

Market Overview 2021



Global industry trends

The global household appliance market is being transformed by five major trends – increased consumer power, digitalization, sustainability, global scale and the growing global middle class. While these changes place demands on investments and economies of scale, they also present major opportunities.



☆☆☆☆☆ Consumer power

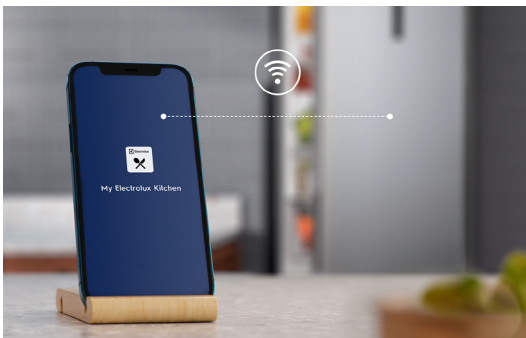
Greater consumer awareness and access to information on prices, offers, product characteristics and consumer reviews online, via social media and through mobile access, increasingly empowers consumers. 93% of consumers say online reviews impact their purchase decisions¹⁾ and 63% of consumers are willing to pay up to 15% more for a better experience²⁾. This makes developing products that offer outstanding consumer experiences more important than ever to allow premium pricing and greater competitiveness. Spending more time at home due to the coronavirus pandemic has meant that people place even more value on high-quality appliances with relevant features and benefits.

Consumers are increasingly choosing brands with a purpose that they feel matches their own values. 80% of consumers prefer buying from and into the brands whose actions align with their beliefs and values³⁾.

Strategic focus: Electrolux experience innovation and brand/product focus are specifically tailored to appeal to targeted consumer segments and needs.



📶 Digitalization



Digitalization enhances consumer power, while enabling increasingly advanced products, and greater productivity and flexibility in industrial operations. Since the pandemic, 69% of consumers are shopping more online³⁾. The use of the internet to research consumer electronics and appliances increased by 24%, and online sales by 15% at the start of the pandemic, where consumers over the age of 60 played a key role in driving digitalization⁴⁾.

Strategic focus: Electrolux has a strong focus on consumer experiences, with connectivity and productivity as key value drivers. R&D investments focus on digitalization.



Sustainability



Sustainability is becoming more important for consumers. Two-thirds of global consumers are willing to pay more for sustainable products¹⁾ and 90% of consumers are willing to pay more for a brand that gives back to society²⁾. Almost 3 of 4 global consumers think it is more important than before the pandemic for companies to behave more sustainably³⁾. A similar proportion say the same about reducing their personal carbon footprint.

Authorities around the world are also putting increasing demands on manufacturers to develop and offer more sustainable products, such as product energy efficiency requirements.

Strategic focus: Electrolux is a sustainability leader in the appliance industry, demonstrated by numerous third-party recognitions, and has a clear strategic sustainability agenda.



Global scale

The industry is consolidating into a handful of global actors as global scale is required due to the increasing pace of innovation and investment requirements.

Strategic focus: Electrolux has the global scale, technology, competence and balance sheet to be one of the drivers of this consolidation.



Growing global middle class



The expanding global middle class drives market growth in Africa, the Middle East, Eastern Europe, Latin America and Southeast Asia. Emerging markets represent a potential universe of over 6 billion consumers.

Strategic focus: Electrolux is a global business with a local presence. It has extensive consumer knowledge and brands targeting growing product categories in regions with a rapidly growing middle class.

¹⁾ Survata for Podium (2017). State of Online Reviews.

²⁾ Simon-Kucher & Partners (2019). The Trend Radar.

³⁾ KPMG (2021). Me, my life, my wallet.

⁴⁾ Euromonitor International (2020). The Digital Consumer Journey: Who Is Behind The Crisis-Inspired E-Commerce Surge.

⁵⁾ Eco Ethical Report (2019).

⁶⁾ Global WebIndex (GWI) (2020). Coronavirus research.

CORE MARKETS

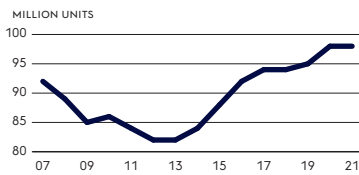
Western Europe

THE APPLIANCE MARKET

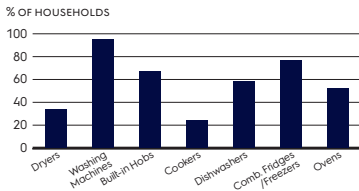
Market characteristics

Western Europe is a fragmented market characterized by widely varying consumer needs between countries and many manufacturers, brands and retailers. Structural overcapacity and price pressure have led to an ongoing industry consolidation aiming to achieve economies of scale. An increasingly important industry trend is the shift in power towards consumers, having greater awareness and access to information online.

SELL-OUT OF MAJOR APPLIANCES, INCL. AIR CONDITIONERS



PRODUCT PENETRATION



ELECTROLUX MAJOR COMPETITORS

Miele · B/S/H · Whirlpool · Samsung · LG Electronics · Arcelik · Dyson

ELECTROLUX MARKET POSITION

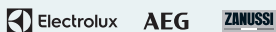
Electrolux priorities

Electrolux focuses on strengthening its product offering through consumer centric innovation, investing in brand building (Electrolux and AEG) and maintaining strong cost efficiency. A strategic focus area is to continue to grow built-in kitchen and premium laundry positions. Emphasis is on energy-efficient products. A strengthened customer service offering is also a high priority.

Electrolux market share

- Second largest player with a value market share in core appliances of 16% and leading position in the Nordics and in Italy.
- Strong positions in the targeted segments built-in kitchen and laundry.

CONSUMER BRANDS



SHARE OF GROUP SALES 2021

30%

NET SALES 2021

38 SEKbn

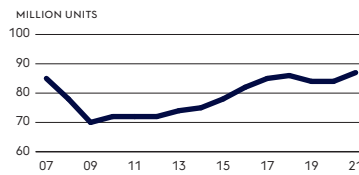
North America

THE APPLIANCE MARKET

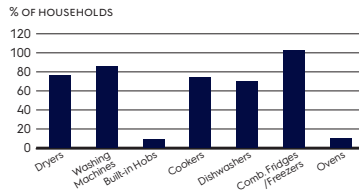
Market characteristics

North America has a mature, homogenous market with high product penetration dominated by replacement products. Large homes allow space for many household appliances, including large appliances. The market comprises several domestic and global manufacturers.

SELL-OUT OF MAJOR APPLIANCES, INCL. AIR CONDITIONERS



PRODUCT PENETRATION



ELECTROLUX MAJOR COMPETITORS

Whirlpool · GE/Haier · LG Electronics · Samsung

ELECTROLUX MARKET POSITION

Electrolux priorities

Electrolux prioritizes outstanding consumer experience innovations within core branded products and services. Focus is on strengthening our Frigidaire and Electrolux brands, and on growing with retail and contract customers.

Electrolux market share

- Strong market position with around 11% volume market share in core appliances, predominantly under the Frigidaire brand.

CONSUMER BRANDS



SHARE OF GROUP SALES 2021

32%

NET SALES 2021

40 SEKbn

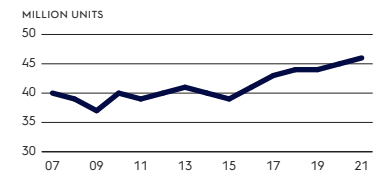
Australia, New Zealand, Japan and South Korea

THE APPLIANCE MARKET

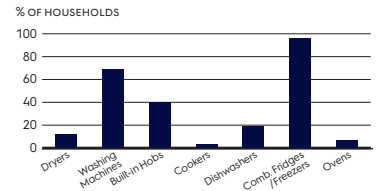
Market characteristics

In Australia and New Zealand, market penetration is high and demand is primarily driven by design and innovations as well as water and energy efficiency. Japan is dominated by major domestic manufacturers and retailers. Small living spaces, in Japan as well as in South Korea, drive consumer demand for compact products such as cooktops, washing machines and hand-held vacuum cleaners.

SELL-OUT OF MAJOR APPLIANCES, INCL. AIR CONDITIONERS*



PRODUCT PENETRATION*



* Excl. New Zealand

ELECTROLUX MAJOR COMPETITORS

Haier · Samsung · LG Electronics · Panasonic · B/S/H

ELECTROLUX MARKET POSITION

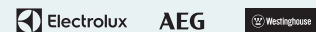
Electrolux priorities

Electrolux focus on further strengthening its position in Australia and New Zealand through the launch of new, innovative products under the Electrolux and Westinghouse brands and products with high energy and water efficiency. In Japan and South Korea, focus is on compact, user-friendly and quiet household appliances including an eCommerce focus delivering outstanding consumer experiences.

Electrolux market share

- Leading market position in Australia and New Zealand, especially in cooking.
- Leading positions in Floor Care products in Australia, Japan and South Korea.

CONSUMER BRANDS



SHARE OF GROUP SALES 2021

6%

NET SALES 2021

7 SEKbn

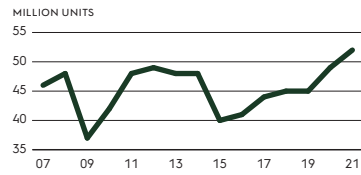
GROWTH MARKETS

Eastern Europe

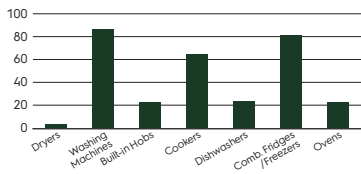
THE APPLIANCE MARKET

Market characteristics
The penetration rate in Eastern Europe is still significantly lower than in Western Europe but a large market for replacement products is emerging. The market is mainly dominated by Western manufacturers.

SELL-OUT OF MAJOR APPLIANCES, INCL. AIR CONDITIONERS



PRODUCT PENETRATION % OF HOUSEHOLDS



ELECTROLUX MAJOR COMPETITORS

B/S/H · Whirlpool · Samsung · LG Electronics · Arcelik

ELECTROLUX MARKET POSITION

Electrolux priorities

Electrolux focuses on strengthening its product offering through consumer centric innovation, investing in brand building (Electrolux and AEG) and maintaining strong cost efficiency. A strategic focus area is to continue to grow built-in kitchen and premium laundry positions. Emphasis is on energy-efficient products. A strengthened customer service offering is also a high priority.

Electrolux market share

- Leading position with a value market share in core appliances of 14%.

CONSUMER BRANDS



SHARE OF GROUP SALES 2021

9%

NET SALES 2021

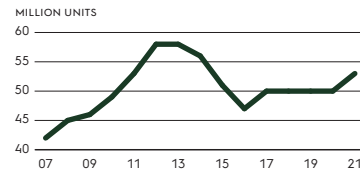
11 SEKbn

Latin America

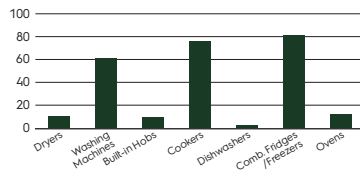
THE APPLIANCE MARKET

Market characteristics
Brazil is the largest appliance market in the region, dominated by a few major manufacturers. Market penetration for built-in products and air-conditioners remains low but increases. Consumers in the region show an increasing interest for energy and water efficiency and other sustainability related topics.

SELL-OUT OF MAJOR APPLIANCES, INCL. AIR CONDITIONERS



PRODUCT PENETRATION % OF HOUSEHOLDS



ELECTROLUX MAJOR COMPETITORS

Whirlpool · LG Electronics · Samsung · Daewoo

ELECTROLUX MARKET POSITION

Electrolux priorities

Electrolux focuses on strong product portfolio and channel management, driving cost efficiency and product mix. Delivering outstanding consumer experience by deployment of relevant innovations drives growth. The premium brands Electrolux and Fensa (Chile) are strategically supported by brands in lower price points to cover a larger spectrum of consumer needs.

Electrolux market share

- Estimated value market share of about 29% combined in Brazil, Chile and Argentina, with Electrolux brand leadership in the refrigeration and freezer segment.

CONSUMER BRANDS



SHARE OF GROUP SALES 2021

16%

NET SALES 2021

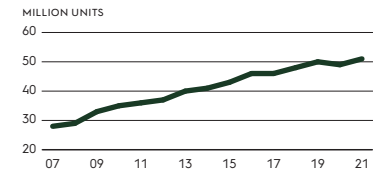
20 SEKbn

Middle East, Africa and Southeast Asia

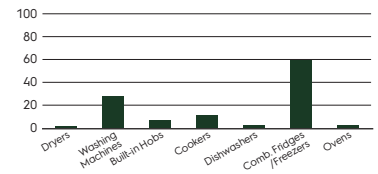
THE APPLIANCE MARKET

Market characteristics
Southeast Asia is characterized by strong growth with emerging economies, rapid urbanization, small living spaces and an expanding middle class. With markets rebounding after pandemic lockdowns, consumers prioritize cooker, washing machines and air-purifiers. Energy-efficient products and premium brands are also growing in popularity. In Africa, product penetration is low but growing with increased household purchasing power. The Middle East is impacted by political uncertainty.

SELL-OUT OF MAJOR APPLIANCES, INCL. AIR CONDITIONERS*



PRODUCT PENETRATION** % OF HOUSEHOLDS



* Middle East and Africa include Egypt, Israel, Morocco, Saudi Arabia, South Africa, UAE

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ELECTROLUX MAJOR COMPETITORS

LG Electronics · Panasonic · Haier · B/S/H · Whirlpool · Midea · Samsung · Gree

ELECTROLUX MARKET POSITION

Electrolux priorities

In Southeast Asia, Electrolux focuses on increased presence by further developing new channels and segments and by marketing a broad range of appliances, including compact vacuum cleaners, small domestic appliances and premium products for the growing middle class. In Africa, Electrolux targets profitable growth in focus areas in pace with growing prosperity and development of retail channels. The production setup in Egypt enables growth in the Middle East and in Northern Africa.

Electrolux market share

- Strong market position in targeted segments in Southeast Asia, especially front-load washers.

CONSUMER BRANDS



SHARE OF GROUP SALES 2021

6%

NET SALES 2021

7 SEKbn



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