



**Electrolux**  
PROFESSIONAL

# Investor presentation Handelsbanken, June 2021

Alberto Zanata, CEO

Fabio Zarpellon, CFO





# Positioned for profitable growth in an attractive industry

Strong position in  
attractive  
markets



Well positioned to meet  
customer needs



Solid financial profile  
with further upside

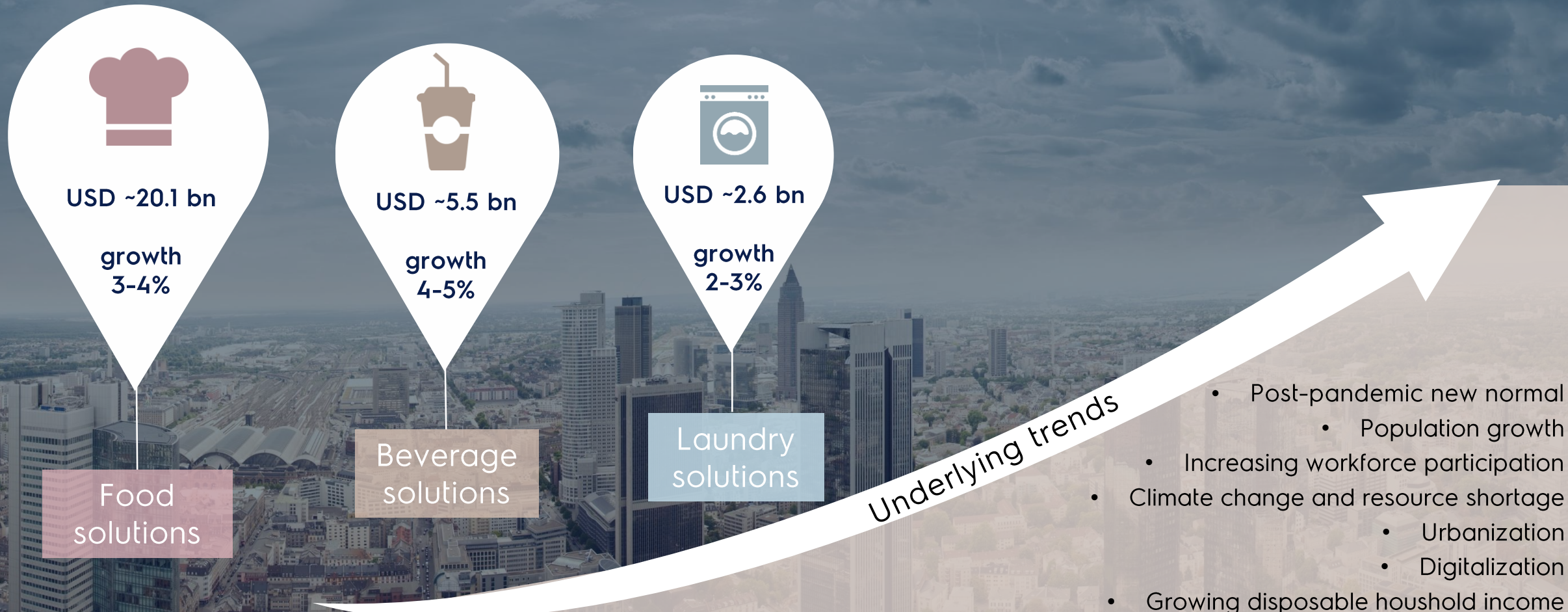




# Operating in a resilient market driven by long-term positive underlying trends despite 2020-2021 crisis



Global market size of USD ~28 bn (2019) (Estimated to have declined by 20-25% in 2020)



Source: Company estimates

Electrolux Professional 2021 Investor Presentation

Estimated market size 2019 and historical annual growth

# 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



**2.1%**  
EBITA margin

**15.2%**  
EBITA margin

## Net sales by geography

**~70%**  
Europe

**~16%**  
APAC & MEA

**~14%**  
Americas



# Industry-unique position with full-solutions offering under one brand

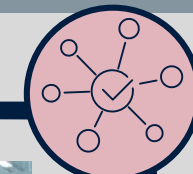


- **One brand** covering Food, Beverage and Laundry
- **Broad customer base in an attractive market** with leading position in the resilient laundry business
- **Attractive financial profile** with a solid track record

# Strategic cornerstones



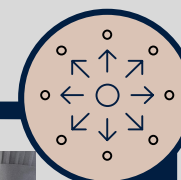
Grow the business through developing sustainable, innovative low-running cost solutions



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



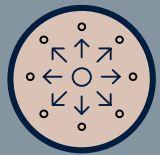
Boost customer care



Leverage the OnE approach



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



# ...with M&A acting as a further accelerator



Food solutions



Beverage solutions



Laundry solutions



Beverage solutions



Beverage solutions



2015

Professional dishwashing, strong service network (China)  
2014 Sales: RMB 86m

2017

Expanding into beverage (US and Thailand)  
2016 Sales: USD 64m

2018

Fast-growing laundry rental business (Germany)  
2017 Sales: EUR 18m

2019

Strengthening our beverage & coffee presence (France)  
2018 Sales: EUR 20m

Strengthening our beverage presence (Italy)  
2017 Sales: EUR 29m

## Strategic priorities

North America and chains

Emerging markets

Beverage



# A strong Customer care offering



## Consumables

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Complete range  
of product  
families

Chemicals for  
appliances



## Spare Parts

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"Parts kits"  
pricelists &  
packages



## Service & Repair

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Service  
product 3.0  
"world wide"

Digitalized services  
connected network





# Despite the pandemic we continued to invest

**Develop innovative  
and sustainable  
solutions**



**Accelerate  
digitalization**



**Improve efficiency**



# Sustainability strategy and targets

- **Target set to be 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



- **CO2 reduction aligned with Paris agreement**



- **Lost time injury rate**

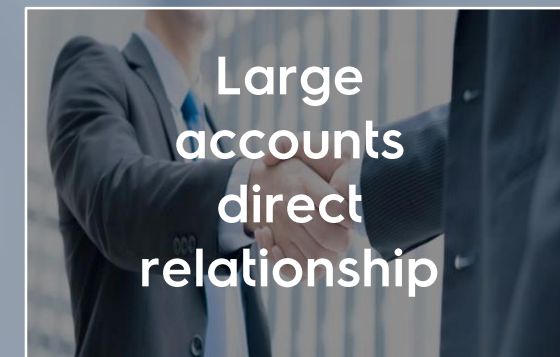
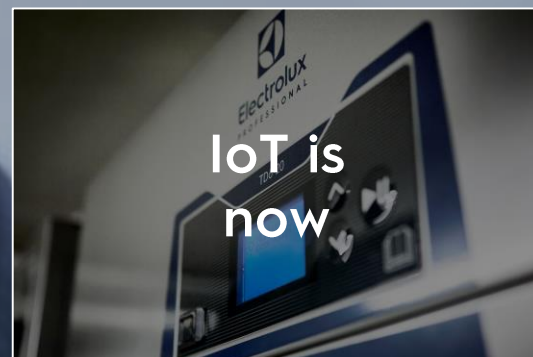


- **Diversity & inclusion**





# Digital is shaping the Professional industry




## Our digital vision 2024

Connected appliance of future installed base

**50%**

Distribution - on line sales

**65%**

A close-up photograph of a person's hands and forearms. The person is wearing a white, long-sleeved button-down shirt. On their left wrist, they are wearing a silver-toned metal link watch with a dark blue dial and light-colored hour markers. The person's hands are clasped together in front of them. The background is a soft, out-of-focus light blue.

# Financial targets and financial history

Fabio Zarpellon, CFO

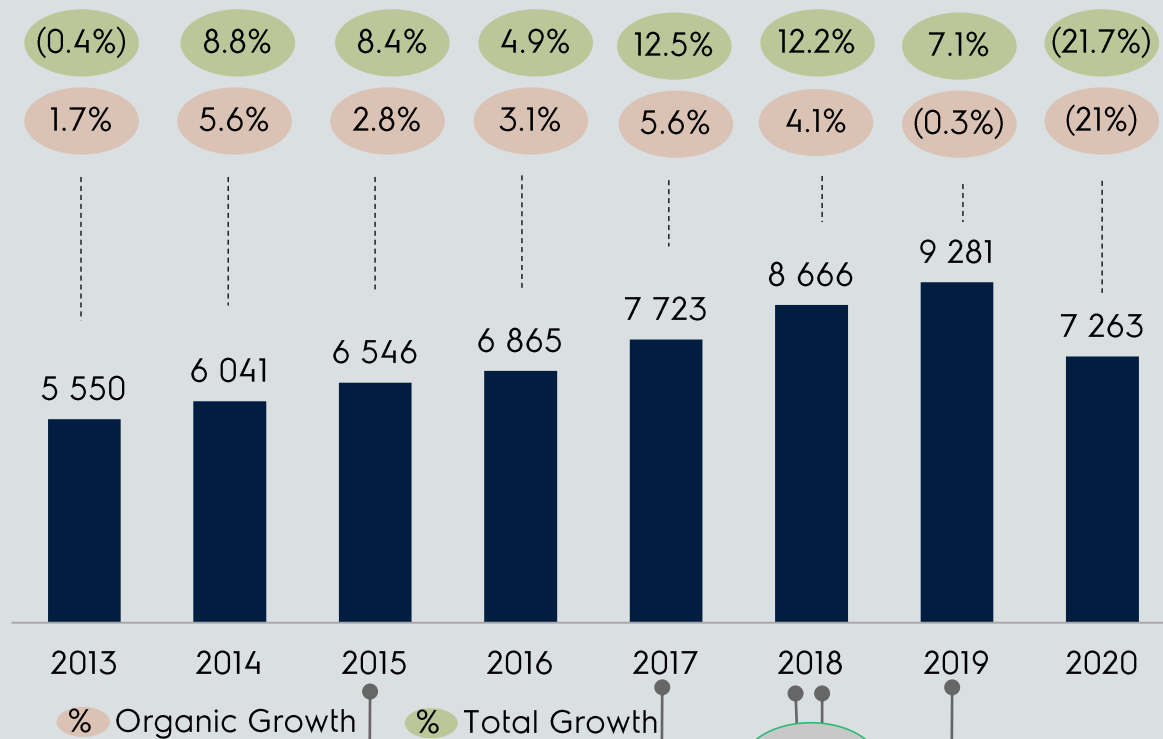


# Track record of delivering growth

Note: Electrolux Professional reported financials, CAGR at local currency rates

## Net sales 2013-2020

SEKm



## EBITA 2017-2020

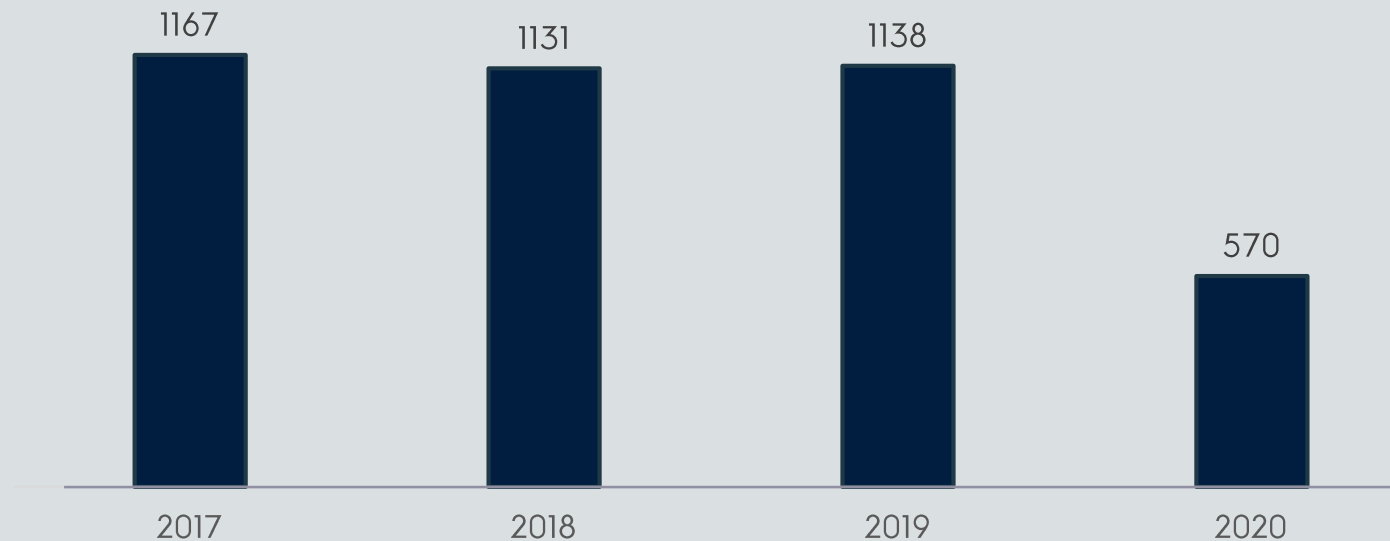
SEKm



# ...and strong cash flow

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

SEKm



- Electrolux Professional has delivered strong cash flow historically
- Solid balance sheet with the same net debt/EBITDA ratio as before the pandemic
- Debt reduced by half during 2020

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



# Benefits from restructuring plans in 2019 and 2020

	2019 Restructuring plan	2020 Restructuring plan
Status	Fully executed	In execution
Yearly savings full run rate	SEK 100m	SEK 130m
Full effect from	Q3 2020	Q2 2022
Impact in 2021	Full run rate	SEK 110m from Q2 2021

- 2019 program launched to adapt the organization and off-set cost as a stand-alone company
- 2020 program launched to adapt the organization to a new reality. One-off cost SEK 77m

# Medium-term financial targets to drive shareholder value are confirmed



## Net sales growth

Organic annual growth of more than **4%** over time, complemented by value 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
- Electrolux Professional 2021 Investor Presentation





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

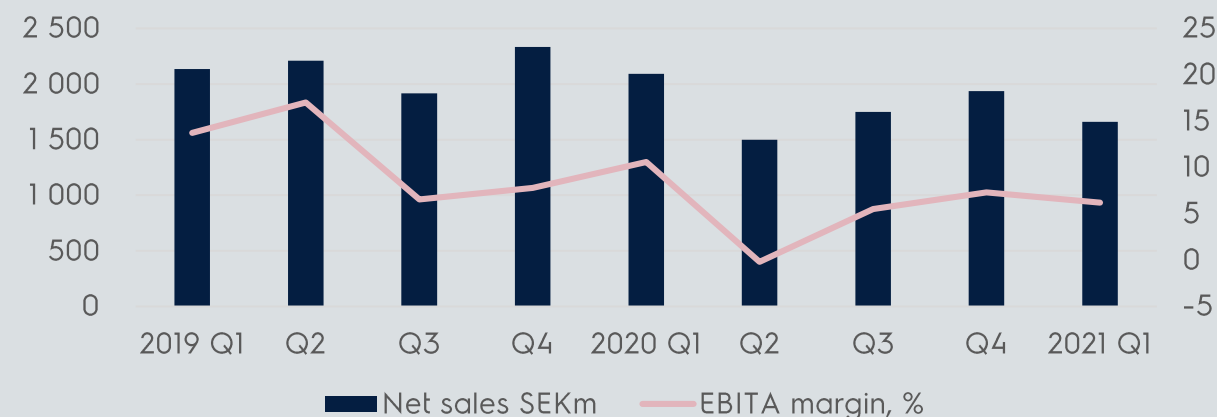


**The OnE**

## Still strongly impacted by the pandemic, but signs of recovery

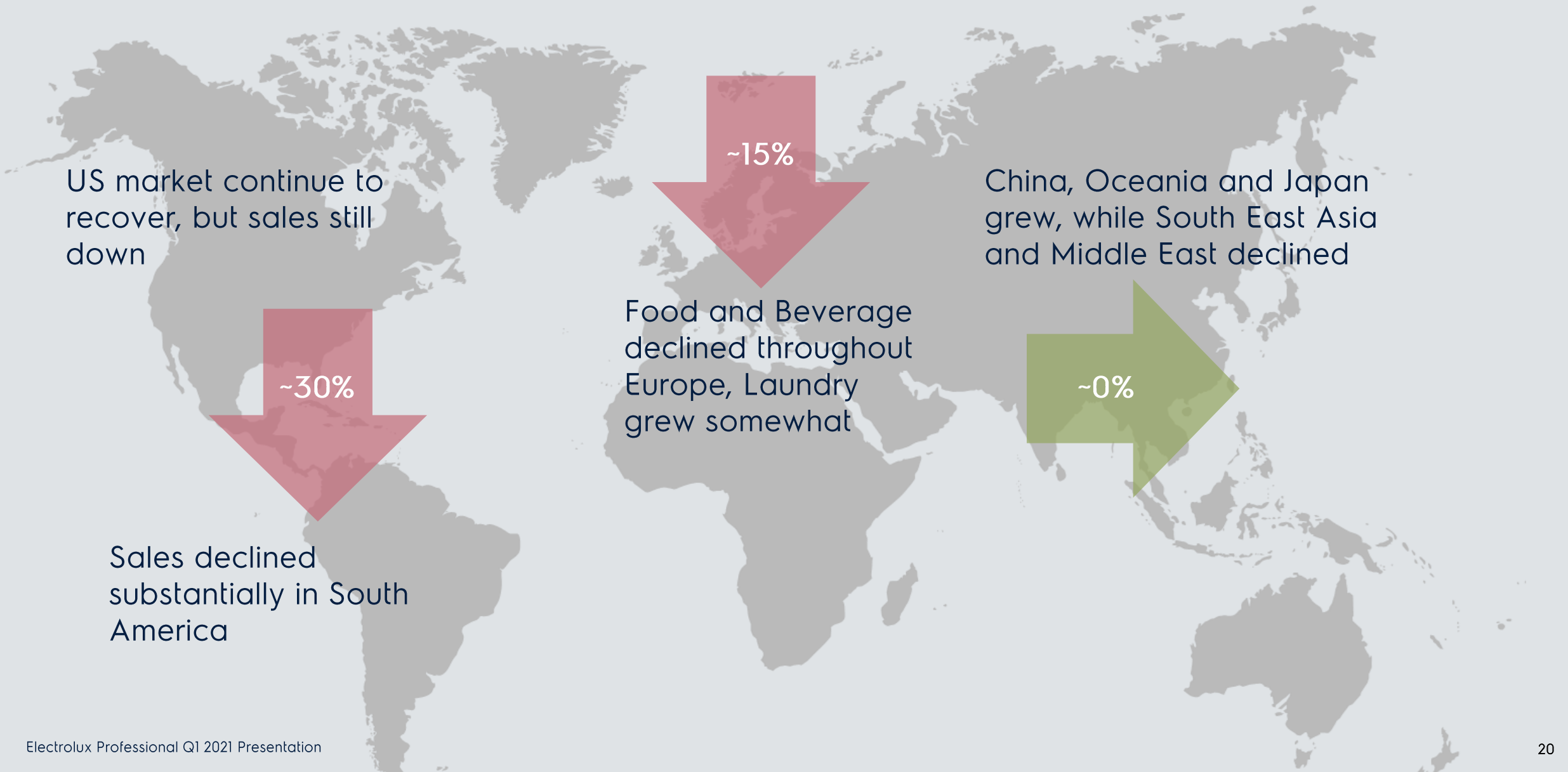
- The Covid-19 pandemic continued to impact the hospitality industry.
  - Organically sales declined by 15.3% in the quarter
  - However, March positive year-over-year
- EBITA was SEK 103m (221), corresponding to a margin of 6.2%
- Operating cash flow after investments amounted to SEK 23m (16)
- Continued short-term savings

SEKm	Jan - Mar 2021	Jan -Mar 2020	Change, %
Net sales	1,661	2,091	-20.6
EBITA	103	221	-53.2
EBITA margin, %	6.2	10.6	
Operating cash flow after investments	23	16	44





# Q1 net sales development per region organic



# Benefits from restructuring plans and short term cost activities

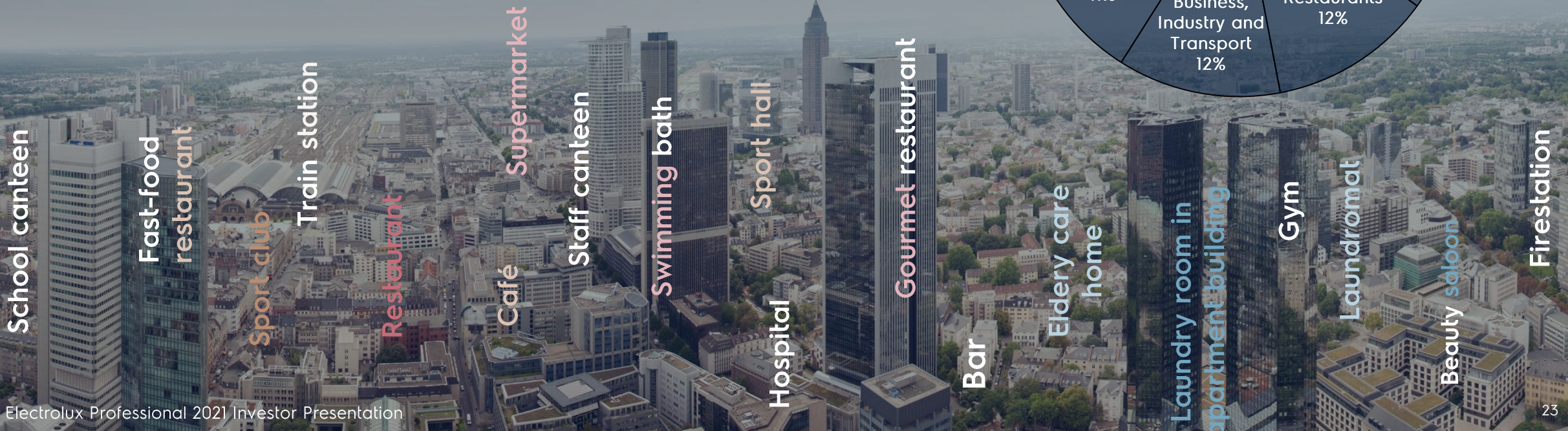
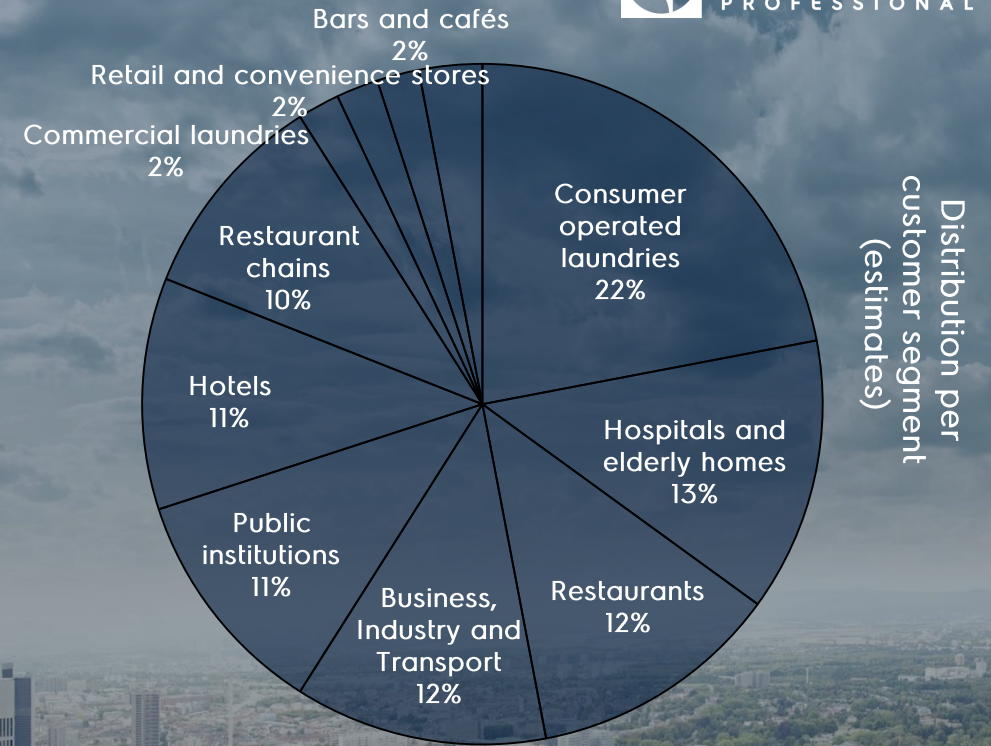
SEKm	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021
Cost increase as listed company	-35	-10	-35	-20	
Structural savings	15	20	35	30	30
Short term cost savings	80	190	75	80	30
<b>Total</b>	<b>60</b>	<b>200</b>	<b>75</b>	<b>90</b>	<b>60</b>

Back-up slides



# Addressing customer needs

- Simplification, speed and flexibility in operations
- Improved quality of the food, beverage and laundry service
- Reduced energy consumption and carbon footprint
- Lower total cost throughout the lifecycle of the equipment
- Reliability of the equipment system
- Ergonomic and human centric design
- Enhanced hygiene demands





# A changing consumer and customer behaviour – accelerated by the pandemic



## 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

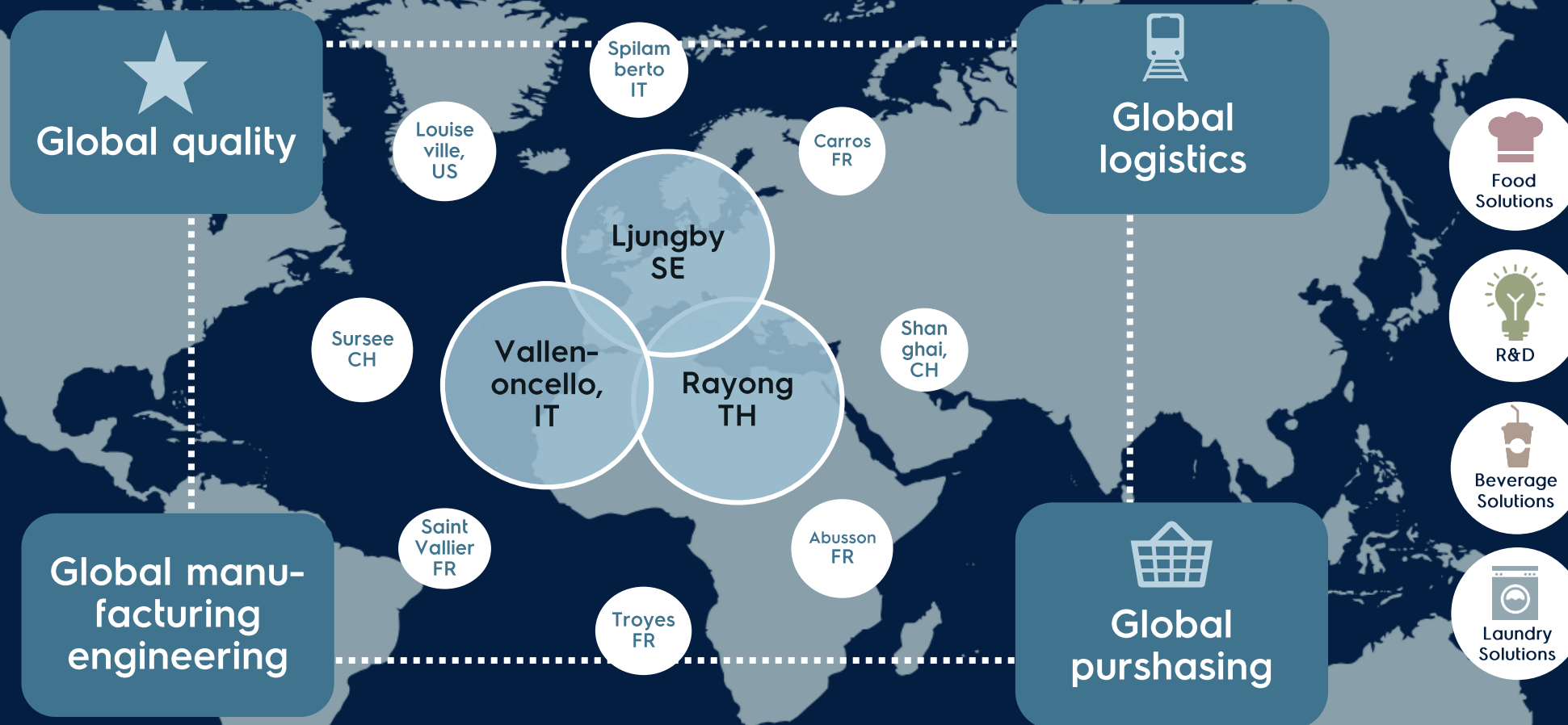
*Demand for more flexible appliances to reduce footprint and to adapt to frequent changes of the menu and way of serving (delivery vs. in-house eating)*




## Trends

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

# A Global industrial footprint to serve customers expanding globally



- **3 large units/hubs**
  - **8 small units**
  - **Local customer proximity**
  - **Global functions including R&D**
- 



# Cutting edge innovation – R&D to differentiate the offer by adding value solutions

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

- 4,2 % of sales invested in R&D
- Product Testing
- Internal PhD Academy
- Partnering with Universities on research projects



**The  
Research Hub**

By ELECTROLUX PROFESSIONAL



# Boosting our Customer care

Being an integral part of the full solution delivery

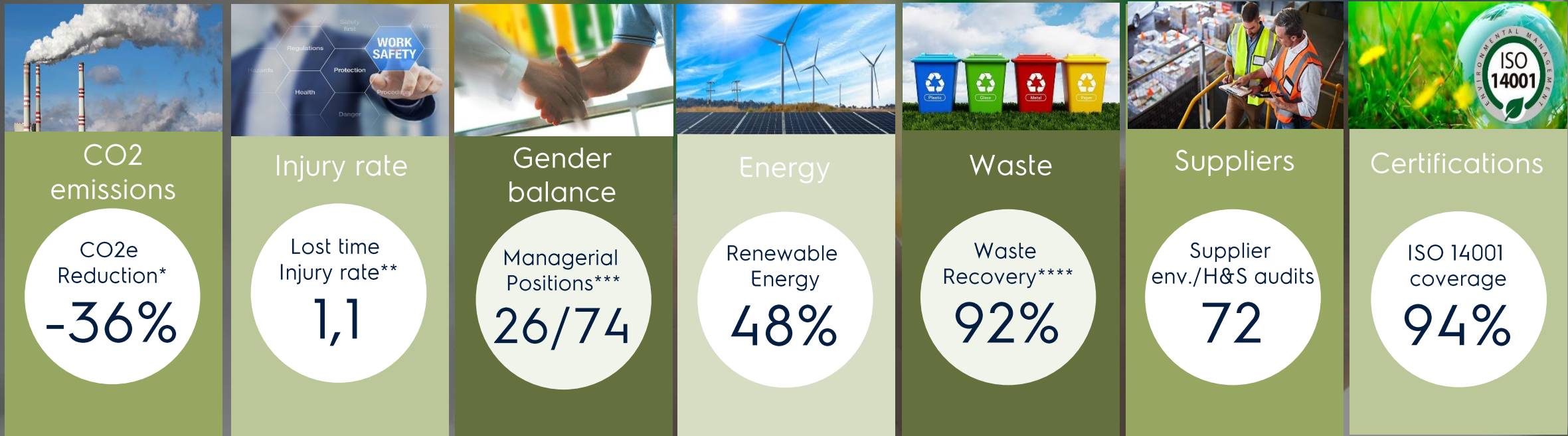


**Teamed to serve you.  
Anytime, anywhere**

To make our customers' work-life easier and more profitable



# 2020 sustainability performance and highlights



\* Target -50% by 2025 compared to 2015. Including new acquisitions (5/12 new plants included since base year). Comparable baseline -60%.

\*\* Target below 0.3 by 2025

\*\*\* Target 40/60 by 2030.

\*\*\*\* Including waste to energy and material recovery. Water efficiency baseline only include 2015 plants excluding St Vallier.



Signatory of the UN Global Compact and first corporate ESG rating



# Product milestones and sustainability achievements



Automatic Saving System

Barrier washer for Risk Analysis Biocontamination Control (RABC)

Heat Pump Dryer (Energy efficiency)



"Green and clean rack type" (One Glass of Water + C2 as refrigerant)

Line 6000 Heat Pump Dryer (Productivity, Sustainability, Insourced HP manufacturing)



"hygiene&clean" dishwashers keep customers safe  
In 2020, the unprecedented challenges of the global pandemic led to the creation of the first dishwashing range with third-party certified disinfection performance.

1995

2012

2014

2016

2018

2020

1995 First Env. cert.



2011 First OHS cert.



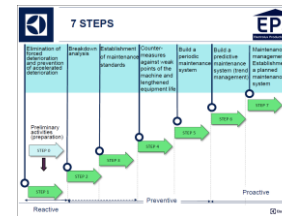
2014 First energy cert.



2015 Electrolux for the better program



2016 EPS introduction



2018 First Green Spirit audits and platina plant



New framework and commitment "OnE Sustainable Partner"

2020 Signing the UN Global Compact and first rating



# Digital acceleration program launched in 2020

## Automation

Further roll-out of new management system and supplier portal.

Common IT system for all factories.

## Customer experience

One single platform:

- e-commerce
- Customer care
- IoT
- Connected one-stop-shop

Maximizes uptime, improves service and reduces consumption of energy, water, and consumables.

## Employee experience

Develop the capabilities of the organization.

Digital ambassador community launched.

## Digital vision 2024

Connected appliance of future installed base

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# Complete offering in foodservice



Horizontal cooking



Cook & chill



Dishwashing



Refrigeration



Dynamic preparation



Static preparation,  
ventilation & serving



# Complete offering in beverage



Hot beverages



Chilled drinks



Slush/frozen beverages



Drip coffee



Espresso coffee



Soft serve



# Complete offering in laundry



Semi-Pro



Front-loader washer



Dryer



Ironer & finisher



Barrier washer



Wet cleaning solution

