



Q2 2020 Result presentation

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Health and safety of employees first priority

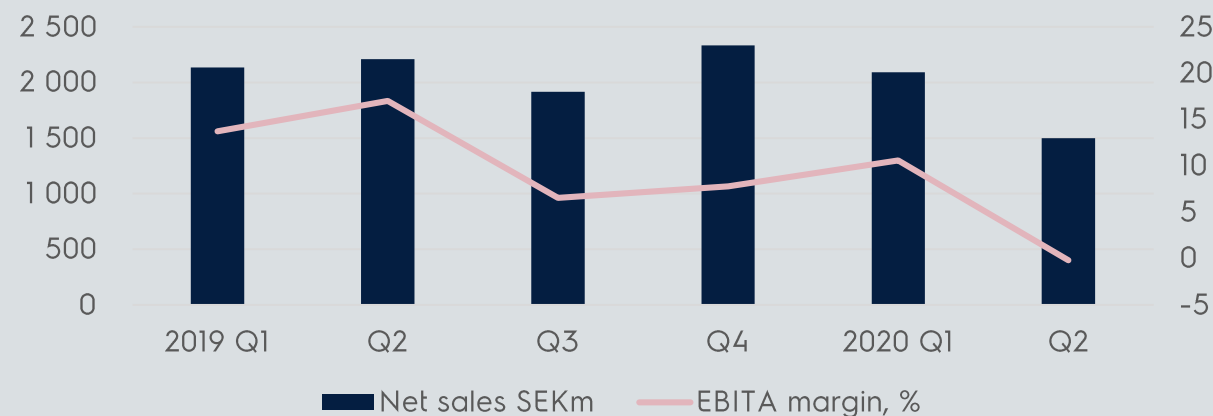
Market conditions heavily impacted by COVID-19

- Organic sales declined by 39.9%
- Laundry less affected than Food & Beverage
- Improved sales trend in June

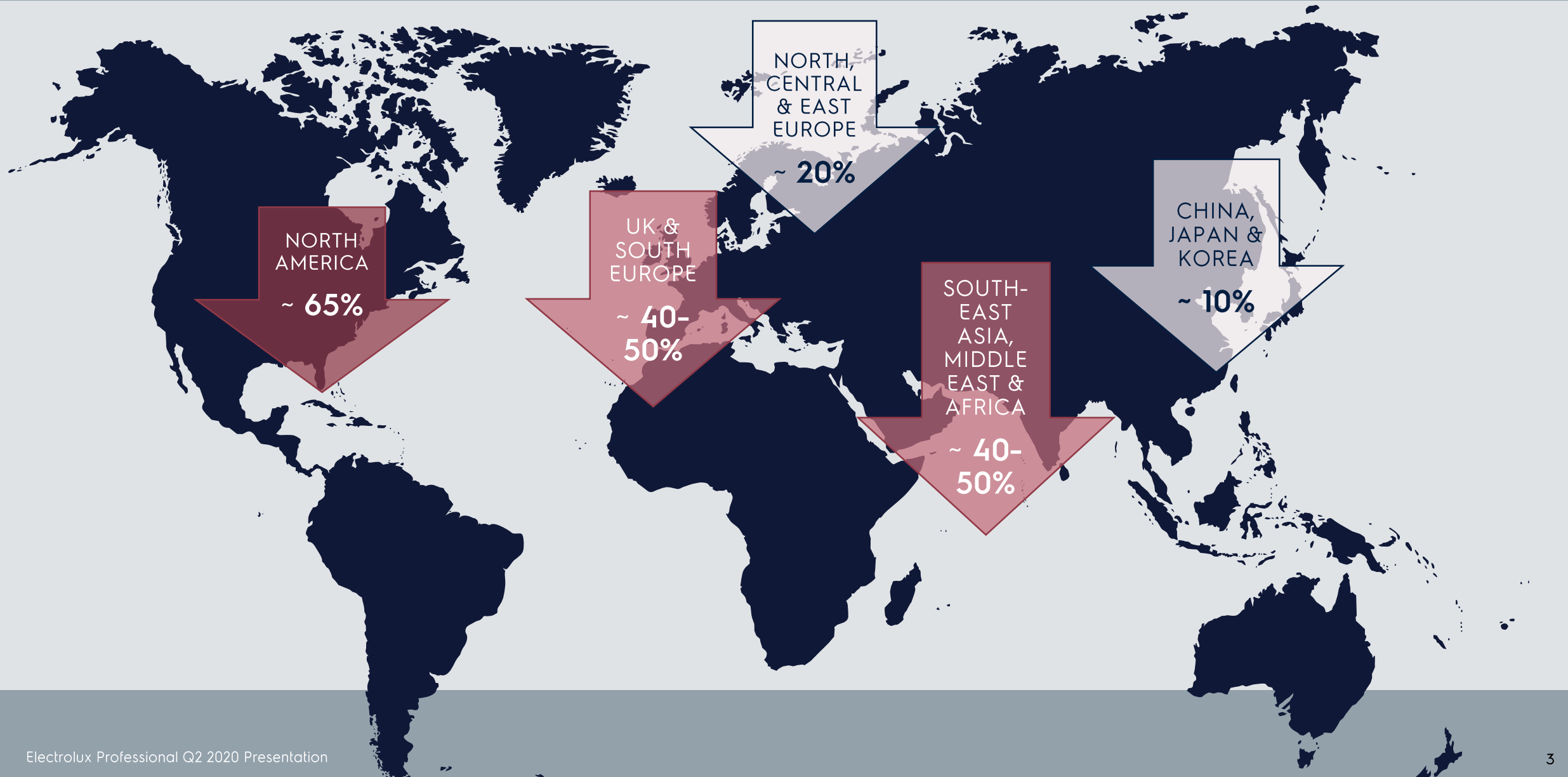
Swift actions contributed to break-even EBITA

- Short-term activities and improvements announced in 2019 have reduced cost by approximately SEK 200m in the quarter
- Structural cost reduction activities implemented in the US and Industrial Operations

SEKm	Apr - Jun 2020	Apr - Jun 2019	Change, %
Net sales	1,489	2,455	-39.3
EBITA	-4	418	
EBITA margin, %	-0.2	17.0	
Operating cash flow after investments	31	432	



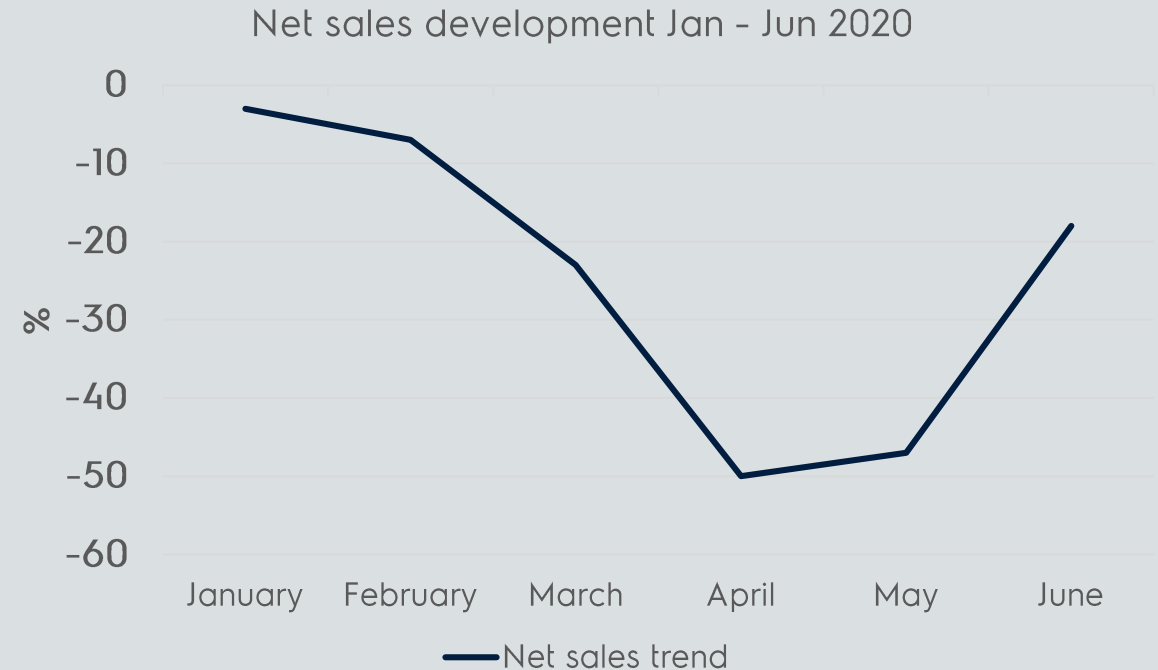
Q2 net sales development per region



Coronavirus impact on sales in Q2

Substantial negative impact on commercial restaurants, hotels and pubs from the COVID-19 pandemic

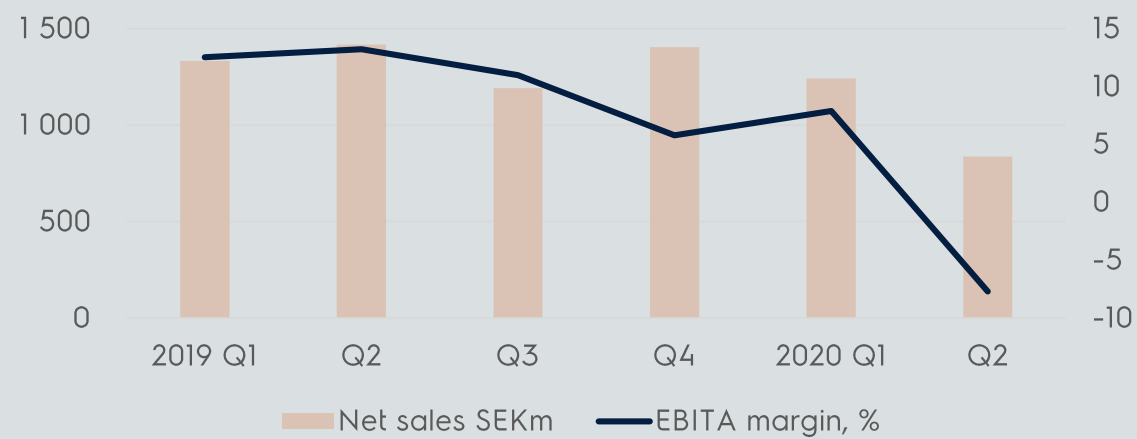
- Food & Beverage sales declined by 48%
- Laundry less affected, still sales down 22%
- Sales improved throughout the quarter with a sales drop of 20% in June
- The development in June is a sign of recovery



Sales heavily impacted by COVID-19

- Sales declined by approximately 50% in Europe and the US, but less in APAC-MEA
- Strong comparator from a chain roll out in the US in 2019
- UNIC was acquired in April 2019
- EBITA decreased due to lower volumes
- Sales recovery in June with a positive EBITA

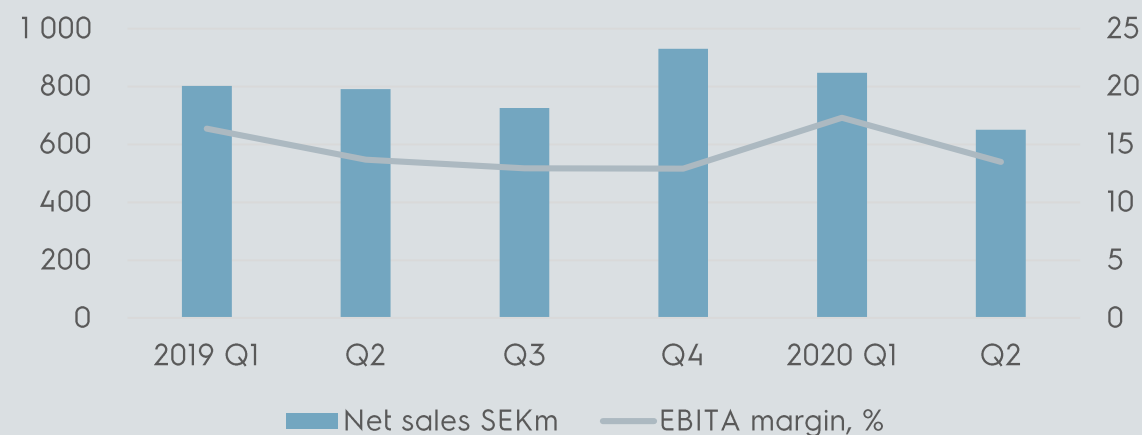
SEKm	Apr - Jun 2020	Apr - Jun 2019	Change, %
Net sales	838	1,619	-48.2
Organic growth, %	-49.2	3.5	
Acquisitions, %	1.3	7.8	
Currency, %	-0.3	2.8	
EBITA	-64	245	-126.3
EBITA margin, %	-7.7	15.1	



Good EBIT-margin despite sales drop

- Sales declined by approximately 10% in Europe. Unchanged or small decline in Northern and Central Europe
- Sales decline in APAC-MEA somewhat higher than in Europe
- Substantial decline in the US due to the COVID-19 restrictions and de-stocking

SEKm	Apr - Jun 2020	Apr - Jun 2019	Change, %
Net sales	651	836	-22.2
Organic growth, %	-21.9	-0.5	
Acquisitions, %	-	4.7	
Currency, %	-0.3	1.6	
EBITA	88	173	-49.1
EBITA margin, %	13.5	20.7	



SEKm	Apr - Jun 2020	Apr - Jun 2019	Change, %
Net sales	1,489	2,455	-39.3
Gross operating income	428	876	-51.1
Gross operating margin, %	28.7	35.7	
Selling expenses	-302	-438	-31.0
Administrative expenses	-144	-126	+14.3
Administrative expenses IAC*		+90	
Other operating income/expenses	-0	-1	
Operating income	-18	401	
Operating margin, %	-1.2	16.3	
EBITA	-4	418	
EBITA margin, %	-0.2	17.0	

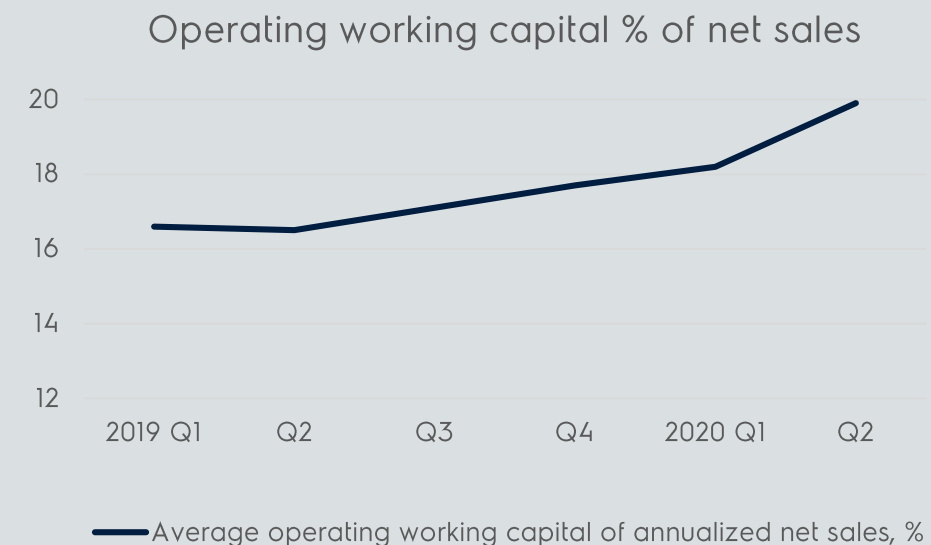
*Items Affecting Comparability (IAC)

EBITA development

- Lower volumes main driver for decline in EBITA
- The efficiency program from 2019 to off-set new corporate costs is now finalized with full run-rate from July 2020
- Structural and short-term cost reduction activities amounted to approximately SEK 200m in the quarter
- Increase in administrative expenses is related to corporate cost as a stand-alone company. In 2019, there was a positive income from a pension plan settlement of SEK 90m

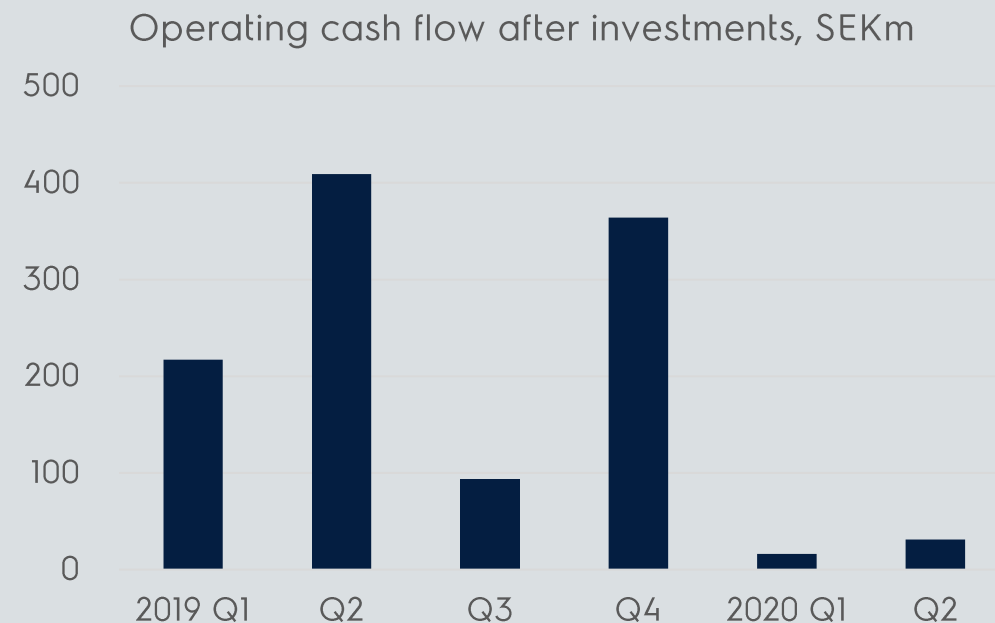
Operating working capital and Financial position

SEKm	30 Jun 2020	31 Dec 2019	30 Jun 2019
Inventories	1,405	1,265	1,379
Trade receivables	1,325	1,687	1,834
Trade payables	-1,239	-1,606	-1,623
Operating working capital	1,491	1,346	1,590
Operating working capital of annualized net sales, %	19.9	17.7	16.5
Interest-bearing liabilities	1,473	997	240
Net provisions for post- employment benefits	175	195	194
Lease liabilities	227	243	182
Other liabilities	12	246	20
Liquid funds	-857	-656	-421
Net debt	1,030	1,025	215
Net debt/EBITDA	1.3	0.8	0.1



Operating cash flow

SEKm	Apr - Jun 2020	Apr - Jun 2019
EBIT	-18	401
Depreciation, amortization and other non-cash items	79	-20
Change in operating assets and liabilities	14	76
Investments in intangible and tangible assets	-43	-25
Changes in other investments	-1	
Operating cash flow after investments	31	432



Hygiene & safety for all operations in hospitality and laundry



“hygiene&clean”

Full range hygiene warewashing solution line.

> 90° C degrees rinsing performance and complete offer with chemicals and Essentia Customer Care.



Serenity cabinet

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“Two Pairs of Eyes”

Contactless service with augmented reality.

Seamless connection between Field Service Engineers and the Electrolux Professional technical experts.

Around 30% faster problem solving, 50% fewer errors compared to standard video calls.

- Opening of countries is having a positive effect on our customers
- Signs of recovery in June and July
- Speed of future market recovery is still uncertain
- Structural cost actions implemented in the US and Industrial Operations
- Ambition to implement structural cost-saving measures second half of 2020 that together with the newly implemented structural activities shall generate yearly cost savings of SEK 100 - 150m
- The structural measures under review will imply one-off costs which will be communicated later

- Market conditions heavily impacted by COVID-19
- Swift actions contributed to break-even EBITA
- Signs of increasing sales recovery in June and July
- Ambition to implement cost saving measures of SEK 100 - 150m

Q&A



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