

# AGM 2017

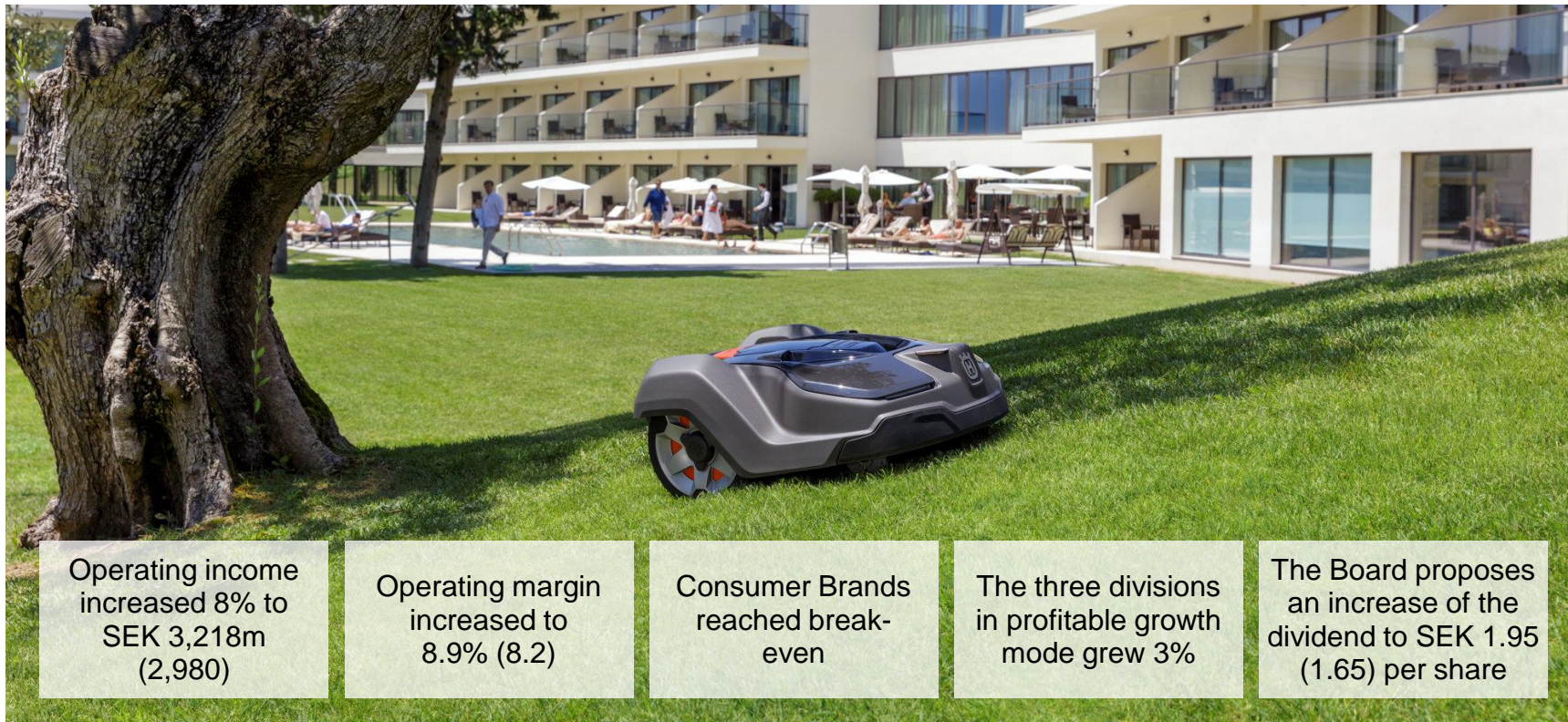
## Kai Wärn, President & CEO

# Shaping great experiences

We make a difference to those who shape green spaces and urban environments through our leadership in sustainable, user-centered solutions.



# 2016 in brief, the Group



Operating income  
increased 8% to  
SEK 3,218m  
(2,980)

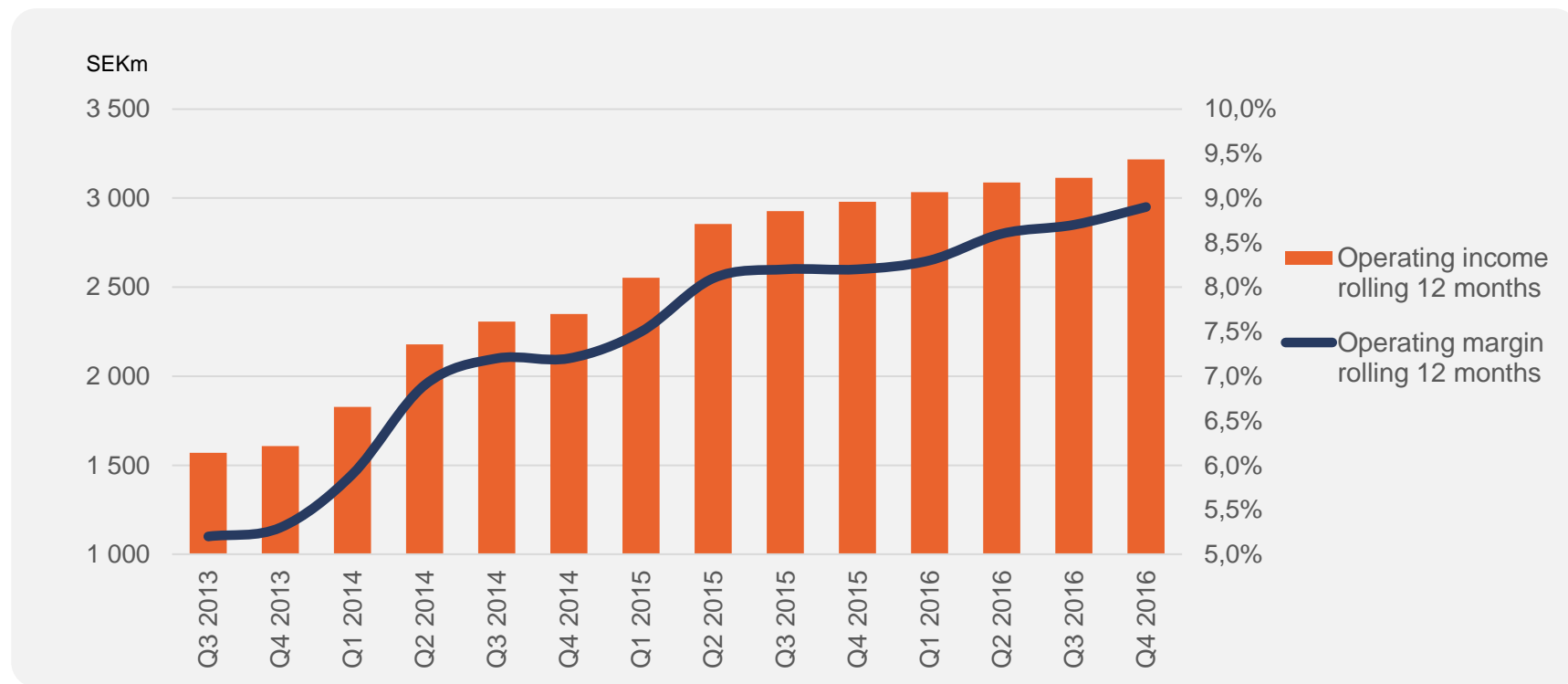
Operating margin  
increased to  
8.9% (8.2)

Consumer Brands  
reached break-  
even

The three divisions  
in profitable growth  
mode grew 3%

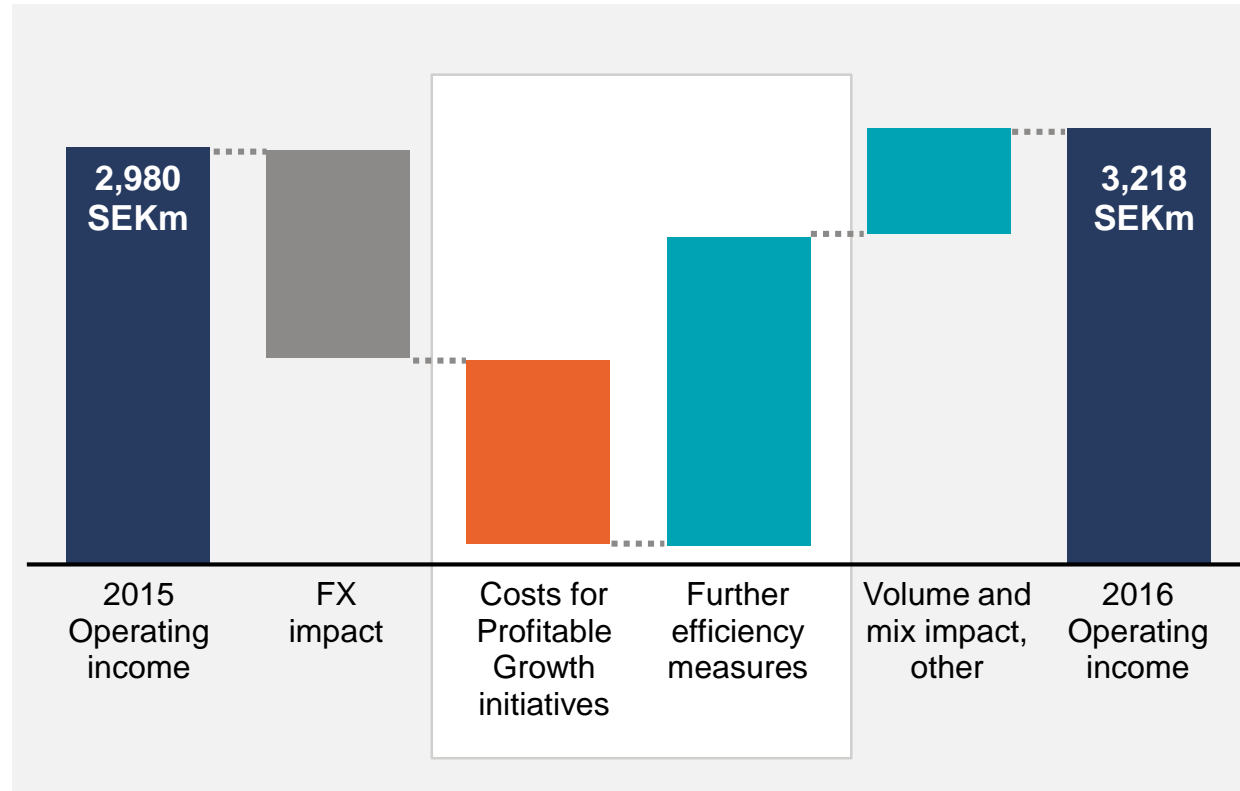
The Board proposes  
an increase of the  
dividend to SEK 1.95  
(1.65) per share

# We have demonstrated ability to improve earnings



Figures refer to excluding items affecting comparability

# At the same time, we have created headroom for profitable growth investments!



Further  
efficiency  
measures  
2016-17



- Continued direct and indirect material cost-out
- Logistics and rightsizing of “footprint”
- Working capital improvements

# The journey to market leadership by 2020

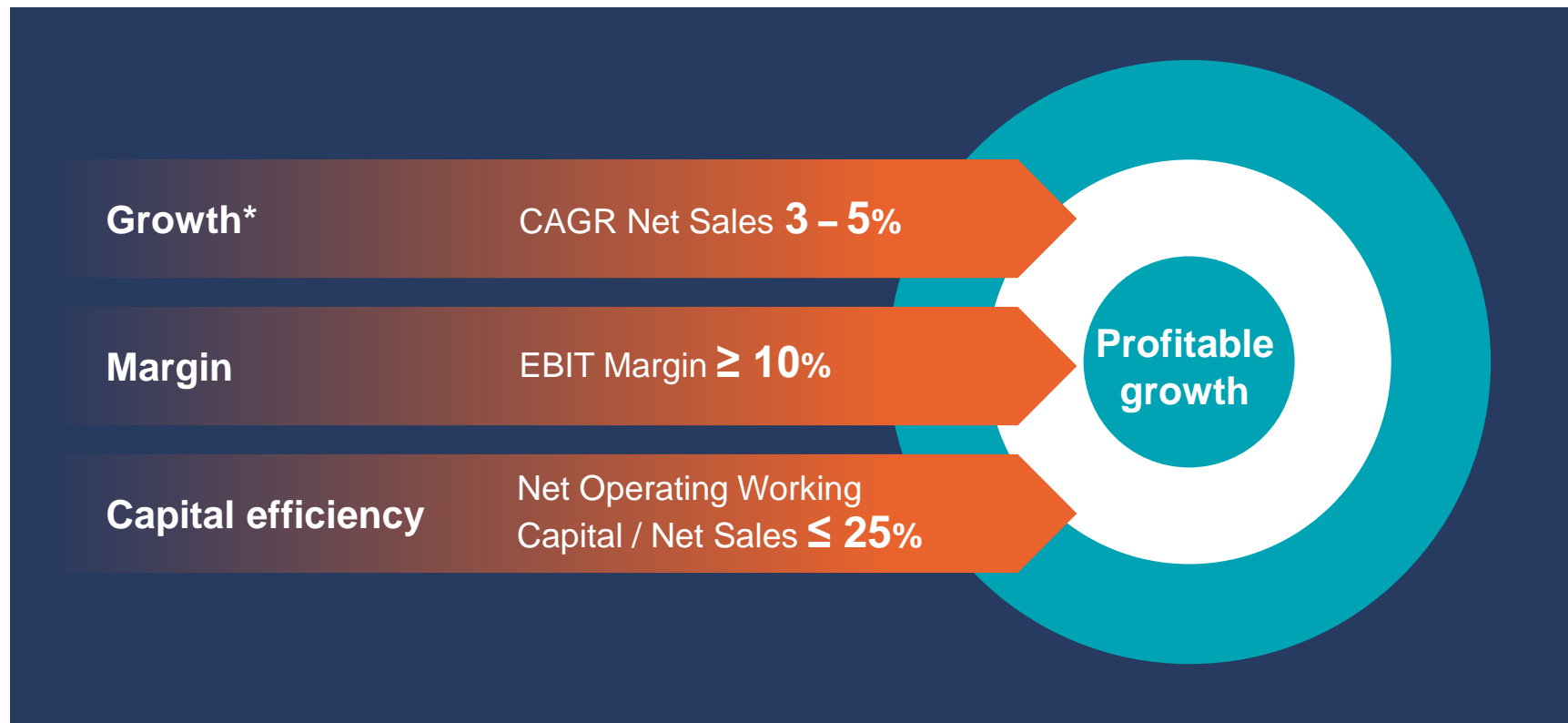


## Three prioritized initiatives

- 1 ***Market share growth and profitable growth***
- 2 ***A winning Consumer Brands***
- 3 ***Leadership also in battery-powered products***

# New financial targets

Average over the coming years from 2017



\* Excluding Consumer Brands Division

# Husqvarna Division

## 2016 in brief

- Sales increased by 2%
- Higher operating income, despite negative currency effects
- Strategic investments in, among others, sales, product development as well as accessories and spare parts
- Strong development in robotic lawn mowers, battery-powered products



## Priorities 2017

- Profitable growth!
- Priority areas
  - Robotic mowers
  - Battery products
  - Commercial lawn & garden and forestry
  - Accessories and spare parts
  - Business development support for dealers

# Innovation key to success



Rider Collection



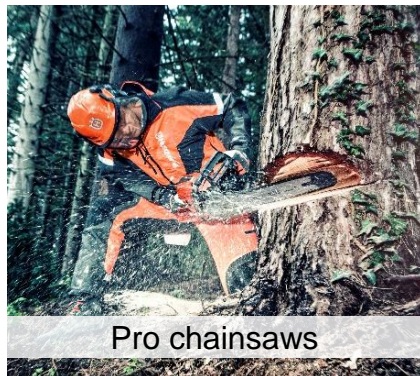
X-Cut saw chain



Battery-powered products



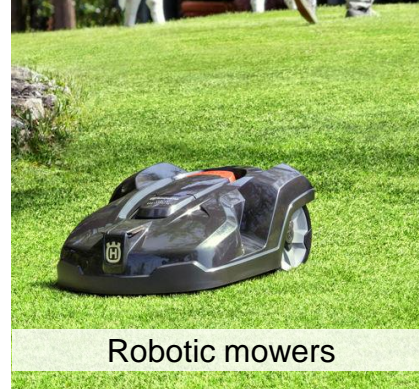
Commercial lawn & garden



Pro chainsaws



Connected services



Robotic mowers

# Gardena Division

## 2016 in brief

- Sales increased by 8%
- Stable result but lower margin due to currency effects and costs for growth initiatives
- Many new product launches, such as Smart Garden, Fruit Collector and secateurs

## Priorities 2017

- Profitable growth!
- Continued product launches
  - City Gardening
  - Further development of the Smart Garden concept
  - Battery-powered mowers
- Continued geographical expansion, e.g. UK



# Our passion for the garden strengthens the brand



Smart Garden



Fruit Collector



City Gardening



New generation of  
mobile watering

# Consumer Brands Division

## 2016 in brief

- Turned to break-even, despite decline in volume and unfavorable currency effects
- Extensive customer management and efficiency work behind the profit improvement
- New, automated warehouse at the Group's largest plant in Orangeburg, United States



## Priorities 2017

- Continued margin improvement
  - Mainly driven by cost reductions
  - But also through gradual growth investments
- Introduction of robotic lawn mowers and battery-powered products
- Preparing for an increasing number of product introductions in 2018

# Products that make life easier for consumers



# Construction Division

## 2016 in brief

- Sales increased by 4%
- The positive sales development primarily driven by North America
- Operating margin rose to 13.9% (11.8)
- Launch of an innovative wall saw and a global product line of diamond tools

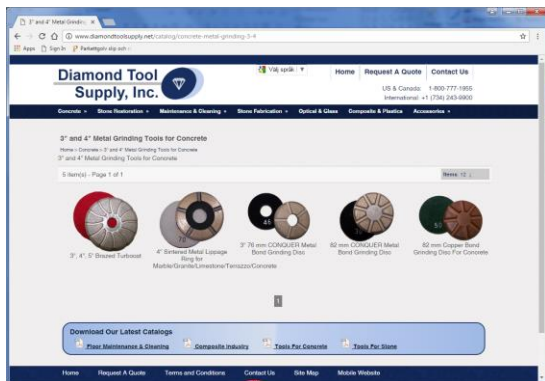
## Priorities 2017

- Profitable growth!
- Supplementary services
  - Husqvarna UpCare
- Focus on solutions for grinding and polishing of concrete floor surfaces



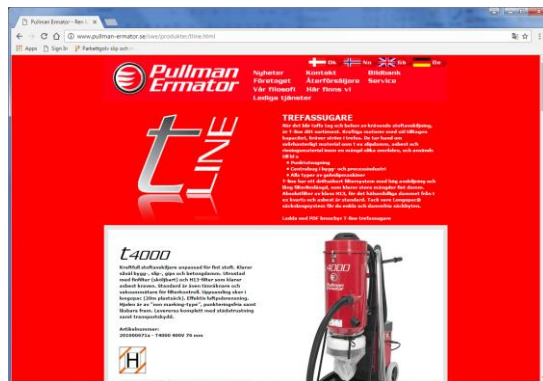
# Building market leadership in solutions for polished concrete floors

## DTS Net sales SEK ~50m



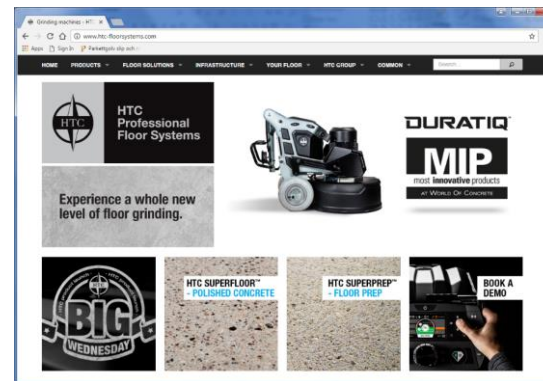
*Leading manufacturer of diamond tools for polishing and grinding of concrete, stone and terrazzo*

## Pullman Ermator Net sales SEK ~300m



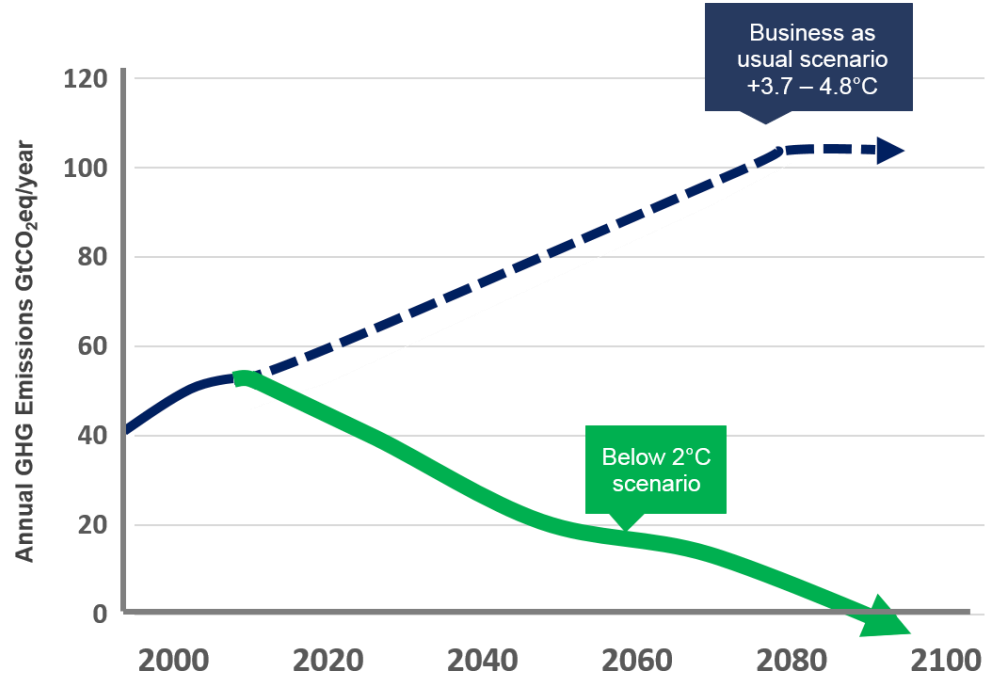
*Market leader in solutions for dust and slurry management*

## HTC Net sales SEK ~380m

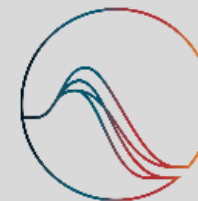
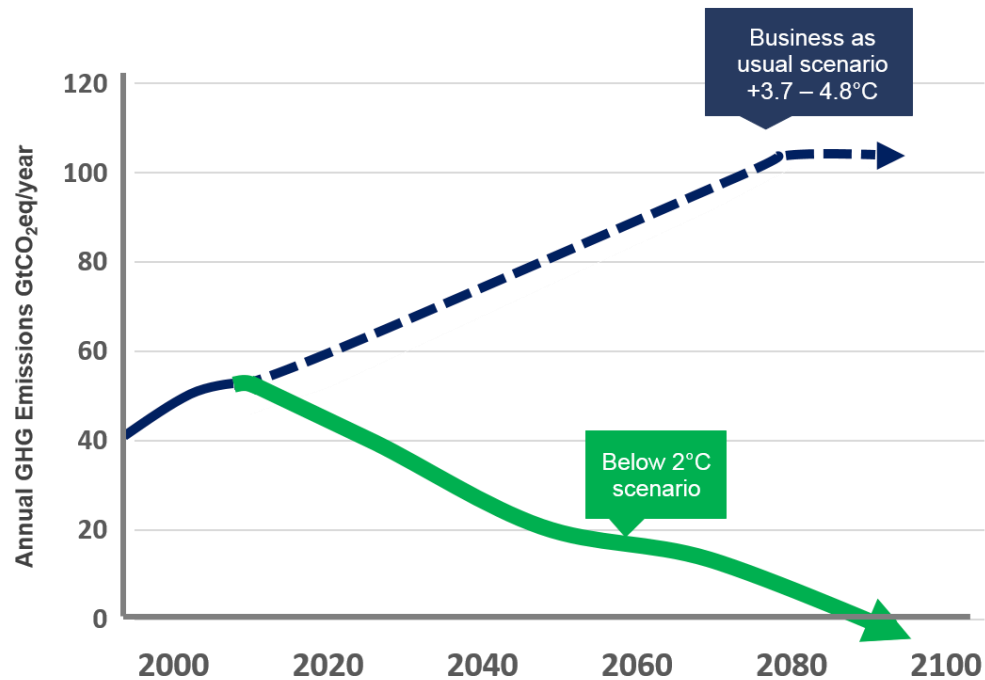


*World leader in floor grinding*

# Sustainability no longer optional



# Husqvarna takes responsibility for sustainable development



SCIENCE  
BASED  
TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

- First Swedish listed company and the world's first forest and garden company that has been approved
- Independent initiative of the World Wildlife Fund, the United Nations Global Compact, the CDP and the World Resources Institute



## Our Carbon challenge

Decouple our business growth from carbon emissions

**-33%**

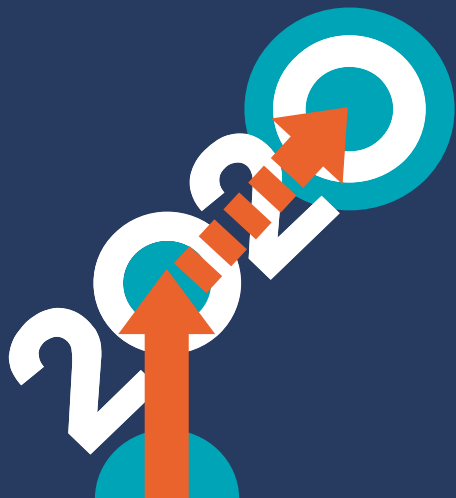
*Decrease absolute emissions with 33% by 2035*

**-10%**

*Decrease emissions intensity with 10% by 2020*

# Market leadership in 2020

...then expansion and  
profitable growth



Profitability and focus first...



Number 1 or 2; Leading innovation; Profitable growth



**Husqvarna  
Group**

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