Electrolux Professional Group

Q1 2023 result presentation

Alberto Zanata, President and CEO
Fabio Zarpellon, CFO

”Market demand has held up well in the quarter, although the US was somewhat soft.”

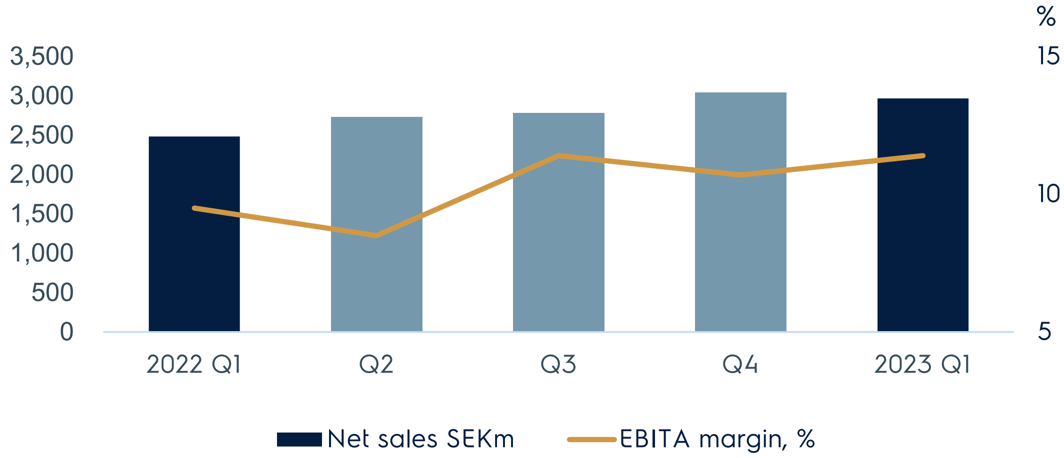
Q1 highlights

Electrolux Professional Group

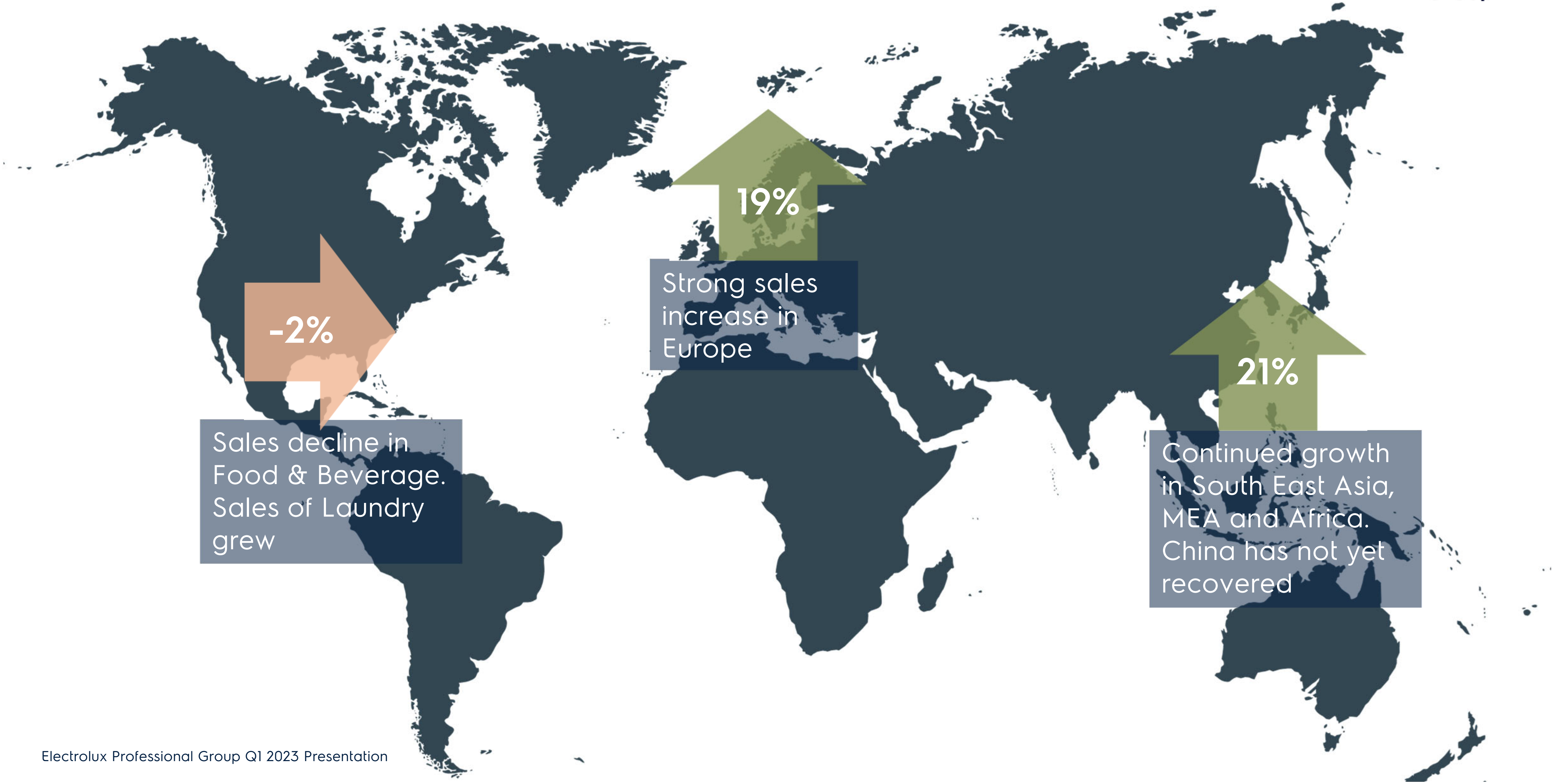
Healthy market and improved profitability

- Sales increased by 19.5%
- Organically, sales increased by 12.7%.
- EBITA increased by 44%, to SEK 340m (236), corresponding to a margin of 11.4% (9.5)
- Operating cash flow after investments amounted to SEK 87m (-42)
- Net debt/EBITDA at 1.4x (1.8)

SEKm	Jan-Mar 2023	Jan-Mar 2022	Change, %
Net sales	2,968	2,484	19.5
EBITA	340	236	44
EBITA margin, %	11.4	9.5	
Operating cash flow after investments	87	-42	



Q1 organic sales development per region



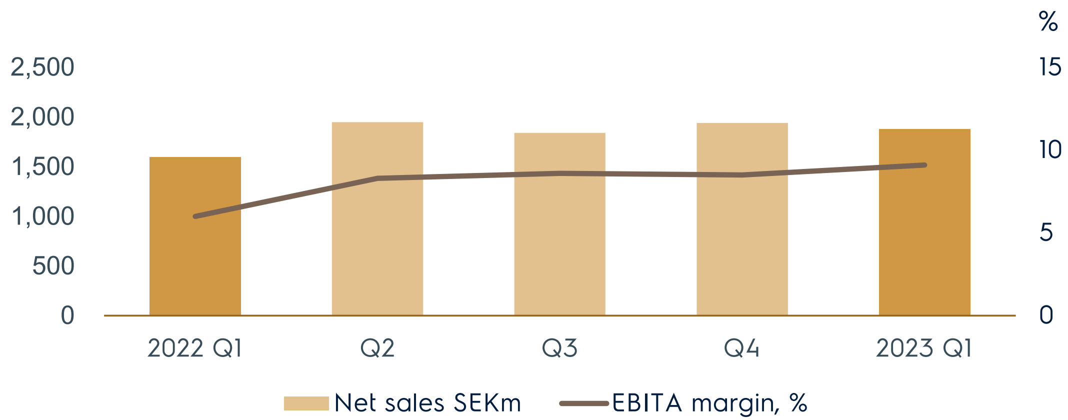
Q1 Food & Beverage

Electrolux Professional Group

Continued strong profit growth

- Organically, sales increased by 9.1%
- Sales increased by approximately 17% in Europe, and by 12% in Asia-Pacific, Middle East and Africa, but declined by 5% in Americas
- Order intake was good for the majority of the quarter, although we saw a softening towards the end of the quarter
- Dealer and chain customer inventory reductions in the US combined with improved deliveries after previous supply chain disruptions, resulting in a somewhat softer demand
- EBITA increased and amounted to SEK 180m (129) corresponding to a margin of 9.6% (8.1)

SEKm	Jan-Mar 2023	Jan-Mar 2022	Change, %
Net sales	1,878	1,597	17.6
Organic growth, %	9.1	34.1	
Acquisitions, %	-	36.3	
Divestments, %	-0.5	-	
Currency, %	9.0	6.1	
EBITA	180	129	39.7
EBITA margin, %	9.6	8.1	



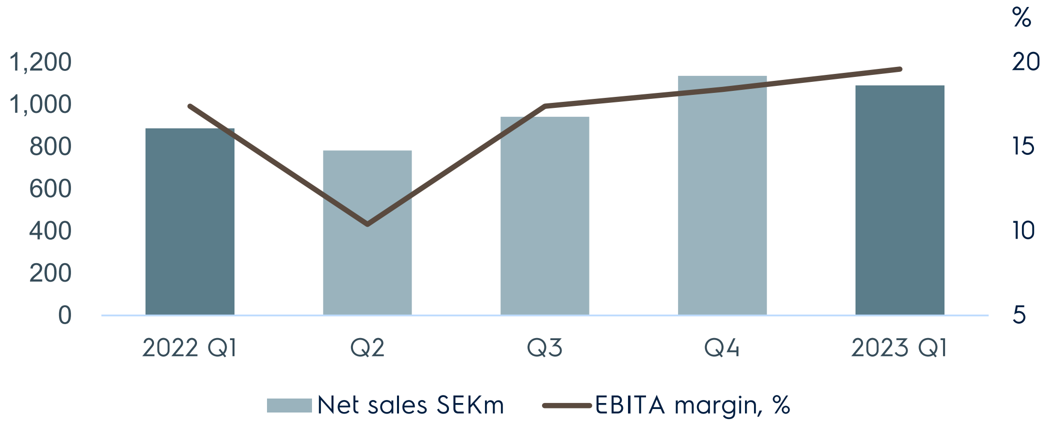
Q1 Laundry

Electrolux Professional Group

Continued strong profitable growth

- Sales increased organically by 19.6%
- Sales increased by 20% in Europe, by 9% in Americas and 29% in Asia Pacific, Middle East and Africa.
- Energy saving solutions contributed to the strong development
- EBITA increased by 28.2%, and amounted to SEK 198m (154) corresponding to a margin of 18.1% (17.4)

SEKm	Jan-Mar 2023	Jan-Mar 2022	Change, %
Net sales	1,090	887	22.9
Organic growth, %	19.6	15.0	
Divestments, %	-0.7	-	
Currency, %	4.0	2.3	
EBITA	198	154	28.2
EBITA margin, %	18.1	17.4	



Financial overview – Q1

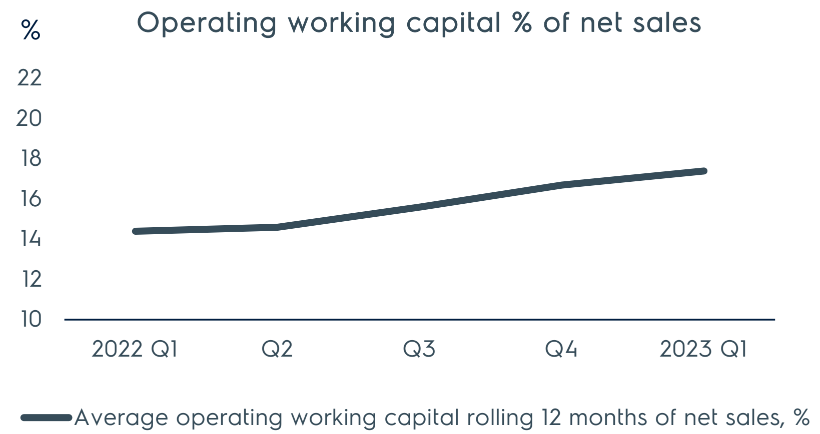
SEKm	Jan-Mar 2023	Jan-Mar 2022	Change, %
Net sales	2,968	2,484	19.5
Gross operating income	1,030	824	25.0
Gross operating margin, %	34.7	33.2	
Operating income	301	199	51.4
Operating margin %	10.1	8.0	
Income after financial items	262	203	28.8
Income for the period	190	155	22.8
Earnings per share, SEK	0.66	0.54	22.2
EBITA	340	236	44.0
EBITA margin, %	11.4	9.5	

EBITA development

- Higher EBITA driven by net price contribution and volumes, particularly in Laundry
- Increased financial net due to higher interest rates
- Earnings per share increased by 22.2%

Operating working capital (OWC) and financial position

SEKm	31 Mar, 2023	31 Mar, 2022
Inventories	2,099	1,644
Trade receivables	2,139	1,780
Trade payables	2,088	1,868
Operating working capital	2,150	1,556
Operating working capital of annualized net sales, %	17.4	14.4
Short- and long-term loans	2,468	2,249
Net provisions for post-employment benefits	106	-66
Lease liabilities	299	313
Other liabilities	5	3
Cash and cash equivalents and short-term investments	827	664
Net debt	2,051	1,836
Net debt/EBITDA ratio	1.4	1.8

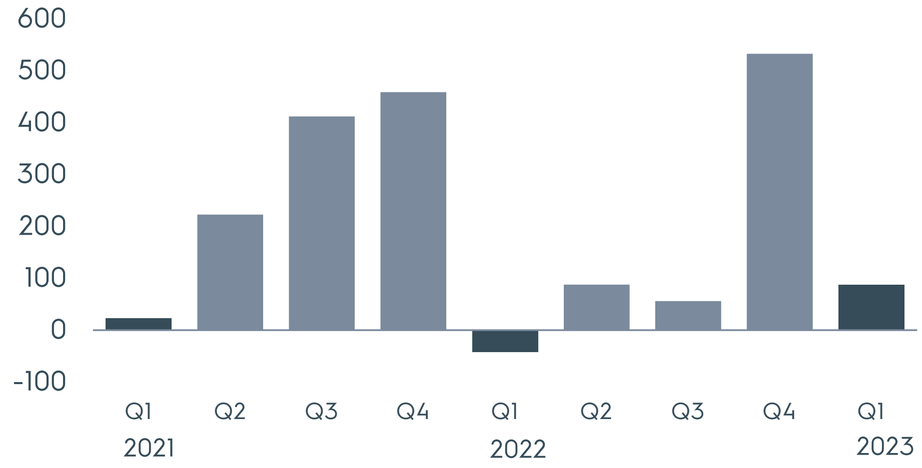


- Operating working capital as per cent of annualized sales increased to 17.4 compared to 16.7 at the end of 2022. Inventory weight remained high and trade receivables increased because of higher sales.
- Net debt/EBITDA further improved to 1.4x

Operating cash flow

SEKm	Jan-Mar 2023	Jan-Mar 2022
EBIT	301	199
Depreciation, amortization and other non-cash items	110	107
Change in operating assets and liabilities	-306	-329
Investments in intangible and tangible assets	-18	-18
Changes in other investments	0	-0
Operating cash flow after investments	87	-42

Operating cash flow after investments, SEKm



- Inventory and trade receivables increased
- Solid operating Cash flow, well above the first quarter of recent years

The new TANGO XP fully automatic espresso line

- TANGO XP - a complete line of high-performing fully automatic coffee machines
- Includes single and double group models. Double launched now, single later.
- Dedicated to coffee professionals who place premium coffee extraction at the top of their expectations.
- Fully designed to handle high coffee volumes, TANGO XP line includes up to three largely visible 1.2Kg hoppers supplying fresh coffee beans

→ Meeting the fast-growing market trend for precise and high-performance fully automatic machine solutions
→ Builds customer's loyalty offering always the same high-quality in the cup with a top performance

Partnering with leading chains in a unique circular economy initiative

- **HeroDry** – an energy-efficient external dryer which can quickly dry reusable packaging, while using a minimum of energy.

- EU Single-Use Plastics Directive
- Drive down the global reliance on certain single-use plastics
- Electrolux Professional partnering with several multinational brands, including a pilot with Coca-Cola and Max Burgers in Sweden
- A unique ‘circular economy’ initiative
- Aims at reducing the amount of waste generated by single use consumables in hospitality outlets
- Together with our dedicated washing solutions

Summary

Electrolux Professional Group

- A strong first quarter with improved profitability
- EBITA improved by 44% to SEK 340m with a margin of 11.4%
- Order intake was good most parts of the quarter, although we saw a softening in Food & Beverage towards the end of the quarter
- On track to meet our CO_2 emission reduction target. Reduction by -45% compared to 2015
- We continue to bring new products to the market
- Market demand has held up well, although the US market was somewhat soft. Hence, and also based on our order stock, we remain cautiously optimistic for the next quarter


Electrolux
Professional
Group
Q&A

Electrolux
Professional
Group