Interim report Q1

First quarter, January–March 2022

- Net sales amounted to SEK 2,484m (1,661). Sales increased by 49.6%. Organically sales increased by 25.5%. The acquisition of Unified Brands contributed with 19.9%.
- EBITA amounted to SEK 236m (103), corresponding to a margin of 9.5% (6.2). EBITA includes Unified Brands integration related costs of SEK –15m.
- Operating income amounted to SEK 199m (88), corresponding to a margin of 8.0% (5.3).
- Operating cash flow after investments amounted to SEK –42m (23).
- Income for the period amounted to SEK 155m (55), and earnings per share was SEK 0.54 (0.19).

Key ratios

	First quarter		
SEKm	Jan–Mar 2022	Jan–Mar 2021	Change, %
Net sales	2,484	1,661	49.6
EBITA*	236	103	128.2
EBITA margin, %*	9.5	6.2	
Operating income*	199	88	126.9
Operating margin, %*	8.0	5.3	
Income after financial items	203	83	144.2
Income for the period	155	55	179.7
Earnings per share, SEK[1]	0.54	0.19	
Operating cash flow after investments*	–42	23	
Operating working capital % of net sales*	14.4	19.4	

*) Alternative performance measures used in this report are explained on pages 23–24.

1) Basic number of outstanding shares.

Message from the CEO:

A strong sales recovery in turbulent times

Alberto Zanata,
President and CEO

> **"The sales recovery that started last year has continued in the first quarter and we have now had four consecutive quarters of good sales growth."**

The sales recovery that started last year has continued in the first quarter and we have now had four consecutive quarters of good sales growth. Sales in most countries are now back, or almost back, at 2019 pre-pandemic levels, with a few countries even ahead of pre-pandemic levels. However, in several countries in Asia-Pacific we are still behind in sales.

Sales in the quarter increased organically by 25.5% compared to last year and grew 49.6% including the recently acquired Unified Brands business. Sales were particularly strong in the Americas, but also Europe had very good growth, while the remaining regions had limited growth.

EBITA for the first quarter was SEK 236m (103) with a corresponding margin of 9.5% (6.2). EBITA includes integration-related costs for Unified Brands of SEK –15m. Hence, the underlying EBITA margin corresponds to 10.1%. This improvement was primarily driven by the increased sales volume.

Despite decisive actions, the price increases have not fully compensated for the increased component, raw material and logistic costs and had a negative net impact of approximately SEK –70m in the quarter. Given further cost increases, we will implement additional price increases or surcharges during the second quarter.

Operating cash flow after investments in the quarter amounted to SEK –42m (23). The negative cash flow is mainly related to an increase in receivables and inventory.

Sales of Food & Beverage continued its strong recovery with an organic growth of 34.1%, reporting an EBITA margin of 8.2% (2.3). The EBITA margin excluding the Unified Brands integration-related costs was 9.0%. Growth was very strong throughout Europe and the US, while sales only improved marginally in Asia-Pacific, Middle East & Africa. Unified Brands, which was acquired on December 1, 2021, saw strong sales growth with an underlying EBITA margin of 11% in the quarter.

Sales of Laundry grew organically by 15.0% and are now above 2019 levels in all regions, except in Asia-Pacific, Middle East & Africa. Sales in the US were particularly strong. The EBITA margin for Laundry was 17.4% (14.7).

Sales of Customer Care had a strong quarter, contributing positively to the result. Sales to chains in the US are also developing well with several new medium-sized roll-outs ongoing.

In order to faster execute on our strategic priorities, we have decided to simplify our organization. This means that we will have Business Areas that are more focused on categories and geographies.

Since February, we have witnessed a humanitarian crisis following Russia's invasion of Ukraine. As a company, we have a strong will to support the people and communities in Ukraine that are in need. So far, we have provided kitchen equipment to support refugees crossing the borders to the EU, and we are donating funds to the International Red Cross, matching our employees' donations.

Despite the uncertain geopolitical situation, the strong order intake trend has continued. Combined with the solid order stock, this gives us confidence for the second quarter, although we expect raw material and component supply challenges to persist.

Alberto Zanata,
President and CEO

Financial overview

First quarter development

Net sales

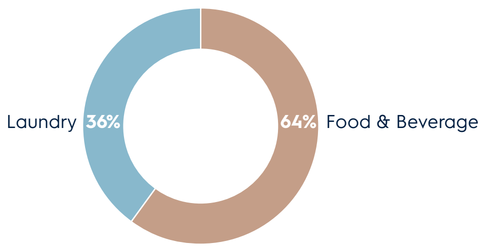
Net sales for the first quarter amounted to SEK 2,484m (1,661), an increase by 49.6% compared to the same period last year. Organically, sales increased by 25.5%. The acquisition of Unified Brands contributed by 19.9% and currency had a positive effect of 4.2%.

The sales increase was driven by a continued comeback of the hospitality industry as pandemic restrictions have been eased. Sales of Food & Beverage increased organically by 34.1%. Sales of Laundry increased organically by 15.0%.

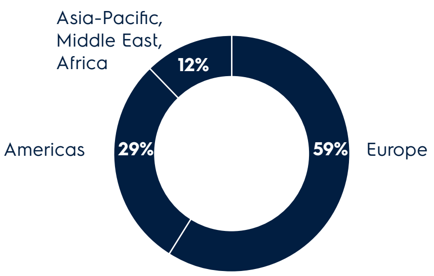
Changes in net sales, %	Jan–Mar 2022	Jan–Mar 2021
Organic growth*	25.5	-15.3
Acquisitions*	19.9	–
Changes in exchange rates	4.2	-5.2
Total	**49.6**	**-20.6**

*) Alternative performance measures used in this report are explained on pages 23-24.

Share of sales by segment, January–March 2022



Share of sales by region, January–March 2022



Operating income and EBITA

Operating income excluding amortization of intangible assets (EBITA), including integration related costs of SEK -15m, amounted to SEK 236m (103), corresponding to a margin of 9.5% (6.2). Underlying EBITA-margin was 10.1%. Operating income amounted to SEK 199m (88), corresponding to a margin of 8.0% (5.3). The improved operating income was driven by the increased sales volume. Price increases have not fully compensated for the increased component, raw material and logistic costs and had a negative net impact of approximately SEK -70m in the quarter.

Sales and EBITA margin

Financial net

Net financial items amounted to SEK 5m (-4). Finance net was positively impacted by valuations of hedges and exchange rate changes.

Income for the period

Income for the period amounted to SEK 155m (55), corresponding to SEK 0.54 (0.19) in earnings per share.

Income tax for the period amounted to SEK -48m (-28). The effective tax rate was 23.7% (33.4).

Group common cost

Group common cost was SEK -47m (-28). The increase is due to advisory costs.

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Segment Food & Beverage

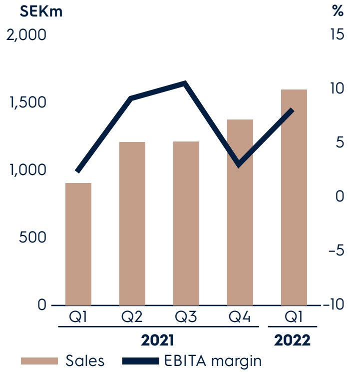
In the first quarter, sales for Food & Beverage were SEK 1,597m (905), an increase of 76.4% compared to the same period last year. Organically sales increased by 34.1% and currency had a positive effect of 6.1%. The acquisition of Unified Brands contributed by 36.3%.

Organically, sales increased by approximately 39% in Europe, by 37% in Americas, and by 7% in Asia-Pacific, Middle East and Africa.

Operating income excluding amortization of intangible assets (EBITA) amounted to SEK 129m (21), corresponding to a margin of 8.1% (2.3). EBITA includes integration related costs for Unified Brands of SEK -15m which means that the underlying EBITA-margin was 9.0%. EBITA improved due to higher volumes.

Operating income amounted to SEK 96m (9), corresponding to a margin of 6.0% (1.0).

Sales and EBITA margin



SEKm	First quarter Jan–Mar 2022	Jan–Mar 2021	Change, %	Full year Jan–Dec 2021
Net sales	1,597	905	76.4	4,704
Organic growth, %	34.1	-21.1		14.3
Acquisitions, %	36.3	-		2.5
Changes in exchange rates, %	6.1	-6.0		-4.7
EBITA	129	21	523.8	299
EBITA margin, %	8.1	2.3		6.4
Operating income	96	9	959.9	244
Operating margin, %	6.0	1.0		5.2

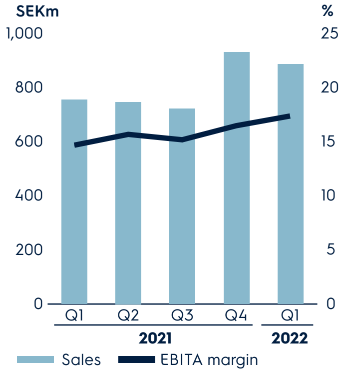
Segment Laundry

In the first quarter, sales for Laundry were SEK 887m (756), an increase of 17.4% compared to the same period last year. Organically sales increased by 15.0% and currency had a positive effect of 2.3%.

Organically, sales increased by approximately 7% in Europe, by 100% in Americas and declined by 2% in Asia-Pacific, Middle East and Africa.

Operating income excluding amortization of intangible assets (EBITA) amounted to SEK 154m (111), corresponding to a margin of 17.4% (14.7). Operating income amounted to SEK 149m (107), corresponding to a margin of 16.8% (14.1).

Sales and EBITA margin



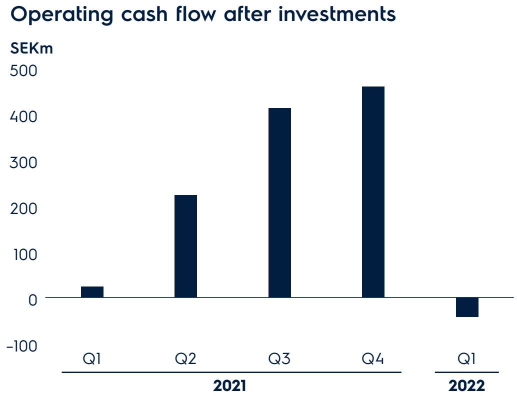
SEKm	First quarter Jan–Mar 2022	Jan–Mar 2021	Change, %	Full year Jan–Dec 2021
Net sales	887	756	17.4	3,159
Organic growth, %	15.0	-7.1		5.5
Changes in exchange rates, %	2.3	-3.8		-2.5
EBITA	154	111	38.9	492
EBITA margin, %	17.4	14.7		15.6
Operating income	149	107	39.9	475
Operating margin, %	16.8	14.1		15.0

Net sales, EBITA and operating income by segment

SEKm	First quarter Jan–Mar 2022	First quarter Jan–Mar 2021	Full year Jan–Dec 2021
Food & Beverage			
Net sales	1,597	905	4,704
EBITA	129	21	299
Amortization	–33	–12	–55
Operating income	96	9	244
Laundry			
Net sales	887	756	3,159
EBITA	154	111	492
Amortization	–5	–4	–17
Operating income	149	107	475
Group common costs			
EBITA	–47	–28	–127
Amortization	–0	–0	–1
Operating income	–47	–28	–128
Total Group			
Net sales	2,484	1,661	7,862
EBITA	236	103	663
Amortization	–37	–16	–72
Operating income	199	88	592
Financial items, net	5	–4	–4
Income after financial items	203	83	587
Taxes	–48	–28	–101
Income for the period	155	55	487

Cash flow

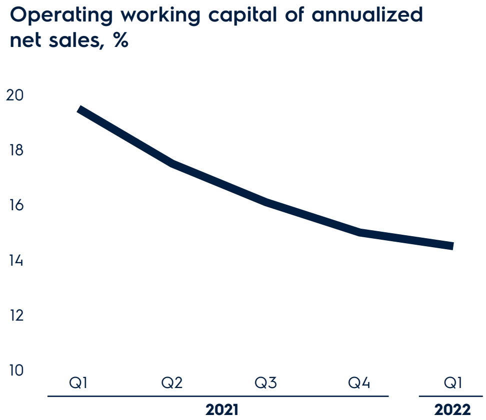
Operating cash flow after investments amounted to SEK –42m (23) in the quarter. The negative cash flow is mainly related to an increase in receivables and inventory.



SEKm	First quarter Jan–Mar 2022	First quarter Jan–Mar 2021	Full year Jan–Dec 2021
Operating income	199	88	592
Depreciation	66	54	223
Amortization	37	16	72
Other non-cash items	5	4	4
Operating income adjusted for non-cash items	**306**	**162**	**890**
Change in inventories	-211	-42	-139
Change in trade receivables	-137	-3	-216
Change in accounts payable	35	-45	398
Change in other operating assets, liabilities and provisions	-17	-14	312
Operating cash flow	**-23**	**57**	**1,245**
Investments in tangible and intangible assets	-18	-34	-159
Changes in other investments	-0	-0	31
Operating cash flow after investments	**-42**	**23**	**1,116**

Operating working capital

Operating working capital as percent of annualized net sales improved to 14.4% in the first quarter 2022 compared to 14.9% in the fourth quarter of 2021. The improvement is due to net sales growing faster than the average increase in receivables and inventory.



Financial position

Net debt

As of March 31, 2022, Electrolux Professional had a financial net debt position (excluding lease liabilities and post-employment provisions) of SEK 1,588m compared to SEK 1,418m as of December 31, 2021. Lease liabilities amounted to SEK 313m and net provisions for post-employments benefits amounted to SEK –66m.

In total, net debt amounted to SEK 1,836m as of March 31, 2022, compared to SEK 1,705m as of December 31, 2021.

Long-term borrowings amounted to SEK 1,220m and short-term borrowings amounted to SEK 1,058m. Total borrowings amounted to SEK 2,278m compared to SEK 2,268m as of December 31, 2021.

Liquid funds as of March 31, 2022, amounted to SEK 690m compared to SEK 849m as of December 31, 2021.

Credit facilities and loans

Electrolux Professional AB has a term loan of SEK 600m with a tenure of seven years from 2020, a sustainability linked loan of EUR 60m with a tenure of seven years from 2021 and a revolving credit facility of EUR 200m with a tenure until 2026. As of March 31, 2022, EUR 97m of the revolving credit facility was utilized.

Net debt

SEKm	Mar 31, 2022	Mar 31, 2021	Dec 31, 2021
Short-term loans	1,029	257	1,045
Financial derivative liabilities	24	6	5
Accrued interest expenses and prepaid interest income	5	2	3
Total short-term borrowings	1,058	265	1,053
Long-term loans	1,220	600	1,215
Long-term borrowings	1,220	600	1,215
Total borrowings[1]	**2,278**	**865**	**2,268**
Cash and cash equivalents	664	616	836
Financial derivative assets	25	13	13
Prepaid interest expenses and accrued interest income	1	1	1
Liquid funds	**690**	**630**	**849**
Financial net debt	**1,588**	**235**	**1,418**
Lease liabilities	313	228	326
Net provisions for post-employment benefits	–66	83	–39
Net debt*	**1,836**	**546**	**1,705**
Net debt/EBITDA ratio*	1.8	1.0	1.9
EBITDA*	1,030	563	886

*) Alternative performance measures used in this report are explained on pages 23–24.

1) Whereof interest-bearing borrowings amounting to SEK 2,249m as of March 31, 2022, SEK 857m as of March 31, 2021 and SEK 2,260m as of December 31, 2021.

Other disclosures

Conversion of shares

Conversion of shares According to Electrolux Professional´s articles of association, owners of A-shares have the right to have such shares converted to B-shares. Conversion reduces the total number of votes in the Company. 1,468 shares were converted in the first quarter. The total number of registered shares in the company on March 31, 2022 amounted to 287,397,450 of which 8,046,514 are Series A and 279,350,936 are Series B. The total number of votes amounted to 35,981,607.6.

Employees

The number of employees at the end of the quarter was 3,982 (3,437). The increase is due to the acquisition of Unified Brands.

Events after the balance sheet day

After the end of the reporting period, no significant events have taken place that could affect the company's operations.

Parent Company

The Parent Company's activities include head office as well as production and sales in and from Sweden.

Net sales for the Parent Company, Electrolux Professional AB, for the period from January 1 to March 31, 2022 amounted to SEK 671m (540) of which SEK 276m (233) referred to sales to Group Companies and SEK 395m (307) to external customers. Income after financial items was SEK 53m (15). Income for the period amounted to SEK 42m (11).

Capital expenditure in tangible and intangible assets was SEK 3m (2). Liquid funds at the end of the period amounted to SEK 281m, as against SEK 391m in the beginning of the year.

Undistributed earnings in the Parent Company at the end of the period amounted to SEK 6,310m, as against SEK 6,263m at the beginning of the year.

The income statement and balance sheet for the Parent Company are presented on page 18.

Annual General Meeting

Electrolux Professional's Annual General Meeting will be held at 15.00 CET on April 28, 2022 at hotel Courtyard by Marriot, Rålambshovsleden 50, Stockholm.

Risk and uncertainty factors

Electrolux Professional is an international group with a wide geographic spread and is thus exposed to a number of business and financial risks. Risk management in Electrolux Professional aims to identify, control and reduce risks. The risk factors are described in the Annual Report and consist of strategic risks, operational risks, industry risks, sustainability risks and financial risks. Compared to the Annual Report, which was issued on March 31, 2022, no new material risks have been identified. Electrolux Professional expects that its financial performance will continue to be affected by the pandemic related to the corona virus uncertainty as long as countries still have restrictions in place.

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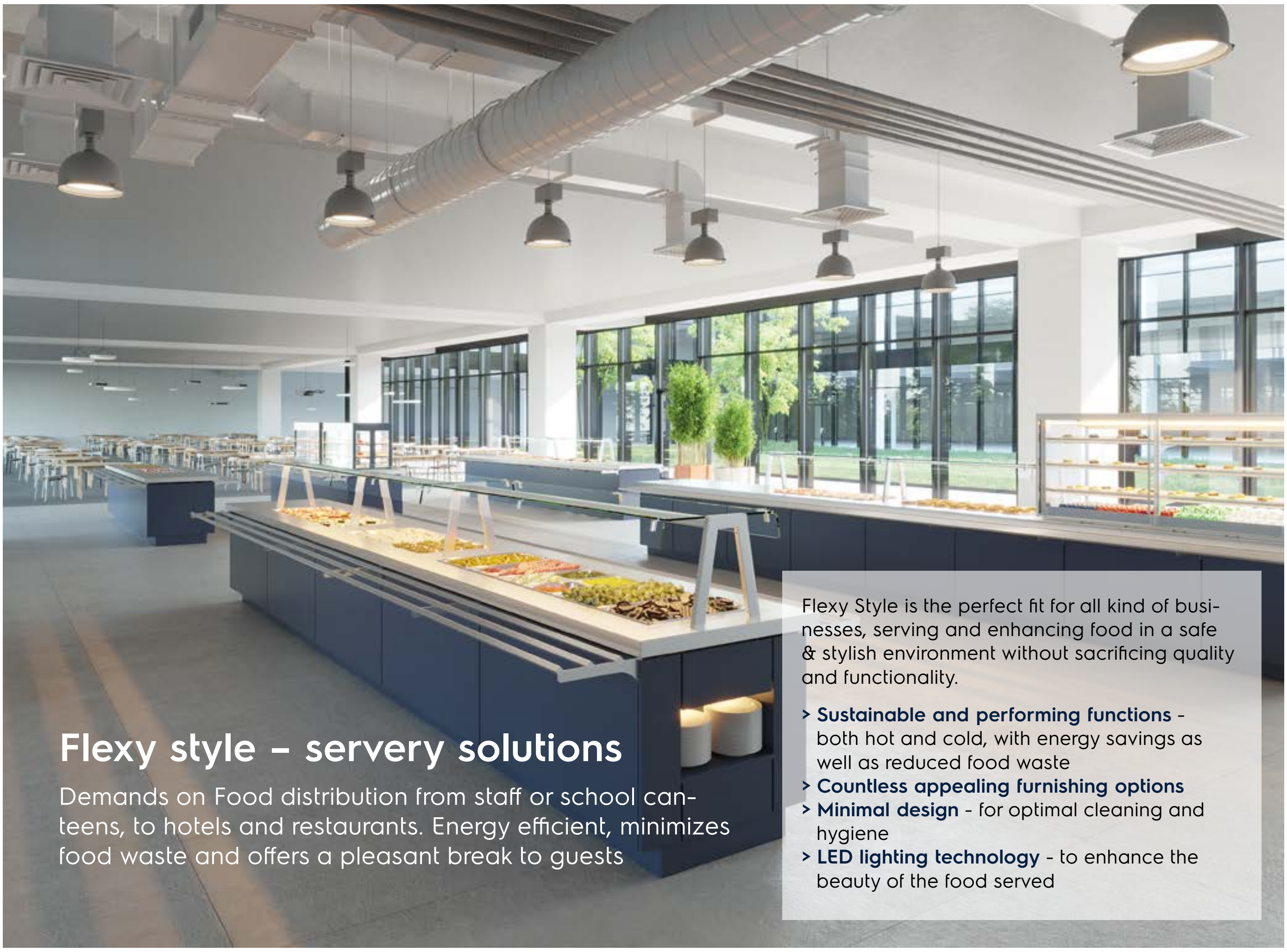
Stockholm, April 27, 2022

Electrolux Professional AB (publ)

Alberto Zanata
President and CEO

This report has not been audited or reviewed by external auditors.

This is a translation of the Swedish language original. In the event of any differences between this translation and the Swedish language original, the latter shall prevail.

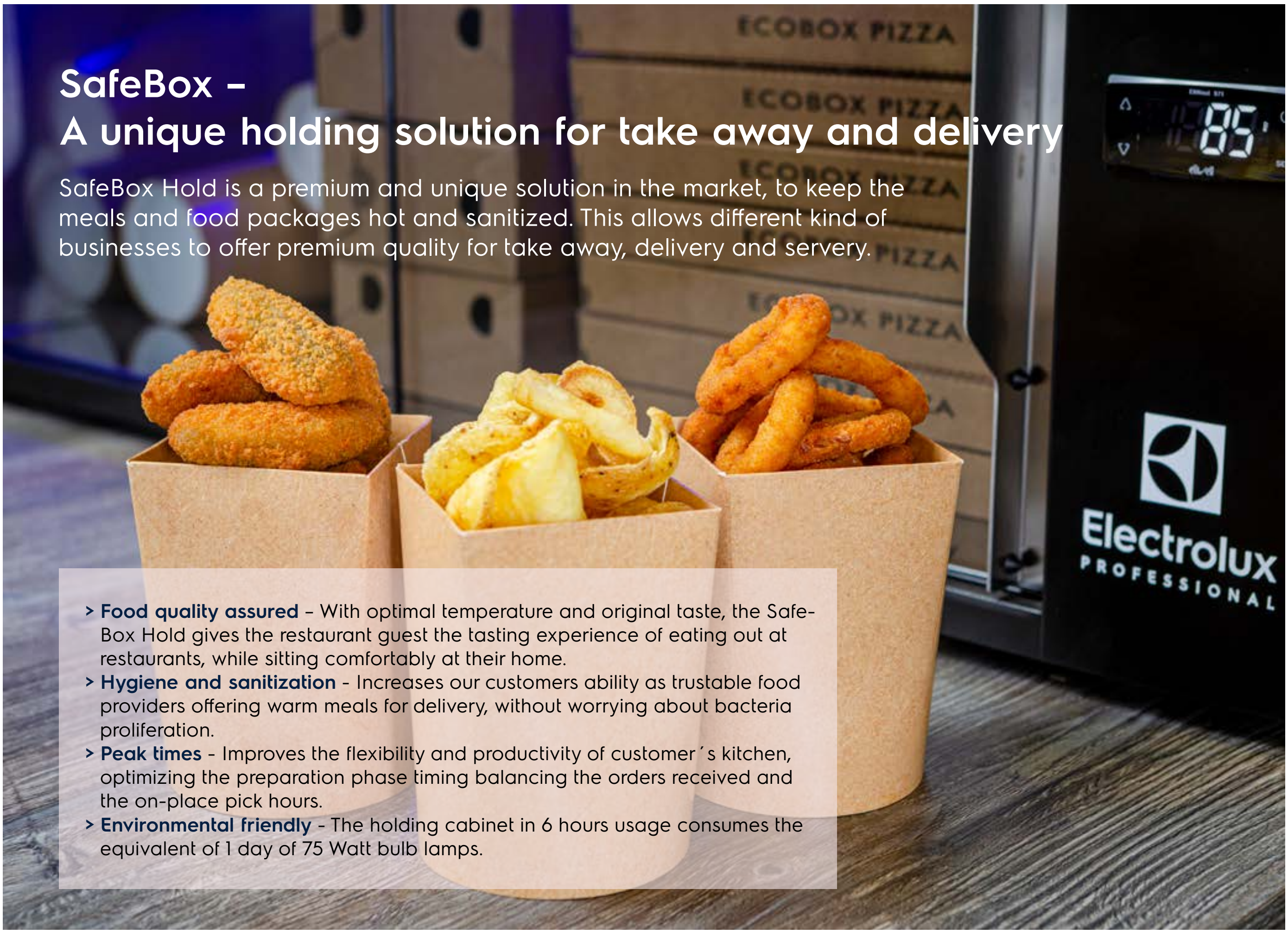


Flexy style – servery solutions

Demands on Food distribution from staff or school canteens, to hotels and restaurants. Energy efficient, minimizes food waste and offers a pleasant break to guests

Flexy Style is the perfect fit for all kind of businesses, serving and enhancing food in a safe & stylish environment without sacrificing quality and functionality.

- **Sustainable and performing functions** - both hot and cold, with energy savings as well as reduced food waste
- **Countless appealing furnishing options**
- **Minimal design** - for optimal cleaning and hygiene
- **LED lighting technology** - to enhance the beauty of the food served



SafeBox – A unique holding solution for take away and delivery

SafeBox Hold is a premium and unique solution in the market, to keep the meals and food packages hot and sanitized. This allows different kind of businesses to offer premium quality for take away, delivery and servery.

- **Food quality assured** – With optimal temperature and original taste, the SafeBox Hold gives the restaurant guest the tasting experience of eating out at restaurants, while sitting comfortably at their home.
- **Hygiene and sanitization** - Increases our customers ability as trustable food providers offering warm meals for delivery, without worrying about bacteria proliferation.
- **Peak times** - Improves the flexibility and productivity of customer´s kitchen, optimizing the preparation phase timing balancing the orders received and the on-place pick hours.
- **Environmental friendly** - The holding cabinet in 6 hours usage consumes the equivalent of 1 day of 75 Watt bulb lamps.

Financial reports

Consolidated statement of total comprehensive income

SEKm	First quarter Jan–Mar 2022	First quarter Jan–Mar 2021	Full year Jan–Dec 2021
Net sales	**2,484**	**1,661**	**7,862**
Cost of goods sold	–1,660	–1,110	–5,210
Gross operating income	**824**	**551**	**2,653**
Selling expenses	–411	–317	–1,382
Administrative expenses	–223	–147	–652
Other operating income and expenses	8	–0	–27
Operating income	**199**	**88**	**592**
Financial items, net	5	–4	–4
Income after financial items	**203**	**83**	**587**
Taxes	–48	–28	–101
Income for the period	**155**	**55**	**487**
Items that will not be reclassified to income for the period:			
Remeasurement of provisions for post-employment benefits	26	46	141
Income tax relating to items that will not be reclassified	–5	–6	–18
	22	**40**	**124**
Items that may be reclassified subsequently to income for the period:			
Exchange-rate differences on translation of foreign operations	49	115	154
Other comprehensive income, net of tax	**71**	**156**	**278**
Total comprehensive income for the period	**226**	**211**	**764**
Income for the period attributable to:			
Shareholders of the Parent Company	155	55	487
Total	**155**	**55**	**487**
Total comprehensive income for the period attributable to:			
Shareholders of the Parent Company	226	211	764
Total	**226**	**211**	**764**
Earnings per share, SEK			
Basic, SEK	0.54	0.19	1.69
Diluted, SEK	0.54	0.19	1.69
Average number of shares			
Basic, million	287.4	287.4	287.4
Diluted, million	287.4	287.4	287.4

Consolidated balance sheet

SEKm	Mar 31, 2022	Mar 31, 2021	Dec 31, 2021
Assets			
Non-current assets			
Property, plant and equipment, owned	1,482	1,267	1,486
Property, plant and equipment, right-of-use	305	223	318
Goodwill	3,137	1,756	3,068
Other intangible assets	989	299	999
Deferred tax assets	379	347	372
Pension plan assets	185	63	165
Other non-current assets	22	28	20
Total non-current assets	**6,500**	**3,982**	**6,428**
Current assets			
Inventories	1,644	1,153	1,416
Trade receivables	1,780	1,293	1,625
Tax assets	95	92	80
Other current assets	249	239	225
Cash and cash equivalents	664	616	836
Total current assets	**4,431**	**3,394**	**4,182**
Total assets	**10,931**	**7,376**	**10,609**
Equity and liabilities			
Equity attributable to shareholders of the Parent Company			
Share capital	29	29	29
Other paid-in capital	5	5	5
Other reserves	206	118	157
Retained earnings	3,514	2,843	3,334
Equity attributable to shareholders of the Parent Company	3,754	2,995	3,525
Total equity	**3,754**	**2,995**	**3,525**
Non-current liabilities			
Long-term borrowings	1,220	600	1,215
Long-term lease liabilities	240	164	251
Deferred tax liabilities	133	143	135
Provisions for post-employment benefits	120	146	125
Other provisions	263	223	270
Total non-current liabilities	**1,976**	**1,276**	**1,996**
Current liabilities			
Trade payables	1,868	1,265	1,814
Tax liabilities	462	334	429
Other liabilities	1,623	1,034	1,597
Short-term borrowings	1,029	257	1,045
Short-term lease liabilities	73	64	75
Other provisions	146	153	130
Total current liabilities	**5,201**	**3,106**	**5,088**
Total equity and liabilities	**10,931**	**7,376**	**10,609**

Change in consolidated equity

SEKm	First quarter Jan–Mar 2022	First quarter Jan–Mar 2021	Full year Jan–Dec 2021
Opening balance	**3,525**	**2,784**	**2,784**
Total comprehensive income for the period	**226**	**211**	**764**
Share-based payments	3	–	–23
Total transactions with equity holders	**3**	**–**	**–23**
Closing balance	**3,754**	**2,995**	**3,525**

Consolidated cash flow statement

SEKm	First quarter Jan–Mar 2022	First quarter Jan–Mar 2021	Full year Jan–Dec 2021
Operations			
Operating income	199	88	592
Depreciation and amortization	103	70	295
Other non-cash items	5	4	4
Financial items paid, net[1]	6	–4	–2
Taxes paid	–44	–51	–141
Cash flow from operations, excluding change in operating assets and liabilities	268	107	746
Change in operating assets and liabilities			
Change in inventories	–211	–42	–139
Change in trade receivables	–137	–3	–216
Change in accounts payable	35	–45	398
Change in other operating assets, liabilities and provisions	–17	–14	312
Cash flow from change in operating assets and liabilities	–330	–104	355
Cash flow from operations	**–61**	**3**	**1,101**
Investments			
Acquisition of operations	–	–	–2,103
Capital expenditure in property, plant and equipment	–17	–33	–155
Capital expenditure in other intangibles	–0	–1	–4
Other	–0	–0	31
Cash flow from investments	–18	–34	–2,231
Cash flow from operations and investments	**–79**	**–31**	**–1,130**
Financing			
Change in short-term borrowings, net[2]	–73	–141	656
New long-term borrowings	–	–	615
Amortization of long-term borrowings	–0	–0	–0
Payment of lease liabilities	–20	–19	–74
Share-based payments	–	–	–30
Cash flow from financing	–93	–160	1,166
Total cash flow	**–173**	**–191**	**36**
Cash and cash equivalents at beginning of period	**836**	**797**	**797**
Exchange-rate differences referring to cash and cash equivalents	1	11	3
Cash and cash equivalents at end of period	**664**	**616**	**836**

1) For the period January 1 to March 31: interest and similar items received SEK 10,7m (2,0), interest and similar items paid SEK –5,0m (–2,1) and other financial items received/paid SEK 2,7m (–2,2). Interest paid for lease liabilities SEK –2,2m (–2,2).
2) Of which short-term loans with a duration of more than 3 months for the period January 1 to March 31; new loans SEK 1,058m (266), repaid loans SEK –1,131m (–407).

Alternative performance measures key figures

SEKm, if not otherwise stated	First quarter Jan–Mar 2022	First quarter Jan–Mar 2021	Full year Jan–Dec 2021
Net sales	2,484	1,661	7,862
Organic growth, %*	25.5	-15.3	10.6
EBITA*	236	103	663
EBITA margin, %*	9.5	6.2	8.4
EBITA excl. items affecting comparability* [1]	236	103	663
EBITA margin excl. items affecting comparability, %* [1]	9.5	6.2	8.4
Operating income*	199	88	592
Operating margin, %*	8.0	5.3	7.5
Operating income excl. items affecting comparability* [1]	199	88	592
Operating margin excl. items affecting comparability, %* [1]	8.0	5.3	7.5
Income after financial items	203	83	587
Income for the period	155	55	487
Capital expenditure*	-18	-34	-159
Operating cash flow after investments*	-42	23	1,116
Earnings per share, SEK[2]	0.54	0.19	1.69
Net debt*	1,836	546	1,705
EBITDA* [3]	1,030	563	886
Net debt/EBITDA ratio*	1.8	1.0	1.9
Operating working capital % of net sales* [4]	14.4	19.4	14.9
Average number of shares, million[2]	287.4	287.4	287.4
Number of employees, end of period	3,982	3,437	3,973

*) Alternative performance measures used in this report are explained on pages 23–24.

1) For information on items affecting comparability, see page 17.
2) Basic number of outstanding shares.
3) Rolling four quarters.
4) Last twelve months currency adjusted.

Quarterly data

SEKm	Q1, 2022	Full year, 2021	Q4, 2021	Q3, 2021	Q2, 2021	Q1, 2021
Food & Beverage						
Net sales	1,597	4,704	1,377	1,211	1,210	905
EBITA	129	299	41	127	110	21
EBITA margin, %	8.1	6.4	3.0	10.5	9.1	2.3
Amortization	-33	-55	-19	-12	-12	-12
Operating income	96	244	22	115	98	9
Operating margin, %	6.0	5.2	1.6	9.5	8.1	1.0
Laundry						
Net sales	887	3,159	932	723	748	756
EBITA	154	492	153	110	117	111
EBITA margin, %	17.4	15.6	16.5	15.2	15.7	14.7
Amortization	-5	-17	-4	-4	-4	-4
Operating income	149	475	149	106	113	107
Operating margin, %	16.8	15.0	16.0	14.7	15.1	14.1
Group common costs	-47	-128	-30	-39	-30	-28
Total Group						
Net sales	2,484	7,862	2,309	1,935	1,958	1,661
EBITA	236	663	164	199	197	103
EBITA margin, %	9.5	8.4	7.1	10.3	10.1	6.2
Amortization	-37	-72	-24	-16	-16	-16
Operating income	199	592	141	183	181	88
Operating margin, %	8.0	7.5	6.1	9.5	9.2	5.3
Financial items, net	5	-4	10	-5	-5	-4
Income after financial items	203	587	151	178	176	83
Income for the period	155	487	129	135	168	55
Earnings per share, SEK[1]	0.54	1.69	0.45	0.47	0.58	0.19

1) Basic number of outstanding shares.

Items affecting comparability

SEKm	Q1, 2022	Full year 2021	Q4, 2021	Q3, 2021	Q2, 2021	Q1, 2021
Food & Beverage	–	–	–	–	–	–
Laundry	–	–	–	–	–	–
Total Group	**–**	**–**	**–**	**–**	**–**	**–**

SEKm	Q1, 2022	Full year 2021	Q4, 2021	Q3, 2021	Q2, 2021	Q1, 2021
Total Group						
Operating income excl. items affecting comparability	199	592	141	183	181	88
Operating margin excl. items affecting comparability, %	8.0	7.5	6.1	9.5	9.2	5.3
EBITA excl. items affecting comparability	236	663	164	199	197	103
EBITA margin excl. items affecting comparability, %	9.5	8.4	7.1	10.3	10.1	6.2

Shares

Number of shares	A-shares	B-shares	Shares total
Number of shares as of January 1, 2022	8,047,982	279,349,468	287,397,450
Conversion of shares	–1,468	1,468	–
Number of shares as of March 31, 2022	**8,046,514**	**279,350,936**	**287,397,450**

Exchange rates

	Mar 31, 2022		Mar 31, 2021		Dec 31, 2021	
SEK	Average	End of period	Average	End of period	Average	End of period
CNY	1.47	1.47	1.29	1.33	1.33	1.42
CZK	0.4225	0.4241	0.3876	0.3916	0.3950	0.4111
DKK	1.40	1.39	1.36	1.38	1.36	1.38
EUR	10.42	10.34	10.14	10.24	10.15	10.24
GBP	12.43	12.22	11.56	12.02	11.78	12.21
JPY	0.0796	0.0765	0.0791	0.0788	0.0781	0.0785
NOK	1.05	1.06	0.98	1.02	1.00	1.03
RUB*	0.1072	0.0954	0.1118	0.1159	0.1159	0.1207
THB	0.2807	0.2801	0.2767	0.2793	0.2685	0.2705
TRY	0.68	0.63	1.11	1.05	0.98	0.70
USD	9.31	9.31	8.40	8.73	8.57	9.04

*) The end of period exchange rate, March 31, 2022, for Russian rouble is the last published rate by Sweden's central bank (March 25, 2022), all other end of period rates are from the European Central Bank.

Condensed Parent company income statement

SEKm	First quarter Jan–Mar 2022	First quarter Jan–Mar 2021	Full year Jan–Dec 2021
Net sales	**671**	**540**	**2,364**
Cost of goods sold	–467	–379	–1,691
Gross operating income	**204**	**161**	**673**
Selling expenses	–97	–88	–349
Administrative expenses	–67	–56	–185
Other operating income and expenses	1	3	11
Operating income	**41**	**20**	**150**
Financial income and expenses	12	–5	369
Financial items, net	12	–5	369
Income after financial items	**53**	**15**	**519**
Appropriations	–	–	5
Income before taxes	**53**	**15**	**524**
Taxes	–11	–4	–35
Income for the period	**42**	**11**	**489**

Condensed Parent company balance sheet

SEKm	Mar 31, 2022	Mar 31, 2021	Dec 31, 2021
Assets			
Non-current assets	9,338	6,441	9,281
Current assets	1,561	1,786	1,534
Total assets	**10,899**	**8,227**	**10,815**
Equity and liabilities			
Restricted equity	43	46	44
Non-restricted equity	6,310	5,806	6,263
Total equity	**6,353**	**5,852**	**6,307**
Untaxed reserves	108	114	108
Provisions	94	92	95
Non-current liabilities	1,220	600	1,215
Current liabilities	3,124	1,569	3,090
Total equity and liabilities	**10,899**	**8,227**	**10,815**

Notes

NOTE 1 ACCOUNTING PRINCIPLES

Electrolux Professional applies International Financial Reporting Standards (IFRS) as adopted by the European Union. This report has been prepared in accordance with IAS 34, Interim Financial Reporting.

Electrolux Professional interim reports contain a condensed set of financial statements. For the Group this chiefly means that the disclosures are limited compared to the annual report. Enumerated amounts presented in tables and statements may not always agree with the calculated sum of the related line items due to rounding differences. The aim is for each line item to agree with its source and therefore there may be rounding differences affecting the total when adding up the presented line items.

The accounting principles adopted in the preparation of this interim report apply to all periods and comply with the accounting principles presented in the Group's Annual Report 2021.

For the Parent Company financial statements in general are presented in condensed versions and with limited disclosures compared to the annual report. The interim financial statements of Electrolux Professional AB have been prepared in accordance with the Swedish Annual Accounts Act and the accounting standard RFR 2, accounting for legal entities. The most recent annual financial statements of Electrolux Professional AB have been prepared in compliance with the Swedish Annual Accounts Act (1995:1554) and recommendation RFR2, Accounting for legal entities of the Swedish Financial Reporting Board.

Reportable segments

Food & Beverage and Laundry represent the Group's reportable segments.

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NOTE 2 DISAGGREGATION OF REVENUE

Sales of products are revenue recognized at a point in time, when control of the products has transferred. Revenue from services related to installation of products, repairs or maintenance service is recognized when control is transferred being over the time the service is provided. Sales of these services are not material in relation to Electrolux Professional total net sales.

Geography is considered to be an important attribute when disaggregating Electrolux Professional revenue. Therefore, the table below presents net sales per geographical region based on the location of the end customer.

	First quarter	
SEKm	Jan–Mar 2022*	Jan–Mar 2021
Geographical region		
Europe	1,474	1,160
Asia-Pacific, Middle East and Africa	294	274
Americas	716	227
Total	**2,484**	**1,661**

*) Includes sales from Unified Brands which was acquired in December 2021.

NOTE 3 FAIR VALUES AND CARRYING AMOUNTS OF FINANCIAL ASSETS AND LIABILITIES

SEKm	Hierarchy level	Mar 31, 2022 Fair value	Mar 31, 2022 Carrying amount	Mar 31, 2021 Fair value	Mar 31, 2021 Carrying amount	Dec 31, 2021 Fair value	Dec 31, 2021 Carrying amount
Per category							
Financial assets at fair value through profit and loss	3	0	0	0	0	0	0
Financial assets measured at amortized cost		2,443	2,443	1,909	1,909	2,461	2,461
Derivatives, financial assets at fair value through profit and loss	2	26	26	13	13	13	13
Total financial assets		**2,470**	**2,470**	**1,923**	**1,923**	**2,474**	**2,474**
Financial liabilities measured at amortized cost		4,117	4,117	2,118	2,122	4,072	4,073
Derivatives, financial liabilities at fair value through profit and loss	2	24	24	6	6	5	5
Total financial liabilities		**4,141**	**4,141**	**2,125**	**2,128**	**4,077**	**4,078**

The Group strives for arranging master-netting agreements (ISDA) with the counterparts for derivative transactions and has established such agreements with the majority of the counterparties, i.e., if a counterparty will default, assets and liabilities will be netted. Derivatives are presented gross in the balance sheet.

Fair value estimation

Valuation of financial instruments at fair value is done at the most accurate market prices available. Instruments which are quoted on the market, e.g., the major bond and interest-rate future markets, are all marked-to-market with the current price. The foreign-exchange spot rate is used to convert the value into SEK. For instruments where no reliable price is available on the market, cash-flows are discounted using the deposit/swap curve of the cash flow currency. If no proper cash-flow schedule is available, e.g., as in the case with forward-rate agreements, the underlying schedule is used for valuation purposes.

To the extent option instruments are used, the valuation is based on the Black & Scholes' formula. The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities is estimated by discounting the future contractual cash flows at the current market-interest rate for similar financial instruments. The Group's financial assets and liabilities are measured according to the following hierarchy:

Level 1: Quoted prices in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included in Level 1 that are observable for assets or liabilities either directly or indirectly.

Level 3: Inputs for the assets or liabilities that are not entirely based on observable market data.

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NOTE 4 CONTINGENT LIABILITIES

SEKm	Mar 31, 2022	Mar 31, 2021	Dec 31, 2021
Group			
Guarantees and other commitments	10	126	9

NOTE 5 COVID-19 AND RUSSIA'S INVASION OF UKRAINE

Covid-19

As a consequence of the Covid-19 pandemic, Electrolux Professional has assessed any potential impact on the carrying value of asset and liabilities.

There has been no extra ordinary material write down of finished goods or supplies, impairment of assets or increased credit losses as a consequence of Covid-19 during the first quarter 2022.

Companies within the Group have received or assume that they fulfil the requirements of monetary help from governments. As of March 31, 2022 the amount recognized in profit or loss is SEK 0m (20) and refers mainly to short-term furlough of personnel.

Russia's invasion of Ukraine

Russia's invasion of Ukraine has created an uncertain geopolitical situation. Electrolux Professional is closely monitoring the developments as well as the compliance with the trade sanctions decided/adopted by among others the European Union, the United States and the United Kingdom. Electrolux Professional has limited sales to Russia, Belarus and Ukraine, representing less than 1% of total sales and total assets respectively, why the potential financial impact is insignificant. However, the invasion can potentially create supply chain disruptions including higher raw material prices which might have an effect on the Group's profitability. Electrolux Professional has 25 employees in Russia but none in Ukraine nor Belarus.

NOTE 6 ACQUIRED OPERATIONS

Acquisitions in 2022

During the first quarter an adjustment of the purchase price for Unified Brands was agreed with the seller. The amount is SEK 3.6m and will decrease the recognised goodwill. Cash will be received in the second quarter 2022. The purchase price allocation is preliminary and can be subject to further changes.

Acquisitions in 2021

For acquisitions in 2021 see note 6 in the Year-end report and note 25 in the Annual Report 2021.

Operations by segment yearly

SEKm	2021	2020	2019	2018	2017
Food & Beverage					
Net sales	4,704	4,198	5,895	5,399	4,922
EBITA	299	87	568	629	607
EBITA, %	6.4	2.1	9.6	11.7	12.3
Operating income	244	35	522	599	572
Margin, %	5.2	0.8	8.9	11.1	11.6
Laundry					
Net sales	3,159	3,065	3,386	3,267	2,801
EBITA	492	467	507	573	502
EBITA, %	15.6	15.2	15.0	17.6	17.9
Operating income	475	452	488	558	499
Margin, %	15.0	14.7	14.4	17.1	17.8
Group common cost					
Operating income	–128	-100	–18	–14	–11
Total Group					
Net sales	7,862	7,263	9,281	8,666	7,723
EBITA	663	456	1,058	1,188	1,098
EBITA, %	8.4	6.3	11.4	13.7	14.2
Operating income	592	387	992	1,143	1,060
Margin, %	7.5	5.3	10.7	13.2	13.7

Items affecting comparability

SEKm	2021	2020[1]	2019[1]	2018	2017
Food & Beverage	–	–55	–67	–	–
Laundry	–	–22	35	–	–
Total Group	**–**	**–77**	**–32**	**–**	**–**

1) Items affecting comparability in 2020 and in 2019 relates to restructuring charges for efficiency measures.

Five year overview

SEKm, if not otherwise stated	2021	2020	2019	2018	2017
Net sales	7,862	7,263	9,281	8,666	7,723
Organic growth, %	10.6	–21.0	–0.3	4.1	5.6
EBITA	663	456	1,058	1,188	1,098
EBITA, %	8.4	6.3	11.4	13.7	14.2
Operating income	592	387	992	1,143	1,060
Operating margin, %	7.5	5.3	10.7	13.2	13.7
Income after financial items	587	363	978	1,134	1,052
Income for the period	487	278	663	952	786
Items affecting comparability	–	–77	–32	–	–
Capital expenditure	–159	–273	–257	–169	–167
Operating cash flow after investments	1,116	570	1,138	1,131	1,167
Earnings per share, SEK[1]	1.69	0.97	2.31	3.31	2.74
Net debt	1,705	549	1,025	–226	–481
EBITDA	886	684	1,280	1,363	1,253
Net debt/EBITDA ratio	1.9	0.8	0.8	–0.2	–0.4
Operating working capital % of net sales[2]	14.9	19.9	17.7	16.3	13.8
Average number of shares, million	287.4	287.4	287.4	287.4	287.4
Number of employees, end of period	3,973	3,515	3,624	3,555	3,183

1) Basic number of outstanding shares.
2) Last twelve months currency adjusted.

Definitions

Definitions and reconciliation of alternative performance measures
Electrolux Professional presents certain measures that are not defined under IFRS (alternative performance measures – "APMs"). These are used by management to assess the financial and operational performance of the Group. Management believes that these APMs provide useful information regarding the Group's financial and operating performance. Such measures may not be comparable to similar measures presented by other companies. Consequently, APMs have limitations as analytical tools and should not be considered in isolation or as a substitute for related financial measures prepared in accordance with IFRS. The APMs have been derived from the Electrolux Professional's internal reporting and are not audited. The APM reconciliations can be found on Electrolux Professional website www.electroluxprofessional.com/corporate/interim-reports/

APM	Definition	Reason for use
Organic growth %	Change in sales growth excluding net FX impact and acquisitions.	The Group's presentation currency is SEK while the net sales are mainly in other currencies. Organic growth is dependent on fluctuations in SEK versus other currencies and in addition acquired business can have an impact on reported net sales. Organic growth adjusted for acquisitions and currency shows the underlying sales development without these parameters.
Acquisitions %	Change in net sales during the current period attributable to acquired operation in relation to prior period's sales, following a period of 12 months commencing on the acquisition date.	See "Organic growth" above.
Operating income (EBIT)	Earnings before interest and tax.	Used as an indicator that shows the Group's ability to make a profit, regardless of the method of financing (then determines the optimal use of debt versus equity).
Operating margin (EBIT margin)	Operating income as a percentage of net sales.	Operating margin shows the operating income in percentage of net sales. Operating margin is a key internal measure as the Group believes that it provides users of the financial statements with a better understanding of the Group's financial performance both short and long term.
Items affecting comparability	Material profit or loss items such as capital gains and losses from divestments of product groups or major units, close down or significant down-sizing of major units or activities, larger cost saving programs, significant impairment, and other major costs or income items.	Summarizes events and transactions with significant effects, which are relevant for understanding the financial performance when comparing income for the current period with previous periods.
Operating income excluding items affecting comparability	Operating income less items affecting comparability.	Operating income excluding items affecting comparability shows the operating income adjusted for items affecting comparability. This is a key internal measure, as the Group believes that it provides users of the financial statements with a better understanding of the Group's financial performance both short and long term.

APM	Definition	Reason for use
Operating margin excluding items affecting comparability	Operating income excluding items affecting comparability as a percentage of net sales.	Operating margin excluding items affecting comparability shows the operating income in percentage of net sales adjusted for items affecting comparability. This is a key internal measure, as the Group believes that it provides users of the financial statements with a better understanding of the Group's financial performance both short and long term.
Capital expenditure	Investments in property, plant and equipment, product development and other intangible assets.	Used to ensure that cash spending is in line with Group's overall strategy for the use of cash.
EBITA	Operating income less amortization and write-down related to intangibles assets (excluding right of use assets).	EBITA gives an indication of the operating income less amortization and write-down related to intangibles assets (excluding right of use assets) and is mainly used to follow up operating income without the distortion of amortization of surplus values related to acquisitions.
EBITA margin	EBITA expressed as a percentage of net sales.	Used to evaluate business performance in relation to net sales in order to measure the efficiency of the Company.
EBITDA	EBITA less depreciation of tangible assets (including right of use assets).	EBITDA is an indicator for business' cash generating capacity in relation to sales.
EBITA excluding items affecting comparability	Operating income less amortization and write-down related to intangibles assets (excluding right of use assets) and less items affecting comparability.	Items affecting comparability vary between years and periods and in order to analyze trends items affecting comparability are excluded from EBITA.
EBITA margin excluding items affecting comparability	EBITA excluding items affecting comparability, expressed as a percentage of net sales.	Items affecting comparability vary between years and periods and in order to analyse trends, items affecting comparability are excluded from EBITA margin.
Operating cash flow after investments	Cash flow from operations and investments adjusted for financial items paid, net, taxes paid and acquisitions/divestments of operations.	Used to monetarize the cash from core operation.
Net debt	Short-term borrowings (short-term loans and trade receivables with recourse), accrued interest expenses and prepaid interest income and long-term borrowings, lease liabilities, net provisions for post-employment benefits, less liquid funds (cash and cash equivalents, prepaid interest expenses and accrued interest income).	Net debt describes the Group's total debt financing and is monitored by management.
Net debt/EBITDA	Net debt in relation to EBITDA (Net debt is based on the end of period balance and EBITDA is calculated based on last four rolling quarters).	A measurement of financial risk, showing net debt in relation to cash generation.
Operating working capital, % of net sales	All months of the period are currency adjusted by applying the end of period average currency rate. Sum of currency adjusted last twelve months' average of trade receivables, trade payables and inventories (Operating working capital) as percentage of currency adjusted last twelve months' average net sales.	Used to evaluate how efficient the Group is generating cash in relation to net sales.

Shareholders information

President and CEO Alberto Zanata's comments on the first quarter results 2022
Today's press release is available on the Electrolux Professional website
www.electroluxprofessional.com/corporate

Telephone conference 09.00 CET
A telephone conference is held at 09.00 today, April 27. Alberto Zanata, President and CEO and Fabio Zarpellon, CFO will comment on the report.

Details for participation by telephone are as follows:
Participants in Sweden: +46 8 566 427 05
Participants in UK/Europe: +44 333 300 9272
Participants in US: +1 631 913 1422 PIN: 23326470#

Slide presentations for download:
www.electroluxprofessional.com/corporate

Link to webcast:
https://electroluxprofessional.creo.se/220427

For further information, please contact:
Jacob Broberg, Senior Vice President Investor Relations and Communications +46 70 190 00 33

Financial calendar	Date
Annual General Meeting	April 28, 2022
Interim report Q2 2022	July 22, 2022
Interim report Q3 2022	October 27, 2022
Interim report Q4 2022	January 31, 2023

This information is information that Electrolux Professional AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person detailed in the column to the left, at 8:00 a.m. CET on April 27, 2022.

Mission

Making Electrolux Professional's customers' work-life easier, more profitable – and truly sustainable every day.

Strategy

Electrolux Professional's strategy focuses on four pillars, built on a foundation of operational excellence to improve sales productivity and cost efficiency within the supply chain.

GROW the business by developing sustainable, innovative low-running cost solutions: Set the pace of industry innovation in sustainability and energy efficiency, complemented with a connected and digital platform meeting customers' needs.

EXPAND in food service chains, especially in North America, grow in beverage and expand in emerging markets: Increase the global footprint and market position in selected industry verticals organically and through selective M&A as a further accelerator.

BOOST Customer Care (aftermarket sales) by further developing the global service network and competence as a full-service provider while increasing sales of accessories and consumables to enhance product performance and ownership experience.

LEVERAGE the OnE approach: Strengthen the position as a full-solution provider within food, beverage and laundry to cater for all customers' needs under one global brand and make customers' lives easier in a world of connected appliances.

Financial targets

Organic sales growth
Organic annual growth of more than 4 percent over time, complemented by value accretive acquisitions.

EBITA margin
EBITA margin of 15 percent.

Operating working capital
Operating working capital below 15 percent of net sales.

Net debt/EBITDA
Leverage ratio below 2.5x Net debt/EBITDA. Higher levels may be temporarily acceptable in case of acquisitions, provided a clear path to deleveraging.

Dividend policy
30 percent of net income.

About Electrolux Professional

Electrolux Professional is one of the leading global providers of food service, beverage and laundry for professional users. Our innovative products and worldwide service network make our customers' work-life easier, more profitable and truly sustainable every day. Our solutions and products are manufactured in 12 plants in seven countries and sold in over 110 countries. In 2021, Electrolux Professional had global sales of SEK 7,9bn and approximately 4,000 employees. For more information, visit www.electroluxprofessional.com/corporate

This report contains 'forward-looking' statements that reflect the company's current expectations. Although the company believes that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations prove to have been correct as they are subject to risks and uncertainties that could cause actual results to differ materially due to a variety of factors. These factors include, but are not limited to, changes in consumer demand, changes in economic, market and competitive conditions, currency fluctuations, developments in product liability litigation, changes in the regulatory environment and other government actions.

Forward-looking statements speak only as of the date they were made, and, other than as required by applicable law, the company undertakes no obligation to update any of them in light of new information or future events.

Electrolux
PROFESSIONAL

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