



Electrolux

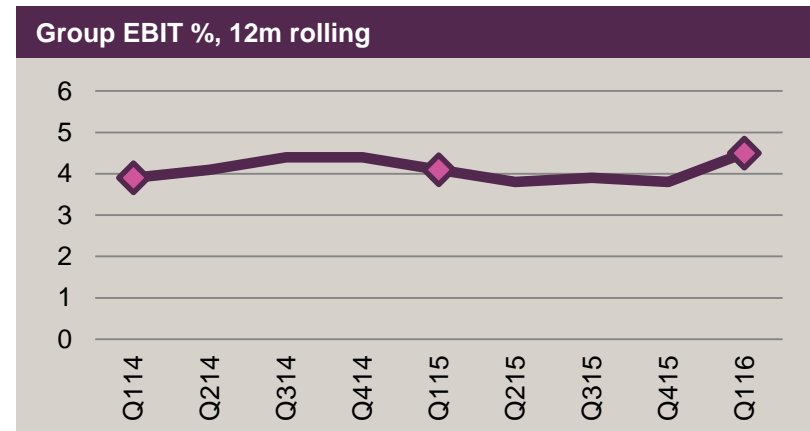
Q1-16 Results

Jonas Samuelson, President and CEO
Anna Ohlsson-Leijon, CFO

Q1 Highlights

- **Good start of the year**
 - Continued revenue growth in Europe
 - Good progress in North America
 - Latin America declined due to weak markets
- **Strong earnings improvement**
 - Improved EBIT across most business areas
 - Price/mix contributed positively
 - Savings and efficiency gains
 - Negative impact from currency
- **Stable cash flow**

(SEKm)	Q1 2016	Q1 2015	Change %
Sales	28,114	29,087	-3.3
Organic growth	1.8%		
Acquired growth	0.1%		
Currency	-5.2%		
EBIT	1,268	516	146%
Margin %	4.5	1.8	
EPS	3.04	1.18	158%

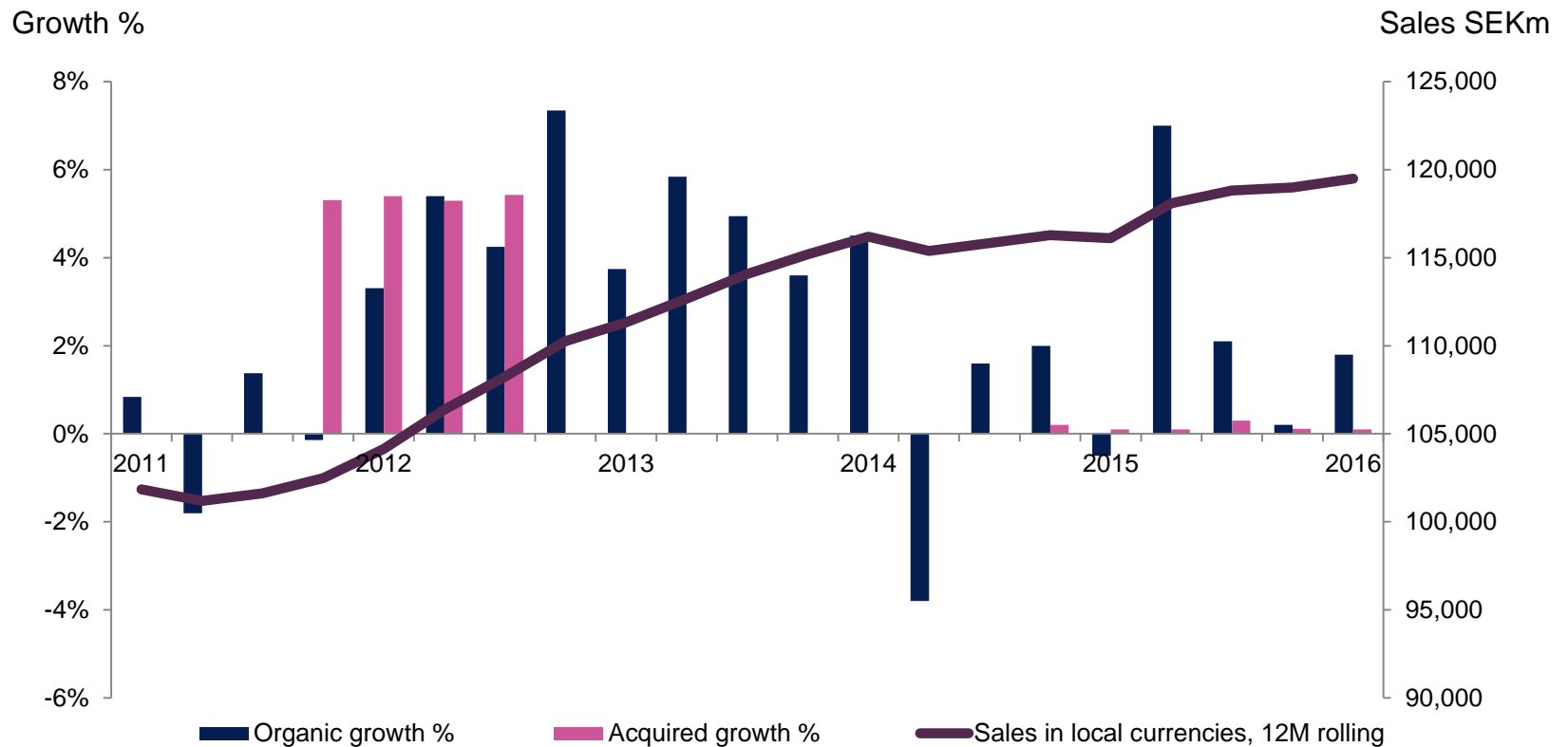


Market Highlights

- **Electrolux completes launch of consumer products inspired by our professional expertise**
 - The Electrolux Blast Chiller was presented at the Eurocucina fair in Milan in April
 - Allows consumers to use professional cooking techniques to make great tasting food at home
- **Connected oven with a camera and other innovative products**
 - The new CombiSteam Pro Smart Oven and the first dishwasher with a lower basket that reaches up to meet you were also profiled at the Eurocucina fair in Milan
- **“For the Better” initiative presented**
 - Sustainability becomes an even more integrated part of doing business at Electrolux
 - Electrolux “For the Better” agenda in place for 2020



Sales in Local Currencies

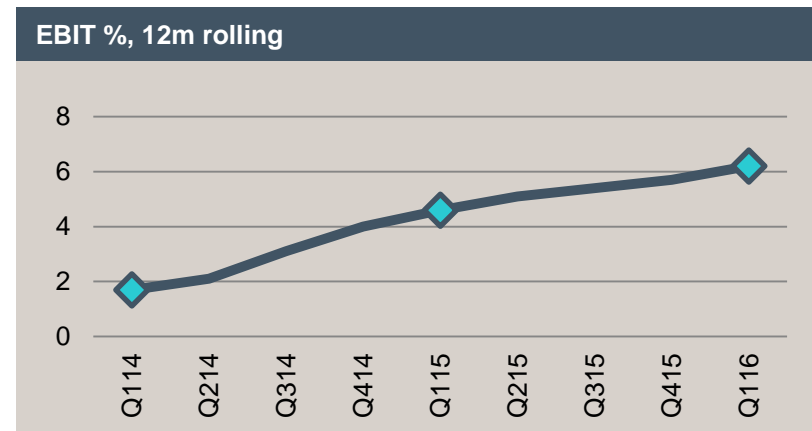


Major Appliances EMEA



- **Strong earnings development**
 - Strong organic growth of 7.1%
 - Demand for appliances increased in most Western European markets
 - Eastern Europe stabilized
 - Positive product mix driven by premium brands in built-in kitchen and laundry
 - Recovery in free-standing categories
 - EBIT margin above 6% both in quarter and last 12 months, driven by higher volumes, improved mix, product cost and efficiency gains

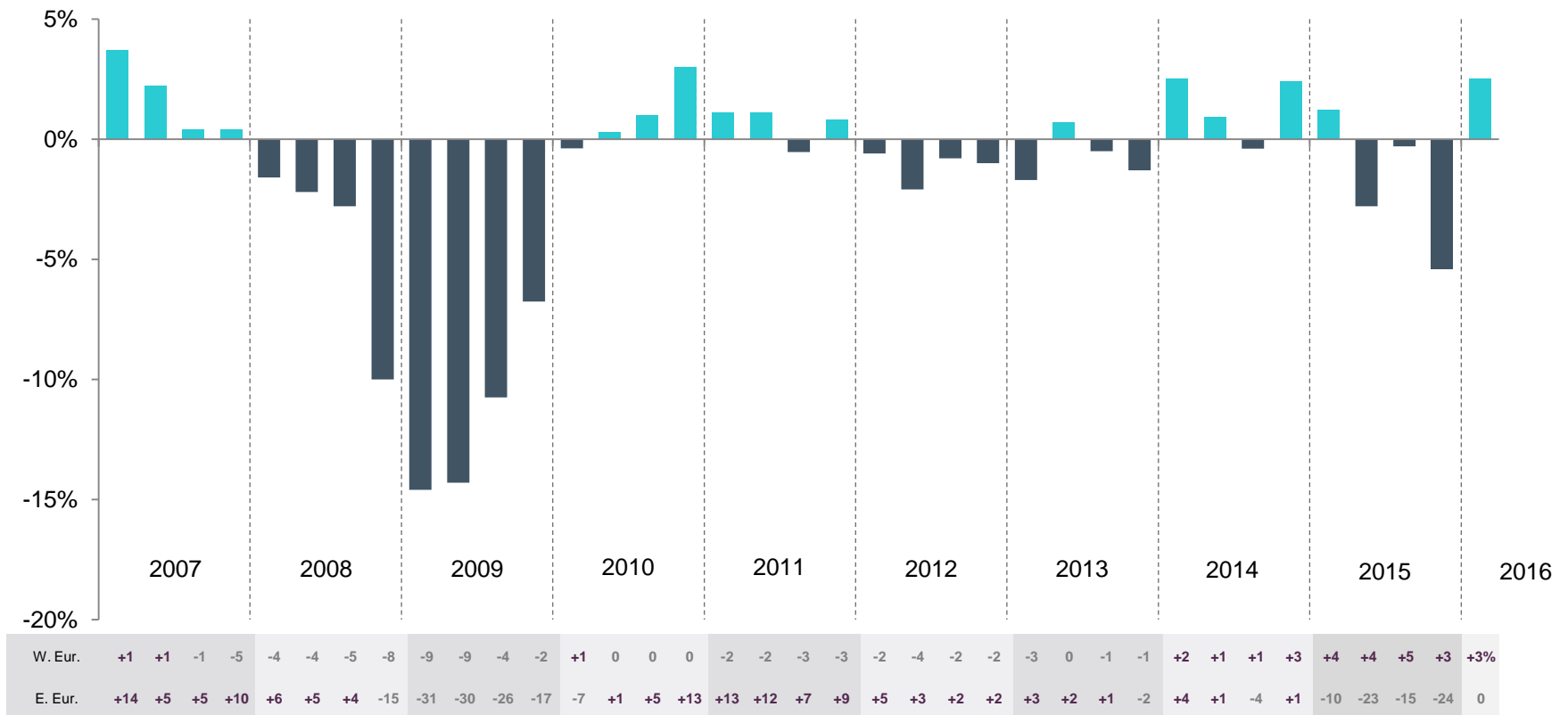
(SEKm)	Q1 2016	Q1 2015	Change %
Sales	9,001	8,608	4.6
Organic growth	7.1%		
Currency	-2.5%		
EBIT	553	371	49.1
Margin %	6.1	4.3	1.8



European White Goods Market



Total Europe, quarterly comparison y-o-y

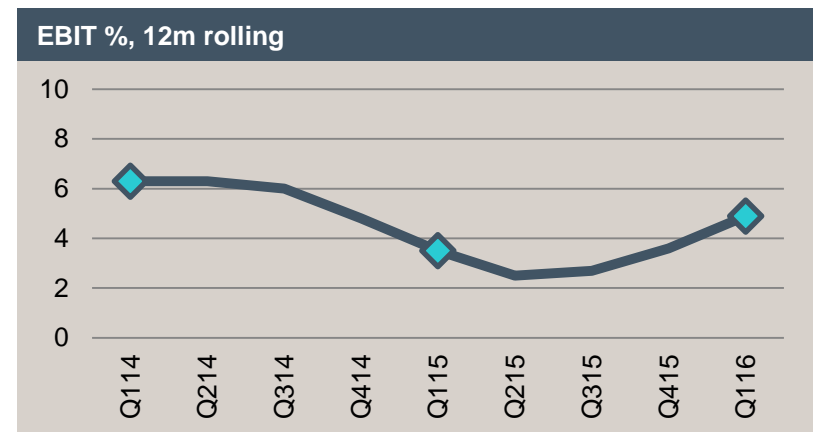


Major Appliances North America



- **Earnings recovery continued**
 - Organic sales growth of 5.7%
 - Volume growth in core categories
 - Increased sales of air-conditioners
 - Cooking plant in Memphis stabilized, further efficiency measures in progress
 - Earnings recovery driven by higher sales volumes, better mix, product cost and efficiency gains

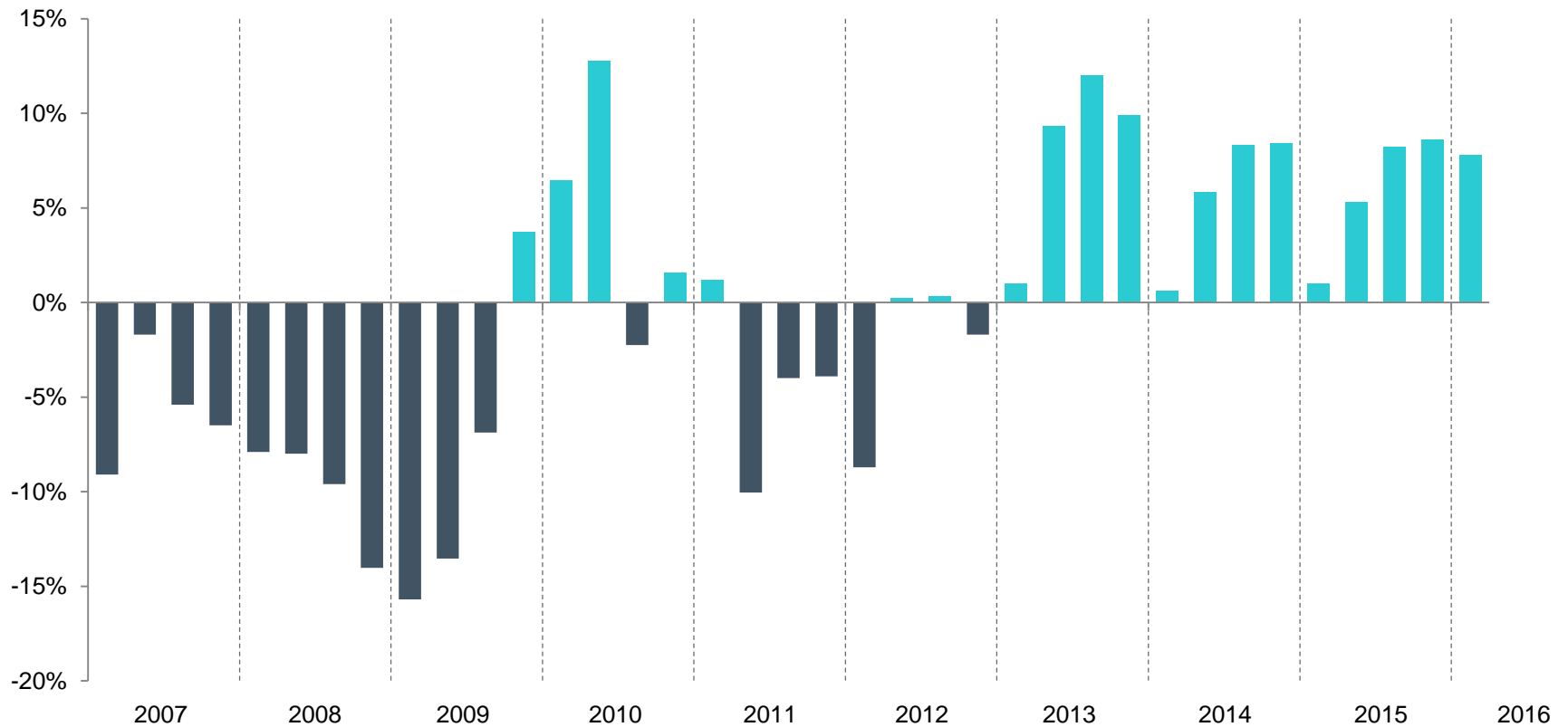
(SEKm)	Q1 2016	Q1 2015	Change %
Sales	9,937	9,313	6.7
Organic growth	5.7%		
Currency	1.0%		
EBIT	495	-57	n.m.
Margin %	5.0	-0.6	5.6



North American White Goods Market



Quarterly comparison y-o-y



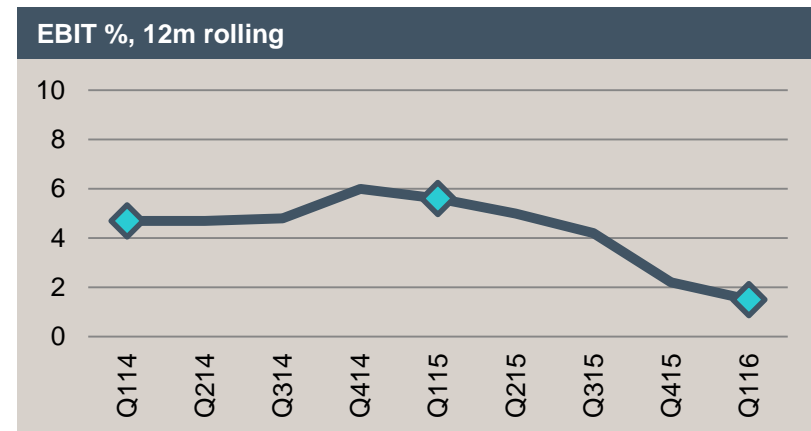
Major Appliances Latin America



- **Weak markets, actions in place**

- Challenging economic situation in the region
- Demand for appliances deteriorated in Brazil and Argentina while Chile was flat
- Cost actions on track to mitigate the significant fall in volumes
- Challenging earnings situation in Brazil partly offset by good performance in other markets in Latin America
- Implemented price increases partly compensated for currency headwinds

(SEKm)	Q1 2016	Q1 2015	Change %
Sales	3,643	5,261	-30.8
Organic growth	-11.3%		
Currency	-19.5%		
EBIT	31	177	-82.5
Margin %	0.9	3.4	-2.5



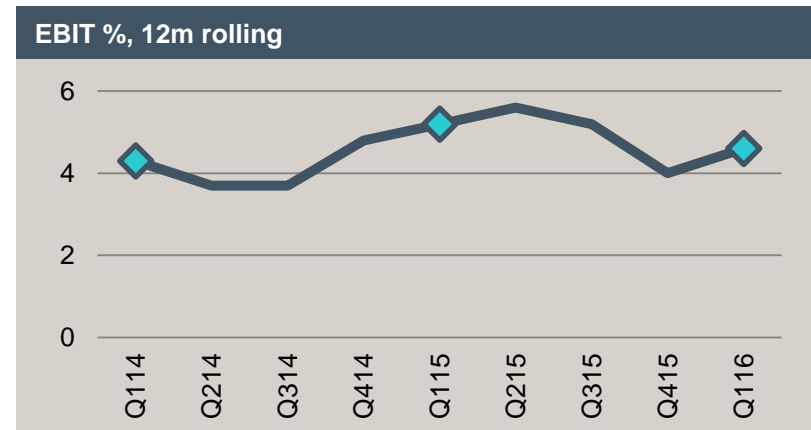
Major Appliances Asia/Pacific



- **Good performance in mixed markets**

- Good sales growth in Australia, New Zealand and East Asia
- China sales down due to exit from unprofitable segments and channels
- EBIT and margins increased due to positive price/mix and cost efficiency
- Relocation of refrigeration production from Orange, Australia to the factory in Rayong, Thailand is now completed

(SEKm)	Q1 2016	Q1 2015	Change %
Sales	2,022	2,241	-9.8
Organic growth	-5.4%		
Acquired growth	0.0%		
Currency	-4.4%		
EBIT	95	52	82.7
Margin	4.7	2.3	2.4



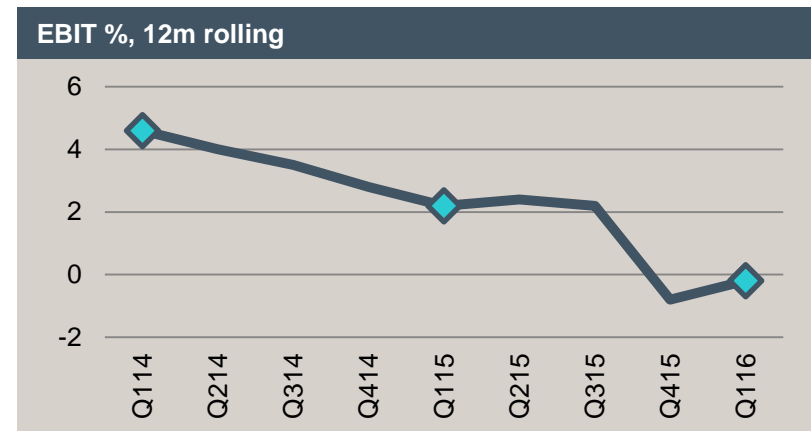
Small Appliances



- **Business refocusing on profitable categories**

- Organic growth declined in a relatively flat market in the quarter
- Weak demand in Brazil and lower volumes in North America impacted sales growth
- Positive price and mix development offset currency headwinds
- Cost reduction program in progress and focus on active product portfolio management
- EBIT higher versus last year due to positive regional sales mix and cost savings

(SEKm)	Q1 2016	Q1 2015	Change %
Sales	1,927	2,139	-9.9
Organic growth	-6.1%		
Currency	-3.8%		
EBIT	44	-8	n.m.
Margin %	2.3	-0.4	2.7

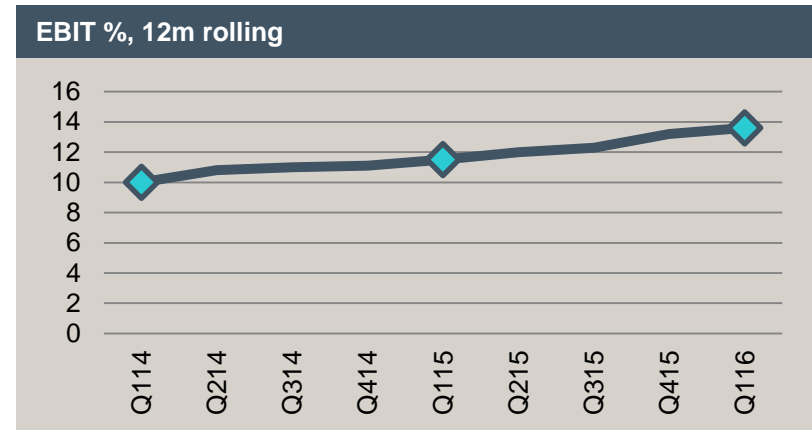


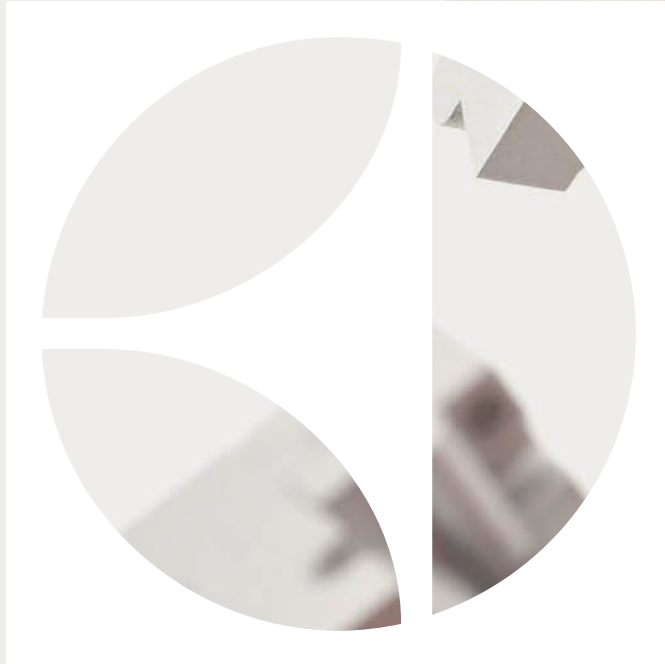
Professional Products



- **Continued profitable growth**
 - Positive organic and acquired growth
 - Volume growth in Western Europe, North America and Japan
 - Good performance in both Laundry and Food services
 - Improved EBIT margin driven by higher sales volumes and operational efficiency

(SEKm)	Q1 2016	Q1 2015	Change %
Sales	1,584	1,525	3.9
Organic growth	4.3%		
Acquired growth	1.4%		
Currency	-1.8%		
EBIT	205	170	20.6
Margin %	12.9	11.1	1.8





Financials Q1-16

Anna Ohlsson-Leijon, CFO

Financials

SEKm	Q1 2016	Q1 2015	Change
Sales	28,114	29,087	-3%
<i>Organic</i>	1.8%	-0.5%	-
Gross profit	5,770	5,140	12%
Gross margin, %	20.5	17.6	-
EBIT	1,268	516	146%
EBIT margin, %	4.5	1.8	-
Op. cash flow after investments	-580	-591	2%
EPS	3.04	1.18	158%

Q1 Sales and EBIT Bridge

SEKm	Q1 2015	Volume/Price/Mix	Net Cost Efficiency	Currency*	Acq	Other*	Q1 2016
Net Sales	29,087	492		-1,486	20		28,114
Growth		1.8%		-5.4%	0.1%		-3.3%
EBIT	516	754	655	-720	-1	63	1,268
EBIT %	1.8%	153.1%			-3.6%		4.5%
Accretion		2.5%	2.2%	-2.2%	0.0%	0.2%	

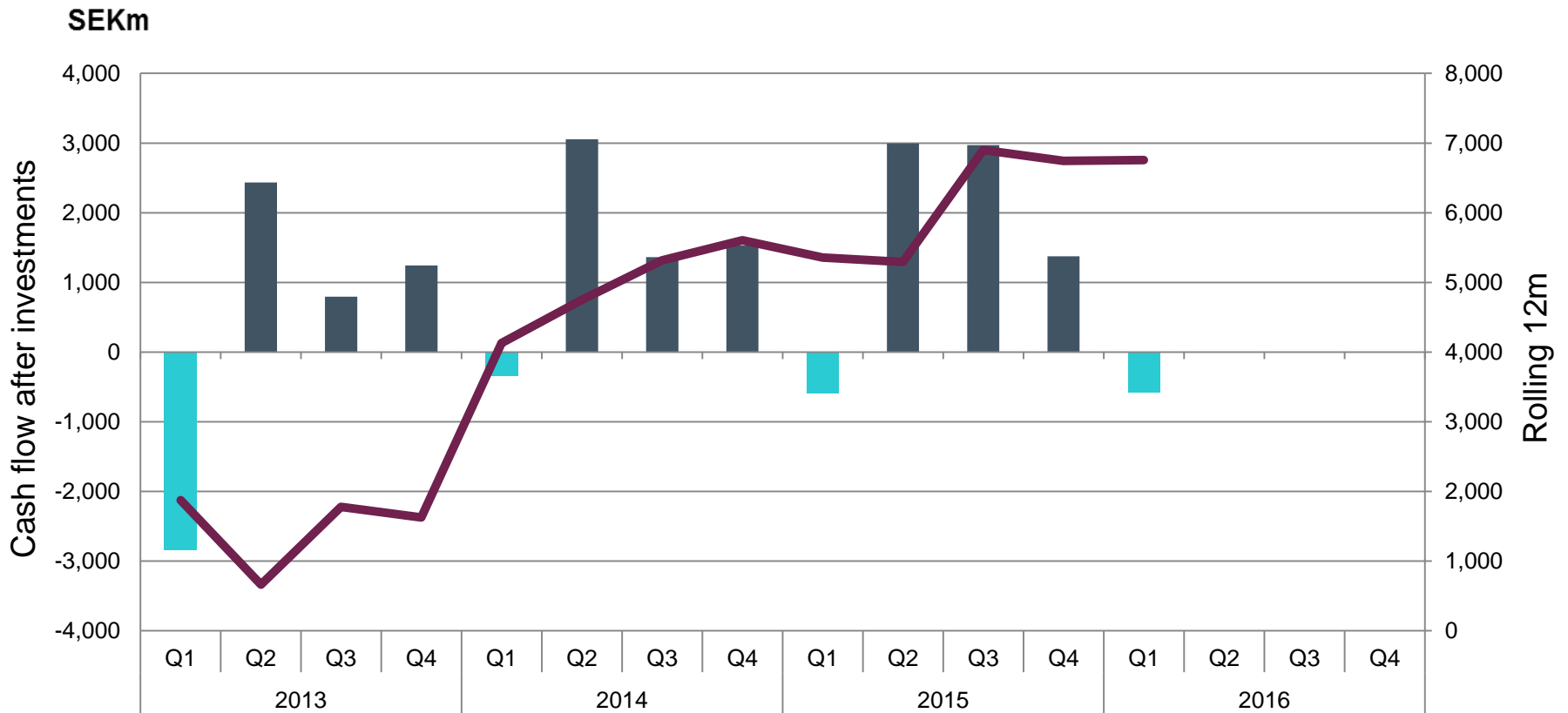
* Currency includes SEK -62m of currency translation effect on EBIT. * Other includes GE transaction costs + integration costs in Q1 2015

Cash Flow

SEKm	2016 Q1	2015 Q1
EBIT	1,268	516
D/A and other non-cash items	1,052	1,050
Change in operating assets and liabilities	-2,371	-1,362
Investments (excl. acquisitions)	-529	-795
Cash flow after investments	-580	-591

Cash Flow, 2013-2016

Cash flow after investments by quarter





Outlook and Summary

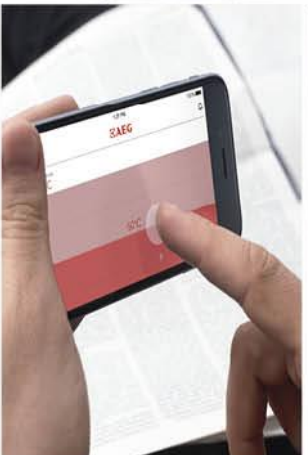
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Market outlook per region

Region	Q2 2016	FY 2016	Comments
Western Europe	Positive	+2-3%	Positive demand growth in most Western European countries
Eastern Europe	Slightly Positive	+2%	Growth in most markets Russia appears to be stabilizing
North America	Positive	+4-5%	Continued favorable market
Latin America	Negative	Negative	Weak demand in Brazil and Argentina. Chile flat. More favorable comps in H2
East Asia	Stable	Stable	East Asia mixed pattern
Australia	Flat	Flat	Market is estimated to be flat/slightly negative

Business outlook

Electrolux	Q2 2016	FY 2016	Comments
Volume/Price/Mix	Slightly positive	Slightly positive	EMEA: positive mix, negative price NA: signs of price pressure Latam: positive price, negative volume Asia/Pacific: positive price/mix
Net cost efficiency incl. raw materials	Positive	Positive	Continued efficiency gains through operational excellence Raw materials FY: SEK 700m
Currency	SEK ~425m	SEK ~1.3bn	Slightly less negative impact in Latin America due to a weakened USD
Capex	Stable	Stable	FY: ≤ SEK 4bn



Summary Q1

- Good start to the year with strong performance in most business areas
- Higher volumes and mix improvements
- Strong earnings improvement in EMEA
- Operational recovery in North America
- Earnings in Latin America affected by the weak market situation in Brazil and currency
- Actions being taken in Small Appliances
- Continued efficiency and savings performance



Factors affecting forward-looking statements

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This presentation contains “forward-looking” statements within the meaning of the US Private Securities Litigation Reform Act of 1995. Such statements include, among others, the financial goals and targets of Electrolux for future periods and future business and financial plans. These statements are based on current expectations and are subject to risks and uncertainties that could cause actual results to differ materially due to a variety of factors. These factors include, but may not be limited to the following: consumer demand and market conditions in the geographical areas and industries in which Electrolux operates, effects of currency fluctuations, competitive pressures to reduce prices, significant loss of business from major retailers, the success in developing new products and marketing initiatives, developments in product liability litigation, progress in achieving operational and capital efficiency goals, the success in identifying growth opportunities and acquisition candidates and the integration of these opportunities with existing businesses, progress in achieving structural and supply-chain reorganization goals.