

PRESS RELEASE

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HENRIC ANDERSSON, PRESIDENT, HUSQVARNA CONSTRUCTION PRODUCTS:

“We want to create something new that benefits the entire business”

Ever since Henric Andersson took over the reins of Husqvarna's Construction Division in 2015, growth has been a constant. Revenue for 2017 was SEK 5 bn (USD 650 m), or, if the most recent acquisitions are included, SEK 5.7 bn – an increase of almost 50 % on 2014. We spoke to Henric about what is underway at Husqvarna Construction Products.



Henric, first of all, could you quickly summarize what has happened at Husqvarna Construction since you started?

“Well, first of all, we implemented a new long-term strategy where we defined a new growth agenda, and communicated this clearly throughout the organization. We set a high goal, and agreed on the activities necessary to take us there, such as stepping up in emerging markets, expanding our offering into services, and making key acquisitions. We also redefined and expanded our total addressable market from SEK 27 bn to SEK 45 bn (USD 5.7 bn), by including our customers' adjacent process steps. To increase our focus, we also organized ourselves after our new, expanded market segmentation.

Perhaps the most interesting segment right now is Concrete Surface & Floors, a segment that has grown considerably during the last two years. We've acquired fantastic companies like Diamond Tool Supply (DTS), a leading OEM supplier of resin bond diamond tools for floor polishing, Pullman Ermator, the leader in dust and slurry management systems for the construction industry, and HTC, the global market leader and prime innovator of solutions for grinding and polishing concrete floors.



COMPACTION EQUIPMENT



Recently we acquired Atlas Copco's business in Light Compaction & Concrete Placement Equipment, and we're incorporating it under the Husqvarna brand, in order to strengthen our offer."

What factors would you say are the ones that drive the company's growth?

"Our growth is driven both organically and through acquisitions. For nearly two decades, Husqvarna has continually acquired leading companies adjacent to our core business. However the light construction equipment industry is still very fragmented, with many specialized players. At the same time, customers increasingly want a single total supplier to turn to for all the equipment and services they need in their operations. Therefore I'm convinced that the industry is approaching a structural change similar to what we've seen in several automotive industries. And when this happens, I want Husqvarna Construction Products to be at the forefront.

We want to create something new, something that benefits the entire business. Naturally, growth will increase the value of Husqvarna as a company, and this will benefit our shareholders. But in order to be successful, our growth strategy must primarily benefit our channel partners and end users. Husqvarna excels at developing and delivering comprehensive system solutions – tools and services that help construction companies work smarter and more efficiently with concrete, enabling them to increase productivity and profitability.

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CONCRETE EQUIPMENT



Operator efficiency is crucial to overall productivity. This is why it's so important for us to keep developing new and innovative technical solutions and products that make it easier and safer for the operator to do his or her job. By growing, we can invest more resources here, which, in the end, will benefit our customers."

Could you briefly describe the company's growth strategy?

"We want to become even better when it comes to our core areas, while we also want to keep growing within product areas close to our present offer. The Atlas Copco Light Compaction & Concrete Equipment that I mentioned earlier is a perfect fit for our Concrete Surface & Floors business. This acquisition allows us to offer our channel partners and their customers in the construction business a comprehensive product range that covers the entire process – from soil compaction all the way to a finished, treated concrete floor.

By being able to present a broader product offering than anyone else on the market, through a complete, global network of distribution and service, we can provide construction companies – no matter their size – with quality equipment and service in the easiest and most effective way possible. In short, an even better and broader offering in Light Construction Equipment, for even more customers."

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HUSQVARNA CONSTRUCTION PRODUCTS, part of Husqvarna Group, is a market leader in machines and diamond tools for the construction and stone industries. The product range includes power cutters, drill motors and drill stands, diamond tools, floor, masonry, wall and wire saws, as well as light compaction and concrete placement equipment, surface preparation and demolition machines. Net sales 2017 amounted to 5 billion SEK. Husqvarna Construction Products has 2,100 employees, 11 major factories around the world and is represented in more than 70 countries. Husqvarna is a registered trademark owned by Husqvarna AB (publ).