

# Year-end report

# Q4

## Fourth quarter, October–December 2020

- > The COVID-19 pandemic continued to impact the hospitality business. Net sales amounted to SEK 1,935m (2,334). Sales decreased by 17.1%. Organically sales decreased by 13.2%.
- > EBITA amounted to SEK 142m (181), corresponding to a margin of 7.3% (7.8).
- > Operating income amounted to SEK 119m (165), corresponding to a margin of 6.1% (7.1).
- > Operating cash flow after investments amounted to SEK 460m (355).
- > Income for the period amounted to SEK 70m (168), and earnings per share was SEK 0.24 (0.59).
- > Due to the ongoing pandemic, the Board proposes to pay no dividend for 2020.

## Key ratios

SEKm	Fourth quarter			Full year		
	Oct-Dec 2020	Oct-Dec 2019	Change, %	Jan-Dec 2020	Jan-Dec 2019	Change, %
Net sales	1,935	2,334	-17.1	7,263	9,281	-21.7
EBITA	142	181	-21.5	456	1,058	-56.9
EBITA margin, %	7.3	7.8		6.3	11.4	
Operating income	119	165	-28.0	387	992	-61.0
Operating margin, %	6.1	7.1		5.3	10.7	
Income after financial items	113	157	-28.1	363	978	-62.9
Income for the period	70	168	-58.4	278	663	-58.1
Earnings per share, SEK <sup>1</sup>	0.24	0.59		0.97	2.31	
Operating cash flow after investments	460	355		570	1,138	

1) Basic number of outstanding shares.

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# Strong cash flow in a turbulent time



Alberto Zanata,  
President and CEO

**// Short term the pandemic creates challenges, but when larger parts of the population world-wide are vaccinated against the coronavirus, I am confident that the business in restaurants, hotels and bars will come back. //**

After the sales recovery in the third quarter, the second wave of the coronavirus pandemic has halted the recovery. However, the negative impact is more contained now compared to the first wave, as customers have learned to adapt to the new situation.

Sales in the quarter declined organically by 13.2%. Sales of Laundry was almost flat compared to the same quarter last year which shows both the resilience of the laundry market and our strong position. Sales of Food & Beverage declined compared to the same quarter last year, to a large extent driven by the weak development in Southern Europe.

Thanks to short-term savings, improvements from the structural cost saving programs and the stable development in Laundry, we have been able to deliver a margin in line with the same quarter last year. EBITA for the quarter was SEK 142m (181) with a corresponding margin of 7.3% (7.8). Operating cash flow after investments improved and amounted to SEK 460m (355) in the quarter.

Sales of Food & Beverage declined organically by 20.8% in the quarter, reporting an EBITA-margin of 1.0%. Laundry continued on a comparable sales level with an organic decline of 1.9%, but an improved EBITA-margin of 16.9%.

The restructuring plan announced in September is progressing in line with plan and is expected to generate annual savings of SEK 110m from the second quarter of 2021 and additional SEK 20m from the second quarter of 2022.

Product innovations play a key role in our business, but further investments

have also been made to enhance efficiency. Hence, we have started a multi-year project to roll out a new common IT infrastructure to all factories in the Group. In addition, the consolidation of our beverage and laundry operations in Thailand into one factory is nearing completion.

We recently launched our sustainability commitments and targets focusing on climate, health & safety, as well as diversity. The overarching target is to become climate neutral within our industrial operations by 2030. We are fully committed to take further action to mitigate climate change and support the ambitions of the Paris Agreement

After 2019 with its intense preparations for the separation from AB Electrolux, 2020 was positioned for strengthening and growing the business after the listing efforts being completed in March. However, the coronavirus pandemic forced us to radically change our focus since the hospitality industry has been one of the most affected industries.

We are proud to have demonstrated resilience during the pandemic turbulence in 2020. Thanks to the flexibility of our employees and the cost saving measures adopted, we have laid the foundation for the future. Short term the pandemic creates challenges, but when larger parts of the population world-wide are vaccinated against the coronavirus, I am confident that the business in restaurants, hotels and bars will come back – and when this happens, we will have the products, the service and dedicated people in place to support our customers.

**Alberto Zanata,**  
President and CEO

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## Fourth quarter development

### Net sales

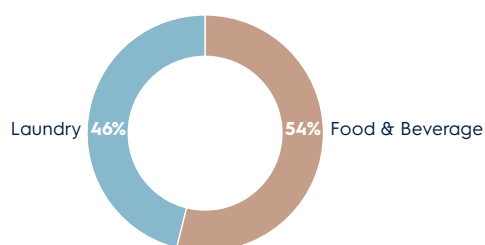
Net sales for the fourth quarter amounted to SEK 1,935m (2,334), a decline by 17.1% compared to the same period last year. Organically, sales decreased by 13.2% and currency contributed negatively by 3.5%.

The sales decline was driven by lower sales volumes due to the impact from the pandemic. Sales of Food & Beverage declined organically by 20.8%. Laundry was almost flat with an organic decline of 1.9%. Organically, sales in Europe and Americas declined approximately 15% while sales in Asia-Pacific, Middle East and Africa declined approximately 10%.

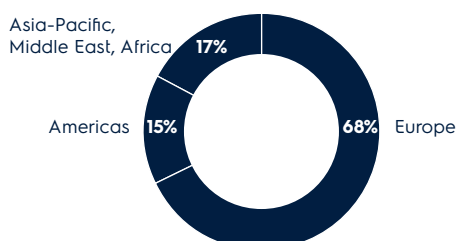
Changes in net sales, %	Oct-Dec 2020	Oct-Dec 2019
Organic growth	-13.2	-6.2
Acquisitions*	-0.4	0.4
Changes in exchange rates	-3.5	2.8
<b>Total</b>	<b>-17.1</b>	<b>-2.9</b>

\*In the fourth quarter of 2019, four months of the acquisition of Unic were reported in order to align with Electrolux Professional reporting.

### Share of sales by segment, October–December 2020



### Share of sales by region, October–December 2020



### Operating income and EBITA

Operating income excluding amortization of intangible assets (EBITA) amounted to SEK 142m (181) corresponding to a margin of 7.3% (7.8). Operating income amounted to SEK 119m (165), corresponding to a margin of 6.1% (7.1). The decline in operating income is mainly due to lower sales volumes.

Short-term cost saving activities together with already implemented structural cost savings to mitigate the sales decline contributed positively. These actions have reduced cost in the quarter by approximately SEK 90m compared to the fourth quarter of 2019.

### Sales and EBITA margin



1) The second quarter 2019 includes items affecting comparability of SEK +90m, the third quarter 2019 includes items affecting comparability of SEK -122m and the third quarter 2020 includes items affecting comparability of SEK -77m.

### Financial net

Net financial items amounted to SEK -5m (-7).

### Income for the period

Income for the period amounted to SEK 70m (168), corresponding to SEK 0.24 (0.59) in earnings per share. Income tax for the period amounted to SEK -43m (11). The tax cost in the fourth quarter of 2019 was positively affected by a step-up in the asset base as a consequence of fair market value sale of certain assets and liabilities between AB Electrolux and Electrolux Professional.

### Group common cost

Group common cost was SEK -19m (-21).

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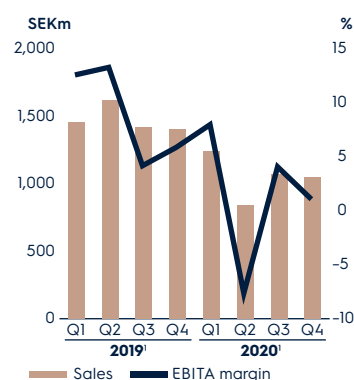
# Segment Food & Beverage

In the fourth quarter, sales for Food & Beverage was SEK 1,047m (1,405), a decline by 25.5% compared to the same period last year. Organically sales decreased by 20.8% and currency had a negative effect of 4.1%.

Sales continued to be heavily impacted by the pandemic and Southern Europe and South America accounted for more than half of the total drop in sales. Sales decreased by approximately 25% in Europe and Americas. In the US sales decreased by approximately 5%. In Asia-Pacific, Middle East and Africa, sales decreased by approximately 5%. South East Asia continued to be negatively affected while sales in China was unchanged.

Operating income excluding amortization of intangible assets (EBITA) amounted to SEK 11m (82), corresponding to a margin of 1.0% (5.8). EBITA declined due to lower volumes. Operating income amounted to SEK -8m (72), corresponding to a margin of -0.8% (5.1).

Sales and EBITA margin



1) The second quarter 2019 includes items affecting comparability of SEK +31m, the third quarter 2019 includes items affecting comparability of SEK -98m and the third quarter 2020 includes items affecting comparability of SEK -55m.

SEKm	Fourth quarter			Full year		
	Oct-Dec 2020	Oct-Dec 2019	Change, %	Jan-Dec 2020	Jan-Dec 2019	Change, %
Net sales	1,047	1,405	-25.4	4,198	5,895	-28.8
Organic growth, %	-20.8	-10.1		-28.1	-1.1	
Acquisitions, %	-0.6	3.5		-0.5	6.4	
Changes in exchange rates, %	-4.1	3.1		-1.2	3.9	
EBITA	11	82	-86.8	87	568	-84.6
EBITA margin, %	1.0	5.8		2.1	9.6	
Operating income	-8	72	-111.4	35	522	-93.3
Operating margin, %	-0.8	5.1		0.8	9	

\* In the fourth quarter of 2019, four months of the acquisition of Unic were reported in order to align with Electrolux Professional reporting.

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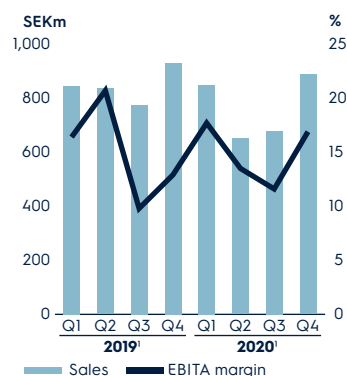
## Segment Laundry

In the fourth quarter, sales for Laundry was SEK 888m (930), a decline by 4% compared to the same period last year. Organically sales decreased by 1.9% and currency had a negative effect of 2.6%.

Sales in Europe grew approximately 2% and was flat in Americas, but declined almost 15% in Asia-Pacific, Middle East and Africa. In the US, sales grew approximately 10%.

Operating income excluding amortization of intangible assets (EBITA) amounted to SEK 150m (120), corresponding to a margin of 16.9% (12.9). Cost efficiency and a positive price development contributed to the improved EBITA. Operating income amounted to SEK 146m (114), corresponding to a margin of 16.4% (12.3).

Sales and EBITA margin



1) The second quarter 2019 includes items affecting comparability of SEK +59m, the third quarter 2019 includes items affecting comparability of SEK -24m and the third quarter 2020 includes items affecting comparability of SEK -22m.

SEKm	Fourth quarter			Full year		
	Oct-Dec 2020	Oct-Dec 2019	Change, %	Jan-Dec 2020	Jan-Dec 2019	Change, %
Net sales	888	930	-4.5	3,065	3,386	-9.5
Organic growth, %	-1.9	0.2		-8.7	1.0	
Acquisitions, %	-	-4.6		-	-	
Changes in exchange rates, %	-2.6	2.4		-0.8	2.6	
EBITA	150	120	25.0	467	507	-7.9
EBITA margin, %	16.9	12.9		15.2	15.0	
Operating income	146	114	27.8	452	488	-7.5
Operating margin, %	16.4	12.3		14.7	14.4	

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## Net sales, EBITA and operating income by segment

SEKm	Fourth quarter		Full year	
	Oct-Dec 2020	Oct-Dec 2019	Jan-Dec 2020	Jan-Dec 2019
<b>Food &amp; Beverage</b>				
Net sales	1,047	1,405	4,198	5,895
EBITA	11	82	87	568
Amortization	-19	-10	-53	-45
Operating income	-8	72	35	522
<b>Laundry</b>				
Net sales	888	930	3,065	3,386
EBITA	150	120	467	507
Amortization	-4	-6	-16	-20
Operating income	146	114	452	488
<b>Group common costs</b>				
EBITA	-19	-21	-99	-18
Amortization	-0	-0	-1	0
Operating income	-19	-21	-100	-18
<b>Total Group</b>				
Net sales	1,935	2,334	7,263	9,281
EBITA	142	181	456	1,058
Amortization	-23	-16	-69	-66
Operating income	119	165	387	992
Financial items, net	-5	-7	-24	-15
Income after financial items	113	157	363	978
Taxes	-43	11	-85	-314
Income for the period	70	168	278	663

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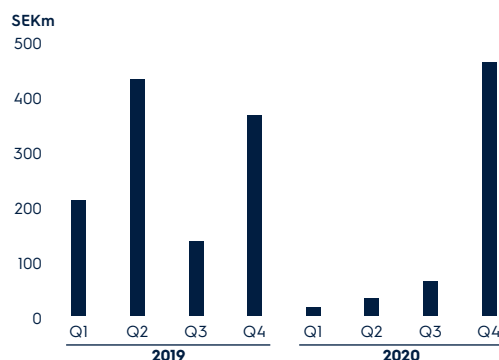
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## Cash flow

Operating cash flow after investments amounted to SEK 460m (355) in the quarter. The improved cash flow is mainly due to improved management of working capital and lower investments.

## Operating cash flow after investments



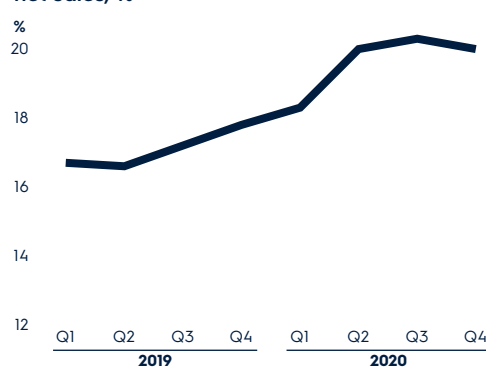
SEKm	Fourth quarter		Full year	
	Oct-Dec 2020	Oct-Dec 2019	Jan-Dec 2020	Jan-Dec 2019
Operating income	119	165	387	992
Depreciation	57	78	228	222
Amortization	23	16	69	66
Other non-cash items	5	-38	91	7
<b>Operating income adjusted for non-cash items</b>	<b>204</b>	<b>221</b>	<b>775</b>	<b>1,287</b>
Change in inventories	148	87	113	139
Change in trade receivables	108	65	362	43
Change in accounts payable	173	118	-140	-23
Change in other operating assets, liabilities and provisions	-116	13	-293	-47
<b>Operating cash flow</b>	<b>517</b>	<b>503</b>	<b>816</b>	<b>1,399</b>
Investments in tangible and intangible assets	-68	-132	-273	-257
Changes in other investments	11	-16	26	-4
<b>Operating cash flow after investments</b>	<b>460</b>	<b>355</b>	<b>570</b>	<b>1,138</b>

## Operating working capital

Operating working capital as percent of annualized net sales improved somewhat in the fourth quarter of 2020 compared to the third quarter.

Average working capital as a percent of annualized net sales increased to 19.9% compared to 17.7% at the end of 2019. The increase is due to accounts receivables and inventory decreasing at a lower rate than the decrease of net sales. Accounts payable had a positive contribution.

## Operating working capital of annualized net sales, %



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## Financial position

### Net debt

As of December 31, 2020, Electrolux Professional had a financial net debt position (excluding lease liabilities and post-employment provisions) of SEK 202m compared to SEK 588m as of December 31, 2019. Lease liabilities decreased somewhat to SEK 216m and net provisions for post-employment benefits decreased to SEK 131m.

In total, net debt amounted to SEK 549m as of December 31, 2020, compared to SEK 1,025m per December 31, 2019.

Long-term borrowings amounted to SEK 601m and total short-term borrowings amounted to SEK 412m. Total borrowings amounted to SEK 1,012m compared to SEK 1,244m on December 31, 2019. During the first quarter of 2020, loans to Electrolux Group was repaid and new external credit facilities were put in place.

Liquid funds as of December 31, 2020, amounted to SEK 810m compared to SEK 656m as of December 31, 2019.

### Credit facilities and loans

On February 21, 2020, Electrolux Professional AB entered into a EUR 250m multicurrency revolving credit facilities agreement with its core banking-group with Skandinaviska Enskilda Banken AB (publ) as arranger and on March 6, 2020 a bilateral term loan was entered into with AB Svensk Exportkredit. The revolving credit facilities has a tenor of five years (with extension options) and the term loan has a tenure of seven years. As of December 31, 2020, EUR 40m of the revolving credit facility was utilized.

## Net debt

SEKm	Dec 31, 2020	Dec 31, 2019
Short-term loans	403	4
Short-term loans, Electrolux Group	-	990
<b>Short-term borrowings</b>	<b>403</b>	<b>994</b>
Financial derivative liabilities	6	4
Accrued interest expenses and prepaid interest income	2	8
Other financial liabilities, Electrolux Group	-	234
<b>Total short-term borrowings</b>	<b>412</b>	<b>1,241</b>
Long-term loans	601	3
Long-term borrowings	601	3
<b>Total borrowings<sup>1</sup></b>	<b>1,012</b>	<b>1,244</b>
Cash and cash equivalents	797	651
Financial derivative assets	12	4
Prepaid interest expenses and accrued interest income	1	2
<b>Liquid funds</b>	<b>810</b>	<b>656</b>
<b>Financial net debt</b>	<b>202</b>	<b>588</b>
Lease liabilities	216	243
Net provisions for post-employment benefits	131	195
<b>Net debt</b>	<b>549</b>	<b>1,025</b>
Net debt/EBITDA ratio	0.8	0.8
EBITDA	684	1,280

1) Whereof interest-bearing liabilities amounting to SEK 1,004m as of December 31, 2020 and SEK 997m as of December 31, 2019.

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## Other disclosures

### Separation and stock listing of Electrolux Professional

At an Extraordinary General Meeting in AB Electrolux held on February 21, 2020, it was resolved to distribute all shares in the wholly owned subsidiary Electrolux Professional AB to the shareholders of Electrolux. Consequently, Electrolux Professional was on March 23, 2020 listed on Nasdaq Stockholm and is since then a stand-alone company.

### 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. 68,998 shares were converted in the fourth quarter. The total number of registered shares in the company on December 31, 2020 amounted to 287,397,450 of which 8,120,527 were A-shares and 279,276,923 were B-shares. The total number of votes amounted to 36,048,219.3.

### Related party transactions

Buying and selling services and products between Electrolux Professional and AB Electrolux and its subsidiaries were regarded as related party transactions up until March 23, 2020, see table on page 16. Transactions with related parties were on market-based terms.

### Employees

The number of employees at the end of the quarter was 3,515 (3,624).

### Events after the balance sheet date

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

### Annual General Meeting 2021

Electrolux Professional's Annual General Meeting will be held on April 28, 2021.

### Proposed dividend

Due to the ongoing pandemic, the Board proposes to pay no dividend for 2020.

## 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 1 January to 31 December 2020 amounted to SEK 2,266m (2,361) of which SEK 886m (926) referred to sales to Group Companies and SEK 1,380m (1,435) to external customers.

Income before tax for the year was -1,822m (-17). Income amounted to SEK -1,886m (-1). A revision of the, at the time of the separation from AB Electrolux, carrying values of some of the acquisitions, in combination with the COVID-19 situation adding

pressure on profitability, has led to that Electrolux Professional AB in the fourth quarter, 2020 impaired some of its investments in subsidiaries. The total impairment amounts to SEK 2,039m.

Capital expenditure in tangible and intangible assets was SEK 12m (18). Liquid funds at the end of the period amounted to SEK 425m, as against SEK 204m at the beginning of the year.

Undistributed earnings in the Parent Company at the end of the period amounted to SEK 5,795m, against SEK 7,681m at the beginning of the year.

The income statement and balance sheet for the Parent Company are presented on page 19.

## 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 Prospectus ahead of the listing of the shares in Electrolux Professional and consist of operational risk, industry risks, legal risks and

financial risks. Compared to the Prospectus, which was issued on March 11, 2020, and the prospectus supplement that was published on March 20, 2020 no new material risks have been identified. Electrolux Professional expects that its financial performance during the beginning of 2021 will continue to be affected by the pandemic related to the coronavirus.

Stockholm, February 3, 2021

Electrolux Professional AB (publ)

Alberto Zanata  
President and CEO

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

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# One Connected solutions

Connected solutions and the OnE dashboard provides customers with full control of their complete kitchen and laundry operations from one single digital platform.



- Helps customers get top performances from their Electrolux Professional solutions.
- Maximizes profit and accelerates customer's return on investment
- Control operations from any device
- Only OnE Connected platform for all connected appliances
- Reduces downtime and maintains top operation performances



## SkyLine Cook and Chill solution

Pioneering Cook and Chill solution that anticipates chef's needs with SkyDuo, the seamless, self-intuitive connection between SkyLine appliance.



## Real-time solutions for Washers & Dryers

Monitor the equipment's status and performance from anywhere and take actions to improve the business.

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## Consolidated statement of total comprehensive income

SEKm	Fourth quarter		Full year	
	Oct-Dec 2020	Oct-Dec 2019	Jan-Dec 2020	Jan-Dec 2019
<b>Net sales</b>	<b>1,935</b>	<b>2,334</b>	<b>7,263</b>	<b>9,281</b>
Cost of goods sold	-1,334	-1,563	-4,896	-6,040
<b>Gross operating income</b>	<b>602</b>	<b>771</b>	<b>2,367</b>	<b>3,241</b>
Selling expenses	-326	-392	-1,355	-1,699
Administrative expenses	-161	-242	-631	-582
Other operating income/expenses	4	28	5	32
<b>Operating income</b>	<b>119</b>	<b>165</b>	<b>387</b>	<b>992</b>
Financial items, net	-5	-7	-24	-15
<b>Income after financial items</b>	<b>113</b>	<b>157</b>	<b>363</b>	<b>978</b>
Taxes	-43	11	-85	-314
<b>Income for the period</b>	<b>70</b>	<b>168</b>	<b>278</b>	<b>663</b>
<b>Items that will not be reclassified to income for the period:</b>				
Remeasurement of provisions for post-employment benefits	13	58	83	-33
Income tax relating to items that will not be reclassified	1	-13	-8	6
	14	44	75	-27
<b>Items that may be reclassified subsequently to income for the period:</b>				
Exchange-rate differences on translation of foreign operations	-201	-76	-263	101
<b>Other comprehensive income, net of tax</b>	<b>-187</b>	<b>-32</b>	<b>-188</b>	<b>74</b>
<b>Total comprehensive income for the period</b>	<b>-117</b>	<b>137</b>	<b>89</b>	<b>737</b>
<b>Income for the period attributable to:</b>				
Equity holders of the Parent Company	70	168	278	663
<b>Total</b>	<b>70</b>	<b>168</b>	<b>278</b>	<b>663</b>
<b>Total comprehensive income for the period attributable to:</b>				
Equity holders of the Parent Company	-117	137	89	737
<b>Total</b>	<b>-117</b>	<b>137</b>	<b>89</b>	<b>737</b>
<b>Earnings per share, SEK</b>				
Basic, SEK	0.24	0.59	0.97	2.31
Diluted, SEK	0.24	0.59	0.97	2.31
<b>Average number of shares</b>				
Basic, million	287.4	287.4	287.4	287.4
Diluted, million	287.4	287.4	287.4	287.4

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# Consolidated balance sheet

SEKm	Dec 31, 2020	Dec 31, 2019*
<b>Assets</b>		
<b>Non-current assets</b>		
Property, plant and equipment, owned	1,254	1,214
Property, plant and equipment, right-of-use	211	238
Goodwill	1,690	1,821
Other intangible assets	305	388
Deferred tax assets	361	350
Pension plan assets	21	13
Other non-current assets	27	34
<b>Total non-current assets</b>	<b>3,869</b>	<b>4,057</b>
<b>Current assets</b>		
Inventories	1,086	1,265
Trade receivables	1,265	1,687
Tax assets	53	102
Other current assets	244	273
Cash and cash equivalents	797	651
<b>Total current assets</b>	<b>3,444</b>	<b>3,978</b>
<b>Total assets</b>	<b>7,314</b>	<b>8,035</b>
<b>Equity and liabilities</b>		
<b>Equity attributable to equity holders of the Parent Company</b>		
Share capital	29	25
Other paid-in capital	5	5
Other reserves	2	266
Retained earnings	2,764	2,415
<b>Equity attributable to equity holders of the Parent Company</b>	<b>2,800</b>	<b>2,711</b>
<b>Total equity</b>	<b>2,800</b>	<b>2,711</b>
<b>Non-current liabilities</b>		
Long-term borrowings	601	3
Long-term lease liabilities	151	172
Deferred tax liabilities	135	144
Provisions for post-employment benefits	152	208
Other provisions	243	258
<b>Total non-current liabilities</b>	<b>1,282</b>	<b>785</b>
<b>Current liabilities</b>		
Trade payables	1,289	1,606
Tax liabilities	324	309
Other liabilities	988	1,361
Short-term borrowings	403	994
Short-term lease liabilities	65	72
Other provisions	162	198
<b>Total current liabilities</b>	<b>3,232</b>	<b>4,539</b>
<b>Total equity and liabilities</b>	<b>7,314</b>	<b>8,035</b>

\*Year 2019 includes related party balances, see page 16.

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# Changes in condensed consolidated equity

SEKm	Full year	
	Jan-Dec 2020	Jan-Dec 2019
<b>Opening balance</b>	<b>2,711</b>	<b>3,527</b>
<b>Total comprehensive income for the period</b>	<b>89</b>	<b>737</b>
Dividend to equity holders of the Parent Company	0	-428
Other transactions with equity holders of the Parent Company <sup>1)</sup>	-0	-1,125
<b>Total transactions with equity holders</b>	<b>-0</b>	<b>-1,553</b>
<b>Closing balance</b>	<b>2,800</b>	<b>2,711</b>

1) Transactions related to transfer of assets and liabilities as part of the formation of the Electrolux Professional Group between Electrolux Group and Electrolux Professional Group have been classified as transactions with shareholders. During 2017, 2018 and 2019, asset and liabilities were transferred to Electrolux Professional without any consideration paid. During the latter half of 2019, a major legal restructuring was executed to form the legal Electrolux Professional group and a number of transactions took place where Electrolux Professional paid consideration for the asset and liabilities legally transferred, which, Electrolux Professional already had recognized in its combined financial statements.

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# Consolidated cash flow statement

SEKm	Fourth quarter		Full year	
	Oct-Dec 2020	Oct-Dec 2019	Jan-Dec 2020	Jan-Dec 2019
<b>Operations</b>				
Operating income	119	165	387	992
Depreciation and amortization	80	94	297	287
Other non-cash items	5	-38	91	7
Financial items paid, net <sup>1</sup>	-6	0	-22	-6
Taxes paid	-16	-76	-66	-275
<b>Cash flow from operations, excluding change in operating assets and liabilities</b>	<b>181</b>	<b>145</b>	<b>687</b>	<b>1,006</b>
<b>Change in operating assets and liabilities</b>				
Change in inventories	148	87	113	139
Change in trade receivables	108	65	362	43
Change in accounts payable	173	118	-140	-23
Change in other operating assets, liabilities and provisions	-116	13	-293	-47
<b>Cash flow from change in operating assets and liabilities</b>	<b>313</b>	<b>283</b>	<b>41</b>	<b>112</b>
<b>Cash flow from operations</b>	<b>495</b>	<b>428</b>	<b>729</b>	<b>1,118</b>
<b>Investments</b>				
Acquisition of operations	-	-	-	-441
Capital expenditure in property, plant and equipment	-65	-125	-267	-243
Capital expenditure in product development	0	-2	-1	-9
Capital expenditure in other intangibles	-3	-4	-5	-5
Other	11	-16	26	-4
<b>Cash flow from investments</b>	<b>-57</b>	<b>-148</b>	<b>-246</b>	<b>-702</b>
<b>Cash flow from operations and investments</b>	<b>438</b>	<b>280</b>	<b>483</b>	<b>417</b>
<b>Financing</b>				
Change in short-term borrowings, net	-243	14	413	-32
New long-term borrowings	-	-	600	-
Amortization of long-term borrowings	-0	-32	-1	-36
Payment of lease liabilities	-19	-36	-82	-83
Dividend to Electrolux Group	-	-64	-	-428
Shareholders contribution	-	5,702	-	5,702
Change in financial liabilities, Electrolux Group	-	-4,977	-1,224	1,672
<b>Cash flow from financing</b>	<b>-262</b>	<b>608</b>	<b>-294</b>	<b>6,795</b>
<b>Total cash flow</b>	<b>176</b>	<b>888</b>	<b>189</b>	<b>7,211</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>640</b>	<b>418</b>	<b>651</b>	<b>230</b>
Exchange-rate differences referring to cash and cash equivalents	-19	-5	-42	14
Other cash flow from transactions with shareholders, Electrolux Group <sup>2</sup>	-	-651	-	-6,804
<b>Cash and cash equivalents at end of period</b>	<b>797</b>	<b>651</b>	<b>797</b>	<b>651</b>

1) For the period January 1 to December 31: interest and similar items received SEK 5m (12), interest and similar items paid SEK -13m (-13) and other financial items received/paid SEK -7m (1). Interest paid for lease liabilities SEK -7m (-6)

2) "Other cash flow from transactions with shareholders, Electrolux group" consists of effects on cash from cash flows presented in Electrolux Professional's combined financial statements belonging to legal entities remaining in the Electrolux Group following the separation. In 2019, it also includes cash paid by Electrolux Professional to the Electrolux Group, to acquire its group companies.

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# Alternative performance measures key figures

SEKm, if not otherwise stated	Fourth quarter		Full year	
	Oct-Dec 2020	Oct-Dec 2019	Jan-Dec 2020	Jan-Dec 2019
Net sales	1,935	2,334	7,263	9,281
Organic growth, %	-13.2	-6.2	-21.0	-0.3
EBITA	142	181	456	1,058
EBITA excl. items affecting comparability <sup>1</sup>	142	181	533	1,090
EBITA margin, %	7.3	7.8	6.3	11.4
EBITA margin excl. items affecting comparability, % <sup>1</sup>	7.3	7.8	7.3	11.7
Operating income	119	165	387	992
Operating margin, %	6.1	7.1	5.3	10.7
Operating margin excl. items affecting comparability, % <sup>1</sup>	6.1	7.1	6.4	11.0
Income after financial items	113	157	363	978
Income for the period	70	168	278	663
Capital expenditure	-68	-132	-273	-257
Operating cash flow after investments	460	355	570	1,138
Earnings per share, SEK <sup>2</sup>	0.24	0.59	0.97	2.31
Net debt	n/a	n/a	549	1,025
EBITDA <sup>3</sup>	n/a	n/a	684	1,280
Net debt/EBITDA ratio	n/a	n/a	0.8	0.8
Operating working capital % of net sales <sup>4</sup>	n/a	n/a	19.9	17.7
Average number of shares, million	287.4	287.4	287.4	287.4
Number of employees, end of period	3,515	3,624	3,515	3,624

1) For information on items affecting comparability, see page 18.

2) Basic number of outstanding shares.

3) Rolling four quarters

4) Last twelve months currency adjusted

For definitions, see page 24-25.

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# Related party transactions, Electrolux Group

SEKm	Fourth quarter		Full year	
	Oct-Dec 2020	Oct-Dec 2019	Jan-Dec 2020	Jan-Dec 2019
<b>Income for the period</b>				
Purchase of goods	-	-13	-15	-50
Interest income	-	3	-	9
Interest expense	-	-6	-1	-17
<b>Assets</b>				
<b>Other current assets</b>				
Other short-term operational receivables	-	1	-	1
<b>Liabilities</b>				
Trade payables	-	121	-	121
<b>Other liabilities</b>				
Other financial liabilities	-	234	-	234
Other short-term operating liabilities	-	4	-	4
Accrued expenses and prepaid income	-	23	-	23
Derivatives	-	1	-	1
<b>Short-term borrowings</b>				
Short-term loans	-	990	-	990
<b>Equity</b>				
Dividend to shareholders	-	-64	-	-428
Shareholders contributions received	-	7,697	-	7,697
Other transactions with shareholders	-	-8,822	-	-8,822

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# Quarterly data

SEKm	Full year 2020	Q4 2020	Q3 2020	Q2 2020	Q1 2020	Full year 2019	Q4 2019	Q3 2019	Q2 2019	Q1 2019
<b>Food &amp; Beverage</b>										
Net sales	4,198	1,047	1,070	838	1,243	5,895	1,405	1,415	1,619	1,456
EBITA	87	11	42	-64	99	568	82	58	245	183
EBITA margin, %	2.1	1.0	4.0	-7.7	7.9	9.6	5.8	4.1	15.1	12.5
Amortization	-53	-19	-11	-11	-12	-45	-10	-13	-12	-10
Operating income	35	-8	31	-75	87	522	72	45	233	173
Operating margin, %	0.8	-0.8	2.9	-9.0	7.0	8.9	5.1	3.1	14.4	11.9
<b>Laundry</b>										
Net sales	3,065	888	678	651	848	3,386	930	774	836	846
EBITA	467	150	79	88	150	507	120	76	173	138
EBITA margin, %	15.2	16.9	11.6	13.5	17.7	15.0	12.9	9.8	20.7	16.4
Amortization	-16	-4	-4	-4	-4	-20	-6	-4	-5	-4
Operating income	452	146	75	84	146	488	114	71	169	134
Operating margin, %	14.7	16.4	11.1	13.0	17.3	14.4	12.3	9.2	20.2	15.8
<b>Group common costs</b>	-100	-19	-26	-27	-28	-18	-21	10	-1	-5
<b>Total Group</b>										
Net sales	7,263	1,935	1,748	1,489	2,091	9,281	2,334	2,190	2,455	2,302
EBITA	456	142	96	-4	221	1,058	181	144	418	316
EBITA margin, %	6.3	7.3	5.5	-0.2	10.6	11.4	7.8	6.6	17.0	13.7
Amortization	-69	-23	-15	-15	-16	-66	-16	-18	-17	-15
Operating income	387	119	81	-18	205	992	165	126	401	301
Operating margin, %	5.3	6.1	4.6	-1.2	9.8	10.7	7.1	5.7	16.3	13.1
Financial items, net	-24	-5	-8	-8	-2	-15	-7	-4	-1	-3
Income after financial items	363	113	73	-26	203	978	157	122	400	298
Income for the period	278	70	77	-28	159	663	168	128	126	241
Earnings per share, SEK <sup>1</sup>	0.97	0.24	0.27	-0.10	0.55	2.31	0.59	0.45	0.44	0.84

1) Basic number of outstanding shares.

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## Items affecting comparability

SEKm	Full year 2020	Q4, 2020	Q3, 2020 <sup>1</sup>	Q2, 2020	Q1, 2020	Full year 2019	Q4, 2019	Q3, 2019 <sup>2</sup>	Q2, 2019 <sup>3</sup>	Q1, 2019
Food & Beverage	-55	-	-55	-	-	-67	-	-98	31	-
Laundry	-22	-	-22	-	-	35	-	-24	59	-
<b>Total Group</b>	<b>-77</b>	<b>-</b>	<b>-77</b>	<b>-</b>	<b>-</b>	<b>-32</b>	<b>-</b>	<b>-122</b>	<b>90</b>	<b>-</b>

- 1) The SEK -77m relates to restructuring charges for efficiency measures and are included in the line item cost of goods sold, marketing and administration.
- 2) The SEK -122m relates to restructuring charges for efficiency measures and are included in the line item cost of goods sold, marketing and administration.
- 3) The non-recurring item of SEK 90m relates to a pension plan settlement in Sweden and is included in the line item administration.

SEKm	Full year 2020	Q4, 2020	Q3, 2020	Q2, 2020	Q1, 2020	Full year 2019	Q4, 2019	Q3, 2019	Q2, 2019	Q1, 2019
<b>Total Group</b>										
Operating income excl. items affecting comparability	464	119	158	-18	205	1,024	165	248	311	301
Operating margin excl. items affecting comparability, %	6.4	6.1	9.0	-1.2	9.8	11.0	7.1	11.3	12.7	13.1
EBITA excl. items affecting comparability	533	142	173	-4	221	1,090	181	266	328	316
EBITA margin excl. items affecting comparability, %	7.3	7.3	9.9	-0.2	10.6	11.7	7.8	12.1	13.3	13.7

## Shares

Number of shares	A-shares	B-shares	Shares, total	Shares held by other shareholders
Number of shares as of January 1, 2020	8,192,539	279,204,911	287,397,450	287,397,450
Conversion of shares	-72,012	72,012		
Number of shares as of December 31, 2020	8,120,527	279,276,923	287,397,450	287,397,450

## Exchange rates

	Dec 31, 2020		Dec 31, 2019	
	Average	End of period	Average	End of period
CNY	1.33	1.25	1.37	1.34
CZK	0.3969	0.3831	0.4113	0.4100
DKK	1.41	1.35	1.41	1.40
EUR	10.48	10.06	10.56	10.44
GBP	11.83	11.14	12.03	12.25
JPY	0.0861	0.0795	0.0864	0.0854
NOK	0.98	0.95	1.07	1.06
RUB	0.1275	0.1095	0.1455	0.1507
THB	0.2938	0.2735	0.3039	0.3119
TRY	1.33	1.11	1.67	1.57
USD	9.18	8.19	9.43	9.33

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# Condensed Parent company income statement

SEKm	Fourth quarter		Full year	
	Oct-Dec 2020	Oct-Dec 2019	Jan-Dec 2020	Jan-Dec 2019
<b>Net sales</b>	<b>653</b>	<b>692</b>	<b>2,266</b>	<b>2,361</b>
Cost of goods sold	-448	-513	-1,566	-1,757
<b>Gross operating income</b>	<b>205</b>	<b>179</b>	<b>700</b>	<b>604</b>
Selling expenses	-77	-100	-330	-323
Administrative expenses	-29	-59	-135	-94
Other operating expenses	-9	-9	-6	-17
<b>Operating income</b>	<b>90</b>	<b>11</b>	<b>229</b>	<b>170</b>
Financial income/expense, net	-1	69	-7	65
Impairment of shares in subsidiaries	-2,039	0	-2,039	0
<b>Financial items, net</b>	<b>-2,040</b>	<b>69</b>	<b>-2,046</b>	<b>65</b>
<b>Income after financial items</b>	<b>-1,950</b>	<b>80</b>	<b>-1,817</b>	<b>235</b>
Appropriations	-5	-252	-5	-252
<b>Income before taxes</b>	<b>-1,955</b>	<b>-172</b>	<b>-1,822</b>	<b>-17</b>
Taxes	-20	6	-64	16
<b>Income for the period</b>	<b>-1,975</b>	<b>-166</b>	<b>-1,886</b>	<b>-1</b>

# Condensed Parent company balance sheet

SEKm	Dec 31, 2020	Dec 31, 2019
<b>Assets</b>		
Non-current assets	6,452	8,527
Current assets	1,886	1,543
<b>Total assets</b>	<b>8,338</b>	<b>10,070</b>
<b>Equity and liabilities</b>		
Restricted equity	47	46
Non-restricted equity	5,795	7,681
<b>Total equity</b>	<b>5,842</b>	<b>7,727</b>
Untaxed reserves	114	109
Provisions	98	96
Non-current liabilities	600	-
Current liabilities	1,684	2,138
<b>Total equity and liabilities</b>	<b>8,338</b>	<b>10,070</b>

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# 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 combined financial statements presented in the prospectus. 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 prospectus "Admission to trading of Shares in Electrolux Professional AB on Nasdaq Stockholm" in Note 1.

Government grants and government assistance are recognized in the financial statements when there is reasonable assurance that the entity will

comply with the conditions attached to them and the grants will be received. Grants which are dedicated to a specific and clearly identified expense item, is reported as a deduction of the specific expense. Grants of a more general character are reported as other operating income. Grants related to assets are reported as prepaid income in the balance sheet. The grant is amortized over the useful life of the asset for which it has been received.

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 accordance with the Annual Accounts Act and the standard from the Swedish Accounting Standards Board BFNAR 2012:1 Annual report and consolidated accounts (K3).

### Reportable segments

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

## 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 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.

SEK	Fourth quarter		Full year	
	Oct-Dec 2020	Oct-Dec 2019	Jan-Dec 2020	Jan-Dec 2019
<b>Geographical region</b>				
Europe	1,315	1,593	5,053	6,165
Asia-Pacific, Middle East and Africa	338	388	1,187	1,513
Americas	283	353	1,023	1,603
<b>Total</b>	<b>1,935</b>	<b>2,334</b>	<b>7,263</b>	<b>9,281</b>

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## Note 3 Fair values and carrying amounts of financial assets and liabilities

SEK	Dec 31, 2020		Dec 31, 2019	
	Fair value	Carrying amount	Fair value	Carrying amount
<b>Per category</b>				
Financial assets at fair value through profit and loss	0	0	0	0
Financial assets measured at amortized cost	2,058	2,058	2,339	2,339
Derivatives, financial assets at fair value through profit and loss	12	12	4	4
<b>Total financial assets</b>	<b>2,070</b>	<b>2,070</b>	<b>2,344</b>	<b>2,344</b>
Financial liabilities measured at amortized cost	2,293	2,289	2,837	2,837
Derivatives, financial liabilities at fair value through profit and loss	6	6	5	5
<b>Total financial liabilities</b>	<b>2,299</b>	<b>2,295</b>	<b>2,843</b>	<b>2,843</b>

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 mark-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. At December 31, 2020, the fair value for Level 1 financial assets was SEK 0m (0) and for financial liabilities SEK 0m (0).

**Level 2:** Inputs other than quoted prices included in Level 2 that are observable for assets or liabilities either directly or indirectly. At December 31, 2020, the fair value of Level 2 financial assets was SEK 12m (4) and financial liabilities SEK 6m (5).

**Level 3:** Inputs for the assets or liabilities that are not entirely based on observable market data. At December 31, 2020, the fair value of Level 3 financial assets was SEK 0m (1) and financial liabilities SEK 0m (0).

## Note 4 Contingent liabilities

SEKm	Dec 31, 2020	Dec 31, 2019
<b>Group</b>		
Guarantees and other commitments	129	125

On January 21, 2020, a supplier filed a lawsuit in Italy against Electrolux Professional. The claimed amount was EUR 11.3m but was during the third quarter increased to EUR 12.1m, approximately SEK 121m, and covers alleged damages related to products and prices during the contractual period

and compensation for costs and damages resulting from the allegedly wrongful termination of the supply agreement. Electrolux Professional rejects the claim but it cannot be ruled out that the final outcome could have a significant impact on Electrolux Professional's operating income and cash flow.

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## Note 5 COVID-19

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

### Trade receivables

No material increase in actual credit losses has been experienced. Collection of trade receivables is carefully monitored. Management have stressed the need for even more focus on forward looking evaluation of the risk of not being able to collect payments and therefore the expected credit loss provision has increased to SEK 100m on 31 December, 2020 compared to SEK 66m on 31 December 2019.

Credit insurance and other forms of collaterals, for example letter of credit and bank guarantees are used as a protection against credit risk. In addition, some sales are also made to governmental institutions which are deemed as secure.

### Inventories

During the year, no extraordinary material write-down of finished goods inventories or supplies have been recognized as a consequence of the COVID-19 situation.

### Impairment of assets

No material impairment of assets has been recognized in the consolidated financial statements as a direct consequence of COVID-19.

### Leases

The Group has received some minor office rent reductions.

### Government grants and government assistance

Companies within the Group have received or assume that they fulfil the requirements of monetary help from governments. As of December 31, 2020 the amount recognized in profit or loss is SEK 18m in the quarter and SEK 95m year to date and refers mainly to short-term furlough of personnel.

The Group has also utilized the possibility to postpone tax payments in Sweden resulting in positive operating cash flow effect of SEK 48m in the second quarter. In the third quarter SEK 30m has been paid and the remaining SEK 18m has been paid during quarter four 2020.

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# Operations by segment yearly

SEKm	2020	2019	2018	2017
<b>Food &amp; Beverage</b>				
Net sales	4,198	5,895	5,399	4,922
EBITA	87	568	629	607
EBITA, %	2.1	9.6	11.7	12.3
Operating income	35	522	599	572
Operating margin, %	0.8	8.9	11.1	11.6
<b>Laundry</b>				
Net sales	3,065	3,386	3,267	2,801
EBITA	467	507	573	502
EBITA, %	15.2	15.0	17.6	17.9
Operating income	452	488	558	499
Operating margin, %	14.7	14.4	17.1	17.8
<b>Group common cost</b>				
Operating income	-100	-18	-14	-11
<b>Total Group</b>				
Net sales	7,263	9,281	8,666	7,723
EBITA	456	1,058	1,188	1,098
EBITA, %	6.3	11.4	13.7	14.2
Operating income	387	992	1,143	1,060
Operating margin, %	5.3	10.7	13.2	13.7

## Four year overview

SEKm, if not otherwise stated	2020	2019	2018	2017
Net sales	7,263	9,281	8,666	7,723
Organic growth, %	-21.0	-0.3	4.1	5.6
EBITA	456	1,058	1,188	1,098
EBITA, %	6.3	11.4	13.7	14.2
Operating income	387	992	1,143	1,060
Operating margin, %	5.3	10.7	13.2	13.7
Income after financial items	363	978	1,134	1,052
Income for the period	278	663	952	786
Items affecting comparability	-77	-32	-	-
Capital expenditure	-273	-257	-169	-167
Operating cash flow after investments	570	1,138	1,131	1,167
Earnings per share, SEK <sup>1</sup>	0.97	2.31	3.31	2.74
Equity per share, SEK	9.74	9.43	31.91	8.43
Dividend per share, SEK	-	-	-	-
Net debt	549	1,025	-226	-481
EBITDA	684	1,280	1,363	1,253
Net debt/EBITDA ratio	0.8	0.8	-0.2	-0.4
Average number of shares, million	287.4	287.4	287.4	287.4
Number of employees, end of period	3,515	3,624	3,555	3,183

1) Basic number of outstanding shares.

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# 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/](http://www.electroluxprofessional.com/corporate/interim-reports/)

APM	Definition	Reason for use
<b>Organic growth %</b>	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.
<b>Acquisitions %</b>	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.
<b>Operating income (EBIT)</b>	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).
<b>Operating margin (EBIT margin)</b>	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.
<b>Items affecting comparability</b>	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, restructuring activities, significant impairment, and other major non-recurring costs or income.	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.
<b>Operating margin excluding items affecting comparability</b>	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.
<b>Capital expenditure</b>	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.

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APM	Definition	Reason for use
<b>EBITA</b>	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.
<b>EBITA margin</b>	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.
<b>EBITDA</b>	EBITA less depreciation of tangible assets (including right of use assets).	EBITDA is an indicator for business' cash generating capacity in relation to sales.
<b>EBITA excluding items affecting comparability</b>	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.
<b>EBITA margin excluding items affecting comparability</b>	EBITA excluding items affecting comparability, expressed as a percentage of net sales.	Items affecting comparability vary between years and periods and in order to analyze trends, items affecting comparability are excluded from EBITA margin.
<b>Operating cash flow after investments</b>	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.
<b>Net debt</b>	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 and cashpool accounts Electrolux Group).	Net debt describes the Group's total debt financing and is monitored by management
<b>Net debt/EBITDA</b>	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.
<b>Operating working capital, % of net sales</b>	Sum of currency adjusted last twelve months' average of inventories, non-related party trade receivables and trade payables (Operating working capital) as percentage of currency adjusted last twelve months' average net sales. All months of the period are currency adjusted by applying the end of period average currency rate.	Used to evaluate how efficient the Group is generating cash in relation to net sales.

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# Shareholders information

## President and CEO Alberto Zanata's comments on the fourth quarter results 2020

Today's press release is available on the Electrolux Professional website [www.electroluxprofessional.com/corporate](http://www.electroluxprofessional.com/corporate)

## Telephone conference 09.00 CET

A telephone conference is held at 09.00 today, February 3, 2021. 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 8 505 583 65  
Participants in UK/Europe: +44 333 300 9030  
Participants in US: +1 833 526 8396

## Slide presentations for download:

[www.electroluxprofessional.com/corporate](http://www.electroluxprofessional.com/corporate)

## Link to webcast:

<https://electroluxprofessional.creo.se/210203>

## For further information, please contact:

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Financial calendar	Date
Annual Report 2020 published	March 31, 2021
Interim report Q1 2021	April 27, 2021
Annual General Meeting	April 28, 2021
Interim report Q2 2021	July 22, 2021
Interim report Q3 2021	October 28, 2021

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 February 3, 2021.

## 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.

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## 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 2020, Electrolux Professional had global sales of SEK 7,3bn and approximately 3,500 employees. For more information, visit [www.electroluxprofessional.com/corporate](http://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.



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