

Q4 2020 Result presentation

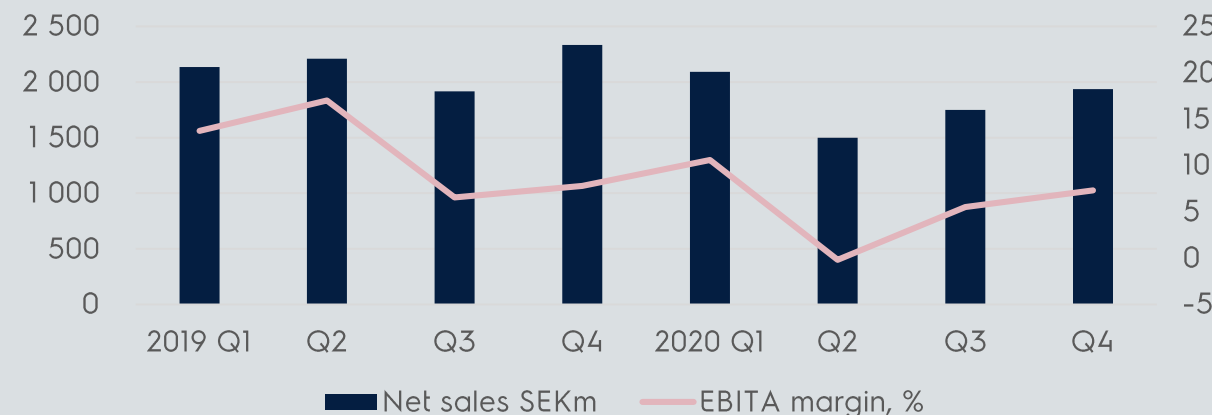
Alberto Zanata, President and CEO

Fabio Zarpellon, CFO

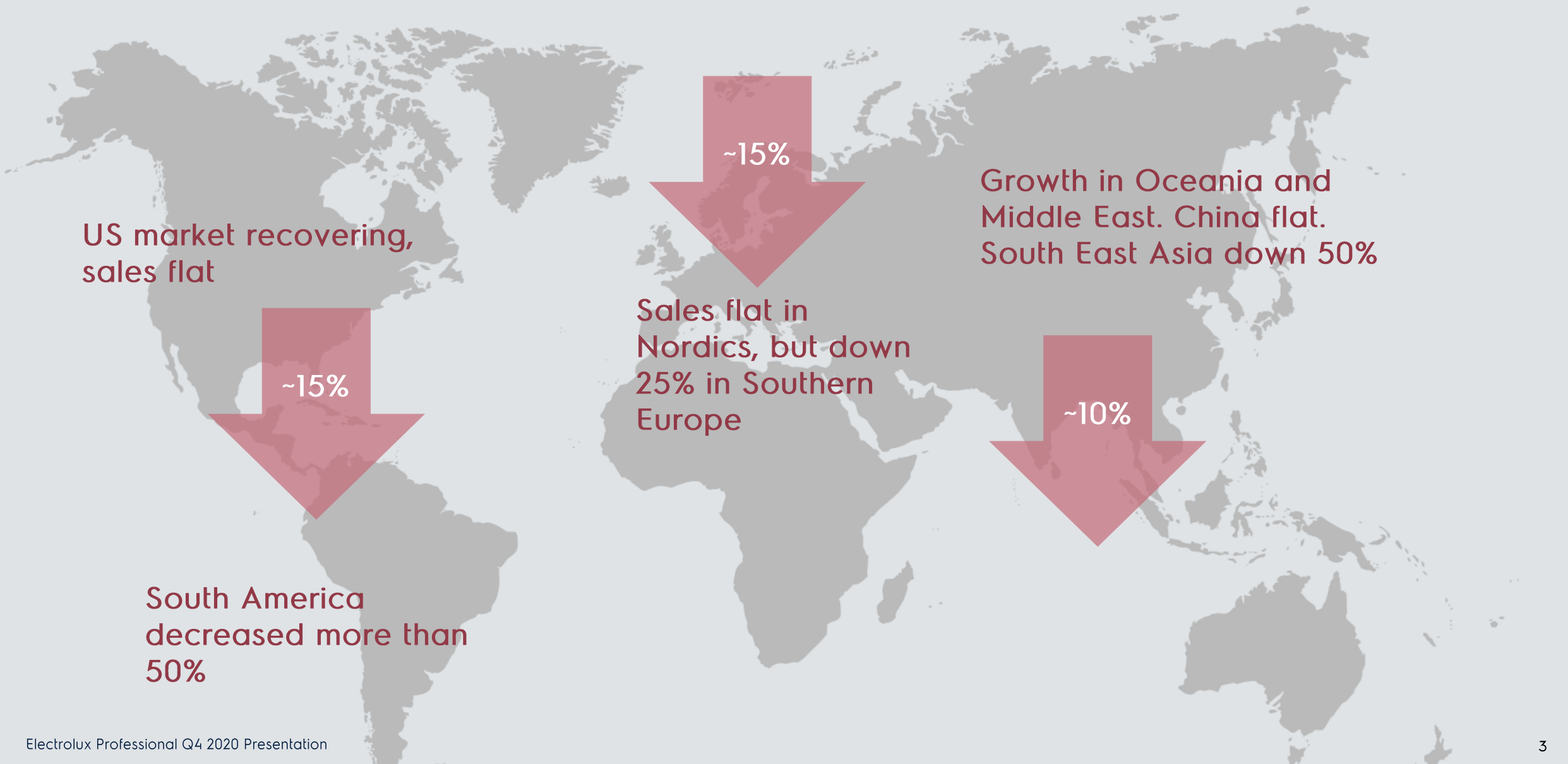
Strong cash flow in a turbulent time, improved performance in Laundry

- Market impacted by the pandemic but customers now better in handling the situation
 - Organically sales declined by 13.2%
- EBITA was SEK 142m (181), corresponding to a margin of 7.3%
- Operating cash flow after investments amounted to SEK 460m (355)
- Due to the ongoing pandemic, the Board proposes to pay no dividend
- Continued investments in strategic initiatives

SEKm	Oct - Dec 2020	Oct -Dec 2019	Change, %
Net sales	1,935	2,334	-17.1
EBITA	142	181	-21.5
EBITA margin, %	7.3	7.8	-6.4
Operating cash flow after investments	460	355	29.6



Q4 net sales development per region organic



Coronavirus impact on sales in Q4

Second wave of the coronavirus halted the recovery

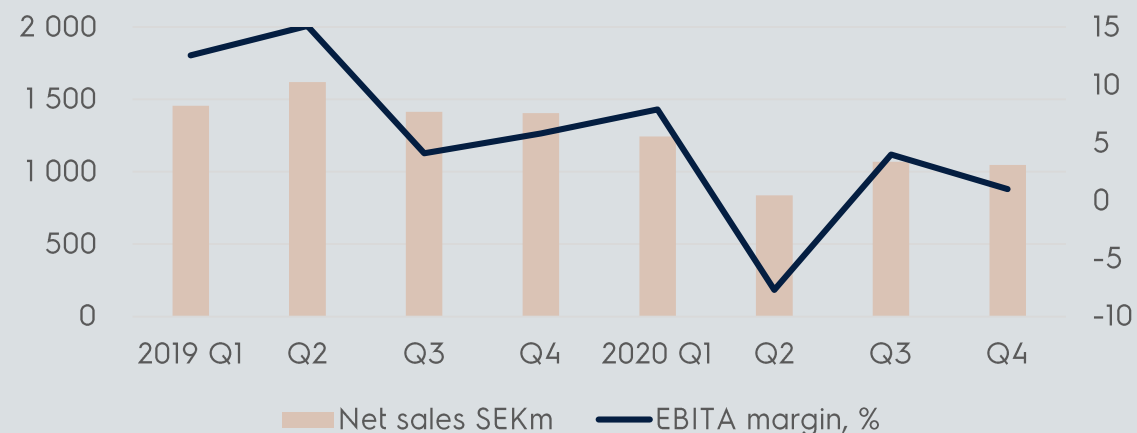
- Sales in the quarter declined organically by 13.2%
- Sales declined more towards the end of the quarter
- Laundry shows the strongest recovery, sales almost flat compared to Q4 2019



Sales still heavily impacted by the pandemic

- Sales declined organically 20.8%
- Sales declined by 25% in Europe and Americas and by 5% in Asia Pacific, Middle East and Africa
- Southern Europe and Latin America accounted for more than half of the total decline
- Sales in the US declined 5%
- South East Asia still negatively affected. China unchanged
- EBITA declined due to lower volumes and less cost savings due to restart of activities

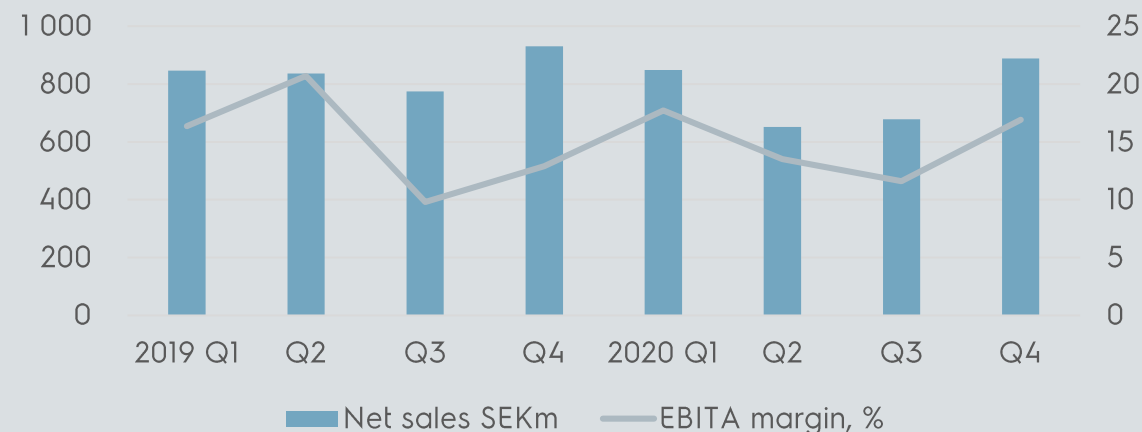
SEKm	Oct - Dec 2020	Oct - Dec 2019	Change, %
Net sales	1,047	1,405	-25
Organic growth, %	-20.8	-10.1	
Acquisitions, %	-0.6	3.5	
Currency, %	-4.1	3.1	
EBITA	11	82	-87
EBTIA margin, %	1.0	5.8	



Sales flat in the period, improved EBITA

- Sales in Europe grew approximately 2%
- Approximately 20% decline in Asia-Pacific, Middle East and Africa, Americas was flat
- US grew 10%
- Improved EBITA margin due to cost efficiencies and positive price development

SEKm	Oct - Dec 2020	Oct - Dec 2019	Change, %
Net sales	888	930	-4
Organic growth, %	-1.9	-0.2	
Acquisitions, %	-	-4.6	
Currency, %	-2.6	2.4	
EBITA	150	120	25
EBITA margin, %	16.9	12.9	



SEKm	Oct - Dec 2020	Oct - Dec 2019	Change, %
Net sales	1,935	2,334	-17.1
Gross operating income	602	771	
Gross operating margin, %	31.1	33.0	
Operating income	119	165	-28
Operating margin, %	6.1	7.1	
EBITA	142	181	-21
EBITA margin, %	7.3	7.8	

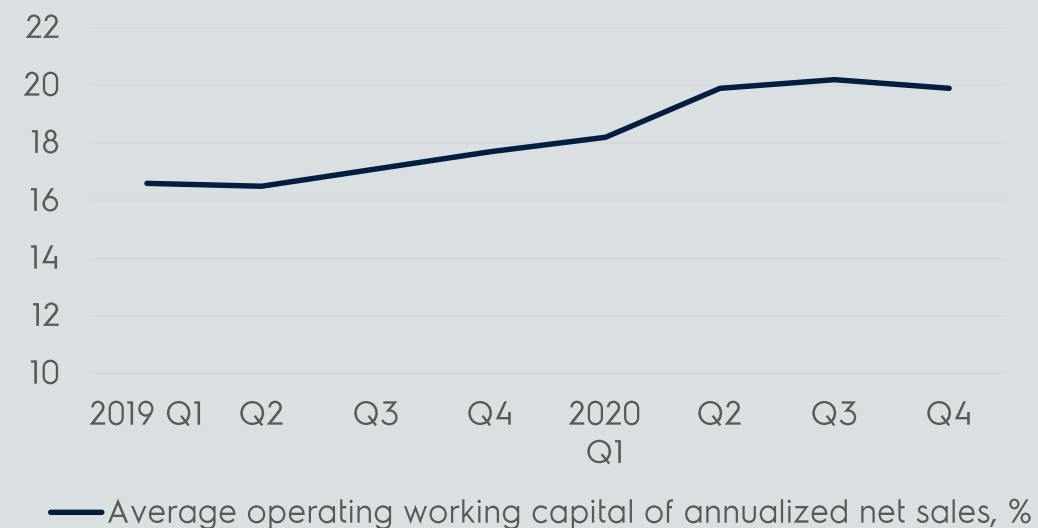
EBITA development

- Stable EBITA margin
- Decline in EBITA mainly due to lower volumes and negative currency impact
- Gross margin declined due to lower volumes and negative currency transaction cost
- Short-term cost activities and structural cost savings contributed positively with approximately SEK 90m

Operating working capital and Financial position

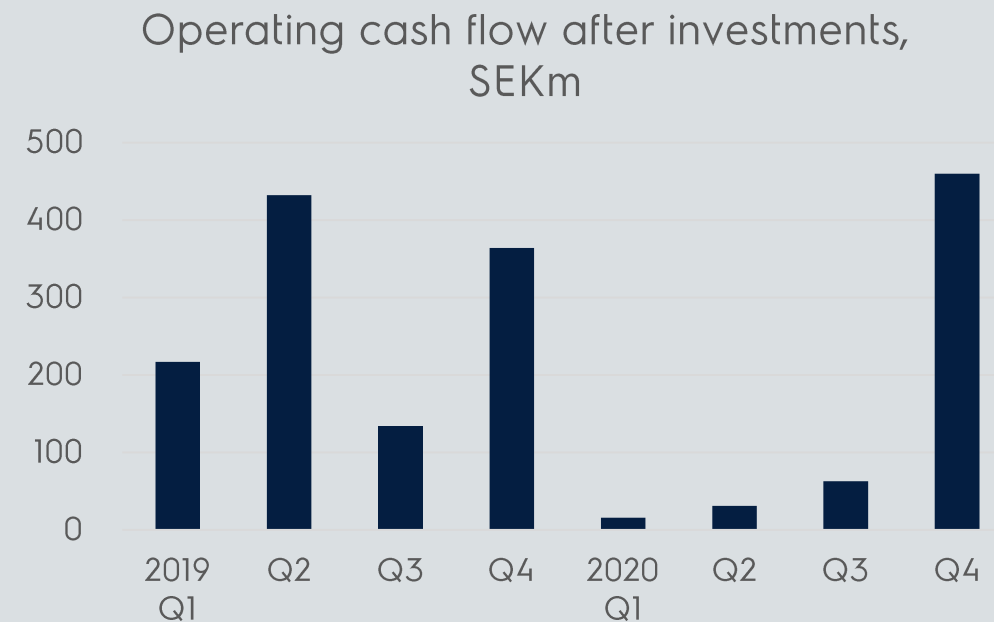
SEKm	31 Dec 2020	31 Dec 2019
Inventories	1,086	1,265
Trade receivables	1,265	1,687
Trade payables	1,289	1,606
Operating working capital	1,062	1,788
Operating working capital of annualized net sales, %	19.9	17.7
Interest-bearing liabilities	1,004	997
Net provisions for post-employment benefits	131	195
Lease liabilities	216	243
Other liabilities	8	246
Liquid funds	810	656
Net debt	549	1,025
Net debt/EBITDA	0.8	0.8

Operating working capital % of net sales



Operating cash flow

SEKm	Oct - Dec 2020	Oct - Dec 2019
EBIT	119	165
Depreciation, amortization and other non-cash items	85	56
Change in operating assets and liabilities	313	282
Investments in intangible and tangible assets	-68	-132
Changes in other investments	11	-16
Operating cash flow after investments	460	355





OnE Connected Solutions

Maximizes profit and accelerates customer's return on investment. Control operations from any device.

Only OnE Connected platform for all connected appliances.
Reduces downtime and maintains top operation performances.



Sustainability strategy and targets

- **Target set to be climate neutral by 2030**

- Sustainable solutions - Grow the business by developing sustainable, innovative low-running cost solutions
- Sustainable operations - Operational excellence and EPS drives sustainability performance
- Ethics and relationship - Ethical practices enabling business by providing trust



CO2 reduction aligned with Paris agreement



Lost time injury rate

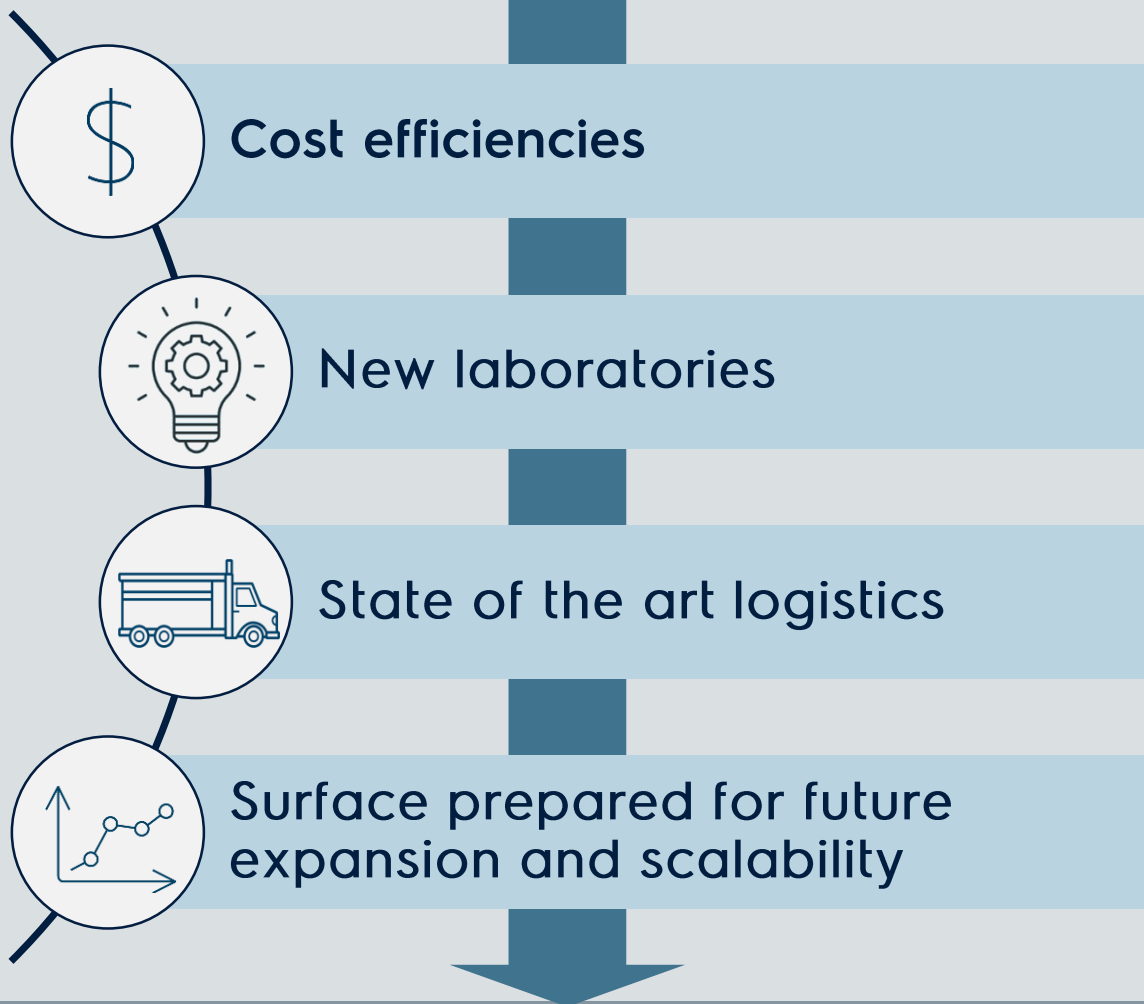


Diversity & inclusion



Rayong – new “state of the art” factory in Thailand

- Planned for inauguration in June, 2021



New IT-system for manufacturing launched

- One common IT-system for procurement, planning and production
- To be implemented in all manufacturing sites during 2021-2025
- First site successfully implemented
- Part of Digital transformation program

Digital transformation



Summary

- Sales recovery halted due to second wave of pandemic - customers now better in handling the situation
- Sales declined more towards the end of the quarter
- Hospitality industry is likely to continue to be affected - Laundry less
- Cost savings contributed positively to EBITA - but short-term savings are decreasing
- Investments for the future - products, Thailand and IT infrastructure for the factories
- Sustainability climate neutrality target set for 2030

Q&A



Electrolux
P R O F E S S I O N A L