

The background features a complex, dark-colored metal frame structure, possibly a bicycle or a piece of industrial machinery, set against a light gray background. A prominent circular component, likely a hub or a wheel, is visible on the right side of the frame.

# Capital Markets Day

Stockholm, November 13, 2013

Keith McLoughlin, President and CEO

Tomas Eliasson, CFO



*Thinking of you*  
**Electrolux**

# Capital Markets Day, November 13, 2013



<b>SESSION 1</b>		
09:00 – 10:00	<b>Business update and strategy Getting behind the numbers</b>	<b>Keith McLoughlin, <i>President and CEO</i></b> <b>Tomas Eliasson, <i>CFO</i></b>
10:00 – 10:30	<b>Innovation &amp; Modularization</b>	<b>Jan Brockmann, <i>Chief Technology Officer</i></b>
10:30 – 10:45	Break	
<b>SESSION 2</b>		
10:45 – 11:30	<b>European Business</b>	<b>Jonas Samuelson, <i>Head of Major Appliances Europe, Middle East and Africa</i></b>
11:30 – 12:00	<b>Operational Excellence</b>	<b>Frank Wagner, <i>SVP Global Manufacturing Operations</i></b>
<b>SESSION 3</b>		
12:00 – 12:20	Q&A	
12:20 – 13:00	<i>Buffet lunch</i>	
<b>SESSION 4</b>		
13:00 – 14:30	<b>North American Business</b>	<b>Jack Truong, <i>Head of Major Appliances, North America</i></b> - <b>John Weinstock, <i>VP, Marketing Major Appliances, North America</i></b> - <b>Mark Chambers, <i>SVP, Sales Major Appliances, North America</i></b> - <b>Daren Couture, <i>SVP, Operations Major Appliances, North America</i></b>
<b>SESSION 5</b>	Q&A and Wrap-up	
14:30 – 15:00	<b>Summary and Conclusion</b>	<b>Keith McLoughlin, <i>President and CEO</i> and <b>Tomas Eliasson, <i>CFO</i></b></b>

Business update

# What did we say about 2013?



Comments after Q4 2012	FY 2013	Comments	Status
Market volumes	Slightly positive	Growth in emerging markets and North America. Europe continues to be weak.	✓
Price/Mix	Slightly positive	Prices maintained in NA. Europe continuous to be weak. LA positive.	✓
Raw-material costs	Positive	Steel: Positive Plastics: Negative	✓
R&D and marketing	Higher	Intensive launch period in 2013. Increased marketing spend in North America and China.	✓
Cost savings	~ SEK 1 bn	Global operations, overhead reduction and manufacturing footprint.	✓
Consolidation of NA cooking	~SEK 300m	Costs for running two facilities when moving production from L'Assomption in Canada to Memphis in US	✓
Logistics and warehousing	Higher	Overall increase and extra cost from entering new distribution channels in NA.	✓

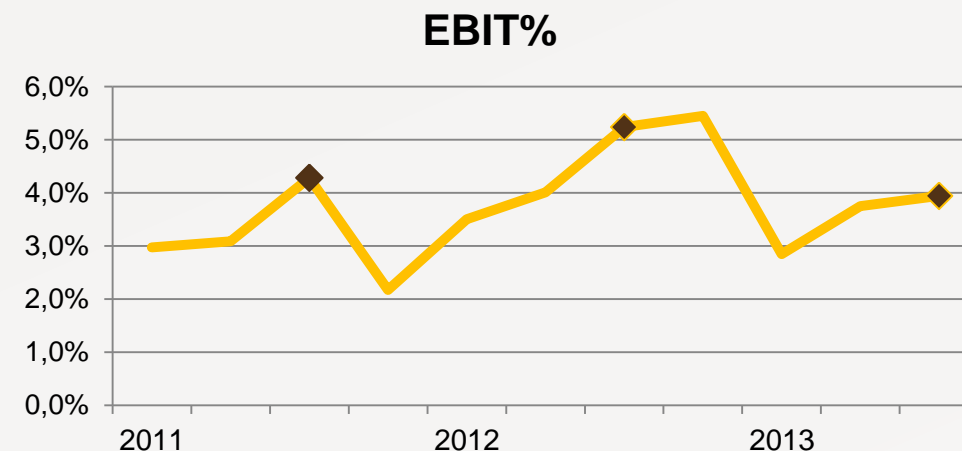
# Q3 Highlights



## Continued good growth

- +4.9% organic growth
- North America, Asia Pacific, Small Appliances and Professional show strong growth
- Latin America slowing down
- EMEA flat – moving sideways
- Restructuring program launched, mainly EMEA
- Solid free cash flow

(SEKm)	Q3 2012	Q3 2013
Sales	27,171	27,258
EBIT*	1,423	1,075
Margin*	5.2	3.9



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

What's behind the  
Electrolux strategy?

# Total Shareholder Return



<b>Total return</b>	<b>Electrolux B (Annual return)</b>	<b>SIX index return (Annual return)</b>
<b>1 year</b>	<b>42%</b>	<b>33%</b>
<b>5 year</b>	<b>19%</b>	<b>8%</b>
<b>10 year</b>	<b>15%</b>	<b>14%</b>
<b>15 year</b>	<b>10%</b>	<b>7%</b>
<b>20 year</b>	<b>16%</b>	<b>13%</b>
<b>25 year</b>	<b>13%</b>	<b>12%</b>

Note: Calculated from year-end 2012

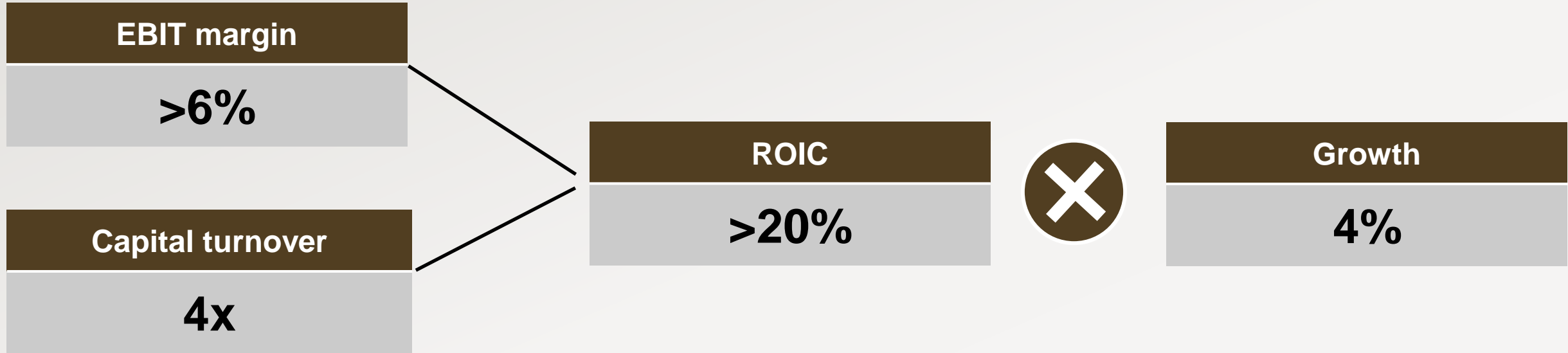
# Historic Shareholder Return



Cash-flow productivity	13%	TSR 15% CAGR
Top line	1%	
Margin	0.5%	
Multiple	0.5%	



# Key Financial Targets



Where we are

# A Consumer Marketing Driven Company



Manufacturing  
engineering  
company

Growth  
Innovation  
Operational  
Excellence  
People

Consumer  
marketing  
driven  
company

# Our Competitive Advantages



## Glocal presence



## Consumer insight



## Design



## Professional legacy



## Scandinavian heritage



## Wide product range



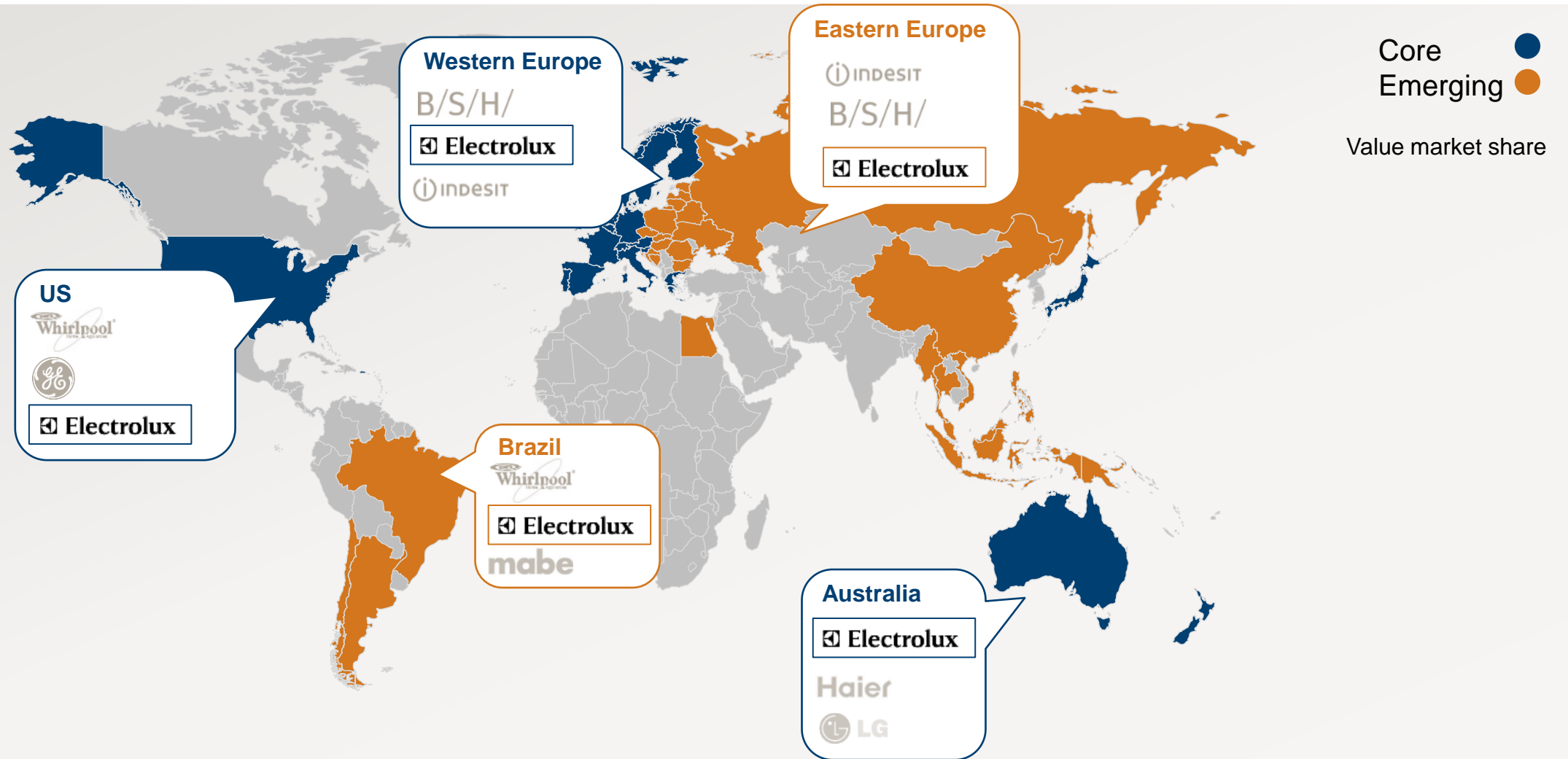
## People & culture



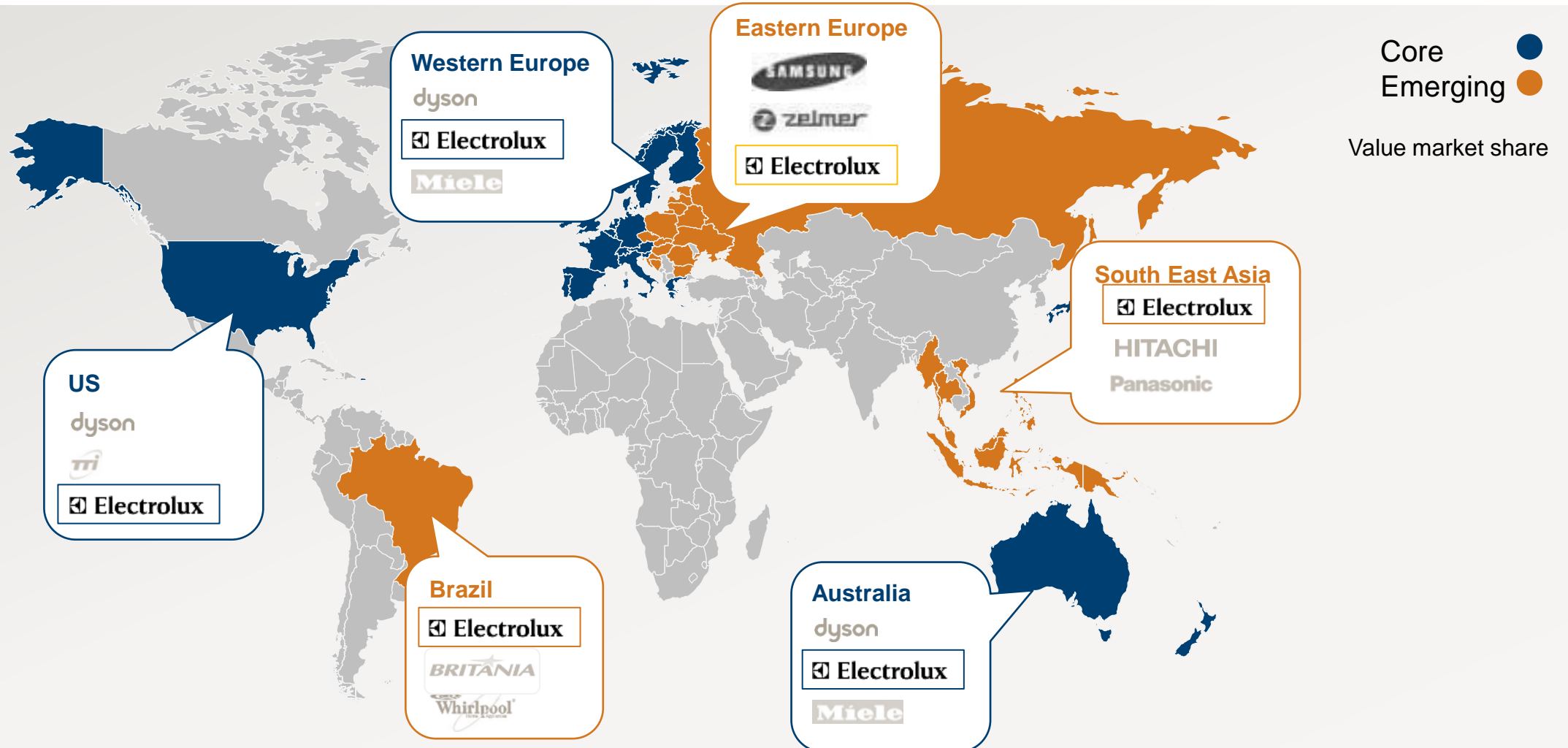
## Sustainability leadership



# Major Appliances



# Floor Care



# Brands



# Dual Business Model



## Shared global strength

### Benefits of scale in:

- Manufacturing
- R&D
- Purchasing
- Modularization
- Common processes and shared services

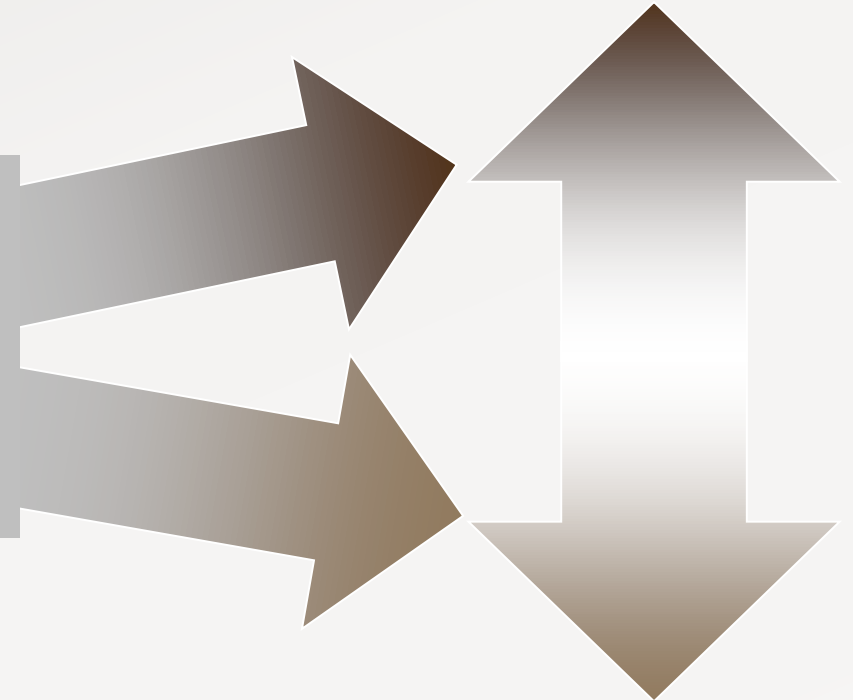
## Sharp customer focus

Focus on differentiated branded product offer

Low cost,  
lean go-to-market  
Market set price

## Premium

Mass





# Sustainability Leadership



# Values and Foundation



Passion for Innovation



Customer Obsession



Drive for Results

Values	Passion for Innovation	Customer Obsession	Drive for Results
Foundation	Respect & Diversity	Ethics & Integrity	Safety & Sustainability

Where we are going

# Vision



*Our Vision*

**To be the best appliance company in the world**

As measured by...



**...our customers**

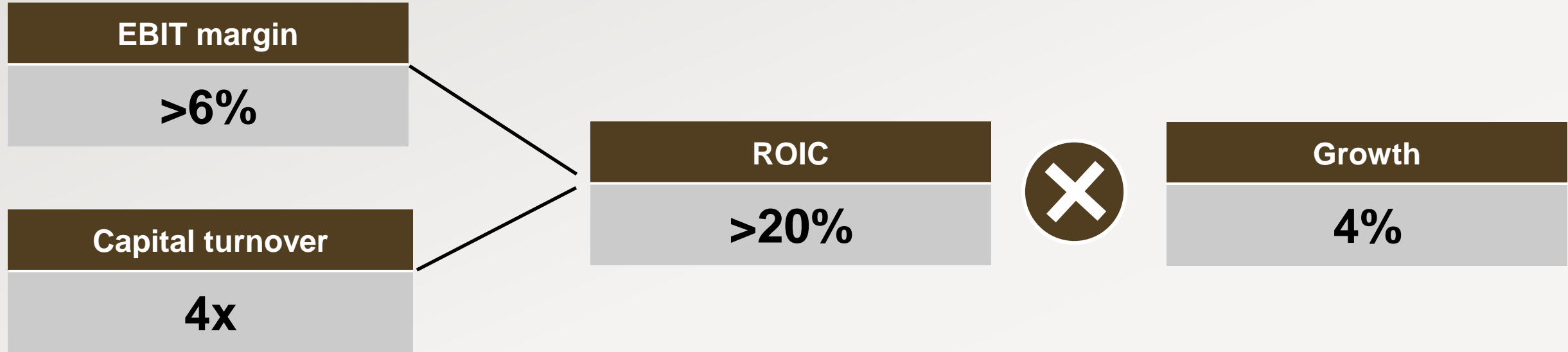


**...our employees**



**...our shareholders**

# Mission and Value Creation Potential



# Four Strategic Pillars



Profitable  
Growth

Innovation

- Products and Services
- Brands and Design
- Sustainability



Operational  
Excellence

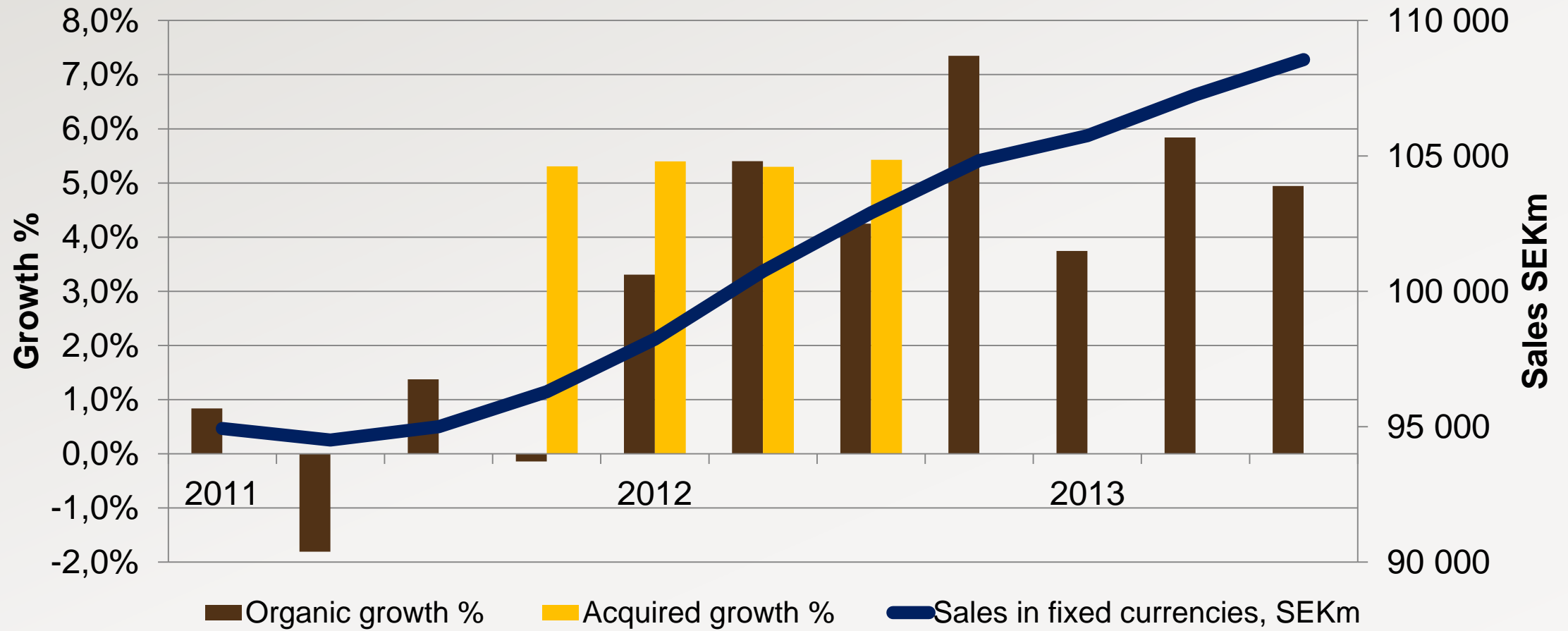


People & Leadership



Profitable Growth

# Sales Growth, Currency Adjusted



Note: Currency adjusted growth, rolling 12 months

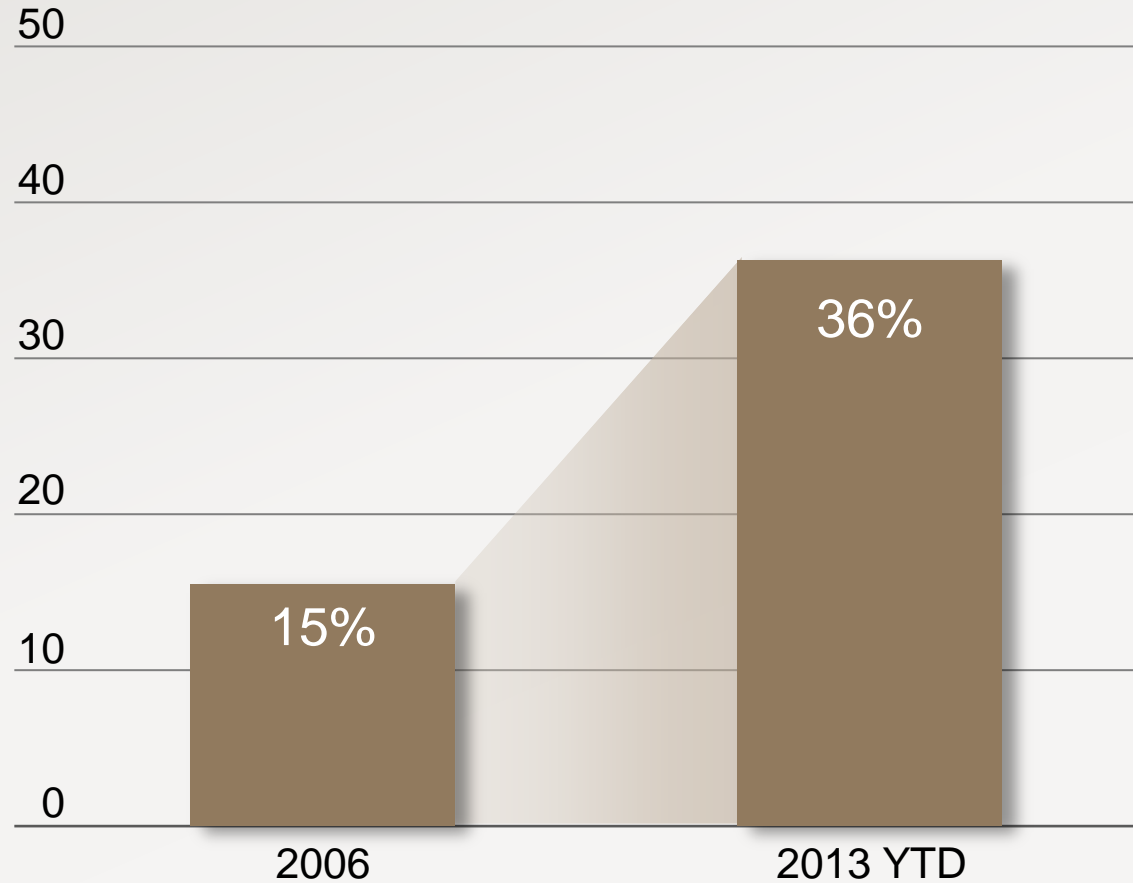


# Exposure to Emerging Markets

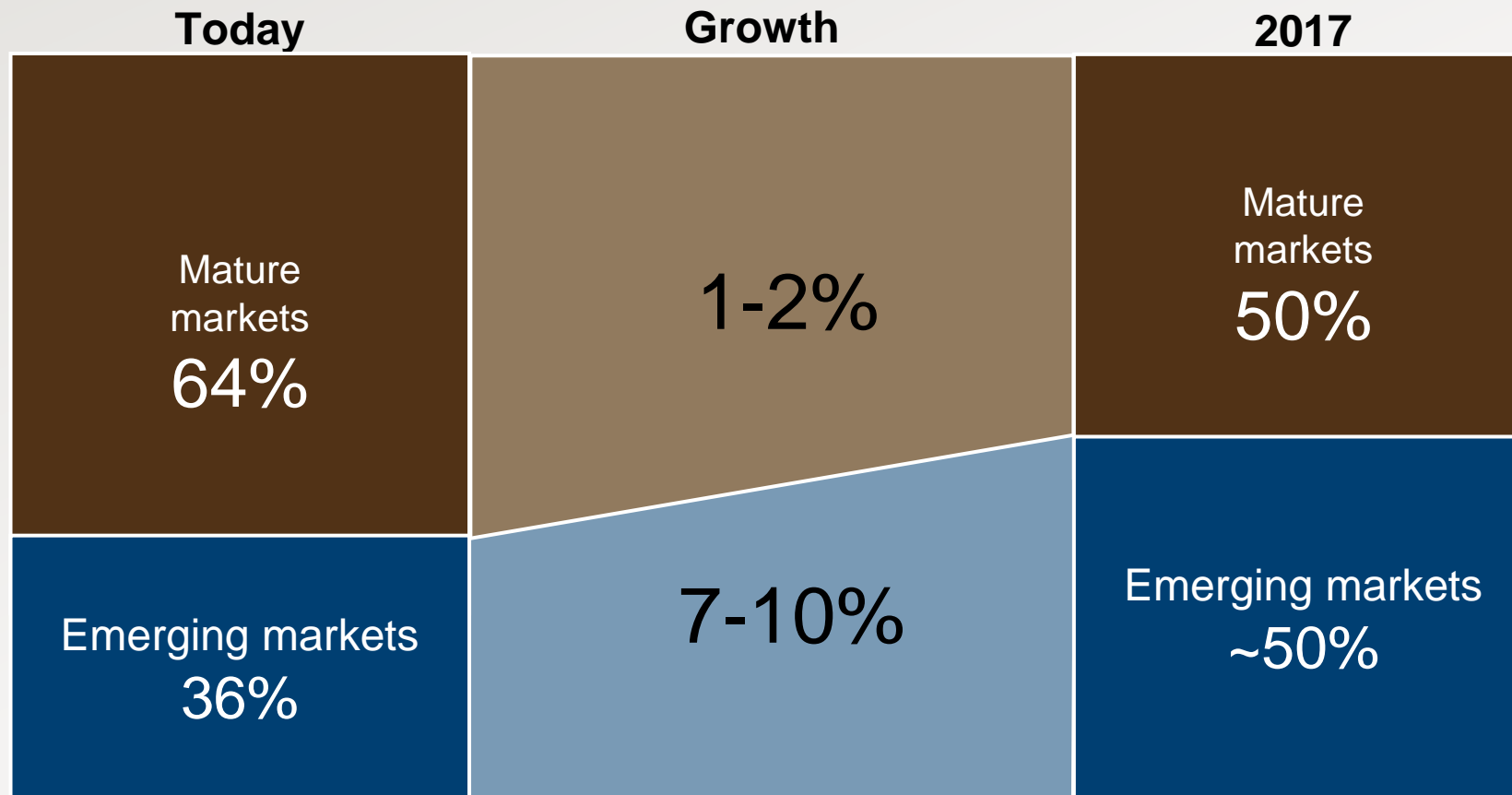


## Emerging markets

% of Group sales



# Revenue Diversification



Innovation

# Innovation Triangle

1

Develop best-in-class products

2

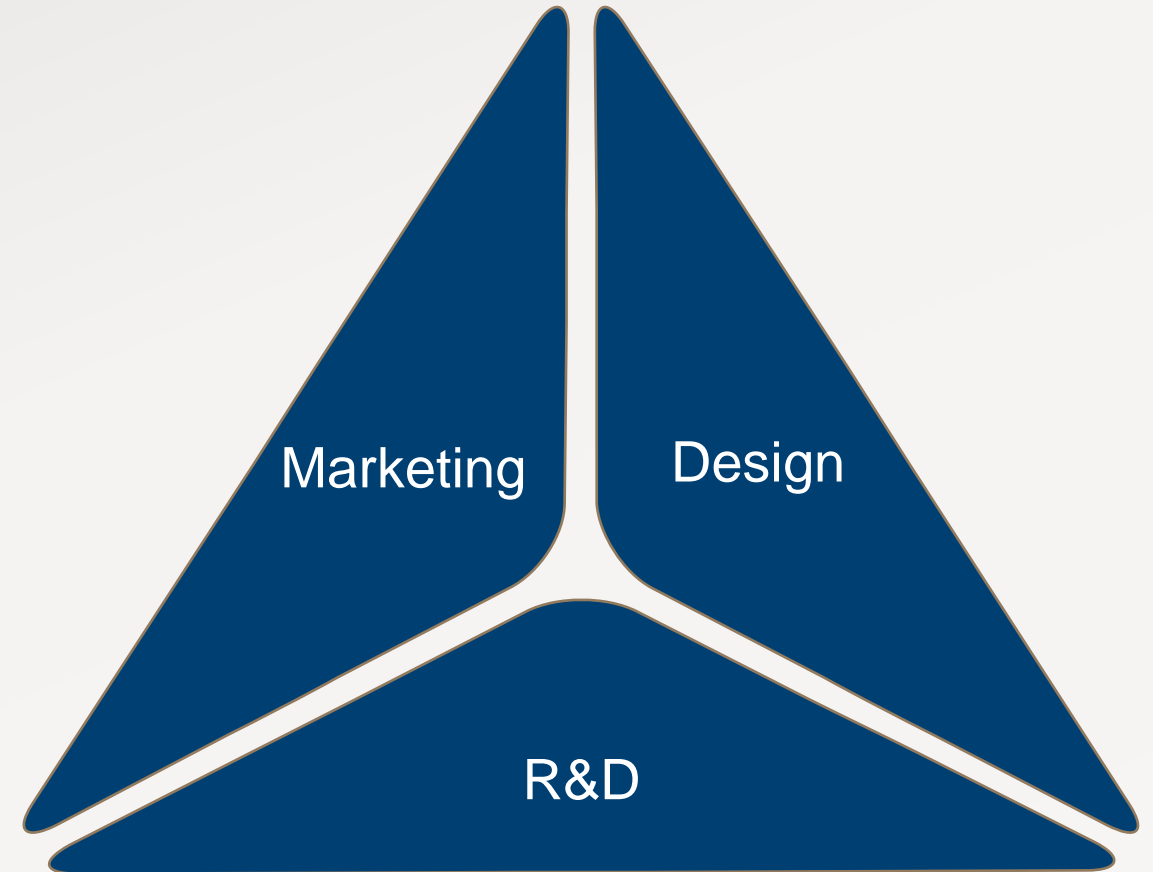
70% Preference Rule

3

Reduce Time to Market 30%

4

Continue investing in premium brands



# Electrolux Grand Cuisine



# Electrolux Gourmet Range



- Partnership with Poggenpohl
- Super-premium segment
- Available through kitchen retailers only

# New Floor Care Products 2013



UltraOne



UltraSilencer



UltraCaptive



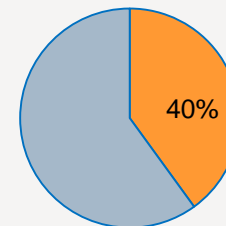
UltraPower



Ergorapido



Rapido



Over 40% of vacuum cleaner sales expected from newly launched products in 2014

# UltraOne Commercial



# China Launch



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# Latin America



## The Blossom Refrigerator



## Mini Silent Washer



# Mini Silent Washer Commercial

# Brand Architecture



EU

NA

LA

AP



GRAND CUISINE  
BY ELECTROLUX PROFESSIONAL

PREMIUM



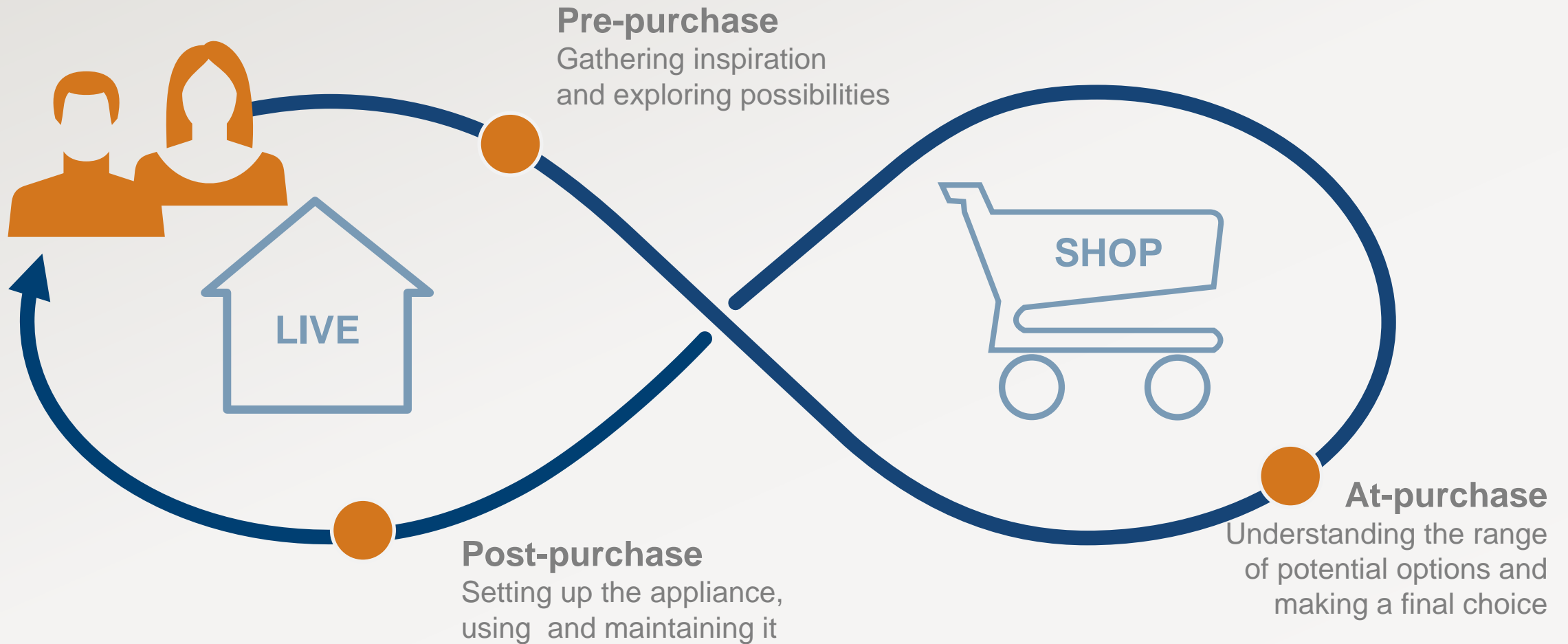
MASS  
MARKET



FRIGIDAIRE



# 360 Consumer Experience



# Electrolux Commercial

Operational Excellence

# Operational Excellence



Three main areas

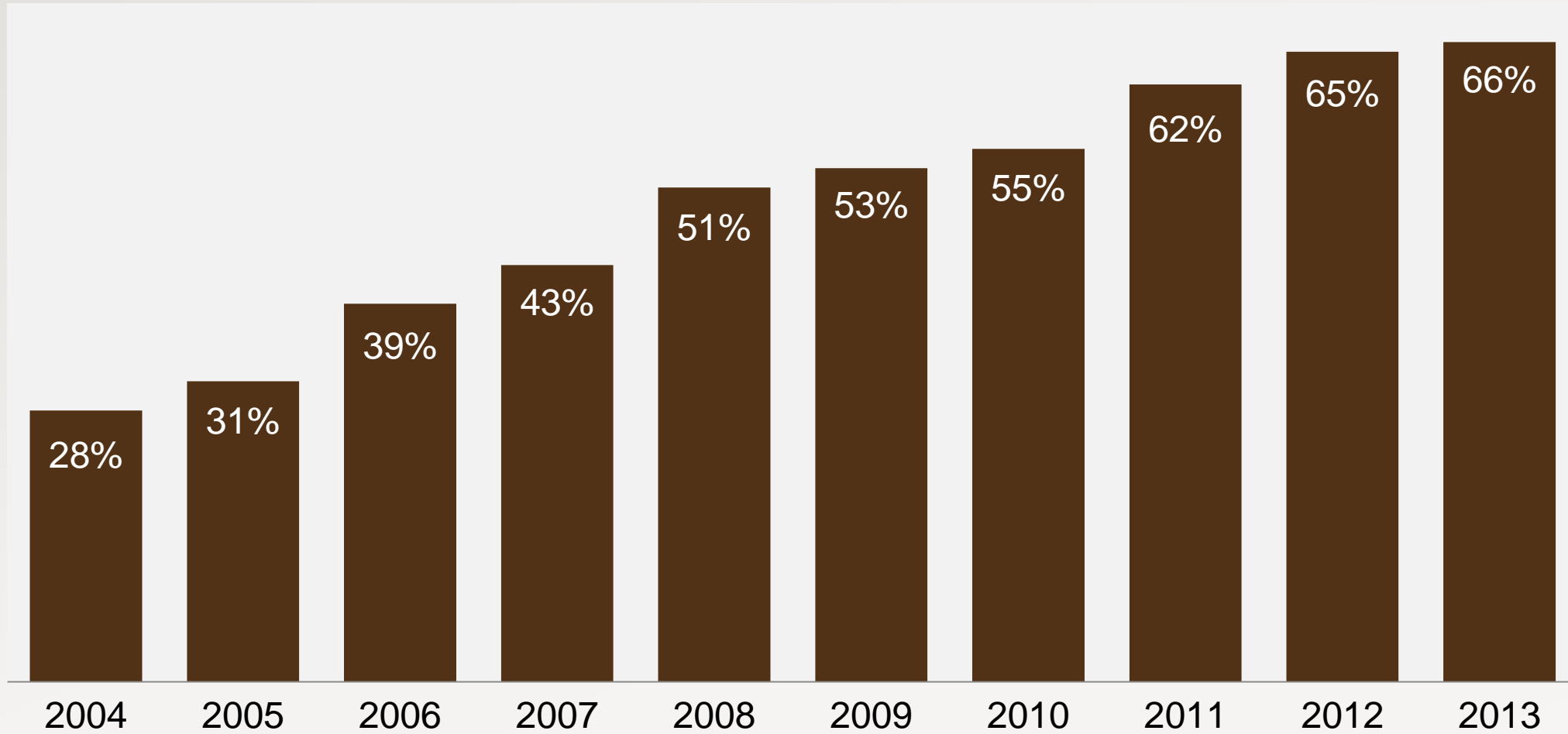
**Manufacturing  
footprint**

**Global  
Operations**

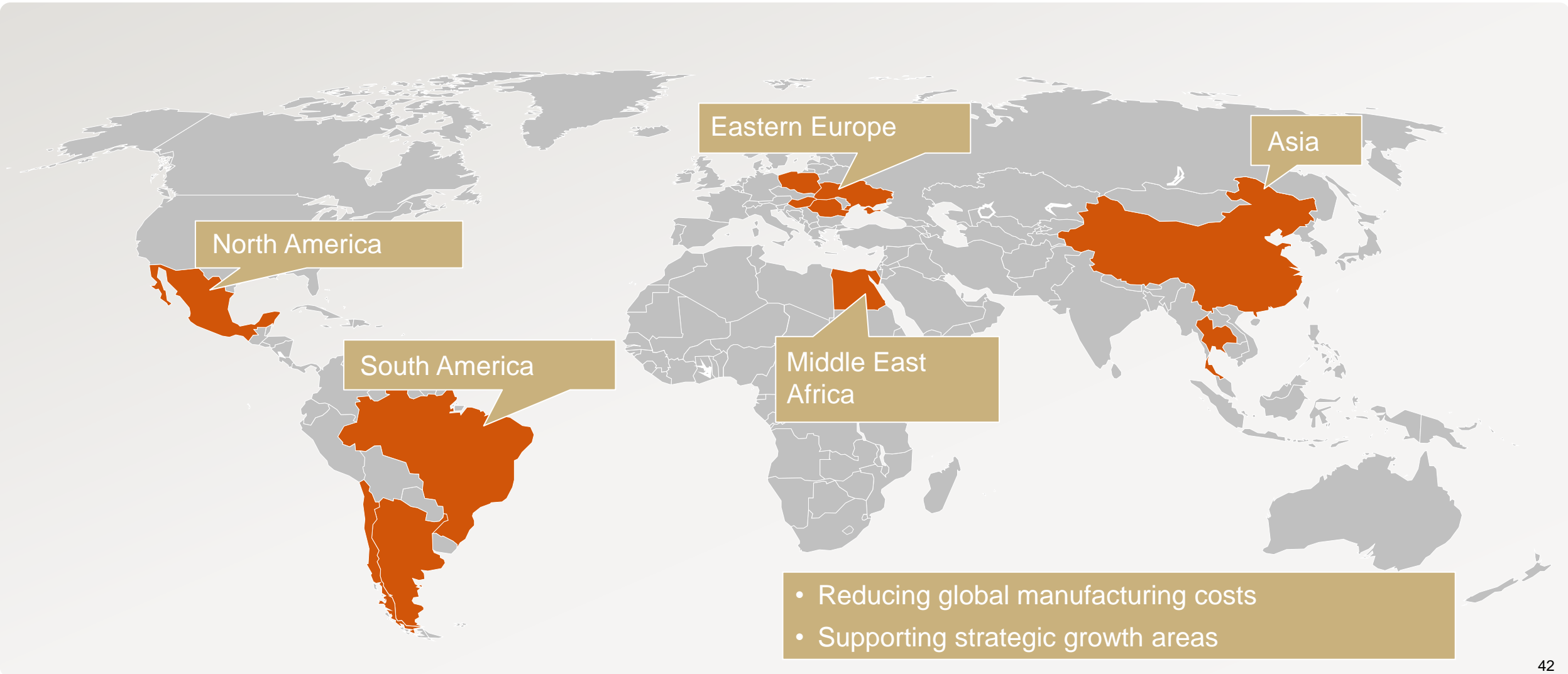
**Overhead  
costs**



# Timeline LCC Production



# New Production Centers



# Four Strategic Pillars



Profitable  
Growth

Innovation

- Products and Services
- Brands and Design
- Sustainability



Operational  
Excellence



People & Leadership

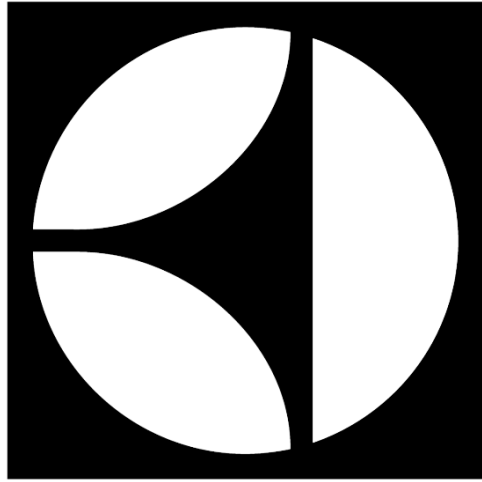


# Outlook

# 2014 Expectations



	Q4	FY 2014	Comments
Market volumes	Slightly Positive	Slightly Positive	Growth in North America and Asia Pacific, Europe flat, slowdown expected in Brazil.
Price/Mix	Slightly Positive	Slightly Positive	Positive Price/Mix: North America, Latin America and Australia. Negative Price: Europe. Negative Country Mix: Asia/Pacific.
Raw-material costs	Slightly positive	Flat	In the range of -100 to +100.
R&D and Marketing	Slightly higher	Slightly higher	Higher marketing spend in Asia and higher costs for Global R&D.
Cost savings	~SEK 250m	~ SEK 1bn	Includes global operations, overhead reduction and manufacturing footprint.
Logistics, warehousing etc.	Higher	Flattening	Some carry-over effect in 2014.



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# Factors affecting forward-looking statements



## 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.