



Q3-14 Report October 20, 2014

Keith McLoughlin, President and CEO
Tomas Eliasson, CFO



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Q3 Highlights

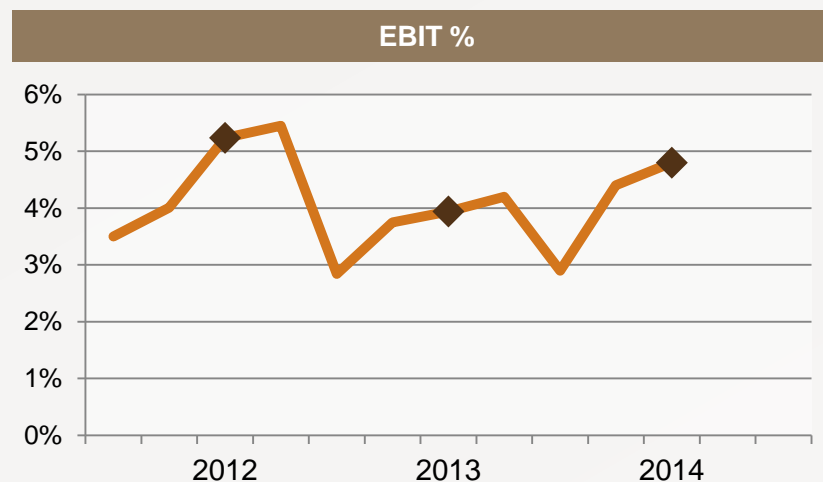


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- **Growth in our major markets**
 - Positive organic growth in North America, Latin America, Professional
 - Volumes in Europe slightly down
 - Slowdown in Asia/Pacific
- **Strong EBIT improvement**
 - Profit recovery in EMEA
 - Ongoing cost savings program contributing positively
 - Latin America and Asia/Pacific performed well despite weak market conditions
- **Solid operating cash flow**

(SEKm)	Q3 2013	Q3 2014	Change %
Sales	27,258	28,784	5.6%
Organic growth %		1.6%	
Currency		4.0%	
EBIT*	1,075	1,392	29%
Currency		-120	
Margin*	3.9	4.8	0.9%
EPS*	2.29	3.26	42.3%

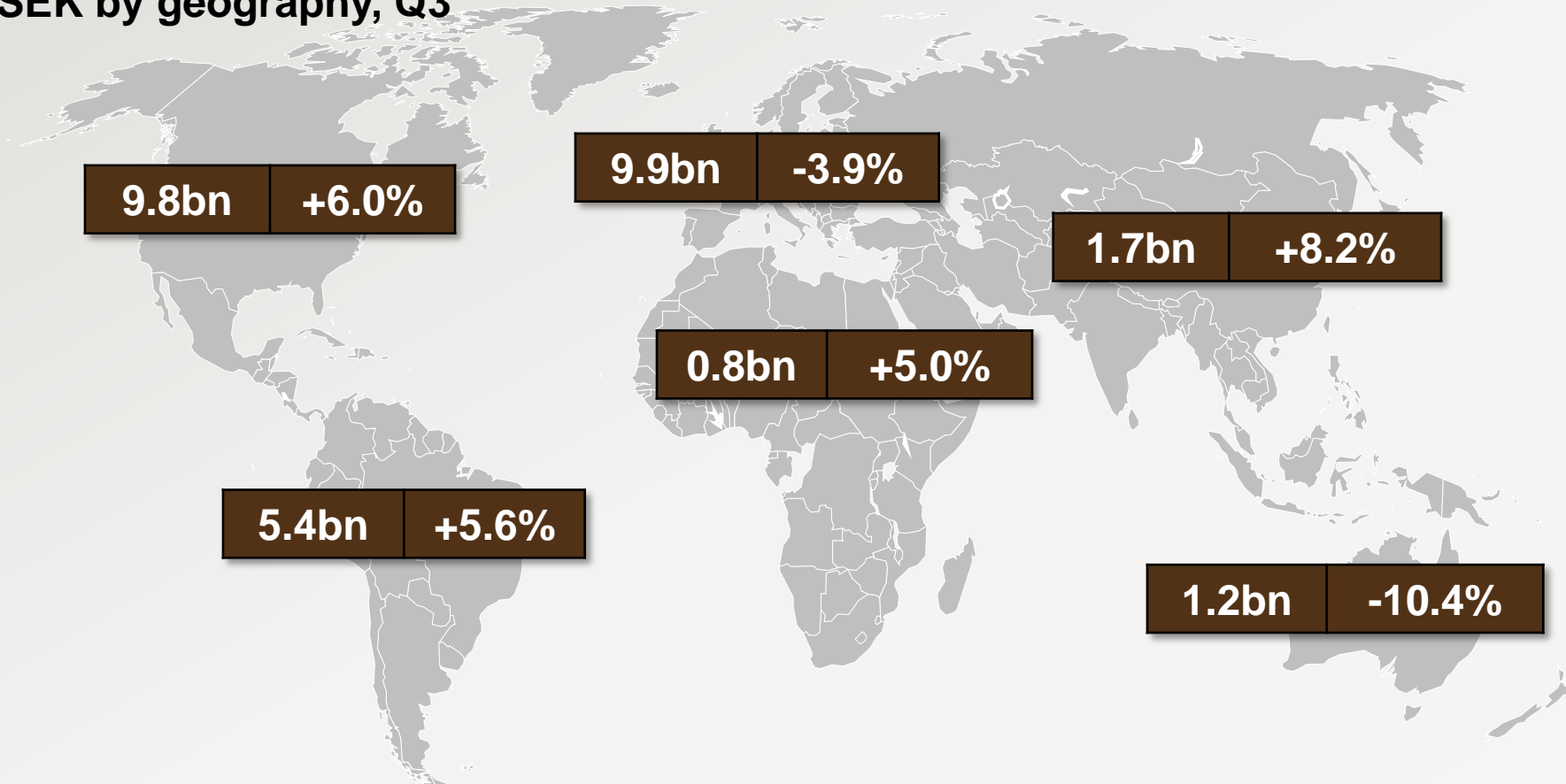
* Excluding items affecting comparability.
Non-recurring items are excluded in all figures.



Sales and Organic Growth Q3



SEK by geography, Q3



Market Highlights



- Electrolux acquires GE Appliances
 - Creating a global player in home appliances
 - An important step towards realizing our vision
 - Expect to close deal in 2015



- Electrolux Australia acquires major barbecue business
 - Well known and respected brand for the past 30 years
 - Part of our strategy to accelerate growth in this market segment



- Expanding the SDA range “The New Masterpiece Collection”
 - State-of-the-art kitchen tools being launched in the high-end segment
 - Collection includes an immersion blender, tabletop blender and food processor



Acquisition of GE Appliances



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Global scale to accelerate growth

- North America - attractive market for home appliances
- A leading player in the US market
- Broad geographic coverage
- Strong brands and complementary products
- Enhanced R&D, technology and manufacturing
- Well positioned to succeed in global and competitive industry

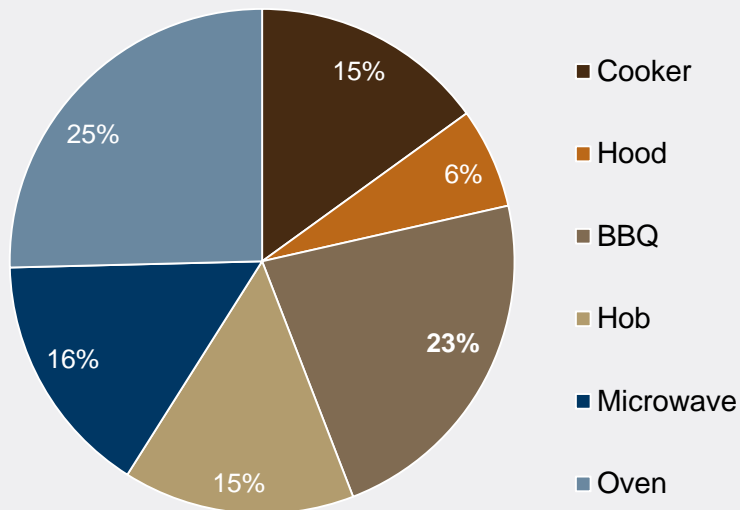
Significant synergies

- Annual synergies of USD 300m
- Synergies from combined operations and manufacturing
- Utilize cost efficient sourcing base
- Strong logistics and distribution capabilities
- One-off implementation cost of USD 300m
- Implementation capex of USD 60m expected for the first two years

BeefEater acquisition



Australia cooking market (2013)

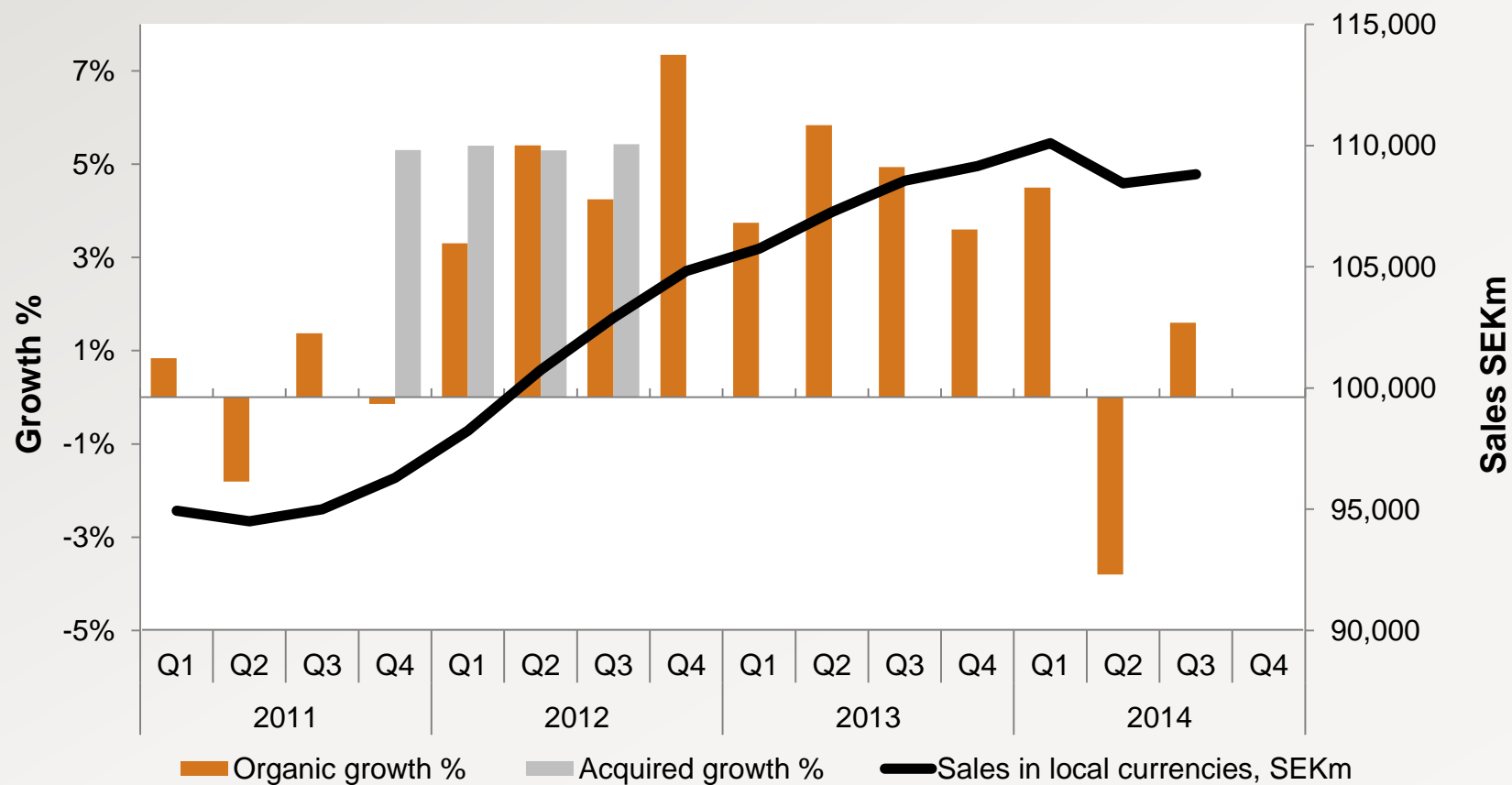


BeefEater overview

- Market leading position in Australia
- Annual sales of AUD 17 million
- Well established barbecue brand
- Broad range of products in every segment
 - Compact, mobile and built-in
 - Mid to premium market price segments
- Significant growth potential
- Complements Electrolux strengths with high-end freestanding models
- Widens sales channels
- Potential synergy savings

Significant potential for growth in the barbecue business

Sales in Local Currencies



Major Appliances EMEA – Q3

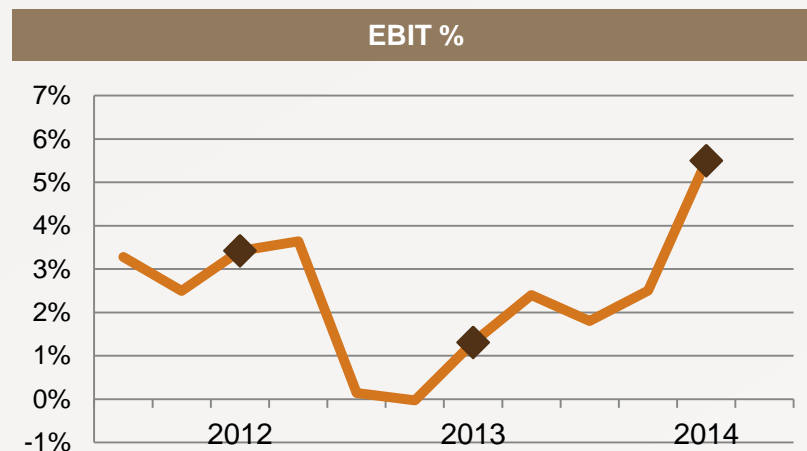


- **Positive earnings trend continues**

- Sales growth in Sweden, Benelux, and continued recovery in Spain
- Volumes impacted by deteriorating markets in Eastern Europe
- Improved product mix driven by focus on profitable product categories
- Positive contribution from ongoing cost reductions plan and production efficiency

(SEKm)	Q3 2013	Q3 2014	Change %
Sales	8,520	8,741	2.6%
Organic growth %		-1.3%	
Currency		3.9%	
EBIT*	111	484	Nm
Currency effect		81	
Margin*	1.3	5.5	4.2%

* Excluding items affecting comparability.
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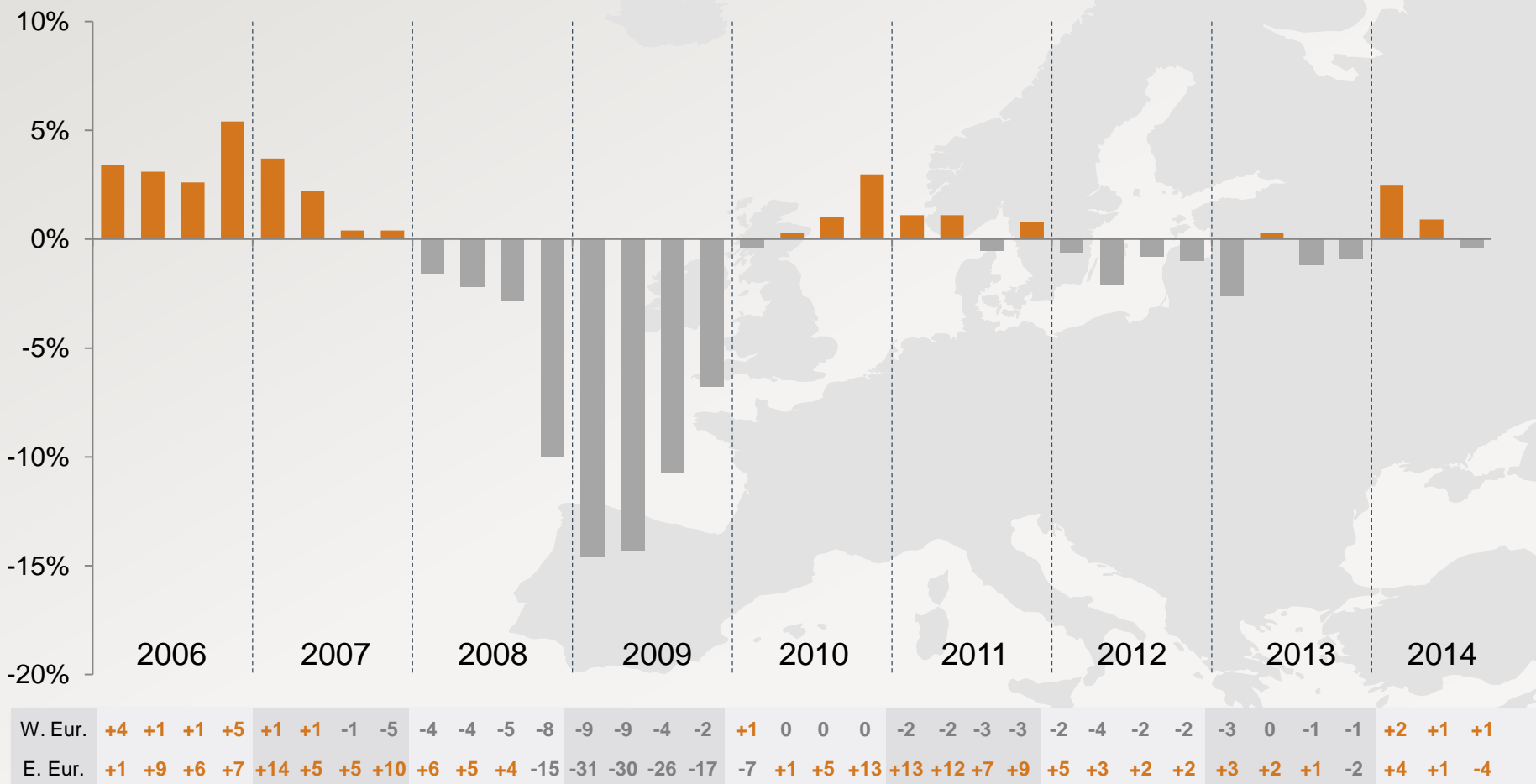


European White Goods Market



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Quarterly comparison y-o-y



Core White market development %

Major Appliances North America – Q3

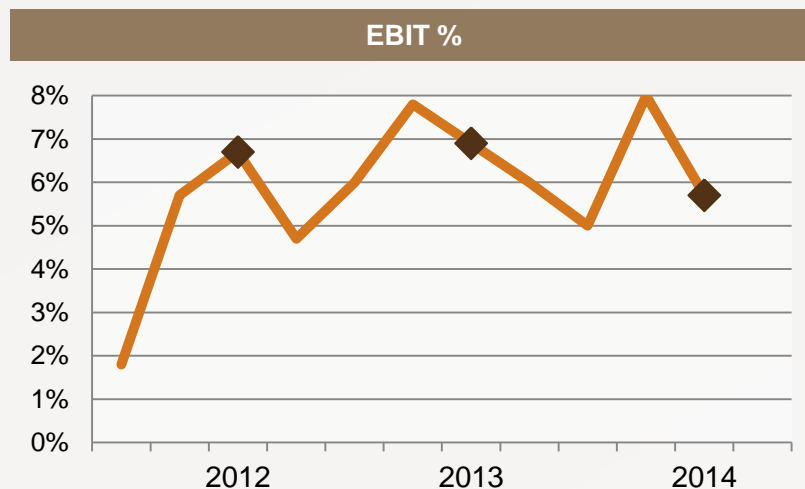


- **Growth in core appliances**

- Organic sales growth of +5%
- Product mix improvements
- Continued weak air-con market affected the quarter
- Results impacted by new requirements from DOE - transition for refrigerators and freezers
- Ramp up of cooking plant in Memphis continues

(SEKm)	Q3 2013	Q3 2014	Change %
Sales	8,165	9,089	11.3%
Organic growth %		5.0%	
Currency		6.3%	
EBIT*	563	518	-8.0%
Currency effect		-49	
Margin*	6.9	5.7	-1.2%

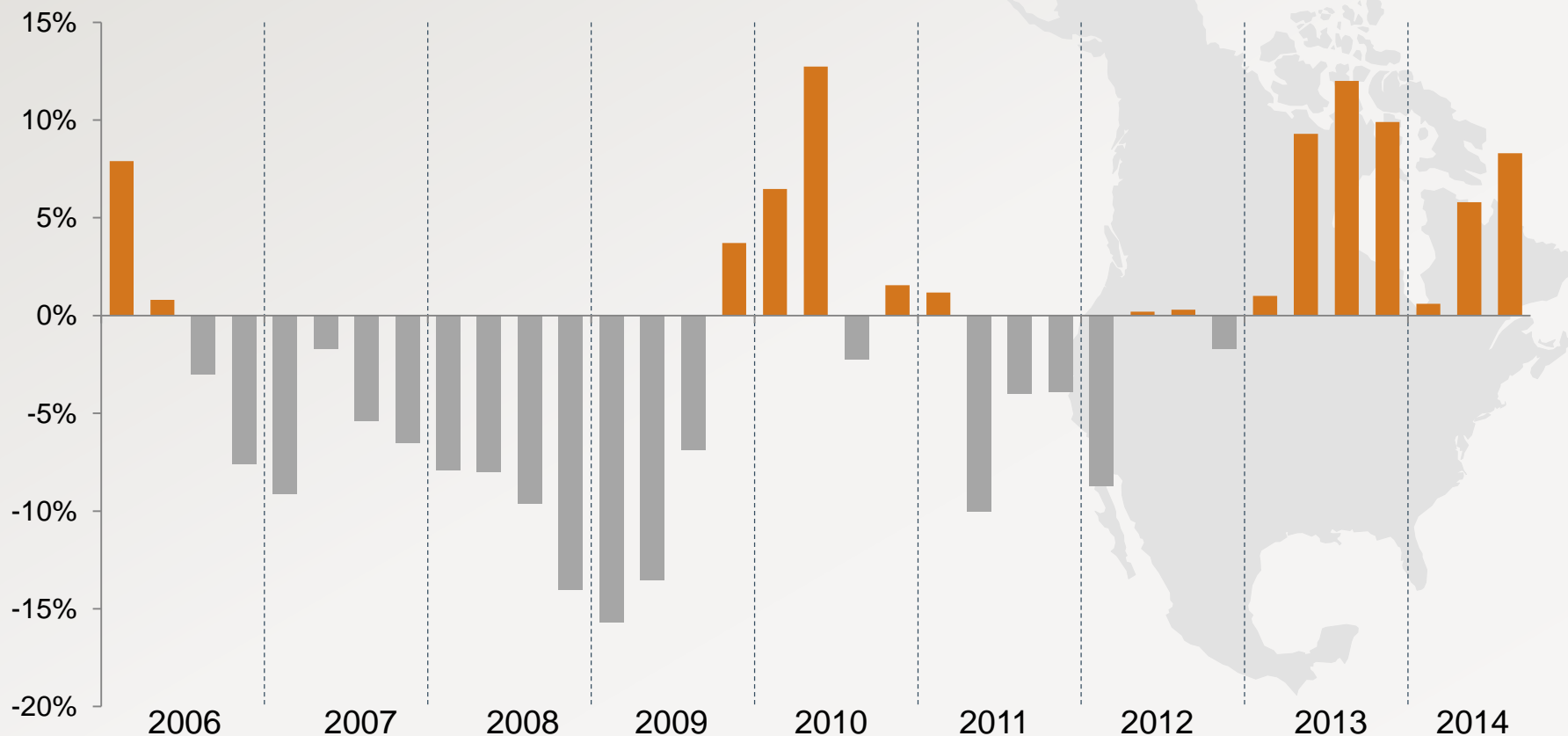
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North American White Goods Market



Quarterly comparison y-o-y



Major Appliances Latin America – Q3

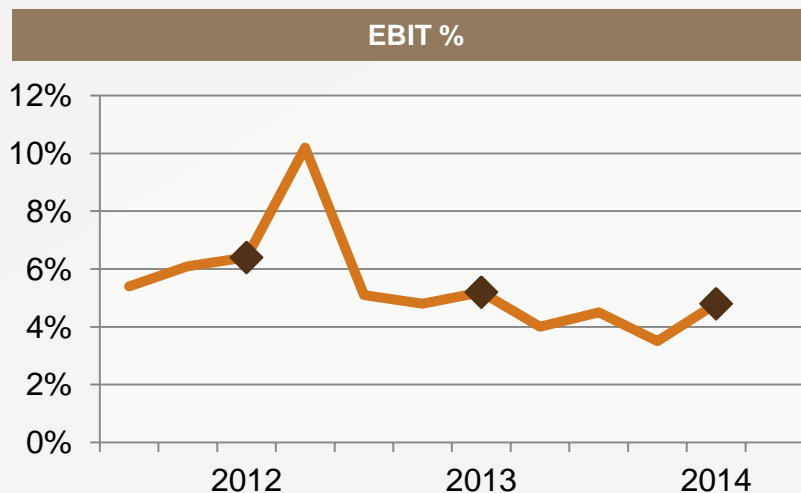


- **Solid performance in a tough market**

- Strong price/mix development
- Market volumes increased slightly in Brazil following a weak summer
- Demand in other Latin American markets continue to weaken
- Cost actions implemented
- Price increases continue to offset currency headwinds

(SEKm)	Q3 2013	Q3 2014	Change %
Sales	4,699	5,053	7.5%
<i>Organic growth %</i>		7.8%	
<i>Currency</i>		-0.3%	
EBIT*	243	242	-0.4%
Currency effect		-110	
Margin*	5.2	4.8	-0.4%

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Major Appliances Asia Pacific – Q3

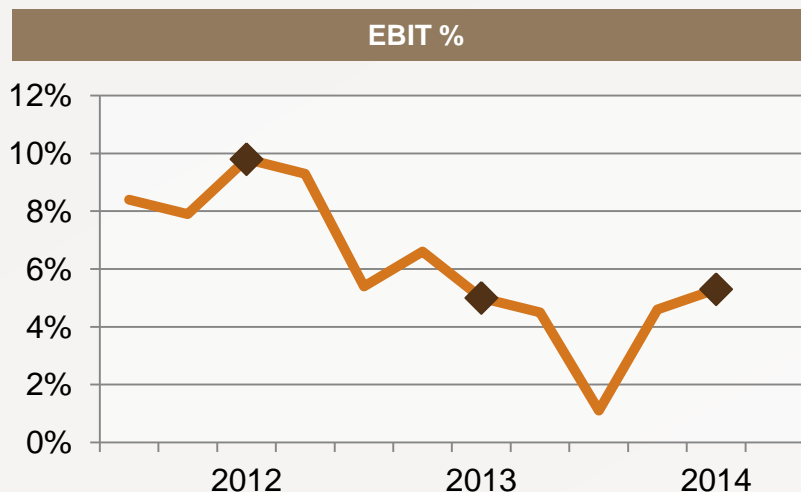


- **Improved results in slowing markets**

- Volume growth in SEA offset by lower sales in Australia and China
- Weakened market demand in the three sub-regions
- Price improvement offset lower volumes in Australia
- Ramp up costs for the new refrigeration plant in Thailand
- Actions taken to adapt costs contributed to the results

(SEKm)	Q3 2013	Q3 2014	Change %
Sales	2,321	2,342	0.9%
Organic growth %		-4.4%	
Currency		5.3%	
EBIT*	117	125	6.8%
Currency effect		-46	
Margin*	5.0	5.3	0.3%

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Small Appliances – Q3

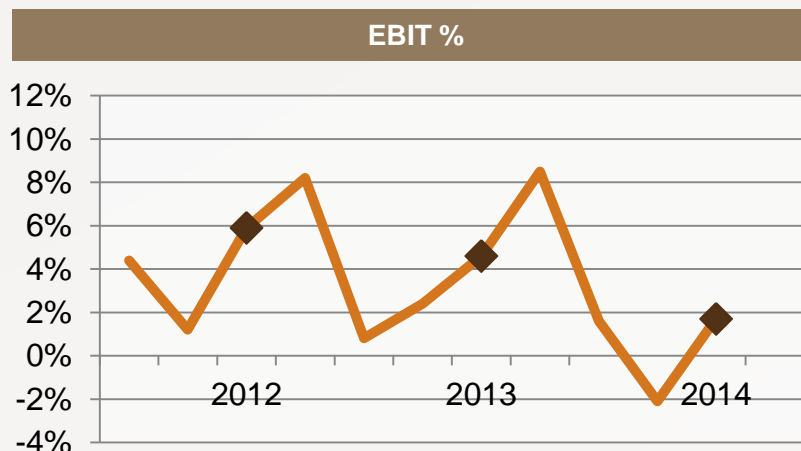


• Seasonally improving

- Sales declined as a result of lower volumes in Europe and weak demand in Latin America
- Positive growth in Asia continued
- Sales in Small domestic appliances continues to show growth
- Lower sales of upright vacuum cleaners in the US
- Negative impact from currency

(SEKm)	Q3 2013	Q3 2014	Change %
Sales	2,131	2,075	-2.6%
<i>Organic growth %</i>		-5.5%	
<i>Currency</i>		2.9%	
EBIT*	97	35	-63.9%
Currency effect		-14	
Margin*	4.6	1.7	-2.9%

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Professional Products – Q3

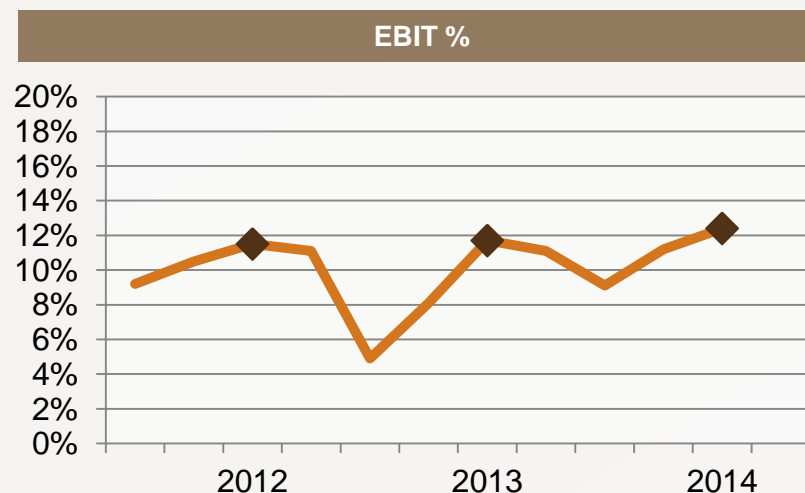


• Margins at a high level

- Positive volume growth
- Increased sales in the US and solid trend in emerging markets
- Weak demand in Eastern Europe
- Continued focus on growth in chains and new segments
- Improved margins due to higher volumes and lower cost structure

(SEKm)	Q3 2013	Q3 2014	Change %
Sales	1,422	1,484	4.4%
Organic growth %		0.7%	
Currency		3.7%	
EBIT*	167	184	10.2%
Currency effect		15	
Margin*	11.7	12.4	0.7%

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Non-recurring items are excluded in all figures.





Financials Q3-14

Tomas Eliasson, CFO



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Financials



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SEKm	Q3 2013	Q3 2014	Change
Sales	27,258	28,784	+6%
<i>Organic</i>			+2%
<i>Acquired</i>			-
<i>Currency</i>	-1,634	1,081	+4%
EBIT	1,075	1,392	+29%
EBIT margin %	3.9	4.8	-
Op cash flow after investments	1,036	1,603	+55%
EPS	2.29	3.26	+42%

Sales and EBIT bridge



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SEKm	Q3 2013	Volume Organic	Price/Mix	Currency translation	Currency transaction	Other	Q3 2014
Net sales	27,258	-660	1,105	1,081	-	-	28,784
Growth %	-	-2.3%	+3.9%	+4.0%	-	-	5.6%
EBIT	1,075	-13	450	+40	-160	-	1,392
EBIT %	3.9%	2.0%	40.7%		-	-	4.8%
Accretion %		1.5%		0.0%	-0.6%		

Currency Effects



Major transaction effects by, SEKm	Q1	Q2	Q3	Q4
BRL	-200	-80	-15	
ARS, CLP, VEF, COP	-130	-50	-50	
CNY	-1	-70	-45	
AUD	-75	-35	-20	
RUB	-15	-25	-5	
Total	-565	-420	-160	
Translation effects, SEKm	Q1	Q2	Q3	Q4
Total	-55	-10	+40	
Total currency effects, SEKm	-620	-430	-120	
Price and mix effects, SEKm	900	740	450	

Pre-closure transaction costs



GE Appliances - Costs expected pre-closure

Transaction (EBIT)	M&A advisory, lawyers, auditors	~200 SEKm
Integration (EBIT)	Integration team and external consultants	~100 SEKm
Funding (finance net)	Bridge facility	~200 SEKm
Total estimated cost		~500 SEKm

Note: USD/SEK exchange rate used as of 17/10/2014

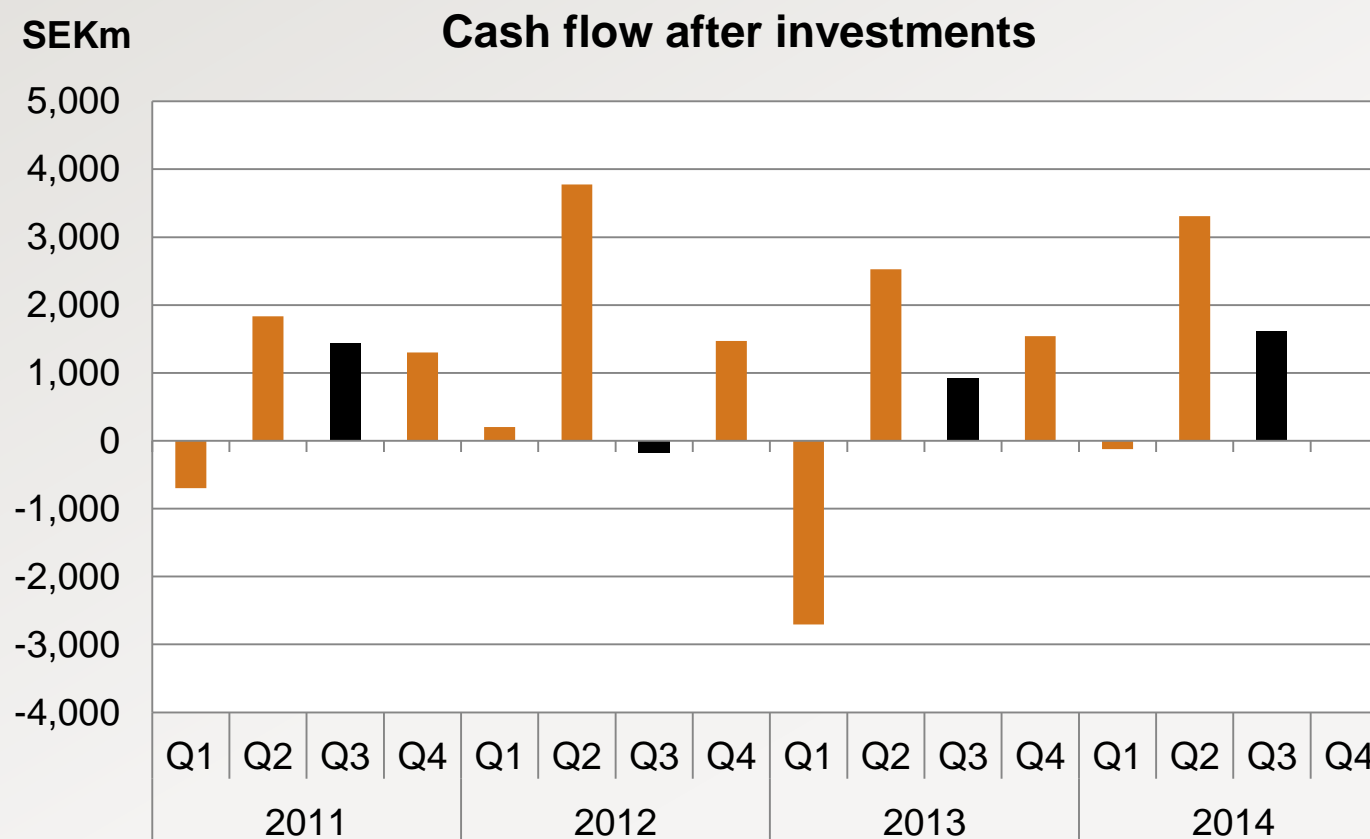
Q3 Cash Flow



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SEKm	2013 Q3	2014 Q3
EBITDA	2,036	2,366
Change in operating assets and liabilities	168	122
Investments	-1,168	-885
Operating cash flow after investments	1,036	1,603

Cash flow, 2011-2014



Outlook and summary

Keith McLoughlin, President and CEO
Tomas Eliasson, CFO



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Outlook



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	Q4 2014	FY 2014	Comments
Market volumes	Flat	Slightly Positive	Growth in North America, Europe uncertain Weakening emerging markets
Price/Mix	Slightly Positive	Slightly Positive	Positive in Latin America and North America Europe: positive product mix, negative price Asia/Pacific: negative country mix
Raw-material costs	Slightly positive	Flat	Q4: softening steel and plastics prices FY: range SEK-100m/+100m
R&D and Marketing	Higher	Higher	Higher marketing spend in North America Higher global R&D
Cost savings	SEK 250-300m	SEK 1bn-1.2bn	Include global operations, overhead reduction and manufacturing footprint



Q&A

Summary Q3



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- Higher profitability in Europe, cost take out initiatives continues
- Mix improvement through active product portfolio management
- Latin America and Asia/Pacific performed well in weak markets
- Sales and earnings in North America contributed strongly to the Group
- Professional Products continued to show improved results
- Earnings continued to improve with a solid cash flow





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Factors affecting forward-looking statements



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Factors affecting forward-looking statements

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