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## **First quarter results, 2003**

Hans Stråberg

President and CEO

# Industry shipments and estimated trend in demand, Q1 2003

## North America

- Core appliances →
- Air-cond. ↗
- Vacuum cleaners →
- Outdoor products<sup>1)</sup> →
- Outdoor products<sup>2)</sup> →

## Brazil

- White goods →

## Europe

- Core appliances →
- Vacuum cleaners →
- Professional appliances ↘
- Outdoor products<sup>1)</sup> →
- Outdoor products<sup>2)</sup> →

## Asia

- Core appliances →
- Outdoor products<sup>2)</sup> →

## Australia

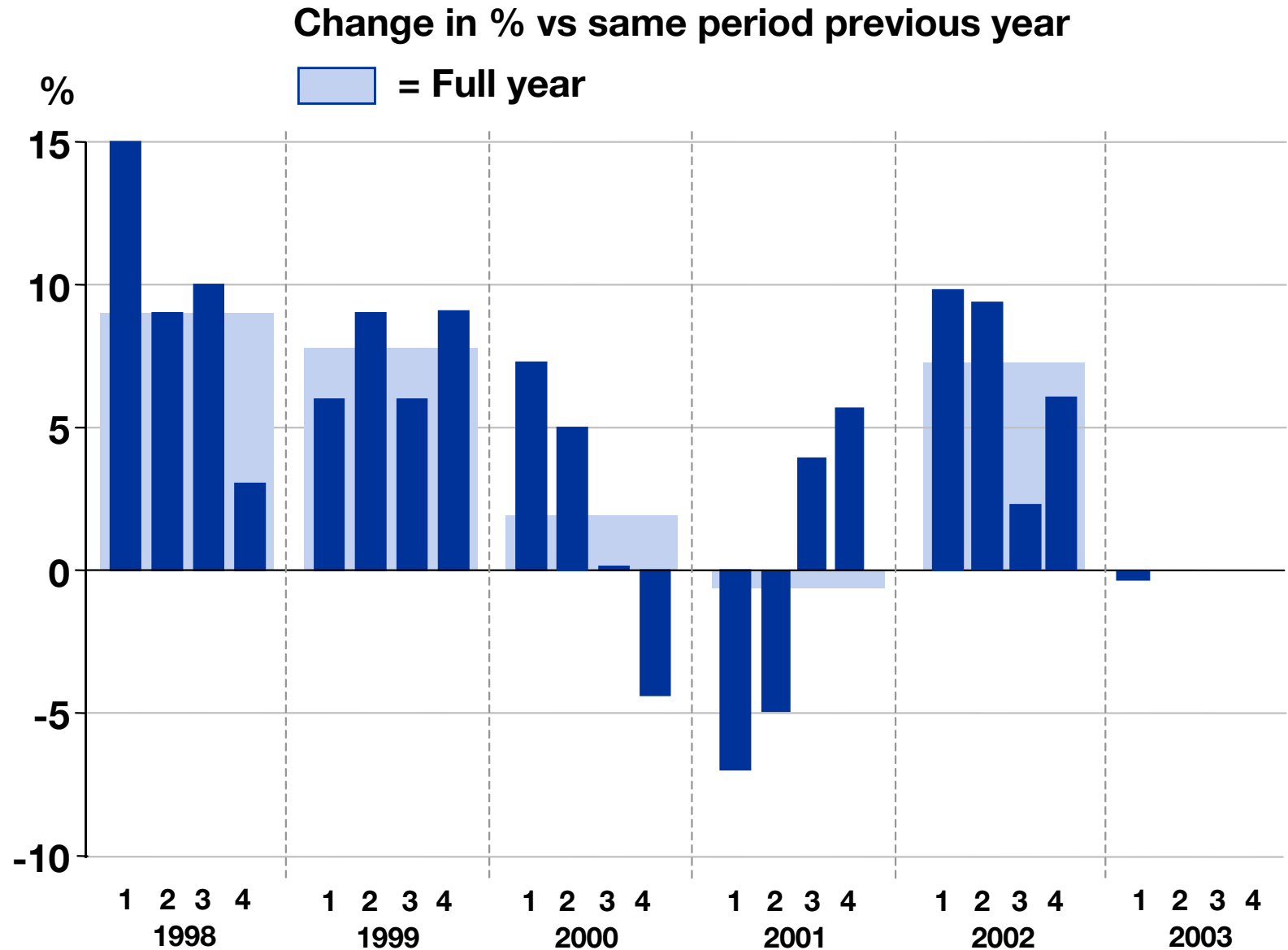
- White goods →

1) Consumer Products

2) Professional Products, excl. Power Cutters and Diamond Tools

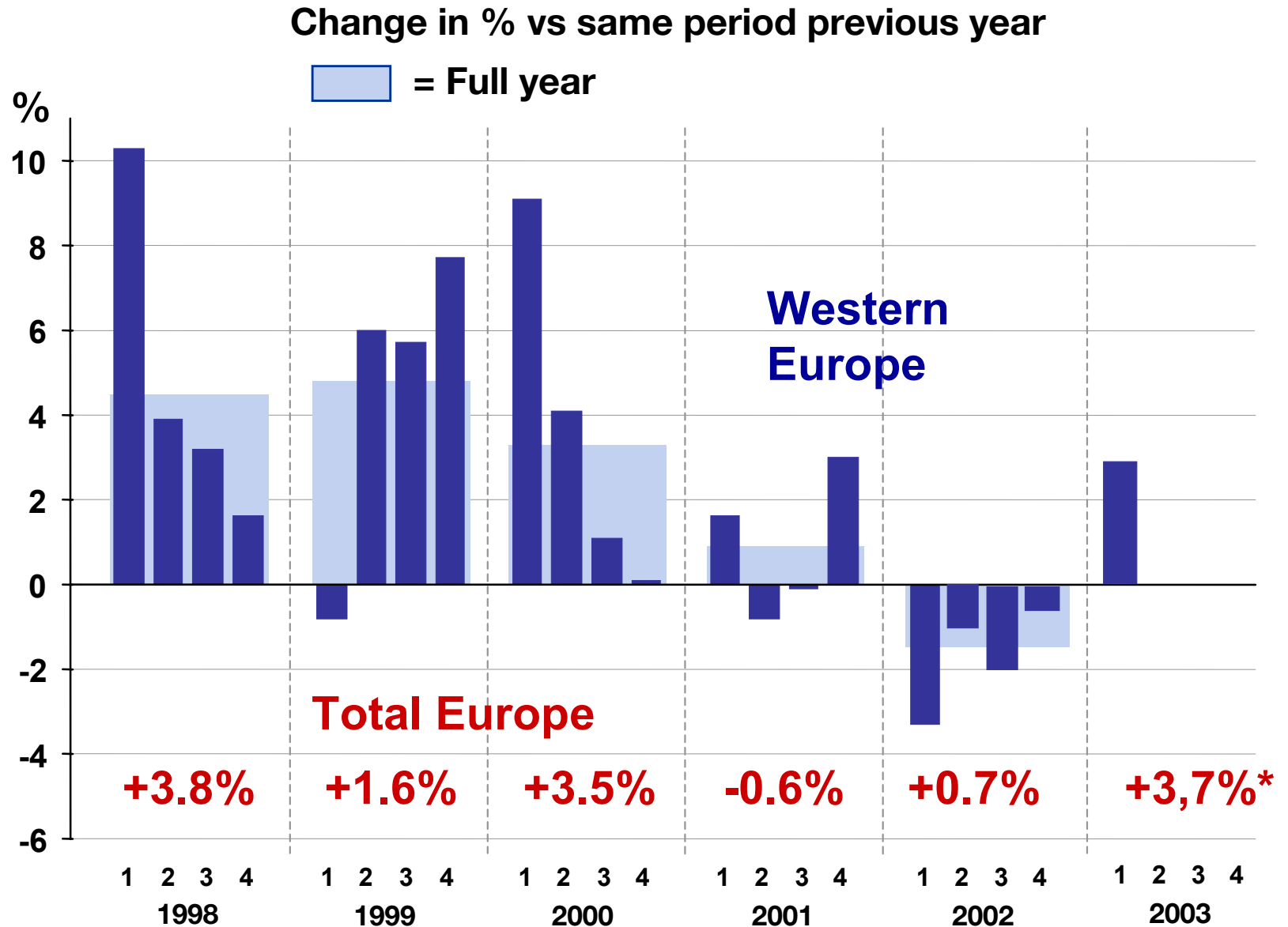
# Core appliances, USA

## Industry unit shipments



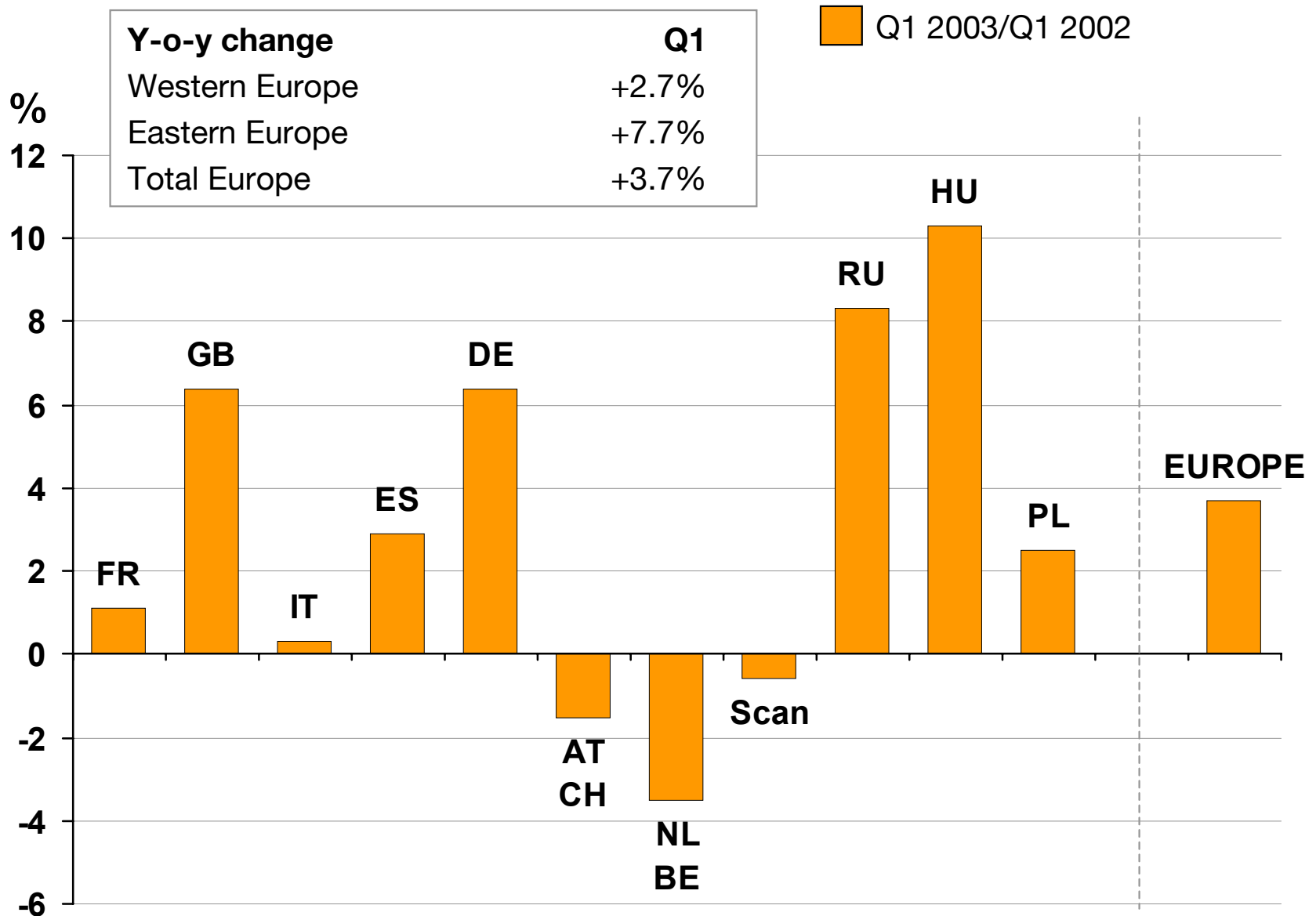
# Core appliances, Europe

## Industry unit shipments



# Core appliances, Europe

## Industry unit shipments

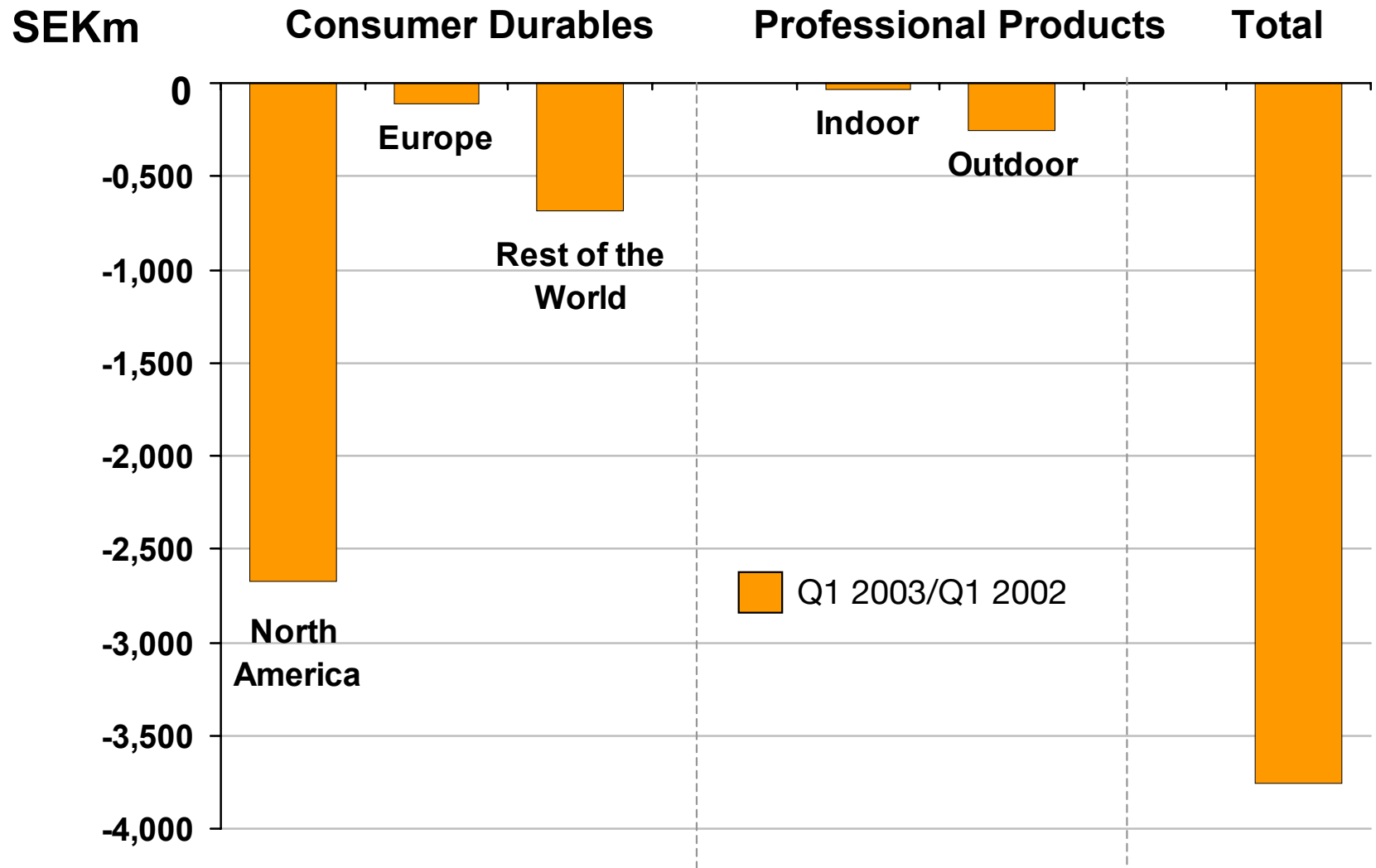


# Sales and earnings

Excluding items affecting comparability

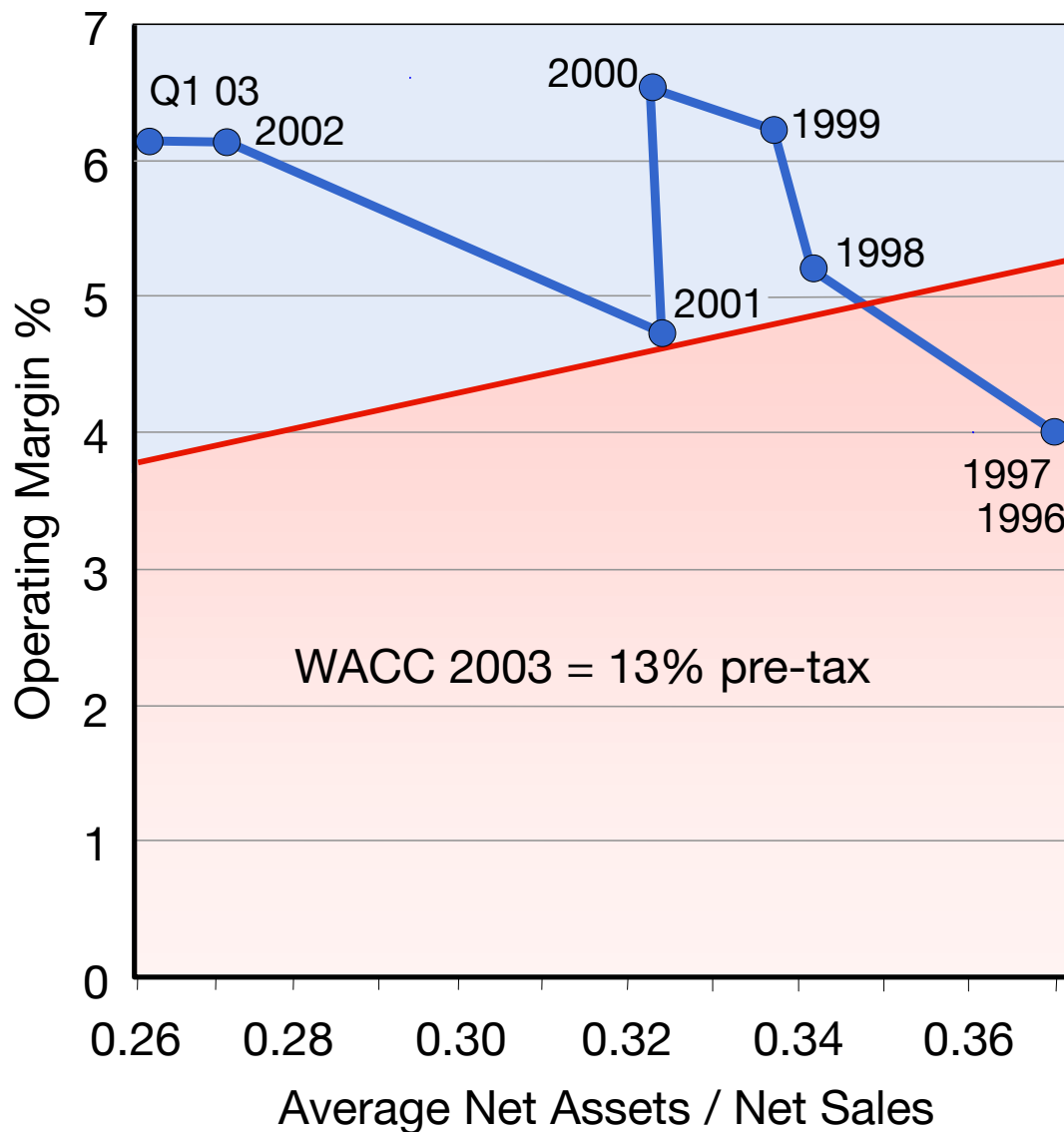
SEKm	Q1 2003	Q1 2002	Change	Full year 2002
<b>Net sales</b>	<b>32,062</b>	<b>33,580</b>	<b>-4.5%</b>	<b>133,150</b>
<b>Operating income</b>	<b>1,798</b>	<b>1,906</b>	<b>-5.7%</b>	<b>8,165</b>
<i>Margin, %</i>	<b>5.6</b>	<b>5.7</b>		<b>6.1</b>
<b>Income after financial items</b>	<b>1,798</b>	<b>1,797</b>	<b>+0.1%</b>	<b>7,979</b>
<i>Margin, %</i>	<b>5.6</b>	<b>5.4</b>		<b>6.0</b>
<b>Net income per share, SEK</b>	<b>3.95</b>	<b>3.75</b>	<b>+5.3%</b>	<b>16.90</b>
<b>Value creation</b>	<b>731</b>	<b>609</b>	<b>+122</b>	<b>3,461</b>
<b>Return on equity, %</b>	<b>17.8</b>	<b>16.4</b>		<b>18.6</b>
<b>Return on net assets, %</b>	<b>21.9</b>	<b>19.1</b>		<b>22.6</b>
<b>Net debt/equity ratio</b>	<b>0.19</b>	<b>0.37</b>		<b>0.05</b>

# Effects of changes in exchange rates on net sales in Q1, 2003



# Total Group

12 months figures



## Key Data Q1 2003

Sales: SEK 32,062m  
-4.5%

EBIT: SEK 1,798m  
-5.7%

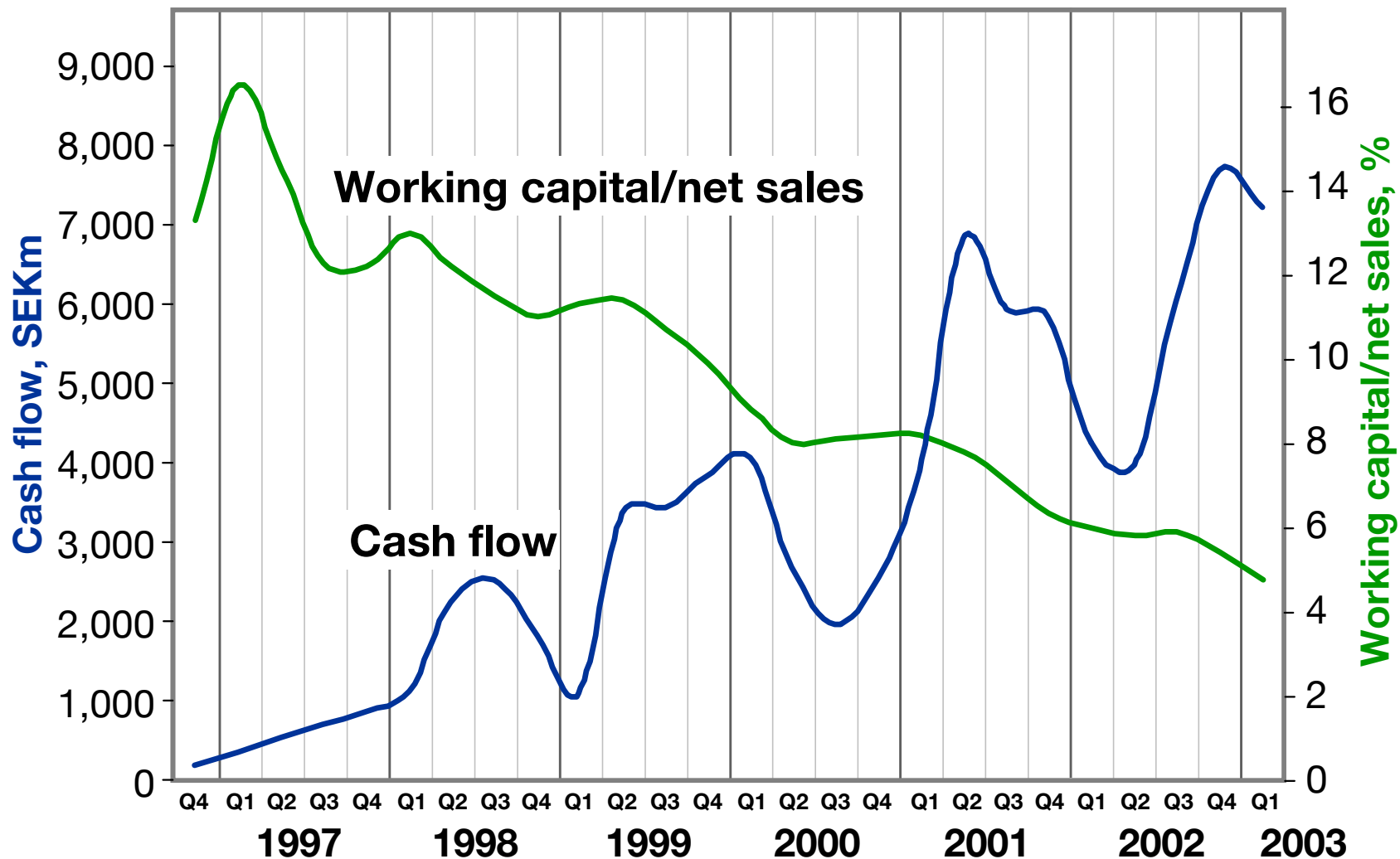
Value creation:  
SEK 731  
SEK +122m



# Working capital and cash flow

1997 - 2003 Q1

12 months figures



**Cash flow:** Cash flow from operations and investments excl. acquisitions and divestments of operations

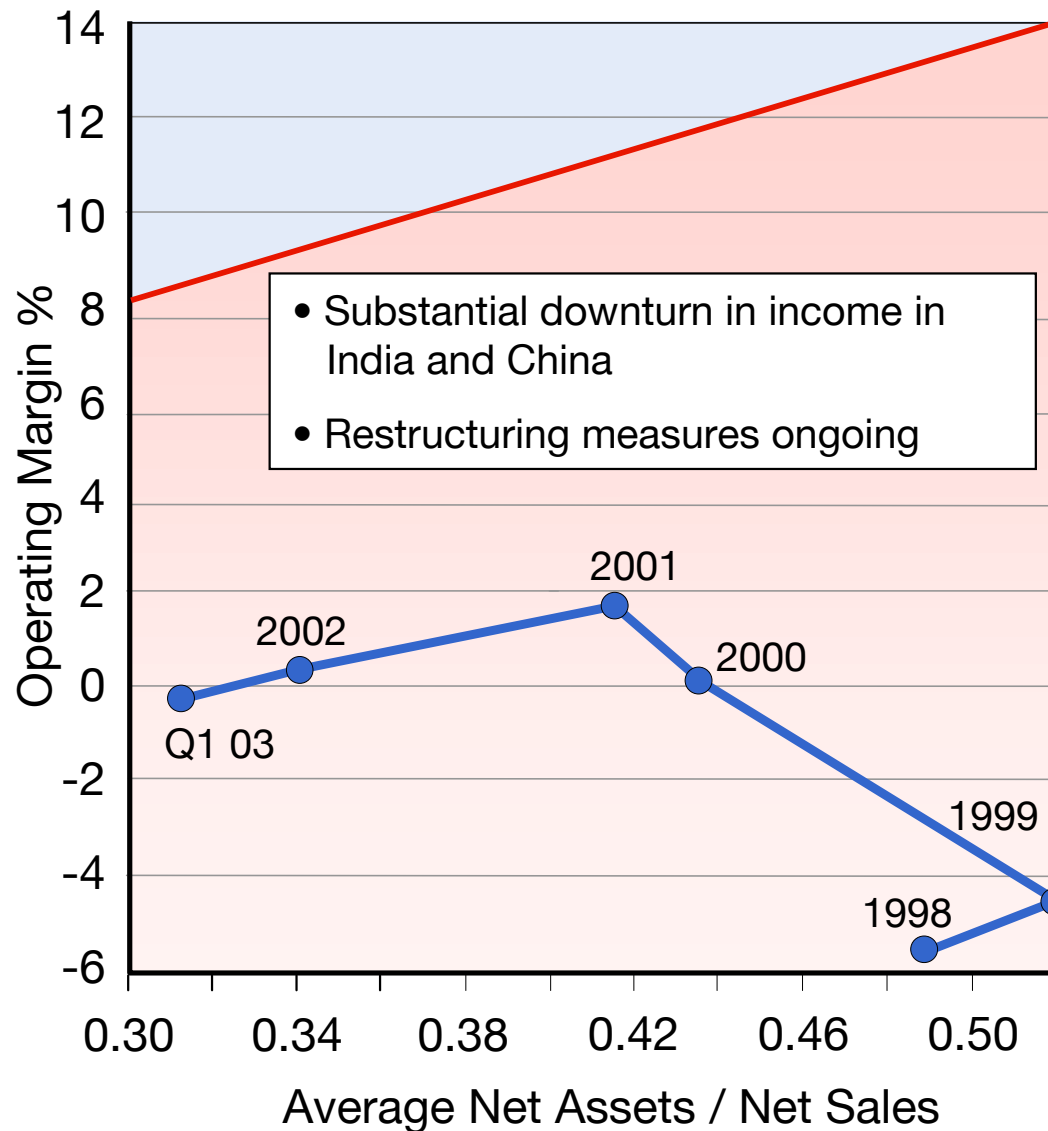
# Ongoing restructuring programs

- The restructuring programs announced in 2001 and 2002 are proceeding according to plan
- Changes implemented to date have involved personnel cutbacks of totally 5,320
- Closure in the quarter of a plant for hobs in Germany

Restructuring programs in 2001 and 2002, SEKm	Total cost	Utilized as of Mar. 31, 2003	Savings in Q1, 2003 vs Q1, 2002	Estimated savings in 2003 vs 2002
Major appliances, Europe	1,174	720	109	356
Garden products, Europe	157	124	10	17
Floor Care, Europe	19	19	4	13
Major appliances, North America	510	253	5	94
Major appliances, Rest of the World	653	442	24	105
<b>Total major appliances</b>	<b>2,513</b>	<b>1,558</b>	<b>152</b>	<b>585</b>
Components	1,862	1,716	-12	86
Food-service equipment	168	167	30	5
Other	56	41	1	5
<b>Total</b>	<b>4,599</b>	<b>3,482</b>	<b>171</b>	<b>681</b>

# Consumer Durables, Rest of the World

12 months figures



## Key data Q1 2003

Sales: SEK 2,908  
-15.4%

EBIT: SEK -120m  
-445%

Value creation:  
SEK -333m  
SEK +13m



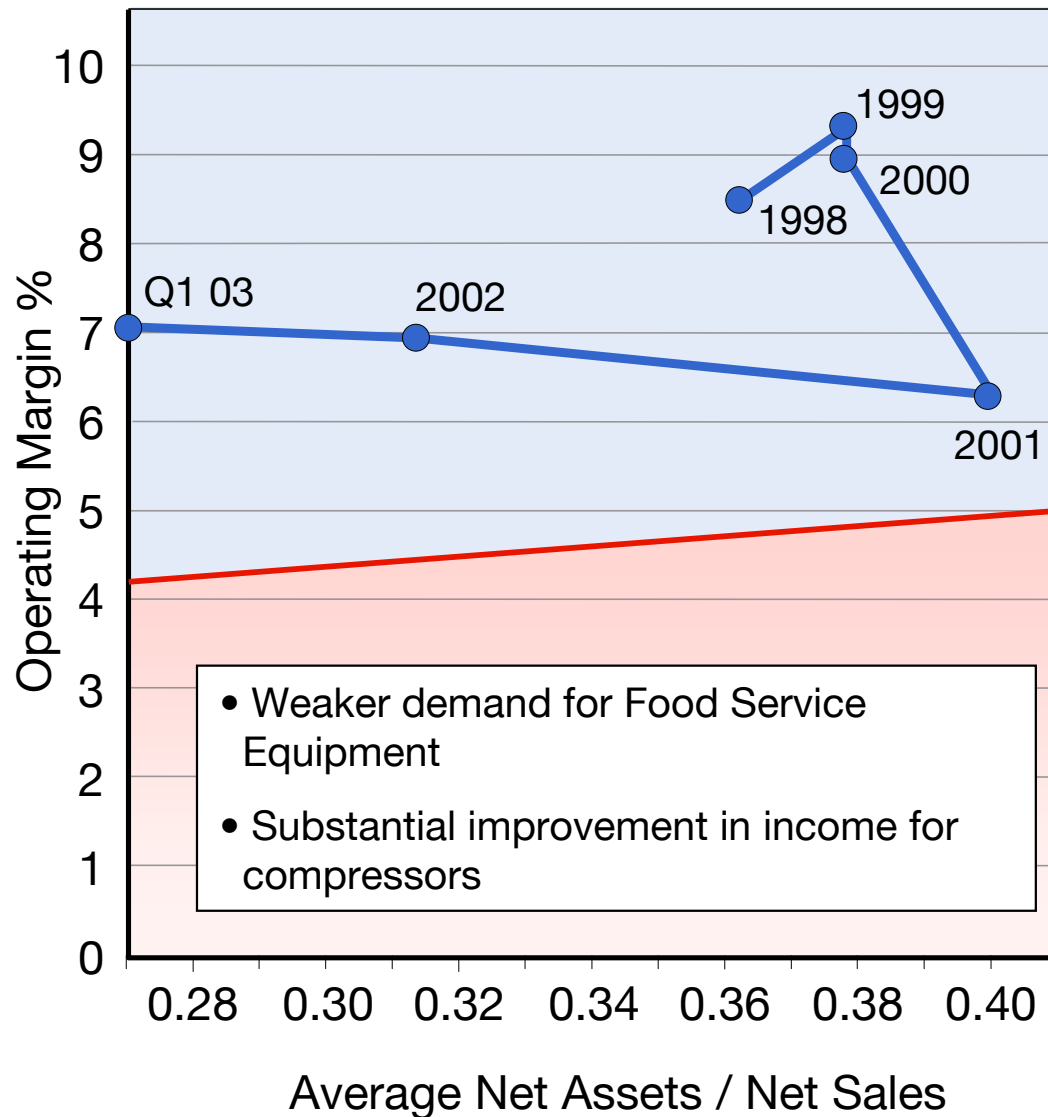
# Sales and income - appliances, Rest of the world

	Market	Sales	EBIT
Australia	➔	➔	➔
China	➔	➔	➔
India	➔	➔	➔
Brazil	➔	➔	➔



# Professional Indoor Products

12 months figures



## Key data Q1 2003

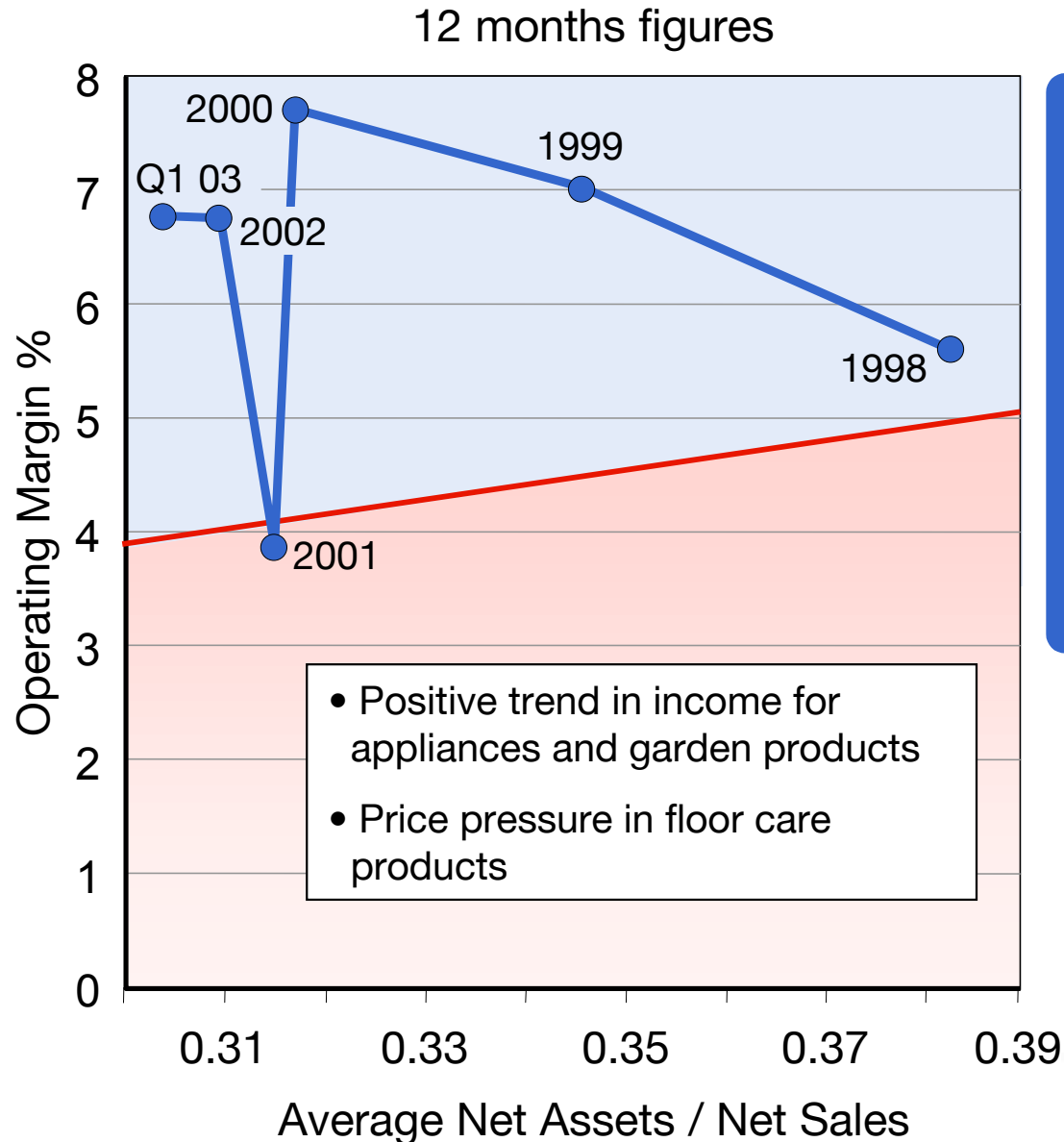
Sales: SEK 2,165m  
-28.5%

EBIT: SEK 138m  
-24.6%

Value creation:  
SEK 81m  
SEK +50m



# Consumer Durables, North America



## Key data Q1 2003

Sales: SEK 12,028m  
-9.5%

EBIT: SEK 798m  
-8.9%

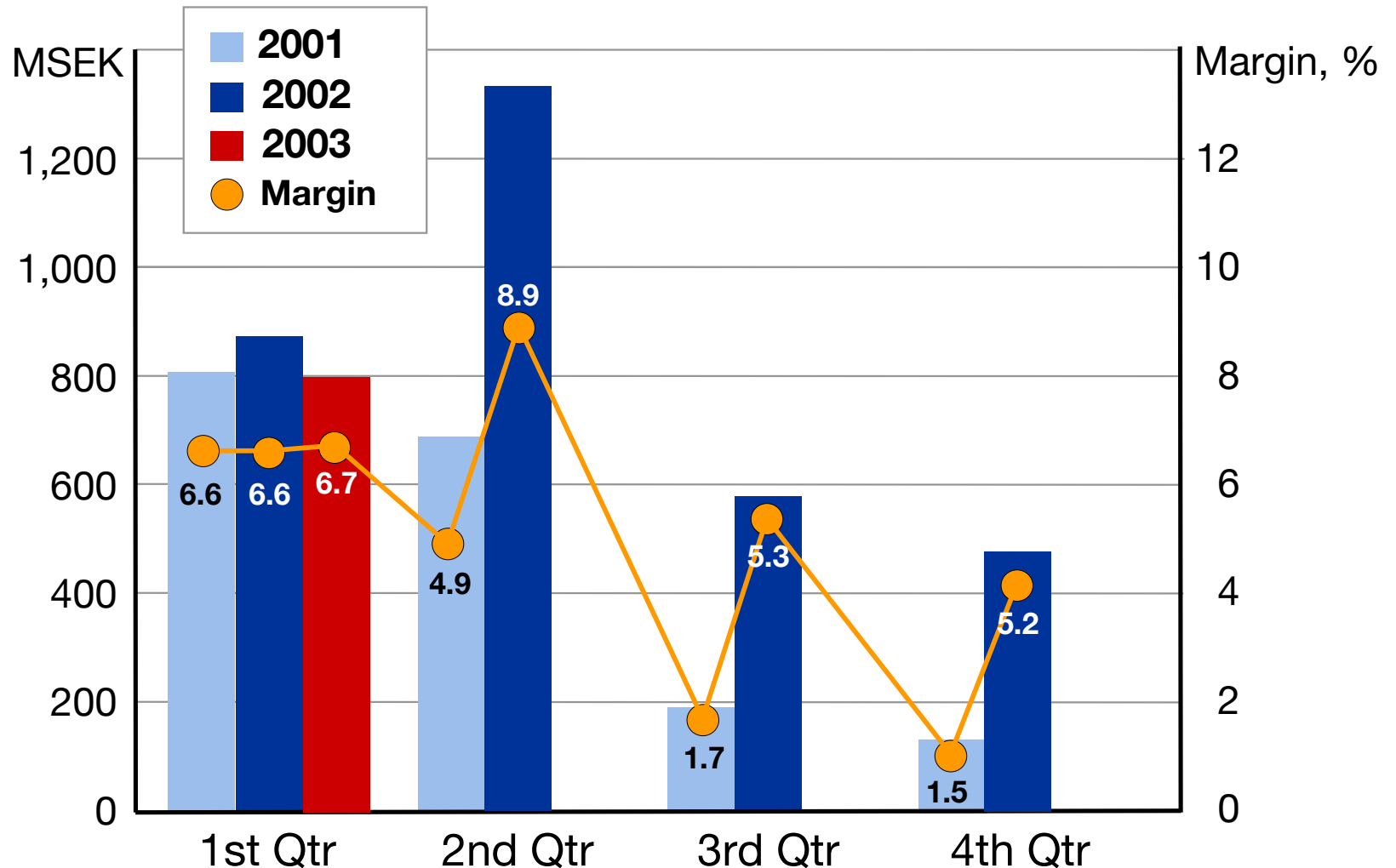
Value creation:  
SEK 326m  
SEK +19m



# New Electrolux range displayed at the Kitchen & Bath Industry Show, USA

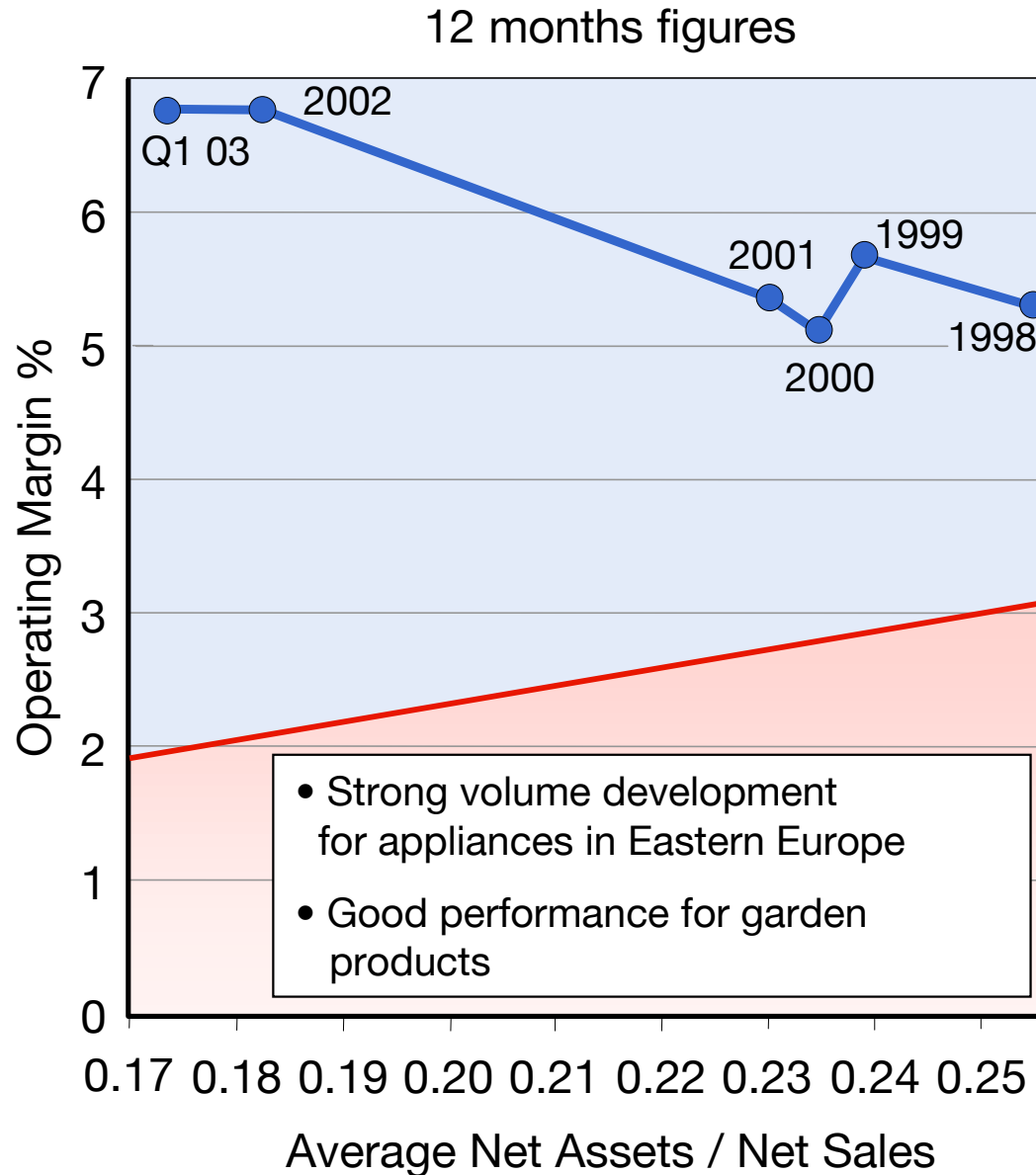


# Higher operating income in local currency for Consumer Durables, NA





# Consumer Durables, Europe



## Key data Q1 2003

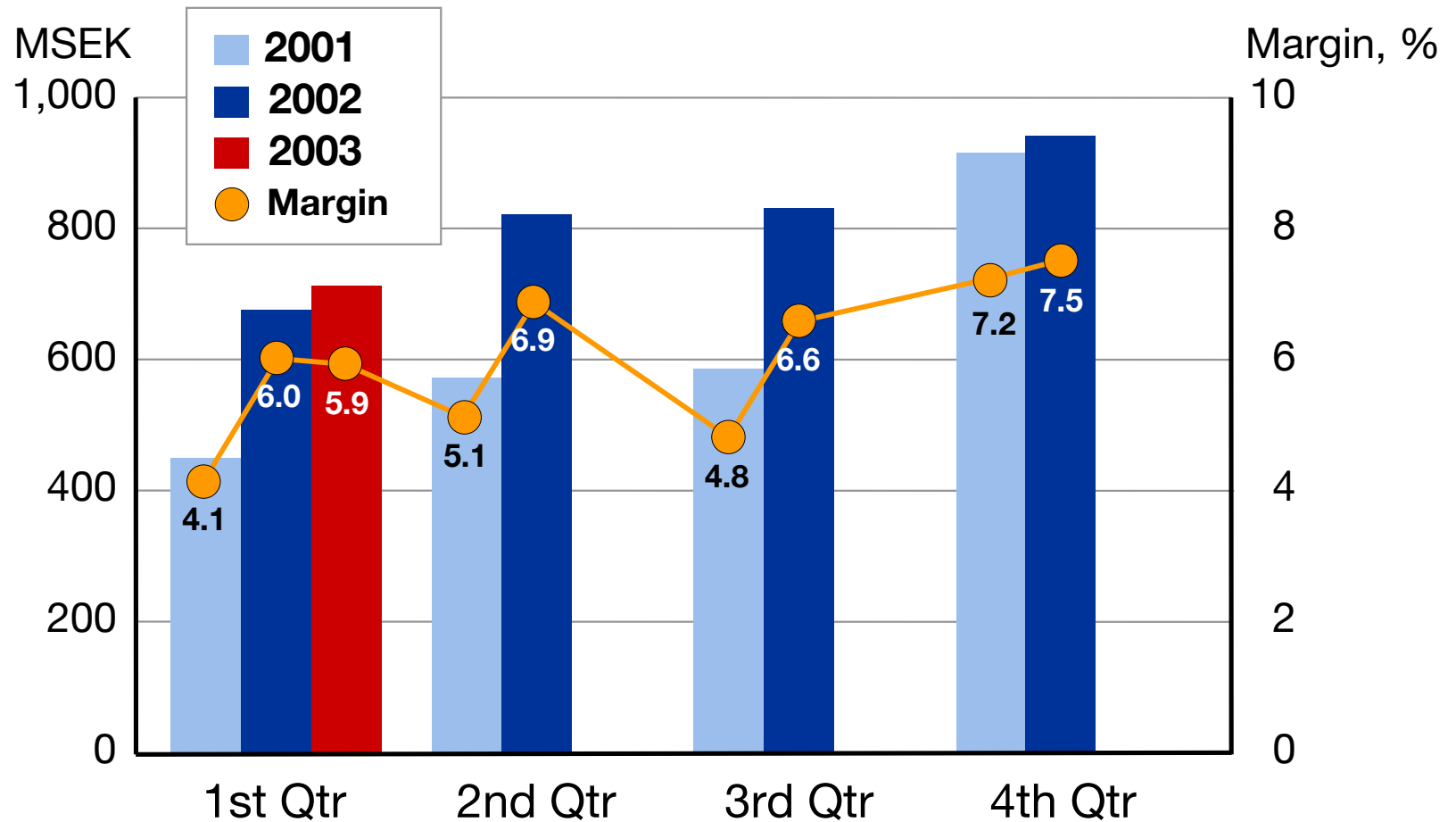
Sales: SEK 11,987m  
+6.6%

EBIT: SEK 710m  
+5.0%

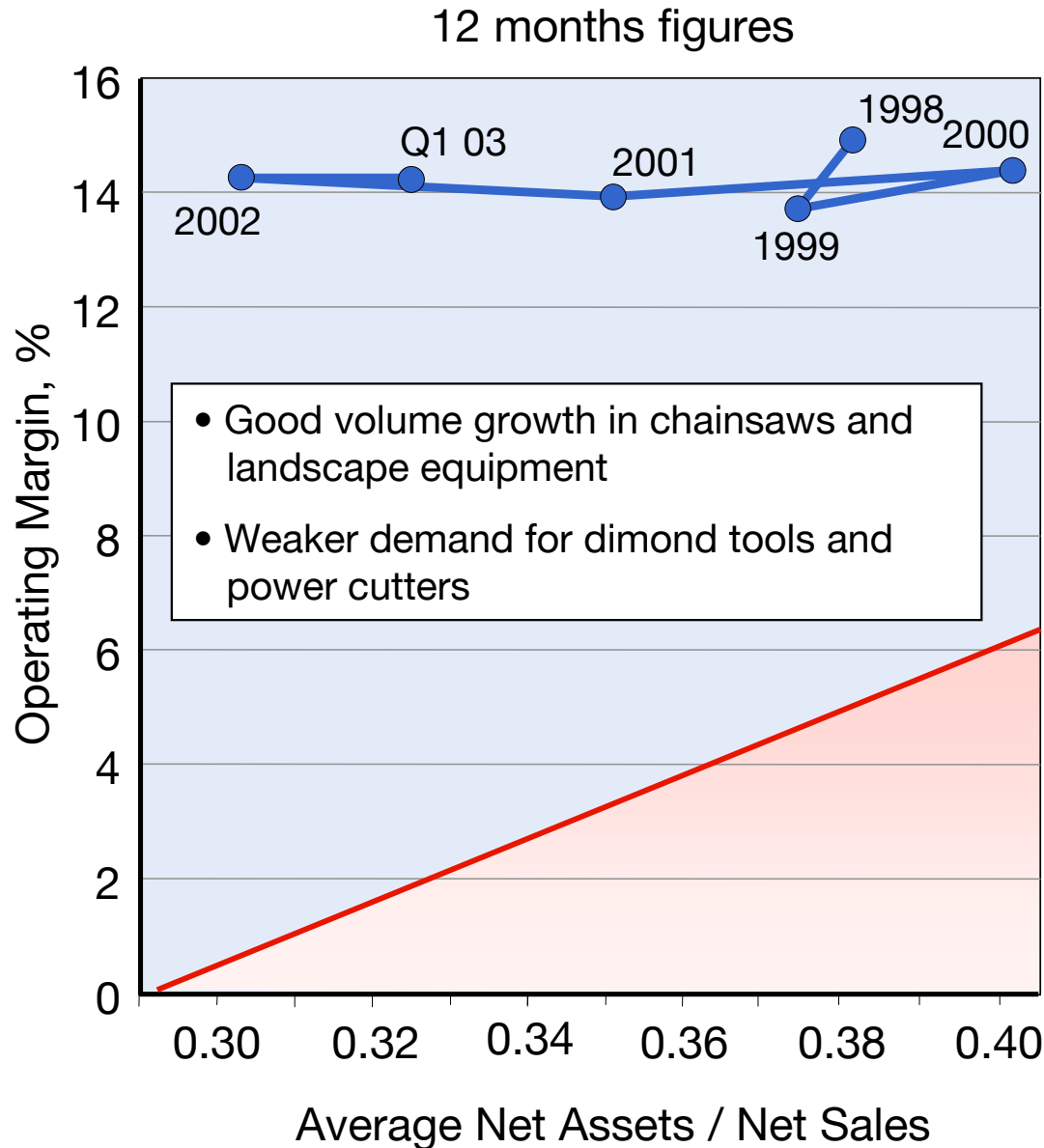
Value creation:  
SEK 435m  
SEK +61m



# Higher operating income for Consumer Durables, Europe



# Professional Outdoor Products



## Key data Q1 2003

Sales: SEK 2,950m  
+15.8%

EBIT: SEK 442m  
+14.5%

Value creation:  
SEK 297m  
SEK +9m



# Revised outlook for full year

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*“....the Group’s operating income for the full year is expected to be somewhat lower than in 2002.”*

- Uncertainty regarding market conditions
- Substantial downturn in income for India and China
- Price pressure in floor care
- Weaker demand for food service equipment
- Unfavourable currency development

# Summary of Q1, 2003

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## Negatives

- Substantial downturn in income in India and China
- Price pressure in Floor Care, particularly in the US
- Weaker demand for Professional Indoor Products

## Positives

- Higher income for Consumer Durables in Europe
- Continued positive trend in sales and income for appliances in North America
- Positive trend in income for Consumer Outdoor Products

# Factors affecting forward-looking statements

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## **Factors affecting forward-looking statements**

This report contains “forward-looking” statements within the meaning of the US Private Securities Litigation Reform Act of 1995. Such statements include, among others, the financial goals and targets of Electrolux for future periods and future business and financial plans. These statements are based on current expectations and are subject to risks and uncertainties that could cause actual results to differ materially due to a variety of factors. These factors include, but may not be limited to the following; consumer demand and market conditions in the geographical areas and industries in which Electrolux operates, effects of currency fluctuations, competitive pressures to reduce prices, significant loss of business from major retailers, the success in developing new products and marketing initiatives, developments in product liability litigation, progress in achieving operational and capital efficiency goals, the success in identifying growth opportunities and acquisition candidates and the integration of these opportunities with existing businesses, progress in achieving structural and supply-chain reorganization goals.