



Q3 Results 2020 presentation



Business overview

Jonas Samuelson, President and CEO

Q3 Highlights

Strong sales growth on rebounding markets

- Pent-up demand and stimulus programs
- Significantly higher sales volumes
- Growth in premium brands and products
- Increased aftermarket sales
- Positive price and lower promotional discounts

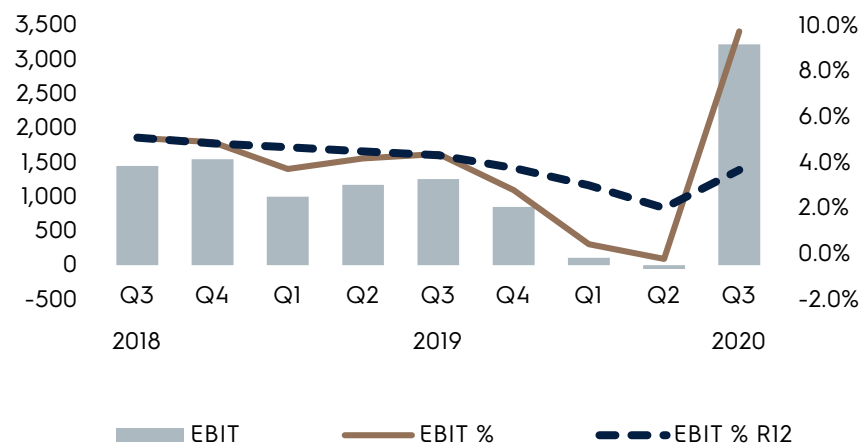
Record high operating income

- Strong volume contribution
- Significant leverage from mix and price
- Limited net impact from raw material and currency

Exceptionally strong cash flow

SEKm	Q3 2020	Q3 2019	Change
Net sales	32,004	30,330	5.5%
Organic growth	15.2%	1.4%	13.8pts
Acquisitions	0.1%	0.0%	0.1pts
Divestments	0.0%	-0.2%	0.2pts
Currency	-9.7%	5.9%	-15.6pts
EBIT	3,220	1,063	N/A
Margin	10.1%	3.5%	6.6pts
EBIT excl. NRI	3,220	1,353	137.9%
EBIT margin excl. NRI	10.1%	4.5%	5.6pts

EBIT and margin*



*Excluding non-recurring items (NRI) and currency adjusted. Q3 2019 included non-recurring items amounting to SEK -290m and referred to 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.



Driving sustainable consumer experience innovation

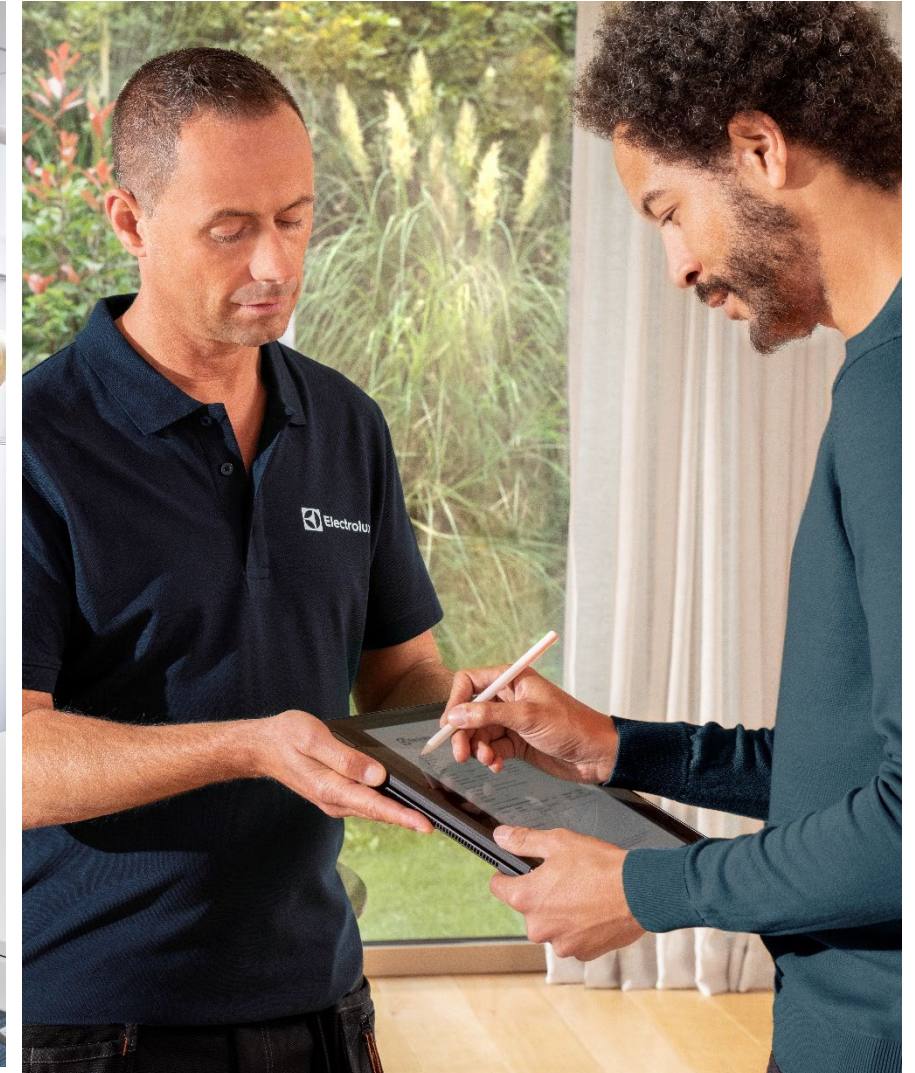


Solutions to reduce food waste

- Empowering consumers to reduce food waste
- Electrolux multidoor refrigerators offer solutions to keep food fresh longer
- Ambitious growth targets to increase value market share in multidoor

Growing in aftermarket

- Fixed price repair service in Europe since 2017
- Potential to grow in the largely untapped aftermarket business
- Objective to double aftermarket sales to 10% of Group sales by 2025



Europe

Strong sales growth

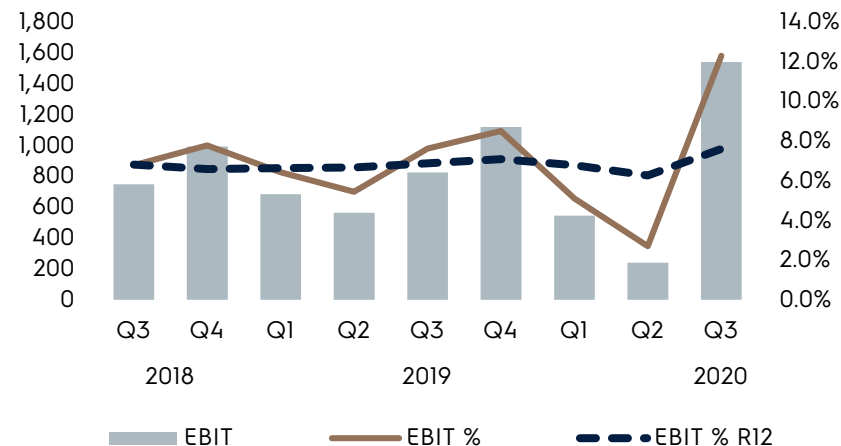
- Strong volume growth across categories
- Mix improvements – related to built-in kitchen and laundry products
- Premium brands gaining value market share
- Aftermarket sales growth

Significant EBIT increase

- Strong volume/mix contribution
- Lower costs for raw material
- Slight currency tailwind

SEKm	Q3 2020	Q3 2019	Change
Net sales	12,317	11,036	11.6%
Organic growth	15.7%	-1.8%	17.5pts
Acquisitions	0.0%	0.0%	0.0pts
Currency	-4.1%	3.2%	-7.3pts
EBIT	1,522	93	N/A
Margin	12.4%	0.8%	11.5pts
EBIT excl. NRI	1,522	845	80.1%
EBIT margin excl. NRI	12.4%	7.7%	4.7pts

EBIT and margin*

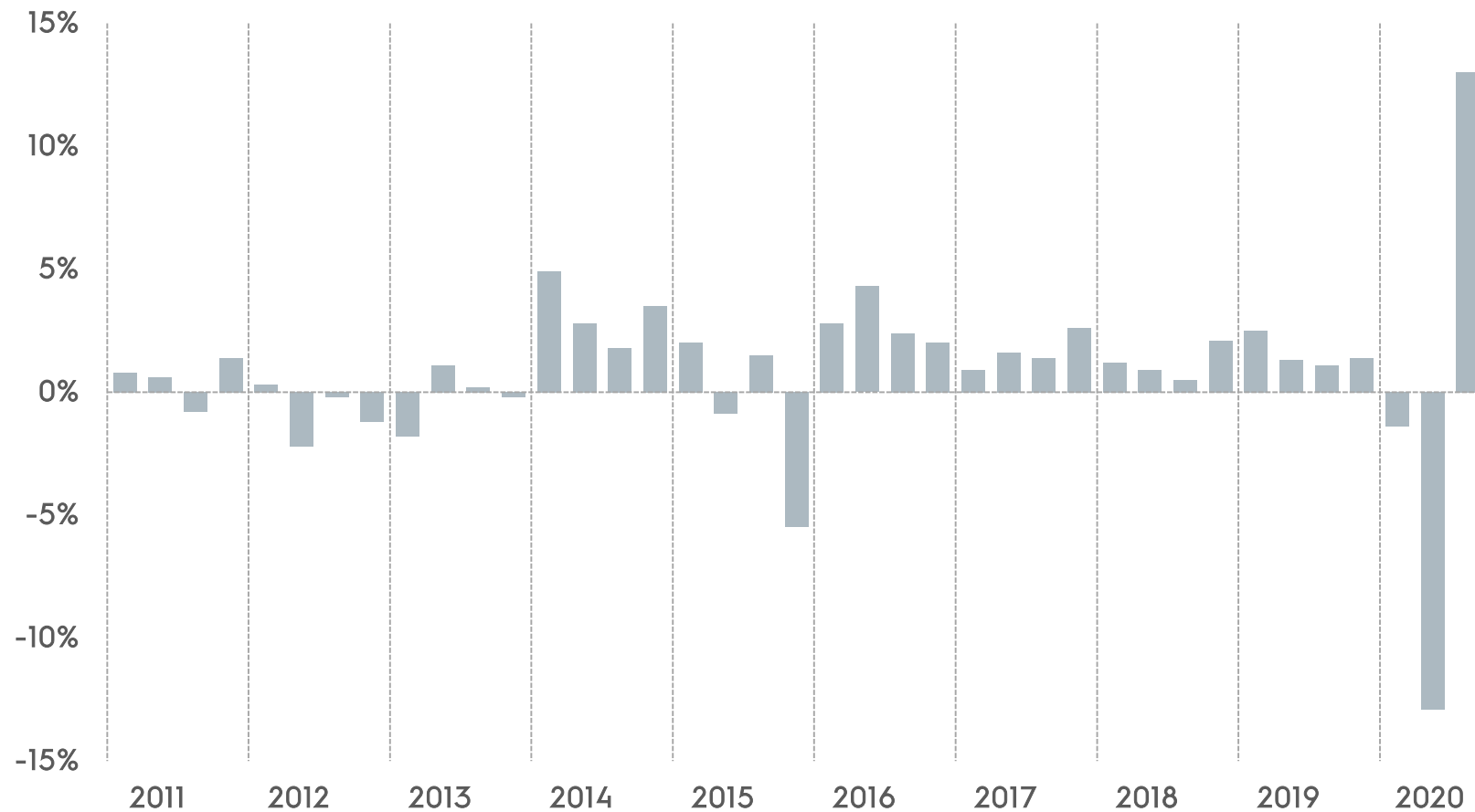


*Excluding non-recurring items (NRI) and currency adjusted. Q3 2019 included non-recurring items in the amount of SEK -752m and related to restructuring charges for efficiency measures and outsourcing projects.



European Core Appliances Market

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



Source: Electrolux estimates

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North America

Sales growth

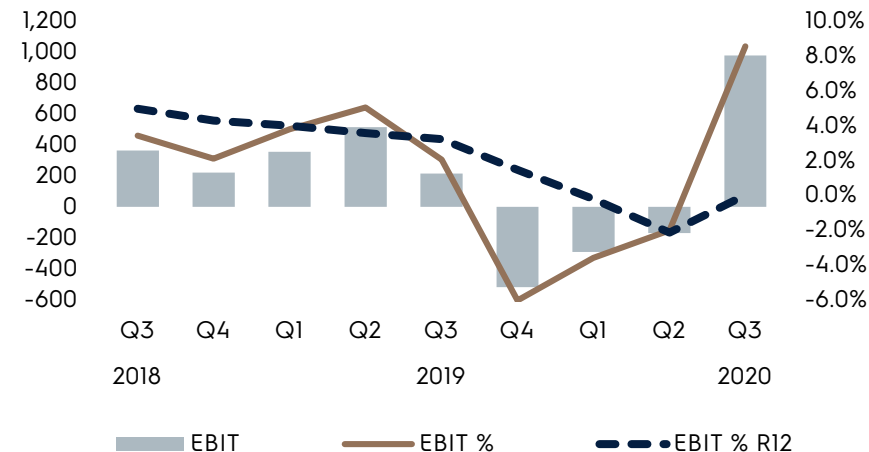
- Industry volumes increased after Q2 supply constraints
- Higher sales volumes
- Positive price development as a result of less promotions
- Aftermarket sales grew significantly

Improved volume/price/mix

- Contribution from higher volumes and positive price
- Mix improvements
- Lower raw-material costs
- Pandemic continued, as expected, to impact the ongoing manufacturing consolidation.

SEKm	Q3 2020	Q3 2019	Change
Net sales	10,993	10,880	1.0%
Organic growth	8.6%	-0.2%	8.8pts
Divestments	0.0%	-0.4%	0.4pts
Currency	-7.6%	8.7%	-16.3pts
EBIT	990	-20	N/A
Margin	9.0%	-0.2%	9.2pts
EBIT excl. NRI	990	222	N/A
EBIT margin excl. NRI	9.0%	2.0%	7.0pts

EBIT and margin*

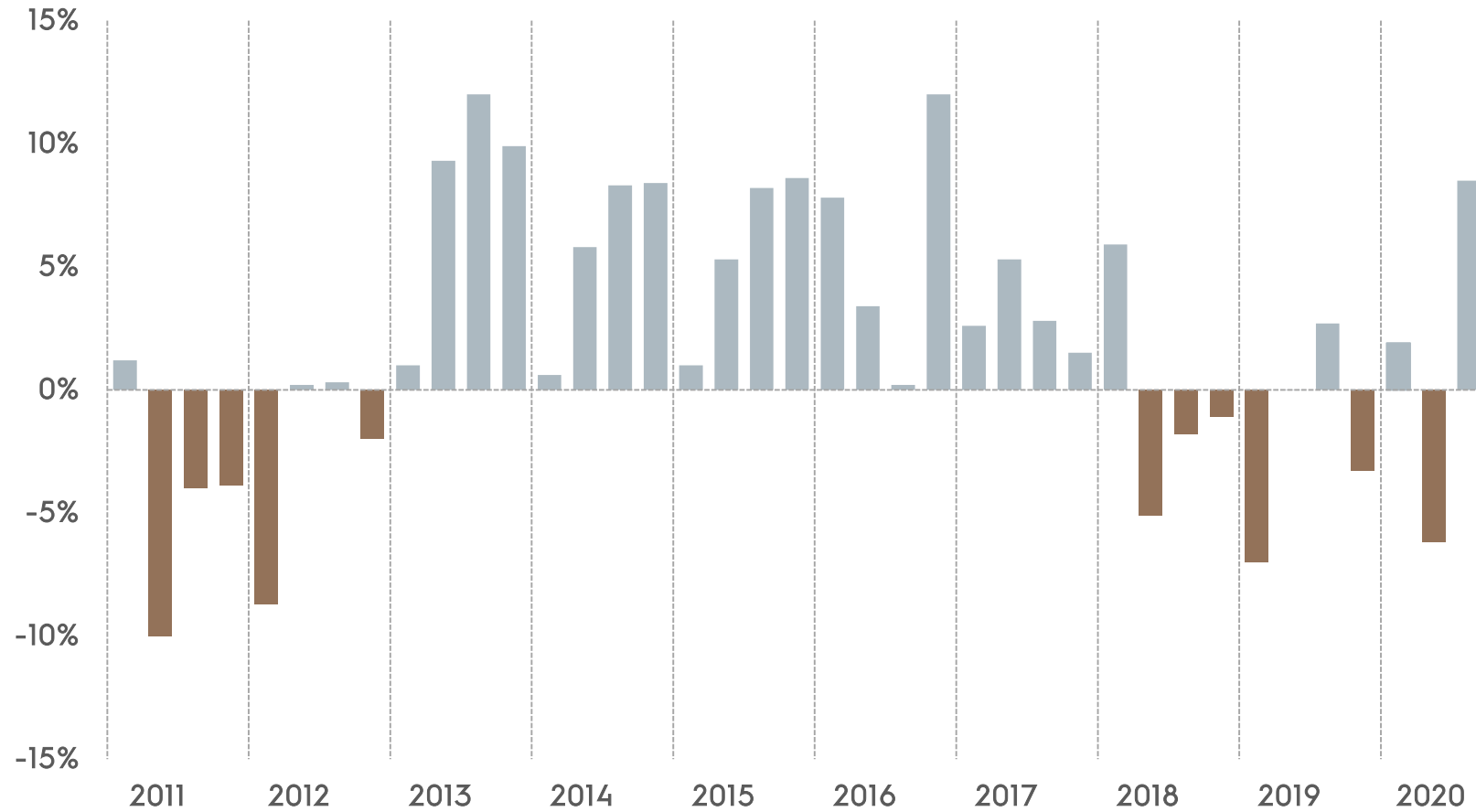


*Excluding non-recurring items (NRI) and currency adjusted.. Q3 2019 included non-recurring items in the amount of SEK -242m, where of SEK -197m referred to a legal settlement and SEK -45m to restructuring charges for efficiency measures.



U.S. Core Appliances Market

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



Source: US Core white includes: AHAM 6 (Washers, Dryers, Dishwashers, Refrigerators, Freezers, Ranges/Cookers and Ovens) and Cooktops.

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Latin America

Strong sales growth

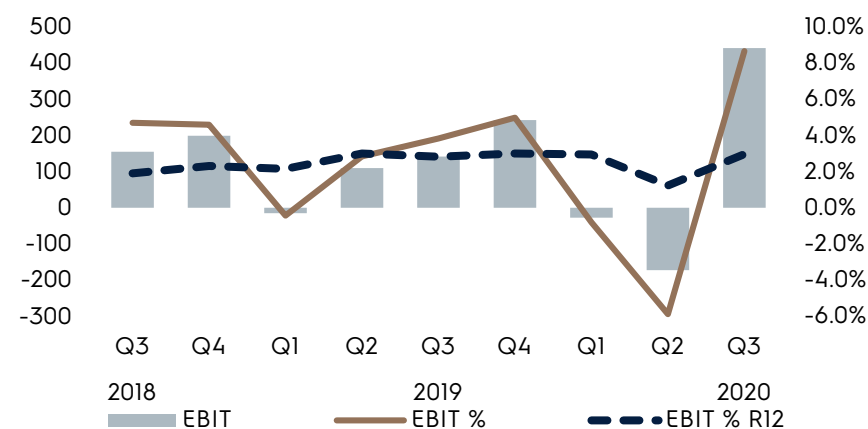
- Primarily related to strong demand in Brazil
- On-line sales grew on all main markets
- Price increases
- Product mix improvements

EBIT increased significantly

- Strong contribution from volume/price/mix
- Price increases fully mitigated significant currency headwind

SEKm	Q3 2020	Q3 2019	Change
Net sales	4,779	4,613	3.6%
Organic growth	37.8%	14.2%	23.6pts
Currency	-34.2%	5.7%	-39.9pts
EBIT	440	1,539	-71.4%
Margin	9.2%	33.4%	-24.2pts
EBIT excl. NRI	440	213	N/A
EBIT margin excl. NRI	9.2%	4.6%	4.6pts

EBIT and margin*



*Excluding non-recurring items (NRI) and currency adjusted. Q3 2019 included non-recurring items in the amount of SEK 1,326m, where of SEK 1,403m referred to recovery of overpaid sales tax in Brazil and SEK -77m to restructuring charges for efficiency measures.



Asia-Pacific, Middle East and Africa



Strong growth in Australia

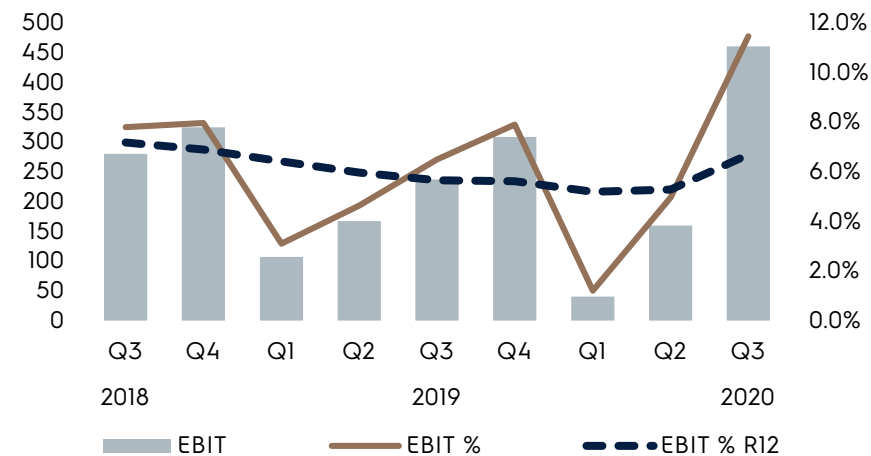
- Consumer demand increased in Australia, while SEA and ME declined
- Strong organic sales growth in Australia
- Aftermarket sales grew significantly

Operating income improved

- Positive development in Australia from price increases and good traction from product launches
- Lower cost for raw material

SEKm	Q3 2020	Q3 2019	Change
Net sales	3,916	3,801	3.0%
Organic growth	9.7%	1.5%	8.2pts
Acquisitions	0.4%	0.2%	0.2pts
Currency	-7.1%	6.8%	-13.9pts
EBIT	459	-150	N/A
Margin	11.7%	-4.0%	15.7pts
EBIT excl. NRI	459	248	85.1%
EBIT margin excl. NRI	11.7%	6.5%	5.2pts

EBIT and margin*



Note: Excluding non-recurring items (NRI) and currency adjusted. Q3 2019 included non-recurring items in the amount of SEK -398m and related to restructuring charges for efficiency measures and outsourcing projects.





Electrolux

Financial overview

Therese Friberg, CFO



Financial overview



SEKm	Q3 2020	Q3 2019	Change
Net sales	32,004	30,330	5.5%
Organic growth	15.2%	1.4%	13.8pts
Acquisitions/divestments	0.1%	-0.2%	0.3pts
Currency	-9.7%	5.9%	-15.6pts
Gross operating income	7,224	4,607	56.8%
Gross operating margin	22.6%	15.2%	7.4pts
EBIT	3,220	1,063	N/A
Margin	10.1%	3.5%	6.6pts
Non-recurring items	-	-290	N/A
EBIT excl. NRI	3,220	1,353	N/A
Margin excl. NRI	10.1%	4.5%	5.6pts
Op. cash flow after investments	6,005	2,499	N/A

Sales and EBIT Bridge



SEKm	Q3 2019 excl NRI*	Volume/ price/mix	Raw materials and tariffs	Currency**	Net Cost Efficiency	Acq/Divest.	Q3 2020 excl. NRI*	NRI*	Q3 2020
Net Sales	30,330	4,214		-2,555		16	32,004	-	32,004
Growth %	1.3%	15.2%		-9.7%		0.1%	5.5%	-	5.5%
EBIT	1,353	2,185	129	-248	-204	5	3,220	-	3,220
EBIT %	4.5%						10.1%	-	10.1%
<i>Accretion/ Dilution</i>		5.8%	0.4%	0.0%	-0.6%	0.0%			

* Non-recurring items (NRI) in Q3 2019 amounted to SEK -290m.

**Currency includes SEK -102m of currency translation effects and SEK -146m of transaction effects on EBIT.

Earnings contribution from price/mix



Business Area	Price/mix	Comments for Q3
Europe	Positive	Positive mix driven by premium brands, slight price erosion
North America	Positive	Positive price development as promotional discount was low, mix improvements
Latin America	Positive	Price increases and mix improvements
Asia-Pacific, Middle East and Africa	Positive	Price/mix improvement
Group EBIT % accretion	3.2%	

Currency effects



Business Area, in SEKm	Q3 2020	Q4 2020e	FY 2020e
Europe	17	-100	-300
North America	-6	0	0
Latin America	-271	-400	-1,200
Asia-Pacific, Middle East and Africa	4	0	-200
Other	9	0	0
Total Group	-248	-500	-1,700

*Note: The calculation for Q3 2020e and FY 2020e are based on currency rates as per October 15, 2020.

Operating Cash Flow



SEKm	Q3 2020	Q3 2019
EBIT	3,220	1,063
D/A and other non-cash items	1,197	1,869
Change in operating assets and liabilities	2,584	1,430
Investments in intangible and tangible assets	-1,077	-1,639
Changes in other investments	81	-224
Cash flow after investments*	6,005	2,499

*Before acquisitions and divestments



Outlook and summary

Jonas Samuelson, President and CEO
Therese Friberg, CFO



Market outlook FY 2020 per region



- Weak H1 2020
- Strong pent-up demand Q3
- Near-term good demand in most markets

- 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 major restrictions due to the coronavirus pandemic.

Electrolux business outlook



Business Outlook* y-o-y	Q4 2020	FY 2020	Comments for the full year 2020
Volume/price/mix	Favorable	Favorable	Positive volume/price/mix
Raw material, cost and trade tariffs	Decrease of SEK ~0.1bn	Decrease of SEK ~0.3bn	Raw material tailwind partly offset by tariffs
Net cost efficiency**	Unfavorable	Unfavorable	Higher marketing investments. Supply chain strains partly offset by continued cost efficiencies
Currency effect***	SEK -500m	SEK -1,700	
Capex	Decrease	SEK ~5bn	

*Business outlook range: Favorable - Neutral - Unfavorable.

**Efficiencies in variable costs (excl. raw materials and trade tariffs) and structural costs.

***Impact on operating income for the full year 2020, whereof currency transaction effects of SEK -1,500m and currency translation effects of SEK -200m. The calculation is based on currency rates as per October 15, 2020.

Note: Business outlook in the above table excludes non-recurring items and assumes no additional major restrictions due to the coronavirus pandemic.

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:

- Mix improvements driven by product innovations/premium brands
- Strong aftermarket sales growth
- Consolidating U.S. fridge/freezer production
- Agile and flexible short term while keeping focus on long-term value creation

* Financial targets are over a business cycle

** Return on net assets

A man in a dark sweater is pointing at a laptop screen in a modern office setting. The background is slightly blurred, showing office furniture and a window with greenery outside.

Capital Markets Update November 17, 2020 at 15:00- 17:00 CET

The online event will focus on how Electrolux is driving profitable growth through innovation, where design and brands are key pillars.

It will be hosted by Jonas Samuelson, CEO and President and Anna Ohlsson-Leijon, head of Business Area Europe.

Please, register well ahead of the meeting to avoid any IT-related issues.

Register on <https://www.electroluxgroup.com/en/category/investor-relations/>

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, 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

≥4%



Driving sustainable
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Electrolux