



Innovation is a key pillar in creating value

Capital Markets Update 2020

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.

Welcome



15:00 Innovation is a key pillar in creating value
Jonas Samuelson, President and CEO AB Electrolux

Delivering profitable growth through innovation
Anna Ohlsson-Leijon, Head of Business Area Europe, Executive Vice President AB Electrolux

Increasing return through consumer experience design
Simon Bradford, Design VP, Business Area Europe

Building stronger brands to accelerate profitable growth
Thorsten Brandt, SVP Marketing Business Area Europe

16:00 Q&A

16:40 Capital Markets Update closes

Today's team



Jonas Samuelson

President and CEO AB Electrolux

Jonas Samuelson has been employed and part of Electrolux Group Management since 2008. Jonas is also Board Member of Volvo Car AB, Polygon AB and Axel Johnson AB. Previous senior positions: CFO of AB Electrolux, COO Global Operations Major Appliances and Head of Major Appliances EMEA. Chief Financial Officer and Executive Vice President of Munters AB. Various senior positions within General Motors, mainly in the U.S., and Saab Automobile AB.



Anna Ohlsson-Leijon

Head of Business Area Europe

Executive Vice President AB Electrolux

Anna Ohlsson-Leijon has been part of Electrolux Group Management since 2016. She joined Electrolux in 2001. Anna is also Board Member of Alfa Laval AB. Previous senior positions are: Chief Financial Officer of AB Electrolux, CFO of Major Appliances EMEA and Head of Electrolux Corporate Control & Services, Chief Financial Officer of Kimoda and various positions within PricewaterhouseCoopers.



Simon Bradford

VP Design, Business Area Europe

Simon Bradford has been with the Electrolux Group since 2009 when he was hired to head up the global design organization for Floor Care and Small Domestic Appliances. In 2014 he moved to Major Appliances to head up the design function for Business Area Europe. Prior to joining Electrolux, Simon worked for Philips, Sony and Nokia.

Today's team



Thorsten Brandt

SVP Marketing, Business Area Europe

Thorsten Brandt has been part of the Electrolux European Leadership team since January 2019 in his role as Head of Marketing for Europe. Prior to joining Electrolux, Thorsten worked in various senior marketing and general management roles at Procter & Gamble and Safilo S.p.A.



Sophie Arnius

Head of Investor Relations

Sophie Arnius joined Electrolux in 2018 as Head of Investor Relations. Prior to joining Electrolux, she was Head of Investor Relations at Boliden and BillerudKorsnäs. Sophie has a background from Corporate Finance, including being Partner at Catella Technology.



Innovation is a key pillar in creating value

Jonas Samuelson, President and CEO, AB Electrolux

Innovation is a key pillar in creating 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

* Financial targets are over a business cycle

** Return on net assets

Well positioned with a clear consumer and sustainability focus



 **63%**

of consumers are willing to pay up to **15% more** for a better experience

 **2/3**

of global consumers are willing to pay more for sustainable goods



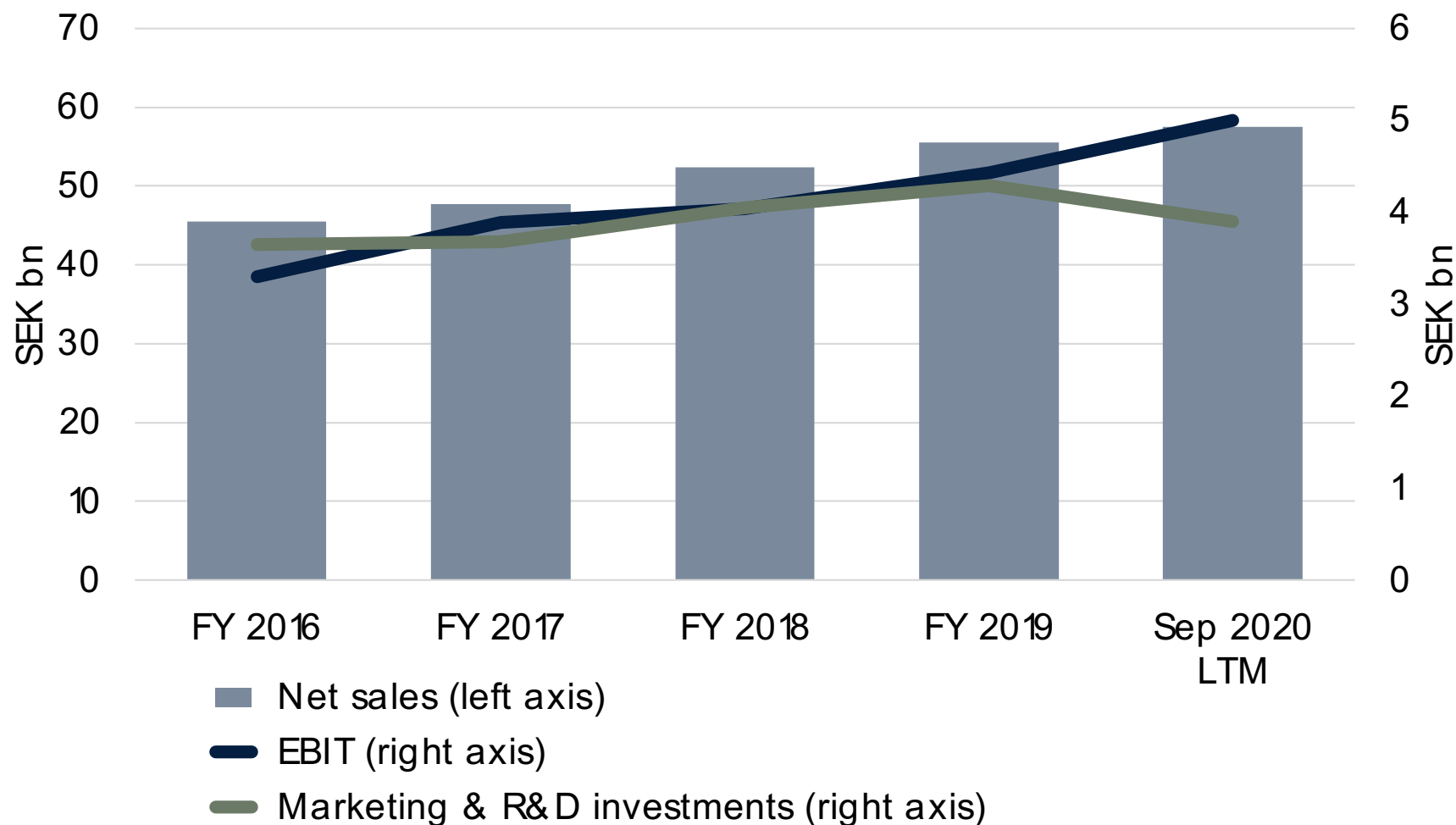
The consumer is in charge

We drive profitable growth by being the preferred partner



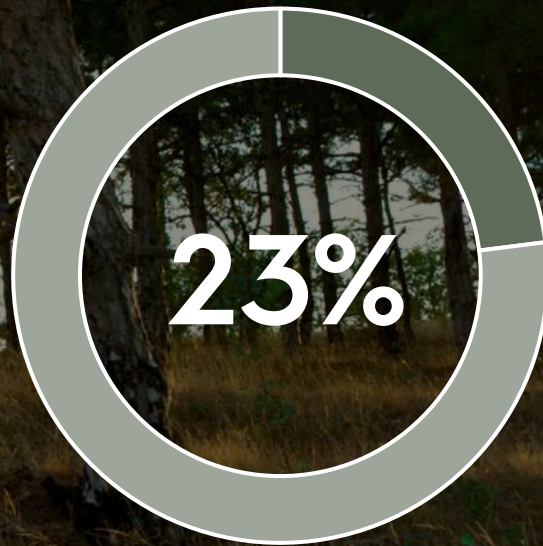
$$\begin{array}{c} \text{Consumer intent to purchase} \\ = \\ \frac{\text{Desirable experience} + \text{Brand relevance}}{\text{Price}} \end{array}$$

Innovation has resulted in growth and higher profit for our premium brands Electrolux and AEG

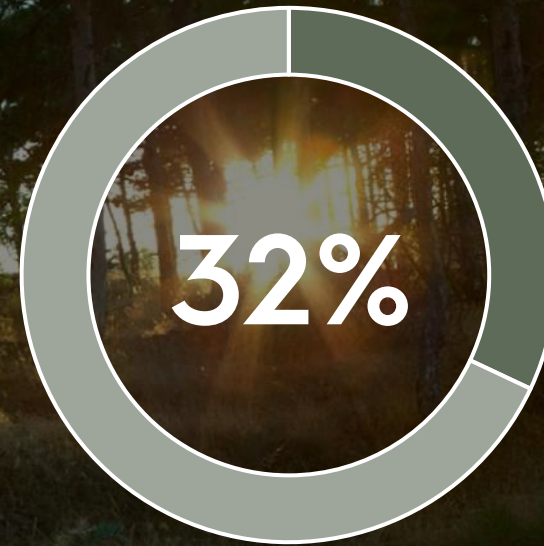


Note: Data currency adjusted.

Our most resource-efficient products have a higher margin



Share of volume*



Share of profit*

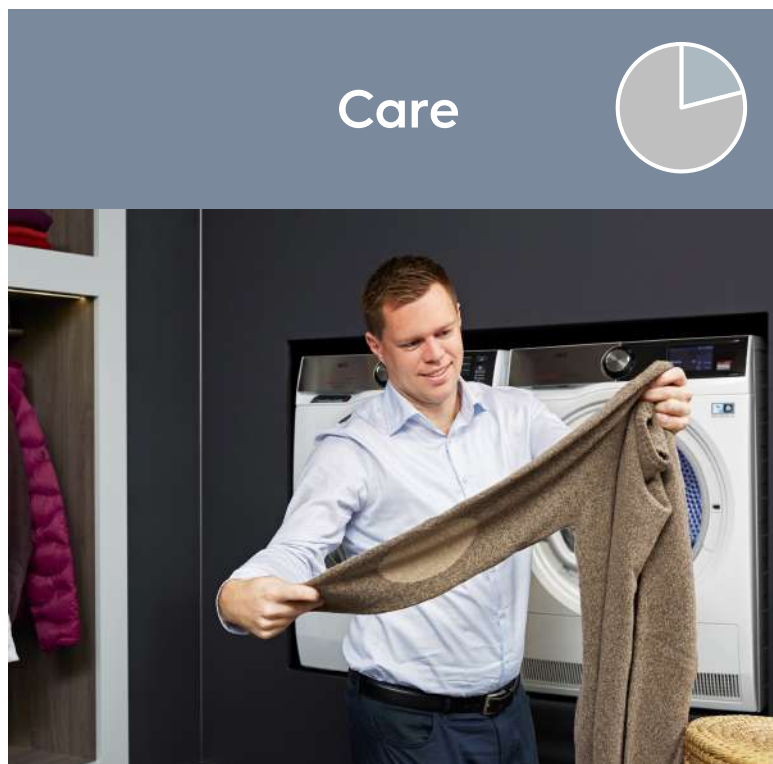
* Percent from total volume and gross profit in 2019 Electrolux Group

Note: Resource efficient products that meet strictly defined technical specifications and conform to local standards for high efficiency.

Three clear innovation areas



Driving growth and improving margins



Graphs: Breakdown of Group sales 2019

Innovation area Taste



Differentiators:

- Right taste and texture
- Inspired and delighted by new culinary techniques
- Minimum food waste
- Healthy, fresh and nutritious

Qualifiers:

- Even and consistent results
- Easy to clean and maintain
- Control and interaction
- Size, materials and core technologies



Successfully targeting premium cooking market with Frigidaire AirFry cooker



Key differentiator:

Healthy, fresh & nutritious

10%

premium freestanding cooking market share

75%

higher gross margin vs traditional cookers

4.4

star rating

Note: Star ratings based on rolling 6 months data until August 2020. Market share as per H1 2020.

Strong growth in premium care with Electrolux PerfectCare 800/900 washers in Europe



Key differentiator:

Holds size & shape, vibrant, wrinkles free

0.3 pts

increased market share premium care*

22%

sales growth

4.7

star-rating

Note: Electrolux PerfectCare 800/900 front-load washers. Market share and net sales growth based on 9M 2020 vs 9M 2019. Star ratings based on rolling 6 months data until Oct 2020 for Electrolux PerfectCare 800 front-load washers.

* Price index >130

Strengthening position in attractive cordless segment in Korea with Electrolux PureQ9



Key differentiator:

Visual appeal,
impact of
sound, healthy
environment

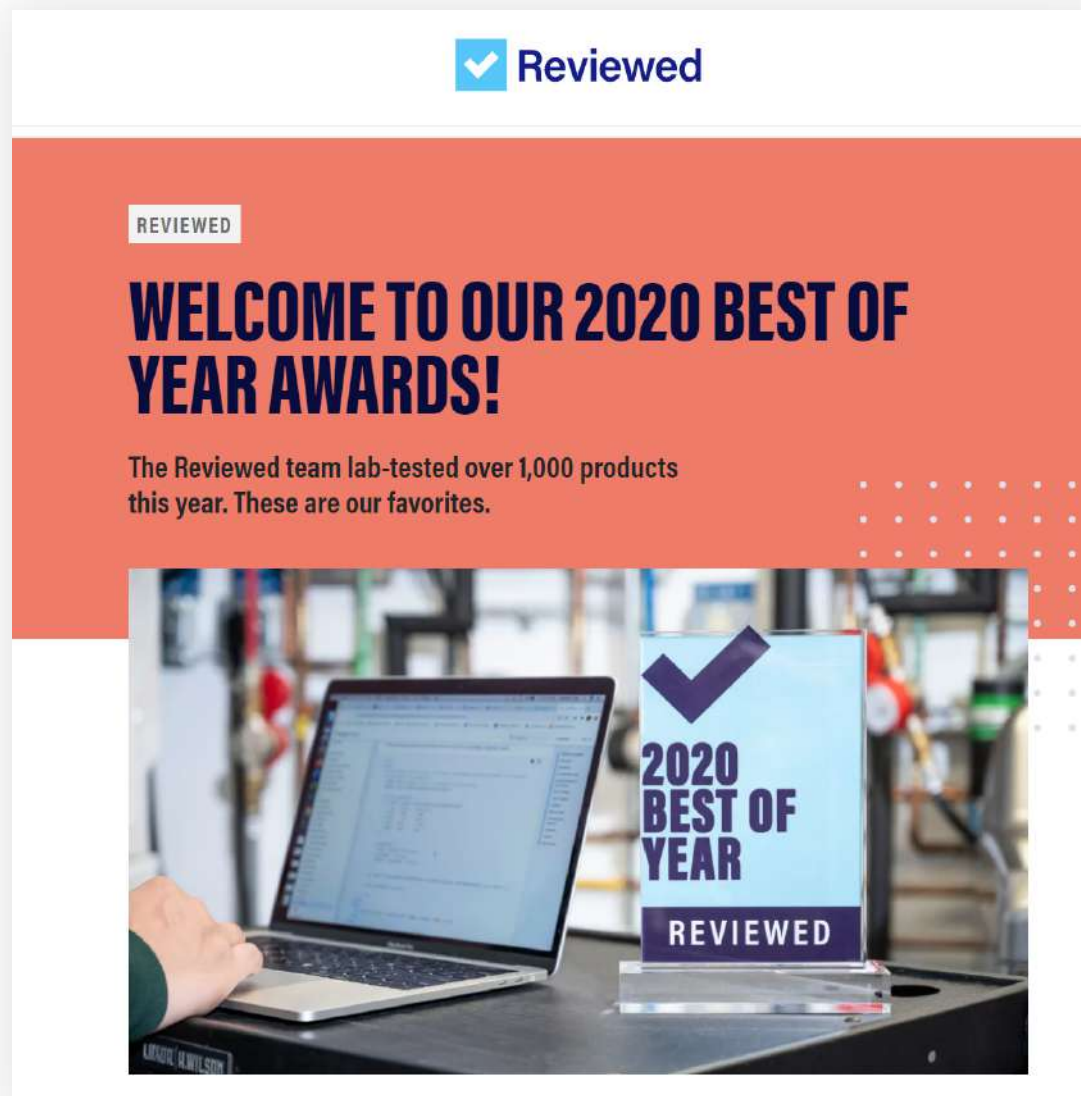
2.1 pts
increased
market share

4.6
star-rating

71%
sales growth within
cordless premium
category

Note: Star ratings based on rolling 3 months data until August 2020. Market share and sales growth based on 9M 2020 vs 9M 2019. Market share data is for cordless premium.

Recognition for innovation investments in North America



Recognition for innovation investments in North America



BEST INDUCTION RANGE

✓ Reviewed



BEST INDUCTION RANGE

Frigidaire Gallery FGIH3047VF

The single-oven Frigidaire FGIH3047VF range is the **best induction range** we've tested thanks to its quick boil times, great temperature control, and useful settings. It covers all your basic cooking needs, as well as some not-so-basic ones—special features like true convection and air fry add something extra. [Read the full review.](#)

BEST REFRIGERATOR

✓ Reviewed



BEST REFRIGERATOR

Frigidaire Gallery FG4H2272UF

The Frigidaire Gallery FG4H2272UF has it all: beauty, brawn, and value. As a French-door model, it is quite affordable while still offering superior storage space and nifty features like an adjustable deli drawer that can also double as a wine chiller or freezer. The **best refrigerator** we've tested, the FG4H2272UF showed us it's a workhorse as well, boasting above-average performance in keeping a consistent temperature and humidity retention. [Read the full review.](#)

Recognition for innovation investments in North America



BEST ELECTRIC RANGE

✓ Reviewed



BEST ELECTRIC RANGE

Electrolux EI30EF45QS

The freestanding Electrolux EI30EF45QS **electric range** has a lot going for it. Its sleek looks and versatile cooktop are definite crowd pleasers. The five-cooktop burners include two simmer burners, a warming zone burner, one normal burner, and one tri-ring burner that features very tight temperature controls. Plus, the oven has a built-in meat probe and hosts a number of useful cooking/baking modes. [Read the full review.](#)

BEST FRONT-LOAD WASHER

✓ Reviewed



BEST FRONT-LOAD WASHER

Electrolux EFLS627UTT

The Electrolux EFLS627UTT front-load washer stands as one of the **best front-load washers** on the market. One reason? It is the world's first washer to have a special place for detergent pods in the drawer, allowing for even distribution of soap. However, this washer also is powerfully competent at removing stains and efficient cycles; it managed to do a solid stain-removal job in both the 46-minute-long Normal cycle as well as a quick 15-minute-long wash time. [Read the full review.](#)

BEST DRYER

✓ Reviewed



BEST DRYER

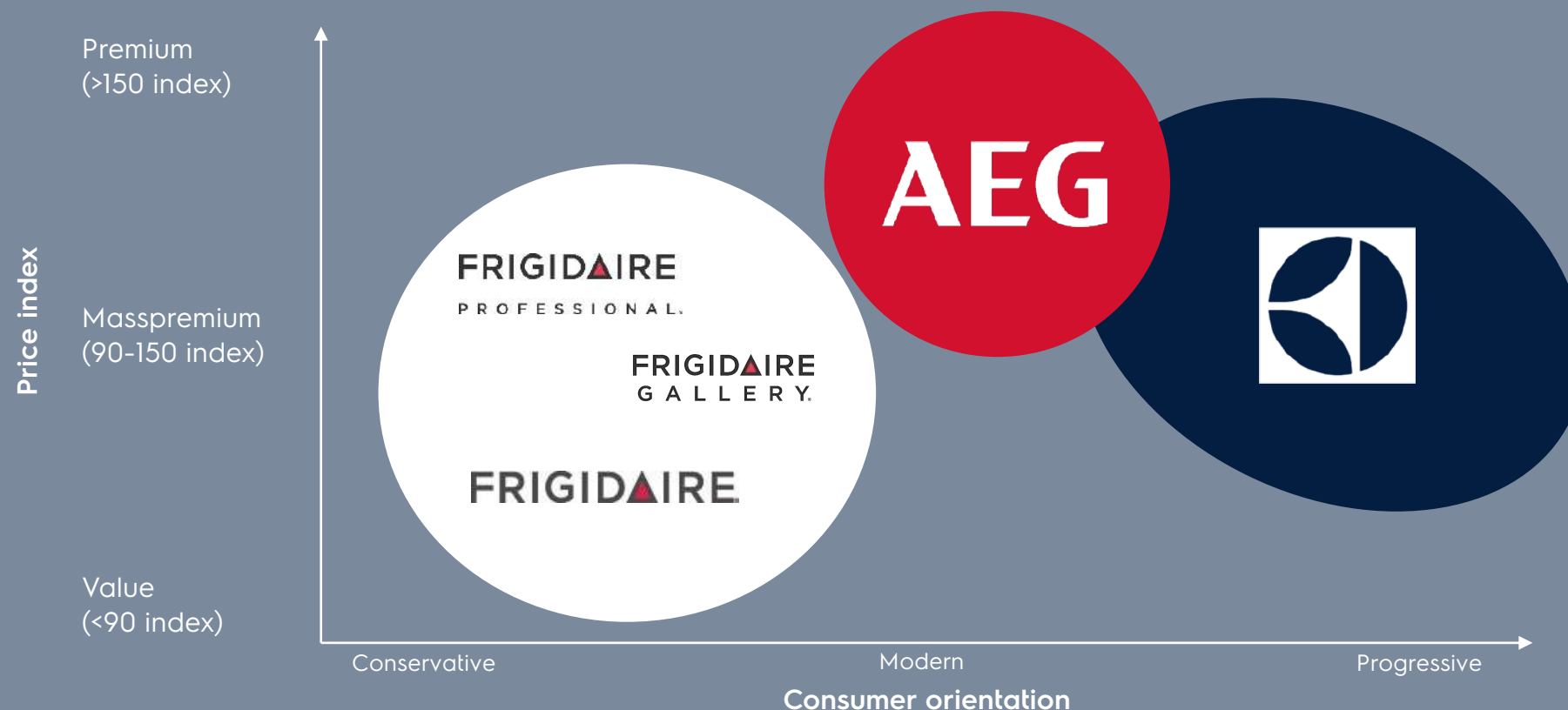
Electrolux EFME627UTT

The Electrolux EFME627UTT represents the perfect balance between cycle times and cycle temperatures, getting clothes dry in as little as 15 minutes with temperatures that never got hot enough to damage clothes. This **dryer** is great-looking, has simple controls, and is rich with cycles and options, including Perfect Steam, which can help to relax any wrinkles away. [Read the full review.](#)

Three main brands with distinctive target consumers and potential to attract a larger audience



3 main brands represent ~80% of Group Gross Profit



A high-angle photograph of an industrial manufacturing environment. In the foreground, a large orange KUKA robotic arm is positioned on a metal platform. The background shows a complex network of metal frames, safety railings, and various industrial components. A worker in a blue uniform is visible in the upper right, working on a higher level of the machinery. The overall scene depicts a modern, automated production facility.

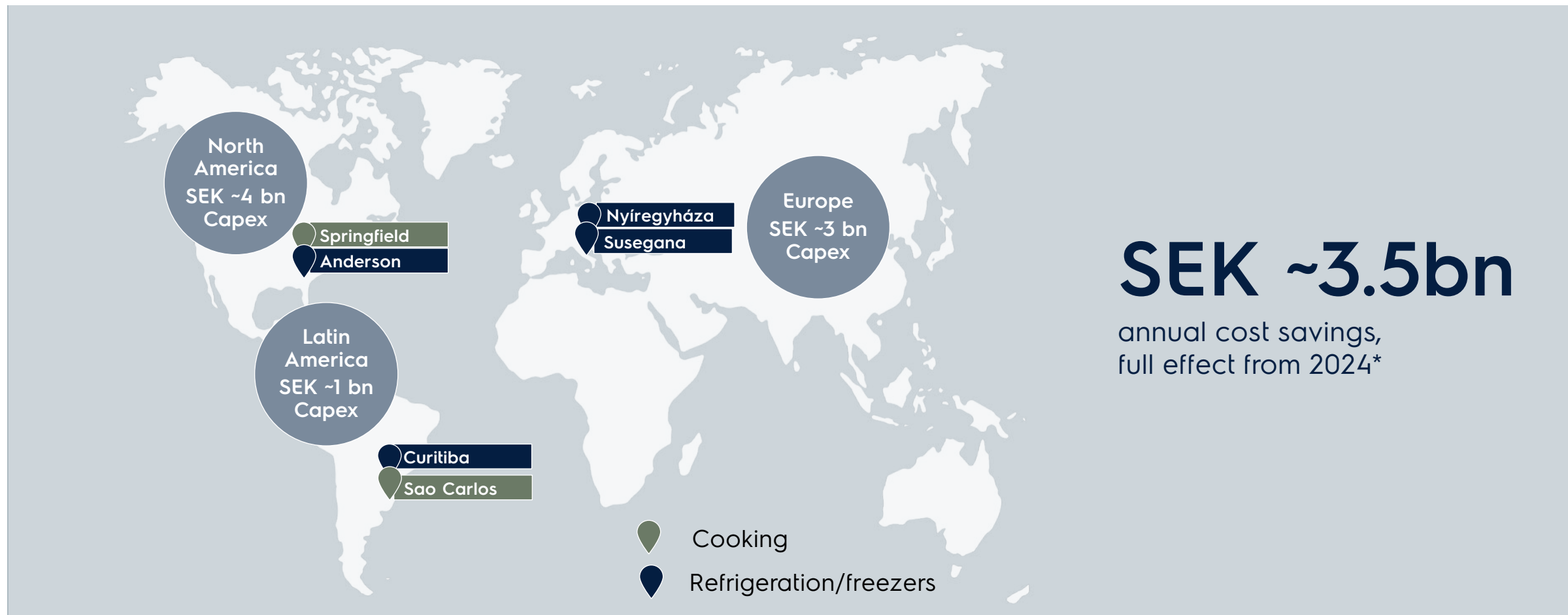
Cost competitive, high quality products are also vital to drive profitable growth



Benefits from modularized products in automated production

- Sharpened offering with more relevant features at a lower cost
- Leveraging and accelerating global technologies to increase innovation speed
- Best-in-class product design and quality

We are executing on our SEK 8bn global re-engineering investments to reduce costs and drive mix improvement

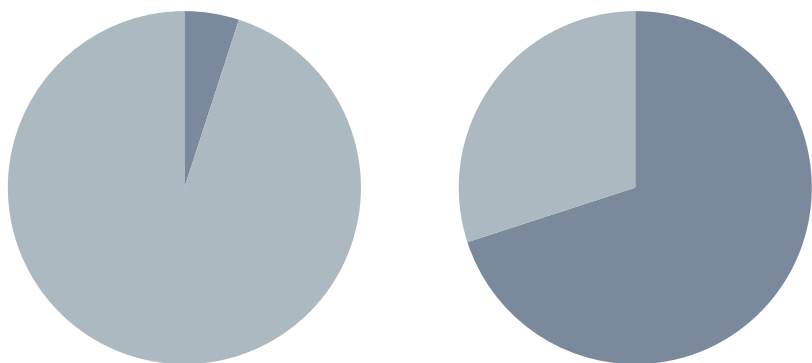


* Cost savings from re-engineering investments and streamlining program are net of expected transition cost. Re-engineering program started 2018.

Significantly leverage our global scale and technology deployment through global modularized products



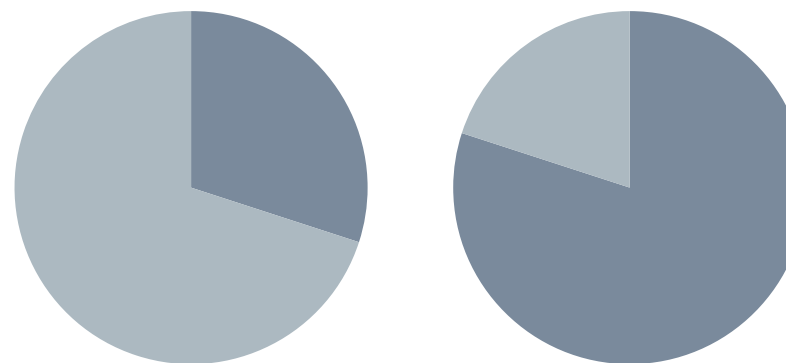
Refrigeration/freezers



2018

2024

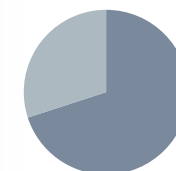
Cooking



2018

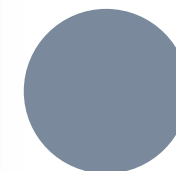
2024

Dish care



2018

Laundry*



2018

Note: Graphs show % of volume using global modules over total in-house production volume. Global modularized products are used in more than one product and in more than one region.
*Front-load laundry

Innovation is a key pillar in creating value



Financial targets for profitable growth*

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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



Delivering profitable growth through innovation

Anna Ohlsson-Leijon, Head of Business Area Europe, Executive Vice President

Strategic approach to deliver profitable growth



Focus on key
innovation areas

Built-in Kitchen

Premium Care

Systematically
build brands

Distinctive brand positioning
targeted at a sizable segment

Focused and consistent
multi-year plan

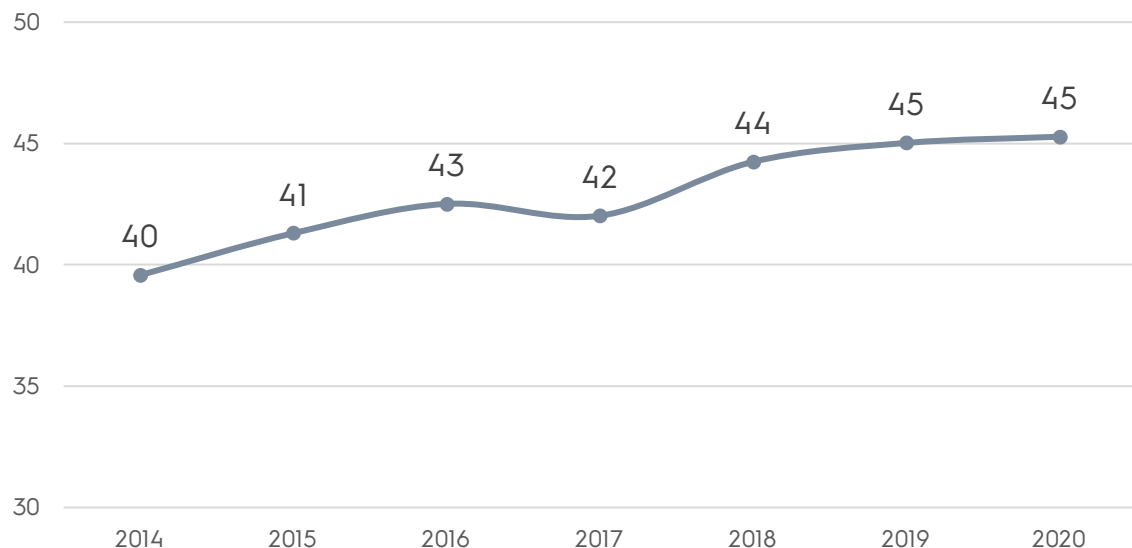
Return driven marketing
investments

Earnings resilience and margins are improving – through innovation and cost efficiency



Net sales growth

SEKbn

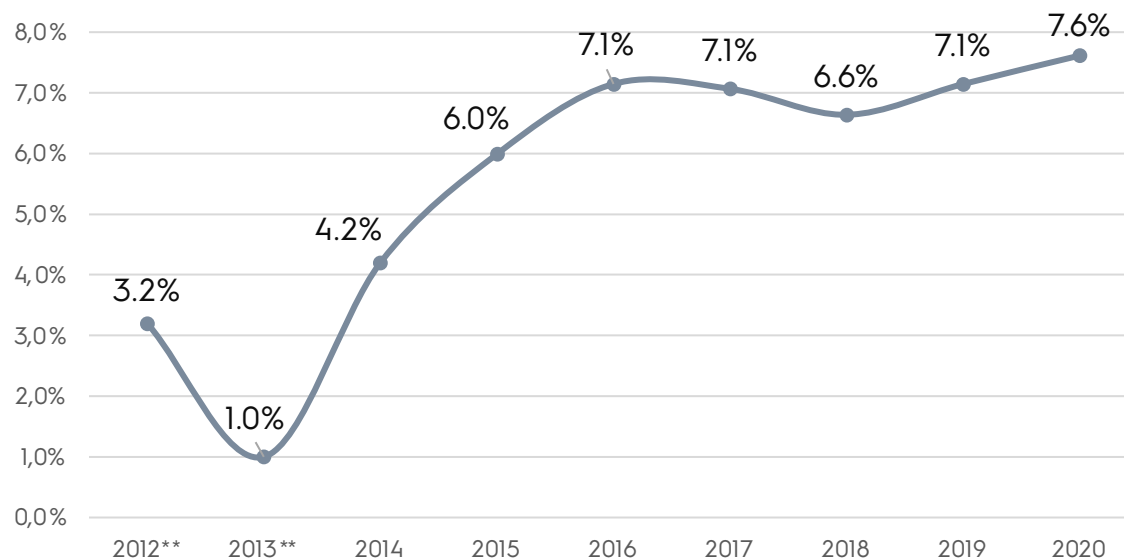


+2.3%

Sales CAGR (2014-2020*)

EBIT margin

rolling 12 months



4.4 pts

(2020* vs 2012)

*September 2020 Last Twelve Months

Note: Figures are currency adjusted. EBIT margin excludes non-recurring items/items affecting comparability
**2012-2013 data is for Business area Major Appliances Europe, Middle East and Africa and 2014-2019 is for Business area Europe

We have strengthened our position in 2 premium areas



+2.5 pts
Price Index (vs 2017)



simply outstanding consumer experiences

A person wearing a red sweater is holding a smartphone in their hands, looking at the screen. They are standing in a kitchen. In the foreground, there is a black frying pan on a stove with a piece of salmon cooking in it. To the right, there is a wooden cutting board with sliced cucumbers and a head of lettuce. The background is dark and out of focus.

Consumer experience: a unique opportunity to be present



Online shopping becoming more & more relevant



Category spending shifts

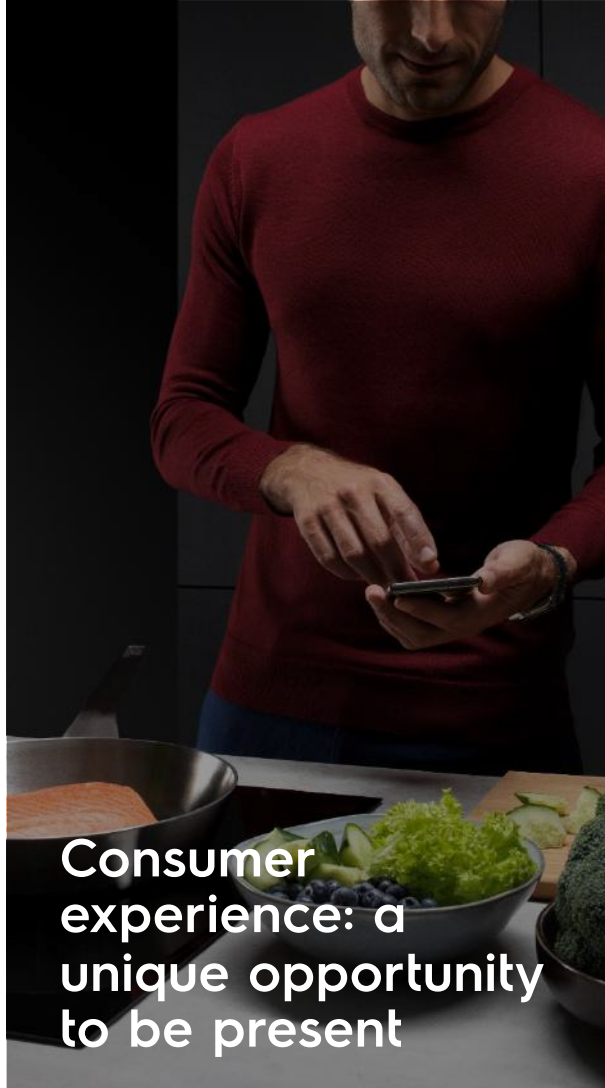


Sustainable living redefined in uncertain times



Uncertainty & the quest for trusted brands

Consumer trends that have been accelerated by COVID-19



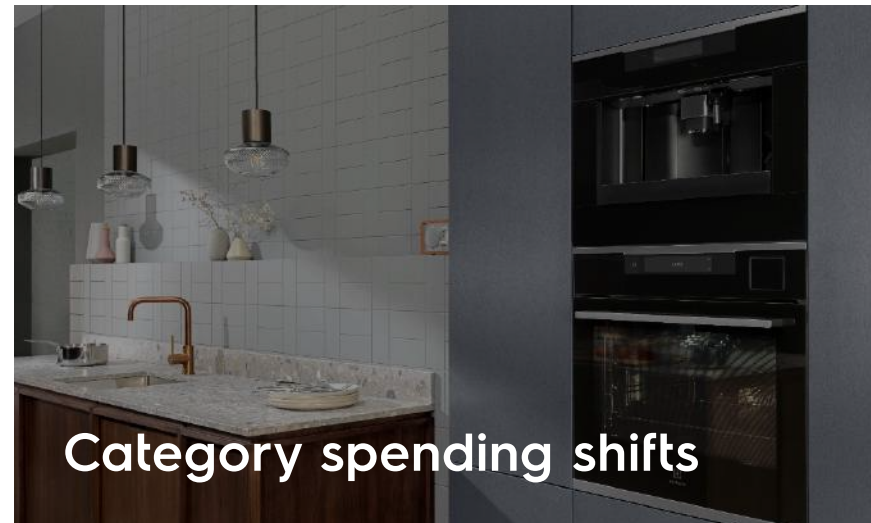
Consumer experience: a unique opportunity to be present



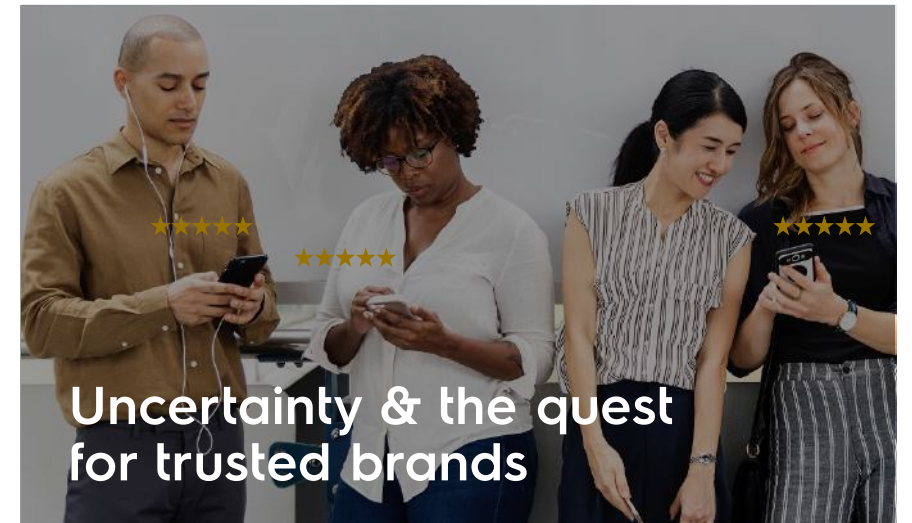
Online shopping becoming more & more relevant



Sustainable living redefined in uncertain times



Category spending shifts



Uncertainty & the quest for trusted brands

Key focus areas building on consumer trends



Continue growth of Built-in Kitchen and Premium Care position

Further build Brand Desirability

Leverage sustainability benefits

Accelerate e-commerce focus: B2B and D2C

Boost Aftermarket sales



Accelerate e-commerce focus: B2B and D2C



Strong online growth in B2B

Way forward

+35%

Pure player
Net Sales growth

~60% of our
online business

+15%

Omni-channel
Net Sales growth

~40% of our
online business

B2B: Strategic plan to further drive growth with relevant players

D2C: Platform live in 2021

Note: Q3 2020, y-o-y

Boost Aftermarket sales



Aftermarket

+3.8%

Net Sales
Growth

Out of warranty
repairs

+9.7%

Net Sales
Growth

Extended
Warranty

+2.7%

Net Sales
Growth

Way forward

Fully leverage sales growth opportunities
through contact center agents
and service technicians

Strengthen position through data-driven
consumer relationship and knowledge
management system

Note: September rolling 12 2020, y-o-y




**FOR
BETTER
LIVING.
DESIGNED
IN SWEDEN.**



**Most human-centric
innovation**



**Leader in sustainable
solutions**



Designed in Sweden

Sustainability benefits strengthen our position in Premium Care



Fresh clothes with
96% less water

SteamCare

Clean efficiently at 30°C,
save 35% energy

UltraWash

Intelligent detergent dosage,
save 8 bottles a year

AutoDose

+22%
Net Sales
growth

**Premium PerfectCare 2020
washers**

Note: Sep YTD 2020, y-o-y, for Electrolux-branded Premium PerfectCare 2020 front load washers

Stellar consumer ratings for the new Electrolux-branded Built-in kitchen range...



4.9



8 934 reviews at launch

...resulting in higher sales and margins for Electrolux Built-in



Net Sales

+5.3%

Gross Profit

+5.9%

Mix

+4.1%

Note: YTD September 2020, y-o-y
Comparison with previous Electrolux-branded Built-in kitchen range in 2019

Increasing return through consumer experience design

Simon Bradford, Design VP, Business Area Europe



QuickSelect

★★★★★ 4.92



Increase return through our design process



Consumer
centric

Data
driven

Co
Creation

QuickSelect design – driving profitable growth



Net Sales

+10.7%

Gross Profit

+11.0%

Note: YTD September 2020, y-o-y.
Comparison with previous Electrolux-branded Built-in dish 60 cm in 2019.



We are innovating for a distinct consumer group



The Electrolux brand targets **Conscious Explorers**

- Positive about the future
- Enrich their life and evolve themselves
- Drive change for the better

We have user-centered Innovation process

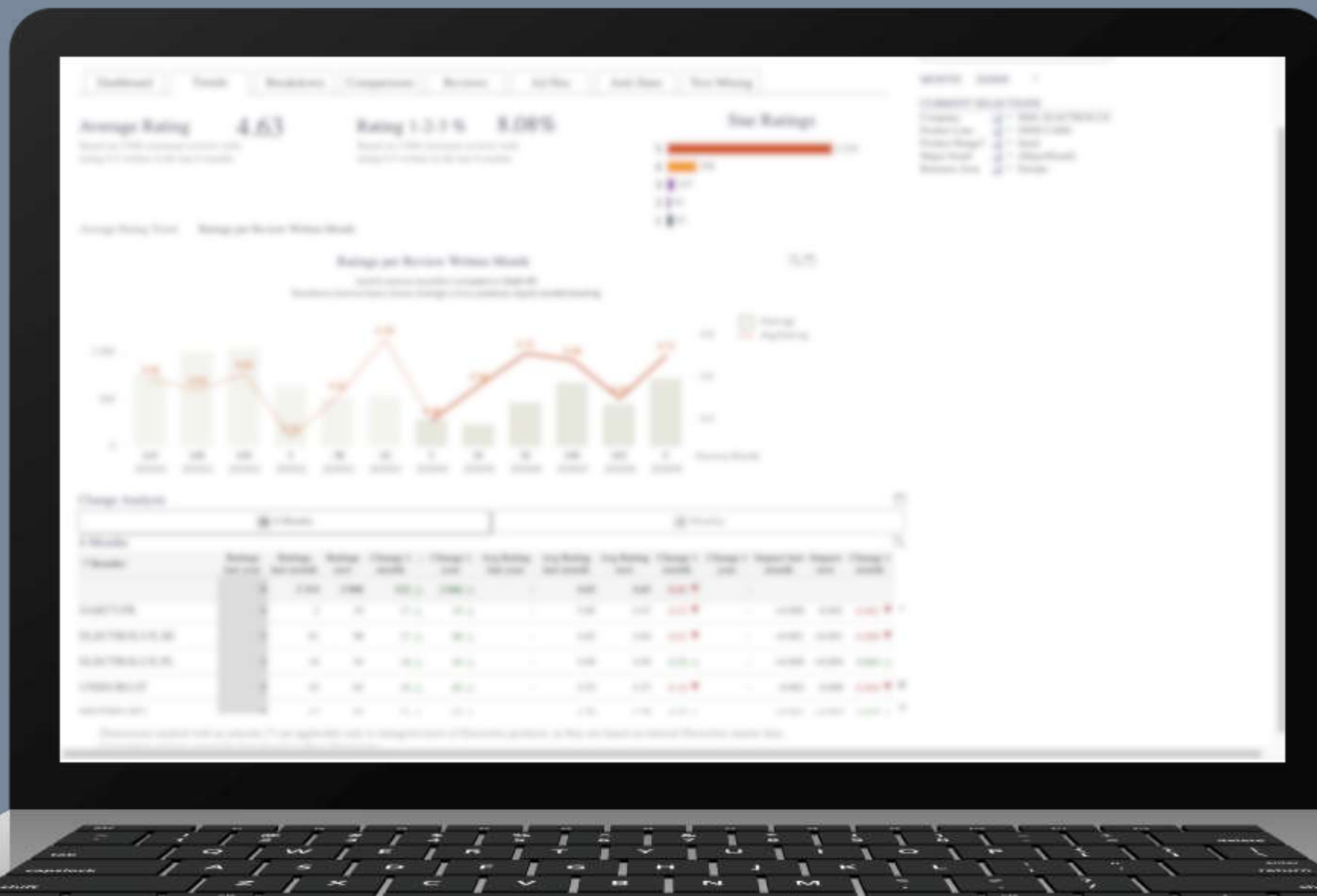


interacting with and observing consumers are critical to ensure winning products

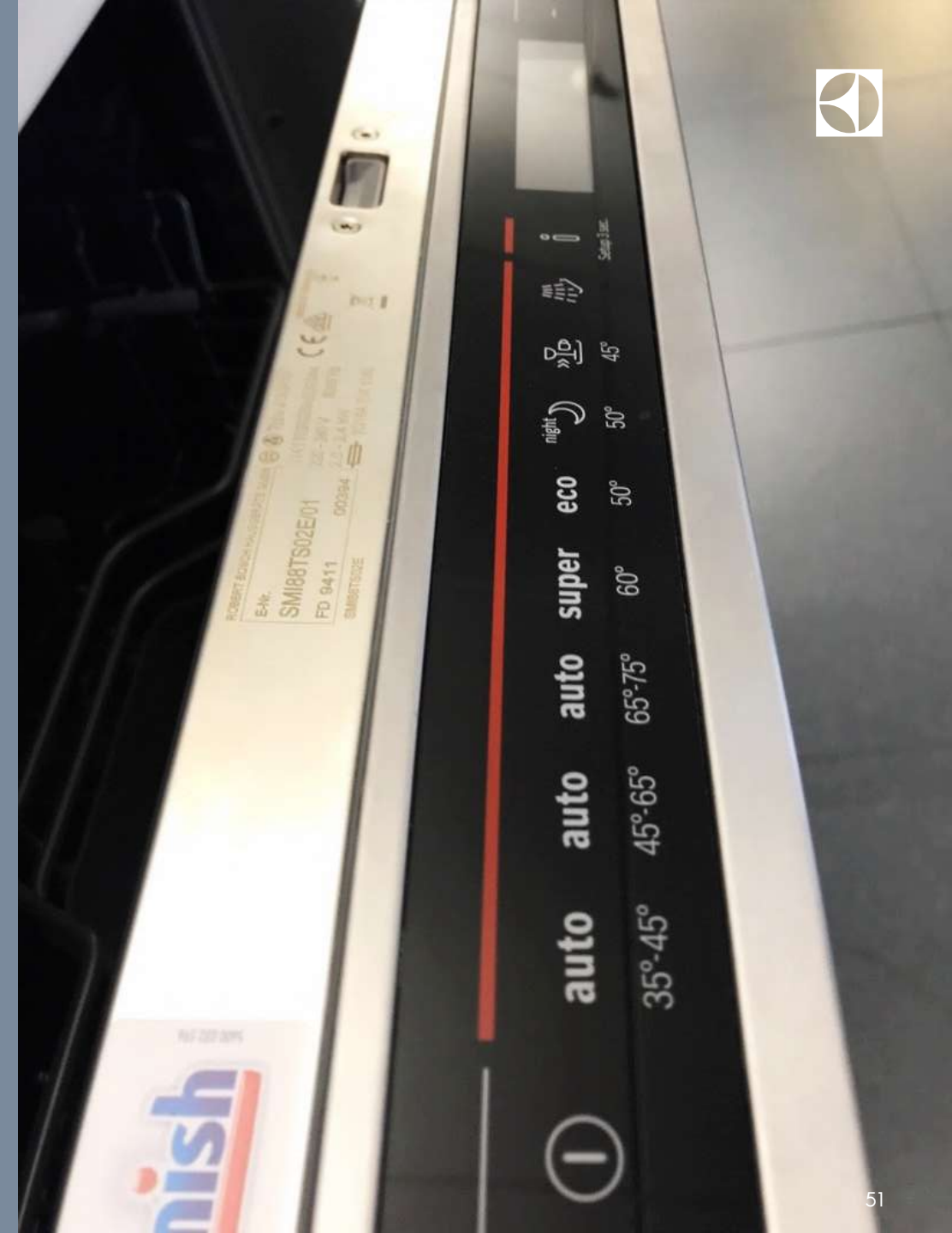
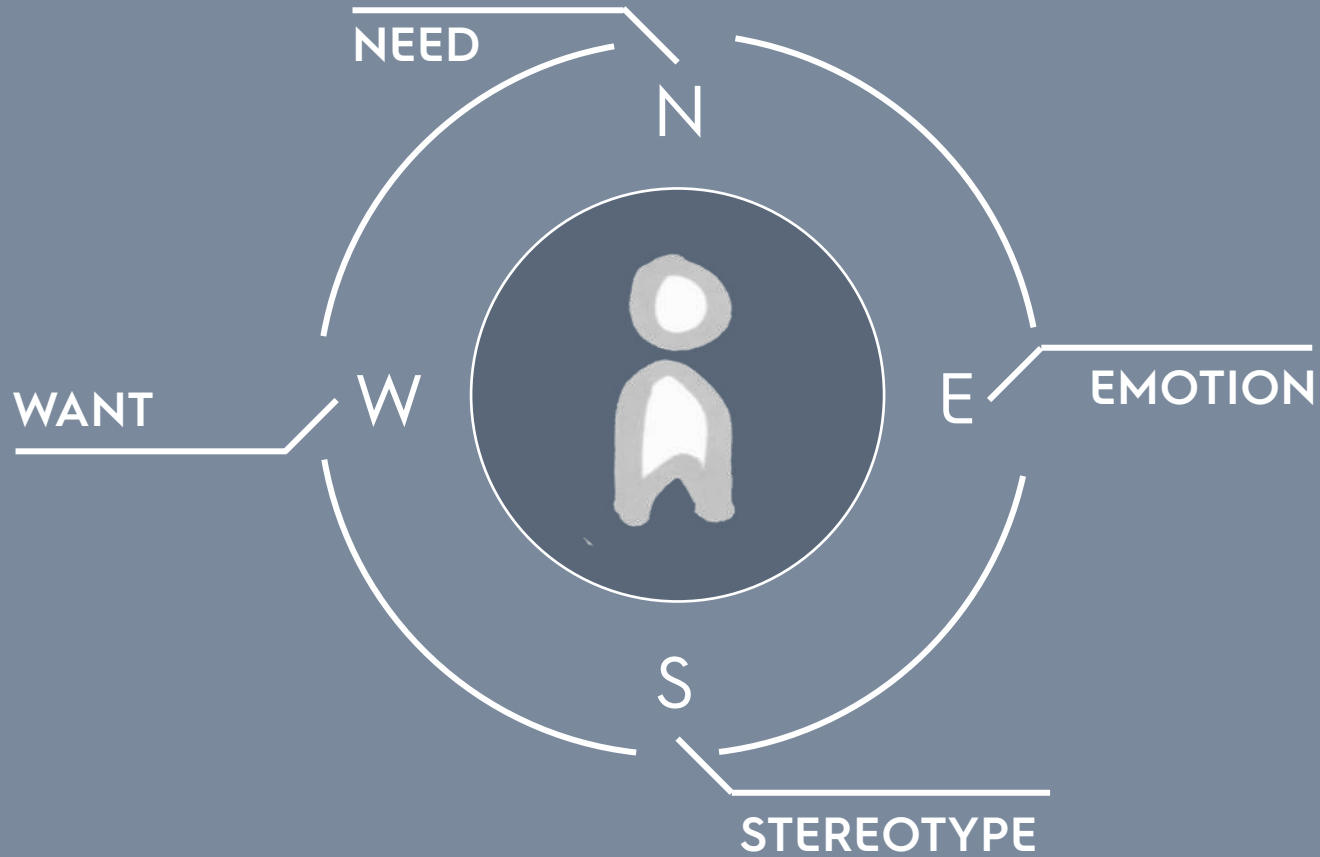


- Home Shadowing
- User Journey Mapping
- Chefs, Trendsetter interviews
- Shop floor visits

Daily monitoring of consumer data dashboard...



Framing the opportunity by putting the consumer at the center



Identified opportunity to help consumers make more sustainable choices



Operations

Materials

In-use phase

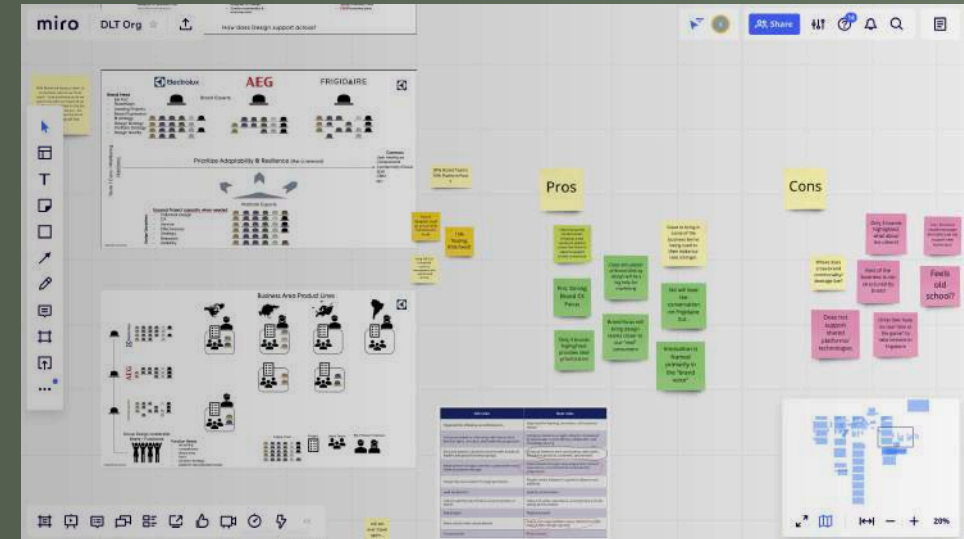
85%

Note: The total carbon footprint of a household appliances.

An iterative, cross-functional and collaborative process...



- Speed & Agility
- Cross Functional squads
- Test, Learn, Iterate mindset
- Adaptability to New Normal



Prototyping Phase

User testing in a virtual world increases speed and lowers costs



Testing Phase

Usability Testing



Consumer preference tests



> 70%



Electrolux
QuickSelect



Competitor

Increase return through our design process



Consumer
centric

Data
driven

Co
Creation

Building stronger brands to accelerate profitable growth

Thorsten Brandt, SVP Marketing Business Area Europe

A desirable brand grows faster,
is more profitable growth, and
more resilient during crises.

75%

Of value share performance
can be explained by Top 3
Consideration & Spontaneous
Awareness¹

1.3X

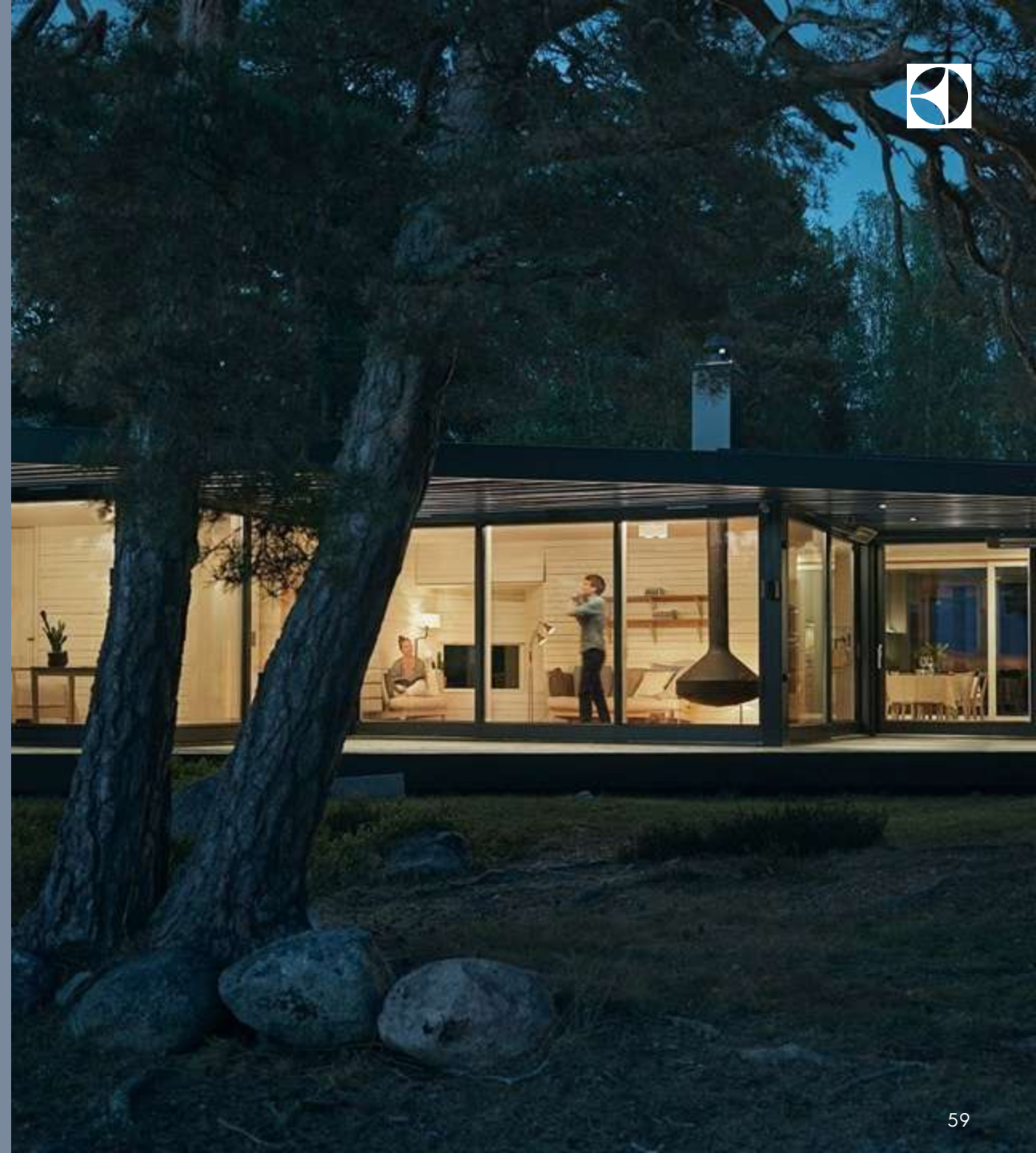
Higher growth rate of most
relevant brands compared
vs. S&P 500 average²

9X

Faster recovery than global
average during the 2008-09
financial crisis.

¹ Value market share regressed against top 3 and Spontaneous Awareness
(Brand Scorecard 2014 & GfK sell-out data 2014. Countries included FRI (NA), AEG (BE, DE, ES, UK),
ELX (FR, IT, PL, RU, SE)

² Prophet Brand Relevance Index 2017 – 10 years CAGR of most relevant brands vs. S&P 500 average











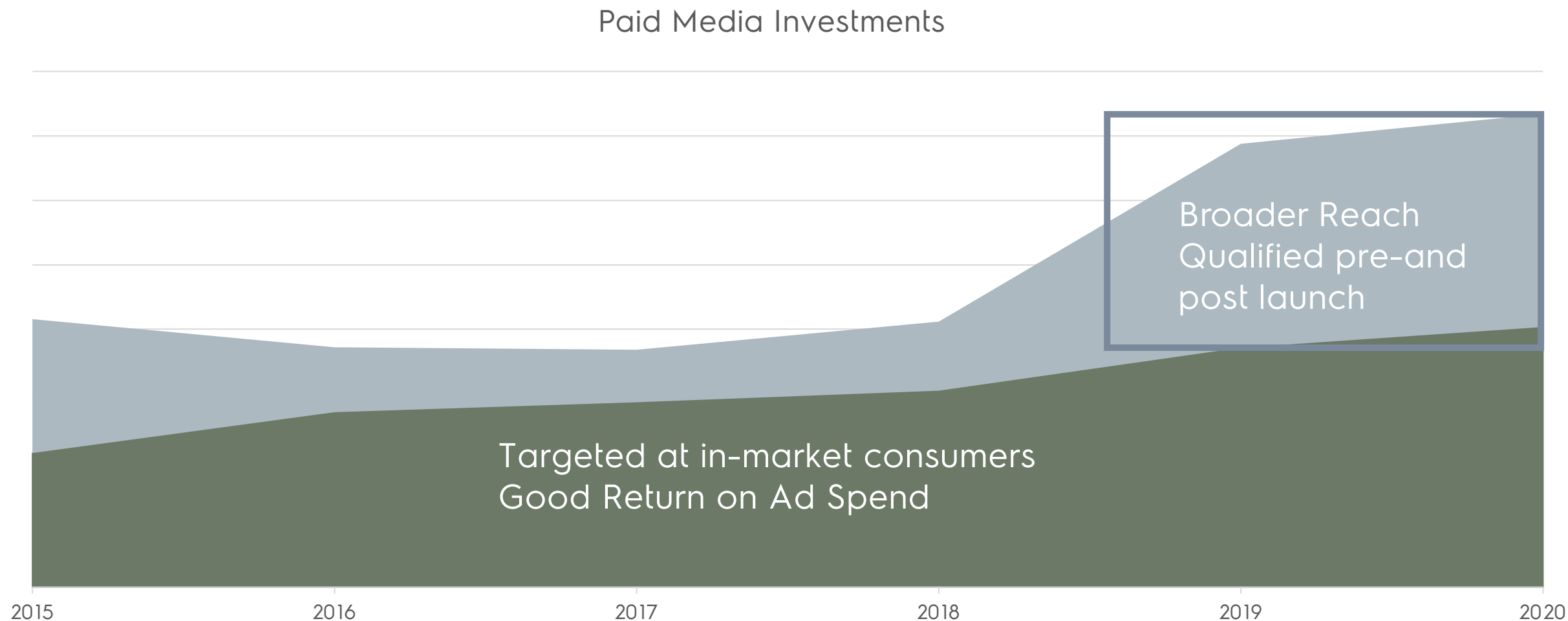
Clear strategy to systematically build the Electrolux brand

Distinctive brand positioning targeted at a sizable segment

Focused and consistent multi-year plan

Return driven marketing investments

Steady increase in online investments augmented with higher investments in broad-reach Brand Building



Source: Zenith plans, Datorama, Lumina.

It starts with a distinctive and relevant brand position



Key brand attributes

Most human
centric innovation

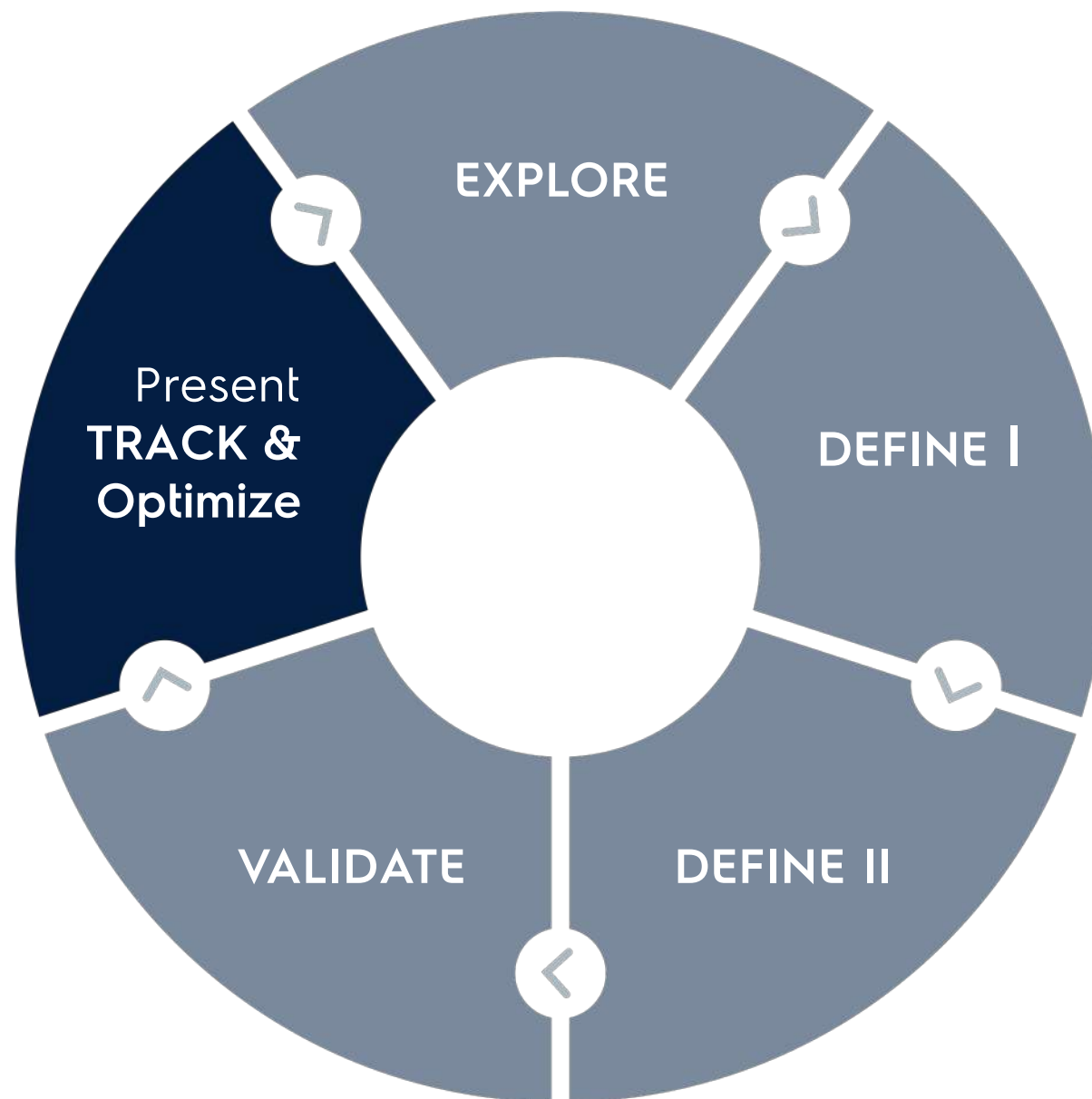
Leader in sustainable
solutions

Designed in
Sweden

Systematic qualification to secure effectiveness of marketing investment



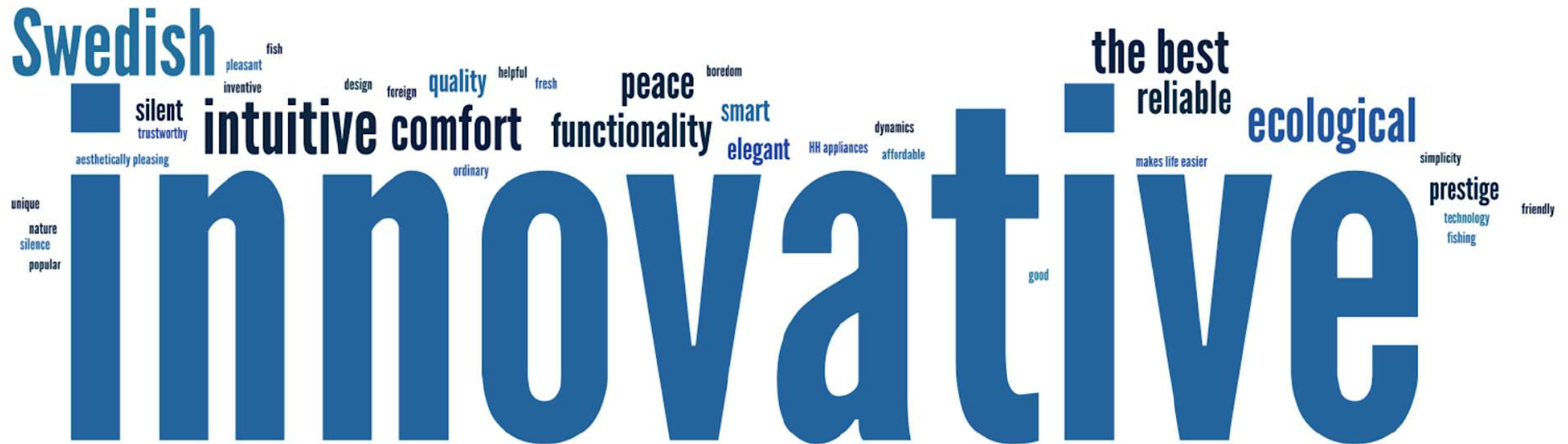
- Pre-launch qualification process
- Post Optimization





Learning 1:

The advert strongly communicates key brand attributes to Electrolux brand



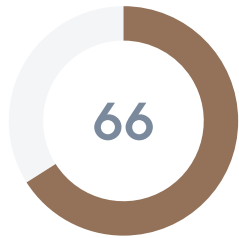


Learning 2:

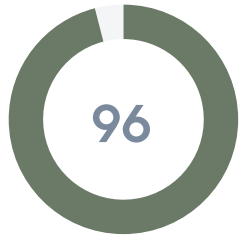
The ad is very likely to affect short term sales and has a high potential to build Electrolux brand power in a long run

SHORT TERM EFFECTIVENESS

Percentile, %



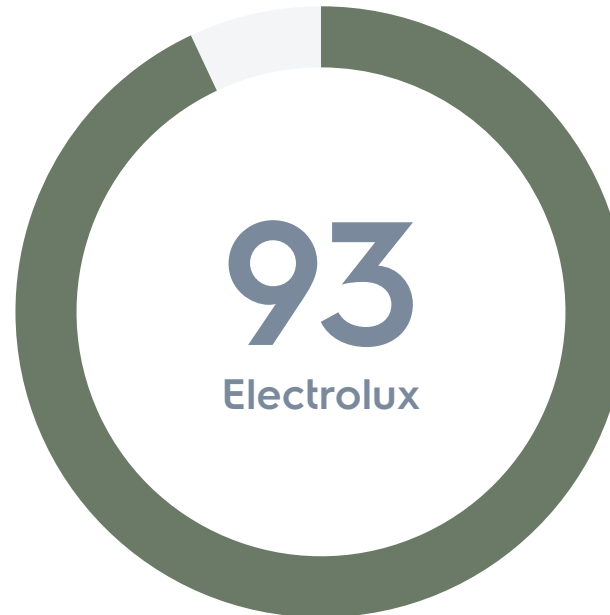
Awareness index



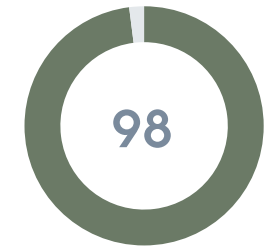
Persuasion

LONG TERM EFFECTIVENESS*

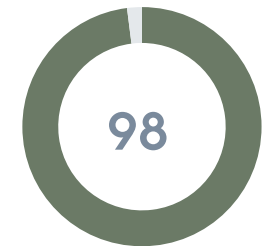
Percentile, %



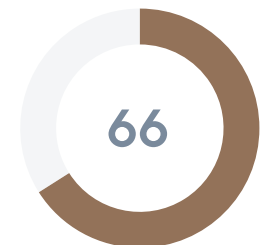
Meaningful



Different



Salient



Successfully building key brand attributes



Key brand attributes

Most human
centric innovation

Leader in sustainable
solutions

Designed in
Sweden

Innovative
93%

Sustainable
85%

Swedishness
88%

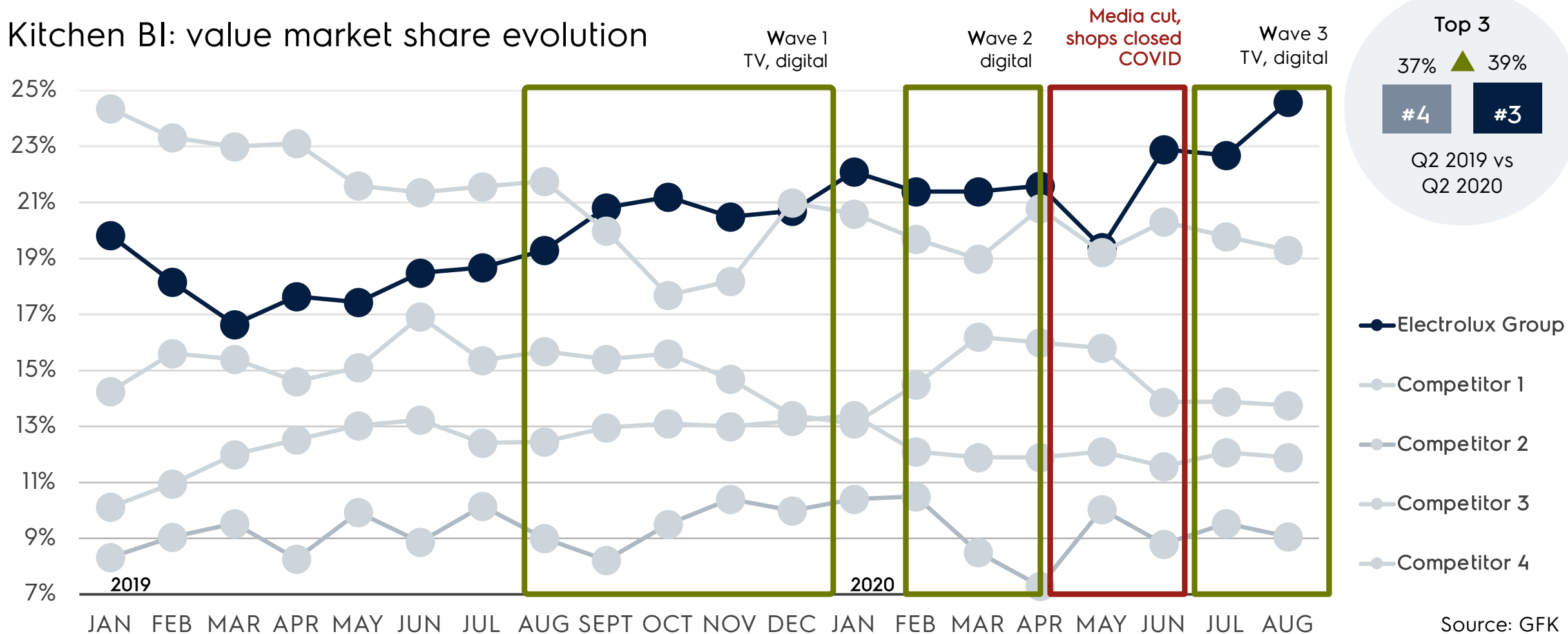
Consumer impressions about Electrolux brand
driven by the campaign

Source: NEPA

POLAND: Electrolux became unquestioned leader in Kitchen BI thanks to new kitchen range launch and strong brand support



Kitchen BI: value market share evolution



Source: GfK

Accelerate Intuit range campaign with sustainability benefits during 2020



SteamPro



ComfortLift



Steamify®



QuickSelect with EcoMeter



Electrolux Care Campaign

MAKE IT LAST

**Campaign Launch: Q4 2020
in select markets
Full roll-out in 2021**



Electrolux