



Q3 and YTD 2013 Financials

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Capital Markets Day
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Thinking of you
Electrolux

Financial Highlights

Sales and EBIT bridge Q3



SEKm	Q3 2012	Organic	Currency translation	Currency Transaction	Acquisitions	Q3 2013
Net sales	27,171	1,301	-1,214	-	-	27,258
Growth %	-	4.9%	-4.6%	-	-	0.3%
EBIT	1,423	171	-71	-448	-	1,075
EBIT %	5.2%	13.1%	5.8%	-	-	3.9%
Accretion %		0.3%	0.0%	-1.6%	0.0%	

Sales and EBIT bridge Jan-Sep



SEKm	Jan-Sep 2012	Organic	Currency Translation	Currency Transaction	Acquisitions	Jan-Sep 2013
Net sales	80,809	3,768	-4,317	-	-	80,260
Growth %	-	4.9%	-5.5%	-	-	-0.7%
EBIT	3,442	408	-179	-840	-	2,832
EBIT %	4.3%	11.0%	4.2%	-	-	3.5%
Accretion %		0.3%	0.0%	-1.0%	0.0%	

Currency Effects

Transactional Currency Effects

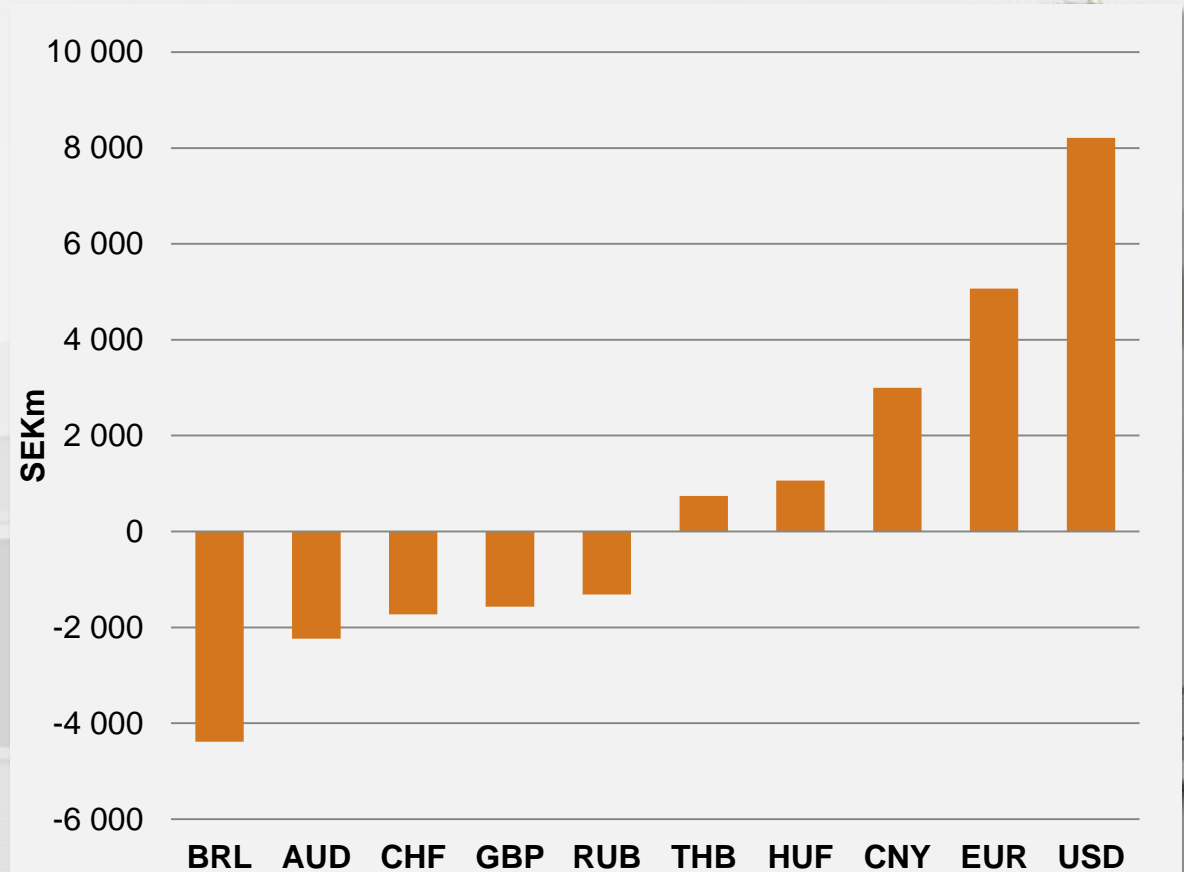


- In general, earnings for Electrolux benefits from a:
 - Weak USD, EUR, HUF, THB, MXN and CNY (export countries)
 - Strong BRL, RUB, ARS, CAD, CHF, AUD and GBP (import countries)
- In countries with large manufacturing and logistic centers effects over time will to a large extent balance out due to natural hedging.



Gross Currency Flows

- Largest currency flows over 12 months
- In total 80 significant currency pairs
- Total flows around SEK 37bn



Restructuring Update

Announced in Q3



- Manufacturing footprint SEK 2.2bn
- Overhead cost reduction SEK 1.2bn
- Total savings end of 2016 SEK 1.8bn

Operational Excellence 2012-2016

Presented November 2011



Total annual savings: SEK 5.3bn

One-time costs: SEK 5.1bn

**Mfg
footprint**

**Saving 1.6bn
Cost 3.5bn**

**Global
Operations**

**Saving 3.0bn
Cost 1.2bn**

**Overhead
cost**

**Saving 0.7bn
Cost 0.7bn**

Full effect 2016

Operational Excellence 2012-2016

Savings and Cost Update Q3 2013



Total annual savings: SEK 5.9bn (5.3)

One-time costs: SEK 6.0bn (5.1)



Status:

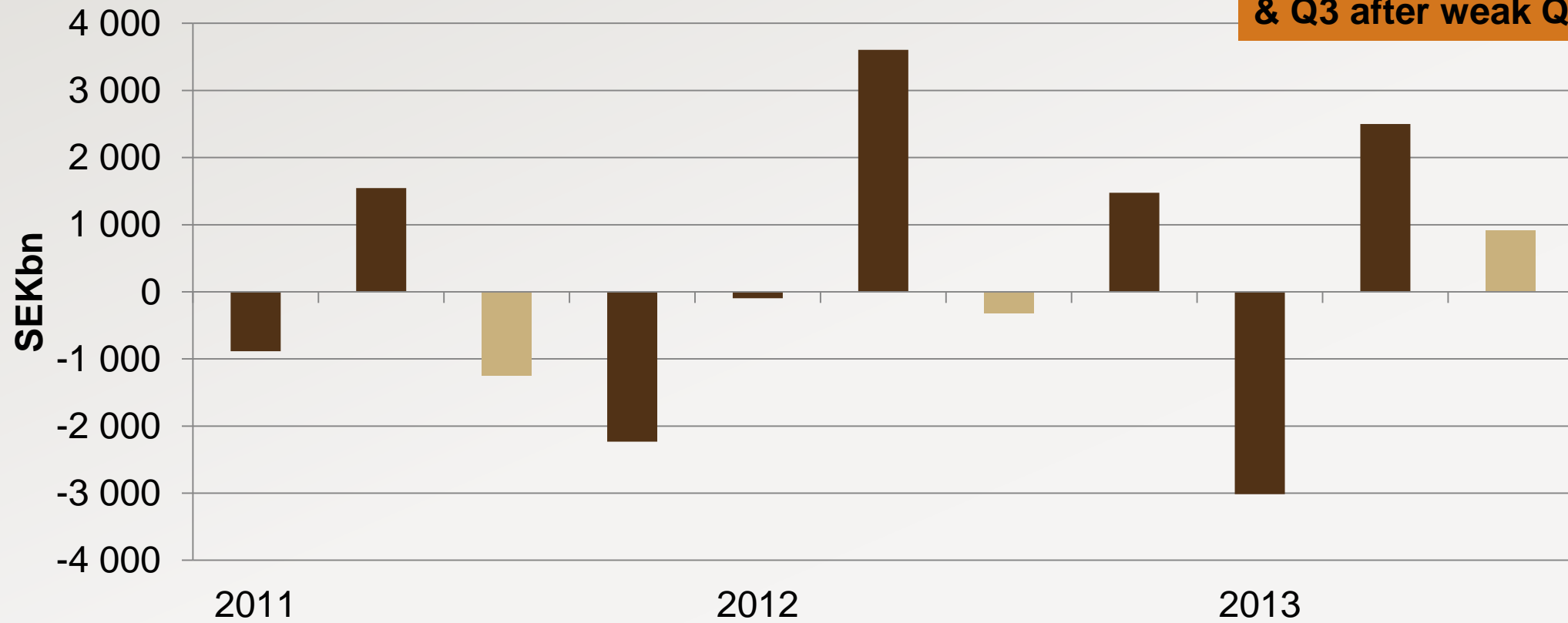
On-going, savings during latter part of the period	45% done	Majority done	Starting now
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Full effect 2016

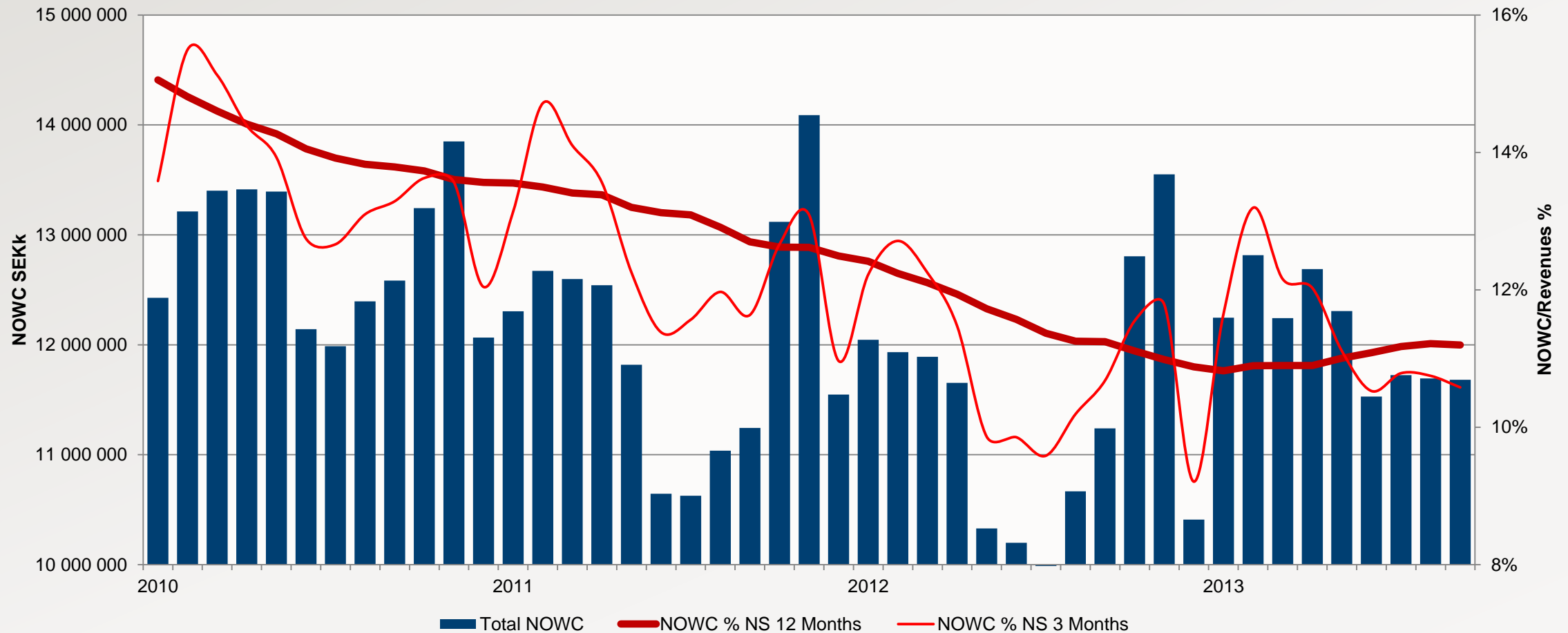
Cash Flow

Cash Flow

Free Cash Flow



Net Operating Working Capital



Understanding the Income Statement

Understanding Electrolux (2012)



110bn

Revenues

45bn

Direct Material

18bn

Sourced Products

42bn

Salaries and Other Expenses

= 5bn



Understanding Electrolux (2012)



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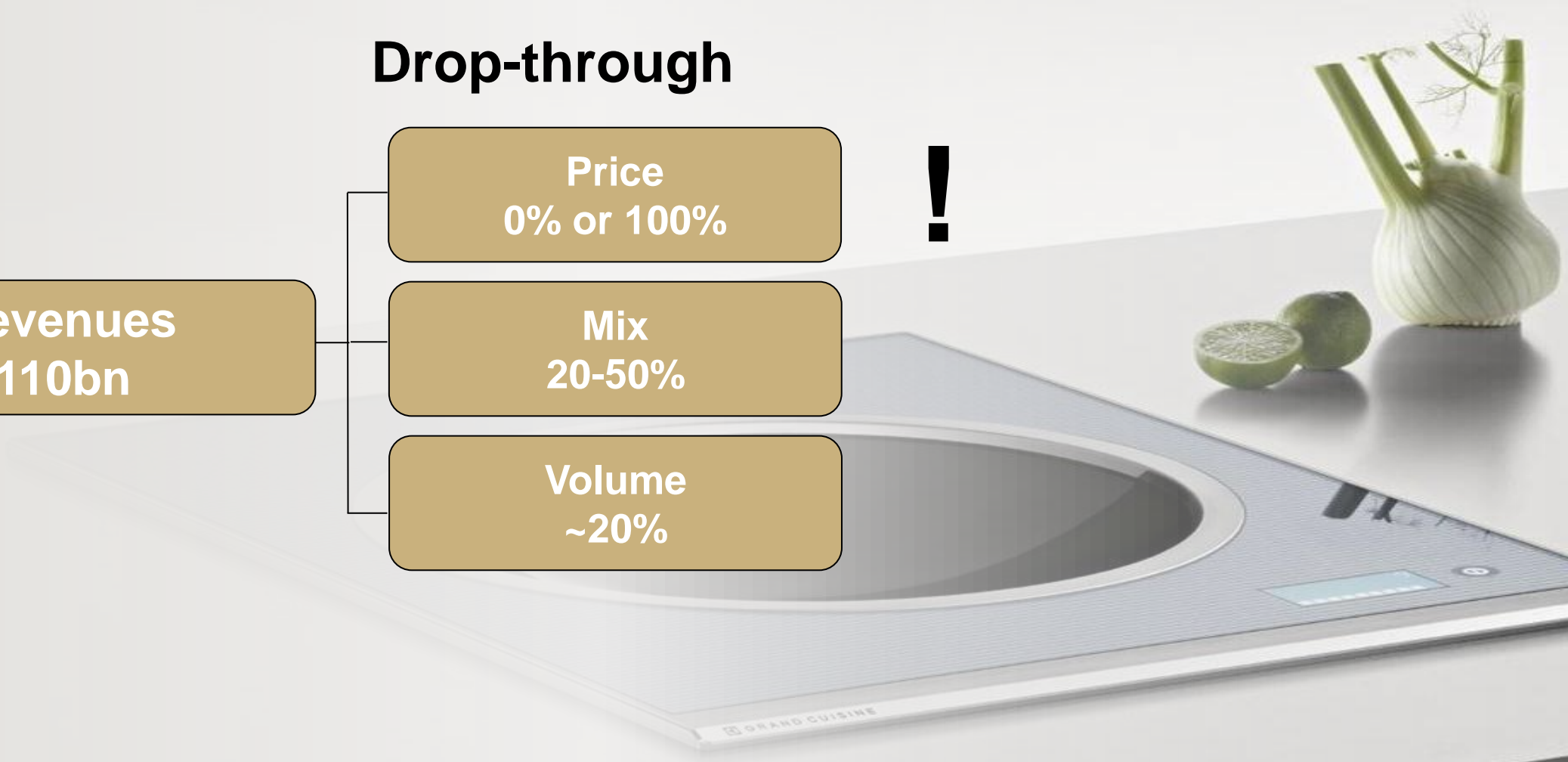
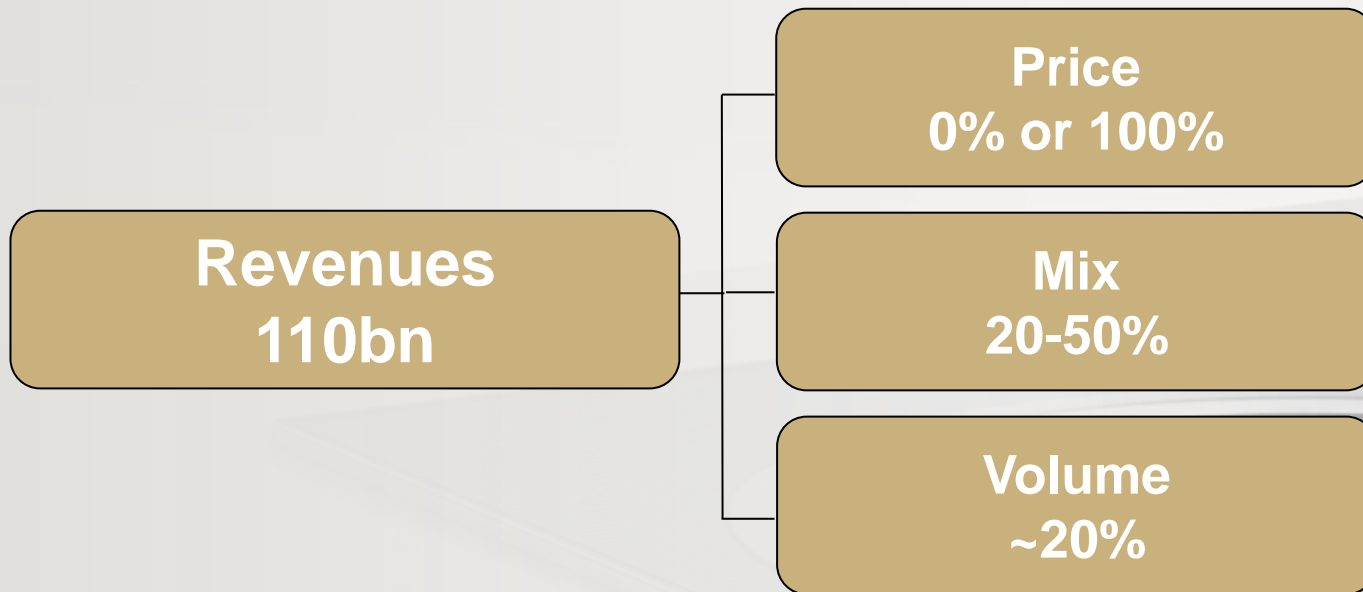
= 5bn



Understanding Electrolux (2012)



Drop-through



Understanding Electrolux (2012)



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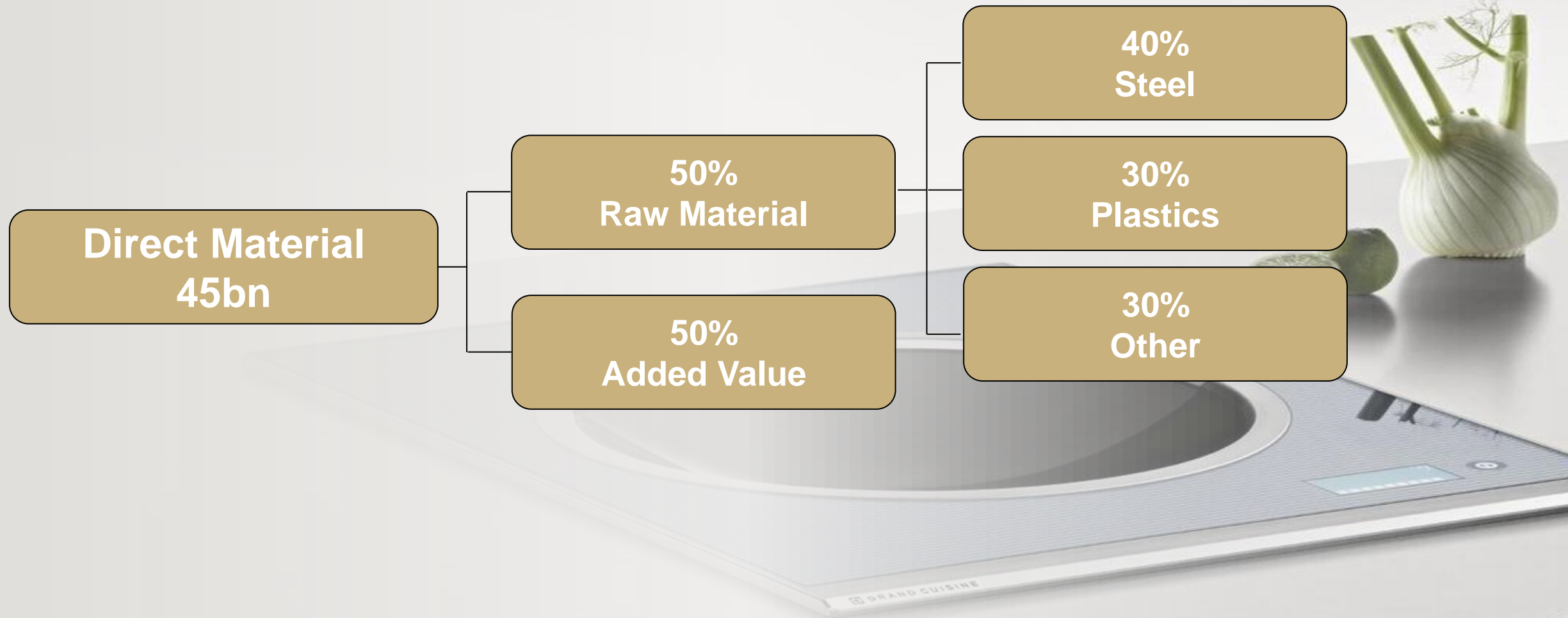
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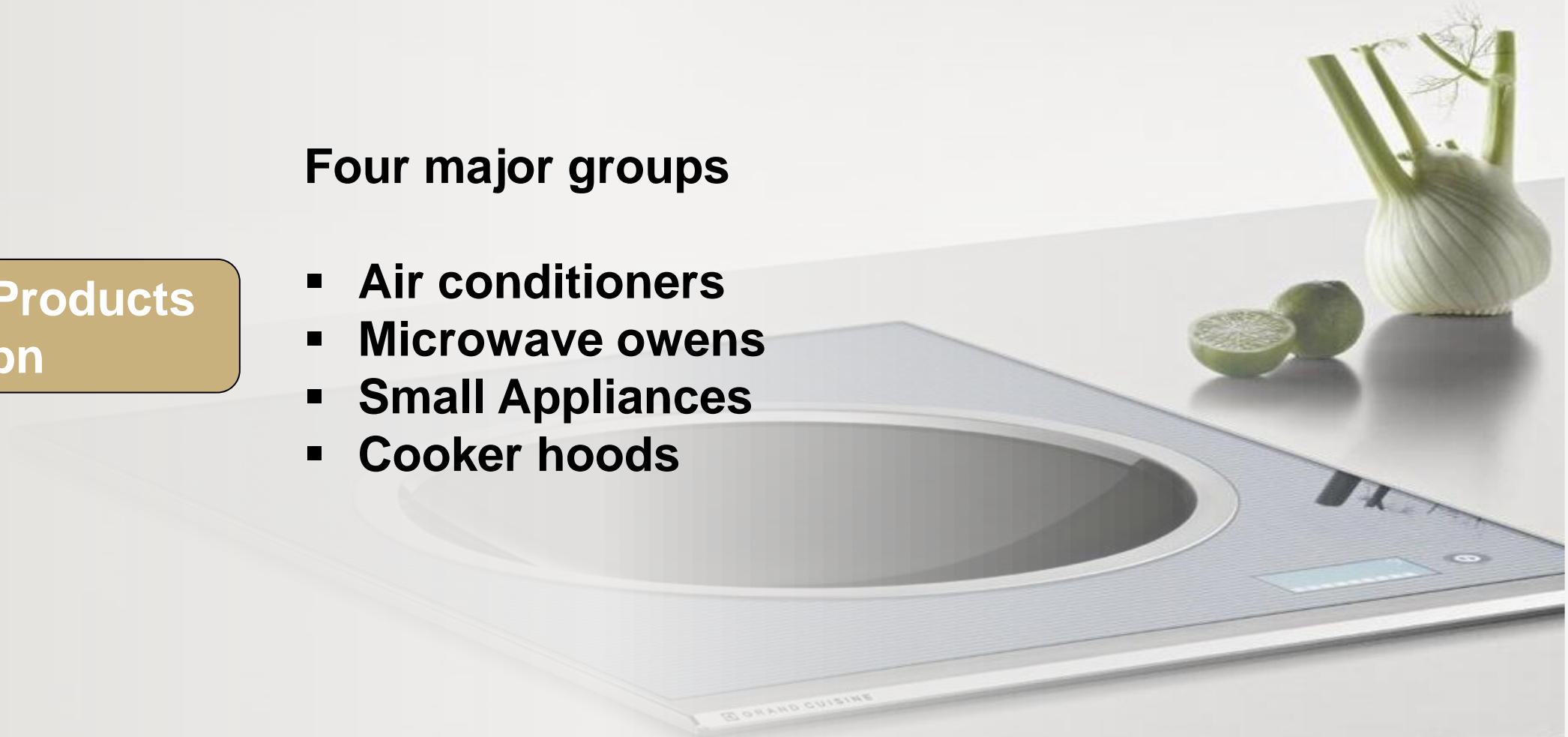
Understanding Electrolux (2012)



Four major groups

Sourced Products
18bn

- Air conditioners
- Microwave ovens
- Small Appliances
- Cooker hoods



Understanding Electrolux (2012)



110bn

Revenues

45bn

Direct Material

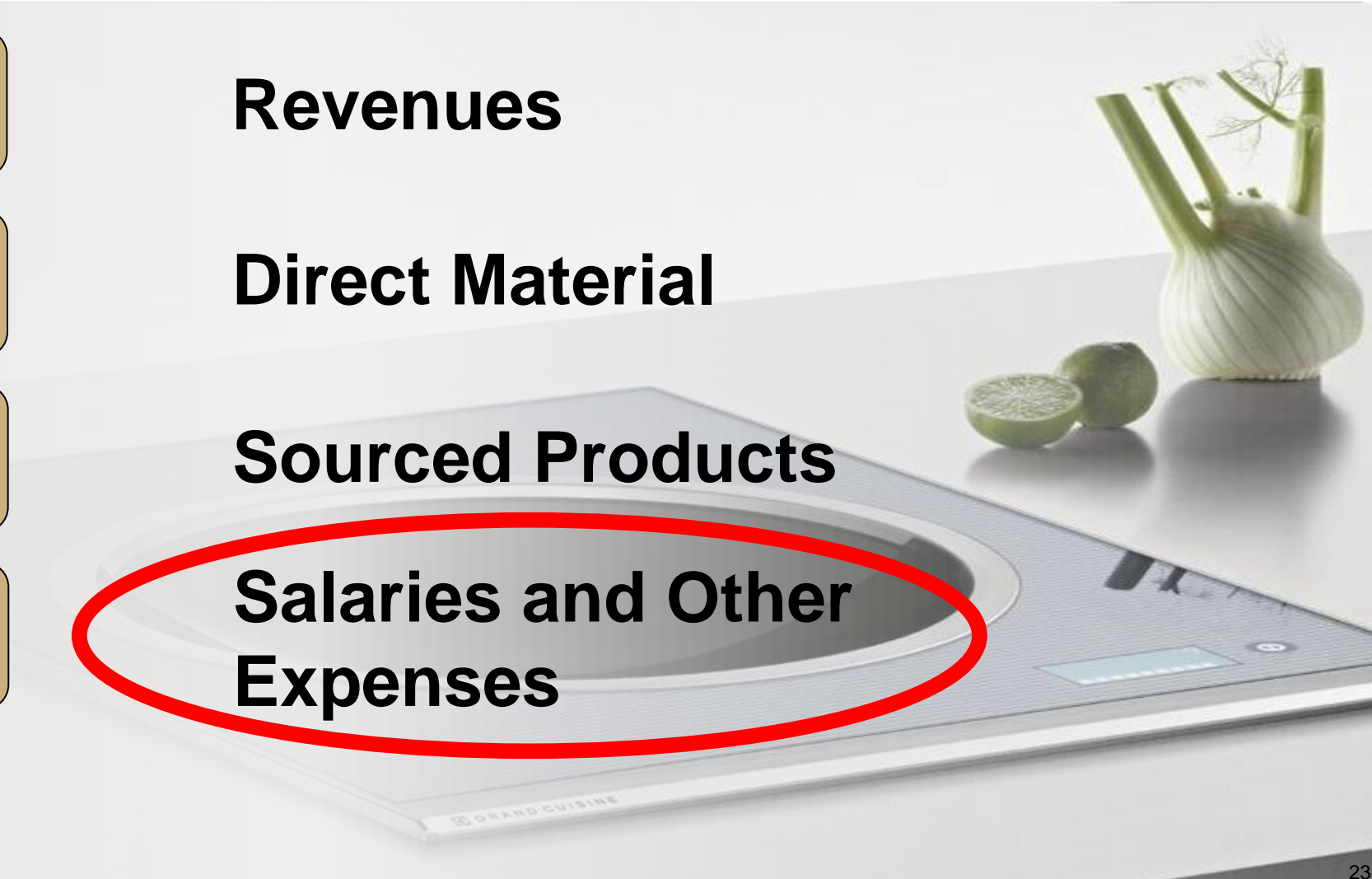
18bn

Sourced Products

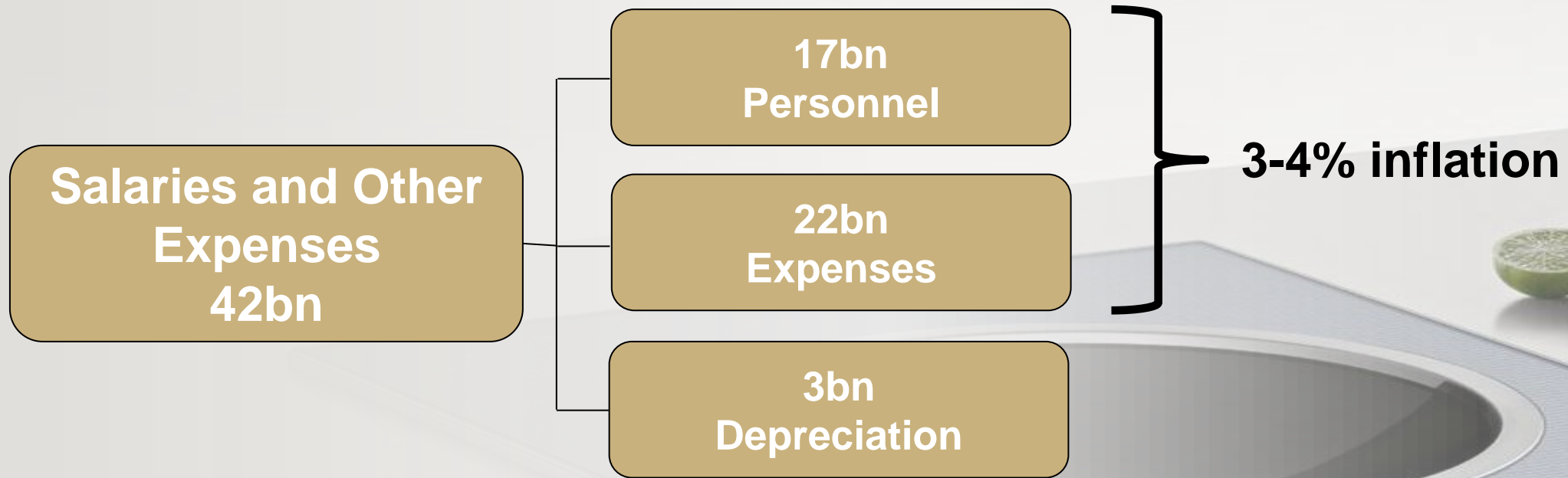
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Salaries and Other Expenses

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Understanding Electrolux (2012)



Understanding Electrolux (2012)



110bn

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= 5bn

Variable cost to sales	80%
Fixed cost to sales	15%

Summary of Major P&L Components



Price	0% or 100% drop-through(!)
Mix	20-50% drop-through
Volume	~20% drop-through
Total Sales	SEK 110bn
Salaries & expenses	SEK 42bn, 3-4% inflation (1.2bn-1.5bn)
Raw material	SEK 45bn total material, raw material 50%
Sourced products	SEK 18bn
Savings projects	Cost programs/efficiency
Fixed cost changes	Planned changes
Net organic	Net before currency and acq
Currency	~SEK 37bn in gross currency flows
Total	

Summary

Key Points Financial Development



■ Earnings

- North America more than compensates for EMEA deterioration
- The rest is basically currency impacts
- Over time currency impacts are mitigated
- Cost reduction program/investigation, mainly for EMEA, initiated

■ Cash Flow performance strong in Q2 and Q3 after weak Q1

■ Going forward:

- Growth according to strategy
- Low fixed cost to sales (~15%) and high asset velocity (~4 times) provides flexibility → Cash Flow and Return on Net Assets
- Restoring profitability in EMEA

