



# Q4 Results, February 1, 2013

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# 2012 summary



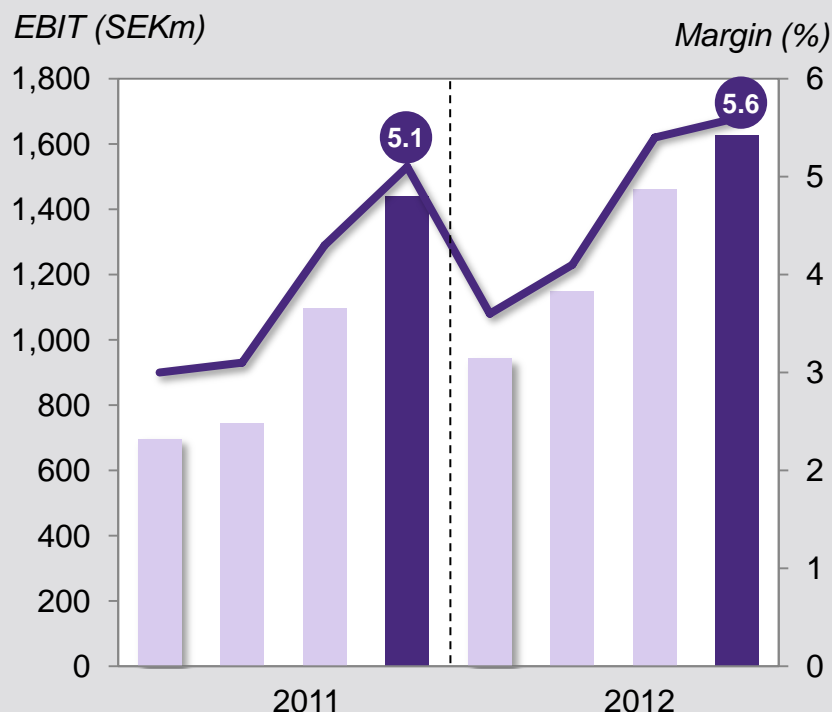
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- Net sales reached SEK 110bn
  - Improvement of 8.3%, of which 5.5% organic growth, 3.9% acquisitions and -1.1% currency effect
- EBIT of SEK 5.2bn, margin of 4.7%
  - Volume growth in North America and Latin America
  - Price increases and extensive product launches
  - Weak demand in Europe
- Investments in Marketing, R&D and Design
- Ongoing cost savings
- Strong cash flow
- Proposed dividend SEK 6.50 per share

# Q4 Highlights



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<i>(SEKm)</i>	<i>Q4 2011</i>	<i>Q4 2012</i>
<b>Sales</b>	28,369	<b>29,185</b>
<b>EBIT*</b>	1,441	<b>1,628</b>
<b>Margin*</b>	5.1	<b>5.6</b>

\* Excluding items affecting comparability. Non-recurring items are excluded in all figures.

- Record organic growth of 7.5%
  - Strong volume growth in the Americas and Asia/Pacific
  - Price increases
- EBIT increased to SEK 1,628m
  - Improved price/mix in the US
  - Positive price, mix and volume in Latin America
  - Lower volumes, negative price/mix in Europe
- Strong cash flow driven by working-capital efficiency
- SEK 1,032m was charged as IAC

# Sales and EBIT bridge Q4



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SEKm	2011 Q4	Organic	Currency	Acq	2012 Q4
Net sales	28,369	2,074	-1,259	-	29,185
Growth%		7.5	-4.6	-	2.9
EBIT	1,440*	228	-40	-	1,628
EBIT%	5.1	11.0	3.1	-	5.6
Accretion %		0.5	0.0	-	

Note: \*Excludes December 2011 one-off,

# Sales and EBIT bridge 2012



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SEKm	2011	Organic	Currency	Acq	2012
Net sales	101,598	5,165	-1,018	4,248	109,994
Growth%		5.5	-1.1	3.9	8.3
EBIT	3,979*	888	-120	222	5,181
EBIT%	3.9	17.2	11.8	5.2	4.7
Accretion %		0.7	-0.1	0.2	

Note: \*Excludes December 2011 one-off,

# Income statement analysis



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% of sales	2011	2012
Direct material & sourced products	56.1	56.6
Manufacturing conversion cost	12.5	11.4
R&D, warranties, logistics	12.7	12.2
<b>Gross margin</b>	<b>18.7</b>	<b>19.8</b>
S, G & A	14.8	15.1
<b>EBIT</b>	<b>3.9</b>	<b>4.7</b>

# Cash flow

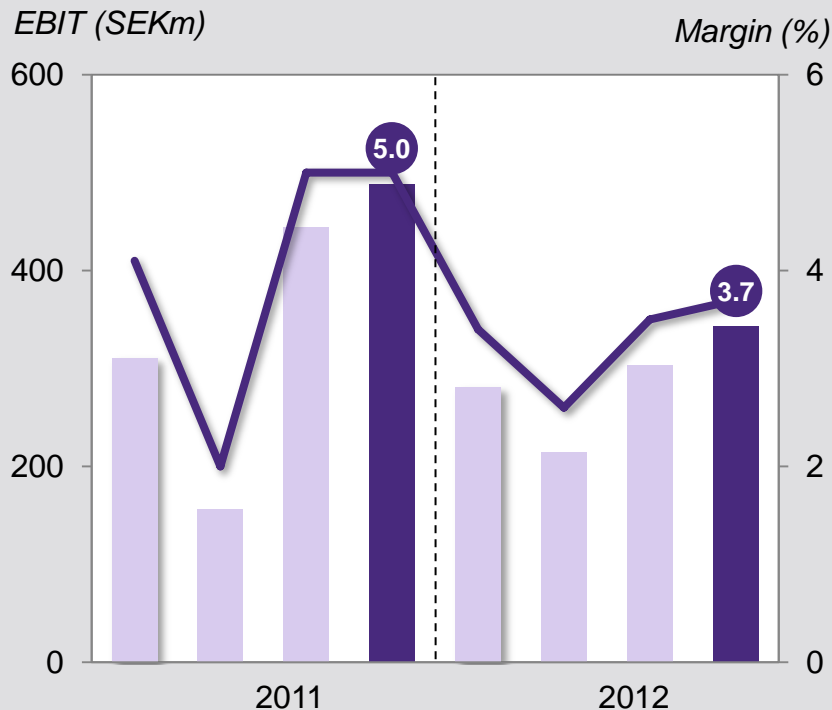


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SEKm	2011 Q4	2012 Q4	2011 Year	2012 Year
Operations	1,937	2,327	6,122	7,665
Change in operating assets and liabilities	463	470	1,116	1,727
Capital expenditure	-1,423	-1,351	-4,493	-4,613
Operating cash flow	977	1,446	2,745	4,779

# Consumer Durables

## Major Appliances Europe, Middle East & Africa



(SEKm)	Q4 2011	Q4 2012
<b>Sales</b>	9,749	<b>9,216</b>
<b>EBIT*</b>	488	<b>343</b>
<b>Margin*</b>	5.0	<b>3.7</b>

\* Excluding items affecting comparability. Non-recurring items are excluded in all figures.

- Volumes declined in key European markets
- EBIT of SEK 343m
  - Cost savings
  - Lower sales volumes
  - Price/mix deterioration
- Actions to further improve our manufacturing footprint.



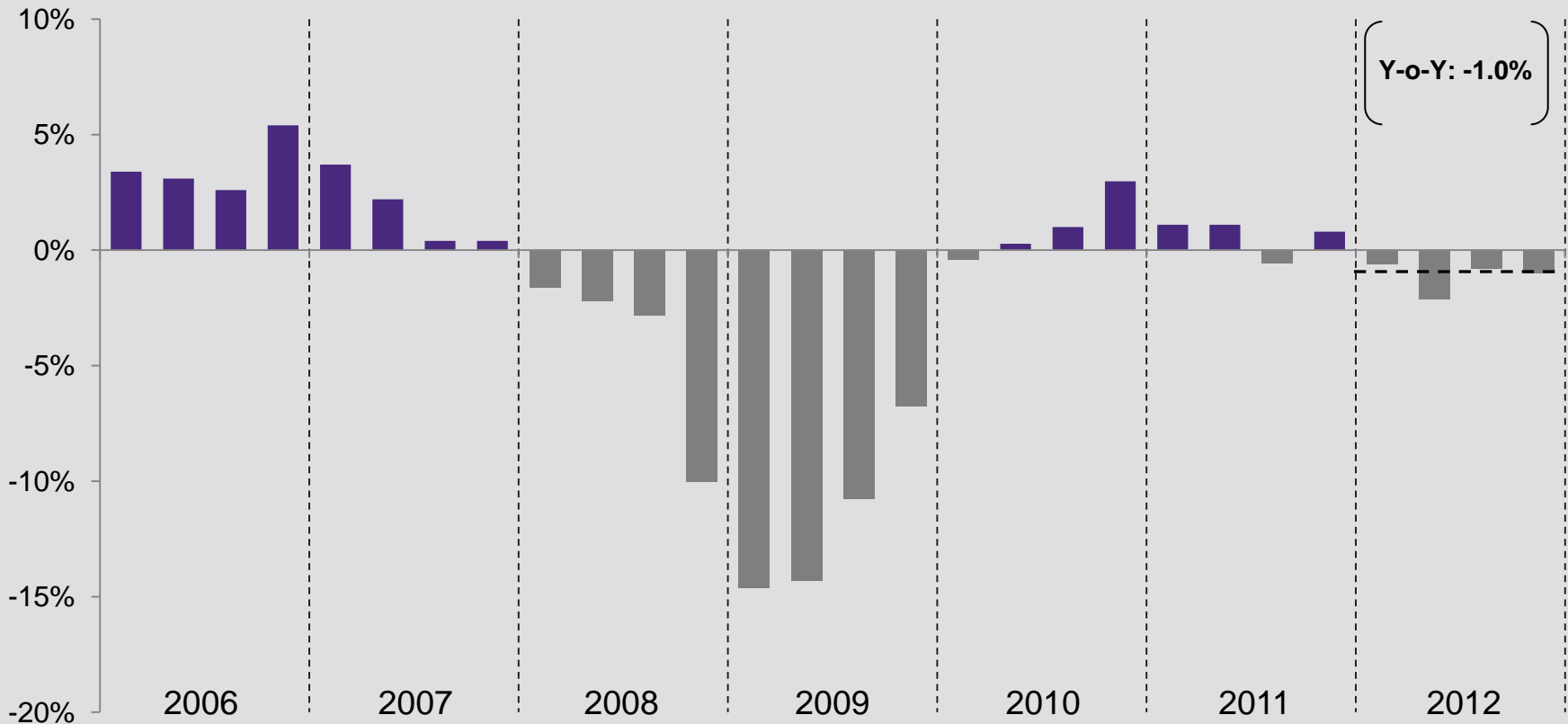
# Negative growth in Europe

Further weakening in Southern Europe  
and slow-down in Eastern Europe



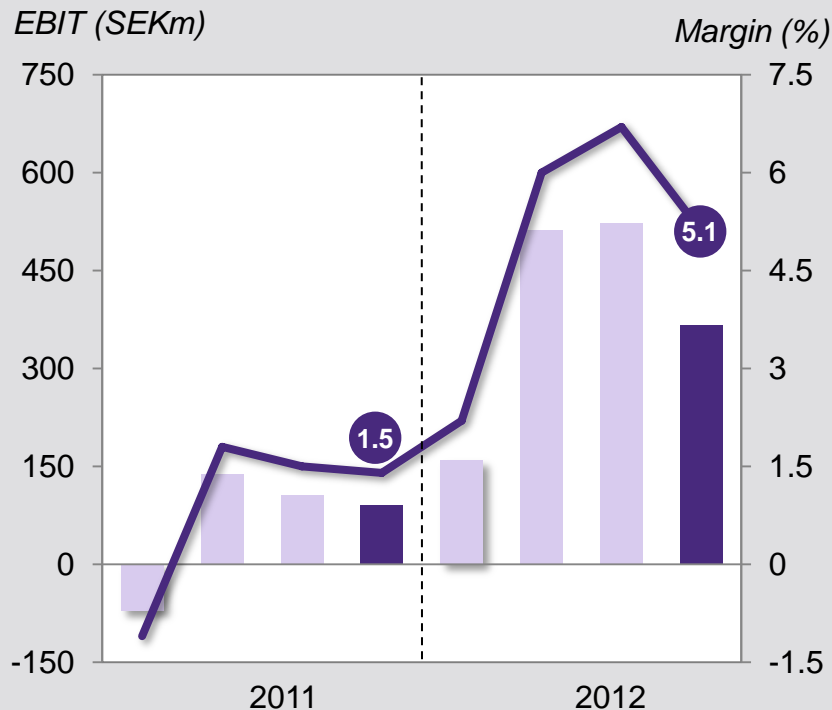
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## Quarterly comparison y-o-y



W. Eur.	+4	+1	+1	+5	+1	+1	-1	-5	-4	-4	-5	-8	-9	-9	-4	-2	+1	0	0	0	-2	-2	-3	-3	-2	-4	-2	-2
E. Eur.	+1	+9	+6	+7	+14	+5	+5	+10	+6	+5	+4	-15	-31	-30	-26	-17	-7	+1	+5	+13	+13	+12	+7	+9	+5	+3	+2	+2

# Major Appliances North America



(SEKm)	Q4 2011	Q4 2012
Sales	6,271	7,207
EBIT*	91	367
Margin*	1.5	5.1

\* Excluding items affecting comparability. Non-recurring items are excluded in all figures.

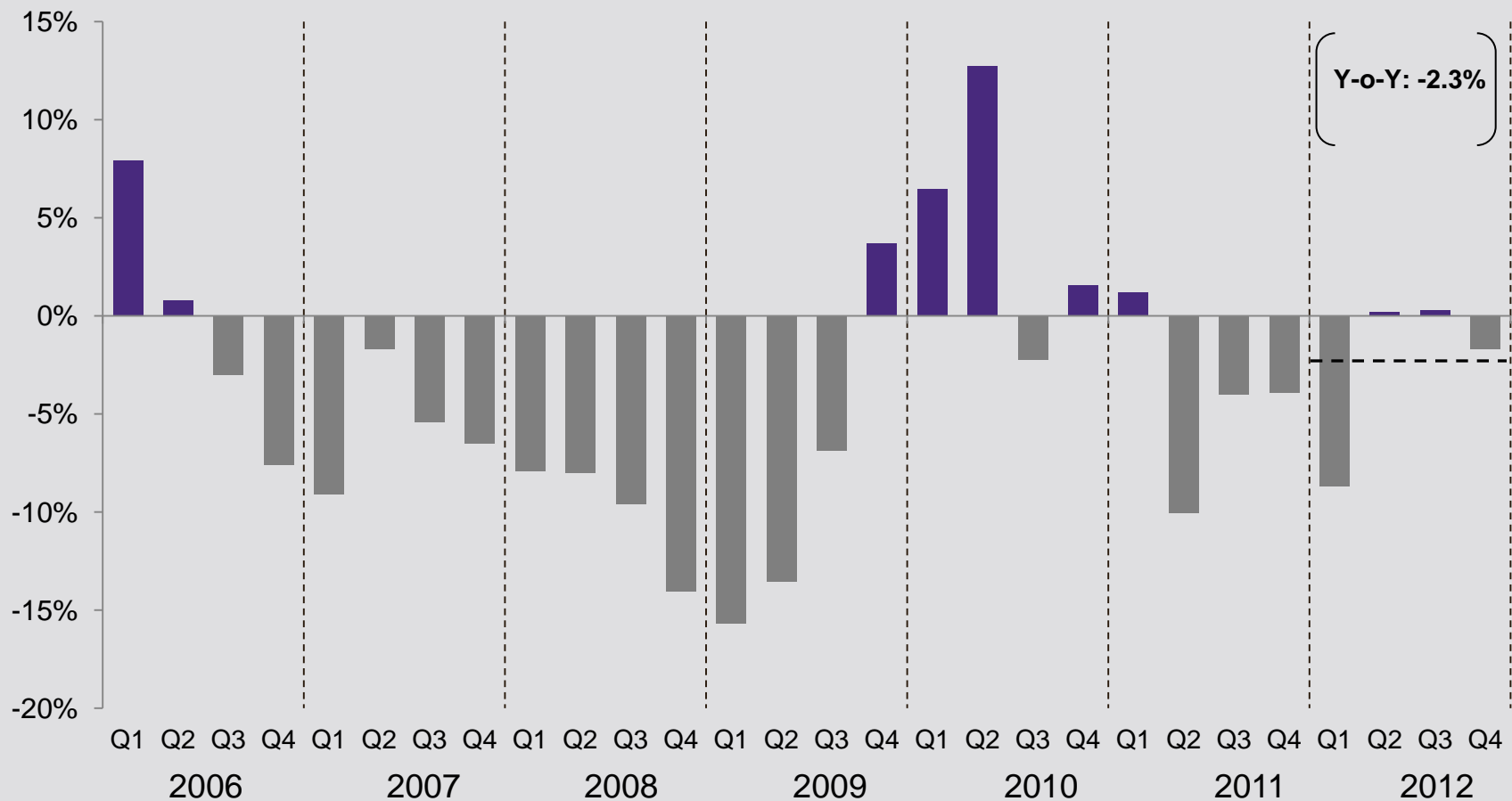
- 18% organic sales growth
  - Price/Mix improvement
  - Strong volumes with market share gains
- EBIT increased to SEK 367m
  - Price increases
  - EBIT margin of 5.1%
  - Extra cost of SEK 100m

# Market demand for core appliances in North America continued to show weakness

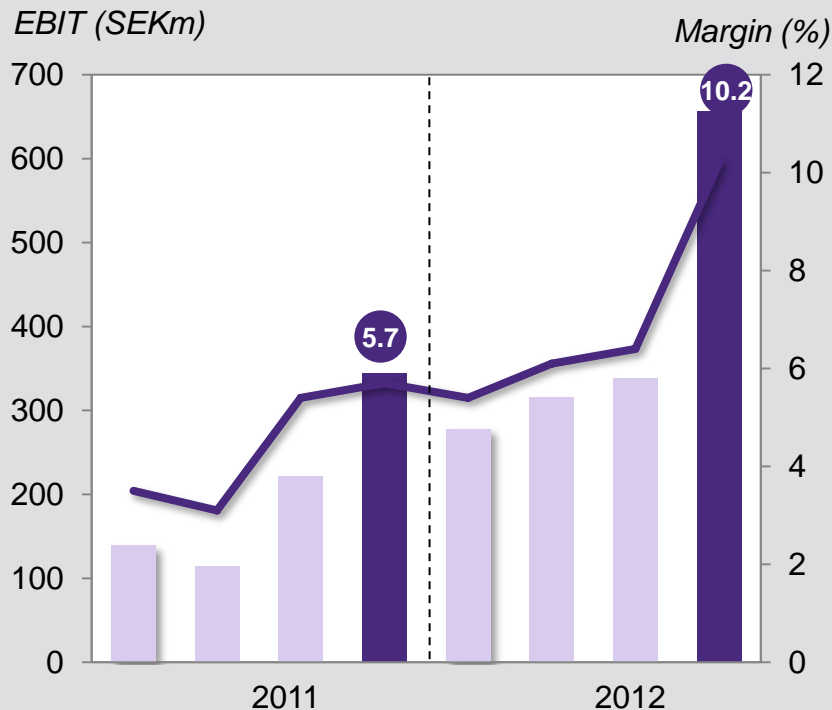


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## Quarterly comparison y-o-y



# Major Appliances Latin America

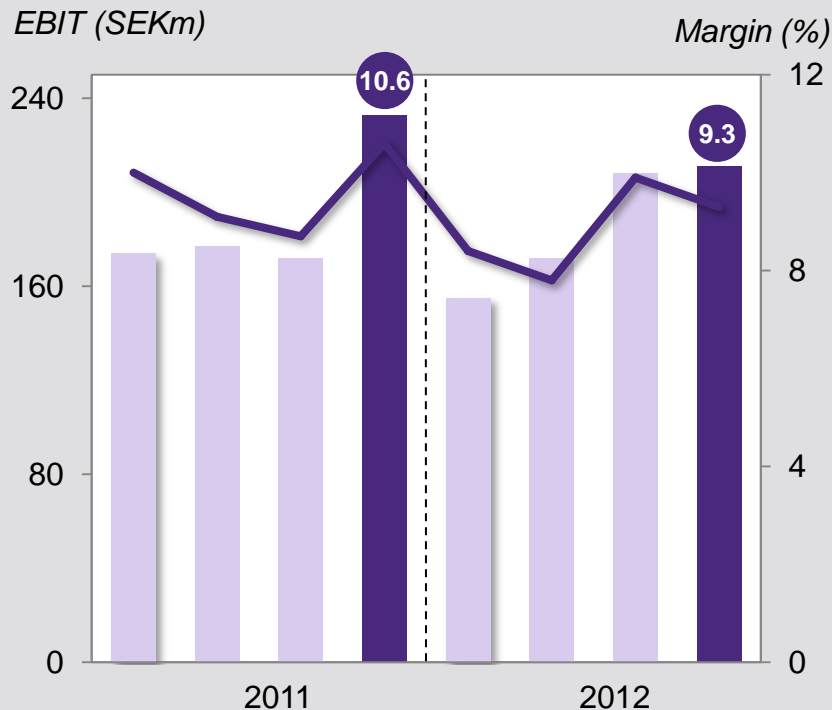


(SEKm)	Q4 2011	Q4 2012
Sales	6,003	6,411
EBIT*	345	657
Margin*	5.7	10.2

\* Excluding items affecting comparability. Non-recurring items are excluded in all figures.

- Good market growth in Brazil and in rest of Latin America
  - Strong organic growth of 19%
  - Tax incentives extended in Brazil
  - Price/mix improvement
- EBIT improved to SEK 657m
  - EBIT margin of 10.2%
  - Volumes, price and mix contributed positively
  - CTI delivers above expectations

# Major Appliances Asia/Pacific



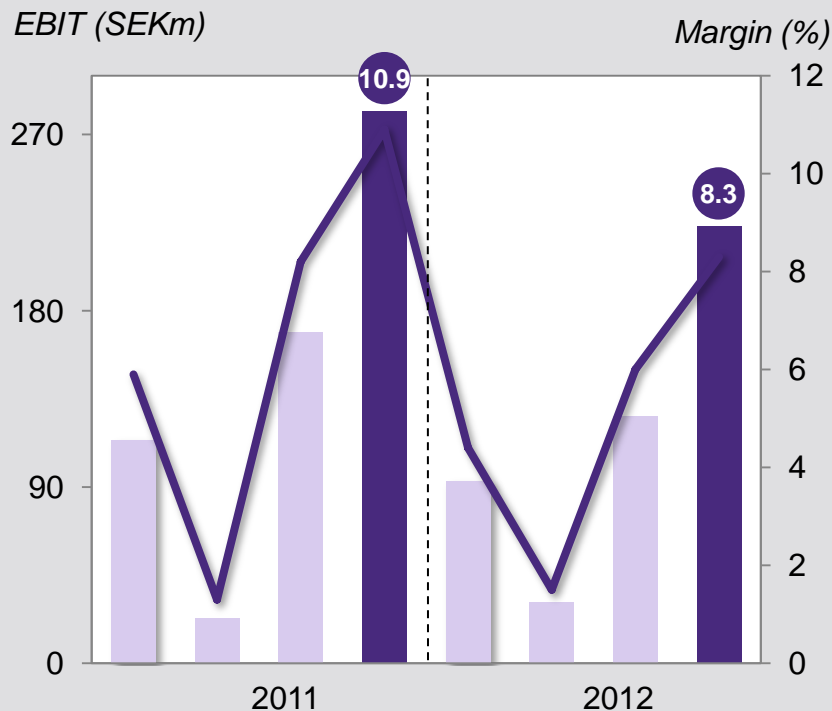
(SEKm)	Q4 2011	Q4 2012
Sales	2,180	2,259
EBIT*	233	211
Margin*	10.6	9.3

\* Excluding items affecting comparability. Non-recurring items are excluded in all figures.

- EBIT margin of 9.3%
- Soft market in Australia
  - Lower price/mix
  - Positive currency
  - Cost savings
- Southeast Asia and China
  - Continued strong sales growth
  - Gained market share
  - Positive contribution from Chinese operations

# Consumer Durables

## Small Appliances



(SEKm)	Q4 2011	Q4 2012
Sales	2,579	2,689
EBIT*	282	223
Margin*	10.9	8.3

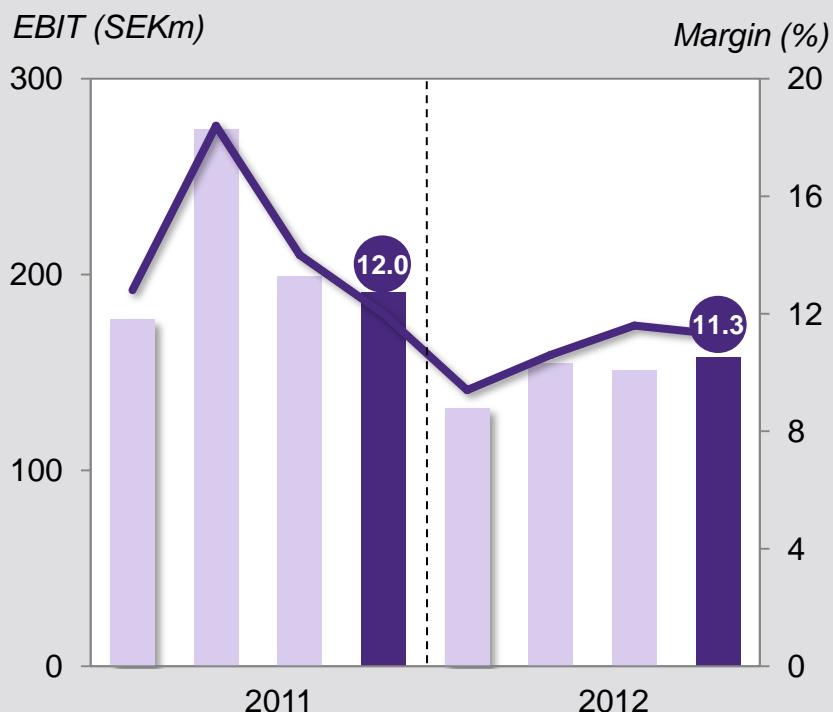
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- Higher sales volume
  - Growth for Small Domestic Appliances
  - Market share gain in Europe and North America
- Lower operating income
  - Weak European markets
  - Lower prices
  - Negative currency effect
  - Increased cost for sourced products

# Food-service & Laundry products



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(SEKm)	Q4 2011	Q4 2012
<b>Sales</b>	1,587	1,402
<b>EBIT*</b>	191	158
<b>Margin*</b>	12.0	11.3

\* Excluding items affecting comparability. Non-recurring items are excluded in all figures.

## Food-service products

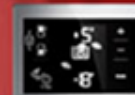
- Lower sales and EBIT
  - Price increases
  - Weak European markets
  - Negative mix
  - Launch costs for Grand Cuisine

## Laundry products

- Solid EBIT margin
  - Positive price/mix
  - Weak European markets
  - Margins maintained

# 1<sup>st</sup> quarter and full year of 2013 y-o-y

In accordance with forward-looking statements in the CEO letter, press release and previous official statements



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	Q1 2013	FY 2013	Comments
Market volumes	Slightly Positive	Slightly Positive	Growth in emerging markets and North America. Europe continues to be weak.
Price/Mix	Slightly Positive	Slightly Positive	Prices maintained in NA. Europe continuous to be weak. LA positive.
Raw-material costs	Flat	Positive	Steel: Positive Plastics: Negative
R&D and Marketing	Higher	Higher	Intensive launch period in 2013. Increased marketing spend in North America and China
Cost savings	~SEK 250	~ SEK 1 Bn	Global operations, overhead reduction and manufacturing footprint.
Consolidation of NA cooking	~SEK 50m	~SEK 300m	Costs for running two facilities when moving production from L'Assomption to Memphis
Logistics and Warehousing	Higher	Higher	Overall increase and extra cost from entering new distribution channels in NA.





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# Factors affecting forward-looking statements



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## Factors affecting forward-looking statements

This presentation 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.