

Q2 2024

Results presentation

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Q2 Highlights



Organic sales growth of 7%

- Volume increase in all business areas
- Positive mix supported by the attractive product offering
- Negative price

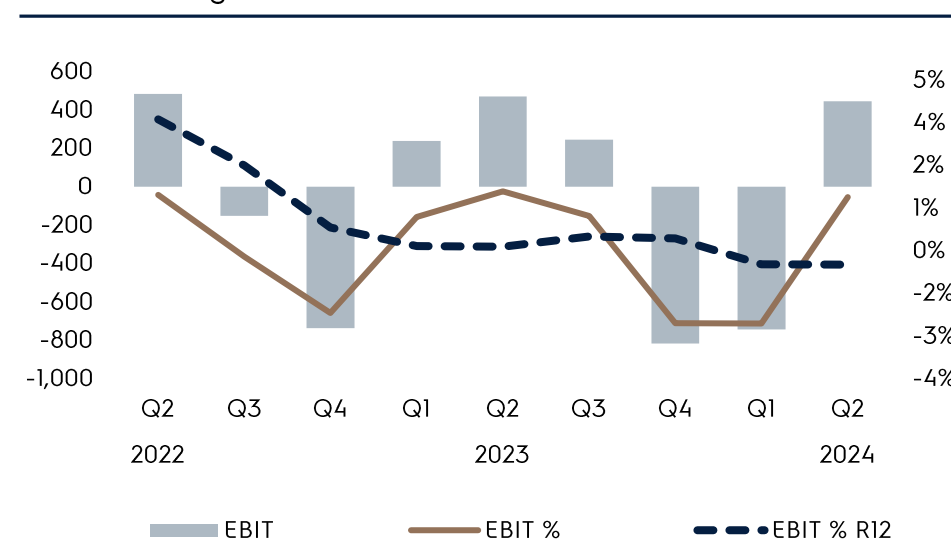
Positive EBIT

- EBIT improved by SEK >1bn sequentially with a significantly reduced loss in North America
- Latin America continued to perform well
- Negative contribution from price mitigated by increased volumes and positive mix
- Positive contribution from cost efficiency

Divestment of water heater business in South Africa announced after quarter end

SEKm	Q2 2024	Q2 2023	Change
Net sales	33,819	32,653	3.6%
Organic growth	6.8%	-8.4%	15.2pts
Divestments	0.0%	-0.5%	0.5pts
Currency	-3.2%	5.6%	-8.8pts
EBIT	419	-124	N/A
Margin	1.2%	-0.4%	1.6pts
EBIT excl. NRI	419	519	-19.2%
EBIT margin excl. NRI	1.2%	1.6%	-0.4pts

EBIT and margin*



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

Sales and EBIT Bridge



SEKm	Q2 2023	Volume/ price/mix ¹	Innovation/ marketing ²	Cost efficiency ³	External factors ⁴	Q2 2024
Net Sales	32,653	1,853			-688	33,819
Growth %		5.8%			-2.3%	3.6%
EBIT excl NRI ⁵	519	-514	-247	270	391	419
EBIT excl NRI %	1.6%					1.2%
Accretion/ Dilution		-1.6 pts	-0.7 pts	0.8 pts	1.2 pts	

¹ Excludes currency related price increases in Argentina and Egypt, which are included in External factors. The reported organic sales growth however includes price increases in Argentina and Egypt.

² Investments in consumer experience innovation and marketing, comprise of costs for R&D, marketing/brand, connectivity, CRM, aftermarket sales capability, etc.

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

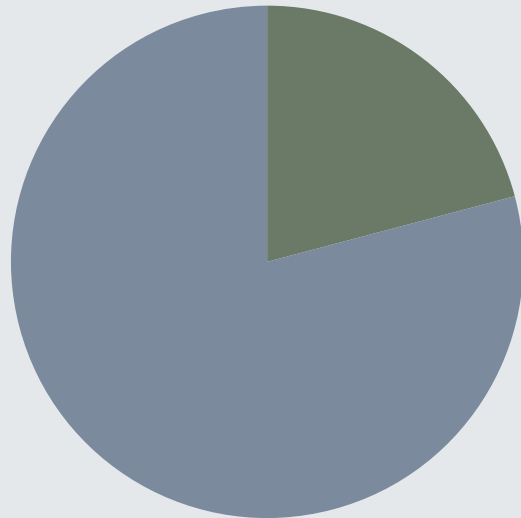
⁴ Comprise raw material costs, energy costs, trade tariffs, direct and indirect currency impact and labor cost inflation >2% as well as the net effect of currency development including pricing adjustment in Argentina and Egypt in Q2 2024. Currency translation amounted to SEK -75m on EBIT and -3.2%, on net sales.

⁵ EBIT in Q2 2023 excludes non-recurring item of SEK -643m, referring to a provision mainly related to a French antitrust case.



Executing on cost reduction target

Cost reduction¹ y-o-y, FY 2024e



■ Planned ■ Achieved

Cost reduction target² approx. SEK 4bn in 2024 vs 2023

- Headwinds from logistics cost affecting previous target
- Organizational simplification. Headcount reductions of approx. 3,800³
- Finalization of Springfield ramp-up
- Increase sourcing from low-cost countries
- Continue consolidation of supplier base and number of components

H1 2024 deliverables

- SEK 0.8bn in cost efficiency delivered in H1 2024, and SEK 0.3bn in Q2 2024.
- New organization successfully implemented
- Notification of staff affected by savings program proceeding according to plan
- Incremental savings from cost reduction activities are mainly weighted to H2 2024

Annual product cost reduction mid-term at a similar rate as in 2023-2024

- Low-cost sourcing and supplier consolidation a continuous process
- Step-up cost engineering initiatives, i.e. material and component reviews on existing products
- Further accelerate modularization and reduce complexity to leverage scale

¹ Cost reductions excluding investments in Innovation & marketing.

² Cost reduction target excludes investments in Innovation & marketing

³ Whereof -800 not requiring restructuring charge and -3,000 requiring and included in the Q4 2023 restructuring charge of SEK 2.5bn.

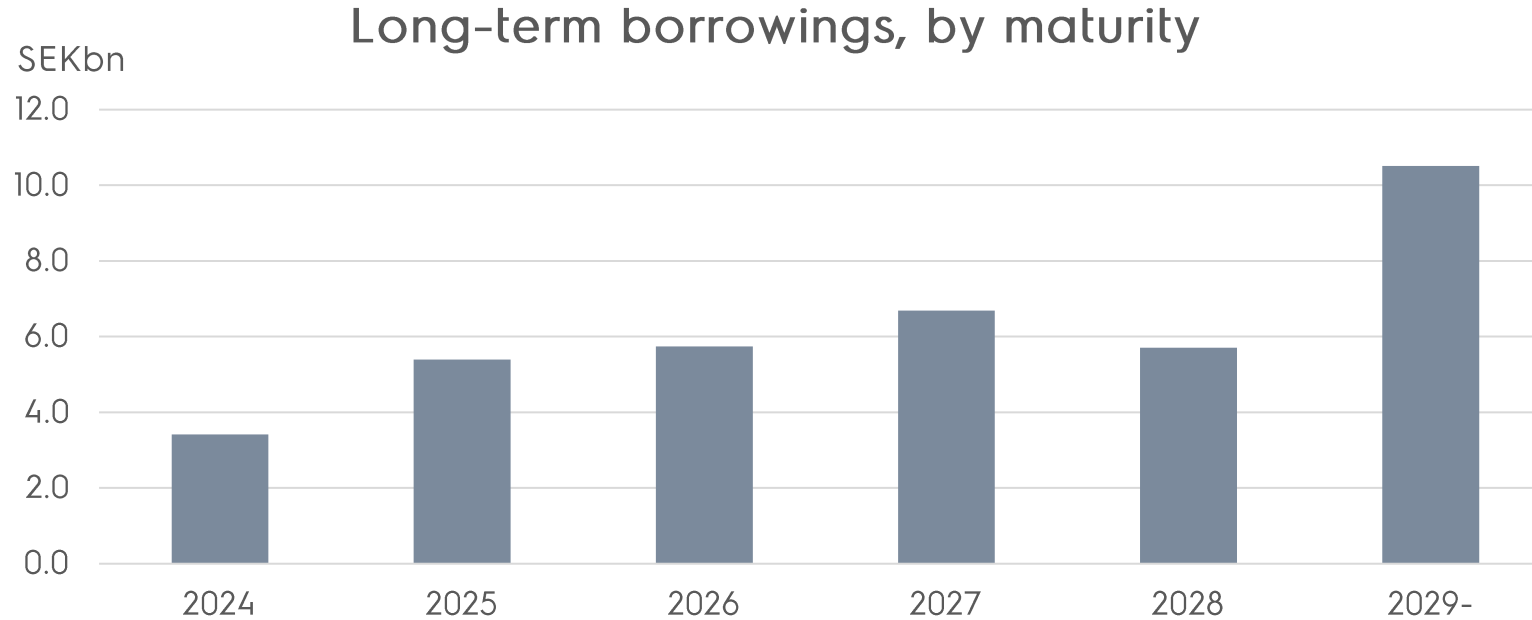
Operating Cash Flow



SEKm	H1 2024	H1 2023
EBIT	-301	-380
D/A and other non-cash items	3,202	4,370
Change in operating assets and liabilities	-2,048	-3,544
Investments in intangible and tangible assets	-2,039	-2,396
Changes in other investments	-274	-5
Cash flow after investments*	-1,460	-1,955

*Before acquisitions and divestments

Solid liquidity and maturity profile



Data as per June 30, 2024

- SEK 32.8bn in liquidity incl. RCF as per June 30, 2024
- No financial covenants in any loan agreements
- New eight-year sustainability-linked loan facility of USD 150m with the Nordic Investment Bank
- Target to maintain a solid investment grade rating
 - S&P Global Ratings BBB with negative outlook

Europe, Asia-Pacific, Middle East, and Africa



Organic sales decline

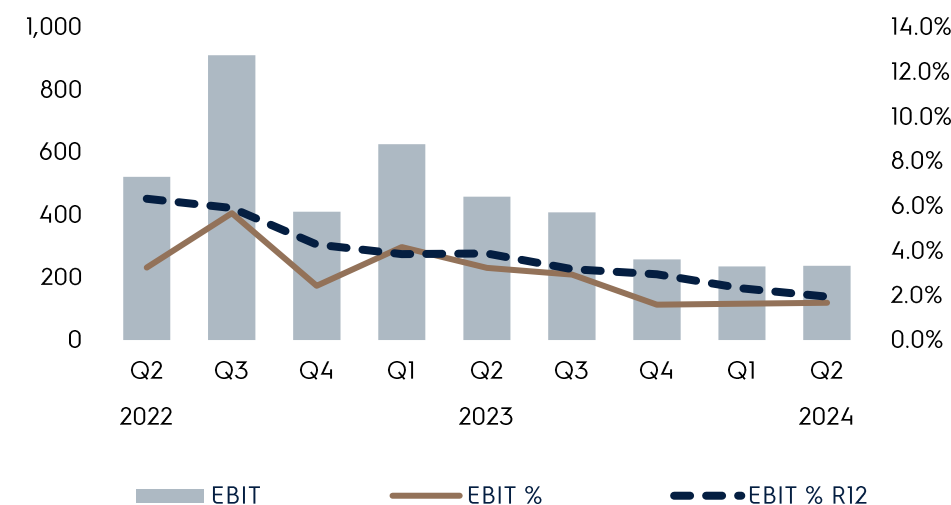
- Low residential construction and remodeling activity, impacting the built-in kitchen category
- Negative price
- Positive mix
- Slight volume growth, outperformed weak market

Organic decrease in EBIT

- Negative contribution from price mitigated by a slight volume increase and positive mix
- Positive external factors driven by lower raw material cost
- Slightly positive impact from cost efficiency

SEKm	Q2 2024	Q2 2023	Change
Net sales	14,181	14,500	-2.2%
Organic growth	-0.4%	-10.8%	10.4pts
Divestments	0.0%	-1.0%	1.0pts
Currency	-1.8%	5.0%	-6.8pts
EBIT	235	-146	N/A
Margin	1.7%	-1.0%	2.7pts
EBIT excl. NRI	235	497	-52.7%
EBIT margin excl. NRI	1.7%	3.4%	-1.8pts

EBIT and margin*

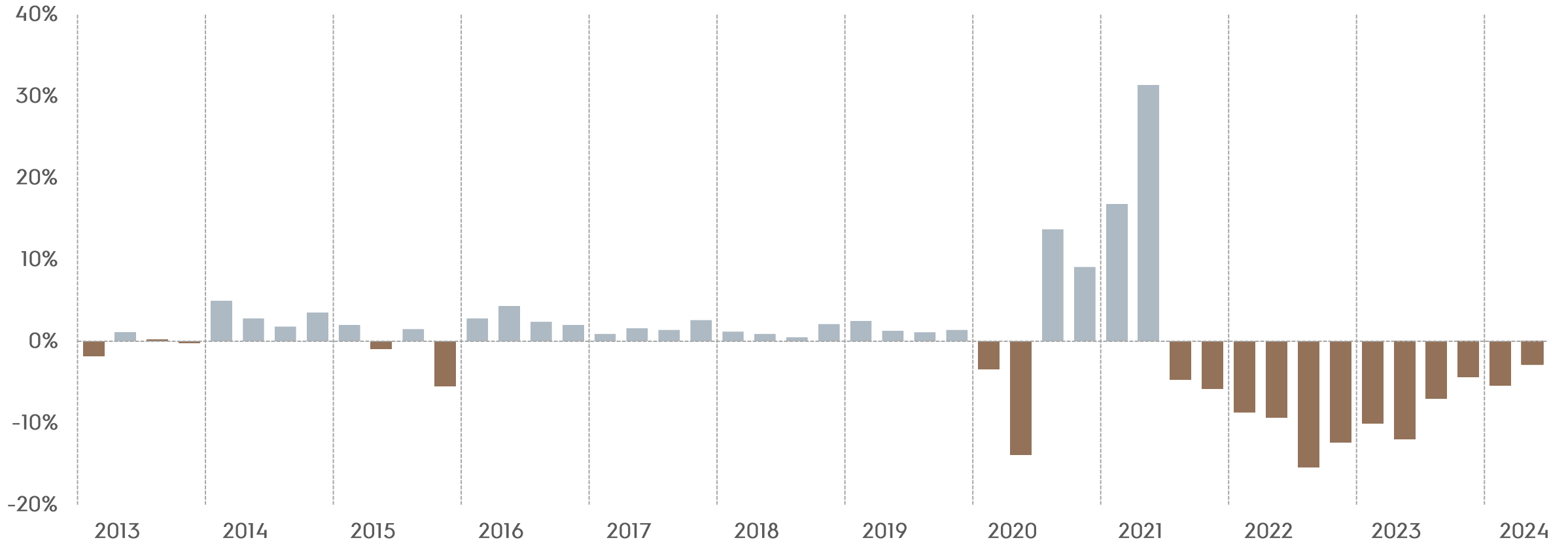


*Excluding non-recurring items (NRI) and currency adjusted.

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 growth

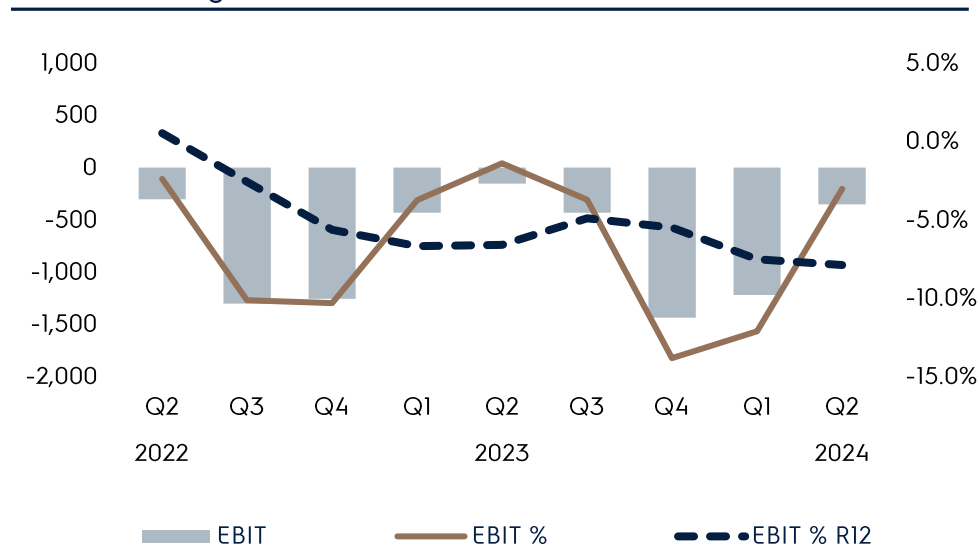
- Organic sales increase primarily driven by higher volumes
- Negative price, promotional activity remains high
- Positive mix
- Record high consumer star rating at 4.6 on a 5-point scale

Operating loss reduced by SEK 0.8bn sequentially

- Negative organic contribution from price
- Positive mix and higher volumes supported by increased investments in marketing
- Positive external factors, partly driven by lower raw material cost
- Productivity in the Springfield factory improved sequentially

SEKm	Q2 2024	Q2 2023	Change
Net sales	11,728	11,238	4.4%
Organic growth	4.7%	-12.3%	17.0pts
Currency	-0.4%	6.7%	-7.1pts
EBIT	-369	-160	N/A
Margin	-3.1%	-1.4%	-1.7pts
EBIT excl. NRI	-369	-160	N/A
EBIT margin excl. NRI	-3.1%	-1.4%	-1.7pts

EBIT and margin*

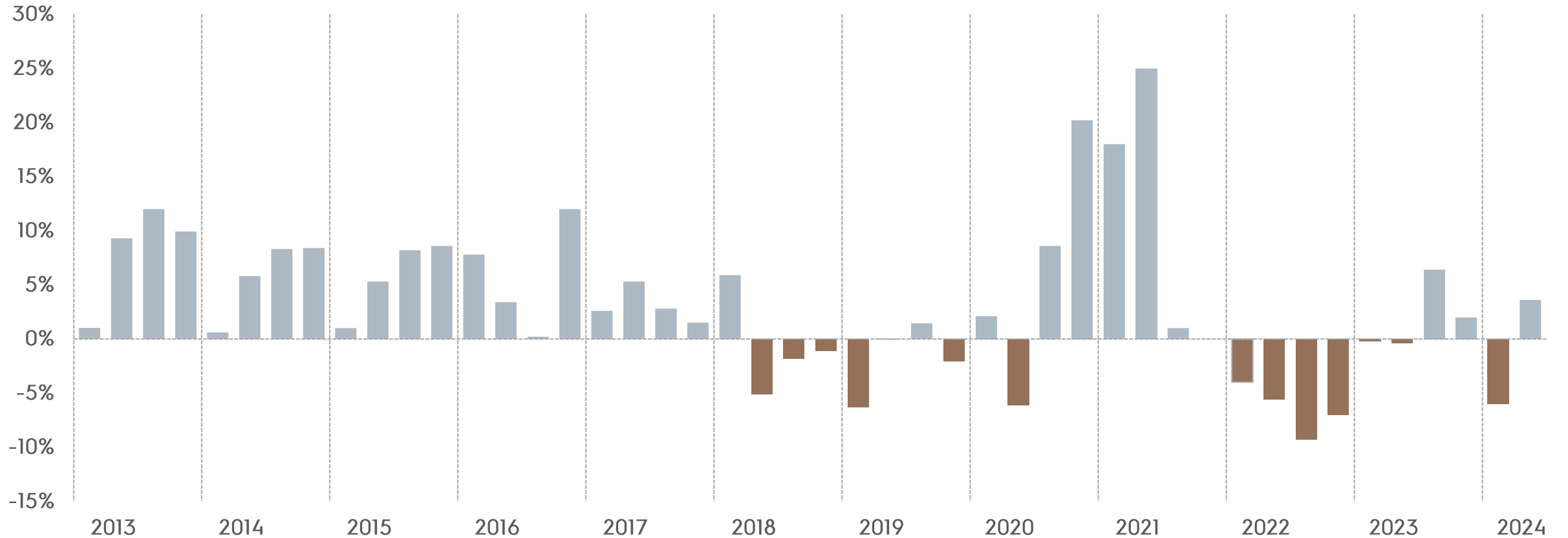


*Excluding non-recurring items (NRI) and currency adjusted.

U.S. Core Appliances Market



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



*Source: Based on the AHAM Factory Shipment Report. Q2 2024 is a comparison of weeks between March 31, 2024 - June 29 30, 2024 vs April 2, 2023 - July 1, 2023. Core appliances include AHAM 6 (Washers, Dryers, Dishwashers, Refrigerators, Freezers, Ranges, and Ovens) and Cooktops. AHAM data for 2023 has been restated.

Latin America



High organic growth

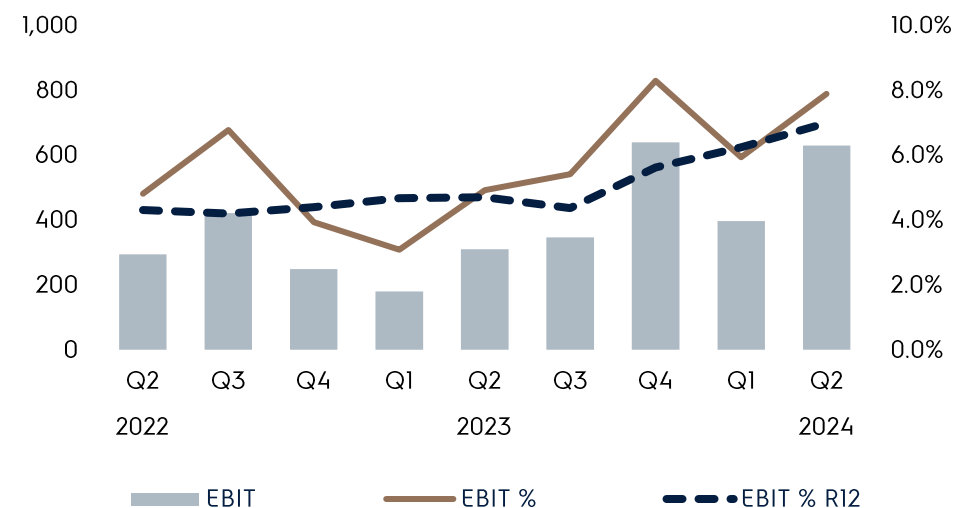
- Volume growth, driven by increased consumer demand and warm weather in Brazil
- Price slightly negative
- Slightly positive mix
- Strong aftermarket sales growth

Significant increase in EBIT

- Strong organic growth, driven by Brazil
- Positive contribution from cost efficiency
- Slightly positive external factors including negative currency effects
- Rolling 12m EBIT at 7%

SEKm	Q2 2024	Q2 2023	Change
Net sales	7,910	6,915	14.4%
Organic growth	26.6%	5.6%	21.0pts
Currency	-12.2%	4.7%	-16.9pts
EBIT	623	333	87.1%
Margin	7.9%	4.8%	3.1pts
EBIT excl. NRI	623	333	87.1%
EBIT margin excl. NRI	7.9%	4.8%	3.1pts

EBIT and margin*



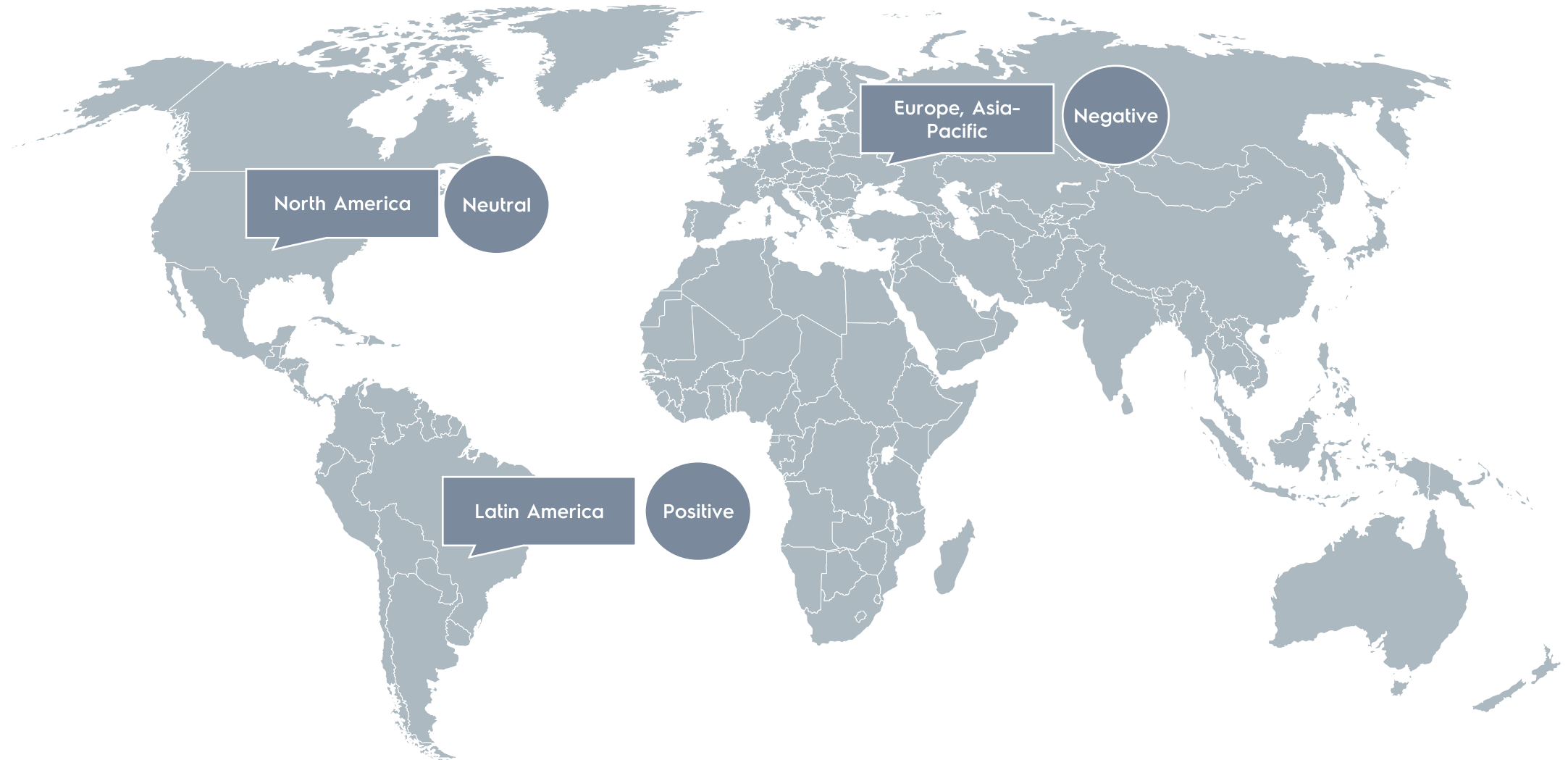
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Outlook and summary



Market outlook FY 2024 per region



Electrolux estimates for industry shipments of core appliances, units year-over-year

Latin America includes the ABC-countries, Asia-Pacific includes ANZ and SEA. In line with our new organizational structure, we have combined the outlook for Europe and Asia-Pacific from Q1 2024

Note: Market outlook assumes no significant additional impact from the global geopolitical situation. Presented July 19, 2024.

Electrolux business outlook



Business Outlook ¹ y-o-y	FY 2024	Comments
Volume/price/mix ²	Negative	Driven by price, partly offset by growth in focus categories.
Investments in consumer experience innovation and marketing ³	Negative	Increased investments in Innovation & marketing to capitalize on the momentum of the attractive product offering.
Cost efficiency ⁴	Positive approx. SEK 4bn	Execution on cost-reduction activities with significant cost benefits expected to impact the second half of the year. Headwind from logistics cost affecting previous target. Targeting cost savings of approximately SEK 4bn in 2024, excluding investments in Innovation and marketing.
External factors ⁵	Positive	Primarily driven by lower raw material costs, largely offset by negative currency effects.
Capex	SEK 5-6bn	

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

² Excludes currency related price increases in Argentina and Egypt, which is included in External factors.

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

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

⁵ Comprise raw material costs, energy costs, trade tariffs, direct and indirect currency impact and labor cost inflation >2% as well as the net effect of currency development including pricing adjustments in Argentina and Egypt.

Note: Business outlook in the above table excludes non-recurring items. Market and business outlook assume no significant additional impact from the global geopolitical situation

Strategy for profitable growth

Financial targets

Operating margin

≥6%

Return on net assets

>20%

Sales growth

≥4%

The primary financial priority is achieving our financial targets of an operating margin of at least 6% and a return on net assets of over 20%, over a business cycle. Once established, our objective is sales growth of at least 4% annually, over a business cycle.



Driving sustainable consumer experience innovation



Increasing efficiency through digitalization, automation and modularization

Solid balance sheet facilitates profitable growth

Strategic drivers executed in Q2:

- Sequentially improved operating profit by SEK >1bn in the quarter
- Good traction of our products and industry leading consumer star ratings in main categories
- Volume growth and positive mix in a challenging market

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

Strategy for profitable growth

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Appendix

Earnings contribution from price/mix



Business Area	Q2, y-o-y	Comments on Q2 y-o-y
Europe, Asia-Pacific, Middle East and Africa	Negative	Increased promotions and negative price, partly offset by positive mix. Excludes currency related price increases in Egypt, which is included in external factors.
North America	Negative	Negative price due to high price pressure. Growth in targeted high-value products generated a positive mix.
Latin America	Negative	Excludes currency related price increases in Argentina, which is included in external factors. Price slightly negative in other markets. Slightly positive mix.
Group EBIT % accretion	-2.8 pts	Negative price in all business areas. Excludes currency related price increases in Argentina and Egypt. Favorable mix supported by the attractive product offering.



Electrolux
Group