

Electrolux Group initiates preparations to divest non-core assets with total potential value of SEK 10bn

As part of its ongoing work to sharpen its strategic focus, Electrolux Group announced today that the company has started preparations for a potential divestment of Zanussi and other non-core brands* during the coming years. A divestment would include the production facilities in Egypt, which produce Zanussi-branded major appliances, and production facilities for water heaters in Egypt and South Africa. Together with continued sale of non-strategic real estate, the total potential divestment value for all these assets combined is estimated to be approximately SEK 10bn.

"After the spin-off of the professional business our focus is on sustainable consumer experience innovation and the consumer lifetime journey, driven by digitalization and consumer direct interaction. The Group strategy is geared towards growing profitably in selected home appliance categories in the mid- and premium segments, primarily under our main brands Electrolux, AEG and Frigidaire. The actions announced today are one key part in this ongoing sharpening and will provide resources to execute our strategy at speed and scale, as well as contributing to achieving our targeted capital structure", says Electrolux Group President & CEO Jonas Samuelson.

"In the current challenging macro environment, focus and strategic portfolio management are more important than ever to be able to provide attractive and relevant consumer experience innovations under our strategic brands. Further structural simplification and complexity reductions are also being evaluated."

Group net sales in 2022 of the brands and water heater category to be divested were SEK 7.1bn, equivalent to approximately 5% of Group net sales. Of this, SEK 3.7bn relates to net sales in business area Europe, with a majority in UK and Benelux. Net sales of SEK 3.4bn relates to business area Asia-Pacific, Middle East and Africa, of which SEK 2.0bn in Egypt, and SEK 1.1bn in South Africa. The total number of employees in 2022 was 2,238 in Egypt and 856 in South Africa.

"Although the water heater businesses in Egypt and South Africa are profitable and the brands we are now looking at divesting are all well-known in their respective markets, these assets do not have sufficiently strong synergies with our core strategy to warrant the required focus and investment from Electrolux Group. Therefore, we believe in the opportunity for greater value creation and growth under different ownership. We will of course evaluate the attractiveness of potential offers on a case-by-case basis", continues Jonas Samuelson.

The real estate divestments include among others, the previously announced production facilities in [Memphis](#) and [Nyíregyháza](#), where production either has ceased or will be discontinued.

Société Générale acts as advisor in the brands and water heater category divestment processes.

**Brands in-scope for divestment include primarily the major appliances brands Zanussi, Ideal, Faure, Zanker, Rosenlew, Elektro-Helios and Zoppas and the water heater brands Olympic Electric and Kwikot.*

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 below, on July 20, 2023 at 07.50 CET.

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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