

Electrolux Group hosts Capital Markets Update today

Electrolux Group hosts its Capital Markets Update for investors, financial analysts, and media representatives at 15.00 CET today. President & CEO Jonas Samuelson and other senior Group executives will provide an update on how the company is executing its strategy to drive profitable growth and deliver on its financial targets. Focus will be on growth opportunities in the aftermarket business and lifting financial performance in North America to the Group target level by executing on the earlier announced turnaround measures.

“Our strategy and financial targets are unchanged, with an operating margin for the Group of at least 6% over a business cycle as the top priority”, says Jonas Samuelson. “We have a path to reach an operating margin of at least 6% mid-term, both for the Group and for business area North America, with the turnaround program in North America as a key component. The earnings impact from the previously announced cost reduction program is estimated to be above SEK 7bn in 2024 compared to 2022, whereof SEK 4-5bn is expected in 2023. This is expected to result in a positive operating cash flow for 2023.”

With the cost reduction measures being implemented in business area North America, cost per unit in the Anderson and Springfield factories will significantly improve near-term, reaching competitive cost levels. Another key earnings contributor for business area North America is commercial growth in higher value categories, which the investments in new and innovative modular product architectures enable.

While the North American business area operating margin has been challenged in recent years, the other three business areas have showed a solid operating margin development over time. In addition to the previously announced cost reduction measures and the North American turnaround, continued commercial growth in these three business areas is expected to contribute to reach a Group operating margin of at least 6% mid-term. This is mainly enabled by leveraging recent investments in modularized product architectures that have resulted in very competitive product ranges. Aftermarket growth is also an important component.

The Group’s aftermarket business contributes favorably to the operating margin, with more than four times higher profit margin compared to the appliances business. In addition, the aftermarket business contributes to increased appliances sales through loyalty purchases and strengthened brand recognition. With Consumables and accessories as well as Out-of-warranty repairs as main growth drivers, the Group has a clear path to reach the target of 10% aftermarket sales of Group sales in 2025. The Group’s long-term ambition is for aftermarket sales to account for around 15% of total Group sales.

The Capital Markets Update can be accessed via a webcast [here](#). Presentations from the event will be available [here](#) as from approx. 12.00 CET today. An on-demand version of the event recording will be available on the following day on the same webpage.

The business and market outlooks provided in the Electrolux Group fourth-quarter earnings report on February 2, 2023, remain unchanged.

Electrolux Group 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 group of leading appliance brands, including Electrolux, AEG and Frigidaire, we sell approximately 60 million household products in around 120 markets every year. In 2022 Electrolux Group had sales of SEK 135 billion and employed 51,000 people around the world. For more information go to www.electroluxgroup.com.

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