

Press Release

For further information,
please contact:

Daniel Frykholm
Electrolux Press Hotline
*46 8 657 65 07

Merton Kaplan
Investor Relations
*46 8 738 70 06

President and CEO Jonas Samuelson's comments on the results
for the third quarter 2017

Earnings improvement for the Group continues

In the third quarter Electrolux continued to deliver earnings improvement, achieving an operating margin of 6.7%. Profitability increased across our business areas with four business areas reaching an operating margin above 7%. The favorable earnings trend was supported by product mix improvements and accelerated cost efficiency despite organic sales decline, mainly related to North America.

In EMEA, the positive product mix development continued and our premium brands gained market share. Operating income improved and the margin increased to 7.9% in the quarter with strong cost efficiency work offsetting the increased raw material costs and currency headwinds.

The European appliance market remains solid, with demand growth in several markets in Western and Eastern Europe, while the UK and the Middle East and Africa continue to be weak. We expect the total European market to be positive and reconfirm our outlook of around 1% growth in 2017.

In North America our margin was stable at 7.5%. This was a result of product portfolio management and good operational performance with increased cost efficiencies. Our sales, however, were impacted by continued price pressure and the underlying decline in private labels. In the quarter we executed the strategically important launch of the new Frigidaire product range, which has received very positive reactions from retail and consumers. However, in the quarter, the transition was impacted by temporary supply chain challenges, which also affected our sales volumes.

The market for appliances in North America remains favorable and we anticipate demand to be positive for the remainder of the year. We confirm our full year growth outlook to be about 3-4%.

In Latin America, demand continued to recover and market volumes in Brazil, Argentina and Chile improved significantly. Latin America delivered organic sales growth for the first time since the second quarter of 2015 and earnings continued to improve on the back of strong cost efficiencies. We have also announced the acquisition of the rights to the nationally well-known brand Continental with a long standing history in Brazil. This will enable further growth in this important market for Electrolux.

The positive earnings trend for our operations in Asia Pacific, Home Care & SDA and Professional Products continued and operating income and margins improved compared to the third quarter 2016.

Our focus on sustainable profitability continues and we expect a slightly positive organic contribution in the fourth quarter with volume/mix offsetting the continued negative price pressure, supported by stronger markets in Latin America and new product launch traction in North America and EMEA. We have during the third quarter further accelerated our efficiency measures and now expect to deliver a net cost efficiency of around SEK 3 billion for the full year of 2017. The pace of net cost reductions will be lower in Q4 than in Q3 as some planned market launch activities in North America were

shifted into Q4. We reconfirm the expected negative impact from raw-material costs to be around SEK 1.4 billion for the full year.

We continue our ambition to shape living for the better by reinventing taste, care and wellbeing experiences for more enjoyable and sustainable living around the world.

Stockholm, October 27, 2017
Jonas Samuelson
President and CEO

This information is information that AB Electrolux is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out above, at 0800 CET on October 27, 2017.

Electrolux shapes living for the better by reinventing taste, care and wellbeing experiences, making life more enjoyable and sustainable for millions of people. As a leading global appliance company, we place the consumer at the heart of everything we do. Through our brands, including Electrolux, AEG, Anova, Frigidaire, Westinghouse and Zanussi, we sell more than 60 million household and professional products in more than 150 markets every year. In 2016 Electrolux had sales of SEK 121 billion and employed 55,000 people around the world. For more information go to www.electroluxgroup.com.