

Solid start to the year

First quarter 2023

- Net sales increased by 9% to SEK 17,167m (15,685). Organic sales growth was 2% and changes in exchange rates contributed with 7%.
- Operating income was SEK 2,364m (2,159) and the operating margin 13.8% (13.8). Excluding items affecting comparability, operating income grew by 10% to SEK 2,410 (2,190) and the operating margin was 14.0% (14.0).
- Items affecting comparability amounted to SEK -46m (-31) and was related to the acceleration of the strategic transformation announced in October 2022.
- Earnings per share before dilution amounted to SEK 2.90 (2.87) and earnings per share after dilution amounted to SEK 2.88 (2.86).
- Cash flow from operations and investments was SEK 588m (-1,219). Direct operating cash flow improved to SEK -239m (-1,452).
- Operating working capital/net sales was 32.7% (23.5).

Financial summary

Group, SEKm	Q1 2023	Q1 2022	Δ%	LTM*	Full year 2022
Net sales	17,167	15,685	9	55,519	54,037
Organic growth*, %	2	-2		0	-1
Operating income (EBIT)	2,364	2,159	9	3,247	3,043
Operating margin, %	13.8	13.8		5.8	5.6
Operating income excl. items affecting comparability*	2,410	2,190	10	5,073	4,853
Operating margin excl. items affecting comparability*, %	14.0	14.0		9.1	9.0
Income after financial items	2,119	2,098	1	2,602	2,581
Net income for the period	1,653	1,638	1	1,947	1,932
Earnings per share before dilution, SEK	2.90	2.87	1	3.42	3.39
Earnings per share after dilution, SEK	2.88	2.86	1	3.40	3.38
Direct operating cash flow*	-239	-1,452	84	642	-572
Operating working capital / net sales*, %	32.7	23.5		32.7	30.6

*Alternative Performance Measure, refer to "Definitions".

Solid start to the year

“We delivered a solid first quarter, which is our sell-in quarter ahead of the gardening season. Group net sales increased by 9%, of which organic sales growth was 2%. Growth was particularly strong for robotic mowers, battery-powered products and wheeled products.

The Husqvarna Forest & Garden Division delivered an organic sales growth of 14%. Growth of robotic mowers were strong for both the residential and professional segments, supported by solid demand and restocking by our servicing dealers. In addition, the supply chain improved and the order backlog decreased during the period. The division’s assortment of battery-powered products were expanded and the category achieved a strong performance.

Organic sales growth in the Gardena Division was -20%. Sales were impacted by the continued cautious approach to increase stock levels ahead of the gardening season among our retail partners. It should also be viewed in light of challenging comparables from the preceding year.

The Husqvarna Construction Division delivered a flat organic growth, with good performance in North America.

Group operating income, excluding items affecting comparability, increased by 10% to SEK 2,410m (2,190), which is a record level for a first quarter. Net sales growth, including price increases, supported the performance. Direct operating cash flow improved by SEK 1.2bn to SEK -239m (-1,452), due to a higher operating result and improved cash flow from working capital changes. We are continuing our activities to reduce inventory levels during the gardening season.

Solid performance in an uncertain environment

We delivered a solid first quarter. Given the uncertain macroeconomic environment and consumer demand, we remain focused on cost efficiency, improved cash flow and operational flexibility.

Our program for accelerating the Group’s transformation, as announced in October 2022, is progressing as planned. We are increasing our

investments in the focus areas of robotic mowers, battery, watering and solutions for the professional market. In parallel, we will proactively reduce business in petrol-powered, low-margin consumer segments.

As a Group, we continue to invest for the future and lead our industry’s transition to low-carbon, resource-smart solutions. The Group’s electrification ambition aims to consistently reduce our carbon footprint. To date, we have reduced CO₂ emissions (scope 1, 2 and 3) by 33% compared with the base year of 2015. The target is a 35% reduction by 2025.

With our strong foundation and product offering we are well positioned to continue to create sustainable value.”



Pavel Hajman, acting CEO

Financial Performance

Financial targets and performance

Husqvarna Group has three financial targets; organic sales growth, operating margin and capital efficiency.

Metric	Financial targets	Achievement 2022	Achievement LTM
Organic growth	5%	-1%	0%
Operating margin*	13%	9.0%	9.1%
Capital efficiency**	20%	30.6%	32.7%

*Excluding items affecting comparability

**Operating working capital / net sales, rolling 12-months

First quarter

Net sales

Net sales for the first quarter increased by 9% to SEK 17,167m (15,685). Organic sales growth was 2% and changes in exchange rates contributed with 7%. Sales growth was strong for robotic mowers both for the residential and professional segments. Organic sales growth in the Gardena Division was affected by a cautious approach to increase stock levels among the retail partners ahead of the gardening season. The Husqvarna Construction Division delivered a flat organic growth, with good performance in North America.

Operating income

Operating income for the first quarter amounted to SEK 2,364m (2,159) and the operating margin was 13.8% (13.8). Excluding items affecting comparability, operating income increased to SEK 2,410m (2,190) and was driven by net sales growth, including price increases. The operating margin excluding items affecting comparability was 14.0% (14.0). Acquisition related amortizations amounted to SEK -56m (-55).

Changes in exchange rates had a positive impact of approximately SEK 40m compared to last year, mainly related to effects from a strong EUR.

Financial items net

Financial items net amounted to SEK -245m (-61). The increase was related to higher interest expenses.

Income after financial items

Income after financial items amounted to SEK 2,119m (2,098).

Taxes

Income tax amounted to SEK -466m (-460), corresponding to an effective tax rate of 22.0% (21.9).

Earnings per share

Net income for the period attributable to equity holders of the Parent Company amounted to SEK 1,653m (1,638), corresponding to SEK 2.88 (2.86) per share after dilution.

Cash flow

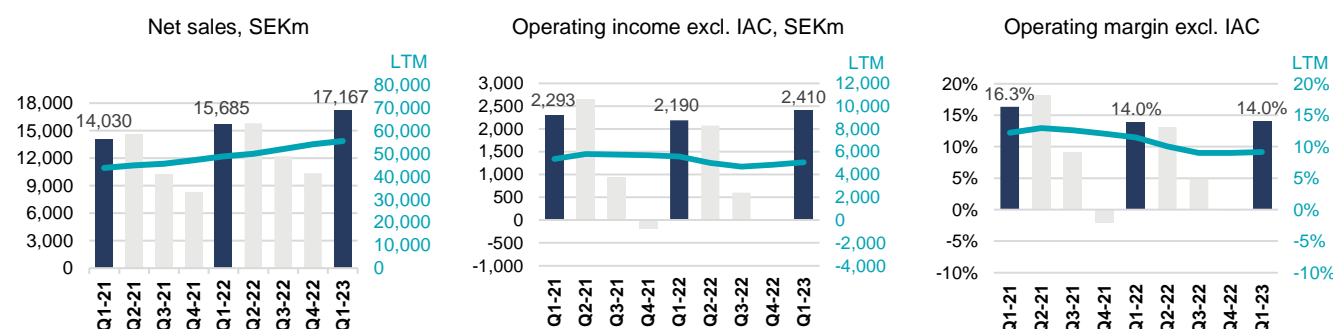
Cash flow from operations and investments for the first quarter amounted to SEK 588m (-1,219). Direct operating cash flow was SEK -239 (-1,452). The improvement was related to a higher operating result and improved cash flow from working capital changes.

Due to the seasonal build-up of working capital, cash flow is normally weaker in the first quarter, followed by stronger cash flow in the second and third quarters. Cash flow in the fourth quarter is usually negatively impacted by the pre-season production for the next year.

Financial position

Group equity as of March 31, 2023, excluding non-controlling interests, increased to SEK 25,807m (23,657), corresponding to SEK 45.0 (41.3) per share after dilution. Net debt increased to SEK 17,178m (11,188). The increase was mainly related to increased borrowings, primarily as a result of higher net working capital levels. The net pension liability decreased to SEK 1,345m (1,829). Other interest-bearing liabilities increased to SEK 19,436m (13,054) and liquid funds and other interest-bearing assets decreased to SEK 3,604m (3,695).

The net debt/EBITDA ratio, excluding items affecting comparability, increased to 1.9 (0.8), mainly due to higher borrowings. The equity/assets ratio was 39% (41).



Financial summary

SEKm	Q1 2023	Q1 2022	Δ%	LTM*	Full year 2022
Net sales	10,656	8,701	22	34,037	32,082
Organic growth*, %	14	-7		6	0
Operating income	1,670	1,392	20	2,085	1,807
Operating margin, %	15.7	16.0		6.1	5.6
Operating income excl. items affecting comparability*	1,690	1,283	32	3,631	3,224
Operating margin excl. items affecting comparability*, %	15.9	14.7		10.7	10.0

* Alternative Performance Measure, refer to "Definitions".

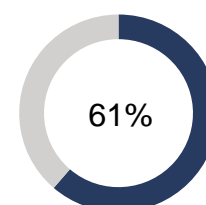
First quarter 2023

Net sales increased by 22% to SEK 10,656m (8,701) during the quarter. The organic sales growth was 14% and currency effects contributed with 8%. Sales of robotic mowers were strong, supported by continuing solid demand and restocking by our servicing dealers ahead of the gardening season. In addition the supply chain situation has improved and the order backlog was reduced.

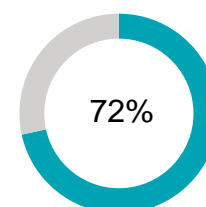
In the professional segment, growth was underpinned by the success of Husqvarna CEORA™, the robotic mower for commercial turf care management. For the residential market, Husqvarna Automower® NERA was launched during the quarter being the Group's first robotic mower featuring virtual boundary technology for consumers. NERA further underlines the Group's technology leadership and innovative capacity in terms of robotic technology. The wheeled products category achieved a solid sales growth as did recently launched battery-powered handheld products, which also supported growth during the quarter.

Operating income amounted to SEK 1,670m (1,392) and the operating margin decreased to 15.7% (16.0). Excluding items affecting comparability, operating income increased by 32% to SEK 1,690m (1,283) and the operating margin rose to 15.9% (14.7). The improvement was driven by strong sales growth, an improved product mix, and contributions from price increases that offset the negative effects of cost inflation. Changes in exchange rates had a negative impact of approximately SEK 40m in the first quarter compared to last year.

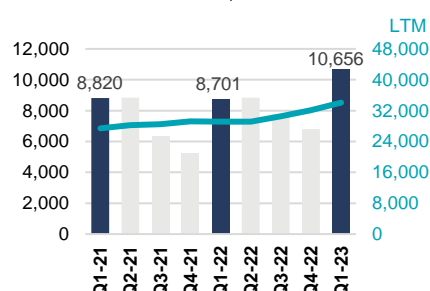
Share of Group
net sales, LTM



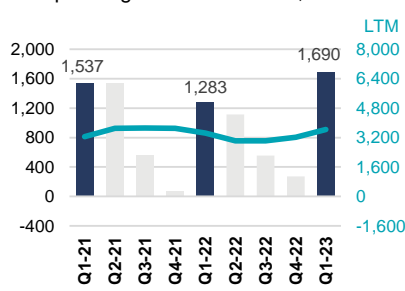
Share of Group
operating income excl. IAC,
LTM



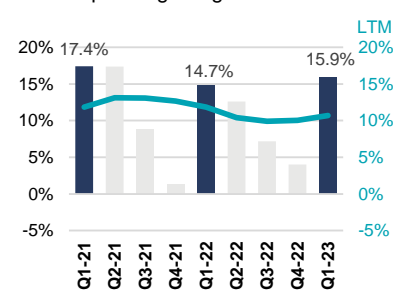
Net sales, SEKm



Operating income excl. IAC, SEKm



Operating margin excl. IAC



Financial summary

SEKm	Q1 2023	Q1 2022	Δ%	LTM*	Full year 2022
Net sales	4,321	4,960	-13	12,966	13,606
Organic growth*, %	-20	5		-16	-7
Operating income	585	706	-17	797	918
Operating margin, %	13.5	14.2		6.2	6.8
Operating income excl. items affecting comparability*	584	752	-22	1,005	1,173
Operating margin excl. items affecting comparability*, %	13.5	15.2		7.7	8.6

* Alternative Performance Measure, refer to "Definitions".

First quarter 2023

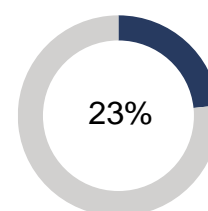
Net sales decreased by 13% to SEK 4,321m (4,960). The organic sales growth was -20% and currency effects contributed with 7%. Sales were impacted by the continued cautious approach to increase stock levels ahead of the gardening season among our retail partners, and should also be viewed in light of challenging comparables in the preceding year, where the first quarter was the best quarter ever in terms of sales.

The robotic mower segment achieved a good growth, driven by new models containing new technology, and the fact that volumes in the preceding year were low due to challenges in the supply chain. The division has a strong product portfolio featuring many new products for the gardening season, including new MicroDrip watering solutions.

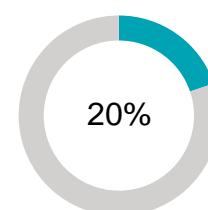
Operating income was SEK 585m (706) and the operating margin was 13.5% (14.2). Excluding items affecting comparability, operating income was SEK 584m (752) and the operating margin was 13.5% (15.2). Price increases had a positive effect, while lower volumes accounted for the majority of the decrease in operating income. Changes in exchange rates had a positive impact of approximately SEK 30m in the quarter compared to last year.

Net sales development for the acquired Orbit Irrigation was in line with the development for the total division. The dilution effect from Orbit Irrigation was 1.4 pts (2.0) on the operating margin, excluding acquisition related amortizations which amounted to SEK -29m (-27).

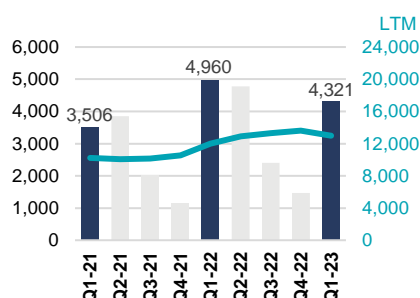
Share of Group
net sales, LTM



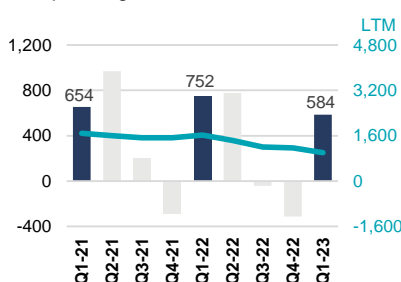
Share of Group
operating income excl. IAC,
LTM



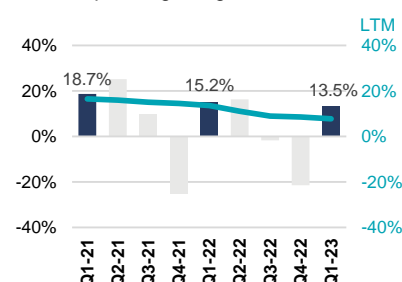
Net sales, SEKm



Operating income excl. IAC, SEKm



Operating margin excl. IAC



Financial summary

SEKm	Q1 2023	Q1 2022	Δ%	LTM*	Full year 2022
Net sales	2,177	1,981	10	8,428	8,232
Organic growth*, %	0	10		0	2
Operating income	262	152	73	823	713
Operating margin, %	12.0	7.7		9.8	8.7
Operating income excl. items affecting comparability*	289	245	18	897	854
Operating margin excl. items affecting comparability*, %	13.3	12.4		10.6	10.4

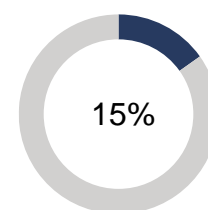
* Alternative Performance Measure, refer to "Definitions".

First quarter 2023

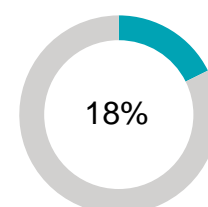
Net sales increased by 10% to SEK 2,177m (1,981). Organic sales growth was flat and changes in exchange rates contributed with 10%. The development was good in North America, and for the Concrete Surfaces and Floors segment. The division has recently expanded the product range of battery-powered products and the category achieved a strong growth.

Operating income was SEK 262m (152) and the operating margin was 12.0% (7.7). Excluding items affecting comparability, operating income was SEK 289m (245) and the operating margin was 13.3% (12.4). The margin improvement was driven by price increases and cost control. Acquisition related amortizations amounted to SEK -25m (-25). Changes in exchange rates had a positive contribution of approximately SEK 50m compared to last year.

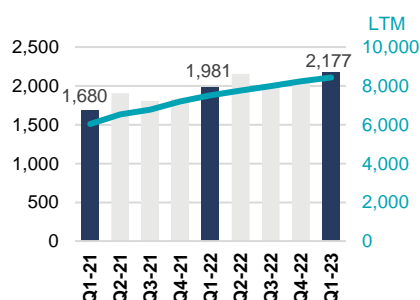
Share of Group
net sales, LTM



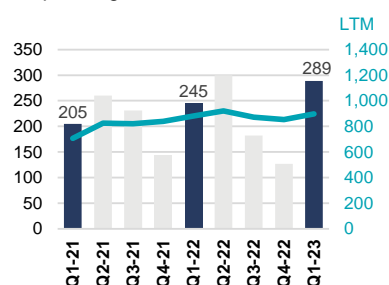
Share of Group
operating income excl. IAC,
LTM



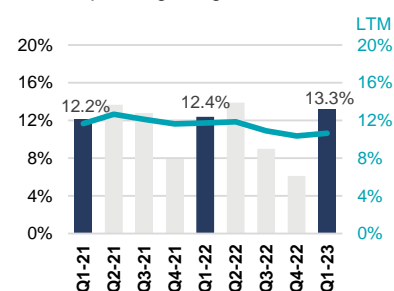
Net sales, SEKm



Operating income excl. IAC, SEKm



Operating margin excl. IAC



Additional information

Sustainovate 2025

Sustainovate 2025 is designed to maximize the Group's contribution to tackle climate change and resource scarcity. The five-year framework covers three opportunities and associated targets to 2025.

Highlights

- The Group's absolute CO₂ emissions across the value chain has been reduced by 33%.
- Five new approved circular innovations and another 17 nominees are in the pipeline. Total approved innovations are now 15.
- People target performance: 1,009,000 Sustainable Choices products have now been sold.

Carbon – drive the transition to low-carbon solutions

As of the first quarter 2023, the Group has reduced its absolute CO₂ emissions by 33%. This implies a further reduction of 1% compared to Q4 2022 and is primarily linked to a higher share of electrified products.

Circular – rethink and redesign for a resource-smart customer experience

The Group's circular target is to launch 50 circular innovations by 2025. The innovations will make smarter use of the materials that comprise Husqvarna Group's products and will extend their lifecycles.

In the first quarter, five circular innovations were approved by the circular innovation committee:

- The first innovation relates to Gardena's new Micro-Drip-System that addresses several circularity aspects. Connectors have been re-designed to further facilitate reuse, making it easy to install and reinstall the system. Numerous components that previously consisted of several materials, have been designed in a mono-material to facilitate recycling in end-of-life. Finally post-consumer recycled materials are used where possible and the products come in cardboard boxes with a patented closing technology design for reuse of the packaging.
- The second innovation relates to DuraSharp™ Blades, a patented blade technology that keeps blades sharp for up to 5 years for easy maintenance, substantially reducing the frequency of blade replacement on our zero-turn lawnmowers.
- One innovation relates to the new Gardena EcoLine hose made with 65% recycled Thermo Plastic Elastomer (TPE), mainly sourced from household waste. EcoLine hoses maintain the same quality, lifetime and design as traditional hoses and have a 30-year warranty.

- Lease Plus is an all-inclusive robotic solution for residential consumers including the product, installation, service, winter storage and insurance in order to prolong the lifetime of the Automower®. When the contract expires, the Automower® is returned, refurbished and will get a second life.
- Finally the Power for All Alliance was approved as a Circular Innovation. Founded together with Bosch already in 2020, this cross-brand battery, allows customers to use the same battery in more than 100 different products from several brands.

This results in a total of 15 approved Circular Innovations and with 17 nominees in pipeline we are on the right track towards our target of 50 circular innovations by 2025.

People – inspire actions that make a lasting difference

During the first quarter, the Group has continued to inform and educate customers on its assortment of Sustainable Choices, i.e. product and solution offerings that have a significantly and proven lower impact on use of natural resources and/or the environment. At the end of the quarter 1,009,000 Sustainable Choice products have been sold. The Group is on track to empower five million people by 2025.

Conversion of Shares

According to the Company's articles of association, owners of A-shares have the right to have such shares converted to B-shares. Conversion reduces the total number of votes in the Company. In the first quarter 45 shares were converted. The total number of shares in the company at March 31, 2023 amounted to 576,343,778 of which 110,106,149 were A-shares and 466,237,629 were B-shares. The total number of votes amounted to 156,729,911.9.

Parent Company

Net sales for January – March 2023 for the Parent Company, Husqvarna AB (publ), amounted to SEK 7,668m (6,483), of which SEK 6,280m (5,056) referred to sales to Group companies and SEK 1,388m (1,427) to external customers. Income after financial items increased to SEK 1,401m (985), mainly due to Group internal transactions. Income for the quarter increased to SEK 1,079m (759). Investments in property, plant and equipment and intangible assets amounted to SEK 360m (239). Cash and cash equivalents amounted to SEK 258m (272) at the end of the quarter. Undistributed earnings in the Parent Company amounted to SEK 30,398m (31,400).

Significant events

Henric Andersson passed away in February 2023

Henric Andersson, our dear colleague and Husqvarna Group's CEO, passed away in February 2023. Husqvarna Group has lost a dear friend and a visionary leader whom we had the privilege of working together with for over 25 years. Pavel Hajman has been appointed acting CEO and the Board has initiated a process to identify a permanent successor.

Bosch

Bosch issued a press release in January 2023, stating that they have agreed to acquire shares in Husqvarna AB (publ), subject to an approval. Their shareholding would then amount to roughly 12 percent. No new shares in Husqvarna AB (publ) have been issued.

Significant events after the quarter

Annual General Meeting 2023

The Annual General Meeting of Husqvarna AB (publ) was held on April 4, 2023. The dividend was set at SEK 3.00 per share to be paid in two installments, firstly SEK 1.00 per share with Thursday, April 6, 2023 as the first record day, and secondly SEK 2.00 per share with Friday, October 6, 2023 as the second record day. The estimated dates for payment are Thursday, April 13, 2023 and Wednesday, October 11, 2023.

Risks and uncertainty factors

A number of factors may affect Husqvarna Group's operations in terms of operational and financial risks. The war in Ukraine can have a significant impact on

Husqvarna Group's operations, both in terms of difficulties of supply of raw materials and components as well as difficulties to purchase transportation and logistics services and related cost increases. It can also affect demand of Husqvarna Group's products and solutions. Operational risks include general economic conditions, as well as trends in consumer and professional spending, particularly in North America and Europe, where the majority of the Group's products are sold. An economic downturn in these markets may have an adverse effect on Group sales and earnings. Shifts in product technology as well as shifts in distribution structure and sales channels could also have a negative impact, as will fluctuations in prices of sourced raw materials and components. Short term, demand for the Group's products is impacted by weather conditions. The Group's production processes and supply chain are therefore adapted to respond to changes in weather conditions. In the ordinary course of business, the Group is exposed to legal risks such as commercial, product liability and other disputes and provides for them as appropriate. Financial risks refer primarily to currency exchange rates, interest rates, financing, tax and credit risks. Risk management within Husqvarna Group is regulated by a financial policy established by the Board of Directors. For further information on risks and uncertainty factors, see the Annual Report 2022 which is available at www.husqvarnagroup.com.

Accounting Principles

This quarterly report has been prepared in accordance with IAS 34, Interim financial reporting and the Swedish Annual Accounts Act. The financial statement of the Parent Company has been prepared in accordance with the Swedish Annual Accounts Act, chapter 9 and the Swedish Financial Reporting Board's standard RFR 2 Accounting for Legal Entities. The accounting policies adopted are consistent with those presented in the Annual Report of 2022, which is available at www.husqvarnagroup.com.

Auditors' review report

This interim report has not been subject to review by the auditors.

Stockholm, April 20, 2023

Pavel Hajman
Acting CEO

Condensed consolidated income statement

SEKm	Q1 2023	Q1 2022	LTM*	Full year 2022
Net sales	17,167	15,685	55,519	54,037
Cost of goods sold	-11,477	-10,706	-40,195	-39,424
Gross income	5,690	4,979	15,324	14,613
Gross margin, %	33.1	31.7	27.6	27.0
Selling expenses	-2,373	-2,201	-8,943	-8,770
Administrative expenses	-934	-801	-3,134	-3,001
Other operating income/expense	-19	182	0	202
Operating income	2,364	2,159	3,247	3,043
Operating margin, %	13.8	13.8	5.8	5.6
Financial items, net	-245	-61	-645	-461
Income after financial items	2,119	2,098	2,602	2,581
Margin, %	12.3	13.4	4.7	4.8
Income tax	-466	-460	-655	-649
Net income for the period	1,653	1,638	1,947	1,932
Net income for the period attributable to:				
Equity holders of the Parent Company	1,653	1,638	1,949	1,935
Non-controlling interest	0	0	-2	-2
Earnings per share:				
Before dilution, SEK	2.90	2.87	3.42	3.39
After dilution, SEK	2.88	2.86	3.40	3.38
Weighted average number of shares outstanding:				
Before dilution, millions	570.5	570.4	570.5	570.4
After dilution, millions	573.0	573.4	572.8	573.0

Condensed consolidated comprehensive income statement

SEKm	Q1 2023	Q1 2022	LTM*	Full year 2022
Net income for the period	1,653	1,638	1,947	1,932
Other comprehensive income				
<i>Items that will not be reclassified to the income statement:</i>				
Remeasurements on defined benefit pension plans, net of tax	77	-24	537	436
Total items that will not be reclassified to the income statement, net of tax	77	-24	537	436
<i>Items that may be reclassified to the income statement:</i>				
Translation differences	-61	564	2,103	2,728
Net investment hedge, net of tax	78	-177	-661	-916
Cash flow hedges, net of tax	46	-12	-31	-89
Total items that may be reclassified to the income statement, net of tax	64	375	1,411	1,723
Other comprehensive income, net of tax	141	351	1,949	2,159
Total comprehensive income for the period	1,793	1,989	3,895	4,091
Total comprehensive income attributable to:				
Equity holders of the Parent Company	1,793	1,989	3,899	4,094
Non-controlling interest	0	0	-2	-2

*Alternative Performance Measure, refer to "Definitions".

Condensed consolidated balance sheet

SEKm	Mar 31 2023	Mar 31 2022	Dec 31 2022
Assets			
Property, plant and equipment	7,128	7,349	7,151
Right of use assets	2,202	1,779	2,288
Goodwill	10,176	9,433	10,187
Other intangible assets	8,447	7,756	8,408
Investments in associated companies	16	36	16
Derivatives	29	29	53
Other non-current assets	851	888	913
Deferred tax assets	2,379	1,625	1,834
Total non-current assets	31,228	28,895	30,849
Inventories	18,670	15,192	19,334
Trade receivables	10,355	8,522	6,267
Derivatives	510	622	795
Current tax receivables	629	265	524
Other current assets	1,604	1,034	1,538
Cash and cash equivalents	2,571	2,659	2,328
Total current assets	34,340	28,294	30,787
Total assets	65,568	57,189	61,636
Equity and liabilities			
Equity attributable to equity holders of the Parent Company	25,807	23,657	24,002
Non-controlling interests	10	14	10
Total equity	25,817	23,671	24,011
Borrowings	11,301	2,272	8,927
Lease liabilities	1,642	1,330	1,708
Derivatives	-	60	-
Deferred tax liabilities	2,522	2,210	2,056
Provisions for pensions and other post-employment benefits	1,599	2,215	1,681
Other provisions	710	635	700
Total non-current liabilities	17,774	8,722	15,072
Trade payables	7,613	8,224	7,111
Current tax liabilities	785	1,225	667
Other liabilities	5,639	4,985	4,097
Borrowings	5,213	8,346	7,700
Lease liabilities	608	515	649
Derivatives	672	531	912
Other provisions	1,447	970	1,416
Total current liabilities	21,978	24,796	22,553
Total equity and liabilities	65,568	57,189	61,636

Condensed consolidated cash flow statement

SEKm	Q1 2023	Q1 2022	Full year 2022
Cash flow from operations			
Operating income	2,364	2,159	3,043
Non cash items	916	662	3,979
<i>Cash items</i>			
Paid restructuring expenses	-88	-44	-222
Net financial items, received/paid	-174	-57	-247
Taxes paid	-620	-1,013	-2,318
Cash flow from operations, excluding change in operating assets and liabilities	2,398	1,707	4,234
Operating assets and liabilities			
Change in inventories	729	-847	-3,832
Change in trade receivables	-4,062	-4,112	-1,511
Change in trade payables	479	1,146	-336
Change in other operating assets/liabilities	1,583	1,163	-264
Cash flow from operating assets and liabilities	-1,271	-2,651	-5,943
Cash flow from operations	1,127	-943	-1,709
Investments			
Acquisitions of subsidiaries/operations	-	-32	-85
Divestments of subsidiaries/operations	-	-	-
Proceeds from sale of property, plant and equipment	11	212	240
Investments in property, plant and equipment and intangible assets	-522	-426	-2,344
Investments and divestments of financial assets	-28	-29	-112
Cash flow from investments	-539	-276	-2,301
Cash flow from operations and investments	588	-1,219	-4,009
Financing			
Dividend paid to shareholders	-	-	-1,711
Dividend paid to non-controlling interests	-	-	-2
Other financing activities	-337	1,626	5,688
Cash flow from financing	-337	1,626	3,975
Total cash flow	251	407	-35
Cash and cash equivalents at the beginning of the period	2,328	2,208	2,208
Exchange rate differences referring to cash and cash equivalents	-8	44	154
Cash and cash equivalents at the end of the period	2,571	2,659	2,328
	Q1 2023	Q1 2022	Full year 2022
Operating cash flow, SEKm			
Cash flow from operations	1,127	-943	-1,709
Investments in property, plant and equipment and intangible assets	-522	-426	-2,344
Operating cash flow	605	-1,370	-4,052
	Q1 2023	Q1 2022	Full year 2022
Direct operating cash flow, SEKm			
EBITDA excl. items affecting comparability	3,137	2,788	7,450
Change in inventories	729	-847	-3,832
Change in trade receivables	-4,062	-4,112	-1,511
Change in trade payables	479	1,146	-336
Investments in property, plant and equipment and intangible assets	-522	-426	-2,344
Direct operating cash flow	-239	-1,452	-572

Key performance indicators

Income statement

	Q1 2023	Q1 2022	LTM*	Full year 2022
EBITDA*, SEKm				
Operating income	2,364	2,159	3,247	3,043
<i>Reversals</i>				
Depreciation	496	403	1,862	1,769
Amortization	216	195	841	821
Impairments	29	15	767	753
Depreciation, amortization and impairment	741	613	3,471	3,342
EBITDA*	3,105	2,772	6,718	6,385
Excl. items affecting comparability*	3,137	2,788	7,800	7,450
<i>EBITDA margin, %</i>	<i>18.1</i>	<i>17.7</i>	<i>12.1</i>	<i>11.8</i>
<i>Excl. items affecting comparability*, %</i>	<i>18.3</i>	<i>17.8</i>	<i>14.0</i>	<i>13.8</i>

Organic growth*

Net sales, January - March

SEKm	Reported Net sales	Acquisitions / divestments	Net sales adjusted for acquisitions / divestments	Currency translation effect	Net sales adjusted for acquisitions / divestments and changes in exchange rates
2023	17,167	-27	17,140		17,140
2022	15,685		15,685	1,195	16,880
Growth	1,482		1,454		260
Growth, %	9		9		2

*Alternative Performance Measure, refer to "Definitions".

Balance sheet

	Mar 31 2023	Mar 31 2022	Dec 31 2022
Key data			
Operating working capital, SEKm	21,412	15,490	18,490
Operating working capital / net sales*, %	32.7	23.5	30.6
Return on capital employed, %	7.4	16.8	7.3
Excl. items affecting comparability*, %	11.5	16.7	11.6
Return on equity, %	7.8	20.9	7.9
Excl. items affecting comparability*, %	13.4	20.8	13.6
Capital turn-over rate, times	1.4	1.8	1.4
Equity/assets ratio, %	39	41	39
Equity per share after dilution, SEK	45.0	41.3	41.9
Average number of employees	14,512	14,730	14,416

	Mar 31 2023	Mar 31 2022	Dec 31 2022
Net debt*, SEKm			
Net pension liability	1,345	1,829	1,431
Other interest-bearing liabilities	19,436	13,054	19,897
Less: Liquid funds and other interest-bearing assets	-3,604	-3,695	-3,618
Net debt*	17,178	11,188	17,709
Net debt/equity ratio	0.67	0.47	0.74
Net debt/EBITDA excl. Items affecting comparability*	1.9	0.8	1.8

	Mar 31 2023	Mar 31 2022	Dec 31 2022
Return on capital employed*, SEKm			
Total equity and liabilities	65,568	57,189	61,636
Deduction; Non interest bearing liabilities:	-18,716	-18,250	-16,047
Deferred tax liabilities	-2,522	-2,210	-2,056
Other provisions	-2,157	-1,605	-2,116
Trade payables	-7,613	-8,224	-7,111
Current tax liabilities	-785	-1,225	-667
Other liabilities	-5,639	-4,985	-4,097
Capital employed*	46,852	38,939	45,589
Capital employed* (LTM Average)	43,929	33,414	41,710
Operating income, LTM	3,247	5,612	3,043
Return on capital employed*, %	7.4	16.8	7.3
Operating income excl. items affecting comparability*, LTM	5,073	5,580	4,853
Return on capital employed excl. items affecting comparability*, %	11.5	16.7	11.6

* Alternative Performance Measure, refer to "Definitions".

Change in Group equity, condensed

SEKm	Attributable to equity holders of the Parent Company	Non-controlling interests	Total equity
Opening balance January 1, 2022	21,633	14	21,646
Share-based payment	35	-	35
Total comprehensive income	1,989	0	1,989
Closing balance March 31, 2022	23,657	14	23,671
Opening balance January 1, 2023	24,002	10	24,011
Share-based payment	11	-	11
Shareholder contribution from non-controlling interest		1	1
Total comprehensive income	1,793	0	1,793
Closing balance March 31, 2023	25,807	10	25,817

Fair value of financial instruments

The Group's financial instruments carried at fair value are derivatives. Derivatives belong to Level 2 in the fair value hierarchy. Future cash flows have been discounted using current quoted market interest rates and exchange rates for similar instruments. Further information about the accounting principles for financial instruments and methods used for estimating the fair value of the financial instruments are described in note 1 and note 20, respectively, in the Annual Report 2022. The carrying value approximates fair value for all financial instruments.

Net sales and income by division and quarter

SEKm	2023	2022				2021			
Group	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Net sales	17,167	10,353	12,206	15,792	15,685	8,234	10,180	14,614	14,030
Net sales, LTM*	55,519	54,037	51,918	49,892	48,714	47,059	45,507	44,897	43,764
Operating income	2,364	-1,737	555	2,065	2,159	-132	926	2,659	2,293
Operating margin, %	13.8	-16.8	4.5	13.1	13.8	-1.6	9.1	18.2	16.3
Operating income excl. IAC*	2,410	-13	601	2,075	2,190	-180	926	2,645	2,293
Operating margin excl. IAC*, %	14.0	-0.1	4.9	13.1	14.0	-2.2	9.1	18.1	16.3
Operating income, LTM*	3,247	3,043	4,647	5,018	5,612	5,746	4,934	5,005	4,538
Operating margin, LTM*, %	5.8	5.6	9.0	10.1	11.5	12.2	10.8	11.1	10.4
Operating income, LTM excl. IAC*	5,073	4,853	4,686	5,011	5,580	5,684	5,734	5,806	5,353
Operating margin, LTM excl. IAC*, %	9.1	9.0	9.0	10.0	11.5	12.1	12.6	12.9	12.2
Net income for the period	1,653	-1,392	269	1,417	1,638	146	631	2,001	1,659
Husqvarna Forest & Garden	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Net sales	10,656	6,793	7,761	8,826	8,701	5,231	6,331	8,836	8,820
Net sales, LTM*	34,037	32,082	30,519	29,089	29,099	29,217	28,483	28,220	27,427
Operating income	1,670	-1,252	560	1,107	1,392	70	558	1,534	1,537
Operating margin, %	15.7	-18.4	7.2	12.5	16.0	1.3	8.8	17.4	17.4
Operating income excl. IAC*	1,690	273	555	1,113	1,283	70	558	1,536	1,537
Operating margin excl. IAC*, %	15.9	4.0	7.2	12.6	14.7	1.3	8.8	17.4	17.4
Operating income, LTM*	2,085	1,807	3,129	3,127	3,554	3,699	3,015	3,000	2,544
Operating margin, LTM*, %	6.1	5.6	10.3	10.8	12.2	12.7	10.6	10.6	9.3
Operating income, LTM excl. IAC*	3,631	3,224	3,021	3,024	3,447	3,701	3,720	3,705	3,247
Operating margin, LTM excl. IAC*, %	10.7	10.0	9.9	10.4	11.8	12.7	13.1	13.1	11.8
Gardena	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Net sales	4,321	1,470	2,400	4,775	4,960	1,148	2,031	3,851	3,506
Net sales, LTM*	12,966	13,606	13,284	12,915	11,991	10,537	10,150	10,067	10,226
Operating income	585	-468	-93	773	706	-277	196	979	654
Operating margin, %	13.5	-31.8	-3.9	16.2	14.2	-24.1	9.6	25.4	18.7
Operating income excl. IAC*	584	-314	-42	776	752	-290	196	969	654
Operating margin excl. IAC*, %	13.5	-21.4	-1.7	16.3	15.2	-25.3	9.6	25.2	18.7
Operating income, LTM*	797	918	1,109	1,398	1,603	1,552	1,534	1,613	1,688
Operating margin, LTM*, %	6.2	6.8	8.3	10.8	13.4	14.7	15.1	16.0	16.5
Operating income, LTM excl. IAC*	1,005	1,173	1,197	1,434	1,627	1,529	1,524	1,603	1,688
Operating margin, LTM excl. IAC*, %	7.7	8.6	9.0	11.1	13.6	14.5	15.0	15.9	16.5
Husqvarna Construction	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Net sales	2,177	2,071	2,024	2,157	1,981	1,830	1,795	1,904	1,680
Net sales, LTM*	8,428	8,232	7,992	7,763	7,511	7,210	6,782	6,528	6,037
Operating income	262	80	183	299	152	144	231	260	205
Operating margin, %	12.0	3.9	9.0	13.9	7.7	7.9	12.9	13.7	12.2
Operating income excl. IAC*	289	127	182	300	245	144	231	260	205
Operating margin excl. IAC*, %	13.3	6.1	9.0	13.9	12.4	7.9	12.9	13.7	12.2
Operating income, LTM*	823	713	778	826	787	840	729	734	613
Operating margin, LTM*, %	9.8	8.7	9.7	10.6	10.5	11.7	10.7	11.2	10.2
Operating income, LTM excl. IAC*	897	854	871	920	880	840	821	826	705
Operating margin, LTM excl. IAC*, %	10.6	10.4	10.9	11.9	11.7	11.7	12.1	12.7	11.7
Group Common	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Net sales	13	20	22	34	43	26	23	22	24
Operating income	-154	-97	-95	-114	-90	-69	-59	-114	-103
Operating income excl. IAC*	-154	-98	-95	-114	-90	-104	-59	-120	-103

The majority of net sales are recognized at a certain point in time.

*Alternative Performance Measure, refer to "Definitions".

Items affecting comparability

SEKm	Q1 2023	Q1 2022	Full year 2022
Restructuring costs			
Impairment of non-current assets	-14	-15	-745
Write-down of inventory	0	-28	-249
Other restructuring costs	-32	-47	-858
Non-recurring costs relating to Russia and Ukraine			
Write-down of current assets	-	-33	-59
Write-down / reversal of inventory	-	-86	-11
Other restructuring costs	-	0	-67
Other			
Sale of property	-	178	178
Total items affecting comparability	-46	-31	-1,810

The first quarter included items affecting comparability of SEK -46m, which was related to the Group's acceleration of its strategic transformation (announced in October 2022). SEK -20m was related to the Husqvarna Forest & Garden Division, SEK 1m to the Gardena Division, SEK -27m to the Husqvarna Construction Division.

Classification in the income statement

SEKm	Q1 2023	Q1 2022	Full year 2022
Cost of goods sold	-25	-151	-1,610
Selling expenses	-6	-59	-277
Administrative expenses	-16	0	-103
Other operating income/expense	-	178	178
Total items affecting comparability	-46	-31	-1,810

Net assets by segment ¹

SEKm	Assets		Liabilities		Net Assets	
	Mar 31 2023	Mar 31 2022	Mar 31 2023	Mar 31 2022	Mar 31 2023	Mar 31 2022
Husqvarna	29,076	23,972	9,896	8,489	19,180	15,483
Gardena	20,245	19,018	4,070	4,736	16,175	14,281
Construction	9,217	8,403	1,653	1,773	7,564	6,630
Other ²	3,173	1,716	3,097	3,252	76	-1,536
Total	61,711	53,109	18,716	18,250	42,995	34,858

¹ Liquid assets, other interest-bearing assets, interest-bearing liabilities and equity are not included in the table above.

² Other includes tax items, associates and common Group functions such as Treasury and Risk Management.

Parent Company

Condensed income statement

SEKm	Q1 2023	Q1 2022	Full year 2022
Net sales	7,668	6,483	23,308
Cost of goods sold	-5,058	-4,345	-17,250
Gross income	2,610	2,138	6,057
Selling expense	-515	-458	-1,911
Administrative expense	-584	-468	-1,849
Other operating income/expense	0	0	0
Operating income	1,511	1,212	2,298
Financial items, net	-110	-227	-920
Income after financial items	1,401	985	1,378
Appropriations	-39	-25	-858
Income before taxes	1,363	960	521
Tax on profit for the year	-284	-200	-14
Income for the period	1,079	759	507

Condensed balance sheet

SEKm	Mar 31 2023	Mar 31 2022	Dec 31 2022
Non-current assets	48,239	39,153	41,563
Current assets	22,802	21,296	19,759
Total assets	71,041	60,449	61,322
Equity	33,209	34,094	32,054
Untaxed reserves	1,400	1,275	1,400
Provisions	498	216	408
Non-current liabilities	11,128	2,168	8,749
Current liabilities	24,807	22,697	18,710
Total equity and liabilities	71,041	60,449	61,322

Number of shares

	Outstanding A-shares	Outstanding B-shares	Repurchased B-shares ¹	Total
Number of shares as of December 31, 2022	110,106,194	460,347,003	5,890,581	576,343,778
Conversion of A-shares into B-shares	-45	45		0
Hedge for LTI-programs		164,425	-164,425	0
Number of shares as of March 31, 2023	110,106,149	460,511,473	5,726,156	576,343,778

¹ All repurchased B-shares are included in a third party share swap agreement.

Definitions

This report includes financial measures as required by the financial reporting framework applicable to Husqvarna Group, which is based on IFRS. In addition, there are other measures (Alternative Performance Measures) used by management and other stakeholders to analyze trends and performance of the Group's operations that cannot be directly read or derived from the financial statements. Husqvarna stakeholders should not consider these as substitutes, but rather as additions, to the financial reporting measures prepared in accordance with IFRS. Please note that the Alternative Performance Measures as defined, may not be comparable to similarly titled measures used by other companies. Refer below for a list of definitions of all measures and indicators used, referred to and presented in this report.

Computation of average amounts

The computation of key ratios is based on averages of affected balance sheet items the last 12 months.

Roundings

All items are stated in SEKm and, accordingly, rounding differences can occur.

Last twelve months (LTM)

Last twelve months rolling has been included to assist stakeholders in their analysis of the seasonality that Husqvarna Group's business is exposed to.

Earnings per share, after dilution

Earnings per share is expressed as net income attributable to equity holders of the Parent Company divided by the weighted average number of shares outstanding (net of treasury shares), after dilution. See further IAS 33 Earnings per share. Earnings per share is a good measure of the company's profitability and is used to determine the value of the company's outstanding shares.

Growth measures

Net sales growth

Change in net sales compared to previous period in percent.

Organic growth

Change in net sales, adjusted for acquisitions, divestments and currency translation effects. The measure is important in order to understand the underlying performance of the operations and increases the comparability between periods.

Profitability measures

EBITDA

EBITDA is a measure of earnings before interest, taxes, depreciation, amortization and impairment charges. EBITDA measures Husqvarna Group's operating performance and the ability to generate cash from operations, without considering the capital structure of the Group or its fiscal environment. For a reconciliation of EBITDA refer to section Key Performance Indicators.

EBITDA margin

EBITDA as a percentage of net sales.

Gross margin

Gross income as a percentage of net sales.

Operating margin

Operating income as a percentage of net sales and is a key profitability measure.

Return on capital employed

Operating income during the last twelve months as a percentage of average capital employed. A central ratio for measuring return on capital tied up in operations.

Return on equity

Net income attributable to equity holders of the Parent Company last twelve months as a percentage of average equity attributable to equity holders of the Parent Company. The indicator shows how share holders' capital yields interest during the period.

Share-based measures

Equity per share, after dilution

Equity attributable to equity holders of the Parent Company divided by the weighted average number of shares outstanding (net of treasury shares), after dilution. A measure of the amount of equity that exists per outstanding share and is used for measuring the share against the share price.

Capital indicators

Capital employed

Total equity and liabilities less non-interest-bearing debt including deferred tax liabilities. This measure shows the amount of capital that is used in the operations and is an important component for measuring the return from operations.

Capital expenditure

Investments in property, plant and equipment, right of use assets and intangible assets.

Interest bearing liabilities

Long-term and short-term borrowings, net pension liability and fair value derivative liabilities.

Liquid funds

Cash and cash equivalents, short-term investments and fair value derivative assets.

Net assets

Total assets excluding liquid funds and interest-bearing assets less operating liabilities, non-interest-bearing provisions and deferred tax liabilities.

Net debt

Net debt describes the Group's gearing and its ability to repay its debts from cash generated from the Group's ordinary business (see operating cash flow below), if they were all due today. It is also used to analyze how future net interest costs will impact earnings. Net debt is defined as total interest-bearing liabilities plus dividend payable, less liquid funds and interest-bearing assets. For a reconciliation of net debt refer to section Key Performance Indicators.

Operating working capital

Inventories and trade receivables less trade payables. This measure shows how much working capital is tied up in the operations and can be put in relation to sales to understand how efficient working capital is managed.

Capital measures

Equity/assets ratio

Equity attributable to equity holders of the Parent Company as a percentage of total assets. A measure for showing financial risk, expressing the percentage of total assets that is financed by the owners.

Capital turnover rate

Net sales last twelve months divided with average net assets. Shows how effectively capital is managed and is a key measure for monitoring value creation.

Net debt/EBITDA excl. items affecting comparability

Average net debt in relation to EBITDA last twelve months, excluding items affecting comparability. Shows

the company's capacity to repay its debt, adjusted for the impact of items affecting comparability.

Net debt/equity ratio

Net debt in relation to total equity. Shows financial risk and is a useful measure to monitor the level of the company's indebtedness.

Operating working capital/net sales

Average operating working capital as a percentage of net sales last twelve months. This measure is an important indicator for how efficient working capital is managed.

Other measures

Direct operating cash flow

EBITDA, excluding items affecting comparability, adjusted for change in trade payables, inventory and trade receivables and investments in property, plant and equipment and intangible assets. For a reconciliation of direct operating cash flow refer to the table below the cash flow statement. Direct operating cash flow provides a measure of the cash generated by the Groups operating business.

Items affecting comparability (IAC)

Under Items affecting comparability, Husqvarna includes items that have the character of being non-recurring, such as restructuring costs, and are relevant when comparing earnings for one period with those of another. Separate reporting of items affecting comparability between periods provides a better understanding of the company's underlying operating activities.

Operating cash flow

Total cashflow from operations including investments in property, plant and equipment and intangible assets. For a reconciliation of operating cash flow refer to table below the cash flow statement. Operating cash flow is a measure of the amount of cash generated by the Group's ordinary business operations that the units have control over themselves.



Telephone conference

A telephone conference of the Q1 report hosted by Pavel Hajman, acting CEO and Terry Burke, CFO will be held at 10:00 CET on April 20, 2023.

To view the presentation, please use the link:

<http://creo-live.creomediamanager.com/64f775be-de82-4ac7-bd25-6217b428d301>

The dial-in to the telephone conference (in order to ask questions):
+46 (0) 8 5051 0031 (Sweden) or +44 207 107 06 13 (UK).



Dates for Financial Reports 2023

July 18	Interim report for January-June 2023
October 20	Interim report for January-September 2023



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This report contains insider information that Husqvarna AB is required to disclose under the EU Market Abuse Regulation and the Securities Markets Act. The information was submitted for publication, through the contact person set out above, at 07.00 CET on April 20, 2023.

Factors affecting forward-looking statements

This report contains forward-looking statements in the sense referred to in the American Private Securities Litigation Reform Act of 1995. Such statements comprise, among other things, financial goals, goals of future business and financial plans. These statements are based on present expectations and are subject to risks and uncertainties that may give rise to major deviations in the result due to several aspects. These aspects include, among other things: consumer demand and market conditions in the geographical areas and lines of business in which Husqvarna operates, the effects of currency fluctuations, downward pressure on prices due to competition, a material reduction in sales by important distributors, success in developing new products and in marketing, outcome of product responsibility litigation, progress in terms of reaching the goals set for productivity and efficient use of capital, successful identification of growth opportunities and acquisition objects, integration of these into the existing business and successful achievement of goals for making the supply chain more efficient.