

# Press release

Stockholm September 25, 2014

## Husqvarna Group's Capital Markets Day

**Today, Husqvarna Group hosts its Capital Markets Day (CMD). The theme of the day is 'Profitability & focus first, then expansion and profitable growth', and includes presentations by the Group's President and CEO, the CFO, Divisional Presidents and other members of Group Management.**

At the CMD, the Group's medium-term focus on margin recovery and profitability is reiterated. The Accelerated Improvement Program, originally presented in October 2013, addresses initiatives aimed at increasing the Group's operating margin to 10% by 2016. In summary, the program aims at strengthening the operating margin by a substantial improvement in the gross margin, primarily through reductions of product cost and complexity as well as improving product mix by focusing on core brands and on products where the Group has leadership positions.

A new brand driven organization was communicated in June 2014. The divisions, fully implemented and effective as of January 1, 2015, are being presented by the Divisional Presidents. The new organization emphasizes an increased focus on differentiated business models for the divisions, whilst still leveraging on the scale and synergies from being part of a large group. An overview of the Group's long term direction, which prioritizes expansion and profitable growth, is also given.

The Group's financial targets are still to achieve an operating margin of more than 10% over the course of a business cycle, the seasonally adjusted net debt in relation to EBITDA should not exceed a multiple of 2.5 in the long-term, and that the dividend should normally exceed 40% of income for the year.

"The Husqvarna Group has a unique set of assets; dedicated employees, strong global brands, a competitive product offering with leading global market positions, and distribution through leading retailers and dealers worldwide. We will continue to build on these strengths. Until 2016, our priority is to focus on profitability and margin by executing the Accelerated Improvement Program. The program is delivering according to plan, and has been an important driver of the positive results development in the first half of the year. On a longer term, we will gradually shift our focus towards profitable growth. The new brand driven organization is an important proactive move in preparing ourselves for future growth," says Kai Wörn, President and CEO of Husqvarna Group.

**For additional information, please contact**

+46 8 738 90 80 or [press@husqvarnagroup.com](mailto:press@husqvarnagroup.com)

*The above information has been made public in accordance with the Securities Market Act and/or the Financial Instruments Trading Act. The information was published at 09:00 on September 25, 2014.*

**Husqvarna Group**

Husqvarna Group is the world's largest producer of outdoor power products including robotic lawn mowers, garden tractors, chainsaws and trimmers. The Group is also the European leader in consumer watering products and one of the world leaders in cutting equipment and diamond tools for the construction and stone industries. The Group's products and solutions are sold via dealers and retailers to both consumers and professional users in more than 100 countries. Net sales in 2013 amounted to SEK 30 billion, and the Group had 14,000 employees on average in more than 40 countries.