

Press Release

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Electrolux adjusts dividend policy and proposes distribution of SEK 17 per share through share redemption

Stockholm, Sweden, July 19, 2021

Following a review of its capital structure, Electrolux today announces an adjusted dividend policy of approximately 50% of annual income, a proposed automatic share redemption of SEK 17 per share and an intention to resolve on share buybacks over time.

"Electrolux has during recent years generated strong cash flow through improved profitability and high capital efficiency, despite large investments in strengthening its product and service offering as well as consumer interaction to boost organic growth", says Staffan Bohman, Chairman of the Board of Directors of AB Electrolux.

"The Board has conducted a thorough review of the Group's strategic plans and current capital structure, where its first prioritisation is to maintain a high level of capacity for value creating organic investments and selective acquisitions. Since the Group's financial position is today very strong, the Board has also decided to distribute a larger part of the value created to our shareholders."

Based on the review, the Board of Directors has decided to adjust the dividend policy; from the current target of a dividend corresponding to at least 30% of the annual income for the period, to approximately 50% of the annual income.

In addition, the Board has decided to propose a cash distribution to the shareholders through an automatic share redemption procedure in the second half of 2021.

Furthermore, in addition to the ordinary dividends, the Board's intention is to propose increased share buybacks with subsequent share cancellations to the shareholders' meetings over several years. As a first step, the Board intends to exercise the authorization from the AGM 2021 to buy back shares. Details regarding the size and duration of the intended buyback programs will be communicated as and when decided.

"The Board's objective is to maintain a solid investment grade rating, as defined by leading rating institutes, meaning that over time the Group's net debt should not exceed two (2) times EBITDA. The adjusted dividend policy, the proposed distribution through share redemption and planned share buybacks are important parts in achieving an optimal capital structure for the Group", concludes Staffan Bohman.

Details on the proposed automatic share redemption procedure

The Board has decided to propose to an Extraordinary General Meeting (EGM) to resolve on a distribution to the shareholders of SEK 17 per share, equal to a total of approximately SEK 4.9bn, through an automatic share redemption procedure, in which each share is split into one ordinary share and one redemption share. The EGM is to be held on August 27, 2021.

The proposed preliminary record day for the share redemption split is October 5, 2021. Trading in the redemption shares is estimated to take place on Nasdaq Stockholm as from October 6, 2021 up to October 22, 2021, after which the redemption share will automatically be redeemed. Payment of the redemption amount is estimated, if approved by the EGM, to be made on or around October 28, 2021.

The notice convening the EGM including the complete terms of the proposed automatic share redemption procedure will be published on or around August 2, 2021. Electrolux will also publish an information brochure about the share redemption procedure on Electrolux website www.electroluxgroup.com/egm2021 on or around August 2, 2021.

Share buyback program

As mentioned, the Board intends to propose share buybacks with subsequent share cancellations to the shareholders' meetings over several years to reduce Electrolux share capital.

As a first step, the Board intends to initiate a share buyback program in connection with completion of the 2021 automatic share redemption procedure, by utilizing the authorization from the AGM 2021 to repurchase own B shares up to a maximum of 10 percent of all shares issued by the company. Electrolux currently holds 21,522,858 own B shares, corresponding to approximately 7.0 per cent of the total number of shares in the company.

Electrolux Investor Relations department kindly refers any questions regarding this announcement until after the Q2 2021 results have been published at approximately 08:00 CET on July 20. The Q2 2021 earnings call will be held on the same day at 09:00 CET.

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 18.30 CET on July 19, 2021.

Electrolux is a leading global appliance company that has shaped living for the better for more than 100 years. We reinvent taste, care and wellbeing experiences for millions of people, always striving to be at the forefront of sustainability in society through our solutions and operations. Under our brands, including Electrolux, AEG and Frigidaire, we sell approximately 60 million household products in approximately 120 markets every year. In 2020 Electrolux had sales of SEK 116 billion and employed 48,000 people around the world. For more information go to www.electroluxgroup.com.