

Press Release

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Breakdown of non-recurring items expected in Electrolux Q3 results

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Electrolux said today it will report a net negative impact from non-recurring items of approximately SEK 400 million in the report for the third quarter 2019.

Electrolux today decided on efficiency measures which will lead to restructuring charges of SEK 1.6 billion (announced separately). In addition to these charges, the third quarter results will be impacted by developments in two administrative cases:

- As communicated in the interim report for Q4 2018, Electrolux during the quarter received a final and non-appealable court decision in Brazil that Electrolux has the right to recover overpaid tax for 2002-2014. In the quarter, Electrolux filed a claim with the Brazilian tax authority for the recovery of the overpaid tax. The full amount will now be recognized as an asset as per September 30, 2019. This will lead to a positive non-recurring item of approximately SEK 1.4 billion (BRL 581 million) impacting the operating income of the business area Latin America.
- Electrolux will also report a negative non-recurring item of approximately SEK 200 million, impacting the operating income of the business area North America. These are costs related to a legal settlement in the United States.

This means that the net total of non-recurring items will negatively impact operating income with approximately SEK 400 million. The net impact on cash flow will be neutral. The report for the third quarter will be published on October 25, 2019.

Breakdown and net impact of charges:

<i>Cause of non-recurring item</i>	<i>Impact on operating income</i>	<i>Area impacted</i>
Efficiency measures and outsourcing project	SEK -1.6 billion	Group Common Cost and all business areas
Tax claim	SEK +1.4 billion	Business Area Latin America
Legal settlement	SEK -200 million	Business Area North America
<i>Net total of non-recurring items</i>	SEK -400 million	