



Q3 Results 2021 presentation

Jonas Samuelson, President and CEO
Therese Friberg, CFO
Sophie Arnius, Head of Investor Relations

Q3 Highlights

Strong price execution in a supply constrained environment

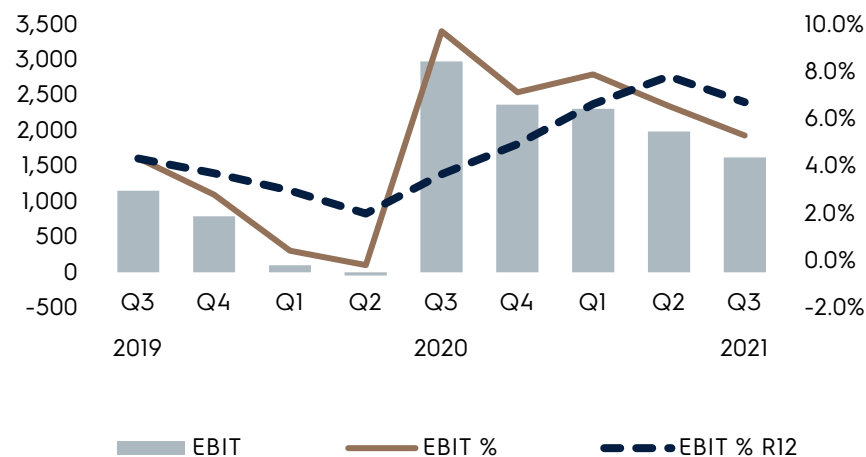
- Normalized demand at above pre-pandemic levels
- List price increase execution; in Q3 and to be announced
- Positive mix development
- Supply chain constraints negatively impacted product availability and mix

Solid EBIT vs. record EBIT LY

- Strong contribution from price/mix
- Price offset headwind from external factors
- Significant temporary cost increases, mainly on express logistics and electronic component spot buys
- Investments in innovation and marketing

SEKm	Q3 2021	Q3 2020	Change
Net sales	30,929	32,004	-3.4%
Organic growth	-0.3%	15.2%	-15.5pts
Acquisitions	0.2%	0.1%	0.2pts
Currency	-3.3%	-9.7%	6.4pts
EBIT	1,639	3,220	-49.1%
Margin	5.3%	10.1%	-4.8pts

EBIT and margin*



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



Sales and EBIT Bridge



SEKm	Q3 2020	Volume/ price/mix	Innovation/ marketing ¹	Cost efficiency ²	External factors ³	Acq/Divest.	Q3 2021
Net Sales	32,004	-90			-1,057	72	30,929
Growth %		-0.3%			-3.3%	0.2%	-3.4%
EBIT	3,220	1,018	-373	-406	-1,802	-18	1,639
EBIT %	10.1%						5.3%
Accretion/ Dilution		3.2 pts	-1.2 pts	-1.3 pts	-5.4 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 -247m on EBIT and -3.3% on net sales..

Earnings contribution from price/mix



Business Area	Price/mix	Comments for Q3
Europe	Positive	Positive impact from price and mix
North America	Positive	Strong price execution and neutral mix development
Latin America	Positive	Strong price execution and slightly negative mix
Asia-Pacific, Middle East and Africa	Positive	Positive impact from price and mix
Group EBIT % accretion	6.4%	

Driving sustainable consumer experience innovation



Strengthening the Electrolux sustainability offering

- 'Make it Last' – strong, inspirational campaign for laundry products
- Highlighting sustainable product innovations
- Strengthened key brand attributes for the Electrolux brand
- Initially launched in Europe Q3 2020, strongly resonating with consumers

Expanding Electrolux-brand into kitchen in North America

- Full suite launched throughout 2021, centered around sustainability
- Technologies that help enhance natural flavors and preserve food better
- Average consumer star rating of 4.8



Operating Cash Flow



SEKm	Q3 2021	Q3 2020
EBIT	1,639	3,220
D/A and other non-cash items	1,206	1,197
Change in operating assets and liabilities	-1,393	2,584
Investments in intangible and tangible assets	-1,651	-1,077
Changes in other investments	1	81
Cash flow after investments*	-198	6,005

*Before acquisitions and divestments

Taking the next step in optimizing the capital structure



Step 1

Dividend policy

~50%

of annual income¹

Automatic share redemption

SEK 4,886m

(SEK 17 per share)

Step 2

Share buybacks

- **≤ 9,369,172 B shares on Nasdaq Stockholm**
- **Oct 28, 21 – Mar 25, 22**
- **≤ SEK 2,800m**

¹ Changed from “at least 30% of annual income”.

Europe

Driving mix despite supply constraints

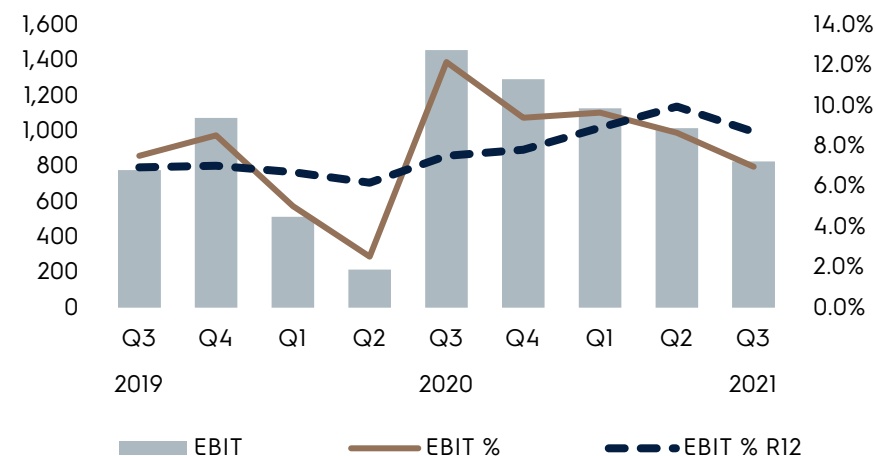
- Volume decline; strong market demand LY and supply constraints
- Mix improvements, driven by premium brands in built-in kitchen and laundry
- Aftermarket sales growth
- Price increases

Solid EBIT but decline vs strong LY

- Price partly offset significantly higher costs for external factors, logistics and electronic components
- New list price increases announced or to be announced
- Investments in innovation and marketing

SEKm	Q3 2021	Q3 2020	Change
Net sales	11,905	12,317	-3.3%
Organic growth	-1.4%	15.7%	-17.1pts
Acquisitions	0.2%	0.0%	0.2pts
Currency	-2.2%	-4.1%	1.9pts
EBIT	833	1,522	-45.2%
Margin	7.0%	12.4%	-5.4pts

EBIT and margin*

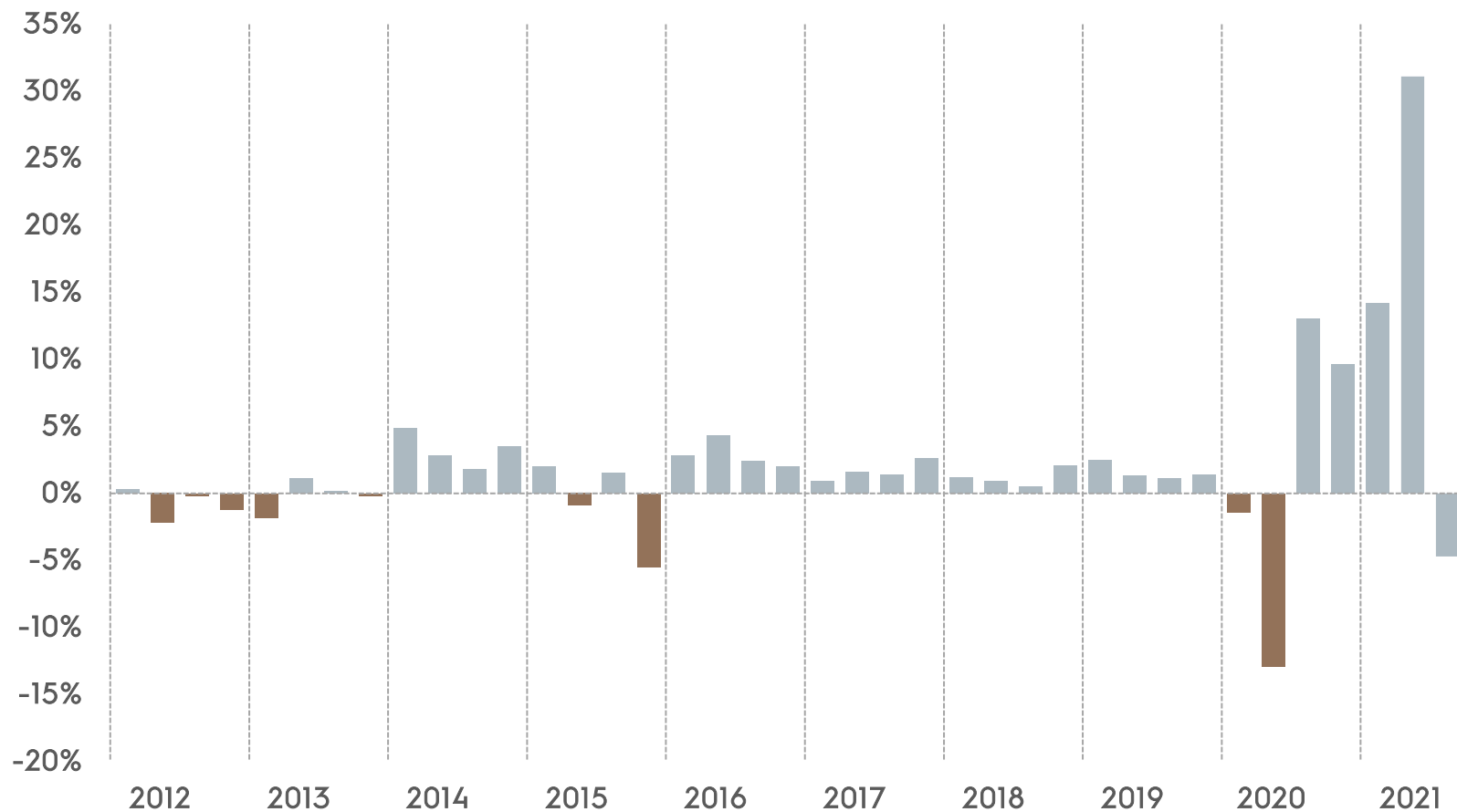


*Excluding non-recurring items (NRI) and currency adjusted.



European Core Appliances Market

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



Source: Electrolux estimates



North America

Lower volumes, strong price

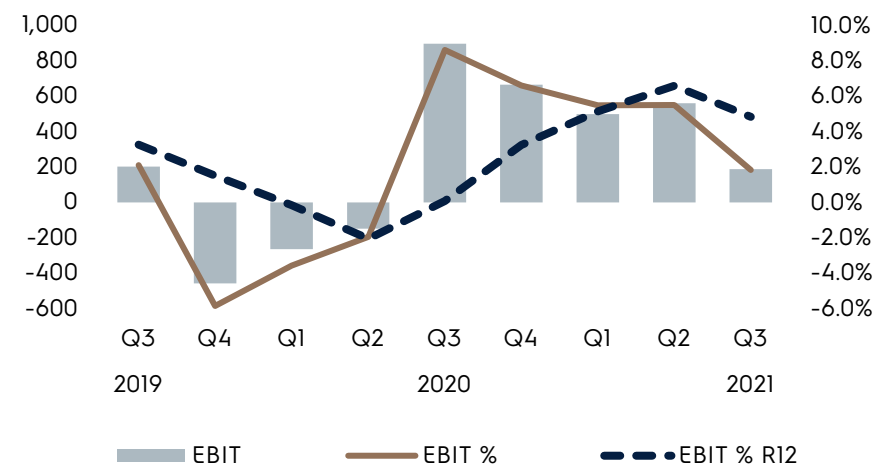
- Difficulties in meeting market demand due to tight supply and logistic situation
- Strong price execution
- Third list price increase announced

EBIT impacted by supply chain constraints

- Supply chain constraints impacted volume and mix negatively
- Production inefficiency due to limited planning visibility
- High absenteeism linked to coronavirus
- Price offset headwind from external factors, but not fully higher logistic and electronic components costs
- Investments in innovation and marketing

SEKm	Q3 2021	Q3 2020	Change
Net sales	10,378	10,993	-5.6%
Organic growth	-1.9%	8.6%	-10.5pts
Currency	-3.7%	-7.6%	3.8pts
EBIT	196	990	-80.2%
Margin	1.9%	9.0%	-7.1pts

EBIT and margin*



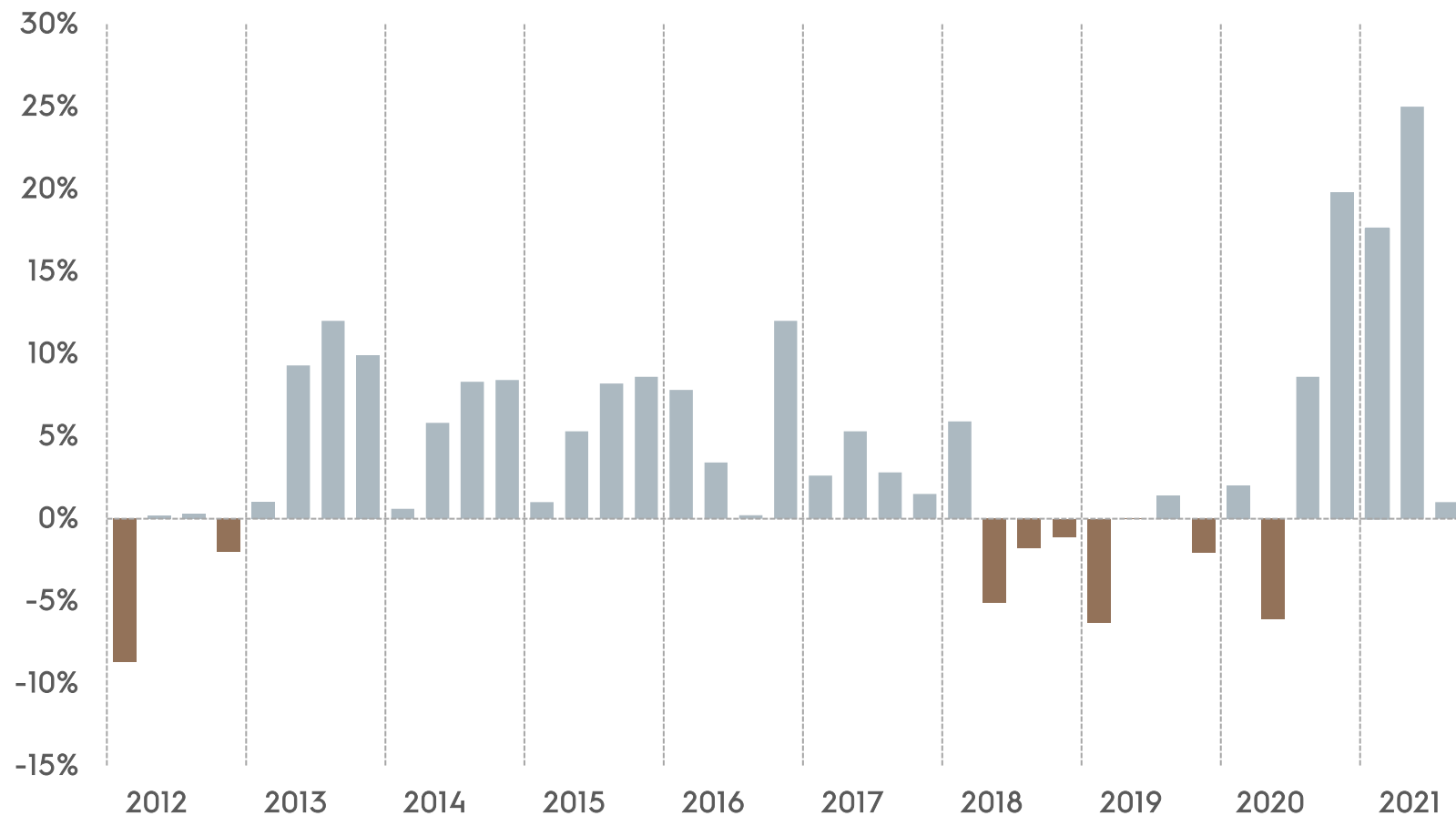
*Excluding non-recurring items (NRI) and currency adjusted.



U.S. Core Appliances Market



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



*Source: Based on the AHAM Factory Shipment Report. Q3 2021 is comparison of weeks between July 4 – October 2, 2021 vs July 5 – October 3, 2020. Consistent to historical methodology. Core appliances includes AHAM 6 (Washers, Dryers, Dishwashers, Refrigerators, Freezers, Ranges and Ovens) and Cooktops.



Latin America

Strong profitable growth

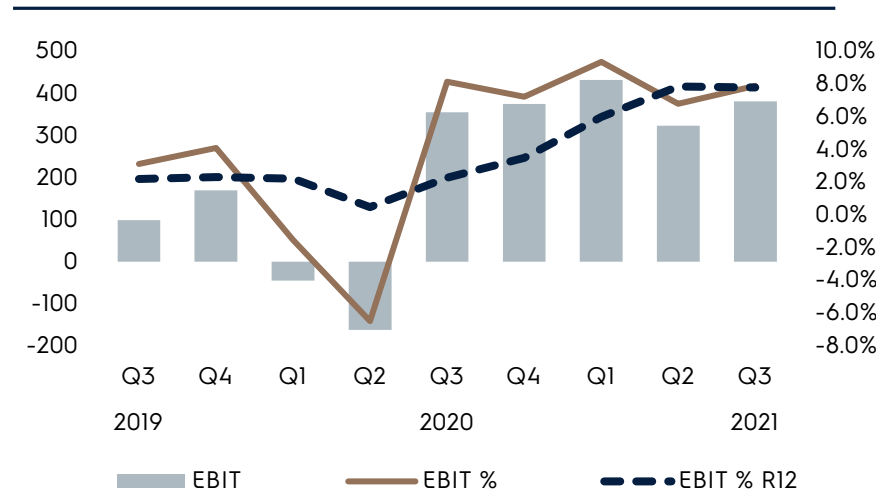
- Consumer demand declined in Brazil vs strong LY
- Strong price execution
- Lower volumes in Brazil
- Unfavorable mix due to supply constraints

Solid EBIT

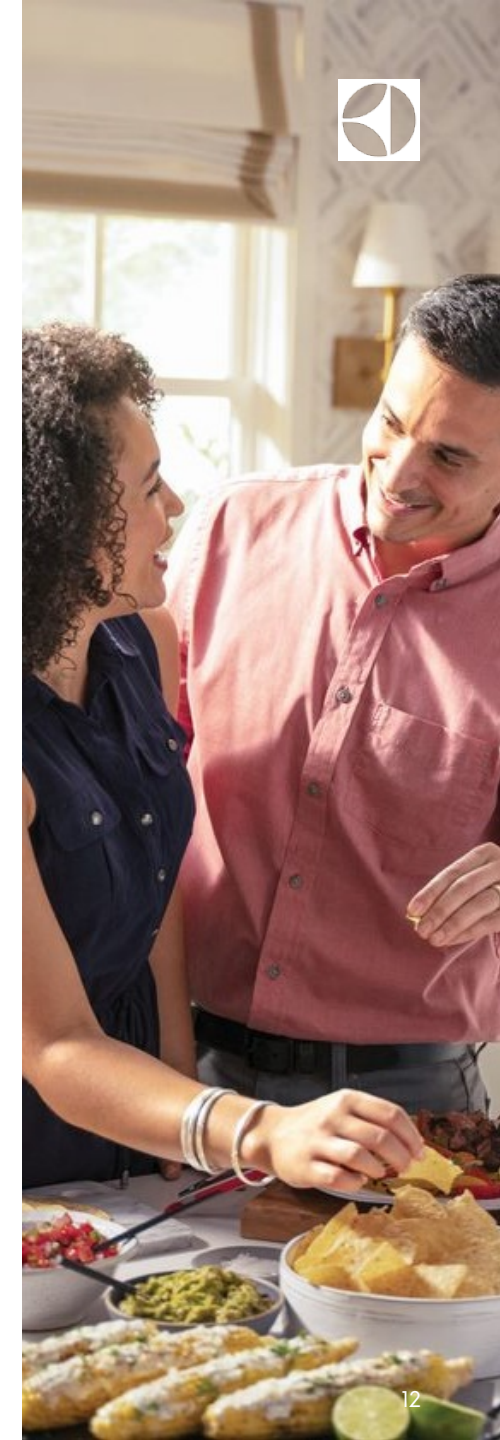
- Supply constraints impacted product availability and mix negatively
- Price fully offset headwind from external factors and higher supply chain costs
- Brand strengthening investments increased

SEKm	Q3 2021	Q3 2020	Change
Net sales	4,910	4,779	2.8%
Organic growth	10.9%	37.8%	-26.9pts
Currency	-8.1%	-34.2%	26.1pts
EBIT	387	440	-12.2%
Margin	7.9%	9.2%	-1.3pts

EBIT and margin*



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



Asia-Pacific, Middle East and Africa

Pandemic restrictions limited sales

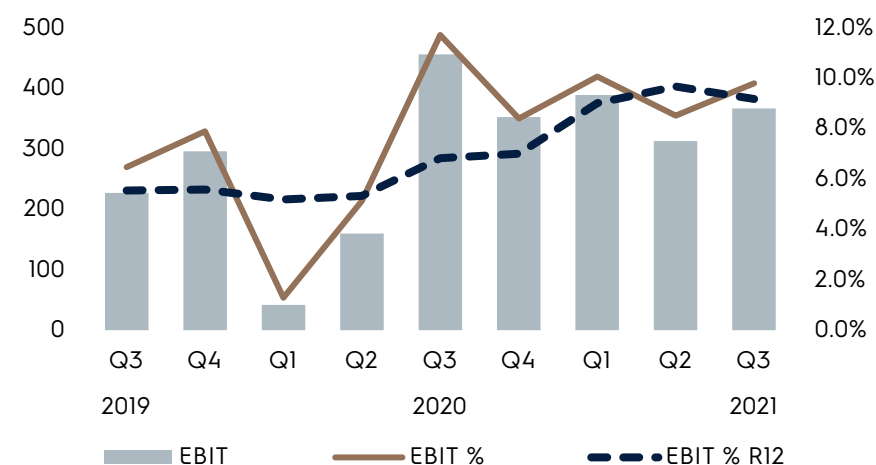
- Market demand declined
- Volumes negatively impacted by lockdowns
- Increased price and positive mix

High EBIT despite volume decline

- Price could not fully offset headwind from external factors, logistics and electronic components
- Further price increases implemented in Q3
- New list price increases announced or to be announced

SEKm	Q3 2021	Q3 2020	Change
Net sales	3,736	3,916	-4.6%
Organic growth	-5.1%	9.7%	-14.8pts
Acquisitions	1.1%	0.4%	0.7pts
Currency	-0.6%	-7.1%	6.5pts
EBIT	362	459	-21.0%
Margin	9.7%	11.7%	-2.0pts

EBIT and margin*



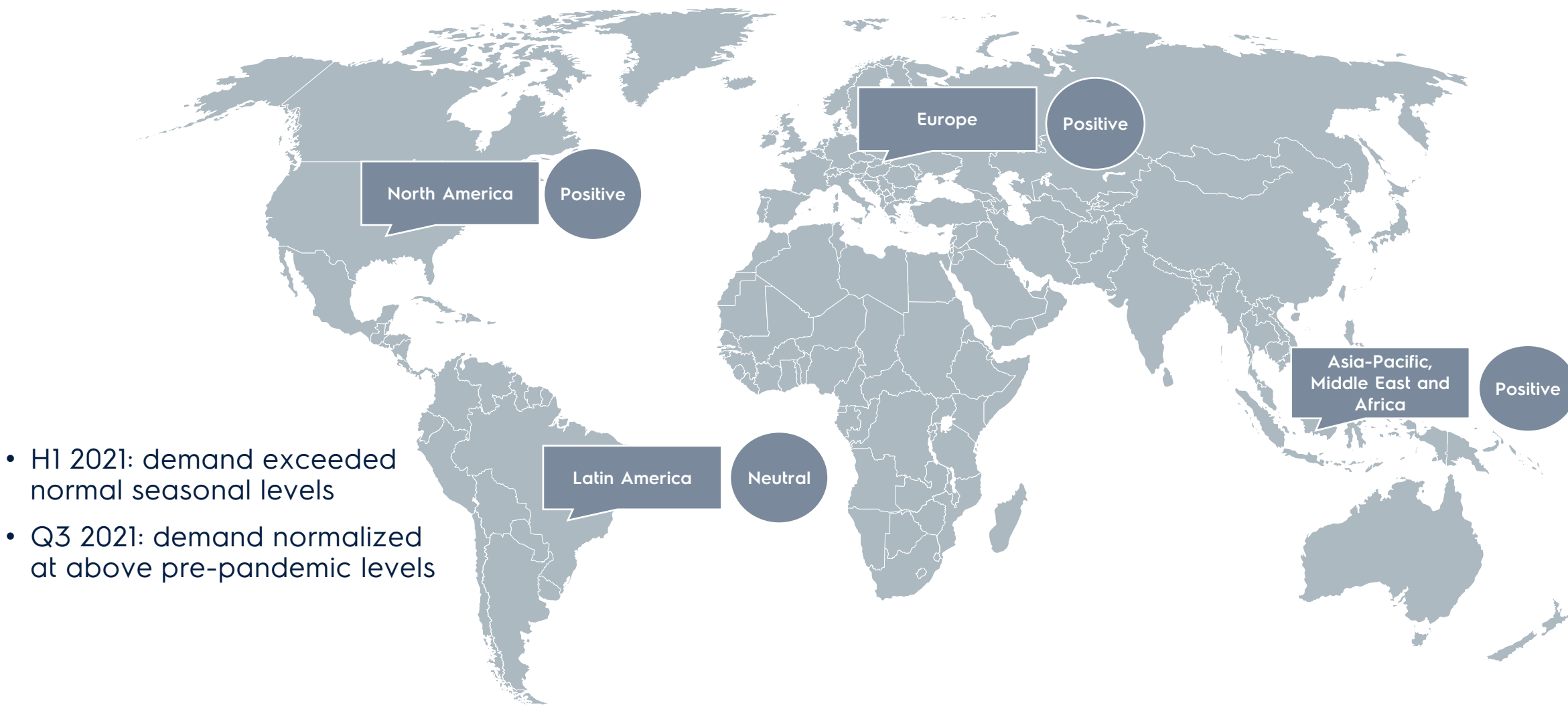
*Excluding non-recurring items (NRI) and currency adjusted.





Outlook and summary

Market outlook FY 2021 per region



- H1 2021: demand exceeded normal seasonal levels
- Q3 2021: demand normalized at above pre-pandemic levels

- 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 ¹ y-o-y	FY 2021	Comments
Volume/price/mix	Positive	Driven by all three components.
Net cost ²	Negative	
Investments in consumer experience innovation and marketing ³	Negative	Higher investments in innovation, marketing and digitalization of consumer interaction. Low level in 2020 due to pandemic.
Cost efficiency ⁴	Negative	Increased costs due to supply chain constraints. Continuous cost improvements and progress of re-engineering program main positive drivers.
External factors ⁵	Negative SEK ~4.5bn	Primarily from raw material costs.
Capex	SEK 6-7bn	

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

² Net cost is the sum of “Investments in consumer experience innovation and marketing” and “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 2021 net sales by -6% and operating income by SEK -400m.

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

Well positioned to create value

Financial targets for profitable growth*

OPERATING
MARGIN

≥6%

RONA**

>20%

SALES
GROWTH

≥4%

Strategic drivers executed in Q3:

- Strong execution on price
- Mix improvements despite supply chain constraints
- Strong product range, with significant launches currently ramping up



Driving sustainable
consumer experience
innovation



Increasing efficiency
through digitalization,
automation and
modularization

Solid balance sheet facilitates
profitable growth

* Financial targets are over a business cycle

** Return on net assets

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

* Financial targets are over a business cycle

** Return on net assets

Strategic drivers executed in Q3:

- Strong execution on price
- Mix improvements despite supply chain constraints
- Strong product range, with significant launches currently ramping up



Electrolux