



**Electrolux**

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**Electrolux  
Capital Markets Day**

Major Appliances Latin America

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**Ruy Hirschheimer, CEO**

February 24, 2016



Latin America  
Opportunities

Our Ambition

Brazil's  
Challenges

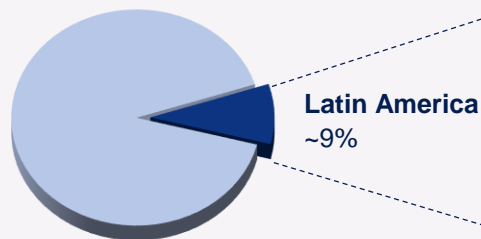
Our Strategy

# Latin America is an attractive long-term market opportunity...

Relevant major appliances... Large growing population... Improving social class...

**Global major appliance industry (Sell-out)**

Total of SEK 1,780bn



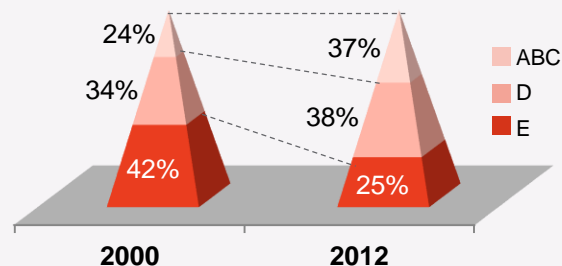
**LA major appliance industry (Sell-out)**

2015 Basis	SEKbn	%
• Brazil	58	36%
• Mexico	26	16%
• Argentina	23	15%
• Chile	9	6%
• Andean	19	12%
• CA & Caribbean	19	12%
• Others	6	4%
	<b>160</b>	<b>100%</b>

**Large growing population**

2015 Basis	million
• Brazil	206
• Mexico	125
• Argentina	42
• Chile	18
• Andean	97
• Others	148
	<b>635</b>

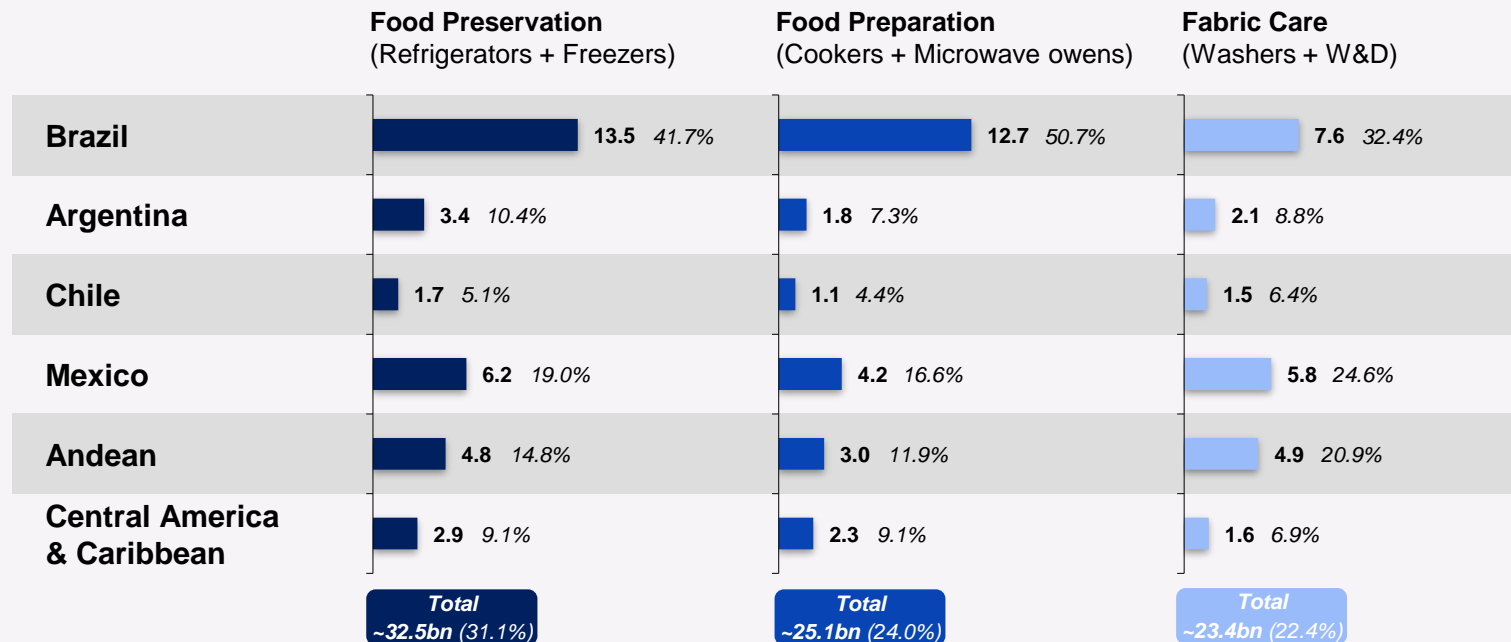
**Improving social class migration**



Source: Electrolux BMI, World Bank, IMF; CEPAL (Latin America Economic Association) - GDP per Capita of 18 Biggest Countries, and Euromonitor

# The key categories represents over 70% of total major appliances industry in the region...

## Market size in value - 2015 sell-in (SEKbn)



Source: Electrolux Planning and BMI Depts.

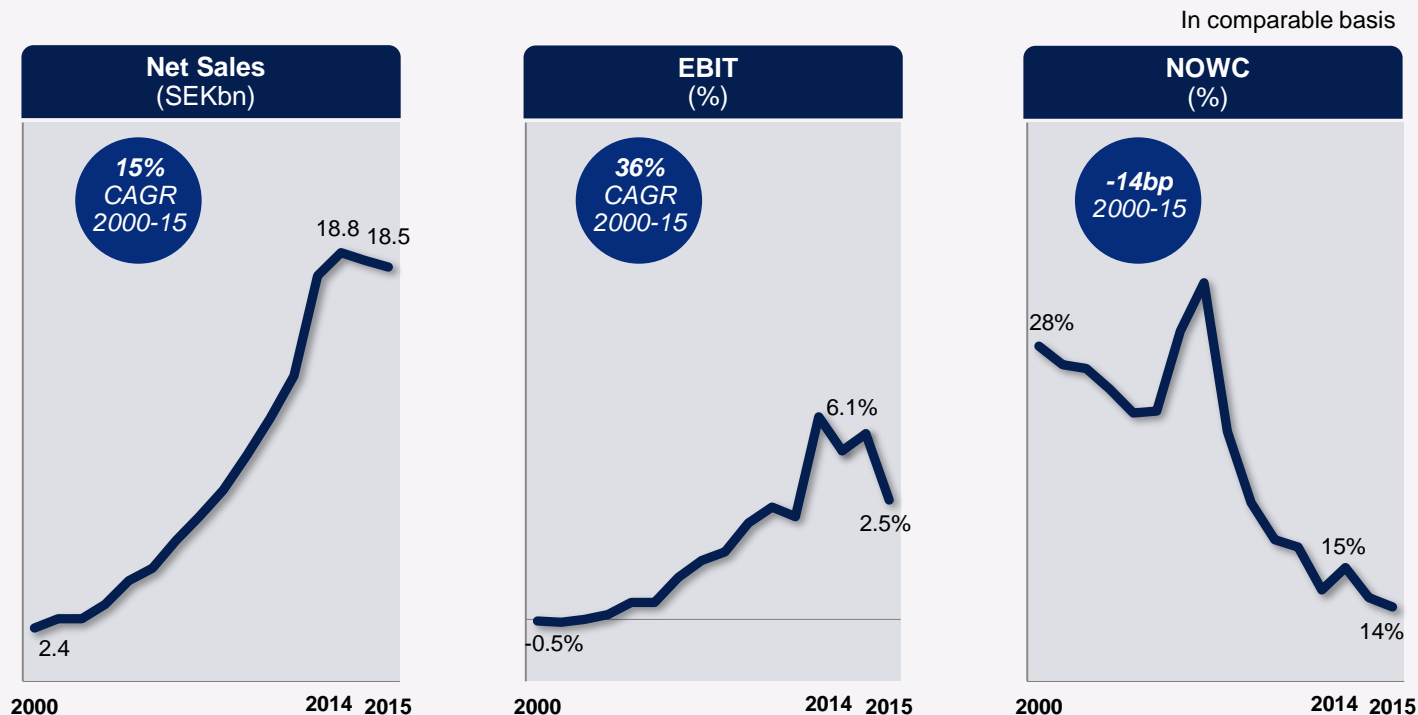


# Electrolux aims to be the #1 player in the region...

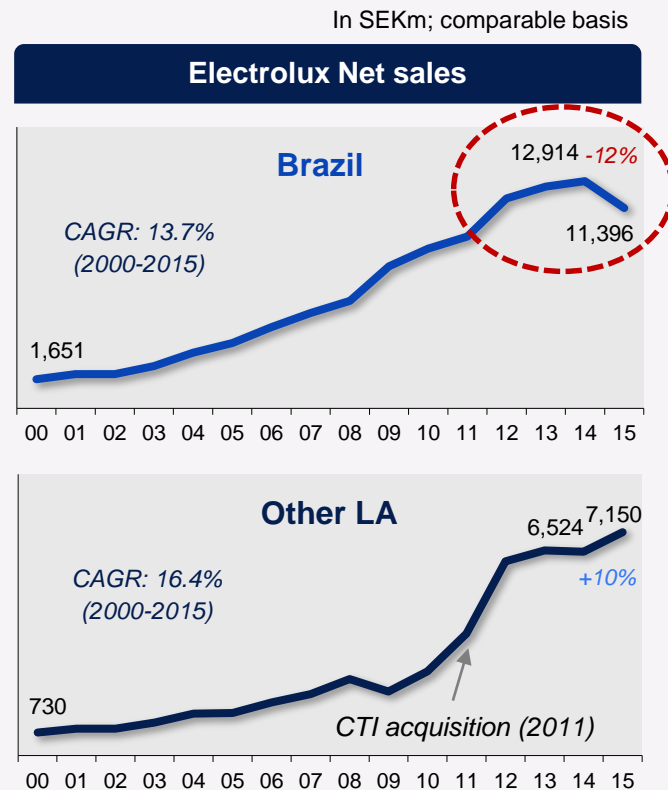
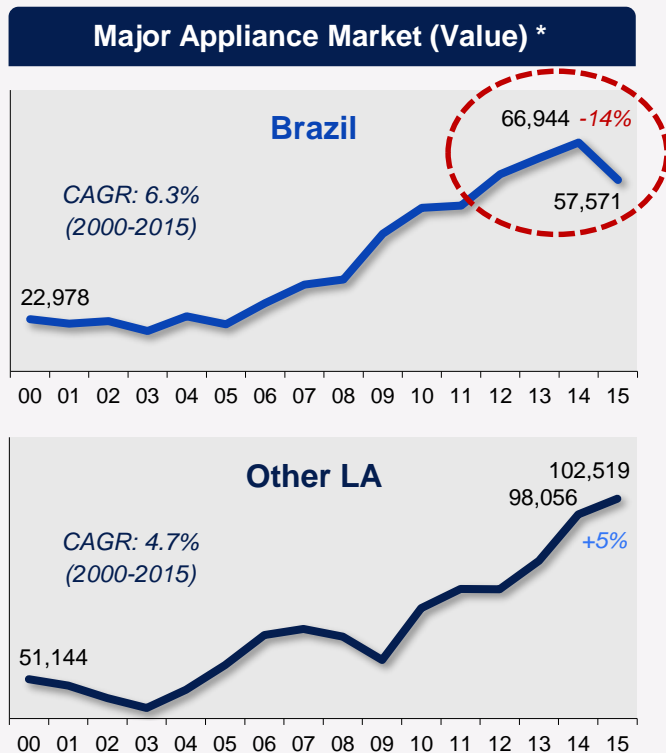


Vision	Be the #1 Player in Latin America
<b>Being the “Best” Appliance company in the world measured...</b>	<b>Our response</b>
<i>...by our Customers</i>	<ul style="list-style-type: none"><li>• Best in class products for all brands in major markets</li><li>• Leader in consumer satisfaction</li><li>• Top 3 brand in all market in Latin America</li><li>• Leader in key categories in major markets</li></ul>
<i>...by our Employees</i>	<ul style="list-style-type: none"><li>• Leading employee engagement</li></ul>
<i>...by our Shareholders</i>	<ul style="list-style-type: none"><li>• Sustainable earnings growth</li><li>• Lowest cost</li><li>• Lower asset base</li><li>• Leading high growth and margin segments</li></ul>

# Sustainable profit growth for many years, but there is a challenging short-term environment, mainly in Brazil...

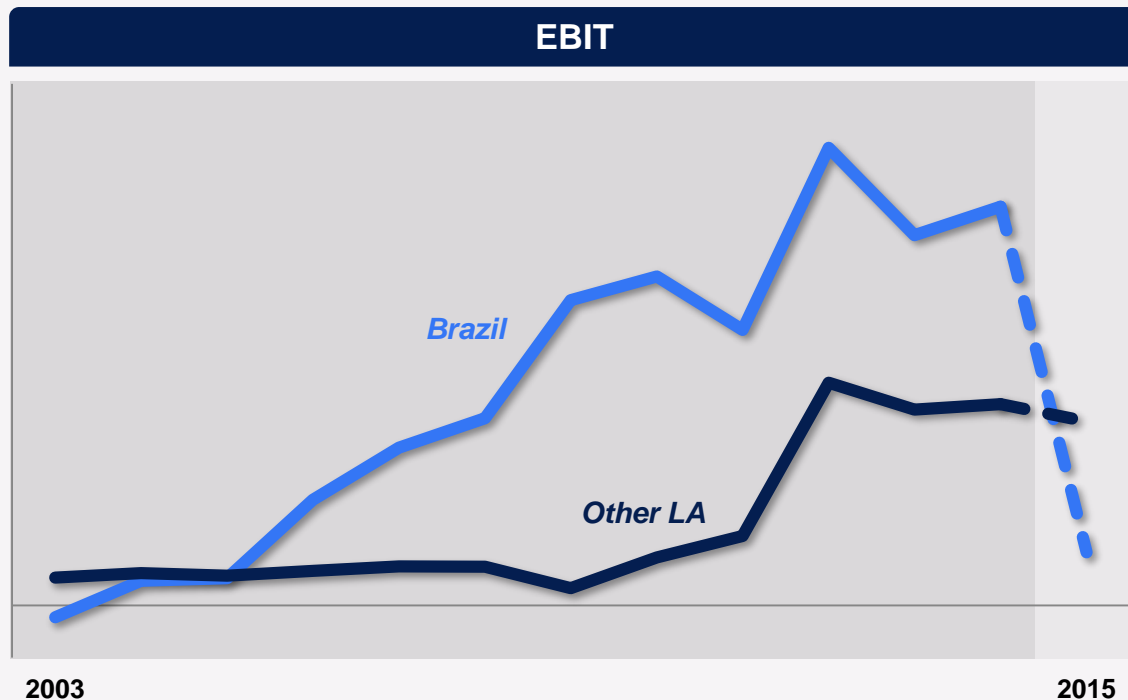


# Continued growth in the region but Brazil is weakening...



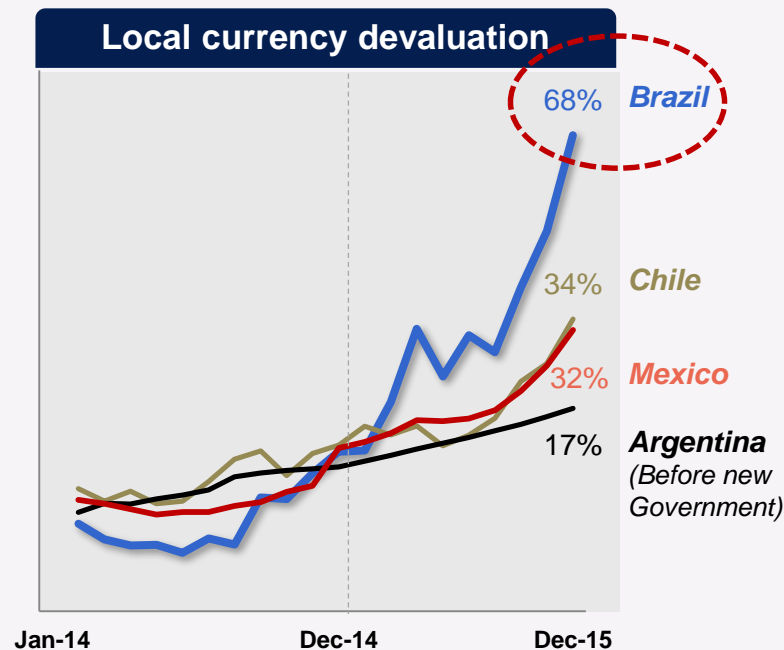
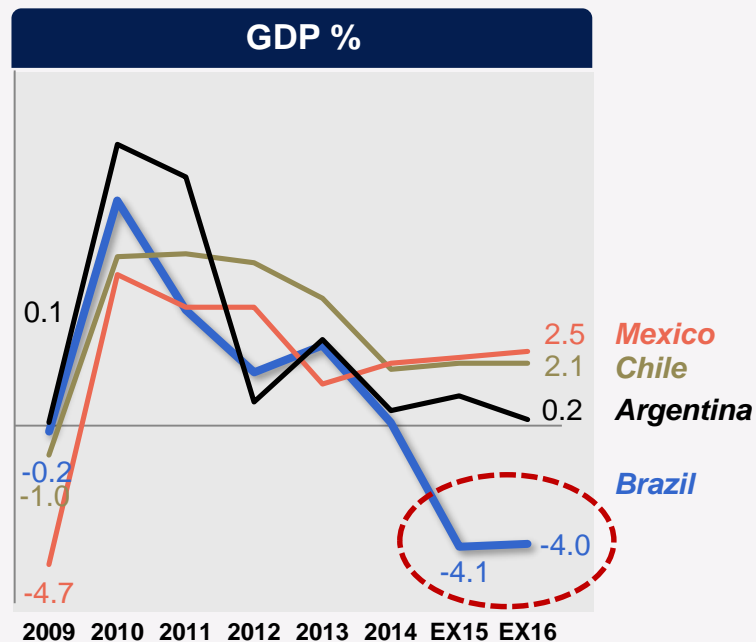
(\*) Source: Electrolux BMI Dept. & Euromonitor Sell-out Data

# Sharp retraction in Brazil, partially offset by other countries...



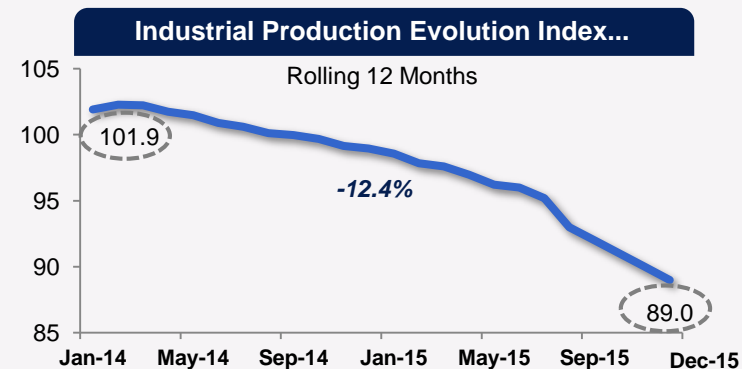
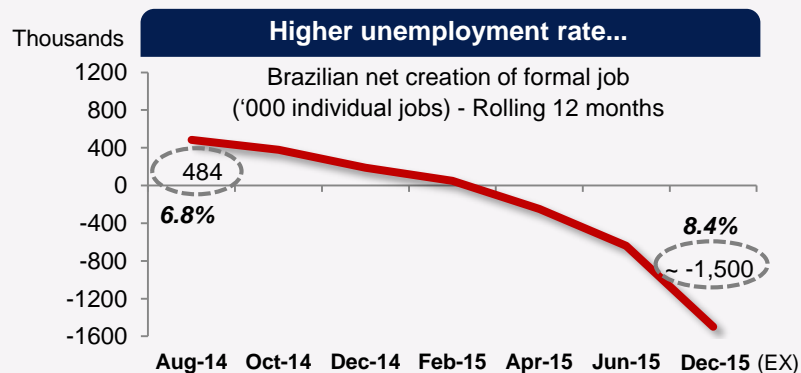
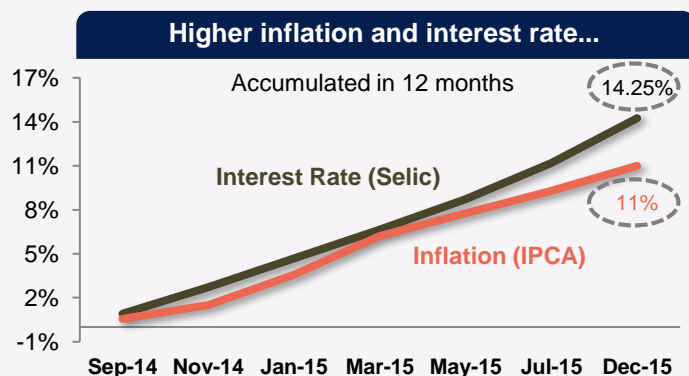
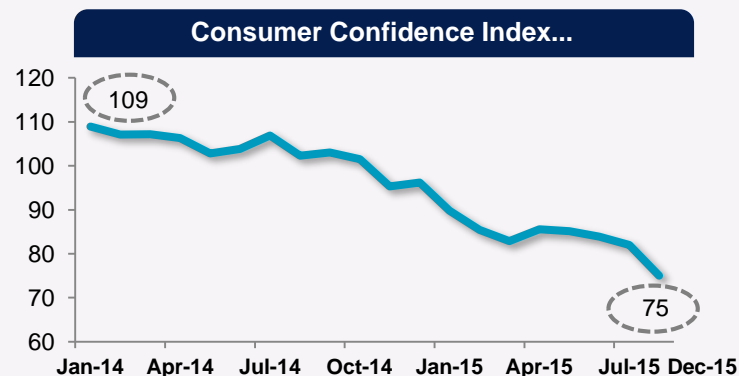


# Commodity prices affecting Latin America, with political and economic consequences in Brazil...



Source: Bloomberg, Focus Survey (BCB), JP Morgan, IMF and EIU (Economist Intelligence Unit)

# Most economic indicators in Brazil are unfavorable...



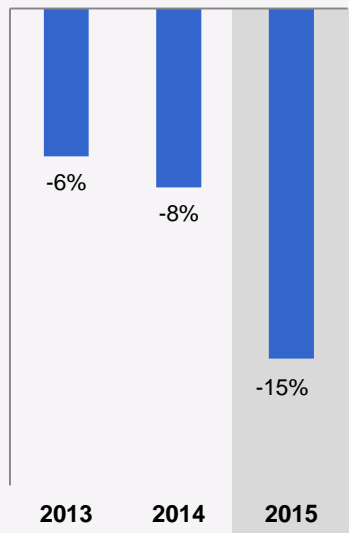
Source: Bloomberg and Focus Survey (BCB)

# The appliances industry also affected by credit restriction and high interest rates...

In SEKm

## Market sell-out volume in Brazil (T3)

Change in % vs. PY

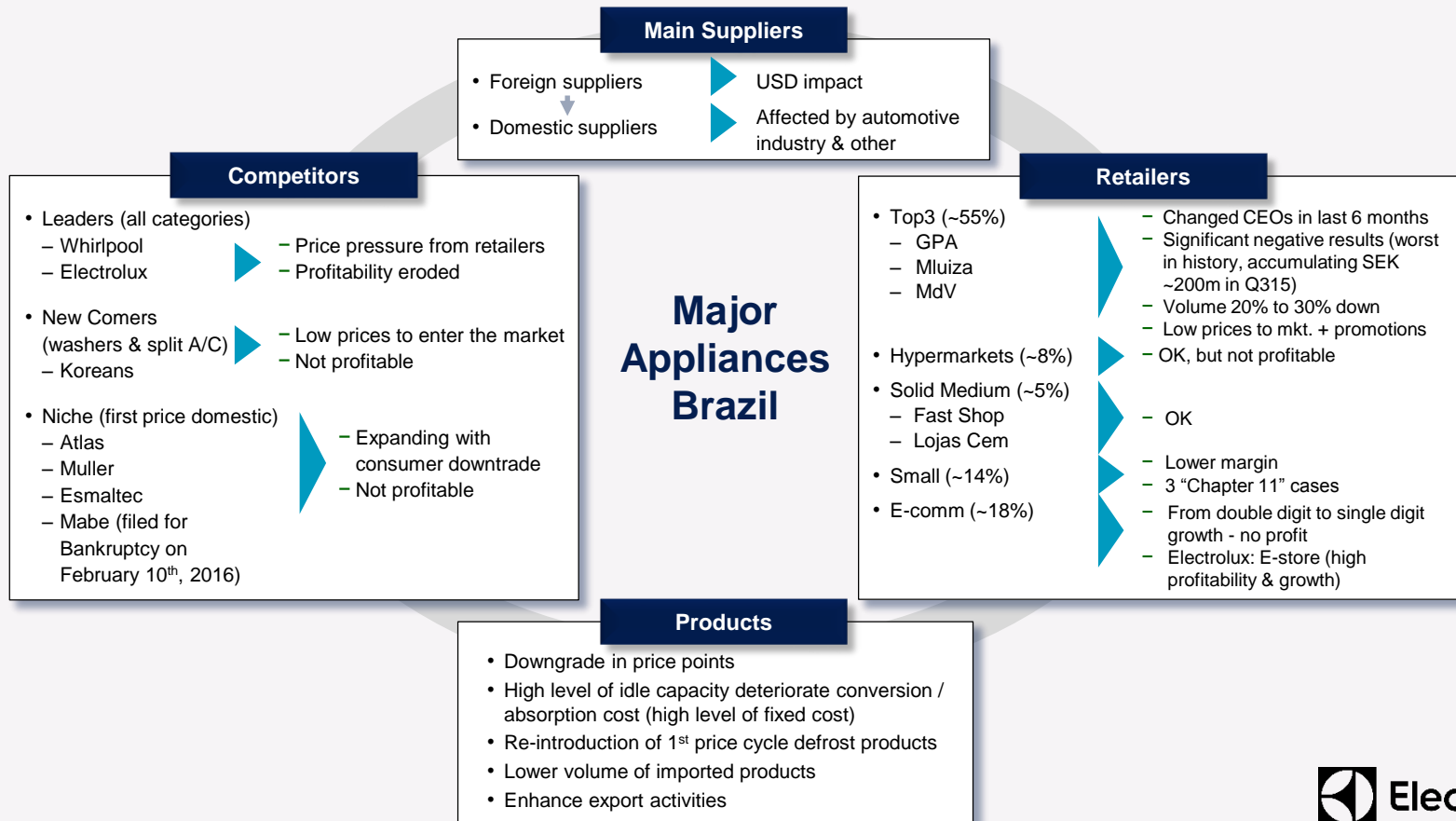


Volume by quarter

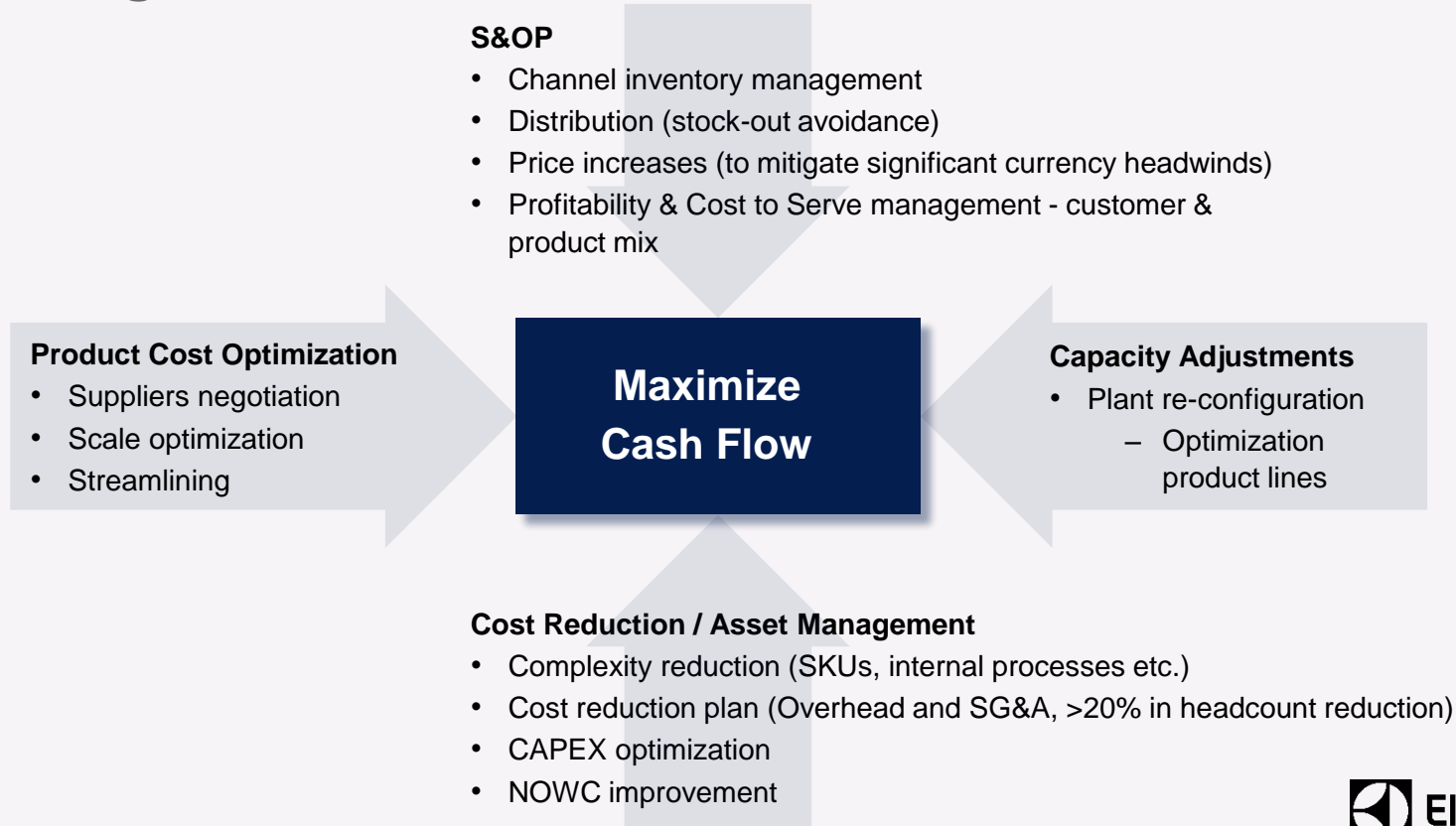


Source: Electrolux estimates

# The appliance industry forces have changed in Brazil...



# How to set-up short-term challenges and prepare for future growth...

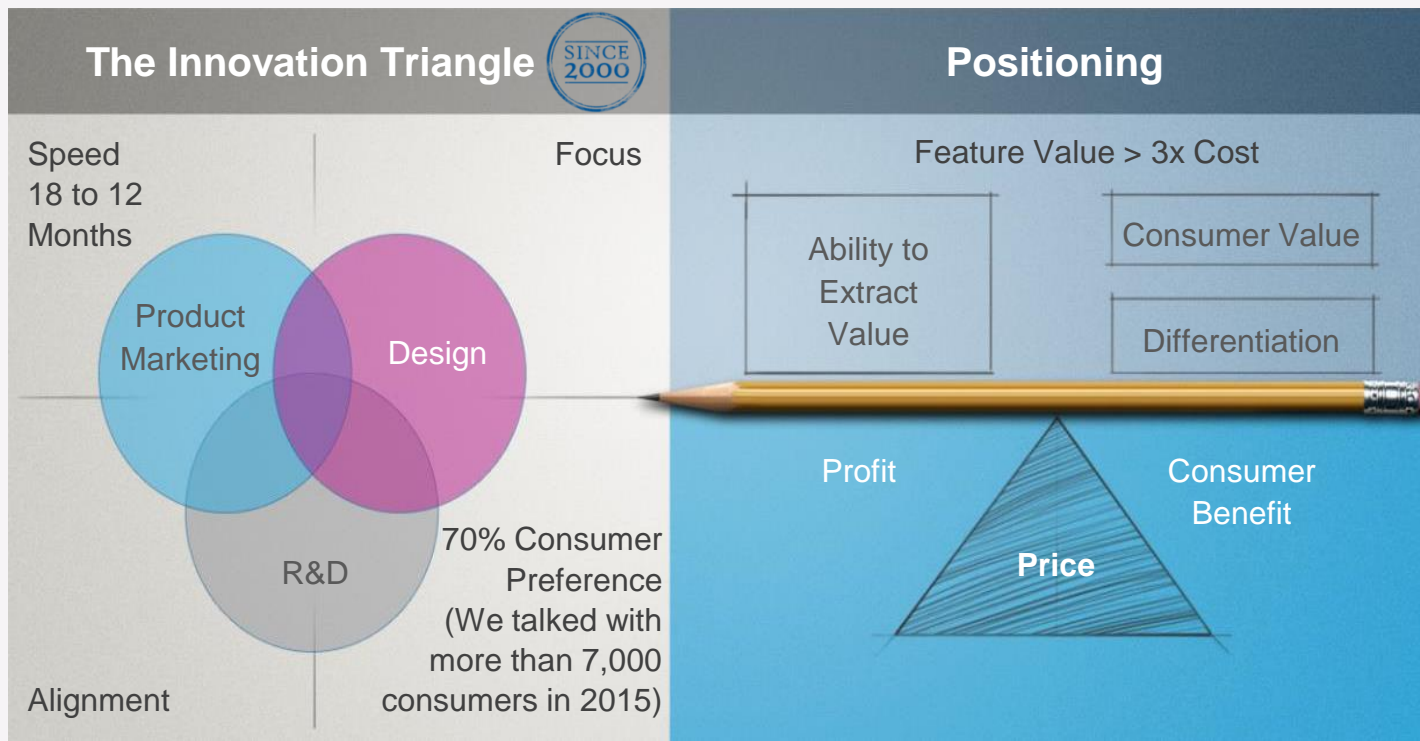


# We trust in our Best in Class strategy...

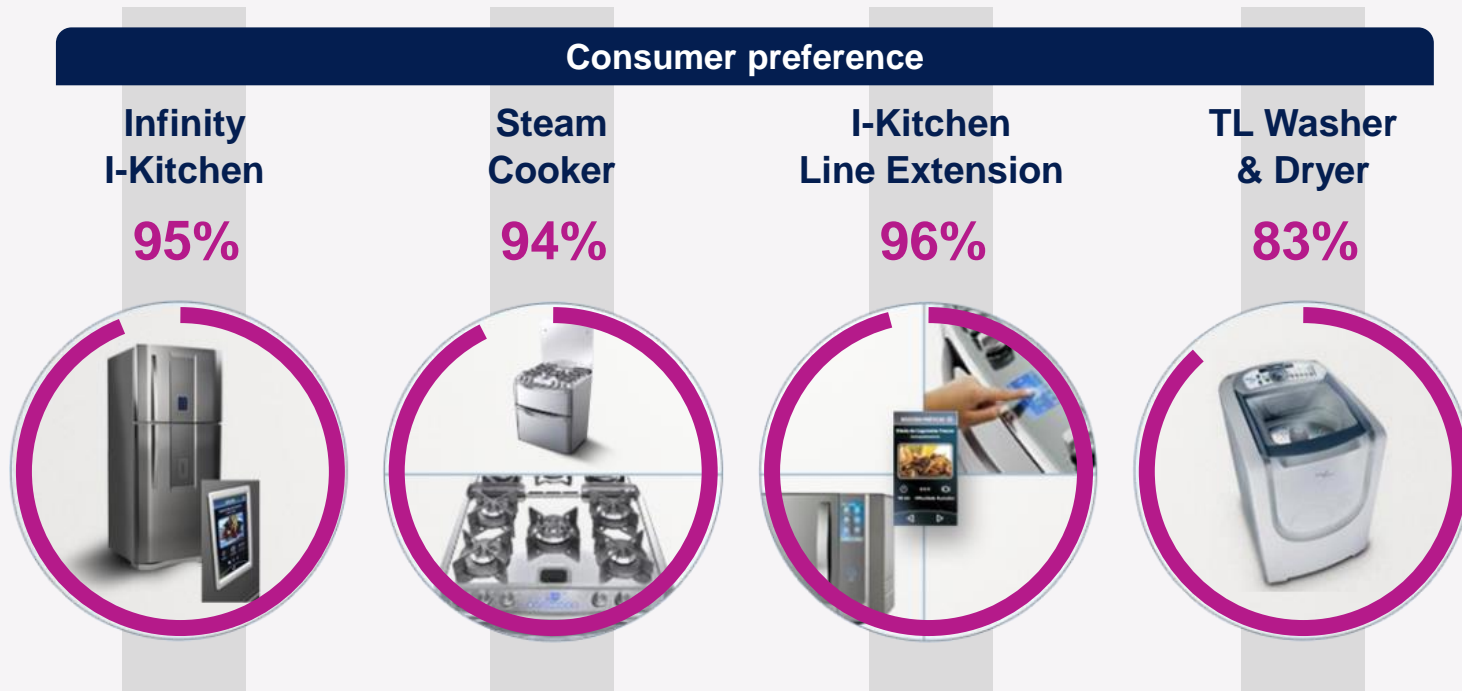




# Innovation based on consumer insight, driving profitable growth...



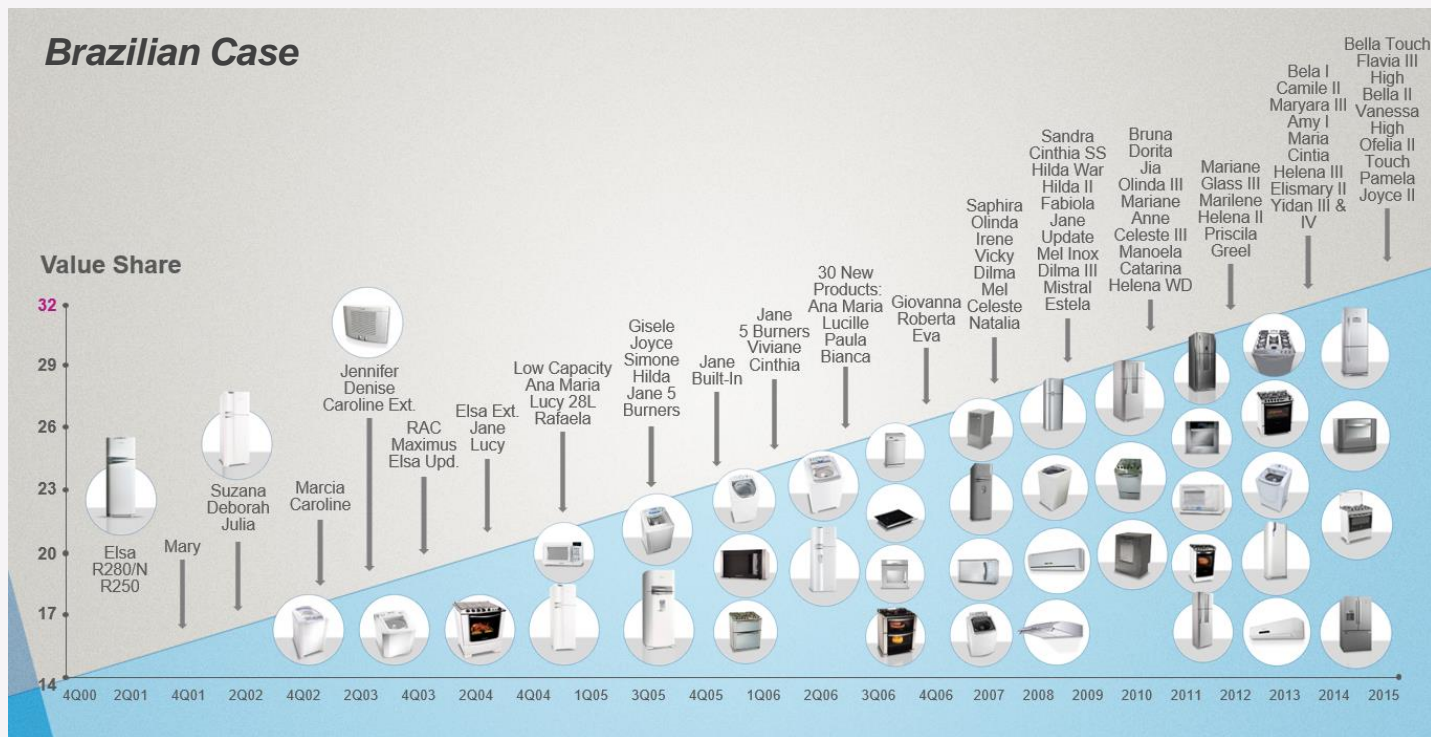
# All projects above 70% consumer rate...



## 3R prototyping culture...



# Quality market share improvement based on product launches...

















...reaching 100 product launches per year

# Recognition... Design Awards...



# Visual brand language aligned across the region in all products...few brands

Prod. Class.		Visual Brand Language Levels				
		Brazil	Mexico CA & Caribbean	Andean	Chile	Argentina
Premium Best in Class	Super Premium					
	Meaningful Experience	 Electrolux	 Electrolux	 Electrolux	 Electrolux	 Electrolux
	Statement					
Mass Best in Class	Pleasurable Sense	 Electrolux	 Electrolux FRIGIDAIRE	 Electrolux	<i>fensa</i>	 Electrolux
	Performance					
	Convenient Usability	 Electrolux	 Electrolux FRIGIDAIRE	 Electrolux FRIGIDAIRE	 mademsa	
Core						



# Electrolux i-Kitchen...

The advertisement features a modern kitchen setup with three Electrolux i-Kitchen appliances: a refrigerator, a cooker, and a microwave oven. The refrigerator is tall and silver, with a large digital touch screen on its left door displaying a recipe. The cooker is a built-in unit with a digital control panel. The microwave is a top-mount model with a digital control panel. The background is a light blue wall with a darker blue horizontal band. The Electrolux logo and 'i-kitchen' text are prominently displayed in the upper right. Below this, the text 'i-Kitchen Product Line Extension...' is followed by 'Refrigerator, Cooker and MWO' and '95% of consumer preference'. To the right, under the heading 'Differentiation', there are three bullet points. Below that, under the heading 'USP', there are three bullet points.

**Electrolux**  
i·kitchen

**i-Kitchen Product Line Extension...**  
Refrigerator, Cooker and MWO  
95% of consumer preference

**Differentiation**

- Exclusive *Touch* screen panel to adjust all the refrigerator and freezer controls
- Exclusive extensive and sophisticated *e-recipes book*
- New *modern applications* through the fridge

**USP**

- First touch screen panel of the market
- Exclusive and extensive digital recipes book integrated
- Largest capacity top-mount

# Top Load W&D with Wi-Fi...



## Top Load W&D with Wi-Fi

The first TL washer & dryer with connectivity system that includes internet connection and interactive pre loaded applications, allowing to program the washing cycles through app on your tablet or smartphone

- 15kg TL W&D
- Complete programming
- Stainless Steel drum

# Mini Silent – Washer...



## Mini Silent - Washer

Compact 3kg Wall Mounted FL WM specially designed to wash efficiently small loads of clothes, incl. items that require gentle cycles (such as swimwear, synthetic, lingerie and baby clothes)

Hot water and complete cycles: washes and spin clothes

*mini silent*  
3 kg



New  
Home **Pro** Line



**Electrolux**

## SIDE BY SIDE – HOME PRO REFRIGERATOR



### SH90X

- Blue Touch Panel
- 2 HortiVita drawers: preserves nutrients
- HomeBar
- "Counter Depth"
- 546L total capacity
  - 370L Refrigerator
  - 176L Freezer
- External water and ice dispenser
- Ice cubes or crushed
- Indoor lighting with LEDs
- Can express holder
- Dairy holder with lid
- Egg basket
- Ice cream basket
- Turbo cooling
- Turbo freezing
- Dimensions (mm):  
H 1770 X W 906 X D 747



## LF14X

- **Blue Touch Panel**
- **Opti-One Function:** select one of the baskets to wash
- **Intelligent Function:** selects the best program to wash
- 14 Sets
- Third rack
- Sterilize Function: 70°C wash program
- Washing functions: Acquajet (Pre-rinse), Express 30', Fine, Normal, Pots and postpone.
- Front and interior in stainless steel: more durability and ease of cleaning.
- External handle: more firmly and securely to handle the product..
- Built-in or Freestanding installation
- Dimensions (mm):  
H 845 X W 608 X D 638





# HOME PRO BUILT IN ELECTRIC OVEN



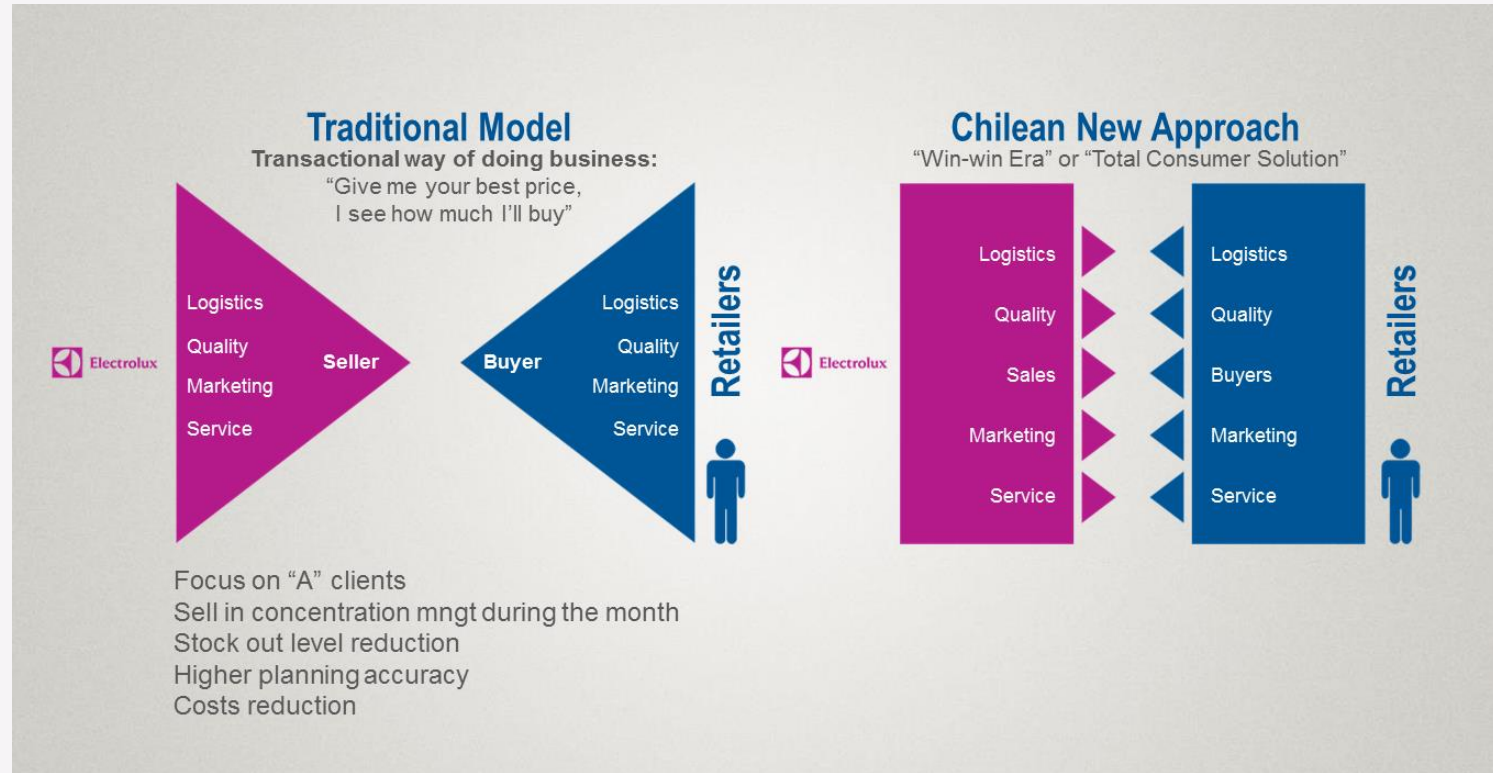
## OE9ST

- **Blue Touch Panel**
- **80L capacity**
- **Cooking by convection and ventilation**
- 12 pre-programmed functions
- 9 pre-programmed recipes
- Triple Glass Door
- Side opening door
- "Timer" and "Panel Lock" functions
- EasyClean coating and enameled fat catch tray
- Guide shelves and removable door
- Dimensions (mm): H 595 X W 595 X D 575

# NEW ELECTROLUX HOME PRO LINE



# Differentiated model in key account management...



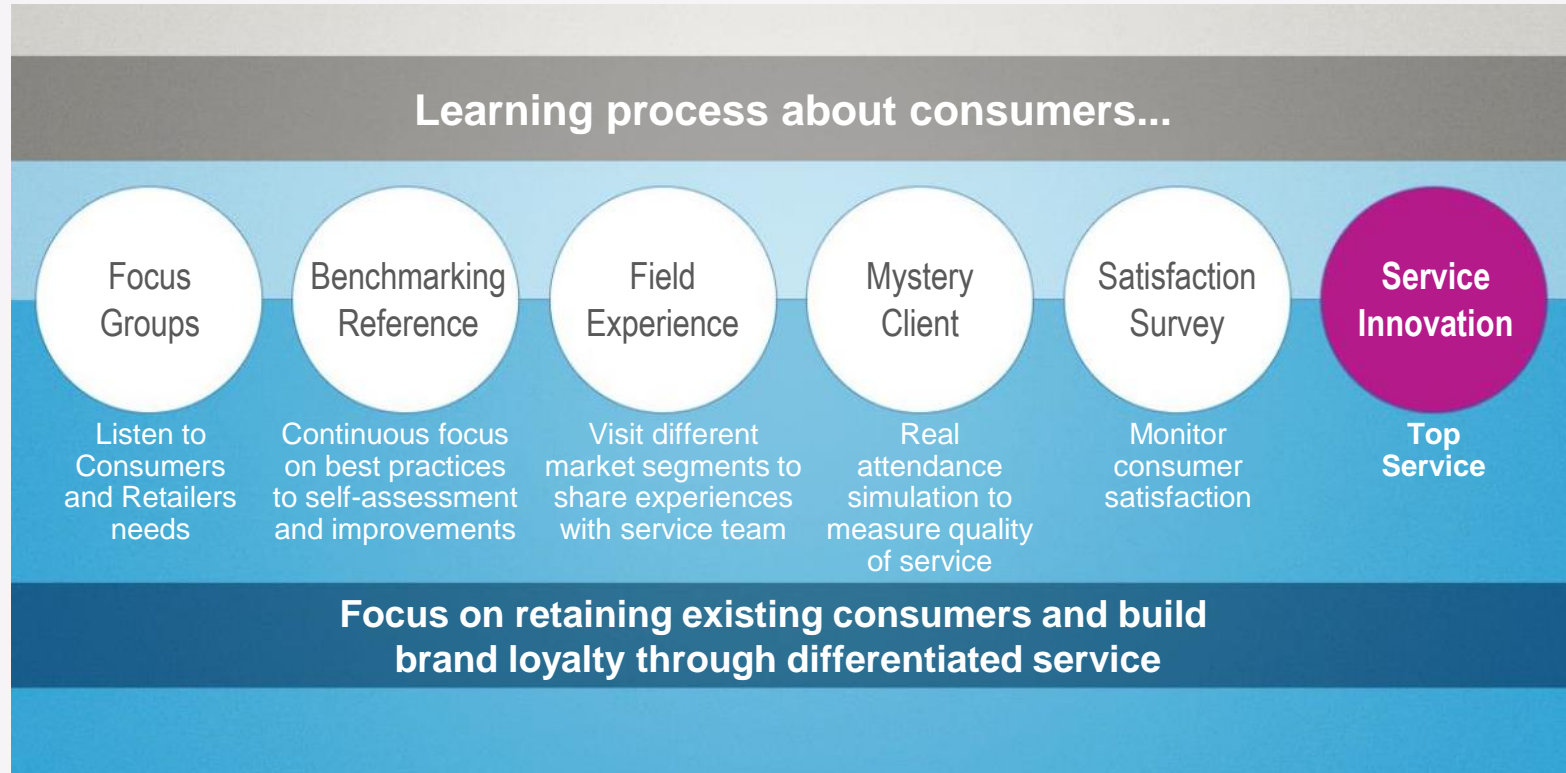
# Winning the point of sales floor share battle...



(\*) Top 3 Categories: Food Preservation, Food Preparation Cooker and Fabric Care

Note: 2015 FY Basis

# Leading customer service satisfaction...



# Leading customer service satisfaction...

## The modern consumer magazine award





# Deliver a remarkable consumer digital experience...



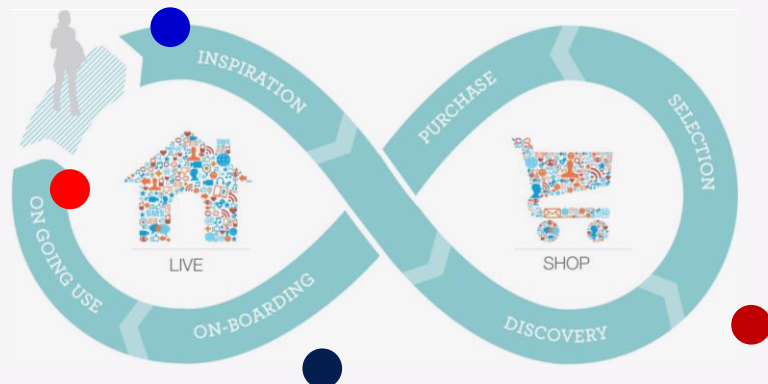
# Deliver a remarkable consumer digital experience...

## PRE PURCHASE

- Create and source content and distribute it through owned and 3<sup>rd</sup> party channels to be more pervasive and increase funnel

## POST PURCHASE

- Create a valuable ownership experience immediately post purchase as well as longer term CRM



## AT PURCHASE

- Evolve Digital Commerce into a best-in-class experience
- Enhance the shopping experience optimizing product selection online, on mobile and in stores matching local needs

## ACROSS

- Digital Culture
- Develop Organization Capabilities and Collaboration
- *Connected Appliances*: Deliver real benefits to consumers with engaging content through relevant Apps, that also could drive ACS sales
- Technology
- Adoption and integration of tools and standards (e.g.: PIM)

# Conclusions

- Latin America is an attractive long-term market opportunity...
- Electrolux is a relevant player in the region, leading 3 out of 4 main markets...
- Sustainable profit growth for many years, but there is a challenging short-term environment, mainly in Brazil...
- Continued growth in other Latin American countries...
- Actions to take cost and to increase prices to mitigate currency headwinds
- Electrolux aims to be #1 player in the region...



Electrolux