

Q1 2023

Results presentation

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Q1 Highlights



Organic sales growth

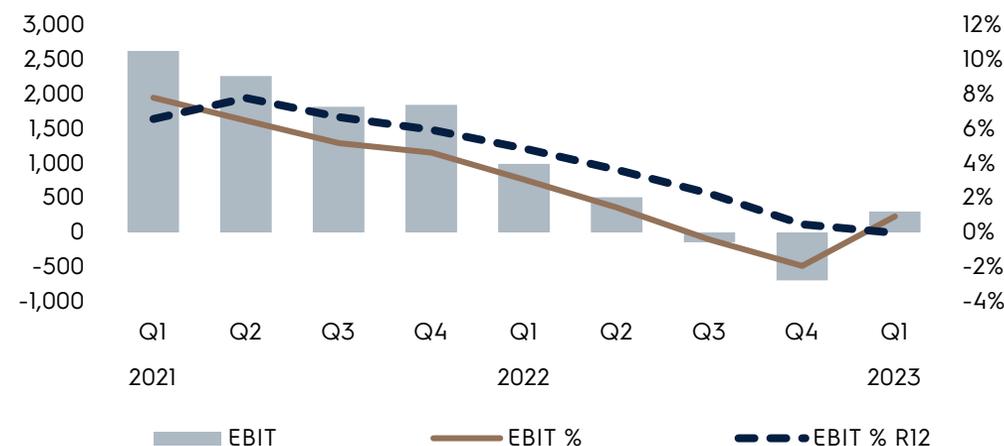
- Solid price development
- Overall lower volumes, demand-driven
- New product ranges contributing to increased volumes and market share gains in North and Latin America
- Aftermarket share of total sales increased

Sequential EBIT improvement, y-o-y decline

- Lower volumes
- Group-wide cost reduction and North America turnaround program impacted positively, progressing as planned
- Price largely offset carry-over of last year's high cost levels and additional headwind from external factors
- Flat product mix compared to strong mix execution last year
- EBIT included a non-recurring item of SEK -561m related to the closure of Nyíregyháza factory in Hungary in 2024.

SEKm	Q1 2023	Q1 2022	Change
Net sales	32,734	30,118	8.7%
Organic growth	2.2%	-3.4%	5.6pts
Acquisitions	0.0%	0.1%	-0.1pts
Divestments	-1.1%	0.0%	-1.1pts
Currency	7.6%	7.1%	0.5pts
EBIT	-256	1,575	N/A
Margin	-0.8%	5.2%	-6.0pts
EBIT excl. NRI	305	919	-66.9%
EBIT margin excl. NRI	0.9%	3.1%	-2.1pts

EBIT and margin*



Sales and EBIT Bridge



SEKm	Q1 2022	Volume/ price/mix	Innovation/ marketing ¹	Cost efficiency ²	External factors ³	Acq/Divest. ⁴	Q1 2023
Net Sales	30,118	695			2,291	-370	32,734
Growth %		2.2%			7.6%	-1.1%	8.7%
EBIT excl NRI ⁵	919	1,191	126	254	-2,169	-16	305
EBIT excl NRI %	3.1%						0.9%
Accretion/ Dilution		3.8 pts	0.4 pts	0.8 pts	-7.1 pts	-0.0 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, energy, trade tariffs, and labor cost inflation >2%) and structural costs (excl. consumer experience innovation and marketing).

³ Comprise of raw material costs, energy costs, trade tariffs, direct and indirect currency impact and labor cost inflation >2%. Currency translation amounted to SEK 156m on EBIT and 7.6% on net sales.

⁴ Relating to the exit from the Russian market

⁵ EBIT in Q1 2022 excludes a non-recurring item of SEK 656m and EBIT in Q1 2023 excludes a non-recurring item of SEK -561m.

Earnings contribution from price/mix

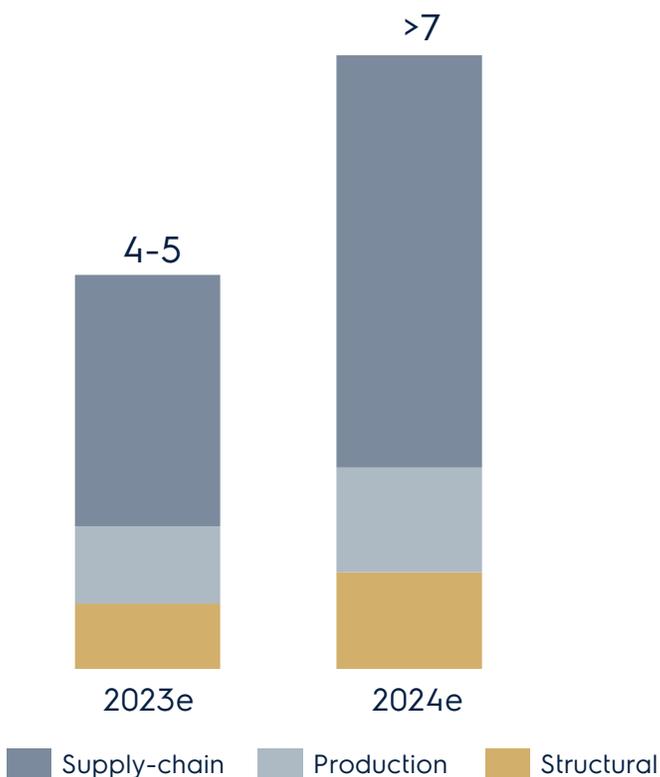


Business Area	Q1	Comments
Europe	Positive	Focus on premium brands AEG and Electrolux continues to pay off. Solid price
North America	Negative	Unfavorable product mix compared to strong execution last year. Flat price
Latin America	Positive	Well-received product launches and increased aftermarket sales. Solid price
Asia-Pacific, Middle East and Africa	Positive	Unfavorable mix subsequent reduced consumer purchasing power. Positive price
Group EBIT % accretion	6.1 pts	Solid price development and flat mix

Group-wide cost reduction and North America turnaround program



Cost reductions versus 2022, SEKbn



Note: Supply-chain includes material and logistics costs.
 1 Scales refer to 2023 savings status excluding impact of inventory consumption.

P&L impact
 3M 2023, y-o-y¹

Key savings levers

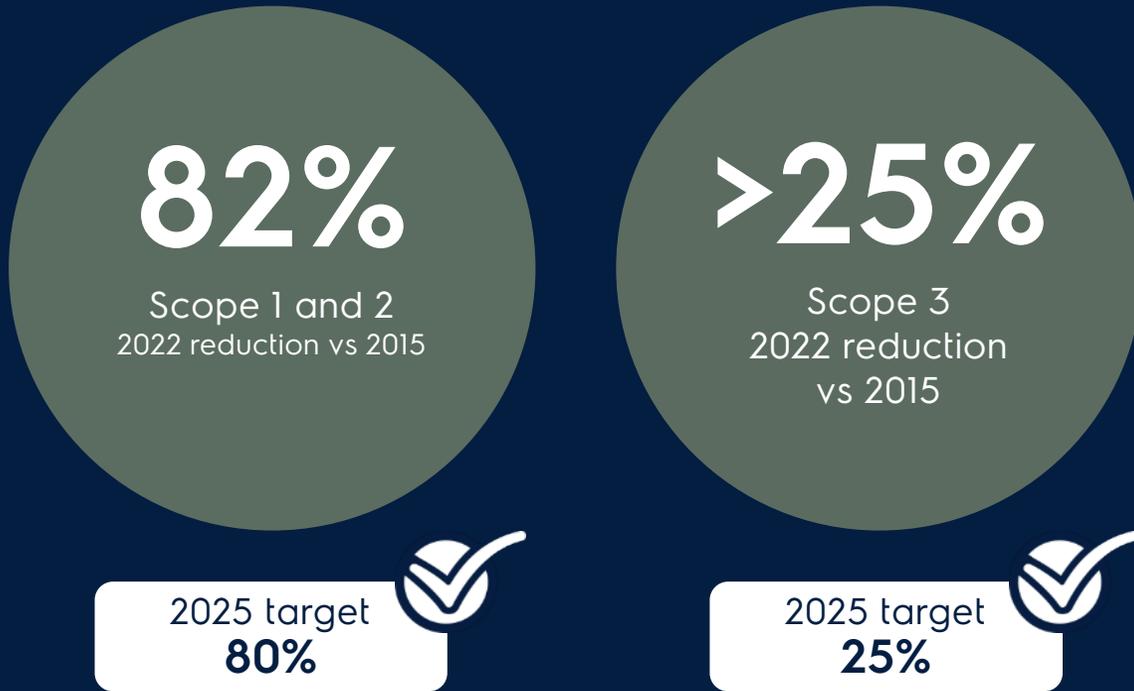
Implementation status,
 3M 2023

<p>Supply-chain:</p>	<ul style="list-style-type: none"> Reduce premium freight & spot buy of components Sourcing cost actions Optimize logistics execution Warehouse efficiencies 	<ul style="list-style-type: none"> Fully completed, impact will accumulate quarter by quarter Most negotiations complete. Implementation according to contract timings New rates negotiated (effect from mid-Q2) and improved transportation efficiencies Gradual progress according to plan
<p>Production:</p>	<ul style="list-style-type: none"> Mainly North America stability and productivity Improve production line efficiency and output per shift Reduce maintenance costs and scrap rates Optimize factory organizational set-up 	<ul style="list-style-type: none"> Good progress on stability and productivity. Headcount reductions on plan: 58% of blue collar headcount reductions implemented Gradual progress according to plan Gradual progress according to plan. Springfield transition in late H2
<p>Structural:</p>	<ul style="list-style-type: none"> Leverage strengthened functional organization to drive efficiencies Optimize variable marketing spend & product development portfolio External services management in e.g., IT and R&D 	<ul style="list-style-type: none"> Progressing according to plan Optimization completed, impact will accumulate quarter by quarter Progressing according to plan

Sustainability drives financial performance



2025 Science Based targets achieved by 2022

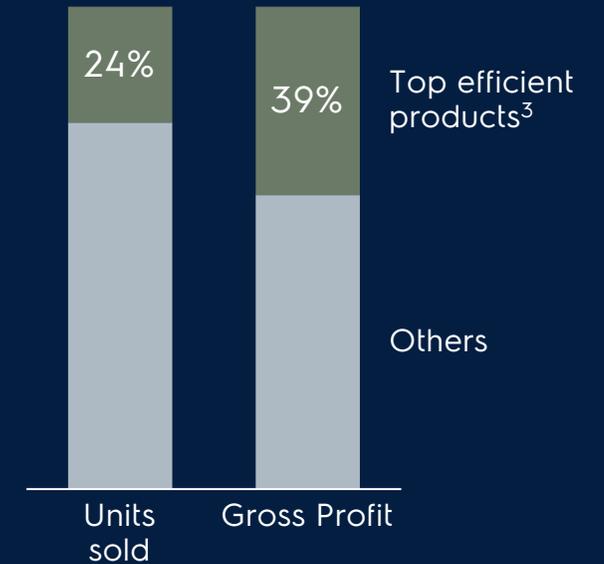


Consumers are rewarding sustainability leadership

Sustainability is a key selection criteria

- 93% of consumers wish to lead a more sustainable life¹
- Globally, 2 out of 3 consumers consider sustainability as an important factor when buying electrical appliances²

Our sustainable products are more profitable



1. Internal research in 10 key markets (~12,000 respondents)
2. Foresight Factory; 9,012 online respondents, global average, Jan. 2022
3. According to energy and water standards

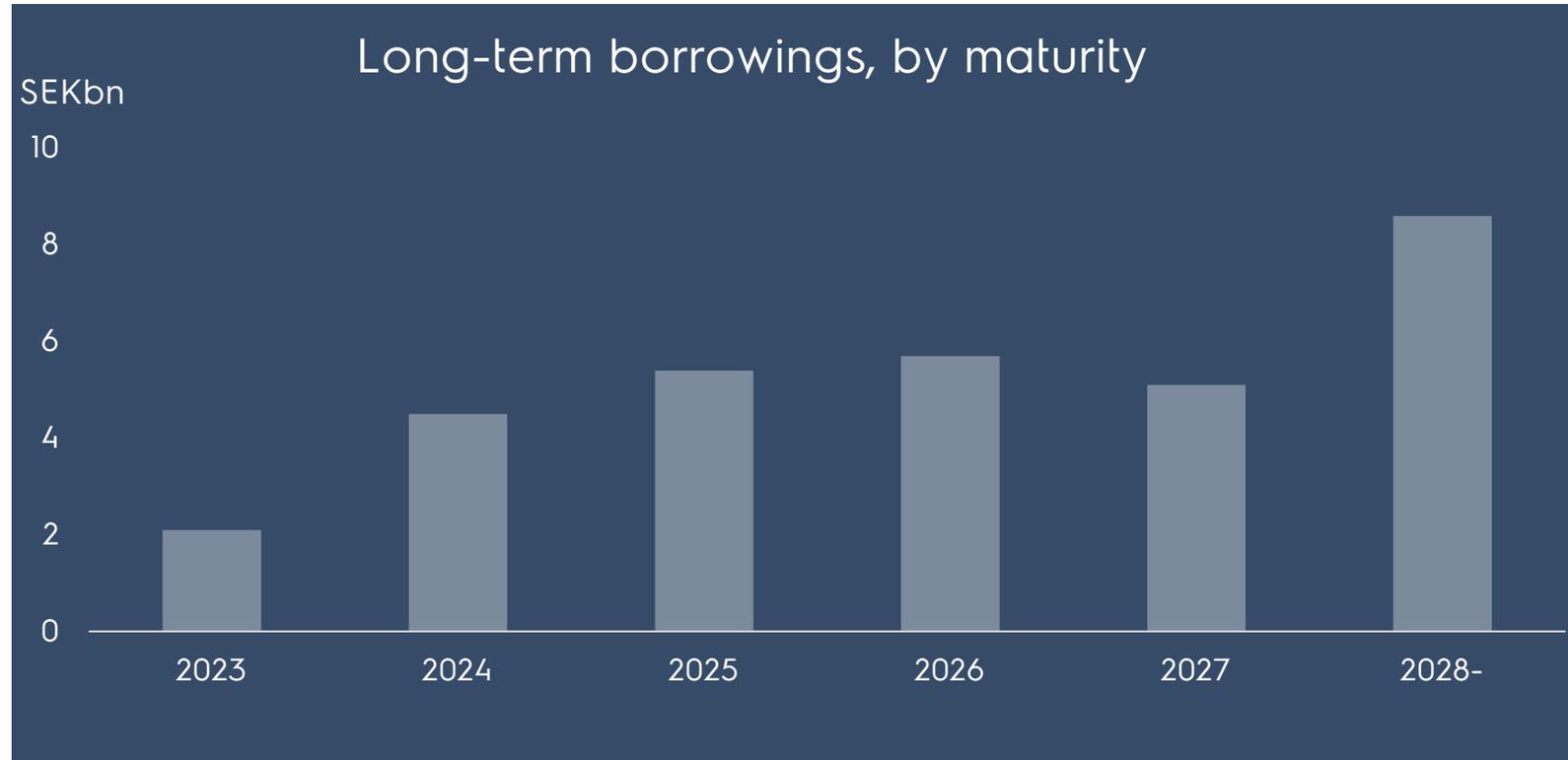
Operating Cash Flow



SEKm	Q1 2023	Q1 2022
EBIT	-256	1,575
D/A and other non-cash items	2,066	672
Change in operating assets and liabilities	-5,799	-6,182
Investments in intangible and tangible assets	-1,131	-1,339
Changes in other investments	28	-6
Cash flow after investments*	-5,092	-5,280

*Before acquisitions and divestments

Solid liquidity and maturity profile



- SEK 28.7bn in liquidity incl. RCF as per March 31, 2023
- No financial covenants in any loan agreements
- Target to maintain a solid investment grade rating
 - S&P Global Ratings BBB+ with stable outlook

Europe



Organic sales decline

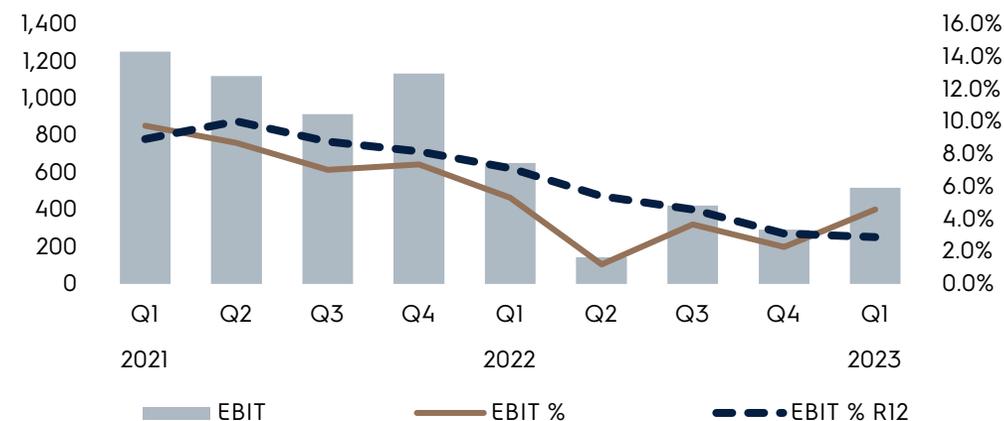
- Volume drop, weaker consumer demand
- Solid price
- Favorable mix through focus on premium brands and products

Volume decrease resulted in lower earnings

- Substantial volume decline
- Positive contribution from Group-wide cost reduction program
- Price offset negative impact from carry-over of last year's high cost levels and additional external headwinds
- EBIT included a non-recurring item of SEK -561m related to the closure of the Nyíregyháza factory in Hungary in 2024

SEKm	Q1 2023	Q1 2022	Change
Net sales	11,339	11,535	-1.7%
Organic growth	-4.9%	-4.3%	-0.7pts
Acquisitions	0.0%	0.3%	-0.3pts
Divestments	-3.0%	0.0%	-3.0pts
Currency	6.2%	3.1%	3.1pts
EBIT	-41	602	N/A
Margin	-0.4%	5.2%	-5.6pts
EBIT excl. NRI	520	602	-13.6%
EBIT margin excl. NRI	4.6%	5.2%	-0.6pts

EBIT and margin*

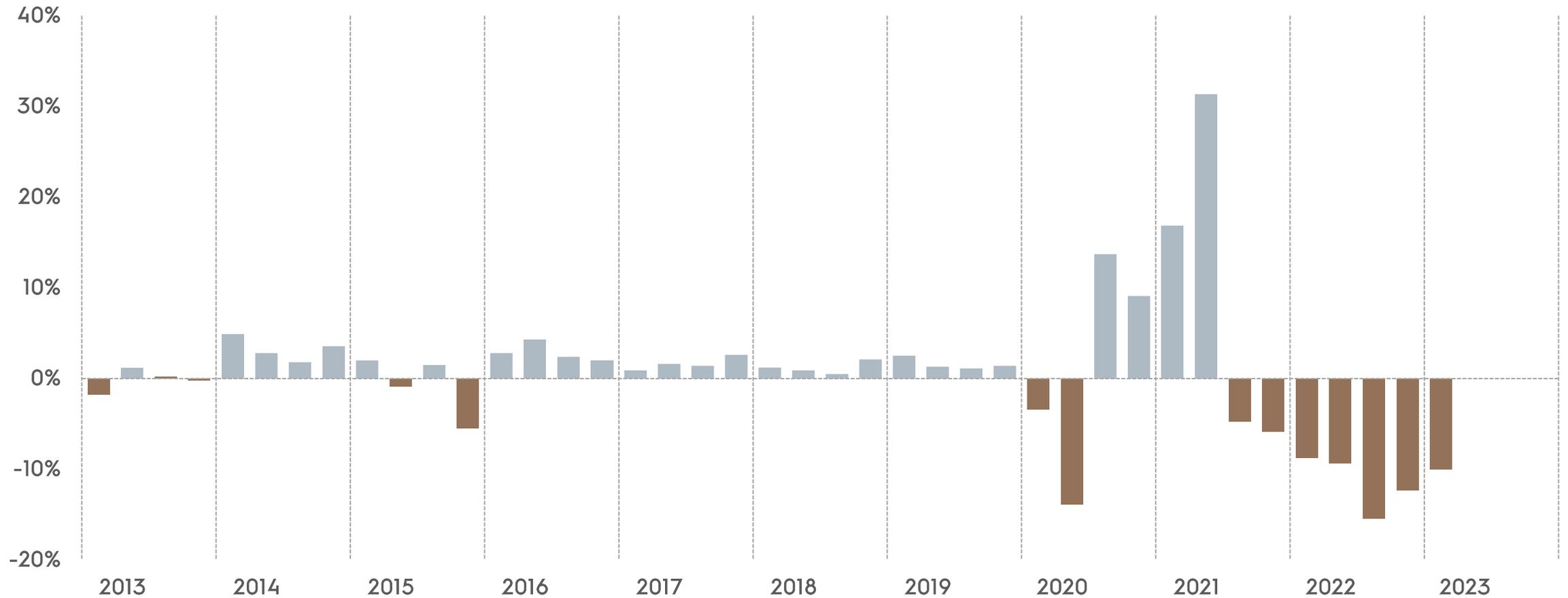


*Excluding non-recurring items (NRI) and currency adjusted.

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



Volume-driven organic sales growth

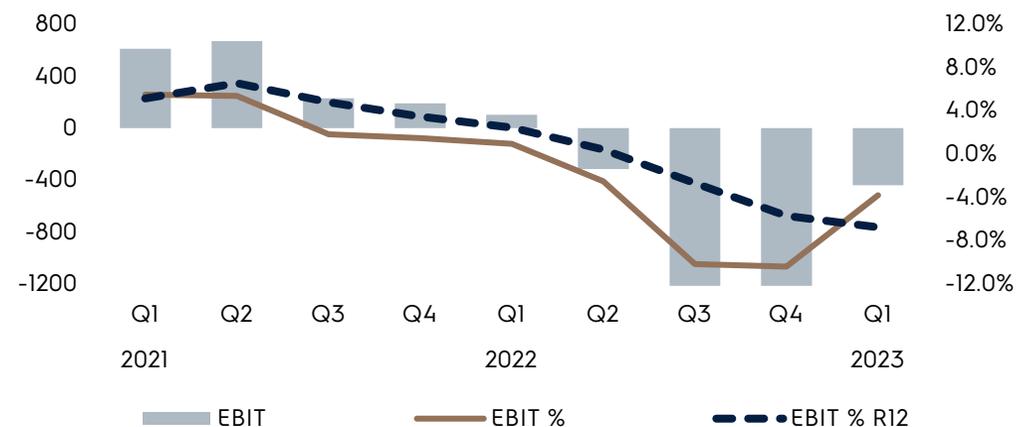
- Increased volumes
- Market share gains supported by new attractive product offering
- Flat price - positive impact from last year's list price increases offset by higher promotional levels

EBIT sequentially improving significantly

- Turnaround program progressing according to plan, with positive earnings contribution in Q1
- Sales of products produced at last year's elevated cost levels impacted negatively, including raw material
- Unfavorable product mix compared to strong development last year

SEKm	Q1 2023	Q1 2022	Change
Net sales	11,504	9,940	15.7%
Organic growth	4.0%	-0.3%	4.3pts
Currency	11.7%	10.7%	1.0pts
EBIT	-439	752	N/A
Margin	-3.8%	7.6%	-11.4pts
EBIT excl. NRI	-439	96	N/A
EBIT margin excl. NRI	-3.8%	1.0%	-4.8pts

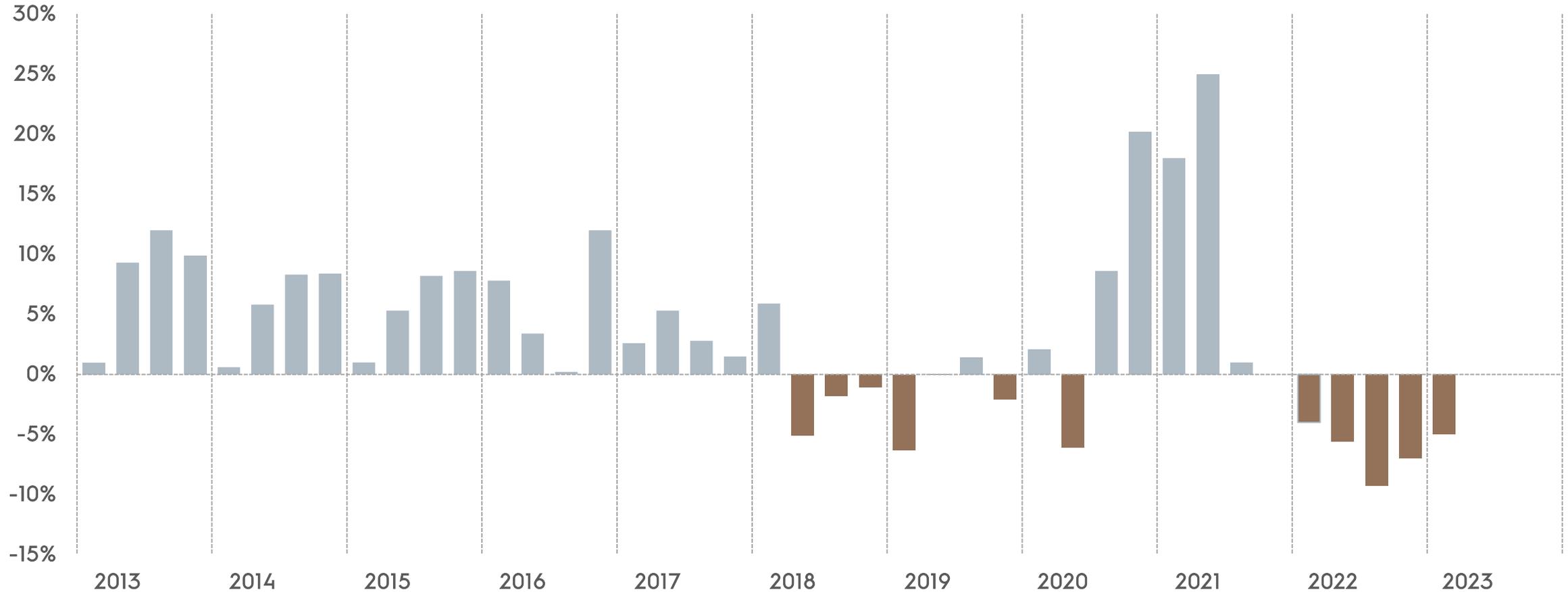
EBIT and margin*



U.S. Core Appliances Market



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



*Source: Based on the AHAM Factory Shipment Report. Q1 2023 is a comparison of weeks between January 1 – April 1, 2023, vs January 1 – April 2, 2022. Core appliances include AHAM 6 (Washers, Dryers, Dishwashers, Refrigerators, Freezers, Ranges, and Ovens) and Cooktops.

Latin America



Organic sales growth

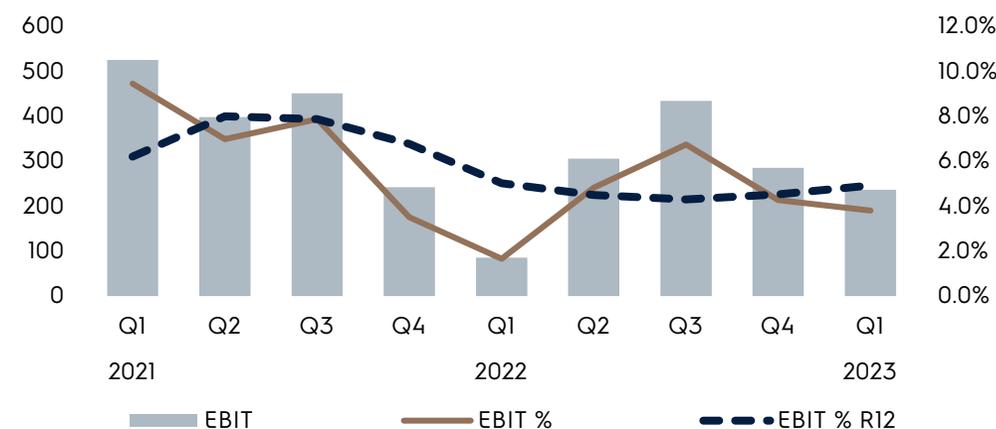
- Decreased consumer demand in Brazil and Chile, while up in Argentina
- Increased volumes and market share gains
- Favorable mix, supported by new product ranges
- Solid price
- Strong aftermarket sales

EBIT increase following strong sales growth

- Higher volumes in Brazil
- Price offset negative impact from carry-over of last year's high cost levels and additional headwinds from external factors
- Positive contribution from Group-wide cost reduction program

SEKm	Q1 2023	Q1 2022	Change
Net sales	6,196	4,761	30.1%
Organic growth	20.9%	-6.0%	26.9pts
Currency	9.2%	11.4%	-2.2pts
EBIT	236	85	N/A
Margin	3.8%	1.8%	2.0pts

EBIT and margin*



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

Asia-Pacific, Middle East and Africa



Organic sales decline

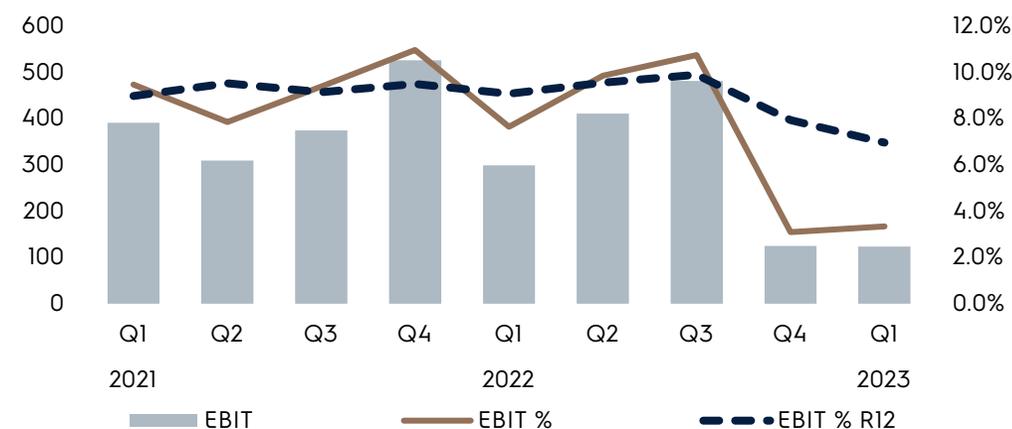
- Decreased consumer demand
- Market-driven volume drop
- Positive price
- Unfavorable mix subsequent reduced consumer purchasing power

Volume driven EBIT decline

- Lower volumes, especially in high-value categories
- Price largely offset negative impact from carry-over of last year's high cost levels and currency headwinds
- Positive contribution from Group-wide cost reduction program

SEKm	Q1 2023	Q1 2022	Change
Net sales	3,695	3,882	-4.8%
Organic growth	-5.5%	-5.2%	-0.3pts
Currency	0.7%	5.5%	-4.8pts
EBIT	124	284	-56.4%
Margin	3.3%	7.3%	-4.0pts

EBIT and margin*



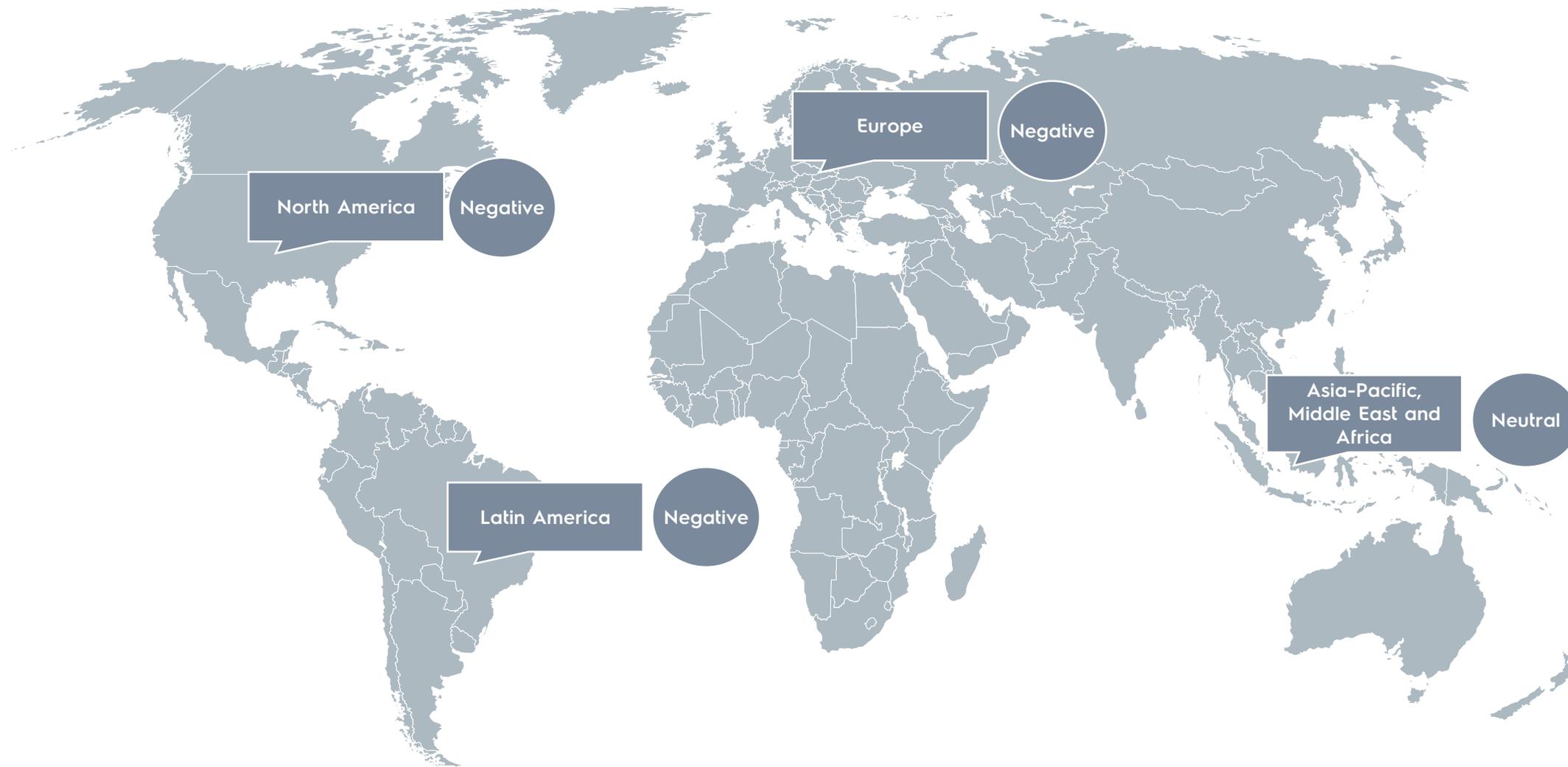
*Excluding non-recurring items (NRI) and currency adjusted.



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
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



Strategic drivers executed in Q1:

- Group-wide cost reduction and North America turnaround program progressing as planned
- New attractive product ranges contributing to market share gains in North and Latin America
- Aftermarket growth pace

Financial targets for profitable growth*



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



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Electrolux
Group