



## New organization of Husqvarna Group

June 13, 2014

Kai Wärn, President and CEO

# New organization – why

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- To reach the full potential of our market leadership, we see a need to take further steps to differentiate our business models.
- Competitiveness depends on ability to drive and respond to customer needs. In our situation, we see that the brands distinctly represents the different business models.
- A brand based organization will in our case
  - Be the vehicle to focus on distinct and different end customers with different needs
  - Further develop the brand equity and recognition. Construction is a good example of this.
- The Accelerated Improvement Program (AIP) will remain a top priority. It will be governed by a PMO set-up reporting directly to the CEO.



## Key purposes of the new organization

### Key objective and purposes

1. Strengthen end-customer focus
2. Enhance
  - Accountability/ownership
  - Speed of decision making
3. Differentiate priorities and offerings by business model
4. Leverage market positions and scale



### Solution

- Global P/L ownership
- Aligning the different business models with respective strategic direction
- Aligning responsibility and control of own resources
- Building differentiated brand offerings
- Strategic Group Functions driving the capture of Group synergies

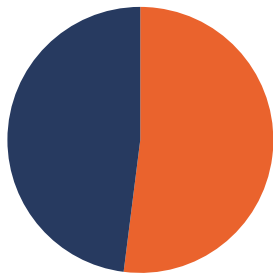
***Focused global businesses with strong leadership & ownership***

## The four divisions

Three differentiated Global Divisions for forest and garden operations

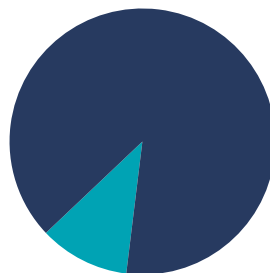
Construction unchanged

### Husqvarna



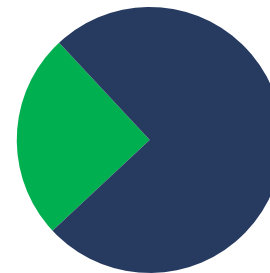
- **52% of Group sales**
- Dealer channel centric
- Professionals and demanding consumers

### Gardena



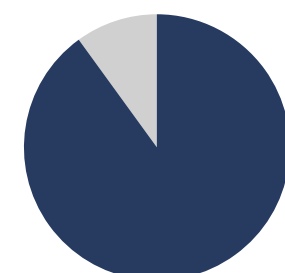
- **13% of Group sales**
- Retail channel centric
- "Must have" position in mobile watering

### Consumer Brands



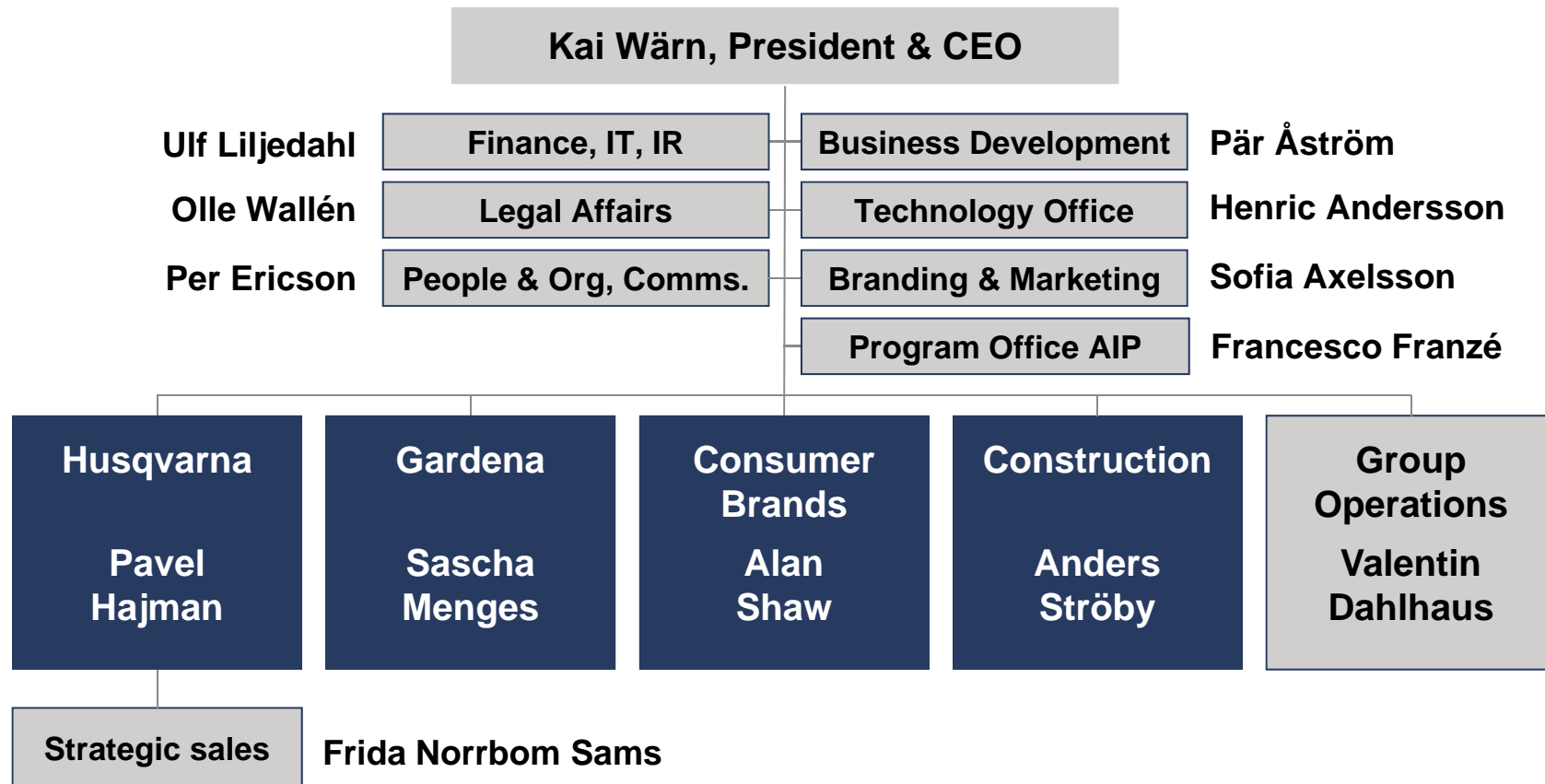
- **25% of Group sales**
- Cost efficiency and scale

### Construction



- **10% of Group sales**
- Division remains as is, not impacted by the organizational change
- Professional customers in global construction and stone industries

# Husqvarna Group as of Jan. 1, 2015



= Divisions in external segment reporting
  = to capture Group synergies

## Next steps

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- The new organization will be implemented gradually and be fully effective as of January 1, 2015
  - External financial reporting of new divisions as of Q1 2015
- Additional details may be communicated
  - Q2 interim report July 16
  - Capital Market Day September 25
  - Q3 interim report October 22
- Historical financial data (per quarter) for the new divisions
  - Sales and EBIT for 2014
  - Sales 2014, 2013 and 2012





**Husqvarna  
Group**

[www.husqvarnagroup.com](http://www.husqvarnagroup.com)