



Electrolux  
Professional  
Group

# SEB nordic seminar

Copenhagen, January 9, 2024

Alberto Zanata, CEO

# A solid 2022 with high growth continuing in 2023 - a stronger foundation than before

Net Sales SEKm    EBITA%, excl IAC

- Larger share in the US and in chains
- Resilient Laundry business
- Proven ability to manage cost in downturns



Net sales by geography

**~58% Europe**

**~29% Americas**

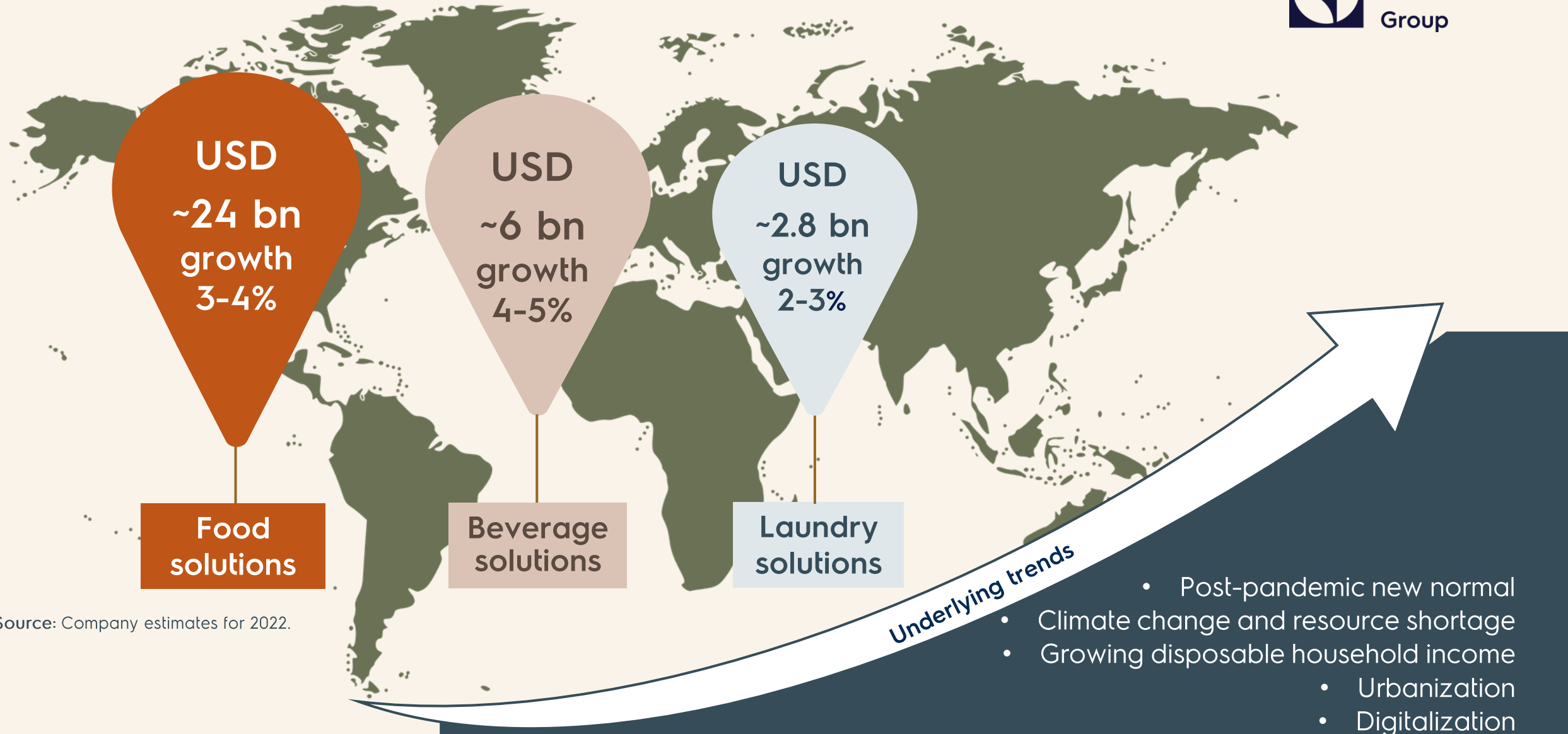
**~13% APAC&MEA**

Net sales by segment

**66% Food & Beverage**

**34% Laundry**

# Our markets



Source: Company estimates for 2022.

# Offering outstanding customer experience

## Food



**Human-centered kitchen solutions that boost efficiency, to create great-tasting and effortless results**

## Beverage



**Innovative beverage solutions that simplify use while reducing waste, for delicious, quality beverages**

## Laundry



**Sustainable and flexible commercial Laundry solutions to improve productivity and ergonomics**

# Our industry is slowing down the growth after a faster than expected post-covid recovery

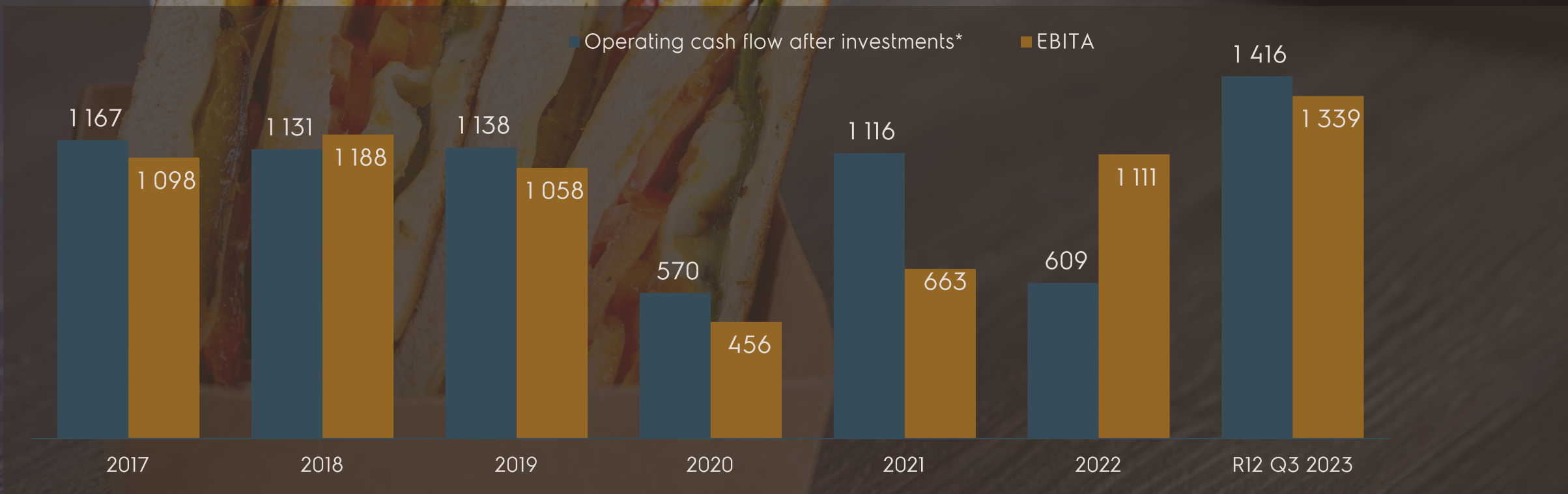


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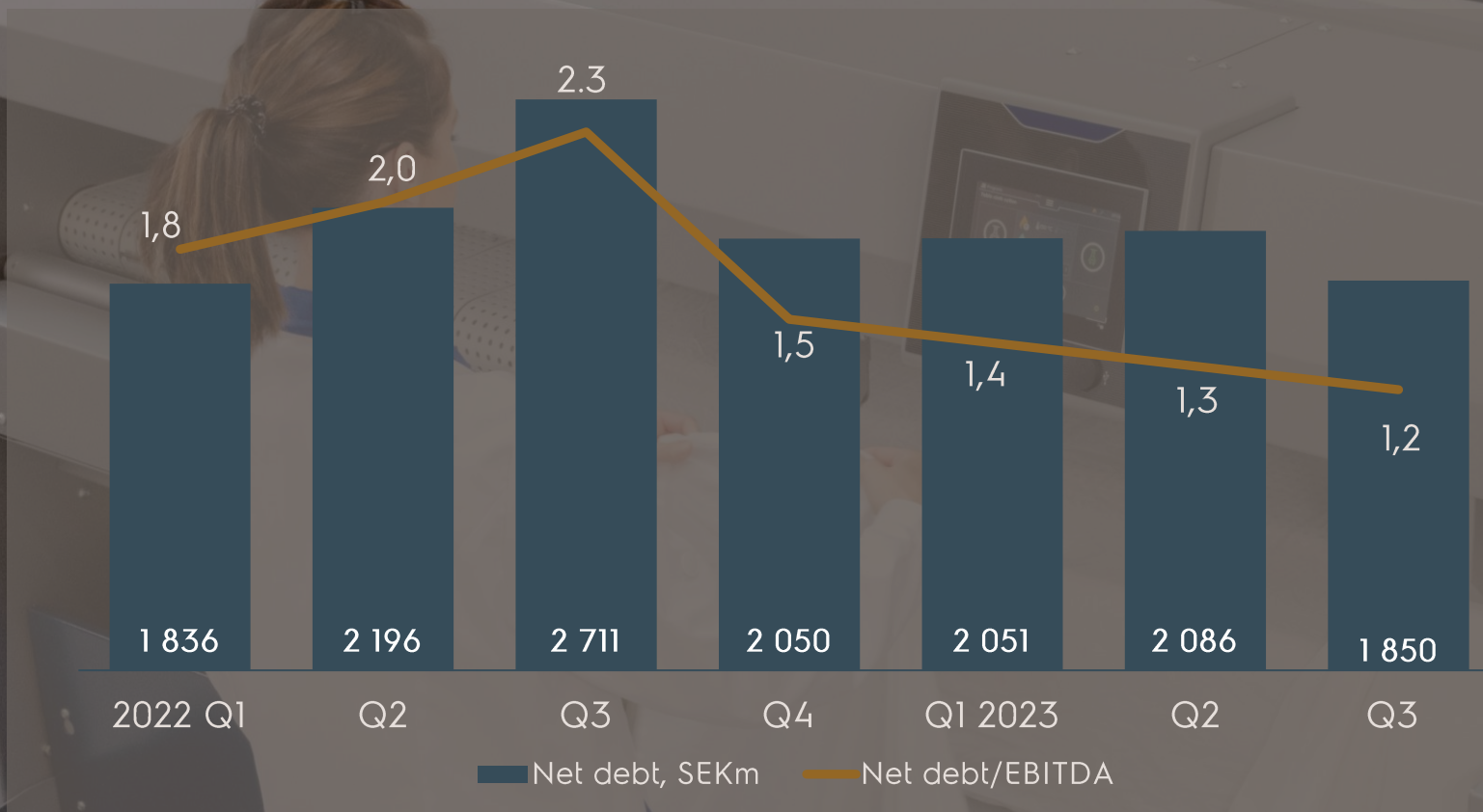
- Strong recovery during 2021-2022 after eased Covid-pandemic measures
- Spearheaded by US and quick-service restaurants, but later recovery in Asia
- Our industry demonstrated strong resilience. Laundry almost unaffected
- Our industry is back to pre-pandemic sales levels, but not in volumes in F&B
- Underlying factors influencing market growth are robust
- Current geopolitical situation, high inflation and high interest rates are slowing down the growth

# Cash flow

- Proven good cash flow generation over the years
- In 2022, cash flow impacted by increase of Operating Working Capital



# Further improved Net debt/EBITDA ratio



# We are progressing towards our financial targets

Net sales organic  
growth target over time

**4%**

2022: 16.9%

Profitability target

**15%**

2022: 10.4%\*

Assets efficiency target

Operating working capital as per cent  
of net sales

**15%**

2022: 16.7%

Capital structure target

Net debt/EBITDA ratio below

**2.5x**

2022: 1.5x

Dividend

**30%**

of income

2022 pay out: 30%



# Our strategic priorities

1

Grow the business through developing sustainable, low running cost solutions

2

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

3

Boost customer care

4

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

# 2023 strengthened innovative, sustainable solutions

## GourmeXpress high speed oven for food chains customers

- Take aways
- Restaurants
- Bars/Cafés
- Hotels



- Higher than target margin
- Commercial restaurant Chains

## TANGO XP complete line of high-performing fully automatic coffee machines

- Single and double group models.
- Dedicated to coffee professionals who place premium coffee extraction at the top of their expectations.



- Higher than target Margin
- Chains and Institutions

# Unified Brands fully integrated

- Unified Brands acquisition delivered sales exceeding expectations with an accretive EBITA margin
- Unified Brands and Electrolux Professional Americas organization now fully integrated
- Commercial teams up and running
- Full systems and process harmonization finalized

Revenue synergies                      SEK 20-40m EBITA

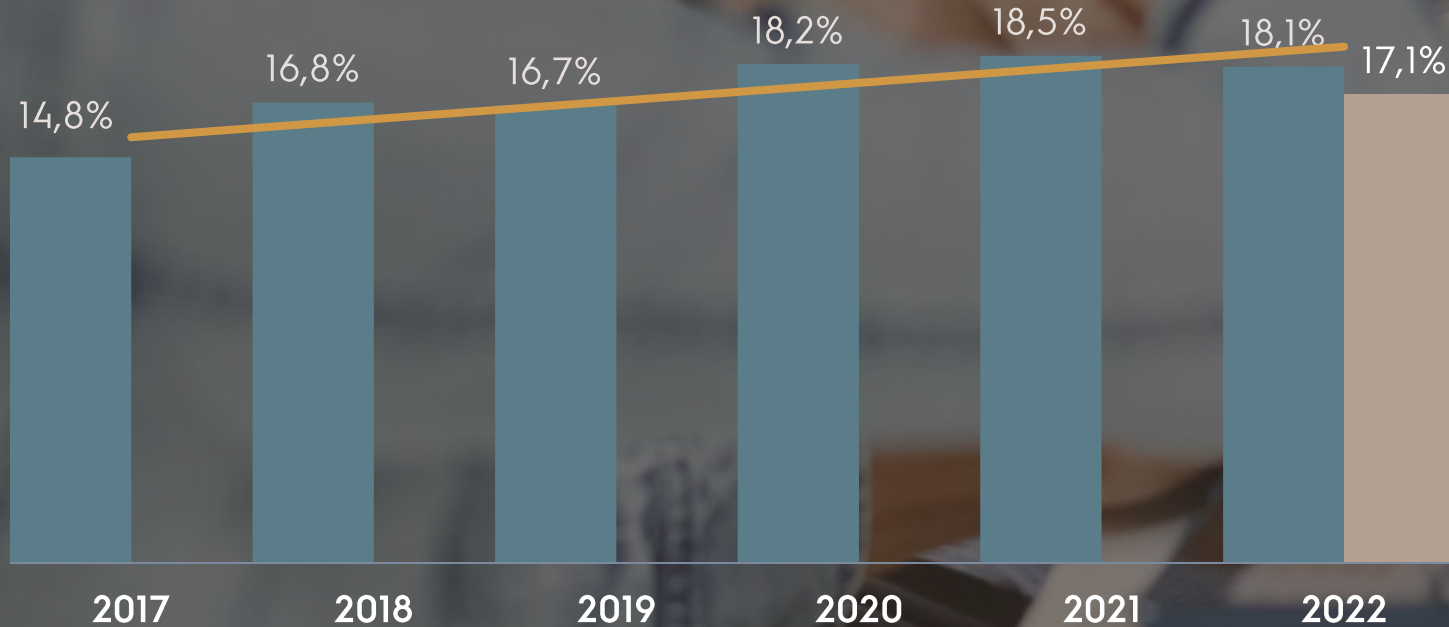
Cost synergies                            SEK 25-50m EBITA

**= SEK 45-90m EBITA**

Synergies underway, ramping through 2024

# Customer Care growth contributes to profitability

Customer care in % of total sales



- Customer care growth +19% in 2022
- Detergents and spareparts grew most

Excluding Unified Brands

Including Unified Brands



# Digital is starting to shape our industry

Significant investments in digitalization focusing on Connected solutions and roll-out of the OnE Customer platform

## ➤ MID TERM DIGITAL TARGET

Connected appliance of future installed base

**50%**

Distribution on-line sales

**65%**

Digital Interaction

**50%**

## ➤ CONNECTED Future installed base will be connected

- OnE user interface across food, laundry and beverage segments
- Valuable data storage & analyze features

## ➤ CUSTOMER DIGITAL PLATFORM

Sales to onboarded partners and distributors where the platform is launched:

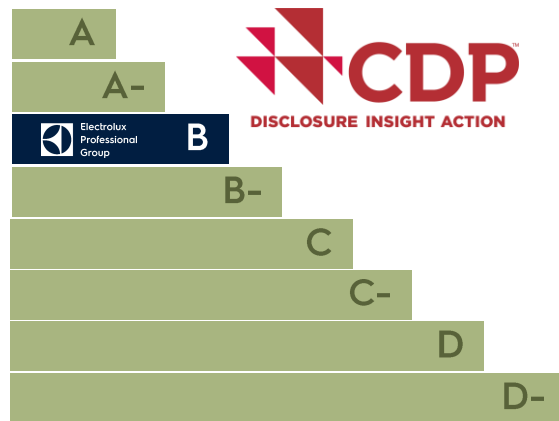
**72%**  
of all orders  
digital

**50%**  
of sales  
value digital

- Launched in several countries 2021-2022
- Continued roll-out in 2023-2024

# The sustainability leader in our industry

## CDP questionnaire for climate change 2022



## Sustainalytics risk rating ESG "low risk" 13.8



## The Group's science- based targets approved by SBTi



# Electrolux Professional Group to acquire Tosei



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- Electrolux Professional has signed an agreement to acquire Tosei Corporation – a leading company in professional Laundry and Food vacuum packing in Japan
  - Tosei will significantly increase Electrolux Professional Group's presence in Japan (today only 1.5% of Group sales) rebalancing the geographical presence of the Group
  - Tosei will increase the size of Electrolux Professional's resilient Laundry business in a stable and large market
  - Electrolux Professional will be able to utilize Tosei's leading organization in Food to expand in Japan, a large market led by local players
  - Electrolux Professional will be able to expand the vacuum packing products outside Japan that are used globally in the fast-growing segment of sous-vide cooking

# Tosei - reliable Japanese Technology



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## TOSEI

- Founded in 1950, Tosei is a leading company in professional Laundry and Vacuum packing in Japan
- 340 employees. Head office in Tokyo and Factory in Izunokuni, Shizuoka
- Sales of approximately SEK 1,000m, (approximately 70% professional Laundry and 30% Vacuum packing)
- A portfolio of washers and dryers, mainly for laundromats (Coin-ops) as well as vacuum packing machines such as Table-top, Stationary and fully automatic
- Main brands are Tosei, Tosclean, Tospack and Toscook.



**Tosclean**

Coin-operated  
Washer/Dryer



**Tospack**

Table-top vacuum  
solution



# A solid Group with Large potential



Track record of delivering solid EBITA, cash flow and cash conversion.  
Solid balance sheet.

Positioned to benefit from an attractive Americas business

Profitable growth journey

Focused plan to generate margin expansion



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# Appendix



# Cost Of Ownership more important than before

- Investment in products/equipment is a smaller portion of the overall ownership cost

Water  
5%

Equipment  
10%

Energy  
50%

Detergents  
35%

1

# Strengthened innovative and sustainability solutions

## Line 6000 Heat Pump Tumble Dryer

Advanced technology that consistently reduces drying times with energy savings of

**60%**



## Thermaline Pressure Braising Pan

The reduction in cooking time ensures higher productivity, while saving energy up to

**77%**

## Green&clean Rack type dishwashing

Uses less water, detergent and rinse aid with energy savings of

**34%**



Low running cost solutions more important than before

# 2023 Strengthened innovative, sustainable solutions



## OnE Connected – all-in-one digital ecosystem for smart, efficient and sustainable workflows

- Increases productivity
- Improves efficiency
- Boosts customer satisfaction
- Makes businesses more sustainable

- Operation Excellence

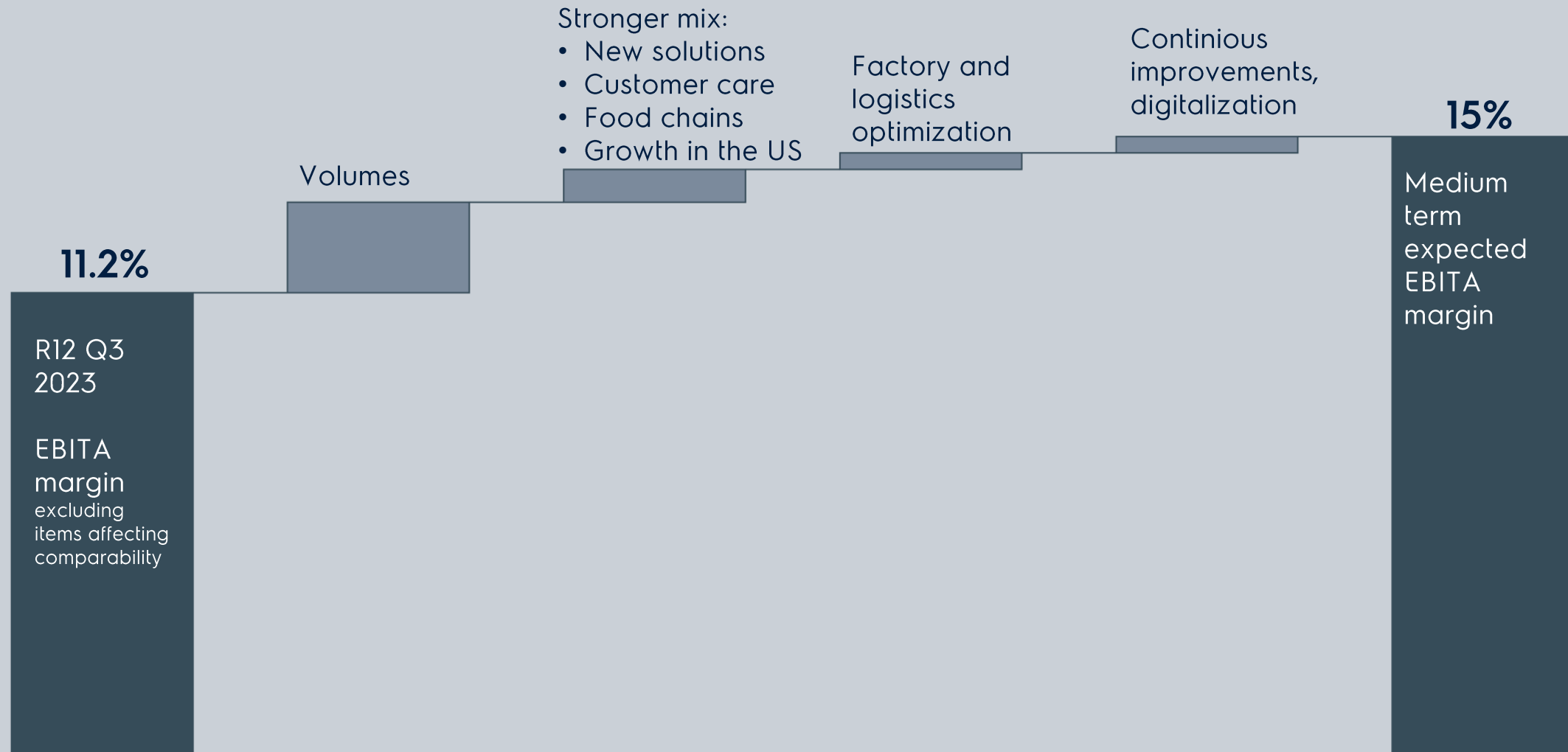
## HeroDry free-standing blower for food chains

- A unique 'circular economy' initiative
- Meets the EU Single-Use Plastics Directive
- Drives down the global reliance on certain single-use plastics



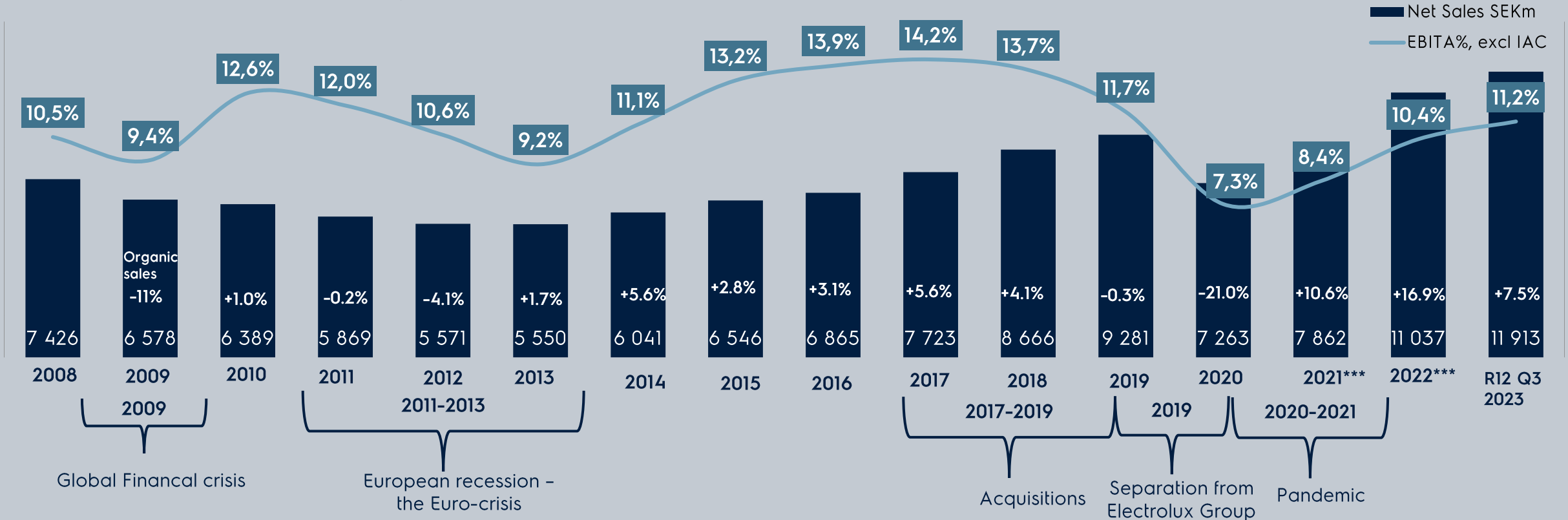
- Higher than target Margin
- Commercial Restaurant Chains

# Building blocks to achieve 15% EBITA margin



# The Covid-pandemic had a x2 impact on sales vs Financial Crisis 2009

## Net sales\* and profitability development



\* Excluding divested businesses (Baring Industries, US (2010) and Heating element, Switzerland (2011)) \*\*Excluding Items affecting Comparability (IAC)

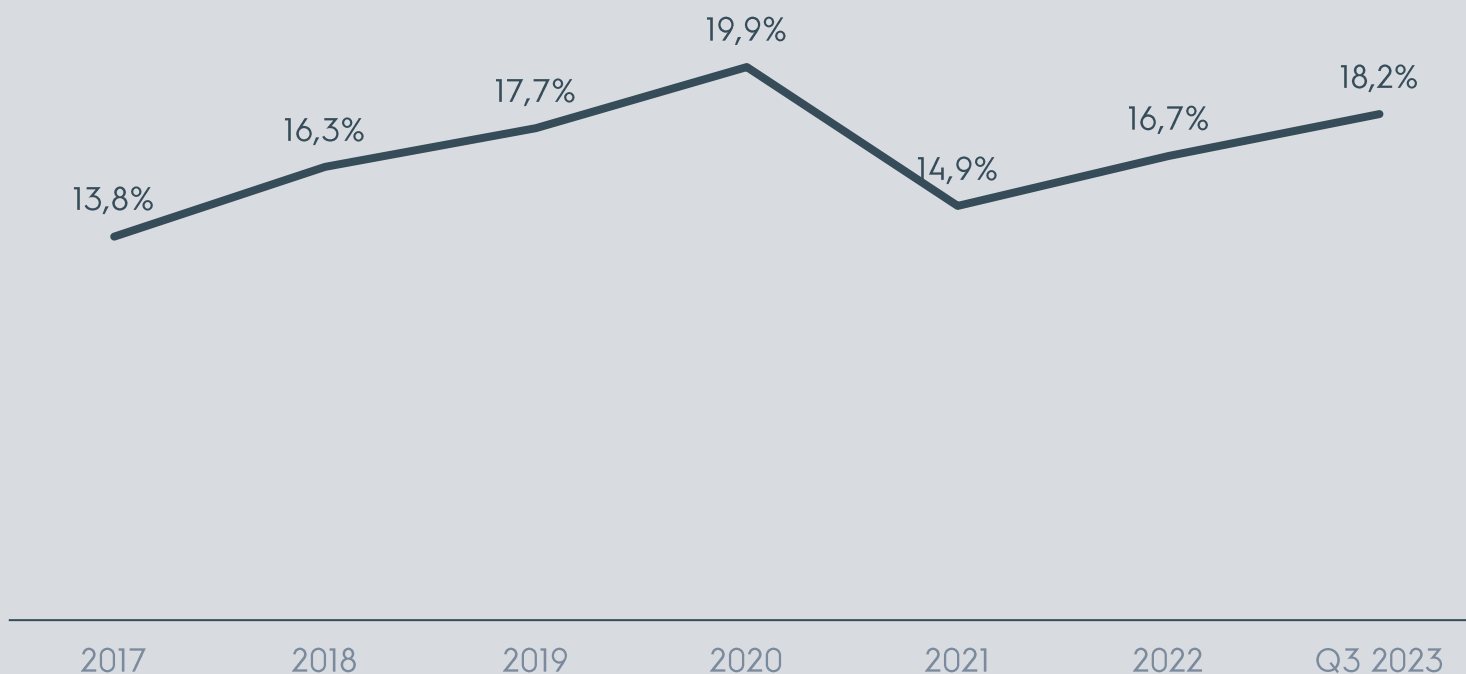
\*\*\*Includes Unified Brands from December 2021



# Operating Working Capital (OWC)

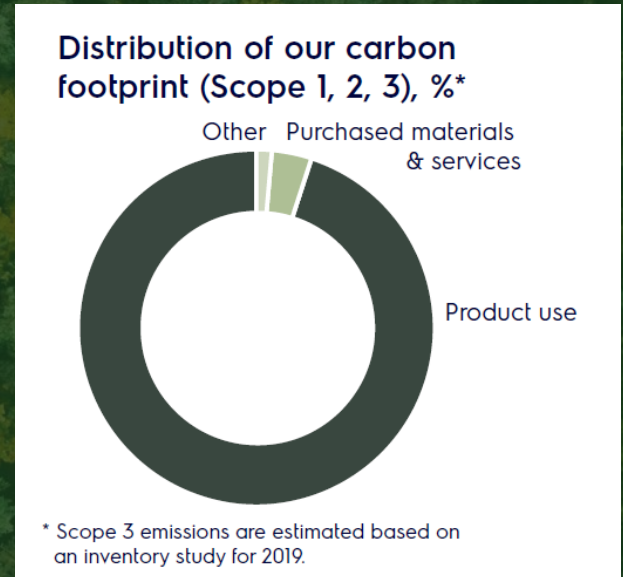
- Business model with low OWC
- 2018-2019 burdened by acquisitions and large phase in/out of products
- OWC has increased due to safety stock of components, and higher stock to create product availability
- Activities to optimize inventory initiated
- Quality of receivables are good.

Operating working capital as % of net sales



# Our climate impact

- During 2021 we reported the data from our greenhouse gas emissions within scope 3 (year 2019)
- Main climate impact occurs during the product use phase, approximately 95%
- The main contributor within the usage phase relates to the product's energy consumption



# Sustainability performance

## Target to be climate neutral in operations in 2030

- CO2 reduction aligned with Paris agreement
- Lost time injury rate
- Diversity & inclusion



Performance  
2022  
(2021)

**-45%\***  
(-31)

**0.6**  
(0,7)

**26%**  
**women**  
(26)

\* Scope 1 and 2 – emissions from own operations. Target -50% by 2025 compared to 2015 with recalculated baseline.



# Electrolux Professional Group's science-based targets validated by SBTi



- Targets to reduce greenhouse gas emissions by 2030 have been validated by the Science Based Targets initiative (SBTi).
- Our Science Based Targets are
  - to reduce scope 1 and 2 emissions by 70% by 2030 (the base year 2019).
  - reduce indirect use phase emissions (scope 3) of sold products by 27.5% by 2030 from a 2019 base year.

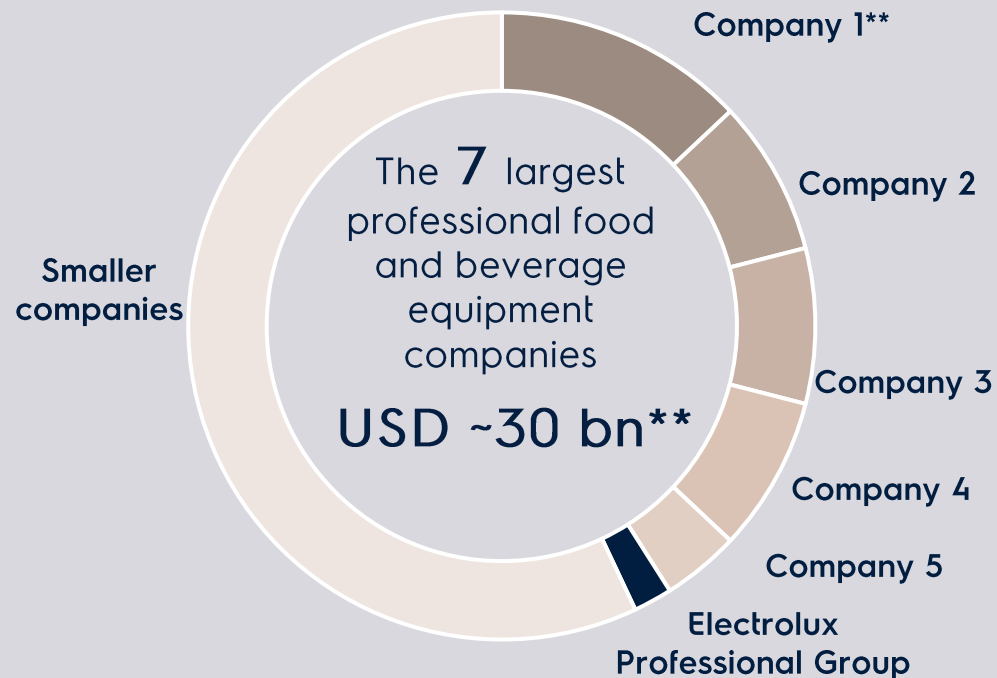


SCIENCE  
BASED  
TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

# The global professional equipment industry

## Food & Beverage



\*\* 2022 markets, own company estimates

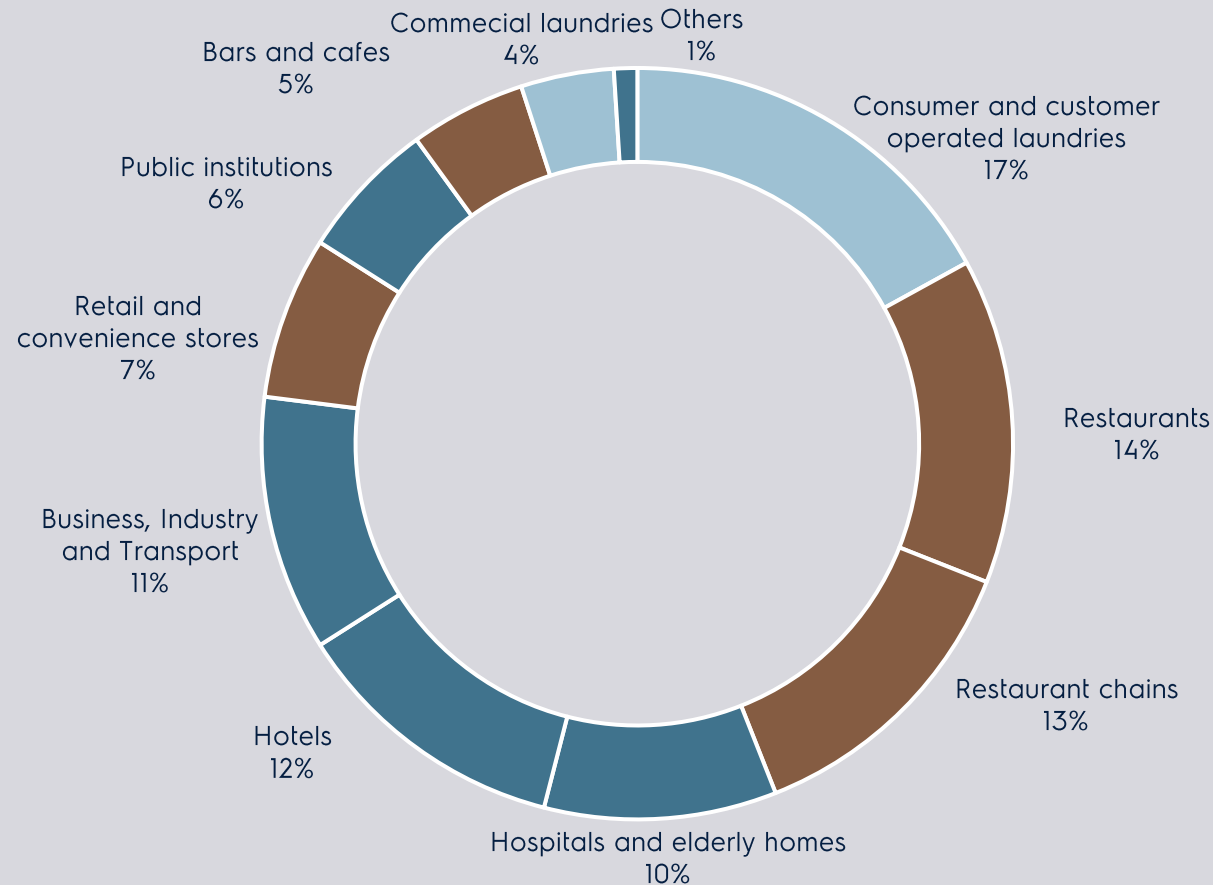
\*\* Pro forma

## Laundry



\*\* 2022 markets, own company estimates

# Electrolux Professional sales per customer segment\*



\* Figures are partially estimates since Electrolux Professional do not always have information about the end customer.



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