

Press Release

For further information,
please contact:

Sophie Arnius
Head of Investor Relations
*46 70 590 80 72

Daniel Frykholm
Electrolux Press Hotline
*46 8 657 65 07

AB Electrolux updates expected impact from the coronavirus and cancels dividend

Stockholm, Sweden, March 23, 2020

The rapidly developing situation related to the coronavirus has reinforced Electrolux view of the consequences, with the conclusion that there will be a material financial impact in 2020. The company said it is taking mitigating actions to protect earnings and cash flow. The Board of Directors of AB Electrolux also said it has decided to withdraw its dividend proposal for the AGM 2020 and communicated other revised AGM proposals.

On March 15, 2020, Electrolux provided an update on developments related to the coronavirus. The company said at the time there was a considerable risk of a material financial impact during the first half of 2020, related to supply chain disruptions, government countermeasures and changing consumer behavior.

In the subsequent days, several additional authorities globally have imposed strict countermeasures, including the closure of industrial activities, retail shops and cross-border transit. This development has caused a sharp decrease in demand and the possibility to produce goods. Electrolux is continuously adjusting production across all regions to be in line with expected sales volumes and will temporarily close impacted factories as necessary or mandated. Electrolux generally has good product availability, considering the anticipated lower near-term consumer demand.

Given the severity of the situation, including large order revisions from retailers in recent days, Electrolux expects a material financial impact in 2020, starting in the first quarter. It is not at this point possible to quantify or predict the full impact and Electrolux is now implementing aggressive mitigation actions to reduce the risk to earnings and cash flow. In addition to furloughs for employees affected by reduced activity, these actions include significantly reduced discretionary spending and reprioritizing capital expenditure.

Revised proposals to the AGM 2020

In light of the considerable uncertainty relating to the medium-term effects from the spread of the coronavirus, the Board of Directors of AB Electrolux has decided to withdraw its dividend proposal to the Annual General Meeting 2020. The Board instead proposes that no dividend is distributed to shareholders for the fiscal year 2019.

In the event that the global situation and market conditions are stabilized during the year and the company's financial position remains good, the Board of Directors will consider calling an Extraordinary General Meeting later this year in order to resolve on a dividend.

“Electrolux has a solid balance sheet, but this is an extraordinary situation and the Board believes it is appropriate to take a prudent approach at this point in order to ensure the company continues to be well-positioned for the future,” said Staffan Bohman, Chairman of the Board of Directors of AB Electrolux.

In addition to withdrawing the dividend proposal, the Board has also withdrawn its proposal for resolution by the AGM 2020 on the implementation of a performance based long-term share program for 2020. Furthermore, the AB Electrolux Nomination Committee has decided to withdraw its proposal for increased board fees and has

instead proposed that the AGM resolves that the current board fees remain unchanged this year.

Electrolux Annual General Meeting 2020 is scheduled to be held on March 31, 2020.

AB Electrolux Nomination Committee's revised proposal on fee to the Board of Directors at the Annual General Meeting 2020

The Nomination Committee proposes Directors' fees as follows:

- (a) SEK 2,200,000 to the Chairman of the Board of Directors and SEK 640,000 to each of the other Directors appointed by the Annual General Meeting not employed by Electrolux; and
- (b) for committee work, to the members who are appointed by the Board of Directors: SEK 280,000 to the Chairman of the audit committee and SEK 160,000 to each of the other members of the committee and SEK 150,000 to the Chairman of the remuneration committee and SEK 100,000 to each of the other members of the committee.

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 0800 CET on March 23, 2020.

Electrolux 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 brands, including Electrolux, AEG and Frigidaire, we sell approximately 60 million household products in approximately 120 markets every year. In 2019 Electrolux had sales of SEK 119 billion and employed 49,000 people around the world. For more information go to www.electroluxgroup.com.