

A decorative pattern of stylized leaves in various shades of blue and teal, arranged in a dense, overlapping manner across the entire background.

Electrolux CMD 2017

Shape Living for the Better



CMD program

Stockholm – Thursday 16 November, 2017

08:30 Strategic Overview

- Business update
- Strategic framework
- Electrolux Business model
- Business outlook
- Q&A

10:00 Break

10:30 Consumer Experience

- Branding Consumer Experience Innovation
- Business Case: Home Care & SDA
- Connected Consumer Experiences
- Q&A

12:15 Lunch

13:00 Operational Excellence

- Product Excellence & Modularization
- Digital Operations
- Business Case: MA North America
- Q&A

15:15 Break

15:30 Path to Profitable Growth

- Value creation
- Concluding remarks
- Q&A

17:00 Dinner Event at Electrolux Professional Kitchen



Strategic Overview

Jonas Samuelson, President and CEO



Business
update

Strategic
framework

Electrolux
Business
model

Transformation
drivers

Business
outlook

Business update





What we said at the CMD in February 2016

The strategy remains – Focus on execution

Sustainable Profitability

- Over 6% EBIT profitability in all Business Areas
- Continuous mix improvement and portfolio management
- Cost reduction and increased productivity – Global leverage

Targeted Growth

- Consumer experience innovation and ownership solutions
- Focus categories and brands
- Emerging markets and professional

Cash flow

- Earnings and balance sheet efficiency
- Focus on RONA and shareholder value



What we said at the CMD in February 2016

The strategy remains – Focus on execution

Sustainable Profitability

- Over 6% EBIT profitability in all Business Areas
- Continuous mix improvement and portfolio management
- Cost reduction and increased productivity – Global leverage

- EBIT margin 5.8% R12
- 4 out of 6 sectors above 6% YTD
- Strong mix contribution YTD
- NCE effect SEK 2.8 bn YTD

Targeted Growth

- Consumer experience innovation and ownership solutions
- Focus categories and brands
- Emerging markets and professional

- Launched ownership solutions organization, supporting systems
- Strong traction in portfolio mgmt
- YTD growth 4% APAC, 7% Professional, 1% LA (recovering)

Cash flow

- Earnings and balance sheet efficiency
- Focus on RONA and shareholder value

- Cash conversion 88% YTD
- Capital Turnover rate 5.8 YTD
- RONA 35% YTD



Key priorities across the Group since 2016

Short term – Sustainable profitability
Group EBIT margin of >6%

1. Portfolio management – Stars
2. Competitive cost structure
3. Significantly improve product quality
4. Establish teamship at all levels

Medium to long term – Targeted profitable growth improve total EBIT 7% p.a.

1. Consumer experience Innovation leadership
2. BIC ownership experience
3. Digital transformation in 5 dimensions
4. Acquisitions





The pre-requisites for profitable growth are coming into place

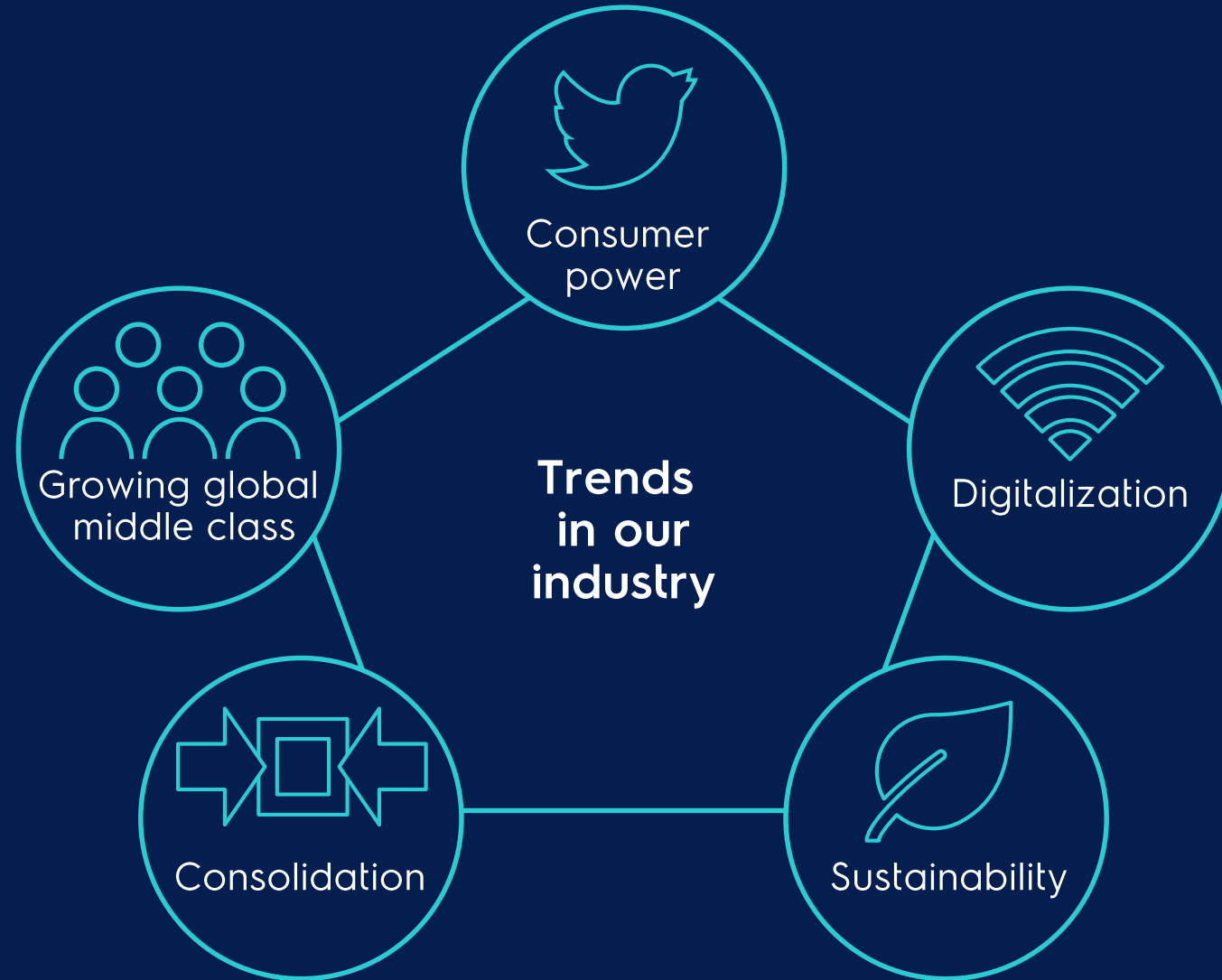


Our strategic framework





Global trends affecting our industry





The changing dynamics of our industry



1. TRADITIONAL COMPETITORS

Traditional competitors are scaling up digital & smart home

2. NEW BUSINESS MODELS

Major digital actors like Google and Amazon and new startups using technology to disrupt value chain

3. GO TO MARKET

Major changes in consumer behavior and online competitors causing disruption in traditional retail

4. CONSUMERS

Empowered and informed consumers seeking better experiences when shopping for, on-boarding and using products



Why a strategic framework?

Where should we go,
and why?

Give strategic
direction

How should we act,
and why?

Guide our behavior

Why should people come
with us on the journey?

Make us more
inspiring and
attractive



Shape living for the better

We reinvent taste, care and wellbeing experiences for more enjoyable and sustainable living around the world





Act sustainably

Inspire and contribute to a
change for the better



Create better experiences

Design solutions that elevate
everyday life



Always improve

Think new and never settle



Shape living for the better

WHY

Shape living **for the better**

WHAT

We reinvent taste, care and wellbeing experiences for more enjoyable and sustainable living around the world

HOW

Act
sustainably

Create better
experiences

Always
improve

Our Business model





Our consumer business model to shape living for the better

Experience
Innovation for
profitable growth



Execution
Excellence

Operational Excellence

Talent & Teamship

Transformation
Drivers

Continuous
Improvement

Digital
Transformation

Sustainable
Development



Experience innovation for profitable growth





Taste, Care & Wellbeing innovation

Make great-tasting
food through our professional
expertise



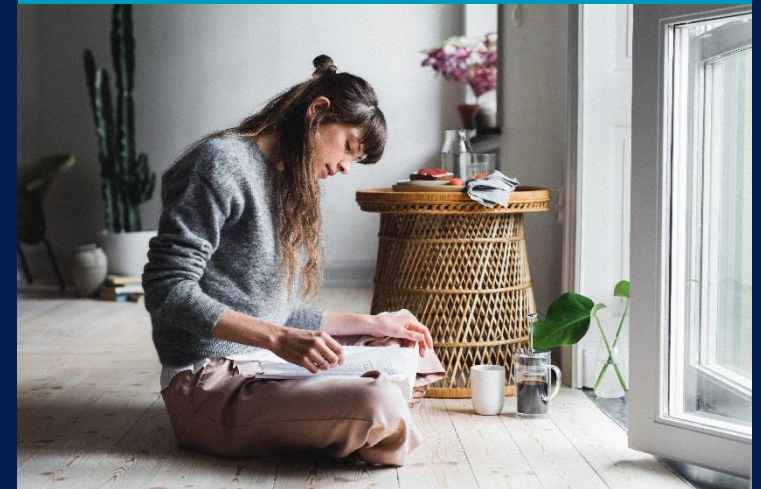
Responsive kitchen systems -
better results with less effort

Care for your clothes so they
stay new for longer



Smart solutions for perfect
care every time

Achieve healthy
wellbeing in your home



Responsive wellbeing
ecosystem



New smart connected oven with camera



- Electrolux CombiSteam Pro Smart
- CookView camera
- Steam and Sous Vide
- My Electrolux App





Care strategy scoring wins

4.7 ★★★★★

AEG 9000 series
L9FEC966R



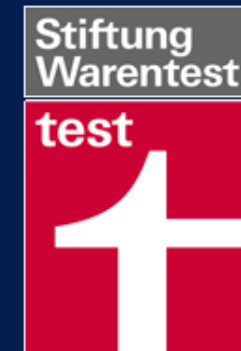
AEG 6000 series
L6FBG842R



AEG 6000 series
L7FED944E



AEG 8000 series
T8DE86685

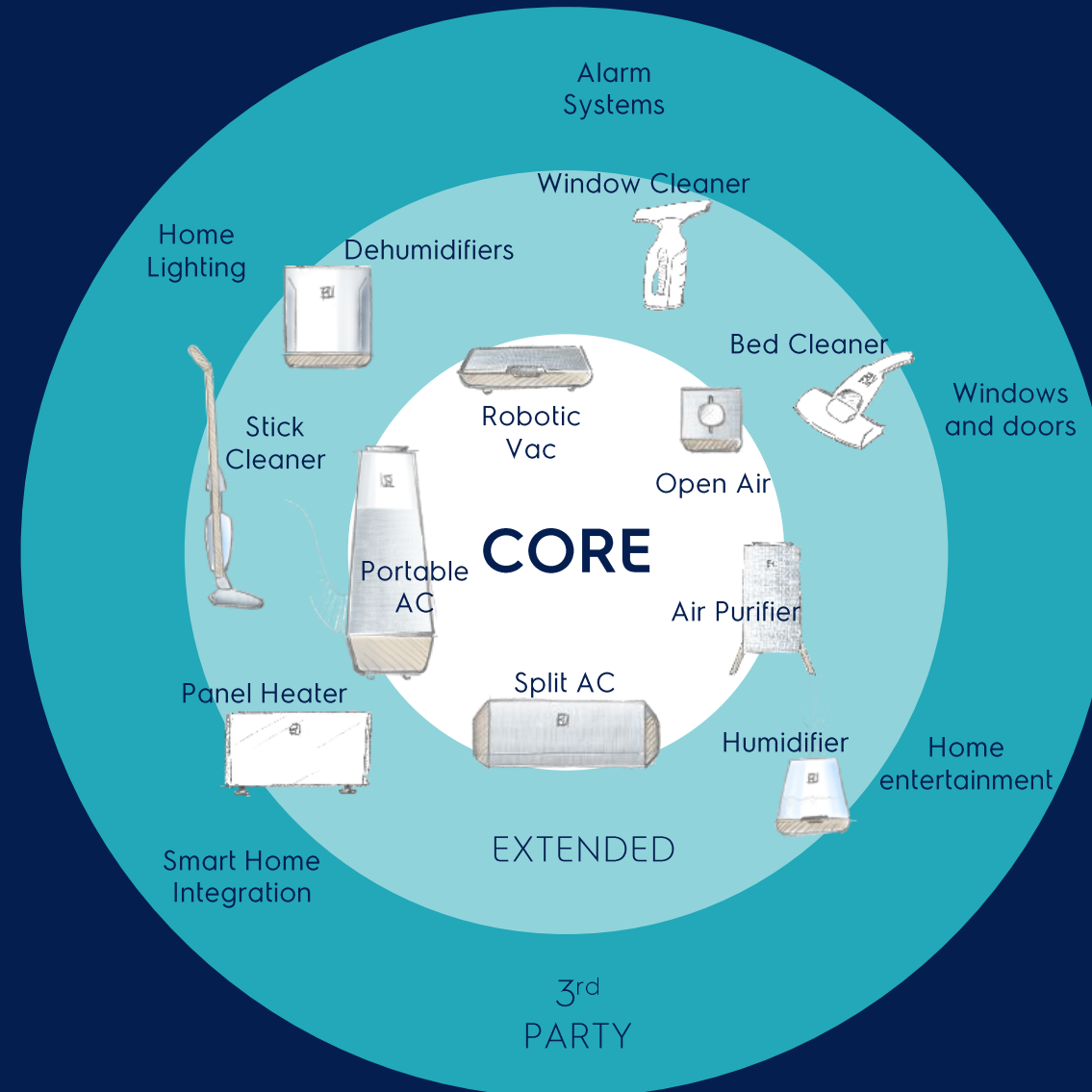


AEG 7000 series
L7WEC166R





Developing the wellbeing ecosystem





Desirable brands that shape living for the better

AEG

AEG is always an idea ahead enabling unprecedented results through German engineering



GROUNDBREAKING – RESPONSIVE – INTELLIGENT



Electrolux

Electrolux gives you freedom to create and experience more through our professional edge and Swedish human touch



EFFORTLESS – EMPOWERING – ENRICHING

FRIGIDAIRE



Enables great results every time, giving you more time for the things you enjoy the most



RELIABLE – TIME SAVING – INTUITIVE

ANOVA

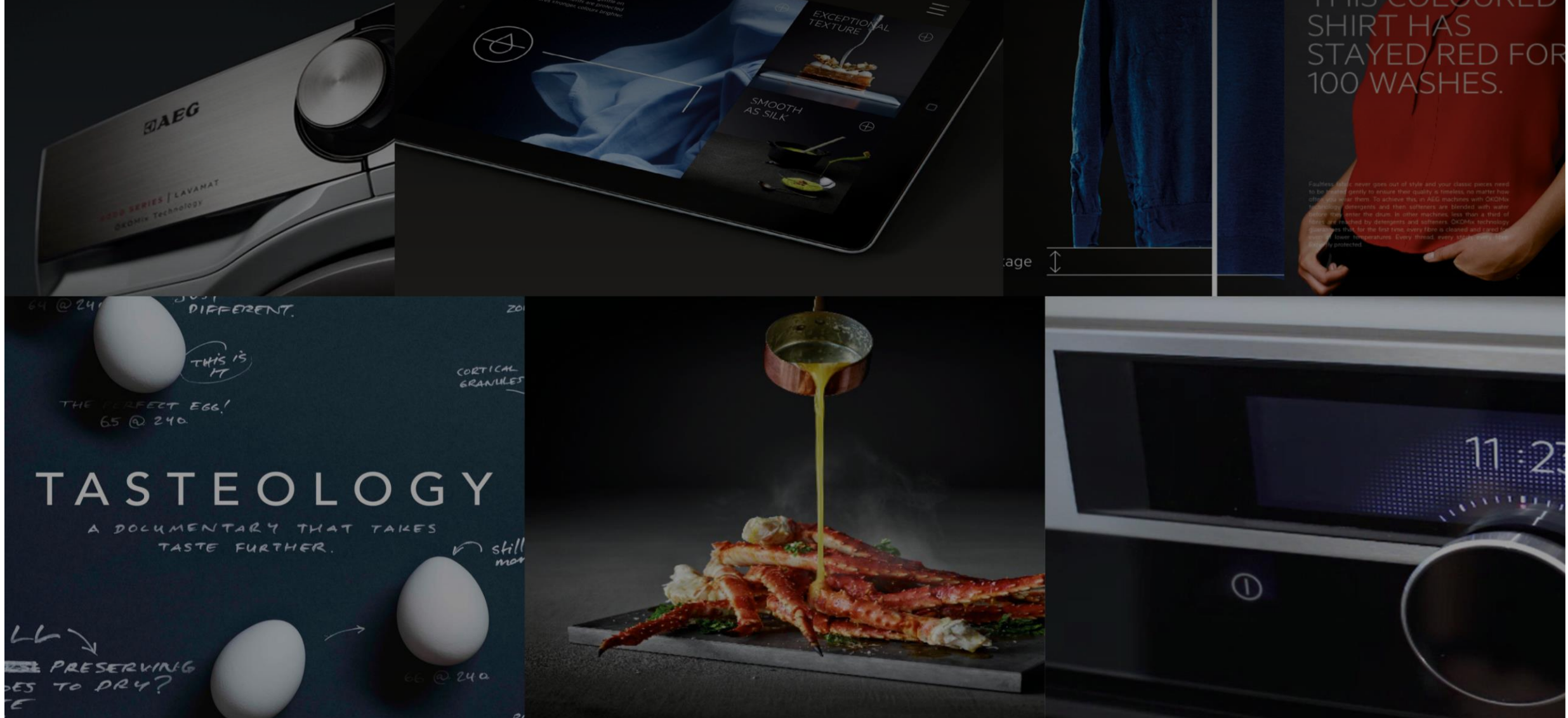
Anova enables professional results, simplified through smart precision and a passionate user community



PRECISE – SMART – SHARING

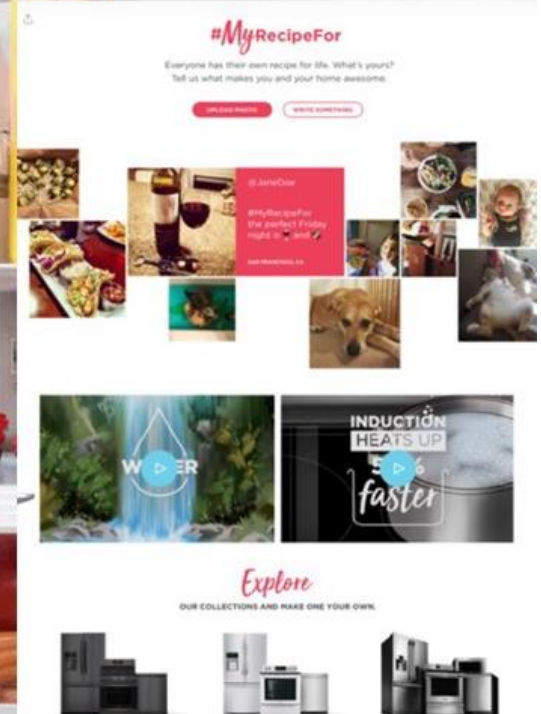
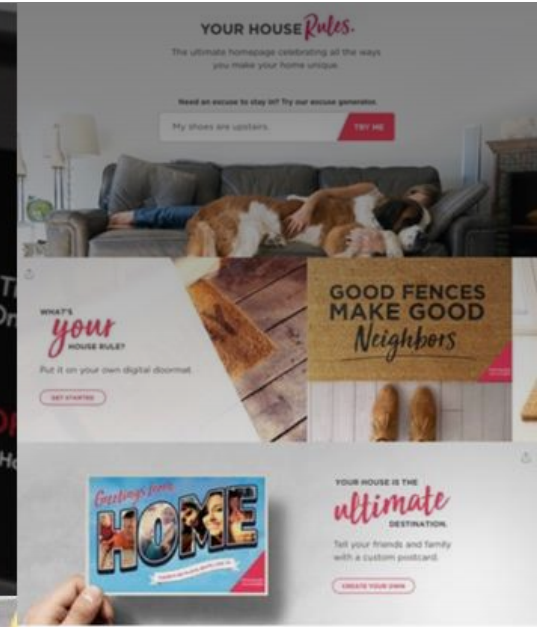


AEG brand has been revitalized





Frigidaire brand being sharpened





Time
for a fika

[Discover more](#)

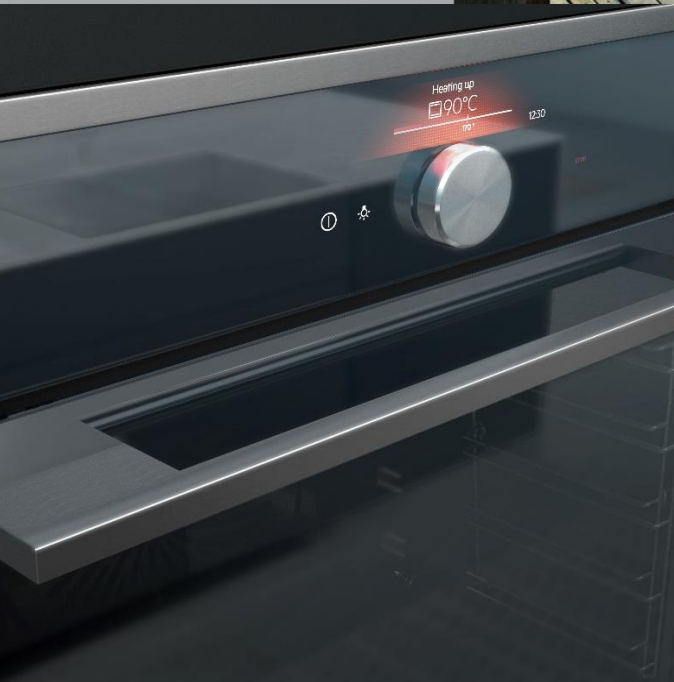


Bitum faci eust valorati
dolupta qui asita et dolupta
nonesto iumquis nonis

Electrolux brand is next



Left overs
are over



01 Professional

Replacing
luck

The equipment of choice
for Michelin star chefs all
around the world.

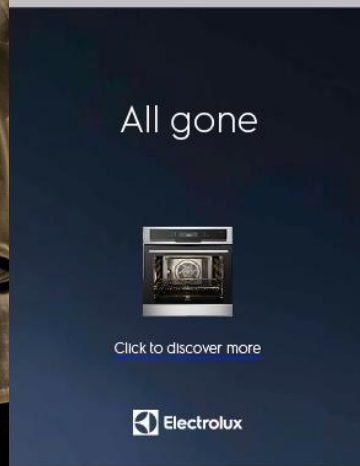


All gone



[Click to discover more](#)

Electrolux





Portfolio management approach used to focus resources short and long term



Grow

Aggressively grow sales to maximize absolute \$ contribution



Grow Profitably

Focus on growing higher margin products and channels to maximize \$ contribution



Milk

Optimize contribution% and EBIT% margin with limited focus and market investment



Fix or Exit



Strong short- to medium-term focus on improved contribution% and EBIT profitability or exit

80% of investments over time

20% of investments over time

STAR PRODUCTS

Key products & price points in focus categories & brands driving high contribution% and \$





Branded star products with preferred partners

1

Develop branded star products with BIC marketing support



2

Enable efficient marketing, delivery and sales execution

Selected key products & price points in focus categories & brands driving high contribution

Build long-term brand & consumer relevant Taste, Care and Wellbeing solutions leadership

Cross functional alignment & execution

Become preferred partner to key trade partners through strong brands, clear value propositions and high service levels

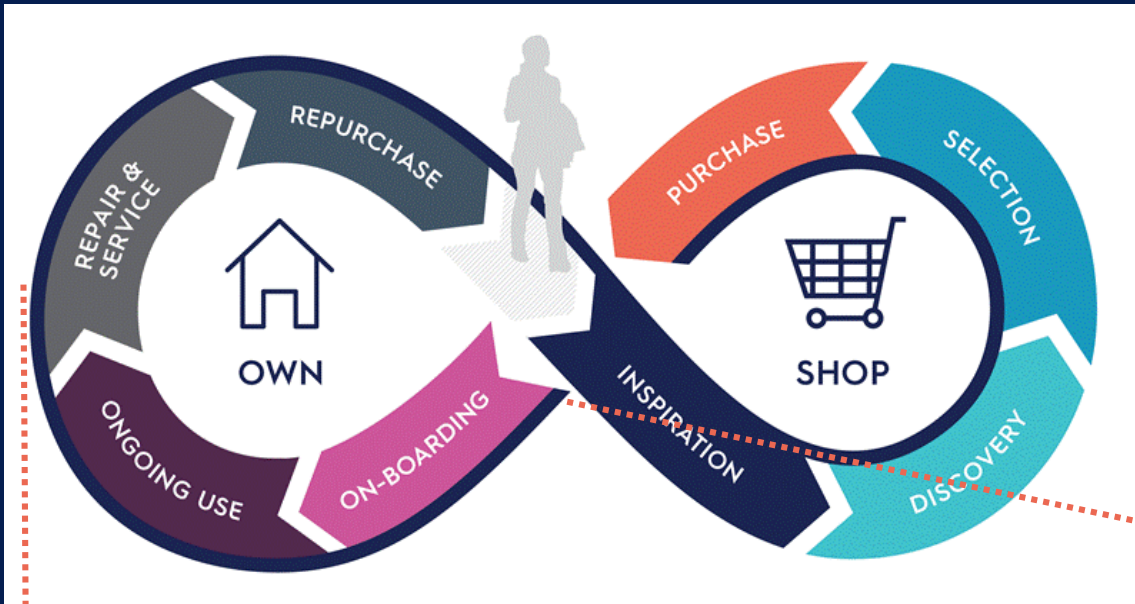


Best-in-class consumer experience journey





High quality connected ownership experience



- Quality focus in all key product and experience touch points
- Simply outstanding - low effort, inspiring and delightful interactions
- Smart connected home ecosystem focused on peace of mind, responsiveness, inspiration and perfect results
- Personalized revenue streams from accessories, consumables, parts and services

Key experience touch points





Explaining consumer experience

When to contact

Clean and care set



Extended warranty



Replacement sales



Onboarding

Ongoing use

Repair & service

Re-purchase



Installation



Local maintenance leaflet



Local digital cookbooks



Fixed price repair



Sms/email reminder



Express service

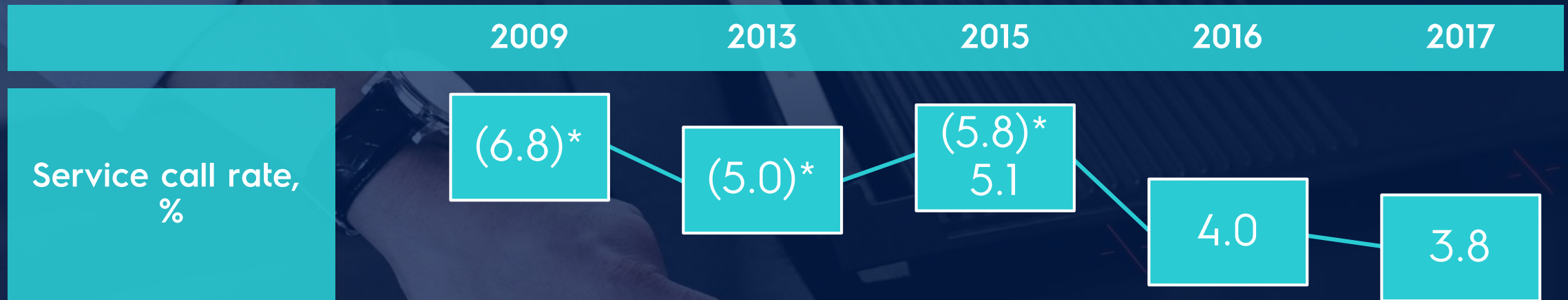


Repair & protect



Quality improvement is progressing

SCR achieves the new record level of 3.8 (MA)

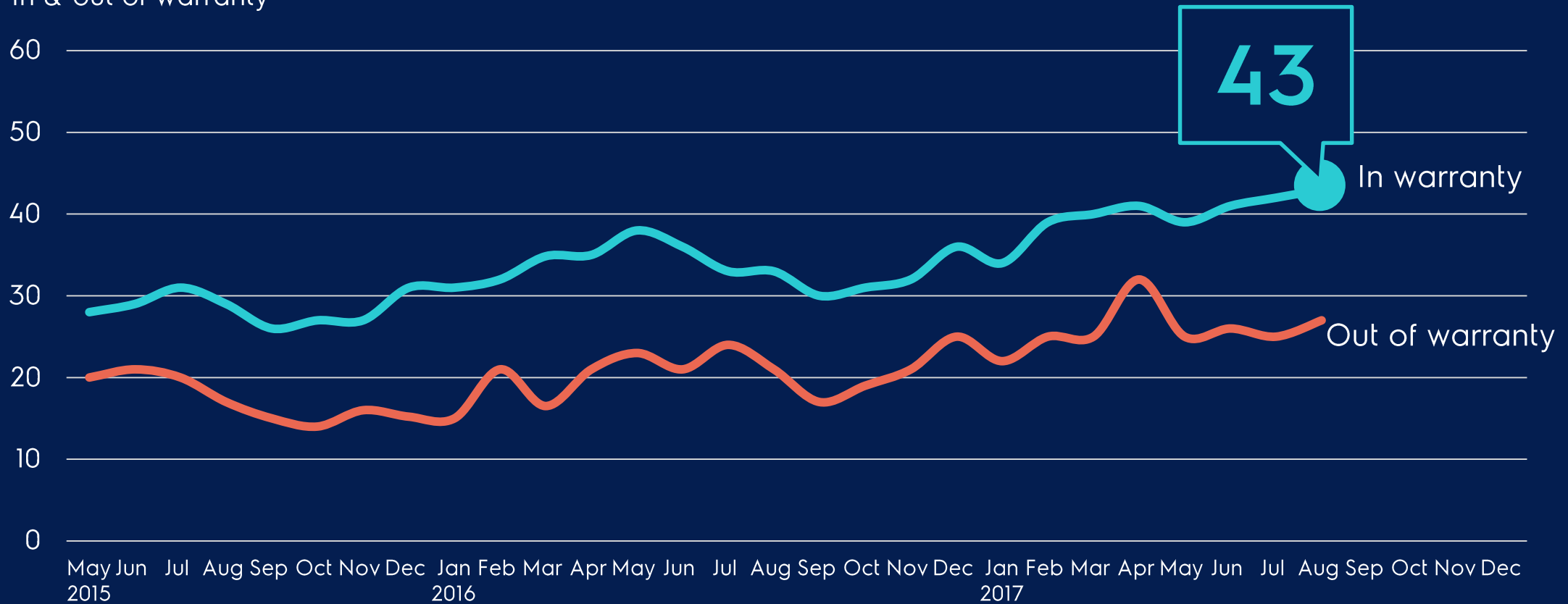


(*) till 2015 figures reported Internal Plants only and fewer markets, no cross Sector reporting.



Focus on key ownership moments paying off

Service & repair NPS 2015-17
In & out of warranty





Execution excellence



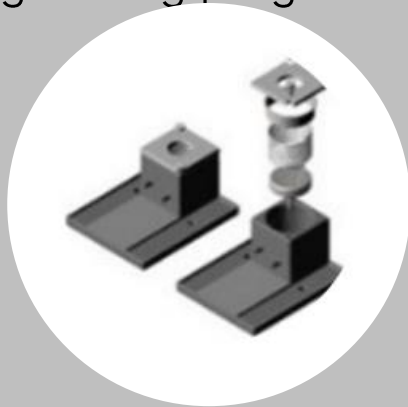
Operational Excellence

Talent & Teamship



Operational excellence

Product cost savings through design for assembly, supplier productivity and cross functional cost excellence and reengineering programs



Modularized products in automated and digital manufacturing setup with maximum efficiency and quality



Outstanding service levels through integrated digital supply chain for efficiency, flexibility and short lead times



Total Commitment to Quality



Talent – Core competences





Teamship culture drivers



Aligned goals



Collaboration



Transparency



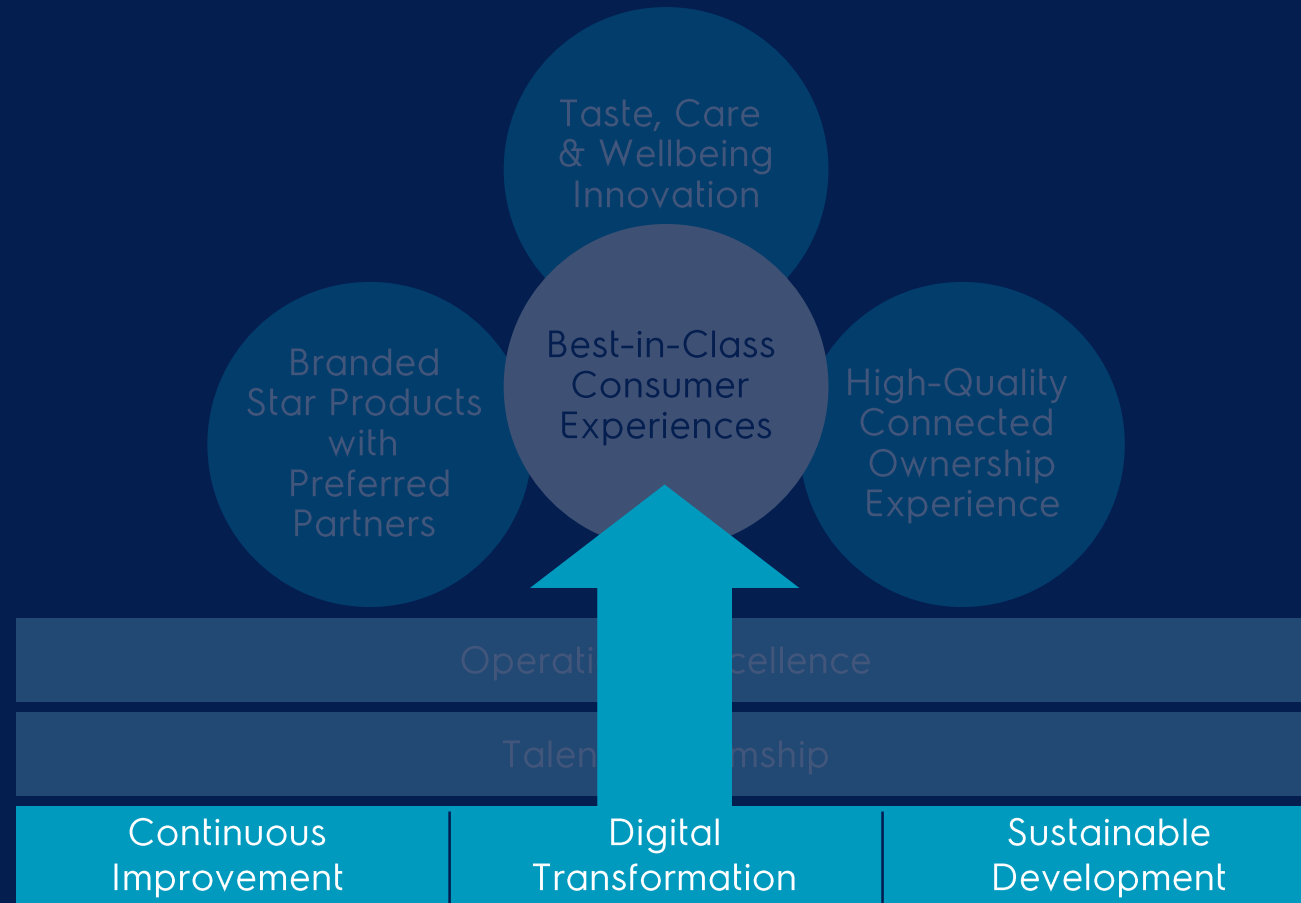
Engagement

Our transformation drivers





Transformation drivers





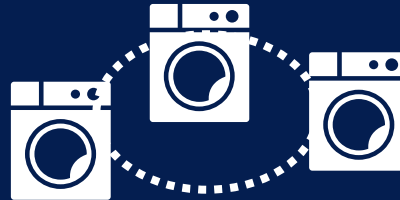
Continuous improvement

Variable product cost



- Cross-functional cost excellence program
- EMS
- Modularization & digital manufacturing
- Supplier integration & value optimization
- Integrated digital supply chain

Stability & focus



- Focused choices & low complexity
- Lean end-to-end processes
- Safety
- Quality experience
- Speed & reliability

Structural cost

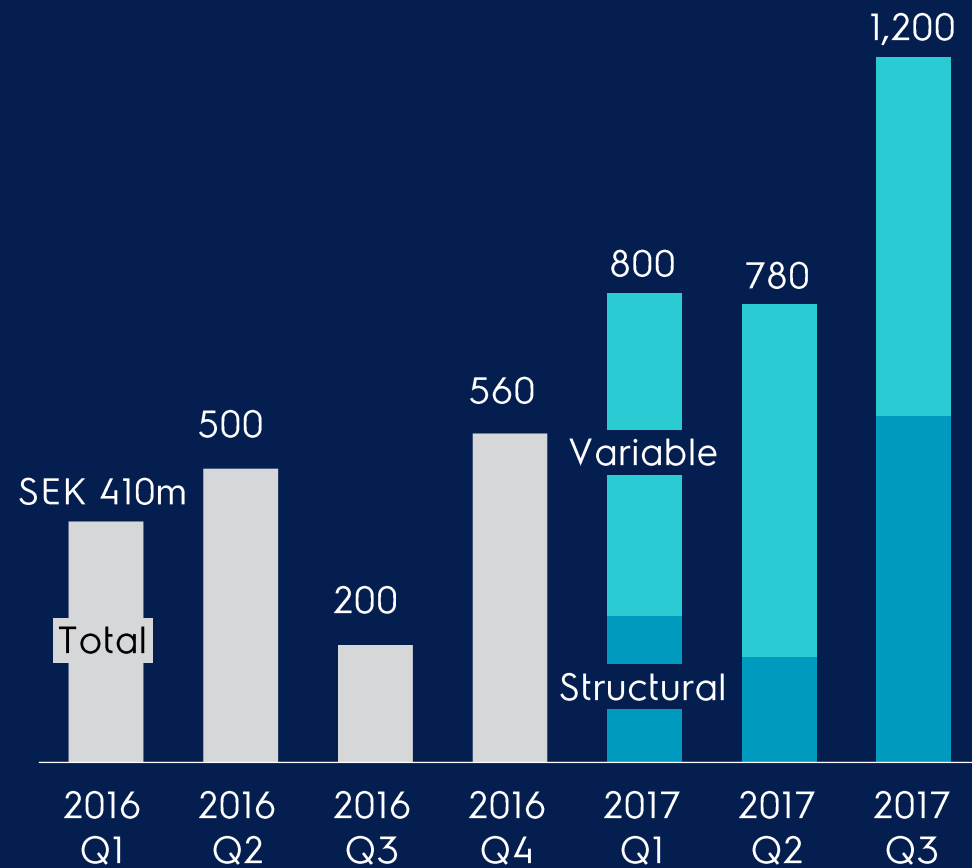


- Resource allocation based on return on investment
- Continuous Improvement program
 - Create value by working smarter
 - Waste-elimination across value chain
 - Digital productivity

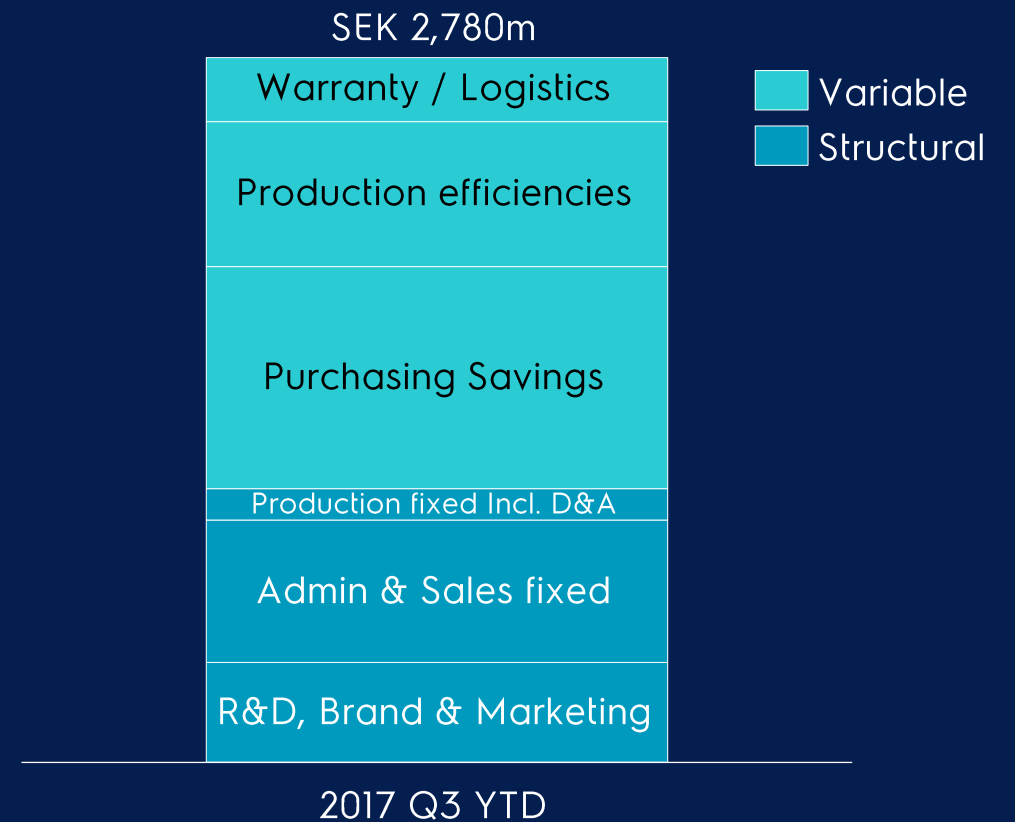


Our continuous improvement efforts have generated results

NET COST EFFICIENCY (EXCLUDING RMI)



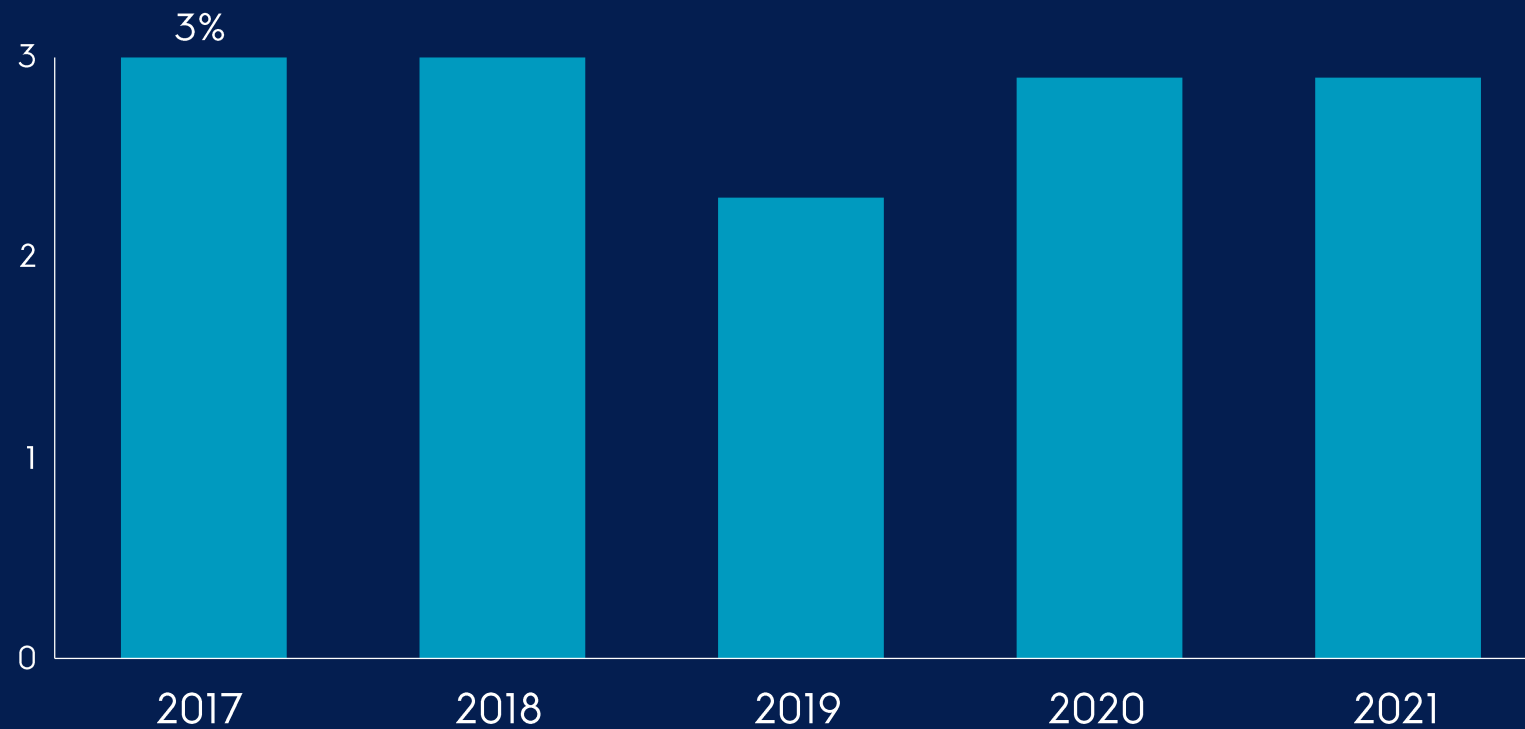
SPLIT OF NET COST EFFICIENCY





Continuous improvement to deliver consistent variable cost performance

MAVC* savings YoY (%)



(*) MAVC is Mixed Adjusted Variable Cost
Note: Excluding RMI and inflation over 2 %



Digital transformation

Best-in-Class Consumer Experiences



DIGITAL 360
CONSUMER EXPERIENCE

A digitally supported 360° shopping and ownership journey that is simply outstanding, inspiring and personalized

New revenue streams from individualized ownership solutions



CONNECTED
EXPERIENCES

Leveraging connectivity to create new user experiences of taste, care and wellbeing in the home

New business models through a smart connected appliance ecosystem



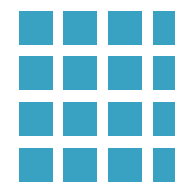
DIGITAL
PRODUCTIVITY

Embrace digital productivity tools

Become a preferred business partner through ease of doing business and reliability

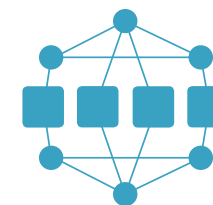
Leverage big data and Business Intelligence to always be one step ahead

Operational Excellence



MODULARIZATION &
DIGITAL MANUFACTURING

Minimize product cost and maximize quality and flexibility through digital manufacturing of modularized products



DIGITAL
SUPPLY CHAIN

Ensure 100% product availability with minimal lead times and capital requirement through a digitally integrated supply chain

Digital First Mindset

Agility and Scalability

Iterate and Learn

Standardized Platforms



Sustainable development – For the better



Better solutions

- Improve product performance and efficiency
- Make better use of resources
- Eliminate harmful materials



Better operations

- Ensure the best health and safety
- Achieve more with less
- Always act ethically and respect human rights



Better society

- Offer solutions for healthy and sustainable living for more people
- Be a force for good
- Improve supply chain sustainability



Electrolux – recognized industry sustainability leader



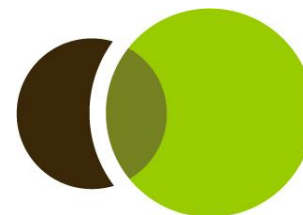
Climate change leader

- Named Top 5 % global corporate leader acting against climate change
- Awarded position on 2017 Climate A List by CDP

MEMBER OF

**Dow Jones
Sustainability Indices**

In Collaboration with RobecoSAM



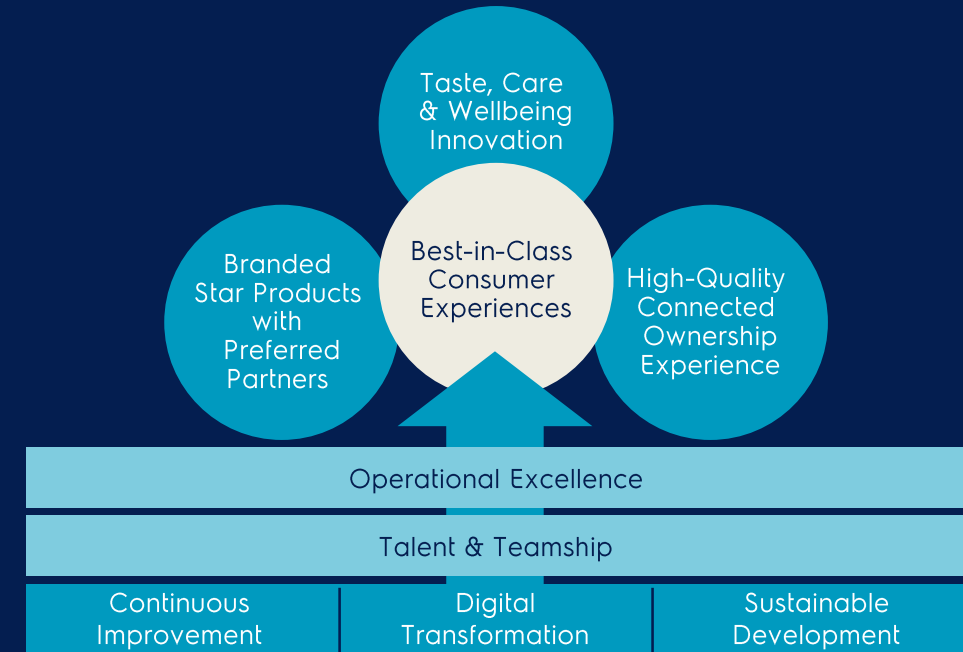
ROBECOSAM
Sustainability Award
Gold Class 2017

Industry leader

- Named Leader in Household Durables category, Dow Jones Sustainability World Index
- 11th consecutive year



Electrolux strategic framework



Business outlook





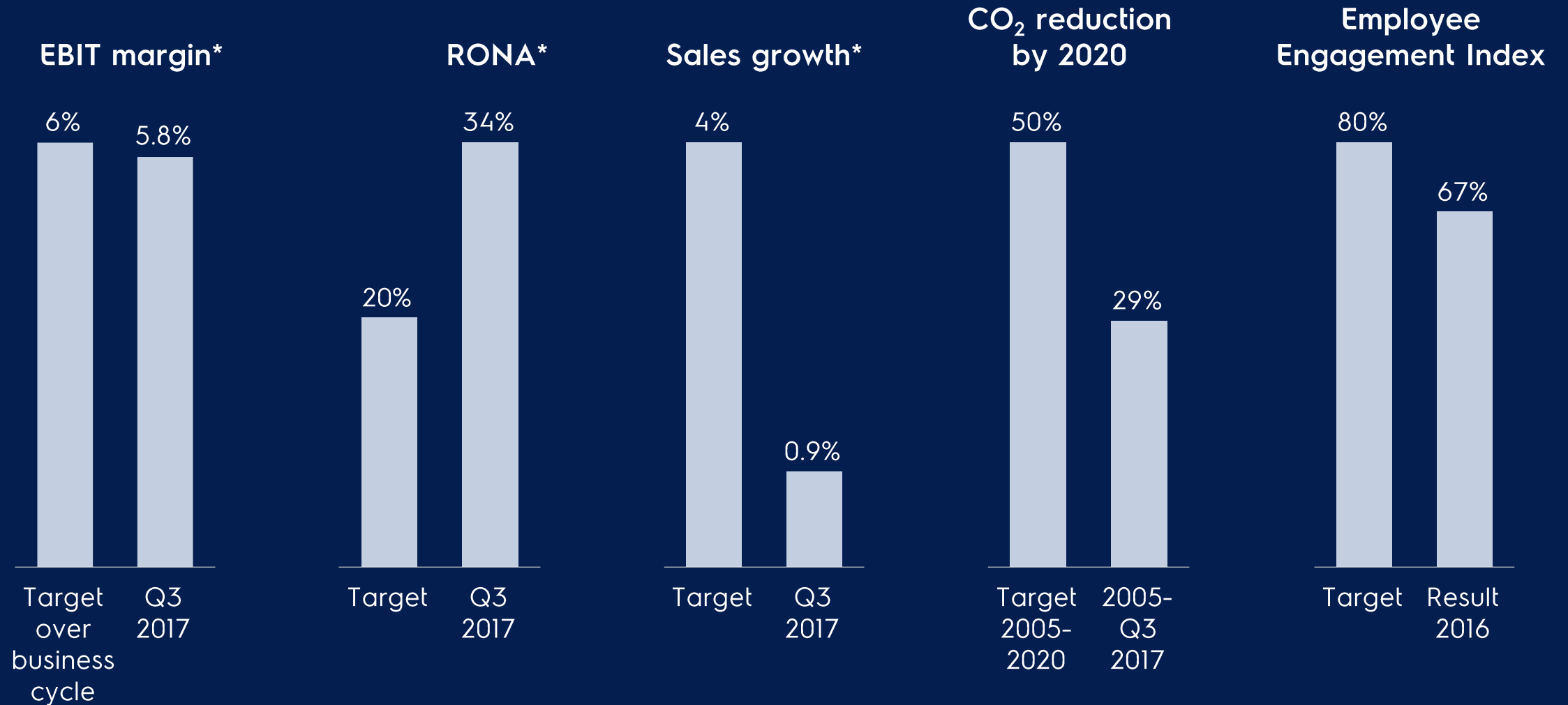
Achieving our financial targets over a business cycle creates shareholder value



EBIT > **6%** • RONA > **20%** • Sales Growth > **4%**
-50% CO₂ by 2020 • Employee Engagement Index > **80**



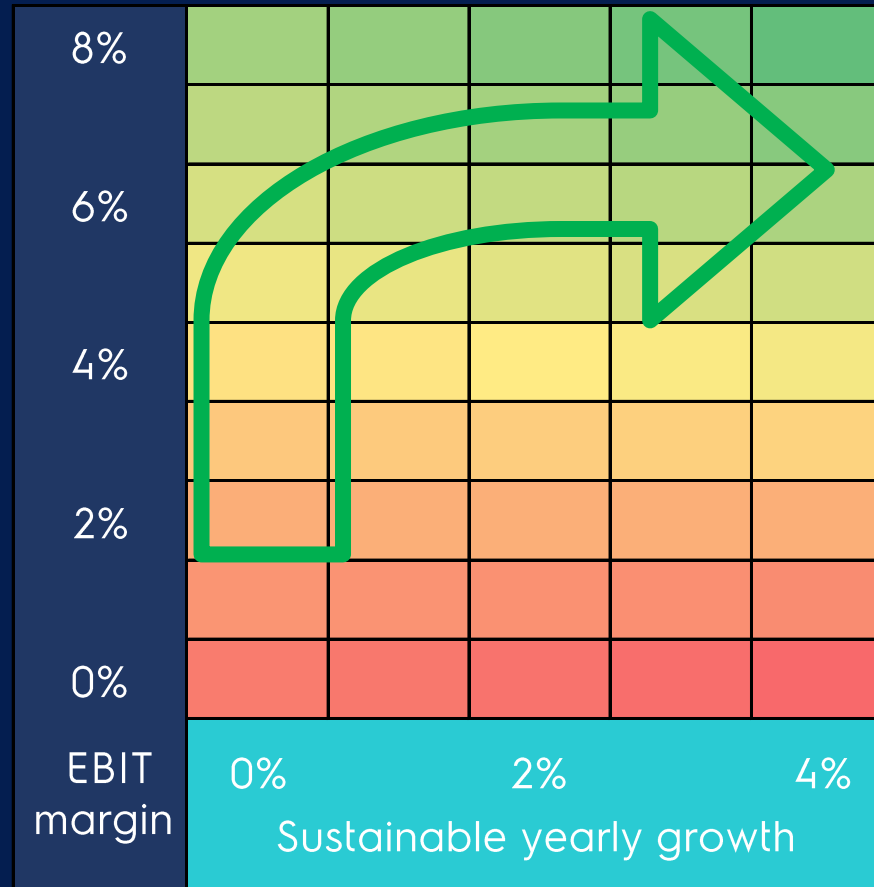
Making progress on the targets



*Rolling 12 months



Now at profitability level where profitable growth creates significant value



Company Business Value

Growth provides value

Growth offers little value

Growth destroys value



Key priorities across the Group since 2016

Short term – Sustainable profitability
Group EBIT margin of >6%

1. Portfolio management – Stars
2. Competitive cost structure
3. Significantly improve product quality
4. Establish teamship at all levels

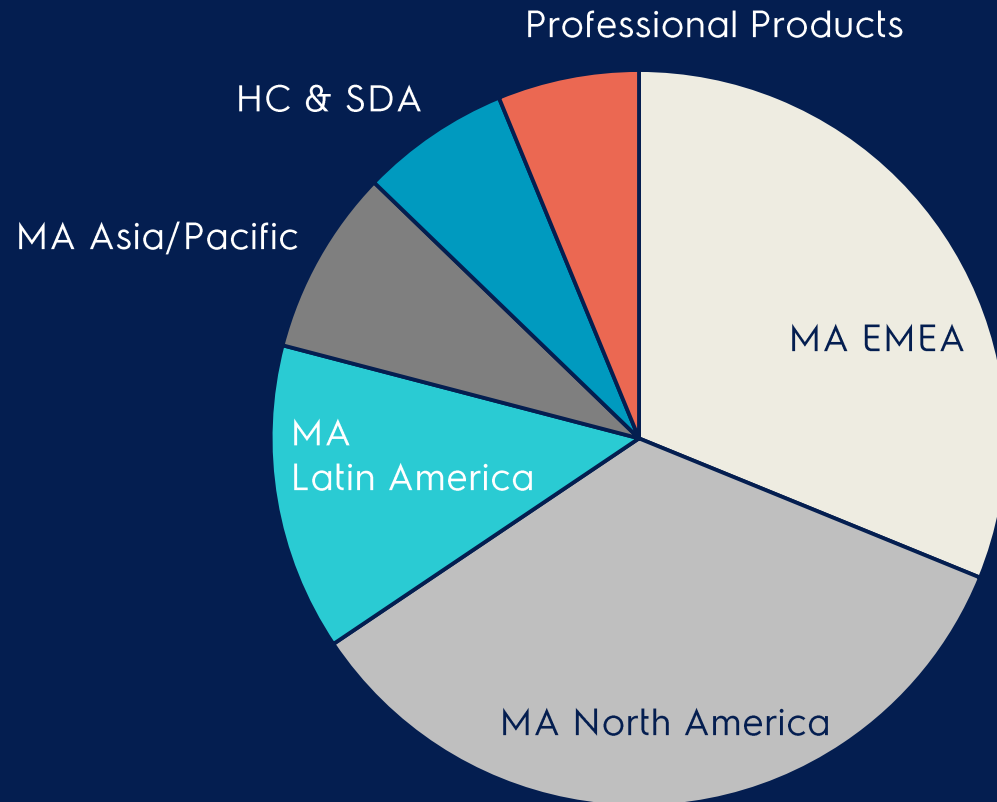
Medium to long term – Targeted profitable growth improve total EBIT 7% p.a.

1. Consumer experience Innovation leadership
2. BIC ownership experience
3. Digital transformation in 5 dimensions
4. Acquisitions

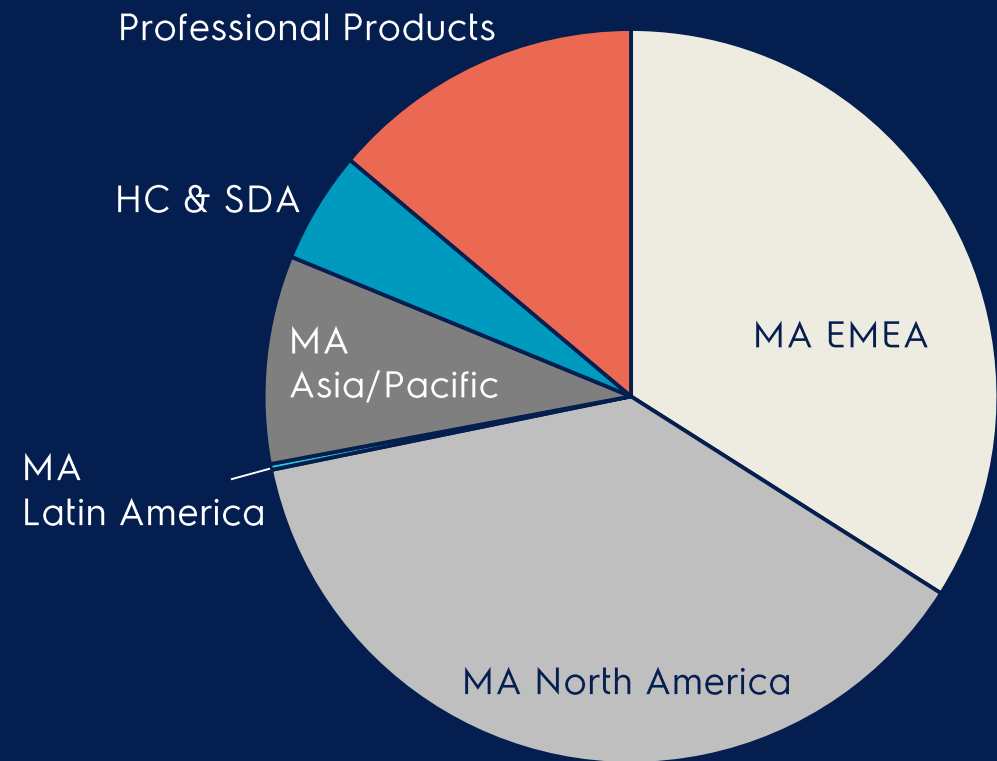


Net Sales and EBIT contribution per business area

Net Sales (R12M)

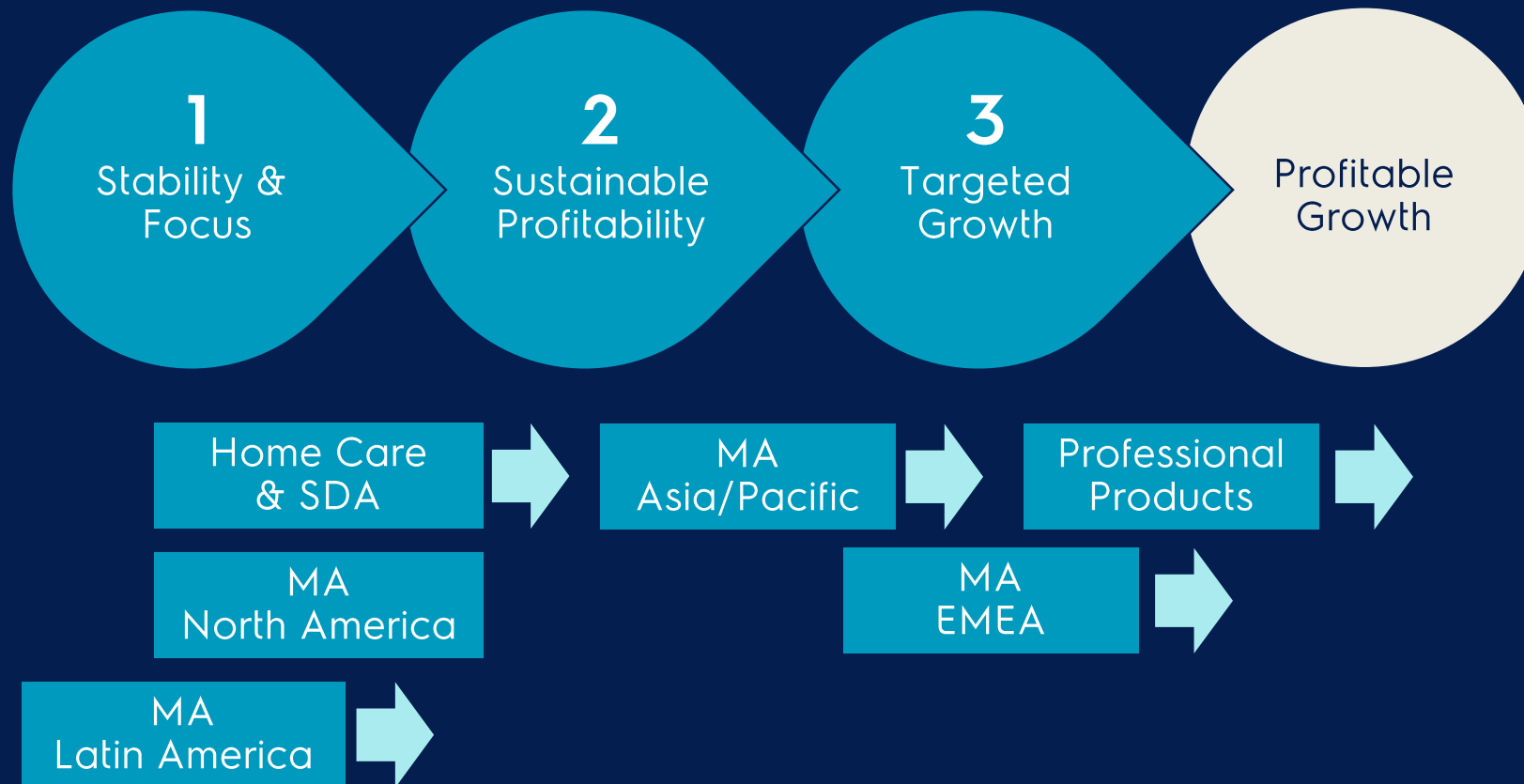


EBIT (R12M)





Path to profitable growth per business area

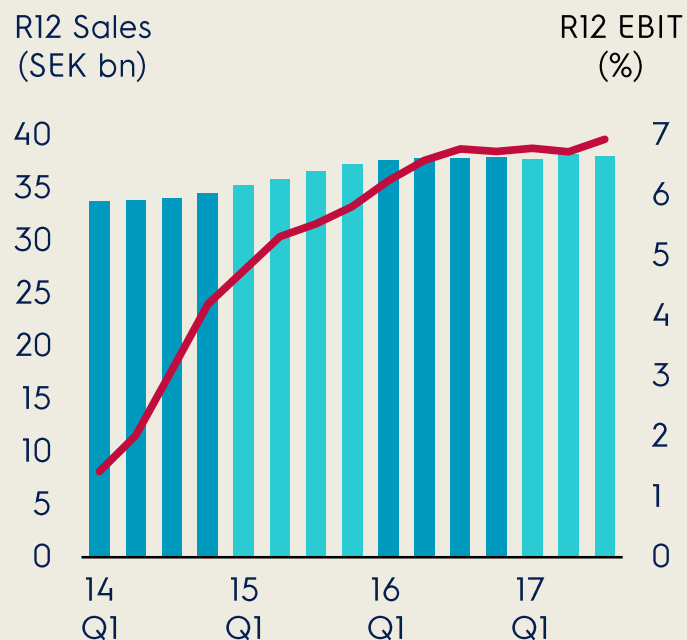




MA EMEA



Sales & EBIT %



Position and Strengths

- Top 3 position in most geographies with overall leadership in Nordics
- Growing profitably in premium brand positions
- Strong positions in Built-in, Cooking and Laundry, strong relationships with kitchen retailers
- Lean and efficient manufacturing base and strong product pipeline
- Well-established portfolio management approach and R&D capabilities

Targeted Growth

- **Double down on areas of strength** to grow Built-in, Cooking, Laundry leveraging the Best acquisition
- **Lift brand position** through the AEG and Electrolux launches
- Employ **new technologies and ecosystems** incl. voice control, assisted cooking
- Create **BIC consumer experience** in Ownership Solutions, drive aftermarket

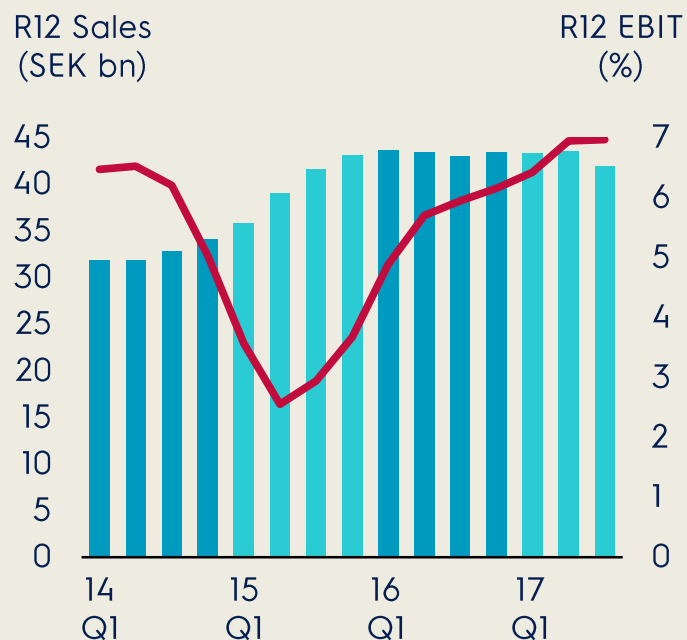
2018 focus: Continued premium brand and category execution to drive positive Net Sales and EBIT



MA North America



Sales & EBIT %



Position and Strengths

- Strong market position with a well-established Frigidaire brand
- Strong customer orientation & responsiveness with a nimble approach
- Strong aftermarket sales capability
- Scale production in core categories
- Challenging market dynamics requiring business transformation

Stability & Focus

- **Address changing market dynamic** by expanding contract/digital channels, building final mile delivery
- **Radically simplify** operations and brand/product offering
- Major **investments in manufacturing reengineering**
- **New product architectures** in Food Preservation and Preparation
- Create **BIC consumer experience** in ownership solutions, drive aftermarket

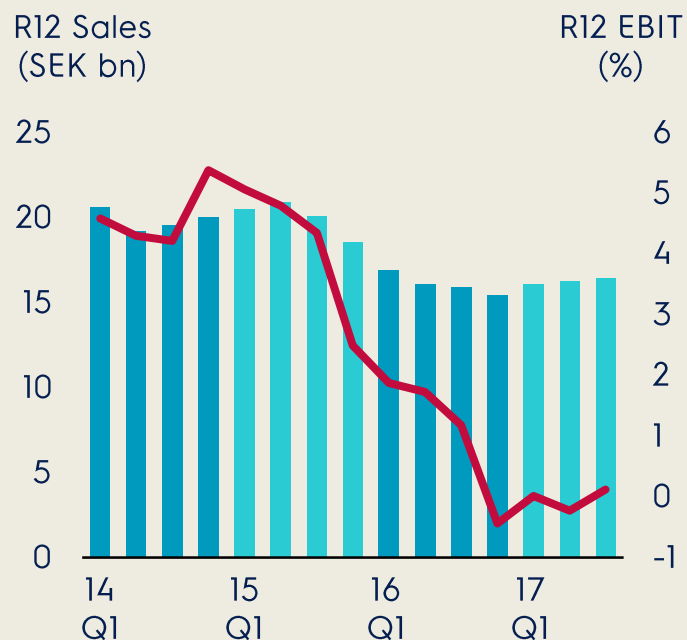
2018 focus: Manage top line challenge in market transition, mix up and cost efficiency to offset raw material cost and price pressure



MA Latin America



Sales & EBIT %



Position and Strengths

- Strong market positions
- Leadership in Fabric Care and Food Preservation
- Strong portfolio of brands incl. Electrolux, Frigidaire, Fensa, Mademsa, Gafa and Continental
- Strong design and consumer preference capabilities
- High product quality and local manufacturing
- Strong B2C channel and access to distribution, including aftermarket

Sustainable Profitability

- Complete cost-out, drive portfolio mgmt. and execute reengineering of refrigeration and cooking to **restore profitability**
- Capitalize on **macroeconomic turnaround** through Brazilian brand acquisition and driving BI market
- **Widen base** by completing product offering in specific geographies (e.g. Argentina)
- Create **BIC consumer experience** in ownership solutions

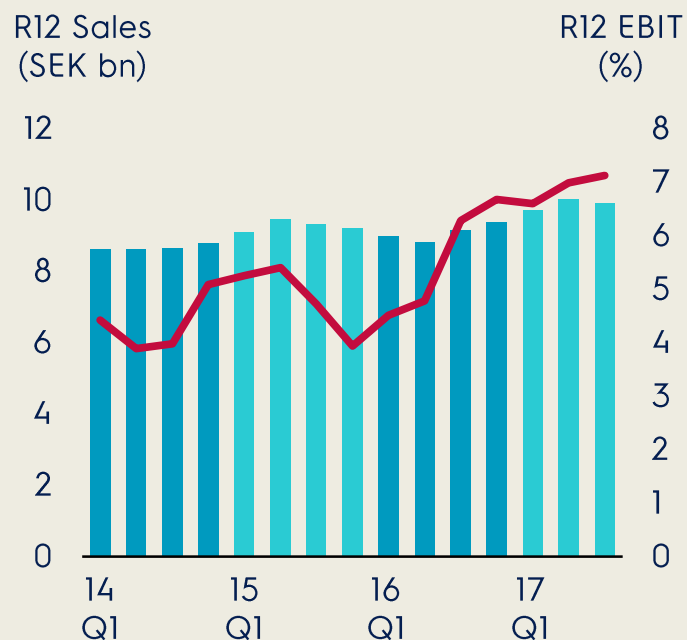
2018 focus: Drive Net Sales supported by market recovery, continued cost efficiency focus to offset inflation



MA Asia/Pacific



Sales & EBIT %



Position and Strengths

- Strong market position in Australia and New Zealand, especially Cooking
- Strong market position in East Asia, especially Fabric Care
- High brand recognition
- Strong manufacturing capability in Thailand

Targeted Growth

- Push **channel and geographic expansion** in growing SEA markets
- Build **sustainable China position** with Midea JV for AEG brand in China, Electrolux brand for Cooking/Refrigeration/Washer
- Accelerate launch of **connected products and ecosystem**
- Create **BIC consumer experience**, drive aftermarket
- Pursue **JV:s and acquisitions** at value creating prices

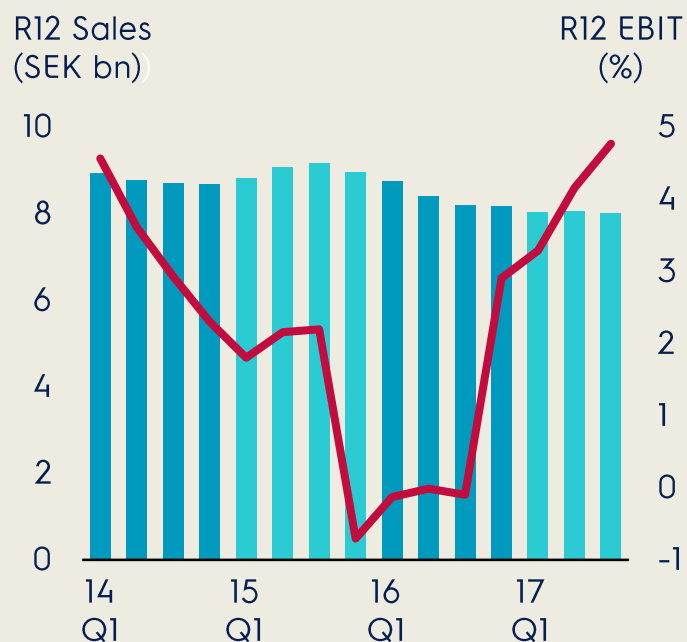
2018 focus: Continued profitable growth while making incremental growth investments



Home Care & SDA



Sales & EBIT %



Position and Strengths

- Strong position in Floor Care as well as Nordics, strong brand in key markets
- The only company that can leverage Major Appliances and Professional for complete Taste and Care offer
- Global player with access to distribution channels in major markets

Sustainable Profitability

- **Complete Fix or Exit** drive
- Drive **aggressive product launch plan** to grow in Cordless and Robotics
- Build the **Wellbeing ecosystem** with the Ease, Well and Pure ranges
- Use **Anova as growth driver** in the US with B2C and digital marketing as well as connected appliances
- Pursue **acquisitions** at value creating prices

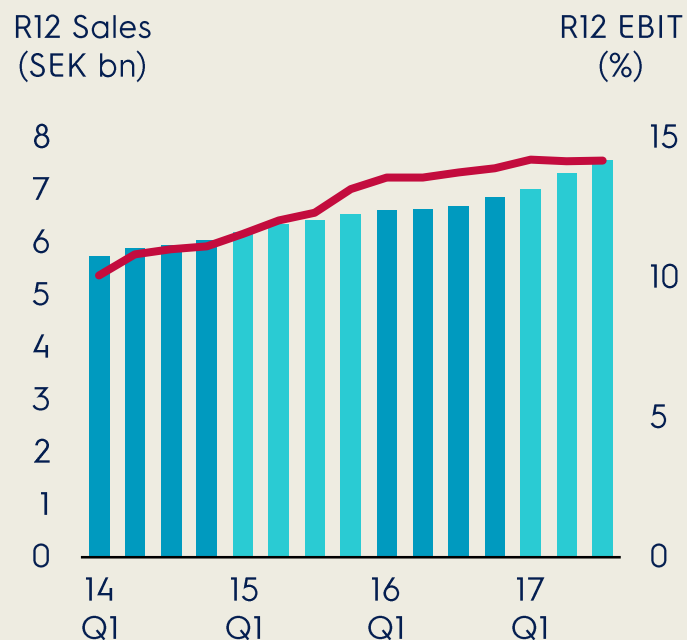
2018 focus: Turn-around continues, supported by product launches



Professional Products



Sales & EBIT %



Position and Strengths

- Strong position in Europe
- Full solution provider with a global sales & customer Care organization
- Leader in innovation, technology integration and launch execution

Targeted Growth

- Leverage the **Growth in the food service business**
- Leverage the Grindmaster-Cecilware acquisition to **expand the beverage business** and the US/Chains presence
- Drive **aftermarket business** as business unit
- **Pursue acquisitions** at value creating prices

2018 focus: Continued profitable growth from product innovation and increased market coverage

Consumer Experience

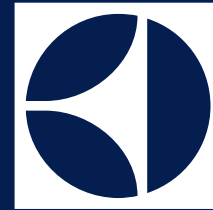




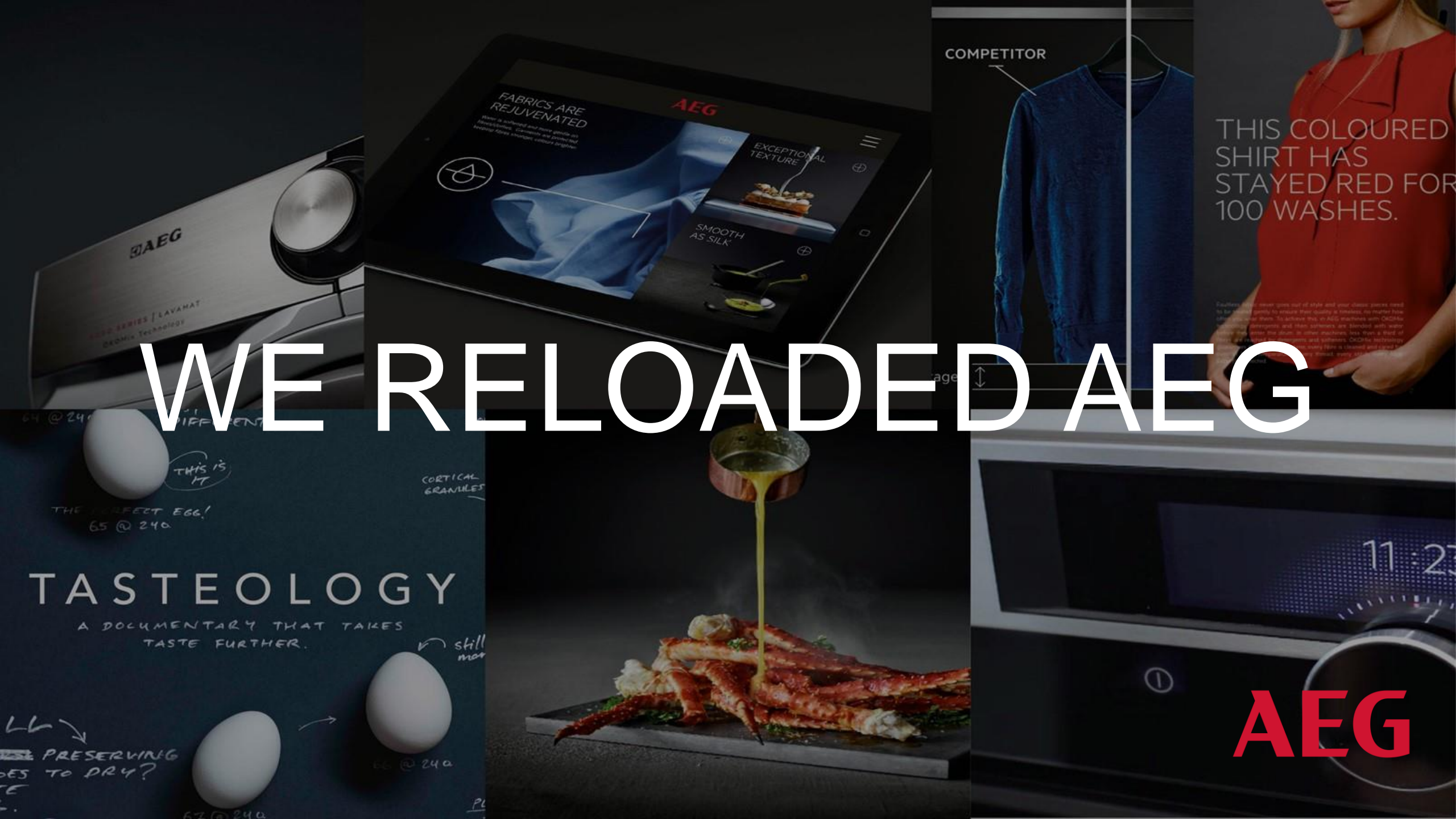
Branding Consumer Experience Innovation

Lars Hygrell, CMO

AEG



WE RELOADED AEG



TASTE & CARE LEADERSHIP

AEG



TAKING
TASTE
FURTHER



UNPRECEDENTED
CARE

POWERFUL AND DIFFERENTIATED CLAIMS

Delivering unique offers and
reasons to believe

Soft Water Technology

Colours never fade.

AFTER
50
WASHES



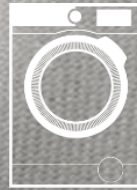
AEG

THE NEW AEG LAUNDRY RANGE

AEG



It's the little black dress guardian. No fading wash after wash.



9000 Series
SoftWater Technology



Introducing the delicate shirt defender. Every fibre protected



8000 Series
ÖKOMix Technology

8000 Series
AbsoluteCare® System



It's the wool sweater guardian. No shrinkage guaranteed.*



Introducing the sharp shirt protector.

7000 Series
ProSteam® Technology

7000 Series
SensiDry® Technology

Introducing the sheer blouse protector.



Meet the everyday classic preserver.



6000 Series
ProSense™ Technology

6000 Series
ProSense™ Technology



Meet the everyday quality preserver.

AEG

INTRODUCING
**THE
 DELICATE
 SHIRT
 DEFENDER**

EVERY FIBRE PROTECTED



Classic pieces need to be treated gently to keep their quality timeless. Our advanced OKOMIX technology achieves this by blending detergents and fabric softeners with water before they enter the drum. It guarantees that for the first time ever, every thread, every stitch, every fibre is cleaned, cared for and expertly protected, even with shorter cycles. Protecting fibres with unprecedented care is one way AEG is redefining the washer and dryer.

AEG.COM/CARE

AEG

**IT'S A WOOL
 SWEATER
 GUARDIAN**

NO SHRINKAGE GUARANTEED*



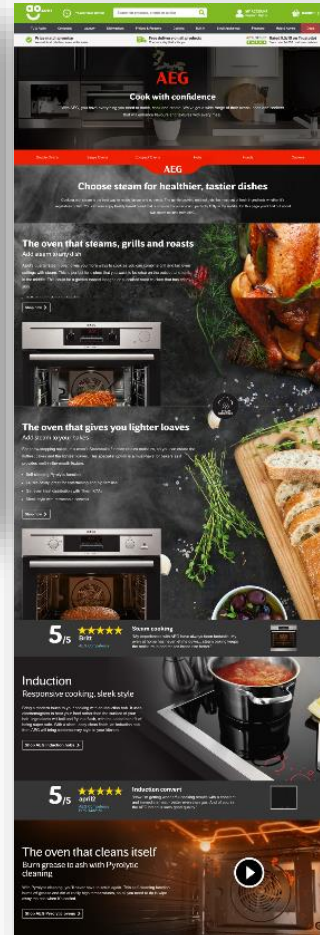
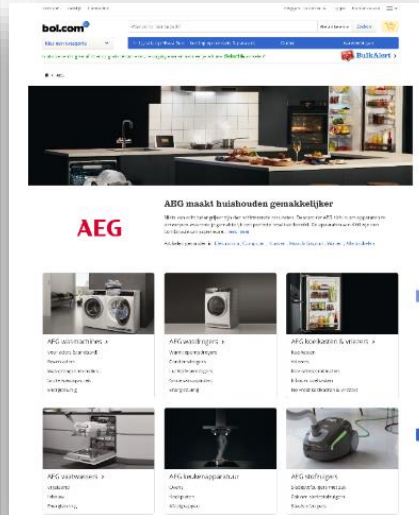
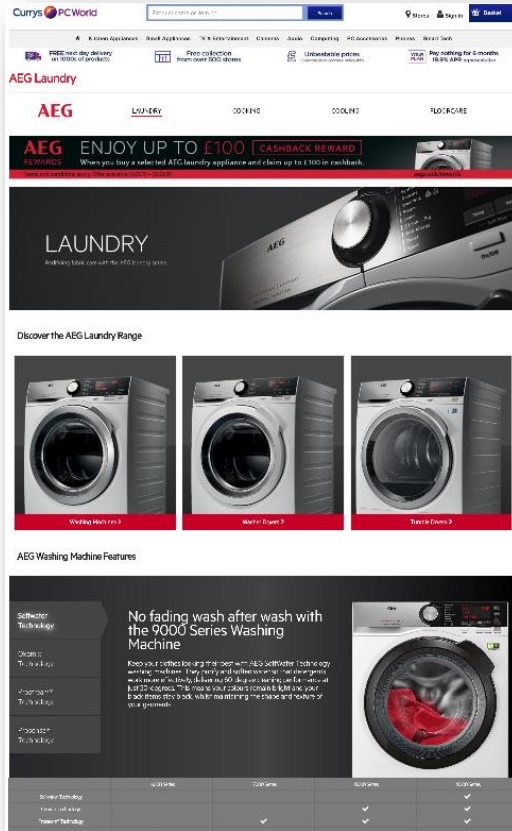
Now you can tumble dry even the most demanding fibres like wool. The AbsoluteCare® dryer precisely adjusts the rotation of its drum to every fabric in your wardrobe. Guarding tumble-dried clothes with unprecedented care is one way AEG is redefining the washer and dryer.

AEG.COM/CARE

*Compatible with flat drying of wool.

RETAILERS ARE SUPPORTED WITH STRONG DIGITAL CONTENT ONLINE AND INSTORE TO DRIVE SELL-OUT

AEG



7x

More 'buy now' leads from our websites to online retailers – 366k to end May 2017*

100%

Of star products now with 100% content coverage

Content Syndication:

25 Live countries

150 Live retailers

7.7% Clickthrough Rate

Currys

MediaMarkt

SATURN

DARTY

EURONICS

expert

EP:
ElectronicPartner

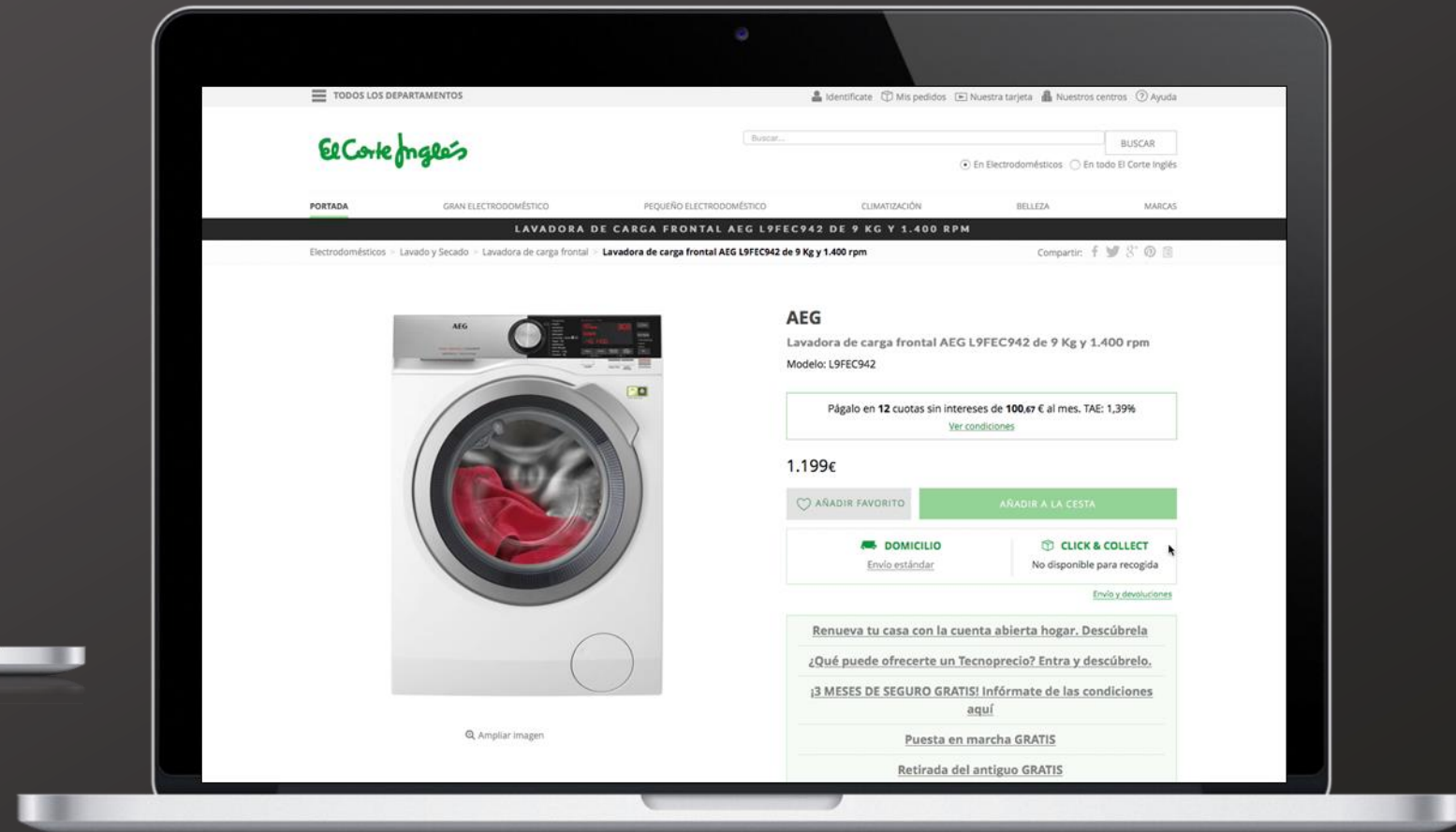
ao.com

*compared to same period 2016

OUTSTANDING DIGITAL CONTENT FOR RETAILERS: DRIVING CONSUMER PURCHASE

AEG

3D HOT SPOTS



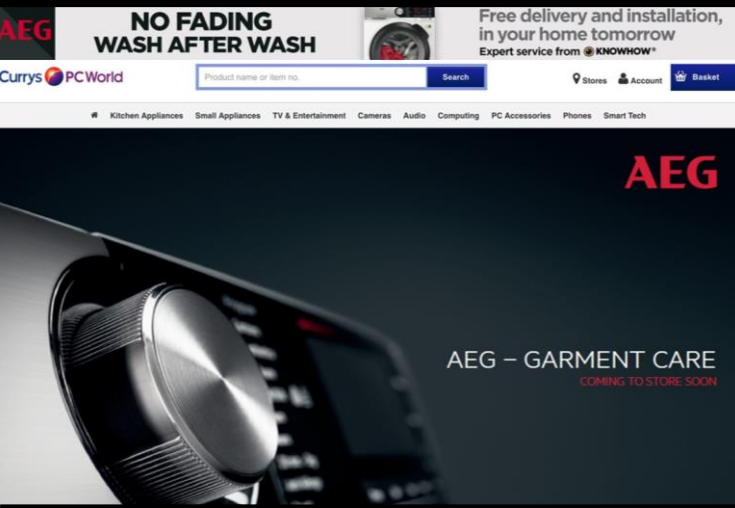
360 CONSUMER JOURNEY SELECTION

AEG



5 STAR LAUNCH AT CURRY'S

AEG

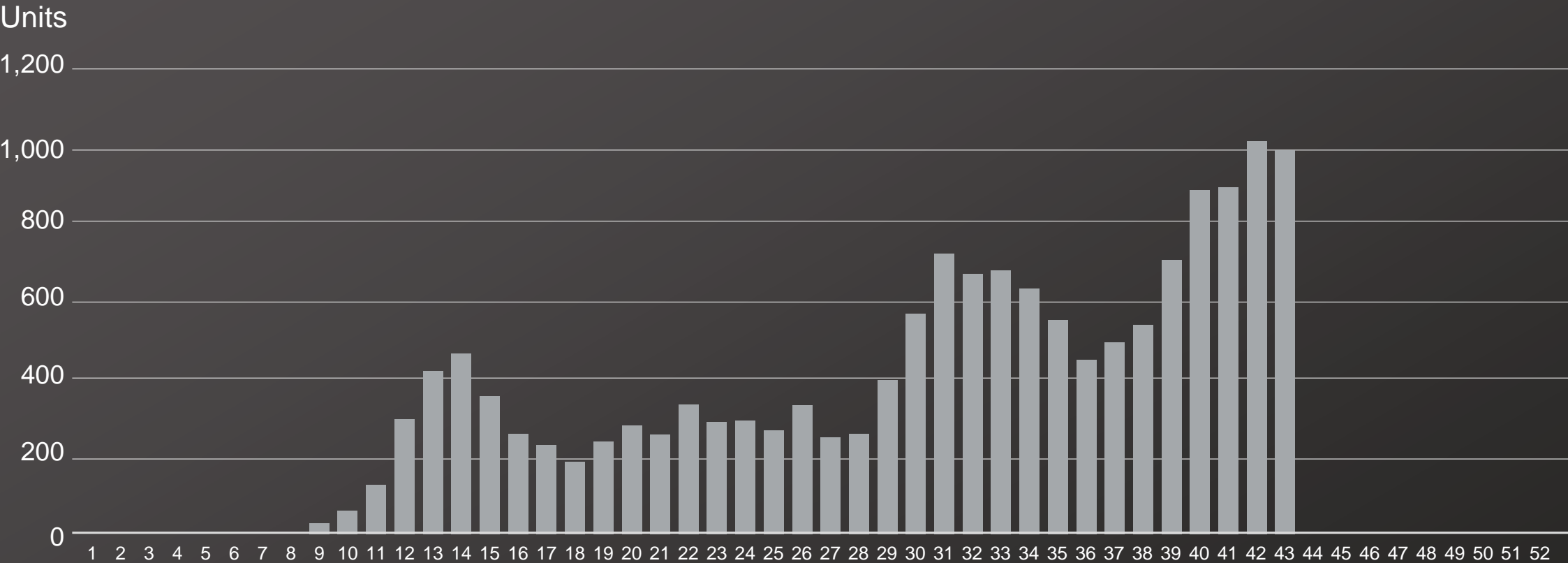


- TV advertising
- Digital out of home (DOOH)
- In-store execution (Currys in UK)
- Homepage coverage in launch week
- CRM activation



SELL-OUT RESULTS TO DATE IN UK

(3 biggest retailers)



WITH CUT TROUGH CAMPAIGNS



FASHION WASH CAMPAIGN IN NORDICS

AEG new Laundry range was put to a huge challenge: washing the unthinkable; exclusive clothing that will shortly be on the catwalk for the Nordic fashion show.

+41%

Total AEG
laundry units
sold

+1.1 pts

Market share in
premium
laundry

+933%

Top of Mind
Sweden
appliances

WE WANT OUR CONSUMERS TO SHARE THEIR OUTSTANDING EXPERIENCE

AEG

Full AEG WMs and TDs range **4.7**



by Emily on 04 July 2017

Amazing product

This has got to be the best washing machine I ever owned. Colours remained intact, and there's hardly any need to iron my clothes when they come out. I am perfectly satisfied



AEG BUSINESS RESULTS



TASTE & CARE LEADERSHIP

AEG

TAKING
TASTE
FURTHER

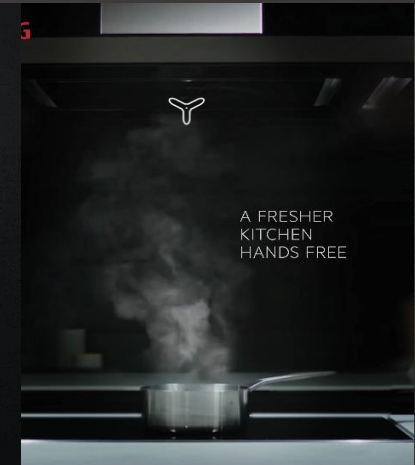
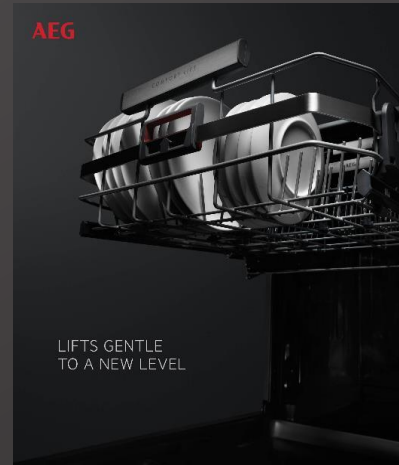
UNPRECEDENTED
CARE



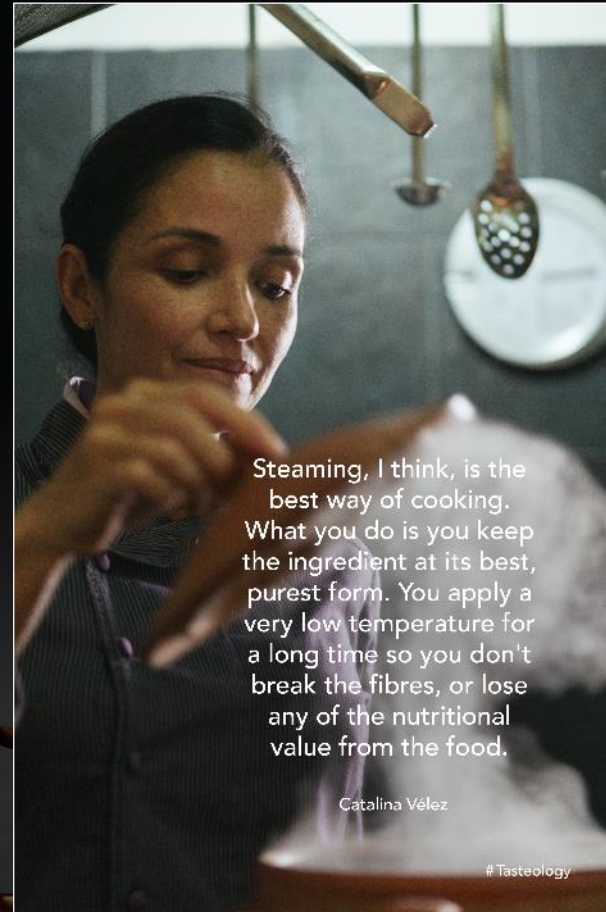
THE AEG MASTERY RANGE

The worlds most responsive
cooking experience.

For the first time the kitchen
works in perfect sync with the
most ambitious cooks to give
full mastery of taste.



TASTEOLGY – SUCCESS ON SOCIAL MEDIA



Steaming, I think, is the best way of cooking. What you do is you keep the ingredient at its best, purest form. You apply a very low temperature for a long time so you don't break the fibres, or lose any of the nutritional value from the food.

38 million
total impressions

14+ million
total reach

2,7%
Facebook
engagement

4 years
in total viewing
time

UNPRECEDENTED PORTFOLIO OF ENDORSEMENTS

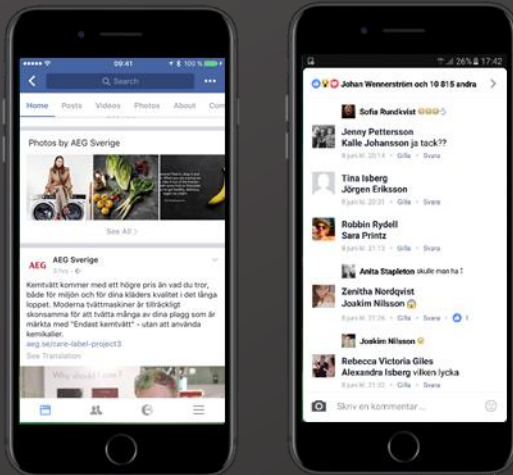
COMFORTLIFT DISHWASHER

AEG

Outstanding consumer engagement and advocacy
One of the most successful social media posts for Electrolux

Facebook post Sweden
12 days

685k views
1.3k shares
10.8k likes



Gadget Awards 2017 – Best
Kitchen and Home Tech
AEG COMFORTLIFT - "The current
state of the art in dishwashing"

4.91 (DE)



"Absolutely recommendable, we are thrilled

I would recommend this to anyone. Our favorite feature is, of course, the ComfortLift. I would not want to miss this part any more. It makes it easy to load and unload. You even have fun with the housework. For a multi-headed family absolutely great. We are excited!"
by Seepferdchen14, Köln, 28 of June

MASTERY RANGE BENELUX

IMPLEMENTATION AS A SUCCESS STORY – EXECUTION HIGHLIGHTS

AEG

ComfortLift – Product of the year



- Add, covers, video newsletters
- ½ page full day (3.2mil impressions)
- Dig OOH: 200 screens for 10 days
- Ring TV Batibouw special
- Radio 2 “de inspecteur”

1st place (of 10 white goods candidates)



CASE: MASTERY RANGE CUSTOMER COOP WITH HTH IN NORDICS FULL 360 MARKETING COOP – DRIVING GROWTH!

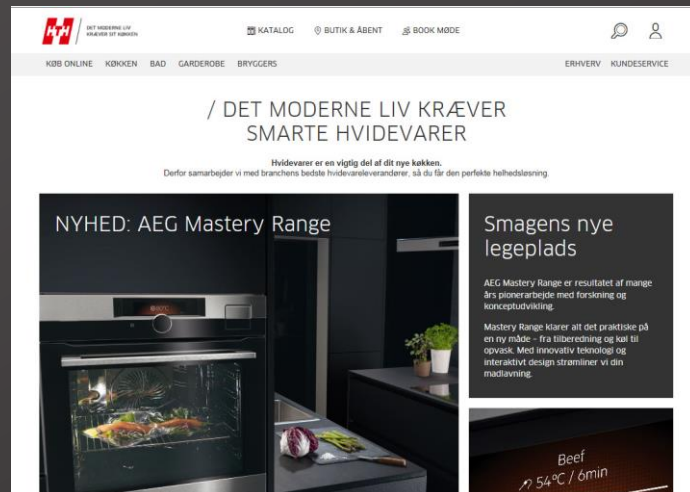
AEG



AEG Mastery
Net Sales in HTH:

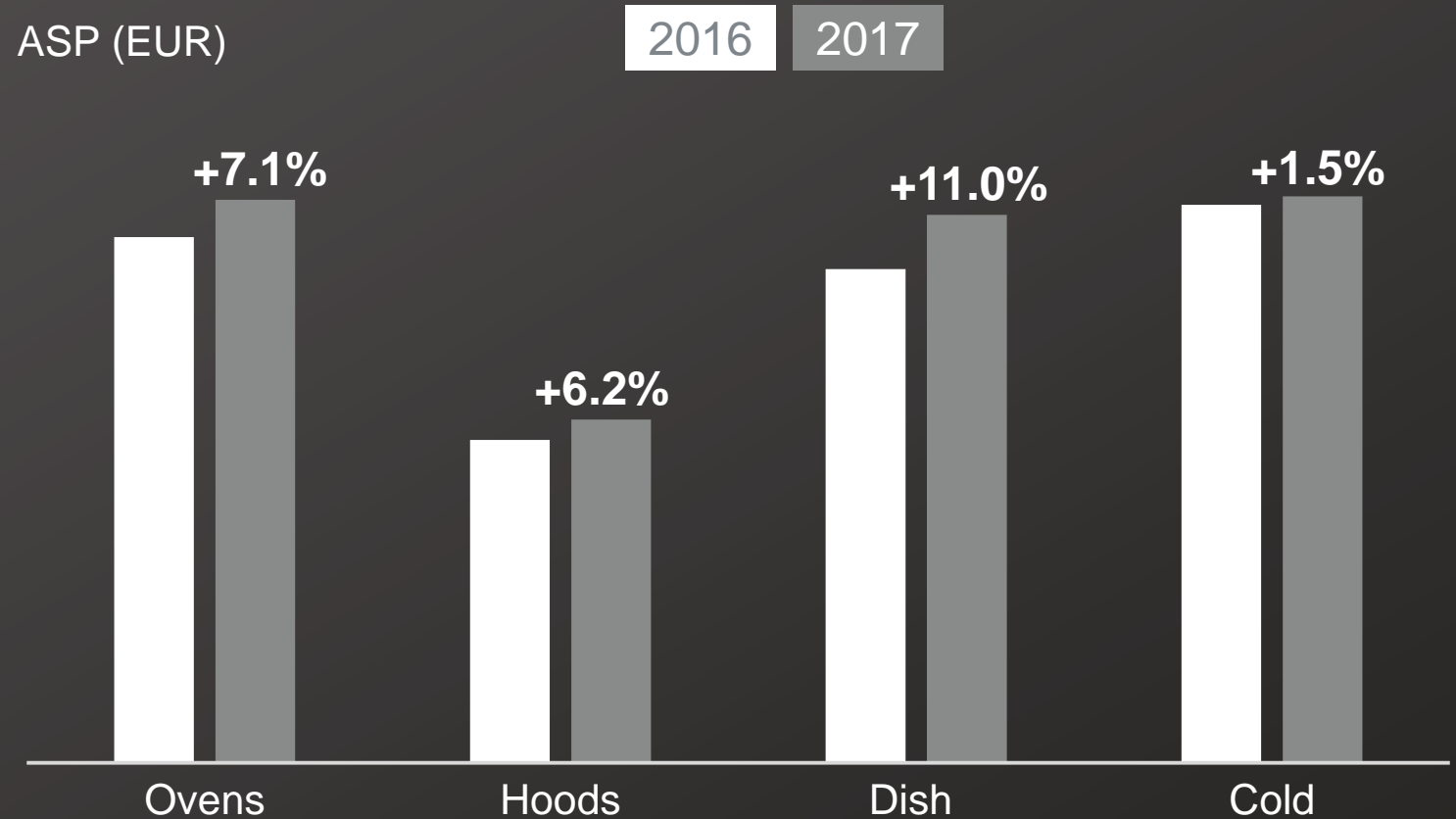
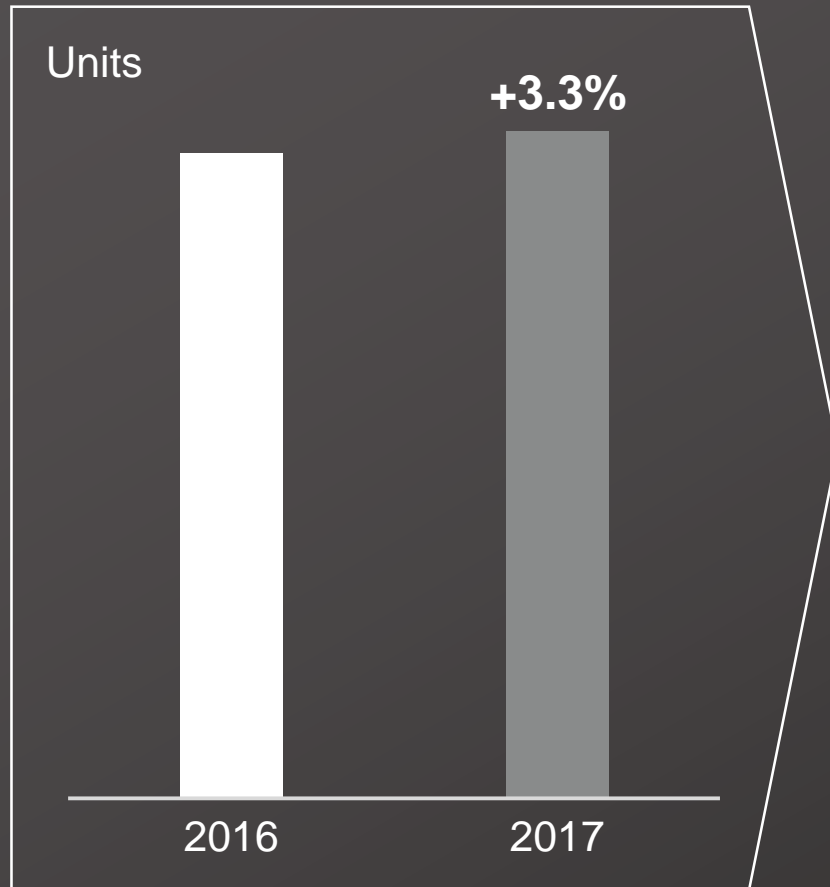
+32%

(Ovens and Hobs YTD vs LY)



AEG Mastery: DRIVING VALUE IN-MARKET

AEG



AEG in Germany:

AEG

Winner 2017
Wirtschafts Woche

Best Consumer Trust
across appliance industries



Electrolux Brand boost



We will turn Electrolux into one
of the most **distinct** and **desirable**
brands in the **home** space





Our ambition for the Electrolux brand

Progressive, driven by a strong
conviction

Differentiated and aspirational
experience



Social status

Upper Middle

Middle

Lower Middle

Lower

Upper
Conservative

Miele

Social
Climbers

Upper
Liberal

Postmodern

Traditional
Mainstream

BOSCH

AEG

Conservative
Modern
Mainstream

Progressive
Modern
Mainstream

Traditional
Blue Collar

Pragmatic
Strivers

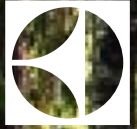
Counter
Culture

Traditional

Modern World

Post-Modern World

Value orientation



Swedish Origin
to set us apart



Unique Professional Edge

to create aspirational experiences





Electrolux Brand DNA

Professional
Edge

Swedish
Lifestyle &
Values



Electrolux Brand DNA

Professional
Edge

Swedish
Lifestyle &
Values

Professional Thought-Leader

Ease of use, great results,
connections, relationships
and co-creation with
visionary professionals.



Leveraging Electrolux professional heritage in a social media powered world



Pierre Sang
France



Carlo Cracco
Italy



Magnus Nilsson
Sweden



Ania Stach
Poland



Andrey Korobyak
Russia



Sven Wassmer
Switzerland

- Socially savvy chefs
- Amplifying our messaging
- Joint creation of content



7,1 M
Combined Reach



The Brand DNA

Swedish Lifestyle & Values

Innovative and sustainable, progressive, caring and equal, open and inclusive, balanced and active healthy everyday living.

Professional
Thought-Leader

Swedish
Lifestyle &
Values



Premium Electrolux Personality



Rituals



Left overs
are over




Time for a fika



All gone



[Click to discover more](#)

 Electrolux





Electrolux Care
2017

Professional



Electrolux Care — 2017



The ultimate quick fix

Moluptatem. Otatur senbio. Hariassit, tecusanducia risque pe pel invenda nissimustem inciēt, et qui undis plibus-amus ma volbrepudi imagnim poratib usanimet vernatur rest, sequo cum rem veliqui ommodit, nonsequi que lacpsa pienda vel et, quiatius volar aut quos nimporrū ipitatquame laut rendis soloreh enimagnist, odici odit dolor seque mos accabori quas aligentis porum fugiatem valorene volar antis dundi doluptam erro quondanis molorpos et ulpa vel ipsaper eicimaximus. Rerunto rerimin conseca borile cum, ommo moluptatus que mos accabori quas aligentis porum fugiatem valorene volar antis dundi doluptam erro quondanis molorpos et ulpa vel ipsaper eicimaximus rerunto rerimin conseca borile cum, ommo moluptatus.

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01 Professional

Replacing luck

The equipment of choice
for Michelin star chefs all
around the world.



Breakfast for pros



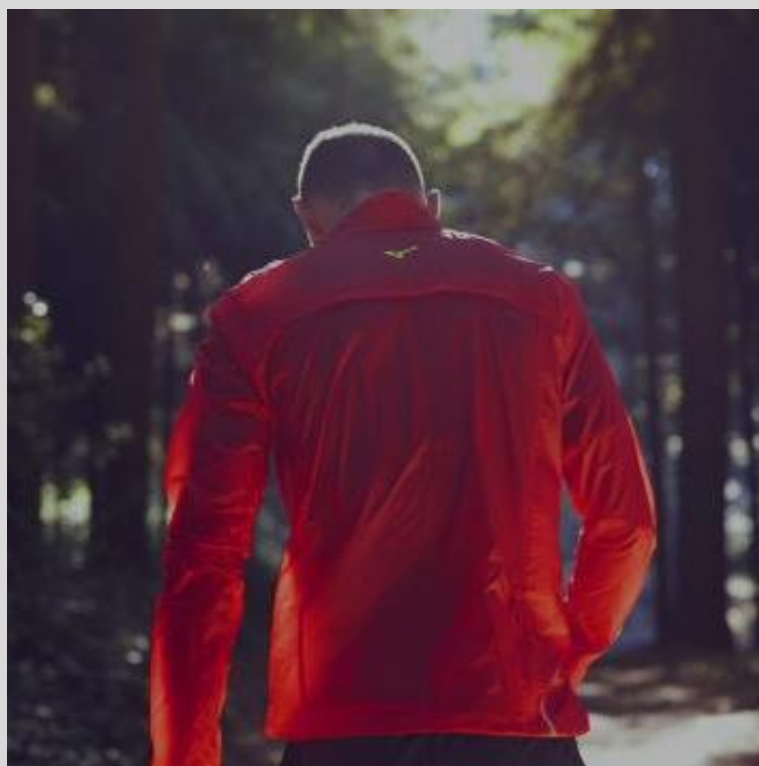


We reinvent taste, care and wellbeing experiences

TASTE



CARE



WELLBEING





Business case

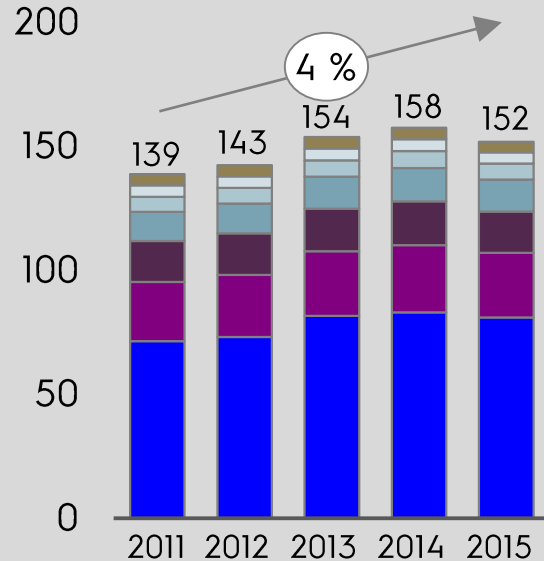
Ola Nilsson, Head of Home Care & SDA



High potential in the small appliance market

Attractive market growth

Global Small Appliances retail sales, USDbn

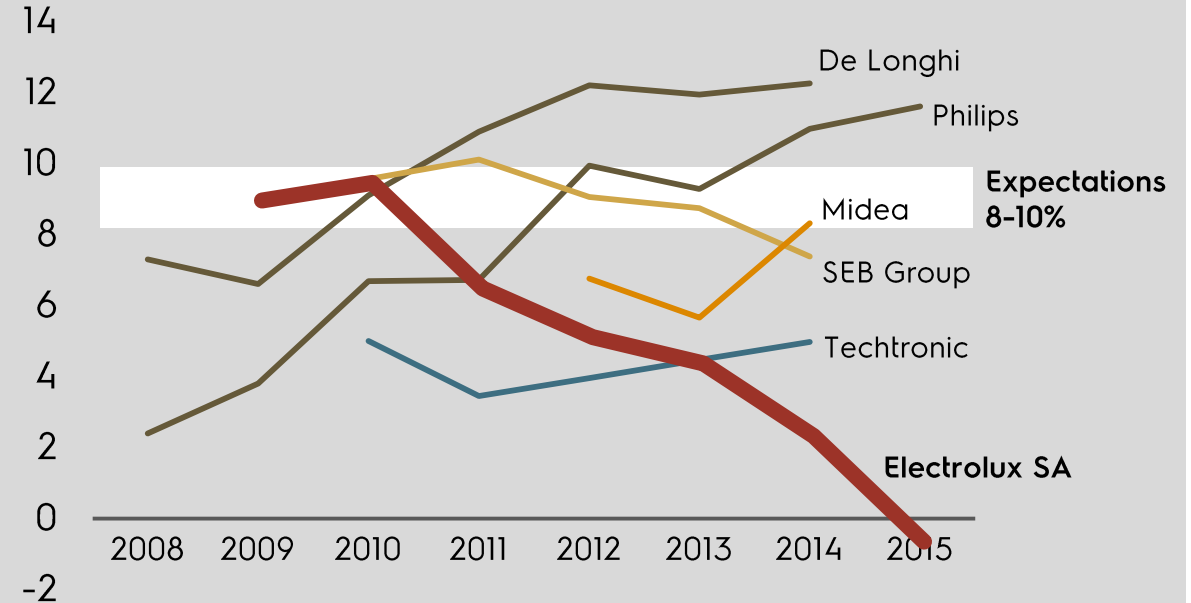


2011-2014 CAGR³

	Market	Electrolux
Small Kitchen	1.6%	2.5%
Irons	0.4%	1.1%
Heating	4.0%	5.7%
Food Prep	4.7%	-0.6%
Vacuum	2.3%	-0.7%
Small Cooking	4.1%	1.3%
Air Treatment	5.2%	4.0%
	4.3%	0.4%

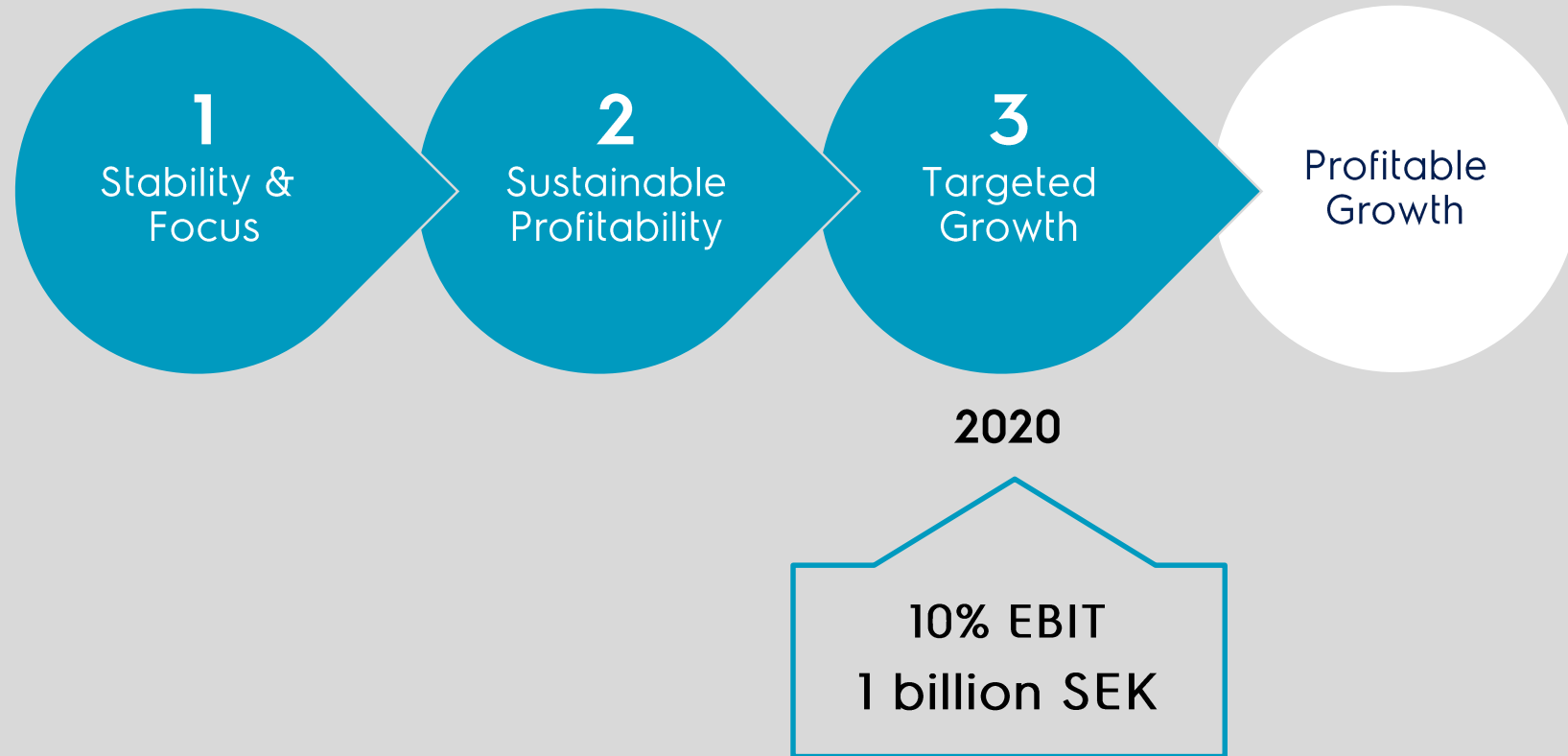
EBIT should be around 8-10%

Operating margin, %



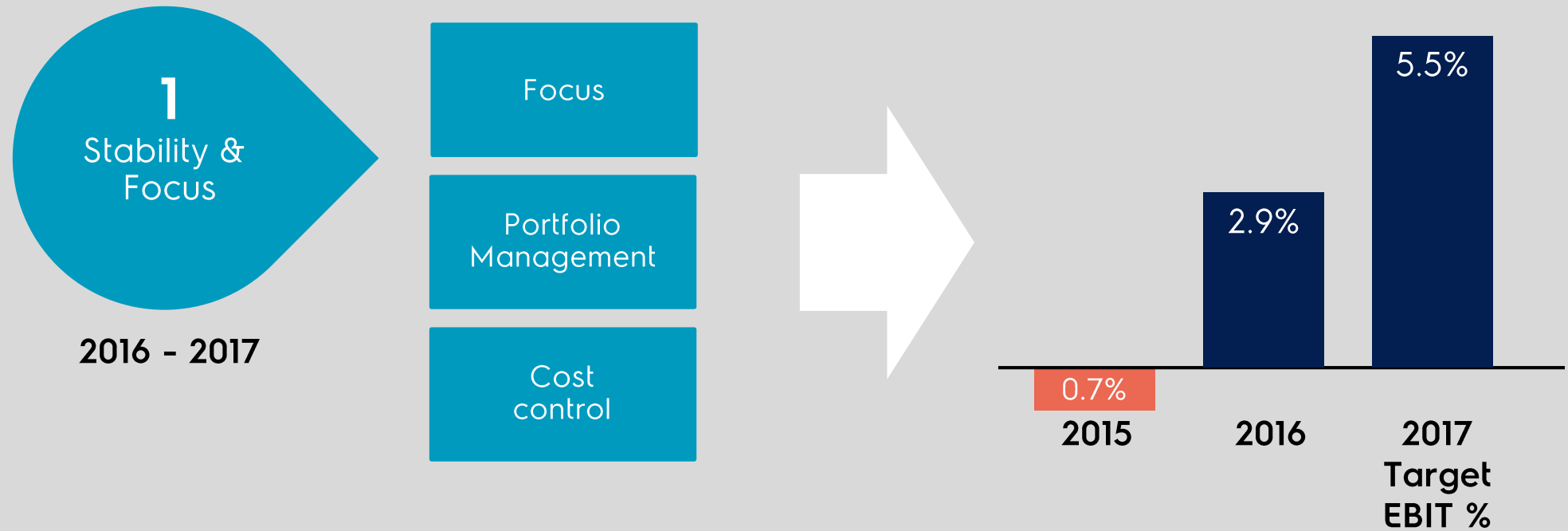


All business areas have to complete a three step journey



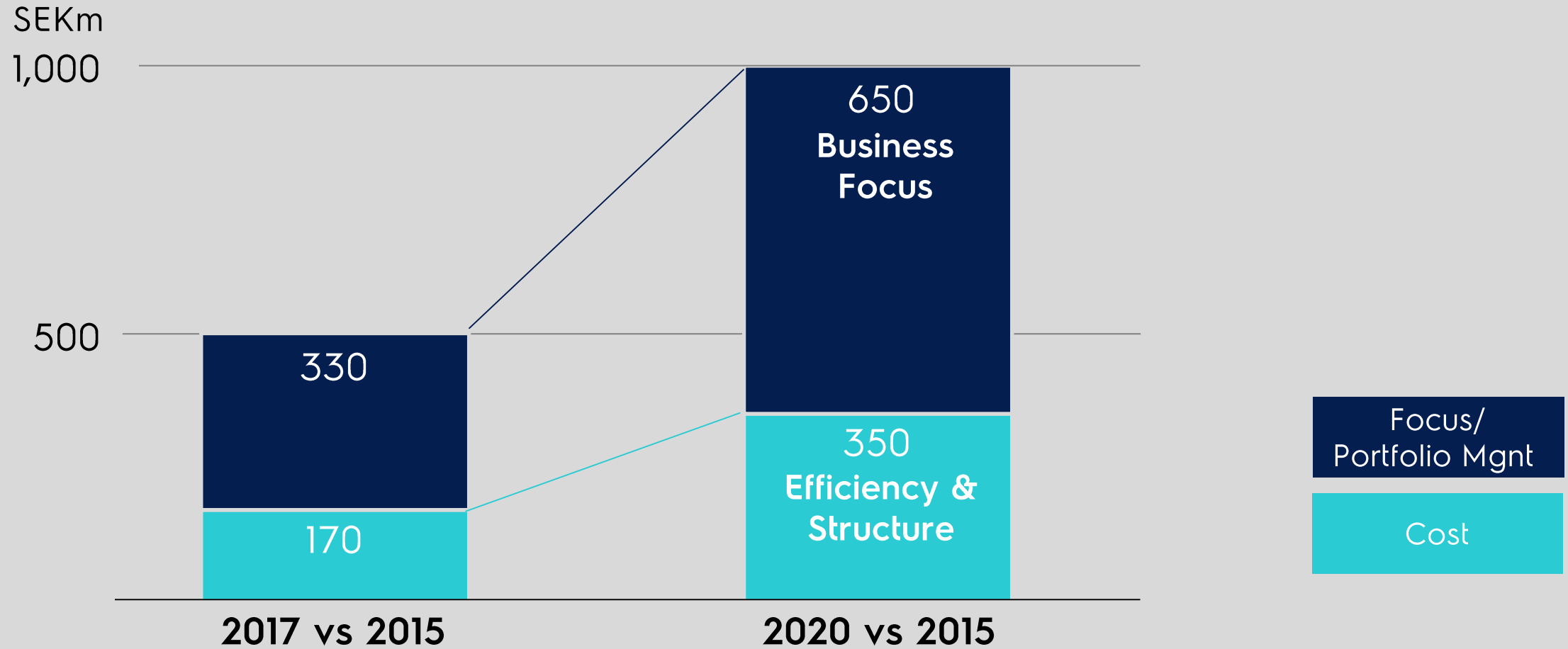


Our journey towards profitable growth



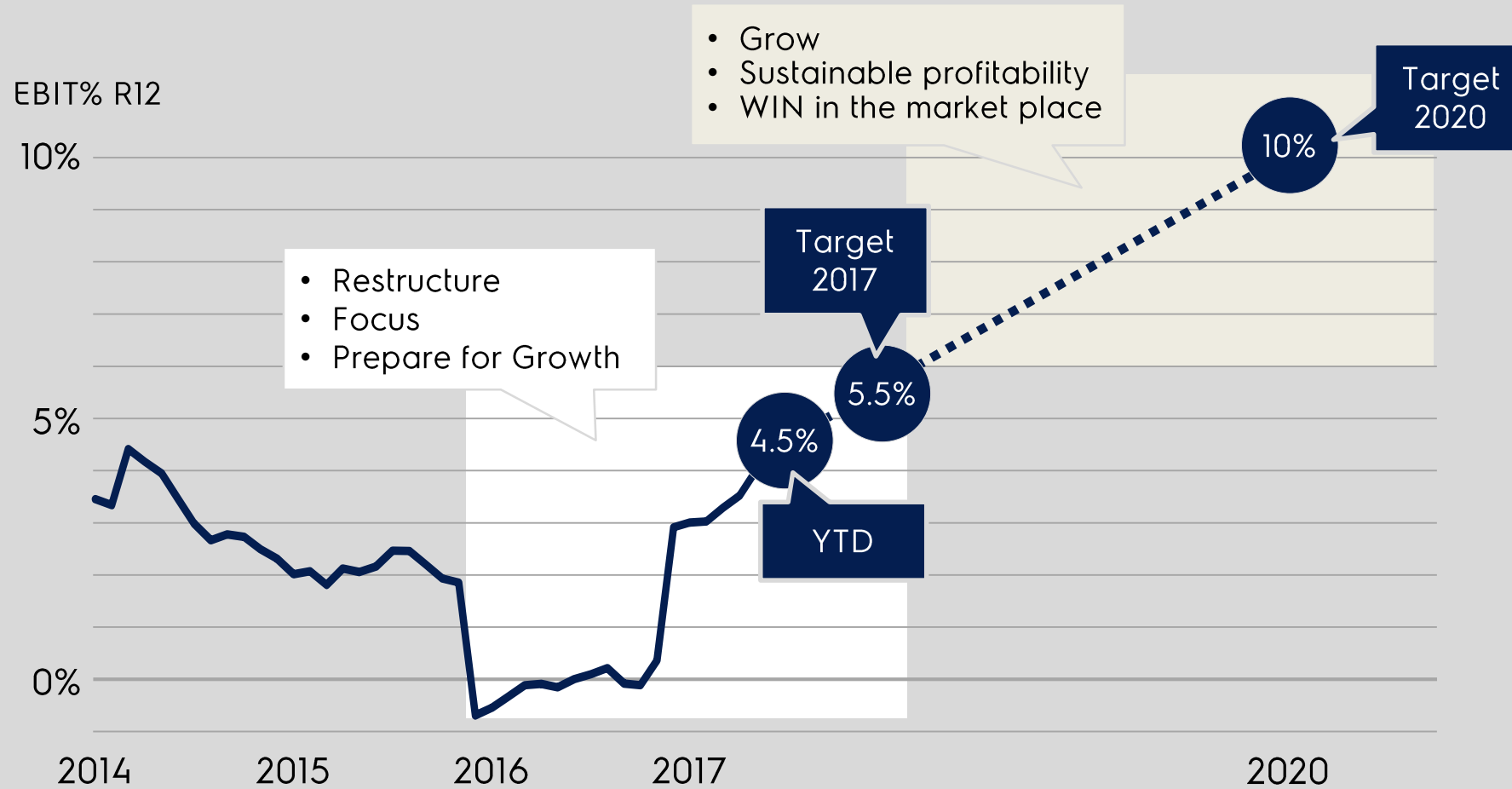


Good progress in the turn-around and the SEK 1 bn





We are on a journey...





Our strategic plan

Home Care

STRATEGY

WELLBEING

KEY DRIVERS

FLOOR CARE

AIR CARE

WATER CARE

KEY CATEGORIES



Air cond.



Cordless



Air purifier



Robotics



Water heater



Water purifier

SDA

TASTE

SDA
FOOD PREP.



Precision
cooker



Blender



Kitchen machine

CARE

Wear more silk!
SDA
FABRIC CARE



Iron



Steam station



Wellbeing



**Always on...
High paced
Pressured
Rushed
...'Musts'**





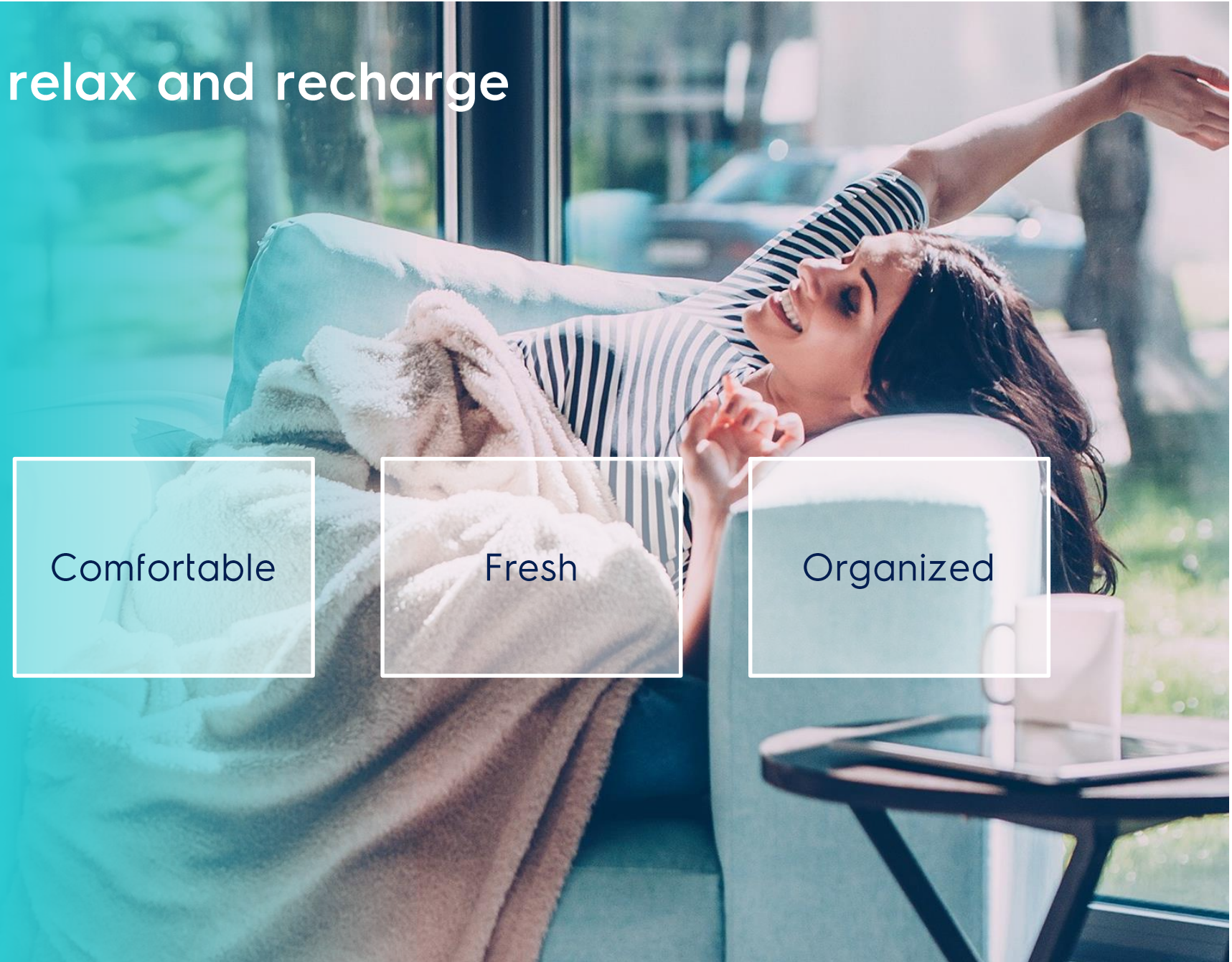
A place to relax and recharge

Clean

Comfortable

Fresh

Organized





PUREi9



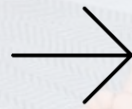


To really own Wellbeing, we need go beyond individual product tasks...

Combining our Floor care and Air care offerings, opens up great opportunities to deliver an enhanced consumer experience



Dust particles
Temperature
Humidity



Sensing
& feedback



Autonomous
& connected



Key priorities going forward

Turn-around continues, clear business focus and cost control

Ambitious growth plans in focus categories within **Wellbeing** (and Taste/Care)

We are on track toward the 10% Ebit target for year 2020



Connected Consumer Experiences

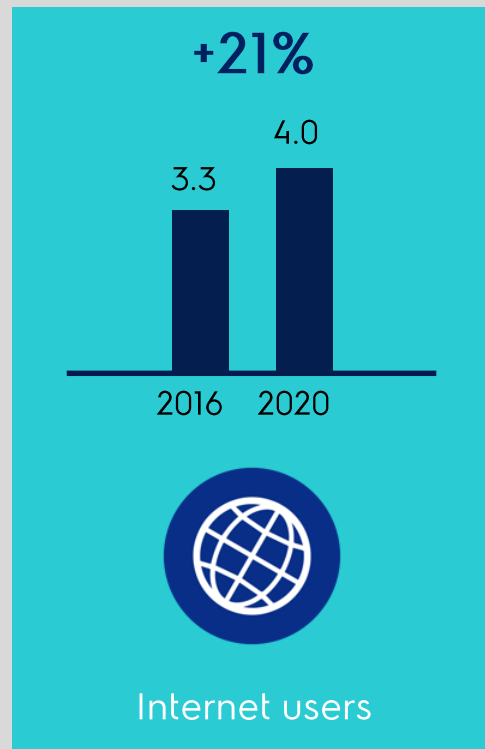
David Cronström,
Head of Strategy & Ecosystems



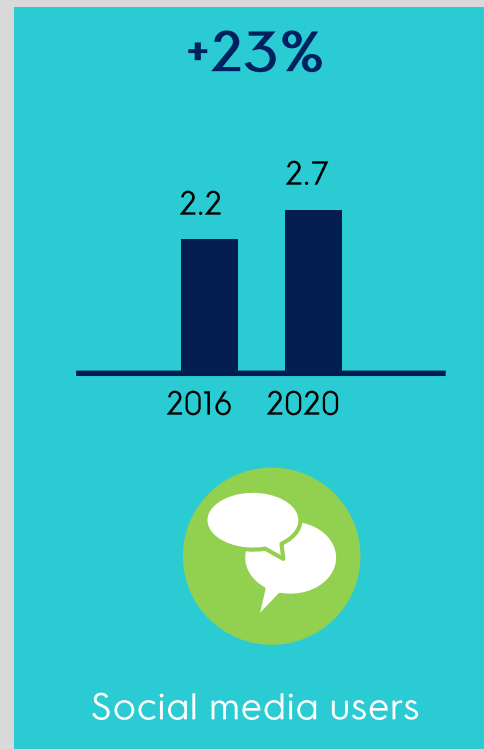
Digital and Connectivity is driving change



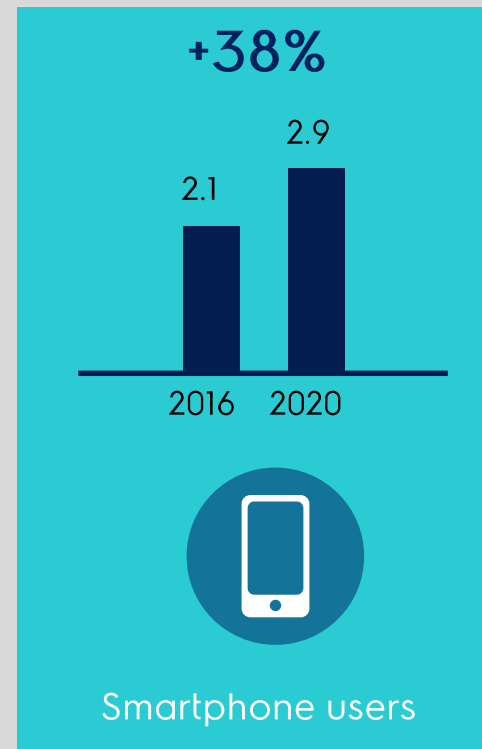
The pace of digital growth continues to accelerate



+ 700 million



+ 500 million



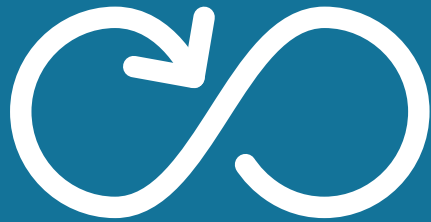
+ 800 million



+ 2.4 trillion



A few key trends will enable a new wave of experiences



360 Consumer journey



New Business models



Connectivity



Voice



AI



Why hasn't it happened yet?

- Brands are not meeting consumer expectations

User benefits

One off products with limited relevant user benefits



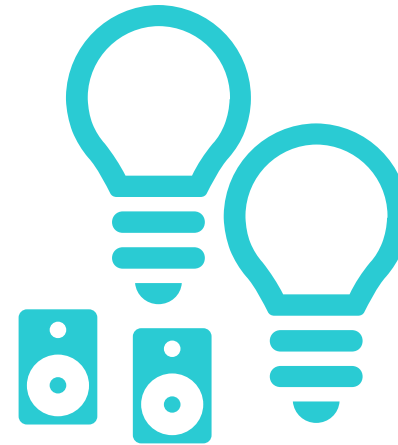
User experience

Poor user experience of many products



Choice

Few products and expensive range to choose from



Interoperability & standards

Lack of interoperable standards

Products from different brands don't work together





A smart home is a home with easy
to use smart products...

...that deliver real benefits
through remarkable consumer
experiences



What are we doing to realize this opportunity?



Digital transformation at Electrolux



Digital 360°
consumer experience



Connected
appliances



Digital
productivity tools



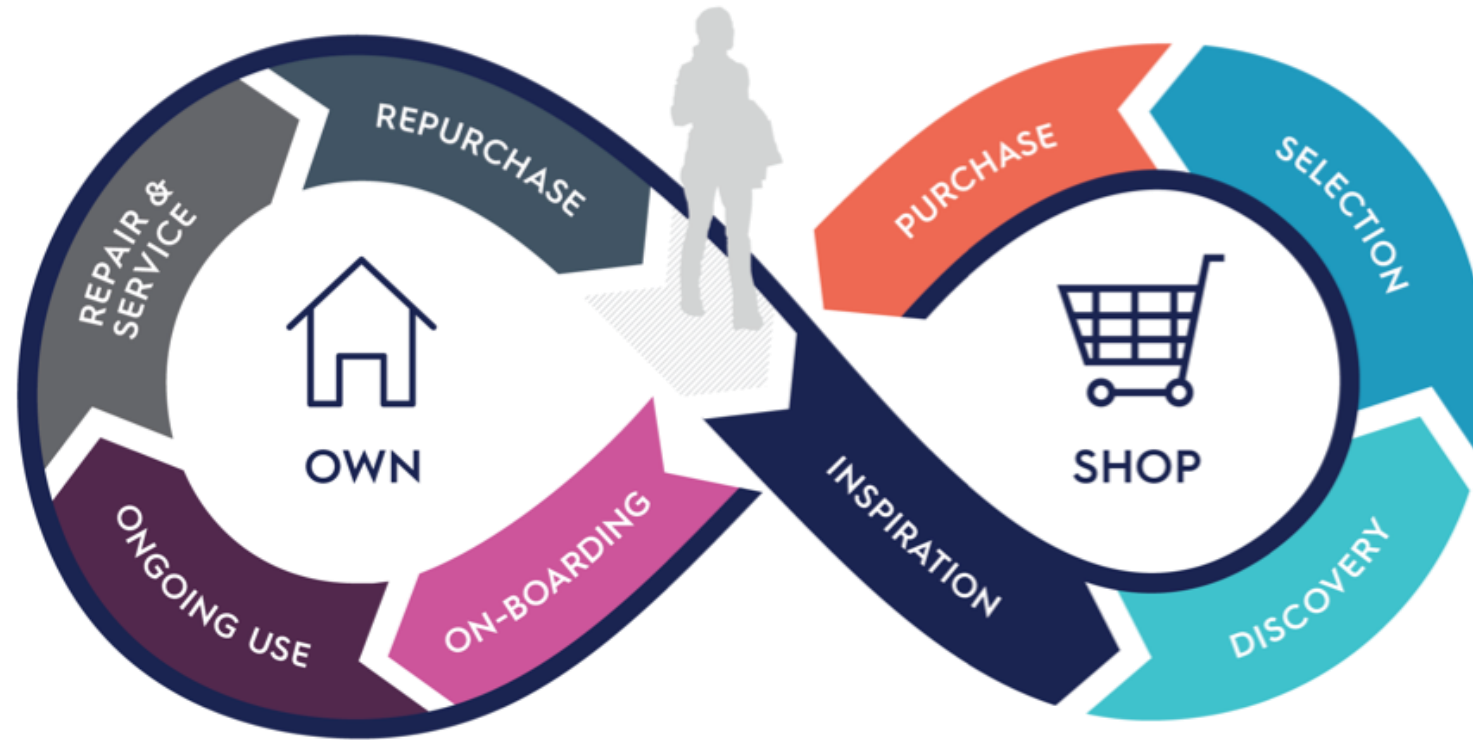
Modularization &
digital manufacturing



Digital
supply chain



Digital is important at every step in the consumer journey..



...and focus on the ownership experience will realize new value for consumers



Digital and connectivity is changing the way we work,
organize and focus...

Development process

Post purchase
ownership experience

New revenue streams

...and the way we **create, deliver
and capture value**



100 years of consumer experiences

Uniquely positioned to capitalize on next wave of growth



100 year foundation



Glocal approach



Installed base in
millions of homes

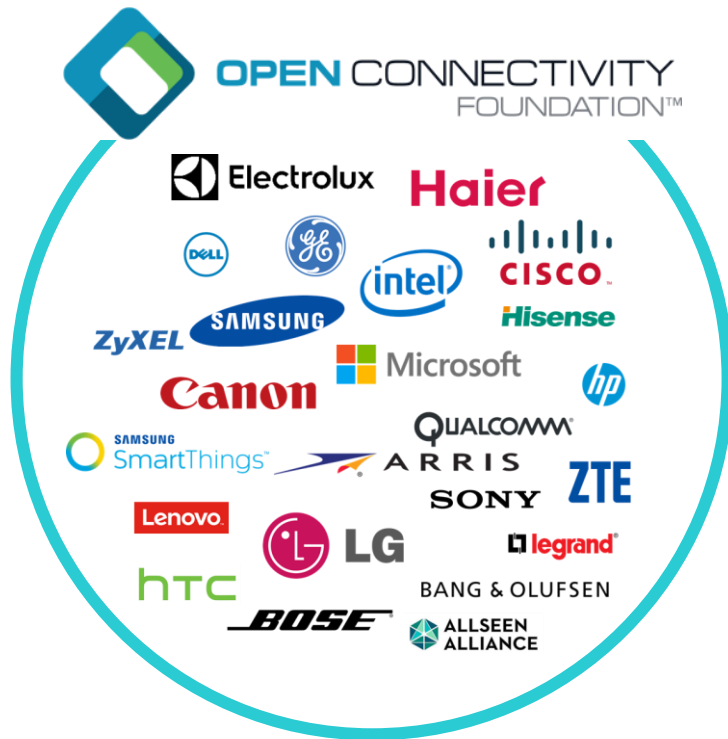


Deep technology
expertise



We are partnering to ensure best in class consumer experiences

Enabled through cross brand interoperability





We are launching connected products that deliver new experiences

TASTE



CARE



WELLBEING



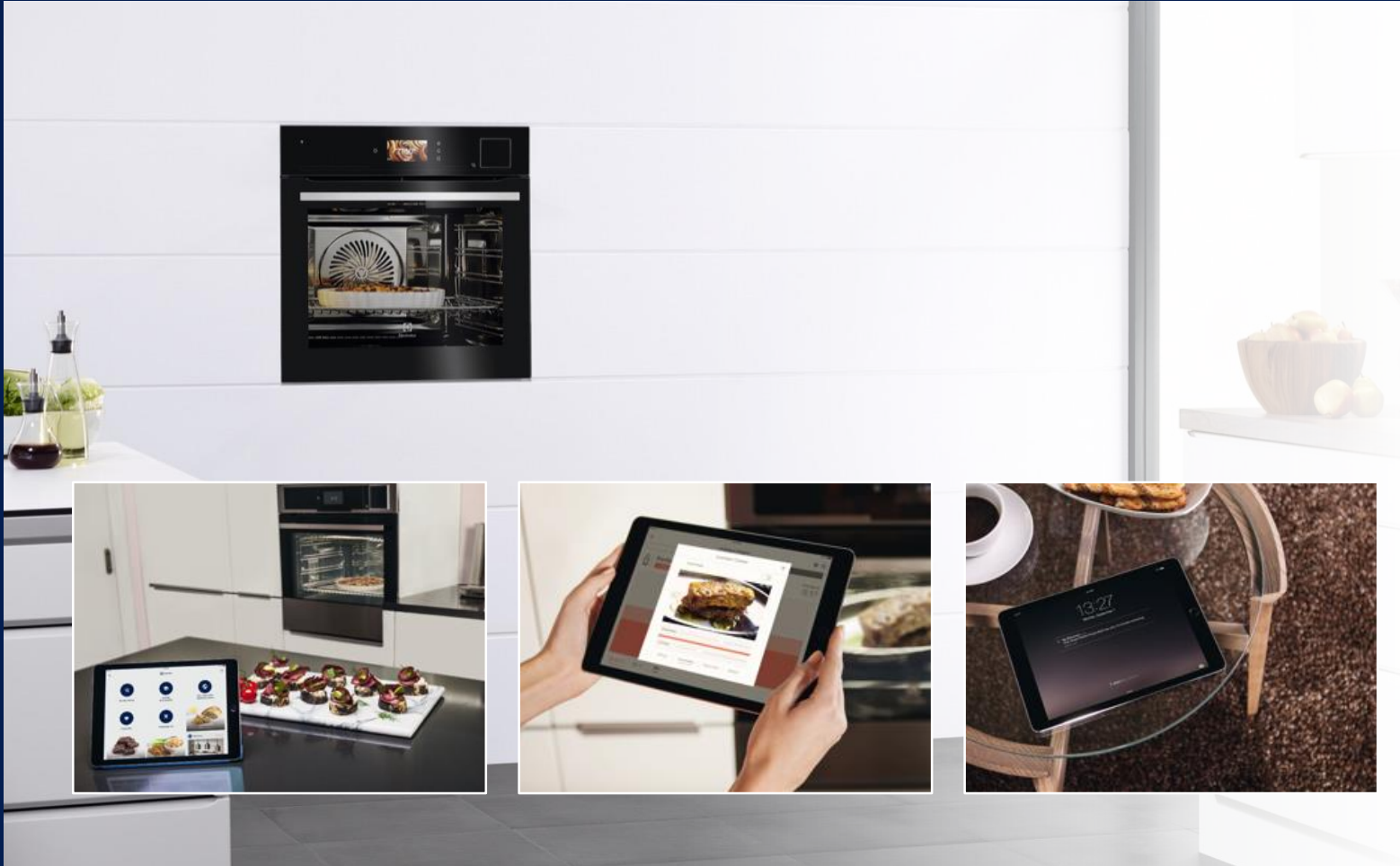


Taste





Watch delicious happen



- Electrolux CombiSteam Pro Smart oven
- CookView camera
- Steam and Sous Vide
- My Electrolux App



Anova precision cooker



- Smarter cooking – better results
- Cook with your phone
- Recipe discovery
- Guided cooking
- Google Home and Amazon Alexa compatible



Pro-level cooking, simplified.



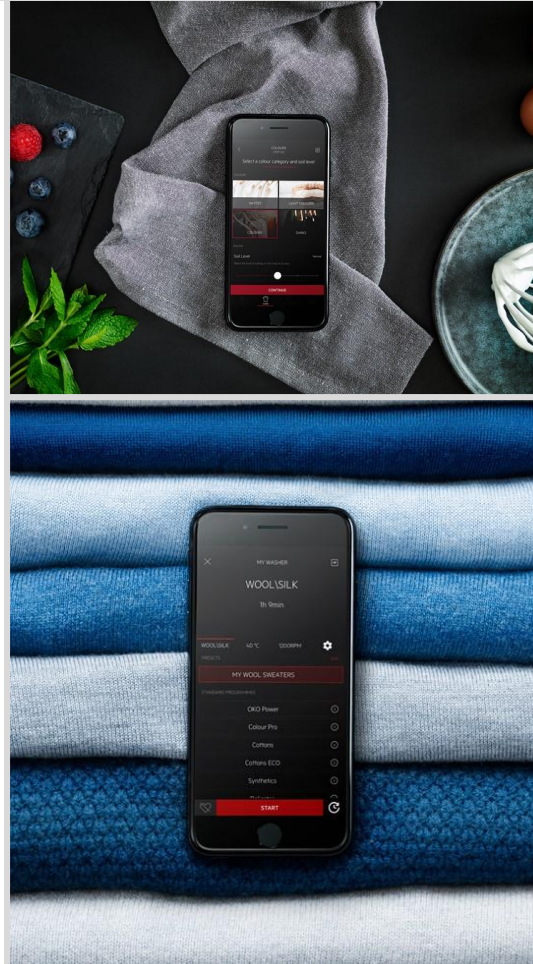
Care





The new connected laundry range from AEG

- AEG Connected 9000 series Washing Machine
- AEG 8000 series Tumble dryer
- My AEG app
 - Care advisor
 - Care label guide
 - Stain guide
 - Home remote control/monitoring





Wellbeing





Smart air care and floor care

Electrolux Pure i9 / AEG RX9

- Home remote control/monitoring
- Scheduling

Air Flower and Frigidaire Gallery Cool Connect + app

- Home remote control/monitoring
- Google Home and Amazon Alexa compatible





The market for connected appliances is taking off and creates new opportunities

Digital and connectivity is changing the way we can create, deliver and capture value

Our focus is to create first class consumer experiences enabled by connectivity

We participate in standardization/open eco-system creation to give the consumers more value and choices



Electrolux CMD 2017

Product & Operational Excellence



Product & Operational Excellence

Jan Brockmann, COO



Agenda

Competitiveness
framework

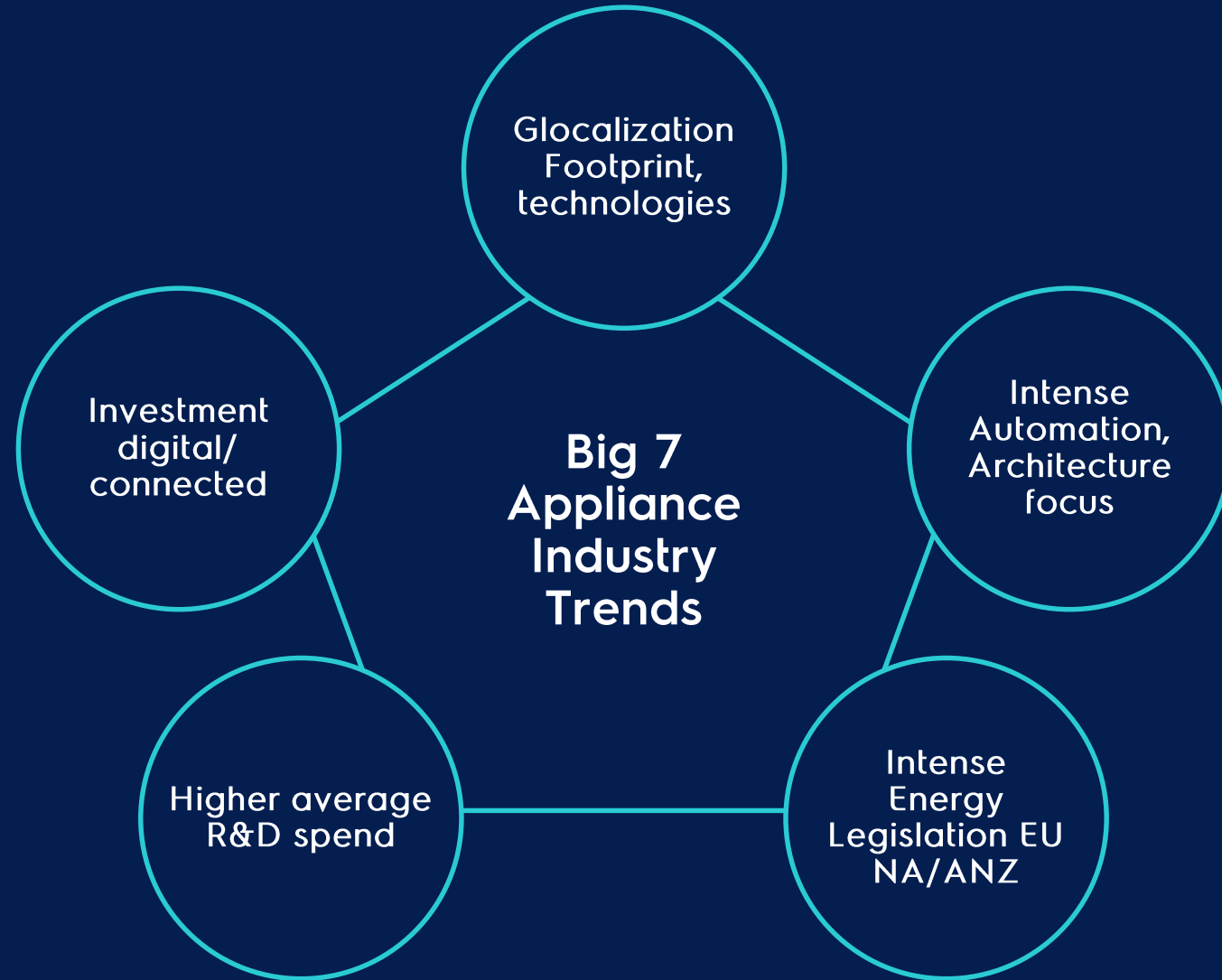
Product
excellence

Operations
excellence

Digital
Operations



Global trends affecting the operational strategy





Industry trends in three main areas

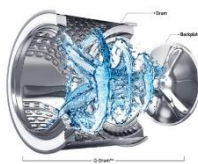
1

Feature innovation

New product features – not always consumer oriented and sometimes very high cost



Miele "Dialog oven" – a new way to cook food



Samsung "QuickDrive" washing technology that can cut washing time in half



Samsung's POWERstickPRO vacuum cleaner is flexible and offers more convenient cleaning

2

Smart appliances

Connected products and services around it

Voice controlled appliances are making their way to the market and the development is fast, mainly based on Amazon Alexa



LG voice controlled appliances based on the "DeepThinQ" platform



Whirlpool voice controlled smart appliances range



Dyson AI enabled robotic vacuum cleaner

3

Industry 4.0

Industry 4.0 capabilities to improve operational efficiency, product quality and introduce appliances customization



Midea is acquiring robotics manufactures (e.g., KUKA and Servotronics)



Haier offers appliance customization in its smart factories



Whirlpool is investing in Industry 4.0 capabilities



Agenda

Competitiveness
framework

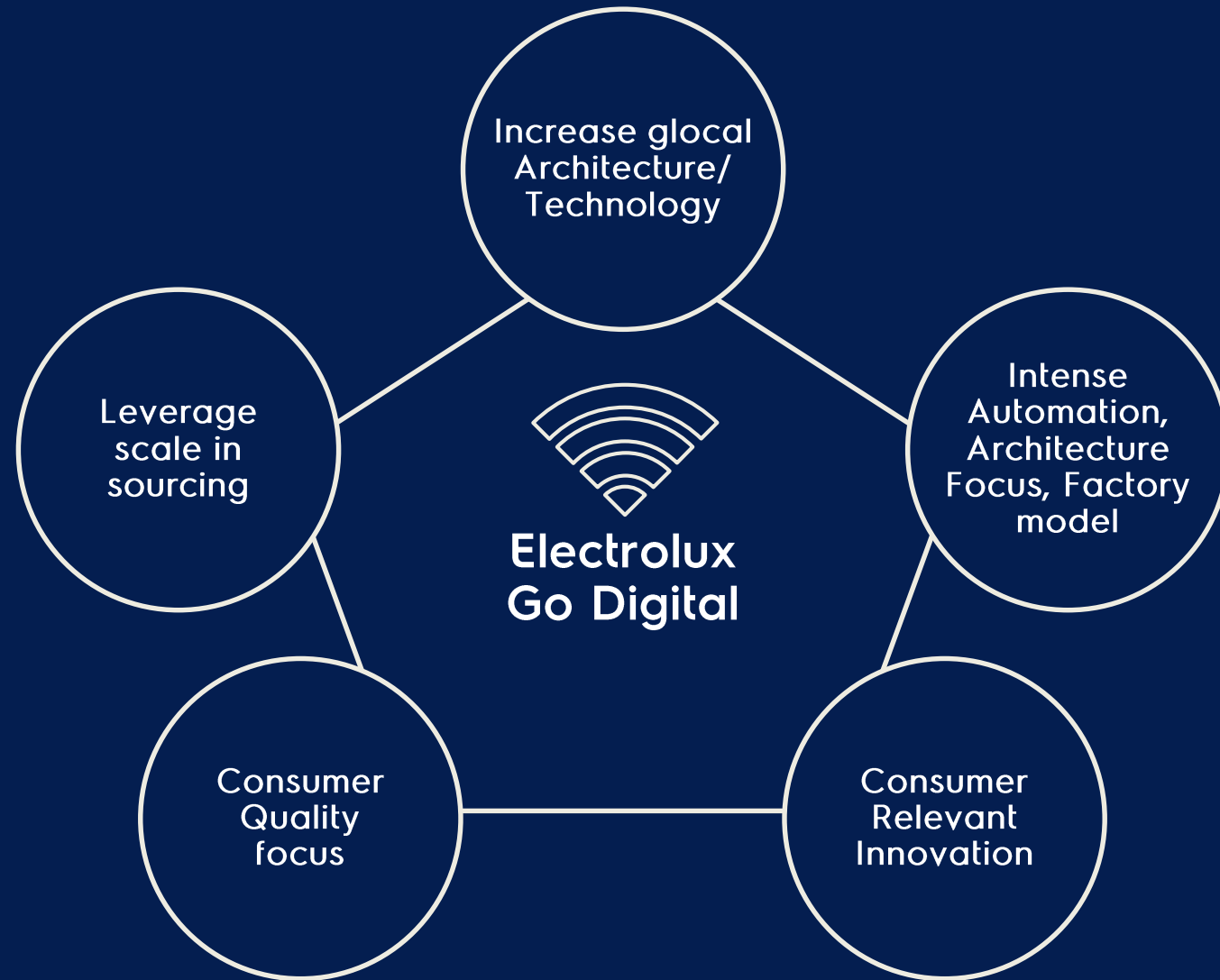
Product
excellence

Operations
excellence

Digital
Operations



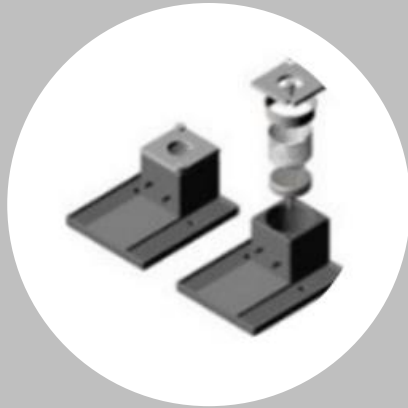
Electrolux core product and operational priorities





Electrolux operational capabilities: integrated, competitive, consumer-centric machine

Product competitiveness through design for assembly, cost excellence and re-engineering programs



BIC, Modularized products in an automated and digital manufacturing setup with maximum efficiency and quality



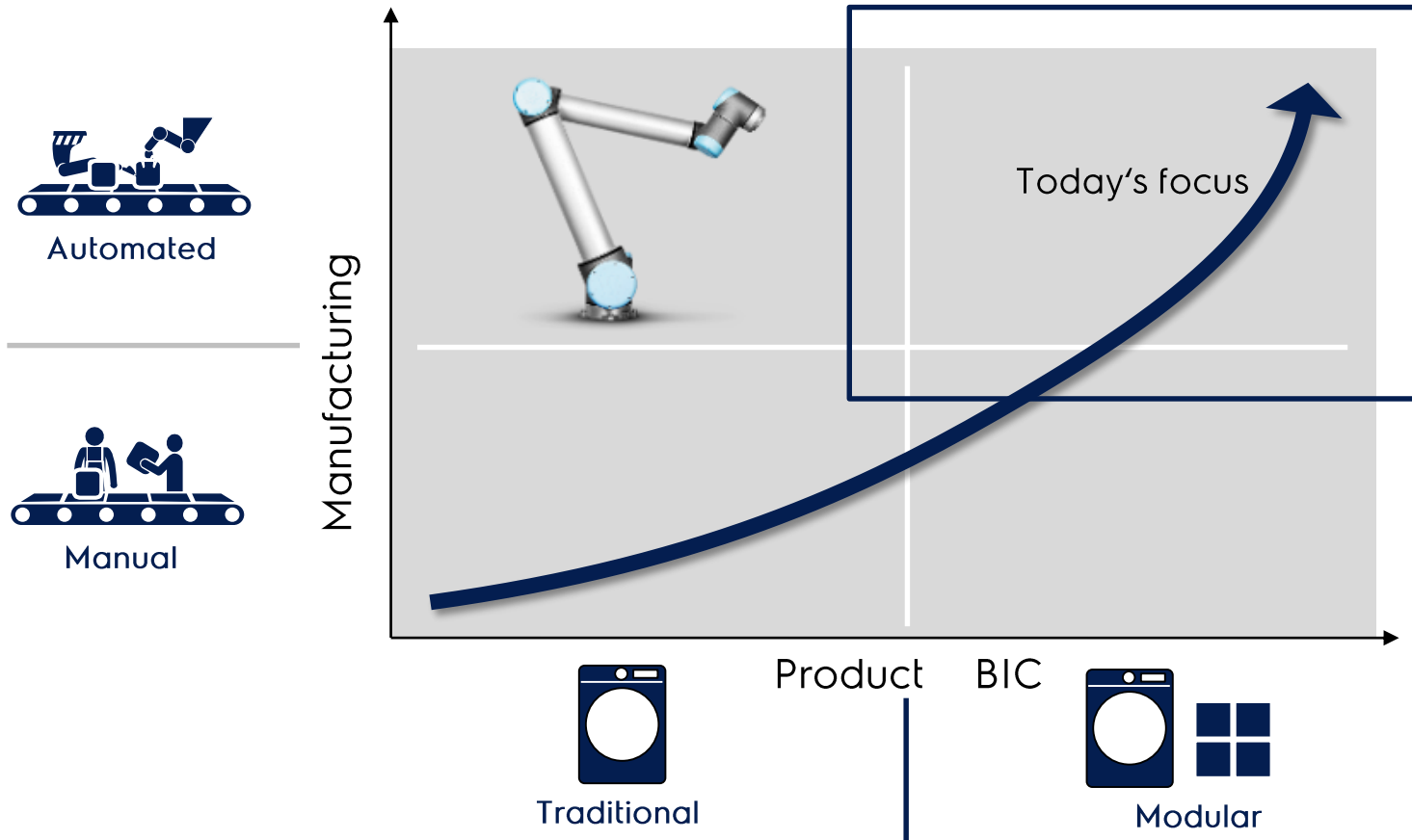
Outstanding service levels through integrated digital supply chain for efficiency, flexibility and short lead times



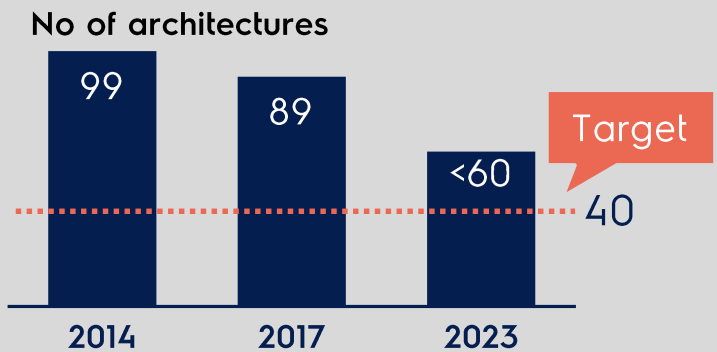
Committed to Quality



Modularization 2.0 and Automation – key priorities for competitiveness



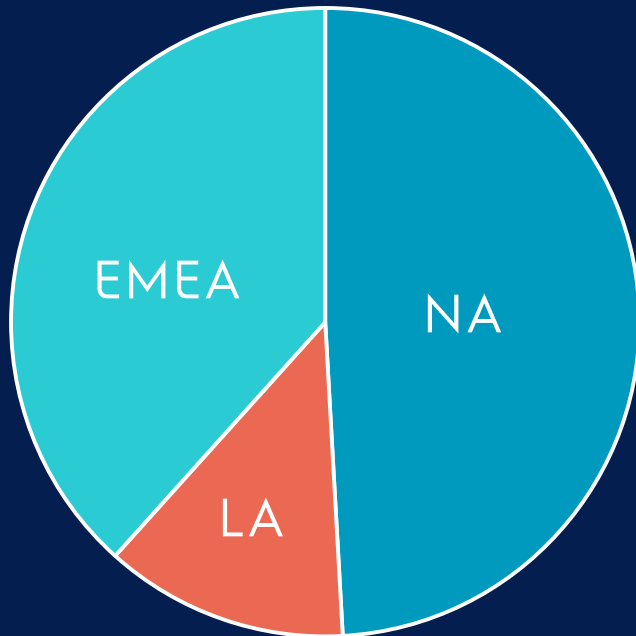
- Short-term push on smart automation
- Long-term reduction in number of architectures
- BIC Products
- Increased consumer choice



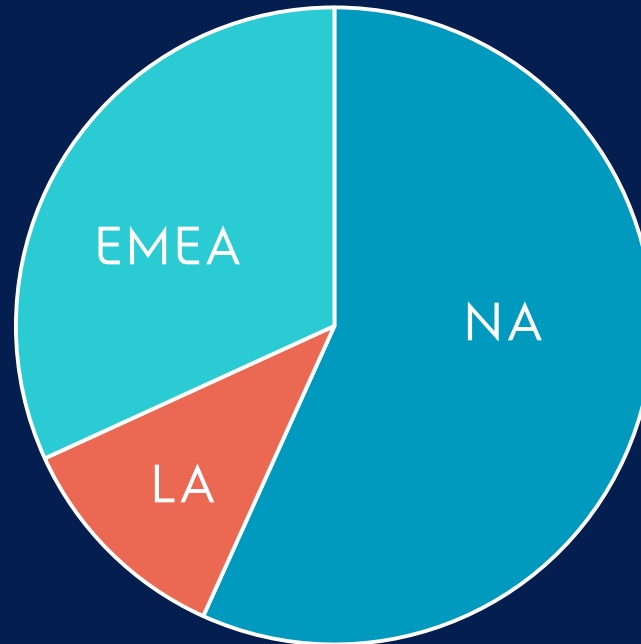


Contribution to GP3 increase from programs 2017-2022

Capital Expenditures



Gross Profit



Contribution to GP3

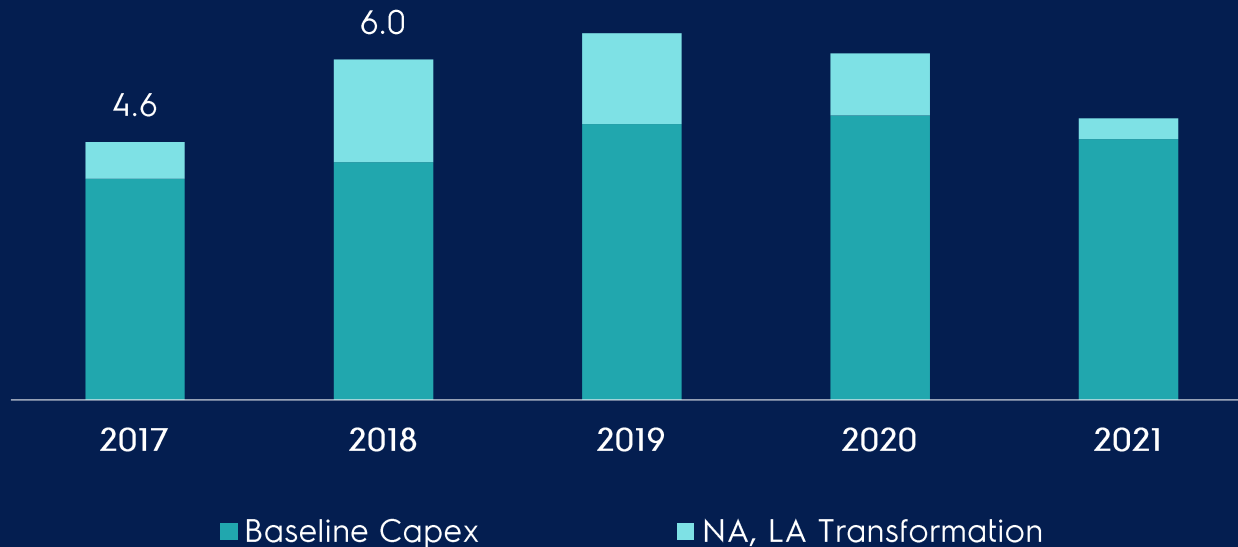




Increased investments levels to fuel the Growth

CAPEX projections (2017-2021)

SEKbn



- Increased transformational investments mainly in NA and LA
- EMEA architecture investments are part of the base
- Capex to peak in the next few years and later revert back to lower levels
- Transformational investments with strong cost improvements paired with product investments for growth
- Capex outlook for 2018: approx. SEK 6 bn



A glocal product innovation portfolio

Global Architecture/
Technology portfolio

Mass

Premium

Ticket to win

Taste

Care

Wellbeing

Tickets to play

Energy

Capacity

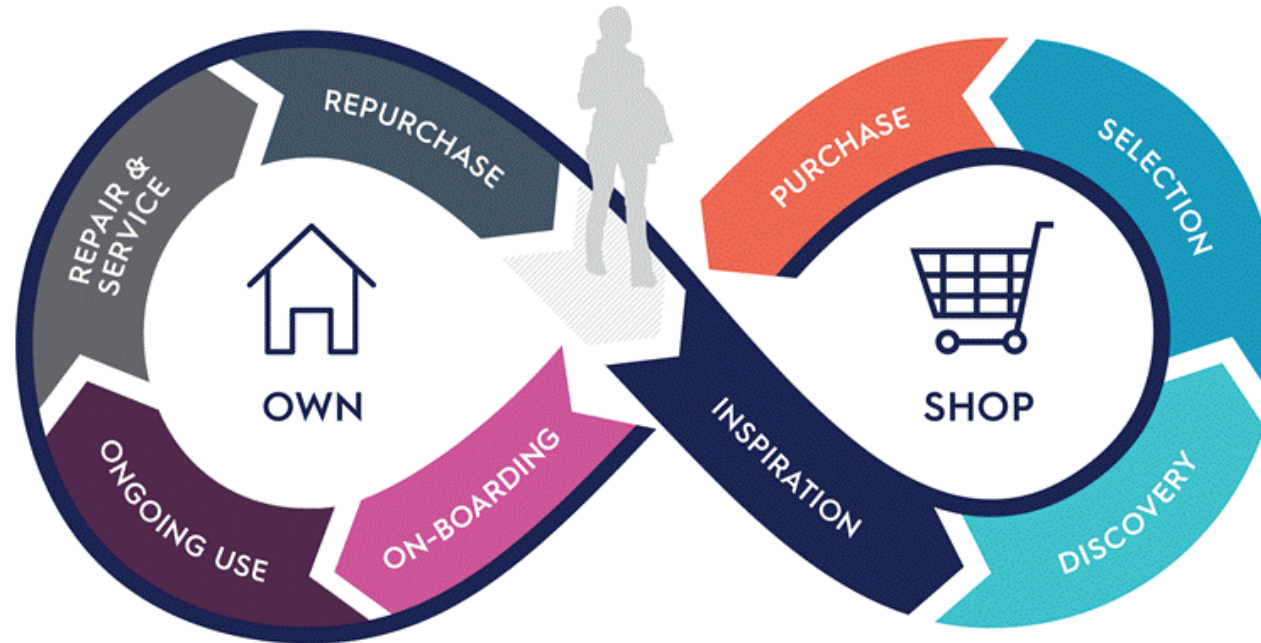
Legislation

Noise



Consumer centric operations – competitive, best-in-class consumer experiences

- Supply Chain excellence
- Quality experience
- Connected experiences



- BIC Design
- BIC Product Architectures
- Technology Roadmaps
- Competitiveness
- Quality
- Manufacturing excellence



Agenda

Competitiveness
framework

Product
excellence

Operations
excellence

Digital
Operations

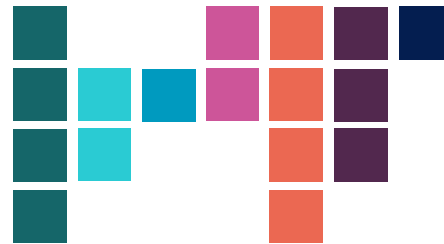


Our competitiveness key levers 2015/16

Income statement

Net sales

- Direct Material
- Direct Labor
- Warranty
- Logistics
- Other variable product cost



= Contribution to fixed

- Structural cost



= EBIT

Continued Purchasing and Engineering
cost-out efficiency

Modularization 2.0

Cost Excellence Programs (CEP)

Continuous improvement & Design for Assembly



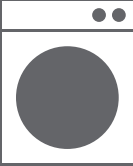





Automation

Re-engineering

Digital Operations

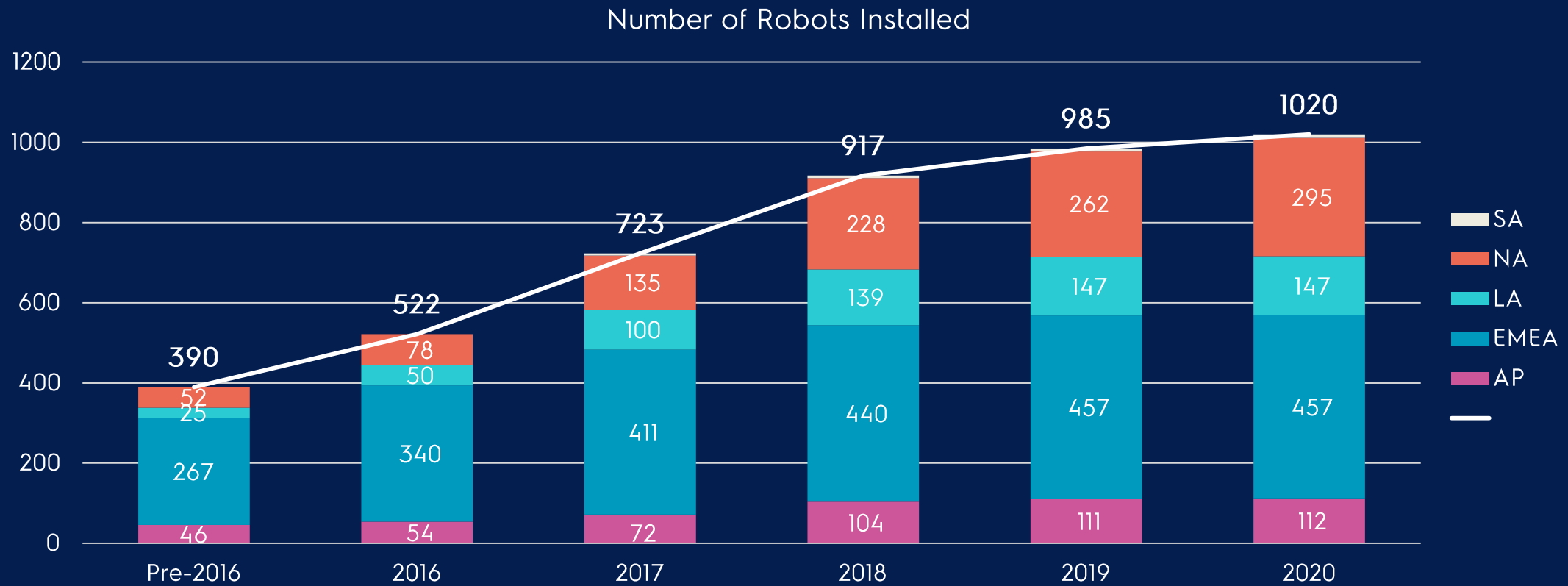


After an era of massive footprint optimization...

	2004		2015
Plants	 35	<ul style="list-style-type: none">• 20 closures• 6 factories downsized• 10 new factories• 9 acquired factories	 34
Total capacity	 46.2 M units		 51.3 M units
Share of LCC capacity	 28%	<ul style="list-style-type: none">• Approximately 35% of production moved	 64%
Capacity utilization	 77%	<ul style="list-style-type: none">• 10,000 employee reduction• 7,000 new employees hired	 66%



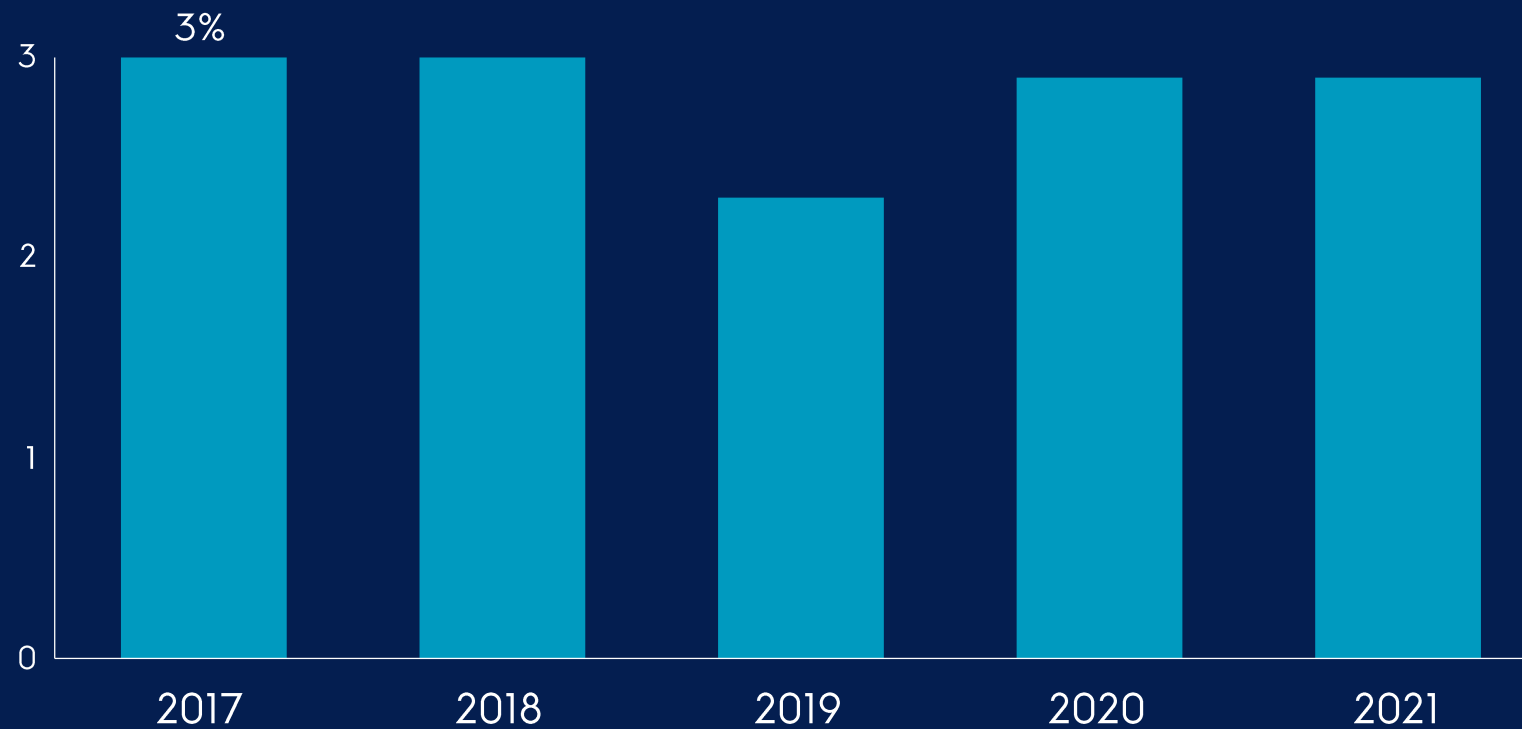
Close to 200 robots/year installed + 1,000 robots in 2020





Continuous improvement to deliver consistent variable cost performance

MAVC* savings YoY (%)

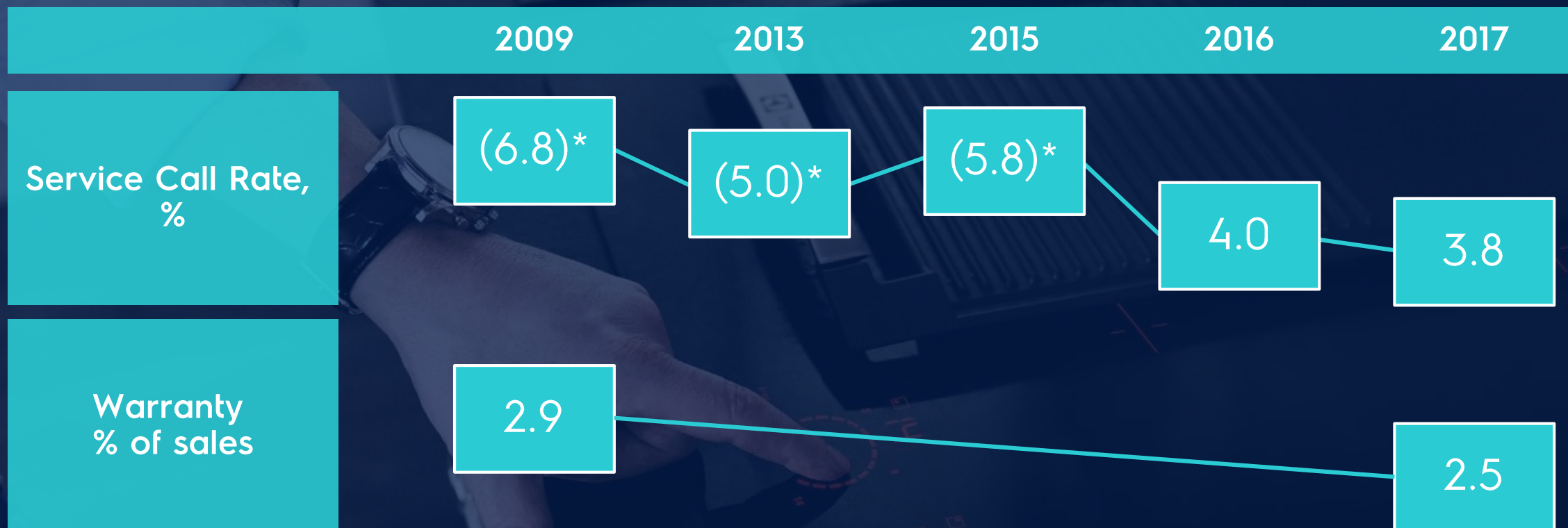


(*) MAVC is Mixed Adjusted Variable Cost
Note: Excluding RMI and inflation over 2 %



Quality improvement is progressing

SCR achieves the new record level of 3.8% (MA)



(*) till 2015 figures reported Internal Plants only and fewer markets, no cross Sector reporting.



Quality focus areas towards industry 4.0



Website for online data, starting with:

- Manufacturing
 - Process control: Stat>Full
 - End of Line test
- Learning lessons



Communication

- Social community
- Quality Book, Visual board, video clips
- Toolkit, data, templates



Big consumer data

Data crunching with multi-language text analysis of product features from service calls and available comments





Agenda

Competitiveness
framework

Product
excellence

Operations
excellence

Digital
Operations



Digital Transformation

Best-in-Class Consumer Experiences



DIGITAL 360
CONSUMER EXPERIENCE

A digitally supported 360° shopping and ownership journey that is simply outstanding, inspiring and personalized

New revenue streams from individualized ownership solutions



CONNECTED
EXPERIENCES

Leveraging connectivity to create new user experiences of taste, care and wellbeing in the home

New business models through a smart connected appliance ecosystem



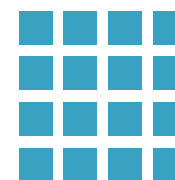
DIGITAL
PRODUCTIVITY

Embrace digital productivity tools

Become a preferred business partner through ease of doing business and reliability

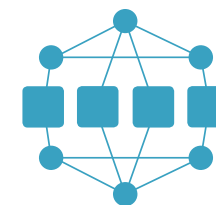
Leverage big data and Business Intelligence to always be one step ahead

Operational Excellence



MODULARIZATION &
DIGITAL MANUFACTURING

Minimize product cost and maximize quality and flexibility through digital manufacturing of modularized products



DIGITAL
SUPPLY CHAIN

Ensure 100% product availability with minimal lead times and capital requirement through a digitally integrated supply chain

Digital First Mindset

Agility and Scalability

Iterate and Learn

Standardized Platforms



Digital Industrial Operations



Virtual manufacturing simulation

- Apply to all new product platform
- Ongoing for Curitiba and Anderson reengineering
- Training in all the sectors



Manufacturing Execution System (MES)

- DOME project: pilot going on in Kinston
- Explain and measure the added value
- A key tool to improve efficiency and service



DIGITAL mindset and competence

- Change way of working
- Looking outside for ready now solution
- From 100 to 1,000 robots in 2020





Business case

Alan Shaw, Head of MA North America



Electrolux



North American market trends

Overall market outlook

Industry growth of 2-3%

Key trends & developments

Trade policy changes could impact industry

Distribution/ Channels/Others

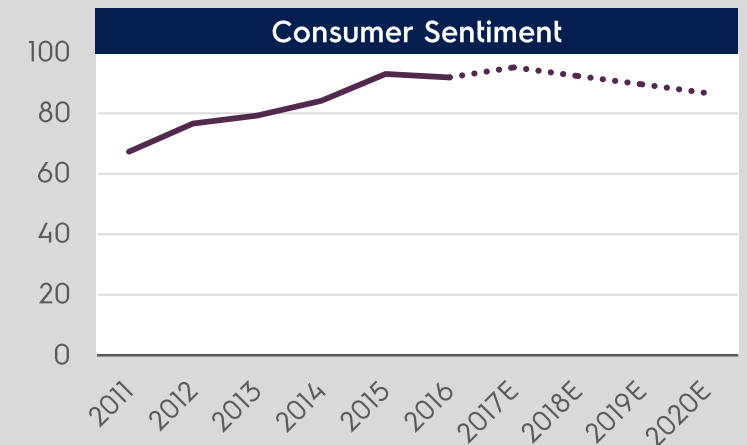
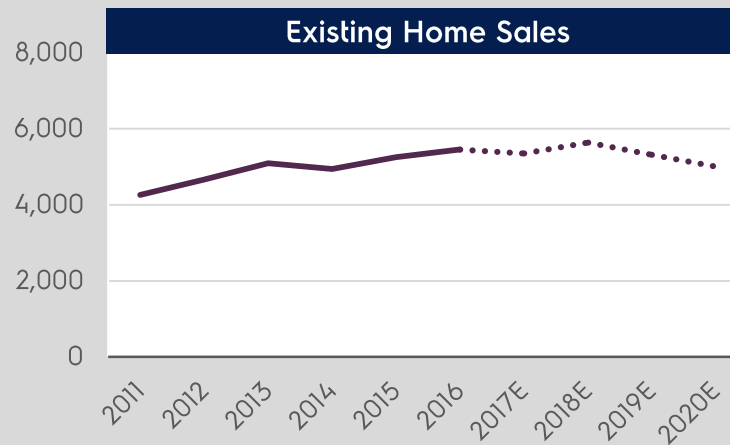
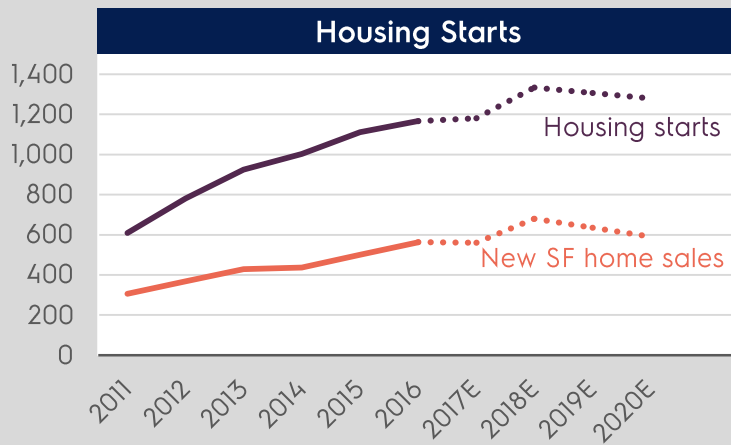
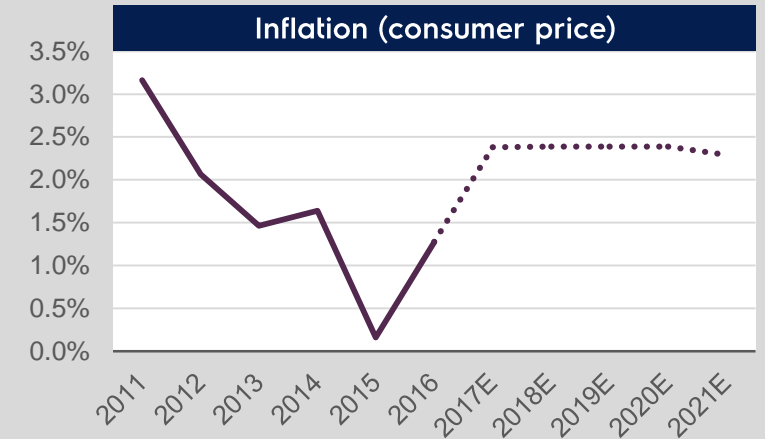
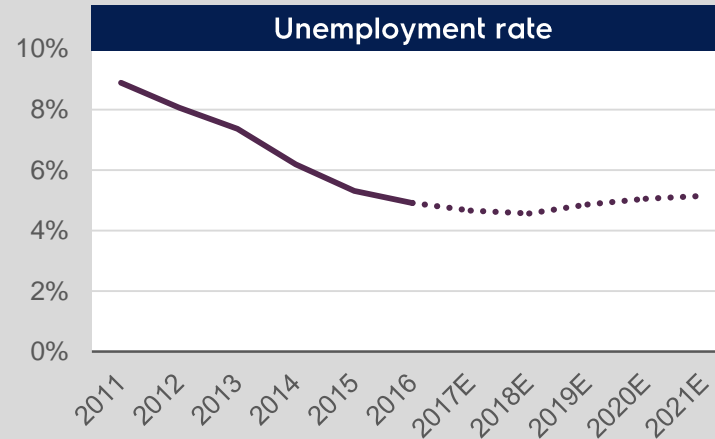
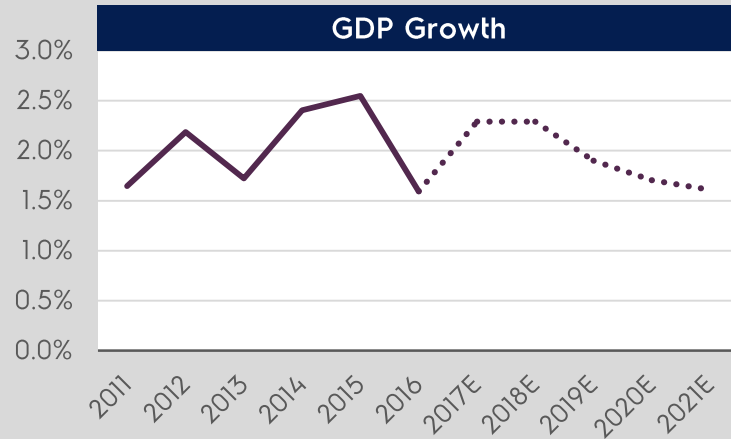
Historic market transformation

Competition

Asian competitors with U.S. manufacturing;
aggressive innovation pace and pricing

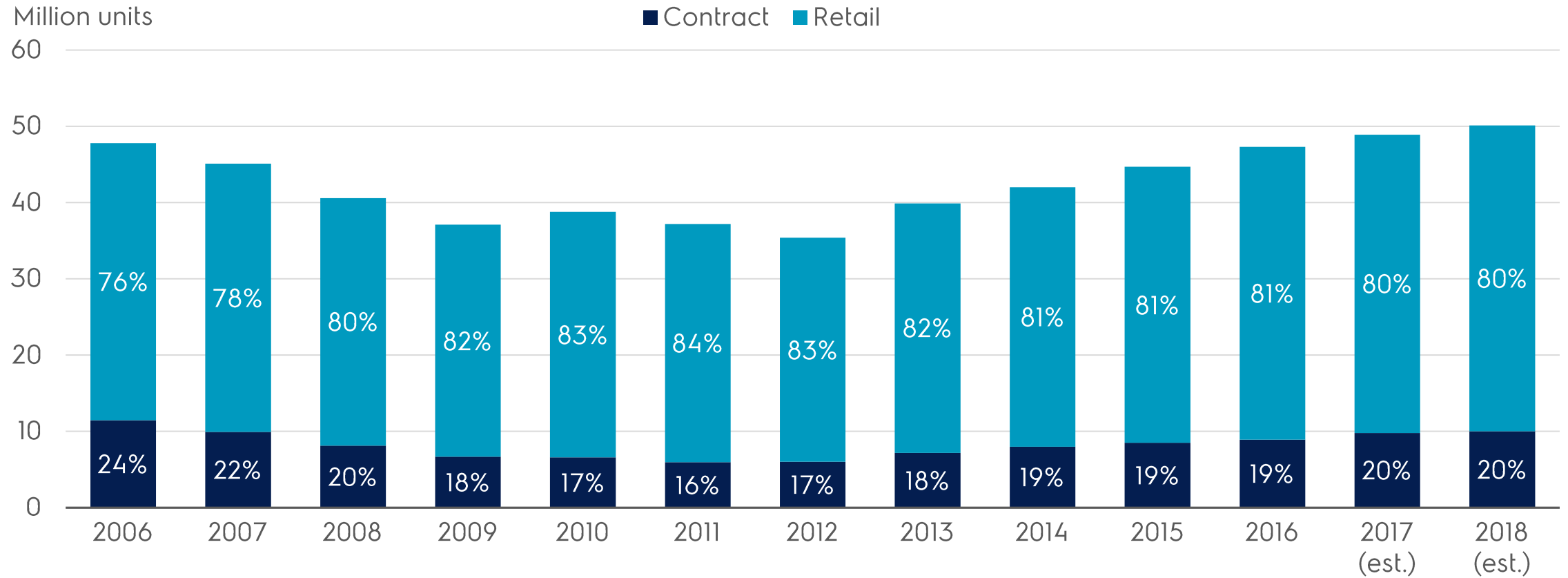


U.S. Macro-economic indicators





U.S. Major appliances industry sales – volumes





North America market demand drivers

Housing Construction 20%	<ul style="list-style-type: none">• New housing sales forecast of +10% for 2017 & 2018• Continued household formation growth
Consumer Discretionary 30%	<ul style="list-style-type: none">• Strong macro indicators• Improving home equity positions• Employment growth
Life-cycle Replacement 50%	<ul style="list-style-type: none">• Prior US housing and major appliance sales peak in 2003-2006• US headwind due to weakening trend in replacement cycle 2018-2020

Outlook
2018





Path to profitable growth



Strategic Focus Areas



Enhance the Frigidaire consumer experience



Adapt to shifting consumer buying and delivery preferences



Leverage a cost-conscious mindset and culture

**Balanced portfolio
that consistently
delivers
Sustainable
Profitability**



Key initiatives



Frigidaire
taste, care,
wellbeing,
and mix

Adapting
to
market changes

**Radical
Simplification**

**Reengineering &
New
Architectures**

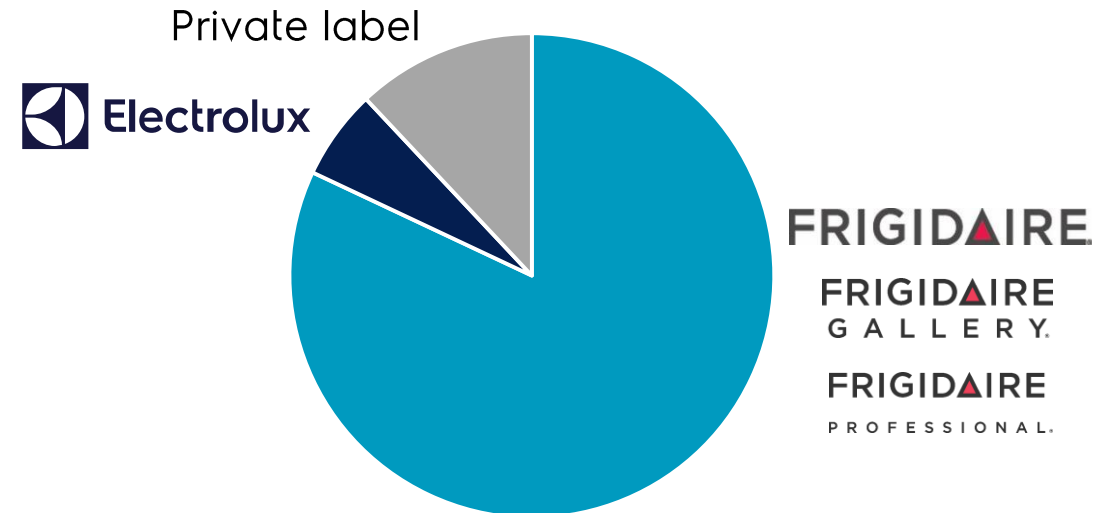


Frigidaire first

Beginning mid-2016:

- Intentional pivot to Frigidaire
- Brand accounts for majority of sector revenues
- Frigidaire is a 100-year old value brand with broad distribution
- Refocused North America on Frigidaire and Frigidaire First mindset
- Allows simplification of organization, significant cost reductions and higher speed of innovation

Current revenue by brand





The Frigidaire consumer

FRIGIDAIRE

For this consumer,
time and money are limited

She prioritizes affordable,
practical solutions



Organizational
ideas



Family events
& gatherings



Home cooking
& meals



Time-saving
technology



Frigidaire black stainless steel

Launched in Q2

First affordable Black Stainless suite in mass market

Finish growing as a premium alternative to stainless steel

INTRODUCING

Black
STAINLESS STEEL





Frigidaire induction range launch

Launched in Q3

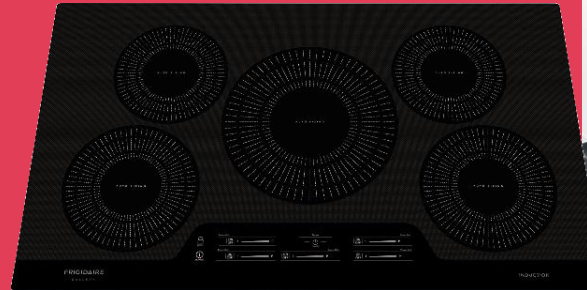
First affordable induction range in mass market

National distribution, more than 2,000 retail floors

REVOLUTIONIZE YOUR COOKING WITH

Induction

An induction range or cooktop brings greater control, faster heat, and consistent results to your kitchen. It's a game-changer.





Mixing up

Key mix drivers

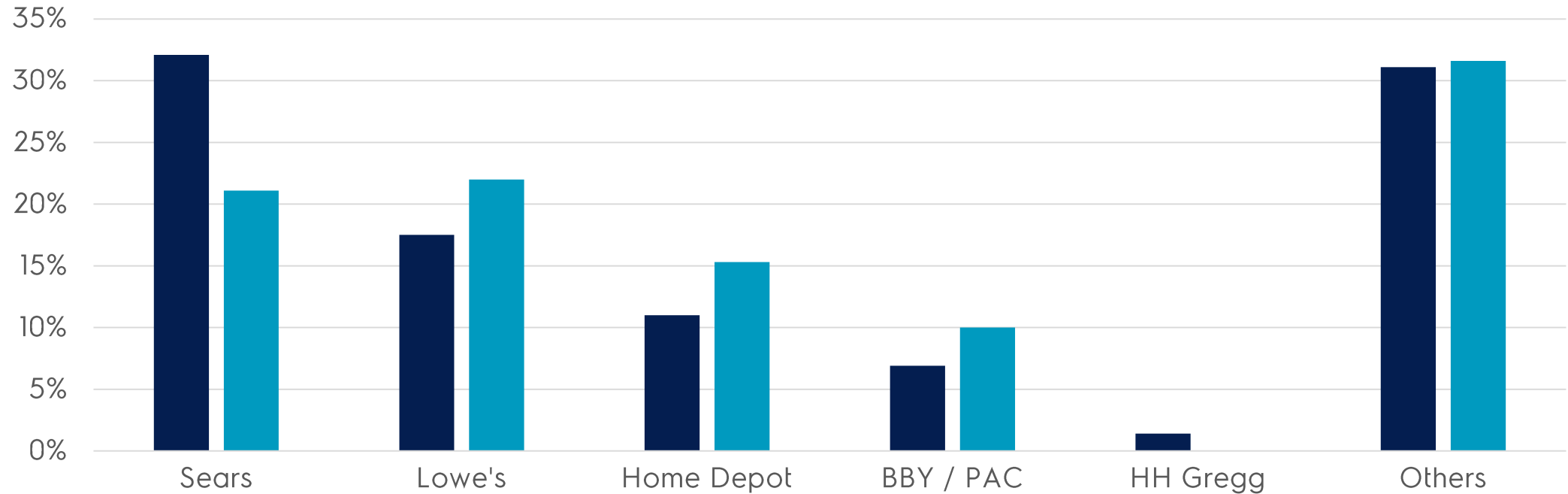
- Mixing up within Frigidaire (launches, gallery, pro)
- 2017 major refresh
- Structured work on portfolio management guiding decisions
- Ownership Solutions focus
- Announced cost-based price increases

Star approach





U.S. Retail market transformation

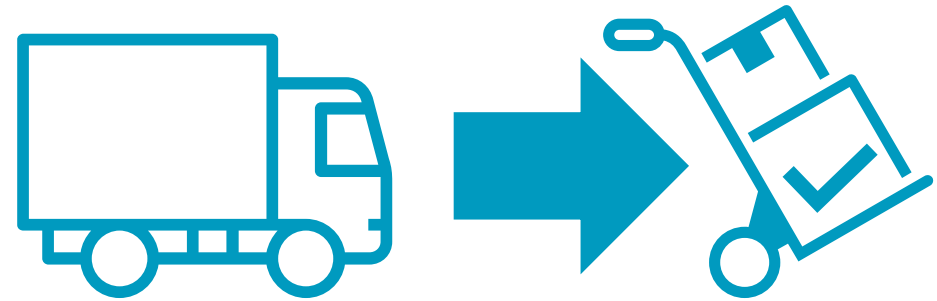


2008	32.1%	17.5%	11.0%	6.9%	1.4%	31.1%
4Q End Sept 17	21.1%	22.0%	15.3%	10.0%	0.0%	31.6%



Building a customer required Home Delivery network

- Home Delivery is expected by customers such as Amazon, The Home Depot, JCPenney as well as New Home Builders
- Network currently able to serve majority of U.S. population
- Enables cost-effective reverse logistics
- Enhances direct access to consumer



<u>Distribution Model</u>	<u>2008</u>	<u>2017</u>	<u>2022</u>
Factory Direct	67%	55%	45%
Regional Distribution Centers/ Home Delivery	33%	45%	55%



Ownership Solutions for consumers

The assets we build on

- Large installed base
- Strong relationships with parts distributors
- Rich Voice-of-the-consumer database
- Focus and commitment

How we leverage these

- Build institutional readiness & effectiveness
- Expand direct to consumer
- Use product as catalyst
- Develop new service and business models



Radical Simplification

Eliminate

Simplify product offering by end of 2018

- Driven by consumer perspective
- “Narrow and deep” plays to strength of Frigidaire innovation

Consolidate

Next, follows platform consolidation

- Focus on key value drivers and cost reductions
- Manufacturing and supply chain efficiency

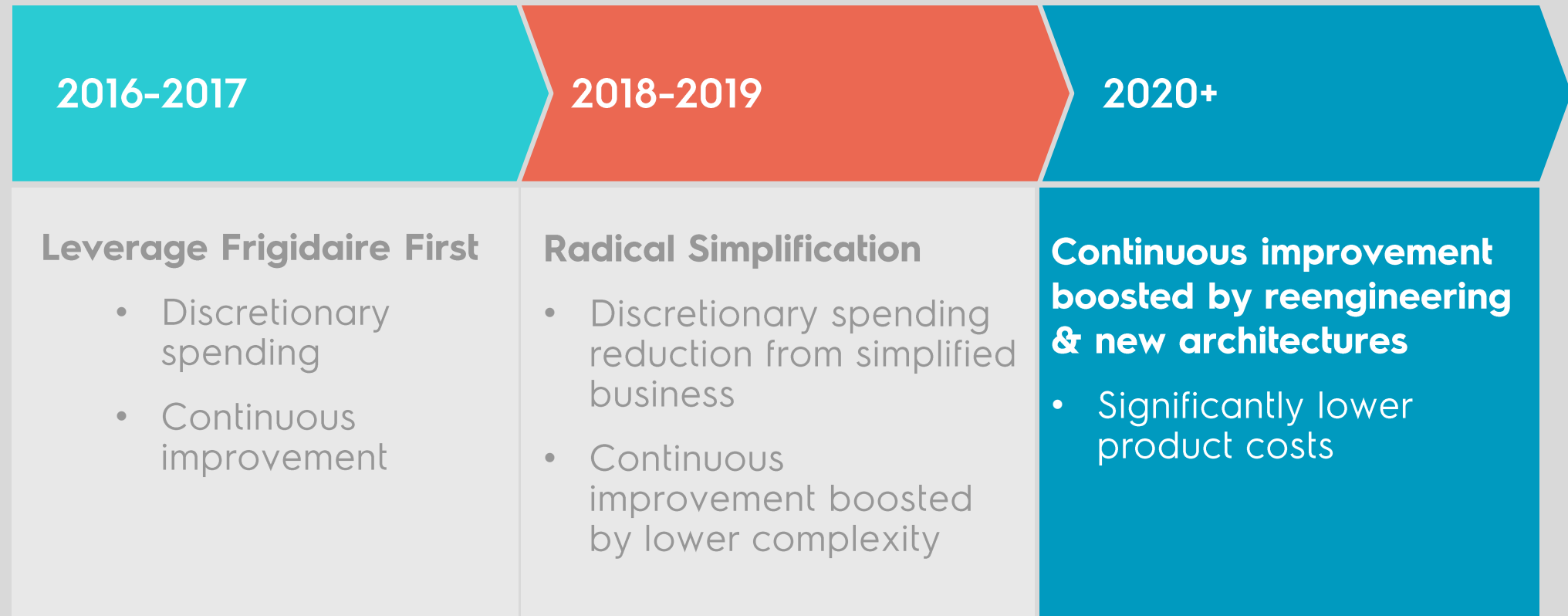
Invest

Invest in high volume cost competitive modular architectures

- High level of automation
- Integrated supplier relationships
- Carriers of global Taste, Care & Wellbeing innovation

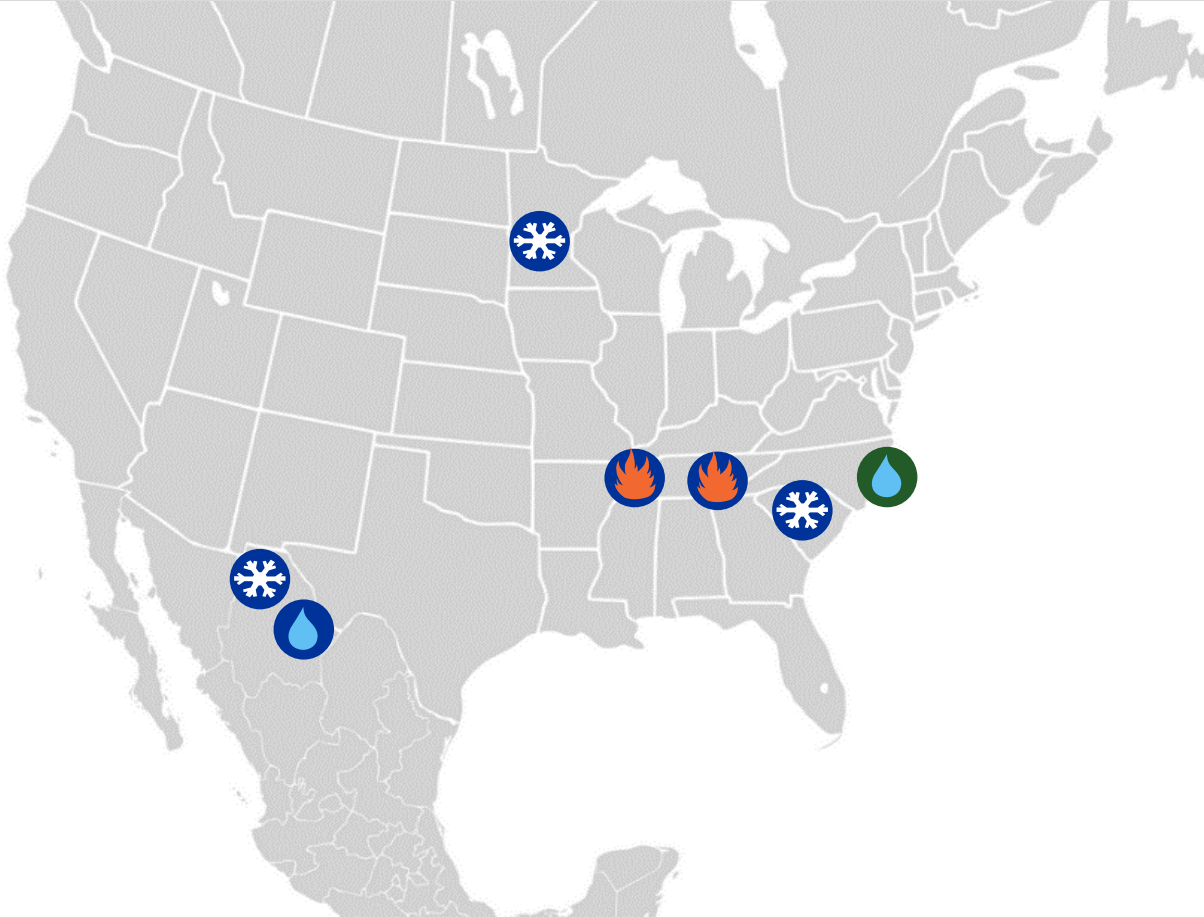


Phased cost approach through Radical Simplification





North American manufacturing overview



Refrigeration/Freezer

- Anderson, South Carolina
- Juarez, Mexico
- St. Cloud, Minnesota

Cooking

- Springfield, Tennessee
- Memphis, Tennessee

Fabric Care

- Juarez, Mexico

Dish Care

- Kinston, North Carolina



Reengineering & New Architectures

- Increasing U.S. based manufacturing capacity by end of 2019
- Automation and Modularization to maintain competitive presence in U.S.
 - More than \$200 million investment in Refrigeration
 - Initial \$45 million investment in Cooking
- Leverage global platforms to drive cost-efficiency
- As we automate, leverage global industrial operations expertise





Electrolux laundry – example of global modularity

- Improvements applied to each generation of global platform
- Strength of platform accelerated North American sales
- Strength also driving early acceptance for next generation's 2018 launch
- Global platform driving higher mix





Path to Profitable Growth



Strategic Focus Areas

Balanced portfolio that consistently delivers Sustainable Profitability



Enhance the Frigidaire consumer experience



Adapt to shifting consumer buying and delivery preferences



Leverage a cost-conscious mindset and culture

Key initiatives

Frigidaire taste, care, well-being, and mix

Adapt to market changes

Radical Simplification

Reengineering & New Architectures



Electrolux CMD 2017

Path to Profitable Growth



Path to Profitable Growth

Anna Ohlsson-Leijon, CFO



Electrolux



Path to profitable growth



All Business areas have to complete a three step journey towards Profitable Growth



Value creating financial model

Income statement	Net sales
	- Variable product cost
	Contribution to fixed
	- Structural cost
	EBIT

- The Value Creating Financial Model is how we operationalize our journey towards Profitable Growth
- As a Business area progresses on the journey, different elements of the financial model are emphasized
- The transparency of the cost structure (Variable vs Structural) enables the business to make the right decisions

Balance Sheet	Net Assets
	NOWC
	CAPEX

- Continued focus on asset efficiency measured as RONA and CTO
- Structured approach to working capital optimization
- Targeted investment approach based on ROI



Recap of YTD 2017 performance

SEKm	9M 2017	9M 2016	Change
Net Sales	89,694	88,949	0.8%
Organic growth, %	-2.0%	-0.4%	
Acquisitions / divestments %	0.8%	0.1%	
Currency	2.0%	-2.7%	
Gross operating income	18,894	18,717	0.9%
Gross operating margin %	21.1%	21.0%	0.1ppts
EBIT	5,438	4,658	16.7%
EBIT margin %	6.1%	5.2%	0.9ppts
Op cash flow after investments	4,799	6,526	-26.5%
EPS	13.27	11.21	18.4%

- **Strong earnings improvement**
 - Earnings and margin improvement in all business areas driven by mix and cost efficiency
 - 4 business areas at an EBIT margin above 6% on a rolling 12 month basis
 - Focus on portfolio management continues
 - Solid cash flow generation
 - Strong EPS improvement



2017 YTD bridge

SEKm	201609 YTD	Volume/ Price/Mix	Raw materials	Net Cost Efficiency	Currency*	Acq/** Divest.	Other	201709 YTD
Net Sales	88,949	-1 773			1,826	692	0	89,694
Growth		-2.0%			2.0%	0.8%		0.8%
EBIT	4,658	-866	-927	2,793	-275	55	0	5,438
EBIT % Accretion /Dilution	5.2%	-0.9%	-1.1%	3.2%	-0.4%	0.0%	0.0%	6.1%

*Currency includes translation and transaction effect on Sales and EBIT.

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



Net cost efficiency YTD 2017

Income statement	Net sales
	- Variable product cost
	Contribution to fixed
	- Total structural cost
	EBIT
Balance Sheet	Net Assets
	NOWC
	CAPEX

Cost structure

Cost Structure	Variable cost (70%)
	Structural cost (30%) Where of ~50% fixed
	TOTAL SEK ~84 bn

Net Cost Efficiency

Net Cost Efficiency	Warranty / Logistics
	Production efficiencies
	Purchasing savings
	Operations fixed Incl. D&A
	Admin & Sales fixed
	R&D, Brand & Marketing
TOTAL	SEK 2.8 bn

Activities

- Quality improvement activities and process optimization
- Modularization, automation and reengineering of manufacturing processes
- EMS continuous improvement activities
- Economy of scale leverage based on standardization
- Longer-term strategic supplier development
- Cost out engineering of components
- Continuous improvement activities
- Benefits from portfolio rationalization and focused business model
- R&D, brand and marketing investments based on ROI
- Specific discretionary actions to reduce cost

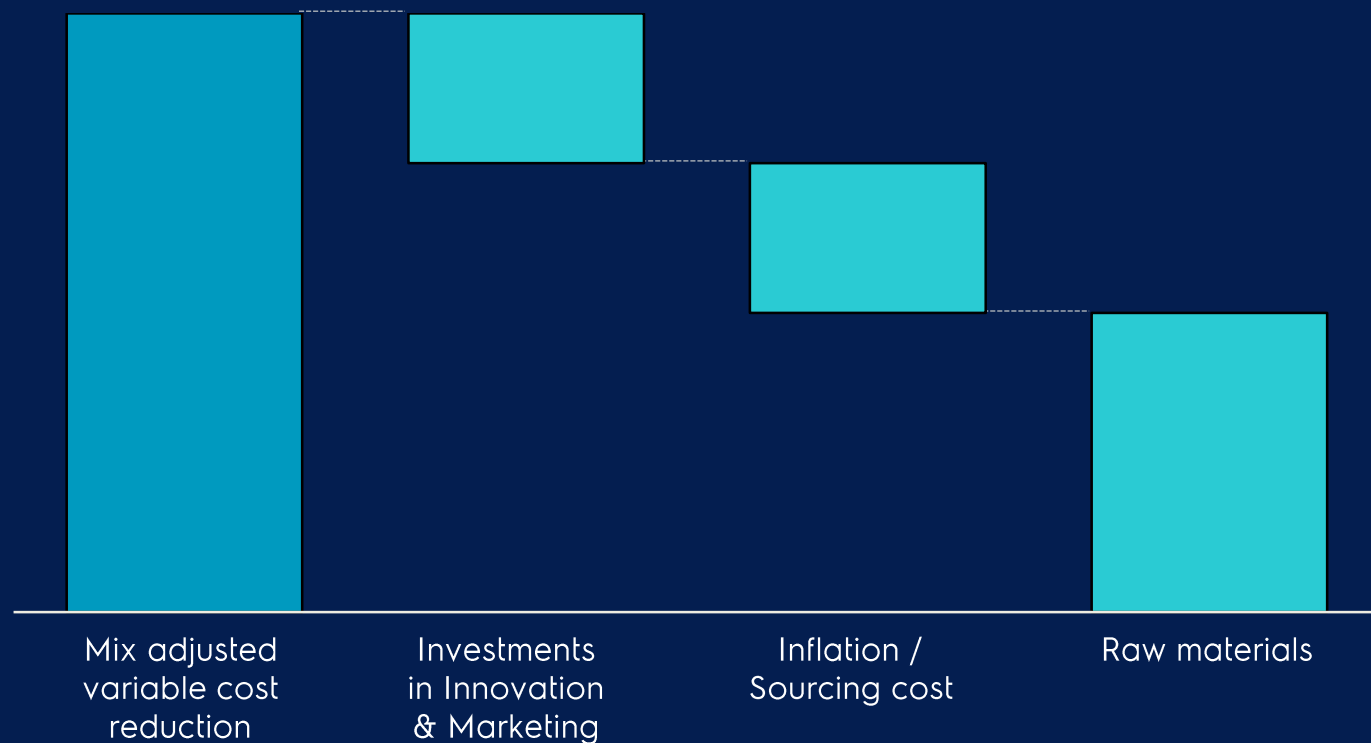


A structured approach to drive continuous improvements

Waste type	Typical examples
Transportation	<ul style="list-style-type: none">• Unnecessary steps in the process• Too many validation/approval points
Inventory/ data	<ul style="list-style-type: none">• Unnecessary reports/analyses• Too much information in reports
Motion/manual work	<ul style="list-style-type: none">• Manual information flows• Low level of automation
Waiting	<ul style="list-style-type: none">• People waiting for approvals• Input parameters not available
Over-processing	<ul style="list-style-type: none">• Double or re-entry of data• Repeated details on forms
Over-production	<ul style="list-style-type: none">• Unnecessary reports/analyses• Too many KPIs
Defects/errors	<ul style="list-style-type: none">• Errors in the administrative process• Lost data or wrong information
Skills not used	<ul style="list-style-type: none">• Highly skilled employees making copies, completing forms, or travel expenses



2018 Cost development



- Continued strong focus on mix adjusted variable cost reduction reaching target of 3% excluding RMI and inflation >2%
- Increased investments in R&D and marketing in business areas that are moving to targeted growth
- High inflation across manufacturing locations and higher finished sourcing costs due to increased raw material prices
- RMI headwind of SEK 1 bn with a range of uncertainty of +/- SEK 200 m
- Excess cost increases will be compensated by price increases

Portfolio Management





Four areas are driving net sales

Income statement	Net sales
	- Variable product cost
	Contribution to fixed
	- Total structural cost
	EBIT
Balance Sheet	Net Assets
	NOWC
	CAPEX

Net sales

Volume

Average 20-30% EBIT leverage

Price

100% EBIT leverage

Mix

20-50% EBIT leverage

Acquired sales

EBIT leverage from acquisitions



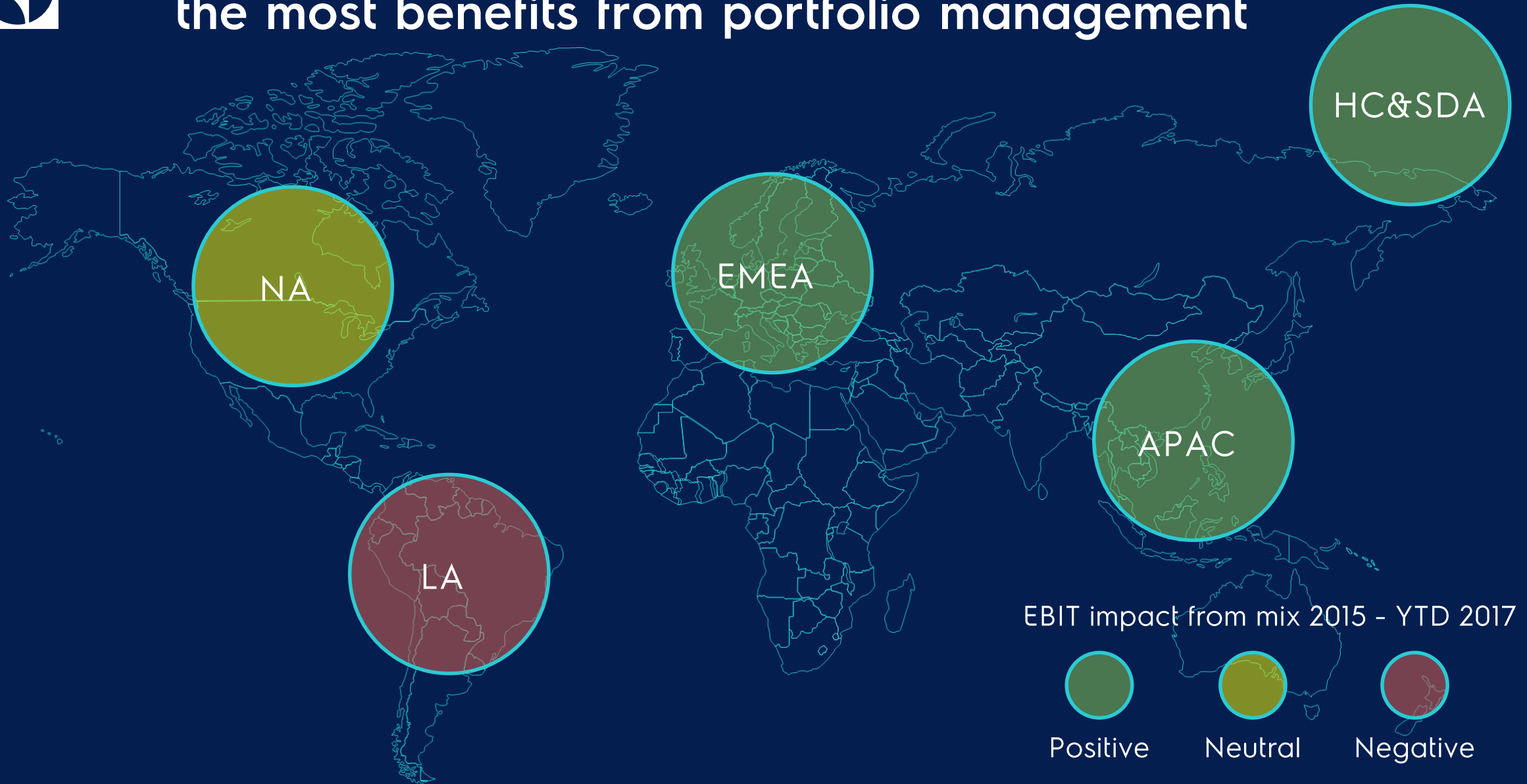
Portfolio management is our way to drive focus on consumer benefits, profitability and growth

- Strong heritage of local market knowledge and entrepreneurship
- Provides strength but also complexity to be managed
- Structured portfolio management driven since many years in EMEA





EMEA and HC&SDA have reaped the most benefits from portfolio management





Value creating financial model

Principle Target

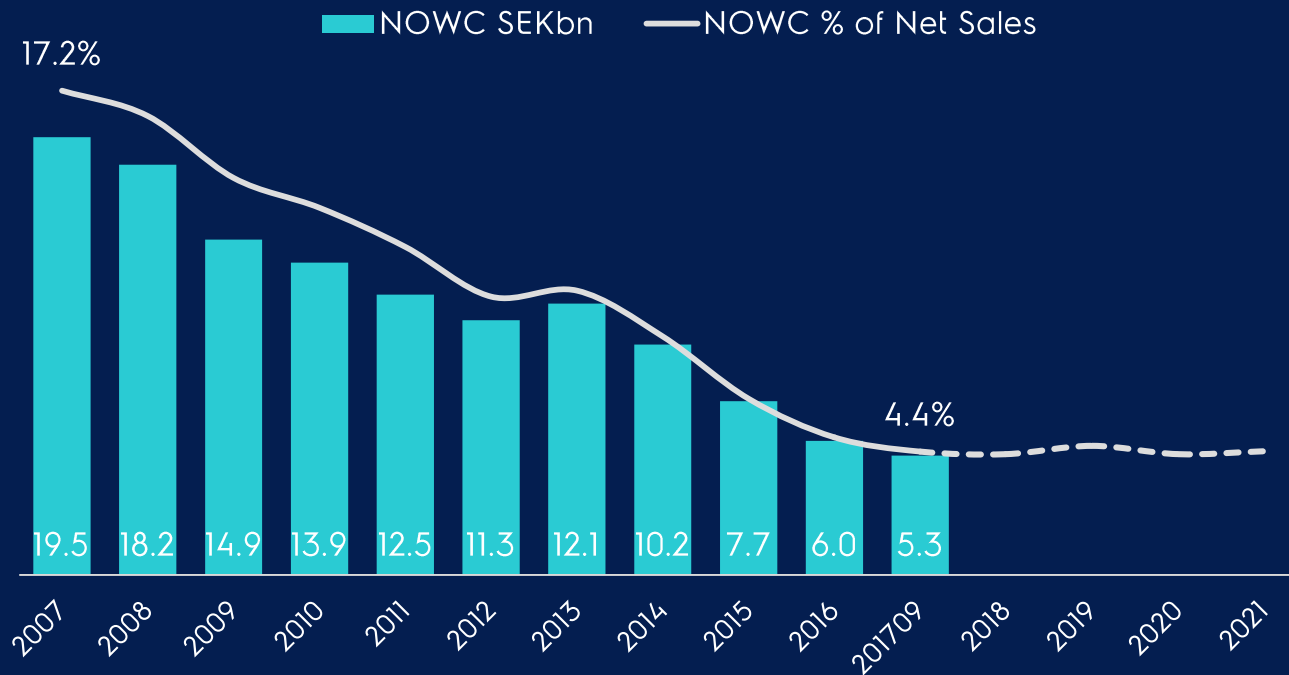
Income statement	Net sales	>10% pa Growth in Focus Geographies, Categories, Brands, Channels, Aftermarket
	- Variable product cost	X-functional Cost Excellence Program Continuously reduce Mix Adjusted Variable Cost (3% pa ex. RMI and inflation over 2%)
	Contribution to fixed	Improve CTF/unit & grow total >5% pa
	- Structural cost	Continuously reduce fixed part and invest in Innovation & Brand based on ROI
	EBIT	EBIT >6% & grow total >7% pa
Balance sheet	Net Assets	RONA > 20%, CTO > 4x
	NOWC	Continuously optimize
	CAPEX	Focused investment approach based on ROI



Continued focus on Working Capital

Income statement	Net sales
	- Variable product cost
	Contribution to fixed
	- Total structural cost
	EBIT
Balance Sheet	Net Assets
	NOWC
	CAPEX

Net Operating Working Capital development



- Adjusted for growth, the Group's NOWC has decreased by ~15bn since 2007
- We have a structured approach to "process improvement" with dedicated global resources
- After several years of strong improvements, working capital ratio will start to flatten out

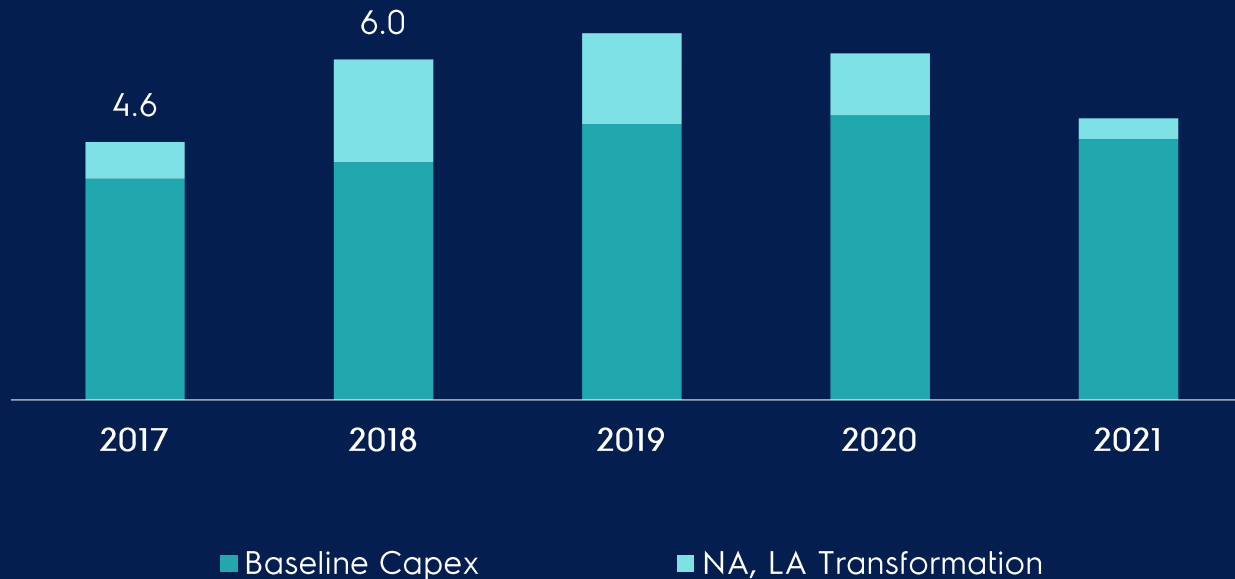


Increased investments levels to fuel the Growth

Income Statement	Net sales
	- Variable product cost
	Contribution to fixed
	- Total structural cost
	EBIT
Balance Sheet	Net Assets
	NOWC
	CAPEX

CAPEX projections (2017-2021)

SEKbn



- Increased transformational investments mainly in NA and LA
- EMEA architecture investments are part of the base
- Capex to peak in the next few years and later revert back to lower levels
- Transformational investments with strong cost improvements paired with product investments for growth
- Capex outlook for 2018: approx. SEK 6 bn

Value creation

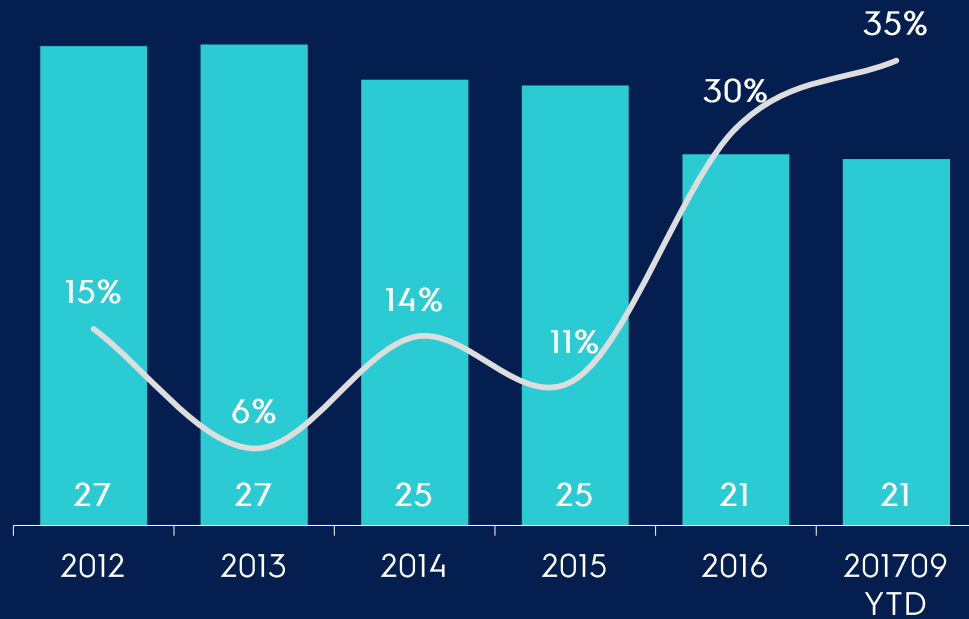




Return on Net Assets and Capital Turnover

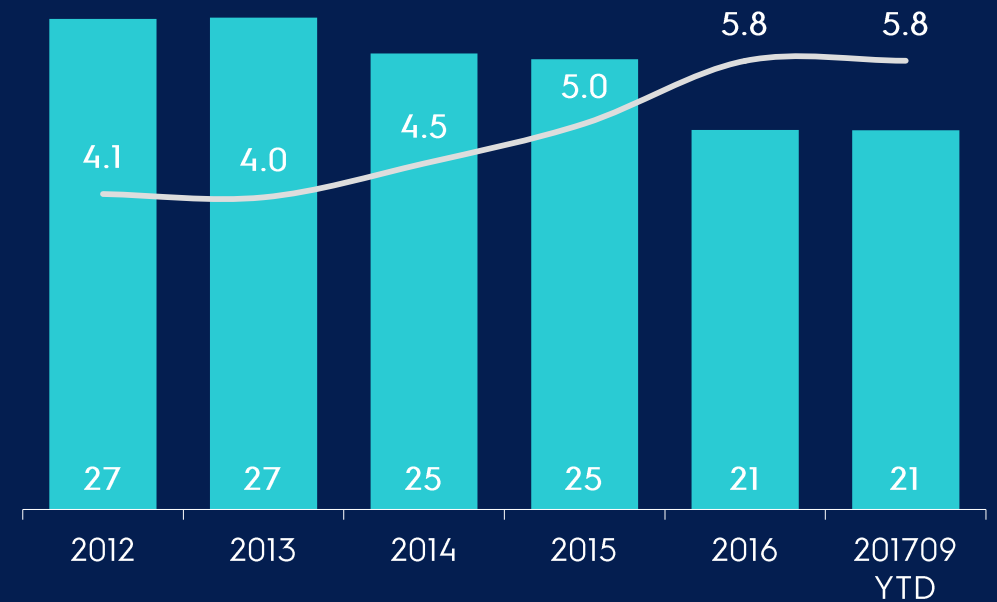
Return on Net Assets

Net assets (SEKbn) — RONA (%)



Capital Turnover

Net assets (SEKbn) — CTO





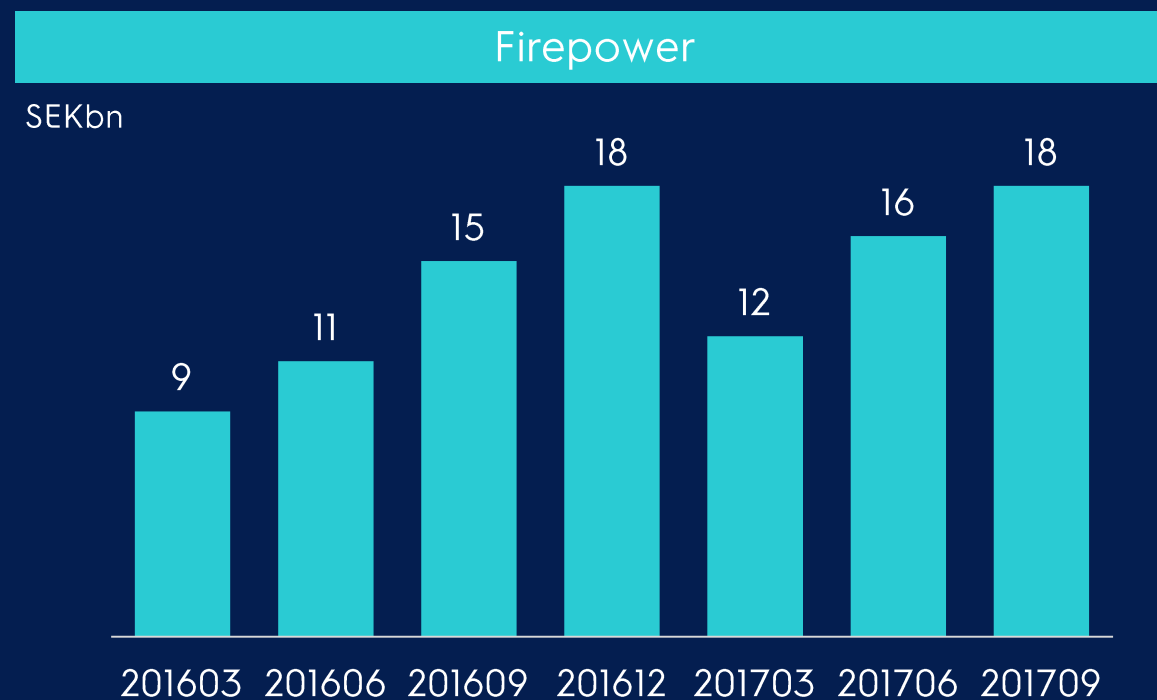
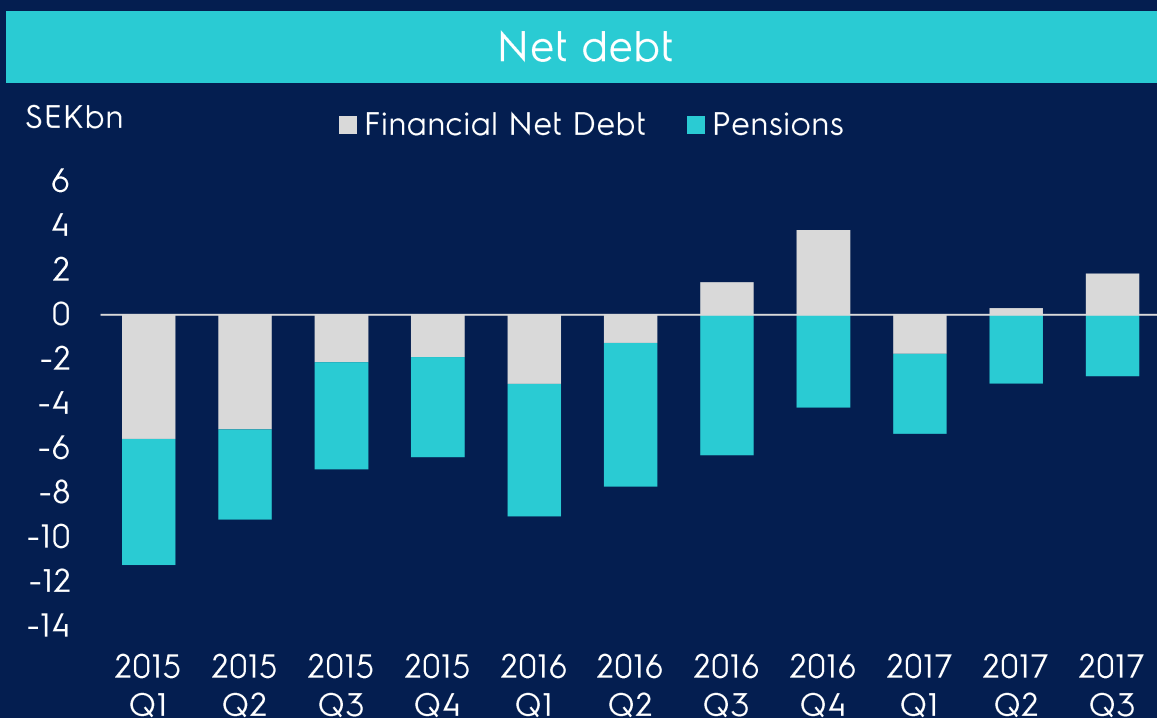
Cash flow has remained strong



*Before acquisitions and divestments



Strong financial position and firepower

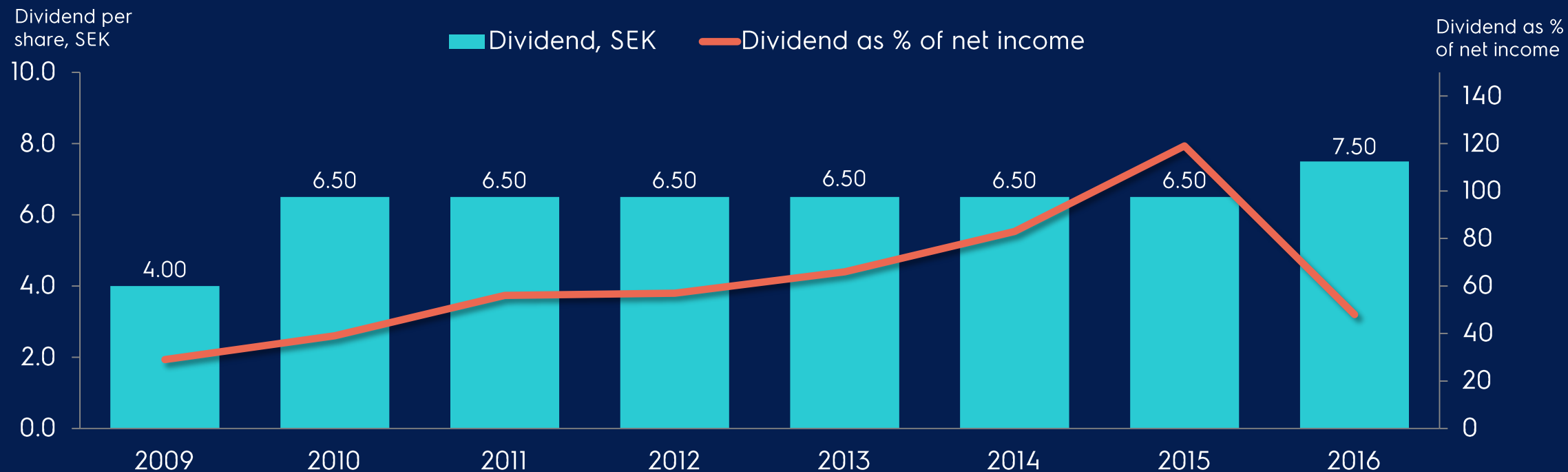


- Stable outlook by S&P (A-)

- Firepower = 2 x S&P adj. EBITDA – S&P adj. net debt



Dividend development

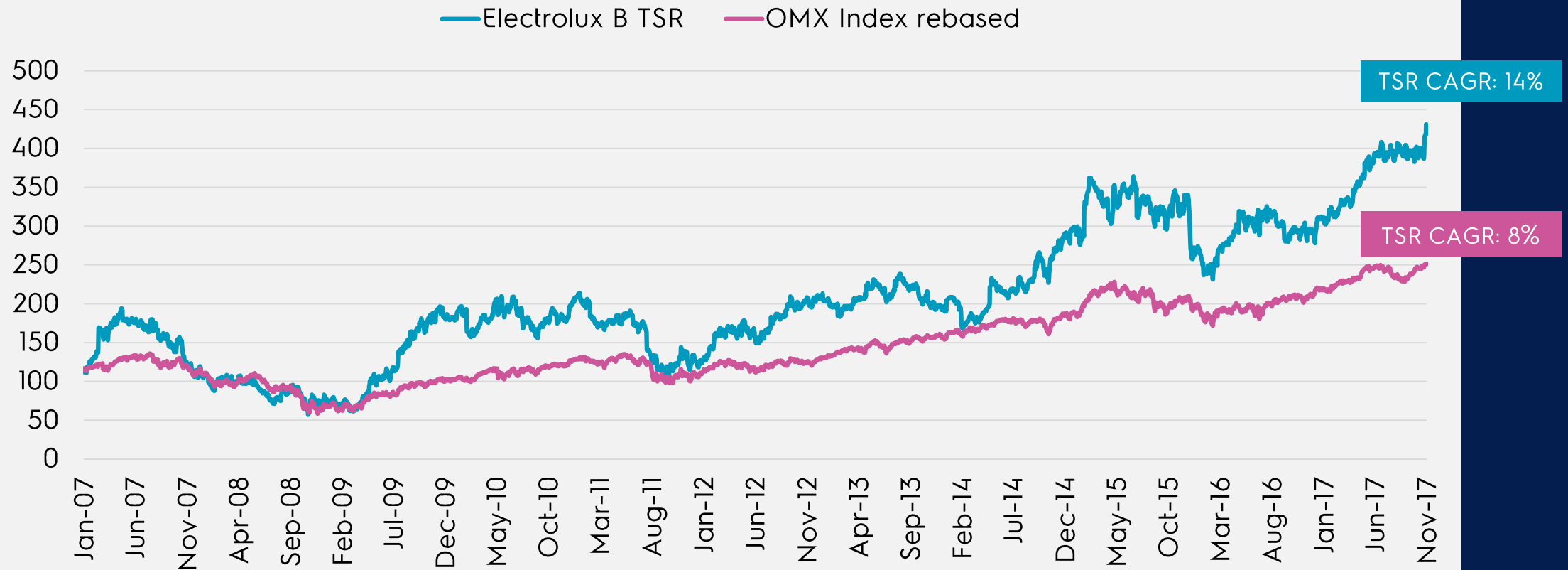


Dividends should correspond to at least 30% of income for the period
Historically, the dividend rate has been considerably higher



Constantly delivering strong shareholder return

Electrolux Total Return vs OMX Stockholm Index





Committed to delivering shareholder value

Value Creation
Model to drive
Profitable
Growth

Continued focus
on portfolio
management,
mix and cost

Focus on
RONA and cash
generation
continues

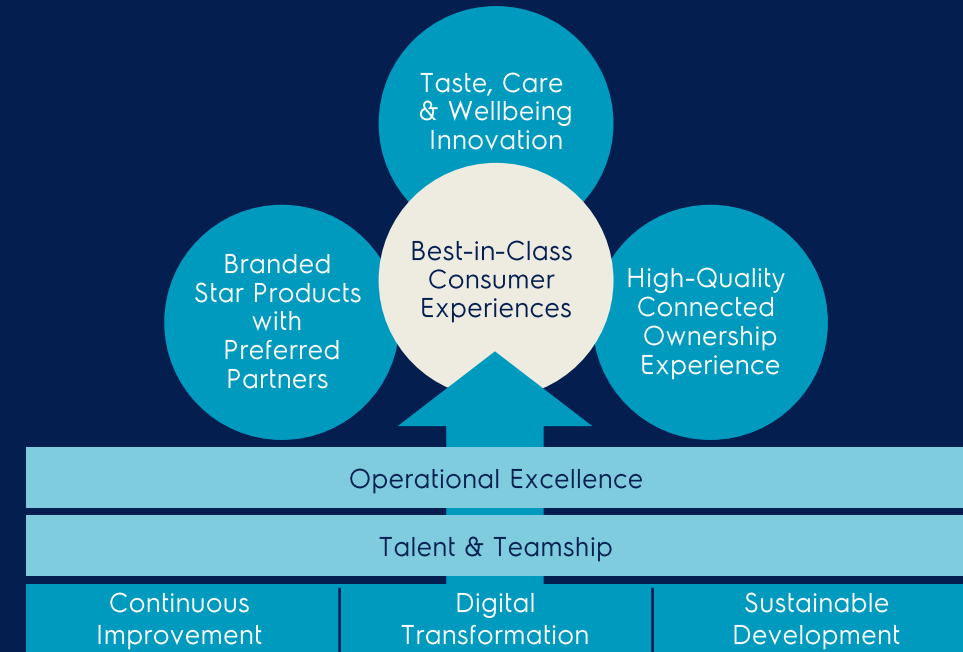
Investments and
value creating
acquisitions

Concluding remarks





Our strategic direction





Pursue M&A opportunities that support the strategy



Increase participation in medium-size fast-growing markets



Strengthen ability to deliver Taste, Care and Wellbeing



Build beverage and chains business



Establish category leaders supporting Taste, Care & Wellbeing



Invest in companies with ownership solution focus

Accelerate Digital Transformation



Moving towards Targeted Growth

- Underlying market growth
- More Business areas in Targeted Growth
- Portfolio management from Fix/Exit to Growth focus
- Taste, Care & Wellbeing innovation
- Higher investments in growth
- Active M&A approach



**Targeted
Growth**