Electrolux PROFESSIONAL

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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

		EBITA margin
Food & Beverage	64%	9.6%
Laundry	36%	15.0%

Net sales by geography

Europe	~66%
Americas	~17%
APAC & MEA	~16%

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

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

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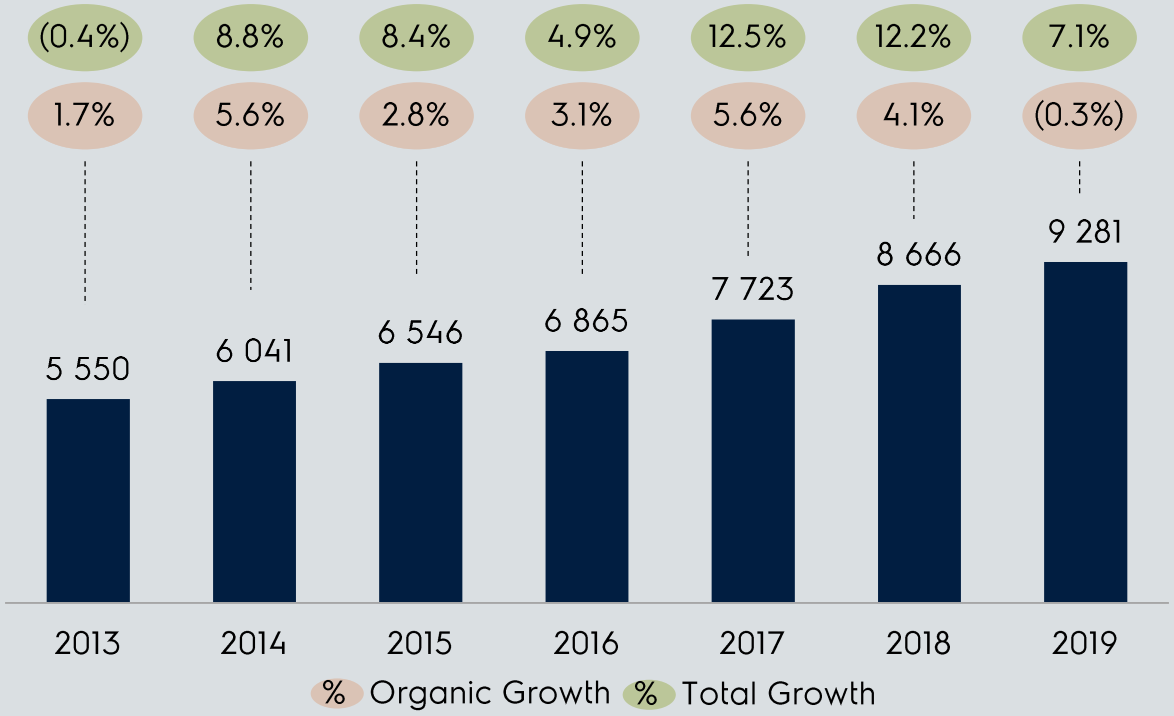
Net sales[(1)] | CAGR ~9%

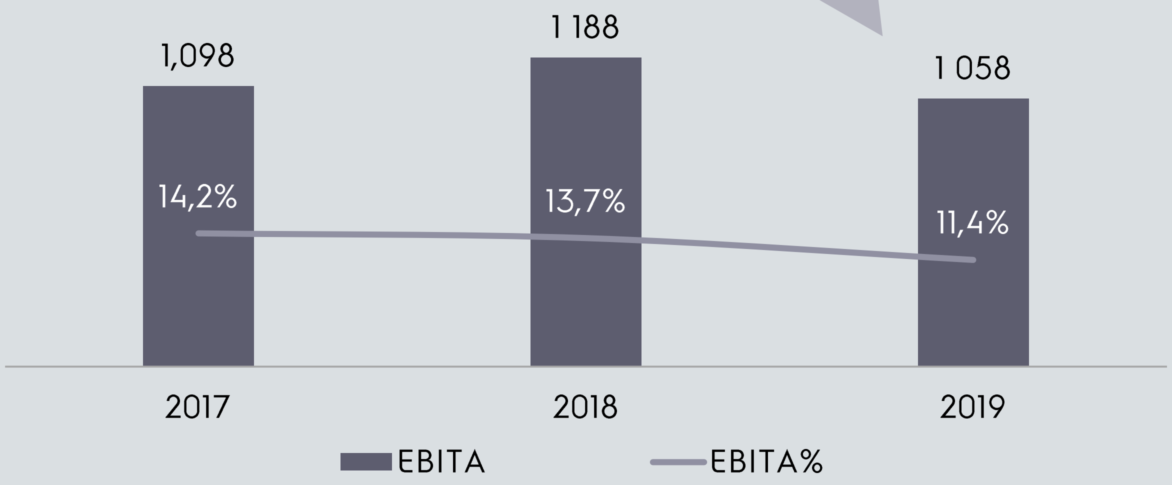
SEKm



EBITA[(1)] | Average margin ~13%

SEKm

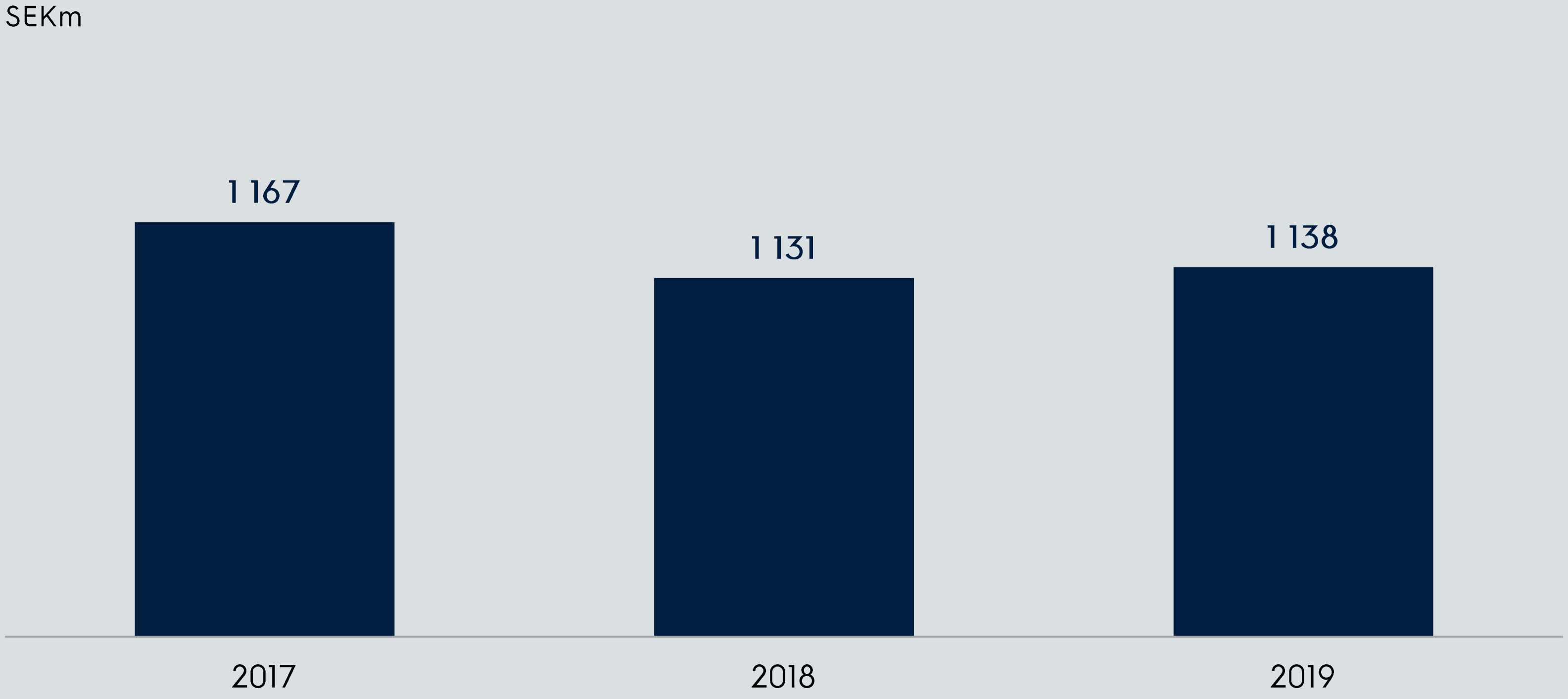
- 2019 decrease in EBITA was primarily driven by reduced sales and production volumes and the additional costs for the development and launch of new products
- Additional one-off separation activity costs and running cost to operate as a standalone company



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

...and strong cash flow

Operating cash flow after investments[1]



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

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

Q3 highlights

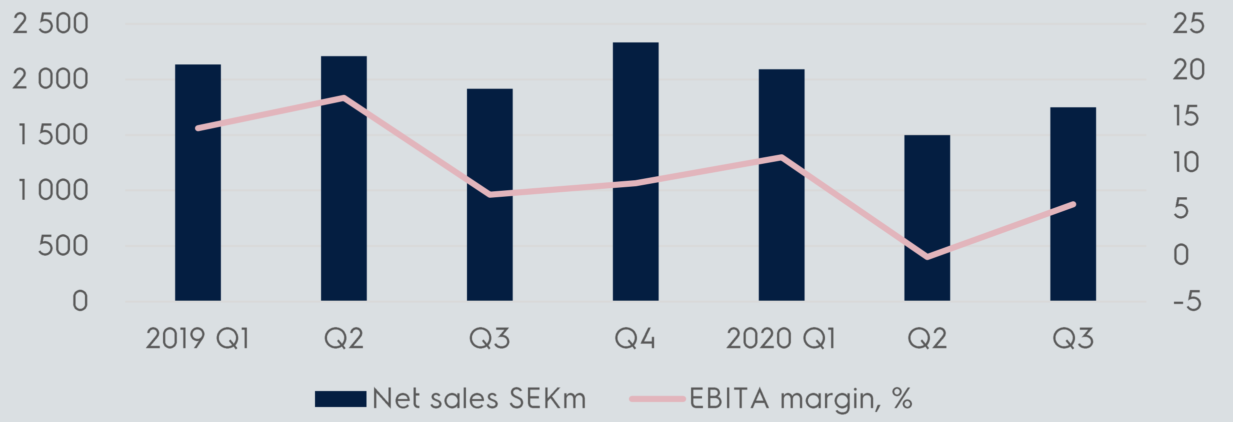
Sales recovery and continued cost actions improved profit compared to Q2

- Market conditions impacted by the pandemic
- Organically sales declined by 16.1%
- Laundry still less affected than Food & Beverage
- EBITA, excluding items affecting comparability, was SEK 173m, corresponding to a margin of 9.9%

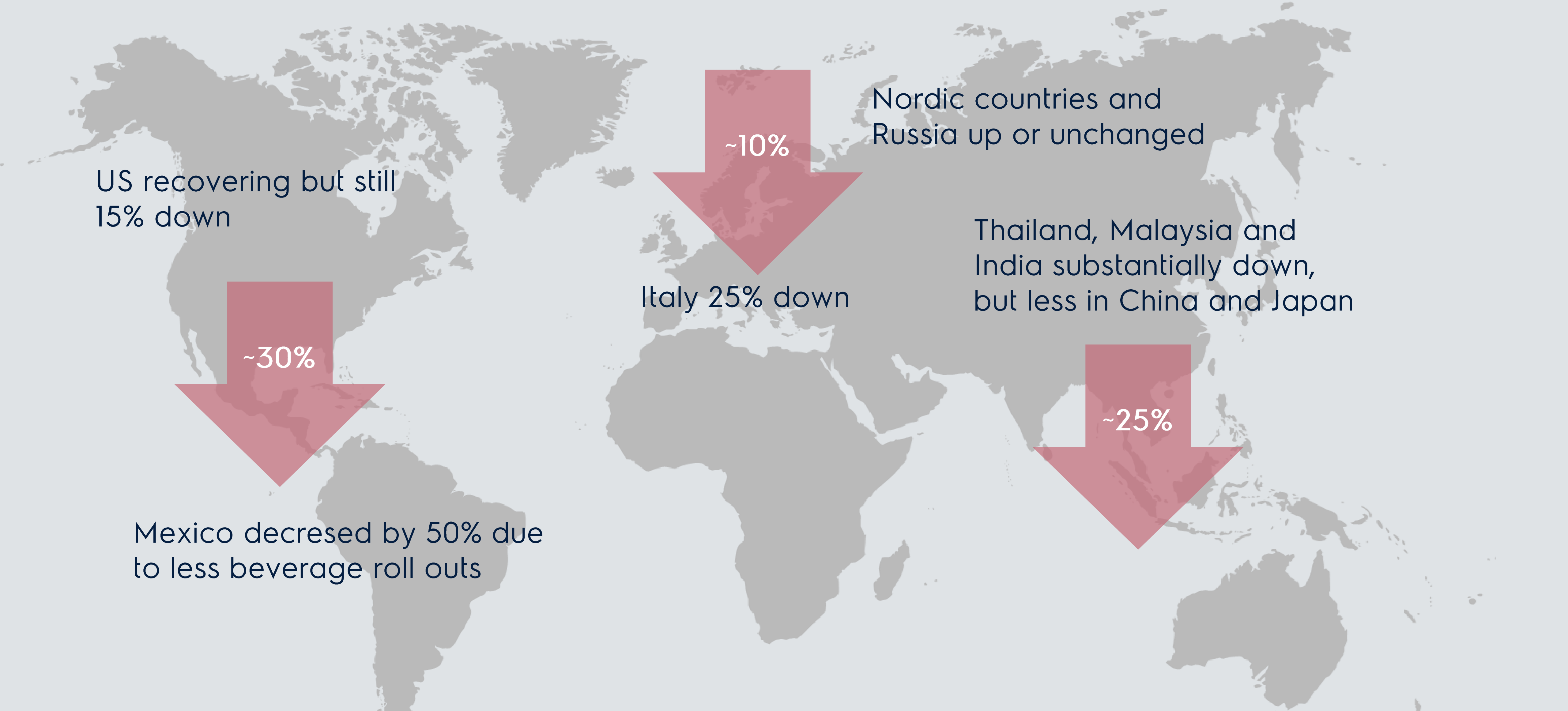
Organization adapted to the new reality

- Structural cost saving measures of SEK 130m launched. One-off cost of SEK 77m

SEKm	Jul - Sep 2020	Jul - Sep 2019	Change, %
Net sales	1,748	2,190	-20.2
EBITA	96	144	-33.2
EBITA margin, %	5.5	6.6	-16.7
EBITA, excl items affecting comparability	173	266	-35
EBITA margin excl items affecting comparability, %	9.9	12.1	-18.2
Operating cash flow after investments	63	134	-53



Q3 net sales development per region organic



Coronavirus impact on sales in Q3

Positive signs of recovery

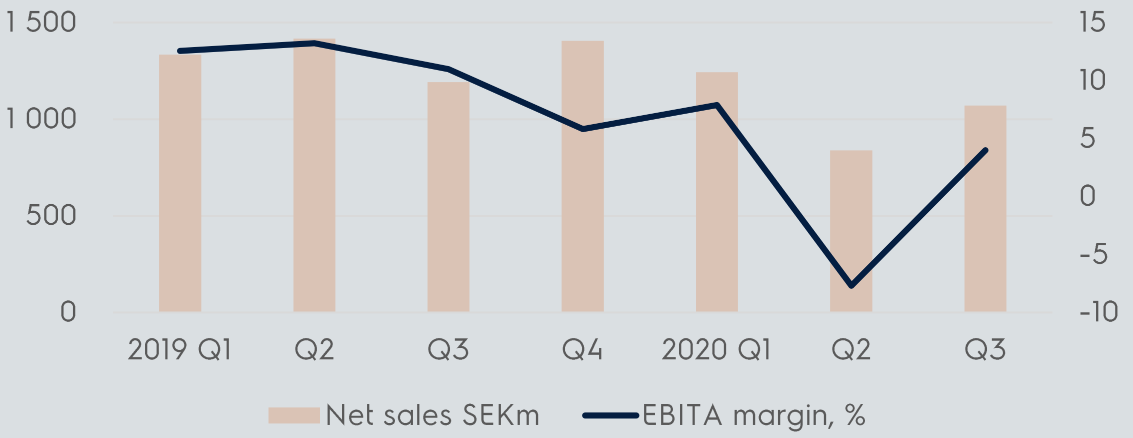
- Sales in the quarter declined organically by 16.1%, this is a recovery from Q2
- July and August down approximately 20%
- September down approximately 10%. Same level in October
- Laundry shows the strongest recovery, sales declined organically by 9.8%

Food & Beverage

Sales still heavily impacted by the pandemic

- Sales declined organically 19.6%
- Sales declined by approximately 15% in Europe and by 30% in Americas and Asia Pacific
- Sales in Northern Europe grew somewhat
- In the US, sales declined by approximately 10%, but declined substantially in South America
- Middle East and Africa had about unchanged sales, but sales declined substantially in South East Asia and Oceania
- EBITA declined due to lower volumes, but unchanged margin due to cost measures

SEKm	Jul – Sep 2020	Jul - Sep 2019	Change, %
Net sales	1,070	1,415	-24.4
Organic growth, %	-19.6	-7.4	
Acquisitions, %	-0.9	8.3	
Currency, %	-3.9	5.3	
EBITA	42	58	-26.6
EBITA margin, %	4.0	4.1	
EBITA, excl IAC*	97	156	-37.6
EBITA margin, excl IAC*, %	9.1	11.0	



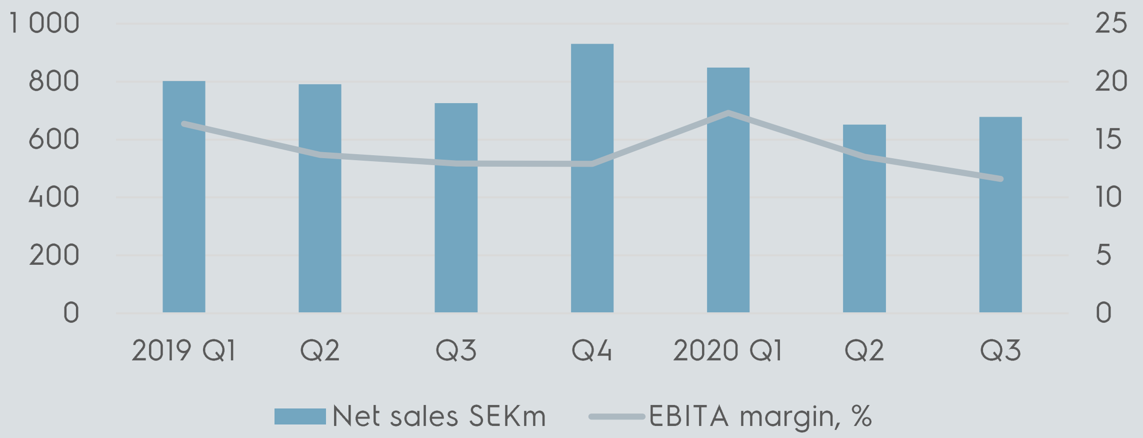
*Items Affecting Comparability (IAC)

Laundry

Strong signs of recovery, still sales decline

- Sales were about unchanged in Europe. Northern and Eastern Europe grew, but declined in Southern Europe and the UK
- Sales declined by approximately 15% in Asia-Pacific, Middle East and Africa
- Sales in the US declined by 35%, primarily driven by de-stocking in the beginning of the quarter
- Improved EBITA due to sales recovery and cost measures

SEKm	Jul - Sep 2020	Jul - Sep 2019	Change, %
Net sales	678	774	-12.4
Organic growth, %	-9.8	-1.1	
Acquisitions, %	-	-5.4	
Currency, %	-2.6	3.2	
EBITA	79	76	4.3
EBITA margin, %	11.6	9.8	
EBITA, excl IAC*	101	100	1.3
EBITA margin, excl IAC*, %	14.9	12.9	



*Items Affecting Comparability (IAC)

Financial overview

SEKm	Jul - Sep 2020	Jul - Sep 2019	Change, %
Net sales	1,748	2,190	-20.2
Gross operating income	568	733	-22.5
Gross operating margin, %	32,5	33,5	
Operating income	81	126	-35.6
Operating margin, %	4.6	5.7	
EBITA	96	144	-33.2
EBITA margin, %	5.5	6.6	
IAC*	-77	-122	
EBITA, excl IAC*	173	266	-35
EBITA margin excl IAC*, %	9.9	12.1	

*Items Affecting Comparability (IAC)

EBITA development excl. IAC*

- Profitability at 10%, with stable gross margin and significant cost reduction
- Cost reductions contributed positively for SEK 75m in the quarter
- Additional structural cost saving measures launched, generating yearly cost savings of SEK 130m

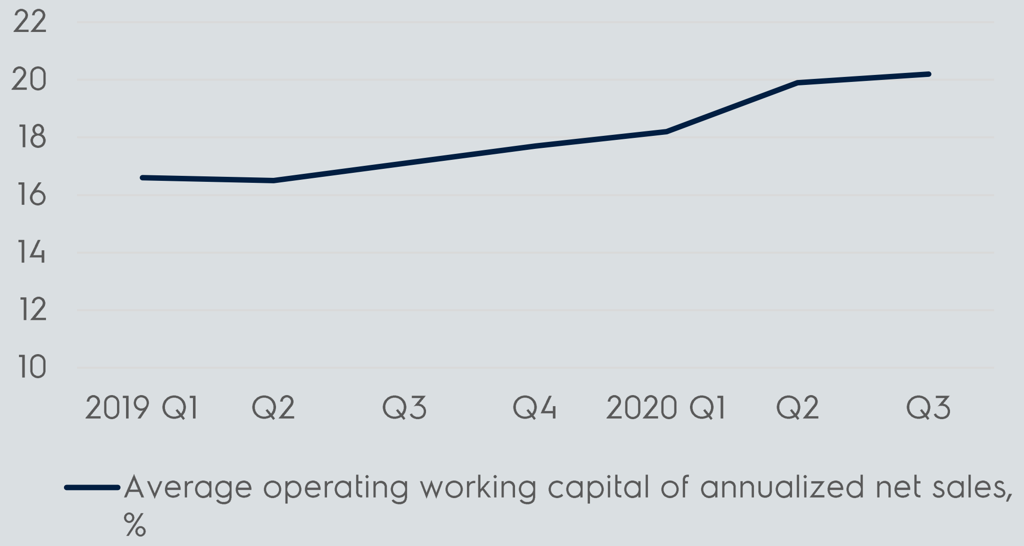
Financial overview: Benefits from restructuring plans

	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

Operating working capital and Financial position

SEKm	30 Sep 2020	30 Sep 2019	31 Dec 2019
Inventories	1,288	1,387	1,265
Trade receivables	1,429	1,796	1,687
Trade payables	-1,171	-1,395	-1,606
Operating working capital	1,546	1,788	1,346
Operating working capital of annualized net sales, %	20.2	17.1	17.7
Interest-bearing liabilities	1,264	6,212	997
Net provisions for post-employment benefits	151	259	195
Lease liabilities	226	185	243
Other liabilities	11	31	246
Liquid funds	-648	-420	-656
Net debt	1,004	6,267	1,025
Net debt/EBITDA	1.4	4.5	0.8

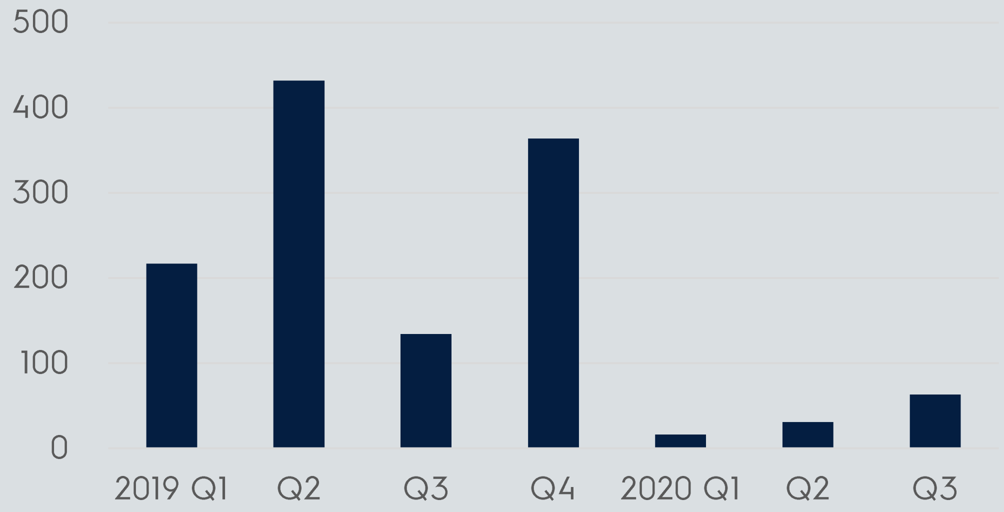
Operating working capital % of net sales



Operating cash flow

SEKm	Jul – Sep 2020	Jul – Sep 2019
EBIT	81	126
Depreciation, amortization and other non-cash items	148	191
Change in operating assets and liabilities	-117	-117
Investments in intangible and tangible assets	-57	-78
Changes in other investments	8	12
Operating cash flow after investments	63	134

Operating cash flow after investments, SEKm



Q3 Summary

- Sales recovery and continued cost actions improved profit compared to Q2
- Market conditions still impacted by the pandemic

  -The hospitality industry is likely to continue to be affected by the pandemic

  -Laundry less affected
- All factories and sales companies are operational
- Sales declined less in September and October compared to June-August
- Short term savings and the 2019 restructuiring program together with the new structural cost meaures launched, contributed positively to EBITA
- New products/solutions introduced to address growing customer's needs and less affected segments

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The OnE