Q3 Results
October 25, 2013
Keith McLoughlin, President and CEO
Tomas Eliasson, CFO
**Q3 Highlights**

- **Organic growth of 4.9%**
  - Continued sales growth in all regions except EMEA

- **EBIT declined to SEK 1,075m**
  - Weak demand in Europe
  - Solid results for North America and Professional Products
  - Results impacted by negative currency of SEK -519m

- **Actions taken**
  - Adapt cost structure
  - Manufacturing footprint

- **Solid cash flow**

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**EBIT (SEKm)**

<table>
<thead>
<tr>
<th>(SEKm)</th>
<th>Q3 2012</th>
<th>Q3 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>27,171</td>
<td>27,258</td>
</tr>
<tr>
<td>EBIT*</td>
<td>1,423</td>
<td>1,075</td>
</tr>
<tr>
<td>Margin*</td>
<td>5.2</td>
<td>3.9</td>
</tr>
</tbody>
</table>

* Excluding items affecting comparability. Non-recurring items are excluded in all figures.
Sales and organic growth, Q3
SEKbn by geography

- 8.9bn, +9.9%
- 9.6bn, +2.1%
- 1.6bn, +18.0%
- 0.8bn, -13.2%
- 1.3bn, +8.6%
- 5.0bn, +1.5%
### Sales and EBIT bridge Q3

<table>
<thead>
<tr>
<th>SEKm</th>
<th>Q3 2012</th>
<th>Organic</th>
<th>Currency translation</th>
<th>Currency Transaction</th>
<th>Acquisitions/ Divestments</th>
<th>Q3 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales</td>
<td>27,171</td>
<td>1,301</td>
<td>-1,214</td>
<td>-</td>
<td>-</td>
<td>27,258</td>
</tr>
<tr>
<td>Growth %</td>
<td>-</td>
<td>4.9%</td>
<td>-4.6%</td>
<td>-</td>
<td>-</td>
<td>0.3%</td>
</tr>
<tr>
<td>EBIT</td>
<td>1,423</td>
<td>171</td>
<td>-71</td>
<td>-448</td>
<td>-</td>
<td>1,075</td>
</tr>
<tr>
<td>EBIT %</td>
<td>5.2%</td>
<td>13.1%</td>
<td>5.8%</td>
<td>-</td>
<td>-</td>
<td>3.9%</td>
</tr>
<tr>
<td>Dilution/accretion %</td>
<td>0.3%</td>
<td>0.0%</td>
<td>-1.6%</td>
<td>0.0%</td>
<td></td>
<td>0.0%</td>
</tr>
</tbody>
</table>
## Q3 Cash flow

<table>
<thead>
<tr>
<th>SEKm</th>
<th>2012 Q3</th>
<th>2013 Q3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operations</td>
<td>2,180</td>
<td>1,907</td>
</tr>
<tr>
<td>Change in operating assets and liabilities</td>
<td>-1,182</td>
<td>168</td>
</tr>
<tr>
<td>Capital expenditure</td>
<td>-1,228</td>
<td>-1,168</td>
</tr>
<tr>
<td>Operating cash flow</td>
<td>-230</td>
<td>907</td>
</tr>
</tbody>
</table>
Restructuring

### Manufacturing footprint

<table>
<thead>
<tr>
<th>SEKm</th>
<th>Announced plan in 2011</th>
<th>Actual in 2012-2013</th>
<th>Planned 2013-2014</th>
<th>Program to date 2012-16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Charges</td>
<td>3 500</td>
<td>1 000</td>
<td>2 200</td>
<td>3 200</td>
</tr>
</tbody>
</table>

### Over-head cost reduction

<table>
<thead>
<tr>
<th>SEK bn</th>
<th>Planned 2013-2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Charges</td>
<td>1 200</td>
</tr>
<tr>
<td>Charges</td>
<td>3 400</td>
</tr>
<tr>
<td>Savings</td>
<td>1 800</td>
</tr>
</tbody>
</table>
Consumer Durables
Major Appliances Europe, Middle East & Africa

**EBIT (SEKm) and Margin (%)**

- **Signs of stabilization, but still weak demand in key markets**
  - Growth in Nordics, UK, Germany
  - Decline in France, Italy, Spain
- **EBIT at SEK 111m**
  - Positive product mix
  - Negative currency impact
  - Continued price pressure
- **Negative contribution from Egyptian operations**

### Financial Figures

<table>
<thead>
<tr>
<th>(SEKm)</th>
<th>Q3 2012</th>
<th>Q3 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>8,581</td>
<td>8,520</td>
</tr>
<tr>
<td>EBIT*</td>
<td>294</td>
<td>111</td>
</tr>
<tr>
<td>Margin*</td>
<td>3.4</td>
<td>1.3</td>
</tr>
</tbody>
</table>

* Excluding items affecting comparability. Non-recurring items are excluded in all figures.
Weak growth in Europe
Southern Europe still weak y-o-y and slow-down in Eastern Europe

Quarterly comparison y-o-y

W. Eur.

E. Eur.

Core White market development %
## Major Appliances

### North America

**Q3 2012**  | **Q3 2013**
---|---
**Sales (SEKm)** | 7,771 | 8,165
**EBIT* (SEKm)** | 496 | 563
**Margin* (%)** | 6.4 | 6.9

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

### Highlights

- **Strong organic growth of 8%**
  - Favorable volume growth
  - Mix improvement
- **EBIT improved to SEK 563m**
  - Margin expansion despite investments in new channels
  - Positive mix contribution
  - Consolidation of cooking production
- **Continue to gain market share in core product categories**
Market in North America continues to grow in Q3

Quarterly comparison y-o-y

-20% -15% -10% -5% 0% 5% 10% 15%

2006 2007 2008 2009 2010 2011 2012 2013
**Consumer Durables**

**Major Appliances**

**Latin America**

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<table>
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<tr>
<th>(SEKm)</th>
<th>Q3 2012</th>
<th>Q3 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>5,301</td>
<td>4,699</td>
</tr>
<tr>
<td>EBIT*</td>
<td>339</td>
<td>243</td>
</tr>
<tr>
<td>Margin*</td>
<td>6.4</td>
<td>5.2</td>
</tr>
</tbody>
</table>

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

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**• Organic growth of 1.6%**
- Lower volumes due to weaker demand in Brazil
- Negative impact from the Curitiba warehouse fire
- Positive price/mix

**• EBIT declined to SEK 243m**
- Negative currency affecting profitability
- Impact from volume loss
- Warehousing and transportation costs higher in the quarter
**Major Appliances**

**Asia/Pacific**

- **Sales**
  - Q3 2012: 2,107
  - Q3 2013: 2,321

- **EBIT**
  - Q3 2012: 208
  - Q3 2013: 117

- **Margin**
  - Q3 2012: 9.9%
  - Q3 2013: 5.0%

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

- **Positive momentum in Australia**
  - Signs of volume recovery
  - Price increases implemented
  - Positive product mix offset by China country mix

- **Strong organic growth in Southeast Asia and China**
  - China continues to grow strongly
  - Improved product mix with newly launched products

- **Results impacted by new range launch in China and Asia**
- Organic growth of 5.6%
  - Higher volumes in Europe and Asia/Pacific
  - Growth within small domestic appliances in Asia/Pacific
- Operating income lower
  - Negative currency impact
  - Unfavorable country mix
  - Intensified marketing and launch costs for new products in Asia and North America

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<tr>
<th>(SEKm)</th>
<th>Q3 2012</th>
<th>Q3 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>2,112</td>
<td>2,131</td>
</tr>
<tr>
<td>EBIT*</td>
<td>124</td>
<td>97</td>
</tr>
<tr>
<td>Margin*</td>
<td>5.9</td>
<td>4.6</td>
</tr>
</tbody>
</table>

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

- Strong quarter with higher sales and improved results

Food-service products
- Good demand in US
- European market still weak
- Solid operating income
  - Investments in priority areas

Laundry products
- Positive sales development
- Operating income higher
  - Price and volume contribution

<table>
<thead>
<tr>
<th>(SEKm)</th>
<th>Q3 2012</th>
<th>Q3 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>1,299</td>
<td>1,422</td>
</tr>
<tr>
<td>EBIT*</td>
<td>149</td>
<td>167</td>
</tr>
<tr>
<td>Margin*</td>
<td>11.5</td>
<td>11.7</td>
</tr>
</tbody>
</table>

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**Q4 and FY 2013 y-o-y**

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

<table>
<thead>
<tr>
<th></th>
<th>Q4</th>
<th>FY 2013</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Market volumes</td>
<td>Slightly Positive</td>
<td>Slightly Positive</td>
<td>Growth in NA and emerging markets European market still weak</td>
</tr>
<tr>
<td>Price/Mix</td>
<td>Slightly Positive</td>
<td>Slightly Positive</td>
<td>Latin America and North America positive Europe, positive mix offset by negative price</td>
</tr>
<tr>
<td>Raw-material costs</td>
<td>Flat</td>
<td>Positive</td>
<td>Steel: Positive Plastics: Negative</td>
</tr>
<tr>
<td>Cost savings</td>
<td>~SEK 250m</td>
<td>~ SEK 1bn</td>
<td>Includes global operations, overhead reduction and manufacturing footprint.</td>
</tr>
<tr>
<td>Logistics, warehousing etc.</td>
<td>Higher</td>
<td>Higher</td>
<td>Overall inflation driven cost increases such as overseas freight and other transportation.</td>
</tr>
</tbody>
</table>
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.