

Press Release

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President and CEO Jonas Samuelson's comments on the results
for the first quarter 2017

Continued improvement in earnings

Stockholm, Sweden, April 28, 2017

Electrolux operating income for the first quarter increased to SEK 1,536m, an improvement of 21% compared to the same period last year. The operating margin increased to 5.3% from 4.5% and results improved across all business areas. Our operations in Major Appliances EMEA and North America continued to deliver good profitability and Professional Products also reported a good earnings trend. The performance for Major Appliances Latin America and Home Care & SDA recovered during the quarter. Portfolio management and continued measures to increase net cost efficiency in the Group are tracking well and contributed to the solid results in the quarter.

Major Appliances EMEA achieved an operating margin of 6.3%. Focus on the most profitable products and continued good contribution from cost efficiency actions mitigated currency and raw material headwinds. Market demand for appliances in Europe was stable, although the UK declined. Demand in Middle East and Africa also declined. We confirm our outlook for the European market and expect a market growth of approximately 1% in 2017. The acquisition of Kwikot Group, a profitable water heater company in South Africa, was completed during the quarter. Kwikot fits well with our strategy to broaden Electrolux offering and expertise within home comfort and increasing our market reach in southern Africa.

In North America, operating income continued to develop favorably and the operating margin for the first quarter increased to 6.1% from 5.0% last year. Active product portfolio management and price pressure led to a decline in net sales in the quarter. However, actions to improve the cost structure and efficiency within operations significantly contributed to earnings. Market demand for core appliances in the first quarter of 2017 remained solid and grew by slightly less than 3%. We expect market demand for appliances in North America to grow by 2-3% in 2017.

Our operations in Latin America have recovered following several quarters of weak performance, driven by the very unfavorable macro-economic environment. Although market demand remained negative in Brazil in the quarter, demand increased in Argentina and Chile. Business restructuring and improved cost efficiency, together with tailwinds from major currencies, contributed to the recovery in earnings. The earnings trend in Asia/Pacific remained solid in the quarter and operating income increased. Performance benefitted mainly from continued higher sales volumes in the region and good profitability in Australia.

Professional Products showed good organic growth in the quarter of 8% and a continued improvement in the operating margin. Sales in all markets increased, particularly in Western Europe and Japan. In late February, Electrolux announced and closed the acquisition of Grindmaster-Cecilware, which supplies beverage dispensing equipment. This acquisition broadens our offering in the US food service market.

The work to restore profitability in Home Care & Small Domestic Appliances is making good progress with continued focus on mix improvements and exiting non-profitable categories and markets. In April we completed the acquisition of Anova, the U.S. based provider of the Anova Precision Cooker, an innovative connected device for sous vide

cooking that enables restaurant-quality results in the home. The acquisition provides a significant opportunity for profitable growth in this emerging product category.

Due to rising prices for raw materials, we now expect the negative impact from higher costs for raw materials to be SEK 1.4bn in 2017. Further, we have accelerated our cost efficiency efforts and now expect to deliver net cost efficiency of SEK 2.2bn in 2017.

We will continue to drive profitable growth by creating best-in-class consumer experiences which are supported by innovation and operational excellence. The work to increase net cost efficiency throughout the Group is making good progress and will, together with improved product mix, support our target of reaching a sustainable profitability with margins of at least 6%.

Stockholm, April 28, 2017
Jonas Samuelson
President and CEO

This information is information that AB Electrolux is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out above, at 0800 CET on April 28, 2017.

Electrolux is a global leader in home appliances and appliances for professional use, based on deep consumer insight. We offer thoughtfully designed, innovative and sustainable solutions, developed in close collaboration with professional users. The products include refrigerators, ovens, cookers, hobs, dishwashers, washing machines, vacuum cleaners, air conditioners and small domestic appliances. Under esteemed brands including Electrolux, AEG, Zanussi, Frigidaire and Electrolux Grand Cuisine, the Group sells more than 60 million products to customers in more than 150 markets every year. In 2016 Electrolux had sales of SEK 121 billion and 55,000 employees. For more information go to www.electroluxgroup.com.