

Q3 2018



Price increases in a challenging environment

- Net sales amounted to SEK 30,444m (29,042). Sales growth was 0.7%, mainly driven by price increases in several markets.
- Operating income amounted to SEK 1,756m (1,981), corresponding to a margin of 5.8% (6.8).
- Increased prices and mix contributed positively across all business areas but could not fully offset higher input costs, lower volumes and accelerating currency headwinds in Latin America.
- Major Appliances North America also faced higher cost inflation from tariffs in addition to lower sales to private label.
- Operating cash flow after investments amounted to SEK 1,352m (2,287).
- Income for the period decreased to SEK 1,162m (1,440), and earnings per share was SEK 4.04 (5.01).

Financial overview

SEKM	Q3 2018	Q3 2017	Change, %	Nine months 2018	Nine months 2017	Change, %
Net sales	30,444	29,042	5	89,703	88,191	2
Sales growth, % ¹⁾	0.7	-1.7		1.4	-1.2	
Organic growth, %	0.8	-3.2		0.9	-2.0	
Acquisitions, %	0.5	1.8		0.7	1.2	
Divestments, %	-0.6	-0.4		-0.2	-0.4	
Changes in exchange rates, %	4.1	-3.2		0.3	2.0	
Operating income ²⁾	1,756	1,981	-11	3,347	5,342	-37
Operating margin, %	5.8	6.8		3.7	6.1	
Income after financial items	1,634	1,895	-14	3,055	4,965	-38
Income for the period	1,162	1,440	-19	2,230	3,743	-40
Earnings per share, SEK ³⁾	4.04	5.01		7.76	13.02	
Operating cash flow after investments	1,352	2,287		486	4,799	
Return on net assets, %	—	—		19.1	34.7	

¹⁾ Change in net sales adjusted for currency translation effects.

²⁾ Operating income for the first nine months of 2018 includes non-recurring items of SEK -1,414m. Excluding these items, operating income amounted to SEK 4,761m corresponding to a margin of 5.3% (6.1), see page 19.

³⁾ Basic.

For definitions, see pages 27-28.

President and CEO Jonas Samuelson's comment

Our strategic focus on innovation improving consumers' experience, together with high agility in today's more challenging cost environment, are great competitive assets and I am very pleased to see that we are continuing to improve the product mix. Mix improvements together with cost-based price increases contributed step-by-step to the development in the quarter. Organic growth was 0.8% while the operating margin contracted to 5.8%, as we were not yet able to fully offset the negative impact from higher raw material costs, currency headwinds and lower volumes.

EMEA's performance was once again strong and I am pleased to see consumer-experienced innovation resulting in market share gains under our premium brands. Our North American and Latin American operations implemented cost-based price increases, but also saw volumes declining. In addition to higher raw material costs, North America faced higher cost inflation from tariffs and also lower private label sales, while the currency headwind accelerated for Latin America. Asia Pacific increased its sales in Southeast Asia but was impacted negatively by the softer Australian market. Home Care & SDA is still in a product transition phase with lower sales volumes as a consequence. Professional Products' earnings remained solid and it is encouraging to see good growth across all segments, including the new beverage segment.

Additional trade actions under Section 301 in the U.S. were announced in the quarter. We now estimate the negative year-over-year impact from raw materials, tariffs and currency to be approximately SEK 3bn in 2018, compared to the previous estimate of approximately SEK 2.7bn. Looking into 2019, based on current market conditions, these combined headwinds could continue with a similar year-over-year impact as in 2018. A significant portion of these effects are offset by already implemented and announced price increases. Further price increases will be implemented to mitigate cost inflation.

With one quarter remaining in 2018, we have improved visibility and revise our market outlook for 2018 to more narrow ranges. The UK is still largely impacted by Brexit and hence the European market is expected to grow by approximately 1% in 2018. Current macro trends indicate slightly softer market demand for Australia.



Our focus on creating best-in-class consumer experiences is vital to drive profitable growth. I am therefore very pleased that we launched a number of new products with relevant consumer benefits in the quarter; EMEA introduced a new range of induction hobs designed to enhance the consumer's cooking experience. Home Care & SDA strengthened its floor care offering with a ground-breaking cordless vacuum cleaner that can fully replace its corded counterpart. Professional Products presented a new laundry line, based on new product architecture, using cutting-edge innovations and connectivity solutions to maximize uptime and best-in-class energy savings.

In October, we acquired SPM Drink Systems, thereby expanding Professional Products' current beverage offering, which is important in order to become a full-service solution provider. Home Care & SDA has now completed its product portfolio review after divesting its North American commercial and central vacuum cleaner businesses.

I am confident that we are well positioned with the right business focus in this challenging cost environment to continue delivering shareholder value.

Outlook 2018

Market outlook, units year-over-year ¹⁾	FY 2018	Previous outlook for FY 2018 ⁵⁾	Market outlook, units year-over-year ¹⁾	FY 2018	Previous outlook for FY 2018 ⁵⁾
Europe	~ +1%	+1% — +2%	Southeast Asia	Positive	Positive
North America	0% — +1%	0% — +2%	Australia	Slightly negative	+/-0%
Latin America	-1% — 0%	-2% — +1%			

¹⁾ Electrolux estimates for industry shipments of core appliances.

Business outlook ²⁾ , year-over-year	Q4 2018	FY 2018	Previous outlook for the FY 2018 ⁵⁾
Volume/price/mix	Positive	Positive	Positive
Raw material costs and trade tariffs	Increase of SEK ~0.7bn	Increase of SEK ~2.1bn	Increase of SEK ~1.9bn ⁴⁾
Net cost efficiency ³⁾	Neutral	Positive	Positive
Currency effect ⁴⁾	SEK -250m	SEK -850m	SEK -750m
Capex	Increase	SEK ~6bn	SEK ~6bn

²⁾ Business outlook range: Positive - Neutral - Negative.

³⁾ Efficiencies in variable costs (excl. raw materials and trade tariffs) and structural costs.

⁴⁾ Impact on operating income for the full year 2018, whereof currency transaction effects of SEK -950m and currency translation effects of SEK 100m. The calculation is based on currency rates as per October 17, 2018.

⁵⁾ Published on July 18, 2018.

⁴⁾ SEK ~1.8bn in raw material costs and SEK ~0.1bn in costs related to trade tariffs in the U.S.

Note: Business outlook in the above table excludes non-recurring items.



Summary of the third quarter

SEKM	Q3 2018	Q3 2017	Change, %	Nine months 2018	Nine months 2017	Change, %
Net sales	30,444	29,042	5	89,703	88,191	2
Operating income						
Major Appliances Europe, Middle East and Africa	792	761	4	1,181	1,795	-34
Major Appliances North America	347	719	-52	792	2,310	-66
Major Appliances Latin America	200	77	163	178	207	-14
Major Appliances Asia/Pacific	174	214	-19	489	535	-9
Home Care & SDA	69	89	-22	193	218	-12
Professional Products	280	272	3	841	779	8
Other, Common Group costs, etc.	-107	-150	29	-326	-503	35
Total Group	1,756	1,981	-11	3,347	5,342	-37
Operating margin, %	5.8	6.8		3.7	6.1	
Operating margin excl. non-recurring items, % ¹⁾	5.8	6.8		5.3	6.1	

¹⁾ The non-recurring items refers to the first half of 2018, see page 19.

Net sales

Sales for the Electrolux Group increased by 0.7% in the quarter, excluding currency translation effects. The organic growth was 0.8%, driven by higher prices and mix, although sales volumes declined. Acquisitions and divestments had an impact of 0.5% and -0.6%, respectively.

Sales for Major Appliances EMEA increased as a result of higher volumes under premium brands and an improved product mix. Major Appliances Asia/Pacific reported strong growth in Southeast Asia while sales in Australia declined. Professional Products continued to grow across all three segments. Sales increased slightly for Major Appliances Latin America, mainly as a result of cost-based price increases fully offsetting lower volumes.

Sales for Major Appliances North America declined. This was primarily related to lower sales volumes of products under private label while cost-based price increases contributed positively. Sales for Home Care & SDA declined mainly due to lower sales of corded vacuum-cleaners.

Operating income

Operating income declined to SEK 1,756m (1,981), corresponding to a margin of 5.8% (6.8). All business areas had positive earnings contribution from price/mix. However, this could not fully compensate for increased costs for raw materials, accelerating currency headwinds and lower volumes.

Operating income for Major Appliances EMEA improved as a result of increased sales volumes and mix improvements. Operating income for Major Appliances Latin America was positively impacted by price increases and a reversal of a provision. The performance of Professional Products remained solid.

Operating income declined significantly for Major Appliances North America primarily due to lower volumes of private label products and increased input costs. Major Appliances Asia/Pacific's earnings also declined, mainly due to accelerating currency headwind. Home Care & SDA reported a lower operating income year-over-year.

Effects of changes in exchange rates

Changes in exchange rates had a negative year-over-year impact of SEK 252m. The impact of transaction effects was SEK -353m and refers primarily to the operations in Latin America but also to operations in Australia and Europe. Translation effects in the quarter amounted to SEK 102m.

Financial net

Net financial items for the third quarter amounted to SEK -121m (-86).

Income for the period

Income for the period amounted to SEK 1,162m (1,440), corresponding to SEK 4.04 (5.01) in earnings per share.

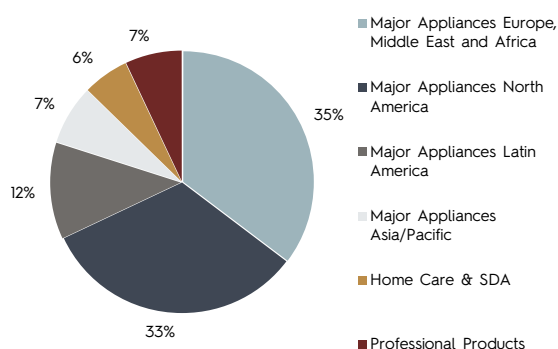
First nine months of 2018

Sales growth for the Electrolux Group was 1.4% in the first nine months, excluding currency translation effects. Organic growth was 0.9% and contribution from acquisitions and divestments was 0.7% and -0.2%, respectively.

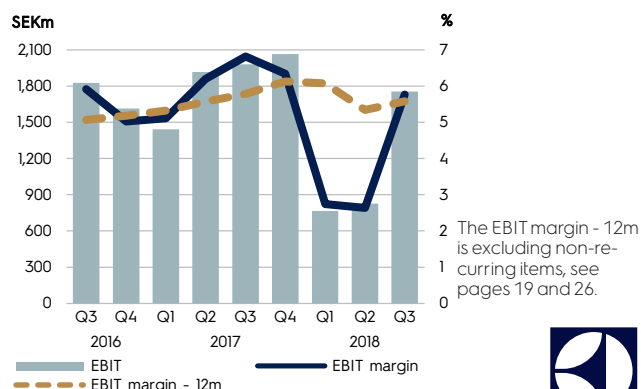
Operating income amounted to SEK 3,347m (5,342), corresponding to a margin of 3.7% (6.1). In the first nine months non-recurring items amounted to SEK -1,414m, see page 19. Excluding these non-recurring items, operating income amounted to SEK 4,761m corresponding to a margin of 5.3% (6.1).

Income for the period amounted to SEK 2,230m (3,743), corresponding to SEK 7.76 (13.02) in earnings per share.

SHARE OF SALES BY BUSINESS AREA IN THE THIRD QUARTER OF 2018



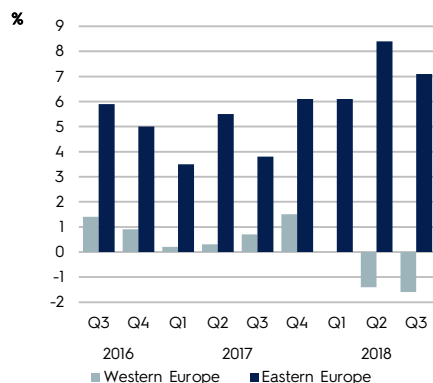
OPERATING INCOME AND MARGIN



Market overview

Several markets, including the U.S., Brazil, Argentina and Australia, showed a weaker demand trend in the quarter. Higher cost-based pricing impacted market volumes negatively. However, the market in Europe increased driven by Eastern Europe while Western Europe declined somewhat. For more information about the markets, please see the Business areas section below and the Annual Report 2017 pages 36-39.

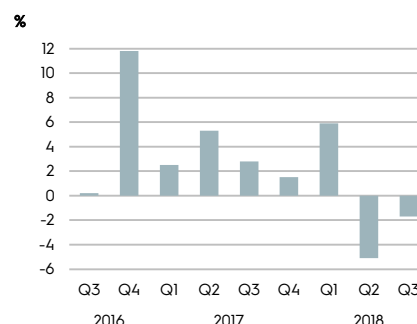
INDUSTRY SHIPMENTS OF CORE APPLIANCES IN EUROPE*



*Units year-over-year, %

Sources: Europe: Electrolux estimate, US: AHAM. For definitions see, pages 4 and 5. For other markets, there are no comprehensive market statistics.

INDUSTRY SHIPMENTS OF CORE APPLIANCES IN THE U.S.*



Business areas

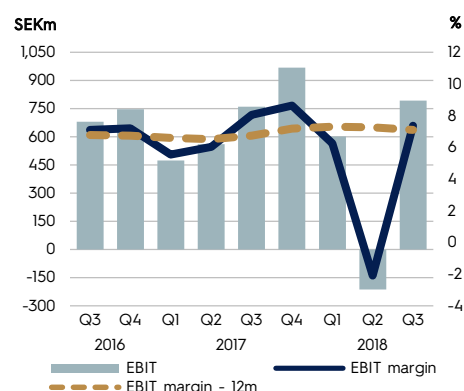
Major Appliances Europe, Middle East and Africa (EMEA)

In the third quarter, overall market demand in Europe increased by 1% year-over-year. This continued to be driven by strong growth of 7% in Eastern Europe, while demand in Western Europe declined by 2%.

Electrolux operations in EMEA reported organic sales growth of 6.2% for the quarter. This is primarily a result of the consistent focus on premium brands resulting in increased sales volumes and product mix improvements. The business area continued to gain market shares in laundry and built-in kitchen products.

Operating income improved as higher volumes and mix improvements offset increasing costs for raw material. The business area continues to invest in innovation for future product launches and the R&D costs increased. During the quarter, new innovative induction hobs, a strategic profitable growth area for Electrolux, were introduced at the IFA fair in Berlin, see page 11.

OPERATING INCOME AND MARGIN



The EBIT margin - 12m is excluding non-recurring items, see page 19 and 26.

Industry shipments of core appliances in Europe, units, year-over-year, %*	Q3 2018	Q3 2017	Nine months 2018	Nine months 2017	Full year 2017
Western Europe	-2	1	-1	0	1
Eastern Europe (excluding Turkey)	7	4	7	4	5
Total Europe	1	1	1	1	2
SEKm					
Net sales	10,749	9,465	30,556	27,310	38,524
Organic growth, %	6.2	-1.1	6.0	-0.5	0.6
Acquisitions, %	0.4	2.5	1.3	1.8	2.1
Operating income	792	761	1,181	1,795	2,764
Operating margin, %	7.4	8.0	3.9	6.6	7.2
Operating margin excl. non-recurring items, % ¹⁾	7.4	8.0	6.5	6.6	7.2

* Source: Electrolux estimates.

Core appliances include: Refrigerators, Freezers, Washing machines, Tumble dryers, Free-standing Cookers, Built-in Ovens, Built-in Hobs, Hoods and Dishwashers.

¹⁾ For information on non-recurring items, see page 19.



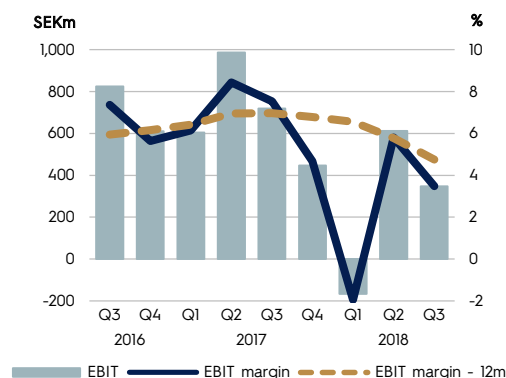
Major Appliances North America

During the quarter, market demand for core appliances in the U.S. declined by 2% year-over-year, partly relating to higher industry prices. Market demand for major appliances, including microwave ovens and home-comfort products, was flat.

Electrolux operations in North America reported an organic sales decline of 3.9% for the quarter. This was mainly related to lower sales of products under private label. Cost-based price increases contributed positively to sales, although these had a somewhat negative impact on sales volumes in the quarter.

Operating income declined significantly year-over-year due to lower volumes and increased costs related to raw material, logistics and the trade actions under Section 301 that were implemented during the quarter. The restructuring under Chapter 11 of Sears, a major private label customer, had a negative non-material earnings effect from increased provisions. Price increases and mix improvements had a positive earnings impact. Last year's earnings were positively impacted by a strong cost efficiency contribution.

OPERATING INCOME AND MARGIN



The EBIT margin - 12m is excluding non-recurring items, see page 19 and 26.

Industry shipments of appliances in the U.S., units, year-over-year, % ¹	Q3 2018	Q3 2017	Nine months 2018	Nine months 2017	Full year 2017
Core appliances	-2	3	-1	4	3
Microwave ovens and home-comfort products	5	12	-1	14	14
Total Major Appliances	0	5	-1	7	6
SEKM					
Net sales	9,949	9,544	29,062	31,093	40,656
Organic growth, %	-3.9	-10.8	-6.4	-6.6	-6.1
Operating income	347	719	792	2,310	2,757
Operating margin, %	3.5	7.5	2.7	7.4	6.8
Operating margin excl. non-recurring items, % ¹⁾	3.5	7.5	4.8	7.4	6.8

¹⁾ For information on non-recurring items, see page 19.

* Source: Core appliances includes AHAM 6 (Washers, Dryers, Dishwashers, Refrigerators, Freezers, Ranges and Ovens) + Cooktops.

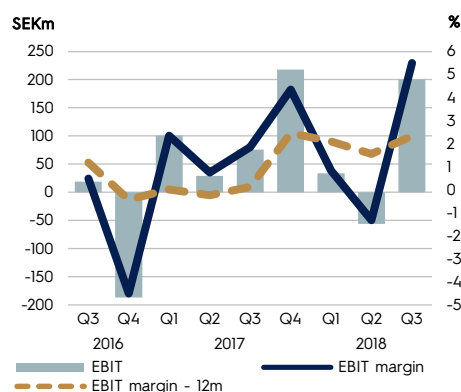
Major Appliances Latin America

In the third quarter, consumer demand for core appliances in Brazil and Argentina is estimated to have decreased. Uncertainties in the political and economic environment impacted market demand negatively, particularly in Argentina where the market declined significantly after currency devaluation. Consumer demand in Chile is estimated to have been stable in the quarter.

Electrolux operations in Latin America had organic sales growth of 0.5%. Price increases were implemented in Brazil, Argentina and Chile to mitigate increased costs for raw materials and currency headwinds. This had a negative impact on sales volumes across these regions.

Operating income improved year-over-year. Operating income includes a positive impact from a reversal of a provision related to an administrative case in the amount of approximately SEK 170m. Price increases and cost-saving measures mitigated increased costs for raw materials and accelerating currency headwinds.

OPERATING INCOME AND MARGIN



SEKM	Q3 2018	Q3 2017	Nine months 2018	Nine months 2017	Full year 2017
Net sales	3,640	4,132	11,978	12,290	17,302
Organic growth, %	0.5	7.4	8.8	0.7	7.9
Operating income	200	77	178	207	425
Operating margin, %	5.5	1.9	1.5	1.7	2.5



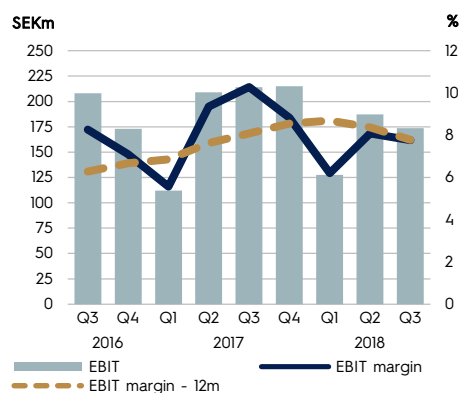
Major Appliances Asia/Pacific

During the third quarter, market demand in Australia continued to decline year-over-year, partly related to price increases but also a slower property market. The market in Southeast Asia remained favorable and increased.

Electrolux organic sales growth was 3.8%. This was a result of strong growth in Southeast Asia, while sales in Australia declined. In Australia, the price increases implemented to mitigate increased costs related to currency headwinds had a negative impact on sales volumes.

Operating income declined year-over-year. Accelerating currency headwinds and lower volumes in Australia together with increased costs for raw materials were not fully compensated by price increases and mix improvements.

OPERATING INCOME AND MARGIN



SEKM	Q3 2018	Q3 2017	Nine months 2018	Nine months 2017	Full year 2017
Net sales	2,238	2,081	6,610	6,322	8,759
Organic growth, %	3.8	-1.6	4.6	4.2	5.6
Acquisitions, %	—	0.5	—	0.9	0.7
Operating income	174	214	489	535	750
Operating margin, %	7.8	10.3	7.4	8.5	8.6

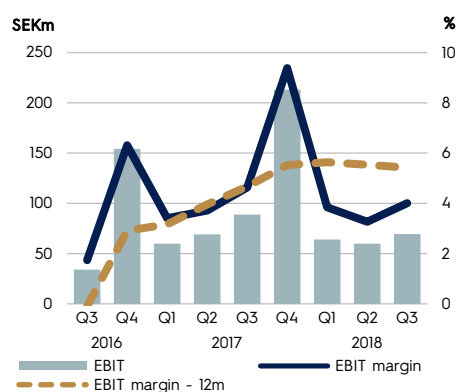
Home Care & Small Domestic Appliances

In the third quarter, the overall market for vacuum cleaners increased, driven by the cordless category, while demand for the corded category declined. The trend shift in market demand toward cordless products is accelerating. During the quarter, Electrolux launched a new premium cordless vacuum cleaner for the global market to strengthen its position in this important growth segment, see page 11.

Organic sales declined by 6.4% in the quarter. This was mainly related to lower sales volumes of corded vacuum cleaners. In line with the business area's strategy to focus on global brands and product categories, the commercial and central vacuum-cleaner businesses in North America were divested, impacting sales by -9.0%, see page 25.

Operating income declined. The business area is still in a product transition phase with lower volumes as a consequence, even though the mix improved. The Anova business continued to report a negative result as launch delays was still a constraint. Continued investments in new product launches together with the Anova development were offset by the net impact from the divestment.

OPERATING INCOME AND MARGIN



SEKM	Q3 2018	Q3 2017	Nine months 2018	Nine months 2017	Full year 2017
Net sales	1,733	1,922	5,236	5,538	7,808
Organic growth, %	-6.4	-0.8	-6.8	-2.5	-4.2
Acquisitions, %	—	5.6	0.9	3.4	4.7
Divestments, %	-9.0	-5.9	-3.2	-6.7	-6.6
Operating income	69	89	193	218	431
Operating margin, %	4.0	4.6	3.7	3.9	5.5



Professional Products

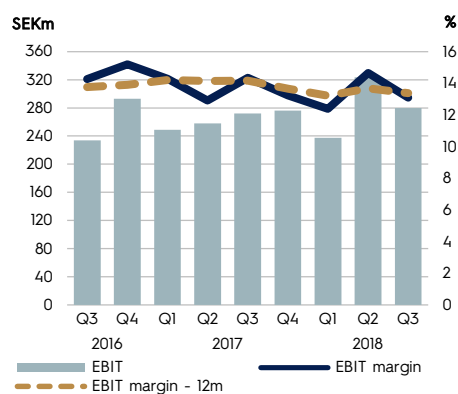
Overall market demand for professional food-service and laundry equipment improved across most regions in the third quarter.

Organic growth was 1.9%. Sales increased across all three segments food, laundry and beverage.

The operating income and margin remained solid. Price increases and higher sales volumes offset increased costs for raw materials and additional investments in customer care as well as in marketing and innovation. The previously acquired company Schneidereit GmbH is included in the consolidated accounts as of September, see page 24.

The acquisition of SPM Drink Systems in October further expands Professional Products' current beverage offering and its role as a full-service solution provider and increases the presence in the hospitality industry, see pages 12 and 25.

OPERATING INCOME AND MARGIN



SEKm	Q3 2018	Q3 2017	Nine months 2018	Nine months 2017	Full year 2017
Net sales	2,135	1,897	6,261	5,638	7,723
Organic growth, %	1.9	6.4	3.1	6.7	5.6
Acquisitions, %	4.8	11.5	4.1	6.8	6.6
Operating income	280	272	841	779	1,054
Operating margin, %	13.1	14.3	13.4	13.8	13.7



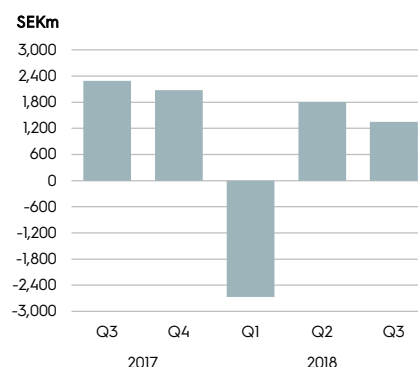
Cash flow

Operating cash flow after investments amounted to SEK 1,352m (2,287) in the quarter. The decline was due to lower earnings, higher investments and lower cash flow from working capital, primarily relating to strong cash flow contribution from operating working capital last year.

The divestment of the U.S.-based commercial and central vacuum cleaner businesses in North America had a positive impact of SEK 285m on the cash flow in the quarter.

Operating cash flow after investments in the first nine month of 2018 amounted to SEK 486m (4,799). The deterioration is primarily related to lower cash flow from working capital, mainly lower contribution from operating working capital related to lower volumes in Major Appliances North America and Major Appliances Latin America. In addition, higher investments and lower earnings impacted cash flow negatively.

OPERATING CASH FLOW AFTER INVESTMENTS



SEKm	Q3 2018	Q3 2017	Nine months 2018	Nine months 2017	Full year 2017
Operating income adjusted for non-cash items ¹⁾	2,620	2,902	7,593	8,384	11,405
Change in operating assets and liabilities	331	584	-3,516	-889	267
Operating cash flow	2,952	3,486	4,077	7,495	11,672
Investments in tangible and intangible assets	-1,384	-1,135	-3,207	-2,699	-4,857
Changes in other investments	-216	-64	-383	3	62
Operating cash flow after investments	1,352	2,287	486	4,799	6,877
Acquisitions and divestments of operations	284	-96	-146	-3,394	-3,405
Operating cash flow after structural changes	1,636	2,191	340	1,405	3,472
Financial items paid, net ²⁾	-124	-39	-193	-170	-227
Taxes paid	-160	-421	-675	-976	-1,421
Cash flow from operations and investments	1,352	1,731	-528	259	1,824
Dividend	—	—	-1,193	-1,078	-2,155
Share-based payments	—	—	-218	-488	-483
Total cash flow, excluding changes in loans and short-term investments	1,352	1,731	-1,939	-1,307	-814

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

²⁾ For the period January 1 to September 30, 2018: interests and similar items received SEK 97m (160), interests and similar items paid SEK -302m (-254) and other financial items paid/received SEK 12m (-76).



Financial position

Net debt

As of September 30, 2018, Electrolux had a financial net cash position of SEK 992m compared to the net financial cash position of SEK 2,437m as of December 31, 2017. Net provisions for post-employment benefits decreased to SEK 2,593m. In total, net debt amounted to SEK 1,601m, an increase by SEK 1,404m compared to SEK 197m as of December 31, 2017.

Long-term borrowings and long-term borrowings with maturities within 12 months amounted to a total of SEK 8,897m as of September 30, 2018 with average maturity of 2.7 years, compared to SEK 8,088m and 2.4 years at the end of 2017.

During the fourth quarter of 2018, long-term borrowings amounting to approximately SEK 350m will mature.

Liquid funds as of September 30, 2018, amounted to SEK 11,373m, a decrease of SEK 601m compared to SEK 11,974m as of December 31, 2017.

Working capital and net assets

Working capital as of September 30, 2018, amounted to SEK -14,714m (-14,436), corresponding to -12.2% (-12.6) of annualized net sales. Operating working capital amounted to SEK 5,881m (5,155), corresponding to 4.9% (4.5) of annualized net sales, see page 21.

Average net assets for the first nine month of 2018 amounted to SEK 23,333m (20,546), corresponding to 19.5% (17.5) of annualized net sales. Net assets as of September 30, 2018, amounted to SEK 23,480m (20,170).

Return on net assets was 19.1% (34.7), and return on equity was 14.3% (28.7).

Net debt

SEKM	Sep. 30, 2018	Sep. 30, 2017	Dec. 31, 2017
Short-term loans	1,031	1,066	990
Short-term part of long-term loans	1,596	1,653	1,501
Trade receivables with recourse	219	95	204
Short-term borrowings	2,846	2,814	2,695
Financial derivative liabilities	166	52	228
Accrued interest expenses and prepaid interest income	68	40	27
Total short-term borrowings	3,080	2,906	2,950
Long-term borrowings	7,301	6,914	6,587
Total borrowings¹⁾	10,381	9,820	9,537
Cash and cash equivalents	10,874	11,084	11,289
Short-term investments	178	160	358
Financial derivative assets	73	188	85
Prepaid interest expenses and accrued interest income	248	239	242
Liquid funds²⁾	11,373	11,671	11,974
Financial net debt	-992	-1,851	-2,437
Net provisions for post-employment benefits	2,593	2,764	2,634
Net debt	1,601	913	197
Net debt/equity ratio	0.08	0.05	0.01
Total equity	20,686	18,179	20,480
Equity per share, SEK	71.98	63.26	71.26
Return on equity, %	14.3	28.7	31.9
Equity/assets ratio, %	25.3	23.6	26.4

¹⁾ Whereof interest-bearing liabilities amounting to SEK 9,928m as of September 30, 2018 and SEK 9,633m as of September 30, 2017 and SEK 9,078m as of December 31, 2017.

²⁾ Electrolux has one unused committed back-up multicurrency revolving credit facility of EUR 1,000m, approximately SEK 10,300m, expiring in 2023.



Other items

Asbestos litigation in the U.S.

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

As of September 30, 2018, the Group had a total of 3,389 (3,411) cases pending, representing approximately 3,431 (approximately 3,474) plaintiffs. During the third quarter of 2018, 300 new cases with 300 plaintiffs were filed and 270 pending cases with approximately 270 plaintiffs were resolved.

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

Risks and uncertainty factors

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

Risk management in Electrolux aims to identify, control and reduce risks. Risks, risk management and risk exposure are described in more detail in the 2017 Annual Report, www.electrolux.com/annualreport2017



Innovation targeting best-in-class consumer experiences

Electrolux focuses on bringing innovations to consumers that enhance experiences in the areas of great tasting food, perfect care for clothes, and healthy wellbeing in their homes. This is done with a strong focus on environmental sustainability. Innovation is the key driver for long term profitable growth and margin improvement.



Creating a new segment to strengthen position in cordless vacuum cleaners

Electrolux has been at the forefront of vacuum cleaning innovation for 100 years and continues to drive innovation where consumer experience is the key lever to drive competitive advantage. Cordless vacuum cleaners is the most important strategic growth category for the Home Care & Small Domestic Appliances business area. The new Pure F9 is based on in-depth consumer insights in cleaning behaviors and pain points in key European and Asian markets. With the Pure F9 innovation targeting the premium market, Electrolux is creating a new segment in cordless vacuum cleaners as Pure F9 can fully replace the corded vacuum cleaner in order to provide ultimate surface cleaning freedom. Powerful battery technology and innovative design solutions provide consumers with a product that combines the performance of a traditional vacuum cleaner with the freedom of a stick vacuum and allows consumers to clean their homes on a single charge.

The Pure F9, was introduced at the IFA consumer electronics fair in Berlin in August and launched in September under the Electrolux and AEG brands, starting with Europe and Asia Pacific. The product has been well received by the market and was named “best-in-test” in the German Magazine ETM TESTMAGAZIN, in comparison with both corded and cordless vacuum cleaners.

Induction hobs a strategic profitable growth area

For several years, Electrolux Major Appliances EMEA has consistently focused on induction hob innovation as an important profitable growth area. Based on consumer insights and in-house developed technology, Electrolux has been able to outpace the high market growth in this built-in kitchen segment and has increased its European market share by more than 5 percentage points over the last ten years. The focus on induction hobs has generated strong profitable growth due to clear consumer experience benefits. Electrolux has a strong range offering across the induction segment from basic induction to prepare food faster and with higher precision to more premium induction hobs with flexible surfaces and great usability, in addition to the newly introduced induction hobs featuring functions for assisted cooking to further improve cooking results.

At the IFA fair in Berlin, a new range of induction hobs that provides precise and automated assistance was demonstrated. The new SenseCook induction hob range includes the SenseProbe induction hob with a world first wireless and battery-less food probe, that automatically controls the hob in order to achieve perfect results for everything from sauces to steaks, and even enables sous-vide precision cooking.

Examples of innovations during 2018

January 11	New appliances to be launched in North America as Frigidaire celebrates 100 years of innovation
March 5	Electrolux connected steam oven with built-in camera makes its market debut
March 26	Electrolux launches Pure i9 robotic vacuum in the United States

April 10	Electrolux launches its first open innovation factory
August 21	Electrolux launches groundbreaking cordless vacuum cleaner
August 29	Electrolux showcases innovative solutions at IFA in Berlin

For more information, see www.electroluxgroup.com



Events during and after the quarter

Events during the third quarter of 2018

July 17. Electrolux sets provision of MEUR 25 related to unfavorable court ruling in France

In July, a court in France ruled that a reorganization procedure of a former subsidiary was extended to Electrolux Home Products France SAS ("EHP France"), Electrolux sales company for major appliances in France. The decision relates to a dispute over the 2014 divestment of the subsidiary, which has subsequently failed to develop a viable business. In September 2018, the court approved a joint continuation plan for EHP France and the subsidiary and allowed the entities to exit from the reorganization proceedings. The exit means that EHP France can operate without involvement of the court appointed officials but that it will be under a certain supervision by the local court during the term of the implementation of the continuation plan.

Electrolux has set a provision of MEUR 25 (MSEK 254) to cover potential costs. The provision was reported as a non-recurring item in the results for the second quarter of 2018, affecting the business area Major Appliances EMEA.

August 8. Electrolux divests BEAM and Sanitaire in North America

Electrolux has divested its U.S.-based commercial and central vacuum cleaner businesses in North America, including the brands Sanitaire and BEAM. The decision is in line with the strategy of the business area Home Care & SDA to focus on global brands and product categories, see page 25.

August 16. Management changes in AB Electrolux

Electrolux has announced changes in the Group Management team and a revision of part of the business area organizational structure: The management changes are effective as from October 1, 2018 and the change in the business area organizational structure from January 1, 2019.

Kenneth L. Ng, previous Head of Major Appliances Asia Pacific, has retired from the company.

The major appliances organization in Middle East and Africa (MEA), which is currently part of Major Appliances Europe, Middle East and Africa (EMEA), will be included in Major Appliances Asia Pacific.

Dan Arler, previous Head of Major Appliances EMEA, is new Head of Major Appliances Asia Pacific & MEA.

Anna Ohlsson-Leijon, previous Chief Financial Officer (CFO) of AB Electrolux, is new Head of Major Appliances Europe.

Therese Friberg, previous CFO of Major Appliances EMEA, has been appointed new CFO of AB Electrolux.

September 13. Electrolux retains position as industry leader in Dow Jones Sustainability Indices

Electrolux has been named Industry Leader in the Household Durables category in the Dow Jones Sustainability World Index (DJSI World). It is the twelfth consecutive year that Electrolux receives this recognition in the assessment, which is published by RobecoSAM. In all dimensions – economic, environmental and social, Electrolux obtains a leadership position in the industry.

September 26. Nomination Committee appointed for Electrolux Annual General Meeting 2019

The members of the Nomination Committee have been appointed based on the ownership structure as of August 31, 2018. Johan Forssell, Investor AB, is the Chairman of the committee. The other members are Kaj Thorén, Alecta, Marianne Nilsson, Swedbank Robur Funds, and Carine Smith Ihenacho, Norges Bank Investment Management. The committee will also include Staffan Bohman and Fredrik Persson, Chairman and Director, respectively, of Electrolux.

Events after the third quarter of 2018

October 2. Electrolux strengthens its professional beverage offering by acquiring SPM Drink Systems

Electrolux has acquired SPM Drink Systems, an Italian leading manufacturer of professional dispensers of frozen and hot beverages and soft ice-cream, as part of the strategy to increase its presence in the hospitality industry.

The acquisition supports Electrolux strategy for profitable growth. Together with the 2017 acquisition of Grindmaster-Cecilware in North America, it strengthens Electrolux presence in the fast-growing beverage segment. The acquired operations had combined net sales of approximately EUR 30 million in 2017, and 110 employees. The company's headquarters and main manufacturing facilities are based in Spilamberto, Modena, Italy.

October 15. Electrolux comments on impact from development in Sears

Electrolux commented the announcement by Sears Holdings Corporation, a major U.S. customer, that it has filed voluntary petitions for relief under Chapter 11 of the U.S. Bankruptcy Code.

Following the announcement, Electrolux intends to work with Sears' restructuring officer to explore the prospects of continuing its business with Sears, while continuing to manage the financial and operational exposure.

To ensure business continuity and to mitigate the financial exposure, Electrolux has been actively planning for various Sears' contingencies while also growing the business with other customers. Therefore, the Group does not currently assess a need for material one-time costs as an immediate consequence of Sears' restructuring under Chapter 11.

However, while it is difficult to predict the outcome of Sears' attempt to restructure its business and the various scenarios it may entail, it cannot be ruled out that there may be a material impact on the future sales and earnings of Electrolux business area Major Appliances North America. Major Appliances North America's exposure to Sears is currently about 10 percent of the business area's total revenues.

For more information, visit www.electroluxgroup.com



Parent Company AB Electrolux

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

Net sales for the Parent Company, AB Electrolux, for the first nine months 2018 amounted to SEK 27,843m (25,270) of which SEK 22,661m (20,611) referred to sales to Group companies and SEK 5,182m (4,659) to external customers. Income after financial items was SEK 2,270m (4,640), including dividends from subsidiaries in the amount of SEK 2,435m (4,685). Income for the period amounted to SEK 638m (4,671).

Capital expenditure in tangible and intangible assets was SEK 435m (278). Liquid funds at the end of the period amounted to SEK 4,531m, as against SEK 6,066m at the start of the year.

Undistributed earnings in the Parent Company at the end of the period amounted to SEK 17,205m, as against SEK 19,364m at the start of the year. Dividend to shareholders for 2017 amounted to SEK 2,385m, whereof SEK 1,193m has been paid during the second quarter and SEK 1,193m has been reported as current liability.

The income statement and balance sheet for the Parent Company are presented on page 22.

Stockholm, October 26, 2018

AB Electrolux (publ)
556009-4178

Jonas Samuelson
President and CEO

The report has not been audited or reviewed by external auditors.



Consolidated statement of comprehensive income

SEKM	Q3 2018	Q3 2017	Nine months 2018	Nine months 2017	Full year 2017
Net sales	30,444	29,042	89,703	88,191	120,771
Cost of goods sold	-24,633	-22,911	-73,072	-69,393	-95,222
Gross operating income	5,811	6,130	16,632	18,797	25,549
Selling expenses	-3,159	-2,926	-9,357	-9,491	-12,897
Administrative expenses	-1,180	-1,285	-3,812	-4,104	-5,550
Other operating income/expenses	283	61	-116	139	305
Operating income	1,756	1,981	3,347	5,342	7,407
Financial items, net	-121	-86	-292	-377	-441
Income after financial items	1,634	1,895	3,055	4,965	6,966
Taxes	-472	-455	-824	-1,222	-1,221
Income for the period	1,162	1,440	2,230	3,743	5,745
Items that will not be reclassified to income for the period:					
Remeasurement of provisions for post-employment benefits	101	178	401	981	1,229
Income tax relating to items that will not be reclassified	-24	-29	-95	-270	-440
	77	149	305	711	789
Items that may be reclassified subsequently to income for the period:					
Available-for-sale instruments	—	—	—	—	1
Cash flow hedges	-18	3	-34	85	95
Exchange-rate differences on translation of foreign operations	-670	-590	197	-1,420	-1,224
Income tax relating to items that may be reclassified	8	-4	3	-4	-17
	-680	-591	166	-1,339	-1,145
Other comprehensive income, net of tax	-603	-442	471	-628	-356
Total comprehensive income for the period	560	998	2,702	3,115	5,389
Income for the period attributable to:					
Equity holders of the Parent Company	1,162	1,441	2,230	3,743	5,745
Non-controlling interests	0	0	0	0	0
Total	1,162	1,440	2,230	3,743	5,745
Total comprehensive income for the period attributable to:					
Equity holders of the Parent Company	560	998	2,701	3,117	5,390
Non-controlling interests	0	0	0	-2	-1
Total	560	998	2,702	3,115	5,389
Earnings per share					
Basic, SEK	4.04	5.01	7.76	13.02	19.99
Diluted, SEK	4.01	4.99	7.70	12.96	19.88
Average number of shares¹⁾					
Basic, million	287.4	287.4	287.4	287.4	287.4
Diluted, million	289.7	289.1	289.6	288.9	289.0

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



Consolidated balance sheet

SEKM	Sep. 30, 2018	Sep. 30, 2017	Dec. 31, 2017
Assets			
Property, plant and equipment	19,820	18,152	19,192
Goodwill	7,949	7,447	7,628
Other intangible assets	3,779	3,500	3,741
Investments in associates	382	219	337
Deferred tax assets	5,917	5,433	5,712
Financial assets	243	188	212
Pension plan assets	394	332	455
Other non-current assets	922	503	459
Total non-current assets	39,406	35,774	37,736
Inventories	18,395	16,399	14,655
Trade receivables	19,702	18,955	20,747
Tax assets	515	623	830
Derivatives	95	187	87
Other current assets	4,097	5,414	3,839
Short-term investments	178	160	358
Cash and cash equivalents	10,874	11,084	11,289
Total current assets	53,856	52,822	51,806
Total assets	93,262	88,596	89,542
Equity and liabilities			
Equity attributable to equity holders of the Parent Company			
Share capital	1,545	1,545	1,545
Other paid-in capital	2,905	2,905	2,905
Other reserves	-2,449	-2,807	-2,615
Retained earnings	18,674	16,514	18,630
Equity attributable to equity holders of the Parent Company	20,674	18,157	20,465
Non-controlling interests	12	22	14
Total equity	20,686	18,179	20,480
Long-term borrowings	7,301	6,914	6,587
Deferred tax liabilities	818	836	730
Provisions for post-employment benefits	2,987	3,096	3,089
Other provisions	5,451	6,028	5,753
Total non-current liabilities	16,557	16,873	16,159
Accounts payable	32,216	30,200	31,114
Tax liabilities	690	586	924
Dividend payable	1,193	1,078	—
Other liabilities	15,848	16,649	15,849
Short-term borrowings	2,846	2,814	2,695
Derivatives	189	63	251
Other provisions	3,038	2,153	2,070
Total current liabilities	56,019	53,543	52,903
Total equity and liabilities	93,262	88,596	89,542

Change in consolidated equity

SEKM	Sep. 30, 2018	Sep. 30, 2017	Full year 2017
Opening balance	20,480	17,738	17,738
Change in accounting principles	-18	-126	-126
Total comprehensive income for the period	2,702	3,115	5,389
Share-based payments	-90	-389	-356
Dividend to equity holders of the Parent Company	-2,385	-2,155	-2,155
Dividend to non-controlling interests	0	0	0
Acquisition of non-controlling interests	-3	-4	-11
Total transactions with equity holders	-2,478	-2,548	-2,522
Closing balance	20,686	18,179	20,480



Consolidated cash flow statement

SEKM	Q3 2018	Q3 2017	Nine months 2018	Nine months 2017	Full year 2017
Operations					
Operating income	1,756	1,981	3,347	5,342	7,407
Depreciation and amortization	1,009	974	3,067	2,964	3,977
Other non-cash items	-144	-53	1,180	78	21
Financial items paid, net ¹⁾	-124	-39	-193	-170	-227
Taxes paid	-160	-421	-675	-976	-1,421
Cash flow from operations, excluding change in operating assets and liabilities	2,337	2,442	6,725	7,238	9,757
Change in operating assets and liabilities					
Change in inventories	-1,197	-1,317	-3,462	-3,081	-1,377
Change in trade receivables	1	-431	1,076	-797	-1,992
Change in accounts payable	298	998	263	3,068	3,418
Change in other operating assets, liabilities and provisions	1,230	1,334	-1,393	-79	218
Cash flow from change in operating assets and liabilities	331	584	-3,516	-889	267
Cash flow from operations	2,668	3,026	3,208	6,349	10,024
Investments					
Acquisitions of operations	-1	-96	-431	-3,394	-3,405
Divestments of operations	285	—	285	—	—
Capital expenditure in property, plant and equipment	-1,135	-952	-2,544	-2,201	-3,892
Capital expenditure in product development	-112	-101	-297	-270	-418
Capital expenditure in software	-137	-82	-366	-228	-369
Other	-216	-64	-383	3	-116
Cash flow from investments	-1,316	-1,295	-3,737	-6,090	-8,200
Cash flow from operations and investments	1,352	1,731	-528	259	1,824
Financing					
Change in short-term investments	-58	-7	189	745	539
Change in short-term borrowings	506	-372	622	-771	-386
New long-term borrowings	75	350	1,735	1,002	1,002
Amortization of long-term borrowings	-81	-752	-1,154	-1,192	-1,695
Dividend	—	—	-1,193	-1,078	-2,155
Share-based payments	—	—	-218	-488	-483
Cash flow from financing	442	-781	-18	-1,782	-3,178
Total cash flow	1,794	950	-547	-1,523	-1,354
Cash and cash equivalents at beginning of period	9,207	10,079	11,289	12,756	12,756
Exchange-rate differences referring to cash and cash equivalents	-127	55	132	-149	-113
Cash and cash equivalents at end of period	10,874	11,084	10,874	11,084	11,289

¹⁾ For the period January 1 to September 30, 2018: interests and similar items received SEK 97m (160), interests and similar items paid SEK -302m (-254) and other financial items paid/received SEK 12m (-76).



Key ratios

SEKM unless otherwise stated	Q3 2018	Q3 2017	Nine months 2018	Nine months 2017	Full year 2017
Net sales	30,444	29,042	89,703	88,191	120,771
Organic growth, %	0.8	-3.2	0.9	-2.0	-0.4
EBITA	1,991	2,219	4,077	6,037	8,327
EBITA margin, %	6.5	7.6	4.5	6.8	6.9
Operating income	1,756	1,981	3,347	5,342	7,407
Operating margin, %	5.8	6.8	3.7	6.1	6.1
Operating margin excl. non-recurring items, % ¹⁾	5.8	6.8	5.3	6.1	6.1
Income after financial items	1,634	1,895	3,055	4,965	6,966
Income for the period	1,162	1,440	2,230	3,743	5,745
Capital expenditure, property, plant and equipment	-1,135	-952	-2,544	-2,201	-3,892
Operating cash flow after investments	1,352	2,287	486	4,799	6,877
Earnings per share, SEK ²⁾	4.04	5.01	7.76	13.02	19.99
Equity per share, SEK	71.98	63.26	71.98	63.26	71.26
Capital-turnover rate, times/year	—	—	5.1	5.7	5.9
Return on net assets, %	—	—	19.1	34.7	36.0
Return on equity, %	—	—	14.3	28.7	31.9
Net debt	1,601	913	1,601	913	197
Net debt/equity ratio	0.08	0.05	0.08	0.05	0.01
Average number of shares excluding shares owned by Electrolux, million	287.4	287.4	287.4	287.4	287.4
Average number of employees	54,274	56,186	54,810	55,097	55,692

¹⁾ Non-recurring items of SEK -1,414m in the first nine months of 2018 include SEK -596m in Major Appliances North America in the first quarter and SEK -818m in Major Appliances EMEA in the second quarter. For information on non-recurring items, see page 19.

²⁾ Basic.

For definitions, see pages 27-28.

Shares

Number of shares	A-shares	B-shares	Shares, total	Shares held by Electrolux	Shares held by other shareholders
Number of shares as of January 1, 2018	8,192,539	300,727,769	308,920,308	21,522,858	287,397,450
Number of shares as of September 30, 2018	8,192,539	300,727,769	308,920,308	21,522,858	287,397,450
As % of total number of shares				7.0%	

Exchange rates

SEK	Sep. 30, 2018		Sep. 30, 2017		Dec. 31, 2017	
Exchange rate	Average	End of period	Average	End of period	Average	End of period
ARS	0.3305	0.2178	0.5301	0.4719	0.5176	0.4729
AUD	6.50	6.42	6.57	6.40	6.53	6.41
BRL	2.39	2.22	2.70	2.58	2.66	2.48
CAD	6.68	6.84	6.58	6.57	6.57	6.55
CHF	8.84	9.11	8.74	8.42	8.67	8.41
CLP	0.0137	0.0135	0.0131	0.0128	0.0131	0.0134
CNY	1.31	1.29	1.26	1.23	1.26	1.26
EUR	10.24	10.31	9.58	9.65	9.64	9.84
GBP	11.58	11.62	10.99	10.94	11.03	11.09
HUF	0.0322	0.0318	0.0310	0.0311	0.0312	0.0317
MXN	0.4515	0.4733	0.4545	0.4496	0.4499	0.4160
RUB	0.1405	0.1354	0.1473	0.1414	0.1463	0.1419
THB	0.2669	0.2753	0.2512	0.2453	0.2517	0.2516
USD	8.59	8.91	8.61	8.17	8.54	8.21



Net sales and operating income by business area

SEKM	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Full year 2018	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Full year 2017
Major Appliances Europe, Middle East and Africa										
Net sales	9,640	10,167	10,749			8,539	9,304	9,465	11,214	38,524
Sales growth, %	10.1	4.4	6.3			-1.8	4.3	1.4	6.6	2.7
EBITA	678	-143	851			551	636	830	1,048	3,065
EBITA margin, %	7.0	-1.4	7.9			6.5	6.8	8.8	9.3	8.0
Operating income	602	-214	792			474	561	761	969	2,764
Operating margin, %	6.2	-2.1	7.4			5.6	6.0	8.0	8.6	7.2
Major Appliances North America										
Net sales	8,564	10,549	9,949			9,850	11,699	9,544	9,563	40,656
Sales growth, %	-5.1	-9.7	-3.9			-7.0	-2.4	-10.8	-4.2	-6.1
EBITA	-147	634	368			628	1,009	742	467	2,847
EBITA margin, %	-1.7	6.0	3.7			6.4	8.6	7.8	4.9	7.0
Operating income	-167	612	347			605	987	719	447	2,757
Operating margin, %	-1.9	5.8	3.5			6.1	8.4	7.5	4.7	6.8
Major Appliances Latin America										
Net sales	4,064	4,274	3,640			4,301	3,857	4,132	5,012	17,302
Sales growth, %	6.4	20.7	0.5			-2.5	-2.5	7.4	29.9	7.9
EBITA	92	0	252			155	74	125	272	626
EBITA margin, %	2.3	0.0	6.9			3.6	1.9	3.0	5.4	3.6
Operating income	34	-56	200			101	29	77	218	425
Operating margin, %	0.8	-1.3	5.5			2.4	0.8	1.9	4.3	2.5
Major Appliances Asia/Pacific										
Net sales	2,055	2,317	2,238			2,010	2,232	2,081	2,437	8,759
Sales growth, %	7.6	2.8	3.8			9.4	7.8	-1.1	9.9	6.3
EBITA	141	204	191			123	220	226	227	796
EBITA margin, %	6.9	8.8	8.6			6.1	9.9	10.9	9.3	9.1
Operating income	127	187	174			112	209	214	215	750
Operating margin, %	6.2	8.1	7.8			5.6	9.4	10.3	8.8	8.6
Home Care & SDA										
Net sales	1,665	1,838	1,733			1,759	1,857	1,922	2,269	7,808
Sales growth, %	-3.8	-2.6	-13.6			-12.5	-3.3	-1.1	-6.0	-5.8
EBITA	92	89	97			70	94	114	240	518
EBITA margin, %	5.5	4.8	5.6			4.0	5.1	5.9	10.6	6.6
Operating income	64	60	69			60	69	89	214	431
Operating margin, %	3.8	3.3	4.0			3.4	3.7	4.6	9.4	5.5
Professional Products										
Net sales	1,917	2,209	2,135			1,742	1,999	1,897	2,085	7,723
Sales growth, %	8.5	6.7	6.7			8.0	14.6	17.9	9.1	12.2
EBITA	245	331	293			250	268	286	288	1,092
EBITA margin, %	12.8	15.0	13.7			14.3	13.4	15.1	13.8	14.1
Operating income	237	324	280			249	258	272	276	1,054
Operating margin, %	12.4	14.7	13.1			14.3	12.9	14.3	13.2	13.7
Common Group costs, etc.										
	-133	-86	-107			-159	-194	-150	-273	-775
Total Group										
Net sales	27,906	31,354	30,444			28,201	30,948	29,042	32,580	120,771
Sales growth, %	3.3	0.7	0.7			-3.2	1.2	-1.7	5.4	0.5
EBITA	1,011	1,075	1,991			1,666	2,152	2,219	2,290	8,327
EBITA margin, %	3.6	3.4	6.5			5.9	7.0	7.6	7.0	6.9
Operating income	764	827	1,756			1,442	1,919	1,981	2,065	7,407
Operating margin, %	2.7	2.6	5.8			5.1	6.2	6.8	6.3	6.1
Income after financial items	672	748	1,634			1,340	1,730	1,895	2,001	6,966
Income for the period	551	517	1,162			1,012	1,291	1,440	2,002	5,745
Earnings per share, SEK ¹⁾	1.92	1.80	4.04			3.52	4.49	5.01	6.97	19.99

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



Non-recurring items by business area

SEKM	Q1 2018 ¹⁾	Q2 2018 ²⁾	Q3 2018	Q4 2018	Full year 2018	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Full year 2017
Major Appliances Europe, Middle East and Africa	—	-818	—	—	—	—	—	—	—	—
Major Appliances North America	-596	—	—	—	—	—	—	—	—	—
Major Appliances Latin America	—	—	—	—	—	—	—	—	—	—
Major Appliances Asia/Pacific	—	—	—	—	—	—	—	—	—	—
Home Care & SDA	—	—	—	—	—	—	—	—	—	—
Professional Products	—	—	—	—	—	—	—	—	—	—
Common Group costs, etc.	—	—	—	—	—	—	—	—	—	—
Total Group	-596	-818	—	—	—	—	—	—	—	—

¹⁾ The non-recurring item of SEK -596m in the first quarter of 2018 refers to the consolidation of freezer production in North America. The cost is included in Cost of goods sold and consists of write down of fixed assets and provision for severance cost and other cost related to the project.

²⁾ The non-recurring items of SEK -818m in the second quarter of 2018 refer to Major Appliances EMEA. These include a provision of SEK 564m for a fine relating to an investigation by the French Competition Authority and a provision of SEK 254m relating to an unfavourable court ruling in France. These costs are included in other operating income/expenses.

Operating income excl. non-recurring items

SEKM	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Full year 2018	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Full year 2017
Major Appliances Europe, Middle East and Africa										
Operating income excl. non-recurring items	602	604	792	—	—	474	561	761	969	2,764
Operating margin excl. non-recurring items, %	6.2	5.9	7.4	—	—	5.6	6.0	8.0	8.6	7.2
Major Appliances North America										
Operating income excl. non-recurring items	429	612	347	—	—	605	987	719	447	2,757
Operating margin excl. non-recurring items, %	5.0	5.8	3.5	—	—	6.1	8.4	7.5	4.7	6.8
Total Group										
Operating income excl. non-recurring items	1,360	1,645	1,756	—	—	1,442	1,919	1,981	2,065	7,407
Operating margin excl. non-recurring items, %	4.9	5.2	5.8	—	—	5.1	6.2	6.8	6.3	6.1



Net sales by business area

SEKM	Q3 2018	Q3 2017	Nine months 2018	Nine months 2017	Full year 2017
Major Appliances Europe, Middle East and Africa	10,749	9,465	30,556	27,310	38,524
Major Appliances North America	9,949	9,544	29,062	31,093	40,656
Major Appliances Latin America	3,640	4,132	11,978	12,290	17,302
Major Appliances Asia/Pacific	2,238	2,081	6,610	6,322	8,759
Home Care & SDA	1,733	1,922	5,236	5,538	7,808
Professional Products	2,135	1,897	6,261	5,638	7,723
Total	30,444	29,042	89,703	88,191	120,771

Change in net sales by business area

Year-over-year, %	Q3 2018	Q3 2018 In local currencies	Nine months 2018	Nine months 2018 In local currencies
Major Appliances Europe, Middle East and Africa	14	6	12	7
Major Appliances North America	4	-4	-7	-6
Major Appliances Latin America	-12	1	-3	9
Major Appliances Asia/Pacific	8	4	5	5
Home Care & SDA	-10	-14	-5	-7
Professional Products	13	7	11	7
Total change	5	1	2	1

Operating income by business area

SEKM	Q3 2018	Q3 2017	Nine months 2018	Nine months 2017	Full year 2017
Major Appliances Europe, Middle East and Africa	792	761	1,181	1,795	2,764
Margin, %	7.4	8.0	3.9	6.6	7.2
Major Appliances North America	347	719	792	2,310	2,757
Margin, %	3.5	7.5	2.7	7.4	6.8
Major Appliances Latin America	200	77	178	207	425
Margin, %	5.5	1.9	1.5	1.7	2.5
Major Appliances Asia/Pacific	174	214	489	535	750
Margin, %	7.8	10.3	7.4	8.5	8.6
Home Care & SDA	69	89	193	218	431
Margin, %	4.0	4.6	3.7	3.9	5.5
Professional Products	280	272	841	779	1,054
Margin, %	13.1	14.3	13.4	13.8	13.7
Common Group costs, etc.	-107	-150	-326	-503	-775
Operating income	1,756	1,981	3,347	5,342	7,407
Margin, %	5.8	6.8	3.7	6.1	6.1

Change in operating income by business area

Year-over-year, %	Q3 2018	Q3 2018 In local currencies	Nine months 2018	Nine months 2018 In local currencies
Major Appliances Europe, Middle East and Africa	4	-2	-34	-37
Major Appliances North America	-52	-55	-66	-66
Major Appliances Latin America	163	252	-14	22
Major Appliances Asia/Pacific	-19	-22	-9	-10
Home Care & SDA	-22	-17	-12	-6
Professional Products	3	-3	8	3
Total change	-11	-15	-37	-38



Working capital and net assets

SEKM	Sep. 30, 2018	% of annualized net sales	Sep. 30, 2017	% of annualized net sales	Dec. 31, 2017	% of annualized net sales
Inventories	18,395	15.3	16,399	14.4	14,655	12.4
Trade receivables	19,702	16.4	18,956	16.6	20,747	17.5
Accounts payable	-32,216	-26.8	-30,200	-26.4	-31,114	-26.3
Operating working capital	5,881	4.9	5,155	4.5	4,288	3.6
Provisions	-8,489		-8,181		-7,823	
Prepaid and accrued income and expenses	-11,441		-10,716		-11,038	
Taxes and other assets and liabilities	-665		-694		-1,300	
Working capital	-14,714	-12.2	-14,436	-12.6	-15,873	-13.4
Property, plant and equipment	19,820		18,152		19,192	
Goodwill	7,949		7,447		7,628	
Other non-current assets	5,326		4,410		4,749	
Deferred tax assets and liabilities	5,099		4,597		4,981	
Net assets	23,480	19.5	20,170	17.7	20,678	17.5
Annualized net sales, calculated at end of period exchange rates	120,139		114,182		118,464	
Average net assets	23,333	19.5	20,546	17.5	20,572	17.0
Annualized net sales, calculated at average exchange rates	119,602		117,585		120,771	

Net assets by business area

SEKM	Assets			Equity and liabilities			Net assets		
	Sep. 30, 2018	Sep. 30, 2017	Dec. 31, 2017	Sep. 30, 2018	Sep. 30, 2017	Dec. 31, 2017	Sep. 30, 2018	Sep. 30, 2017	Dec. 31, 2017
Major Appliances Europe, Middle East and Africa	26,834	24,362	25,575	22,884	20,505	22,037	3,950	3,857	3,538
Major Appliances North America	17,537	15,469	14,840	14,689	13,761	12,723	2,848	1,708	2,117
Major Appliances Latin America	11,479	13,439	12,602	5,791	7,958	6,752	5,688	5,481	5,850
Major Appliances Asia/Pacific	6,042	5,662	5,788	4,146	3,896	4,163	1,896	1,766	1,625
Home Care & SDA	5,586	5,335	5,341	3,482	3,478	3,519	2,105	1,857	1,822
Professional Products	5,670	4,353	4,434	3,042	2,594	2,706	2,628	1,759	1,728
Other ¹⁾	8,347	7,973	8,533	3,981	4,231	4,535	4,366	3,742	3,998
Total operating assets and liabilities	81,495	76,594	77,113	58,015	56,424	56,436	23,480	20,170	20,678
Liquid funds	11,373	11,672	11,974	—	—	—	—	—	—
Total borrowings	—	—	—	10,381	9,821	9,537	—	—	—
Pension assets and liabilities	394	332	455	2,987	3,096	3,089	—	—	—
Dividend payable	—	—	—	1,193	1,078	—	—	—	—
Equity	—	—	—	20,686	18,179	20,480	—	—	—
Total	93,262	88,596	89,542	93,262	88,596	89,542	—	—	—

¹⁾ Includes common functions and tax items.



Parent Company income statement

SEKM	Q3 2018	Q3 2017	Nine months 2018	Nine months 2017	Full year 2017
Net sales	9,675	8,575	27,843	25,270	35,168
Cost of goods sold	-8,505	-7,283	-23,963	-21,449	-30,034
Gross operating income	1,170	1,292	3,880	3,821	5,134
Selling expenses	-828	-705	-2,307	-2,138	-2,967
Administrative expenses	-299	-531	-1,244	-1,526	-1,795
Other operating income	0	0	0	0	1
Other operating expenses	0	0	-565	0	-105
Operating income	43	56	-236	157	268
Financial income	1,757	2,925	2,999	5,218	7,142
Financial expenses	-162	-192	-493	-735	-855
Financial items, net	1,595	2,733	2,506	4,483	6,287
Income after financial items	1,638	2,789	2,270	4,640	6,555
Appropriations	81	62	-1,802	171	182
Income before taxes	1,719	2,851	468	4,811	6,737
Taxes	-84	-60	170	-140	-201
Income for the period	1,635	2,791	638	4,671	6,536

Parent Company balance sheet

SEKM	Sep. 30, 2018	Sep. 30, 2017	Dec. 31, 2017
Assets			
Non-current assets	36,846	35,221	35,596
Current assets	29,373	26,632	28,267
Total assets	66,219	61,853	63,863
Equity and liabilities			
Restricted equity	5,401	4,940	5,068
Non-restricted equity	17,205	17,539	19,364
Total equity	22,606	22,479	24,432
Untaxed reserves	447	379	444
Provisions	1,746	1,373	1,229
Non-current liabilities	6,824	6,499	6,181
Current liabilities	34,596	31,123	31,577
Total equity and liabilities	66,219	61,853	63,863



Notes

Note 1 Accounting principles

Electrolux applies International Financial Reporting Standards (IFRS) as adopted by the European Union. This report has been prepared in accordance with IAS 34, Interim Financial Reporting, ÅRL (the Swedish Annual Accounts Act) and RFR 2 'Accounting for legal entities' issued by the Swedish Financial Reporting Board.

Electrolux interim reports contain a condensed set of financial statements. For the Group this chiefly means that the disclosures are limited compared to the consolidated financial statements presented in the annual report. For the Parent Company this means that the financial statements in general are presented in condensed versions and with limited disclosures compared to the annual report.

The Group's accounting principles are described in Note 1 in the Annual Report 2017, including transition effects and accounting principles related to IFRS 15 Revenue from Contracts with Customers and IFRS 9 Financial Instruments, which are applied by Electrolux from January 1, 2018. Changes have been made to the 2017 restatement for IFRS 15 presented in the Annual Report 2017. The changes only impact trade receivables, accounts payable and other current liabilities in the balance sheet.

Preparations for new accounting standards

During 2018, Electrolux preparatory work related to new accounting standards to be applied after 2018 concerns IFRS 16 Leases. Work is ongoing in assessing the full impact of IFRS 16 as well as designing processes and implementing a system solution to fulfill the reporting requirements.

Note 2 Disaggregation of revenue

Electrolux manufactures and sells appliances mainly in the wholesale market to customers being retailers. Electrolux products include refrigerators, dishwashers, washing machines, cookers, vacuum cleaners, air conditioners and small domestic appliances. Major Appliances and Home Care & SDA focus on the consumer market and Professional Products on professional users. Sales of products are revenue recognized at a point in time, when control of the products has transferred.

Revenue from services related to installation of products, repairs or maintenance service is recognized when control is transferred being over the time the service is provided. Sales of services are not material in relation to Electrolux total net sales. Product and geography are considered important attributes when disaggregating Electrolux revenue. Therefore, the table below presents net sales related to Major Appliances, Home Care & SDA and Professional Products per geographical region.

SEKM	Nine months 2018				Nine months 2017			
	Major Appliances	Home Care & SDA	Professional Products	Total	Major Appliances	Home Care & SDA	Professional Products	Total
Geographical region								
Europe, Middle East and Africa	30 556	2 643	5 021	38 221	27 310	2 529	4 454	34 293
North America	29 062	599	619	30 281	31 093	999	584	32 676
Latin America	11 978	632	—	12 610	12 290	702	—	12 992
Asia Pacific	6 610	1 362	621	8 592	6 322	1 309	600	8 230
Total	78 206	5 236	6 261	89 703	77 014	5 538	5 638	88 191

Note 3 Fair values and carrying amounts of financial assets and liabilities

SEKM	Sep. 30, 2018		Sep. 30, 2017		Dec. 31, 2017	
	Fair value	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount
Per category						
Financial assets at fair value through profit and loss	73	73	—	—	—	—
Financial assets at fair value through OCI	—	—	—	—	—	—
Financial assets measured at amortized cost, Hold to collect	31,014	31,014	—	—	—	—
Financial assets at fair value through profit and loss (IAS 39)	—	—	4,727	4,727	3,305	3,305
Available for sale (IAS 39) ¹⁾	—	—	19	19	20	20
Loans and receivables (IAS 39)	—	—	22,261	22,261	23,858	23,858
Cash	—	—	4,290	4,290	5,707	5,707
Total financial assets	31,087	31,087	31,297	31,297	32,890	32,890
Financial liabilities at fair value through profit and loss	166	166	63	63	251	251
Financial liabilities measured at amortized cost	42,214	42,144	40,230	40,127	40,432	40,350
Total financial liabilities	42,380	42,310	40,293	40,190	40,683	40,601

¹⁾ At the transition to IFRS 9 the financial instrument classified as Available for sale was reclassified to Financial assets at fair value through profit and loss.

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



Note 3 Fair values and carrying amounts of financial assets and liabilities (continued)

Fair value estimation

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

To the extent option instruments are used, the valuation is based on the Black & Scholes' formula. The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities is estimated by discounting the future contractual cash flows at the current market-interest rate for similar financial instruments. The Group's financial assets and liabilities are measured according to the following hierarchy:

Level 1: Quoted prices in active markets for identical assets or liabilities. At September 30, 2018, the fair value for Level 1 financial assets was SEK 1,964m (4,559) and for financial liabilities SEK 0m (0).

Level 2: Inputs other than quoted prices included in Level 1 that are observable for assets or liabilities either directly or indirectly. At September 30, 2018, the fair value of Level 2 financial assets was SEK 73m (187) and financial liabilities SEK 166m (63).

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

Note 4 Pledged assets and contingent liabilities

SEKM	Sep. 30, 2018	Sep. 30, 2017	Dec. 31, 2017
Group			
Pledged assets	6	6	6
Contingent liabilities	1,162	1,283	1,187
Parent Company			
Pledged assets	—	—	—
Contingent liabilities	1,544	1,608	1,497

For more information on contingent liabilities, see Note 25 in the Annual Report 2017.

Note 5 Acquisitions and divestments of operations

Acquisitions in the first nine months of 2018

Acquisition of Schneidereit GmbH

On February 22, 2018 Electrolux completed the acquisition of Schneidereit GmbH, a supplier of laundry rental solutions for professional customers in Germany and Austria. The agreement to acquire the company was announced on January 22, 2018.

The acquisition enables Electrolux to develop its offering within the professional laundry business and supports the long-term profitable growth in Europe. Schneidereit adds a complementary business model, enabling Electrolux to help provide great experiences to an even wider customer base while exploring functional sales which is an interesting growth area in the industry for professional products.

Net sales for the acquired business Schneidereit GmbH in 2016 amounted to around EUR 18 million (around SEK 175 million) and the company has approximately 110 employees throughout Germany.

The consideration consists of a cash payment of EUR 32.8m and a deferred part of EUR 3.6m. The cash payment is equivalent to SEK 331m and a cash flow effect of SEK -303m excluding acquired cash and cash equivalents.

The acquired business is included in Electrolux consolidated accounts per September 30 with financial statements for the period January-June 2018, contributing to net sales and operating income (including amortization of surplus values) by EUR 9.3m and EUR 54k respectively, approximately SEK 96m and SEK 0,5m respectively.

The operations are included in business area Professional Products.

Transaction costs

Transaction costs related to the acquisition described above amount to SEK 6m and have been expensed as incurred during the acquisition process in 2017 (SEK 4m) and 2018 (SEK 2m). The costs have been reported in the business area's operating income.

Cash flow related to acquisitions of operations

In addition to the consideration paid for Schneidereit GmbH of SEK 303m, the cash flow related to acquisitions includes a payment of a deferred consideration of SEK 125m related to the Kwikot acquisition in 2017 and acquisition of minority shares of SEK 3m. Total cash flow related to acquisitions of operations amounts to SEK -431m.



Divestments in the first nine months of 2018

Divestments of Beam and Sanitaire in North America

On August 8, 2018 Electrolux announced the divestments of its U.S.-based commercial and central vacuum cleaner businesses in North America, including the brands Sanitaire and BEAM. Total gross consideration was USD 37m (SEK 316m) resulting in a capital gain of USD 23m (SEK 196m) and a cash flow effect of USD 33m (SEK 285). Transaction costs incurred amount to SEK 17m. Furthermore, rationalization activities and additional asset write-downs triggered by the divestments amount to USD 14m (SEK 115m) and have been recognized in the income statement. The divested operations had combined revenues in 2017 of around USD 70 m.

The divestments and the related effects are included in business area Home Care & Small Domestic Appliances.

Acquisition after the third quarter 2018

Acquisition of SPM Drink Systems

On October 2, 2018 Electrolux announced the acquisition of SPM Drink Systems, an Italian leading manufacturer of professional dispensers of frozen and hot beverages and soft ice-cream. The acquired operations had combined net sales in 2017 of approximately EUR 30 million, and 110 employees. The company's headquarters and main manufacturing facilities are based in Spilamberto, Modena, Italy.

The consideration consists of a cash payment of EUR 45.8m, approximately SEK 472m. Transaction costs incurred amount to SEK 3m.

The operations will be included in business area Professional Products.



Operations by business area yearly

SEKM	2013	2014	2015	2016	2017 ¹⁾
Major Appliances Europe, Middle East and Africa					
Net sales	33,436	34,438	37,179	37,844	38,524
Operating income	-481	232	2,167	2,546	2,764
Margin, %	-1.4	0.7	5.8	6.7	7.2
Major Appliances North America					
Net sales	31,864	34,141	43,053	43,402	40,656
Operating income	2,136	1,714	1,580	2,671	2,757
Margin, %	6.7	5.0	3.7	6.2	6.8
Major Appliances Latin America					
Net sales	20,695	20,041	18,546	15,419	17,302
Operating income	979	1,069	463	-68	425
Margin, %	4.7	5.3	2.5	-0.4	2.5
Major Appliances Asia/Pacific					
Net sales	8,653	8,803	9,229	9,380	8,759
Operating income	116	438	364	626	750
Margin, %	1.3	5.0	3.9	6.7	8.6
Home Care & SDA					
Net sales	8,952	8,678	8,958	8,183	7,808
Operating income	309	200	-63	238	431
Margin, %	3.5	2.3	-0.7	2.9	5.5
Professional Products					
Net sales	5,550	6,041	6,546	6,865	7,723
Operating income	510	671	862	954	1,054
Margin, %	9.2	11.1	13.2	13.9	13.7
Other					
Net sales	1	1	—	—	—
Common Group cost, etc.	-1,989	-743	-2,632	-693	-775
Total Group					
Net sales	109,151	112,143	123,511	121,093	120,771
Operating income	1,580	3,581	2,741	6,274	7,407
Margin, %	1.4	3.2	2.2	5.2	6.1

¹⁾ 2017 is restated due to IFRS15.

Non-recurring items in operating income ¹⁾	2013	2014	2015	2016	2017
Major Appliances Europe, Middle East and Africa	-828	-1,212	—	—	—
Major Appliances North America	—	-39 ²⁾	-158 ²⁾	—	—
Major Appliances Latin America	—	-10	—	—	—
Major Appliances Asia/Pacific	-351	-10	—	—	—
Home Care & SDA	-82	—	-190	—	—
Professional Products	—	—	—	—	—
Common Group cost	-1,214	-77 ²⁾	-1,901 ²⁾	—	—
Total Group	-2,475	-1,348	-2,249	—	—

¹⁾ For more information, see Note 7 in the annual reports.

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



Five-year review

SEKM unless otherwise stated	2013	2014	2015	2016	2017 ¹⁾
Net sales	109,151	112,143	123,511	121,093	120,771
Organic growth, %	4.5	1.1	2.2	-1.1	-0.4
Operating income	1,580	3,581	2,741	6,274	7,407
Operating margin, %	1.4	3.2	2.2	5.2	6.1
Income after financial items	904	2,997	2,101	5,581	6,966
Income for the period	672	2,242	1,568	4,493	5,745
Non-recurring items ²⁾	-2,475	-1,348	-2,249	—	—
Capital expenditure, property, plant and equipment	-3,535	-3,006	-3,027	-2,830	-3,892
Operating cash flow after investments	2,412	6,631	6,745	9,140	6,877
Earnings per share, SEK	2.35	7.83	5.45	15.64	19.99
Equity per share, SEK	49.99	57.52	52.21	61.72	71.26
Dividend per share, SEK	6.50	6.50	6.50	7.50	8.30
Capital-turnover rate, times/year	4.0	4.5	5.0	5.8	5.9
Return on net assets, %	5.8	14.2	11.0	29.9	36.0
Return on equity, %	4.4	15.7	9.9	29.4	31.9
Net debt	10,653	9,631	6,407	360	197
Net debt/equity ratio	0.74	0.58	0.43	0.02	0.01
Average number of shares excluding shares owned by Electrolux, million	286.2	286.3	287.1	287.4	287.4
Average number of employees	60,754	60,038	58,265	55,400	55,692

¹⁾ 2017 is restated due to IFRS15.

²⁾ For more information, see table on page 26 and Note 7 in the annual reports.

Financial goals over a business cycle

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

Financial goals

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

Definitions

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

Computation of average amounts and annualized income statement measures

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



Definitions (continued)

Growth measures

Change in net sales

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

Sales growth

Change in net sales adjusted for currency translation effects.

Organic growth

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

Acquisitions

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

Divestments

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

Profitability measures

EBITA

Operating income excluding amortization of intangible assets.

EBITA margin

EBITA expressed as a percentage of net sales.

Operating margin (EBIT margin)

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

Operating margin (EBIT margin) excluding non-recurring items

Operating income (EBIT) excluding non-recurring items, expressed as a percentage of net sales.

Return on net assets

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

Return on equity

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

Capital measures

Net debt/equity ratio

Net debt in relation to total equity.

Equity/assets ratio

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

Capital turnover-rate

Net sales (annualized) divided by average net assets.

Share-based measures

Earnings per share, Basic

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

Earnings per share, Diluted

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

Equity per share

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

Capital indicators

Liquid funds

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

Operating working capital

Inventories and trade receivables less accounts payable.

Working capital

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

Net assets

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

Total borrowings

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

Total short-term borrowings

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

Interest-bearing liabilities

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

Financial net debt

Total borrowings less liquid funds.

Net provision for post-employment benefits

Provisions for post-employment benefits less pension plan assets.

Net debt

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

Other measures

Operating cash flow after investments

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

Non-recurring items

Material profit or loss items in operating income²⁾ which are relevant for understanding the financial performance when comparing income for the current period with previous periods.

¹⁾ See table Net debt on page 9.

²⁾ For more information, see note 7 in the Annual Report 2017.



Shareholders' information

President and CEO Jonas Samuelson's comments on the third quarter results 2018

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

Telephone conference 09.00 CET

A telephone conference is held at 09.00 CET today, October 26. The conference will be chaired by Jonas Samuelson, President and CEO of Electrolux. Mr. Samuelson will be accompanied by Therese Friberg, CFO.

Details for participation by telephone are as follows:

Participants in Sweden should call +46 8 566 426 91

Participants in UK/Europe should call +44 203 008 9811

Participants in US should call +1 855 831 5945

Slide presentation for download:

www.electroluxgroup.com/ir

Link to webcast:

www.electroluxgroup.com/q3-2018

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Calendar 2019

Consolidated results 2018	February 1
Capital Markets Day	March 27
AGM	April 10
Interim report January - March	April 26
Interim report January - June	July 18
Interim report January - September	October 25

This report contains "forward-looking" statements that reflect the company's current expectations. Although the company believes that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations prove to have been correct as they are subject to risks and uncertainties that could cause actual results to differ materially due to a variety of factors. These factors include, but are not limited to, changes in consumer demand, changes in economic, market and competitive conditions, currency fluctuations, developments in product liability litigation, changes in the regulatory environment and other government actions.

Forward-looking statements speak only as of the date they were made, and, other than as required by applicable law, the company undertakes no obligation to update any of them in light of new information or future events.

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Shape living for the better

Electrolux shapes living for the better by reinventing taste, care and wellbeing experiences, making life more enjoyable and sustainable for millions of people. As a leading global appliance company, we place the consumer at the heart of everything we do. Through our brands, including Electrolux, AEG, Anova, Frigidaire, Westinghouse and Zanussi, we sell more than 60 million household and professional products in more than 150 markets every year. In 2017, Electrolux had sales of SEK 122 billion and employed 56,000 people around the world. For more information, go to www.electroluxgroup.com.