



Electrolux  
Professional  
Group

# Roadshow May 10-11, 2023

Alberto Zanata, President and CEO

Jacob Broberg, Chief Communication and IR Officer

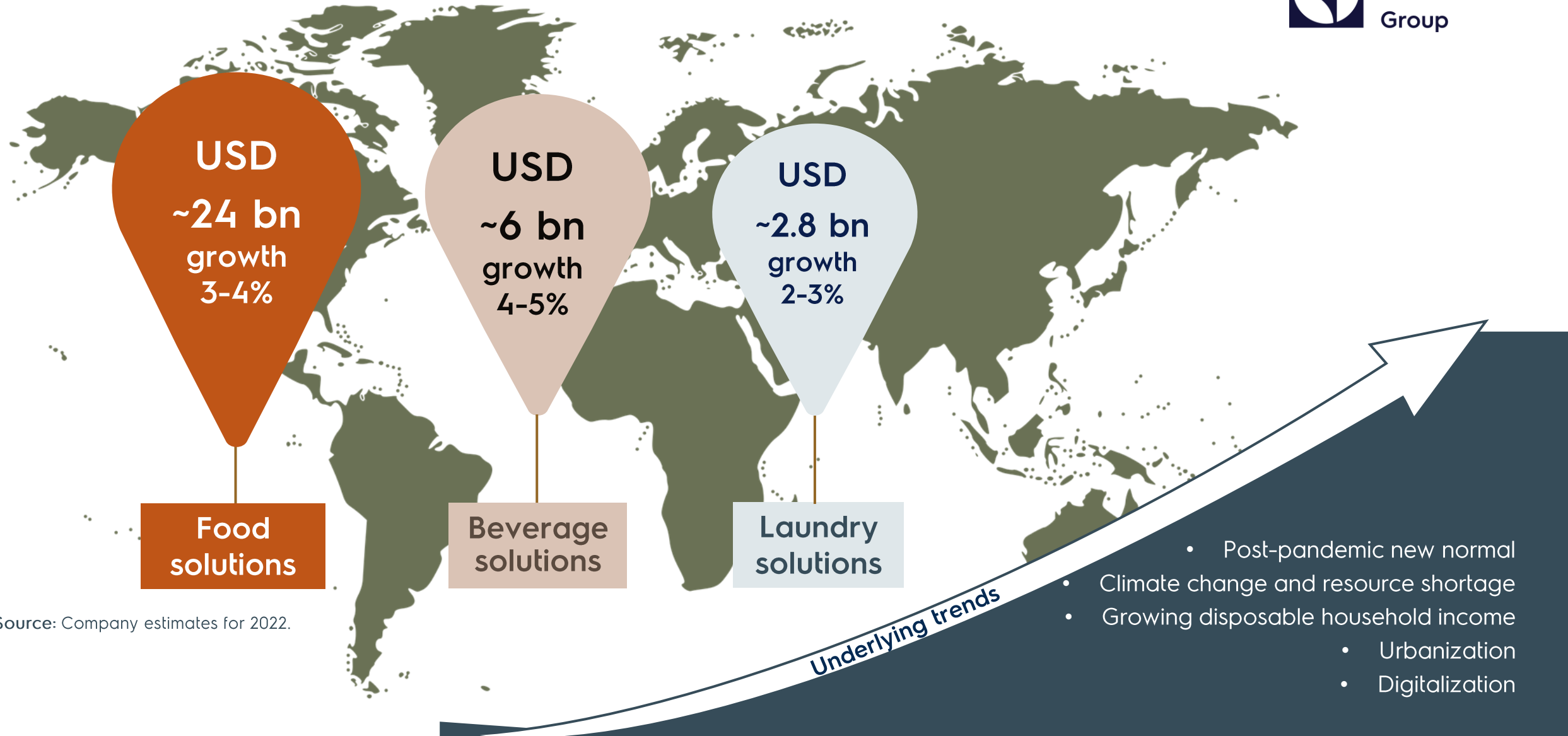
# Our industry has been and is in recovery



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- Strong recovery during 2021-2022 after eased Covid-pandemic measures
- Spearheaded by US and quick-service restaurants, but later recovery in Asia
- Our industry is back to pre-pandemic sales levels, but not in volumes
- Our industry demonstrated strong resilience. Laundry almost unaffected
- Underlying factors influencing market growth are robust

# Our markets

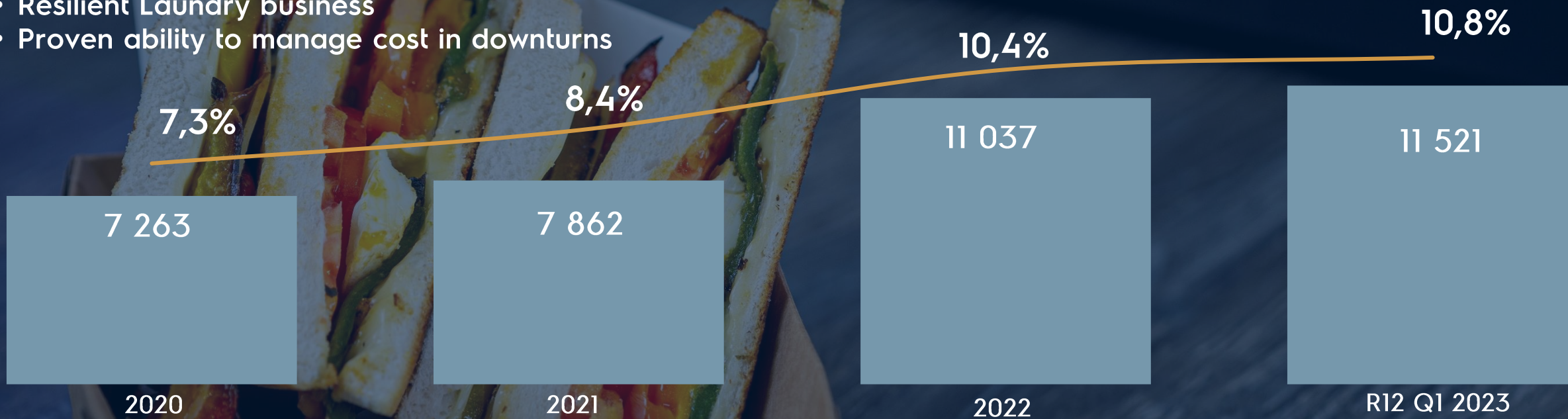


Source: Company estimates for 2022.

# A solid 2022 with record high growth - a stronger foundation than before

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

Net Sales SEKm    EBITA%, excl IAC



Net sales by geography

~58% Europe

~29% Americas

~13% APAC&MEA

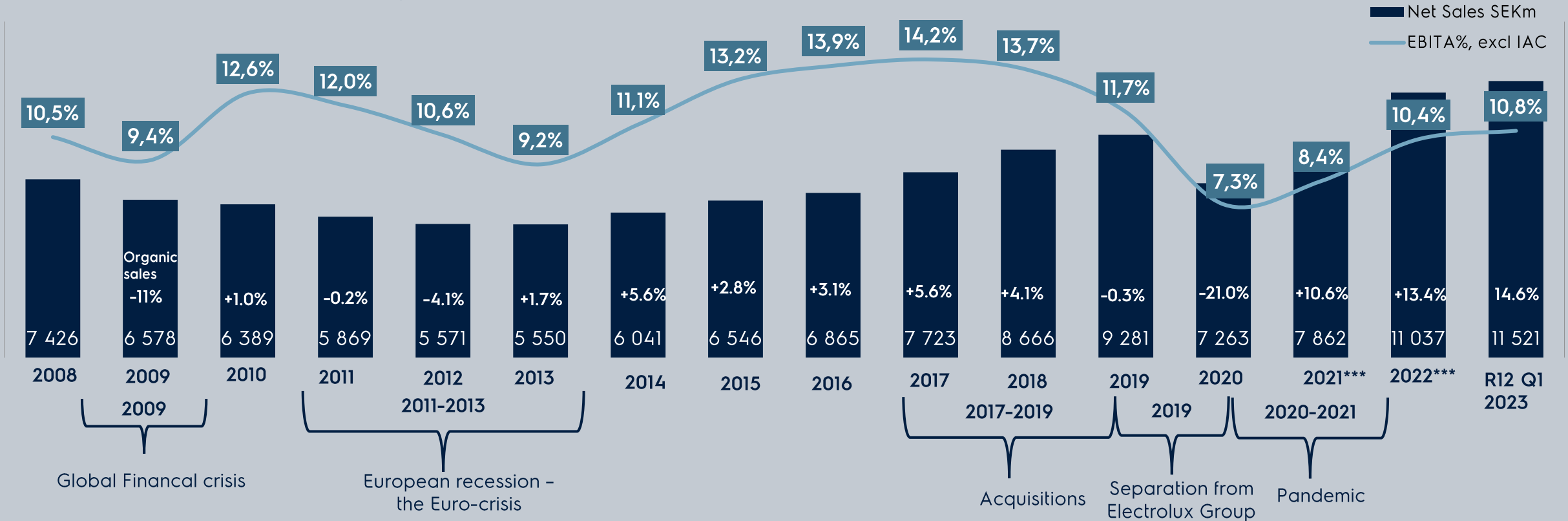
Net sales by segment

66% Food & Beverage

34% Laundry

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

## Net sales\* and profitability development



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

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

# A solid Group with large potential



**Track record of delivering solid EBITA, cash flow and cash conversion**

**Solid balance sheet**

**Positioned to benefit from an attractive Americas business**

**Profitable growth journey**

**Focused plan to generate margin expansion**

# We are progressing towards our financial targets



## Net sales growth target

**4%**

**2022: 16.9%**  
(2021: 10.6%)

## Profitability target

**15%**

**2022: 10.1%**  
(2021: 8.4%)

## Assets efficiency target

Operating working capital as per cent  
of net sales

**15%**

**2022: 16.7%**  
(2021: 14.9%)

## Capital structure target

Net debt/EBITDA ratio below

**2.5x**

**2022: 1.5x**  
(2021: 1.9x)

## Dividend

**30%**

of income

**2022 proposal: 30%**

# Our strategic priorities

1

Grow the business through developing sustainable, low running cost solutions

2

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

3

Boost customer care

4

Leverage the OnE approach and drive digital transformation

Built on a foundation of operational excellence to improve sales productivity and cost efficiency within the supply chain



# Cost of ownership more important than before

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

Water  
5%

Equipment  
10%

Energy  
50%

Detergents  
35%

1

# Strengthened innovative and sustainability solutions

## Line 6000 Heat Pump Tumble Dryer

Advanced technology that consistently reduces drying times with energy savings of

**60%**



## Thermaline Pressure Braising Pan

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

**77%**

## Green&clean Rack type dishwashing

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

**34%**



Low running cost solutions more important than before

# Recent launches



## SafeBox

A unique holding solution for take away and delivery



## Cheeser station

The days of throwing away cheese are over (Randell)



## Service package

Laundry Line6000

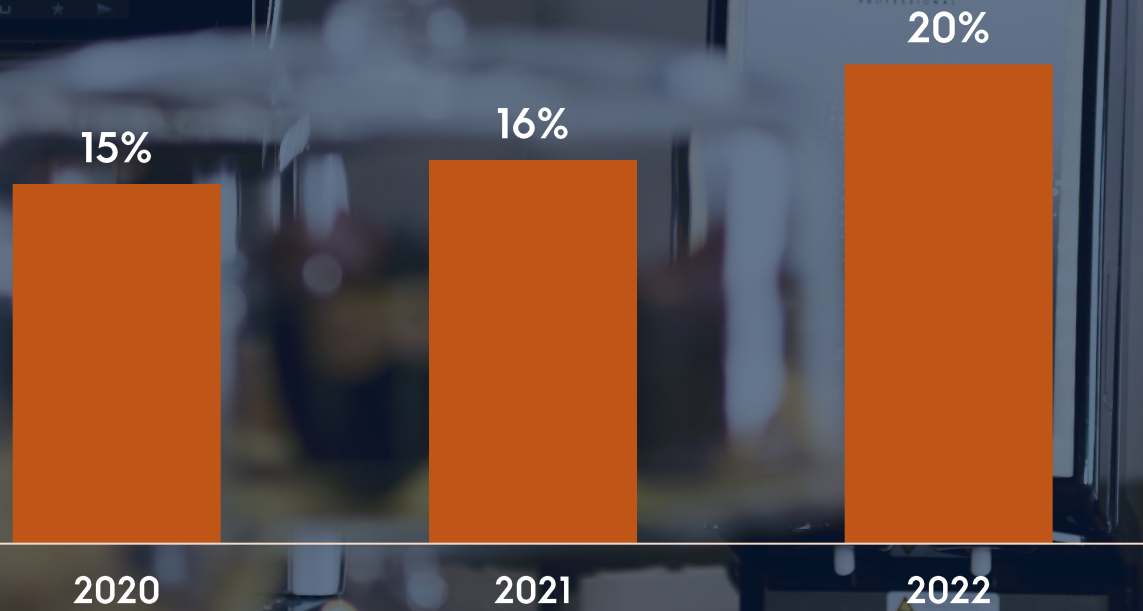


## TANGO XP DUO MODEL

New iconic fully automatic espresso machine (UNIC)

# Good sales growth in restaurant 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

# Unified Brands fully integrated

- Unified Brands acquisition delivered sales exceeding expectations with an accretive EBITA margin
- Unified Brands separation from Dover completed. Service Level Agreements closed
- Unified Brands and Electrolux Professional Americas organization now fully integrated
- Chain commercial teams up and running
- Full systems and process harmonization initiated

Revenue synergies

SEK 20-40m EBITA

Cost synergies

SEK 25-50m EBITA

= SEK 45-90m EBITA

Synergies underway, ramping through 2024

# Digital is starting to shape our industry

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

## ➤ MID TERM DIGITAL TARGET

Connected  
appliance of future  
installed base

**50%**

Distribution  
on-line sales

**65%**

Digital  
Interaction

**50%**

## ➤ CONNECTED Future installed base will be connected

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

## ➤ CUSTOMER DIGITAL PLATFORM

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

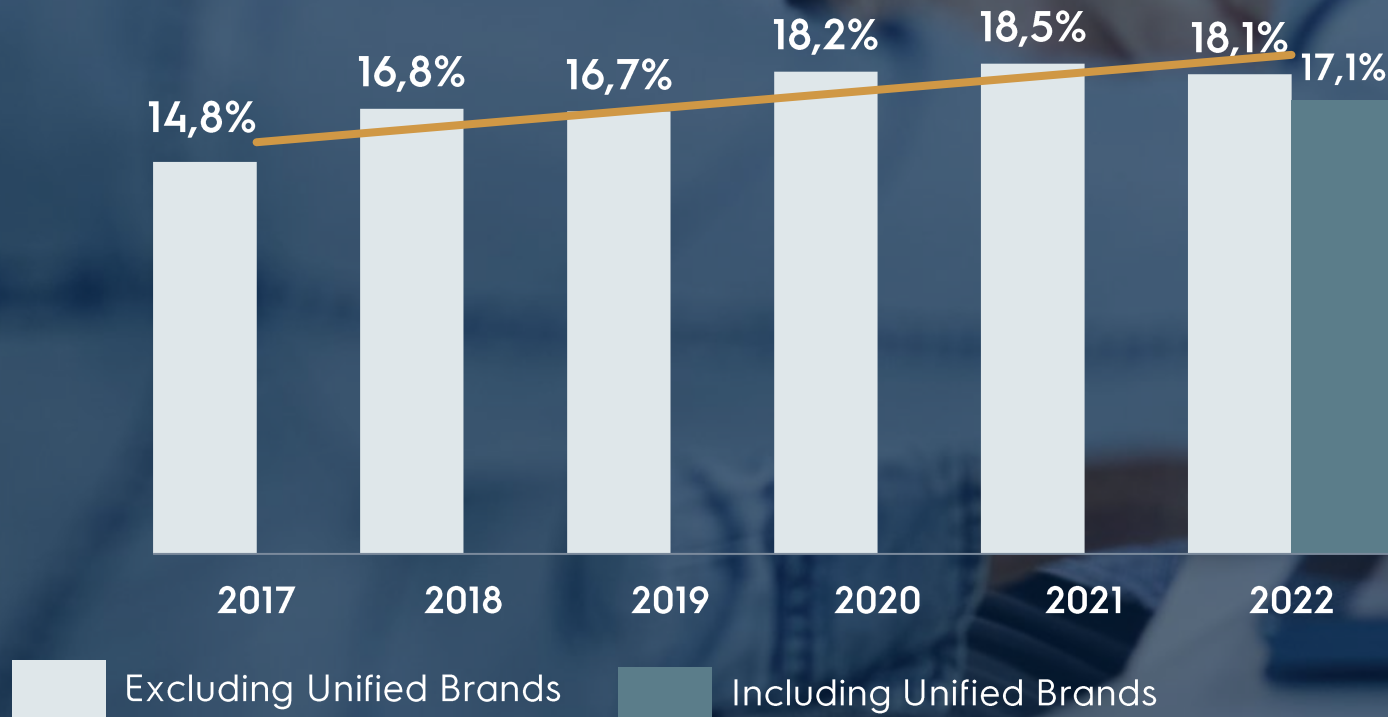
**72%**  
of all orders  
digital

**50%**  
of sales  
value digital

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

# Customer Care growth contributes to profitability

Customer care in % of total sales



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



# A resilient foundation, well prepared for economic downturn



**The resilient laundry business**



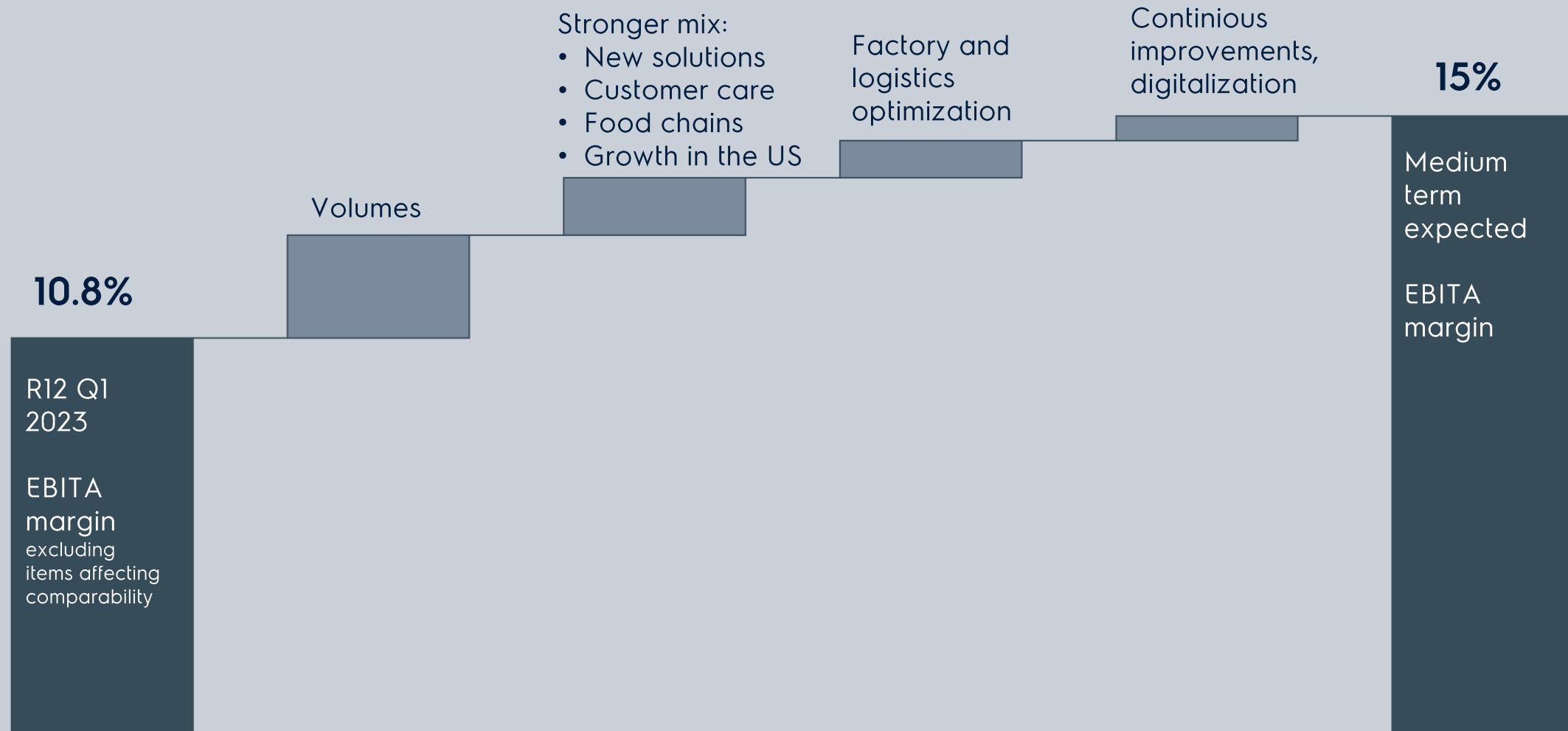
**Larger share in the US and in chains**



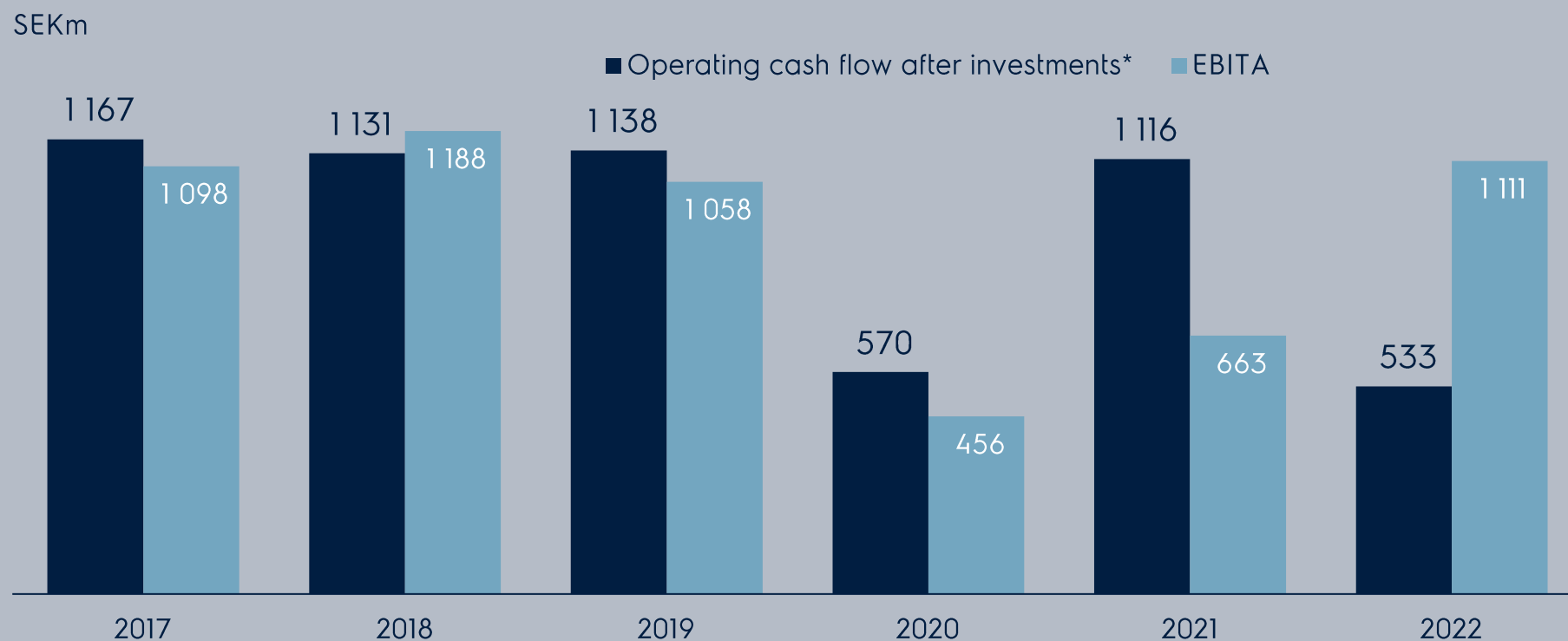
**Proven ability to manage cost in downturns**



# Building blocks to achieve 15% EBITA margin



# Cash flow



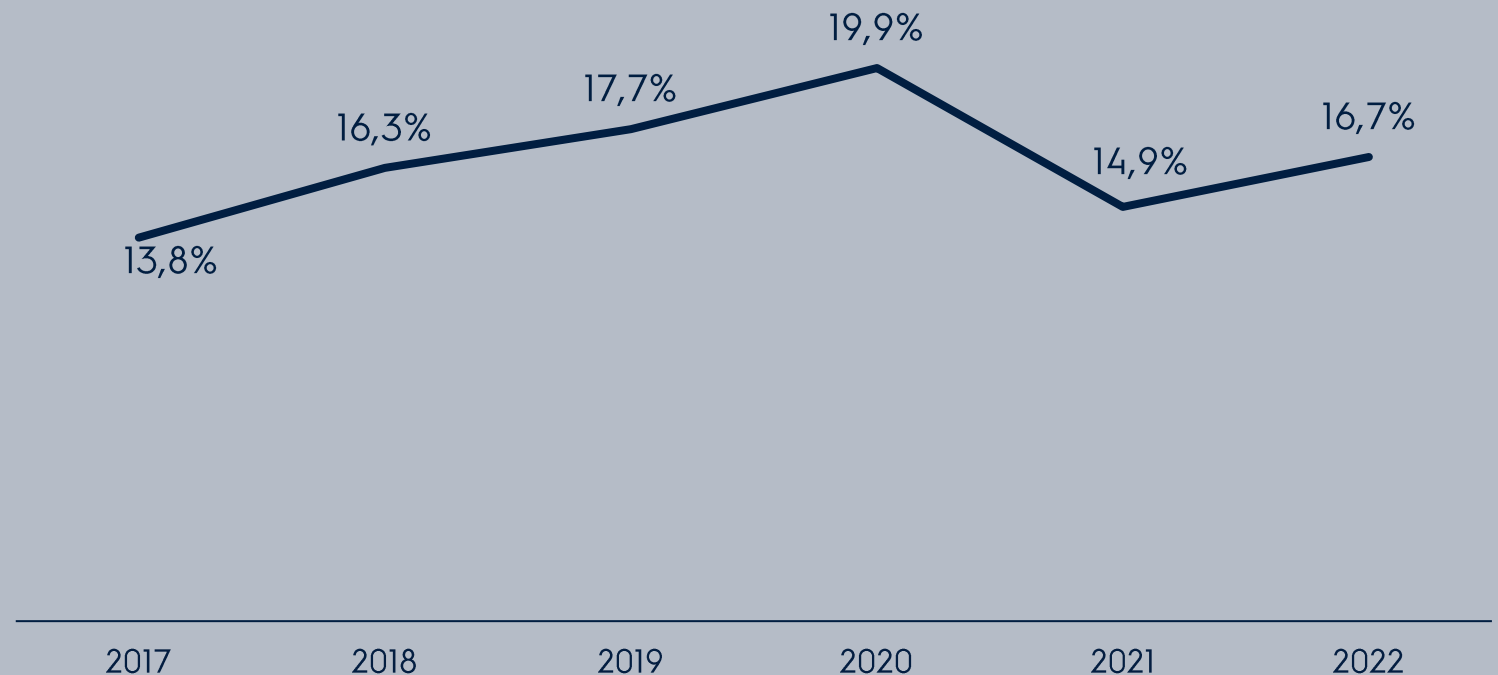
- Proven good cash flow generation over the years
- In 2022, cash flow impacted by increase of OWC

\* Cash flow defined as cash flow from operations and investments adjusted for financial items paid, taxes paid and acquisitions/divestments of operations

# Operating Working Capital (OWC)

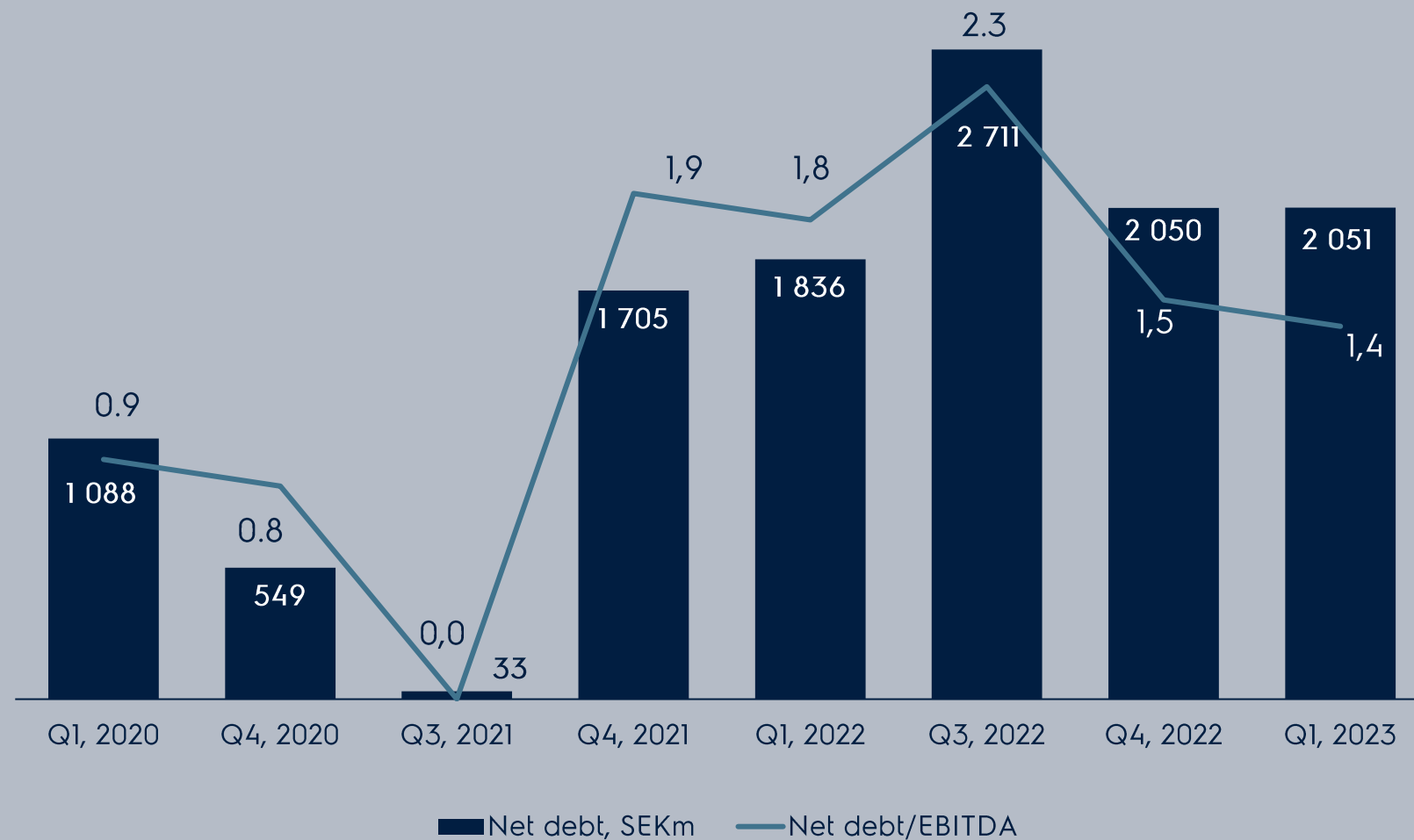
- Business model with low OWC
- 2018-2019 burdened by acquisitions and large phase in/out of products
- Despite higher safety stock of components and higher stock to create product availability, OWC on sales remains on a relatively low level
- Quality of receivables are good

Operating working capital as % of net sales



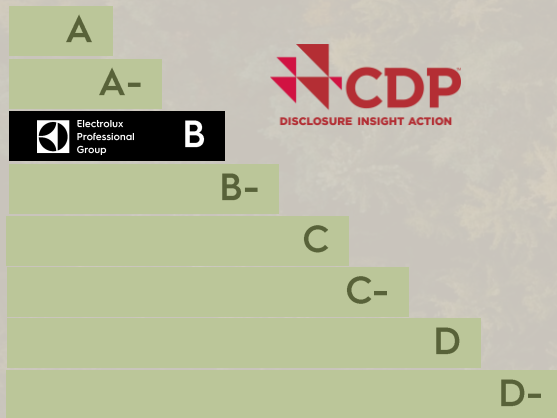
# Net debt

- Zero net debt prior to Unified Brands acquisition



# The sustainability leader in our industry

CDP questionnaire for  
climate change 2022



Sustainalytics risk rating  
ESG "low risk" 13.8



# Sustainability performance

## Target to be climate neutral in operations in 2030

- CO2 reduction aligned with Paris agreement

Scope 1&2\*

**-50%**

2025

Performance  
2022  
(2021)

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

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



- Lost time injury rate

LTI rate

**<0.3**

2025

0.6  
(0,7)



- Diversity & inclusion

Gender  
balance

**40/60**

2030

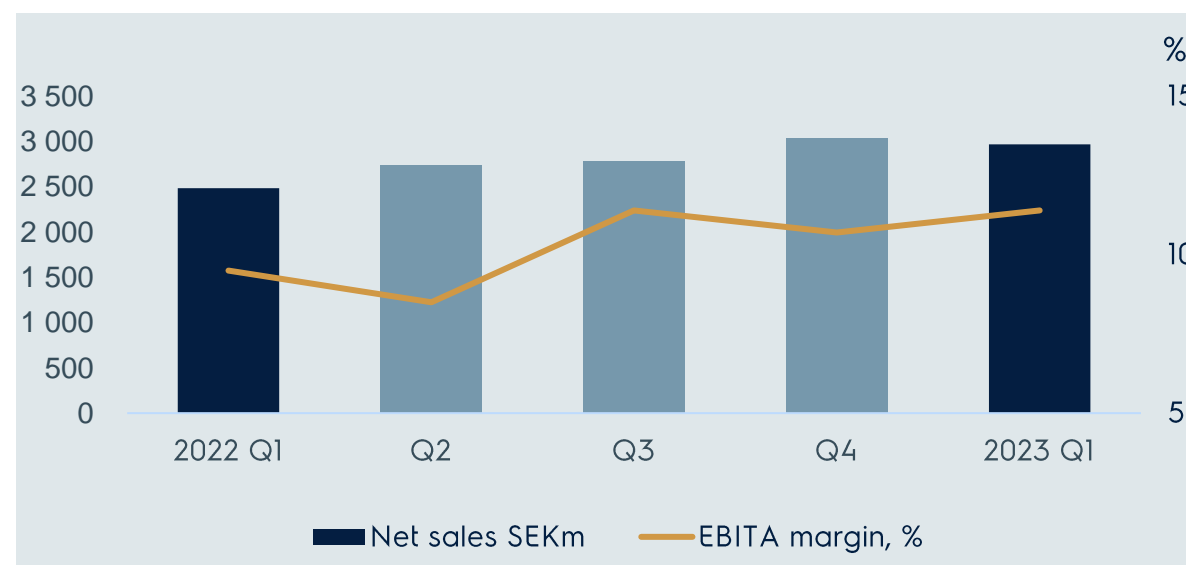
26%  
women  
(26)

# Q1 highlights

## Healthy market and improved profitability

- Sales increased by 19.5%
- Organically, sales increased by 12.7%.
- EBITA increased by 44%, to SEK 340m (236), corresponding to a margin of 11.4% (9.5)
- Operating cash flow after investments amounted to SEK 87m (-42)
- Net debt/EBITDA at 1.4x (1.8)

SEKm	Jan-Mar 2023	Jan-Mar 2022	Change, %
Net sales	2,968	2,484	19.5
EBITA	340	236	44
EBITA margin, %	11.4	9.5	
Operating cash flow after investments	87	-42	



# Electrolux Professional heading into second half of 2023

## Demand

- Demand has normalized
- Potential recession impact to be monitored



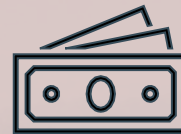
## Energy prices

- High energy prices not expected to have material impact on our profit



## Price increases

- Price increases implemented to compensate inflation



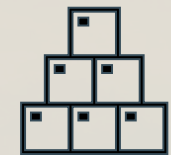
## Raw material prices

- Raw material prices for 2023 are expected to be same as average in 2022



## Components

- Components availability foreseeably not a problem





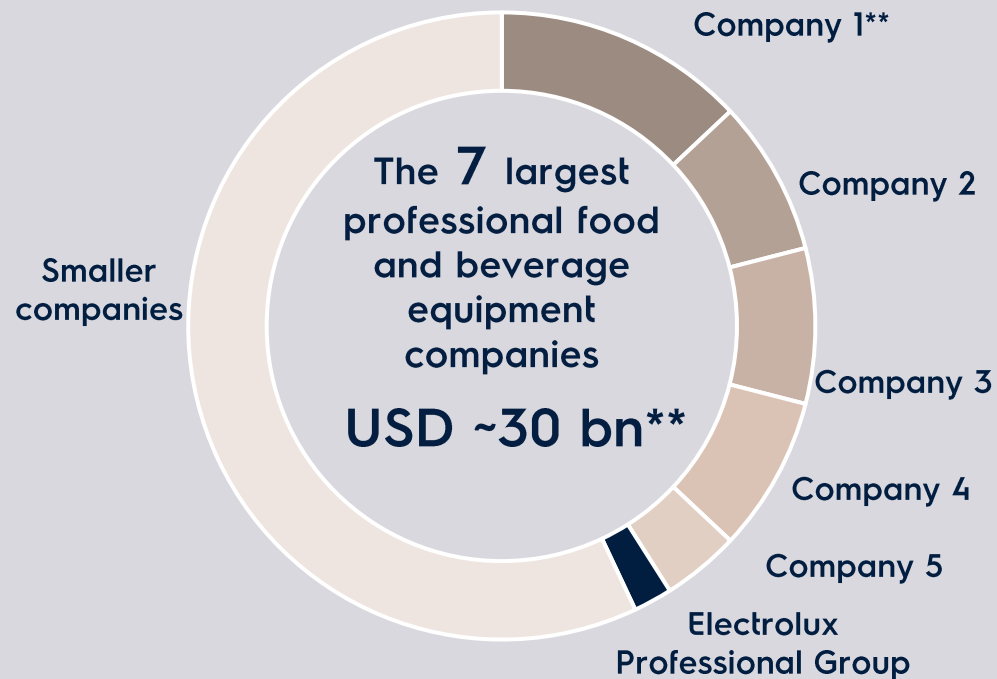


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# Appendix

# The global professional equipment industry

## Food & Beverage



\*\* 2022 markets, own company estimates

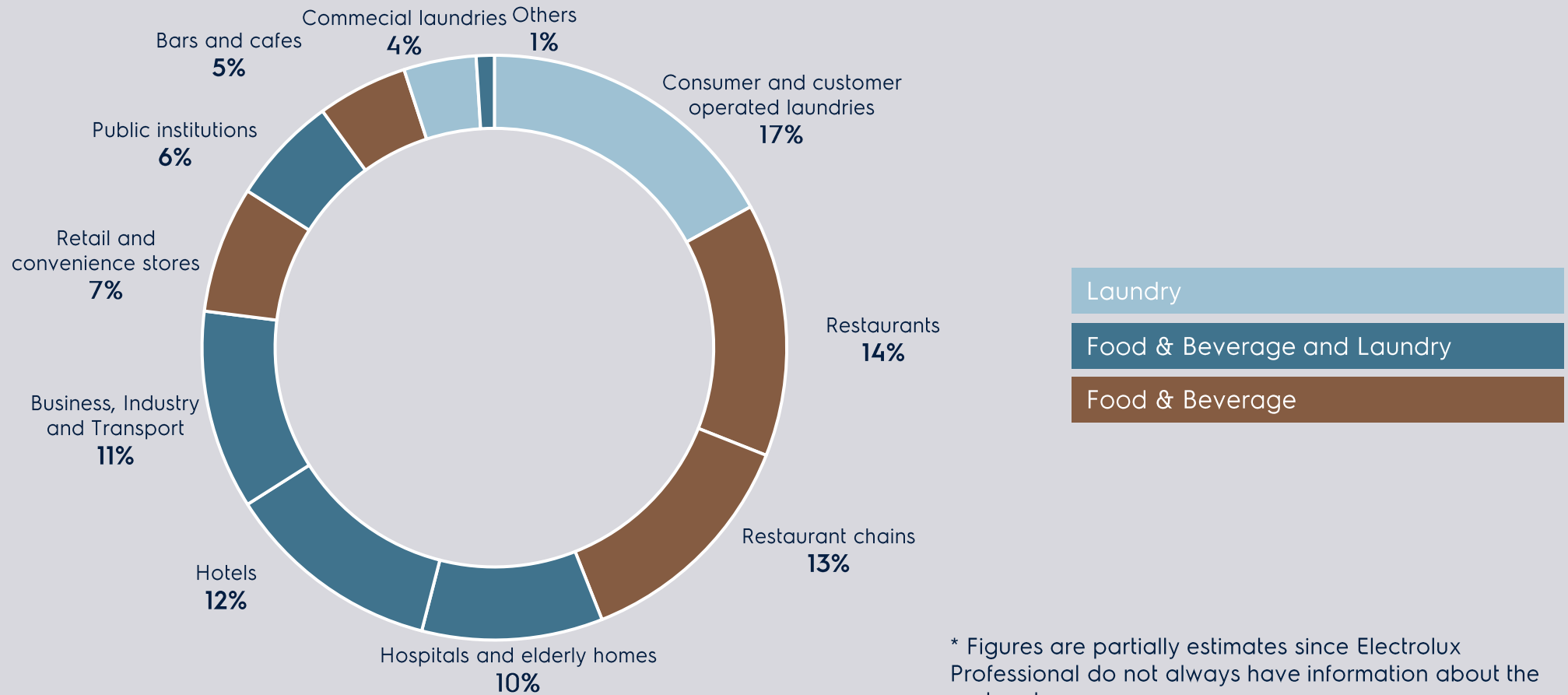
\*\* Pro forma

## Laundry



\*\* 2022 markets, own company estimates

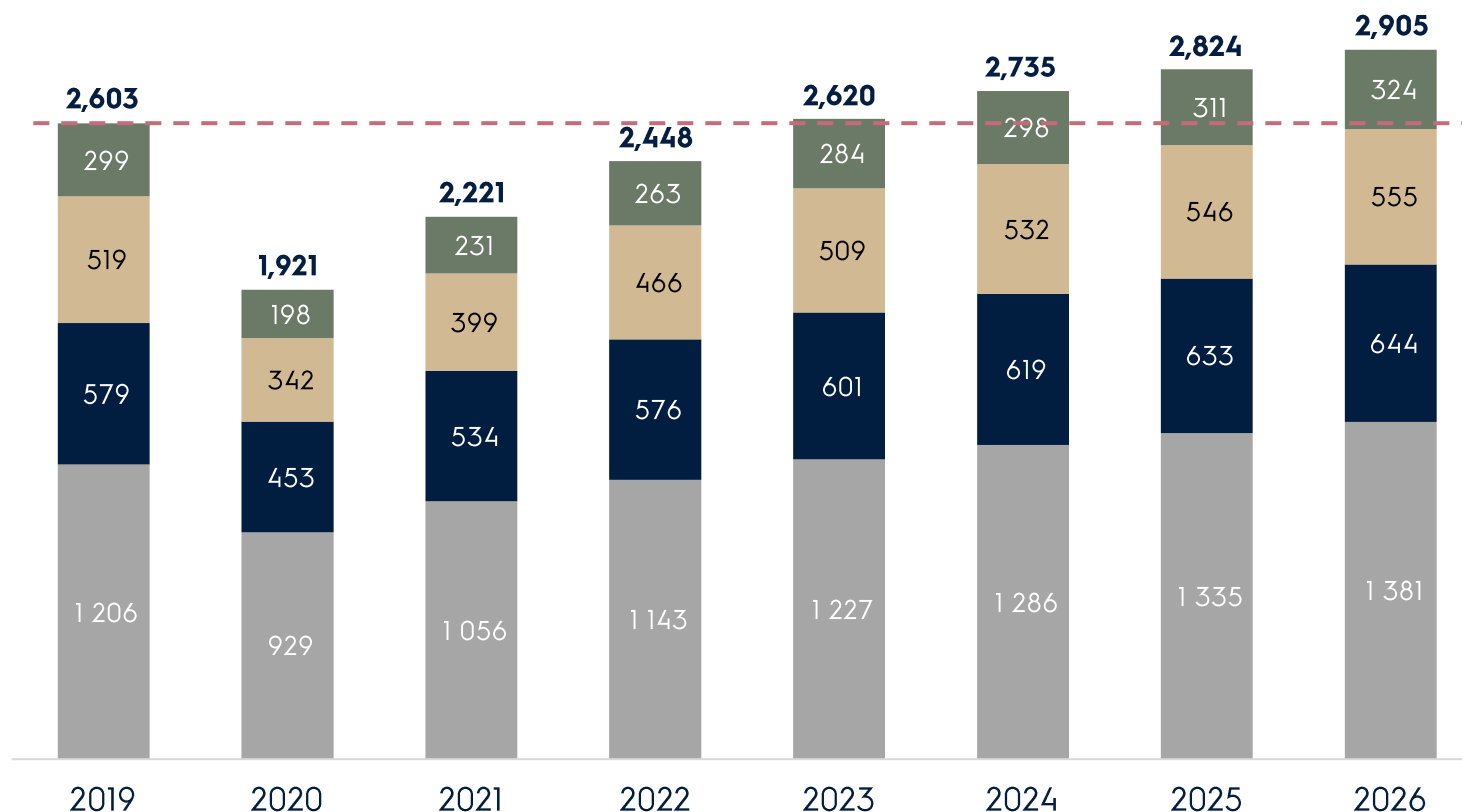
# Electrolux Professional sales per customer segment\*



# Global Foodservice recovery 2019-2026

## North America already on par with 2019 in 2022

Global Foodservice Out of Home (OOH) Spending (billion €)



	CAGR% 19-21	CAGR% 21-26
ROW	-12.0%	<b>+7.0%</b>
Europe	-12.3%	<b>+6.8%</b>
North America	<b>-3.9%</b>	+3.8%
APAC	<b>-6.4%</b>	+5.5%

- North America to return to pre-pandemic levels in 2022
- APAC and Europe in 2023
- ROW should recover in 2024.
- Europe and ROW were the most impacted regions by COVID-19, but are expected to be the most dynamic regions after Pandemic.

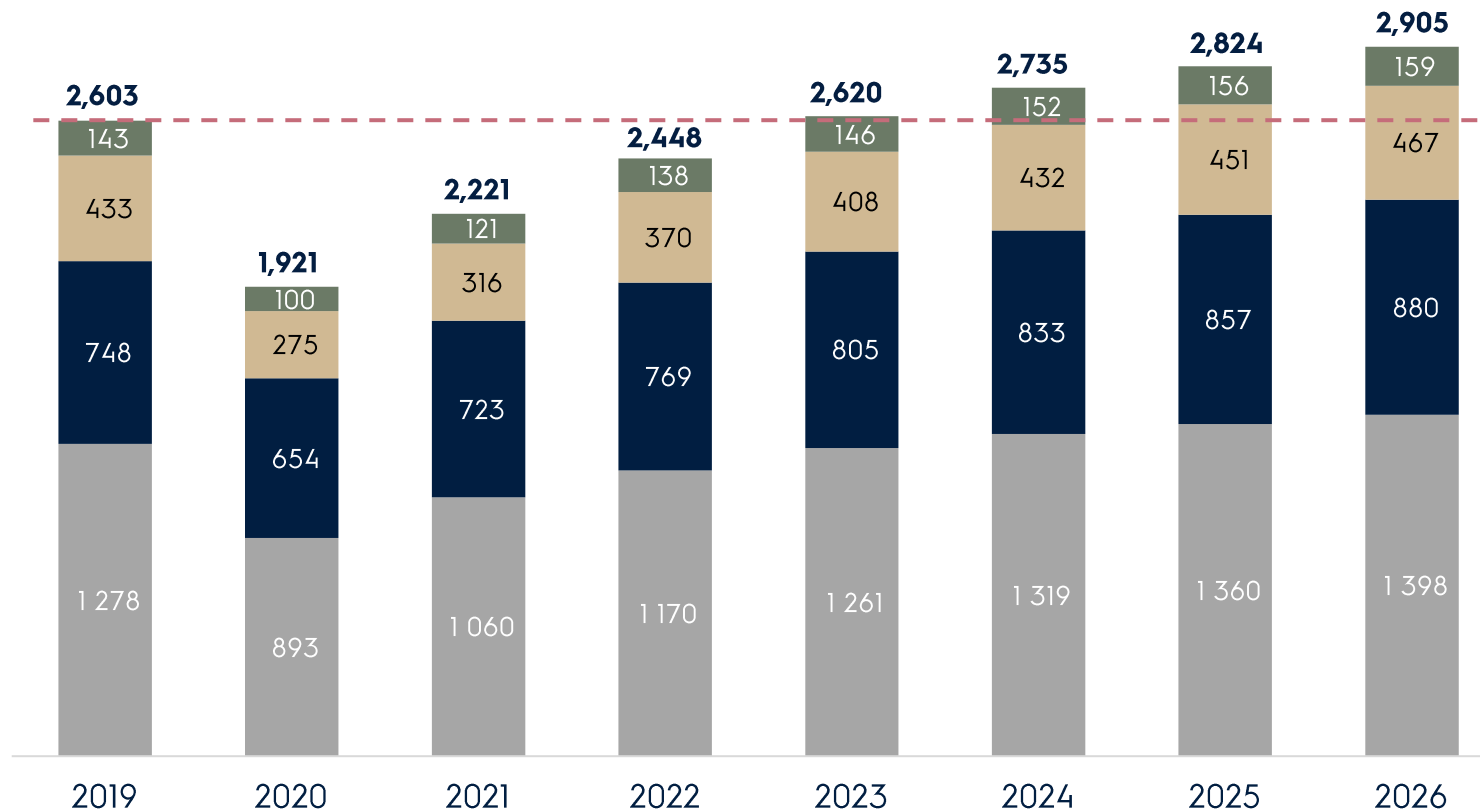
Source: Deloitte "Foodservice Market Monitor 2022" (elaboration of secondary data sources: Euromonitor, Allied Market Research, Statista)

# Global Foodservice recovery 2019-2026

QSR leading recovery and already above 2019 level



Global Foodservice OOH Spending (billion €)



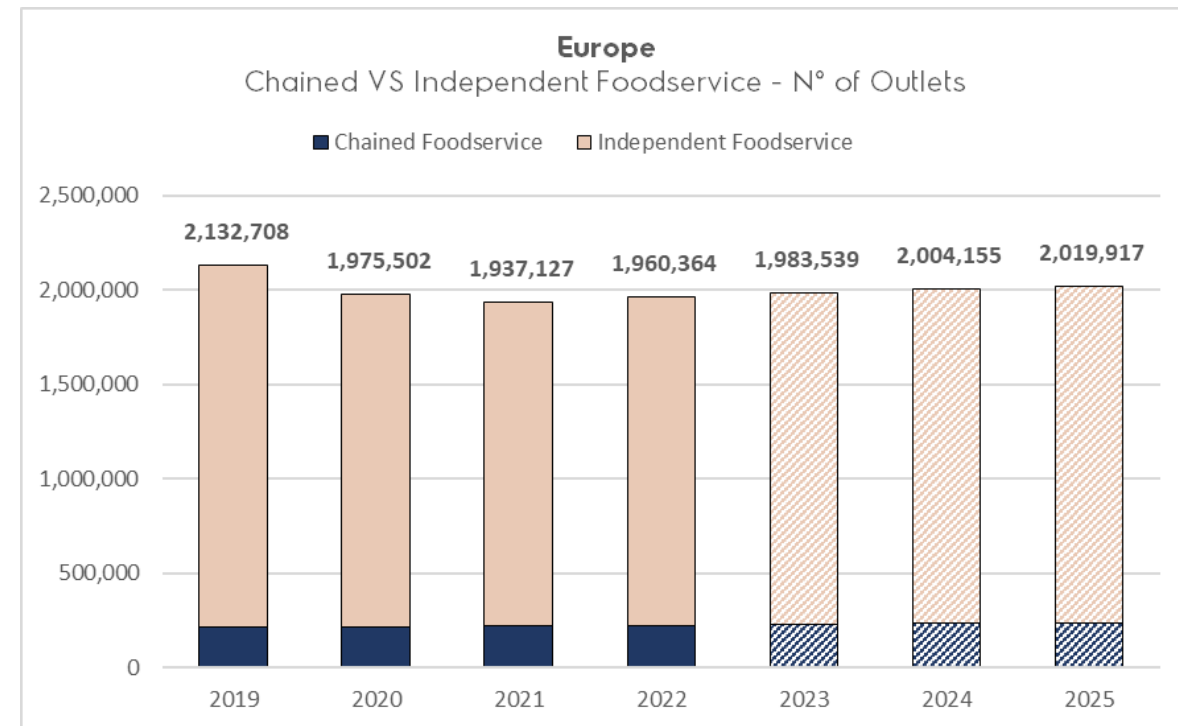
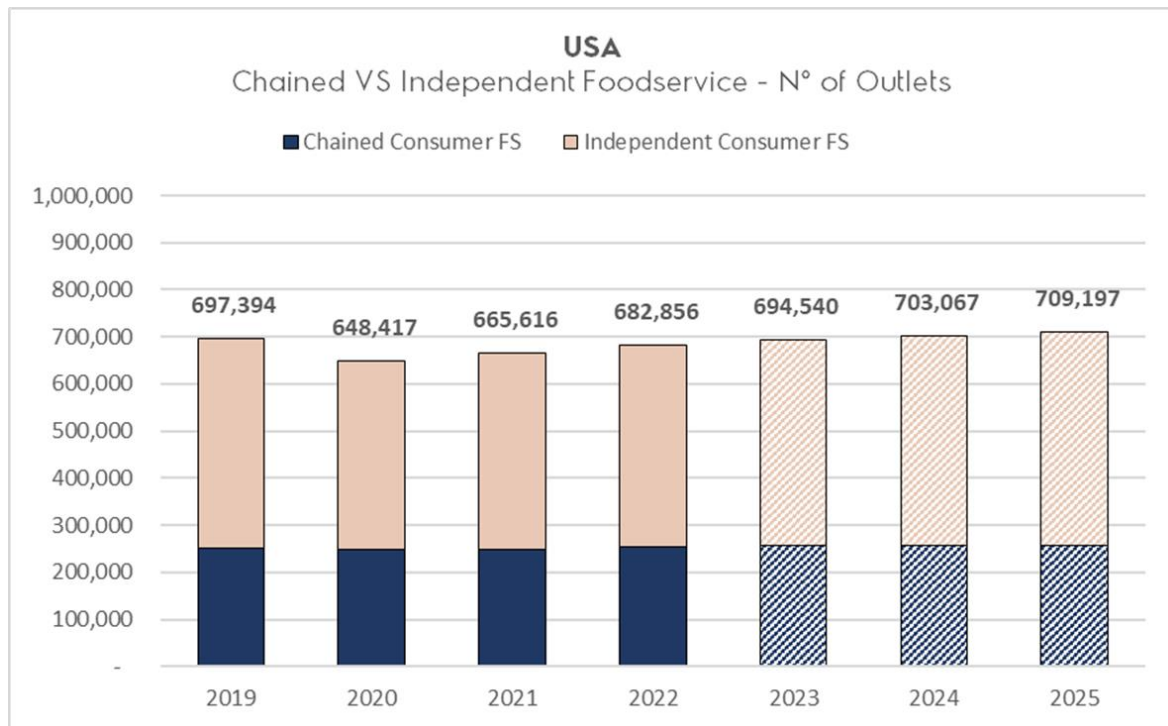
	CAGR% 19-21	CAGR% 21-26
Street food	-7.9%	+5.6%
Cafés and bars	<b>-14.6%</b>	<b>+8.1%</b>
Quick-Service Restaurants	-1.7%	+4.0%
Full-Service Restaurants	<b>-8.9%</b>	<b>+5.7%</b>

- Quick service restaurants (QAR) to pre-pandemic levels in 2022
- Full-Service Restaurants and Street food in 2023
- Cafés and bars will recover in 2024

Source: Deloitte "Foodservice Market Monitor 2022" (elaboration of secondary data sources: Euromonitor, Allied Market Research, Statista)

# Number of outlets expected to grow

## QSR already above 2019



Source: Euromonitor Passport – Consumer Foodservice 2022  
Cafés/Bars: Bars/Pubs, Cafés, Juice/Smoothie Bars, Specialist Coffee and Tea Shops

# Hospitality macro trends

-growing with global GDP development

## Sustainability

- Energy efficiency
- Use of less water and detergent
- Clean labels
- Single-Use Plastic ban and circular packaging
- Microplastics fight

## Plant-based food

- Plant-based meat alternatives

## Digital customer experience

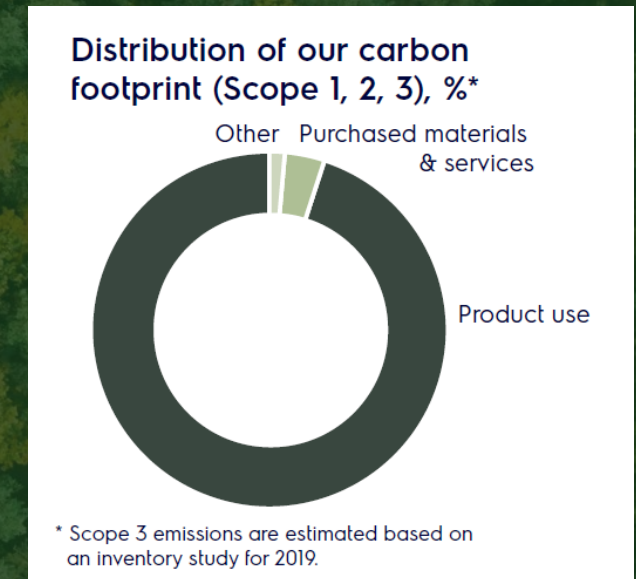
- Connected products
- Pick-up/drive-through
- Smartphone ordering/apps

## Ghost kitchen expansion

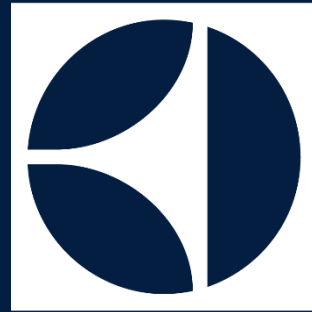
- Meet demand via smartphone
- More-tailored options

# Our climate impact

- During 2021 we reported the data from our greenhouse gas emissions within scope 3 (year 2019)
- Main climate impact occurs during the product use phase, approximately 95%
- The main contributor within the usage phase relates to the product's energy consumption
- A scope 3 reduction target connected to product use is being developed, preparing to commit to Science Based Targets







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