

Q3

2021



Strong price execution in a supply constrained environment

- Net sales amounted to SEK 30,929m (32,004) and organic sales was in line with last year. Market demand normalized at above pre-pandemic levels.
- Price and mix continued to increase, while global supply chain constraints resulted in difficulties in meeting underlying market demand.
- Operating income amounted to SEK 1,639m (3,220), corresponding to a margin of 5.3% (10.1).
- Strong price execution offset significant increase in headwind from external factors, but did not fully offset temporary higher costs for express logistics and electronic components. Additional list price increases were announced to be implemented after the third quarter.
- Income for the period amounted to SEK 1,143m (2,356) and earnings per share was SEK 3.98 (8.20).
- Operating cash flow after investments was SEK -198m (6,005).

Financial overview

SEKM	Q3 2021	Q3 2020	Change, %	Nine months 2021	Nine months 2020	Change, %
Continuing operations¹						
Net sales	30,929	32,004	-3	90,258	82,058	10
Sales growth, % ²	-0.0	15.3		18.5	-2.0	
Organic growth, %	-0.3	15.2		18.2	-2.0	
Acquisitions, %	0.2	0.1		0.2	0.0	
Divestments, %	-	-		-	-	
Changes in exchange rates, %	-3.3	-9.7		-8.5	-3.7	
Operating income	1,639	3,220	-49	5,919	3,280	80
Operating margin, %	5.3	10.1		6.6	4.0	
Income after financial items	1,513	3,056	-51	5,555	2,757	101
Income for the period	1,143	2,356	-52	4,082	2,129	92
Earnings per share, SEK ³	3.98	8.20	-52	14.20	7.41	92
Return on net assets, %	-	-		34.3	16.3	
Operating cash flow after investments	-198	6,005		1,097	3,188	
Total Group, including discontinued operations¹						
Income for the period ⁴	1,143	2,356	-52	4,082	4,724	-14
Earnings per share, SEK ³	3.98	8.20	-52	14.20	16.44	-14

¹ Discontinued operations refers to first quarter of 2020 and Electrolux Professional, which was separated from the Electrolux Group March 23, 2020. For more information see Note 5.

² Change in net sales adjusted for currency translation effects.

³ Basic.

⁴ Income for the period for the first quarter of 2020 included a settlement gain from the distribution of Electrolux Professional of SEK 2,379m.

For definitions, see pages 25-26.

Note: n.m. (not meaningful) is used when the calculated number is considered not relevant.

President and CEO Jonas Samuelson's comment

In the third quarter, we continued to see solid demand in most markets with normalization above pre-pandemic demand trends. Net sales were essentially flat in the quarter. Strong price realization and favorable mix, through an attractive product and brand offering, offset lower sales volumes. Supply chain constraints, mainly electronic component availability, impacted production output negatively, as we anticipated. We estimate the production impact to be approximately 10% in the quarter. Operating income amounted to SEK 1,639m, or 5.3% of net sales. Price once again more than offset external factors, predominantly accelerating raw material inflation and currency. However, the tight conditions for electronics and ocean freight also led to significant temporary cost increases, such as express logistics and spot buys, of about SEK 300m that could not be fully offset in the short term. In particular, our North American business area was affected since the congestion at important U.S. ports amplified the supply constraints. In addition to a negative impact on volumes and mix, the business area also faced higher costs, driven by the use of more express logistics and high production inefficiency caused by limited planning visibility. High absenteeism due to the coronavirus also constrained North American manufacturing.

We continue to have a tight collaboration with suppliers to mitigate global supply shortages, but we estimate that the fourth quarter will be even more challenging than the third quarter. Although we anticipate sequential improvements in 2022, we expect challenging conditions to remain in meeting continued strong demand.

Price is our main tool to compensate for cost inflation. In 2021 we are on track to fully offset headwind from external factors and inflationary cost increases on electronic components and logistics with price; just as we have done up until now for the last four-year period. Additional price increases were implemented in the quarter, as a response to the recent significantly higher cost inflation, mainly on raw material, as well as unfavorable currency effects. We are also in the process of announcing further price increases in our main markets as we are determined to offset accelerating cost headwind also in 2022. A strong product range, with

additional significant launches currently ramping up, gives us confidence that consumer demand for our innovative product offering will remain healthy.

We maintain our 2021 full year regional market outlook, even though supply conditions remain volatile. We expect that limited availability of certain product categories will continue throughout the year, with regional variances, as underlying consumer demand normalizes above pre-pandemic levels.



Our aim is to achieve a climate neutral value chain by 2050. With product usage accounting for ~85% of the CO2 climate impact of an appliance, the focus is on increasing energy efficiency and inspiring consumers to live more sustainable lives. A great example is the laundry campaign 'Make it Last', read more on page 10.

In the quarter, the EGM resolved on the proposed automatic share redemption of SEK 17 per share. Combined with the already approved ordinary dividend, this mean a total cash distribution of SEK 25 per share to be paid out in 2021. Going forward, the Board's intention is to complement ordinary dividends with ongoing share buybacks.

I am confident that our strategy ensures we remain well positioned to deliver long-term shareholder value even in rapidly changing market conditions.

Outlook

Market outlook, units year-over-year ¹	FY 2021	Previous outlook for FY 2021 ⁷	Market outlook, units year-over-year ¹	FY 2021	Previous outlook for FY 2021 ⁷
Europe	Positive	Positive	Latin America	Neutral	Neutral
North America	Positive	Positive	Asia-Pacific, Middle East and Africa	Positive	Positive

Business outlook ² , year-over-year	FY 2021	Previous outlook for FY 2021 ⁷
Volume/price/mix	Positive	Positive
Net cost ³	Negative	Negative
Investments in consumer experience innovation and marketing ⁴	Negative	Negative
Cost efficiency ⁵	Negative	Positive
External factors ⁶	Negative SEK-4.5bn	Negative SEK 3.0bn - 3.5bn
Capital expenditure	SEK 6-7bn	SEK 6-7bn

¹ Electrolux estimates for industry shipments of core appliances. ² Business outlook range: Positive - Neutral - Negative, in terms of impact on earnings.

³ Net cost is the sum of "Investments in consumer experience innovation and marketing" and "Cost efficiency". ⁴ Comprise of costs of R&D, marketing/brand, connectivity, CRM, aftermarket sales capability etc. ⁵ Efficiencies in variable costs (excl. raw material, trade tariffs and labor cost inflation >2%) and structural costs (excl. consumer experience innovation and marketing). ⁶ Comprise of raw material costs, trade tariffs as well as direct and indirect currency impact and labor cost inflation >2%. Currency translation effects are estimated to impact 2021 net sales by -6% and operating income by SEK -400m. ⁷ Published on July 20, 2021.

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



Summary of the third quarter

SEKM	Q3 2021	Q3 2020	Change, %	Nine months 2021	Nine months 2020	Change, %	Full year 2020
Net sales	30,929	32,004	-3	90,258	82,058	10	115,960
Operating income							
Europe	833	1,522	-45	2,968	2,324	28	3,643
North America	196	990	-80	1,248	518	141	1,215
Latin America	387	440	-12	1,137	242	370	666
Asia-Pacific, Middle East and Africa	362	459	-21	1,067	661	61	1,038
Other, Group common costs, etc.	-139	-191	27	-500	-465	-7	-783
Total	1,639	3,220	-49	5,919	3,280	80	5,778
Operating margin, %	5.3	10.1		6.6	4.0		5.0

Note: n.m. (not meaningful) is used when the calculated number is considered not relevant.

Net sales

Sales were flat in the quarter, excluding currency translation effects. Price improved following list price increases implemented during the year. Promotional activity remained at very low levels. Mix continued to develop favorably, despite impact from global supply and logistic constraints. Aftermarket sales was in line with last year. The supply chain constraints also resulted in difficulties in meeting underlying market demand. Last year's third quarter benefitted from a significant market recovery, mainly driven by pent-up demand and government stimulus programs. Compared to the third quarter in 2019, sales growth was 15.0%.

Operating income

Operating income amounted to SEK 1,639m (3,220), corresponding to a margin of 5.3% (10.1). Higher price offset significant increase in headwind from external factors,

predominantly from raw material, but did not fully offset higher costs for logistics and electronic components. Hence, additional list price increases were announced to be implemented after the third quarter. The tight supply chain situation resulted in production inefficiencies due to limited planning visibility. Mix developed favorably, mainly in Europe. Investment in innovation and marketing increased, mainly compared to significant reduction last year.

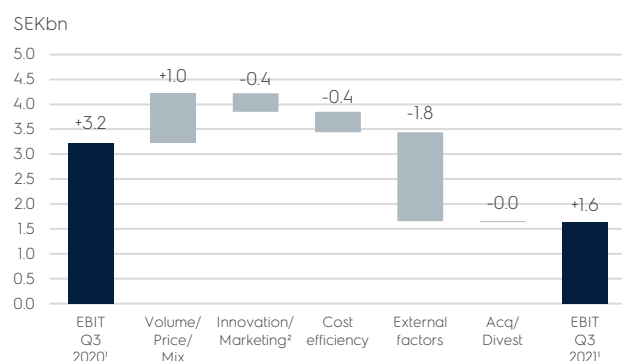
Financial net

Net financial items amounted to SEK -126m (-164).

Income for the period

Income for the period amounted to SEK 1,143m (2,356), corresponding to SEK 3.98 (8.20) in earnings per share.

OPERATING INCOME BRIDGE

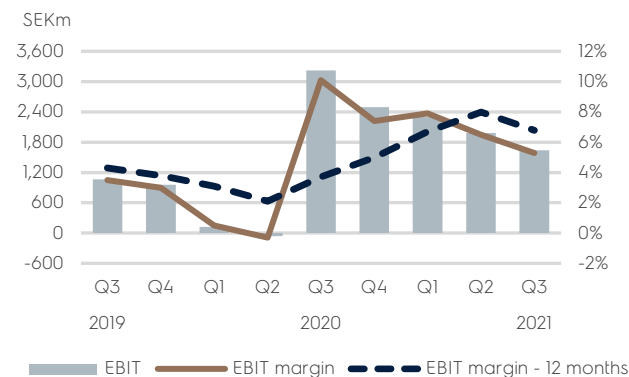


¹ Operating income (EBIT) excluding non-recurring items.

² Investments in consumer experience innovation and marketing.

For more information on definitions, see page 2 under Business Outlook.

OPERATING INCOME AND MARGIN



EBIT margin - 12 months is excluding non-recurring items, see page 24.



First nine months of 2021

Sales growth was 18.5% in the first nine months, excluding currency translation effects. Organic sales increased by 18.2%.

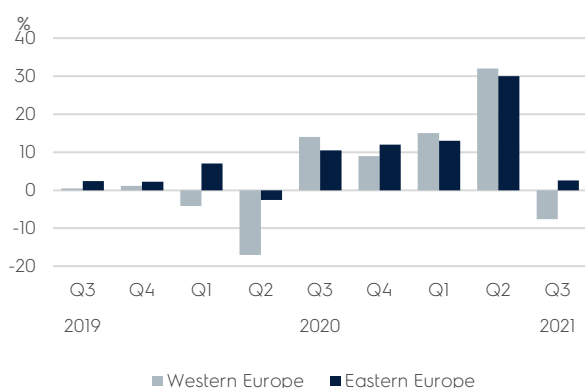
Operating income amounted to SEK 5,919m (3,280), corresponding to a margin of 6.6% (4.0). Income for the period amounted to SEK 4,082m (2,129), corresponding to SEK 14.20 (7.41) in earnings per share.

Income for the period for the total Group, amounted to SEK 4,082m (4,724) corresponding to SEK 14.20 (16.44) in earnings per share. Comparative figures for 2020 included a settlement gain from the distribution of Electrolux Professional of SEK 2,379m, see Note 5.

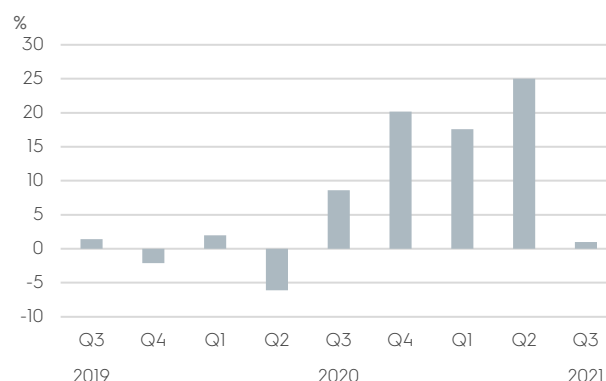
Market overview

In the third quarter, market demand in Europe declined year-over-year, driven by Western Europe. Last year's demand was strong because of pent-up demand from previous quarter and government incentives. In the U.S., the market demand for core appliances increased, even compared to a strong quarter last year, driven by consumers' increased spending on home improvement and retailer inventories replenishment. For more information about the markets, please see the Business areas section.

INDUSTRY SHIPMENTS OF CORE APPLIANCES IN EUROPE*



INDUSTRY SHIPMENTS OF CORE APPLIANCES IN THE U.S.*



*Units year-over-year, %.

Sources: Europe: Electrolux estimate, US: AHAM. For definitions see below. For other markets, there are no comprehensive market statistics.

Industry shipment of appliances

Europe, units, year-over-year, %*	Q3 2021	Q3 2020	Nine months 2021	Nine months 2020	Full year 2020
Western Europe	-8	14	12	-2	1
Eastern Europe (excluding Turkey)	3	11	13	5	8
Total Europe	-5	13	12	0	3

*Source: Electrolux estimates for core appliances. Core appliances include: Refrigerators, Freezers, Washing machines, Tumble dryers, Free-standing Cookers, Built-in Ovens, Built-in Hobs, Hoods and Dishwashers.

U.S., units, year-over-year, %*	Q3 2021	Q3 2020	Nine months 2021	Nine months 2020	Full year 2020
Core appliances	1	9	14	2	6
Microwave ovens and home-comfort products	-8	31	15	-3	0
Total major appliances	-2	14	14	0	4

*Source: Based on the AHAM Factory Shipment Report. Q3 2021 is comparison of weeks between July 4, 2021 – October 2, 2021 vs July 5, 2020 – October 3, 2020. Consistent to historical methodology. Core appliances includes AHAM 6 (Washers, Dryers, Dishwashers, Refrigerators, Freezers, Ranges and Ovens) and Cooktops.



Business areas

Europe

In the quarter, overall market demand in Europe declined by 5% compared to a strong quarter last year driven by pent-up demand and government incentives. Supply constraints impacted producers' ability to fully meet underlying demand in the quarter. In Western Europe demand decreased by 8%, while it increased in Eastern Europe by 3%. Compared to the third quarter in 2019, market demand increased by 9%, mainly driven by consumers' increased spending on home improvement, but also retailer inventories replenishment continued to benefit demand. Consumer spending patterns started to normalize in the quarter.

Electrolux reported organic sales decline of 1.4% due to lower volumes, compared to the third quarter last year significantly affected by unusually strong market demand. In the quarter, supply constraints impacted volumes negatively as well as the ability to fully drive mix. Despite this, the business area continued to improve mix within the focus areas built-in kitchen and laundry under its premium brands Electrolux and AEG. Price impacted sales positively, mainly following list price increase implemented in the first half of the year. The aftermarket business continued to grow.

Operating income declined year-over-year. Price could not fully offset significant headwinds from external factors,

SEKM	Q3 2021	Q3 2020	Nine months 2021	Nine months 2020	Full year 2020
Net sales	11,905	12,317	35,262	32,113	46,038
Organic growth, %	-1.4	15.7	14.5	0.8	3.3
Acquisitions, %	0.2	-	0.1	-	-
Operating income	833	1,522	2,968	2,324	3,643
Operating margin, %	7.0	12.4	8.4	7.2	7.9

North America

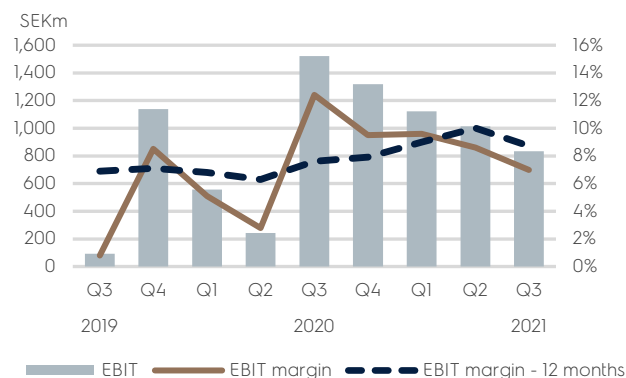
During the quarter, market demand for core appliances in the U.S. increased by 1% compared to a strong quarter last year and by 12% compared to the third quarter in 2019. Consumers' increased spending on home improvement and retailer inventories replenishment impacted market demand positively. However, supply constraints impacted producers' ability to fully meet underlying demand. Market demand for all major appliances, including microwave ovens and home-comfort products, decreased by 2% year-over-year.

Electrolux reported organic sales decrease of 1.9%. The tight supply and logistics situation resulted in lower volumes. Price continued to develop favorably driven by list price increases implemented early in the year and during the third quarter. Promotion activities remained at a very low level.

Operating income declined year-over-year. Supply chain constraints impacted the ability to meet market demand, both in terms of product availability and mix, including aftermarket sales. In the quarter, the contribution from mix was flat. The constraints also resulted in production inefficiencies due to limited planning visibility. High absenteeism due to the coronavirus also impacted. Price fully offset the significant

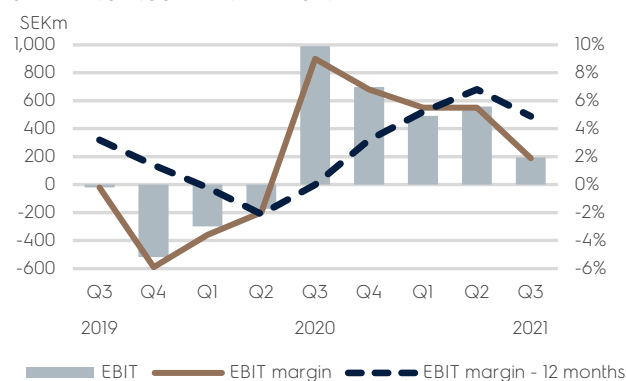
SEKM	Q3 2021	Q3 2020	Nine months 2021	Nine months 2020	Full year 2020
Net sales	10,378	10,993	29,512	27,939	38,219
Organic growth, %	-1.9	8.6	16.0	-7.2	0.9
Operating income	196	990	1,248	518	1,215
Operating margin, %	1.9	9.0	4.2	1.9	3.2

OPERATING INCOME AND MARGIN



EBIT margin - 12 months is excluding non-recurring items, see page 24. driven by raw material, and higher costs for logistics and electronic components. New list price increases were announced, or are about to be announced, across the region to be implemented towards the beginning of next year. Improved mix contributed positively to earnings. Investments in innovation and marketing increased, mainly due to significant reduction last year.

OPERATING INCOME AND MARGIN



EBIT margin - 12 months is excluding non-recurring items, see page 24. headwind from external factors, mainly from raw material, but could not fully cover the higher costs for logistics and electronic components. Hence, a third list price increase was announced to be implemented gradually during the fourth quarter. Investments in innovation and marketing increased, mainly compared to significant reduction last year.



Latin America

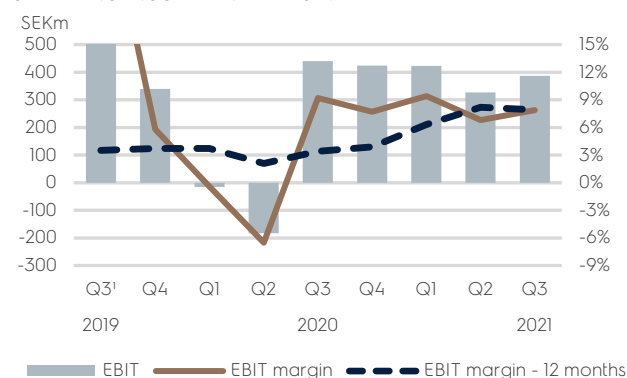
Consumer demand for core appliances is estimated to have declined for the region during the third quarter. This as demand in Brazil decreased, mainly compared to a strong third quarter last year, but signs of inflationary pressure also impacted. In Argentina, consumer demand increased compared to a quarter last year heavily impacted by pandemic restrictions. In Chile, consumer demand increased and government stimulus packages remained an important driver for demand.

Electrolux operations in Latin America reported organic sales growth of 10.9% driven by list price increases implemented earlier in the year and during the third quarter. Promotion activities remained at a very low level. Higher price was partly offset by lower volumes in Brazil as well as by a negative mix due to supply constraints.

Operating income somewhat declined, compared to a strong quarter last year, mainly as result of supply constraints impacting mix and product availability negatively. Higher price fully offset headwind from external factors, mainly raw material and currency, as well as from higher cost driven by supply chain constraints. Investments in brand strengthening initiatives and marketing increased during the third quarter, mainly due to a reduction last year.

SEKm	Q3 2021	Q3 2020	Nine months 2021	Nine months 2020	Full year 2020
Net sales	4,910	4,779	14,208	11,427	16,915
Organic growth, %	10.9	37.8	45.4	3.4	10.0
Operating income	387	440	1,137	242	666
Operating margin, %	7.9	9.2	8.0	2.1	3.9

OPERATING INCOME AND MARGIN



EBIT margin - 12 months is excluding non-recurring items, see page 24.

¹ Q3 2019: EBIT of SEK 1,539m corresponding to a margin of 33.4%. This includes non-recurring items of SEK 1,326m.

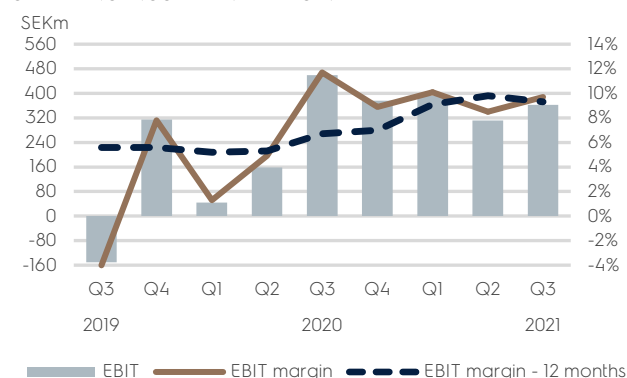
Asia-Pacific, Middle East and Africa

Market demand in the region is estimated to have declined during the third quarter. Further pandemic restrictions impacted market growth negatively. Even though market demand declined in Australia compared to a strong quarter last year, it was still at a high level and increased compared to the third quarter in 2019.

Electrolux reported organic sales decrease of 5.1%. Volumes were negatively impacted by extended pandemic lockdowns in Australia and Southeast Asia. Mix continued to improve, mainly driven by Australia and Northeast Asia. The positive price development was primarily due to list price increases implemented earlier in the year. List price increases implemented during the third quarter started to have effect towards the end of the quarter.

Operating income declined compared to a strong quarter last year. This was mainly due to lower volumes. Price could not fully offset significant headwind from external factors, driven by raw material, as well as from higher costs for logistics and electronic components. In addition to the list

OPERATING INCOME AND MARGIN



EBIT margin - 12 months is excluding non-recurring items, see page 24.

price increases implemented in the quarter, new list price increases were announced, or are about to be announced, in several regions to be implemented towards the beginning of next year.

SEKm	Q3 2021	Q3 2020	Nine months 2021	Nine months 2020	Full year 2020
Net sales	3,736	3,916	11,275	10,579	14,788
Organic growth, %	-5.1	9.7	9.0	-1.3	1.7
Acquisitions, %	1.1	0.4	1.3	0.2	0.6
Operating income	362	459	1,067	661	1,038
Operating margin, %	9.7	11.7	9.5	6.2	7.0

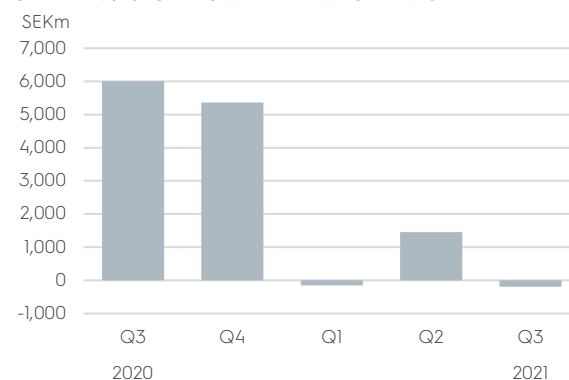


Cash flow

Operating cash flow after investments amounted to SEK -198m in the quarter. Last year, the record high operating income translated into a strong operating cash flow after investments of SEK 6,005m. The year-over-year decrease was primarily an effect of increased inventory levels, compared to last year's unusually low levels. Supply-demand mismatches, cost inflation and increased time in-transit due to logistic constraints contributed to the inventory levels in the quarter. In addition, a lower operating income and a higher level of investments compared to last year impacted cash flow negatively.

Operating cash flow after investments in the first nine months of 2021 amounted to SEK 1,097m (3,188).

OPERATING CASH FLOW AFTER INVESTMENTS



SEKm	Q3 2021	Q3 2020	Nine months 2021	Nine months 2020	Full year 2020
Operating income adjusted for non-cash items ¹	2,845	4,416	9,505	7,146	10,807
Change in operating assets and liabilities	-1,393	2,584	-4,721	-824	2,852
Operating cash flow	1,452	7,000	4,784	6,321	13,659
Investments in tangible and intangible assets	-1,651	-1,077	-3,759	-3,311	-5,338
Changes in other investments	1	81	72	179	230
Operating cash flow after investments	-198	6,005	1,097	3,188	8,552
Acquisitions and divestments of operations	-15	-7	-15	-8	-8
Operating cash flow after structural changes	-213	5,997	1,082	3,180	8,544
Financial items paid, net ²	-71	-129	-311	-425	-596
Taxes paid	-168	-263	-981	-571	-1,132
Cash flow from operations and investments	-452	5,605	-210	2,185	6,816
Payment of lease liabilities	-225	-217	-663	-685	-911
Dividend	-	-	-1,150	-	-2,012
Share-based payments	-	-	-280	-	0
Total cash flow, excluding changes in loans and short-term investments	-677	5,388	-2,303	1,500	3,894

¹ Operating income adjusted for depreciation, amortization and other non-cash items.

² For the period January 1 to September 30: interest and similar items received SEK 40m (52), interest and similar items paid SEK -200m (-309) and other financial items received/paid SEK -79m (-87). Interest paid related to lease liabilities SEK -71m (-82).



Financial position

Net debt

As of September 30, 2021, Electrolux had a financial net cash position (excluding lease liabilities and post-employment provisions) of SEK 2,633m, compared to the financial net cash position of SEK 4,741m as of December 31, 2020. Net provisions for post-employment benefits were SEK 1,950m and lease liabilities amounted to SEK 2,577m as of September 30, 2021. In total, net debt amounted to SEK 1,894m, an increase by SEK 338m compared to SEK 1,556m per December 31, 2020.

Long-term borrowings and long-term borrowings with maturities within 12 months amounted to a total of SEK 14,377m as of September 30, 2021 with average maturity of 2.1 years, compared to SEK 14,400m and 2.8 years at the end of 2020. In the third quarter, amortization of long-term borrowings amounted to SEK 2m. During the remaining part of 2021, long-term borrowings amounting to approximately SEK 0.1bn will mature. For more information see www.electroluxgroup.com.

Liquid funds as of September 30, 2021, amounted to SEK 18,280m, a decrease of SEK 2,187m compared to SEK 20,467m as of December 31, 2020. In the fourth quarter 2021, SEK 4,886m will be distributed to shareholders upon completion of the automatic share redemption.

For the first nine months, return on equity was 28.1% (32.3). The comparative nine months of 2020 was impacted by a settlement gain from the distribution of Electrolux Professional, see Note 5. Adjusted for the settlement gain, return on equity was 16.0% for the first nine months of 2020.

Working capital and net assets

Working capital as of September 30, 2021, amounted to SEK -15,633m (-17,357), corresponding to -12.8% (-16.5) of annualized net sales. Operating working capital amounted to SEK 7,151m (4,429), corresponding to 5.9% (4.2) of annualized net sales, see page 19.

Average net assets for the first nine months of 2021 amounted to SEK 23,025m (26,888), corresponding to 19.1% (24.6) of annualized net sales. Net assets as of September 30, 2021, amounted to SEK 25,432m (23,946).

Return on net assets was 34.3% (16.3).

Net debt

SEKM	Sep. 30, 2021	Sep. 30, 2020	Dec. 31, 2020
Short-term loans	1,044	1,913	1,012
Short-term part of long-term loans	4,206	365	277
Trade receivables with recourse	63	79	40
Short-term borrowings	5,313	2,358	1,329
Financial derivative liabilities	93	108	210
Accrued interest expenses and prepaid interest income	70	74	64
Total short-term borrowings	5,476	2,539	1,603
Long-term borrowings	10,172	14,454	14,123
Total borrowings¹	15,647	16,993	15,727
Cash and cash equivalents	17,973	19,460	20,196
Short-term investments	164	176	172
Financial derivative assets	126	87	81
Prepaid interest expenses and accrued interest income	17	17	18
Liquid funds²	18,280	19,740	20,467
Financial net debt	-2,633	-2,746	-4,741
Lease liabilities	2,577	2,793	2,618
Net provisions for post-employment benefits	1,950	4,032	3,679
Net debt	1,894	4,079	1,556
Net debt/equity ratio	0.11	0.21	0.08
Total equity	17,503	19,867	18,709
Equity per share, SEK	60.90	69.13	65.10
Return on equity, %	28.1	32.3	34.1
Equity/assets ratio, %	19.3	24.7	23.6

¹ Whereof interest-bearing liabilities amounting to SEK 15,422m as of September 30, 2021 and SEK 16,733m as of September 30, 2020.

² Electrolux also has an unused committed multicurrency revolving credit facility of EUR 1,000m, approximately SEK 10,168m, maturing 2023, and a revolving credit facility of SEK 10,000m, maturing 2025.



Other items

Asbestos litigation in the U.S.

Litigation and claims related to asbestos are pending against the Group in the U.S. Almost all of the cases refer to externally supplied components used in industrial products manufactured by discontinued operations prior to the early 1970s. The cases involve plaintiffs who have made substantially identical allegations against other defendants who are not part of the Electrolux Group.

As of September 30, 2021, the Group had a total of 3,286 (3,434) cases pending, representing approximately 3,295 (approximately 3,470) plaintiffs. During the third quarter of

2021, 355 new cases with 356 plaintiffs were filed and 199 pending cases with approximately 199 plaintiffs were resolved.

It is expected that additional lawsuits will be filed against Electrolux. It is not possible to predict the number of future lawsuits. In addition, the outcome of asbestos lawsuits is difficult to predict and Electrolux cannot provide any assurances that the resolution of these types of lawsuits will not have a material adverse effect on its business or on results of operations in the future.

Risks and uncertainty factors

Active risk management is essential for Electrolux to drive successful operations. The Group is impacted by various types of risks including strategic and external risks but also business risks such as operational and financial risks.

The current spread of the global coronavirus pandemic adds uncertainty and impacts Electrolux operations as well as supply and demand. Constraints in the supply chain might affect the Group's financial result and market shares negatively in case of shortfall in delivery and quality related issues.

Risk management in Electrolux aims to identify, control and reduce risks. Risks, risk management and risk exposure are described in more detail in the 2020 Annual Report: <http://www.electroluxgroup.com/annualreport2020>



Sustainable consumer experience innovation

Innovation to improve the consumer experience in the Taste, Care & Wellbeing areas is a key driver for long term profitable growth. Electrolux innovative product portfolio, with a strong sustainability focus, enables consumers to live better lives while often also saving energy, water and resources. The product portfolio as well as Electrolux well-established brands with a strong innovation heritage are competitive assets, enabling the company to also strengthen its position in emerging markets and within aftermarket.

Deep consumer insight is a competitive advantage in an age of greater consumer awareness. Consumers increasingly prioritize sustainability and research shows that 2/3 of global consumers are willing to pay more for sustainable products¹. Electrolux most resource-efficient products have consistently had a higher margin for many years and in 2020 these products accounted for 26% of total units sold and 36% of gross profit.



Strengthening the Electrolux sustainability offering

In 2020, the Electrolux brand proposition continued to be sharpened through the rollout of the 'Make it Last' campaign highlighting the company's sustainable laundry innovations. Electrolux has high sustainability ambitions, aiming to achieve a climate neutral value chain by 2050. With approximately 85% of the life cycle carbon footprint coming from the electricity consumed during the product use phase, the focus is on increasing energy efficiency and inspiring consumers to live more sustainable lives.

Electrolux identified an opportunity to create a strong, conviction-driven campaign built on product innovations and deep consumer insights.

Sustainable innovations

With around 2/3 of global consumers willing to pay more for sustainable products¹, strengthening the perception of Electrolux as a sustainability leader offers a key competitive advantage.

'Make it Last' highlights Electrolux sustainable laundry innovations. The aim is to increase awareness of more sustainable ways of washing and promote better behaviors, while connecting seamlessly to product benefits and features including AutoDose, which delivers the perfect amount of detergent, and UltraWash, a low-temperature program that

cleans thoroughly while using 30% less energy². The new care drum, enabled through an investment in Porcia factory, Italy, is both gentler on fabrics and more energy efficient.

Products with enhanced consumer benefits command a higher price and drive margin expansion. Since the launch of the campaign in 2020, the consumer star rating for premium laundry in Europe has improved from 4.59 to 4.67.

'Make it Last' first rolled out in Europe in Q3 2020, followed by a smaller-scale launch in the Asia-Pacific, Middle East, and Africa region in Q4 2020. In 2021, the campaign started to roll out in North America, to be ramped up in 2022.

Strong brands drive profitable growth

Strong brands grow faster, are more profitable and more resilient during crisis³. 'Make it Last' resonated strongly with consumers across the initial regions and has played an important role in strengthening key brand attributes for Electrolux. In 2021, the campaign contributed to business area Europe strengthening its value market share in premium laundry by 0.3 percentage points between Q2 2019 and Q2 2021.

¹ Eco Ethical Report, June 2019.

² A 59-minute cycle at 30°C saves up to 30% energy compared to a 40°C cotton program.

³ <https://www.electroluxgroup.com/en/driving-innovation-32870/>



Find more inspiring business cases on how Electrolux put its profitable growth strategy into action and the key pillars to create further value in **How we create value** on our website.

www.electroluxgroup.com/ir/create-value



Events during the quarter

July 19. Electrolux adjusts dividend policy and proposes distribution of SEK 17 per share through share redemption

Following a review of its capital structure, Electrolux the 19 July announced an adjusted dividend policy of approximately 50% of annual income, a proposed automatic share redemption of SEK 17 per share and an intention to resolve on share buybacks over time.

August 27. Bulletin from AB Electrolux Extraordinary General Meeting

Due to the risk of the spread of COVID-19 and the authorities' regulations and advice the Extraordinary General Meeting ("EGM") was carried out solely through advance voting (so-called postal voting) pursuant to temporary legislation.

The EGM resolved on an automatic share redemption procedure, including a 2:1 share split, a reduction of the share capital by redemption of shares, and an increase of the share capital by way of a bonus issue. The procedure means that a total of SEK 4,886m will be distributed to the shareholders, which corresponds to SEK 17.00 per share.

The record date for share split and receipt of redemption shares will be October 5, 2021. Trading in the redemption shares is estimated to take place as from October 6, 2021 up to October 22, 2021. The record date for receiving the redemption amount will be October 25, 2021, whereby payment of the redemption amount is expected to be executed by Euroclear Sweden on October 28, 2021.

¹ On September 27, Electrolux applied for a listing of the redemption shares at Nasdaq Stockholm. In connection herewith, Electrolux adjusted the last day of trading in the redemption shares at Nasdaq Stockholm to October 21, 2021 (previously estimated to October 22, 2021). All other dates in the timetable remain unchanged.

September 16. Nomination Committee appointed for Electrolux Annual General Meeting 2022

The members of the Nomination Committee have been appointed based on the ownership structure as of August 31, 2021. Johan Forssell, Investor AB, is the Chairman of the committee. The other members are Carina Silberg, Alecta, Tomas Risbecker, AMF – Försäkring och Fonder, and Marianne Nilsson, Swedbank Robur Funds. The committee will also include Staffan Bohman and Fredrik Persson, Chairman and Director, respectively, of Electrolux.

September 30. Conversion of shares in Electrolux

According to AB Electrolux articles of association, owners of Series A shares are entitled to request that such shares are converted to Series B shares. Conversion reduces the total number of votes in the company.

During September 2021, 41 Series A shares were at the request of shareholders converted to Series B shares, following which the total number of votes in the company amounts to 38,265,279.

The total number of registered shares in the company amounts to 308,920,308 shares, of which 8,192,498 are Series A shares and 300,727,810 are Series B shares.

For more information, visit www.electroluxgroup.com



Parent Company AB Electrolux

The Parent Company comprises the functions of the Group's head office, as well as five companies operating on a commission basis for AB Electrolux.

Net sales for the Parent Company, AB Electrolux, for the first nine months 2021 amounted to SEK 31,303m (28,567) of which SEK 26,119m (23,281) referred to sales to Group companies and SEK 5,184m (5,286) to external customers. Income after financial items was SEK 2,877m (5,924), including dividends from subsidiaries in the amount of SEK 1,437m (6,208). Income for the period amounted to SEK 2,500m (5,966).

Capital expenditure in tangible and intangible assets was SEK 526m (391). Liquid funds at the end of the period amounted to SEK 13,459m, compared to SEK 15,049m at the start of the year.

Undistributed earnings in the Parent Company at the end of the period amounted to SEK 14,354m, compared to SEK 19,453m at the start of the year. Dividend payment to shareholders for 2020 amounted to SEK 2,299m, whereof SEK 1,150m has been paid during the second quarter 2021 and SEK 1,150m has been reported as a current liability. Distribution to the shareholders of SEK 17 per share, equal to a total of SEK 4,886m, through a share redemption procedure, has been reported as current liability.

The income statement and balance sheet for the Parent Company are presented on page 20.

Stockholm, October 27, 2021

AB Electrolux (publ)
556009-4178

Jonas Samuelson
President and CEO

The report has not been audited by external auditors.



Consolidated statement of comprehensive income

SEKM	Q3 2021	Q3 2020	Nine months 2021	Nine months 2020	Full year 2020
Net sales	30,929	32,004	90,258	82,058	115,960
Cost of goods sold	-25,381	-24,781	-72,492	-67,506	-93,689
Gross operating income	5,549	7,224	17,766	14,552	22,272
Selling expenses	-2,786	-2,607	-8,226	-7,670	-11,071
Administrative expenses	-1,190	-1,299	-3,596	-3,483	-5,116
Other operating income/expenses	66	-97	-26	-119	-307
Operating income	1,639	3,220	5,919	3,280	5,778
Financial items, net	-126	-164	-365	-522	-681
Income after financial items	1,513	3,056	5,555	2,757	5,096
Taxes	-370	-700	-1,473	-628	-1,108
Income for the period, continuing operations	1,143	2,356	4,082	2,129	3,988
Income for the period, discontinued operations (see Note 5)	-	-	-	2,595	2,595
Income for the period, total Group	1,143	2,356	4,082	4,724	6,584
Items that will not be reclassified to income for the period:					
Remeasurement of provisions for post-employment benefits	-327	1,244	1,649	-156	189
Income tax relating to items that will not be reclassified	57	-284	-372	30	-46
	-270	961	1,277	-126	143
Items that may be reclassified subsequently to income for the period:					
Cash flow hedges	-0	1	-35	-3	32
Exchange-rate differences on translation of foreign operations	49	-572	834	-1,988	-3,326
Income tax relating to items that may be reclassified	0	2	8	50	48
	49	-569	807	-1,941	-3,246
Other comprehensive income, net of tax	-221	392	2,083	-2,068	-3,103
Total comprehensive income for the period	922	2,748	6,165	2,656	3,481
Income for the period attributable to:					
Equity holders of the Parent Company	1,143	2,356	4,081	4,724	6,584
Non-controlling interests	0	0	1	-0	0
Total	1,143	2,356	4,082	4,724	6,584
Total comprehensive income for the period attributable to:					
Equity holders of the Parent Company	922	2,748	6,164	2,657	3,481
Non-controlling interest	1	-0	1	-0	-0
Total	922	2,748	6,165	2,656	3,481
Earnings per share, SEK					
Basic, continuing operations	3.98	8.20	14.20	7.41	13.88
Basic, discontinued operations	-	-	-	9.03	9.03
Basic, Group total	3.98	8.20	14.20	16.44	22.91
Diluted, continuing operations	3.95	8.20	14.13	7.40	13.86
Diluted, discontinued operations	-	-	-	9.02	9.02
Diluted, Group total	3.95	8.20	14.13	16.43	22.88
Average number of shares ¹					
Basic, million	287.4	287.4	287.4	287.4	287.4
Diluted, million	289.3	287.4	288.9	287.6	287.7

¹ Average numbers of shares excluding shares held by Electrolux.



Consolidated balance sheet

SEKM	Sep. 30, 2021	Sep. 30, 2020	Dec. 31, 2020
Assets			
Property, plant and equipment, owned	21,860	20,804	20,452
Property, plant and equipment, right-of-use	2,328	2,495	2,351
Goodwill	6,593	6,621	6,369
Other intangible assets	3,768	3,580	3,480
Investments in associates	277	323	274
Deferred tax assets	5,699	6,509	6,064
Financial assets	68	83	65
Pension plan assets	1,803	976	1,272
Other non-current assets	965	1,360	878
Total non-current assets	43,359	42,751	41,205
Inventories	21,337	14,006	13,213
Trade receivables	21,217	19,154	19,944
Tax assets	629	677	894
Derivatives	230	159	135
Other current assets	4,190	3,675	3,846
Short-term investments	164	176	172
Cash and cash equivalents	17,973	19,460	20,196
Total current assets	65,740	57,307	58,399
Total assets	109,100	100,058	99,604
Equity and liabilities			
Equity attributable to equity holders of the Parent Company			
Share capital	1,545	1,545	1,545
Other paid-in capital	2,905	2,905	2,905
Other reserves	-3,785	-3,292	-4,593
Retained earnings	16,831	18,703	18,846
Equity attributable to equity holders of the Parent Company	17,496	19,860	18,702
Non-controlling interests	7	7	7
Total equity	17,503	19,867	18,709
Long-term borrowings	10,172	14,454	14,123
Long-term lease liabilities	1,774	1,979	1,834
Deferred tax liabilities	491	473	476
Provisions for post-employment benefits	3,753	5,008	4,951
Other provisions	4,772	5,697	5,567
Total non-current liabilities	20,962	27,611	26,952
Accounts payable	35,402	28,731	31,306
Tax liabilities	1,619	583	562
Dividend payable	6,035	-	-
Other liabilities	18,672	17,456	17,114
Short-term borrowings	5,313	2,358	1,329
Short-term lease liabilities	802	814	784
Derivatives	115	154	332
Other provisions	2,675	2,484	2,516
Total current liabilities	70,635	52,580	53,943
Total equity and liabilities	109,100	100,058	99,604

Change in consolidated equity

SEKM	Nine months 2021	Nine months 2020	Full year 2020
Opening balance	18,709	22,574	22,574
Total comprehensive income for the period	6,165	2,656	3,481
Share-based payments	-186	40	70
Dividend to equity holders of the Parent Company ¹	-7,185	-5,403	-7,415
Dividend to non-controlling interests	-0	-0	-0
Acquisition of non-controlling interests	-1	-0	-0
Total transactions with equity holders	-7,372	-5,363	-7,346
Closing balance	17,503	19,867	18,709

¹ 2020; Dividend payment to shareholders SEK 2,012m. Distribution of Electrolux Professional AB of SEK 5,403m, equivalent to the fair market value of Electrolux Professional at listing at Nasdaq Stockholm on March 23, 2020.



Consolidated cash flow statement

SEKM	Q3 2021	Q3 2020	Nine months 2021	Nine months 2020	Full year 2020
Operations					
Operating income	1,639	3,220	5,919	3,280	5,778
Depreciation and amortization ¹	1,195	1,095	3,372	3,470	4,587
Other non-cash items	11	102	214	396	442
Financial items paid, net ²	-71	-129	-311	-425	-596
Taxes paid	-168	-263	-981	-571	-1,132
Cash flow from operations, excluding change in operating assets and liabilities	2,606	4,024	8,214	6,150	9,079
Change in operating assets and liabilities					
Change in inventories	-2,000	-14	-7,559	1,294	1,236
Change in trade receivables	-612	-4,112	-649	-428	-2,401
Change in accounts payable	202	4,263	3,174	-2,908	1,737
Change in other operating assets, liabilities and provisions	1,017	2,447	314	1,218	2,279
Cash flow from change in operating assets and liabilities	-1,393	2,584	-4,721	-824	2,852
Cash flow from operations	1,213	6,608	3,493	5,325	11,932
Investments					
Acquisition of operations	-15	-7	-15	-8	-8
Capital expenditure in property, plant and equipment	-1,344	-822	-2,933	-2,594	-4,325
Capital expenditure in product development	-170	-153	-406	-438	-563
Capital expenditure in software and other intangibles	-136	-103	-420	-279	-450
Other	1	81	72	179	230
Cash flow from investments	-1,665	-1,003	-3,703	-3,141	-5,115
Cash flow from operations and investments	-452	5,605	-210	2,185	6,816
Financing					
Change in short-term investments	-1	1	9	13	16
Change in short-term borrowings	512	-1,038	119	1,023	-308
New long-term borrowings	0	0	0	9,793	9,793
Amortization of long-term borrowings ³	-2	-1,562	-219	-4,392	-4,555
Payment of lease liabilities	-225	-217	-663	-685	-911
Dividend	-	-	-1,150	-	-2,012
Share-based payments	-	-	-280	-	0
Cash flow from financing	284	-2,816	-2,185	5,752	2,023
Total cash flow, continuing operations	-168	2,789	-2,395	7,936	8,839
Total cash flow, discontinued operations (see Note 5)	-	-	-	1,177	1,177
Total cash flow, total Group	-168	2,789	-2,395	9,113	10,016
Cash and cash equivalents at beginning of period	18,133	16,747	20,196	11,458	11,458
Exchange-rate differences referring to cash and cash equivalents	8	-75	172	-500	-677
Cash and cash equivalents in distributed operations	-	-	-	-611	-611
Cash and cash equivalents at end of period	17,973	19,460	17,973	19,460	20,196

¹ For the period January 1 to September 30: depreciation related to right-of-use assets amounted to SEK -631m (-657).

² For the period January 1 to September 30: interest and similar items received SEK 40m (52), interest and similar items paid SEK -200m (-309) and other financial items received/paid SEK -79m (-87). Interest paid related to lease liabilities SEK -71m (-82).

³ For the period January 1 to September 30, 2020 the amount includes loan repurchases and early repayment of loan of SEK 3,085m. For Q3 2020, the amount includes early repayment of loan of SEK 1,481m.



Key ratios

SEKM unless otherwise stated	Q3 2021	Q3 2020	Nine months 2021	Nine months 2020	Full year 2020
Continuing operations					
Net sales	30,929	32,004	90,258	82,058	115,960
Organic growth, %	-0.3	15.2	18.2	-2.0	3.2
EBITA	1,878	3,416	6,544	3,902	6,603
EBITA margin, %	6.1	10.7	7.2	4.8	5.7
Operating income	1,639	3,220	5,919	3,280	5,778
Operating margin, %	5.3	10.1	6.6	4.0	5.0
Operating margin excl. non-recurring items, % ¹	5.3	10.1	6.6	4.0	5.0
Income after financial items	1,513	3,056	5,555	2,757	5,096
Income for the period	1,143	2,356	4,082	2,129	3,988
Capital expenditure property, plant and equipment	-1,344	-822	-2,933	-2,594	-4,325
Operating cash flow after investments	-198	6,005	1,097	3,188	8,552
Earnings per share, SEK ²	3.98	8.20	14.20	7.41	13.88
Capital turnover rate, times/year ³	-	-	5.2	4.1	4.5
Return on net assets, % ³	-	-	34.3	16.3	22.6
Net debt	1,894	4,079	1,894	4,079	1,556
Net debt/equity ratio	0.11	0.21	0.11	0.21	0.08
Average number of employees	51,299	48,248	51,508	46,566	47,543
Total Group, including discontinued operations⁴					
Income for the period	1,143	2,356	4,082	4,724	6,584
Earnings per share, SEK ²	3.98	8.20	14.20	16.44	22.91
Equity per share, SEK	60.90	69.13	60.90	69.13	65.10
Return on equity, % ⁵	-	-	28.1	32.3	34.1
Average number of shares excluding shares owned by Electrolux, million	287.4	287.4	287.4	287.4	287.4

¹ The first nine months of 2021 and 2020, as well as full-year 2020 did not include any non-recurring items. For more information regarding non-recurring items in previous years, see page 24.

² Basic.

³ To facilitate comparison, net assets excludes assets and liabilities of Electrolux Professional for all periods.

⁴ Discontinued operations refers to first quarter of 2020 and Electrolux Professional, which was separated from the Electrolux Group March 23, 2020. For more information see Note 5.

⁵ Return on equity for nine months 2020 include a settlement gain from the distribution of Electrolux Professional. Adjusted for the settlement gain, return on equity was 16.0%.

For definitions, see pages 25-26.

Exchange rates

SEK	Sep. 30, 2021		Sep. 30, 2020		Dec. 31, 2020	
Exchange rate	Average	End of period	Average	End of period	Average	End of period
ARS	0.0913	0.0889	0.1401	0.1185	0.1320	0.0973
AUD	6.40	6.32	6.36	6.43	6.34	6.28
BRL	1.59	1.61	1.88	1.60	1.81	1.58
CAD	6.77	6.89	6.93	6.74	6.84	6.41
CHF	9.30	9.39	9.87	9.78	9.77	9.26
CLP	0.0115	0.0109	0.0117	0.0115	0.0116	0.0115
CNY	1.31	1.36	1.34	1.33	1.33	1.25
EUR	10.15	10.17	10.56	10.57	10.48	10.06
GBP	11.71	11.82	11.98	11.59	11.83	11.14
HUF	0.0284	0.0282	0.0303	0.0289	0.0298	0.0276
MXN	0.4202	0.4282	0.4359	0.4037	0.4317	0.4126
RUB	0.1144	0.1206	0.1324	0.1152	0.1275	0.1095
THB	0.2694	0.2592	0.2981	0.2851	0.2938	0.2735
USD	8.48	8.78	9.37	9.03	9.18	8.19



Net sales and operating income by business area

SEKM	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Full year 2021	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Full year 2020
Europe										
Net sales	11,637	11,721	11,905			10,908	8,888	12,317	13,925	46,038
Sales growth, %	14.1	37.3	-1.1			0.3	-14.2	15.7	9.3	3.3
EBITA	1,166	1,057	885			600	290	1,565	1,362	3,816
EBITA margin, %	10.0	9.0	7.4			5.5	3.3	12.7	9.8	8.3
Operating income	1,122	1,013	833			558	244	1,522	1,319	3,643
Operating margin, %	9.6	8.6	7.0			5.1	2.8	12.4	9.5	7.9
North America										
Net sales	9,002	10,132	10,378			8,409	8,537	10,993	10,281	38,219
Sales growth, %	22.9	33.7	-1.9			-13.1	-17.9	8.6	29.2	0.9
EBITA	543	602	240			-247	-126	1,033	752	1,413
EBITA margin, %	6.0	5.9	2.3			-2.9	-1.5	9.4	7.3	3.7
Operating income	493	558	196			-299	-173	990	697	1,215
Operating margin, %	5.5	5.5	1.9			-3.6	-2.0	9.0	6.8	3.2
Latin America										
Net sales	4,516	4,782	4,910			3,826	2,822	4,779	5,488	16,915
Sales growth, %	58.3	90.4	10.9			-1.9	-24.2	37.8	25.4	10.0
EBITA	464	371	430			32	-141	481	464	837
EBITA margin, %	10.3	7.8	8.8			0.8	-5.0	10.1	8.5	4.9
Operating income	423	327	387			-15	-183	440	424	666
Operating margin, %	9.4	6.8	7.9			-0.4	-6.5	9.2	7.7	3.9
Asia-Pacific, Middle East and Africa										
Net sales	3,871	3,668	3,736			3,434	3,230	3,916	4,209	14,788
Sales growth, %	20.1	17.8	-3.9			-3.2	-10.9	10.1	11.5	2.3
EBITA	416	333	426			78	188	484	403	1,153
EBITA margin, %	10.7	9.1	11.4			2.3	5.8	12.4	9.6	7.8
Operating income	393	312	362			44	159	459	376	1,038
Operating margin, %	10.1	8.5	9.7			1.3	4.9	11.7	8.9	7.0
Group common costs, etc.	-134	-226	-139			-165	-109	-191	-318	-783
Total, continuing operations										
Net sales	29,026	30,303	30,929			26,578	23,476	32,004	33,902	115,960
Sales growth, %	23.0	39.3	-0.0			-5.1	-16.6	15.3	17.7	3.3
EBITA	2,492	2,173	1,878			340	146	3,416	2,701	6,603
EBITA margin, %	8.6	7.2	6.1			1.3	0.6	10.7	8.0	5.7
Operating income	2,297	1,983	1,639			122	-62	3,220	2,498	5,778
Operating margin, %	7.9	6.5	5.3			0.5	-0.3	10.1	7.4	5.0
Total Group, including discontinued operations¹										
Income for the period, Group total	1,556	1,383	1,143			2,509	-141	2,356	1,860	6,584
Earnings per share, Group total, SEK ²	5.41	4.81	3.98			8.73	-0.49	8.20	6.47	22.91

¹ Discontinued operations refers to first quarter of 2020 and Electrolux Professional, which was separated from the Electrolux Group March 23, 2020. For more information see Note 5.

² Basic



Net sales by business area

SEKM	Q3 2021	Q3 2020	Nine months 2021	Nine months 2020	Full year 2020
Europe	11,905	12,317	35,262	32,113	46,038
North America	10,378	10,993	29,512	27,939	38,219
Latin America	4,910	4,779	14,208	11,427	16,915
Asia-Pacific, Middle East and Africa	3,736	3,916	11,275	10,579	14,788
Total, continuing operations	30,929	32,004	90,258	82,058	115,960

Change in Net sales by business area, %

Year-over-year, %	Q3 2021	Q3 2021 currency adjusted	Nine months 2021	Nine months 2021 currency adjusted
Europe	-3	-1	10	15
North America	-6	-2	6	16
Latin America	3	11	24	45
Asia-Pacific, Middle East and Africa	-5	-4	7	10
Total change, continuing operations	-3	-0	10	18

Operating income by business area

SEKM	Q3 2021	Q3 2020	Nine months 2021	Nine months 2020	Full year 2020
Europe	833	1,522	2,968	2,324	3,643
Margin, %	7.0	12.4	8.4	7.2	7.9
North America	196	990	1,248	518	1,215
Margin, %	1.9	9.0	4.2	1.9	3.2
Latin America	387	440	1,137	242	666
Margin, %	7.9	9.2	8.0	2.1	3.9
Asia-Pacific, Middle East and Africa	362	459	1,067	661	1,038
Margin, %	9.7	11.7	9.5	6.2	7.0
Group common costs, etc.	-139	-191	-500	-465	-783
Operating income, continuing operations	1,639	3,220	5,919	3,280	5,778
Margin, %	5.3	10.1	6.6	4.0	5.0

Change in operating income by business area, SEK

Year-over-year, SEK	Q3 2021	Q3 2021 currency adjusted	Nine months 2021	Nine months 2021 currency adjusted
Europe	-689	-629	644	784
North America	-794	-709	730	763
Latin America	-54	26	895	989
Asia-Pacific, Middle East and Africa	-96	-89	406	410
Group common costs, etc.	52	49	-35	-60
Total change, continuing operations	-1,581	-1,352	2,640	2,887



Working capital and net assets

SEKM	Sep. 30, 2021	% ¹	Sep. 30, 2020	% ¹	Dec. 31, 2020	% ¹
Inventories	21,337	17.5	14,006	13.3	13,213	12.3
Trade receivables	21,217	17.4	19,154	18.2	19,944	18.6
Accounts payable	-35,402	-29.0	-28,731	-27.3	-31,306	-29.2
Operating working capital	7,151	5.9	4,429	4.2	1,851	1.7
Provisions	-7,447		-8,182		-8,083	
Prepaid and accrued income and expenses	-14,341		-12,593		-12,777	
Taxes and other assets and liabilities	-996		-1,010		-181	
Working capital	-15,633	-12.8	-17,357	-16.5	-19,191	-17.9
Property, plant and equipment, owned	21,860		20,804		20,452	
Property, plant and equipment, right-of-use	2,328		2,495		2,351	
Goodwill	6,593		6,621		6,369	
Other non-current assets	5,077		5,347		4,696	
Deferred tax assets and liabilities	5,208		6,036		5,588	
Net assets	25,432	20.8	23,946	22.7	20,265	18.9
Annualized net sales, calculated at end of period exchange rates	122,043		105,413		107,142	
Average net assets	23,025	19.1	26,888	24.6	25,563	22.0
Annualized net sales, calculated at average exchange rates	120,345		109,411		115,960	

¹ % of annualized net sales.

Net assets by business area

SEKM	Assets			Equity and liabilities			Net assets		
	Sep. 30, 2021	Sep. 30, 2020	Dec. 31, 2020	Sep. 30, 2021	Sep. 30, 2020	Dec. 31, 2020	Sep. 30, 2021	Sep. 30, 2020	Dec. 31, 2020
Europe	29,261	26,203	25,796	26,693	23,502	24,390	2,568	2,701	1,406
North America	25,365	22,310	20,667	17,029	15,406	14,582	8,336	6,904	6,086
Latin America	13,848	10,519	11,190	8,292	5,577	6,663	5,556	4,942	4,526
Asia-Pacific, Middle East and Africa	12,375	11,255	11,414	7,177	6,494	7,418	5,198	4,761	3,996
Other ¹	8,166	9,056	8,798	4,393	4,418	4,546	3,773	4,638	4,252
Total operating assets and liabilities	89,016	79,342	77,865	63,584	55,396	57,599	25,432	23,946	20,265
Liquid funds	18,280	19,740	20,467	-	-	-	-	-	-
Total borrowings	-	-	-	15,647	16,993	15,727	-	-	-
Lease liabilities	-	-	-	2,577	2,793	2,618	-	-	-
Pension assets and liabilities	1,803	976	1,272	3,753	5,008	4,951	-	-	-
Dividend payable	-	-	-	6,035	-	-	-	-	-
Total equity	-	-	-	17,503	19,867	18,709	-	-	-
Total	109,100	100,058	99,604	109,100	100,058	99,604	-	-	-

¹ Includes common functions and tax items.



Parent Company income statement

SEKM	Q3 2021	Q3 2020	Nine months 2021	Nine months 2020	Full year 2020
Net sales	10,585	11,052	31,303	28,567	40,621
Cost of goods sold	-8,761	-9,074	-26,020	-24,523	-34,106
Gross operating income	1,824	1,978	5,283	4,044	6,515
Selling expenses	-844	-851	-2,454	-2,448	-3,582
Administrative expenses	-509	-498	-1,330	-1,385	-2,096
Other operating expenses	-	-	-	-7	-382
Operating income	471	629	1,499	204	455
Financial income	598	224	1,653	6,595	7,248
Financial expenses	-133	-132	-275	-875	-1,066
Financial items, net	465	92	1,378	5,720	6,182
Income after financial items	936	721	2,877	5,924	6,637
Appropriations	4	2	-20	37	-36
Income before taxes	940	723	2,857	5,961	6,601
Taxes	-102	-137	-357	5	-137
Income for the period	838	586	2,500	5,966	6,464

Parent Company balance sheet

SEKM	Sep. 30, 2021	Sep. 30, 2020	Dec. 31, 2020
Assets			
Non-current assets	35,795	34,156	33,674
Current assets	35,612	38,297	37,838
Total assets	71,407	72,453	71,512
Equity and liabilities			
Restricted equity	5,959	5,741	5,724
Non-restricted equity	14,354	21,027	19,453
Total equity	20,313	26,768	25,177
Untaxed reserves	560	438	547
Provisions	1,487	1,498	1,550
Non-current liabilities	10,168	14,421	14,128
Current liabilities	38,879	29,328	30,110
Total equity and liabilities	71,407	72,453	71,512

Shares

Number of shares	A-shares	B-shares	Shares total	Shares held by Electrolux	Shares held by other shareholders
Number of shares as of January 1, 2021	8,192,539	300,727,769	308,920,308	21,522,858	287,397,450
Number of shares as of September 30, 2021	8,192,498	300,727,810	308,920,308	21,522,858	287,397,450
As % of total number of shares				7.0%	



Notes

Note 1 Accounting principles

Electrolux applies International Financial Reporting Standards (IFRS) as adopted by the European Union. This report has been prepared in accordance with IAS 34, Interim Financial Reporting, the Swedish Annual Accounts Act and RFR 2 'Accounting for legal entities' issued by the Swedish Financial Reporting Board.

Electrolux interim reports contain a condensed set of financial statements. For the Group this chiefly means that the disclosures are limited compared to the consolidated financial statements presented in the annual report. For the Parent Company this means that the financial statements in general are presented in condensed versions and with limited disclosures compared to the annual report.

The accounting policies applied are consistent with those applied in the preparation of the Group's Annual Report 2020, except for the adoption of standard amendments effective as of January 1, 2021. The amendments have not had any material impact on the financial statements. See section 'New or amended accounting standards to be applied after 2020' in the Annual Report 2020 for more information.

Note 2 Disaggregation of revenue

Electrolux manufactures and sells appliances mainly in the wholesale market to customers being retailers. Electrolux products include refrigerators, dishwashers, washing machines, cookers, vacuum cleaners, air conditioners and small domestic appliances. Electrolux has four regional Consumer Products business areas with focus on the consumer market.

Sales of products are revenue recognized at a point in time, when control of the products has transferred. Revenue from services related to installation of products, repairs or maintenance service is recognized when control is transferred being over the time the service is provided. Sales of services are not material in relation to Electrolux total net sales.

Geography and product category are considered important attributes when disaggregating Electrolux revenue. The business areas, also being the Group's segments, are based on geography: Europe, North America, Latin America and Asia-Pacific, Middle East and Africa. For business area information, see pages 5-6. In addition, the table below presents net sales by product area Taste (cooking appliances), Care (dish and laundry appliances) and Wellbeing (e.g. cleaning appliances and small domestic appliances).

SEKM	Nine months 2021	Nine months 2020	Full year 2020
Product areas			
Taste	55,503	50,022	70,593
Care	25,953	23,905	34,298
Wellbeing	8,802	8,131	11,069
Total	90,258	82,058	115,960

Note 3 Fair values and carrying amounts of financial assets and liabilities

SEKM	Sep. 30, 2021		Sep. 30, 2020		Dec. 31, 2020	
	Fair value	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount
Per category						
Financial assets at fair value through profit and loss	229	229	246	246	225	225
Financial assets measured at amortized cost	39,193	39,193	38,627	38,627	40,152	40,152
Derivatives, financial assets at fair value through profit and loss	230	230	151	151	89	89
Derivatives in hedge accounting	-	-	8	8	46	46
Total financial assets	39,652	39,652	39,032	39,032	40,512	40,512
Financial liabilities measured at amortized cost	51,218	50,887	45,927	45,543	47,123	46,758
Derivatives, financial liabilities at fair value through profit and loss	103	103	150	150	329	329
Derivatives in hedge accounting	12	12	4	4	3	3
Total financial liabilities	51,333	51,002	46,081	45,697	47,455	47,090

The Group strives for arranging master netting agreements (ISDA) with the counterparts for derivative transactions and has established such agreements with the majority of the counterparties, i.e., if a counterparty will default, assets and liabilities will be netted. Derivatives are presented gross in the balance sheet.

Fair value estimation

Valuation of financial instruments at fair value is done at the most accurate market prices available. Instruments which are quoted on the market, e.g., the major bond and interest-rate future markets, are all marked-to-market with the current price. The foreign-exchange spot rate is used to convert the value into SEK. For instruments where no reliable price is available on the



market, cash flows are discounted using the deposit/swap curve of the cash flow currency. If no proper cash flow schedule is available, e.g., as in the case with forward-rate agreements, the underlying schedule is used for valuation purposes.

To the extent option instruments are used, the valuation is based on the Black & Scholes' formula. The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities is estimated by discounting the future contractual cash flows at the current market interest rate for similar financial instruments. The Group's financial assets and liabilities are measured at fair value according to the following hierarchy:

Level 1: Quoted prices in active markets for identical assets or liabilities. At September 30, 2021, the fair value for Level 1 financial assets was SEK 161m (163) and for financial liabilities SEK 0m (0).

Level 2: Inputs other than quoted prices included in Level 1 that are observable for assets or liabilities either directly or indirectly. At September 30, 2021, the fair value of Level 2 financial assets was SEK 230m (159) and financial liabilities SEK 115m (154).

Level 3: Inputs for the assets or liabilities that are not entirely based on observable market data. At September 30, 2021, the fair value of Level 3 financial assets was SEK 68m (83) and financial liabilities SEK 0m (0).

Note 4 Pledged assets and contingent assets and liabilities

SEKM	Sep. 30, 2021	Sep. 30, 2020	Dec. 31, 2020
Group			
Pledged assets	-	-	-
Guarantees and other commitments	974	998	893
Parent Company			
Pledged assets	-	-	-
Guarantees and other commitments	982	963	927

Update on legal proceedings

(The text is the same as communicated in note 4 in the Q1 and Q2 2021 interim reports.)

Update regarding the order issued by the Italian Environmental Authority in 2019 for certain remediation actions connected to contamination at a manufacturing site in Aviano (Italy), formerly owned by Electrolux subsidiary INFA s.p.a. ("INFA"). As stated in Note 25 in the Annual Report 2020, the order was objected to by the current operator of the site, Sarinox s.p.a. ("Sarinox"), by an appeal to the administrative court of Trieste, and the administrative court ruled in favor of Sarinox in 2020. In Q1 2021, the court ruling was appealed by the Italian Ministry of the Environment. No provision related to this matter has been set.

Update regarding U.S. tariff case relating to tariffs on washing machines manufactured in Mexico by Electrolux and imported into the U.S. between February 2016 and January 2017. As previously reported, Electrolux appealed the U.S. Department of Commerce's (DOC) decision to set a significantly increased tariff rate of 72.41% on the relevant washing machines. A Panel of arbitrators appointed by the NAFTA Secretariat held a hearing in November 2020 and in April 2021 the Panel decided to remand the matter back to DOC for reconsideration and submission of information before further review by the Panel. As Electrolux believes that the company has a strong legal case and that success is more likely than not, a provision related to this matter has not been made. No assurances can however be given that the outcome will be successful, as appealing administrative determinations is inherently challenging.

For more information on these matters and other contingent liabilities, see Note 25 in the Annual Report 2020.



Note 5 Acquisitions and discontinued operations

Acquisition during the third quarter 2021

On July 8, 2021, Electrolux acquired La Compagnie du SAV (CSAV) a French service provider specialized in repairing domestic appliances. Through the acquisition Electrolux strengthens its service network in France. CSAV is headquartered in Lisses, south of Paris, and employs around 200 people. Net sales in 2020 amounted to around EUR 25m. The operations are included in Business Area Europe.

Discontinued operations

Business area Electrolux Professional was separated from the Electrolux Group in the first quarter of 2020 as it was distributed to the shareholders and listed at Nasdaq Stockholm on March 23, 2020. A settlement gain was calculated as the difference between the carrying amount of the assets distributed and the carrying amount of the dividend payable, measured at the fair market value of Electrolux Professional at listing. For more information, see Notes 1 and 26 in the Annual Report 2020.

The income statement and cash flow statement presented below consists of Electrolux Professional's contribution to Electrolux Group consolidated financial information up until the separation on March 23, 2020.

SEKM	Q3 2021	Q3 2020	Nine months 2021	Nine months 2020	Full year 2020
Net sales	-	-	-	1,884	1,884
Cost of goods sold	-	-	-	-1,191	-1,191
Gross operating income	-	-	-	693	693
Selling expenses	-	-	-	-349	-349
Administrative expenses	-	-	-	-161	-161
Other operating income and expenses	-	-	-	2	2
Operating income	-	-	-	185	185
Financial items, net	-	-	-	-1	-1
Income after financial items	-	-	-	184	184
Taxes	-	-	-	-40	-40
Income for the period, Electrolux Professional	-	-	-	144	144
Translation difference recycled from OCI	-	-	-	72	72
Settlement gain from distribution of Electrolux Professional	-	-	-	2,379	2,379
Income for the period, discontinued operations	-	-	-	2,595	2,595

SEKM	Q3 2021	Q3 2020	Nine months 2021	Nine months 2020	Full year 2020
Cash flow from operations	-	-	-	68	68
Cash flow from investments	-	-	-	-87	-87
Cash flow from financing	-	-	-	1,195	1,195
Total cash flow	-	-	-	1,177	1,177



Operations by business area yearly

SEKM	2016	2017 ¹	2018	2019	2020
Europe					
Net sales	39,097	39,231	43,321	45,420	46,038
Operating income	2,794	2,772	2,128	2,493	3,643
Margin, %	7.1	7.1	4.9	5.5	7.9
North America					
Net sales	44,914	42,083	39,804	38,954	38,219
Operating income	2,657	2,796	1,104	-516	1,215
Margin, %	5.9	6.6	2.8	-1.3	3.2
Latin America					
Net sales	16,384	18,277	17,963	19,653	16,915
Operating income	-111	483	492	1,821	666
Margin, %	-0.7	2.6	2.7	9.3	3.9
Asia-Pacific, Middle East and Africa					
Net sales	13,833	13,457	14,375	14,954	14,788
Operating income	673	1,077	979	446	1,038
Margin, %	4.9	8.0	6.8	3.0	7.0
Other					
Group common cost, etc.	-693	-775	-527	-1,055	-783
Total, continuing operations					
Net sales	114,228	113,048	115,463	118,981	115,960
Operating income	5,320	6,353	4,176	3,189	5,778
Margin, %	4.7	5.6	3.6	2.7	5.0
Non-recurring items in operating income²					
	2016	2017	2018 ³	2019 ⁴	2020
Europe	-	-	-747	-752	-
North America	-	-	-596	-1,071	-
Latin America	-	-	-	1,101	-
Asia-Pacific, Middle East and Africa	-	-	-	-398	-
Group common cost	-	-	-	-224	-
Total, continuing operations	-	-	-1,343	-1,344	-

¹ 2017 has been restated due to IFRS 15.

² For more information, see Note 7 in the annual reports.

³ Non-recurring items 2018: SEK -596m refers to the consolidation of freezer production in North America, SEK -747m refers to business area Europe and includes a fine of SEK -493m, relating to an investigation by the French Competition Authority, and a cost of SEK -254m relating to an unfavorable court ruling in France.

⁴ Non-recurring items 2019 includes SEK -829m related to the consolidation of U.S. cooking production and SEK -225m to the closure of a refrigeration production line in Latin America, recovery of overpaid sales tax in Brazil of SEK 1,403m, a legal settlement in the U.S. of SEK -197m and restructuring charges for efficiency measures and outsourcing projects across business areas and Group common costs of SEK -1,496m.



Five-year review

Total Group 2016-2018 and Continuing operations 2018 (restated)-2020

SEKM unless otherwise stated	2016	2017 ¹	2018	Restated 2018 ²	2019 ³	2020
Net sales	121,093	120,771	124,129	115,463	118,981	115,960
Organic growth, %	-1.1	-0.4	1.3	1.2	-1.0	3.2
Operating income	6,274	7,407	5,310	4,176	3,189	5,778
Operating margin, %	5.2	6.1	4.3	3.6	2.7	5.0
Income after financial items	5,581	6,966	4,887	3,754	2,456	5,096
Income for the period	4,493	5,745	3,805	2,854	1,820	3,988
Non-recurring items in operating income ⁴	-	-	-1,343	-1,343	-1,344	-
Capital expenditure, property, plant and equipment	-2,830	-3,892	-4,650	-4,506	-5,320	-4,325
Operating cash flow after investments	9,140	6,877	3,649	2,646	2,280	8,552
Earnings per share, SEK ⁵	15.64	19.99	13.24	9.93	6.33	13.88
Equity per share, SEK	61.72	71.26	75.67	-	78.55	65.10
Dividend per share, SEK	7.50	8.30	8.50	8.50	7.00	8.00
Capital-turnover rate, times/year	5.8	5.9	5.3	5.6	4.5	4.5
Return on net assets, %	29.9	36.0	22.7	20.2	12.0	22.6
Return on equity, % ⁶	29.4	31.9	18.2	-	11.4	34.1
Net debt	360	197	1,825	-	7,683	1,556
Net debt/equity ratio	0.02	0.01	0.08	-	0.34	0.08
Average number of shares excluding shares owned by Electrolux, million	287.4	287.4	287.4	287.4	287.4	287.4
Average number of employees	55,400	55,692	54,419	51,253	48,652	47,543

¹ 2017 has been restated due to IFRS 15.

² Excluding discontinued operations.

³ Equity in key ratio calculations include discontinued operations.

⁴ For more information, see table on page 24 and Note 7 in the annual reports.

⁵ Basic.

⁶ Return on equity for the full year 2020 include a settlement gain from the distribution of Electrolux Professional. Adjusted for the settlement gain, return on equity was 21.7%.

Financial goals over a business cycle

The financial goals set by Electrolux aim to strengthen the Group's leading, global position in the industry and to assist in generating a healthy total yield for Electrolux shareholders. The objective is growth with consistent profitability.

Financial goals

- Operating margin of at least 6%
- Capital turnover-rate of at least 4 times
- Return on net assets >20%
- Average annual sales growth of at least 4%

Definitions

This report includes financial measures as required by the financial reporting framework applicable to Electrolux, which is based on IFRS. In addition, there are other measures and indicators that are used to follow-up, analyze and manage the business and to provide Electrolux stakeholders with useful financial information on the Group's financial position, performance and development in a consistent way. On the following page is a list of definitions of all measures and indicators used, referred to and presented in this report.

Computation of average amounts and annualized income statement measures

In computation of key ratios where averages of capital balances are related to income statement measures, the average capital balances are based on the opening balance and all quarter-end closing balances included in the reporting period, and the income statement measures are annualized, translated at average rates for the period. In computation of key ratios where end-of-period capital balances are related to income statement measures, the latter are annualized, translated at end-of-period exchange rates. Adjustments are made for acquired and divested operations.



Definitions (continued)

Growth measures

Change in net sales

Current year net sales for the period less previous year net sales for the period as a percentage of previous year net sales for the period.

Sales growth

Change in net sales adjusted for currency translation effects.

Organic growth

Change in net sales, adjusted for changes in exchange rates, acquisitions and divestments.

Acquisitions

Change in net sales, adjusted for organic growth, changes in exchange rates and divestments. The impact from acquisitions relates to net sales reported by acquired operations within 12 months after the acquisition date.

Divestments

Change in net sales, adjusted for organic growth, changes in exchange rates and acquisitions. The impact from divestments relates to net sales reported by the divested operations within 12 months before the divestment date.

Profitability measures

EBITA

Operating income excluding amortization of intangible assets.

EBITA margin

EBITA expressed as a percentage of net sales.

Operating margin (EBIT margin)

Operating income (EBIT) expressed as a percentage of net sales.

Operating margin (EBIT margin) excluding non-recurring items

Operating income (EBIT) excluding non-recurring items, expressed as a percentage of net sales.

Return on net assets

Operating income (annualized) expressed as a percentage of average net assets.

Return on equity

Income for the period (annualized) expressed as a percentage of average total equity.

Capital measures

Net debt/equity ratio

Net debt in relation to total equity.

Equity/assets ratio

Total equity as a percentage of total assets less liquid funds.

Capital turnover-rate

Net sales (annualized) divided by average net assets.

Share-based measures

Earnings per share, Basic

Income for the period attributable to equity holders of the Parent Company divided by the average number of shares excluding shares held by Electrolux.

Earnings per share, Diluted

Income for the period attributable to equity holders of the Parent Company divided by the average number of shares after dilution, excluding shares held by Electrolux.

Equity per share

Total equity divided by total number of shares excluding shares held by Electrolux.

Capital indicators

Liquid funds

Cash and cash equivalents, short-term investments, financial derivative assets¹ and prepaid interest expenses and accrued interest income¹.

Operating working capital

Inventories and trade receivables less accounts payable.

Working capital

Total current assets exclusive of liquid funds, less non-current other provisions and total current liabilities exclusive of total short-term borrowings.

Net assets

Total assets exclusive of liquid funds and pension plan assets, less deferred tax liabilities, non-current other provisions and total current liabilities exclusive of total short-term borrowings.

Total borrowings

Long-term borrowings and short-term borrowings, financial derivative liabilities¹, accrued interest expenses and prepaid interest income¹.

Total short-term borrowings

Short-term borrowings, financial derivative liabilities¹, accrued interest expenses and prepaid interest income¹.

Interest-bearing liabilities

Long-term borrowings and short-term borrowings exclusive of liabilities related to trade receivables with recourse¹.

Financial net debt

Total borrowings less liquid funds.

Net provision for post-employment benefits

Provisions for post-employment benefits less pension plan assets.

Net debt

Financial net debt, lease liabilities and net provision for post-employment benefits.

Other measures

Operating cash flow after investments

Cash flow from operations and investments adjusted for financial items paid, taxes paid and acquisitions/divestments of operations.

Non-recurring items

Material profit or loss items in operating income which are relevant for understanding the financial performance when comparing income for the current period with previous periods.

¹ See table Net debt on page 8.



Shareholders' information

President and CEO Jonas Samuelson's comments on the third quarter results 2021

Today's press release is available on the Electrolux website www.electroluxgroup.com/ir

Telephone conference 09.00 CET

A telephone conference is held at 09.00 CET today, October 27. Jonas Samuelson, President and CEO and Therese Friberg, CFO will comment on the report.

Details for participation by telephone are as follows:

Participants in Sweden: +46 8 566 426 51

Participants in UK/Europe: +44 3333 000 804

Participants in US: +1 631 9131 422

Pin code: 52992645#

Slide presentation for download:

www.electroluxgroup.com/ir

Link to webcast:

<https://edge.media-server.com/mmc/p/xd4s9qv4>

For further information, please contact:

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Calendar 2022

Consolidated results 2021	January 28
Annual Report, week 8	February 21-25
AGM	March 30
Interim report January - March	April 29
Interim report January - June	July 21
Interim report January - September	October 28

This report 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 considering new information or future events.

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Shape living for the better

Electrolux is a leading global appliance company that has shaped living for the better for more than 100 years. We reinvent taste, care and wellbeing experiences for millions of people around the world, always striving to be at the forefront of sustainability in society through our solutions and operations. Under our brands, including Electrolux, AEG and Frigidaire, we sell approximately 60 million household products in approximately 120 markets every year. In 2020 Electrolux had sales of SEK 116 billion and employed 48,000 people around the world. For more information go to www.electroluxgroup.com



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