Press release

Stockholm, October 21, 2022

Husqvarna Group accelerates its strategic transformation

To further accelerate its strategic transformation, Husqvarna Group is increasing investments into the company's key sustainable value creation levers: robotic mowers, battery, watering and professional products. The incremental investments will reach SEK 400m per year by 2025. To fund these investments, and to become even more competitive, Husqvarna Group will implement decisive structural changes and savings.

For a number of years, Husqvarna Group has been on a journey to reposition its business to be more premium and professional while pivoting its offering towards more sustainable, smarter and connected solutions. This improved business composition has led to higher growth and margins. To enhance performance mid- to long-term it is imperative to purposely invest into robotic mowers, battery, watering and professional products that have the largest potential for future value creation. Therefore the company will increase annual investments in these segments by an incremental SEK 400m per year, reached by 2025.

As part of this shift, the Group will adjust its value chain for petrol-powered consumer products, including a reduction in installed production capacity. In connection with this, the Group will exit approximately SEK 2bn in annual sales of low margin petrol-powered consumer products by 2024. In addition, Husqvarna Group will fast-track necessary capability shifts, increase organizational efficiency, simplify structures and reduce costs.

These measures will result in total annual cost savings of approximately SEK 800m fully effective in 2025 and net SEK 400m after the increased investments into the sustainable value creation levers. The efficiency measures also entail one-off costs of approximately SEK 2bn (of which SEK 0.9bn are cash costs). Our workforce will be reduced by approximately 1,000 positions, whereof the vast majority relates to the accelerated petrol-to-battery shift.

"We are executing on a winning strategy, and I am proud of the achievements made by our organization so far on this transformation journey. It is now time to take the next step to make our company even more sustainable, competitive and stronger. This is a strong example of how we are leading our industry in the transformation to sustainable solutions with lower carbon footprint", says Henric Andersson, CEO and President, Husqvarna Group.

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Husqvarna Group
Husqvarna Group was founded in 1689 and is today a world-leading manufacturer of innovative products and solutions for forest, park and garden management. The range includes robotic lawnmowers, chainsaws, trimmers, riding lawnmowers and garden irrigation. Husqvarna Group is also a leader in cutting and surface treatment equipment for the construction and stone industries. The Group's products and solutions are mainly sold under the global Husqvarna and Gardena brands via dealers and retailers to consumers and professional users in more than 100 countries. Sales in 2021 amounted to SEK 47 billion and the Group has approximately 13,900 employees in 40 countries.