

Financial position

Net assets and working capital

Electrolux ongoing structural efforts to reduce tied-up capital has contributed to the positive trend in working capital.

Net assets and working capital

SEKm	Dec. 31, 2012	% of annualized net sales	Dec. 31, 2011	% of annualized net sales
Inventories	12,963	11.3	11,957	10.5
Trade receivables	18,288	15.9	19,226	17.0
Accounts payable	-20,590	-17.9	-18,490	-16.3
Provisions	-8,433		-9,776	
Prepaid and accrued income and expenses	-7,467		-6,598	
Taxes and other assets and liabilities	-1,647		-1,499	
Working capital	-6,886	-6.0	-5,180	-4.6
Property, plant and equipment	16,693		15,613	
Goodwill	5,541		6,008	
Other non-current assets	8,003		8,717	
Deferred tax assets and liabilities	2,158		1,853	
Net assets	25,509	22.2	27,011	23.8
Average net assets	26,543	24.1	22,091	21.7
Return on net assets, %	15.6		13.7	
Return on net assets, excluding items affecting comparability, %	18.8		13.5	

Average net assets have been impacted by the acquired companies Olympic Group in Egypt, and CTI in Chile. Adjusted for items affecting comparability, i.e., restructuring provisions, average net assets increased to SEK 27,585m (23,354), corresponding to 25.1% (23.0) of net sales.

- Equity/assets ratio was 28.8% (30.1).
- Return on equity was 13.3% (10.4).
- Efforts to reduce working capital have contributed to a solid balance sheet.
- Net assets have been impacted by the acquired companies Olympic Group and CTI.
- Net borrowings amounted to SEK -5,685m (-6,367).

Change in net assets

SEKm	Net assets
January 1, 2012	27,011
Change in restructuring provisions	318
Write-down of assets	-175
Changes in exchange rates	-1,412
Capital expenditure	4,090
Depreciation	-3,251
Other changes in fixed assets and working capital, etc.	-1,072
December 31, 2012	25,509

Liquid funds

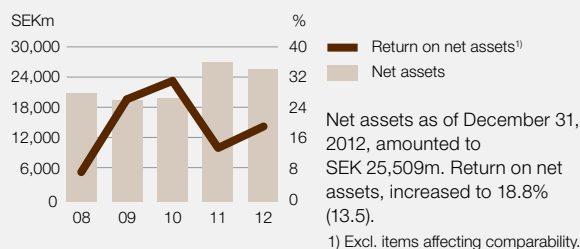
Liquidity profile

SEKm	Dec. 31, 2012	Dec. 31, 2011
Liquid funds	7,403	7,839
% of annualized net sales ¹⁾	13.1	13.9
Net liquidity	4,320	3,272
Fixed interest term, days	16	18
Effective annual yield, %	2.1	3.6

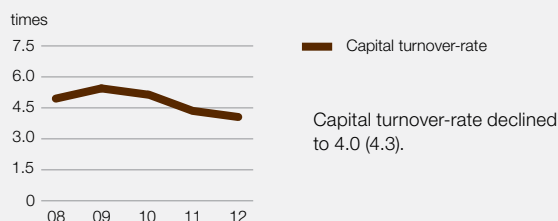
1) Liquid funds plus an unused revolving credit facility of EUR 500m and a committed credit facility of SEK 3,400m divided by annualized net sales.

For additional information on the liquidity profile, see Note 18.

Net assets



Capital turnover-rate



Consolidated balance sheet

SEKm	Note	December 31, 2012	December 31, 2011
Assets			
Non-current assets			
Property, plant and equipment	12	16,693	15,613
Goodwill	13	5,541	6,008
Other intangible assets	13	5,079	5,146
Investments in associates	29	16	18
Deferred tax assets	10	3,306	2,980
Financial assets	18	552	517
Other non-current assets	14	2,356	3,036
Total non-current assets		33,543	33,318
Current assets			
Inventories	15	12,963	11,957
Trade receivables	17,18	18,288	19,226
Tax assets		609	666
Derivatives	18	184	252
Other current assets	16	3,607	3,662
Short-term investments	18	123	337
Cash and cash equivalents	18	6,835	6,966
Total current assets		42,609	43,066
Total assets		76,152	76,384
Equity and liabilities			
Equity attributable to equity holders of the Parent Company			
Share capital	20	1,545	1,545
Other paid-in capital	20	2,905	2,905
Other reserves	20	-1,146	324
Retained earnings	20	16,479	15,761
		19,783	20,535
Non-controlling interests		41	109
Total equity		19,824	20,644
Non-current liabilities			
Long-term borrowings	18	10,005	9,639
Deferred tax liabilities	10	1,148	1,127
Provisions for post-employment benefits	22	1,736	2,111
Other provisions	23	4,551	5,300
Total non-current liabilities		17,440	18,177
Current liabilities			
Accounts payable	18	20,590	18,490
Tax liabilities		1,287	1,717
Other liabilities	24	11,829	10,497
Short-term borrowings	18	2,795	4,170
Derivatives	18	241	324
Other provisions	23	2,146	2,365
Total current liabilities		38,888	37,563
Total liabilities		56,328	55,740
Total equity and liabilities		76,152	76,384
Pledged assets			
	19	78	94
Contingent liabilities			
	25	1,610	1,276

Liquid funds as of December 31, 2012, amounted to SEK 7,403m (7,839), excluding short-term back-up credit facilities. Electrolux has two unused committed back-up credit facilities. One EUR 500m multi-currency revolving credit facility, approximately SEK 4,200m, maturing 2016 with extension options for up to two more years and a credit facility of SEK 3,400m maturing 2017.

Net borrowings

Net borrowings

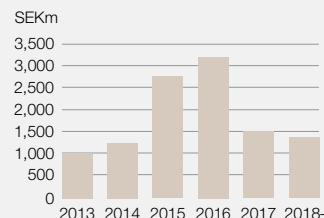
SEKm	Dec. 31, 2012	Dec. 31, 2011
Borrowings	13,088	14,206
Liquid funds	7,403	7,839
Net borrowings	5,685	6,367
Net debt/equity ratio	0.29	0.31
Equity	19,824	20,644
Equity per share, SEK	69.28	72.52
Return on equity, %	13.3	10.4
Equity/assets ratio, %	28.8	30.1

Net borrowings declined to SEK 5,685m (6,367). Net borrowings have been positively impacted by the strong cash flow from operations and working capital. During 2012, SEK 3,063m in long-term borrowings were amortized and new long-term borrowings were raised with SEK 2,569m.

Long-term borrowings as of December 31, 2012, including long-term borrowings with maturities within 12 months, amounted to SEK 11,005m with average maturity of 3.1 years, compared to SEK 11,669m and 3.0 years at the end of 2011. During 2013 and 2014, long-term borrowings in the amount of approximately SEK 2,200m will mature.

The Group's goal for long-term borrowings includes an average time to maturity of at least two years, an even spread of maturities, and an average interest-fixing period of one year. At year-end, the average interest-fixing period for long-term borrowings was 1.4 year (1.2).

Long-term borrowings, by maturity



In 2013 and 2014, long-term borrowings in the amount of approximately SEK 2,200m will mature. For information on borrowings, see Note 18.

At year-end, the average interest rate for the Group's total interest-bearing borrowings was 3.9% (3.7).

Rating

Electrolux has investment-grade ratings from Standard & Poor's. In 2010, the investment-grade rating for the long-term debt was upgraded from BBB to BBB+.

Rating

	Long-term debt	Outlook	Short-term debt	Short-term debt, Nordic
Standard & Poor's	BBB+	Stable	A-2	K-1

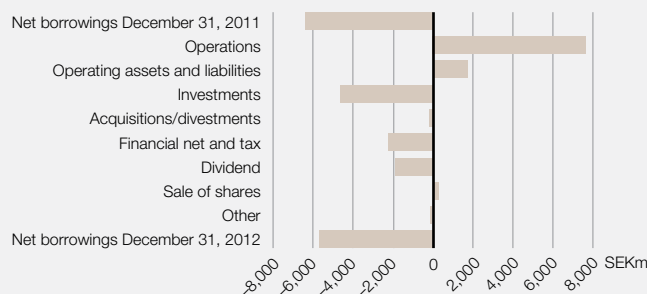
Net debt/equity and equity/assets ratio

The net debt/equity ratio was 0.29 (0.31). The equity/assets ratio decreased to 28.8% (30.1).

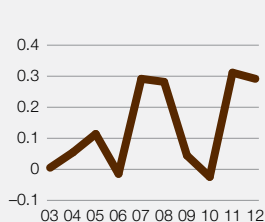
Equity and return on equity

Total equity as of December 31, 2012, amounted to SEK 19,824m (20,644), which corresponds to SEK 69.28 (72.52) per share. Return on equity was 13.3% (10.4).

Cash flow and change in net borrowings



Net debt/equity ratio



Equity/assets ratio

