



Q1 Report

April 24, 2015

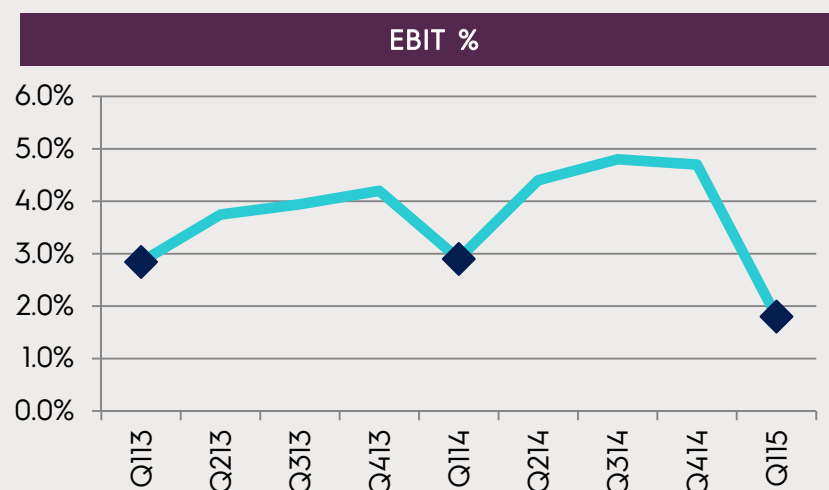
Keith McLoughlin, President and CEO
Tomas Eliasson, CFO

Q1 Highlights



- Continued mix improvement
 - Continued growth in Europe
 - Good performance in Latin America, Asia/Pacific and Professional
 - Currency translation effects
- EBIT of SEK 516m
 - Price/mix improvements partly offset lower volumes
 - Earnings improvement in EMEA
 - Negative impact from the results in North American operations
 - Unfavourable currency impact

(SEKm)	Q1 2014	Q1 2015	Change %
Sales	25,629	29,087	+13.5%
<i>Organic growth</i>		-0.5%	
<i>Acquired growth</i>		0.1%	
<i>Currency</i>		13.9%	
EBIT	731	516	-29.4%
Margin %	2.9	1.8	-1.1%
EPS	1.50	1.18	-21.3%



Market highlights



- **New Frigidaire Professional line to be launched in North America**

- High-end brand with professional-inspired look and performance
- Fills strategic place in the existing portfolio with potential to drive future growth in the North American market

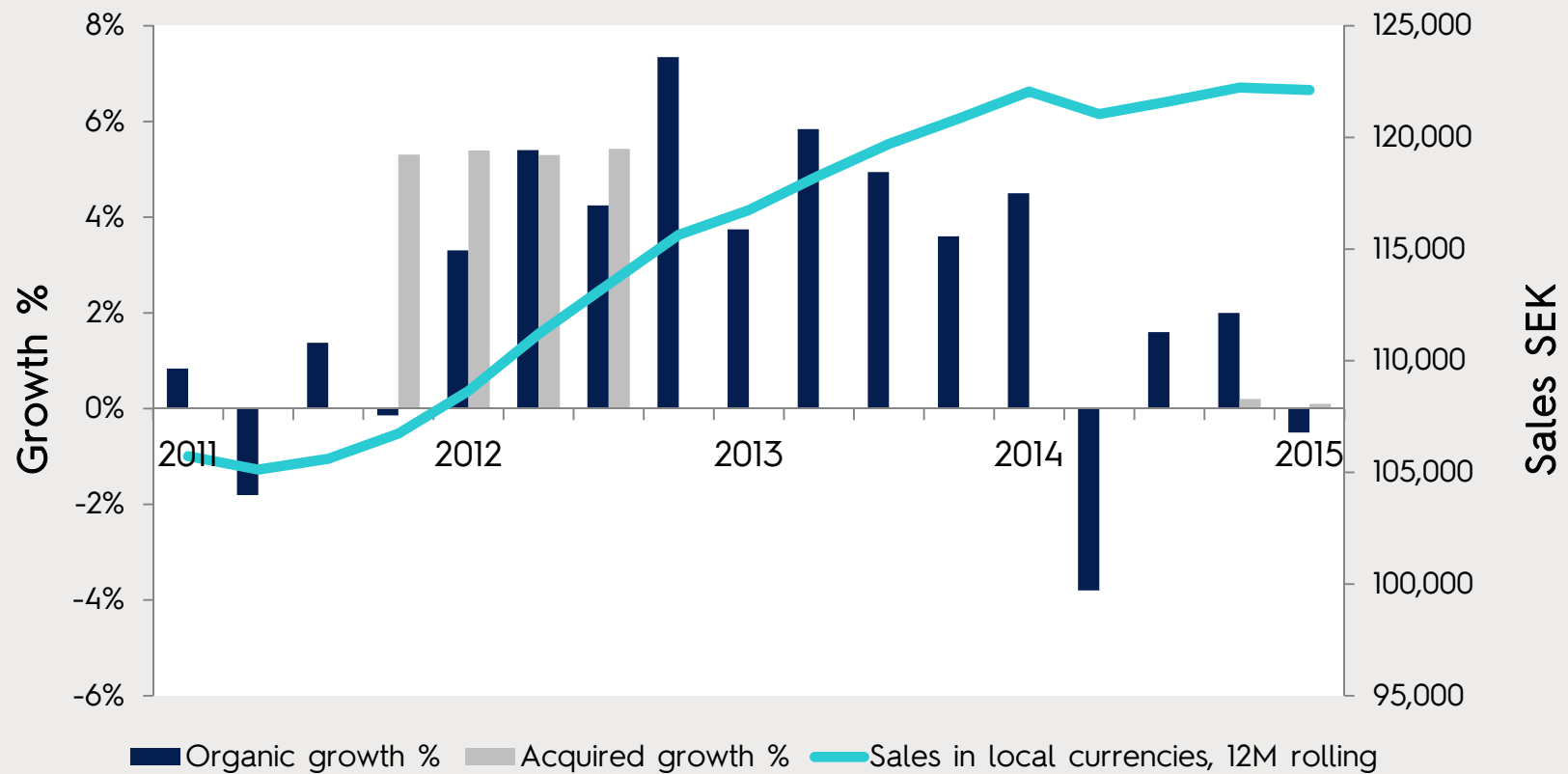


- **Electrolux largest launch of the Westinghouse brand in Australia**

- The range comprises kitchen appliances targeting the mass segments
- Over 400 retailers attended the event in Sydney and Melbourne in March 2015



Sales in Local Currencies



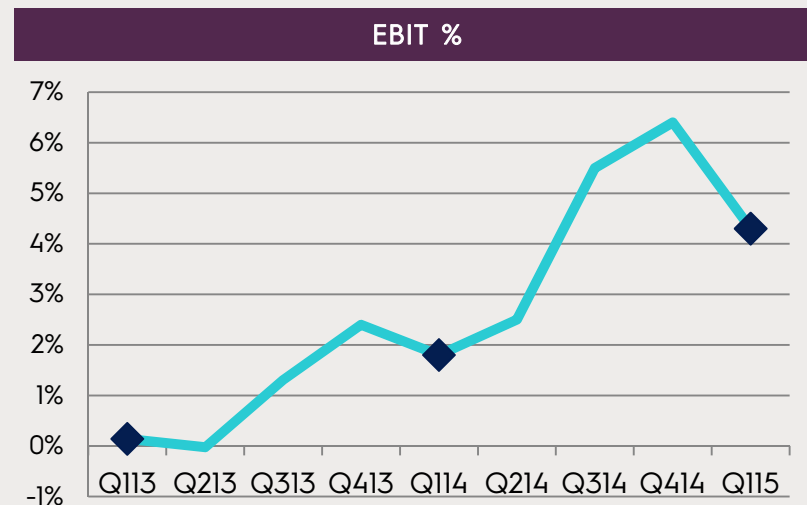
Major Appliances EMEA



- Strong margin improvement

- Positive organic growth of 3.0%
- Improved markets in Western Europe but demand in Eastern Europe impacted by decline in Russia
- Continued positive mix trend – increased sales in built-in segments
- Ongoing cost improvement and increased efficiency
- Currency and price pressure affect earnings

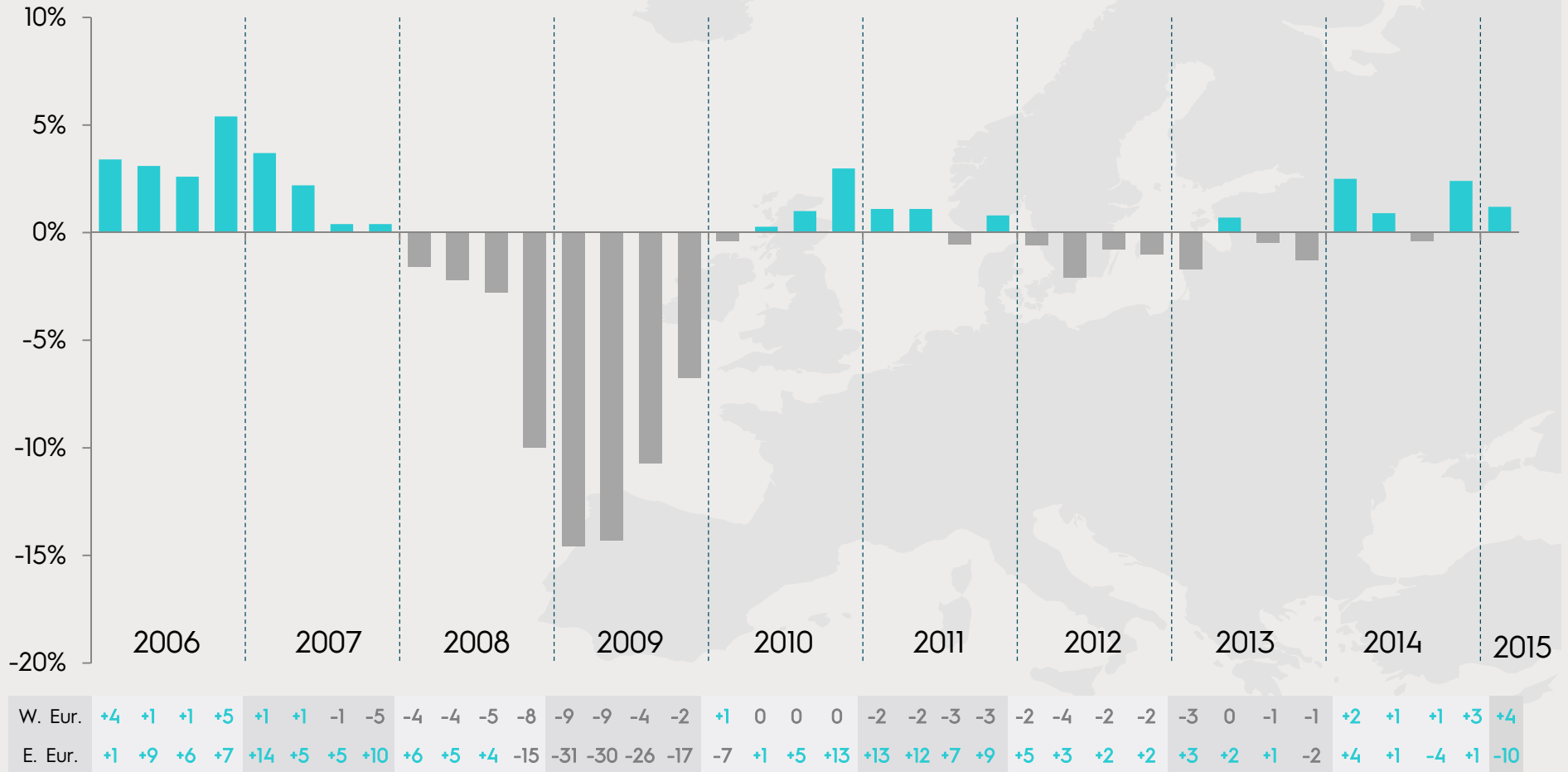
(SEKm)	Q1 2014	Q1 2015	Change %
Sales	7,865	8,608	9.4%
<i>Organic growth</i>		3.0%	
<i>Currency</i>		6.4%	
EBIT	142	371	161.3%
Margin %	1.8	4.3	2.5%



European White Goods Market



Quarterly comparison y-o-y



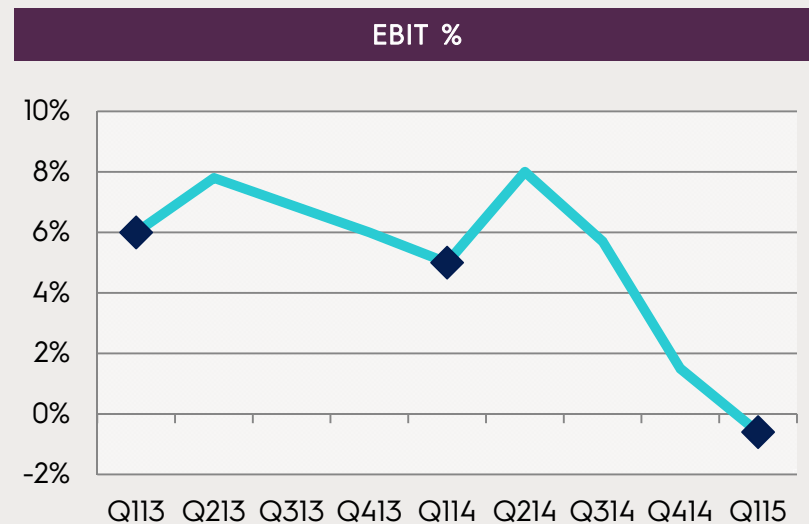
© Core White market development %

Major Appliances North America



- Slow start of the year
 - Sales volumes impacted by seasonally weak market
 - Lower sales of air-conditioning
 - Earnings continued to be impacted by the product transition to comply with new energy requirements
 - Continued ramp-up costs and inefficiencies within the new cooking plant in Memphis
 - Actions initiated to restore profitability

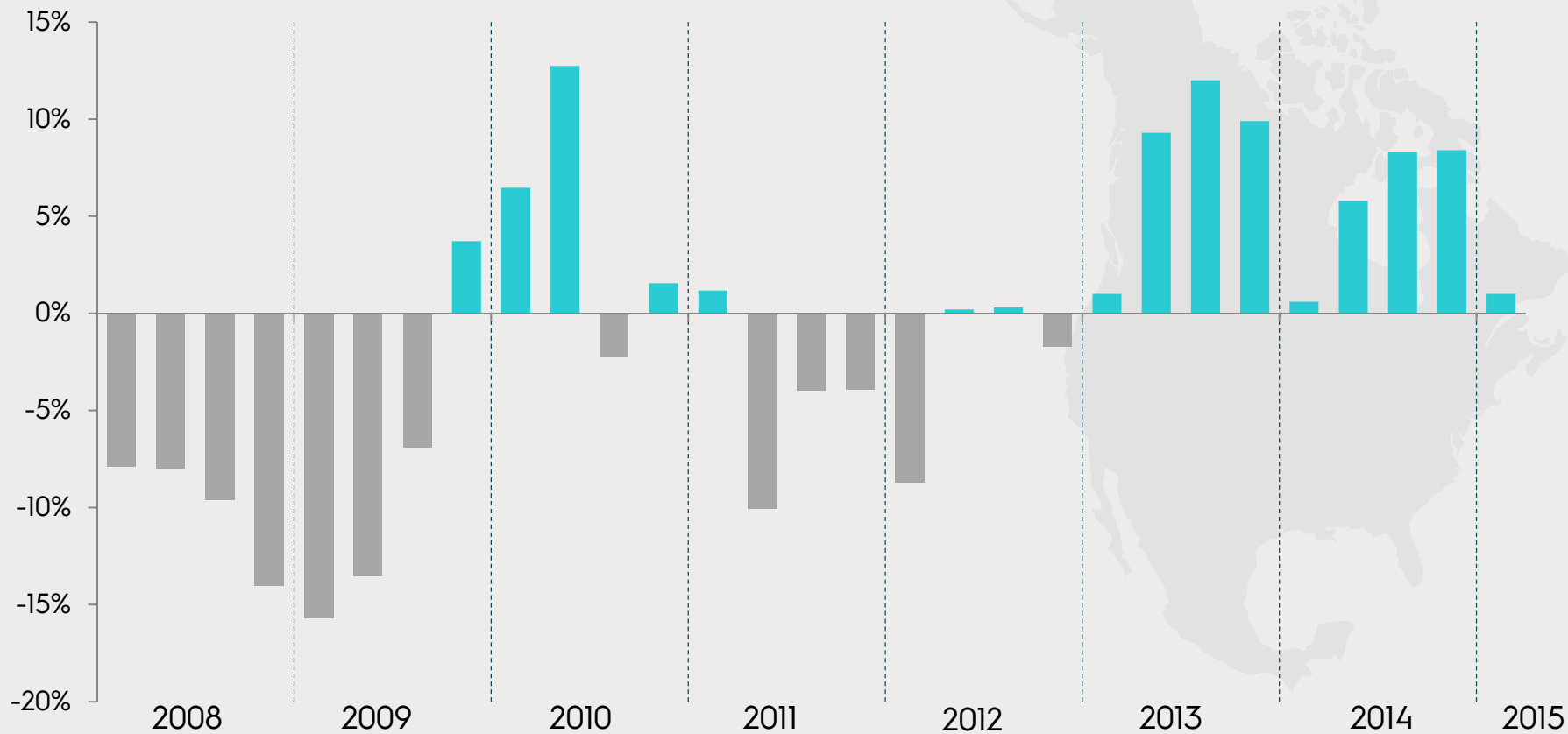
(SEKm)	Q1 2014	Q1 2015	Change %
Sales	7,664	9,313	21.5%
<i>Organic growth</i>		-3.6%	
<i>Currency</i>		25.1%	
EBIT	382	-57	<i>nm</i>
Margin %	5.0	-0.6	<i>nm</i>



North American White Goods Market



Quarterly comparison y-o-y

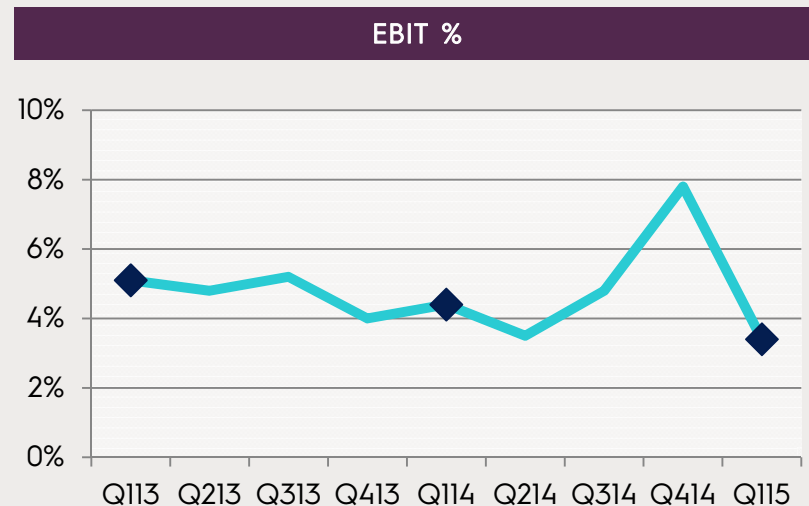


Major Appliances Latin America



- Good performance in challenging markets
 - Positive organic growth of 2%
 - Weak market conditions in Brazil and other Latin American countries
 - Price increases mitigated to a large extent negative currency effects
 - Continued measures to adjust cost base in a deteriorating market

(SEKm)	Q1 2014	Q1 2015	Change %
Sales	4,790	5,261	9.8%
<i>Organic growth</i>		2.0%	
<i>Currency</i>		7.8%	
EBIT	211	177	-16.1%
Margin %	4.4	3.4	-1.0%

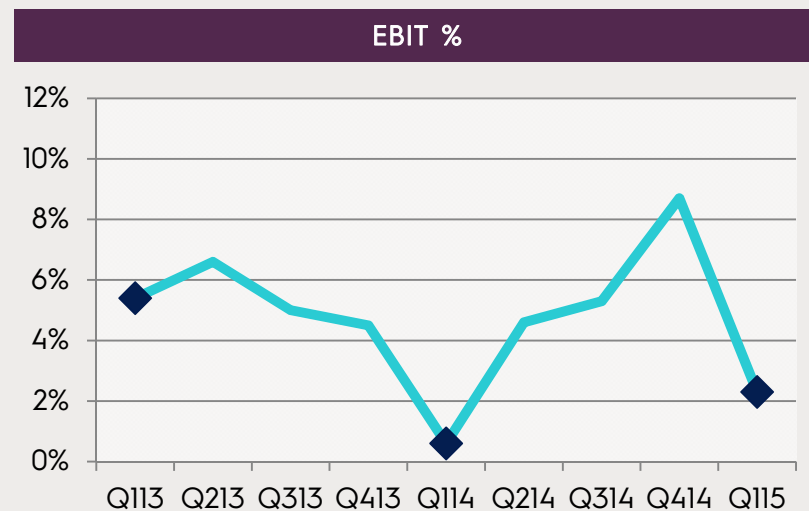


Major Appliances Asia Pacific



- Earnings improvement in soft markets
 - Higher volumes in Australia and Asia while China declined
 - Negative mix in Australia
 - Lower product and transportation costs had a positive impact on earnings
 - BeefEater integration proceeding well

(SEKm)	Q1 2014	Q1 2015	Change %
Sales	1,928	2,241	16.2%
<i>Organic growth</i>		-2.3%	
<i>Acquired growth</i>		1.0%	
<i>Currency</i>		17.5%	
EBIT	11	52	<i>nm</i>
Margin	0.6	2.3	1.7%

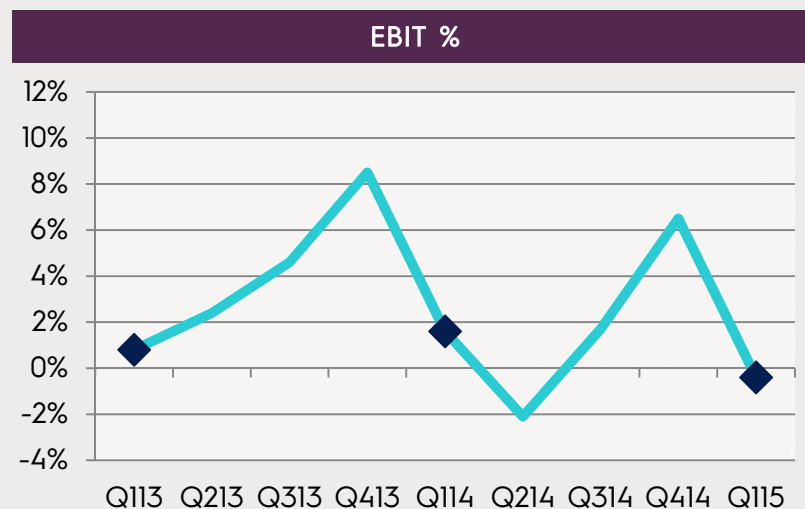


Small Appliances



- Seasonally weak quarter
 - Sales impacted by lower volumes in the US and Latin America
 - Positive mix due to focus on more profitable new range products
 - Continued growth in SDA (Small domestic appliances)
 - Currencies continue to have a negative effect
 - Cost reduction activities continuing

(SEKm)	Q1 2014	Q1 2015	Change %
Sales	2,001	2,139	6.9%
<i>Organic growth</i>		-5.5%	
<i>Currency</i>		12.4%	
EBIT	33	-8	<i>nm</i>
Margin %	1.6	-0.4	<i>nm</i>

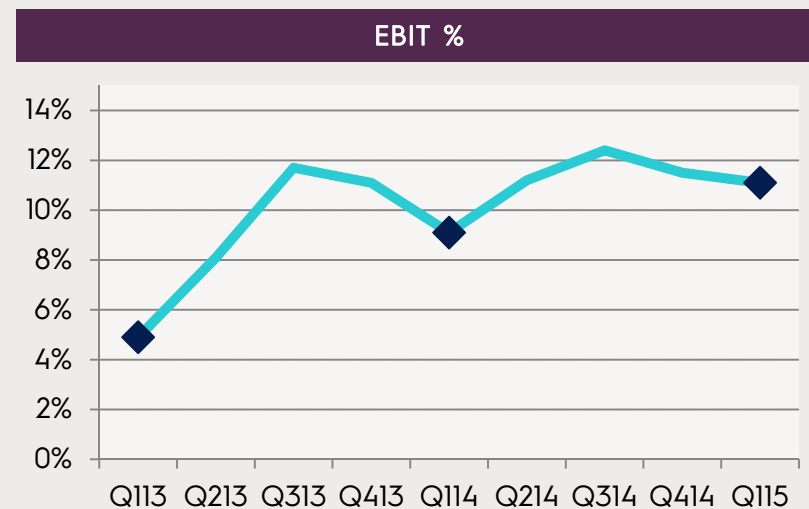


Professional Products



- Good margin development
 - Organic growth of +3.0%
 - Higher sales volumes and increased market share
 - Sales increased in Western Europe and in emerging markets
 - Strategic initiatives to grow in new markets and segments
 - Improved profitability thanks to higher sales volumes and efficiency gains
 - Announced acquisition of Veetsan

(SEKm)	Q1 2014	Q1 2015	Change %
Sales	1,380	1,525	10.5%
<i>Organic growth</i>		3.0%	
<i>Currency</i>		7.5%	
EBIT	126	170	34.9%
Margin %	9.1	11.1	2.0%





Financials

Q1-15

Tomas Eliasson, CFO

Financials



SEKm	Q1 2014	Q1 2015	Change
Sales	25,629	29,087	+13.5%
Organic	4.5%	-0.5%	
Acquired	-	0.1%	
Currency	-3.3%	13.9%	
EBIT	731	516	-29.4%
EBIT margin %	2.9	1.8	-
Op cash flow after investments	-123	-383	n.m.
EPS	1.50	1.18	-21.3%

Q1 Sales and EBIT bridge



SEKm	Q1 2014	Volume Organic	Price/Mix	Currency Translation	Currency Transaction	Acq	Other*	Q1 2015
Net sales	25,629	-1,321	1,185	3,572	-	22	-	29,087
Growth	-	-4.5%	+4.0%	+13.9%	-	+0.1%	-	13.5%
EBIT	731	-217	297	144	-422	0	-17	516
EBIT	2.9%	-16.4%	25.1%	4.0%	-	-	-	1.8%
Accretion		0.3 %		0.1%	-1.5%	0.0%	-0.1%	

Currency Effects



Major transaction effects by, SEKm	Q1	Q2	Q3	Q4
BRL	-140			
RUB	-80			
CLP	-45			
ARS	-40			
Total	-422			

Translation effects, SEKm	Q1	Q2	Q3	Q4
Total	144			

Total currency effects, SEKm	-278			
Price/mix effect	297			

Pre-Closure Transaction Cost GEA



		Total	2014	2015
Transaction (EBIT Group)	M&A advisory, lawyers, auditors	~300m	110m	190m
Integration (EBIT EMA NA)	Integration team and external consultants	~180m	50m	130m
Funding (finance net) *)	Bridge facility	~240m	-	240m
Total estimated cost		~720m	160m	560m

*) Incurred finance cost capitalized, recognised at closing

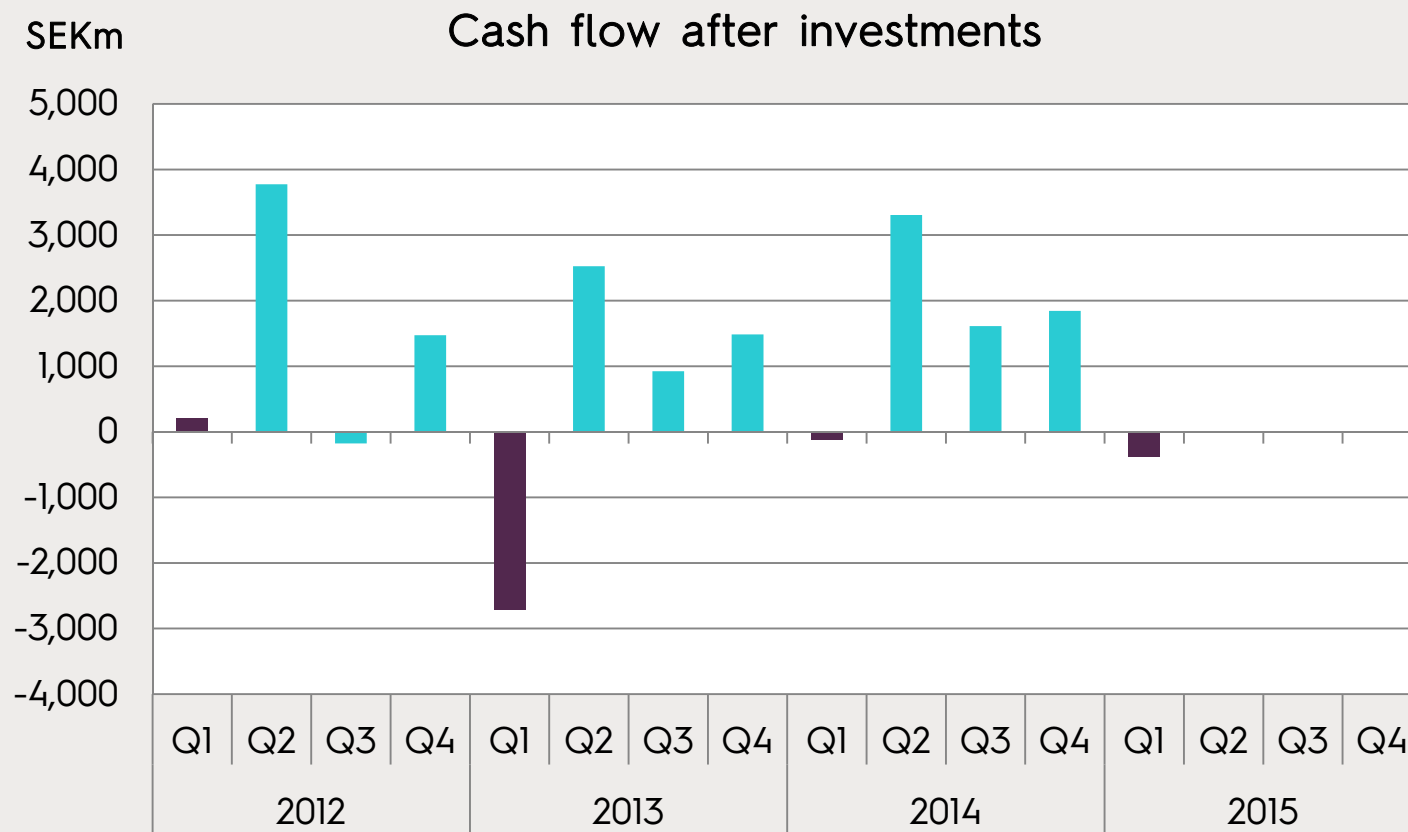
Q1 Cash Flow



SEKm	2014 Q1	2015 Q1
Operations	1,706	1,566
Net operating working capital	589	264
Other operating assets and liabilities	-1,749	-1,418
Investments	-669	-795
Cash flow after investments	-123	-383

*Operating cash flow after investments

Cash flow, 2012-2015





Outlook and summary

Keith McLoughlin, President and CEO
Tomas Eliasson, CFO

Outlook



	Q2 2015	FY 2015	Comments
Market volumes	Flat	Slightly Positive	Positive growth in NA and Europe Latin America negative
Price/Mix	Slightly Positive	Slightly Positive	Latin America and North America positive Europe: positive product mix Asia/Pacific: positive product mix
Raw-material costs	Positive	Positive	FY: \geq SEK 500m
Cost savings	SEK 250-300m	SEK 1.0 - 1.2bn	Efficiencies from global operations, manufacturing footprint and modularization
Capex	Stable	Stable	FY: \leq SEK 4bn

Q&A



Electrolux

Summary Q1



- Strong performance in EMEA, Professional Products and good performance in Latin America
- Mix improvements in most business areas
- Price increases and mix improvements partly mitigated currency headwinds
- Earnings impacted by the operations in North America due to transition costs and inefficiencies due to the ramp-up of new cooking plant
- Cost synergies from the pending GE Appliances have been revised upwards to USD 350m

Factors affecting forward-looking statements



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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.