

Press Release

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Electrolux Capital Markets Day 2017

Stockholm, Sweden, November 16, 2017

At Electrolux Capital Markets Day in Stockholm today, CEO Jonas Samuelson and other senior executives of the company will provide an update on Electrolux strategy and business performance as well as an overview of the current market environment and general expectations for next year.

"We're very pleased with our improved operating margin performance, which provides a solid base to take the next steps towards targeted growth and over a business cycle reach Electrolux financial targets of at least 6% EBIT margin and 4% growth," Jonas Samuelson said. "We will also share how Electrolux strategic framework connects our consumer experience focused business model with a clear company purpose – to shape living for the better – and look forward to showcasing how this is executed through a number of business cases."

The overall positive demand trend across most markets in 2017 is expected to continue in 2018. The European appliance market is expected to grow by 1-2% in 2018, with demand growth in most countries. Demand for appliances in North America remains favorable and is anticipated to grow by 2-3%. The market recovery in Latin America continues with an expected growth rate of 3-5%. The market for Australia is expected to grow 1-2% and the market outlook for Southeast Asia remains positive.

The organic earnings contribution is expected to be positive for 2018 for the Group, as a result of mix improvements through continued portfolio management and product launches. In combination with volume growth, this will offset price pressure in the market. Net cost efficiencies are forecasted to be positive, despite increased spending on marketing and innovation in business areas focused on targeted growth. This will offset an expected increase in costs for raw materials. These raw material costs are currently forecasted to have a negative impact of SEK 1 billion, with a range of uncertainty of +/-200 million.

The level of capital expenditure investments to drive targeted growth will increase over the coming three to four years, particularly in North America and Latin America. Investments will be focused on product architectures, automation and innovation. The capital expenditure for the Group in 2018 will increase to approximately SEK 6 billion.

Changes in currencies will at current rates have a total negative transactional impact of SEK 150 million next year, while translational currency effects will be neutral overall.

In addition to CEO Jonas Samuelson, presentations will be held by Anna Ohlsson-Leijon, CFO, Jan Brockmann, COO, Alan Shaw, Head of Major Appliances North America, Ola Nilsson, Head of Home Care & SDA, Lars Hygrell, CMO, David Cronström, Head of Strategy & Ecosystem, and Alberto Zanata, Head of Professional Products.