



Q3 Results 2022 presentation

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Q3 Highlights

Slight organic sales growth

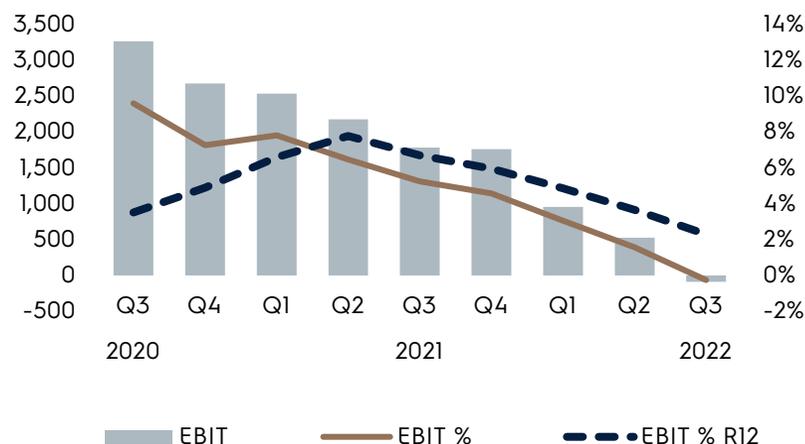
- Strong price execution
- Mix improvements through successful product launches
- Market demand-driven volume decline

Break-even EBIT excl. NRI

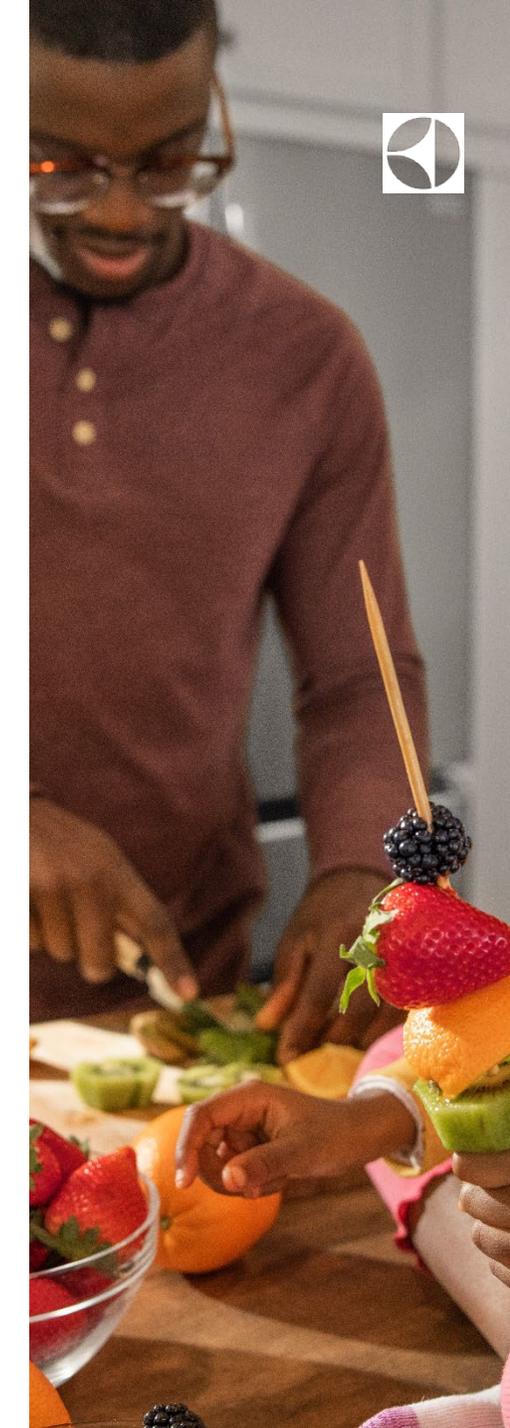
- Earnings strained by North America
- Elevated cost level due to supply chain imbalances and weaker market
- Well-performing emerging markets
- Price offset significant cost inflation, mainly in raw material and logistics
- Group-wide cost reduction and North America turnaround program initiated

SEKm	Q3 2022	Q3 2021	Change
Net sales	35,244	30,929	13.9%
Organic growth	1.2%	-0.3%	1.5pts
Acquisitions	0.0%	0.2%	-0.2pts
Divestments	-0.8%	0.0%	-0.8pts
Currency	13.5%	-3.3%	16.9pts
EBIT	-385	1,639	N/A
Margin	-1.1%	5.3%	-6.4pts
EBIT excl. NRI	-35	1,639	N/A
EBIT margin excl. NRI	-0.1%	5.3%	-5.4pts

EBIT and margin*



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





Cost reduction program initiated due to weaker market demand and inefficiencies in supply chain

Significantly improve cost efficiency

- Focus is on production and supply chain
- Adapting sales and production plans to stable supply
- Right-size workforce in factories

Leverage global organizations

- Leverage recent organizational changes
- Efficiency gains within operations, sales, admin, R&D, and IT

Optimize R&D and marketing investments

- Leverage recent global R&D investment programs
- Prioritize highest ROI-opportunities
- Centralize marketing and brand building

North America specific actions

- Stabilize and improve operational planning
- Significantly improve cost efficiency in the two new facilities Anderson and Springfield

Earnings contribution expected

- SEK 4-5bn in 2023, y-o-y, from Cost efficiency and reduced Investments in innovation & marketing combined
- Benefits gradually during 2023 and into 2024
- >SEK 7bn total cost reduction from the program
- Majority of earnings impact realized in North America

Restructuring charge in Q4 2022 expected to be SEK 1.2-1.5bn

Sales and EBIT Bridge



SEKm	Q3 2021	Volume/ price/mix	Innovation/ marketing ¹	Cost efficiency ²	External factors ³	Acq/Divest. ⁴	Q3 2022
Net Sales	30,929	423			4,153	-261	35,244
Growth %		1.2%			13.5%	-0.8%	13.9%
EBIT excl NRI ⁵	1,639	3,123	-192	-2,134	-2,428	-43	-35
EBIT excl NRI %	5.3%						-0.1%
Accretion/ Dilution		9.9 pts	-0.6 pts	-6.8 pts	-7.7 pts	-0.1 pts	

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

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

³ Comprise of raw material costs, trade tariffs, as well as direct and indirect currency impact and labor, cost inflation >2%. Currency translation amounted to SEK 225m on EBIT and 13.5% on net sales.

⁴ Relating to the exit from the Russian market

⁵ EBIT in Q3 2022 excludes a non-recurring item of SEK -350m, relating to the exit from the Russian market.

Earnings contribution from price/mix



Business Area	Q3	Comments
Europe	Positive	Focus on premium brands AEG and Electrolux continues to pay off
North America	Positive	Strong consumer appeal of new product ranges
Latin America	Positive	Well-received product launches and increased aftermarket sales
Asia-Pacific, Middle East and Africa	Positive	Well-received product launches
Group EBIT % accretion	14.3 pts	Strong price execution across all business areas and improved mix

Driving sustainable consumer experience innovation



Strengthening the built-in fridge freezer portfolio

- Increased energy efficiency and consumer value enabled by investments in Susegana plant, Italy
- New range well received, 4.8 in consumer star rating
- Reduced food waste and increased storage capacity
- Up to 20% less CO₂ emissions in user phase and over 80% of recyclable material



New AEG laundry range with cutting-edge sustainable innovations

- Automatic adjustment of time, water- and energy usage
- Water-saving steaming function
- Add-on filter catching up to 90% of microplastic fibers from synthetic clothing
- Driving premiumness, further strengthening the AEG brand
- To be launched across all AEG markets in Europe



Operating Cash Flow



SEKm	Q3 2022	Q3 2021
EBIT	-385	1,639
D/A and other non-cash items	1,790	1,206
Change in operating assets and liabilities	-1,124	-1,393
Investments in intangible and tangible assets	-1,905	-1,651
Changes in other investments	142	1
Cash flow after investments*	-1,483	-198

*Before acquisitions and divestments

Europe

Market-driven organic sales decline

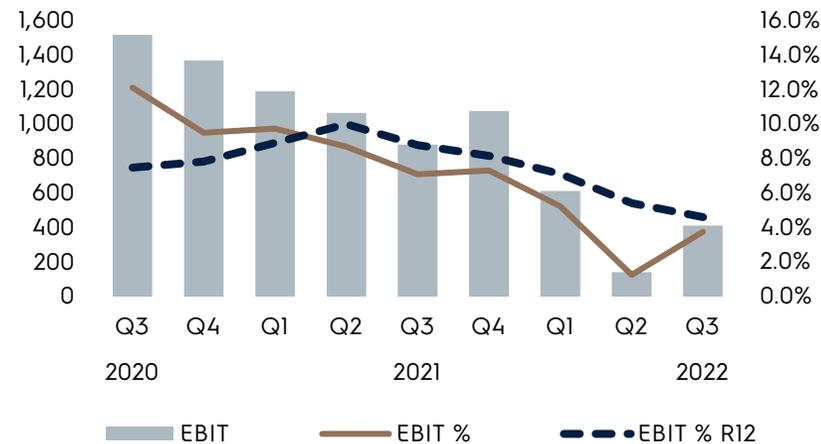
- Volume drop mainly demand driven
- Continued strong price execution
- Positive mix through focus on premium brands and products

Lower volumes resulted in earnings drop

- Substantial volume decline
- Price offset significant cost inflation
- Additional costs from remaining supply chain constraints
- Reduced discretionary spending
- EBIT included a non-recurring item of SEK -350m relating to the exit from the Russian market

SEKm	Q3 2022	Q3 2021	Change
Net sales	11,107	11,905	-6.7%
Organic growth	-9.7%	-1.4%	-8.4pts
Acquisitions	0.0%	0.2%	-0.2pts
Divestments	-2.1%	0.0%	-2.1pts
Currency	5.1%	-2.2%	7.3pts
EBIT	75	833	-91.0%
Margin	0.7%	7.0%	-6.3pts
EBIT excl. NRI	425	833	-49.0%
EBIT margin excl. NRI	3.8%	7.0%	-3.2pts

EBIT and margin*

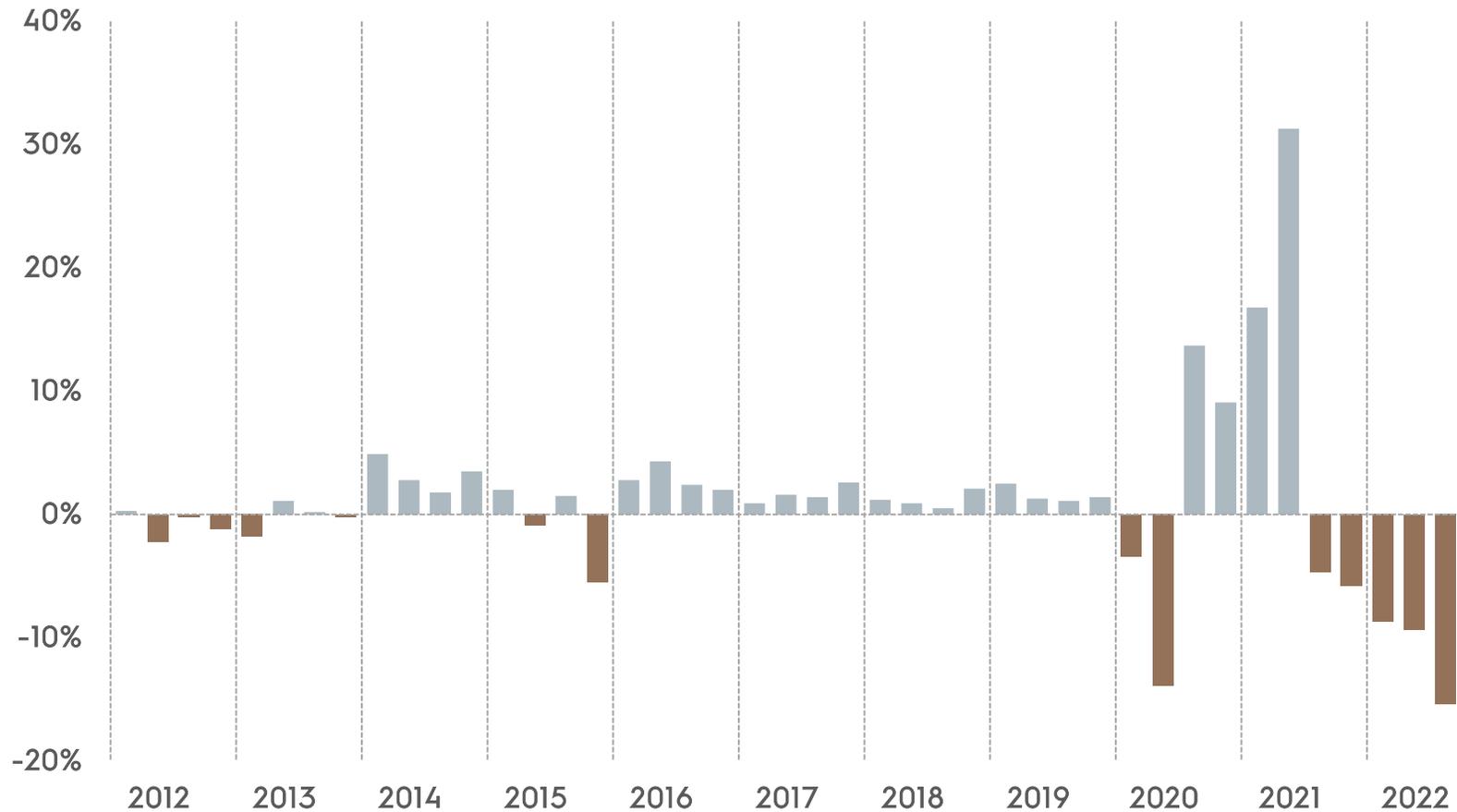


*Excluding non-recurring items (NRI) and currency adjusted.



European Core Appliances Market

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



Source: Electrolux estimates. As from Q1 2020, Russia is excluded.



North America

Slight organic sales growth

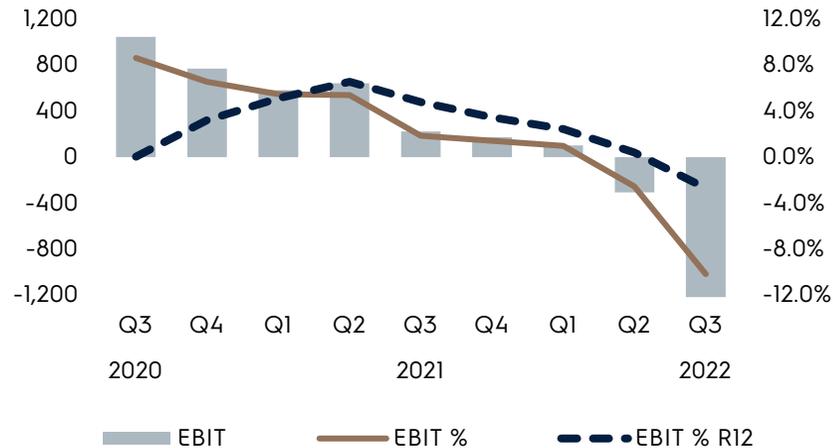
- List price increases
- Favorable mix development
- Volume decline due to lower market demand and strategic category shift

Significant EBIT loss

- Price offset significant cost inflation
- Severe operational inefficiencies with elevated cost levels
- Turnaround measures initiated

SEKm	Q3 2022	Q3 2021	Change
Net sales	12,909	10,378	24.4%
Organic growth	2.3%	-1.9%	4.2pts
Currency	22.1%	-3.7%	25.8pts
EBIT	-1,227	196	N/A
Margin	-9.5%	1.9%	-11.4pts

EBIT and margin*

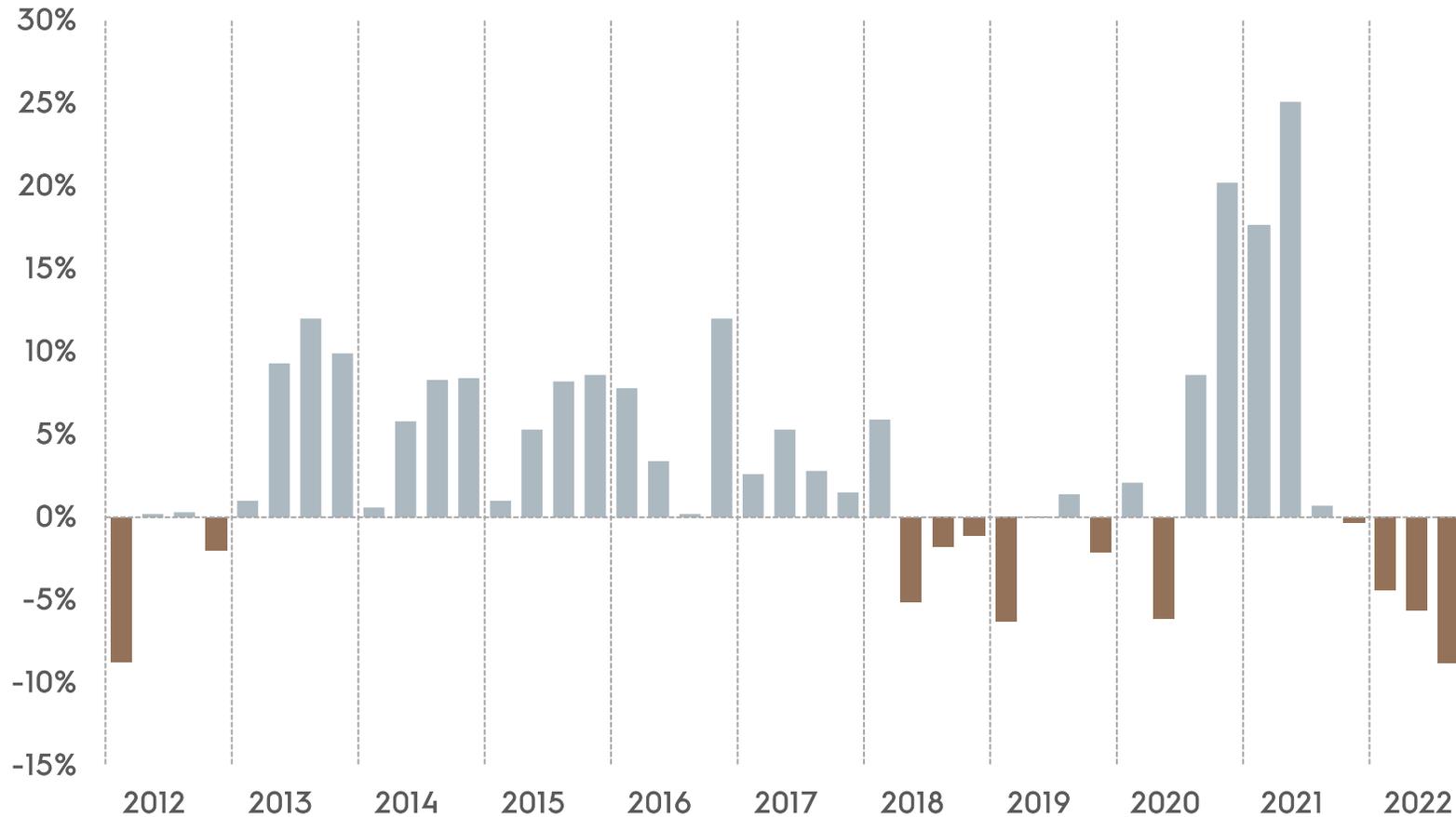


*Excluding non-recurring items (NRI) and currency adjusted.



U.S. Core Appliances Market

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



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



Latin America

Continued double-digit organic growth

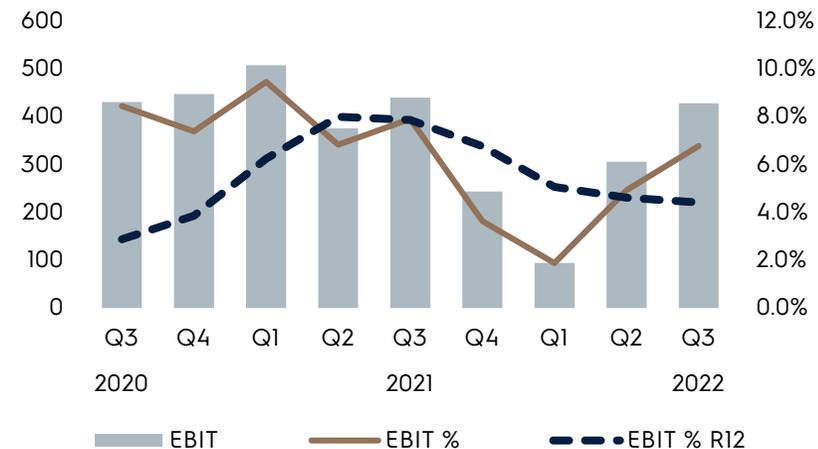
- Decreased consumer demand in Brazil and Chile, while up in Argentina
- Continued strong price execution
- Successful product launches
- Strong aftermarket sales
- Market demand-driven drop in volumes

EBIT increase despite challenging market

- Price offset significant cost inflation
- Positive mix contribution
- Efficient cost control

SEKm	Q3 2022	Q3 2021	Change
Net sales	6,518	4,910	32.7%
Organic growth	13.5%	10.9%	2.6pts
Currency	19.2%	-8.1%	27.4pts
EBIT	440	387	13.9%
Margin	6.8%	7.9%	-1.1pts

EBIT and margin*



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



Asia-Pacific, Middle East and Africa

Double-digit organic sales growth

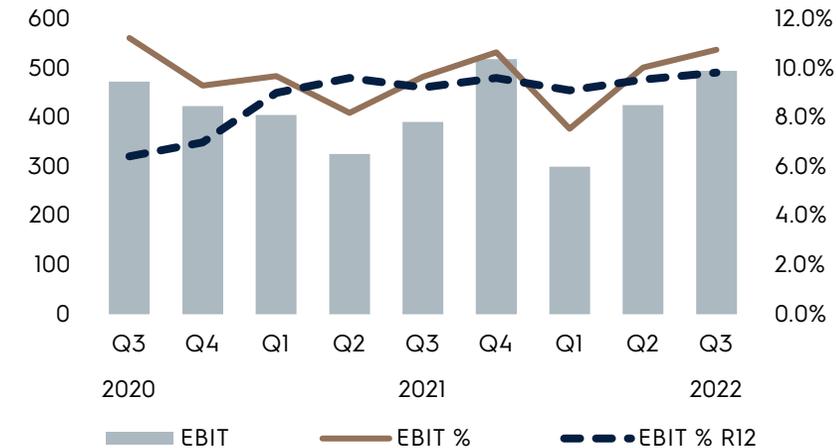
- Solid market demand
- Positive volumes with improved product availability
- Strong mix driven by product launches
- Favorable price development

Strong profitability

- Solid top-line contribution
- Efficient cost control
- Price almost offset significant cost inflation, including currency headwinds
- Further list price increases implemented during Q3

SEKm	Q3 2022	Q3 2021	Change
Net sales	4,710	3,736	26.1%
Organic growth	13.7%	-5.1%	18.8pts
Acquisitions	0.0%	1.1%	-1.1pts
Currency	12.3%	-0.6%	13.0pts
EBIT	511	362	41.1%
Margin	10.8%	9.7%	1.2pts

EBIT and margin*



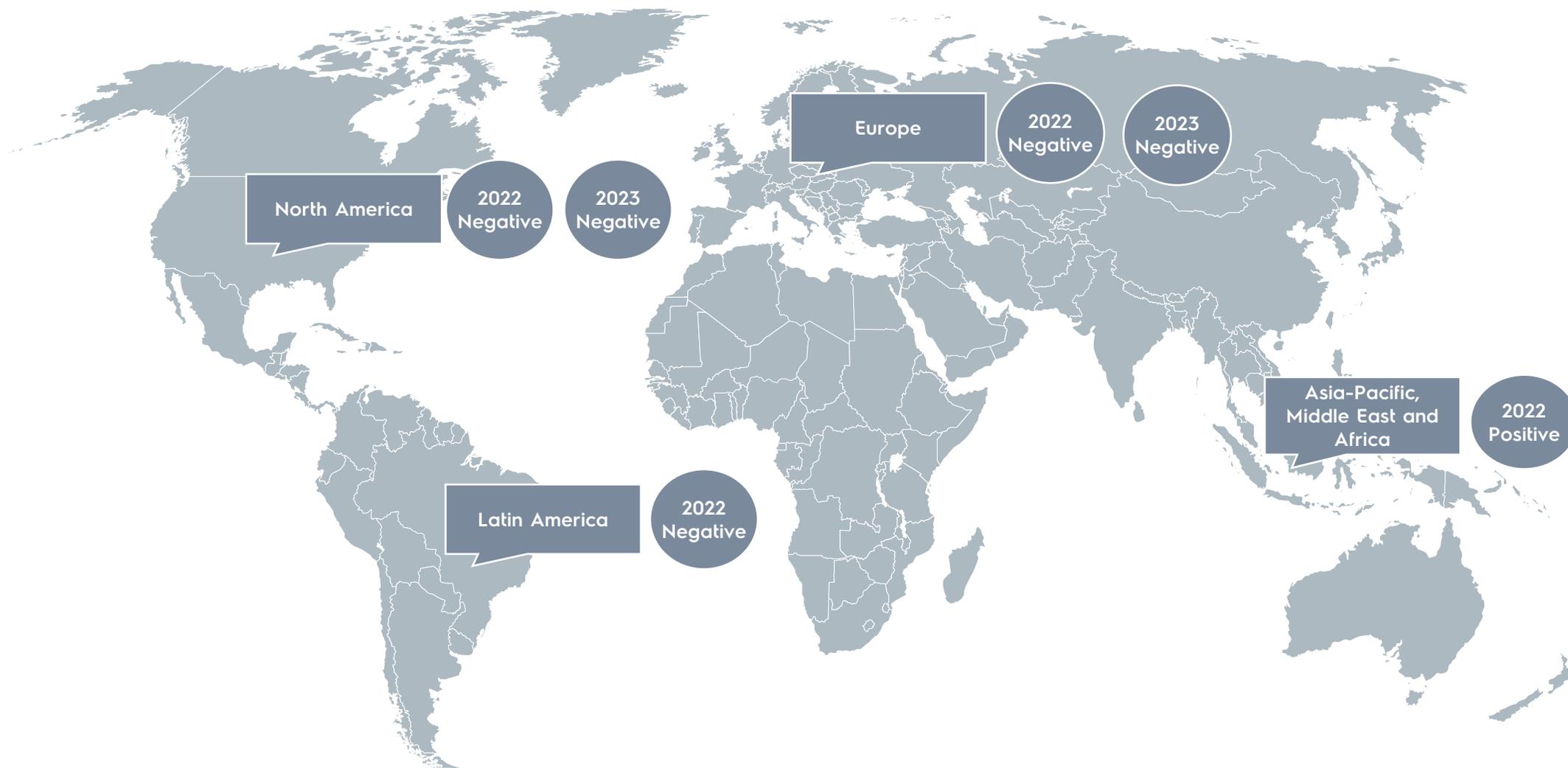
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Outlook and summary

Market outlook FY 2022 and FY 2023 per region



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

Electrolux business outlook



Business Outlook ¹ y-o-y	FY 2022	Comments
Volume/price/mix	Volume/mix - negative	Fully driven by volume. Expect a strong earnings contribution from mix.
	Price – offsetting cost inflation ²	Price offset cost inflation, mainly in raw material, logistics, and sourcing of finished goods.
Investments in consumer experience innovation and marketing ³	Negative	Higher investments in innovation, marketing and digitalization of consumer interaction, partly mitigated by reduced discretionary spending.
Cost efficiency ⁴	Negative	Mainly driven by cost inflation on logistics, sourcing of finished goods and components, as well as by operational inefficiencies.
External factors ⁵	Negative SEK 8-9bn	Primarily from raw material costs.
Capex	SEK 7-8bn	

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

² Cost inflation comprise of “External factors” and cost inflation in sourcing of finished goods, electronic components and logistics. The three latter are included in “Cost efficiency”.

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

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

⁵ Comprise of raw material costs, trade tariffs as well as direct and indirect currency impact and labor cost inflation >2%. Currency translation effects are estimated to impact 2022 net sales by +12% and operating income by SEK +700m.

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

Well positioned to create value

Financial targets for profitable growth*

OPERATING
MARGIN

≥6%

RONA**

>20%

SALES
GROWTH

≥4%



Driving sustainable
consumer experience
innovation



Increasing efficiency
through digitalization,
automation and
modularization

Solid balance sheet facilitates
profitable growth

Strategic drivers executed in Q3:

- Strong price execution
- Mix improvements through successful product launches
- Robust performance in emerging markets
- Program targeting stability and profitability initiated

* Financial targets are over a business cycle

** Return on net assets



SAVE THE DATE

Capital Markets Update

March 20, 2023

- Consumer Direct Interactions, including Aftermarket business
- Business Area North America - path to profitable growth

Hybrid event online and in Stockholm

More information will follow

Factors affecting forward-looking statements



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



Q & A



Well positioned to create value

Financial targets for profitable growth*

OPERATING
MARGIN

≥6%

RONA**

>20%

SALES
GROWTH

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Driving sustainable
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