

## Highlights 2015 – increased results in challenging markets

In 2015, Electrolux two largest markets, Western Europe and North America, showed solid market growth. At the same time, demand in several, for Electrolux important, emerging markets deteriorated, most notably in Brazil. Therefore, the financial performance in our six business areas showed a mixed pattern, with strong earnings improvement in Major Appliances EMEA and Professional Products.

Sales 124bn

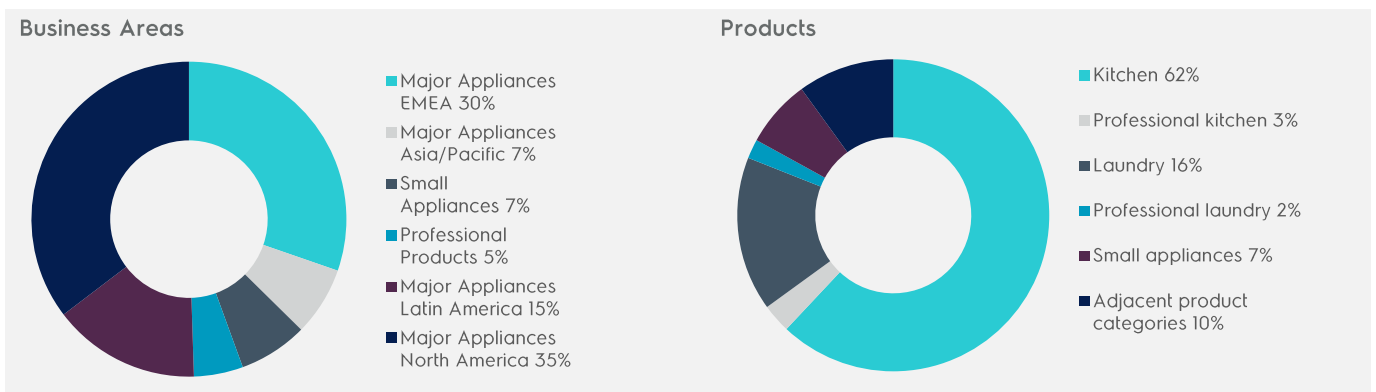
EBIT 4,800m\*

Cash Flow 7,492m

Dividend SEK6.50

\* EBIT excludes costs of 2,059m related to the not completed acquisition of GE Appliances

## Electrolux Overview



## Electrolux Vision and Mission – financial goals

Electrolux vision is to be the best appliance company in the world, as measured by our customers, employees and shareholders.

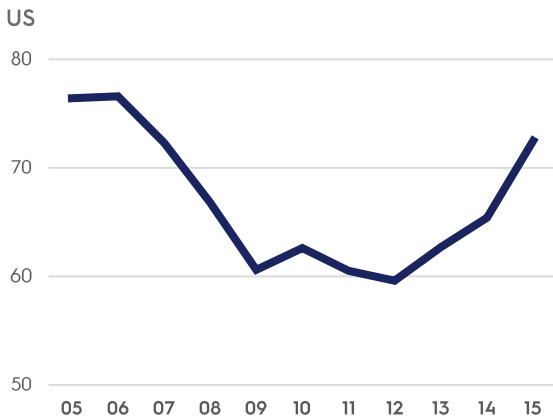
### Mission – what we want to achieve



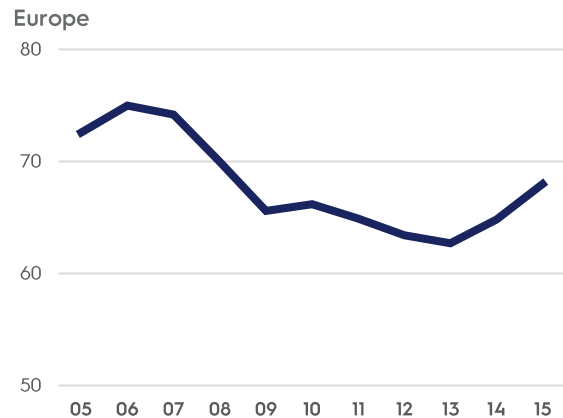
### Strategy – how to do it



## Electrolux markets – Market demand for major appliances\*

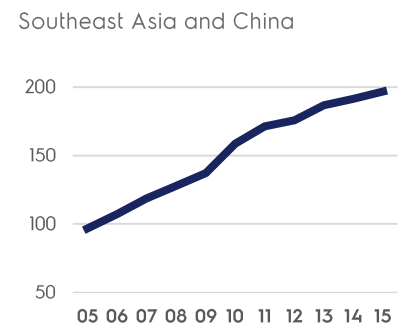
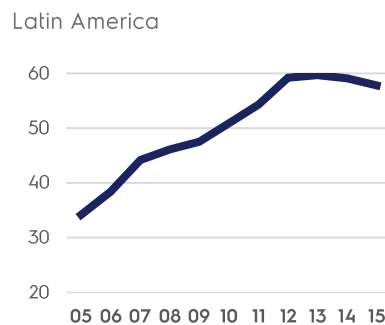
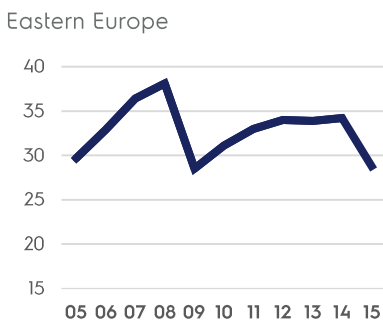


A total of approximately 72 million major appliances were sold in the US in 2015, corresponding to the level of 2007 and about 5% below the top levels in 2005 and 2006.



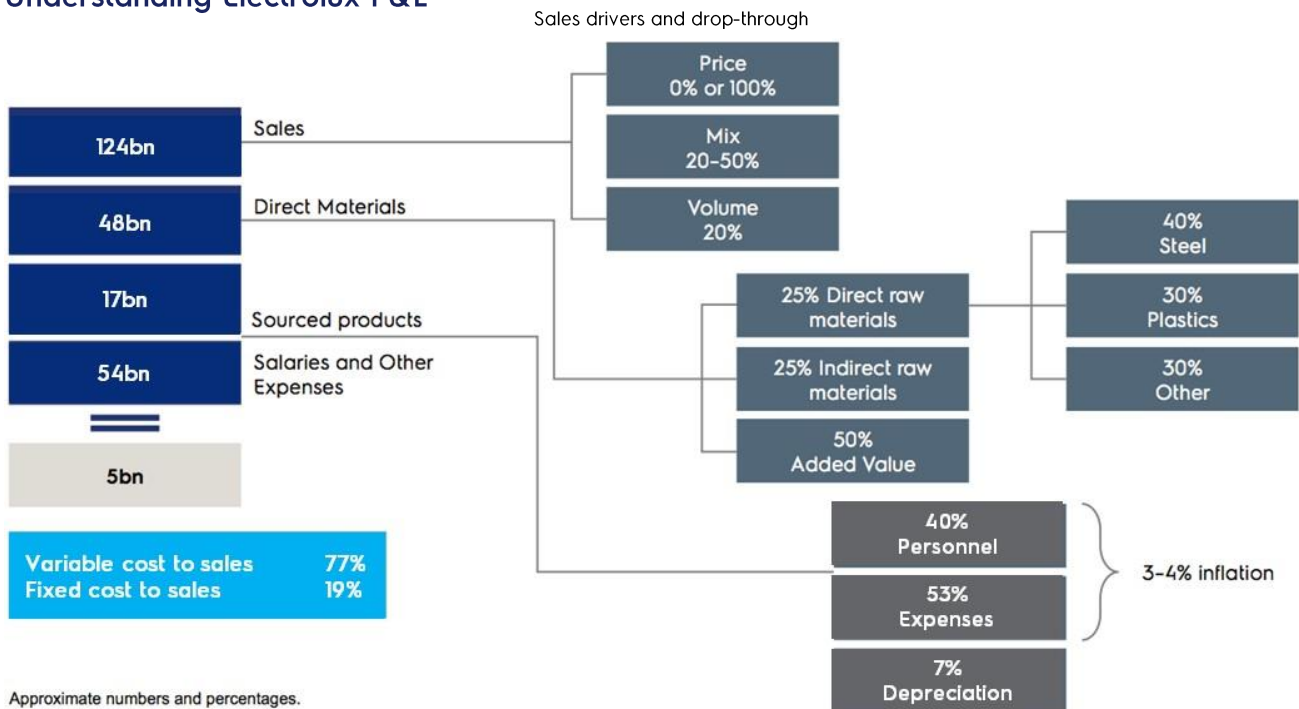
A total of approximately 68 million core appliances were sold in Europe in 2015, which is about 10% below the record year of 2006.

## Electrolux markets – Growth Markets – market demand for major appliances\*

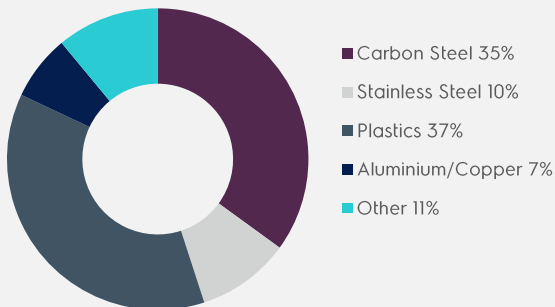


\*Units yer-over-year, %

## Understanding Electrolux P&L



## Electrolux raw materials exposure



- Materials account for a large share of the Group's costs
- In 2015, Electrolux purchased raw materials and components for approximately SEK48bn
- Electrolux utilizes bilateral contracts to manage risks
- Steel contracts are long term and renewed annually
- Plastics contracts are short term and renewed quarterly

## Frequently asked questions by analysts

### How does the demand picture look in your core markets?

In 2015, Electrolux core markets showed good demand while growth markets continued to weaken throughout the year. Demand for appliances in North America continued to be good following two consecutive years of healthy recovery. In Western Europe, market demand was better than expected and improved sequentially while markets in Eastern Europe continued to weaken due to the geopolitical uncertainty. The markets in Latin America showed a mixed pattern. Demand in Brazil declined sharply while other markets in the region were stable. The development in Asia/Pacific remained mixed with positive growth in Australia and Southeast Asia while demand in China slowed down.

### Can you tell us more about your earnings recovery in North America?

The US market for appliances continued to be solid and grew by 6% for the full year 2015. Demand showed consistent strength, supported by improved consumer confidence and the gradually improving housing market. During the year, Electrolux achieved good organic growth and strengthened its position in several core categories. The work to restore profitability within cold products was successful. Earnings in this category were previously impacted by the transition of the product ranges, following the new energy requirements by the Department of Energy. This in combination with improved cost efficiency resulted in a positive development for our North American business during the latter part of the year.

### Can you give us an update on the GE Appliance deal?

On July 1, 2015, the US Department of Justice sued Electrolux and GE to stop the proposed acquisition, which then continued in a trial at a federal court. On December 7, GE notified Electrolux that it was terminating the agreement pursuant to which we had agreed to acquire the appliance business of GE. Therefore, the transaction will not be completed. Although we are disappointed that the acquisition will not be completed, we are convinced that the Group has strong capabilities to continue to grow and develop its position as a global appliances manufacturer. We aim to grow our operations both organically and through acquisitions, which is supported by a strong balance sheet and good cash generation.

### Can you tell us more about the sustainability of your earnings in Europe?

For the first time in many years, demand for appliances improved in almost all markets in Europe during the year. In Western Europe, there has been positive growth for several consecutive quarters. In this market, our European business has successfully managed the product portfolio and gained market share in profitable segments such as premium and built-in kitchen appliances. Our ongoing cost savings programs have continued to contribute to earnings and have in effect led to lower structural costs in our operations. As a result, the combined actions have helped the business to be more stable and resilient.

### What are your thoughts on the consolidation of the appliance market in Europe?

The European appliance market is a highly fragmented market where the top five players have a share of less than 60%. It is difficult to predict the short-term implications of the consolidation that is taking place, but generally, a market consolidation is a good thing and could be positive for the appliance industry and Electrolux.

### How do you mitigate currency headwinds?

We have a high exposure to currency fluctuations since the Group operates in over 150 countries. Electrolux has approximately SEK 35 billion of annual currency in- and outflows. In 2015, the total negative impact from both currency transaction and translation effects to earnings was approximately SEK -1,400 million. A significant part of the negative impact was from Latin American currencies, which depreciated against the USD. During the year, Electrolux was able to offset the negative currency effects by price and mix improvements.



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