



Q4 Results
2020 presentation



Business overview

Jonas Samuelson, President and CEO



Full year 2020

Organic sales growth of 3.2%

- Higher sales under strategic brands and innovative premium products
- Organic growth across all business areas
- Aftermarket sales increased significantly

Significant EBIT increase

- Strong organic contribution driven by price/mix
- Proactive cost and price management

Very strong operating cash flow

Divided proposal of SEK 2.3bn

- DPS of SEK 8.00

* 2020 proposed by the Board

SEKm	FY 2020	FY 2019	Change
Net sales	115,960	118,981	-2.5%
Organic growth	3.2%	-1.0%	4.2pts
Acquisitions	0.1%	0.0%	0.1pts
Currency	-5.8%	4.3%	-10.1pts
EBIT	5,778	3,189	81.2%
Margin	5.0%	2.7%	2.3pts
EBIT excl. NRI	5,778	4,533	27.5%
EBIT margin excl. NRI	5.0%	3.8%	1.2pts
EPS, SEK	13.88	6.33	119%
Operating cash flow	8,552	2,280	n.m.
DPS*, SEK	8.00	7.00	n.m.



Q4 Highlights

Strong organic growth for all BAs

- Shift in consumer spending
- Growth in premium brands/products
- Higher net prices
- Increased aftermarket sales

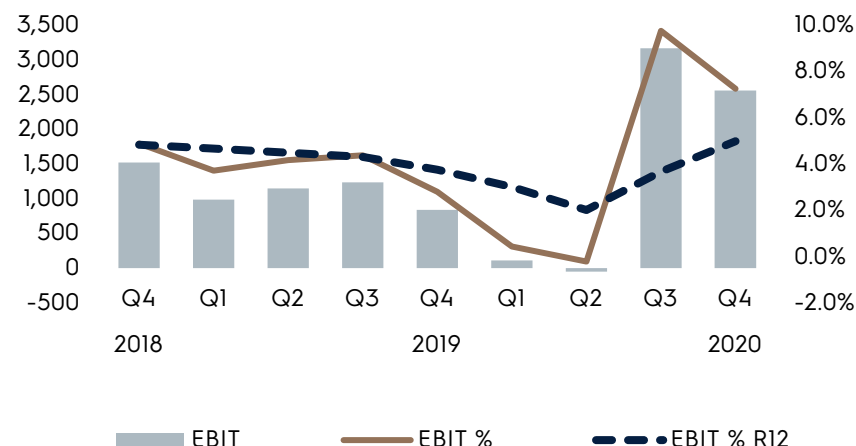
EBIT increased significantly

- All business areas above 6% margin
- Strong contribution from volume/price/mix
- Price offset currency headwind
- Investments in strategic initiatives and marketing

Exceptionally strong cash flow

SEKm	Q4 2020	Q4 2019	Change
Net sales	33,902	32,011	5.9%
Organic growth	17.5%	-2.8%	20.3pts
Acquisitions	0.2%	0.0%	0.2pts
Divestments	0.0%	0.0%	0.0pts
Currency	-11.8%	2.8%	-14.6pts
EBIT	2,498	960	N/A
Margin	7.4%	3.0%	4.4pts
EBIT excl. NRI	2,498	960	160.4%
EBIT margin excl. NRI	7.4%	3.0%	4.4pts

EBIT and margin*



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



Driving sustainable consumer experience innovation



Focus on products for sustainable living

- PureQ9 cordless vacuum cleaner launched 2019
- Design & features fulfilling consumers need
- Very well received in competitive Korean market*
 - 71% sales growth
 - 2.1 pts market share gain
 - 4.6 star rating



Awarded for consumer experience innovation

- Top ranked in 5 categories by Reviewed.com in U.S.
- Electrolux and Frigidaire branded kitchen and laundry products
- The Frigidaire AirFry cooker contributed to profitable growth and a 10% market share in the freestanding premium cooker category



* 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.

Europe

Innovation drives profitable growth

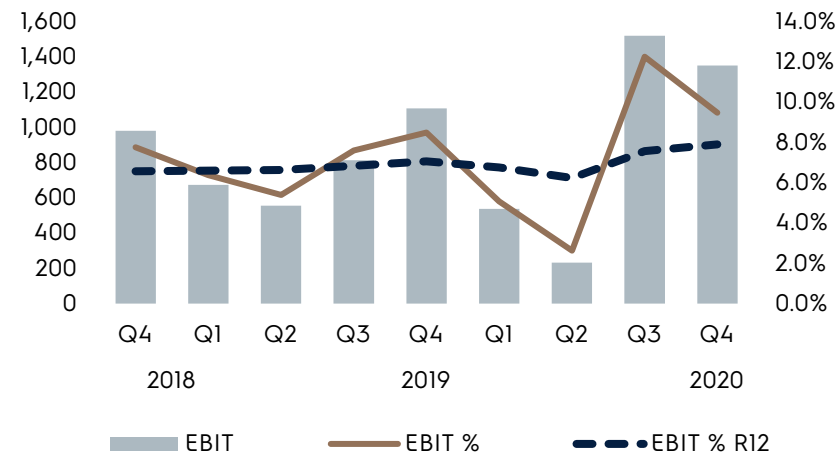
- Price/mix improvements relating to built-in kitchen and premium laundry
- Premium brands continued to gain value market share
- Volume growth across markets, despite supply constraints
- Aftermarket sales growth

Improved EBIT

- Strong volume/price/mix contribution
- Investments in strategic initiatives and marketing
- Higher logistics costs
- Lower costs for raw material but currency headwind

SEKm	Q4 2020	Q4 2019	Change
Net sales	13,925	13,352	4.3%
Organic growth	9.3%	3.3%	6.0pts
Acquisitions	0.0%	0.0%	0.0pts
Currency	-5.0%	3.2%	-8.2pts
EBIT	1,319	1,138	15.9%
Margin	9.5%	8.5%	1.0pts
EBIT excl. NRI	1,319	1,138	15.9%
EBIT margin excl. NRI	9.5%	8.5%	1.0pts

EBIT and margin*

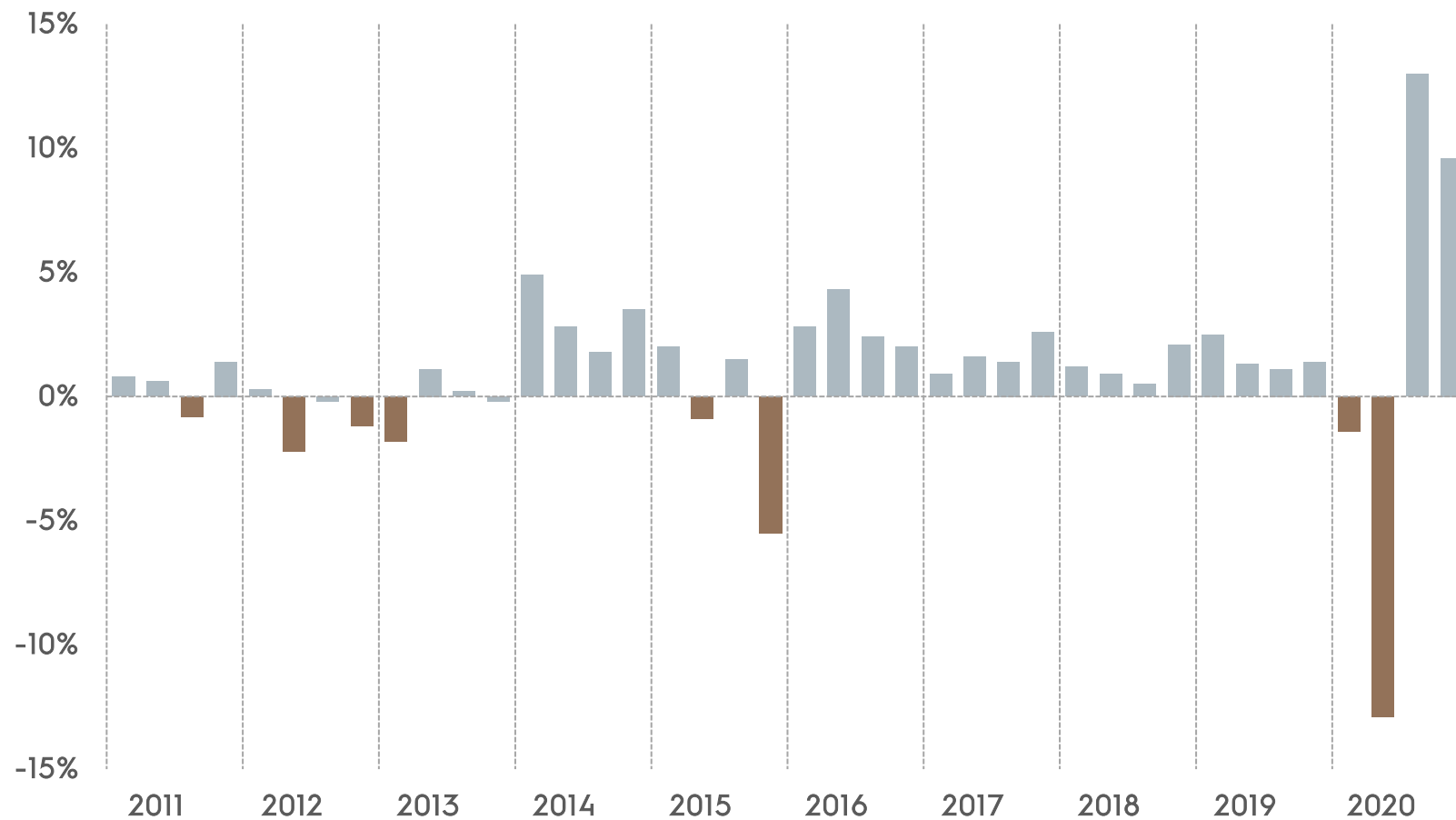


*Excluding non-recurring items (NRI) and currency adjusted.



European Core Appliances Market

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



Source: Electrolux estimates



North America

Strong growth in a favorable market

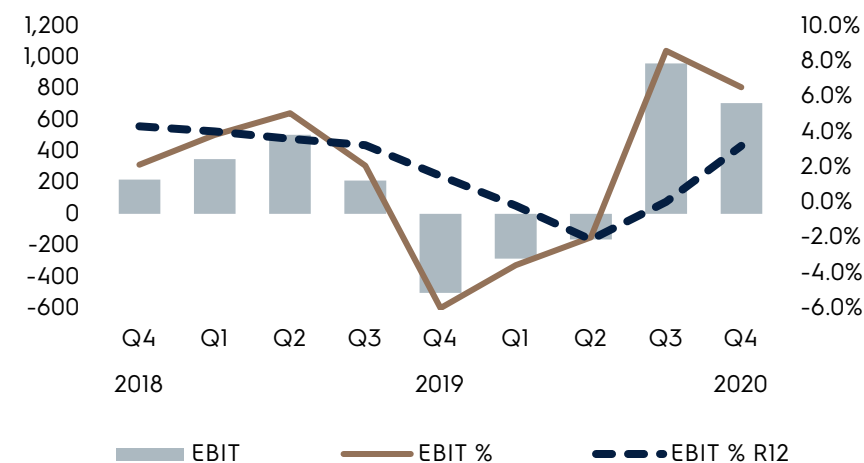
- Sales growth in all product categories
- Significant volume growth
- Higher net prices driven by significantly lower promotions
- Aftermarket sales grew significantly

EBIT improved significantly

- Strong organic contribution from volume/price/mix
- Increased share of high-margin products

SEKm	Q4 2020	Q4 2019	Change
Net sales	10,281	8,719	17.9%
Organic growth	29.2%	-18.3%	47.5pts
Divestments	0.0%	0.0%	0.0pts
Currency	-11.3%	4.2%	-15.6pts
EBIT	697	-519	N/A
Margin	6.8%	-5.9%	12.7pts
EBIT excl. NRI	697	-519	N/A
EBIT margin excl. NRI	6.8%	-5.9%	12.7pts

EBIT and margin*

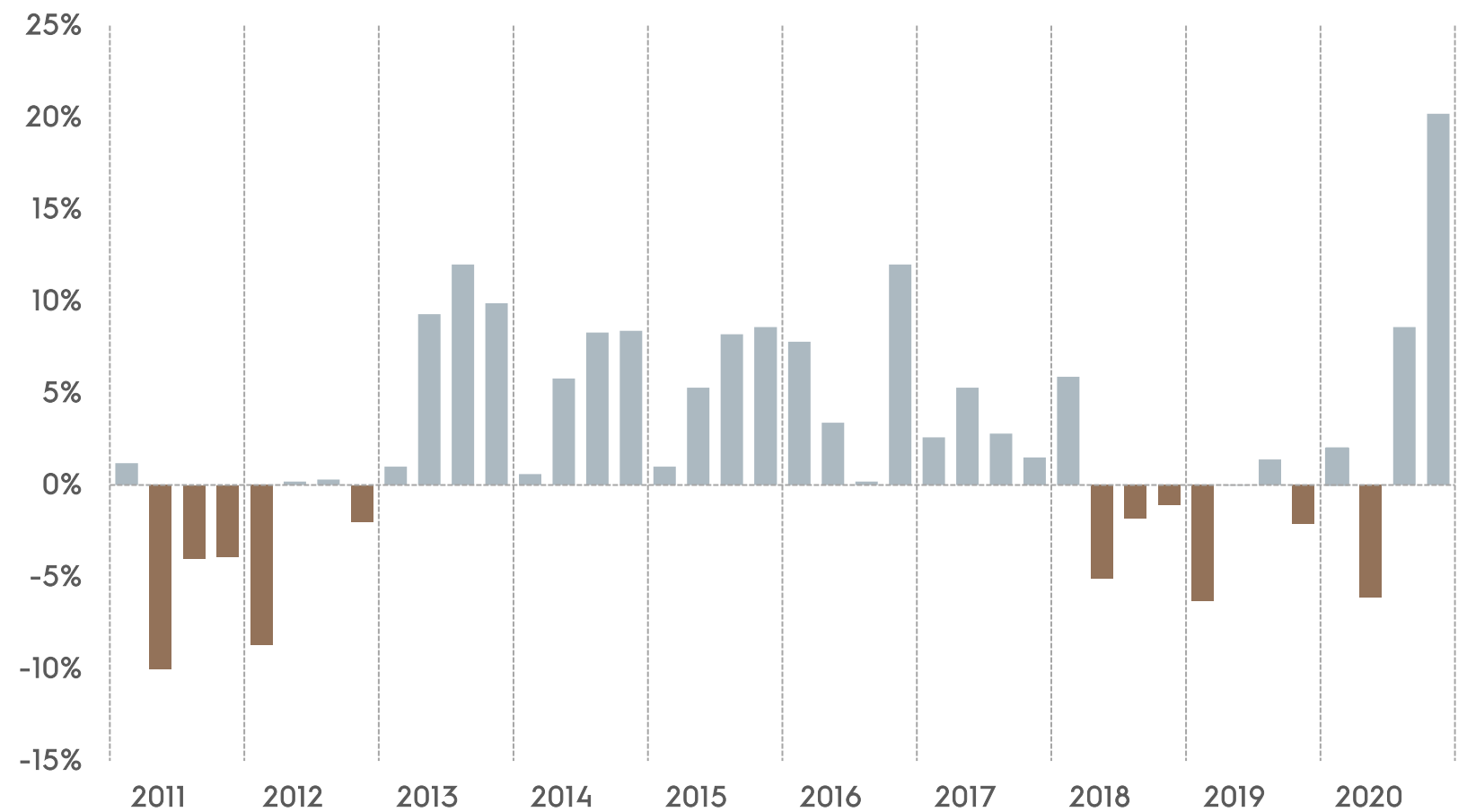


*Excluding non-recurring items (NRI) and currency adjusted..



U.S. Core Appliances Market

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



Source: US Core white includes: AHAM 6 (Washers, Dryers, Dishwashers, Refrigerators, Freezers, Ranges/Cookers and Ovens) and Cooktops.
AB ELECTROLUX Q4 2020 PRESENTATION



Latin America

Strong sales growth

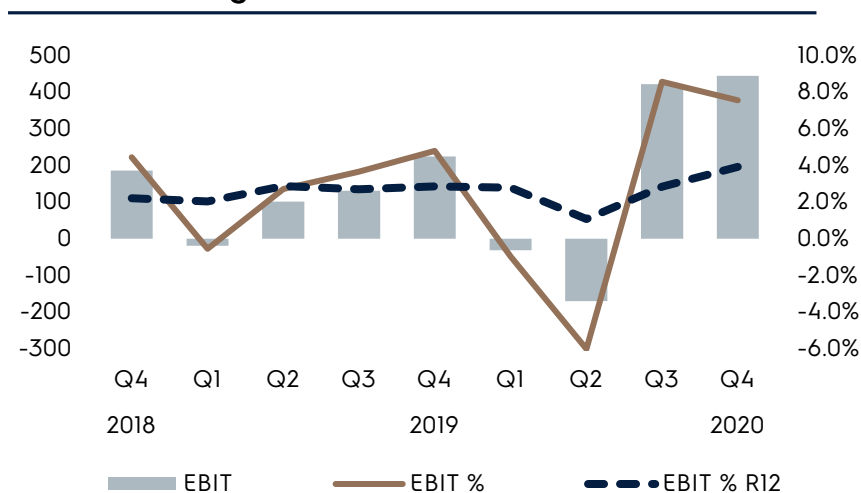
- Increased consumer demand in all ABC countries
- Higher volumes and prices
- Strong growth in aftermarket sales
- Online sales growth in all main markets

Continued strong EBIT improvement

- Strong organic contribution, mainly price
- Price increases fully offset significant currency headwind, high inflation and increased logistic costs
- Investments in innovation and marketing

SEKm	Q4 2020	Q4 2019	Change
Net sales	5,488	5,913	-7.2%
Organic growth	25.4%	13.9%	11.5pts
Currency	-32.6%	-3.4%	-29.1pts
EBIT	424	340	24.6%
Margin	7.7%	5.8%	2.0pts
EBIT excl. NRI	424	340	24.6%
EBIT margin excl. NRI	7.7%	5.8%	2.0pts

EBIT and margin*



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



Asia-Pacific, Middle East and Africa



Organic growth across most regions

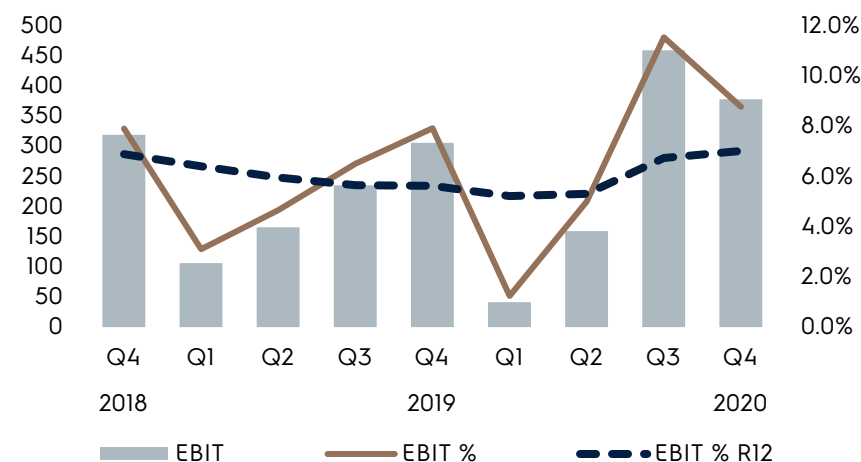
- Consumer demand remained strong in Australia, while Southeast Asia declined
- Sales increased across most regions
- Higher volume/price/mix
- Aftermarket sales growth continued

Higher EBIT

- Good organic contribution, mainly from Australia
- Raw material/currency tailwind
- Higher logistic costs
- Investments in strategic initiatives and marketing

SEKm	Q4 2020	Q4 2019	Change
Net sales	4,209	4,027	4.5%
Organic growth	9.7%	-4.2%	13.9pts
Acquisitions	1.8%	0.1%	1.7pts
Currency	-7.0%	5.1%	-12.1pts
EBIT	376	315	19.7%
Margin	8.9%	7.8%	1.1pts
EBIT excl. NRI	376	315	19.7%
EBIT margin excl. NRI	8.9%	7.8%	1.1pts

EBIT and margin*



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





Financial overview

Therese Friberg, CFO



Financial overview



SEKm	Q4 2020	Q4 2019	Change	FY 2020	FY 2019	Change
Net sales	33,902	32,011	5.9%	115,960	118,981	-2.5%
Organic growth	17.5%	-2.8%	20.3pts	3.2%	-1.0%	4.2pts
Acquisitions/divestments	0.2%	0.0%	0.2pts	0.1%	0.0%	0.0pts
Currency	-11.8%	2.8%	-14.6pts	-5.8%	4.3%	-10.1pts
Gross operating income	7,720	5,756	34.1%	22,272	19,799	12.5%
Gross operating margin	22.8%	18.0%	4.8pts	19.2%	16.6%	2.6pts
EBIT	2,498	960	N/A	5,778	3,189	81.2%
EBIT margin	7.4%	3.0%	4.4pts	5.0%	2.7%	2.3pts
Non-recurring items	-	-		-	-1,344	N/A
EBIT excl. NRI	2,498	960	N/A	5,778	4,533	27.5%
EBIT margin excl. NRI	7.4%	3.0%	4.4pts	5.0%	3.8%	1.2pts
Op. cash flow after investments	5,364	2,823	N/A	8,552	2,280	N/A

Sales and EBIT Bridge



SEKm	Q4 2019 excl NRI*	Volume/ price/mix	Raw materials and tariffs	Currency**	Net Cost Efficiency	Acq/Divest.	Q4 2020 excl. NRI*	NRI*	Q4 2020
Net Sales	32,011	5,028		-3,206		69	33,902	-	33,902
Growth %	-2,6%	17.5%		-11.8%		0.2%	5.9%	-	5.9%
EBIT	960	2,564	29	-421	-627	-7	2,498	-	2,498
EBIT %	3.0%						7.4%	-	7.4%
<i>Accretion/ Dilution</i>		6.5%	0.1%	-0.5%	-1,7%	0.0%			

* Non-recurring items (NRI).

**Currency includes SEK -177m of currency translation effects and SEK -244m of transaction effects on EBIT.

Sales and EBIT Bridge full year



SEKm	FY 2019 excl NRI*	Volume/ price/mix	Raw materials and tariffs	Currency**	Net Cost Efficiency	Acq/Divest.	FY 2020 excl. NRI*	NRI*	FY 2020
Net Sales	118,981	3,631		-6,737		85	115,960	-	115,960
Growth %	-1.1%	3.2%		-5.8%		0.1%	-2.5%	-	-2.5%
EBIT	4,533	3,195	253	-1,621	-580	-2	5,778	-	5,778
EBIT %	3.8%						5.0%	-	5.0%
<i>Accretion/ Dilution</i>		2,5%	0.2%	-1,0%	-0.5%	0.0%			

* Non-recurring items (NRI) in 2019 amounted to SEK -1,344m.

**Currency includes SEK -281m of currency translation effects and SEK -1,340m of transaction effects on EBIT.

Earnings contribution from price/mix



Business Area	Q4	FY	Comments for FY
Europe	Positive	Positive	Positive product/brand mix, fairly flat prices
North America	Positive	Positive	Positive price development as promotional discount was lower, mix improvements and increased aftermarket sales
Latin America	Positive	Positive	Price increases and mix improvements
Asia-Pacific, Middle East and Africa	Positive	Positive	Price/mix improvement
Group EBIT % accretion	4.7%	3.2%	

Currency effects



Business Area, in SEKm	Q4 2020	FY 2020
Europe	-152	-364
North America	-19	18
Latin America	-330	-1,155
Asia-Pacific, Middle East and Africa	53	-155
Other	26	35
Total Group	-421	-1,621

*Note: The calculation for Q4 2020 and FY 2020 are based on currency rates as per December 31, 2020.

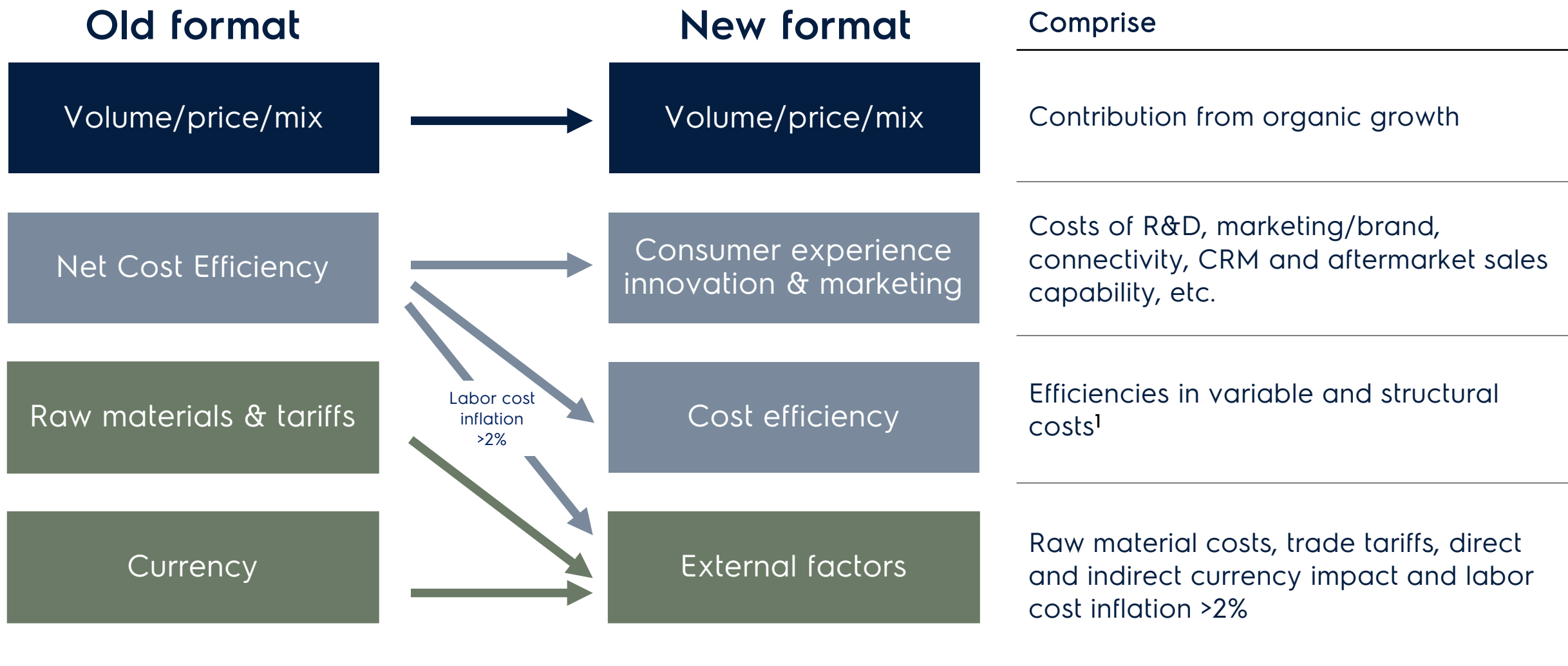
Operating Cash Flow



SEKm	Q4 2020	Q4 2019	FY 2020	FY 2019
EBIT	2,498	960	5,778	3,189
D/A and other non-cash items	1,163	1,161	5,029	6,557
Change in operating assets and liabilities	3,677	3,151	2,852	-498
Investments in intangible and tangible assets	-2,026	-2,649	-5,338	-6,674
Changes in other investments	52	200	230	-294
Cash flow after investments*	5,364	2,823	8,552	2,280

*Before acquisitions and divestments

New format for the Business Outlook



¹ Excluding raw materials, trade tariffs and labor cost inflation >2% as well as consumer experience innovation and marketing.

Sales and EBIT Bridge FY 2020 – NEW FORMAT



SEKm	FY 2019 excl NRI ¹	Volume/ price/mix	Investments in consumer experience innovation and marketing ²	Cost efficiency ³	External factors ⁴	Acq/Divest.	FY 2020 excl. NRI ¹	NRI ¹	FY 2020
Net Sales	118,981	3,631			-6,737	85	115,960	-	115,960
Growth %	-1,1%	3.2%			-5.8%	0.1%	-2.5%	-	-2.5%
EBIT	4,533	3,195	631	-1,009	-1,570	-2	5,778	-	5,778
EBIT %	3.8%						5.0%	-	5.0%
<i>Accretion/ Dilution</i>		2.5%	0.5%	-0.8%	-1.0%	0.0%			

¹ Non-recurring items (NRI) in FY 2019 amounted to SEK -1,344m.

² Comprise of costs of R&D, marketing/brand, connectivity, CRM, aftermarket sales capability etc.

³ Efficiencies in variable costs (excl. raw material, trade tariffs and labor cost inflation >2%) and structural costs (excl. consumer experience innovation and marketing).

⁴ Comprise of raw material costs, trade tariffs as well as direct and indirect currency impact and labor cost inflation >2%. Currency translation amounted to SEK -281m on EBIT and -5,8% net sales..



Outlook and summary

Jonas Samuelson, President and CEO
Therese Friberg, CFO



Market outlook FY 2021 per region



- H1 2021: demand expected to exceed normal seasonal levels
- H2 2021: demand expected to normalize

- Electrolux estimates for industry shipments of core appliances, units year-over-year
- Latin America includes the ABC-countries, Asia-Pacific, Middle East and Africa includes, ANZ, SEA and MEA.
- Note: Market outlook assumes no additional major restrictions due to the coronavirus pandemic.

Electrolux business outlook



Business Outlook ¹ y-o-y	FY 2021	Comments
Volume/price/mix	Positive	Driven by all three components
Net cost ²	Negative	
Investments in consumer experience innovation and marketing ³	Negative	Higher investments in innovation, marketing and digitalization of consumer interaction. Low level in 2020 due to pandemic
Cost efficiency ⁴	Positive	Continuous cost improvements and execution of re-engineering program, partly offset by higher logistic costs and ramp-up transition costs
External factors ⁵	Negative SEK 1.6-2.0bn	Primarily from raw material costs, but also from translation currency
Capex	SEK ~7bn	

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

² Net cost is the sum of “Investments in consumer experience innovation and marketing” and “Cost efficiency”.

³ Comprise of costs of R&D, marketing/brand, connectivity, CRM and aftermarket sales capability etc.

⁴ Efficiencies in variable costs (excl. raw materials, trade tariffs and labor cost inflation >2%) and structural costs (excl. consumer experience innovation and marketing).

⁵ Comprise of raw material costs, trade tariffs as well as direct and indirect currency impact and labor cost inflation >2%. Currency translation effects are estimated to impact 2021 net sales by -7% and operating income by SEK -400m.

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

Well positioned to create value

Financial targets for profitable growth*

OPERATING
MARGIN

≥6%

RONA**

>20%

SALES
GROWTH

≥4%



Driving sustainable
consumer experience
innovation



Increasing efficiency
through digitalization,
automation and
modularization

Solid balance sheet facilitates
profitable growth

Strategic drivers executed in Q4:

- Mix improvements driven by product innovations/premium brands
- Strong aftermarket sales growth
- Accelerating strategic initiatives
- Consolidating U.S. fridge/freezer production

* Financial targets are over a business cycle

** Return on net assets

Factors affecting forward-looking statements



This presentation contains “forward-looking” statements that reflect the company’s current expectations. Although the company believes that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations prove to have been correct as they are subject to risks and uncertainties that could cause actual results to differ materially due to a variety of factors. These factors include, but are not limited to, changes in consumer demand, changes in economic, market and competitive conditions, supply and production constraints, currency fluctuations, developments in product liability litigation, changes in the regulatory environment and other government actions. Forward-looking statements speak only as of the date they were made, and, other than as required by applicable law, the company undertakes no obligation to update any of them in light of new information or future events.



Q & A



Well positioned to create value

Financial targets for profitable growth*

OPERATING
MARGIN

≥6%

RONA**

>20%

SALES
GROWTH

≥4%



Driving sustainable
consumer experience
innovation



Increasing efficiency
through digitalization,
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Solid balance sheet facilitates
profitable growth

Strategic drivers executed in FY:

- Mix improvements driven by product innovations/premium brands
- Strong aftermarket sales growth
- Price offset strong currency headwind
- Consolidating U.S. fridge/freezer production
- Agile and flexible short term while keeping focus on long-term value creation

* Financial targets are over a business cycle

** Return on net assets



Electrolux