

Interim Report January - June 2017

Stockholm, July 19, 2017

Highlights of the second quarter of 2017

- Net sales increased by 5.1% to SEK 31,502m (29,983).
- Organic sales were unchanged, contribution from acquisitions and divestments was 1.2% while currency translation had a positive impact of 3.9% on net sales.
- Operating income increased to SEK 1,942m (1,564), corresponding to a margin of 6.2% (5.2).
- Four of six business areas achieved an operating margin above 6%.
- Solid operating cash flow after investments of SEK 3.5bn (4.1).
- Income for the period increased to SEK 1,308m (1,079), and earnings per share was SEK 4.55 (3.75).

Financial overview

SEKm	Q2 2017	Q2 2016	Change, %	First half 2017	First half 2016	Change, %
Net sales	31,502	29,983	5.1	60,385	58,097	3.9
Organic growth, %	0.0	-0.9		-1.4	0.3	
Acquisitions, %	1.5	0.1		0.9	0.1	
Divestments, %	-0.3	—		-0.5	—	
Changes in exchange rates, %	3.9	-3.6		4.9	-4.3	
Operating income	1,942 ¹⁾	1,564	24	3,478	2,832	23
Margin, %	6.2	5.2		5.8	4.9	
Income after financial items	1,753	1,448	21	3,187	2,611	22
Income for the period	1,308	1,079	21	2,391	1,954	22
Earnings per share, SEK ²⁾	4.55	3.75		8.32	6.80	
Operating cash flow after investments	3,470	4,141	-16	2,512	3,561	-29
Return on net assets, %	—	—		33.4	25.7	

¹⁾ Operating income in the second quarter of 2017 was negatively impacted by the release of acquisition-related fair value adjustments to inventory of SEK 40m.

²⁾ Basic, based on an average of 287.4 (287.4) million shares for the second quarter and 287.4 (287.4) million shares for the first half of 2017, excluding shares held by Electrolux.

For definitions, see page 25.

About Electrolux

Electrolux shapes living for the better by reinventing taste, care and wellbeing experiences, making life more enjoyable and sustainable for millions of people. As a leading global appliance company, we place the consumer at the heart of everything we do. Through our brands, including Electrolux, AEG, Anova, Frigidaire, Westinghouse and Zanussi, we sell more than 60 million household and professional products in more than 150 markets every year. In 2016, Electrolux had sales of SEK 121 billion and employed 55,000 people around the world. For more information, go to www.electroluxgroup.com.

AB Electrolux (publ) 556009-4178



Market overview

Market overview for the second quarter

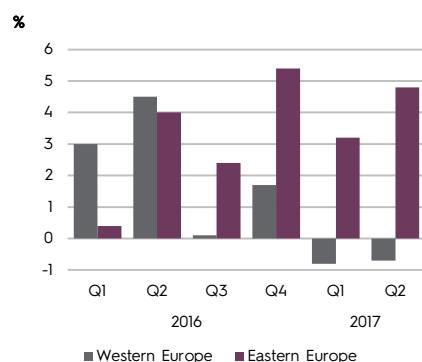
In the second quarter, market demand for core appliances in Europe increased by 1% year-over-year. Demand in Western Europe declined by 1% while demand in Eastern Europe increased by 5%.

Market demand for core appliances in North America increased by 5%.

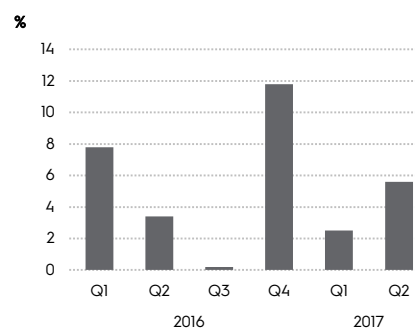
Market demand for appliances in Australia, China and Southeast Asia is estimated to have increased.

Demand for core appliances in Brazil, Argentina and Chile improved.

INDUSTRY SHIPMENTS OF CORE APPLIANCES IN EUROPE*



INDUSTRY SHIPMENTS OF CORE APPLIANCES IN THE US*



*Units, year-over-year, %.

Sources: Europe: Electrolux estimates, North America: AHAM. For other markets, there are no comprehensive market statistics.

The second quarter in summary

- Major Appliances North America reported continued improvement in operating income.
- Continued stable earnings for Major Appliances EMEA.
- Professional Products displayed favorable organic growth and a positive earnings trend.
- Major Appliances Asia/Pacific reported organic sales growth and operating income increased.
- Operating income for Home Care & SDA continued to improve.
- Measures to restore profitability in Major Appliances Latin America continued.
- Acquisition of Anova completed and announcement in July to acquire European kitchen hoods company Best

SEKm	Q2 2017	Q2 2016	Change, %	First half 2017	First half 2016	Change, %
Net sales	31,502	29,983	5.1	60,385	58,097	3.9
Change in net sales, %, whereof						
Organic growth	0.0	-0.9		-1.4	0.3	
Acquisitions	1.5	0.1		0.9	0.1	
Divestments	-0.3	—		-0.5	—	
Changes in exchange rates	3.9	-3.6		4.9	-4.3	
Operating income						
Major Appliances Europe, Middle East and Africa	576	567	2	1,134	1,120	1
Major Appliances North America	987	742	33	1,591	1,237	29
Major Appliances Latin America	29	69	-58	131	100	31
Major Appliances Asia/Pacific	209	150	40	321	245	31
Home Care & SDA	77	6	1,180	147	50	194
Professional Products	258	222	16	507	427	19
Other, Common Group costs, etc.	-194	-192	-1	-353	-347	-2
Operating income	1,942	1,564	24	3,478	2,832	23
Margin, %	6.2	5.2		5.8	4.9	

Net sales for the Electrolux Group increased by 5.1% in the quarter. Currency translation had a positive impact of 3.9% and the net contribution of acquisitions and divestments was 1.2%. Major Appliances EMEA, Major Appliances Asia/Pacific and Professional Products reported organic sales growth. Sales for Major Appliances North America were impacted by lower sales volumes of products under private labels. In Latin America, sales increased in Argentina and Chile, while sales in Brazil declined. Sales for Home Care & SDA declined, mainly as a result of the focus on product-portfolio management.

Operating income increased to SEK 1,942m (1,564), corresponding to a margin of 6.2% (5.2).

Operating income improved across all business areas except in Latin America. Product mix improvements and higher cost efficiency contributed to the favorable earnings trend during the quarter. Major Appliances EMEA reported stable earnings as a result of mix improvements and lower operational costs. Major Appliances North America continued to report favorable results supported by mix improvements and increased operational efficiency. Operating income for Major Appliances Asia/Pacific improved significantly as a result of good development across most regions. Results for Home Care & SDA continued to increase. Professional Products strengthened its position in several markets and operating income improved.

Effects of changes in exchange rates

Changes in exchange rates had a negative year-over-year impact of SEK 96m on operating income in the quarter. The impact of transaction effects was SEK -186m and related mainly to a weaker Egyptian pound and British pound, but also to weakening currencies in Latin America. Translation effects in the quarter amounted to SEK 90m.

Financial net

Net financial items for the second quarter amounted to SEK -189m (-116). The financial net was negatively impacted by unrealized losses, related to financial assets available for sale, in the amount of SEK 100m.

Income for the period

Income for the period amounted to SEK 1,308m (1,079), corresponding to SEK 4.55 (3.75) in earnings per share.

Events during the second quarter of 2017

April 3. Management change in AB Electrolux

Lars Hygrell, is new Chief Marketing Officer and member of Group Management since May 1. He was previously Senior Vice President Marketing and Brands within the business area Major Appliances EMEA. He succeeded MaryKay Kopf who has left the company.

Events after the second quarter

July 7. Electrolux to acquire European kitchen hoods company Best

Electrolux has agreed to acquire Best, a European manufacturer of innovative and well-designed kitchen hoods. The acquisition enables Electrolux to develop a fully comprehensive offering of built-in cooking solutions and will further support long-term profitable growth in the region.

For more information, visit www.electroluxgroup.com

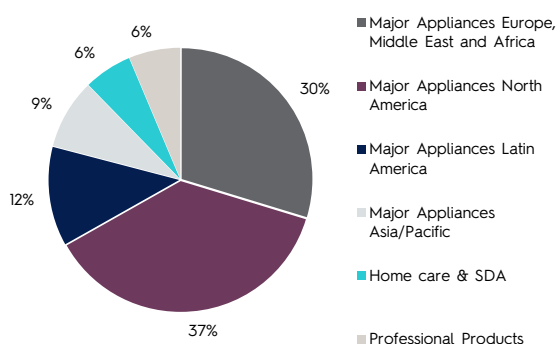
First half of 2017

Net sales for Electrolux in the first half of 2017 amounted to SEK 60,385m (58,097). Organic sales declined by 1.4%, the net contribution from acquisitions and divestment was 0.4% and currency translation had a positive impact of 4.9%.

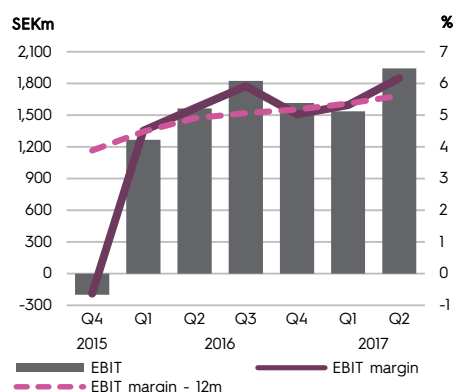
Operating income increased to SEK 3,478m (2,832), corresponding to a margin of 5.8% (4.9).

Income for the period amounted to SEK 2,391m (1,954), corresponding to SEK 8.32 (6.80) in earnings per share.

SHARE OF SALES BY BUSINESS AREA IN THE SECOND QUARTER OF 2017



OPERATING INCOME AND MARGIN



The EBIT margin - 12m is excluding costs related to GE Appliances, see page 23.

Business areas

Major Appliances Europe, Middle East and Africa

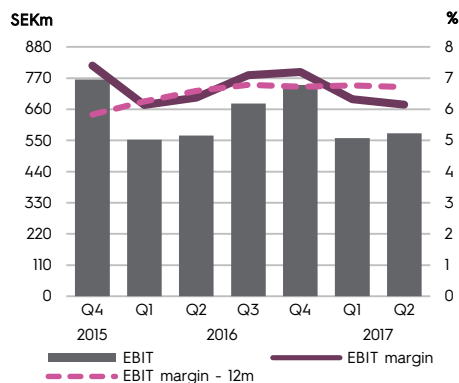
In the second quarter, overall market demand in Europe increased by 1% year-over-year. Demand in Western Europe declined by 1%, demand improved in most markets while the market in the UK continued to decline. Demand in Eastern Europe increased by 5%.

Electrolux operations in EMEA reported organic sales growth of 2.1% in the quarter. The acquired company Kwikot Group had a positive impact of 2.2% on sales. New product launches and continued focus on the most profitable product categories improved the product mix and the business area continued to gain market shares under premium brands.

Operating income improved and the margin remained stable at more than 6%. Mix improvements and lower operational costs offset the headwinds from currencies and raw-material cost increases.

In July, an agreement was made to acquire the European kitchen hoods company Best. The acquisition is subject to regulatory approvals and is expected to be completed during the third quarter of 2017. For more information, see page 3.

OPERATING INCOME AND MARGIN



Industry shipments of core appliances in Europe, units, year-over-year, %	Q2 2017	Q2 2016	First half 2017	First half 2016	Full year 2016
Western Europe	-1	5	0	4	3
Eastern Europe (excluding Turkey)	5	4	4	3	4
Total Europe	1	4	1	4	3
SEKm					
Net sales	9,356	8,897	18,188	17,898	37,844
Organic growth, %	2.1	5.2	-0.2	6.2	3.5
Acquisitions, %	2.2	-	1.4	-	-
Operating income	576 ¹⁾	567	1,134	1,120	2,546
Operating margin, %	6.2	6.4	6.2	6.3	6.7

¹⁾ Operating income in the second quarter was negatively impacted by the release of acquisition-related fair value adjustments to inventory of SEK 23m. Excluding this effect the operating margin was 6.4%.

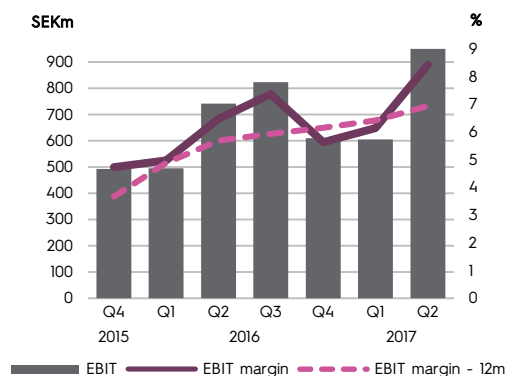
Major Appliances North America

In the second quarter, market demand for core appliances in North America grew by 5% year-over-year. Market demand for major appliances, including microwave ovens and home-comfort products also improved by 10%.

Electrolux operations in North America reported an organic sales decline of 2.4% in the quarter. Sales declined due to lower sales volumes under private labels. However, product-portfolio management improved the product mix in the quarter.

Operating income improved, as a result of increased cost efficiency and mix improvements which more than offset the negative impact from price pressure and lower volumes.

OPERATING INCOME AND MARGIN



Industry shipments of appliances in the US, units, year-over-year, %	Q2 2017	Q2 2016	First half 2017	First half 2016	Full year 2016
Core appliances	5	3	4	5	6
Microwave ovens and home-comfort products	15	-5	15	-3	-1
Total Major Appliances US	10	0	7	2	3
SEKm					
Net sales	11,699	11,450	21,549	21,387	43,402
Organic growth, % ¹⁾	-2.4	-1.5	-4.5	1.7	-0.9
Operating income	987	742	1,591	1,237	2,671
Operating margin, %	8.4	6.5	7.4	5.8	6.2

¹⁾ The organic growth in the second quarter, the first half and the full year of 2016 was negatively impacted by 0.2%, 0.2% and 0.2%, respectively, related to the transfer of operations under the Kelvinator brand in North America to the business area Professional Products.

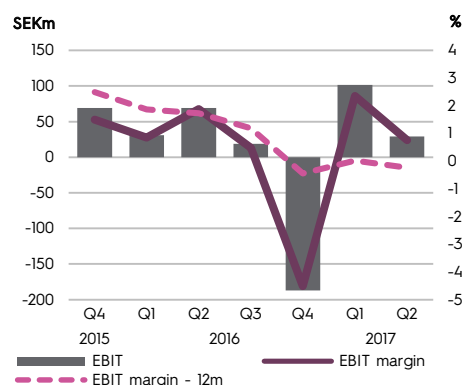
Major Appliances Latin America

In the second quarter, market demand for core appliances in Brazil increased somewhat, although the macro-economic environment continued to be weak. Demand in Argentina and Chile also improved.

Electrolux operations in Latin America reported an organic sales decline of 2.5% during the quarter. Sales volumes increased in Argentina and Chile, while the weak market environment in Brazil impacted sales negatively.

Operating income declined. This was mainly related to negative currency effects and lower prices. Continued actions to improve cost-efficiency contributed to earnings.

OPERATING INCOME AND MARGIN



SEKm	Q2 2017	Q2 2016	First half 2017	First half 2016	Full year 2016
Net sales	3,857	3,659	8,158	7,302	15,419
Organic growth, %	-2.5	-6.7	-2.5	-9.3	-10.8
Operating income	29	69	131	100	-68
Operating margin, %	0.8	1.9	1.6	1.4	-0.4

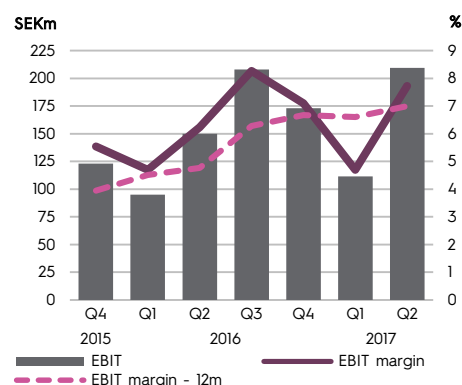
Major Appliances Asia/Pacific

In the second quarter, overall market demand for appliances in Australia, China and Southeast Asia is estimated to have increased.

Electrolux reported an organic sales growth of 6.6% in the second quarter. Sales improved across most regions and were particularly strong in China. The acquired wine cabinet company Vintec, had a positive impact of 1.2% on sales.

Operating income improved significantly year-over-year. Higher sales volumes and cost efficiencies contributed to earnings. Operations in Australia and New Zealand reported a favorable earnings trend.

OPERATING INCOME AND MARGIN



SEKm	Q2 2017	Q2 2016	First half 2017	First half 2016	Full year 2016
Net sales	2,713	2,407	5,086	4,429	9,380
Organic growth, %	6.6	-2.0	7.3	-3.5	1.3
Acquisitions, %	1.2	—	1.2	—	0.5
Operating income	209	150	321	245	626
Operating margin, %	7.7	6.2	6.3	5.5	6.7

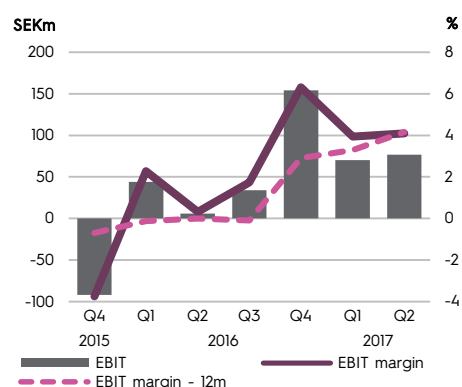
Home Care & Small Domestic Appliances

In the second quarter, the market for cordless, hand-held vacuum cleaners in Europe and Asia Pacific continued to increase significantly year-over-year while demand for corded vacuum cleaners declined in several markets.

Electrolux organic sales declined by 3.4% in the quarter. The product mix improved as a result of active product portfolio management and exiting unprofitable product categories which impacted sales volumes negatively. The acquired smart kitchen appliance company Anova had a positive impact of 4.6% on sales while the divestment of the Eureka brand in the US in 2016, had a negative impact of 4.7% on sales.

Operating income continued to improve across regions and increased significantly. A positive mix trend and cost efficiencies contributed to earnings.

OPERATING INCOME AND MARGIN



SEKm	Q2 2017	Q2 2016	First half 2017	First half 2016	Full year 2016
Net sales	1,878	1,858	3,664	3,785	8,183
Organic growth, %	-3.4	-12.3	-3.3	-9.2	-8.2
Acquisitions, %	4.6	—	2.3	—	—
Divestments, %	-4.7	—	-7.1	—	—
Operating income	77 ¹⁾	6	147	50	238
Operating margin, %	4.1	0.3	4.0	1.3	2.9

¹⁾ Operating income in the second quarter was negatively impacted by the release of acquisition-related fair value adjustments to inventory of SEK 8m. Excluding this effect the operating margin was 4.5%.

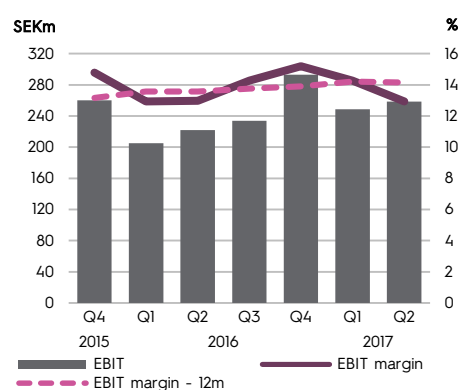
Professional Products

Overall market demand for professional food-service and professional laundry equipment improved across most regions year-over-year in the second quarter. Demand increased in Electrolux core markets in Western Europe. The markets in the US and Japan also improved.

Organic growth for Electrolux was 5.8%. The acquired US company Grindmaster-Cecilware had a positive impact of 8.8% on sales. Sales grew across most markets, particularly in Europe, Japan and in emerging markets.

Operating income continued to increase. Investments in product development to strengthen positions in existing and new segments and markets are ongoing.

OPERATING INCOME AND MARGIN



SEKm	Q2 2017	Q2 2016	First half 2017	First half 2016	Full year 2016
Net sales	1,999	1,712	3,741	3,296	6,865
Organic growth, % ¹⁾	5.8	1.1	6.8	2.7	4.4
Acquisitions, %	8.8	1.4	4.5	1.4	0.6
Operating income	258 ²⁾	222	507	427	954
Operating margin, %	12.9	13.0	13.6	13.0	13.9

¹⁾ The organic growth in the second quarter, the first half and full year of 2016 was positively impacted by 1.3%, 1.3% and 1.3%, respectively, related to the transfer of operations under the Kelvinator brand in North America from the business area Major Appliances North America.

²⁾ Operating income in the second quarter was negatively impacted by the release of acquisition-related fair value adjustments to inventory of SEK 9m. Excluding this effect the operating margin was 13.4%.

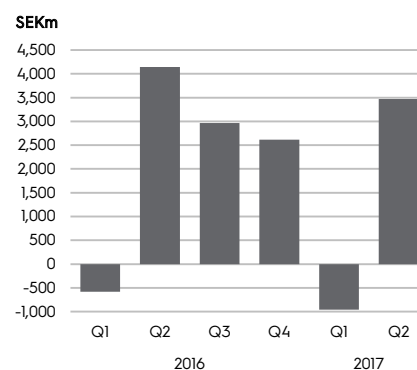
Cash flow

Operating cash flow after investments is seasonally strong in the second quarter and amounted to SEK 3,470m (4,141). Higher capital expenditure and lower contribution from working capital account for the somewhat lower level compared with the same period in the previous year.

Operating cash flow after investments in the first half of 2017 amounted to SEK 2,512m (3,561).

Acquisitions of operations had a negative impact of SEK 899m and SEK 3,298m, respectively on the cash flow in the second quarter and the first half of 2017. The acquisition in the second quarter refers to Anova, see page 22.

OPERATING CASH FLOW AFTER INVESTMENTS



SEKm	Q2 2017	Q2 2016	First half 2017	First half 2016	Full year 2016
Operating income adjusted for non-cash items ¹⁾	3,031	2,707	5,482	5,027	10,545
Change in operating assets and liabilities	1,269	1,855	-1,473	-516	1,328
Operating cash flow	4,300	4,562	4,009	4,511	11,873
Investments in tangible and intangible assets	-832	-678	-1,564	-1,314	-3,390
Changes in other investments	2	257	67	364	657
Operating cash flow after investments	3,470	4,141	2,512	3,561	9,140
Acquisitions and divestments of operations	-899	-	-3,298	-3	176
Operating cash flow after structural changes	2,571	4,141	-786	3,558	9,316
Financial items paid, net ²⁾	-52	-117	-131	-178	-514
Taxes paid	-312	-430	-555	-631	-1,194
Cash flow from operations and investments	2,207	3,594	-1,472	2,749	7,608
Dividend	-	-1,868	-1,078	-1,868	-1,868
Share-based payments	4	-3	-488	-57	-57
Total cash flow, excluding changes in loans and short-term investments	2,211	1,723	-3,038	824	5,683

¹⁾ Operating income adjusted for depreciation, amortization and other non-cash items.

²⁾ For the period January 1 to June 30 2017: interests and similar items received SEK 111m (52), interests and similar items paid SEK -175m (-184) and other financial items paid SEK -67m (-46).

Financial position

Net debt

As of June 30, 2017, Electrolux had a net cash position of SEK 310m compared to the net cash position of SEK 3,809m as of December 31, 2016.

Net provisions for post-employment benefits decreased to SEK 3,085m. In total, net debt increased by SEK 2,415m in the first half of 2017.

Long-term borrowings as of June 30, 2017, including long-term borrowings with maturities within 12 months, amounted to SEK 9,001m with average maturity of 2.5 years, compared to SEK 8,451m and 2.7 years at the end of 2016. During 2017, long-term borrowings in the amount of approximately SEK 500m will mature.

Liquid funds as of June 30, 2017, amounted to SEK 10,563m, a decrease of SEK 3,448m compared to SEK 14,011m as of December 31, 2016.

Net assets and working capital

Average net assets for the first half of 2017 amounted to SEK 20,805m (22,032), corresponding to 17.2% (19.0) of annualized net sales. Net assets as of June 30, 2017, amounted to SEK 21,192m (21,648).

Working capital as of June 30, 2017, amounted to SEK -13,694m (-11,706), corresponding to -11.1% (-9.5) of annualized net sales.

Return on net assets was 33.4% (25.7), and return on equity was 27.7% (27.3).

Net debt

SEKm	June 30, 2017	June 30, 2016	Dec. 31, 2016
Short-term loans	952	1,267	1,074
Short-term part of long-term loans	1,576	—	499
Trade receivables with recourse	128	321	234
Short-term borrowings	2,656	1,588	1,807
Financial derivative liabilities	148	241	419
Accrued interest expenses and prepaid interest income	24	23	24
Total short-term borrowings	2,828	1,852	2,250
Long-term borrowings	7,425	8,407	7,952
Total borrowings¹⁾	10,253	10,259	10,202
Cash and cash equivalents	10,079	8,538	12,756
Short-term investments	153	3	905
Financial derivative assets	90	191	100
Prepaid interest expenses and accrued interest income	241	256	250
Liquid funds²⁾	10,563	8,988	14,011
Financial net debt	-310	1,271	-3,809
Net provisions for post-employment benefits	3,085	6,455	4,169
Net debt	2,775	7,726	360
Net debt/equity ratio	0.16	0.55	0.02
Equity	17,339	13,922	17,738
Equity per share, SEK	60.33	48.44	61.72
Return on equity, %	27.7	27.3	29.4
Equity/assets ratio, %	22.9	19.0	24.7

¹⁾ Whereof interest-bearing liabilities in the amount of SEK 9,953m as of June 30, 2017, SEK 9,674m as of June 30, 2016 and SEK 9,525m as of December 31, 2016.

²⁾ Electrolux has one unused committed back-up multicurrency revolving credit facility of EUR 1,000m, approximately SEK 9,600, maturing 2022 with an extension option of one year.

Other items

Asbestos litigation in the US

Litigation and claims related to asbestos are pending against the Group in the US. Almost all of the cases refer to externally supplied components used in industrial products manufactured by discontinued operations prior to the early 1970s. The cases involve plaintiffs who have made substantially identical allegations against other defendants who are not part of the Electrolux Group.

As of June 30, 2017, the Group had a total of 3,320 (3,218) cases pending, representing approximately 3,383 (approximately 3,282) plaintiffs. During the second quarter of 2017, 312 new cases with 312 plaintiffs were filed and 290 pending cases with approximately 290 plaintiffs were resolved.

It is expected that additional lawsuits will be filed against Electrolux. It is not possible to predict the number of future lawsuits. In addition, the outcome of asbestos lawsuits is difficult to predict and Electrolux cannot provide any assurances that the resolution of these types of lawsuits will not have a material adverse effect on its business or on results of operations in the future.

Risks and uncertainty factors

As an international group with a wide geographic spread, Electrolux is exposed to a number of business and financial risks. The business risks can be divided into strategic, operational and legal risks. The financial risks are related to such factors as exchange rates, interest rates, liquidity, the giving of credit and financial instruments.

Risk management in Electrolux aims to identify, control and reduce risks. Risks, risk management and risk exposure

are described in more detail in the 2016 Annual Report, www.electrolux.com/annualreport2016

No significant risks other than the risks described there are judged to have occurred.

Press releases 2017

February 1	Electrolux Consolidated Results 2016 and CEO Jonas Samuelson's comments
February 1	Electrolux appoints Ricardo Cons as Head of Major Appliances Latin America
February 6	Electrolux to acquire fast-growing smart kitchen appliance company Anova
February 10	Kai Wörn proposed new Board Member of AB Electrolux
February 14	Notice convening the AGM of AB Electrolux
February 28	Electrolux Annual Report 2016 is published
March 2	Electrolux strengthens professional offering of beverage products by acquiring Grindmaster-Cecilware
March 20	Electrolux presents progress For the Better in 2016 Sustainability Report
March 21	Don't Overwash - new project drives sustainable care habits
March 24	Bulletin from AB Electrolux AGM 2017
April 3	Management change in AB Electrolux, MaryKay Kopf, Chief Marketing Officer, has decided to leave her position
April 28	Electrolux Interim Report January-March 2017 and CEO Jonas Samuelson's comments
April 28	Invitation to Electrolux Capital Markets Day on November 16, 2017
July 7	Electrolux to acquire European kitchen hoods company Best

Parent Company AB Electrolux

The Parent Company comprises the functions of the Group's head office, as well as five companies operating on a commission basis for AB Electrolux.

Net sales for the Parent Company, AB Electrolux, for the first half 2017 amounted to SEK 16,695m (15,947) of which SEK 13,634m (12,902) referred to sales to Group companies and SEK 3,061m (3,045) to external customers. Income after financial items was SEK 1,851m (2,165), including dividends from subsidiaries in the amount of SEK 1,969m (1,438). Income for the period amounted to SEK 1,880m (2,036).

Capital expenditure in tangible and intangible assets was SEK 167m (105). Liquid funds at the end of the period amounted to SEK 4,816m, as against SEK 9,167m at the start of the year.

Undistributed earnings in the Parent Company at the end of the period amounted to SEK 14,828m, as against SEK 15,582m at the start of the year. Dividend payment to shareholders for 2016 amounted to SEK 2,155m, whereof SEK 1,078 has been paid during the first quarter and SEK 1,078m has been reported as a current liability.

The income statement and balance sheet for the Parent Company are presented on page 19.

The report has not been audited.

The Board of Directors and the President and CEO certify that the Interim Report for the period January – June 2017 gives a true and fair overview of the Parent Company AB Electrolux and the Group's operations, their financial position and results of operations, and describes significant risks and uncertainties facing the Parent Company and other companies in the Group.

Stockholm, July 18, 2017

AB Electrolux (publ)
556009-4178

Ronnie Leten
Chairman of the Board of Directors

Petra Hedengran
Board member

Hasse Johansson
Board member

Ulla Litzén
Board member

Bert Nordberg
Board member

Fredrik Persson
Board member

David Porter
Board member

Jonas Samuelson
Board member, President and CEO

Ulrika Saxon
Board member

Kai Wärn
Board member

Gunilla Brandt
*Board member,
employee representative*

Ulf Carlsson
*Board member,
employee representative*

Bo Rothzén
*Board member,
employee representative*

Consolidated income statement

SEKm	Q2 2017	Q2 2016	First half 2017	First half 2016	Full year 2016
Net sales	31,502	29,983	60,385	58,097	121,093
Cost of goods sold	-24,721	-23,636	-47,601	-45,980	-95,820
Gross operating income	6,781	6,347	12,784	12,117	25,273
Selling expenses	-3,346	-3,246	-6,565	-6,272	-13,208
Administrative expenses	-1,467	-1,442	-2,819	-2,822	-5,812
Other operating income/expenses	-26	-95	78	-191	21
Operating income	1,942	1,564	3,478	2,832	6,274
Margin, %	6.2	5.2	5.8	4.9	5.2
Financial items, net	-189	-116	-291	-221	-693
Income after financial items	1,753	1,448	3,187	2,611	5,581
Margin, %	5.6	4.8	5.3	4.5	4.6
Taxes	-445	-369	-796	-657	-1,088
Income for the period	1,308	1,079	2,391	1,954	4,493
Items that will not be reclassified to income for the period:					
Remeasurement of provisions for post-employment benefits	415	-383	803	-1,959	-236
Income tax relating to items that will not be reclassified	-88	98	-241	541	44
	327	-285	562	-1,418	-192
Items that may be reclassified subsequently to income for the period:					
Available-for-sale instruments	-3	-4	0	-24	43
Cash flow hedges	3	8	82	-29	-82
Exchange-rate differences on translation of foreign operations	-1,054	1,018	-838	349	328
Income tax relating to items that may be reclassified	23	-18	0	-16	-20
	-1,031	1,004	-756	280	269
Other comprehensive income, net of tax	-704	719	-194	-1,138	77
Total comprehensive income for the period	604	1,798	2,197	816	4,570
Income for the period attributable to:					
Equity holders of the Parent Company	1,307	1,079	2,390	1,954	4,494
Non-controlling interests	0	0	0	0	-1
Total	1,308	1,079	2,391	1,954	4,493
Total comprehensive income for the period attributable to:					
Equity holders of the Parent Company	606	1,797	2,199	816	4,570
Non-controlling interests	-2	1	-2	0	0
Total	604	1,798	2,197	816	4,570
Earnings per share					
Basic, SEK	4.55	3.75	8.32	6.80	15.64
Diluted, SEK	4.52	3.73	8.28	6.76	15.55
Average number of shares¹⁾					
Basic, million	287.4	287.4	287.4	287.4	287.4
Diluted, million	288.9	289.0	288.8	288.9	289.0

¹⁾ Average number of shares excluding shares held by Electrolux.

Consolidated balance sheet

SEKm	June 30, 2017	June 30, 2016	Dec. 31, 2016
Assets			
Property, plant and equipment	18,105	18,421	18,725
Goodwill	7,651	5,121	4,742
Other intangible assets	3,615	3,150	3,112
Investments in associates	224	205	210
Deferred tax assets	5,567	6,198	6,168
Financial assets	187	269	287
Pension plan assets	327	408	345
Other non-current assets	399	583	400
Total non-current assets	36,075	34,355	33,989
Inventories	15,013	16,093	13,418
Trade receivables	19,397	17,632	19,408
Tax assets	565	757	701
Derivatives	93	191	103
Other current assets	5,041	4,781	4,568
Short-term investments	153	3	905
Cash and cash equivalents	10,079	8,538	12,756
Total current assets	50,341	47,995	51,859
Total assets	86,416	82,350	85,848
Equity and liabilities			
Equity attributable to equity holders of the Parent Company			
Share capital	1,545	1,545	1,545
Other paid-in capital	2,905	2,905	2,905
Other reserves	-2,225	-1,459	-1,471
Retained earnings	15,085	10,901	14,729
Equity attributable to equity holders of the Parent Company	17,310	13,892	17,708
Non-controlling interests	28	30	30
Total equity	17,339	13,922	17,738
Long-term borrowings	7,425	8,407	7,952
Deferred tax liabilities	862	593	580
Provisions for post-employment benefits	3,412	6,863	4,514
Other provisions	6,020	5,736	5,792
Total non-current liabilities	17,719	21,599	18,838
Accounts payable	29,743	27,894	28,283
Tax liabilities	652	575	771
Dividend payable	1,078	–	–
Other liabilities	14,922	14,254	15,727
Short-term borrowings	2,656	1,588	1,807
Derivatives	162	281	432
Other provisions	2,145	2,237	2,252
Total current liabilities	51,358	46,829	49,272
Total equity and liabilities	86,416	82,350	85,848

Change in consolidated equity

SEKm	June 30, 2017	June 30, 2016	Full year 2016
Opening balance	17,738	15,005	15,005
Total comprehensive income for the period	2,197	816	4,570
Share-based payments	-441	-31	31
Dividend to equity holders of the Parent Company	-2,155	-1,868	-1,868
Dividend to non-controlling interests	0	0	0
Total transactions with equity holders	-2,596	-1,899	-1,837
Closing balance	17,339	13,922	17,738

Consolidated cash flow statement

SEKm	Q2 2017	Q2 2016	First half 2017	First half 2016	Full year 2016
Operations					
Operating income	1,942	1,564	3,478	2,832	6,274
Depreciation and amortization	994	905	1,990	1,887	3,934
Other non-cash items	95	238	14	308	337
Financial items paid, net ¹⁾	-52	-117	-131	-178	-514
Taxes paid	-312	-430	-555	-631	-1,194
Cash flow from operations, excluding change in operating assets and liabilities	2,667	2,160	4,796	4,218	8,837
Change in operating assets and liabilities					
Change in inventories	238	27	-1,764	-1,393	1,493
Change in trade receivables	-577	11	-366	763	-467
Change in accounts payable	1,238	1,300	2,070	591	72
Change in other operating assets, liabilities and provisions	370	517	-1,413	-477	230
Cash flow from change in operating assets and liabilities	1,269	1,855	-1,473	-516	1,328
Cash flow from operations	3,936	4,015	3,323	3,702	10,165
Investments					
Acquisitions of operations	-899	—	-3,298	-3	-160
Divestment of operations	—	—	—	—	336
Capital expenditure in property, plant and equipment	-658	-554	-1,249	-1,093	-2,830
Capital expenditure in product development	-94	-55	-169	-108	-274
Capital expenditure in software	-80	-69	-146	-113	-286
Other	2	257	67	364	657
Cash flow from investments	-1,729	-421	-4,795	-953	-2,557
Cash flow from operations and investments	2,207	3,594	-1,472	2,749	7,608
Financing					
Change in short-term investments	58	8	752	105	-799
Change in short-term borrowings	-102	-154	-399	-472	-31
New long-term borrowings	652	—	652	—	—
Amortization of long-term borrowings	-77	-2,656	-440	-2,660	-2,669
Dividend	0	-1,868	-1,078	-1,868	-1,868
Share-based payments	4	-3	-488	-57	-57
Cash flow from financing	535	-4,673	-1,001	-4,952	-5,424
Total cash flow	2,742	-1,079	-2,473	-2,203	2,184
Cash and cash equivalents at beginning of period	7,534	9,486	12,756	10,696	10,696
Exchange-rate differences referring to cash and cash equivalents	-197	131	-204	45	-124
Cash and cash equivalents at end of period	10,079	8,538	10,079	8,538	12,756

¹⁾ For the period January 1 to June 30 2017: interests and similar items received SEK 111m (52), interests and similar items paid SEK -175m (-184) and other financial items paid SEK -67m (-46). For the full year 2016: interests and similar items received SEK 123m, interests and similar items paid SEK -345m and other financial items paid SEK -292m.

Key ratios

SEKm unless otherwise stated	Q2 2017	Q2 2016	First half 2017	First half 2016	Full year 2016
Net sales	31,502	29,983	60,385	58,097	121,093
Organic growth, %	0.0	-0.9	-1.4	0.3	-1.1
Operating income	1,942	1,564	3,478	2,832	6,274
Margin, %	6.2	5.2	5.8	4.9	5.2
Income after financial items	1,753	1,448	3,187	2,611	5,581
Income for the period	1,308	1,079	2,391	1,954	4,493
Capital expenditure, property, plant and equipment	-658	-554	-1,249	-1,093	-2,830
Operating cash flow after investments	3,470	4,141	2,512	3,561	9,140
Earnings per share, SEK ¹⁾	4.55	3.75	8.32	6.80	15.64
Equity per share, SEK	60.33	48.44	60.33	48.44	61.72
Capital-turnover rate, times/year	–	–	5.8	5.3	5.8
Return on net assets, %	–	–	33.4	25.7	29.9
Return on equity, %	–	–	27.7	27.3	29.4
Net debt	2,775	7,726	2,775	7,726	360
Net debt/equity ratio	0.16	0.55	0.16	0.55	0.02
Average number of shares excluding shares owned by Electrolux, million	287.4	287.4	287.4	287.4	287.4
Average number of employees	54,902	55,770	54,535	55,822	55,400

¹⁾ Basic, based on average number of shares excluding shares held by Electrolux.
For definitions, see page 25.

Shares

Number of shares	A-shares	B-shares	Shares, total	Shares held by Electrolux	Shares held by other shareholders
Number of shares as of January 1, 2017	8,192,539	300,727,769	308,920,308	21,522,858	287,397,450
Number of shares as of June 30, 2017	8,192,539	300,727,769	308,920,308	21,522,858	287,397,450
As % of total number of shares				7.0%	

Exchange rates

SEK	June 30, 2017		June 30, 2016		Dec. 31, 2016	
	Average	End of period	Average	End of period	Average	End of period
ARS	0.5581	0.5089	0.5690	0.5859	0.5813	0.5717
AUD	6.64	6.49	6.31	6.15	6.36	6.54
BRL	2.76	2.55	2.64	2.28	2.48	2.78
CAD	6.63	6.52	6.55	6.30	6.46	6.73
CHF	8.90	8.82	8.67	8.47	8.67	8.90
CLP	0.0133	0.0127	0.0128	0.0122	0.0127	0.0135
CNY	1.28	1.25	1.28	1.28	1.29	1.31
EUR	9.59	9.64	9.42	9.28	9.45	9.55
GBP	11.15	10.96	11.40	11.94	11.60	11.16
HUF	0.0310	0.0312	0.0297	0.0296	0.0303	0.0308
MXN	0.4555	0.4683	0.4567	0.4677	0.4605	0.4388
RUB	0.1513	0.1427	0.1318	0.1207	0.1288	0.1486
THB	0.2544	0.2488	0.2416	0.2356	0.2431	0.2532
USD	8.82	8.45	8.49	8.36	8.58	9.06

Net sales by business area

SEKm	Q2 2017	Q2 2016	First half 2017	First half 2016	Full year 2016
Major Appliances Europe, Middle East and Africa	9,356	8,897	18,188	17,898	37,844
Major Appliances North America	11,699	11,450	21,549	21,387	43,402
Major Appliances Latin America	3,857	3,659	8,158	7,302	15,419
Major Appliances Asia/Pacific	2,713	2,407	5,086	4,429	9,380
Home Care & SDA	1,878	1,858	3,664	3,785	8,183
Professional Products	1,999	1,712	3,741	3,296	6,865
Total	31,502	29,983	60,385	58,097	121,093

Change in net sales by business area

Year-over-year, %	Q2 2017	Q2 2017 in local currencies	First half 2017	First half 2017 in local currencies
Major Appliances Europe, Middle East and Africa	5.2	4.3	1.6	1.2
Major Appliances North America	2.2	-2.4	0.8	-4.5
Major Appliances Latin America	5.4	-2.5	11.7	-2.5
Major Appliances Asia/Pacific	12.7	7.8	14.8	8.5
Home Care & SDA	1.1	-3.3	-3.2	-8.0
Professional Products	16.8	14.6	13.5	11.4
Total change	5.1	1.2	3.9	-0.9

Operating income by business area

SEKm	Q2 2017	Q2 2016	First half 2017	First half 2016	Full year 2016
Major Appliances Europe, Middle East and Africa	576	567	1,134	1,120	2,546
Margin, %	6.2	6.4	6.2	6.3	6.7
Major Appliances North America	987	742	1,591	1,237	2,671
Margin, %	8.4	6.5	7.4	5.8	6.2
Major Appliances Latin America	29	69	131	100	-68
Margin, %	0.8	1.9	1.6	1.4	-0.4
Major Appliances Asia/Pacific	209	150	321	245	626
Margin, %	7.7	6.2	6.3	5.5	6.7
Home Care & SDA	77	6	147	50	238
Margin, %	4.1	0.3	4.0	1.3	2.9
Professional Products	258	222	507	427	954
Margin, %	12.9	13.0	13.6	13.0	13.9
Common Group costs, etc.	-194	-192	-353	-347	-693
Operating income	1,942	1,564	3,478	2,832	6,274
Margin, %	6.2	5.2	5.8	4.9	5.2

Change in operating income by business area

Year-over-year, %	Q2 2017	Q2 2017 in local currencies	First half 2017	First half 2017 in local currencies
Major Appliances Europe, Middle East and Africa	1.5	-2.5	1.2	-2.3
Major Appliances North America	32.9	27.3	28.6	22.5
Major Appliances Latin America	-57.2	-59.1	30.5	19.0
Major Appliances Asia/Pacific	39.4	30.1	31.0	20.9
Home Care & SDA	1,186.2	995.8	194.3	192.2
Professional Products	16.2	13.4	18.7	16.6
Total change	24.2	17.7	22.8	18.2

Working capital and net assets

SEKm	June 30, 2017	% of annualized net sales	June 30, 2016	% of annualized net sales	Dec. 31, 2016	% of annualized net sales
Inventories	15,013	12.2	16,093	13.1	13,418	10.5
Trade receivables	19,397	15.7	17,632	14.4	19,408	15.2
Accounts payable	-29,743	-24.1	-27,894	-22.7	-28,283	-22.2
Provisions	-8,165		-7,973		-8,044	
Prepaid and accrued income and expenses	-9,520		-9,602		-10,732	
Taxes and other assets and liabilities	-676		38		-733	
Working capital	-13,694	-11.1	-11,706	-9.5	-14,966	-11.7
Property, plant and equipment	18,105		18,421		18,725	
Goodwill	7,651		5,121		4,742	
Other non-current assets	4,425		4,207		4,009	
Deferred tax assets and liabilities	4,705		5,605		5,588	
Net assets	21,192	17.2	21,648	17.6	18,098	14.2
Annualized net sales, calculated at end of period exchange rates	123,308		122,745		127,490	
Average net assets	20,805	17.2	22,032	19.0	20,957	17.3
Annualized net sales, calculated at average exchange rates	120,770		116,194		121,093	

Net assets by business area

SEKm	Assets			Equity and liabilities			Net assets		
	June 30, 2017	June 30, 2016	Dec. 31, 2016	June 30, 2017	June 30, 2016	Dec. 31, 2016	June 30, 2017	June 30, 2016	Dec. 31, 2016
Major Appliances Europe, Middle East and Africa	24,042	21,314	21,573	19,110	18,098	20,713	4,932	3,216	860
Major Appliances North America	16,078	17,358	15,163	14,233	14,449	12,463	1,845	2,909	2,700
Major Appliances Latin America	11,844	12,307	12,364	6,758	6,022	6,148	5,086	6,285	6,216
Major Appliances Asia/Pacific	5,970	5,535	5,688	4,122	3,694	3,846	1,848	1,841	1,842
Home Care & SDA	5,059	4,194	4,181	3,181	2,742	3,385	1,878	1,452	796
Professional Products	4,559	3,283	3,399	2,655	2,402	2,556	1,904	881	843
Other ¹⁾	7,974	8,963	9,124	4,275	3,899	4,283	3,699	5,064	4,841
Total operating assets and liabilities	75,526	72,954	71,492	54,334	51,306	53,394	21,192	21,648	18,098
Liquid funds	10,563	8,988	14,011	–	–	–	–	–	–
Total borrowings	–	–	–	10,253	10,259	10,202	–	–	–
Pension assets and liabilities	327	408	345	3,412	6,863	4,514	–	–	–
Dividend payable	–	–	–	1,078	–	–	–	–	–
Equity	–	–	–	17,339	13,922	17,738	–	–	–
Total	86,416	82,350	85,848	86,416	82,350	85,848	–	–	–

¹⁾ Includes common functions and tax items.

Net sales and income per quarter

SEKm	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Full year 2017	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Full year 2016
Net sales	28,883	31,502				28,114	29,983	30,852	32,144	121,093
Operating income	1,536	1,942				1,268	1,564	1,826	1,616	6,274
Margin, %	5.3	6.2				4.5	5.2	5.9	5.0	5.2
Income after financial items	1,434	1,753				1,163	1,448	1,725	1,245	5,581
Income for the period	1,083	1,308				875	1,079	1,267	1,272	4,493
Earnings per share, SEK ¹⁾	3.77	4.55				3.04	3.75	4.41	4.43	15.64
Number of shares excluding shares owned by Electrolux, million	287.4	287.4				287.4	287.4	287.4	287.4	287.4
Average number of shares excluding shares owned by Electrolux, million	287.4	287.4				287.4	287.4	287.4	287.4	287.4

¹⁾ Basic, based on average number of shares excluding shares held by Electrolux.

Net sales and operating income by business area

SEKm	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Full year 2017	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Full year 2016
Major Appliances Europe, Middle East and Africa										
Net sales	8,830	9,356				9,001	8,897	9,579	10,367	37,844
Operating income	558	576				553	567	680	746	2,546
Margin, %	6.3	6.2				6.1	6.4	7.1	7.2	6.7
Major Appliances North America										
Net sales	9,850	11,699				9,937	11,450	11,189	10,826	43,402
Operating income	605	987				495	742	824	610	2,671
Margin, %	6.1	8.4				5.0	6.5	7.4	5.6	6.2
Major Appliances Latin America										
Net sales	4,301	3,857				3,643	3,659	3,968	4,149	15,419
Operating income	101	29				31	69	19	-187	-68
Margin, %	2.4	0.8				0.9	1.9	0.5	-4.5	-0.4
Major Appliances Asia/Pacific										
Net sales	2,374	2,713				2,022	2,407	2,515	2,436	9,380
Operating income	112	209				95	150	208	173	626
Margin, %	4.7	7.7				4.7	6.2	8.3	7.1	6.7
Home Care & SDA										
Net sales	1,786	1,878				1,927	1,858	1,960	2,438	8,183
Operating income	70	77				44	6	34	154	238
Margin, %	3.9	4.1				2.3	0.3	1.7	6.3	2.9
Professional Products										
Net sales	1,742	1,999				1,584	1,712	1,641	1,928	6,865
Operating income	249	258				205	222	234	293	954
Margin, %	14.3	12.9				12.9	13.0	14.3	15.2	13.9
Other										
Common Group costs, etc.	-159	-194				-155	-192	-173	-173	-693
Total Group										
Net sales	28,883	31,502				28,114	29,983	30,852	32,144	121,093
Operating income	1,536	1,942				1,268	1,564	1,826	1,616	6,274
Margin, %	5.3	6.2				4.5	5.2	5.9	5.0	5.2

Parent Company income statement

SEKm	Q2 2017	Q2 2016	First half 2017	First half 2016	Full year 2016
Net sales	8,509	7,787	16,695	15,947	33,954
Cost of goods sold	-7,254	-6,457	-14,166	-13,055	-27,939
Gross operating income	1,255	1,330	2,529	2,892	6,015
Selling expenses	-701	-784	-1,433	-1,733	-3,763
Administrative expenses	-557	-389	-995	-706	-1,711
Other operating income	0	1	0	1	—
Other operating expenses	0	—	0	—	-2,379
Operating income	-3	158	101	454	-1,838
Financial income	1,128	1,491	2,293	1,714	4,037
Financial expenses	-473	85	-543	-3	-86
Financial items, net	655	1,576	1,750	1,711	3,951
Income after financial items	652	1,734	1,851	2,165	2,113
Appropriations	50	54	109	123	3,298
Income before taxes	702	1,788	1,960	2,288	5,411
Taxes	-19	-140	-80	-252	-1,027
Income for the period	683	1,648	1,880	2,036	4,384

Parent Company balance sheet

SEKm	June 30, 2017	June 30, 2016	Dec. 31 2016
Assets			
Non-current assets	35,115	35,204	34,019
Current assets	22,850	18,819	25,823
Total assets	57,965	54,023	59,842
Equity and liabilities			
Restricted equity	4,832	4,652	4,788
Non-restricted equity	14,828	13,230	15,582
Total equity	19,660	17,882	20,370
Untaxed reserves	384	433	396
Provisions	1,339	1,356	1,406
Non-current liabilities	7,022	7,876	7,561
Current liabilities	29,560	26,476	30,109
Total equity and liabilities	57,965	54,023	59,842

Notes

Note 1 Accounting and valuation principles

Electrolux applies International Financial Reporting Standards (IFRS) as adopted by the European Union. This report has been prepared in accordance with IAS 34, Interim Financial Reporting, and ÅRL, the Swedish Annual Accounts Act and recommendation RFR 2, Accounting for legal entities, issued by the Swedish Financial Reporting Board. There are no changes in the Group's accounting and valuation principles compared with the accounting and valuation principles described in Note 1 of the 2016 Annual Report.

Preparations for new accounting standards

During the first half of 2017, Electrolux preparatory work related to new accounting standards to be applied after 2017 has mainly involved IFRS 9 Financial Instruments and IFRS 15 Revenue from Contracts with Customers. The following information should be considered in addition to the information provided under "New or amended accounting standards to be applied after 2016" on page 104 in the annual report 2016.

IFRS 9 Financial Instruments. Electrolux has created a new model for calculating bad debt provisions related to trade receivables. The new model is based on expected losses instead of incurred losses. Electrolux will use the simplified approach for trade receivables, i.e. the provision will equal the lifetime expected loss. Calculations done show a non-material increase in the bad debt provision for the Group.

IFRS 15 Revenue from Contracts with Customers. The identified effects from reclassification between net sales and operating cost lines (reducing net sales) as well as from changes in the timing of revenue recognition, related to the delivery of finished products and sale of service contracts, have been assessed as not material for the Group.

Note 2 Fair values and carrying amounts of financial assets and liabilities

SEKm	June 30, 2017		June 30, 2016		Dec. 31, 2016	
	Fair value	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount
Per category						
Financial assets at fair value through profit and loss	2,849	2,849	2,423	2,423	6,640	6,640
Available for sale	23	23	113	113	123	123
Loans and receivables	22,673	22,673	18,416	18,416	20,777	20,777
Cash	4,365	4,365	5,681	5,681	5,920	5,920
Total financial assets	29,910	29,910	26,633	26,633	33,460	33,460
Financial liabilities at fair value through profit and loss	162	162	281	281	432	432
Financial liabilities measured at amortized cost	39,791	39,695	37,705	37,568	37,927	37,808
Total financial liabilities	39,953	39,857	37,986	37,849	38,359	38,240

The Group strives for arranging master-netting agreements (ISDA) with the counterparts for derivative transactions and has established such agreements with the majority of the counterparties, i.e., if a counterparty will default, assets and liabilities will be netted. Derivatives are presented gross in the balance sheet.

Fair value estimation

Valuation of financial instruments at fair value is done at the most accurate market prices available. Instruments which are quoted on the market, e.g., the major bond and interest-rate future markets, are all marked-to-market with the current price. The foreign-exchange spot rate is used to convert the value into SEK. For instruments where no reliable price is available on the market, cash-flows are discounted using the deposit/swap curve of the cash flow currency. If no proper cash-flow schedule is available, e.g., as in the case with forward-rate agreements, the underlying schedule is used for valuation purposes.

To the extent option instruments are used, the valuation is based on the Black & Scholes' formula. The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities is estimated by discounting

the future contractual cash flows at the current market-interest rate for similar financial instruments. The Group's financial assets and liabilities are measured according to the following hierarchy:

Level 1: Quoted prices in active markets for identical assets or liabilities. At June 30, 2017, the fair value for Level 1 financial assets was SEK 2,779m (2,345) and for financial liabilities SEK 0m (0).

Level 2: Inputs other than quoted prices included in Level 1 that are observable for assets or liabilities either directly or indirectly. At June 30, 2017, the fair value of Level 2 financial assets was SEK 93m (191) and financial liabilities SEK 162m (281).

Level 3: Inputs for the assets or liabilities that are not entirely based on observable market data. Electrolux has no financial assets or liabilities qualifying for Level 3.

Note 3 Pledged assets and contingent liabilities

SEKm	June 30, 2017	June 30, 2016	Dec. 31, 2016
Group			
Pledged assets	6	32	6
Contingent liabilities	1,347	1,705	1,311
Parent Company			
Pledged assets	–	–	–
Contingent liabilities	1,615	1,616	1,611

Note 4 Divested operations

In December 2016, Electrolux divested the North American vacuum-cleaner brand Eureka and related assets, which had a positive impact on cash flow of SEK 336m. The positive impact on operating income was SEK 107m.

Note 5 Acquisitions

The amounts presented below are based on preliminary purchase price allocations and may be subject to change.

Acquisitions

SEKm	Anova	Grindmaster-Cecilware	Kwikot
Consideration:			
Paid	874	838	1,632
Deferred	263	–	139
Total consideration	1,137	838	1,771
Recognized amounts of identifiable assets acquired and liabilities assumed at fair value:			
Total identifiable net assets acquired	99	290	531
Assumed net debt ¹⁾	-58	-149	-207
Goodwill	1,096	697	1,447
Total	1,137	838	1,771

¹⁾ Whereof total acquired cash and cash equivalents SEK 46m.

Acquisitions in the first quarter of 2017

Grindmaster-Cecilware

On February 28, 2017, Electrolux completed the acquisition of the US based Grindmaster-Cecilware business by acquiring 100% of the business via a purchase of all shares in the parent company of the Grindmaster-Cecilware Group in a cash transaction. The acquisition broadens Electrolux offering in its food service business and will accelerate the growth of the Professional Products business area by increasing access to the U.S. market.

Grindmaster-Cecilware is a leading U.S. based manufacturer of hot, cold and frozen beverage dispensing equipment, including coffee machines. Grindmaster-Cecilware had net sales in excess of USD 65 million in 2016 and approximately 200 employees. The company is based in Louisville, Kentucky and has manufacturing facilities in Louisville and in Rayong, Thailand.

Goodwill primarily relates to the increase in market presence in North America, one of the largest global markets for professional appliances. Goodwill is not expected to be deductible for income tax purposes.

Net sales and operating income in the acquired business during the period January 1, 2017, up until the date the acquisition was completed amounted to USD 11.8m and USD 1.3m respectively, approximately SEK 106m and SEK 12m respectively.

The Grindmaster-Cecilware business is included in Electrolux consolidated accounts from March 1, 2017, however with a time lag of one month. For the period from the acquisition date until the end of the reporting period the acquired business has contributed to net sales and operating income (including amortization of surplus values) by USD 17.3m and USD 0.3m respectively, approximately SEK 153m and SEK 2m respectively.

The operations are included in business area Professional Products.

Kwikot Group

In November 2016, Electrolux announced the agreement to acquire South Africa's leading water heater producer Kwikot Group (Kwikot Proprietary Limited and its affiliates). On March 1, 2017, following regulatory approval, Electrolux acquired all shares in Kwikot Pty Ltd, the parent company in the Kwikot Group, via a cash transfer. The acquisition broadens Electrolux home comfort product range and offers a strong platform for growth opportunities in Africa. The acquisition significantly strengthens Electrolux presence in South Africa.

Kwikot is based in Johannesburg where it also has production and its main warehouse. In the financial year ending June 30, 2016, Kwikot Group had sales of approximately ZAR 1.13 billion (approximately SEK 730 million), and an operating profit margin of more than 20%. The company has about 800 employees.

Goodwill represents the value of increasing Electrolux presence in Southern Africa. Goodwill is not expected to be deductible for income tax purposes.

Net sales and operating income in the acquired business during the period, January 1, 2017, up until the date the acquisition was completed amounted to ZAR 168m and ZAR 30m respectively, approximately SEK 112m and SEK 20m respectively.

The Kwikot business is included in Electrolux consolidated accounts from March 1, 2017. For the period from the acquisition date until the end of the reporting period the acquired business has contributed to net sales and operating income (including amortization of surplus values) by ZAR 386m and ZAR 37m respectively, approximately SEK 257m and SEK 25m respectively.

The operations are included in business area Major Appliances EMEA.

Acquisitions in the second quarter of 2017

Anova

On April 4 Electrolux completed the acquisition of the US based smart kitchen appliance company, Anova. The agreement to acquire the company was announced on February 6, 2017. Anova is a 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 agreed up-front cash payment in the transaction amounts to USD 115m, with a potential additional amount of up to USD 135m to be paid depending on future financial performance. Part of the mentioned cash payment and contingent pay-out is in the form of remuneration to key employees connected to post-closing service. The acquisition provides a significant opportunity for profitable growth in an emerging product category. Anova's direct-to-consumer business model and digital focus are of strong strategic interest to Electrolux.

Net sales in 2016 amounted to around USD 40m. The company has approximately 70 employees and contractors globally and is headquartered in San Francisco, California. Sales are primarily carried out online - directly to consumer and through major retailers.

Goodwill primarily relates to the expectations of profitable growth in the emerging product categories of connected appliances and to be able to utilize Anovas direct-to-consumer business model with a digital focus. Goodwill is not expected to be deductible for income tax purposes.

Net sales and operating income in the acquired business during the period January 1, 2017, up until the date the acquisition was completed, amounted to USD 4.8m and USD -4m respectively, approximately SEK 43m and SEK -36m respectively.

The Anova business is included in Electrolux consolidated accounts from April 4, 2017. For the period from the acquisition date until the end of the reporting period the acquired business has contributed to net sales and operating income (including amortization of surplus values) by USD 10.2m and USD -2.9m respectively, approximately SEK 90m and SEK -25m respectively.

Operations are included in the business area Home Care &SDA.

Transaction costs

Transaction costs for the acquisitions described above amounts to SEK 62m and have been expensed as incurred whereof SEK 16m in 2016 and SEK 46m in 2017, of which SEK 6m in the second quarter of 2017. The costs have been reported in operating income by business area.

Operations by business area yearly

SEKm	2012 ¹⁾	2013	2014	2015	2016
Major Appliances Europe, Middle East and Africa					
Net sales	34,278	33,436	34,438	37,179	37,844
Operating income	178	-481	232	2,167	2,546
Margin, %	0.5	-1.4	0.7	5.8	6.7
Major Appliances North America					
Net sales	30,684	31,864	34,141	43,053	43,402
Operating income	1,347	2,136	1,714	1,580	2,671
Margin, %	4.4	6.7	5.0	3.7	6.2
Major Appliances Latin America					
Net sales	22,044	20,695	20,041	18,546	15,419
Operating income	1,590	979	1,069	463	-68
Margin, %	7.2	4.7	5.3	2.5	-0.4
Major Appliances Asia/Pacific					
Net sales	8,405	8,653	8,803	9,229	9,380
Operating income	746	116	438	364	626
Margin, %	8.9	1.3	5.0	3.9	6.7
Home Care & SDA					
Net sales	9,011	8,952	8,678	8,958	8,183
Operating income	461	309	200	-63	238
Margin, %	5.1	3.5	2.3	-0.7	2.9
Professional Products					
Net sales	5,571	5,550	6,041	6,546	6,865
Operating income	588	510	671	862	954
Margin, %	10.6	9.2	11.1	13.2	13.9
Other					
Net sales	1	1	1	-	-
Common Group cost, etc.	-910	-1,989	-743	-2,632	-693
Total Group					
Net sales	109,994	109,151	112,143	123,511	121,093
Operating income	4,000	1,580	3,581	2,741	6,274
Margin, %	3.6	1.4	3.2	2.2	5.2

¹⁾ Electrolux applies the amended standard for pension accounting, IAS 19 Employee Benefits, as of January 1, 2013. Reported figures for 2012 have been restated.

Material profit or loss items in operating income ¹⁾	2012	2013	2014	2015	2016
Major Appliances Europe, Middle East and Africa	-927	-828	-1,212	-	-
Major Appliances North America	-105	-	-39 ²⁾	-158 ²⁾	-
Major Appliances Latin America	-	-	-10	-	-
Major Appliances Asia/Pacific	-	-351	-10	-	-
Home Care & SDA	-	-82	-	-190	-
Professional Products	-	-	-	-	-
Common Group cost	-	-1,214	-77 ²⁾	-1,901 ²⁾	-
Total Group	-1,032	-2,475	-1,348	-2,249	-

¹⁾ For more information, see Note 7 in the Annual Report.

²⁾ Refers to costs related to the not completed acquisition of GE Appliances. Costs for preparatory integration work of SEK 39m for 2014 and SEK 158m for 2015 have been charged to operating income for Major Appliances North America. Common Group cost includes transaction costs of SEK 110m for 2014 and SEK 408m for 2015 and a termination fee paid to General Electric in December 2015 of USD 175m, corresponding to SEK 1,493m. In total, costs of SEK 2,059m related to GE Appliances were charged to operating income in 2015 of which SEK 63m in the first quarter, SEK 195m in the second quarter, SEK 142m in the third quarter and SEK 1,659m in the fourth quarter.

Five-year review

SEKm unless otherwise stated	2012 ¹⁾	2013	2014	2015	2016
Net sales	109,994	109,151	112,143	123,511	121,093
Organic growth, %	5.5	4.5	1.1	2.2	-1.1
Operating income	4,000	1,580	3,581	2,741	6,274
Margin, %	3.6	1.4	3.2	2.2	5.2
Income after financial items	3,154	904	2,997	2,101	5,581
Income for the period	2,365	672	2,242	1,568	4,493
Material profit or loss items in operating income ²⁾	-1,032	-2,475	-1,348	-2,249	—
Capital expenditure, property, plant and equipment	-4,090	-3,535	-3,006	-3,027	-2,830
Operating cash flow after investments	5,273	2,412	6,631	6,745	9,140
Earnings per share, SEK	8.26	2.35	7.83	5.45	15.64
Equity per share, SEK	54.96	49.99	57.52	52.21	61.72
Dividend per share, SEK	6.50	6.50	6.50	6.50	7.50
Capital-turnover rate, times/year	4.1	4.0	4.5	5.0	5.8
Return on net assets, %	14.8	5.8	14.2	11.0	29.9
Return on equity, %	14.4	4.4	15.7	9.9	29.4
Net debt	10,164	10,653	9,631	6,407	360
Net debt/equity ratio	0.65	0.74	0.58	0.43	0.02
Average number of shares excluding shares owned by Electrolux, million	285.9	286.2	286.3	287.1	287.4
Average number of employees	59,478	60,754	60,038	58,265	55,400

¹⁾ Electrolux applies the amended standard for pension accounting, IAS 19 Employee Benefits, as of January 1, 2013. Reported figures for 2012 have been restated.

²⁾ For more information, see table on page 23 and Note 7 in the Annual Report.

Financial goals over a business cycle

The financial goals set by Electrolux aim to strengthen the Group's leading, global position in the industry and assist in generating a healthy total yield for Electrolux shareholders. The objective is growth with consistent profitability.

Financial goals

- Operating margin of >6%
- Capital turnover-rate >4 times
- Return on net assets >20%
- Average annual growth >4%

Definitions

This report includes financial measures as required by the financial reporting framework applicable to Electrolux, which is based on IFRS. In addition, there are other measures and indicators that are used to follow-up, analyze and manage the business and to provide Electrolux stakeholders with useful financial information on the Group's financial position, performance and development in a consistent way. Below is a list of definitions of all measures and indicators used, referred to and presented in this report.

Computation of average amounts and annualized income statement measures

In computation of key ratios where averages of capital balances are related to income statement measures, the average capital balances are based on the opening balance and all quarter-end closing balances included in the reporting period, and the income statement measures are annualized, translated at average rates for the period. In computation of key ratios where end-of-period capital balances are related to income statement measures, the latter are annualized, translated at end-of-period exchange rates. Adjustments are made for acquired and divested operations.

Growth measures

Change in net sales

Current year net sales for the period less previous year net sales for the period as a percentage of previous year net sales for the period.

Organic growth

Change in net sales, adjusted for acquisitions, divestments and changes in exchange rates.

Acquisitions

Change in net sales, adjusted for organic growth, changes in exchange rates and divestments. The impact from acquisitions relates to net sales reported by acquired operations within 12 months after the acquisition date.

Divestments

Change in net sales, adjusted for organic growth, changes in exchange rates and acquisitions. The impact from divestments relates to net sales reported by the divested operations within 12 months before the divestment date.

Profitability measures

Operating margin (EBIT margin)

Operating income (EBIT) expressed as a percentage of net sales.

Return on net assets

Operating income (annualized) expressed as a percentage of average net assets.

Return on equity

Income for the period (annualized) expressed as a percentage of average total equity.

Capital measures

Net debt/equity ratio

Net debt in relation to total equity.

Equity/assets ratio

Total equity as a percentage of total assets less liquid funds.

Capital turnover-rate

Net sales (annualized) divided by average net assets.

Share-based measures

Earnings per share

Income for the period attributable to equity holders of the Parent Company divided by the average number of shares excluding shares held by Electrolux.

Equity per share

Total equity divided by total number of shares excluding shares held by Electrolux.

Capital indicators

Liquid funds

Cash and cash equivalents, short-term investments, financial derivative assets¹⁾ and prepaid interest expenses and accrued interest income¹⁾.

Working capital

Total current assets exclusive of liquid funds, less non-current other provisions and total current liabilities exclusive of total short-term borrowings.

Net assets

Total assets exclusive of liquid funds and pension plan assets, less deferred tax liabilities, non-current other provisions and total current liabilities exclusive of total short-term borrowings.

Total borrowings

Long-term borrowings and short-term borrowings, financial derivative liabilities¹⁾, accrued interest expenses and prepaid interest income¹⁾.

Total short-term borrowings

Short-term borrowings, financial derivative liabilities¹⁾, accrued interest expenses and prepaid interest income¹⁾.

Interest-bearing liabilities

Long-term borrowings and short-term borrowings exclusive of liabilities related to trade receivables with recourse¹⁾.

Financial net debt

Total borrowings less liquid funds.

Net provision for post-employment benefits

Provisions for post-employment benefits less pension plan assets.

Net debt

Financial net debt and net provision for post-employment benefits.

Other measures

Operating cash flow after investments

Cash flow from operations and investments adjusted for financial items paid, taxes paid and acquisitions/divestments of operations.

¹⁾ See table Net debt on page 8.

Shareholders' information

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

Today's press release is available on the Electrolux website www.electroluxgroup.com/ir

Telephone conference 09.00 CET

A telephone conference is held at 09.00 CET today, July 19. The conference will be chaired by Jonas Samuelson, President and CEO of Electrolux. Mr. Samuelson will be accompanied by Anna Ohlsson-Leijon, CFO.

Details for participation by telephone are as follows:
Participants in Sweden should call +46 8 505 564 74
Participants in UK/Europe should call +44 203 364 5374
Participants in US should call +1 855 753 2230

Slide presentation for download:
www.electroluxgroup.com/ir

Link to webcast:
www.electroluxgroup.com/q2-2017

For further information, please contact:

Merton Kaplan, Analyst Investor Relations at
+46 8 738 70 06

Calendar 2017

Interim report January - September	October 27
Capital Markets Day	November 16

AB Electrolux (publ) 556009-4178

Postal address SE-105 45 Stockholm, Sweden Visiting address S:t Göransgatan 143, Stockholm
Telephone: +46 (0)8 738 60 00

Website:
www.electroluxgroup.com