

Press release

Stockholm, October 16, 2017

Husqvarna Group scales back business with large U.S. retail customer

The Consumer Brands Division of the Husqvarna Group will significantly reduce the volume of business with one of its biggest U.S. retail customers, following the strategy to focus resources on accounts with more attractive opportunities.

The Division has started to adjust capacity and other measures to mitigate short-term negative financial effects. Because of the reduced volume, the Consumer Brands Division's net sales for 2018 is expected to decline by some SEK 1 Bn compared to 2017. This will delay the operating income improvement trajectory.

"We are committed to a strong, future-oriented Consumer Brands Division, and this means we need to take decisions that are painful in the short term," says Kai Wörn, President and CEO of Husqvarna Group.

The Group's financial target of an operating margin of at least 10% for the coming years remains unchanged. Additional information will be provided in connection to the Q3 2017 results announcement on October 20.

In 2018, the Consumer Brands Division will focus more resources on battery-powered products and robotic lawn mowers under several different brands. Launches include a refreshed Weed Eater® brand with a new line of interchangeable tools and a full line of 58-volt battery-powered handheld products under the Poulan Pro® and Jonsered® brands. "We are developing opportunities in battery products and robotic mowers," says Jeff Hohler, President Consumer Brands Division, "and while the decision to reduce volume may be a near term setback, we are confident that we will emerge stronger as a Division in the mid to longer term."

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Husqvarna Group

Husqvarna Group is a global leading producer of outdoor power products and innovative solutions for forest, park and garden care. Products include chainsaws, trimmers, robotic lawn mowers and ride-on lawn mowers. The Group is also the European leader in garden watering products and a global leader in cutting equipment and diamond tools for the construction and stone industries. The Group's products and solutions are sold under brands including Husqvarna, Gardena, McCulloch, Poulan Pro, Weed Eater, Flymo, Zenoah and Diamant Boart via dealers and retailers to consumers and professionals in more than 100 countries. Net sales in 2016 amounted to SEK 36bn and the Group has around 13,000 employees in 40 countries.

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