

Press Release

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AB Electrolux to propose reinstated dividend based on recovery in earnings and cash flow

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After assessing the company's financial position and the impact of the coronavirus pandemic, the Board of Directors of AB Electrolux has decided to propose a dividend of SEK 7 per share for the fiscal year 2019. Electrolux has seen a substantial recovery in earnings and cash flow during the third quarter, with pent-up demand and government stimulus programs impacting consumer spending patterns and thus driving a positive development in all business areas.

On March 23, 2020, the Board of Directors withdrew its SEK 8.50 per share dividend proposal for the AGM 2020, in light of the then considerable uncertainty relating to the medium-term effects of the pandemic. Since then however, as was communicated in the second quarter report on July 17, market demand has begun to recover. In line with the outlook, demand has remained strong during the third quarter. Electrolux estimates that the negative impact initially seen related to the pandemic will largely be recovered in the operating profit for the nine-month period ending September 30, including a strong improvement in cash flow. Looking into the fourth quarter, visibility remains limited as demand may be impacted by several factors – both positive and negative – but at present, Electrolux anticipates financial performance to gradually normalize.

The Board of Directors therefore has concluded that a dividend can be proposed without jeopardizing Electrolux financial position. It will call for an Extraordinary General Meeting on November 3, 2020, to decide on a proposal for a dividend for the fiscal year 2019 of SEK 7 per share, to be paid in one installment. The Board will also propose that a performance based long-term share program for 2020 is implemented in line with its original proposal for the AGM 2020.

The Extraordinary General Meeting will also decide on a proposal from the Board of Directors to include a possibility in the Articles of Association to allow voting by post and to collect proxies before general meetings. Further details regarding the Extraordinary General Meeting will be provided shortly in a separate notice for the meeting.

Electrolux report for the third quarter of 2020 will be published on October 23, 2020 at about 0800 CET. The company will then provide an updated market and business outlook for the full year 2020.

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 0830 CET on September 25, 2020.