

Q4

2020



Innovation and consumer demand drive strong results

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

- Net sales amounted to SEK 33,902m (32,011). Organic sales increased by 17.5%, benefitting from continued high levels of home-improvement spending as well as positive mix and price development.
- Operating income amounted to SEK 2,498m (960), corresponding to a margin of 7.4% (3.0). Higher prices and innovative high-margin products were key drivers.
- Strong sales and earnings across all business areas.
- Income for the period amounted to SEK 1,860m (366) and earnings per share was SEK 6.47 (1.27).
- Operating cash flow after investments was SEK 5,364m (2,823).
- The Board proposes a dividend for 2020 of SEK 8.00 (7.00) per share, to be paid in two equal installments.

Financial overview

SEKM	Q4 2020	Q4 2019	Change, %	Full-year 2020	Full-year 2019	Change, %
Continuing operations						
Net sales	33,902	32,011	6	115,960	118,981	-3
Sales growth, % ¹	17.7	-2.8		3.3	-1.3	
Organic growth, %	17.5	-2.8		3.2	-1.0	
Acquisitions, %	0.2	0.0		0.1	0.0	
Divestments, %	-	-		-	-0.3	
Changes in exchange rates, %	-11.8	2.8		-5.8	4.3	
Operating income ²	2,498	960	160	5,778	3,189	81
Operating margin, %	7.4	3.0		5.0	2.7	
Income after financial items	2,339	736	218	5,096	2,456	108
Income for the period	1,860	366	408	3,988	1,820	119
Earnings per share, SEK ³	6.47	1.27		13.88	6.33	
Return on net assets, %	-	-		22.6	12.0	
Operating cash flow after investments	5,364	2,823		8,552	2,280	
Total Group, including discontinued operations						
Income for the period ⁴	1,860	559	233	6,584	2,509	162
Earnings per share, SEK ³	6.47	1.94		22.91	8.73	

¹ Change in net sales adjusted for currency translation effects.

² Operating income for continuing operations for the full year 2019 included non-recurring items of SEK -1,344m. Excluding these non-recurring items, operating income in 2019 amounted to SEK 4,533m, corresponding to a margin of 3.8%, see page 19.

³ Basic.

⁴ Income for the period for the full year 2020 included a settlement gain from the distribution of Electrolux Professional of SEK 2,379m. For definitions, see pages 27-28.

President and CEO Jonas Samuelson's comment

The coronavirus pandemic in 2020 had a severe impact on all aspects of society. Our strategy and our agile ways of working helped us to safely manage the challenges and respond to changing consumer needs brought about by the pandemic.

The year was highly volatile with a challenging first half followed by a significant recovery during the second half. This resulted in a strong performance improvement for the full year, with an operating margin of 5.0% (2.7). The organic sales growth of 3.2% was driven by improved mix through increased sales of innovative premium products as well as by higher net prices. Aftermarket sales, one of our strategic focus areas, increased by 13% and accounted for about 7% of Group sales.

Organic sales growth in the fourth quarter was 17.5%. Sales continued to benefit from consumers allocating more of their household budgets to home improvement and we also executed well on price and mix. Operating margin increased significantly to 7.4% (3.0) and all business areas improved their earnings and delivered margins well above 6%.

Looking into 2021, visibility remains limited due to the ongoing pandemic. However, for the first half of 2021 we anticipate that the strong consumer demand from increased home-improvement spending experienced during the second half of 2020 will remain to some extent. In addition, retail inventories are currently low, in general. We therefore expect demand for the first half of 2021 to exceed normal seasonal levels across our main markets, although capacity and component availability will likely remain constraining factors. Assuming that consumer spending patterns start to normalize by mid-year, we estimate that also market demand will normalize during the second half of 2021. All together, we expect market demand for appliances for the full year 2021 to be positive in our main markets.

From 2021 we revise the format for how we communicate the business outlook, shown below, in order to link it more strongly to the key drivers for profitable growth in our value creation strategy. Our strategic initiatives to reach the operating margin objective of at least 6% and sales growth of at least 4% generated significant improvements in 2020.

For 2021 we expect a continued positive organic contribution from volume, price and mix driven by a favorable market demand, higher prices compensating for raw material headwind, and increases in innovation/marketing investments, including a step-up in digitalization of our consumer

interactions. During the past three years, mix improvements from innovation, brand and aftermarket sales growth have in total contributed more than SEK 3bn to operating income, realizing a very favorable return on investment.

Continuous cost improvements and execution of our re-engineering program, mainly related to the Anderson facility, will increase cost efficiency in 2021. However, these efficiency improvements will be partly offset by higher logistic costs and transition effects as we ramp-up more facilities in our re-engineering program towards the latter part of the year. As we also plan to accelerate innovation/marketing investments, given that market conditions remain favorable, total net cost in 2021 is expected to increase.

As a global appliance company, we are exposed to external factors such as raw materials, tariffs, currency and excess inflation. For 2021 we estimate a headwind, primarily due to raw material costs. During the past two years we have fully offset headwinds from raw material and currency with price increases and we expect to do so also in 2021 through already announced price increases.



I am proud of how we as an organization have navigated this challenging year with a strong focus on health and safety. For me it confirms that we have the right strategy and culture in place, allowing us to quickly act on challenges as well as seize opportunities. As the pandemic continues into 2021, we will continue to create value - safely and sustainably.

Outlook

Market outlook, units year-over-year ¹	FY 2021	Market outlook, units year-over-year ¹	FY 2021
Europe	Slightly positive	Latin America	Positive
North America	Positive	Asia-Pacific, Middle East and Africa	Positive
Business outlook², year-over-year		FY 2021	
Volume/price/mix		Positive	
Net cost ³		Negative	
Investments in consumer experience innovation and marketing ⁴		Negative	
Cost efficiency ⁵		Positive	
External factors ⁶		Negative SEK 1.6bn - 2.0bn	
Capital expenditure		SEK -7bn	

¹ Electrolux estimates for industry shipments of core appliances. ² Business outlook range: Positive - Neutral - Negative, in terms of impact on earnings.

³ Net cost is the sum of "Investments in consumer experience innovation and marketing" and "Cost efficiency". ⁴ Comprise of costs of R&D, marketing/brand, connectivity, CRM, aftermarket sales capability etc. ⁵ Efficiencies in variable costs (excl. raw material, trade tariffs and labor cost inflation >2%) and structural costs (excl. consumer experience innovation and marketing). ⁶ Comprise of raw material costs, trade tariffs as well as direct and indirect currency impact and labor cost inflation >2%. Currency translation effects are estimated to impact 2021 net sales by -7% and operating income by SEK -400m. Note: Business outlook in the above table excludes non-recurring items. Market and business outlook assume no significant additional impact from the coronavirus pandemic.



Summary of the fourth quarter

SEKM	Q4 2020	Q4 2019	Change, %	Full-year 2020	Full-year 2019	Change, %
Net sales	33,902	32,011	6	115,960	118,981	-3
Operating income						
Europe	1,319	1,138	16	3,643	2,493	46
North America	697	-519	n.m.	1,215	-516	n.m.
Latin America	424	340	25	666	1,821	-63
Asia-Pacific, Middle East and Africa	376	315	20	1,038	446	133
Other, Group common costs, etc.	-318	-315	-1	-783	-1,055	26
Total	2,498	960	160	5,778	3,189	81
Operating margin, %	7.4	3.0		5.0	2.7	
Operating margin excl. non-recurring items, % ¹	7.4	3.0		5.0	3.8	

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

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, are 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 increased by 17.7% in the quarter, excluding currency translation effects. Higher prices and innovative, more premium products contributed. Volumes also increased although supply constraints partly remained, impacting the ability to fully meet demand. All business areas had strong organic growth and aftermarket sales continued to increase. Last year's fourth quarter was negatively impacted by the U.S. manufacturing consolidation and destocking at a key U.S. customer.

Operating income

Operating income amounted to SEK 2,498m (960), corresponding to a margin of 7.4% (3.0). The significant organic growth, with increased volumes as well as positive price and mix development from selling higher-margin products, was the main driver for the higher earnings. Lower costs for raw materials had a slight positive impact year-over-year and positive price development fully offset the continued currency headwind and higher logistic costs. Investments in strategic initiatives and marketing increased.

Effects of changes in exchange rates

Changes in exchange rates had a year-over-year impact of SEK -421m. The impact of transaction effects was SEK -244m, primarily relating to weakening currencies in Latin America but also to RUB and GBP. Translation effects amounted to SEK -177m.

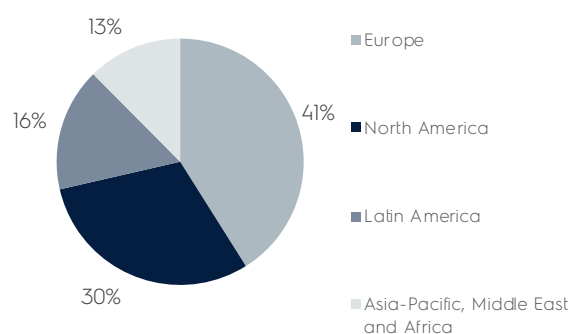
Financial net

Net financial items decreased to SEK -159m (-223), mainly due to lower interest costs.

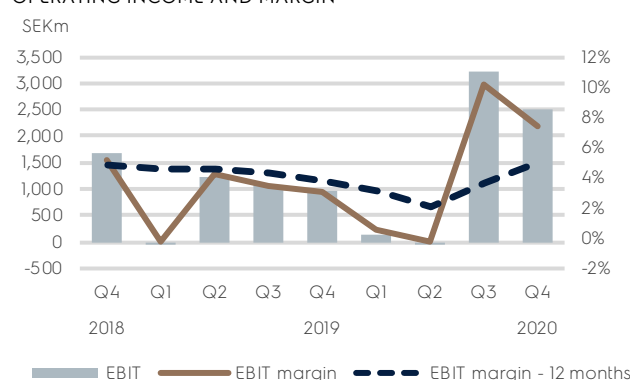
Income for the period

Income for the period amounted to SEK 1,860m (366), corresponding to SEK 6.47 (1.27) in earnings per share.

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



OPERATING INCOME AND MARGIN



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



Full year 2020

Sales growth for continuing operations was 3.3% in the full year 2020, excluding currency translation effects. Organic sales increased by 3.2% and acquisitions impacted sales positively 0.1%.

Operating income amounted to SEK 5,778m (3,189), corresponding to a margin of 5.0% (2.7). In the full year 2019, non-recurring items amounted to SEK -1,344m, see page 19. Excluding these non-recurring items, operating income in 2019 amounted to SEK 4,533, corresponding to a margin of 3.8%.

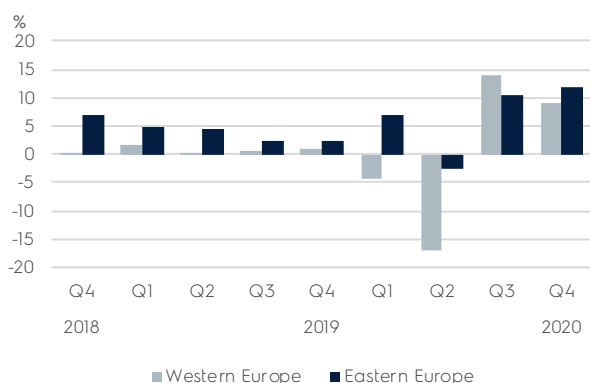
Income for the period for continuing operations amounted to SEK 3,988m (1,820), corresponding to SEK 13.88 (6.33) in earnings per share.

Income for the period for the total Group, including discontinued operations, amounted to SEK 6,584m (2,509), corresponding to SEK 22.91 (8.73) in earnings per share. 2020 included a settlement gain from the distribution of Electrolux Professional of SEK 2,379m.

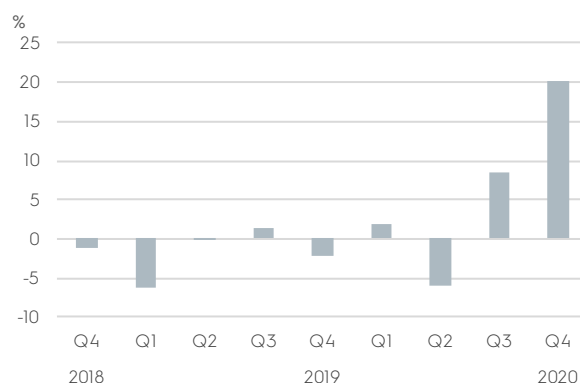
Market overview

In the fourth quarter, the market in Europe remained strong with significant growth year-over-year, driven by both Eastern and Western Europe, as a result of the category shift in spend as people stay more at home. In the U.S., the market demand for core appliances also continued to increase significantly year-over-year. 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, %*	Q4 2020	Q4 2019	Full-year 2020	Full-year 2019
Western Europe	9	1	1	1
Eastern Europe (excluding Turkey)	12	2	8	3
Total Europe	10	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, %*	Q4 2020	Q4 2019	Full-year 2020	Full-year 2019
Core appliances	20	-2	6	-2
Microwave ovens and home-comfort products	9	-12	-1	-10
Total major appliances	17	-5	4	-5

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



Business areas

Europe

In the fourth quarter, overall market demand in Europe continued to be strong, increasing by 10% year-over-year. All markets grew, mainly driven by continued high level of home-improvement spending. In Western Europe, demand increased by 9% and in Eastern Europe by 12%.

Organic sales for Electrolux operations in Europe increased by 9.3%. Mix continued to develop favorably, primarily from built-in kitchen and laundry products, and growth in the strategic aftermarket business remained strong. The premium brands Electrolux and AEG further gained value market share and net price increased. Volumes increased across all markets although demand could not fully be met due to supply constraints.

Operating income increased year-over-year. This was mainly a result of the strong organic contribution, but also lower cost for raw material impacted earnings favorably. Investments in marketing and strategic initiatives as well as currency headwind and increased logistic costs impacted earnings negatively.

SEKm	Q4 2020	Q4 2019	Full-year 2020	Full-year 2019
Net sales	13,925	13,352	46,038	45,420
Organic growth, %	9.3	3.3	3.3	1.7
Acquisitions, %	-	-	-	0.1
Operating income	1,319	1,138	3,643	2,493
Operating margin, %	9.5	8.5	7.9	5.5
Operating margin excl. non-recurring items, % ¹	9.5	8.5	7.9	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. continued to show significant growth, increasing by 20% year-over-year. All main product categories developed favorably. Market demand for all major appliances, including microwave ovens and home-comfort products, increased by 17%.

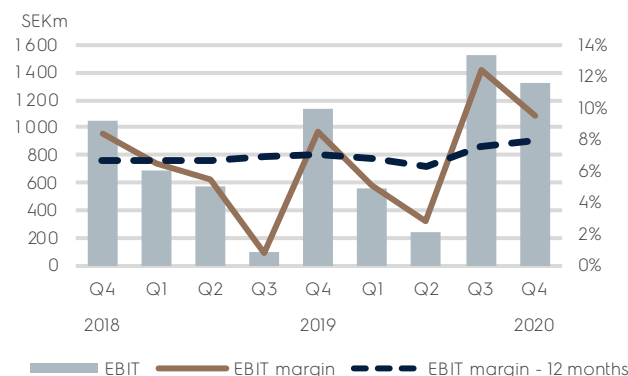
The organic sales increased significantly in the quarter by 29.2%, partly due to a weak fourth quarter last year, impacted by the manufacturing consolidation and destocking at a key customer. Sales increased across all product categories. Both price and product mix also developed positively as promotional activity continued to be very low and sales of high-margin products increased. Aftermarket sales continued to grow significantly.

Operating income increased significantly year-over-year, mainly driven by the organic contribution through positive price development, higher volumes and mix improvements.

SEKm	Q4 2020	Q4 2019	Full-year 2020	Full-year 2019
Net sales	10,281	8,719	38,219	38,954
Organic growth, %	29.2	-18.3	0.9	-8.7
Divestments, %	-	-	-	-1.0
Operating income	697	-519	1,215	-516
Operating margin, %	6.8	-5.9	3.2	-1.3
Operating margin excl. non-recurring items, % ¹	6.8	-5.9	3.2	1.4

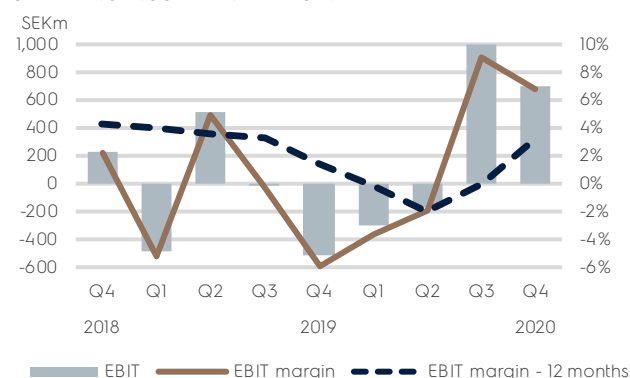
¹ For more information on non-recurring items, see page 19.

OPERATING INCOME AND MARGIN



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

OPERATING INCOME AND MARGIN



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



Latin America

In the fourth quarter, consumer demand for core appliances is estimated to have increased in Brazil year-over-year driven by government incentives. In Argentina consumer demand increased as product availability improved. Also in Chile demand grew supported by government stimulus packages, compared to a weak fourth quarter last year.

The organic sales in Electrolux operations in Latin America grew by 25.4%. Overall volumes increased, driven by Brazil. Price also contributed positively as an effect of price increases and significantly lower levels of promotion. Aftermarket sales increased and online sales continued to grow in all main markets.

Operating income increased year-over-year. This was mainly driven by the strong organic contribution, mainly from price but also higher volumes. Currency headwind, high inflation and increased logistic costs continued to impact earnings negatively but was fully offset by price increases. Investments in innovation and marketing increased.

SEKM	Q4 2020	Q4 2019	Full-year 2020	Full-year 2019
Net sales	5,488	5,913	16,915	19,653
Organic growth, %	25.4	13.9	10.0	10.9
Operating income	424	340	666	1,821
Operating margin, %	7.7	5.8	3.9	9.3
Operating margin excl. non-recurring items, % ¹	7.7	5.8	3.9	3.7

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

Asia-Pacific, Middle East and Africa

During the fourth quarter, consumer demand in the region is estimated to have slightly decreased overall as Southeast Asia continued to be affected by recessions and continued lockdowns due to the coronavirus. However, in Australia, one of Electrolux major markets, demand remained strong with significant household consumption growth.

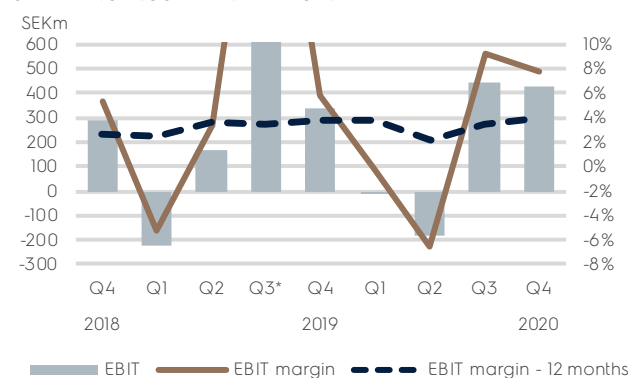
Electrolux reported an organic sales growth of 9.7%. Sales increased across regions, except Southeast Asia, though partly impacted by supply constraints. Both price and mix contributed positively. Sales increased significantly in Australia, driven by higher prices as well as growth in high-margin products, mainly in the kitchen category. In Southeast Asia, however, sales continued to decline due to the weak market but mix improved. Aftermarket sales continued to grow strongly.

Operating income increased significantly year-over-year. This was mainly a result of the strong sales growth. A favorable currency development and lower costs for raw material also contributed positively. Higher logistic costs and increased investments in strategic initiatives and marketing impacted, however, earnings negatively.

SEKM	Q4 2020	Q4 2019	Full-year 2020	Full-year 2019
Net sales	4,209	4,027	14,788	14,954
Organic growth, %	9.7	-4.2	1.7	-1.3
Acquisitions, %	1.8	0.1	0.6	0.1
Operating income	376	315	1,038	446
Operating margin, %	8.9	7.8	7.0	3.0
Operating margin excl. non-recurring items, % ¹	8.9	7.8	7.0	5.6

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

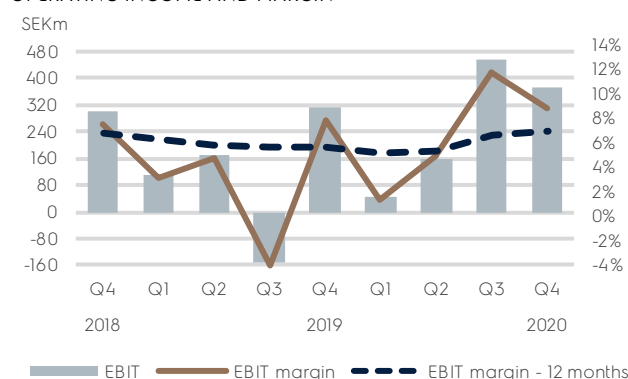
OPERATING INCOME AND MARGIN



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

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

OPERATING INCOME AND MARGIN



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



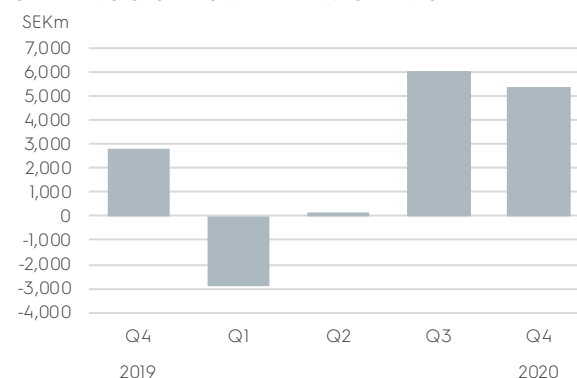
Cash flow

Operating cash flow after investments amounted to SEK 5,364m (2,823) in the quarter. The increased cash flow compared to the previous year was mainly a result of a higher operating income, but also a lower level of investments contributed positively.

The 2019 dividend payment of SEK 7.00 per share was distributed to shareholders during the quarter and impacted cash flow by SEK -2,012m.

Operating cash flow after investments for the full year 2020 amounted to SEK 8,552m (2,280). The year-over-year comparison reflects an increased operating income, a lower level of investments as well as a more favorable development of operating assets and liabilities. As a result of the strong market demand during the second half of the year that could not fully be met, inventory levels were low at the same time as procurements were high.

OPERATING CASH FLOW AFTER INVESTMENTS



SEKm	Q4 2020	Q4 2019	Full-year 2020	Full-year 2019
Operating income adjusted for non-cash items ¹	3,662	2,121	10,807	9,746
Change in operating assets and liabilities	3,677	3,151	2,852	-498
Operating cash flow	7,338	5,271	13,659	9,248
Investments in tangible and intangible assets	-2,026	-2,649	-5,338	-6,674
Changes in other investments	52	200	230	-294
Operating cash flow after investments	5,364	2,823	8,552	2,280
Acquisitions and divestments of operations	-0	-0	-8	-27
Operating cash flow after structural changes	5,364	2,823	8,544	2,254
Financial items paid, net ²	-171	-225	-596	-656
Taxes paid	-561	-460	-1,132	-1,277
Cash flow from operations and investments	4,632	2,138	6,816	321
Payment of lease liabilities	-226	-219	-911	-870
Dividend	-2,012	-1,221	-2,012	-2,443
Share-based payments	0	5	0	9
Total cash flow, excluding changes in loans and short-term investments	2,394	702	3,894	-2,982

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

² For the period January 1 to December 31: interest and similar items received SEK 72m (74), interest and similar items paid SEK -397m (-495) and other financial items received/paid SEK -163m (-110). Interest paid related to lease liabilities SEK -108m (-124).



Financial position

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

Net debt

As of December 31, 2020, Electrolux had a financial net cash position (excluding lease liabilities and post-employment provisions) of SEK 4,741m, compared to the financial net debt position of SEK 667m as of December 31, 2019. Net provisions for post-employment benefits was SEK 3,679m and lease liabilities amounted to SEK 2,618m as of December 31, 2020. In total, net debt amounted to SEK 1,556m, a decrease by SEK 6,127m 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 14,400m as of December 31, 2020 with average maturity of 2.8 years, compared to SEK 9,682m and 3.0 years at the end of 2019.

In the fourth quarter, long-term borrowings in the amount of SEK 77m and USD 6m were amortized. During 2021, long-term borrowings amounting to approximately SEK 0.3bn will mature. For more information see www.electroluxgroup.com.

Liquid funds as of December 31, 2020, amounted to SEK 20,467m, an increase of SEK 9,278m compared to SEK 11,189m as of December 31, 2019.

Return on equity was 34.1% (11.4), impacted by a settlement gain from the distribution of Electrolux Professional. Adjusted for the settlement gain, return on equity was 21.7% (11.4).

Working capital and net assets (continuing operations)

Working capital as of December 31, 2020, amounted to SEK -19,191m (-17,390), corresponding to -17.9% (-14.8) of annualized net sales. Operating working capital amounted to SEK 1,851m (3,149), corresponding to 1.7% (2.7) of annualized net sales, see page 21.

Average net assets for the full year 2020 amounted to SEK 25,563m (26,532), corresponding to 22.0% (22.3) of annualized net sales. Net assets as of December 31, 2020, amounted to SEK 20,265m (26,172).

Return on net assets was 22.6% (12.0).

Net debt

SEKM	Dec. 31, 2020	Dec. 31, 2019 ¹
Short-term loans	1,012	1,307
Short-term part of long-term loans	277	1,446
Trade receivables with recourse	40	602
Short-term borrowings	1,329	3,354
Financial derivative liabilities	210	233
Accrued interest expenses and prepaid interest income	64	33
Total short-term borrowings	1,603	3,620
Long-term borrowings	14,123	8,236
Total borrowings²	15,727	11,856
Cash and cash equivalents	20,196	10,807
Short-term investments	172	190
Financial derivative assets	81	176
Prepaid interest expenses and accrued interest income	18	16
Liquid funds³	20,467	11,189
Financial net debt	-4,741	667
Lease liabilities	2,618	3,150
Net provisions for post-employment benefits	3,679	3,866
Net debt	1,556	7,683
Net debt/equity ratio	0.08	0.34
Total equity	18,709	22,574
Equity per share, SEK	65.10	78.55
Return on equity, %	34.1	11.4
Equity/assets ratio, %	23.6	23.6

¹ 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.

² Whereof interest-bearing liabilities amounting to SEK 15,412m as of December 31, 2020 and SEK 10,989m as of December 31, 2019.

³ Electrolux also has an unused committed multicurrency revolving credit facility of EUR 1,000m, approximately SEK 10,057m, maturing 2023, a revolving credit facility of SEK 3,000m, maturing 2021 and a revolving credit facility of SEK 10,000m, maturing 2025.



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 December 31, 2020, the Group had a total of 3,403 (3,897) cases pending, representing approximately 3,440 (approximately 3,933) plaintiffs. During the fourth quarter of

2020, 231 new cases with 232 plaintiffs were filed and 262 pending cases with approximately 262 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 coronavirus pandemic adds uncertainty and impacts Electrolux operations as well as supply and demand.

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 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.



Sustainable living in focus on a competitive market

Electrolux strives to create wellbeing products that are differentiated by their visual appeal and how they promote healthy indoor environments and sustainable living. Product innovation based on consumer insight enables Electrolux to base their offering on the needs and expectations of consumers.

The new PureQ9 cordless vacuum cleaner quickly and efficiently removes fine dust from floors while being ergonomic, quiet and designed to always be at hand, which has been highly appreciated by consumers.

Since the global launch in 2019, the PureQ9 has been well received in many markets and in 2020, it picked up the prestigious iF Design Award celebrating its innovative design. In Korea, one of the most competitive vacuum cleaner markets in the world, it has generated 4.6 star ratings, 71% sales growth within the cordless category and 2.1 points increased market share.

Note: The iF Design Award is organized by iF International Forum Design GmbH. Star ratings based on rolling three months data until August 2020. Market share and sales growth based on nine months 2020 vs nine months 2019. Market share data is for cordless premium products.



Awarded for consumer experience innovation

Innovation is a key pillar in Electrolux profitable growth strategy. A relentless focus on consumer experience innovation has continued to increase the demand for more highly featured products, driving a favorable product mix.

A recent example of how product innovation pays off is the external recognition that the company received in November 2020. Electrolux was top ranked in five different categories by Reviewed.com in the U.S. for products under both the Electrolux and the Frigidaire brand, including 'best refrigerator' and 'best induction range'. The awarded single-oven range covers all basics needs as well as special features such as AirFry.

The Frigidaire AirFry cooker has been very successful in establishing Electrolux in the premium freestanding cooker category contributing to a 10% market share, delivering a significantly higher gross margin versus traditional cookers and obtaining 4.4 star rating by consumers.

Note: Reviewed.com is a consumer product review website owned by Gannett and part of the USA Today Network. Star ratings based on rolling six months data until August 2020. Market share as per six months 2020.



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/>

*Eco Ethical Report, June 2019.



Events during the quarter

November 3. Bulletin from AB Electrolux Extraordinary General Meeting

Due to the risk of the spread of COVID-19 and the authorities' regulations and advice the Extraordinary General Meeting ("EGM") was carried out solely through advance voting (so-called postal voting) pursuant to temporary legislation.

The EGM adopted the proposed dividend of SEK 7.00 per share. The record date for the dividend was set to Thursday, November 5, 2020. The dividend was paid by Euroclear Sweden AB on Tuesday, November 10, 2020.

The EGM approved, in accordance with the Board of Directors' proposal, the scope of and the principles for Electrolux performance based, long-term share program for 2020.

The EGM also resolved to approve the amendments to the Articles of Association. The amendments enable the company to hold general meetings by mail voting and/or by means of the Board of Directors collecting powers of attorney.

November 17. Electrolux Capital Markets Update 2020

Electrolux held an online Capital Market Update focusing on how Electrolux is driving profitable growth through innovation, where design and brands are key pillars. The event showcased how Electrolux has strengthened its premium position in Europe through deep consumer insights, specifically in the built-in kitchen area, and how this has boosted earnings.

December 8. CDP recognizes Electrolux climate and water action with double "A" score

Electrolux has been recognized for its sustainability leadership with a prestigious double "A" score by the global non-profit CDP. Electrolux is one of few companies to receive top marks both for its efforts to tackle climate change and acting to protect water security. For five years Electrolux has been on the CDP climate A list, whilst the place on the water A list is a first.

Notable activities this year include Electrolux stepping up its commitment to climate action by introducing a plan to replace high-impact greenhouse gases in all of its appliances by 2023, in support of the Paris climate agreement. Electrolux has also decided to base part of the remuneration to senior managers on targets for the successful reduction of greenhouse gas emissions.

To further drive global action on water security, Electrolux has joined the recently launched 50L Home Coalition. Businesses, governments and organizations such as the World Economic Forum have joined forces to drive development of innovative solutions for responsible water usage in homes. Electrolux will work with WWF to further develop its work on water stewardship and update the company's context-based water roadmap and targets.

For more information, visit www.electroluxgroup.com



Annual General Meeting 2021

Electrolux Annual General Meeting will be held on March 25, 2021. Due to the coronavirus pandemic, the Board of Directors has decided that the Annual General Meeting should be conducted without the physical presence of shareholders, representatives or third parties and that the shareholders before the meeting should be able to exercise their voting rights only by voting in advance, so-called postal voting. However, the shareholders will be able to ask questions in writing ahead of the meeting. The questions and answers will be published on the group's website www.electroluxgroup.com at least five days before the Annual General Meeting together with a webcast with the Chairman and the CEO including their reflections on 2020.

Additional information about the postal voting procedure will be published in the notice convening the Annual General Meeting.

Proposed dividend

The Board of Directors proposes a dividend for 2020 of SEK 8.00 (7.00) per share, for a total dividend payment of approximately SEK 2,299m (2,012). The proposed dividend corresponds to approximately 58% of income for the period, continuing operations. Last year's dividend corresponded to approximately 80% of income for the period, total Group (including discontinued operations).

The dividend is proposed to be paid in two equal installments, the first with the record date March 29, 2021 and the second with the record date September 29, 2021. The first installment is estimated to be paid on April 1, 2021 and the second installment on October 4, 2021.

Proposal for resolution on acquisition of own shares

Electrolux has, for several years, had a mandate from the Annual General Meetings to acquire own shares.

The Board of Directors proposes the Annual General Meeting 2021 to authorize the Board of Directors, for the period until the next Annual General Meeting, to resolve on acquisitions of shares in the company and that the company may acquire as a maximum so many B shares that, following each acquisition, the company holds at a maximum 10% of all shares issued by the company.

The purpose of the proposal is to be able to use repurchased shares on account of potential company acquisitions and the company's share related incentive programs, and to be able to adapt the company's capital structure.

As of December 31, 2020, Electrolux held 21,522,858 B shares in Electrolux, corresponding to approximately 7.0% of the total number of shares in the company.

Nomination Committee

The Electrolux Nomination Committee comprises Johan Forssell, Investor AB, Chairman of the committee. The other members are Carina Silberg, Alecta, Tomas Risbecker, AMF – Försäkring och Fonder and Marianne Nilsson, Swedbank Robur Funds. The committee also includes Staffan Bohman and Fredrik Persson, Chairman and Director, respectively, of Electrolux.

The Nomination Committee will prepare proposals for the Annual General Meeting in 2021 regarding Chairman of the Annual General Meeting, Board members, Chairman of the Board, remuneration for Board members, Auditor, Auditor's fees and, to the extent deemed necessary, proposal regarding amendments of the current instruction for the Nomination Committee.

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 full year 2020 amounted to SEK 40,621m (40,594) of which SEK 33,349m (33,113) referred to sales to Group companies and SEK 7,272m (7,481) to external customers. Income after financial items was SEK 6,637m (4,033), including dividends from subsidiaries in the amount of SEK 6,782m (4,396). Income for the period amounted to SEK 6,464m (3,357).

Capital expenditure in tangible and intangible assets was SEK 935m (658). Liquid funds at the end of the period amounted to SEK 15,049m, compared to SEK 6,084m at the start of the year.

Undistributed earnings in the Parent Company at the end of the period amounted to SEK 19,453m, compared to SEK 22,894m at the start of the year. Dividend payment to shareholders for 2019 amounted to SEK 2,012m 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, February 2, 2021

AB Electrolux (publ)
556009-4178

Board of Directors

The report has not been audited or reviewed by external auditors.



Consolidated statement of comprehensive income

SEKM	Q4 2020	Q4 2019	Full-year 2020	Full-year 2019
Net sales	33,902	32,011	115,960	118,981
Cost of goods sold	-26,183	-26,255	-93,689	-99,182
Gross operating income	7,720	5,756	22,272	19,799
Selling expenses	-3,402	-3,434	-11,071	-12,186
Administrative expenses	-1,633	-1,375	-5,116	-5,481
Other operating income/expenses	-187	12	-307	1,057
Operating income	2,498	960	5,778	3,189
Financial items, net	-159	-223	-681	-733
Income after financial items	2,339	736	5,096	2,456
Taxes	-480	-370	-1,108	-636
Income for the period, continuing operations	1,860	366	3,988	1,820
Income for the period, discontinued operations	-	192	2,595	688
Income for the period, total Group	1,860	559	6,584	2,509
Items that will not be reclassified to income for the period:				
Remeasurement of provisions for post-employment benefits	345	1,715	189	-103
Income tax relating to items that will not be reclassified	-76	-409	-46	3
	269	1,305	143	-100
Items that may be reclassified subsequently to income for the period:				
Cash flow hedges	35	16	32	-10
Exchange-rate differences on translation of foreign operations	-1,338	-704	-3,326	1,030
Income tax relating to items that may be reclassified	-2	10	48	24
	-1,305	-678	-3,246	1,044
Other comprehensive income, net of tax	-1,035	627	-3,103	944
Total comprehensive income for the period	825	1,186	3,481	3,452
Income for the period attributable to:				
Equity holders of the Parent Company	1,860	560	6,584	2,509
Non-controlling interests	0	-1	0	-1
Total	1,860	559	6,584	2,509
Total comprehensive income for the period attributable to:				
Equity holders of the Parent Company	825	1,187	3,481	3,453
Non-controlling interest	-0	-1	-0	-1
Total	825	1,186	3,481	3,452
Earnings per share, SEK				
Basic, continuing operations	6.47	1.27	13.88	6.33
Basic, discontinued operations	-	0.67	9.03	2.40
Basic, Group total	6.47	1.94	22.91	8.73
Diluted, continuing operations	6.46	1.27	13.86	6.30
Diluted, discontinued operations	-	0.67	9.02	2.38
Diluted, Group total	6.46	1.94	22.88	8.69
Average number of shares¹				
Basic, million	287.4	287.4	287.4	287.4
Diluted, million	287.9	288.6	287.7	288.8

¹ Average numbers of shares excluding shares held by Electrolux.



Consolidated balance sheet

SEKM	Dec. 31, 2020	Dec. 31, 2019
Assets		
Property, plant and equipment, owned	20,452	21,803
Property, plant and equipment, right-of-use	2,351	2,811
Goodwill	6,369	7,071
Other intangible assets	3,480	3,817
Investments in associates	274	424
Deferred tax assets	6,064	6,618
Financial assets	65	93
Pension plan assets	1,272	1,043
Other non-current assets	878	1,486
Total non-current assets	41,205	45,166
Inventories	13,213	16,194
Trade receivables	19,944	20,847
Tax assets	894	913
Derivatives	135	192
Other current assets	3,846	4,465
Short-term investments	172	190
Cash and cash equivalents	20,196	10,807
Discontinued operations, assets held for distribution (see Note 5)	-	8,034
Total current assets	58,399	61,642
Total assets	99,604	106,808
Equity and liabilities		
Equity attributable to equity holders of the Parent Company		
Share capital	1,545	1,545
Other paid-in capital	2,905	2,905
Other reserves	-4,593	-1,351
Retained earnings	18,846	19,468
Equity attributable to equity holders of the Parent Company	18,702	22,566
Non-controlling interests	7	8
Total equity	18,709	22,574
Long-term borrowings	14,123	8,236
Long-term lease liabilities	1,834	2,333
Deferred tax liabilities	476	561
Provisions for post-employment benefits	4,951	4,909
Other provisions	5,567	5,577
Total non-current liabilities	26,952	21,616
Accounts payable	31,306	33,892
Tax liabilities	562	883
Other liabilities	17,114	16,821
Short-term borrowings	1,329	3,354
Short-term lease liabilities	784	817
Derivatives	332	293
Other provisions	2,516	2,606
Discontinued operations, liabilities held for distribution (see Note 5)	-	3,951
Total current liabilities	53,943	62,617
Total equity and liabilities	99,604	106,808

Change in consolidated equity

SEKM	Full-year 2020	Full-year 2019
Opening balance	22,574	21,749
Change in accounting principles	-	-234
Total comprehensive income for the period	3,481	3,452
Share-based payments	70	52
Dividend to equity holders of the Parent Company ¹	-7,415	-2,443
Dividend to non-controlling interests	-0	-1
Acquisition of non-controlling interests	-0	-1
Total transactions with equity holders	-7,346	-2,393
Closing balance	18,709	22,574

¹ 2020; Dividend payment to shareholders SEK 2,012m. Distribution of Electrolux Professional AB of SEK 5,403m, equivalent to the fair market value of Electrolux Professional at listing at Nasdaq Stockholm on March 23, 2020.



Consolidated cash flow statement

SEKM	Q4 2020	Q4 2019	Full-year 2020	Full-year 2019
Operations				
Operating income	2,498	960	5,778	3,189
Depreciation and amortization ¹	1,117	1,214	4,587	4,821
Other non-cash items	47	-52	442	1,736
Financial items paid, net ²	-171	-225	-596	-656
Taxes paid	-561	-460	-1,132	-1,277
Cash flow from operations, excluding change in operating assets and liabilities	2,930	1,436	9,079	7,813
Change in operating assets and liabilities				
Change in inventories	-58	1,893	1,236	-437
Change in trade receivables	-1,973	-2,020	-2,401	-604
Change in accounts payable	4,646	1,445	1,737	67
Change in other operating assets, liabilities and provisions	1,061	1,832	2,279	476
Cash flow from change in operating assets and liabilities	3,677	3,150	2,852	-498
Cash flow from operations	6,606	4,586	11,932	7,314
Investments				
Acquisition of operations	-0	-0	-8	-27
Capital expenditure in property, plant and equipment	-1,730	-2,326	-4,325	-5,320
Capital expenditure in product development	-125	-103	-563	-788
Capital expenditure in software and other intangibles	-171	-220	-450	-566
Other	52	200	230	-294
Cash flow from investments	-1,975	-2,449	-5,115	-6,994
Cash flow from operations and investments	4,632	2,137	6,816	321
Financing				
Change in short-term investments	3	2	16	-13
Change in short-term borrowings	-1,331	683	-308	854
New long-term borrowings	-0	1,507	9,793	3,810
Amortization of long-term borrowings ⁴	-163	-1,143	-4,555	-2,376
Payment of lease liabilities	-226	-219	-911	-870
Dividend	-2,012	-1,221	-2,012	-2,443
Share-based payments	0	5	0	9
Cash flow from financing	-3,729	-386	2,023	-1,028
Total cash flow, continuing operations	902	1,751	8,839	-707
Total cash flow, discontinued operations (see Note 5)	-	261	1,177	297
Total cash flow, total Group	902	2,012	10,016	-410
Cash and cash equivalents at beginning of period	19,460	9,621	11,458	11,697
Exchange-rate differences referring to cash and cash equivalents	-166	-175	-667	172
Cash and cash equivalents in distributed operations	-	-	-611	-
Cash and cash equivalents at end of period³	20,196	11,458	20,196	11,458

¹ For the period January 1 to December 31: depreciation related to right-of-use assets amounted to SEK -876m (-876).

² For the period January 1 to December 31: interest and similar items received SEK 72m (74), interest and similar items paid SEK -397m (-495) and other financial items received/paid SEK -163 (-110). Interest paid related to lease liabilities SEK -108m (-124).

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 period January 1 to December 31, 2020, the amount includes loan repurchases and early repayment of loan of SEK 3,085m.



Key ratios

SEKM unless otherwise stated	Q4 2020	Q4 2019	Full-year 2020	Full year 2019
Continuing operations				
Net sales	33,902	32,011	115,960	118,981
Organic growth, %	17.5	-2.8	3.2	-1.0
EBITA	2,701	1,162	6,603	4,003
EBITA margin, %	8.0	3.6	5.7	3.4
Operating income	2,498	960	5,778	3,189
Operating margin, %	7.4	3.0	5.0	2.7
Operating margin excl. non-recurring items, % ¹	7.4	3.0	5.0	3.8
Income after financial items	2,339	736	5,096	2,456
Income for the period	1,860	366	3,988	1,820
Capital expenditure property, plant and equipment	-1,730	-2,326	-4,325	-5,320
Operating cash flow after investments	5,364	2,823	8,552	2,280
Earnings per share, SEK ²	6.47	1.27	13.88	6.33
Capital turnover rate, times/year ³	-	-	4.5	4.5
Return on net assets, % ³	-	-	22.6	12.0
Net debt ⁴	1,556	7,683	1,556	7,683
Net debt/equity ratio ⁴	0.08	0.34	0.08	0.34
Average number of employees	50,560	48,589	47,543	48,652
Total Group, including discontinued operations				
Income for the period	1,860	559	6,584	2,509
Earnings per share, SEK ²	6.47	1.94	22.91	8.73
Equity per share, SEK	65.10	78.55	65.10	78.55
Return on equity, % ⁵	-	-	34.1	11.4
Average number of shares excluding shares owned by Electrolux, million	287.4	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 December 31, 2020 and December 31, 2019 exclude assets and liabilities of Electrolux Professional. Equity as per December 31, 2020 excludes Electrolux Professional. Equity as per December 31, 2019 includes Electrolux Professional.

⁵ Return on equity for the full year 2020 include a settlement gain from the distribution of Electrolux Professional. Adjusted for the settlement gain, return on equity was 21.7%.

For definitions, see pages 27-28.

Exchange rates

SEK	Dec. 31, 2020		Dec. 31, 2019	
Exchange rate	Average	End of period	Average	End of period
ARS	0.1320	0.0973	0.2010	0.1558
AUD	6.34	6.28	6.57	6.53
BRL	1.81	1.58	2.40	2.31
CAD	6.84	6.41	7.10	7.14
CHF	9.77	9.26	9.50	9.60
CLP	0.0116	0.0115	0.0133	0.0125
CNY	1.33	1.25	1.37	1.34
EUR	10.48	10.06	10.56	10.44
GBP	11.83	11.14	12.03	12.25
HUF	0.0298	0.0276	0.0324	0.0315
MXN	0.4317	0.4126	0.4878	0.4951
RUB	0.1275	0.1095	0.1455	0.1507
THB	0.2938	0.2735	0.3039	0.3119
USD	9.18	8.19	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	12,317	13,925	46,038	10,553	10,479	11,036	13,352	45,420
Sales growth, %	0.3	-14.2	15.7	9.3	3.3	4.6	1.0	-1.8	3.3	1.8
EBITA	600	290	1,565	1,362	3,816	730	631	149	1,189	2,698
EBITA margin, %	5.5	3.3	12.7	9.8	8.3	6.9	6.0	1.3	8.9	5.9
Operating income	558	244	1,522	1,319	3,643	686	576	93	1,138	2,493
Operating margin, %	5.1	2.8	12.4	9.5	7.9	6.5	5.5	0.8	8.5	5.5
North America										
Net sales	8,409	8,537	10,993	10,281	38,219	9,099	10,255	10,880	8,719	38,954
Sales growth, %	-13.1	-17.9	8.6	29.2	0.9	-6.8	-12.1	-0.7	-18.3	-9.5
EBITA	-247	-126	1,033	752	1,413	-450	555	-3	-486	-383
EBITA margin, %	-2.9	-1.5	9.4	7.3	3.7	-4.9	5.4	-0.0	-5.6	-1.0
Operating income	-299	-173	990	697	1,215	-482	504	-20	-519	-516
Operating margin, %	-3.6	-2.0	9.0	6.8	3.2	-5.3	4.9	-0.2	-5.9	-1.3
Latin America										
Net sales	3,826	2,822	4,779	5,488	16,915	4,312	4,816	4,613	5,913	19,653
Sales growth, %	-1.9	-24.2	37.8	25.4	10.0	6.9	8.3	14.2	13.9	10.9
EBITA	32	-141	481	464	837	-165	217	1,591	390	2,033
EBITA margin, %	0.8	-5.0	10.1	8.5	4.9	-3.8	4.5	34.5	6.6	10.3
Operating income	-15	-183	440	424	666	-223	164	1,539	340	1,821
Operating margin, %	-0.4	-6.5	9.2	7.7	3.9	-5.2	3.4	33.4	5.8	9.3
Asia-Pacific, Middle East and Africa										
Net sales	3,434	3,230	3,916	4,209	14,788	3,445	3,682	3,801	4,027	14,954
Sales growth, %	-3.2	-10.9	10.1	11.5	2.3	2.3	-3.8	1.6	-4.1	-1.2
EBITA	78	188	484	403	1,153	141	204	-115	350	580
EBITA margin, %	2.3	5.8	12.4	9.6	7.8	4.1	5.5	-3.0	8.7	3.9
Operating income	44	159	459	376	1,038	110	171	-150	315	446
Operating margin, %	1.3	4.9	11.7	8.9	7.0	3.2	4.7	-4.0	7.8	3.0
Group common costs, etc.	-165	-109	-191	-318	-783	-143	-197	-400	-315	-1,055
Total, continuing operations										
Net sales	26,578	23,476	32,004	33,902	115,960	27,408	29,232	30,330	32,011	118,981
Sales growth, %	-5.1	-16.6	15.3	17.7	3.3	0.6	-3.6	1.2	-2.8	-1.3
EBITA	340	146	3,416	2,701	6,603	145	1,433	1,263	1,162	4,003
EBITA margin, %	1.3	0.6	10.7	8.0	5.7	0.5	4.9	4.2	3.6	3.4
Operating income	122	-62	3,220	2,498	5,778	-53	1,219	1,063	960	3,189
Operating margin, %	0.5	-0.3	10.1	7.4	5.0	-0.2	4.2	3.5	3.0	2.7
Total Group, including discontinued operations										
Income for the period, Group total	2,509	-141	2,356	1,860	6,584	79	1,132	739	559	2,509
Earnings per share, Group total, SEK ¹	8.73	-0.49	8.20	6.47	22.91	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	1,522	1,319	3,643	686	576	845	1,138	3,245
Operating margin excl. NRI, %	5.1	2.8	12.4	9.5	7.9	6.5	5.5	7.7	8.5	7.1
North America										
Operating income excl. NRI	-299	-173	990	697	1,215	347	504	222	-519	555
Operating margin excl. NRI, %	-3.6	-2.0	9.0	6.8	3.2	3.8	4.9	2.0	-5.9	1.4
Latin America										
Operating income excl. NRI	-15	-183	440	424	666	2	164	213	340	720
Operating margin excl. NRI, %	-0.4	-6.5	9.2	7.7	3.9	0.1	3.4	4.6	5.8	3.7
Asia-Pacific, Middle East and Africa										
Operating income excl. NRI	44	159	459	376	1,038	110	171	248	315	844
Operating margin excl. NRI, %	1.3	4.9	11.7	8.9	7.0	3.2	4.7	6.5	7.8	5.6
Group common cost etc										
Operating income excl. NRI	-165	-109	-191	-318	-783	-143	-197	-176	-315	-831
Total, continuing operations										
Operating income excl. NRI	122	-62	3,220	2,498	5,778	1,001	1,219	1,353	960	4,533
Operating margin excl. NRI, %	0.5	-0.3	10.1	7.4	5.0	3.7	4.2	4.5	3.0	3.8



Net sales by business area

SEKM	Q4 2020	Q4 2019	Full-year 2020	Full-year 2019
Europe	13,925	13,352	46,038	45,420
North America	10,281	8,719	38,219	38,954
Latin America	5,488	5,913	16,915	19,653
Asia-Pacific, Middle East and Africa	4,209	4,027	14,788	14,954
Total, continuing operations	33,902	32,011	115,960	118,981

Change in net sales by business area

Year-over-year, %	Q4 2020	Q4 2020 in local currencies	Full-year 2020	Full-year 2020 in local currencies
Europe	4	9	1	3
North America	18	29	-2	1
Latin America	-7	25	-14	10
Asia-Pacific, Middle East and Africa	5	12	-1	2
Total change, continuing operations	6	18	-3	3

Operating income by business area

SEKM	Q4 2020	Q4 2019	Full-year 2020	Full-year 2019
Europe	1,319	1,138	3,643	2,493
Margin, %	9.5	8.5	7.9	5.5
North America	697	-519	1,215	-516
Margin, %	6.8	-5.9	3.2	-1.3
Latin America	424	340	666	1,821
Margin, %	7.7	5.8	3.9	9.3
Asia-Pacific, Middle East and Africa	376	315	1,038	446
Margin, %	8.9	7.8	7.0	3.0
Group common costs, etc.	-318	-315	-783	-1,055
Operating income, continuing operations	2,498	960	5,778	3,189
Margin, %	7.4	3.0	5.0	2.7

Change in operating income by business area

Year-over-year, %	Q4 2020	Q4 2020 in local currencies	Full-year 2020	Full-year 2020 in local currencies
Europe	16	22	46	50
North America	n.m.	n.m.	n.m.	n.m.
Latin America	25	97	-63	-46
Asia-Pacific, Middle East and Africa	20	24	133	147
Total change, continuing operations	160	205	81	123

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



Working capital and net assets

SEKM	Dec. 31, 2020	% ¹	Dec. 31, 2019 ²	% ¹
Inventories	13,213	12.3	16,194	13.8
Trade receivables	19,944	18.6	20,847	17.7
Accounts payable	-31,306	-29.2	-33,892	-28.8
Operating working capital	1,851	1.7	3,149	2.7
Provisions	-8,083		-8,183	
Prepaid and accrued income and expenses	-12,777		-11,748	
Taxes and other assets and liabilities	-181		-608	
Working capital	-19,191	-17.9	-17,390	-14.8
Property, plant and equipment, owned	20,452		21,803	
Property, plant and equipment, right-of-use	2,351		2,811	
Goodwill	6,369		7,071	
Other non-current assets	4,696		5,820	
Deferred tax assets and liabilities	5,588		6,057	
Net assets	20,265	18.9	26,172	22.3
Annualized net sales, calculated at end of period exchange rates	107,142		117,519	
Average net assets	25,563	22.0	26,532	22.3
Annualized net sales, calculated at average exchange rates	115,960		118,981	

¹ % of annualized net sales.

² Excluding discontinued operations.

Net assets by business area

SEKM	Assets		Equity and liabilities		Net assets	
	Dec. 31, 2020	Dec. 31, 2019	Dec. 31, 2020	Dec. 31, 2019	Dec. 31, 2020	Dec. 31, 2019
Europe	25,796	28,032	24,390	26,604	1,406	1,429
North America	20,667	22,917	14,582	16,421	6,086	6,496
Latin America	11,190	14,064	6,663	7,020	4,526	7,044
Asia-Pacific, Middle East and Africa	11,414	12,351	7,418	6,289	3,996	6,062
Other ¹	8,798	9,175	4,546	4,033	4,252	5,142
Total operating assets and liabilities	77,865	86,540	57,599	60,368	20,265	26,172
Discontinued operations, operating assets and liabilities	-	8,034	-	3,951	-	-
Liquid funds	20,467	11,189	-	-	-	-
Total borrowings	-	-	15,727	11,856	-	-
Lease liabilities	-	-	2,618	3,150	-	-
Pension assets and liabilities	1,272	1,043	4,951	4,909	-	-
Total equity	-	-	18,709	22,574	-	-
Total	99,604	106,808	99,604	106,808	-	-

¹ Includes common functions and tax items.



Parent Company income statement

SEKM	Q4 2020	Q4 2019	Full-year 2020	Full-year 2019
Net sales	12,054	11,411	40,621	40,594
Cost of goods sold	-9,583	-9,764	-34,106	-35,020
Gross operating income	2,471	1,647	6,515	5,574
Selling expenses	-1,134	-939	-3,582	-3,314
Administrative expenses	-711	-408	-2,096	-2,276
Other operating expenses	-375	-438	-382	-487
Operating income	251	-138	455	-503
Financial income	653	1,501	7,248	5,424
Financial expenses	-191	-300	-1,066	-888
Financial items, net	462	1,201	6,182	4,536
Income after financial items	713	1,063	6,637	4,033
Appropriations	-73	127	-36	-682
Income before taxes	640	1,190	6,601	3,351
Taxes	-142	-133	-137	6
Income for the period	498	1,057	6,464	3,357

Parent Company balance sheet

SEKM	Dec. 31, 2020	Dec. 31, 2019
Assets		
Non-current assets	33,674	41,760
Current assets	37,838	33,100
Total assets	71,512	74,860
Equity and liabilities		
Restricted equity	5,724	5,597
Non-restricted equity	19,453	22,894
Total equity	25,177	28,491
Untaxed reserves	547	430
Provisions	1,550	1,461
Non-current liabilities	14,128	8,200
Current liabilities	30,110	36,278
Total equity and liabilities	71,512	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 December 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 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 December 31, 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 average net assets 2019 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 (cooking appliances), Care (dish and laundry appliances) and Wellbeing (e.g. cleaning appliances and small domestic appliances).

SEKM	Full-year 2020	Full year 2019
Product areas		
Taste	70,593	72,424
Care	34,298	34,593
Wellbeing	11,069	11,964
Total	115,960	118,981



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

SEKM	Dec. 31, 2020		Dec. 31, 2019	
	Fair value	Carrying amount	Fair value	Carrying amount
Per category				
Financial assets at fair value through profit and loss	225	225	269	269
Financial assets measured at amortized cost	40,152	40,152	31,668	31,668
Derivatives, financial assets at fair value through profit and loss	89	89	114	114
Derivatives in hedge accounting	46	46	78	78
Total financial assets	40,512	40,512	32,129	32,129
Financial liabilities measured at amortized cost	47,123	46,758	45,515	45,482
Derivatives, financial liabilities at fair value through profit and loss	329	329	291	291
Derivatives in hedge accounting	3	3	2	2
Total financial liabilities	47,455	47,090	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 December 31, 2020, the fair value for Level 1 financial assets was SEK 160m (176) 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 December 31, 2020, the fair value of Level 2 financial assets was SEK 135m (192) and financial liabilities SEK 332m (293).

Level 3: Inputs for the assets or liabilities that are not entirely based on observable market data. At December 31, 2020, the fair value of Level 3 financial assets was SEK 65m (93) and financial liabilities SEK 0m (0).

Note 4 Pledged assets and contingent assets and liabilities

SEKM	Dec. 31, 2020	Dec. 31, 2019
Group		
Pledged assets	-	6
Guarantees and other commitments	893	939
Parent Company		
Pledged assets	-	-
Guarantees and other commitments	927	1,015

Update on legal proceeding

In November 2017, the U.S. Department of Commerce (DOC) informed the Group that it had set a preliminary and significantly increased tariff rate of 72.41% on washing machines manufactured in Mexico by Electrolux and imported into the U.S. between February 2016 and January 2017. In March 2018, Electrolux was informed by DOC that this preliminary tariff rate was determined as final. Electrolux has appealed DOC's decision and a Panel of arbitrators appointed by the NAFTA Secretariat will review and decide on the matter. A hearing was held in November 2020, but the Panel has not yet rendered its decision. If the tariff rate is not significantly reduced as a result of the appeal process, it could lead to a one-time cost of up to USD 70m. The one-time cost, if any, is subject to a current interest rate of 5%. However, as Electrolux believes that the company has a strong legal case and that success is more likely than not, a provision related to this potential cost has not been made. No assurances can however be given that the outcome will be successful, as appealing administrative determinations is inherently challenging.

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



Note 5 Acquisitions of operations and discontinued operations

Acquisitions

Electrolux has acquired 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 acquisition, Electrolux held 40% of the shares in the company. The acquired company is accounted for as a fully owned subsidiary as from August 31, 2020. A preliminary purchase price allocation has resulted in a goodwill of SEK 12m. The net cash flow effect from the acquisition is SEK -7m. The operations are included in business area Asia-Pacific, Middle East and Africa.

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	Q4 2020	Q4 2019	Full-year 2020	Full-year 2019
Net sales	-	2,334	1,884	9,281
Cost of goods sold	-	-1,563	-1,191	-6,040
Gross operating income	-	771	693	3,241
Selling expenses	-	-392	-349	-1,699
Administrative expenses	-	-243	-161	-584
Other operating income and expenses	-	28	2	32
Operating income	-	164	185	991
Financial items, net	-	18	-1	12
Income after financial items	-	181	184	1,003
Taxes	-	11	-40	-314
Income for the period, Electrolux Professional	-	192	144	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	Dec. 31, 2020	Dec. 31, 2019
Property, plant and equipment, owned	-	1,214
Property, plant and equipment, right-of-use	-	238
Goodwill	-	1,821
Other intangible assets	-	388
Other non-current assets	-	397
Total non-current assets	-	4,057
Inventories	-	1,265
Trade receivables	-	1,687
Other current assets	-	1,025
Total current assets	-	3,977
Total assets	-	8,034
Long-term borrowings	-	3
Long-term lease liabilities	-	172
Other provisions	-	846
Total non-current liabilities	-	1,021
Accounts payable	-	1,485
Short-term borrowings	-	4
Short-term lease liabilities	-	72
Other current liabilities	-	1,370
Total current liabilities	-	2,930
Total liabilities	-	3,951

SEKM	Q4 2020	Q4 2019	Full-year 2020	Full-year 2019
Cash flow from operations	-	457	68	1,120
Cash flow from investments	-	-133	-87	-689
Cash flow from financing	-	-63	1,195	-134
Total cash flow	-	261	1,177	297



Operations by business area yearly

SEKM	2016	2017 ¹	2018	2019	2020
Europe					
Net sales	39,097	39,231	43,321	45,420	46,038
Operating income	2,794	2,772	2,128	2,493	3,643
Margin, %	7.1	7.1	4.9	5.5	7.9
North America					
Net sales	44,914	42,083	39,804	38,954	38,219
Operating income	2,657	2,796	1,104	-516	1,215
Margin, %	5.9	6.6	2.8	-1.3	3.2
Latin America					
Net sales	16,384	18,277	17,963	19,653	16,915
Operating income	-111	483	492	1,821	666
Margin, %	-0.7	2.6	2.7	9.3	3.9
Asia-Pacific, Middle East and Africa					
Net sales	13,833	13,457	14,375	14,954	14,788
Operating income	673	1,077	979	446	1,038
Margin, %	4.9	8.0	6.8	3.0	7.0
Other					
Group common cost, etc.	-693	-775	-527	-1,055	-783
Total, continuing operations					
Net sales	114,228	113,048	115,463	118,981	115,960
Operating income	5,320	6,353	4,176	3,189	5,778
Margin, %	4.7	5.6	3.6	2.7	5.0

Non-recurring items in operating income ²	2016	2017	2018 ³	2019 ⁴	2020
Europe	-	-	-747	-752	-
North America	-	-	-596	-1,071	-
Latin America	-	-	-	1,101	-
Asia-Pacific, Middle East and Africa	-	-	-	-398	-
Group common cost	-	-	-	-224	-
Total, continuing operations	-	-	-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 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.

⁴ 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 2016-2018 and Continuing operations 2018 (restated)-2020

SEKM unless otherwise stated	2016	2017 ¹	2018	Restated 2018 ²	2019 ³	2020
Net sales	121,093	120,771	124,129	115,463	118,981	115,960
Organic growth, %	-1.1	-0.4	1.3	1.2	-1.0	3.2
Operating income	6,274	7,407	5,310	4,176	3,189	5,778
Operating margin, %	5.2	6.1	4.3	3.6	2.7	5.0
Income after financial items	5,581	6,966	4,887	3,754	2,456	5,096
Income for the period	4,493	5,745	3,805	2,854	1,820	3,988
Non-recurring items in operating income ⁴	-	-	-1,343	-1,343	-1,344	-
Capital expenditure, property, plant and equipment	-2,830	-3,892	-4,650	-4,506	-5,320	-4,325
Operating cash flow after investments	9,140	6,877	3,649	2,646	2,280	8,552
Earnings per share, SEK ⁵	15.64	19.99	13.24	9.93	6.33	13.88
Equity per share, SEK	61.72	71.26	75.67	-	78.55	65.10
Dividend per share, SEK ⁶	7.50	8.30	8.50	8.50	7.00	8.00
Capital-turnover rate, times/year	5.8	5.9	5.3	5.6	4.5	4.5
Return on net assets, %	29.9	36.0	22.7	20.2	12.0	22.6
Return on equity, % ⁷	29.4	31.9	18.2	-	11.4	34.1
Net debt	360	197	1,825	-	7,683	1,556
Net debt/equity ratio	0.02	0.01	0.08	-	0.34	0.08
Average number of shares excluding shares owned by Electrolux, million	287.4	287.4	287.4	287.4	287.4	287.4
Average number of employees	55,400	55,692	54,419	51,253	48,652	47,543

¹ 2017 has been restated due to IFRS 15.

² Excluding discontinued operations.

³ Equity in key ratio calculations include discontinued operations.

⁴ For more information, see table on pages 19 and 26 and Note 7 in the annual reports.

⁵ Basic.

⁶ 2020, proposed by the Board.

⁷ Return on equity for the full year 2020 include a settlement gain from the distribution of Electrolux Professional. Adjusted for the settlement gain, return on equity was 21.7%.

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 fourth 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, February 2. 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: 32090696#

Slide presentation for download:

www.electroluxgroup.com/ir

Link to webcast:

<https://edge.media-server.com/mmc/p/oywjim24>

For further information, please contact:

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Calendar 2021

Annual report, week	February 22-26
AGM	March 25
Interim report January - March	April 28
Interim report January - June	July 20
Interim report January - September	October 27

The Annual Report will be available on: www.electroluxgroup.com

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, supply and production constraints, currency fluctuations, developments in product liability litigation, changes in the regulatory environment and other government actions.

Forward-looking statements speak only as of the date they were made, and, other than as required by applicable law, the company undertakes no obligation to update any of them considering new information or future events.

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