



Electrolux
PROFESSIONAL

Well positioned to create value
Investor Day 2020

Important information



This presentation constitutes an advertisement within the meaning of article 22 of the Prospectus Regulation (EU) 2017/1129. Please read the following information carefully.

This presentation does not contain any offer to subscribe for, or in any other way acquire shares or other financial instruments in Electrolux Professional AB (“**Electrolux Professional**” or the “**Company**”), neither in Sweden nor in any other jurisdiction. The presentation may not be distributed to or into the United States, Canada, Australia, Japan or any other jurisdiction where such distribution would require any prospectus, registration or measures besides those required by Swedish law or otherwise would be in conflict with applicable regulations in such countries or in such jurisdictions. Recipients of this presentation are required to inform themselves about, and comply with, such restrictions. Any failure to comply with the restrictions described may result in a violation of applicable securities regulations.

The distribution of Electrolux Professional’s shares has not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “**Securities Act**”). The Electrolux Professional shares have not been approved or disapproved by the U.S. Securities and Exchange Commission (“**SEC**”), any state securities commission in the United States or any U.S. regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the distribution of the Electrolux Professional shares or the accuracy or adequacy of this document. Any representation to the contrary is a criminal offence in the United States.

Electrolux Professional will be relying on an exemption provided by Rule 12g3-2(b) under the United States Securities Exchange Act of 1934, as amended, and therefore will not be required to register its shares with the SEC. In accordance with Rule 12g3-2(b), Electrolux Professional will make available certain documents on its website. These documents will consist primarily of English-language versions of the Group’s annual reports, press releases and certain other information made public in Sweden. However, Electrolux Professional will not be required to file with the SEC annual reports on Form 20-F or furnish reports on Form 6-K.

The Electrolux Professional shares generally should not be treated as “restricted securities” within the meaning of Rule 144(a)(3) under the Securities Act, and persons who receive securities as a result of the separation of Electrolux Professional from Electrolux (other than affiliates) may resell them without restriction under the Securities Act. A receiving shareholder who is an affiliate of Electrolux Professional as of the date and time at which the separation of Electrolux Professional from Electrolux becomes effective or who became affiliates thereafter will be subject to certain U.S. transfer restrictions relating to the shares received pursuant to the separation.

This presentation contains forward-looking statements that reflect the Company’s current expectations. Although the Company believes that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations prove to have been correct as they are subject to risks and uncertainties that could cause actual results to differ materially due to a variety of factors. These factors include, but are not limited to, changes in consumer demand, changes in economic, market and competitive conditions, currency fluctuations, developments in product liability litigation, changes in the regulatory environment and other government actions. Forward-looking statements speak only as of the date they were made, and, other than as required by applicable law, the Company undertakes no obligation to update any of them in light of new information or future events.

Agenda

- 10:00 Welcome
Jacob Broberg, SVP Investor Relations and Communications
-
- 10:05 Capturing the growth potential of Electrolux Professional through its industry-unique position
Alberto Zanata, President and CEO
- 10:30 Food & Beverage and Laundry – A complete offering under one brand
Torsten Urban, SVP Product and Marketing
- 10:45 Electrolux Professional Europe - Delivering consistent growth in a mature market
Philippe Zavattiero, SVP and GM Europe
-
- 11:00 Break
-
- 11:05 Industrial Operations - Global footprint with local customer proximity
Carlo M. Caroni, COO
- 11:20 Financial strategy and road towards the financial targets
Fabio Zarpellon, CFO
- 11:40 Summary
Alberto Zanata, President and CEO
-
- 11:45 Q&A
- 12:15 Investor Day closes





Capturing the growth potential of Electrolux Professional
through its industry-unique position

Alberto Zanata, President and CEO

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



Experienced management team to deliver on the plan

Team presenting today



Alberto Zanata
President and CEO



Jacob Broberg
SVP Investor
Relations and
Communications



Torsten Urban
SVP Product and
Marketing



Philippe Zavattiero
SVP and GM Europe



Carlo M. Caroni
COO



Fabio Zarpellon
CFO

Electrolux Professional snapshot



Total net sales CAGR 2017-19 ⁽¹⁾ ~10%	2019	Net sales SEK 9.3 bn	EBITA SEK 1.1 bn	EBITA margin 11.4%	Employing ~3,600	Serving ~110 countries
--	-------------	--------------------------------	----------------------------	------------------------------	----------------------------	-------------------------------------

Net sales by segment

64%
Food & Beverage



36%
Laundry



9.6%
EBITA margin

15.0%
EBITA margin

Net sales by geography

~66%
Europe

~17%
Americas

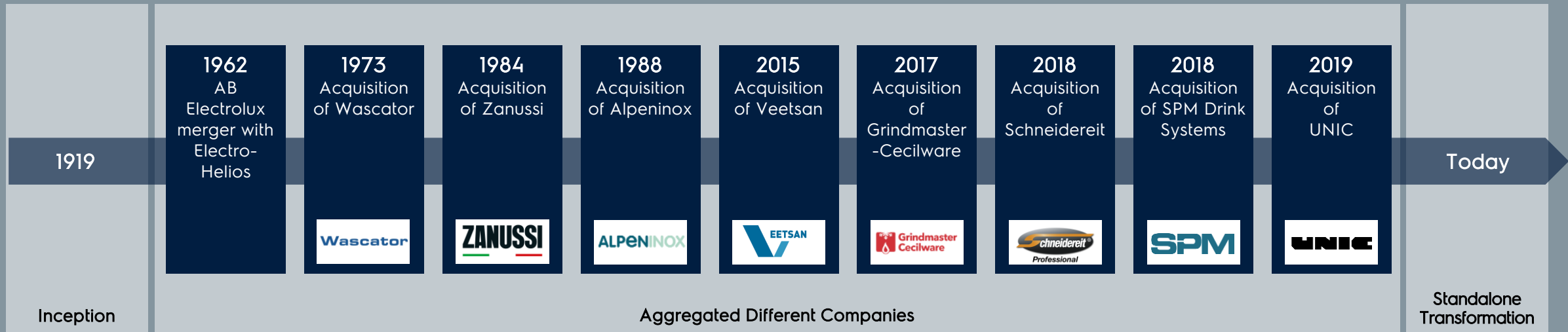
~16%
APAC & MEA

Note:

1. Organic growth of ~3% (i.e. excluding acquisition and currency impact).

A strong core with select add-on acquisitions

Elektro  Helios



Fully operational as a standalone company



Data Center
migration
completed



All 30 shared
locations and 11
operational facilities
separated



All 51 relevant
common supply
contracts separated



All 39 share and
asset transfers
completed



All 23 main policies
approved and 18
specific legal entities
established



Combined financial
statements for
3 years



Secured financing
of an amount of
SEK 600m and
EUR 250m



Outsourcing of all 18
local finance
transaction functions
completed

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



One brand covering Food, Beverage and Laundry

Broad customer base in an attractive market

Attractive financial profile with a solid track record

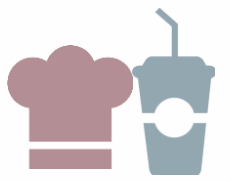
Our mission



Making our customers' work life easier, more profitable and truly sustainable every day

Operating in a growing and resilient market

Global market size of USD ~28 bn



USD ~25.5 bn
Growth 3-4%



USD ~2.5 bn
Growth 2-3%

Laundry solutions

Food and Beverage solutions

Underlying trends

- Population growth
- Urbanization
- Increasing workforce participation
- Growing disposable household income
- Changes to customer and consumer behavior (such as increased eating on-the-go and eating out-of-home)

Estimated market size 2019 and historical annual growth

A changing consumer and customer behaviour



Sustainability

Growing focus on total cost of ownership vs. upfront investment cost



Digitalization

Demand for technologically advanced equipment to increase uptime & support staff



Flexibility

Demand for more flexible appliances to reduce footprint



Trends

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

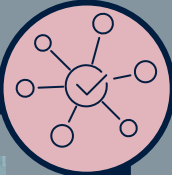
Strategic cornerstones



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



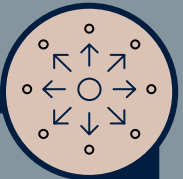
Expand in food service chains, especially in North America, beverage and emerging markets



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



Innovation is part of our DNA



FOOD SOLUTIONS



Skyline – the first truly integrated Cook & Chill system in the market with the products talking to each other



BEVERAGE SOLUTIONS



Precision brewers – allows to customize the taste profile of coffee while maintaining its taste for longer



LAUNDRY SOLUTIONS



Line 6000 – a step change in the industry in terms of productivity, cost of ownership and usability / ergonomoy



We satisfy our customers' needs

PERFORMANCE



Productivity – smart and efficient products to increase productivity and decrease complexity

ENVIRONMENT

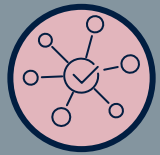


Sustainability – products designed to allow customers to use less chemicals, energy and water

CUSTOMER PROFITS



Low running costs – focused on helping customers save on running costs and increase profitability



Expanding in food service chains...

North America food service chains

Growing organically and through M&A to achieve critical mass and recognition as a “US player” with support from chains to further expand business with them globally

Chick-fil-A

Chipotle

Subway



Cracker Barrel

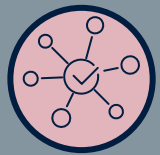
KFC



Autogrill



Customer
Examples



...as well as growing in Emerging Markets and Beverage



Emerging markets



Increasing presence in Asia through manufacturing, distribution and services

Beverage



Strengthening our beverage and coffee offering through organic investment and M&A to strengthen our market share



True customer care through strong service network

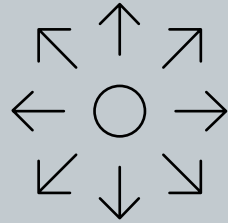


We remain connected with our customers throughout the lifetime of the products

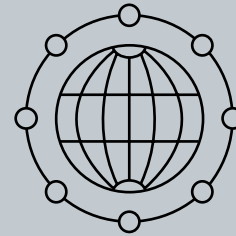
~10,000 authorized technical experts ⁽¹⁾ in >110 countries



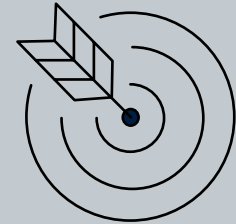
Our integrated customer care product



Flexible service offering



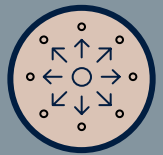
Keeping track of the installed base



Targeted promotions of accessories and consumables

Note:

1. via >2,000 service partners



Leveraging the OnE approach...



Food



Beverage



Laundry

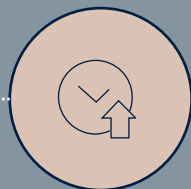


Customer care

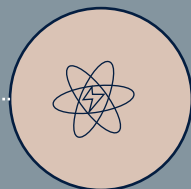
GIVING YOU



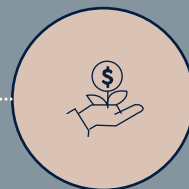
Increased productivity



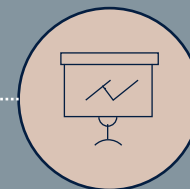
Maximum uptime



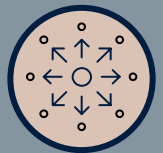
Improved efficiency



Reduced costs



More business



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



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

Strategic priorities

North America and chains

Emerging markets

Beverage

Note:

In 2016 asset transfer of Kelvinator brand and stock into business area professional perimeter

Coronavirus update



Ongoing coronavirus outbreak and impact on sales



Sourcing of components and manufacturing capacity



Hospitality industry and overall market demand



Actions taken and policies updated on continuous basis



Opportunities from increased focus on hygiene

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



Experienced management team to deliver on the plan



Food & Beverage and Laundry
A complete offering under one brand

Torsten Urban, SVP Product and Marketing

Well positioned to meet customers' needs

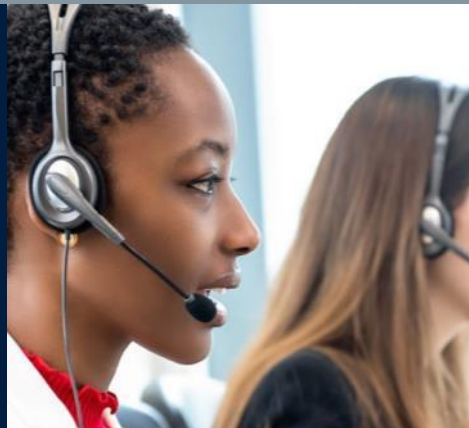
Complete offering



Innovative solutions



Global customer care



OnE approach



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



Drive organic growth through innovation



● 2018 ● 2019

Annual spend	Average 2017 - 2019
R&D / net sales	4.4%

We help our customers
save money

Our focus:
sustainable,
innovative,
low running cost
solutions in laundry

15%
Investment



55%
Chemicals



20%
Energy



10%
Water

Note:

Company estimate of total life cycle cost for a professional laundry installation

What?

Renovation of 19 laundry rooms

Full turn key solution
incl. Essentia
maintenance contract

Total investment
SEK 6.0m

How?

Automatic load detection
& adaption

Efficient dosing

Heatpump Technology

Connectivity
Vision booking system

Result

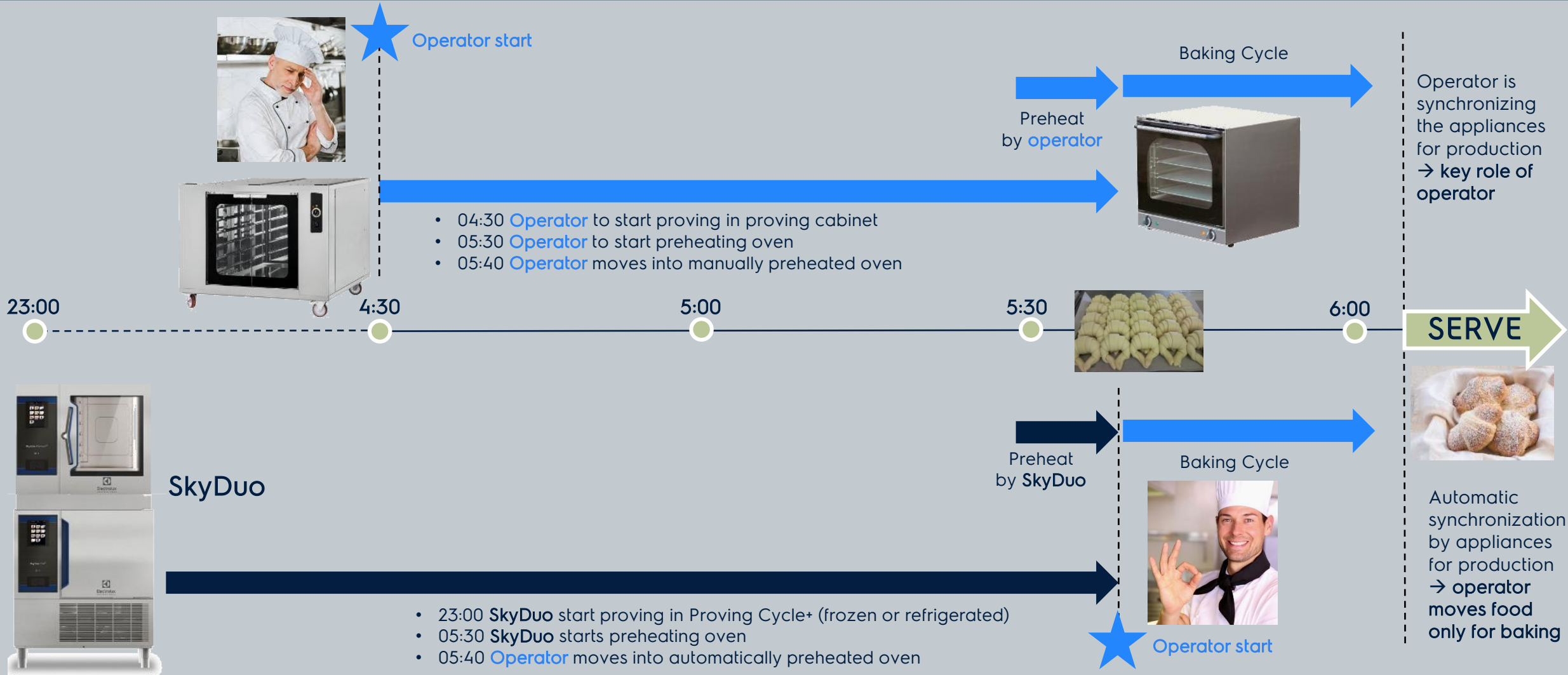
Energy savings
>60%

Detergent savings
>50%

Water savings
>50%

Effortless use, peace of mind

Total savings
SEK 4.6m over 10 years



We deliver on our customers' needs

KEY BENEFITS ACROSS CATEGORIES



Long-term savings

Lowest running cost and total cost of ownership, and embrace a sustainable lifestyle



Performance

Best in class performance



Outstanding productivity

Produce or wash/dry less in more to make your business more profitable



Real-time solutions

Monitor your equipment's status and performance from anywhere and take action to improve your business



Easier, healthier, safer

Certified ergonomic design with a human-centred approach for an outstanding user experience



We have a strong customer care offering

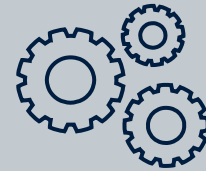


Consumables



Complete range of product families

Chemicals for appliances



Spare Parts



"Parts kits" pricelists & packages



Service & Repair



Service product 3.0 "world wide"

Digitalized services connected network

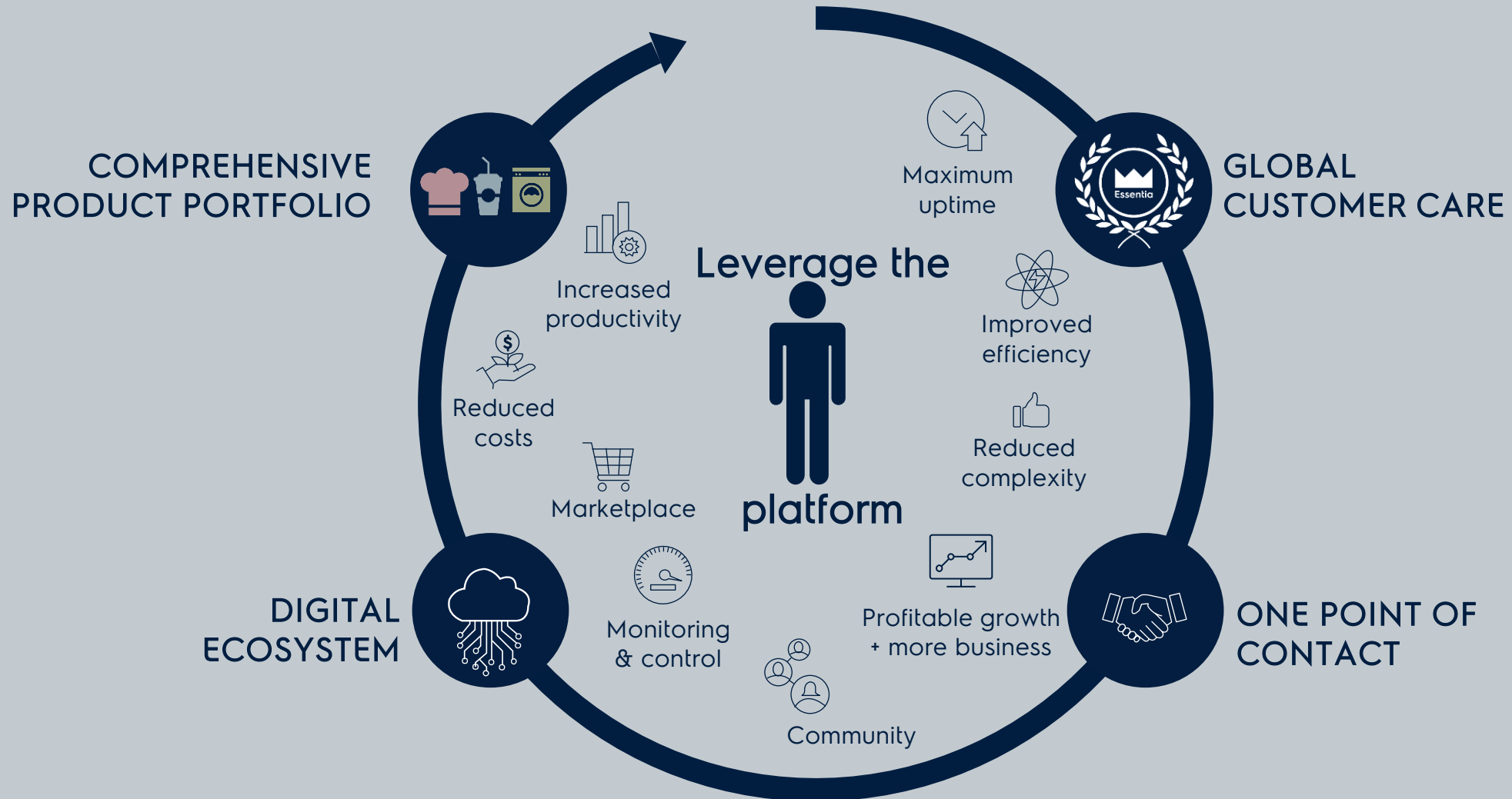


Boosting our customer care

Being an integral part of the full solution delivery

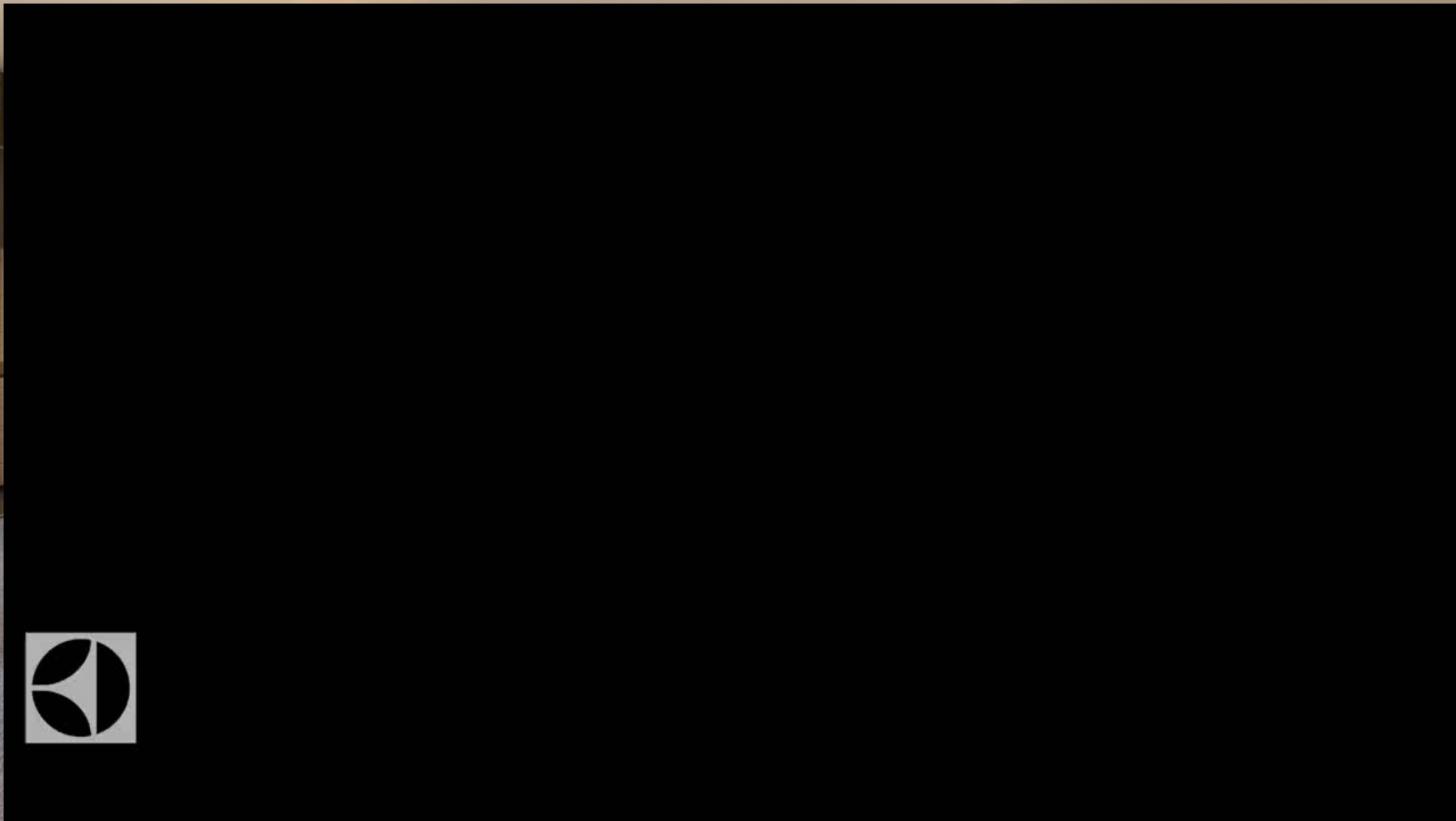


Easy to sell, easy to buy, easy to service



Case
Study

Successful implementation of OnE



Well positioned to meet customers' needs

Complete offering



Innovative solutions



Global customer care



OnE approach





Electrolux Professional Europe
Delivering consistent growth in a mature market
Philippe Zavattiero, SVP and GM Europe

One of the global leaders in a market with significant opportunities

Stability and consistency in complex markets



Clear targets and focus on new opportunities



Optimized infrastructure and distribution model



Profitable growth



Successfully addressing customers' needs in a complex market



Key Customer Segments

Autogrill

Restaurants & chains

Marriott

Hotels

Orpea

Care facilities

Illy

Bars, cafés, roasters & ingredient producers

Manchester City

Education, leisure & sport

Elior Group

Business, transport, industry & facility managers

Eataly

Retail & convenience stores

The British Army

Public institutions

Customer Examples

We optimize market coverage using a three pillars organization

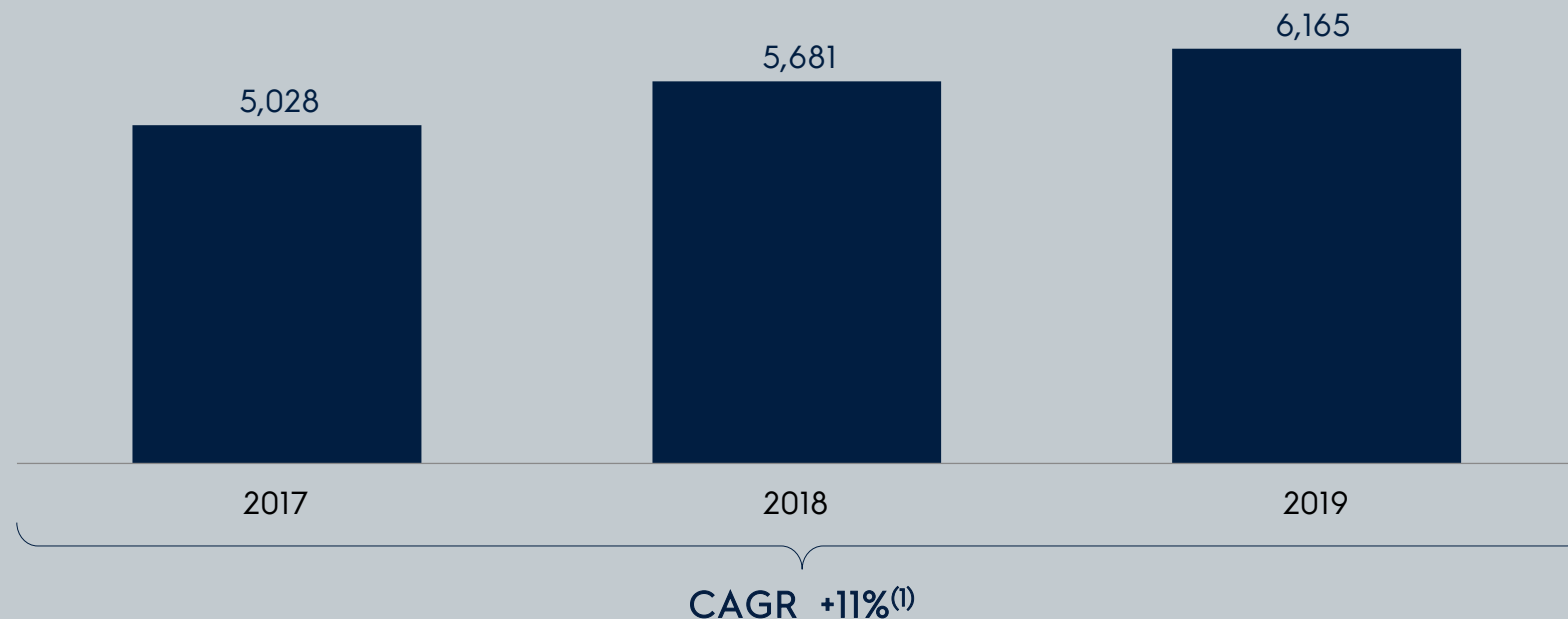


Note:

- 1. International Key Accounts
- 2. Outside of Europe

We have consistently delivered growth

Europe net sales SEKm



- Leveraging new product introduction
- Increasing European chains business penetration
- Continuing strong position in projects business
- Improving year on year sales efficiency

...delivered better than the market

Note:

1. Incl. organic, acquisition driven, and FX related growth

Autogrill from one product category to OnE

2004-2008	2009-2018		2019	2019 onwards...
<ul style="list-style-type: none"> Project Business Olympic Games in Torino 	<ul style="list-style-type: none"> Client's process analysis Customers benefits analysis Tests on energy consumption Tests on water & detergent consumption 		<ul style="list-style-type: none"> Product use optimization Speed-up customers services 	<ul style="list-style-type: none"> Electrolux Professional is following Autogrill's geographical expansion
<ul style="list-style-type: none"> Cooking and Refrigeration 	<ul style="list-style-type: none"> High Speed Panini In 95% of motorways/ airport/ train station locations 	<ul style="list-style-type: none"> Dishwashers range is becoming the standard for new openings and is gradually replacing existing products 	<ul style="list-style-type: none"> Connectivity 25 locations connected 	<ul style="list-style-type: none"> France Spain Switzerland Germany Shanghai Doha



Autogrill



MANDARIN ORIENTAL MILANO – Italia (2016)

Category Hotel: 5*****Luxury

Michelin Star Restaurant & Hotel Restaurants

- 4 full complete Kitchens
- Kitchen & Bar complementary products
- Laundry systems with Lagoon technology

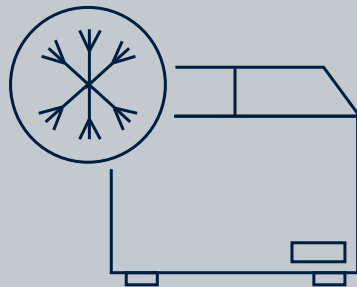


reddot award 2014
best of the best



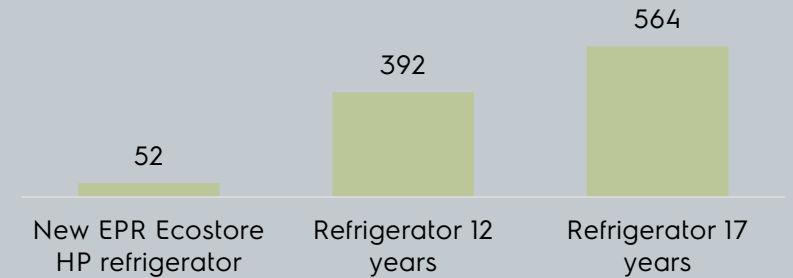
Problem to solve

According to the Swedish Energy Agency, **59%** of restaurant energy use is linked to the kitchen and one of the biggest energy users are **old refrigerators and freezers**

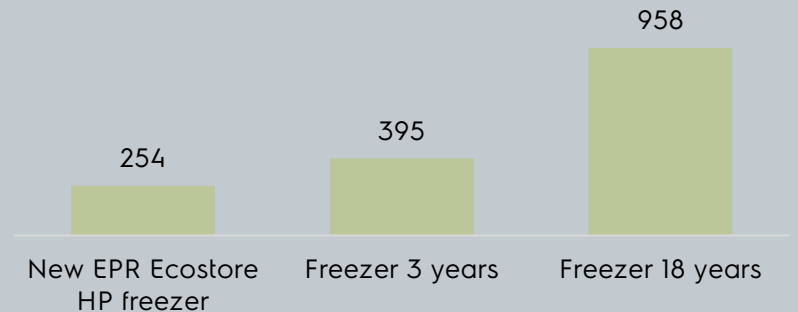


Karlstad Municipality gave us a challenge to save up to **65% energy savings** with our new cabinets

Energy consumption refrigerator (kWh) | Karlstad Municipality's school kitchen 13/6 - 10/8 2016 ⁽¹⁾



Energy consumption freezer (kWh) | Karlstad Municipality's school kitchen 13/6 - 10/8 2016 ⁽¹⁾



Note:

1. Energy measurement done by Karlstad Municipality

One of the global leaders in a market with significant opportunities

Stability and consistency in complex markets



Clear targets and focus on new opportunities



Optimized infrastructure and distribution model



Profitable growth



A photograph of several chefs in white uniforms and tall white hats, seen from behind, working in a professional kitchen. They are standing at a long counter, and the background shows large windows and kitchen equipment.

Industrial Operations

Global footprint with local customer proximity

Carlo M. Caroni, COO

Sustainably executing mission to deliver profitable growth



Right product availability



Cost competitiveness



Superior quality



Qualified and motivated team



Creating value for the customers whilst increasing efficiency



Operational excellence

Supplier excellence

Quality excellence

Production cost out

Supply chain agility

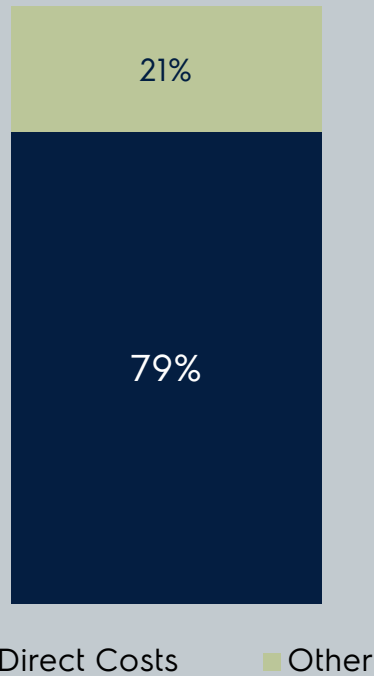


Increasing efficiency

Standardization

Modularization

Focusing on supplier excellence



Direct costs make up the majority of cost base⁽¹⁾

- Majority of purchases are **direct materials**, such as mechanical and electrical components
- The most significant raw material is **steel**, sourced from several best in class suppliers
- Total of **~1,100 suppliers** covering direct materials supply⁽²⁾
- Other include: **indirect materials**, marketing, professional services

Operational
Excellence



Customer
Experience



Digital
Transformation



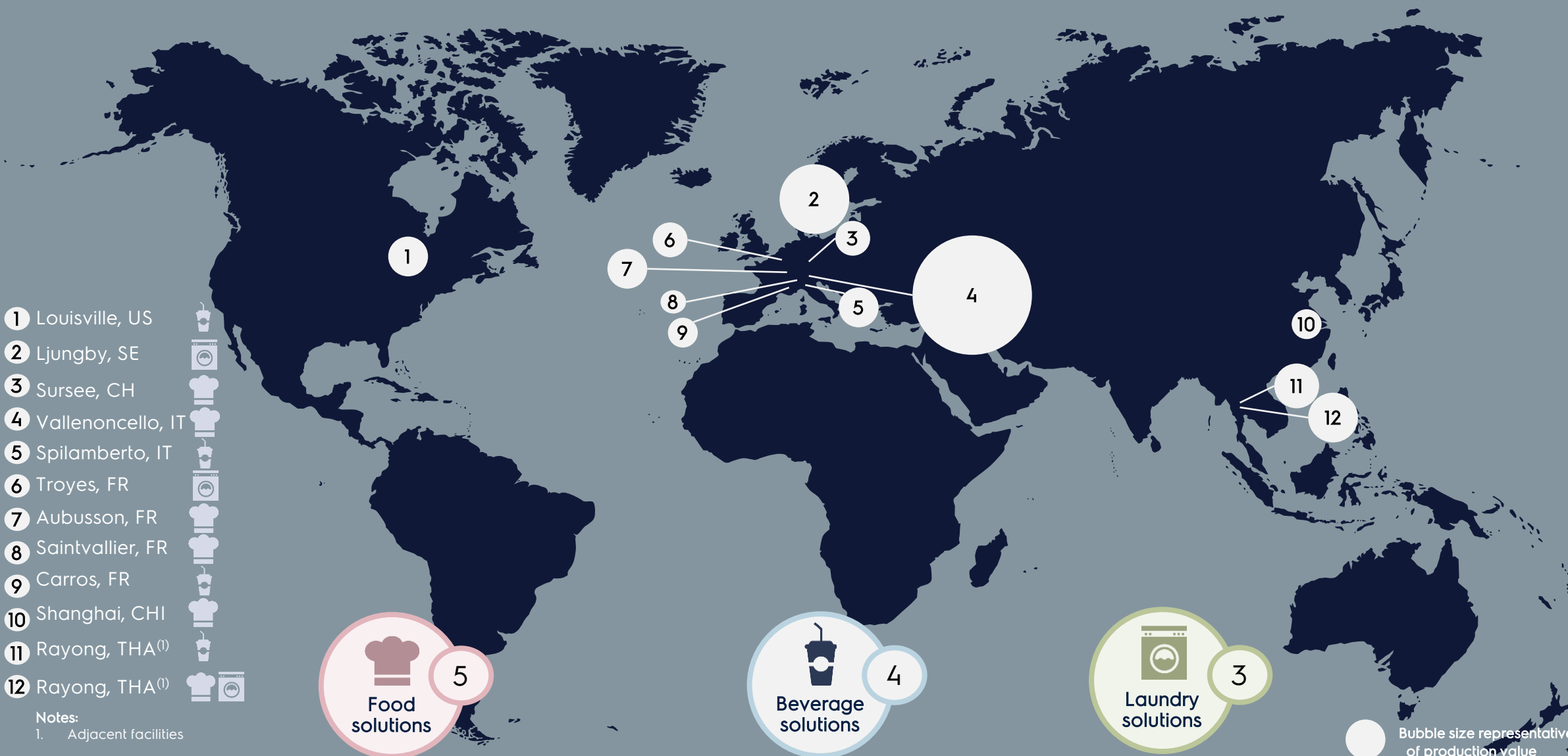
Talent &
Teamship



Note:

1. Including OEM bought in
2. Higher than EUR 10,000

Strong footprint ensuring proximity and agility



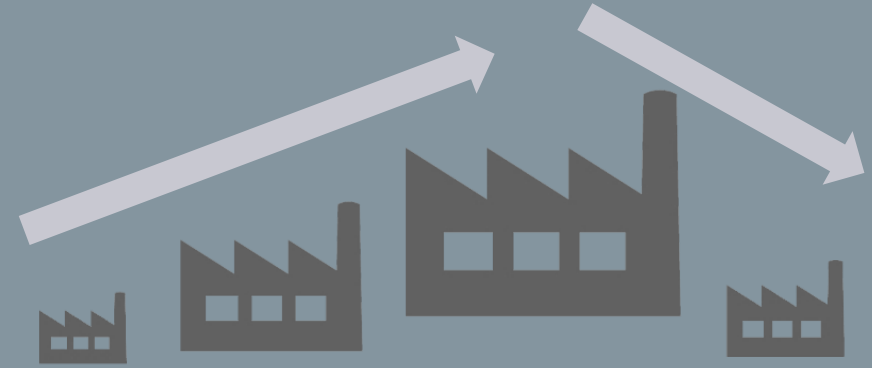
- 1 Louisville, US
- 2 Ljungby, SE
- 3 Sursee, CH
- 4 Vallenoncello, IT
- 5 Spilamberto, IT
- 6 Troyes, FR
- 7 Aubusson, FR
- 8 Saintvallier, FR
- 9 Carros, FR
- 10 Shanghai, CHI
- 11 Rayong, THA⁽¹⁾
- 12 Rayong, THA⁽¹⁾

Notes:
1. Adjacent facilities

Combining proximity and competitiveness

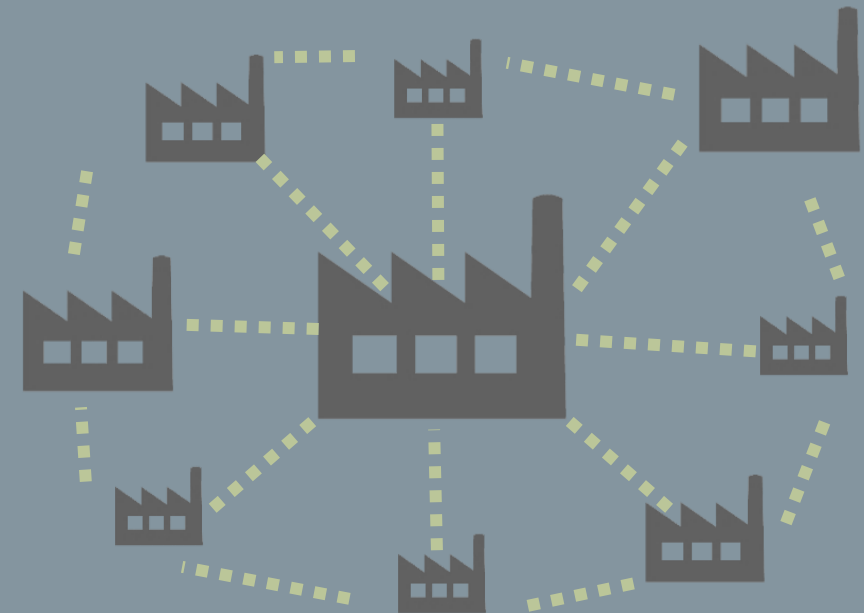
SCALABILITY

Variable production capacity based on demand



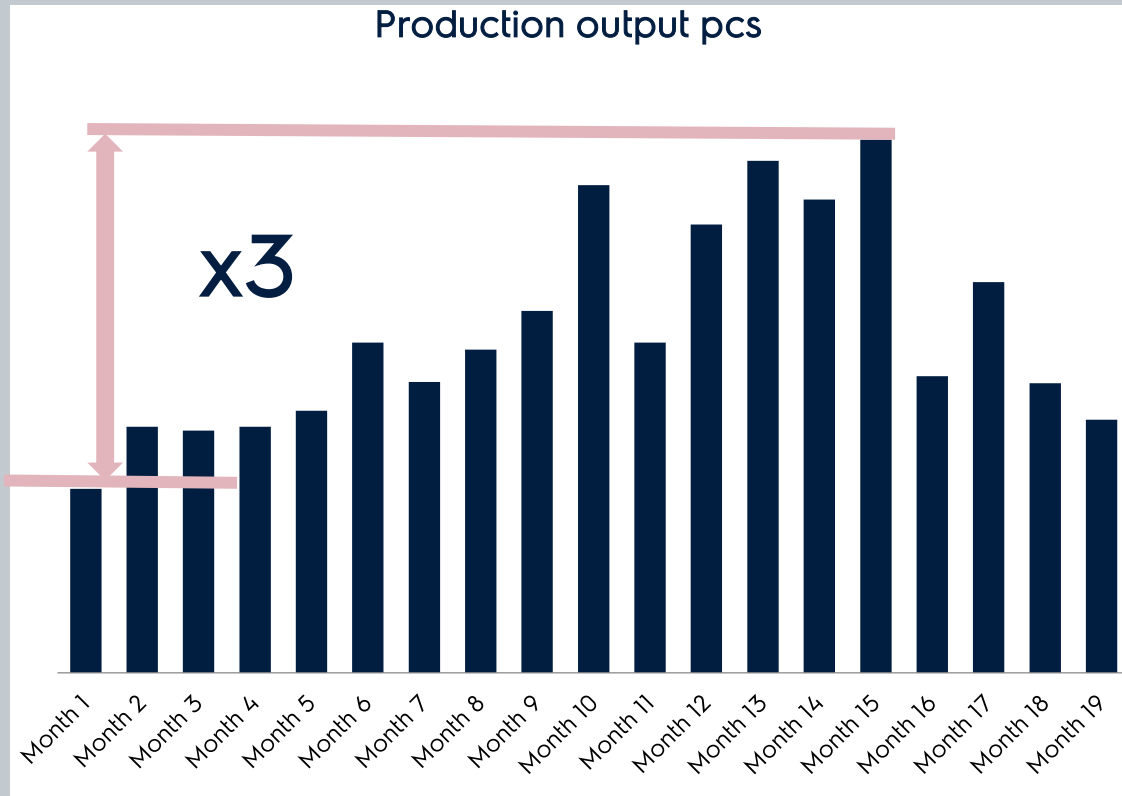
NETWORKS

Integration between facilities resulting in strong control and synergies



A real case of scalable production set up

Subway roll out in Rayong Beverage



- Readiness of the whole supply chain
- Ability to quickly reshape the plant layout
- Robust manufacturing standards and methods to ensure quality and efficiency
- Effective manufacturing training system to integrate new people

A network built on common standards and methods

Electrolux Professional Production system



World Class Manufacturing journey
from priorities to measurable impacts on:

- ✓ Sustainability
- ✓ Customer satisfaction
- ✓ Cost reduction

Right priorities



Sustainable Speed



Standardization

BENCHMARKING

AUDITING SYSTEM

Continuous development



Footprint optimization: Example – New Thai plant for laundry and beverage

Platform rationalizations and localizations in fast growing market

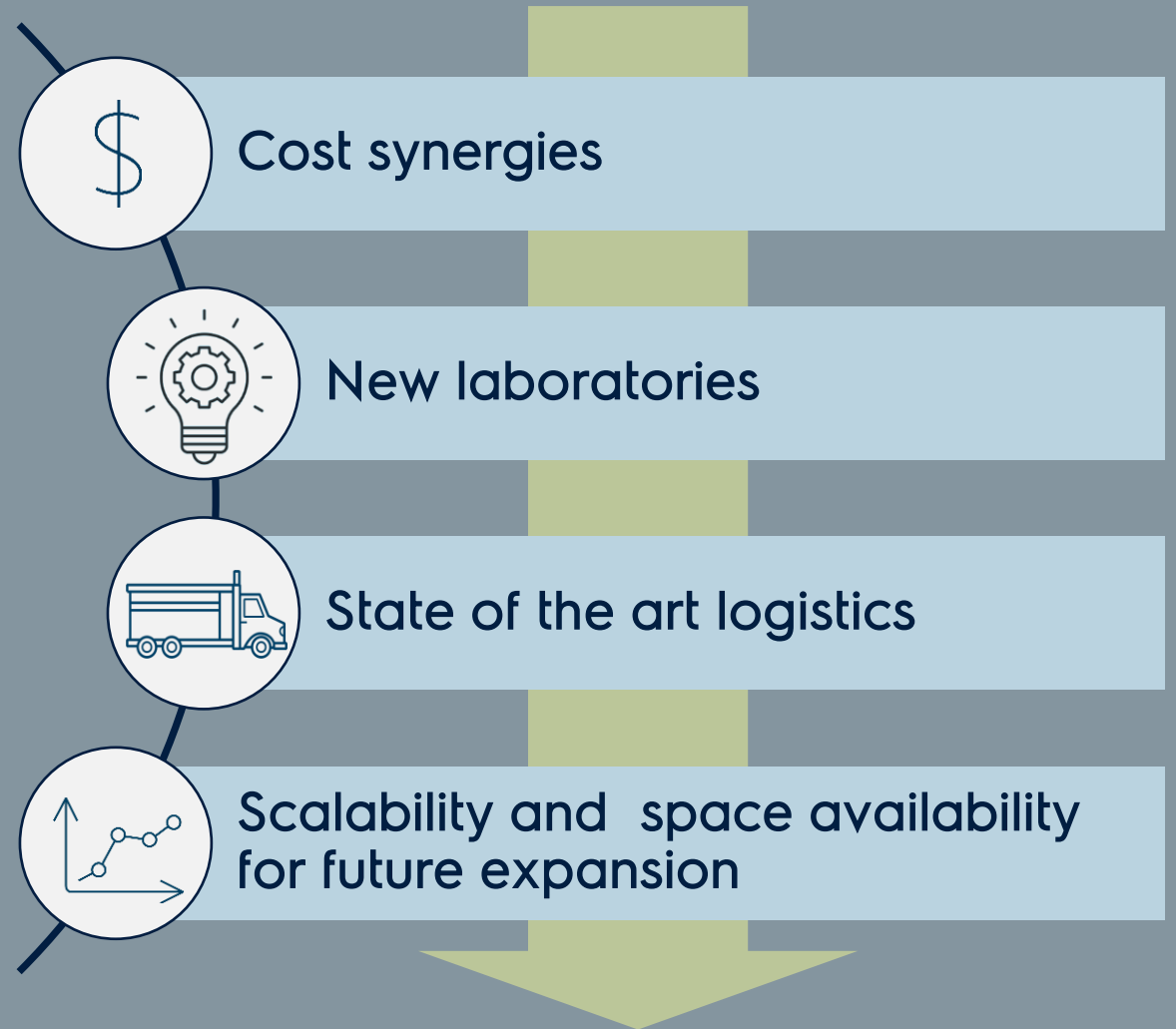
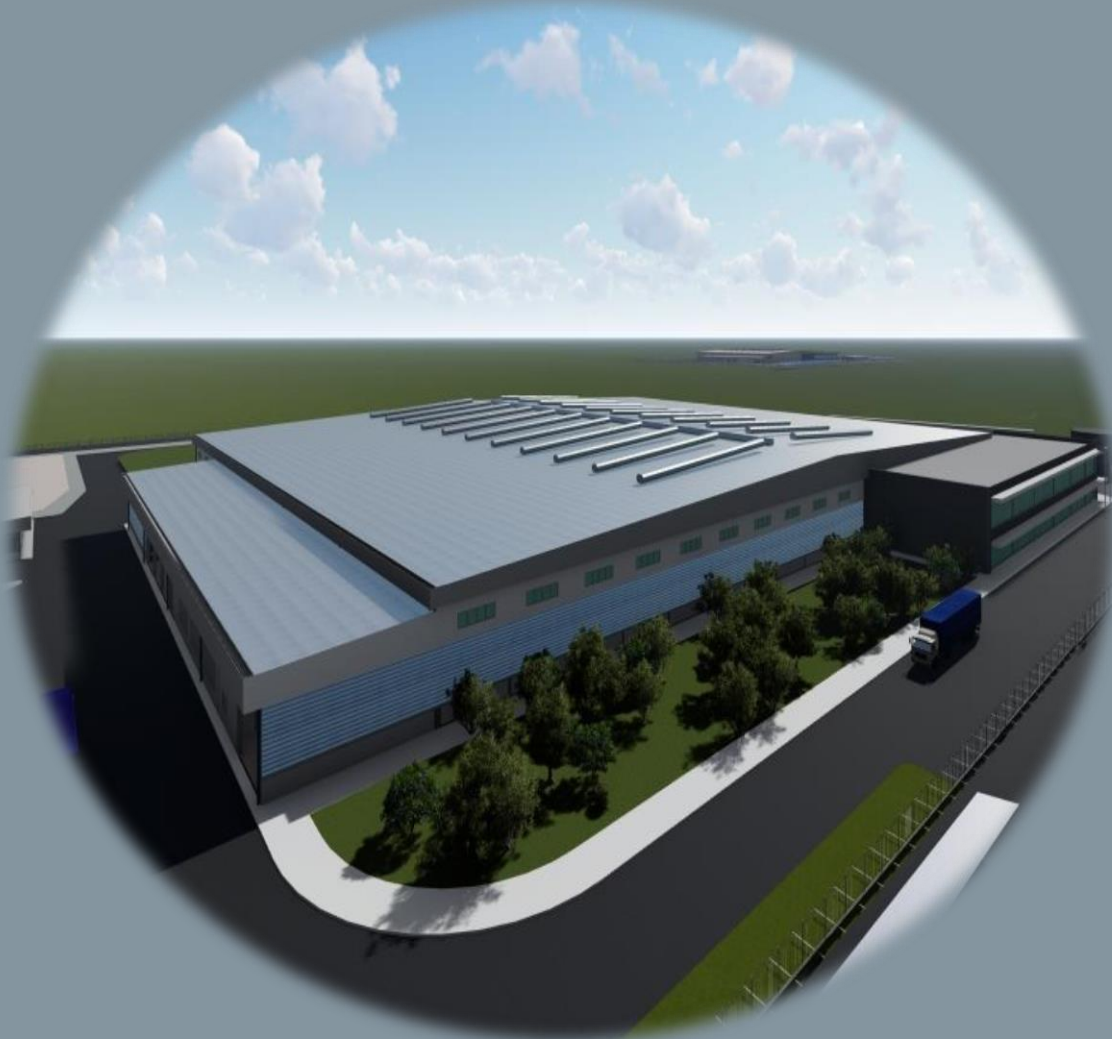
Optimizing make or buy

Logistics hubs rationalization



Innovation and digitalization

New state of the art factory in Thailand



A better workplace for our people,
higher competitiveness for our company

WHY

Involve **shop floor people** in the engineering phase, optimizing workplace organization design

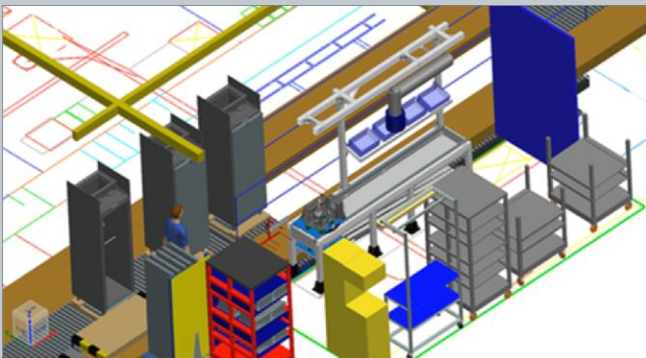
HOW

3D visualization of manufacturing processes:
Simulation of work cycles and interaction between machines and operators

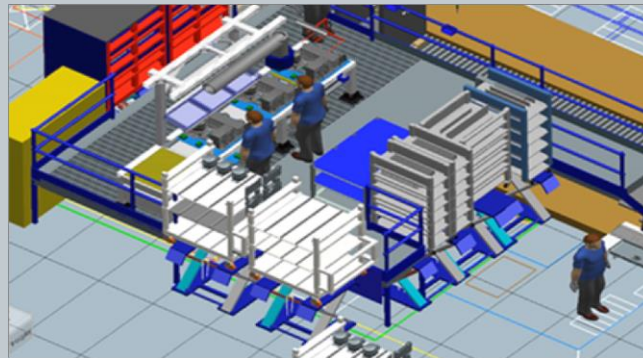
WHAT

100% Ergonomics
100% first time quality
- 40% non-value added
Vertical start-up (speed)

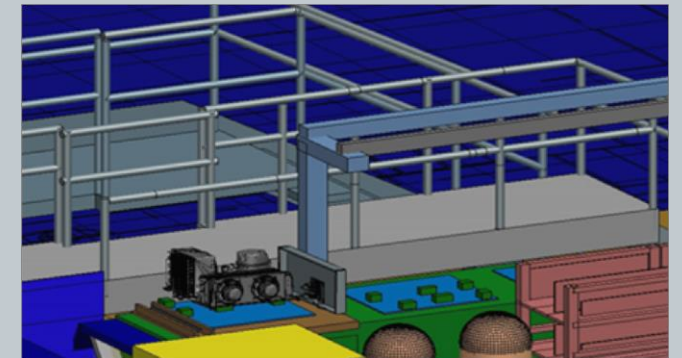
Solution 1



Solution 2



Solution 3



Sustainably executing mission to profitable growth



Right product availability



Cost competitiveness



Superior quality



Qualified and motivated team





Financial strategy and road towards the financial targets

Fabio Zarpellon, CFO

Solid business with large potential

Two strong segments:
Food & Beverage and
Laundry



Track record of delivering
steady EBITA and cash flow



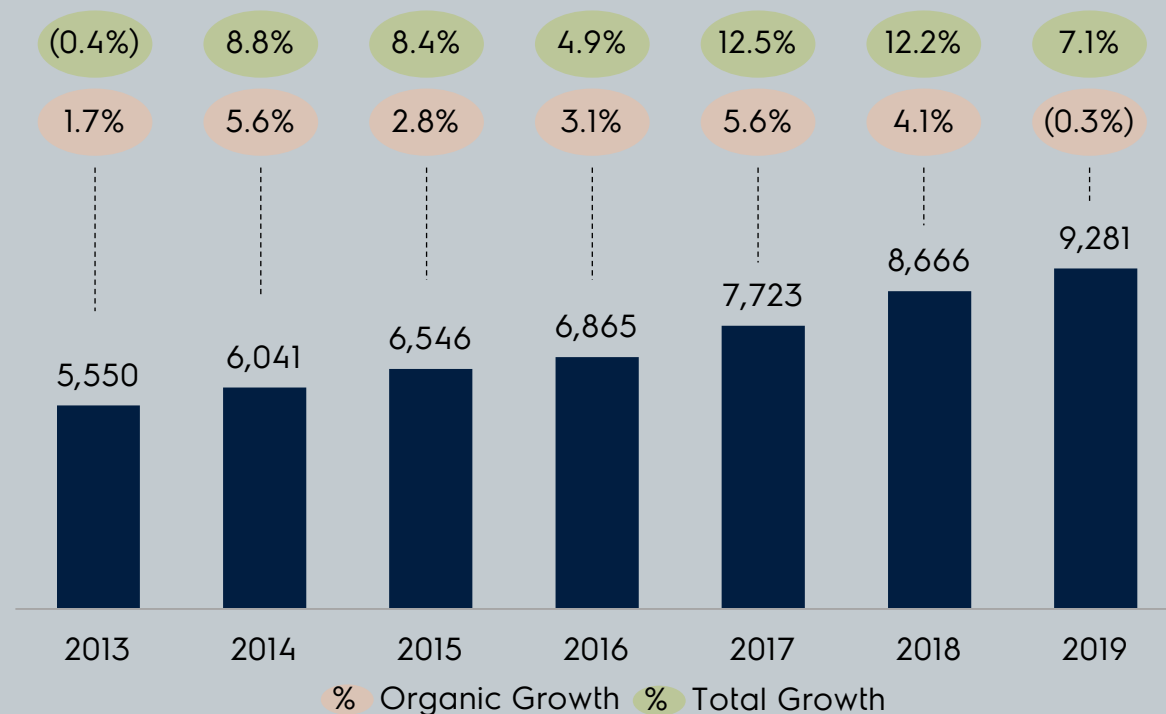
Focused plan to generate
margin expansion



Track record of delivering growth...

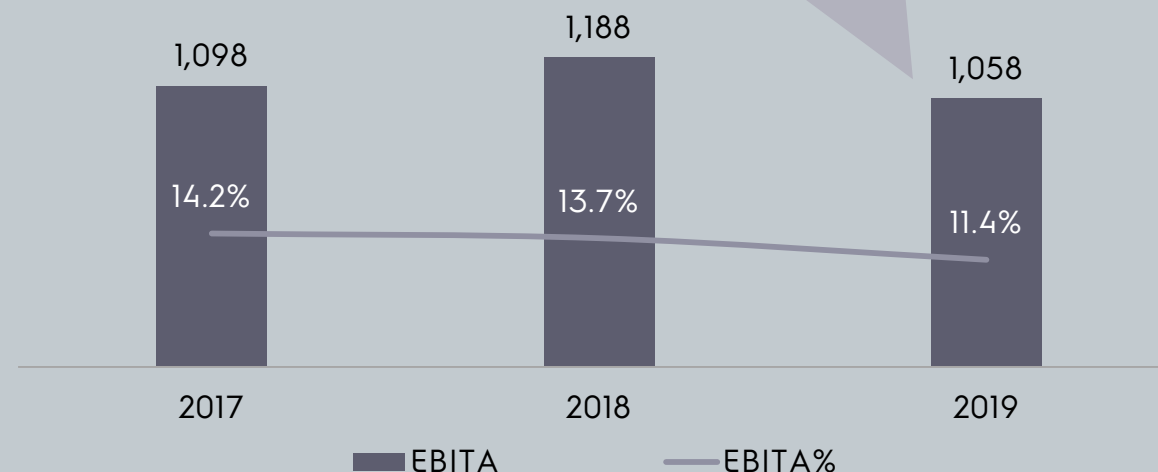
Net sales⁽¹⁾ | CAGR ~9%

SEKm



EBITA⁽¹⁾ | Average margin ~13%

SEKm



- 2019 decrease in EBITA was primarily driven by reduced sales and production volumes and the additional costs for the development and launch of new products
- Additional one-off separation activity costs and running cost to operate as a standalone company

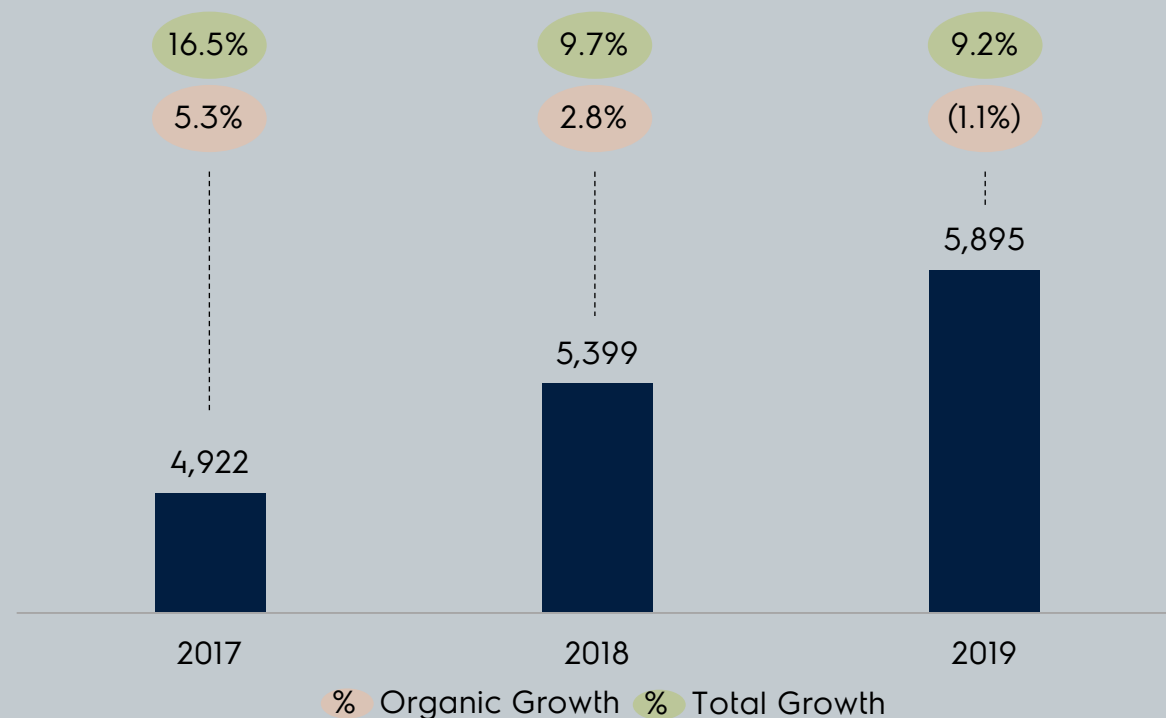
Note:

1. Electrolux Professional reported financials, CAGR at local currency rates

...both in the Food & Beverage segment...

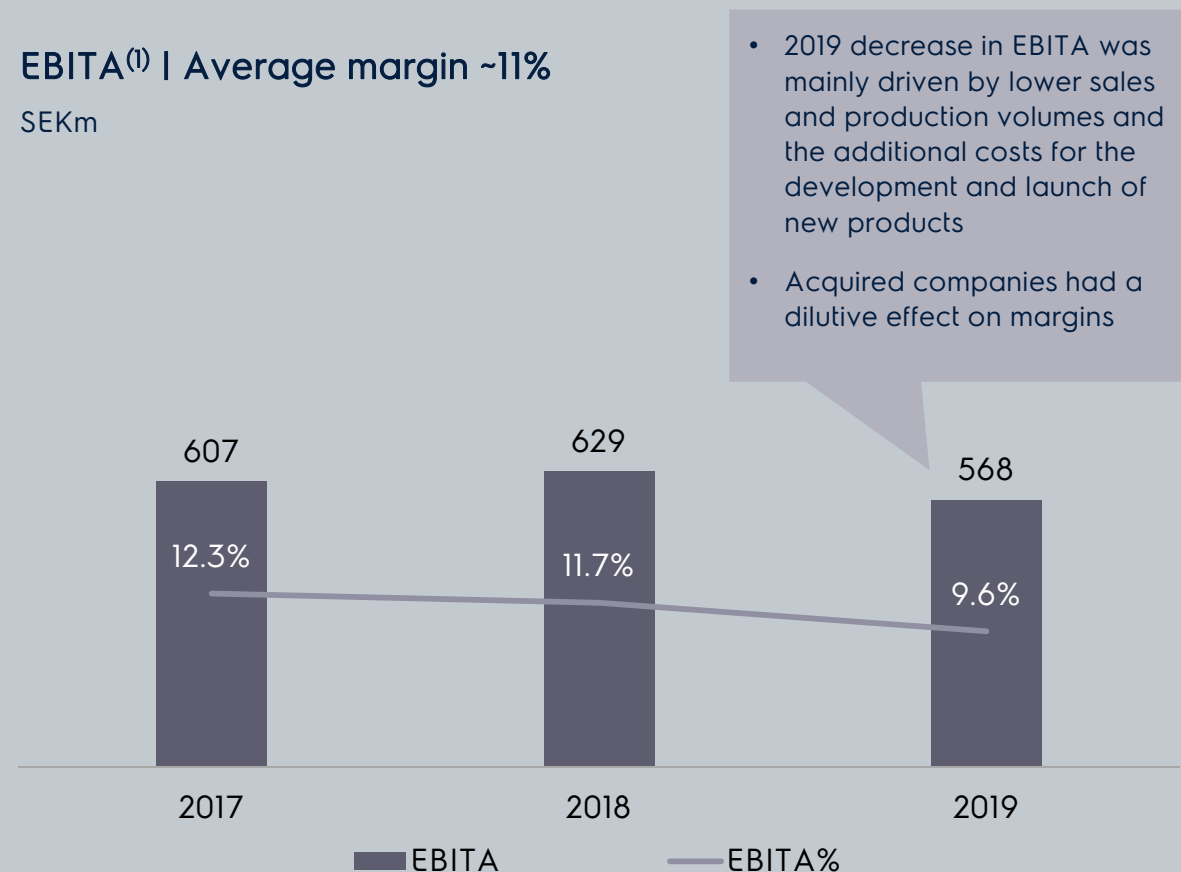
Net sales⁽¹⁾ | CAGR ~9%

SEKm



EBITA⁽¹⁾ | Average margin ~11%

SEKm



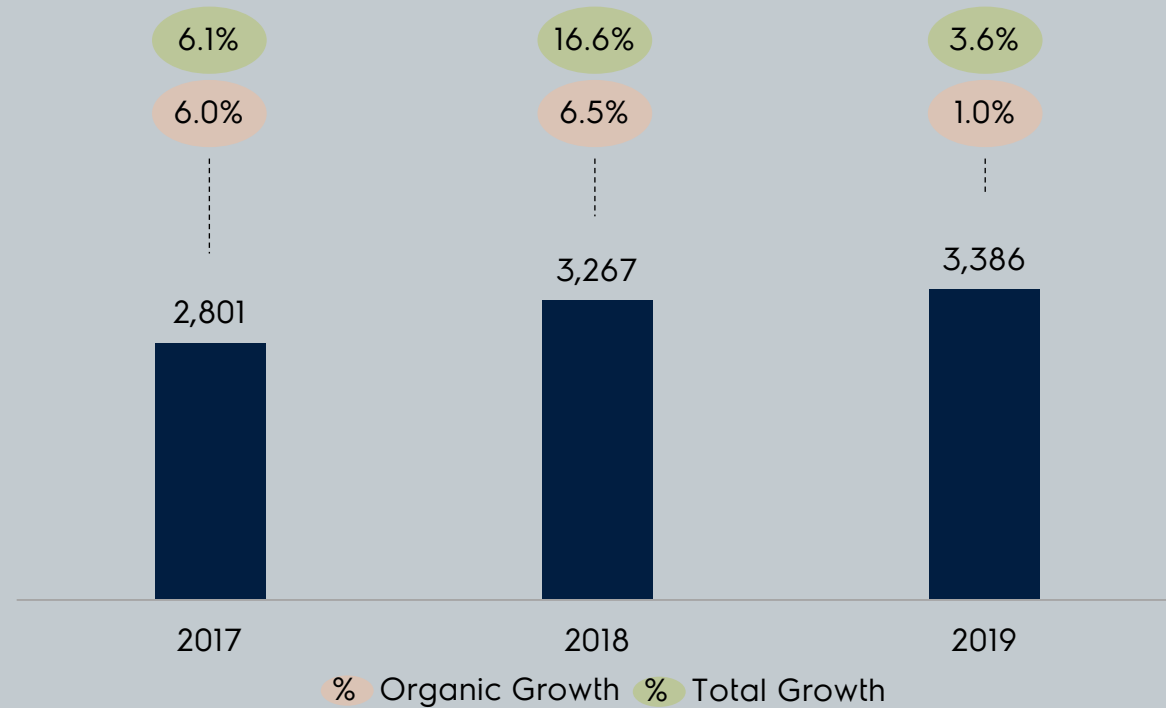
Note:

1. Electrolux Professional reported financials, CAGR at local currency rates

...as well as in the Laundry segment...

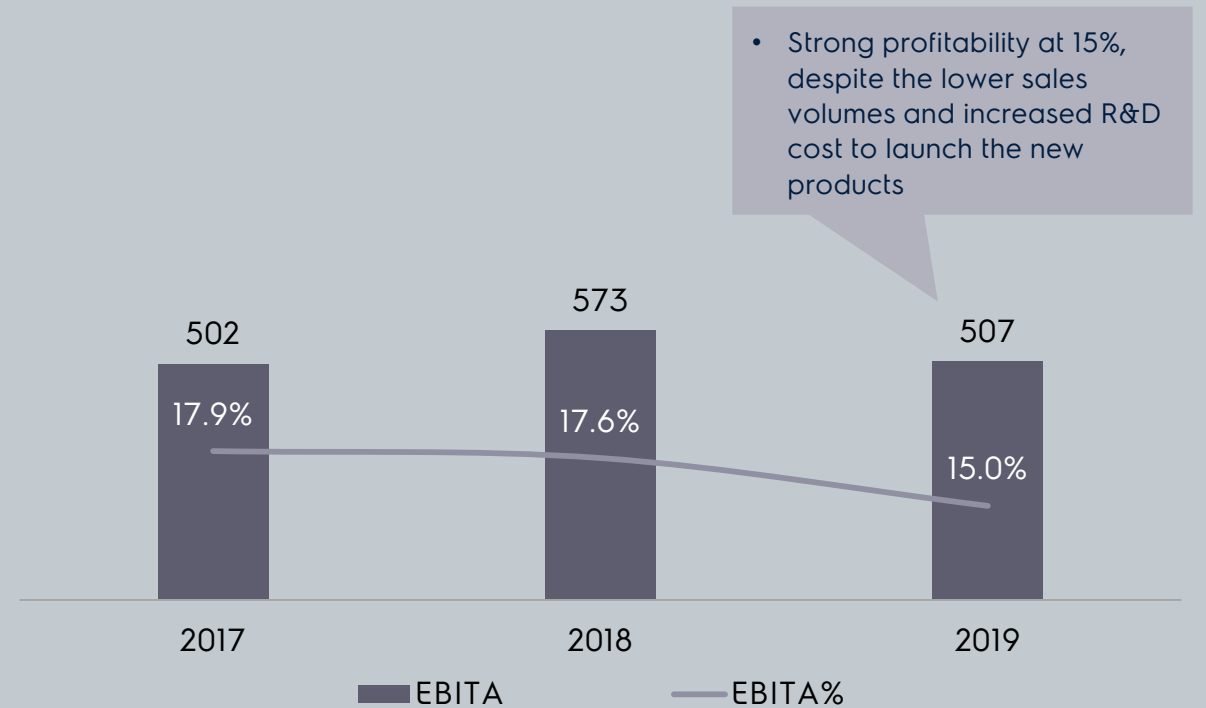
Net sales⁽¹⁾ | CAGR ~10%

SEKm



EBITA⁽¹⁾ | Average margin ~17%

SEKm



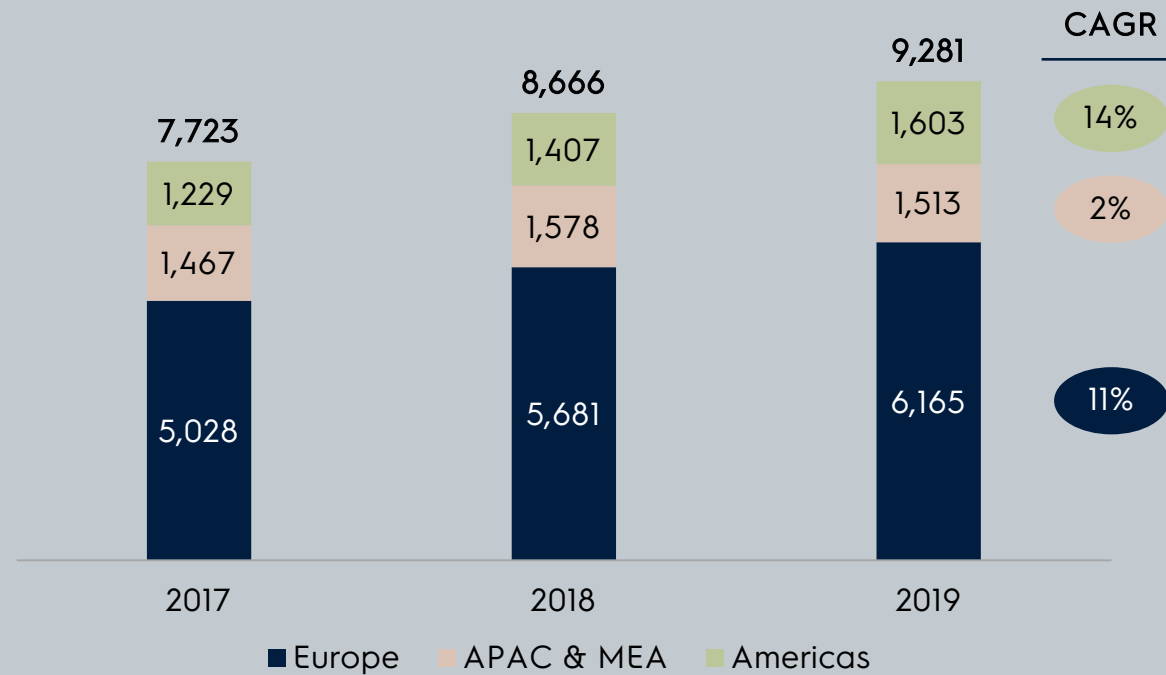
Note:

1. Electrolux Professional reported financials, CAGR at local currency rates

...and across geographies

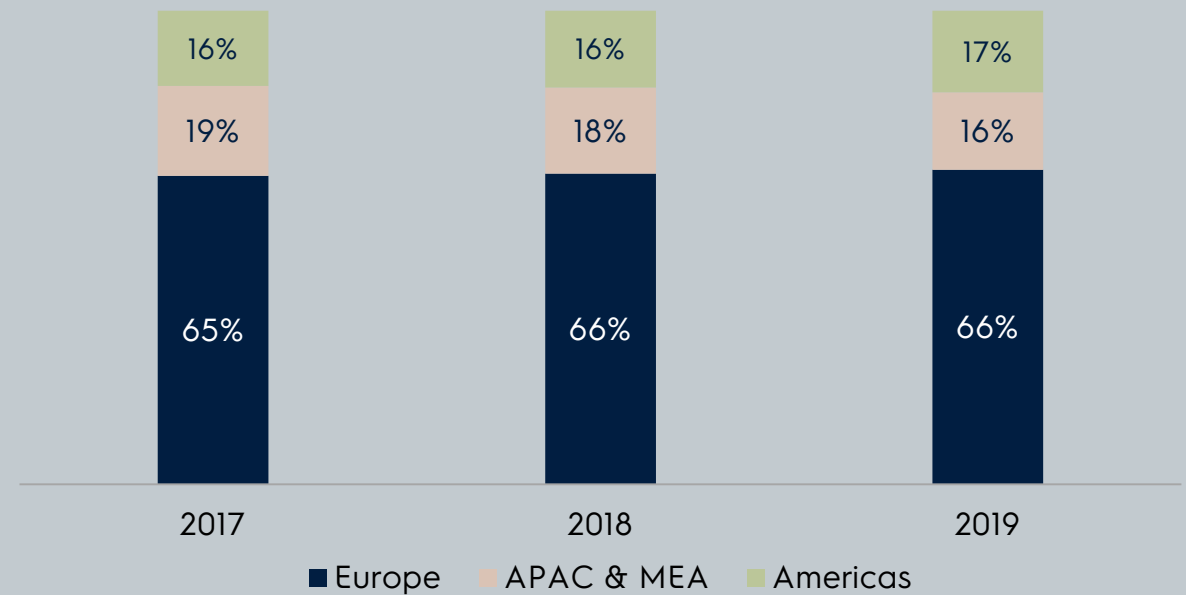
Net sales per geography

SEKm



Share of net sales per geography

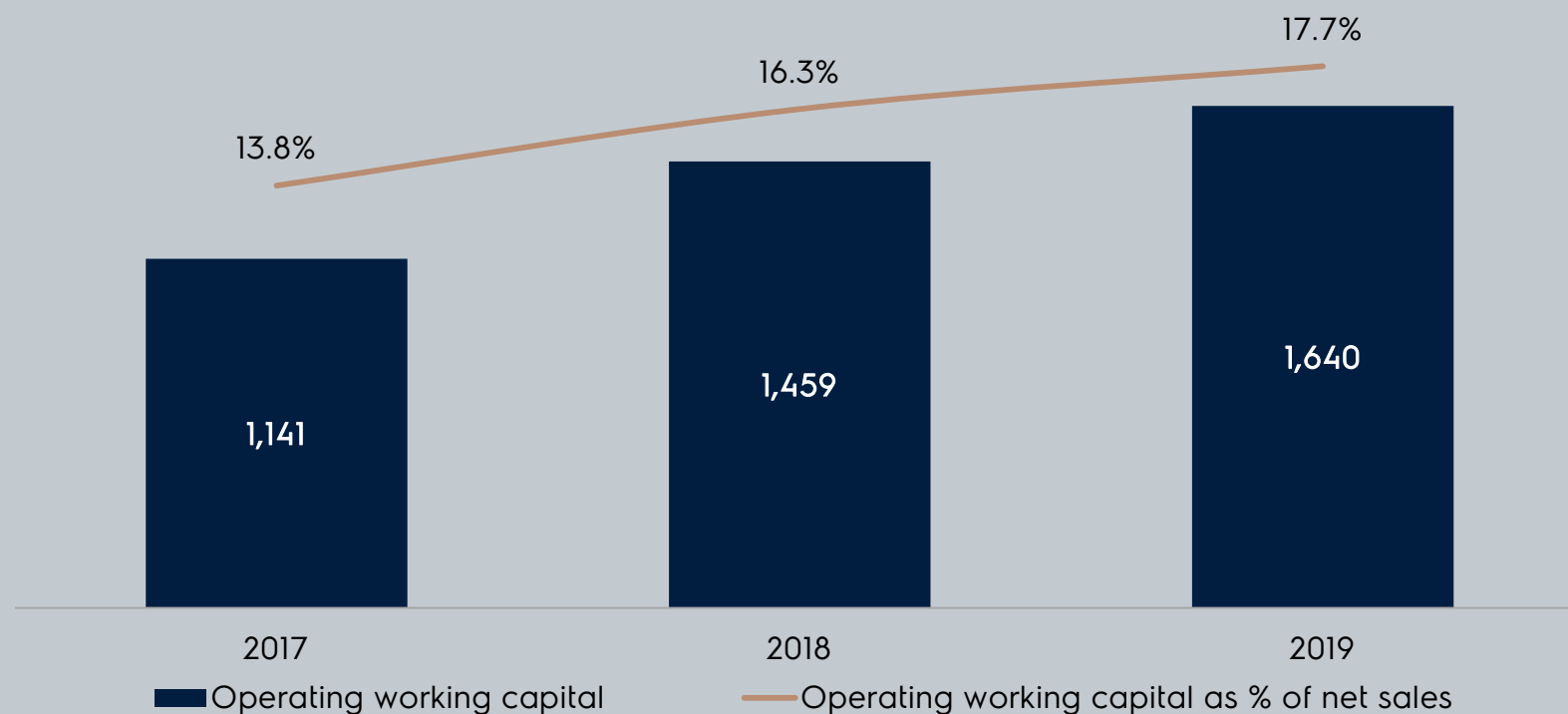
%



Asset light business...

Operating working capital

SEKm



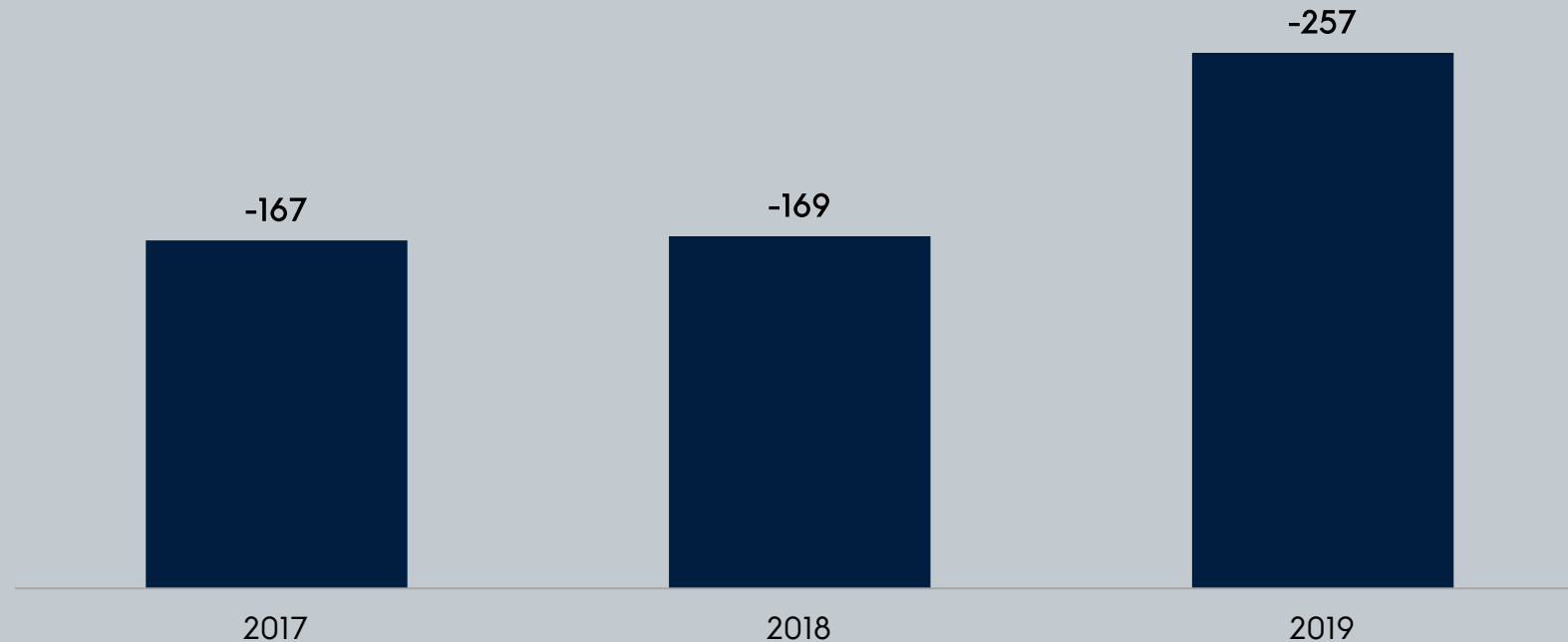
Commentary

- Business managed with limited operating working capital requirements on net sales
- Requirements grew overtime due to higher weight from acquired businesses
- In 2019 inventory weight on sales increased also due to large phase in/phase out of products

...with disciplined capital expenditures...

Capital expenditure

SEKm



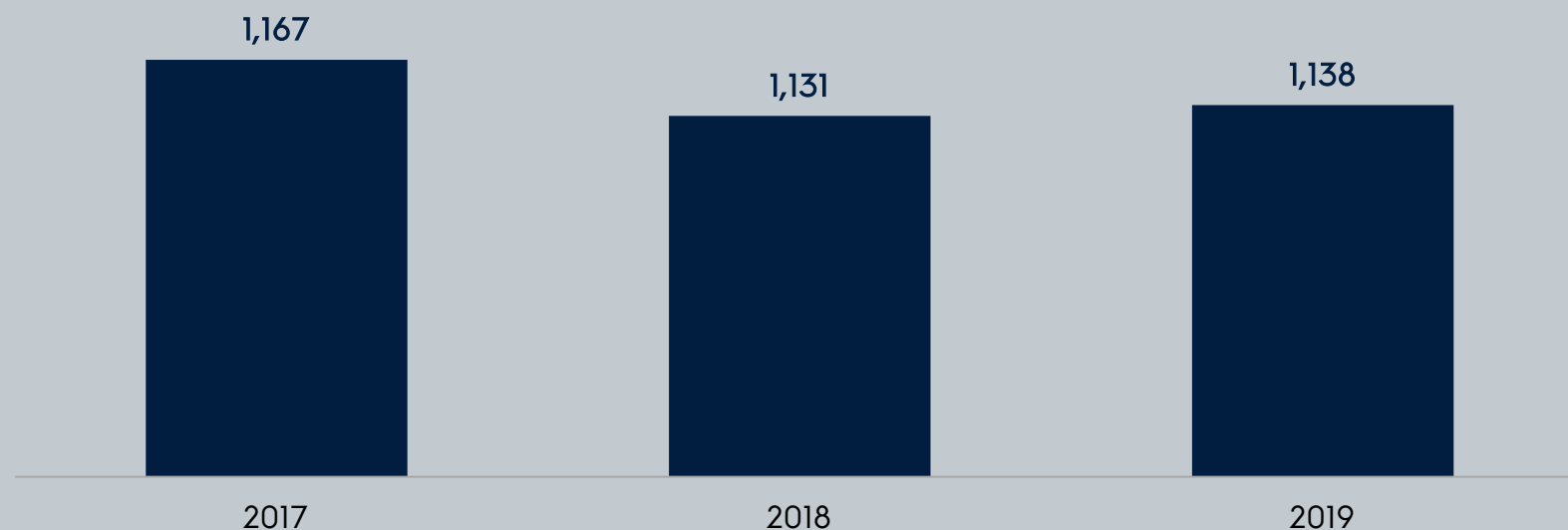
Commentary

- Capital expenditure level increased in 2019 due to investment in a new site in Thailand and new products
- 2020 will be affected by the new site in Thailand and the acquisition of the SPM facility in Italy
- Capital expenditure expected to remain in line with historical levels as % of sales once new site in Thailand is finished

...resulting in strong cash flow...

Operating cash flow after investments⁽¹⁾

SEKm



Commentary

- Professional has delivered strong cash flow historically
- Even in 2019, when profitability was below average, cash flow remained strong thanks to a reduction of operating assets and liabilities

Note:

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

...with a solid balance sheet to support expansion

Balance sheet

SEKm

31 December 2019	Electrolux Professional
Financial Net Debt ⁽¹⁾	588
Lease Liabilities	243
Net Provisions for Post-Employee Benefits	195
Net Debt	1,025
Net Debt/EBITDA	0.8x

Starting from a solid balance sheet:

- Net Debt / EBITDA 0.8x
- A strong balance sheet to support future growth
- Well established credit lines to support the organic and M&A business expansion
- EUR 250m multicurrency revolving credit facility and SEK 600m bilateral term loan in place

Note:

1. Total borrowing less liquid funds

Latest performance and outlook



Tough comparison due to large chain rollout



Cost of separation and listing



Efficiency program to take full effect in the second half of 2020



Coronavirus

Medium-term financial targets to drive shareholder value



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⁽¹⁾



DIVIDEND POLICY:

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

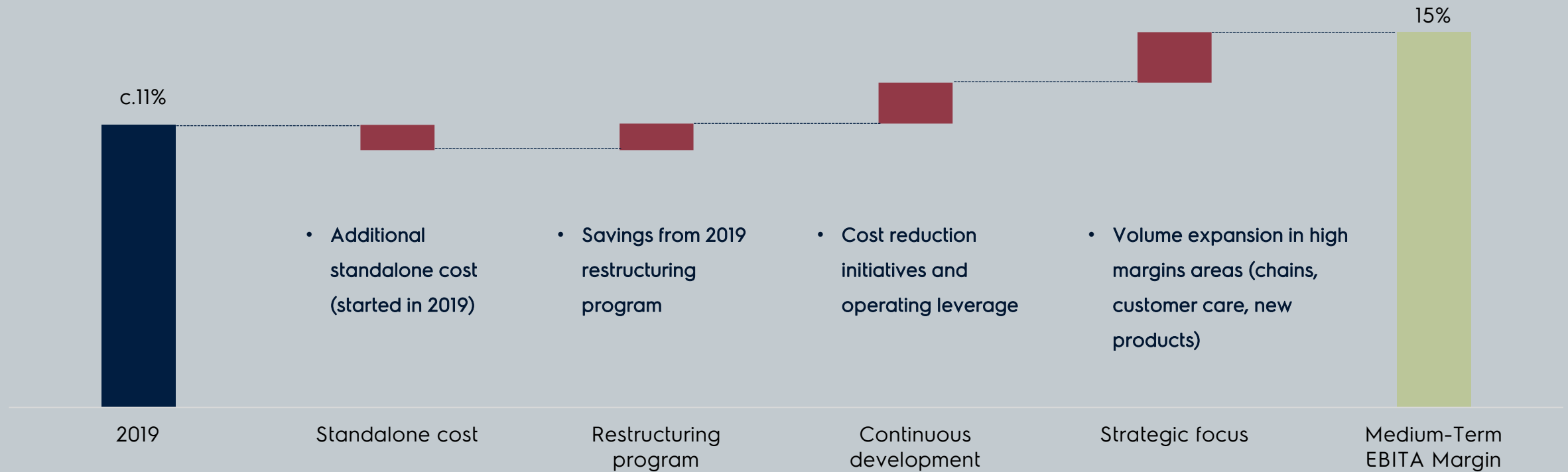
Note:

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

Further securing margin expansion

EBITA Margin

%



Program pursues opportunity from revenue down through entire P&L

Solid business with large potential

Two strong segments:
Food & Beverage and
Laundry



Track record of delivering
steady EBITA and cash flow



Focused plan to generate
margin expansion



A close-up photograph of a chef with a beard, wearing a white chef's coat, smiling and gesturing towards a plate of food. The plate contains a salmon dish garnished with lemon wedges, green herbs, and thin green strips. The background is dark and out of focus.

Summary

Alberto Zanata, President and CEO

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



Experienced management team to deliver on the plan



Electrolux
PROFESSIONAL