

Q1

2020



Proactive cost actions and strengthened liquidity

The comments and figures in this report refer to continuing operations unless otherwise stated

- Net sales declined to SEK 26,578m (27,408). Sales growth was -5.1%, due to lower volumes. The development of the coronavirus pandemic impacted market demand at the end of the quarter.
- Operating income amounted to SEK 122m (-53), corresponding to a margin of 0.5% (-0.2). The comparison period included non-recurring items of SEK -1,054m.
- The negative impact on operating income from the coronavirus situation was approximately SEK 400m. Comprehensive measures were initiated to mitigate the effects of lower demand and production constraints.
- Significant currency headwinds of approximately SEK 600m.
- Income for the period amounted to SEK -86m (-162), and earnings per share was SEK -0.30 (-0.56).
- Operating cash flow after investments was SEK -2,938m (-3,017).
- Issued new bond loans and secured a new credit facility totaling approximately SEK 11.4bn in March-April.
- Distribution of Electrolux Professional and listing on Nasdaq Stockholm.
- AGM resolved not to distribute any cash dividend to the shareholders for the financial year 2019.
- In Q2 2020, a significant loss is expected. Sales declined by approximately 30% in April, with a gradual recovery expected going forward.

Financial overview

SEKM	Q1 2020	Q1 2019	Change, %
Continuing operations			
Net sales	26,578	27,408	-3
Sales growth, % ¹	-5.1	0.6	
Organic growth, %	-5.1	1.2	
Acquisitions, %	0.0	0.1	
Divestments, %	-	-0.7	
Changes in exchange rates, %	2.1	4.9	
Operating income ²	122	-53	n.m.
Operating margin, %	0.5	-0.2	
Income after financial items	-48	-209	n.m.
Income for the period	-86	-162	n.m.
Earnings per share, SEK ³	-0.30	-0.56	
Return on net assets, %	1.8	-0.9	
Operating cash flow after investments	-2,938	-3,017	
Total Group, including discontinued operations			
Income for the period	2,509	79	n.m.
Earnings per share, SEK ³	8.73	0.28	

¹ Change in net sales adjusted for currency translation effects.

² Operating income for continuing operations in the first quarter of 2020 included non-recurring items of SEK 0m (-1,054). The non-recurring items previous year related to manufacturing in the U.S. and Latin America. Excluding these items, operating income amounted to SEK 122m (1,001), corresponding to a margin of 0.5% (3.7), see page 19.

³ Basic.

For definitions, see pages 27-28.

Note: n.m. (not meaningful) is used when the calculated number is considered not relevant.

President and CEO Jonas Samuelson's comment

The world is facing an unprecedented health challenge from the coronavirus pandemic and it affects us all, personally and professionally. Our top priority has been to safeguard the health and safety of our employees and ensuring business continuity as household appliances are essential for consumers' daily lives.

In the first quarter of 2020, sales declined by 5% and operating income amounted to SEK 122m. As previously communicated, we continued to experience production constraints and inefficiencies from the U.S. manufacturing consolidation. We started to see the initial significant revenue impact from the pandemic towards the end of the quarter, with an estimated direct impact on operating income in the quarter of approximately SEK -400m. The currency headwind was almost SEK -600m; to a large extent indirectly linked to the coronavirus' impact on the global economy. We have implemented comprehensive actions to mitigate the impact on earnings and cash flow from this exceptional market situation. I am very pleased that we continue to see a favorable effect from mix improvements as well as price increases.

As previously communicated, we expect a material financial impact in 2020, related to the coronavirus situation. For the second quarter in 2020 we expect a significant loss. In April sales were down by approximately 30% but we expect a gradual recovery going forward.

In several of our main markets both demand and production have been severely impacted by the strict countermeasures initiated by local authorities from mid-March, including the closure of industrial activities, retail shops and cross-border transit. In some markets, where physical stores have had to close, we have seen a significant increase in online sales, but not enough to materially offset physical retail decline. We have worked extensively to mitigate the impact from the initial outbreak in China, from where we source significant volumes of finished products and components, resulting in a limited impact in the first quarter.

In light of the sharp demand decline, we have implemented comprehensive mitigation actions. In addition to furloughs for employees affected by reduced activity, these actions include significantly reduced discretionary spending and reprioritizing capital expenditure by deferring and scaling back investments. This means that some of our investments in the re-engineering

program will be impacted. For our two strategic U.S. investments; the Anderson refrigeration factory is largely completed, while the Springfield cooking facility will be delayed by up to half a year. We have also strengthened our management processes to monitor our working capital. To further strengthen the liquidity buffer, we have issued new debt and secured an additional credit facility. Given our cash position at the end of March, adding the new borrowings issued in April and our current credit facilities, we have accessible cash and unutilized credit lines of more than SEK 30bn. Finally, we have also received support from our shareholders at the AGM 2020 to withdraw the annual dividend to preserve our balance sheet strength.



At Electrolux, our purpose to shape living for the better also guides us in these difficult times. Supporting society, the Electrolux Food Foundation has made funding available to help people in need. Our people have donated time, products and raw materials to contribute to the healthcare effort.

I am convinced we are taking the necessary steps to address the challenges posed by the coronavirus pandemic and to ensure Electrolux continues to be well-positioned for the future to deliver on our profitable growth strategy. I am grateful for our shareholders' and my colleagues' support through these challenging times.

Outlook

Market outlook, units year-over-year ¹	FY 2020	Previous outlook for FY 2020 ⁵	Market outlook, units year-over-year ¹	FY 2020	Previous outlook for FY 2020 ⁵
Europe	Negative	Slightly positive	Latin America	Negative	Positive
North America	Negative	Flat	Asia-Pacific, Middle East and Africa	Negative	Slightly positive

Business outlook ² , year-over-year	Q2 2020	FY 2020	Previous outlook for the FY 2020 ⁵
Volume/price/mix	Unfavorable	Unfavorable	Favorable
Raw material costs and trade tariffs	Decrease of SEK -0.1bn	Decrease of SEK 0.3-0.6bn	Decrease of SEK 0-0.5bn
Net cost efficiency ³	Neutral	Favorable	Unfavorable
Currency effect ⁴	SEK -500m	SEK -1,700m	SEK -150m
Capital expenditure	Decrease	SEK -5bn	SEK -7bn

¹ Electrolux estimates for industry shipments of core appliances. ² Business outlook range: Favorable - Neutral - Unfavorable.

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

⁴ Impact on operating income for the full year 2020, whereof currency transaction effects of approximately SEK -1,600m and currency translation effects of approximately SEK -100m. The calculation is based on currency rates as per May 4, 2020.

⁵ Published on January 31, 2020. In press release as per March 15, 2020, outlook was withdrawn.

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



Summary of the first quarter

SEKm	Q1 2020	Q1 2019	Change, %
Net sales	26,578	27,408	-3
Operating income			
Europe	558	686	-19
North America	-299	-482	38
Latin America	-15	-223	93
Asia-Pacific, Middle East and Africa	44	110	-60
Other, Group common costs, etc.	-165	-143	-15
Total	122	-53	n.m.
Operating margin, %	0.5	-0.2	
Operating margin excl. non-recurring items, % ¹	0.5	3.7	

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

Note: n.m (not meaningful) is used when the calculated number is considered not relevant.

Discontinued operations

On February 21, 2020, an Extraordinary General Meeting decided to distribute all shares in Electrolux Professional AB to AB Electrolux shareholders and on March 23, 2020, the company was listed on Nasdaq Stockholm, see page 11. Results for Electrolux Professional is therefore reported as discontinued operations under 'Income for the period from discontinued operations' in the income statement, see Note 5.

The comments in this report refer to the consumer business, 'continuing operations', exclusive of Electrolux Professional, unless otherwise stated.

Net sales

Sales decreased by 5.1% in the quarter, excluding currency translation effects. This was a result of lower volumes. In North America volumes declined mainly due to the manufacturing transition, while the other three business areas' volumes were towards the end of the quarter negatively impacted by the coronavirus pandemic. Mix improvements and price increases partly offset the volume decline.

Operating income

Operating income amounted to SEK 122m (-53), corresponding to a margin of 0.5 % (-0.2). Operating income

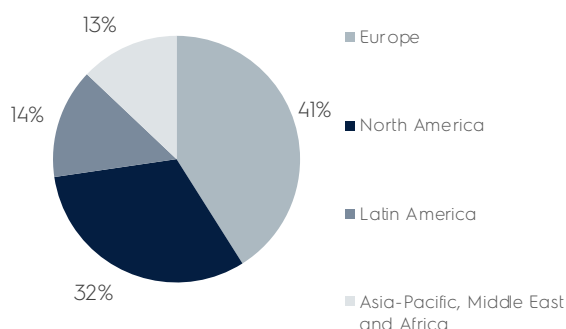
for the first quarter 2019 included non-recurring items of SEK -1,054m.

The coronavirus situation impacted earnings negatively with approximately SEK 400m. In addition to the decrease in demand impacting volumes, it also resulted in production constraints and increased logistic costs. To minimize the earnings impact, Electrolux has implemented cost-cutting measures including furloughs of employees and reduced discretionary spend. The ongoing consolidation of manufacturing in North America continued to have a negative impact on operating income. Currency headwinds linked to the coronavirus' impact on the global economy also had a significant impact on earnings in the quarter. This was partly offset by price increases. However, mix improvements across all business areas as well as lower costs for raw materials and trade tariffs had a positive impact year-over-year.

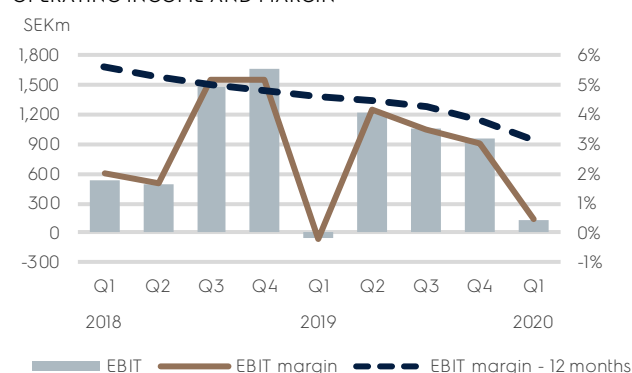
Effects of changes in exchange rates

Changes in exchange rates had a year-over-year impact of SEK -588m. The impact of transaction effects was SEK -601m, primarily relating to weakening currencies in Latin America but also to operations in Asia-Pacific and Europe. Translation effects amounted to SEK 13m.

SHARE OF SALES BY BUSINESS AREA IN THE FIRST QUARTER OF 2020



OPERATING INCOME AND MARGIN



EBIT margin - 12 months is excluding non-recurring items, see pages 19 and 26.



Financial net

Net financial items amounted to SEK -171m (-156). The increase is mainly related to higher interest costs.

Income for the period

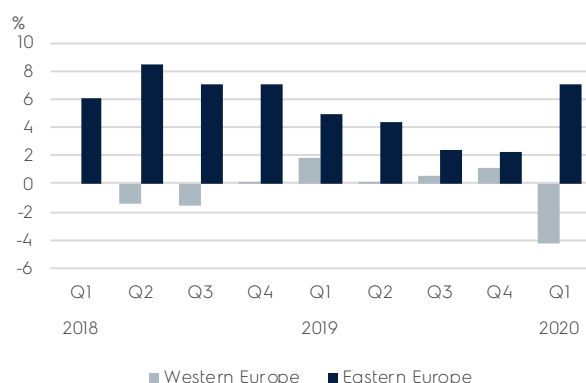
Income for the period for continuing operations amounted to SEK -86m (-162), corresponding to SEK -0.30 (-0.56) in earnings per share.

Income for the period for the total Group amounted to SEK 2,509m (79), corresponding to SEK 8.73 (0.28) in earnings per share. Income for the period includes a settlement gain from the distribution of Electrolux Professional, see Note 5.

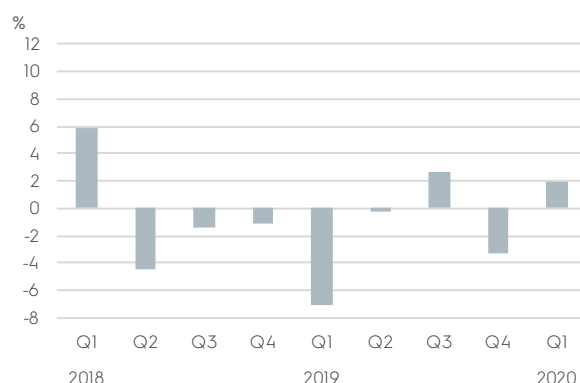
Market overview

In the first quarter, the market in Europe decreased year-over-year driven by a sharp demand decline in the last two weeks of March in Western Europe due to authorities' countermeasures to limit the spread of the coronavirus. In the U.S., the market demand for core appliances increased due to pre-buys. For more information about the markets, please see the Business areas section.

INDUSTRY SHIPMENTS OF CORE APPLIANCES IN EUROPE*



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



*Units year-over-year, %

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

Industry shipment of appliances

Europe, units, year-over-year, %*	Q1 2020	Q1 2019	Full year 2019
Western Europe	-4	2	1
Eastern Europe (excluding Turkey)	7	5	3
Total Europe	-1	3	2

*Source: Electrolux estimates for core appliances. Core appliances include: Refrigerators, Freezers, Washing machines, Tumble dryers, Free-standing Cookers, Built-in Ovens, Built-in Hobs, Hoods and Dishwashers.

U.S., units, year-over-year, %*	Q1 2020	Q1 2019	Full year 2019
Core appliances	2	-7	-2
Microwave ovens and home-comfort products	-23	1	-10
Total major appliances	-7	-4	-5

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



Business areas

Europe

In the first quarter, overall market demand in Europe declined by 1% year-over-year. This was driven by a decline of 4% in Western Europe where demand dropped sharply in the last two weeks of March due to countermeasures taken by authorities to limit the spread of the coronavirus, including closures of physical retail stores. Demand increased by 7% in Eastern Europe, driven by Russia.

Organic sales for Electrolux operations in Europe increased slightly. This was a result of mix improvements as the business area continued to strengthen its position under the Electrolux and AEG brands in the built-in kitchen area. The mix improvements compensated for the volume decline by the end of March related to the market deterioration in Western Europe. This market situation continued into April and Electrolux sales in the month declined by approximately 40%.

Operating income declined year-over-year. Currency headwinds impacted negatively. The volume decline was partly offset by cost-cutting measures. Factories were temporarily closed to mitigate the negative impact from

SEKM	Q1 2020	Q1 2019	Full year 2019
Net sales	10,908	10,553	45,420
Organic growth, %	0.3	4.4	1.7
Acquisitions, %	-	0.3	0.1
Operating income	558	686	2,493
Operating margin, %	5.1	6.5	5.5
Operating margin excl. non-recurring items, % ¹	5.1	6.5	7.1

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

North America

During the quarter, market demand for core appliances in the U.S. increased by 2% year-over-year. The strong end of the quarter was related to the coronavirus situation and pre-loading of inventories at retailers in March. Market demand for all major appliances, including microwave ovens and home-comfort products, however, declined by 7%.

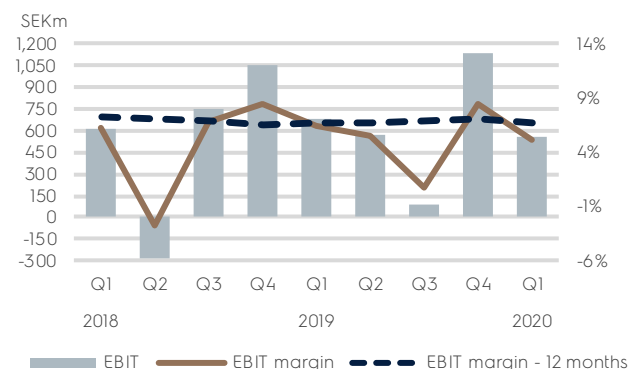
The organic sales decline in the quarter of 13.1% was due to lower volumes, primarily relating to the ongoing manufacturing consolidation to the new facility in Anderson which resulted in capacity constraints. Lower sales of private label products as well as of air-conditioners also impacted volumes. Market volumes are expected to decline in Q2 as a result of the coronavirus situation. Electrolux sales in the month of April declined by approximately 15%.

Operating income declined significantly year-over-year, excluding last year's non-recurring items. This was mainly a result of the lower volumes. Additionally, increased costs related to the manufacturing consolidation impacted operating income negatively. Higher aftermarket sales contributed to earnings. The impact on production related

SEKM	Q1 2020	Q1 2019	Full year 2019
Net sales	8,409	9,099	38,954
Organic growth, %	-13.1	-5.0	-8.7
Divestments, %	-	-2.0	-1.0
Operating income	-299	-482	-516
Operating margin, %	-3.6	-5.3	-1.3
Operating margin excl. non-recurring items, % ¹	-3.6	3.8	1.4

¹ Last year's operating income for the first quarter included non-recurring items of SEK -829m, see page 19.

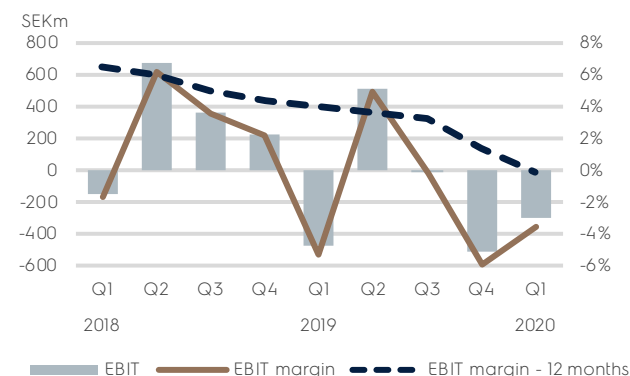
OPERATING INCOME AND MARGIN



EBIT margin - 12 months is excluding non-recurring items, see pages 19 and 26.

the severe market situation and this continued into the second quarter. Mix improvements and lower costs for raw materials, however, impacted earnings positively.

OPERATING INCOME AND MARGIN



EBIT margin - 12 months is excluding non-recurring items, see pages 19 and 26.

to the coronavirus situation was in the quarter limited. However, in the beginning of the second quarter, the restrictions imposed in Mexico resulted in production constraints.



Latin America

In the first quarter, consumer demand for core appliances in Brazil is estimated to have shown growth year-over-year. Demand in Argentina and Chile declined significantly in the quarter driven by political instability as well as quarantine procedures as a result of the coronavirus. In second half of March, the demand dropped significantly in all markets including Brazil as most of the retail stores were closed and several of the markets were fully locked down.

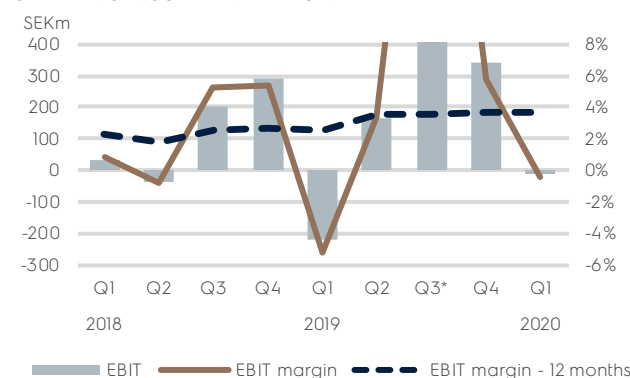
Electrolux operations in Latin America had organic sales decline of 1.9%. Lower sales volumes were partly offset by price increases and mix improvements. In March, sales volumes declined significantly in all markets as a result of retail stores being closed. This development continued in April and the business area's sales declined in the month by approximately 50%.

Operating income declined year-over-year, excluding last year's non-recurring items, due to significant currency headwinds and lower volumes. Price increases impacted, however, positively.

SEKm	Q1 2020	Q1 2019	Full year 2019
Net sales	3,826	4,312	19,653
Organic growth, %	-1.9	6.9	10.9
Operating income	-15	-223	1,821
Operating margin, %	-0.4	-5.2	9.3
Operating margin excl. non-recurring items, % ¹	-0.4	0.1	3.7

¹ Last year's operating income for the first quarter included non-recurring items of SEK -225m, see page 19.

OPERATING INCOME AND MARGIN



EBIT margin - 12 months is excluding non-recurring items, see pages 19 and 26.

* Q3 2019: EBIT of SEK 1,539m corresponding to a margin of 33.4%. This includes non-recurring items of SEK 1,326m.

Asia-Pacific, Middle East and Africa

During the first quarter, consumer demand is estimated to have declined significantly due to the coronavirus situation, primarily in East Asia. China was the first market to impose restrictions to limit the spread of the coronavirus and at the end of the quarter several countries in the region followed. However, consumer demand in Australia and Egypt is estimated to have increased in the quarter.

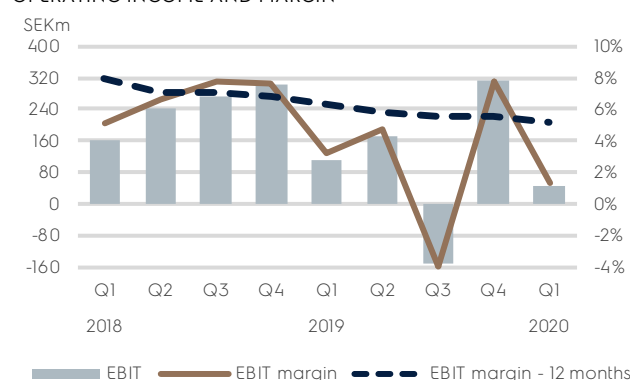
Electrolux reported an organic sales decline of 3.2%, due to lower sales volumes in Southeast Asia and China. This was partly offset by increased sales in Egypt and Australia. The market downturn related to the coronavirus prolonged in April and Electrolux sales declined by approximately 25% in the month.

Operating income declined year-over-year. Strong currency headwinds impacted earnings negatively. Cost-saving activities were implemented which to a large extent offset the lower volumes.

SEKm	Q1 2020	Q1 2019	Full year 2019
Net sales	3,434	3,445	14,954
Organic growth, %	-3.2	2.2	-1.3
Acquisitions, %	-	0.1	0.1
Operating income	44	110	446
Operating margin, %	1.3	3.2	3.0
Operating margin excl. non-recurring items, % ¹	1.3	3.2	5.6

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

OPERATING INCOME AND MARGIN



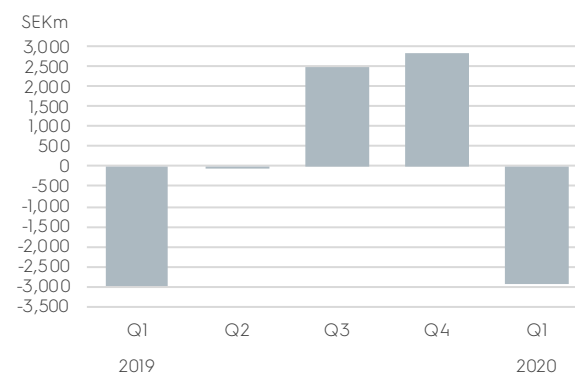
EBIT margin - 12 months is excluding non-recurring items, see pages 19 and 26.



Cash flow

Operating cash flow after investments amounted to SEK -2,938m (-3,017) in the quarter. Cash flow from operating income adjusted for non-cash items decreased compared to the first quarter last year but was compensated by a lower level of seasonal outflow from working capital. Investments were in line with last year.

OPERATING CASH FLOW AFTER INVESTMENTS



SEKm	Q1 2020	Q1 2019	Full year 2019
Operating income adjusted for non-cash items ¹	1,534	2,211	9,746
Change in operating assets and liabilities	-3,358	-3,983	-498
Operating cash flow	-1,824	-1,772	9,248
Investments in tangible and intangible assets	-1,154	-1,080	-6,674
Changes in other investments	40	-165	-294
Operating cash flow after investments	-2,938	-3,017	2,280
Acquisitions and divestments of operations	-0	-26	-27
Operating cash flow after structural changes	-2,939	-3,042	2,254
Financial items paid, net ²	-155	-123	-656
Taxes paid	-219	-489	-1,277
Cash flow from operations and investments	-3,312	-3,654	321
Payment of lease liabilities	-205	-234	-870
Dividend	-	-	-2,443
Share-based payments	-	-	9
Total cash flow, excluding changes in loans and short-term investments	-3,516	-3,888	-2,982

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

² For the period January 1 to March 31: interest and similar items received SEK 18m (23), interest and similar items paid SEK -118m (-100) and other financial items received/paid SEK -24m (-16). Interest paid related to lease liabilities SEK -30m (-31).



Financial position

Net debt items as per March 31, 2020 and December 31, 2019 excludes assets and liabilities of Electrolux Professional. Net debt items as per March 31, 2019 includes assets and liabilities of Electrolux Professional. Equity as per March 31, 2020 excludes Electrolux Professional. Equity as per March 31, 2019 and December 31, 2019 includes Electrolux Professional.

Net debt

As of March 31, 2020, Electrolux had a financial net debt position (excluding lease liabilities and post-employment provisions) of SEK 2,456m, compared to the financial net debt position of SEK 667m as of December 31, 2019. Net provisions for post-employment benefits was SEK 5,414m and lease liabilities amounted to SEK 3,191m as of March 31, 2020. In total, net debt amounted to SEK 11,061m, an increase by SEK 3,378m compared to SEK 7,683m per December 31, 2019.

Long-term borrowings and long-term borrowings with maturities within 12 months amounted to a total of SEK 13,388m as of March 31, 2020 with average maturity of 2.7 years, compared to SEK 9,682m and 3.0 years at the end of 2019.

To further strengthen the liquidity buffer, Electrolux has in March and April issued new debt of approximately SEK 8.4bn and secured a new credit facility of SEK 3bn. In March, two bond loans totalling SEK 3.0bn were issued under the Euro Medium Term Note (EMTN) program and a 2-year private placement of USD 150m was also issued. In April, two new bond loans totaling SEK 3.4bn were issued under the EMTN program and a 5-year private placement of NOK 500m was also issued. In addition to the new credit facility signed in April (expiring 2021), Electrolux has one unused committed back-up multicurrency revolving credit facility of EUR 1,000m. For more information see, pages 11, 12 and www.electroluxgroup.com.

In the first quarter, long-term borrowings in the amount of SEK 1,078m were amortized. During the remaining part of 2020, long-term borrowings amounting to approximately SEK 0.3bn will mature.

Liquid funds as of March 31, 2020, amounted to SEK 14,584m, an increase of SEK 3,395m compared to SEK 11,189m as of December 31, 2019.

Return on equity was 48.9% (1.4), impacted by a settlement gain from the distribution of Electrolux Professional. Adjusted for the settlement gain return on equity was 2.5% (1.4).

Working capital and net assets (continuing operations)

Working capital as of March 31, 2020, amounted to SEK -15,274m (-13,451), corresponding to -14.3% (-12.2) of annualized net sales. Operating working capital amounted to SEK 2,530m (4,317), corresponding to 2.4% (3.9) of annualized net sales, see page 21.

Average net assets for the first quarter of 2020 amounted to SEK 27,837m (24,002), corresponding to 26.2% (21.9) of annualized net sales. Net assets as of March 31, 2020, amounted to SEK 29,502m (27,698).

Return on net assets was 1.8% (-0.9).

Net debt

SEKM	Mar. 31, 2020	Mar. 31, 2019 ¹	Dec. 31, 2019 ²
Short-term loans	3,359	1,539	1,307
Short-term part of long-term loans	457	3,373	1,446
Trade receivables with recourse	102	131	602
Short-term borrowings	3,918	5,042	3,354
Financial derivative liabilities	155	82	233
Accrued interest expenses and prepaid interest income	36	48	33
Total short-term borrowings	4,109	5,172	3,620
Long-term borrowings	12,931	6,238	8,236
Total borrowings³	17,040	11,410	11,856
Cash and cash equivalents	13,961	8,773	10,807
Short-term investments	178	538	190
Financial derivative assets	428	190	176
Prepaid interest expenses and accrued interest income	17	244	16
Liquid funds⁴	14,584	9,744	11,189
Financial net debt	2,456	1,666	667
Lease liabilities	3,191	3,562	3,150
Net provisions for post-employment benefits	5,414	3,182	3,866
Net debt	11,061	8,410	7,683
Net debt/equity ratio	0.60	0.37	0.34
Total equity	18,442	22,777	22,574
Equity per share, SEK	64.17	79.25	78.55
Return on equity, %	48.9	1.4	11.4
Equity/assets ratio, %	21.2	25.0	23.6

¹ Including assets and liabilities related to discontinued operations.

² Electrolux Professional was primarily financed through intra-group loans of approximately SEK 1.2bn from Electrolux, included in net debt as per December 31, 2019. These loans were repaid in connection with the listing of Electrolux Professional on March 23, 2020.

³ Whereof interest-bearing liabilities amounting to SEK 16,747m as of March 31, 2020, SEK 11,149m as of March 31, 2019 and SEK 10,989m as of December 31, 2019.

⁴ Electrolux has one unused committed back-up multicurrency revolving credit facility of EUR 1,000m, approximately SEK 11,061m, expiring in 2023.



Other items

Asbestos litigation in the U.S.

Litigation and claims related to asbestos are pending against the Group in the U.S. 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 March 31, 2020, the Group had a total of 3,884 (3,552) cases pending, representing approximately 3,920 (approximately 3,587) plaintiffs. During the first quarter of 2020,

213 new cases with 213 plaintiffs were filed and 226 pending cases with approximately 226 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

Active risk management is essential for Electrolux to drive successful operations. The Group is impacted by various types of risks including strategic and external risks but also business risks such as operational and financial risks.

The current spread of the global pandemic of the coronavirus adds high uncertainty to Electrolux financial performance in 2020. Page 32 of the Annual report 2019 mentions that pandemic situations involves risks for Electrolux if suppliers encounters constraints to deliver caused by this situation. See also information in this interim report, such as on pages 2 and 11, on how the coronavirus pandemic is impacting Electrolux operations and the measures that the company is taking to manage the negative effects on the business.

Risk management in Electrolux aims to identify, control and reduce risks. Risks, risk management and risk exposure are described in more detail in the 2019 Annual Report: www.electroluxgroup.com/annualreport2019



Driving sustainable consumer experience innovation

Innovation to improve the consumer experience in the Taste, Care & Wellbeing areas is a key driver for long term profitable growth. Electrolux streamlined and innovative product portfolio, with a strong sustainability focus, enables consumers to live better lives while often also saving energy, water and resources. The product portfolio as well as Electrolux well-established brands with a strong innovation heritage are competitive assets, enabling the company to also strengthen its position in emerging markets and within aftermarket.

Deep consumer insight is a competitive advantage in an age of greater consumer awareness and increases both success rate and return on investment. Consumers increasingly prioritize sustainability and research shows that 2/3 of global consumers are willing to pay more for sustainable goods.* Electrolux most resource-efficient products have consistently had a higher margin for many years and in 2019 these products accounted for 23% of total units sold and 32% of gross profit.



Boosting margin through resource-efficient products

Consumers are willing to pay a premium for resource-efficient products as they deliver additional benefits such as energy, water and material efficiency.

A good example is the washing machines with UltraCare technology, consistently achieve a higher profit margin than standard products. The Electrolux UltraCare washing machines have seen good growth of 27% in 2019 and accounted for almost 20% of Electrolux branded European laundry volumes. Washing machines with UltraCare technology has twice the margin per unit compared to other washing machines.

Electrolux UltraCare washing machines are equipped with technology ensuring that cleaning products are effective at lower temperatures – to save even more energy and further reduce utility bills for consumers. Washing at low temperatures also ensures a gentler way to wash, which helps clothes stay new for longer.

*Eco Ethical Report, June 6, 2019.



Strengthening the Electrolux brand in Australia

During 2019, new innovations aimed at more premium segments were rolled out in Australia – benefitting from a sharper Electrolux brand closely associated with the company's Swedish heritage.

New products included over 70 new models across six categories in the laundry and kitchen segments. The Electrolux brand has a competitive advantage through its Swedish heritage as research shows that Australian consumers associate Sweden with premium quality, sustainability, innovation, design and progress. This creates brand credibility, which is increasingly important in the appliance industry.

A sharper brand contributed toward a 45% sales increase in Electrolux branded products during the year in Australia.

To ensure consumers have the best possible experience whether online, in store or at home, a campaign was launched in Australia to enhance consumer experiences for the new Electrolux products. The campaign also promoted product reviews as over 90% of consumers use reviews to make decisions on the brands and products they are considering.



Find more inspiring business cases in the Annual Review 2019.

Over a dozen cases from across the four regions are collected into one place to showcase how Electrolux creates value through sustainable consumer experience innovation.

<https://www.electroluxgroup.com/annualreports/2019/create-value/case-stories/>



Events during the quarter

March 9. Electrolux issued two bond loans

Electrolux issued two bond loans in the aggregate amount of SEK 3.0bn under its EMTN (Euro Medium Term Note) program with maturity on March 9, 2022. One of the bond loans, in the amount of SEK 250m, is issued at a fixed rate and carries a coupon of 0.405% annually. The other bond loan, in the amount of SEK 2,750m, has a floating interest rate.

March 15. Electrolux provided update on developments related to the coronavirus

Electrolux provided an update on potential effects and measures taken related to the global spread of the novel coronavirus. The company believes there is a considerable risk of a material financial impact during the first half of 2020. The uncertainty relating to the outbreak of the coronavirus means that the previously provided outlook is no longer valid.

March 16. Management change in Electrolux

Adam Cich was appointed new head of the business area Asia-Pacific, Middle East and Africa and Executive Vice President. Adam Cich succeeds Dan Arler who, following a period of medical leave, has taken on a special assignment role reporting to the CEO. The appointment was effective as from March 16, 2020.

March 23. Electrolux updates expected impact from the coronavirus and cancels dividend

The rapidly developing situation related to the coronavirus has reinforced Electrolux view of the consequences, with the conclusion that there will be a material financial impact in 2020. The company said it is taking mitigating actions to protect earnings and cash flow. The Board of Directors also said it has decided to withdraw its dividend proposal for the AGM 2020 and communicated other revised AGM proposals.

Since Electrolux update on March 15, several additional authorities globally have imposed strict countermeasures, including the closure of industrial activities, retail shops and cross-border transit. This development has caused a sharp decrease in demand and the possibility to produce goods. Electrolux is continuously adjusting production across all regions to be in line with expected sales volumes and will temporarily close impacted factories as necessary or mandated. Electrolux generally has good product availability, considering the anticipated lower near-term consumer demand.

Given the severity of the situation, including large order revisions from retailers in recent days, Electrolux expects a material financial impact in 2020, starting in the first quarter. It is not at this point possible to quantify or predict the full impact and Electrolux is now implementing aggressive mitigation actions to reduce the risk to earnings and cash flow. In addition to furloughs for employees affected by reduced activity, these actions include significantly reduced discretionary spending and reprioritizing capital expenditure.

March 23. Distribution and listing of Electrolux Professional

During the quarter Electrolux Professional AB was distributed to AB Electrolux shareholders and listed on Nasdaq Stockholm.

On February 21, 2020, an Extraordinary General Meeting (EGM) decided to distribute all the shares in Electrolux Professional to Electrolux shareholders. Prior to the EGM an information brochure presenting the background and reasons for the proposed split of the Electrolux Group as well as a description of Electrolux Professional's business was published on the Group's website on January 31, 2020.

In consultation with its four largest shareholders (Investor AB, Alecta, Swedbank Robur Funds and AMF – Försäkring och Fonder) Electrolux appointed Kai Wärn as Chairman of the Board of Directors of Electrolux Professional, and Lorna Donatone, Hans Ola Meyer, Daniel Nodhäll, Martine Snels, Carsten Voigtländer and Katharine Clark as board members. Alberto Zanata, previous head of the Professional Products

Business Area, was appointed President and CEO of Electrolux Professional.

On March 10, 2020 a prospectus was published on the Group's website. Investors, financial analysts and media representatives were invited to Electrolux Professional's Investor Day, held on March 11, 2020. Alberto Zanata, President and CEO of Electrolux Professional, together with parts of the management team provided a review of the company's strategy, financial development and goals, and a description of products, production and markets.

The last day for trading in shares of Electrolux including the right to receive shares in Electrolux Professional was March 17, 2020. Electrolux shareholders received shares in Electrolux Professional in proportion to their existing shareholding in Electrolux. Each share of series A in Electrolux entitled to one share of series A in Electrolux Professional and each share of series B in Electrolux entitled to one share of series B in Electrolux Professional. Listing and the first day of trading in the shares of Electrolux Professional on Nasdaq Stockholm was March 23, 2020.

March 31. Annual General Meeting

Staffan Bohman, Petra Hedengran, Ulla Litzén, Fredrik Persson, David Porter, Jonas Samuelson and Kai Wärn were re-elected to the Board of Directors. Staffan Bohman was also re-elected Chairman of the Board. Henrik Henriksson and Karin Overbeck were elected as new members of the Board of Directors.

In light of the considerable uncertainty relating to the medium-term effects from the spread of the coronavirus, the Board of Directors of AB Electrolux decided to withdraw its dividend proposal to the Annual General Meeting 2020 according to a press release on March 23, 2020. The Board instead proposed that no dividend is distributed to shareholders for the fiscal year 2019. In accordance with the Board's changed proposal, the Meeting resolved not to distribute any dividend to the shareholders for the financial year 2019.

In the event that the global situation and market conditions are stabilized during the year and the company's financial position remains good, the Board of Directors will consider calling an Extraordinary General Meeting later this year in order to resolve on a dividend.

In addition to withdrawing the dividend proposal, the Board has also withdrawn its proposal for resolution by the AGM 2020 on the implementation of a performance based long-term share program for 2020. Furthermore, the AB Electrolux Nomination Committee decided to withdraw its proposal for increased board fees and has instead proposed that the AGM resolves that the current board fees remain unchanged this year. The Meeting resolved to adopt the remunerations to the Board in accordance with the Nomination Committee's changed proposal. The proposal for remuneration guidelines for Group Management was also approved.

For more information, visit www.electroluxgroup.com



Events after the quarter

April 2. Electrolux highlighted lower emissions and introduced new framework in 2019 Sustainability Report

Electrolux, a sustainability leader in the appliance industry, reported a 75% reduction in CO2 emissions from its operations since 2005. To reflect the Group's new commitment to become climate neutral across the supply chain by 2050, and its increasingly holistic approach to sustainability, the overall sustainability framework has also been updated.

April 6. Electrolux issued two bond loans

Electrolux issued two bond loans in the aggregate amount of SEK 3.4bn under its EMTN (Euro Medium Term Note) program. The two bond loans are issued on April 6, 2020 with maturity on April 6, 2023 and each in the amount of SEK 1,700m. One loan is issued at a fixed rate and carries a coupon of 1.995% annually. The other has a floating interest rate.

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 quarter 2020 amounted to SEK 9,678m (9,741) of which SEK 7,852m (7,952) referred to sales to Group companies and SEK 1,826m (1,789) to external customers. Income after financial items was SEK 5,357m (248), including dividends from subsidiaries in the amount of SEK 5,302m (21). Income for the period amounted to SEK 5,339m (218).

Capital expenditure in tangible and intangible assets was SEK 181m (158). Liquid funds at the end of the period amounted to SEK 8,777m, as against SEK 6,084m at the start of the year.

Undistributed earnings in the Parent Company at the end of the period amounted to SEK 20,447m, as against SEK 22,894m at the start of the year. Dividend payment to shareholders for 2019 amounted to SEK 0m at the end of the period. Dividend distribution to shareholders of the shares in Electrolux Professional AB amounted to SEK 7,749m corresponding to the book value of the shares at the time of the distribution.

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

Stockholm, May 7, 2020

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	Q1 2020	Q1 2019	Full year 2019
Net sales	26,578	27,408	118,981
Cost of goods sold	-22,600	-23,465	-99,182
Gross operating income	3,977	3,943	19,799
Selling expenses	-2,620	-2,740	-12,186
Administrative expenses	-1,097	-1,276	-5,481
Other operating income/expenses	-138	20	1,057
Operating income	122	-53	3,189
Financial items, net	-171	-156	-733
Income after financial items	-48	-209	2,456
Taxes	-38	46	-636
Income for the period, continuing operations	-86	-162	1,820
Income for the period, discontinued operations	2,595	242	688
Income for the period, total Group	2,509	79	2,509
Items that will not be reclassified to income for the period:			
Remeasurement of provisions for post-employment benefits	-1,442	586	-103
Income tax relating to items that will not be reclassified	339	-131	3
	-1,103	456	-100
Items that may be reclassified subsequently to income for the period:			
Cash flow hedges	-6	-23	-10
Exchange-rate differences on translation of foreign operations	-131	762	1,030
Income tax relating to items that may be reclassified	2	-5	24
	-135	735	1,044
Other comprehensive income, net of tax	-1,238	1,190	944
Total comprehensive income for the period	1,271	1,269	3,452
Income for the period attributable to:			
Equity holders of the Parent Company	2,509	79	2,509
Non-controlling interests	-0	-0	-1
Total	2,509	79	2,509
Total comprehensive income for the period attributable to:			
Equity holders of the Parent Company	1,271	1,269	3,453
Non-controlling interest	-0	0	-1
Total	1,271	1,269	3,452
Earnings per share, SEK			
Basic, continuing operations	-0.30	-0.56	6.33
Basic, discontinued operations	9.03	0.84	2.40
Basic, Group total	8.73	0.28	8.73
Diluted, continuing operations	-0.30	-0.56	6.30
Diluted, discontinued operations	9.01	0.84	2.38
Diluted, Group total	8.71	0.28	8.69
Average number of shares ¹			
Basic, million	287.4	287.4	287.4
Diluted, million	287.9	288.8	288.8

¹ Average numbers of shares excluding shares held by Electrolux.



Consolidated balance sheet

SEKM	Mar. 31, 2020	Mar. 31, 2019	Dec. 31, 2019
Assets			
Property, plant and equipment, owned	22,488	20,979	21,803
Property, plant and equipment, right-of-use	2,837	3,270	2,811
Goodwill	6,959	8,543	7,071
Other intangible assets	3,716	4,002	3,817
Investments in associates	403	443	424
Deferred tax assets	7,252	6,551	6,618
Financial assets	85	258	93
Pension plan assets	1,067	729	1,043
Other non-current assets	1,557	1,157	1,486
Total non-current assets	46,363	45,933	45,166
Inventories	16,860	19,032	16,194
Trade receivables	18,246	21,439	20,847
Tax assets	645	756	913
Derivatives	640	211	192
Other current assets	4,763	4,325	4,465
Short-term investments	178	538	190
Cash and cash equivalents	13,961	8,773	10,807
Discontinued operations, assets held for distribution (see Note 5)	-	-	8,034
Total current assets	55,293	55,075	61,642
Total assets	101,656	101,008	106,808
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	-1,486	-1,661	-1,351
Retained earnings	15,471	19,978	19,468
Equity attributable to equity holders of the Parent Company	18,434	22,767	22,566
Non-controlling interests	7	10	8
Total equity	18,442	22,777	22,574
Long-term borrowings	12,931	6,238	8,236
Long-term lease liabilities	2,325	2,603	2,333
Deferred tax liabilities	520	815	561
Provisions for post-employment benefits	6,481	3,911	4,909
Other provisions	5,532	5,772	5,577
Total non-current liabilities	27,789	19,339	21,616
Accounts payable	32,575	34,563	33,892
Tax liabilities	534	579	883
Other liabilities	14,530	15,424	16,821
Short-term borrowings	3,918	5,042	3,354
Short-term lease liabilities	866	959	817
Derivatives	181	86	293
Other provisions	2,821	2,239	2,606
Discontinued operations, liabilities held for distribution (see Note 5)	-	-	3,951
Total current liabilities	55,425	58,891	62,617
Total equity and liabilities	101,656	101,008	106,808

Change in consolidated equity

SEKM	Three months 2020	Three months 2019	Full year 2019
Opening balance	22,574	21,749	21,749
Change in accounting principles	-	-229	-234
Total comprehensive income for the period	1,271	1,269	3,452
Share-based payments	0	-13	52
Dividend to equity holders of the Parent Company ¹	-5,403	-	-2,443
Dividend to non-controlling interests	-	-	-1
Acquisition of non-controlling interests	-0	0	-1
Total transactions with equity holders	-5,403	-12	-2,393
Closing balance	18,442	22,777	22,574

¹ Q1 2020; Distribution of Electrolux Professional AB. Equivalent to the fair market value of Electrolux Professional at listing at Nasdaq Stockholm on March 23, 2020.



Consolidated cash flow statement

SEKM	Q1 2020	Q1 2019	Full year 2019
Operations			
Operating income	122	-53	3,189
Depreciation and amortization ¹	1,208	1,165	4,821
Other non-cash items	204	1,099	1,736
Financial items paid, net ²	-155	-123	-656
Taxes paid	-219	-489	-1,277
Cash flow from operations, excluding change in operating assets and liabilities	1,160	1,599	7,813
Change in operating assets and liabilities			
Change in inventories	-331	-1,805	-437
Change in trade receivables	2,417	593	-604
Change in accounts payable	-1,682	-712	67
Change in other operating assets, liabilities and provisions	-3,762	-2,059	476
Cash flow from change in operating assets and liabilities	-3,358	-3,983	-498
Cash flow from operations	-2,198	-2,384	7,314
Investments			
Acquisition of operations	-0	-26	-27
Capital expenditure in property, plant and equipment	-943	-787	-5,320
Capital expenditure in product development	-134	-155	-788
Capital expenditure in software and other intangibles	-76	-138	-566
Other	40	-165	-294
Cash flow from investments	-1,114	-1,271	-6,994
Cash flow from operations and investments	-3,312	-3,654	321
Financing			
Change in short-term investments	12	-356	-13
Change in short-term borrowings	2,145	35	854
New long-term borrowings	4,522	1,021	3,810
Amortization of long-term borrowings	-1,078	-78	-2,376
Payment of lease liabilities	-205	-234	-870
Dividend	-	-	-2,443
Share-based payments	-	-	9
Cash flow from financing	5,396	388	-1,028
Total cash flow, continuing operations	2,084	-3,267	-707
Total cash flow, discontinued operations (see Note 5)	1,177	202	297
Total cash flow, total Group	3,260	-3,065	-411
Cash and cash equivalents at beginning of period	11,458	11,697	11,697
Exchange-rate differences referring to cash and cash equivalents	-146	141	172
Cash and cash equivalents in distributed operations	-611	-	-
Cash and cash equivalents at end of period³	13,961	8,773	11,458

¹ For the period January 1 to March 31: depreciation related to right-of-use assets amounted to SEK -227m (-203).

² For the period January 1 to March 31: interest and similar items received SEK 18m (23), interest and similar items paid SEK -118m (-100) and other financial items received/paid SEK -24m (-16). Interest paid related to lease liabilities SEK -30m (-31).

³ The difference between Cash and cash equivalents for full year 2019 in the Consolidated cash flow statement and Consolidated balance sheet correspond to the cash and cash equivalents of Electrolux Professional amounting to approximately SEK 0.6bn.



Key ratios

SEKM unless otherwise stated	Q1 2020	Q1 2019	Full year 2019
Continuing operations			
Net sales	26,578	27,408	118,981
Organic growth, %	-5.1	1.2	-1.0
EBITA	340	145	4,003
EBITA margin, %	1.3	0.5	3.4
Operating income	122	-53	3,189
Operating margin, %	0.5	-0.2	2.7
Operating margin excl. non-recurring items, % ¹	0.5	3.7	3.8
Income after financial items	-48	-209	2,456
Income for the period	-86	-162	1,820
Capital expenditure property, plant and equipment	-943	-787	-5,320
Operating cash flow after investments	-2,938	-3,017	2,280
Earnings per share, SEK ²	-0.30	-0.56	6.33
Capital turnover rate, times/year ³	3.8	4.6	4.5
Return on net assets, % ³	1.8	-0.9	12.0
Net debt ⁴	11,061	-	7,683
Net debt/equity ratio ⁴	0.60	-	0.34
Average number of employees	47,111	48,775	48,652
Total Group, including discontinued operations			
Income for the period	2,509	79	2,509
Earnings per share, SEK ²	8.73	0.28	8.73
Equity per share, SEK	64.17	79.25	78.55
Return on equity, %	48.9	1.4	11.4
Net debt ⁴	-	8,410	-
Net debt/equity ratio ⁴	-	0.37	-
Average number of shares excluding shares owned by Electrolux, million	287.4	287.4	287.4

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

² Basic.

³ To facilitate comparison, net assets excludes assets and liabilities of Electrolux Professional for all periods.

⁴ Net debt items as per March 13, 2020 and December 31, 2019 exclude assets and liabilities of Electrolux Professional. Net debt items as per March 31, 2019 include assets and liabilities of Electrolux Professional. Equity as per March 31, 2020 excludes Electrolux Professional. Equity as per March 31, 2019 and December 31, 2019 includes Electrolux Professional.

For definitions, see pages 27-28.

Exchange rates

SEK	Mar. 31, 2020		Mar. 31, 2019		Dec. 31, 2019	
Exchange rate	Average	End of period	Average	End of period	Average	End of period
ARS	0.1572	0.1566	0.2325	0.2135	0.2010	0.1558
AUD	6.37	6.16	6.51	6.57	6.57	6.53
BRL	2.17	1.94	2.40	2.38	2.40	2.31
CAD	7.19	7.08	6.84	6.93	7.10	7.14
CHF	10.02	10.45	9.20	9.30	9.50	9.60
CLP	0.0121	0.0118	0.0136	0.0136	0.0133	0.0125
CNY	1.39	1.42	1.35	1.38	1.37	1.34
EUR	10.71	11.06	10.38	10.40	10.56	10.44
GBP	12.48	12.48	11.89	12.11	12.03	12.25
HUF	0.0314	0.0307	0.0326	0.0324	0.0324	0.0315
MXN	0.4811	0.4226	0.4718	0.4794	0.4878	0.4951
RUB	0.1440	0.1287	0.1374	0.1427	0.1455	0.1507
THB	0.3095	0.3079	0.2869	0.2918	0.3039	0.3119
USD	9.70	10.10	9.11	9.26	9.43	9.33



Net sales and operating income by business area

SEKM	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Full year 2020	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Full year 2019
Europe										
Net sales	10,908					10,553	10,479	11,036	13,352	45,420
Sales growth, %	0.3					4.6	1.0	-1.8	3.3	1.8
EBITA	600					730	631	149	1,189	2,698
EBITA margin, %	5.5					6.9	6.0	1.3	8.9	5.9
Operating income	558					686	576	93	1,138	2,493
Operating margin, %	5.1					6.5	5.5	0.8	8.5	5.5
North America										
Net sales	8,409					9,099	10,255	10,880	8,719	38,954
Sales growth, %	-13.1					-6.8	-12.1	-0.7	-18.3	-9.5
EBITA	-247					-450	555	-3	-486	-383
EBITA margin, %	-2.9					-4.9	5.4	-0.0	-5.6	-1.0
Operating income	-299					-482	504	-20	-519	-516
Operating margin, %	-3.6					-5.3	4.9	-0.2	-5.9	-1.3
Latin America										
Net sales	3,826					4,312	4,816	4,613	5,913	19,653
Sales growth, %	-1.9					6.9	8.3	14.2	13.9	10.9
EBITA	32					-165	217	1,591	390	2,033
EBITA margin, %	0.8					-3.8	4.5	34.5	6.6	10.3
Operating income	-15					-223	164	1,539	340	1,821
Operating margin, %	-0.4					-5.2	3.4	33.4	5.8	9.3
Asia-Pacific, Middle East and Africa										
Net sales	3,434					3,445	3,682	3,801	4,027	14,954
Sales growth, %	-3.2					2.3	-3.8	1.6	-4.1	-1.2
EBITA	78					141	204	-115	350	580
EBITA margin, %	2.3					4.1	5.5	-3.0	8.7	3.9
Operating income	44					110	171	-150	315	446
Operating margin, %	1.3					3.2	4.7	-4.0	7.8	3.0
Group common costs, etc.	-165					-143	-197	-400	-315	-1,055
Total, continuing operations										
Net sales	26,578					27,408	29,232	30,330	32,011	118,981
Sales growth, %	-5.1					0.6	-3.6	1.2	-2.8	-1.3
EBITA	340					145	1,433	1,263	1,162	4,003
EBITA margin, %	1.3					0.5	4.9	4.2	3.6	3.4
Operating income	122					-53	1,219	1,063	960	3,189
Operating margin, %	0.5					-0.2	4.2	3.5	3.0	2.7
Total Group, including discontinued operations										
Income for the period, Group total	2,509					79	1,132	739	559	2,509
Earnings per share, Group total, SEK ¹	8.73					0.28	3.94	2.57	1.94	8.73

¹ Basic.



Non-recurring items by business area

SEKM	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Full year 2020	Q1 2019 ¹	Q2 2019	Q3 2019 ²	Q4 2019	Full year 2019
Europe	-	-	-	-	-	-	-	-752	-	-752
North America	-	-	-	-	-	-829	-	-242	-	-1,071
Latin America	-	-	-	-	-	-225	-	1,326	-	1,101
Asia-Pacific, Middle East and Africa	-	-	-	-	-	-	-	-398	-	-398
Group common costs, etc.	-	-	-	-	-	-	-	-224	-	-224
Total, continuing operations	-	-	-	-	-	-1,054	-	-290	-	-1,344

¹ The non-recurring item of SEK -829m relates to the consolidation of U.S. cooking production and SEK -225m to the closure of a refrigeration production line in Latin America. The costs are included in Cost of goods sold and consists of write down of fixed assets, provision for severance cost and other cost related to the projects.

² The non-recurring item of SEK -290m includes recovery of overpaid sales tax in Brazil of SEK 1,403m, a legal settlement in the U.S. of SEK -197m and restructuring charges for efficiency measures and outsourcing projects across business areas and Group common costs of SEK -1,496m. The income from overpaid sales tax in Brazil and the cost for legal settlement in the U.S are included in other operating income/expenses, the costs for restructuring and outsourcing projects are included in the applicable functional lines of the income statement.

Operating income excluding non-recurring items (NRI)

SEKM	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Full year 2020	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Full year 2019
Europe										
Operating income excl. NRI	558					686	576	845	1,138	3,245
Operating margin excl. NRI, %	5.1					6.5	5.5	7.7	8.5	7.1
North America										
Operating income excl. NRI	-299					347	504	222	-519	555
Operating margin excl. NRI, %	-3.6					3.8	4.9	2.0	-5.9	1.4
Latin America										
Operating income excl. NRI	-15					2	164	213	340	720
Operating margin excl. NRI, %	-0.4					0.1	3.4	4.6	5.8	3.7
Asia-Pacific, Middle East and Africa										
Operating income excl. NRI	44					110	171	248	315	844
Operating margin excl. NRI, %	1.3					3.2	4.7	6.5	7.8	5.6
Group common cost etc										
Operating income excl. NRI	-165					-143	-197	-176	-315	-831
Total, continuing operations										
Operating income excl. NRI	122					1,001	1,219	1,353	960	4,533
Operating margin excl. NRI, %	0.5					3.7	4.2	4.5	3.0	3.8



Net sales by business area

SEKM	Q1 2020	Q1 2019	Full year 2019
Europe	10,908	10,553	45,420
North America	8,409	9,099	38,954
Latin America	3,826	4,312	19,653
Asia-Pacific, Middle East and Africa	3,434	3,445	14,954
Total, continuing operations	26,578	27,408	118,981

Change in net sales by business area

	Q1 2020	Q1 2020 in local currencies
Year-over-year, %		
Europe	3	0
North America	-8	-13
Latin America	-11	-2
Asia-Pacific, Middle East and Africa	-0	-3
Total change, continuing operations	-3	-5

Operating income by business area

SEKM	Q1 2020	Q1 2019	Full year 2019
Europe	558	686	2,493
Margin, %	5.1	6.5	5.5
North America	-299	-482	-516
Margin, %	-3.6	-5.3	-1.3
Latin America	-15	-223	1,821
Margin, %	-0.4	-5.2	9.3
Asia-Pacific, Middle East and Africa	44	110	446
Margin, %	1.3	3.2	3.0
Group common costs, etc.	-165	-143	-1,055
Operating income, continuing operations	122	-53	3,189
Margin, %	0.5	-0.2	2.7

Change in operating income by business area

	Q1 2020	Q1 2020 in local currencies
Year-over-year, %		
Europe	-19	-21
North America	38	42
Latin America	93	93
Asia-Pacific, Middle East and Africa	-60	-61
Total change, continuing operations	n.m.	n.m.

Note: n.m. (not meaningful) is used when the calculated number is considered not relevant.



Working capital and net assets

SEKM	Mar. 31, 2020	% ¹	Mar. 31, 2019, restated ²	% ¹	Mar. 31, 2019 ³	% ¹	Dec. 31, 2019 ²	% ¹
Inventories	16,860	15.8	17,654	16.0	19,032	15.9	16,194	13.8
Trade receivables	18,246	17.1	19,717	17.9	21,439	17.9	20,847	17.7
Accounts payable	-32,575	-30.5	-33,054	-29.9	-34,563	-28.9	-33,892	-28.8
Operating working capital	2,530	2.4	4,317	3.9	5,909	4.9	3,149	2.7
Provisions	-8,353		-7,519		-8,011		-8,183	
Prepaid and accrued income and expenses	-10,070		-9,868		-10,381		-11,748	
Taxes and other assets and liabilities	619		-381		-719		-608	
Working capital	-15,274	-14.3	-13,451	-12.2	-13,202	-11.0	-17,390	-14.8
Property, plant and equipment, owned	22,488		19,895		20,979		21,803	
Property, plant and equipment, right-of-use	2,837		3,113		3,270		2,811	
Goodwill	6,959		7,073		8,543		7,071	
Other non-current assets	5,761		5,450		5,860		5,820	
Deferred tax assets and liabilities	6,732		5,618		5,735		6,057	
Net assets	29,502	27.6	27,698	25.1	31,186	26.1	26,172	22.3
Annualized net sales, calculated at end of period exchange rates	106,875		110,350		119,603		117,519	
Average net assets	27,837	26.2	24,002	21.9	27,380	23.0	26,532	22.3
Annualized net sales, calculated at average exchange rates	106,310		109,632		118,839		118,981	

¹ % of annualized net sales.

² Excluding discontinued operations.

³ Including discontinued operations.

Net assets by business area

SEKM	Assets			Equity and liabilities			Net assets		
	Mar. 31, 2020	Mar. 31, 2019	Dec. 31, 2019	Mar. 31, 2020	Mar. 31, 2019	Dec. 31, 2019	Mar. 31, 2020	Mar. 31, 2019	Dec. 31, 2019
Europe	27,461	26,849	28,032	24,864	23,987	26,604	2,598	2,861	1,429
North America	24,892	22,314	22,917	15,344	16,163	16,421	9,548	6,151	6,496
Latin America	11,635	13,356	14,064	5,886	6,561	7,020	5,749	6,794	7,044
Asia-Pacific, Middle East and Africa	11,933	12,154	12,351	6,506	5,885	6,289	5,427	6,269	6,062
Professional Products	-	6,671	-	-	3,183	-	-	3,488	-
Other ¹	10,083	9,191	9,175	3,902	3,568	4,033	6,181	5,623	5,142
Total operating assets and liabilities	86,005	90,534	86,540	56,503	59,348	60,368	29,502	31,186	26,172
Discontinued operations, operating assets and liabilities	-	-	8,034	-	-	3,951	-	-	-
Liquid funds	14,584	9,744	11,189	-	-	-	-	-	-
Total borrowings	-	-	-	17,040	11,410	11,856	-	-	-
Lease liabilities	-	-	-	3,191	3,562	3,150	-	-	-
Pension assets and liabilities	1,067	729	1,043	6,481	3,911	4,909	-	-	-
Dividend payable	-	-	-	-	-	-	-	-	-
Total equity	-	-	-	18,442	22,777	22,574	-	-	-
Total	101,656	101,008	106,808	101,656	101,008	106,808	-	-	-

¹ Includes common functions and tax items.



Parent Company income statement

SEKM	Q1 2020	Q1 2019	Full year 2019
Net sales	9,678	9,741	40,594
Cost of goods sold	-8,297	-8,312	-35,020
Gross operating income	1,381	1,429	5,574
Selling expenses	-755	-790	-3,314
Administrative expenses	-437	-528	-2,276
Other operating expenses	-	-	-487
Operating income	189	111	-503
Financial income	5,477	256	5,424
Financial expenses	-309	-119	-888
Financial items, net	5,168	137	4,536
Income after financial items	5,357	248	4,033
Appropriations	21	42	-682
Income before taxes	5,378	290	3,351
Taxes	-39	-72	6
Income for the period	5,339	218	3,357

Parent Company balance sheet

SEKM	Mar. 31, 2020	Mar. 31, 2019	Dec. 31, 2019
Assets			
Non-current assets	34,045	38,476	41,760
Current assets	36,963	34,223	33,100
Total assets	71,008	72,699	74,860
Equity and liabilities			
Restricted equity	5,723	5,543	5,597
Non-restricted equity	20,447	22,191	22,894
Total equity	26,170	27,734	28,491
Untaxed reserves	434	449	430
Provisions	1,439	1,094	1,461
Non-current liabilities	12,883	5,748	8,200
Current liabilities	30,082	37,674	36,278
Total equity and liabilities	71,008	72,699	74,860

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, 2020	8,192,539	300,727,769	308,920,308	21,522,858	287,397,450
Number of shares as of March 31, 2020	8,192,539	300,727,769	308,920,308	21,522,858	287,397,450
As % of total number of shares				7.0%	



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, 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 accounting policies applied are consistent with those applied in the preparation of the Group's Annual Report 2019, except for the adoption of standard amendments effective as of January 1, 2020. The amendments are not expected to have any material impact on the financial statements. See section 'New or amended accounting standards to be applied after 2019' in the Annual Report 2019 for more information.

Discontinued operations

In January 2019, Electrolux announced that the company was preparing for the separation and distribution of its Professional Products business area ('Electrolux Professional'). On December 5, 2019 the Electrolux Board of Directors decided to propose to the Electrolux shareholders to distribute the shares in the wholly-owned subsidiary Electrolux Professional AB to the shareholders of Electrolux. The decision was taken by an Extraordinary General Meeting on February 21, 2020 and Electrolux Professional AB was listed on Nasdaq Stockholm on March 23, 2020. Electrolux Professional has been classified as held for distribution to owners as per December 2019 and is accounted for under the applicable principles for assets held for sale and discontinued operations. All related effects are referred to as 'Discontinued operations'.

As per December 2019, Electrolux Professional was reported as discontinued operations in the consolidated statement of comprehensive income. The consolidated statement of comprehensive income for comparative periods has been restated accordingly. The Electrolux Professional results are excluded from the individual lines of the consolidated income statement with the total net reported as 'Income for the period, discontinued operations', which in full is attributable to equity holders of the Parent Company.

The consolidated cash flow statement includes a full cash flow statement for continuing operations and total cash flow for discontinued operations.

In the balance sheet as per 31 December 2019, assets and liabilities of Electrolux Professional were classified as 'Discontinued operations, assets held for distribution' and 'Discontinued operations, liabilities held for distribution' respectively. The balance sheet for the comparative period previous year presents the historical financial statements as no restatement of the balance sheet is allowed under IFRS. However, to facilitate comparison, restated net assets figures are presented on page 21.

Financial statement details for discontinued operations are included in Note 5.

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. Electrolux has four regional Consumer Products business areas with focus on the consumer market.

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.

Geography and product category are considered important attributes when disaggregating Electrolux revenue. The business areas, also being the Group's segments, are based on geography: Europe, North America, Latin America and Asia-Pacific, Middle East and Africa. For business area information, see pages 5-6. In addition, the table below presents net sales by product area Taste (kitchen appliances), Care (laundry appliances) and Wellbeing (e.g. cleaning appliances and small domestic appliances).

SEKM	Three months 2020	Three months 2019	Full year 2019
Product areas			
Taste	16,237	16,667	72,424
Care	7,910	7,947	34,593
Wellbeing	2,431	2,793	11,964
Total	26,578	27,408	118,981



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

SEKM	Mar. 31, 2020		Mar. 31, 2019		Dec. 31, 2019	
	Fair value	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount
Per category						
Financial assets at fair value through profit and loss	251	251	795	795	269	269
Financial assets measured at amortized cost	32,219	32,219	30,213	30,213	31,668	31,668
Derivatives, financial assets at fair value through profit and loss	640	640	206	206	114	114
Derivatives in hedge accounting	-	-	5	5	78	78
Total financial assets	33,110	33,110	31,219	31,219	32,129	32,129
Financial liabilities measured at amortized cost	49,537	49,425	45,900	45,843	45,515	45,482
Derivatives, financial liabilities at fair value through profit and loss	126	126	77	77	291	291
Derivatives in hedge accounting	55	55	9	9	2	2
Total financial liabilities	49,718	49,606	45,986	45,929	45,808	45,775

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.

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 at fair value according to the following hierarchy:

Level 1: Quoted prices in active markets for identical assets or liabilities. At March 31, 2020, the fair value for Level 1 financial assets was SEK 166m (537) 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 March 31, 2020, the fair value of Level 2 financial assets was SEK 640m (211) and financial liabilities SEK 181m (86).

Level 3: Inputs for the assets or liabilities that are not entirely based on observable market data. At March 31, 2020, the fair value of Level 3 financial assets was SEK 85m (258) and financial liabilities SEK 0m (0).

Note 4 Pledged assets and contingent assets and liabilities

SEKM	Mar. 31, 2020	Mar. 31, 2019	Dec. 31, 2019
Group			
Pledged assets	71	6	6
Guarantees and other commitments	961	1,180	939
Parent Company			
Pledged assets	-	-	-
Guarantees and other commitments	1,034	1,577	1,015

For more information on contingent liabilities, see Note 25 in the Annual Report 2019.

Note 5 Acquisitions of operations and discontinued operations

Acquisitions

There were no acquisitions completed in the first quarter of 2020.

For information on acquisitions in 2019, see Note 5 in the Q4 interim report 2019 or Note 26 in the Annual Report 2019.



Discontinued operations

Business area Electrolux Professional was classified as held for distribution to owners as per December 2019 and accounted for under the applicable principles for assets held for sale and discontinued operations, IFRS 5 'Non-current assets held for sale and discontinued operations' and IFRIC 17 'Distribution of non-cash assets to owners'. The separation was completed during the first quarter 2020 as Electrolux Professional was distributed to the shareholders and listed at Nasdaq Stockholm on March 23, 2020. The settlement gain has been calculated as the difference between the carrying amount of the assets distributed and the carrying amount of the dividend payable, measured at the fair market value of Electrolux Professional at listing. All related effects are referred to as 'Discontinued operations'. See section 'Discontinued operations' in Note 1 for more information. The financial information presented below consists of Electrolux Professional's contribution to Electrolux Group consolidated financial information.

SEKM	Q1 2020	Q1 2019	Full year 2019
Net sales	1,884	2,302	9,281
Cost of goods sold	-1,191	-1,441	-6,040
Gross operating income	693	861	3,241
Selling expenses	-349	-424	-1,699
Administrative expenses	-161	-133	-584
Other operating income and expenses	2	-3	32
Operating income	185	301	991
Financial items, net	-1	-2	12
Income after financial items	184	299	1,003
Taxes	-40	-57	-314
Income for the period, Electrolux Professional	144	242	688
Translation difference recycled from OCI	72	-	-
Settlement gain from distribution of Electrolux Professional	2,379	-	-
Income for the period, discontinued operations	2,595	-	-
SEKM	Mar. 31, 2020	Mar. 31, 2019	Dec. 31, 2019
Property, plant and equipment, owned	-	1,084	1,214
Property, plant and equipment, right-of-use	-	157	238
Goodwill	-	1,470	1,821
Other intangible assets	-	390	388
Other non-current assets	-	282	397
Total non-current assets	-	3,383	4,057
Inventories	-	1,378	1,265
Trade receivables	-	1,722	1,687
Other current assets	-	370	1,025
Total current assets	-	3,471	3,977
Total assets	-	6,853	8,034
Long-term borrowings	-	25	3
Long-term lease liabilities	-	107	172
Other provisions	-	712	846
Total non-current liabilities	-	844	1,021
Accounts payable	-	1,509	1,485
Short-term borrowings	-	29	4
Short-term lease liabilities	-	48	72
Other current liabilities	-	1,180	1,370
Total current liabilities	-	2,767	2,930
Total liabilities	-	3,609	3,951
SEKM	Q1 2020	Q1 2019	Full year 2019
Cash flow from operations	68	247	1,120
Cash flow from investments	-87	-60	-689
Cash flow from financing	1,195	15	-134
Total cash flow	1,177	202	297



Operations by business area yearly

SEKM	2015	2016	2017 ¹	2018	2019
Europe					
Net sales	38,224	39,097	39,231	43,321	45,420
Operating income	2,290	2,794	2,772	2,128	2,493
Margin, %	6.0	7.1	7.1	4.9	5.5
North America					
Net sales	45,276	44,914	42,083	39,804	38,954
Operating income	1,454	2,657	2,796	1,104	-516
Margin, %	3.2	5.9	6.6	2.8	-1.3
Latin America					
Net sales	19,679	16,384	18,277	17,963	19,653
Operating income	459	-111	483	492	1,821
Margin, %	2.3	-0.7	2.6	2.7	9.3
Asia-Pacific, Middle East and Africa					
Net sales	13,787	13,833	13,457	14,375	14,954
Operating income	308	673	1,077	979	446
Margin, %	2.2	4.9	8.0	6.8	3.0
Other					
Group common cost, etc.	-2,631	-693	-775	-527	-1,055
Total, continuing operations					
Net sales	116,965	114,228	113,048	115,463	118,981
Operating income	1,879	5,320	6,353	4,176	3,189
Margin, %	1.6	4.7	5.6	3.6	2.7
Non-recurring items in operating income²	2015³	2016	2017	2018⁴	2019⁵
Europe	-40	-	-	-747	-752
North America	-207	-	-	-596	-1,071
Latin America	-11	-	-	-	1,101
Asia-Pacific, Middle East and Africa	-90	-	-	-	-398
Group common cost	-1,901	-	-	-	-224
Total, continuing operations	-2,249	-	-	-1,343	-1,344

¹ 2017 has been restated due to IFRS 15.

² For more information, see Note 7 in the annual reports.

³ Refers to costs related to the not completed acquisition of GE Appliances of SEK -2,059m and restructuring costs within HC&SDA of SEK -190m.

⁴ Non-recurring items 2018: SEK -596m refers to the consolidation of freezer production in North America, SEK -747m refers to business area Europe and includes a fine of SEK -493m, relating to an investigation by the French Competition Authority, and a cost of SEK -254m relating to an unfavorable court ruling in France.

⁵ Non-recurring items 2019 includes SEK -829m related to the consolidation of U.S. cooking production and SEK -225m to the closure of a refrigeration production line in Latin America, recovery of overpaid sales tax in Brazil of SEK 1,403m, a legal settlement in the U.S. of SEK -197m and restructuring charges for efficiency measures and outsourcing projects across business areas and Group common costs of SEK -1,496m.



Five-year review

Total Group 2015-2018 and Continuing operations 2018 (restated)-2019

SEKM unless otherwise stated	2015	2016	2017 ¹	2018	Restated 2018 ²	2019
Net sales	123,511	121,093	120,771	124,129	115,463	118,981
Organic growth, %	2.2	-1.1	-0.4	1.3	1.2	-1.0
Operating income	2,741	6,274	7,407	5,310	4,176	3,189
Operating margin, %	2.2	5.2	6.1	4.3	3.6	2.7
Income after financial items	2,101	5,581	6,966	4,887	3,754	2,456
Income for the period	1,568	4,493	5,745	3,805	2,854	1,820
Non-recurring items in operating income ³	-2,249	-	-	-1,343	-1,343	-1,344
Capital expenditure, property, plant and equipment	-3,027	-2,830	-3,892	-4,650	-4,506	-5,320
Operating cash flow after investments	6,745	9,140	6,877	3,649	2,646	2,280
Earnings per share, SEK ⁴	5.45	15.64	19.99	13.24	9.93	6.33
Equity per share, SEK	52.21	61.72	71.26	75.67	-	78.55
Dividend per share, SEK ⁵	6.50	7.50	8.30	8.50	8.50	-
Capital-turnover rate, times/year	5.0	5.8	5.9	5.3	5.6	4.5
Return on net assets, %	11.0	29.9	36.0	22.7	20.2	12.0
Return on equity, %	9.9	29.4	31.9	18.2	-	11.4
Net debt	6,407	360	197	1,825	-	7,683
Net debt/equity ratio	0.43	0.02	0.01	0.08	-	0.34
Average number of shares excluding shares owned by Electrolux, million	287.1	287.4	287.4	287.4	287.4	287.4
Average number of employees	58,265	55,400	55,692	54,419	51,253	48,652

¹ 2017 has been restated due to IFRS 15.

² Excluding discontinued operations.

³ For more information, see table on pages 19 and 26 and Note 7 in the annual reports.

⁴ Basic.

⁵ AGM 2020 resolved not to distribute any cash dividend to the shareholders for the financial year 2019.

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 sales 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, lease liabilities 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 income 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 8.



Shareholders' information

President and CEO Jonas Samuelson's comments on the first quarter results 2020

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, May 7. Jonas Samuelson, President and CEO and Therese Friberg, CFO will comment on the report.

Details for participation by telephone are as follows:

Participants in Sweden: +46 8 566 426 51

Participants in UK/Europe: +44 3333 000 804

Participants in US: +1 631 9131 422

Pin code: 54591041#

Slide presentation for download:

www.electroluxgroup.com/ir

Link to webcast:

<https://edge.media-server.com/mmc/p/ni7gcfdki>

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Calendar 2020

Interim report January - June

July 17

Interim report January - September

October 23

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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