



Husqvarna
Group



Q4 Results – February 2, 2024

Pavel Hajman, CEO
Terry Burke, CFO

Improved operating margin and strong cash flow for the year

Q4 Summary

- Continued challenging market conditions
- Delivery on cost savings and operational efficiencies
- Negative currency effect
- Improved cash flow

Full-year 2023

- Higher operating margin, Group and in all divisions
- Strong cash flow of SEK >7bn
- Significant progress in value creation areas: robotics, battery, watering and professional solutions
- Delivery on Sustainovate targets

Note: Operating margin excluding items affecting comparability



Q4 – good cash flow and delivering on cost savings



NET SALES

SEK **8,605**_m (10,353)

ORGANIC GROWTH -15%

- Good growth in pro robotics & battery-powered products as well as for watering in Europe
- Decline for petrol-powered wheeled products, lower demand and exits
- Construction - growth in emerging markets



OPERATING INCOME

SEK **-168**_m (-13)

- Lower volumes
- Delivering on cost savings
- Lower logistics costs
- Negative currency effect



DIRECT OPERATING CASH FLOW

SEK **523**_m (-1,261)

- Good cash flow driven by working capital changes
- Focus on further inventory reduction

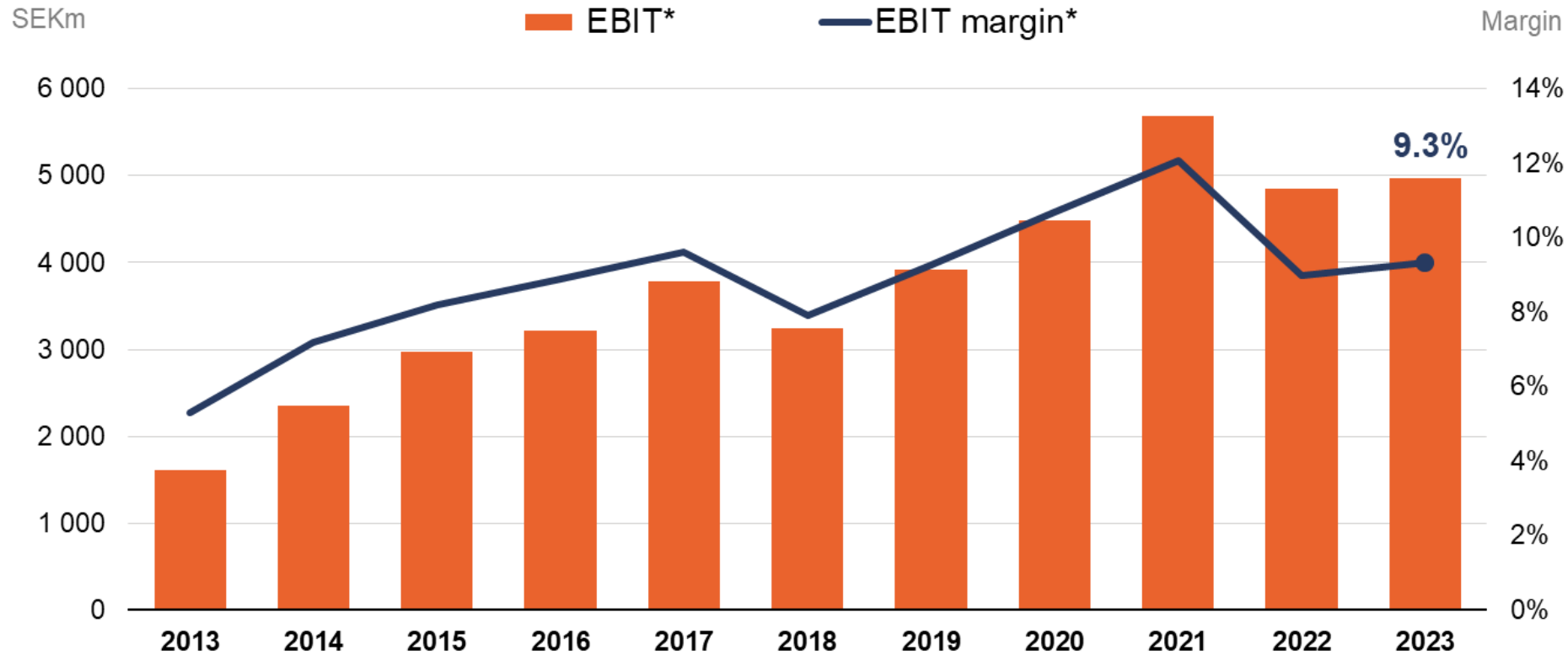


ROBOTICS AND BATTERY

20% (15) of Group 2023

- Lower robotics volumes vs. Q4 2022 – but higher than previous years'
- Strengthened market positions
- Strong product line-up for 2024

Building a stronger Husqvarna Group



**Operating income excluding items affecting comparability*

Husqvarna Forest & Garden Division

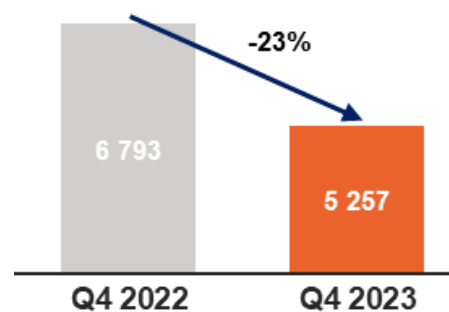


Q4: Organic sales declined 21%; operating margin at -0.1%

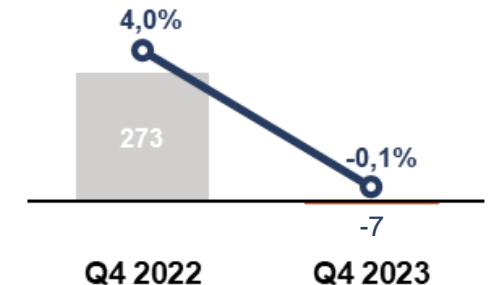
- Strong growth for pro robotics & battery-powered products
- Reduced demand and exits in wheeled products
- Lower residential robotics volumes vs. 2022 – but higher than past years
- Operating margin impacted by lower volumes, partly offset by cost savings

YTD 2023: Organic sales -4%; operating margin at 10.2% (vs. 10.0)

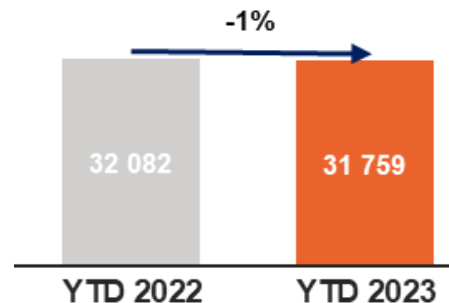
Net sales



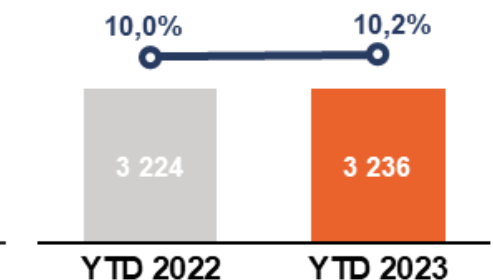
Operating income, excl. IAC



Net sales



Operating income, excl. IAC



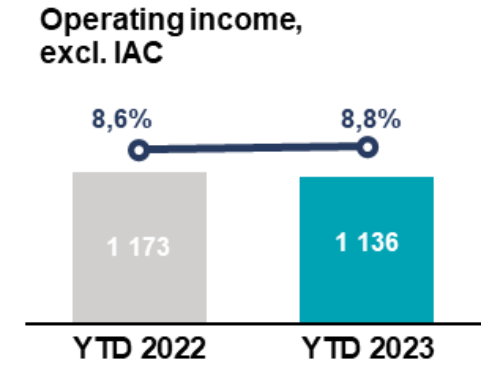
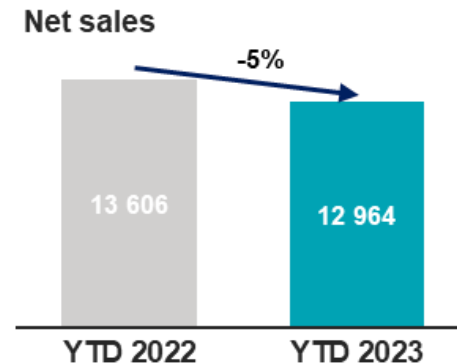
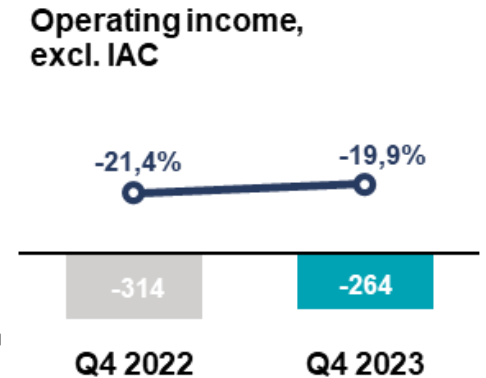
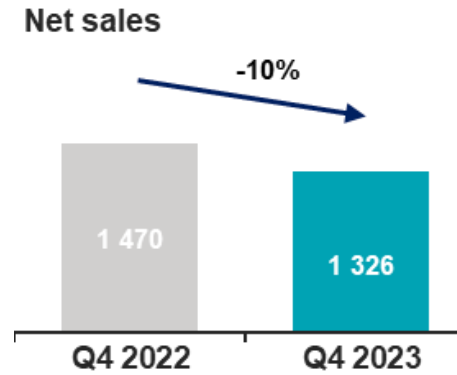
Gardena Division



Q4: Organic sales declined 4%; operating margin -19.9%

- Sales increased for Watering in Europe
- Orbit margin accretive in the quarter despite lower sales
- Positive effects from cost savings and lower logistics costs
- Improved operating income despite SEK -145m in currency impact

YTD 2023: Organic sales declined 10%; operating margin 8.8% (vs. 8.6)



Note: Operating income excluding items affecting comparability

Husqvarna Construction Division

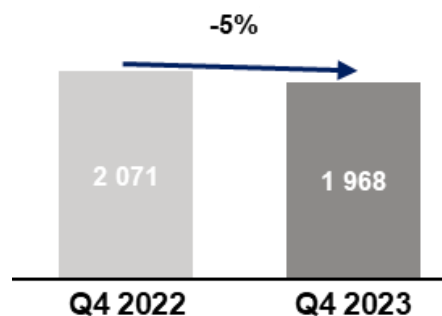


Q4: Organic sales declined 6%; operating margin at 9.1%

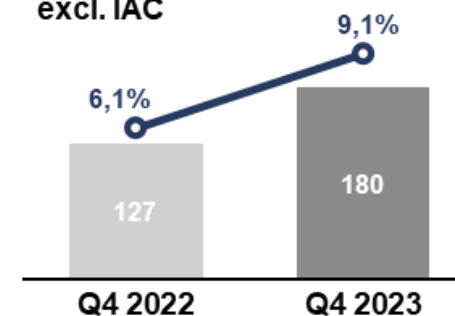
- Good growth in emerging markets, decline in Europe and North America
- Strong margin improvement, driven by mix and effects from lower logistics costs and savings
- Acquisition of Total Diamond Products in the UK

YTD 2023: Organic sales declined 3%; operating margin at 11.9% (vs. 10.4)

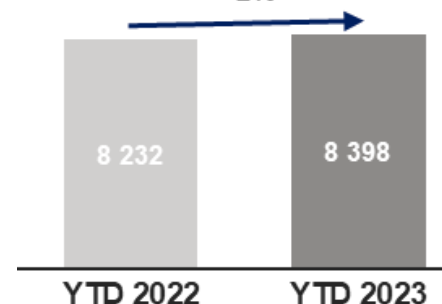
Net sales



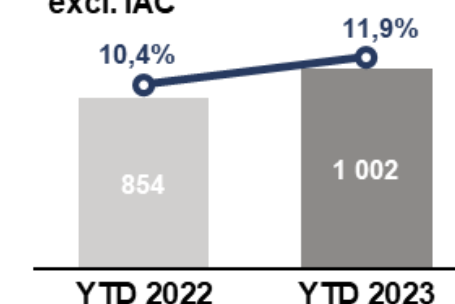
Operating income, excl. IAC



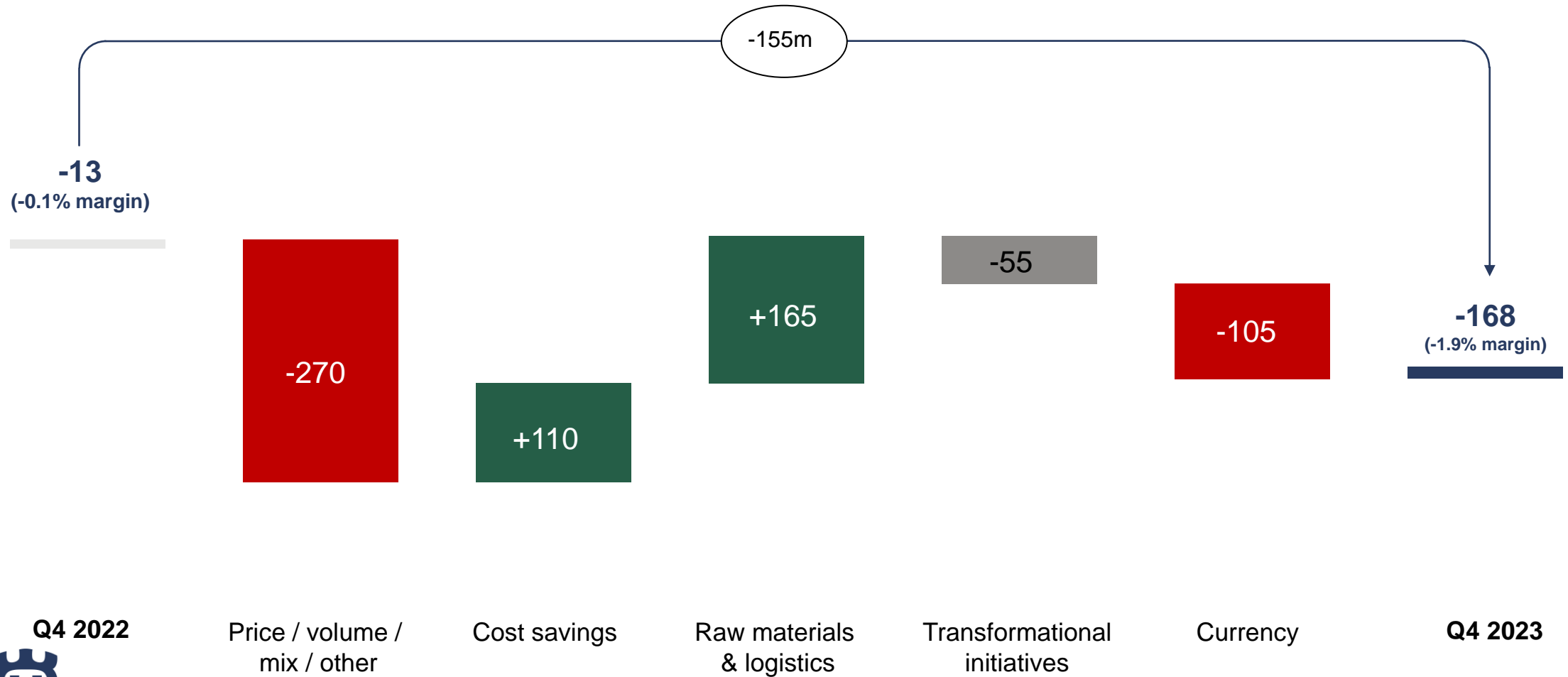
Net sales



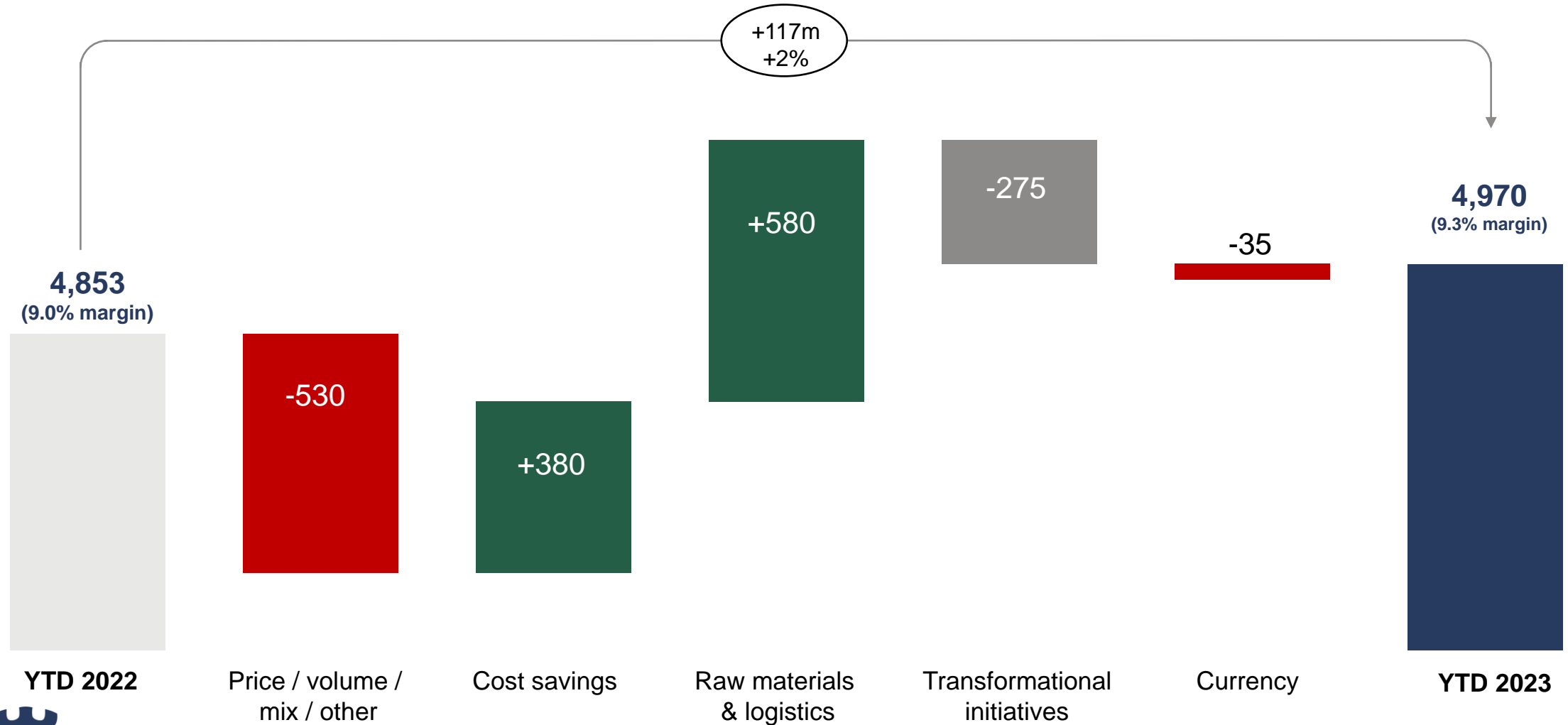
Operating income, excl. IAC



Q4 2023 EBIT bridge (excl. IAC)



YTD 2023 EBIT bridge (excl. IAC)

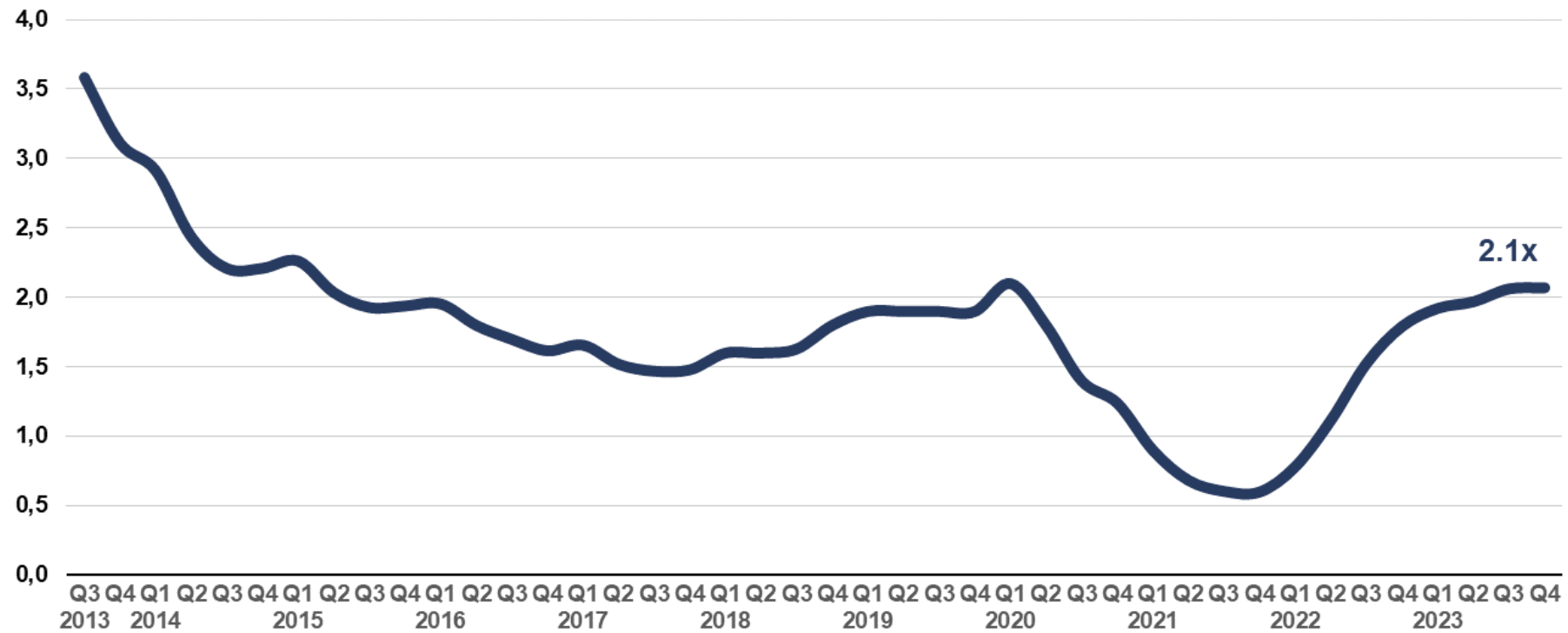


Consolidated balance sheet

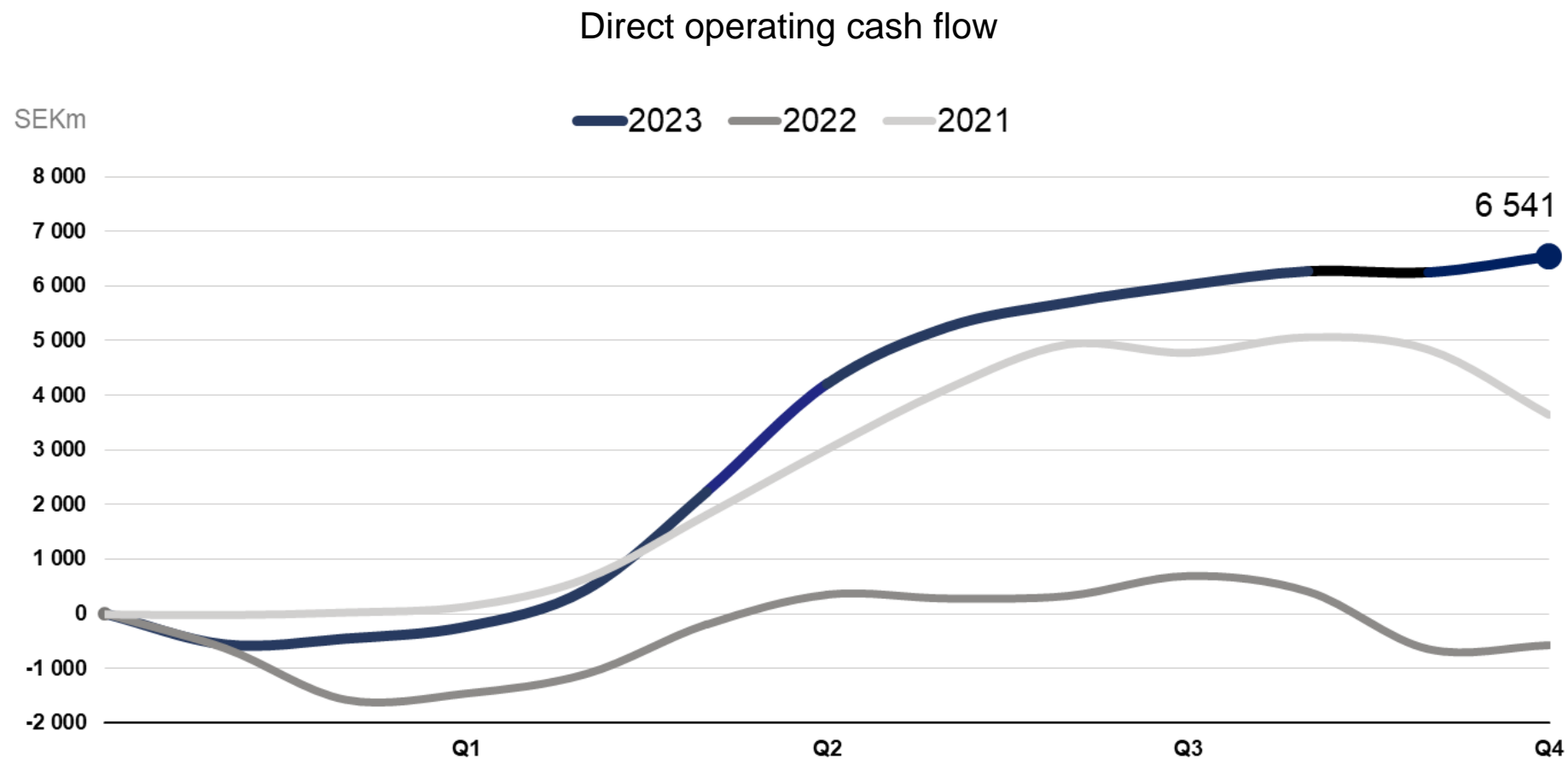
SEKm	Dec 31, 2023	Dec 31, 2022
Non-current assets	30 592	30 849
Inventories	17 184	19 334
Trade receivables	5 289	6 267
Other current assets	3 018	2 858
Cash and cash equivalents	1 527	2 328
Total assets	57 610	61 636
Total equity	23 772	24 011
Borrowings	14 586	16 627
Lease liabilities	2 084	2 358
Provisions for pensions	2 209	1 681
Other provisions	2 035	2 116
Trade payables	5 487	7 111
Other liabilities	7 436	7 732
Total equity and liabilities	57 610	61 636

- Solid financial position
- Net debt reduction
- Lower inventory levels
- Lower payables driven by reduced inventories

Net debt / EBITDA



Record high cash flow



Dividend proposal

- Strong cash flow generation
- Strengthened positions in value-creating areas
- Continued strategy execution

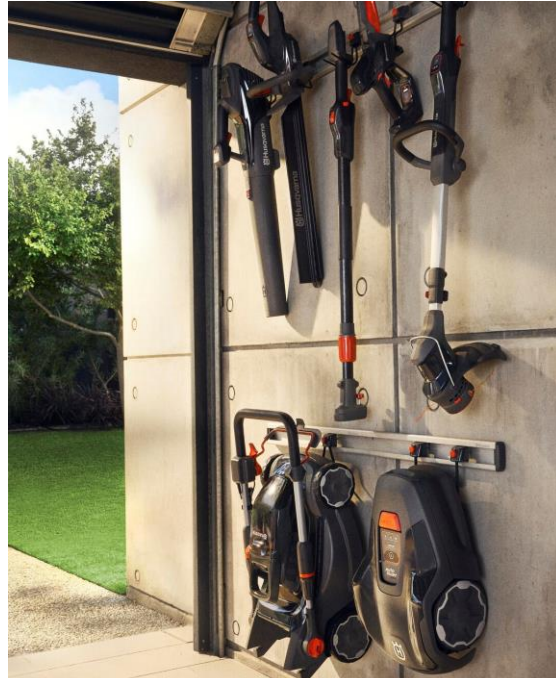
Board proposal for 2023 – SEK **3.00** (3.00)



Investing in our value creation areas



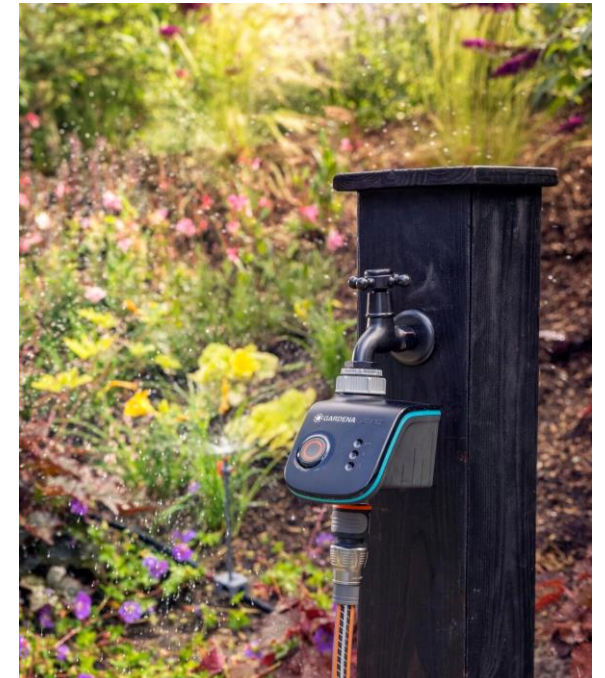
Robotic mowers



Battery-powered products



Professional solutions



Watering products



Innovative product portfolio for 2024



Watering



GARDENA battery-powered
Hose Box



HSC – High Station
Water Count Controller



Robotic
mowers



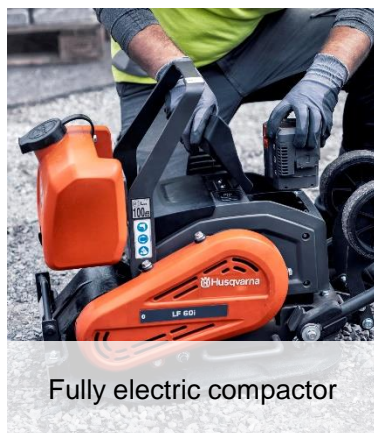
Additional wire-free
Automower NERA models
for smaller gardens



Husqvarna Automower for
smaller commercial lawns



Battery
solutions



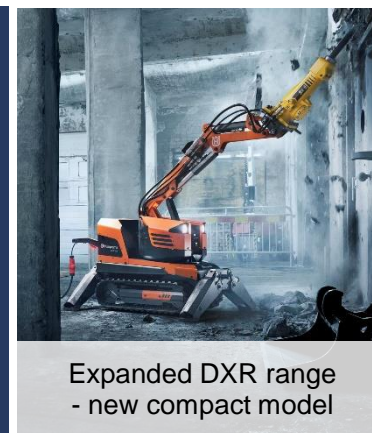
Fully electric compactor



First fully electric
garden tractor



Professional
solutions



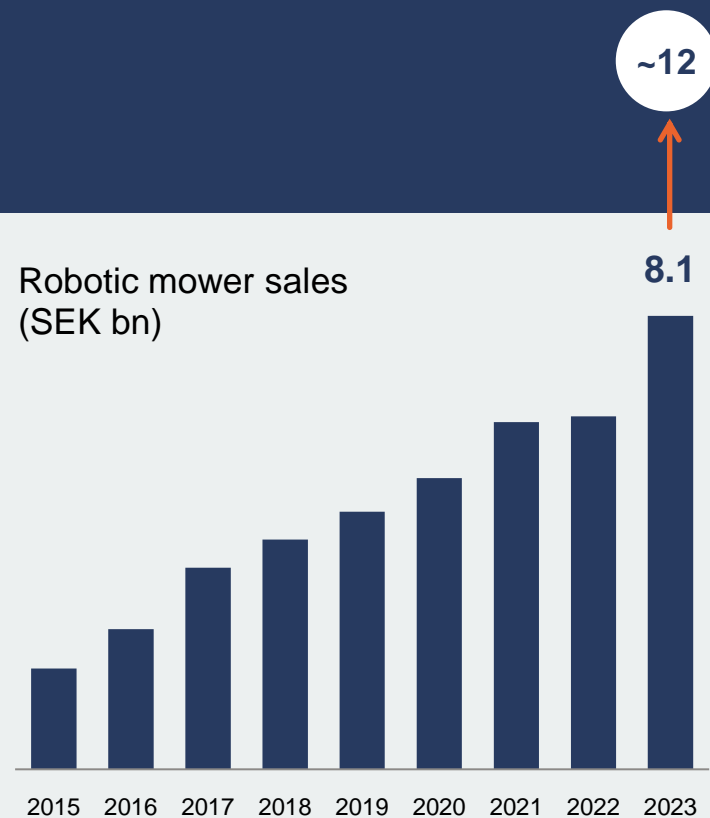
Expanded DXR range
- new compact model



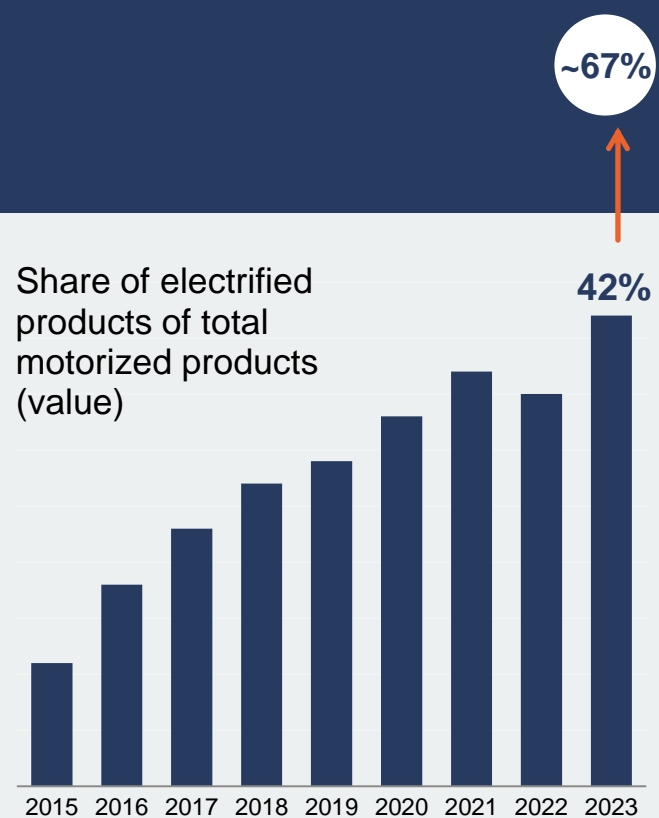
Battery-driven lift for
tree professionals

Executing on our strategy – operational ambitions

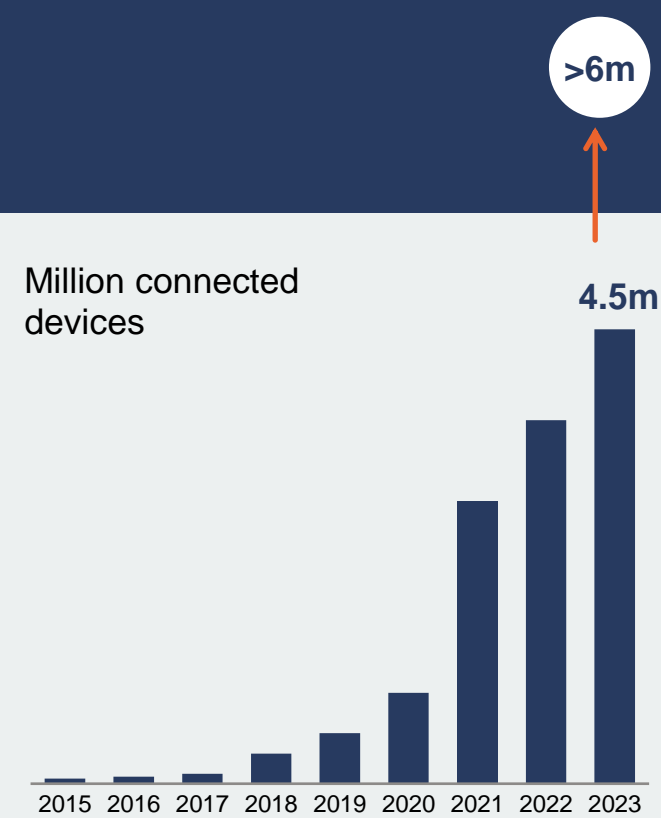
Double sales of robotic mowers



Electrified solutions to reach 2/3



Double number of connected devices



Good progress on our Sustainovate 2025 targets



CARBON

Reduce absolute CO₂ emissions by -35%

Status 2023:

-44%



CIRCULAR

Launch 50 new circular innovations

Status 2023:

27



PEOPLE

Empower 5 million people to make sustainable choices

Status 2023:

1.9m



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www.husqvarnagroup.com