

# Q2 Results

## July 19, 2013

Keith McLoughlin, President and CEO

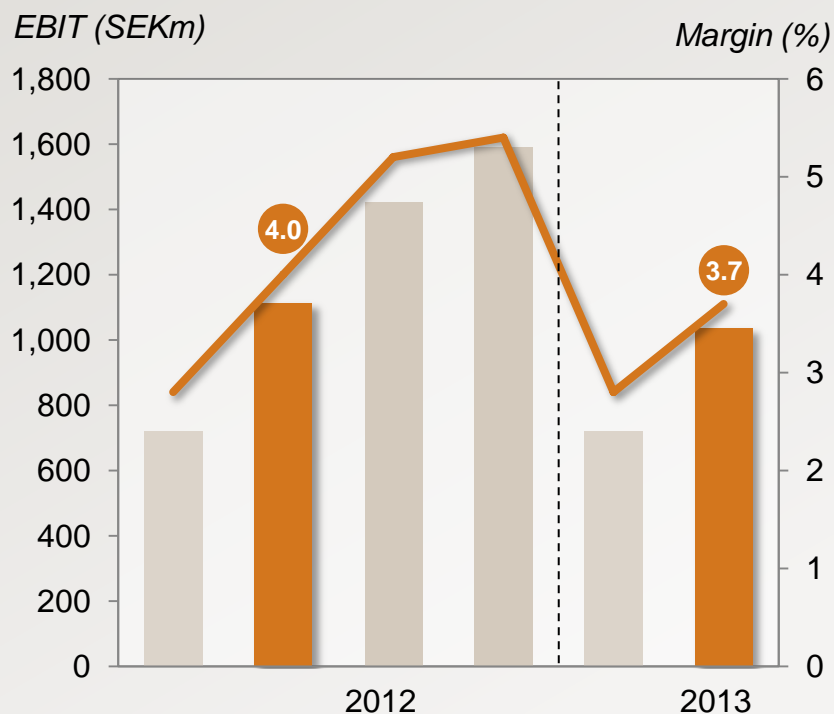
Tomas Eliasson, CFO

Peter Nyquist, SVP IR



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# Q2 Highlights



(SEKm)	Q2 2012	Q2 2013
<b>Sales</b>	27,763	<b>27,674</b>
<b>EBIT*</b>	1,112	<b>1,037</b>
<b>Margin*</b>	4.0	<b>3.7</b>

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

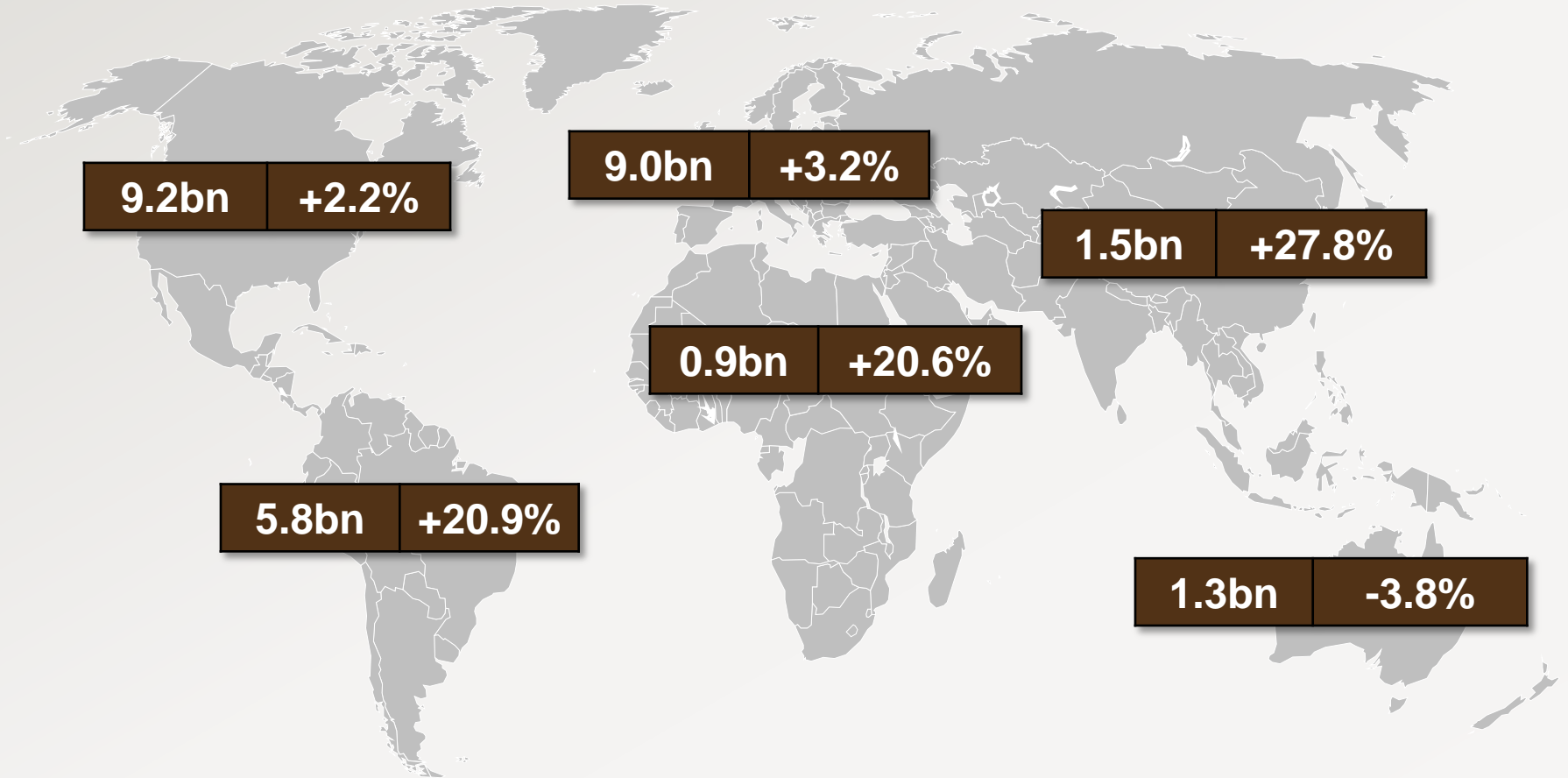
- Organic growth of 5.9%
  - Strong growth in Latin America and Asia/Pacific
- EBIT of SEK 1,037m
  - Improved results in North America and Small Appliances
  - Results offset by soft markets in Europe
  - Negative currency impact of SEK 181m
- Strong cash flow driven by inflow from changes in WC

# Sales and organic growth, Q2

SEKbn by geography



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# Sales and EBIT bridge Q2



SEKm	Q2 2012	Organic	Currency translation	Currency Transaction	Acquisitions/ Divestments	Q2 2013
Net sales	27,763	1,545	-1,634	-	-	27,674
Growth %	-	5.9%	-6.2%	-	-	-0.3%
EBIT	1,112	106	-56	-125	-	1,037
EBIT %	4.0%	6.9%	3.2%	-	-	3.7%
Dilution/accretion %		0.2%	0.1%	-0.5%	0.0%	

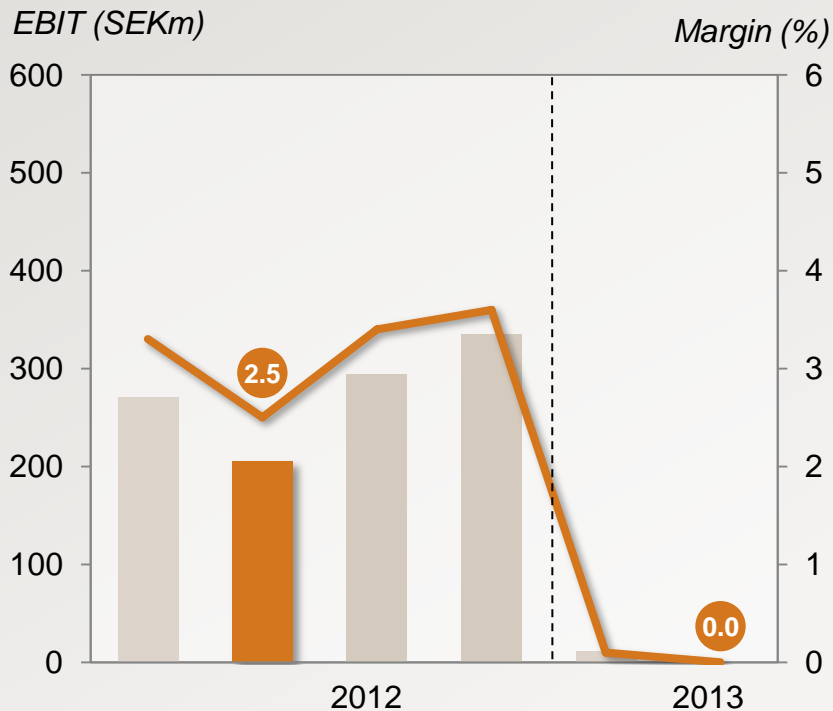
# Q2 Cash flow



SEKm	2012 Q2	2013 Q2
Operations	1,770	1,827
Change in operating assets and liabilities	2,793	1,764
Capital expenditure	-957	-1,084
<b>Operating cash flow</b>	<b>3,606</b>	<b>2,507</b>



# Major Appliances Europe, Middle East & Africa



(SEKm)	Q2 2012	Q2 2013
<b>Sales</b>	8,216	<b>8,040</b>
<b>EBIT*</b>	205	<b>-2</b>
<b>Margin*</b>	2.5	<b>0.0</b>

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

- Weak market development
  - Volumes continued to decline in key European markets
- EBIT at breakeven
  - Negative country mix partially offset by positive product mix
  - Negative currency impact
  - Continued price pressure
- Negative contribution from our Egyptian operation.

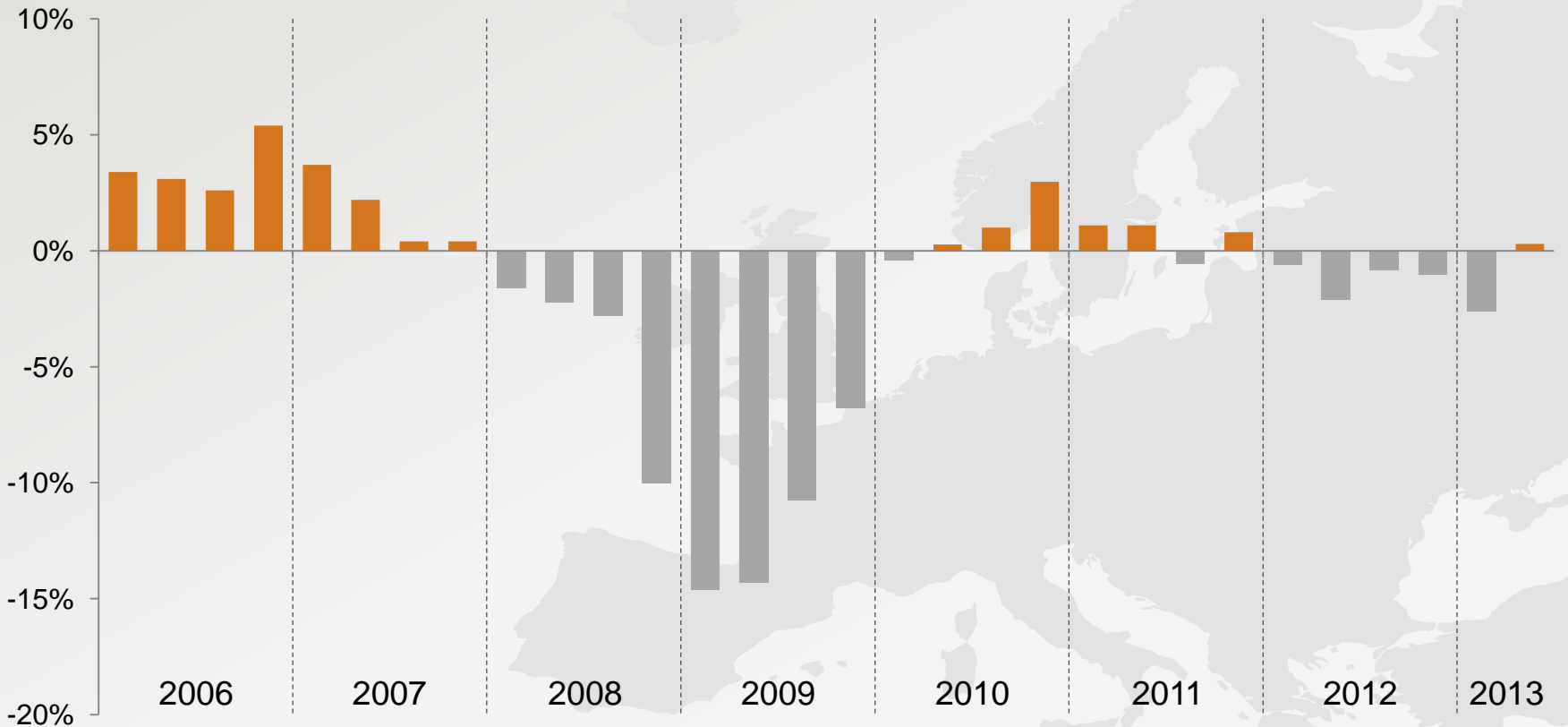
# Weak growth in Europe

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



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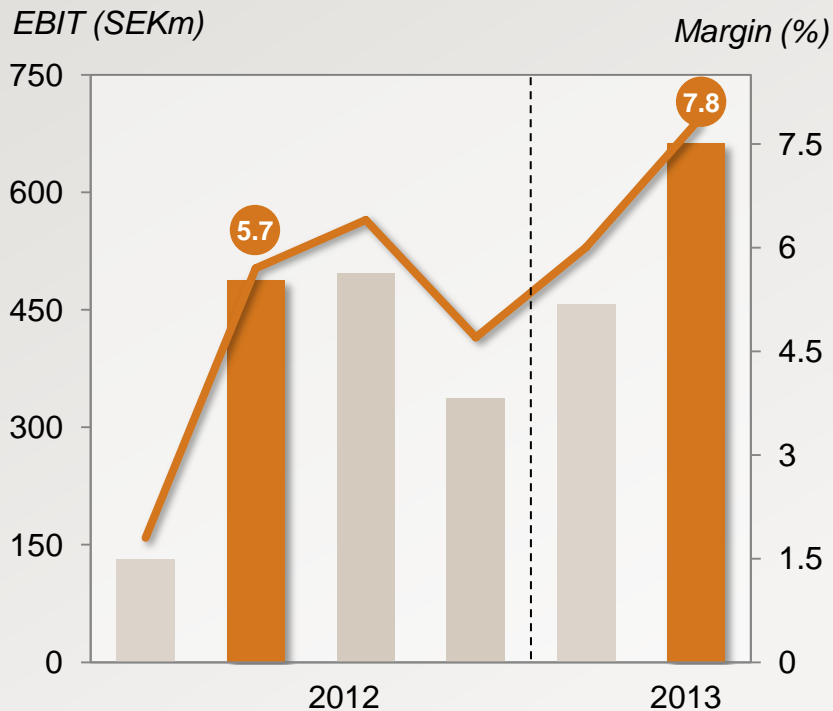
### Quarterly comparison y-o-y



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	-3	+0.3
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	+3	+2

Market Development %

# Major Appliances North America



(SEKm)	Q2 2012	Q2 2013
<b>Sales</b>	8,599	<b>8,448</b>
<b>EBIT*</b>	488	<b>663</b>
<b>Margin*</b>	5.7	<b>7.8</b>

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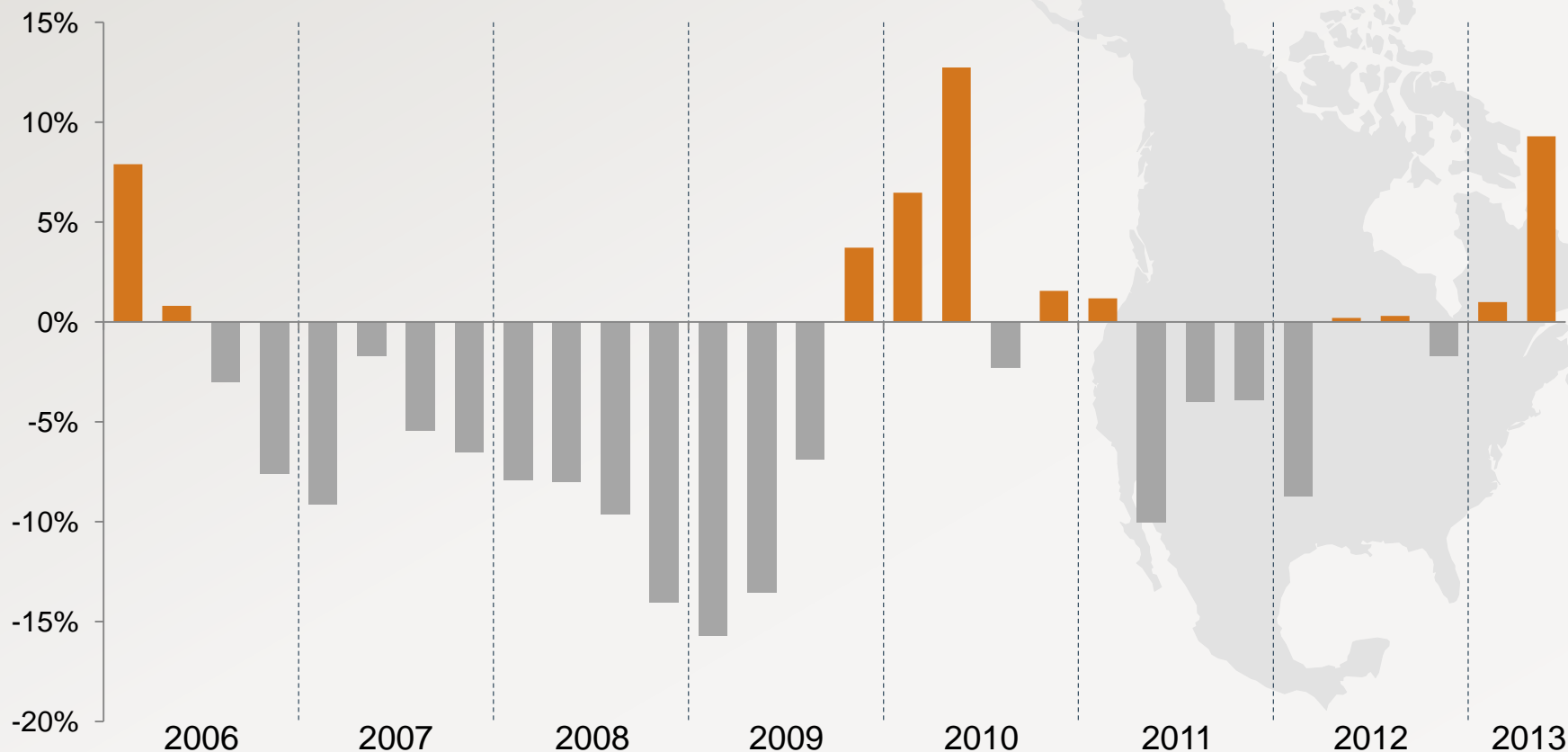
- Positive organic growth
  - Improvements in price/mix
  - Volume decline in air-con
- EBIT improved to SEK 663m
  - EBIT margin of 7.8%
  - Price/mix contribution
  - Consolidation of cooking production
- Gaining market share in core categories



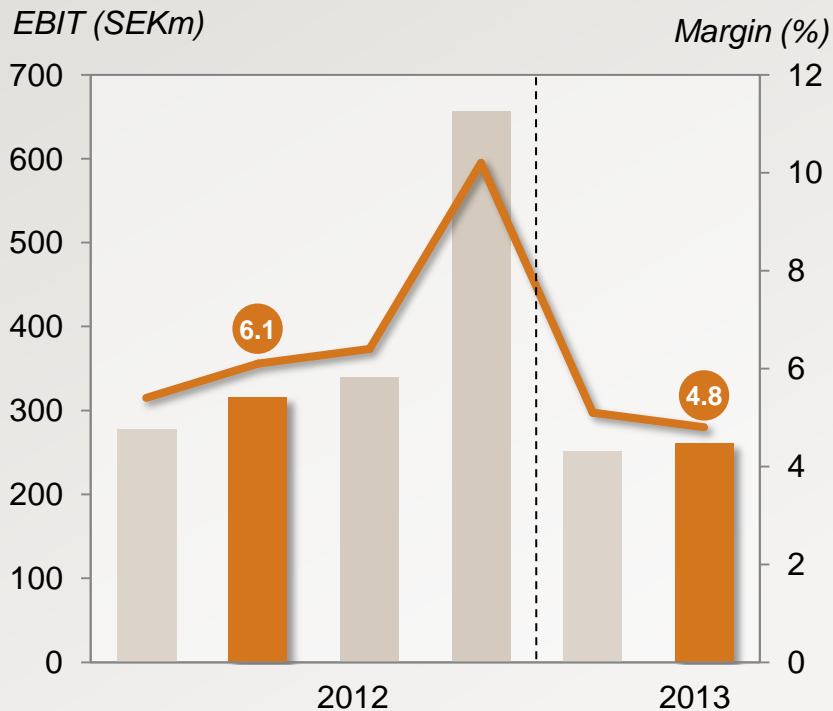
# Market for core appliances continue to grow in North America



Quarterly comparison y-o-y



# Consumer Durables Major Appliances Latin America

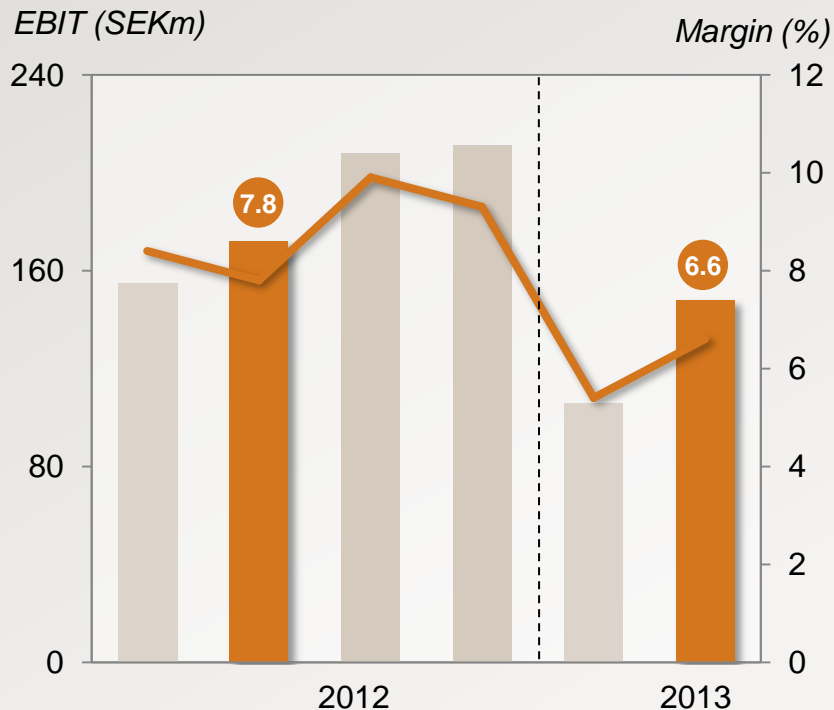


<i>(SEKm)</i>	<i>Q2 2012</i>	<i>Q2 2013</i>
<b>Sales</b>	5,183	<b>5,472</b>
<b>EBIT*</b>	316	<b>261</b>
<b>Margin*</b>	6.1	<b>4.8</b>

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

- Organic growth of 17.6%
  - Volume growth despite slowdown in demand
  - Positive price/mix
- EBIT of SEK 261m
  - Positive volume, price, mix
  - Negatively impacted by currency
  - Higher costs for sourced products
- New government incentives for home appliances in Brazil

# Consumer Durables Major Appliances Asia/Pacific

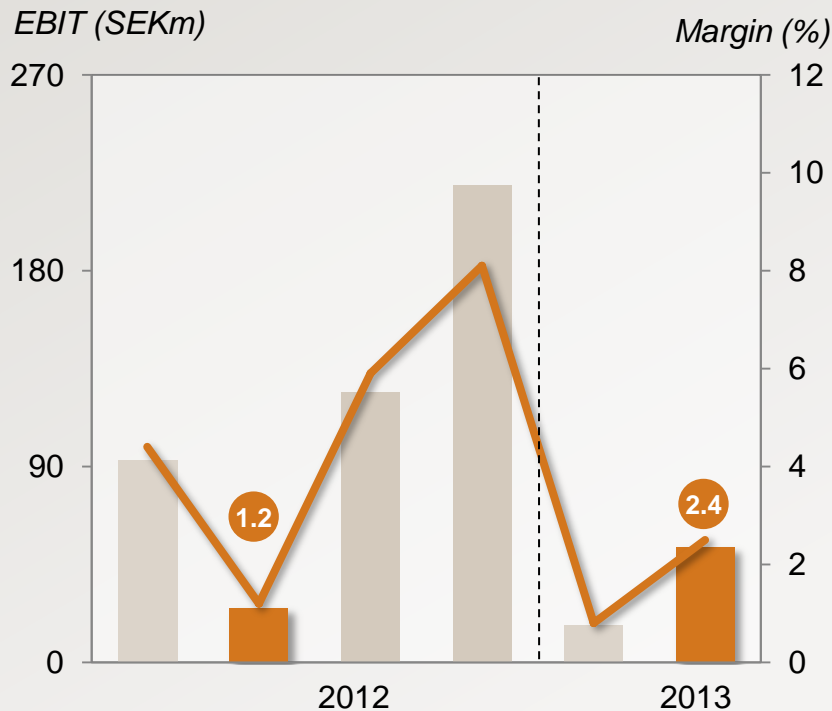


(SEKm)	Q2 2012	Q2 2013
<b>Sales</b>	2,198	<b>2,227</b>
<b>EBIT*</b>	172	<b>148</b>
<b>Margin*</b>	7.8	<b>6.6</b>

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

- Weak volumes in Australia
  - Positive product mix offset by negative customer mix
  - After a period of price pressure, price increases now implemented
- Growth in Southeast Asia and China
  - Continued strong growth in Southeast Asia
  - Improved product mix in China

# Consumer Durables Small Appliances

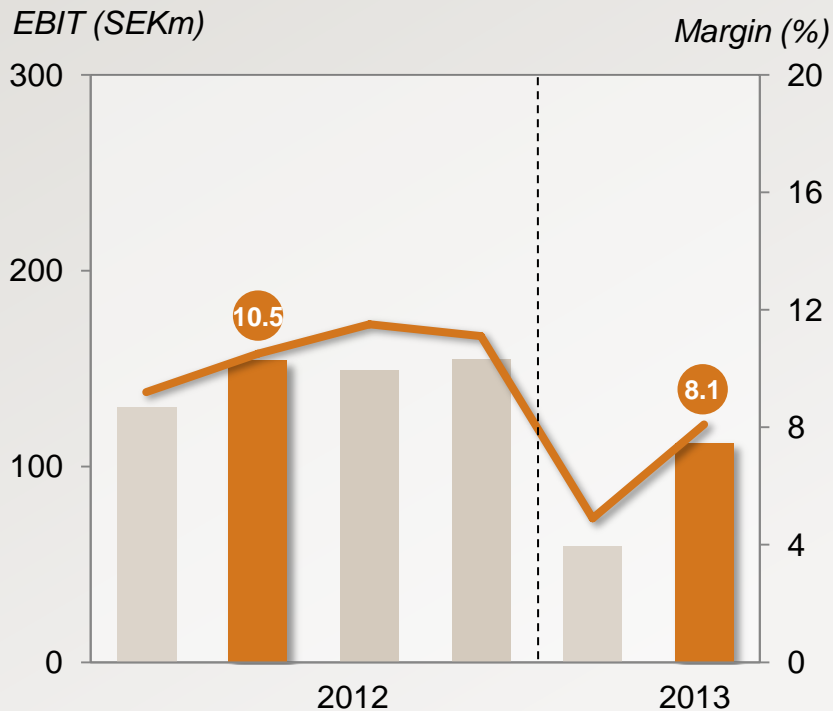


(SEKm)	Q2 2012	Q2 2013
<b>Sales</b>	2,105	<b>2,104</b>
<b>EBIT*</b>	25	<b>50</b>
<b>Margin*</b>	1.2	<b>2.4</b>

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

- 6.5% of organic growth
  - Volume growth in Europe and Asia/Pacific
  - Strong growth within small domestic appliances
- Improved operating income
  - Higher volumes
  - Improved price/mix
  - Unfavorable currency
- New product launches gaining traction

# Professional Products



(SEKm)	Q2 2012	Q2 2013
<b>Sales</b>	1,462	<b>1,383</b>
<b>EBIT*</b>	154	<b>112</b>
<b>Margin*</b>	10.5	<b>8.1</b>

\* Excluding items affecting comparability.  
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## Food-service products

- Volume decline in Europe
- Recovery in US
- Lower operating income
  - Negative country mix
  - Investments in priority areas

## Laundry products

- Back to positive sales growth
- Operating income lower
  - Restructuring in Europe

# Q3 and FY 2013 y-o-y

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



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	Q3	FY 2013	Comments
Market volumes	Slightly Positive	Slightly Positive	Growth in emerging markets and North America. Weak Europe.
Price/Mix	Slightly Positive	Slightly Positive	Latin America and North America positive. Europe will be flat to slightly 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 250m	~ SEK 1bn	Global operations, overhead reduction and manufacturing footprint.
Logistics, warehousing etc.	Higher	Higher	Overall inflation driven cost increases such as overseas freights and other transportation.



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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.