

# Q4 2022



## Weak finish to a challenging year

- In full-year 2022, net sales were SEK 134,880m (125,631) and operating income excl. non-recurring items was SEK 831m (7,528). Earnings declined due to lower volumes, as a result of weaker market demand, and to elevated cost levels from production inefficiencies in North America. Strong price execution and attractive product and brand offering contributed positively to earnings.
- In the fourth quarter, net sales amounted to SEK 35,769m (35,372) and operating income to SEK -1,964m (882), corresponding to a margin of -5.5% (2.5).
- Operating income includes non-recurring items of SEK -1,352m (-727). Excluding these non-recurring items, operating income amounted to SEK -612m (1,609), corresponding to a margin of -1.7% (4.5). The year-over-year decline was a result of lower volumes in all four business areas and significantly higher cost levels in Business Area North America, which reported an underlying loss of SEK 1.2bn.
- Income for the period amounted to SEK -1,922m (596) and earnings per share were SEK -7.12 (2.09).
- Operating cash flow after investments was SEK 242m (2,103).
- The Board of Directors proposes that no payment of dividend will be made for 2022.
- Decision on February 1, 2023, to discontinue production at the Nyíregyháza factory in Hungary from the beginning of 2024 will result in a negative non-recurring item of approximately SEK 550m in the first quarter of 2023.

## Financial overview

SEKM	Q4 2022	Q4 2021	Change, %	Full-year 2022	Full-year 2021	Change, %
Net sales	35,769	35,372	1	134,880	125,631	7
Sales growth, % <sup>1</sup>	-10.4	4.9		-3.6	14.3	
Organic growth, %	-8.4	4.8		-2.8	14.2	
Acquisitions, %	-	0.1		-	0.2	
Divestments, %	-2.1	-		-0.8	-	
Changes in exchange rates, %	11.7	-0.6		10.9	-6.0	
Operating income <sup>2</sup>	-1,964	882	n.m.	-215	6,801	n.m.
Operating margin, %	-5.5	2.5		-0.2	5.4	
Income after financial items	-2,474	700	n.m.	-1,672	6,255	n.m.
Income for the period	-1,922	596	n.m.	-1,320	4,678	n.m.
Earnings per share, SEK <sup>3</sup>	-7.12	2.09	n.m.	-4.81	16.31	n.m.
Return on net assets, %	-	-		-0.6	28.5	
Operating cash flow after investments	242	2,103		-6,118	3,200	

<sup>1</sup> Changes in net sales adjusted for currency translation effects.

<sup>2</sup> Operating income in the fourth quarter of 2022 includes non-recurring items of SEK -1,352m, relating to a restructuring charge of SEK -1,536m for the Group-wide cost reduction and North America turnaround program, a capital gain of SEK 394m from the divestment of Electrolux office facility in Zürich, Switzerland, and SEK -210m from the termination of a U.S. pension plan. In the full year 2022, non-recurring items amounted to SEK -1,046m. Excluding these non-recurring items, operating income in the full year 2022 amounted to SEK 831m (7,528), corresponding to a margin of 0.6% (6.0), see pages 12 and 20.

<sup>3</sup> Basic

For definitions, see pages 27-28. Note: n.m. (not meaningful) is used when the calculated number is considered not relevant.

## President and CEO Jonas Samuelson's comment

In 2022, new challenges presented themselves in addition to supply chain constraints: high general inflation, raised interest rates, soaring energy prices, and increased geopolitical tensions. These negatively impacted consumer demand for household appliances, especially evident in the latter part of the year.

In the fourth quarter, significantly lower sales volumes resulted in an organic sales decline of 8.4%. The volume decline across all regions was coupled with severely elevated cost levels in our North American operation. This resulted in an operating loss for the Group of SEK 612m, excluding non-recurring items. We have firm plans in place to structurally lower costs under the Group-wide cost reduction and North America turnaround program and in the quarter we continued to reduce discretionary spending. A strong focus on inventory management and adjusting production rates to the current demand environment resulted in an overall inventory reduction from previously high levels, especially of in-house produced finished products that at the end of the year were at overall normal levels.

On a positive note, I am pleased with how well received our product launches across all regions have been during 2022. This was particularly evident in the fourth quarter with the strong earnings contribution from our attractive product offering, even in this challenging demand environment with reduced consumer purchasing power. This strengthens my confidence in our ability to drive mix improvement also going forward, with an average consumer star rating of 4.64 for the Group in 2022. Another achievement was the strong net price realization across all regions, despite promotional activity returning to normal levels towards the end of 2022. I am very pleased that we through price increases fully offset significant cost inflation, primarily in raw material and logistics, both in the full-year as well as in the quarter.

It is encouraging that we have reduced our climate footprint significantly and already in 2022 reached the 2025 science-based climate target to reduce CO<sub>2</sub> emissions in our own operations by 80% compared to 2015. We are now reviewing our targets going forward, raising the bar on our own sustainability agenda even further.

Based on our review of production capacity needs, we have decided to discontinue production at the Nyíregyháza factory in Hungary from the beginning of 2024. The strategic direction is to optimize the refrigeration production footprint from a cost perspective through both outsourcing and own production leveraging Group scale.

Looking into 2023, consumer sentiment is anticipated to continue to be negatively impacted by a high inflation and interest rate environment, although with regional differences. Demand for core appliances in 2023 full-year is therefore expected to be negative for all regions except for the Asia-Pacific, Middle East and Africa region, which is assessed to be flat compared to 2022.

On the back of this, we estimate our volumes in 2023 to decline year-over-year, partly mitigated by mix improvements from our strong offering. We expect External factors to be negative for the year, driven by energy and labor cost inflation as well as currency headwind and most of this will impact Europe and Latin America. Although we foresee benefits from lower raw material costs, the positive impact on earnings is reduced as a higher share than normal of raw material procured at last year's rates will be consumed in 2023. This as a consequence of higher inventory levels of supplies and reduced production rate in the fourth quarter of 2022. Given the regional variations in cost inflation and demand outlook, we anticipate differences in the price dynamic for our business areas, with high promotional activity in North America. Hence, we see a challenge to fully offset an anticipated negative impact from External factors in 2023 full-year with price on a Group level. The expected positive year-over-year earnings contribution of SEK 4-5bn from Cost efficiency and reduced investments in innovation and marketing combined, related to the Group-wide cost reduction and North America turnaround program, is reconfirmed.

I am convinced that we have the right strategy as well as the experience and the organizational structure needed to navigate in volatile environment and seize opportunities. A successful implementation of the Group-wide cost reduction and North America turnaround program will be our number one priority for 2023.

## Outlook

Market outlook, units year-over-year <sup>1</sup>	FY 2023	Previous outlook for FY 2023 <sup>6</sup>	Market outlook, units year-over-year <sup>1</sup>	FY 2023	Previous outlook for FY 2023 <sup>6</sup>
Europe	Negative	Negative	Latin America	Negative	n.a.
North America	Negative	Negative	Asia-Pacific, Middle East and Africa	Neutral	n.a.

Business outlook <sup>2</sup> , year-over-year	FY 2023	Previous outlook for FY 2023 <sup>6</sup>
Volume/price/mix	Volume/mix - negative Price - partly offsetting external factors	n.a.
Investments in consumer experience innovation and marketing <sup>3</sup>	Positive SEK 4-5bn, combined	Positive SEK 4-5bn, combined
Cost efficiency <sup>4</sup>		
External factors <sup>5</sup>	Negative	n.a.
Capital expenditure	SEK 6-7bn	SEK 6-7bn

<sup>1</sup> Electrolux estimates for industry shipments of core appliances. <sup>2</sup> Business outlook range: Positive – Neutral – Negative, in terms of impact on earnings.

<sup>3</sup> Comprise of costs of R&D, marketing/brand, connectivity, CRM, aftermarket sales capability etc. <sup>4</sup> Efficiencies in variable costs (excl. raw material, energy, trade tariffs and labor cost inflation >2%) and structural costs (excl. consumer experience innovation and marketing). <sup>5</sup> Comprise of raw material costs, energy costs, trade tariffs, direct and indirect currency impact and labor cost inflation >2%. <sup>6</sup> Selected outlook items for FY 2023 were published on October 28, 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 fourth quarter

SEKM	Q4 2022	Q4 2021	Change, %	Full-year 2022	Full-year 2021	Change, %
Net sales	35,769	35,372	1	134,880	125,631	7
Operating income						
Europe	-135	1,034	n.m.	683	4,002	-83
North America	-1,649	-559	n.m.	-2,394	688	n.m.
Latin America	229	200	15	1,058	1,336	-21
Asia-Pacific, Middle East and Africa	88	445	-80	1,308	1,511	-13
Other, Group common costs, etc.	-497	-237	-110	-870	-737	-18
Total	-1,964	882	n.m.	-215	6,801	n.m.
Operating margin, %	-5.5	2.5		-0.2	5.4	
Operating margin excl. non-recurring items, % <sup>1</sup>	-1.7	4.5		0.6	6.0	

<sup>1</sup> For information on non-recurring items, see table below and pages 12 and 20.

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

## Net sales

Sales decreased by 10.4% in the quarter, excluding currency translation effects. Organic sales decreased by 8.4% and the exit from the Russian market had a negative impact of 2.1%.

The decline in organic sales was a result of significantly lower volumes due to the weaker market environment where the negative impact from lower consumer demand was amplified by retailer inventory reductions. Price execution remained strong across business areas while promotional activity returned to normal levels. Successful product launches continued to drive a positive mix development. Aftermarket sales were in line with last year.

## Operating income

Operating income amounted to SEK -1,964m (882), corresponding to a margin of -5.5% (2.5). Operating income was impacted by SEK -1,352m (-727) related to non-recurring items. These items refer to a restructuring charge for the Group-wide cost reduction and North America turnaround program of SEK -1,536m, a capital gain of SEK 394m from the divestment of Electrolux office facility in Zürich, Switzerland, and SEK -210m from the termination of a U.S. pension plan. See table to the right for the net impact by business area.

Excluding these non-recurring items, operating income was SEK -612m, corresponding to a margin of -1.7% (4.5). The year-over-year decline was a result of lower volumes in all four

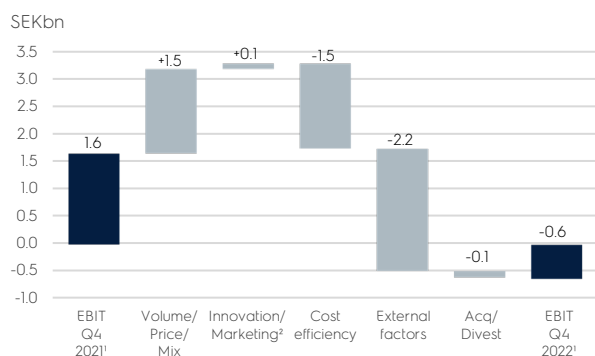
business areas and significantly higher cost levels in Business Area North America, which reported an underlying loss of SEK 1.2bn. Measures under the Group-wide cost reduction and North America turnaround program were taken in the quarter, although with a delayed earnings impact due to high inventory levels of products produced before the program started. Following the weak market, discretionary spending was reduced, primarily for marketing. Strong mix development contributed positively to earnings. Price offset significant cost inflation, mainly in raw material and logistics.

## NON-RECURRING ITEMS

SEKM	Q4 2022	Q4 2021
Europe	-424	-
North America	-415	-727
Latin America	-80	-
Asia-Pacific, Middle East and Africa	-66	-
Group common costs, etc.	-367	-
Total	-1,352	-727

For more information on non-recurring items, see pages 5-7, 12 and 20.

## OPERATING INCOME BRIDGE

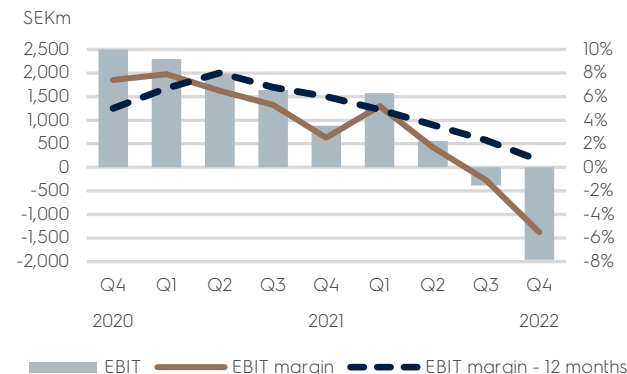


<sup>1</sup> Operating income (EBIT) excluding non-recurring items.

<sup>2</sup> Investments in consumer experience innovation and marketing.

For more information on definitions, see page 2 under Business Outlook.

## OPERATING INCOME AND MARGIN



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



## Financial net

Net financial items amounted to SEK -510m (-181). The change was mainly a result of higher interest rates and debt levels.

## Income for the period

Income for the period amounted to SEK -1,922m (596), corresponding to SEK -7.12 (2.09) in earnings per share.

### Full year 2022

Sales declined by 3.6% in the full year, excluding currency translation effects. Organic sales declined by 2.8%, as a result of lower volumes. This was due to decreased market demand as well as to limited product availability relating to a constrained supply chain, mainly in the first half of 2022. Divestments and acquisitions combined had a negative impact of 0.8%, primarily related to the exit from the Russian market. Price developed strongly and successful product launches generated a favorable mix. Aftermarket sales increased slightly.

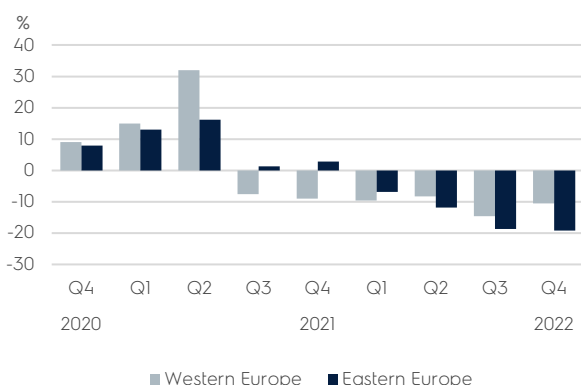
Operating income amounted to SEK -215m (6,801), corresponding to a margin of -0.2% (5.4). Operating income included non-recurring items of SEK -1,046m, see page 20. Excluding these non-recurring items, operating income amounted to SEK 831m corresponding to a margin of 0.6%. The decrease in earnings was primarily driven by lower volumes and elevated cost levels from production inefficiencies in business area North America. A Group-wide cost reduction and North America turnaround program was announced in September to return to stability and increase profitability. However, the high inventory of products produced before the measures were implemented, resulted in a delayed earnings impact. Net price realization was strong, offsetting significant cost inflation, and mix was positive.

Income for the full year amounted to SEK -1,320m (4,678), corresponding to SEK -4.81 (16.31) in earnings per share.

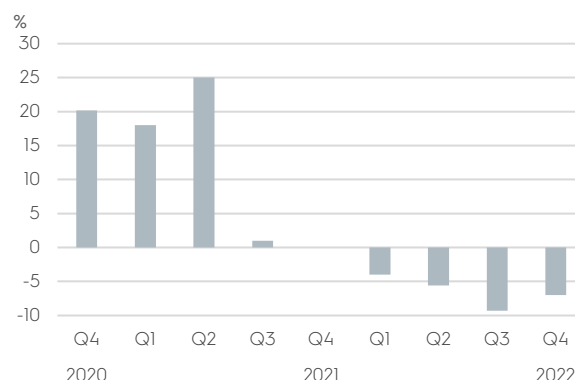
## Market overview

In the fourth quarter, the overall market demand in Europe and in the U.S. declined year-over-year. Consumer demand was negatively impacted by high general inflation, increased interest rates and geopolitical tensions. The impact from weak consumer demand on market demand was further amplified by retailer inventory reductions. 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, %*	Q4 2022	Q4 2021	Full-year 2022	Full-year 2021
Western Europe	-11	-9	-10	7
Eastern Europe	-19	3	-13	8
Total Europe	-12	-6	-10	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, %*	Q4 2022	Q4 2021	Full-year 2022	Full-year 2021
Core appliances	-7	0	-6	10
Microwave ovens and home-comfort products	-15	12	-11	15
Total major appliances	-9	2	-8	11

\*Source: Based on the AHAM Factory Shipment Report. Q4 2022 is a comparison of weeks between October 2, 2022 - December 31, 2022 vs October 3, 2021 - December 31, 2021. Core appliances include AHAM 6 (Washers, Dryers, Dishwashers, Refrigerators, Freezers, Ranges and Ovens) and Cooktops.



# Business areas

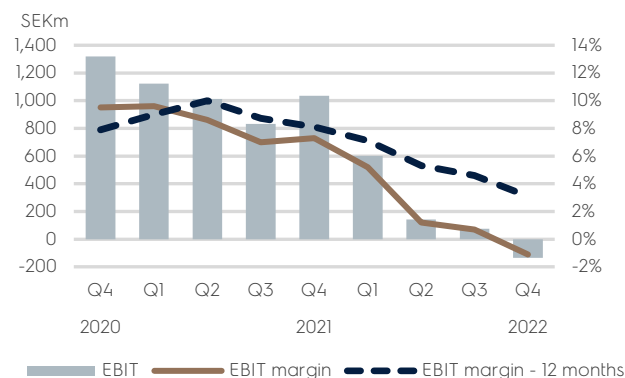
## Europe

Market demand in Europe, excluding Russia, continued to decline in the quarter and was down 12%, year-over-year. Consumer confidence levels remained low, negatively impacted by high general inflation, increased interest rates and geopolitical tensions. Reduced purchasing power led to an increased polarization with more consumers shifting to lower price points. The impact from weak consumer demand on market demand was further amplified by retailer inventory reductions. Western Europe declined by 11% and Eastern Europe by 19%. Compared to the fourth quarter of 2019, demand in Europe declined by 8%.

The business area reported an organic sales decline of 11.8%, driven by lower volumes across product categories mainly as result of declining consumer demand. Supply chain constraints continued to improve sequentially and only had a minor impact on product availability. Price development remained strong, driven by list price increases implemented in previous quarters. Mix improved through a clear focus on the more premium brands Electrolux and AEG, and high-mix products. Net sales were negatively impacted by the exit from the Russian market in September.

Operating income included non-recurring items of SEK -424m<sup>1</sup>. Operating income excluding these items decreased to SEK 289m due to significantly lower volumes year-over-year. In addition, inventory management with reduced production in response to lower market demand resulted in temporarily higher cost per product. Actions under the Group-wide cost reduction program to adjust production to the weaker market environment were taken during the quarter in addition to a continued reduction in discretionary spending. Price offset significant cost inflation and mix contributed positively to earnings.

### OPERATING INCOME AND MARGIN



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

SEKm	Q4 2022	Q4 2021	Full-year 2022	Full-year 2021
Net sales	12,586	14,122	46,573	49,384
Organic growth, %	-11.8	1.9	-8.6	10.6
Acquisitions, %	-	0.2	0.1	0.1
Divestments, %	-5.9	-	-2.2	-
Operating income	-135	1,034	683	4,002
Operating margin, %	-1.1	7.3	1.5	8.1
Operating margin excl. non-recurring items, % <sup>1</sup>	2.3	7.3	3.1	8.1

<sup>1</sup> Non-recurring items amounted to SEK -424m, whereof SEK -818m refers to the restructuring charge for the Group-wide cost reduction program and SEK 394m to the divestment of Electrolux office facility in Zürich, Switzerland, see page 20.



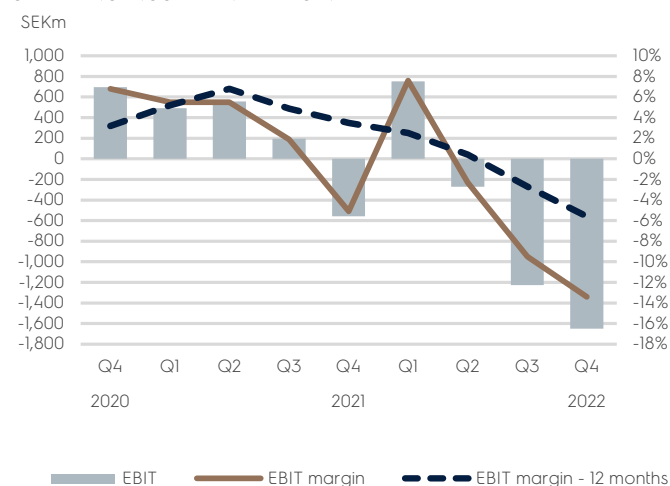
## North America

During the quarter, market demand for core appliances in the U.S. decreased by 7%, year-over-year. Compared to the fourth quarter of 2019, market demand increased by 3%. High general inflation and increased interest rates impacted consumer sentiment negatively. The impact from weak consumer demand on market demand was further amplified by retailer inventory reductions. Market demand for all major appliances, including microwave ovens and home-comfort products, decreased by 9% year-over-year.

The business area reported an organic sales decline of 6.1%. Volumes decreased as a result of weaker market demand but also due to a strategic shift away from certain sourced products. List price increases implemented earlier in the year impacted sales positively. Promotional activity returned to normal levels. Product mix was positive.

Operating income included non-recurring items of SEK -415m<sup>1</sup>. Excluding these items operating loss amounted to SEK 1.2bn. This was a result of lower volumes and significantly elevated cost levels due to the previous supply chain constraints and ongoing production transformation including two new facilities and several new product platforms. Measures under the North America turnaround program were taken in the quarter, although with a delayed earnings impact due to high inventory levels of products produced before the program started. The main focus of the turnaround program is to significantly improve cost efficiency in the two new facilities by adapting sales and production plans and to right-size the workforce. In the quarter, price offset 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	Q4 2022	Q4 2021	Full-year 2022	Full-year 2021
Net sales	12,266	10,955	47,021	40,468
Organic growth, %	-6.1	4.4	-0.9	12.7
Operating income	-1,649	-559	-2,394	688
Operating margin, %	-13.4	-5.1	-5.1	1.7
Operating margin excl. non-recurring items, % <sup>1</sup>	-10.1	1.5	-5.6	3.5

<sup>1</sup> Non-recurring items amounted to SEK -415m, whereof SEK -205m refers to the restructuring charge for the Group-wide cost reduction and North America turnaround program and SEK -210m to the termination of a U.S. pension plan, see pages 12 and 20.



## Latin America

During the quarter, consumer demand for core appliances is estimated to have declined double-digit in the region, year-over-year. This was driven by Brazil and Chile, where higher general inflation and interest rates continued to negatively impact consumer purchasing power and consumer confidence. Last year, demand in Chile was stimulated by government incentives. In Argentina, demand increased in the quarter, partly driven by improved product availability and partly as last year was negatively impacted by lockdowns.

The business area reported an organic sales decline of 1.6%. This as challenging market conditions with reduced consumer purchasing power resulted in lower volumes. Price remained strong primarily due to list price increases implemented in previous quarters. Promotional activity returned to normal levels. Aftermarket sales continued to develop strongly.

Operating income included a non-recurring item of SEK -80m<sup>1</sup>. Operating income excluding this item increased to SEK 309m, driven by mix improvement through successful product launches in key markets such as Brazil. Price offset significant cost inflation, including currency headwinds. Lower volumes impacted earnings negatively. Cost control remained tight with a continued strong focus on efficiently adapting to

### OPERATING INCOME AND MARGIN



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

the market situation, and measures under the Group-wide cost reduction program were taken.

SEKM	Q4 2022	Q4 2021	Full-year 2022	Full-year 2021
Net sales	6,755	5,750	24,303	19,958
Organic growth, %	-1.6	11.9	4.2	33.7
Operating income	229	200	1,058	1,336
Operating margin, %	3.4	3.5	4.4	6.7
Operating margin excl. non-recurring items, % <sup>1</sup>	4.6	3.5	4.7	6.7

<sup>1</sup> Non-recurring item of SEK -80m refers to the restructuring charge for the Group-wide cost reduction program, see page 20.

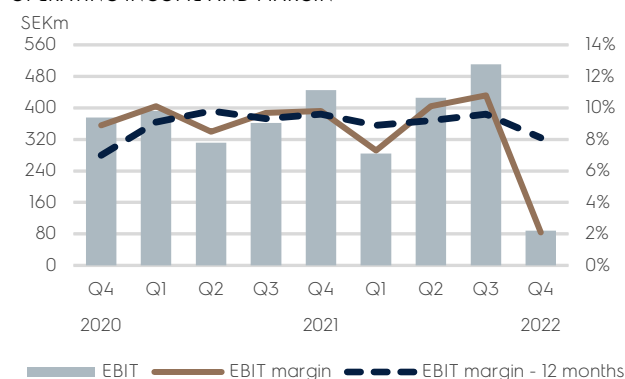
## Asia-Pacific, Middle East and Africa

During the quarter, consumer demand is estimated to have decreased year-over-year, mainly driven by Southeast Asia but also by Australia. Consumer confidence and purchasing power were negatively affected by higher general inflation as well as weaker global macro sentiment. Inventory reductions at retailers also impacted overall demand.

The business area reported an organic sales decline of 14.1% driven by significantly lower volumes due to the weaker demand. Successful product launches continued to contribute to a positive mix. Price execution was strong, driven primarily by list price increases implemented in previous quarters.

Operating income included a non-recurring item of SEK -66m<sup>2</sup>. Operating income excluding this item decreased to SEK 154m due to lower volumes. Mix developed favorably. Price offset significant cost inflation, including currency headwinds. Cost control remained tight, and actions were taken under the Group-wide cost reduction program.

### OPERATING INCOME AND MARGIN



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

SEKM	Q4 2022	Q4 2021	Full-year 2022	Full-year 2021
Net sales	4,162	4,545	16,984	15,820
Organic growth, %	-14.1	6.7	-0.5	8.4
Acquisitions, %	-	-	-	0.9
Operating income	88	445	1,308	1,511
Operating margin, %	2.1	9.8	7.7	9.6
Operating margin excl. non-recurring items, % <sup>2</sup>	3.7	9.8	8.1	9.6

<sup>2</sup> Non-recurring item of SEK -66m refers to the restructuring charge for the Group-wide cost reduction program, see page 20.



## Cash flow

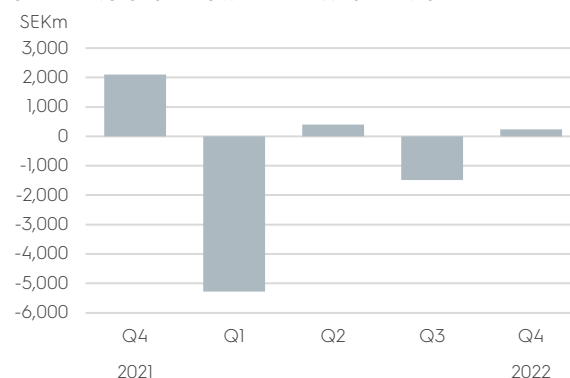
Operating cash flow after investments was SEK 242m (2,103) in the quarter. The decreased cash flow compared to the previous year was mainly a result of lower operating income. Efforts to reduce inventory levels gained traction in the quarter while also resulting in decreased accounts payable.

The second of two installments for the 2021 dividend of SEK 9.20 per share was distributed to shareholders during the quarter and impacted cash flow by SEK -1,242m.

Operating cash flow after investments for the full year 2022 amounted to SEK -6,118m (3,200). The year-over-year comparison reflects lower operating income and decreased accounts payable to manage inventory levels. In addition, a higher level of investments impacted cash flow negatively.

The 2021 dividend payment impacted cash flow by SEK -2,521m for the full year and shares were repurchased for a total amount of SEK -2,138m.

### OPERATING CASH FLOW AFTER INVESTMENTS



SEKM	Q4 2022	Q4 2021	Full-year 2022	Full-year 2021
Operating income adjusted for non-cash items <sup>1</sup>	759	2,680	6,845	12,185
Change in operating assets and liabilities	1,472	1,546	-6,367	-3,175
<b>Operating cash flow</b>	<b>2,231</b>	<b>4,225</b>	<b>478</b>	<b>9,010</b>
Investments in tangible and intangible assets	-2,446	-2,284	-7,389	-6,043
Changes in other investments	457	161	793	233
<b>Operating cash flow after investments</b>	<b>242</b>	<b>2,103</b>	<b>-6,118</b>	<b>3,200</b>
Acquisitions and divestments of operations	-	-990	-366	-1,006
<b>Operating cash flow after structural changes</b>	<b>242</b>	<b>1,113</b>	<b>-6,484</b>	<b>2,194</b>
Financial items paid, net <sup>2</sup>	-402	-160	-1,238	-470
Taxes paid	-345	-499	-1,514	-1,480
<b>Cash flow from operations and investments</b>	<b>-505</b>	<b>454</b>	<b>-9,236</b>	<b>244</b>
Payment of lease liabilities	-243	-217	-960	-880
Redemption of shares	-	-4,886	-	-4,886
Repurchase of shares	-	-894	-2,138	-894
Dividend	-1,242	-1,150	-2,521	-2,299
Share-based payments	13	21	-217	-259
<b>Total cash flow, excluding changes in loans and short-term investments</b>	<b>-1,978</b>	<b>-6,672</b>	<b>-15,073</b>	<b>-8,975</b>

<sup>1</sup> Operating income adjusted for depreciation, amortization and other non-cash items.

<sup>2</sup> For the period January 1 to December 31: interest and similar items received SEK 71m (58), interest and similar items paid SEK -1,206m (-430) and other financial items received/paid SEK -103m (-98).



# Financial position

## Net debt

As of December 31, 2022, Electrolux had a financial net debt (excluding lease liabilities and post-employment provisions) of SEK 19,828m, compared to the financial net debt of SEK 4,645m as of December 31, 2021. Net provisions for post-employment benefits amounted to a surplus of SEK 245m and lease liabilities amounted to SEK 4,264m as of December 31, 2022. In total, net debt amounted to SEK 23,848m, an increase of SEK 15,257m 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 31,343m as of December 31, 2022, with an average maturity of 4.0 years, compared to SEK 14,392m and 1.9 years at the end of 2021.

In the fourth quarter, amortization of long-term borrowings amounted to SEK 2,034m. In October, Electrolux issued a bond of EUR 500m, in November green bonds of SEK 3,000m and in December bonds of SEK 3,000m, all under the Euro Medium Term Note (EMTN) Programme. In November, Electrolux repurchased SEK 1,939m of EMTN bonds with original maturity in 2023. During the quarter, net issuance of commercial papers was SEK 350m. In November, two new credit facilities were signed, one of SEK 3,000m, expiring 2024 and one of SEK 2,500m, expiring 2023. For more information see [www.electroluxgroup.com](http://www.electroluxgroup.com).

Liquid funds as of December 31, 2022, amounted to SEK 17,800m, an increase of SEK 6,564m compared to SEK 11,236m as of December 31, 2021.

Net debt/EBITDA was 3.8 (0.7) and return on equity was -7.0% (24.4).

## Working capital and net assets

Working capital as of December 31, 2022, amounted to SEK -13,731 (-17,726), corresponding to -9.9% (-13.7) of annualized net sales. Operating working capital amounted to SEK 7,504m (5,407), corresponding to 5.4% (4.2) of annualized net sales, see page 22.

Average net assets for the full year 2022 amounted to SEK 36,684m (23,860), corresponding to 27.2% (19.0) of annualized net sales. Net assets as of December 31, 2022, amounted to SEK 40,297m (27,201).

Return on net assets was -0.6% (28.5).

## Net debt

SEKM	Dec. 31, 2022	Dec. 31, 2021
Short-term loans	5,732	1,288
Short-term part of long-term loans	2,605	4,187
Trade receivables with recourse	40	87
Short-term borrowings	8,377	5,563
Financial derivative liabilities	445	48
Accrued interest expenses and prepaid interest income	254	65
<b>Total short-term borrowings</b>	<b>9,076</b>	<b>5,675</b>
Long-term borrowings	28,738	10,205
<b>Total borrowings<sup>1</sup></b>	<b>37,813</b>	<b>15,881</b>
Long-term financial receivables	185	-
Cash and cash equivalents	17,559	10,923
Short-term investments	168	165
Financial derivative assets	51	144
Prepaid interest expenses and accrued interest income	21	4
<b>Liquid funds<sup>2</sup></b>	<b>17,800</b>	<b>11,236</b>
<b>Financial net debt</b>	<b>19,828</b>	<b>4,645</b>
Lease liabilities	4,264	3,055
Net provisions for post-employment benefits	-245	891
<b>Net debt</b>	<b>23,848</b>	<b>8,591</b>
Net debt/EBITDA	3.8	0.7
Net debt/equity ratio	1.45	0.46
Total equity	16,449	18,610
Equity per share, SEK	60.92	65.74
Return on equity, %	-7.0	24.4

<sup>1</sup> Whereof interest-bearing liabilities amounting to SEK 37,075m as of December 31, 2022, and SEK 15,681m as of December 31, 2021.

<sup>2</sup> Electrolux also has an unused committed multicurrency revolving credit facility of EUR 1,000m, approximately SEK 11,100m, maturing 2027, a revolving credit facility of SEK 2,500m, maturing 2023, and a revolving credit facility of SEK 3,000m, maturing 2024.



## Other items

### Share buybacks

No shares have been repurchased during the fourth quarter 2022. During the full year of 2022 a total of 13,049,115 series B shares were repurchased for a total amount of SEK 2,138m.

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/](http://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 December 31, 2022, the Group had a total of 3,365 (3,315) cases pending, representing approximately 3,371 (approximately 3,324) plaintiffs. During the fourth quarter of

2022, 274 new cases with 274 plaintiffs were filed and 280 pending cases with approximately 281 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](http://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 nearly 75% of consumers globally think it is more important than before the pandemic for companies to behave more sustainably<sup>1</sup> and nearly 60% of affluent Americans are willing to pay more for products that are environmentally friendly<sup>2</sup>. Electrolux most resource-efficient products have consistently had a higher margin for many years and in 2022 these products accounted for 24% of total units sold and 39% of gross profit.

## Realizing the many benefits of modular multi-door fridges

Electrolux popular multi-door refrigerator range demonstrates the many benefits of the modular approach, for both Electrolux and its consumers. Through deep consumer insight, Electrolux has strengthened its offering in the attractive multi-door category.

### A rapidly growing market

The global market for multi-door refrigerators has grown by approximately 3.5% on average for the last 5 years, according to Euromonitor data<sup>3</sup>, which is significantly higher than for refrigerators in general. Electrolux has in the past few years strengthened its offering in this high-value category which, in one of its core markets, Brazil, has contributed to significant market share gains<sup>4</sup>.

The main drivers for the rising demand are the consumer benefits that the multi-door configurations provide. Enhanced storage capacity and content oversight are key, as are the flexible temperature settings for individual compartments. The sustainability benefits provided by superior food preservation technologies for consumers also contribute to the appeal.

The design of Electrolux latest multi-door ranges was shaped by Electrolux deep knowledge of its consumers, gained through home visits, user experience labs, surveys and focus groups. Electrolux multi-door users can enjoy a clear reduction in food waste for their fresh fruit, vegetables, meat and fish thanks to cutting-edge modules such as sealed crispers, auto-humidity control membranes and antioxidant filters, providing flexible, healthy and sustainable living solutions. With a Group-level innovation process and modularization, consumers' rapidly evolving expectation can be met faster and more efficiently across regions.

### Increased speed of innovation at lower cost

Significant time and cost savings have been achieved in product development thanks to the use of modular product architectures. In the latest ranges of multi-doors, development time and costs were cut by around 30% compared to the previous platforms.

Modules initially built for the first multi-door platform at the Rayong production plant in Thailand are now included in



similar platforms built also at other Electrolux plants, and adjusted for fridge freezers intended for other regions, due to the cross-compatibility of the modules. This allows for the creation of modern and premium fridge freezers specifically adapted to suit their target markets, while the increased synergy and standardization between sites reduces the time spent on development. As suppliers and components become concentrated, additional savings can be leveraged at scale, bringing improved operational efficiencies.

### Creating additional value for consumers in the aftermarket

Consumers can also benefit from a further enhanced consumer experience thanks to consumables and accessories such as vacuum sealed containers for further prolonged food freshness and reduced food waste, water purification filters for water dispensers and ice makers integrated in the fridge, and air filters for odor removal. An app is also available to connect the model to the consumers' Wi-Fi and inform them how to get the most value from their refrigerators and notify them of when to order filters replacements.

<sup>1</sup> Global WebIndex (GWI) (2020). Coronavirus research. Survey in 20 countries.

<sup>2</sup> Ipsos (2022). Who are the affluent environmentalists? An Ipsos point of View.

<sup>3</sup> Euromonitor global market estimate, volumes, excluding China; major appliances by format.

<sup>4</sup> Electrolux estimates.



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](http://www.electroluxgroup.com/ir/create-value)



## Events during 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 and December 19. 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. Closing of the transaction is expected to be completed during the first half-year 2023. 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](http://www.electroluxgroup.com)

## Events after the quarter

### **January 11. Electrolux announces loss for the fourth quarter 2022**

Electrolux announced that operating income in the fourth quarter of 2022 is estimated to be approximately SEK -2.0bn (0.9), including non-recurring items of SEK -1.4bn (-0.7). This included, in addition to previously communicated items, the termination of a US pension plan and these pension obligations were transferred to a third party, which resulted in a reduction of pension liabilities and assets of SEK 6bn at year-end 2022. These actions resulted in a negative impact of approximately SEK 0.2bn on operating income in the fourth quarter due to an excise tax, and a positive cash flow effect of at least SEK 0.7bn is expected in the first half of 2023.

### **February 1. Electrolux to discontinue production at Nyíregyháza factory in Hungary**

Electrolux has decided to discontinue production at the Nyíregyháza factory in Hungary from the beginning of 2024. The company will take a restructuring charge of approximately SEK 550m which will be reported as a non-recurring item affecting operating income for Business Area Europe in the first quarter of 2023.

The decision follows a review of production capacity needs including an investigation into the competitiveness of the Nyíregyháza factory, which employs around 650 people and manufactures refrigeration products. The strategic direction is to optimize the refrigeration production footprint from a cost perspective through both outsourcing and own-production leveraging Group scale.

The decision means that remaining investments in refrigeration products that are part of the earlier communicated global re-engineering investments of SEK 8bn, which started in 2018, will be revised and redirected in line with the strategic direction of Electrolux.

Electrolux is exploring possibilities to divest the factory in Nyíregyháza and is committed to collaborating with relevant authorities and stakeholders to support its employees in the best possible way during this phase.

The cash flow impact is estimated to be approximately SEK 300m, mainly in 2024-2025. The final operating income and cash flow effects will be determined by the exchange rate on the relevant recording dates.

For more information, visit [www.electroluxgroup.com](http://www.electroluxgroup.com)



# Annual General Meeting 2023

Electrolux Annual General Meeting will be held on March 29, 2023 at 4.00 p.m. at Münchenbryggeriet, Torkel Knutssongatan 2, Stockholm, Sweden.

Additional information about the Annual General Meeting will be published in the notice convening the Annual General Meeting.

## Proposed dividend

According to the company's dividend policy, Electrolux target is for the dividend to correspond to approximately 50% of the annual income. As the annual income for 2022 was negative, the Board of Directors proposes that no payment of dividend will be made for the fiscal year 2022.

## Proposal for resolution on acquisition of own shares

Electrolux has, for several years, had a mandate from the Annual General Meetings to acquire own shares.

Even though the Board of Directors currently has no intention to exercise an authorization to acquire additional own shares, the Board of Directors proposes the authorization is to be renewed as an authorization is valid until the following Annual General Meeting. The Board of Directors would then be able to decide to repurchase own shares, if the conditions are appropriate and the Board of Directors were to find it would be in the best interests of the company and the shareholders. The Board of Directors therefore proposes the Annual General Meeting 2023 to authorize the Board of Directors, for the period until the next Annual General Meeting, to resolve on acquisitions of shares in the company and that the company may acquire as a maximum so many shares of series B that, following each acquisition, the company holds at a maximum 10% of all shares issued by the company.

The purpose of the proposal is to be able to use repurchased shares on account of potential company acquisitions, the company's share related incentive programs as well as to be able to adapt the company's capital structure.

As of December 31, 2022, Electrolux held 13,049,115 shares of series B in Electrolux, corresponding to approximately 4.6% of the total number of shares in the company.

## Nomination Committee

The Electrolux Nomination Committee comprises Johan Forssell, Investor AB, Chairman of the committee. The other members are Sussi Kvarf, Handelsbanken Funds, Carina Silberg, Alecta and Tomas Risbecker, AMF Tjänstepension och Fonder. The committee also includes Staffan Bohman and Fredrik Persson, Chairman and Director, respectively, of Electrolux.

The Nomination Committee will prepare proposals for the Annual General Meeting in 2023 regarding Chairman of the Annual General Meeting, Board members, Chairman of the Board, remuneration for Board members, Auditor, Auditor's fees and, to the extent deemed necessary, proposal regarding amendments of the current instruction for the Nomination Committee.

For more information, visit [www.electroluxgroup.com](http://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 full year 2022 amounted to SEK 42,063m (43,805) of which SEK 34,865m (36,581) referred to sales to Group companies and SEK 7,198m (7,224) to external customers. Income after financial items was SEK -613m (4,535), including dividends from subsidiaries in the amount of SEK 3,167m (3,434). Income for the period amounted to SEK -236m (4,110).

Capital expenditure in tangible and intangible assets was SEK 1,222m (860). Liquid funds at the end of the period amounted to SEK 12,899m, 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 9,353m, compared to SEK 15,002m at the start of the year. Dividend payment to shareholders for 2021 amounted to SEK 2,521m.

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

Stockholm, February 2, 2023

AB Electrolux (publ)  
556009-4178

**Board of Directors**

The report has not been audited by external auditors



# Consolidated statement of comprehensive income

SEKM	Q4 2022	Q4 2021	Full-year 2022	Full-year 2021
Net sales	35,769	35,372	134,880	125,631
Cost of goods sold	-32,362	-29,155	-117,177	-101,647
Gross operating income	3,407	6,218	17,703	23,984
Selling expenses	-3,702	-3,609	-12,997	-11,835
Administrative expenses	-1,774	-1,376	-5,752	-4,972
Other operating income/expenses	105	-350	830	-376
Operating income	-1,964	882	-215	6,801
Financial items, net	-510	-181	-1,457	-546
Income after financial items	-2,474	700	-1,672	6,255
Taxes	552	-104	352	-1,577
Income for the period	-1,922	596	-1,320	4,678
Items that will not be reclassified to income for the period:				
Remeasurement of provisions for post-employment benefits	-1,000	1,097	1,614	2,746
Income tax relating to items that will not be reclassified	254	-212	-411	-584
	-746	885	1,204	2,161
Items that may be reclassified subsequently to income for the period:				
Cash flow hedges	47	0	39	-35
Exchange-rate differences on translation of foreign operations	-1,147	450	2,643	1,284
Income tax relating to items that may be reclassified	-5	0	1	9
	-1,104	451	2,684	1,258
Other comprehensive income, net of tax	-1,851	1,336	3,887	3,419
Total comprehensive income for the period	-3,772	1,932	2,568	8,097
Income for the period attributable to:				
Equity holders of the Parent Company	-1,922	596	-1,320	4,677
Non-controlling interests	0	-0	0	0
Total	-1,922	596	-1,320	4,678
Total comprehensive income for the period attributable to:				
Equity holders of the Parent Company	-3,772	1,932	2,567	8,096
Non-controlling interest	0	0	0	0
Total	-3,772	1,932	2,568	8,097
Earnings per share, SEK				
Basic	-7.12	2.09	-4.81	16.31
Diluted	-7.02	2.07	-4.75	16.21
Average number of shares <sup>1</sup>				
Basic, million	270.0	285.6	274.7	286.9
Diluted, million	273.6	287.6	278.0	288.5

<sup>1</sup> Average numbers of shares excluding shares held by Electrolux.



## Consolidated balance sheet

SEKM	Dec. 31, 2022	Dec. 31, 2021
<b>Assets</b>		
Property, plant and equipment, owned	29,876	25,422
Property, plant and equipment, right-of-use	3,906	2,771
Goodwill	7,081	6,690
Other intangible assets	5,223	4,000
Investments in associates	24	76
Deferred tax assets	7,672	5,746
Financial assets	259	65
Pension plan assets	2,164	1,732
Other non-current assets	904	634
<b>Total non-current assets</b>	<b>57,108</b>	<b>47,136</b>
Inventories	24,374	20,478
Trade receivables	21,487	23,110
Tax assets	1,208	959
Derivatives	99	204
Other current assets	5,098	4,632
Short-term investments	168	165
Cash and cash equivalents	17,559	10,923
<b>Total current assets</b>	<b>69,994</b>	<b>60,471</b>
<b>Total assets</b>	<b>127,102</b>	<b>107,607</b>
<b>Equity and liabilities</b>		
<b>Equity attributable to equity holders of the Parent Company</b>		
Share capital	1,545	1,545
Other paid-in capital	2,905	2,905
Other reserves	-651	-3,335
Retained earnings	12,644	17,489
<b>Equity attributable to equity holders of the Parent Company</b>	<b>16,443</b>	<b>18,604</b>
Non-controlling interests	7	6
<b>Total equity</b>	<b>16,449</b>	<b>18,610</b>
Long-term borrowings	28,738	10,205
Long-term lease liabilities	3,210	2,173
Deferred tax liabilities	731	476
Provisions for post-employment benefits	1,919	2,623
Other provisions	4,655	4,664
<b>Total non-current liabilities</b>	<b>39,253</b>	<b>20,142</b>
Accounts payable	38,357	38,182
Tax liabilities	1,453	1,704
Other liabilities	17,543	19,745
Short-term borrowings	8,377	5,563
Short-term lease liabilities	1,054	882
Derivatives	578	75
Other provisions	4,037	2,704
<b>Total current liabilities</b>	<b>71,400</b>	<b>68,854</b>
<b>Total equity and liabilities</b>	<b>127,102</b>	<b>107,607</b>

## Change in consolidated equity

SEKM	Full-year 2022	Full-year 2021
Opening balance	18,610	18,709
Total comprehensive income for the period	2,568	8,097
Share-based payments	-72	-116
Dividend to equity holders of the Parent Company	-2,521	-2,299
Redemption of shares	-	-4,886
Repurchase of shares	-2,138	-894
Dividend to non-controlling interests	-	-0
Acquisition of non-controlling interests	2	-1
<b>Total transactions with equity holders</b>	<b>-4,729</b>	<b>-8,196</b>
<b>Closing balance</b>	<b>16,449</b>	<b>18,610</b>



# Consolidated cash flow statement

SEKM	Q4 2022	Q4 2021	Full-year 2022	Full-year 2021
<b>Operations</b>				
Operating income	-1,964	882	-215	6,801
Depreciation and amortization	1,421	1,117	5,390	4,489
Other non-cash items	1,303	681	1,670	895
Financial items paid, net <sup>1</sup>	-402	-160	-1,238	-470
Taxes paid	-345	-499	-1,514	-1,480
<b>Cash flow from operations, excluding change in operating assets and liabilities</b>	<b>12</b>	<b>2,021</b>	<b>4,093</b>	<b>10,235</b>
<b>Change in operating assets and liabilities</b>				
Change in inventories	5,652	1,158	-1,556	-6,401
Change in trade receivables	769	-1,603	4,074	-2,253
Change in accounts payable	-4,740	2,199	-4,026	5,372
Change in other operating assets, liabilities and provisions	-210	-207	-4,859	106
<b>Cash flow from change in operating assets and liabilities</b>	<b>1,472</b>	<b>1,546</b>	<b>-6,367</b>	<b>-3,175</b>
<b>Cash flow from operations</b>	<b>1,483</b>	<b>3,567</b>	<b>-2,274</b>	<b>7,059</b>
<b>Investments</b>				
Acquisition of operations	-	-990	-	-1,006
Divestment of operations	-	-	-367	-
Capital expenditure in property, plant and equipment	-1,910	-1,914	-5,649	-4,847
Capital expenditure in product development	-200	-172	-740	-578
Capital expenditure in software and other intangibles	-336	-198	-1,001	-618
Other	457	161	795	233
<b>Cash flow from investments</b>	<b>-1,989</b>	<b>-3,113</b>	<b>-6,962</b>	<b>-6,815</b>
<b>Cash flow from operations and investments</b>	<b>-505</b>	<b>454</b>	<b>-9,236</b>	<b>244</b>
<b>Financing</b>				
Change in short-term investments	2	-1	-4	8
Change in short-term borrowings	1,018	-410	5,355	-291
New long-term borrowings	11,391	0	22,244	1
Amortization of long-term borrowings	-2,034	-64	-6,158	-284
Payment of lease liabilities	-243	-217	-960	-880
Dividend	-1,242	-1,150	-2,521	-2,299
Redemption of shares	-	-4,886	-	-4,886
Repurchase of shares	-	-894	-2,138	-894
Share-based payments	13	21	-217	-259
<b>Cash flow from financing</b>	<b>8,904</b>	<b>-7,600</b>	<b>15,601</b>	<b>-9,785</b>
<b>Total cash flow</b>	<b>8,398</b>	<b>-7,146</b>	<b>6,365</b>	<b>-9,541</b>
Cash and cash equivalents at beginning of period	9,403	17,973	10,923	20,196
Exchange-rate differences referring to cash and cash equivalents	-242	95	271	267
<b>Cash and cash equivalents at end of period</b>	<b>17,559</b>	<b>10,923</b>	<b>17,559</b>	<b>10,923</b>

<sup>1</sup> For the period January 1 to December 31: interest and similar items received SEK 71m (58), interest and similar items paid SEK -1,206m (-430) and other financial items received/paid SEK -103m (-98).



## Key ratios

SEKM unless otherwise stated	Q4 2022	Q4 2021	Full-year 2022	Full year 2021
Net sales	35,769	35,372	134,880	125,631
Organic growth, %	-8.4	4.8	-2.8	14.2
EBITA	-1,724	1,048	698	7,592
EBITA margin, %	-4.8	3.0	0.5	6.0
Operating income	-1,964	882	-215	6,801
Operating margin, %	-5.5	2.5	-0.2	5.4
Operating margin excl. non-recurring items, % <sup>1</sup>	-1.7	4.5	0.6	6.0
Income after financial items	-2,474	700	-1,672	6,255
Income for the period	-1,922	596	-1,320	4,678
Capital expenditure property, plant and equipment	-1,910	-1,914	-5,649	-4,847
Operating cash flow after investments	242	2,103	-6,118	3,200
Earnings per share, SEK <sup>2</sup>	-7.12	2.09	-4.81	16.31
Equity per share, SEK	60.92	65.74	60.92	65.74
Capital turnover rate, times/year	-	-	3.7	5.3
Return on net assets, %	-	-	-0.6	28.5
Return on equity, %	-	-	-7.0	24.4
Net debt	23,848	8,591	23,848	8,591
Net debt/EBITDA	-	-	3.83	0.71
Net debt/equity ratio	1.45	0.46	1.45	0.46
Average number of employees	48,982	52,025	50,769	51,590
Average number of shares excluding shares owned by Electrolux, million	270.0	285.6	274.7	286.9

<sup>1</sup> The full year of 2022 and the full year 2021 include non-recurring items respectively. For more information regarding non-recurring items in previous years, see page 20.

<sup>2</sup> Basic.

For definitions, see pages 27-28.

## Exchange rates

SEK	Dec. 31, 2022		Dec. 31, 2021	
Exchange rate	Average	End of period	Average	End of period
ARS	0.0785	0.0589	0.0904	0.0880
AUD	7.00	7.09	6.42	6.57
BRL	1.95	2.00	1.59	1.62
CAD	7.73	7.70	6.82	7.07
CHF	10.59	11.29	9.40	9.88
CLP	0.0116	0.0121	0.0113	0.0107
CNY	1.50	1.51	1.33	1.42
EUR	10.63	11.12	10.15	10.24
GBP	12.45	12.54	11.78	12.21
HUF	0.0272	0.0277	0.0283	0.0277
MXN	0.5028	0.5333	0.4216	0.4407
RUB	0.1495	0.1426	0.1159	0.1207
THB	0.2881	0.3019	0.2685	0.2705
USD	10.09	10.43	8.57	9.04



## Net sales and operating income by business area

SEKM	Q1 2022	Q2 2022	Q3 2022	Q4 2022	2022	Q1 2021	Q2 2021	Q3 2021	Q4 2021	2021
<b>Europe</b>										
Net sales	11,535	11,345	11,107	12,586	46,573	11,637	11,721	11,905	14,122	49,384
Sales growth, %	-4.0	-7.4	-11.6	-17.0	-10.5	14.1	37.3	-1.1	2.1	10.8
EBITA	670	222	161	-44	1,009	1,166	1,057	885	1,097	4,205
EBITA margin, %	5.8	2.0	1.4	-0.4	2.2	10.0	9.0	7.4	7.8	8.5
Operating income	602	142	75	-135	683	1,122	1,013	833	1,034	4,002
Operating margin, %	5.2	1.2	0.7	-1.1	1.5	9.6	8.6	7.0	7.3	8.1
<b>North America</b>										
Net sales	9,940	11,905	12,909	12,266	47,021	9,002	10,132	10,378	10,955	40,468
Sales growth, %	-0.3	0.7	2.3	-6.1	-0.9	22.9	33.7	-1.9	4.4	12.7
EBITA	807	-214	-1,169	-1,588	-2,164	543	602	240	-510	875
EBITA margin, %	8.1	-1.8	-9.1	-12.9	-4.6	6.0	5.9	2.3	-4.7	2.2
Operating income	752	-270	-1,227	-1,649	-2,394	493	558	196	-559	688
Operating margin, %	7.6	-2.3	-9.5	-13.4	-5.1	5.5	5.5	1.9	-5.1	1.7
<b>Latin America</b>										
Net sales	4,761	6,268	6,518	6,755	24,303	4,516	4,782	4,910	5,750	19,958
Sales growth, %	-6.0	12.9	13.5	-1.6	4.2	58.3	90.4	10.9	11.9	33.7
EBITA	115	338	478	261	1,191	464	371	430	227	1,492
EBITA margin, %	2.4	5.4	7.3	3.9	4.9	10.3	7.8	8.8	4.0	7.5
Operating income	85	303	440	229	1,058	423	327	387	200	1,336
Operating margin, %	1.8	4.8	6.8	3.4	4.4	9.4	6.8	7.9	3.5	6.7
<b>Asia-Pacific, Middle East and Africa</b>										
Net sales	3,882	4,231	4,710	4,162	16,984	3,871	3,668	3,736	4,545	15,820
Sales growth, %	-5.2	6.4	13.7	-14.1	-0.5	20.1	17.8	-3.9	6.7	9.3
EBITA	300	439	527	104	1,370	416	333	426	434	1,609
EBITA margin, %	7.7	10.4	11.2	2.5	8.1	10.7	9.1	11.4	9.5	10.2
Operating income	284	426	511	88	1,308	393	312	362	445	1,511
Operating margin, %	7.3	10.1	10.8	2.1	7.7	10.1	8.5	9.7	9.8	9.6
<b>Group common costs, etc: operating income</b>										
	-148	-41	-184	-497	-870	-134	-226	-139	-237	-737
<b>Total Group</b>										
Net sales	30,118	33,749	35,244	35,769	134,880	29,026	30,303	30,929	35,372	125,631
Sales growth, %	-3.3	0.4	0.4	-10.4	-3.6	23.0	39.3	-0.0	4.9	14.3
EBITA	1,780	786	-144	-1,724	698	2,492	2,173	1,878	1,048	7,592
EBITA margin, %	5.9	2.3	-0.4	-4.8	0.5	8.6	7.2	6.1	3.0	6.0
Operating income	1,575	560	-385	-1,964	-215	2,297	1,983	1,639	882	6,801
Operating margin, %	5.2	1.7	-1.1	-5.5	-0.2	7.9	6.5	5.3	2.5	5.4
Income for the period	950	257	-605	-1,922	-1,320	1,556	1,383	1,143	596	4,678
Earnings per share, SEK <sup>1</sup>	3.40	0.93	-2.23	-7.12	-4.81	5.41	4.81	3.98	2.09	16.31

<sup>1</sup> Basic



## Non-recurring items by business area

SEKM	Q1 2022 <sup>1</sup>	Q2 2022	Q3 2022 <sup>2</sup>	Q4 2022 <sup>3</sup>	Full year 2022	Q1 2021	Q2 2021	Q3 2021	Q4 2021 <sup>4</sup>	Full year 2021
Europe	-	-	-350	-424	-774	-	-	-	-	-
North America	656	-	-	-415	241	-	-	-	-727	-727
Latin America	-	-	-	-80	-80	-	-	-	-	-
Asia-Pacific, Middle East and Africa	-	-	-	-66	-66	-	-	-	-	-
Group common costs, etc.	-	-	-	-367	-367	-	-	-	-	-
<b>Total Group</b>	<b>656</b>	<b>-</b>	<b>-350</b>	<b>-1,352</b>	<b>-1,046</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-727</b>	<b>-727</b>

<sup>1</sup> 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.

<sup>2</sup> The non-recurring item of SEK -350m in the third quarter of 2022 refers to the business area Europe and the exit from the Russian market. The cost is included in Other operating income/expenses.

<sup>3</sup> The non-recurring items of SEK -1,352m in the fourth quarter of 2022 refer to a restructuring charge of SEK -1,536m for the Group-wide cost reduction and North America turnaround program, a capital gain of SEK 394m for the divestment of Electrolux office facility in Zürich, Switzerland, and SEK -210m from the termination of a U.S. pension plan, transferred to a third party. The capital gain from the facility divestment and the cost for the pension plan termination are included in Other operating income/expenses, the restructuring costs for the Group-wide cost reduction and North America turnaround program are included in the applicable functional lines of the income statement.

<sup>4</sup> 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.

## 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
<b>Europe</b>										
Operating income excl. NRI	602	142	425	289	1,457	1,122	1,013	833	1,034	4,002
Operating margin excl. NRI, %	5.2	1.2	3.8	2.3	3.1	9.6	8.6	7.0	7.3	8.1
<b>North America</b>										
Operating income excl. NRI	96	-270	-1,227	-1,234	-2,635	493	558	196	168	1,415
Operating margin excl. NRI, %	1.0	-2.3	-9.5	-10.1	-5.6	5.5	5.5	1.9	1.5	3.5
<b>Latin America</b>										
Operating income excl. NRI	85	303	440	309	1,138	423	327	387	200	1,336
Operating margin excl. NRI, %	1.8	4.8	6.8	4.6	4.7	9.4	6.8	7.9	3.5	6.7
<b>Asia-Pacific, Middle East and Africa</b>										
Operating income excl. NRI	284	426	511	154	1,374	393	312	362	445	1,511
Operating margin excl. NRI, %	7.3	10.1	10.8	3.7	8.1	10.1	8.5	9.7	9.8	9.6
<b>Group common cost etc</b>										
Operating income excl. NRI	-148	-41	-184	-130	-503	-134	-226	-139	-237	-737
<b>Total Group</b>										
Operating income excl. NRI	919	560	-35	-612	831	2,297	1,983	1,639	1,609	7,528
Operating margin excl. NRI, %	3.1	1.7	-0.1	-1.7	0.6	7.9	6.5	5.3	4.5	6.0



## Net sales by business area

SEKM	Q4 2022	Q4 2021	Full-year 2022	Full-year 2021
Europe	12,586	14,122	46,573	49,384
North America	12,266	10,955	47,021	40,468
Latin America	6,755	5,750	24,303	19,958
Asia-Pacific, Middle East and Africa	4,162	4,545	16,984	15,820
<b>Total Group</b>	<b>35,769</b>	<b>35,372</b>	<b>134,880</b>	<b>125,631</b>

## Change in Net sales by business area, %

Year-over-year, %	Q4 2022	Q4 2022 currency adjusted	Full-year 2022	Full-year 2022 currency adjusted
Europe	-11	-17	-6	-10
North America	12	-6	16	-1
Latin America	17	-2	22	4
Asia-Pacific, Middle East and Africa	-8	-14	7	-0
<b>Total change Group</b>	<b>1</b>	<b>-10</b>	<b>7</b>	<b>-4</b>

## Operating income by business area

SEKM	Q4 2022	Q4 2021	Full-year 2022	Full-year 2021
Europe	-135	1,034	683	4,002
Margin, %	-1.1	7.3	1.5	8.1
North America	-1,649	-559	-2,394	688
Margin, %	-13.4	-5.1	-5.1	1.7
Latin America	229	200	1,058	1,336
Margin, %	3.4	3.5	4.4	6.7
Asia-Pacific, Middle East and Africa	88	445	1,308	1,511
Margin, %	2.1	9.8	7.7	9.6
Group common costs, etc.	-497	-237	-870	-737
<b>Operating income Group</b>	<b>-1,964</b>	<b>882</b>	<b>-215</b>	<b>6,801</b>
<b>Margin, %</b>	<b>-5.5</b>	<b>2.5</b>	<b>-0.2</b>	<b>5.4</b>

## Change in operating income by business area, SEK M

Year-over-year, SEK M	Q4 2022	Q4 2022 currency adjusted	Full-year 2022	Full-year 2022 currency adjusted
Europe	-1,169	-1,230	-3,319	-3,567
North America	-1,090	-955	-3,082	-3,181
Latin America	30	-21	-278	-520
Asia-Pacific, Middle East and Africa	-357	-437	-204	-329
<b>Group common costs, etc.</b>	<b>-260</b>	<b>-249</b>	<b>-133</b>	<b>-85</b>



## Working capital and net assets

SEKM	Dec. 31, 2022	% <sup>1</sup>	Dec. 31, 2021	% <sup>1</sup>
Inventories	24,374	17.7	20,478	15.9
Trade receivables	21,487	15.6	23,110	17.9
Accounts payable	-38,357	-27.8	-38,182	-29.6
<b>Operating working capital</b>	<b>7,504</b>	<b>5.4</b>	<b>5,407</b>	<b>4.2</b>
Provisions	-8,693		-7,368	
Prepaid and accrued income and expenses	-12,567		-14,371	
Taxes and other assets and liabilities	24		-1,394	
<b>Working capital</b>	<b>-13,731</b>	<b>-9.9</b>	<b>-17,726</b>	<b>-13.7</b>
Property, plant and equipment, owned	29,876		25,422	
Property, plant and equipment, right-of-use	3,906		2,771	
Goodwill	7,081		6,690	
Other non-current assets	6,224		4,775	
Deferred tax assets and liabilities	6,940		5,269	
<b>Net assets</b>	<b>40,297</b>	<b>29.2</b>	<b>27,201</b>	<b>21.1</b>
Annualized net sales, calculated at end of period exchange rates	138,040		129,124	
<b>Average net assets</b>	<b>36,684</b>	<b>27.2</b>	<b>23,860</b>	<b>19.0</b>
Annualized net sales, calculated at average exchange rates	134,880		125,631	

<sup>1</sup> Of annualized net sales.

## Net assets by business area

SEKM	Assets		Equity and liabilities		Net assets	
	Dec. 31, 2022	Dec. 31, 2021	Dec. 31, 2022	Dec. 31, 2021	Dec. 31, 2022	Dec. 31, 2021
Europe	32,041	30,165	26,273	28,416	5,768	1,749
North America	30,229	26,890	18,375	17,513	11,854	9,376
Latin America	18,141	14,830	9,417	8,937	8,724	5,893
Asia-Pacific, Middle East and Africa	13,821	12,579	7,451	7,679	6,370	4,900
Other <sup>1</sup>	12,722	10,175	5,141	4,893	7,581	5,282
<b>Total operating assets and liabilities</b>	<b>106,953</b>	<b>94,639</b>	<b>66,657</b>	<b>67,437</b>	<b>40,297</b>	<b>27,201</b>
Liquid funds	17,800	11,236	-	-	-	-
Long-term financial receivables	185	-	-	-	-	-
Total borrowings	-	-	37,813	15,881	-	-
Lease liabilities	-	-	4,264	3,055	-	-
Pension assets and liabilities	2,164	1,732	1,919	2,623	-	-
Total equity	-	-	16,449	18,610	-	-
<b>Total</b>	<b>127,102</b>	<b>107,607</b>	<b>127,102</b>	<b>107,607</b>	<b>-</b>	<b>-</b>

<sup>1</sup> Includes common functions and tax items.



## Parent Company income statement

SEKM	Q4 2022	Q4 2021	Full-year 2022	Full-year 2021
Net sales	11,399	12,502	42,063	43,805
Cost of goods sold	-10,653	-10,697	-37,873	-36,717
Gross operating income	746	1,805	4,190	7,088
Selling expenses	-1,094	-1,292	-3,320	-3,746
Administrative expenses	-852	-662	-2,470	-1,992
Other operating expenses	-1,610	-75	-1,860	-75
Operating income	-2,810	-224	-3,460	1,275
Financial income	2,444	2,064	3,920	3,717
Financial expenses	-529	-182	-1,073	-457
Financial items, net	1,915	1,882	2,847	3,260
Income after financial items	-895	1,658	-613	4,535
Appropriations	-65	-	-60	-20
Income before taxes	-960	1,658	-673	4,515
Taxes	351	-48	437	-405
Income for the period	-609	1,610	-236	4,110

## Parent Company balance sheet

SEKM	Dec. 31, 2022	Dec. 31, 2021
<b>Assets</b>		
Non-current assets	41,189	39,927
Current assets	36,019	24,984
<b>Total assets</b>	<b>77,208</b>	<b>64,911</b>
<b>Equity and liabilities</b>		
Restricted equity	6,813	6,114
Non-restricted equity	9,353	15,002
<b>Total equity</b>	<b>16,166</b>	<b>21,116</b>
Untaxed reserves	668	586
Provisions	1,926	1,496
Non-current liabilities	28,771	10,214
Current liabilities	29,677	31,499
<b>Total equity and liabilities</b>	<b>77,208</b>	<b>64,911</b>

## 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 December 31, 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, freezers, dishwashers, washing machines, dryers, cookers, microwave ovens, vacuum cleaners, air conditioners and small domestic appliances. Electrolux has four regional Consumer Products business areas with focus on the consumer market.

Sales of products are revenue recognized at a point in time when control of the products has transferred. Revenue from services related to installation of products, repairs or maintenance service is recognized when control is transferred being over the time the service is provided. Sales of services are not material in relation to Electrolux total net sales.

Geography and product category are considered important attributes when disaggregating Electrolux revenue. The business areas, also being the Group's segments, are based on geography: Europe, North America, Latin America and Asia-Pacific, Middle East and Africa. For business area information, see pages 5-7. 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. air conditioners, 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	Full-year 2022	Full-year 2021
<b>Product areas</b>		
Taste	85,895	77,457
Care	38,661	36,415
Wellbeing	10,324	11,758
<b>Total</b>	<b>134,880</b>	<b>125,631</b>

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

SEKM	Dec. 31, 2022		Dec. 31, 2021	
	Fair value	Carrying amount	Fair value	Carrying amount
<b>Per category</b>				
Financial assets at fair value through profit and loss	425	425	227	227
Financial assets measured at amortized cost	39,048	39,048	34,036	34,036
Derivatives, financial assets at fair value through profit and loss	60	60	204	204
Derivatives in hedge accounting	39	39	-	-
<b>Total financial assets</b>	<b>39,572</b>	<b>39,572</b>	<b>34,467</b>	<b>34,467</b>
Financial liabilities measured at amortized cost	74,123	75,472	54,206	53,950
Derivatives, financial liabilities at fair value through profit and loss	279	279	68	68
Derivatives in hedge accounting	299	299	7	7
<b>Total financial liabilities</b>	<b>74,701</b>	<b>76,050</b>	<b>54,281</b>	<b>54,025</b>

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 December 31 the fair value for Level 1 financial assets was SEK 166m (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 December 31 the fair value of Level 2 financial assets was SEK 99m (204) and financial liabilities SEK 578m (75).

Level 3: Inputs for the assets or liabilities that are not entirely based on observable market data. On December 31 the fair value of Level 3 financial assets was SEK 259m (65) and financial liabilities SEK 0m (0).

### Note 4 Pledged assets and contingent assets and liabilities

SEKM	Dec. 31, 2022	Dec. 31, 2021
<b>Group</b>		
Pledged assets	-	-
Guarantees and other commitments	1,491	1,309
<b>Parent Company</b>		
Pledged assets	-	-
Guarantees and other commitments	1,097	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 during 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	2018 <sup>1</sup>	2019	2020	2021	2022
<b>Europe</b>					
Net sales	43,321	45,420	46,038	49,384	46,573
Operating income	2,128	2,493	3,643	4,002	683
Margin, %	4.9	5.5	7.9	8.1	1.5
<b>North America</b>					
Net sales	39,804	38,954	38,219	40,468	47,021
Operating income	1,104	-516	1,215	688	-2,394
Margin, %	2.8	-1.3	3.2	1.7	-5.1
<b>Latin America</b>					
Net sales	17,963	19,653	16,915	19,958	24,303
Operating income	492	1,821	666	1,336	1,058
Margin, %	2.7	9.3	3.9	6.7	4.4
<b>Asia-Pacific, Middle East and Africa</b>					
Net sales	14,375	14,954	14,788	15,820	16,984
Operating income	979	446	1,038	1,511	1,308
Margin, %	6.8	3.0	7.0	9.6	7.7
<b>Other</b>					
Group common cost, etc.	-527	-1,055	-783	-737	-870
<b>Total Group</b>					
Net sales	115,463	118,981	115,960	125,631	134,880
Operating income	4,176	3,189	5,778	6,801	-215
Margin, %	3.6	2.7	5.0	5.4	-0.2
<b>Non-recurring items in operating income<sup>2</sup></b>					
	2018 <sup>3</sup>	2019 <sup>4</sup>	2020	2021 <sup>5</sup>	2022 <sup>6</sup>
Europe	-747	-752	-	-	-774
North America	-596	-1,071	-	-727	241
Latin America	-	1,101	-	-	-80
Asia-Pacific, Middle East and Africa	-	-398	-	-	-66
Group common cost	-	-224	-	-	-367
<b>Total Group</b>	<b>-1,343</b>	<b>-1,344</b>	<b>-</b>	<b>-727</b>	<b>-1,046</b>

<sup>1</sup> 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.

<sup>2</sup> For more information, see Note 7 in the annual reports.

<sup>3</sup> 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.

<sup>4</sup> 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.

<sup>5</sup> 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.

<sup>6</sup> Non-recurring items of SEK -1,046m in 2022 whereof SEK 656m refers to a settlement regarding the arbitration in a U.S. tariff case, SEK -350m to a loss from the exit from the Russian market, SEK -1,536m to restructuring charges across business areas and Group common cost for the Group-wide cost reduction and North America turnaround program, SEK 394m to the divestment of the office facility in Zürich, Switzerland, and SEK -210m to the termination of a U.S. pension plan, transferred to a third party.



## Five-year review

### Total Group 2018 and Continuing operations 2018 (restated)-2022

SEKM unless otherwise stated	2018 <sup>1</sup>	Restated 2018 <sup>2</sup>	2019 <sup>3</sup>	2020	2021	2022
<b>Net sales</b>	<b>124,129</b>	<b>115,463</b>	<b>118,981</b>	<b>115,960</b>	<b>125,631</b>	<b>134,880</b>
Organic growth, %	1.3	1.2	-1.0	3.2	14.2	-2.8
Operating income	5,310	4,176	3,189	5,778	6,801	-215
Operating margin, %	4.3	3.6	2.7	5.0	5.4	-0.2
Income after financial items	4,887	3,754	2,456	5,096	6,255	-1,672
<b>Income for the period</b>	<b>3,805</b>	<b>2,854</b>	<b>1,820</b>	<b>3,988</b>	<b>4,678</b>	<b>-1,320</b>
Non-recurring items in operating income <sup>4</sup>	-1,343	-1,343	-1,344	-	-727	-1,046
Capital expenditure, property, plant and equipment	-4,650	-4,506	-5,320	-4,325	-4,847	-5,649
Operating cash flow after investments	3,649	2,646	2,280	8,552	3,200	-6,118
Earnings per share, SEK <sup>5</sup>	13.24	9.93	6.33	13.88	16.31	-4.81
<b>Equity per share, SEK</b>	<b>75.67</b>	<b>-</b>	<b>78.55</b>	<b>65.10</b>	<b>65.74</b>	<b>60.92</b>
Dividend per share, SEK <sup>6</sup>	8.50	8.50	7.00	8.00	9.20	-
Capital-turnover rate, times/year	5.3	5.6	4.5	4.5	5.3	3.7
Return on net assets, %	22.7	20.2	12.0	22.6	28.5	-0.6
Return on equity, % <sup>7</sup>	18.2	-	11.4	34.1	24.4	-7.0
<b>Net debt</b>	<b>1,825</b>	<b>-</b>	<b>7,683</b>	<b>1,556</b>	<b>8,591</b>	<b>23,848</b>
Net debt/EBITDA	-	0.2	0.8	0.2	0.7	3.8
Net debt/equity ratio	0.08	-	0.34	0.08	0.46	1.45
<b>Average number of shares excluding shares owned by Electrolux, million</b>	<b>287.4</b>	<b>287.4</b>	<b>287.4</b>	<b>287.4</b>	<b>286.9</b>	<b>274.7</b>
<b>Average number of employees</b>	<b>54,419</b>	<b>51,253</b>	<b>48,652</b>	<b>47,543</b>	<b>51,590</b>	<b>50,769</b>

<sup>1</sup> 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.

<sup>2</sup> Excluding discontinued operations.

<sup>3</sup> Equity in key ratio calculations include discontinued operations.

<sup>4</sup> For more information, see table on page 26 and Note 7 in the annual reports.

<sup>5</sup> Basic.

<sup>6</sup> 2022, proposed by the Board.

<sup>7</sup> 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<sup>1</sup> and prepaid interest expenses and accrued interest income<sup>1</sup>.

#### 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<sup>1</sup>, accrued interest expenses and prepaid interest income<sup>1</sup>.

#### Total short-term borrowings

Short-term borrowings, financial derivative liabilities<sup>1</sup>, accrued interest expenses and prepaid interest income<sup>1</sup>.

#### Interest-bearing liabilities

Long-term borrowings and short-term borrowings exclusive of liabilities related to trade receivables with recourse<sup>1</sup>.

#### 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.

<sup>1</sup> See table Net debt on page 9.



# Shareholders' information

President and CEO Jonas Samuelson's comments on the fourth quarter results 2022.

Today's press release is available on the Electrolux website [www.electroluxgroup.com/ir](http://www.electroluxgroup.com/ir)

## Telephone conference 09.00 CET

A telephone conference is held at 09.00 CET today, February 2. Jonas Samuelson, President and CEO and Therese Friberg, CFO will comment on the report.

To only listen to the telephone conference, use the link:

<https://edge.media-server.com/mmc/p/8eaqsfgt>

OR

To both listen to the telephone conference and ask questions, use the link:

<https://register.vevent.com/register/BI65b67024ad8a475d8cbf46557c37880e>

Presentation material available for download  
[www.electroluxgroup.com/ir](http://www.electroluxgroup.com/ir)

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

## Calendar 2023

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](http://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 lifetime 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 2022 Electrolux had sales of SEK 135 billion and employed 51,000 people around the world. For more information go to [www.electroluxgroup.com](http://www.electroluxgroup.com)



**Electrolux**