



# Shaping GREAT experiences



## Q1 2022 results presentation

April 21, 2022

Henric Andersson, CEO

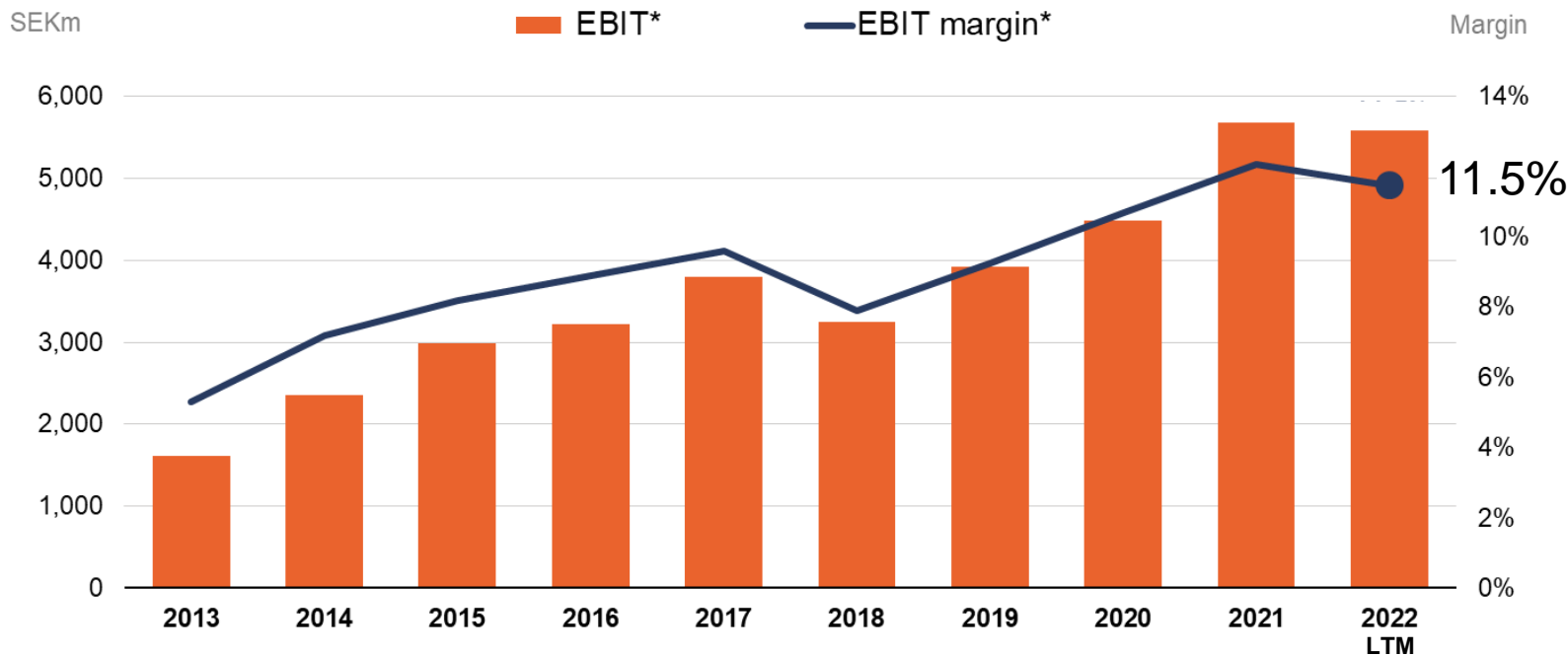
Terry Burke, CFO

# Executing on value creation strategy – short-term affected by supply chain constraints

- Strong demand and record high order book
- Good performance in Gardena and Construction. Husqvarna F&G more affected by supply chain constraints
- Mitigating activities in place. Gradual improvements expected throughout the gardening season
- Executing on our value creation strategy, reinforcing technology leadership



# Building a stronger Husqvarna Group



\*Operating income excluding items affecting comparability

# Summary Q1 2022



## NET SALES

SEK **15,685**m (14,030)

ORGANIC GROWTH  
**-2%**

- Organic growth in Gardena and Husqvarna Construction
- Husqvarna Forest & Garden most affected by supply chain constraints (robotics and ride-on mowers)
- Price increases implemented



## OPERATING INCOME

SEK **2,190**m (2,293)

- Unfavorable mix and lower volumes
- Price increases offset higher raw materials and logistics costs
- Continued investments into strategic growth areas
- Favorable currency effect



## DIRECT OPERATING CASH FLOW

SEK **-1,452**m (143)

- Inventories remained at high levels
- Net debt / EBITDA decreased to 0.8x (0.9x)



## ROBOTICS AND BATTERY

**17%** of Group (R12)

- Material decline in consumer robotics (supply chain related), however growth in the professional segment
- Important launches for the season and strong pipeline for 2023

# Husqvarna Forest & Garden Division



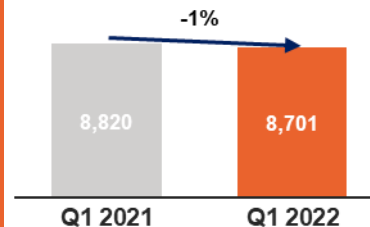
**Q1: organic sales growth -7%; operating margin 14.7%**

- Strong customer demand
- Good growth in handheld and parts & accessories
- Material decline in consumer robotic and ride-on mowers
- Price increases almost offsetting higher raw material and logistic costs

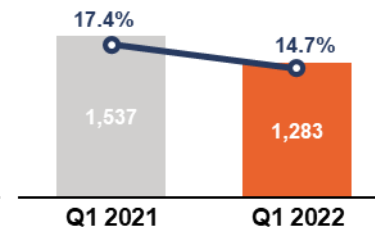
**R12: organic sales growth 7%; operating margin 11.8%**

Q1 2022 (SEKm)

Net sales

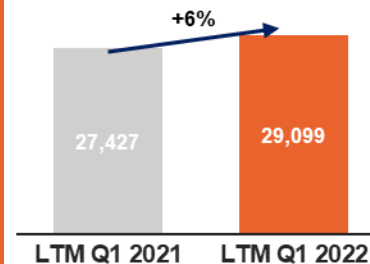


Operating income, excl IAC

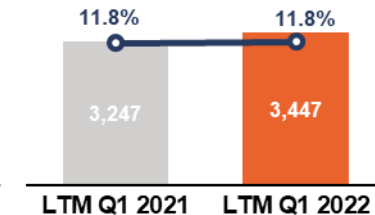


LTM 2022 (SEKm)

Net sales



Operating income, excl. IAC



# Gardena Division



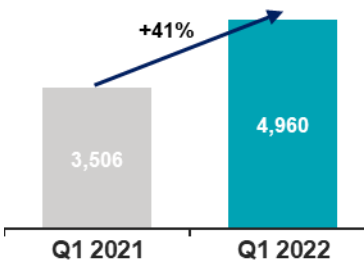
**Q1: organic sales growth 5%; operating margin 15.2%**

- Solid performance in hand tools and accessories
- Orbit Irrigation acquisition contributed with a further 33%, - dilutive with 1.8 pts
- Price increases compensated for higher raw materials and logistics costs

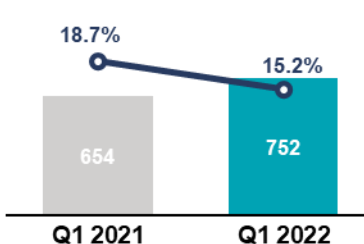
**R12: organic sales growth 5%; operating margin 13.6%**

Q1 2022 (SEKm)

Net sales

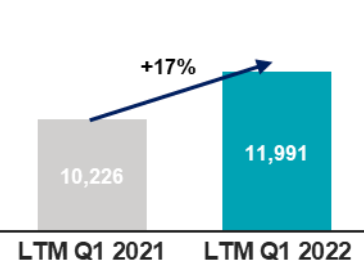


Operating income, excl. IAC

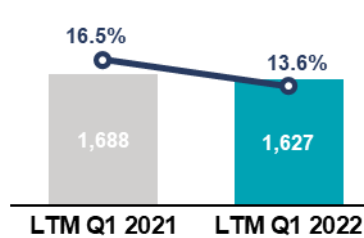


LTM 2022 (SEKm)

Net sales



Operating income, excl. IAC



Note: Operating income excluding items affecting comparability

# Husqvarna Construction Division



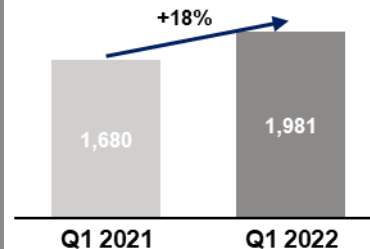
**Q1: organic growth 10%;  
operating margin 12.4%**

- Broad-based growth led by power cutters
- Price increases compensated for higher costs raw material and logistics costs
- Acquisition of Diamond tools company Heger announced. Sales of ~9 MEUR
- Final phase of Blastrac integration

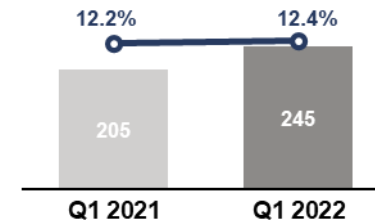
**R12: organic growth 16%;  
operating margin 11.7%**

Q1 2022 (SEKm)

Net sales

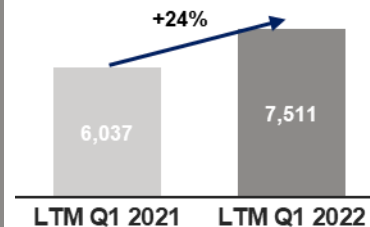


Operating income,  
excl. IAC

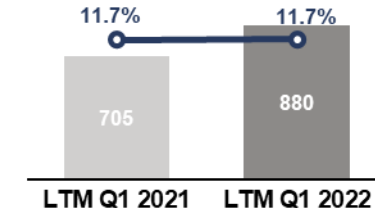


LTM 2022 (SEKm)

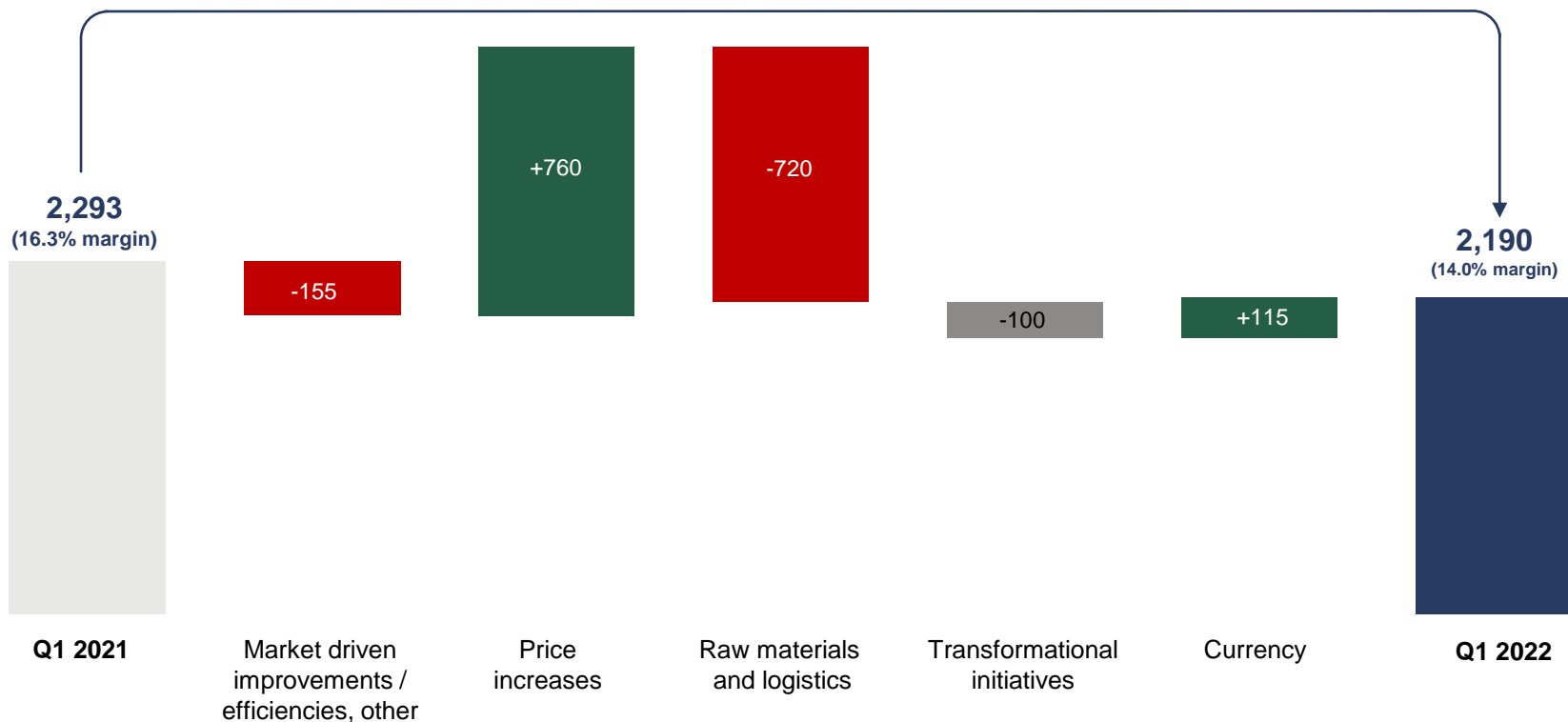
Net sales



Operating income,  
excl. IAC



# Q1 EBIT bridge (excl. IAC)



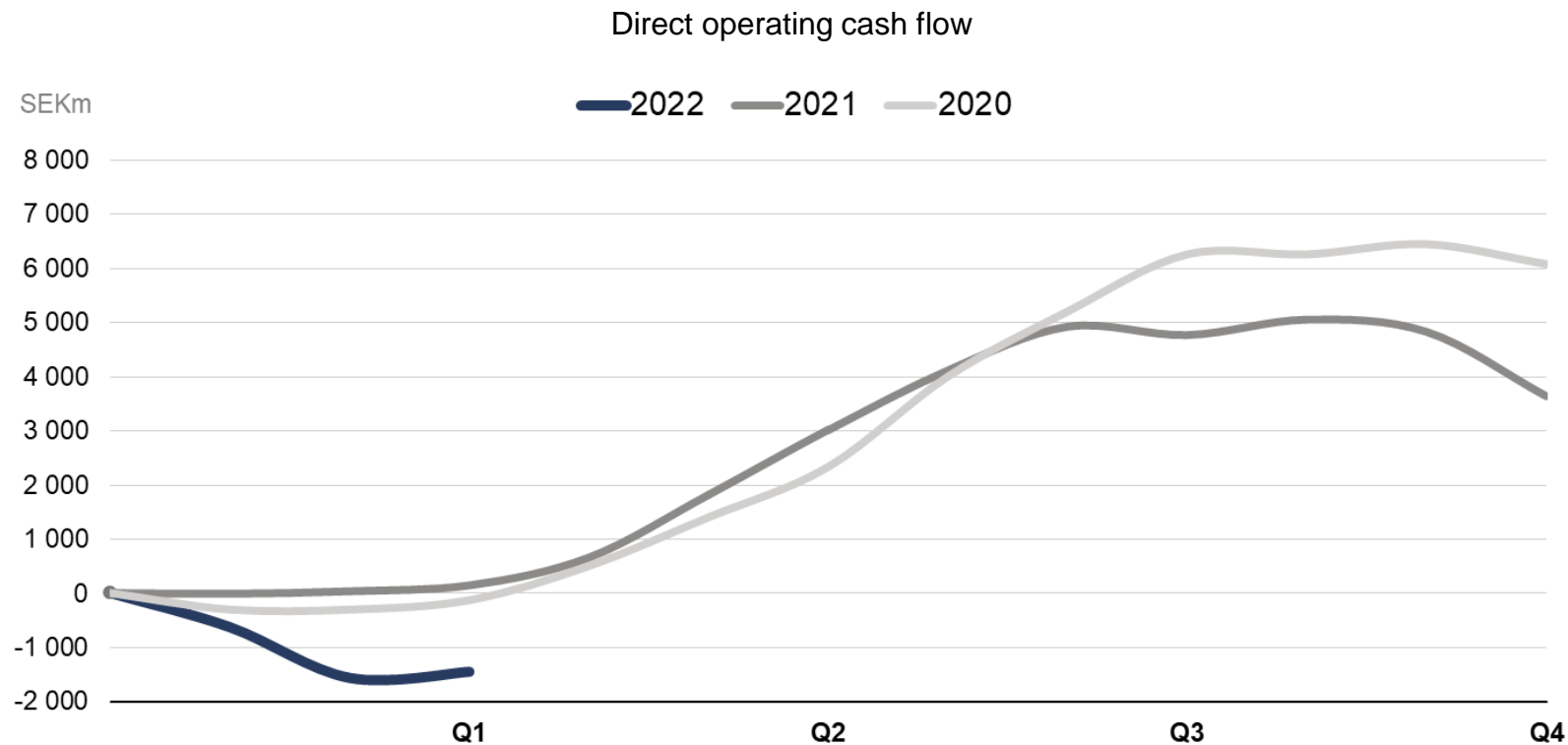


# Consolidated balance sheet

SEKm	Mar 31, 2022	Mar 31, 2021
Non-current assets	28,895	22,979
Inventories	15,192	9,947
Trade receivables	8,522	7,108
Other current assets	1,921	1,498
Cash and cash equivalents	2,659	8,067
<b>Total assets</b>	<b>57,189</b>	<b>49,599</b>
Total equity	23,671	19,514
Borrowings	10,618	9,585
Lease liabilities	1,845	1,654
Provisions for pensions	2,215	2,352
Other provisions	1,605	1,903
Trade payables	8,224	6,253
Other current liabilities	9,012	8,338
<b>Total equity and liabilities</b>	<b>57,189</b>	<b>49,599</b>

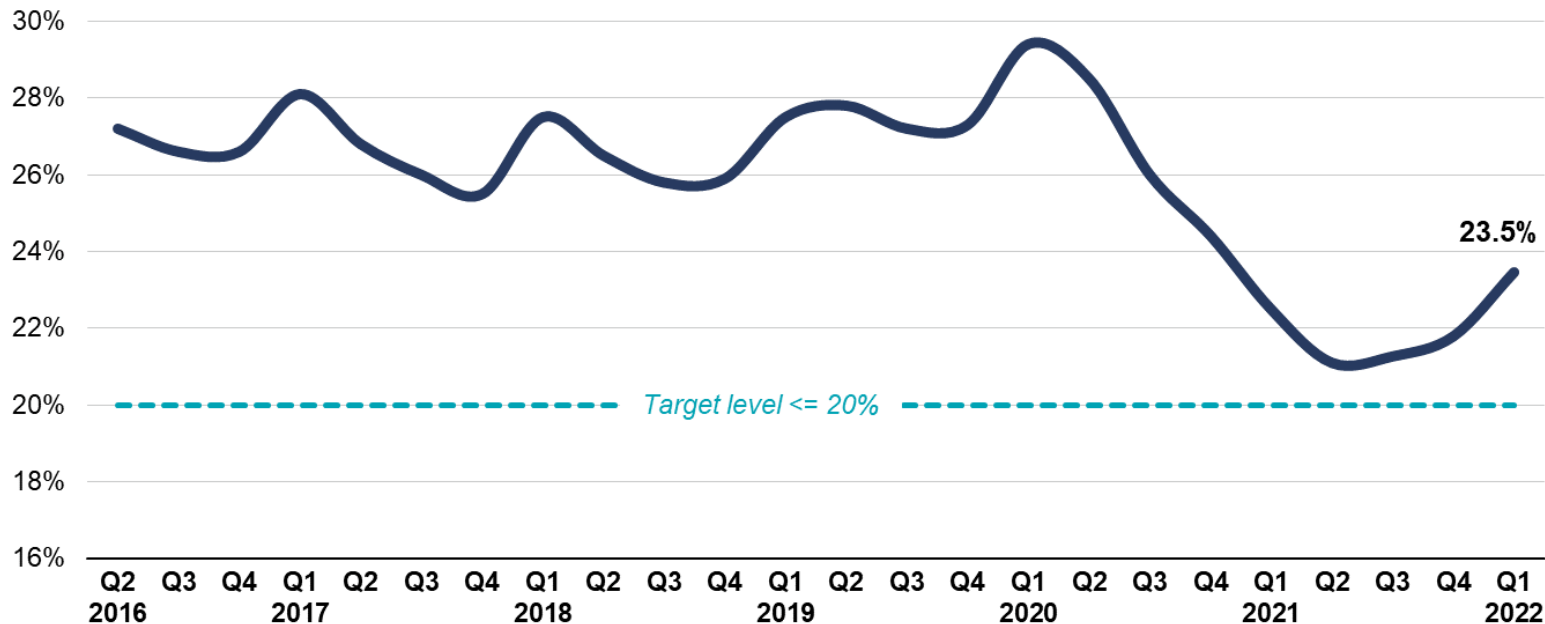
- Solid financial position
- Higher inventory levels
  - High inventory going into the year
  - Increased component inventory due to shortages of specific components – unable to complete products
  - Logistic disturbances leading to higher levels of goods in transit
  - Acquisition of Orbit Irrigation and currency effect
- Signing of SEK 5bn sustainability linked RCF

# Lower cash flow due to inventory build-up

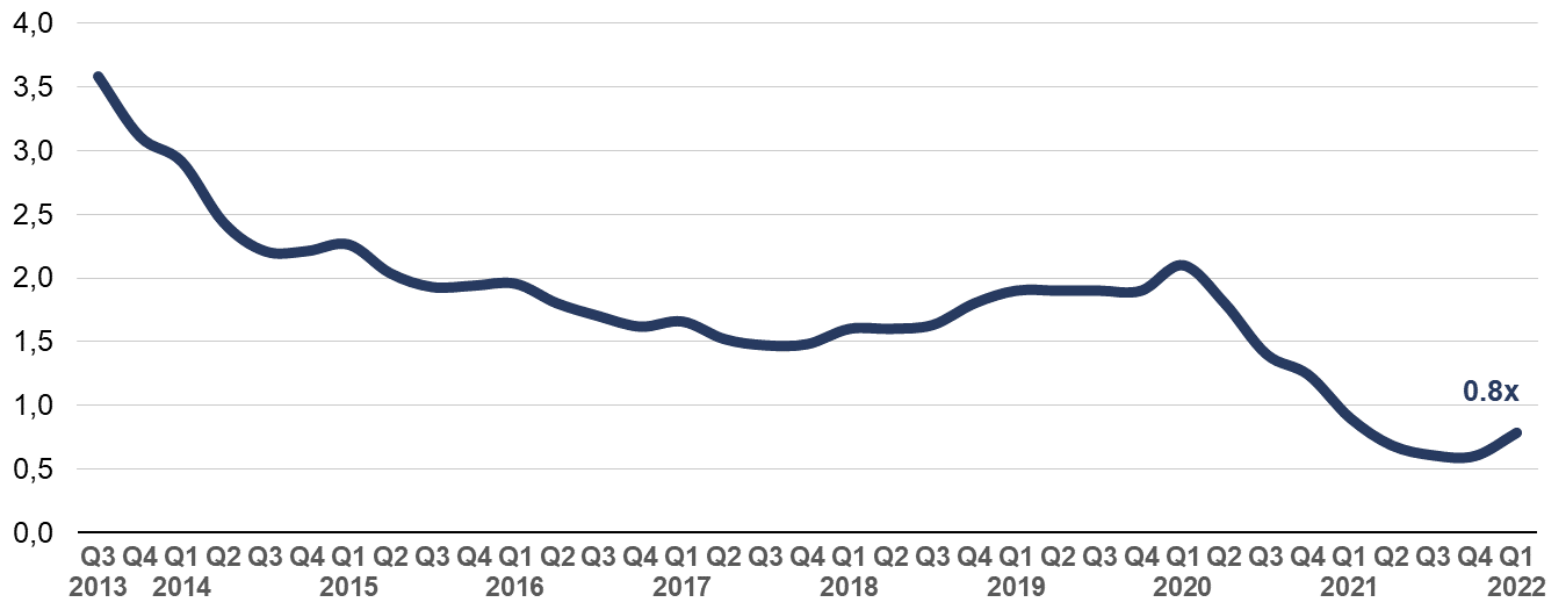


# Capital efficiency ratio

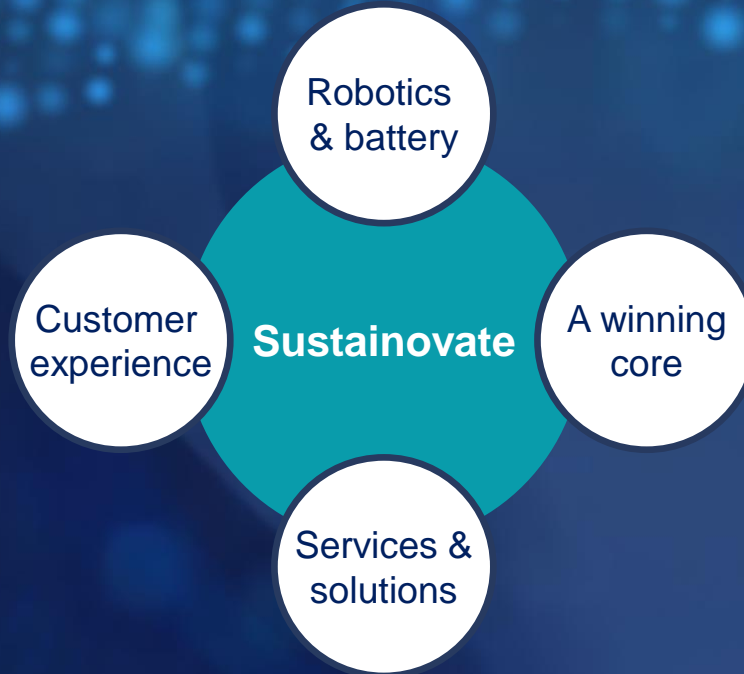
Operating working capital / net sales (LTM)



# Net debt / EBITDA



# Sustainable value creation



# Robotics – technology leadership

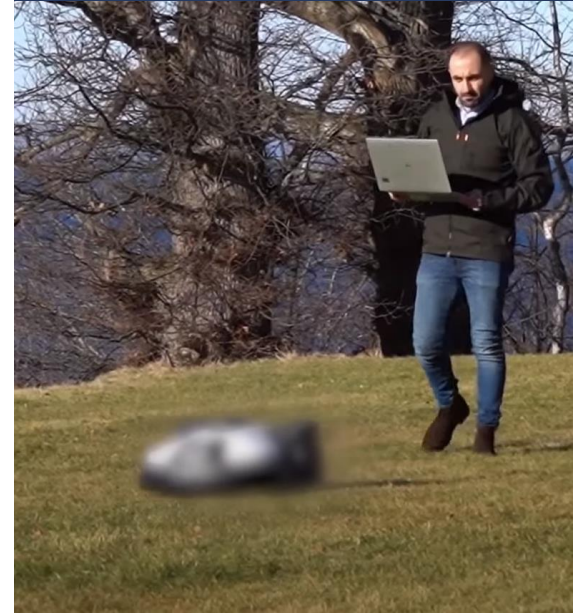
AIM / LONA  
2022



CEORA  
First installations



Consumer Virtual Boundary  
Launch 2023



# Sustainovate 2025 targets



CARBON

Reduce absolute CO<sub>2</sub> emissions by -35%

-30%



CICRULAR

Launch 50 new circular innovations

4



PEOPLE

Empower 5 million people to make sustainable choices

275K

# Acquisition of Heger – strengthen Construction's position in Central Europe



- Specialized in professional diamond tools for sawing and drilling
- Net sales EUR ~9m, 45 employees



# Investment in Moleaer - a global leader in advancing nanobubble technology



# MOLEAER®

ADVANCING NANOBUBBLE TECHNOLOGY

LAKES & PONDS | HORTICULTURE | AGRICULTURE | WASTEWATER | AND MORE

- With this investment Husqvarna Group can explore nanobubble technology's potential in addressing key environmental challenges, such as in water scarcity
- The seventh investment for the Group's venture capital fund where we invest in disruptive technologies and products that can further strengthen the Group's product segments

# Summary Q1

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- Mitigating activities in place. Gradual improvements expected throughout the gardening season
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**Husqvarna**  
**Group**