



Electrolux

Q3 2017 Results

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

Q3 Highlights

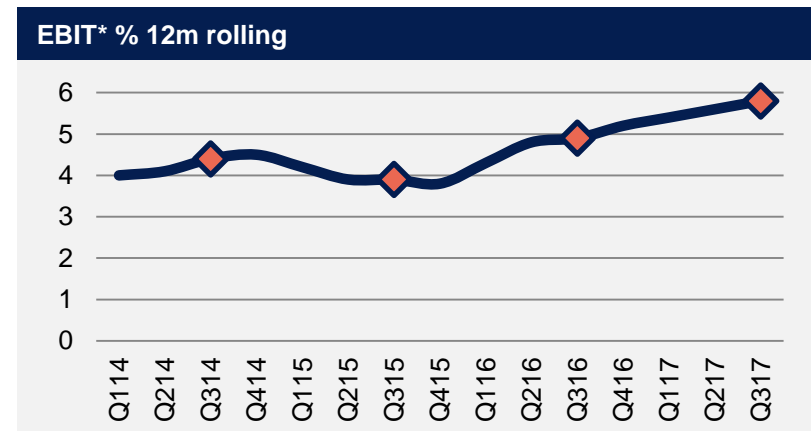
- **Strong earnings improvement**

- Earnings increased in most business areas driven by product mix and cost efficiency
- 4 out of 6 business areas achieved an EBIT margin above 7%
- Strong margin improvement in EMEA, Latin America, Asia/Pacific and HC & SDA

- **Favorable mix not offsetting price and volume decline**

- Focus on portfolio management continues
- Volume decline in private label, continued price pressure and major product transitions in North America
- Strong organic growth in LA and Professional

(SEKm)	Q3 2017	Q3 2016	Change
Sales	29,309	30,852	-5.0%
Organic growth	-3.2%		
Acquisitions	1.8%		
Divestments	-0.4%		
Currency	-3.2%		
EBIT	1,960	1,826	7.3%
Margin	6.7%	5.9%	0.8pts
EPS	4.96	4.41	12.5%



*EBIT excludes material profit and loss items for 2014 and costs for GE Appliances for 2014 and 2015. See page 23 in the interim report.

Market Highlights



- **Extensive launch of Frigidaire line of products in North America**
 - New Frigidaire Induction Range & Cooktop launch
 - Frigidaire and Frigidaire Gallery ranges expected to be on 2000+ customers floors
- **IFA 2017: Electrolux focus on best-in-class consumer experience**
 - Spotlight on AEG with products such as the new connected laundry and AEG ComfortLIft dishwasher
- **Electrolux launches game-changing robotic vacuum cleaner PUREi9**
 - Taking cleaning to a new level with innovative best-in-class consumer experience
 - Designed with 3D Vision™ and Powerbrush™ technologies, controlled through an app



Major Appliances EMEA



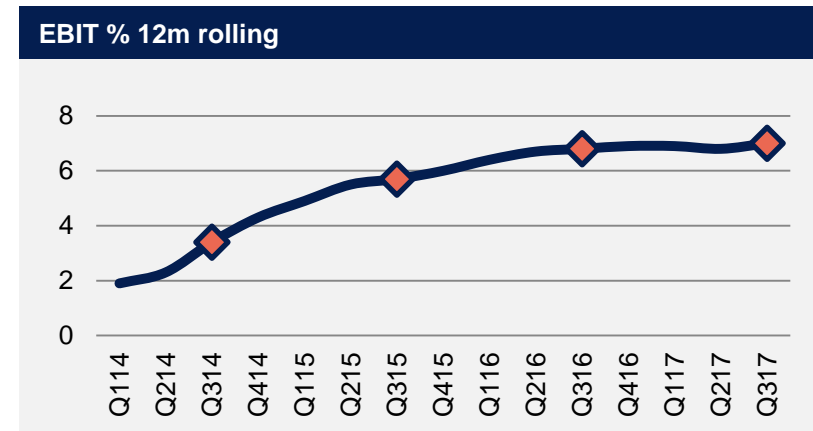
- **Positive mix development**

- Overall market trend favorable
- Sales impacted by lower volumes due to weakness in the UK and MEA
- Positive mix driven by premium brands

- **Strong EBIT and margin performance**

- Earnings driven by strong product mix and continued strong cost efficiency
- Negative impact from raw material costs and currency
- Acquisition of kitchen-hoods company Best completed

(SEKm)	Q3 2017	Q3 2016	Change
Sales	9,422	9,579	-1.6%
Organic growth	-1.1%		
Acquisitions	2.5%		
Currency	-3.0%		
EBIT	749	680	10.1%
Margin	7.9%	7.1%	0.8pts

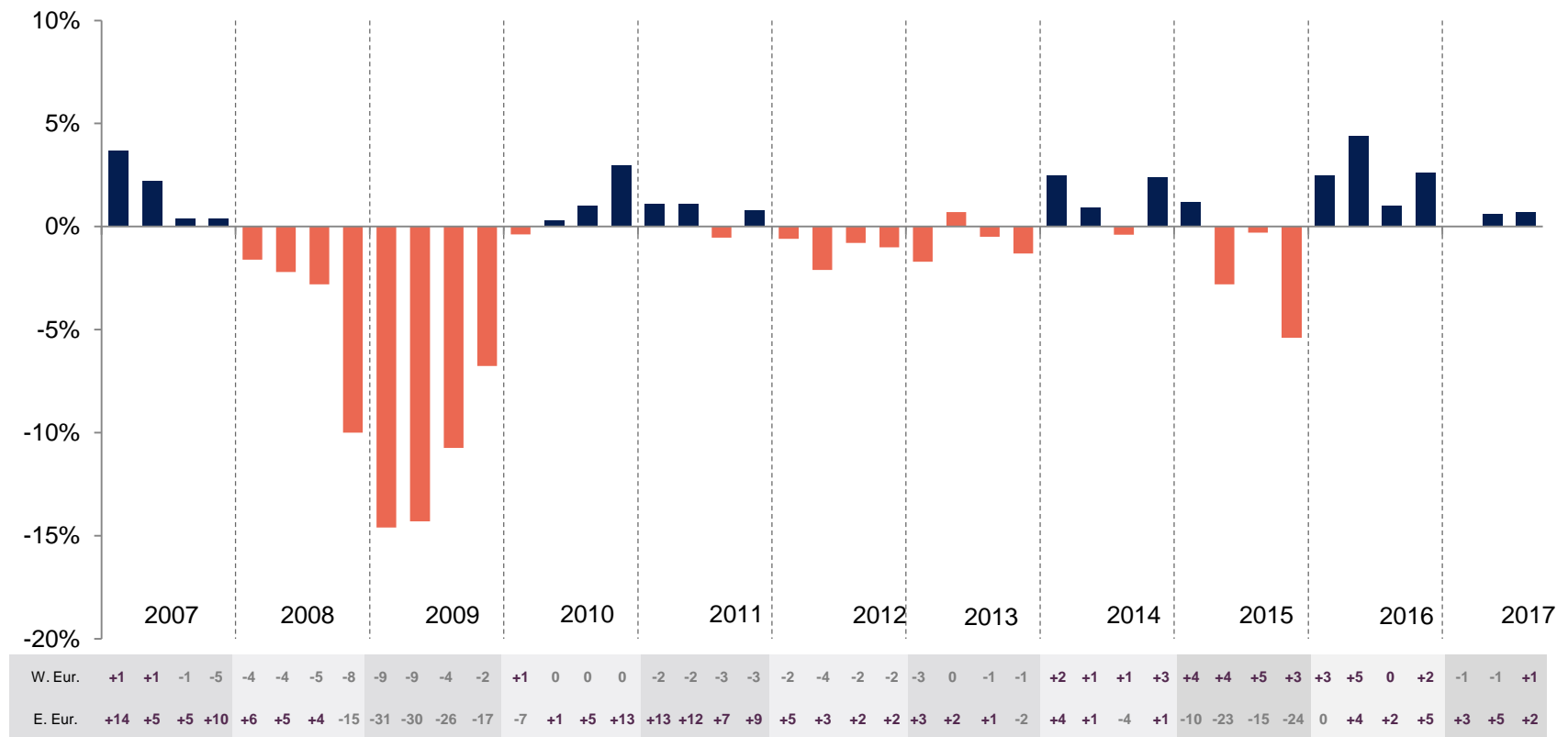


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European White Goods Market



Total Europe, quarterly comparison y-o-y



Major Appliances North America



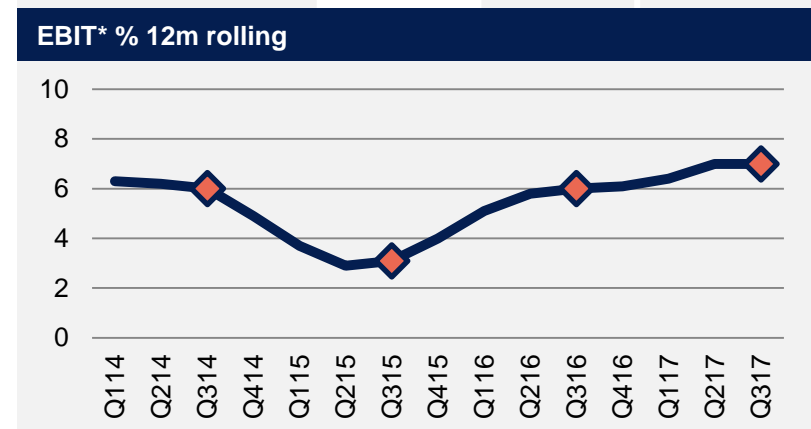
- **Sales impacted by lower volumes**

- Continued decline in private labels and major product transitions impacted sales negatively
- Price pressure intensified

- **Stable profitability**

- Positive mix trend supported by product portfolio management
- Stable margins despite negative impact from lower volumes and price pressure
- Continued cost efficiencies mitigated higher raw material costs

(SEKm)	Q3 2017	Q3 2016	Change
Sales	9,544	11,189	-14.7%
Organic growth	-10.8%		
Currency	-3.9%		
EBIT	719	824	-12.7%
Margin	7.5%	7.4%	0.1pts

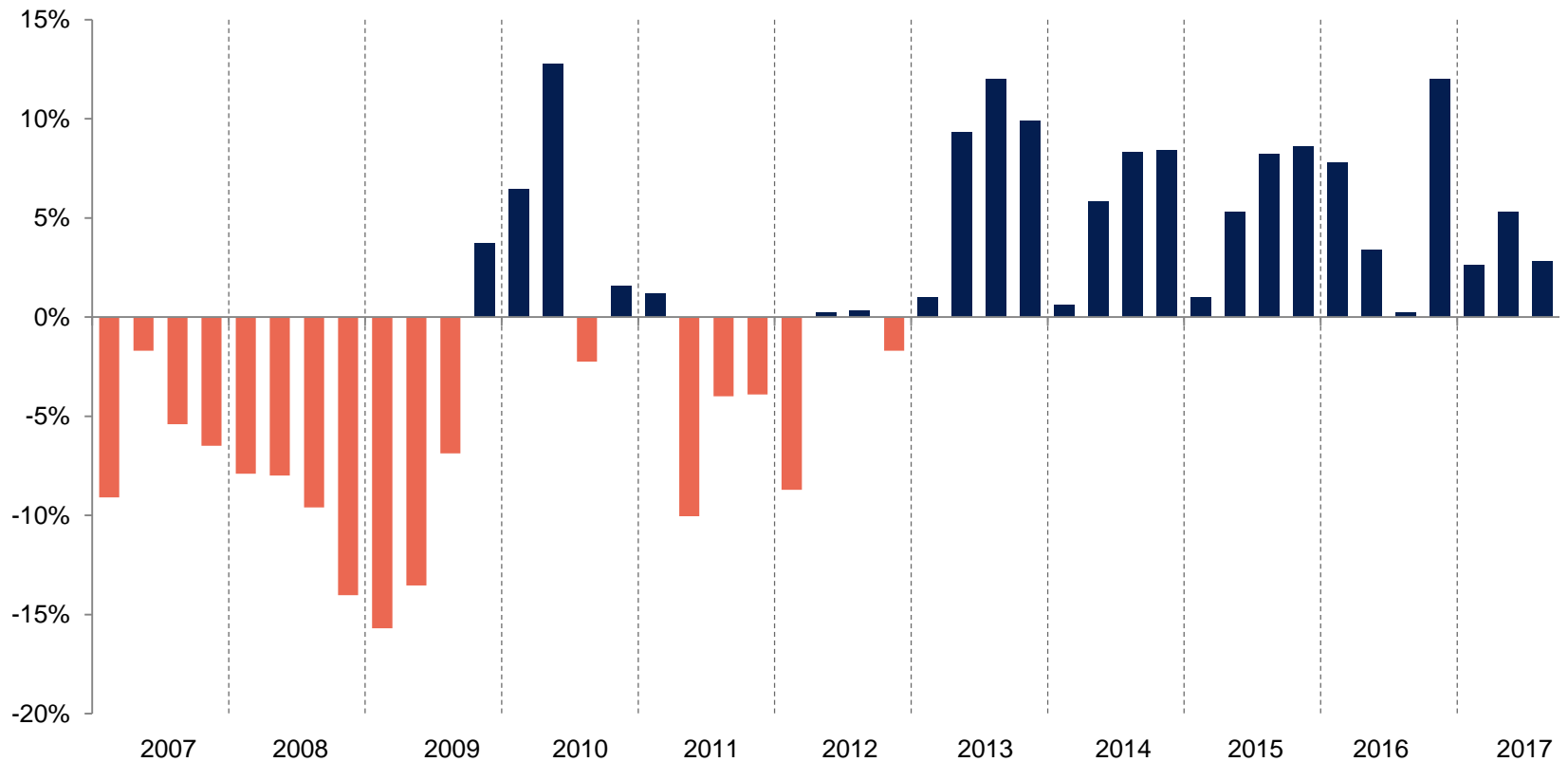


*EBIT excludes costs for GE Appliances for 2014 and 2015. See page 22 in the interim report.

North American White Goods Market



US shipments, quarterly comparison y-o-y



Major Appliances Latin America



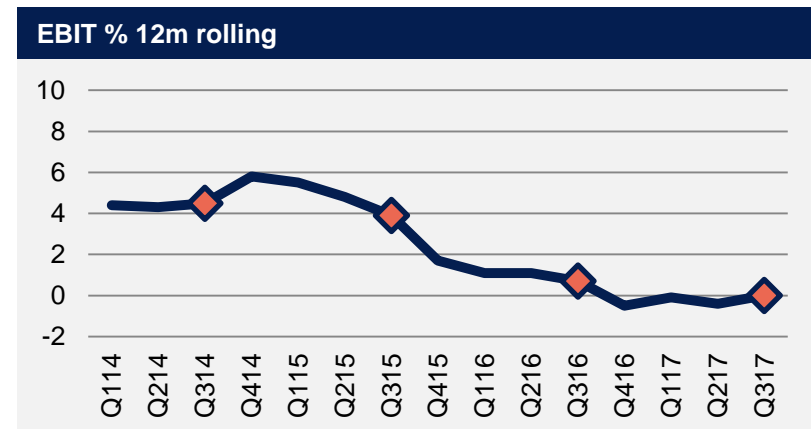
- **Market recovery in the region**

- Positive demand for appliances in Brazil, Argentina and Chile
- Strong organic growth of 7.4%
- Good sales performance across most categories and markets in the region

- **Earnings recovery ongoing**

- EBIT improvement driven by strong volume growth and better cost absorption
- Actions to improve profitability are progressing according to plan
- Announced the acquisition of the Continental brand in Brazil

(SEKm)	Q3 2017	Q3 2016	Change
Sales	4,132	3,968	4.1%
Organic growth	7.4%		
Currency	-3.3%		
EBIT	77	19	n.m.
Margin	1.9%	0.5%	1.4pts



Major Appliances Asia/Pacific



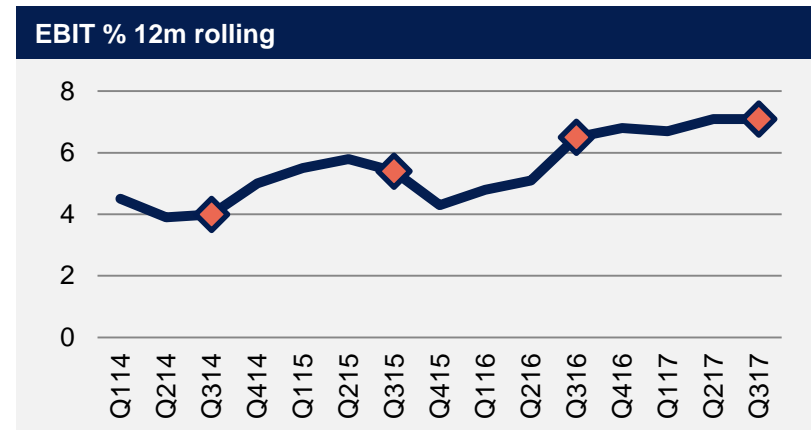
- **Favorable markets in the region**

- Overall markets in Asia showed growth
- Sales volumes grew in Australia/New Zealand and East Asia
- Lower sales of air-conditioners in China

- **Solid margin improvement**

- Earnings driven by good contribution from operational efficiency
- Key product positioning initiatives ongoing

(SEKm)	Q3 2017	Q3 2016	Change
Sales	2,415	2,515	-4.0%
Organic growth	-1.6%		
Acquisitions	0.5%		
Currency	-2.9%		
EBIT	214	208	2.9%
Margin	8.9%	8.3%	0.6pts

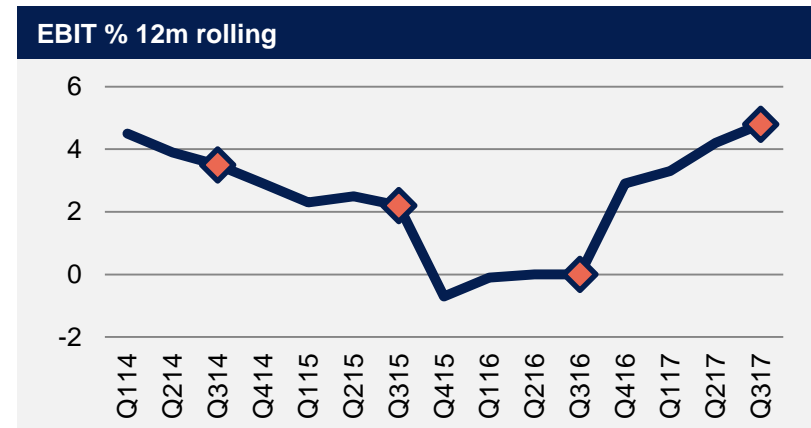


Home Care & SDA



- **Focus on product portfolio**
 - Market for cordless vacuums showed growth across regions
 - Focus on product portfolio management
 - Positive mix driven by Floor Care
- **Earnings recovery ongoing**
 - Earnings improvement driven by mix and lower costs
 - Activities to restore profitability are continuing as planned

(SEKm)	Q3 2017	Q3 2016	Change
Sales	1,898	1,960	-3.1%
Organic growth	-0.8%		
Acquired growth	5.6%		
Divestments	-5.9%		
Currency	-2.0%		
EBIT	80	34	n.m.
Margin	4.2%	1.7%	2.5pts

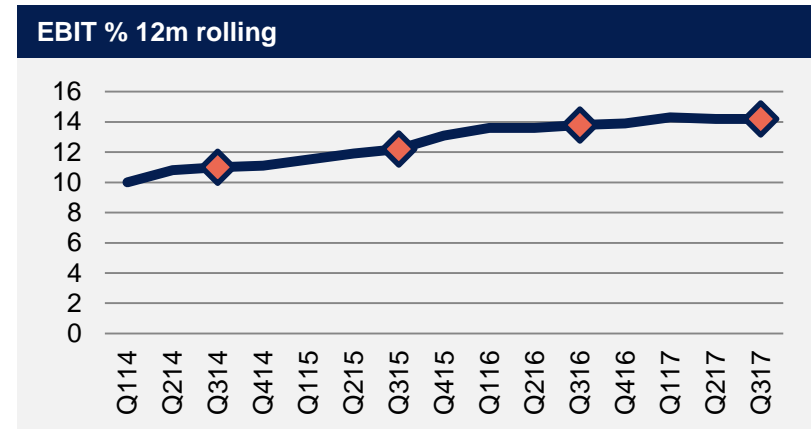


Professional Products



- **Profitable growth continued**
 - Organic growth of 6.4%
 - Sales volumes grew across regions
 - Strengthening position both in food and laundry segments
- **Positive earnings development**
 - EBIT driven by higher volumes and favorable price/mix contribution
 - Increased investments in new products and new segments on track

(SEKm)	Q3 2017	Q3 2016	Change
Sales	1,897	1,641	15.6%
Organic growth	6.4%		
Acquisitions	11.5%		
Currency	-2.3%		
EBIT	272	234	16.2%
Margin %	14.3%	14.3%	0.0pts





Financials Q3 2017

Anna Ohlsson-Leijon, CFO

Financial summary

SEKm	Q3 2017	Q3 2016	Change %
Net Sales	29,309	30,852	-5.0
Organic %	-3.2	-1.6	
Acquisitions / divestments %	1.4	0.0	
Currency	-3.2	0.2	
Gross operating income	6,110	6,600	-7.4
Gross operating margin %	20.8	21.4	-0.6pts
EBIT	1,960	1,826	7.3
EBIT margin %	6.7	5.9	0.8pts
Op. cash flow after investments	2,287	2,965	-22.9
EPS	4.96	4.41	12.5

Sales and EBIT Bridge Q3

SEKm	Q3 2016	Volume/Price/ Mix	Raw materials	Net Cost Efficiency	Currency*	Acq/** Divest.	Other	Q3 2017
Net Sales	30,852	-944			-1,021	422		29,309
Growth		-3.2%			-3.2%	1.4%		-5.0%
EBIT	1,826	-507	-410	1,215	-189	25		1,960
EBIT % <i>Accretion /Dilution</i>	5.9%	-1.5%	-1.4%	4.1%	-0.4%	0.0%		6.7%

*Currency includes SEK -40m of currency translation and -149m of transaction effect on EBIT.

**Acquisitions/divestments includes the acquisition of Kwikot, Best, Vintec, Anova and Grindmaster-Cecilware and the sale of Eureka.

Net cost efficiency Q3 and YTD 2017

Key efficiency drivers (SEKm)			Q3	YTD
NET COST EFFICIENCY	Variable cost	Purchasing savings (excluding raw materials)		
		Production efficiency	~610	~1,760
		Logistics/Warranty		
	Structural cost	Structural cost (net of investments)	~590	~1,020
		TOTAL	~1,200	~2,780

Cash Flow

SEKm	2017 Q3	2016 Q3
EBIT	1,960	1,826
D/A and other non-cash items	942	1,040
Change in operating assets and liabilities	584	848
Investments in intangible and tangible assets	-1,135	-799
Other investments	-64	50
Cash flow after investments*	2,287	2,965

*Before acquisitions and divestments



Outlook and Summary

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

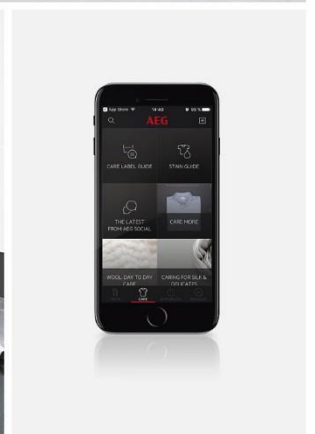
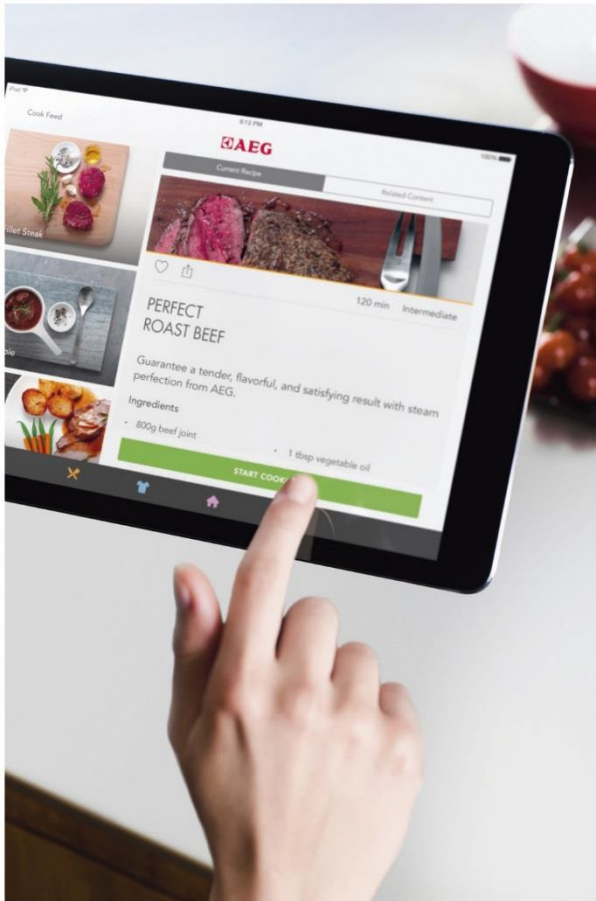
Market outlook per region

Region	Q4 2017	FY 2017	Comments
Europe	Stable	~1%	Positive overall demand trend, UK remains weak
North America	Slightly Positive	+3-4%	Demand trend remains positive
Latin America	Positive	Stable	Market recovery in the region
East Asia	Slightly Positive	Positive	East Asia in general positive
Australia	Slightly Positive	Positive	Market is estimated to be positive

Business outlook

Electrolux	Q4 2017	FY 2017	Comments for the full-year 2017
Volume/price/mix	Slightly Positive	Slightly Negative	Volume decline and price pressure partly offset by mix
Raw materials	Negative	Negative	Raw materials ≈ SEK -1.4bn
Net cost efficiency	Positive	Positive	Net cost efficiency ≈ SEK 3.0bn
Currency transactional effect*	SEK +255m	SEK -90m	Headwinds in NA, EMEA and net positive in Latin America
Currency translational effect*	SEK -80m	SEK -10m	
Capex	Slightly up	Slightly up	FY 2017 ≈ SEK 4bn

* Currency rates as per September 29, 2017



Summary of key highlights

- Earnings improvement for the Group continues
- Margin improvement in most of our business areas
- Focus on product portfolio management
- Continue to deliver strong cost efficiency offseting raw material costs
- Market recovery in Latin America and cost program ongoing
- Actions to improve profitability in Home Care & SDA on track
- Profitable growth continues in Professional

Electrolux Capital Markets Day

Stockholm, November 16, 2017



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.