



Electrolux

Q2 2017 Results

Jonas Samuelson, President and CEO
Anna Ohlsson-Leijon, CFO

Q2 Highlights

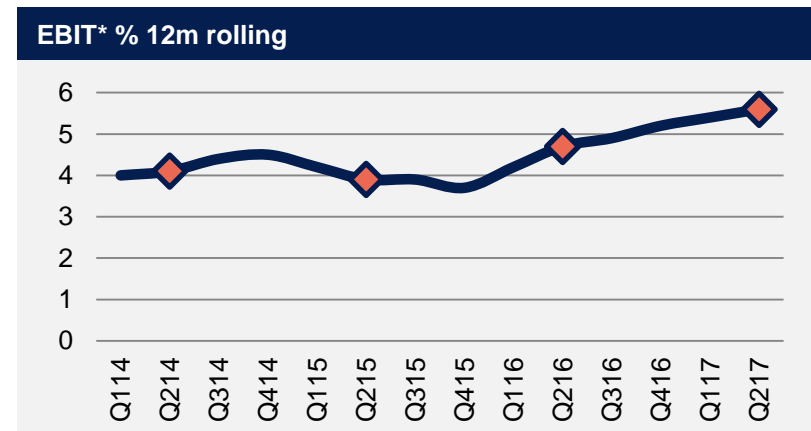
- **Driving better mix in core markets**

- Continued focus on product portfolio management across the Group
- Positive mix in most business areas
- Continued price pressure

- **Strong earnings improvement**

- Earnings increased in most business areas driven by product mix and cost efficiency
- Strong profitability improvement in North America, Asia/Pacific and HC & SDA
- Measures to improve profitability in Latin America continue

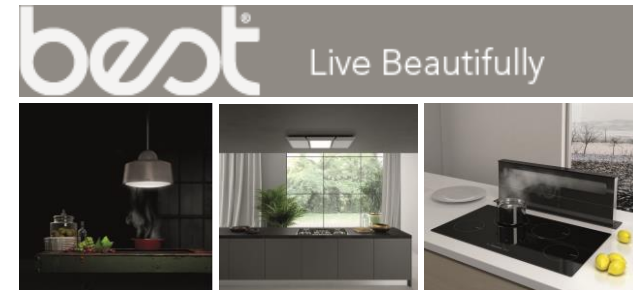
(SEKm)	Q2 2017	Q2 2016	Change
Sales	31,502	29,983	5.1%
Organic growth	0.0%	-0.9%	
Acquisitions	1.5%	0.1%	
Divestments	-0.3%		
Currency	3.9%	-3.6%	
EBIT	1,942	1,564	24.2%
Margin	6.2%	5.2%	1.0pts
EPS	4.55	3.75	21.3%



*EBIT excludes material profit and loss items for 2014 and costs for GE Appliances for 2014 and 2015. See page 22 in the interim report.

Market Highlights

- **Electrolux announces the acquisition of Best**
 - European manufacturer of innovative kitchen hoods
 - Acquisition enables Electrolux to develop a fully comprehensive offering of built-in cooking solutions
- **Electrolux receives Red Dot Design awards**
 - Design excellence award for three AEG products
 - AEG ComfortLift Dishwasher, AEG Mastery Range and the AEG Window Cleaner
- **Frigidaire black stainless collection launch**
 - New black stainless line of cooking products launched in North America
 - Products available at retail stores from May



AEG



FRIGIDAIRE
GALLERY



Major Appliances EMEA



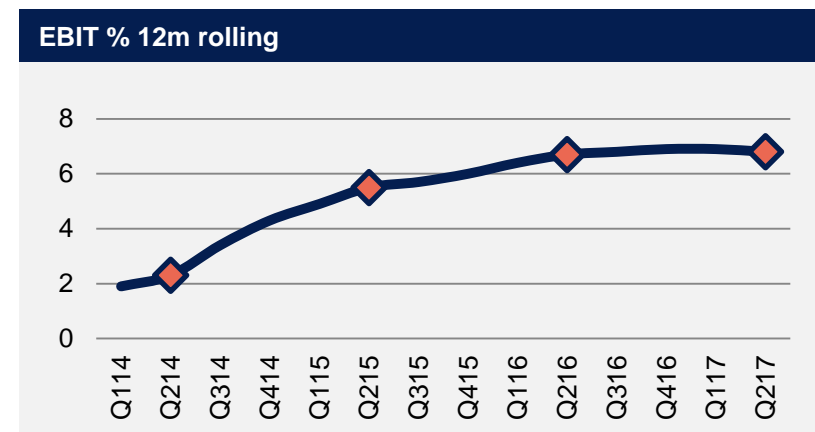
- **Continued strong mix performance**

- Positive demand in most markets
- Sales volumes impacted by continued weakness in the UK and MEA
- Strong mix driven by growth in premium brands and built-in kitchen

- **Stable earnings development**

- EBIT driven by a strong mix and lower operational cost
- Increased pressure from raw material costs and negative currency
- Acquisition of hood manufacturer Best

(SEKm)	Q2 2017	Q2 2016	Change
Sales	9,356	8,897	5.2%
Organic growth	2.1%	5.2%	
Acquisitions	2.2%		
Currency	0.9%		
EBIT	576	567	1.5%
Margin	6.2%	6.4%	-0.2pts

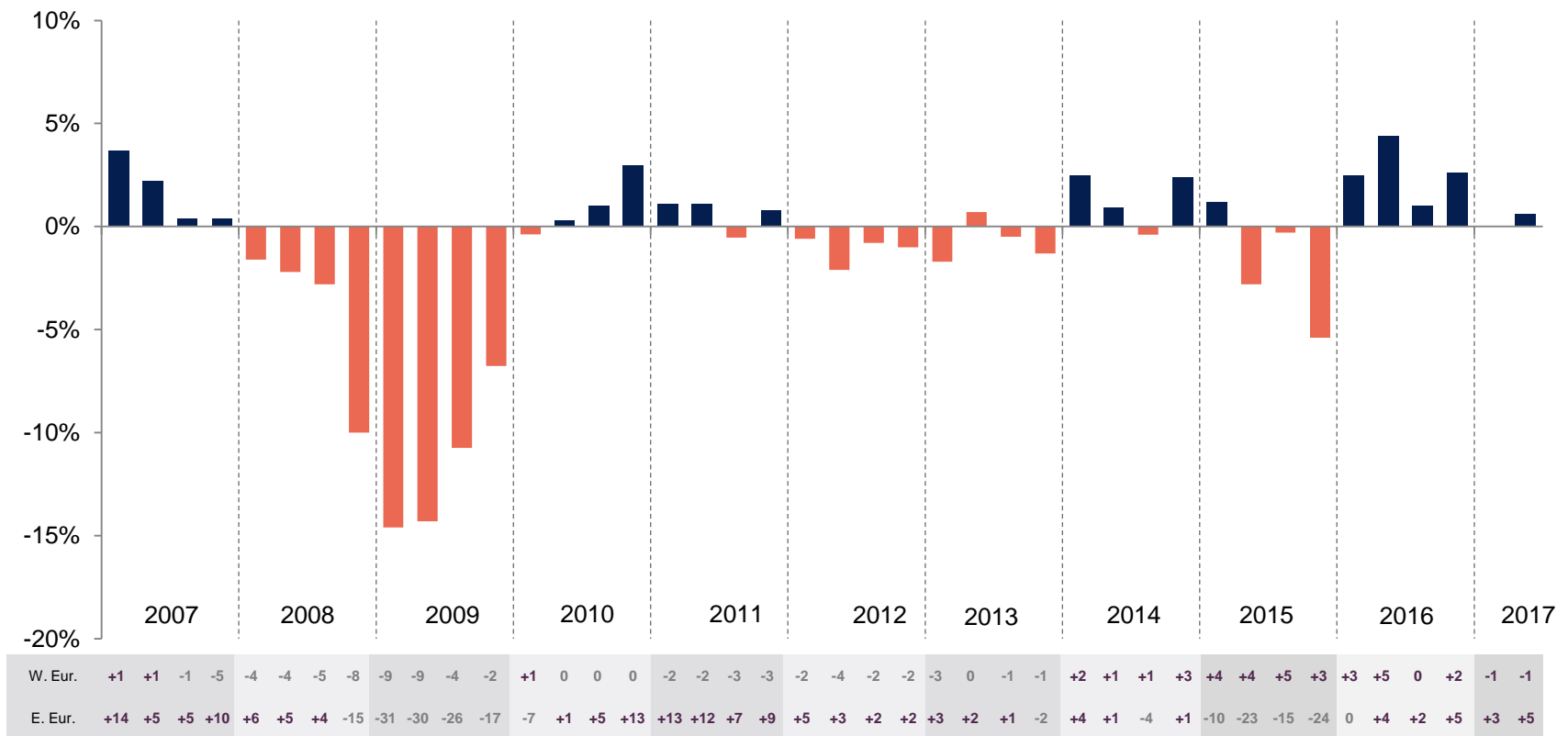


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European White Goods Market



Total Europe, quarterly comparison y-o-y



Major Appliances North America



- **Favorable product mix**

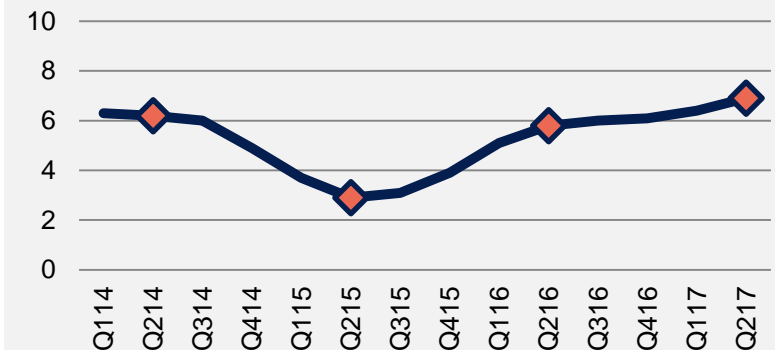
- Good mix development driven by focus on product portfolio management
- Stable sales in core branded business but continued decline in private labels
- Price continued to be under pressure

- **Good operational improvement**

- Earnings and margins improved driven by focus on higher margin products and increased efficiencies
- Cost efficiencies more than offset increased raw material costs

(SEKm)	Q2 2017	Q2 2016	Change
Sales	11,699	11,450	2.2%
Organic growth	-2.4%	-1.5%	
Currency	4.6%		
EBIT	987	742	33.0%
Margin	8.4%	6.5%	1.9pts

EBIT* % 12m rolling

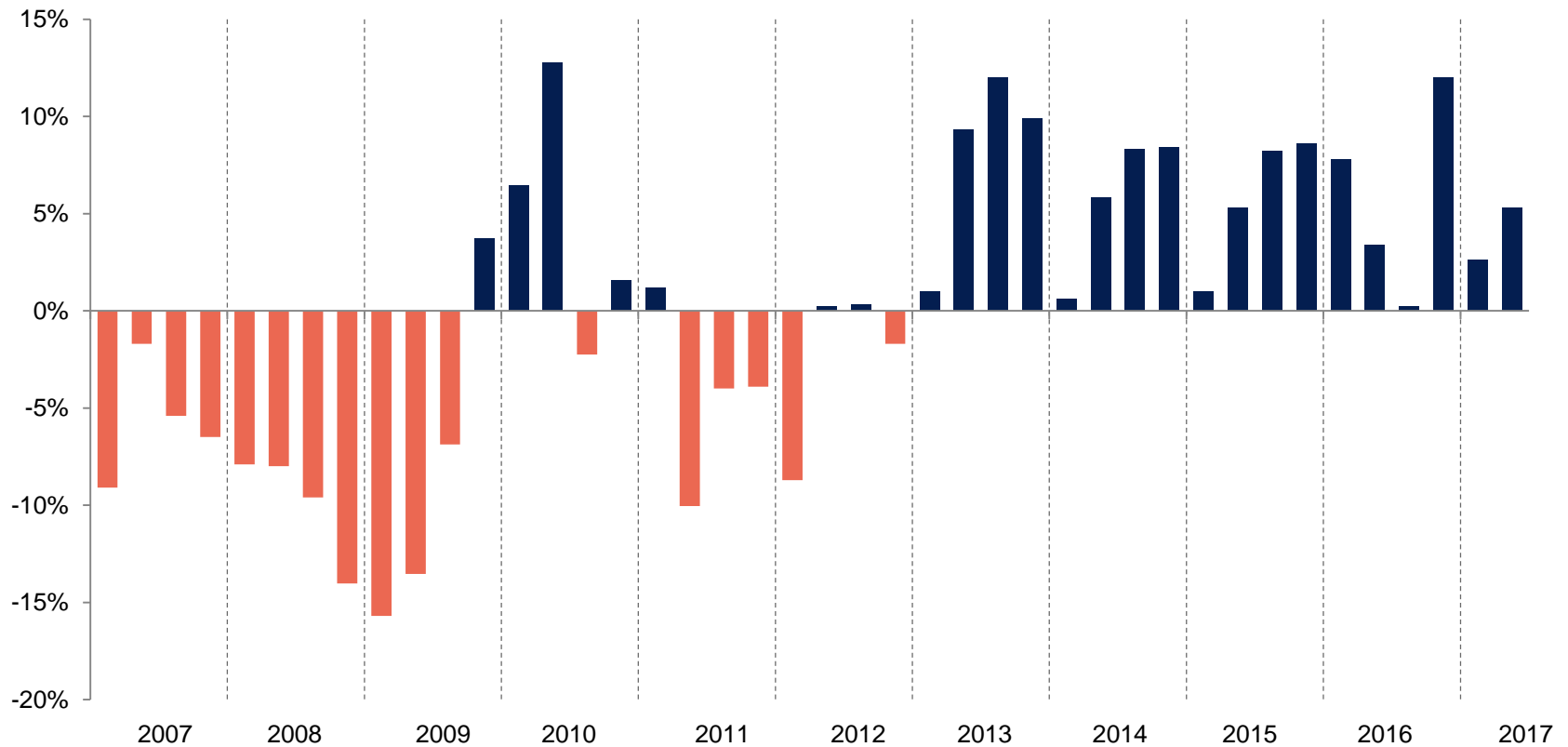


*EBIT excludes costs for GE Appliances for 2014 and 2015. See page 22 in the interim report.

North American White Goods Market



Quarterly comparison y-o-y



Major Appliances Latin America



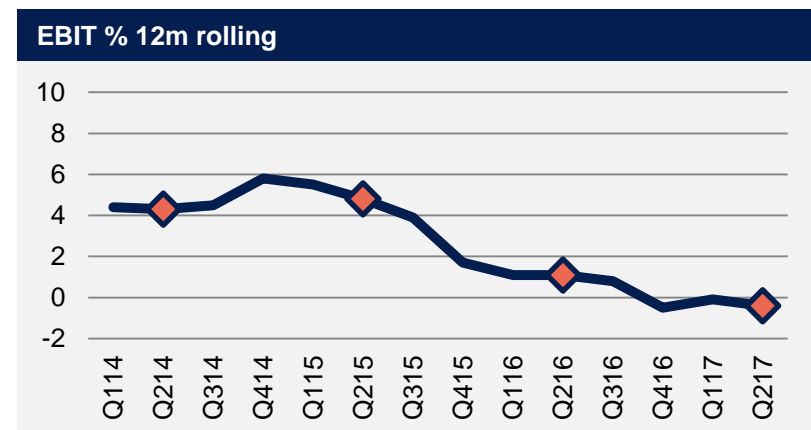
- **Signs of slow volume recovery**

- Demand for appliances grew in Brazil, Argentina and Chile
- Electrolux sales volumes increased in several markets

- **Ongoing focus on operations**

- Lower earnings due to tougher price and negative currency
- Actions to improve profitability are progressing according to plan

(SEKm)	Q2 2017	Q2 2016	Change
Sales	3,857	3,659	5.4%
Organic growth	-2.5%	-6.7%	
Currency	7.9%		
EBIT	29	69	-57.8%
Margin	0.8%	1.9%	-1.1pts



Major Appliances Asia/Pacific



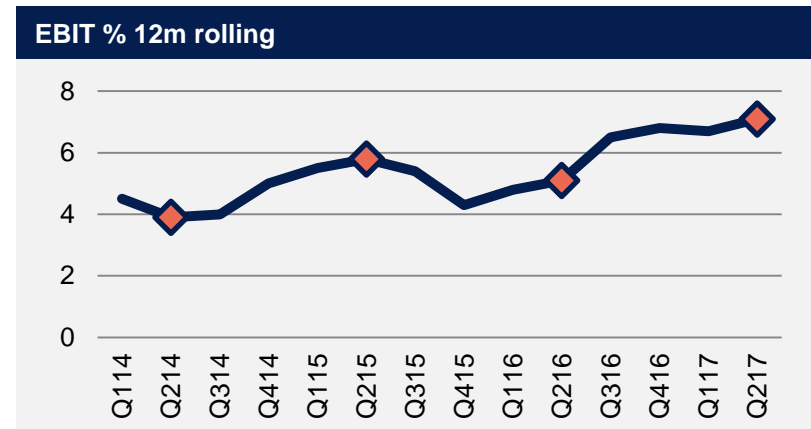
- **Strong delivery of organic growth**

- Market demand grew in most regions
- Higher sales volumes particularly in China and East Asia

- **Strong EBIT performance**

- Earnings improvement driven by increased volumes across categories
- Good contribution from operational leverage and cost control
- New products being launched in key markets in the region

(SEKm)	Q2 2017	Q2 2016	Change
Sales	2,713	2,407	12.7%
Organic growth	6.6%	-2.0%	
Acquisitions	1.2%		
Currency	4.9%		
EBIT	209	150	39.4%
Margin	7.7%	6.2	1.5pts



Home Care & SDA



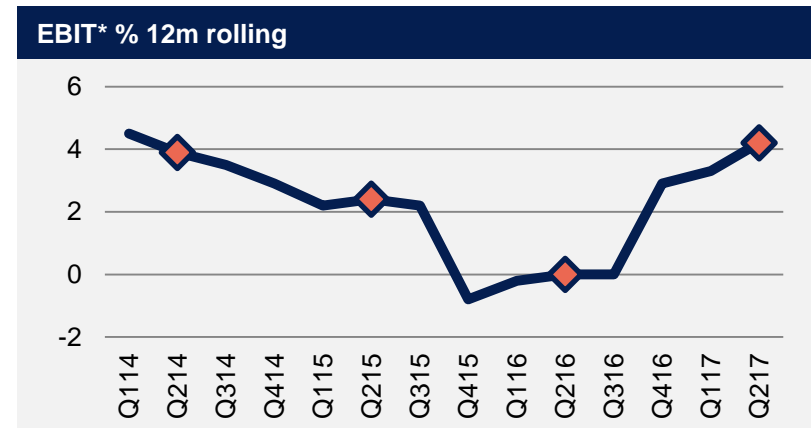
- **Good execution in mixed markets**

- Cordless market showing good growth in Europe and Asia
- Lower sales volumes due to focus on portfolio management
- Favorable mix development

- **Solid earnings recovery**

- Earnings improvement driven by better mix and lower costs
- Activities to restore profitability on track

(SEKm)	Q2 2017	Q2 2016	Change
Sales	1,878	1,858	1.1%
Organic growth	-3.4%	-12.3%	
Acquired growth	4.6%		
Divestments	-4.7%		
Currency	4.6%		
EBIT	77	6	n.m.
Margin	4.1%	0.3%	3.8pts



Professional Products



- **Good sales momentum**

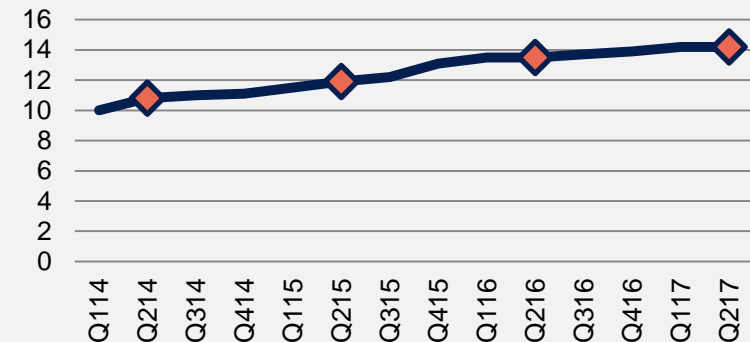
- Strong organic growth of 6%
- Increased sales volumes
- Continued focus on growth in new markets and segments

- **Positive earnings growth**

- EBIT driven by higher volumes and favorable price/mix development
- Continuation of investments in new products and markets

(SEKm)	Q2 2017	Q2 2016	Change
Sales	1,999	1,712	16.8%
Organic growth	5.8%	1.1%	
Acquisitions	8.8%	1.4%	
Currency	2.2%		
EBIT	258	222	16.2%
Margin %	12.9%	13.0%	-0.1pts

EBIT % 12m rolling





Financials Q2 2017

Anna Ohlsson-Leijon, CFO

Financial summary

SEKm	Q2 2017	Q2 2016	Change %
Net Sales	31,502	29,983	5.1
Organic %	0.0	-0.9	
Acquisitions / divestments %	1.2	0.1	
Currency	3.9	-3.6	
Gross operating income	6,781	6,347	6.8
Gross operating margin %	21.5	21.2	0.3pts
EBIT	1,942	1,564	24.2
EBIT margin %	6.2	5.2	1.0pts
Op. cash flow after investments	3,470	4,141	-16.2
EPS	4.55	3.75	21.3

Sales and EBIT Bridge Q2

SEKm	Q2 2016	Volume/Price/ Mix	Raw materials	Net Cost Efficiency	Currency*	Acq/** Divest.	Other	Q2 2017
Net Sales	29,983	0			1,138	381		31,502
Growth		0.0%			3.9%	1.2%		5.1%
EBIT	1,564	0	-317	775	-96	16		1,942
EBIT % <i>Accretion /Dilution</i>	5.2%	0.0%	-1.1%	2.6%	-0.5%	0.0%		6.2%

*Currency includes SEK 90m of currency translation and -185m of transaction effect on EBIT.**Acquisitions/divestments includes the acquisition of Kwikot, Vintec, Anova and Grindmaster-Cecilware and the sale of Eureka.

Net cost efficiency Q2 and YTD 2017

Key efficiency drivers (SEKm)			Q2	YTD
NET COST EFFICIENCY	Variable cost	Purchasing savings (excluding raw materials)		
		Production efficiency	~600	~1,150
		Logistics/Warranty		
	Structural cost	Structural cost (net of investments)	~180	~430
		TOTAL	~780	~1580

Cash Flow

SEKm	2017 Q2	2016 Q2
EBIT	1,942	1,564
D/A and other non-cash items	1,089	1,143
Change in operating assets and liabilities	1,269	1,855
Investments in intangible and tangible assets	-832	-678
Other investments	2	257
Cash flow after investments*	3,470	4,141

*Before acquisitions and divestments



Outlook and Summary

Jonas Samuelson, President and CEO
Anna Ohlsson-Leijon, CFO

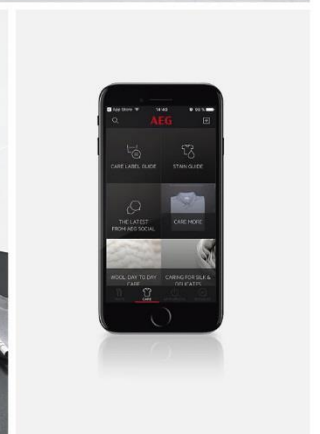
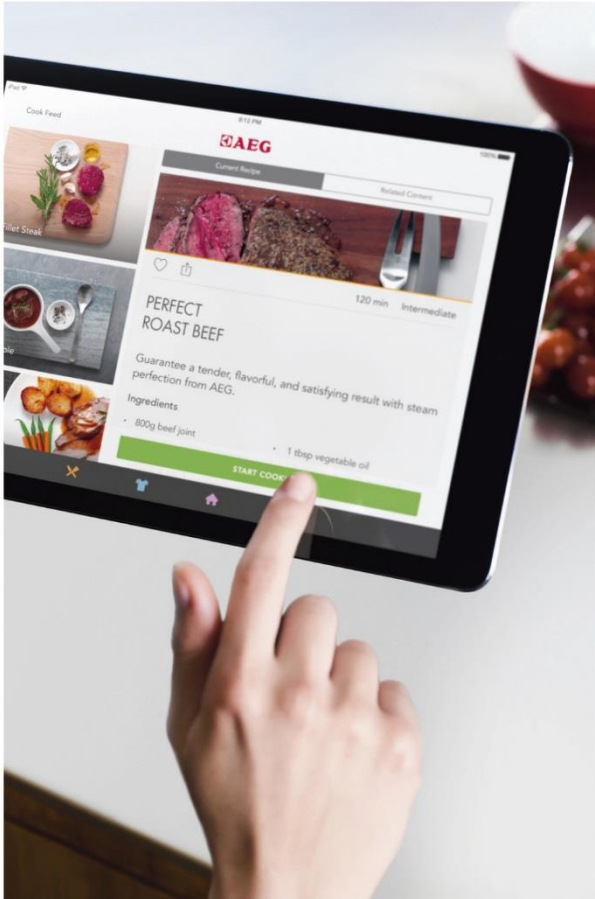
Market outlook per region

Region	Q3 2017	FY 2017	Comments
Europe	Stable	~1%	Positive overall demand trend, continued uncertainty around Brexit
North America	Slightly Positive	+3-4%	Positive market growth
Latin America	Stable	Slightly Negative	Slow market recovery in the region Expect stabilization in late 2017
East Asia	Slightly Positive	Positive	East Asia in general positive
Australia	Slightly Positive	Slightly Positive	Market is estimated to be slightly positive

Business outlook

Electrolux	Q3 2017	FY 2017	Comments
Volume/price/mix	Slightly Positive	Slightly Positive	Price pressure in several markets offset by mix and volume
Raw materials	Negative	Negative	FY 2017: Raw materials ≈ SEK -1.4bn
Net cost efficiency	Positive	Positive	FY 2017: Net cost efficiency ≈ SEK 2.3bn
Currency transactional effect*	SEK -155m	SEK -180m	Net positive in Latin America, EGP and GBP give headwind
Currency translational effect*	SEK -28m	SEK +40m	
Capex	Slightly up	Slightly up	FY 2017: ≈ SEK 4bn

* Currency rates as per July 10, 2017



Summary of key highlights

- Continued focus on product portfolio management
- Earnings improvement in most of our business areas
- Cost efficiency offset increase in raw material costs
- Execution of cost savings program in Latin America ongoing
- Actions to improve profitability in HC & SDA on track
- Solid cash flow generation

Factors affecting forward-looking statements

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This presentation contains “forward-looking” statements within the meaning of the US Private Securities Litigation Reform Act of 1995. Such statements include, among others, the financial goals and targets of Electrolux for future periods and future business and financial plans. These statements are based on current expectations and are subject to risks and uncertainties that could cause actual results to differ materially due to a variety of factors. These factors include, but may not be limited to the following: consumer demand and market conditions in the geographical areas and industries in which Electrolux operates, effects of currency fluctuations, competitive pressures to reduce prices, significant loss of business from major retailers, the success in developing new products and marketing initiatives, developments in product liability litigation, progress in achieving operational and capital efficiency goals, the success in identifying growth opportunities and acquisition candidates and the integration of these opportunities with existing businesses, progress in achieving structural and supply-chain reorganization goals.