

Q2 2023



- Net sales amounted to SEK 32,653m (33,749). The organic sales decline of 8.4% was driven by the continued weak market demand with consumers shifting to lower price points, resulting in significantly lower volumes. Supported by the competitive product offering, mix was flat despite the decline in market demand being particularly evident in key product categories for the Group. Price was somewhat positive although promotions increased significantly.
- Operating income amounted to SEK -124m (560), corresponding to a margin of -0.4% (1.7). Operating income included a previously announced non-recurring item of SEK -643m, referring to a provision mainly related to a French antitrust case. Excluding this non-recurring item, operating income amounted to SEK 519m, corresponding to a margin of 1.6% (1.7).
- The Group-wide cost reduction and North America turnaround program progressed well, resulting in a positive year-over-year impact of approximately SEK 1.6bn, a substantial sequential step-up in savings. This contributed positively to the underlying operating income year-over-year, while the volume decline impacted negatively.
- Income for the period amounted to SEK -648m (257) and earnings per share were SEK -2.40 (0.93).
- Operating cash flow after investments improved materially to SEK 3,137m (403).
- Preparations to divest non-core assets with total potential value of approximately SEK 10bn have been initiated as part of the ongoing strategic sharpening. Further structural simplification and complexity reductions are also being evaluated.

Financial overview

SEKM	Q2 2023	Q2 2022	Change, %	Six months 2023	Six months 2022	Change, %
Net sales	32,653	33,749	-3	65,388	63,867	2
Sales growth, % ¹	-8.8	0.4		-4.1	-1.5	
Organic growth, %	-8.4	0.3		-3.3	-1.6	
Acquisitions, %	-	0.1		-	0.1	
Divestments, %	-0.5	-		-0.8	-	
Changes in exchange rates, %	5.6	11.0		6.5	9.1	
Operating income ²	-124	560	n.m.	-380	2,134	n.m.
Operating margin, %	-0.4	1.7		-0.6	3.3	
Income after financial items	-630	265	n.m.	-1,400	1,589	n.m.
Income for the period	-648	257	n.m.	-1,237	1,207	n.m.
Earnings per share, SEK ³	-2.40	0.93	n.m.	-4.58	4.34	n.m.
Return on net assets, %	-	-		-1.7	12.7	
Net debt/EBITDA	-	-		4.9	1.7	
Operating cash flow after investments	3,137	403		-1,955	-4,878	

¹ Changes in net sales adjusted for currency translation effects.

² Operating income in the first half of 2023 includes previously announced non-recurring items of SEK -1,204m (656), of which SEK -561m refers to the discontinuation of production at the Nyíregyháza factory in Hungary in 2024 and SEK -643m to a provision mainly related to a French antitrust case. The non-recurring item in the first half of 2022 refers to a US tariff case. Excluding non-recurring items, operating income amounted to SEK 824m (1,478), corresponding to a margin of 1.3% (2.3), see pages 12 and 21.

³ Basic

For definitions, see pages 28-29. Note: n.m. (not meaningful) is used when the calculated number is considered not relevant.

President and CEO Jonas Samuelson's comment

The weak market demand environment, with lower consumer purchasing power resulting in more consumers shifting to lower price points, continued also in the second quarter. Lower residential construction and remodeling activity caused significantly weaker demand within the built-in kitchen category, mainly impacting us in Europe where we have a strong position in this category. This resulted in significantly lower sales volumes compared to last year. In light of this challenging market situation, I am pleased that we managed to keep mix flat in the quarter thanks to our attractive offering.

Promotional activity remained high because of the lower consumer demand. Price contributed somewhat positively to earnings, essentially driven by last year's price increases, and thus tapering off in the quarter, while promotions increased significantly compared to last year. Given this, we expect net price to turn negative from the third quarter.

In the second quarter, organic sales declined by 8.4% year-over-year, while underlying operating profit was in line with last year thanks to the execution of the Group-wide cost reduction and North America turnaround program. Most prerequisites for stable operations are now in place with premium freight and spot buys at a minimum level, new ocean freight rates employed during the quarter and improved manufacturing efficiency. 83% of the 3,800 headcount reduction target was achieved. In the quarter, the combined earnings contribution from higher cost efficiency and lower innovation and marketing costs was approximately SEK 1.6bn, year-over-year, with a significant portion realized in business area North America. This was a significant step-up sequentially, where realization of logistic savings was a significant driver, along with improved productivity in North America. For the full-year 2023, we are now targeting savings of at least SEK 5bn, year-over-year. In 2024, the aim is to achieve savings of over SEK 7bn compared to 2022.

In the quarter, raw material cost was neutral. However, currency deteriorated and we continued to face higher cost inflation from labor and energy, year-over-year. The

combined headwind from external factors was to a significant extent offset by price.

On a positive note, we had a material improvement in our operating cash flow after investments in the quarter to SEK 3.1bn.

Consumer sentiment related to consumer durables purchases is projected to remain negatively impacted by the high inflation and interest rate environment throughout 2023. Consequently, we expect market demand for full year 2023 to be negative for all regions, and hence revise the outlook for Asia-Pacific, Middle East and Africa to negative from neutral.

As part of our ongoing work to sharpen our strategic focus to grow profitably in selected home appliance categories in the mid- and premium segments, primarily under our main brands Electrolux, AEG and Frigidaire, we have initiated preparations to divest non-core assets with total potential value of approximately SEK 10bn. Although the businesses in Egypt and South Africa are profitable and the non-core brands we are now looking at divesting are all well-known in their respective markets, these assets, i.e., mass appliance brands and water heaters, do not have sufficiently strong synergies with our core strategy to warrant the required focus and investment from us. These actions will provide resources to execute our strategy at speed and scale, as well as supporting the work to optimize the capital structure.

In the challenging times we are now experiencing, it is vital to continue with strategic portfolio management to be able to provide attractive and relevant consumer experience innovations under our strategic brands. Further structural simplification and complexity reduction are thus being evaluated to enable increased speed, focus and profitability. Efficiency is a prerequisite and our number one priority this year remains; to deliver on the Group-wide cost reduction and North America turnaround program and further accelerate cost improvements.

Outlook

Market outlook, units year-over-year ¹	FY 2023	Previous outlook for FY 2023 ⁶	Market outlook, units year-over-year ¹	FY 2023	Previous outlook for FY 2023 ⁶
Europe	Negative	Negative	Latin America	Negative	Negative
North America	Negative	Negative	Asia-Pacific, Middle East and Africa	Negative	Neutral

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

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

³ Comprise of costs of R&D, marketing/brand, connectivity, CRM, aftermarket sales capability etc. ⁴ Efficiencies in variable costs (excl. raw material, energy, trade tariffs and labor cost inflation >2%) and structural costs (excl. consumer experience innovation and marketing). ⁵ Comprise of raw material costs, energy costs, trade tariffs, direct and indirect currency impact and labor cost inflation >2%. ⁶ Published on April 28, 2023. 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 second quarter

SEKM	Q2 2023	Q2 2022	Change, %	Six months 2023	Six months 2022	Change, %	Full year 2022
Net sales	32,653	33,749	-3	65,388	63,867	2	134,880
Operating income							
Europe	-346	142	n.m.	-387	743	n.m.	683
North America	-160	-270	41	-599	483	n.m.	-2,394
Latin America	333	303	10	570	388	47	1,058
Asia-Pacific, Middle East and Africa	200	426	-53	323	709	-54	1,308
Other, Group common costs, etc.	-150	-41	-269	-287	-189	-52	-870
Total	-124	560	n.m.	-380	2,134	-118	-215
Operating margin, %	-0.4	1.7		-0.6	3.3		-0.2
Operating margin excl. non-recurring items, % ¹	1.6	1.7		1.3	2.3		0.6

¹ For information on non-recurring items, see pages 12 and 21.

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

Net sales

Sales decreased by 8.8% in the quarter, excluding currency translation effects. Organic sales decreased by 8.4%, as a result of the continued weak market environment with lower consumer purchasing power leading to significantly lower volumes for the Group. Market demand varied greatly between product categories with considerable weakness in the for the Group important category built-in kitchens in Europe. Mix was flat in the quarter. Price was somewhat positive since the positive contribution from last year's list price increases tapered off in the quarter, while promotional activity increased significantly, year-over-year. Aftermarket sales were in line with the same period last year.

Operating income

Operating income amounted to SEK -124m (560), corresponding to a margin of -0.4% (1.7). Operating income included a previously announced non-recurring item of SEK -643m referring to a provision mainly related to a French antitrust case. Excluding this item, operating income was SEK 519m, corresponding to a margin of 1.6% (1.7), see pages 12 and 21. Earnings were negatively impacted by significantly lower volumes due to the weaker market demand, and by

external factors, driven by currency headwinds as well as by labor cost and energy inflation, while costs for raw material were flat, year-over-year. Price offset the negative impact from external factors to a significant extent. The Group-wide cost reduction and North America turnaround program resulted in a positive year-over-year impact of approximately SEK 1.6bn from cost efficiency and reduced innovation and marketing, combined. The program generated a substantial sequential step-up in savings. Mix was flat for the Group, driven by the attractive product offering but limited by the general market shift to lower price points and weakness in key product categories due to reduced consumer purchasing power.

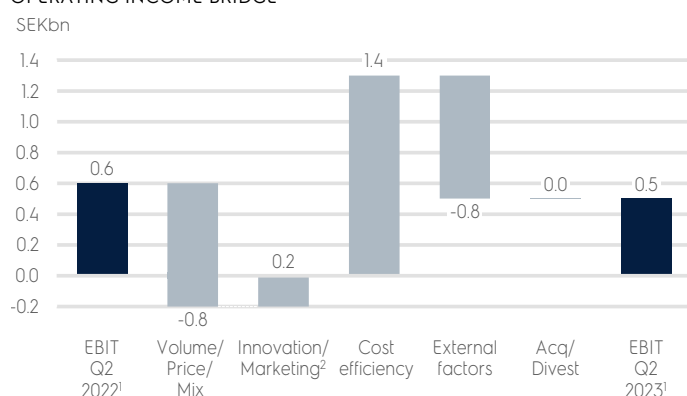
Financial net

Net financial items amounted to SEK -507m (-294). The change was mainly a result of higher interest rates and debt levels.

Income for the period

Income for the period amounted to SEK -648m (257), corresponding to SEK -2.40 (0.93) in earnings per share.

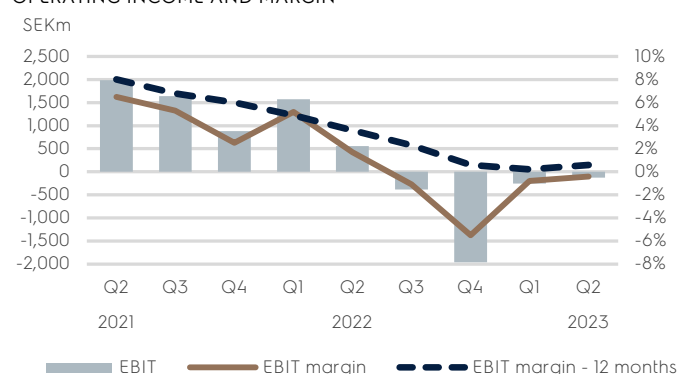
OPERATING INCOME BRIDGE



¹ Operating income (EBIT) excluding non-recurring items, all numbers are rounded.

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

OPERATING INCOME AND MARGIN



EBIT margin - 12 months is excluding non-recurring items, see pages 12 and 21.



First half of 2023

Sales growth was -4.1% in the first half, excluding currency translation effects. Organic sales decreased by 3.3%, driven by lower volumes following weaker market demand. Price was positive, mainly due to list price increases implemented last year, while promotional activity increased, year-over-year. Mix was flat, driven by the attractive product offering but limited by the general market shift to lower price points.

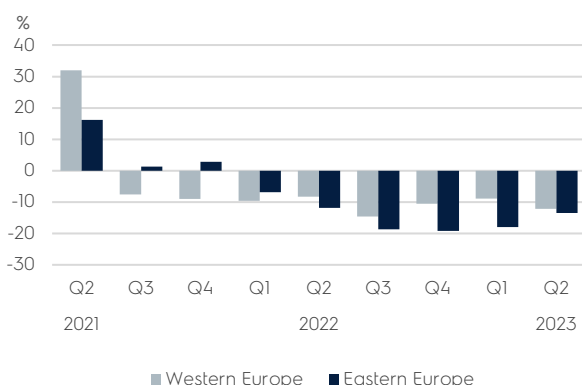
Operating income amounted to SEK -380m (2,134), corresponding to a margin of -0.6% (3.3). The first half of 2023 included non-recurring items of SEK -1,204m (656), see page 21. Excluding non-recurring items, operating income amounted to SEK 824m (1,478) corresponding to a margin of 1.3% (2.3). Earnings were negatively impacted by lower sales volumes. The negative effect from external factors was to a significant extent offset by price. The Group-wide cost reduction and North America turnaround program resulted in a positive year-over-year effect of approximately SEK 2.0bn from cost efficiency and reduced investment in innovation and marketing, combined.

Income for the period amounted to SEK -1,237m (1,207), corresponding to SEK -4.58 (4.34) in earnings per share.

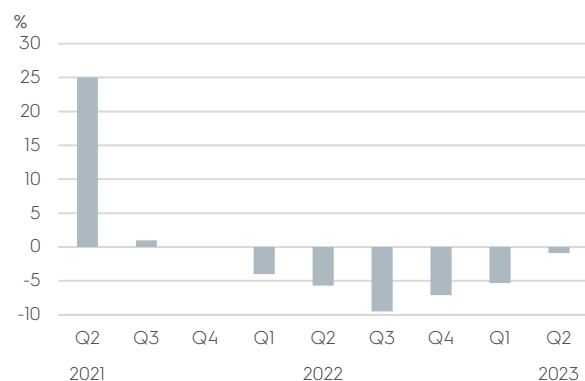
Market overview

In the second quarter, consumer demand remained negatively impacted by high general inflation, increased interest rates and geopolitical tensions. Reduced purchasing power continued to lead to more consumers shifting to lower price points. Unlike last year, when supply chain constraints hindered the ability to meet underlying demand, this year weaker consumer demand was the limiting factor for the industry. Market demand in Europe and in the U.S. varied significantly between product categories in the second quarter. In Europe, where overall market demand declined year-over-year, demand was particularly weak within the built-in kitchen category. In the U.S., overall market demand decreased slightly with declines in refrigeration and cooking appliances. 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, %*	Q2 2023	Q2 2022	Six months 2023	Six months 2022	Full year 2022
Western Europe	-12	-8	-11	-9	-10
Eastern Europe	-13	-12	-16	-10	-13
Total Europe	-12	-9	-12	-9	-10

*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, %*	Q2 2023	Q2 2022	Six months 2023	Six months 2022	Full year 2022
Core appliances	-1	-6	-3	-5	-7
Microwave ovens and home-comfort products	-16	-16	-18	-6	-11
Total major appliances	-6	-9	-8	-5	-8

*Source: Based on the AHAM Factory Shipment Report. Q2 2023 is a comparison of weeks between April 2, 2023 – July 1, 2023 vs April 3, 2022 – July 2, 2022. Core appliances include AHAM 6 (Washers, Dryers, Dishwashers, Refrigerators, Freezers, Ranges and Ovens) and Cooktops.



Business areas

Europe

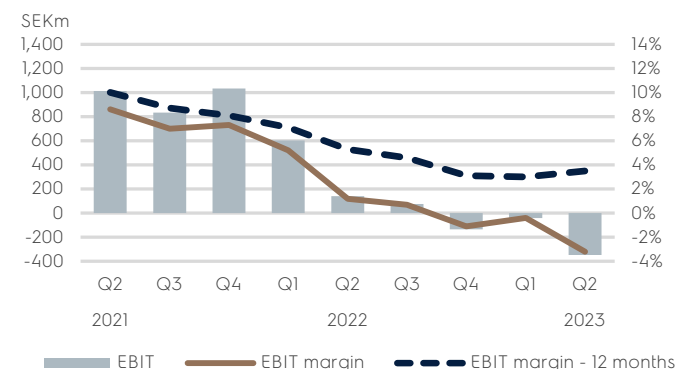
Market demand in Europe, excluding Russia, continued to decline throughout the quarter and was down 12%, year-over-year. Western Europe declined by 12% and Eastern Europe by 13%, year-over-year. Consumer confidence levels remained low, negatively impacted by high general inflation, increased interest rates, and geopolitical tensions. Reduced purchasing power continued to result in more consumers shifting to lower price points and postponing purchases in discretionary categories. Lower residential construction and remodeling activity resulted in significantly weaker demand within the built-in kitchen category. Promotional activity increased. Compared to the second quarter of 2019, demand in Europe declined by 9%.

The business area reported an organic sales decline of 10.9%, driven by lower volumes across product categories. Built-in kitchen products were particularly impacted and, being a key category to the business area, drove a substantial part of the volume decline and also contributed to a slightly negative mix. Price increases, mainly implemented in 2022 impacted sales positively, while promotions increased year-over-year.

As previously announced, operating income included a non-recurring item of SEK -643m, mainly related to a provision for a French antitrust case, see page 12.

Operating income excluding this item increased year-over-year to SEK 297m despite significantly lower volumes. The Group-wide cost reduction program contributed positively to earnings. Price offset the negative earnings impact from external factors, driven by energy and labor cost inflation.

OPERATING INCOME AND MARGIN



EBIT margin - 12 months is excluding non-recurring items, see pages 21 and 27.

SEKm	Q2 2023	Q2 2022	Six months 2023	Six months 2022	Full year 2022
Net sales	10,791	11,345	22,130	22,880	46,573
Organic growth, %	-10.9	-7.7	-7.9	-6.1	-8.6
Acquisitions, %	-	0.3	-	0.3	0.1
Divestments, %	-1.4	-	-2.1	-	-2.2
Operating income	-346	142	-387	743	683
Operating margin, %	-3.2	1.2	-1.7	3.2	1.5
Operating margin excl. non-recurring items, % ¹	2.8	1.2	3.7	3.2	3.1

¹ For information on non-recurring items, see pages 12 and 21.



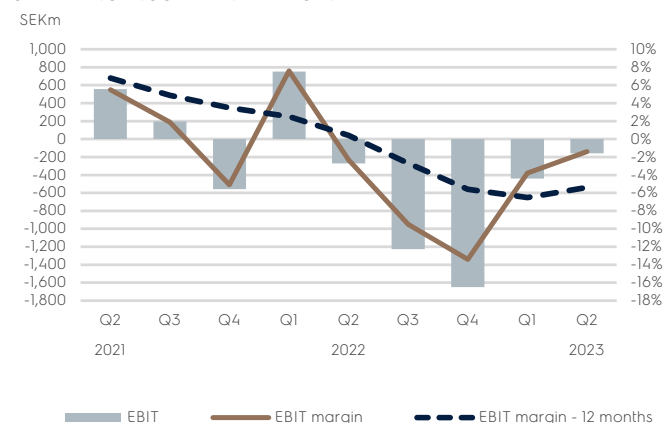
North America

During the quarter, market demand for core appliances in the U.S. decreased by 1%, year-over-year, however with variations between categories showing decreases in refrigeration and cooking appliances, while laundry and dishwashers were up. High general inflation and increased interest rates continued to impact consumer sentiment negatively. However, consumers are still financially resilient, which in combination with high promotional activity contributed to relatively stable overall market demand. Compared to the second quarter of 2019, market demand for core appliances increased by 10%. Market demand for all major appliances, including microwave ovens and home-comfort products, decreased by 6% year-over-year.

The business area reported an organic sales decline of 12.3%. Price deteriorated across product categories due to significantly increased promotional activity compared to last year. Positive timing effects in the first quarter impacted volumes in the second quarter negatively. During this year, the gradual transition of cooking manufacturing in Springfield is continuing as planned from the legacy facility to the new one. From the second quarter and throughout the year, the ramp-up is mainly involving the high-volume free-standing cookers category. This impacted to some extent the ability to capture market demand in the quarter.

The business area reported an operating loss, mainly as a result of the organic sales decline driven by lower volumes and price, while mix was flat. The North America turnaround program progressed well, generating a substantial sequential step-up in savings. This was mainly due to realization of logistics savings, along with improved productivity. Earnings were negatively impacted by external factors, including currency.

OPERATING INCOME AND MARGIN



EBIT margin - 12 months is excluding non-recurring items, see pages 21 and 27.

SEKM	Q2 2023	Q2 2022	Six months 2023	Six months 2022	Full year 2022
Net sales	11,238	11,905	22,742	21,845	47,021
Organic growth, %	-12.3	0.7	-4.7	0.2	-0.9
Operating income	-160	-270	-599	483	-2,394
Operating margin, %	-1.4	-2.3	-2.6	2.2	-5.1
Operating margin excl. non-recurring items, % ¹	-1.4	-2.3	-2.6	-0.8	-5.6

¹ For information on non-recurring items, see page 21.



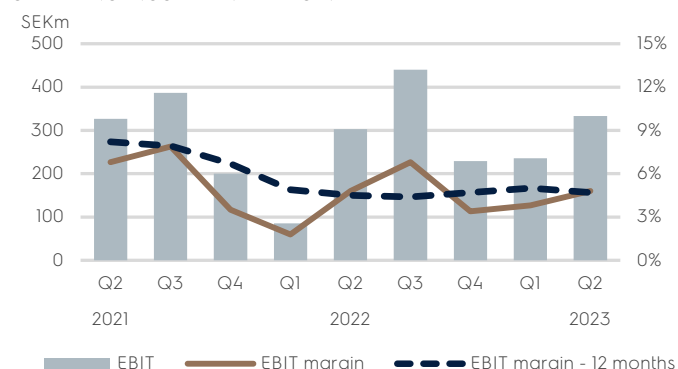
Latin America

During the quarter, consumer demand for core appliances is estimated to have declined 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. In Brazil, inventory levels at retailers are estimated to have increased. In Argentina, the highly inflationary environment continued to push consumer spending higher in the quarter. For the region overall, the reduced purchasing power led to more consumers shifting to lower price points.

The business area reported an organic sales increase of 5.6%. This was driven by growth in Brazil where primarily well-received laundry ranges contributed to a favorable mix and higher volumes. In Argentina, import restrictions continued to negatively impact product availability. Price was slightly positive, mainly as an effect of list price increases implemented last year, that however continued to taper off in the quarter, while promotional activity increased significantly year-over-year. Aftermarket sales continued to develop strongly.

Operating income increased year-over-year. Higher organic sales and the Group-wide cost reduction program

OPERATING INCOME AND MARGIN



EBIT margin - 12 months is excluding non-recurring items, see pages 21 and 27.

contributed positively to earnings. Price partly offset the negative impact from external factors, which was driven by currency headwind and labor cost inflation. Investments increased in brand building activities and consumer direct capabilities.

SEKM	Q2 2023	Q2 2022	Six months 2023	Six months 2022	Full year 2022
Net sales	6,915	6,268	13,111	11,030	24,303
Organic growth, %	5.6	12.9	12.3	3.4	4.2
Operating income	333	303	570	388	1,058
Operating margin, %	4.8	4.8	4.3	3.5	4.4
Operating margin excl. non-recurring items, % ¹	4.8	4.8	4.3	3.5	4.7

¹ For information on non-recurring items, see page 21.

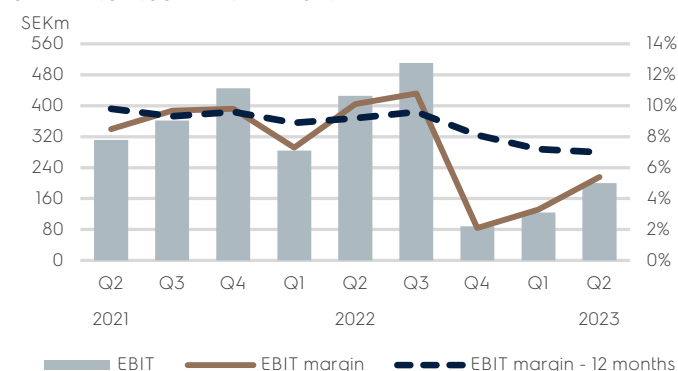
Asia-Pacific, Middle East and Africa

During the quarter, consumer demand in the region is estimated to have decreased notably, especially in Southeast Asia but also in Australia, compared to strong demand in the corresponding quarter last year. Consumer confidence and purchasing power remained negatively affected by higher interest rates and general inflation. Reduced purchasing power continued to show in more consumers shifting to lower price points, and promotional activity increased.

The business area reported an organic sales decline of 10.7% driven by significantly lower volumes mainly due to the weaker consumer demand, with consumers trading down, and amplified by retailer inventory reductions. Price continued to develop positively, driven primarily by price increases implemented in high inflation countries. However, promotions increased year-over-year. Mix was positive, driven by improved product availability and growth in key categories such as multi-door refrigeration and built-in cooking appliances.

Operating income declined year-over-year, mainly due to lower volumes. Currency deteriorated but was still offset by

OPERATING INCOME AND MARGIN



EBIT margin - 12 months is excluding non-recurring items, see pages 21 and 27.

price in the second quarter. While part of the products sold in the quarter still carried last year's higher cost levels, the Group-wide cost reduction program contributed positively to earnings.

SEKM	Q2 2023	Q2 2022	Six months 2023	Six months 2022	Full year 2022
Net sales	3,709	4,231	7,404	8,112	16,984
Organic growth, %	-10.7	6.4	-8.2	0.5	-0.5
Operating income	200	426	323	709	1,308
Operating margin, %	5.4	10.1	4.4	8.7	7.7
Operating margin excl. non-recurring items, % ²	5.4	10.1	4.4	8.7	8.1

² For information on non-recurring items, see page 21.



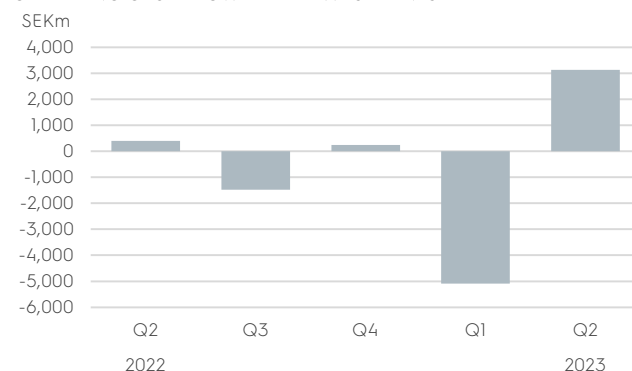
Cash flow

Operating cash flow after investments amounted to SEK 3,137m (403) in the quarter. Efforts to balance inventory levels gained further traction, compared to a build-up during the pandemic. In addition, the finalization of a terminated U.S. pension plan, communicated in the fourth quarter 2022, generated a positive cash flow of SEK 0.9bn.

No cash dividend was distributed in the quarter in accordance with AGM 2023 resolution. During the second quarter last year, the first of two installments for the 2021 dividend was distributed to shareholders, impacting total cash flow by SEK -1,279m and Electrolux repurchased own shares of series B for a total amount of SEK 539m.

Operating cash flow after investments in the first half of 2023 amounted to SEK -1,955m (-4,878).

OPERATING CASH FLOW AFTER INVESTMENTS



SEKm	Q2 2023	Q2 2022	Six months 2023	Six months 2022	Full year 2022
Operating income adjusted for non-cash items ¹	2,180	2,434	3,990	4,681	6,845
Change in operating assets and liabilities	2,255	-533	-3,544	-6,715	-6,367
Operating cash flow	4,436	1,901	446	-2,034	478
Investments in tangible and intangible assets	-1,265	-1,699	-2,396	-3,038	-7,389
Changes in other investments	-33	200	-5	194	793
Operating cash flow after investments	3,137	403	-1,955	-4,878	-6,118
Acquisitions and divestments of operations	-	-	-	2	-366
Operating cash flow after structural changes	3,137	403	-1,955	-4,876	-6,484
Financial items paid, net ²	-543	-303	-893	-524	-1,238
Taxes paid	-348	-351	-554	-703	-1,514
Cash flow from operations and investments	2,246	-252	-3,402	-6,103	-9,236
Payment of lease liabilities	-269	-250	-499	-478	-960
Repurchase of shares	-	-539	-	-1,539	-2,138
Dividend	-	-1,279	-	-1,279	-2,521
Share-based payments	-	13	17	-230	-217
Total cash flow, excluding changes in loans and short-term investments	1,977	-2,307	-3,885	-9,629	-15,073

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

² For the period January 1 to June 30: interest and similar items received SEK 141m (21), interest and similar items paid SEK -997m (-471) and other financial items received/paid SEK -38m (-74).



Financial position

Net debt

As of June 30, 2023, Electrolux had a financial net debt (excluding lease liabilities and post-employment provisions) of SEK 24,334m, compared to the financial net debt of SEK 19,828m as of December 31, 2022. Net provisions for post-employment benefits amounted to a deficit of SEK 628m and lease liabilities amounted to SEK 4,921m as of June 30, 2023. In total, net debt amounted to SEK 29,883m, an increase of SEK 6,035m compared to SEK 23,848m per December 31, 2022.

Long-term borrowings and long-term borrowings with maturities within 12 months amounted to a total of SEK 29,655m as of June 30, 2023, with an average maturity of 3.8 years, compared to SEK 31,343m and 4.0 years at the end of 2022.

In the second quarter, amortization of long-term borrowings amounted to SEK 2,044m, and no new long-term debt of significance was issued. During the quarter SEK 600m of commercial paper was issued with maturity in September. During the remaining part of 2023, long-term borrowings amounting to approximately SEK 60m and commercial papers of SEK 3,150m will mature. For more information see www.electroluxgroup.com.

Liquid funds as of June 30, 2023, amounted to SEK 12,861m, a decrease of SEK 4,939m compared to SEK 17,800m as of December 31, 2022. Total liquidity, including the revolving credit facilities, amounted to SEK 30,167m compared to SEK 34,400m as of December 31, 2022. In June the SEK 2,500m revolving credit facility was extended to 2024 and the SEK 3,000m revolving credit facility was extended to 2025.

Net debt/EBITDA was 4.9 (1.7) and return on equity was -15.0% (12.7).

Working capital and net assets

Working capital as of June 30, 2023, amounted to SEK -10,385m (-11,714), corresponding to -7.7% (-8.8) of annualized net sales. Operating working capital amounted to SEK 10,141m (9,518), corresponding to 7.5% (7.1) of annualized net sales, see page 23.

Average net assets as of June 30, 2023, amounted to SEK 44,473m (33,550), corresponding to 34.0% (26.3) of annualized net sales. Net assets as of June 30, 2023, amounted to SEK 47,069m (37,780).

Return on net assets was -1.7% (12.7).

Net debt

SEKM	Jun. 30, 2023	Jun. 30, 2022	Dec. 31, 2022
Short-term loans	6,886	4,820	5,732
Short-term part of long-term loans	1,141	4,550	2,605
Trade receivables with recourse	17	51	40
Short-term borrowings	8,044	9,421	8,377
Financial derivative liabilities	451	182	445
Accrued interest expenses and prepaid interest income	371	70	254
Total short-term borrowings	8,865	9,673	9,076
Long-term borrowings	28,515	17,235	28,738
Total borrowings¹	37,380	26,909	37,813
Long-term financial receivables	185	185	185
Cash and cash equivalents	12,545	12,185	17,559
Short-term investments	170	169	168
Financial derivative assets	124	298	51
Prepaid interest expenses and accrued interest income	22	7	21
Liquid funds²	12,861	12,659	17,800
Financial net debt	24,334	14,064	19,828
Lease liabilities	4,921	3,535	4,264
Net provisions for post-employment benefits	628	-1,687	-245
Net debt	29,883	15,912	23,848
Net debt/EBITDA	4.9	1.7	3.8
Net debt/equity ratio	1.74	0.77	1.45
Total equity	17,186	20,606	16,449
Equity per share, SEK	63.65	75.12	60.92
Return on equity, %	-15.0	12.7	-7.0
Equity/assets ratio, %	15.0	18.3	15.0

¹ Whereof interest-bearing liabilities amounting to SEK 36,541m as of June 30, 2023, and SEK 26,605m as of June 30, 2022.

² Electrolux also has an unused committed multicurrency revolving credit facility of EUR 1,000m, approximately SEK 11,800m, maturing 2027, a revolving credit facility of SEK 2,500m, extended to 2024, and a revolving credit facility of SEK 3,000m, extended to 2025.



Other items

Asbestos litigation in the U.S.

Litigation and claims related to asbestos are pending against the Group in the U.S. Almost all of the cases refer to externally supplied components used in industrial products manufactured by discontinued operations prior to the early 1970s. The cases involve plaintiffs who have made substantially identical allegations against other defendants who are not part of the Electrolux Group.

As of June 30, 2023, the Group had a total of 3,359 (3,362) cases pending, representing approximately 3,364 (approximately 3,370) plaintiffs. During the second quarter of

2023, 280 new cases with 280 plaintiffs were filed and 309 pending cases with approximately 310 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 2022 Annual Report:

www.electroluxgroup.com/annualreport2022



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 other 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; research shows that nearly 75% of consumers globally think it is more important than before the pandemic for companies to behave more sustainably¹ and nearly 60% of affluent Americans are willing to pay more for products that are environmentally friendly². 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.

Electrolux and AEG EcoLine highlight energy-efficient solutions for consumers

With the launch of its Electrolux and AEG EcoLine selection, Electrolux Group is again responding to shifts in consumer preferences and setting new levels of sustainability performance. New research highlights the value of the Group's consumer insight-driven innovation that creates attractive products, which drive profitable growth and help consumers reduce their climate footprint.

Sustainability is a key business driver for Electrolux Group and a differentiator for its brands. Globally, 2 out of 3 consumers consider sustainability an important factor when buying electrical appliances³ and Electrolux Group's most resource-efficient products typically have a higher profit margin. As approximately 85%⁴ of an appliance's climate impact occurs in the use phase, sustainable consumer experience innovation is key for the Group's ability to help tackle climate change. Electrolux Group achieved its 2025 science-based climate targets for CO₂ emission reductions in 2022, three years ahead of time.

Responding to consumers' increased energy awareness

Consumer awareness and consideration for energy usage has increased significantly. According to the most recent Truth About Laundry⁵ report, commissioned by Electrolux Group, in Europe 35 million households have started washing at 30°C since 2020; 44% of households now wash at 30°C, and a majority will do so by 2025 if this trend continues. Some 86% of households have tried to reduce energy use in the past year.

In response, Electrolux Group has launched Electrolux and AEG EcoLine. Activated in stores and online across Europe, from May onwards, the EcoLine selection includes the strongest energy labels of the Electrolux and AEG brands per product category and highlights key features driving more efficient use of resources.

Thoroughly cleans at 30°C while saving 30% energy

The laundry appliances qualified for EcoLine include models with an energy rating up to 30% better than the best A rating⁶ with features such as AutoDose, which saves detergent, and



Ultrawash, which cleans efficiently at 30°C and uses 30% less energy compared to a 40°C cotton program. The ProSteam program refreshes clothes in 25 minutes using up to 96% less water than washing. Steam also reduces wrinkles and the need to iron. Online, a converter⁷ helps consumers translate energy efficiency into financial savings. Overall, the new products launched have been very well received, for example the new AEG laundry range has an average 4.8 consumer star rating on a 5-point scale. EcoLine also includes the most energy-efficient Electrolux and AEG products within cooking, dishwashers, and refrigeration.

¹ Global WebIndex (GWI) (2020). Coronavirus research. Survey in 20 countries.

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

³ Foresight Factory; 9,012 online respondents, global average, Jan. 2022.

⁴ Electrolux Group Life cycle assessments.

⁵ The research is based on data collected from 14,000 adults across 14 European markets between December 20, 2022, and January 16, 2023.

⁶ For products categorized with the EU energy label, Electrolux/AEG EcoLine products will always have the Group's best energy labels as a minimum criterion for selection.

⁷ Energy Savings Tool for websites provided by independent service provider Youreko.



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

April 11. Electrolux Group seeks alternative buyer to Memphis factory following terminated contract

The divestment of the Electrolux Group manufacturing facility in Memphis, Tennessee, USA, will not be completed as expected since the intended buyer has failed to proceed to closing. Electrolux Group will now seek an alternative buyer.

As earlier communicated, completion of the divestment of the facility was contingent on various factors. The intended buyer has defaulted on its obligations and the agreement is therefore terminated.

In the now terminated contract, communicated on October 12 and December 19, 2022, Electrolux Group had agreed to divest the Memphis facility for a cash consideration of USD 82.5m (approx. SEK 930m). Production in Memphis stopped on June 30, 2022, and the operations have been transferred to the new facility in Springfield, Tennessee.

April 28. Conversion of shares in AB Electrolux

According to AB Electrolux articles of association, owners of Series A shares are entitled to request that such shares are converted to Series B shares. Conversion reduces the total number of votes in the company.

During April 2023, 180 Series A shares were at the request of shareholders converted to Series B shares, following which the total number of votes amounts to 35,680,690.5.

The total number of registered shares in the company amounts to 283,077,393 shares, of which 8,192,168 are Series A shares and 274,885,225 are Series B shares.

May 30. Electrolux Group sets provision mainly relating to French antitrust case

Electrolux Group has set a provision of SEK 643m in connection to the previously reported investigation of alleged breaches of antitrust rules in France between 2009 and 2014. A minor part of the provision relates to settlement of another legal matter in Europe. The provision was reported as a non-recurring item affecting operating income for Business Area Europe in the second quarter of 2023.

As previously disclosed in press releases and annual reports, Electrolux Group became in 2013 the subject of an investigation by the French Competition Authority regarding possible violations of antitrust rules. The Competition Authority thereafter decided to conduct two separate investigations of which the first, relating to the period 2006-2009, was completed in December 2018.

The provision communicated in the second quarter of 2023 relates to the second investigation. In February 2023, the Competition Authority issued a Statement of Objections involving various parties within the home appliance sector and where Electrolux France was alleged to have acted in breach of antitrust rules in France between 2009 and 2014.

A settlement has now been agreed with the Competition Authority and Electrolux Group is therefore in accordance with accounting principles setting this provision. The final amount will be decided at the end of the procedure.

For more information, visit www.electroluxgroup.com

Events after the quarter

July 20. Electrolux Group initiates preparations to divest non-core assets with total potential value of SEK 10bn

As part of its ongoing work to sharpen its strategic focus, Electrolux Group announced today that the company has started preparations for a potential divestment of Zanussi and other non-core brands* during the coming years. A divestment would include the production facilities in Egypt, which produce Zanussi-branded major appliances, and production facilities for water heaters in Egypt and South Africa. Together with continued sale of non-strategic real estate, the total potential divestment value for all these assets combined is estimated to be approximately SEK 10bn.

"After the spin-off of the professional business our focus is on sustainable consumer experience innovation and the consumer lifetime journey, driven by digitalization and consumer direct interaction. The Group strategy is geared towards growing profitably in selected home appliance categories in the mid- and premium segments, primarily under our main brands Electrolux, AEG and Frigidaire. The actions announced today are one key part in this ongoing sharpening and will provide resources to execute our strategy at speed and scale, as well as contributing to achieving our targeted capital structure.", says Electrolux Group President & CEO Jonas Samuelson.

"In the current challenging macro environment, focus and strategic portfolio management are more important than ever to be able to provide attractive and relevant consumer experience innovations under our strategic brands. Further structural simplification and complexity reductions are also being evaluated."

Group net sales in 2022 of the brands and water heater category to be divested were SEK 7.1bn, equivalent to approximately 5% of Group net sales. Of this, SEK 3.7bn relates to net sales in business area Europe, with a majority in UK and Benelux. Net sales of SEK 3.4bn relates to business area Asia-Pacific, Middle East and Africa, of which SEK 2.0bn in Egypt, and SEK 1.1bn in South Africa. The total number of employees in 2022 was 2,238 in Egypt and 856 in South Africa.

"Although the water heater businesses in Egypt and South Africa are profitable and the brands we are now looking at divesting are all well-known in their respective markets, these assets do not have sufficiently strong synergies with our core strategy to warrant the required focus and investment from Electrolux Group. Therefore, we believe in the opportunity for greater value creation and growth under different ownership. We will of course evaluate the attractiveness of potential offers on a case by case basis", continues Jonas Samuelson.

The real estate divestments include among others, the previously announced production facilities in Memphis and Nyíregyháza, where production either has ceased or will be discontinued.

Société Générale acts as advisor in the brands and water heater category divestment processes.

*Brands in-scope for divestment include primarily the major appliances brands Zanussi, Ideal, Faure, Zanker, Rosenlew, Elektro-Helios and Zoppas and the water heater brands Olympic Electric and Kwikot.

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 half 2023 amounted to SEK 19,883m (20,644) of which SEK 16,388m (17,075) referred to sales to Group companies and SEK 3,495m (3,569) to external customers. Income after financial items was SEK -1,155m (1,303), including dividends from subsidiaries in the amount of SEK 670m (985). Income for the period amounted to SEK -884m (1,249).

Capital expenditure in tangible and intangible assets was SEK 563m (504). Liquid funds at the end of the period amounted to SEK 7,925m, compared to SEK 12,899m at the start of the year.

Undistributed earnings in the Parent Company at the end of the period amounted to SEK 8,148m, compared to SEK 9,353m at the start of the year. Dividend payment to shareholders for 2022 amounted to SEK 0m.

The income statement and balance sheet for the Parent Company are presented on page 24.



The Board of Directors and the President and CEO certify that the Interim Report for the period January – June 2023 gives a true and fair overview of the Parent Company AB Electrolux and the Group's operations, their financial position and results of operations, and describes significant risks and uncertainties facing the Parent Company and other companies in the Group.

Stockholm, July 20, 2023

AB Electrolux (publ)
556009-4178

Staffan Bohman
Chairman of the Board of Directors

Petra Hedengran
Board member

Henrik Henriksson
Board member

Ulla Litzén
Board member

Karin Overbeck
Board member

Fredrik Persson
Board member

David Porter
Board member

Jonas Samuelson
Board member,
President and CEO

Viveca Brinkenfeldt-Lever
Board member,
employee representative

Peter Ferm
Board member,
employee representative

Wilson Quispe
Board member,
employee representative



Review Report

Introduction

We have reviewed the condensed interim financial information (interim report) of AB Electrolux (publ) as of 30 June 2023 and the six-month period then ended. The board of directors and the CEO are responsible for the preparation and presentation of the interim financial information in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, Review of Interim Report Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, ISA, and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act, regarding the Group, and with the Swedish Annual Accounts Act, regarding the Parent Company.

Stockholm, July 20, 2023
PricewaterhouseCoopers AB

Peter Nyllinge
Authorized Public Accountant
Partner in charge

Helena Kaiser de Carolis
Authorized Public Accountant



Consolidated statement of comprehensive income

SEKM	Q2 2023	Q2 2022	Six months 2023	Six months 2022	Full year 2022
Net sales	32,653	33,749	65,388	63,867	134,880
Cost of goods sold	-27,606	-29,102	-56,045	-54,029	-117,177
Gross operating income	5,047	4,647	9,343	9,838	17,703
Selling expenses	-3,216	-3,191	-6,376	-6,076	-12,997
Administrative expenses	-1,433	-1,152	-2,900	-2,624	-5,752
Other operating income/expenses	-523	256	-447	996	830
Operating income	-124	560	-380	2,134	-215
Financial items, net	-507	-294	-1,020	-546	-1,457
Income after financial items	-630	265	-1,400	1,589	-1,672
Taxes	-18	-8	163	-382	352
Income for the period	-648	257	-1,237	1,207	-1,320
Items that will not be reclassified to income for the period:					
Remeasurement of provisions for post-employment benefits	156	1,379	280	2,683	1,614
Income tax relating to items that will not be reclassified	-39	-318	-77	-641	-411
	118	1,061	204	2,042	1,204
Items that may be reclassified subsequently to income for the period:					
Cash flow hedges	-15	-9	-35	-12	39
Exchange-rate differences on translation of foreign operations	1,736	1,864	1,695	2,960	2,643
Income tax relating to items that may be reclassified	5	3	12	5	1
	1,726	1,858	1,672	2,953	2,684
Other comprehensive income, net of tax	1,843	2,919	1,876	4,995	3,887
Total comprehensive income for the period	1,195	3,176	639	6,202	2,568
Income for the period attributable to:					
Equity holders of the Parent Company	-648	257	-1,237	1,207	-1,320
Non-controlling interests	0	0	0	-0	0
Total	-648	257	-1,237	1,207	-1,320
Total comprehensive income for the period attributable to:					
Equity holders of the Parent Company	1,194	3,176	638	6,202	2,567
Non-controlling interest	0	0	0	0	0
Total	1,195	3,176	639	6,202	2,568
Earnings per share, SEK					
Basic	-2.40	0.93	-4.58	4.34	-4.81
Diluted	-2.38	0.92	-4.54	4.29	-4.75
Average number of shares ¹					
Basic, million	270.0	276.3	270.0	278.1	274.7
Diluted, million	272.1	279.9	272.2	281.1	278.0

¹ Average numbers of shares excluding shares held by Electrolux.



Consolidated balance sheet

SEKM	Jun. 30, 2023	Jun. 30, 2022	Dec. 31, 2022
Assets			
Property, plant and equipment, owned	30,919	28,198	29,876
Property, plant and equipment, right-of-use	4,527	3,225	3,906
Goodwill	7,136	7,218	7,081
Other intangible assets	5,737	4,651	5,223
Investments in associates	22	71	24
Deferred tax assets	8,459	6,243	7,672
Financial assets	264	263	259
Pension plan assets	1,444	3,411	2,164
Other non-current assets	1,188	673	904
Total non-current assets	59,697	53,953	57,108
Inventories	25,039	29,687	24,374
Trade receivables	22,924	22,321	21,487
Tax assets	1,464	1,226	1,208
Derivatives	171	467	99
Other current assets	5,791	5,378	5,098
Short-term investments	170	169	168
Cash and cash equivalents	12,545	12,185	17,559
Total current assets	68,104	71,432	69,994
Total assets	127,801	125,385	127,102
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	1,020	-382	-651
Retained earnings	11,710	16,532	12,644
Equity attributable to equity holders of the Parent Company	17,179	20,600	16,443
Non-controlling interests	7	7	7
Total equity	17,186	20,606	16,449
Long-term borrowings	28,515	17,235	28,738
Long-term lease liabilities	3,696	2,538	3,210
Deferred tax liabilities	613	862	731
Provisions for post-employment benefits	2,073	1,724	1,919
Other provisions	4,978	4,846	4,655
Total non-current liabilities	39,874	27,206	39,253
Accounts payable	37,823	42,490	38,357
Tax liabilities	1,530	1,775	1,453
Dividend payable	-	1,262	-
Other liabilities	17,159	18,391	17,543
Short-term borrowings	8,044	9,421	8,377
Short-term lease liabilities	1,225	997	1,054
Derivatives	553	267	578
Other provisions	4,408	2,970	4,037
Total current liabilities	70,741	77,573	71,400
Total equity and liabilities	127,801	125,385	127,102

Change in consolidated equity

SEKM	Six months 2023	Six months 2022	Full year 2022
Opening balance	16,449	18,610	18,610
Total comprehensive income for the period	639	6,202	2,568
Share-based payments	99	-126	-72
Dividend to equity holders of the Parent Company	-	-2,541	-2,521
Repurchase of shares	-	-1,539	-2,138
Dividend to non-controlling interests	0	0	0
Acquisition of non-controlling interests	0	-0	2
Total transactions with equity holders	98	-4,206	-4,729
Closing balance	17,186	20,606	16,449



Consolidated cash flow statement

SEKM	Q2 2023	Q2 2022	Six months 2023	Six months 2022	Full year 2022
Operations					
Operating income	-124	560	-380	2,134	-215
Depreciation and amortization	1,580	1,328	3,081	2,560	5,390
Other non-cash items	724	546	1,289	-14	1,670
Financial items paid, net ¹	-543	-303	-893	-524	-1,238
Taxes paid	-348	-351	-554	-703	-1,514
Cash flow from operations, excluding change in operating assets and liabilities	1,289	1,780	2,542	3,454	4,093
Change in operating assets and liabilities					
Change in inventories	691	-1,811	565	-6,720	-1,556
Change in trade receivables	796	515	-29	3,051	4,074
Change in accounts payable	-242	1,034	-2,806	548	-4,026
Change in other operating assets, liabilities and provisions	1,010	-272	-1,273	-3,594	-4,859
Cash flow from change in operating assets and liabilities	2,255	-533	-3,544	-6,715	-6,367
Cash flow from operations	3,545	1,247	-1,001	-3,261	-2,274
Investments					
Acquisition of operations	-	-	-	2	-
Divestment of operations	-	-	-	-	-367
Capital expenditure in property, plant and equipment	-844	-1,312	-1,583	-2,281	-5,649
Capital expenditure in product development	-177	-175	-331	-334	-740
Capital expenditure in software and other intangibles	-244	-212	-482	-423	-1,001
Other	-33	200	-5	194	795
Cash flow from investments	-1,299	-1,499	-2,401	-2,842	-6,962
Cash flow from operations and investments	2,246	-252	-3,402	-6,103	-9,236
Financing					
Change in short-term investments	-1	-3	-1	-4	-4
Change in short-term borrowings	860	1,237	1,294	3,621	5,355
New long-term borrowings	5	6,200	6	10,849	22,244
Amortization of long-term borrowings	-2,044	-1,315	-2,545	-4,115	-6,158
Payment of lease liabilities	-269	-250	-499	-478	-960
Dividend	-	-1,279	-	-1,279	-2,521
Repurchase of shares	-	-539	-	-1,539	-2,138
Share-based payments	-	13	17	-230	-217
Cash flow from financing	-1,449	4,063	-1,727	6,823	15,601
Total cash flow	797	3,811	-5,130	720	6,365
Cash and cash equivalents at beginning of period	11,551	7,965	17,559	10,923	10,923
Exchange-rate differences referring to cash and cash equivalents	197	409	115	542	271
Cash and cash equivalents at end of period	12,545	12,185	12,545	12,185	17,559

¹ For the period January 1 to June 30: interest and similar items received SEK 141m (21), interest and similar items paid SEK -997m (-471) and other financial items received/paid SEK -38m (-74).



Key ratios

SEKM unless otherwise stated	Q2 2023	Q2 2022	Six months 2023	Six months 2022	Full year 2022
Net sales	32,653	33,749	65,388	63,867	134,880
Organic growth, %	-8.4	0.3	-3.3	-1.6	-2.8
EBITA	164	786	170	2,566	698
EBITA margin, %	0.5	2.3	0.3	4.0	0.5
Operating income	-124	560	-380	2,134	-215
Operating margin, %	-0.4	1.7	-0.6	3.3	-0.2
Operating margin excl. non-recurring items, % ¹	1.6	1.7	1.3	2.3	0.6
Income after financial items	-630	265	-1,400	1,589	-1,672
Income for the period	-648	257	-1,237	1,207	-1,320
Capital expenditure property, plant and equipment	-844	-1,312	-1,583	-2,281	-5,649
Operating cash flow after investments	3,137	403	-1,955	-4,878	-6,118
Earnings per share, SEK ²	-2.40	0.93	-4.58	4.34	-4.81
Equity per share, SEK	63.65	75.12	63.65	75.12	60.92
Capital turnover rate, times/year	-	-	2.9	3.8	3.7
Return on net assets, %	-	-	-1.7	12.7	-0.6
Return on equity, %	-	-	-15.0	12.7	-7.0
Net debt	29,883	15,912	29,883	15,912	23,848
Net debt/EBITDA	-	-	4.9	1.7	3.8
Net debt/equity ratio	1.74	0.77	1.74	0.77	1.45
Average number of employees	46,014	52,556	46,535	51,746	50,769
Average number of shares excluding shares owned by Electrolux, million	270.0	276.3	270.0	278.1	274.7

¹ The first six months of 2023 and the full year 2022 include non-recurring items respectively. For more information regarding non-recurring items in previous years, see page 21.

² Basic.

For definitions, see pages 28-29.

Exchange rates

SEK	Jun. 30, 2023		Jun. 30, 2022		Dec. 31, 2022	
Exchange rate	Average	End of period	Average	End of period	Average	End of period
ARS	0.0502	0.0423	0.0855	0.0825	0.0785	0.0589
AUD	7.06	7.20	6.88	7.11	7.00	7.09
BRL	2.08	2.25	1.89	1.97	1.95	2.00
CAD	7.80	8.19	7.53	7.99	7.73	7.70
CHF	11.52	12.06	10.19	10.77	10.59	11.29
CLP	0.0130	0.0135	0.0115	0.0112	0.0116	0.0121
CNY	1.51	1.49	1.48	1.54	1.50	1.51
EUR	11.37	11.81	10.46	10.73	10.63	11.12
GBP	13.00	13.75	12.41	12.50	12.45	12.54
HUF	0.0299	0.0317	0.0278	0.0270	0.0272	0.0277
MXN	0.5795	0.6360	0.4739	0.5118	0.5028	0.5333
THB	0.3059	0.3068	0.2838	0.2919	0.2881	0.3019
USD	10.54	10.86	9.59	10.33	10.09	10.43



Net sales and operating income by business area

SEKM	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Full year 2023	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Full year 2022
Europe										
Net sales	11,339	10,791				11,535	11,345	11,107	12,586	46,573
Sales growth, %	-7.8	-12.1				-4.0	-7.4	-11.6	-17.0	-10.5
EBITA	63	-232				670	222	161	-44	1,009
EBITA margin, %	0.6	-2.1				5.8	2.0	1.4	-0.4	2.2
Operating income	-41	-346				602	142	75	-135	683
Operating margin, %	-0.4	-3.2				5.2	1.2	0.7	-1.1	1.5
North America										
Net sales	11,504	11,238				9,940	11,905	12,909	12,266	47,021
Sales growth, %	4.0	-12.3				-0.3	0.7	2.3	-6.1	-0.9
EBITA	-366	-78				807	-214	-1,169	-1,588	-2,164
EBITA margin, %	-3.2	-0.7				8.1	-1.8	-9.1	-12.9	-4.6
Operating income	-439	-160				752	-270	-1,227	-1,649	-2,394
Operating margin, %	-3.8	-1.4				7.6	-2.3	-9.5	-13.4	-5.1
Latin America										
Net sales	6,196	6,915				4,761	6,268	6,518	6,755	24,303
Sales growth, %	20.9	5.6				-6.0	12.9	13.5	-1.6	4.2
EBITA	276	368				115	338	478	261	1,191
EBITA margin, %	4.5	5.3				2.4	5.4	7.3	3.9	4.9
Operating income	236	333				85	303	440	229	1,058
Operating margin, %	3.8	4.8				1.8	4.8	6.8	3.4	4.4
Asia-Pacific, Middle East and Africa										
Net sales	3,695	3,709				3,882	4,231	4,710	4,162	16,984
Sales growth, %	-5.5	-10.7				-5.2	6.4	13.7	-14.1	-0.5
EBITA	142	220				300	439	527	104	1,370
EBITA margin, %	3.8	5.9				7.7	10.4	11.2	2.5	8.1
Operating income	124	200				284	426	511	88	1,308
Operating margin, %	3.3	5.4				7.3	10.1	10.8	2.1	7.7
Group common costs, etc: operating income										
	-136	-150				-148	-41	-184	-497	-870
Total Group										
Net sales	32,734	32,653				30,118	33,749	35,244	35,769	134,880
Sales growth, %	1.1	-8.8				-3.3	0.4	0.4	-10.4	-3.6
EBITA	6	164				1,780	786	-144	-1,724	698
EBITA margin, %	0.0	0.5				5.9	2.3	-0.4	-4.8	0.5
Operating income	-256	-124				1,575	560	-385	-1,964	-215
Operating margin, %	-0.8	-0.4				5.2	1.7	-1.1	-5.5	-0.2
Income for the period	-588	-648				950	257	-605	-1,922	-1,320
Earnings per share, SEK ¹	-2.18	-2.40				3.40	0.93	-2.23	-7.12	-4.81

¹ Basic



Non-recurring items by business area

SEKM	Q1 2023 ¹	Q2 2023 ²	Q3 2023	Q4 2023	Full year 2023	Q1 2022 ³	Q2 2022	Q3 2022 ⁴	Q4 2022 ⁵	Full year 2022
Europe	-561	-643				-	-	-350	-424	-774
North America	-	-				656	-	-	-415	241
Latin America	-	-				-	-	-	-80	-80
Asia-Pacific, Middle East and Africa	-	-				-	-	-	-66	-66
Group common costs, etc.	-	-				-	-	-	-367	-367
Total Group	-561	-643				656	-	-350	-1,352	-1,046

¹ The non-recurring item of SEK -561m in the first quarter of 2023 refers to business area Europe and the restructuring charge related to the discontinuation of production at the Nyíregyháza factory in Hungary from the beginning of 2024. The cost is included in Cost of goods sold.

² The non-recurring item of SEK -643m in the second quarter of 2023 refers to business area Europe and a provision mainly related to a French antitrust case. The cost is included in Other operating income/expenses.

³ 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.

⁴ The non-recurring item of SEK -350m in the third quarter of 2022 refers to business area Europe and the exit from the Russian market. The cost is included in Other operating income/expenses.

⁵ 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.

Operating income excluding non-recurring items (NRI)

SEKM	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Full year 2023	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Full year 2022
Europe										
Operating income excl. NRI	520	297				602	142	425	289	1,457
Operating margin excl. NRI, %	4.6	2.8				5.2	1.2	3.8	2.3	3.1
North America										
Operating income excl. NRI	-439	-160				96	-270	-1,227	-1,234	-2,635
Operating margin excl. NRI, %	-3.8	-1.4				1.0	-2.3	-9.5	-10.1	-5.6
Latin America										
Operating income excl. NRI	236	333				85	303	440	309	1,138
Operating margin excl. NRI, %	3.8	4.8				1.8	4.8	6.8	4.6	4.7
Asia-Pacific, Middle East and Africa										
Operating income excl. NRI	124	200				284	426	511	154	1,374
Operating margin excl. NRI, %	3.3	5.4				7.3	10.1	10.8	3.7	8.1
Group common cost etc										
Operating income excl. NRI	-136	-150				-148	-41	-184	-130	-503
Total Group										
Operating income excl. NRI	305	519				919	560	-35	-612	831
Operating margin excl. NRI, %	0.9	1.6				3.1	1.7	-0.1	-1.7	0.6



Net sales by business area

SEKM	Q2 2023	Q2 2022	Six months 2023	Six months 2022	Full year 2022
Europe	10,791	11,345	22,130	22,880	46,573
North America	11,238	11,905	22,742	21,845	47,021
Latin America	6,915	6,268	13,111	11,030	24,303
Asia-Pacific, Middle East and Africa	3,709	4,231	7,404	8,112	16,984
Total Group	32,653	33,749	65,388	63,867	134,880

Change in Net sales by business area, %

Year-over-year, %	Q2 2023	Q2 2023 currency adjusted	Six months 2023	Six months 2023 currency adjusted
Europe	-5	-12	-3	-10
North America	-6	-12	4	-5
Latin America	10	6	19	12
Asia-Pacific, Middle East and Africa	-12	-11	-9	-8
Total change Group	-3	-9	2	-4

Operating income by business area

SEKM	Q2 2023	Q2 2022	Six months 2023	Six months 2022	Full year 2022
Europe	-346	142	-387	743	683
Margin, %	-3.2	1.2	-1.7	3.2	1.5
North America	-160	-270	-599	483	-2,394
Margin, %	-1.4	-2.3	-2.6	2.2	-5.1
Latin America	333	303	570	388	1,058
Margin, %	4.8	4.8	4.3	3.5	4.4
Asia-Pacific, Middle East and Africa	200	426	323	709	1,308
Margin, %	5.4	10.1	4.4	8.7	7.7
Group common costs, etc.	-150	-41	-287	-189	-870
Operating income Group	-124	560	-380	2,134	-215
Margin, %	-0.4	1.7	-0.6	3.3	-0.2

Change in operating income by business area, SEK

Year-over-year, SEK	Q2 2023	Q2 2023 currency adjusted	Six months 2023	Six months 2023 currency adjusted
Europe	-488	-486	-1,131	-1,186
North America	109	156	-1,082	-1,135
Latin America	30	21	181	172
Asia-Pacific, Middle East and Africa	-226	-212	-386	-389
Group common costs, etc.	-110	-114	-98	-105
Total change Group	-684	-635	-2,515	-2,644



Working capital and net assets

SEKM	Jun. 30, 2023	% ¹	Jun. 30, 2022	% ¹	Dec. 31, 2022	% ¹
Inventories	25,039	18.5	29,687	22.2	24,374	17.7
Trade receivables	22,924	16.9	22,321	16.7	21,487	15.6
Accounts payable	-37,823	-27.9	-42,490	-31.8	-38,357	-27.8
Operating working capital	10,141	7.5	9,518	7.1	7,504	5.4
Provisions	-9,386		-7,816		-8,693	
Prepaid and accrued income and expenses	-11,554		-12,608		-12,567	
Taxes and other assets and liabilities	414		-807		24	
Working capital	-10,385	-7.7	-11,714	-8.8	-13,731	-9.9
Property, plant and equipment, owned	30,919		28,198		29,876	
Property, plant and equipment, right-of-use	4,527		3,225		3,906	
Goodwill	7,136		7,218		7,081	
Other non-current assets	7,026		5,473		6,224	
Deferred tax assets and liabilities	7,845		5,380		6,940	
Net assets	47,069	34.7	37,780	28.3	40,297	29.2
Annualized net sales, calculated at end of period exchange rates	135,557		133,730		138,040	
Average net assets	44,473	34.0	33,550	26.3	36,684	27.2
Annualized net sales, calculated at average exchange rates	130,776		127,734		134,880	

¹ Of annualized net sales.

Net assets by business area

SEKM	Assets			Equity and liabilities			Net assets		
	Jun. 30, 2023	Jun. 30, 2022	Dec. 31, 2022	Jun. 30, 2023	Jun. 30, 2022	Dec. 31, 2022	Jun. 30, 2023	Jun. 30, 2022	Dec. 31, 2022
Europe	33,868	32,147	32,041	25,428	26,898	26,273	8,440	5,249	5,768
North America	32,146	33,007	30,229	18,402	21,581	18,375	13,744	11,426	11,854
Latin America	20,052	18,346	18,141	10,794	9,752	9,417	9,258	8,594	8,724
Asia-Pacific, Middle East and Africa	13,459	14,563	13,821	6,569	8,141	7,451	6,890	6,422	6,370
Other ¹	13,786	11,065	12,722	5,049	4,976	5,141	8,737	6,089	7,581
Total operating assets and liabilities	113,311	109,129	106,953	66,242	71,349	66,657	47,069	37,780	40,297
Liquid funds	12,861	12,659	17,800						
Long-term financial receivables	185	185	185						
Total borrowings				37,380	26,909	37,813			
Lease liabilities				4,921	3,535	4,264			
Pension assets and liabilities	1,444	3,411	2,164	2,073	1,724	1,919			
Dividend payable				-	1,262	-			
Total equity				17,186	20,606	16,449			
Total	127,801	125,385	127,102	127,801	125,385	127,102			

¹ Includes common functions and tax items.



Parent Company income statement

SEKM	Q2 2023	Q2 2022	Six months 2023	Six months 2022	Full year 2022
Net sales	9,690	10,011	19,883	20,644	42,063
Cost of goods sold	-8,750	-8,915	-18,223	-17,842	-37,873
Gross operating income	940	1,096	1,660	2,802	4,190
Selling expenses	-761	-632	-1,577	-1,449	-3,320
Administrative expenses	-1,054	-320	-1,676	-972	-2,470
Other operating expenses	-	-	-	-	-1,860
Operating income	-875	144	-1,593	381	-3,460
Financial income	1,147	566	1,566	1,207	3,920
Financial expenses	-578	-210	-1,128	-285	-1,073
Financial items, net	569	356	438	922	2,847
Income after financial items	-306	500	-1,155	1,303	-613
Appropriations	44	30	91	37	-60
Income before taxes	-262	530	-1,064	1,340	-673
Taxes	30	-39	180	-91	437
Income for the period	-232	491	-884	1,249	-236

Parent Company balance sheet

SEKM	Jun. 30, 2023	Jun. 30, 2022	Dec. 31, 2022
Assets			
Non-current assets	41,988	40,544	41,189
Current assets	35,347	29,980	36,019
Total assets	77,335	70,524	77,208
Equity and liabilities			
Restricted equity	7,157	6,410	6,813
Non-restricted equity	8,148	11,811	9,353
Total equity	15,305	18,221	16,166
Untaxed reserves	654	579	668
Provisions	2,573	1,344	1,926
Non-current liabilities	28,548	17,256	28,771
Current liabilities	30,255	33,124	29,677
Total equity and liabilities	77,335	70,524	77,208

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, 2023	8,192,348	274,885,045	283,077,393	13,049,115	270,028,278
Change during the year	-180	180	-	-	-
Number of shares as of June 30, 2023	8,192,168	274,885,225	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 2022, except for the adoption of standard amendments effective as of January 1, 2023. The amendments have not had any material impact on the financial statements. See section 'New or amended accounting standards to be applied after 2022' in the Annual Report 2022 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 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	Six months 2023	Six months 2022	Full year 2022
Product areas			
Taste	40,707	40,174	85,895
Care	19,265	18,358	38,661
Wellbeing	5,416	5,335	10,324
Total	65,388	63,867	134,880

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

SEKM	Jun. 30, 2023		Jun. 30, 2022		Dec. 31, 2022	
	Fair value	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount
Per category						
Financial assets at fair value through profit and loss	431	431	429	429	425	425
Financial assets measured at amortized cost	35,472	35,472	34,509	34,509	39,048	39,048
Derivatives, financial assets at fair value through profit and loss	171	171	462	462	60	60
Derivatives, hedge accounting	-	-	5	5	39	39
Total financial assets	36,074	36,074	35,405	35,405	39,572	39,572
Financial liabilities measured at amortized cost	73,798	74,382	67,954	69,147	74,123	75,472
Derivatives, financial liabilities at fair value through profit and loss	467	467	168	168	279	279
Derivatives, hedge accounting	86	86	99	99	299	299
Total financial liabilities	74,351	74,935	68,222	69,414	74,701	76,050

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 June 30 the fair value for Level 1 financial assets was SEK 167m (166) and for financial liabilities SEK 0m (0).

Level 2: Inputs other than quoted prices included in Level 1 that are observable for assets or liabilities either directly or indirectly. On June 30 the fair value of Level 2 financial assets was SEK 171m (467) and financial liabilities SEK 553m (267).

Level 3: Inputs for the assets or liabilities that are not entirely based on observable market data. On June 30 the fair value of Level 3 financial assets was SEK 264m (263) and financial liabilities SEK 0m (0).

Note 4 Pledged assets and contingent assets and liabilities

SEKM	Jun. 30, 2023	Jun. 30, 2022	Dec. 31, 2022
Group			
Pledged assets	-	-	-
Guarantees and other commitments	1,497	1,370	1,491
Parent Company			
Pledged assets	-	-	-
Guarantees and other commitments	1,197	1,093	1,097

Update on legal proceedings

Update regarding the French Competition Authority's investigation regarding possible violation of antitrust rules.

As previously disclosed in press releases and annual reports, the company became in 2013 the subject of an investigation by the French Competition Authority regarding possible violations of antitrust rules. The Authority has thereafter decided to conduct two separate investigations one of which was completed in December 2018. In February 2023, the Authority issued a Statement of Objections relating to the other investigation and Electrolux France is alleged to have breached the antitrust rules by conducting resale price maintenance in the home appliance sector between 2009 and 2014 and by exchanging with other parties competitively sensitive information relating small appliances in France between 2009 and 2014. During Q2 2023, a settlement has been agreed with the Competition Authority and Electrolux Group has therefore in accordance with accounting principles set a provision of SEK 643m. A minor part of the provision relates to the settlement of another legal matter in Europe. The final amount will be decided at the end of the procedure.

For more information on this matter and other contingent liabilities, see Note 25 in the Annual Report 2022.

Note 5 Acquisitions and divestments

Acquisitions and divestments in 2023

There were no acquisitions or divestments completed in the first half of 2023.

Divestments in 2022

Electrolux decided to exit Russia and 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.



Operations by business area yearly

SEKM	2018 ¹	2019	2020	2021	2022
Europe					
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
North America					
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
Latin America					
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
Asia-Pacific, Middle East and Africa					
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
Other					
Group common cost, etc.	-527	-1,055	-783	-737	-870
Total Group					
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

Non-recurring items in operating income ²	2018 ³	2019 ⁴	2020	2021 ⁵	2022 ⁶
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
Total Group	-1,343	-1,344	-	-727	-1,046

¹ 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.

⁶ 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 ¹	Restated 2018 ²	2019 ³	2020	2021	2022
Net sales	124,129	115,463	118,981	115,960	125,631	134,880
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
Income for the period	3,805	2,854	1,820	3,988	4,678	-1,320
Non-recurring items in operating income ⁴	-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 ⁵	13.24	9.93	6.33	13.88	16.31	-4.81
Equity per share, SEK	75.67	-	78.55	65.10	65.74	60.92
Dividend per share, SEK	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, % ⁶	18.2	-	11.4	34.1	24.4	-7.0
Net debt	1,825	-	7,683	1,556	8,591	23,848
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
Average number of shares excluding shares owned by Electrolux, million	287.4	287.4	287.4	287.4	286.9	274.7
Average number of employees	54,419	51,253	48,652	47,543	51,590	50,769

¹ 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 27 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 and reconciliations of alternative performance measures

This report includes financial measures as required by the financial reporting framework applicable to Electrolux, which is based on IFRS. In addition, Electrolux presents certain measures that are not defined under IFRS (alternative performance measures – "APMs"). These are used by management to assess the financial and operational performance of the Group. Management believes that these APMs provide useful information regarding the Group's financial and operating performance. Such measures may not be comparable to similar measures presented by other companies. Consequently, APMs have limitations as analytical tools and should not be considered in isolation or as a substitute for related financial measures prepared in accordance to IFRS. The APMs have been derived from the Group's internal reporting and are not audited. The APM reconciliations can be found on the Group's website www.electroluxgroup.com/ir/definitions

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 and reconciliations of alternative performance measures

(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 income excluding non-recurring items

Operating income adjusted for non-recurring items.

Operating income excluding non-recurring items for the period.

Operating income adjusted for non-recurring items for the period.

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.

Earnings per share excluding non-recurring items

Net income excluding non-recurring items divided by average number of shares.

Equity per share

Total equity divided by total number of shares excluding shares held by Electrolux.

Capital indicators

Liquid funds

Cash and cash equivalents, short-term investments, financial derivative assets¹ and prepaid interest expenses and accrued interest income¹.

Operating working capital

Inventories and trade receivables less accounts payable.

Working capital

Total current assets exclusive of liquid funds, less non-current other provisions and total current liabilities exclusive of total short-term borrowings.

Net assets

Total assets exclusive of liquid funds and pension plan assets, less deferred tax liabilities, non-current other provisions and total current liabilities exclusive of total short-term borrowings.

Total borrowings

Long-term borrowings and short-term borrowings, financial derivative liabilities¹, accrued interest expenses and prepaid interest income¹.

Total short-term borrowings

Short-term borrowings, financial derivative liabilities¹, accrued interest expenses and prepaid interest income¹.

Interest-bearing liabilities

Long-term borrowings and short-term borrowings exclusive of liabilities related to trade receivables with recourse¹.

Financial net debt

Total borrowings less liquid funds.

Net provision for post-employment benefits

Provisions for post-employment benefits less pension plan assets.

Net debt

Financial net debt, lease liabilities and net provision for post-employment benefits.

Other measures

Operating cash flow

Operating income adjusted for depreciation, amortization and other non-cash items plus/minus change in operating assets and liabilities.

Operating cash flow after investments

Cash flow from operations and investments adjusted for financial items paid, taxes paid and acquisitions/divestments of operations.

Operating cash flow after structural changes

Operating cash flow adjusted for structural changes.

Cash flow excluding change in loans and short-term investments for the period

Cash flow adjusted for change in loans and short-term investments for the period.

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 9.



Shareholders' information

President and CEO Jonas Samuelson's comments on the second quarter results 2023.

Today's press release is available on the Electrolux website www.electroluxgroup.com/ir

Telephone conference 09.00 CET

A telephone conference is held at 09.00 CET today, July 20. Jonas Samuelson, President and CEO, Therese Friberg, CFO, and Anna Ohlsson-Leijon CCO will comment on the report.

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

<https://edge.media-server.com/mmc/p/sodz9rru>

OR

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

<https://register.vevent.com/register/BI071ca5bc626a4c57bdf64549ff31fd2c>

Presentation material available for download
www.electroluxgroup.com/ir

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

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



Calendar 2023

Interim report January - September

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Shape living for the better

Electrolux is a leading global appliance company that has shaped living for the better for more than 100 years. We reinvent 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