



Q4 Results
2021 **presentation**

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Full year 2021



Meeting or exceeding all financial targets

Organic sales growth of 14.2%

- Attractive product and brand offering
- Growth in aftermarket sales
- Strengthened D2C platform
- Strong price execution
- Supply constraints limiting product availability

EBIT and margin increase across business areas

Cash distribution of SEK 25 per share

Dividend proposal of SEK 9.20 per share, cancellation of shares and renewed mandate for buybacks

SEKm	FY 2021	FY 2020	Change
Net sales	125,631	115,960	8.3%
Organic growth	14.2%	3.2%	
Acquisitions	0.2%	0.1%	
Currency	-6.0%	-5.8%	
EBIT	6,801	5,778	
Margin	5.4%	5.0%	
EBIT excl. NRI	7,528	5,778	30.3%
Margin excl. NRI	6.0%	5.0%	
EPS, SEK	16.31	13.88	31.1%
Operating cash flow	3,200	8,552	
DPS*, SEK	9.20	8.00	



Q4 Highlights

Strong price and positive mix

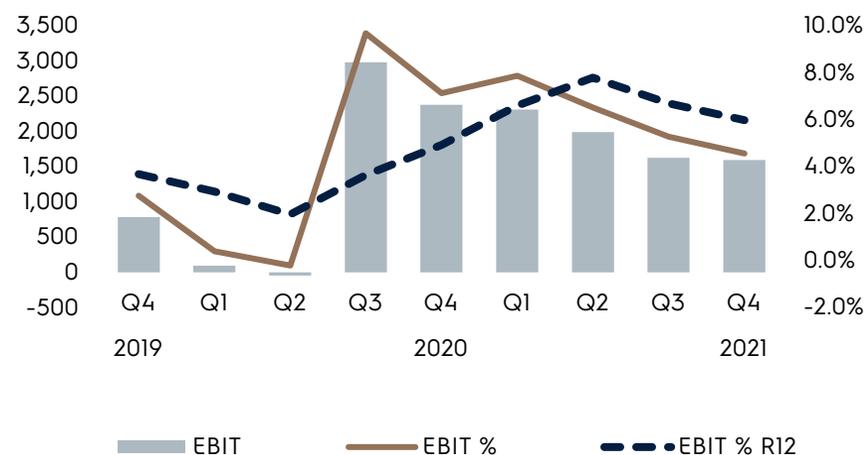
- Demand declined though still above pre-pandemic levels
- Continued strong price execution
- Positive mix development
- Supply chain constraints negatively impacting volume and mix

Price offset significant cost inflation

- Strong contribution from price
- Continued challenging supply chain, resulting in additional costs and production inefficiencies

SEKm	Q4 2021	Q4 2020	Change
Net sales	35,372	33,902	4.3%
Organic growth	4.8%	17.5%	-12.6pts
Acquisitions	0.1%	0.2%	-0.2pts
Currency	-0.6%	-11.8%	11.2pts
EBIT	882	2,498	-64.7%
Margin	2.5%	7.4%	-4.9pts
EBIT excl. NRI	1,609	2,498	-35.6%
EBIT margin excl. NRI	4.5%	7.4%	-2.8pts

EBIT and margin*



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



Sales and EBIT Bridge



SEKm	Q4 2020	Volume/ price/mix	Innovation/ marketing ¹	Cost efficiency ²	External factors ³	Acq/Divest.	Q4 2021
Net Sales	33,902	1 649			-204	25	35,372
Growth %		4.8%			-0.6%	0.1%	4.3%
EBIT excl NRI ⁴	2,498	1,843	-82	-821	-1,822	-8	1,609
EBIT excl NRI %	7.4%						4.5%
Accretion/ Dilution		4.8 pts	-0.2 pts	-2.3 pts	-5.1 pts	0.0 pts	

¹ Investments in consumer experience innovation and marketing, comprise of costs for R&D, marketing/brand, connectivity, CRM, aftermarket sales capability etc.

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

³ Comprise of raw material costs, trade tariffs as well as direct and indirect currency impact and labor cost inflation >2%. Currency translation amounted to SEK -115m on EBIT and -0.6% on net sales.

⁴ EBIT in Q4 2021 excludes a non-recurring cost of SEK -727m, relating to an arbitration in a U.S. tariff case.

Sales and EBIT Bridge full year



SEKm	2020	Volume/ price/mix	Innovation/ marketing ¹	Cost efficiency ²	External factors ³	Acq/Divest.	2021
Net Sales	115,960	15,622			-6,135	183	125,631
Growth %		14.2%			-6.1%	0.2%	8.3%
EBIT excl NRI ⁴	5,778	8,569	-1,279	-1,048	-4,460	-32	7,528
EBIT excl NRI %	5.0%						6.0%
Accretion/ Dilution		5.9 pts	-1.0 pts	-0.8 pts	-3.1 pts	-0.0 pts	

¹ Investments in consumer experience innovation and marketing, comprise of costs for R&D, marketing/brand, connectivity, CRM, aftermarket sales capability etc.

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

³ Comprise of raw material costs, trade tariffs as well as direct and indirect currency impact and labor cost inflation >2%. Currency translation amounted to SEK -363m on EBIT and -6.0% on net sales.

⁴ EBIT in 2021 excludes a non-recurring cost of SEK -727m, relating to an arbitration in a U.S. tariff case.

Earnings contribution from price/mix



Business Area	Q4	FY	Comments for Q4
Europe	Positive	Positive	Strong price, flat mix
North America	Positive	Positive	Strong price, slightly positive mix
Latin America	Positive	Positive	Strong price, slightly positive mix
Asia-Pacific, Middle East and Africa	Positive	Positive	Strong price and mix
Group EBIT % accretion	6.2%	5.6%	

Driving sustainable consumer experience innovation



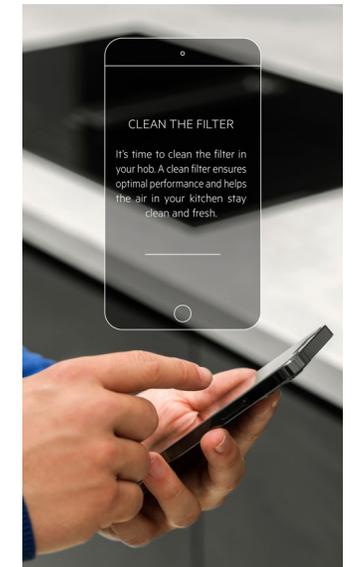
Leveraging the Swedish heritage

- 'Swedish thinking. Better living.' launched in 2019 in Australia
- Premium range across complete home offering
- Base for further emphasizing sustainability
- Electrolux branded sales in Australia with CAGR 6% and EBIT CAGR of 27% (2018-2021)



First in-house extractor hobs launched in Europe

- Kitchen planning freedom and cooking flexibility
- Connected experience for filter maintenance and remote fan control
- Easy installation



Operating Cash Flow



SEKm	Q4 2021	Q4 2020	FY 2021	FY 2020
EBIT	882	2,498	6,801	5,778
D/A and other non-cash items	1,798	1,163	5,384	5,029
Change in operating assets and liabilities	1,546	3,677	-3,175	2,852
Investments in intangible and tangible assets	-2,284	-2,026	-6,043	-5,338
Changes in other investments	161	52	233	230
Cash flow after investments*	2,103	5,364	3,200	8,552

*Before acquisitions and divestments

Europe

Price driving growth

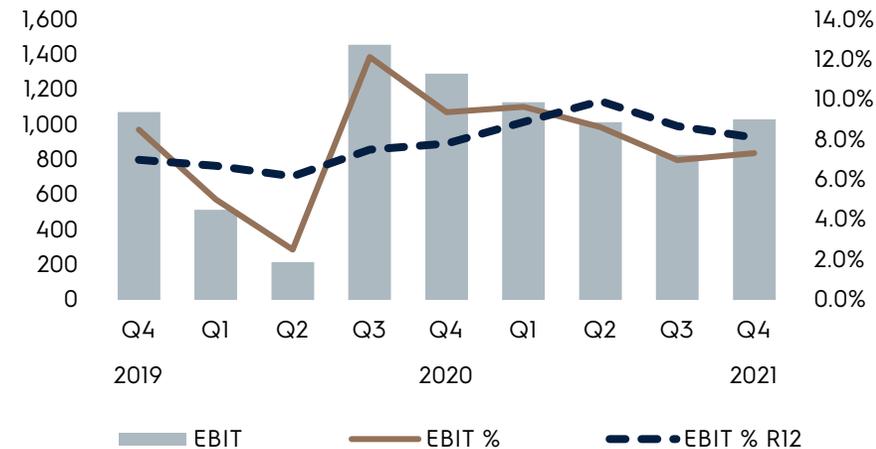
- List price increases
- Volume decline and flat mix; strong market demand LY and supply constraints
- Further improved consumer star ratings
- Aftermarket sales growth

EBIT decline vs strong LY

- Price offset most cost inflation
- New list price increases announced
- Large additional cost for spot buys and air freight

SEKm	Q4 2021	Q4 2020	Change
Net sales	14,122	13,925	1.4%
Organic growth	1.9%	9.3%	-7.4pts
Acquisitions	0.2%	0.0%	0.2pts
Currency	-0.7%	-5.0%	4.3pts
EBIT	1,034	1,319	-21.6%
Margin	7.3%	9.5%	-2.2pts

EBIT and margin*

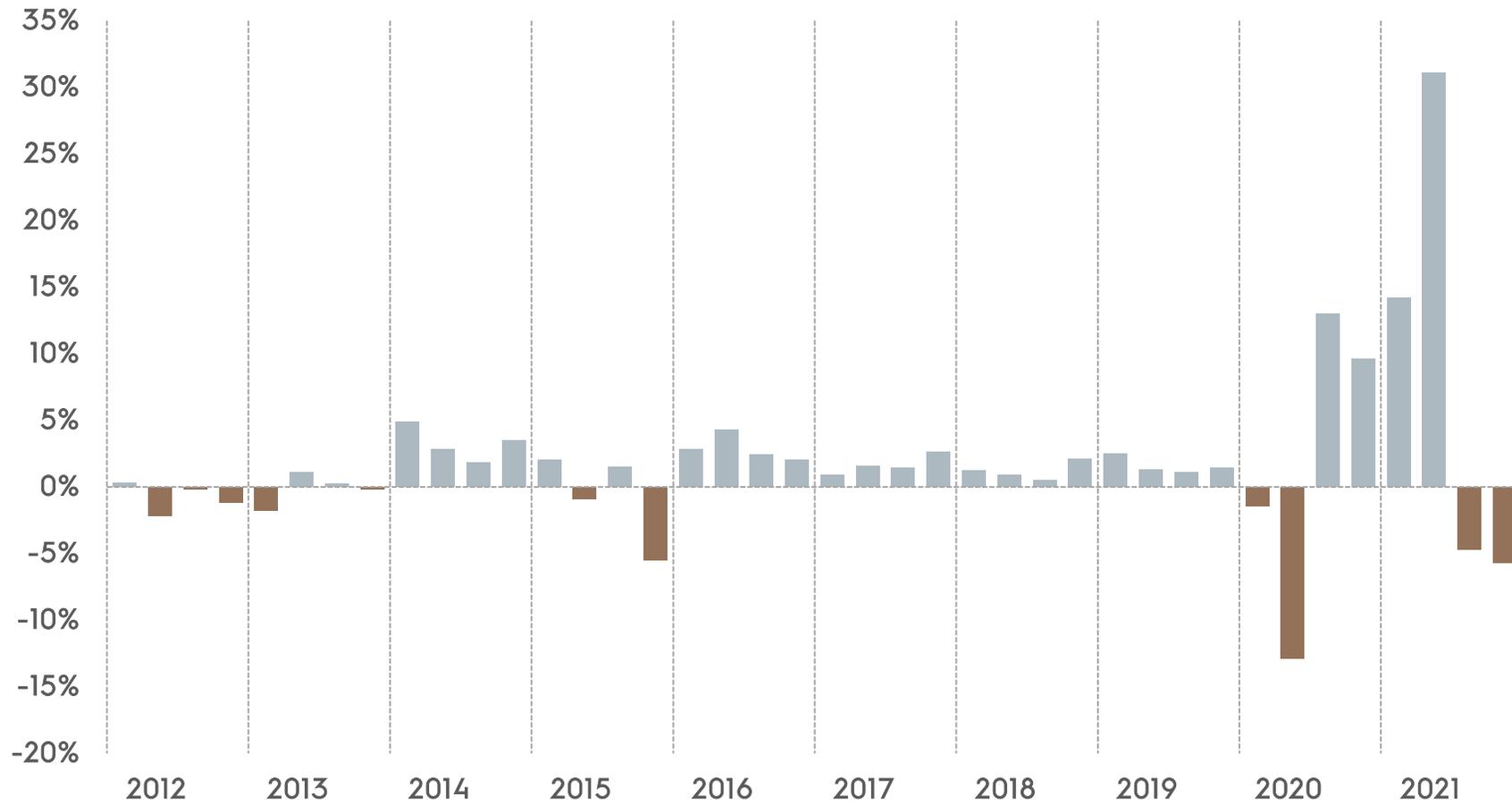


*Excluding non-recurring items (NRI) and currency adjusted.



European Core Appliances Market

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



Source: Electrolux estimates



North America

Organic growth

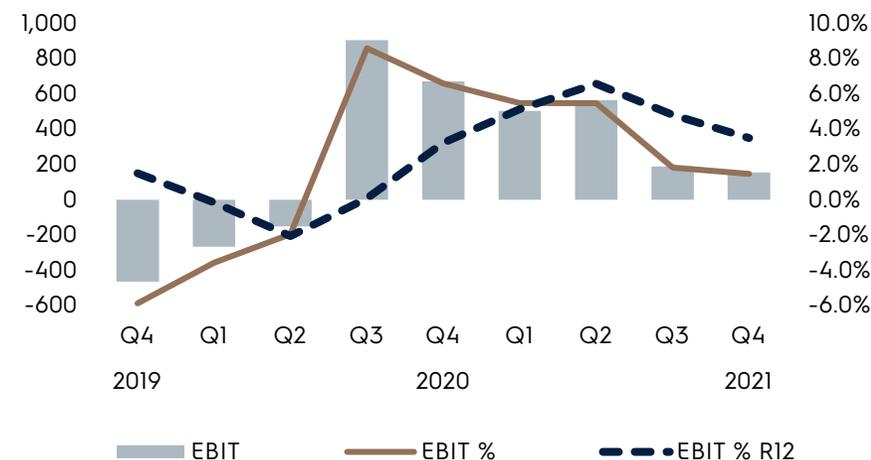
- Strong price execution
- Supply constraints particularly impacting premium products
- Further price increases announced

EBIT impacted by supply chain constraints

- Price offset significant cost inflation
- High costs for spot buys and airfreight
- Production inefficiency due to limited planning visibility
- High absenteeism linked to coronavirus
- Legacy Anderson factory closed
- EBIT included a non-recurring cost of SEK 727m, relating to an arbitration in a U.S. tariff case

SEKm	Q4 2021	Q4 2020	Change
Net sales	10,955	10,281	6.6%
Organic growth	4.4%	29.2%	-24.9pts
Currency	2.2%	-11.3%	13.5pts
EBIT	-559	697	N/A
Margin	-5.1%	6.8%	-11.9pts
EBIT excl. NRI	168	697	N/A
EBIT margin excl. NRI	1.5%	6.8%	-5.2pts

EBIT and margin*



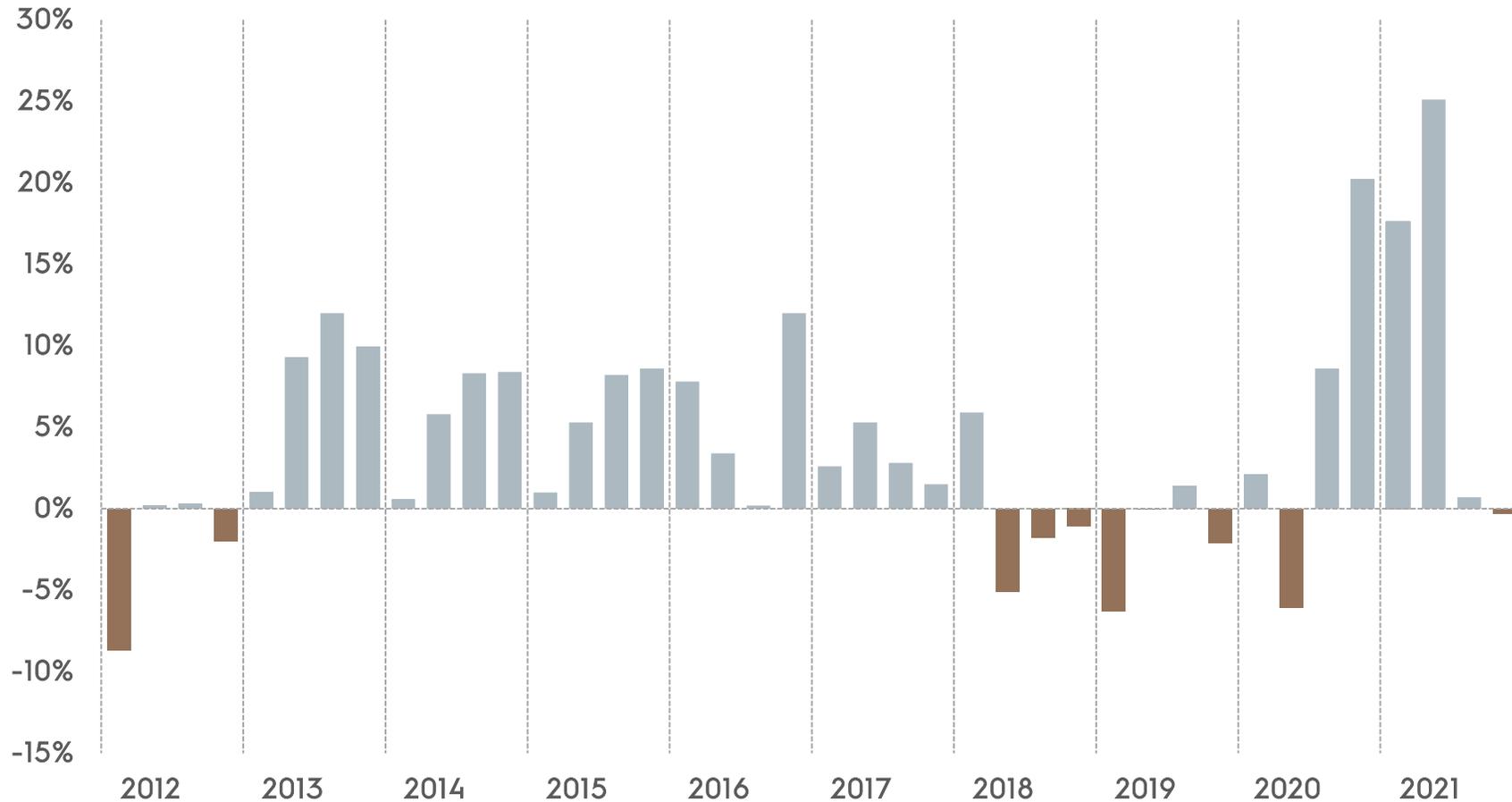
*Excluding non-recurring items (NRI) and currency adjusted.



U.S. Core Appliances Market



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



*Source: Based on the AHAM Factory Shipment Report. Q4 2021 is comparison of weeks between October 3 - December 31, 2021 vs October 4 - December 31, 2020. Consistent to historical methodology. Core appliances includes AHAM 6 (Washers, Dryers, Dishwashers, Refrigerators, Freezers, Ranges and Ovens) and Cooktops.



Latin America

Price increases in weakening markets

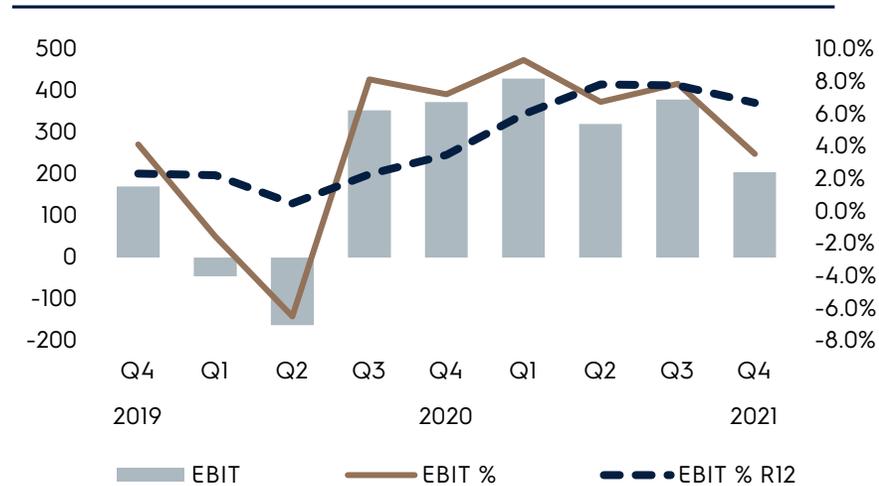
- Volume and mix impacted by weaker consumer demand in Brazil
- Strong price execution

EBIT impacted by supply constraints

- Price fully offset cost inflation
- Additional supply chain related cost impacted earnings negatively
- Brand strengthening investments and marketing increased

SEKm	Q4 2021	Q4 2020	Change
Net sales	5,750	5,488	4.8%
Organic growth	11.9%	25.4%	-13.5pts
Currency	-7.1%	-32.6%	25.5pts
EBIT	200	424	-52.9%
Margin	3.5%	7.7%	-4.3pts

EBIT and margin*



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



Asia-Pacific, Middle East and Africa

Profitable growth

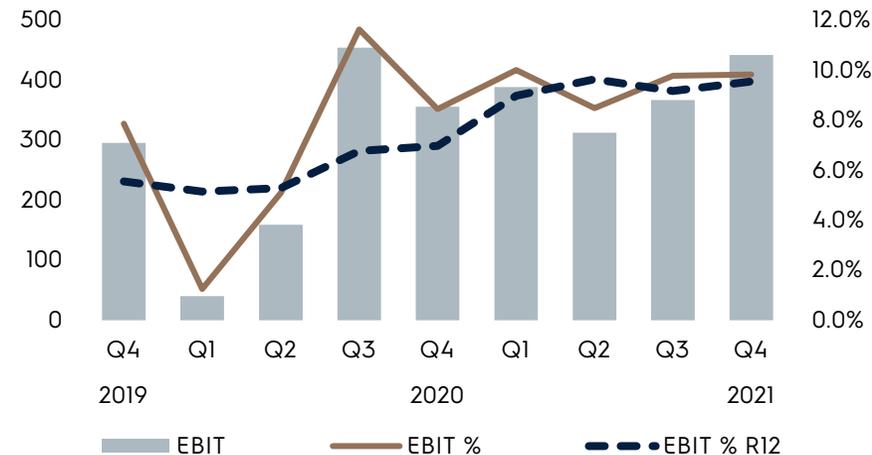
- Further improved mix
- Positive price
- Increased market demand as restrictions eased

EBIT and margin increase

- Strong mix contribution in most regions
- Continuous cost improvements
- Price not fully offsetting significant cost inflation and currency headwinds
- New list price increases being implemented in the first quarter

SEKm	Q4 2021	Q4 2020	Change
Net sales	4,545	4,209	8.0%
Organic growth	6.7%	9.7%	-3.1pts
Acquisitions	0.0%	1.8%	-1.8pts
Currency	1.3%	-7.0%	8.3pts
EBIT	445	376	18.2%
Margin	9.8%	8.9%	0.8pts

EBIT and margin*



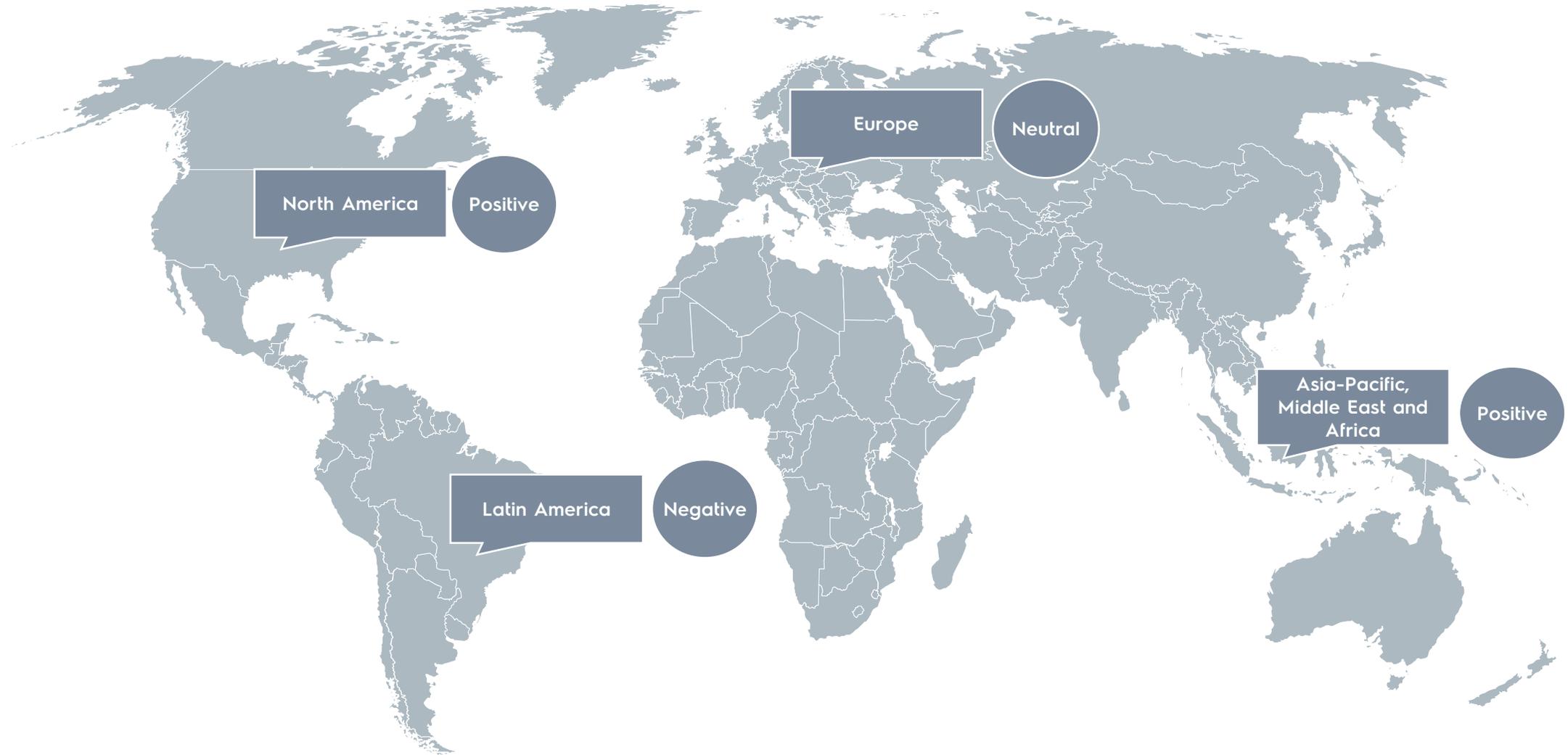
*Excluding non-recurring items (NRI) and currency adjusted.





Outlook and summary

Market outlook FY 2022 per region



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

Electrolux business outlook



Business Outlook ¹ y-o-y	FY 2022	Comments
Volume/price/mix	Volume/mix - positive	Increased sales of innovative high margin products and aftermarket solutions.
	Price – offsetting cost inflation ²	Price offset cost inflation, mainly in raw material, logistics and electronic components, and currency headwinds.
Investments in consumer experience innovation and marketing ³	Negative	Higher investments in innovation, marketing and digitalization of consumer interaction.
Cost efficiency ⁴	Negative	Significant benefits from re-engineering programs more than offset by cost inflation in logistics and components.
External factors ⁵	Negative SEK 6-9bn	Primarily from raw material costs.
Capex	SEK ~8bn	

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

² Cost inflation comprise of “External factors” and cost inflation in electronic components and logistics. The two latter are included in “Cost efficiency”.

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

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

⁵ Comprise of raw material costs, trade tariffs as well as direct and indirect currency impact and labor cost inflation >2%. Currency translation effects are estimated to impact 2022 net sales by +4% and operating income by SEK +200m.

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

Well positioned to create value

Financial targets for profitable growth*

OPERATING
MARGIN

≥6%

RONA**

>20%

SALES
GROWTH

≥4%



Driving sustainable
consumer experience
innovation



Increasing efficiency
through digitalization,
automation and
modularization

Solid balance sheet facilitates
profitable growth

Strategic drivers executed in Q4:

- Strong execution on price
- Mix improvements despite supply chain constraints
- Strong product range, with significant launches currently ramping up
- Started ramp-up in 3 additional factories in the re-engineering program

* Financial targets are over a business cycle

** Return on net assets

Factors affecting forward-looking statements



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



Q & A

Well positioned to create value

Financial targets for profitable growth*



Strategic drivers executed in 2021:

- Mix improvement through attractive product and brand offering
- Aftermarket sales growth
- Strengthened D2C platform
- Strong execution on price
- Increasing operational efficiency through the re-engineering program



Driving sustainable consumer experience innovation



Increasing efficiency through digitalization, automation and modularization

Solid balance sheet facilitates profitable growth

* Financial targets are over a business cycle

** Return on net assets



Electrolux