

Annual General Meeting 2018

Kai Wärn, President & CEO

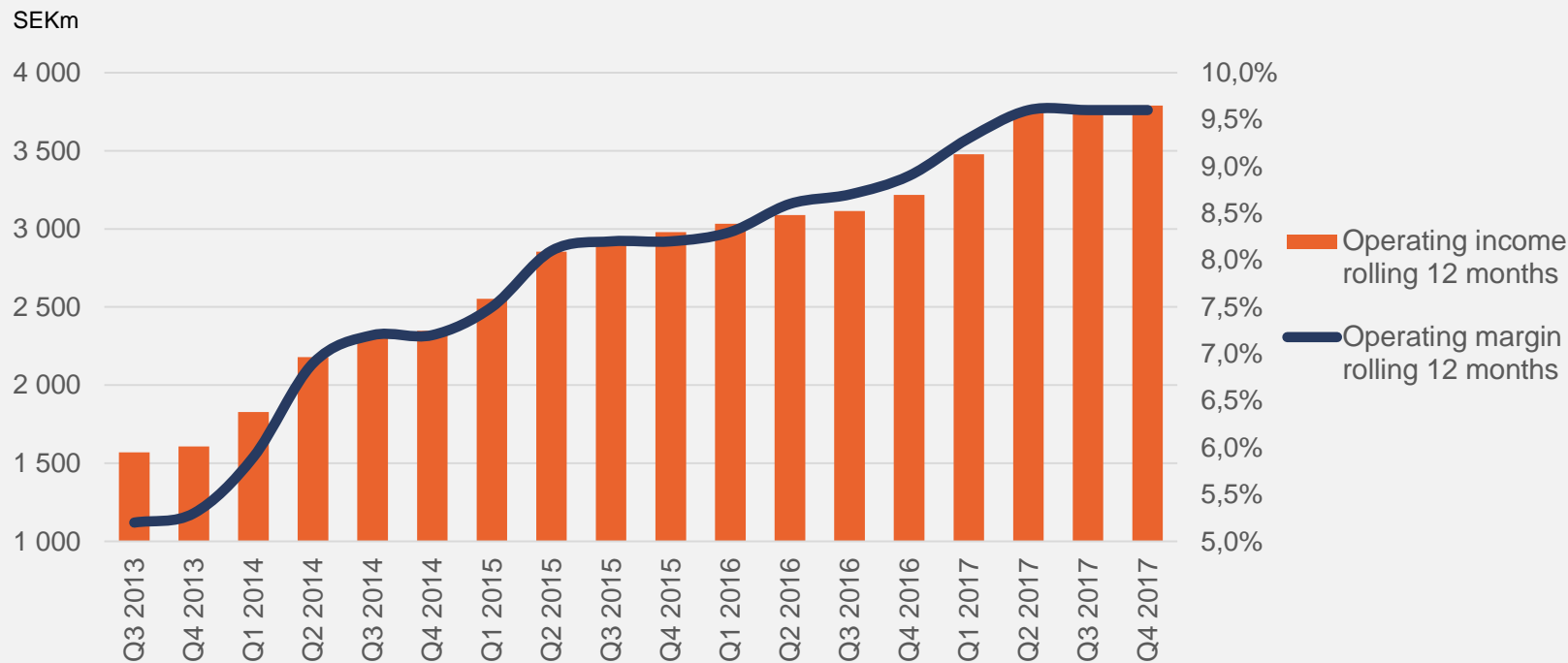
The journey to market leadership 2020



Market share growth and profitable growth

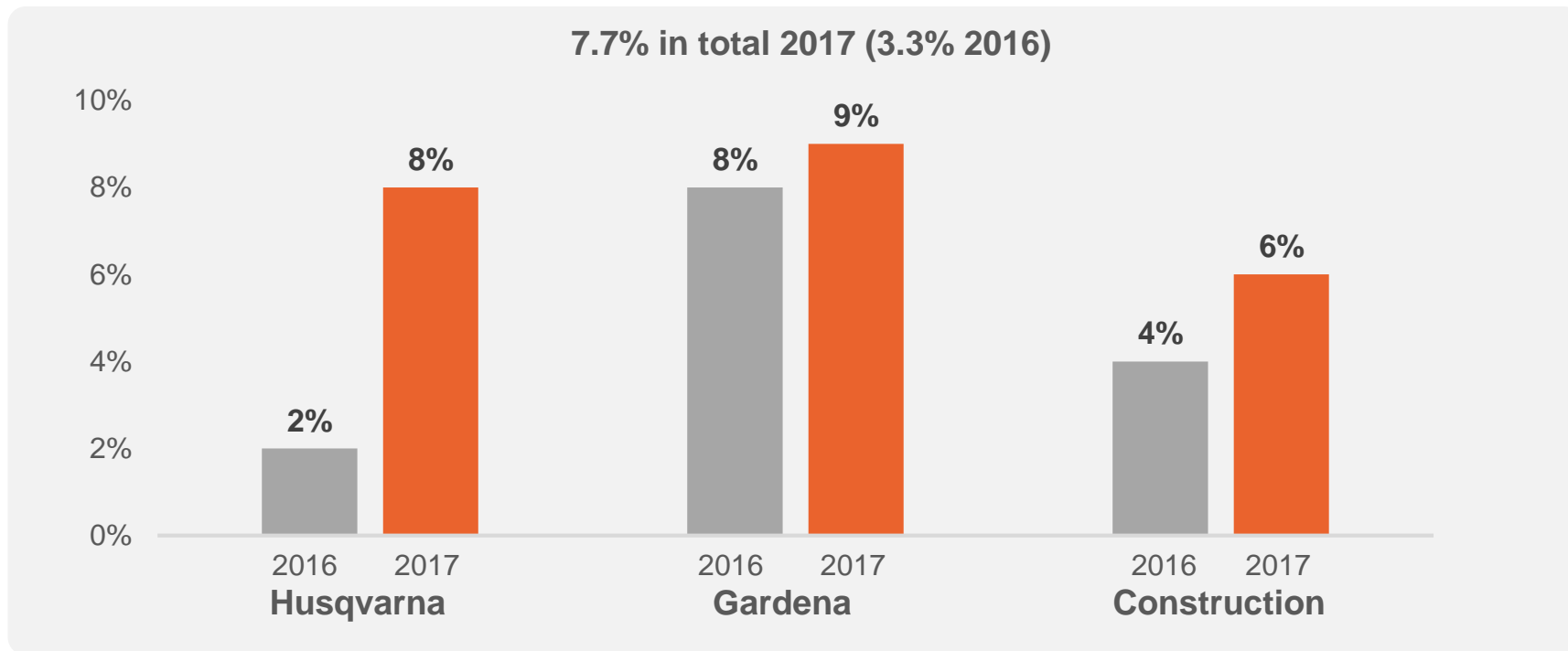
- 1 **Operating margin >10% on average**
- 2 **Growth* exceeding the market, i.e. >3-5%**
- 3 **Capital efficiency**

We have demonstrated ability to improve our profitability...



And increase growth...

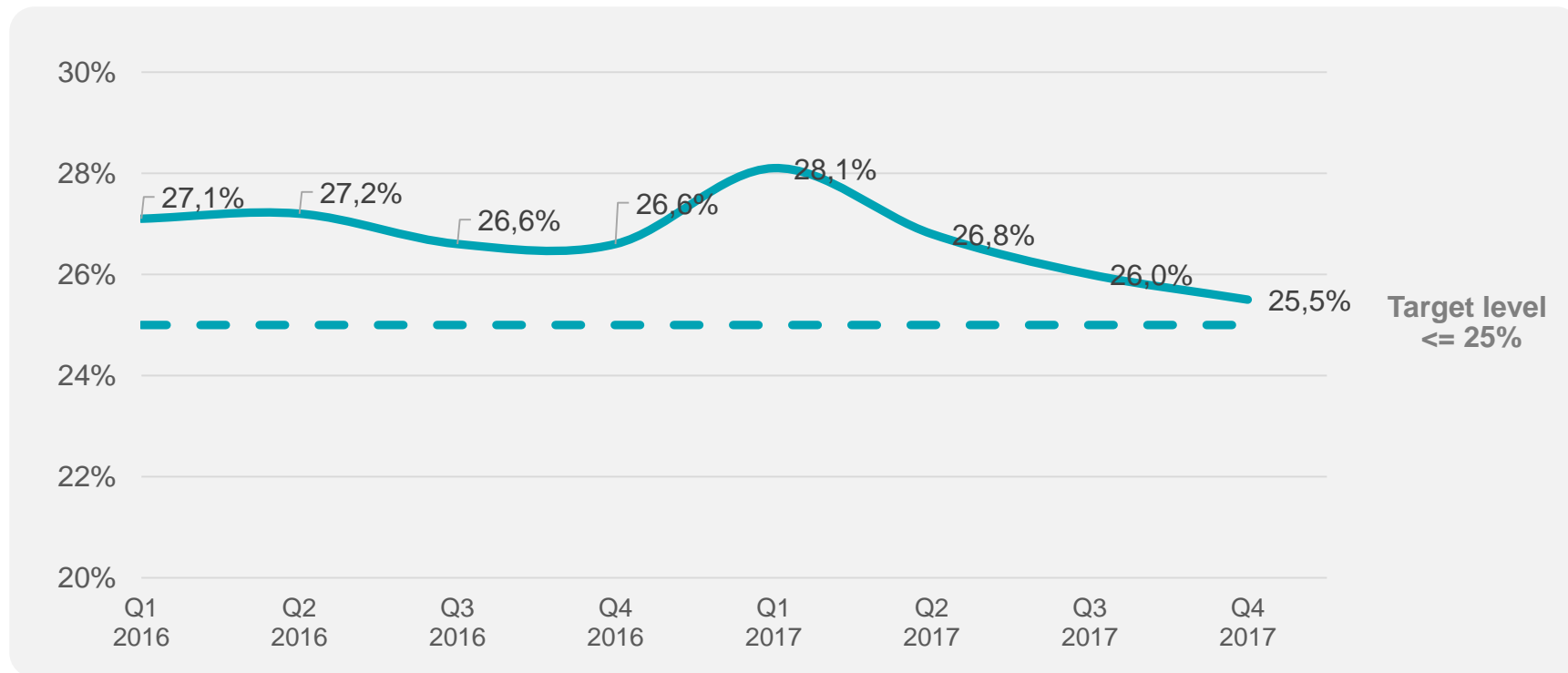
Net sales growth FY2017 vs 2016 for divisions in profitable growth, adjusted for currency and acquisitions



* Financial target is to grow net sales 1 - 2 percentage points above the market growth over a business cycle which has been ~2 – 3%

At the same time as we become more capital efficient...

Seasonally adjusted operating working capital in relation to net sales



2017 in summary, the Group

Net sales* **+7%**
to SEK 39 Bn

Operating income
+18% to 3.8 Bn

Operating margin
+0.7% to 9.6%

Acquisitions
strengthen
Construction

Dividend proposal
SEK 2.25 (1.95)



*Adjusted for changes in exchange rates

Husqvarna Division

2017 in summary

- Net sales **+ 8%**
 - Robotic mowers and battery-powered products
 - Commercial/pro customers
- Operating income **+18%**
- Strategic investments
 - Sales
 - Product development
 - Accessories and spare parts



New generation of professional chainsaws

**Durable and reliable for
best productivity**

**Improved environmental
performance**

**Optimized with newly
developed saw chain**



Gardena Division

2017 in summary

- Net sales **+9%**
- Operating profit **+19%**
- Growth investments
 - UK and Scandinavia
 - New sales channels
 - New products



Consumer Brands Division

2017 in summary

- Sales and earnings slightly lower than the previous year
- Challenging retail market in the U.S.
- Efficiency improvements continue
- Many product news in 2018, especially in battery-powered



Construction Division

2017 in summary

- Net sales **+21%**
 - Of which organic **6%**
 - EMEA and North America
 - Concrete surfaces and floors, demolition robots
- Expansion through acquisitions
- Operating income **+29%***



Construction also grows through acquisitions

Three completed acquisitions create strong offerings in concrete surfaces & floors, dust / slurry management

Acquired sales ~ SEK 1.3 billion in attractive market segments



The market leader in robotic lawn mowers



Consolidating our leading position:
- New customer groups, smarter products, new geographic markets



Acceleration in battery-powered products




Increased resources
Broadening of product range
Professionals and consumers

Digitalization creates new opportunities

- Increased customer value through new products, services and business models
- Affects the entire value chain - purchasing, manufacturing, sales, support, data storage



Progress in sustainability

- 
- Reduced carbon footprint
 - Larger share of purchases from sustainable suppliers
 - Lower injury rate / accidents
 - Attractive employer

Future leadership development



We continue to deliver according to established strategy

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- Two men in work clothes are walking on a gravel path in a park. They are carrying chainsaws on their shoulders. The man on the left is wearing a tan shirt and orange pants, while the man on the right is wearing a grey shirt and orange pants. They are both wearing backpacks. In the background, there are trees, a river, and a building with a steeple. A woman is riding a bicycle on the path to the right.
- Profit and margin improvement
 - Efficiency enhancements create room for sustainable growth initiatives
 - Profitable growth our way to market leadership 2020



**Husqvarna
Group**

www.husqvarnagroup.com