

Press Release

For further information,
please contact:

Electrolux Press Hotline
+46 8 657 65 07

Electrolux to acquire leading water heater company in South Africa

Stockholm, Sweden, November 10, 2016

Electrolux today announced it has agreed to acquire South Africa's leading water heater producer Kwikot Group (Kwikot Proprietary Limited and its affiliates), for a total enterprise value of ZAR 3.18 billion (approximately SEK 2 billion). The acquisition broadens Electrolux home comfort product range and offers a strong platform for growth opportunities in Africa.

In the financial year ending June 30, 2016, Kwikot Group had sales of approximately ZAR 1.13 billion (approximately SEK 730 million), and an operating profit margin of more than 20%. With about 800 employees, the acquisition significantly strengthens Electrolux presence in the region. The privately owned company is based in Johannesburg where it also has production and its main warehouse. The products, which include large capacity electric and solar water heaters, heat pumps, consumables and accessories, are sold primarily in South Africa and neighboring countries.

"Acquiring Kwikot Group will provide a step change for Electrolux in southern Africa, through the complementary product offering, access to important customer segments and by adding a strong distribution and service network in the region relevant for our other product categories," said Dan Arler, Head of Electrolux Major Appliances Europe, Middle East and Africa. "The acquisition fits perfectly with our strategy to drive profitable growth. It broadens the Electrolux offering and expertise for home comfort in areas such as indoor air quality and water treatment. We will now have a full range of water heating products supporting our continued growth and profitability."

Electrolux currently supplies small and medium capacity water heaters in Northern Africa.

The acquisition is subject to regulatory approvals being obtained latest June 30, 2017.