

Press Release

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Electrolux prepares for separation and stock exchange listing of Professional Products business area

Stockholm, Sweden, January 31, 2019

AB Electrolux, a leading global company selling household and professional appliances, today announced that it is preparing for the separation of its Professional Products business area from the Group. The Electrolux Board of Directors has 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, and to distribute Electrolux Professional to the shareholders of AB Electrolux in 2020.

Electrolux 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.

Electrolux Professional is a leading provider of food service, beverage and laundry solutions to a wide range of customers, from restaurants and hotels to healthcare and other service facilities. It is a global operation with business in EMEA, North America and APAC. Its market is characterized by high demands on quality and efficient solutions, which requires offering a full set of best-in-class products, superior customer care as well as innovation and investments in connectivity.

The Electrolux Group’s core consumer business offers household appliances under a range of well-established brands including Electrolux, Frigidaire and AEG. It holds leading market positions in targeted areas. Electrolux has a strong track record and emphasis on innovation for outstanding consumer experiences. Its market is characterized by increased consumer power, sustainability, digitalization, a growing middle class driving demand and industry consolidation.

“Electrolux Professional is the only supplier in the professional appliances space with a full and integrated offer of solutions under one brand. As such, it has significant potential for long-term value creation as an agile stand-alone company, which can pursue growth through market consolidation and innovation,” said Staffan Bohman, Chairman of the Board of Directors of AB Electrolux. “Electrolux believes its core consumer business also stands to benefit both in terms of growth and margins from a sharpened focus on consumer experience innovation, the aftermarket and emerging markets. Electrolux financial targets will remain unchanged following a separation of Electrolux Professional.”

The preparations have been initiated and the Board intends to present a proposal for the distribution and listing of Electrolux Professional to a shareholders meeting. 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.

A distribution of Electrolux Professional is expected to meet the requirements of Lex Asea, which in brief means that there should not be any immediate tax consequences for Sweden-based shareholders of AB Electrolux since they should only be taxed on the value of the shares received in Electrolux Professional when they sell them.

Electrolux will publish its results for the fourth quarter on February 1, 2019, at 08.00 CET. A telephone conference will be held following the release of the results, starting at 09.00 CET and continuing until 10.30 CET to allow time for questions also relating to the contemplated split.

The conference will be chaired by Jonas Samuelson, President and CEO of Electrolux. Mr. Samuelson will be accompanied by Therese Friberg, CFO. The details for participation by telephone are as follows:

Participants in Sweden should call +46 8 566 426 62

Participants in UK/Europe should call +44 203 008 9806

Participants in US should call +1 855 831 5945

This is information that AB Electrolux is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out above, at 1800 CET on January 31, 2019.

Electrolux shapes living for the better by reinventing taste, care and wellbeing experiences, making life more enjoyable and sustainable for millions of people. As a leading global appliance company, we place the consumer at the heart of everything we do. Through our brands, including Electrolux, AEG, Anova, Frigidaire, Westinghouse and Zanussi, we sell more than 60 million household and professional products in more than 150 markets every year. In 2017 Electrolux had sales of SEK 122 billion and employed 56,000 people around the world. For more information go to www.electroluxgroup.com.