

Q1 2021



Delivering strong profitable growth

- Net sales increased to SEK 29,026m (26,578) corresponding to an organic sales growth of 22.8%. This was driven by significant volume growth and higher prices as well as product mix improvements. In general, market demand continued to be strong.
- Operating income increased to SEK 2,297m (122), corresponding to a margin of 7.9% (0.5). The organic sales growth contribution was the key driver. Increased costs for external factors, mainly raw materials, were fully offset by higher prices.
- Significant sales and earnings improvements across all business areas.
- Income for the period amounted to SEK 1,556m (-86) and earnings per share was SEK 5.41 (-0.30).
- Operating cash flow after investments was SEK -161m (-2,938).

Financial overview

SEKM	Q1 2021	Q1 2020	Change, %
Continuing operations¹			
Net sales	29,026	26,578	9
Sales growth, % ²	23.0	-5.1	
Organic growth, %	22.8	-5.1	
Acquisitions, %	0.2	0.0	
Divestments, %	-	-	
Changes in exchange rates, %	-13.8	2.1	
Operating income	2,297	122	n.m.
Operating margin, %	7.9	0.5	
Income after financial items	2,177	-48	n.m.
Income for the period	1,556	-86	n.m.
Earnings per share, SEK ³	5.41	-0.30	n.m.
Return on net assets, %	42.6	1.8	
Operating cash flow after investments	-161	-2,938	
Total Group, including discontinued operations¹			
Income for the period ⁴	1,556	2,509	-38
Earnings per share, SEK ³	5.41	8.73	-38

¹ Discontinued operations refers to first quarter of 2020 and Electrolux Professional, which was separated from the Electrolux Group March 23, 2020. For more information see Note 5.

² Change in net sales adjusted for currency translation effects.

³ Basic.

⁴ Income for the period for the first quarter of 2020 included a settlement gain from the distribution of Electrolux Professional of SEK 2,379m. For definitions, see pages 25-26.

President and CEO Jonas Samuelson's comment

It is now over a year since the coronavirus pandemic hit with full force globally and impacted the way we live our lives. The changes in consumer behavior and spending patterns brought by the pandemic continued in the first quarter of 2021. Consumers continued to spend more time at home using their appliances more intensively and allocating a larger share of their household budgets to home improvement projects, both benefitting our sales. The significant volume growth and positive price and mix development resulted in an organic sales growth of 22.8%. The high organic growth was the main driver for the increase in earnings, even though improved cost efficiency also contributed. Operating income amounted to SEK 2,297m, or 7.9% of net sales.

Consumers keep putting more emphasis on high-quality appliances that enhance their user experience. This, together with our innovation power, has continued to improve demand for our more highly featured products, which resulted in a favorable product and brand mix. A strong focus on innovation to improve consumer experiences is a key driver for profitable growth and we therefore increased our investments in innovation and marketing in the quarter; just as we plan to do for the full-year.

Despite producing at almost full capacity in the first quarter, we were not able to fully meet the strong market demand across all product categories. The supply chain remained strained in many areas, especially for electronic components, certain plastics and logistics, and the situation can deteriorate further driven by the rebound in industrial activity globally. My colleagues have worked hard, and with good result, to secure supply. However, low buffers of input material impacted our production planning visibility in the quarter. This resulted in some production inefficiencies, supply-demand mismatches, and higher logistic costs that we fully managed to offset with continuous cost improvements. We continue to have a close dialogue with our suppliers, particularly of electronic components, to ensure sufficient supply for the coming months to limit the impact on production volumes and mix.

We started the year by implementing already announced price increases. In the quarter, price fully offset the headwind from external factors, mainly raw material, and we expect that to be the case for the rest of 2021. In light of recent negative

development on raw material prices, we have in key markets announced another set of price increases.

Even though visibility remains limited due to the ongoing pandemic, we continue to expect demand for the first half of 2021 to exceed normal seasonal levels across our main markets, driven by increased home-improvement spending by consumers and retailers' inventory replenishment. However, capacity and electronic component availability will remain constraining factors into the second half. We estimate that market demand will begin to normalize during the second half of 2021, assuming that consumer spending patterns start to normalize by mid-year. All in all, we expect market demand growth to be positive for the full year for most of our main markets, with the exception of Latin America where we anticipate demand to be neutral given the recent macro turbulence and worsening of the pandemic situation in Brazil.



Sustainability is increasingly important for consumers. We view sustainability leadership as a competitive advantage and continue to honor our ambitious climate targets. One of our key achievements in 2020 is the 70% reduction of CO₂ emissions from our operations compared to 2015: well in line with our 2025 target of 80%.

As the pandemic continues, we are ready to respond in an agile manner. I am confident that our strategy ensures we remain well positioned to deliver long-term shareholder value even in rapidly changing market conditions.

Outlook

Market outlook, units year-over-year ¹	FY 2021	Previous outlook for FY 2021 ⁷	Market outlook, units year-over-year ¹	FY 2021	Previous outlook for FY 2021 ⁷
Europe	Positive	Slightly positive	Latin America	Neutral	Positive
North America	Positive	Positive	Asia-Pacific, Middle East and Africa	Positive	Positive

Business outlook ² , year-over-year	FY 2021	Previous outlook for FY 2021 ⁷
Volume/price/mix	Positive	Positive
Net cost ³	Negative	Negative
Investments in consumer experience innovation and marketing ⁴	Negative	Negative
Cost efficiency ⁵	Positive	Positive
External factors ⁶	Negative SEK 2.4bn - 2.8bn	Negative SEK 1.6bn - 2.0bn
Capital expenditure	SEK ~7bn	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 -6% and operating income by SEK -400m. ⁷ Published on February 2, 2021.

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 first quarter

SEKM	Q1 2021	Q1 2020	Change, %
Net sales	29,026	26,578	9
Operating income			
Europe	1,122	558	101
North America	493	-299	n.m.
Latin America	423	-15	n.m.
Asia-Pacific, Middle East and Africa	393	44	n.m.
Other, Group common costs, etc.	-134	-165	19
Total	2,297	122	n.m.
Operating margin, %	7.9	0.5	

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

Net sales

Sales increased by 23.0% in the quarter, excluding currency translation effects. Organic growth increased significantly for all business areas. Increased volumes and higher prices were the main drivers. Innovative and more premium products also contributed to an improved mix across most business areas.

Operating income

Operating income improved significantly to SEK 2,297m (122), corresponding to a margin of 7.9% (0.5). The significant organic growth, with increased volumes as well as positive price and mix development was the main driver for the higher earnings. Improved cost efficiency also contributed. Increased

external costs mainly from raw materials, as well as higher logistic costs were fully offset by higher price. Investments in marketing and brand building initiatives increased.

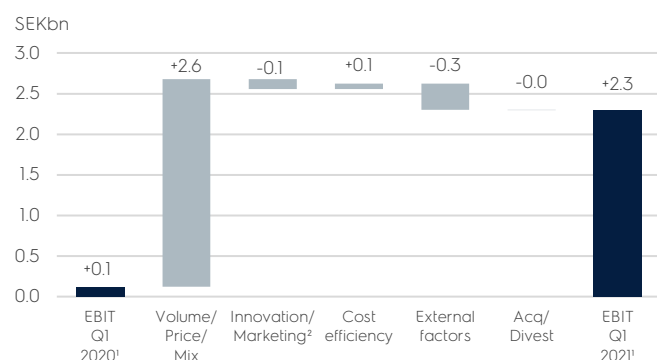
Financial net

Net financial items decreased to SEK -120m (-171), mainly due to lower interest costs.

Income for the period

Income for the period amounted to SEK 1,556m (-86), corresponding to SEK 5,41 (-0.30) in earnings per share.

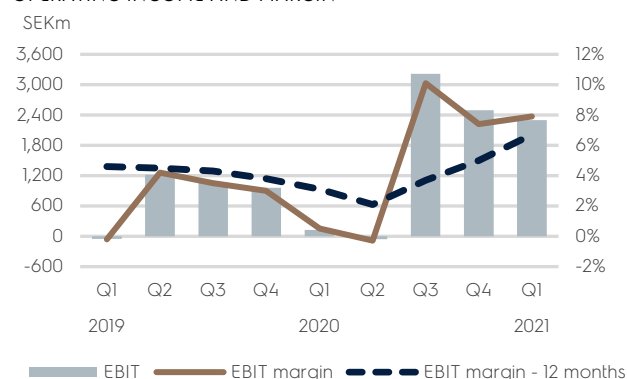
OPERATING INCOME BRIDGE



¹ Operating income (EBIT) excluding non-recurring items.

² Investments in consumer experience innovation and marketing. For more information on definitions, see page 2 under Business Outlook

OPERATING INCOME AND MARGIN



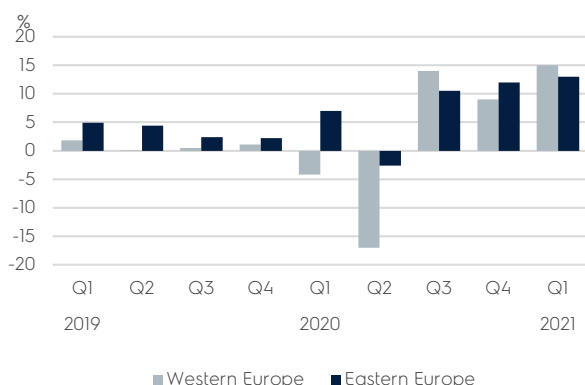
EBIT margin - 12 months is excluding non-recurring items, see page 24.



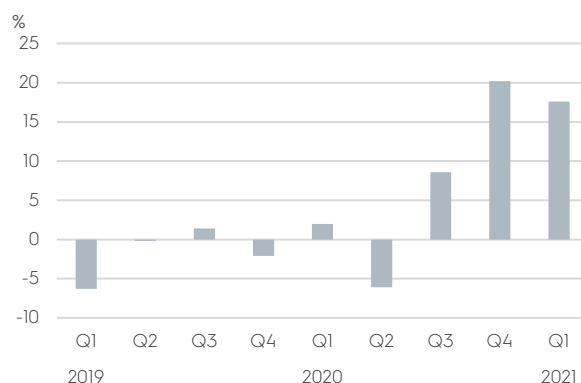
Market overview

In the first quarter, the market in Europe continued to be strong year-over-year, driven by both Eastern and Western Europe. In the U.S., the market demand for core appliances significantly increased 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, %*	Q1 2021	Q1 2020	Full year 2020
Western Europe	15	-4	1
Eastern Europe (excluding Turkey)	13	7	8
Total Europe	14	-1	3

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

U.S., units, year-over-year, %*	Q1 2021	Q1 2020	Full year 2020
Core appliances	18	2	6
Microwave ovens and home-comfort products	24	-21	0
Total major appliances	20	-6	4

*Source: Based on the AHAM Factory Shipment Report. Q1 2021 is comparison of weeks between January 1 - April 3, 2021 vs January 1 - April 4, 2020. Consistent to historical methodology. Core appliances includes AHAM 6 (Washers, Dryers, Dishwashers, Refrigerators, Freezers, Ranges and Ovens) and Cooktops.



Business areas

Europe

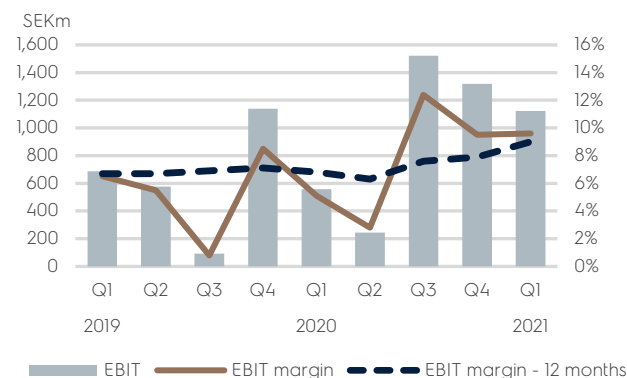
In the first quarter, overall market demand in Europe continued to be strong, increasing by 14% year-over-year. Most markets showed strong growth, mainly driven by consumers' increasing spending on home improvement as well as retailer inventories replenishment. In Western Europe demand increased by 15% and in Eastern Europe by 13%.

Electrolux reported organic sales growth of 14.1% for the quarter. Product mix improved across all three innovation areas Taste/Care/Wellbeing and the business area continued to strengthen its position within the focus areas built-in kitchen and laundry. The premium brands Electrolux and AEG further gained value market share. Price increased slightly. Volumes increased although demand could not fully be met mainly due to supply constraints. Sales in the strategic aftermarket business continued to grow.

Operating income increased year-over-year. This was mainly a result of the strong organic contribution. Investments in innovation and marketing continued in the quarter to support profitable growth. Continuous cost improvements fully offset higher costs for logistics and external factors such as raw materials.

SEKm	Q1 2021	Q1 2020	Full year 2020
Net sales	11,637	10,908	46,038
Organic growth, %	14.1	0.3	3.3
Operating income	1,122	558	3,643
Operating margin, %	9.6	5.1	7.9

OPERATING INCOME AND MARGIN



EBIT margin - 12 months is excluding non-recurring items, see page 24.

North America

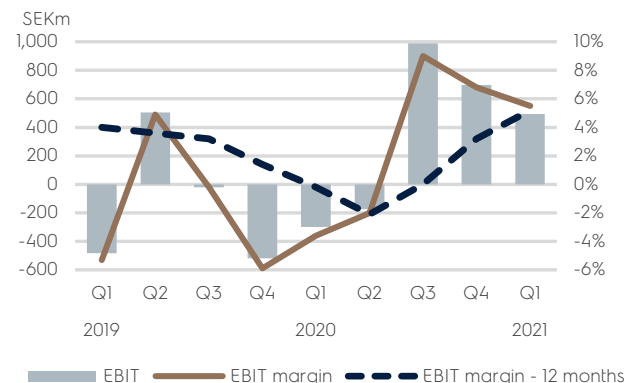
During the quarter, market demand for core appliances in the U.S. continued to show significant growth, increasing by 18% year-over-year. All main product categories developed favorably. Market demand for all major appliances, including microwave ovens and home-comfort products, increased by 20%.

Organic growth in the quarter was 22.9% compared to a weak quarter last year, driven by volume and price. All product categories showed sales growth. The positive price impact was driven by price increases implemented early in the quarter coupled with significantly lower promotional spending. Aftermarket sales continued to grow significantly.

Operating income increased year-over-year, mainly driven by the strong organic contribution through positive price development and higher volumes. Production efficiencies and currency effects impacted earnings positively, while higher logistic costs impacted negatively. Production constraints relating to harsh winter weather resulted in higher cost and unfavorable mix impact.

SEKm	Q1 2021	Q1 2020	Full year 2020
Net sales	9,002	8,409	38,219
Organic growth, %	22.9	-13.1	0.9
Operating income	493	-299	1,215
Operating margin, %	5.5	-3.6	3.2

OPERATING INCOME AND MARGIN



EBIT margin - 12 months is excluding non-recurring items, see page 24.



Latin America

Consumer demand for core appliances is estimated to have decreased in Brazil year-over-year driven by product unavailability and increased restrictions towards the end of the quarter. In Argentina and Chile consumer demand increased driven by pent-up demand following long lockdown periods and government stimulus packages, respectively, compared to a weak quarter last year.

Electrolux operations in Latin America reported strong organic sales growth of 58.3%. Sales in the corresponding quarter previous year was impacted by pandemic restrictions at the end of the quarter. Overall volumes increased across all regions and mix improved, especially in refrigeration. Price also contributed positively as an effect of price increases and significantly lower promotional activity. Aftermarket sales growth contributed to organic sales growth.

Operating income increased year-over-year. This was mainly driven by the strong organic contribution, coming from higher volumes, pricing and better mix. Headwind from external factors, mainly currency and raw materials, and increased logistic costs impacted earnings negatively but was fully offset by higher prices. Investments in innovation and brand strengthening initiatives increased to support product launches.

SEKm	Q1 2021	Q1 2020	Full year 2020
Net sales	4,516	3,826	16,915
Organic growth, %	58.3	-1.9	10.0
Operating income	423	-15	666
Operating margin, %	9.4	-0.4	3.9

Asia-Pacific, Middle East and Africa

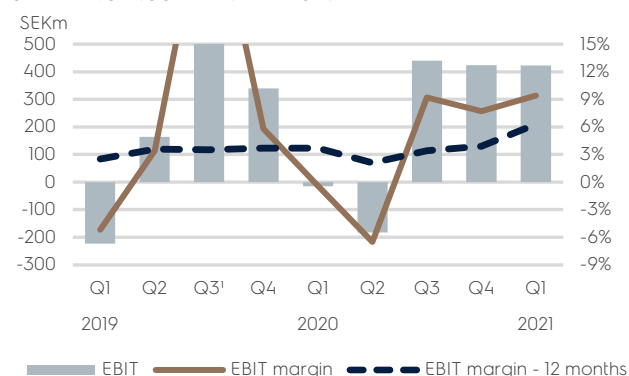
During the first quarter, consumer demand in the region is estimated to have increased. In Australia, demand increased with significant household consumption growth. Demand in Southeast Asia rebounded somewhat after several quarters of decline.

Electrolux reported an organic sales growth of 18.9%. Volumes increased across all regions, including Southeast Asia that recovered and reported growth. Mix improved mainly driven by launches done in the quarter and last year. Price also contributed positively, and aftermarket sales continued to grow strongly.

Operating income significantly increased year-over-year. This was mainly a result of the strong organic contribution, particularly related to Australia, mainly through high margin products and prices. External factors, driven by favorable currency, impacted earnings positively. Higher logistic cost was offset by continuous cost improvements. Investments in marketing continued to support product launches.

SEKm	Q1 2021	Q1 2020	Full year 2020
Net sales	3,871	3,434	14,788
Organic growth, %	18.9	-3.2	1.7
Acquisitions, %	1.2	-	0.6
Operating income	393	44	1,038
Operating margin, %	10.1	1.3	7.0

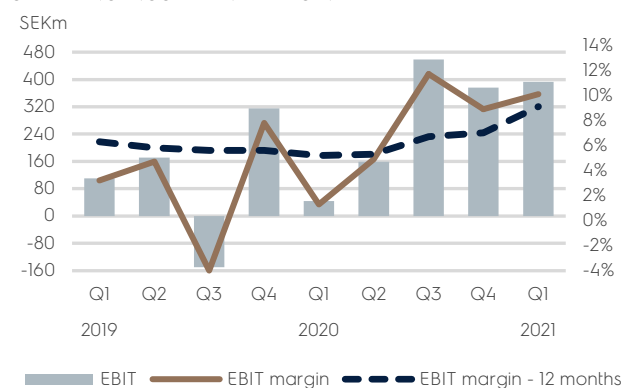
OPERATING INCOME AND MARGIN



EBIT margin - 12 months is excluding non-recurring items, see page 24.

¹ 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



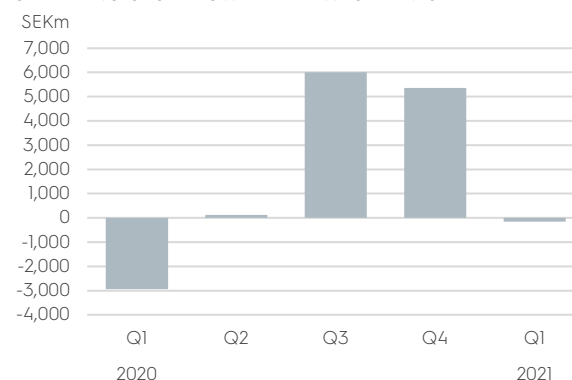
EBIT margin - 12 months is excluding non-recurring items, see page 24.



Cash flow

Operating cash flow after investments amounted to SEK -161m (-2,938) in the quarter. The year-over-year comparison reflects mainly a significantly higher operating income, but also a slightly lower level of seasonal outflow from operating assets and liabilities. In addition, a somewhat lower level of investments compared to last year impacted cash flow positively.

OPERATING CASH FLOW AFTER INVESTMENTS



SEKm	Q1 2021	Q1 2020	Full year 2020
Operating income adjusted for non-cash items ¹	3,487	1,534	10,807
Change in operating assets and liabilities	-2,925	-3,358	2,852
Operating cash flow	562	-1,824	13,659
Investments in tangible and intangible assets	-816	-1,154	-5,338
Changes in other investments	94	40	230
Operating cash flow after investments	-161	-2,938	8,552
Acquisitions and divestments of operations	-0	-0	-8
Operating cash flow after structural changes	-161	-2,939	8,544
Financial items paid, net ²	-84	-121	-596
Taxes paid	-260	-219	-1,132
Cash flow from operations and investments	-506	-3,278	6,816
Payment of lease liabilities	-220	-238	-911
Dividend	-	-	-2,012
Share-based payments	-288	-	0
Total cash flow, excluding changes in loans and short-term investments	-1,014	-3,516	3,894

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

² For the period January 1 to March 31: interest and similar items received SEK 11m (18), interest and similar items paid SEK -50m (-118) and other financial items received/paid SEK -21m (9). Interest paid related to lease liabilities SEK -24m (-30).



Financial position

Net debt

As of March 31, 2021, Electrolux had a financial net cash position (excluding lease liabilities and post-employment provisions) of SEK 3,907m, compared to the financial net cash position of SEK 4,741m as of December 31, 2020. Net provisions for post-employment benefits was SEK 2,134m and lease liabilities amounted to SEK 2,619m as of March 31, 2021. In total, net debt amounted to SEK 847m, a decrease by SEK 709m compared to SEK 1,556m per December 31, 2020.

Long-term borrowings and long-term borrowings with maturities within 12 months amounted to a total of SEK 14,500m as of March 31, 2021 with average maturity of 2.6 years, compared to SEK 14,400m and 2.8 years at the end of 2020.

In the first quarter, long-term borrowings in the amount of SEK 78m were amortized. During the remaining part of 2021, long-term borrowings amounting to approximately SEK 0.2bn will mature. For more information see www.electroluxgroup.com.

Liquid funds as of March 31, 2021, amounted to SEK 19,389m, a decrease of SEK 1,078m compared to SEK 20,467m as of December 31, 2020.

Return on equity was 32.4% (48.9). The corresponding quarter last year was impacted by a settlement gain from the distribution of Electrolux Professional, see Note 5. Adjusted for the settlement gain, return on equity was 2.5% in the first quarter of 2020.

Working capital and net assets

Working capital as of March 31, 2021, amounted to SEK -17,168m (-15,274), corresponding to -14.5% (-14.3) of annualized net sales. Operating working capital amounted to SEK 2,775m (2,530), corresponding to 2.3% (2.4) of annualized net sales, see page 19.

Average net assets for the first quarter 2021 amounted to SEK 21,563m (27,837), corresponding to 18.6% (26.2) of annualized net sales. Net assets as of March 31, 2021, amounted to SEK 22,860m (29,502).

Return on net assets was 42.6% (1.8).

Net debt

SEKM	Mar. 31, 2021	Mar. 31, 2020	Dec. 31, 2020
Short-term loans	791	3,359	1,012
Short-term part of long-term loans	3,019	457	277
Trade receivables with recourse	44	102	40
Short-term borrowings	3,854	3,918	1,329
Financial derivative liabilities	64	155	210
Accrued interest expenses and prepaid interest income	82	36	64
Total short-term borrowings	4,001	4,109	1,603
Long-term borrowings	11,481	12,931	14,123
Total borrowings¹	15,482	17,040	15,727
Cash and cash equivalents	19,121	13,961	20,196
Short-term investments	163	178	172
Financial derivative assets	86	428	81
Prepaid interest expenses and accrued interest income	20	17	18
Liquid funds²	19,389	14,584	20,467
Financial net debt	-3,907	2,456	-4,741
Lease liabilities	2,619	3,191	2,618
Net provisions for post-employment benefits	2,134	5,414	3,679
Net debt	847	11,061	1,556
Net debt/equity ratio	0.04	0.60	0.08
Total equity	19,714	18,442	18,709
Equity per share, SEK	68.60	64.17	65.10
Return on equity, %	32.4	48.9	34.1
Equity/assets ratio, %	23.0	21.2	23.6

¹ Whereof interest-bearing liabilities amounting to SEK 15,291m as of March 31, 2021 and SEK 16,747m as of March 31, 2020.

² Electrolux also has an unused committed multicurrency revolving credit facility of EUR 1,000m, approximately SEK 10,238m, 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 March 31, 2021, the Group had a total of 3,097 (3,884) cases pending, representing approximately 3,103 (approximately 3,920) plaintiffs. During the first quarter of 2021,

281 new cases with 281 plaintiffs were filed and 587 pending cases with approximately 618 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. Constraints in the supply chain might affect the Group's financial result and market shares negatively in case of shortfall in delivery and quality related issues.

Risk management in Electrolux aims to identify, control and reduce risks. Risks, risk management and risk exposure are described in more detail in the 2020 Annual Report: <http://www.electroluxgroup.com/annualreport2020>



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 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. Consumers increasingly prioritize sustainability and research shows that 2/3 of global consumers are willing to pay more for sustainable goods¹. Electrolux most resource-efficient products have consistently had a higher margin for many years and in 2020 these products accounted for 26% of total units sold and 36% of gross profit.



North America drives water filter aftermarket sales

Electrolux aims to double its share of sales in the high-margin aftermarket segment by 2025 from around 5% in 2018. In 2020, aftermarket sales increased by 13% and accounted for about 7% of Group sales.

The North America business area has in 2020 worked actively to drive sales of its IP protected replacement water filters for Frigidaire fridges with water dispensers. The business area developed a long-term roadmap to expand in the attractive water filter aftermarket and forge closer consumer relations. In 2020, water filter sales increased by ~50%, year-over-year, with almost a 60% improvement in gross profit.

Strengthening the brand through consumer insight

The primary market differentiators from consumer insight formed the basis for the roadmap – such as water safety, the level of filtration, taste and brand trust – with the overall objective to strengthen the Frigidaire water filter brand.

Taste in particular stood out with previous research showing that 54% of consumers believe water dispensed from refrigerators and freezers tastes better than from other sources, including bottled water². Taste was confirmed as a primary differentiator by testing different statements on consumers, with the ‘a difference you can taste’ tagline being top-rated by consumers. Safe water and reducing contaminants were also important differentiators identified by consumers.

Raising consumer awareness

Based on this insight, Electrolux created a campaign that speaks to those consumers most invested in regular filter replacement. This included a focus on social media and online retail partner channels with quality educational content to enable consumers to make an informed purchase and advising against choosing sub-standard filters.

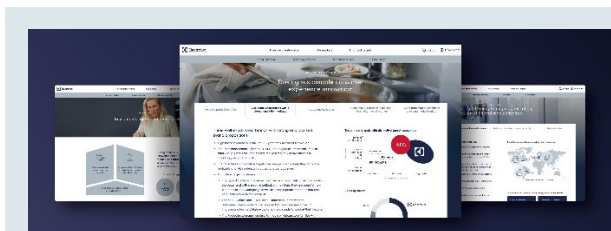
The campaign raised awareness among consumers on the need to regularly replace their filter with a genuine Frigidaire product to ensure water quality and visual indicators to communicate when to change a filter. It also met the growing consumer trends for safety and healthy home environments, which have grown in importance during the coronavirus pandemic.

Water dispensers avoid plastic to landfill

In 2020, the 3.4 million Electrolux water filters sold in the U.S. and Canada avoided the use of approximately 4 billion plastic bottles of water, which prevented approximately 41,000 tons of plastic ending up in landfill. This helped Frigidaire achieve the Water Quality Sustainability Mark for best practice in environmental sustainability and corporate responsibility.

¹ Eco Ethical Report, June 2019.

² Source: C+R Research (2018-2019). Water Filter Research.



Electrolux for Investors provides an in-depth overview of how Electrolux creates value through its profitable growth strategy. Find more inspiring business cases in Electrolux for Investors

www.electroluxgroup.com/ir/for-investors



Events during the quarter

Events during the quarter

March 25. Annual General Meeting

Due to the risk of the spread of COVID-19 and the authorities' regulations and advice the Annual General Meeting ("AGM") was carried out solely through advance voting (so-called postal voting) pursuant to temporary legislation. A video with the CEO, Jonas Samuelson, and Chairman of the Board, Staffan Bohman, was published ahead of the AGM. The video included their reflections on the past year and the strategy ahead.

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

The proposed dividend of SEK 8.00 per share was adopted.

Full details on the proposals adopted by the AGM can be downloaded from <http://www.electroluxgroup.com/agm2021>

March 29. 2020 Sustainability Report published

The 2020 Sustainability Report highlights include a 70% reduction in emissions since 2015 and an innovative climate reduction element to its long-term incentive program for top managers.

The report covers the company's progress on its sustainability ambitions according to its new For the Better 2030 sustainability framework launched in March 2020. The comprehensive framework covers the areas of 'Better Solutions', 'Better Company', 'Better Living' and the company's climate targets.

Read the full report here:

<http://www.electroluxgroup.com/sustainabilityreport2020>

For more information, visit www.electroluxgroup.com



Parent Company AB Electrolux

The Parent Company comprises the functions of the Group's head office, as well as five companies operating on a commission basis for AB Electrolux.

Net sales for the Parent Company, AB Electrolux, for the first quarter 2021 amounted to SEK 10,251m (9,678) of which SEK 8,552m (7,852) referred to sales to Group companies and SEK 1,699m (1,826) to external customers. Income after financial items was SEK 408m (5,357), including dividends from subsidiaries in the amount of SEK 0m (5,302). Income for the period amounted to SEK 290m (5,339).

Capital expenditure in tangible and intangible assets was SEK 142m (181). Liquid funds at the end of the period amounted to SEK 14,421m, compared to SEK 15,049m at the start of the year.

Undistributed earnings in the Parent Company at the end of the period amounted to SEK 17,161m, compared to SEK 19,453m at the start of the year. Dividend to shareholders for 2020 amounted to SEK 2,299m and has been reported as a current liability.

The income statement and balance sheet for the Parent Company are presented on page 20.

Stockholm, April 28, 2021

AB Electrolux (publ)
556009-4178

Jonas Samuelson
President and CEO

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



Consolidated statement of comprehensive income

SEKM	Q1 2021	Q1 2020	Full year 2020
Net sales	29,026	26,578	115,960
Cost of goods sold	-22,851	-22,600	-93,689
Gross operating income	6,174	3,977	22,272
Selling expenses	-2,557	-2,620	-11,071
Administrative expenses	-1,223	-1,097	-5,116
Other operating income/expenses	-97	-138	-307
Operating income	2,297	122	5,778
Financial items, net	-120	-171	-681
Income after financial items	2,177	-48	5,096
Taxes	-620	-38	-1,108
Income for the period, continuing operations	1,556	-86	3,988
Income for the period, discontinued operations (see Note 5)	-	2,595	2,595
Income for the period, total Group	1,556	2,509	6,584
Items that will not be reclassified to income for the period:			
Remeasurement of provisions for post-employment benefits	1,485	-1,442	189
Income tax relating to items that will not be reclassified	-323	339	-46
	1,162	-1,103	143
Items that may be reclassified subsequently to income for the period:			
Cash flow hedges	-37	-6	32
Exchange-rate differences on translation of foreign operations	884	-131	-3,326
Income tax relating to items that may be reclassified	-1	2	48
	846	-135	-3,246
Other comprehensive income, net of tax	2,008	-1,238	-3,103
Total comprehensive income for the period	3,564	1,271	3,481
Income for the period attributable to:			
Equity holders of the Parent Company	1,556	2,509	6,584
Non-controlling interests	0	-0	0
Total	1,556	2,509	6,584
Total comprehensive income for the period attributable to:			
Equity holders of the Parent Company	3,564	1,271	3,481
Non-controlling interest	0	-0	-0
Total	3,564	1,271	3,481
Earnings per share, SEK			
Basic, continuing operations	5.41	-0.30	13.88
Basic, discontinued operations	-	9.03	9.03
Basic, Group total	5.41	8.73	22.91
Diluted, continuing operations	5.39	-0.30	13.86
Diluted, discontinued operations	-	9.01	9.02
Diluted, Group total	5.39	8.71	22.88
Average number of shares ¹			
Basic, million	287.4	287.4	287.4
Diluted, million	288.4	287.9	287.7

¹ Average numbers of shares excluding shares held by Electrolux.



Consolidated balance sheet

SEKM	Mar. 31, 2021	Mar. 31, 2020	Dec. 31, 2020
Assets			
Property, plant and equipment, owned	21,023	22,488	20,452
Property, plant and equipment, right-of-use	2,348	2,837	2,351
Goodwill	6,714	6,959	6,369
Other intangible assets	3,571	3,716	3,480
Investments in associates	284	403	274
Deferred tax assets	5,687	7,252	6,064
Financial assets	66	85	65
Pension plan assets	1,648	1,067	1,272
Other non-current assets	822	1,557	878
Total non-current assets	42,165	46,363	41,205
Inventories	17,242	16,860	13,213
Trade receivables	21,083	18,246	19,944
Tax assets	813	645	894
Derivatives	222	640	135
Other current assets	4,373	4,763	3,846
Short-term investments	163	178	172
Cash and cash equivalents	19,121	13,961	20,196
Total current assets	63,016	55,293	58,399
Total assets	105,181	101,656	99,604
Equity and liabilities			
Equity attributable to equity holders of the Parent Company			
Share capital	1,545	1,545	1,545
Other paid-in capital	2,905	2,905	2,905
Other reserves	-3,746	-1,486	-4,593
Retained earnings	19,003	15,471	18,846
Equity attributable to equity holders of the Parent Company	19,707	18,434	18,702
Non-controlling interests	7	7	7
Total equity	19,714	18,442	18,709
Long-term borrowings	11,481	12,931	14,123
Long-term lease liabilities	1,840	2,325	1,834
Deferred tax liabilities	488	520	476
Provisions for post-employment benefits	3,783	6,481	4,951
Other provisions	4,793	5,532	5,567
Total non-current liabilities	22,386	27,789	26,952
Accounts payable	35,551	32,575	31,306
Tax liabilities	1,582	534	562
Dividend payable	2,299	-	-
Other liabilities	16,469	14,530	17,114
Short-term borrowings	3,854	3,918	1,329
Short-term lease liabilities	779	866	784
Derivatives	101	181	332
Other provisions	2,446	2,821	2,516
Total current liabilities	63,081	55,425	53,943
Total equity and liabilities	105,181	101,656	99,604

Change in consolidated equity

SEKM	Three months 2021	Three months 2020	Full year 2020
Opening balance	18,709	22,574	22,574
Total comprehensive income for the period	3,564	1,271	3,481
Share-based payments	-260	0	70
Dividend to equity holders of the Parent Company ¹	-2,299	-5,403	-7,415
Dividend to non-controlling interests	-	-	-0
Acquisition of non-controlling interests	-0	-0	-0
Total transactions with equity holders	-2,559	-5,403	-7,346
Closing balance	19,714	18,442	18,709

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	Q1 2021	Q1 2020	Full year 2020
Operations			
Operating income	2,297	122	5,778
Depreciation and amortization ¹	1,092	1,208	4,587
Other non-cash items	97	204	442
Financial items paid, net ²	-84	-121	-596
Taxes paid	-260	-219	-1,132
Cash flow from operations, excluding change in operating assets and liabilities	3,142	1,194	9,079
Change in operating assets and liabilities			
Change in inventories	-3,468	-331	1,236
Change in trade receivables	-634	2,417	-2,401
Change in accounts payable	3,346	-1,682	1,737
Change in other operating assets, liabilities and provisions	-2,168	-3,762	2,279
Cash flow from change in operating assets and liabilities	-2,925	-3,358	2,852
Cash flow from operations	217	-2,164	11,932
Investments			
Acquisition of operations	-0	-0	-8
Capital expenditure in property, plant and equipment	-601	-943	-4,325
Capital expenditure in product development	-124	-134	-563
Capital expenditure in software and other intangibles	-91	-76	-450
Other	94	40	230
Cash flow from investments	-723	-1,114	-5,115
Cash flow from operations and investments	-506	-3,278	6,816
Financing			
Change in short-term investments	10	12	16
Change in short-term borrowings	-206	2,145	-308
New long-term borrowings	-	4,522	9,793
Amortization of long-term borrowings ³	-78	-1,078	-4,555
Payment of lease liabilities	-220	-238	-911
Dividend	-	-	-2,012
Share-based payments	-288	-	0
Cash flow from financing	-782	5,362	2,023
Total cash flow, continuing operations	-1,288	2,084	8,839
Total cash flow, discontinued operations (see Note 5)	-	1,177	1,177
Total cash flow, total Group	-1,288	3,260	10,016
Cash and cash equivalents at beginning of period	20,196	11,458	11,458
Exchange-rate differences referring to cash and cash equivalents	212	-146	-677
Cash and cash equivalents in distributed operations	-	-611	-611
Cash and cash equivalents at end of period	19,121	13,961	20,196

¹ For the period January 1 to March 31: depreciation related to right-of-use assets amounted to SEK -208m (-227).

² For the period January 1 to March 31: interest and similar items received SEK 11m (18), interest and similar items paid SEK -50m (-118) and other financial items received/paid SEK -21m (9). Interest paid related to lease liabilities SEK -24m (-30).

³ 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	Q1 2021	Q1 2020	Full year 2020
Continuing operations			
Net sales	29,026	26,578	115,960
Organic growth, %	22.8	-5.1	3.2
EBITA	2,492	340	6,603
EBITA margin, %	8.6	1.3	5.7
Operating income	2,297	122	5,778
Operating margin, %	7.9	0.5	5.0
Operating margin excl. non-recurring items, % ¹	7.9	0.5	5.0
Income after financial items	2,177	-48	5,096
Income for the period	1,556	-86	3,988
Capital expenditure property, plant and equipment	-601	-943	-4,325
Operating cash flow after investments	-161	-2,938	8,552
Earnings per share, SEK ²	5.41	-0.30	13.88
Capital turnover rate, times/year ³	5.4	3.8	4.5
Return on net assets, % ³	42.6	1.8	22.6
Net debt	847	11,061	1,556
Net debt/equity ratio	0.04	0.60	0.08
Average number of employees	51,276	47,111	47,543
Total Group, including discontinued operations⁴			
Income for the period	1,556	2,509	6,584
Earnings per share, SEK ²	5.41	8.73	22.91
Equity per share, SEK	68.60	64.17	65.10
Return on equity, % ⁵	32.4	48.9	34.1
Average number of shares excluding shares owned by Electrolux, million	287.4	287.4	287.4

¹ The first quarter of 2021 and 2020 as well as full-year 2020 did not include any non-recurring items. For more information regarding non-recurring items in previous years, see page 24.

² Basic.

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

⁴ Discontinued operations refers to first quarter of 2020 and Electrolux Professional, which was separated from the Electrolux Group March 23, 2020. For more information see Note 5.

⁵ Return on equity for Q1 2020 include a settlement gain from the distribution of Electrolux Professional. Adjusted for the settlement gain, return on equity was 2.5%. For definitions, see pages 25-26.

Exchange rates

SEK	Mar. 31, 2021		Mar. 31, 2020		Dec. 31, 2020	
Exchange rate	Average	End of period	Average	End of period	Average	End of period
ARS	0.0952	0.0949	0.1572	0.1566	0.1320	0.0973
AUD	6.45	6.64	6.37	6.16	6.34	6.28
BRL	1.54	1.53	2.17	1.94	1.81	1.58
CAD	6.61	6.93	7.19	7.08	6.84	6.41
CHF	9.28	9.25	10.02	10.45	9.77	9.26
CLP	0.0116	0.0119	0.0121	0.0118	0.0116	0.0115
CNY	1.29	1.33	1.39	1.42	1.33	1.25
EUR	10.14	10.24	10.71	11.06	10.48	10.06
GBP	11.56	12.02	12.48	12.48	11.83	11.14
HUF	0.0280	0.0282	0.0314	0.0307	0.0298	0.0276
MXN	0.4128	0.4257	0.4811	0.4226	0.4317	0.4126
RUB	0.1118	0.1159	0.1440	0.1287	0.1275	0.1095
THB	0.2767	0.2793	0.3095	0.3079	0.2938	0.2735
USD	8.40	8.73	9.70	10.10	9.18	8.19



Net sales and operating income by business area

SEKM	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Full year 2021	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Full year 2020
Europe										
Net sales	11,637					10,908	8,888	12,317	13,925	46,038
Sales growth, %	14.1					0.3	-14.2	15.7	9.3	3.3
EBITA	1,166					600	290	1,565	1,362	3,816
EBITA margin, %	10.0					5.5	3.3	12.7	9.8	8.3
Operating income	1,122					558	244	1,522	1,319	3,643
Operating margin, %	9.6					5.1	2.8	12.4	9.5	7.9
North America										
Net sales	9,002					8,409	8,537	10,993	10,281	38,219
Sales growth, %	22.9					-13.1	-17.9	8.6	29.2	0.9
EBITA	543					-247	-126	1,033	752	1,413
EBITA margin, %	6.0					-2.9	-1.5	9.4	7.3	3.7
Operating income	493					-299	-173	990	697	1,215
Operating margin, %	5.5					-3.6	-2.0	9.0	6.8	3.2
Latin America										
Net sales	4,516					3,826	2,822	4,779	5,488	16,915
Sales growth, %	58.3					-1.9	-24.2	37.8	25.4	10.0
EBITA	464					32	-141	481	464	837
EBITA margin, %	10.3					0.8	-5.0	10.1	8.5	4.9
Operating income	423					-15	-183	440	424	666
Operating margin, %	9.4					-0.4	-6.5	9.2	7.7	3.9
Asia-Pacific, Middle East and Africa										
Net sales	3,871					3,434	3,230	3,916	4,209	14,788
Sales growth, %	20.1					-3.2	-10.9	10.1	11.5	2.3
EBITA	416					78	188	484	403	1,153
EBITA margin, %	10.7					2.3	5.8	12.4	9.6	7.8
Operating income	393					44	159	459	376	1,038
Operating margin, %	10.1					1.3	4.9	11.7	8.9	7.0
Group common costs, etc.	-134					-165	-109	-191	-318	-783
Total, continuing operations										
Net sales	29,026					26,578	23,476	32,004	33,902	115,960
Sales growth, %	23.0					-5.1	-16.6	15.3	17.7	3.3
EBITA	2,492					340	146	3,416	2,701	6,603
EBITA margin, %	8.6					1.3	0.6	10.7	8.0	5.7
Operating income	2,297					122	-62	3,220	2,498	5,778
Operating margin, %	7.9					0.5	-0.3	10.1	7.4	5.0
Total Group, including discontinued operations¹										
Income for the period, Group total	1,556					2,509	-141	2,356	1,860	6,584
Earnings per share, Group total, SEK ²	5.41					8.73	-0.49	8.20	6.47	22.91

¹ Discontinued operations refers to first quarter of 2020 and Electrolux Professional, which was separated from the Electrolux Group March 23, 2020. For more information see Note 5.

² Basic



Net sales by business area

SEKM	Q1 2021	Q1 2020	Full year 2020
Europe	11,637	10,908	46,038
North America	9,002	8,409	38,219
Latin America	4,516	3,826	16,915
Asia-Pacific, Middle East and Africa	3,871	3,434	14,788
Total, continuing operations	29,026	26,578	115,960

Change in net sales by business area, %

Year-over-year, %	Q1 2021	Q1 2021 in local currencies
Europe	7	14
North America	7	23
Latin America	18	58
Asia-Pacific, Middle East and Africa	13	20
Total change, continuing operations	9	23

Operating income by business area

SEKM	Q1 2021	Q1 2020	Full year 2020
Europe	1,122	558	3,643
Margin, %	9.6	5.1	7.9
North America	493	-299	1,215
Margin, %	5.5	-3.6	3.2
Latin America	423	-15	666
Margin, %	9.4	-0.4	3.9
Asia-Pacific, Middle East and Africa	393	44	1,038
Margin, %	10.1	1.3	7.0
Group common costs, etc.	-134	-165	-783
Operating income, continuing operations	2,297	122	5,778
Margin, %	7.9	0.5	5.0

Change in operating income by business area, SEKM

Year-over-year, SEKM	Q1 2021	Q1 2021 currency adjusted
Europe	564	611
North America	793	755
Latin America	438	470
Asia-Pacific, Middle East and Africa	349	349
Group common costs, etc.	31	11
Total change, continuing operations	2,175	2,197



Working capital and net assets

SEKM	Mar. 31, 2021	% ¹	Mar. 31, 2020	% ¹	Dec. 31, 2020	% ¹
Inventories	17,242	14.5	16,860	15.8	13,213	12.3
Trade receivables	21,083	17.8	18,246	17.1	19,944	18.6
Accounts payable	-35,551	-30.0	-32,575	-30.5	-31,306	-29.2
Operating working capital	2,775	2.3	2,530	2.4	1,851	1.7
Provisions	-7,239		-8,353		-8,083	
Prepaid and accrued income and expenses	-11,632		-10,070		-12,777	
Taxes and other assets and liabilities	-1,071		619		-181	
Working capital	-17,168	-14.5	-15,274	-14.3	-19,191	-17.9
Property, plant and equipment, owned	21,023		22,488		20,452	
Property, plant and equipment, right-of-use	2,348		2,837		2,351	
Goodwill	6,714		6,959		6,369	
Other non-current assets	4,743		5,761		4,696	
Deferred tax assets and liabilities	5,199		6,732		5,588	
Net assets	22,860	19.3	29,502	27.6	20,265	18.9
Annualized net sales, calculated at end of period exchange rates	118,618		106,875		107,142	
Average net assets	21,563	18.6	27,837	26.2	25,563	22.0
Annualized net sales, calculated at average exchange rates	116,104		106,310		115,960	

¹ % of annualized net sales.

Net assets by business area

SEKM	Assets			Equity and liabilities			Net assets		
	Mar. 31, 2021	Mar. 31, 2020	Dec. 31, 2020	Mar. 31, 2021	Mar. 31, 2020	Dec. 31, 2020	Mar. 31, 2021	Mar. 31, 2020	Dec. 31, 2020
Europe	27,471	27,461	25,796	26,271	24,864	24,390	1,200	2,598	1,406
North America	24,314	24,892	20,667	16,375	15,344	14,582	7,940	9,548	6,086
Latin America	11,726	11,635	11,190	7,089	5,886	6,663	4,637	5,749	4,526
Asia-Pacific, Middle East and Africa	12,439	11,933	11,414	7,495	6,506	7,418	4,944	5,427	3,996
Other ¹	8,194	10,083	8,798	4,055	3,902	4,546	4,139	6,181	4,252
Total operating assets and liabilities	84,144	86,005	77,865	61,284	56,503	57,599	22,860	29,502	20,265
Liquid funds	19,389	14,584	20,467	-	-	-	-	-	-
Total borrowings	-	-	-	15,482	17,040	15,727	-	-	-
Lease liabilities	-	-	-	2,619	3,191	2,618	-	-	-
Pension assets and liabilities	1,648	1,067	1,272	3,783	6,481	4,951	-	-	-
Dividend payable	-	-	-	2,299	-	-	-	-	-
Total equity	-	-	-	19,714	18,442	18,709	-	-	-
Total	105,181	101,656	99,604	105,181	101,656	99,604	-	-	-

¹ Includes common functions and tax items.



Parent Company income statement

SEKM	Q1 2021	Q1 2020	Full year 2020
Net sales	10,251	9,678	40,621
Cost of goods sold	-8,627	-8,297	-34,106
Gross operating income	1,624	1,381	6,515
Selling expenses	-772	-755	-3,582
Administrative expenses	-441	-437	-2,096
Other operating expenses	-	-	-382
Operating income	411	189	455
Financial income	75	5,477	7,248
Financial expenses	-78	-309	-1,066
Financial items, net	-3	5,168	6,182
Income after financial items	408	5,357	6,637
Appropriations	-19	21	-36
Income before taxes	389	5,378	6,601
Taxes	-99	-39	-137
Income for the period	290	5,339	6,464

Parent Company balance sheet

SEKM	Mar. 31, 2021	Mar. 31, 2020	Dec. 31, 2020
Assets			
Non-current assets	33,703	34,045	33,674
Current assets	39,301	36,963	37,838
Total assets	73,004	71,008	71,512
Equity and liabilities			
Restricted equity	5,768	5,723	5,724
Non-restricted equity	17,161	20,447	19,453
Total equity	22,929	26,170	25,177
Untaxed reserves	551	434	547
Provisions	1,549	1,439	1,550
Non-current liabilities	11,484	12,883	14,128
Current liabilities	36,491	30,082	30,110
Total equity and liabilities	73,004	71,008	71,512

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, 2021	8,192,539	300,727,769	308,920,308	21,522,858	287,397,450
Number of shares as of March 31, 2021	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 2020, except for the adoption of standard amendments effective as of January 1, 2021. The amendments have not had any material impact on the financial statements. See section 'New or amended accounting standards to be applied after 2020' in the Annual Report 2020 for more information.

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	Three months 2021	Three months 2020	Full year 2020
Product areas			
Taste	17,511	16,237	70,593
Care	8,883	7,910	34,298
Wellbeing	2,633	2,431	11,069
Total	29,026	26,578	115,960

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

SEKM	Mar. 31, 2021		Mar. 31, 2020		Dec. 31, 2020	
	Fair value	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount
Per category						
Financial assets at fair value through profit and loss	227	227	251	251	225	225
Financial assets measured at amortized cost	40,205	40,205	32,219	32,219	40,152	40,152
Derivatives, financial assets at fair value through profit and loss	215	215	640	640	89	89
Derivatives in hedge accounting	7	7	-	-	46	46
Total financial assets	40,654	40,654	33,110	33,110	40,512	40,512
Financial liabilities measured at amortized cost	51,239	50,886	49,127	49,425	47,123	46,758
Derivatives, financial liabilities at fair value through profit and loss	97	97	126	126	329	329
Derivatives in hedge accounting	4	4	55	55	3	3
Total financial liabilities	51,340	50,987	49,308	49,606	47,455	47,090

The Group strives for arranging master netting agreements (ISDA) with the counterparts for derivative transactions and has established such agreements with the majority of the counterparties, i.e., if a counterparty will default, assets and liabilities will be netted. Derivatives are presented gross in the balance sheet.

Fair value estimation

Valuation of financial instruments at fair value is done at the most accurate market prices available. Instruments which are quoted on the market, e.g., the major bond and interest-rate future markets, are all marked-to-market with the current price. The foreign-exchange spot rate is used to convert the value into SEK. For instruments where no reliable price is available on the



market, cash flows are discounted using the deposit/swap curve of the cash flow currency. If no proper cash flow schedule is available, e.g., as in the case with forward-rate agreements, the underlying schedule is used for valuation purposes.

To the extent option instruments are used, the valuation is based on the Black & Scholes' formula. The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities is estimated by discounting the future contractual cash flows at the current market interest rate for similar financial instruments. The Group's financial assets and liabilities are measured at fair value according to the following hierarchy:

Level 1: Quoted prices in active markets for identical assets or liabilities. At March 31, 2021, the fair value for Level 1 financial assets was SEK 161m (166) and for financial liabilities SEK 0m (0).

Level 2: Inputs other than quoted prices included in Level 1 that are observable for assets or liabilities either directly or indirectly. At March 31, 2021, the fair value of Level 2 financial assets was SEK 222m (640) and financial liabilities SEK 101m (181).

Level 3: Inputs for the assets or liabilities that are not entirely based on observable market data. At March 31, 2021, the fair value of Level 3 financial assets was SEK 66m (85) and financial liabilities SEK 0m (0).

Note 4 Pledged assets and contingent assets and liabilities

SEKM	Mar. 31, 2021	Mar. 31, 2020	Dec. 31, 2020
Group			
Pledged assets	-	71	-
Guarantees and other commitments	890	961	893
Parent Company			
Pledged assets	-	-	-
Guarantees and other commitments	998	1,034	927

Update on legal proceedings

Update regarding the order issued by the Italian Environmental Authority in 2019 for certain remediation actions connected to contamination at a manufacturing site in Aviano (Italy), formerly owned by Electrolux subsidiary INFA s.p.a. ("INFA").

As stated in Note 25 in the Annual Report 2020, the order was objected to by the current operator of the site, Sarinox s.p.a. ("Sarinox"), by an appeal to the administrative court of Trieste, and the administrative court ruled in favor of Sarinox in 2020. In Q1 2021, the court ruling was appealed by the Italian Ministry of the Environment. No provision related to this matter has been set.

Update regarding U.S. tariff case relating to tariffs on washing machines manufactured in Mexico by Electrolux and imported into the U.S. between February 2016 and January 2017. As previously reported, Electrolux appealed the U.S. Department of Commerce's (DOC) decision to set a significantly increased tariff rate of 72.41% on the relevant washing machines. A Panel of arbitrators appointed by the NAFTA Secretariat held a hearing in November 2020 and in April 2021 the Panel decided to remand the matter back to DOC for reconsideration and submission of information before further review by the Panel. As Electrolux believes that the company has a strong legal case and that success is more likely than not, a provision related to this matter 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 these matters and other contingent liabilities, see Note 25 in the Annual Report 2020.



Note 5 Discontinued operations

Discontinued operations

Business area Electrolux Professional was separated from the Electrolux Group in the first quarter of 2020 as it was distributed to the shareholders and listed at Nasdaq Stockholm on March 23, 2020. A settlement gain was 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. For more information, see Notes 1 and 26 in the Annual Report 2020.

The income statement and cash flow statement presented below consists of Electrolux Professional's contribution to Electrolux Group consolidated financial information up until the separation on March 23, 2020.

SEKM	Q1 2021	Q1 2020	Full year 2020
Net sales	-	1,884	1,884
Cost of goods sold	-	-1,191	-1,191
Gross operating income	-	693	693
Selling expenses	-	-349	-349
Administrative expenses	-	-161	-161
Other operating income and expenses	-	2	2
Operating income	-	185	185
Financial items, net	-	-1	-1
Income after financial items	-	184	184
Taxes	-	-40	-40
Income for the period, Electrolux Professional	-	144	144
Translation difference recycled from OCI	-	72	72
Settlement gain from distribution of Electrolux Professional	-	2,379	2,379
Income for the period, discontinued operations	-	2,595	2,595

SEKM	Q1 2021	Q1 2020	Full year 2020
Cash flow from operations	-	68	68
Cash flow from investments	-	-87	-87
Cash flow from financing	-	1,195	1,195
Total cash flow	-	1,177	1,177



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	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, % ⁶	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 page 24 and Note 7 in the annual reports.

⁵ Basic.

⁶ 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 first quarter results 2021

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, April 28. 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: 87590350#

Slide presentation for download:

www.electroluxgroup.com/ir

Link to webcast:

<https://edge.media-server.com/mmc/p/s7byaidv>

For further information, please contact:

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+46 70 590 80 72

Calendar 2021

Interim report January - June	July 20
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Interim report January - September	October 27
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This report contains 'forward-looking' statements that reflect the company's current expectations. Although the company believes that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations prove to have been correct as they are subject to risks and uncertainties that could cause actual results to differ materially due to a variety of factors. These factors include, but are not limited to, changes in consumer demand, changes in economic, market and competitive conditions, 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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Shape living for the better

Electrolux is a leading global appliance company that has shaped living for the better for more than 100 years. We reinvent taste, care and wellbeing experiences for millions of people around the world, always striving to be at the forefront of sustainability in society through our solutions and operations. Under our brands, including Electrolux, AEG and Frigidaire, we sell approximately 60 million household products in approximately 120 markets every year. In 2020 Electrolux had sales of SEK 116 billion and employed 48,000 people around the world. For more information go to www.electroluxgroup.com



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