

Welcome to Electrolux Professional Investor Day

November 15, 2022

Today's presenters



Jacob Broberg
Chief Communication
& Investor Relations
Officer



Alberto Zanata
President and CEO



Dave Herring
President Business
Area Food Americas



Fabio Zarpellon
CFO

Agenda Investor Day



08.30 Welcome, Jacob Broberg, Chief Communication & Investor Relations Officer

08.35 Company update and strategy achievements, Alberto Zanata, CEO

09.00 Q&A

09.15 The US Food & Beverage market and Electrolux Professional in the US, Dave Herring, President Business Area Food Americas

10.00 Q&A

10.15 Connectivity demo (live only)

10.30 Break, coffee

10.45 Financial update, Fabio Zarpellon, CFO

11.15 Q&A

11.30 Summary and closing

11.45 Center of Excellence tour and Lunch

13.00 Plant tour (one hour)

14.15 Transfer to Venice Marco Polo Airport



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twitter.com/ElectroluxPro/



Company update and strategy achievements

Alberto Zanata
CEO

Electrolux Professional snapshot

R12 until Sep 2022



Net sales SEK
10.3 bn

EBITA, SEK
0,985 bn

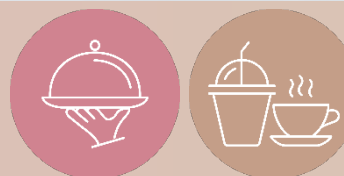
EBITA
margin*
9.6%

Employing
~4,000

Serving
~110
countries

Net sales by segment

67%
Food & Beverage



33%
Laundry



8.5%
EBITA margin

16.1%
EBITA margin

Net sales by geography

~58%
Europe



~30%
Americas

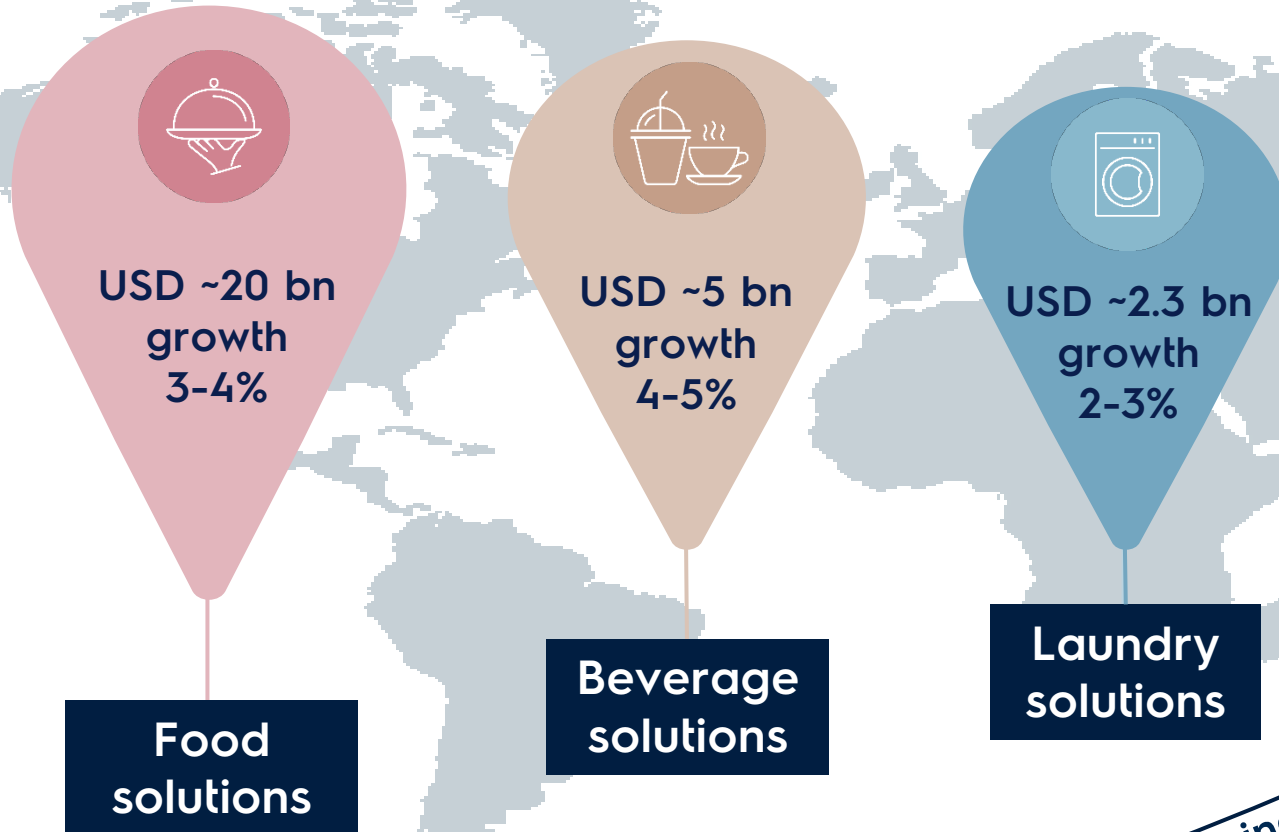


~12%
APAC & MEA



* EBITA excl Items affecting comparability

Our markets



Source: Company estimates for 2021.

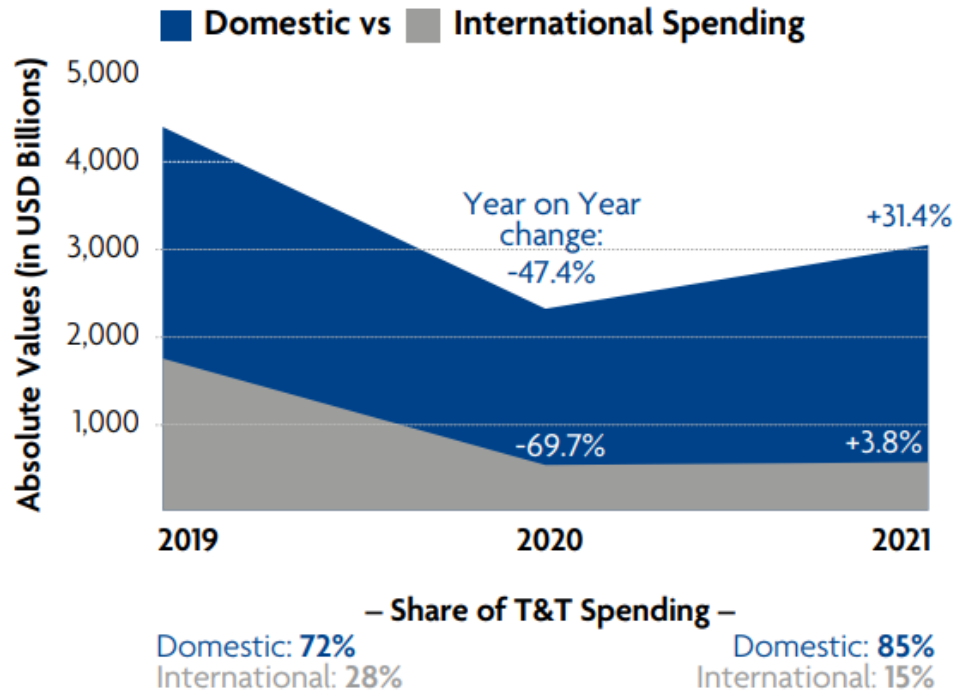
Underlying trends

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

Global Travel & Tourism's recovery

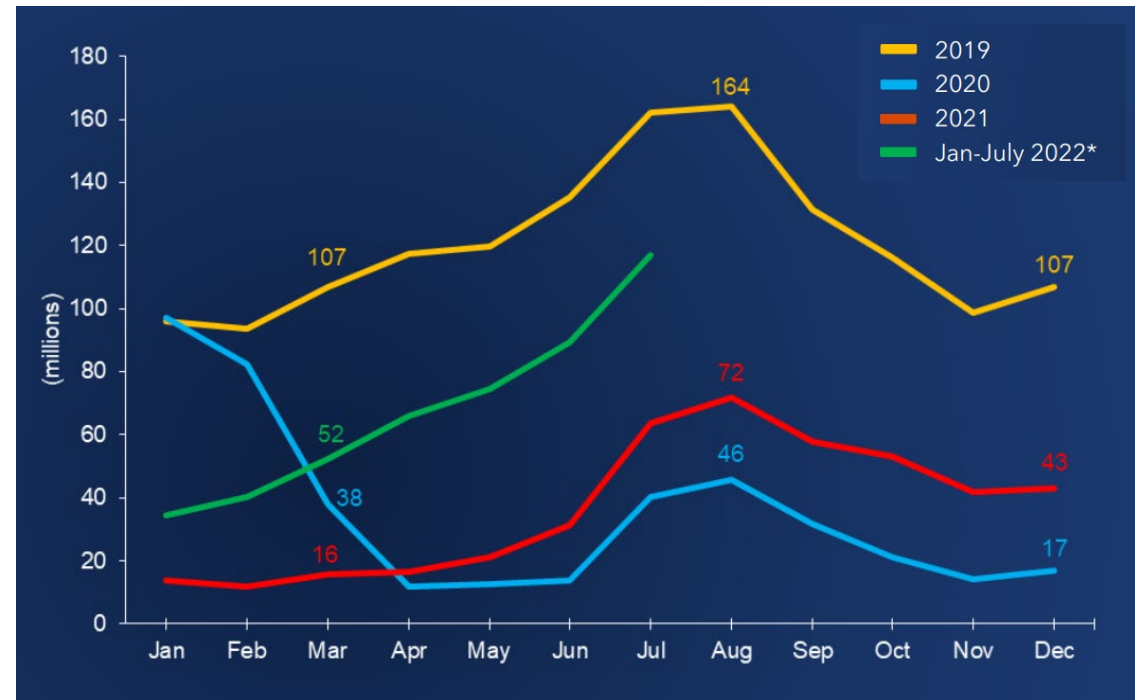
Domestic Spending increasing share vs International

Global Travel & Tourism's spending



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

International Tourist Arrivals



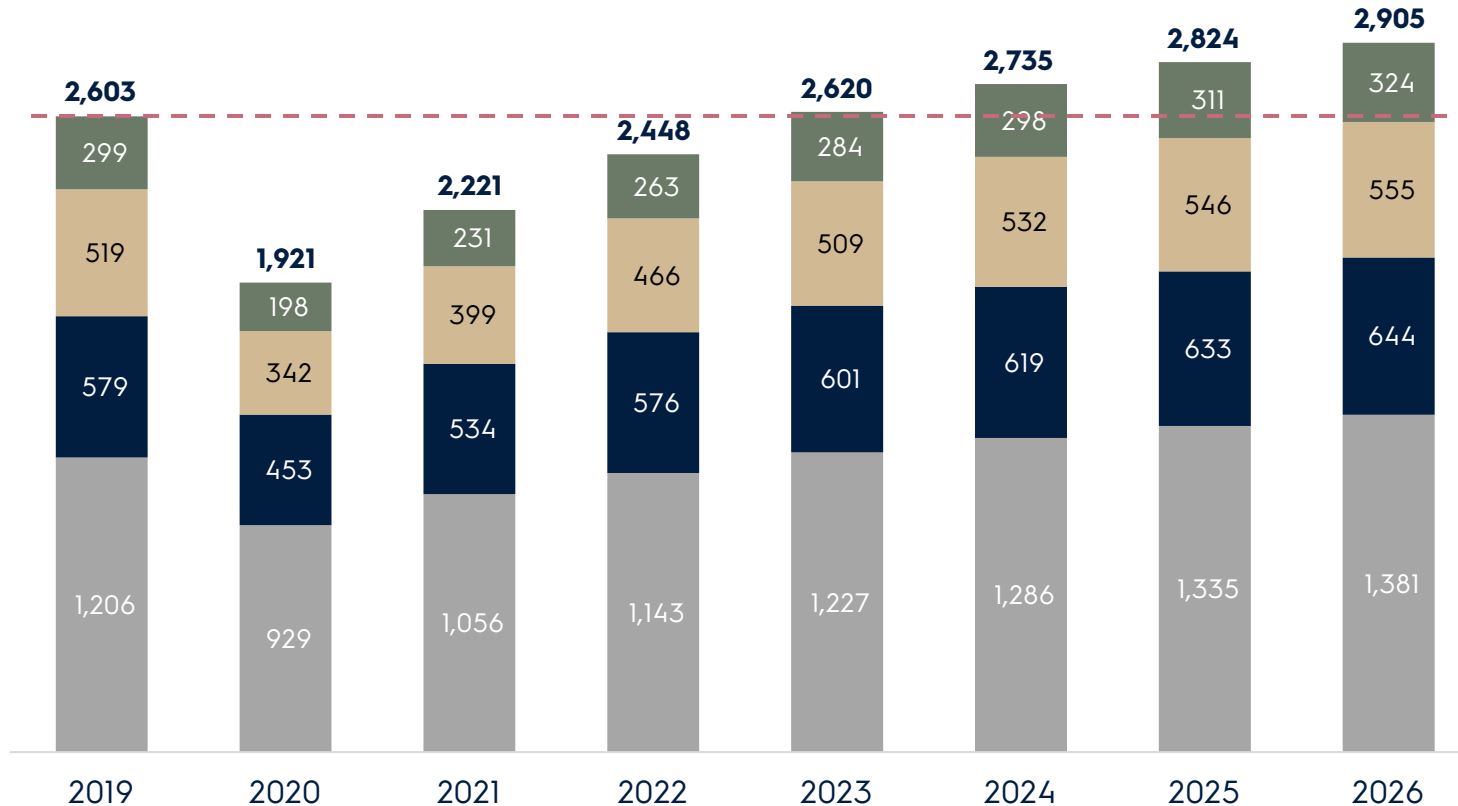
Source: UNWTO World Tourism Barometer – September 2022

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.

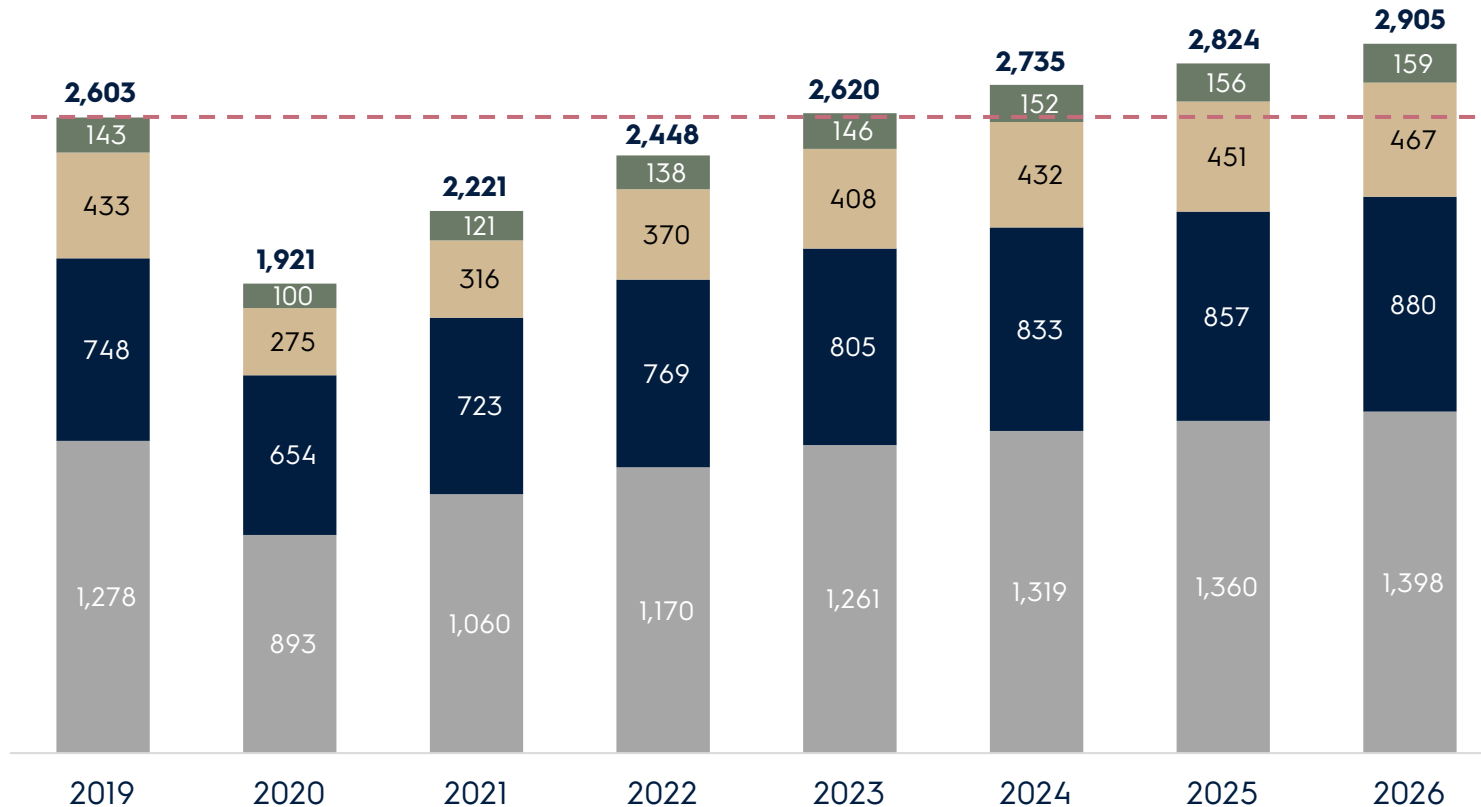
Source: Deloitte "Foodservice Market Monitor 2022" (elaboration of secondary data sources: Euromonitor, Allied Market Research, Statista)

Global Foodservice recovery 2019-2026

QSR leading recovery and already above 2019 level



Global Foodservice OOH Spending (billion €)



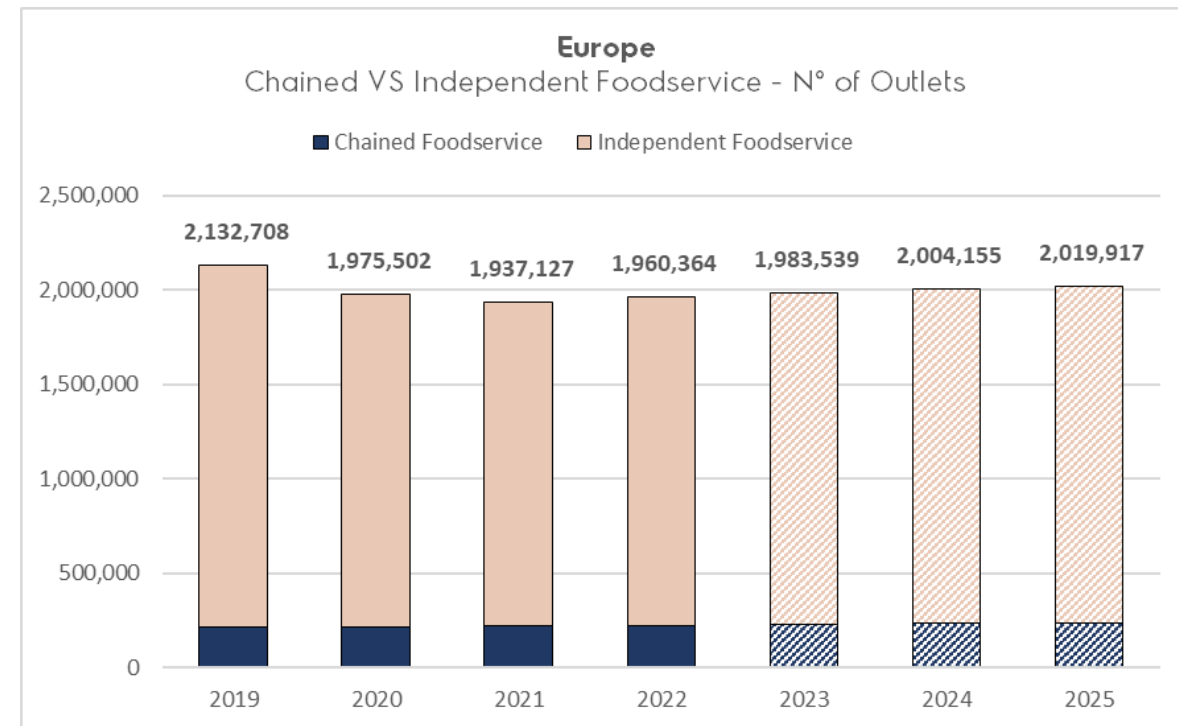
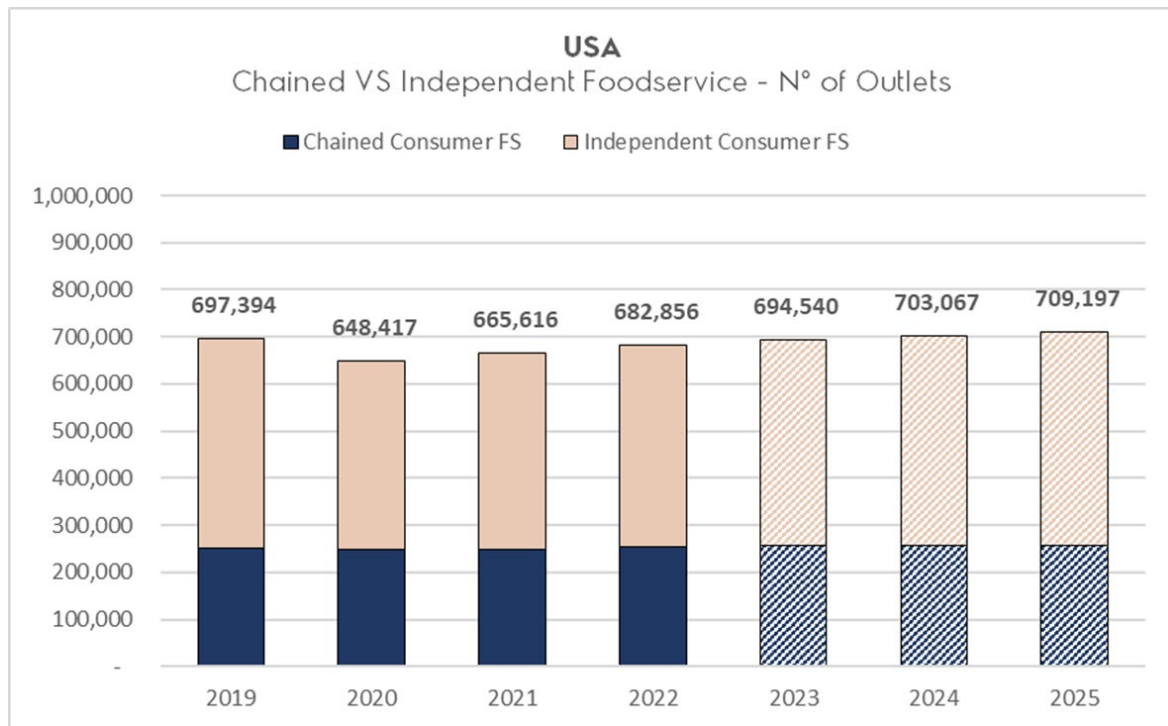
	CAGR% 19-21	CAGR% 21-26
Street food	-7.9%	+5.6%
Cafés and bars	-14.6%	+8.1%
Quick-Service Restaurants	-1.7%	+4.0%
Full-Service Restaurants	-8.9%	+5.7%

- 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



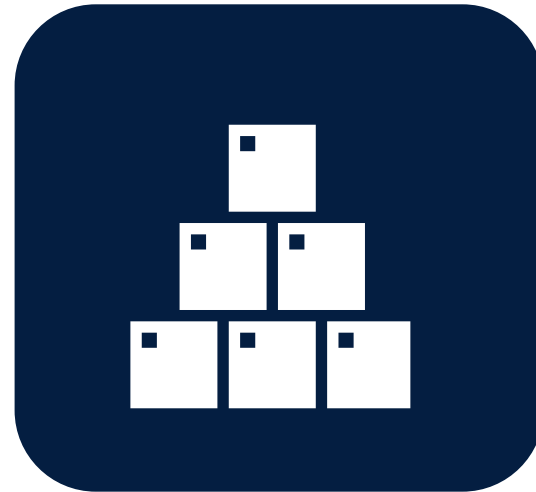
Source: Euromonitor Passport – Consumer Foodservice 2022
Cafés/Bars: Bars/Pubs, Cafés, Juice/Smoothie Bars, Specialist Coffee and Tea Shops

2021-2022 supply chain disruptions: new challenges

Example of strategies adopted by major foodservice industry players



Menu price
increase /
"Shrinkflation"



Purchase
optimization



Menu engineering



Technology
implementation

Source: Deloitte "Foodservice Market Monitor 2022", The NPD Group "Trend Outlook 2022"

Macro Trends in the Hospitality Industry – 2022

Sustainability

- Clean labels
- Single-Use Plastic ban and circular packaging
- Microplastics fight

Plant-based food

- Plant-based meat alternatives

Digital customer experience

- Automated vending machines
- Pick-up/drive-through
- Smartphone ordering/apps

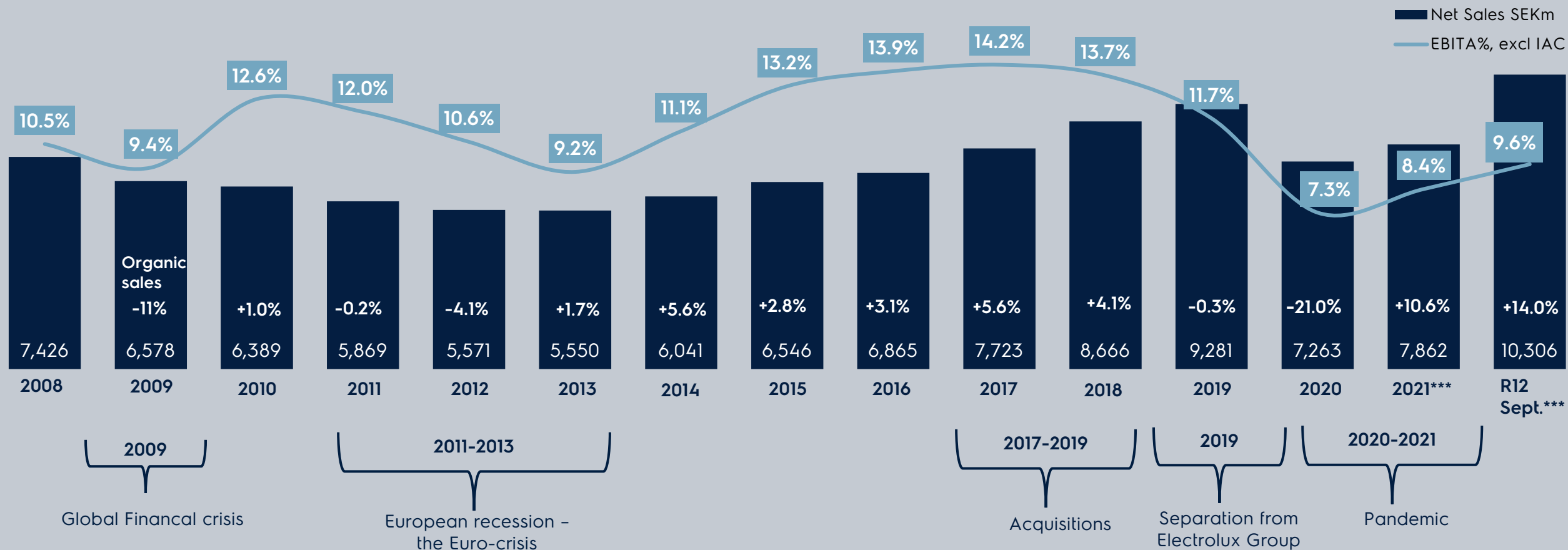
Ghost kitchen expansion

- Meet demand via smartphone
- More-tailored options

Source: Euromonitor Passport “World Market for Consumer Foodservice 2022”, Deloitte “Foodservice Market Monitor 2022”, internal sources

Net sales* and profitability** development

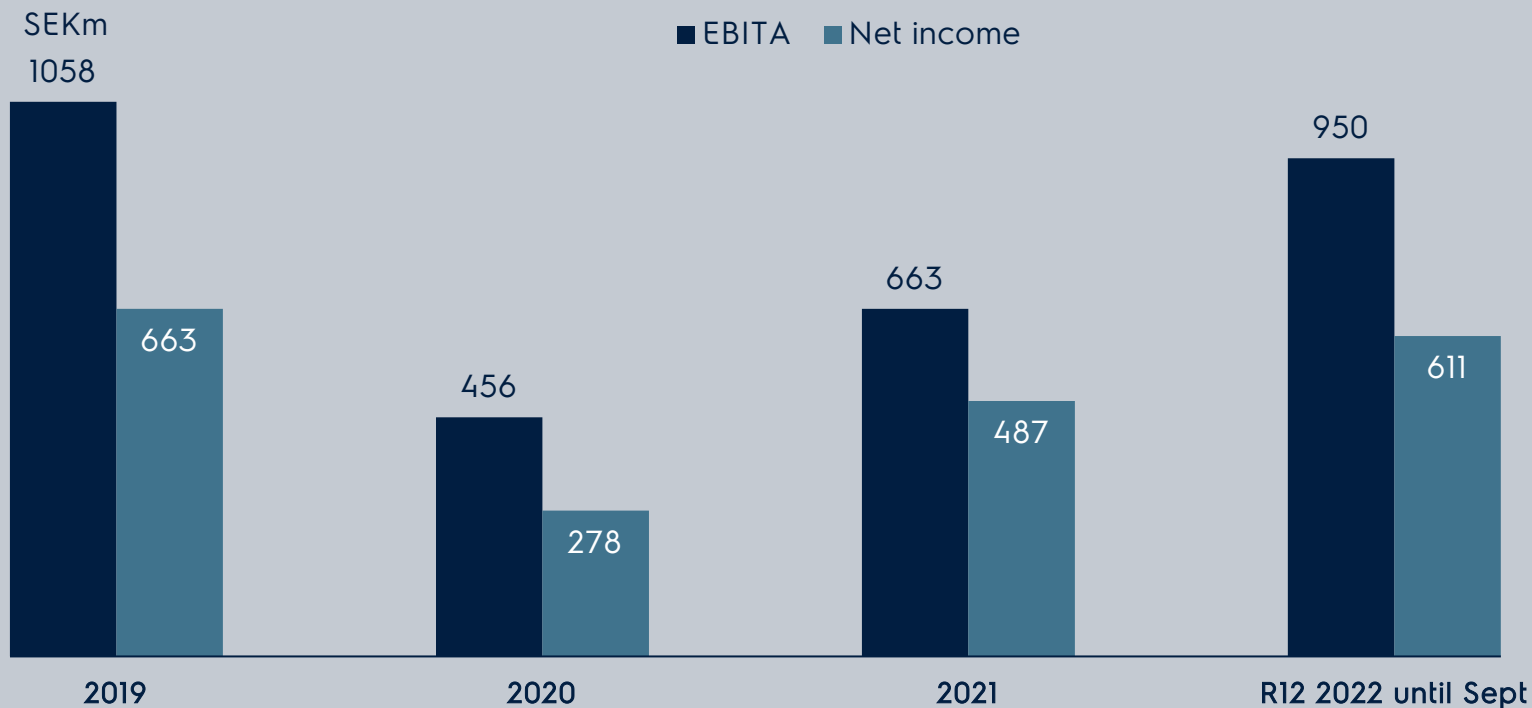
The Covid-pandemic had a x2 impact on sales vs Financial Crisis 2009



* 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 on its way back to 2019 levels



- EBITA (R12) almost at 2019 level
- Dividend policy is 30% of net income

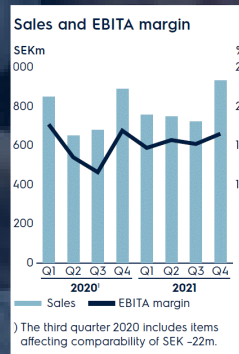
A resilient foundation, well prepared for economic downturn



The resilient laundry business



Larger share in the US and in chains



Proven ability to manage cost in downturns

Electrolux Professional heading into 2023

Demand

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



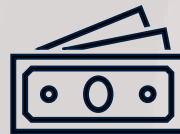
Energy prices

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



Surcharges

- Surcharges transformed into price increases



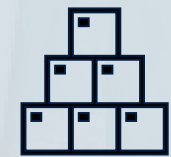
Raw material prices

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



Components

- Components availability is expected to further improve





**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

1 Strategic cornerstones: Sustainable, low running solutions

Recent solutions introduced into the market



The SafeBox - a unique holding solution for take away and delivery

Vacuum packer
- extends food shelf-life without waste



Randell Cheeser station
- the Pizza pre station to eliminate waste of cheese



Skyline - enhanced connectivity capability

1

Strategic cornerstones: Sustainable, low running solutions



Low running cost is more important than before

- Our energy saving solutions are at the forefront
- Vital in times of high electricity prices and larger climate concern
- Momentum for our energy saving heroes

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

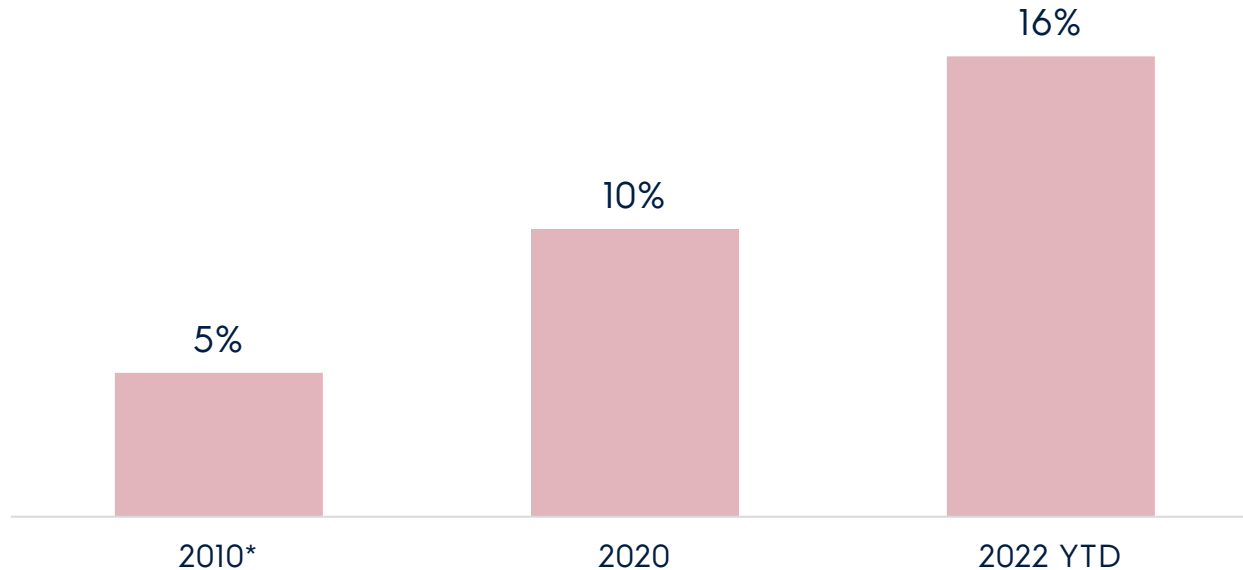
Uses less water, detergent and rinse aid with energy savings of

34%



Good sales growth in restaurant chains

Chains sales in % of total sales



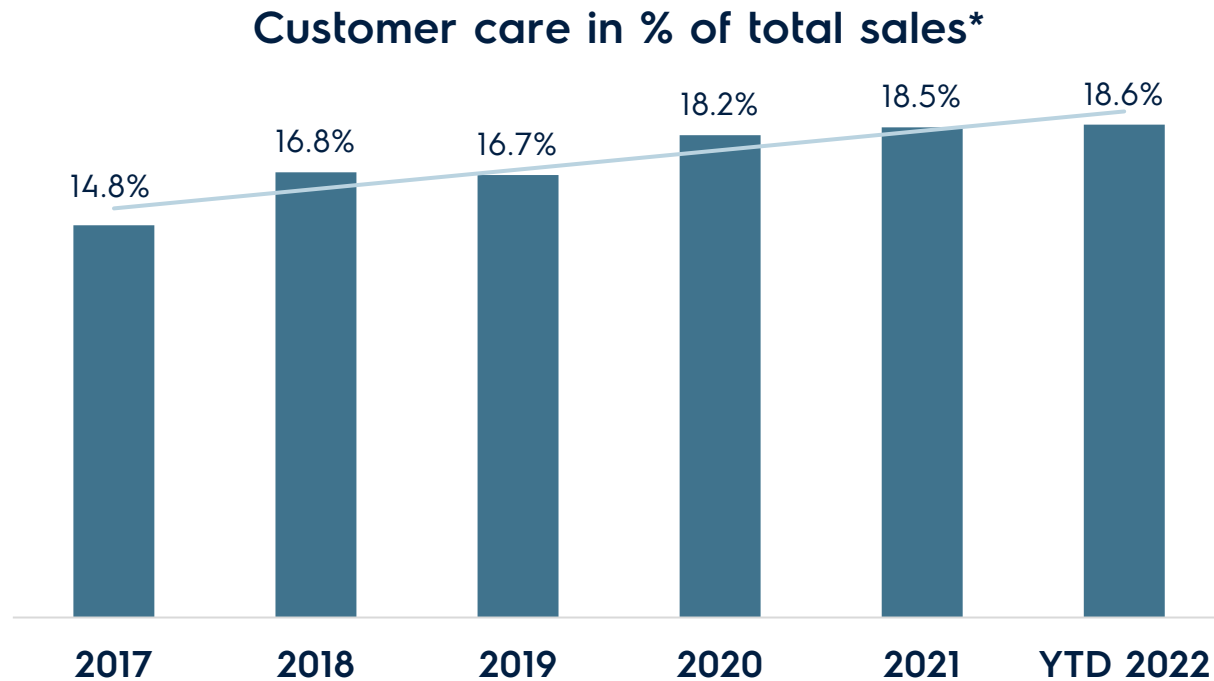
*Rough estimate since no historical data available

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

3 Strategic cornerstones: Boost customer care



Customer care sales are growing



* Excl Unified Brands

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

Grow Customer care

Largest growth opportunity

Largest share of Customer care sales

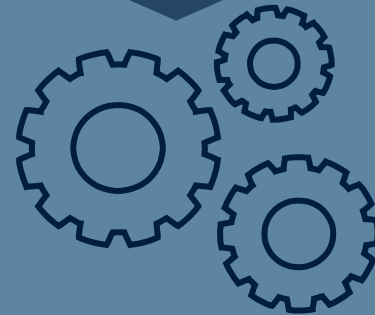


Consumables



Complete range of product families

Chemicals for appliances



Spare Parts



Parts kits



Service & Repair



Service product 3.0 "worldwide"

Digitalized services connected network



Digital is starting to shape our industry



Our Digital vision 2024



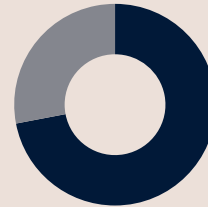
The OnE platform benefits

Deployment

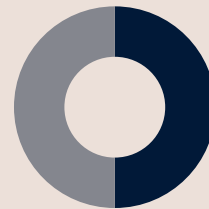
- Launched in several countries 2021-2022
- Continued roll-out in 2023-2024

Online sales

72%
of all orders
digital

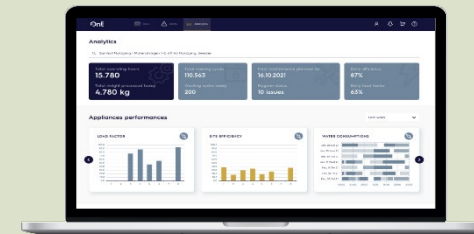


50%
of sales
value
digital



Service

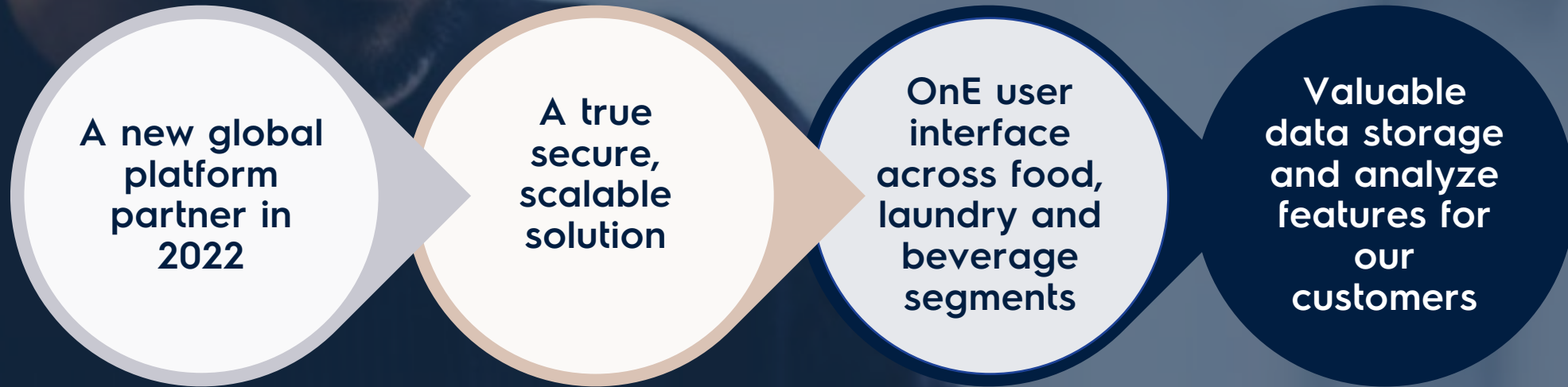
100%
of partners
supported



The OnE platform benefits

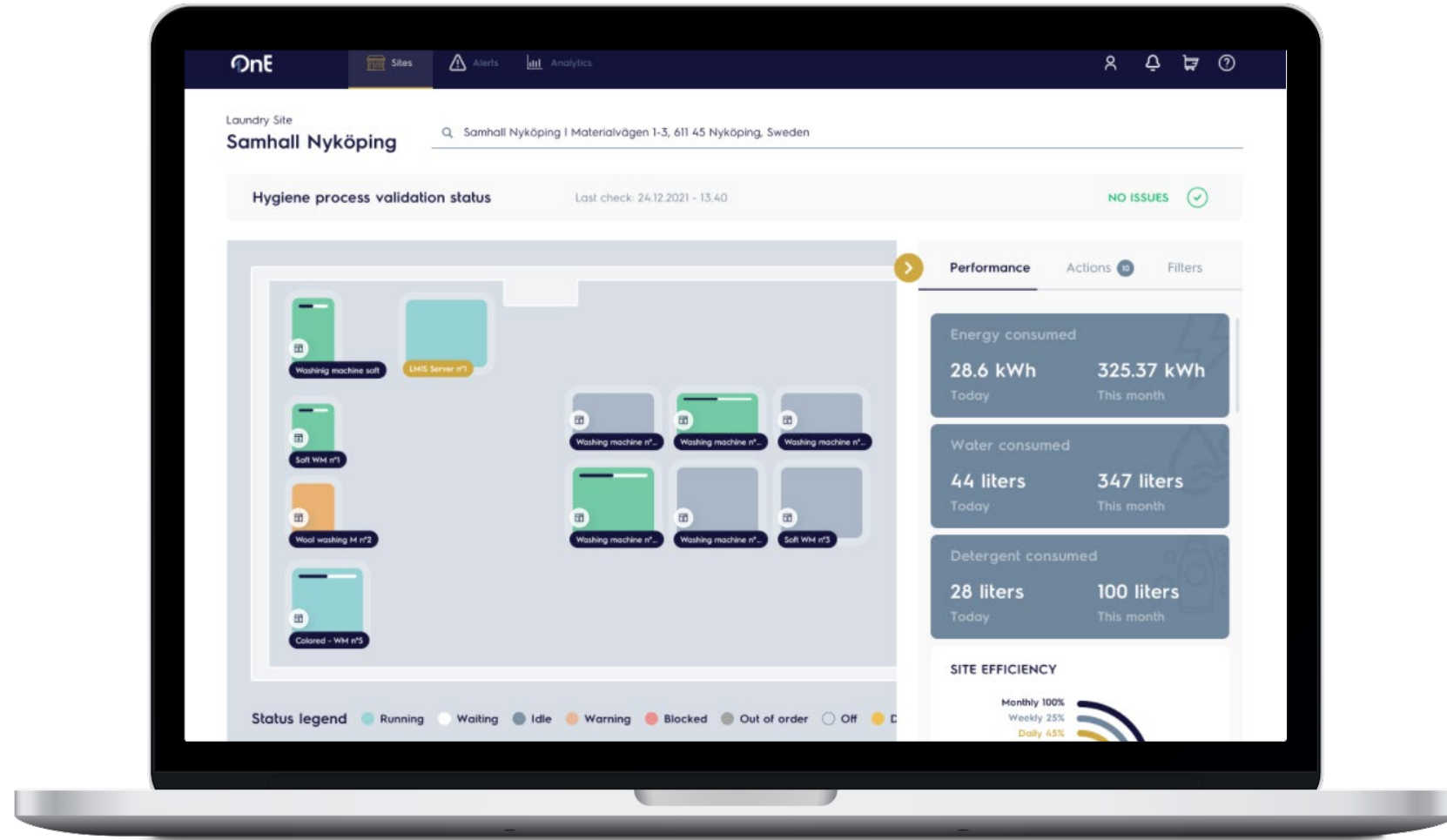
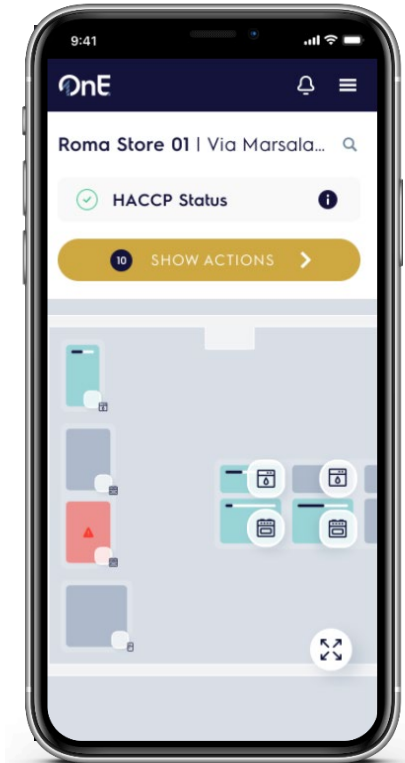
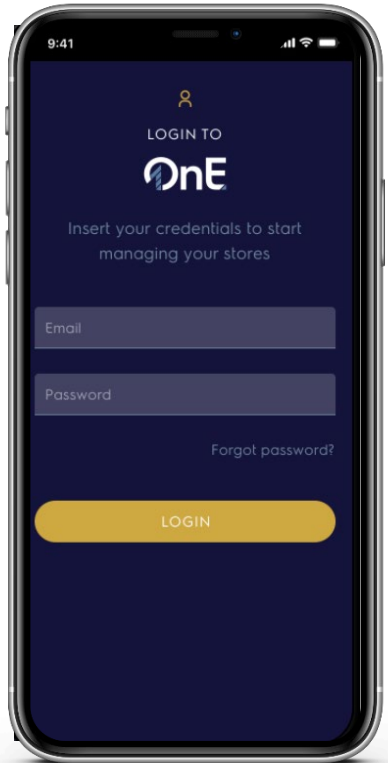


Target: 50% of future installed base connected by end of 2024



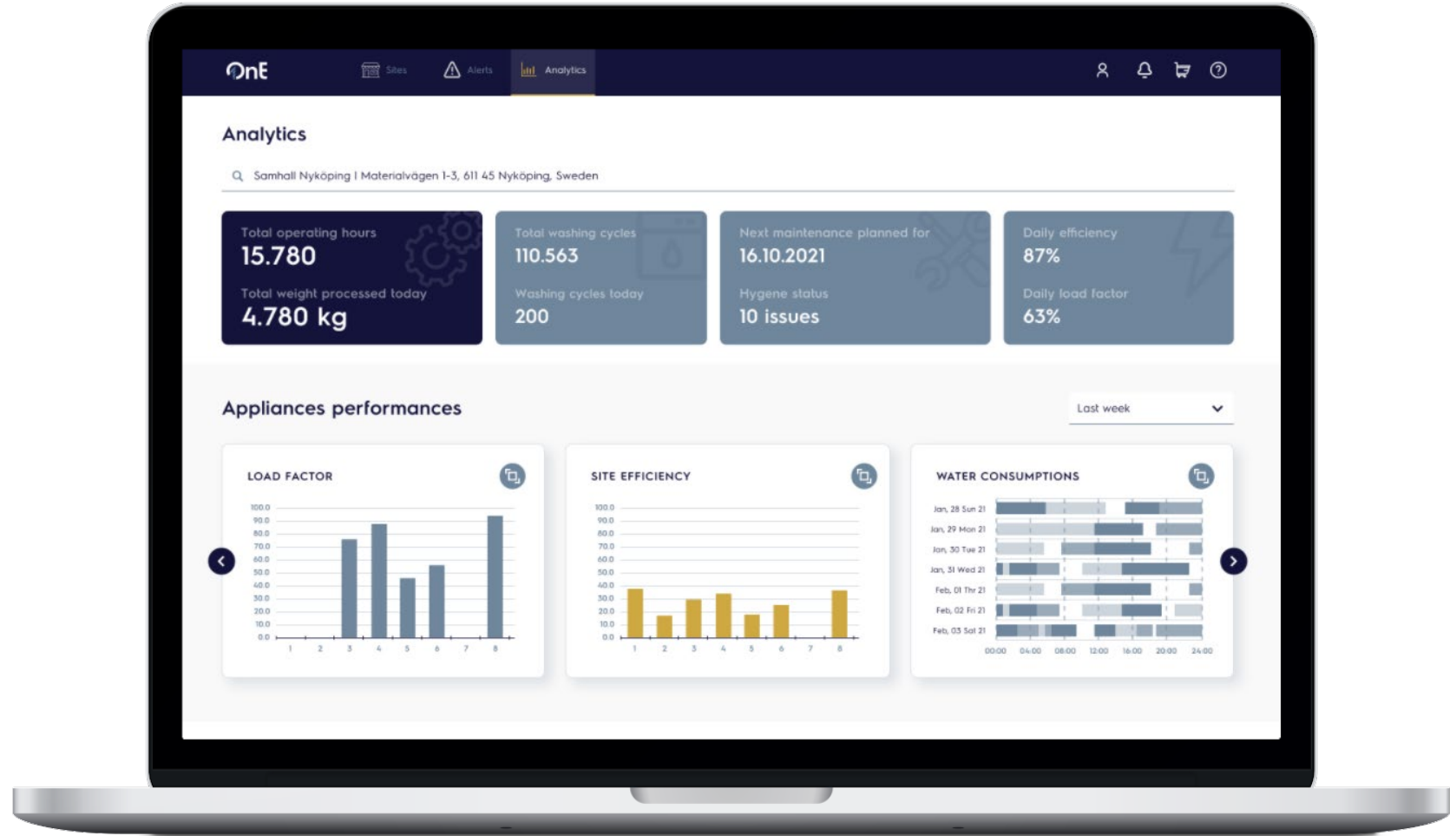
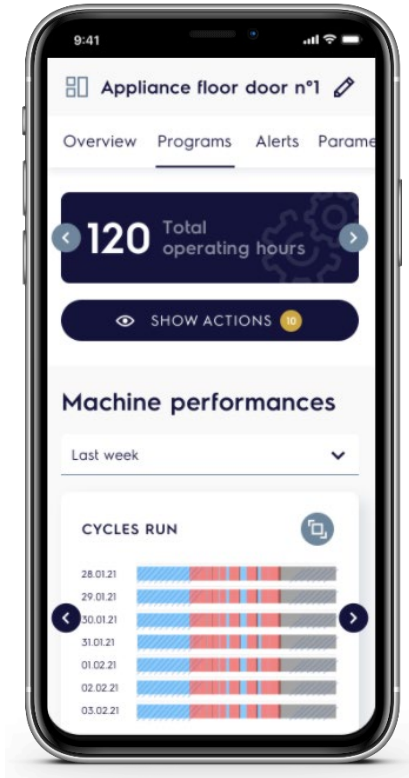
Site dashboard (OnE)

- Intuitive dashboard to help site managers ensure efficient and profitable operation



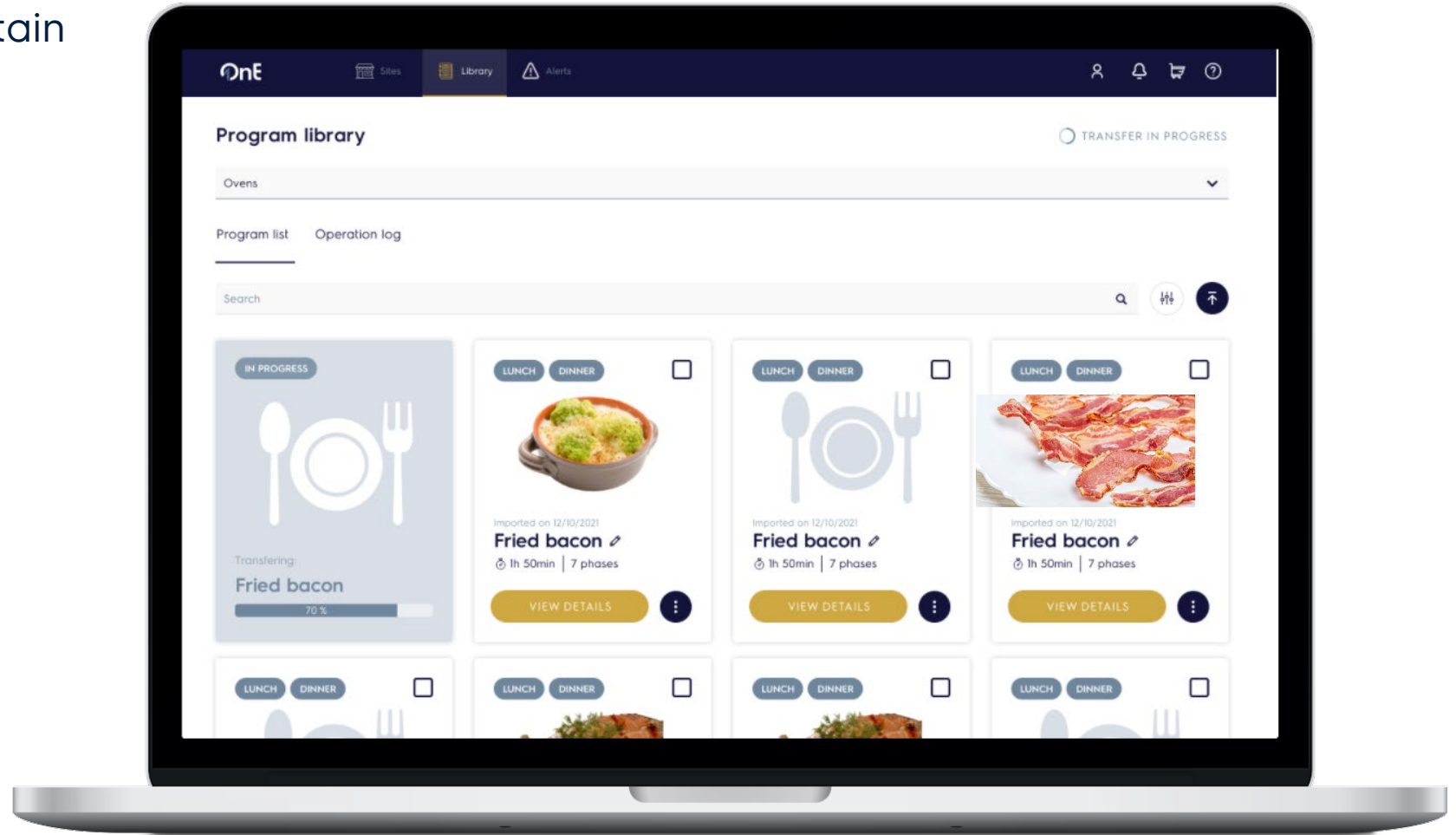
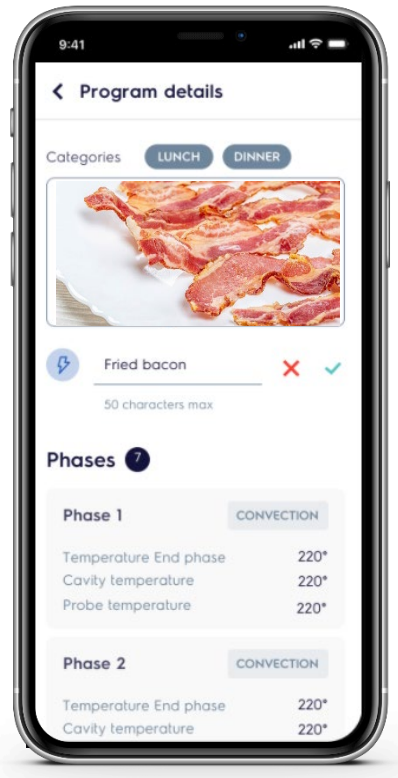
Business insights

- Actionable insights to improve operational efficiency



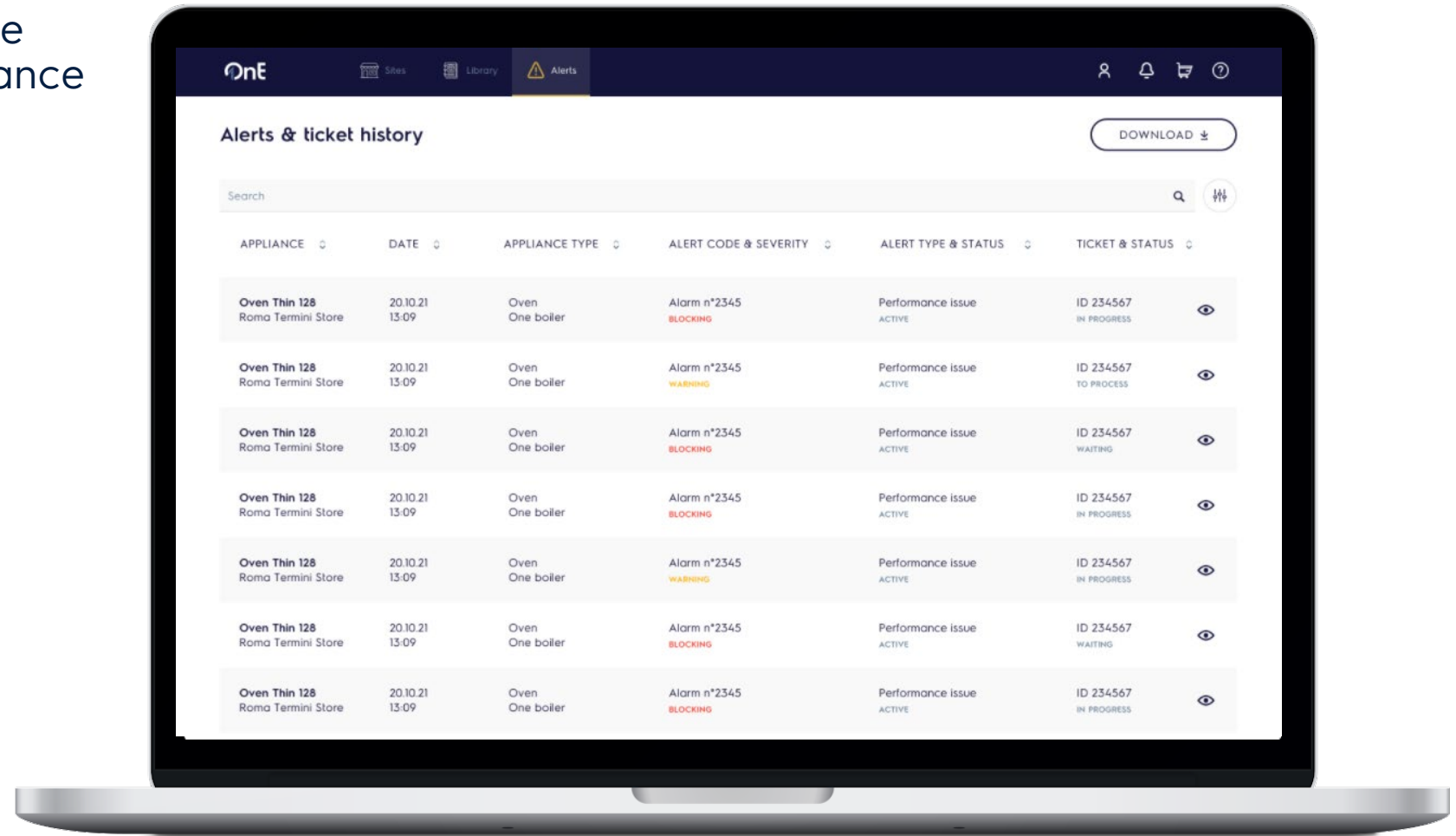
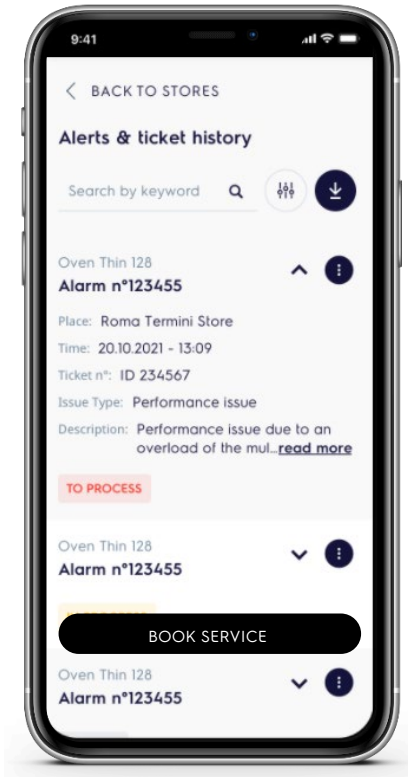
Fleet programming

- Remote update of programs – helping customers to maintain standard and quality



Alerts and service booking

- Proactive notification and service booking to help site managers maximise appliance uptime



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**

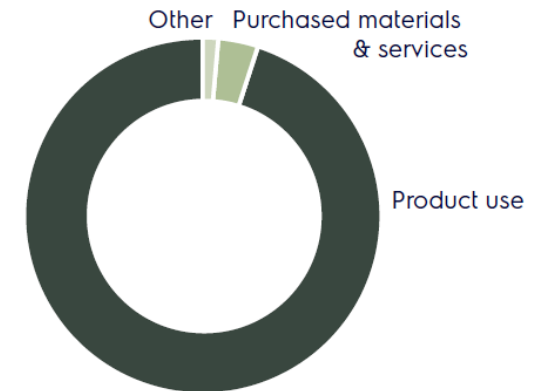
Gender balance
40/60
2030



Scope 3 - emissions from product use is 95%

- 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.

Q&A

The US Food & Beverage market and Electrolux Professional in the US

Dave Herring
President Business Area Food Americas





Food
Solutions

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



Laundry
Solutions



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

Electrolux Professional in the US

Executing on strategic cornerstone of the Group



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

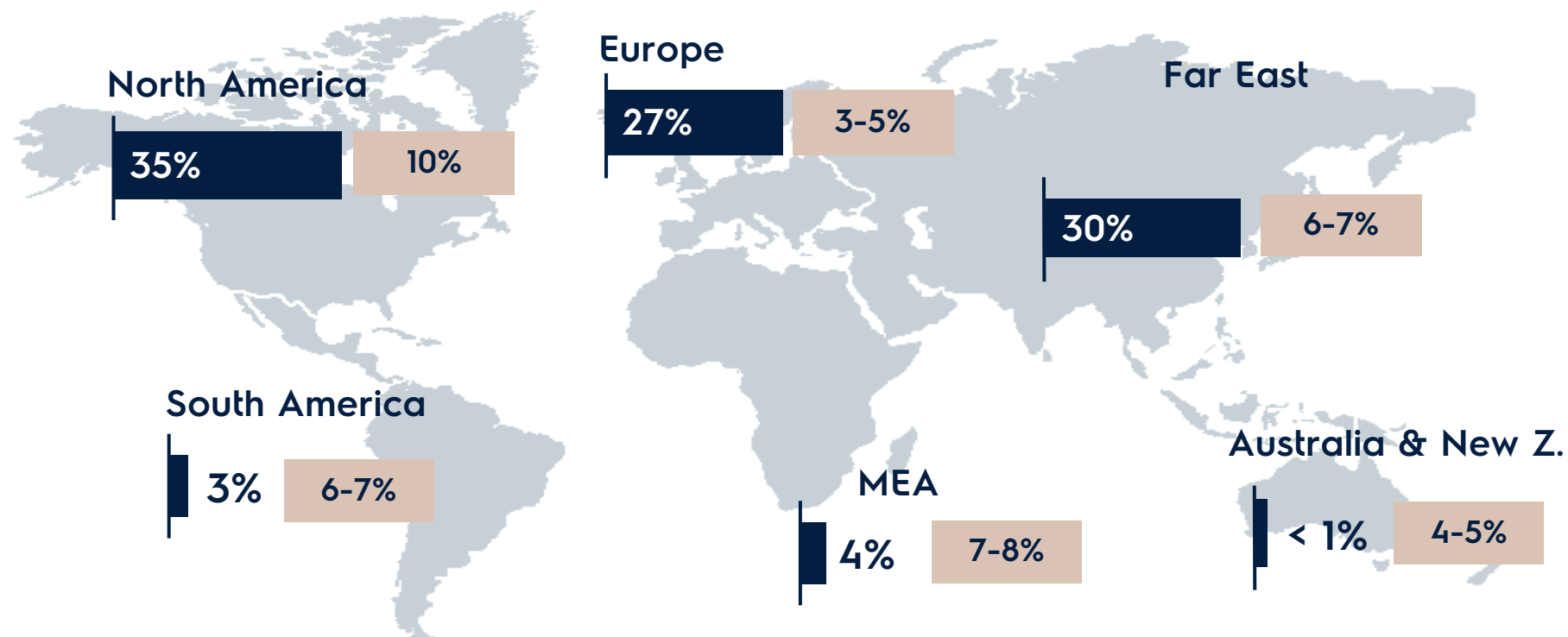
US is an important and growing market for Food & Beverage

The professional Food & Beverage equipment market 2021 and expected growth in 2022

% of Global Food&Bev market

Expected growth in 2022

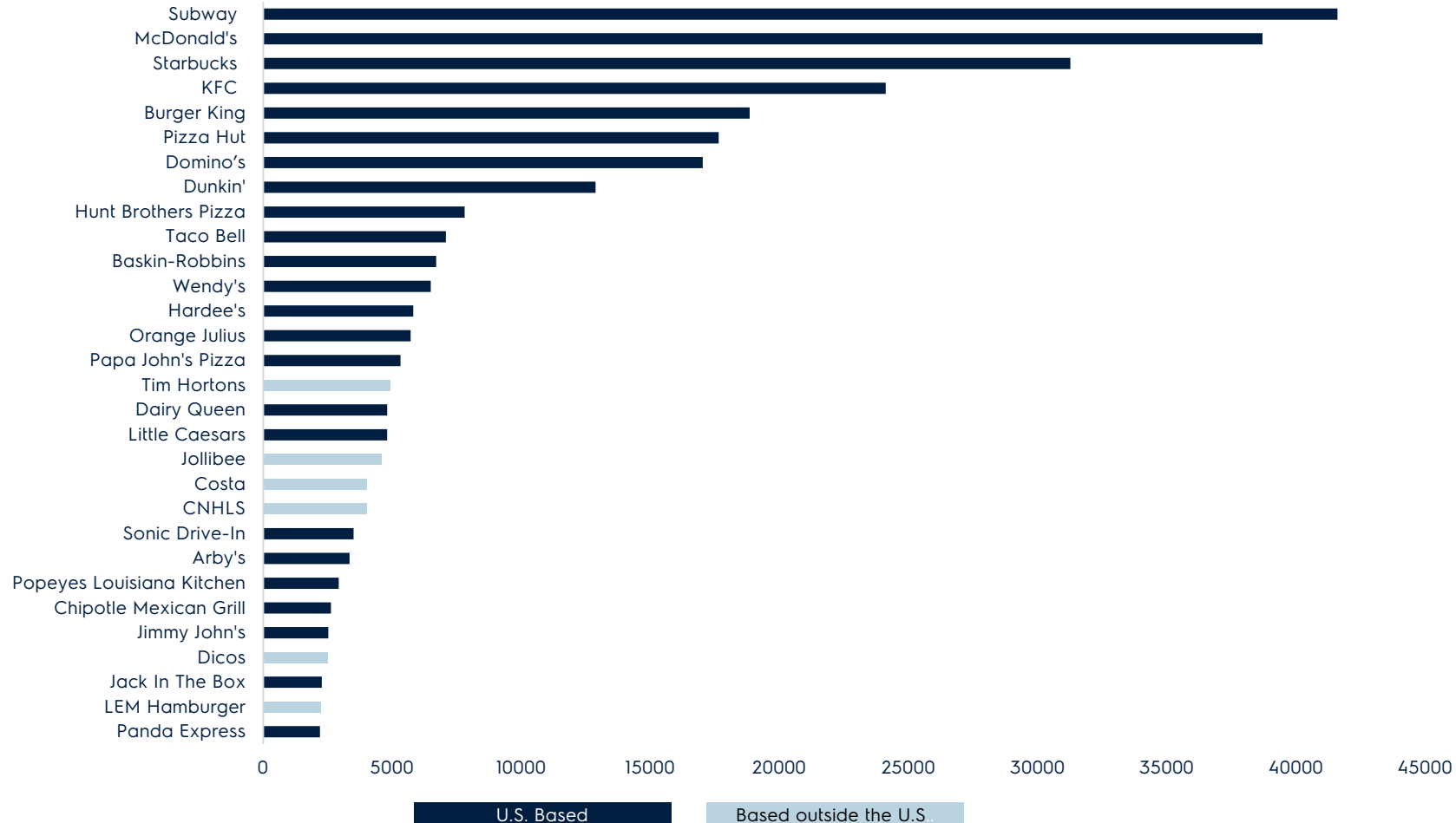
Professional F&B market:
USD 25 bn in 2021
(21 bn in 2020)



Source: FY 2021 Results Major FS&Bev. Competitors

The top chain restaurants in the world are based in the United States

Global Chains - Number of Restaurants



- 24 of top 30 chains are based in the US
- Success with global chains often depends upon relationship built in their home country

Source: <https://rlist.io/l/largest-fast-food-chains-that-originate-from-europ>

US end customers typically aligned to channels based on customer type



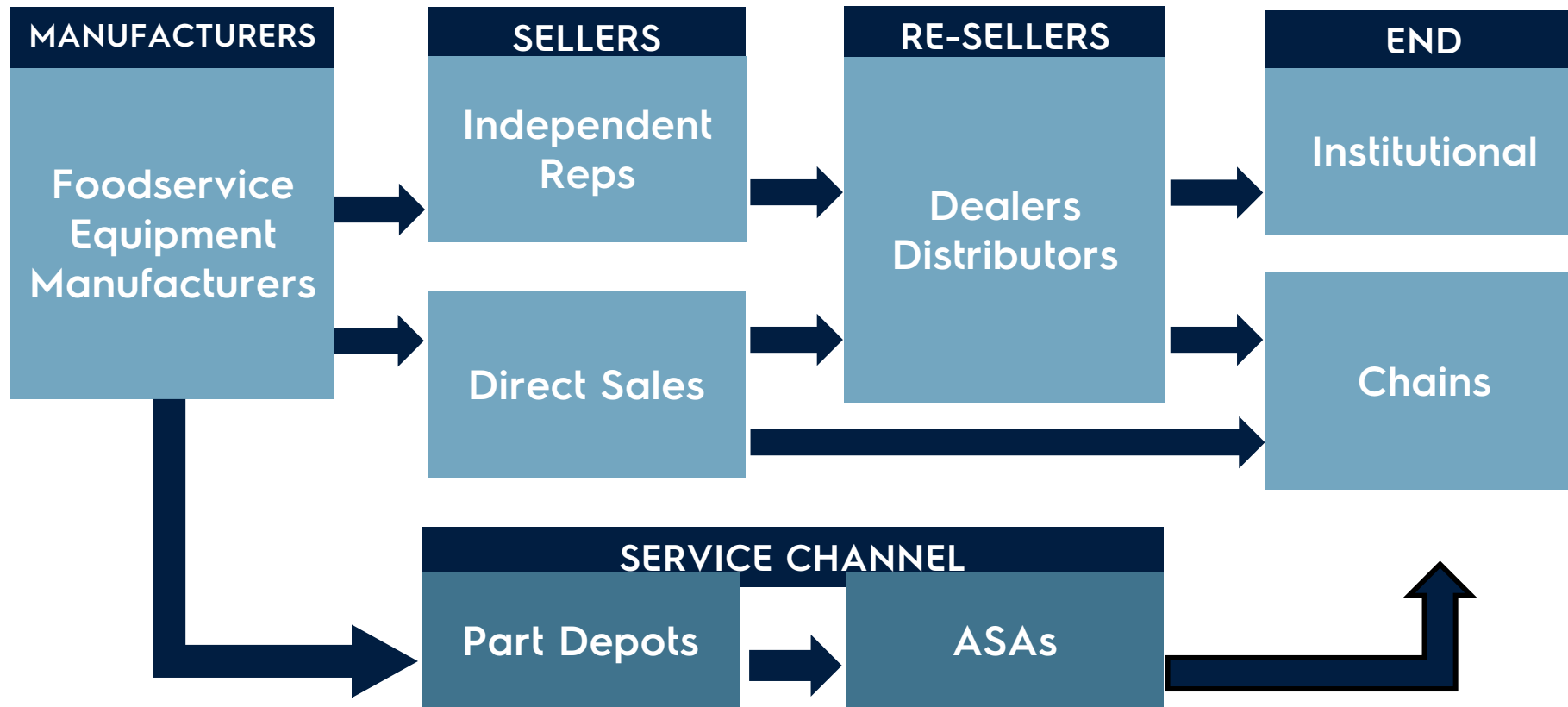
	Institutional	Restaurant chains	Retail chains
Industry size (USDbn)	USD 4bn	USD 4bn	USD 1bn
Re-sellers	100%	60%	25%
Direct sales	0%	40%	75%

US Foodservice Equipment Channels to Market

Strong position across each channel serving end customers



- The US Foodservice Equipment market is composed of two major channels: Direct and distribution
- The Manufacturer intimacy with end customers is fundamental to success



A fragmented foodservice equipment market

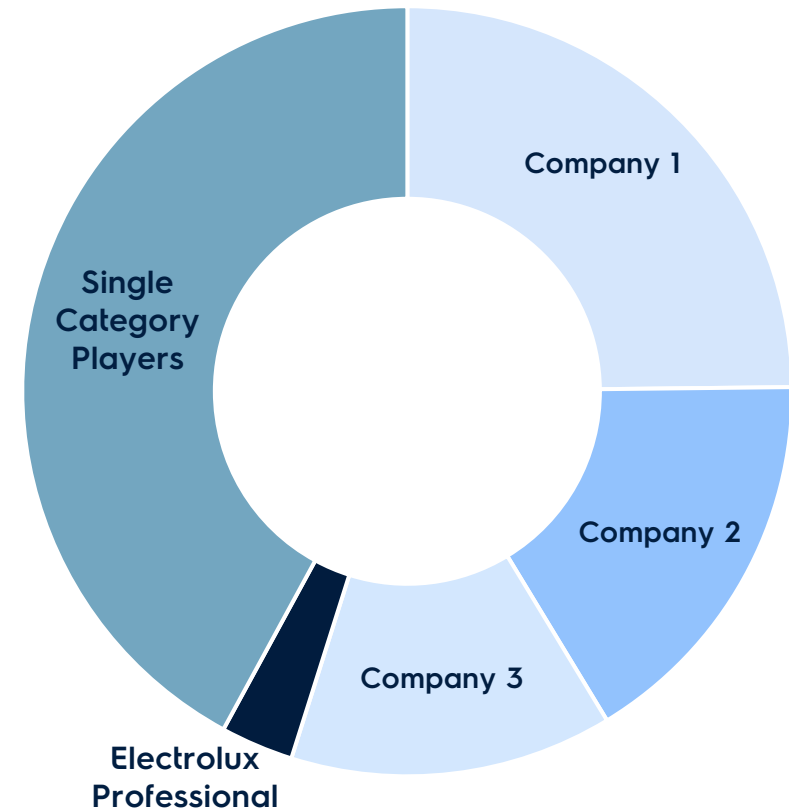
A handful of large multi-brand players and many medium/small single-brand players

North America category players

Multi category players

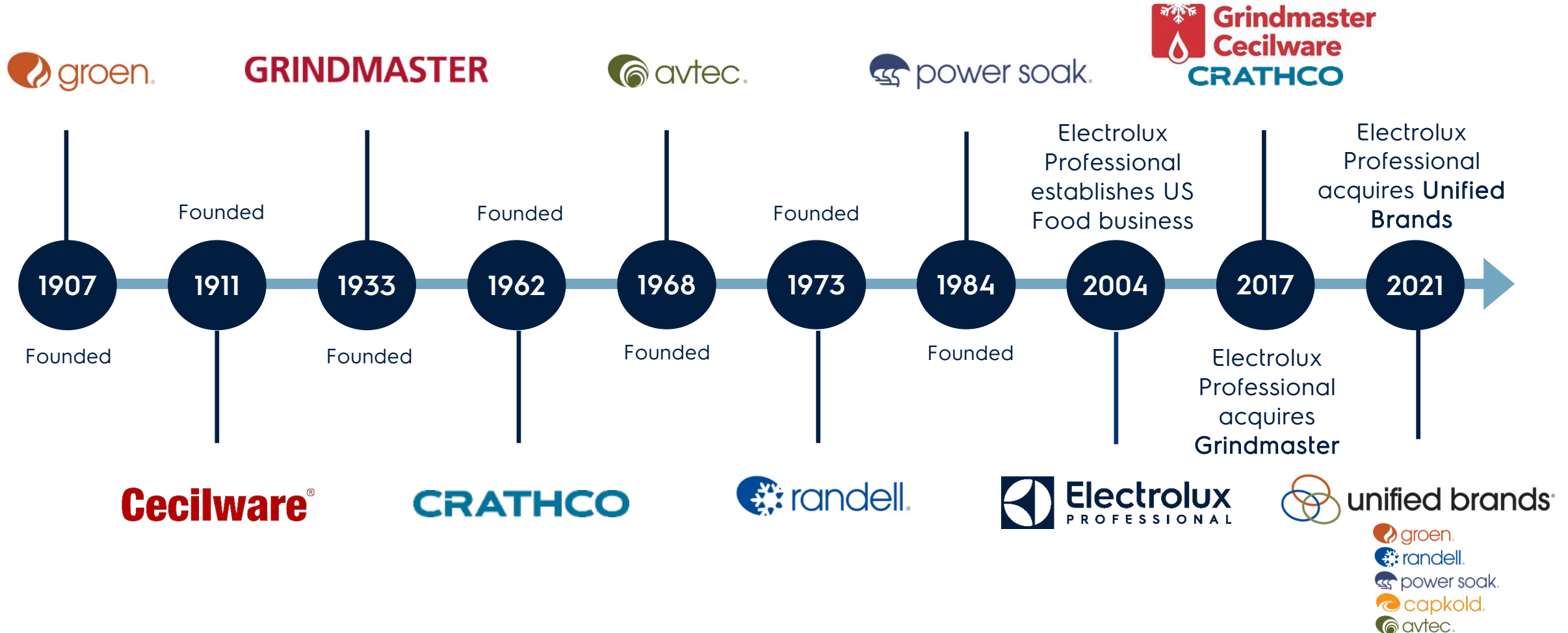


Examples of single category players



Brands with great heritage

- While new within Electrolux Professional, the newly acquired US brands have been leading players in the Food service industry since Groen's founding in 1907



Electrolux Professional – US Food & Beverage



- Highly-regarded, leading brands with strong positions
- Long-term relationships with
 - blue chip customers
 - with top tier channel partners institutional and chain segments
- Significant earnings runway through volume leverage, labor efficiency recovery, and automation investments
- Stand-alone and self-sufficient business unit operated by an experienced and recognized team

Year of founding (Groen)

1907

650

employees

>\$250m

2022 expected revenue

600K sq ft

manufacturing footprint



CRATHCO



UNIC



Broad portfolio of leading brands

US facilities – modern and consolidated manufacturing



Vicksburg Mississippi

- Manufacturing, Warehouse & Office
- 308,000 sq ft
- 265 employees



Weidman Michigan

- Manufacturing, Warehouse & Office
- 203,000 sq ft + 15,000 sq ft 3PL
- 320 employees



Louisville Kentucky

- Distribution, Warehouse & Office
- 105,000 sq ft
- 65 employees



In-country research and development capabilities



Provides close linkage between product development and customer needs

 **CHEESER STATION®**



- Released in 2021
- Developed with input from a leading pizza chain
- Eliminates Cheese Waste
- Reduces Labor
- Increases ingredient capacity
- Integrated Weigh Scale

 **groen. SMARTSTEAM®** *pro*



- Released in 2022
- Intuitive touchscreen user experience
- 50% water savings vs conventional steamers
- Advance data reporting
- Customizable preventative maintenance reminders

Chain Relationships - examples

Deep consultative relationships provide access for global products



Leading Sandwich Chain

- Custom prep table
- Supports new hot sandwich offering
- Improves efficiency & product quality



Leading Pizza Chain

- Custom prep table
- Centerpiece of product prep
- Catch rail reduces cheese waste
- Superior temp control



High Growth Burger & Fry Chain

- Custom fry soak solution
- Efficiently removes starch from cut potatoes before frying
- Supports differentiated fry taste

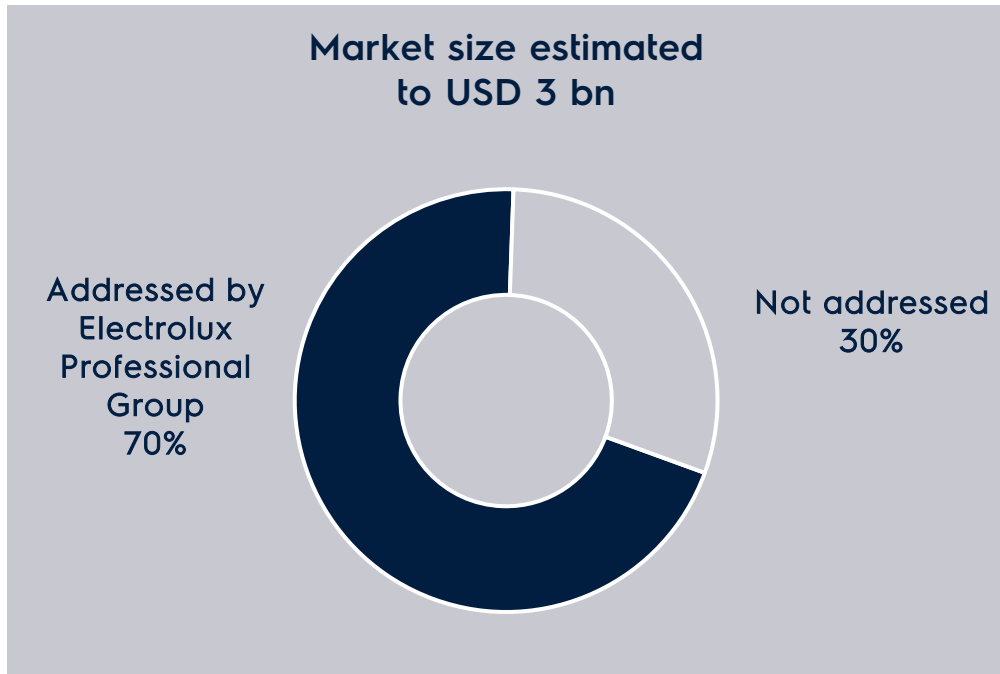


Provides strong base to:

Bring differentiated Electrolux Professional Solutions to US Chains

Pull through high quality standard use products

Refrigeration solutions



Randell is known for high value customized solutions

plus

Electrolux Professional high performance specialized refrigeration and high-quality standard equipment

Delivers a more complete solution set for US customers



Standard prep tables



Thawing



Chest Freezer



Undercounter



Bar Equipment



Serving / Chef Counter

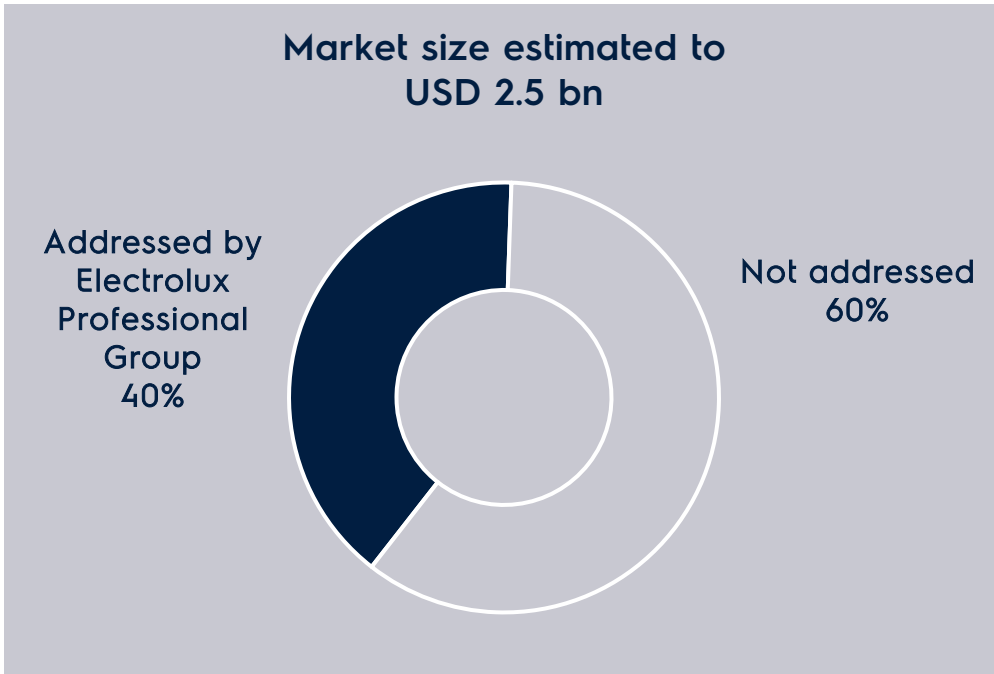


Blast chiller



Reach-In

Cooking solutions



Groen is a leading brand in the US steam category

plus

Electrolux Professional high performance specialized cooking products and systems

Delivers a more complete solution set for US customers



Kettles



Kettle Mixer



Speed Cooking



Braising Pans



Sous Vide Cook-Chill



Cook-Chill

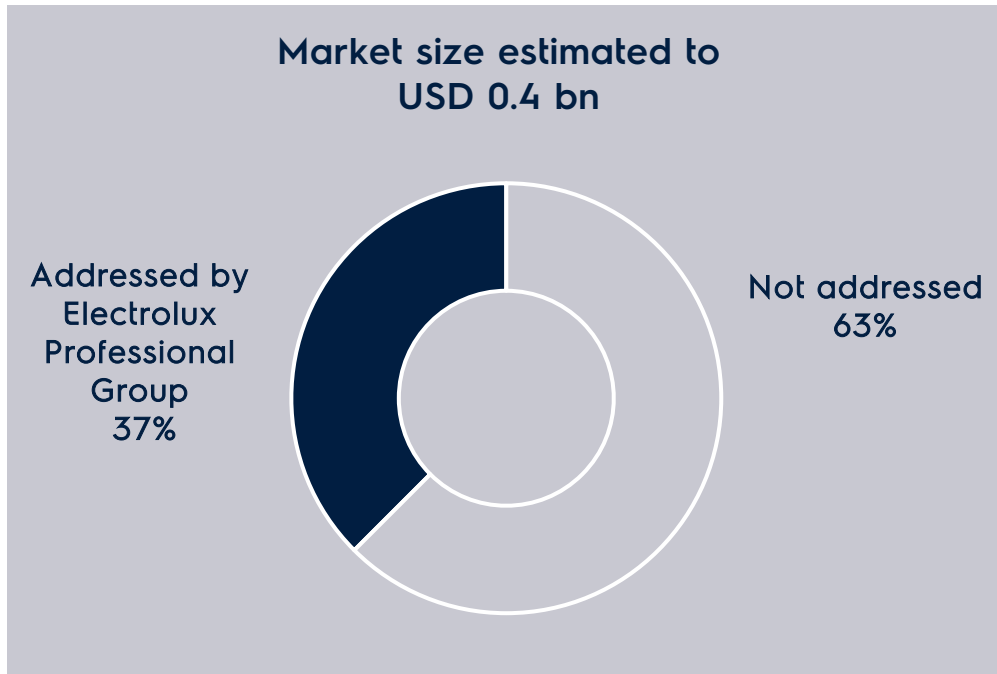


Steamers



Pressure Braising

Ware-washing solutions



Power Soak is a niche patented solution in the ware-wash category

plus

Electrolux Professional high quality wash solutions

Delivers a more complete solution set for US customers



Power Soak

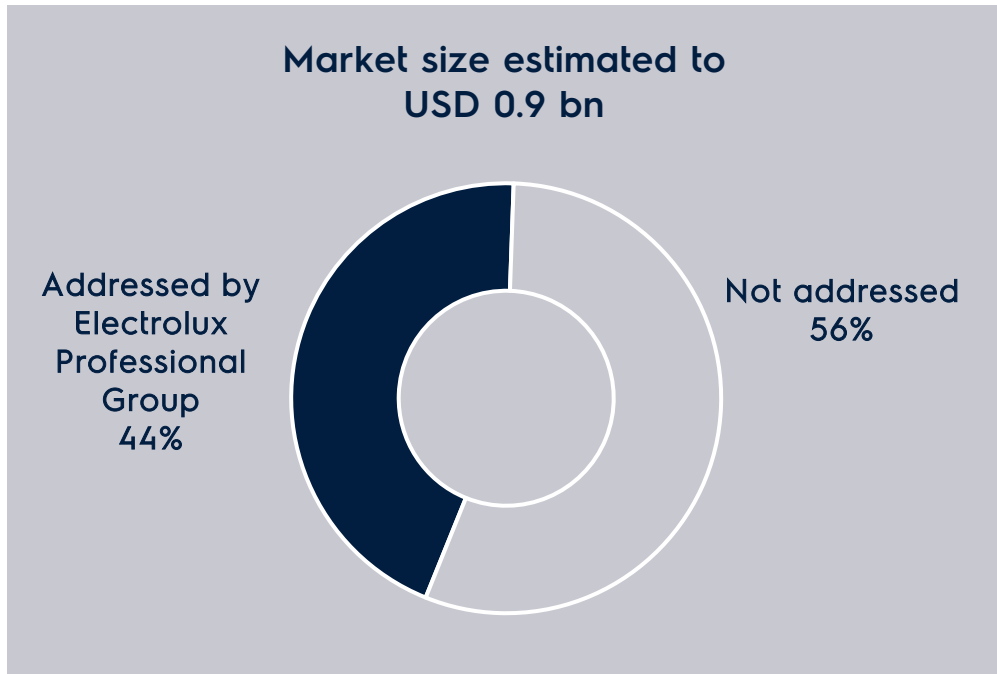


Undercounter



Door/Hood Type

Beverage solutions



Electrolux Professional high value beverage solutions
plus
Expanded US market / customer access

Delivers a more complete solution set for US customers

Crathco

UNIC



Cold Bubbler Dispenser



Frozen Beverage Dispensers



Hot Beverage Dispensers

Synergy opportunities



- 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

Synergies improving EBITA

Revenue synergies

SEK 20-40m EBITA

Cost synergies

SEK 25-50m EBITA

= SEK 45-90m EBITA

- Synergies underway, ramping through 2024

Summary – Executing on Strategic Cornerstone

2

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



Q&A

Break
until 10.45

Financial update

Fabio Zarpellon
CFO

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



- 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

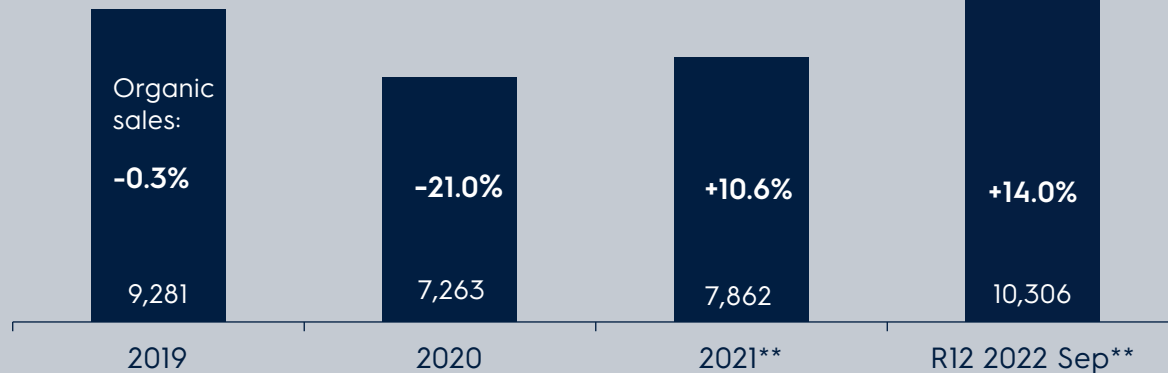
- The Louisville, US factory closed
- Consolidation of the operations in Thailand into a new global plant

- Started the roll-out of the OnE platform

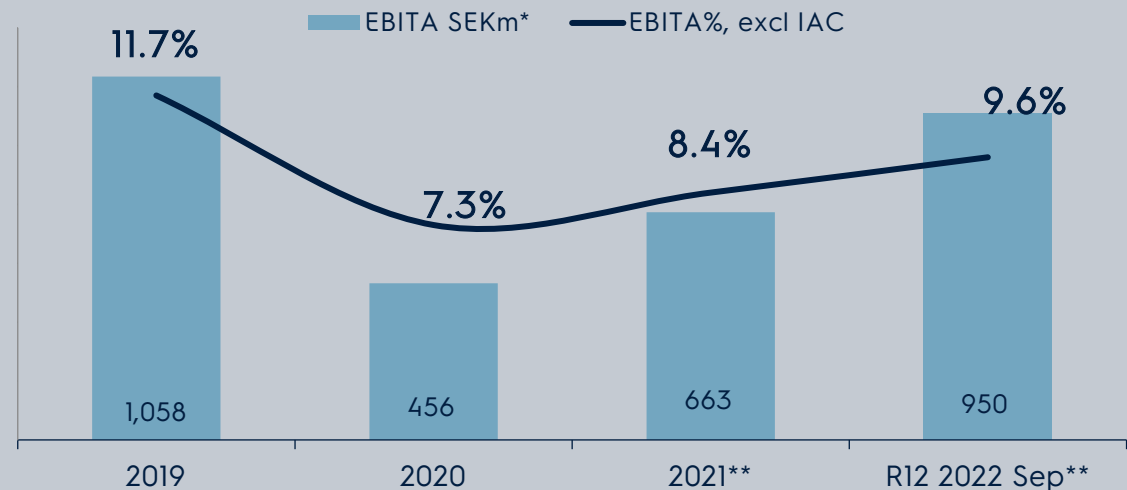
Net sales and profitability development

- 2020-2021 pandemic
- Recovery started Q3, 2021
- 2022 continued recovery, despite impact from raw material cost and component shortage

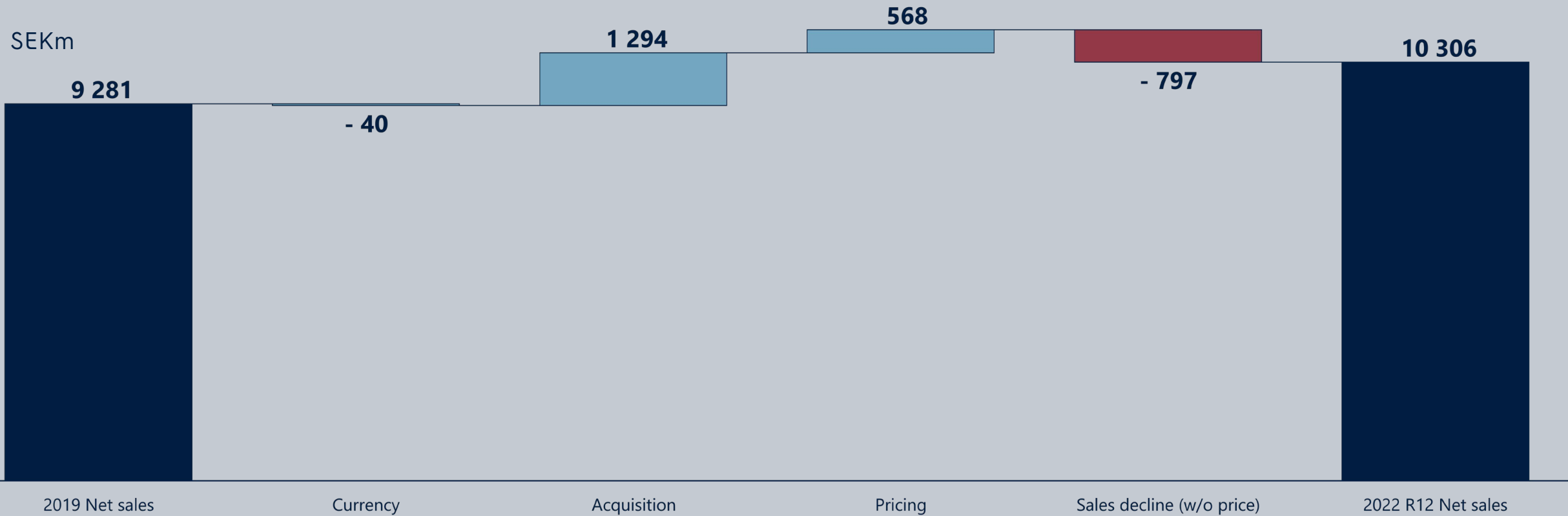
Net Sales SEKm



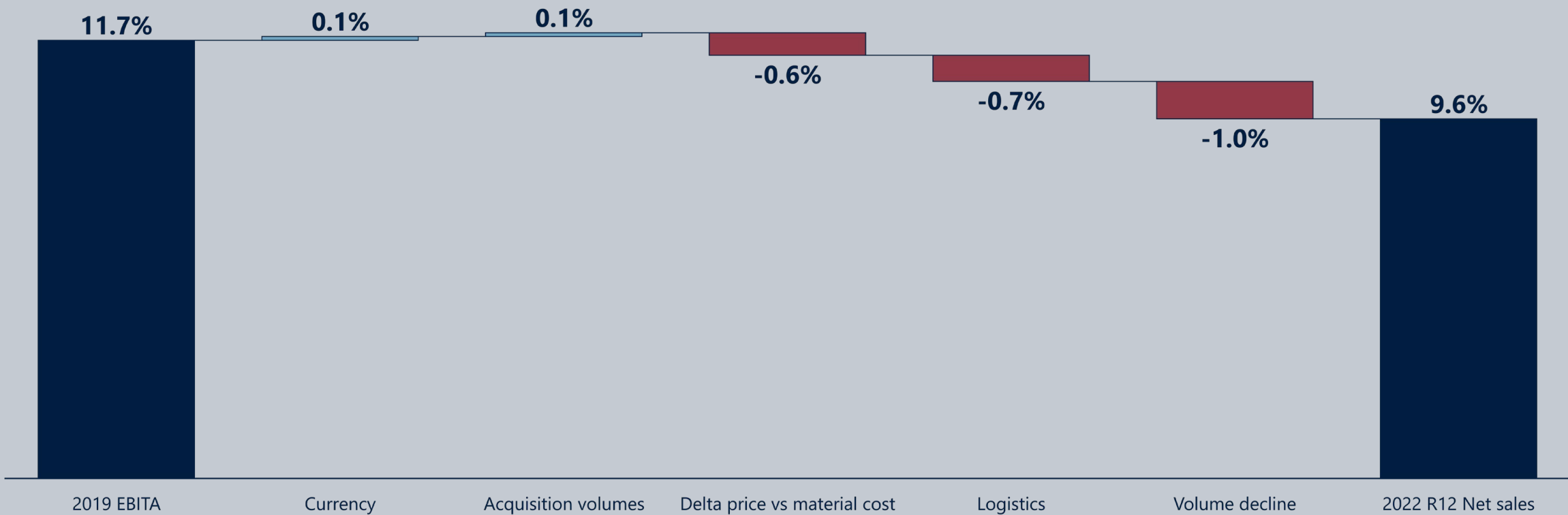
**Includes Unified Brands from December 2021



Net sales growth building blocks

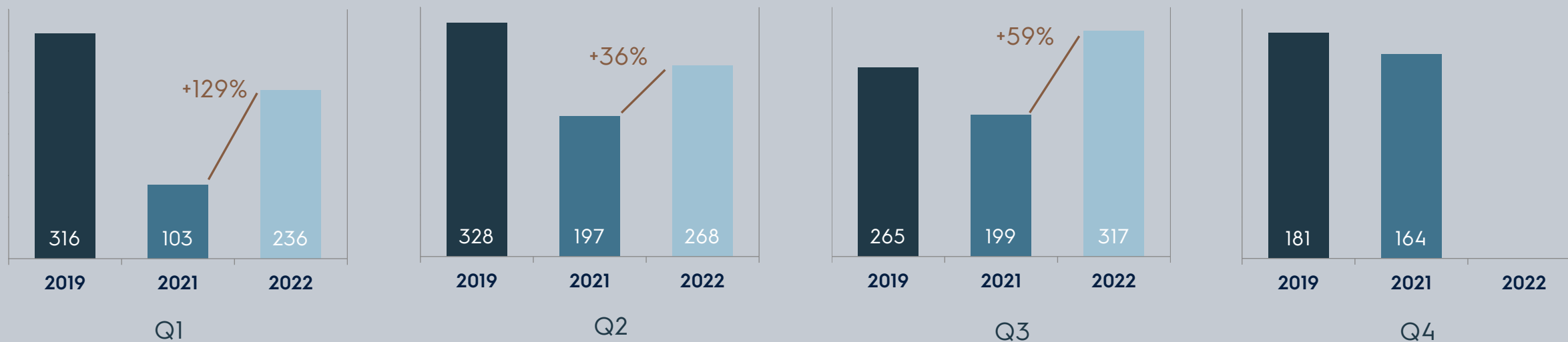


EBITA-margin development 2019-2022



EBITA quarterly progression

EBITA excl IAC, SEKm
Change, %



Price is now compensating raw material cost increases

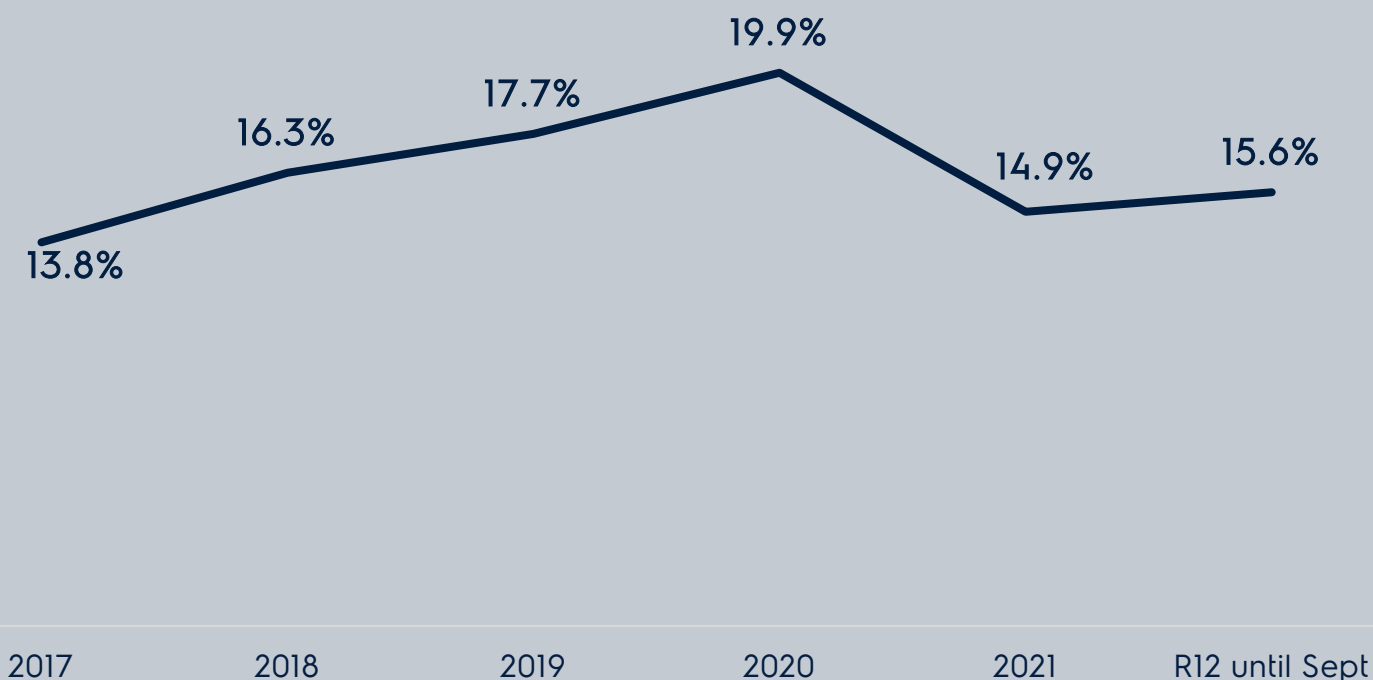
- On track to compensate for full year material cost increase with price increase
- Transportation cost increase 19% YOY
 - Total cost approximately SEK 200m YTD
- Energy cost (own use) increase 25% YOY
 - Total cost approximately SEK 25m YTD



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

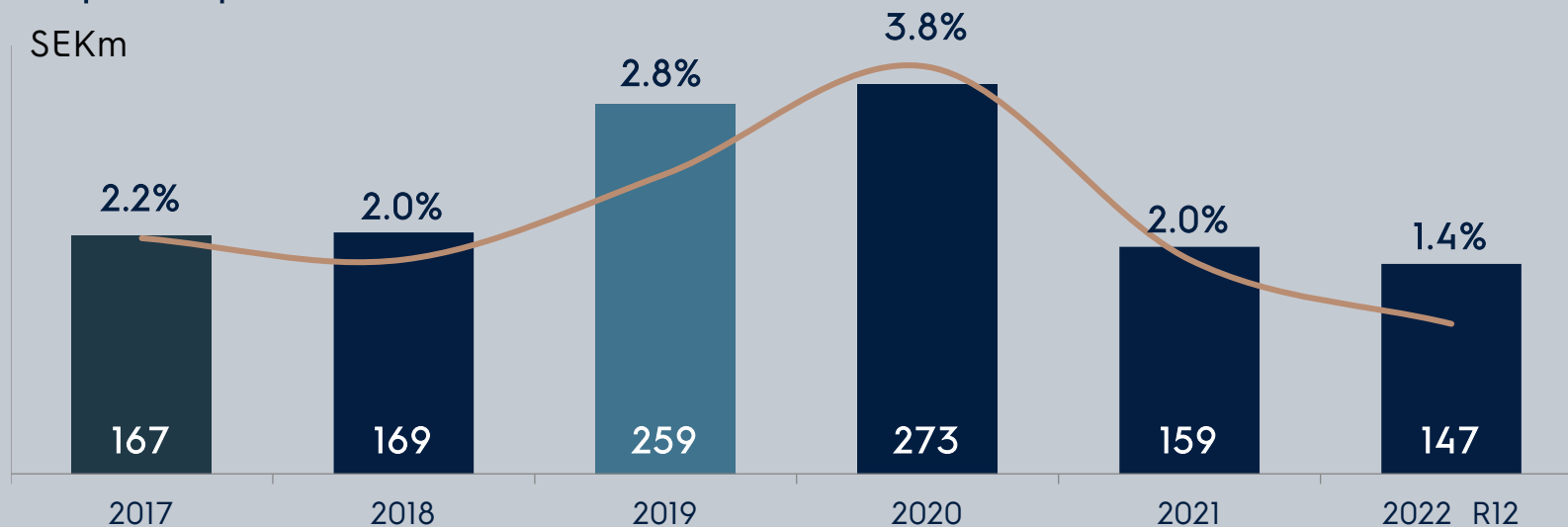


Disciplined capital expenditures

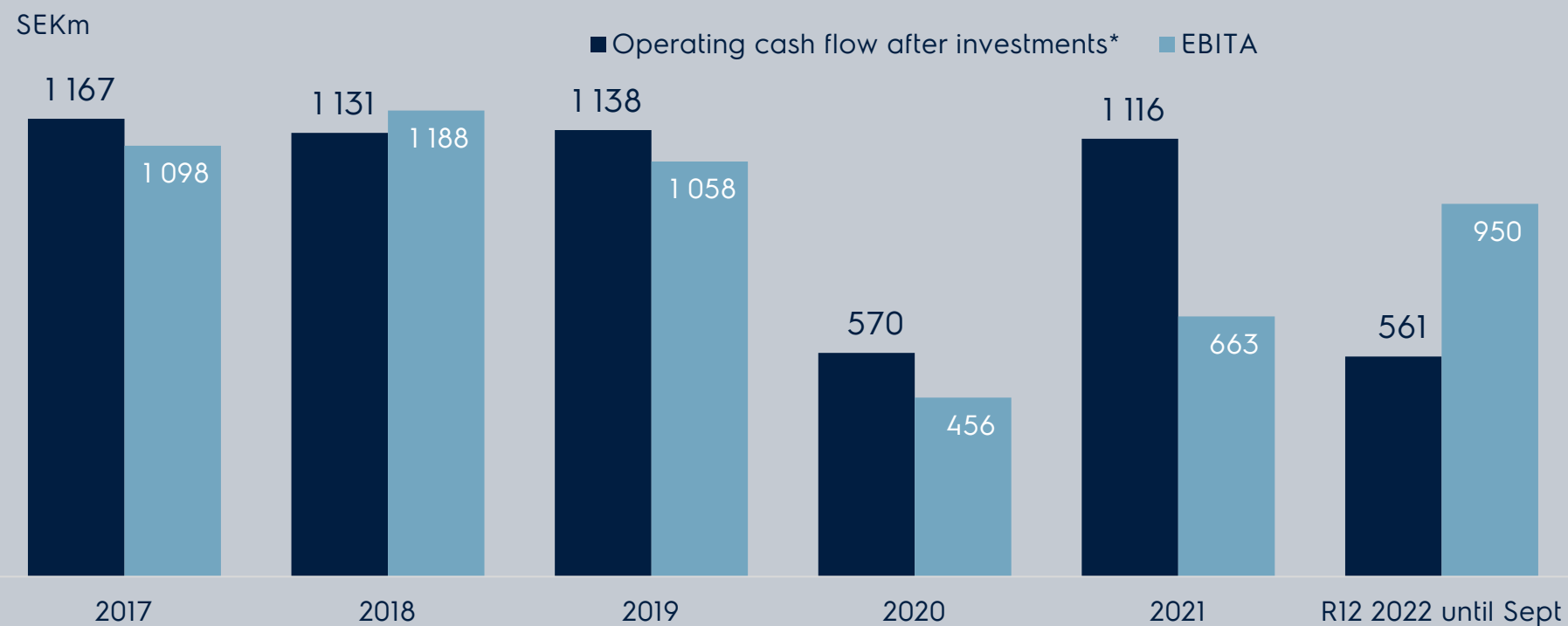
- Business managed with low requirements in terms of new capex
- Capital expenditure level increased in 2019-2020 related to new factory in Thailand
- Capital expenditure requirements expected to remain around 2% going forward

Capital expenditure

SEKm



Cash flow

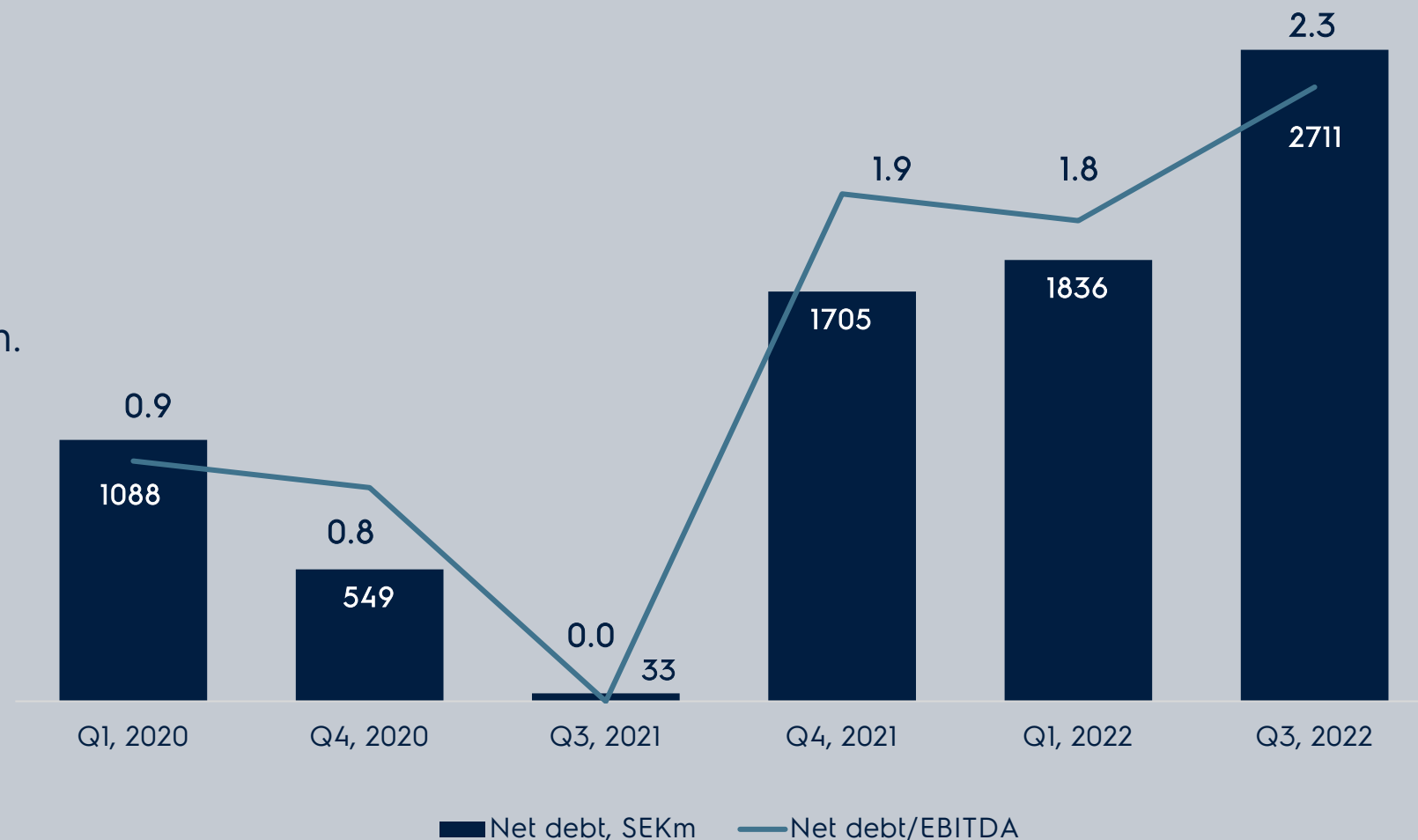


- Proven good cash flow generation over the years
- In 2022, cash flow impacted by increase of OWC

* 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
- 2022 Net debt ratio further increased but within targets
- Provision for Swiss pension fund increased Net debt by SEK 256m. No impact on Financial net debt
- Change of trend expected already in Q4

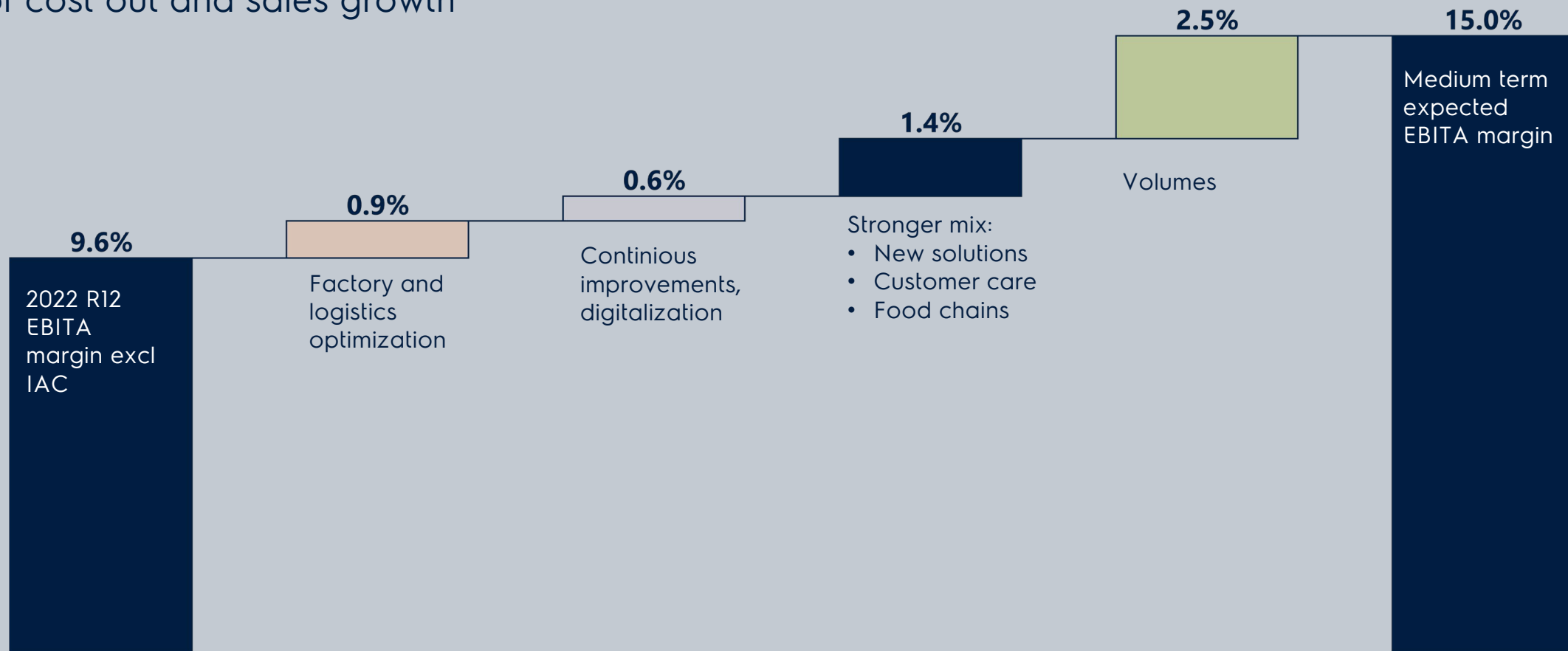


Financial flexibility in place (Sep 2022)

Credit facilities and loans	Amount	Maturity, year
Term loan	SEK 600m	2027
Sustainability linked loan	EUR 60m	2028
Syndicated Term loan	EUR 140m	2024
Revolving credit facility	EUR 172m (currently EUR 200m)	2027
Liquid funds	SEK 938m	

Building blocks to reach 15% EBITA

- Margin expansion will come from combination of cost out and sales growth



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

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



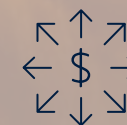
Assets efficiency

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.

Q&A

Summary

Alberto Zanata
CEO



Food
Solutions

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



Laundry
Solutions



Beverage
Solutions



Customer
Care

Delivered through 4 strategic pillars:

- 1** New low running cost solutions
- 2** Expand in North America and chains
- 3** Boost customer care
- 4** Leverage the OnE approach - Digital transformation

Key take aways Investor Day 2022



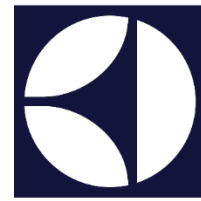
- Market almost back to pre pandemic levels – but planning for different scenarios
- Electrolux Professional well positioned to meet a potential economic downturn:
 - Resilient and attractive laundry business with strong profitability
 - Stronger position in the US than in the 2009 Financial crisis
 - New BA organization reinforces customer focus, quicker decision making and business accountability
- The profitable business in the US well positioned to contribute to profitable growth
- Strategy and financial targets unchanged and building blocks to 15% EBITA-margin in place

New Corporate Group brand is being launched

- Local and specialty brands gain traction after acquisitions



NEW CORPORATE BRAND



Electrolux
Professional
Group



Main business brand



Specialty brands supported



Part of  Electrolux
Professional
Group



Part of  Electrolux
Professional
Group

Thank You!



Electrolux
Professional
Group