

Q1 2018



Growth and solid earnings

- Net sales amounted to SEK 27,906m (28,201). Sales growth was 3.3%, while currency translation had a negative impact of 4.4%. Strong organic sales growth in Major Appliances EMEA and Asia/Pacific.
- Operating income amounted to SEK 764m (1,442), corresponding to a margin of 2.7% (5.1).
- Operating income includes restructuring costs of SEK 596m relating to the consolidation of freezer production in North America. Excluding these costs, operating income amounted to SEK 1,360m, corresponding to a margin of 4.9%.
- Product mix improvements and higher cost efficiency offset accelerating input costs pressures and unfavorable currency effects.
- Continued solid earnings development across most business areas, although earnings for Major Appliances Latin America was significantly impacted by higher costs for raw materials and currency headwinds.
- Operating cash flow after investments amounted to SEK -2.7bn (-1.0).
- Income for the period decreased to SEK 551m (1,012), and earnings per share was SEK 1.92 (3.52).

Financial overview

SEKM	Q1 2018	Q1 2017	Change, %
Net sales	27,906	28,201	-1
Sales growth, % ¹⁾	3.3	-3.2	
Organic growth, %	1.8	-2.8	
Acquisitions, %	1.5	0.3	
Divestments, %	—	-0.7	
Changes in exchange rates, %	-4.4	5.9	
Operating income ²⁾	764	1,442	-47
Operating margin, %	2.7	5.1	
Income after financial items	672	1,340	-50
Income for the period	551	1,012	-46
Earnings per share, SEK ³⁾	1.92	3.52	
Operating cash flow after investments	-2,671	-958	
Return on net assets, %	13.3	28.1	

¹⁾ Change in net sales adjusted for changes in exchange rates.

²⁾ Operating income in the first quarter of 2018 includes non-recurring items of SEK -596m relating to the consolidation of production in Major Appliances North America. Excluding this non-recurring item operating income amounted to SEK 1,360m, corresponding to a margin of 4.9%.

³⁾ Basic.

For definitions, see page 26.

President and CEO Jonas Samuelson's comment

Our profitable growth journey continued in the first quarter and we achieved sales growth of 3.3%, of which organic growth was 1.8%. In the quarter we initiated the consolidation of our North American production and took a restructuring charge. Excluding this charge, operating income was in line with last year. I am particularly pleased that our consistent focus on portfolio management and cost efficiency paid off, offsetting pressure from higher raw material costs and currency.

The earnings trend for our operations in EMEA, Asia/Pacific and Home Care & SDA remained positive and Professional Products' performance was once again solid. In EMEA, the focus on innovative products under our premium brands continued to drive profitable growth and market share gains. Our North American business area was impacted by significantly lower air care volumes and continued lower volumes under private label. However, I am very pleased to see the strategically important newly launched Frigidaire product range delivering double digit growth resulting in market share gains in core branded appliances. The previously announced price increases in North America were gradually implemented during the quarter, and will start to have an impact during the second quarter. In Latin America we were not able to offset the negative impact from raw materials and currency as implemented price increases had a limited impact on the quarter.

The increase in raw material costs accelerated in the quarter, partly due to the announcement of trade barriers for steel in the U.S., but also other metals, plastics and logistics costs increased further. We now estimate the negative year-over-year impact from higher costs for raw materials to be SEK 1.6 -1.8bn in 2018 why we need to continue our cost efficiency efforts, and further improve pricing in most key markets.

Demand for appliances in most of our markets showed growth in the quarter and we expect this to continue and, hence, re-confirm our market view for 2018. In this supportive market environment we will continue to drive profitable growth by creating best-in-class consumer experiences through innovation. Our investments in connected appliances not only enhance the experience for consumers, but also create new business opportunities, and are a key part of our path to profitable growth. During the quarter we launched the first connected steam oven with an integrated camera, enhancing the cooking experience to a new



level. In the U.S., our award-winning Pure i9 connected robotic vacuum cleaner was brought to consumers by leveraging the digital expertise and consumer-focused approach of Anova, which we acquired in 2017.

The coming years we are stepping up investments in product innovation and automation and the investments in our North American operation are a key part. Work is ongoing to tailor these investments given the recent trade announcements to allow high flexibility in our production, resulting in high adaptability and competitiveness for the important North American market. We are also complementing our initiatives for organic growth with acquisitions to accelerate profitable growth. During the quarter the German professional laundry company Schneidereit was acquired to expand our professional offering into rental solutions. Through our joint venture in China we introduced our premium AEG brand to the fast-growing high-end retail market in the quarter.

Our ambition to shape living for the better sets the direction for Electrolux for years to come.

Outlook

Market outlook, units year-over-year ¹⁾	FY 2018	Market outlook, units year-over-year ¹⁾	FY 2018
Europe	+ 1-2%	East Asia	Positive
North America	+ 2-3%	Australia	+ 1-2%
Latin America	+ 3-5%		

1) Electrolux estimates for industry shipments of core appliances.

Business outlook ²⁾ , year-over-year	Q2 2018	FY 2018	Previous outlook for the full year of 2018 ⁵⁾
Volume/price/mix	Positive	Positive	Positive
Raw material costs	Increase of SEK -0.4bn	Increase of SEK 1.6 -1.8bn	Increase of SEK 1.2 -1.4bn
Net cost efficiency ³⁾	Neutral	Positive	Positive
Currency effect ⁴⁾	SEK -100m	SEK -400m	SEK -55m
Capex	Increase	SEK -6bn	SEK -6bn

2) Business outlook range: Positive - Neutral - Negative.

3) Efficiencies in variable costs (excl. raw materials) and structural costs.

4) Impact on operating income for the full year 2018, whereof currency transaction effects of SEK -300m and currency translation effects of SEK -100m. Currency rates as per April 24, 2018.

5) Published on January 31, 2018.

Note: Business outlook in the above table excludes non-recurring items.



Summary of the first quarter

SEKM	Q1 2018	Q1 2017	Change, %
Net sales	27,906	28,201	-1
Operating income			
Major Appliances Europe, Middle East and Africa	602	474	27
Major Appliances North America	-167	605	n.m.
Major Appliances Latin America	34	101	-67
Major Appliances Asia/Pacific	127	112	14
Home Care & SDA	64	60	6
Professional Products	237	249	-5
Other, Common Group costs, etc.	-133	-159	16
Total Group	764	1,442	-47
Operating margin, %	2.7	5.1	
Operating margin excl. non-recurring items, % ¹⁾	4.9	5.1	

¹⁾ Non-recurring items of SEK -596m in the first quarter of 2018 referred to Major Appliances North America. For information on non-recurring items, see page 5 and 18.

Net sales

Net sales for the Electrolux Group increased by 3.3% in the quarter excluding currency translation effects. Organic growth was 1.8% and market shares increased under core brands in key regions.

Major Appliances EMEA reported sales growth, which was a result of increased volumes and mix improvements. Sales for Major Appliances Latin America continued to increase, particularly in Brazil. Major Appliances Asia/Pacific had strong sales development across most regions. Professional Products continued to grow partly through mix improvements.

Sales for Major Appliances North America declined, mainly due to lower sales volumes of air conditioners and products under private labels. However, sales of core appliances under own brands increased resulting in market share gains. Sales for Home Care & SDA declined mainly due to lower sales of vacuum cleaners in Europe and Latin America.

Operating income

Operating income amounted to SEK 764m (1,442), corresponding to a margin of 2.7% (5.1).

In the quarter restructuring costs of SEK 596m for the consolidation of freezer production in North America were charged to operating income. Excluding this non-recurring item, operating income amounted to SEK 1,360m, corresponding to a margin of 4.9%. Product mix improvements and higher cost efficiency contributed to earnings while increased costs for raw materials and lower volumes had a negative impact.

Earnings for Major Appliances EMEA and Asia/Pacific increased as a result of higher volumes and increased cost efficiency. The performance of Professional Products remained solid. Results for Home Care & SDA improved somewhat in a seasonally weak quarter.

Operating income for Major Appliances North America declined, mainly due to lower volumes and increased costs for raw materials and logistics. Operating income for Major Appliances Latin America was negatively impacted by increased costs for raw materials and currency headwinds.

Effects of changes in exchange rates

Changes in exchange rates had a negative year-over-year impact of SEK 107m on operating income in the quarter, were transaction effects accounted for SEK -53m and translation effects for SEK -54m.

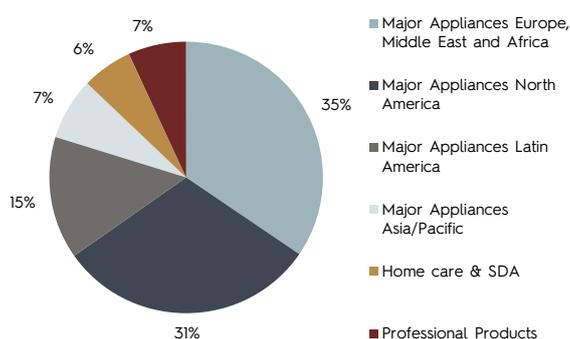
Financial net

Net financial items for the first quarter amounted to SEK -92m (-102).

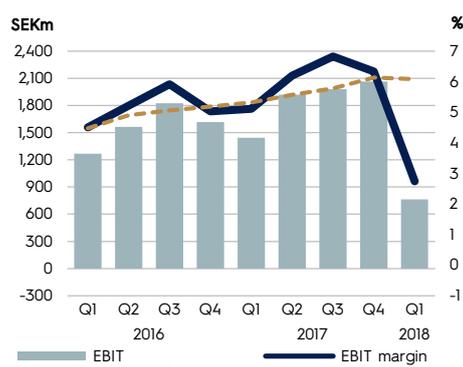
Income for the period

Income for the period amounted to SEK 551m (1,012), corresponding to SEK 1.92 (3.52) in earnings per share.

SHARE OF SALES BY BUSINESS AREA
IN THE FIRST QUARTER OF 2018



OPERATING INCOME AND MARGIN



The EBIT margin - 12m is excluding non-recurring items, see page 18 and 24.



Market overview

Most markets had an overall positive demand trend in the first quarter of 2018. For more information about the market, please see the Business areas section below and the Annual Report 2017 pages 36-39.

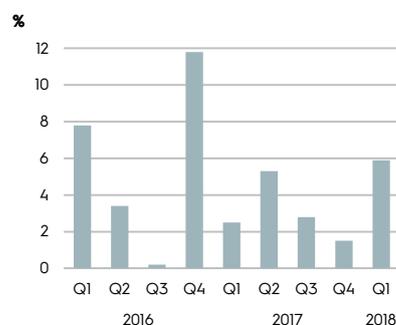
INDUSTRY SHIPMENTS OF CORE APPLIANCES IN EUROPE*



*Units year-over-year, %

Sources: Europe: Electrolux estimates, North America: AHAM. For other markets, there are no comprehensive market statistics.

INDUSTRY SHIPMENTS OF CORE APPLIANCES IN THE U.S.*



Business areas

Major Appliances Europe, Middle East and Africa (EMEA)

In the first quarter, overall market demand in Europe increased by 1% year-over-year. Demand in Western Europe was stable while Eastern Europe rose by 6%. Demand increased across most markets while demand in the UK continued to decline.

Electrolux operations in EMEA reported an organic sales growth of 7.6% for the quarter. This was a result of increased volumes and mix improvements. The business area gained market shares under premium brands across most regions particularly in built-in kitchen products. Acquisitions had a positive impact of 2.6% on sales and referred to Kwikot and Best.

Operating income and margin increased. Higher volumes, mix improvements and increased cost efficiency offset the negative impact of raw-material cost increases, price pressure and currency.

OPERATING INCOME AND MARGIN



Industry shipments of core appliances in Europe, units, year-over-year, %*

	Q1 2018	Q1 2017	Full year 2017
Western Europe	0	0	1
Eastern Europe (excluding Turkey)	6	4	5
Total Europe	1	1	2
SEKM			
Net sales	9,640	8,539	38,524
Organic growth, %	7.6	-2.4	0.6
Acquisitions, %	2.6	0.6	2.1
Operating income	602	474	2,764
Operating margin, %	6.2	5.6	7.2

* Source: Electrolux estimates



Major Appliances North America

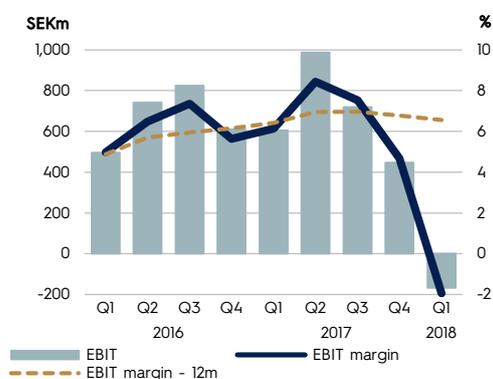
In the first quarter, market demand for core appliances in the U.S. grew by 6% year-over-year. Market demand for major appliances, including microwave ovens and home-comfort products, declined by 1%.

Electrolux operations in North America reported an organic sales decline of 5.1% for the quarter. Lower sales volumes of air conditioners and a continued decline under private labels had a negative impact on sales in the quarter. However, sales of products under own brands increased resulting in market share gains. Price increases were coming into effect towards the end of the quarter.

As previously announced Electrolux will consolidate freezer production to the Anderson facility and cease production at St. Cloud. As a consequence restructuring costs of SEK 596m were charged to operating income in the first quarter, see page 11.

Operating margin excluding this non-recurring item declined year-over-year. Lower volumes as well as higher costs for raw materials and logistics had a negative impact in the quarter. Increased cost efficiency and mix improvements contributed to earnings.

OPERATING INCOME AND MARGIN



The EBIT margin - 12m is excluding non-recurring items, see page 18 and 24.

Industry shipments of appliances in the U.S., units, year-over-year, % ¹	Q1 2018	Q1 2017	Full year 2017
Core appliances	6	3	3
Microwave ovens and home-comfort products	-10	5	14
Total Major Appliances	-1	3	6
SEKM			
Net sales	8,564	9,850	40,656
Organic growth, %	-5.1	-7	-6.1
Operating income	-167	605	2,757
Operating margin, %	-1.9	6.1	6.8
Operating margin excl. non-recurring items, % ¹⁾	5.0	6.1	6.8

¹⁾ For information on non-recurring items, see page 18.

* Source: AHAM

Major Appliances Latin America

In the first quarter, consumer demand for core appliances in Brazil, Argentina and Chile is estimated to have increased. The industry shipments to retailers in Brazil were however lower than consumer demand, as retailers were destocking.

Electrolux operations in Latin America had an organic sales growth of 6.4%. This was mainly a result of increased sales volumes in Brazil, although in the lower margin segments. Price increases are being implemented and contributed slightly to sales in the quarter.

Operating income and margin declined however, year-over-year. Higher costs for raw materials, currency headwinds and higher cost inflation impacted earnings negatively.

OPERATING INCOME AND MARGIN



SEKM	Q1 2018	Q1 2017	Full year 2017
Net sales	4,064	4,301	17,302
Organic growth, %	6.4	-2.5	7.9
Operating income	34	101	425
Operating margin, %	0.8	2.3	2.5



Major Appliances Asia/Pacific

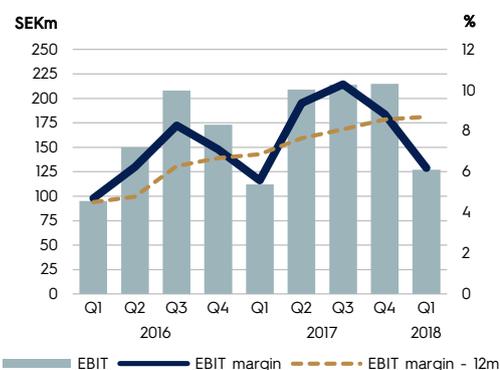
In the first quarter, overall market demand for appliances in Australia, China and Southeast Asia is estimated to have increased.

Organic sales increased by 7.6% in the quarter. This was a result of strong volume growth in Australia, New Zealand and Southeast Asia and the business area gained market shares.

Operating income improved across these regions mainly as a result of higher volumes in most product categories and improved cost efficiency.

At the end of the quarter the AEG brand was introduced to Chinese consumers through a joint venture. The first products will reach stores in June and launches will continue throughout the year.

OPERATING INCOME AND MARGIN



SEKM	Q1 2018	Q1 2017	Full year 2017
Net sales	2,055	2,010	8,759
Organic growth, %	7.6	8.1	5.6
Acquisitions, %	—	1.3	0.7
Operating income	127	112	750
Operating margin, %	6.2	5.6	8.6

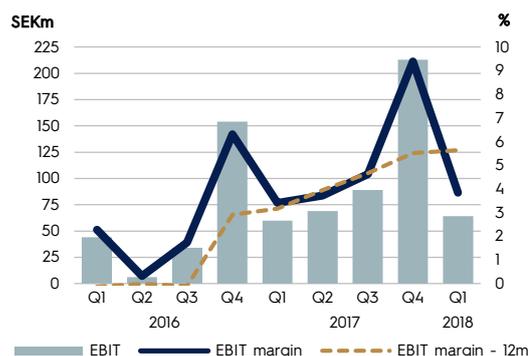
Home Care & Small Domestic Appliances

In the first quarter, the overall market for vacuum cleaners increased, driven mainly by cordless handsticks, which grew significantly across most regions, while demand for corded vacuum cleaners declined.

Organic sales declined by 7.2% in the quarter. This was mainly due to lower sales volumes of vacuum cleaners, particularly in Europe and Latin America. Product transitions for new energy requirements in Europe had a negative impact on sales volumes in the quarter. The strategy to focus on the most profitable product categories continued and the product mix improved. The acquired smart kitchen appliance company Anova had a positive impact of 2.8% on sales.

Operating income and margin improved somewhat. Mix improvements and currency contributed to earnings while lower volumes and market investments for new product launches had a negative impact.

OPERATING INCOME AND MARGIN



SEKM	Q1 2018	Q1 2017	Full year 2017
Net sales	1,665	1,759	7,808
Organic growth, %	-7.2	-3.3	-4.2
Acquisitions, %	2.8	—	4.7
Divestments, %	—	-9.2	-6.6
Operating income	64	60	431
Operating margin, %	3.8	3.4	5.5



Professional Products

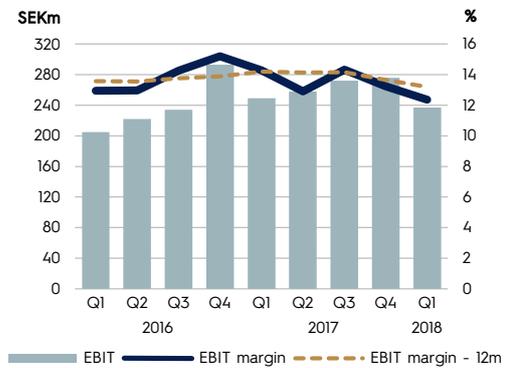
Overall market demand for professional food-service and professional laundry equipment improved across most regions in the first quarter.

Organic growth was 0.7%. Acquisitions had a positive impact of 7.8% on sales and referred to Grindmaster-Cecilware. Sales increased across several regions, particularly in the food-service segment.

Operating income remained solid, but declined slightly in the first quarter. Increased sales contributed to earnings while currency headwinds and increased costs for raw materials had a negative impact. The acquired business for beverage products had a dilutive impact on operating margin. Investments for new product launches to strengthen positions in existing and new segments and markets were ongoing in the quarter.

During the quarter the acquisition of Schneidereit GmbH, a supplier of laundry rental solutions for professional customers in Germany and Austria was completed. The acquisition enables Electrolux to develop its offering within the professional laundry business and supports the long-term profitable growth in Europe, see page 23.

OPERATING INCOME AND MARGIN



SEKM	Q1 2018	Q1 2017	Full year 2017
Net sales	1,917	1,742	7,723
Organic growth, %	0.7	8.0	5.6
Acquisitions, %	7.8	—	6.6
Operating income	237	249	1,054
Operating margin, %	12.4	14.3	13.7



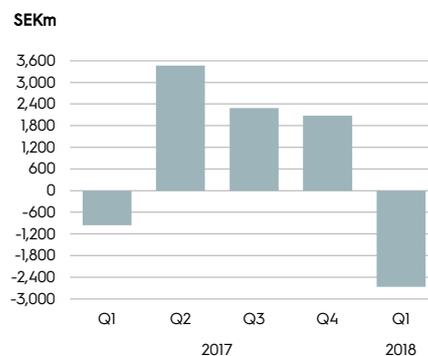
Cash flow

Operating cash flow after investments in the quarter amounted to SEK -2,671m (-958).

The deterioration in cash flow compared to the corresponding quarter in the previous year can to some extent be explained by timing effects related to accounts payable. Cash flow for the first quarter is normally low since there is a seasonal build-up of inventories. The cash flow from working capital in the first quarter of 2018 also reflects this trend.

The acquisition in the quarter of Schneidereit GmbH had a negative impact of SEK 303m on cash flow, see page 23. In addition, the cash flow related to acquisitions includes a payment of a deferred consideration of SEK 125m related to the Kwikot acquisition in 2017.

OPERATING CASH FLOW AFTER INVESTMENTS



SEKM	Q1 2018	Q1 2017	Full year 2017
Operating income adjusted for non-cash items ¹⁾	2,422	2,451	11,405
Change in operating assets and liabilities	-4,370	-2,742	267
Operating cash flow	-1,948	-291	11,672
Investments in tangible and intangible assets	-800	-732	-4,857
Changes in other investments	77	65	62
Operating cash flow after investments	-2,671	-958	6,877
Acquisitions and divestments of operations	-429	-2,399	-3,405
Operating cash flow after structural changes	-3,100	-3,357	3,472
Financial items paid, net ²⁾	-88	-79	-227
Taxes paid	-211	-243	-1,421
Cash flow from operations and investments	-3,399	-3,679	1,824
Dividend	—	-1,078	-2,155
Share-based payments	-226	-492	-483
Total cash flow, excluding changes in loans and short-term investments	-3,625	-5,249	-814

¹⁾ Operating income adjusted for depreciation, amortization and other non-cash items.

²⁾ For the period January 1 to March 31, 2018: interest and similar items received SEK 37m (3), interest and similar items paid SEK -106m (-68) and other financial items paid SEK -19m (-14).



Financial position

Net debt

As of March 31, 2018, Electrolux had a financial net debt of SEK 993m compared to the net financial cash position of SEK 2,437m as of December 31, 2017. Net provisions for post-employment benefits decreased to SEK 2,406m. In total, net debt amounted to SEK 3,399m, an increase by SEK 3,202m compared to SEK 197m as of December 31, 2017.

Long-term borrowings as of March 31, 2018, including long-term borrowings with maturities within 12 months, amounted to SEK 8,204m with average maturity of 2.8 years, compared to SEK 8,088m and 2.4 years at the end of 2017.

In the first quarter long-term borrowings in the amount of SEK 997m were amortized and a new long-term bond loan of SEK 1,008m was raised under the Electrolux EMTN (Euro Medium Term Note) program. During the remaining part of 2018, long-term borrowings amounting to approximately SEK 500m will mature.

Liquid funds as of March 31, 2018, amounted to SEK 8,897m, a decrease of SEK 3,077m compared to SEK 11,974m as of December 31, 2017.

Working capital and net assets

Working capital as of March 31, 2018, amounted to SEK -12,190m (-12,547), corresponding to -10.7% (-11.1) of annualized net sales. Operating working capital amounted to SEK 6,075m (5,668), corresponding to 5.3% (5.0) of annualized net sales, see page 20.

Average net assets for the first quarter of 2018 amounted to SEK 22,912m (20,514), corresponding to 20.5% (18.2) of annualized net sales. Net assets as of March 31, 2018, amounted to SEK 25,147m (22,930).

Return on net assets was 13.3% (28.1), and return on equity was 10.4% (23.6).

Net debt

SEKM	March 31, 2018	March 31, 2017	Dec. 31, 2017
Short-term loans	1,325	1,085	990
Short-term part of long-term loans	582	1,498	1,501
Trade receivables with recourse	254	162	204
Short-term borrowings	2,161	2,745	2,695
Financial derivative liabilities	69	139	228
Accrued interest expenses and prepaid interest income	38	17	27
Total short-term borrowings	2,268	2,901	2,950
Long-term borrowings	7,622	6,947	6,587
Total borrowings¹⁾	9,890	9,848	9,537
Cash and cash equivalents	8,272	7,534	11,289
Short-term investments	164	211	358
Financial derivative assets	212	102	85
Prepaid interest expenses and accrued interest income	250	245	242
Liquid funds²⁾	8,897	8,092	11,974
Financial net debt	993	1,756	-2,437
Net provisions for post-employment benefits	2,406	3,590	2,634
Net debt	3,399	5,346	197
Net debt/equity ratio	0.16	0.32	0.01
Equity	21,748	16,507	20,480
Equity per share, SEK	76	57	71
Return on equity, %	10.4	23.6	31.9
Equity/assets ratio, %	27.1	21.6	26.4

¹⁾ Whereof interest-bearing liabilities amounting to SEK 9,529m as of March 31, 2018 and SEK 9,530m as of March 31, 2017 and SEK 9,078m as of December 31, 2017.

²⁾ Electrolux has one unused committed back-up multicurrency revolving credit facility of EUR 1,000m, approximately SEK 10,300m, maturing 2022 with an extension option of one year.



Other items

Asbestos litigation in the U.S.

Litigation and claims related to asbestos are pending against the Group in the US. Almost all of the cases refer to externally supplied components used in industrial products manufactured by discontinued operations prior to the early 1970s. The cases involve plaintiffs who have made substantially identical allegations against other defendants who are not part of the Electrolux Group.

As of March 31, 2018, the Group had a total of 3,342 (3,298) cases pending, representing approximately 3,404 (approximately 3,361) plaintiffs. During the first quarter of 2018, 356 new cases with 356 plaintiffs were filed and 386 pending cases with approximately 387 plaintiffs were resolved.

It is expected that additional lawsuits will be filed against Electrolux. It is not possible to predict the number of future lawsuits. In addition, the outcome of asbestos lawsuits is difficult to predict and Electrolux cannot provide any assurances that the resolution of these types of lawsuits will not have a material adverse effect on its business or on results of operations in the future.

Risks and uncertainty factors

As an international group with a wide geographic spread, Electrolux is exposed to a number of business and financial risks. The business risks can be divided into strategic, operational and legal risks. The financial risks are related to such factors as exchange rates, interest rates, liquidity, the giving of credit and financial instruments.

Risk management in Electrolux aims to identify, control and reduce risks. Risks, risk management and risk exposure are described in more detail in the 2017 Annual Report, www.electrolux.com/annualreport2017

Press releases 2018

January 12	Staffan Bohman proposed new Chairman of AB Electrolux	March 19	Electrolux builds the world's first bioplastic concept fridge
January 22	Electrolux to acquire German company in professional laundry	March 20	Electrolux presents progress in 2017 Sustainability Report
January 30	Electrolux investing \$500 million in U.S. product innovation and manufacturing, also consolidating production	March 26	Electrolux launches Pure i9 robotic vacuum in the United States
January 31	Consolidated Results 2017, and CEO Jons Samuelson's comments.	March 27	Electrolux issues bond loan
February 7	Electrolux to receive Statement of Objections from the French Competition Authority	April 6	Bulletin from AB Electrolux Annual General Meeting 2018
February 27	Notice convening the Annual General Meeting of AB Electrolux	April 10	Electrolux launches its first open innovation factory
February 28	Electrolux publishes Annual Report for 2017	April 17	Electrolux partners with Innit to offer connected cooking experience
March 5	Electrolux connected steam oven with built-in camera makes its market debut	April 17	Electrolux steps up commitment to climate action, with approved science-based targets
March 9	Electrolux and Midea launch AEG brand in China	April 23	Electrolux and AIESEC mobilize youth to act on responsible consumption
March 14	Electrolux provides update on U.S. antidumping review; intends to contest decision		



Events during and after the quarter

Events during the first quarter of 2018

January 22. Electrolux to acquire German company in professional laundry

In February, Electrolux completed the acquisition of Schneidereit GmbH, a supplier of laundry rental solutions for professional customers in Germany and Austria. The acquisition enables Electrolux to develop its offering within the professional laundry business and supports the long-term profitable growth in Europe. Read more on page 23.

January 30. Electrolux investing \$500 million in U.S. product innovation and manufacturing, also consolidating production

Electrolux is planning total investments of approximately USD 500 million in its U.S. manufacturing operations, stepping up a strategic initiative to drive profitable growth in North America with new lines of innovative Frigidaire kitchen products. The company will also consolidate freezer production into its Anderson, South Carolina refrigeration facility.

As a result of the consolidation into Anderson, the company will cease production at its St. Cloud, Minnesota facility. Production is expected to continue through 2019. The company took a restructuring charge of SEK 596 million (approximately USD 73 million) in the first quarter of 2018.

February 7. Electrolux to receive Statement of Objections from the French Competition Authority

The French Competition Authority has informed Electrolux that it intends to issue a Statement of Objections alleging that Electrolux and other appliance manufacturers have acted in breach of antitrust rules in France during the period September 2006 to April 2009.

A Statement of Objections is a formal step in an investigation whereby the Competition Authority informs the concerned parties of its preliminary conclusions. The Statement of Objections does not prejudice the final outcome of the case.

As previously disclosed in Electrolux annual reports, Electrolux became in 2013 the subject of an investigation by the French Competition Authority regarding a possible violation of antitrust rules. The Authority thereafter decided to conduct two separate investigations.

On April 4, Electrolux received the expected Statement of Objections in one of the investigations which Electrolux will respond to in due course. As for the other investigation, which is still ongoing, the Authority has so far not communicated any conclusions. Given the nature of these investigations, it cannot be ruled out that the outcome could have a material impact on Electrolux financial result and cash flow. At this stage it is however not possible to evaluate the extent of such an impact, see Note 25 in the Annual Report 2017.

March 5. Electrolux connected steam oven with built-in camera makes its market debut

Electrolux is launching a connected steam oven with an integrated camera, lifting the cooking experience to a new level. Sweden and Norway are the first markets where the product is made available to consumers.

March 9. Electrolux and Midea launch AEG brand in China

Combining Electrolux global brand expertise with Midea's local market strength, the ambition is to make AEG the most popular premium home appliances brand in China, by leveraging its 130-year heritage of German craftsmanship and innovation. The joint venture will explore the fast-growing high-end retail market in China, as well as real estate projects.

March 14. Electrolux provides update on U.S. antidumping review; intends to contest decision

Electrolux Major Appliances North America has been informed by the U.S. Department of Commerce (DOC) that it has set a final tariff rate of 72.41% on its washing machines imported into the U.S. from Mexico between February 2016 and January 2017. As previously communicated, the DOC informed Electrolux about this preliminary rate in November 2017.

Electrolux will now appeal the DOC's decision. If the tariff rate is not significantly reduced as a result of the appeal process, it could lead to a one-time cost of up to USD 70 million. However, Electrolux believes that the company has a very strong legal case and, at this point, will not make any provision related to this potential cost.

March 19. Electrolux builds the world's first bioplastic concept fridge

Electrolux has developed a refrigerator prototype where all the visible plastic parts are made of bioplastics from renewable sources. The bioplastic for the refrigerator has a more than 80% lower carbon footprint compared to the conventional plastics used today. The prototype is the world's first refrigerator made of bioplastic and part of Electrolux strategy to create more sustainable home appliances.

March 20. Electrolux presents progress in 2017 Sustainability Report

During 2017 Electrolux reduced carbon emissions, improved energy and water consumption within manufacturing and products as well as increased use of recycled plastics. The Group is also adding new long-term targets to reduce its carbon emissions within operations by 80% in 2025, supporting the Paris Climate Agreement.

March 26. Electrolux launches Pure i9 robotic vacuum in the U.S.

The Pure i9 will be brought directly to U.S. consumers through cutting-edge online sales and marketing channels. Working out of a newly established innovation hub in San Francisco, Electrolux is leveraging the digital expertise and consumer-focused approach of Anova – a leading smart kitchen brand acquired in 2017 by the Electrolux Group.

Events after the first quarter of 2018

April 6. Annual General Meeting 2018

Petra Hedengran, Hasse Johansson, Ulla Litzén, Bert Nordberg, Fredrik Persson, David Porter, Jonas Samuelson, Ulrika Saxon and Kai Wärn were re-elected to the Board of Directors. Staffan Bohman was elected new Board member. Staffan Bohman was also elected Chairman of the Board. The proposed dividend of SEK 8.30 per share was adopted.

April 10. Electrolux launches its first open innovation factory

Electrolux Innovation Factory located in Porcia, northern Italy, is an inspirational and collaborative space which will serve as the Group's hub for innovation with external partners. The initiative will accelerate innovation in manufacturing processes as well as product development by further developing Electrolux approach to open innovation.

April 17. Electrolux partners with Innit to offer connected cooking experience

Electrolux has announced a strategic partnership with Innit, a Silicon Valley-based eating technology company. Electrolux products will work seamlessly with Innit's platform to help consumers throughout the cooking journey, from inspiration to shopping and cooking.

April 17. Electrolux steps up commitment to climate action, with approved science-based targets

The Electrolux Group announced today it has set two new ambitious targets to reduce greenhouse gas emissions in support of the Paris climate agreement. Both have been approved by the Science Based Targets initiative, making Electrolux one of the first 100 companies to join this collaboration against climate change.

For more information, visit www.electroluxgroup.com



Parent Company AB Electrolux

The Parent Company comprises the functions of the Group's head office, as well as five companies operating on a commission basis for AB Electrolux.

Net sales for the Parent Company, AB Electrolux, for the first quarter in 2018 amounted to SEK 8,898m (8,186) of which SEK 7,294m (6,794) referred to sales to Group companies and

SEK 1,604m (1,392) to external customers. Income after financial items was SEK 180m (1,199), including dividends from subsidiaries in the amount of SEK 0m (1,020). Income for the period amounted to SEK 91m (1,197).

Capital expenditure in tangible and intangible assets was SEK 199m (80). Liquid funds at the end of the period amounted to SEK 2,330m, as against SEK 6,066m at the start of the year.

Undistributed earnings in the Parent Company at the end of the period amounted to SEK 19,169m, as against SEK 19,364m at the start of the year.

The income statement and balance sheet for the Parent Company are presented on page 21.

Stockholm, April 27, 2018

AB Electrolux (publ)
556009-4178

Jonas Samuelson
President and CEO

The report has not been audited.



Consolidated statement of comprehensive income

SEKM	Q1 2018	Q1 2017	Full year 2017
Net sales	27,906	28,201	120,771
Cost of goods sold	-23,015	-22,292	-95,222
Gross operating income	4,891	5,909	25,549
Selling expenses	-2,921	-3,219	-12,897
Administrative expenses	-1,350	-1,352	-5,550
Other operating income/expenses	145	104	305
Operating income	764	1,442	7,407
Financial items, net	-92	-102	-441
Income after financial items	672	1,340	6,966
Taxes	-121	-328	-1,221
Income for the period	551	1,012	5,745
Items that will not be reclassified to income for the period:			
Remeasurement of provisions for post-employment benefits	267	388	1,229
Income tax relating to items that will not be reclassified	-56	-153	-440
	212	235	789
Items that may be reclassified subsequently to income for the period:			
Available-for-sale instruments	—	3	1
Cash flow hedges	-11	79	95
Exchange-rate differences on translation of foreign operations	730	218	-1,224
Income tax relating to items that may be reclassified	-10	-23	-17
	709	277	-1,145
Other comprehensive income, net of tax	921	512	-356
Total comprehensive income for the period	1,472	1,524	5,389
Income for the period attributable to:			
Equity holders of the Parent Company	551	1,012	5,745
Non-controlling interests	0	0	0
Total	551	1,012	5,745
Total comprehensive income for the period attributable to:			
Equity holders of the Parent Company	1,472	1,524	5,390
Non-controlling interests	1	0	-1
Total	1,472	1,524	5,389
Earnings per share			
Basic, SEK	1.92	3.52	19.99
Diluted, SEK	1.90	3.51	19.88
Average number of shares¹⁾			
Basic, million	287.4	287.4	287.4
Diluted, million	289.3	288.7	289.0

¹⁾ Average numbers of shares excluding shares held by Electrolux.



Consolidated balance sheet

SEKM	March 31, 2018	March 31, 2017	Dec. 31, 2017
Assets			
Property, plant and equipment	19,368	18,807	19,192
Goodwill	8,044	6,884	7,628
Other intangible assets	3,834	3,569	3,741
Investments in associates	372	221	337
Deferred tax assets	5,785	6,021	5,712
Financial assets	221	286	212
Pension plan assets	448	330	455
Other non-current assets	462	416	459
Total non-current assets	38,535	36,534	37,736
Inventories	16,792	15,999	14,655
Trade receivables	20,220	18,743	20,747
Tax assets	644	665	830
Derivatives	253	110	87
Other current assets	4,330	4,738	3,839
Short-term investments	164	211	358
Cash and cash equivalents	8,272	7,534	11,289
Total current assets	50,674	48,000	51,806
Total assets	89,209	84,534	89,542
Equity and liabilities			
Equity attributable to equity holders of the Parent Company			
Share capital	1,545	1,545	1,545
Other paid-in capital	2,905	2,905	2,905
Other reserves	-1,893	-1,194	-2,615
Retained earnings	19,177	13,221	18,630
Equity attributable to equity holders of the Parent Company	21,733	16,477	20,465
Non-controlling interests	14	30	14
Total equity	21,748	16,507	20,480
Long-term borrowings	7,622	6,947	6,587
Deferred tax liabilities	750	726	730
Provisions for post-employment benefits	2,854	3,920	3,089
Other provisions	5,992	5,991	5,753
Total non-current liabilities	17,219	17,584	16,159
Accounts payable	30,937	29,073	31,114
Tax liabilities	595	721	924
Dividend payable	–	1,078	–
Other liabilities	14,275	14,421	15,849
Short-term borrowings	2,161	2,745	2,695
Derivatives	104	163	251
Other provisions	2,171	2,242	2,070
Total current liabilities	50,242	50,443	52,903
Total equity and liabilities	89,209	84,534	89,542

Change in consolidated equity

SEKM	Q1 2018	Q1 2017	Full year 2017
Opening balance	20,480	17,738	17,738
Change in accounting principles	-18	-126	-126
Total comprehensive income for the period	1,472	1,524	5,389
Share-based payments	-186	-474	-356
Dividend to equity holders of the Parent Company	–	-2,155	-2,155
Dividend to non-controlling interests	–	0	0
Acquisition of non-controlling interests	-1	0	-11
Total transactions with equity holders	-187	-2,629	-2,522
Closing balance	21,748	16,507	20,480



Consolidated cash flow statement

SEKM	Q1 2018	Q1 2017	Full year 2017
Operations			
Operating income	764	1,442	7,407
Depreciation and amortization	1,006	996	3,977
Other non-cash items	652	13	21
Financial items paid, net ¹⁾	-88	-79	-227
Taxes paid	-211	-243	-1,421
Cash flow from operations, excluding change in operating assets and liabilities	2,123	2,129	9,757
Change in operating assets and liabilities			
Change in inventories	-1,706	-2,002	-1,377
Change in trade receivables	1,115	211	-1,992
Change in accounts payable	-1,048	832	3,418
Change in other operating assets, liabilities and provisions	-2,732	-1,783	218
Cash flow from change in operating assets and liabilities	-4,370	-2,742	267
Cash flow from operations	-2,247	-613	10,024
Investments			
Acquisitions of operations	-429	-2,399	-3,405
Divestment of operations	—	—	—
Capital expenditure in property, plant and equipment	-615	-591	-3,892
Capital expenditure in product development	-88	-75	-418
Capital expenditure in software	-97	-66	-369
Other	77	65	-116
Cash flow from investments	-1,152	-3,066	-8,200
Cash flow from operations and investments	-3,399	-3,679	1,824
Financing			
Change in short-term investments	193	694	539
Change in short-term borrowings	221	-297	-386
New long-term borrowings	1,008	—	1,002
Amortization of long-term borrowings	-997	-363	-1,695
Dividend	—	-1,078	-2,155
Share-based payments	-226	-492	-483
Cash flow from financing	200	-1,536	-3,178
Total cash flow	-3,200	-5,215	-1,354
Cash and cash equivalents at beginning of period	11,289	12,756	12,756
Exchange-rate differences referring to cash and cash equivalents	182	-7	-113
Cash and cash equivalents at end of period	8,272	7,534	11,289

¹⁾ For the period January 1 to March 31, 2018: interests and similar items received SEK 37m (3), interests and similar items paid SEK -106m (-68) and other financial items paid SEK -19m (-14).



Key ratios

SEKM unless otherwise stated	Q1 2018	Q1 2017	Full year 2017
Net sales	27,906	28,201	120,771
Organic growth, %	1.8	-2.8	-0.4
EBITA	1,011	1,666	8,327
EBITA margin, %	3.6	5.9	6.9
Operating income	764	1,442	7,407
Operating margin, %	2.7	5.1	6.1
Operating margin excl. non-recurring items, % ¹⁾	4.9	5.1	6.1
Income after financial items	672	1,340	6,966
Income for the period	551	1,012	5,745
Capital expenditure, property, plant and equipment	-615	-591	-3,892
Operating cash flow after investments	-2,671	-958	6,877
Earnings per share, SEK ²⁾	1.92	3.52	19.99
Equity per share, SEK	75.67	57.44	71.26
Capital-turnover rate, times/year	4.9	5.5	5.9
Return on net assets, %	13.3	28.1	36.0
Return on equity, %	10.4	23.6	31.9
Net debt	3,399	5,346	197
Net debt/equity ratio	0.16	0.32	0.01
Average number of shares excluding shares owned by Electrolux, million	287.4	287.4	287.4
Average number of employees	55,413	54,112	55,692

¹⁾ Non-recurring items of SEK -596m in the first quarter of 2018 referred to Major Appliances North America. For information on non-recurring items, see page 18.

²⁾ Basic.

For definitions, see page 26.

Shares

Number of shares	A-shares	B-shares	Shares, total	Shares held by Electrolux	Shares held by other shareholders
Number of shares as of January 1, 2018	8,192,539	300,727,769	308,920,308	21,522,858	287,397,450
Number of shares as of March 31, 2018	8,192,539	300,727,769	308,920,308	21,522,858	287,397,450
As % of total number of shares				7.0%	

Exchange rates

SEK	March 31, 2018		March 31, 2017		Dec. 31, 2017	
	Average	End of period	Average	End of period	Average	End of period
ARS	0.4242	0.4144	0.5720	0.5797	0.5176	0.4729
AUD	6.41	6.41	6.74	6.82	6.53	6.41
BRL	2.50	2.51	2.83	2.81	2.66	2.48
CAD	6.47	6.47	6.75	6.68	6.57	6.55
CHF	8.57	8.73	8.91	8.91	8.67	8.41
CLP	0.0135	0.0138	0.0136	0.0134	0.0131	0.0134
CNY	1.29	1.33	1.30	1.29	1.26	1.26
EUR	10.00	10.28	9.53	9.53	9.64	9.84
GBP	11.34	11.75	11.12	11.14	11.03	11.09
HUF	0.0321	0.0329	0.0308	0.0310	0.0312	0.0317
MXN	0.4332	0.4566	0.4482	0.4762	0.4499	0.4160
RUB	0.1433	0.1451	0.1521	0.1580	0.1463	0.1419
THB	0.2580	0.2673	0.2554	0.2596	0.2517	0.2516
USD	8.16	8.35	8.95	8.92	8.54	8.21



Net sales and operating income by business area

SEKM	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Full year 2018	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Full year 2017
Major Appliances Europe, Middle East and Africa										
Net sales	9,640					8,539	9,304	9,465	11,214	38,524
Sales growth, %	10.1					-1.8	4.3	1.4	6.6	2.7
EBITA	678					551	636	830	1,048	3,065
EBITA margin, %	7.0					6.5	6.8	8.8	9.3	8.0
Operating income	602					474	561	761	969	2,764
Operating margin, %	6.2					5.6	6.0	8.0	8.6	7.2
Major Appliances North America										
Net sales	8,564					9,850	11,699	9,544	9,563	40,656
Sales growth, %	-5.1					-7.0	-2.4	-10.8	-4.2	-6.1
EBITA	-147					628	1,009	742	467	2,847
EBITA margin, %	-1.7					6.4	8.6	7.8	4.9	7.0
Operating income	-167					605	987	719	447	2,757
Operating margin, %	-1.9					6.1	8.4	7.5	4.7	6.8
Major Appliances Latin America										
Net sales	4,064					4,301	3,857	4,132	5,012	17,302
Sales growth, %	6.4					-2.5	-2.5	7.4	29.9	7.9
EBITA	92					155	74	125	272	626
EBITA margin, %	2.3					3.6	1.9	3.0	5.4	3.6
Operating income	34					101	29	77	218	425
Operating margin, %	0.8					2.4	0.8	1.9	4.3	2.5
Major Appliances Asia/Pacific										
Net sales	2,055					2,010	2,232	2,081	2,437	8,759
Sales growth, %	7.6					9.4	7.8	-1.1	9.9	6.3
EBITA	141					123	220	226	227	796
EBITA margin, %	6.9					6.1	9.9	10.9	9.3	9.1
Operating income	127					112	209	214	215	750
Operating margin, %	6.2					5.6	9.4	10.3	8.8	8.6
Home Care & SDA										
Net sales	1,665					1,759	1,857	1,922	2,269	7,808
Sales growth, %	-3.8					-12.5	-3.3	-1.1	-6.0	-5.8
EBITA	92					70	94	114	240	518
EBITA margin, %	5.5					4.0	5.1	5.9	10.6	6.6
Operating income	64					60	69	89	214	431
Operating margin, %	3.8					3.4	3.7	4.6	9.4	5.5
Professional Products										
Net sales	1,917					1,742	1,999	1,897	2,085	7,723
Sales growth, %	8.5					8.0	14.6	17.9	9.1	12.2
EBITA	245					250	268	286	288	1,092
EBITA margin, %	12.8					14.3	13.4	15.1	13.8	14.1
Operating income	237					249	258	272	276	1,054
Operating margin, %	12.4					14.3	12.9	14.3	13.2	13.7
Common Group costs, etc.	-133					-159	-194	-150	-273	-775
Total Group										
Net sales	27,906					28,201	30,948	29,042	32,580	120,771
Sales growth, %	3.3					-3.2	1.2	-1.7	5.4	0.5
EBITA	1,011					1,666	2,152	2,219	2,290	8,327
EBITA margin, %	3.6					5.9	7.0	7.6	7.0	6.9
Operating income	764					1,442	1,919	1,981	2,065	7,407
Operating margin, %	2.7					5.1	6.2	6.8	6.3	6.1
Income after financial items	672					1,340	1,730	1,895	2,001	6,966
Income for the period	551					1,012	1,291	1,440	2,002	5,745
Earnings per share, SEK ¹⁾	1.92					3.52	4.49	5.01	6.97	19.99

¹⁾ Basic, based on average number of shares excluding shares held by Electrolux.



Non-recurring items by business area

SEKM	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Full year 2018	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Full year 2017
Major Appliances Europe, Middle East and Africa	—	—	—	—	—	—	—	—	—	—
Major Appliances North America ¹⁾	-596	—	—	—	—	—	—	—	—	—
Major Appliances Latin America	—	—	—	—	—	—	—	—	—	—
Major Appliances Asia/Pacific	—	—	—	—	—	—	—	—	—	—
Home Care & SDA	—	—	—	—	—	—	—	—	—	—
Professional Products	—	—	—	—	—	—	—	—	—	—
Common Group costs, etc.	—	—	—	—	—	—	—	—	—	—
Total Group	-596	—	—	—	—	—	—	—	—	—

¹⁾ The non-recurring item in the first quarter of 2018 refers to the consolidation of freezer production in North America, see page 11. The cost is included in Cost of goods sold and consists of write down of fixed assets and provision for severance cost and other cost related to the project.

Operating income excl. non-recurring items

SEKM	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Full year 2018	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Full year 2017
Major Appliances North America	—	—	—	—	—	—	—	—	—	—
Operating income excl. non-recurring items	429	—	—	—	—	605	987	719	447	2,757
Operating margin excl. non-recurring items, %	5.0	—	—	—	—	6.1	8.4	7.5	4.7	6.8
Total Group	—	—	—	—	—	—	—	—	—	—
Operating income excl. non-recurring items	1,360	—	—	—	—	1,442	1,919	1,981	2,065	7,407
Operating margin excl. non-recurring items, %	4.9	—	—	—	—	5.1	6.2	6.8	6.3	6.1



Net sales by business area

SEKM	Q1 2018	Q1 2017	Full year 2017
Major Appliances Europe, Middle East and Africa	9,640	8,539	38,524
Major Appliances North America	8,564	9,850	40,656
Major Appliances Latin America	4,064	4,301	17,302
Major Appliances Asia/Pacific	2,055	2,010	8,759
Home Care & SDA	1,665	1,759	7,808
Professional Products	1,917	1,742	7,723
Total	27,906	28,201	120,771

Change in net sales by business area

Year-over-year, %	Q1 2018	Q1 2018 In local currencies
Major Appliances Europe, Middle East and Africa	13	10
Major Appliances North America	-13	-5
Major Appliances Latin America	-6	6
Major Appliances Asia/Pacific	2	8
Home Care & SDA	-5	-4
Professional Products	10	9
Total change	-1	3

Operating income by business area

SEKM	Q1 2018	Q1 2017	Full year 2017
Major Appliances Europe, Middle East and Africa	602	474	2,764
Margin, %	6.2	5.6	7.2
Major Appliances North America	-167	605	2,757
Margin, %	-1.9	6.1	6.8
Major Appliances Latin America	34	101	425
Margin, %	0.8	2.4	2.5
Major Appliances Asia/Pacific	127	112	750
Margin, %	6.2	5.6	8.6
Home Care & SDA	64	60	431
Margin, %	3.8	3.4	5.5
Professional Products	237	249	1,054
Margin, %	12.4	14.3	13.7
Common Group costs, etc.	-133	-159	-775
Operating income	764	1,442	7,407
Margin, %	2.7	5.1	6.1

Change in operating income by business area

Year-over-year, %	Q1 2018	Q1 2018 in local currencies
Major Appliances Europe, Middle East and Africa	27	28
Major Appliances North America	n.m.	n.m.
Major Appliances Latin America	-67	-56
Major Appliances Asia/Pacific	14	13
Home Care & SDA	6	12
Professional Products	-5	-7
Total change	-47	-45



Working capital and net assets

SEKM	March 31, 2018	% of annualized net sales	March 31, 2017	% of annualized net sales	Dec. 31, 2017	% of annualized net sales
Inventories	16,792	14.7	15,999	14.2	14,655	12.4
Trade receivables	20,220	17.8	18,743	16.6	20,747	17.5
Accounts payable	-30,937	-27.2	-29,073	-25.8	-31,114	-26.3
Operating working capital	6,075	5.3	5,668	5.0	4,288	3.6
Provisions	-8,163		-8,233		-7,823	
Prepaid and accrued income and expenses	-9,397		-9,161		-11,038	
Taxes and other assets and liabilities	-705		-822		-1,300	
Working capital	-12,190	-10.7	-12,547	-11.1	-15,873	-13.4
Property, plant and equipment	19,368		18,807		19,192	
Goodwill	8,044		6,884		7,628	
Other non-current assets	4,889		4,492		4,749	
Deferred tax assets and liabilities	5,035		5,294		4,981	
Net assets	25,147	22.1	22,930	20.3	20,678	17.5
Annualized net sales, calculated at end of period exchange rates	113,847		112,705		118,464	
Average net assets	22,912	20.5	20,514	18.2	20,572	17.0
Annualized net sales, calculated at average exchange rates	111,622		112,805		120,771	

Net assets by business area

SEKM	Assets			Equity and liabilities			Net assets		
	March 31, 2018	March 31, 2017	Dec. 31, 2017	March 31, 2018	March 31, 2017	Dec. 31, 2017	March 31, 2018	March 31, 2017	Dec. 31, 2017
Major Appliances Europe, Middle East and Africa	26,223	23,608	25,575	21,308	19,166	22,037	4,915	4,441	3,538
Major Appliances North America	16,043	16,556	14,840	13,057	13,630	12,723	2,986	2,926	2,117
Major Appliances Latin America	12,564	12,811	12,602	6,153	6,693	6,752	6,412	6,118	5,850
Major Appliances Asia/Pacific	5,904	5,641	5,788	3,966	3,528	4,163	1,939	2,113	1,625
Home Care & SDA	5,296	3,896	5,341	3,203	3,093	3,519	2,093	803	1,822
Professional Products	5,310	4,659	4,434	2,948	2,694	2,706	2,362	1,965	1,728
Other ¹⁾	8,523	8,940	8,533	4,083	4,377	4,535	4,440	4,563	3,998
Total operating assets and liabilities	79,864	76,111	77,113	54,717	53,181	56,436	25,147	22,930	20,678
Liquid funds	8,897	8,092	11,974	—	—	—	—	—	—
Total borrowings	—	—	—	9,890	9,848	9,537	—	—	—
Pension assets and liabilities	448	330	455	2,854	3,920	3,089	—	—	—
Dividend payable	—	—	—	—	1,078	—	—	—	—
Equity	—	—	—	21,748	16,507	20,480	—	—	—
Total	89,209	84,534	89,542	89,209	84,534	89,542	—	—	—

¹⁾ Includes common functions and tax items.



Parent Company income statement

SEKM	Q1 2018	Q1 2017	Full year 2017
Net sales	8,898	8,186	35,168
Cost of goods sold	-7,499	-6,912	-30,034
Gross operating income	1,399	1,274	5,134
Selling expenses	-741	-732	-2,967
Administrative expenses	-428	-438	-1,795
Other operating income	–	–	1
Other operating expenses	–	–	-105
Operating income	230	104	268
Financial income	177	1,165	7,142
Financial expenses	-227	-70	-855
Financial items, net	-50	1,095	6,287
Income after financial items	180	1,199	6,555
Appropriations	-48	59	182
Income before taxes	132	1,258	6,737
Taxes	-41	-61	-201
Income for the period	91	1,197	6,536

Parent Company balance sheet

SEKM	March 31, 2018	March 31, 2017	Dec. 31, 2017
Assets			
Non-current assets	35,893	35,128	35,596
Current assets	27,005	21,201	28,267
Total assets	62,898	56,329	63,863
Equity and liabilities			
Restricted equity	5,179	4,811	5,068
Non-restricted equity	19,169	14,124	19,364
Total equity	24,348	18,935	24,432
Untaxed reserves	445	390	444
Provisions	1,312	1,405	1,229
Non-current liabilities	7,189	6,534	6,181
Current liabilities	29,604	29,065	31,577
Total equity and liabilities	62,898	56,329	63,863



Notes

Note 1 Accounting principles

Electrolux applies International Financial Reporting Standards (IFRS) as adopted by the European Union. This report has been prepared in accordance with IAS 34, Interim Financial Reporting, ÅRL (the Swedish Annual Accounts Act) and RFR 2 'Accounting for legal entities' issued by the Swedish Financial Reporting Board.

Electrolux interim reports contain a condensed set of financial statements. For the Group this chiefly means that the disclosures are limited compared to the consolidated financial statements presented in the annual report. For the Parent Company this means that the financial statements in general are presented in condensed versions and with limited disclosures compared to the annual report.

The Group's accounting principles are described in Note 1 in the Annual Report 2017, including transition effects and accounting

principles related to IFRS 15 Revenue from Contracts with Customers and IFRS 9 Financial Instruments, which are applied by Electrolux from January 1, 2018. Changes have been made to the 2017 restatement for IFRS 15 presented in the Annual Report 2017. The changes only impact trade receivables, accounts payable and other current liabilities in the balance sheet.

Preparations for new accounting standards

During 2018, Electrolux preparatory work related to new accounting standards to be applied after 2018 concerns IFRS 16 Leases. Work is ongoing in assessing the full impact of IFRS 16 as well as designing processes and evaluating system solutions to fulfill the reporting requirements.

Note 2 Disaggregation of revenue

Electrolux manufactures and sells appliances mainly in the wholesale market to customers being retailers. Electrolux products include refrigerators, dishwashers, washing machines, cookers, vacuum cleaners, air conditioners and small domestic appliances. Major Appliances and Home Care & SDA focus on the consumer market and Professional Products on professional users. Sales of products are revenue recognized at a point in time, when control of the products has transferred.

Revenue from services related to installation of products, repairs or maintenance service is recognized when control is transferred being over the time the service is provided. Sales of service and spare parts represent less than 2% of net sales. Product and geography are considered important attributes when disaggregating Electrolux revenue. Therefore, the table below presents net sales related to Major Appliances, Home Care & SDA and Professional Products per geographical region.

SEKM	Q1 2018				Q1 2017			
	Major Appliances	Home Care & SDA	Professional Products	Total	Major Appliances	Home Care & SDA	Professional Products	Total
Geographical region								
Europe, Middle East and Africa	9,640	813	1,543	11,996	8,539	827	1,466	10,834
North America	8,564	221	187	8,972	9,850	287	100	10,237
Latin America	4,064	183	—	4,247	4,301	209	—	4,511
Asia Pacific	2,055	448	187	2,691	2,010	435	175	2,620
Total	24,323	1,665	1,917	27,906	24,700	1,759	1,742	28,201

Note 3 Fair values and carrying amounts of financial assets and liabilities

SEKM	March 31, 2018		March 31, 2017		Dec. 31, 2017	
	Fair value	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount
Per category						
Financial assets at fair value through profit and loss	257	257	—	—	—	—
Financial assets at fair value through OCI	—	—	—	—	—	—
Financial assets measured at amortized cost, Hold to collect	24,184	24,184	—	—	—	—
Financial assets at fair value through profit and loss (IAS 39)	—	—	480	480	3,305	3,305
Available for sale (IAS 39) ¹⁾	—	—	126	126	20	20
Loans and receivables (IAS 39)	—	—	20,455	20,455	23,858	23,858
Cash	8,272	8,272	6,499	6,499	5,707	5,707
Total financial assets	32,713	32,713	27,560	27,560	32,890	32,890
Financial liabilities at fair value through profit and loss	104	104	162	162	251	251
Financial liabilities measured at amortized cost	40,525	40,466	38,974	38,875	40,432	40,350
Total financial liabilities	40,629	40,570	39,136	39,037	40,683	40,601

¹⁾ At the transition to IFRS9 the financial instrument classified as Available for sale has been reclassified and is now reported as Financial assets at fair value through profit and loss.

The Group strives for arranging master-netting agreements (ISDA) with the counterparts for derivative transactions and has established such agreements with the majority of the counterparties, i.e., if a counterparty will default, assets and liabilities will be netted. Derivatives are presented gross in the balance sheet.



Note 3 Fair values and carrying amounts of financial assets and liabilities (continued)

Fair value estimation

Valuation of financial instruments at fair value is done at the most accurate market prices available. Instruments which are quoted on the market, e.g., the major bond and interest-rate future markets, are all marked-to-market with the current price. The foreign-exchange spot rate is used to convert the value into SEK. For instruments where no reliable price is available on the market, cash-flows are discounted using the deposit/swap curve of the cash flow currency. If no proper cash-flow schedule is available, e.g., as in the case with forward-rate agreements, the underlying schedule is used for valuation purposes.

To the extent option instruments are used, the valuation is based on the Black & Scholes' formula. The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities is estimated by discounting the future contractual cash flows at the current market-interest

rate for similar financial instruments. The Group's financial assets and liabilities are measured according to the following hierarchy:

Level 1: Quoted prices in active markets for identical assets or liabilities. At March 31, 2018, the fair value for Level 1 financial assets was SEK 999m (495) and for financial liabilities SEK 0m (0).

Level 2: Inputs other than quoted prices included in Level 1 that are observable for assets or liabilities either directly or indirectly. At March 31, 2018, the fair value of Level 2 financial assets was SEK 254m (110) and financial liabilities SEK 105m (344).

Level 3: Inputs for the assets or liabilities that are not entirely based on observable market data. Electrolux has no financial assets or liabilities qualifying for Level 3.

Note 4 Pledged assets and contingent liabilities

SEKM	March 31, 2018	March 31, 2017	Dec. 31, 2017
Group			
Pledged assets	6	6	6
Contingent liabilities	1,307	1,281	1,187
Parent Company			
Pledged assets	—	—	—
Contingent liabilities	1,568	1,611	1,497

For more information on contingent liabilities, see Note 25 in the Annual Report 2017.

Note 5 Acquisitions of operations

Acquisitions in the first quarter of 2018

Schneidereit GmbH

On February 22, 2018 Electrolux completed the acquisition of Schneidereit GmbH, a supplier of laundry rental solutions for professional customers in Germany and Austria. The agreement to acquire the company was announced on January 22, 2018.

The acquisition enables Electrolux to develop its offering within the professional laundry business and supports the long-term profitable growth in Europe. Schneidereit adds a complementary business model, enabling Electrolux to help provide great experiences to an even wider customer base while exploring functional sales which is an interesting growth area in the industry for professional products.

Net sales for the acquired business Schneidereit GmbH in 2016 amounted to around EUR 18 million (around SEK 175 million) and the company has approximately 110 employees throughout Germany.

The consideration consists of a cash payment of EUR 32.8m and a deferred part of EUR 3.6m. The cash payment is equivalent to SEK 331m and a cash flow effect of SEK 303m excluding acquired cash and cash equivalents.

The acquired business is included in the consolidated accounts per March 31 based on a preliminary balance sheet.

The operations are included in the business area Professional Products.

Transaction costs

Costs for the acquisition efforts related to the acquisition described above amount to SEK 6m and have been expensed as incurred during the acquisition process in 2016 (SEK 4m) and 2017 (SEK 2m). The costs have been reported in operating income.

Cash flow related to acquisitions of operations

In addition to the consideration paid for Schneidereit GmbH of SEK 303m, the cash flow related to acquisitions includes a payment of a deferred consideration of SEK 125m related to the Kwikot acquisition in 2017. Total cash flow related to acquisitions of operations amounts to SEK -429m.



Operations by business area yearly

SEKM	2013	2014	2015	2016	2017 ¹⁾
Major Appliances Europe, Middle East and Africa					
Net sales	33,436	34,438	37,179	37,844	38,524
Operating income	-481	232	2,167	2,546	2,764
Margin, %	-1.4	0.7	5.8	6.7	7.2
Major Appliances North America					
Net sales	31,864	34,141	43,053	43,402	40,656
Operating income	2,136	1,714	1,580	2,671	2,757
Margin, %	6.7	5.0	3.7	6.2	6.8
Major Appliances Latin America					
Net sales	20,695	20,041	18,546	15,419	17,302
Operating income	979	1,069	463	-68	425
Margin, %	4.7	5.3	2.5	-0.4	2.5
Major Appliances Asia/Pacific					
Net sales	8,653	8,803	9,229	9,380	8,759
Operating income	116	438	364	626	750
Margin, %	1.3	5.0	3.9	6.7	8.6
Home Care & SDA					
Net sales	8,952	8,678	8,958	8,183	7,808
Operating income	309	200	-63	238	431
Margin, %	3.5	2.3	-0.7	2.9	5.5
Professional Products					
Net sales	5,550	6,041	6,546	6,865	7,723
Operating income	510	671	862	954	1,054
Margin, %	9.2	11.1	13.2	13.9	13.7
Other					
Net sales	1	1	-	-	-
Common Group cost, etc.	-1,989	-743	-2,632	-693	-775
Total Group					
Net sales	109,151	112,143	123,511	121,093	120,771
Operating income	1,580	3,581	2,741	6,274	7,407
Margin, %	1.4	3.2	2.2	5.2	6.1

¹⁾ 2017 is restated due to IFRS 15.

Non-recurring items in operating income ¹⁾	2013	2014	2015	2016	2017
Major Appliances Europe, Middle East and Africa	-828	-1,212	-	-	-
Major Appliances North America	-	-39 ²⁾	-158 ²⁾	-	-
Major Appliances Latin America	-	-10	-	-	-
Major Appliances Asia/Pacific	-351	-10	-	-	-
Home Care & SDA	-82	-	-190	-	-
Professional Products	-	-	-	-	-
Common Group cost	-1,214	-77 ²⁾	-1,901 ²⁾	-	-
Total Group	-2,475	-1,348	-2,249	-	-

¹⁾ For more information, see Note 7 in the Annual Report.

²⁾ Refers to costs related to the not completed acquisition of GE Appliances. Costs for preparatory integration work of SEK 39m for 2014 and SEK 158m for 2015 have been charged to operating income for Major Appliances North America. Common Group cost includes transaction costs of SEK 110m for 2014 and SEK 408m for 2015 and a termination fee paid to General Electric in December 2015 of USD 175m, corresponding to SEK 1,493m. In total, costs of SEK 2,059m related to GE Appliances were charged to operating income in 2015 of which SEK 63m in the first quarter, SEK 195m in the second quarter, SEK 142m in the third quarter and SEK 1,659m in the fourth quarter.



Five-year review

SEKM unless otherwise stated	2013	2014	2015	2016	2017 ¹⁾
Net sales	109,151	112,143	123,511	121,093	120,771
Organic growth, %	4.5	1.1	2.2	-1.1	-0.4
Operating income	1,580	3,581	2,741	6,274	7,407
Operating margin, %	1.4	3.2	2.2	5.2	6.1
Income after financial items	904	2,997	2,101	5,581	6,966
Income for the period	672	2,242	1,568	4,493	5,745
Non-recurring items ²⁾	-2,475	-1,348	-2,249	—	—
Capital expenditure, property, plant and equipment	-3,535	-3,006	-3,027	-2,830	-3,892
Operating cash flow after investments	2,412	6,631	6,745	9,140	6,877
Earnings per share, SEK	2.35	7.83	5.45	15.64	19.99
Equity per share, SEK	49.99	57.52	52.21	61.72	71.26
Dividend per share, SEK	6.50	6.50	6.50	7.50	8.30
Capital-turnover rate, times/year	4.0	4.5	5.0	5.8	5.9
Return on net assets, %	5.8	14.2	11.0	29.9	36.0
Return on equity, %	4.4	15.7	9.9	29.4	31.9
Net debt	10,653	9,631	6,407	360	197
Net debt/equity ratio	0.74	0.58	0.43	0.02	0.01
Average number of shares excluding shares owned by Electrolux, million	286.2	286.3	287.1	287.4	287.4
Average number of employees	60,754	60,038	58,265	55,400	55,692

¹⁾ 2017 is restated due to IFRS15.

²⁾ For more information, see table on page 24 and Note 7 in the Annual Report.

Financial goals over a business cycle

The financial goals set by Electrolux aim to strengthen the Group's leading, global position in the industry and to assist in generating a healthy total yield for Electrolux shareholders. The objective is growth with consistent profitability.

Financial goals

- Operating margin of at least 6%
- Capital turnover-rate of at least 4 times
- Return on net assets >20%
- Average annual growth of at least 4%

Definitions

This report includes financial measures as required by the financial reporting framework applicable to Electrolux, which is based on IFRS. In addition, there are other measures and indicators that are used to follow-up, analyze and manage the business and to provide Electrolux stakeholders with useful financial information on the Group's financial position, performance and development in a consistent way. On the following page is a list of definitions of all measures and indicators used, referred to and presented in this report.

Computation of average amounts and annualized income statement measures

In computation of key ratios where averages of capital balances are related to income statement measures, the average capital balances are based on the opening balance and all quarter-end closing balances included in the reporting period, and the income statement measures are annualized, translated at average rates for the period. In computation of key ratios where end-of-period capital balances are related to income statement measures, the latter are annualized, translated at end-of-period exchange rates. Adjustments are made for acquired and divested operations.



Definitions (continued)

Growth measures

Change in net sales

Current year net sales for the period less previous year net sales for the period as a percentage of previous year net sales for the period.

Sales growth

Change in net sales adjusted for changes in exchange rates.

Organic growth

Change in net sales, adjusted for changes in exchange rates, acquisitions and divestments.

Acquisitions

Change in net sales, adjusted for organic growth, changes in exchange rates and divestments. The impact from acquisitions relates to net sales reported by acquired operations within 12 months after the acquisition date.

Divestments

Change in net sales, adjusted for organic growth, changes in exchange rates and acquisitions. The impact from divestments relates to net sales reported by the divested operations within 12 months before the divestment date.

Profitability measures

EBITA

Operating income excluding amortization of intangible assets.

EBITA margin

EBITA expressed as a percentage of net sales.

Operating margin (EBIT margin)

Operating income (EBIT) expressed as a percentage of net sales.

Operating margin (EBIT margin) excluding non-recurring items

Operating income (EBIT) excluding non-recurring items, expressed as a percentage of net sales.

Return on net assets

Operating income (annualized) expressed as a percentage of average net assets.

Return on equity

Income for the period (annualized) expressed as a percentage of average total equity.

Capital measures

Net debt/equity ratio

Net debt in relation to total equity.

Equity/assets ratio

Total equity as a percentage of total assets less liquid funds.

Capital turnover-rate

Net sales (annualized) divided by average net assets.

Share-based measures

Earnings per share, Basic

Income for the period attributable to equity holders of the Parent Company divided by the average number of shares excluding shares held by Electrolux.

Earnings per share, Diluted

Income for the period attributable to equity holders of the Parent Company divided by the average number of shares after dilution, excluding shares held by Electrolux.

Equity per share

Total equity divided by total number of shares excluding shares held by Electrolux.

Capital indicators

Liquid funds

Cash and cash equivalents, short-term investments, financial derivative assets¹⁾ and prepaid interest expenses and accrued interest income¹⁾.

Operating working capital

Inventories and trade receivables less accounts payable.

Working capital

Total current assets exclusive of liquid funds, less non-current other provisions and total current liabilities exclusive of total short-term borrowings.

Net assets

Total assets exclusive of liquid funds and pension plan assets, less deferred tax liabilities, non-current other provisions and total current liabilities exclusive of total short-term borrowings.

Total borrowings

Long-term borrowings and short-term borrowings, financial derivative liabilities¹⁾, accrued interest expenses and prepaid interest income¹⁾.

Total short-term borrowings

Short-term borrowings, financial derivative liabilities¹⁾, accrued interest expenses and prepaid interest income¹⁾.

Interest-bearing liabilities

Long-term borrowings and short-term borrowings exclusive of liabilities related to trade receivables with recourse¹⁾.

Financial net debt

Total borrowings less liquid funds.

Net provision for post-employment benefits

Provisions for post-employment benefits less pension plan assets.

Net debt

Financial net debt and net provision for post-employment benefits.

Other measures

Operating cash flow after investments

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

Non-recurring items

Material profit or loss items in operating income²⁾ which are relevant for understanding the financial performance when comparing income for the current period with previous periods.

¹⁾ See table Net debt on page 9.

²⁾ For more information, see note 7 in the Annual Report 2017.



Shareholders' information

President and CEO Jonas Samuelson's comments on the first quarter results 2018

Today's press release is available on the Electrolux website www.electroluxgroup.com/ir

Telephone conference 09.00 CET

A telephone conference is held at 09.00 CET today, April 27. The conference will be chaired by Jonas Samuelson, President and CEO of Electrolux.

Mr. Samuelson will be accompanied by Anna Ohlsson-Leijon, CFO.

Details for participation by telephone are as follows:

Participants in Sweden should call +46 8 505 564 74

Participants in UK/Europe should call +44 203 364 5374

Participants in US should call +1 855 753 2230

Slide presentation for download:

www.electroluxgroup.com/ir

Link to webcast:

www.electroluxgroup.com/q1-2018

For further information, please contact:

Sophie Arnius, Head of Investor Relations
+46 70 590 80 72

Merton Kaplan, IR manager
+46 73 885 78 03

Calendar 2018

Interim report January - June

July 18

Interim report January - September

October 26

This report 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.

AB Electrolux (publ) 556009-4178

Postal address SE-105 45 Stockholm, Sweden Visiting address S:t Göransgatan 143, Stockholm

Telephone: +46 (0)8 738 60 00

Website:

www.electroluxgroup.com





Shape living for the better

Electrolux shapes living for the better by reinventing taste, care and wellbeing experiences, making life more enjoyable and sustainable for millions of people. As a leading global appliance company, we place the consumer at the heart of everything we do. Through our brands, including Electrolux, AEG, Anova, Frigidaire, Westinghouse and Zanussi, we sell more than 60 million household and professional products in more than 150 markets every year. In 2017, Electrolux had sales of SEK 122 billion and employed 56,000 people around the world. For more information, go to www.electroluxgroup.com.