

A modern kitchen with a dark countertop and a brick backsplash. In the foreground, there's a black tray with fresh vegetables like green beans, cherry tomatoes, and orange flowers. To the left, a white plate holds more green vegetables. In the background, a stainless steel sink and a built-in oven with a digital display are visible. The overall lighting is warm and focused on the food and appliances.

Q4 Report

January 28, 2016

Keith McLoughlin, President and CEO
Tomas Eliasson, CFO

Full Year 2015 Summary



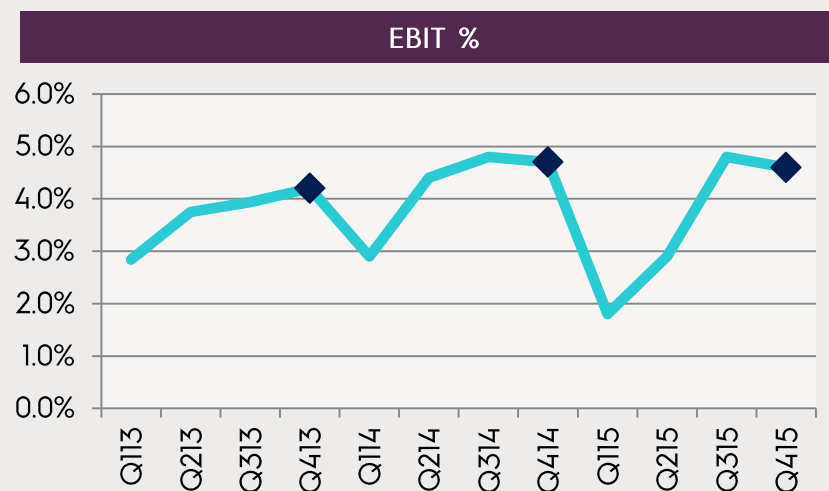
- **Net Sales of SEK 124bn (112)**
 - Positive organic growth of 2.2%, acquisition of 0.1% and currency effects of 7.8%
 - Growth driven by EMEA, North America and Professional Products
 - Mix improvement across all business areas
- **Underlying earnings improvement, EBIT margin of 3.9%* (3.2%)**
 - Strong earnings improvement in Major Appliances EMEA and Professional
 - Profitability in the North American operations being restored
 - Cost actions and price increases in Latin America
- **Strong cash flow generation of SEK 7.5bn (6.6)**
- **The Group maintained a strong balance sheet**
- **Proposed dividend of SEK 6.50 (6.50) per share**

Q4 Highlights



- Good progress in our two largest markets
 - Continued growth in EMEA, North America and Professional
 - Latin America declined due to weak markets
 - Positive price/mix in several markets
- Stable underlying earnings
 - Price/mix contributed positively
 - Savings and increased efficiency
 - Negative impact from currency
- Strong cash flow generation

(SEKm)	Q4 2014	Q4 2015	Change
Sales	31,400	31,794	1.3%
Organic growth		0.2%	
Acquired growth		0.1%	
Currency		1.0%	
EBIT	1,395	-202	n.m.
Margin %	4.4	-0.6	-5.1
EPS	3.39	-1.38	n.m.



Note: EBIT margin excluding costs related to the not completed acquisition of GE Appliances

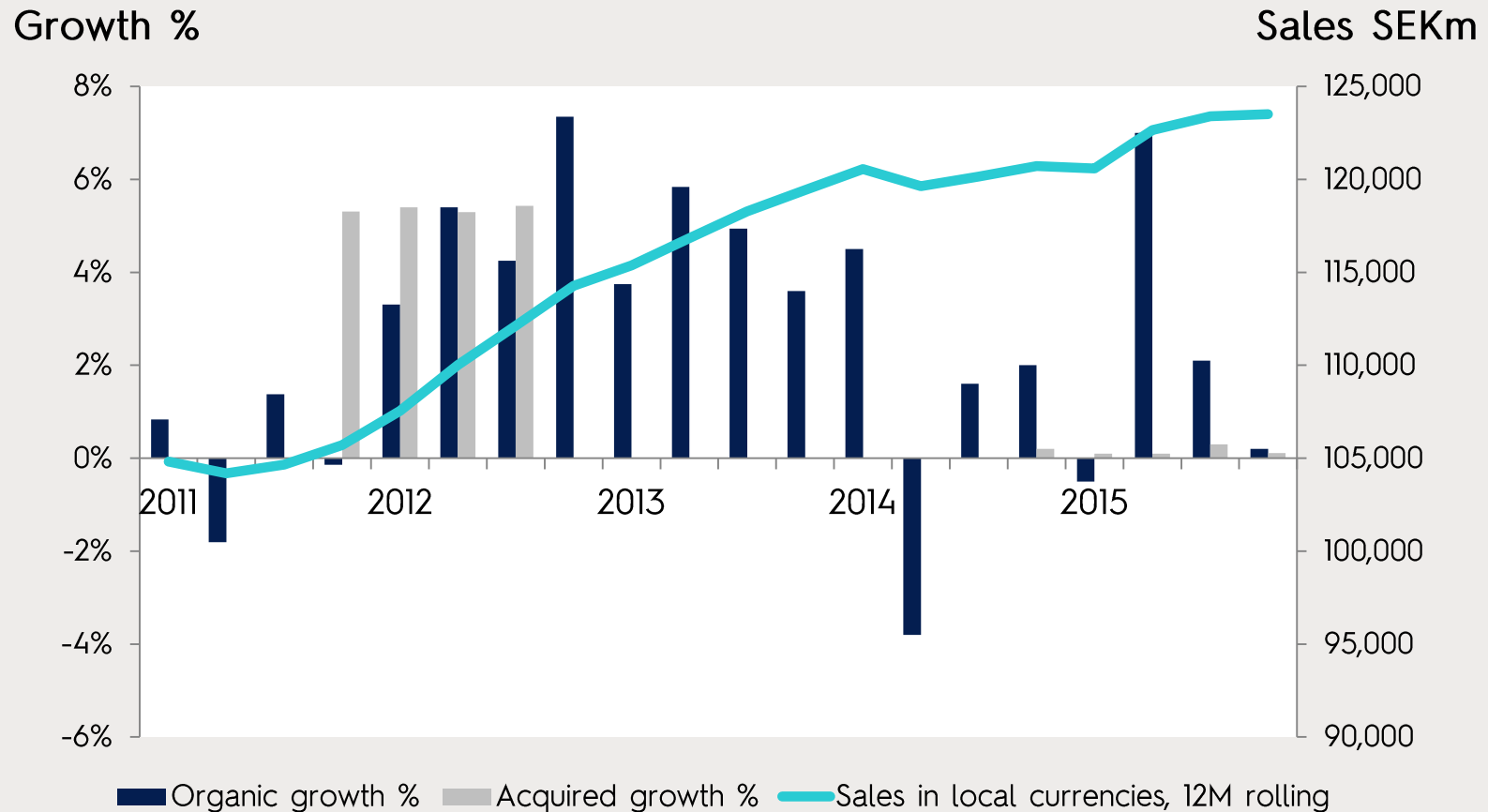
Market Highlights



- **Electrolux cooperates with Google on connected appliances for smart homes**
 - Electrolux has joined Google to work with its Brillo system and Weave to develop smart home solutions
- **Professional Food Product wins award**
 - High-end Thermaline cooking range received an international award for sustainable innovation
- **Electrolux credit rating upgraded to BBB+**
 - Standard & Poor's confirms upgrade of the company's corporate credit rating
 - Underlines the strength of our financial position



Sales in Local Currencies



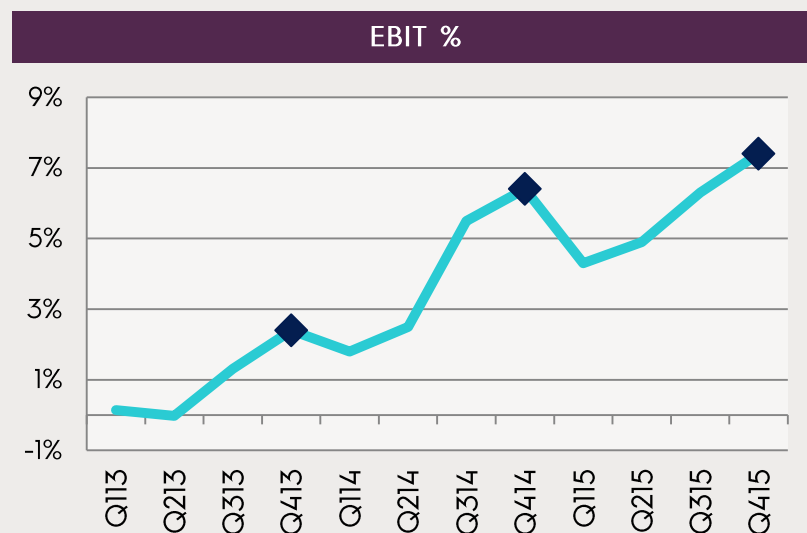
Major Appliances EMEA



- Strong performance continued

- Good organic growth of 6.1%
- Demand for appliances increased in all Western European markets
- Russia and Ukraine remained weak
- Positive product mix due to Built-in kitchen and growth in laundry
- EBIT improvement as a result of higher volumes, product mix and sustainable cost savings

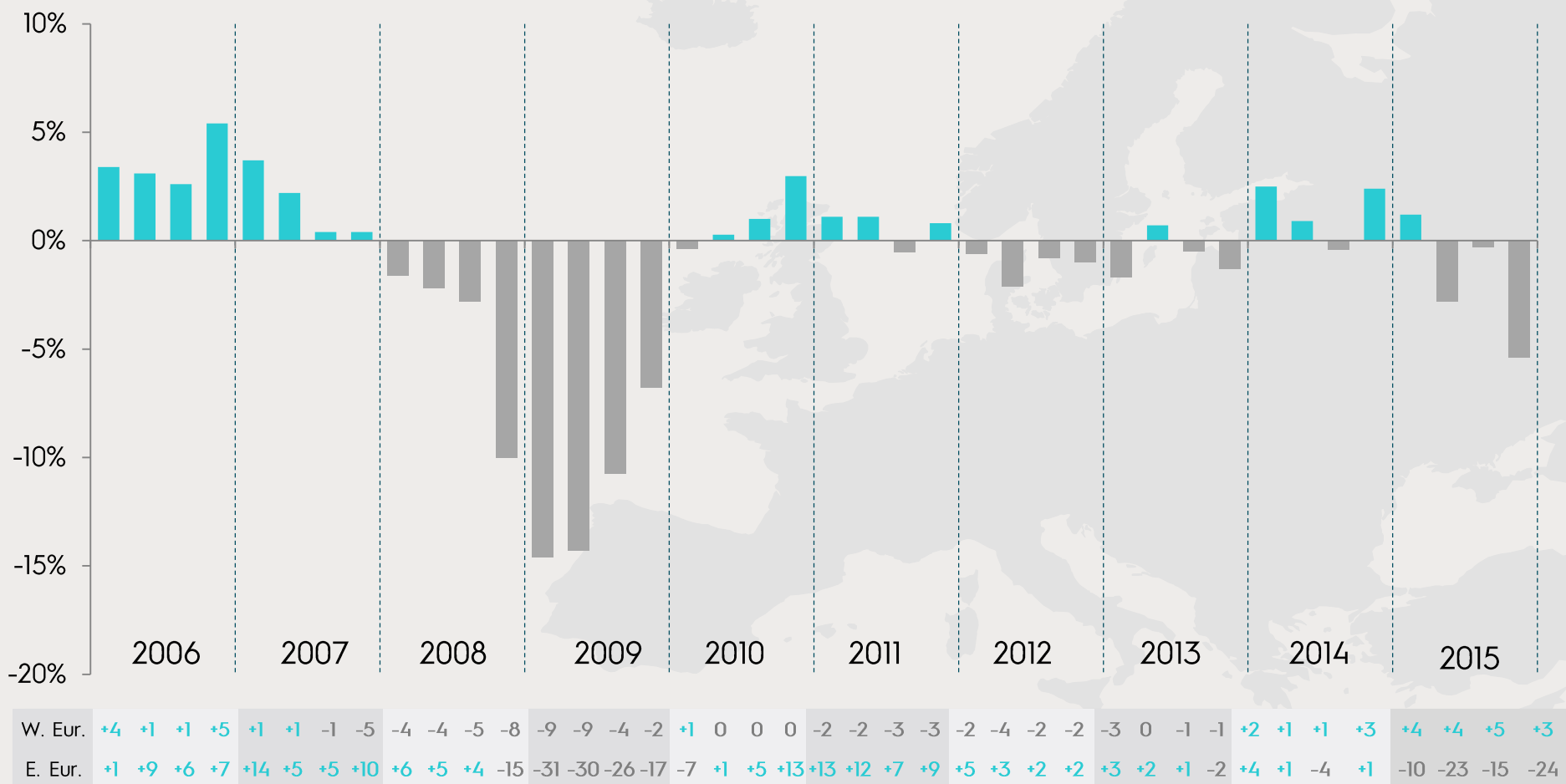
(SEKm)	Q4 2014	Q4 2015	Change
Sales	9,725	10,332	6.2%
<i>Organic growth</i>		6.1%	
<i>Currency</i>		0.1%	
EBIT	507	765	50.9%
Margin %	5.2	7.4	2.2



European White Goods Market



Total Europe, quarterly comparison y-o-y



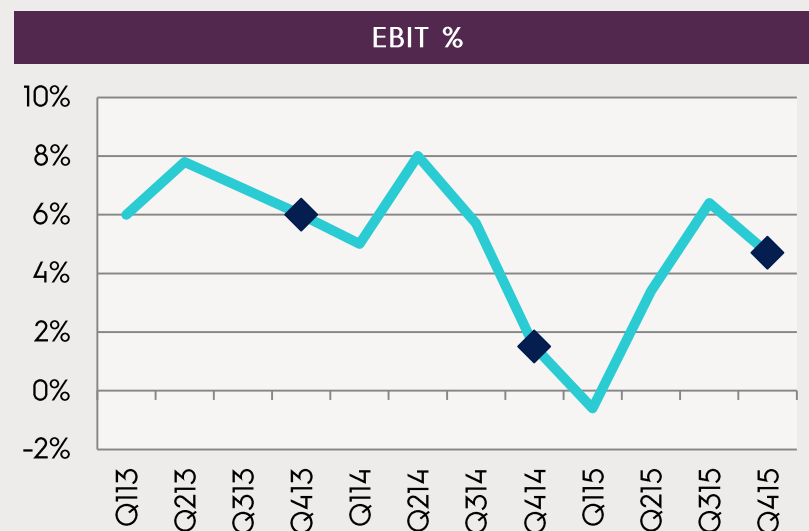
Major Appliances North America



- Continued recovery in the quarter

- Positive organic growth
- Volume growth in most core categories and favourable mix
- Profitability in refrigeration and freezers has been restored
- Ramp-up of cooking plant in Memphis is making progress
- Earnings recovery driven by positive volume contribution and productivity

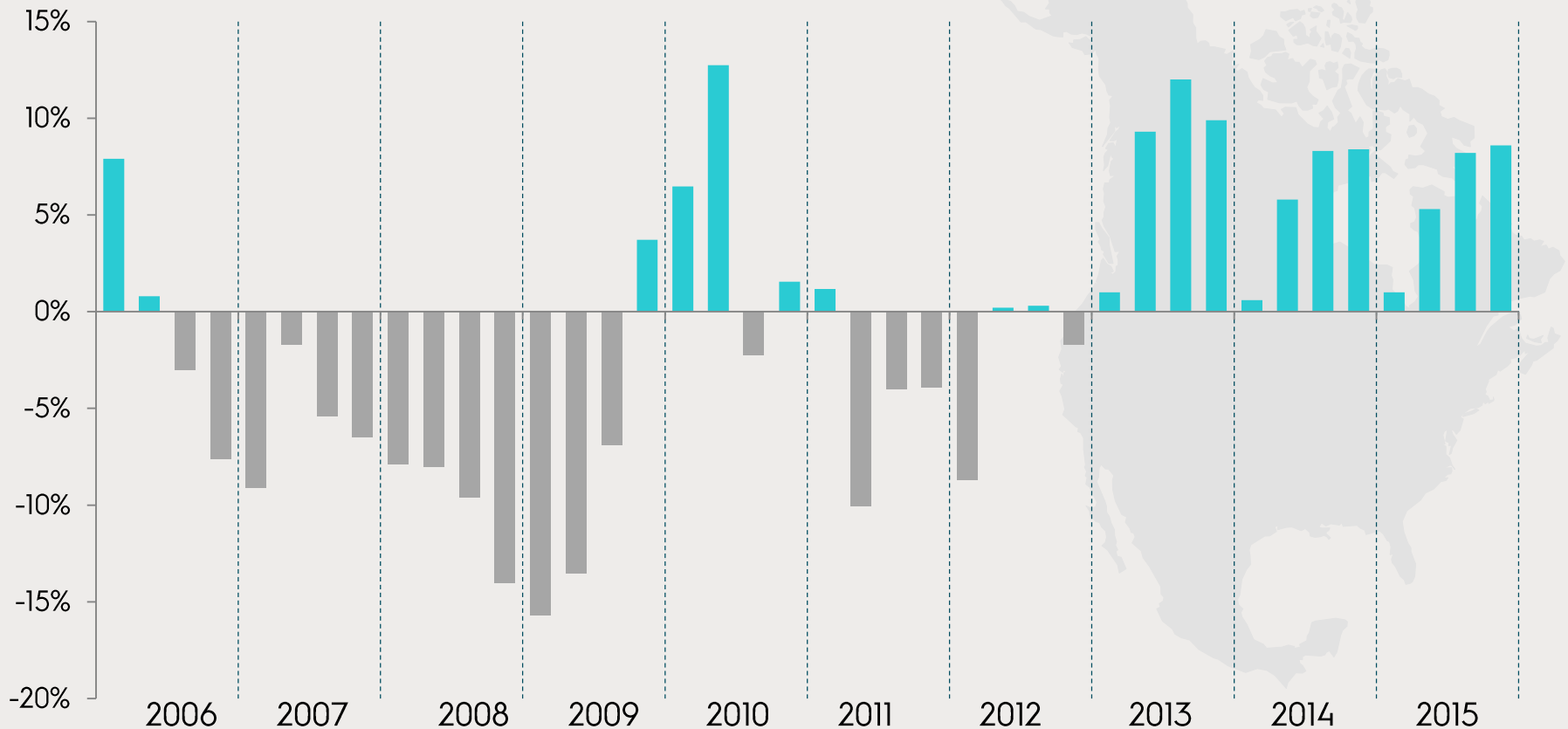
(SEKm)	Q4 2014	Q4 2015	Change
Sales	8,924	10,413	16.7%
Organic growth		4.2%	
Currency		12.5%	
EBIT	134	493	n.m.
Margin %	1.5	4.7	3.2



North American White Goods Market



Quarterly comparison y-o-y



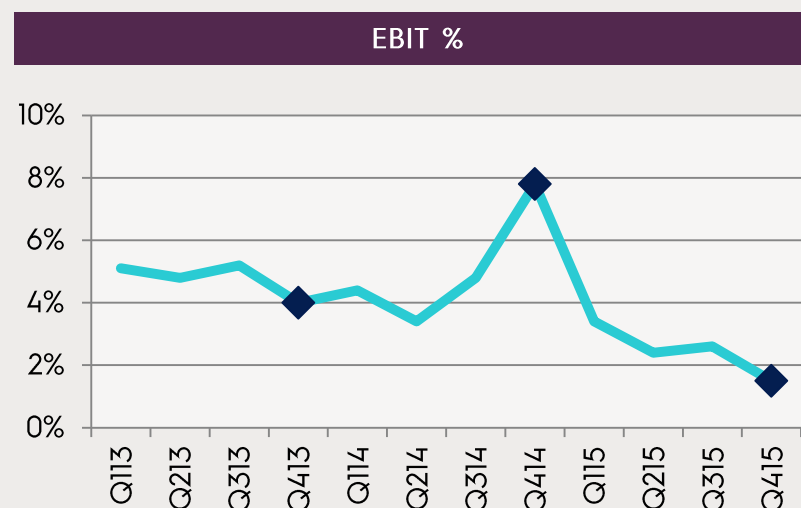
Major Appliances Latin America



- Challenging market conditions

- Continued weak macro-economy
- Demand for appliances declined sharply in Brazil
- Cost actions taken to mitigate the fall in sales volumes
- Weakening EBIT in Brazil partly offset by good performance in other markets in Latin America
- Price increases have been implemented and partly offsets currency headwinds and inflation

(SEKm)	Q4 2014	Q4 2015	Change
Sales	6,134	4,619	-24.7%
<i>Organic growth</i>		-10.7%	
<i>Currency</i>		-14.0%	
EBIT	478	69	-85.6%
Margin %	7.8	1.5	-6.3



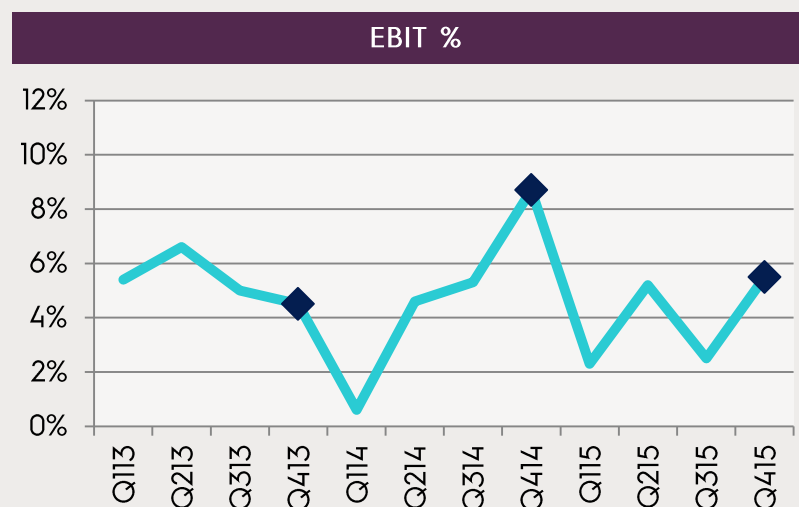
Major Appliances Asia/Pacific



- Mixed markets in Asia/Pacific

- Stable market in Australia while demand in SEA weekend
- Lower sales volumes due to exit from unprofitable channels in China
- Better mix and price increases contributed positively
- Australia showed good performance
- EBIT declined year-over-year, write-down in China impacted negatively

(SEKm)	Q4 2014	Q4 2015	Change
Sales	2,312	2,220	-4.0%
Organic growth		-5.2%	
Acquired growth		0.0%	
Currency		1.2%	
EBIT	200	123	-38.5%
Margin	8.7	5.5	-3.1



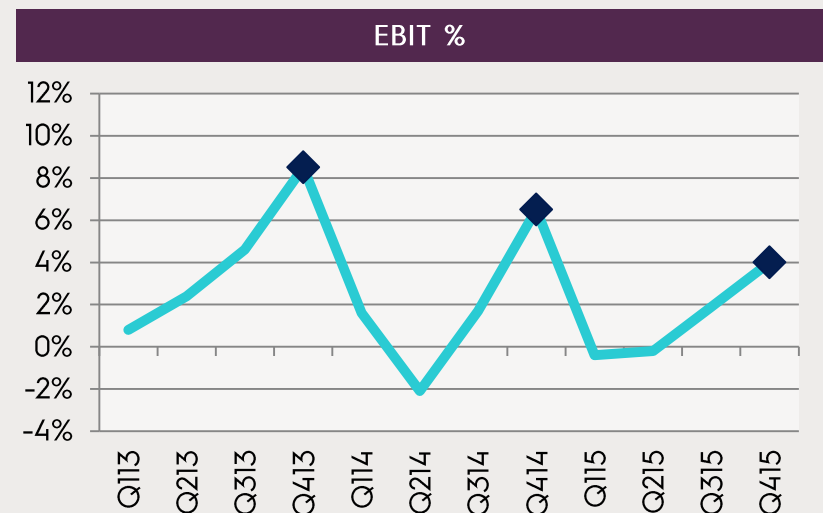
Small Appliances



- Restructuring program initiated

- Organic growth declined as a result of weak demand in Brazil and lower volumes in North America and Asia
- Price increases in some markets partly offset currency headwinds
- EBIT declined as a result of negative impact from volumes, currency and the one-time restructuring costs
- Significant cost action program initiated to restore profitability

(SEKm)	Q4 2014	Q4 2015	Change
Sales	2,664	2,452	-8.0%
<i>Organic growth</i>		-10.1%	
<i>Currency</i>		2.1%	
EBIT	173	-92	<i>n.m.</i>
Margin %	6.5	-3.8	-10.2



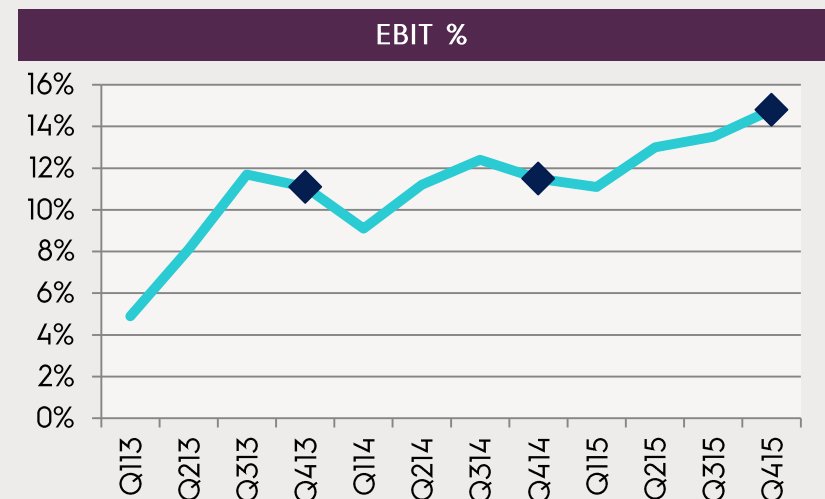
Note: EBIT margin excluding restructuring charges

Professional Products



- EBIT and profit margin hit record
 - Positive organic and acquired growth
 - Volume growth in Western Europe, North America and MEA
 - Strong performance in Laundry
 - Record EBIT margin of 15% driven by prices and operational efficiency
 - Veetsan contributed positively

(SEKm)	Q4 2014	Q4 2015	Change
Sales	1,641	1,758	7.1%
Organic growth		3.4%	
Acquired growth		2.7%	
Currency		1.0%	
EBIT	189	260	37.6%
Margin %	11.5	14.8	3.3





Financials

Q4-15

Tomas Eliasson, CFO

Financials



SEKm	Q4 2014	Q4 2015	Change	FY 2014	FY 2015	Change
Sales	31,400	31,794	1.3%	112,143	123,511	10.1%
<i>Organic</i>	2.0%	0.2%		1.1%	2.2%	
<i>Acquired</i>	0.2%	0.1%		-	0.1%	
<i>Currency</i>	6.5%	1.0%		1.6%	7.8%	
EBIT	1,395	-202	n.m.	3,581	2,741	-23.4%
EBIT margin %	4.4	-0.6	-5.0	3.2%	2.2%	-1.0
Op cash flow after investments	1,844	1,575	-14.6%	6,631	7,492	13.0%
EPS	3.39	-1.38	n.m.	7.83	5.45	n.m.

Q4 Sales and EBIT Bridge



SEKm	Q4 2014	Volume	Price/Mix Organic	Currency Translation	Currency Transaction	Acq	Other*	Q4 2015
Net sales	31,400	-1,420	1,486	284	-	45	-	31,794
Growth	-	-4.4%	+4.6%	+0.9%	-	+0.1%	-	1.3%
EBIT	1,395	-40	865	-37	-732	6	-1,659	-202
EBIT	4.4%	2.8%	58.2%	-13.0%	-	13.3%	-	-0.6%
Accretion		2.6 %		-0.2%	-2.3%	0.0%	-5.3%	

*Other includes SEK 142m costs related to the GE transaction booked in Group common cost, SEK 24m costs related to the GE integration cost booked in North America and termination fee of SEK 1,493m

Currency Effects



Major transaction effects by, SEKm	Q1	Q2	Q3	Q4	2015
Latin America	-140	-300	-390	-485	-1,315
RUB	-80	-35	-90	-85	-290
AUD, CAD	-45	-125	-75	-230	-475
GBP, CHF	-40	+130	+185	+180	+455
Total	-422	-330	-389	-732	-1,873
Translation effects, SEKm	Q1	Q2	Q3	Q4	2015
Total	+144	+184	+164	-37	+455
Total currency effects, SEKm	-278	-146	-225	-769	-1,418
Price/mix effect, SEKm	+297	+205	+445	+865	+1,812

Cost Overview - GEA



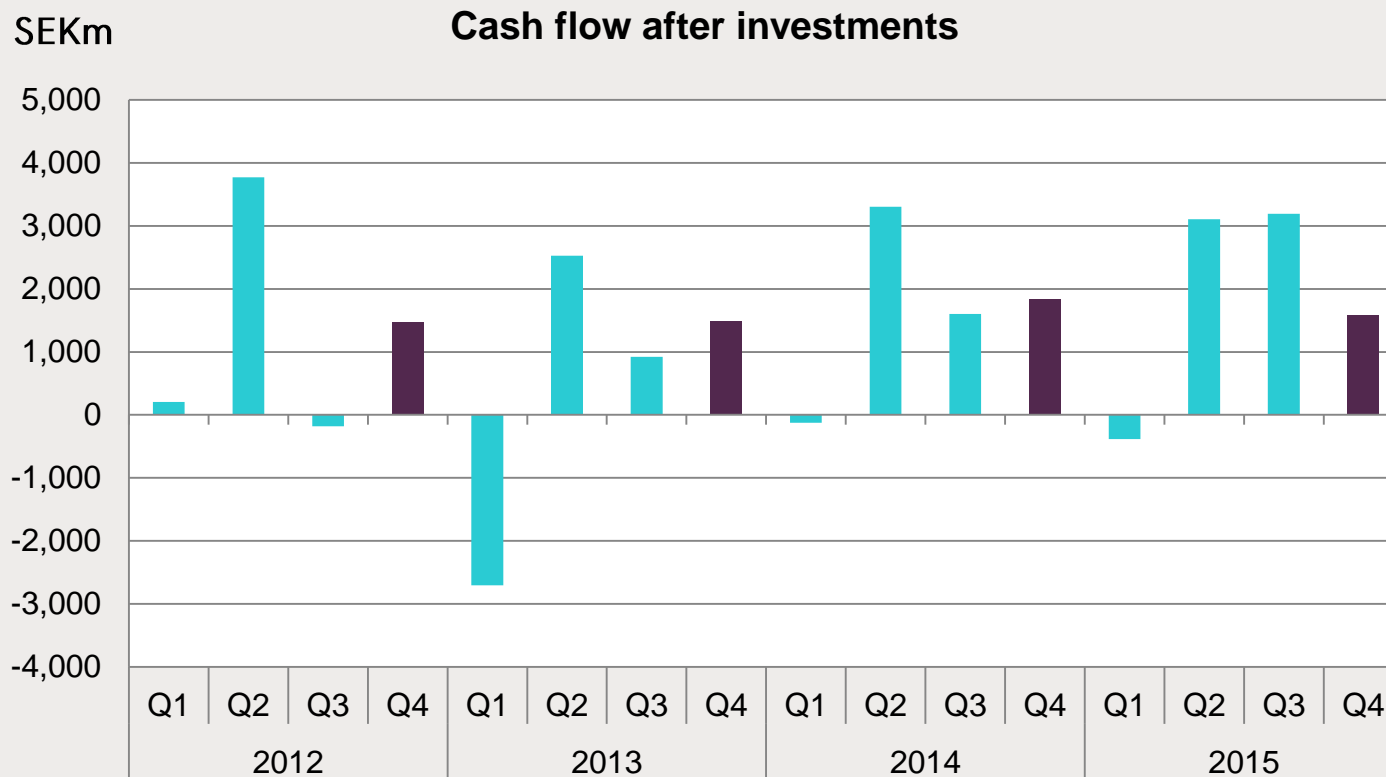
SEKm (EBIT)	Q115	Q215	Q315	Q415	FY2015
Transaction costs	17	123	126	142	408
Integration costs	46	72	16	24	158
Termination fee				1,493	1,493
Total EBIT impact	63	195	142	1,659	2,059
Funding cost				187	187
Total EBT impact	63	195	142	1,846	2,246

Cash Flow



SEKm	2014 Q4	2015 Q4	2014	2015
Operations	2,358	1,007	8,544	7,241
Change in operating assets and liabilities	858	1,297	1,777	3,563
Investments	-1,372	-729	-3,390	-3,312
Cash flow after investments	1,844	1,575	6,631	7,492

Cash Flow, 2012-2015





Outlook and summary

Keith McLoughlin, President and CEO
Tomas Eliasson, CFO

Outlook



	Q1 2016	FY 2016	Comments
Market volumes	Slightly positive	Slightly Positive	Positive growth in NA and Europe Latin America and China uncertain
Price/Mix	Slightly Positive	Slightly Positive	North America and Asia/Pacific: positive Latin America: positive price Europe: positive product mix
Raw-material costs	Positive	Positive	FY: ~SEK 550m
Cost savings	SEK ~150m	SEK ~750bn	Efficiencies from global operations, manufacturing footprint and modularization
Capex	Stable	Stable	FY: ≤ SEK 4bn

New management appointments at Electrolux



Dan Arler – CEO MA EMEA



- Senior VP Product Line Kitchen, MA EMEA
- Been at Electrolux since 2002, previously heading Laundry product line in Asia-Pacific, GM of Electrolux Japan and VP of Electrolux EMEA
- Various management positions with Stanley Works and Whirlpool in Europe

Alan Shaw – CEO MA North America



- Joins Electrolux 2016 as head of MA North America, based in Charlotte, North Carolina
- Previously Member of Group Management at Husqvarna AB, President and CEO of Char-Broil, and President and CEO of Murray Group
- Alan has held a number of senior management positions in Whirlpool Corporation



Summary Q4



- Positive organic growth driven by our two largest markets EMEA and North America, as well as good growth in Professional Products
- Sequential and y-o-y earnings and margin improvement in EMEA due to positive volumes, product mix and continued cost efficiency
- Continued operational recovery in North America, profitability in refrigeration and freezers has been restored
- Earnings in Latin America affected by currency and the weak market situation in Brazil, cost actions and price increases taken
- Solid cash flow and strong balance sheet in Q4

Electrolux Capital Markets Day Stockholm, February 24, 2016

Registrations open, please visit www.electroluxgroup.com/cmd2016



Electrolux

Factors affecting forward-looking statements



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