

# Electrolux Group reports loss in the fourth quarter – driven by North America

Electrolux Group announced today that operating income, excluding non-recurring items, in the fourth quarter of 2023 is estimated to be approx. SEK -0.7bn (-0.6). The underlying loss in business area North America is estimated at approx. SEK -1.4bn (-1.2), driven by intensified price pressure, lower volumes and elevated cost levels related to the cooking manufacturing transition.

Net sales in the fourth quarter for the Group is estimated to be approx. SEK 35.6bn (35.8), an organic decline of about 1%. Operating income for the Group is estimated to approx. SEK -3.2bn (-2.0) and includes non-recurring items of approx. SEK -2.5bn (-1.4). Cash flow generation was strong in the quarter, expected to lead to an operating cash flow after investments for the full year 2023 of approx. SEK 3bn (-6.1).

The main driver behind the loss in North America was intensified price pressure and weak demand during Black Friday, as well as the remainder of the year. Cost discrepancy between production located in North America compared to certain parts of Asia, as previously reported, driven by currency, raw material and inflationary impacts, has resulted in lower market price levels, particularly in refrigeration, which is a key category for business area North America.

As previously communicated, the finalization of the transition of cooking manufacturing in Springfield from the legacy factory, which was closed in the quarter, to the new factory impacted earnings in North America negatively, both in terms of additional costs and impact on product availability. The ramp-up of the new Springfield factory is expected to be finalized in terms of volumes and cost efficiency by the end of 2024.

Execution of the Group-wide cost reduction and North America turnaround program progressed well in the quarter. However, the temporary impacts from the Springfield transition resulted in cost savings for the Group as a whole for the full-year 2023 somewhat below the target of approx. SEK 6bn, year-over-year.

Income for the period for the Group in the fourth quarter will be negatively impacted by a write down related to US tax credits of approx. SEK 1.2bn. The write down will not have a cash flow impact.

The net negative impact from non-recurring items in the fourth quarter of approx. SEK 2.5bn consists of three items (see table below). In addition to the two previously communicated items, impairment of assets driven by the formation of the new business area Europe, Asia-Pacific, Middle East & Africa amounted to approx. SEK -0.2bn.

Cause of non-recurring item	Impact on operating income (rounded numbers)	Area impacted
Expanded Group-wide cost reduction and North America turnaround program	SEK -2.5bn	All business areas and Group common costs
Memphis real estate divestment	SEK +0.3bn	Business area North America
Impairment	SEK -0.2bn	Business area Europe
<b>Net total of non-recurring items</b>	<b>SEK -2.5bn</b>	

All figures relating to 2023 in this press release are preliminary and unaudited, and the final report for the fourth quarter of 2023 will be published on February 2, 2024, at about 08.00 CET.

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

*This disclosure contains information that Electrolux Group is obliged to make public pursuant to the EU Market Abuse Regulation (EU nr 596/2014). The information was submitted for publication, through the agency of the contact person, on January 12, 2024, at 16.15 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](http://www.electroluxgroup.com).

For further information,  
please contact:

Paul Palmstedt  
Electrolux Group Press Hotline  
+46 8 657 65 07

AB Electrolux (publ)  
S:t Göransgatan 143  
105 45 Stockholm, Sweden  
+46 8 738 60 00  
[www.electroluxgroup.com](http://www.electroluxgroup.com)  
Org. No.: 556009-4178