



Q4 Results
2022 presentation

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Full year 2022

Challenging year resulting in low profitability

- Organic sales decline driven by lower volumes
- Positive mix development through successful product launches
- Strong net price realization offsetting significant cost inflation
- Supply chain constraints triggered severely elevated cost levels
- Business Area North America reported a significant loss
- Group-wide cost reduction and North America turnaround program announced in September

The Board proposes no dividend payment for 2022

SEKm	FY 2022	FY 2021	Change
Net sales	134,880	125,631	7.4%
Organic growth	-2.8%	14.2%	
Acquisitions	-	0.2%	
Divestments	-0.8%	-	
Currency	10.9%	-6.0%	
EBIT	-215	6,801	
Margin	-0.2%	5.4%	
EBIT excl. NRI	831	7,528	-89.0%
Margin excl. NRI	0.6%	6.0%	
EPS, SEK	-4.81	16.31	
Operating cash flow	-6,118	3,200	
DPS*, SEK	-	9.20	



Q4 Highlights

Organic sales decline

- Significantly lower volumes driven by weak market demand
- Decreased consumer demand amplified by retailer inventory reductions
- Strong price execution
- Positive mix through successful product launches

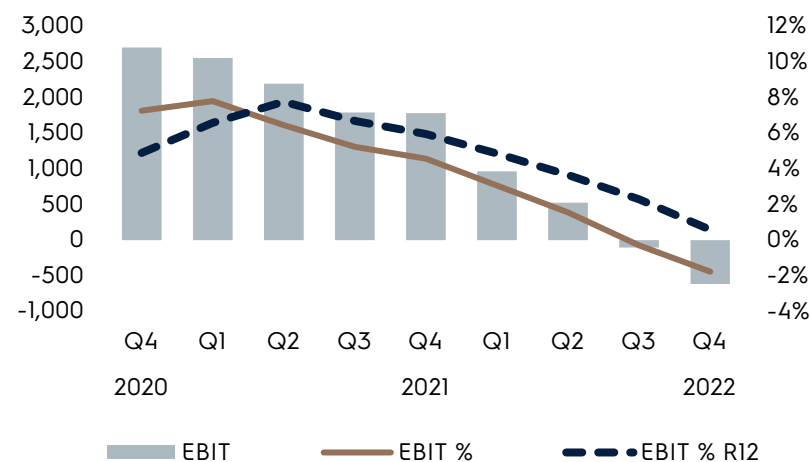
EBIT loss

- Volume drop across business areas combined with destocking led to production inefficiencies
- Elevated cost levels in North America
- Strong mix contribution
- Price offset significant cost inflation
- Execution started on Group-wide cost reduction and North America turnaround program

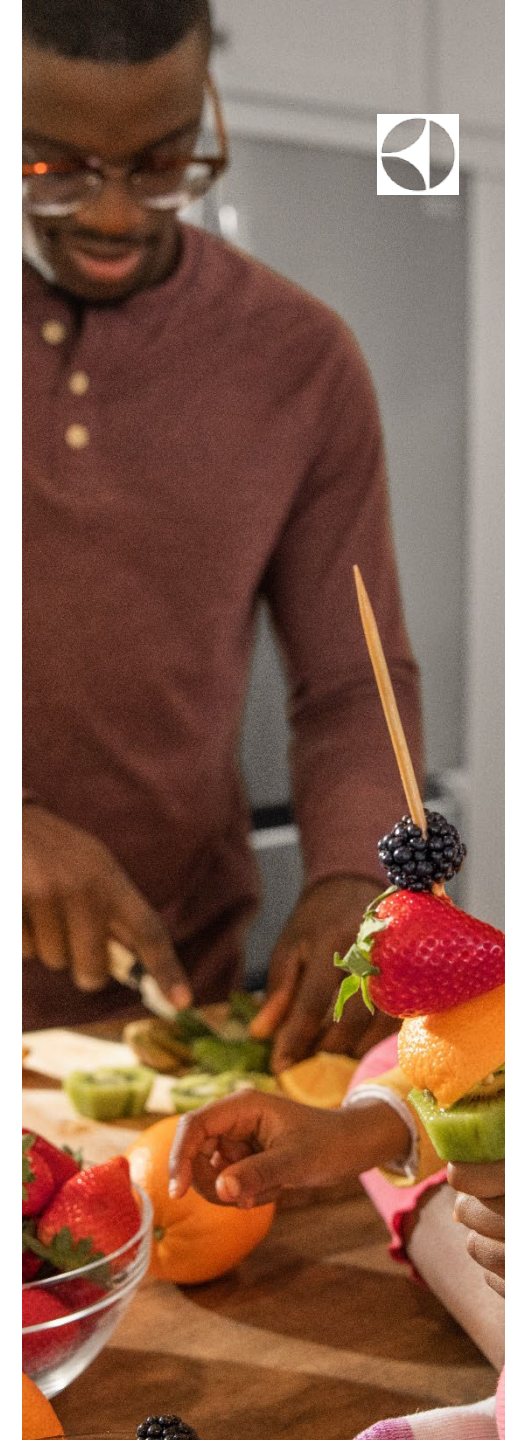
Discontinue production in Nyíregyháza, Hungary by 2024

SEKm	Q4 2022	Q4 2021	Change
Net sales	35,769	35,372	1.1%
Organic growth	-8.4%	4.8%	-13.2pts
Acquisitions	-	0.1%	-0.1pts
Divestments	-2.1%	-	-2.1pts
Currency	11.7%	-0.6%	12.3pts
EBIT	-1,964	882	N/A
Margin	-5.5%	2.5%	-8.0pts
EBIT excl. NRI	-612	1,609	N/A
EBIT margin excl. NRI	-1.7%	4.5%	-6.3pts

EBIT and margin*



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



Non-recurring items in Q4



SEKm	Group-wide cost reduction and NA turnaround program	Swiss real estate sale	US pension plan termination	Total
Europe	-818	394		-424
North America	-205		-210	-415
Latin America	-80			-80
Asia-Pacific, Middle East and Africa	-66			-66
Group common costs	-367			-367
Total	-1,536	394	-210	-1,352

Sales and EBIT Bridge



SEKm	Q4 2021	Volume/ price/mix	Innovation/ marketing ¹	Cost efficiency ²	External factors ³	Acq/Divest. ⁴	Q4 2022
Net Sales	35,372	-3,382			4,648	-870	35,769
Growth %		-8.4%			11.7%	-2.1%	1.1%
EBIT excl NRI ⁵	1,609	1,513	97	-1,521	-2,195	-114	-612
EBIT excl NRI %	4.5%						-1.7%
Accretion/ Dilution		5.2 pts	0.3 pts	-4.8 pts	-6.7 pts	-0.4 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 222m on EBIT and 11.7% on net sales.

⁴ Relating to the exit from the Russian market

⁵ EBIT in Q4 2021 excludes a non-recurring item of SEK -727m and EBIT in Q4 2022 excludes non-recurring items of SEK -1,352m.

Sales and EBIT Bridge Full Year



SEKm	2021	Volume/ price/mix	Innovation/ marketing ¹	Cost efficiency ²	External factors ³	Acq/Divest. ⁴	2022
Net Sales	125,631	-3,970			14,285	-1,067	134,880
Growth %		-2.8%			10.9%	-0.8%	7.4%
EBIT excl NRI ⁵	7,528	9,053	-419	-6,106	-9,022	-201	831
EBIT excl NRI %	6.0%						0.6%
Accretion/ Dilution		7.6 pts	-0.3 pts	-5.0 pts	-7.5 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 795m on EBIT and 10.9% on net sales.

⁴ Relating to the exit from the Russian market

⁵ EBIT 2022 excludes non-recurring items of SEK -1,046m and EBIT 2021 excludes a non-recurring item of SEK -727m

Earnings contribution from price/mix



Business Area	Q4	FY	Comments for Q4
Europe	Positive	Positive	Focus on premium brands AEG and Electrolux continues to pay off
North America	Positive	Positive	Favorable mix
Latin America	Positive	Positive	Well-received product launches and increased aftermarket sales
Asia-Pacific, Middle East and Africa	Positive	Positive	Well-received product launches
Group EBIT % accretion	13.9 pts	12.9 pts	Strong price execution and positive mix across business areas

Driving sustainable consumer experience innovation



Realizing the many benefits of modular multi-door fridges

- Strengthened offering in high-value and growing category
- Innovation process at Group level to rapidly meet consumers' evolving expectations
- ~30% time and cost savings in product development with modular product architectures
- Modules allowing both regional adaptations and benefits from cross-regional synergies and standardization



New wall ovens from our new factory in Springfield, U.S.

- Total Convection system for maximum flexibility in the kitchen
- Several cooking modes give consumers meaningful and easy-to-use functionality at home
- Retailers are dedicating incremental floor space
- Average consumer star rating of 4.7 across the three platforms



Operating Cash Flow



SEKm	Q4 2022	Q4 2021	FY 2022	FY 2021
EBIT	-1,964	882	-215	6,801
D/A and other non-cash items	2,724	1,798	7,060	5,384
Change in operating assets and liabilities	1,472	1,546	-6,367	-3,175
Investments in intangible and tangible assets	-2,446	-2,284	-7,389	-6,043
Changes in other investments	457	161	793	233
Cash flow after investments*	242	2,103	-6,118	3,200

*Before acquisitions and divestments

Europe

Organic sales decline

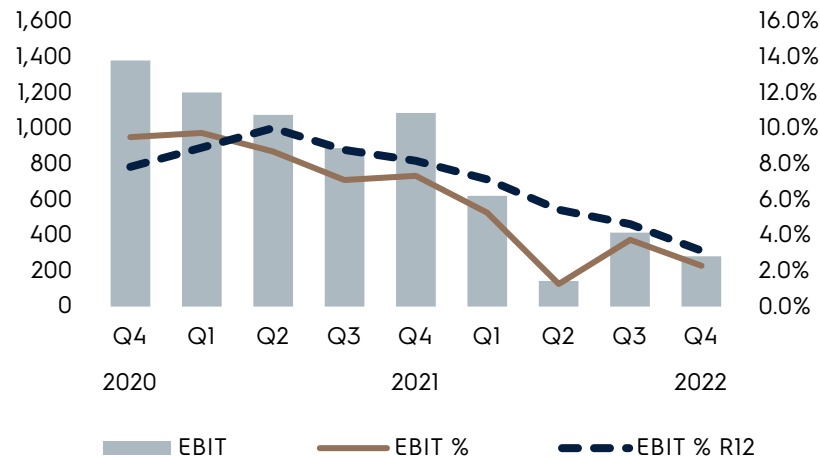
- Volume drop, mainly demand-driven
- Continued strong price execution
- Favorable mix through focus on premium brands and products

Lower volumes resulted in earnings drop

- Substantial volume decline
- Reduced production to manage inventory resulted in increased product cost
- Price offset significant cost inflation
- Positive mix contribution

SEKm	Q4 2022	Q4 2021	Change
Net sales	12,586	14,122	-10.9%
Organic growth	-11.8%	1.9%	-13.7pts
Acquisitions	-	0.2%	-0.2pts
Divestments	-5.9%	-	-5.9pts
Currency	6.8%	-0.7%	7.5pts
EBIT	-135	1,034	N/A
Margin	-1.1%	7.3%	-8.4pts
EBIT excl. NRI	289	1,034	-72.0%
EBIT margin excl. NRI	2.3%	7.3%	-5.0pts

EBIT and margin*

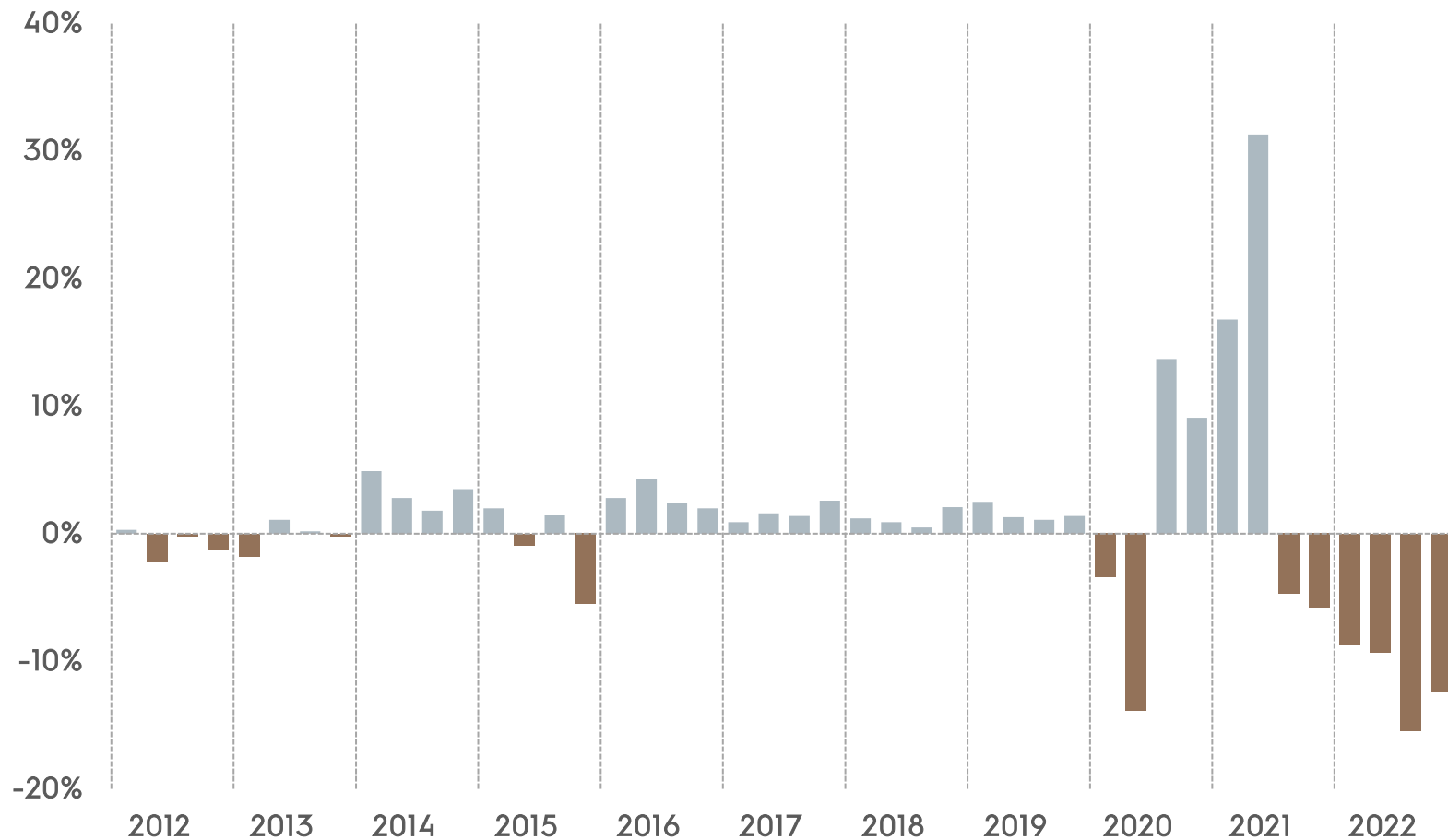


*Excluding non-recurring items (NRI) and currency adjusted.



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

Organic sales decline

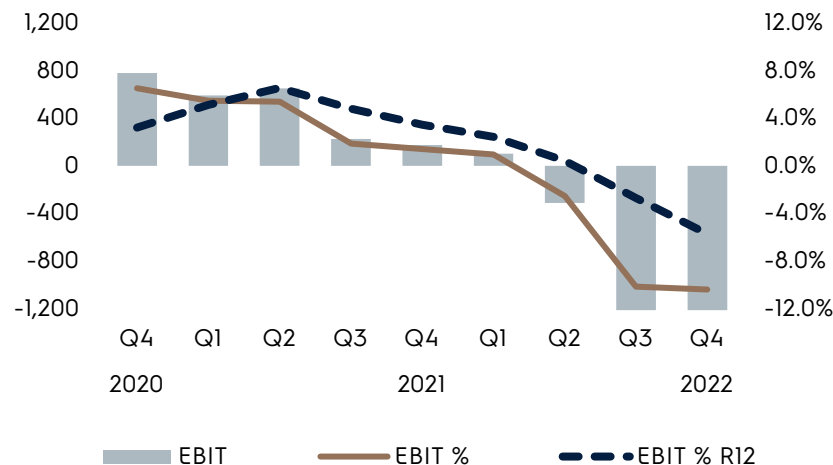
- Lower volumes due to weaker market demand and strategic category shift
- Higher price, although promotions returned to normal levels
- Favorable mix development

Significant EBIT loss

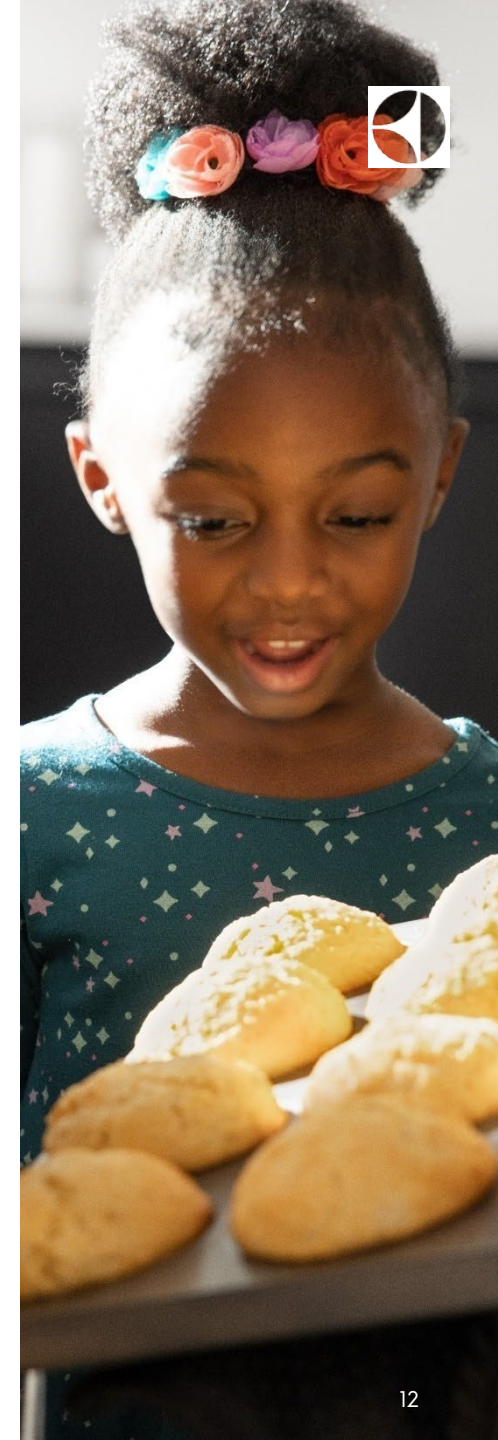
- Volume drop
- Elevated cost levels from production and supply chain inefficiencies
- Turnaround measures ongoing with delayed earnings impact due to sales of inventory of earlier produced products
- Price offset significant cost inflation

SEKm	Q4 2022	Q4 2021	Change
Net sales	12,266	10,955	12.0%
Organic growth	-6.1%	4.4%	-10.4pts
Currency	18.0%	2.2%	15.8pts
EBIT	-1,649	-559	N/A
Margin	-13.4%	-5.1%	-8.3pts
EBIT excl. NRI	-1,234	168	N/A
EBIT margin excl. NRI	-10.1%	1.5%	-11.6pts

EBIT and margin*

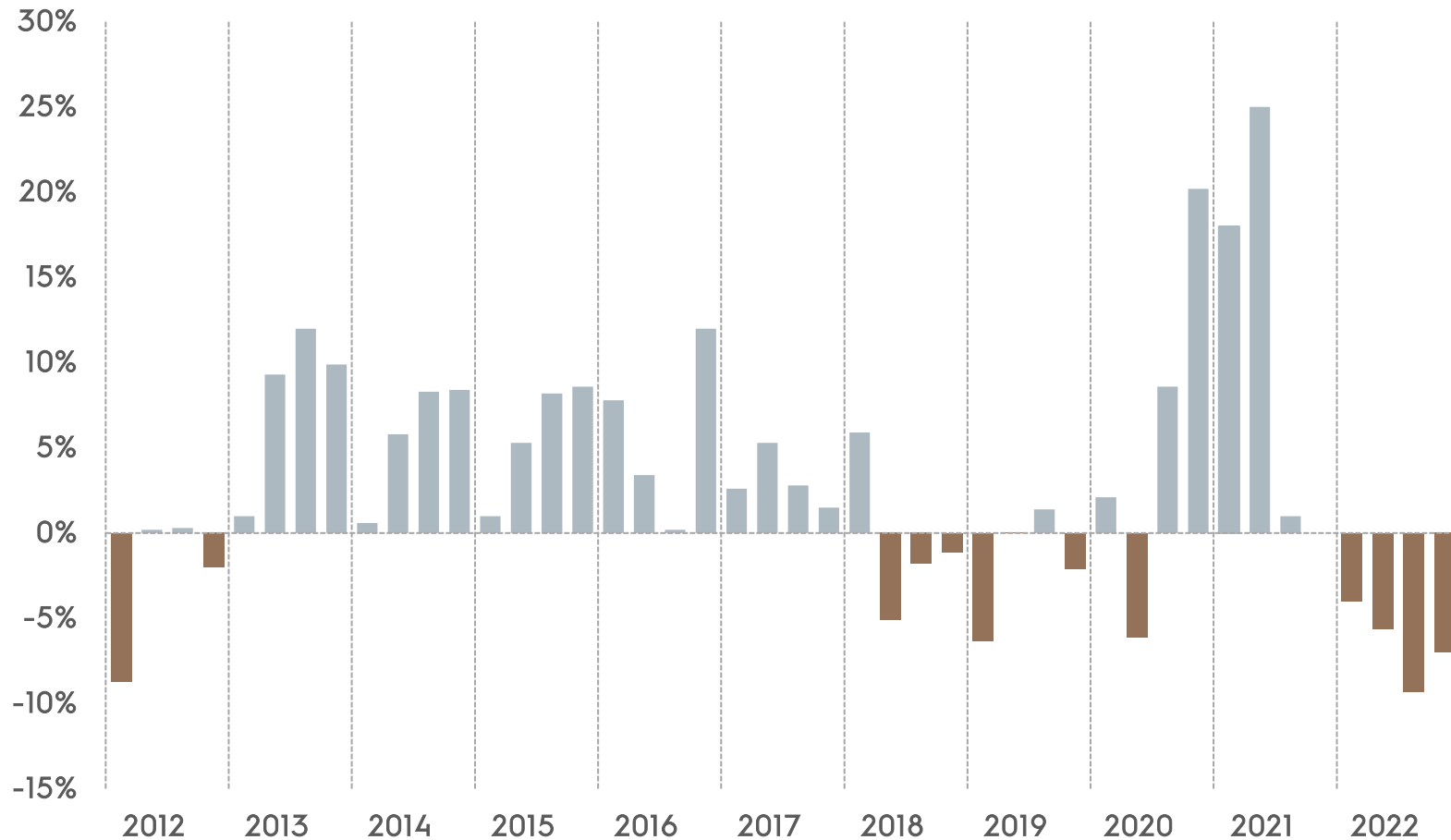


*Excluding non-recurring items (NRI) and currency adjusted.



U.S. Core Appliances Market

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



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



Latin America

Organic sales decline

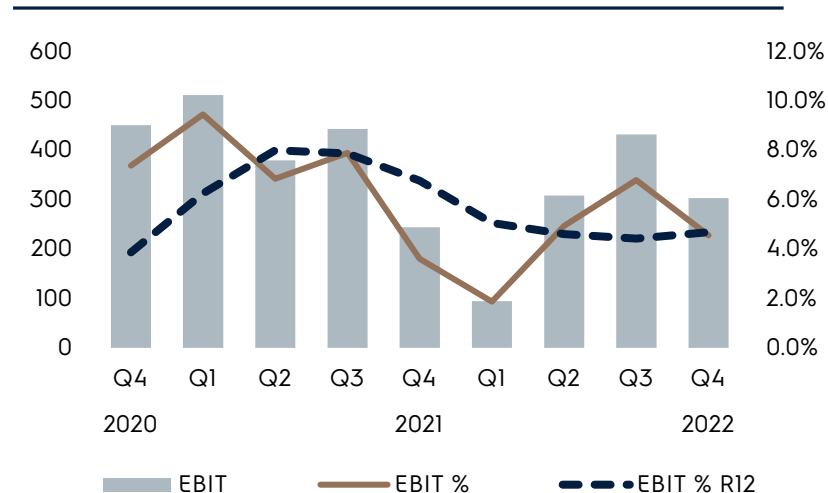
- Decreased consumer demand in Brazil and Chile, while up in Argentina
- Market demand-driven drop in volumes
- Continued strong price execution, despite promotions returning to normal levels
- Strong aftermarket sales

EBIT increase despite challenging market

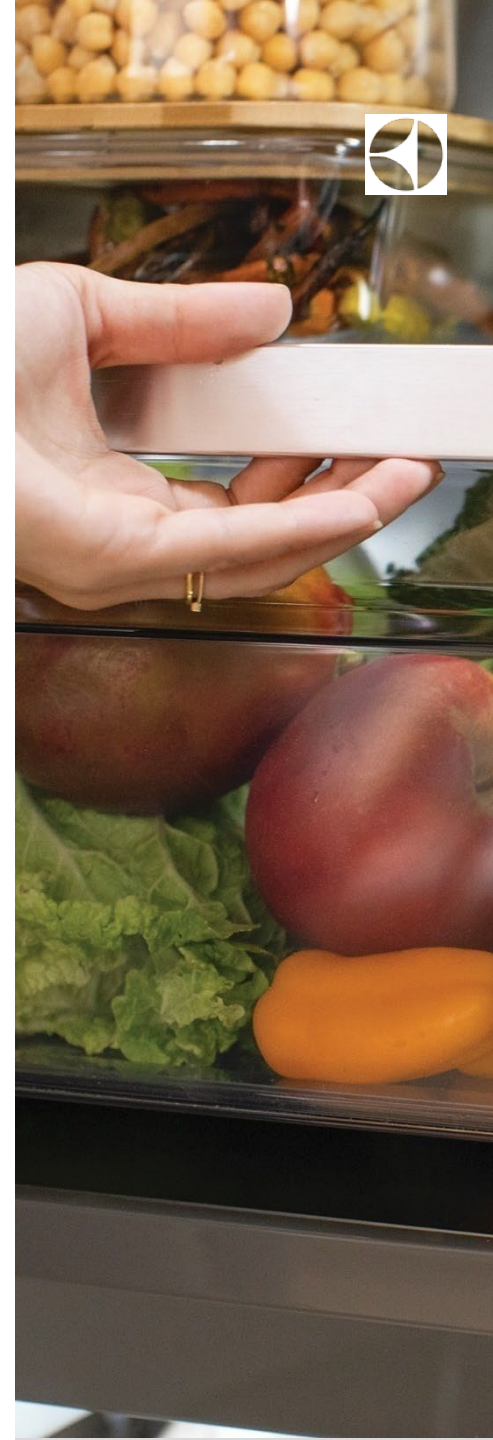
- Positive mix contribution through successful product launches
- Price offset significant cost inflation, including currency headwinds
- Efficient cost control

SEKm	Q4 2022	Q4 2021	Change
Net sales	6,755	5,750	17.5%
Organic growth	-1.6%	11.9%	-13.5pts
Currency	19.1%	-7.1%	26.2pts
EBIT	229	200	14.9%
Margin	3.4%	3.5%	-0.1pts
EBIT excl. NRI	309	200	54.5%
EBIT margin excl. NRI	4.6%	3.5%	1.1pts

EBIT and margin*



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



Asia-Pacific, Middle East and Africa

Organic sales decline

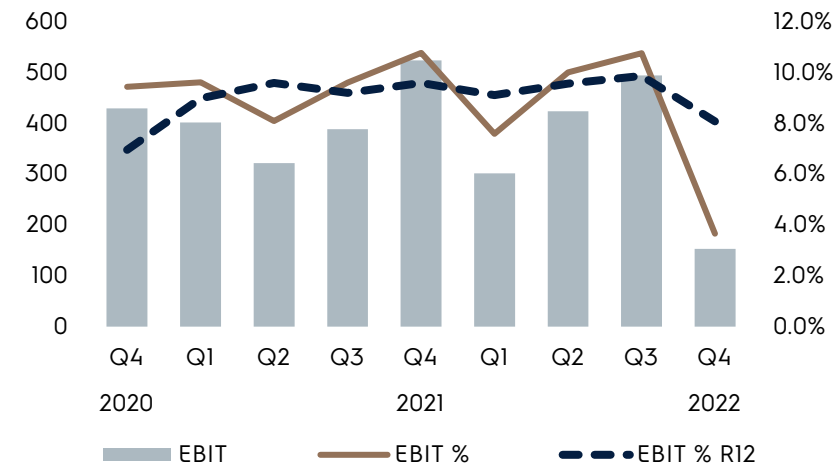
- Decreased consumer demand amplified by retailer's inventory management
- Market-driven volume drop
- Strong price development
- Favorable mix driven by product launches

Decreased profitability

- Significantly lower volumes
- Efficient cost control
- Price offset significant cost inflation, including currency headwinds

SEKm	Q4 2022	Q4 2021	Change
Net sales	4,162	4,545	-8.4%
Organic growth	-14.1%	6.7%	-20.7pts
Currency	5.6%	1.3%	4.3pts
EBIT	88	445	-80.3%
Margin	2.1%	9.8%	-7.7pts
EBIT excl. NRI	154	445	-65.4%
EBIT margin excl. NRI	3.7%	9.8%	-6.1pts

EBIT and margin*



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

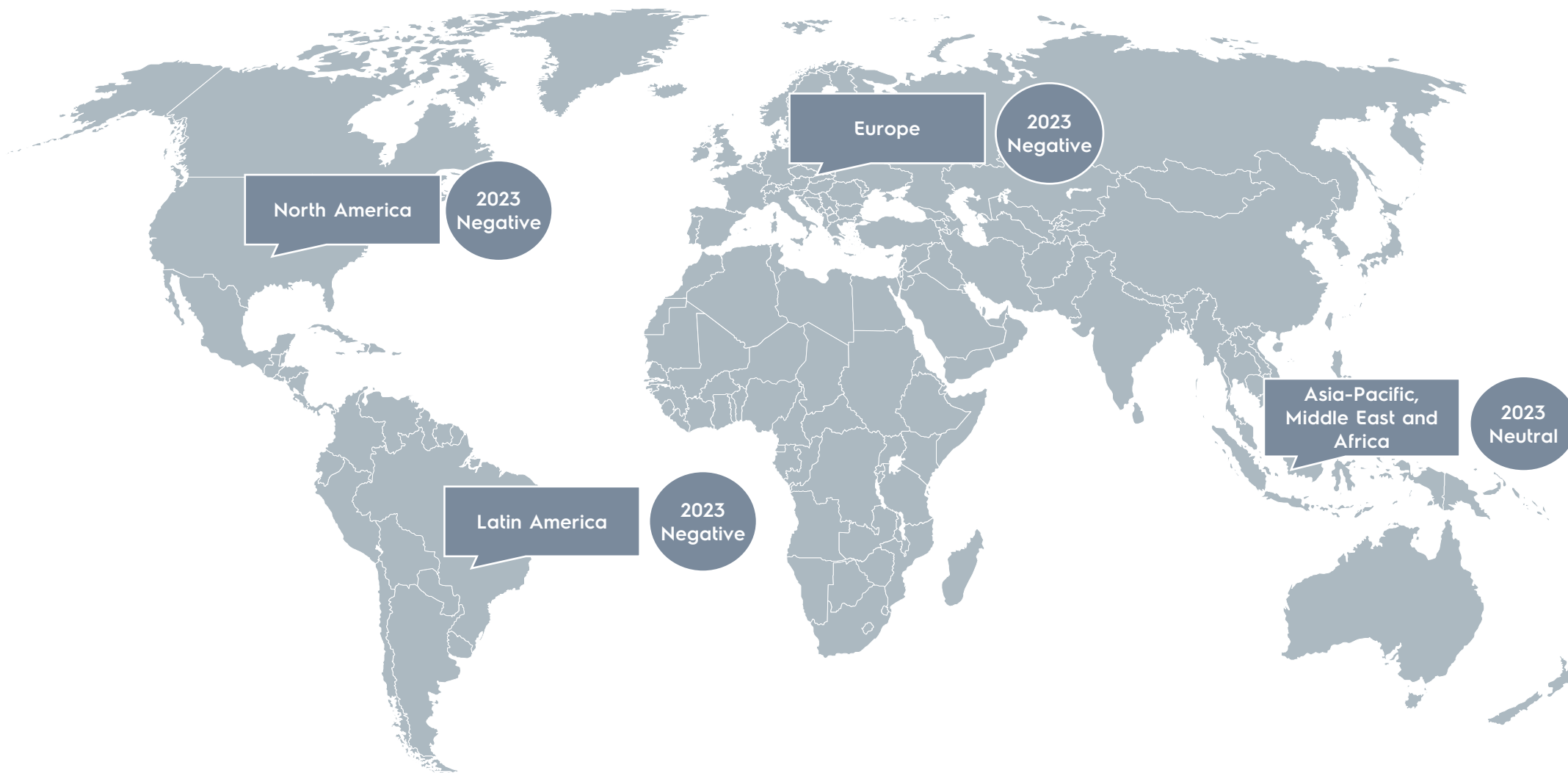




Outlook and summary



Market outlook 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 2023	Comments
Volume/price/mix	Volume/mix - negative	Fully driven by volume, partly mitigated by earnings contribution from mix
	Price – partly offsetting external factors	Differences in price dynamics between regions. High promotional activity in North America
Investments in consumer experience innovation and marketing ²	Positive SEK 4-5bn, combined	Benefits from the Group-wide cost reduction and North America turnaround program
Cost efficiency ³		
External factors ⁴	Negative	Primarily from inflation in energy and labor cost and currency headwinds, mainly impacting Europe and Latin America
Capex	SEK 6-7bn	

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

² Comprise of costs of R&D, marketing/brand, connectivity, CRM and aftermarket sales capability, etc.

³ Efficiencies in variable costs (excl. raw materials, energy, trade tariffs, and labor cost inflation >2%) and structural costs (excl. consumer experience innovation and marketing).

⁴ Comprise of raw material costs, energy costs, trade tariffs as well as direct and indirect currency impact and labor cost inflation >2%.

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 Q4:

- Strong mix development through successful product launches
- Strong price execution
- Traction from efforts to reduce inventory
- Activities well underway for stability and profitability

* Financial targets are over a business cycle

** Return on net assets



Capital Markets Update

March 20, 2023

- Harnessing the growth opportunities in the aftermarket, while gaining deeper consumer insights and relationships via new touch points.
- Creating stability in Business Area North America to pave the way for sustainable growth and profitability in the region.

Hybrid event online and in Stockholm

Registration until March 1 [Electrolux website](#)

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

≥4%



Driving sustainable
consumer experience
innovation



Increasing efficiency
through digitalization,
automation and
modularization

Solid balance sheet facilitates
profitable growth

Strategic drivers executed in 2022:

- Mix improvements through successful product launches
- Strong price execution
- Program targeting stability and profitability initiated
- Progressing on long-term strategy

* Financial targets are over a business cycle

** Return on net assets



Electrolux