

---

# Taking the next steps to accelerate profitable growth

During the past years, Electrolux have made many improvements in terms of focusing its brands and product offering on consumer experience innovation as well as invested in modularization and automation. This has resulted in a substantial improvement of Electrolux performance in 2017 and 2018. In 2019, Electrolux turns 100 and is now taking the next step to accelerate profitable growth with the announcements in the beginning of 2019 that work has been initiated to prepare a separation of the Professional Products business area and the creation of a sharper and more focused consumer business.

---

## Separating Electrolux Professional aiming to create substantial shareholder value

The Electrolux Board of Directors announced on January 31, 2019, they had initiated work intending to propose that a shareholders meeting decides to split the Group into two listed companies, "Electrolux" for household appliances and "Electrolux Professional" for professional appliances. The Board of Directors believes that such a split has the potential to create substantial shareholder value over time, given that the two businesses have different end markets, customers and success drivers. A split will enable both companies to focus on their respective opportunities to drive profitable growth, with distinct strategies for innovation and customer focus, as well as a high level of capital efficiency. The separation costs are expected to be relatively low.

If the shareholders decide in favor of such a proposal, AB Electrolux shareholders will receive shares in Electrolux Professional in proportion to their shareholding in AB Electrolux. The intention is to list Electrolux Professional on Nasdaq Stockholm during the first half of 2020. The Board expects to provide an update on the preparations and a more detailed time plan around mid-year 2019.

### Electrolux Professional: creating shareholder value as a stand-alone company

- The only supplier with a full and integrated hospitality industry offer under one brand
  - Pursuing further market leadership through innovation and organic and M&A driven expansion into new segments
- Global footprint in a resilient, steadily growing underlying end market
- Attractive financial profile with good growth and margin potential
  - Increased agility to leverage market and M&A opportunities as a stand-alone company
- Unlocking shareholder value through fair stock market valuation

---

## Sharpened and more focused consumer business to accelerate profitable growth

As Electrolux now becomes even more focused on the consumer business, there are tremendous opportunities to drive profitable growth. This will be done by accelerating innovation in the key experience areas, developing the aftermarket presence through a world-class ownership solutions offering and leveraging the continued digital evolution of the marketplace. An organization with four consumer-focused business areas and strong global capabilities both in the front and back end of the operations will enable Electrolux to deliver in these areas. Electrolux financial targets will remain unchanged following a separation of Professional Products.

### Four regional consumer business areas

Electrolux is revising its business area structure to create four consumer-focused regional business areas, ensuring a unified approach to each market with common branded platforms and interactions with consumers. This means the Home Care & SDA business area, currently responsible for Electrolux offering of vacuum cleaners and other products for wellbeing in the home, is being combined with the four current major appliances business areas.

- Unified approach with common branded platforms and interactions with consumers
- Leverage new business models, digital transformation and evolving routes to market
- Accelerate emerging markets consumer value proposition to drive growth

### Creating a global function for Consumer Experiences

To accelerate product and ownership experience innovation, Electrolux is also pulling together central functions focused on consumer experiences into a new organizational structure, headed by a Group Chief Experience Officer. This organization is globally responsible for areas such as marketing, design, product lines, digital consumer solutions and ownership experience.

- Accelerate product and ownership innovation
- Translating experience innovation into brand storytelling and product design
- Drive connected ownership solutions for aftermarket growth