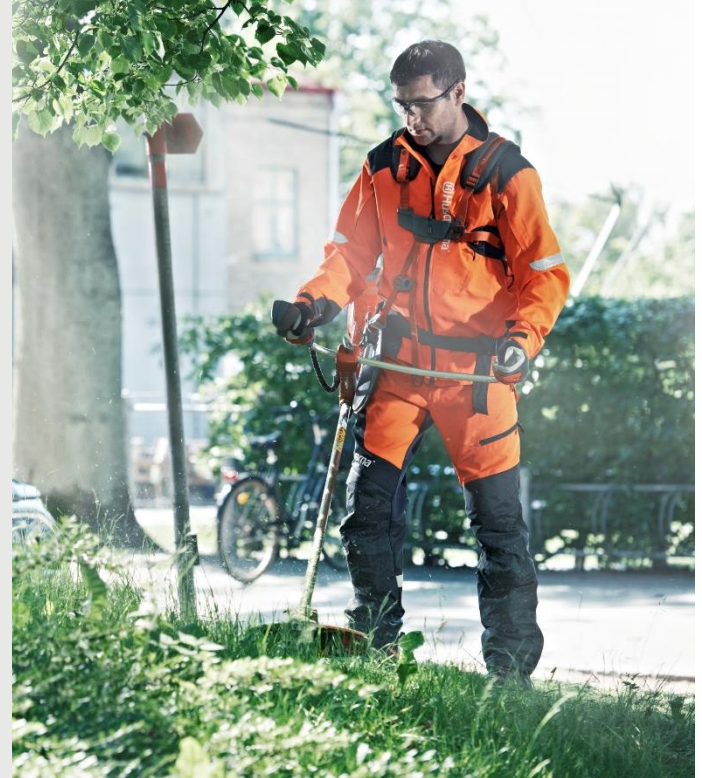


# Q2 2017 results presentation

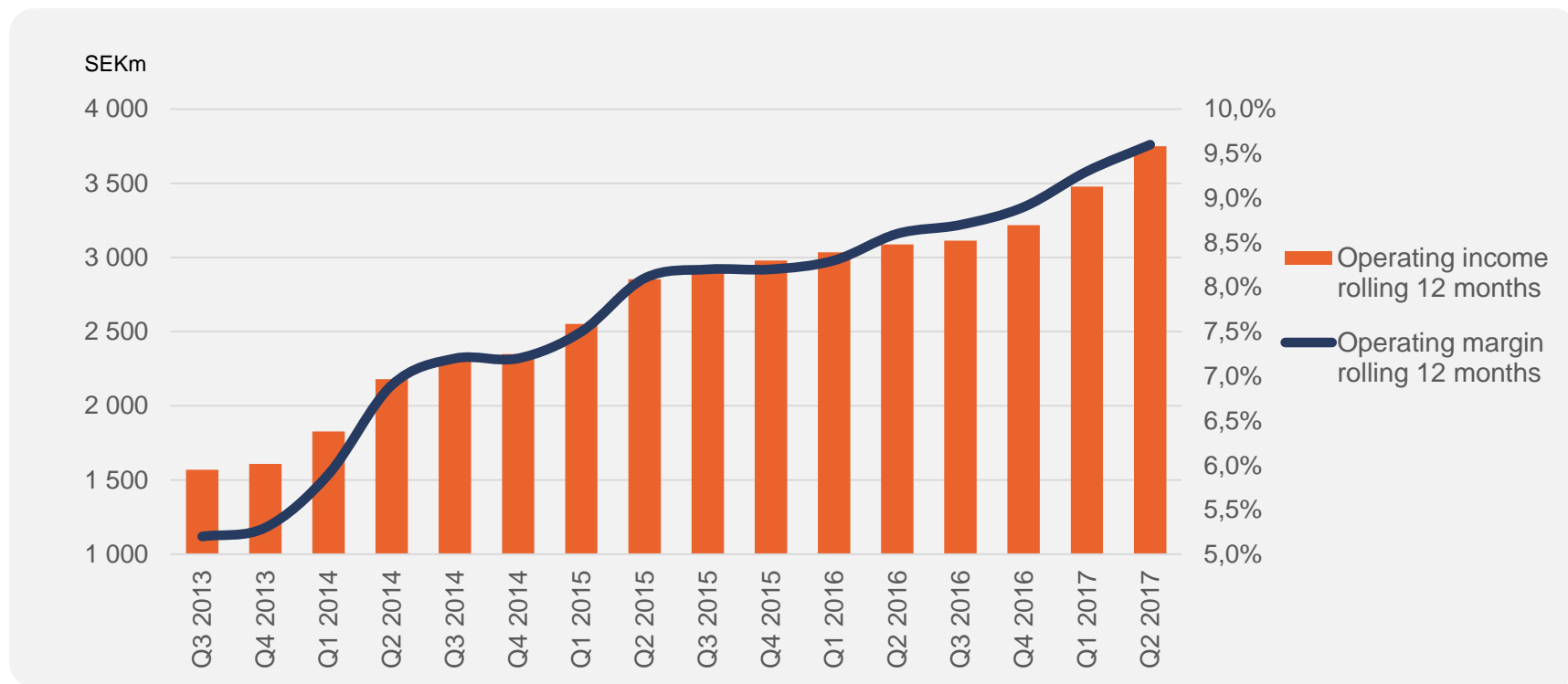
2017-07-18

# Group summary Q2 2017

- The *strong overall* performance for the Group continued in the second quarter
- Good development for the three Divisions in profitable growth mode: Husqvarna, Gardena and Construction
- Challenging business environment in retail channel North America for Consumer Brands Division
- Continued execution of profitable growth with investments in select activities along with further efficiency improvements



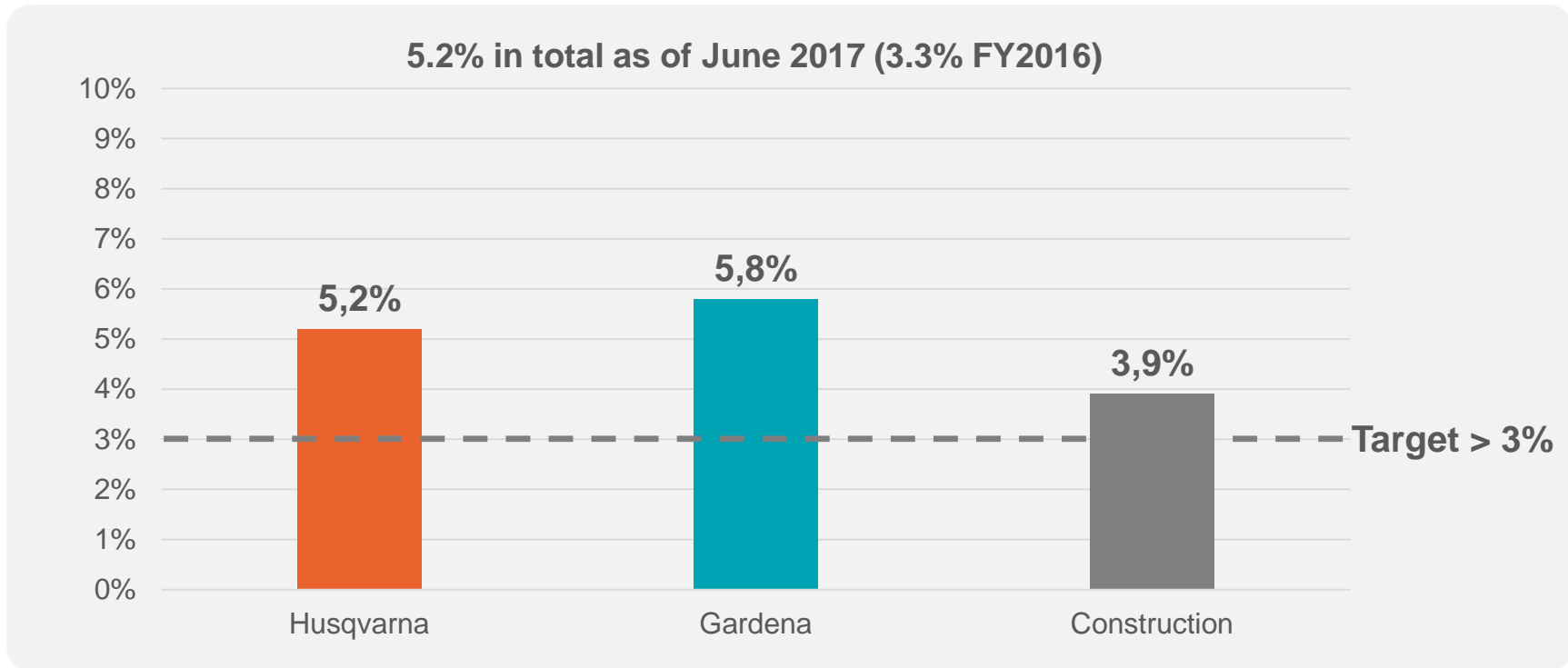
# Group results development



Figures refer to excluding items affecting comparability

# Profitable growth divisions

Net sales growth, R12, adjusted for currency and acquisitions



# Financial highlights, Group

SEKm	Q2 2017	Q2 2016	Change, %	Jan-Jun 2017	Jan-Jun 2016	Change, %	LTM <sup>1</sup>	FY 2016
Net sales	13,069	11,504	14	25,815	22,865	13	38,932	35,982
<i>Currency adjusted change, %</i>	8	-4	-	8	1	-	-	0
<i>Gross margin, %</i>	34.2	34.2	-	32.0	31.0	-	31.5	30.8
Operating income	2,002	1,729	16	3,427	2,895	18	3,750	3,218
<i>Operating margin, %</i>	15.3	15.0	-	13.3	12.7	-	9.6	8.9

<sup>1</sup> Last twelve months.

- Strong organic growth for all profitable growth divisions
- Favorable mix impact
- Positive currency effect net of raw materials
- Continued margin improvement
- Good cash flow



# Husqvarna Division

SEKm	Q2 2017	Q2 2016	Change, %	Jan-Jun 2017	Jan-Jun 2016	Change, %	LTM <sup>1</sup>	FY 2016
Net sales	6,314	5,721	10	12,686	11,178	13	19,468	17,960
<i>Currency adjusted change, %</i>	5	3	-	8	3	-	-	2
Operating income	1,186	1,031	15	2,233	1,875	19	2,675	2,317
<i>Operating margin, %</i>	18.8	18.0	-	17.6	16.8	-	13.7	12.9

<sup>1</sup> Last twelve months.

- 5% currency adjusted growth
- Sales increase driven mainly by robotic mowers and battery-powered products in Europe
- Sales volume increase, product mix and currency main drivers of income and margin improvement
- Investments in growth initiatives continue





# Gardena Division

SEKm	Q2 2017	Q2 2016	Change, %	Jan-Jun 2017	Jan-Jun 2016	Change, %	LTM <sup>1</sup>	FY 2016
Net sales	2,326	1,995	17	4,041	3,513	15	5,561	5,033
<i>Currency adjusted change, %</i>	11	13	-	10	15	-	-	8
Operating income	565	449	26	816	675	21	736	595
<i>Operating margin, %</i>	24.3	22.5	-	20.2	19.2	-	13.2	11.8

<sup>1</sup> Last twelve months.

- 11% currency adjusted net sales growth
- Continued execution of growth strategy: expansion into new sales channels and geographies as well as new products
- Good sales development for all product categories, in particular watering products
- Strong development of operating income and margin driven mainly by volume and product mix



# Consumer Brands Division

SEKm	Q2 2017	Q2 2016	Change, %	Jan-Jun 2017	Jan-Jun 2016	Change, %	LTM <sup>1</sup>	FY 2016
Net sales	3,087	2,682	15	6,548	6,101	7	9,335	8,888
<i>Currency adjusted change, %</i>	9	-24	-	2	-11	-	-	-10
Operating income	80	147	-45	133	211	-37	-75	3
<i>Operating margin, %</i>	2.6	5.5	-	2.0	3.5	-	-0.8	0.0

<sup>1</sup> Last twelve months.

- Sales 9% higher adjuster for currency, compared to a weak quarterly season prior year
- Net sales increase in North America, decline in Europe
- Lower income and margin despite continued cost reductions and efficiency measures
  - Competitive environment in the U.S. retail channel
  - Unfavorable product and regional mix
  - One-time costs to further reduce footprint costs
- Slower margin improvement than previously anticipated





# Construction Division

SEKm	Q2 2017	Q2 2016	Change, %	Jan-Jun 2017	Jan-Jun 2016	Change, %	LTM <sup>1</sup>	FY 2016
Net sales	1,341	1,106	21	2,538	2,073	22	4,566	4,101
<i>Currency adjusted change, %</i>	16	4	-	17	5	-	-	4
Operating income	233	179	30	374	268	40	674	568
<i>Operating margin, %</i>	17.4	16.2	-	14.7	12.9	-	14.8	13.9

<sup>1</sup> Last twelve months.

- Continued growth, organic as well as through acquired entities
  - 16% increase including acquisitions of Pullman Ermator and HTC, whereof 2% organic
- Broad geographical and product category sales increases, favorable product mix
- Strong development of operating income and margin



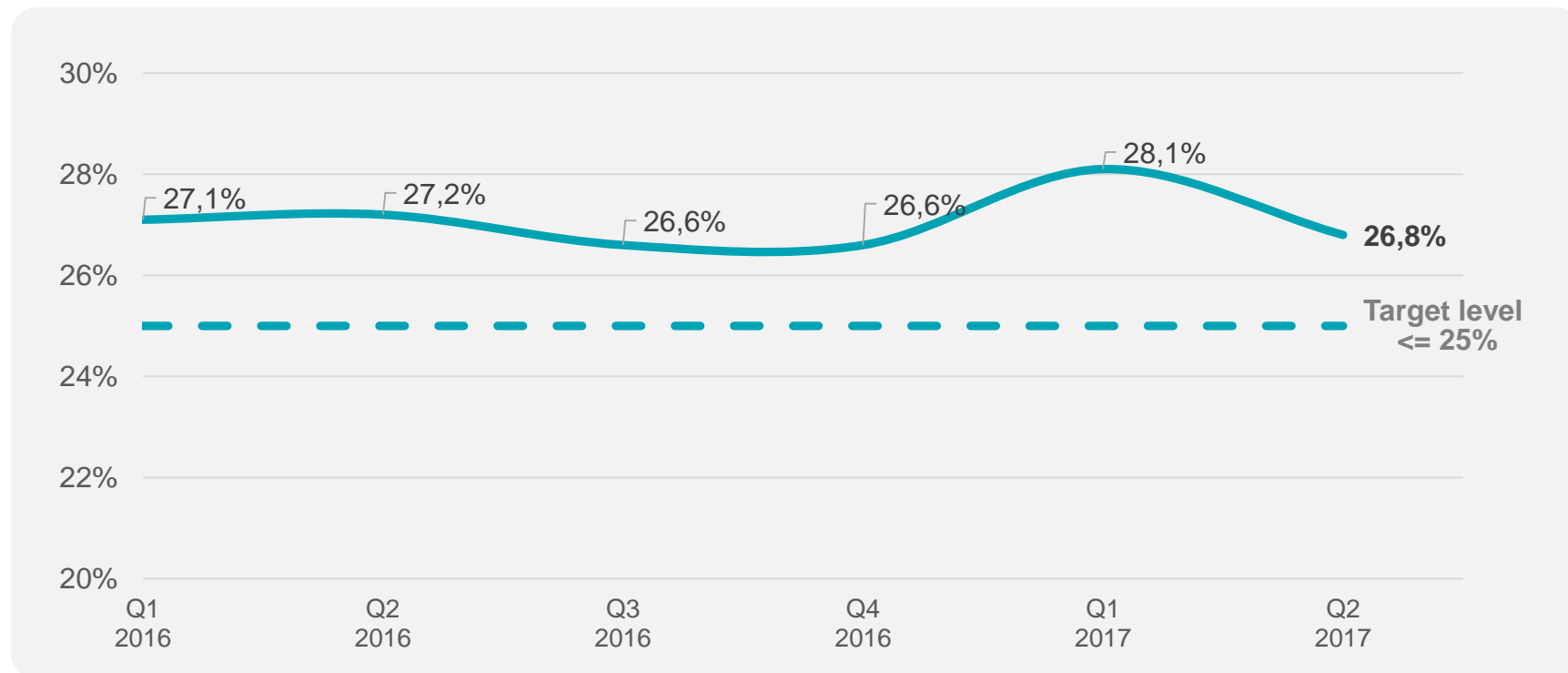
# Consolidated income statement

SEKm	Q2 2017	Q2 2016	Jan-Jun 2017	Jan-Jun 2016	FY 2016
Net sales	13,069	11,504	25,815	22,865	35,982
Cost of goods sold	-8,603	-7,567	-17,553	-15,766	-24,886
<b>Gross income</b>	<b>4,466</b>	<b>3,937</b>	<b>8,262</b>	<b>7,099</b>	<b>11,096</b>
<i>Gross margin, %</i>	34.2	34.2	32.0	31.0	30.8
Selling expenses	-2,009	-1,803	-3,893	-3,349	-6,168
Administrative expenses	-458	-404	-947	-855	-1,707
Other operating income/expense	3	-1	5	0	-3
<b>Operating income<sup>1</sup></b>	<b>2,002</b>	<b>1,729</b>	<b>3,427</b>	<b>2,895</b>	<b>3,218</b>
<i>Operating margin, %</i>	15.3	15.0	13.3	12.7	8.9
Financial items, net	-123	-72	-261	-214	-422
<b>Income after financial items</b>	<b>1,879</b>	<b>1,657</b>	<b>3,166</b>	<b>2,681</b>	<b>2,796</b>
<i>Margin, %</i>	14.4	14.4	12.3	11.7	7.8
Income tax	-478	-398	-777	-661	-692
<b>Income for the period</b>	<b>1,401</b>	<b>1,259</b>	<b>2,389</b>	<b>2,020</b>	<b>2,104</b>
Earnings per share after dilution, SEK	2.43	2.19	4.15	3.51	3.66
<sup>1</sup> Of which depreciation, amortization and impairment	348	275	675	555	1,164

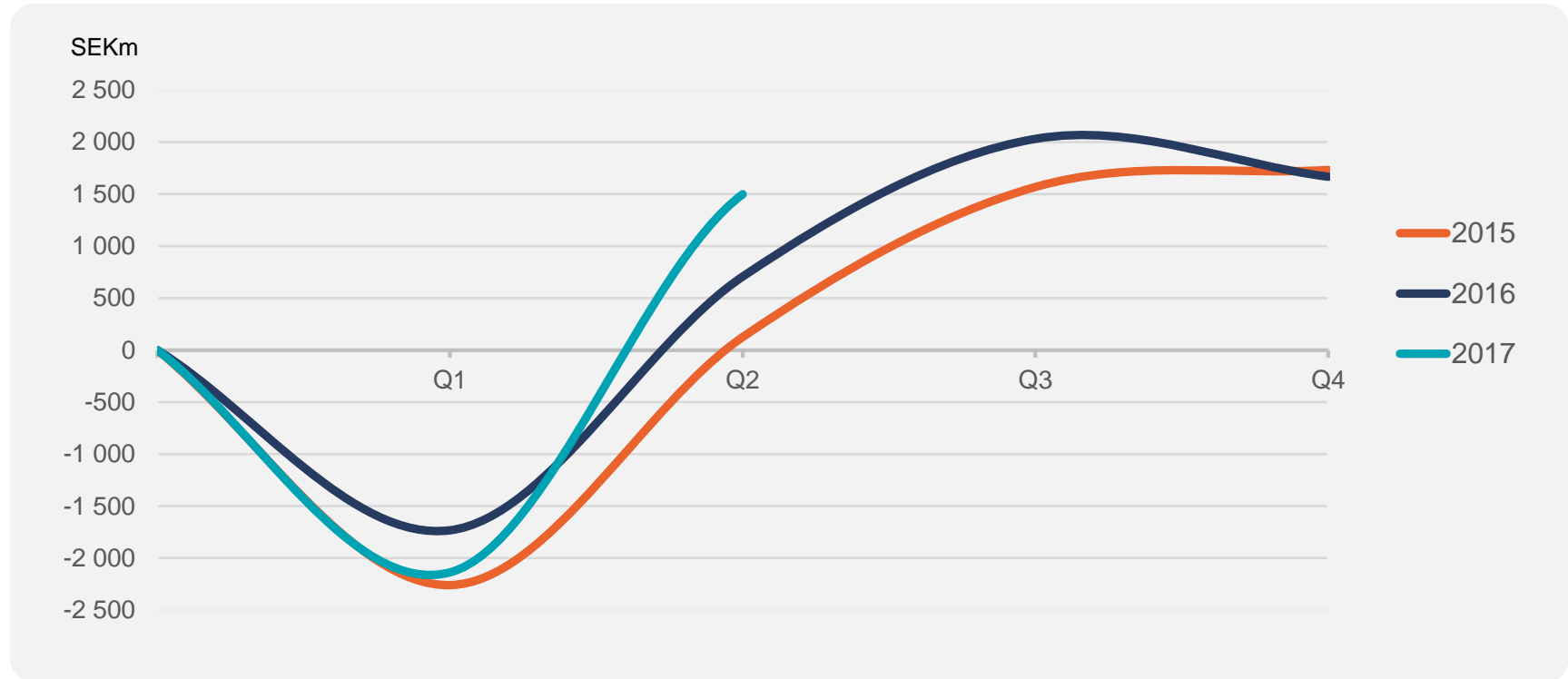
# Consolidated balance sheet

SEKm	Jun. 30, 2017	Jun. 30, 2016	Dec. 31, 2016
Non-current assets	18,504	16,221	17,169
Inventories	8,116	7,816	9,225
Trade receivables	7,149	6,845	3,290
Other current assets	923	730	1,004
Liquid funds	3,255	2,453	2,290
<b>Total assets</b>	<b>37,947</b>	<b>34,065</b>	<b>32,978</b>
Total equity	15,523	13,857	14,365
Interest-bearing liabilities	9,056	8,040	7,396
Provisions for pensions	1,841	1,951	1,759
Other provisions	3,232	3,237	2,983
Trade payables	4,497	3,886	3,752
Other current liabilities	3,798	3,094	2,723
<b>Total equity and liabilities</b>	<b>37,947</b>	<b>34,065</b>	<b>32,978</b>

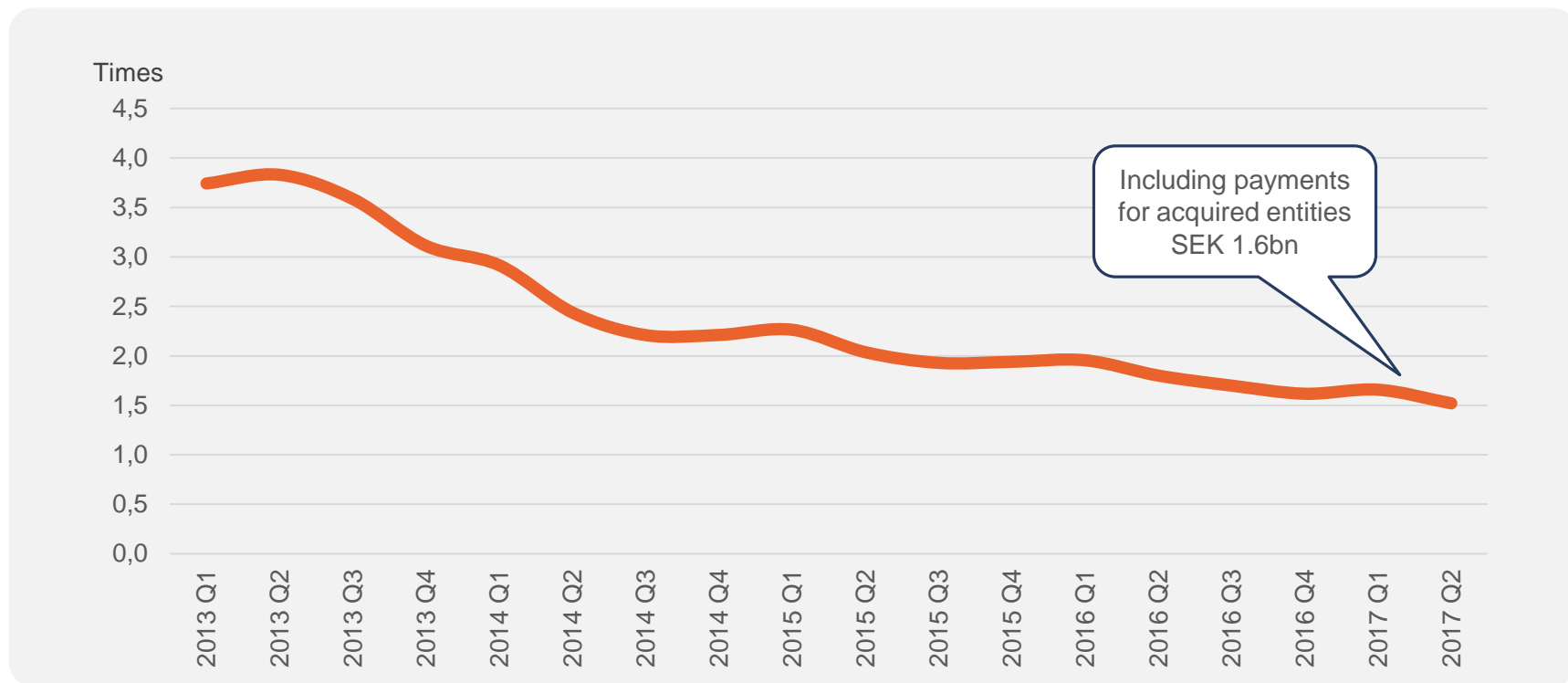
# Operating working capital / net sales



# Operating cash flow



# Net debt / EBITDA last 12 months rolling





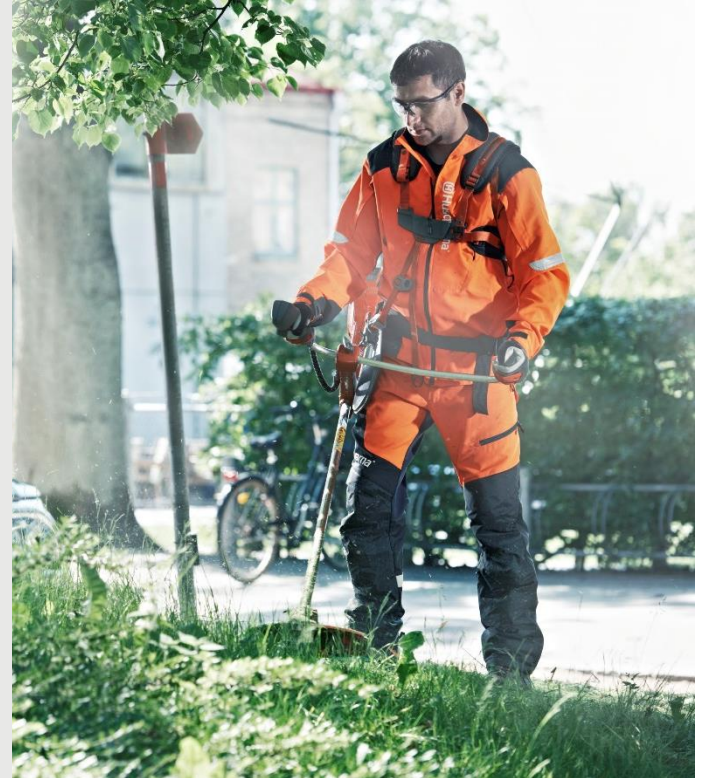
# Key data, Group

	<b>Q2 2017</b>	Q2 2016	<b>Jan-Jun 2017</b>	Jan-Jun 2016	<b>Full-year 2016</b>
Net sales, SEKm	13,069	11,504	25,815	22,865	35,982
<i>Net sales growth, %</i>	14	-6	13	-1	-1
<i>Gross margin, %</i>	34.2	34.2	32.0	31.0	30.8
Operating income, SEKm	2,002	1,729	3,427	2,895	3,218
<i>Operating margin, %</i>	15.3	15.0	13.3	12.7	8.9
Operating working capital, SEKm	-	-	10,768	10,775	8,763
<i>Return on capital employed, %</i>	-	-	15.1	13.0	13.7
<i>Excl. items affecting comparability</i>	-	-	15.1	13.6	13.7
<i>Return on equity, %</i>	-	-	16.8	14.8	15.2
Earnings per share after dilution, SEK	2.43	2.19	4.15	3.51	3.66
Capital turn-over rate, times	-	-	1.7	1.7	1.7
Operating cash flow, SEKm	3,634	2,444	1,497	707	1,666
Net debt/equity ratio	-	-	0.49	0.54	0.48
Capital expenditure, SEKm	392	321	736	632	1,889
Average number of employees	13,618	13,139	13,770	13,606	12,704

# Group summary Q2 2017

- The *strong overall* performance for the Group continued in the second quarter
- Good development for the three Divisions in profitable growth mode: Husqvarna, Gardena and Construction
- Challenging business environment in retail channel North America for Consumer Brands Division

Continued execution of growth strategy with investments in select growth activities along with further efficiency improvements





**Husqvarna  
Group**

[www.husqvarnagroup.com](http://www.husqvarnagroup.com)