

Electrolux Group and Midea Group form a highly complementary long-term strategic partnership in North America to accelerate profitable growth and strengthen innovation

Electrolux Group announces today that it has entered into agreements with Midea Group to establish a highly complementary long-term strategic partnership in Food Preservation (refrigeration) manufacturing and sales, and Fabric Care (laundry) manufacturing in North America. The partnership is designed to support long-term profitable growth and will contribute to Electrolux Group's overarching efforts to transform the business in North America. It will strengthen the Group's product offering in Food Preservation and Fabric Care through innovation, improved cost competitiveness and increased operational flexibility. The Group expects that the partnership will have a positive effect on Electrolux Group's sales and contribute to gradually increasing cost efficiency improvements over the next three years, with approximately SEK 0.6 billion in year three. As a result of this announcement, Electrolux Group expects to report total negative non-recurring items ("NRIs") of approximately SEK 2.4 billion, in the second quarter of 2026, of which approximately SEK 0.9 billion will have a cash impact. The partnership is expected to commence in the third quarter of 2026 and will aim to create a stronger platform for innovation, product development, and deliver value to customers and consumers in North America.

The partnership with Midea Group is expected to accelerate the transformation of Electrolux Group's North American business, strengthening its ability to support long-term profitable growth. The partnership builds on the companies' more than 20-year sourcing-supplier relationship and combines Electrolux Group's strong market presence, established infrastructure and deep consumer insights with Midea Group's core competence in operations and innovation, continuous investment in efficient manufacturing and supply chain and industrial flexibility. Midea Group is a global, publicly listed smart home solutions and commercial and industrial solutions provider with significant R&D capabilities, headquartered in China, with global revenues of approximately USD 63.7 billion¹.

A new operating model will be introduced across selected parts of Electrolux Group's North American operations. It will support the Group's continued investments in consumer-centric innovation, including the rollout of advanced digital product features. In addition, it will enhance the Group's ability to expand its product offering in Food Preservation, including a wider and up-featured range of refrigerators, and in Fabric Care, including top-load laundry, in North America.

"This partnership marks a major milestone in the execution of Electrolux Group's strategy and puts us in a position to accelerate profitable growth. It enables us to continue to invest in sustainable, consumer-centric innovations to serve our customers and consumers with even stronger product offerings in North America." says Yannick Fierling, President & CEO of Electrolux Group.

¹ Based on full-year 2025 revenues of CNY 458,502 million, translated using an average CNY/USD FX rate of 0.1392 for the period January 1, 2025 to December 31, 2025.

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 household products in around 120 markets. In 2025 Electrolux Group had sales of SEK 131 billion and employed 39,000 people around the world. For more information go to www.electroluxgroup.com.

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The partnership will include shared manufacturing expertise benefiting from joint operational capabilities. It is expected to deliver fixed and variable cost savings from 2026 that will increase over time. Together, the Group believes these measures will accelerate growth, strengthen the Group's ability to innovate, and improve responsiveness to evolving market conditions and consumer needs.

Structure of the partnership

The partnership will be structured as three Joint Ventures:

- *Sales Joint Venture ("JV") for Food Preservation product and commercial strategies in North America*
Electrolux Group and Midea Group will jointly co-develop and sell Food Preservation products for North America through a sales JV, in which each company will hold 50 percent of the shares. The sales JV will manage product and commercial strategies in North America across Electrolux Group's and Midea Group's product brands. Electrolux Group and Midea Group will work together to develop a full line of innovative, differentiated products for both companies' brands, providing customers and consumers with a broad array of choices. The sales JV is expected to begin operations in the third quarter of 2026.
- *Manufacturing JV for Food Preservation in Juarez (Mexico)*
Electrolux Group and Midea Group will jointly operate the Food Preservation factory in Juarez, which is expected to begin in the third quarter of 2026. Midea Group will purchase 65 percent of the legal entities holding the operational assets associated with Food Preservation in Juarez, and Electrolux Group will retain 35 percent. Electrolux Group's Fabric Care operations in Juarez will be carved out prior to closing of the transaction and will continue to serve the Group exclusively.
- *Manufacturing JV for Fabric Care in Anderson (South Carolina, United States)*
Electrolux Group and Midea Group will jointly operate the factory in Anderson, which will be repurposed from a Food Preservation factory into a Fabric Care factory. A manufacturing JV will be established that will own and operate the Anderson factory, with Electrolux Group holding 55 percent and Midea Group holding 45 percent of the shares. The current Food Preservation production is expected to be phased out by July 2026, with the Fabric Care production expected to commence in the first half of 2027.

The JV agreements have an initial term of 15 years that is automatically extended with consecutive 10-year periods, unless terminated three years in advance by either party. The manufacturing facilities in Springfield, Tennessee (Food Preparation), Kinston, North Carolina (Dish Care) and Juarez, Mexico (Fabric Care) will continue to be operated by Electrolux Group.

Financial aspects

In 2025, Electrolux Group North America generated approximately SEK 45 billion in net sales, representing approximately 34 percent of the Group's total net sales.

The partnership is expected to positively contribute to Electrolux Group's sales in North America, driven partly by the assumption of consolidation of the sales JV in Electrolux Group's financial statements, including Midea Group's branded Food Preservation sales in North America. In addition, the partnership will enhance the opportunities for Electrolux Group to accelerate growth in both Food Preservation and Fabric Care, in North America.

The partnership is expected to affect approximately 1,500 employees in 2026, resulting in a negative cash NRI of approximately SEK 0.9 billion. The NRI mainly relates to severance costs and is expected to be recognized in the second quarter of 2026. The manufacturing JV for Anderson is expected to hire up to approximately 1,200 employees gradually across 2027 and 2028, as it is re-purposed into a Fabric Care factory.

It is further expected that a write-off of approximately SEK 1.5 billion, mainly related to the Food Preservation production in Anderson will be reported as a negative NRI in the second quarter of 2026. As a result of these actions, Electrolux Group expects to report total negative NRIs of approximately SEK 2.4 billion, in the second quarter of 2026. The sale of assets in Juarez to the manufacturing JV is expected to occur in the third quarter of 2026 and have a neutral effect on the income statement, but is expected to generate a positive cash flow effect of approximately SEK 1.0 billion with a corresponding reduction in assets.

The partnership is also expected to require approximately SEK 1.1 billion in capital expenditure over the next three years related to the start-up of the Fabric Care production in Anderson and investing in new platforms for refrigeration in Juarez.

The partnership will not impact Electrolux Group's business outlook for 2026².

Timing

The Committee on Foreign Investment in the U.S. ("CFIUS") has approved the transactions described above. Subject to certain regulatory approvals outside the U.S. and other customary closing conditions, the JVs are expected to commence their operations in the third quarter of 2026.

Advisors

PJT Partners served as exclusive financial advisor to Electrolux and King & Spalding acted as lead legal advisor to Electrolux, with Ropes & Gray providing additional legal advice to Electrolux.

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, on 23-04-2026 at 17:30 CEST.

Important notice

Certain statements made in this announcement are forward-looking statements. Such statements are based on current expectations and assumptions and are subject to a number of risks and uncertainties that could cause actual events or results to differ materially from any expected future events or results expressed or implied in these forward-looking statements. Persons receiving this announcement should not place undue reliance on forward-looking statements. Unless otherwise required by applicable law, regulation or accounting standard, Electrolux Group does not undertake to update or revise any forward-looking statements, whether as a result of new information, future developments or otherwise.

² See the Electrolux Group's Year-end report Q4 2025, page 3.