



Q1 Results 2020 presentation



Business overview

Jonas Samuelson, President and CEO



Coronavirus implications in Q1



North America

Most retail open and strong demand in March but increasing impact from social distancing measures
Limited Q1 impact on production



Europe

Severe market impact from mid March due to lock-downs.
Italian production closed from 2nd half of March



Latin America

Strong social distancing measures
Majority of retail in major markets closed in second half of March
Production constraints end March



Asia-Pacific, Middle East and Africa

Declines in most markets, but large variances between countries.
Lockdown or movement restrictions in most markets
Limited impact in production





Responding to the coronavirus situation with comprehensive actions

	Phase 1 Cash focus	Phase 2 Cost efficiency focus	Phase 3 "New normal"
Time horizon	<ul style="list-style-type: none">• Duration of major demand- and supply disturbances	<ul style="list-style-type: none">• Duration of significant macroeconomic effects	<ul style="list-style-type: none">• Post coronavirus situation
Key actions	<ul style="list-style-type: none">• Direct management of cash in- and outflows• Funding actions• Production and supply actions• Furloughing	<ul style="list-style-type: none">• Marketing and structural cost reduction• Adapting manufacturing• Reprioritizing CAPEX	<ul style="list-style-type: none">• Go to market strategy acceleration• Adapting to longer term demand development• Flexible supply chain• Core strategy well adapted to new reality

Health and safety main priority

The strong corporate culture is a key driver for our competitiveness and our ability to manage cost

Q1 Highlights

Sales decline driven by lower volumes

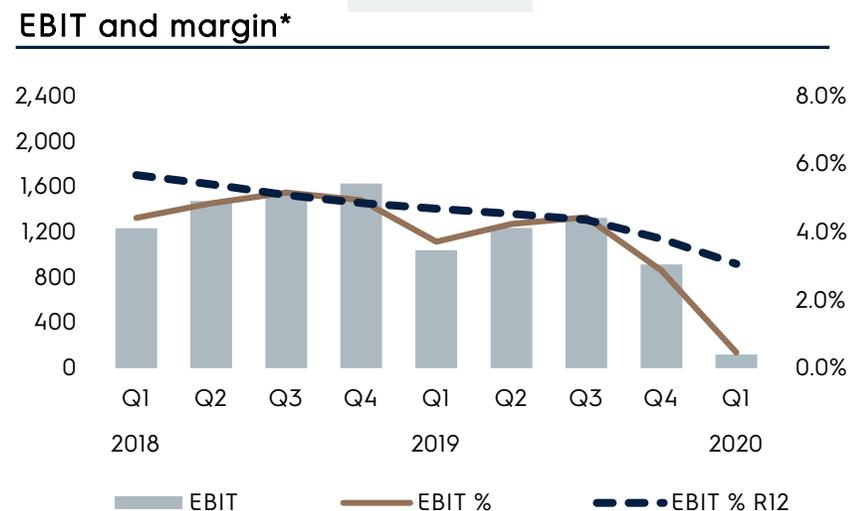
- Lower North America volumes, mainly manufacturing transition
- Market demand down by end Q1
- Mix improvements and price increases

Earnings impacted negatively

- Coronavirus impact SEK~-400m
- Significant currency headwinds
- Cost-cutting measures implemented
- Raw material and trade tariffs contributed positively

Electrolux Professional distributed and listed

SEKm	Q1 2020	Q1 2019	Change
Net sales	26,578	27,408	-3.0%
Organic growth	-5.1%	1.2%	-6.3pts
Acquisitions	0.0%	0.1%	-0.1pts
Divestments	0.0%	-0.7%	0.7pts
Currency	2.1%	4.9%	-2.8pts
EBIT	122	-53	n.m
Margin	0.5%	-0.2%	0.7pts
EBIT excl. NRI	122	1,001	-87.8%
EBIT margin excl. NRI	0.5%	3.7%	-3.2pts



*Excluding non-recurring items (NRI) and currency adjusted.



Driving sustainable consumer experience innovation



Boosting margin through resource-efficient products

- Consumers are willing to pay a premium for resource-efficient products
- Sales of Electrolux UltraCare washing machines grew by 27% and accounted for 20% of Electrolux branded laundry volumes in Europe 2019
- These resource-efficient washing machines have twice the margin compared to other washing machines.

Leveraging our Swedish heritage in Australia

- The Electrolux brand has a competitive advantage as Australian consumers associate Sweden with premium and quality
- New premium products under a sharper Electrolux brand contributed to a 45% sales increase during 2019



Europe

Mix improvements from built-in

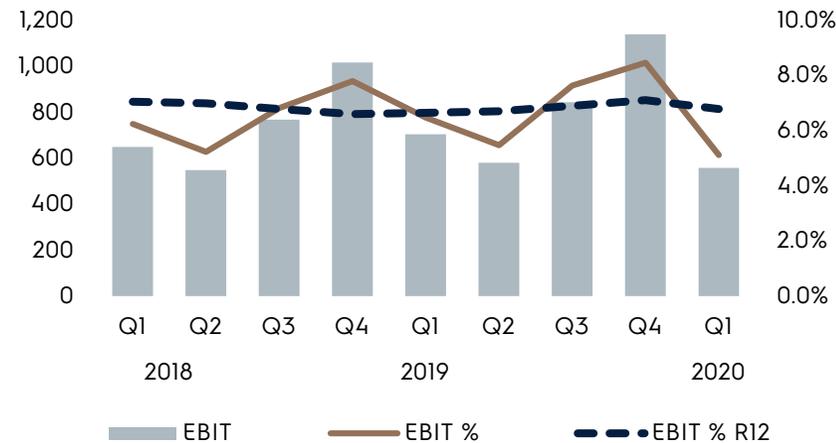
- Mix improvements compensated for volume decline
- Slight price decreases
- Overall market demand declined

Operating income declined

- Currency headwinds impacted negatively
- Volume decline partly offset by costs-cutting measures
- Mix and raw material impacted positively

SEKm	Q1 2020	Q1 2019	Change
Net sales	10,908	10,553	3.4%
Organic growth	0.3%	4.4%	-4.1pts
Acquisitions	0.0%	0.3%	-0.3pts
Currency	3.1%	3.5%	-0.4pts
EBIT	558	686	-18.6%
Margin	5.1%	6.5%	-1.4pts
EBIT excl. NRI	558	686	-18.6%
EBIT margin excl. NRI	5.1%	6.5%	-1.4pts

EBIT and margin*

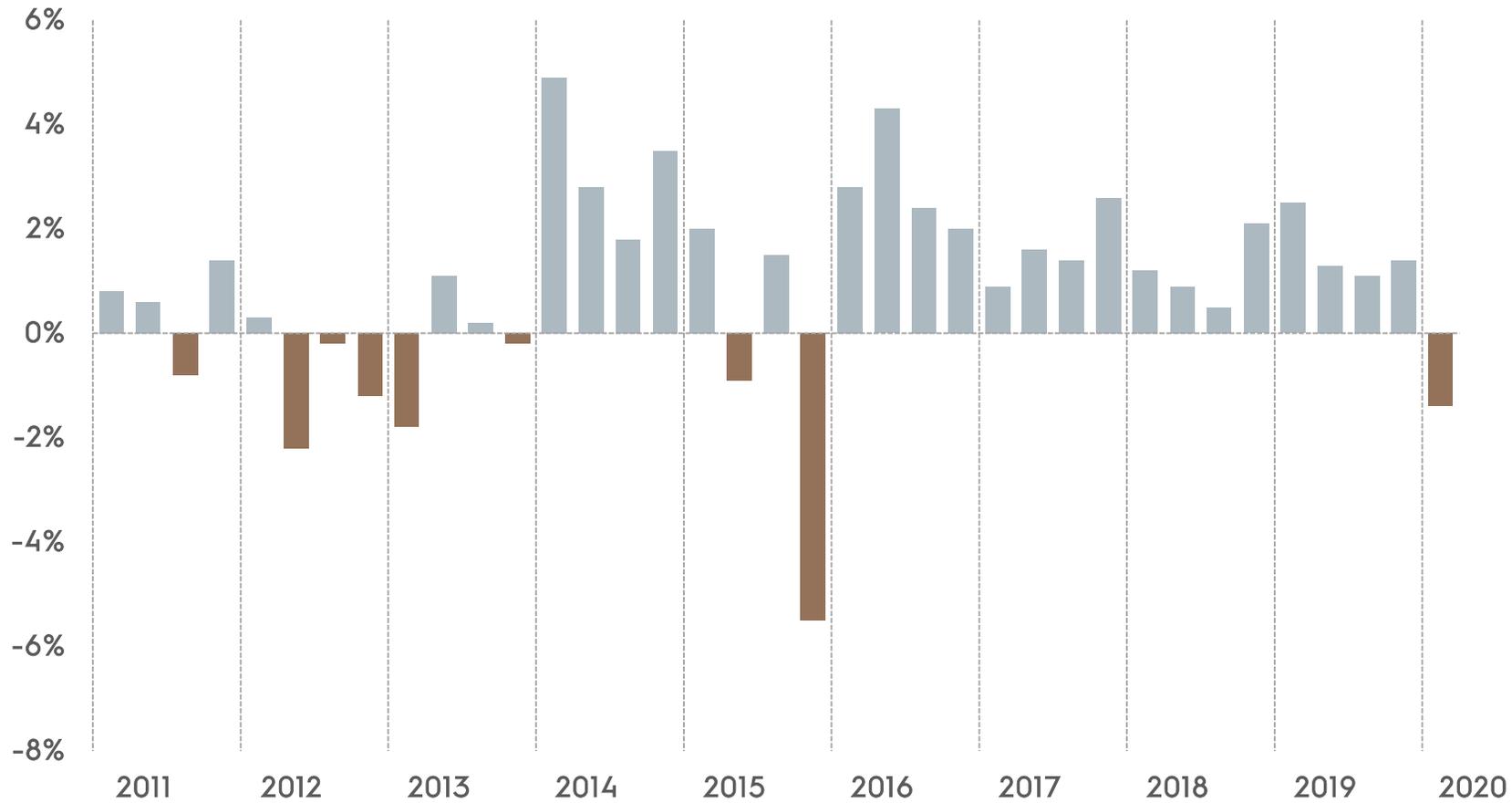


*Excluding non-recurring items (NRI) and currency adjusted.



European Core Appliances Market

Total European shipments, quarterly unit comparison y-o-y



Source: Electrolux estimates

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North America

Organic sales decline

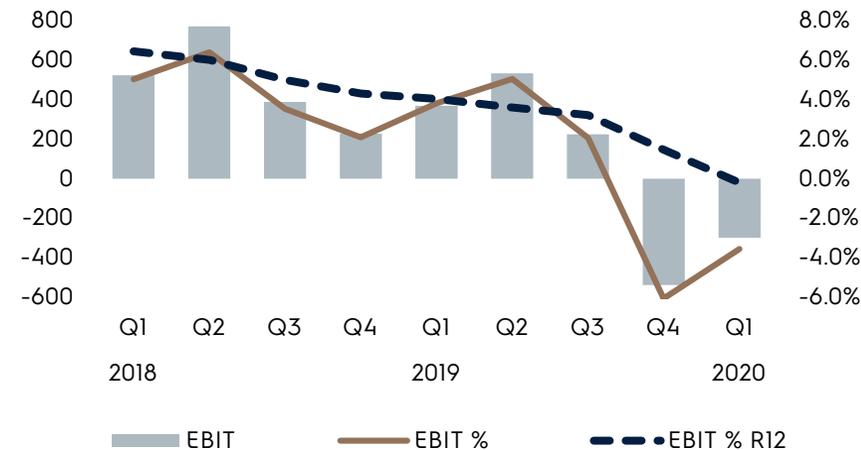
- Lower volumes related to manufacturing transition in Anderson
- Lower sales of private label products and air-conditioners

Negative operating income

- Mainly a result of lower volumes
- Manufacturing transition costs
- Increased aftermarket sales

SEKm	Q1 2020	Q1 2019	Change
Net sales	8,409	9,099	-7.6%
Organic growth	-13.1%	-5.0%	-8.1pts
Divestments	0.0%	-2.0%	2.0pts
Currency	5.6%	10.5%	-4.9pts
EBIT	-299	-482	-37.9%
Margin	-3.6%	-5.3%	1.7pts
EBIT excl. NRI	-299	347	n.m
EBIT margin excl. NRI	-3.6%	3.8%	-7.4pts

EBIT and margin*

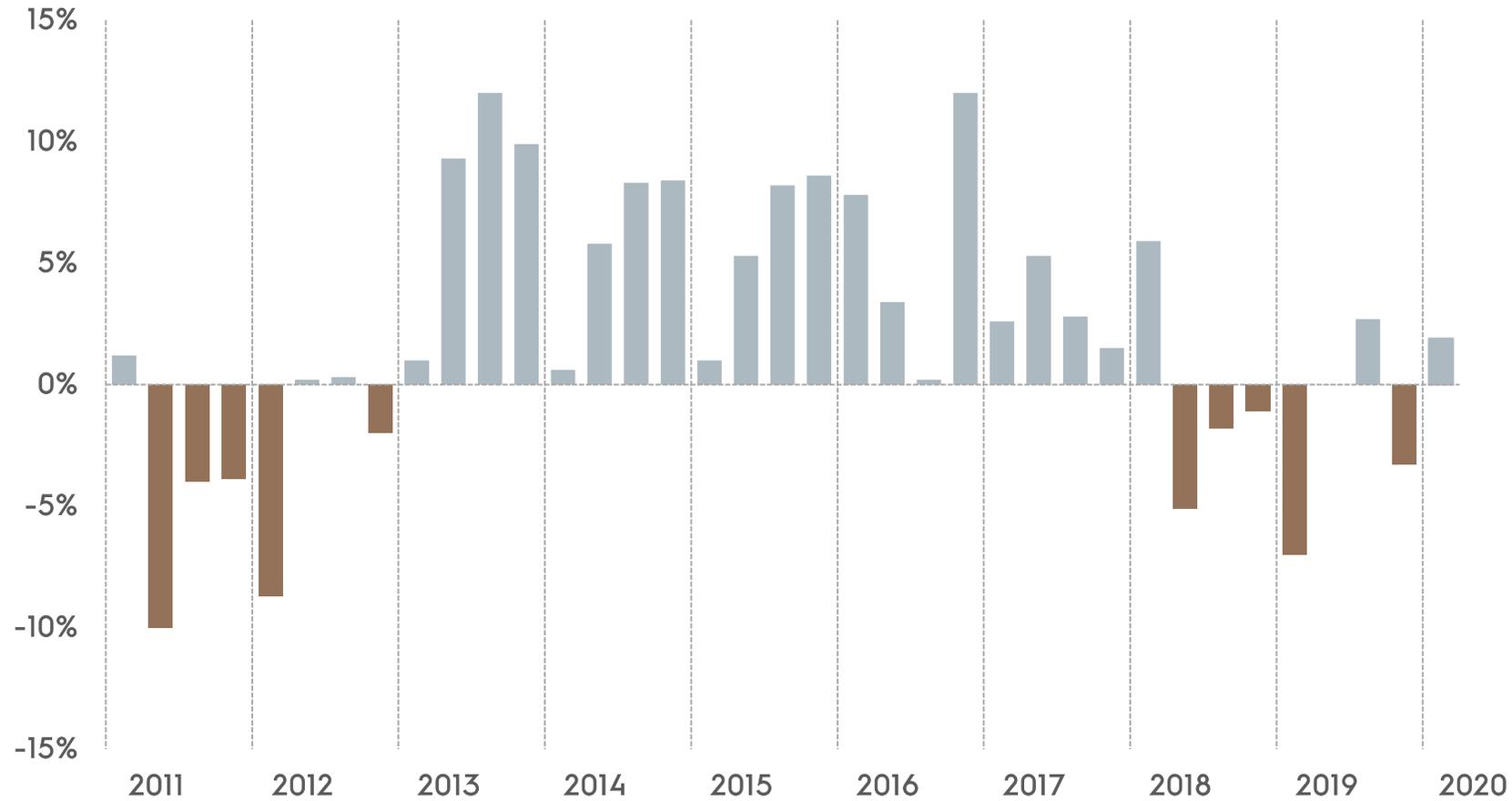


*Excluding non-recurring items (NRI) and currency adjusted.



U.S. Core Appliances Market

U.S. shipments, quarterly unit comparison y-o-y



Source: US Core white includes: AHAM 6 (Washers, Dryers, Dishwashers, Refrigerators, Freezers, Ranges/Cookers and Ovens) and Cooktops.

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Latin America

Lower volumes and higher price/mix

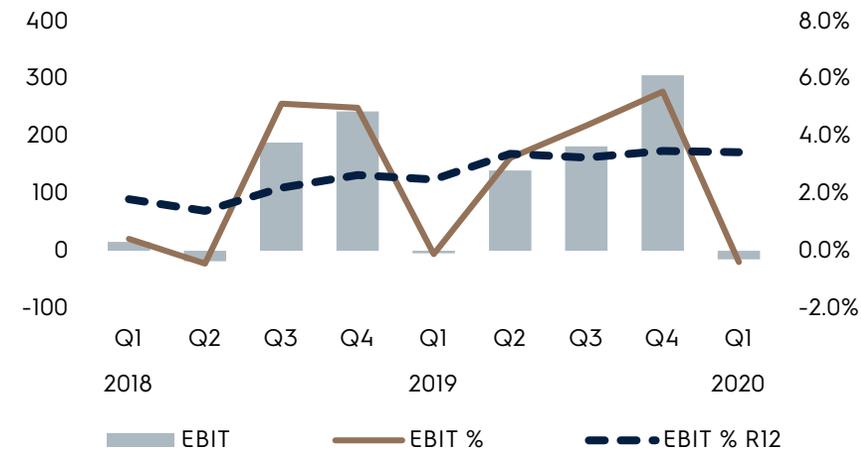
- Consumer demand growth in Brazil, while demand declined in Argentina and Chile
- Significant demand drop second half March
- Lower volumes partly offset by price/mix

Operating income decline

- Significant currency headwinds
- Strong price/mix contribution

SEKm	Q1 2020	Q1 2019	Change
Net sales	3,826	4,312	-11.3%
Organic growth	-1.9%	6.9%	-8.8pts
Currency	-9.3%	-5.4%	-3.9pts
EBIT	-15	-223	-93.2%
Margin	-0.4%	-5.2%	4.8pts
EBIT excl. NRI	-15	2	n.m
EBIT margin excl. NRI	-0.4%	0.0%	-0.4pts

EBIT and margin*



*Excluding non-recurring items (NRI) and currency adjusted.





Asia-Pacific, Middle East and Africa

Early impact on sales

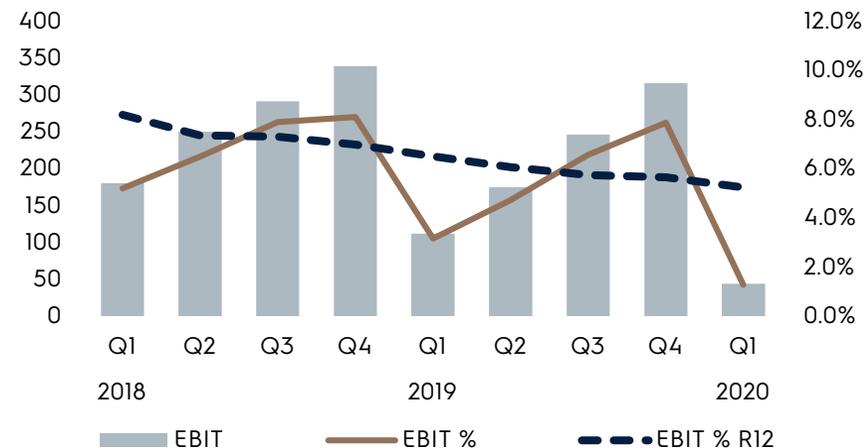
- Consumer demand decline, primarily in East Asia
- Australia and Egypt market growth
- Lower sales volumes in Southeast Asia and China

Significant currency impact

- Strong currency headwind, mainly AUD
- Cost-saving activities partly offset lower volumes
- Positive mix in Australia

SEKm	Q1 2020	Q1 2019	Change
Net sales	3,434	3,445	-0.3%
Organic growth	-3.2%	2.2%	-5.4pts
Acquisitions	0.0%	0.1%	-0.1pts
Currency	2.9%	5.5%	-2.6pts
EBIT	44	110	-60.2%
Margin	1.3%	3.2%	-1.9pts
EBIT excl. NRI	44	110	-60.2%
EBIT margin excl. NRI	1.3%	3.2%	-1.9pts

EBIT and margin*



Note: Excluding non-recurring items (NRI) and currency adjusted.





Financial overview

Therese Friberg, CFO



Financial overview



SEKm	Q1 2020	Q1 2019	Change
Net sales	26,578	27,408	-3.0%
Organic growth	-5.1%	1.2%	-6.3pts
Acquisitions/divestments	0.0%	-0.6%	0.6pts
Currency	2.1%	4.9%	-2.8pts
Gross operating income	3,977	3,943	0.9%
Gross operating margin	15.0%	14.4%	0.6pts
EBIT	122	-53	n.m
Margin	0.5%	-0.2%	0.7pts
Non-recurring items	-	-1,054	n.m
EBIT excl. NRI	122	1,001	-87.8%
Margin excl NRI	0.5%	3.7%	-3.2pts
Op. cash flow after investments	-2,938	-3,017	-2.6%

Sales and EBIT Bridge



SEKm	Q1 2019 excl. NRI*	Volume/ Price/Mix	Raw material & Tariffs	Currency**	Net Cost Efficiency	Acq/ Divest.	Q1 2020 excl. NRI*	NRI*	Q1 2020
Net Sales	27,408	-1,431		601			26,578		26,578
Growth %		-5.1%		2.1%			-3.0%		-3.0%
EBIT	1,001	-84	62	-588	-269		122	-	122
EBIT %	3.7%						0.5%		0.5%
<i>Accretion/ Dilution</i>		-0.1%	0.2%	-2.3%	-1.0%				

*Non-recurring items (NRI) in Q1 2019 amounted to SEK -1,054m.

**Currency includes SEK 13m of currency translation effects and -601m of transaction effects on EBIT.

Earnings contribution from price/mix



Business Area	Price/Mix	Comments for Q1
Europe	Positive	Positive mix driven by new built in kitchen range Slight price erosion
North America	Positive	Strong mix improvement, slight price increase
Latin America	Positive	Price increases and some mix improvements
Asia-Pacific, Middle East and Africa	Positive	Mix improvements and flat prices
Group EBIT % accretion	+2.9%	

Currency effects



Business Area, in SEKm	Q1 2020	Q2 2020e	FY 2020e
Europe	-156	-100	-350
North America	-24	50	50
Latin America	-237	-350	-1,000
Asia-Pacific, Middle East and Africa	-167	-100	-400
Other	-4		
Total Group	-588	-500	-1,700

*Note: The calculation for Q2 2020e and FY 2020e are based on currency rates as per May 4, 2020.

Operating Cash Flow



SEKm	Q1 2020	Q1 2019
EBIT	122	-53
D/A and other non-cash items	1,412	2,264
Change in operating assets and liabilities	-3,358	-3,983
Investments in intangible and tangible assets	-1,154	-1,080
Changes in other investments	40	-165
Cash flow after investments*	-2,938	-3,017

*Before acquisitions and divestments

Financing



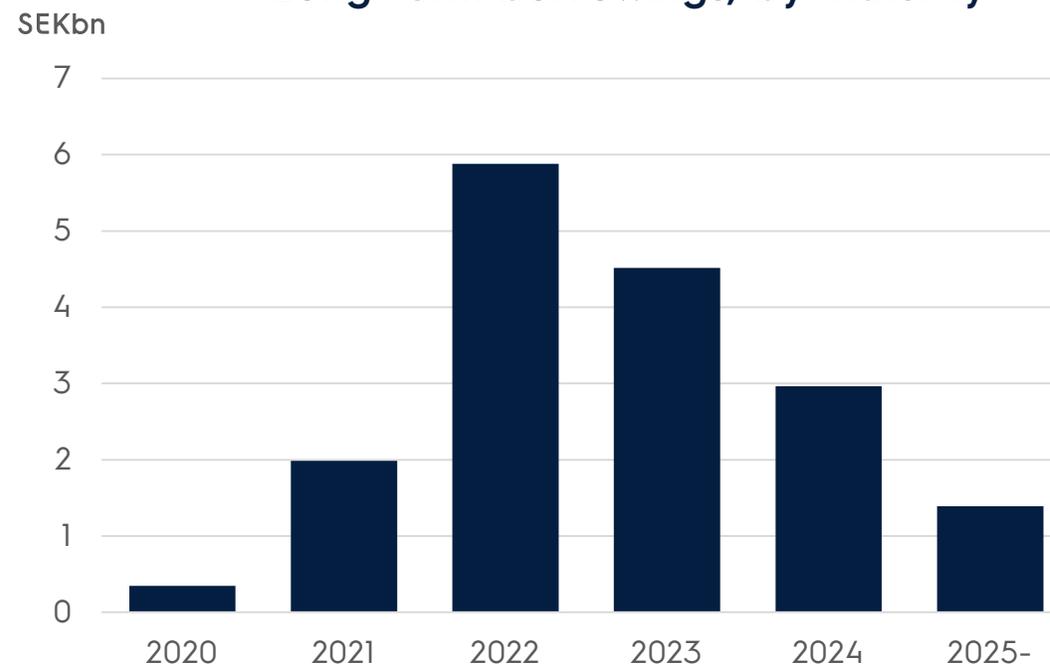
March

- Two bond loans totaling SEK 3.0bn under the Euro Medium Term Note (EMTN) program, maturity 2022
- 2-year private placement of USD 150m

April

- Two bond loans totaling SEK 3.4bn under the EMTN program, maturity 2023
- 5-year private placement of NOK 500m
- Credit facility signed of SEK 3bn, expiring 2021

Long-term borrowings, by maturity



Unused credit facilities

- EUR 1bn, expiring 2023
- SEK 3bn, expiring 2021

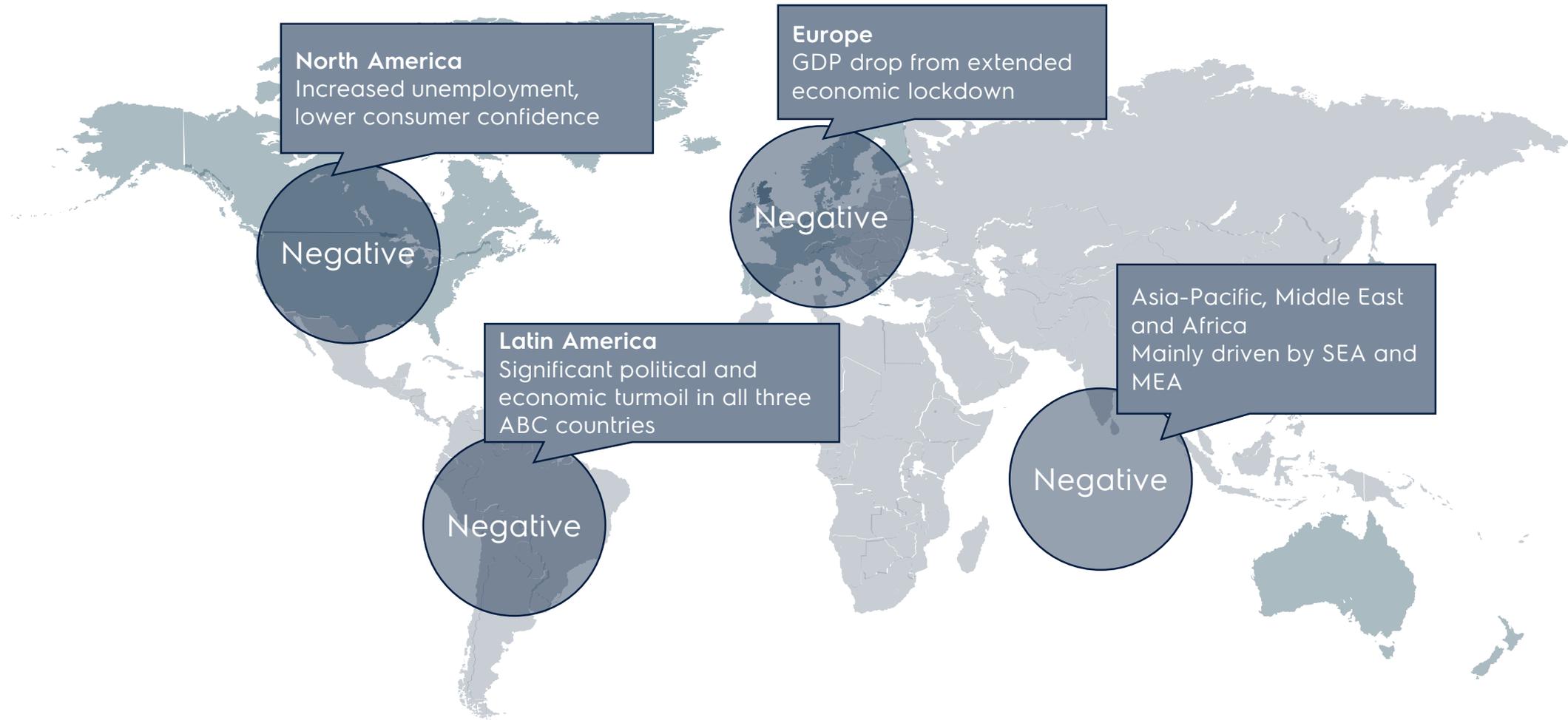


Outlook and summary

Jonas Samuelson, President and CEO
Therese Friberg, CFO



Market outlook FY 2020 per region



* Electrolux estimates for industry shipments of core appliances, units year-over-year

Coronavirus estimated impact Q2



	Market	Sales (April)	Production
Europe	<ul style="list-style-type: none"> • Most countries in lockdown in April; stores opening in May • Negative demand Q2 	Approx. -40%	<ul style="list-style-type: none"> • Soft opening of factories from end of April • Production aligned to lower demand
North America	<ul style="list-style-type: none"> • Stores open in April • Negative sales due to availability Q2 	Approx. -15%	<ul style="list-style-type: none"> • Production constraints due to availability of components from Mexico and social distancing restrictions
Latin America	<ul style="list-style-type: none"> • Most countries in lockdown in April; more stores opening in May • Negative demand Q2 	Approx. -50%	<ul style="list-style-type: none"> • Factories to a large extent closed in April (mandated or demand driven) • Gradual reopening in May
APAC MEA	<ul style="list-style-type: none"> • Several countries in lockdown, exceptions incl. Australia • Negative demand Q2, but with improving trend 	Approx. -25%	<ul style="list-style-type: none"> • Adjusted to reflect lower demand
Group		Approx. -30%	

Q2 Group: significant loss expected

Electrolux business outlook



Business outlook*, y-o-y	Q2 2020	FY 2020	Comments for the full year 2020
Volume/price/mix	Unfavorable	Unfavorable	Volume decline driven by the coronavirus pandemic, partly offset by currency driven prices
Raw material costs & trade tariffs	Decrease of SEK ~0.1bn	Decrease of SEK 0.3-0.6bn	Raw material tailwind partly offset by tariffs
Net cost efficiency**	Neutral	Favorable	Comprehensive actions incl. significantly reduced discretionary spending and furloughs
Currency effect***	SEK -500m	SEK -1,700m	
Capex	Decrease	SEK ~5bn	

*Business outlook range: Favorable - Neutral - Unfavorable.

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

***Impact on operating income for the full year 2020, whereof currency transaction effects of SEK -1,600m and currency translation effects of SEK -100m. The calculation is based on currency rates as per May 4, 2020.

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

Well positioned to create value

OPERATING
MARGIN

≥6%

SALES
GROWTH

≥4%

RONA**

>20%

Financial targets for
profitable growth*

Strategic drivers executed in Q1:

- Mix improvements across all business areas
- Consolidating U.S. fridge/freezer production
- Distributed and listed Electrolux Professional
- Agile and flexible short term while keeping focus on long-term value creation



Driving sustainable
consumer experience
innovation



Increase efficiency
through digitalization,
automatization and
modularization

Solid balance sheet facilitates profitable growth

*Financial targets are over a business cycle

Factors affecting forward-looking statements



This presentation 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.



Q & A



Well positioned to create value

OPERATING
MARGIN

≥ 6%

SALES
GROWTH

≥ 4%

RONA**

> 20%

Financial targets for
profitable growth*

Strategic drivers executed in Q1:

- Mix improvements across all business areas
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Driving sustainable
consumer experience
innovation



Increase efficiency
through digitalization,
automatization and
modularization

Solid balance sheet facilitates profitable growth

*Financial targets are over a business cycle



Electrolux

Consolidated statement



SEKM	Q12020	Q42019	Q32019	Q22019	Q12019
Net sales	26,578	32,011	30,330	29,232	27,408
Cost of goods sold	-22,600	-26,255	-25,723	-23,740	-23,465
Gross operating income	3,977	5,756	4,607	5,492	3,943
Selling expenses	-2,620	-3,434	-3,028	-2,984	-2,740
Administrative expenses	-1,097	-1,375	-1,675	-1,155	-1,276
Other operating income/expenses	-138	12	1,159	-134	20
Operating income	122	960	1,063	1,219	-53
Financial items, net	-171	-223	-175	-178	-156
Income after financial items	-48	736	888	1,041	-209
Taxes	-38	-370	-277	-35	46
Income for the period, continuing operations	-86	366	610	1,006	-162
Earnings per share, SEK					
Basic, continuing operations	-0,30	1.27	2,12	3,50	-0,56
Diluted, continuing operations	-0,30	1.27	2,12	3,49	-0,56

Note: continuing operations