

Q2

2018



On track despite headwinds

- Net sales amounted to SEK 31,354m (30,948). Sales growth was 0.7% with organic sales growth across most business areas.
- Operating income amounted to SEK 827m (1,919), corresponding to a margin of 2.6% (6.2).
- Operating income include costs of SEK 818m, whereof SEK 564m relates to an investigation by the French Competition Authority and SEK 254m to an unfavourable court ruling in France, both impacting Major Appliances EMEA. Excluding these non-recurring items, operating income amounted to SEK 1,645m, corresponding to a margin of 5.2% (6.2).
- Higher prices, mix improvements and cost savings contributed positively, however operating income was impacted by higher costs for raw materials and currency headwinds.
- Operating cash flow after investments amounted to SEK 1,805m (3,470).
- Income for the period decreased to SEK 517m (1,291), and earnings per share was SEK 1.80 (4.49).

Financial overview

SEKM	Q2 2018	Q2 2017	Change, %	First half 2018	First half 2017	Change, %
Net sales	31,354	30,948	1	59,259	59,149	0
Sales growth, % ¹⁾	0.7	1.2		1.9	-0.9	
Organic growth, %	0.4	0.0		1.0	-1.4	
Acquisitions, %	0.3	1.5		0.9	0.9	
Divestments, %	0.0	-0.3		0.0	-0.5	
Changes in exchange rates, %	0.6	3.9		-1.7	4.9	
Operating income ²⁾	827	1,919	-57	1,591	3,361	-53
Operating margin, %	2.6	6.2		2.7	5.7	
Income after financial items	748	1,730	-57	1,420	3,070	-54
Income for the period	517	1,291	-60	1,068	2,303	-54
Earnings per share, SEK ³⁾	1.80	4.49		3.72	8.01	
Operating cash flow after investments	1,805	3,470		-866	2,512	
Return on net assets, %	—	—		13.7	32.5	

¹⁾ Change in net sales adjusted for currency translation effects.

²⁾ Operating income in the second quarter of 2018 includes non-recurring items of SEK -818m, whereof SEK -564m relates to an investigation by the French Competition Authority and SEK -254m to an unfavourable court ruling in France, both impacting Major Appliances EMEA. Excluding these non-recurring items, operating income amounted to SEK 1,645m, corresponding to a margin of 5.2% (6.2). Operating income for the first half of 2018 includes non-recurring items of SEK -1,414m. Excluding these items, operating income amounted to SEK 3,005m corresponding to a margin of 5.1% (5.7), see pages 12 and 21.

³⁾ Basic.

For definitions, see pages 28-29.

President and CEO Jonas Samuelson's comment

We continue to execute on our profitable growth strategy in a challenging cost environment. Sales growth amounted to 0.7%, mainly driven by higher prices and improved mix in our core appliances. Despite significantly higher raw material costs and currency headwinds, we delivered earnings in the second quarter in line with our overall expectation. Underlying operating income was SEK 1,645m, corresponding to a margin of 5.2%. It is encouraging to see that our focus on innovative products delivering great consumer experiences result in market share gains in our core branded product categories across the Group. We intensified our cost actions in the quarter and reprioritized some activities to mitigate the increased currency headwind.

EMEA's strong performance continues, thanks to innovative products resulting in market share gains. Earnings for our operation in Asia/Pacific remained solid. Professional Products had a strong quarter with an operating margin of over 14% and a sales growth of close to 7%. The business area has great momentum across all segments. Home Care & SDA is in a product transition phase and is investing for important launches within the growing cordless vacuum cleaner segment.

Our operation in North America was impacted by significantly lower air care volumes, which, in combination with sharply increasing input costs, explain the drop in operating income compared to last year's strong second quarter. The important steps we have taken in strengthening our core appliances under the Frigidaire brand are continuing to result in market share gains. The Latin American business area had a challenging quarter, including handling the nation-wide truck driver strike in Brazil. However, I am very pleased with the teams' focus on implementing price increases and cost measures to mitigate the negative impact from accelerating raw material costs and currency.

In addition to the price increases already implemented, we have announced further price increases in key markets, primarily in North America and Latin America. In combination with cost reductions we are determined to mitigate the increasing headwinds from raw material costs and currency. We now estimate the negative year-over-year impact from raw materials to be approximately SEK 1.8 bn in 2018 and we plan for cost inflation following the recently announced trade actions under Section 301 in the U.S..



Current industry trends indicate a slightly softer market demand outlook for North America, Latin America and Australia, to a large extent driven by higher market prices caused by higher input costs.

We continue to take important steps in strengthening our product portfolio. I am excited about the important product launches we have in our pipeline for the second half of this year and continuing into 2019. This together with our ongoing reengineering programs in North America, Latin America and EMEA are important elements to achieve profitable growth.

Our focus on creating best-in-class consumer experiences, raising prices in key markets and cost management will allow us to mitigate the headwinds we are facing. Looking ahead, I am confident that we are well positioned to execute on our profitable growth strategy.

Outlook

Market outlook, units year-over-year ¹⁾	FY 2018	Previous outlook for FY 2018 ⁵⁾	Market outlook, units year-over-year ¹⁾	FY 2018	Previous outlook for FY 2018 ⁵⁾
Europe	+1% - 2%	+ 1% - 2%	East Asia	Positive	Positive
North America	0% - 2%	+ 2% - 3%	Australia	+/-0%	+ 1% - 2%
Latin America	-2% - +1%	+ 3% - 5%			

¹⁾ Electrolux estimates for industry shipments of core appliances.

Business outlook ²⁾ , year-over-year	Q3 2018	FY 2018	Previous outlook for the FY 2018 ⁵⁾
Volume/price/mix	Positive	Positive	Positive
Raw material costs	Increase of SEK -0.5bn	Increase of SEK - 1.8bn	Increase of SEK 1.6 -1.8bn
Net cost efficiency ³⁾	Neutral	Positive	Positive
Currency effect ⁴⁾	SEK -150m	SEK -750m	SEK -400m
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 -800m and currency translation effects of SEK 50m. The calculation is based on currency rates as per July 13, 2018.

⁵⁾ Published on April 27, 2018.

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



Summary of the second quarter

SEKm	Q2 2018	Q2 2017	Change, %	First half 2018	First half 2017	Change, %
Net sales	31,354	30,948	1	59,259	59,149	0
Operating income						
Major Appliances Europe, Middle East and Africa	-214	561	n.m.	388	1,035	-62
Major Appliances North America	612	987	-38	445	1,591	-72
Major Appliances Latin America	-56	29	n.m.	-23	131	n.m.
Major Appliances Asia/Pacific	187	209	-11	315	321	-2
Home Care & SDA	60	69	-13	124	129	-4
Professional Products	324	258	25	561	507	11
Other, Common Group costs, etc.	-86	-194	56	-219	-353	38
Total Group	827	1,919	-57	1,591	3,361	-53
Operating margin, %	2.6	6.2		2.7	5.7	
Operating margin excl. non-recurring items, % ¹⁾	5.2	6.2		5.1	5.7	

¹⁾ Non-recurring items of SEK -818m in the second quarter of 2018 refers to Major Appliances EMEA, see pages 4 and 12. For information on non-recurring items in the first half of 2018, see page 21.

Net sales

Net sales for the Electrolux Group increased by 0.7% in the quarter, excluding currency translation effects. Organic growth was 0.4%, mainly driven by price increases and mix improvements in core branded appliances. Market shares grew under core brands in key regions.

Sales for Major Appliances EMEA increased as a result of higher volumes and mix improvements. Major Appliances Latin America achieved high organic growth, mainly driven by higher sales volumes in Brazil. Major Appliances Asia/Pacific increased sales volumes across most regions and Professional Products continued to grow across all segments, particularly in laundry.

Sales for Major Appliances North America declined due to lower sales volumes of air conditioners and overall weaker market demand. However, core appliances under own brands gained market shares. Sales for Home Care & SDA declined mainly due to lower sales of corded vacuum cleaners.

Operating income

Operating income amounted to SEK 827m (1,919), corresponding to a margin of 2.6% (6.2).

Operating income include costs of SEK 818m, whereof SEK 564m relates to an investigation by the French Competition Authority and SEK 254m to an unfavourable court ruling in France, both impacting Major Appliances EMEA. Excluding these non-recurring items, operating income amounted to SEK 1,645m, corresponding to a margin of 5.2% (6.2). Price increases, product mix improvements and higher cost efficiency contributed to earnings while increased costs for raw materials, currency and lower volumes had a negative impact.

Operating income for Major Appliances EMEA, excluding non-recurring items, improved somewhat as a result of higher volumes, mix improvements and increased cost efficiency. Earnings for Major Appliances Asia/Pacific remained solid, but declined somewhat year-over-year. The performance of Professional Products was strong.

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, currency headwinds and a nation-wide truck driver strike in Brazil in late May. Home Care & SDA reported a slightly lower operating income year-over-year.

Effects of changes in exchange rates

Changes in exchange rates had a negative year-over-year impact of SEK 247m. The impact of transaction effects was SEK -265m and refers mainly to the operations in Latin America and EMEA. Translation effects in the quarter amounted to SEK 18m.

Financial net

Net financial items for the second quarter amounted to SEK -79m (-189). The financial net in the second quarter 2017 was negatively impacted by unrealized losses, related to financial assets available for sale, in the amount of SEK 100m.

Income for the period

Income for the period amounted to SEK 517m (1,291), corresponding to SEK 1.80 (4.49) in earnings per share.

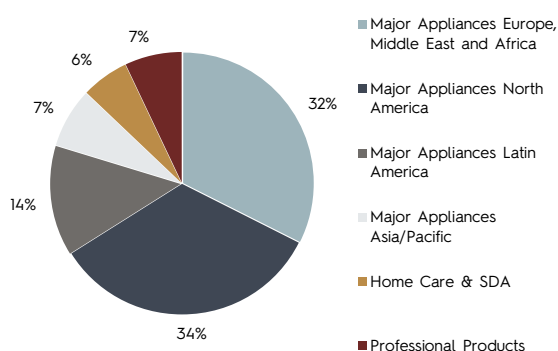
First half of 2018

Sales growth for the Electrolux Group was 1.9% in the first half, excluding currency translation effects. Organic growth was 1.0% and contribution from acquisitions was 0.9%.

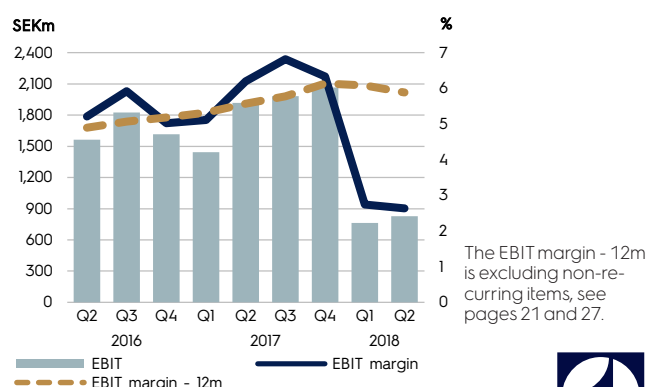
Operating income amounted to SEK 1,591m (3,361), corresponding to a margin of 2.7% (5.7). In the first half non-recurring items amounted to SEK -1,414m, see page 21. Excluding these non-recurring items, operating income amounted to SEK 3,005m corresponding to a margin of 5.1% (5.7).

Income for the period amounted to SEK 1,068m (2,303), corresponding to SEK 3.72 (8.01) in earnings per share.

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



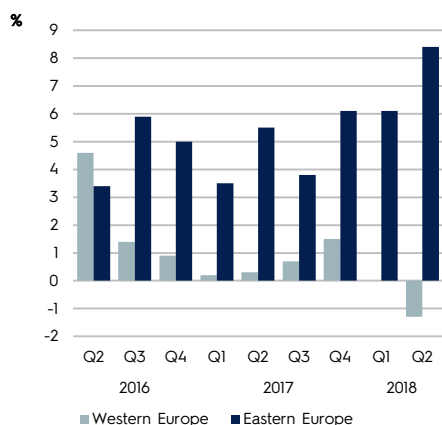
OPERATING INCOME AND MARGIN



Market overview

Several markets including Europe showed a positive demand trend in the quarter. However, the U.S. market declined. For more information about the market, please see the Business areas section below and the Annual Report 2017 pages 36-39.

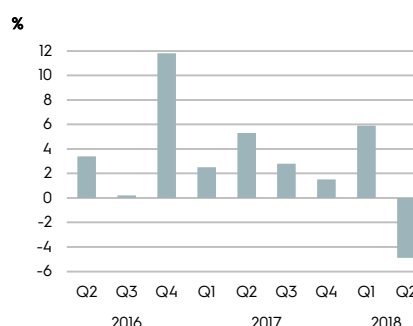
INDUSTRY SHIPMENTS OF CORE APPLIANCES IN EUROPE*



*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)

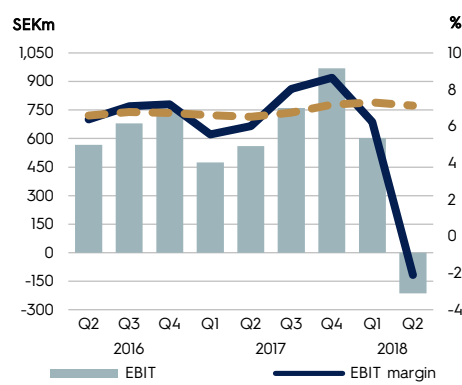
In the second quarter, overall market demand in Europe increased by 1% year-over-year. This was driven by strong growth of 8% in Eastern Europe, while demand in Western Europe declined slightly by 1%.

Electrolux operations in EMEA reported an organic sales growth of 4.2% for the quarter. This was a result of increased volumes and mix improvements. The business area continued to gain market shares under premium brands, particularly in laundry and built-in kitchen products.

As previously announced, non-recurring items of SEK -818m were charged to operating income. These include a provision of SEK -564m relating to an investigation by the French Competition Authority and a provision of SEK -254m relating to an unfavourable court ruling in France, see page 12.

Operating income excluding these non-recurring items improved to SEK 604m. Higher volumes, mix improvements and increased cost efficiency more than offset the negative impact of raw-material cost increases and currency headwinds.

OPERATING INCOME AND MARGIN



The EBIT margin - 12m is excluding non-recurring items, see page 21 and 27.

Industry shipments of core appliances in Europe, units, year-over-year, %*	Q2 2018	Q2 2017	First half 2018	First half 2017	Full year 2017
Western Europe	-1	0	-1	0	1
Eastern Europe (excluding Turkey)	8	6	8	5	5
Total Europe	1	2	1	1	2
SEKM					
Net sales	10,167	9,304	19,807	17,843	38,524
Organic growth, %	4.2	2.1	5.8	-0.2	0.6
Acquisitions, %	1.0	2.2	1.7	1.4	2.1
Operating income	-214	561	388	1,035	2,764
Operating margin, %	-2.1	6.0	2.0	5.8	7.2
Operating margin excl. non-recurring items, % ¹⁾	5.9	6.0	6.1	5.8	7.2

* Source: Electrolux estimates

¹⁾ For information on non-recurring items, see pages 12 and 21.



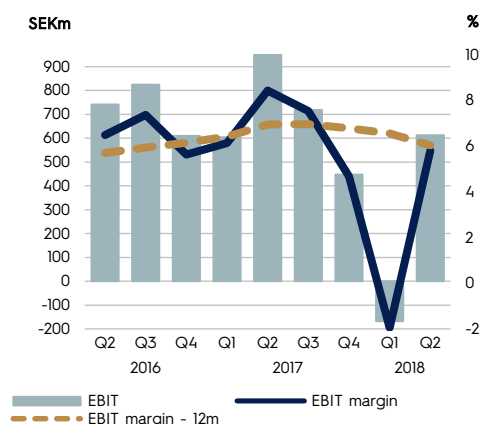
Major Appliances North America

In the second quarter, market demand for core appliances in the U.S. declined by 5% year-over-year compared to a strong quarter last year. The large decline can also be explained by pre-buys in the first quarter ahead of price increases. 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 9.7% for the quarter, mainly relating to lower sales volumes of air conditioners but also to a continued decline under private labels. However, sales volumes of products under own brands increased resulting in market share gains. The price increases implemented towards the end of last quarter were partly offset by promotional spend relating to the 100 year anniversary for Frigidaire.

Operating income declined year-over-year. Lower volumes as well as higher costs for raw materials and logistics had a negative impact in the quarter. Higher prices and increased cost efficiency contributed to earnings.

OPERATING INCOME AND MARGIN



The EBIT margin - 12m is excluding non-recurring items, see page 21 and 27.

Industry shipments of appliances in the U.S., units, year-over-year, %	Q2 2018	Q2 2017	First half 2018	First half 2017	Full year 2017
Core appliances	-5	5	0	4	3
Microwave ovens and home-comfort products	5	15	-3	15	14
Total Major Appliances	-1	10	-1	7	6
SEKM					
Net sales	10,549	11,699	19,113	21,549	40,656
Organic growth, %	-9.7	-2.4	-7.6	-4.5	-6.1
Operating income	612	987	445	1,591	2,757
Operating margin, %	5.8	8.4	2.3	7.4	6.8
Operating margin excl. non-recurring items, % ¹⁾	5.8	8.4	5.4	7.4	6.8

¹⁾ For information on non-recurring items, see page 21.

* Source: AHAM

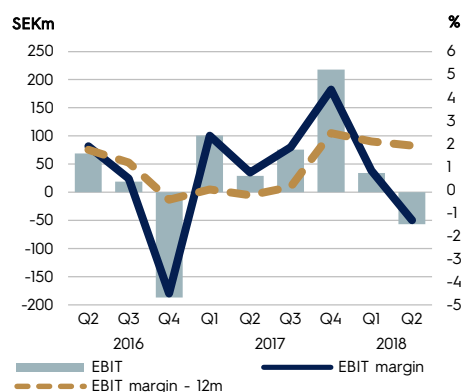
Major Appliances Latin America

In the second quarter, consumer demand for core appliances in Brazil is estimated to have decreased, due to increased uncertainty based on the political and economic environment. Demand in Argentina and Chile increased.

Electrolux operations in Latin America had an organic sales growth of 20.7%. This was mainly a result of increased sales volumes in Brazil. The business area gained market shares in all of its key markets; Brazil, Argentina and Chile. Price increases also contributed to sales in the quarter.

However, operating income declined year-over-year. Increased volumes and higher prices did not fully mitigate increased costs for raw materials, currency headwinds and cost inflation. The nation-wide truck driver strike in Brazil also had an adverse impact on operating income.

OPERATING INCOME AND MARGIN



SEKM	Q2 2018	Q2 2017	First half 2018	First half 2017	Full year 2017
Net sales	4,274	3,857	8,338	8,158	17,302
Organic growth, %	20.7	-2.5	13.3	-2.5	7.9
Operating income	-56	29	-23	131	425
Operating margin, %	-1.3	0.8	-0.3	1.6	2.5



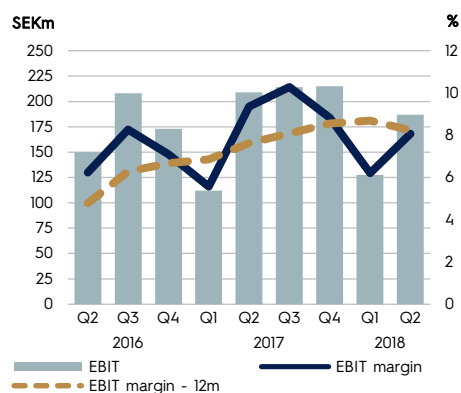
Major Appliances Asia/Pacific

In the second quarter, market demand for appliances in East Asia is estimated to have increased. The Australian market, however, slowed down towards the end of the quarter partly due to destocking at retailers.

Electrolux organic sales growth was 2.8%. Sales increased in East Asia and Australia, especially in laundry. The business area gained market shares in Australia, New Zealand and East Asia.

Operating income declined somewhat in the quarter, year-over-year. Volume growth and mix improvements contributed to earnings while currency headwinds and increased costs for raw materials had a negative impact. The ramp-up of the joint venture in China resulted in slightly higher costs.

OPERATING INCOME AND MARGIN



SEKM	Q2 2018	Q2 2017	First half 2018	First half 2017	Full year 2017
Net sales	2,317	2,232	4,372	4,242	8,759
Organic growth, %	2.8	6.6	5.0	7.3	5.6
Acquisitions, %	—	1.2	—	1.2	0.7
Operating income	187	209	315	321	750
Operating margin, %	8.1	9.4	7.2	7.6	8.6

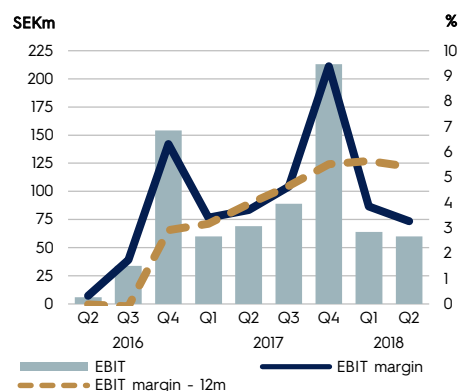
Home Care & Small Domestic Appliances

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

Organic sales declined by 6.5% in the quarter. This was mainly due to lower sales volumes of corded vacuum cleaners, particularly in Europe and Asia Pacific.

Higher prices and mix improvements offset to some extent lower volumes and currency headwinds. Market investments for product launches in the cordless category for the second half of the year impacted earnings negatively in the quarter. The acquired Anova business had a negative result due to investments and product launch delays. The negative Anova result together with the market investments for product launches were fully offset by a release of deferred consideration of approximately SEK 100m related to the Anova acquisition.

OPERATING INCOME AND MARGIN



SEKM	Q2 2018	Q2 2017	First half 2018	First half 2017	Full year 2017
Net sales	1,838	1,857	3,503	3,616	7,808
Organic growth, %	-6.5	-3.4	-6.9	-3.3	-4.2
Acquisitions, %	—	4.6	1.4	2.3	4.7
Divestments, %	—	-4.7	—	-7.1	-6.6
Operating income	60	69	124	129	431
Operating margin, %	3.3	3.7	3.5	3.6	5.5



Professional Products

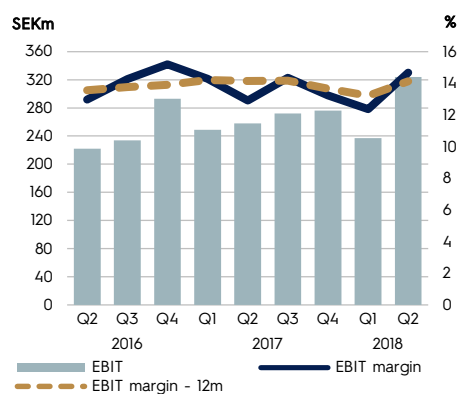
Overall market demand for professional food-service and laundry equipment improved across most regions in the second quarter.

Organic growth was 6.7%. Sales volumes increased across all segments and most markets; especially in laundry, supported by a competitive product offering.

Operating income improved in the second quarter and the business area reached a strong operating margin of 14.7%. Increased sales volumes and price increases contributed to earnings. Investments for new product launches to strengthen positions in existing and new segments and markets were ongoing in the quarter.

The acquired company Schneidereit GmbH is included in the consolidated balance sheet as per June 30, see page 26.

OPERATING INCOME AND MARGIN



SEKM	Q2 2018	Q2 2017	First half 2018	First half 2017	Full year 2017
Net sales	2,209	1,999	4,126	3,741	7,723
Organic growth, %	6.7	5.8	3.9	6.8	5.6
Acquisitions, %	—	8.8	3.7	4.5	6.6
Operating income	324	258	561	507	1,054
Operating margin, %	14.7	12.9	13.6	13.6	13.7



Cash flow

Operating cash flow after investments is seasonally strong in the second quarter and amounted to SEK 1,805m (3,470).

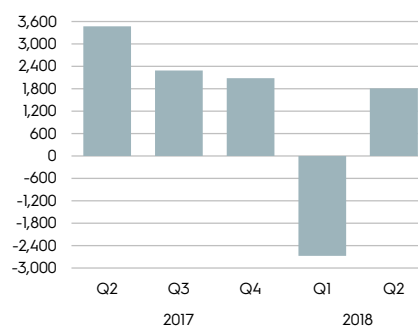
Lower contribution from earnings, working capital and higher investments account for the lower level compared with the same period in the previous year.

The first of two installments for the 2017 dividend payment of SEK 8.30 per share was distributed to shareholders during the quarter and the cash flow was impacted by SEK -1,193m.

Operating cash flow after investments in the first half of 2018 amounted to SEK -866m (2,512).

OPERATING CASH FLOW AFTER INVESTMENTS

SEKm



SEKm	Q2 2018	Q2 2017	First half 2018	First half 2017	Full year 2017
Operating income adjusted for non-cash items ¹⁾	2,550	3,031	4,973	5,482	11,405
Change in operating assets and liabilities	523	1,269	-3,848	-1,473	267
Operating cash flow	3,073	4,300	1,125	4,009	11,672
Investments in tangible and intangible assets	-1,023	-832	-1,823	-1,564	-4,857
Changes in other investments	-244	2	-167	67	62
Operating cash flow after investments	1,805	3,470	-866	2,512	6,877
Acquisitions of operations	-1	-899	-430	-3,298	-3,405
Operating cash flow after structural changes	1,804	2,571	-1,296	-786	3,472
Financial items paid, net ²⁾	18	-52	-69	-131	-227
Taxes paid	-304	-312	-515	-555	-1,421
Cash flow from operations and investments	1,519	2,207	-1,880	-1,472	1,824
Dividend	-1,193	—	-1,193	-1,078	-2,155
Share-based payments	8	4	-218	-488	-483
Total cash flow, excluding changes in loans and short-term investments	334	2,211	-3,291	-3,038	-814

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

²⁾ For the period January 1 to June 30, 2018: interest and similar items received SEK 74m (111), interest and similar items paid SEK -142m (-175) and other financial items paid SEK -1m (-67).



Financial position

Net debt

As of June 30, 2018, Electrolux had a financial net debt of SEK 393m 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 2,352m. In total, net debt amounted to SEK 2,745m, an increase by SEK 2,548m compared to SEK 197m as of December 31, 2017.

Long-term borrowings as of June 30, 2018, including long-term borrowings with maturities within 12 months, amounted to SEK 9,018m with average maturity of 2.9 years, compared to SEK 8,088m and 2.4 years at the end of 2017.

In the second quarter a new long-term bond loan of USD 73m, was raised and long-term borrowings in the amount of SEK 77m were amortized. During the remaining part of 2018, long-term borrowings amounting to approximately SEK 500m will mature.

Liquid funds as of June 30, 2018, amounted to SEK 9,969m, a decrease of SEK 2,005m compared to SEK 11,974m as of December 31, 2017.

Working capital and net assets

Working capital as of June 30, 2018, amounted to SEK -14,167m (-13,968), corresponding to -11.7% (-12.2) of annualized net sales. Operating working capital amounted to SEK 5,619m (4,455), corresponding to 4.6% (3.9) of annualized net sales, see page 23.

Average net assets for the first half of 2018 amounted to SEK 23,284m (20,672), corresponding to 19.6% (17.5) of annualized net sales. Net assets as of June 30, 2018, amounted to SEK 24,027m (20,986).

Return on net assets was 13.7% (32.5), and return on equity was 10.3% (26.9).

Net debt

SEKm	June 30, 2018	June 30, 2017	Dec. 31, 2017
Short-term loans	928	952	990
Short-term part of long-term loans	1,582	1,576	1,501
Trade receivables with recourse	248	128	204
Short-term borrowings	2,758	2,656	2,695
Financial derivative liabilities	60	148	228
Accrued interest expenses and prepaid interest income	108	24	27
Total short-term borrowings	2,926	2,828	2,950
Long-term borrowings	7,436	7,425	6,587
Total borrowings¹⁾	10,362	10,253	9,537
Cash and cash equivalents	9,207	10,079	11,289
Short-term investments	116	153	358
Financial derivative assets	396	90	85
Prepaid interest expenses and accrued interest income	249	241	242
Liquid funds²⁾	9,969	10,563	11,974
Financial net debt	393	-310	-2,437
Net provisions for post-employment benefits	2,352	3,085	2,634
Net debt	2,745	2,775	197
Net debt/equity ratio	0.14	0.16	0.01
Total equity	20,090	17,133	20,480
Equity per share, SEK	69.90	59.61	71.26
Return on equity, %	10.3	26.9	31.9
Equity/assets ratio, %	24.4	22.7	26.4

¹⁾ Whereof interest-bearing liabilities amounting to SEK 9,946m as of June 30, 2018 and SEK 9,953m as of June 30, 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 10,500m, expiring in 2023.



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 June 30, 2018, the Group had a total of 3,359 (3,320) cases pending, representing approximately 3,401 (approximately 3,383) plaintiffs. During the second quarter of 2018, 365 new cases with 365 plaintiffs were filed and 348 pending cases with approximately 368 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



Innovation targeting best-in-class consumer experiences

Electrolux focuses on bringing innovations to consumers that enhances their experiences in the areas of great tasting food, perfect care for clothes, and healthy wellbeing in their homes. This is done with a strong focus on environmental sustainability. Innovation is vital in Electrolux profitable growth strategy to improve margins and increase sales.

Innovations showcased at EuroCucina fair

In the area of great tasting food, Electrolux showcased the latest innovations at the EuroCucina fair in Milan. A number of innovations that simplify and personalize the consumer cooking journey and provide inspiration to try new recipes were introduced. The new Electrolux SenseCook Pro hob range includes assisted cooking features allowing the user to use pre-defined programs to set the correct temperature in the pan, keeping it consistent for better cooking results. Highlights in food preservation include temperature and humidity capabilities that retain market freshness for longer, helping to improve the taste and texture of produce, meat and fish, as well as reducing food waste from spoilage.

Strengthening connected cooking capabilities

As part of the ambition to provide inspiration and assistance for great tasting food, Electrolux announced in April a strategic partnership with Innit, a Silicon Valley-based eating technology company. Electrolux products will work seamlessly with Innit's platform to help consumers' to improve results with step-by-step guidance throughout the cooking journey, from inspiration to shopping and cooking.

Red Dot Design Awards

The Electrolux Group's Perfect Care laundry collection, AEG VX9 vacuum cleaner and the Electrolux Green & Clean rack type dishwasher from Professional Products have all been awarded in the prominent Red Dot Design Awards for their outstanding product design.

The new Electrolux PerfectCare washers and dryers intuitively guide users through the washing process with features like connectivity, clear text, big ergonomic knobs and bright user interfaces. The AEG VX9 vacuum cleaner which is part of a new range of floor care products that have been carefully crafted based on user insight and trend foresight. The Electrolux Green & Clean rack type professional dishwasher uses only 0.4 liters of water (equivalent of a single glass of water) to clean and sanitize an entire rack of dishes. Thanks to an innovative rinse module, this pioneering dishwasher will enable significant savings and environmental benefits by using less detergent, less water, and less electricity. Resource-efficient products are a key segment for Electrolux and in 2017, the most resource-efficient products represented 19% of products sold and 28% of gross profit.



Electrolux Green&Clean Rack Type dishwasher awarded the prestigious Red Dot Design Award. One glass of water is all it takes to clean an entire rack of dirty dishes.

Examples of innovation highlights during 2018

January 11	New appliances to be launched in North America as Frigidaire celebrates 100 years of innovation	April 10	Electrolux launches its first open innovation factory
March 5	Electrolux connected steam oven with built-in camera makes its market debut	April 16	Electrolux showcases latest innovations on kitchen experiences at EuroCucina in Milan, Italy
March 12	Electrolux products win multiple iF Design Awards 2018	April 17	Electrolux partners with Innit to offer connected cooking experience
March 19	Electrolux builds the world's first bioplastic concept fridge	June 1	Electrolux explores the future of cooking by partnering with leading food tech event
March 26	Electrolux launches Pure i9 robotic vacuum in the United States		
April 9	Electrolux wins three Red Dot Awards for product design		

For more information, see www.electroluxgroup.com



Events during and after the quarter

Events during the second 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 17. Electrolux steps up commitment to climate action, with approved science-based targets

The Electrolux Group has announced that it has set two new ambitious targets to reduce greenhouse gas emissions in support of the Paris climate agreement. Electrolux has committed to reducing its greenhouse gas emissions from operations by 80% and its emissions from products by 25% by 2025 (base year 2015). 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.

June 20. Electrolux sets provision related to competition authority investigation in France

Electrolux has set a provision of approximately SEK 550m, in connection to a previously communicated investigation by the French Competition Authority.

The French Competition Authority (FCA) has, as previously communicated, issued a Statement of Objections alleging that Electrolux and other appliance manufacturers acted in breach of antitrust rules in France during the period September 2006 to April 2009. Electrolux is cooperating fully with the FCA. Electrolux has previously announced that the outcome of this investigation may have a material impact on Electrolux financial result and cash flow.

At this stage of the investigation by the FCA, Electrolux has in accordance with accounting principles set this provision for a fine related to the investigation. The final amount will only be known at the end of the procedure.

The provision has been reported as a non-recurring item in the second quarter results for the business area Major Appliances EMEA.

For more information, visit www.electroluxgroup.com

Events after the second quarter of 2018

July 17. Electrolux sets provision of MEUR 25 related to unfavorable court ruling in France

A court in France has ruled that a reorganization procedure of a former subsidiary has been extended to Electrolux Home Products France SAS ("EHP France"), Electrolux sales company for major appliances in France. The decision relates to a dispute over the 2014 divestment of the subsidiary, which has subsequently failed to develop a viable business. As a consequence of the court ruling, Electrolux has set a provision of MEUR 25 (MSEK 254) to cover potential costs. The provision affects the Group's operating profit in the second quarter of 2018.

In 2014, EHP France decided to cease its manufacturing operations in Revin, France. To preserve as many employment opportunities as possible, EHP France set up a new company, Société Ardennaise Industrielle ("SAI"). The purpose was to facilitate a transfer of employees and operations to Selni Group, a French motor manufacturer, whose plan was to convert the operations into motor production.

Despite Electrolux significant contributions, SAI did not manage to develop a viable business, and was earlier this year placed in reorganization. The appeals court of Amiens has now concluded that the reorganization proceedings of SAI shall be extended to include EHP France, as former owner of SAI. This ruling means that EHP France is automatically put into reorganization proceedings. Electrolux has, in accordance with accounting principles, set a provision related to potential costs. The provision has been reported as a non-recurring item in the results for the second quarter of 2018, affecting the business area Major Appliances Europe, Middle East and Africa.

Electrolux will work to secure that its major appliances business in France can continue without interruption. Electrolux will analyze the ruling and evaluate its options, including the possibility to appeal.



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 half 2018 amounted to SEK 18,168m (16,695) of which SEK 14,742m (13,634) referred to sales to Group companies and

SEK 3,426m (3,061) to external customers. Income after financial items was SEK 632m (1,851), including dividends from subsidiaries in the amount of SEK 869m (1,969). Income for the period amounted to SEK -997m (1,880).

Capital expenditure in tangible and intangible assets was SEK 316m (167). Liquid funds at the end of the period amounted to SEK 3,708m, 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 15,697m, as against SEK 19,364m at the start of the year. Dividend to shareholders for 2017 amounted to SEK 2,385m, whereof SEK 1,193m has been paid during the second quarter and SEK 1,193m has been reported as a current liability.

The income statement and balance sheet for the Parent Company are presented on page 24.



The Board of Directors and the President and CEO certify that the Interim Report for the period January – June 2018 gives a true and fair overview of the Parent Company AB Electrolux and the Group's operations, their financial position and results of operations, and describes significant risks and uncertainties facing the Parent Company and other companies in the Group.

Stockholm, July 17, 2018

AB Electrolux (publ)
556009-4178

Staffan Bohman
Chairman of the Board of Directors

Petra Hedengran
Board member

Hasse Johansson
Board member

Ulla Litzén
Board member

Bert Nordberg
Board member

Fredrik Persson
Board member

David Porter
Board member

Jonas Samuelson
Board member,
President and CEO

Ulrika Saxon
Board member

Kai Wärn
Board member

Ulf Carlsson
Board member,
employee representative

Peter Ferm
Board member,
employee representative

Bo Rothzén
Board member,
employee representative



Review Report

Introduction

We have reviewed the interim report for AB Electrolux (publ) for the period January 1 - June 30, 2018. The Board of Directors and the President are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review has a different focus and is substantially less in scope than an audit conducted in accordance with ISA and other generally accepted auditing practices. The procedures performed in a review do not enable us to obtain a level of assurance that would make us aware of all significant matters that might be identified in an audit. Therefore, the conclusion expressed based on a review does not give the same level of assurance as a conclusion expressed based on an audit.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not, in all material respects, prepared for the Group in accordance with IAS 34 and the Annual Accounts Act, and for the Parent Company in accordance with the Annual Accounts Act.

Stockholm, July 17, 2018

Deloitte AB

Jan Berntsson
Authorized Public Accountant



Consolidated statement of comprehensive income

SEKM	Q2 2018	Q2 2017	First half 2018	First half 2017	Full year 2017
Net sales	31,354	30,948	59,259	59,149	120,771
Cost of goods sold	-25,424	-24,190	-48,439	-46,482	-95,222
Gross operating income	5,930	6,758	10,820	12,667	25,549
Selling expenses	-3,276	-3,346	-6,198	-6,565	-12,897
Administrative expenses	-1,283	-1,467	-2,632	-2,819	-5,550
Other operating income/expenses	-544	-26	-400	78	305
Operating income	827	1,919	1,591	3,361	7,407
Financial items, net	-79	-189	-171	-291	-441
Income after financial items	748	1,730	1,420	3,070	6,966
Taxes	-231	-439	-352	-767	-1,221
Income for the period	517	1,291	1,068	2,303	5,745
Items that will not be reclassified to income for the period:					
Remeasurement of provisions for post-employment benefits	33	415	300	803	1,229
Income tax relating to items that will not be reclassified	-16	-88	-71	-241	-440
	17	327	228	562	789
Items that may be reclassified subsequently to income for the period:					
Available-for-sale instruments	—	-3	—	0	1
Cash flow hedges	-5	3	-16	82	95
Exchange-rate differences on translation of foreign operations	137	-1,048	867	-830	-1,224
Income tax relating to items that may be reclassified	5	23	-5	0	-17
	137	-1,025	846	-748	-1,145
Other comprehensive income, net of tax	153	-698	1,074	-186	-356
Total comprehensive income for the period	670	593	2,143	2,117	5,389
Income for the period attributable to:					
Equity holders of the Parent Company	517	1,290	1,068	2,302	5,745
Non-controlling interests	0	0	1	0	0
Total	517	1,291	1,068	2,303	5,745
Total comprehensive income for the period attributable to:					
Equity holders of the Parent Company	670	595	2,142	2,119	5,390
Non-controlling interests	1	-2	1	-2	-1
Total	670	593	2,143	2,117	5,389
Earnings per share					
Basic, SEK	1.80	4.49	3.72	8.01	19.99
Diluted, SEK	1.78	4.47	3.69	7.97	19.88
Average number of shares¹⁾					
Basic, million	287.4	287.4	287.4	287.4	287.4
Diluted, million	289.7	288.9	289.5	288.8	289.0

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



Consolidated balance sheet

SEKM	June 30, 2018	June 30, 2017	Dec. 31, 2017
Assets			
Property, plant and equipment	19,701	18,105	19,192
Goodwill	8,172	7,651	7,628
Other intangible assets	3,821	3,615	3,741
Investments in associates	363	224	337
Deferred tax assets	6,000	5,635	5,712
Financial assets	223	187	212
Pension plan assets	483	327	455
Other non-current assets	643	399	459
Total non-current assets	39,405	36,143	37,736
Inventories	17,679	15,310	14,655
Trade receivables	20,305	18,515	20,747
Tax assets	718	565	830
Derivatives	455	93	87
Other current assets	4,266	5,041	3,839
Short-term investments	116	153	358
Cash and cash equivalents	9,207	10,079	11,289
Total current assets	52,746	49,756	51,806
Total assets	92,151	85,899	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	-1,769	-2,217	-2,615
Retained earnings	17,396	14,871	18,630
Equity attributable to equity holders of the Parent Company	20,077	17,104	20,465
Non-controlling interests	13	28	14
Total equity	20,090	17,133	20,480
Long-term borrowings	7,436	7,425	6,587
Deferred tax liabilities	728	862	730
Provisions for post-employment benefits	2,835	3,412	3,089
Other provisions	5,754	6,020	5,753
Total non-current liabilities	16,753	17,719	16,159
Accounts payable	32,365	29,370	31,114
Tax liabilities	686	652	924
Dividend payable	1,193	1,078	—
Other liabilities	15,151	14,984	15,849
Short-term borrowings	2,758	2,656	2,695
Derivatives	60	162	251
Other provisions	3,097	2,145	2,070
Total current liabilities	55,309	51,047	52,903
Total equity and liabilities	92,151	85,899	89,542

Change in consolidated equity

SEKM	June 30, 2018	June 30, 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	2,143	2,117	5,389
Share-based payments	-129	-441	-356
Dividend to equity holders of the Parent Company	-2,385	-2,155	-2,155
Dividend to non-controlling interests	0	0	0
Acquisition of non-controlling interests	-2	—	-11
Total transactions with equity holders	-2,516	-2,596	-2,522
Closing balance	20,090	17,133	20,480



Consolidated cash flow statement

SEKM	Q2 2018	Q2 2017	First half 2018	First half 2017	Full year 2017
Operations					
Operating income	827	1,919	1,591	3,361	7,407
Depreciation and amortization	1,052	994	2,058	1,990	3,977
Other non-cash items	672	118	1,324	131	21
Financial items paid, net ¹⁾	18	-52	-69	-131	-227
Taxes paid	-304	-312	-515	-555	-1,421
Cash flow from operations, excluding change in operating assets and liabilities	2,265	2,667	4,388	4,796	9,757
Change in operating assets and liabilities					
Change in inventories	-558	238	-2,264	-1,764	-1,377
Change in trade receivables	-41	-577	1,074	-366	-1,992
Change in accounts payable	1,013	1,238	-35	2,070	3,418
Change in other operating assets, liabilities and provisions	109	370	-2,623	-1,413	218
Cash flow from change in operating assets and liabilities	523	1,269	-3,848	-1,473	267
Cash flow from operations	2,787	3,936	540	3,323	10,024
Investments					
Acquisitions of operations	-1	-899	-430	-3,298	-3,405
Capital expenditure in property, plant and equipment	-794	-658	-1,409	-1,249	-3,892
Capital expenditure in product development	-97	-94	-185	-169	-418
Capital expenditure in software	-132	-80	-229	-146	-369
Other	-244	2	-167	67	-116
Cash flow from investments	-1,269	-1,729	-2,421	-4,795	-8,200
Cash flow from operations and investments	1,519	2,207	-1,880	-1,472	1,824
Financing					
Change in short-term investments	54	58	248	752	539
Change in short-term borrowings	-104	-102	116	-399	-386
New long-term borrowings	652	652	1,660	652	1,002
Amortization of long-term borrowings	-77	-77	-1,073	-440	-1,695
Dividend	-1,193	0	-1,193	-1,078	-2,155
Share-based payments	8	4	-218	-488	-483
Cash flow from financing	-660	535	-460	-1,001	-3,178
Total cash flow	859	2,742	-2,341	-2,473	-1,354
Cash and cash equivalents at beginning of period	8,272	7,534	11,289	12,756	12,756
Exchange-rate differences referring to cash and cash equivalents	76	-197	259	-204	-113
Cash and cash equivalents at end of period	9,207	10,079	9,207	10,079	11,289

¹⁾ For the period January 1 to June 30, 2018: interests and similar items received SEK 74m (111), interests and similar items paid SEK -142m (-175) and other financial items paid SEK -1m (-67).



Key ratios

SEKM unless otherwise stated	Q2 2018	Q2 2017	First half 2018	First half 2017	Full year 2017
Net sales	31,354	30,948	59,259	59,149	120,771
Organic growth, %	0.4	0.0	1.0	-1.4	-0.4
EBITA	1,075	2,152	2,086	3,818	8,327
EBITA margin, %	3.4	7.0	3.5	6.5	6.9
Operating income	827	1,919	1,591	3,361	7,407
Operating margin, %	2.6	6.2	2.7	5.7	6.1
Operating margin excl. non-recurring items, % ¹⁾	5.2	6.2	5.1	5.7	6.1
Income after financial items	748	1,730	1,420	3,070	6,966
Income for the period	517	1,291	1,068	2,303	5,745
Capital expenditure, property, plant and equipment	-794	-658	-1,409	-1,249	-3,892
Operating cash flow after investments	1,805	3,470	-866	2,512	6,877
Earnings per share, SEK ²⁾	1.80	4.49	3.72	8.01	19.99
Equity per share, SEK	69.90	59.61	69.90	59.61	71.26
Capital-turnover rate, times/year	—	—	5.1	5.7	5.9
Return on net assets, %	—	—	13.7	32.5	36.0
Return on equity, %	—	—	10.3	26.9	31.9
Net debt	2,745	2,775	2,745	2,775	197
Net debt/equity ratio	0.14	0.16	0.14	0.16	0.01
Average number of shares excluding shares owned by Electrolux, million	287.4	287.4	287.4	287.4	287.4
Average number of employees	54,415	54,902	54,972	54,535	55,692

¹⁾ Non-recurring items of SEK -1,414m in the first half of 2018 include SEK -596m in Major Appliances North America in the first quarter and SEK -818m in Major Appliances EMEA in the second quarter. For information on non-recurring items, see page 21.

²⁾ Basic.

For definitions, see pages 28–29.

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 June 30, 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	June 30, 2018		June 30, 2017		Dec. 31, 2017	
Exchange rate	Average	End of period	Average	End of period	Average	End of period
ARS	0.3971	0.3107	0.5581	0.5089	0.5176	0.4729
AUD	6.50	6.62	6.64	6.49	6.53	6.41
BRL	2.46	2.33	2.76	2.55	2.66	2.48
CAD	6.60	6.77	6.63	6.52	6.57	6.55
CHF	8.72	9.04	8.90	8.82	8.67	8.41
CLP	0.0137	0.0138	0.0133	0.0127	0.0131	0.0134
CNY	1.32	1.35	1.28	1.25	1.26	1.26
EUR	10.17	10.45	9.59	9.64	9.64	9.84
GBP	11.55	11.80	11.15	10.96	11.03	11.09
HUF	0.0322	0.0317	0.0310	0.0312	0.0312	0.0317
MXN	0.4423	0.4568	0.4555	0.4683	0.4499	0.4160
RUB	0.1422	0.1429	0.1513	0.1427	0.1463	0.1419
THB	0.2646	0.2710	0.2544	0.2488	0.2517	0.2516
USD	8.44	8.97	8.82	8.45	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	10,167				8,539	9,304	9,465	11,214	38,524
Sales growth, %	10.1	4.4				-1.8	4.3	1.4	6.6	2.7
EBITA	678	-143				551	636	830	1,048	3,065
EBITA margin, %	7.0	-1.4				6.5	6.8	8.8	9.3	8.0
Operating income	602	-214				474	561	761	969	2,764
Operating margin, %	6.2	-2.1				5.6	6.0	8.0	8.6	7.2
Major Appliances North America										
Net sales	8,564	10,549				9,850	11,699	9,544	9,563	40,656
Sales growth, %	-5.1	-9.7				-7.0	-2.4	-10.8	-4.2	-6.1
EBITA	-147	634				628	1,009	742	467	2,847
EBITA margin, %	-1.7	6.0				6.4	8.6	7.8	4.9	7.0
Operating income	-167	612				605	987	719	447	2,757
Operating margin, %	-1.9	5.8				6.1	8.4	7.5	4.7	6.8
Major Appliances Latin America										
Net sales	4,064	4,274				4,301	3,857	4,132	5,012	17,302
Sales growth, %	6.4	20.7				-2.5	-2.5	7.4	29.9	7.9
EBITA	92	0				155	74	125	272	626
EBITA margin, %	2.3	0.0				3.6	1.9	3.0	5.4	3.6
Operating income	34	-56				101	29	77	218	425
Operating margin, %	0.8	-1.3				2.4	0.8	1.9	4.3	2.5
Major Appliances Asia/Pacific										
Net sales	2,055	2,317				2,010	2,232	2,081	2,437	8,759
Sales growth, %	7.6	2.8				9.4	7.8	-1.1	9.9	6.3
EBITA	141	204				123	220	226	227	796
EBITA margin, %	6.9	8.8				6.1	9.9	10.9	9.3	9.1
Operating income	127	187				112	209	214	215	750
Operating margin, %	6.2	8.1				5.6	9.4	10.3	8.8	8.6
Home Care & SDA										
Net sales	1,665	1,838				1,759	1,857	1,922	2,269	7,808
Sales growth, %	-3.8	-2.6				-12.5	-3.3	-1.1	-6.0	-5.8
EBITA	92	89				70	94	114	240	518
EBITA margin, %	5.5	4.8				4.0	5.1	5.9	10.6	6.6
Operating income	64	60				60	69	89	214	431
Operating margin, %	3.8	3.3				3.4	3.7	4.6	9.4	5.5
Professional Products										
Net sales	1,917	2,209				1,742	1,999	1,897	2,085	7,723
Sales growth, %	8.5	6.7				8.0	14.6	17.9	9.1	12.2
EBITA	245	331				250	268	286	288	1,092
EBITA margin, %	12.8	15.0				14.3	13.4	15.1	13.8	14.1
Operating income	237	324				249	258	272	276	1,054
Operating margin, %	12.4	14.7				14.3	12.9	14.3	13.2	13.7
Common Group costs, etc.	-133	-86				-159	-194	-150	-273	-775
Total Group										
Net sales	27,906	31,354				28,201	30,948	29,042	32,580	120,771
Sales growth, %	3.3	0.7				-3.2	1.2	-1.7	5.4	0.5
EBITA	1,011	1,075				1,666	2,152	2,219	2,290	8,327
EBITA margin, %	3.6	3.4				5.9	7.0	7.6	7.0	6.9
Operating income	764	827				1,442	1,919	1,981	2,065	7,407
Operating margin, %	2.7	2.6				5.1	6.2	6.8	6.3	6.1
Income after financial items	672	748				1,340	1,730	1,895	2,001	6,966
Income for the period	551	517				1,012	1,291	1,440	2,002	5,745
Earnings per share, SEK ¹⁾	1.92	1.80				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 ¹⁾	Q2 2018 ²⁾	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	—	-818				—	—	—	—	—
Major Appliances North America	-596	—				—	—	—	—	—
Major Appliances Latin America	—	—				—	—	—	—	—
Major Appliances Asia/Pacific	—	—				—	—	—	—	—
Home Care & SDA	—	—				—	—	—	—	—
Professional Products	—	—				—	—	—	—	—
Common Group costs, etc.	—	—				—	—	—	—	—
Total Group	-596	-818				—	—	—	—	—

¹⁾ The non-recurring item of SEK -596m in the first quarter of 2018 refers to the consolidation of freezer production in North America. 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.

²⁾ The non-recurring items of SEK -818m in the second quarter of 2018 refer to Major Appliances EMEA, see page 12. These include a provision of SEK 564m for a fine relating to an investigation by the French Competition Authority and a provision of SEK 254m relating to an unfavourable court ruling in France. These costs are included in other operating income/expenses.

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 Europe, Middle East and Africa										
Operating income excl. non-recurring items	602	604				474	561	761	969	2,764
Operating margin excl. non-recurring items, %	6.2	5.9				5.6	6.0	8.0	8.6	7.2
Major Appliances North America										
Operating income excl. non-recurring items	429	612				605	987	719	447	2,757
Operating margin excl. non-recurring items, %	5.0	5.8				6.1	8.4	7.5	4.7	6.8
Total Group										
Operating income excl. non-recurring items	1,360	1,645				1,442	1,919	1,981	2,065	7,407
Operating margin excl. non-recurring items, %	4.9	5.2				5.1	6.2	6.8	6.3	6.1



Net sales by business area

SEKM	Q2 2018	Q2 2017	First half 2018	First half 2017	Full year 2017
Major Appliances Europe, Middle East and Africa	10,167	9,304	19,807	17,843	38,524
Major Appliances North America	10,549	11,699	19,113	21,549	40,656
Major Appliances Latin America	4,274	3,857	8,338	8,158	17,302
Major Appliances Asia/Pacific	2,317	2,232	4,372	4,242	8,759
Home Care & SDA	1,838	1,857	3,503	3,616	7,808
Professional Products	2,209	1,999	4,126	3,741	7,723
Total	31,354	30,948	59,259	59,149	120,771

Change in net sales by business area

Year-over-year, %	Q2 2018	Q2 2018 In local currencies	First half 2018	First half 2018 In local currencies
Major Appliances Europe, Middle East and Africa	9	4	11	7
Major Appliances North America	-10	-10	-11	-8
Major Appliances Latin America	11	21	2	13
Major Appliances Asia/Pacific	4	3	3	5
Home Care & SDA	-1	-3	-3	-3
Professional Products	10	7	10	8
Total change	1	1	0	2

Operating income by business area

SEKM	Q2 2018	Q2 2017	First half 2018	First half 2017	Full year 2017
Major Appliances Europe, Middle East and Africa	-214	561	388	1,035	2,764
Margin, %	-2.1	6.0	2.0	5.8	7.2
Major Appliances North America	612	987	445	1,591	2,757
Margin, %	5.8	8.4	2.3	7.4	6.8
Major Appliances Latin America	-56	29	-23	131	425
Margin, %	-1.3	0.8	-0.3	1.6	2.5
Major Appliances Asia/Pacific	187	209	315	321	750
Margin, %	8.1	9.4	7.2	7.6	8.6
Home Care & SDA	60	69	124	129	431
Margin, %	3.3	3.7	3.5	3.6	5.5
Professional Products	324	258	561	507	1,054
Margin, %	14.7	12.9	13.6	13.6	13.7
Common Group costs, etc.	-86	-194	-219	-353	-775
Operating income	827	1,919	1,591	3,361	7,407
Margin, %	2.6	6.2	2.7	5.7	6.1

Change in operating income by business area

Year-over-year, %	Q2 2018	Q2 2018 In local currencies	First half 2018	First half 2018 In local currencies
Major Appliances Europe, Middle East and Africa	-138	-138	-62	-63
Major Appliances North America	-38	-35	-72	-71
Major Appliances Latin America	-294	-324	-117	-123
Major Appliances Asia/Pacific	-11	-11	-2	-3
Home Care & SDA	-13	-10	-4	1
Professional Products	25	20	11	7
Total change	-57	-57	-53	-52



Working capital and net assets

SEKM	June 30, 2018	% of annualized net sales	June 30, 2017	% of annualized net sales	Dec. 31, 2017	% of annualized net sales
Inventories	17,679	14.5	15,310	13.3	14,655	12.4
Trade receivables	20,305	16.7	18,515	16.1	20,747	17.5
Accounts payable	-32,365	-26.6	-29,370	-25.6	-31,114	-26.3
Operating working capital	5,619	4.6	4,455	3.9	4,288	3.6
Provisions	-8,850		-8,165		-7,823	
Prepaid and accrued income and expenses	-10,456		-9,667		-11,038	
Taxes and other assets and liabilities	-479		-591		-1,300	
Working capital	-14,167	-11.7	-13,968	-12.2	-15,873	-13.4
Property, plant and equipment	19,701		18,105		19,192	
Goodwill	8,172		7,651		7,628	
Other non-current assets	5,049		4,425		4,749	
Deferred tax assets and liabilities	5,272		4,773		4,981	
Net assets	24,027	19.8	20,986	18.3	20,678	17.5
Annualized net sales, calculated at end of period exchange rates	121,547		114,887		118,464	
Average net assets	23,284	19.6	20,672	17.5	20,572	17.0
Annualized net sales, calculated at average exchange rates	118,518		118,298		120,771	

Net assets by business area

SEKM	Assets			Equity and liabilities			Net assets		
	June 30, 2018	June 30, 2017	Dec. 31, 2017	June 30, 2018	June 30, 2017	Dec. 31, 2017	June 30, 2018	June 30, 2017	Dec. 31, 2017
Major Appliances Europe, Middle East and Africa	26,258	23,858	25,575	22,008	19,035	22,037	4,250	4,823	3,538
Major Appliances North America	17,870	16,078	14,840	15,321	14,380	12,723	2,549	1,698	2,117
Major Appliances Latin America	11,636	11,844	12,602	6,113	6,758	6,752	5,523	5,086	5,850
Major Appliances Asia/Pacific	6,061	5,597	5,788	4,177	3,749	4,163	1,884	1,848	1,625
Home Care & SDA	5,554	5,031	5,341	3,084	3,171	3,519	2,469	1,860	1,822
Professional Products	5,768	4,559	4,434	3,084	2,655	2,706	2,684	1,904	1,728
Other ¹⁾	8,551	8,042	8,533	3,884	4,275	4,535	4,667	3,767	3,998
Total operating assets and liabilities	81,699	75,009	77,113	57,672	54,023	56,436	24,027	20,986	20,678
Liquid funds	9,969	10,563	11,974	—	—	—	—	—	—
Total borrowings	—	—	—	10,362	10,253	9,537	—	—	—
Pension assets and liabilities	483	327	455	2,835	3,412	3,089	—	—	—
Dividend payable	—	—	—	1,193	1,078	—	—	—	—
Equity	—	—	—	20,090	17,133	20,480	—	—	—
Total	92,151	85,899	89,542	92,151	85,899	89,542	—	—	—

¹⁾ Includes common functions and tax items.



Parent Company income statement

SEKM	Q2 2018	Q2 2017	First half 2018	First half 2017	Full year 2017
Net sales	9,270	8,509	18,168	16,695	35,168
Cost of goods sold	-7,959	-7,254	-15,458	-14,166	-30,034
Gross operating income	1,311	1,255	2,710	2,529	5,134
Selling expenses	-738	-701	-1,479	-1,433	-2,967
Administrative expenses	-517	-557	-945	-995	-1,795
Other operating income	0	0	0	0	1
Other operating expenses	-565	0	-565	0	-105
Operating income	-509	-3	-279	101	268
Financial income	1,065	1,128	1,242	2,293	7,142
Financial expenses	-104	-473	-331	-543	-855
Financial items, net	961	655	911	1,750	6,287
Income after financial items	452	652	632	1,851	6,555
Appropriations	-1,835	50	-1,883	109	182
Income before taxes	-1,383	702	-1,251	1,960	6,737
Taxes	295	-19	254	-80	-201
Income for the period	-1,088	683	-997	1,880	6,536

Parent Company balance sheet

SEKM	June 30, 2018	June 30, 2017	Dec. 31, 2017
Assets			
Non-current assets	36,845	35,115	35,596
Current assets	27,473	22,850	28,267
Total assets	64,318	57,965	63,863
Equity and liabilities			
Restricted equity	5,258	4,832	5,068
Non-restricted equity	15,697	14,828	19,364
Total equity	20,955	19,660	24,432
Untaxed reserves	446	384	444
Provisions	1,783	1,339	1,229
Non-current liabilities	6,935	7,022	6,181
Current liabilities	34,199	29,560	31,577
Total equity and liabilities	64,318	57,965	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 implementing a system solution 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 services are not material in relation to Electrolux total 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	First half 2018				First half 2017			
	Major Appliances	Home Care & SDA	Professional Products	Total	Major Appliances	Home Care & SDA	Professional Products	Total
Geographical region								
Europe, Middle East and Africa	19,807	1,689	3,336	24,833	17,843	1,610	3,023	22,477
North America	19,113	476	399	19,988	21,549	639	338	22,526
Latin America	8,338	427	—	8,765	8,158	469	—	8,627
Asia Pacific	4,372	911	391	5,674	4,242	898	380	5,520
Total	51,630	3,503	4,126	59,259	51,792	3,616	3,741	59,149

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

SEKM	June 30, 2018		June 30, 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	322	322	—	—	—	—
Financial assets at fair value through OCI	—	—	—	—	—	—
Financial assets measured at amortized cost, Hold to collect	29,851	29,846	—	—	—	—
Financial assets at fair value through profit and loss (IAS 39)	—	—	2,849	2,849	3,305	3,305
Available for sale (IAS 39) ¹⁾	—	—	23	23	20	20
Loans and receivables (IAS 39)	—	—	22,673	22,673	23,858	23,858
Cash	—	—	4,365	4,365	5,707	5,707
Total financial assets	30,173	30,168	29,910	29,910	32,890	32,890
Financial liabilities at fair value through profit and loss	60	60	162	162	251	251
Financial liabilities measured at amortized cost	42,375	42,311	39,791	39,695	40,432	40,350
Total financial liabilities	42,435	42,371	39,953	39,857	40,683	40,601

¹⁾ At the transition to IFRS 9 the financial instrument classified as Available for sale was reclassified to 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 June 30, 2018, the fair value for Level 1 financial assets was SEK 1,485m (2,779) 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 June 30, 2018, the fair value of Level 2 financial assets was SEK 455m (93) and financial liabilities SEK 60m (162).

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	June 30, 2018	June 30, 2017	Dec. 31, 2017
Group			
Pledged assets	6	6	6
Contingent liabilities	1,338	1,347	1,187
Parent Company			
Pledged assets	—	—	—
Contingent liabilities	1,572	1,615	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 half 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 June 30 based on a preliminary balance sheet.

The operations are included in the business area Professional Products.

Transaction costs

Transaction costs related to the acquisition described above amount to SEK 6m and have been expensed as incurred during the acquisition process in 2017 (SEK 4m) and 2018 (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 and acquisition of minority shares of SEK 2m. Total cash flow related to acquisitions of operations amounts to SEK -430m.



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 IFRS15.

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 26 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 currency translation effects.

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 second 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, July 18. 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/q2-2018

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Calendar 2018

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.

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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.