



**How we
create value**

Electrolux Group in 15 seconds

135
net sales,
SEK bn 2022

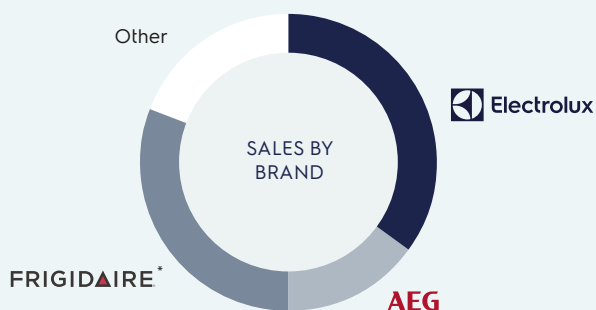
120
markets

1919
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GLOBAL LEADER

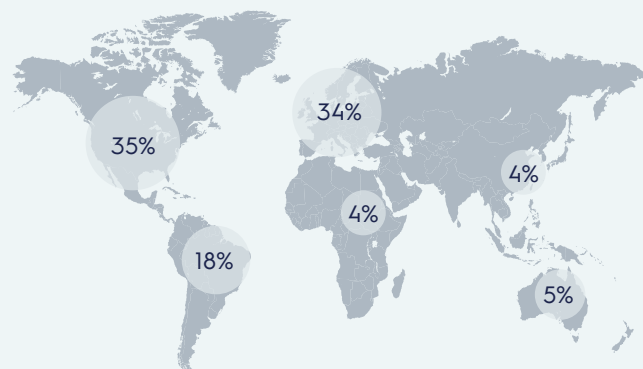
Electrolux Group is a global leader in household appliances. We reinvent lifetime taste, care and wellbeing experiences for more enjoyable and sustainable living around the world. We offer thoughtfully designed, innovative and sustainable solutions, under well-established brands including Electrolux, AEG and Frigidaire.

Well-established brands with a strong innovation heritage



*Includes Frigidaire Gallery and Frigidaire Professional

Sales by region, 2022



Forward Looking Statements

This document 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.

Global industry trends

By leveraging its global scale and focusing on consumer-centric innovation, Electrolux Group is able to benefit from dominant long-term industry trends and rapidly introduce new innovative and sustainable products that are attractive in an increasingly competitive market.



Consumer power

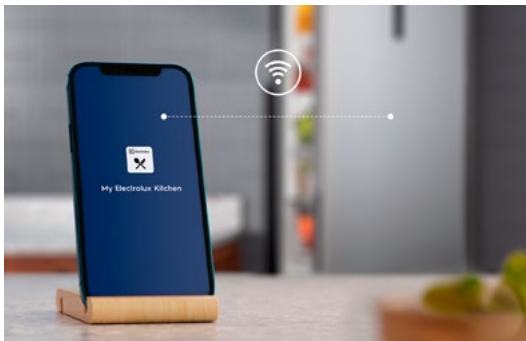
Greater consumer awareness and access to information on prices, offers, product characteristics and consumer reviews online, via social media and through mobile access, increasingly empowers consumers. 93% of consumers say online reviews impact their purchase decisions¹⁾ and 63% of consumers are willing to pay up to 15% more for a better experience²⁾. This makes developing products that offer outstanding consumer experiences more important than ever to allow premium pricing and greater competitiveness.

Consumers are increasingly choosing brands with a purpose that they feel matches their own values. 80% of consumers prefer buying from and into the brands whose actions align with their beliefs and values³⁾.

Strategic focus: Electrolux experience innovation and brand/offering focus are specifically tailored to appeal to targeted consumer segments and needs.



Digitalization



Digitalization enhances consumer power, while enabling increasingly advanced products, and greater productivity and flexibility in industrial operations. Consumers have even greater expectations than before on how they interact digitally with brands and products. Since the pandemic, 69% of consumers are shopping more online³⁾.

Strategic focus: Electrolux has a strong focus on consumer experiences, with connectivity and productivity as key value drivers. R&D investments focus on digitalization and will increasingly shift more to software compared to hardware. To utilize common solutions across all business areas and product lines as well as to get speed to scale, the digitalization is performed in the global function Technology & Sustainability.



Sustainability



Sustainability is becoming more important for consumers. Nearly 60% of affluent Americans say they are willing to pay more for products that are environmentally friendly⁴⁾ and 90% of consumers surveyed in Europe, Asia and the Americas are willing to pay more for a brand that gives back to society³⁾.

Authorities around the world are also putting increasing demands on manufacturers to develop and offer more sustainable products, such as product energy efficiency requirements.

Strategic focus: Electrolux is a sustainability leader in the appliance industry, demonstrated by numerous third-party recognitions, and has a clear strategic sustainability agenda.



Global scale

The industry is consolidating into a handful of global actors as global scale is necessary due to the increasing pace of innovation and investment requirements as well as to ensure cost competitiveness.

Strategic focus: With sales in 120 countries and investments in global product architectures, Electrolux is able to deploy technologies across the Group, leveraging its global scale and competence to be one of the drivers of this consolidation.



Growing global middle class



The expanding global middle class drives market growth in Africa, the Middle East, Eastern Europe, Latin America and Southeast Asia. Emerging markets represent a potential universe of over 6 billion consumers.

Strategic focus: Electrolux is a global business with a local presence. It has extensive consumer knowledge and brands targeting growing product categories in regions with a rapidly growing middle class.

¹⁾ Survata for Podium (2017). State of Online Reviews.

²⁾ Simon-Kucher & Partners (2019). The Trend Radar.

³⁾ KPMG (2021). Me, my life, my wallet.

⁴⁾ Ipsos (2022). Who are the affluent environmentalists? An Ipsos point of View.

Key areas to drive profitable growth

Strong focus on sustainable consumer experience innovation and operational efficiency through modularized products in automated production are key drivers for profitable growth, supported by a solid balance sheet. Sustainability is an integral part of Electrolux Group's strategy.

Strategy for profitable growth

Financial targets

Operating margin	Return on net assets (RONA)	Sales growth
≥6%	>20%	≥4%

The primary financial priority is achieving our financial targets of an operating margin of at least 6% and a return on net assets of over 20%, over a business cycle. Once established, our objective is sales growth of at least 4% annually, over a business cycle.



Driving sustainable consumer experience innovation



Increasing efficiency through digitalization, automation and modularization

Solid balance sheet facilitates profitable growth



Driving innovation

Increasing efficiency

Solid balance sheet

Innovative
product portfolioWell-established brands
with a strong innovation heritageA sustainability
leaderStrengthen our position in the
high-margin aftermarket business


Driving sustainable consumer experience innovation

Innovation is key to drive margin expansion

- Product innovation, built on deep consumer insight in the specific consumer audiences for our three main brands, has resulted in products with enhanced consumer benefits. These products command a higher price and drive margin expansion – known as ‘mix improvement’.
- Mix improvements have significantly contributed to operating income in recent years, demonstrating that our product innovations are in demand.
 - In recent years, mix improvements have contributed an average of SEK 1bn to operating income.
- Our most resource-efficient products also drive profitability – enjoying higher margins than other products on average since the 1990s.
- Streamlining of the product portfolio has resulted in fewer product variants – which has reduced cost and increased sales. This is a key focus also going forward.

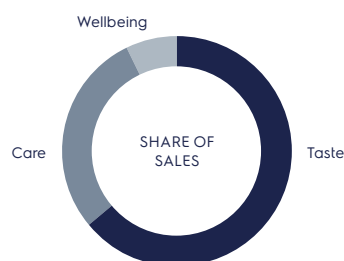
Strong track record on driving mix improvements

SEK 1bn
annual operating
income impact,
average in recent
years

Three clear innovation areas - Taste, Care & Wellbeing

- Targeted R&D gives us a competitive advantage – optimizing our offering and shortening the time to market.
- We are increasing our focus to grow profitably in selected mid- and premium categories with our main brands, while driving even more targeted portfolio management.
 - In 2023, we announced that we are looking at divesting the water heater business in Egypt and South Africa as these assets do not have sufficiently strong synergies with our core strategy to warrant the required focus and investment from Electrolux Group.
- R&D is focused on features that allow a price premium i.e. products that provide great consumer experiences such as:
 - great tasting food with the right taste and texture, healthy, fresh and nutritious. Inspired by new culinary techniques, while also reducing food waste.
 - care for clothes so they remain like new for longer, and ready to wear by holding their size and shape, while using minimal water and energy.
 - healthy wellbeing in the home by using appliances with a visual appeal, while creating a healthy environment.
- The two product lines - Taste and Care - have the global, end-to-end responsibility to prioritize the growing and profitable product categories where we will focus our business and investments, leveraging global scale with speed and lower cost.
 - Wellbeing is also a global product line but as the products are sourced it does not require the same organizational setup as the Taste and Care products.
- On average, 3% of sales have been invested in focused R&D efforts over the last five years. Product efficiency is embedded in our R&D processes through defined targets. Read about our food-waste saving and energy efficient fridges and freezers, highlighting the company's food preservation and recyclability innovations at www.electroluxgroup.com/energy-efficient-refrigeration

Targeted R&D – a competitive advantage



Taste: Cookers, hobs, ovens, hoods, microwave ovens, refrigerators and freezers.

Care: Washing machines, tumble dryers and dishwashers.

Wellbeing: Vacuum cleaners, air-conditioning equipment, water heaters, heat pumps and small domestic appliances.

Driving innovation

**Innovative
product portfolio**

Well-established brands
with a strong innovation heritage

Increasing efficiency

A sustainability
leader

Solid balance sheet

Strengthen our position in the
high-margin aftermarket business

Deep consumer insight – a competitive advantage in an age of greater consumer awareness

- Deep consumer insight increases our success rate and return on investment.
 - The average consumer star rating for the Group was 4.64 out of 5 in 2022.
- Consumer needs are our starting point to define business opportunities.
- Electrolux R&D process is based on a long history of consumer insight built on surveys, consumer data, home visits, user experience labs combined with daily monitoring of consumer reviews of both Electrolux and competitors' offering.
- In recent years, new digital tools for testing products have accelerated the development process and reduced costs.

Increasing return through consumer experience design

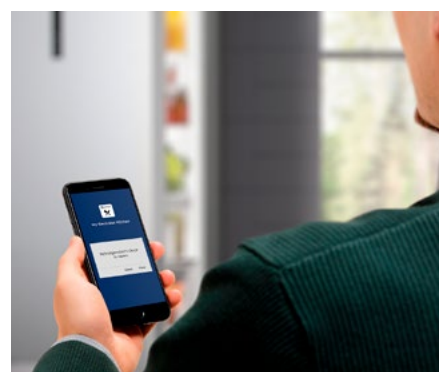


The development of the intuitive user interface of the Quick Select dishwasher is based on consumer insights. Instead of the user having to make difficult choices between programs, the environmental indicator effortlessly provides an optimal balance between a sustainable choice and washing time.

Digitalization creates opportunities and new routes to market

- Consumers are increasingly using digital tools to find and buy appliances. Through the use of data analytics and digital marketing, Electrolux is well positioned to tailor offers that meet consumers' needs.
- Our strong focus on innovation for the consumer experience improves consumers' star ratings of our products, which in turn makes our more innovative products more desirable.
- B2B e-commerce allows us to a larger extent interact directly with the consumers and tell our story.
 - Targeted investment in marketing and brand building is driving sales.
 - Provides strong, differentiated information with clear consumer benefits to help consumers to find the right product.
- D2C e-commerce targets our most loyal consumers with a differentiated offering.
 - A complement to existing B2B sales, business models mutually reinforcing each other.
 - Currently a small part of total sales, but with strong growth the last three years.
 - Differentiated value proposition to leverage bundling, including services as well as products.
 - Already active in approximately 40 countries and scaling up the business in many of those markets.
 - Largest presence in Latin America and Europe, with ongoing rollout in Asia-Pacific, Middle East and Africa, and North America.
- We are continuing to expand our range of connected products to deliver great consumer experiences based on a scalable global IoT platform and with strong partnerships.

Digitalization enables new opportunities for direct consumer engagement



Driving innovationInnovative
product portfolio**Increasing efficiency**Well-established brands
with a strong innovation heritage**Solid balance sheet**Strengthen our position in the
high-margin aftermarket business

Strong brands drive profitable growth

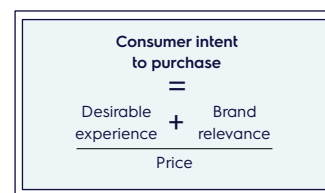
- Strong brands grow faster, are more profitable and more resilient during crisis.
 - 75% of a brand's value share performance can be explained by being one of the top 3 brands in the minds of the consumers¹⁾.
 - 1.3X higher growth rate of most relevant brands vs. S&P 500 average²⁾.
 - 9X faster recovery for strong brands vs. global average during the 2008-09 financial crisis³⁾.
- Innovation has resulted in growth and higher profit for our premium brands Electrolux and AEG.

¹⁾ Value market share regressed against top 3 and Spontaneous Awareness (Brand Scorecard 2014-2016 & GfK sell-out data 2014-2017. Countries included Frigidaire (NA), AEG (BE, DE, ES, UK), Electrolux (FR, IT, PL, RU, SE).

²⁾ Prophet Brand Relevance Index 2022 – 10 years CAGR of most relevant brands vs. S&P 500 average.

³⁾ Kantar Research (2019).

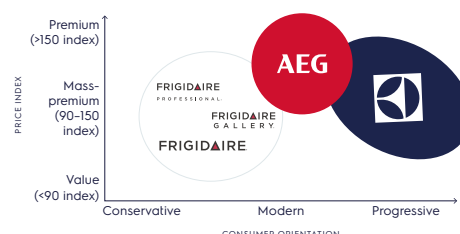
Building stronger brands to accelerate profitable growth



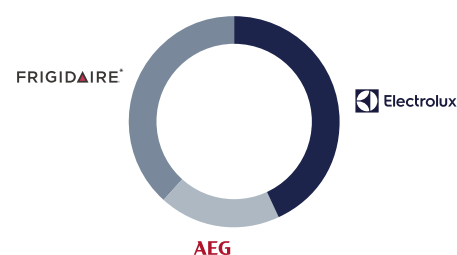
Three well-established brands with strong and focused brand propositions

- High brand awareness is built on 100-year track record of innovation.
- The three main brands – Electrolux, AEG and Frigidaire – represent ~80% of total Group sales and receive the vast majority of investments in consumer experience through marketing, design and innovation.
- The main brands have clear target consumer positions where they can grow profitably and with potential to attract a larger audience.
- Distinctive target consumers:
 - The typical Electrolux consumer is someone who actively drives change for the better and with a positive outlook on the future. They are open for new experiences and want progressive, sustainable premium brands that can help them evolve in their daily life.
 - For the AEG consumer, it is all about innovation, performance and premiumness, while acting responsibly. This consumer strives to improve and has very high expectations on brands to support their lifestyle.
 - The Frigidaire consumer represents middle American core families with family life and friends in focus. The consumer seeks practical solutions and wants to improve their local community.
- In 2023, we announced that we are looking at divesting non-core brands including Zanussi as these do not have sufficiently strong synergies with our core strategy to warrant the required focus and investment from Electrolux Group.

Three main brands with distinctive target consumers



Sales by main brand



*Includes Frigidaire Gallery and Frigidaire Professional

Driving innovationInnovative
product portfolio**Increasing efficiency**Well-established brands
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high-margin aftermarket business

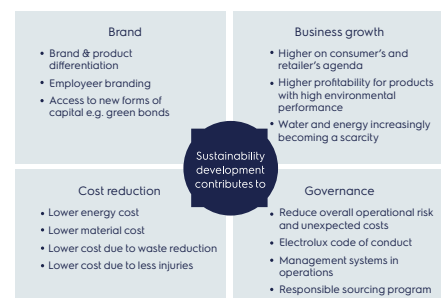
A sustainability leader - a competitive advantage for growth

- Consumers, retailers and authorities increasingly prioritize sustainability.
 - Nearly 60% of affluent Americans are willing to pay more for environmentally friendly products¹⁾.
 - ~3/4 of global consumers believe sustainability is more important than before the coronavirus pandemic²⁾.
- We have first mover advantage, with a clear aim to continue to be the industry sustainability pioneer.
 - In the 1990s, we were the first appliance company to focus on sustainability – which has been at the heart of our strategy ever since.
 - The Group has received several recognitions for its sustainability work and was also in 2022 included in the Dow Jones Sustainability World Index (DJSI World).
- Our main brands, Electrolux, AEG and Frigidaire, all share the same ambition to offer solutions that enable more sustainable living.
- The framework For the Better 2030 includes key sustainability areas where Electrolux can make a difference. They cover all the stages in our value chain – from R&D and suppliers, through our own operations and consumer use, to the end of life of our products – where we have an impact. Read more about Electrolux key sustainability areas, goals and results at www.electroluxgroup.com/en/sustainability

¹⁾ Ipsos (2022). Who are the affluent environmentalists? An Ipsos point of View.

²⁾ Global WebIndex (GWI) (2020). Coronavirus research. Survey in 20 countries.

Sustainability is a key business driver



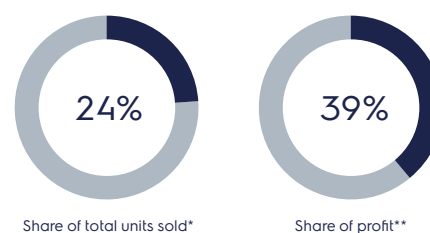
Our leading position in sustainability is growing sales, lowering costs and building trust. Strong stakeholder support can only be achieved with a strong sustainability reputation. A large proportion of corporate reputation is built on ESG dimensions³⁾.

³⁾ Source: www.reprtrak.com

Sustainable products are in demand and more profitable

- Electrolux most energy and water efficient products accounted for 24% of total units sold and 39% of gross profit in 2022. The most resource-efficient products have consistently had a higher margin in recent years.
- More sustainable products, with lower energy and water use, offer greater consumer benefits. Read about our new range of washing machines and tumble dryers that automatically adjust time, water and energy usage at www.electroluxgroup.com/cutting-edge-water-and-energy-saving-laundry-range/
- Resource-efficient products are essential for sales growth in emerging markets, e.g. in water and energy scarce regions.
- Report on EU Taxonomy available in Annual Report 2022.

Our most resource-efficient products have a higher margin



*Percent of total units sold in 2022 for Electrolux Group.

**Percent from gross profit in 2022 for Electrolux Group.

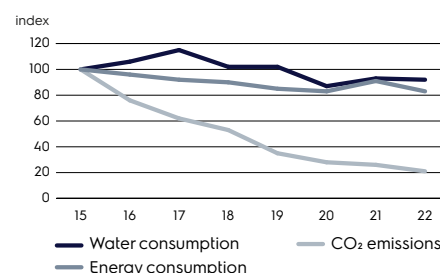
Note: Resource-efficient products that meet strictly defined technical specifications and conform to local standards for high efficiency. Since 1997, Electrolux has internally tracked the most resource-efficient products sold in the Group and each year the criteria have become more stringent.

Driving innovationInnovative
product portfolio**Increasing efficiency**Well-established brands
with a strong innovation heritage**Solid balance sheet****A sustainability
leader**Strengthen our position in the
high-margin aftermarket business

Greater resource efficiency is a priority to further strengthen competitiveness

- In products – to strengthen our offering.
 - >25% less CO₂ emissions for sold products 2022 vs 2015 (Scope 3).
- In operations – to reduce operational and manufacturing costs and risk exposure.
 - 41% less energy used per manufactured product 2022 vs. 2005.
 - 59% of the total energy use in Group operations came from renewable sources in 2022.
 - 39% improved water efficiency in operations 2022 vs. 2015.

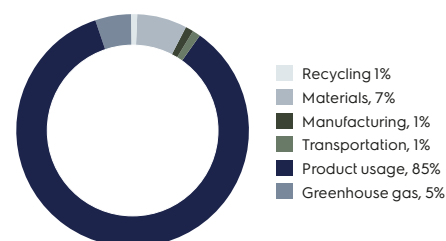
Greater resource efficiency reduces costs



Electrolux Climate Neutrality Roadmap 2050

- The overall target is a climate neutral value chain by 2050.
- Electrolux has set science-based climate targets (SBT) aligned with the 2015 Paris Climate Agreement to keep the global temperature rise below 1.5° C.
- Targets for CO₂ impact from operations (Scope 1 and 2):
 - -80% CO₂ reduction by 2025 vs. 2015. In 2022 Electrolux achieved -82%.
 - Having reached our 2025 target ahead of schedule, we are reviewing our science-based targets going forward, raising the bar on our sustainability agenda even further.
 - Climate neutral operations by 2030.
- Targets for CO₂ impact from product use (Scope 3):
 - -25% CO₂ reduction by 2025 vs. 2015. In 2022 Electrolux reached >-25%.
 - Product usage accounts for ~85% of the CO₂ climate impact of an appliance*. Therefore, product efficiency is where Electrolux can make the greatest contribution to tackling climate change.
- Majority of the re-engineering investments will contribute to achieving our science-based targets.
- The long-term incentive program for senior managers since 2020 includes a substantial climate impact reduction element.
- Read more about the progress of these targets at www.electroluxgroup.com/en/sustainability.

Product usage accounts for ~85% of the CO₂ climate impact of an appliance*



*Calculated as the average of eleven different appliances.

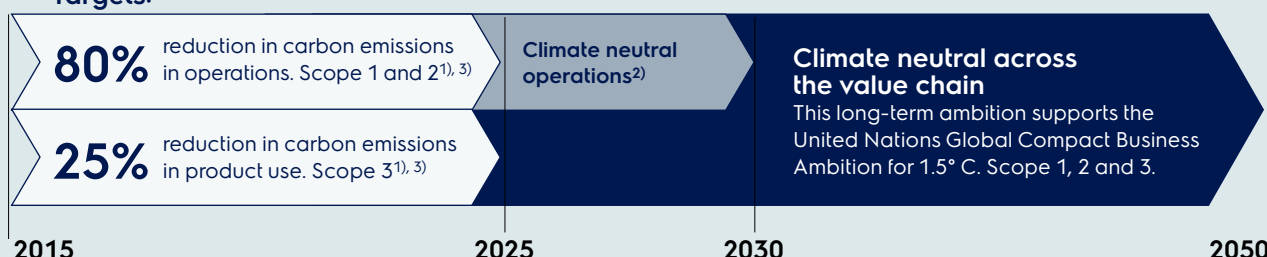
Driving corporate climate action through Science Based Targets



DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

The Electrolux climate neutrality roadmap

Targets:

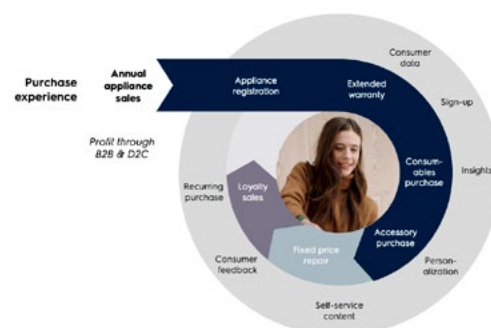
¹⁾ Science based target (SBT)²⁾ Company target (Scope 1 + 2 = 0)³⁾ Includes contributions from energy use and greenhouse gas fugitive emissions.

Driving innovationInnovative
product portfolio**Increasing efficiency**Well-established brands
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high-margin aftermarket business

Harnessing the growth opportunities in the high-margin aftermarket business

- Through an expanded market scope that goes beyond the appliance purchase by focusing on the lifetime value, we broaden our business potential and can increase consumer loyalty to our brands.
- The target is to increase the share of Group sales in the aftermarket segment to ~10% by 2025 with a long-term ambition to reach ~15% of Group sales. In 2022, aftermarket accounted for ~7% of the Group's sales, compared to ~5% in 2018.
- The aftermarket business is an important profit pool with a profit margin that is at least 4 times higher than appliance sales.
- Increased consumer interactions via aftermarket sales create valuable insights that we feed into our innovation process to further improve the appliance offering. Recurring purchases is the ultimate proof of success, benefiting both us and our retail partners.
- We are leveraging fundamental consumer trends of omnichannel presence, direct interaction with brands, and expected personalization to increase our direct consumer interactions. Through touchpoints such as product registration, direct-to-consumer sales, and connected appliances, we can establish an instant direct consumer relationship, benefiting aftermarket sales as well as brand loyalty.
- To learn more about how we are harnessing the growth opportunities within aftermarket, please look at the on-demand recording from the 2023 Capital Markets Update: www.electroluxgroup.com/cmu

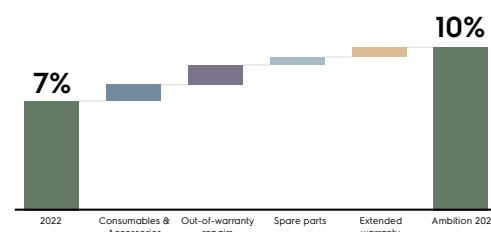
Consumer direct interactions broaden business potential and deepen consumer loyalty



Targeting four areas

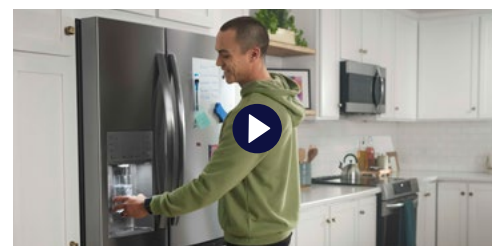
- Consumables and accessories
 - The main growth potential lies in custom-made, captive consumables and accessories for our appliances where we can leverage our branded advantages, further enhance the consumer experience, increase personalization, and ensure optimal product performance and lifespan.
 - We focus on the full product lifetime and consumer journey already in the innovation process, using our deep understanding of consumer needs and unique consumer data insights as key input.
 - Subscription services for consumables provide recurring revenue streams and make it easier to order items such as filters and dust bags.
 - In Business Area North America, the water filter business has reached an average of 10% annual sales growth over the last five years (case provided at CMU 2023). Key success factors have been raised awareness of the need to change filters regularly to ensure water quality and optimal taste, built-in reminders of when to change filter, and ensuring a smooth ordering process. In addition, a campaign highlighting the importance of genuine filters lifted the conversion rate in our D2C channel by 10%.
- Out-of-warranty repairs
 - Service and repairs provide opportunities to further enhance the consumer experience, build brand loyalty and facilitate further consumer direct interactions.
 - Closing the gap between consumer awareness of the manufacturer as a service provider and our market share provides an important growth opportunity. Key to driving increased conversion is a continuous focus on search engine optimization as well as solutions online and through call centers to guide consumers to entrust us with repairs.

Growth levers to reach the 10% ambition by 2025



Note: Figures show % of aftermarket net sales vs total Electrolux Group. 2022 is actual figure and 2025 is an ambition. Information provided at the 2023 Capital Markets Update: www.electroluxgroup.com/cmu

Consumables and accessories an integrated part of the appliance R&D process



Starting point for our innovation is understanding the consumers' needs, their pain points and how to remove friction. Already in the early R&D phase we focus on product lifetime and the consumer journey to ensure captive fit and patented solutions. Please press play and then click on the tab "Strengthen our position in the high-margin aftermarket business".

Driving innovation

Innovative
product portfolio

Increasing efficiency

Well-established brands
with a strong innovation heritage

Solid balance sheet

Strengthen our position in the
high-margin aftermarket business

- The initial focus has been on Europe with initiatives such as fixed-price repair models, resulting in a sales CAGR of ~15 % since 2018 (case provided at CMU 2023). Expanding learnings to other regions provides significant growth opportunities.
- A flexible business model for access to service technicians, based on advanced analyses of our installed base of appliances, ensures cost-efficient and high-quality deliveries.
 - In strategic markets with high population density, in-house service personnel are used predominantly.
 - To ensure coverage in the more than 120 markets where Electrolux Group sells its products, a network of dedicated independent service providers and multi-brand independent service providers is used.
- We have through acquisitions strengthened our position in service and repair in key European markets and Australia.
- Spare parts
 - Opportunities to grow the spare parts business both on the DIY market and as part of out-of-warranty repairs.
 - Using branded spare parts and highlighting the importance of genuine parts to the consumers boost growth and profitability potential.
 - Understanding the consumers' considerations in a repair situation is our base for optimal value-based pricing of spare parts to drive profitable growth.
 - Modularization is a key lever for agility and profitability while meeting rapidly evolving regulations.
- Extended Warranty
 - More frequent consumer direct interaction opens possibilities to present our offerings to consumers and grow our penetration rate of extended warranty. Main points of contact include D2C sales, product registration, and usage of our repair services.
 - Subscription solutions increase conversion rates by lowering barriers to purchase, illustrated by high growth in two subscription-based offerings available in Europe since 2021:
 - Care: an all-inclusive monthly subscription that consumers can cancel at any time. It protects from all faults and damages and the appliance is replaced if not repairable.
 - Repair & Care: an initial repair at a fixed price paid in 12 monthly installments, followed by the Care offering.

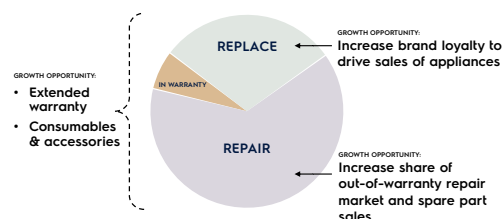
Aftermarket growth opportunities

Chart shows the market split of appliance breakdowns during a year.

Key strengths to leverage the aftermarket

- An installed base of ~350 million major appliances offers a large potential for aftermarket sales.
- Deep consumer insights and strong expertise in appliances to develop tailored offerings for consumables and accessories as well as for service, repairs and extended warranty solutions.
- Focus on lifetime value and complete consumer journey already in the innovation phase.
- Well-established brands with high brand recognition.

Large installed base of major appliances world wide

Driving innovation

Increasing efficiency

Solid balance sheet

Strong track-record of delivering cost reductions

Modularization and automation

Global presence and deep local understanding

Digital integration

Increasing efficiency through digitalization, automation and modularization

Strong cost focus

- Modularization, automation and strategic sourcing are key to drive profitable growth through cost competitive products with best-in-class product design and quality (see section "Modularization and automation").
- In addition, continuous cost improvements are an important part of our strategy - achieved by improving cost structures and developing methods, processes and skills.
- The track record is strong with an annual average reduction of -3% in variable product cost 2016-2021.
- We are accelerating structural cost reductions and execution of product cost measures to restore margins given the continued weak consumer demand and competitive pressure in the market. As communicated in October 2023, the cost reduction target for 2024 vs 2022 is SEK 10-11bn. In addition to these targeted cost savings, we aim to continue to annually reduce product cost at a similar rate as during the period 2023-2024.
- Electrolux manages working capital to release resources that can be invested in growth activities.
- High share of variable costs - about 70% of the Group's total cost base.

Focus areas to increase efficiency and drive profitable growth

		Cost	Growth
Modularization	PREMIUM	■	■
	MASS	■	■
Strategic sourcing	FINISHED GOODS	■	■
	PARTS	■	
Automation and digitalization of operations		■	
Continuous improvement		■	
Quality		■	■

The illustration shows which areas that will primarily drive cost efficiency but also contribute to profitable growth.

High degree of variable costs

SEKbn	2022
Net sales	135
Direct material	-58
Sourced products	-15
Other variable costs	-25
Operational structural cost	-26
Innovation and marketing structural cost	-10
EBIT excl. non-recurring items	0.8
Variable cost	-70%
Structural cost	-30%

Variable costs: Direct material incl. raw material and components. Sourced products incl. small appliances, vacuum cleaners, air conditioners, microwaves, etc. Other variable costs incl. direct labor and other variable production costs as well as costs for warranty and logistics.

Structural costs: Operational structural costs incl. all fixed factory and warehousing costs, depreciation and administration. Innovation & marketing structural costs.

Driving innovation

Strong track-record of delivering cost reductions

Modularization and automation
Increasing efficiency

Global presence and deep local understanding

Solid balance sheet

Digital integration

SEK 8bn re-engineering initiative

- SEK 8bn committed to investments in modularization and automation in the Americas and Europe.
 - The Curitiba, Sao Carlos and Anderson factories are ramped up.
 - The Springfield and Susegana factories are currently in a ramp-up phase.
- The re-engineering investments are vital to drive profitable growth through strengthened cost competitiveness and improved mix.
 - Key benefits include increased operational efficiency and flexibility, strengthened production cost competitiveness, increased innovation speed to market as well as a sharpened product offering through design and quality.
 - Modularization will continue to be key once the SEK 8bn re-engineering initiative is complete.
- Earnings benefit from the re-engineering initiative will mainly be realized in North America related to the investments in Anderson and Springfield.
 - Cost savings are mainly driven by direct material savings and improved labor productivity.
 - Mix improvements are driven by increased share of new premium products produced compared to before the investments.
- The cost savings from the re-engineering initiative are included in the total cost savings from the Group-wide cost reduction and North America turnaround program. Total net cost reduction from the program is estimated to be SEK 10-11bn in 2024 vs 2022.
- The re-engineering initiative will also realize significant sustainability benefits such as improved energy efficiency and safer working environment.
- Read about how our investments in the Sao Carlos cooking facility in Brazil have resulted in a sharper product offering, which is gaining market shares in attractive categories, while at the same time being produced in a more cost and resource efficient way, at www.electroluxgroup.com/attractive-ovens-Sao-Carlos/

Executing on our global re-engineering investments



Automation and modularization strengthens competitiveness

Modularized products

- Improve product cost
- Improve product design and quality
- Increase innovation speed

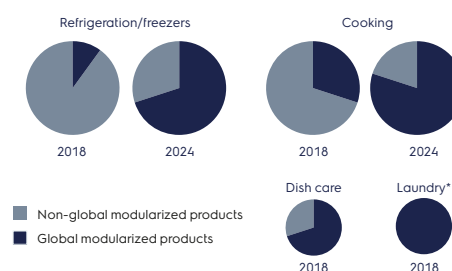
Automated production

- Increase productivity, faster and leaner execution
- Continue cost efficiencies
- Improve quality and safety

Modularization and automation are key to drive profitable growth

- Cost competitive, high-quality products are vital to drive profitable growth.
- The SEK 8bn re-engineering investment initiative significantly increases the use of global modularized products for refrigerators/freezers and cooking products.
- Benefits from modularized products in automated production include:
 - Sharpened offering with more relevant features at lower costs.
 - Increased speed of innovation by leveraging and accelerating global technologies.
 - Improved product design – using modularized bases makes it easier and more efficient to apply updated designs.
 - Best-in-class product design and quality.
- Read about how the many benefits of the modular approach make us strengthen our market position in the attractive multi-door refrigerator category at www.electroluxgroup.com/the-many-benefits-modular-multi-door-fridges/

Significantly leverage our global scale and technology deployment through global modularized products



Note: graphs show % of volume using global modules over total in-house production volume. Global modularized products are used in more than one product and in more than one region. The SEK 8bn re-engineering initiative was launched in 2018. *Front-load laundry

Driving innovation

Strong track-record of delivering cost reductions

Modularization and automation

Increasing efficiency

Global presence and deep local understanding

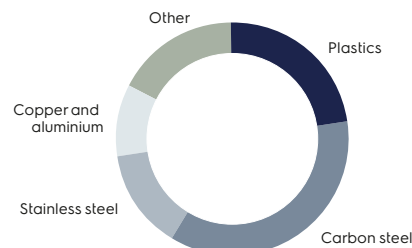
Solid balance sheet

Digital integration

Leveraging global scale in strategic sourcing

- Strategic sourcing is the single most important initiative to reduce product costs.
- We are accelerating product cost savings by increasing sourcing from low-cost countries as well as by continuing to consolidate our supplier base and number of components by further leveraging our modularized product platforms.
- In 2022, Electrolux purchased raw materials and components for SEK ~54bn, of which SEK ~26bn referred to raw materials.
- The global purchasing function coordinates and administers the vast majority of all direct material purchasing.
- By increasingly introducing modularized products, the Group's global scale can be leveraged in terms of procurement and R&D.
 - Enables both fixed and variable cost reductions.
 - Increases flexibility by allowing the customization of products using a limited number of standardized modules.
 - Increases economies of scale in the sourcing of components.
- The Electrolux Responsible Sourcing program supports a global effort to make the right decisions on suppliers and promote the sustainability performance of the supply base.
- A global credit insurance program is in place for many countries to reduce credit risk. Electrolux offers its suppliers the opportunity to utilize supplier finance.

Raw material exposure 2022



Sensitivity analysis, year-end 2022

Raw materials	Change +/-	Pre-tax earnings impact +/-, SEK M
Stainless steel	10%	400
Carbon steel	10%	900
Plastics	10%	600

Changes in raw materials refer to Electrolux prices and contracts, which may differ from market prices. The figures in the sensitivity table are rounded.

Combining global benefits with deep local understanding

- Being global with a local presence and knowledge of each regional market means better adapting to changing consumer demands and sustainability related requirements.
- Three well-established brands – AEG, Electrolux and Frigidaire – serve different regions and market segments.
- While local understanding is a strength, the benefits of being global are equally important. This as scale in technology deployment and sourcing are key to ensure competitiveness both in terms of innovation and costs.

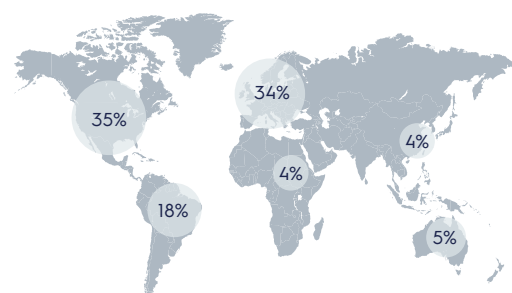
The Frigidaire consumer represents middle American core families with family life and friends in focus



Improving stability and mitigating against financial fluctuations

- Global presence makes Electrolux less sensitive to macroeconomics in specific market regions. This helps to smooth out seasonality and fluctuations in economic cycles - to mitigate against financial performance fluctuations.
- The Group's global presence, with manufacturing and sales in a number of countries, offsets exchange rate effects to a certain degree.
 - The principal exchange rate effect arises from transaction flows - when purchasing and/or production is carried out in one currency and sales occur in another currency.
 - The major currencies for the Electrolux Group are the USD, EUR, CAD, GBP, CHF, BRL and AUD.
 - Read more about Electrolux currency exposure www.electroluxgroup.com/en/currency-exposure/

Sales by region, 2022



Driving innovation

Strong track-record of delivering cost reductions

Modularization and automation

Increasing efficiency

Global presence and deep local understanding

Solid balance sheet

Digital integration

Digitally integrated supply chain and manufacturing

- Digitalization helps drive improved productivity and flexibility in Electrolux operations through:
 - Improved visibility and planning.
 - Installing a digitally managed environment within factories that monitors operational information in real-time.
- Speed and accuracy are what customers' and consumers' expect, and are even more important as online sales grow.
- Electrolux is transforming from a traditional manufacturing efficiency & push approach to demand & service driven supply chain model.
 - Control tower concept allows us to get an end-to-end view of the supply chain.
 - Data driven decision making based on transparent processes and globally aligned data.
 - Agile ways of working support the digital transformation of our operations.
 - Nurturing a digital innovation culture.

Digitalization optimizes supply chain including managing inventory levels



Solid balance sheet facilitates profitable growth

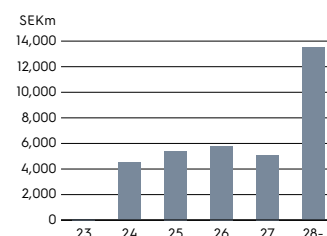
Solid financial position

- Solid liquidity of SEK 33.7bn, including revolving credit facilities as of the end of September 2023
 - For information on unused credit facilities, see latest interim report under Financial position.
- Well-balanced maturity profile
 - No financial covenants in any loan agreements.
 - For latest net debt information, see Net debt at www.electroluxgroup.com/net-debt/
- The Board's objective is to maintain a solid investment grade rating, as defined by leading rating institutes, meaning that over time the Group's net debt should not exceed two (2) times EBITDA.
 - Since net debt/EBITDA currently is well above target level, the focus is to generate cash flow and improve earnings. In October 2023, an increase of the cost reduction targets was announced. Read more at www.electroluxgroup.com/PR-cost-reductions-organizational-simplification/
 - Investment-grade rating from S&P Global Ratings of BBB with stable outlook. (December 2023)
- Sustainable financing
 - Green bonds outstanding of SEK 6bn. (Feb 2023)
 - Sustainability-linked revolving credit facility contracted in 2021.
 - USD 282m loan with European Investment Bank.
 - Focusing on industrial and R&D projects, which have significant potential to enable Electrolux to reduce its climate impact.

Capital allocation

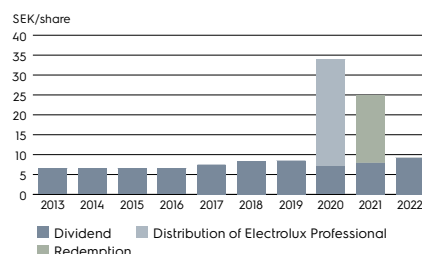
- The Group's goal is for the dividend to correspond to approximately 50% of the annual income.
- In July 2021, the Board decided to distribute a larger part of the value created to the shareholders after a review of the Group's capital structure. Read more on www.electroluxgroup.com/PR_capital_structure
 - Automatic share redemption of SEK 17 per share in 2021.
 - Share buybacks executed in 2021 and 2022. Read more on www.electroluxgroup.com/en/share-buybacks/
- Electrolux has a long history of successful spin-offs, e.g. Autoliv, Husqvarna, and Electrolux Professional, by distributing the shares to Electrolux shareholders and listing them on the stock exchange.

Long-term borrowings, by maturity



As per September 30, 2023

Distribution to shareholders



Distribution to shareholders paid in the year.

Note: In 2021 and 2022 Electrolux repurchased own shares of series B for the total amount of SEK 894m and SEK 2,138m, respectively. In accordance with the Board's proposal, the 2023 Annual General Meeting resolved to not distribute any dividend for the fiscal year 2022.

Summary 2022

The business environment in 2022 was highly challenging. Market demand declined in most of Electrolux main markets as high general inflation, increased interest rates, and geopolitical tensions had a negative impact on consumer demand. Lower sales volumes resulted in an organic sales decline for Electrolux by 2.8%. The volume decline was coupled with severely elevated cost levels in the North American operations from production inefficiencies, partly triggered by supply chain constraints. This resulted in a significant earnings drop and the operating margin amounted to 0.6%, excluding non-recurring items, compared to 6.0% last year. To address the challenges, a Group-wide cost reduction and North America turnaround program was initiated.

The net price realization was strong across all regions, despite promotional activity returning to normal levels towards the end of 2022 compared to low levels throughout 2021. Price fully offset significant cost inflation, primarily in raw material and logistics.

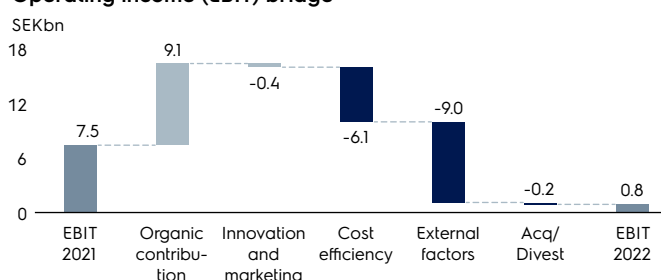
2022 was an intensive product launch year across regions, partly enabled by the ongoing investment initiatives in modularized product platforms. Through an attractive product offering delivered under well-established brands, Electrolux continued to generate a positive product mix, even in the challenging demand environment with reduced consumer purchasing power in many markets. Aftermarket sales increased slightly, remaining at 7% of total sales for the year.

Supply chain constraints and irregular supply caused significantly elevated cost levels due to production inefficiencies subsequent to low planning visibility as well as increased use of spot buys and air freight. Measures under the Group-wide cost reduction and North America turnaround program to return to stability and increase profitability were initiated towards the end of the year. However, the high inventory of products produced before the measures were implemented, resulted in a delayed earnings impact. Investments in innovation and marketing increased to support product launches and further develop capabilities for consumer direct interaction, while discretionary spending was reduced following the weak market environment.

CO₂ emissions

The ambition is to achieve climate neutrality by 2050. An important step is the Science Based Targets set for 2025. The Group achieved its combined Scope 1 and 2 Science Based Target of 80% reduction in CO₂ emissions for operations by reaching 82% in 2022, compared to 78% in 2021. One of the main reasons is the increased use of electricity from renewable sources. The Scope 3 target of 25% reduction in CO₂ emissions, covering use of sold products, reached beyond 25% reduction in emissions in 2022. The year-over-year decrease in sales volumes impacted the Scope 3 result positively in 2022, however the target was achieved also without considering the decline in volumes.

Operating income (EBIT) bridge¹⁾



¹⁾ Excluding non-recurring items, all numbers are rounded.

CO₂ emissions

Scope 1 and 2

82%

reduction compared to 2015

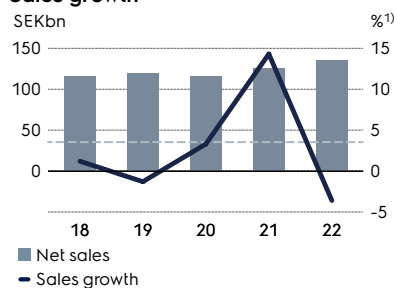
Scope 3

>25%

reduction compared to 2015

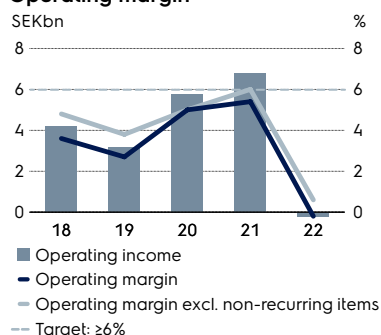
Electrolux has set two Science Based Targets for 2025 compared to 2015. The first target is 80% reduction in carbon emissions in operations i.e. Scope 1 (direct emissions) and Scope 2 (indirect emissions). The second target is 25% reduction in carbon emissions in product use i.e. Scope 3 (indirect emissions).

Sales growth

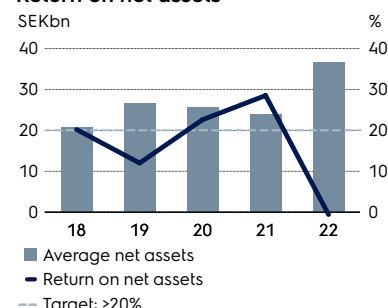


¹⁾ Total sales growth excluding currency translation effects.

Operating margin



Return on net assets



Note: Financial targets are over a business cycle.



How we create value: www.electroluxgroup.com/ir/create-value