Q3 2022

Weak North America and strength in emerging markets

- Net sales increased to SEK 35,244m (30,929), corresponding to an organic sales growth of 1.2%. Strong price execution and mix improvements were partly offset by significantly lower volumes driven by weaker market demand.
- Operating income amounted to SEK -385m (1,639), corresponding to a margin of -1.1% (5.3).
- Operating income includes a negative non-recurring item of SEK 350m, related to the exit from the Russian market, impacting business area Europe. Excluding this non-recurring item, operating income amounted to SEK -35m, corresponding to a margin of -0.1% (5.3). In addition to the weaker market environment, supply chain imbalances resulted in a significantly elevated cost level, mainly in business area North America that reported a loss of SEK 1.2bn.
- A Group-wide cost reduction and North America turnaround program was initiated in the quarter and is expected to have a SEK 4-5bn positive earnings contribution in 2023. The program is expected to lead to a restructuring charge of SEK 1.2-1.5bn in the fourth quarter of 2022.
- Income for the period amounted to SEK -605m (1,143) and earnings per share were SEK -2.23 (3.98).
- Operating cash flow after investments was SEK -1,483m (-198), mainly a result of the reported loss.

Financial overview

SEKM	Q3 2022	Q3 2021	Change, %	Nine months 2022	Nine months 2021	Change, %
Net sales	35,244	30,929	14	99,111	90,258	10
Sales growth, %[1]	0.4	-0.0		-0.9	18.5	
Organic growth, %	1.2	-0.3		-0.7	18.2	
Acquisitions,%	-	0.2		0.1	0.2	
Divestments, %	-0.8	-		-0.3	-	
Changes in exchange rates, %	13.5	-3.3		10.7	-8.5	
Operating income[2]	-385	1,639	n.m.	1,749	5,919	-70
Operating margin, %	-1.1	5.3		1.8	6.6	
Income after financial items	-786	1,513	n.m.	802	5,555	-86
Income for the period	-605	1,143	n.m.	602	4,082	-85
Earnings per share, SEK[3]	-2.23	3.98	n.m.	2.18	14.20	-85
Return on net assets, %	-	-		6.5	34.3	
Operating cash flow after investments	-1,483	-198		-6,360	1,097	

[1] Changes in net sales adjusted for currency translation effects.
[2] Operating income in the third quarter of 2022 includes a non-recurring item of SEK -350m, related to the exit from the Russian market, impacting business area Europe. In first nine months non-recurring items amounted to SEK 306m. Excluding these non-recurring items, operating income in the first nine months of 2022 amounted to SEK 1,443m, corresponding to a margin of 1.5% (6.6), see pages 13 and 20.
[3] Basic
For definitions, see pages 27-28. Note: n.m. (not meaningful) is used when the calculated number is considered not relevant.

Electrolux

President and CEO Jonas Samuelson's comment

In the third quarter, the weaker market environment in combination with supply chain imbalances resulted in significantly lower volumes and operational inefficiencies that led to breakeven earnings, excluding the one-time cost to exit the Russian market. Price once again offset significant cost inflation, predominantly in raw materials and logistics. The year-over-year earnings decline was primarily driven by business area North America, that reported a substantial loss, but also by our European operations. Both of our other business areas, Latin America and Asia-Pacific, Middle East and Africa, increased earnings through successful product launch execution and good cost management.

High general inflation and low consumer confidence resulted in market demand declining in the quarter with the exception of Asia-Pacific, Middle East and Africa, where demand was solid. In Europe and the U.S., deteriorating consumer sentiment resulted in an accelerated demand decrease compared with the second quarter. The impact of the slowdown in consumer demand was further amplified by high retailer inventory levels. Consumer sentiment is also next year assessed to be negatively impacted by inflation and higher interest rates. Hence, market demand in both Europe and North America for the full-year of 2023 is expected to further deteriorate, i.e. be negative year-over-year.

Against this background, a Group-wide cost reduction and North America turnaround program was initiated in the quarter. We are also reviewing our production capacity needs given current market situation.

Cost reduction and North America turnaround program

The program is for the full-year of 2023 expected to result in a positive year-over-year earnings contribution of SEK 4-5bn from both Cost efficiency and reduced Investments in innovation and marketing. The activities implemented under the program will gradually contribute to earnings over the course of 2023 and into 2024. Total cost reduction from the program is estimated to be in excess of SEK 7bn. The majority of the targeted cost savings will be realized in business area North America. The program is expected to lead to a restructuring charge in the fourth quarter of 2022 in the range of SEK 1.2-1.5bn, which will be reported as a non-recurring item. 3,500-4,000 positions will be affected by the program. For the sake of clarity, the cost reduction from the program includes and replaces the previously communicated benefits from the SEK 8bn global re-engineering investments.

The Group-wide cost reduction element of the program will primarily focus on three areas.

One area is to eliminate cost inefficiencies in our supply chain and production by adapting sales and production plans to what can be supplied in a stable manner and to right-size the workforce in our factories.

Another area is to leverage the organizational changes which took effect on July 1 this year. Through these changes, we have created stronger global organizations for operations, sales, admin, R&D and IT, which is also enabling efficiency gains.

Finally, we are optimizing our R&D and marketing investments. This includes leveraging recent global investment programs in R&D and prioritizing the highest ROI-opportunities as well as centralizing marketing and brand building activities.

Regarding business area North America, I am obviously very disappointed with our performance. The production transformation with the two new facilities Anderson and Springfield including several new product platforms, in combination with the particularly challenging supply chain conditions, require additional measures to return to stability and profitability. In addition to the three areas mentioned above for the whole Group, key activities for the North America turnaround are to stabilize and improve operational planning and to significantly improve cost efficiency in Anderson and Springfield to ensure cost competitiveness in these new production facilities. We remain highly confident in the consumer appeal of the new product ranges, which also the sales execution in the quarter resulting in year-over-year market share gains proves.

Providing resource efficient products is at the core of our strategy and recently consumers have become more aware of both consumption and price of energy. Our new European built-in fridge freezer range is much more energy efficient and hence delivers significant electricity cost benefits to consumers as well as up to 20% less CO_2 emissions in the user phase than the previous range. Read more on page 12.

Although we are experiencing a challenging time, I am confident that Electrolux remains well positioned to create value and we will continue to invest in consumer experience innovations.

Outlook

Full-year 2022

Market outlook, units year-over-year[1]	FY 2022	Previous outlook for FY 2022[7]	Market outlook, units year-over-year[1]	FY 2022	Previous outlook for FY 2022[7]
Europe	Negative	Negative	Latin America	Negative	Negative
North America	Negative	Negative	Asia-Pacific, Middle East and Africa	Positive	Positive

Business outlook[2], year-over-year	FY 2022	Previous outlook for FY 2022[7]
Volume/price/mix	Volume/mix - negative Price - offsetting cost inflation[3]	Volume/mix - negative Price - offsetting cost inflation[3]
Investments in consumer experience innovation and marketing[4]	Negative	Negative
Cost efficiency[5]	Negative	Negative
External factors[6]	Negative SEK 8 - 9bn	Negative SEK 8 - 10bn
Capital expenditure	SEK 7 - 8bn	SEK 7 - 8bn

Full-year 2023

- Market outlook, units year-over-year: Industry shipments of core appliances are in full-year 2023 estimated to be "Negative" in Europe and North America. A complete Market outlook for the full-year 2023 will be provided in the Year-end report 2022.
- Business outlook, year-over-year:
  - Cost efficiency and Investments in consumer experience innovation and marketing are combined expected to have a SEK 4-5bn positive earnings contribution in full-year 2023.
  - Capital expenditure for full-year 2023 is expected to be SEK 6-7bn.
  - A complete Business outlook for full-year 2023 will be provided in the Year-end report 2022. The definitions used in the 2023 Business outlook will be revised as energy cost will be included in External factors instead of as currently being part of Cost efficiency.

[1] Electrolux estimates for industry shipments of core appliances. [2] Business outlook range: Positive – Neutral – Negative, in terms of impact on earnings.
[3] Cost inflation is comprised of "External factors" and cost inflation in sourcing of finished goods, electronic components and logistics. The three latter are included in "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 2022 net sales by +12% and operating income by SEK +700m. [7] Published on July 21, 2022. Note: Business outlook in the above table excludes non-recurring items. Market and business outlook assume no significant additional impact from the coronavirus pandemic or the global geopolitical situation.

Summary of the third quarter

SEKM	Q3 2022	Q3 2021	Change, %	Nine months 2022	Nine months 2021	Change, %	Full year 2021
Net sales	**35,244**	**30,929**	**14**	**99,111**	**90,258**	**10**	**125,631**
Operating income							
Europe	75	833	-91	818	2,968	-72	4,002
North America	-1,227	196	n.m.	-745	1,248	n.m.	688
Latin America	440	387	14	829	1,137	-27	1,336
Asia-Pacific, Middle East and Africa	511	362	41	1,220	1,067	14	1,511
Other, Group common costs, etc.	-184	-139	-32	-373	-500	25	-737
Total	**-385**	**1,639**	**n.m.**	**1,749**	**5,919**	**-70**	**6,801**
Operating margin, %	-1.1	5.3		1.8	6.6		5.4
Operating margin excl. non-recurring items, %[1]	-0.1	5.3		1.5	6.6		6.0

[1] The non-recurring item of SEK -350m in the third quarter of 2022 refers to business area Europe. For information on non-recurring items, see pages 6, 13 and 20.
Note: n.m. (not meaningful) is used when the calculated number is considered not relevant.

Net sales

Sales increased by 0.4% in the quarter, excluding currency translation effects. Organic sales increased by 1.2% and the exit from the Russian market had a negative impact of 0.8%.

The organic sales growth was mainly a result of strong price execution across all business areas, driven by list price increases. Promotional activities continued to normalize, essentially coming back to pre-pandemic levels. Successful product launches resulted in an improved mix. Volumes declined primarily as a result of weaker demand and partly due to supply chain constraints, although sequentially the constraints improved. Aftermarket sales were in line with last year.

Operating income

Operating income amounted to SEK -385m (1,639), corresponding to a margin of -1.1% (5.3). Operating income includes a non-recurring item of SEK -350m in the form of a capital loss from the sale of the Russian subsidiary as Electrolux has exited Russia, see page 13. Excluding this non-recurring item, operating income amounted to SEK -35m, corresponding to a margin of -0.1% (5.3).

The year-over-year earnings decline was driven by lower volumes, primarily due to the weaker market environment, and by significantly higher costs due to severe production inefficiencies and continued spot buys and air freight. Business area North America, that reported a loss of SEK 1.2bn, continued to be heavily impacted by supply chain imbalances resulting in a significantly elevated cost level. A Group-wide cost reduction and North America turnaround program was initiated in the quarter, see pages 2, 3 and 7. Mix improved in all business areas, primarily in Latin America and Asia-Pacific, Middle East and Africa. The increase in investments in innovation and marketing was mainly relating to innovation, while reduced discretionary spending primarily impacted marketing. Price offset significant cost inflation, mainly in raw material and logistics.

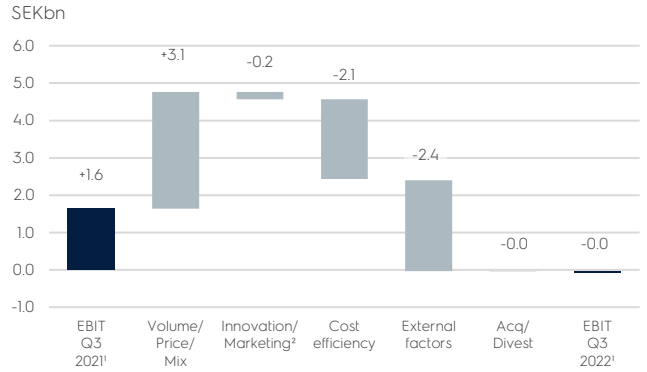
Financial net

Net financial items amounted to SEK –401m (–126). The change was mainly due to higher interest costs.

Income for the period

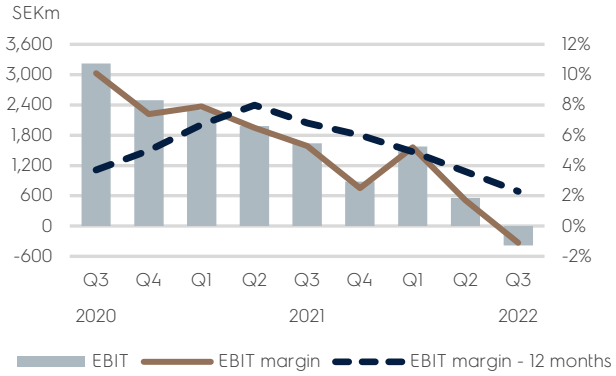
Income for the period amounted to SEK -605m (1,143), corresponding to SEK -2.23 (3.98) in earnings per share.

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 3 under Business Outlook.

OPERATING INCOME AND MARGIN



EBIT margin – 12 months is excluding non-recurring items, see pages 20 and 26.

First nine months of 2022
Sales growth was -0.9% in the first nine months, excluding currency translation effects. Organic sales decreased by 0.7%, driven by lower volumes. This was due to lower market demand as well as to limited product availability relating to a constrained supply chain primarily in the first half of 2022. Market demand in the first nine months of 2021 was strong.

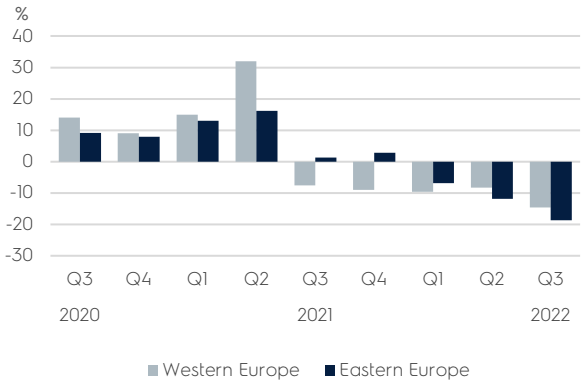
Operating income amounted to SEK 1,749m (5,919), corresponding to a margin of 1.8% (6.6). The first nine months of 2022 included non-recurring items of SEK 306m, see page 20. Excluding these non-recurring items, operating income amounted to SEK 1,443m corresponding to a margin of 1.5%. Lower volumes in combination with significantly higher costs due to supply chain imbalances impacted earnings negatively, while mix contributed positively. Strong price execution offset significant cost inflation, mainly in raw material and logistics.

Income for the period amounted to SEK 602m (4,082), corresponding to SEK 2.18 (14.20) in earnings per share.

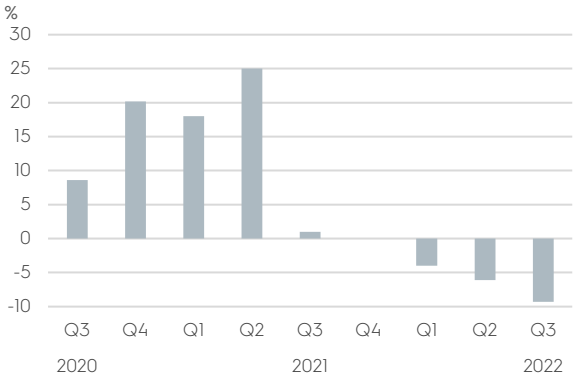
Market overview

In the third quarter the overall market demand in Europe and in the U.S. declined year-over-year. Consumer sentiment was in general low with consumer demand being negatively impacted by high general inflation, increased interest rates and geopolitical tensions. The impact of the slowdown in consumer demand was further amplified by high retailer inventory levels. 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, excluding Russia. US: AHAM. For definitions see below. For other markets, there are no comprehensive market statistics.

Industry shipment of appliances

Europe, units, year-over-year,%*	Q3 2022	Q3 2021	Nine months 2022	Nine months 2021	Full year 2021
Western Europe	-15	-8	-11	12	7
Eastern Europe	-19	1	-13	10	8
Total Europe	-15	-5	-11	12	7

*Source: Electrolux estimates for core appliances. Europe and Eastern Europe exclude Turkey and Russia. 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, %*	Q3 2022	Q3 2021	Nine months 2022	Nine months 2021	Full year 2021
Core appliances	-9	1	-6	14	10
Microwave ovens and home-comfort products	-23	-8	-10	15	15
Total major appliances	-13	-2	-8	14	11

*Source: Based on the AHAM Factory Shipment Report. Q3 2022 is a comparison of weeks between July 3, 2022 – October 1, 2022 vs July 4, 2021 – October 2, 2021. Core appliances include AHAM 6 (Washers, Dryers, Dishwashers, Refrigerators, Freezers, Ranges and Ovens) and Cooktops.

Business areas

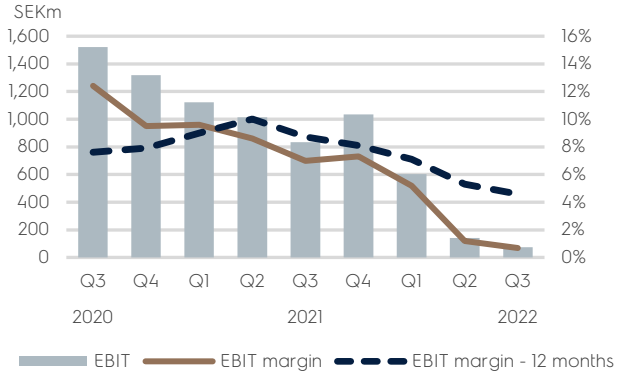
Europe

Market demand in Europe, excluding Russia, declined during the quarter by 15%, across countries. Consumer confidence levels were low with consumer demand being negatively impacted by the high general inflation, increased interest rates and geopolitical tensions. The impact of the slowdown in consumer demand was further amplified by high retailer inventory levels. Western Europe declined by 15% and Eastern Europe by 19%. Compared to the third quarter of 2019, demand in Europe declined by 8%.

Electrolux reported an organic sales decline of 9.7%, driven by lower volumes across product categories. This was mainly a result of the rapidly declining consumer demand but also due to supply chain constraints impacting product availability in some categories, although improving sequentially. In addition, the exit from the Russian market impacted sales negatively. Price developed strongly, driven both by list price increases implemented during the quarter and in previous quarters. Mix improved through a clear focus on the more premium brands Electrolux and AEG and high-mix products.

As previously announced, operating income included a non-recurring item of SEK -350m, relating to the exit from the Russian market, see page 13. Operating income excluding this item decreased to SEK 425m. The year-over-year decline was mainly due to lower volumes. Price offset the significant cost inflation, including negative currency development. Mix contributed positively. Remaining supply chain constraints continued to result in additional costs, while reduced discretionary spending started to impact earnings positively in the third quarter.

OPERATING INCOME AND MARGIN



EBIT margin – 12 months is excluding non-recurring items, see pages 20 and 26.

SEKM	Q3 2022	Q3 2021	Nine months 2022	Nine months 2021	Full year 2021
Net sales	11,107	11,905	33,987	35,262	49,384
Organic growth, %	-9.7	-1.4	-7.4	14.5	10.6
Acquisitions,%	-	0.2	0.2	0.1	0.1
Divestments, %	-2.1	-	-0.7	-	-
Operating income	75	833	818	2,968	4,002
Operating margin,%	0.7	7.0	2.4	8.4	8.1
Operating margin excl. non-recurring items, %[1]	3.8	7.0	3.4	8.4	8.1

[1] For information on non-recurring items, see pages 13 and 20.

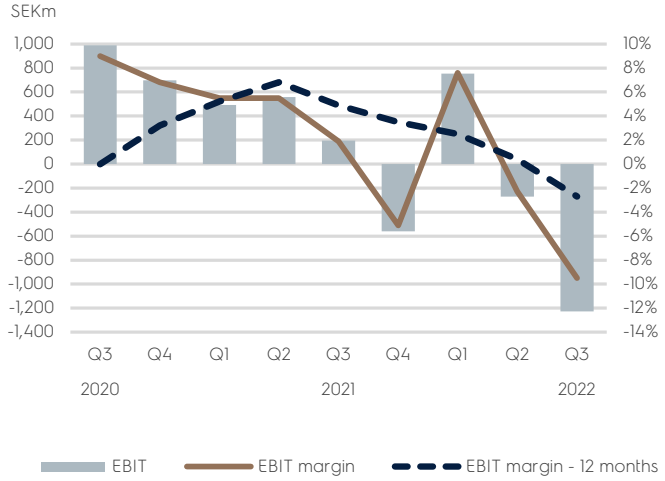
North America

During the quarter, market demand for core appliances in the U.S. decreased by 9%. Compared to the third quarter of 2019, the market demand increased by 1%. High general inflation and increased interest rates impacted consumer sentiment negatively. The impact of the slowdown in consumer demand was further amplified by high retailer inventory levels. Market demand for all major appliances, including microwave ovens and home-comfort products, decreased by 13% year-over-year.

The business area reported an organic sales growth of 2.3%. List price increases implemented earlier in the year and during last year impacted sales positively. Promotional activity continued to normalize. Increased sales of the new product ranges resulted in a positive mix. Overall volumes declined, mainly as a result of weaker market demand but also in part due to a strategic shift away from certain sourced products.

Electrolux reported a significant loss. This was a result of significantly elevated cost levels due to severe production inefficiencies and continued spot buys and air freight, combined with a weaker market environment and lower volumes. A turnaround program has been initiated. The production transformation with two new facilities and several new product platforms, coupled with particularly challenging supply chain conditions, require additional measures to return to stability and profitability. Key areas for the North America turnaround will be to significantly improve the cost efficiencies in the two new facilities by adapting sales and production plans and to right-size the workforce. In the quarter, price offset the significant cost inflation, mainly in raw material and logistics.

OPERATING INCOME AND MARGIN



EBIT margin – 12 months is excluding non-recurring items, see pages 20 and 26.

SEKM	Q3 2022	Q3 2021	Nine months 2022	Nine months 2021	Full year 2021
Net sales	12,909	10,378	34,754	29,512	40,468
Organic growth, %	2.3	-1.9	0.9	16.0	12.7
Operating income	-1,227	196	-745	1,248	688
Operating margin,%	-9.5	1.9	-2.1	4.2	1.7
Operating margin excl. non-recurring items, %[1]	-9.5	1.9	-4.0	4.2	3.5

[1] For information on non-recurring items, see page 20.

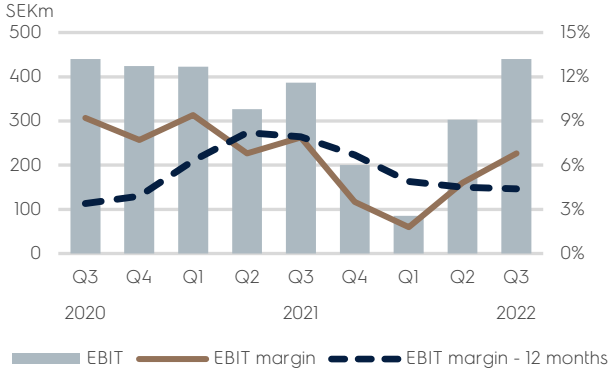
Latin America

During the quarter, consumer demand for core appliances is estimated to have declined double digit in the region. This was driven by Brazil and Chile, where higher general inflation and interest rates negatively impacted consumer purchasing power and consumer confidence, with signs of demand further weakening towards the end of the third quarter and into the fourth quarter. Last year, demand in Chile was also stimulated by government incentives. In Argentina, demand increased in the quarter, partly driven by improved product availability, and partly as a result of last year's negative effect of lockdowns.

Electrolux reported an organic sales growth of 13.5% in Latin America, driven both by strong price execution and improved mix. The higher price was mainly a result of list price increases implemented in previous quarters. Price increases implemented during the third quarter also contributed to sales. Promotional activity continued to normalize. Aftermarket sales developed strongly, while volumes deteriorated due to the challenging market conditions.

Operating income increased. Through successful product launches in key markets such as Brazil, and increased product availability, mix improved despite the decreased consumer purchasing power. Price offset significant cost inflation, mainly in raw material and currency headwinds. Cost was controlled efficiently, adapting to the market situation.

OPERATING INCOME AND MARGIN



EBIT margin – 12 months is excluding non-recurring items, see pages 20 and 26.

SEKM	Q3 2022	Q3 2021	Nine months 2022	Nine months 2021	Full year 2021
Net sales	6,518	4,910	17,548	14,208	19,958
Organic growth, %	13.5	10.9	6.7	45.4	33.7
Operating income	440	387	829	1,137	1,336
Operating margin, %	6.8	7.9	4.7	8.0	6.7

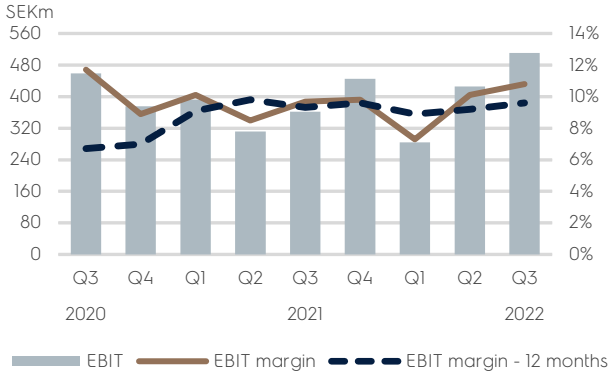
Asia-Pacific, Middle East and Africa

Market demand was solid in most key markets in the quarter and is estimated to have increased compared to last year, which was negatively impacted by lockdowns.

Electrolux reported organic sales growth of 13.7%. Volumes increased driven by improved product availability as well as last year being impacted by lockdowns. Successful product launches contributed to a strong mix, mainly driven by Middle East. Price continued to develop favorably, primarily from list price increases implemented in previous quarters.

Operating income increased compared to last year, driven by a favorable contribution from volume and strong mix execution, as well as good cost control. Price almost offset the significant cost inflation, including currency headwinds. Further targeted list price increases were implemented during the third quarter.

OPERATING INCOME AND MARGIN



EBIT margin – 12 months is excluding non-recurring items, see pages 20 and 26.

SEKM	Q3 2022	Q3 2021	Nine months 2022	Nine months 2021	Full year 2021
Net sales	4,710	3,736	12,822	11,275	15,820
Organic growth, %	13.7	-5.1	5.0	9.0	8.4
Acquisitions,%	-	1.1	-	1.3	0.9
Operating income	511	362	1,220	1,067	1,511
Operating margin, %	10.8	9.7	9.5	9.5	9.6

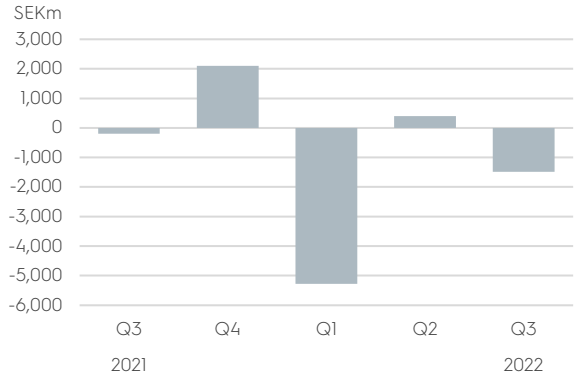
Cash flow

Operating cash flow after investments amounted to SEK -1,483m (-198) in the quarter. The year-over-year comparison mainly reflects a lower operating income in combination with a higher level of investments, impacting cash flow negatively. Inventory remained at an elevated level, primarily due to market demand deteriorating faster than anticipated in Europa and North America, coupled with continued extended lead times and irregular supply.

During the quarter, Electrolux repurchased own shares of series B for a total amount of SEK 599m. The share buybacks form part of the buyback program of a maximum of 8,000,000 series B shares, which has thereby been completed through repurchases for a total amount of SEK 1,138m, during the period May 2 – September 2, 2022.

Operating cash flow after investments in the first nine months of 2022 amounted to SEK -6,360m (1,097).

OPERATING CASH FLOW AFTER INVESTMENTS



SEKM	Q3 2022	Q3 2021	Nine months 2022	Nine months 2021	Full year 2021
Operating income adjusted for non-cash items[1]	1,405	2,845	6,086	9,505	12,185
Change in operating assets and liabilities	-1,124	-1,393	-7,839	-4,721	-3,175
Operating cash flow	**281**	**1,452**	**-1,753**	**4,784**	**9,010**
Investments in tangible and intangible assets	-1,905	-1,651	-4,943	-3,759	-6,043
Changes in other investments	142	1	336	72	233
Operating cash flow after investments	**-1,483**	**-198**	**-6,360**	**1,097**	**3,200**
Acquisitions and divestments of operations	-367	-15	-366	-15	-1,006
Operating cash flow after structural changes	**-1,850**	**-213**	**-6,726**	**1,082**	**2,194**
Financial items paid, net[2]	-312	-71	-836	-311	-470
Taxes paid	-466	-168	-1,168	-981	-1,480
Cash flow from operations and investments	**-2,628**	**-452**	**-8,730**	**-210**	**244**
Payment of lease liabilities	-239	-225	-717	-663	-880
Redemption of shares	-	-	-	-	-4,886
Repurchase of shares	-599	-	-2,138	-	-894
Dividend	-	-	-1,279	-1,150	-2,299
Share-based payments	-	-	-230	-280	-259
Total cash flow, excluding changes in loans and short-term investments	**-3,466**	**-677**	**-13,095**	**-2,303**	**-8,975**

[1] Operating income adjusted for depreciation, amortization and other non-cash items.
[2] For the period January 1 to September 30: interest and similar items received SEK 30m (40), interest and similar items paid SEK -794m (-272) and other financial items received/paid SEK -72m (-79).

Financial position

Net debt

As of September 30, 2022, Electrolux had a financial net debt (excluding lease liabilities and post-employment provisions) of SEK 17,966m, compared to the financial net debt of SEK 4,645m as of December 31, 2021. Net provisions for post-employment benefits amount to a surplus of SEK 1,297m and lease liabilities amounted to SEK 4,399m as of September 30, 2022. In total, net debt amounted to SEK 21,068m, an increase by SEK 12,477m compared to SEK 8,591m per December 31, 2021.

Long-term borrowings and long-term borrowings with maturities within 12 months amounted to a total of SEK 22,175m as of September 30, 2022, with an average maturity of 4.1 years, compared to SEK 14,392m and 1.9 years at the end of 2021.

No long-term debt of significance was issued or amortized during the third quarter. However, in early October, a bond of EUR 500m was issued under the Electrolux Euro Medium Term Note (EMTN) program. During the remaining part of 2022, long-term borrowings amounting to approximately SEK 60m and commercial papers of SEK 2,200m will mature. For more information see www.electroluxgroup.com.

Liquid funds as of September 30, 2022, amounted to SEK 9,955m, a decrease of SEK 1,281m compared to SEK 11,236m as of December 31, 2021. In the third quarter 2022, SEK 599m was used for repurchases of shares of series B.

Net debt/EBITDA was 2.6 (0.1) and return on equity was 4.2% (28.1).

Working capital and net assets

Working capital as of September 30, 2022, amounted to SEK -10,840m (-15,633), corresponding to -7.7% (-12.8) of annualized net sales. Operating working capital amounted to SEK 9,911m (7,151), corresponding to 7.0% (5.9) of annualized net sales, see page 22.

Average net assets as of September 30, 2022, amounted to SEK 35,780m (23,025), corresponding to 27.1% (19.1) of annualized net sales. Net assets as of September 30, 2022, amounted to SEK 42,472m (25,432).

Return on net assets was 6.5% (34.3).

Net debt

SEKM	Sep. 30, 2022	Sep. 30, 2021	Dec. 31, 2021
Short-term loans	5,284	1,044	1,288
Short-term part of long-term loans	4,561	4,206	4,187
Trade receivables with recourse	94	63	87
Short-term borrowings	**9,940**	**5,313**	**5,563**
Financial derivative liabilities	400	93	48
Accrued interest expenses and prepaid interest income	152	70	65
Total short-term borrowings	**10,492**	**5,476**	**5,675**
Long-term borrowings	**17,614**	**10,172**	**10,205**
Total borrowings[1]	**28,106**	**15,647**	**15,881**
Long-term financial receivables	**185**	**-**	**-**
Cash and cash equivalents	9,403	17,973	10,923
Short-term investments	171	164	165
Financial derivative assets	365	126	144
Prepaid interest expenses and accrued interest income	16	17	4
Liquid funds[2]	**9,955**	**18,280**	**11,236**
Financial net debt	**17,966**	**-2,633**	**4,645**
Lease liabilities	4,399	2,577	3,055
Net provisions for post-employment benefits	-1,297	1,950	891
Net debt	**21,068**	**1,894**	**8,591**
Net debt/EBITDA	2.6	0.1	0.7
Net debt/equity ratio	1.04	0.11	0.46
Total equity	20,162	17,503	18,610
Equity per share, SEK	74.67	60.90	65.74
Return on equity, %	4.2	28.1	24.4

[1] Whereof interest-bearing liabilities amounting to SEK 27,459m as of September 30, 2022, and SEK 15,422m as of September 30, 2021.

[2] Electrolux also has an unused committed multicurrency revolving credit facility of EUR 1,000m, approximately SEK 10,900m, maturing 2026.

Other items

Share buybacks

During the period July 1 – September 2, 2022 AB Electrolux has repurchased 4,272,543 own series B shares at a total amount of SEK 599m.

The share buybacks form part of the buyback program of a maximum of 8,000,000 series B shares, which AB Electrolux announced on April 29, 2022.

The buyback program that was initiated on May 2, 2022 has thereby been completed as 8,000,000 series B shares were repurchased for a total amount of SEK 1,138m during the period May 2, 2022 – September 2, 2022. All acquisitions have been carried out on Nasdaq Stockholm by Citigroup Global Markets Europe AG on behalf of AB Electrolux.

The buyback program was carried out in accordance with the Market Abuse Regulation (EU) No 596/2014 ("MAR") and the Commission Delegated Regulation 2016/1052 (the "Safe Harbour Regulation").

The objective of the share buybacks is to optimize the company's capital structure and the intention is to reduce Electrolux number of shares through subsequent share cancellations. AB Electrolux holding of own shares as of September 30, 2022 amounts to 13,049,115 series B shares.

Given the current market environment, the Board does not intend to initiate additional share buybacks before the AGM 2023.

For more information see page 23 and www.electroluxgroup.com/en/share-buybacks/

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 September 30, 2022, the Group had a total of 3,371 (3,286) cases pending, representing approximately 3,378 (approximately 3,295) plaintiffs. During the third quarter of 2022, 273 new cases with 273 plaintiffs were filed and 264 pending cases with approximately 265 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 the 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. Risk management in Electrolux aims to identify, control and reduce risks. Risks, risk management and risk exposure are described in more detail in the 2021 Annual Report:
www.electroluxgroup.com/annualreport2021

The global coronavirus pandemic and Russia's invasion of Ukraine add uncertainty and impact Electrolux operations as well as supply and demand. These developments, and similar events, may lead to an economic downturn, affect access to markets and cause a change in consumer behavior impacting the Group's sales negatively. Constraints in the supply chain might affect Electrolux ability to produce, costs for production, energy, raw material and transportation as well as currency exchange rate fluctuations, which in turn might affect the Group's financial result and market shares negatively in case of a shortfall in delivery and quality related issues.

In September, Electrolux exited Russia and Belarus through the divestment of its Russian subsidiary. Procedures intended to avoid breach of sanctions and other restrictions imposed on Russia and Belarus are in place. Electrolux is closely monitoring the developments related to Russia's invasion of Ukraine. In Ukraine, after careful risk assessment limited sales and production in the factory, located in the western part of Ukraine, re-started during the second half of April. In 2021, Russia, Belarus and Ukraine represented approximately 2% of Group net sales. Ukraine accounts for less than 1% of Group total assets. For the Group, there are no key direct suppliers located in Russia, Belarus or Ukraine.

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 products[1]. Electrolux most resource-efficient products have consistently had a higher margin for many years and in 2021 these products accounted for 19% of total units sold and 31% of gross profit.

Strengthening the built-in fridge freezer portfolio through sustainable innovations

Electrolux improves energy efficiency and increases consumer value in the built-in fridge freezer category. This is enabled by investments in product and process architecture at the Susegana plant, Italy.

Electrolux has a long history of continuously improving the energy efficiency of its appliances. With sustainability awareness becoming increasingly important for consumers, combined with the rising cost of energy, it's a vital component of sustainable innovation. Recent EU regulations regarding rescaled and stringent energy labels have further raised Electrolux ambitions to increase market penetration for energy-efficient products and reduce CO_2 impact.

Efficient and flexible manufacturing process

The Susegana production facility is Electrolux state-of-the-art factory and has 'zero waste to landfill' certification. Electrolux has invested in two new assembly lines which are over 40% automated, granting production flexibility, stability, and top quality as well as improved cost efficiency.

Innovative consumer experiences

The new fridge freezer range fulfils key consumer expectations such as improved energy efficiency, more storage capacity, and low noise level. A key focus area in designing the new products has been to further protect food quality, preserve vitamins, and reduce food waste. In addition, the products are easier to install than previous models. The new range has been very well received by consumers with an average Consumer Star rating of 4.8 as of August 2022.

With the user phase responsible for in general 85% of an appliance's CO_2 footprint, the new range delivers up to 20% less CO_2 emissions[2] than the previous range. With the even more energy-efficient models to be launched in the coming years, up to 70% of CO_2 emissions[2] are expected to be reduced.

Electrolux is constantly looking at sustainability beyond official product energy requirements. Over 80% of the materials in the new fridges can be recycled[3], making this range of cooling devices one of the most sustainable choices available. By forming key recycling partnerships, such as with Stena in Europe, Electrolux works collaboratively to unlock new possibilities for reducing material waste. The new Electrolux 700 Maxispace green zone is the first fridge to be made of 70% recycled plastic in the inner liner wall.

[1] Eco Ethical Report, June 2019.
[2] CO_2 impact from materials, process, and usage. Energy impact compared to energy class F as evaluated by Universita' Politecnica delle Marche.
[3] Considering collected fridges for recycling in the EU.

Find more inspiring business cases on how Electrolux put its profitable growth strategy into action and the key pillars to create further value in **How we create value** on our website.

www.electroluxgroup.com/ir/create-value

Events during the quarter

September 2. Electrolux has decided to exit Russia
As previously communicated Electrolux paused its operations in Russia when the war in Ukraine commenced. In the third quarter, Electrolux exited Russia and divested the business to local management through a sale of its Russian subsidiary. A capital loss of SEK 350m was recorded as a non-recurring item affecting the operating income for Business Area Europe in the third quarter 2022.

Russia's invasion of Ukraine and the following sanctions have made it impossible for Electrolux to continue its business in the country. The decision to divest the Russian business to local management is intended to enable a responsible and controlled exit. The divested company will continue to service appliances previously sold by Electrolux in Russia. Electrolux has no production in Russia and will not supply any appliances to the divested company.

In 2021 Electrolux sales in Russia accounted for 4% of Business Area Europe sales and for 1.6% of Group sales.

September 12. Cost reduction program and management changes
Electrolux is initiating a cost reduction program on the back of weaker-than expected market demand and weak earnings in the third quarter. The cost measures, including a Group cost reduction program and a turnaround program in North America, are expected to result in a material positive earnings contribution in 2023. Ricardo Cons, currently Head of Business Area Latin America, has been appointed Head of Business Area North America, where additional turnaround measures will be initiated.

The share buyback program initiated on May 2, 2022, was completed on September 2. Given the current market environment, the Board does not intend to initiate additional share buybacks before the AGM 2023.

September 29. Electrolux to divest Swiss real estate
Electrolux has agreed to divest its office facility in Zürich, Switzerland. The agreed purchase price is CHF 39.5m (approx. SEK 450m), including a down payment of CHF 4m (approx. SEK 46m). The approximate gain of CHF 37m (approx. SEK 420m) will be recorded as a non-recurring item, positively impacting the operating income in business area Europe, in connection with closing of the transaction. Closing and the positive cash flow impact are expected to occur during the fourth quarter of 2022.

The agreement includes an option for the buyer to terminate the agreement before closing of the transaction. The down payment will not be repaid should the buyer exercise its termination right.

The final operating income and cash flow effects will be determined by the exchange rate on the transaction day.

For more information, visit www.electroluxgroup.com

Events after the quarter

October. New Head of Business Area Latin America appointed
Effective no later than January 1, 2023, Leandro Jasiocha has been appointed Head of Business Area Latin America, taking over from Ricardo Cons, who has recently been appointed Head of Business Area North America.

October 12. Electrolux to divest Memphis factory
Electrolux has agreed to divest its manufacturing facility in Memphis, Tennessee, USA, including certain equipment, for a cash consideration of USD 82.5m (approx. SEK 930m).

Completion of the transaction is contingent on various factors. The approximate gain of USD 65.8m (approx. SEK 740m) will be recorded as a non-recurring item, positively impacting the operating income in business area North America, in connection with closing of the transaction. Closing and the positive cash flow impact are expected to occur during the fourth quarter of 2022.

The final operating income and cash flow effects will be determined by the exchange rate on the transaction day.

Electrolux production in Memphis stopped on June 30, 2022, and the operations have been transferred to the new facility in Springfield, Tennessee.

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 nine months of 2022 amounted to SEK 30,664m (31,303) of which SEK 25,372m (26,119) referred to sales to Group companies and SEK 5,292m (5,184) to external customers. Income after financial items was SEK 282m (2,877), including dividends from subsidiaries in the amount of SEK 1,056m (1,437). Income for the period amounted to SEK 373m (2,500).

Capital expenditure in tangible and intangible assets was SEK 834m (526). Liquid funds at the end of the period amounted to SEK 5,448m, compared to SEK 6,705m at the start of the year.

Undistributed earnings in the Parent Company at the end of the period amounted to SEK 10,189m, compared to SEK 15,002m at the start of the year. Dividend payment to shareholders for 2021 amounted to SEK 2,521m at the end of the period, whereof SEK 1,279m has been paid during the second quarter 2022 and SEK 1,242m has been reported as a current liability.

The income statement and balance sheet for the Parent Company are presented on page 23.

Stockholm, October 28, 2022

AB Electrolux (publ)
556009-4178

Jonas Samuelson
President and CEO

The report has not been reviewed by external auditors

Consolidated statement of comprehensive income

SEKM	Q3 2022	Q3 2021	Nine months 2022	Nine months 2021	Full year 2021
Net sales	**35,244**	**30,929**	**99,111**	**90,258**	**125,631**
Cost of goods sold	-30,786	-25,381	-84,815	-72,492	-101,647
Gross operating income	**4,458**	**5,549**	**14,296**	**17,766**	**23,984**
Selling expenses	-3,219	-2,786	-9,295	-8,226	-11,835
Administrative expenses	-1,354	-1,190	-3,978	-3,596	-4,972
Other operating income/expenses	-271	66	726	-26	-376
Operating income	**-385**	**1,639**	**1,749**	**5,919**	**6,801**
Financial items, net	-401	-126	-947	-365	-546
Income after financial items	**-786**	**1,513**	**802**	**5,555**	**6,255**
Taxes	181	-370	-201	-1,473	-1,577
Income for the period	**-605**	**1,143**	**602**	**4,082**	**4,678**
Items that will not be reclassified to income for the period:					
Remeasurement of provisions for post-employment benefits	-69	-327	2,614	1,649	2,746
Income tax relating to items that will not be reclassified	-23	57	-664	-372	-584
	-92	**-270**	**1,950**	**1,277**	**2,161**
Items that may be reclassified subsequently to income for the period:					
Cash flow hedges	4	-0	-8	-35	-35
Exchange-rate differences on translation of foreign operations	830	49	3,790	834	1,284
Income tax relating to items that may be reclassified	1	0	6	8	9
	835	**49**	**3,788**	**807**	**1,258**
Other comprehensive income, net of tax	**743**	**-221**	**5,738**	**2,083**	**3,419**
Total comprehensive income for the period	**138**	**922**	**6,340**	**6,165**	**8,097**
Income for the period attributable to:					
Equity holders of the Parent Company	-605	1,143	602	4,081	4,677
Non-controlling interests	0	0	-0	1	0
Total	**-605**	**1,143**	**602**	**4,082**	**4,678**
Total comprehensive income for the period attributable to:					
Equity holders of the Parent Company	138	922	6,340	6,164	8,096
Non-controlling interest	0	1	0	1	0
Total	**138**	**922**	**6,340**	**6,165**	**8,097**
Earnings per share, SEK					
Basic	-2.23	3.98	2.18	14.20	16.31
Diluted	-2.19	3.95	2.15	14.13	16.21
Average number of shares[1]					
Basic, million	272.0	287.4	276.0	287.4	286.9
Diluted, million	276.0	289.3	279.3	288.9	288.5

[1] Average numbers of shares excluding shares held by Electrolux.

Consolidated balance sheet

SEKM	Sep. 30, 2022	Sep. 30, 2021	Dec. 31, 2021
Assets			
Property, plant and equipment, owned	29,557	21,860	25,422
Property, plant and equipment, right-of-use	4,041	2,328	2,771
Goodwill	7,444	6,593	6,690
Other intangible assets	5,009	3,768	4,000
Investments in associates	72	277	76
Deferred tax assets	7,077	5,699	5,746
Financial assets	266	68	65
Pension plan assets	2,829	1,803	1,732
Other non-current assets	802	965	634
Total non-current assets	**57,097**	**43,359**	**47,136**
Inventories	31,300	21,337	20,478
Trade receivables	22,798	21,217	23,110
Tax assets	1,331	629	959
Derivatives	582	230	204
Other current assets	5,578	4,190	4,632
Short-term investments	171	164	165
Cash and cash equivalents	9,403	17,973	10,923
Total current assets	**71,164**	**65,740**	**60,471**
Total assets	**128,260**	**109,100**	**107,607**
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	453	-3,786	-3,335
Retained earnings	15,253	16,831	17,489
Equity attributable to equity holders of the Parent Company	**20,156**	**17,496**	**18,604**
Non-controlling interests	7	7	6
Total equity	**20,162**	**17,503**	**18,610**
Long-term borrowings	17,614	10,172	10,205
Long-term lease liabilities	3,336	1,774	2,173
Deferred tax liabilities	770	491	476
Provisions for post-employment benefits	1,532	3,753	2,623
Other provisions	4,715	4,772	4,664
Total non-current liabilities	**27,966**	**20,962**	**20,142**
Accounts payable	44,188	35,402	38,182
Tax liabilities	1,806	1,619	1,704
Dividend payable	1,242	6,035	-
Other liabilities	18,471	18,672	19,745
Short-term borrowings	9,940	5,313	5,563
Short-term lease liabilities	1,064	802	882
Derivatives	454	115	75
Other provisions	2,966	2,675	2,704
Total current liabilities	**80,131**	**70,635**	**68,854**
Total equity and liabilities	**128,260**	**109,100**	**107,607**

Change in consolidated equity

SEKM	Nine months 2022	Nine months 2021	Full year 2021
Opening balance	18,610	18,709	18,709
Total comprehensive income for the period	6,340	6,165	8,097
Share-based payments	-131	-186	-116
Dividend to equity holders of the Parent Company	-2,521	-7,185	-2,299
Redemption of shares	-	-	-4,886
Repurchase of shares	-2,138	0	-894
Dividend to non-controlling interests	-	-0	-0
Acquisition of non-controlling interests	2	-1	-1
Total transactions with equity holders	**-4,788**	**-7,372**	**-8,196**
Closing balance	**20,162**	**17,503**	**18,610**

Consolidated cash flow statement

SEKM	Q3 2022	Q3 2021	Nine months 2022	Nine months 2021	Full year 2021
Operations					
Operating income	-385	1,639	1,749	5,919	6,801
Depreciation and amortization	1,409	1,195	3,969	3,372	4,489
Other non-cash items	381	11	367	214	895
Financial items paid, net[1]	-312	-71	-836	-311	-470
Taxes paid	-466	-168	-1,168	-981	-1,480
Cash flow from operations, excluding change in operating assets and liabilities	**627**	**2,606**	**4,081**	**8,214**	**10,235**
Change in operating assets and liabilities					
Change in inventories	-488	-2,000	-7,208	-7,559	-6,401
Change in trade receivables	254	-612	3,305	-649	-2,253
Change in accounts payable	166	202	714	3,174	5,372
Change in other operating assets, liabilities and provisions	-1,055	1,017	-4,649	314	106
Cash flow from change in operating assets and liabilities	**-1,124**	**-1,393**	**-7,839**	**-4,721**	**-3,175**
Cash flow from operations	**-497**	**1,213**	**-3,757**	**3,493**	**7,059**
Investments					
Acquisition of operations	-0	-15	2	-15	-1,006
Divestment of operations	-367	-	-367	-	-
Capital expenditure in property, plant and equipment	-1,458	-1,344	-3,739	-2,933	-4,847
Capital expenditure in product development	-206	-170	-540	-406	-578
Capital expenditure in software and other intangibles	-241	-136	-665	-420	-618
Other	142	1	336	72	233
Cash flow from investments	**-2,131**	**-1,665**	**-4,973**	**-3,703**	**-6,815**
Cash flow from operations and investments	**-2,628**	**-452**	**-8,730**	**-210**	**244**
Financing					
Change in short-term investments	-2	-1	-6	9	8
Change in short-term borrowings	717	512	4,338	119	-291
New long-term borrowings	4	0	10,853	0	1
Amortization of long-term borrowings	-8	-2	-4,123	-219	-284
Payment of lease liabilities	-239	-225	-717	-663	-880
Dividend	-	-	-1,279	-1,150	-2,299
Redemption of shares	-	-	-	-	-4,886
Repurchase of shares	-599	-	-2,138	-	-894
Share-based payments	-	-	-230	-280	-259
Cash flow from financing	**-126**	**284**	**6,697**	**-2,185**	**-9,785**
Total cash flow	**-2,754**	**-168**	**-2,033**	**-2,395**	**-9,541**
Cash and cash equivalents at beginning of period	12,185	18,133	10,923	20,196	20,196
Exchange-rate differences referring to cash and cash equivalents	-28	8	513	172	267
Cash and cash equivalents at end of period	**9,403**	**17,973**	**9,403**	**17,973**	**10,923**

[1] For the period January 1 to September 30: interest and similar items received SEK 30m (40), interest and similar items paid SEK -794m (-272) and other financial items received/paid SEK -72m (-79).

Key ratios

SEKM unless otherwise stated	Q3 2022	Q3 2021	Nine months 2022	Nine months 2021	Full year 2021
Net sales	35,244	30,929	99,111	90,258	125,631
Organic growth, %	1.2	-0.3	-0.7	18.2	14.2
EBITA	-144	1,878	2,422	6,544	7,592
EBITA margin, %	-0.4	6.1	2.4	7.2	6.0
Operating income	-385	1,639	1,749	5,919	6,801
Operating margin, %	-1.1	5.3	1.8	6.6	5.4
Operating margin excl. non-recurring items, %[1]	-0.1	5.3	1.5	6.6	6.0
Income after financial items	-786	1,513	802	5,555	6,255
Income for the period	-605	1,143	602	4,082	4,678
Capital expenditure property, plant and equipment	-1,458	-1,344	-3,739	-2,933	-4,847
Operating cash flow after investments	-1,483	-198	-6,360	1,097	3,200
Earnings per share, SEK[2]	-2.23	3.98	2.18	14.20	16.31
Equity per share, SEK	74.67	60.90	74.67	60.90	65.74
Capital turnover rate, times/year	-	-	3.7	5.2	5.3
Return on net assets, %	-	-	6.5	34.3	28.5
Return on equity, %	-	-	4.2	28.1	24.4
Net debt	21,068	1,894	21,068	1,894	8,591
Net debt/EBITDA	-	-	2.6	0.1	0.7
Net debt/equity ratio	1.04	0.11	1.04	0.11	0.46
Average number of employees	51,412	51,299	51,527	51,508	51,590
Average number of shares excluding shares owned by Electrolux, million	272.0	287.4	276.0	287.4	286.9

[1] The first nine months of 2022 and full year 2021 include non-recurring items respectively. For more information regarding non-recurring items in previous years, see page 20.
[2] Basic.
For definitions, see pages 27-28.

Exchange rates

SEK	Sep. 30, 2022		Sep. 30, 2021		Dec. 31, 2021	
Exchange rate	Average	End of period	Average	End of period	Average	End of period
ARS	0.0829	0.0759	0.0913	0.0889	0.0904	0.0880
AUD	6.98	7.23	6.40	6.32	6.42	6.57
BRL	1.93	2.07	1.59	1.61	1.59	1.62
CAD	7.69	8.13	6.77	6.89	6.82	7.07
CHF	10.43	11.40	9.30	9.39	9.40	9.88
CLP	0.0115	0.0116	0.0115	0.0109	0.0113	0.0107
CNY	1.50	1.57	1.31	1.36	1.33	1.42
EUR	10.52	10.90	10.15	10.17	10.15	10.24
GBP	12.40	12.34	11.71	11.82	11.78	12.21
HUF	0.0272	0.0258	0.0284	0.0282	0.0283	0.0277
MXN	0.4903	0.5550	0.4202	0.4282	0.4216	0.4407
RUB	0.1449	0.1827	0.1144	0.1206	0.1159	0.1207
THB	0.2856	0.2960	0.2694	0.2592	0.2685	0.2705
USD	9.92	11.18	8.48	8.78	8.57	9.04

Net sales and operating income by business area

SEKM	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Full year 2022	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Full year 2021
Europe										
Net sales	11,535	11,345	11,107			11,637	11,721	11,905	14,122	49,384
Sales growth, %	-4.0	-7.4	-11.6			14.1	37.3	-1.1	2.1	10.8
EBITA	670	222	161			1,166	1,057	885	1,097	4,205
EBITA margin, %	5.8	2.0	1.4			10.0	9.0	7.4	7.8	8.5
Operating income	602	142	75			1,122	1,013	833	1,034	4,002
Operating margin, %	5.2	1.2	0.7			9.6	8.6	7.0	7.3	8.1
North America										
Net sales	9,940	11,905	12,909			9,002	10,132	10,378	10,955	40,468
Sales growth, %	-0.3	0.7	2.3			22.9	33.7	-1.9	4.4	12.7
EBITA	807	-214	-1,169			543	602	240	-510	875
EBITA margin, %	8.1	-1.8	-9.1			6.0	5.9	2.3	-4.7	2.2
Operating income	752	-270	-1,227			493	558	196	-559	688
Operating margin, %	7.6	-2.3	-9.5			5.5	5.5	1.9	-5.1	1.7
Latin America										
Net sales	4,761	6,268	6,518			4,516	4,782	4,910	5,750	19,958
Sales growth, %	-6.0	12.9	13.5			58.3	90.4	10.9	11.9	33.7
EBITA	115	338	478			464	371	430	227	1,492
EBITA margin, %	2.4	5.4	7.3			10.3	7.8	8.8	4.0	7.5
Operating income	85	303	440			423	327	387	200	1,336
Operating margin, %	1.8	4.8	6.8			9.4	6.8	7.9	3.5	6.7
Asia-Pacific, Middle East and Africa										
Net sales	3,882	4,231	4,710			3,871	3,668	3,736	4,545	15,820
Sales growth, %	-5.2	6.4	13.7			20.1	17.8	-3.9	6.7	9.3
EBITA	300	439	527			416	333	426	434	1,609
EBITA margin, %	7.7	10.4	11.2			10.7	9.1	11.4	9.5	10.2
Operating income	284	426	511			393	312	362	445	1,511
Operating margin, %	7.3	10.1	10.8			10.1	8.5	9.7	9.8	9.6
Group common costs, etc.	-148	-41	-184			-134	-226	-139	-237	-737
Total Group										
Net sales	30,118	33,749	35,244			29,026	30,303	30,929	35,372	125,631
Sales growth, %	-3.3	0.4	0.4			23.0	39.3	-0.0	4.9	14.3
EBITA	1,780	786	-144			2,492	2,173	1,878	1,048	7,592
EBITA margin, %	5.9	2.3	-0.4			8.6	7.2	6.1	3.0	6.0
Operating income	1,575	560	-385			2,297	1,983	1,639	882	6,801
Operating margin, %	5.2	1.7	-1.1			7.9	6.5	5.3	2.5	5.4
Income for the period	950	257	-605			1,556	1,383	1,143	596	4,678
Earnings per share, SEK[1]	3.40	0.93	-2.23			5.41	4.81	3.98	2.09	16.31

[1] Basic

Non-recurring items by business area

SEKM	Q1 2022[2]	Q2 2022	Q3 2022[3]	Q4 2022	Full year 2022	Q1 2021	Q2 2021	Q3 2021	Q4 2021[1]	Full year 2021
Europe	-	-	-350			-	-	-	-	-
North America	656	-	-			-	-	-	-727	-727
Latin America	-	-	-			-	-	-	-	-
Asia-Pacific, Middle East and Africa	-	-	-			-	-	-	-	-
Group common costs, etc.	-	-	-			-	-	-	-	-
Total Group	656	-	-350			-	-	-	-727	-727

[1] The non-recurring item of SEK -727m in the fourth quarter of 2021 refers to business area North America and arbitration in U.S. tariff case on washing machines imported into the U.S. from Mexico in 2016/2017. The cost is included in Other operating income/expenses.

[2] The non-recurring item of SEK 656m in the first quarter of 2022 refers to business area North America and a settlement regarding the arbitration in U.S. tariff case on washing machines imported into the U.S. from Mexico in 2016/2017. The positive NRI is included in Other operating income/expenses.

[3] The non-recurring item of SEK -350 in the third quarter of 2022 refers to the business area Europe and the exit from the Russia market. The cost is included in Other operating income/expenses.

Operating income excluding non-recurring items (NRI)

SEKM	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Full year 2022	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Full year 2021
Europe										
Operating income excl. NRI	602	142	425			1,122	1,013	833	1,034	4,002
Operating margin excl. NRI, %	5.2	1.2	3.8			9.6	8.6	7.0	7.3	8.1
North America										
Operating income excl. NRI	96	-270	-1,227			493	558	196	168	1,415
Operating margin excl. NRI, %	1.0	-2.3	-9.5			5.5	5.5	1.9	1.5	3.5
Latin America										
Operating income excl. NRI	85	303	440			423	327	387	200	1,336
Operating margin excl. NRI, %	1.8	4.8	6.8			9.4	6.8	7.9	3.5	6.7
Asia-Pacific, Middle East and Africa										
Operating income excl. NRI	284	426	511			393	312	362	445	1,511
Operating margin excl. NRI, %	7.3	10.1	10.8			10.1	8.5	9.7	9.8	9.6
Group common cost etc										
Operating income excl. NRI	-148	-41	-184			-134	-226	-139	-237	-737
Total Group										
Operating income excl. NRI	919	560	-35			2,297	1,983	1,639	1,609	7,528
Operating margin excl. NRI, %	3.1	1.7	-0.1			7.9	6.5	5.3	4.5	6.0

Net sales by business area

SEKM	Q3 2022	Q3 2021	Nine months 2022	Nine months 2021	Full year 2021
Europe	11,107	11,905	33,987	35,262	49,384
North America	12,909	10,378	34,754	29,512	40,468
Latin America	6,518	4,910	17,548	14,208	19,958
Asia-Pacific, Middle East and Africa	4,710	3,736	12,822	11,275	15,820
Total Group	**35,244**	**30,929**	**99,111**	**90,258**	**125,631**

Change in Net sales by business area, %

Year-over-year, %	Q3 2022	Q3 2022 currency adjusted	Nine months 2022	Nine months 2022 currency adjusted
Europe	-7	-12	-4	-8
North America	24	2	18	1
Latin America	33	14	24	7
Asia-Pacific, Middle East and Africa	26	14	14	5
Total change Group	**14**	**0**	**10**	**-1**

Operating income by business area

SEKM	Q3 2022	Q3 2021	Nine months 2022	Nine months 2021	Full year 2021
Europe	75	833	818	2,968	4,002
Margin, %	0.7	7.0	2.4	8.4	8.1
North America	-1,227	196	-745	1,248	688
Margin, %	-9.5	1.9	-2.1	4.2	1.7
Latin America	440	387	829	1,137	1,336
Margin, %	6.8	7.9	4.7	8.0	6.7
Asia-Pacific, Middle East and Africa	511	362	1,220	1,067	1,511
Margin, %	10.8	9.7	9.5	9.5	9.6
Group common costs, etc.	-184	-139	-373	-500	-737
Operating income Group	**-385**	**1,639**	**1,749**	**5,919**	**6,801**
Margin, %	**-1.1**	**5.3**	**1.8**	**6.6**	**5.4**

Change in operating income by business area, SEKM

Year-over-year, SEKM	Q3 2022	Q3 2022 currency adjusted	Nine months 2022	Nine months 2022 currency adjusted
Europe	-758	-818	-2,150	-2,319
North America	-1,423	-1,463	-1,992	-2,192
Latin America	54	-12	-308	-495
Asia-Pacific, Middle East and Africa	149	104	153	98
Group common costs, etc.	-44	-30	127	165
Total change Group	**-2,024**	**-2,219**	**-4,170**	**-4,742**

Working capital and net assets

SEKM	Sep. 30, 2022	%[1]	Sep. 30, 2021	%[1]	Dec. 31, 2021	%[1]
Inventories	31,300	22.2	21,337	17.5	20,478	15.9
Trade receivables	22,798	16.1	21,217	17.4	23,110	17.9
Accounts payable	-44,188	-31.3	-35,402	-29.0	-38,182	-29.6
Operating working capital	**9,911**	**7.0**	**7,151**	**5.9**	**5,407**	**4.2**
Provisions	-7,682		-7,447		-7,368	
Prepaid and accrued income and expenses	-13,275		-14,341		-14,371	
Taxes and other assets and liabilities	206		-996		-1,394	
Working capital	**-10,840**	**-7.7**	**-15,633**	**-12.8**	**-17,726**	**-13.7**
Property, plant and equipment, owned	29,557		21,860		25,422	
Property, plant and equipment, right-of-use	4,041		2,328		2,771	
Goodwill	7,444		6,593		6,690	
Other non-current assets	5,963		5,077		4,775	
Deferred tax assets and liabilities	6,307		5,208		5,269	
Net assets	**42,472**	**30.1**	**25,432**	**20.8**	**27,201**	**21.1**
Annualized net sales, calculated at end of period exchange rates	141,254		122,043		129,124	
Average net assets	**35,780**	**27.1**	**23,025**	**19.1**	**23,860**	**19.0**
Annualized net sales, calculated at average exchange rates	132,144		120,345		125,631	

[1] Of annualized net sales.

Net assets by business area

	Assets			Equity and liabilities			Net assets		
SEKM	Sep. 30, 2022	Sep. 30, 2021	Dec. 31, 2021	Sep. 30, 2022	Sep. 30, 2021	Dec. 31, 2021	Sep. 30, 2022	Sep. 30, 2021	Dec. 31, 2021
Europe	33,193	29,261	30,165	27,145	26,693	28,416	6,048	2,568	1,749
North America	35,511	25,365	26,890	21,942	17,029	17,513	13,569	8,336	9,376
Latin America	19,659	13,848	14,830	10,369	8,292	8,937	9,290	5,556	5,893
Asia-Pacific, Middle East and Africa	14,891	12,375	12,579	8,439	7,177	7,679	6,453	5,198	4,900
Other[1]	12,037	8,166	10,175	4,924	4,393	4,893	7,113	3,773	5,282
Total operating assets and liabilities	**115,291**	**89,016**	**94,639**	**72,819**	**63,584**	**67,437**	**42,472**	**25,432**	**27,201**
Liquid funds	9,955	18,280	11,236	-	-	-	-	-	-
Long-term financial receivables	185	-	-	-	-	-	-	-	-
Total borrowings	-	-	-	28,106	15,647	15,881	-	-	-
Lease liabilities	-	-	-	4,399	2,577	3,055	-	-	-
Pension assets and liabilities	2,829	1,803	1,732	1,532	3,753	2,623	-	-	-
Dividend payable	-	-	-	1,242	6,035	-	-	-	-
Total equity	-	-	-	20,162	17,503	18,610	-	-	-
Total	**128,260**	**109,100**	**107,607**	**128,260**	**109,100**	**107,607**	**-**	**-**	**-**

[1] Includes common functions and tax items.

Parent Company income statement

SEKM	Q3 2022	Q3 2021	Nine months 2022	Nine months 2021	Full year 2021
Net sales	**10,020**	**10,585**	**30,664**	**31,303**	**43,805**
Cost of goods sold	-9,378	-8,761	-27,220	-26,020	-36,717
Gross operating income	**642**	**1,824**	**3,444**	**5,283**	**7,088**
Selling expenses	-777	-844	-2,226	-2,454	-3,746
Administrative expenses	-646	-509	-1,618	-1,330	-1,992
Other operating expenses	-250	-	-250	-	-75
Operating income	**-1,031**	**471**	**-650**	**1,499**	**1,275**
Financial income	269	598	1,476	1,653	3,717
Financial expenses	-259	-133	-544	-275	-457
Financial items, net	**10**	**465**	**932**	**1,378**	**3,260**
Income after financial items	**-1,021**	**936**	**282**	**2,877**	**4,535**
Appropriations	-32	4	5	-20	-20
Income before taxes	**-1,053**	**940**	**287**	**2,857**	**4,515**
Taxes	177	-102	86	-357	-405
Income for the period	**-876**	**838**	**373**	**2,500**	**4,110**

Parent Company balance sheet

SEKM	Sep. 30, 2022	Sep. 30, 2021	Dec. 31, 2021
Assets			
Non-current assets	40,765	35,795	39,927
Current assets	30,216	35,612	24,984
Total assets	**70,981**	**71,407**	**64,911**
Equity and liabilities			
Restricted equity	6,610	5,959	6,114
Non-restricted equity	10,189	14,354	15,002
Total equity	**16,799**	**20,313**	**21,116**
Untaxed reserves	576	560	586
Provisions	1,285	1,487	1,496
Non-current liabilities	17,638	10,168	10,214
Current liabilities	34,683	38,879	31,499
Total equity and liabilities	**70,981**	**71,407**	**64,911**

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, 2022	8,192,498	300,727,810	308,920,308	25,842,915	283,077,393
Change during the year	-150	-25,842,765	-25,842,915	-12,793,800	-13,049,115
Number of shares as of September 30, 2022	**8,192,348**	**274,885,045**	**283,077,393**	**13,049,115**	**270,028,278**
As % of total number of shares				4.6%	

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 2021, except for the adoption of standard amendments effective as of January 1, 2022. The amendments have not had any material impact on the financial statements. See section 'New or amended accounting standards to be applied after 2021' in the Annual Report 2021 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 6-8. In addition, the table below presents net sales by product area Taste (cooking, refrigeration and freezer appliances), Care (dish and laundry appliances) and Wellbeing (e.g. cleaning appliances and small domestic appliances). Products within all product areas are sold in each of the reportable segments, i.e. the Business Areas.

SEKM	Nine months 2022	Nine months 2021	Full year 2021
Product areas			
Taste	63,147	55,503	77,457
Care	28,360	25,953	36,415
Wellbeing	7,604	8,802	11,758
Total	**99,111**	**90,258**	**125,631**

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

	Sep. 30, 2022		Sep. 30, 2021		Dec. 31, 2021	
SEKM	Fair value	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount
Per category						
Financial assets at fair value through profit and loss	434	434	230	230	227	227
Financial assets measured at amortized cost	32,196	32,196	39,193	39,193	34,036	34,036
Derivatives, financial assets at fair value through profit and loss	550	550	230	230	204	204
Derivatives in hedge accounting	32	32	-	-	-	-
Total financial assets	**33,212**	**33,212**	**39,653**	**39,653**	**34,467**	**34,467**
Financial liabilities measured at amortized cost	67,396	69,231	51,218	50,887	54,206	53,950
Derivatives, financial liabilities at fair value through profit and loss	173	173	103	103	68	68
Derivatives in hedge accounting	281	281	12	12	7	7
Total financial liabilities	**67,850**	**69,685**	**51,333**	**51,002**	**54,281**	**54,025**

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. On September 30 the fair value for Level 1 financial assets was SEK 168m (162) 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. On September 30 the fair value of Level 2 financial assets was SEK 582m (230) and financial liabilities SEK 454m (115).

Level 3: Inputs for the assets or liabilities that are not entirely based on observable market data. On September 30 the fair value of Level 3 financial assets was SEK 266m (68) and financial liabilities SEK 0m (0).

Note 4 Pledged assets and contingent assets and liabilities

SEKM	Sep. 30, 2022	Sep. 30, 2021	Dec. 31, 2021
Group			
Pledged assets	-	-	-
Guarantees and other commitments	1,287	974	1,108
Parent Company			
Pledged assets	-	-	-
Guarantees and other commitments	1,080	982	996

For more information on contingent liabilities, see Note 25 in the Annual Report 2021.

Note 5 Acquisitions and divestments

Divestments in 2022

Electrolux decided to exit Russia and has divested the business to local management through a sale of its Russian subsidiary on September 9, 2022. A capital loss of SEK 350m was recorded as a non-recurring item affecting the operating income for Business Area Europe in the third quarter of 2022.

Acquisitions in 2022

There were no acquisitions completed in the nine months of 2022.

Acquisitions in 2021

On July 8, 2021, Electrolux acquired La Compagnie du SAV (CSAV) a French service provider specialized in repairing domestic appliances. Through the acquisition Electrolux has strengthened its service network in France. CSAV is headquartered in Lisses, south of Paris, and employs around 200 people. Net sales in 2020 amounted to around EUR 25m. The operations are included in business area Europe.

On December 7, 2021, Electrolux acquired 50% of the shares in the Swedish company Gångaren Holding AB. Before the acquisition, Electrolux held 50% of the shares in the company. The acquired company was accounted for as a fully owned subsidiary as from the acquisition date. Gångaren Holding is the owner of Electrolux corporate head office in Stockholm. The purchase price for the additional 50% amounts to SEK 990m and as the acquisition mainly comprises property, it was classified as an asset acquisition, which means that it is included in the group accounts at accumulated cost.

Operations by business area yearly

SEKM	2017[1]	2018[1]	2019	2020	2021
Europe					
Net sales	39,231	43,321	45,420	46,038	49,384
Operating income	2,772	2,128	2,493	3,643	4,002
Margin, %	7.1	4.9	5.5	7.9	8.1
North America					
Net sales	42,083	39,804	38,954	38,219	40,468
Operating income	2,796	1,104	-516	1,215	688
Margin, %	6.6	2.8	-1.3	3.2	1.7
Latin America					
Net sales	18,277	17,963	19,653	16,915	19,958
Operating income	483	492	1,821	666	1,336
Margin, %	2.6	2.7	9.3	3.9	6.7
Asia-Pacific, Middle East and Africa					
Net sales	13,457	14,375	14,954	14,788	15,820
Operating income	1,077	979	446	1,038	1,511
Margin, %	8.0	6.8	3.0	7.0	9.6
Other					
Group common cost, etc.	-775	-527	-1,055	-783	-737
Total Group					
Net sales	113,048	115,463	118,981	115,960	125,631
Operating income	6,353	4,176	3,189	5,778	6,801
Margin, %	5.6	3.6	2.7	5.0	5.4

Non-recurring items in operating income[2]	2017	2018[3]	2019[4]	2020	2021[5]
Europe	-	-747	-752	-	-
North America	-	-596	-1,071	-	-727
Latin America	-	-	1,101	-	-
Asia-Pacific, Middle East and Africa	-	-	-398	-	-
Group common cost	-	-	-224	-	-
Total Group	**-**	**-1,343**	**-1,344**	**-**	**-727**

[1] 2017 has been restated due to IFRS 15. IFRS 16 was applied from 2019 without restatement of comparatives, see Annual Report 2018 for more information.
[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 include SEK -829m related to the consolidation of North America 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.
[5] Non-recurring item of SEK -727m in the fourth quarter of 2021 refers to business area North America and arbitration in U.S. tariff case on washing machines imported into the U.S. from Mexico in 2016/2017.

Five-year review

Total Group 2017-2018 and Continuing operations 2018 (restated)-2021

SEKM unless otherwise stated	2017[1]	2018[1]	Restated 2018[2]	2019[3]	2020	2021
Net sales	**120,771**	**124,129**	**115,463**	**118,981**	**115,960**	**125,631**
Organic growth, %	-0.4	1.3	1.2	-1.0	3.2	14.2
Operating income	7,407	5,310	4,176	3,189	5,778	6,801
Operating margin, %	6.1	4.3	3.6	2.7	5.0	5.4
Income after financial items	6,966	4,887	3,754	2,456	5,096	6,255
Income for the period	**5,745**	**3,805**	**2,854**	**1,820**	**3,988**	**4,678**
Non-recurring items in operating income[4]	-	-1,343	-1,343	-1,344	-	-727
Capital expenditure, property, plant and equipment	-3,892	-4,650	-4,506	-5,320	-4,325	-4,847
Operating cash flow after investments	6,877	3,649	2,646	2,280	8,552	3,200
Earnings per share, SEK[5]	19.99	13.24	9.93	6.33	13.88	16.31
Equity per share, SEK	71.26	**75.67**	**-**	**78.55**	**65.10**	**65.74**
Dividend per share, SEK	8.30	8.50	8.50	7.00	8.00	9.20
Capital-turnover rate, times/year	5.9	5.3	5.6	4.5	4.5	5.3
Return on net assets, %	36.0	22.7	20.2	12.0	22.6	28.5
Return on equity, %[6]	31.9	18.2	-	11.4	34.1	24.4
Net debt	**197**	**1,825**	**-**	**7,683**	**1,556**	**8,591**
Net debt/EBITDA	0.0	-	0.2	0.8	0.2	0.7
Net debt/equity ratio	0.01	0.08	-	0.34	0.08	0.46
Average number of shares excluding shares owned by Electrolux, million	**287.4**	**287.4**	**287.4**	**287.4**	**287.4**	**286.9**
Average number of employees	**55,692**	**54,419**	**51,253**	**48,652**	**47,543**	**51,590**

[1] 2017 has been restated due to IFRS 15. IFRS 16 was applied from 2019 without restatement of comparatives, see Annual Report 2018 for more information.
[2] Excluding discontinued operations.
[3] Equity in key ratio calculations include discontinued operations
[4] For more information, see table on page 26 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.

EBITDA
Operating income excluding depreciation and amortization.

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.

Net debt/EBITDA
Net debt at end of period in relation to 12-months rolling EBITDA, excluding non-recurring items.

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 assets[1] and prepaid interest expenses and accrued interest income[1].

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 liabilities[1], accrued interest expenses and prepaid interest income[1].

Total short-term borrowings
Short-term borrowings, financial derivative liabilities[1], accrued interest expenses and prepaid interest income[1].

Interest-bearing liabilities
Long-term borrowings and short-term borrowings exclusive of liabilities related to trade receivables with recourse[1].

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 10.

Shareholders' information

President and CEO Jonas Samuelson's comments on the third quarter results 2022.
Today's press release is available on the Electrolux website www.electroluxgroup.com/ir

Telephone conference 09.00 CEST
A telephone conference is held at 09.00 CEST today, October 28. Jonas Samuelson, President and CEO and Therese Friberg, CFO will comment on the report.

Details for participation by telephone

Sweden:	+46 8 56 64 26 51
International/UK:	+44 33 33 00 08 04
U.S.:	+1 63 19 13 14 22
Pin code:	70461836#

Slide presentation for download
www.electroluxgroup.com/ir

Link to webcast
https://edge.media-server.com/mmc/p/2nrdyeek

For further information, please contact:
Sophie Arnius, Head of Investor Relations
+46 70 590 80 72

Calendar 2023

Year-end report 2022	February 2
Annual Report, week 8	February 20-24
Capital Markets Update	March 20
AGM	March 29
Interim report January - March	April 28
Interim report January - June	July 20
Interim report January - September	October 27

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.

AB Electrolux (publ), 556009-4178
Postal address: SE-105 45 Stockholm, Sweden
Visiting address: S:t Göransgatan 143, Stockholm
Telephone: +46 (0)8 738 60 00

Website:
www.electroluxgroup.com

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 2021 Electrolux had sales of SEK 126 billion and employed 52,000 people around the world. For more information go to www.electroluxgroup.com

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