

Q4

2019



Intense transformation phase

- Net sales for continuing operations, excluding Electrolux Professional, amounted to SEK 32,011m (32,021). Sales growth was -2,8%, mainly due to lower volumes in North America related to both consolidation of manufacturing and a weak market.
- Operating income for continuing operations amounted to SEK 960m (1,670), corresponding to a margin of 3.0% (5.2).
- Three out of four business areas improved earnings, but lower volumes and transition costs related to the consolidation of manufacturing in North America impacted earnings negatively.
- Income for the period for the total Group, including Electrolux Professional, decreased to SEK 559m (1,575), and earnings per share was SEK 1.94 (5.48).
- Operating income for Electrolux Professional declined due to lower volumes and transition costs.
- Operating cash flow after investments for the total Group, including Electrolux Professional, was SEK 3,226m (3,163).
- The Board proposes a dividend for 2019 of SEK 8.50 (8.50) per share, to be paid in two installments.
- The Board has decided to propose that an EGM is held to resolve on the distribution of Electrolux Professional.

Financial overview

SEKM	Q4 2019	Q4 2018	Change, %	Full-year 2019	Full-year 2018	Change, %
Continuing operations						
Net sales	32,011	32,021	-0	118,981	115,463	3
Sales growth, % ¹	-2.8	1.9		-1.3	1.2	
Organic growth, %	-2.8	2.6		-1.0	1.2	
Acquisitions, %	-	0.1		-	0.4	
Divestments, %	-	-0.8		-0.3	-0.4	
Changes in exchange rates, %	2.8	3.1		4.3	0.9	
Operating income ²	960	1,670	-43	3,189	4,176	-24
Operating margin, %	3.0	5.2		2.7	3.6	
Income after financial items	736	1,537	-52	2,456	3,754	-35
Income for the period	366	1,243	-71	1,820	2,854	-36
Earnings per share, SEK ³	1.27	4.33		6.33	9.93	
Return on net assets, %	-	-		12.0	20.2	
Operating cash flow after investments	2,822	2,656		2,280	2,646	
Total Group, including discontinued operations						
Income for the period	559	1,575	-65	2,509	3,805	-34
Earnings per share, SEK ³	1.94	5.48		8.73	13.24	
Operating cash flow after investments	3,226	3,163		3,433	3,649	

¹ Change in net sales adjusted for currency translation effects.

² Operating income for continuing operations in the fourth quarter of 2019 included non-recurring items of SEK 0m (71). In the full year 2019 operating income for continuing operations included non-recurring items of SEK -1,344m (-1,343). Excluding these items, operating income amounted to SEK 4,533 m (5,519), corresponding to a margin of 3.8% (4.8), see page 20.

³ Basic.

For definitions, see pages 29-30.

President and CEO Jonas Samuelson's comment

We are in an intense period of transformation and innovation. In 2019, we strengthened our platform for future growth by launching important new product ranges, initiating additional efficiency measures and investing in modularized products in automated manufacturing. During the year, we also announced our intention to split the Group into two listed companies – 'Electrolux' for household appliances and 'Electrolux Professional' for professional appliances.

In the fourth quarter, three out of four consumer business areas improved their earnings. Unfortunately, that is not evident by just looking at the Group's operating margin of 3.0%. Our North American business area was significantly impacted by consolidation of U.S. refrigerators/freezers production to the new plant in Andersson, resulting in capacity constraints impacting sales volumes negatively as well as high manufacturing transition costs for running three facilities in parallel.

In the full year 2019, I am pleased that we continued to have a favourable sales and earnings impact from product-mix improvements. Our two major launches, under a sharpened Electrolux brand, in Europe and Australia were both well-received and contributed to earnings. We fully offset with pricing the significant headwinds from raw material costs, trade tariffs and currency we faced. However, the consolidation of U.S. production impacted sales and earnings negatively, notably in the fourth quarter. We also had higher marketing investments to support our product launches. Hence, operating margin excluding non-recurring items declined to 3.8% (4.8) in 2019 and sales growth was -1.3%.

Looking ahead, we expect the capacity constraints in Anderson to be gradually resolved during the first half of 2020, but we will have transition costs also impacting the third quarter. Given this situation, lower volumes and higher costs will impact earnings for the first quarter 2020 resulting in a loss for business area North America. It is a complex process to set up brand-new, highly automated and large-scale production flows with top quality as well as high output capacity. I am confident that the measures we are taking to strengthen our competitiveness in North America are the right ones, both making us more efficient and providing consumers with great new products. I also want to emphasize, that we are on track

to generate approximately SEK 3.5 bn of annual cost savings, with full effect from 2024.

The extension of the Chinese New Year holiday, due to the coronavirus, will impact our sourcing and if Chinese suppliers are further affected it could potentially have a material financial impact. As we are sourcing significant volumes of finished products and components from China to all our business areas, we are now implementing contingency plans to mitigate a potential extended period of supply disruptions.



The overall demand trend across most markets in 2019 is expected to continue in 2020. We anticipate market demand for appliances in North America to be relatively flat and in Latin America to be positive. Demand in Europe as well as in the Asia-Pacific, Middle East and Africa region is expected to be slightly positive.

We estimate positive year-over-year impact from raw materials and tariffs in the range of approximately SEK 0-0.5 bn in 2020, while currency headwinds seem to continue.

Our journey toward profitable growth continues in 2020. As we now have an even more consumer-focused organization with key global capabilities to accelerate product innovation and efficiency, I am convinced that we are better positioned than ever to deliver long-term shareholder value.

Outlook 2020

Market outlook, units year-over-year ¹	FY 2020	Market outlook, units year-over-year ¹	FY 2020
Europe	Slightly positive	Latin America	Positive
North America	Flat	Asia-Pacific, Middle East and Africa	Slightly positive

Business outlook ² , year-over-year	Q1 2020	FY 2020
Volume/price/mix	Unfavorable	Favorable
Raw material costs and trade tariffs	SEK -0bn	Decrease of SEK 0-0.5bn
Net cost efficiency ³	Unfavorable	Unfavorable
Currency effect ⁴	SEK -150m	SEK -150m
Capital expenditure	Increase	SEK -7bn

¹ Electrolux estimates for industry shipments of core appliances.

² Business outlook range: Favorable - Neutral - Unfavorable.

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

⁴ Impact on operating income for the full year 2020, whereof currency transaction effects of approximately SEK -150m and currency translation effects of approximately SEK 0m. The calculation is based on currency rates as per January 22, 2020.

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



Summary of the fourth quarter, continuing operations

SEKm	Q4 2019	Q4 2018	Change, %	Full-year 2019	Full-year 2018	Change, %
Net sales	32,011	32,021	-0	118,981	115,463	3
Operating income						
Europe	1,138	1,055	8	2,493	2,128	17
North America	-519	223	n.m.	-516	1,104	n.m.
Latin America	340	290	17	1,821	492	270
Asia-Pacific, Middle East and Africa	315	302	4	446	979	-54
Other, Group common costs, etc.	-315	-201	-57	-1,055	-527	-100
Total	960	1,670	-43	3,189	4,176	-24
Operating margin, %	3.0	5.2		2.7	3.6	
Operating margin excl. non-recurring items, % ¹	3.0	5.0		3.8	4.8	

¹ For information on non-recurring items, see page 20.

Note: n.m. (not meaningful) is used when the calculated number is considered not relevant. For information regarding Electrolux Professional, see note 5.

Discontinued operations

Electrolux Professional is reported as discontinued operations in this report, following the decision by the Board to propose to distribute the shares in the wholly-owned subsidiary Electrolux Professional AB to the shareholders. The intention is to list the company on Nasdaq Stockholm on March 23, 2020, see page 13. The results of Electrolux Professional are excluded from the individual lines of the consolidated income statement with the total net reported as 'Income for the period from discontinued operations'. More information on accounting principles and details on income statement, balance sheet and cash flow for discontinued operations are included in Note 5.

The comments in this report refers to the consumer business, 'continuing operations', exclusive of Electrolux Professional, unless otherwise stated.

Operating income for Electrolux Professional declined in the quarter due to lower volumes and transition costs, see page 7.

Net sales

Sales for the continuing operations decreased by 2.8% in the quarter, excluding currency translation effects. This was mainly a result of lower volumes in North America related to both the

manufacturing transition and a weak market. There was no impact from acquisitions and divestments in the quarter.

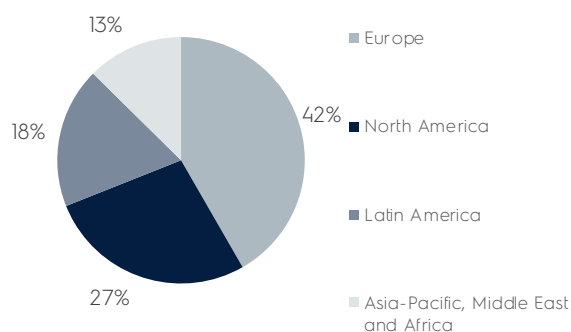
Operating income

Operating income amounted to SEK 960m (1,670), corresponding to a margin of 3.0 % (5.2). Three out of four business areas improved earnings, partly driven by mix improvements, but lower volumes and transition costs related to the consolidation of manufacturing in North America impacted earnings negatively. In addition, higher marketing investments as well as costs related to the preparation of the separation of Professional Products had a negative impact. Increased prices had a positive impact.

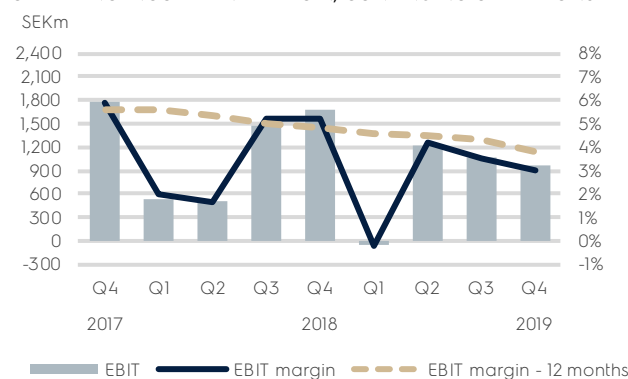
Effects of changes in exchange rates

Changes in exchange rates had a year-over-year impact of SEK -33m. The impact of transaction effects was SEK -83m, primarily relating to operations in Latin America. Translation effects amounted to SEK 50m.

SHARE OF SALES BY BUSINESS AREA IN THE FOURTH QUARTER OF 2019



OPERATING INCOME AND MARGIN, CONTINUING OPERATIONS



EBIT margin - 12 months is excluding non-recurring items, see pages 20 and 28.



Financial net

Net financial items amounted to SEK -223m (-133). The change was mainly due to interest expense on lease liabilities following the implementation of IFRS 16 as well as a general increase in interest net.

Income for the period

Income for the period for continuing operations amounted to SEK 366m (1,243), corresponding to SEK 1.27 (4.33) in earnings per share.

Income for the period for the total Group amounted to SEK 559m (1,575), corresponding to SEK 1.94 (5.48) in earnings per share.

Full year 2019

Sales growth for continuing operations was -1.3% in the full year 2019, excluding currency translation effects. Organic sales declined by -1.0%. Acquisitions and divestments had an impact of 0.0% and -0.3%, respectively.

Operating income amounted to SEK 3,189m (4,176), corresponding to a margin of 2.7% (3.6). In the full year 2019, non-recurring items amounted to SEK -1,344m (-1,343), see page 20. Excluding these non-recurring items, operating income amounted to SEK 4,533m (5,519) corresponding to a margin of 3.8% (4.8).

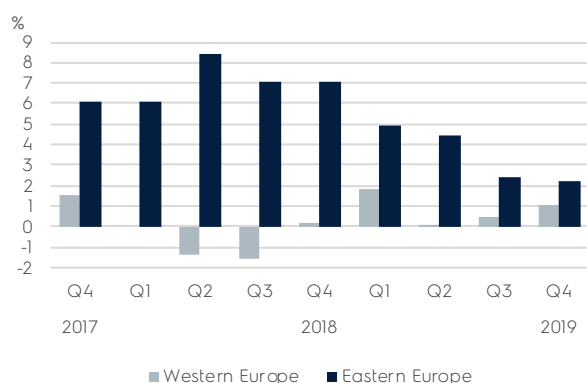
Income for the period for continuing operations amounted to SEK 1,820m (2,854), corresponding to SEK 6.33 (9.93) in earnings per share.

Income for the period for the total Group amounted to SEK 2,509m (3,805), corresponding to SEK 8.73 (13.24) in earnings per share.

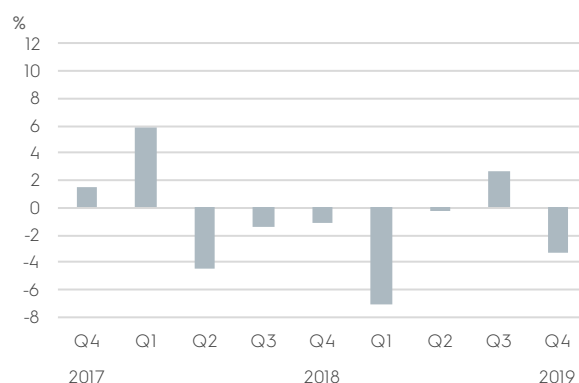
Market overview

In the fourth quarter, the market in Europe increased year-over-year driven by both Eastern Europe and Western Europe. In the U.S., the market demand for core appliances declined. For more information about the markets, please see the Business areas section.

INDUSTRY SHIPMENTS OF CORE APPLIANCES IN EUROPE*



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



*Units year-over-year, %

Sources: Europe: Electrolux estimate, US: AHAM. For definitions see below. For other markets, there are no comprehensive market statistics.

Industry shipment of appliances

Europe, units, year-over-year, %*	Q4 2019	Q4 2018	Full-year 2019	Full-year 2018
Western Europe	1	0	1	-1
Eastern Europe (excluding Turkey)	2	7	3	7
Total Europe	1	2	2	1

*Source: Electrolux estimates for core appliances. Core appliances include: Refrigerators, Freezers, Washing machines, Tumble dryers, Free-standing Cookers, Built-in Ovens, Built-in Hobs, Hoods and Dishwashers.

U.S., units, year-over-year, %*	Q4 2019	Q4 2018	Full-year 2019	Full-year 2018
Core appliances	-3	-1	-2	-1
Microwave ovens and home-comfort products	-14	15	-10	2
Total major appliances	-6	3	-5	0

*Source: AHAM. Core appliances includes AHAM 6 (Washers, Dryers, Dishwashers, Refrigerators, Freezers, Ranges and Ovens) and Cooktops.



Business areas

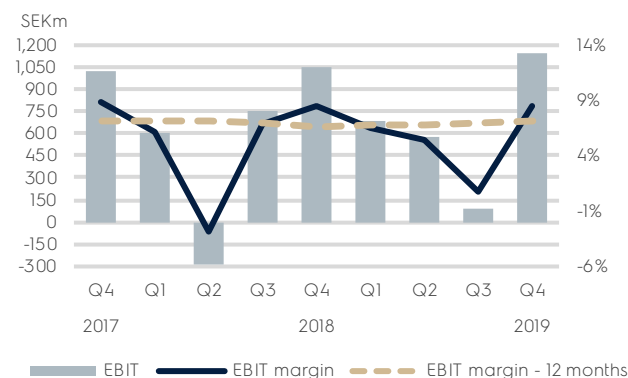
Europe

In the fourth quarter, overall market demand in Europe increased by 1% year-over-year. Demand increased by 2% in Eastern Europe and 1% in Western Europe.

Electrolux operations in Europe reported an organic growth of 3.3 % for the quarter. This was driven by higher sales volumes as well as improved product and brand mix. Price increases also contributed slightly to sales.

Operating income improved year-over-year. The business area strengthened its position and gained market value share under the Electrolux and AEG brands in built-in kitchen as well as in the premium laundry area. The new Electrolux branded built-in kitchen range launched in the third quarter continued to contribute to this positive development. Increased aftermarket sales also contributed to earnings. Currencies had a positive impact in the quarter, while increased marketing investments for ongoing product launches impacted earnings negatively.

OPERATING INCOME AND MARGIN



EBIT margin - 12 months is excluding non-recurring items, see pages 20 and 28.

SEKM	Q4 2019	Q4 2018	Full-year 2019	Full-year 2018
Net sales	13,352	12,539	45,420	43,321
Organic growth, %	3.3	3.6	1.7	4.7
Acquisitions, %	-	0.3	0.1	0.7
Operating income	1,138	1,055	2,493	2,128
Operating margin, %	8.5	8.4	5.5	4.9
Operating margin excl. non-recurring items, % ¹	8.5	7.9	7.1	6.6

¹ For more information on non-recurring items, see page 20.

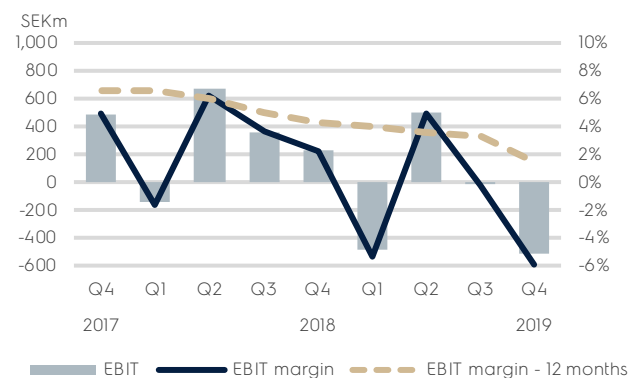
North America

During the quarter, market demand for core appliances in the U.S. decreased by 3% year-over-year. Market demand for all major appliances, including microwave ovens and home-comfort products, declined by 6%.

The organic sales decline in the quarter of 18.3% was primarily due to lower volumes relating to the ongoing manufacturing transition. This as a slower ramp-up of the new facility in Anderson resulted in capacity constraints. A weak market, destocking at a key U.S. customer and lower sales of private label products also impacted volumes. Price increases contributed slightly to sales.

Operating income declined significantly year-over-year, mainly as a result of the lower volumes. Additionally, increased costs related to the manufacturing consolidation and accounting adjustments from prior years also impacted operating income negatively.

OPERATING INCOME AND MARGIN



EBIT margin - 12 months is excluding non-recurring items, see pages 20 and 28.

SEKM	Q4 2019	Q4 2018	Full-year 2019	Full-year 2018
Net sales	8,719	10,143	38,954	39,804
Organic growth, %	-18.3	-4.0	-8.7	-6.3
Divestments, %	-	-2.4	-1.0	-1.0
Operating income	-519	223	-516	1,104
Operating margin, %	-5.9	2.2	-1.3	2.8
Operating margin excl. non-recurring items, % ¹	-5.9	2.2	1.4	4.3

¹ For more information on non-recurring items, see page 20.



Latin America

In the fourth quarter, consumer demand for core appliances in Brazil is estimated to have shown growth year-over-year and demand in Argentina recovered slightly from low levels previous year. The decline in demand in Chile is estimated to have accelerated in the quarter due to the unstable political situation.

Electrolux operations in Latin America had organic sales growth of 13.9%, mainly driven by increased sales volumes and product mix improvements in Brazil. Sales volumes were down in Chile due to the weak market. Price increases also contributed to the sales growth.

Operating income increased year-over-year. This was a result of higher volumes and product mix improvements. In addition, price increases continued to contribute to operating income addressing higher raw material costs and accelerating currency headwinds. Operating income includes a positive impact related to operational taxes in Brazil.

SEKM	Q4 2019	Q4 2018	Full-year 2019	Full-year 2018
Net sales	5,913	5,353	19,653	17,963
Organic growth, %	13.9	11.8	10.9	9.3
Operating income	340	290	1,821	492
Operating margin, %	5.8	5.4	9.3	2.7
Operating margin excl. non-recurring items, % ¹	5.8	5.4	3.7	2.7

¹ For more information on non-recurring items, see page 20.

Asia-Pacific, Middle East and Africa

During the fourth quarter, market demand in Australia continued to decline. Markets in Southeast Asia are estimated to have grown year-over-year although at a slower pace, while demand in Middle East and Africa is estimated to have increased slightly.

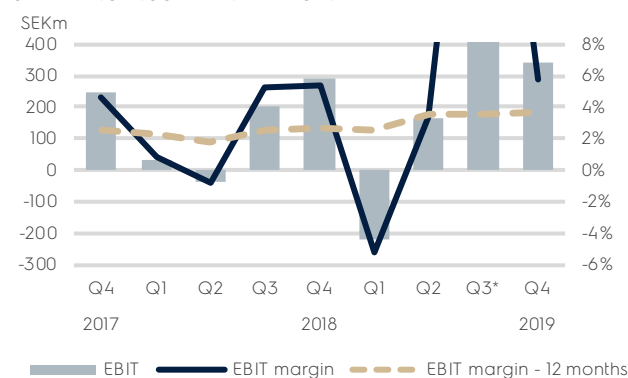
Electrolux reported an organic sales decline of 4.2%. In Australia, volumes declined due to a weak market, partly offset by improved product mix. Sales in Middle East and Africa was negatively impacted by mix, while price pressure impacted Southeast Asia.

Operating income improved somewhat year-over-year. Higher cost efficiency and a favorable currency impact contributed to earnings. Investments in major product launches continued.

SEKM	Q4 2019	Q4 2018	Full-year 2019	Full-year 2018
Net sales	4,027	3,986	14,954	14,375
Organic growth, %	-4.2	5.3	-1.3	4.2
Acquisitions, %	0.1	-	0.1	0.9
Operating income	315	302	446	979
Operating margin, %	7.8	7.6	3.0	6.8
Operating margin excl. non-recurring items, % ¹	7.8	7.6	5.6	6.8

¹ For more information on non-recurring items, see page 20.

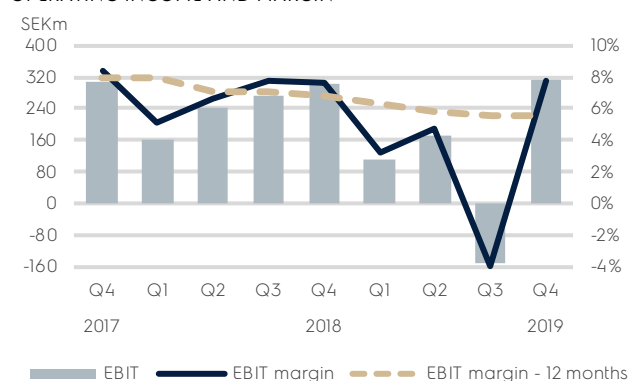
OPERATING INCOME AND MARGIN



EBIT margin - 12 months is excluding non-recurring items, see pages 20 and 28.

* Q3 2019: EBIT of SEK 1,539m corresponding to a margin of 33.4%. This includes non-recurring items of SEK 1,326m.

OPERATING INCOME AND MARGIN



EBIT margin - 12 months is excluding non-recurring items, see pages 20 and 28.



Discontinued operations

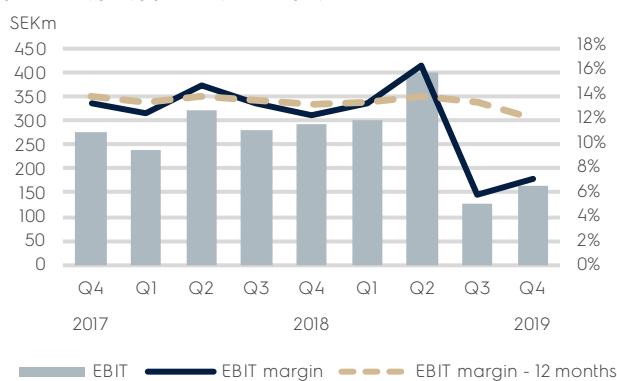
Electrolux Professional

In the fourth quarter, overall market demand for professional food-service and laundry equipment is estimated to have shown growth year-over-year, but at a slower pace than previous quarter. Professional users, including food service chains, prolonged the decision period for new investments.

Electrolux Professional reported an organic sales decline of 7.9% for the quarter. This was primarily due to lower food and beverage volumes in the U.S., as a result of less roll-outs of products to food-service chains, as well as lower sales in Asia-Pacific due to project sales being put on hold by customers. In addition, heavy workload for consolidating operations in connection with the separation has also affected the business, primarily in Asia-Pacific and North America. Price increases contributed positively to sales.

Operating income declined, mainly due to lower volumes. In addition, higher initial product costs related to new product launches had a negative impact on earnings. Operating income also included initial costs for setting up a new IT infrastructure and increased ongoing costs due to operating as a standalone company. The efficiency activities announced in the third quarter report are under execution and are expected to compensate increased ongoing costs related to the separation. The efficiency plan is anticipated to have full impact in the second half of 2020.

OPERATING INCOME AND MARGIN



EBIT margin - 12 months is excluding non-recurring items, see page 27.

SEKm	Q4 2019	Q4 2018	Full-year 2019	Full-year 2018
Net sales	2,334	2,405	9,281	8,666
Organic growth, %	-7.9	4.7	-0.3	3.5
Acquisitions, %	2.1	6.2	4.0	4.7
Operating income	164	294	991	1,134
Operating margin, %	7.0	12.2	10.7	13.1
Operating margin excl. non-recurring items, % ¹	7.0	12.2	12.0	13.1

¹ For more information on non-recurring items, see Note 5 on page 27.



Cash flow, total Group

Operating cash flow after investments for the total Group amounted to SEK 3,226m (3,163) in the quarter. Compared to the previous year the cash flow from working capital increased, partly relating to timing effects, while higher capital expenditure had a negative impact.

The second of two installments for the 2018 dividend payment of SEK 8.50 per share was distributed to shareholders during the quarter and the cash flow was impacted by SEK -1,221m.

Operating cash flow after investments for the full year 2019 amounted to SEK 3,433m (3,649). The year-over-year comparison reflects a higher contribution from operating cash flow, while higher investments had a negative impact.

Acquisitions of operations had a negative impact of SEK 467m on the total cash flow for the full year of 2019. For more information on acquisitions, see Note 5.

The 2018 dividend payment impacted cash flow by SEK -2,443m during the full year of 2019.

For more information on cash flow related to discontinued operations, see page 17 and Note 5.

OPERATING CASH FLOW AFTER INVESTMENTS



SEKM	Q4 2019	Q4 2018	Full-year 2019	Full-year 2018
Operating income adjusted for non-cash items ¹	2,334	2,954	11,006	10,547
Change in operating assets and liabilities	3,473	2,516	-357	-1,000
Operating cash flow	5,807	5,470	10,649	9,547
Investments in tangible and intangible assets	-2,781	-2,422	-6,931	-5,629
Changes in other investments	199	115	-285	-269
Operating cash flow after investments	3,226	3,163	3,433	3,649
Acquisitions and divestments of operations	-0	-463	-467	-609
Operating cash flow after structural changes	3,225	2,701	2,966	3,041
Financial items paid, net ²	-229	-167	-661	-361
Taxes paid	-535	-465	-1,554	-1,140
Cash flow from operations and investments	2,461	2,069	751	1,540
Payment of lease liabilities	-254	-	-942	-
Dividend	-1,221	-1,193	-2,443	-2,385
Share-based payments	5	8	9	-210
Total cash flow, excluding changes in loans and short-term investments	990	884	-2,624	-1,056

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

² For the period January 1 to December 31: interest and similar items received SEK 78m (116), interest and similar items paid SEK -499m (-427) and other financial items received/paid SEK -111m (-49). Interest paid related to lease liabilities SEK -129m (-).



Financial position

Net debt items as per December 31, 2019 excludes assets and liabilities of Electrolux Professional. Net debt items as per December 31, 2018 includes assets and liabilities of Electrolux Professional. Equity as per December 31, 2019 and December 31, 2018 includes Electrolux Professional. To facilitate comparison, working capital and net assets items below excludes assets and liabilities of Electrolux Professional for both 2018 and 2019.

Net debt

As of December 31, 2019, Electrolux had a financial net debt position (excluding lease liabilities and post-employment provisions) of SEK 667m, compared to the financial net cash position of SEK 1,989m as of December 31, 2018. Net provisions for post-employment benefits was SEK 3,866m (3,814). Lease liabilities amounted to SEK 3,150m as of December 31, 2019 and is an effect of the application of IFRS 16 as from January 1, 2019. In total, net debt amounted to SEK 7,683m, an increase by SEK 5,858m compared to SEK 1,825m per December 31, 2018.

Long-term borrowings and long-term borrowings with maturities within 12 months amounted to a total of SEK 9,682m as of December 31, 2019 with average maturity of 3.0 years, compared to SEK 8,553m and 2.6 years at the end of 2018. In the fourth quarter Electrolux issued two bond loans totalling SEK 1.5bn under its Euro Medium Term Note program, for more information see, www.electroluxgroup.com.

In the fourth quarter, long-term bilateral borrowings in the amount of SEK 1,174m were amortized. During 2020, long-term borrowings amounting to approximately SEK 1.4bn will mature.

Liquid funds as of December 31, 2019, amounted to SEK 11,189m, a decrease of SEK 1,060m compared to SEK 12,249m as of December 31, 2018.

Return on equity was 11.4% (18.2).

Working capital and net assets

Working capital as of December 31, 2019, amounted to SEK -17,390m (-17,077), corresponding to -14.8% (-14.8) of annualized net sales. Operating working capital amounted to SEK 3,149m (2,279), corresponding to 2.7% (2.0) of annualized net sales, see page 22.

Average net assets for the full year of 2019 amounted to SEK 26,532m (20,722), corresponding to 22.3% (17.9) of annualized net sales. Net assets as of December 31, 2019, amounted to SEK 26,172m (20,306).

Return on net assets was 12.0% (20.2).

Net debt

SEKM	Dec. 31, 2019 ¹	Dec. 31, 2018 ²
Short-term loans	1,307	1,429
Short-term part of long-term loans	1,446	2,355
Trade receivables with recourse	602	168
Short-term borrowings	3,354	3,952
Financial derivative liabilities	233	81
Accrued interest expenses and prepaid interest income	33	28
Total short-term borrowings	3,620	4,062
Long-term borrowings	8,236	6,198
Total borrowings³	11,856	10,260
Cash and cash equivalents	10,807	11,697
Short-term investments	190	176
Financial derivative assets	176	132
Prepaid interest expenses and accrued interest income	16	243
Liquid funds⁴	11,189	12,249
Financial net debt	667	-1,989
Lease liabilities	3,150	-
Net provisions for post-employment benefits	3,866	3,814
Net debt	7,683	1,825
Net debt/equity ratio	0.34	0.08
Total equity	22,574	21,749
Equity per share, SEK	78.55	75.67
Return on equity, %	11.4	18.2
Equity/assets ratio, %	23.6	25.6

¹ Electrolux Professional is currently primarily financed through intra-group loans of approximately SEK 1.2bn from Electrolux, included in net debt as per December 31, 2019 shown above. These loans will be repaid in connection with the planned listing of Electrolux Professional and replaced by external financing leading to a reduction of Electrolux financial net debt. Electrolux Professional's liquid funds as per December 31, 2019 amounted to approximately SEK 0.6bn.

² Including assets and liabilities related to discontinued operations.

³ Whereof interest-bearing liabilities amounting to SEK 10,989m as of December 31, 2019 and SEK 9,982m as of December 31, 2018.

⁴ Electrolux has one unused committed back-up multicurrency revolving credit facility of EUR 1,000m, approximately SEK 10,440m, expiring in 2023.



Other items

Asbestos litigation in the U.S.

Litigation and claims related to asbestos are pending against the Group in the U.S. 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 December 31, 2019, the Group had a total of 3,897 (3,460) cases pending, representing approximately 3,933 (approximately 3,502) plaintiffs. During the fourth quarter of

2019, 378 new cases with 378 plaintiffs were filed and 365 pending cases with approximately 365 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 2018 Annual Report:

www.electrolux.com/annualreport2018



Innovation targeting outstanding consumer experiences

Electrolux focuses on bringing innovations to consumers that enhance 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 sustainability. Innovation is the key driver for long term profitable growth and margin improvement.



Leveraging global presence to drive profitable growth

Electrolux is a leading producer of front-load washing machines, which is the largest global laundry market. In recent years, Electrolux has transformed its laundry offering to deliver profitable growth by driving innovation that really matters to consumers.

Electrolux was able to accelerate product innovation for front-load washing machines by building on modular platforms. This allows the delivery of competitively priced, high-quality products adapted to meet regional demands for both mass and premium segments in different markets around the world.

This journey began in Europe in 2014 before the same process and key innovations were rolled out in Asia-Pacific in 2015 and in North America in 2016.

Since the respective roll-out, contribution to operating income from laundry products has increased by over 400% in Europe. North America made a step change between 2016 and 2017 and has since then continued its profitable growth path. In Asia-Pacific, Electrolux has established a solid market position in several regions.

Rolling out modularized products around the world has leveraged the company's global presence and economies of scale. This has enabled Electrolux to pool together and draw on its global resources such as R&D and purchasing.

Reducing harmful allergens and pollutants in the home

Electrolux is growing profitably in the air purification category. Launched in Q1 2019, the Electrolux Pure A9 air purifier quickly gained consumer attention with its iconic design and high performance.

South Korea was one of the first countries where the Pure A9 was launched, with high consumer demand and good local awareness. Consumers at HiMart, a leading retailer in South Korea, rated the product at 4.9 out of 5. The Pure A9 has also been launched in the Nordics, and is being introduced to the rest of Europe, Taiwan and Thailand during 2020.

To reassure consumers and provide a healthy indoor climate, Pure A9's advanced particle and gas sensors are used to constantly monitor air quality. The product interface and mobile app give the user intuitive and understandable air quality feedback.

The global market for air purifiers amounted to SEK 36bn in 2018 and the annual growth rate (CAGR) is estimated to be 3.5% for 2018-2024 (source: Euromonitor and Freedonia).

An installed base of air purifiers creates demand for filters throughout the product's lifetime. The range's connected app reminds users when a filter is approaching its end of life and offers filter options based on their specific particle, pollen or allergen needs.

Examples of innovations during 2019

February 21	Frigidaire products launched at the 2019 Kitchen and Bath Industry Show, included the market's first oven with integrated Air Fry technology.
March 20	Electrolux launched a new intuitive kitchen range across Europe.
May 15	Electrolux partnered with Mila, a US/Chinese start-up that offers connected air purifiers via a subscription-based model direct to consumers.

June 27	Electrolux joined forces with Stena Recycling for the new Circular Initiative to build understanding of what needs to be done to pave the way towards a more circular society.
September 4	Electrolux showcased the latest innovative solutions for the home from its AEG brand at IFA, the world's leading trade fair for home appliances and consumer electronics. Within kitchen, Electrolux is expanding its ecosystem of connected products to assist consumers to cook better at home.
November 26	Electrolux launched a connected blender in collaboration with the smart kitchen startup Drop and the global culinary institute Le Cordon Bleu to simplify and personalize the consumer experience.

For more information, see www.electroluxgroup.com



Events during the quarter

Events during the fourth quarter of 2019

December 5. Electrolux Board proposes distribution of Electrolux Professional AB

AB Electrolux in January 2019 announced that the company was preparing for the separation and distribution of its Professional Products business area. Consequently, the Board of Directors has decided to propose that an Extraordinary General Meeting is held on February 21, 2020, to resolve on the distribution of all shares in the wholly-owned subsidiary Electrolux Professional AB to the shareholders of Electrolux, see page 13.

Electrolux has in consultation with its four largest shareholders (Investor AB, Alecta, Swedbank Robur Funds and AMF - Försäkring och Fonder) appointed Kai Wärn as Chairman of the Board of Directors of Electrolux Professional, and Lorna Donatone, Hans Ola Meyer, Daniel Nodhäll, Martine Snels and Carsten Voigtländer as board members. Alberto Zanata, current head of the Professional Products business area, has been appointed President and CEO of Electrolux Professional.

The Professional Products business area is in this Q4 report reported as discontinued operations.

Additional information to Electrolux shareholders regarding the proposed distribution of the shares in Electrolux Professional will be published in the form of an information brochure on Electrolux website www.electroluxgroup.com on January 31, 2020.

December 12. Management change in AB Electrolux

Alan Shaw, head of Electrolux business area North America, decided to retire from his position. After a thorough search process, Nolan Pike, previously Senior Vice President within Electrolux global Consumer Experience organization, was appointed new head of the business area and Executive Vice President. The appointment was effective as from January 1, 2020.

December 15. Update on Electrolux operations in North America

Electrolux provided an update on issues expected to impact operating income for its business area North America in the fourth quarter; primarily the consolidation of its U.S. refrigerator/freezer manufacturing and related transition to new product platforms. Electrolux expects costs related to the transition, volume effects and other matters in the quarter to have a combined impact of a total approximately USD -70m.

Electrolux is currently investing approximately USD 250m in automation, digitalization and new food preservation product platforms at a new facility in Anderson, South Carolina. This new facility will replace manufacturing in St Cloud, Minnesota (closed in Q4) and manufacturing at an adjacent facility in Anderson.

The transition to the new facility has resulted in temporary capacity constraints impacting deliveries to some customers in the fourth quarter. As a result of this, as well as of increased costs, the transition is expected to have a larger impact on operating income in the fourth quarter than the approximately USD -25m communicated previously. Additionally, the operating income will be impacted negatively by two other factors: destocking at a key U.S. customer and accounting adjustments from prior periods.

In total these issues are, as stated above, expected to impact the operating income of Business Area North America with approximately USD -70m in the fourth quarter compared to the prior year. Looking ahead, Electrolux expects

the capacity constraints in Anderson to be gradually resolved during the first half of 2020.

In order to safeguard Electrolux ability to meet market demand for its products with a continuously high-quality level, the company has decided to extend the transition period and run its two Anderson facilities in parallel into the second half of 2020. This means the bulk of cost savings from the investment will be realized as from 2021 instead of 2020.

The full scope of Electrolux ongoing investment program and streamlining measures is on track to generate approximately SEK 3.5bn of annual cost savings, with full effect from 2024. Related savings in 2020 are now expected to be approximately SEK 200m, mainly as a result of re-engineering activities in Latin America and global streamlining measures, which are progressing well. Electrolux previously expected 2020 cost savings from the investment program and streamlining measures to be approximately SEK 800m.

For more information, visit www.electroluxgroup.com



Extraordinary General Meeting

An Extraordinary General Meeting will be held on Friday, February 21, 2020 at AB Electrolux Headquarters, S:t Göransgatan 143, Stockholm, Sweden.

The Board of Directors proposes that the Extraordinary General Meeting resolves that all shares in the wholly-owned subsidiary Electrolux Professional be distributed, whereby one (1) share of series A in Electrolux entitles to one (1) share of series A in Electrolux Professional and one (1) share of series B in Electrolux entitles to one (1) share of series B in Electrolux Professional.

The Board of Directors further proposes that the Extraordinary General Meeting authorises the Board of Directors to determine the record date for the right to receive shares in Electrolux Professional. Listing of the shares in Electrolux Professional is planned to take place on March 23, 2020 and the record date is expected to occur before the listing.

For more information, visit www.electroluxgroup.com

Annual General Meeting 2020

Electrolux Annual General Meeting will be held on March 31, 2020 at Stockholm Waterfront Congress Centre, Nils Ericsons Plan 4, Stockholm, Sweden.

Proposed dividend

The Board of Directors proposes a dividend for 2019 of SEK 8.50 (8.50) per share, for a total dividend payment of approximately SEK 2,443m (2,443). The proposed dividend corresponds to approximately 97% (64) of income for the period, total Group.

The dividend is proposed to be paid in two equal installments, the first with the record date April 2, 2020 and the second with the record date October 2, 2020. The first installment is estimated to be paid on April 7, 2020 and the second installment on October 7, 2020.

Proposal for resolution on acquisition of own shares

Electrolux has, for several years, had a mandate from the Annual General Meetings to acquire own shares.

The Board of Directors proposes the Annual General Meeting 2020 to authorize the Board of Directors, for the period until the next Annual General Meeting, to resolve on acquisitions of shares in the company and that the company may acquire as a maximum so many B shares that, following each acquisition, the company holds at a maximum 10% of all shares issued by the company.

The purpose of the proposal is to be able to use repurchased shares on account of potential company acquisitions and the company's share related incentive programs, and to be able to adapt the company's capital structure.

As of December 31, 2019, Electrolux held 21,522,858 B shares in Electrolux, corresponding to approximately 7.0% of the total number of shares in the company.

Nomination Committee

The Electrolux Nomination Committee comprises Johan Forssell, Investor AB, Chairman of the committee. The other members are Kaj Thorén, Alecta, Marianne Nilsson, Swedbank Robur Funds, and Anders Oscarsson, AMF – Försäkring och Fonder. The committee also includes Staffan Bohman and Fredrik Persson, Chairman and Director, respectively, of Electrolux.

The Nomination Committee will prepare proposals for the Annual General Meeting in 2020 regarding Chairman of the Annual General Meeting, Board members, Chairman of the Board, remuneration for Board members, Auditor, Auditor's fees and, to the extent deemed necessary, proposal regarding amendments of the current instruction for the Nomination Committee.

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 full year 2019 amounted to SEK 40,594m (38,911) of which SEK 33,113m (31,806) referred to sales to Group companies and SEK 7,481m (7,105) to external customers. Income after financial items was SEK 4,033m (7,162), including dividends from subsidiaries in the amount of SEK 4,396m (7,179). Income for the period amounted to SEK 3,357m (5,488).

Capital expenditure in tangible and intangible assets was SEK 658m (594). Liquid funds at the end of the period amounted to SEK 6,084m, as against SEK 7,244m at the start of the year.

Undistributed earnings in the Parent Company at the end of the period amounted to SEK 22,894m, as against SEK 22,078m at the start of the year. Dividend payment to shareholders for 2018 amounted to SEK 2,443m.

The income statement and balance sheet for the Parent Company are presented on page 23.

Stockholm, January 31, 2020

AB Electrolux (publ)
556009-4178

Board of Directors

The report has not been audited or reviewed by external auditors.



Consolidated statement of comprehensive income

SEKM	Q4 2019	Q4 2018	Full-year 2019	Full-year 2018
Net sales	32,011	32,021	118,981	115,463
Cost of goods sold	-26,255	-26,303	-99,182	-95,462
Gross operating income	5,756	5,718	19,799	20,001
Selling expenses	-3,434	-3,186	-12,186	-11,344
Administrative expenses	-1,375	-1,160	-5,481	-4,667
Other operating income/expenses	12	298	1,057	185
Operating income	960	1,670	3,189	4,176
Financial items, net	-223	-133	-733	-422
Income after financial items	736	1,537	2,456	3,754
Taxes	-370	-294	-636	-900
Income for the period, continuing operations	366	1,243	1,820	2,854
Income for the period, discontinued operations	192	332	688	951
Income for the period, total Group	559	1,575	2,509	3,805
Items that will not be reclassified to income for the period:				
Remeasurement of provisions for post-employment benefits	1,715	-848	-103	-448
Income tax relating to items that will not be reclassified	-409	224	3	128
	1,305	-625	-100	-319
Items that may be reclassified subsequently to income for the period:				
Cash flow hedges	16	32	-10	-2
Exchange-rate differences on translation of foreign operations	-704	6	1,030	203
Income tax relating to items that may be reclassified	10	20	24	23
	-678	58	1,044	224
Other comprehensive income, net of tax	627	-567	944	-95
Total comprehensive income for the period	1,186	1,008	3,452	3,710
Income for the period attributable to:				
Equity holders of the Parent Company	560	1,575	2,509	3,805
Non-controlling interests	-1	-0	-1	-0
Total	559	1,575	2,509	3,805
Total comprehensive income for the period attributable to:				
Equity holders of the Parent Company	1,187	1,008	3,453	3,710
Non-controlling interest	-1	-0	-1	-0
Total	1,186	1,008	3,452	3,710
Earnings per share, SEK				
Basic, continuing operations	1.27	4.33	6.33	9.93
Basic, discontinued operations	0.67	1.15	2.40	3.31
Basic, Group total	1.94	5.48	8.73	13.24
Diluted, continuing operations	1.27	4.30	6.30	9.86
Diluted, discontinued operations	0.67	1.15	2.38	3.29
Diluted, Group total	1.94	5.45	8.69	13.14
Average number of shares¹				
Basic, million	287.4	287.4	287.4	287.4
Diluted, million	288.6	289.3	288.8	289.5

¹ Average numbers of shares excluding shares held by Electrolux.



Consolidated balance sheet

SEKM	Dec. 31, 2019	Dec. 31, 2018
Assets		
Property, plant and equipment, owned	21,803	21,088
Property, plant and equipment, right-of-use	2,811	-
Goodwill	7,071	8,239
Other intangible assets	3,817	3,919
Investments in associates	424	397
Deferred tax assets	6,618	6,448
Financial assets	93	246
Pension plan assets	1,043	532
Other non-current assets	1,486	952
Total non-current assets	45,166	41,822
Inventories	16,194	16,750
Trade receivables	20,847	21,482
Tax assets	913	738
Derivatives	192	139
Other current assets	4,465	4,507
Short-term investments	190	176
Cash and cash equivalents	10,807	11,697
Discontinued operations, assets held for distribution ¹	8,034	-
Total current assets	61,642	55,490
Total assets	106,808	97,312
Equity and liabilities		
Equity attributable to equity holders of the Parent Company		
Share capital	1,545	1,545
Other paid-in capital	2,905	2,905
Other reserves	-1,351	-2,394
Retained earnings	19,468	19,683
Equity attributable to equity holders of the Parent Company	22,566	21,738
Non-controlling interests	8	11
Total equity	22,574	21,749
Long-term borrowings	8,236	6,198
Long-term lease liabilities	2,333	-
Deferred tax liabilities	561	868
Provisions for post-employment benefits	4,909	4,346
Other provisions	5,577	5,281
Total non-current liabilities	21,616	16,693
Accounts payable	33,892	34,443
Tax liabilities	883	984
Other liabilities	16,821	17,105
Short-term borrowings	3,354	3,952
Short-term lease liabilities	817	-
Derivatives	293	102
Other provisions	2,606	2,284
Discontinued operations, liabilities held for distribution ¹	3,951	-
Total current liabilities	62,617	58,870
Total equity and liabilities	106,808	97,312

¹ For more information regarding discontinued operations, see note 5.

Change in consolidated equity

SEKM	Full-year 2019	Full-year 2018
Opening balance	21,749	20,480
Change in accounting principles	-234	-18
Total comprehensive income for the period	3,452	3,710
Share-based payments	52	-35
Dividend to equity holders of the Parent Company	-2,443	-2,385
Dividend to non-controlling interests	-1	-0
Acquisition of non-controlling interests	-1	-3
Total transactions with equity holders	-2,393	-2,424
Closing balance	22,574	21,749



Consolidated cash flow statement

SEKM	Q4 2019	Q4 2018	Full-year 2019	Full-year 2018
Operations				
Operating income, continuing operations	960	1,670	3,189	4,176
Operating income, discontinued operations	164	294	991	1,134
Depreciation and amortization ¹	1,307	1,083	5,104	4,150
Other non-cash items	-97	-92	1,722	1,088
Financial items paid, net ²	-229	-167	-661	-361
Taxes paid	-535	-465	-1,554	-1,140
Cash flow from operations, excluding change in operating assets and liabilities	1,569	2,322	8,791	9,046
Change in operating assets and liabilities				
Change in inventories	1,977	1,843	-298	-1,619
Change in trade receivables	-1,955	-1,657	-561	-582
Change in accounts payable	1,563	2,054	44	2,317
Change in other operating assets, liabilities and provisions	1,889	277	459	-1,116
Cash flow from change in operating assets and liabilities	3,473	2,516	-357	-1,000
Cash flow from operations	5,043	4,839	8,434	8,046
Investments				
Acquisition of operations	-0	-471	-467	-902
Divestment of operations	-	8	-	293
Capital expenditure in property, plant and equipment	-2,451	-2,106	-5,562	-4,650
Capital expenditure in product development	-105	-119	-797	-416
Capital expenditure in software and other intangibles	-224	-197	-571	-563
Other	199	115	-285	-269
Cash flow from investments	-2,582	-2,770	-7,683	-6,506
Cash flow from operations and investments	2,461	2,069	751	1,540
Financing				
Change in short-term investments	2	4	-13	193
Change in short-term borrowings	688	329	828	951
New long-term borrowings	1,507	2	3,810	1,736
Amortization of long-term borrowings	-1,174	-376	-2,412	-1,531
Payment of lease liabilities	-254	-	-942	-
Dividend	-1,221	-1,193	-2,443	-2,385
Share-based payments	5	8	9	-210
Cash flow from financing	-449	-1,227	-1,162	-1,245
Total cash flow	2,012	842	-411	295
Cash and cash equivalents at beginning of period	9,621	10,874	11,697	11,289
Exchange-rate differences referring to cash and cash equivalents	-175	-19	172	113
Cash and cash equivalents at end of period³	11,458	11,697	11,458	11,697

¹ For the period January 1 to December 31: depreciation related to right-of-use assets amounted to SEK 953m (-).

² For the period January 1 to December 31: interest and similar items received SEK 78m (116), interest and similar items paid SEK -499m (-427) and other financial items received/paid SEK -111m (-49). Interest paid related to lease liabilities SEK -129m (-).

³ The difference between Cash and cash equivalents at the end of period for 2019 in the Consolidated cash flow statement and Consolidated balance sheet correspond to the cash and cash equivalents of Electrolux Professional amounting to approximately SEK 0.6 bn.



Key ratios

SEKM unless otherwise stated	Q4 2019	Q4 2018	Full-year 2019	Full-year 2018
Continuing operations				
Net sales	32,011	32,021	118,981	115,463
Organic growth, %	-2.8	2.6	-1.0	1.2
EBITA	1,162	1,895	4,003	5,103
EBITA margin, %	3.6	5.9	3.4	4.4
Operating income	960	1,670	3,189	4,176
Operating margin, %	3.0	5.2	2.7	3.6
Operating margin excl. non-recurring items, % ¹	3.0	5.0	3.8	4.8
Income after financial items	736	1,537	2,456	3,754
Income for the period	366	1,243	1,820	2,854
Earnings per share, SEK ²	1.27	4.33	6.33	9.93
Capital turnover rate, times/year ³	-	-	4.5	5.6
Return on net assets, % ³	-	-	12.0	20.2
Net debt ⁴	7,683	-	7,683	-
Net debt/equity ratio ⁴	0.34	-	0.34	-
Total Group, including discontinued operations				
Income for the period	559	1,575	2,509	3,805
Capital expenditure property, plant and equipment	-2,451	-2,106	-5,562	-4,650
Operating cash flow after investments	3,226	3,163	3,433	3,649
Earnings per share, SEK ²	1.94	5.48	8.73	13.24
Equity per share, SEK	78.55	75.67	78.55	75.67
Return on equity, %	-	-	11.4	18.2
Net debt ⁴	-	1,825	-	1,825
Net debt/equity ratio ⁴	-	0.08	-	0.08

¹ For information on non-recurring items, see page 20.

² Basic.

³ To facilitate comparison, net assets excludes assets and liabilities of Electrolux Professional for both 2018 and 2019.

⁴ Net debt items as per 31 December 2019 excludes assets and liabilities of Electrolux Professional. Net debt items as per 31 December 2018 includes assets and liabilities of Electrolux Professional. Equity as per 31 December 2019 and 31 December 2018 includes Electrolux Professional.

For definitions, see pages 29-30.

Exchange rates

SEK	Dec. 31, 2019		Dec. 31, 2018	
	Average	End of period	Average	End of period
Exchange rate				
ARS	0.2010	0.1558	0.3087	0.2373
AUD	6.57	6.53	6.50	6.34
BRL	2.40	2.31	2.39	2.32
CAD	7.10	7.14	6.71	6.59
CHF	9.50	9.60	8.91	9.15
CLP	0.0133	0.0125	0.0136	0.0129
CNY	1.37	1.34	1.31	1.30
EUR	10.56	10.44	10.26	10.28
GBP	12.03	12.25	11.57	11.38
HUF	0.0324	0.0315	0.0321	0.0320
MXN	0.4878	0.4951	0.4517	0.4556
RUB	0.1455	0.1507	0.1392	0.1292
THB	0.3039	0.3119	0.2691	0.2754
USD	9.43	9.33	8.70	8.97



Net sales and operating income by business area

SEKM	Q1 2019	Q2 2019	Q3 2019	Q4 2019	2019	Q1 2018	Q2 2018	Q3 2018	Q4 2018	2018
Europe										
Net sales	10,553	10,479	11,036	13,352	45,420	9,760	10,138	10,885	12,539	43,321
Sales growth, %	4.6	1.0	-1.8	3.3	1.8	8.0	5.1	5.2	3.9	5.4
EBITA	730	631	149	1,189	2,698	687	-215	806	1,114	2,392
EBITA margin, %	6.9	6.0	1.3	8.9	5.9	7.0	-2.1	7.4	8.9	5.5
Operating income	686	576	93	1,138	2,493	610	-286	749	1,055	2,128
Operating margin, %	6.5	5.5	0.8	8.5	5.5	6.2	-2.8	6.9	8.4	4.9
North America										
Net sales	9,099	10,255	10,880	8,719	38,954	8,785	10,804	10,072	10,143	39,804
Sales growth, %	-6.8	-12.1	-0.7	-18.3	-9.5	-5.4	-10.2	-6.3	-6.3	-7.2
EBITA	-450	555	-3	-486	-383	-118	703	392	261	1,238
EBITA margin, %	-4.9	5.4	-0.0	-5.6	-1.0	-1.3	6.5	3.9	2.6	3.1
Operating income	-482	504	-20	-519	-516	-148	670	358	223	1,104
Operating margin, %	-5.3	4.9	-0.2	-5.9	-1.3	-1.7	6.2	3.6	2.2	2.8
Latin America										
Net sales	4,312	4,816	4,613	5,913	19,653	4,247	4,518	3,845	5,353	17,963
Sales growth, %	6.9	8.3	14.2	13.9	10.9	5.9	19.5	0.4	11.8	9.3
EBITA	-165	217	1,591	390	2,033	97	22	260	342	721
EBITA margin, %	-3.8	4.5	34.5	6.6	10.3	2.3	0.5	6.8	6.4	4.0
Operating income	-223	164	1,539	340	1,821	35	-38	205	290	492
Operating margin, %	-5.2	3.4	33.4	5.8	9.3	0.8	-0.8	5.3	5.4	2.7
Asia-Pacific, Middle East and Africa										
Net sales	3,445	3,682	3,801	4,027	14,954	3,197	3,685	3,507	3,986	14,375
Sales growth, %	2.3	-3.8	1.6	-4.1	-1.2	10.1	1.0	5.1	5.3	5.1
EBITA	141	204	-115	350	580	191	273	301	331	1,096
EBITA margin, %	4.1	5.5	-3.0	8.7	3.9	6.0	7.4	8.6	8.3	7.6
Operating income	110	171	-150	315	446	163	243	270	302	979
Operating margin, %	3.2	4.7	-4.0	7.8	3.0	5.1	6.6	7.7	7.6	6.8
Group common costs, etc.	-143	-197	-400	-315	-1,055	-133	-86	-107	-201	-527
Total, continuing operations										
Net sales	27,408	29,232	30,330	32,011	118,981	25,988	29,145	28,309	32,021	115,463
Sales growth, %	0.6	-3.6	1.2	-2.8	-1.3	3.0	0.3	0.3	1.9	1.2
EBITA	145	1,433	1,263	1,162	4,003	766	744	1,698	1,895	5,103
EBITA margin, %	0.5	4.9	4.2	3.6	3.4	2.9	2.6	6.0	5.9	4.4
Operating income	-53	1,219	1,063	960	3,189	527	503	1,476	1,670	4,176
Operating margin, %	-0.2	4.2	3.5	3.0	2.7	2.0	1.7	5.2	5.2	3.6
Total Group, including discontinued operations										
Income for the period, Group total	79	1,132	739	559	2,509	551	517	1,162	1,575	3,805
Earnings per share, Group total, SEK ¹	0.28	3.94	2.57	1.94	8.73	1.92	1.80	4.04	5.48	13.24

¹ Basic.



Non-recurring items by business area

SEKM	Q1 2019 ¹	Q2 2019	Q3 2019 ²	Q4 2019	Full year 2019	Q1 2018 ³	Q2 2018 ⁴	Q3 2018	Q4 2018 ⁵	Full year 2018
Europe	-	-	-752	-	-752	-	-818	-	71	-747
North America	-829	-	-242	-	-1,071	-596	-	-	-	-596
Latin America	-225	-	1,326	-	1,101	-	-	-	-	-
Asia-Pacific, Middle East and Africa	-	-	-398	-	-398	-	-	-	-	-
Group common costs, etc.	-	-	-224	-	-224	-	-	-	-	-
Total, continuing operations	-1,054	-	-290	-	-1,344	-596	-818	-	71	-1,343

¹ The non-recurring item of SEK -829m relates to the consolidation of U.S. cooking production and SEK -225m to the closure of a refrigeration production line in Latin America. The costs are included in Cost of goods sold and consists of write down of fixed assets, provision for severance cost and other cost related to the projects.

² The non-recurring item of SEK -290m includes recovery of overpaid sales tax in Brazil of SEK 1,403m, a legal settlement in the U.S. of SEK -197m and restructuring charges for efficiency measures and outsourcing projects across business areas and Group common costs of SEK -1,496m. The income from overpaid sales tax in Brazil and the cost for legal settlement in the U.S. are included in other operating income/expenses, the costs for restructuring and outsourcing projects are included in the applicable functional lines of the income statement.

³ The non-recurring item of SEK -596m 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, provision for severance cost and other cost related to the project.

⁴ The non-recurring items of SEK -818m refer to business area Europe. 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 unfavorable court ruling in France. These costs are included in other operating income/expenses.

⁵ The non-recurring item of SEK 71m refers to business area Europe and relates to the French Competition Authority investigation that was concluded in the quarter and is the difference between the actual fine and the provision set in the second quarter. This income is included in other operating income/expenses.

Operating income excluding non-recurring items (NRI)

SEKM	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Full year 2019	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Full year 2018
Europe										
Operating income excl. NRI	686	576	845	1,138	3,245	610	532	749	984	2,875
Operating margin excl. NRI, %	6.5	5.5	7.7	8.5	7.1	6.2	5.3	6.9	7.9	6.6
North America										
Operating income excl. NRI	347	504	222	-519	555	448	670	358	223	1,700
Operating margin excl. NRI, %	3.8	4.9	2.0	-5.9	1.4	5.1	6.2	3.6	2.2	4.3
Latin America										
Operating income excl. NRI	2	164	213	340	720	35	-38	205	290	492
Operating margin excl. NRI, %	0.1	3.4	4.6	5.8	3.7	0.8	-0.8	5.3	5.4	2.7
Asia-Pacific, Middle East and Africa										
Operating income excl. NRI	110	171	248	315	844	163	243	270	302	979
Operating margin excl. NRI, %	3.2	4.7	6.5	7.8	5.6	5.1	6.6	7.7	7.6	6.8
Group common cost etc										
Operating income excl. NRI	-143	-197	-176	-315	-831	-133	-86	-107	-201	-527
Total, continuing operations										
Operating income excl. NRI	1,001	1,219	1,353	960	4,533	1,123	1,321	1,476	1,599	5,519
Operating margin excl. NRI, %	3.7	4.2	4.5	3.0	3.8	4.3	4.5	5.2	5.0	4.8



Net sales by business area

SEKM	Q4 2019	Q4 2018	Full-year 2019	Full-year 2018
Europe	13,352	12,539	45,420	43,321
North America	8,719	10,143	38,954	39,804
Latin America	5,913	5,353	19,653	17,963
Asia-Pacific, Middle East and Africa	4,027	3,986	14,954	14,375
Total, continuing operations	32,011	32,021	118,981	115,463

Change in net sales by business area

Year-over-year, %	Q4 2019	Q4 2019 in local currencies	Full-year 2019	Full-year 2019 in local currencies
Europe	6	3	5	2
North America	-14	-18	-2	-10
Latin America	10	14	9	11
Asia-Pacific, Middle East and Africa	1	-4	4	-1
Total change, continuing operations	-0	-3	3	-1

Operating income by business area

SEKM	Q4 2019	Q4 2018	Full-year 2019	Full-year 2018
Europe	1,138	1,055	2,493	2,128
Margin, %	8.5	8.4	5.5	4.9
North America	-519	223	-516	1,104
Margin, %	-5.9	2.2	-1.3	2.8
Latin America	340	290	1,821	492
Margin, %	5.8	5.4	9.3	2.7
Asia-Pacific, Middle East and Africa	315	302	446	979
Margin, %	7.8	7.6	3.0	6.8
Group common costs, etc.	-315	-201	-1,055	-527
Operating income, continuing operations	960	1,670	3,189	4,176
Margin, %	3.0	5.2	2.7	3.6

Change in operating income by business area

Year-over-year, %	Q4 2019	Q4 2019 in local currencies	Full-year 2019	Full-year 2019 in local currencies
Europe	8	5	17	13
North America	n.m.	n.m.	n.m.	n.m.
Latin America	17	27	270	273
Asia-Pacific, Middle East and Africa	4	-6	-54	-58
Total change, continuing operations	-43	-44	-24	-27

Note: n.m. (not meaningful) is used when the calculated number is considered not relevant.



Working capital and net assets

SEKM	Dec. 31, 2019		Dec. 31, 2018, restated ²		Dec. 31, 2018 ³	
	SEKM	% of net sales ¹	SEKM	% of net sales ¹	SEKM	% of net sales ¹
Inventories	16,194	13.8	15,451	13.4	16,750	13.5
Trade receivables	20,847	17.7	19,824	17.1	21,482	17.3
Accounts payable	-33,892	-28.8	-32,996	-28.5	-34,443	-27.7
Operating working capital	3,149	2.7	2,279	2.0	3,789	3.0
Provisions	-8,183		-7,083		-7,565	
Prepaid and accrued income and expenses	-11,748		-11,205		-11,745	
Taxes and other assets and liabilities	-608		-1,067		-1,327	
Working capital	-17,390	-14.8	-17,077	-14.8	-16,848	-13.5
Property, plant and equipment, owned	21,803		20,003		21,088	
Property, plant and equipment, right-of-use	2,811		-		-	
Goodwill	7,071		6,800		8,239	
Other non-current assets	5,820		5,102		5,516	
Deferred tax assets and liabilities	6,057		5,478		5,580	
Net assets	26,172	22.3	20,306	17.5	23,574	19.0
Annualized net sales, calculated at end of period exchange rates	117,519		115,733		124,399	
Average net assets	26,532	22.3	20,722	17.9	23,381	18.8
Annualized net sales, calculated at average exchange rates	118,981		115,463		124,129	

¹ Annualized net sales.

² Excluding discontinued operations.

³ Including discontinued operations.

Net assets by business area

SEKM	Assets		Equity and liabilities		Net assets	
	Dec. 31, 2019	Dec. 31, 2018	Dec. 31, 2019	Dec. 31, 2018	Dec. 31, 2019	Dec. 31, 2018
Europe	28,032	26,276	26,604	25,766	1,429	510
North America	22,917	19,124	16,421	15,322	6,496	3,802
Latin America	14,064	13,092	7,020	6,906	7,044	6,186
Asia-Pacific, Middle East and Africa	12,351	10,826	6,289	5,603	6,062	5,223
Professional Products	-	6,101	-	3,144	-	2,957
Other ¹	9,175	9,112	4,033	4,217	5,142	4,895
Total operating assets and liabilities	86,540	84,531	60,368	60,958	26,172	23,574
Discontinued operations, operating assets and liabilities	8,034	-	3,951	-	-	-
Liquid funds	11,189	12,249	-	-	-	-
Total borrowings	-	-	11,856	10,260	-	-
Lease liabilities	-	-	3,150	-	-	-
Pension assets and liabilities	1,043	532	4,909	4,346	-	-
Total equity	-	-	22,574	21,749	-	-
Total	106,808	97,312	106,808	97,312	-	-

¹ Includes common functions and tax items.



Parent Company income statement

SEKM	Q4 2019	Q4 2018	Full-year 2019	Full-year 2018
Net sales	11,411	11,068	40,594	38,911
Cost of goods sold	-9,764	-9,597	-35,020	-33,560
Gross operating income	1,647	1,471	5,574	5,351
Selling expenses	-939	-940	-3,314	-3,247
Administrative expenses	-408	-166	-2,276	-1,410
Other operating income	-	0	-	0
Other operating expenses	-438	-239	-487	-804
Operating income	-138	126	-503	-110
Financial income	1,501	4,968	5,424	7,967
Financial expenses	-300	-202	-888	-695
Financial items, net	1,201	4,766	4,536	7,272
Income after financial items	1,063	4,892	4,033	7,162
Appropriations	127	59	-682	-1,743
Income before taxes	1,190	4,951	3,351	5,419
Taxes	-133	-101	6	69
Income for the period	1,057	4,850	3,357	5,488

Parent Company balance sheet

SEKM	Dec. 31, 2019	Dec. 31, 2018
Assets		
Non-current assets	41,760	38,254
Current assets	33,100	33,157
Total assets	74,860	71,411
Equity and liabilities		
Restricted equity	5,597	5,437
Non-restricted equity	22,894	22,078
Total equity	28,491	27,515
Untaxed reserves	430	442
Provisions	1,461	1,133
Non-current liabilities	8,200	5,735
Current liabilities	36,278	36,586
Total equity and liabilities	74,860	71,411

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, 2019	8,192,539	300,727,769	308,920,308	21,522,858	287,397,450
Number of shares as of December 31, 2019	8,192,539	300,727,769	308,920,308	21,522,858	287,397,450
As % of total number of shares				7.0%	



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, 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 accounting policies applied are consistent with those applied in the preparation of the Group's Annual Report 2018, except for the adoption of new standards effective as of January 1, 2019, and the application of IFRS 5 Non-current Assets Held for Sale and Discontinued Operations for the accounting of the Electrolux Professional operations, see section 'Discontinued Operations' below. The Group has also early adopted the amendments to IFRS 9, IAS 39 and IFRS 7 under the Interest Rate Benchmark Reform. This has not had any effect on the financial reports.

The Group's accounting principles are described in Note 1 in the Annual Report 2018, including transition effects and accounting principles related to IFRS 16 Leases which is applied by Electrolux from January 1, 2019. The transition to IFRS 16 has resulted in the following opening balance adjustment:

Assets		Equity and Liabilities	
Right-of-use assets	3,172	Lease liabilities	3,465
Deferred tax assets	90	Retained earnings	-234
Prepaid lease fees	-34	Accrued lease fees	-4
Total	3,228	Total	3,228

Discontinued operations

In January 2019, Electrolux announced that the company was preparing for the separation and distribution of its Professional Products business area ('Electrolux Professional'). On December 5, 2019 the Electrolux Board of Directors decided to propose to the Electrolux shareholders to distribute the shares in the wholly-owned subsidiary Electrolux Professional AB to the shareholders of Electrolux. The intention is to list Electrolux Professional AB on Nasdaq Stockholm on March 23, 2020. Electrolux Professional has been classified as held for distribution to owners as per December 2019 and is accounted for under the applicable principles for assets held for sale and discontinued operations. All related effects are referred to as 'Discontinued operations'.

As per December 2019, Electrolux Professional is reported as discontinued operations in the consolidated statement of comprehensive income for 2019. The consolidated statement of comprehensive income for 2018 has been restated accordingly. The Electrolux Professional results are excluded from the individual lines of the consolidated income statement with the total net reported as 'Income for the period, discontinued operations', which in full is attributable to equity holders of the Parent Company.

The consolidated cash flow statement includes a split of operating income into 'Operating income, continuing operations' and 'Operating income, discontinued operations'.

In the balance sheet as per 31 December 2019, assets and liabilities of Electrolux Professional have been reclassified as 'Discontinued operations, assets held for distribution' and 'Discontinued operations, liabilities held for distribution' respectively. The balance sheet items for the previous year(s) are the historical financial statements as no restatement is allowed under IFRS. However, to facilitate comparison, restated net assets figures are presented on page 22.

Details on income statement, balance sheet and cash flow for discontinued operations are included in Note 5.

Reportable segments - Business areas

As from 2019 Electrolux has revised its consumer business area structure. The former business area Home Care & SDA has been combined with the former major appliances business areas, creating four consumer-focused regional business areas: Europe, North America, Latin America, and Asia-Pacific, Middle East and Africa. These represent the Group's reportable segments. Comparatives have been restated accordingly. For more information, please see press release 'Restated figures for 2018 in line with Electrolux new business area structure' published on April 5, 2019. Electrolux Professional is included as 'Discontinued Operations' in the table in Note 2.



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. The four regional Consumer Products business areas focus on the consumer market and business area Professional Products focuses 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 Consumer Products and Professional Products (Discontinued operations) per geographical region based on the location of each selling company.

SEKM	Full-year 2019			Full-year 2018		
	Consumer Products	Discontinued operations	Total	Consumer Products	Discontinued operations	Total
Geographical region						
Europe	45,420	7,474	52,894	43,321	6,951	50,272
North America	38,954	949	39,903	39,804	849	40,654
Latin America	19,653	-	19,653	17,963	-	17,963
Asia-Pacific, Middle East and Africa	14,954	858	15,812	14,375	866	15,241
Total	118,981	9,281	128,262	115,463	8,666	124,129

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

SEKM	Dec. 31, 2019		Dec. 31, 2018	
	Fair value	Carrying amount	Fair value	Carrying amount
Per category				
Financial assets at fair value through profit and loss	269	269	421	421
Financial assets measured at amortized cost	31,668	31,668	33,180	33,180
Derivatives, financial assets at fair value through profit and loss	117	117	120	120
Derivatives in hedge accounting	75	75	19	19
Total financial assets	32,129	32,129	33,740	33,740
Financial liabilities measured at amortized cost	45,515	45,482	44,650	44,593
Derivatives, financial liabilities at fair value through profit and loss	291	291	100	100
Derivatives in hedge accounting	2	2	2	2
Total financial liabilities	45,808	45,775	44,752	44,695

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.

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 December 31, 2019, the fair value for Level 1 financial assets was SEK 176m (175) 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 December 31, 2019, the fair value of Level 2 financial assets was SEK 192m (139) and financial liabilities SEK 293m (102).

Level 3: Inputs for the assets or liabilities that are not entirely based on observable market data. At December 31, 2019, the fair value of Level 3 financial assets was SEK 93m (246) and financial liabilities SEK 0m (0).



Note 4 Pledged assets and contingent assets and liabilities

SEKM	Dec. 31, 2019	Dec. 31, 2018
Group		
Pledged assets	6	6
Guarantees and other commitments	939	1,015
Parent Company		
Pledged assets	-	-
Guarantees and other commitments	1,015	1,534

For more information on contingent liabilities, see Note 25 in the Annual Report 2018.

Contingent assets

In December 2018, Electrolux obtained a judicial court certification attesting a final and non-appealable decision in Brazil that Electrolux has the right to recover overpaid sales tax for 2002-2014 and a minor part was recognized as an asset per December 31, 2018. The remaining amount has been recognized as an asset during the third quarter 2019, affecting other operating income by SEK 1,403m.

Contingent liabilities

In the fourth quarter of 2019 an order was issued by the Italian Environmental Authorities for certain remediation actions connected to contamination at Electrolux subsidiary INFA s.p.a. ("INFA") former manufacturing site in Aviato (Italy), a site (land and factory) that INFA divested to the current operator of the site, Sarinox s.p.a ("Sarinox"), in 2001. Pursuant to the order, addressed against Sarinox, Sarinox shall, inter alia, make a contribution of EUR 42m to projects improving the groundwater quality in the Friuli region, Italy, and take certain other measures to clean 42 million cubic meters of contaminated groundwater in the region. Sarinox has objected to the order by appealing to the administrative court of Trieste. As it is possible that the situation can result in a liability for INFA in its capacity as former owner and operator or seller of the site, INFA has filed a motion to join the proceedings to protect its interests. At this stage it is too early to predict the outcome of this matter and to assess and quantify INFA's liability, if any. No provision has been set at this stage.

Note 5 Acquisitions of operations and discontinued operations

Acquisitions

During the first quarter of 2019, Electrolux completed an acquisition of an appliance installation and repair service operations in Australia with an upfront payment of AUD 3.9m (approximately SEK 26m). The operations are included in business area Asia-Pacific, Middle East and Africa. The acquisition of UNIC S.A.S. was completed during the second quarter and is separately described below.

UNIC S.A.S.

On April 24, 2019, Electrolux completed the acquisition of UNIC S.A.S., a French manufacturer of professional espresso machines. The company's headquarters and main manufacturing facility are located in southern France, with subsidiaries in the U.S. and Japan. The acquired business had combined net sales of approximately EUR 20m in 2018, and 130 employees.

The consideration consists of a cash payment of EUR 39m with a preliminary net debt assumed of EUR 6.6m. The cash payment is equivalent to SEK 410m and a cash flow effect of SEK -406m, excluding acquired cash and cash equivalents.

Net sales and operating income in the acquired business during the period January 1, 2019, up until the date the acquisition was completed amounted to EUR 6m and EUR 0m respectively, approximately SEK 63m and SEK 0m respectively.

The acquired business is included in Discontinued operations in Electrolux consolidated accounts per December 31 with financial statements for the period May-December, contributing to net sales and operating income (including amortization of surplus values) by approximately SEK 113m and SEK -17m respectively. Goodwill recognized amounts to SEK 336m and is not expected to be deductible for income tax purposes.

The operations are included in discontinued operations, Electrolux Professional.

Transaction costs

Transaction costs related to the acquisitions described above amount to SEK 4.2m and have been expensed as incurred during the acquisition processes, whereof SEK 3.5m expensed in 2019. The costs have been reported in the operating income of the respective business area.

Cash flow related to acquisitions of operations

Total cash flow related to acquisitions of operations amounts to SEK -467m and includes payments for the acquisitions completed in the first and second quarters, totaling SEK 432m, excluding acquired cash and cash equivalents, and a deferred consideration payment in the first quarter of SEK 35m regarding the Schneidereit acquisition in 2018.



Discontinued operations

Business area Electrolux Professional has been classified as held for distribution to owners as per December 2019 and is accounted for under the applicable principles for assets held for sale and discontinued operations. All related effects are referred to as 'Discontinued operations'. See section 'Discontinued operations' in Note 1 for more information. The financial information presented below consists of Electrolux Professional's contribution to Electrolux Group consolidated financial information, i.e. after elimination of intragroup balances.

SEKM	Q4 2019	Q4 2018	Full-year 2019	Full-year 2018
Net sales	2,334	2,405	9,281	8,666
Cost of goods sold	-1,563	-1,533	-6,040	-5,447
Gross operating income	771	871	3,241	3,219
Selling expenses	-392	-443	-1,699	-1,642
Administrative expenses	-243	-130	-584	-434
Other operating income and expenses	28	-5	32	-9
Operating income	164	294	991	1,134
Financial items, net	18	1	12	-2
Income after financial items	181	295	1,003	1,133
Taxes	11	36	-314	-182
Income for the period	192	332	688	951

SEKM	Dec. 31, 2019	Dec. 31, 2018
Property, plant and equipment, owned	1,214	1,085
Property, plant and equipment, right-of-use	238	-
Goodwill	1,821	1,438
Other intangible assets	388	394
Other non-current assets	397	268
Total non-current assets	4,057	3,185
Inventories	1,265	1,299
Trade receivables	1,687	1,658
Other current assets	1,025	474
Total current assets	3,977	3,431
Total assets	8,034	6,615
Long-term borrowings	3	25
Long-term lease liabilities	172	-
Other provisions	846	726
Total non-current liabilities	1,021	751
Accounts payable	1,485	1,446
Short-term borrowings	4	32
Short-term lease liabilities	72	-
Other current liabilities	1,370	1,165
Total current liabilities	2,930	2,644
Total liabilities	3,951	3,394

SEKM	Full-year 2019	Full-year 2018
Cash flow from operations	1,120	784
Cash flow from investments	-689	-834
Cash flow from financing	-134	-94
Total cash flow	297	-144

SEKM	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Full year 2019	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Full year 2018
Net sales	2,302	2,455	2,190	2,334	9,281	1,917	2,209	2,135	2,405	8,666
Sales growth, %	15.6	8.8	-1.9	-5.7	3.7	8.5	6.7	6.7	11.0	8.2
EBITA	316	417	144	180	1,056	245	331	293	310	1,179
EBITA margin, %	13.7	17.0	6.6	7.7	11.4	12.8	15.0	13.7	12.9	13.6
Operating income	301	401	125	164	991	237	324	280	294	1,134
Operating margin, %	13.1	16.3	5.7	7.0	10.7	12.4	14.7	13.1	12.2	13.1
Non-recurring items, NRI	-	-	-122	-	-122	-	-	-	-	-
Operating income excl. NRI	301	401	247	164	1,113	237	324	280	294	1,134
Operating margin excl. NRI, %	13.1	16.3	11.3	7.0	12.0	12.4	14.7	13.1	12.2	13.1

SEKM	2015	2016	2017 ¹	2018	2019
Net sales	6,546	6,865	7,723	8,666	9,281
Operating income	862	954	1,054	1,134	991
Margin, %	13.2	13.9	13.7	13.1	10.7

¹ 2017 has been restated due to IFRS 15.



Operations by business area yearly

SEKM	2015	2016	2017 ¹	2018	2019
Europe					
Net sales	38,224	39,097	39,231	43,321	45,420
Operating income	2,290	2,794	2,772	2,128	2,493
Margin, %	6.0	7.1	7.1	4.9	5.5
North America					
Net sales	45,276	44,914	42,083	39,804	38,954
Operating income	1,454	2,657	2,796	1,104	-516
Margin, %	3.2	5.9	6.6	2.8	-1.3
Latin America					
Net sales	19,679	16,384	18,277	17,963	19,653
Operating income	459	-111	483	492	1,821
Margin, %	2.3	-0.7	2.6	2.7	9.3
Asia-Pacific, Middle East and Africa					
Net sales	13,787	13,833	13,457	14,375	14,954
Operating income	308	673	1,077	979	446
Margin, %	2.2	4.9	8.0	6.8	3.0
Other					
Group common cost, etc.	-2,631	-693	-775	-527	-1,055
Total, continuing operations					
Net sales	116,965	114,228	113,048	115,463	118,981
Operating income	1,879	5,320	6,353	4,176	3,189
Margin, %	1.6	4.7	5.6	3.6	2.7
Non-recurring items in operating income²					
	2015 ³	2016	2017	2018 ⁴	2019 ⁵
Europe	-40	-	-	-747	-752
North America	-207	-	-	-596	-1,071
Latin America	-11	-	-	-	1,101
Asia-Pacific, Middle East and Africa	-90	-	-	-	-398
Group common cost	-1,901	-	-	-	-224
Total, continuing operations	-2,249	-	-	-1,343	-1,344

¹ 2017 has been restated due to IFRS 15.

² For more information, see Note 7 in the annual reports.

³ Refers to costs related to the not completed acquisition of GE Appliances of SEK -2,059m and restructuring costs within HC&SDA of SEK -190m.

⁴ Non-recurring items 2018: SEK -596m refers to the consolidation of freezer production in North America, SEK -747m refers to business area Europe and includes a fine of SEK -493m, relating to an investigation by the French Competition Authority, and a cost of SEK -254m relating to an unfavorable court ruling in France.

⁵ Non-recurring items 2019 includes SEK -829m related to the consolidation of U.S. cooking production and SEK -225m to the closure of a refrigeration production line in Latin America, recovery of overpaid sales tax in Brazil of SEK 1,403m, a legal settlement in the U.S. of SEK -197m and restructuring charges for efficiency measures and outsourcing projects across business areas and Group common costs of SEK -1,496m.



Five-year review

Total Group 2015-2018 and Continuing operations 2018 (restated)-2019

SEKM unless otherwise stated	2015	2016	2017 ¹	2018	Restated 2018 ²	2019
Net sales	123,511	121,093	120,771	124,129	115,463	118,981
Organic growth, %	2.2	-1.1	-0.4	1.3	1.2	-1.0
Operating income	2,741	6,274	7,407	5,310	4,176	3,189
Operating margin, %	2.2	5.2	6.1	4.3	3.6	2.7
Income after financial items	2,101	5,581	6,966	4,887	3,754	2,456
Income for the period	1,568	4,493	5,745	3,805	2,854	1,820
Non-recurring items in operating income ³	-2,249	-	-	-1,343	-1,343	-1,344
Capital expenditure, property, plant and equipment	-3,027	-2,830	-3,892	-4,650	-4,506	-5,320
Operating cash flow after investments	6,745	9,140	6,877	3,649	2,646	2,280
Earnings per share, SEK ⁴	5.45	15.64	19.99	13.24	9.93	6.33
Equity per share, SEK	52.21	61.72	71.26	75.67	-	78.55
Dividend per share, SEK ⁵	6.50	7.50	8.30	8.50	8.50	8.50
Capital-turnover rate, times/year	5.0	5.8	5.9	5.3	5.6	4.5
Return on net assets, %	11.0	29.9	36.0	22.7	20.2	12.0
Return on equity, %	9.9	29.4	31.9	18.2	-	11.4
Net debt	6,407	360	197	1,825	-	7,683
Net debt/equity ratio	0.43	0.02	0.01	0.08	-	0.34
Average number of shares excluding shares owned by Electrolux, million	287.1	287.4	287.4	287.4	287.4	287.4
Average number of employees	58,265	55,400	55,692	54,419	51,253	48,652

¹ 2017 has been restated due to IFRS 15.

² Excluding discontinued operations.

³ For more information, see table on pages 20 and 28 and Note 7 in the annual reports.

⁴ Basic.

⁵ 2019, proposed by the Board.

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 sales 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, lease liabilities 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 income 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.



Shareholders' information

President and CEO Jonas Samuelson's comments on the fourth quarter results 2019

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, January 31. Jonas Samuelson, President and CEO and Therese Friberg, CFO will comment on the report.

Details for participation by telephone are as follows:

Participants in Sweden: +46 8 566 426 51

Participants in UK/Europe: +44 3333 000 804

Participants in US: +1 631 9131 422

Pin code: 77477310#

Slide presentation for download:

www.electroluxgroup.com/ir

Link to webcast:

<https://edge.media-server.com/mmc/p/c9px32h9>

For further information, please contact:

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+46 70 590 80 72

Calendar 2020

Annual Report, week	February 17-21
EGM	February 21
AGM	March 31
Interim report January - March	May 7
Interim report January - June	July 17
Interim report January - September	October 23

The Annual Report will be available on: www.electroluxgroup.com

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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Shape living for the better

Electrolux is a leading global appliance company that has shaped living for the better for more than 100 years. We reinvent taste, care and wellbeing experiences for millions of people around the world, always striving to be at the forefront of sustainability in society through our solutions and operations. Under our brands, including Electrolux, AEG and Frigidaire, we sell approximately 60 million household products in approximately 120 markets every year. In 2019 Electrolux had sales of SEK 119 billion and employed 49,000 people around the world. For more information go to www.electroluxgroup.com