

To become a global winner

Global brands and rapid launches of new innovative products will be necessary to achieve a market-leading position. Other crucial factors include cost-efficient production and leveraging global economies of scale. To become a global market leader, Electrolux must continue to be an innovative consumer-focused company with a strong brand and a competitive cost position.

Industry forces

- Supplier & retailer consolidation
- Global brands & products ▶ 40
- Increasingly global & regional scale benefits
- Market polarization
- Volatile raw-material prices ▶ 50
- LCA competition
- More stringent environmental legislation

Consumer trends

- Growing global middle class
- Increasing scarcity of resources ▶ 58
- Aging population & smaller families
- Focus on health & well-being
- Greater requirements for service & quality
- More interest in food & interior decorating
- Increasing brand significance ▶ 38
- Internet – main source of information

Financial goals

The financial goals set by Electrolux aim to strengthen the Group's leading, global position in the industry and assist in generating a healthy total yield for Electrolux shareholders. The objective is growth with consistent profitability. Key ratios are excluding items affecting comparability. ▶ 46

Operating margin of 6% or greater over a business cycle.

Capital-turnover rate of 4 or higher.

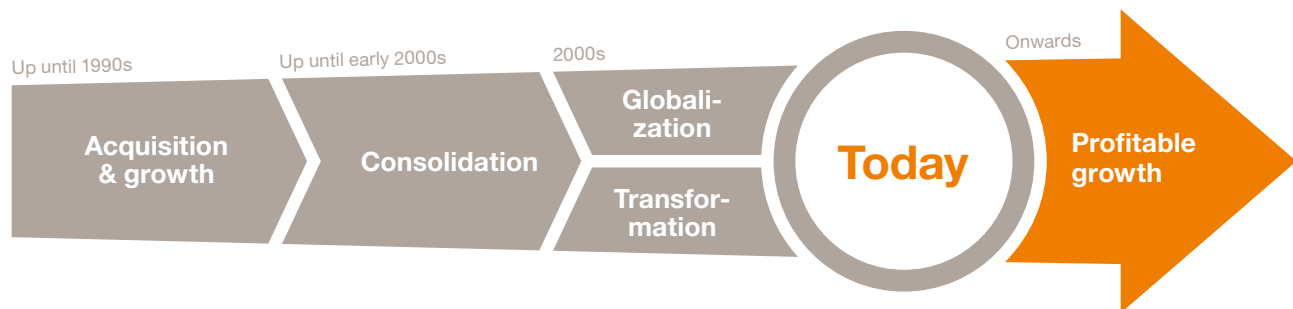
Return on net assets of at least 25%.

Average annual growth of 4% or more.



Electrolux strategy

Electrolux has completed its transformation from a manufacturing company into an innovative, consumer-driven company with an organization built on a strong understanding of evolving consumer needs. The combination of innovative products and a strong brand in the premium segment with the ability to utilize the global strength and reach of the Group have equipped Electrolux with the best prerequisites ever for profitable growth.



Products

All new products are born out of the Group's process for consumer-driven product development. Extensive consumer interviews and visits to consumers' homes have enabled Electrolux to identify global social trends and needs, to which new products are tailored.



Brand

The Electrolux brand commands a global position as a premium brand that represents innovative, energy-efficient products with attractive design. Electrolux is now a leading brand in most major markets.



Cost

The Group has a competitive production structure in which all vacuum cleaners and approximately 55% of appliances are manufactured in low-cost regions. Utilization of the global reach and strength of the Group will enable synergies to be realized that further reduce costs and create the prerequisites for more rapid growth.



Thinking of you

Electrolux