



Electrolux  
Professional  
Group

# Investor Day 2024

Stockholm, March 13, 2024

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## Agenda

**09.00 Welcome**, Jacob Broberg, Chief Communication and Investor Relations Officer

**09.05 Company update and strategy achievements**, Alberto Zanata, CEO & President

**09.35 Q&A**

**09.45 Electrolux Professional Laundry segment and the development in Japan after the acquisition of TOSEI**, Paolo Schira, President Business Area Laundry

**10.05 Q&A**

**10.15 Coffee Break**

**10.45 Electrolux Professional Food & Beverage in APAC-MEA with focus on Food in Japan after the acquisition of TOSEI**, Richard Flynn, President Business Area Food APAC-MEA

**11.05 Q&A**

**11.15 Financial update**, Fabio Zarpellon, CFO

**11.45 Q&A**

**11.55 Summary**, Alberto Zanata

**12.00 Lunch (walking buffet lunch) END**

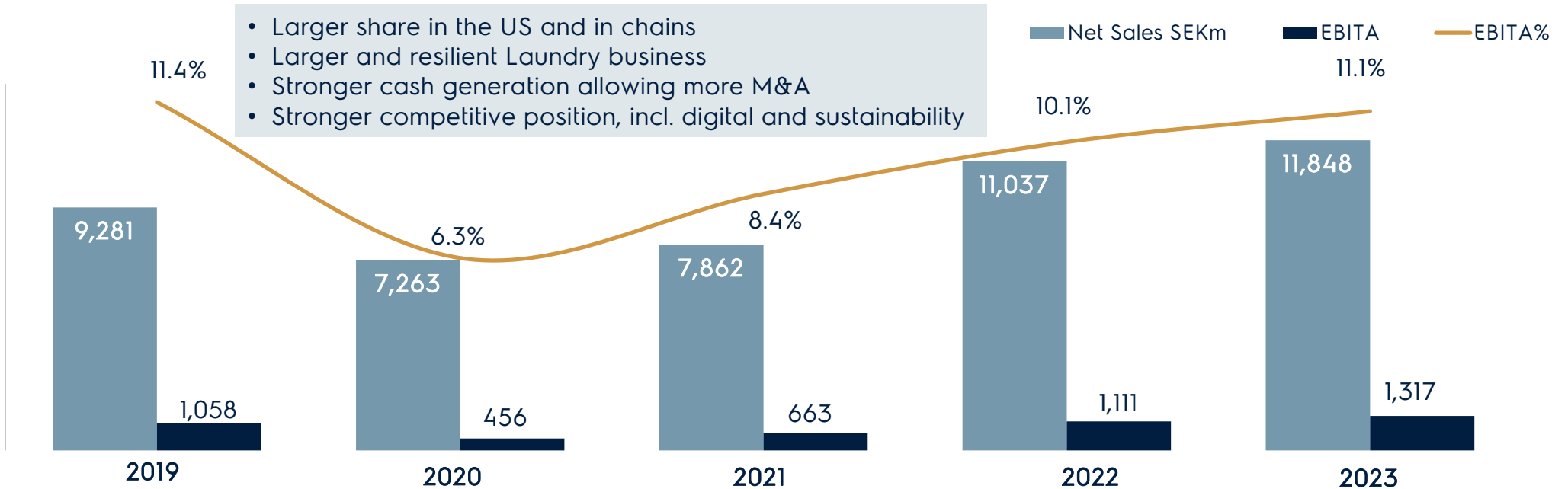


# Company update and strategy achievements

Alberto Zanata, President & CEO



# 2023 - another step towards our targets - strengthened foundation



- Larger share in the US and in chains
- Larger and resilient Laundry business
- Stronger cash generation allowing more M&A
- Stronger competitive position, incl. digital and sustainability

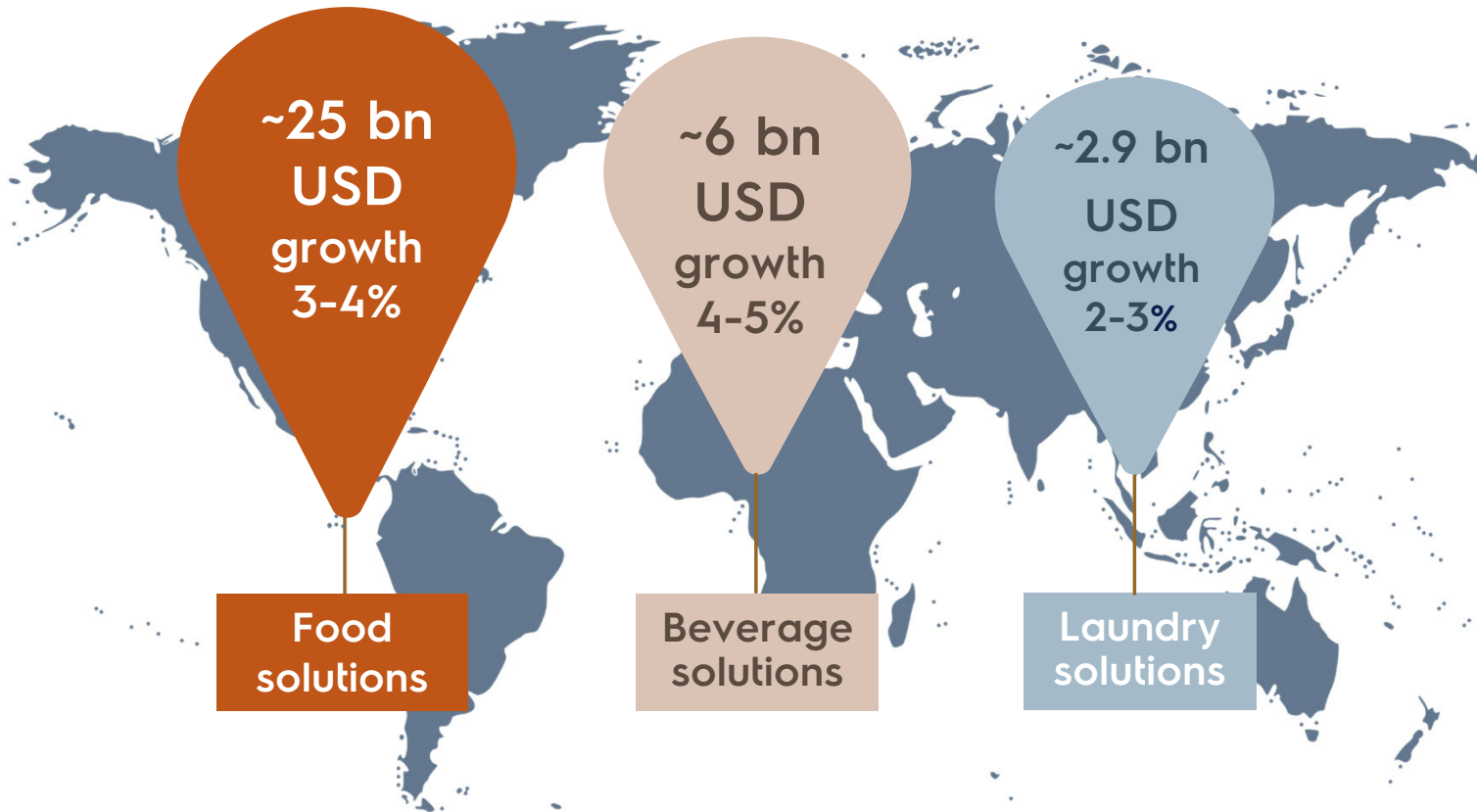
Net sales by geography



Net sales by segment



# Our markets are structurally showing growth



Source: Company estimates for 2023

## Underlying trends

- Digitalization
- Increased demand for take-away and delivery
- Climate change and use of resources
- Labor availability
- Societal changes



# Back to normal

- Strong recovery after the pandemic, which created a larger industry crisis than 2008-09
- Recovery spearheaded by US and quick-service restaurants, but later recovery in Asia
- In 2023, our industry was back to pre-pandemic sales levels, but not in Food & Beverage in Europe and APAC
- Geopolitics, component shortages, inflation and high interest rates had a negative impacted on the performance in 2022 and 2023 but eased towards the end of 2023
- Underlying factors influencing market growth are robust

# Strategic priorities are confirmed

## 1 GROW through innovation

Industry innovation - Sustainability - Energy efficiency - Connected and digital platform.

1

## 2 EXPAND in high margin products, segments, and geographies

Grow sales organically in laundry, restaurant chains - Potential M&A.

2

## 3 BOOST Customer Care & Service as a solution offer

Global service network - Increase sales of spare parts, service, consumables.

3

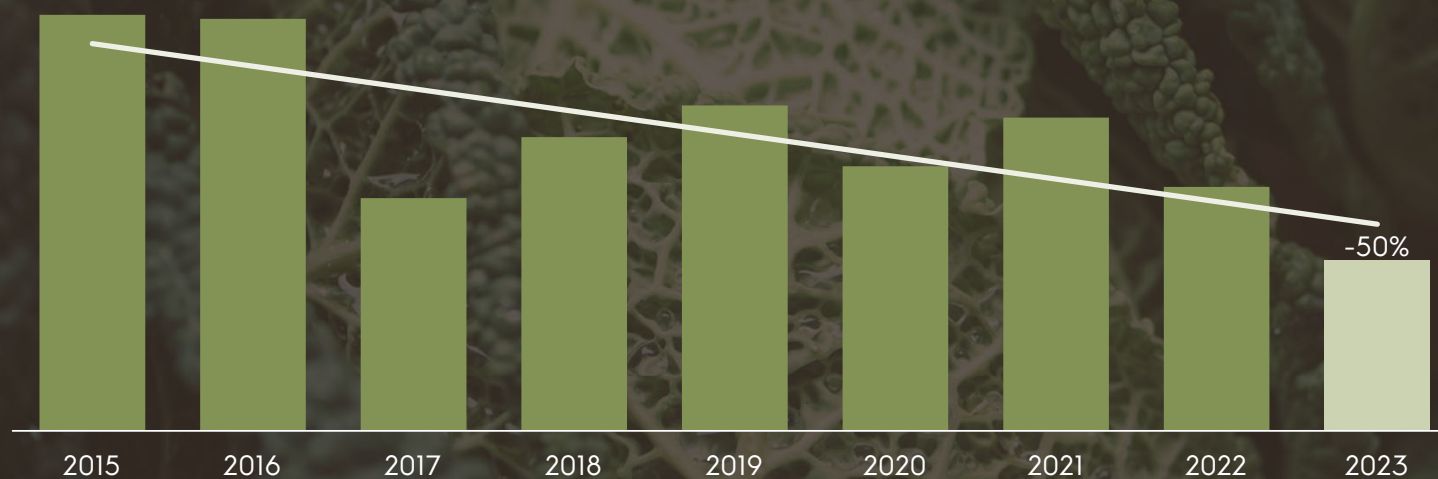
## 4 INVEST in Digitalization to unlock additional customer value

4

# Co2 emission target reached

- Our 50% Co2 emission reduction target for 2015-2025 met two years ahead of plan
- New targets developed

\* CO2e emissions (tons) scope 1 and 2



\* Including contributions from acquisitions made 2015-2019. Unified brands, acquired December 2021 is not included.



# Improved sustainability performance

## Target to be climate neutral in operations in 2030



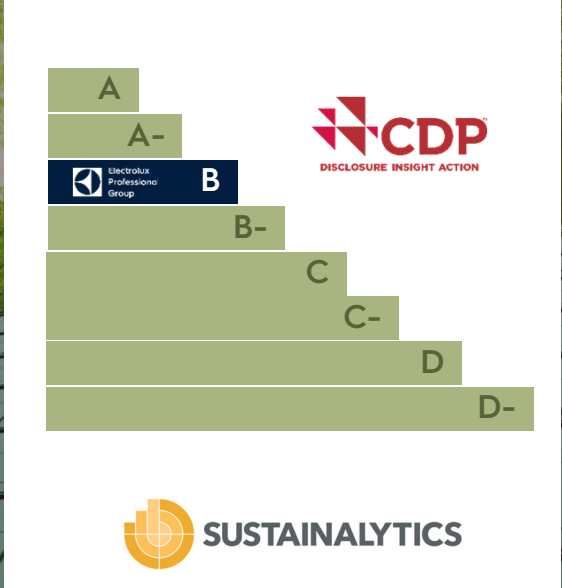
- Scope 1 and 2 – emissions from own operations.
  - \* Compared 2015 baseline\*\* Compared 2019 baseline
- Scope 3 - indirect use phase emissions of sold products. Compared 2019 baseline
  - \*\*\* Will be disclosed in 2024

# Ranked as Industry leader in sustainability



- Sustainalytics ESG risk rating “low risk” rated
- CDP questionnaire for climate change B rated

Company	CDP climate change	ESG risk rating
Electrolux Professional AB	B	10.8 low risk
Company 2	D	27.8 medium risk
Company 3	D	30.4 high risk
Company 4	n/a	n/a
Company 5	n/a	29.9 medium risk
Company 6	B-	23.3 medium risk
Company 7	F	n/a



# Strengthened innovative, sustainable solutions

## GourmeXpress high speed oven

- Compact, creating simple workflow
- Increases productivity
- Ergonomic
- 3 different heating methods



- Higher than target margin
- Commercial restaurant Chains

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

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



- Higher than target Margin
- Chains and Institutions

# Strengthened innovative, sustainable solutions

## Veetsan Hood Type Dishwasher

- A competitive solution
- Designed for ease of use
- Performing
- Reliable for piece of mind operations



- Specifically designed to serve China restaurant market

## HeroDry free-standing blower

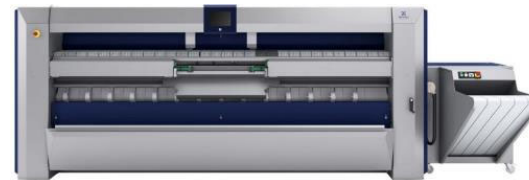
- A unique 'circular economy' initiative
- Meets the EU Single-Use Plastics Directive
- Drives down the global reliance on certain single-use plastics



- Higher than target Margin
- Commercial Restaurant Chains

# Strengthened innovative, sustainable solutions

## Vibe flat work ironer



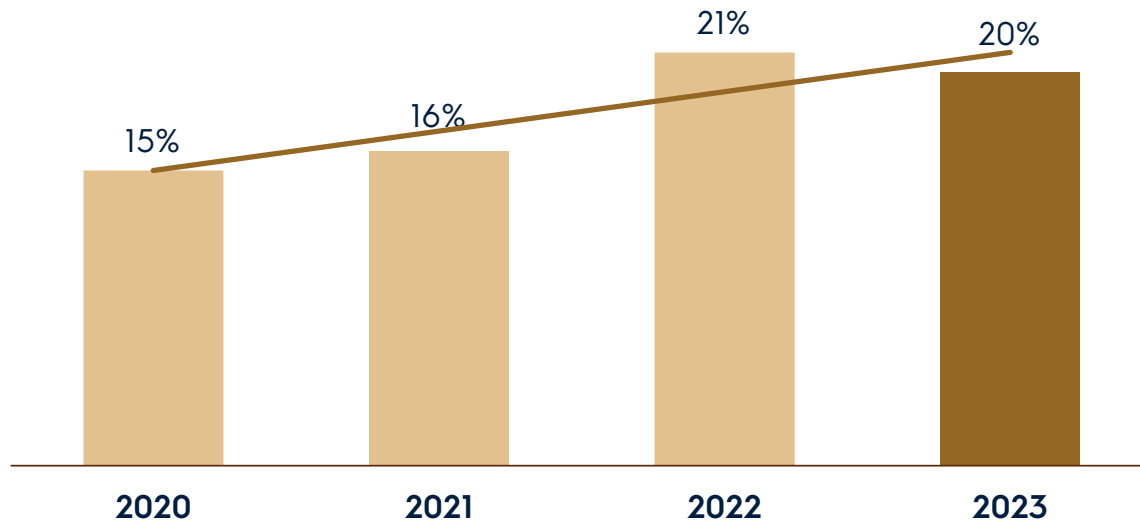
- Feeding, folding, and stacking
- Most compact machine in the market
- One operator can do the work of four
- Continuous monitoring to guarantee 100% Hygiene



- Higher than target Margin
- Hotels and care institutions

# Stable share of sales to chains

Chains sales in % of Food & Beverage sales

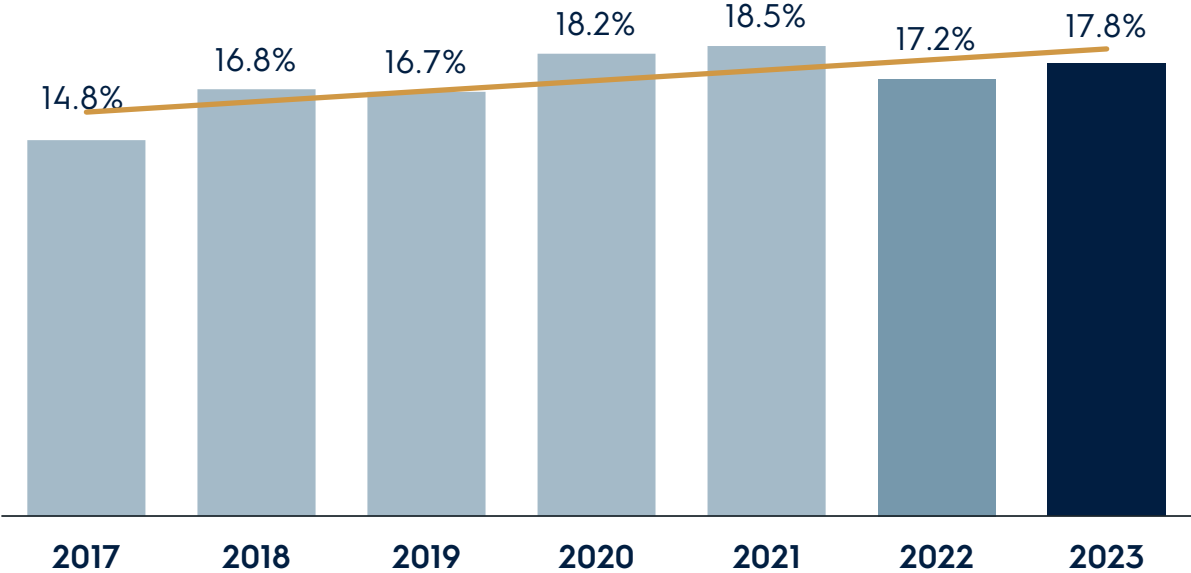


- US is home to most large global food service chains
- Growth in restaurant chains with acquisition of Unified brands
- No growth in 2023 due to weak Chain market development in the US, however product test on a good level

# Customer Care growth contributes to profitability



Customer care in % of total sales



- Customer care grew 6% in 2023 - more than product sales
- Accessories and consumables grew most
- Decline in 2022 due to inclusion of Unified Brands



# Digital is starting to shape our industry

Significant investments in digitalization focusing on Connected solutions and roll-out of the digital customer platform

## Connected appliances

Connected  
appliance of future  
installed base

**50%**

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

## Digital customer platform

Partner/distributor  
interaction\*

**50%**

2023: 58%

Distribution  
on-line orders\*

**65%**

2023: 80%

**1,930** partners

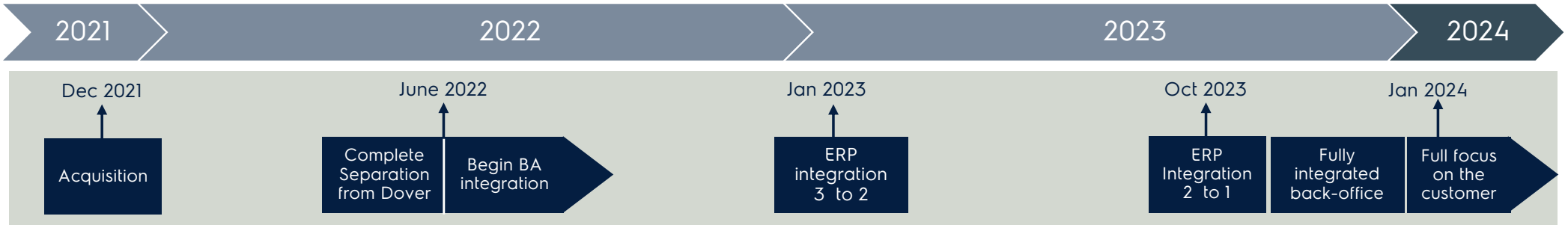
**32**  
countries  
onboarded

\* To onboarded partners and distributors



# Unified Brands - the Journey since acquisition

## Integration fully completed



### • Integration activities

- Leadership Team established July 2022
- Chain Sales Team merged July 2022
- Institutional Sales Leadership merged March 2023; Full team merged January 2024
- Customer Care integration and new leadership December 2023
- Finance Team integration January 2024 - fully completes the integration

### • Two ERP Integrations

- January 2023
- October 2023

**Business integration completed – Full focus on the customer and growth**

# Unified Brands synergies are being realized

- US Food & Beverage business was accretive to the Group margin in 2023
- Synergies announced in November 2022 are being realized

Revenue synergies

SEK 20-40m EBITA

Gradual synergies expected in 2024 and 2025

Cost synergies

SEK 25-50m EBITA

SEK 30m in 2023, in full during 2024

= SEK 45-90m EBITA

# Food & Beverage in the US heading in to 2024

## Actions in place to drive recovery after a weak 2023



- Strengthened Institutional sales leadership team and alignment
- Improved Rep engagement (training, growth incentive etc)
- New show rooms for training
- Strong pipe-line of restaurant chain opportunities
- Ambition to take market shares led by the Chain pipeline conversion and Institutional channel recovery

# Acquisition of TOSEI strengthens the Group's geographical presence



- A leading player in professional Laundry and vacuum packing business in Japan with 340 employees including one factory



- Globally, Japan 2nd largest market in Laundry, and 3rd largest in Food & Beverage
- Strengthens the Group's presence in Japan (previously less than 2% of Group sales)



- EBITA in line with Electrolux Professional 2023 EBITA-margin. After synergies, the EBITA-margin is expected to be well in line with the Group's EBITA-target of 15%



- Strong in innovation (combo washer-dryer and futon dry, vacuum with heating), and product reliability
- Advanced and proven IoT solution, key to succeed in the coin-op market

# M&A continue to be on the agenda



Two acquisitions  
since 2020 adding  
~20% turnover



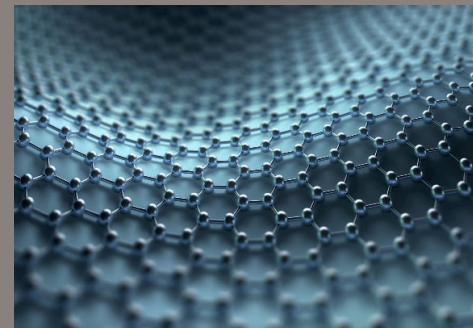
Activities to find  
new acquisitions is  
continuing



Focus on chains,  
especially in  
North America  
and New markets



High margin  
businesses



Technologies

# Electrolux Professional heading into 2024

## Demand

- Market growth has normalized to pre pandemic levels (2-4%)

## Inflation and interest rates

- Inflation and interest rates coming down – should increase customers willingness to invest

## Price increases

- “Normal” price increases (1-2%) implemented

## Raw material prices

- Raw material prices expected to be somewhat lower

## Integration of TOSEI

- Integration of TOSEI will create synergies from 2025

# Summary and take aways



Yes, we still have some way to our financial targets, but:

- Improved EBITA-margin three years in a row
- In 2023 we had the historical highest; revenue, EBITA value and cash generation

Strategic priorities and strong R&D well aligned with customers' needs and market dynamics

We have built a stronger competitive position

- Better geographical mix
- Larger Food chain and laundry business
- Larger and growing customer care
- We are the sustainability leader

# Summary and take aways

We have the structural conditions to support our ambitions

- An organization
  - closer to customers
  - strong ownership
  - ability to be agile and react fast
- A dedicated Board supporting our strategy, investments and projects
- Financial strength to support growth with acquisition

**We are committed to achieve our financial targets**





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Q&A



# Electrolux Professional Laundry segment and the development in Japan after the acquisition of TOSEI

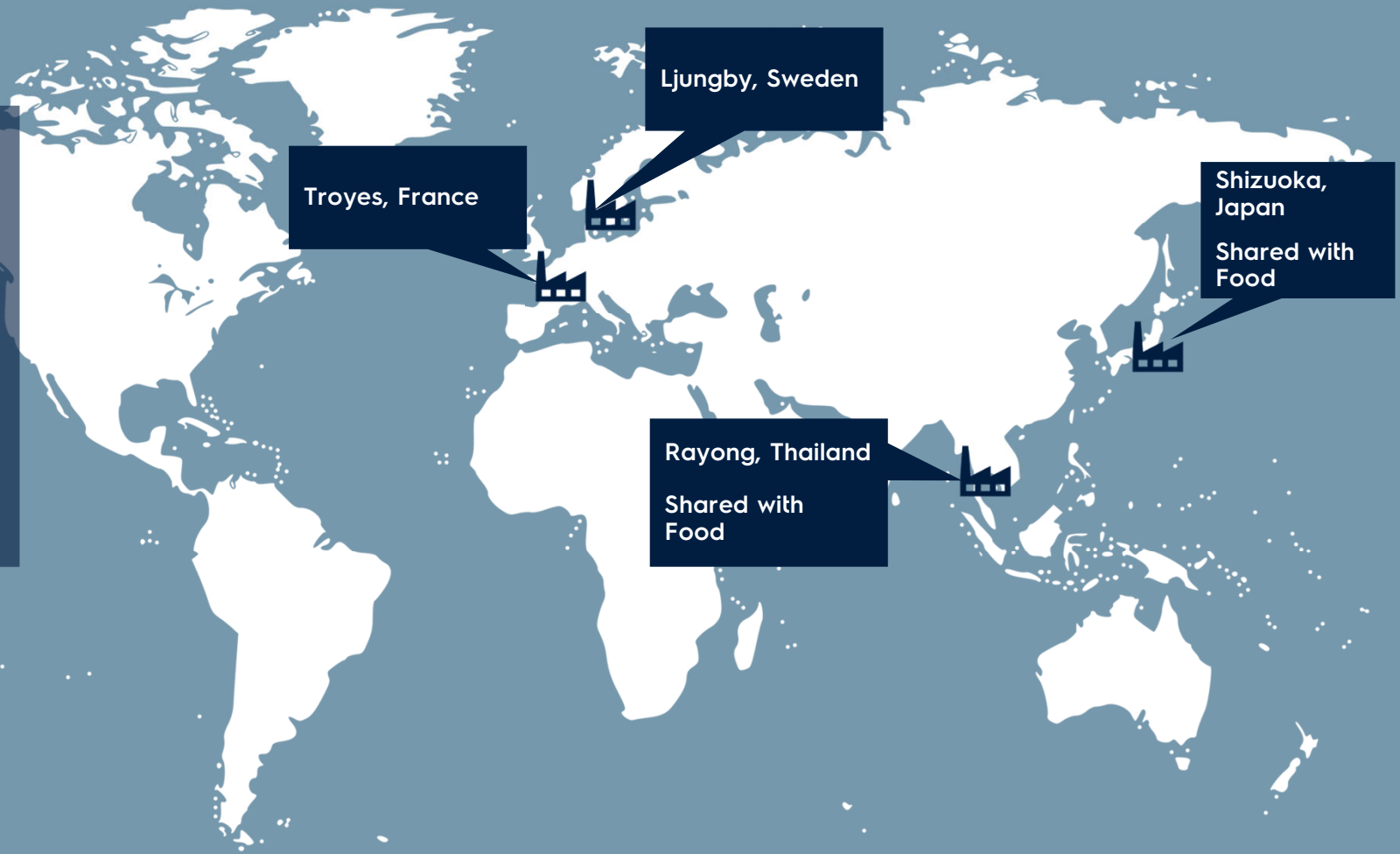
Paolo Schira, President Business Area Laundry



# Electrolux Professional Laundry Global Set-up



**4 production plants**  
**Sales organization in 26 countries**  
**Sales to approximately 110 countries**



# Growth Drivers for the Laundry market

**Growing  
Population**

**+2bn people  
by 2050<sup>(1)</sup>**

**Climate Change**

**47% more energy  
by 2050<sup>(3)</sup>**

**Aging Population**

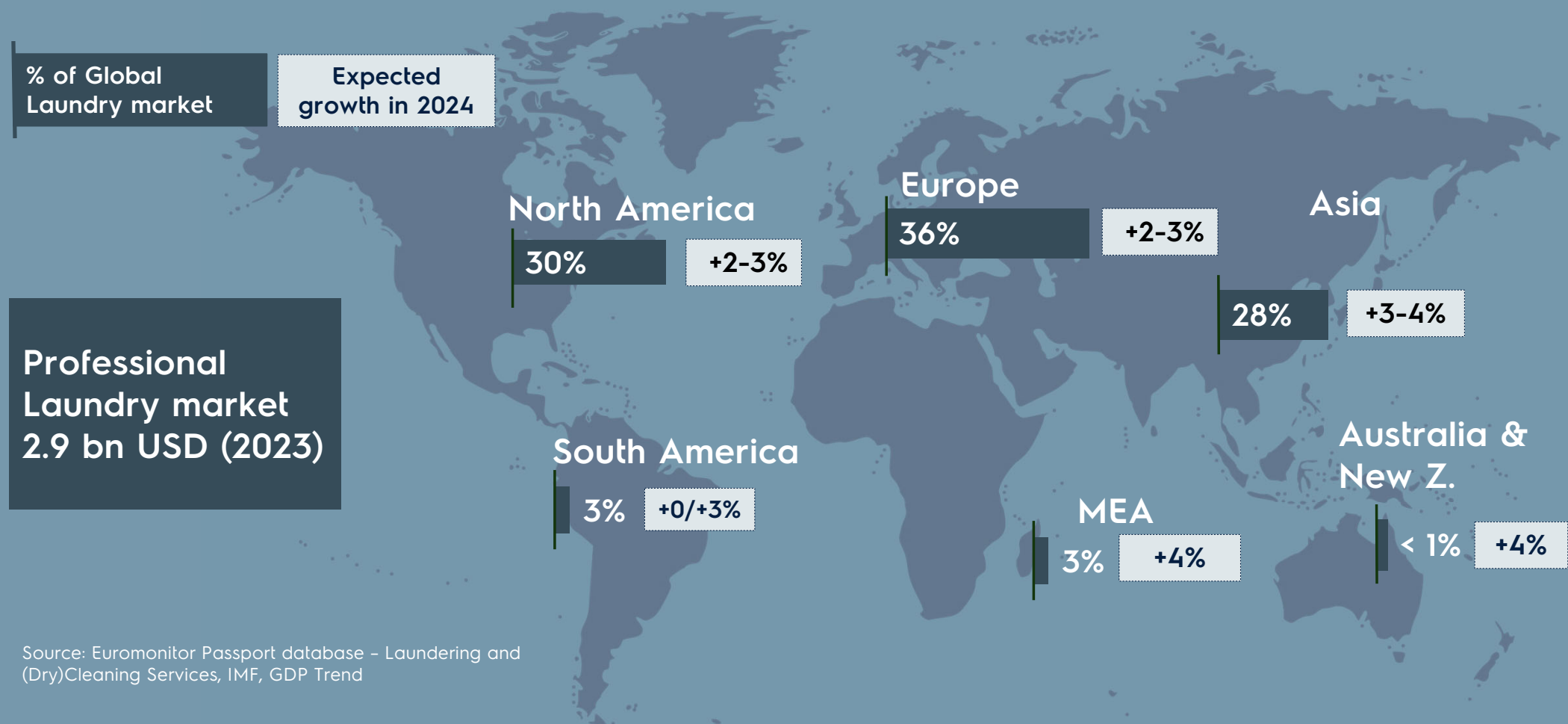
**65+ doubles by  
2050<sup>(2)</sup>**

**Higher Hygiene  
Standards**

**7% - 15% of  
infections  
acquired when at  
hospitals<sup>(4)</sup>**

Sources: (1) Worldometer, (2) UN 2019 (3) S&P Global (4) World Health Organization

# Professional Laundry market is geographically balanced



Source: Euromonitor Passport database – Laundering and (Dry)Cleaning Services, IMF, GDP Trend

# Professional laundry products

**Heavy duty  
(Large Professional)**



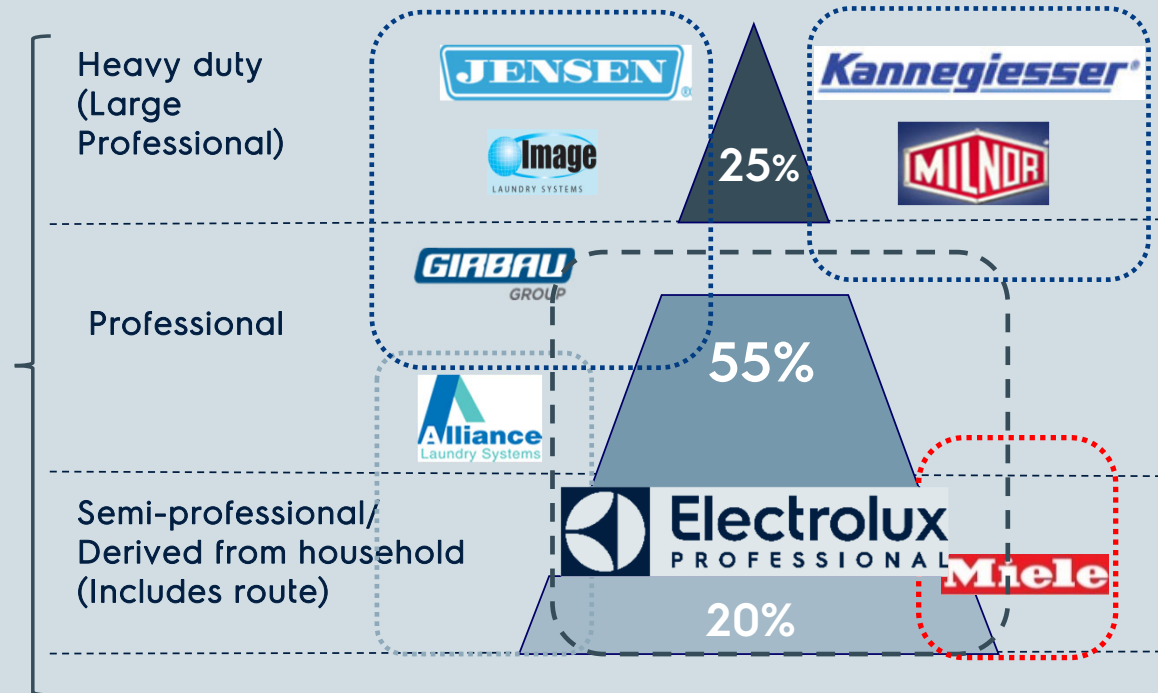
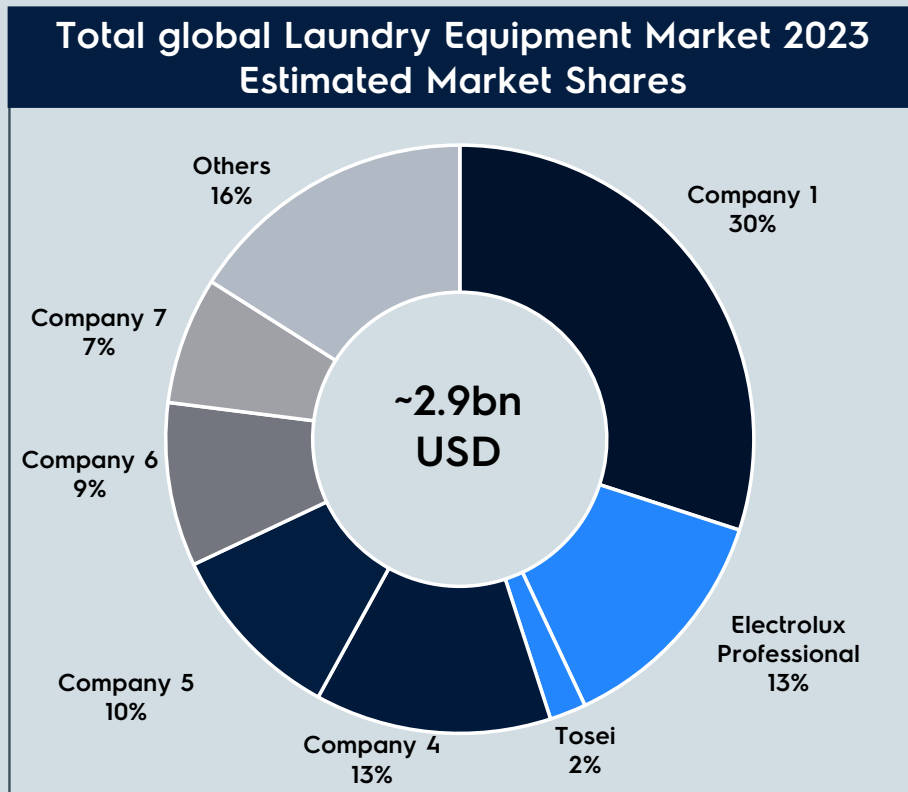
**Professional**



**Semi-professional/derived  
from household**



# Electrolux Professional second largest global player

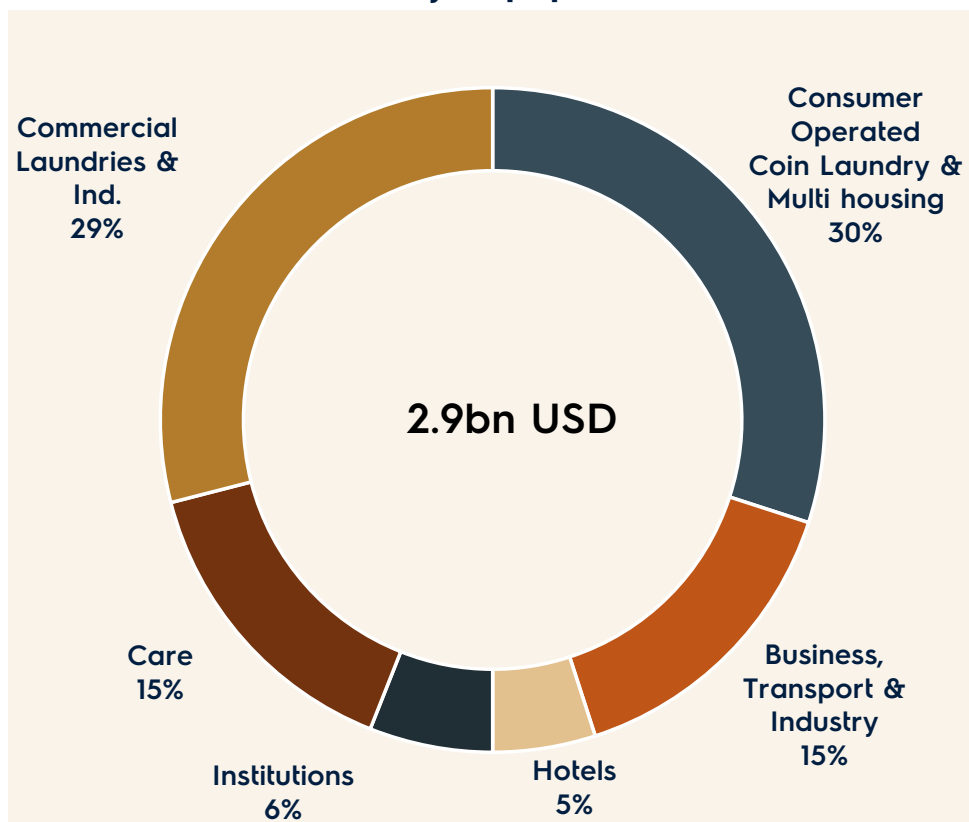


Market size (excluding Domestic Appliances) and market shares  
Official competitors P&L / company internal estimates on the basis of publicly available information, competitors' announcements, news from Laundry Magazines

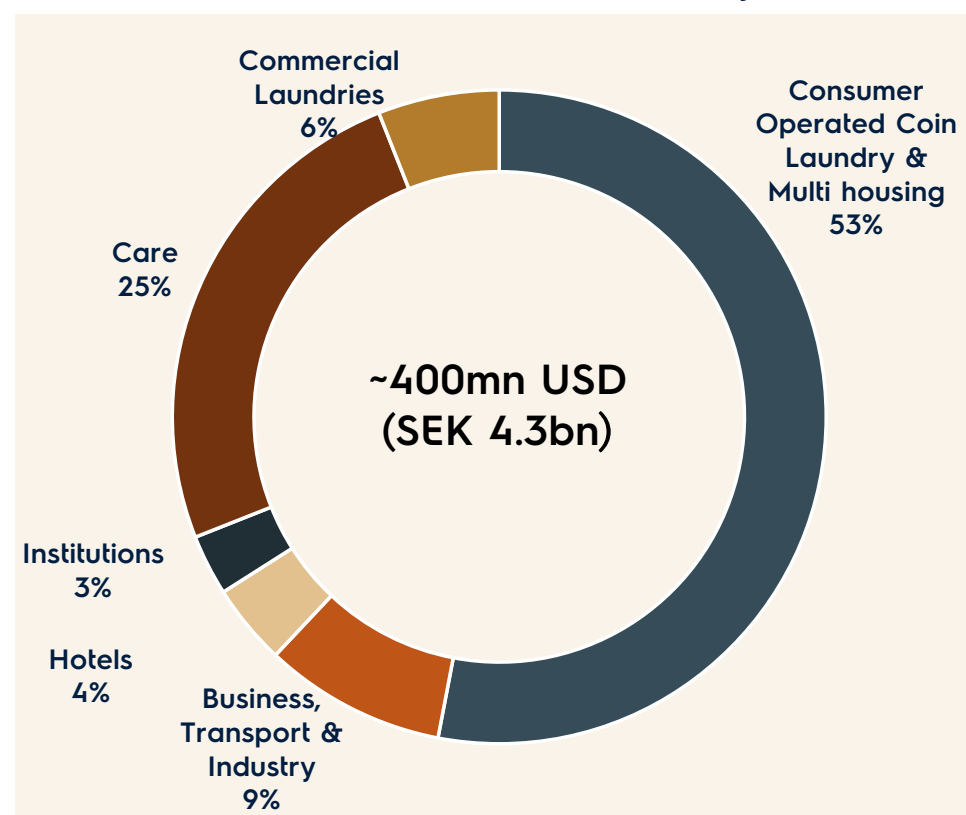
# Our largest global sales are in Coin, Multi-housing and Care



## Global Laundry Equipment Market\*



## Electrolux Professional Laundry sales

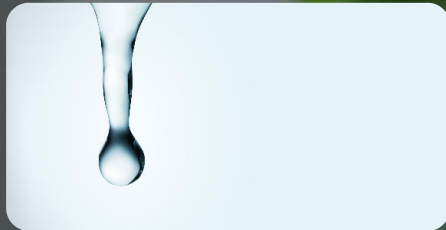


\*Estimation based on CSIL 2020 – Competitors P&L – Internal sources  
Exchange Rate: Avg 2023-12



# 120 years legacy of sustainable, low running cost solutions

## People - Planet - Profit



Highest savings

Demand

Effortless use

Trustable safety

# Adding value at each customer touch point...



Innovative and sustainable products

-  Semi-Pro
-  Front-loader washer
-  Dryer
-  Ironer & finisher
-  Barrier washer
-  Wet cleaning solution

Rental



Laundry Local Competence Centers



Global Customer Care



...to always answer to market needs



DIGITALIZATION

One Connected



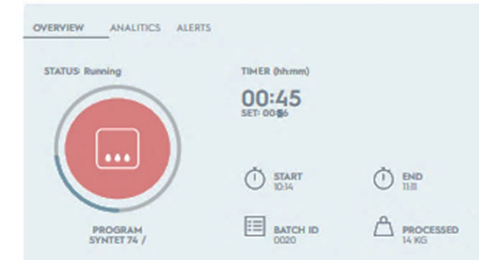
GREEN REVOLUTION



SUSTAINABLE WORKPLACE



INCREASING PRODUCTIVITY



FLEXIBILITY



HYGIENE & SAFETY



# TOSEI and the Laundry market in Japan

# Professional Laundry Market Japan is the second largest globally

Total Market

USD400m

- 6 companies represent 85% of the professional Laundry market
- TOSEI is a leading player in the professional Laundry market
- Electrolux Professional has been a smaller player



TOSEI Star Product  
Combo Washer &  
Dryer

Source: Japan Laundry Association and company estimates

# Coin laundry stores are on the rise in Japan

- Normal market growth of 2%
- The market is mainly covered by local manufacturers
- Sizeable coin-op and elderly care market segments

Source: Japan Coin Laundry Association

Electrolux Professional Group Investor Day March 2024



# Business Overview – TOSEI Laundry in Japan

## Business segment

Laundry

70% of  
TOSEI sales



## Product categories

Laundromats

Coin-operated  
• 85% of sales

Professional  
cleaning (“OPL”)

Facilities

## Brands

**TOSEI**  
**TOSCLEAN**

## Main competitors

AQUA

YAMAMOTO

DAIWA

# TOSEI and Electrolux Professional Laundry in Japan



Innovative Low Running Cost Solutions

Age Care

Full Product Range except combo washer & dryer

Distributors



Japanese quality and Support

Coin-ops

Combo Washer & dryer

Multi channel Distribution



# Product Portfolio



Combo  
(Washer/Dryer)



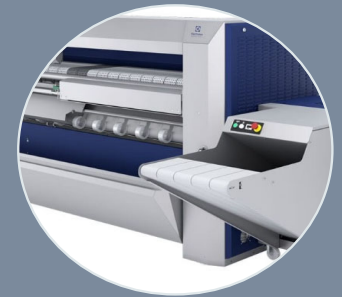
Front Load  
Washer



Tumble  
Dryers



Barrier  
Washers

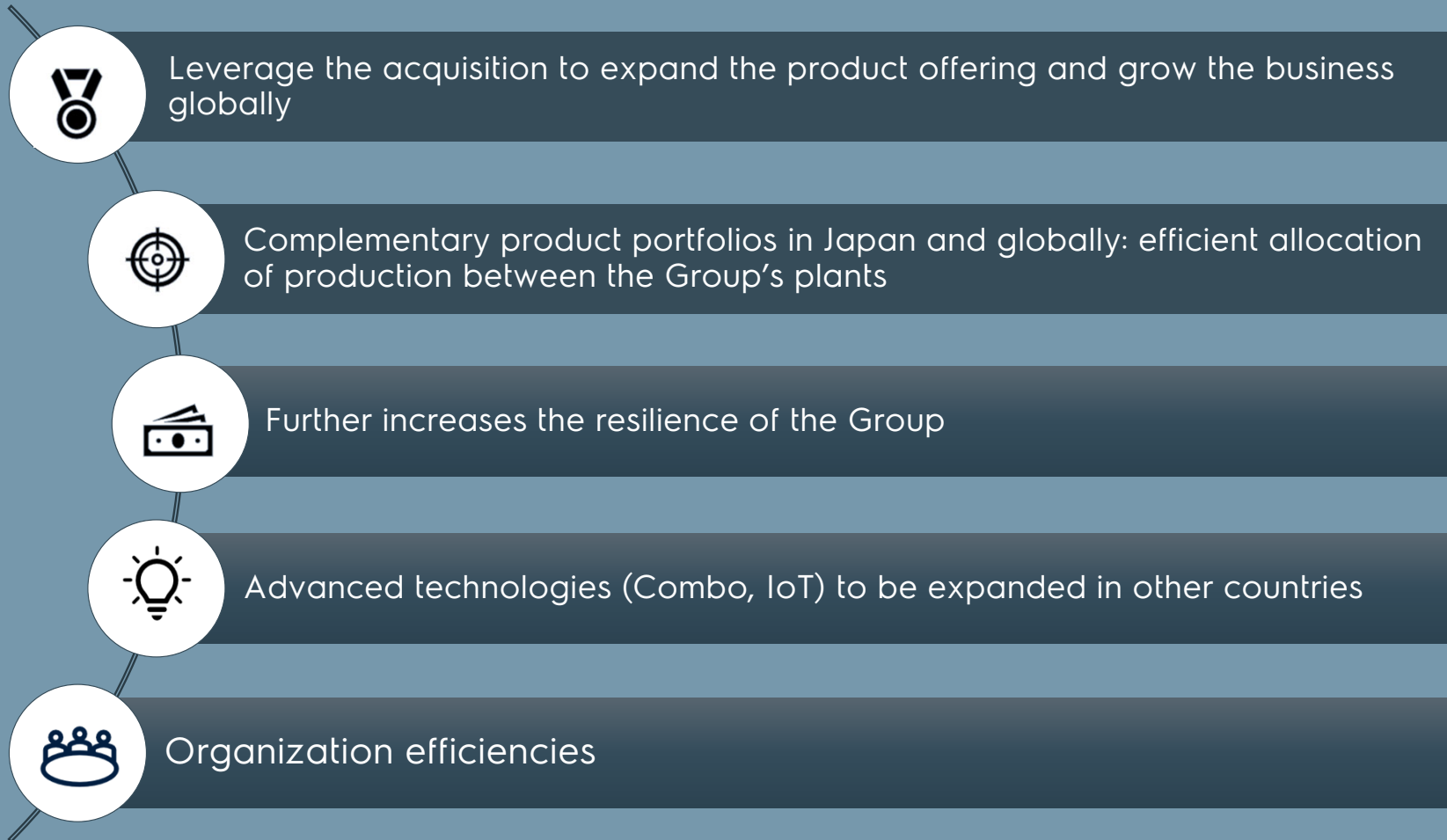


Ironers



**TOSEI**

# Electrolux Professional and TOSEI will create value



# Key take aways Laundry Japan



- Attractive industry with high market resilience
- Japan big and stable laundry market
- Electrolux Professional Laundry recognized leader in terms of sustainability and innovation, well placed for sustained profitable growth
- Good synergies identified to generate value creation



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Q&A

Coffee break until 10.45



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# Investor Day 2024

Stockholm, March 13, 2024

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# Electrolux Professional Food & Beverage in APAC-MEA with focus on Food in Japan after the acquisition of TOSEI

Richard Flynn, President Business Area Food APAC & MEA



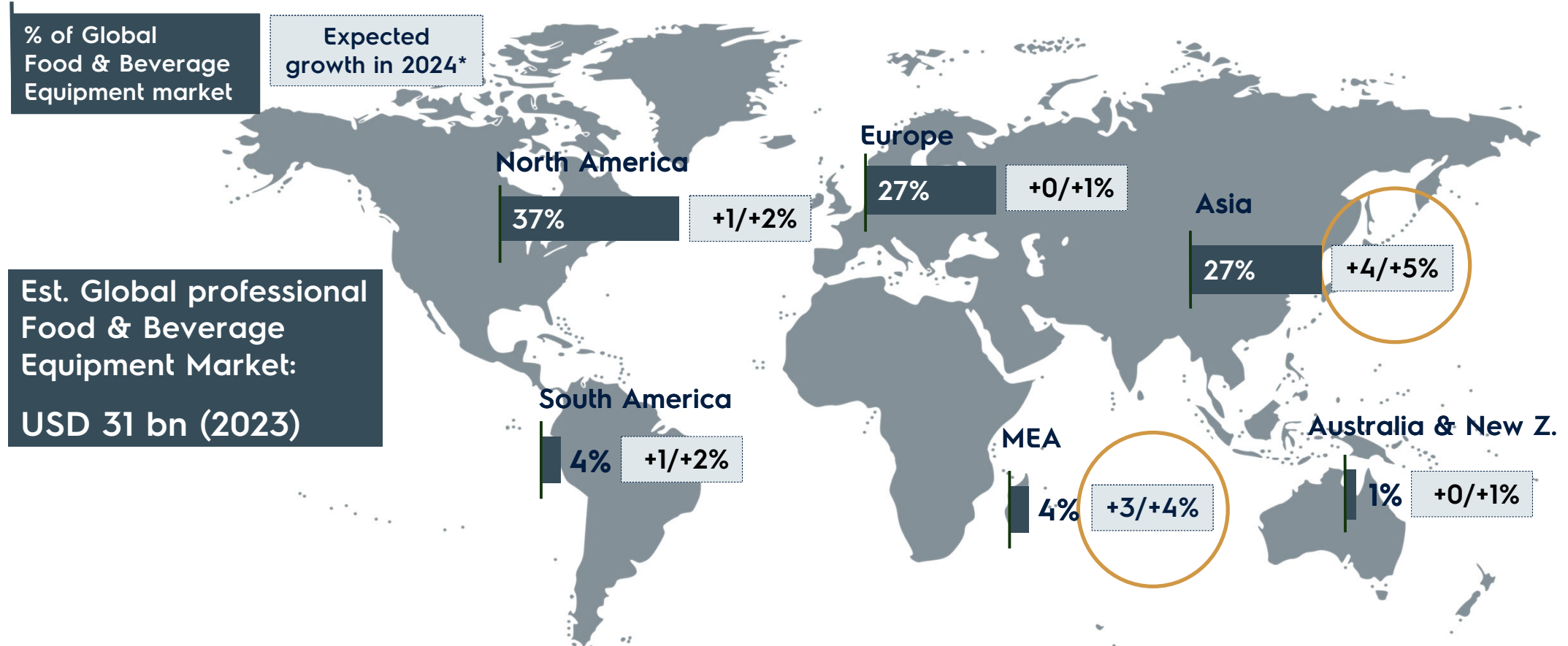
# Electrolux Professional APAC-MEA Food & Beverage Set-up

- **>70%** of sales from products produced in Europe
- **60%** of sales from projects and **40%** from replacement and chains
- Sales organization in 8 countries





# Higher growth expected in APAC-MEA



Est. Global professional Food & Beverage Equipment Market: USD 31 bn (2023)

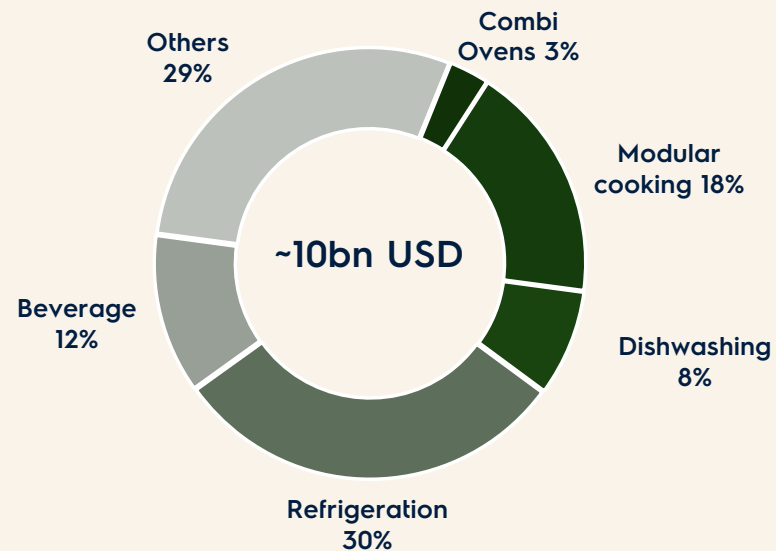
\*Expected market growth '24 in terms of new openings of Foodservice outlets (Cafés/Bars, FSR, QSR, Self-Service Cafeterias) and Hotels (Mid-Market, Upscale, Luxury)  
Source: internal estimates based on major competitors results and available statistics in Feb'24, Euromonitor Passport (Consumer Foodservice and Lodging)

# Food & Beverage Market in APAC-MEA

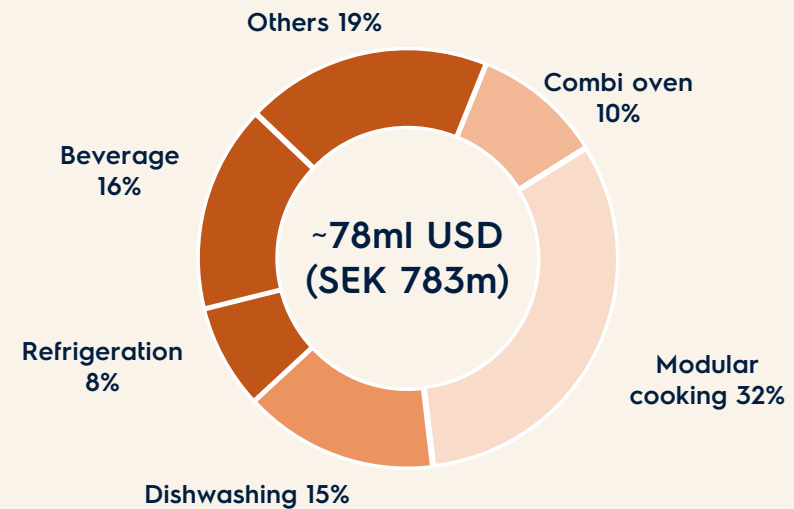
## Focusing on cooking, dishwashing and beverage



APAC-MEA Food & Beverage Market



Electrolux Professional sales in APAC-MEA



Source: FMI report Global Industry Analysis 2022

# Strategic focus APAC-MEA

## China

- Launch of new dishwashers to address local market
- Localise production of modular cooking

## India

- Increase presence and distribution in key regions
- Invest in new business model to offer a single vendor solution increasing the addressable market

## Southeast Asia

- New Logistics hub opened
- Creates opportunities to increase replacement business

## Japan

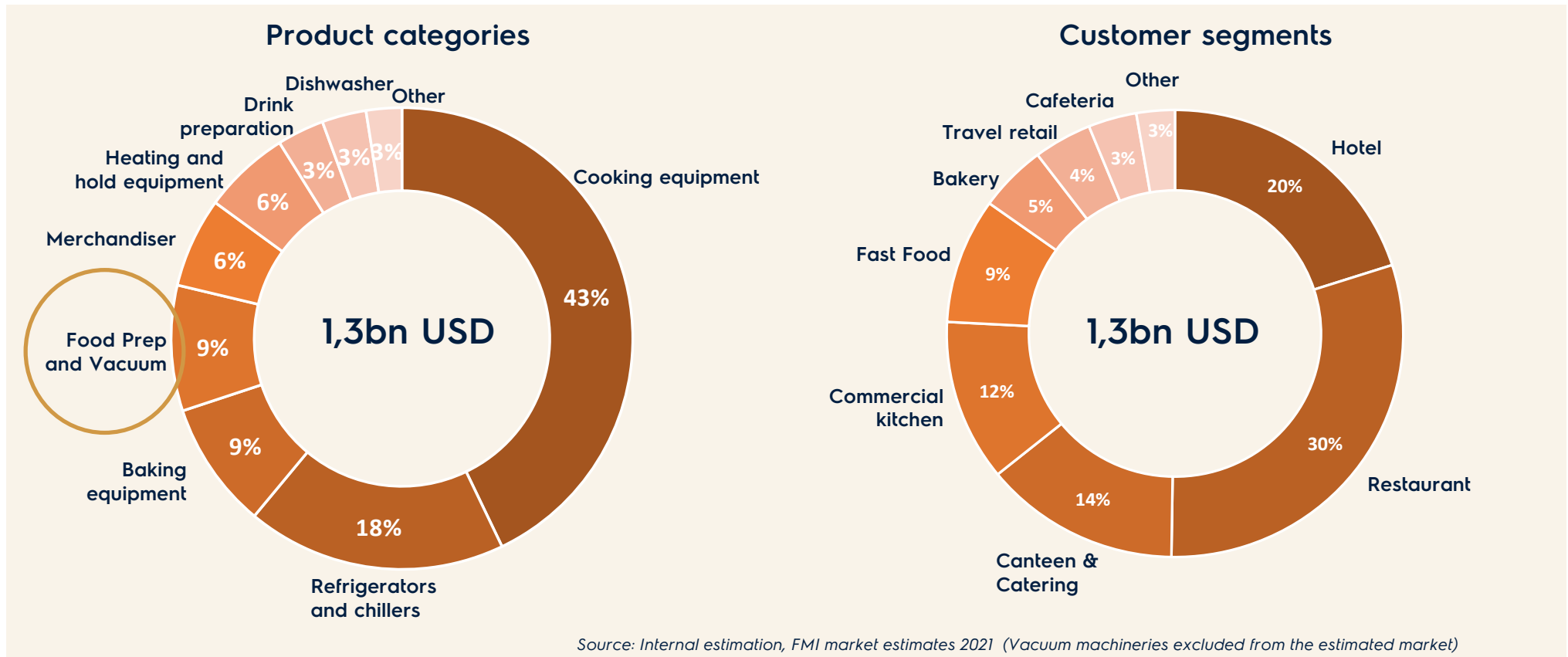
- Grow in food through TOSEI network
- Integrate TOSEI and Electrolux Professional organizations

# TOSEI and the vacuum packing market in Japan

# Professional Food & Beverage Market in Japan



- TOSEI sales of approximately USD 25m (only Vacuum packing)
- Electrolux Professional sales of approximately USD 1m (modular cooking and refrigeration)



# Business overview – TOSEI Vacuum Packing in Japan

## Business segment

Vacuum  
30%  
of TOSEI  
sales



## Product categories

Tabletop  
• 60% of sales

Stationary and  
fully automatic  
• 25% of sales

## Brands

**TOSPACK**

**TOSCOOK**

## Competitors/Customers

HOSHIZAKI

FURUKAWA

YOSHIKAWA

NISHIHARA

# Market trends in vacuum packing



Focus on quality and waste reduction



Higher automatization in the food market to reduce labour costs



Emerging sectors and applications such as storage of clothing

- Preservation of food quality and taste, reduction of food waste and optimization of food preparation workflow are main drivers of the future growth globally
- Global market of Vacuum is close to USD 0.5 Bn
- Forecast (by CSIL) of a steady global growth of +5% per year in the coming 5 years

# Electrolux Professional products complements the TOSEI vacuum packing

**1** Dynamic  
Preparation



**3** Re-thermalizer



**2** Cook & Chill



Vacuum is integral to the  
full cook and chill system



# Opportunities to expand Food Vacuum sales



- In the project business we typically sell one vacuum sealer for every oven, this means potential additional volume
- Possibility to expand sales of the TOSPACK range in APAC region
- Identify suitable models for sale outside of Asia



# Key take aways Food & Beverage APAC-MEA



- The APAC – MEA Food & Beverage market is large and the fastest growing region globally
- We are present within the largest product categories with a combination of a strong local specialist brands combined with the support of a Global organization and brand
- Clear execution road map to integrate TOSEI and create value by delivering the defined sales synergies
- Our local operations and go to market across the region enables us to handle both project and replacement business



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Q&A

# Financial update

Fabio Zarpellon, CFO



# We are progressing towards our financial targets



## Net sales growth target

**4%**

**2023: 2.6%**  
(2022: 16.9%)

## Profitability target

**15%**

**2023: 11.1%**  
(2022: 10.1%)

## Assets efficiency target

Operating working capital as per cent  
of net sales

**15%**

**2023: 18.1%**  
(2022: 16.7%)

## Capital structure target

Net debt/EBITDA ratio below

**2.5x**

**2023: 0.9x**  
(2022: 1.5x)

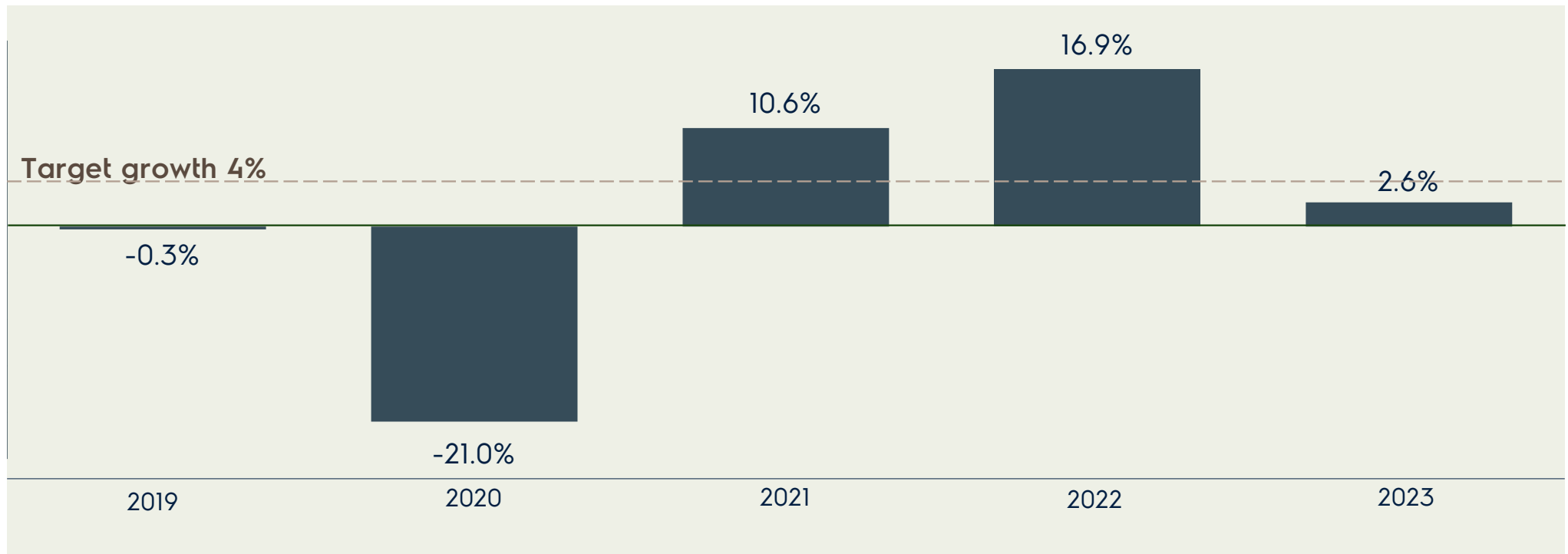
## Dividend

**30%**

of income

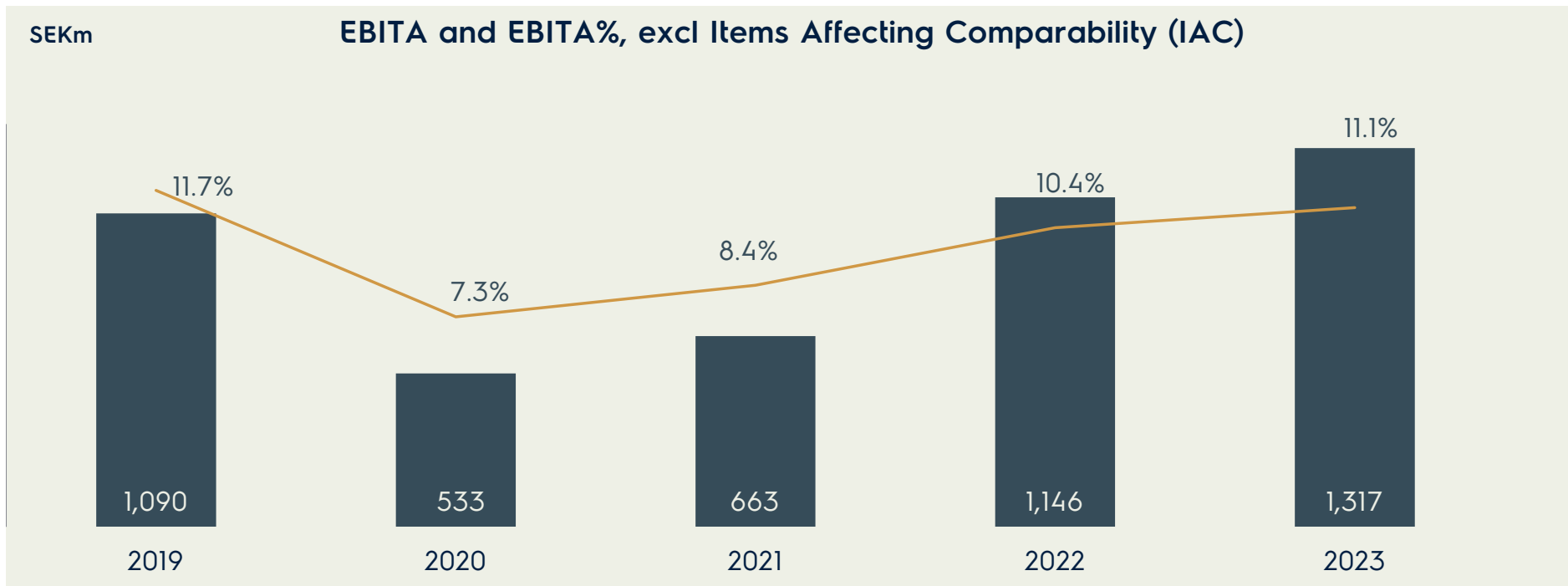
**Proposed 2023: 30%**

# Strong organic sales development after the pandemic – target to grow 4%

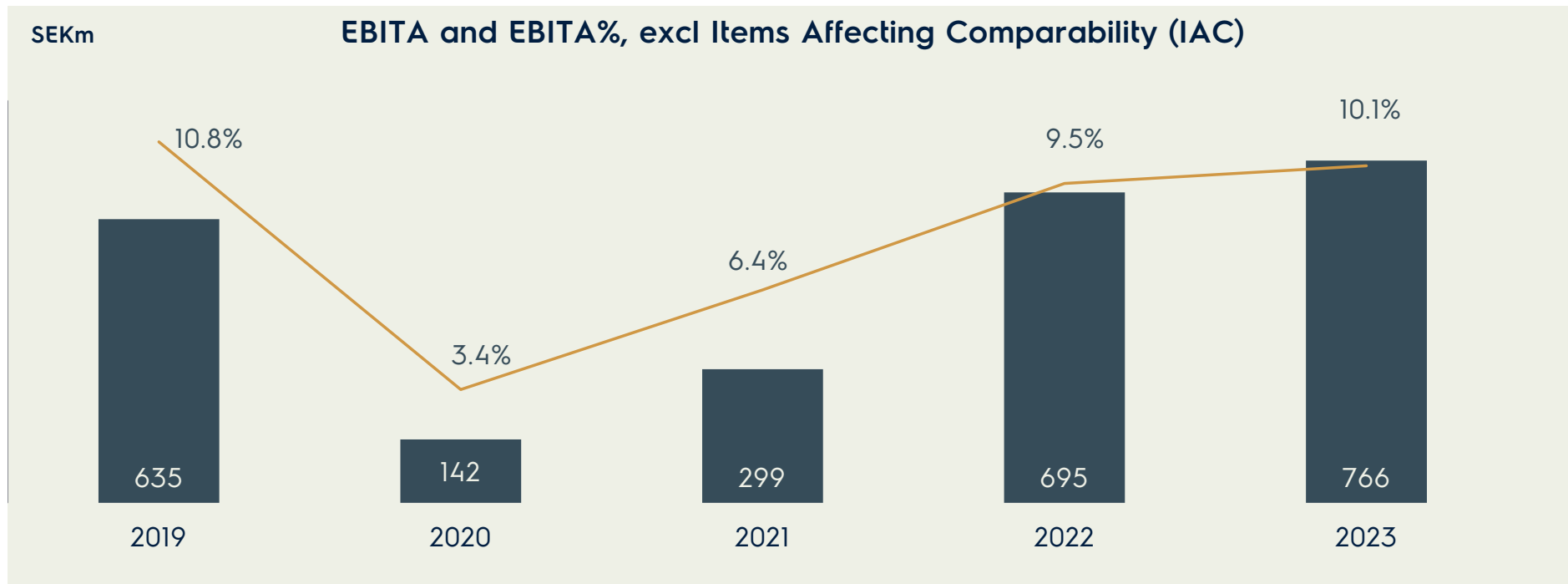


# Margin almost back to pre-pandemic level and 20% higher in value

- target to continue step-by-step improvement to 15%

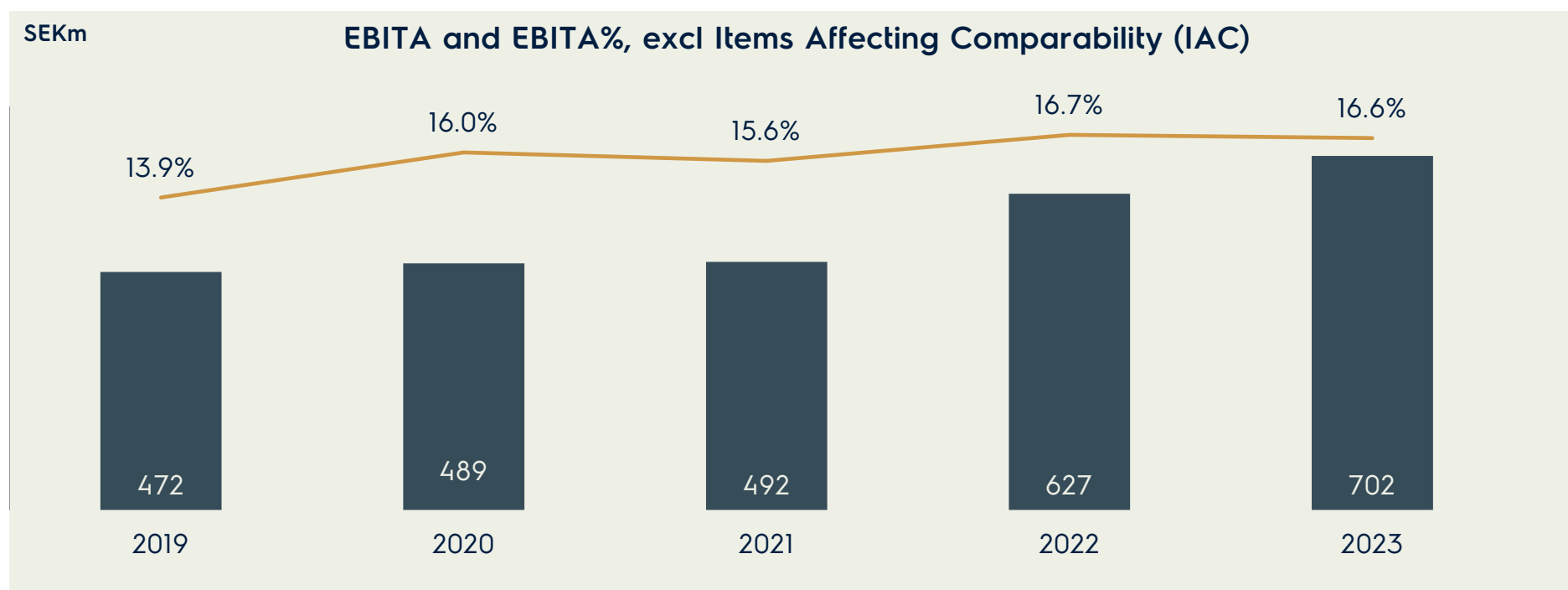


# Food & Beverage EBITA-margin has structurally been growing after the pandemic

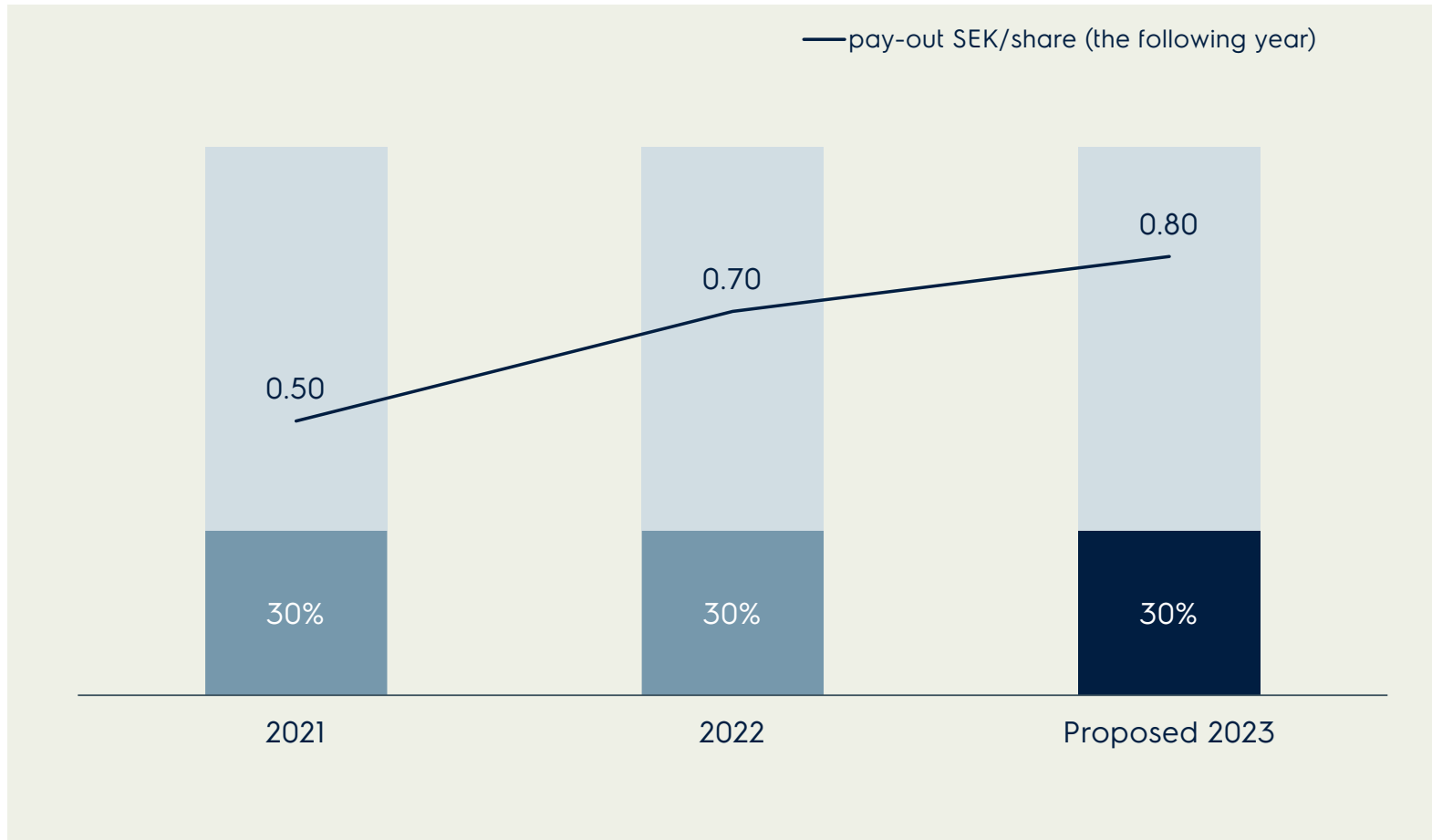




# Laundry – a resilient high-margin business



# Dividend in line with target last three years



Target:  
30% of net income

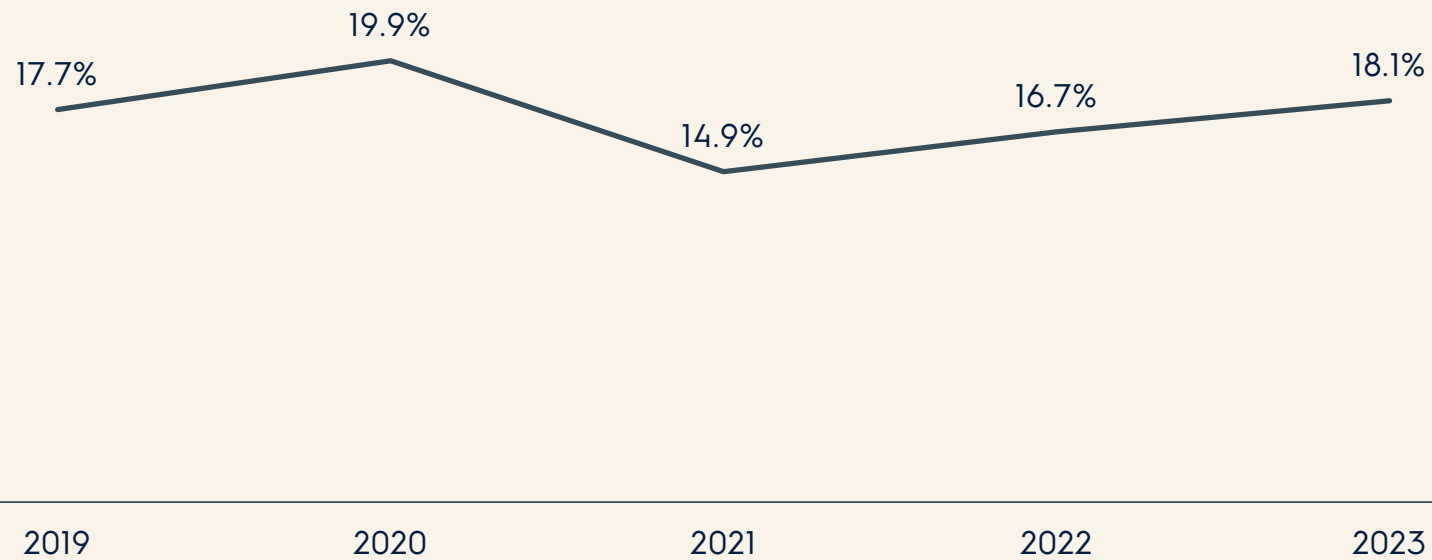
# Expected cost & capex development in 2024

Weight  
on sales

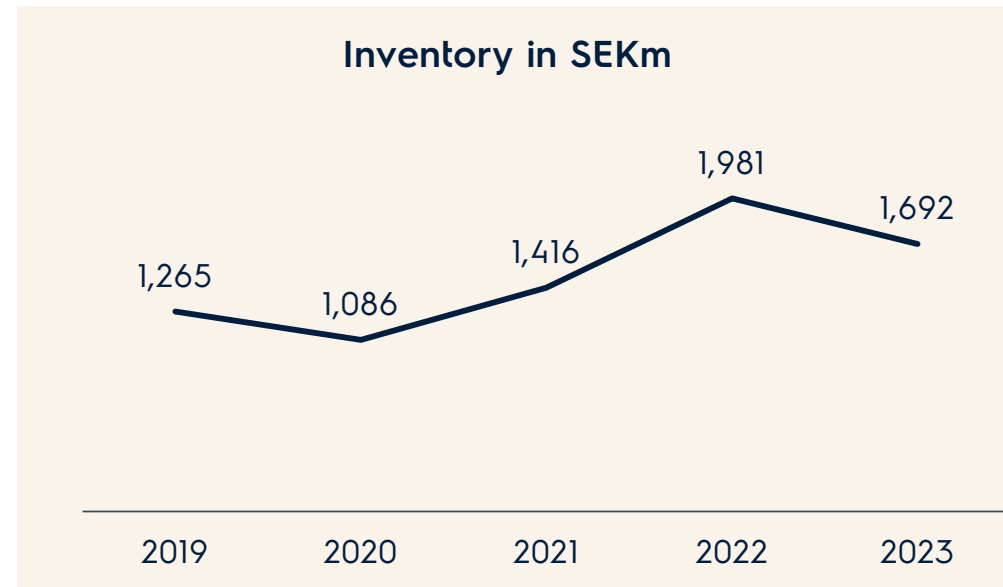
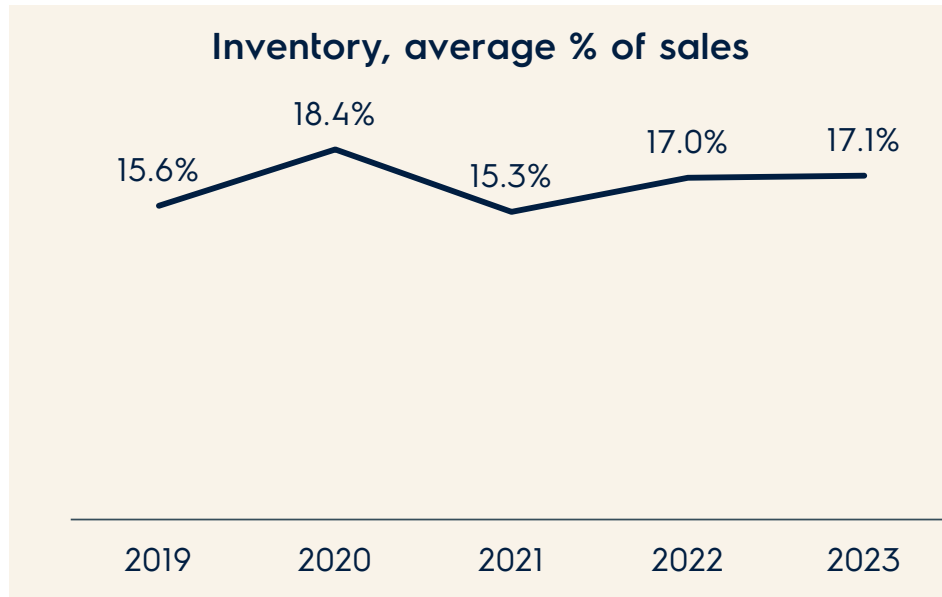
Direct material cost	↓	• Raw material costs somewhat lower
Transport cost	↔	• Despite global uncertainty, cost is expected to be on same level as 2023
Other inflationary items (i.e. Salary)	↑	• Price increases to cover inflation
R&D	↑	• Continue investments in innovation - among the highest in the industry
Digital investments	↑	• Continue on products and processes
Capex	↑	• Investments in products, production and sustainability

# Operating working capital increased...

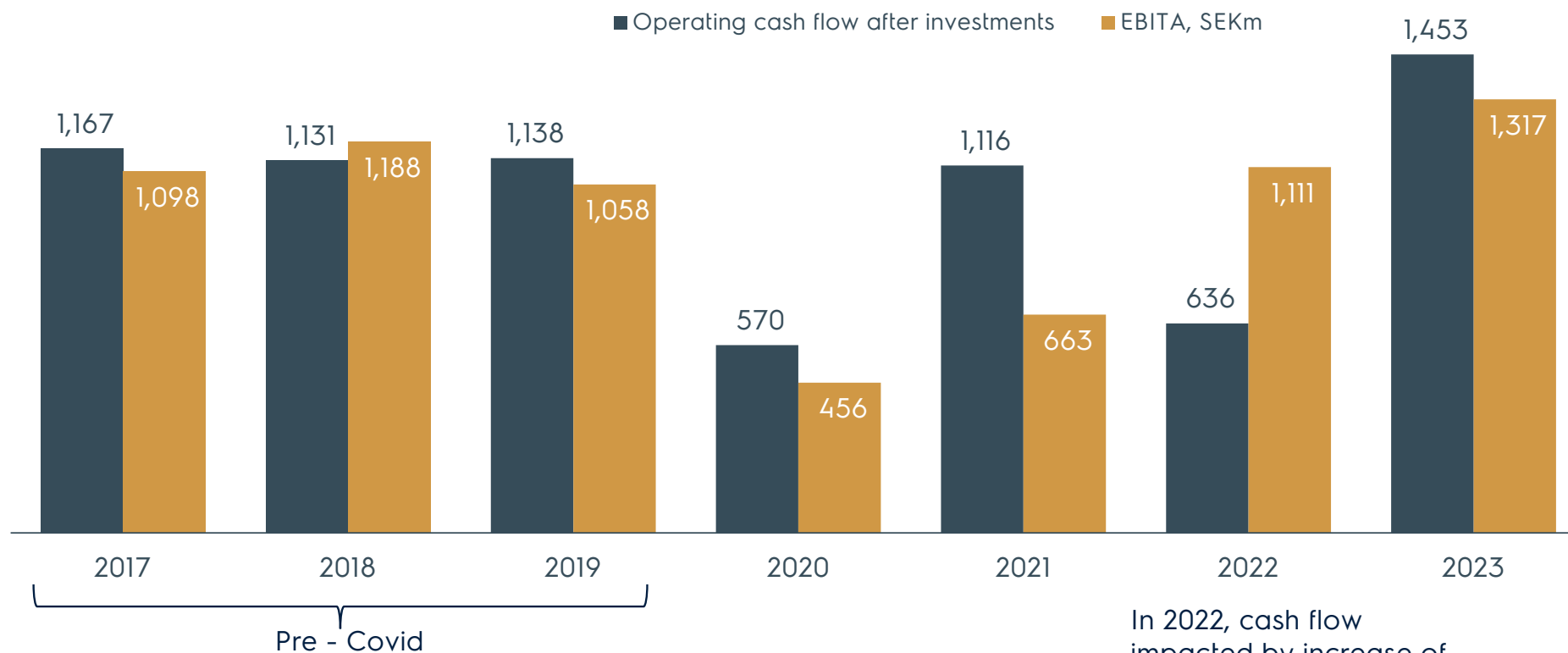
Operating working capital as % of sales



# ...but inventory started to decrease second half of 2023



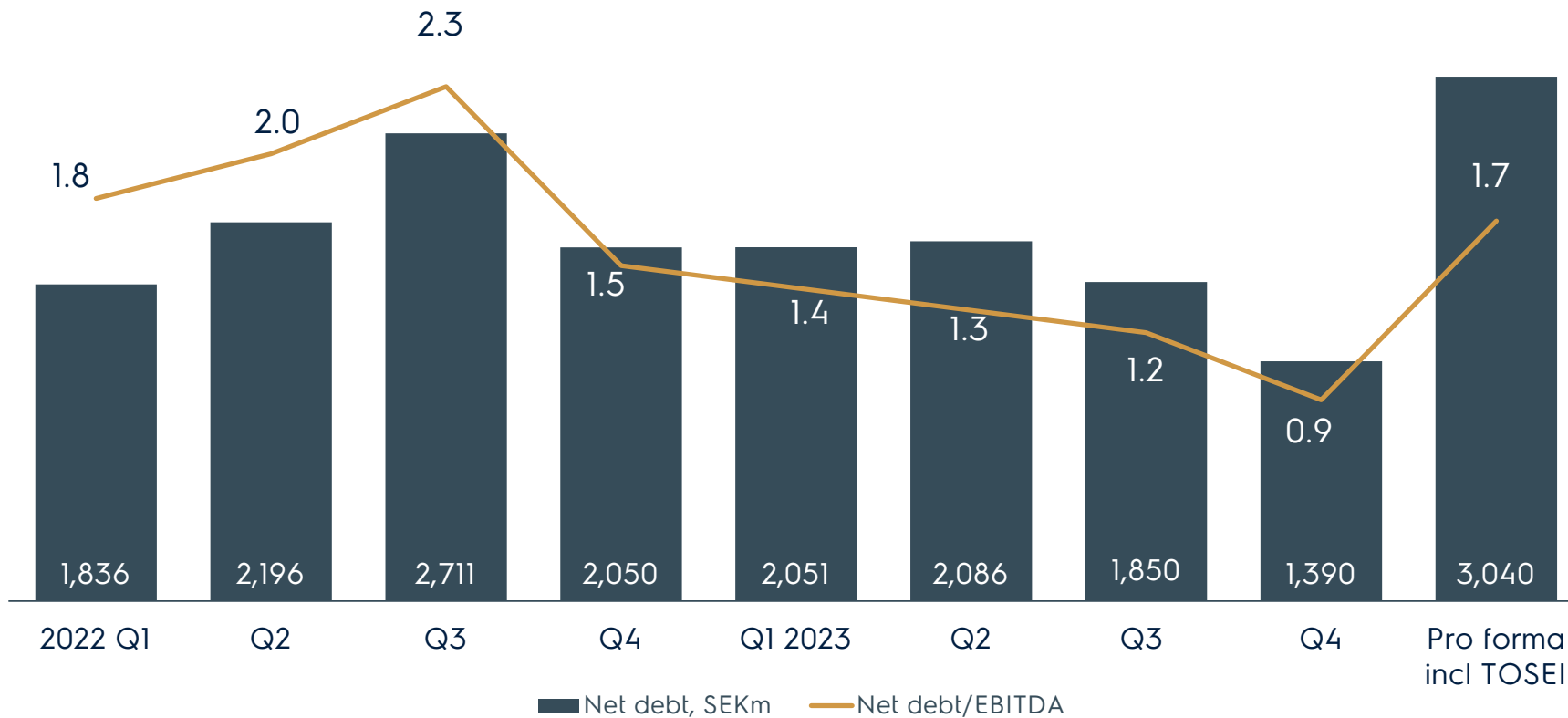
# Proven good cash flow over the years



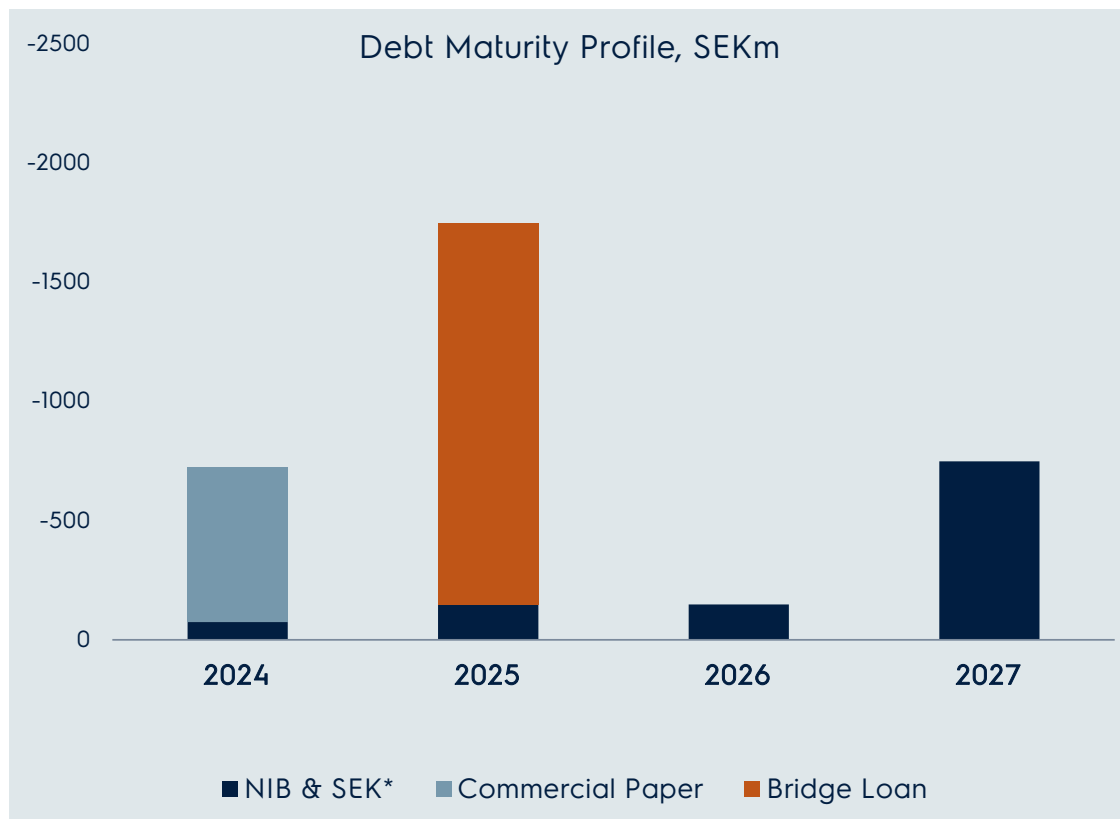
In 2022, cash flow impacted by increase of Operating Working Capital

# Net debt/EBITDA ratio is below limit of 2.5x also after TOSEI acquisition

- Further improved Net debt/EBITDA ratio during 2023



# Strong credit and flexible maturity profile



- Commercial Paper and MTN programmes activated
- Bridge facility for TOSEI acquisition to be refinanced with longer-term debt via issuance under the MTN programme
- None of the loan facilities contains any financial covenants
- EUR 200m unutilized Revolving Credit Facility

\* NIB Nordic Investment Bank, SEK Svensk Exportkredit



# TOSEI – financial insights



- Sales of SEK 930m in 2023
- EBITA-margin of 11.1% - in line with Electrolux Professional Group profitability
- Historically, margin has been higher, but declined last year, mainly due to higher input cost not compensated by price, and a slower general laundry market
- TOSEI is expected to grow in 2024 with improved underlying profitability
  - Integration cost of SEK -15m, and SEK -30m in inventory revaluation (Inventory step-up) will impact reported profitability
- After synergies, TOSEI profitability should be well in line with the Electrolux Professional Group EBITA-target of 15%. Synergies gradually during 2025 and 2026

# Acquisitions improves our performance

- Electrolux Professional Group pro-forma 2023

- Sales = SEK 12,8b
- EBITA = SEK 1,4b
- Margin approx. 11%

- The Unified Brands (2021) and TOSEI (2024) acquisitions added:

- Sales +20%
- EBITA +20%
- Margin accretive

# Acquisition of TOSEI changes the footprint (2023 proforma)



## Pre acquisition

Net sales by geography



Net sales by segment



## Post acquisition

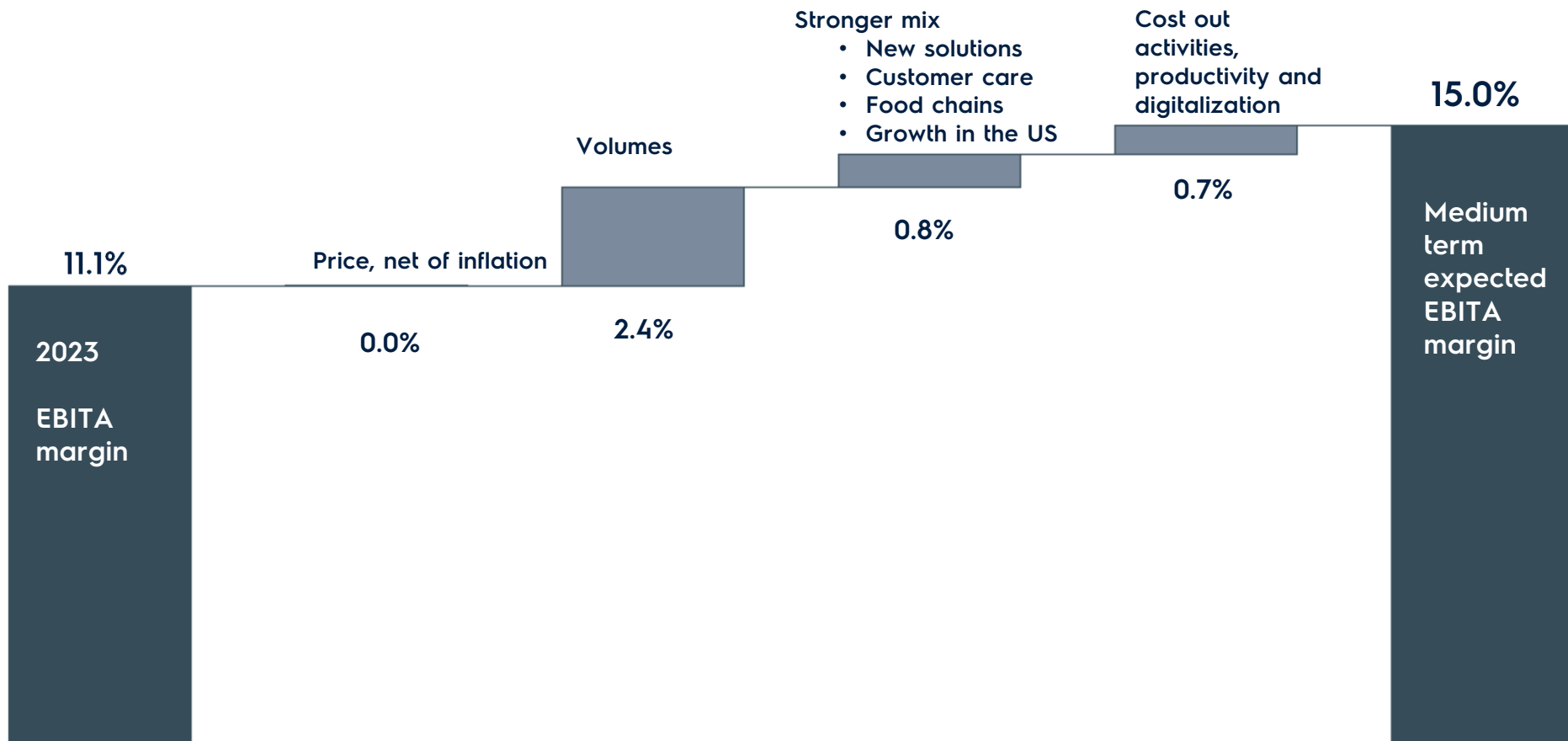
Net sales by geography



Net sales by segment



# Building blocks to achieve 15% EBITA margin



# Key take-aways financial update

## A solid Group with large potential



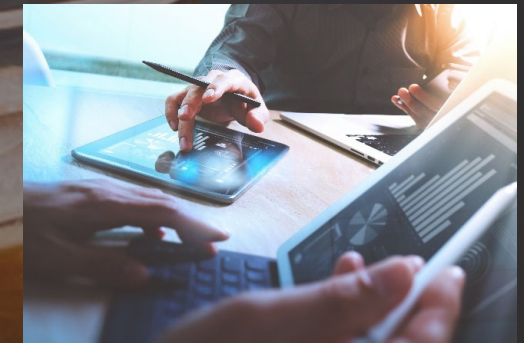
**Track record of solid EBITA and cash flow**  
**Solid balance sheet even after recent acquisition**



**Delivering on an organic profitable growth journey**  
**Significant and accretive acquisitions**



**Attractive, resilient and large Laundry business with strong profitability**



**Focused plan to generate margin expansion**  
**Available fire power for M&A**



Electrolux  
Professional  
Group

Q&A



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Professional  
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# Summary

CEO Alberto Zanata

# Summary and take aways

Yes, we still have some way to our financial targets...but:

- Improved EBITA-margin three years in a row
- In 2023 we had the historical highest; revenue, EBITA value and cash generation

Strategic priorities and strong R&D well aligned with customers' needs and market dynamics

We have built a stronger competitive position

- Better geographical mix
- Larger Food chain and laundry business
- Larger and growing customer care
- We are the sustainability leader



# Summary and take aways

We have the structural conditions to support our ambitions

- An organization
  - closer to customers
  - strong ownership
  - ability to be agile and react fast
- A dedicated Board supporting our strategy, investments and projects
- Financial strength to support growth with acquisition

**We are committed to achieve our financial targets**



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Professional  
Group**

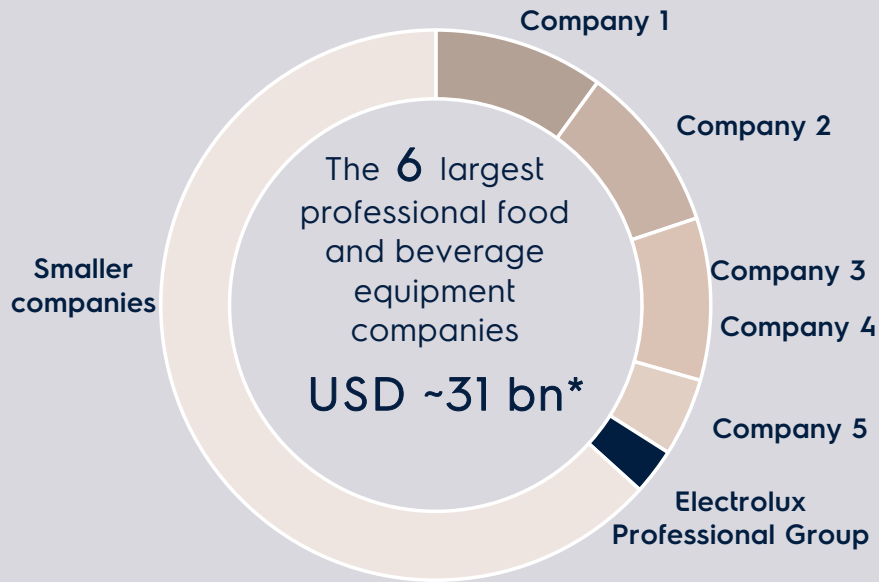
# Appendix



# The global professional equipment industry



## Food & Beverage



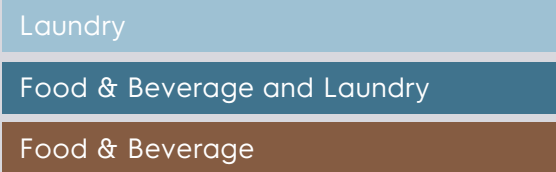
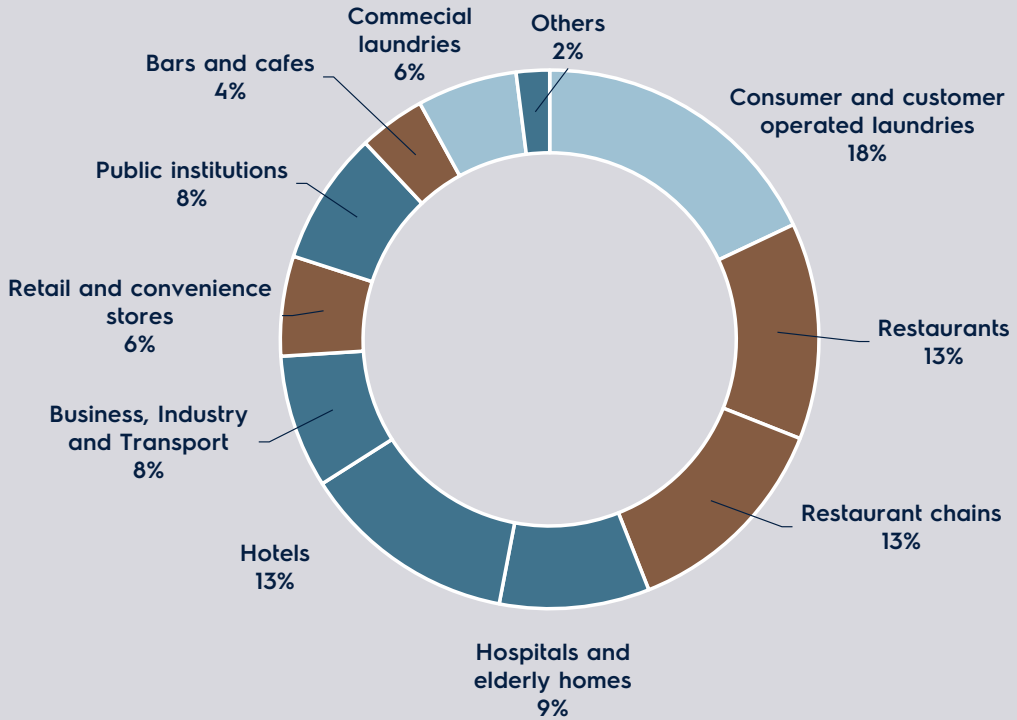
\*\* 2023 markets, own company estimates

## Laundry



\*\* 2023 markets, own company estimates

# Electrolux Professional sales per customer segment\*



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



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Professional  
Group**