



Q2 Results 2021 presentation

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Q2 Highlights

Strong growth and innovation momentum

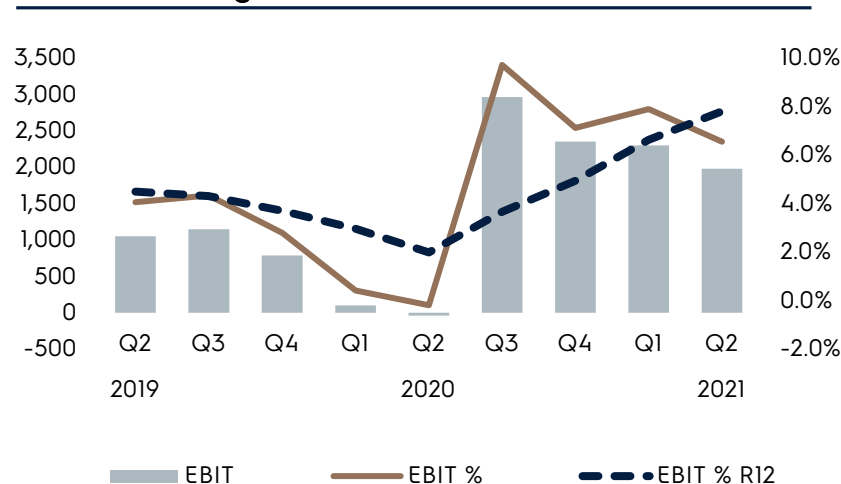
- Continued favorable markets
- Significant volume increase
- Positive price and mix development
- Aftermarket sales growth

Organic contribution driving EBIT

- Strong contribution from volume/price/mix
- Price offset headwind from external factors
- Logistics and supply constraints
- Cost efficiency gains
- Investments in innovation and marketing

| SEKm | Q2 2021 | Q2 2020 | Change |
|----------------|---------|---------|---------|
| Net sales | 30,303 | 23,476 | 29.1% |
| Organic growth | 39.1% | -16.6% | 55.7pts |
| Acquisitions | 0.2% | 0.0% | 0.2pts |
| Currency | -10.2% | -3.1% | -7.1pts |
| EBIT | 1,983 | -62 | N/A |
| Margin | 6.5% | -0.3% | 6.8pts |

EBIT and margin*



*Excluding non-recurring items (NRI) and currency adjusted.



Sales and EBIT Bridge



| SEKm | Q2 2020 | Volume/ price/mix | Innovation/ marketing ¹ | Cost efficiency ² | External factors ³ | Acq/Divest. | Q2 2021 |
|------------------------|---------|----------------------|---------------------------------------|---------------------------------|----------------------------------|-------------|---------|
| Net Sales | 23,476 | 8,507 | | | -1,729 | 48 | 30,303 |
| Growth % | | 39.1% | | | -10.3% | 0.2% | 29.1% |
| EBIT | -62 | 3,203 | -701 | 72 | -527 | 0 | 1,983 |
| EBIT % | -0.3% | | | | | | 6.5% |
| Accretion/ Dilution | | 10.1 pts | -2.2 pts | 0.2 pts | -1.3 pts | 0.0 pts | |

¹ Investments in consumer experience innovation and marketing, comprise of costs for R&D, marketing/brand, connectivity, CRM, aftermarket sales capability etc.

² Efficiencies in variable costs (excl. raw material, trade tariffs and labor cost inflation >2%) and structural costs (excl. consumer experience innovation and marketing).

³ Comprise of raw material costs, trade tariffs as well as direct and indirect currency impact and labor cost inflation >2%. Currency translation amounted to SEK 21m on EBIT and -10,2% on net sales..

Earnings contribution from price/mix



| Business Area | Price/mix | Comments for Q2 |
|--------------------------------------|-----------|---|
| Europe | Positive | Positive product/brand mix, slightly positive price |
| North America | Positive | Strong price execution and positive mix |
| Latin America | Positive | Strong price execution and positive mix |
| Asia-Pacific, Middle East and Africa | Positive | Positive price and favorable mix driven by launches |
| Group EBIT % accretion | 5.0% | |

Driving sustainable consumer experience innovation



Enhancing competitiveness in Brazil

- Plant investment for greater efficiency and flexibility
- Market leadership through sharpened offering in growing two-door refrigerator segment
- Greater resource efficiency – in production and in product usage

Successful launch of high-end top load washer in Egypt

- Latest technology with less wear & tear
- Campaign reaching 5 million on social media
- +~4% pts volume market share after one quarter

Strengthened air purifier position in Europe

- +9% pts value market share (Q1 2021 vs Q1 2020)
- 4.9 consumer star rating
- Customized and sustainable materials



Operating Cash Flow



| SEKm | Q2 2021 | Q2 2020 |
|---|---------|---------|
| EBIT | 1,983 | -62 |
| D/A and other non-cash items | 1,191 | 1,258 |
| Change in operating assets and liabilities | -403 | -51 |
| Investments in intangible and tangible assets | -1,292 | -1,080 |
| Changes in other investments | -23 | 57 |
| Cash flow after investments* | 1,456 | 122 |

*Before acquisitions and divestments

Capital structure review



- Adjusted dividend policy of approximately 50% of annual income
- Proposed automatic share redemption of SEK 17 per share
- Intention to resolve on share buybacks over time

Europe

High organic growth

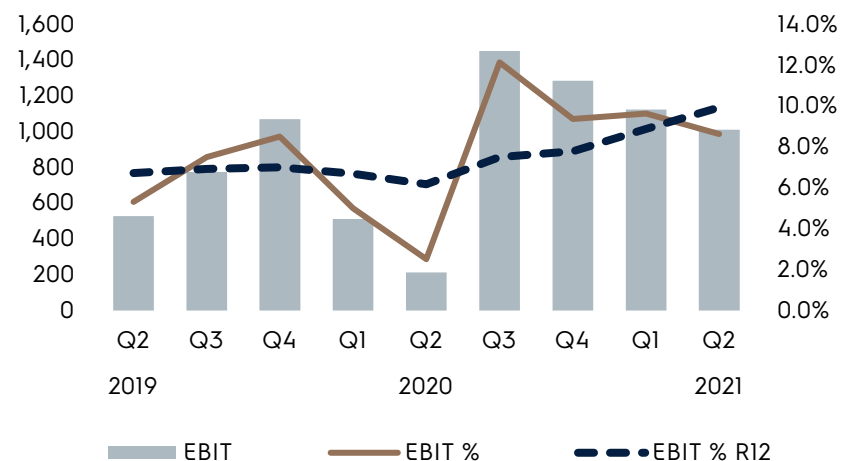
- Mix improvements across innovation areas Taste/Care/Wellbeing
- Value market share gain, driven by premium brands
- Implementing price increases
- Significant volume growth

Strong EBIT

- Strong volume/price/mix contribution
- Continuous cost improvements offset higher logistics cost
- Increased costs from external factors
- Investments in innovation and marketing

| SEKm | Q2 2021 | Q2 2020 | Change |
|----------------|---------|---------|---------|
| Net sales | 11,721 | 8,888 | 31.9% |
| Organic growth | 37.3% | -14.2% | 51.5pts |
| Currency | -5.5% | -1.0% | -4.5pts |
| EBIT | 1,013 | 244 | N/A |
| Margin | 8.6% | 2.8% | 5.9pts |

EBIT and margin*

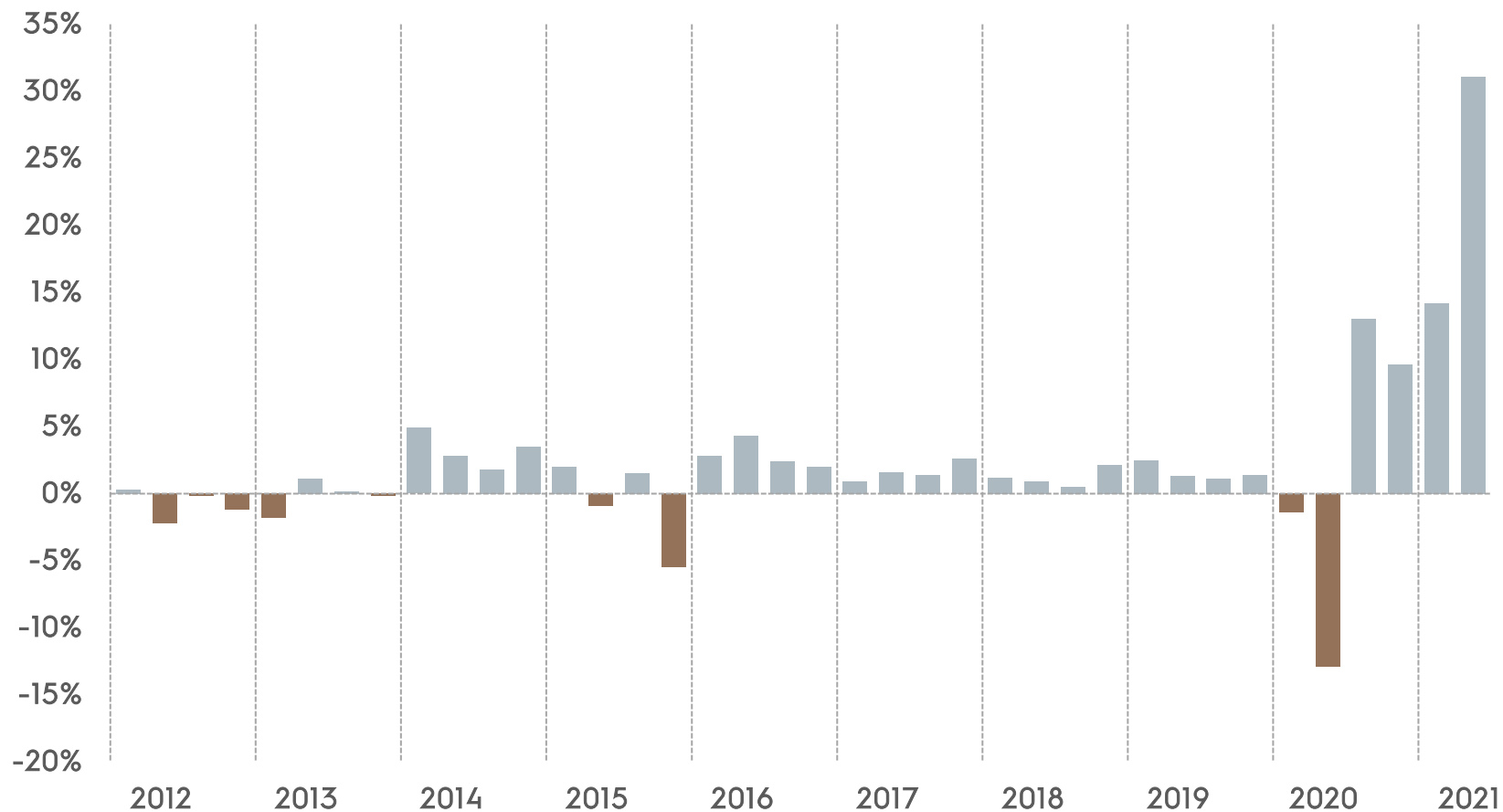


*Excluding non-recurring items (NRI) and currency adjusted.



European Core Appliances Market

Total European shipments, quarterly unit comparison y-o-y



Source: Electrolux estimates



North America

High growth in a very favorable market

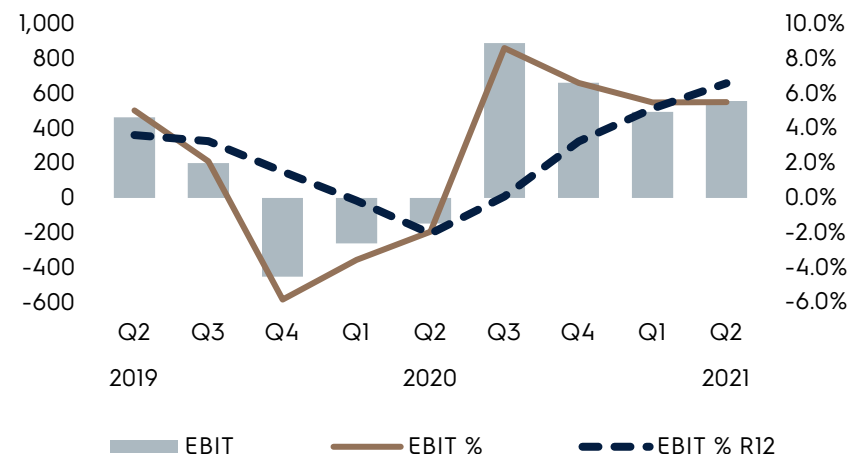
- Growth from all three levers volume/price/mix
- Increased sales of high-value products
- Strong price development

EBIT impacted by supply constraints

- Significant organic contribution
- Electronic component shortages limiting production
- Increased production efficiency compensating higher costs for logistics and sourcing
- Price offset headwind from external factors
- Increased brand building investments

| SEKm | Q2 2021 | Q2 2020 | Change |
|----------------|---------|---------|----------|
| Net sales | 10,132 | 8,537 | 18.7% |
| Organic growth | 33.7% | -17.9% | 51.6pts |
| Currency | -15.0% | 1.2% | -16.2pts |
| EBIT | 558 | -173 | N/A |
| Margin | 5.5% | -2.0% | 7.5pts |

EBIT and margin*



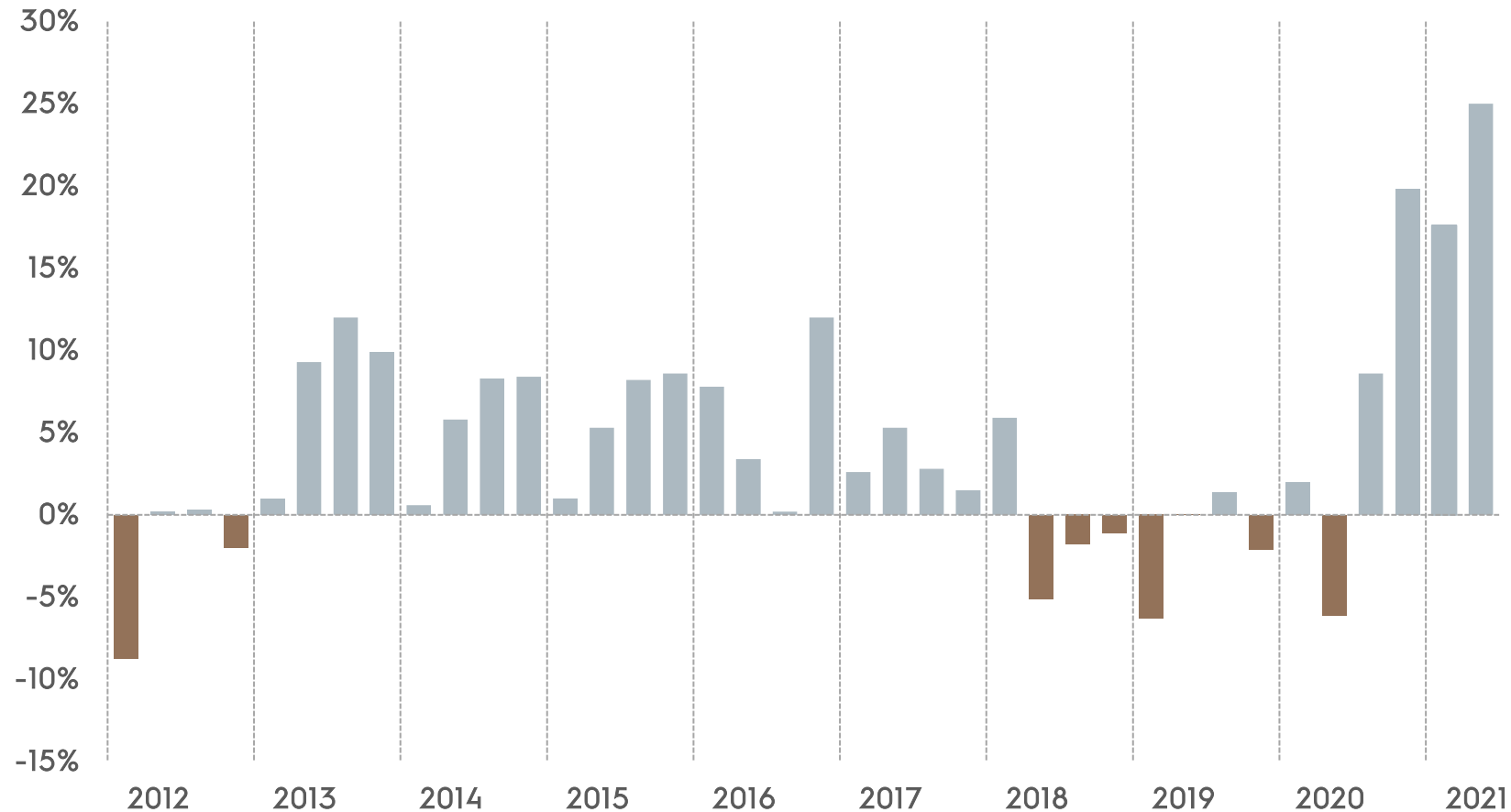
*Excluding non-recurring items (NRI) and currency adjusted.



U.S. Core Appliances Market



U.S. shipments, quarterly unit comparison y-o-y



*Source: Based on the AHAM Factory Shipment Report. Q2 2021 is comparison of weeks between April 4 - July 3, 2021, vs April 5 - July 4, 2020. Consistent to historical methodology. Core appliances includes AHAM 6 (Washers, Dryers, Dishwashers, Refrigerators, Freezers, Ranges and Ovens) and Cooktops.



Latin America

Strong price and mix development

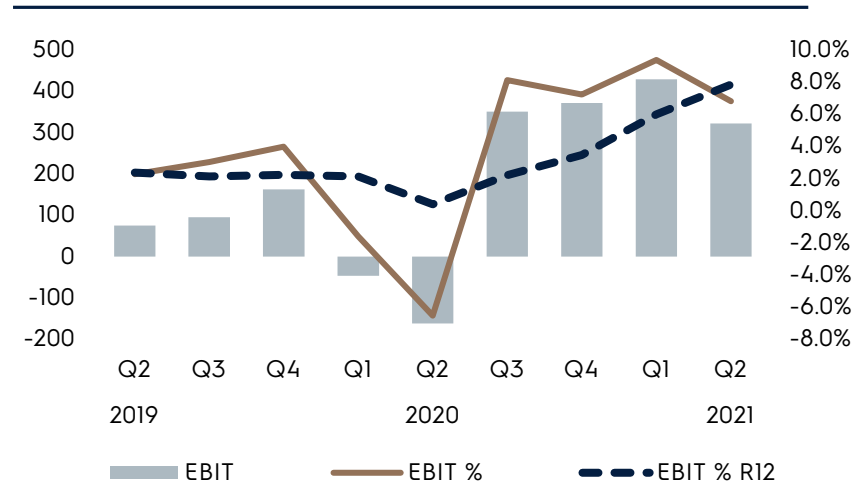
- Increased net price and positive mix
- Continued aftermarket sales growth
- Higher volumes across regions
- Positive markets with prevailing uncertainty

Strong organic contribution

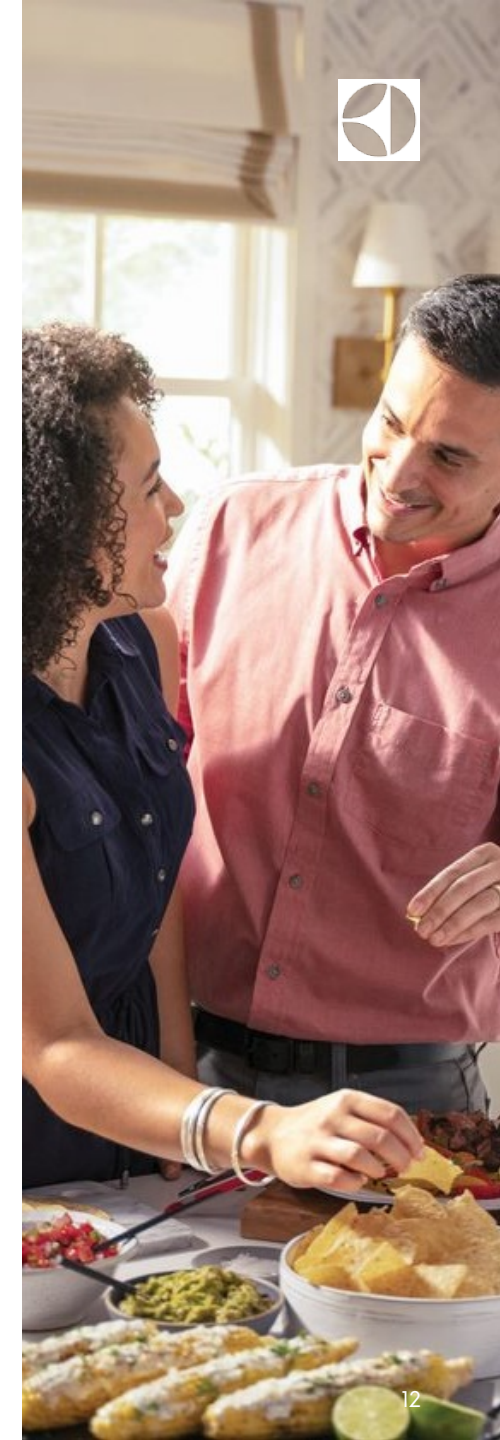
- Favorable impact from volume/price/mix
- Price offset headwind from external factors
- Brand strengthening investments

| SEKm | Q2 2021 | Q2 2020 | Change |
|----------------|---------|---------|----------|
| Net sales | 4,782 | 2,822 | 69.4% |
| Organic growth | 90.4% | -24.2% | 114.6pts |
| Currency | -20.9% | -17.2% | -3.8pts |
| EBIT | 327 | -183 | N/A |
| Margin | 6.8% | -6.5% | 13.3pts |

EBIT and margin*



*Excluding non-recurring items (NRI) and currency adjusted.



Asia-Pacific, Middle East and Africa

Executing on price and mix

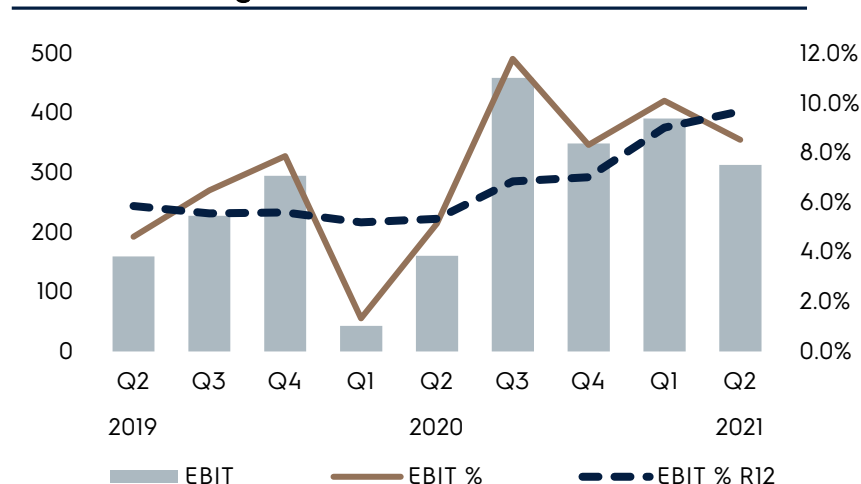
- Increased overall market demand, more restrictions towards end of Q2
- Positive volume/price/mix
- Continued aftermarket sales growth

Improved EBIT

- Strong organic contribution
- Price offset headwind from external factors
- Increased logistic costs
- Investments in marketing supporting product launches

| SEKm | Q2 2021 | Q2 2020 | Change |
|----------------|---------|---------|---------|
| Net sales | 3,668 | 3,230 | 13.6% |
| Organic growth | 16.3% | -10.9% | 27.2pts |
| Acquisitions | 1.5% | 0.0% | 1.5pts |
| Currency | -4.2% | -1.3% | -2.9pts |
| EBIT | 312 | 159 | 96.4% |
| Margin | 8.5% | 4.9% | 3.6pts |

EBIT and margin*



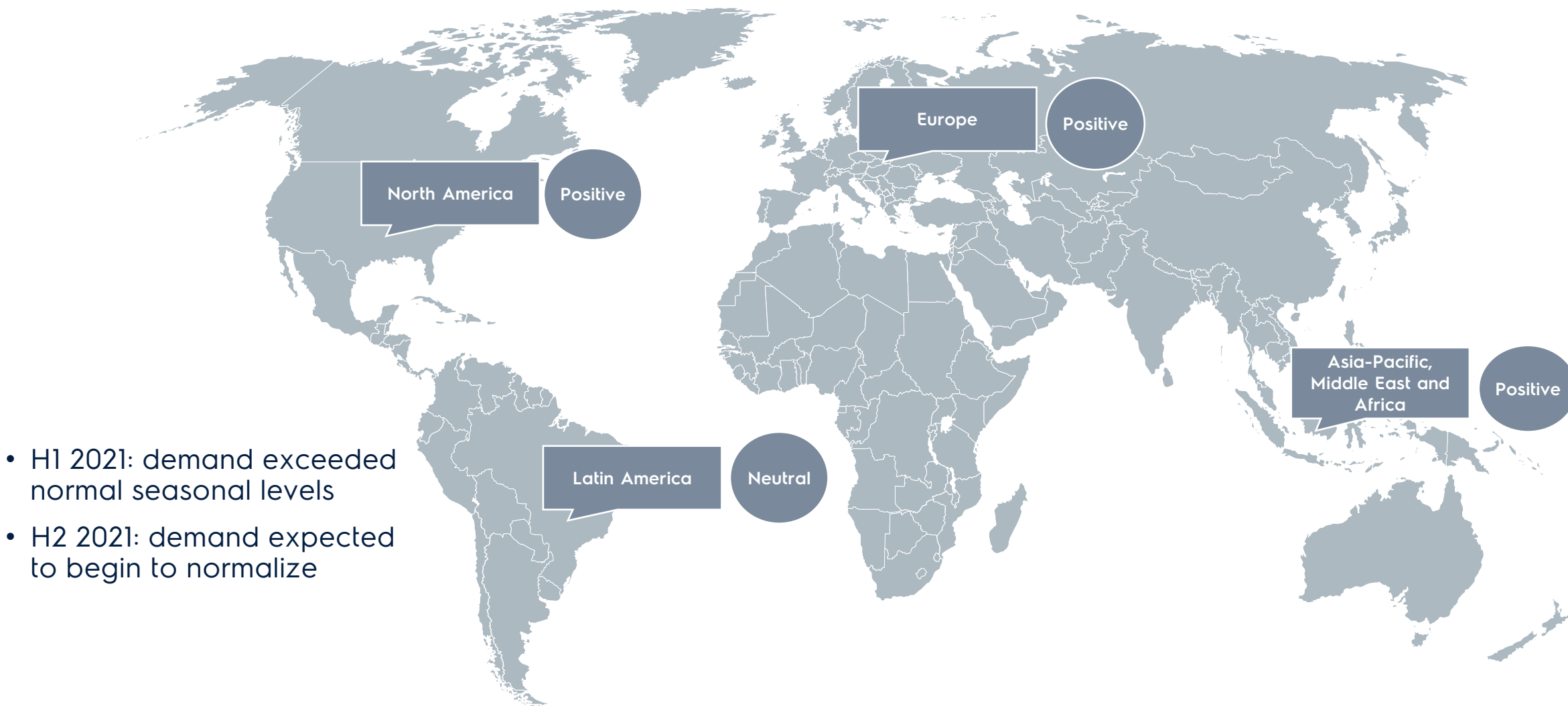
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Outlook and summary

Market outlook FY 2021 per region



- H1 2021: demand exceeded normal seasonal levels
- H2 2021: demand expected to begin to normalize

- Electrolux estimates for industry shipments of core appliances, units year-over-year
- Latin America includes the ABC-countries, Asia-Pacific, Middle East and Africa includes, ANZ, SEA and MEA.
- Note: Market outlook assumes no additional major restrictions due to the coronavirus pandemic.

Electrolux business outlook



| Business Outlook ¹ y-o-y | FY 2021 | Comments |
|--|------------------------|---|
| Volume/price/mix | Positive | Driven by all three components |
| Net cost ² | Negative | |
| Investments in consumer experience innovation and marketing ³ | Negative | Higher investments in innovation, marketing and digitalization of consumer interaction. Low level in 2020 due to pandemic |
| Cost efficiency ⁴ | Positive | Continuous cost improvements and progress of re-engineering program main drivers. Further pressure on logistics and sourcing costs. |
| External factors ⁵ | Negative SEK 3.0-3.5bn | Primarily from raw material costs |
| Capex | SEK 6-7bn | |

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

² Net cost is the sum of “Investments in consumer experience innovation and marketing” and “Cost efficiency”.

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

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

⁵ Comprise of raw material costs, trade tariffs as well as direct and indirect currency impact and labor cost inflation >2%. Currency translation effects are estimated to impact 2021 net sales by -6% and operating income by SEK -400m.

Note: Business outlook in the above table excludes non-recurring items and assumes no significant additional impact from the coronavirus pandemic.

Well positioned to create value

Financial targets for profitable growth*

OPERATING
MARGIN

≥6%

RONA**

>20%

SALES
GROWTH

≥4%

Strategic drivers executed in Q2:

- Mix improvements driven by product innovations/premium brands
- Strong execution on price
- Continued aftermarket sales growth
- Agile way of working to minimize impact from supply constraints



Driving sustainable
consumer experience
innovation



Increasing efficiency
through digitalization,
automation and
modularization

Solid balance sheet facilitates
profitable growth

* Financial targets are over a business cycle

** Return on net assets

Factors affecting forward-looking statements



This presentation 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, 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.



Q & A



Well positioned to create value

Financial targets for profitable growth*

OPERATING
MARGIN

≥6%

RONA**

>20%

SALES
GROWTH

≥4%



Driving sustainable
consumer experience
innovation



Increasing efficiency
through digitalization,
automation and
modularization

Solid balance sheet facilitates
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** Return on net assets

Strategic drivers executed in Q2:

- Mix improvements driven by product innovations/premium brands
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Electrolux