

Q2 2020



Navigating through challenging market with reinforced strategy

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

- Net sales amounted to SEK 23,476m (29,232). Organic sales declined by 16.6%, due to lower volumes. The development of the coronavirus pandemic impacted market demand significantly in our main markets and also resulted in supply constraints in North America.
- Operating income amounted to SEK -62m (1,219), corresponding to a margin of -0.3% (4.2).
- Comprehensive cost measures executed to mitigate the effects from the pandemic on earnings.
- Negative currency impact on operating income of approximately SEK 360m.
- Income for the period amounted to SEK -141m (1,006), and earnings per share was SEK -0.49 (3.50).
- Operating cash flow after investments was SEK 122m (-25).

Financial overview

SEKM	Q2 2020	Q2 2019	Change, %	Six months 2020	Six months 2019	Change, %
Continuing operations						
Net sales	23,476	29,232	-20	50,054	56,640	-12
Sales growth, % ¹	-16.6	-3.6		-11.0	-1.6	
Organic growth, %	-16.6	-3.1		-11.0	-1.1	
Acquisitions, %	-	0.1		-	0.1	
Divestments, %	-	-0.6		-	-0.6	
Changes in exchange rates, %	-3.1	3.9		-0.6	4.3	
Operating income ²	-62	1,219	n.m.	60	1,166	-95
Operating margin, %	-0.3	4.2		0.1	2.1	
Income after financial items	-251	1,041	n.m.	-299	832	n.m.
Income for the period	-141	1,006	n.m.	-228	844	n.m.
Earnings per share, SEK ³	-0.49	3.50		-0.79	2.94	
Return on net assets, %	-	-		0.4	9.0	
Operating cash flow after investments	122	-25		-2,816	-3,042	
Total Group, including discontinued operations						
Income for the period	-141	1,132	n.m.	2,367	1,211	n.m.
Earnings per share, SEK ³	-0.49	3.94		8.24	4.22	

¹ Change in net sales adjusted for currency translation effects.

² Operating income for continuing operations in the first six months 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 60m (2,220), corresponding to a margin of 0.1% (3.9), see page 20.

³ Basic.

For definitions, see pages 28-29.

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

President and CEO Jonas Samuelson's comment

The coronavirus pandemic affects all of us, personally and professionally. Our top priority is to safeguard the health and safety of our employees and to ensure business continuity as household appliances are essential for consumers' daily life.

During the months of March through May, we experienced significant volume drops across most of our regions due to the pandemic. As restrictions were eased or removed, demand picked up in June, even if the pace of recovery varies greatly between regions. In some markets, such as many European countries, the recovery pace in the latter part of the quarter has been faster than predicted. It was therefore encouraging that we in June had an organic growth of 3%. I am also pleased that despite challenging conditions we improved our mix this quarter as well. A good example is Australia where newly launched products continue to gain good traction.

We have also delivered on the temporary cost and cash mitigation actions initiated in March; well above our expectations. This shows that both agility and cost focus are part of our DNA. We continue to follow through on our re-engineering and streamlining initiatives, yielding further structural efficiencies to strengthen our cost competitiveness also longer term. As we earlier announced, the coronavirus situation leads to delays in some of our strategic investments of up to half a year and has also impacted the ramp-up of our new Anderson factory in the U.S. due to supply disruptions from Mexico and shutdowns/ absenteeism, which also have impacted all our North American plants. This of course pushes cost savings from these investments forward, but I want to emphasize that we still expect our re-engineering and streamlining initiatives to generate approximately SEK 3.5bn of annual cost savings, with full effect from 2024.

Despite the strong cost reduction execution in the quarter, it was not possible to offset both the 17% organic sales drop and a significant currency headwind and, as we have previously communicated, the quarter was slightly loss-making.

The pandemic situation remains fluid, creating an extraordinary degree of uncertainty over what the full global impact on demand will be for the second half of the year. It depends on several factors such as virus resurgences, the extent of additional restrictive measures and the effectiveness of the massive stimulus packages on consumer confidence and demand. In the near term, we see good demand, partially

driven by pent-up demand from April/May and the strong stimulus programs. However, for the full year 2020 we continue to expect negative demand in most of our main markets. Hence, as previously communicated, we expect a material financial impact related to the pandemic for the full year 2020, primarily due to the impact in the second quarter.

The increased time spent at home due to the pandemic has quickly changed consumer behavior. The importance of high-quality appliances with relevant features and benefits become more apparent. On the same note, we see consumers paying more attention to health and hygiene; meaning there is an increasing need for products that can boost wellbeing such as vacuum cleaners, air and water purifiers, dish washers and washing machines. Finally, consumers have become more digital and online purchases are growing significantly. These changes in consumer behavior reinforce our strategy and we keep accelerating innovation to deliver relevant products and services, including further development of our e-commerce capabilities.



Our strong commitment to sustainability remains unchanged and we see an opportunity to increase sustainable efforts as people change their behaviors due to the crisis.

Although we are experiencing a challenging time, I am confident that Electrolux remains well positioned to create value. I especially want to thank my colleagues for their great commitment as we continue to execute on our strategy.

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	Negative	Latin America	Negative	Negative
North America	Negative	Negative	Asia-Pacific, Middle East and Africa	Negative	Negative

Business outlook ² , year-over-year	Q3 2020	FY 2020	Previous outlook for the FY 2020 ⁵
Volume/price/mix	Favorable	Unfavorable	Unfavorable
Raw material costs and trade tariffs	Decrease of SEK -150m	Decrease of SEK 0.3-0.6bn	Decrease of SEK 0.3-0.6bn
Net cost efficiency ³	Favorable	Favorable	Favorable
Currency effect ⁴	SEK -200m	SEK -1,400m	SEK -1,700m
Capital expenditure	Decrease	SEK -5bn	SEK -5bn

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 -1,400m and currency translation effects of approximately SEK 0m. The calculation is based on currency rates as per July 10, 2020.

⁵ Published on May 7, 2020.

Note: Business outlook in the above table excludes non-recurring items and assumes no additional major restrictions due to the coronavirus pandemic.



Summary of the second quarter

SEKM	Q2 2020	Q2 2019	Change, %	Six months 2020	Six months 2019	Change, %	Full year 2019
Net sales	23,476	29,232	-20	50,054	56,640	-12	118,981
Operating income							
Europe	244	576	-58	802	1,262	-36	2,493
North America	-173	504	n.m.	-472	22	n.m.	-516
Latin America	-183	164	n.m.	-198	-59	-238	1,821
Asia-Pacific, Middle East and Africa	159	171	-7	203	282	-28	446
Other, Group common costs, etc.	-109	-197	45	-275	-341	19	-1,055
Total	-62	1,219	n.m.	60	1,166	-95	3,189
Operating margin, %	-0.3	4.2		0.1	2.1		2.7
Operating margin excl. non-recurring items, % ¹	-0.3	4.2		0.1	3.9		3.8

¹ For information on non-recurring items, see page 20.

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

Discontinued operations

Electrolux Professional AB was listed on Nasdaq Stockholm as a separate company on March 23, 2020 and is hence no longer part of the Electrolux Group. Results for Electrolux Professional, for the time it was part of the Electrolux Group, is reported as discontinued operations. See Note 5 for details.

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

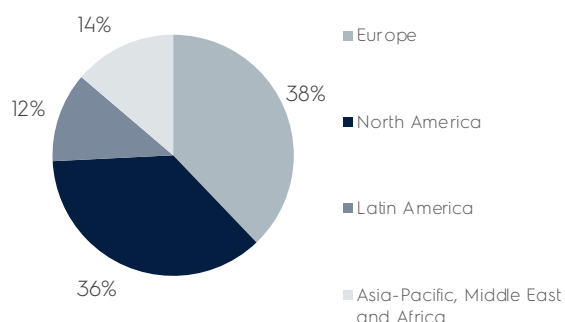
Net sales

Sales decreased by 16.6% in the quarter, excluding currency translation effects. Volumes declined in all four business areas, heavily impacted by the coronavirus pandemic. In North America volumes decreased primarily due to supply constraints, while the other three business areas were impacted mainly by lower demand. However, the market situation improved significantly towards the end of the quarter and for the month of June, organic sales increased approximately 3% year-over-year. In the quarter, mix improvements and price increases partly offset the volume decline.

Operating income

Operating income amounted to SEK -62m (1,219), corresponding to a margin of -0.3 % (4.2).

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



The earnings impact from the volume drop was partly mitigated by the comprehensive cost-cutting measures initiated in March that gained significant traction in the second quarter. Those measures included reduced discretionary spend, primarily on marketing, and furloughs of employees. However, the ongoing consolidation of manufacturing in North America continued to result in higher costs. Mix continued to improve and lower costs for raw materials had a positive impact year-over-year. Currency headwind, linked to the coronavirus' impact on the global economy, was partly offset by price increases.

Effects of changes in exchange rates

Changes in exchange rates had a year-over-year impact of SEK -364m. The impact of transaction effects was SEK -349m, primarily relating to weakening currencies in Latin America but also to operations in Australia and Europe. Translation effects amounted to SEK -16m.

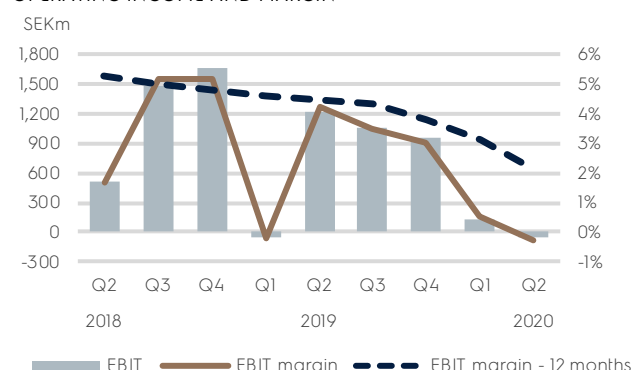
Financial net

Net financial items amounted to SEK -188m (-178).

Income for the period

Income for the period amounted to SEK -141 (1,006), corresponding to SEK -0.49 (3.50) in earnings per share.

OPERATING INCOME AND MARGIN



EBIT margin - 12 months is excluding non-recurring items, see pages 20 and 27.



First half of 2020

Sales growth for continuing operations was -11.0% in the first half, excluding currency translation effects. Organic sales also declined by 11.0% as acquisitions and divestments did not have any impact.

Operating income amounted to SEK 60m (1,166), corresponding to a margin of 0.1% (2.1). In the first half, non-recurring items amounted to SEK 0m (-1,054), see page 20. Excluding these non-recurring items, operating income amounted to SEK 60m (2,220) corresponding to a margin of 0.1% (3.9).

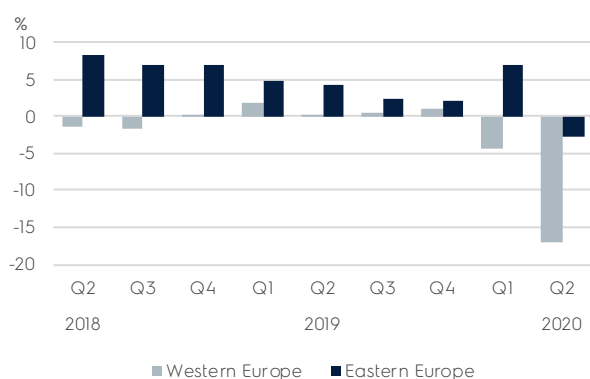
Income for the period for continuing operations amounted to SEK -228m (844), corresponding to SEK -0.79 (2.94) in earnings per share.

Income for the period for the total Group, including discontinued operations, amounted to SEK 2,367m (1,211), corresponding to SEK 8.24 (4.22) in earnings per share.

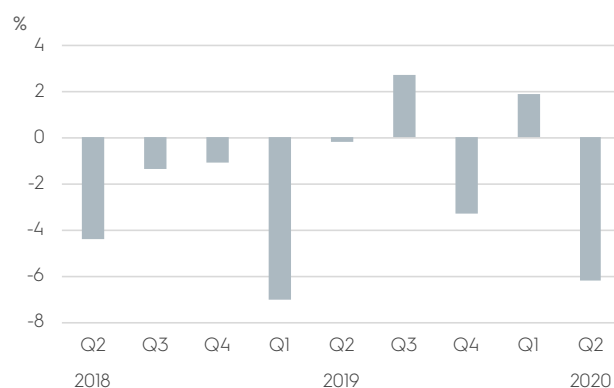
Market overview

In the second quarter, the market in Europe decreased significantly year-over-year, mainly in Western Europe, due to restrictions to limit the spread of the coronavirus. As restrictions were lifted, demand recovered and several countries showed growth in June. In the U.S., the market demand for core appliances decreased mainly due to supply constraints, caused by the coronavirus situation. In June, supply constraints eased and the decline in U.S. market demand was less severe. 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, %*	Q2 2020	Q2 2019	Six months 2020	Six months 2019	Full year 2019
Western Europe	-17	0	-11	1	1
Eastern Europe (excluding Turkey)	-3	4	2	4	3
Total Europe	-13	1	-7	2	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, %*	Q2 2020	Q2 2019	Six months 2020	Six months 2019	Full year 2019
Core appliances	-6	0	-2	-3	-2
Microwave ovens and home-comfort products	-9	-20	-15	-10	-10
Total major appliances	-7	-8	-7	-6	-5

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



Business areas

Europe

In the second quarter, overall market demand in Europe declined by 13% year-over-year. Demand declined by 17% in Western Europe and by 3% in Eastern Europe. Countries were impacted to varying degrees by the pandemic and as markets reopened during the quarter, the recovery pace was related to the severity of the lockdown. In June however, markets picked up more than anticipated, primarily driven by a pent-up demand.

Organic sales for Electrolux operations in Europe decreased by 14.2% as volumes dropped significantly, impacted by the effects from the coronavirus situation. Though the market situation continued to be challenging during the major part of the quarter, the month of June showed sales growth. A continued positive mix development partly compensated for the lower volumes in the quarter.

Operating income declined year-over-year. Comprehensive cost-cutting measures, including furloughs and significantly reduced marketing, as well as improved mix partly offset the volume drop. Lower cost for raw material also impacted earnings positively, while currency headwind impacted negatively.

SEKM	Q2 2020	Q2 2019	Six months 2020	Six months 2019	Full year 2019
Net sales	8,888	10,479	19,796	21,032	45,420
Organic growth, %	-14.2	0.8	-6.9	2.6	1.7
Acquisitions, %	-	0.2	-	0.3	0.1
Operating income	244	576	802	1,262	2,493
Operating margin, %	2.8	5.5	4.1	6.0	5.5
Operating margin excl. non-recurring items, % ¹	2.8	5.5	4.1	6.0	7.1

¹ For more information on non-recurring items, see page 20.

North America

During the quarter, market demand for core appliances in the U.S. decreased by 6% year-over-year. The market was impacted by the coronavirus situation, mainly through supply constraints, though to a somewhat lower extent in June. Market demand for all major appliances, including microwave ovens and home-comfort products, declined by 7%.

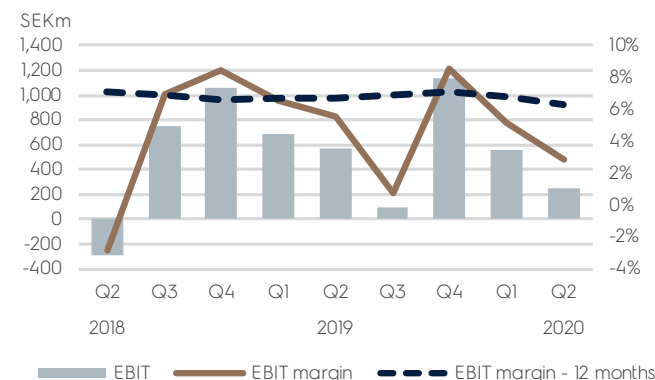
The organic sales decline in the quarter of 17.9% was due to lower volumes, primarily as a result of production constraints. The restrictions in Mexico to limit the pandemic impacted both manufacturing and supply of components. In addition, the inventory levels of products were low going into the quarter, related to the ongoing manufacturing consolidation. Towards the end of the quarter, the restrictions in Mexico were largely lifted.

Operating income declined significantly year-over-year. This was mainly a result of the lower volumes, but also increased costs related to both the manufacturing consolidation and production inefficiencies due to the

SEKM	Q2 2020	Q2 2019	Six months 2020	Six months 2019	Full year 2019
Net sales	8,537	10,255	16,946	19,354	38,954
Organic growth, %	-17.9	-10.8	-15.7	-8.1	-8.7
Divestments, %	-	-1.5	-	-1.7	-1.0
Operating income	-173	504	-472	22	-516
Operating margin, %	-2.0	4.9	-2.8	0.1	-1.3
Operating margin excl. non-recurring items, % ¹	-2.0	4.9	-2.8	4.4	1.4

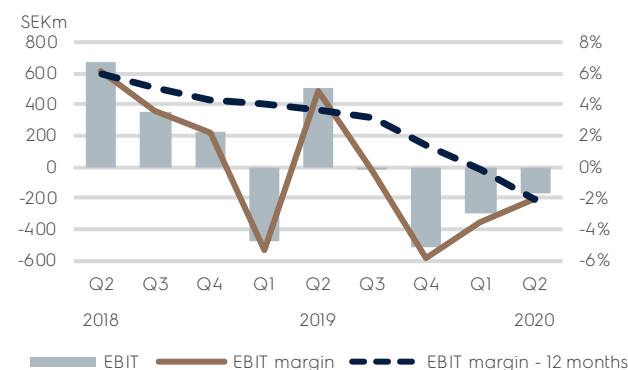
¹ Last year's operating income for the first six months included non-recurring items of SEK -829m, see page 20.

OPERATING INCOME AND MARGIN



EBIT margin - 12 months is excluding non-recurring items, see pages 20 and 27.

OPERATING INCOME AND MARGIN



EBIT margin - 12 months is excluding non-recurring items, see pages 20 and 27.

pandemic. Cost-cutting measures and slight price increases contributed positively to earnings, while trade tariffs had a negative impact.



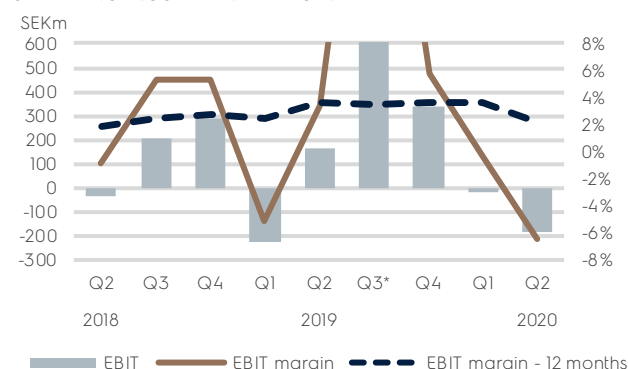
Latin America

In the second quarter, consumer demand for core appliances in Brazil declined year-over-year due to the coronavirus. Major cities that were locked down, gradually reopened during the quarter. The month of June showed growth. Demand in Argentina and Chile declined significantly in the quarter, both driven by restrictions to limit the pandemic as well political instability.

Electrolux operations in Latin America had organic sales decline of 24.2%. Substantially lower sales volumes were partly offset by price increases and mix improvements.

Operating income declined significantly year-over-year due to the lower volumes, partly offset by cost-cutting measures. Price increases mitigated to some extent the significant currency headwind. Mix improvements driven by product launches impacted earnings positively.

OPERATING INCOME AND MARGIN



EBIT margin - 12 months is excluding non-recurring items, see pages 20 and 27.

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

SEKM	Q2 2020	Q2 2019	Six months 2020	Six months 2019	Full year 2019
Net sales	2,822	4,816	6,648	9,127	19,653
Organic growth, %	-24.2	8.3	-13.8	7.6	10.9
Operating income	-183	164	-198	-59	1,821
Operating margin, %	-6.5	3.4	-3.0	-0.6	9.3
Operating margin excl. non-recurring items, % ¹	-6.5	3.4	-3.0	1.8	3.7

¹ Last year's operating income for the first six months included non-recurring items of SEK -225m, see page 20.

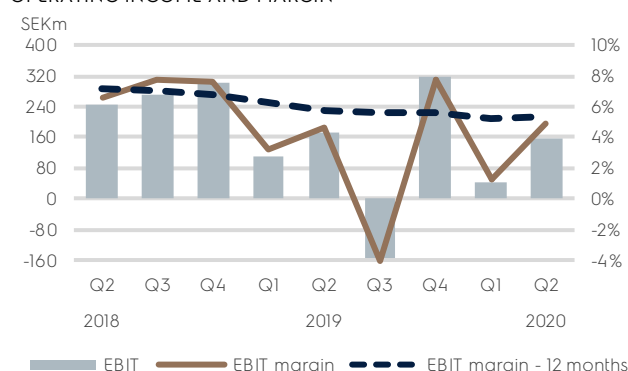
Asia-Pacific, Middle East and Africa

During the second quarter, consumer demand is estimated to have declined significantly in most markets due to the coronavirus situation, except for Australia that showed strong growth throughout the quarter. Demand in Southeast Asia recovered to a large extent in June.

Electrolux reported an organic sales decline of 10.9%. Overall sales volumes decreased, while Australia reported volume growth. Price increases impacted sales positively as well as mix, mainly in Australia, driven by successful product launches. During the second half of the quarter several markets gradually reopened, and sales improved.

Operating income declined year-over-year. Strong execution on cost-savings measures partly offset the negative impact on earnings from lower volumes. Price increases compensated to a large extent for currency headwind.

OPERATING INCOME AND MARGIN



EBIT margin - 12 months is excluding non-recurring items, see pages 20 and 27.

SEKM	Q2 2020	Q2 2019	Six months 2020	Six months 2019	Full year 2019
Net sales	3,230	3,682	6,664	7,126	14,954
Organic growth, %	-10.9	-4.0	-7.2	-1.0	-1.3
Acquisitions, %	-	0.1	-	0.1	0.1
Operating income	159	171	203	282	446
Operating margin, %	4.9	4.7	3.0	4.0	3.0
Operating margin excl. non-recurring items, % ¹	4.9	4.7	3.0	4.0	5.6

¹ For more information on non-recurring items, see page 20.



Cash flow

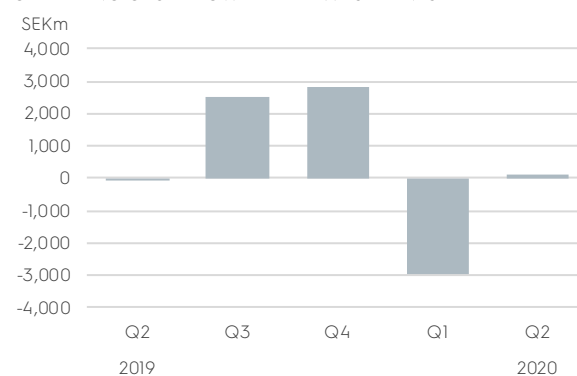
Operating cash flow after investments amounted to SEK 122m (-25) in the quarter. Compared to the previous year, a favorable development of operating assets and liabilities and a lower level of investments compensated for the large decrease in operating income driven by the coronavirus.

Accounts receivable decreased as a result of lower sales and inventory was reduced substantially. In addition, government support to suspend payments impacted cash flow positively in the quarter. These favorable developments were offset by a reduction in accounts payable, impacted by significantly reduced procurement during the first half of the year due to supply constraints, manufacturing restrictions and adaptation to lower demand.

No cash dividend was distributed in the quarter in accordance with AGM 2020 resolution.

Operating cash flow after investments in the first half of 2020 amounted to SEK -2,816m (-3,042).

OPERATING CASH FLOW AFTER INVESTMENTS



SEKm	Q2 2020	Q2 2019	Six months 2020	Six months 2019	Full year 2019
Operating income adjusted for non-cash items ¹	1,195	2,481	2,729	4,692	9,746
Change in operating assets and liabilities	-51	-1,096	-3,409	-5,079	-498
Operating cash flow	1,145	1,385	-679	-387	9,248
Investments in tangible and intangible assets	-1,080	-1,305	-2,234	-2,385	-6,674
Changes in other investments	57	-105	97	-270	-294
Operating cash flow after investments	122	-25	-2,816	-3,042	2,280
Acquisitions and divestments of operations	-0	-0	-0	-26	-27
Operating cash flow after structural changes	122	-26	-2,817	-3,068	2,254
Financial items paid, net ²	-175	-165	-296	-288	-656
Taxes paid	-88	-158	-307	-647	-1,277
Cash flow from operations and investments	-142	-349	-3,420	-4,003	321
Payment of lease liabilities	-230	-189	-468	-423	-870
Dividend	-	-1,221	-	-1,221	-2,443
Share-based payments	-	5	-	5	9
Total cash flow, excluding changes in loans and short-term investments	-372	-1,754	-3,888	-5,642	-2,982

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

² For the period January 1 to June 30: interest and similar items received SEK 38m (55), interest and similar items paid SEK -234m (-247) and other financial items received/paid SEK -43m (-32). Interest paid related to lease liabilities SEK -57m (-64).



Financial position

Net debt items as per June 30, 2020 and December 31, 2019 excludes assets and liabilities of Electrolux Professional. Net debt items as per June 30, 2019 includes assets and liabilities of Electrolux Professional. Equity as per June 30, 2020 excludes Electrolux Professional. Equity as per June 30, 2019 and December 31, 2019 includes Electrolux Professional.

Net debt

As of June 30, 2020, Electrolux had a financial net debt position (excluding lease liabilities and post-employment provisions) of SEK 2,716m, compared to the financial net debt position of SEK 667m as of December 31, 2019. Net provisions for post-employment benefits was SEK 5,183m and lease liabilities amounted to SEK 2,952m as of June 30, 2020. In total, net debt amounted to SEK 10,851m, an increase by SEK 3,168m 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 16,580m as of June 30, 2020 with average maturity of 3.1 years, compared to SEK 9,682m and 3.0 years at the end of 2019.

To further strengthen the liquidity buffer, Electrolux issued two new bond loans totaling SEK 3.4bn, a 5-year private placement of NOK 500m and a 7-year private placement of USD 150m. In addition, a new credit facility of SEK 3bn was secured, expiring 2021. Loans have also been repurchased to elongate the maturity profile. In July, one more credit facility was signed of SEK 10bn, expiring 2025. For more information see page 11 and www.electroluxgroup.com.

In the second quarter, long-term borrowings in the amount of SEK 1,752m were amortized, including loan repurchases. During the remaining part of 2020, long-term borrowings amounting to approximately SEK 0.2bn will mature.

Liquid funds as of June 30, 2020, amounted to SEK 17,117m, an increase of SEK 5,928m compared to SEK 11,189m as of December 31, 2019.

Return on equity was 24.5% (11.1), impacted by a settlement gain from the distribution of Electrolux Professional. Adjusted for the settlement gain, return on equity was -0.1% (11.1).

Working capital and net assets (continuing operations)

Working capital as of June 30, 2020, amounted to SEK -14,757m (-12,444), corresponding to -15.3% (-10.9) of annualized net sales. Operating working capital amounted to SEK 4,688m (5,472), corresponding to 4.8% (4.8) of annualized net sales, see page 22.

Average net assets for the first half of 2020 amounted to SEK 27,868m (25,881), corresponding to 27.8% (22.8) of annualized net sales. Net assets as of June 30, 2020, amounted to SEK 27,931m (29,639).

Return on net assets was 0.4% (9.0).

Net debt

SEKM	Jun. 30, 2020	Jun. 30, 2019 ¹	Dec. 31, 2019 ²
Short-term loans	2,977	1,560	1,307
Short-term part of long-term loans	2,036	2,440	1,446
Trade receivables with recourse	49	139	602
Short-term borrowings	5,062	4,140	3,354
Financial derivative liabilities	180	108	233
Accrued interest expenses and prepaid interest income	46	40	33
Total short-term borrowings	5,288	4,287	3,620
Long-term borrowings	14,544	7,392	8,236
Total borrowings³	19,833	11,679	11,856
Cash and cash equivalents	16,747	7,702	10,807
Short-term investments	177	180	190
Financial derivative assets	177	96	176
Prepaid interest expenses and accrued interest income	17	239	16
Liquid funds⁴	17,117	8,217	11,189
Financial net debt	2,716	3,463	667
Lease liabilities	2,952	3,465	3,150
Net provisions for post-employment benefits	5,183	4,099	3,866
Net debt	10,851	11,027	7,683
Net debt/equity ratio	0.64	0.52	0.34
Total equity	17,080	21,118	22,574
Equity per share, SEK	59.43	73.48	78.55
Return on equity, %	24.5	11.1	11.4
Equity/assets ratio, %	21.6	22.5	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 19,557m as of June 30, 2020, SEK 11,392m as of June 30, 2019 and SEK 10,989m as of December 31, 2019.

⁴ Electrolux has one unused committed multicurrency revolving credit facility of EUR 1,000m, approximately SEK 10,495m, expiring in 2023 and one unused committed revolving credit facility of SEK 3,000m, expiring 2021.



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 June 30, 2020, the Group had a total of 3,743 (3,694) cases pending, representing approximately 3,779 (approximately 3,729) plaintiffs. During the second quarter of

2020, 201 new cases with 201 plaintiffs were filed and 342 pending cases with approximately 342 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 involve risks for Electrolux if suppliers encounter constraints to deliver caused by this situation. See also information in this interim report, such as on page 3, 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 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.



Consumers willing to pay extra for eco features

The new QuickSelect user interface makes it easy to optimize the use of Electrolux dishwashers and has been highly appreciated by consumers, achieving 4.7 in consumer star rating by the end of 2019. It is also award-winning for its intuitive design.

Electrolux research into consumer behavior found that conventional dishwasher cycle programs, such as 'intensive wash' and 'normal wash', are often not fully understood by the user. In response to this, Electrolux developed the QuickSelect interface that intuitively indicates to the consumer how they can save energy and water. As the user slides the cycle length and selects additional options, the Ecometer on the interface changes to indicate the eco performance of each selection.

Dishwashers with the QuickSelect user interface have driven the gain of 0.9 pts value market share since 2018. In 2019 it was introduced as part of a new Electrolux kitchen range and is now available in all European countries. During the same year, it was also introduced under the AEG brand.



Emerging market entry model yields rapid results

Electrolux drew on its experience of entering new markets when quickly establishing itself in Morocco by leveraging deep consumer and market insight to ensure a relevant offering.

With a potential market of over six billion consumers, emerging markets are essential to the long-term success for Electrolux. Prior to entering the Moroccan market in late 2017, Electrolux gained comprehensive local knowledge in the form of local consumer needs, target group insights, competitive landscape and distribution opportunities and challenges. This knowledge laid the foundations for success with rapid establishment and good consumer traction reaching a very high Net Promoter Score of 61.

To ensure a relevant offering, Electrolux built on its previous experience in emerging markets to develop a range of products well suited to meet the needs of local consumers. Success has in particular been reported for built-in, dishwashers and free-standing cookers, achieving double digit market share in 2019.



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 and after the quarter

Events during the second quarter of 2020

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.

June 5. Electrolux announced plan to reduce emissions from cooling products

Electrolux announced a plan to replace all high-impact greenhouse gases in all of its appliances by 2023 at the latest, as part of its commitments to the United Nations Cool Coalition initiative. The plan, which helps Electrolux deliver on its objective to significantly reduce its climate footprint over the coming decade, is one of the actions taken under the company's Better Living Program.

June 23. Electrolux produces respiratory protection in its Swedish factory for dust bags

The ongoing corona pandemic has created great global demand for respiratory protection. Electrolux's factory in Sweden, which manufactures vacuum cleaner bags, switches parts of its operations to be able to produce at least one million face masks per month. The Swedish research institute and project partner RISE has tested and CE-marked the face masks according to the European standard EN149. The project is co-financed with Vinnova, Sweden's innovation agency.

Events after the second quarter of 2020

July 7. Electrolux announced smaller Q2 loss than previously anticipated and sales growth in June

Electrolux announced it would report a smaller loss for the second quarter of 2020 than previously anticipated, with operating income estimated to be approximately SEK -100 million (1,219). The improvement was driven by sales growth in June and successful cost mitigation actions. In the Q1 interim report published on May 7, 2020, Electrolux communicated that it expected a "significant" loss in the second quarter.

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 half of 2020 amounted to SEK 17,515m (19,045) of which SEK 14,188m (15,468) referred to sales to Group companies and SEK 3,327m (3,577) to external customers. Income after financial items was SEK 5,203m (1,748), including dividends from subsidiaries in the amount of SEK 6,088m (1,451). Income for the period amounted to SEK 5,380m (935).

Capital expenditure in tangible and intangible assets was SEK 271m (303). Liquid funds at the end of the period amounted to SEK 11,553m, 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 20,476m, 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 23.



The Board of Directors and the President and CEO certify that the Interim Report for the period January – June 2020 gives a true and fair overview of the Parent Company AB Electrolux and the Group's operations, their financial position and results of operations, and describes significant risks and uncertainties facing the Parent Company and other companies in the Group.

Stockholm, July 17, 2020

AB Electrolux (publ)
556009-4178

Staffan Bohman
Chairman of the Board of Directors

Petra Hedengran
Board member

Henrik Henriksson
Board member

Ulla Litzén
Board member

Karin Overbeck
Board member

Fredrik Persson
Board member

David Porter
Board member

Jonas Samuelson
Board member,
President and CEO

Kai Wörn
Board member

Mina Billing
Board member,
employee representative

Viveca Brinkenfeldt-Lever
Board member,
employee representative

Peter Ferm
Board member,
employee representative



Review Report

Introduction

We have reviewed the interim report for AB Electrolux (publ) for the period January 1 - June 30, 2020. The Board of Directors and the President are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review has a different focus and is substantially less in scope than an audit conducted in accordance with ISA and other generally accepted auditing practices. The procedures performed in a review do not enable us to obtain a level of assurance that would make us aware of all significant matters that might be identified in an audit. Therefore, the conclusion expressed based on a review does not give the same level of assurance as a conclusion expressed based on an audit.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not, in all material respects, prepared for the Group in accordance with IAS 34 and the Annual Accounts Act, and for the Parent Company in accordance with the Annual Accounts Act.

Stockholm, July 17, 2020
Deloitte AB

Jan Berntsson
Authorized Public Accountant



Consolidated statement of comprehensive income

SEKM	Q2 2020	Q2 2019	Six months 2020	Six months 2019	Full year 2019
Net sales	23 476	29 232	50 054	56 640	118 981
Cost of goods sold	-20 125	-23 740	-42 725	-47 204	-99 182
Gross operating income	3 351	5 492	7 329	9 435	19 799
Selling expenses	-2 443	-2 984	-5 063	-5 724	-12 186
Administrative expenses	-1 087	-1 155	-2 184	-2 431	-5 481
Other operating income/expenses	116	-134	-22	-114	1 057
Operating income	-62	1 219	60	1 166	3 189
Financial items, net	-188	-178	-359	-334	-733
Income after financial items	-251	1 041	-299	832	2 456
Taxes	109	-35	71	12	-636
Income for the period, continuing operations	-141	1 006	-228	844	1 820
Income for the period, discontinued operations	-	126	2 595	368	688
Income for the period, total Group	-141	1 132	2 367	1 211	2 509
Items that will not be reclassified to income for the period:					
Remeasurement of provisions for post-employment benefits	41	-998	-1 401	-412	-103
Income tax relating to items that will not be reclassified	-25	219	313	88	3
	16	-779	-1 087	-323	-100
Items that may be reclassified subsequently to income for the period:					
Cash flow hedges	2	24	-4	1	-10
Exchange-rate differences on translation of foreign operations	-1 286	380	-1 417	1 142	1 030
Income tax relating to items that may be reclassified	46	-1	49	-6	24
	-1 238	402	-1 372	1 136	1 044
Other comprehensive income, net of tax	-1 222	-377	-2 460	813	944
Total comprehensive income for the period	-1 363	755	-92	2 024	3 452
Income for the period attributable to:					
Equity holders of the Parent Company	-141	1 132	2 368	1 212	2 509
Non-controlling interests	-0	-0	-0	-0	-1
Total	-141	1 132	2 367	1 211	2 509
Total comprehensive income for the period attributable to:					
Equity holders of the Parent Company	-1 363	755	-92	2 024	3 453
Non-controlling interest	-0	0	-0	0	-1
Total	-1 363	755	-92	2 024	3 452
Earnings per share, SEK					
Basic, continuing operations	-0,49	3,50	-0,79	2,94	6,33
Basic, discontinued operations	-	0,44	9,03	1,28	2,40
Basic, Group total	-0,49	3,94	8,24	4,22	8,73
Diluted, continuing operations	-0,49	3,48	-0,79	2,92	6,30
Diluted, discontinued operations	-	0,44	9,02	1,27	2,38
Diluted, Group total	-0,49	3,92	8,23	4,19	8,69
Average number of shares¹					
Basic, million	287,4	287,4	287,4	287,4	287,4
Diluted, million	287,4	288,9	287,7	288,9	288,8

¹ Average numbers of shares excluding shares held by Electrolux.



Consolidated balance sheet

SEKM	Jun. 30, 2020	Jun. 30, 2019	Dec. 31, 2019
Assets			
Property, plant and equipment, owned	21,243	21,394	21,803
Property, plant and equipment, right-of-use	2,635	3,161	2,811
Goodwill	6,685	8,968	7,071
Other intangible assets	3,582	4,264	3,817
Investments in associates	389	424	424
Deferred tax assets	7,136	6,709	6,618
Financial assets	82	264	93
Pension plan assets	1,015	455	1,043
Other non-current assets	1,398	1,313	1,486
Total non-current assets	44,165	46,954	45,166
Inventories	14,315	19,194	16,194
Trade receivables	15,813	22,216	20,847
Tax assets	794	826	913
Derivatives	226	97	192
Other current assets	4,020	4,757	4,465
Short-term investments	177	180	190
Cash and cash equivalents	16,747	7,702	10,807
Discontinued operations, assets held for distribution (see Note 5)	-	-	8,034
Total current assets	52,091	54,972	61,642
Total assets	96,255	101,926	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	-2,724	-1,259	-1,351
Retained earnings	15,347	17,918	19,468
Equity attributable to equity holders of the Parent Company	17,073	21,109	22,566
Non-controlling interests	7	10	8
Total equity	17,080	21,118	22,574
Long-term borrowings	14,544	7,392	8,236
Long-term lease liabilities	2,123	2,521	2,333
Deferred tax liabilities	462	758	561
Provisions for post-employment benefits	6,199	4,554	4,909
Other provisions	5,452	6,254	5,577
Total non-current liabilities	28,780	21,478	21,616
Accounts payable	25,440	34,277	33,892
Tax liabilities	787	520	883
Dividend payable	-	1,221	-
Other liabilities	15,620	15,834	16,821
Short-term borrowings	5,062	4,140	3,354
Short-term lease liabilities	829	945	817
Derivatives	263	134	293
Other provisions	2,396	2,258	2,606
Discontinued operations, liabilities held for distribution (see Note 5)	-	-	3,951
Total current liabilities	50,396	59,329	62,617
Total equity and liabilities	96,255	101,926	106,808

Change in consolidated equity

SEKM	Six months 2020	Six months 2019	Full year 2019
Opening balance	22,574	21,749	21,749
Change in accounting principles	-	-235	-234
Total comprehensive income for the period	-92	2,024	3,452
Share-based payments	2	25	52
Dividend to equity holders of the Parent Company ¹	-5,403	-2,443	-2,443
Dividend to non-controlling interests	-0	-0	-1
Acquisition of non-controlling interests	-0	-1	-1
Total transactions with equity holders	-5,402	-2,419	-2,393
Closing balance	17,080	21,118	22,574

¹ 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	Q2 2020	Q2 2019	Six months 2020	Six months 2019	Full year 2019
Operations					
Operating income	-62	1,219	60	1,166	3,189
Depreciation and amortization ¹	1,168	1,172	2,375	2,337	4,821
Other non-cash items	90	90	294	1,189	1,736
Financial items paid, net ²	-175	-165	-296	-288	-656
Taxes paid	-88	-158	-307	-647	-1,277
Cash flow from operations, excluding change in operating assets and liabilities	932	2,158	2,126	3,757	7,813
Change in operating assets and liabilities					
Change in inventories	1,638	-3	1,308	-1,808	-437
Change in trade receivables	1,268	-415	3,684	178	-604
Change in accounts payable	-5,490	-749	-7,172	-1,460	67
Change in other operating assets, liabilities and provisions	2,533	70	-1,229	-1,989	476
Cash flow from change in operating assets and liabilities	-51	-1,096	-3,409	-5,079	-498
Cash flow from operations	881	1,061	-1,283	-1,322	7,314
Investments					
Acquisition of operations	-0	-0	-0	-26	-27
Capital expenditure in property, plant and equipment	-829	-878	-1,772	-1,665	-5,320
Capital expenditure in product development	-151	-298	-285	-453	-788
Capital expenditure in software and other intangibles	-100	-129	-176	-267	-566
Other	57	-105	97	-270	-294
Cash flow from investments	-1,023	-1,410	-2,137	-2,681	-6,994
Cash flow from operations and investments	-142	-349	-3,420	-4,003	321
Financing					
Change in short-term investments	1	353	13	-3	-13
Change in short-term borrowings	-84	213	2,061	248	854
New long-term borrowings	5,271	1,263	9,793	2,284	3,810
Amortization of long-term borrowings ⁴	-1,752	-1,077	-2,830	-1,155	-2,376
Payment of lease liabilities	-230	-189	-468	-423	-870
Dividend	-	-1,221	-	-1,221	-2,443
Share-based payments	-	5	-	5	9
Cash flow from financing	3,206	-654	8,568	-266	-1,028
Total cash flow, continuing operations	3,064	-1,003	5,148	-4,269	-707
Total cash flow, discontinued operations (see Note 5)	-	-128	1,177	74	297
Total cash flow, total Group	3,064	-1,131	6,325	-4,195	-411
Cash and cash equivalents at beginning of period	13,961	8,773	11,458	11,697	11,697
Exchange-rate differences referring to cash and cash equivalents	-279	60	-425	200	172
Cash and cash equivalents in distributed operations	-	-	-611	-	-
Cash and cash equivalents at end of period³	16,747	7,702	16,747	7,702	11,458

¹ For the period January 1 to June 30: depreciation related to right-of-use assets amounted to SEK -448m (-397).

² For the period January 1 to June 30: interest and similar items received SEK 38m (55), interest and similar items paid SEK -234m (-247) and other financial items received/paid SEK -43m (-32). Interest paid related to lease liabilities SEK -57m (-64).

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.

⁴ For the periods January 1 to June 30, 2020, and Q2 2020 the amounts include loan repurchases of SEK 1,604m.



Key ratios

SEKM unless otherwise stated	Q2 2020	Q2 2019	Six months 2020	Six months 2019	Full year 2019
Continuing operations					
Net sales	23,476	29,232	50,054	56,640	118,981
Organic growth, %	-16.6	-3.1	-11.0	-1.1	-1.0
EBITA	146	1,433	487	1,578	4,003
EBITA margin, %	0.6	4.9	1.0	2.8	3.4
Operating income	-62	1,219	60	1,166	3,189
Operating margin, %	-0.3	4.2	0.1	2.1	2.7
Operating margin excl. non-recurring items, % ¹	-0.3	4.2	0.1	3.9	3.8
Income after financial items	-251	1,041	-299	832	2,456
Income for the period	-141	1,006	-228	844	1,820
Capital expenditure property, plant and equipment	-829	-878	-1,772	-1,665	-5,320
Operating cash flow after investments	122	-25	-2,816	-3,042	2,280
Earnings per share, SEK ²	-0.49	3.50	-0.79	2.94	6.33
Capital turnover rate, times/year ³	-	-	3.6	4.4	4.5
Return on net assets, % ³	-	-	0.4	9.0	12.0
Net debt ⁴	10,851	-	10,851	-	7,683
Net debt/equity ratio ⁴	0.64	-	0.64	-	0.34
Average number of employees	44,602	49,079	45,628	48,874	48,652
Total Group, including discontinued operations					
Income for the period	-141	1,132	2,367	1,211	2,509
Earnings per share, SEK ²	-0.49	3.94	8.24	4.22	8.73
Equity per share, SEK	59.43	73.48	59.43	73.48	78.55
Return on equity, %	-	-	24.5	11.1	11.4
Net debt ⁴	-	11,027	-	11,027	-
Net debt/equity ratio ⁴	-	0.52	-	0.52	-
Average number of shares excluding shares owned by Electrolux, million	287.4	287.4	287.4	287.4	287.4

¹ For information on non-recurring items, see page 20.

² Basic.

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

⁴ Net debt items as per June 30, 2020 and December 31, 2019 exclude assets and liabilities of Electrolux Professional. Net debt items as per June 30, 2019 include assets and liabilities of Electrolux Professional. Equity as per June 30, 2020 excludes Electrolux Professional. Equity as per June 30, 2019 and December 31, 2019 includes Electrolux Professional.

For definitions, see pages 28-29.

Exchange rates

SEK	Jun. 30, 2020		Jun. 30, 2019		Dec. 31, 2019	
Exchange rate	Average	End of period	Average	End of period	Average	End of period
ARS	0.1494	0.1330	0.2258	0.2187	0.2010	0.1558
AUD	6.37	6.42	6.55	6.50	6.57	6.53
BRL	1.99	1.71	2.41	2.42	2.40	2.31
CAD	7.08	6.85	6.94	7.09	7.10	7.14
CHF	9.98	9.85	9.31	9.51	9.50	9.60
CLP	0.0119	0.0115	0.0137	0.0137	0.0133	0.0125
CNY	1.37	1.32	1.37	1.35	1.37	1.34
EUR	10.64	10.49	10.49	10.56	10.56	10.44
GBP	12.19	11.50	11.96	11.78	12.03	12.25
HUF	0.0308	0.0294	0.0327	0.0327	0.0324	0.0315
MXN	0.4527	0.4045	0.4804	0.4841	0.4878	0.4951
RUB	0.1393	0.1318	0.1416	0.1475	0.1455	0.1507
THB	0.3057	0.3031	0.2928	0.3027	0.3039	0.3119
USD	9.63	9.37	9.26	9.28	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	8,888				10,553	10,479	11,036	13,352	45,420
Sales growth, %	0.3	-14.2				4.6	1.0	-1.8	3.3	1.8
EBITA	600	290				730	631	149	1,189	2,698
EBITA margin, %	5.5	3.3				6.9	6.0	1.3	8.9	5.9
Operating income	558	244				686	576	93	1,138	2,493
Operating margin, %	5.1	2.8				6.5	5.5	0.8	8.5	5.5
North America										
Net sales	8,409	8,537				9,099	10,255	10,880	8,719	38,954
Sales growth, %	-13.1	-17.9				-6.8	-12.1	-0.7	-18.3	-9.5
EBITA	-247	-126				-450	555	-3	-486	-383
EBITA margin, %	-2.9	-1.5				-4.9	5.4	-0.0	-5.6	-1.0
Operating income	-299	-173				-482	504	-20	-519	-516
Operating margin, %	-3.6	-2.0				-5.3	4.9	-0.2	-5.9	-1.3
Latin America										
Net sales	3,826	2,822				4,312	4,816	4,613	5,913	19,653
Sales growth, %	-1.9	-24.2				6.9	8.3	14.2	13.9	10.9
EBITA	32	-141				-165	217	1,591	390	2,033
EBITA margin, %	0.8	-5.0				-3.8	4.5	34.5	6.6	10.3
Operating income	-15	-183				-223	164	1,539	340	1,821
Operating margin, %	-0.4	-6.5				-5.2	3.4	33.4	5.8	9.3
Asia-Pacific, Middle East and Africa										
Net sales	3,434	3,230				3,445	3,682	3,801	4,027	14,954
Sales growth, %	-3.2	-10.9				2.3	-3.8	1.6	-4.1	-1.2
EBITA	78	188				141	204	-115	350	580
EBITA margin, %	2.3	5.8				4.1	5.5	-3.0	8.7	3.9
Operating income	44	159				110	171	-150	315	446
Operating margin, %	1.3	4.9				3.2	4.7	-4.0	7.8	3.0
Group common costs, etc.	-165	-109				-143	-197	-400	-315	-1,055
Total, continuing operations										
Net sales	26,578	23,476				27,408	29,232	30,330	32,011	118,981
Sales growth, %	-5.1	-16.6				0.6	-3.6	1.2	-2.8	-1.3
EBITA	340	146				145	1,433	1,263	1,162	4,003
EBITA margin, %	1.3	0.6				0.5	4.9	4.2	3.6	3.4
Operating income	122	-62				-53	1,219	1,063	960	3,189
Operating margin, %	0.5	-0.3				-0.2	4.2	3.5	3.0	2.7
Total Group, including discontinued operations										
Income for the period, Group total	2,509	-141				79	1,132	739	559	2,509
Earnings per share, Group total, SEK ¹	8.73	-0.49				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	244				686	576	845	1,138	3,245
Operating margin excl. NRI, %	5.1	2.8				6.5	5.5	7.7	8.5	7.1
North America										
Operating income excl. NRI	-299	-173				347	504	222	-519	555
Operating margin excl. NRI, %	-3.6	-2.0				3.8	4.9	2.0	-5.9	1.4
Latin America										
Operating income excl. NRI	-15	-183				2	164	213	340	720
Operating margin excl. NRI, %	-0.4	-6.5				0.1	3.4	4.6	5.8	3.7
Asia-Pacific, Middle East and Africa										
Operating income excl. NRI	44	159				110	171	248	315	844
Operating margin excl. NRI, %	1.3	4.9				3.2	4.7	6.5	7.8	5.6
Group common cost etc										
Operating income excl. NRI	-165	-109				-143	-197	-176	-315	-831
Total, continuing operations										
Operating income excl. NRI	122	-62				1,001	1,219	1,353	960	4,533
Operating margin excl. NRI, %	0.5	-0.3				3.7	4.2	4.5	3.0	3.8



Net sales by business area

SEKM	Q2 2020	Q2 2019	Six months 2020	Six months 2019	Full year 2019
Europe	8,888	10,479	19,796	21,032	45,420
North America	8,537	10,255	16,946	19,354	38,954
Latin America	2,822	4,816	6,648	9,127	19,653
Asia-Pacific, Middle East and Africa	3,230	3,682	6,664	7,126	14,954
Total, continuing operations	23,476	29,232	50,054	56,640	118,981

Change in net sales by business area

Year-over-year, %	Q2 2020	Q2 2020 in local currencies	Six months 2020	Six months 2020 in local currencies
Europe	-15	-14	-6	-7
North America	-17	-18	-12	-16
Latin America	-41	-24	-27	-14
Asia-Pacific, Middle East and Africa	-12	-11	-6	-7
Total change, continuing operations	-20	-17	-12	-11

Operating income by business area

SEKM	Q2 2020	Q2 2019	Six months 2020	Six months 2019	Full year 2019
Europe	244	576	802	1,262	2,493
Margin, %	2.8	5.5	4.1	6.0	5.5
North America	-173	504	-472	22	-516
Margin, %	-2.0	4.9	-2.8	0.1	-1.3
Latin America	-183	164	-198	-59	1,821
Margin, %	-6.5	3.4	-3.0	-0.6	9.3
Asia-Pacific, Middle East and Africa	159	171	203	282	446
Margin, %	4.9	4.7	3.0	4.0	3.0
Group common costs, etc.	-109	-197	-275	-341	-1,055
Operating income, continuing operations	-62	1,219	60	1,166	3,189
Margin, %	-0.3	4.2	0.1	2.1	2.7

Change in operating income by business area

Year-over-year, %	Q2 2020	Q2 2020 in local currencies	Six months 2020	Six months 2020 in local currencies
Europe	-58	-57	-36	-37
North America	n.m.	n.m.	n.m.	n.m.
Latin America	n.m.	n.m.	-238	-132
Asia-Pacific, Middle East and Africa	-7	-6	-28	-28
Total change, continuing operations	n.m.	n.m.	-95	-95

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



Working capital and net assets

SEKM	Jun. 30, 2020	% ¹	Jun. 30, 2019, restated ²	% ¹	Jun. 30, 2019 ³	% ¹	Dec. 31, 2019 ²	% ¹
Inventories	14,315	14.8	17,815	15.6	19,194	15.6	16,194	13.8
Trade receivables	15,813	16.4	20,382	17.9	22,216	18.0	20,847	17.7
Accounts payable	-25,440	-26.3	-32,725	-28.7	-34,277	-27.8	-33,892	-28.8
Operating working capital	4,688	4.8	5,472	4.8	7,133	5.8	3,149	2.7
Provisions	-7,848		-7,848		-8,512		-8,183	
Prepaid and accrued income and expenses	-10,762		-10,296		-10,842		-11,748	
Taxes and other assets and liabilities	-835		228		-153		-608	
Working capital	-14,757	-15.3	-12,444	-10.9	-12,374	-10.0	-17,390	-14.8
Property, plant and equipment, owned	21,243		20,294		21,394		21,803	
Property, plant and equipment, right-of-use	2,635		2,977		3,161		2,811	
Goodwill	6,685		7,140		8,968		7,071	
Other non-current assets	5,451		5,823		6,266		5,820	
Deferred tax assets and liabilities	6,674		5,849		5,951		6,057	
Net assets	27,931	28.9	29,639	26.0	33,367	27.0	26,172	22.3
Annualized net sales, calculated at end of period exchange rates	96,669		113,812		123,374		117,519	
Average net assets	27,868	27.8	25,881	22.8	29,376	23.9	26,532	22.3
Annualized net sales, calculated at average exchange rates	100,107		113,279		122,793		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		
	Jun. 30, 2020	Jun. 30, 2019	Dec. 31, 2019	Jun. 30, 2020	Jun. 30, 2019	Dec. 31, 2019	Jun. 30, 2020	Jun. 30, 2019	Dec. 31, 2019
Europe	24,364	26,403	28,032	20,657	22,736	26,604	3,707	3,667	1,429
North America	22,616	24,685	22,917	14,430	16,996	16,421	8,187	7,688	6,496
Latin America	10,138	13,321	14,064	4,538	6,946	7,020	5,600	6,375	7,044
Asia-Pacific, Middle East and Africa	11,133	12,428	12,351	5,801	6,072	6,289	5,333	6,357	6,062
Professional Products	-	7,245	-	-	3,517	-	-	3,728	-
Other ¹	9,871	9,172	9,175	4,767	3,620	4,033	5,104	5,552	5,142
Total operating assets and liabilities	78,124	93,255	86,540	50,192	59,888	60,368	27,931	33,367	26,172
Discontinued operations, operating assets and liabilities	-	-	8,034	-	-	3,951	-	-	-
Liquid funds	17,117	8,217	11,189	-	-	-	-	-	-
Total borrowings	-	-	-	19,833	11,679	11,856	-	-	-
Lease liabilities	-	-	-	2,952	3,465	3,150	-	-	-
Pension assets and liabilities	1,015	455	1,043	6,199	4,554	4,909	-	-	-
Dividend payable	-	-	-	-	1,221	-	-	-	-
Total equity	-	-	-	17,080	21,118	22,574	-	-	-
Total	96,255	101,926	106,808	96,255	101,926	106,808	-	-	-

¹ Includes common functions and tax items.



Parent Company income statement

SEKM	Q2 2020	Q2 2019	Six months 2020	Six months 2019	Full year 2019
Net sales	7,837	9,304	17,515	19,045	40,594
Cost of goods sold	-7,152	-8,047	-15,449	-16,359	-35,020
Gross operating income	685	1,257	2,066	2,686	5,574
Selling expenses	-842	-760	-1,597	-1,550	-3,314
Administrative expenses	-450	-522	-887	-1,050	-2,276
Other operating expenses	-7	-	-7	-	-487
Operating income	-614	-25	-425	86	-503
Financial income	894	1,715	6,371	1,971	5,424
Financial expenses	-434	-190	-743	-309	-888
Financial items, net	460	1,525	5,628	1,662	4,536
Income after financial items	-154	1,500	5,203	1,748	4,033
Appropriations	14	-931	35	-889	-682
Income before taxes	-140	569	5,238	859	3,351
Taxes	181	148	142	76	6
Income for the period	41	717	5,380	935	3,357

Parent Company balance sheet

SEKM	Jun. 30, 2020	Jun. 30, 2019	Dec. 31, 2019
Assets			
Non-current assets	34,210	38,675	41,760
Current assets	35,993	32,093	33,100
Total assets	70,203	70,768	74,860
Equity and liabilities			
Restricted equity	5,660	5,623	5,597
Non-restricted equity	20,476	20,442	22,894
Total equity	26,136	26,065	28,491
Untaxed reserves	435	457	430
Provisions	1,510	1,075	1,461
Non-current liabilities	14,517	6,891	8,200
Current liabilities	27,605	36,280	36,278
Total equity and liabilities	70,203	70,768	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 June 30, 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 have not had 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 22.

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	Six months 2020	Six months 2019	Full year 2019
Product areas			
Taste	30,478	34,380	72,424
Care	14,641	16,030	34,593
Wellbeing	4,935	6,230	11,964
Total	50,054	56,640	118,981



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

SEKM	Jun. 30, 2020		Jun. 30, 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	245	245	441	441	269	269
Financial assets measured at amortized cost	32,574	32,574	29,921	29,921	31,668	31,668
Derivatives, financial assets at fair value through profit and loss	219	219	96	96	114	114
Derivatives in hedge accounting	7	7	1	1	78	78
Total financial assets	33,045	33,045	30,459	30,459	32,129	32,129
Financial liabilities measured at amortized cost	45,288	45,046	45,866	45,809	45,515	45,482
Derivatives, financial liabilities at fair value through profit and loss	260	260	131	131	291	291
Derivatives in hedge accounting	3	3	3	3	2	2
Total financial liabilities	45,551	45,309	46,000	45,943	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 June 30, 2020, the fair value for Level 1 financial assets was SEK 163m (177) 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 June 30, 2020, the fair value of Level 2 financial assets was SEK 226m (97) and financial liabilities SEK 263m (134).

Level 3: Inputs for the assets or liabilities that are not entirely based on observable market data. At June 30, 2020, the fair value of Level 3 financial assets was SEK 82m (264) and financial liabilities SEK 0m (0).

Note 4 Pledged assets and contingent assets and liabilities

SEKM	Jun. 30, 2020	Jun. 30, 2019	Dec. 31, 2019
Group			
Pledged assets	37	6	6
Guarantees and other commitments	948	1,197	939
Parent Company			
Pledged assets	-	-	-
Guarantees and other commitments	956	1,579	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 during the first half of 2020. However, Electrolux has signed an agreement to acquire 60% of the shares in the Chinese company Guangdong De Yi Jie Appliances Co., LTD, a company that sells AEG household appliances in China. Before the upcoming acquisition, Electrolux holds 40% of the shares in the company. The acquisition is expected to be completed during the third quarter and the acquired company will be accounted for as a fully owned subsidiary as from the date of acquisition of the additional 60%. The acquisition is not expected to give rise to any goodwill or other intangible assets.

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 up until the separation on March 23, 2020.

SEKM	Q2 2020	Q2 2019	Six months 2020	Six months 2019	Full year 2019
Net sales	-	2,455	1,884	4,757	9,281
Cost of goods sold	-	-1,579	-1,191	-3,020	-6,040
Gross operating income	-	876	693	1,737	3,241
Selling expenses	-	-438	-349	-863	-1,699
Administrative expenses	-	-37	-161	-170	-584
Other operating income and expenses	-	-1	2	-3	32
Operating income	-	401	185	702	991
Financial items, net	-	-0	-1	-2	12
Income after financial items	-	400	184	699	1,003
Taxes	-	-274	-40	-331	-314
Income for the period, Electrolux Professional	-	126	144	368	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	Jun. 30, 2020	Jun. 30, 2019	Dec. 31, 2019
Property, plant and equipment, owned	-	1,100	1,214
Property, plant and equipment, right-of-use	-	184	238
Goodwill	-	1,828	1,821
Other intangible assets	-	421	388
Other non-current assets	-	303	397
Total non-current assets	-	3,835	4,057
Inventories	-	1,379	1,265
Trade receivables	-	1,834	1,687
Other current assets	-	502	1,025
Total current assets	-	3,715	3,977
Total assets	-	7,550	8,034
Long-term borrowings	-	37	3
Long-term lease liabilities	-	122	172
Other provisions	-	898	846
Total non-current liabilities	-	1,057	1,021
Accounts payable	-	1,552	1,485
Short-term borrowings	-	17	4
Short-term lease liabilities	-	58	72
Other current liabilities	-	1,294	1,370
Total current liabilities	-	2,922	2,930
Total liabilities	-	3,979	3,951

SEKM	Q2 2020	Q2 2019	Six months 2020	Six months 2019	Full year 2019
Cash flow from operations	-	361	68	608	1,120
Cash flow from investments	-	-429	-87	-489	-689
Cash flow from financing	-	-60	1,195	-45	-134
Total cash flow	-	-128	1,177	74	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 20 and 27 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 second 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, July 17. 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: 74667634#

Slide presentation for download:

www.electroluxgroup.com/ir

Link to webcast:

<https://edge.media-server.com/mmc/p/7owdv3p7>

For further information, please contact:

Sophie Arnius, Head of Investor Relations

+46 70 590 80 72

Calendar 2020

Interim report January - September	October 23
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Capital markets update	November 17
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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.

AB Electrolux (publ), 556009-4178

Postal address: SE-105 45 Stockholm, Sweden

Visiting address: S:t Göransgatan 143, Stockholm

Telephone: +46 (0)8 738 60 00

Website:

www.electroluxgroup.com





Shape living for the better

Electrolux is a leading global appliance company that has shaped living for the better for more than 100 years. We reinvent taste, care and wellbeing experiences for millions of people around the world, always striving to be at the forefront of sustainability in society through our solutions and operations. Under our brands, including Electrolux, AEG and Frigidaire, we sell approximately 60 million household products in approximately 120 markets every year. In 2019 Electrolux had sales of SEK 119 billion and employed 49,000 people around the world. For more information go to www.electroluxgroup.com



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