The appliance market

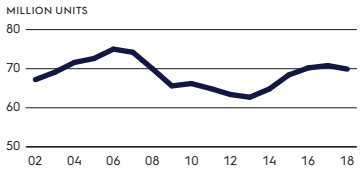
Core markets

Western Europe

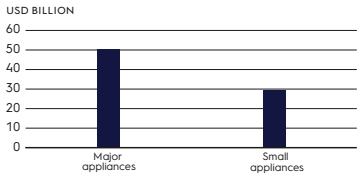
The European appliances market is fragmented and characterized by widely varying consumer needs between countries and a large number of manufacturers, brands and retailers. Structural overcapacity and price pressure has led to an ongoing industry consolidation with manufacturers aiming to achieve economies of scale. The shift in power to consumers is also an important industry driver. In 2018, European markets showed fairly stable demand trend enabling growth for Electrolux in areas such as built-in kitchen products and premium laundry.

Electrolux major competitors
Miele · B/S/H · Whirlpool · Samsung · LG Electronics · Arcelik

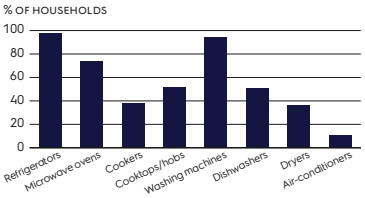
INDUSTRY SHIPMENTS, MAJOR APPLIANCES



MARKET VALUE



PRODUCT PENETRATION



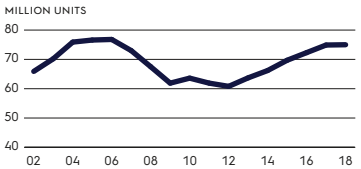
Europe	
Population*:	450 million
Average number of persons per household:	2.3
Urban population:	78%
Estimated GDP growth 2018*:	1.9%

North America

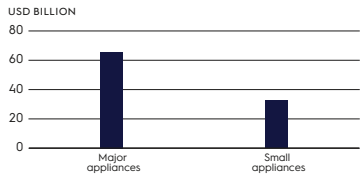
A mature, homogenous market with high product penetration that is dominated by replacement products. Large homes allow space for many household appliances, including large appliances. The market comprises mainly global manufacturers. In 2018, core white shipments to retailers in the U.S. was down 1%, partly due to higher industry prices, however, consumer demand for appliances was estimated to be stable to positive with growth in several categories.

Electrolux major competitors
Whirlpool · GE/Haier · LG Electronics · Samsung

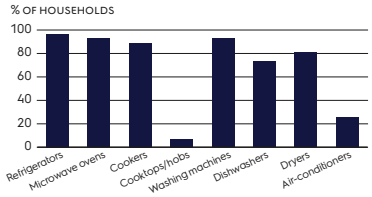
INDUSTRY SHIPMENTS, MAJOR APPLIANCES



MARKET VALUE



PRODUCT PENETRATION



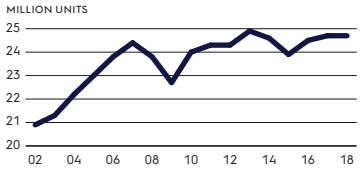
North America	
Population:	360 million
Average number of persons per household:	2.6
Urban population:	82%
Estimated GDP growth 2018:	2.5%

Australia, New Zealand and Japan

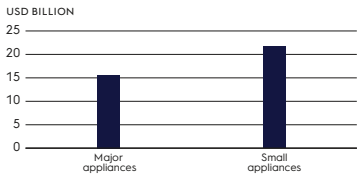
Japan is the world's third-largest single market and is dominated by major domestic manufacturers and retailers. Small living spaces have led to consumers demanding compact products, such as cooktops, washing machines and hand-held vacuum cleaners. While market penetrations are high in Australia and New Zealand, demand is primarily driven by design and innovations as well as water and energy efficiency.

Electrolux major competitors
Haier · Samsung · LG Electronics · Panasonic · B/S/H

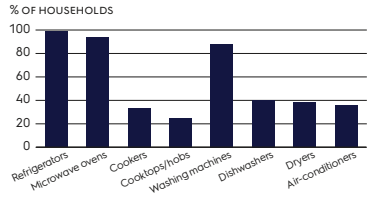
INDUSTRY SHIPMENTS, MAJOR APPLIANCES



MARKET VALUE



PRODUCT PENETRATION



Australia, New Zealand and Japan	
Population:	160 million
Average number of persons per household:	2.5
Urban population:	93%
Estimated GDP growth 2018:	2.3%

* Relates only to Euro Area.
Note: Major appliance industry shipments refer to unit sell-in and include core white goods, microwave ovens and home comfort.

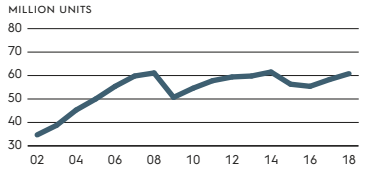
Growth markets

Africa, Middle East and Eastern Europe

The level of market development varies substantially between countries. The geographic spread plays its part in hindering manufacturers and retailers from capturing substantial market shares. Eastern Europe is dominated by Western manufacturers and a large market for replacement products is emerging. Penetration in Africa is low, but growth is high and in line with rising household purchasing power. The Middle East offers a base for regional manufacturing but is impacted by political uncertainty. Demand for appliances in emerging markets continued to be strong in 2018.

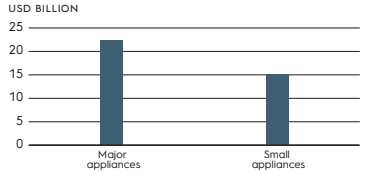
Electrolux major competitors
B/S/H · Whirlpool · Samsung · LG Electronics · Arcelik

INDUSTRY SHIPMENTS, MAJOR APPLIANCES[1)]

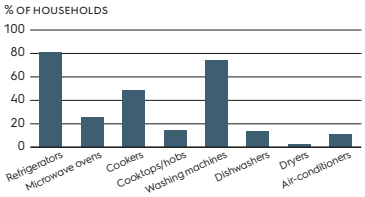


1) Figures excludes Turkey. Last years report included Turkey in emerging markets.

MARKET VALUE



PRODUCT PENETRATION



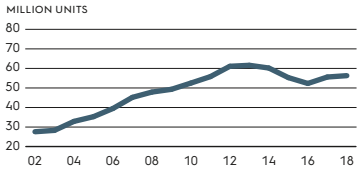
Africa and Middle East	
Population:	1,550 million
Average number of persons per household:	4.8
Urban population:	47%
Estimated GDP growth 2018:	1.7%

Latin America

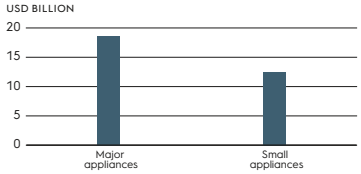
Brazil is the largest appliance market in the region where a few large manufacturers account for a large share of the market. The economic slowdown in recent years has impacted demand in the region although there is considerable growth potential for appliances in the longer term, especially in low-penetrated categories. The growing middle class is expected to drive demand for basic cookers, refrigerators and washing machines. Growing interest for energy and water efficiency may also drive demand.

Electrolux major competitors
Whirlpool · LG Electronics · Samsung · Daewoo

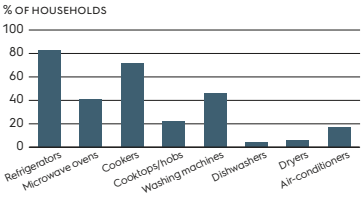
INDUSTRY SHIPMENTS, MAJOR APPLIANCES



MARKET VALUE



PRODUCT PENETRATION



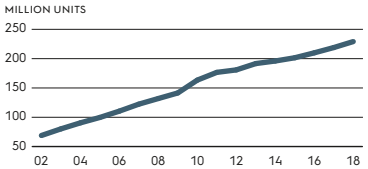
Latin America	
Population:	650 million
Average number of persons per household:	2.8
Urban population:	80%
Estimated GDP growth 2018:	0.6%

Southeast Asia and China

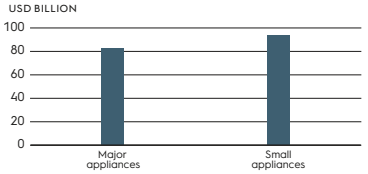
The region is characterized by emerging economies, rapid urbanization, small living spaces and an expanding middle class. China is the world's largest market for household appliances and domestic manufacturers dominate in the country. The markets in Southeast Asia have shown strong growth in the region. Similar to other emerging markets, consumers prioritize refrigerators, washing machines and air-conditioners as prosperity rises. Energy-efficient products and premium brands are also growing in popularity.

Electrolux major competitors
LG Electronics · Panasonic · Haier · B/S/H · Whirlpool · Midea · Samsung · Gree

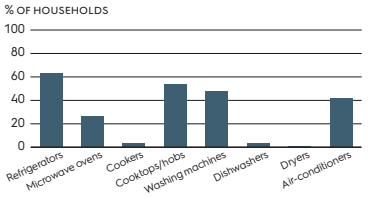
INDUSTRY SHIPMENTS, MAJOR APPLIANCES



MARKET VALUE



PRODUCT PENETRATION



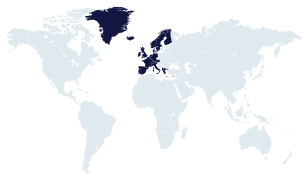
Southeast Asia and China	
Population:	4,150 million
Average number of persons per household:	3.8
Urban population:	44%
Estimated GDP growth 2018:	6.3%

Sources: Euromonitor, World Bank, OECD and Electrolux estimates.

Electrolux market position

Core markets

Western Europe



Electrolux priorities

Strong focus on the strongest and most profitable product categories and the main brands, Electrolux and AEG. Emphasis on innovation as well as increased focus on smart appliances. Examples of focus areas are built-in kitchen appliances, premium laundry and energy-efficient products. Priority is also given to strengthening the small domestic appliances offering.

SHARE OF GROUP SALES 2018

33%

SHARE OF SALES IN THE REGION 2018

- Major appliances, 77%
- Small appliances, 7%
- Professional appliances, 16%

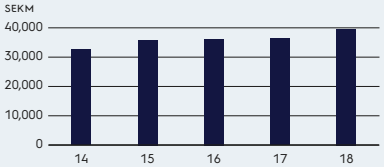
Consumer brands

Electrolux AEG ZANUSSI

Electrolux market shares

16% core appliances
9% floor care
Professional: Leading position with a strong brand recognition in the institutional/hotel segments for professional products.

NET SALES



Market demand in Western Europe has remained failry stable in recent years, and Electrolux has in 2018 gained market shares under premium brands. The Group has strong market positions with a particularly strong position in kitchen appliances, both for consumers and professional users.

North America

Electrolux priorities

Launch of new innovative products within own core branded products. Focus is on strengthening and investing in the Frigidaire brand and growth in channels, such as the builder channel. Key focus areas are also broadening the range of professional products as well as strengthening the offering for global food chains.

SHARE OF GROUP SALES 2018

33%

SHARE OF SALES IN THE REGION 2018

- Major appliances, 96%
- Small appliances, 2%
- Professional appliances, 2%

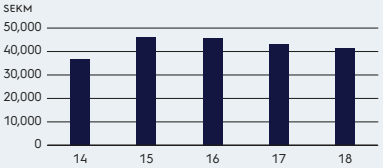
Consumer brands

Electrolux FRIGIDAIRE GALLERY FRIGIDAIRE PROFESSIONAL ANOVA

Electrolux market shares

16% core appliances
Professional: Historically strong presence in laundry equipment and a growing presence in the food service and beverage segments.

NET SALES



Net sales in North America have shown a positive trend in recent years, driven by growth in the market but also supported by launches of new products and new distribution channels. More recently, the Group has been affected by declining sales in private labels. In 2018, Electrolux strengthened its market position under own branded products.

Australia, New Zealand and Japan

Electrolux priorities

Further strengthening of positions in Australia and New Zealand through the launch of new, innovative products under the Electrolux and Westinghouse brands, and products with features including high energy and water efficiency. Prioritization of compact, user-friendly and quiet household appliances in Japan and South Korea is continuing.

SHARE OF GROUP SALES 2018

5%

SHARE OF SALES IN THE REGION 2018

- Major appliances, 86%
- Small appliances, 8%
- Professional appliances, 6%

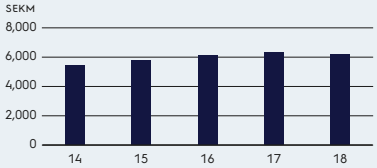
Consumer brands

Electrolux Westinghouse

Electrolux market shares in Australia

31% core appliances
7% floor care
Professional: Historically strong position in both laundry equipment and food-service equipment for professional use.

NET SALES



Australia is the Group's main market in the region. In Japan, Electrolux is a relatively small player but has in the last couple of years established a growing business in small, compact vacuum cleaners.

Note: Market shares are Electrolux estimates.

Growth markets

Africa, Middle East and Eastern Europe

Electrolux priorities

Increased focus on the strongest brands and product categories in Eastern Europe. The aim is to grow profitably in focus categories in pace with economic recovery and growing prosperity in the region, particularly in Africa. The Electrolux production setup in Egypt will enable growth in the Middle East and North African markets. Product launches in the air-conditioner segment and small appliances will also yield further growth opportunities in the region.

SHARE OF GROUP SALES 2018

10%

SHARE OF SALES IN THE REGION 2018

- Major appliances, 89%
- Small appliances, 7%
- Professional appliances, 4%

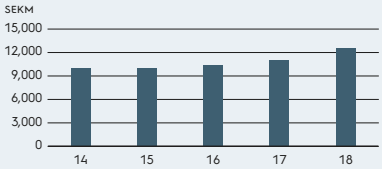
Consumer brands

Electrolux AEG ZANUSSI

Electrolux market shares

15% core appliances, Eastern Europe
2% core appliances, Middle East and Africa
10% floor care, Eastern Europe
Professional: Leadership position with stronger recognition in the institutional/hotel segments.

NET SALES



Electrolux is positioned for future growth and increased sales in pace with growing markets in Eastern Europe, the Middle East and Africa. Recently, a strong recovery in demand has been noted in Eastern European markets with increased sales for Electrolux.

Latin America

Electrolux priorities

Although some parts of the region have recently experienced challenging market conditions, there are considerable growth opportunities in the longer term. By focusing on cost control and efficiency, the Group can capitalize on opportunities as the purchasing power of households stabilizes and consumer demand rebounds.

SHARE OF GROUP SALES 2018

15%

SHARE OF SALES IN THE REGION 2018

- Major appliances, 95%
- Small appliances, 5%

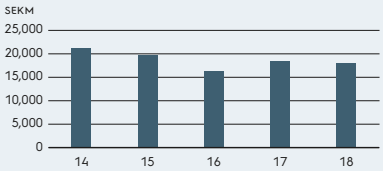
Consumer brands

Electrolux FRIGIDAIRE Continental

Electrolux market shares

24% core appliances, Latin America
34% floor care
Professional: Growing presence of Professional Products in the region.

NET SALES



The weak market conditions of recent years have negatively impacted Electrolux sales. In 2018, cost-based price increases and improved mix resulted in improved organic sales. Electrolux is positioned for growth with a strong product offering combined with the acquisition of the Continental brand.

Southeast Asia and China

Electrolux priorities

By targeting new markets, channels and segments, and marketing a broad range of appliances, the Group aims to increase its presence in Asia. A growing middle class means higher demand for premium products. Focus on products for professional users in the laundry and food-service segments is also prioritized as well as launches of compact vacuum cleaners and small domestic appliances.

SHARE OF GROUP SALES 2018

5%

SHARE OF SALES IN THE REGION 2018

- Major appliances, 67%
- Small appliances, 25%
- Professional appliances, 8%

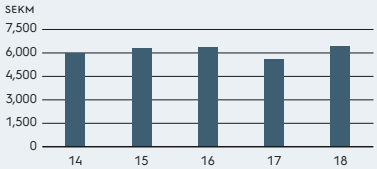
Consumer brands

Electrolux AEG VINTEC

Electrolux market shares in Southeast Asia

5% core appliances
17% floor care
Professional: Reference player with stronger recognition in the hotel segments.

NET SALES



Electrolux sales in Southeast Asia have shown positive growth. The Group's strong position in front-load washing machines has been leveraged to also expand the business to kitchen appliances.