

The event title text is displayed in a large, white, sans-serif font, centered within a semi-transparent blue rectangular overlay. The text reads: 'Electrolux Professional Investor Update Day with focus on Laundry September 15, 2021'. The background of the slide shows a modern building with a large tree in the foreground and a curved architectural element at the top.

# Today's presenters



**Jacob Broberg**  
SVP Investor  
Relations and  
Corporate  
Communication



**Alberto Zanata**  
President and CEO



**Torsten Urban**  
SVP Product and  
Marketing



**Silvana Johansson**  
Global Head of  
Category Laundry



**Fabio Zarpellon**  
CFO

# Agenda Investor Update with focus on Laundry



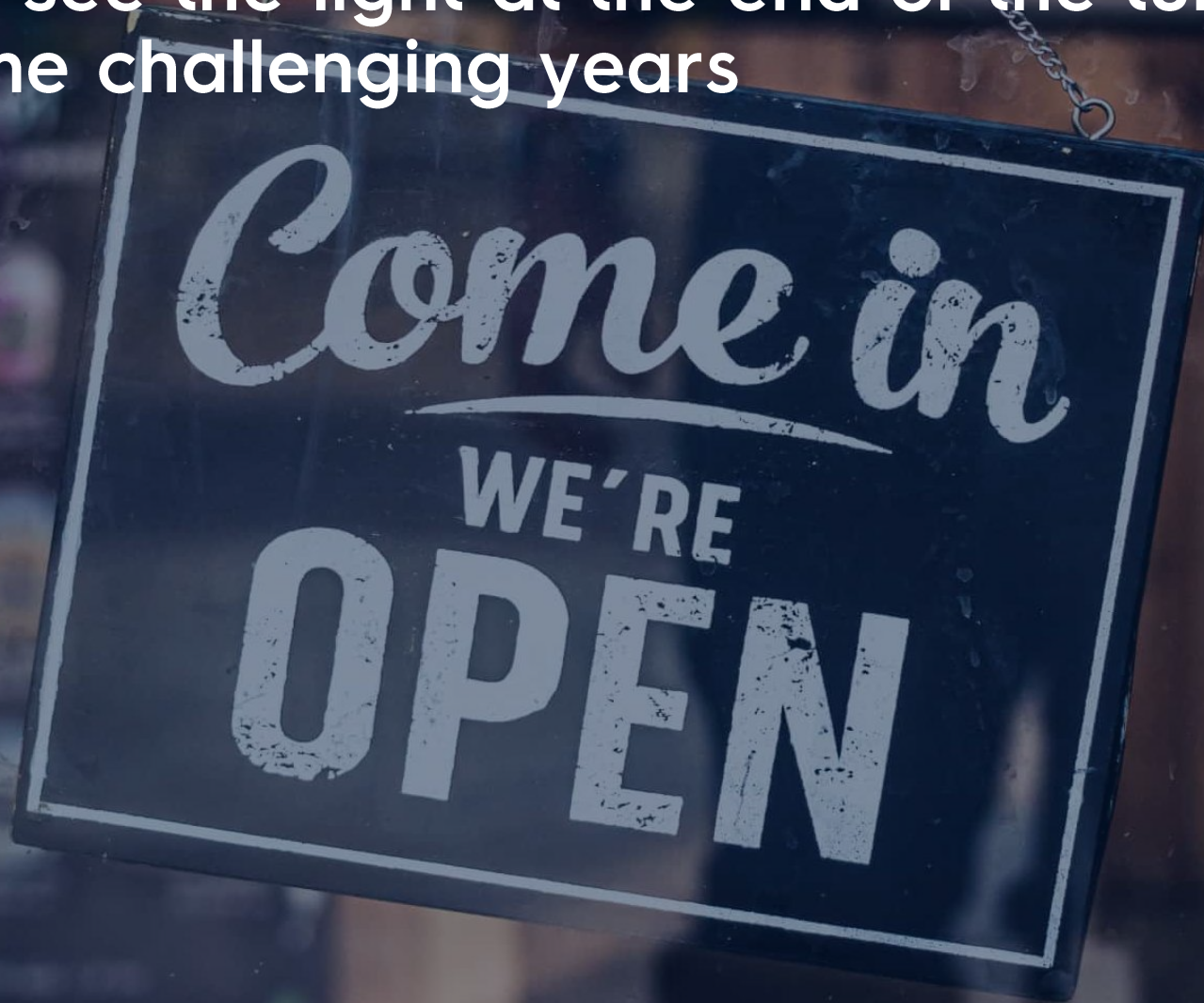
- 08.00 - Welcome, SVP IR & Communication Jacob Broberg
- 08.05 - Capturing the potential after the pandemic, CEO Alberto Zanata
- 08.30 - Q&A
- 08.45 - The Laundry market and Industry, SVP Product and Marketing Torsten Urban
- 09.00 - Electrolux Professional's offering within Laundry, Global Head of Category Laundry Silvana Johansson
- 09.30 - Q&A
- 09.45 - Break
- 10.15 - Financial update, CFO Fabio Zarpellon
- 10.35 - Q&A
- 10.50 - Summary, CEO Alberto Zanata
- 11.00 - Factory tour, Ljungby plant Manager Jonas Thulin
- 12.00 - Product exhibition/demonstration, Silvana Johansson
- 13.00 - Lunch and closing

# Capturing the potential after the pandemic

Alberto Zanata  
President and CEO



We see the light at the end of the tunnel after some challenging years



- Separation from Electrolux in 2019
- Stock listing in March 2020
- Pandemic severely affecting our industry and customers



- Focus is now back on profitably growing the business

# Electrolux Professional snapshot 2020



Net sales SEK  
**7.3 bn**

EBITA SEK  
**0.5 bn**

EBITA margin  
**6.3%**

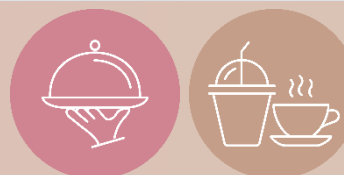
Employing  
**~3,500**

Serving  
**~110**  
countries

## Net sales by segment

**58%**

Food & Beverage



**42%**

Laundry



## Net sales by geography

**~70%**  
Europe



**~16%**  
APAC & MEA



**~14%**  
Americas



# Organization is adapted to the new reality

- Fixed cost structure restructured twice:
  - Compensate listed company structure
  - Reduce the cost in light of the pandemic
- Accelerated digital transformation with increased investments
- Sustainability strategy launched with the ambition to be climate neutral by 2030

Cost structure



Digital  
transformation

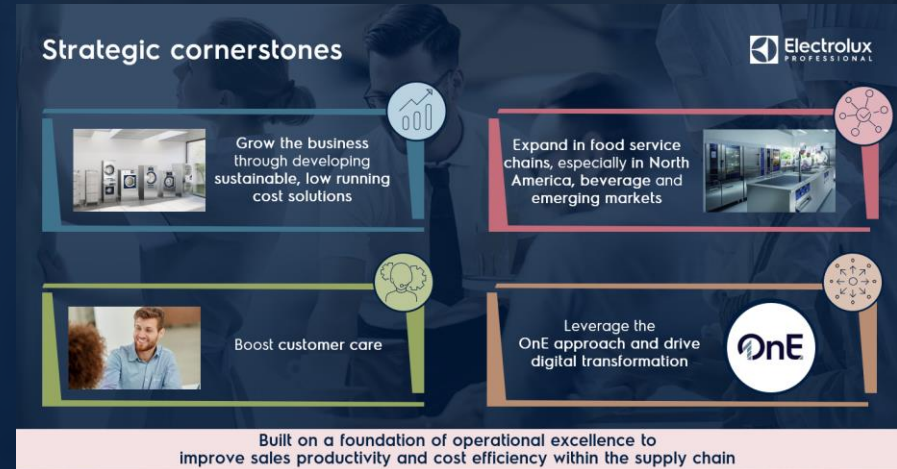
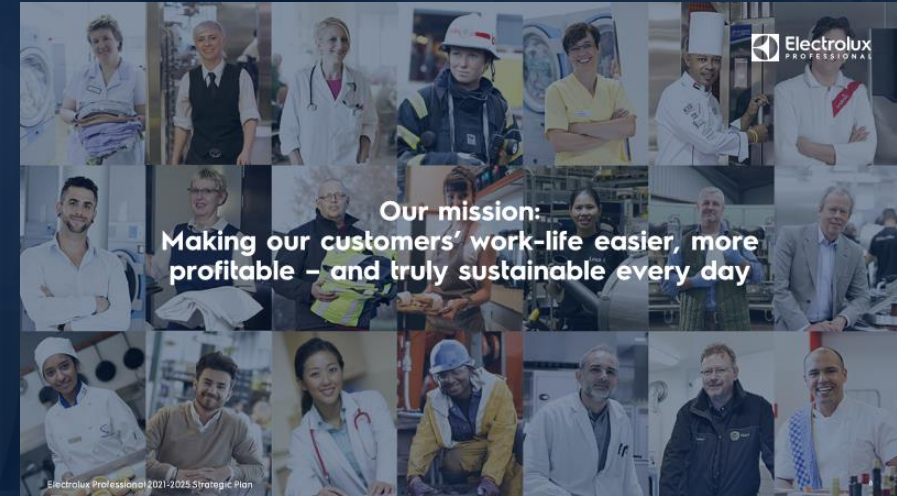


Sustainability  
strategy



# Strategy and mission unchanged

- We have not changed:
  - Our Mission
  - The Strategic cornerstones
  - Our R&D and Innovation investments





# Focusing on Our people centricity

- New way of working introduced:
  - Smart working policy – more work from distance
  - Building a new culture – new identity and guiding principles launched:
    - **Be Customer Obsessed**
    - **Build Trust**
    - **Be Bold**
    - **Act Sustainably**



# M&A activities restarted

Activities to find  
potential  
acquisitions  
ongoing

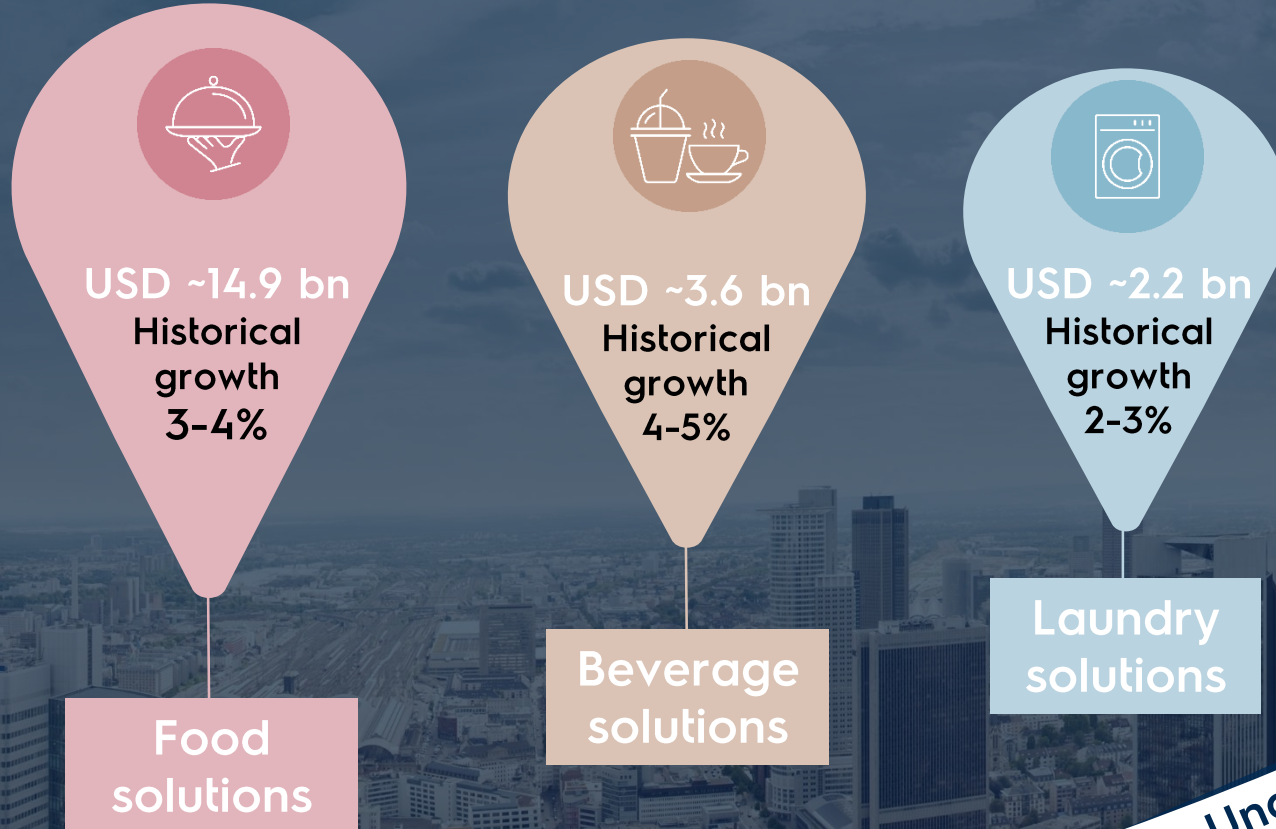


  
Grow with chains,  
especially in North  
America

Increase market  
shares



# A resilient market driven by long term positive trends despite 2020-2021 crisis



Food solutions

Beverage solutions

Laundry solutions

- Estimated global market decline of 20-25% in 2020

Underlying trends

- Post-pandemic new normal
- Population growth
- Increasing workforce participation
- Climate change and resource shortage
- Urbanization
- Digitalization
- Growing disposable household income

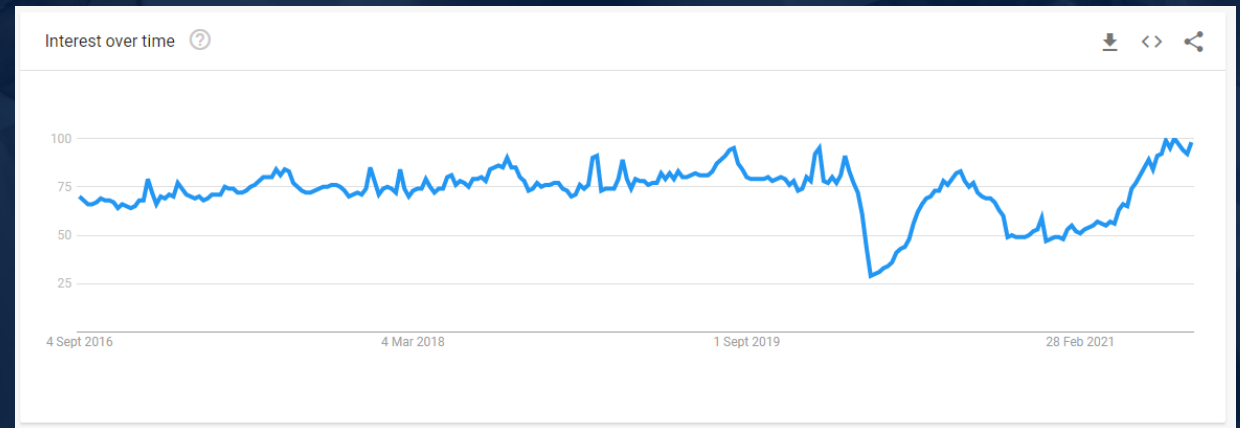
Source: Company estimates for 2020.

# There are strong signs of recovery in the hospitality business

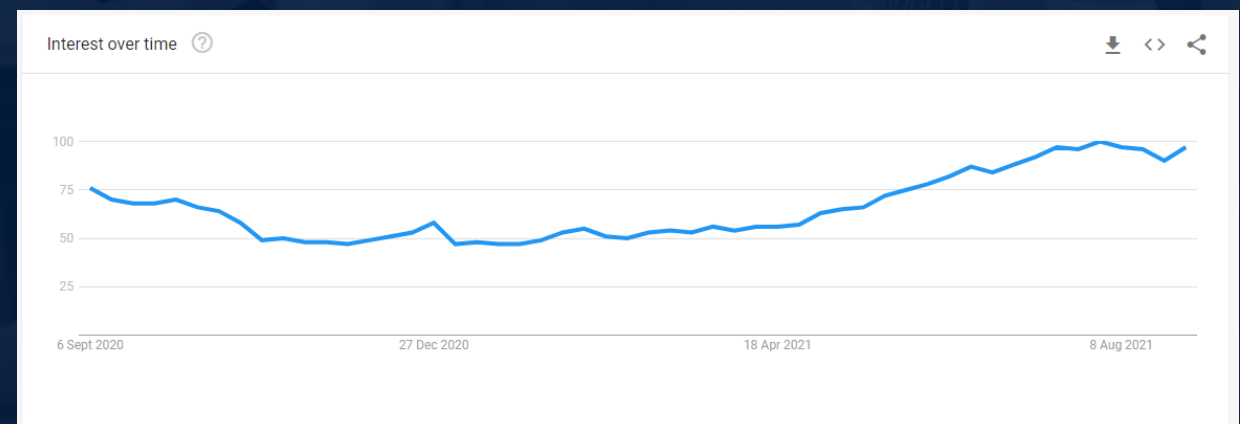


- Search on internet for “Restaurant offers” have increased
- Now back to pre-pandemic levels
- 2021 recap looks more solid than 2020, but to be confirmed

- Search on Restaurant offers, past 5 years \*



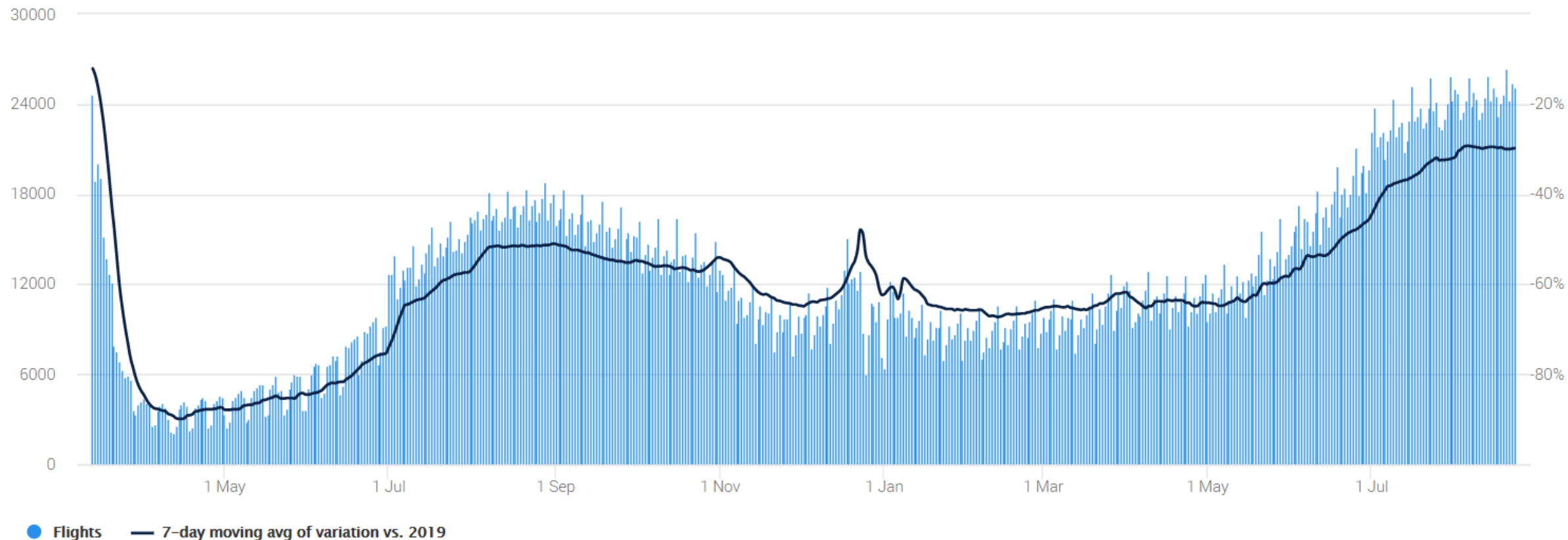
- past 12 months \*



\* Google Trends

# Flight traffic is coming back - but not to 2019 levels

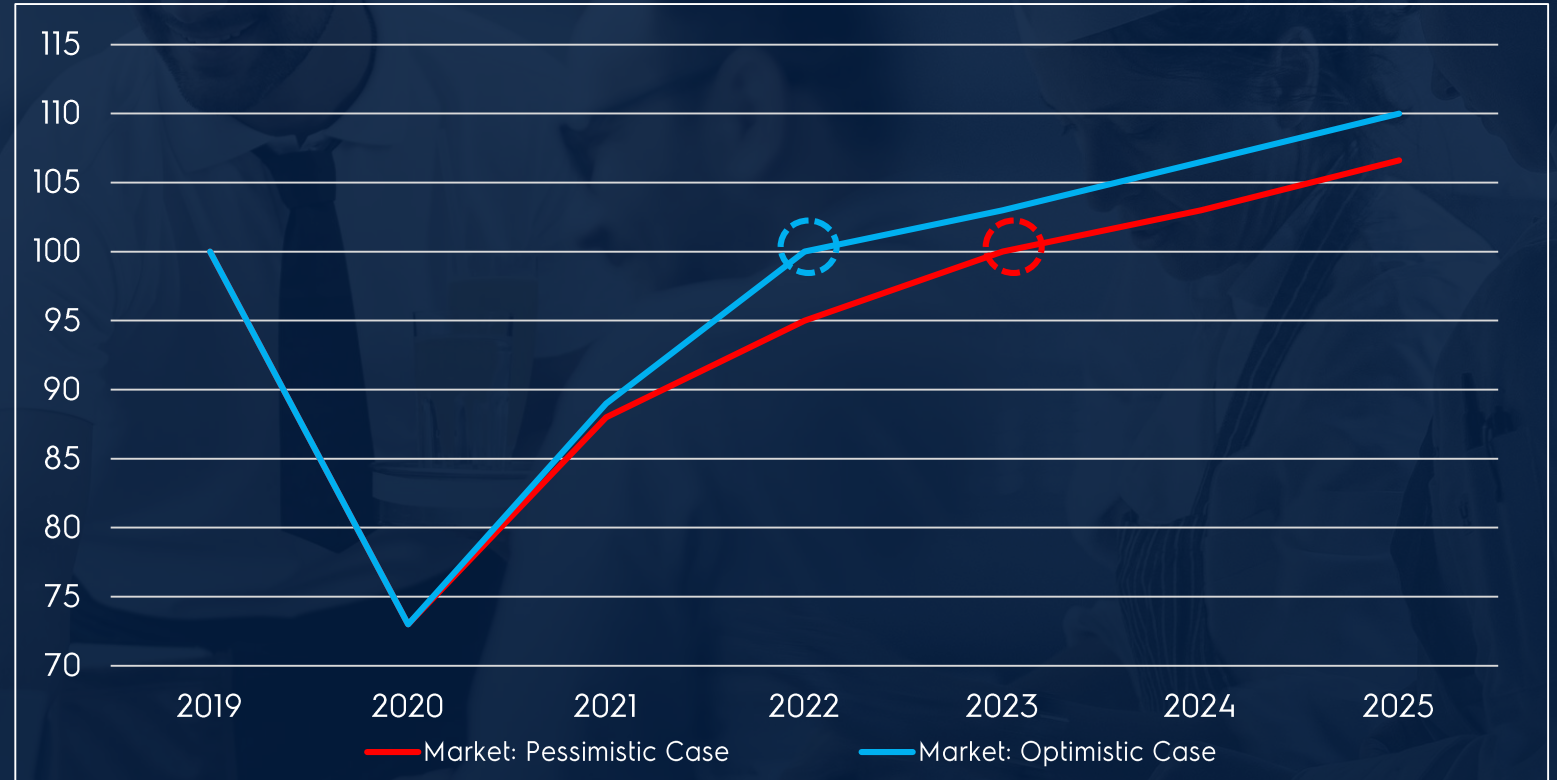
Number of daily flights in Europe 2020 - 2021 compared to 2019 \*



\* Eurocontrol

# Post Covid market trending towards optimistic case

- Market has swiftly recovered already in 2021, but speed of recovery is still uncertain in some regions
- North America and Europe is growing faster than APAC
- APAC was the first region to show signs of comeback, but recovery has now slowed down



Based on internal estimations, Competitors Results, GDP, Euromonitor and Mafsi

# The Pandemic has changed consumer and customer behaviour



## Sustainability and Hygiene

Growing focus on total cost of ownership vs. upfront investment cost, safe usage of the appliances and production outputs



## Digitalization

Demand for technologically advanced equipment to increase uptime, support staff and remote monitoring/control of appliances



## Flexibility

Demand for more flexible appliances to reduce footprint and to adapt to frequent changes of the menu and way of serving (delivery vs. in-house eating)



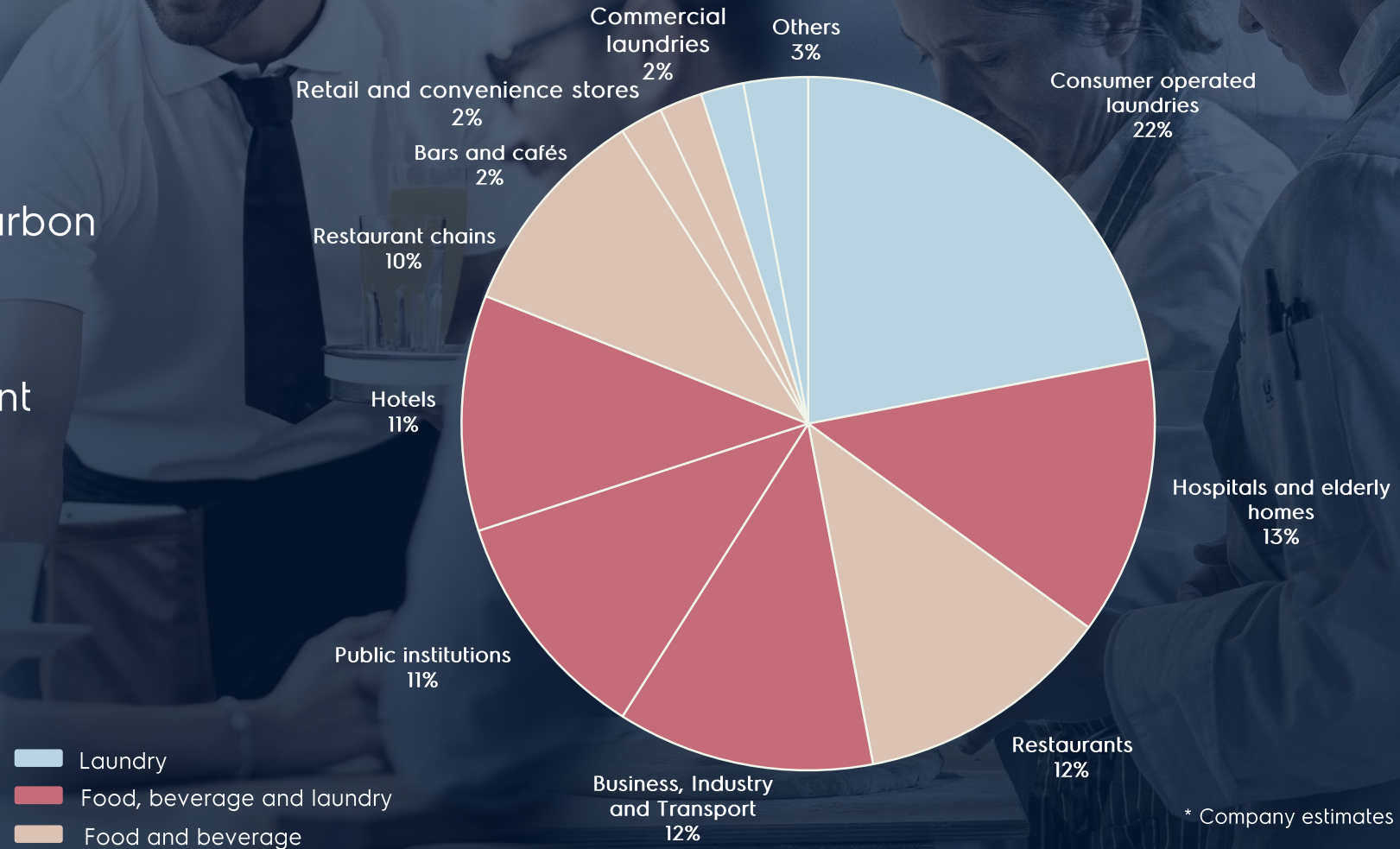
## Trends

Changing consumer habits and customer preferences (mainly food & beverage trends)

# Multiple customer segments having different needs but with commonalities

- Simplification, speed and flexibility
- Reduced energy consumption and carbon footprint
- Lower total lifetime costs
- Reliability and quality of the equipment
- Ergonomic and human centric design
- Enhanced hygiene demands

Electrolux Professional distribution per customer segment \*



\* Company estimates



# We want to address complexity by becoming the OnE reference partner for our customers



- **One main brand** covering Food, Beverage and Laundry
- **Broad customer base in an attractive market** with leading position in the resilient laundry business
- **Attractive financial profile** with a solid track record
- **The OnE approach** enhanced by the digital transformation of our customers' operations

# Strategic cornerstones



Grow the business through developing sustainable, low running cost solutions



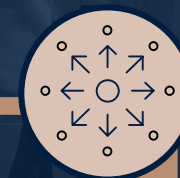
Expand in food service chains, especially in North America, beverage and emerging markets



Boost customer care



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**

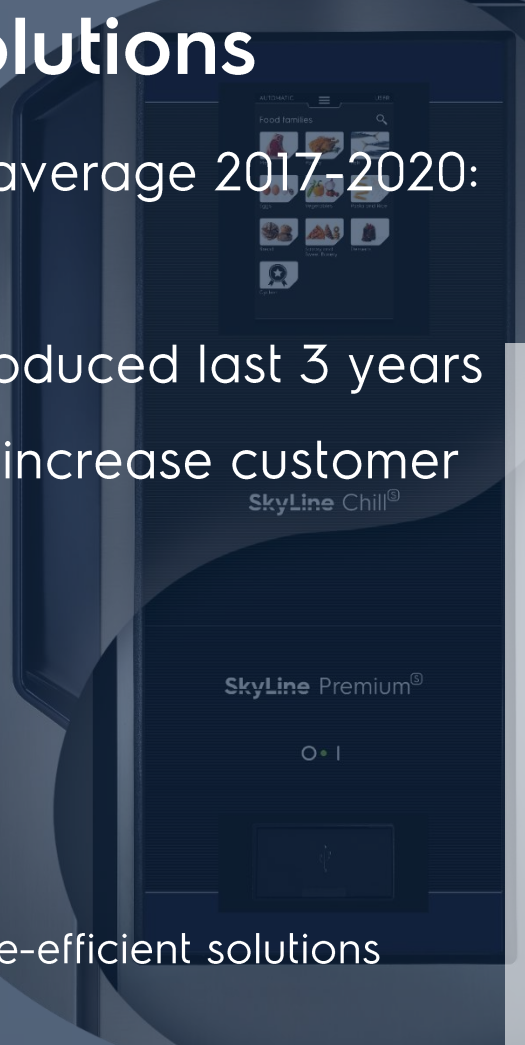


# Strategic cornerstones - GROW



## Cutting edge innovation will differentiate the offer by adding value solutions

- Annual spend R&D / net sales average 2017-2020: 4%
- 50% of sales from products introduced last 3 years
- Cater to customers' needs and increase customer productivity and efficiency
  - digitalization of appliances
  - appliance connectivity
  - appliance agility
  - minimizing environmental impact
  - more energy-efficient and resource-efficient solutions



### 2021 innovation examples





# Target to become climate neutral by 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

## Targets

## Outcome 2020

- **CO2 reduction aligned with Paris agreement**



- 3.1 kton (CO2e), which is -36%

- **Lost time injury rate**



- Lost time injury rate was 1.1

- **Diversity & inclusion**



- The percentage of women in all managerial positions was 26% in 2020





# Strategic cornerstones - CUSTOMER CARE

## Grow Customer care



- Currently 15% of sales
- Ambition to grow faster than product sales
- Long term ambition to be in line with industry peers

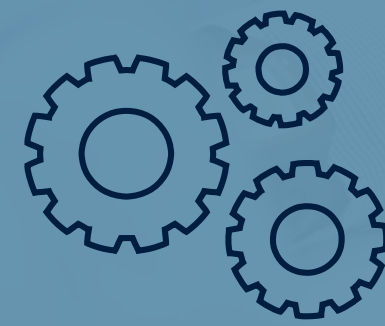


### Consumables



Complete range of product families

Chemicals for appliances



### Spare Parts



Parts kits

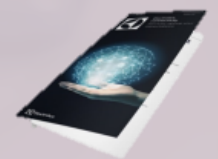


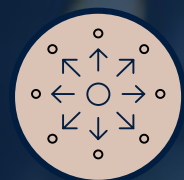
### Service & Repair



Service product 3.0 "world wide"

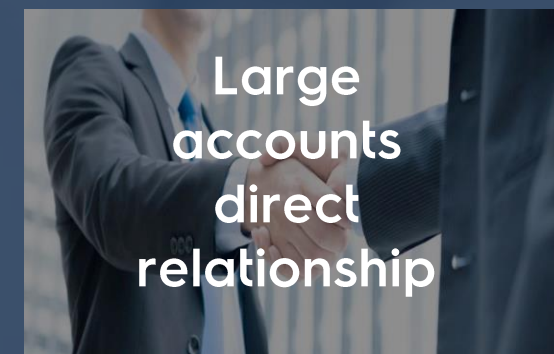
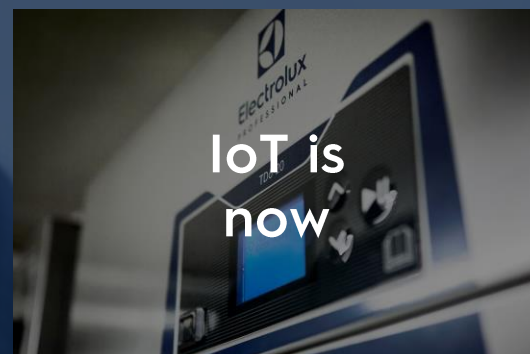
Digitalized services connected network





Strategic cornerstones - OnE DIGITAL

# Digital is shaping the Professional industry



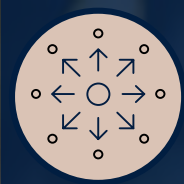
## Digital ambition 2024

Connected appliance  
of future installed  
base

**50%**

On-line sales  
distribution

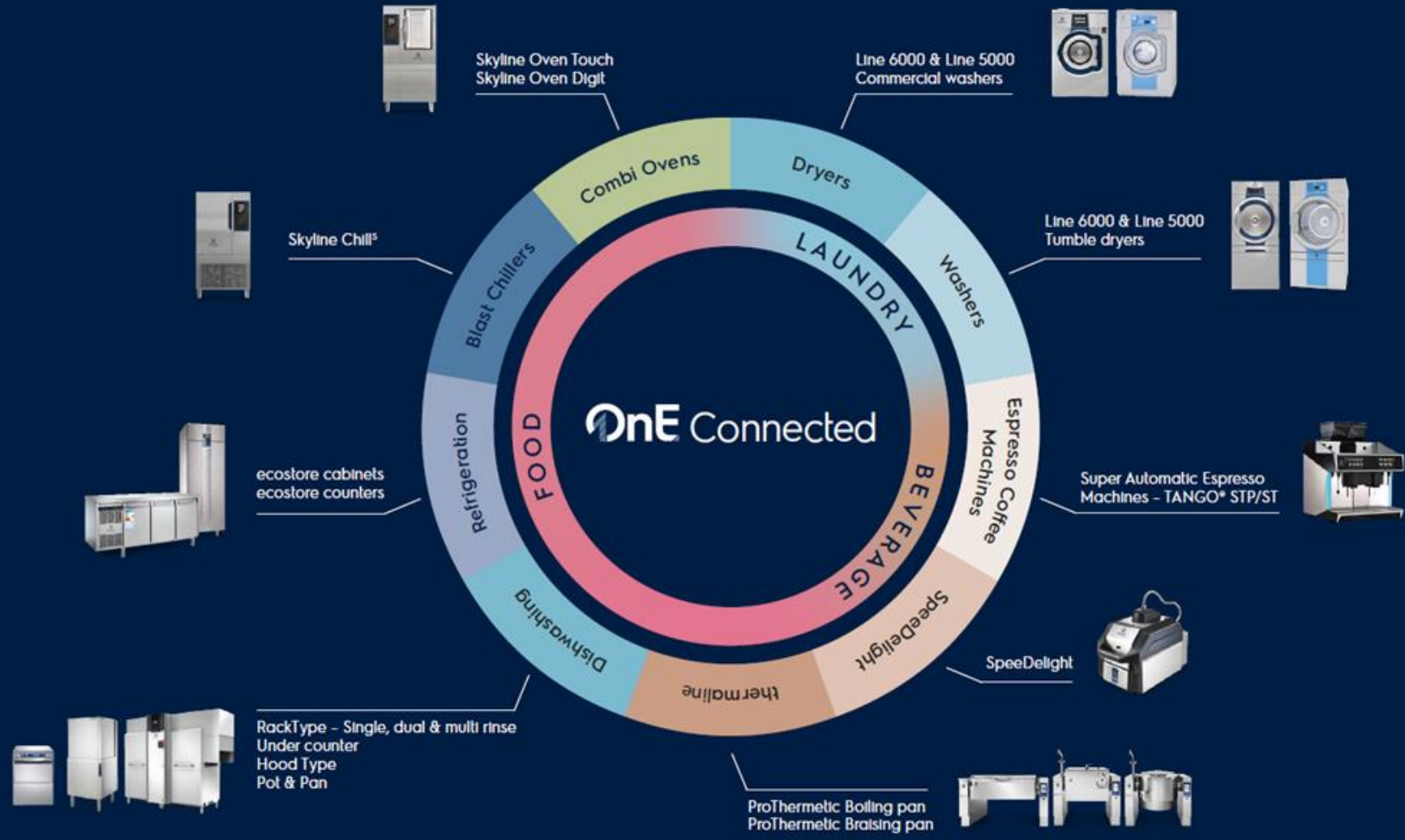
**65%**

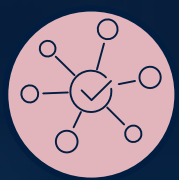


# Strategic cornerstones - OnE DIGITAL



## Uniquely positioned through OnE concept to deliver customer value by connecting the whole operation





# Strategic cornerstones - CHAINS

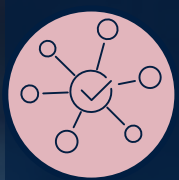
## Expand in commercial restaurant chains



- Grow organically and through M&A
- Focus on North America food service chains
- Low sales (approximately 10%) from chains compared to the US competitors
- Chains to be addressed through product champions and further penetrated with additional solutions







# Strategic cornerstones - CHAINS

## Example of growth success with chain customers



2018

2020

2022

Rollout



Win



Full solutions



Build on Single Success

Add on Sales

Trusted Supplier

# Building blocks to reach 15% EBITA margin in place

## Operational Excellence

Continuously reduce operational costs through rationalization and digitalization of operations

## Develop Customer Care

Increase the Customer Care business through sales of PA&C and service contracts

## Chain Business

Grow sales in the Chain Segment

## Innovative Products and OnE offer

New products to the market with competitive advantages and higher than average margin



Plan in place – delivering 15% EBITA margin

2020

# Laundry is a profitable and resilient business



Net sales SEK  
**3.1 bn\***

EBITA SEK  
**0.5 bn\***

EBITA  
w/o IAC  
**15.9%\***

\*2020, a year which was impacted by the pandemic

# Laundry market and industry

Torsten Urban  
Senior Vice President Product and Marketing



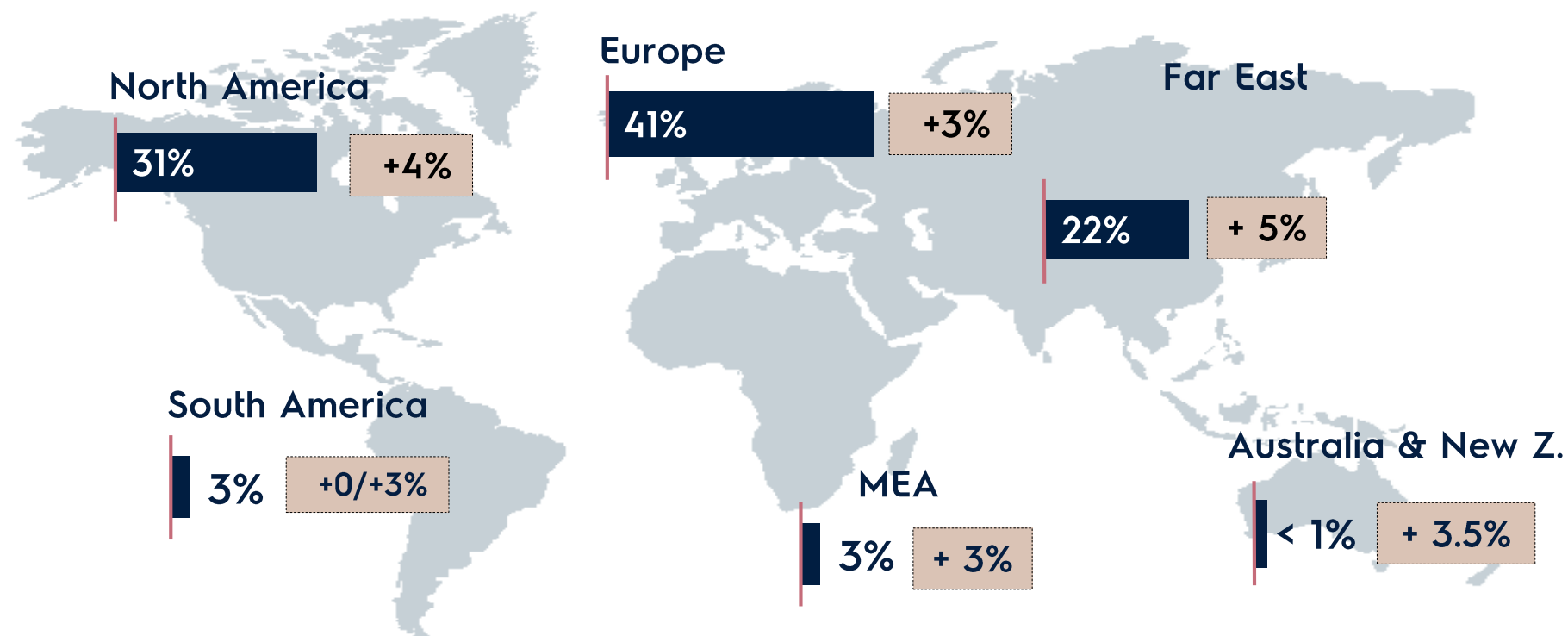
# Europe is the largest Professional Laundry market



% of Global Laundry

Expected growth in 2021

Professional Laundry market USD 2.2 bn in 2020



Source: Euromonitor Passport DB – Cleaning services –, (last update) 2021 March; IMF, GDP Trends 2021-Q2

# Growth Drivers for the Laundry market

**Growing Population**

**+2bn people  
by 2050\***

**Growing Middle Class**

**+1.3bn people  
by 2030\*\*\*  
90% of them are  
Asians**

**Aging Population**

**65+ doubles by  
2050\*\***

**Higher Hygiene  
Standards**



Sources: \*Worldometer, \*\*UN 2019 \*\*\*daily spending 11-110USD in 2011PPP

# Professional Laundry has three main categories

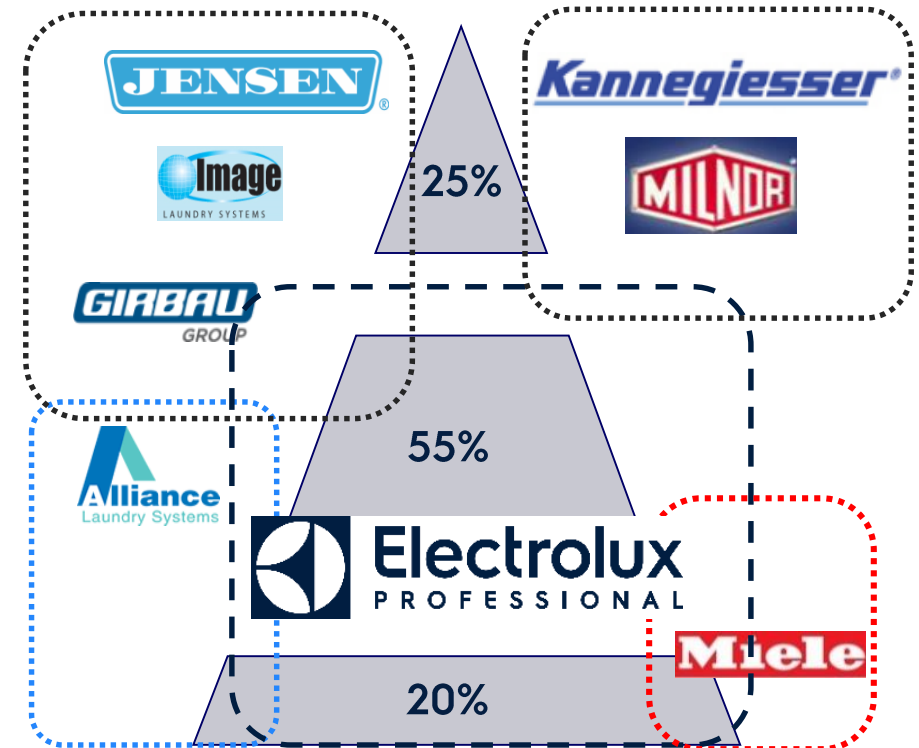
- Heavy duty (Large Professional)



- Professional



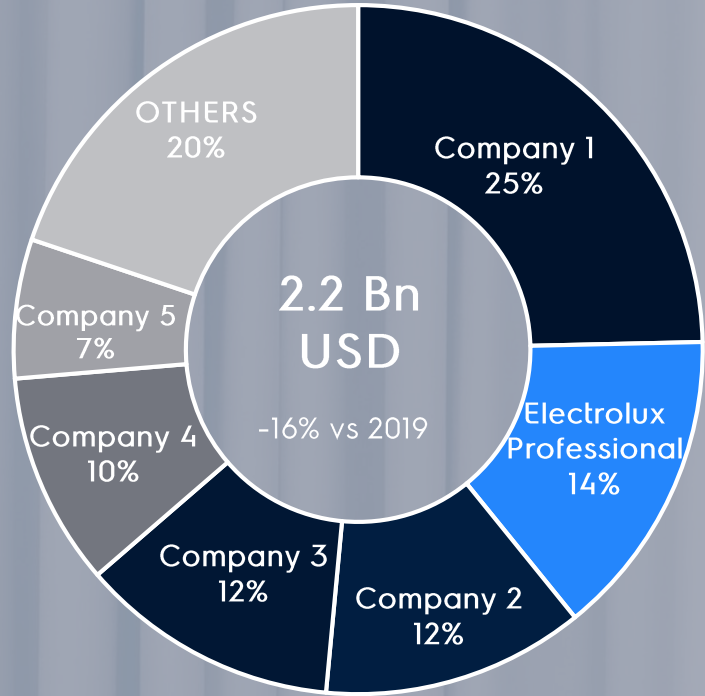
- Semi-professional/ derived from household (Includes route)



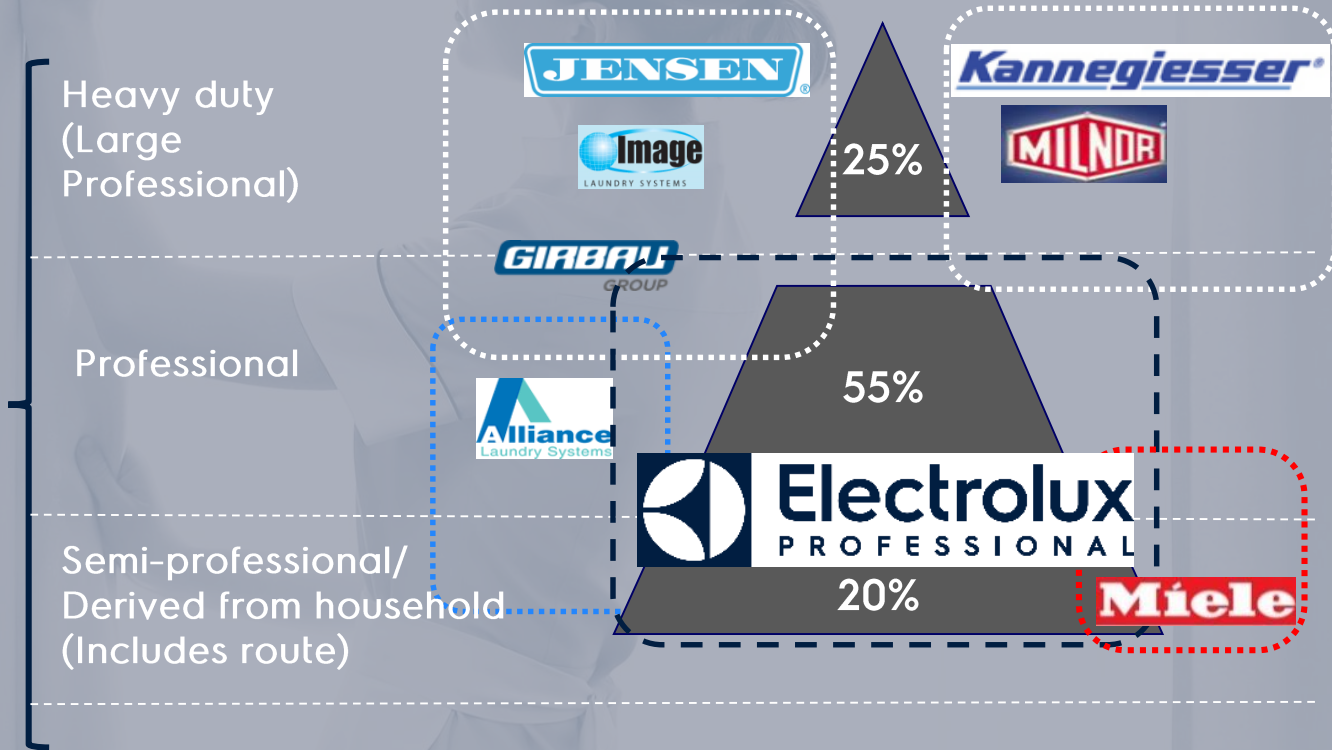
Source: P&L Competitors - Competitors announcement and Industrial Magazines

# We have a prominent position in Laundry

## Laundry key market players (2020)



Market size (excluding domestic appliances) and market shares: Source company internal estimates on the basis of publicly available information





# Every laundry is different

Source: Euromonitor, IMF, CSIL

## Segments in Laundry Systems

Profit centers				Cost centers				
B2B	B2C	Coin operated	Multi housing	Care	Facility management	Special OPL	HoReCa	Small Businesses

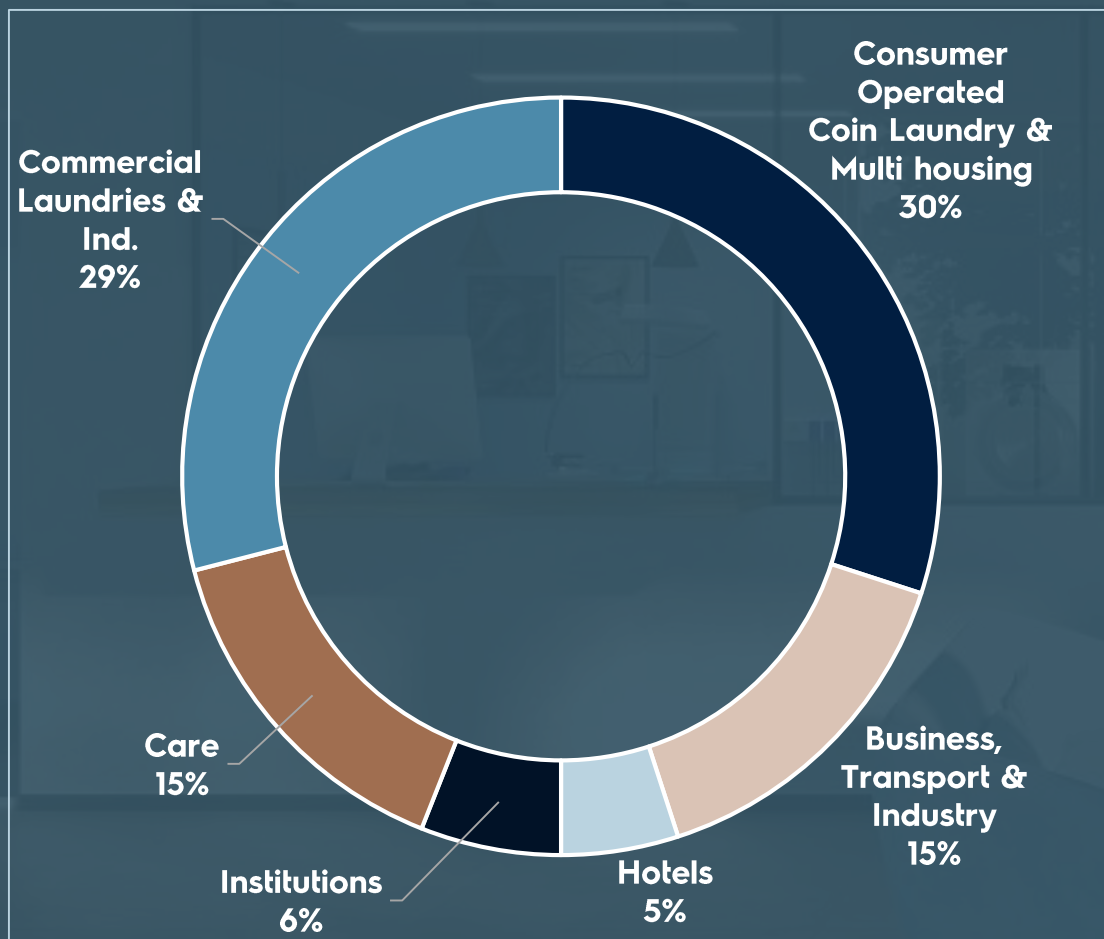
## Main Sub-segments per segment

<ul style="list-style-type: none"> <li>• Heavy Duty Commercial Laundries</li> <li>• Prisons</li> </ul>	<ul style="list-style-type: none"> <li>• Dry Cleaning Shops (chaines and privately owned)</li> </ul>	<ul style="list-style-type: none"> <li>• Coin-ops</li> <li>• Laundrettes</li> <li>• Camping/Marinas</li> </ul>	<ul style="list-style-type: none"> <li>• AHL Route-op</li> <li>• Universities/Student houses</li> <li>• Dormitories</li> </ul>	<ul style="list-style-type: none"> <li>• Health care</li> <li>• Eldery care</li> </ul>	<ul style="list-style-type: none"> <li>• Building Service company</li> </ul>	<ul style="list-style-type: none"> <li>• Marine Sport&amp;Leisure Public services factories</li> </ul>	<ul style="list-style-type: none"> <li>• Hospitality restaurant</li> <li>• Catering</li> </ul>	<ul style="list-style-type: none"> <li>• All hotels/B&amp;B's</li> <li>• Hairdressers</li> <li>• Beauty shops</li> <li>• Sport centres</li> </ul>
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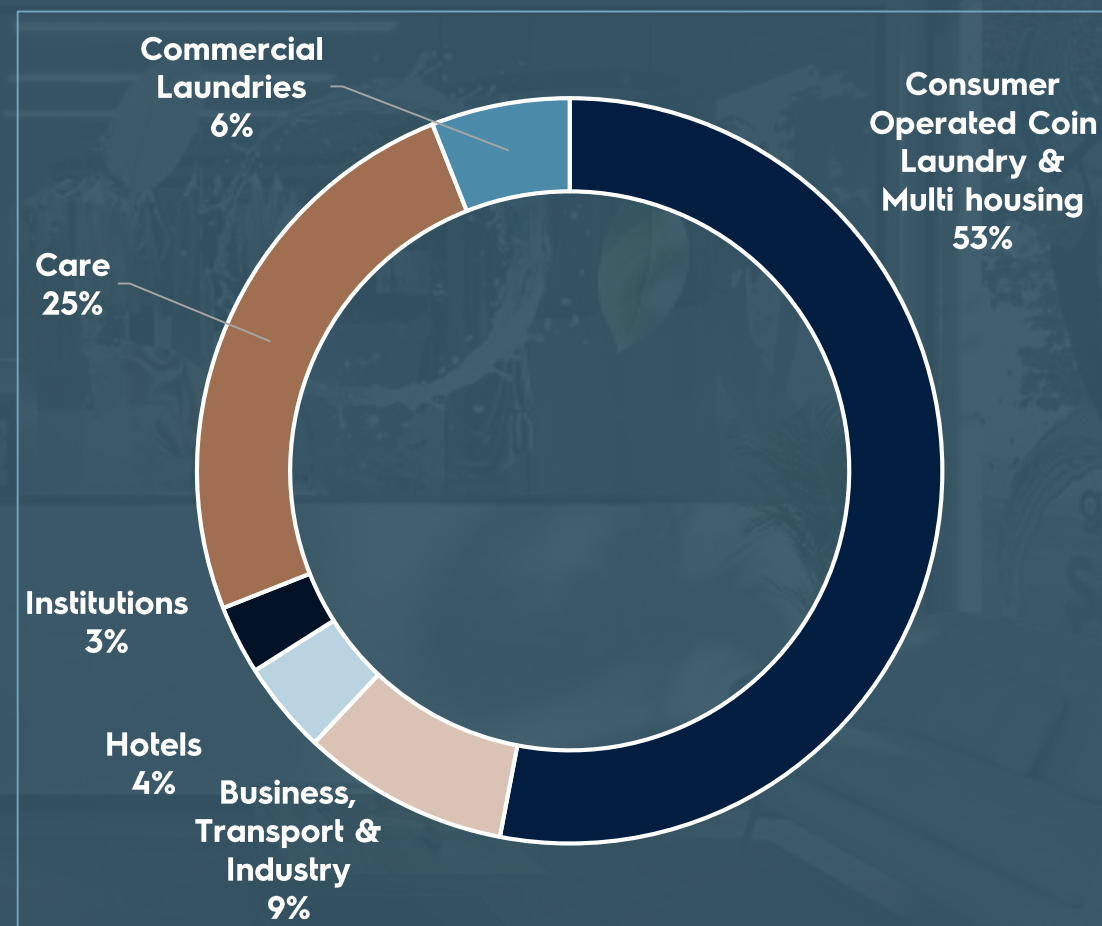


# Our largest sales are in coin, multi-housing and care

## Global market laundry sales



## Electrolux Professional laundry sales



\*Estimation based on CSIL 2020 - Competitors report - internal sources

# Adding value at each customer touch point

Innovative  
and  
sustainable  
products



Semi-Pro



Front-loader washer



Dryer



Ironer & finisher



Barrier washer

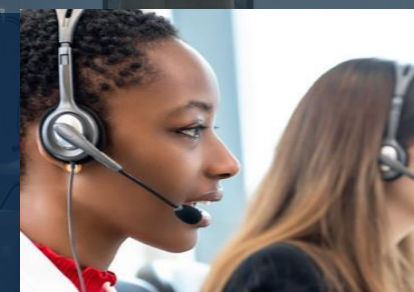


Wet cleaning solution

Rental



Laundry  
Competence  
Center



Global customer  
care



# Electrolux Professional always answers to market needs



DIGITALIZATION

**OnE** Connected



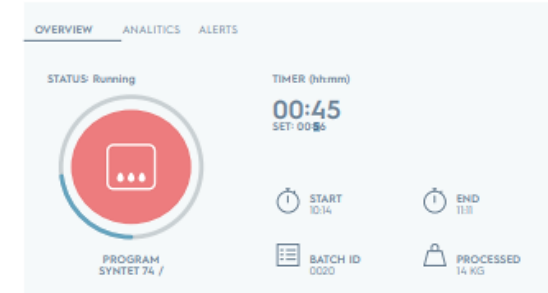
GREEN REVOLUTION



SUSTAINABLE WORKPLACE



INCREASING PRODUCTIVITY



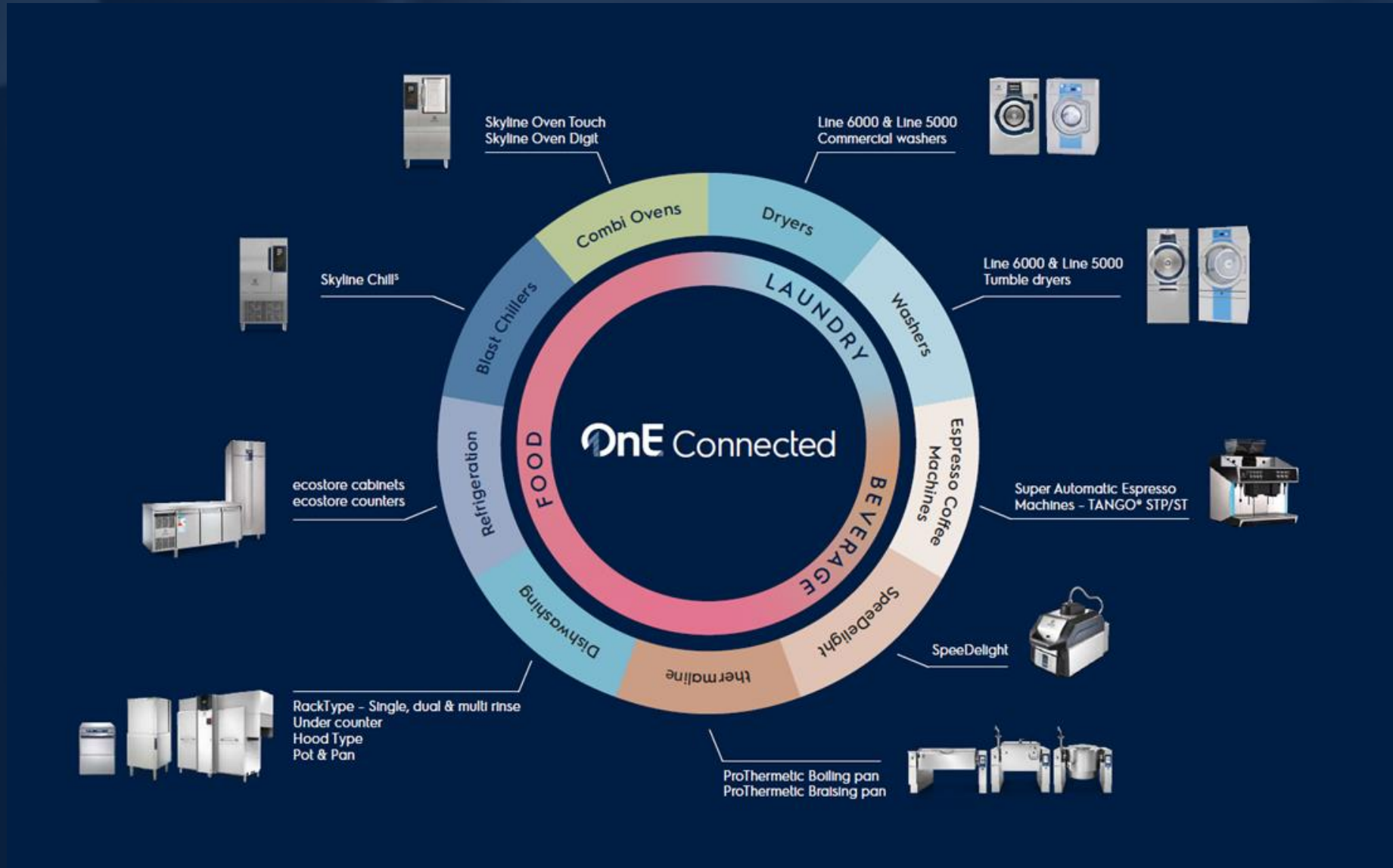
FLEXIBILITY



HYGIENE & SAFETY



# Digitalization enables customer product flexibility



# Key take-aways Laundry market

Electrolux Professional positioned to meet customer needs



Innovative and sustainable solutions



Global customer care



**OnE** Connected

Continuous growth

**4,7% CAGR\***

\*2010-2019 CAGR

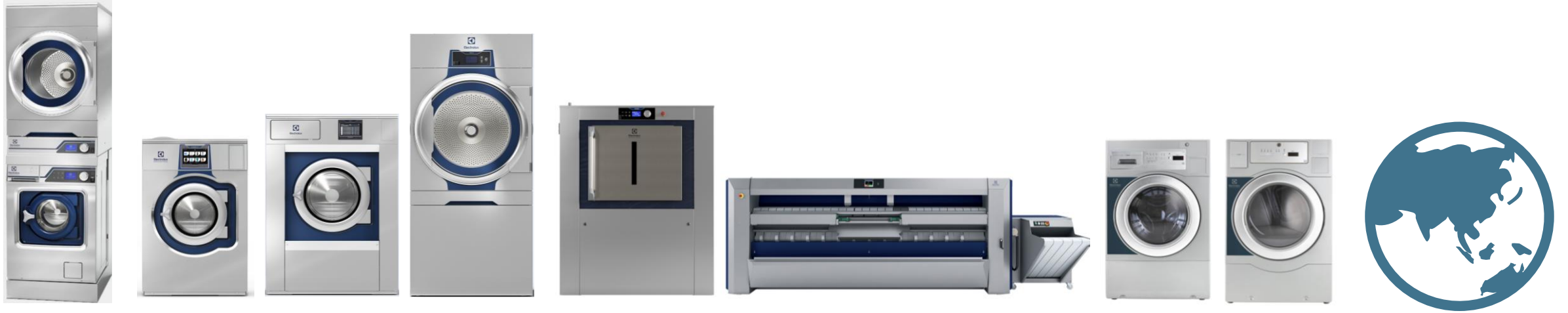
# Electrolux Professional's offering within Laundry

Silvana Johansson  
Global Head of Category Laundry



# A global full solution provider

With speed and cost efficiency



B2B	B2C	Coin operated	Multi Housing	Care	Facility Management	Special OPL	HoReCa	Small Business



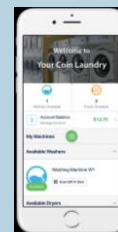
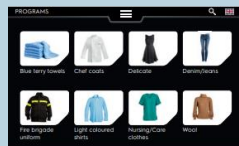
# Market driven modular design

Fast response to market requirements without complexity

## Functionality



## Intelligent and modular product range



## Aesthetics



# Innovations are shaping a sustainable business



## Profitable Business

Highest savings



Low running cost

Highest productivity



High output and revenue

## Peace of mind

Effortless use



Great customer experience  
Ergonomics

Trustable safety



Hygiene

# Long heritage of consistent sustainable innovations



Low environmental  
impact



Sustainable  
Business

Low  
running cost solutions



Profitable  
Business

Premium  
price  
Sales Growth



Profitable Growth

# Innovations have improved Sustainability in product usage



CO2  
emission  
reduction

**-45%\***



Detergent  
reduction

**-25%\***



Water  
reduction

**-40%\***



Energy  
reduction

**-40%\***

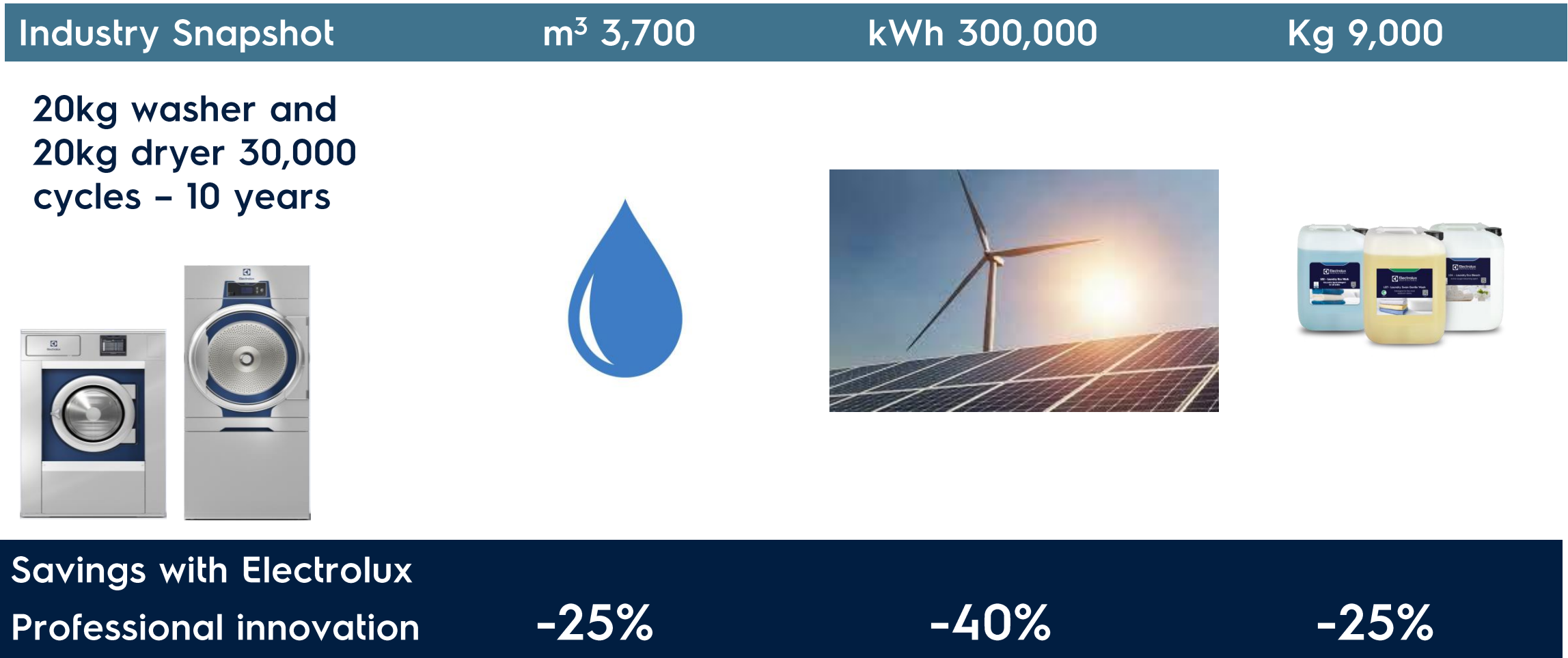
\*Since 2000

• Multiple sustainability features in our Laundry offer:

- Drum Speed
- Moisture Balance
- Automatic Door Locking
- DIAMMS™
- Feed Now
- Hygiene Watchdog
- Automatic Savings
- Power Balance
- Intelligent Dosing
- Efficient Dosing
- Integrated Savings
- Dubixium
- Feed Alone
- Heat Pump
- Auto Inner Door Opening
- Adaptive Fan

# Example of Life Cycle Cost savings

standard technology versus Electrolux Professional laundry solutions



# Accumulated savings from yearly sales of Electrolux Professional Washers, Dryers and Ironers globally



Consumption\*  
Sweden 14 days



Savings water =  
20m m<sup>3</sup>

Consumption\*  
Sweden 120 days



Savings  
detergents  
= 20k tonnes

Consumption\*  
Sweden 4 days



Savings energy  
= 1.3k gigawatt

\* 10 million people

Emissions  
Sweden\*  
2 days



Savings CO<sup>2</sup>  
= 500k tonnes

# Long heritage of consistent sustainable innovations

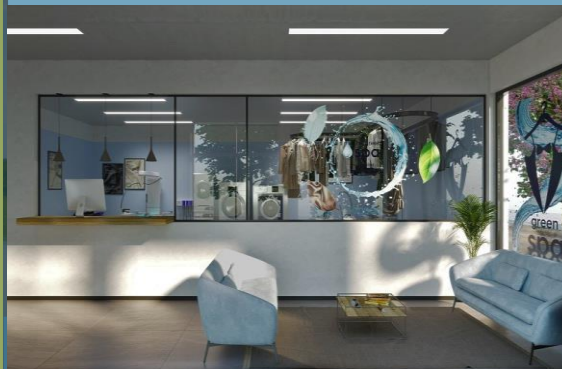


Low environmental  
impact



Sustainable  
Business

Low  
running cost solutions



Profitable  
Business

Premium  
price  
Sales Growth



Profitable Growth



The image features a large iceberg floating in the ocean. The tip of the iceberg, which is above the water line, is labeled '15% Investment'. The much larger submerged part of the iceberg is divided into three horizontal sections. The top section is purple and labeled '55% Chemicals' with a bottle icon. The middle section is yellow and labeled '20% Energy' with a lightbulb icon. The bottom section is blue and labeled '10% Water' with a water drop icon. The background shows a blue sky with clouds and a blue ocean.

**15%**  
**Investment**



**55%**  
**Chemicals**



**20%**  
**Energy**



**10%**  
**Water**

**Investment smallest  
part of total cost of  
ownership**



**Electrolux Professional**  
20 kg washer and dryer

**€ 18,000**

**€ 65,000**

**Industry snapshot**  
20 kg washer and dryer

**€ 15,000**

**€ 86,000**



**Somewhat higher investment  
gives lower running cost** (30,000 cycles)

**Electrolux Professional**  
20 kg washer and dryer

**Industry snapshot**  
20 kg washer and dryer



**€ 83,000**

**Industry  
snapshot**

**€ 101,000**

**ROI**  
**1,5 year**

**Electrolux Professional has a  
lower total life cycle cost**  
(30,000 cycles)

# Long heritage of consistent sustainable innovations



Low environmental  
impact



Sustainable  
Business

Low  
running cost solutions



Profitable  
Business

Premium  
price  
Sales Growth



Profitable Growth

# Laundromat Chicago, US

Productivity, Effortless use, Savings



## Electrolux Professional equipment



- Unique “Smart Laundromat” franchise concept “In & Out”
- First test store opened in December 2020
- Profitable business for owner
  - High customer turnover
  - Saving OPEX
- Expansion potential

## Flexible Payment



## Dedicated programs



“The best and greatest laundry experience. I highly recommend this beauty place. Every machine is so efficient, your clothes would appreciate it. Thank you for being at our neighbourhood”

“Wow!!! Blankets and towels got so clean. I have been going to laundromats for 7 years and this is by far the best I have ever been to”

# “Eco Laverie” Laundromat - French Guiana

Sustainability, Savings, Effortless use, Productivity



- One of 45 laundromats in the region equipped by Electrolux Professional
- Environmentally friendly
- Wash and dry in 60 minutes
- Detergents included
- Expansion in more Caribbean islands planned

“We knew we had what it takes to make it work: experience and quality equipment that we know is easy to use and install, extremely energy efficient as we also wanted our business to be sustainable. Electrolux Professional was the right choice, we immediately saw this reflected in all the utility bills”

*Vincent-Sully, owner*



# “Coin 21/Onda Blu” Pet Laundromat – Modena, Italy

Sustainability, Savings, Effortless use



- Combined Pet Laundromat and lagoon® Advanced Care shop
- 3-in-1 laundry with the latest generation self-service machines and an area especially dedicated to pets
- Social experience, outstanding and appealing
- Expansion of the concept to more Italian cities



“The Line 6000 machines were the catalyst to take the project from idea to reality.”

*Fabrizio Gandolfi, owner of the Italian Laundry Dealership*

# “Ramunderstaden multihousing” Söderköping, Sweden

Sustainability, Savings, Effortless use



- Previous equipment replaced with innovative, environmentally friendly equipment
- 19 fully equipped laundries
- Full-service agreement 10 years
- Savings 10 years: MSEK 4,6
  - Energy savings: 60%
  - Water savings: 50%
  - Detergent savings: 50%
  - CO2 savings : 66%

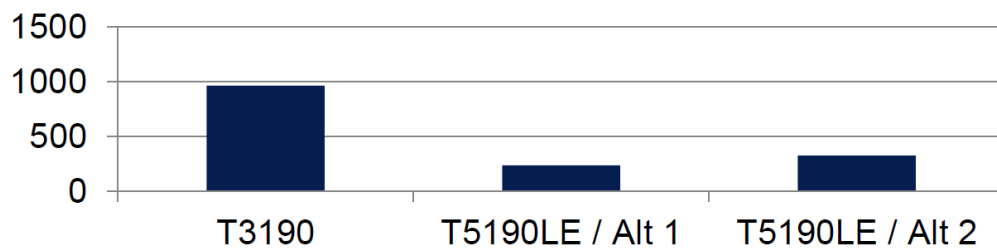


Current type of machine removed

New machine Low energy



## Running cost dryers



“The customer loves the attractive environment of new laundries, the massive savings, hassle-free maintenance, as well as the positive contribution to environmental sustainability”.

Magnus Wicksell, Electrolux Professional Districts Manager Jönköping

# “Oxwash” Collect-and-deliver laundry – the UK

Sustainability, Savings, Effortless use



- Laundry Concept with lagoon® Advanced Care
- Collect and deliver on fleet of electric cargo bikes
- Water based cleaning
- Data analytics
- Savings by 35%
- Added revenue stream from other laundries
- Expansion plans in 6-8 more cities within next 12 months

“We believe laundry and dry cleaning shouldn’t cost the earth”.

*Kyle Grant, Oxwash co-founder and CEO*



“Being able to automatically dose our chemistry to match the weight of items in the machines, as well as not wasting excess detergent, water or energy is a huge step in minimizing our environmental impact,”

*Tom de Wilton, Oxwash co-founder and COO*





# Key take aways Laundry category

Positioned for profitable growth



Global full solutions provider, with speed and cost efficiency



Smart innovations with focus on Sustainability provide quantifiable Customer Value



Agility to capture Business Opportunities, generate Profitable Growth and re-invest in Sustainable Innovation

# 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<sup>(1)</sup>



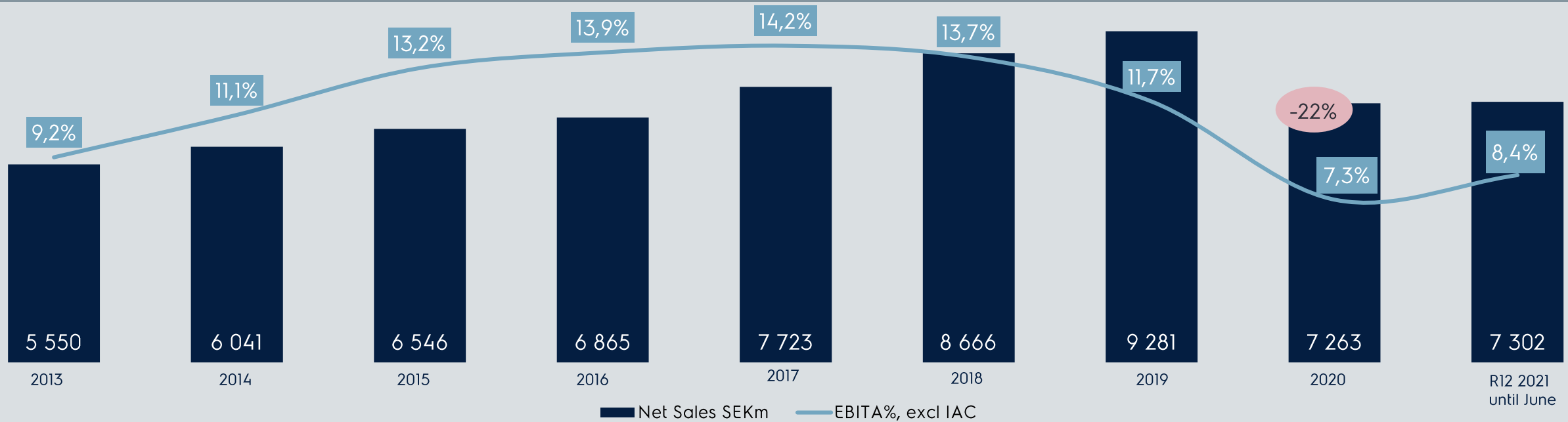
## Dividend policy

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

**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.

# Net sales and profitability development



2013-2016 figures from Electrolux Annual Report

- Track record of growth and profitability improvement (2013-2018)
- 2019 EBITA impacted by separation from Electrolux and 2020-2021 impacted by pandemic

# 2020 and first part of 2021 impacted by the pandemic but the recovery already started

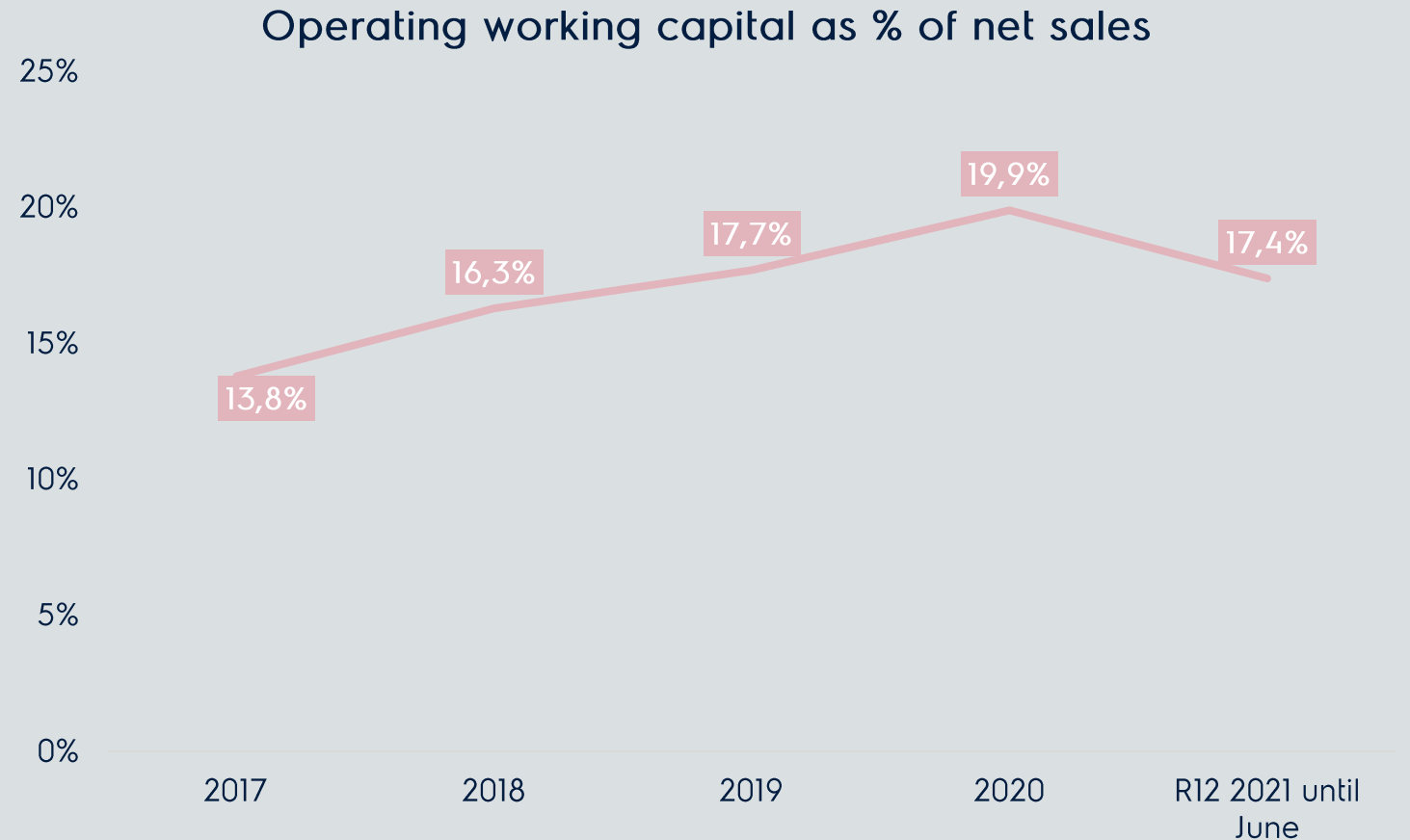
- From March 2021 continued and broadened geographic market recovery
- Strong sales improvement in Q2 with EBITA of 10,1%
- Sales in Q2 still approximately 15% below 2019 level, but difference diminishing
- Business recovery from Q2 continues in to Q3



# Limited Operating Working Capital requirements



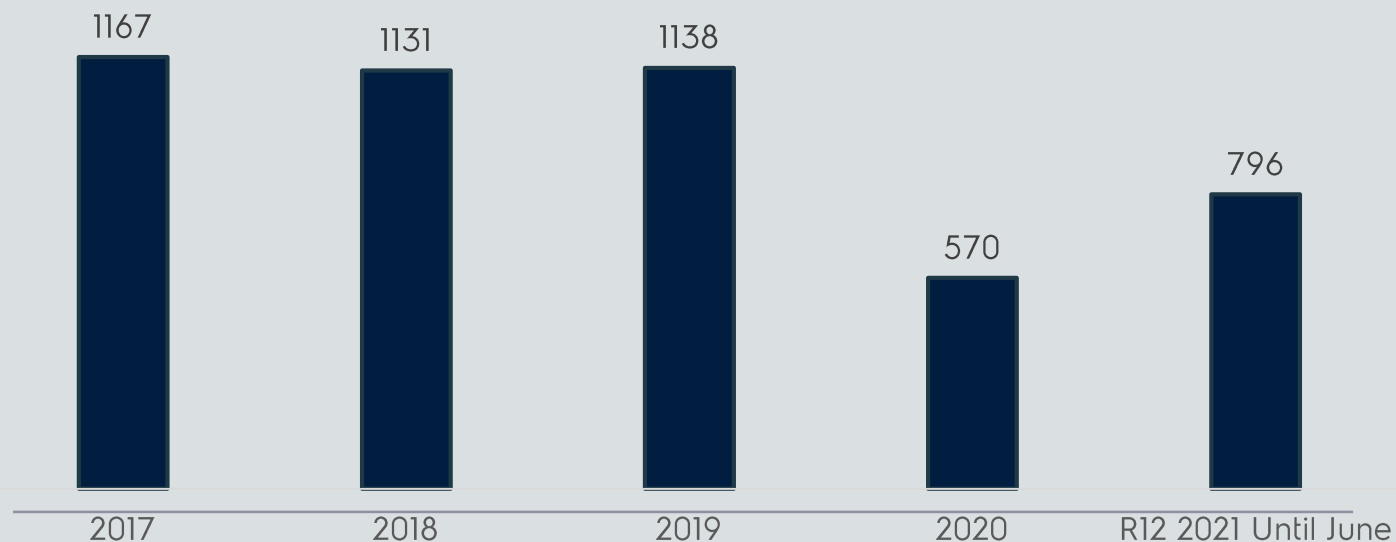
- Business managed with low OWC
- 2018-2019 burdened by acquisitions and large product phase in/out
- Since Q4 2020 the OWC weight on sales improved; AR is back to pre-Covid levels



# Good cash flow while investments have continued

## Operating cash flow after investments<sup>(1)</sup>

SEKm

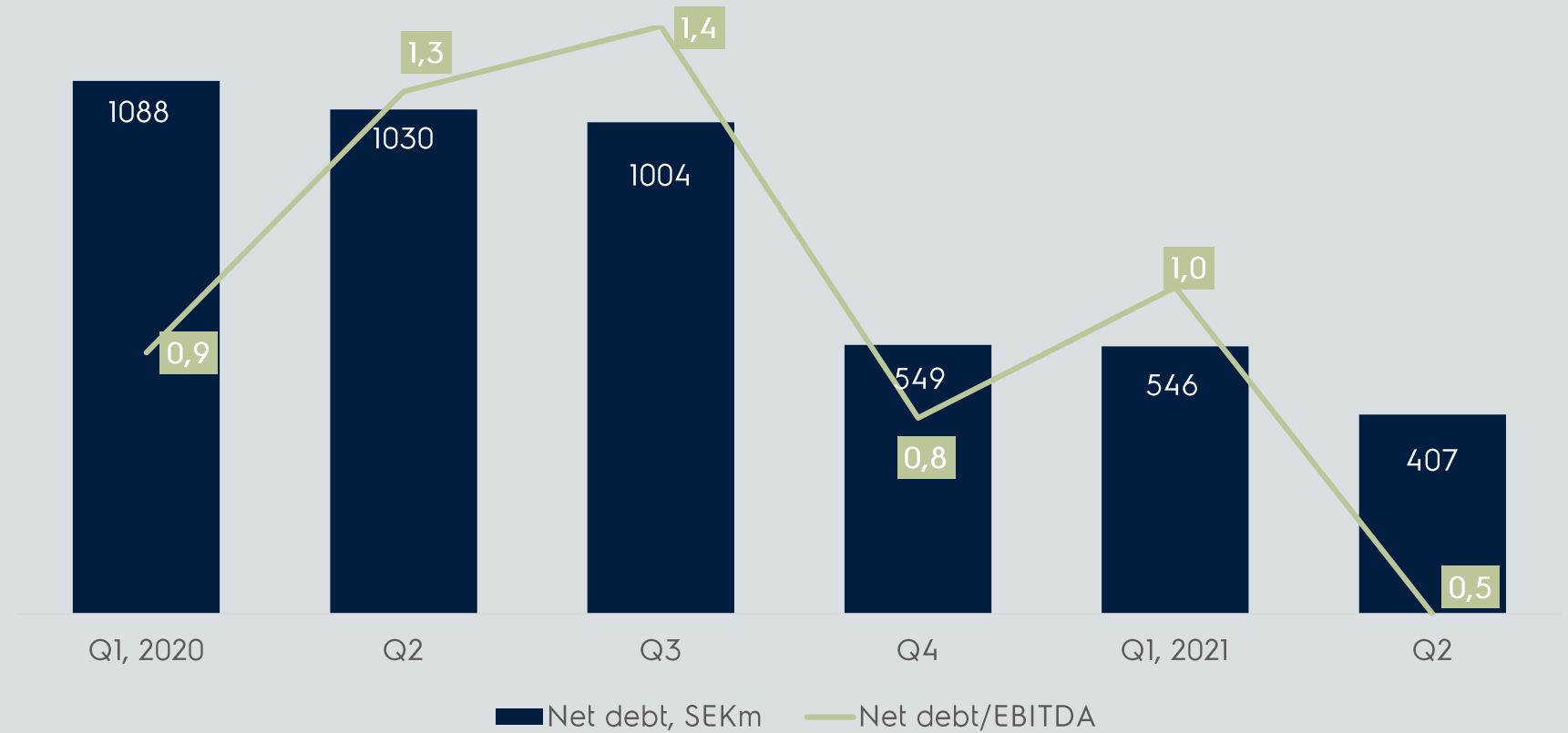


- Proven good cash flow generation over the years

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

# Strong balance sheet with a low net debt

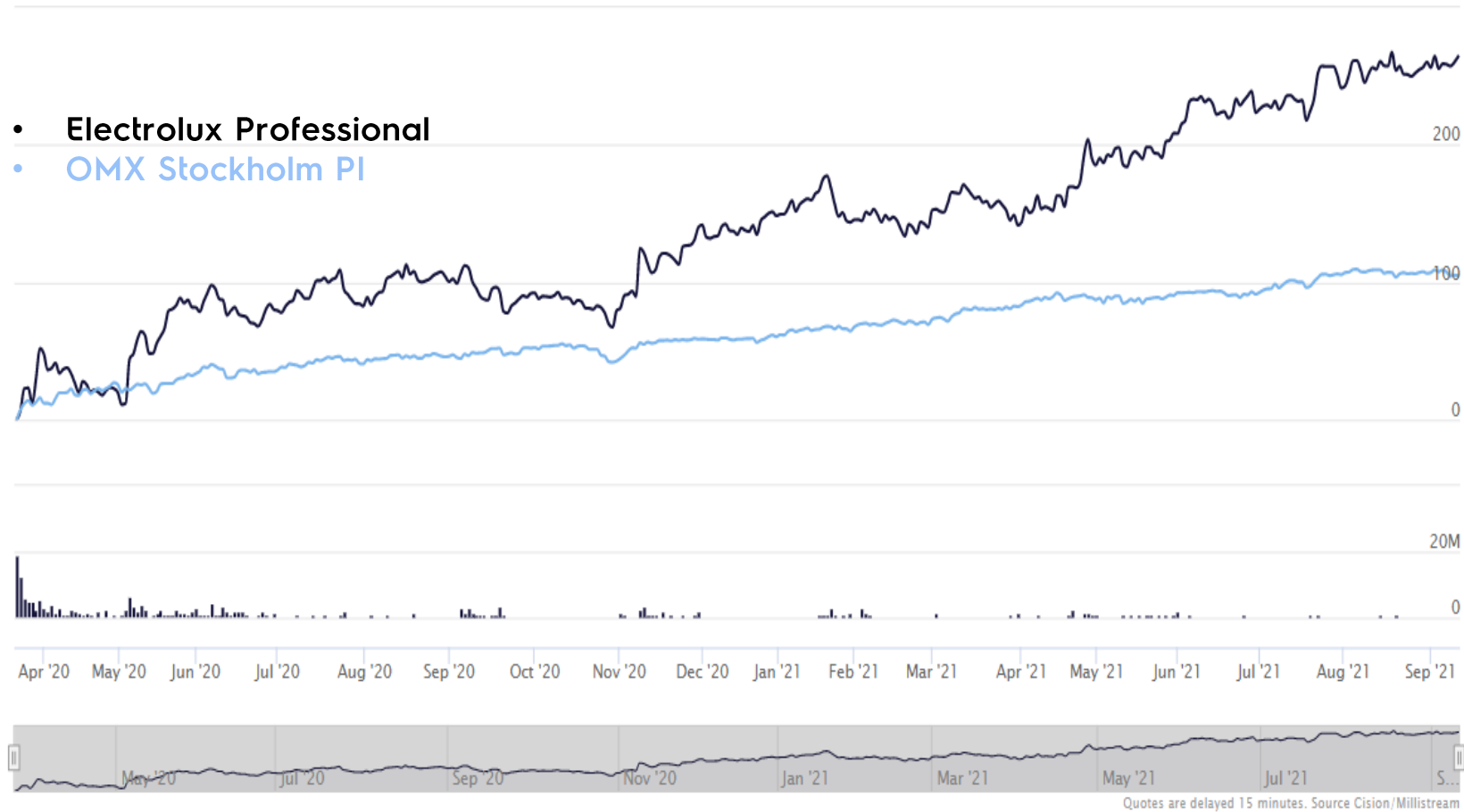
- Reduced net debt by SEK 0,5b in 2020
- In June 2021 net debt ratio was 0,5
- Power to grow the business





# Strong share development since listing

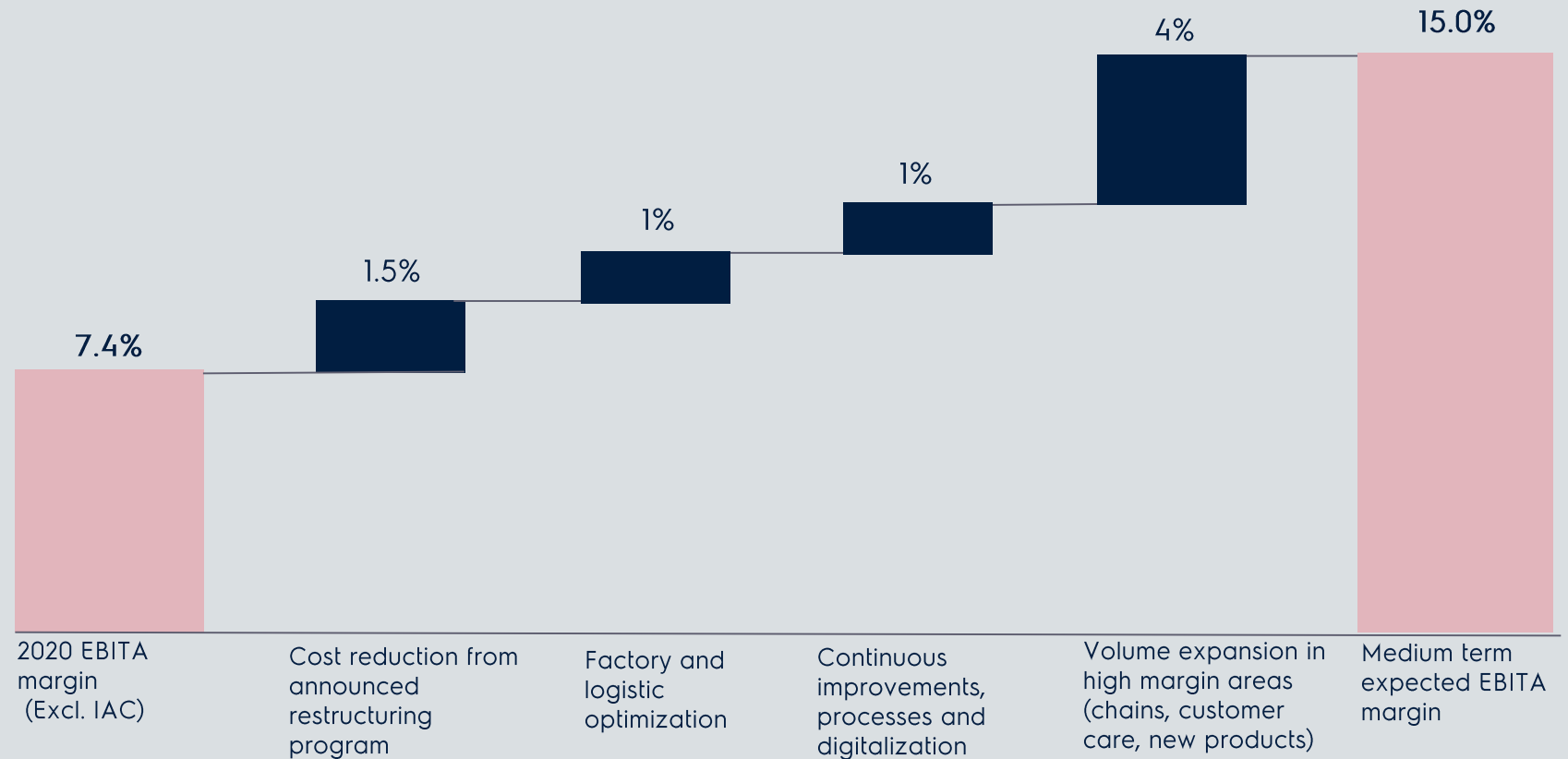
- **Electrolux Professional**
- **OMX Stockholm PI**



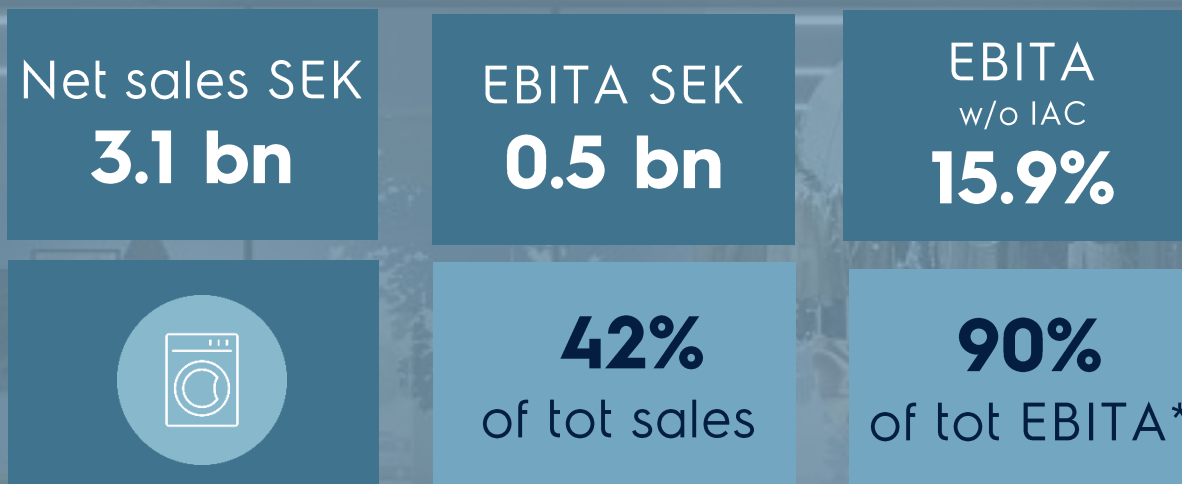
- Listed at a low level due to pandemic
- EPRO since listing +264.3%
- OMXS PI same period +104.9%
- SEK 68,30 closing price Sep 10, 2021

# Building blocks to reach 15% EBITA in place

- Margin expansion will come from combination of cost out and sales growth, both equally important
- Execution is ongoing with good track record

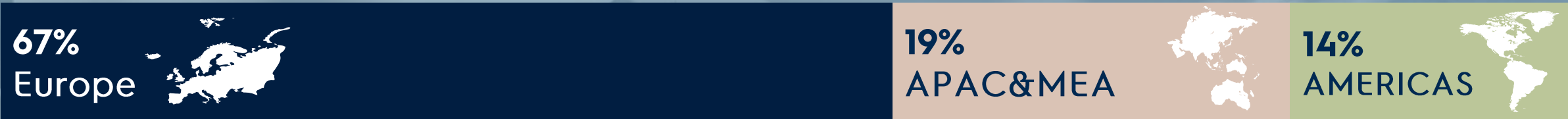


# Professional Laundry Segment snapshot 2020



\* Without items affecting comparability

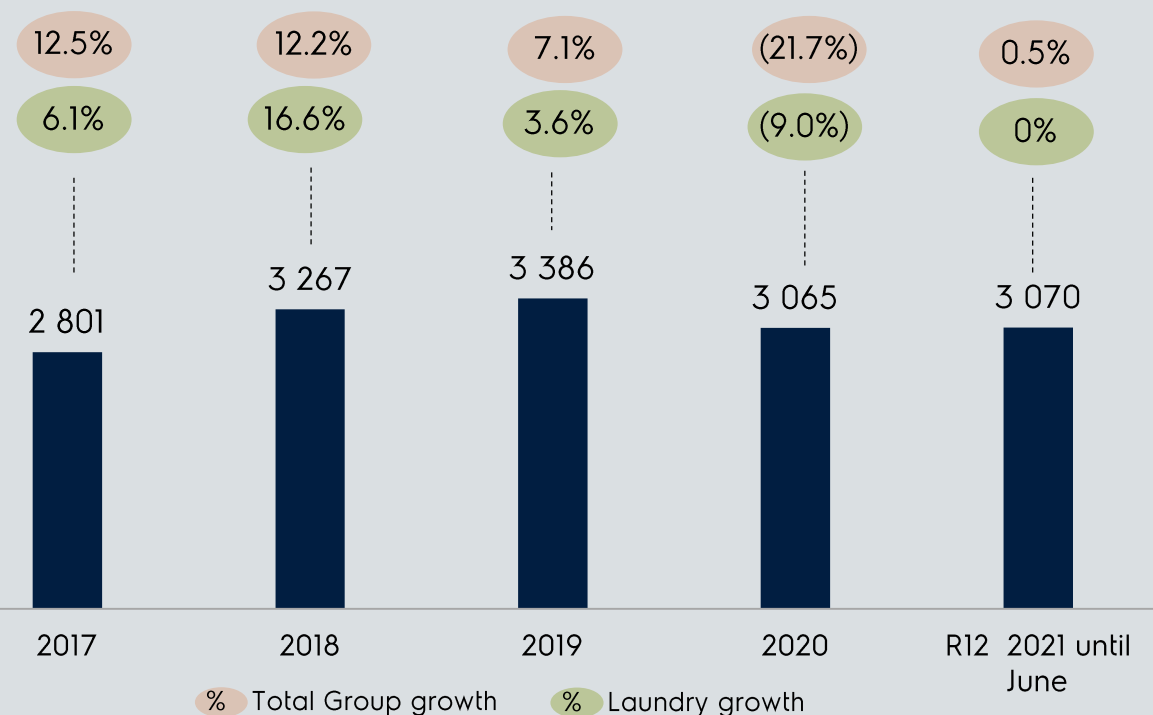
## Laundry Net sales by geography



# Laundry sales and profitability development

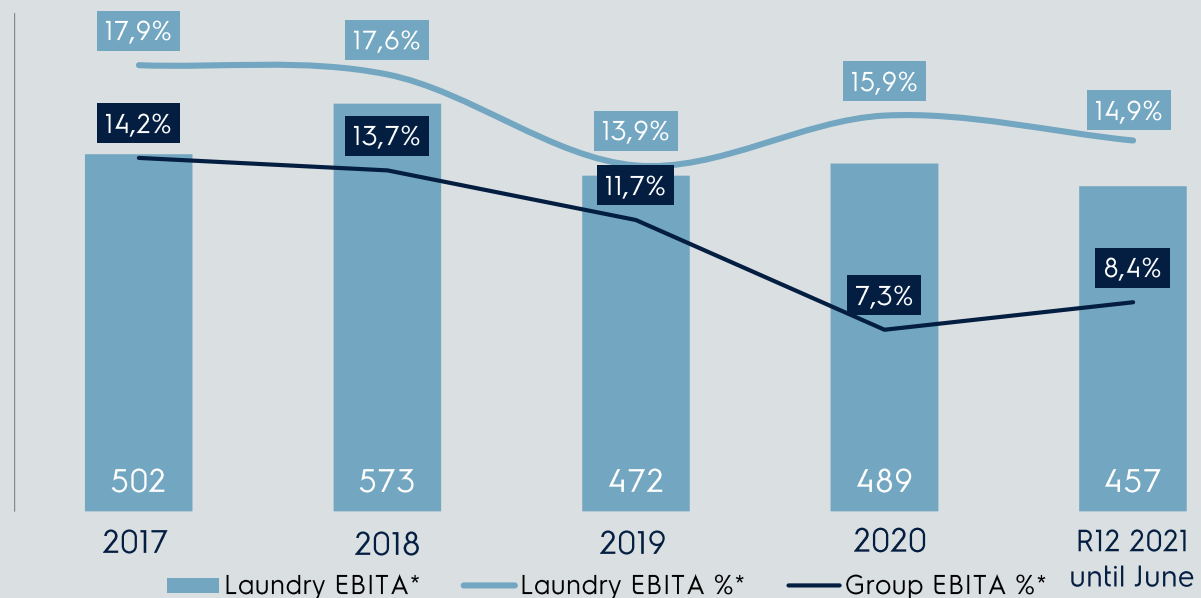
## Net sales 2017 - R 12, 2021

SEKm



## EBITA

SEKm



\* w/o items affecting comparability

# 3 laundry plants serving global markets



# Ljungby – the main Laundry manufacturing, logistics hub and R&D center

## Economical KPI

**65%** of sales of laundry products are manufactured in Ljungby

Above average profitability

State of art plant with approx 32,000 units produced 2020

## Ljungby site

Main Laundry R&D competence center



**Employees**  
**250** Production  
**200** R&D, Logistics



# Key take-aways financial update

## A solid Group with large potential

Track record of delivering solid EBITA and cash flow also in difficult times



Restarted the profitable growth journey



Attractive Laundry business with strong profitability



Focused plan to generate margin expansion



# Summary

Alberto Zanata  
CEO





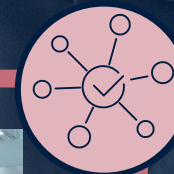
# Strategic cornerstones



Grow the business through developing sustainable, low running cost solutions



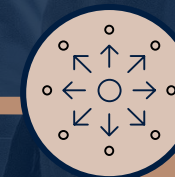
Expand in food service chains, especially in North America, beverage and emerging markets



Boost customer care



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

# A leader in the attractive, profitable laundry business



Track record of delivering high EBITA and strong cash flow



Leading in innovation and sustainability



Aging population and increased focus on hygiene drives growth



# Key take aways Investor Update Day 2021

- Light at the end of the tunnel after some challenging years
- Post covid market is trending towards best case scenario
- Strategy and financial targets unchanged
- M&A activities restarted
- Building blocks to 15% EBITA-margin in place
- Attractive laundry business with strong profitability



**Electrolux**  
P R O F E S S I O N A L