

Press Release

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Electrolux expectations for 2017

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During 2017, Electrolux will continue to focus on innovative product launches delivering great consumer experiences, in combination with a strong emphasis on cost efficiencies. Market demand in Electrolux largest markets, Europe and North America, is expected to grow moderately.

Market demand has been positive in Europe in 2016, although there have recently been signs of softer demand in some markets, including the UK. Demand for appliances in Europe is expected to grow by about 1% in 2017.

Appliance demand in North America has grown for almost four consecutive years. We expect continued stable development and forecast volume growth of 2-3% in 2017. Continued pressures on household disposable income in Brazil and Argentina are forecast to have a negative impact on market volumes in these countries, which account for the majority of Electrolux sales in Latin America. Market demand in Argentina and Brazil together, is expected to decrease by approximately 5% in 2017.

The work to increase operational efficiency continues and the net cost efficiency is planned to contribute positively with approximately SEK 1.6 bn for the year, excluding the impacts of raw materials and currency fluctuations. The Group's capital expenditure level is expected to amount to approximately SEK 4 bn.

Commodity prices in general have been trending upwards during 2016. Electrolux costs for raw materials are expected to increase by approximately SEK 900m in 2017 based on current market projections.

Currency movements have been volatile throughout 2016. Recently, there have been reinforced fluctuations in several of Electrolux major currencies, most notably the Egyptian Pound which was floated in early November 2016. For 2017, at current exchange rates, a negative transaction impact for the Group of SEK 250m is expected. However, Electrolux expects a positive translation impact of SEK 250m.

Electrolux is focused on achieving sustainable profitability in all business areas, with high priority on securing a Group EBIT margin of 6% over the business cycle. This will be achieved through innovative product launches and an active product portfolio management, in combination with product and structural cost efficiencies. In all, this will create additional value for our customers, employees and shareholders.