

**Press Release**

For further information,  
please contact:

Daniel Frykholm  
Electrolux Press Hotline  
\*46 8 657 65 07

## Update on Electrolux operations in North America

Stockholm, Sweden, December 15, 2019

**Electrolux today provided an update on issues expected to impact operating income for its business area North America in the fourth quarter; primarily the consolidation of its U.S. refrigerator/freezer manufacturing and related transition to new product platforms. Electrolux expects costs related to the transition, volume effects and other matters in the quarter to have a combined impact of a total approximately USD -70 million.**

Electrolux is currently investing approximately USD 250 million in automation, digitalization and new food preservation product platforms at a new facility in Anderson, South Carolina. This new facility will replace manufacturing in St Cloud, Minnesota (closed in Q4) and manufacturing at an adjacent facility in Anderson.

The transition to the new facility has resulted in temporary capacity constraints impacting deliveries to some customers in the fourth quarter. As a result of this, as well as of increased costs, the transition is now expected to have a larger impact on operating income in the fourth quarter than the approximately USD -25 million communicated previously. Additionally, the operating income will be impacted negatively by two other factors: destocking at a key U.S. customer and accounting adjustments from prior periods.

In total these issues are, as stated above, expected to impact the operating income of Business Area North America with approximately USD -70 million in the fourth quarter compared to the prior year. The report for the fourth quarter 2019 will be published on January 31, 2020. Looking ahead, Electrolux expects the capacity constraints in Anderson to be gradually resolved during the first half of 2020.

In order to safeguard Electrolux ability to meet market demand for its products with a continuously high quality level, the company has decided to extend the transition period and run its two Anderson facilities in parallel into the second half of 2020. This means the bulk of cost savings from the investment will be realized as from 2021 instead of 2020.

The full scope of Electrolux ongoing investment program and streamlining measures is on track to generate approximately SEK 3.5 billion of annual cost savings, with full effect from 2024. Related savings in 2020 are now expected to be approximately SEK 200 million, mainly as a result of re-engineering activities in Latin America and global streamlining measures, which are progressing well. Electrolux previously expected 2020 cost savings from the investment program and streamlining measures to be approximately SEK 800 million.

**Telephone conference**

Electrolux will hold a telephone conference on Monday December 16 at 09.00 CET, with comments from Jonas Samuelson, President and CEO, followed by a Q&A session. Details to access this call will be published at approximately 08.00 CET at

[www.electroluxgroup.com/ir](http://www.electroluxgroup.com/ir).

*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 1800 CET on December 15, 2019.*

Electrolux shapes living for the better by reinventing taste, care and wellbeing experiences, making life more enjoyable and sustainable for millions of people. As a leading global appliance company, we place the consumer at the heart of everything we do. Through our brands, including Electrolux, AEG and Frigidaire, we sell more than 60 million household and professional products in more than 150 markets every year. In 2018 Electrolux had sales of SEK 124 billion and employed 54,000 people around the world. For more information go to [www.electroluxgroup.com](http://www.electroluxgroup.com).