

**Press Release**

For further information,  
please contact:

Paul Palmstedt  
Corporate Communications  
\*46 70 593 92 83

Sophie Arnius  
Head of Investor Relations  
\*46 70 590 80 72

# Electrolux charges MUSD 85 to Q4 2021 result after arbitration in U.S. tariff case

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**Electrolux will charge MUSD 85 (MSEK 727) to earnings in the fourth quarter of 2021 after an appeals panel upheld a U.S. Department of Commerce (DOC) decision regarding tariffs on washing machines imported into the U.S. from Mexico in 2016/2017.**

As previously communicated, Electrolux North America appealed a 2017 decision by the DOC to set a tariff rate of 72.41% on Electrolux washing machines imported into the U.S. from Mexico between February 2016 and January 2017. Electrolux argued that the DOC decision lacked legal merit and that a correctly set tariff should have been significantly lower.

The arbitration panel, appointed by the NAFTA Secretariat to rule on the matter, has now denied the appeal and upheld the original DOC decision. The 72.41% tariff rate was set by the DOC after Electrolux prior external counsel failed to timely file responses to requests for data. Electrolux will pursue appropriate legal action to recover the amount of the increased tariff rate and other costs from its prior counsel. Further, for comparison, the final rates since 2016-17 have been between 2% and 4%.

Electrolux believed that the DOC exceeded its discretion when it failed to accept Electrolux data. It should be noted that the disputed tariff only related to the 2016/2017 review period.

Electrolux has not previously made a provision related to this process. Although appealing administrative determinations is inherently challenging, Electrolux believed it had a strong case and that success was more likely than not. As further appeals of this type of arbitration ruling are rarely successful, Electrolux will pay the outstanding tariff plus accrued interest. Payment is expected to occur during 2022 and until then the amount is recognized as a current liability.

The expense of MUSD 85 (MSEK 727) will impact the operating profit of business area North America in the fourth quarter 2021 and will be reported as a non-recurring item. Income for the period will be reduced by MUSD 63 (MSEK 543). The interim report for the fourth quarter 2021 will be published on January 28, 2022 at 08.00 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 21.45 CET on January 26, 2022.*