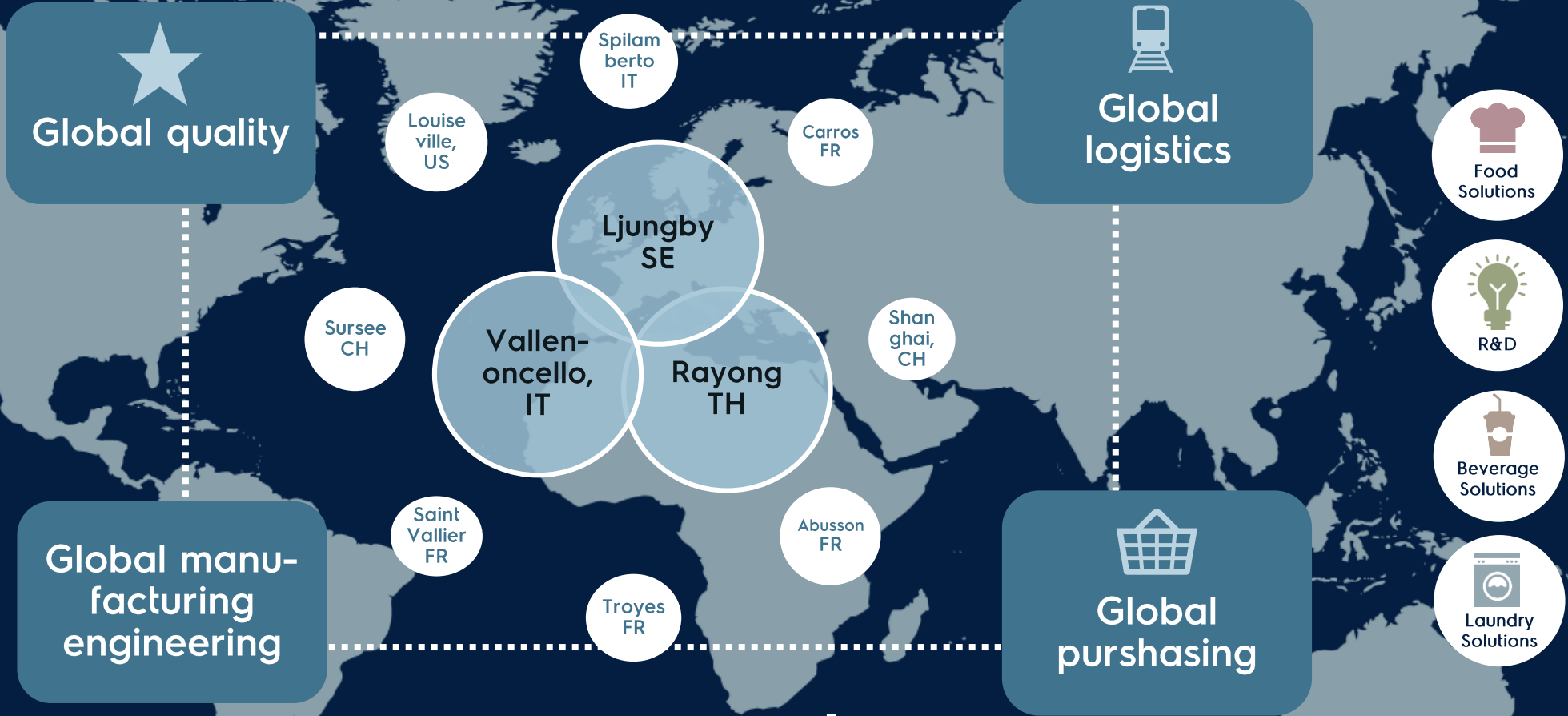
- Simplification, speed and flexibility
- Reduced energy consumption and carbon footprint
- Lower total lifetime costs
- Reliability and quality of the equipment
- Ergonomic and human centric design
- Enhanced hygiene demands


Electrolux Professional
distribution per customer segment *



* Company estimates

A Global industrial footprint to serve customers expanding globally



- **3 large units/hubs**
 - **8 small units**
 - **Local customer proximity**
 - **Global functions including R&D**
- 



Strategic cornerstones - GROW

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



- Annual spend R&D / net sales average 2017-2020: 4%
- 50% of sales from products introduced during the 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 - GROW

2020 sustainability performance and highlights



CO₂ emissions

CO₂e
Reduction*
-36%



Injury rate

Lost time
Injury rate**
1,1



Gender
balance

Managerial
Positions***
26/74



Energy

Renewable
Energy
48%



Waste

Waste
Recovery****
92%



Suppliers

Supplier
env./H&S audits
72



Certifications

ISO 14001
coverage
94%

* Target -50% by 2025 compared to 2015. Including new acquisitions (5/12 new plants included since base year). Comparable baseline -60%.

** Target below 0.3 by 2025

*** Target 40/60 by 2030.

**** Including waste to energy and material recovery. Water efficiency baseline only include 2015 plants excluding St Vallier.



Signatory of the UN Global Compact and first corporate ESG rating

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 dishwashing range with third-party certified disinfection performance.

1995

2012

2014

2016

2018

2020

1995 First Env. cert.



2012 First plant with solar panels

2011 First OHS cert.



2014 First energy cert.

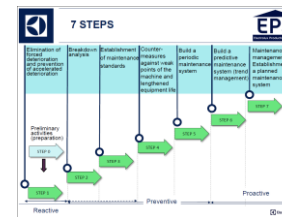


2015 Electrolux for the better program



2017 First plant with Zero CO2 emissions (scope 1 +2)

2016 EPS introduction



2018 "Milk run" truck on renewable energy

2018 First Green Spirit audits and platina plant



New framework and commitment "OnE Sustainable Partner"

2020 Signing the UN Global Compact and first rating



A strong Customer care offering

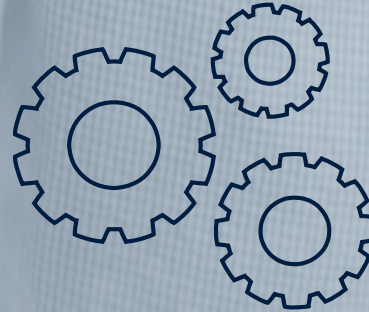


Consumables



Complete range
of product
families

Chemicals for
appliances



Spare Parts



"Parts kits"
pricelists &
packages



Service & Repair



Service
product 3.0
"world wide"

Digitalized services
connected network



Complete offering in foodservice



Horizontal cooking



Cook & chill



Dishwashing



Refrigeration



Dynamic preparation



Static preparation,
ventilation & serving

Complete offering in beverage



Hot beverages



Chilled drinks



Slush/frozen beverages



Drip coffee



Espresso coffee



Soft serve

Complete offering in laundry



Semi-Pro



Front-loader washer



Dryer



Ironer & finisher



Barrier washer



Wet cleaning solution





Electrolux
P R O F E S S I O N A L