



Electrolux
Professional
Group

Roadshow, London-Stockholm February 7-8, 2023

Alberto Zanata, President and CEO

Jacob Broberg, Chief Communication and IR Officer

"2022 has been a good year for Electrolux Professional Group despite the uncertain geopolitical situation, high inflation and component shortages."

Electrolux Professional snapshot 2022



Net sales SEK
11 bn

EBITA, SEK
1,111 bn

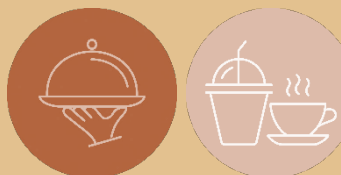
EBITA
margin*
10.4%

Employing
~4,000

Serving
~110
countries

Net sales by segment

66%
Food & Beverage



34%
Laundry



9.3%
EBITA margin

16.2%
EBITA margin

Net sales by geography

~58%
Europe



~29%
Americas

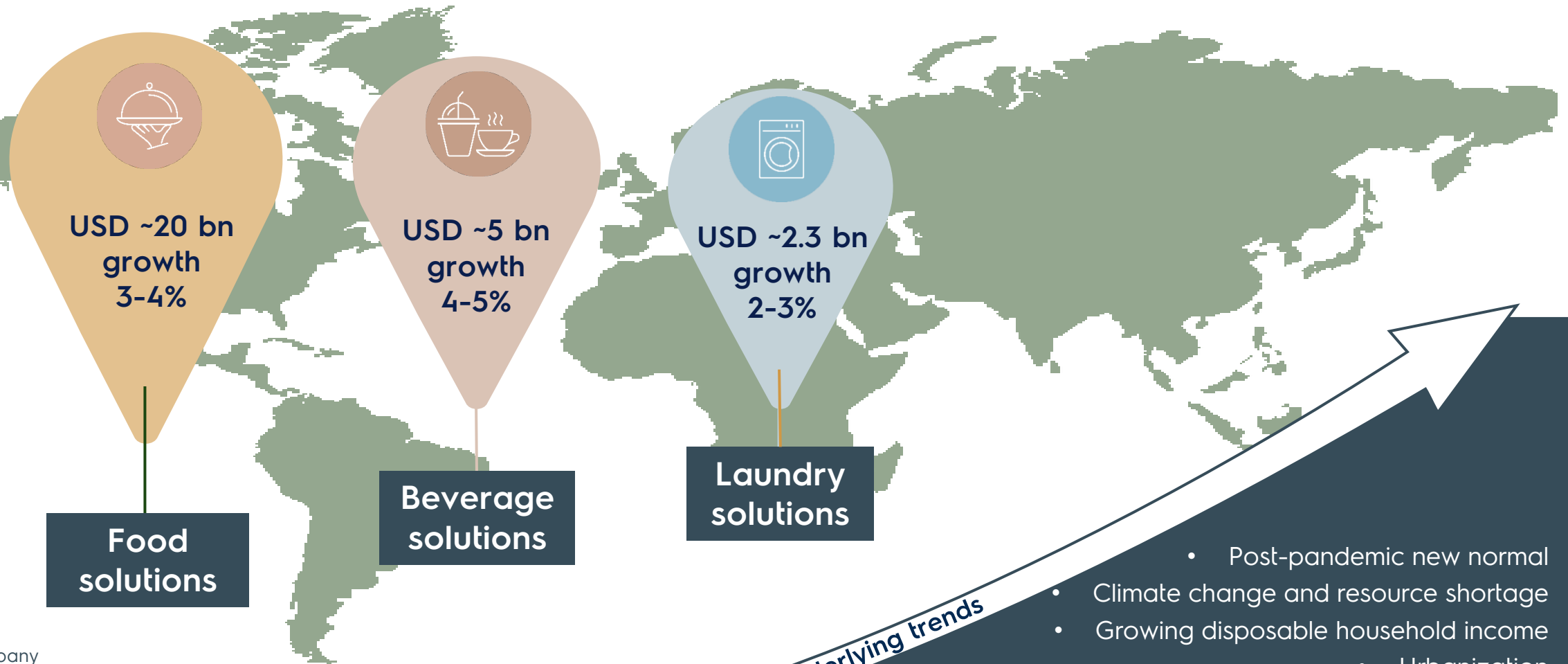


~13%
APAC & MEA



* EBITA excl Items affecting comparability

Our markets



Food solutions

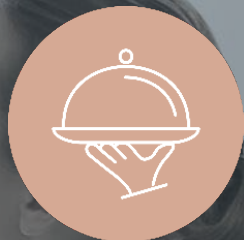
Beverage solutions

Laundry solutions

Underlying trends

- Post-pandemic new normal
- Climate change and resource shortage
- Growing disposable household income
 - Urbanization
 - Digitalization

Source: Company estimates for 2021.



Food
Solutions



Laundry
Solutions

Our mission:
Making our customers'
work-life easier, more
profitable – and truly
sustainable every day



Beverage
Solutions



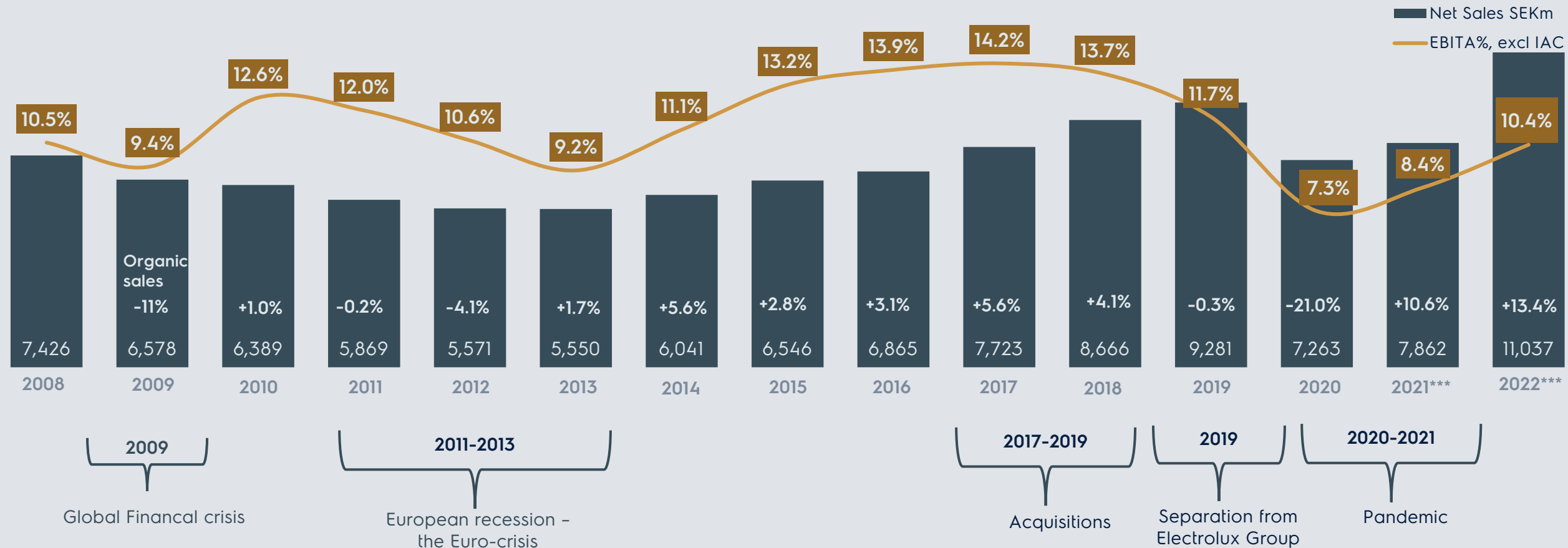
Customer
Care

Delivered through 4 strategic pillars:

- 1 Develop sustainable, low running cost solutions
- 2 Expand in food service chains, especially in North America
- 3 Boost customer care
- 4 Leverage the OnE approach – Digital transformation

Net sales* and profitability** development

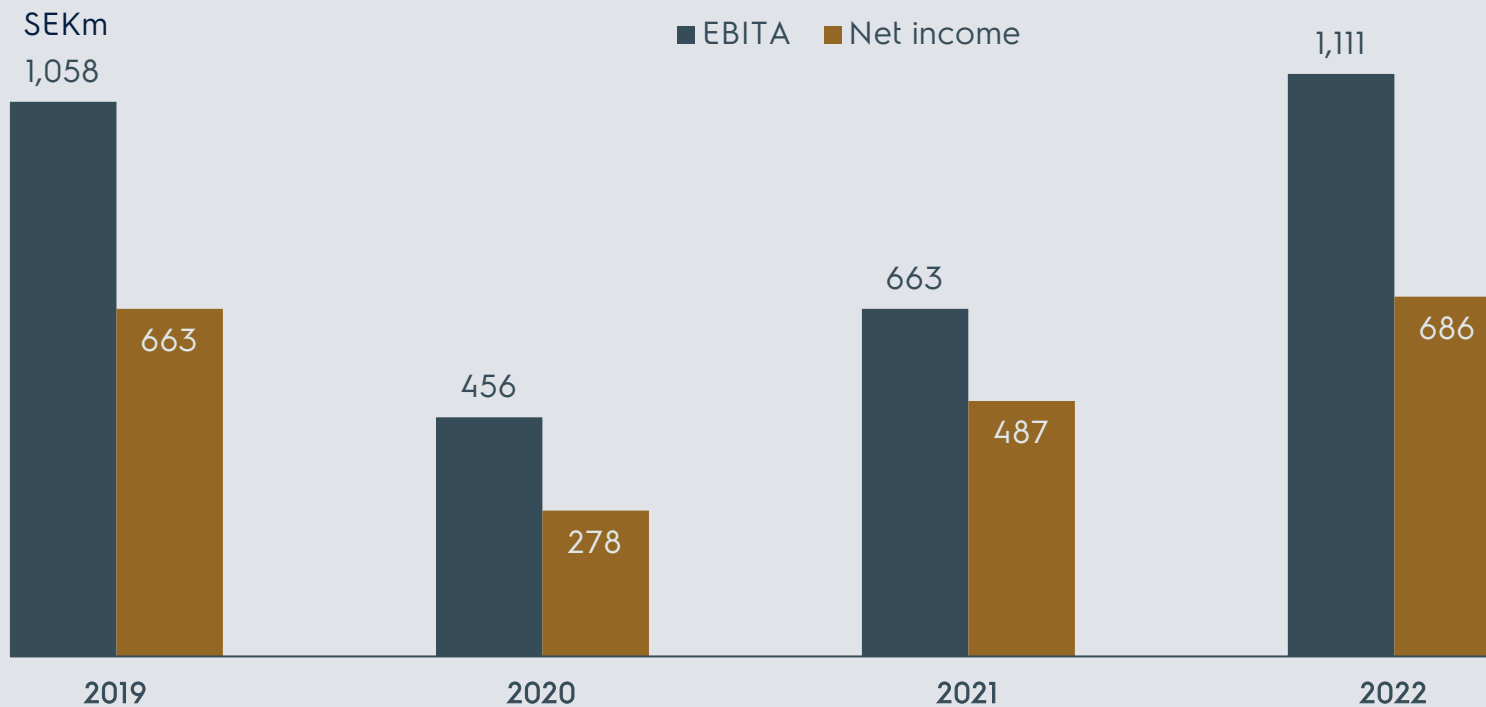
The Covid-pandemic had a x2 impact on sales vs Financial Crisis 2009



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

***Includes Unified Brands from December 2021

EBITA and net income is back on 2019 levels



- EBITA is back at 2019 level
- Dividend policy is 30% of net income

Electrolux Professional heading into 2023

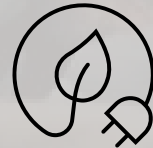
Demand

- Demand has normalized to pre-pandemic levels (2019)
- Potential recession impact to be carefully monitored



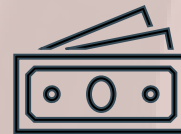
Energy prices

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



Surcharges

- Surcharges transformed into price increases



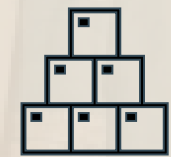
Raw material prices

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



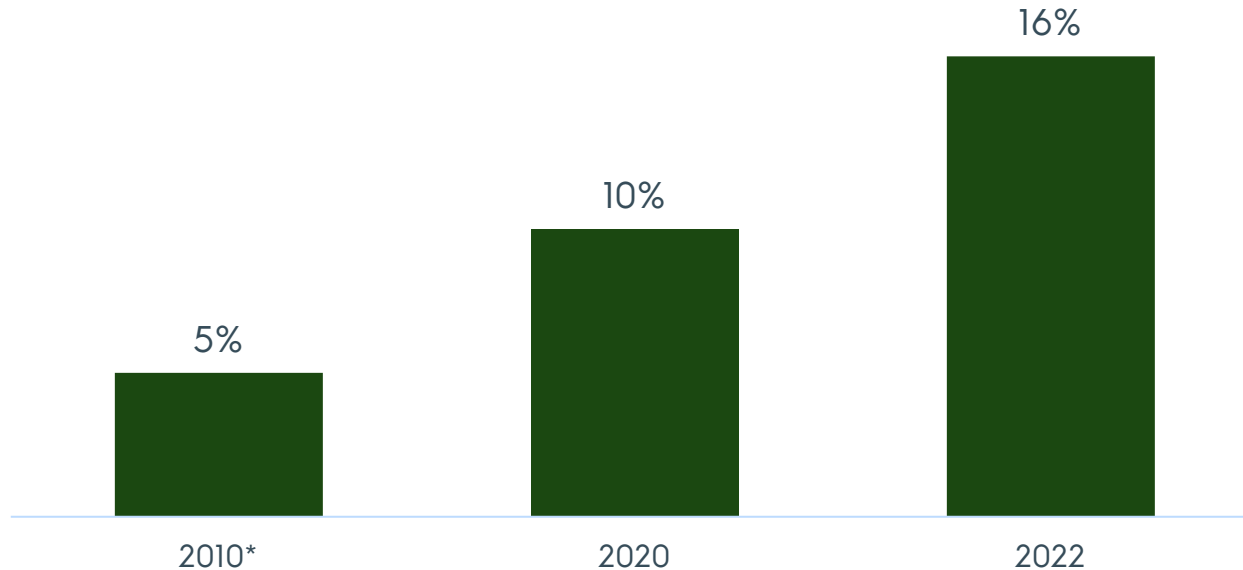
Components

- Components availability is expected to further improve



Good sales growth in restaurant chains

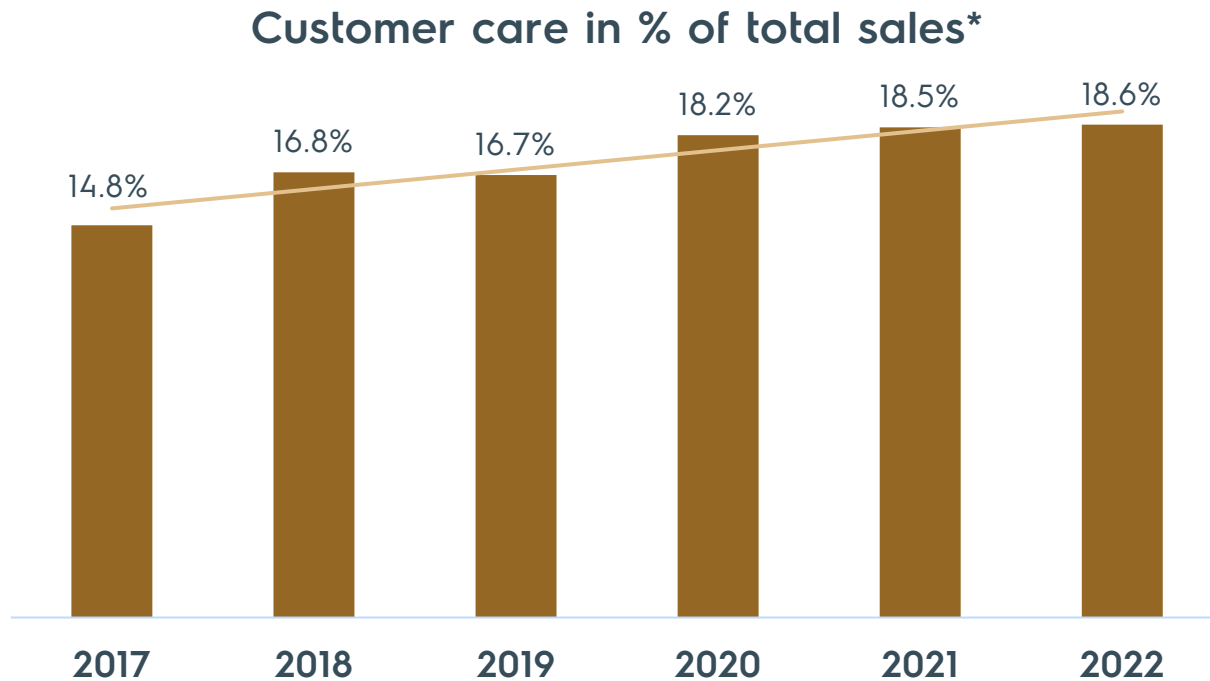
Chains sales in % of total sales



*Rough estimate since no historical data available

- More focused approach has paid-off
- Increase in 2022 mainly related to the acquisition of Unified Brands

Customer care sales are growing



* Excl Unified Brands

- Despite very strong product sales growth in 2021 and 2022, customer care is growing

Target: 50% of future installed base connected by end of 2024

A new global platform partner in 2022

A true secure, scalable solution

OnE user interface across food, laundry and beverage segments

Valuable data storage and analyze features for our customers



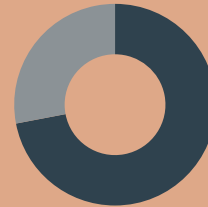
The OnE digital platform

Deployment

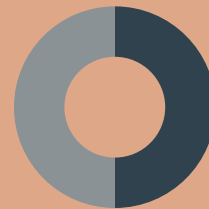
- Launched in several countries 2021-2022
- Continued roll-out in 2023-2024

Online sales

72%
of all orders
digital

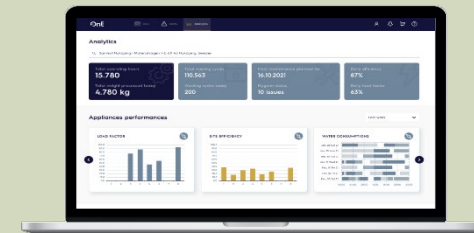


50%
of sales
value
digital



Service

100%
of partners
supported



Electrolux Professional in the US

Executing on strategic cornerstone of the Group



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US is an important and growing market for Food & Beverage

US is home to most large global food service chains

Deep Channel understanding, trusted brands and long-term customer relationships

A fragmented Food & Beverage equipment market

The acquisition of Unified Brands combined with Grindmaster, greatly accelerates the Group strategy

Synergy opportunities



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- 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

Sustainability strategy and targets

Target to be climate neutral in 2030



- **Sustainable solutions** - Grow the business by developing sustainable, innovative low-running cost solutions
- **Sustainable operations** - Operational excellence and Electrolux Professional Production System drives sustainability performance
- **Ethics and relationship** - Ethical practices enabling business by providing trust

- **CO2 reduction aligned with Paris agreement**

Scope 1&2
-50%
2025

- **Lost time injury rate**

LTI rate
<0.3
2025

- **Diversity & inclusion**

Gender balance
40/60
2030



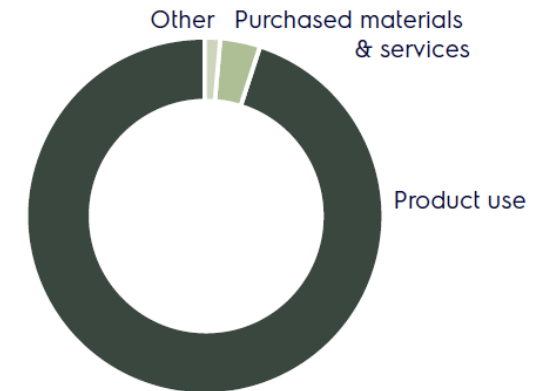
Our climate impact



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- 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

Distribution of our carbon footprint (Scope 1, 2, 3), %*



* Scope 3 emissions are estimated based on an inventory study for 2019.

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

Medium-term financial targets to drive shareholder value are confirmed



Net sales growth

Organic annual growth of more than 4% over time, complemented by accretive acquisitions



Profitability

15% EBITA margin



Assets efficiency

Operating working capital
<15% of net sales



Capital structure

Leverage ratio below
2.5x Net debt/EBITDA⁽¹⁾



Dividend policy

Pay-out ratio of c. 30% of
net income for the year⁽²⁾

Note:

1. Higher levels may be temporarily acceptable in case of acquisitions, provided a clear path to deleveraging
2. As proposed annually by the Board of Directors at its discretion, to correspond to c.30 % of the income for the year, out of funds legally available for that purpose. The Company aims to use capital efficiently to generate as much shareholder value as possible, including potential acquisitions. The timing, declaration and amount of future dividends will depend on the Company's financial condition, earnings, capital requirements and debt service obligations.

Building blocks delivered improving profit



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- Increased weight of Americas business from 17% to 30% of total sales

- Expansion of the business with customer care and chains:
 - Customer care from less than 15% in 2017, to 18%
 - Chains 16% of total sales

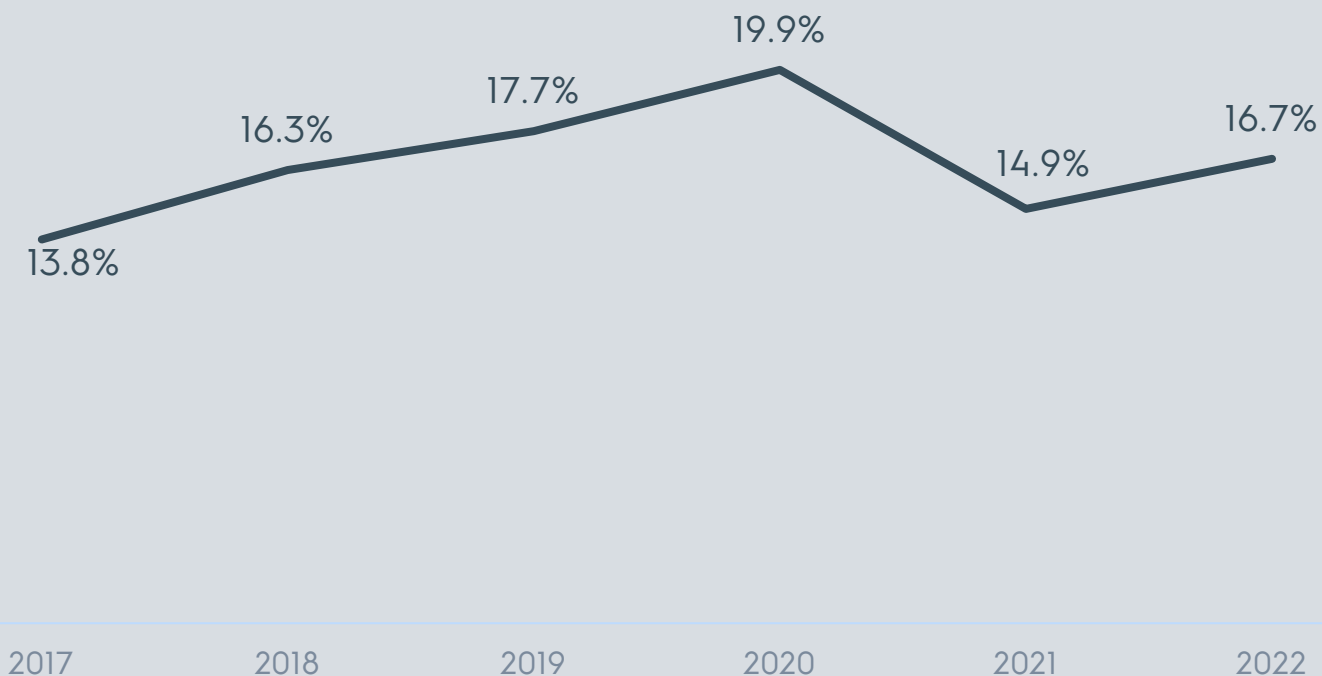
- The Louisville, US factory closed
- Consolidation of the operations in Thailand into a new global plant

- Started the roll-out of the OnE platform

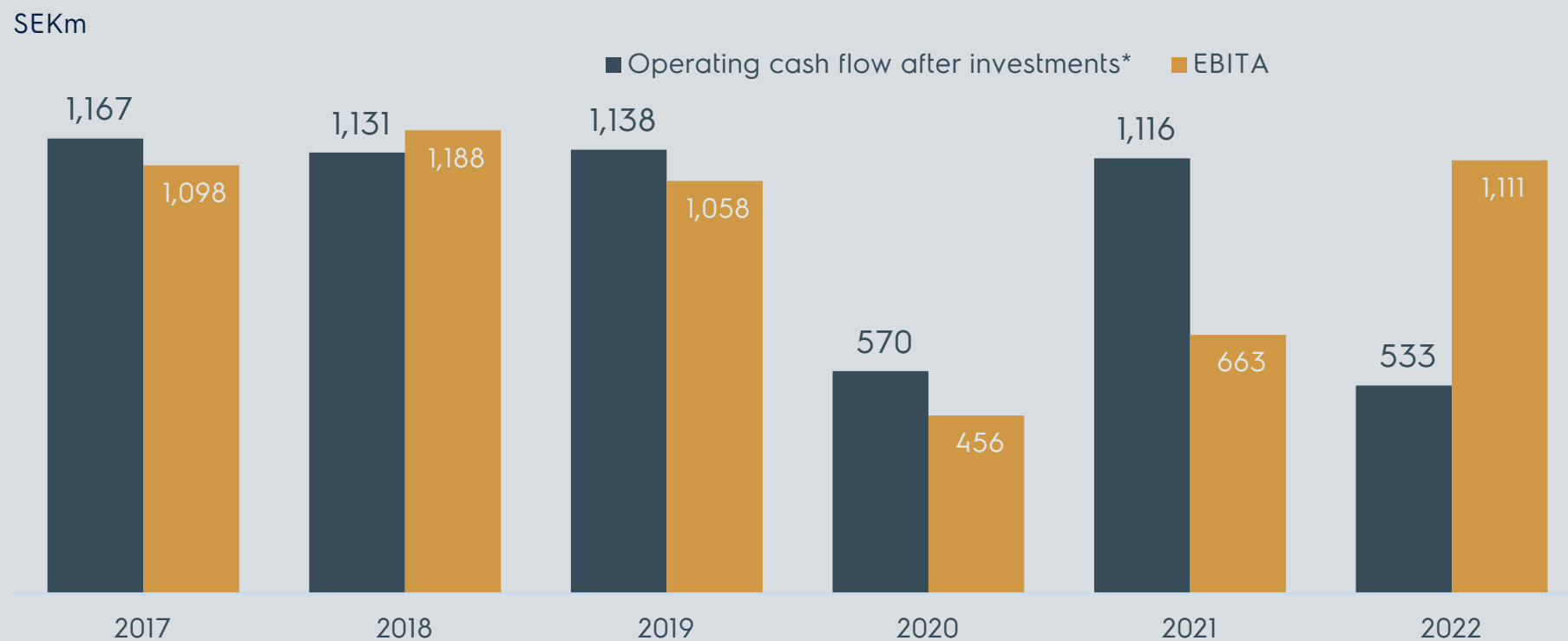
Operating Working Capital (OWC)

- 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



Cash flow

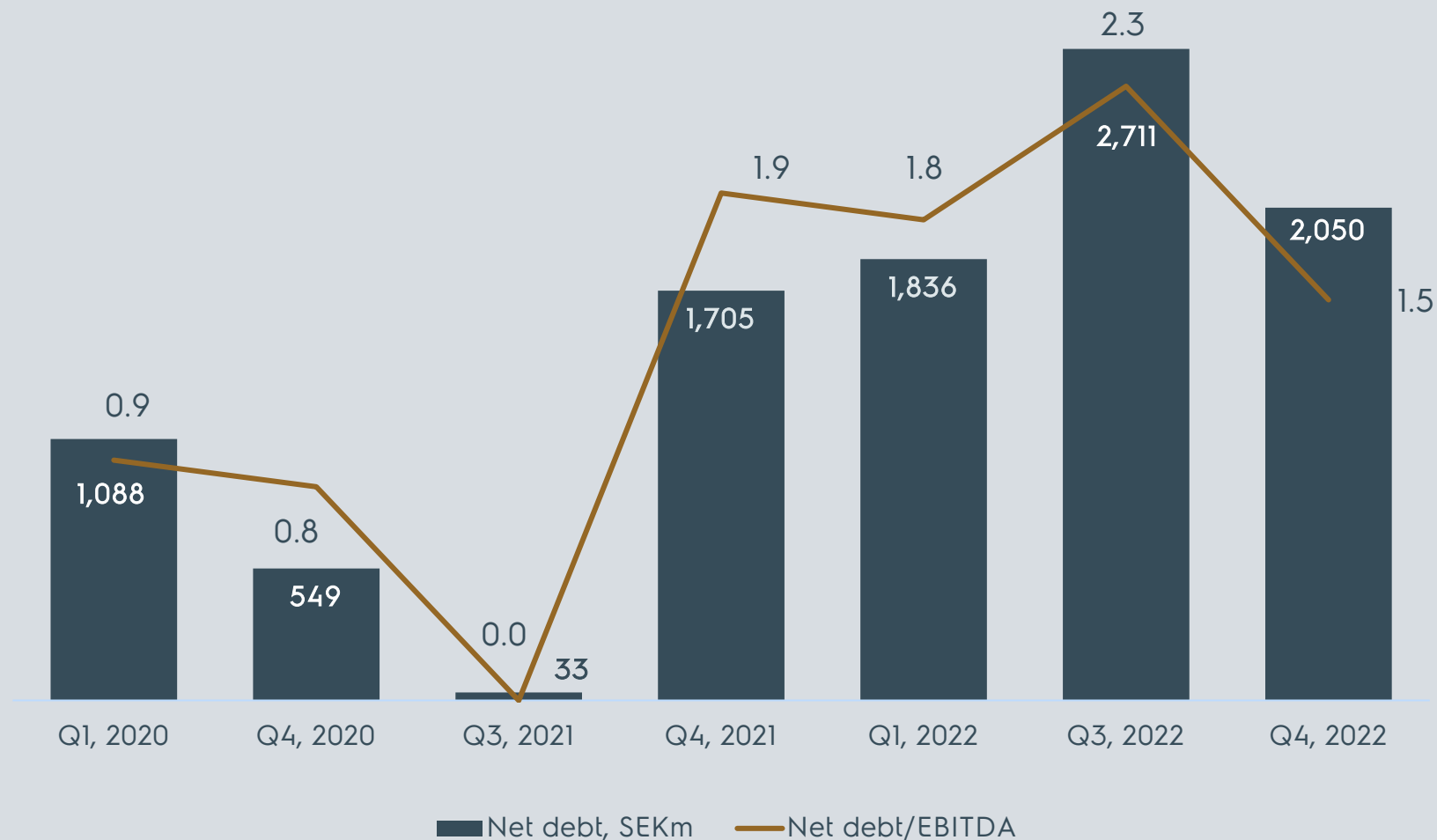


- Proven good cash flow generation over the years
- In 2022, cash flow impacted by increase of OWC

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

Net debt

- Zero net debt prior to Unified Brands acquisition



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



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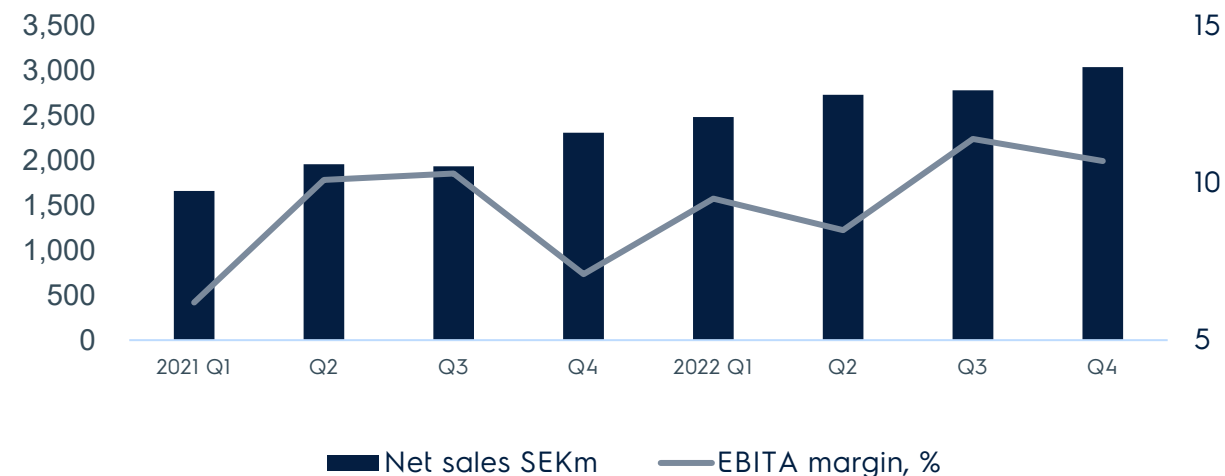
Appendix

Q4, 2022 highlights

A solid quarter

- Sales recovery continued in Q4
- Organically, sales increased by 13.4%.
- EBITA almost doubled to SEK 324m (164), corresponding to a margin of 10.7% (7.1)
- Price increases are now fully compensating for the increased component and raw material costs
- Order intake somewhat better in the fourth quarter than in the third quarter with order stock at a healthy level. However, demand in Food & Beverage in Europe remain soft
- Operating cash flow after investments amounted to SEK 533m (459) in the quarter
- Net debt/EBITDA improved significantly to 1.5, compared to 2.3 at the end of the third quarter, 2022

SEKm	Oct-Dec 2022	Oct - Dec 2021	Change, %
Net sales	3,040	2,309	31.7
EBITA	324	164	97.3
EBITA margin, %	10.7	7.1	
Operating cash flow after investments	533	459	

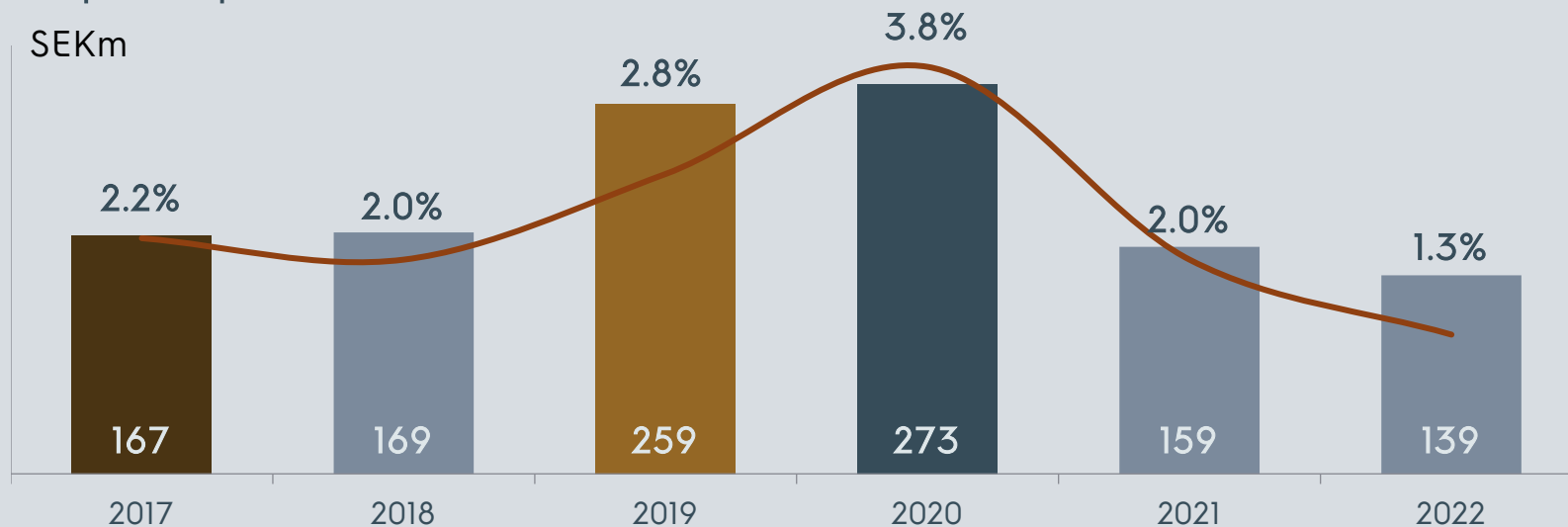


Disciplined capital expenditures

- Business managed with low requirements in terms of new capex
- Capital expenditure level increased in 2019-2020 related to new factory in Thailand
- Capital expenditure requirements expected to remain around 2% going forward

Capital expenditure

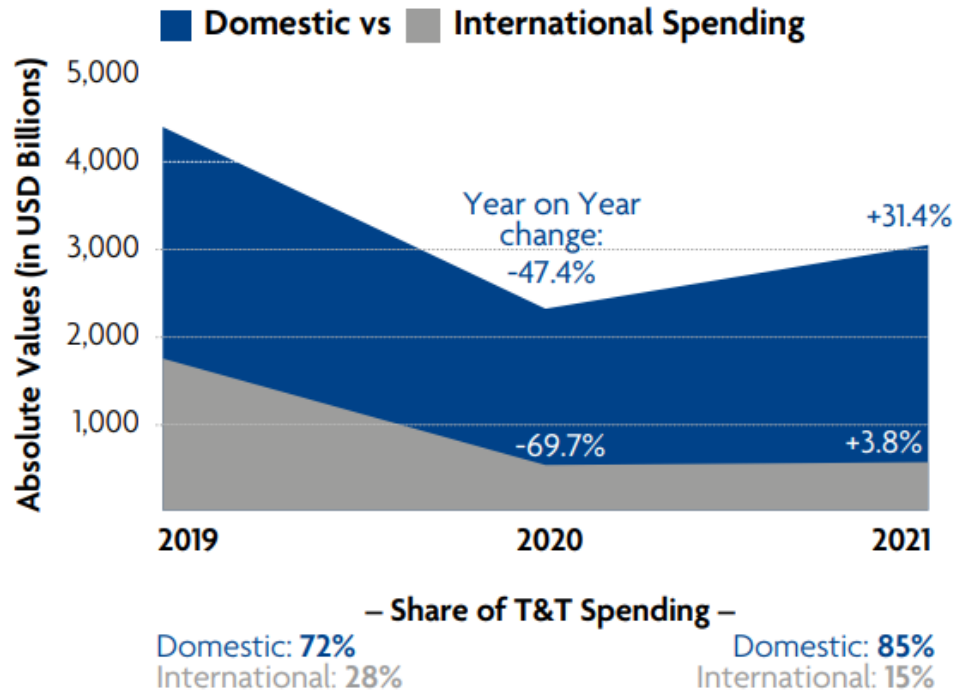
SEKm



Global Travel & Tourism's recovery

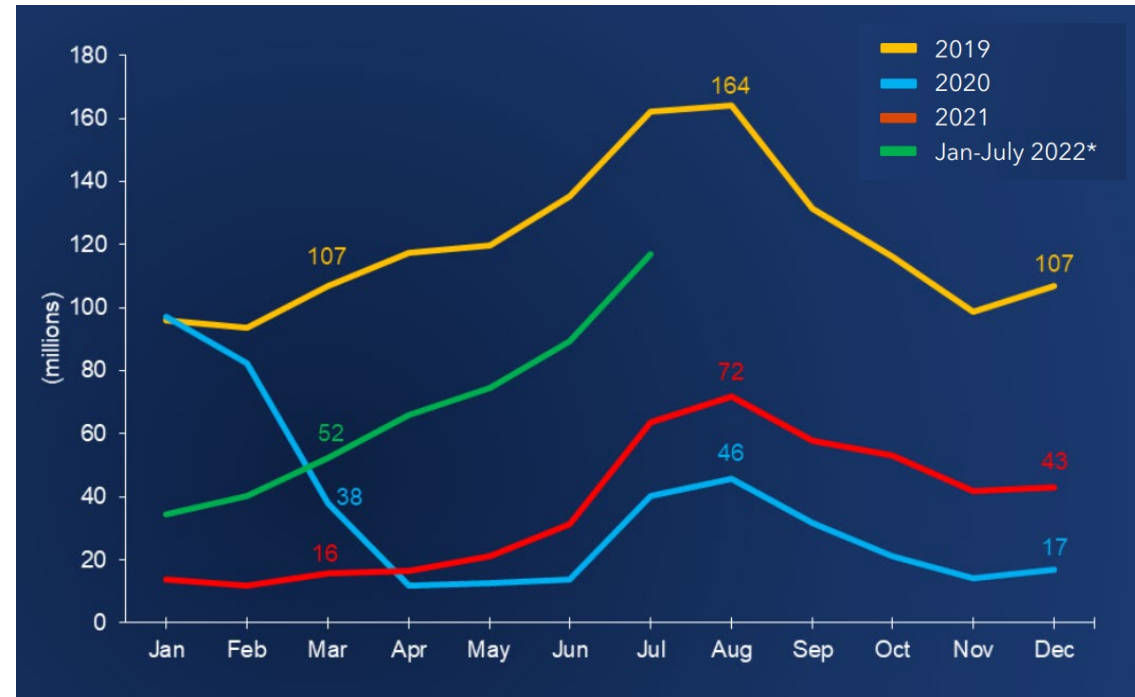
Domestic Spending increasing share vs International

Global Travel & Tourism's spending



Source: World Travel & Tourism Council "Travel & Tourism Economic Impact 2022"

International Tourist Arrivals



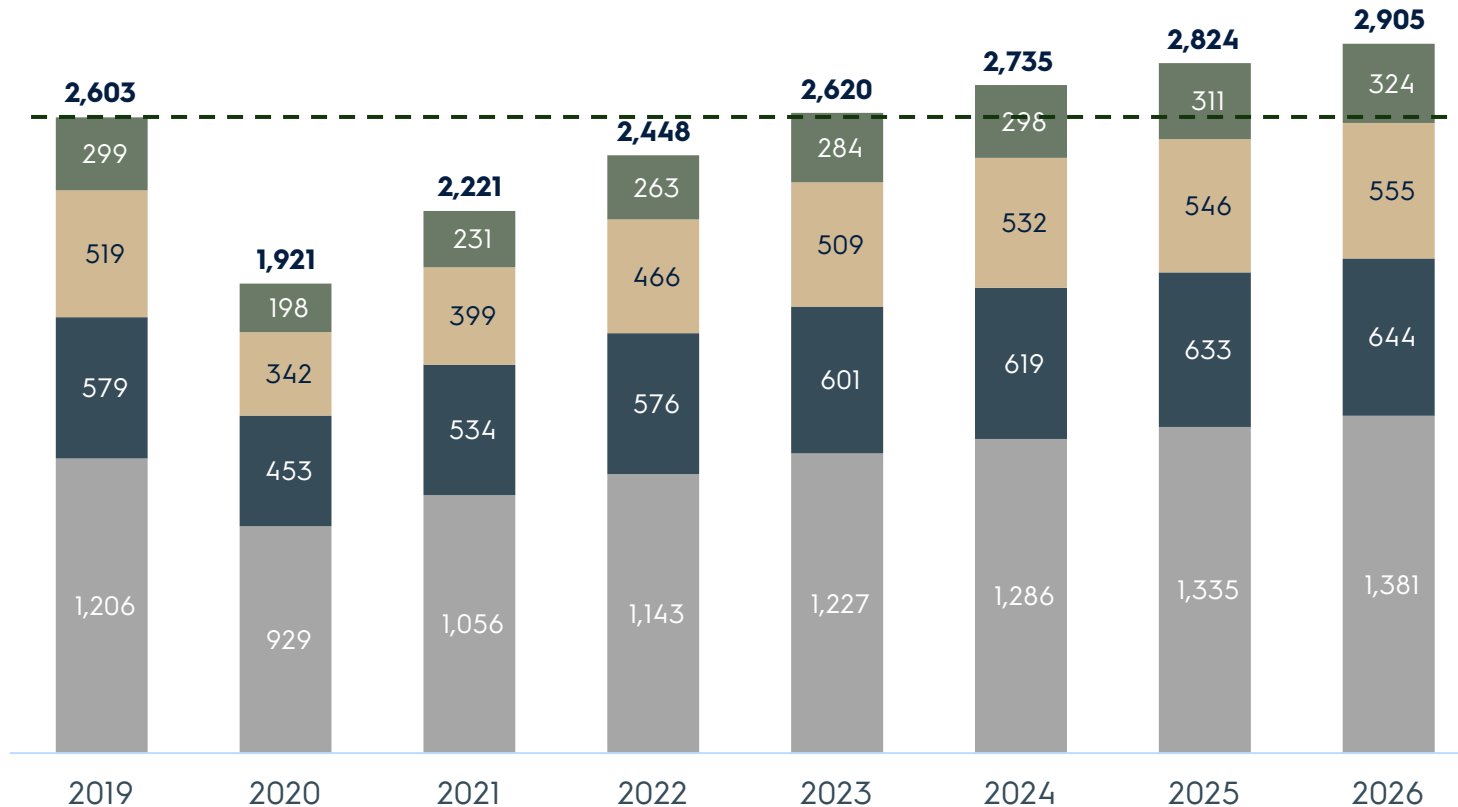
Source: UNWTO World Tourism Barometer – September 2022

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%	+7.0%
Europe	-12.3%	+6.8%
North America	-3.9%	+3.8%
APAC	-6.4%	+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.

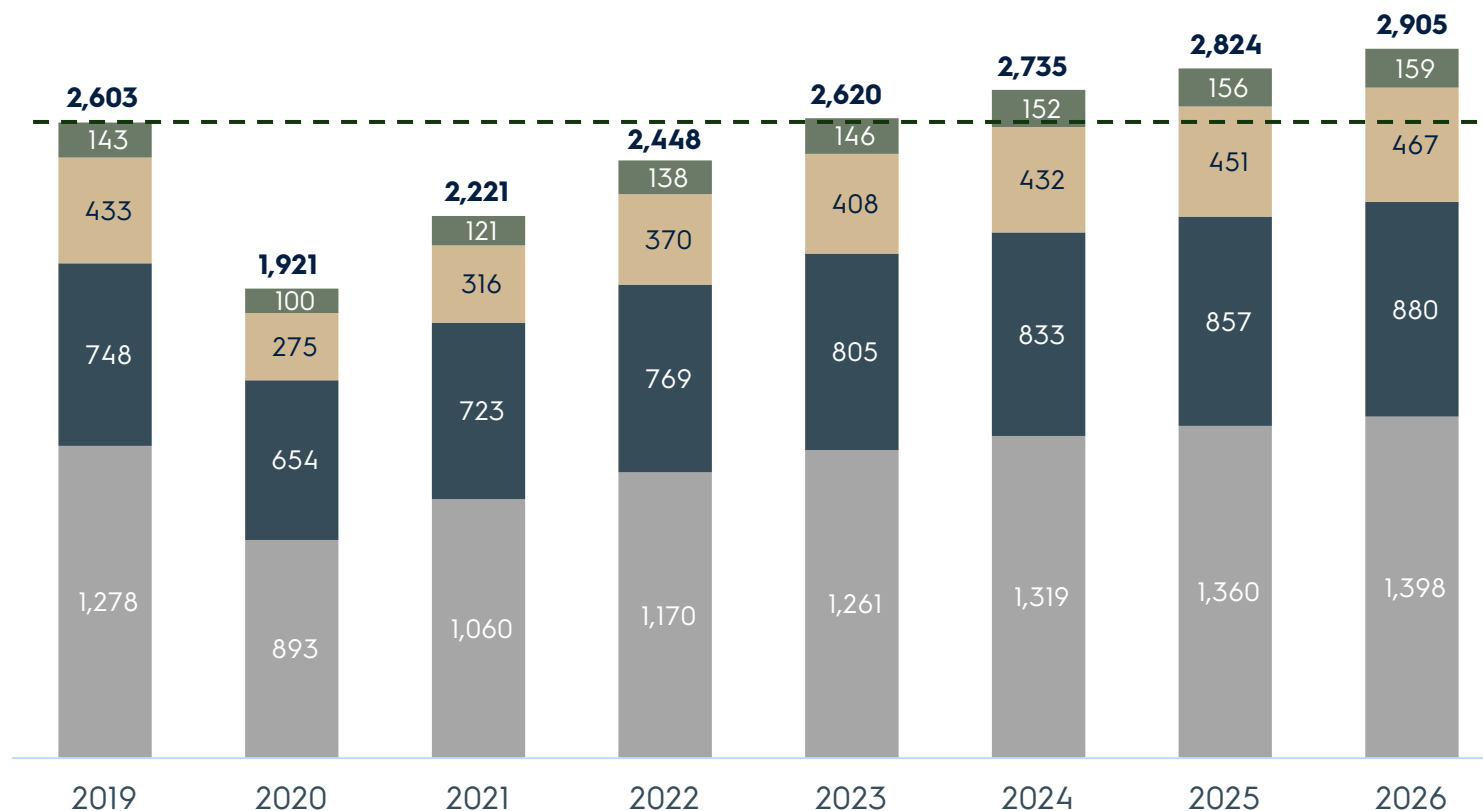
Source: Deloitte "Foodservice Market Monitor 2022" (elaboration of secondary data sources: Euromonitor, Allied Market Research, Statista)

Global Foodservice recovery 2019-2026

QSR leading recovery and already above 2019 level



Global Foodservice OOH Spending (billion €)



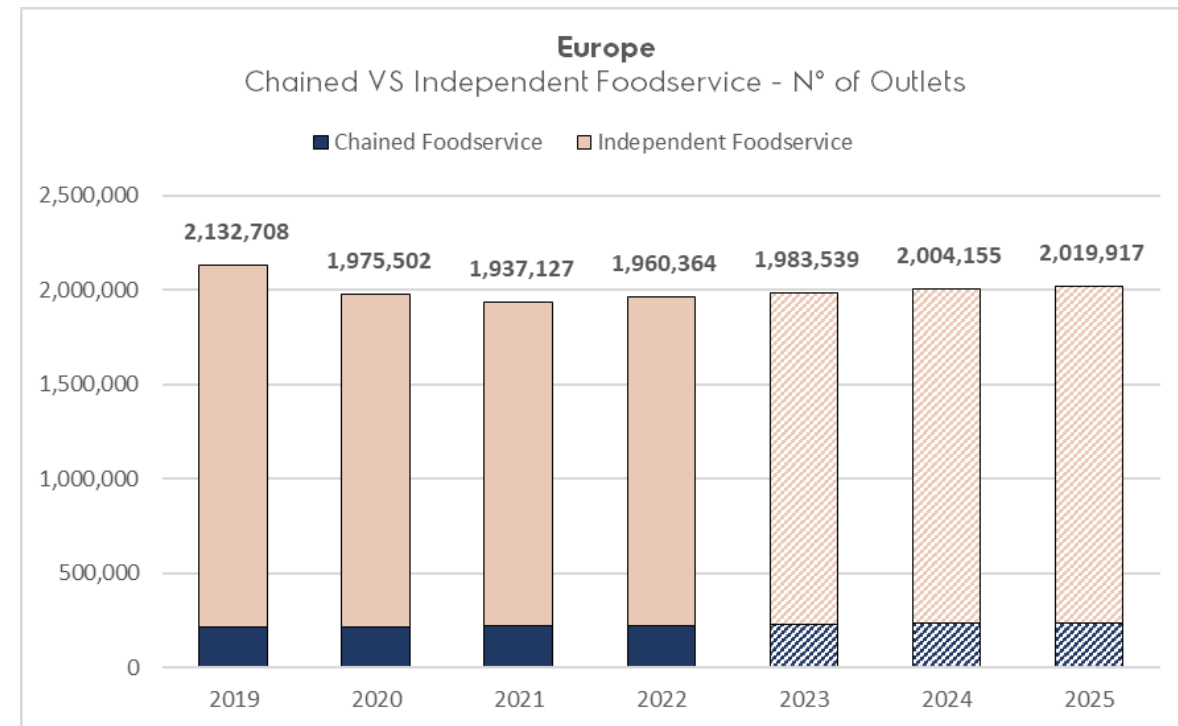
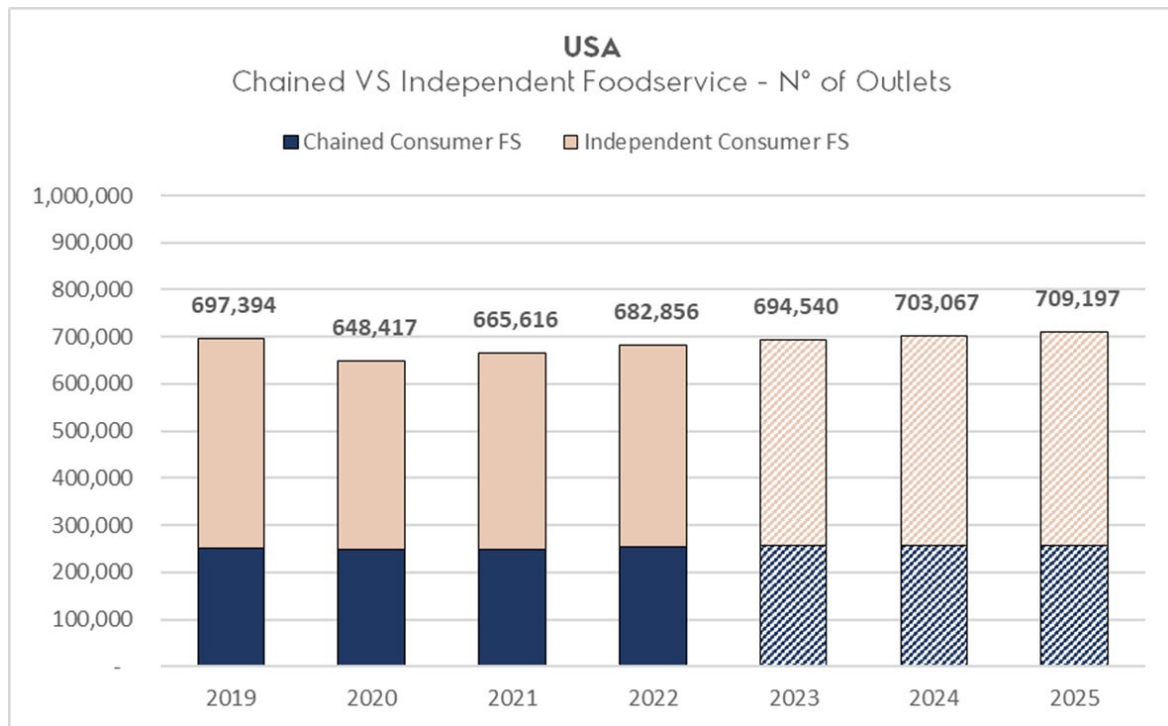
	CAGR% 19-21	CAGR% 21-26
Street food	-7.9%	+5.6%
Cafés and bars	-14.6%	+8.1%
Quick-Service Restaurants	-1.7%	+4.0%
Full-Service Restaurants	-8.9%	+5.7%

- 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



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