



Q2 Results 2022 presentation

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Q2 Highlights

Flat organic sales

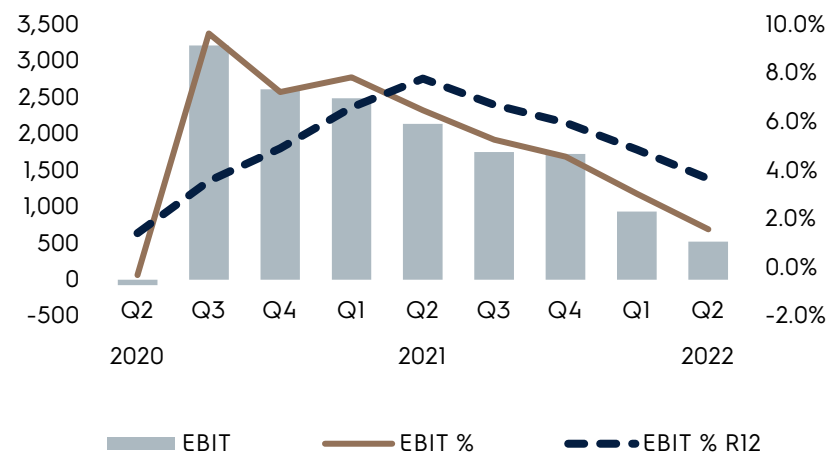
- Continued strong price execution
- Positive mix through product launches and optimized component allocation
- Production volume losses
- Lower demand

Production constraints hit EBIT

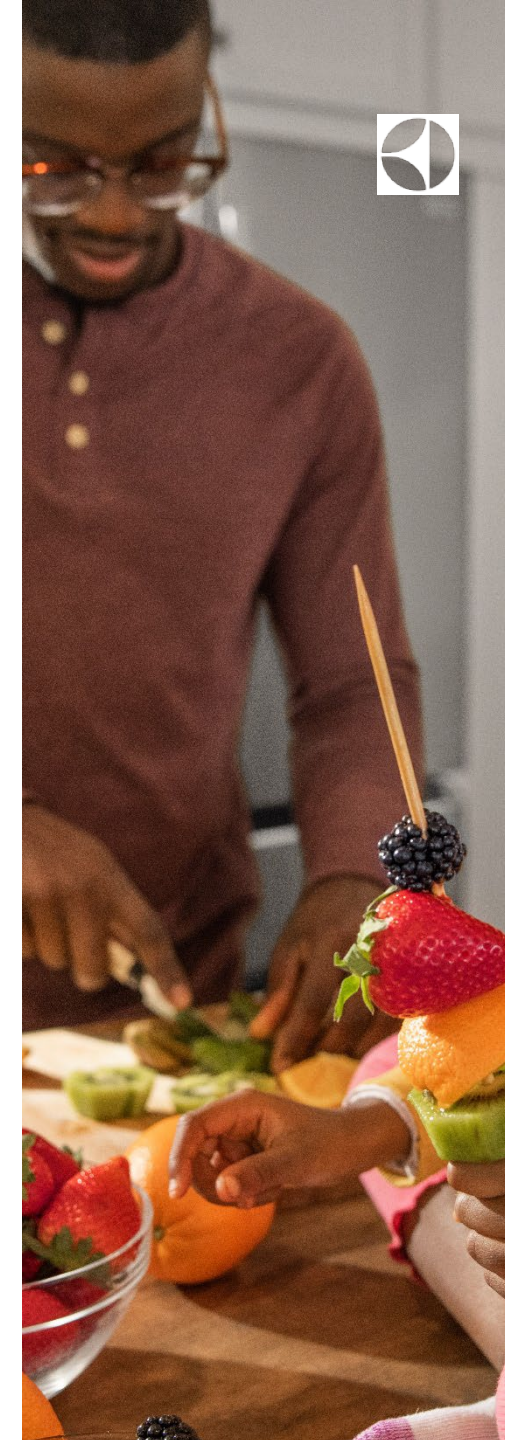
- Volume decline
- Production inefficiencies
- High cost for airfreight and spot buys
- Price offset significant cost inflation, mainly in raw material and logistics

SEKm	Q2 2022	Q2 2021	Change
Net sales	33,749	30,303	11.4%
Organic growth	0.3%	39.1%	-38.8pts
Acquisitions	0.1%	0.2%	-0.1pts
Currency	11.0%	-10.2%	21.2pts
EBIT	560	1,983	-71.8%
Margin	1.7%	6.5%	-4.9pts

EBIT and margin*



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



Sales and EBIT Bridge



SEKm	Q2 2021	Volume/ price/mix	Innovation/ marketing ¹	Cost efficiency ²	External factors ³	Acq/Divest.	Q2 2022
Net Sales	30,303	102			3,311	33	33,749
Growth %		0.3%			11.0%	0.1%	11.4%
EBIT	1,983	2,645	-159	-1,245	-2,644	-21	560
EBIT %	6.5%						1.7%
Accretion/ Dilution		8.7 pts	-0.5 pts	-4.1 pts	-8.9 pts	0.1 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 208m on EBIT and 11.0% on net sales.

Earnings contribution from price/mix



Business Area	Q2	Comments
Europe	Positive	Strong price, positive mix
North America	Positive	Strong price, flat mix
Latin America	Positive	Strong price, positive mix
Asia-Pacific, Middle East and Africa	Positive	Strong price, positive mix
Group EBIT % accretion	13.1%	

Driving sustainable consumer experience innovation



Driving expansion across Africa and the Middle East

- Strengthened water heater range, maximizing comfort, safety, and hygiene
- Improved resource efficiency lowers cost for the consumer
- First launch in Egypt, receiving 4.9 in consumer star rating
- Launches in several countries until 2023, including Morocco and Libya



Leveraging global fridge platform in Asia Pacific

- New Electrolux kitchen range launched in Australia and New Zealand in Q2 2022
- Launch continues across the region
- Multi-door refrigerator based on global modularized product platform
- Produced in Thailand, also exported to North America



Operating Cash Flow



SEKm	Q2 2022	Q2 2021
EBIT	560	1,983
D/A and other non-cash items	1,875	1,191
Change in operating assets and liabilities	-533	-403
Investments in intangible and tangible assets	-1,699	-1,292
Changes in other investments	201	-23
Cash flow after investments*	404	1,456

*Before acquisitions and divestments

Europe

Volume-driven sales decline

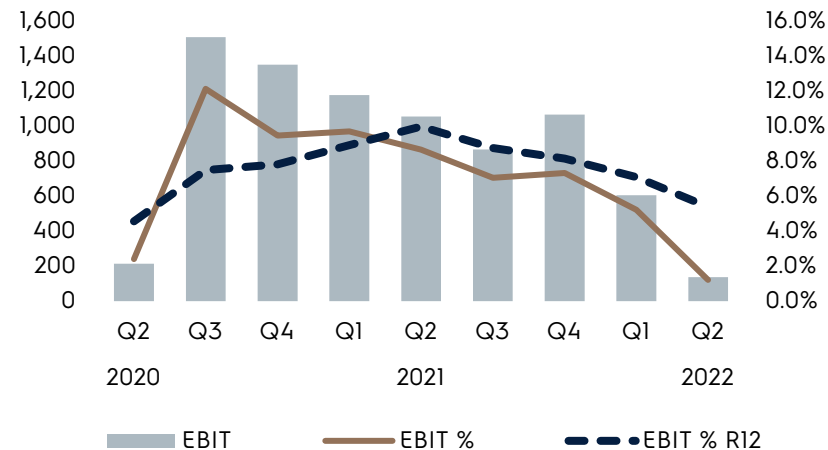
- Supply constraints impacted product availability, especially laundry
- Continued strong price execution
- Positive mix through focus on premium brands and products

EBIT drop due to lack of components

- Substantial volume decline
- Price largely offset significant cost inflation
- New list price increases implemented during Q2
- Continued high cost for spot buys and airfreight

SEKm	Q2 2022	Q2 2021	Change
Net sales	11,345	11,721	-3.2%
Organic growth	-7.7%	37.3%	-45.1pts
Acquisitions	0.3%	0.0%	0.3pts
Currency	4.2%	-5.5%	9.7pts
EBIT	142	1,013	-86.0%
Margin	1.2%	8.6%	-7.4pts

EBIT and margin*

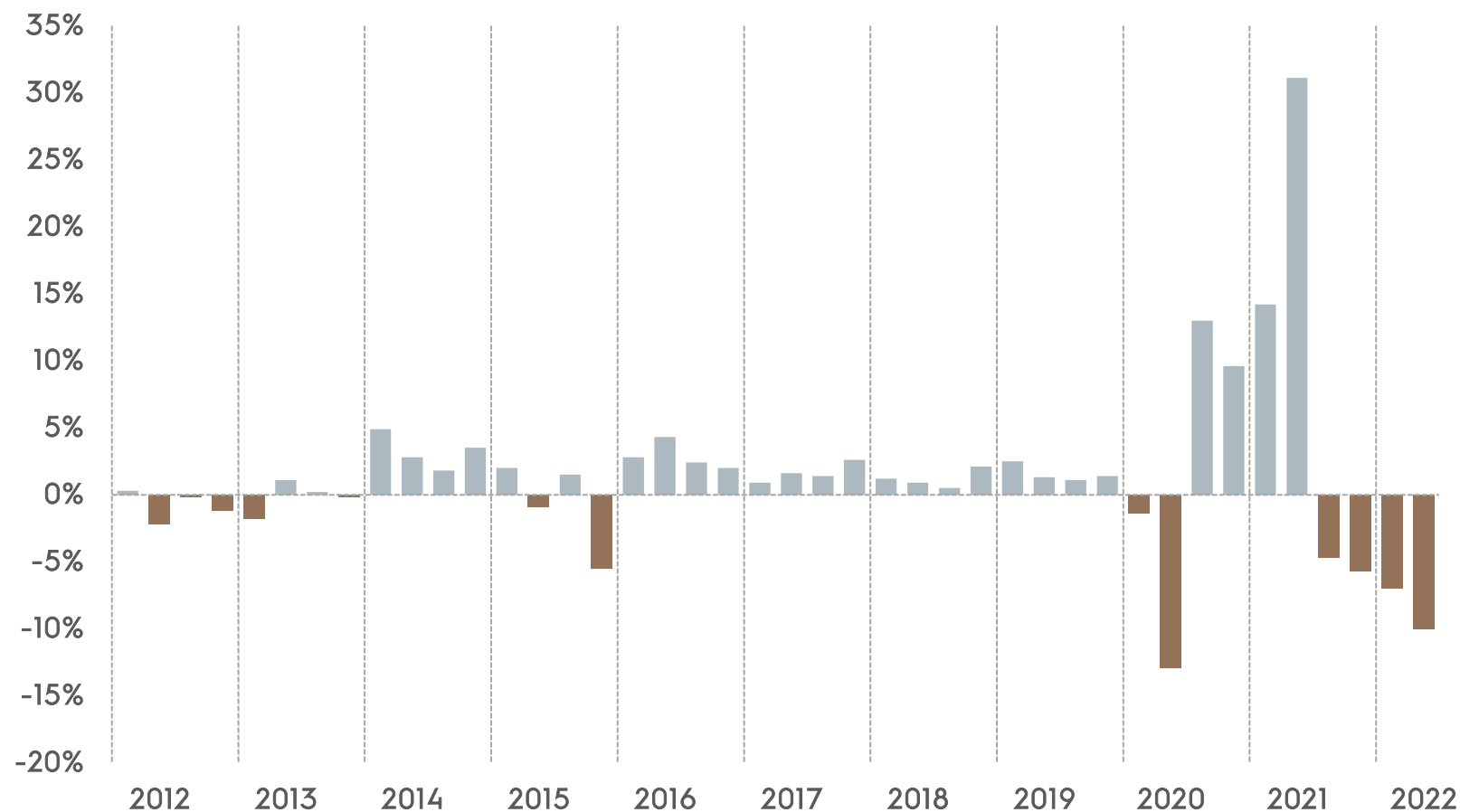


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European Core Appliances Market

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



Source: Electrolux estimates



North America

Slight organic sales growth

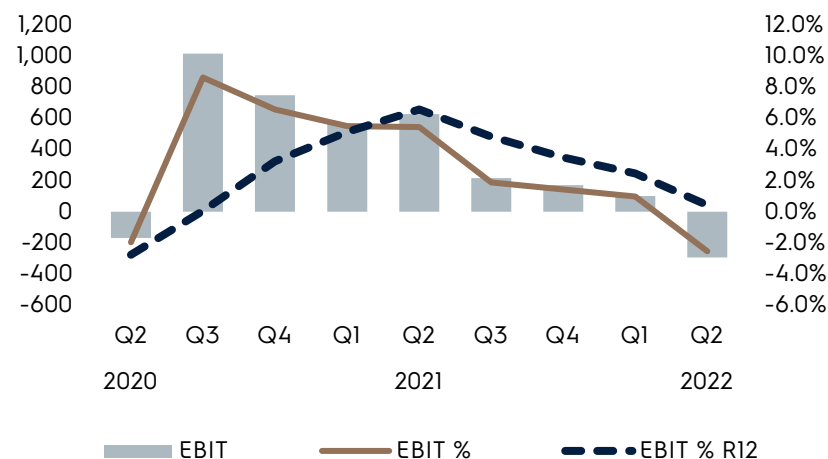
- List price increases
- Supply chain and labor constraints resulted in lower volumes

EBIT loss

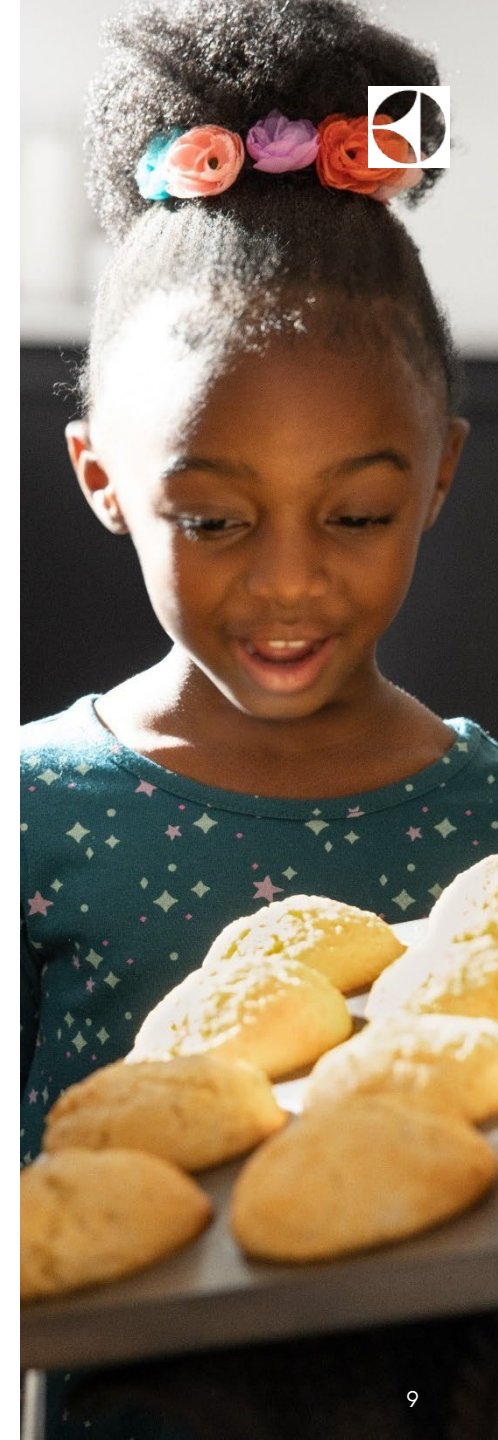
- Irregular supply and labor shortages caused lower production volumes and inefficiencies
- Continued high costs for spot buys and airfreight
- Faulty component issue fixed in Q2
- Flat mix through optimized component allocation, despite constraints
- Price offset significant cost inflation

SEKm	Q2 2022	Q2 2021	Change
Net sales	11,905	10,132	17.5%
Organic growth	0.7%	33.7%	-33.0pts
Currency	16.8%	-15.0%	31.8pts
EBIT	-270	558	N/A
Margin	-2.3%	5.5%	-7.8pts

EBIT and margin*

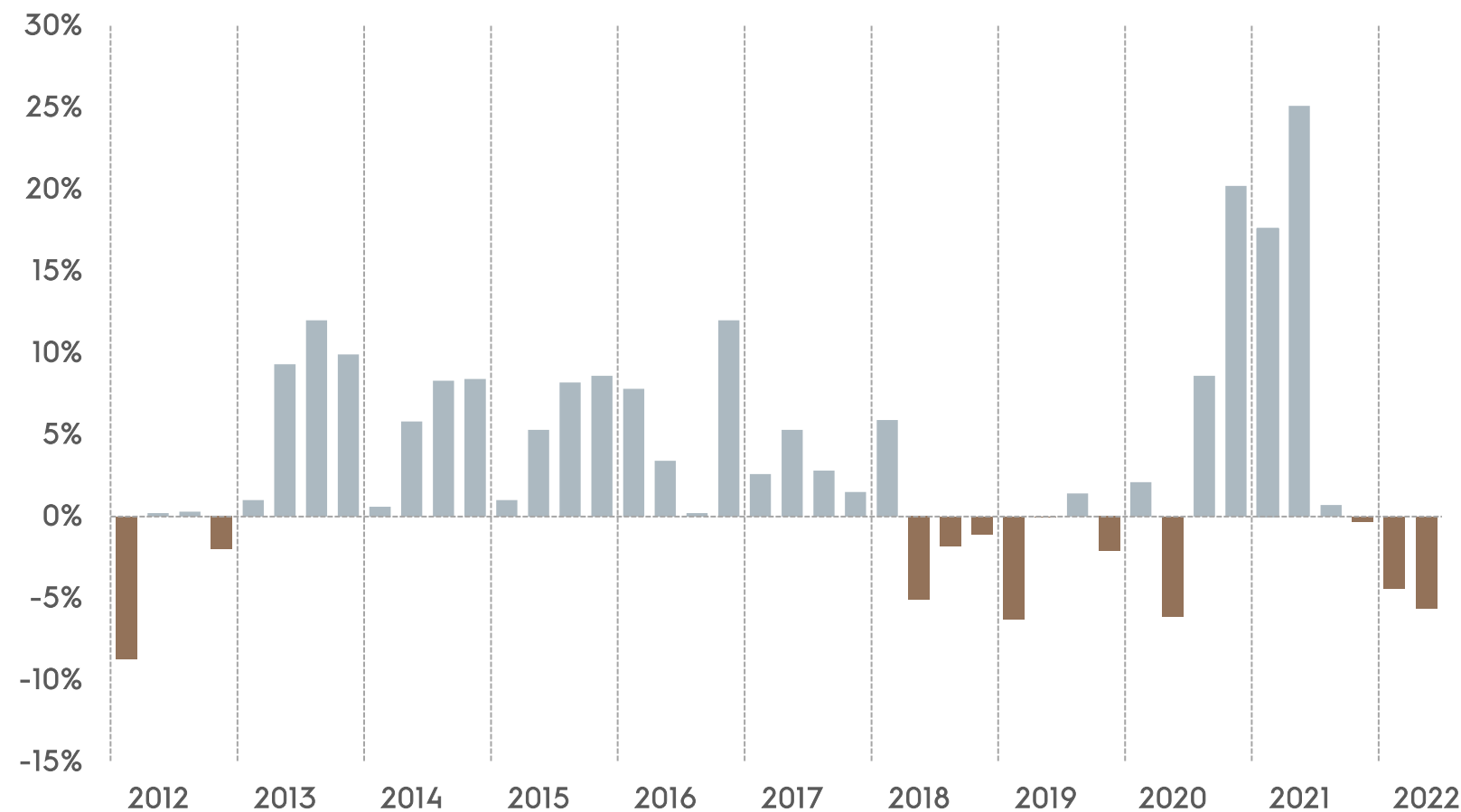


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U.S. Core Appliances Market

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



*Source: Based on the AHAM Factory Shipment Report. Q2 2022 is a comparison of weeks between April 3 - July 2, 2022, vs April 4 - July 3, 2021. Core appliances include AHAM 6 (Washers, Dryers, Dishwashers, Refrigerators, Freezers, Ranges, and Ovens) and Cooktops.



Latin America

Organic sales growth

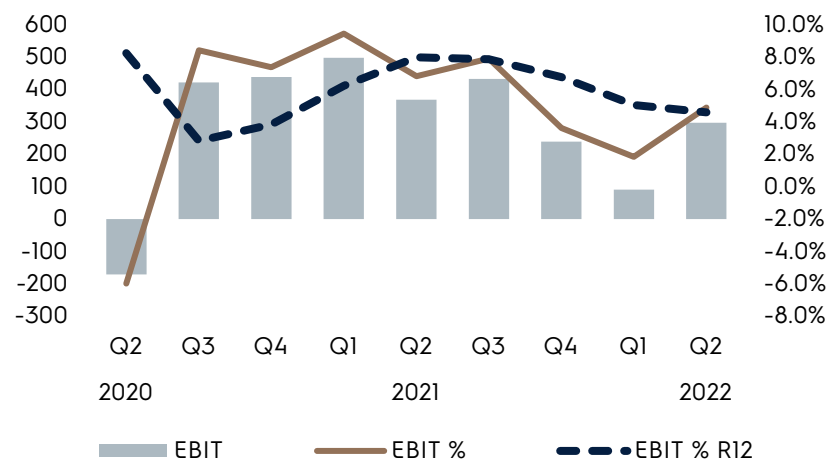
- Decreased consumer demand in Brazil and Chile, while up in Argentina
- Continued strong price execution
- Positive mix through successful product launches and improved product availability
- Volume decline

EBIT impacted by lower volumes

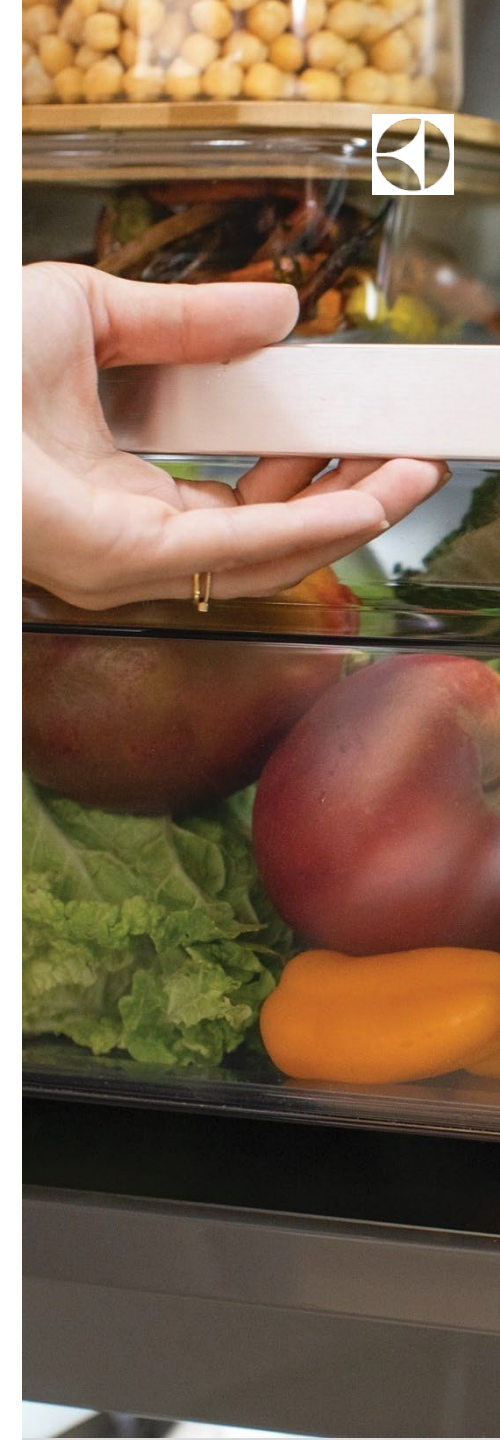
- Price offset high cost inflation
- Announced price increases to be implemented in Q3
- Investments in strategic consumer innovation increased

SEKm	Q2 2022	Q2 2021	Change
Net sales	6,268	4,782	31.1%
Organic growth	12.9%	90.4%	-77.5pts
Currency	18.2%	-20.9%	39.1pts
EBIT	303	327	-7.3%
Margin	4.8%	6.8%	-2.0pts

EBIT and margin*



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



Asia-Pacific, Middle East and Africa

Organic sales growth

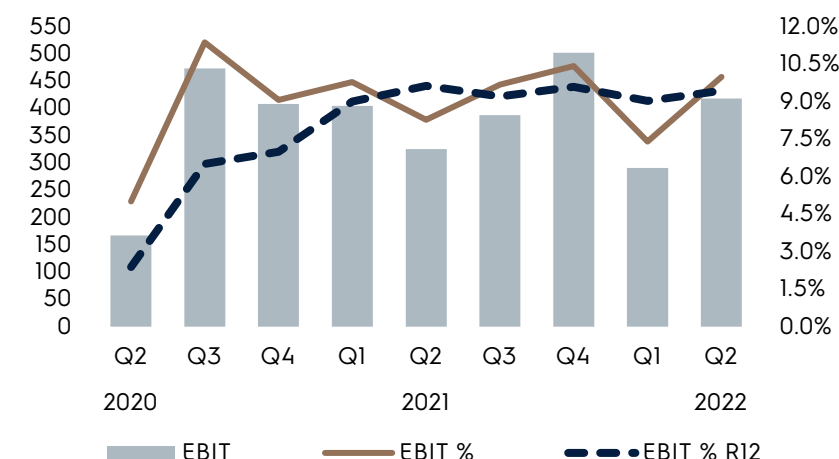
- Continued strong market demand
- Strong price execution
- Favorable mix driven by product launches
- Lower volumes due to supply constraints, even if situation improved vs. Q1

SEKm	Q2 2022	Q2 2021	Change
Net sales	4,231	3,668	15.3%
Organic growth	6.4%	16.3%	-9.9pts
Acquisitions	0.0%	1.5%	-1.5pts
Currency	9.0%	-4.2%	13.2pts
EBIT	426	312	36.6%
Margin	10.1%	8.5%	1.6pts

Strong profitability

- Solid top-line contribution despite impact from supply chain constraints on volume and mix
- Price offset significant cost inflation, including currency headwinds
- Continuous cost improvements

EBIT and margin*



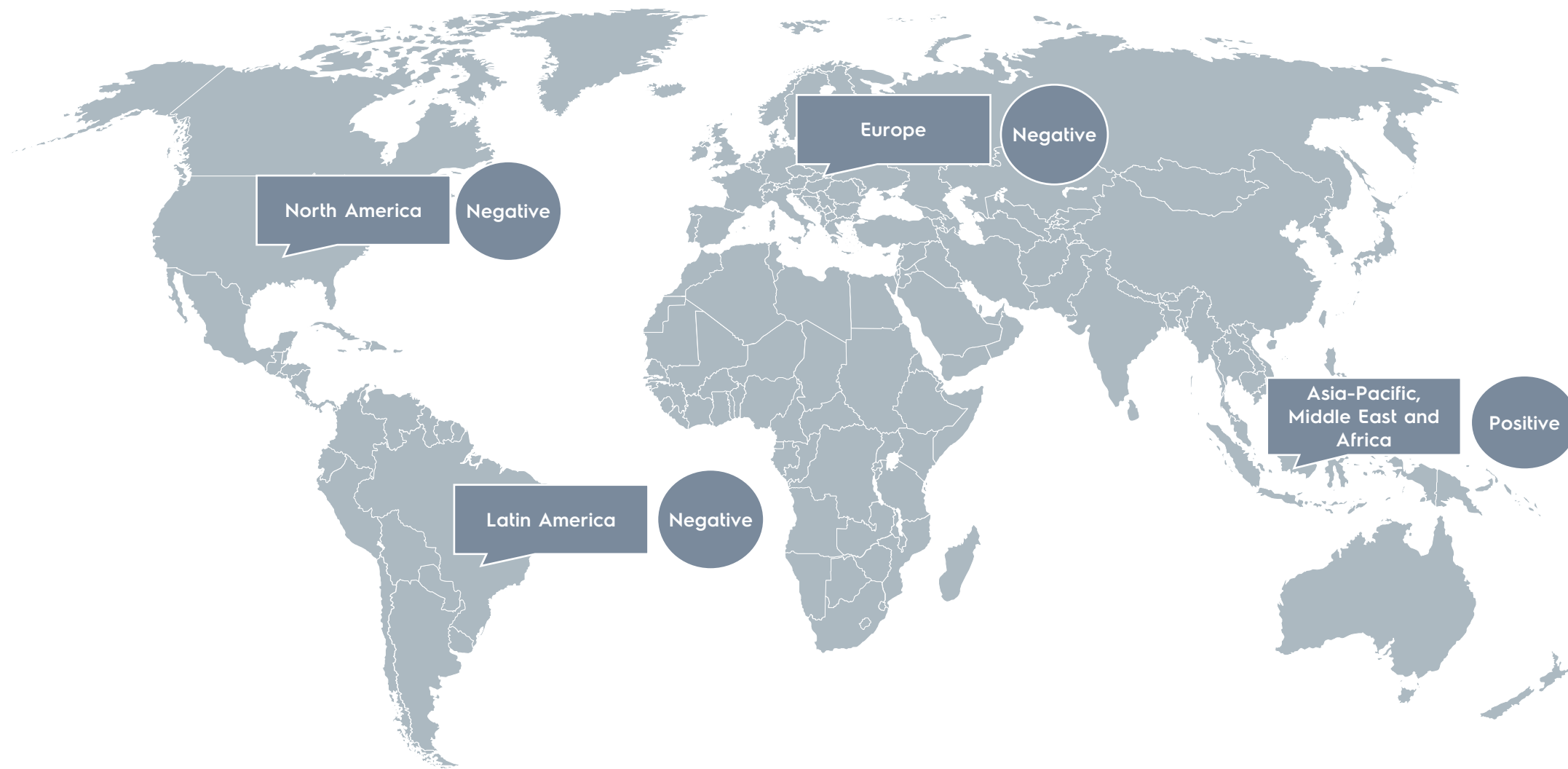
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Outlook and summary

Market outlook FY 2022 per region



- 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 significant additional impact from the coronavirus pandemic or the global geopolitical situation.

Electrolux business outlook



Business Outlook ¹ y-o-y	FY 2022	Comments
Volume/price/mix	Volume/mix - negative	Increased sales of innovative high margin products and aftermarket solutions almost compensate lower volumes
	Price – offsetting cost inflation ²	Price offset cost inflation, mainly in raw material, logistics and sourcing of finished goods
Investments in consumer experience innovation and marketing ³	Negative	Higher investments in innovation, marketing and digitalization of consumer interaction.
Cost efficiency ⁴	Negative	Mainly driven by cost inflation on logistics, sourcing of finished goods and components, as well as by production inefficiencies.
External factors ⁵	Negative SEK 8-10bn	Primarily from raw material costs.
Capex	SEK 7-8bn	

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

² Cost inflation comprise of “External factors” and cost inflation in sourcing of finished goods, electronic components and logistics. The three latter are included in “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 2022 net sales by +10% and operating income by SEK +700m.

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

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
profitable growth

Strategic drivers executed in Q2:

- Strong execution on price
- Mix improvements despite supply chain constraints
- Strong product range, with successful new launches
- Agile and flexible short term, while progressing on long-term strategy

* 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*

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MARGIN

≥6%

RONA**

>20%

SALES
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≥4%

Strategic drivers executed in Q2:

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Increasing efficiency
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Electrolux