

Electrolux Professional Road show
May 3-4, 2022

Alberto Zanata, President and CEO

Jacob Broberg, SVP Investor Relations & Communications

Electrolux Professional snapshot 2021 (2020)



Net sales SEK
7.9 bn
(7.3)

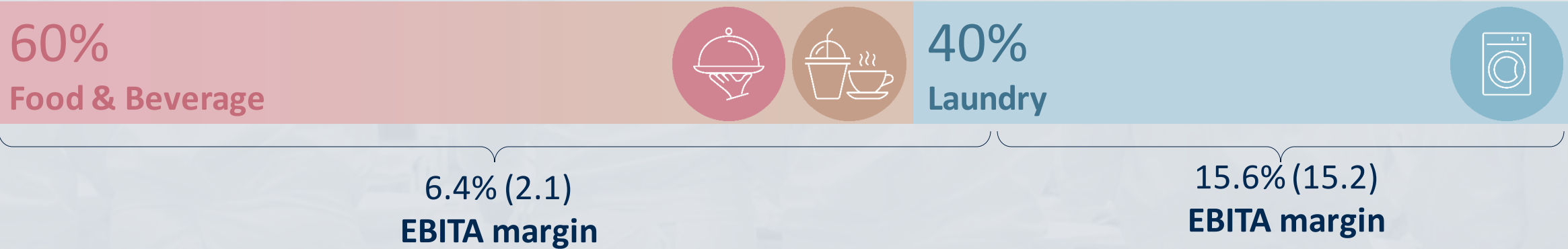
EBITA SEK
0.6 bn
(0.5)

EBITA margin
8.4%
(6.3)

Employing
~4,000

Serving **~110**
countries

Net sales by segment



Net sales by geography



Electrolux Professional is one of the leading global providers of food service, beverage and laundry solutions for professional users with:

- Digital connectivity
- Global Customer care
- Project capabilities



Laundry Solutions



Food Solutions



Beverage Solutions



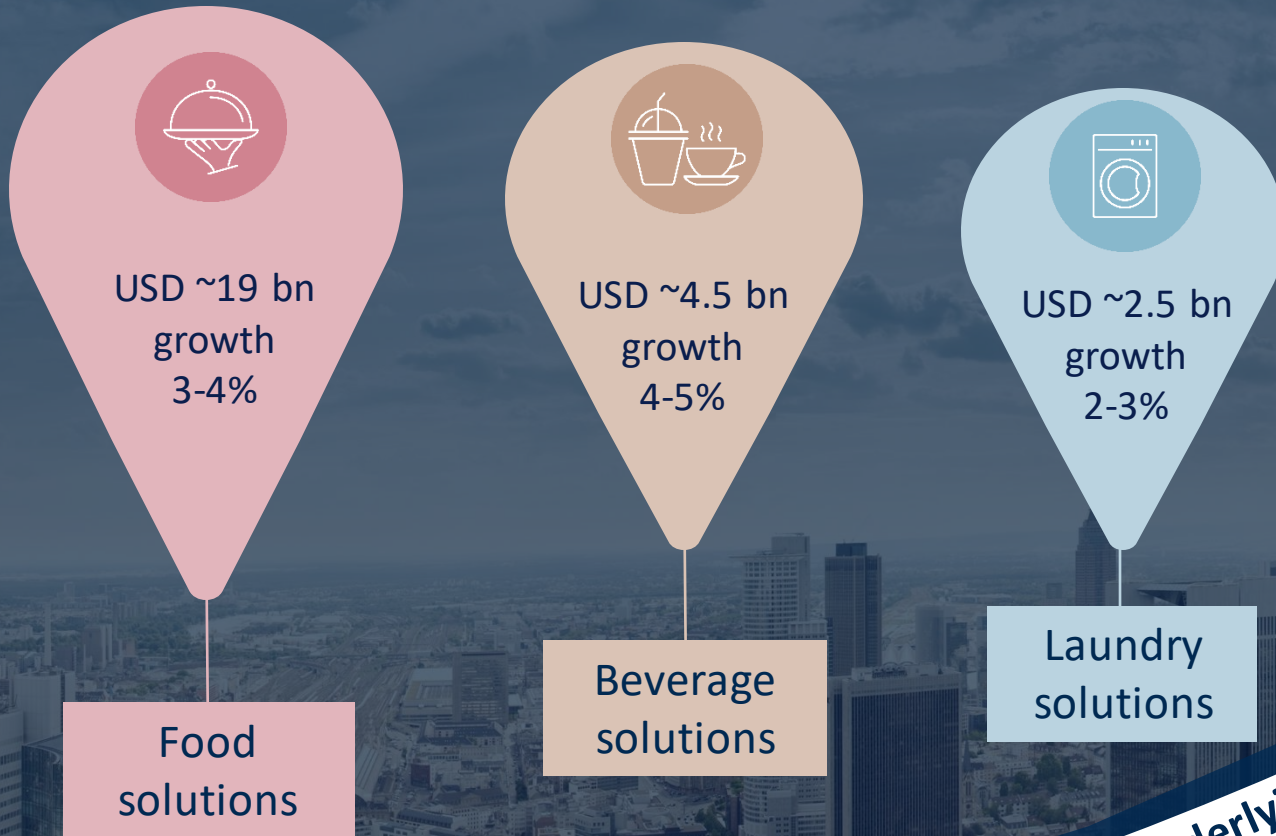
Customer Care

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

Our guiding principles:

- Be Customer obsessed
- Build Trust
- Be Bold
- Act Sustainably

A resilient market driven by long term positive trends despite the pandemic



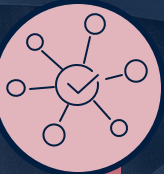
Source: Company estimates for 2021.

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

Strategic cornerstones



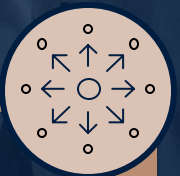
Grow the business through developing sustainable, low running cost solutions



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



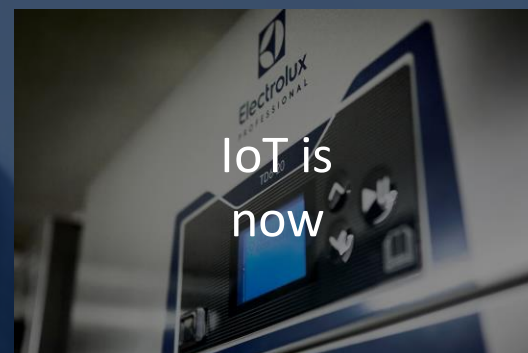
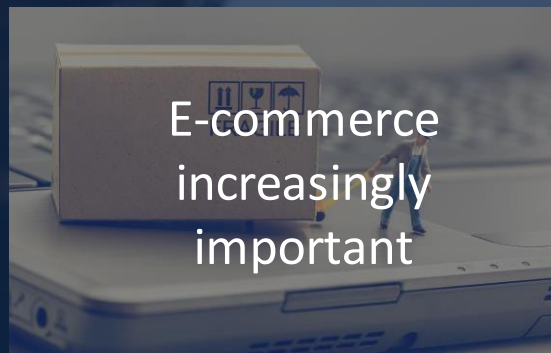
Boost customer care



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

Digital is shaping the Professional industry



Digital ambition 2024

Connected appliance of future installed base

50%

On-line sales distribution

65%

Unified Brands acquisition

- On December 1, 2021, Unified Brands, a leading manufacturer of food service solutions in the U.S., was acquired
- Significantly strengthens our presence in the US and support our focus on growth in food service chains.
- Unified Brands is a leading US based manufacturer of foodservice equipment
 - Production and R&D facilities in Michigan and Mississippi
 - Approximately 600 employees
 - 2021 net sales SEK 1,134bn
 - Sales primarily to restaurants, schools, health care, institutions and hospitality



Primary Cooking



Refrigeration & Custom Fabrication



Ventilation



Continuous Motion Ware-washing



Cook-Chill & Sous Vide



2021 sustainability performance and highlights



CO2 emissions
Scope 1&2

CO2e
Reduction*
-31%



Injury rate

Lost time
Injury rate**
0,7



Gender
balance

Managerial
Positions***
26/74



Energy

Renewable
Energy
47%



Waste
Incl. waste to energy and
material recovery

Waste
Recovery
93%



Suppliers
Audits incl
environment,
health & safety

72/95



Certifications

ISO 14001
coverage
96%

* Scope 1 and 2 – emissions from own operations. Target - 50% by 2025 compared to 2015.

** Target below 0.3 by 2025

*** 26% women, 74% men. Target is 40/60 gender balance by 2030.



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



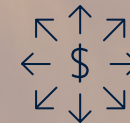
Assets efficiency

Operating working capital <15% of net sales



Capital structure

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



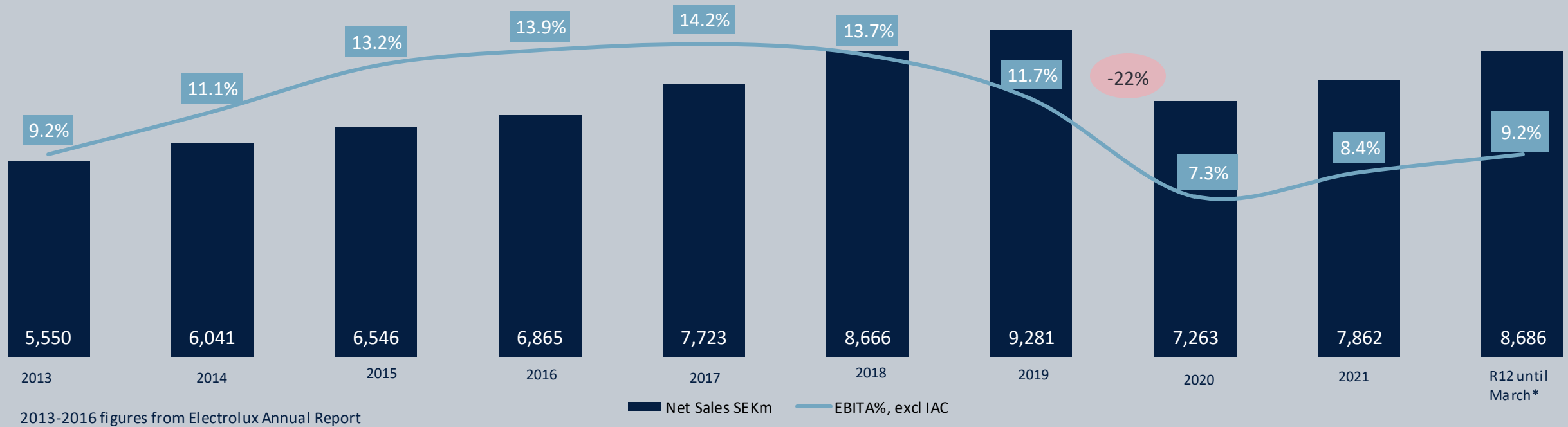
Dividend policy

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.

Net sales and profitability development



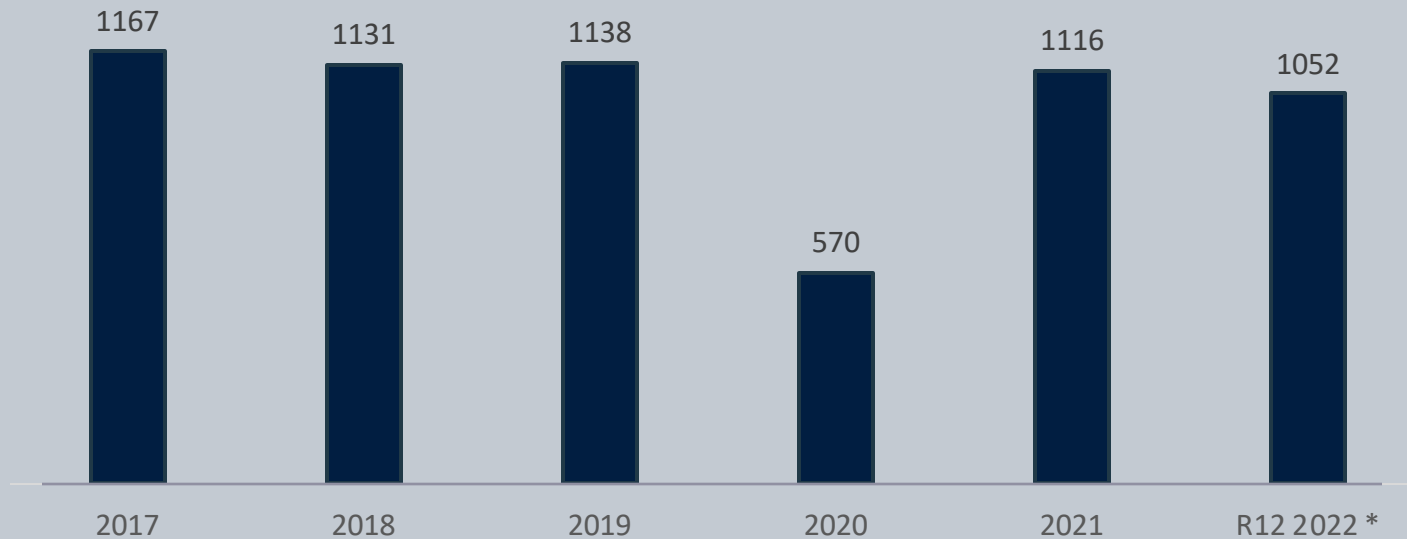
- Track record of growth and profitability improvement (2013-2018)
- 2020-2021 impacted by pandemic

* includes Unified Brands Dec 2021 – Mar 2022

Good cash flow while investments have continued

Operating cash flow after investments⁽¹⁾

SEKm



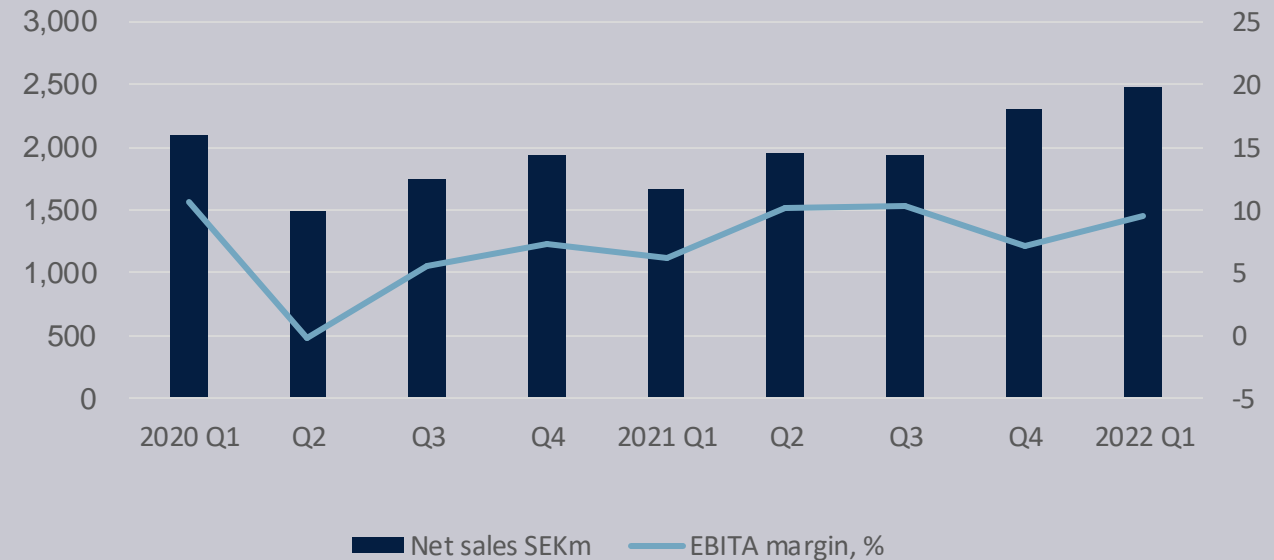
- Proven good cash flow generation over the years

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

*R12 includes Unified Brands Dec 2021 – Mar 2022

2020 and first part of 2021 impacted by the pandemic - but is now recovering

- From the second quarter 2021 the market started to recover
- From the third quarter of 2021 continued and broadened market recovery
- Continued strong sales recovery in the first quarter of 2022 – fourth consecutive quarter growth



Building blocks to reach 15% EBITA margin in place



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

Grow sales in the Chain Segment

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

Continuously reduce operational costs through rationalization and digitalization of operations



Plan in place – delivering 15% EBITA margin

2020

Key take aways

Attractive industry with strong profitability



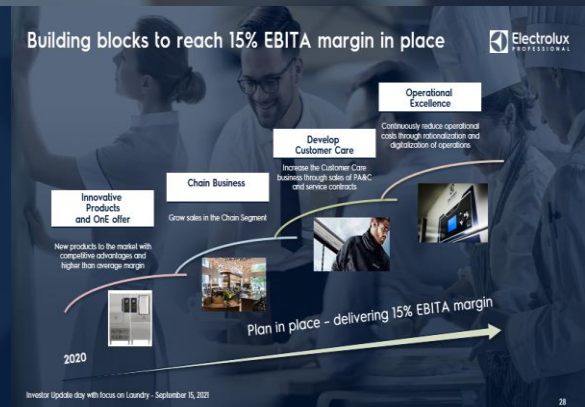
Track record of delivering solid EBITA and cash flow also in difficult times



Market with stable growth that has recovered quickly after the pandemic



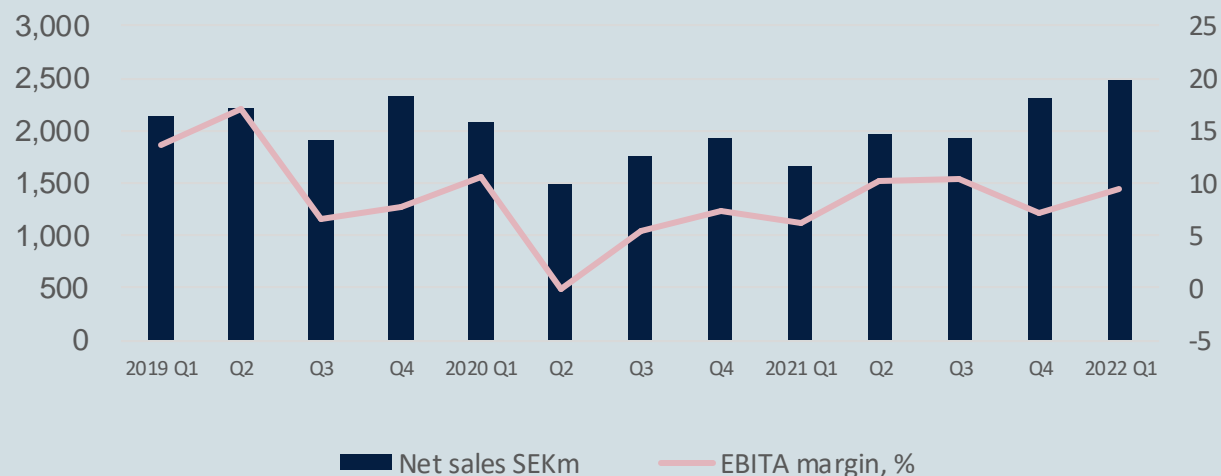
Focused plan to generate margin expansion



Q1: highlights

- Continued strong sales recovery for the fourth consecutive quarter
- Organic sales increase of 25.5%
- Unified Brands contributed with a strong sales growth, and underlying EBITA margin of 11.0%
- The impact of executed price increases continue to lag behind cost increases
- Cost increase is primarily from raw material and components
- EBITA was SEK 236m (103), corresponding to a margin of 9.5%, including Unified Brands integration costs of SEK -15m. Underlying EBITA-margin 10.1%
- Operating cash flow after investments amounted to SEK -42m (23)

SEKm	Jan – Mar 2022	Jan – Mar 2021	Change, %
Net sales	2,484	1,661	49.6
EBITA	236	103	
EBITA margin, %	9.5	6.2	
Operating cash flow after investments	-42	23	



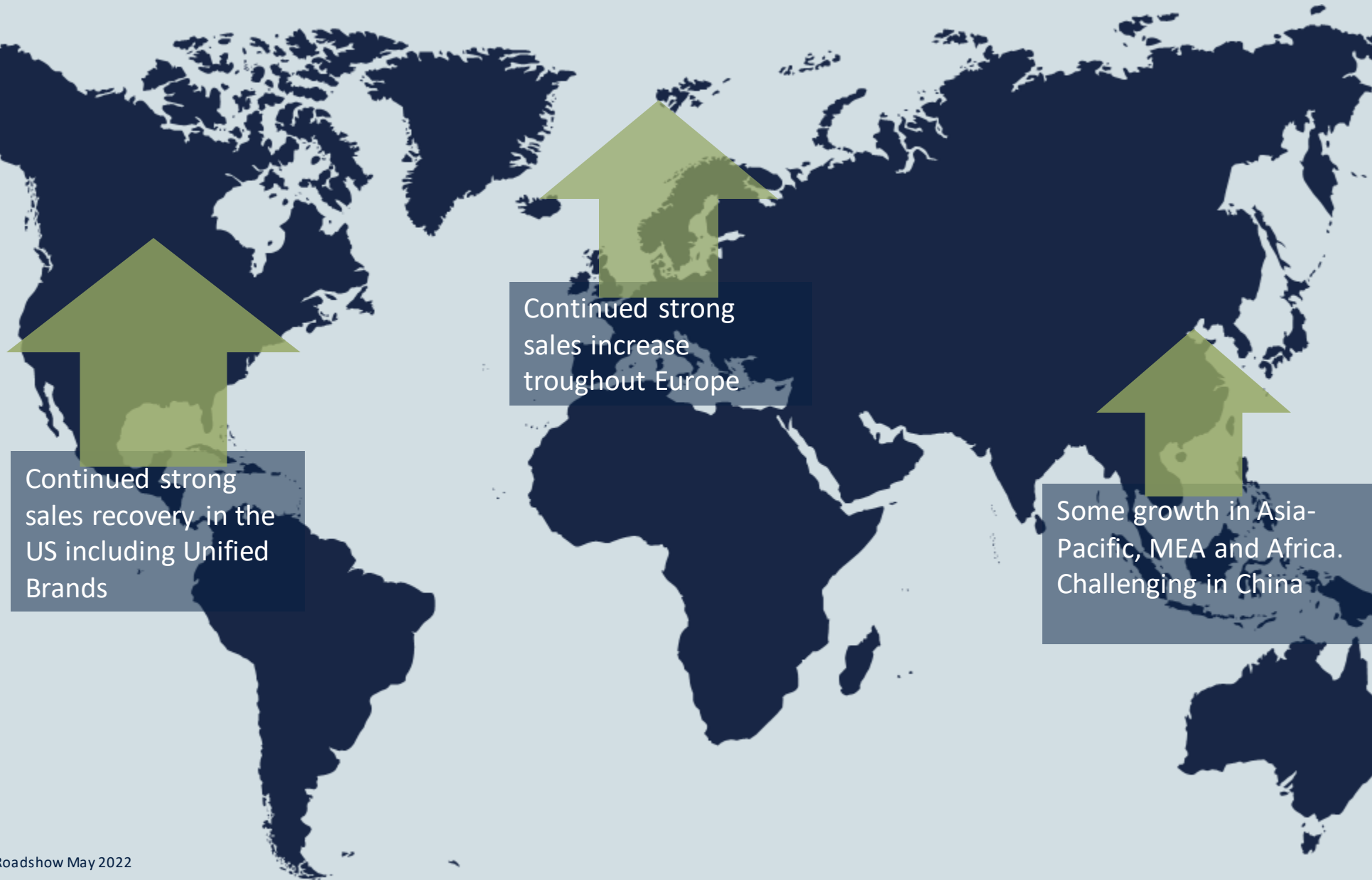
Q1: Financial overview

SEKm	Jan – Mar 2022	Jan – Mar 2021	Change, %
Net sales	2,484	1,661	49.6
Gross operating income	824	551	
Gross operating margin, %	33.2	33.2	
Operating income	199	88	126.9
Operating margin %	8.0	5.3	
EBITA	236	103	128.2
EBITA margin, %	9.5	6.2	

EBITA development

- Increase in EBITA driven by increase in sales volume
- EBITA includes Unified Brands integration related costs of SEK -15m
- The gap between price increases and increased raw material cost was approximately SEK -70 m in the quarter

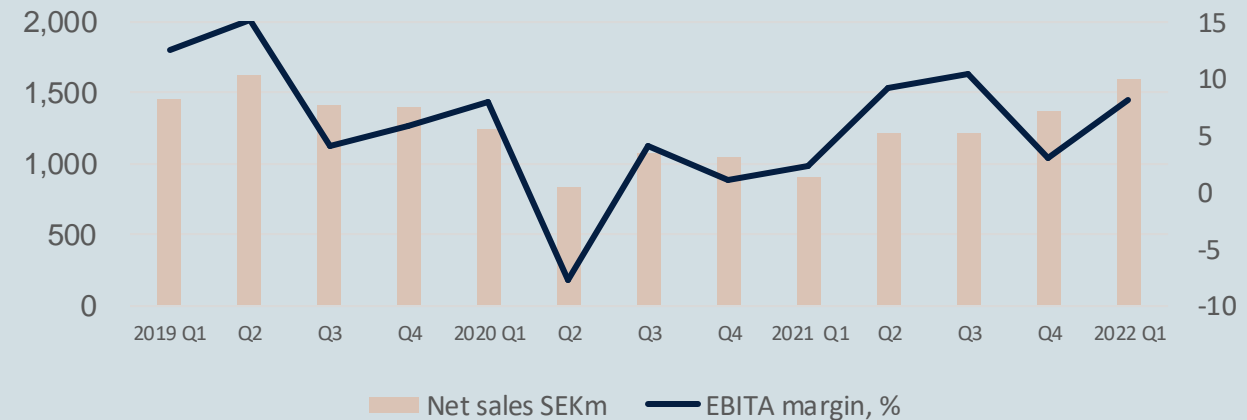
Q1: net sales development per region



Strong sales increase continued

- Organically, sales increased by 34.1%, Unified Brands contributed with 36.3%, currency had a positive effect of 6.1%
- Sales increased organically by 39% in Europe, by 37% in Americas and by 7% in Asia Pacific, Middle East and Africa
- EBITA SEK 129m (21) corresponding to a margin of 8.1% (2.3)
- EBITA includes Unified Brands integration related costs of SEK - 15m. The underlying EBITA-margin was 9.0%

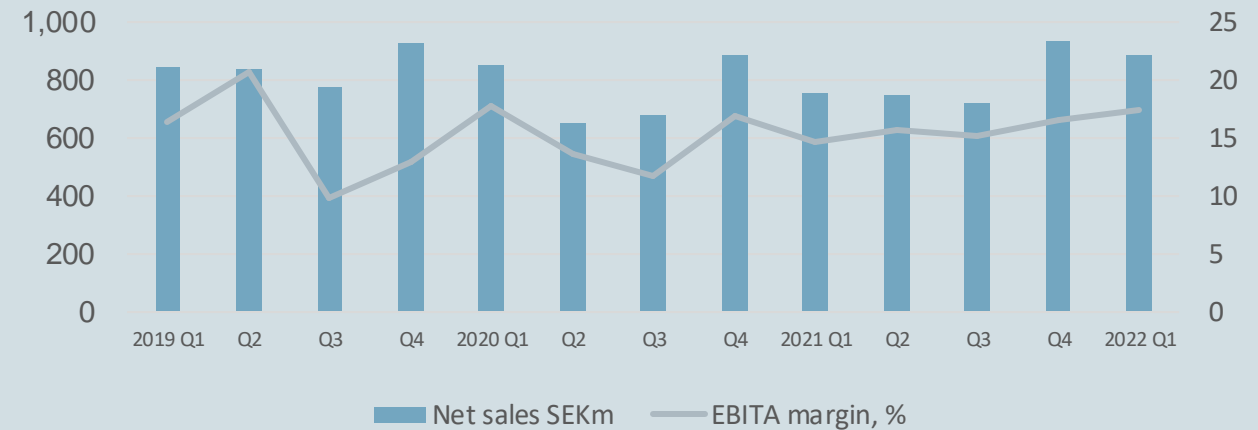
SEKm	Jan – Mar 2022	Jan – Mar 2021	Change, %
Net sales	1,597	905	76.4
Organic growth, %	34.1	-21.1	
Acquisitions, %	36.3	-	
Currency, %	6.1	-6.0	
EBITA	129	21	523.8
EBITA margin, %	8.1	2.3	



Continued strong sales increase – especially in the US

- Sales increased organically by 15.0%
- Sales was particularly strong in the US, but declined in Asia-Pacific, Middle East and Africa
- EBITA SEK 154m (111) corresponding to a margin of 17.4% (14.7)

SEKm	Jan – Mar 2022	Jan – Mar 2021	Change, %
Net sales	887	756	17.4
Organic growth, %	15.0	-7.1	
Currency, %	2.3	-3.8	
EBITA	154	111	38.9
EBITA margin, %	17.4	14.7	



Q1 Summary

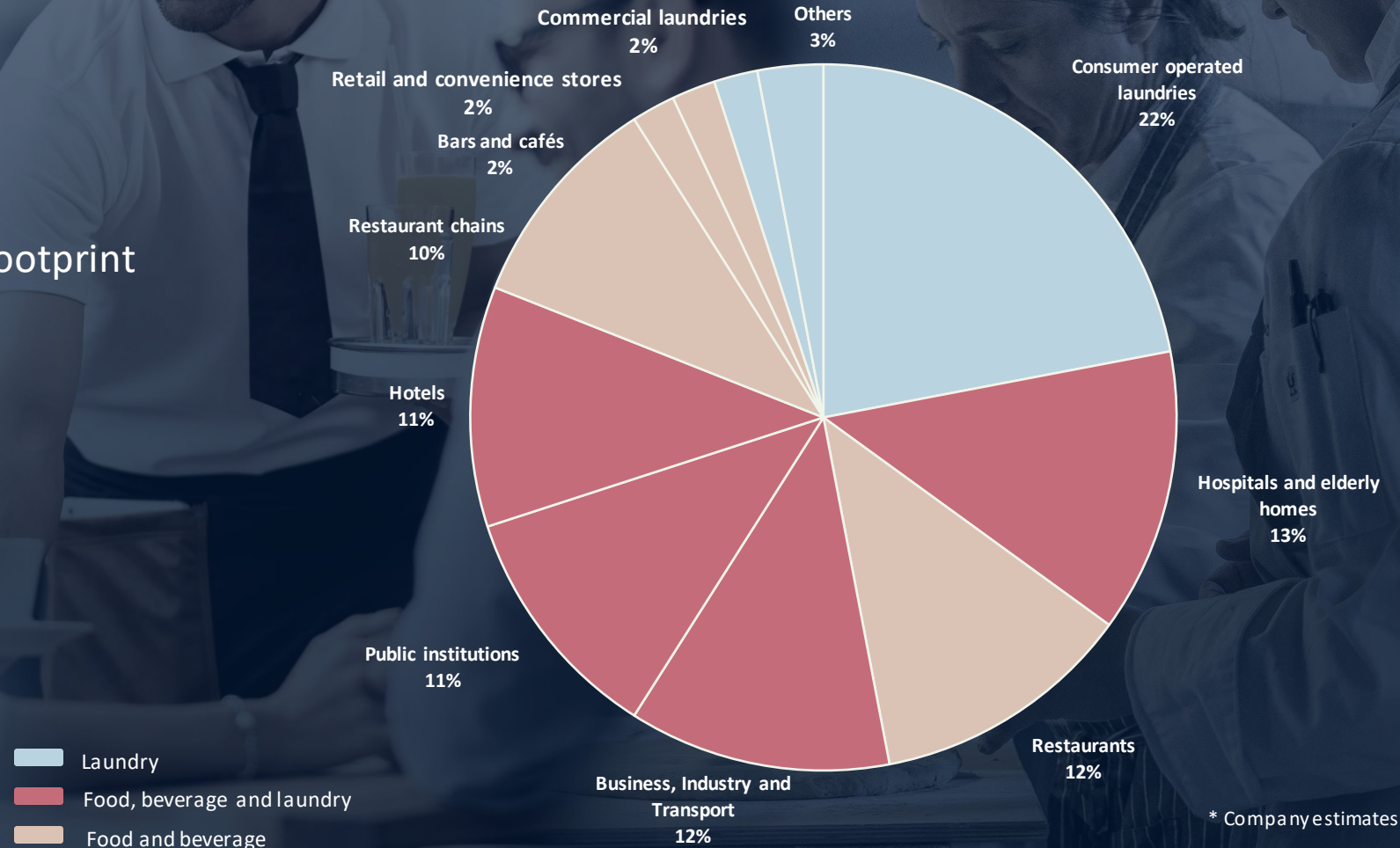
- Continued strong sales recovery
- Unified Brands delivered strong sales in the quarter
- Price have not yet fully mitigated raw material cost increases
- Availability of raw material, component and transportation continue to be a challenge
- Additional price increases or surcharges will be implemented
- Simplified organization with business areas to drive strategic priorities and be closer to customers
- Strong order trend continues with a solid order stock – gives confidence for the second quarter

Appendix

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 *



Food Service offering - examples

Ranges and Primary Cooking



Combi ovens & Blast Chillers



Refrigeration and Servery



Food Preparation



Warewashing



High-speed Cooking



Beverage offering - examples

Hot Beverages



Chilled Drinks



Slush/Frozen Beverages



Coffee



Frozen Creams



Soft Serve



Laundry system offering - examples

Front loaded washer extractors



Tumble dryers



Barrier washers and Ironers



myPRO semi-professional washers, dryers and ironers



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.



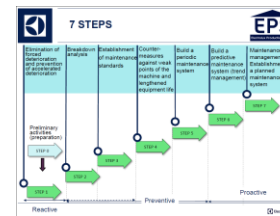
2014 First energy cert.



2015 Electrolux for the better program



2016 EPS introduction



2018 First Green Spirit audits and platina plant

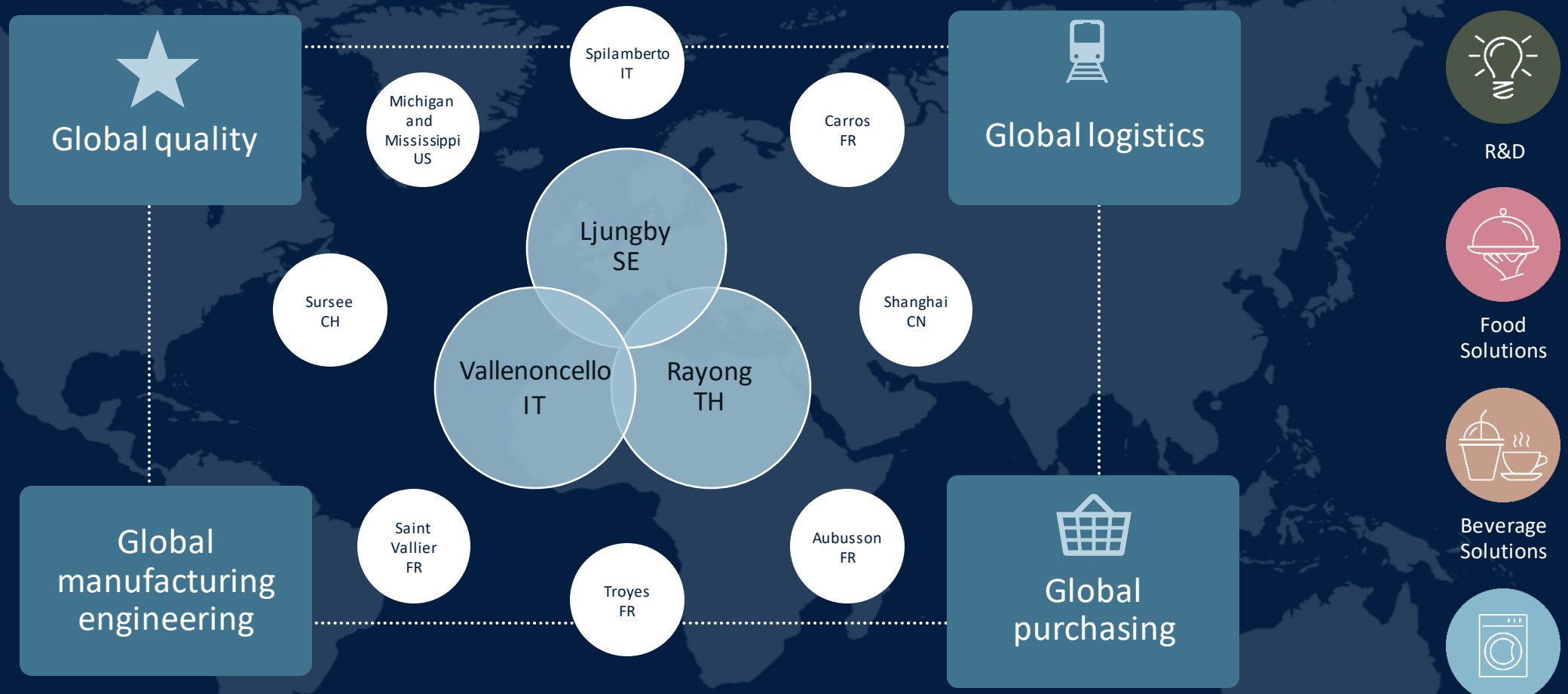


New framework and commitment “OnE Sustainable Partner”

2020 Signing the UN Global Compact and first rating



A Global industrial footprint to serve customers expanding globally



- 3 large units/hubs
- 8 small units



- Local customer proximity
- Global functions including R&D



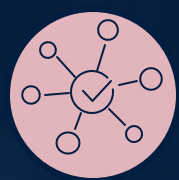
Strategic cornerstones - GROW



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





Strategic cornerstones - CHAINS

Expand in commercial restaurant chains



- Grow organically and through M&A
- Focus on North America food service chains
- Chains to be addressed through product champions and further penetrated with additional solutions





Strategic cornerstones - CUSTOMER CARE

Grow Customer care

- 15% of sales in 2021 but growing
- Ambition to grow faster than product sales
- Long term ambition to be in line with industry peers

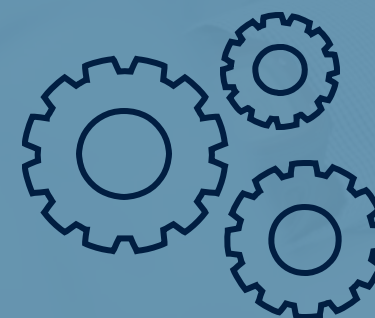


Consumables



Complete range of product families

Chemicals for appliances



Spare Parts



Parts kits



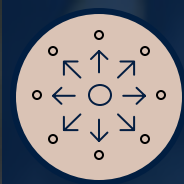
Service & Repair



Service product 3.0 "world wide"

Digitalized services connected network

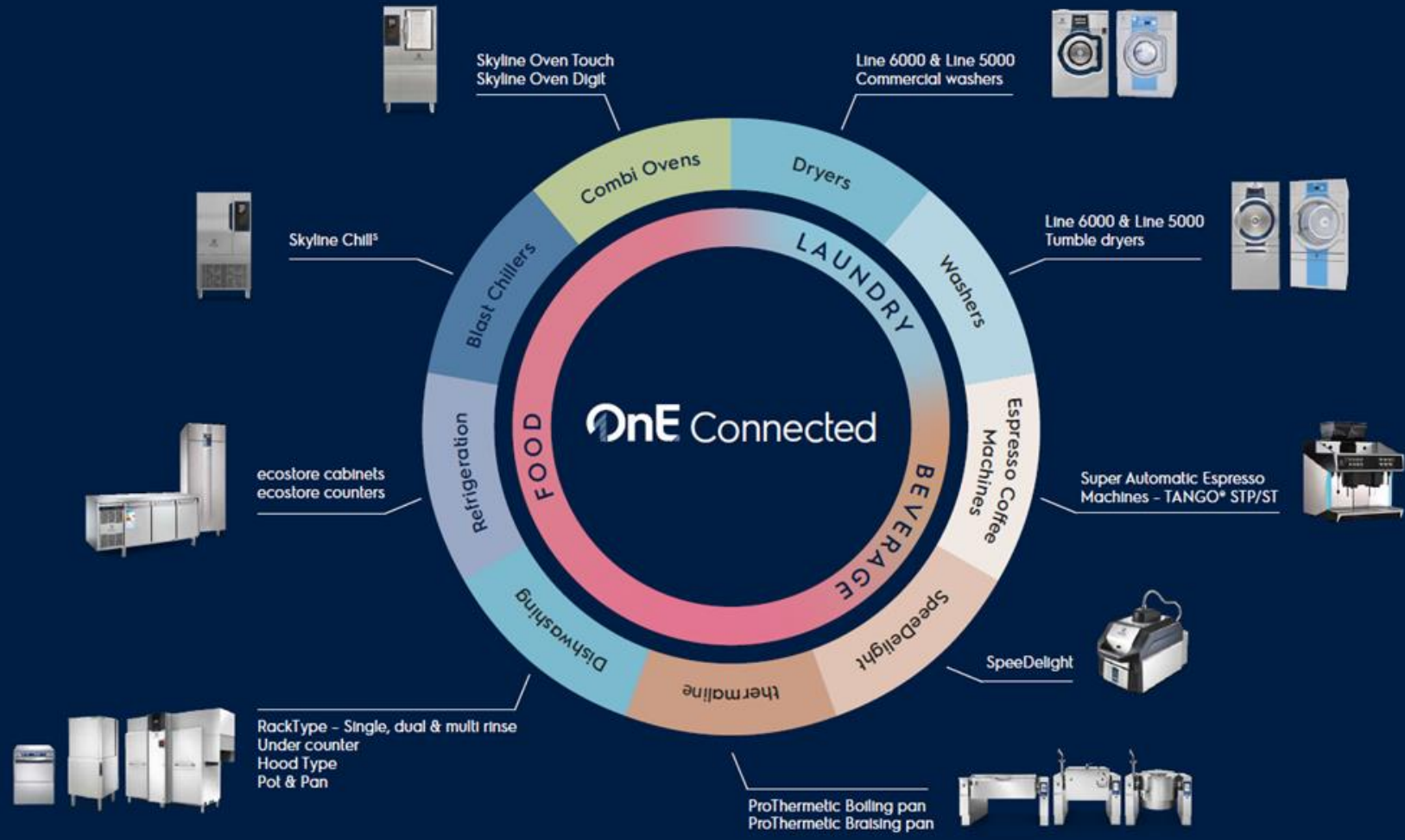




Strategic cornerstones - OnE DIGITAL



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





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