

## Transcript of comments to outlook slides in Q1-2024 earnings call

Below follows a transcript from the Q1 2024 earnings call held on April 26, 2024, covering the two slides “Market outlook FY 2024 per region” and “Electrolux business outlook” presented by Jonas Samuelson (“JS”).

### Market Outlook FY 2024

#### Market outlook FY 2024 per region



Electrolux estimates for industry shipments of core appliances, units year-over-year  
Latin America includes the ABC-countries, Asia-Pacific includes, ANZ and SEA.  
Note: Market outlook assumes no significant additional impact from the global geopolitical situation. Presented Apr 26, 2024.  
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*JS:* Looking at the remainder of 2024, the impact of cumulative inflation and elevated interest rates is anticipated to continue to impact demand for a while longer with consumers shifting to lower price points in replacement purchases and postponing purchases in discretionary categories. Forced replacement is expected to continue to be the main demand driver.

However, as inflationary pressure is subsiding and interest rates are expected to slowly come down, we expect demand in major markets to stabilize in the course of the year. As interest rates come down, this is positive for remodeling and new construction, which are key drivers for appliance demand in mature markets like Europe and North America. However, there is always a lag before this shows in demand. In Latin America, the strength of the Brazilian market seen in the latter parts of 2023 continued and was supported by warm weather in the first quarter. Consumer demand in other Latin American markets is mixed.

On back of this we maintain our regional outlook of relatively neutral market demand for appliances in Europe and Asia-Pacific as well as North America in 2024 full-year compared to 2023. For Latin America we revise our outlook from “neutral to “neutral to positive”. In line with our new organizational structure, we have combined the outlook for Europe and Asia-Pacific.

## Electrolux business outlook



Business Outlook <sup>1</sup> y-o-y	FY 2024	Comments
Volume/price/mix <sup>2</sup>	Negative	Driven by price, partly offset by growth in focus categories.
Investments in consumer experience innovation and marketing <sup>3</sup>	Positive SEK 4-5bn, combined	Benefits from the expanded Group-wide cost reduction and North America turnaround program. Benefits mainly weighted towards second half of 2024
Cost efficiency <sup>4</sup>		
External factors <sup>5</sup>	Positive	Primarily driven by lower raw material costs, mitigated by negative currency effects
Capex	SEK 5-6bn	

<sup>1</sup> Business outlook range: Positive – Neutral – Negative, in terms of impact on earnings

<sup>2</sup> Excludes currency related price increases in Argentina and Egypt, which is included in External factors

<sup>3</sup> Comprise of costs of R&D, marketing/brand, connectivity, CRM and aftermarket sales capability, etc.

<sup>4</sup> Efficiencies in variable costs (excl. raw materials, energy, trade tariffs, and labor cost inflation +2%) and structural costs (excl. consumer experience innovation and marketing)

<sup>5</sup> Comprise raw material costs, energy costs, trade tariffs, direct and indirect currency impact and labor cost inflation +2% as well as the net effect of currency development including pricing adjustments in Argentina and Egypt.

Note: Business outlook in the above table excludes non-recurring items. Market and business outlook assume no significant additional impact from the global geopolitical situation

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JS: The business outlook for full-year 2024 provided in the fourth quarter 2023 interim report remains unchanged.

Organic contribution from volume, price and mix combined for the Group is expected to be negative in 2024 full-year driven by negative price. The new market price levels established towards the end of 2023 largely remained in the first quarter. Looking at the phasing of the impact from negative price, we expect the majority of this to impact the first half of the year. This as we last year benefitted from list price increases in that part of the year. However, we anticipate promotional intensity in North America to moderate sequentially throughout the year.

For the full-year, the negative price is anticipated to be partially offset by growth in our focus categories such as premium laundry and kitchen products under our main brands Electrolux, AEG and Frigidaire. The recent investments in new product architectures provides us with a great platform to drive growth in these focus categories going forward, even though the challenging macro environment is a limiting factor. As mentioned previously, we have continued to deliver positive mix even in the recent period of squeezed consumer disposable incomes, and we anticipate to accelerate this further as consumer sentiment recovers and new housing and renovations take a larger share of sales.

We expect External factors to be positive for the year, mainly driven by lower raw material costs. The positive effect to External factors from raw material is however expected to be somewhat mitigated by negative currency effects, mainly related to countries with high inflation, experiencing varying degrees of depreciation in their respective currencies. As mentioned, External factors also comprise the net effect of currency development including pricing adjustments in Argentina and Egypt.

We continue to successfully execute on the substantially expanded cost-reduction activities previously outlined in response to the increasing competitive pressure and weak market. We still have much work to do to meet this year's ambitious target of savings of SEK 4-5bn, but the target is in sight. As previously communicated, the positive earnings impact from the simplified structure and measures to reduce product cost is expected mainly in the second half of the year.

Investments to strengthen our competitiveness through innovation, automation and modularization continue in 2024 and total capital expenditures are estimated to be around 5-6 billion SEK.

### ***Factors affecting forward-looking statements***

This transcript contains "forward-looking" statements presented in the Q1 2024 interim report and earnings call held on April 26, 2024, 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, supply and production constraints, 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.