

Press Release

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Electrolux announces loss for the fourth quarter 2022

Stockholm, Sweden, January 11, 2023

Electrolux announced today that operating income in the fourth quarter of 2022 is estimated to be approximately SEK -2.0bn (0.9), including non-recurring items of SEK -1.4bn (-0.7). The year-over-year earnings decline was primarily a consequence of weaker consumer demand and inventory reductions at both retailers and Electrolux in combination with an elevated cost level. The main contributor to the weaker than expected earnings in the fourth quarter was performance in Business Area North America.

Net sales in the fourth quarter for the Group are estimated to be approximately SEK 36bn, a decrease of about 8% organically. Operating income excluding non-recurring items is for the Group estimated to approximately SEK -0.6bn compared to SEK 1.6bn in the fourth quarter 2021. The main contributor to the earnings decline is Business Area North America with an operating loss excluding non-recurring items of approximately SEK 1.2bn, similar to the result in the third quarter of 2022.

Inventory reduction activities at retailers in the fourth quarter across regions were larger than expected contributing to a weak market, which impacted volumes and mix negatively, as well as resulted in higher promotional activity. The largest impact was in Business Area North America.

The net negative impact from non-recurring items of approximately SEK 1.4bn consists of three items (see table below). In addition to the two previously communicated items, a US pension plan was terminated and these pension obligations were transferred to a third party, which resulted in a reduction of pension liabilities and assets of SEK 6bn at year-end 2022. These actions resulted in a negative impact of approximately SEK 0.2bn on operating income in the fourth quarter due to an excise tax, and a positive cash flow effect of at least SEK 0.7bn is expected in the first half of 2023.

Cause of non-recurring item	Impact on operating income	Area impacted
<u>Group-wide cost reduction and North America turnaround program</u>	SEK -1.54bn	All business areas and Group common costs
<u>Swiss real estate divestment</u>	SEK +0.39bn	Business area Europe
<u>US pension plan termination</u>	SEK -0.21bn	Business area North America
Net total of non-recurring items	SEK -1.36bn	

The earlier communicated Group-wide cost reduction and North America turnaround program to return to stability and increase profitability started to gain traction towards the end of the year and the expected positive year-over-year earnings contribution of SEK 4-5bn in full-year of 2023 is reconfirmed.

All figures relating to 2022 in this press release are preliminary and unaudited, and the final report for the fourth quarter of 2022 will be published on February 2, 2023 at about 08.00 CET.

Electrolux will not make any further comments until the final fourth quarter report has been published.

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 14.45 CET on January 11, 2023.

Electrolux is a leading global appliance company that has shaped living for the better for more than 100 years. We reinvent lifetime 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 2021 Electrolux had sales of SEK 126 billion and employed 52,000 people around the world. For more information go to www.electroluxgroup.com.