



Shaping GREAT experiences



Q2 2022 results presentation

July 15, 2022

Henric Andersson, CEO

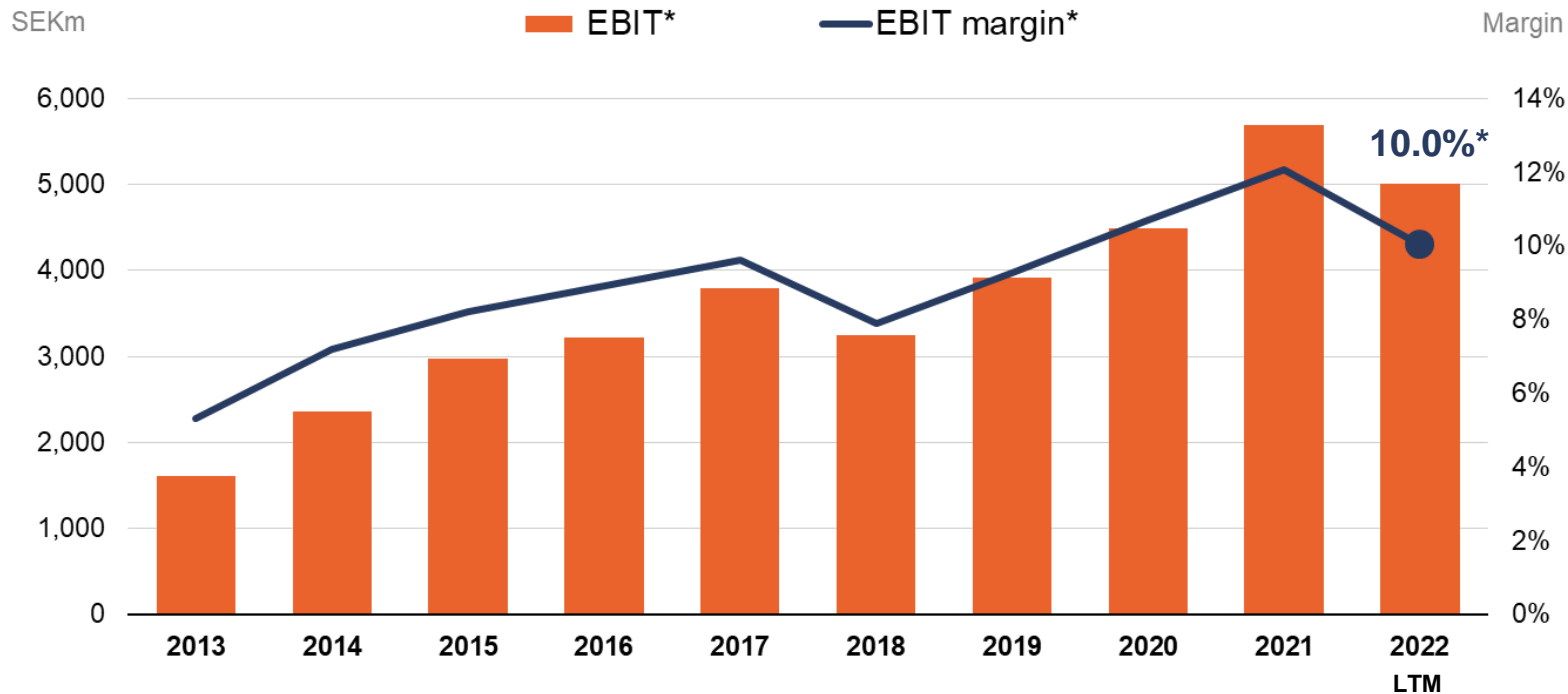
Terry Burke, CFO

Good demand but sales impacted by supply chain constraints

- Good overall demand. Solid growth in professional segments and ride-on mowers
- Supply chain constraints impacted sales of residential robotic mowers. Record high backlog
- Lower watering sales in European core markets due to a delayed season start in combination with relatively high retail inventory levels coming into season
- Lower volumes and unfavorable product mix had a significant impact on operating income



Building a stronger Husqvarna Group



*Operating income excluding items affecting comparability

Summary Q2 2022



NET SALES
SEK **15,792**m (14,614)
ORGANIC GROWTH
-7%

- Organic growth excluding robotic mowers was -1%
- Good growth in professional segments and ride-on mowers



OPERATING INCOME
SEK **2,075**m (2,645)

- Substantial impact from lower volumes and unfavorable product mix
- Price increases offset higher raw materials and logistics costs
- Favorable currency effect



DIRECT OPERATING
CASH FLOW
SEK **1,803**m (2,875)

- Inventories remained at high levels, plan for reduction for the remainder of the year
- Net debt / EBITDA increased to 1.1x (0.7x)



ROBOTICS AND BATTERY
14% of Group (R12)

- Material decline in residential robotics & battery - supply chain related. Record backlog
- Full focus on mitigation activities

Husqvarna Forest & Garden Division

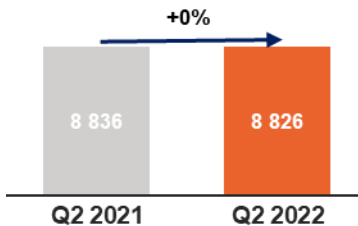


Q2: Organic sales growth -8% Operating margin 12.6%

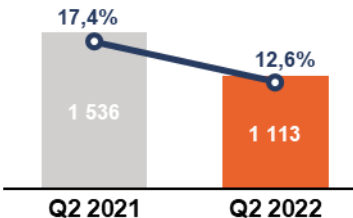
- Good growth in professional segments
- Improvement for ride-on mowers
- Robotic mower volumes declined materially due to supply chain constraints
- Price increases almost offsetting higher raw material and logistic costs

H1: Organic sales growth -8% Operating margin 13.7%

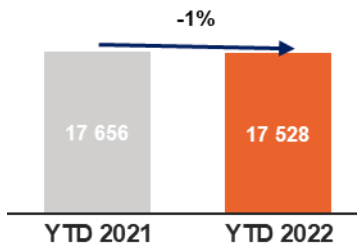
Net sales



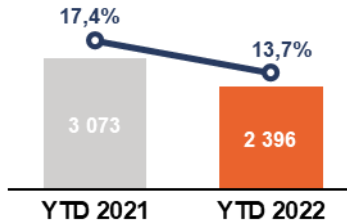
Operating income, excl. IAC



Net sales



Operating income, excl. IAC



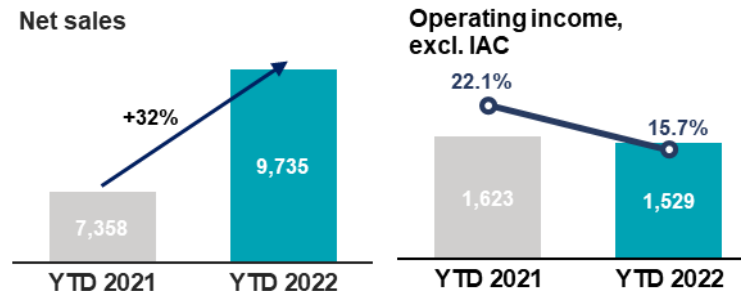
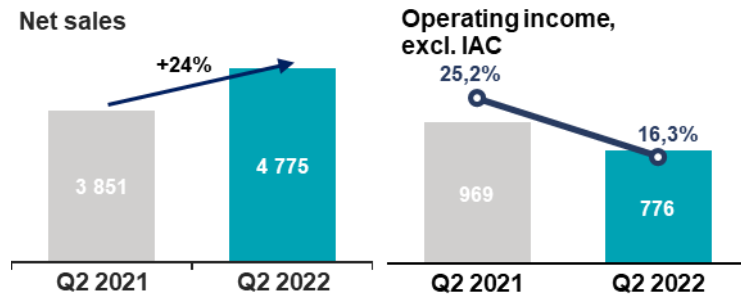
Gardena Division



**Q2: Organic sales growth
-10% Operating margin 16.3%**

- Orbit contributed to net sales with 29%. Dilutive 2.0 pts
- Robotic mower volumes declined materially due to supply chain constraints
- Lower watering sales in European core markets
- Price increases compensated for higher raw materials and logistics costs

**H1: Organic sales growth -3%
Operating margin 15.7%**



Note: Operating income excluding items affecting comparability

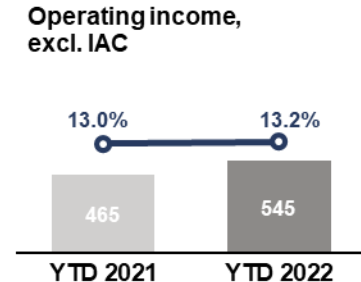
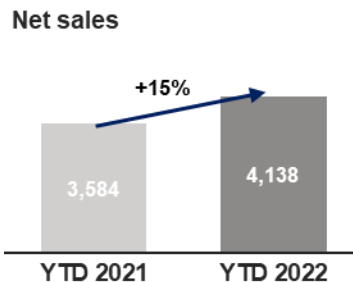
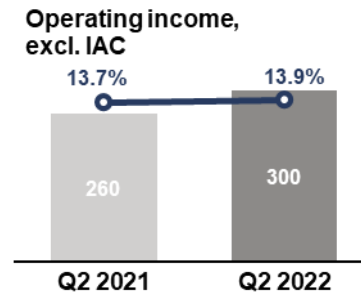
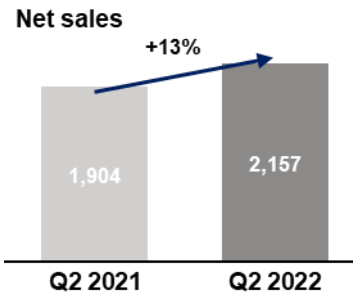
Husqvarna Construction Division



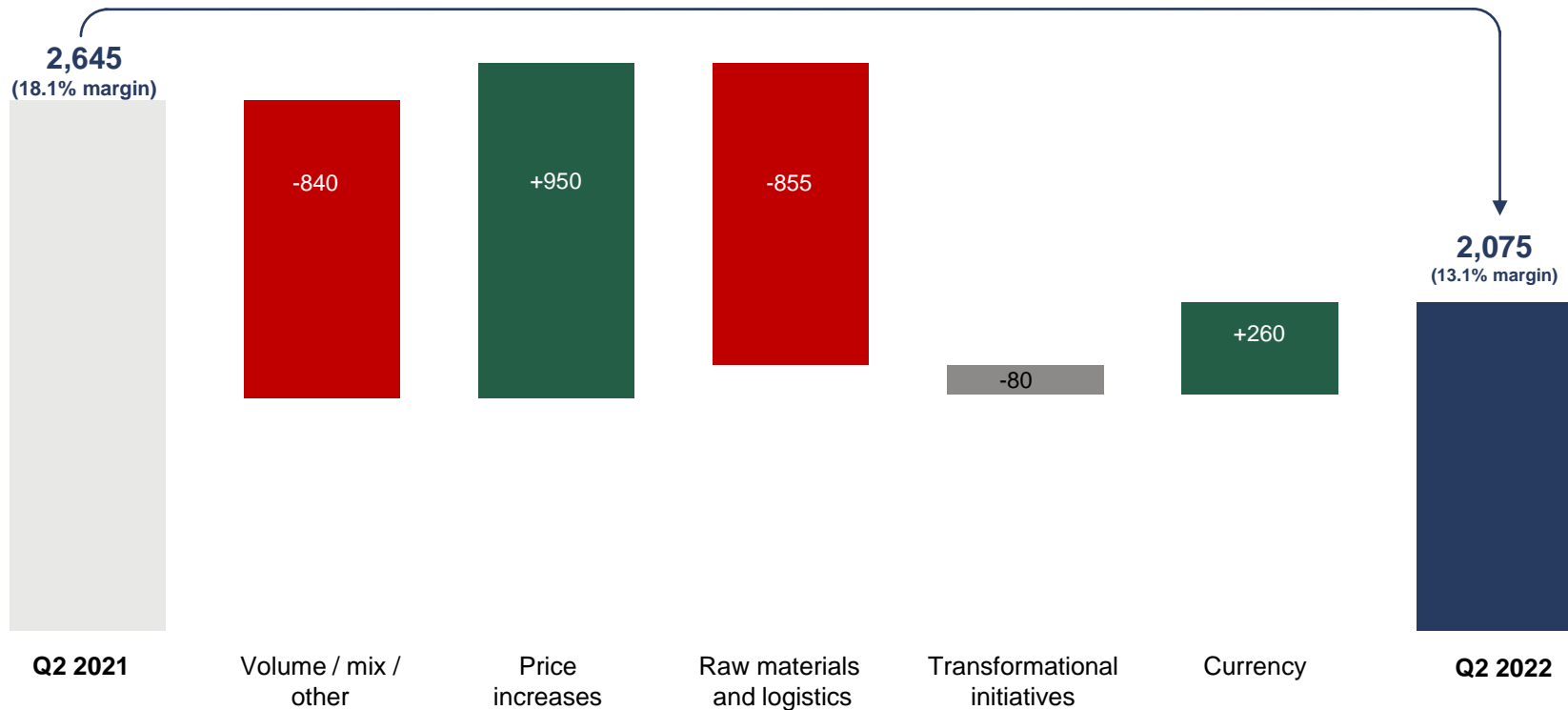
**Q2: organic sales growth 2%
Operating margin 13.9%**

- Record quarter
- Good performance in main markets, growth led by power cutters
- Price increases compensated for higher costs raw material and logistics costs
- Acquisition of Diamond tools company Heger completed. Sales of ~9 MEUR / year

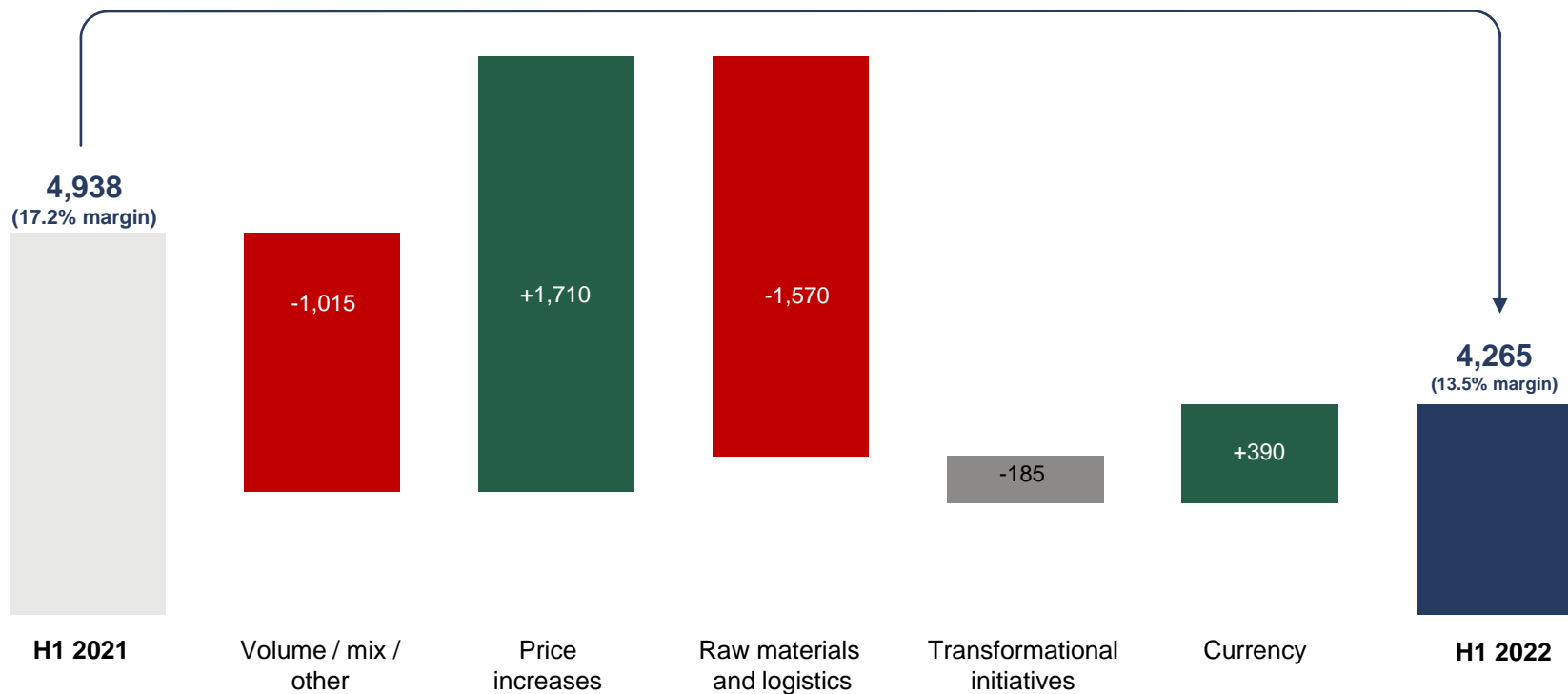
**H1: organic sales growth 6%
operating margin 13.2%**



Q2 2022 EBIT bridge (excl. IAC)



H1 2022 EBIT bridge (excl. IAC)

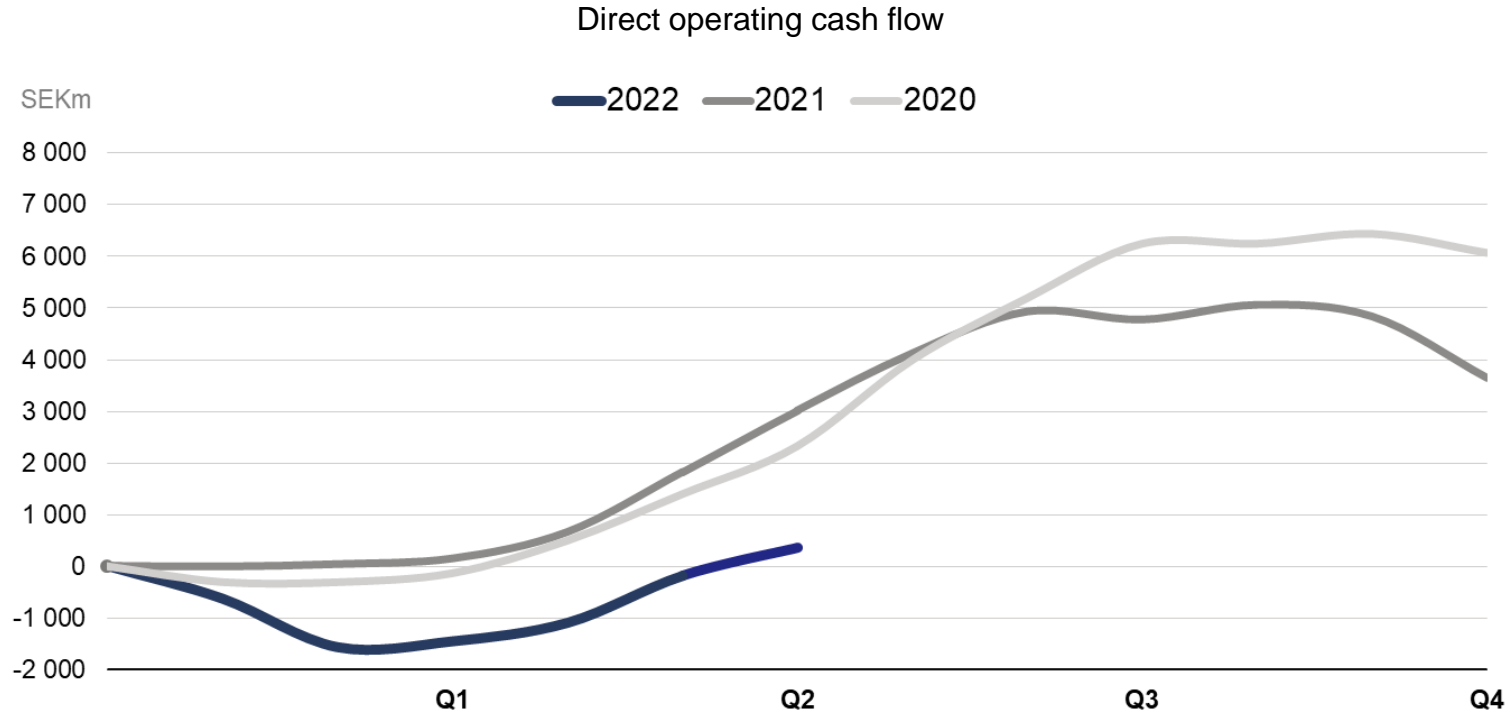


Consolidated balance sheet

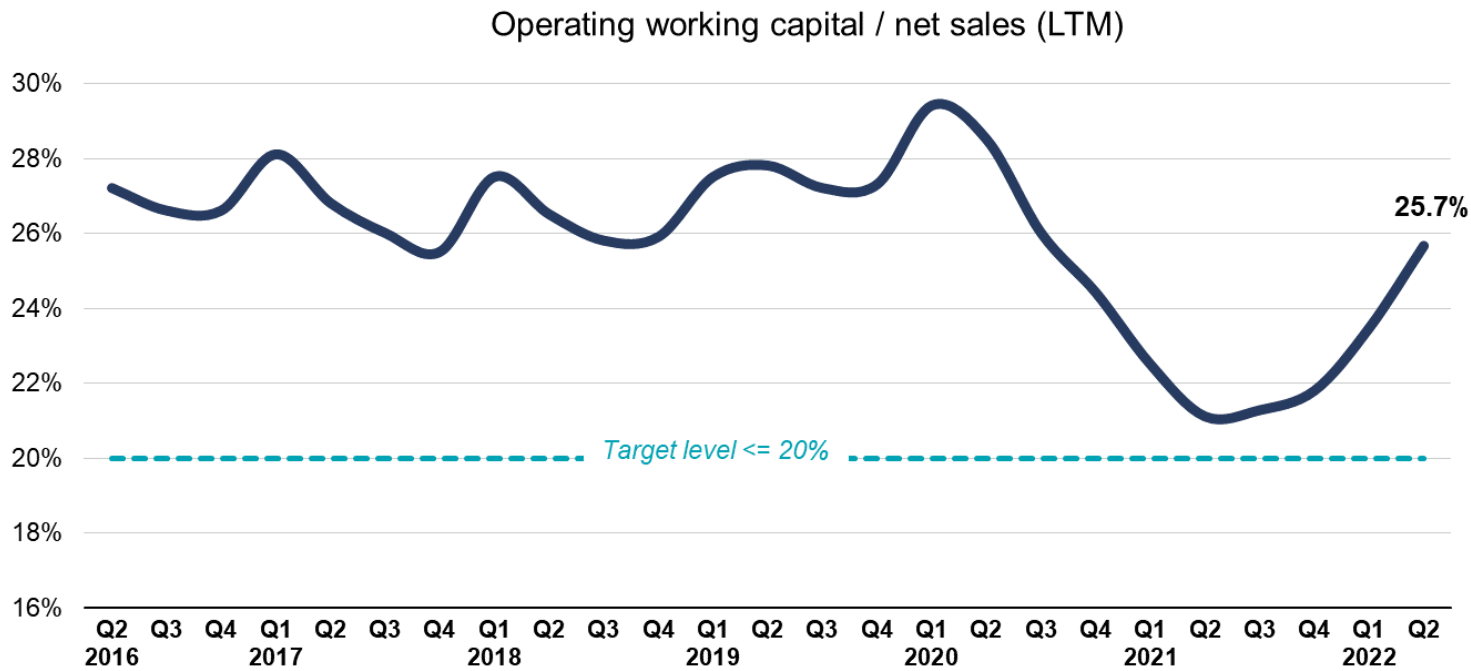
SEKm	June 30, 2022	June 30, 2021	Dec 31, 2021
Non-current assets	29,776	22,577	28,571
Inventories	16,455	9,458	14,030
Trade receivables	8,204	6,910	4,310
Other current assets	2,395	1,316	1,801
Cash and cash equivalents	2,558	7,780	2,208
Total assets	59,387	48,041	50,920
Total equity	25,034	20,183	21,646
Borrowings	10,848	6,821	8,215
Lease liabilities	1,851	1,563	1,849
Provisions for pensions	1,701	2,229	2,192
Other provisions	1,583	1,855	1,512
Trade payables	7,918	5,791	6,990
Other current liabilities	10,452	9,598	8,515
Total equity and liabilities	59,387	48,041	50,920

- Solid financial position
- Higher inventory levels
 - China Covid-19 lock downs impact supply
 - Increased component inventory due to shortages of specific components – unable to complete products
 - Logistic disturbances leading to longer time in transit
 - Acquisition of Orbit Irrigation and currency effect
 - Planning for lowering inventories throughout the year

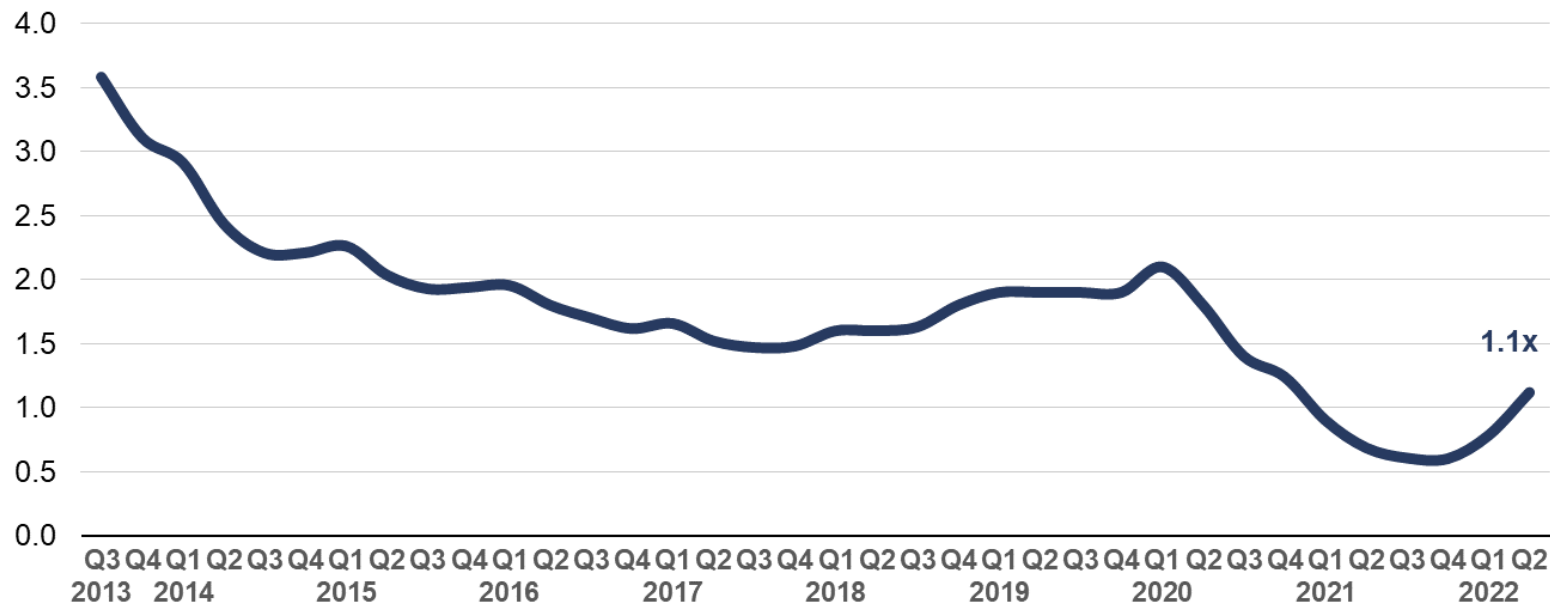
Cash flow – still impacted by high inventory levels



Capital efficiency ratio



Net debt / EBITDA



Executing on our sustainable value creation strategy

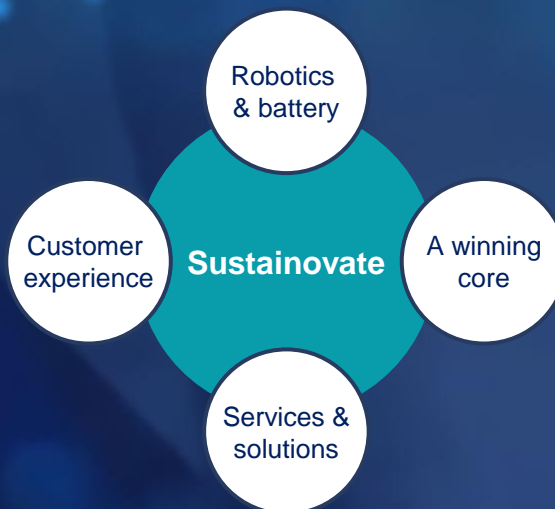
Strong demand for CEORA



Husqvarna joined Power for All



Construction launched new dust extractors



Growth for Gardena EcoLine



Sustainovate 2025 targets



CARBON

Reduce absolute CO₂ emissions by -35%

-30%



CICRULAR

Launch 50 new circular innovations

5



PEOPLE

Empower 5 million people to make sustainable choices

545K

Summary Q2

- Good overall demand. Solid growth in professional segments and ride-on mowers
- Supply chain constraints impacted sales of residential robotic mowers. Record high backlog
- Lower watering sales in European core markets due to unfavorable weather conditions
- Lower volumes and unfavorable product mix had a significant impact on operating income
- Execution on our long-term value creation strategy





**Husqvarna
Group**