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## **Electrolux Group accelerates profitable growth strategy through a partnership with Midea, global organization and footprint optimization, and a fully underwritten rights issue of approx. SEK 9 billion**

In addition to the separately announced long-term strategic partnership with Midea Group in North America, AB Electrolux (“Electrolux Group” or the “Group”) today announces a plan to improve efficiency across its organization including a focused optimization of the Group’s global manufacturing footprint to further increase agility across the organization. Furthermore, the Board of Directors of AB Electrolux has resolved, subject to approval by an Extraordinary General Meeting (the “EGM”), on a fully underwritten rights issue of approximately SEK 9 billion (the “Rights Issue”). The Rights Issue, supported by AB Electrolux largest shareholder, Investor AB, is intended to finance and accelerate Electrolux Group’s profitable growth initiatives and expedite the achievement of its financial targets, as well as strengthen the Group’s balance sheet. The Group is also providing financial information for the first quarter of 2026 and comments on its business and market outlook. Electrolux Group will host a webcast and telephone conference today at 18:30 CEST.

The actions announced today support Electrolux Group’s strategy by aiming to accelerate long-term profitable growth and progress towards its financial targets. The SEK 9 billion in gross proceeds from the Rights Issue are expected to finance Electrolux Group’s profitable growth initiatives and strengthen the Group’s balance sheet. The Group intends to allocate the proceeds as follows:

- SEK 1.0-1.5 billion of the gross proceeds to support the long-term, highly complementary strategic partnership with Midea Group 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 innovation, strengthen the Group’s product offering in Food Preservation and Fabric Care, improve cost efficiencies and increase operational flexibility, and will contribute to Electrolux Group’s overarching efforts to transform the business in North America. The Group expects that the partnership will have a positive effect on Electrolux Group’s sales and generate gradually increasing cost efficiency improvements, reaching approximately SEK 0.6 billion in year three. The partnership is expected to result in a reduction of approximately 1,500 employees in 2026. However, the manufacturing JV for Anderson is expected to hire up to approximately 1,200 employees gradually across 2027 and 2028, as the site is repurposed into a Fabric Care factory. As a result of this announcement, Electrolux Group expects to report total negative non-recurring items of approximately SEK 2.4 billion, of which approximately SEK 0.9 billion will be cash-related. The partnership is expected to commence in the third 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 expected to require approximately SEK 1.1 billion in

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

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capital expenditure over the next three years. Please refer to the separate press release issued concurrently for more information.

- SEK 2.0-2.5 billion of the gross proceeds to support the Group's plans to improve efficiency across its organization over the next two years. This includes targeted optimization of the global manufacturing footprint to improve capacity utilization and drive cost efficiencies in addition to staff reductions globally, across functions, in line with Electrolux Group's strategy to strengthen competitiveness and financial resilience. This initiative is expected to generate gradual cost efficiency improvements, reaching approximately SEK 1.4 billion in year three. The targeted optimization is expected to result in a net reduction of approximately 3,000 employees globally over the same period. Electrolux Group is expected to report total negative non-recurring items of approximately SEK 2.2 billion over the next two years, of which approximately SEK 1.5 billion is cash-related. To support execution of Electrolux Group's strategy and its efforts to focus on customer-facing activities, local sales and marketing will be prioritized to accelerate profitable growth. Furthermore, Electrolux Group expects to invest approximately SEK 0.6 billion over three years to implement the manufacturing optimization plan.

On March 31, 2026, Electrolux Group announced the decision to close the factory in Santiago, Chile, effective at the end of April 2026, which is part of the manufacturing footprint optimization initiative. The decision followed a review of the cost-competitiveness of the factory and will impact approximately 400 employees. A restructuring charge of approximately SEK 0.5 billion, of which approximately SEK 0.2 billion is cash-related, will be reported as a negative non-recurring item, affecting operating income for Region Latin America in the first quarter of 2026.

On April 22, 2026, Electrolux Group announced the decision to end production at the factory in Jászberény, Hungary, which manufactures built-in and freestanding refrigeration products. Production is expected to cease by the end of 2026. The decision will impact approximately 600 employees. A restructuring charge of approximately SEK 0.6 billion, of which SEK 0.3 billion is cash-related, will be reported as a negative non-recurring item affecting operating income for Region Europe, Middle East & Africa and Asia-Pacific in the second quarter of 2026.

The restructuring charges related to Chile and Hungary are included in total negative non-recurring items of approximately SEK 2.2 billion.

- SEK 1.0 billion of the gross proceeds to support other long-term profitable growth initiatives, including product category and market expansion and increasing lifetime value offerings.
- SEK 4.0-5.0 billion of the gross proceeds to strengthen the balance sheet to provide the Group with the financial flexibility and resilience needed in today's competitive and challenging market environment while executing on the strategic initiatives and maintaining a solid investment-grade rating.

Torbjörn Lööf, Chair of the AB Electrolux Board of Directors, said:

*“Electrolux Group continues to take decisive actions, through the announced initiatives, to deliver on its strategy for long-term profitable growth. Through the planned fully underwritten rights issue, supported by our main shareholder Investor AB, all existing shareholders are invited to participate in the transformative journey of Electrolux Group. We are convinced that this is the right path to ensure that the company remains strong, competitive, and well positioned for the future.”*

Yannick Fierling, President and CEO of Electrolux Group, said:

*“Today's announcement will fundamentally strengthen Electrolux Group. The highly complementary, strategic partnership with Midea Group, our efforts to optimize the global manufacturing footprint and a more agile organization, together with a stronger balance sheet, will be instrumental to the Group's long-term profitable growth. By building on the substantial cost efficiency improvements, we have delivered to manage changing market dynamics, these initiatives enable us to invest in the innovations and consumer experiences that will define the future of home appliances, leveraging global scale and supply-chain flexibility, significantly reduce costs and*

*increase efficiency. Through the planned fully underwritten rights issue, we secure financial flexibility to execute our long-term strategy.”*

These initiatives add to the ongoing transformation of Electrolux Group, which in recent years has taken decisive actions to focus on consumer experience innovation, sharpen strategic focus and significantly resize the organization. These initiatives have contributed to realized cumulative cost efficiency improvements amounting to close to SEK 13 billion since the end of 2022, and additionally SEK 3.5-4.0 billion is expected in 2026.

The Group aims to have an efficient capital structure and has an objective that the net debt/EBITDA ratio should not exceed 2.0x to preserve balance sheet strength and its investment-grade credit profile. As of December 31, 2025, the Group had a net debt/EBITDA<sup>1</sup> ratio of 3.0x. Adjusting the December 31, 2025, net debt/EBITDA for the contemplated Rights Issue proceeds of SEK 9 billion, the net debt/EBITDA ratio would have improved to close to 2.0x<sup>2</sup>. Further, following the announcement and completion of the initiatives, in which the expected annual cost efficiency improvements would total SEK 2.0 billion by year three, the initiatives are expected to further contribute to a stabilizing net debt/EBITDA ratio below 2.0x. The improved financial strength will provide the Group with the flexibility, agility and resilience needed in today’s competitive and challenging market environment while executing on the strategic initiatives and exploring additional opportunities for future expansion and long-term profitable growth.

### **Financial information for the first quarter of 2026**

For the first quarter of 2026, Electrolux Group’s net sales amounted to SEK 30 billion, with operating income (excluding non-recurring items) of SEK 0.2 billion. The North American home appliance market experienced a 10 per cent decline in the first quarter of 2026, which negatively impacted organic contribution to operating income. A change in accounting estimates for customer rebate provisions as a result of a volatile pricing environment, as well as an initiated voluntary recall of a limited number of Frigidaire gas ranges in North America, negatively impacted operating income with a total of SEK 0.3 billion. Operating income in North America was SEK -0.9 billion, primarily due to challenging market conditions in combination with continued year-over-year negative external factors related to tariff costs. Operating income for Region Europe, Middle East & Africa and Asia-Pacific improved year-over-year to SEK 0.6 billion and operating income for Region Latin America improved year-over-year to SEK 0.6 billion.

Operating cash flow after investments amounted to SEK -4.6 billion, negatively impacted by a seasonal increase in operating working capital and the operating loss in North America. Net debt/EBITDA was at 3.8x at the end of the first quarter of 2026. Adjusting the net debt/EBITDA ratio for the contemplated Rights Issue proceeds of SEK 9 billion, the ratio would have improved to 2.8x.

Because of the decline in the North American home appliance market in the first quarter of 2026, the 2026 market outlook for North America has been adjusted from “Neutral to Negative” to “Negative”. The Brazilian home appliance market developed positively in the first quarter of 2026 and therefore the 2026 market outlook for Brazil has been adjusted from “Neutral” to “Positive”. The market outlook for Europe remains “Neutral”.

The previously communicated business outlook for the financial year 2026 in the Year-end Q4 report 2025 remains overall unchanged, despite expected significant additional costs related to extended U.S Section 232 import tariffs on products that contain steel, aluminum and copper applicable since April 6, 2026. The Group’s ambition is to offset the negative impact through already announced price increases.

Electrolux Group will publish its interim report for the first quarter of 2026 on April 24, 2026, at approx. 07.00 CEST in accordance with its financial calendar.

### **The Rights Issue**

Those who on the record date are registered as shareholders of Class A and Class B shares in AB Electrolux and are eligible to participate in the Rights Issue will receive subscription rights for each existing share of Class A and/or Class B, respectively. Shares not subscribed for with primary preferential right shall be offered to all

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<sup>1</sup> Net debt/EBITDA defined as net debt at end of period in relation to 12-months rolling EBITDA, excluding non-recurring items.

<sup>2</sup> Assuming the EBITDA for the financial year of 2025 of SEK 9.3 billion and net debt financial position of SEK 28.2 billion as of December 31, 2025, adjusted for the Rights Issue proceeds of SEK 9 billion, net the estimated transaction costs.

shareholders for subscription (subsidiary preferential right). Upon the transfer of subscription rights (representing the primary preferential right), the subsidiary preferential right will also be transferred to the new holder of the subscription right. If not all new shares are subscribed for with subscription rights (primary preferential right), new Class A and Class B shares will be allotted by the Board, up to the maximum amount of the Rights Issue, in the following order (except for such shareholders who reside in certain unauthorized jurisdictions):

*Firstly*, allotment shall be made to those who have subscribed for new shares with subscription rights (subsidiary preferential right), irrespective of share class subscribed for and regardless of whether they were shareholders on the record date or not. In case of oversubscription, allocation shall be made pro rata in relation to the number of subscription rights each one has exercised for subscription of shares and, if that is not possible, by drawing of lots.

*Secondly*, allotment shall be made to others who have applied for subscription of shares without subscription rights (the general public in Sweden and “qualified investors”). In case of oversubscription, allocation shall be made pro rata in relation to their applied interest and, if that is not possible, by drawing of lots.

*Thirdly*, allotment shall be made to Investor AB and the underwriting banks in accordance with their respective guarantee undertakings.

Detailed terms and conditions for the Rights Issue, including the subscription price, the share capital increase and the number of shares to be issued, are expected to be resolved upon by the Board of Directors and announced on or around May 22, 2026. The record date for participation in the Rights Issue is expected to be on or around May 29, 2026. The subscription period is expected to run from and including June 2, 2026 up to and including June 16, 2026, or a later date as resolved by the Board of Directors. Trading in subscription rights is expected to take place on Nasdaq Stockholm during the period from and including June 2, 2026 up to and including June 11, 2026. Trading in BTAs (Sw. *betalda tecknade aktier*) is expected to take place on Nasdaq Stockholm during the period from and including June 2, 2026 up to and including June 29, 2026.

The Rights Issue is subject to approval by the EGM to be held on or around May 27, 2026. The convening notice for the EGM will be announced in a separate press release. The resolution on the Rights Issue will also require that the EGM resolves to amend the limits for the share capital and the number of shares in the company’s articles of association.

### **Subscription and underwriting commitments**

Investor AB, holding 17.94 percent of the shares and 30.43 percent of the votes in AB Electrolux (18.78 and 31.54 percent, respectively, excluding treasury shares held by AB Electrolux), has undertaken to subscribe for its pro rata share of the Rights Issue. In addition, Investor AB has undertaken to guarantee subscription of 18.78 percent of the Rights Issue. In total, Investor AB’s undertaking encompasses 37.56 percent of the Rights Issue. The Swedish Securities Council (Sw. *Aktiemarknadsnämnden*) has – in relation to Investor AB’s undertaking to subscribe for its pro rata share of the Rights Issue – granted Investor AB an exemption from the mandatory takeover bid requirement that would otherwise arise. Investor AB has also been granted such an exemption in relation to its undertaking to underwrite the Rights Issue, subject to (i) the shareholders of AB Electrolux being informed ahead of the EGM about the maximum ownership level that Investor AB may reach upon utilization of its underwriting undertaking; and (ii) the EGM’s resolution to approve the Rights Issue being supported by shareholders representing at least two-thirds of both the votes cast and the shares represented at the EGM, whereby shares held and represented by Investor AB must be disregarded. Investor AB’s guarantee undertaking is conditional upon said majority being received at the EGM.

The Swedish Securities Council’s ruling (AMN 2026:03) will be made available on the Swedish Securities Council’s website ([www.aktiemarknadsnämnden.se](http://www.aktiemarknadsnämnden.se)).

Morgan Stanley and SEB have entered into a standby underwriting agreement with AB Electrolux, whereby they have committed, subject to customary conditions, to enter into an underwriting agreement, covering the remaining portion of the Rights Issue, including shares subject to Investor AB’s guarantee undertaking in the event the above-mentioned majority is not received at the EGM. The Rights Issue is thus fully underwritten.

## Prospectus

Comprehensive information regarding the Rights Issue will be included in the prospectus which is expected to be published on or around May 28, 2026.

### ***Indicative timetable for the Rights Issue***

The timetable below is preliminary and may be subject to change.

May 22, 2026	Announcement of complete terms and conditions, including subscription price and subscription ratio
May 27, 2026	EGM to approve the Rights Issue
May 27, 2026	Last day of trading in shares including right to participate in the Rights Issue
May 28, 2026	First day of trading in shares excluding right to participate in the Rights Issue
May 28, 2026	Estimated date for publication of the prospectus
May 29, 2026	Record date for participation in the Rights Issue, i.e. holders of shares who are registered in the share register on this day will receive subscription rights for participation in the Rights Issue
June 2, 2026 – June 11, 2026	Trading in subscription rights on Nasdaq Stockholm
June 2, 2026 – June 16, 2026	Subscription period
On or around June 17, 2026	Estimated date of announcement of preliminary outcome of the Rights Issue
On or around June 22, 2026	Estimated date of announcement of final outcome of the Rights Issue

As a consequence of the Rights Issue, the company will postpone the publication date of the company's interim report for the second quarter of 2026 to July 29, 2026.

### **Financial update and reconfirmed financial targets with accelerated progress expected from announced initiatives**

In connection with today's announcements, Electrolux Group confirms its financial targets and remains focused on accelerating progress towards their achievement:

- Average annual organic sales growth<sup>3</sup> of at least 4 percent over a business cycle<sup>4</sup>.
- Operating margin<sup>5</sup> (excl. non-recurring items) of at least 6 percent over a business cycle.
- Return on net assets exceeding 20 percent over a business cycle.

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<sup>3</sup> Defined as change in net sales, adjusted for currency translation effects, acquisitions and divestments.

<sup>4</sup> A business cycle is typically six to seven years but may vary depending on global macroeconomic and geopolitical events.

<sup>5</sup> Defined as income for the period expressed as a percentage of net sales.

- Capital turnover rate<sup>6</sup> of at least 4 times over a business cycle.

Following the completion of the announced initiatives, Electrolux Group expects gradually increasing annual cost efficiency improvements reaching approximately SEK 2.0 billion in year three, and accelerate Electrolux Group's overarching efforts to reach its mid-term ambition to accelerate growth and reach an operating margin of 6 percent for the Group.

Electrolux Group will incur aggregated negative non-recurring items of approximately SEK 4.6 billion in total, of which approximately SEK 2.4 billion is cash-related. Out of this, approximately SEK 3.0 billion is expected to be incurred in the second quarter of 2026, of which approximately SEK 1.2 billion is cash-related.

Furthermore, Electrolux Group expects to invest approximately SEK 1.6 billion over the next three years to implement the initiatives.

Lastly, Electrolux Group expects to recognize a positive cash flow impact of approximately SEK 1.0 billion in the third quarter of 2026 following the sale of assets in connection with the partnership with Midea Group.

### **Advisors**

Morgan Stanley and SEB are acting as financial advisors to Electrolux. Mannheimer Swartling Advokatbyrå AB and Davis Polk & Wardwell London LLP are acting as legal advisors to Electrolux as to Swedish law and U.S. law, respectively. White & Case Advokat AB and White & Case LLP are acting as legal advisors to Morgan Stanley and SEB as to Swedish law and U.S. law, respectively.

### **Webcast and telephone conference today at 18:30 CEST**

In light of the above, a video webcast and simultaneous telephone conference will be held today, April 23, 2026, at 18:30 CEST. The conference will be led by President and CEO Yannick Fierling, and CFO Therese Friberg.

If you wish to participate via webcast, please use the link below. Via the webcast you are able to ask written questions.

<https://edge.media-server.com/mmc/p/r3vcobce>

If you wish to participate via telephone conference, please register on the link below. After registration you will be provided phone numbers and a conference ID to access the conference. You can ask questions verbally via the telephone conference.

<https://register-conf.media-server.com/register/BI6bc941b1babb4cedbfad3084366784d8>

The presentation material used in the webcast will be available on the investor relations section on [electroluxgroup.com](http://electroluxgroup.com).

*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 below, on April 23, 2026, 17:30 CEST.*

### **Important notice**

This press release and the information herein is not for publication, release or distribution, in whole or in part, directly or indirectly, in or into the United States, Australia, Canada, Japan or South Africa or any other state or jurisdiction in which publication, release or distribution would be unlawful or where such action would require additional prospectuses, filings or other measures in addition to those required under Swedish law.

The press release is for informational purposes only and does not constitute an offer to sell or issue, or the solicitation of an offer to buy or acquire, or subscribe for, any of the securities mentioned herein (collectively, the "Securities") or any other financial instruments in AB Electrolux. Any offer in respect of any securities in connection with the Rights Issue will only be made through the prospectus that AB Electrolux expects to publish on or about May 28, 2026 on [www.electroluxgroup.com](http://www.electroluxgroup.com). Any offer will not be made to, and application forms will not be

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<sup>6</sup> Defined as net sales divided by average net assets.

approved from, subscribers (including shareholders), or persons acting on behalf of subscribers, in any jurisdiction where applications for such subscription would contravene applicable laws or regulations, or would require additional prospectuses, filings, or other measures in addition to those required under Swedish law. Measures in violation of the restrictions may constitute a breach of relevant securities laws.

None of the Securities have been or will be registered under the United States Securities Act of 1933, as amended (the "Securities Act"), or the securities laws of any state or other jurisdiction in the United States, and may not be offered, pledged, sold, delivered or otherwise transferred, directly or indirectly, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with applicable other securities laws. There will not be any public offering of any of the Securities in the United States.

In the United Kingdom, this press release is directed only at, and communicated only to, persons who are "qualified investors" (as defined in paragraph 15 of Schedule 1 to the Public Offers and Admissions to Trading Regulations 2024) who: (i) have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "Order"), (ii) are high net worth entities falling within Article 49(2)(a) to (d) of the Order, or (iii) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as "Relevant Persons"). Any person in the United Kingdom that is not a Relevant Person should not act or rely on the information included in this press release or use it as basis for taking any action. In the United Kingdom, any investment or investment activity that this press release relates is available only to, and will be engaged in only with, Relevant Persons.

This press release contains forward-looking statements that reflect AB Electrolux current view of future events as well as financial and operational development. Words such as "intend", "assess", "expect", "may", "plan", "estimate" and other expressions involving indications or predictions regarding future development or trends, not based on historical facts, identify forward-looking statements and reflect AB Electrolux beliefs and expectations and involve a number of risks, uncertainties and assumptions which could cause actual events and performance to differ materially from any expected future events or performance expressed or implied by the forward-looking statement. The information contained in this press release is subject to change without notice and, except as required by applicable law, AB Electrolux does not assume any responsibility or obligation to update publicly or review any of the forward-looking statements contained in it and nor does it intend to. You should not place undue reliance on forward-looking statements, which speak only as of the date of this press release. As a result of these risks, uncertainties and assumptions, you should not place undue reliance on these forward-looking statements as a prediction of actual future events or otherwise.