Q2 2026 earnings call

Glen Instone, CEO
Terry Burke, CFO

Glen Instone

CEO

Q2 summary

Mixed market sentiment

- Challenging European market conditions
- Solid growth in North America
- Lower volumes and cost inflation impacting earnings
- Solid cash flow and net debt reduction

Accelerating savings and strategic execution

- Solid progress on cost savings initiatives
- Multiple actions underway to support the transformation towards profitable growth

-4%
Organic growth

1,950 SEKm
Operating income ex IAC

13.6%
Operating margin ex IAC

Changes to the Group Management team

Anders Lindmark
President, Husqvarna Construction Division

Effective July 1, 2026

Lily Guo
CPO

Effective August 1, 2026

Patrik Johnson
CFO

Effective September 11, 2026

Anders Candell
CIO

Effective December 2026

Husqvarna Group

Strategic highlights in the quarter

Group-wide logistics optimizations

- Reducing number of suppliers by two-thirds
- Warehouse consolidations

Gardena production footprint optimizations

- More efficient European production footprint
- Hand tools and Watering

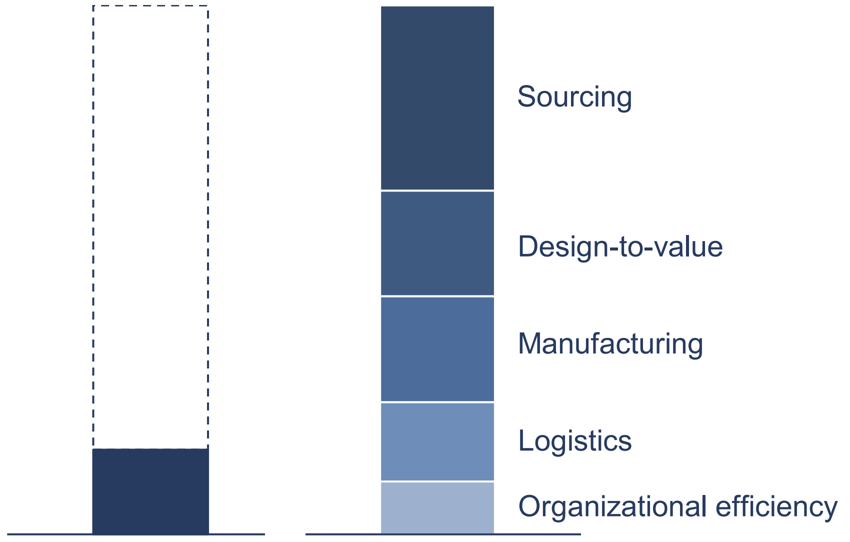
Portfolio optimization measures

- Powered Garden strategic review
- Initiated discontinuation of non-core stone diamond tools business

Delivering on the transformative cost-out program

>SEK 4 b savings planned to 2030 with **SEK 3 b** end of 2028

Achieved
16%
planned
savings



Achieved vs planned

Illustrative split total cost out of >4 SEKb

Actual achieved YTD 2026 (SEKm)

630

Actual achieved in Q2 2026 (SEKm)

385

Main cost-out drivers in Q2 2026

- Best cost sourcing
- Design-to-value from outsourced products

Husqvarna Group

Husqvarna Group’s climate targets validated by the Science-Based Targets initiative

SCIENCE BASED TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

The Group’s net-zero pathway

Across the value chain (Scope 1, 2, 3)

2015
Base year

2030
60%
absolute reduction
(vs. 2015)

2050
90%
absolute reduction
(Net-Zero)

Key actions to reach the target

Electrification
Accelerating customer adoption of battery-powered products to reduce use-phase emissions

Operational excellence
Driving energy efficiency and renewable electricity across manufacturing and operations

Value chain engagement
Partnering with suppliers to reduce emissions through lower-carbon materials, renewable energy and circularity

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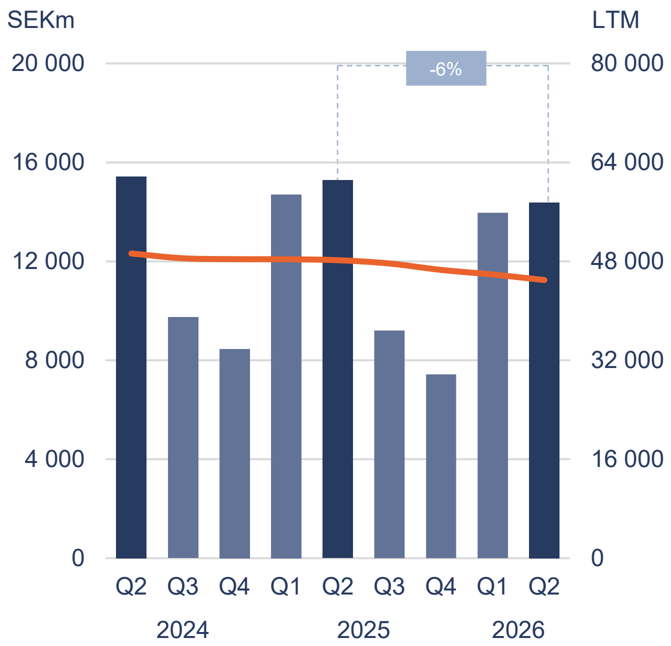
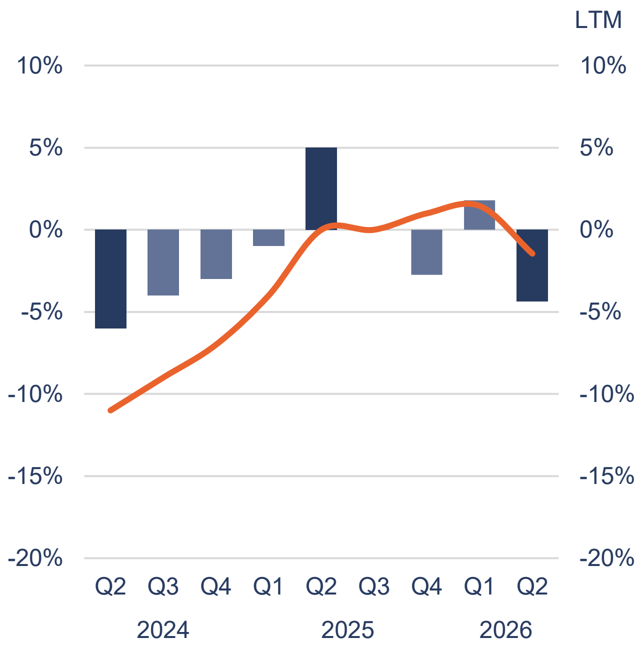
Sales

Net sales



Organic sales growth



Q2

Net sales (SEKm)

14,383

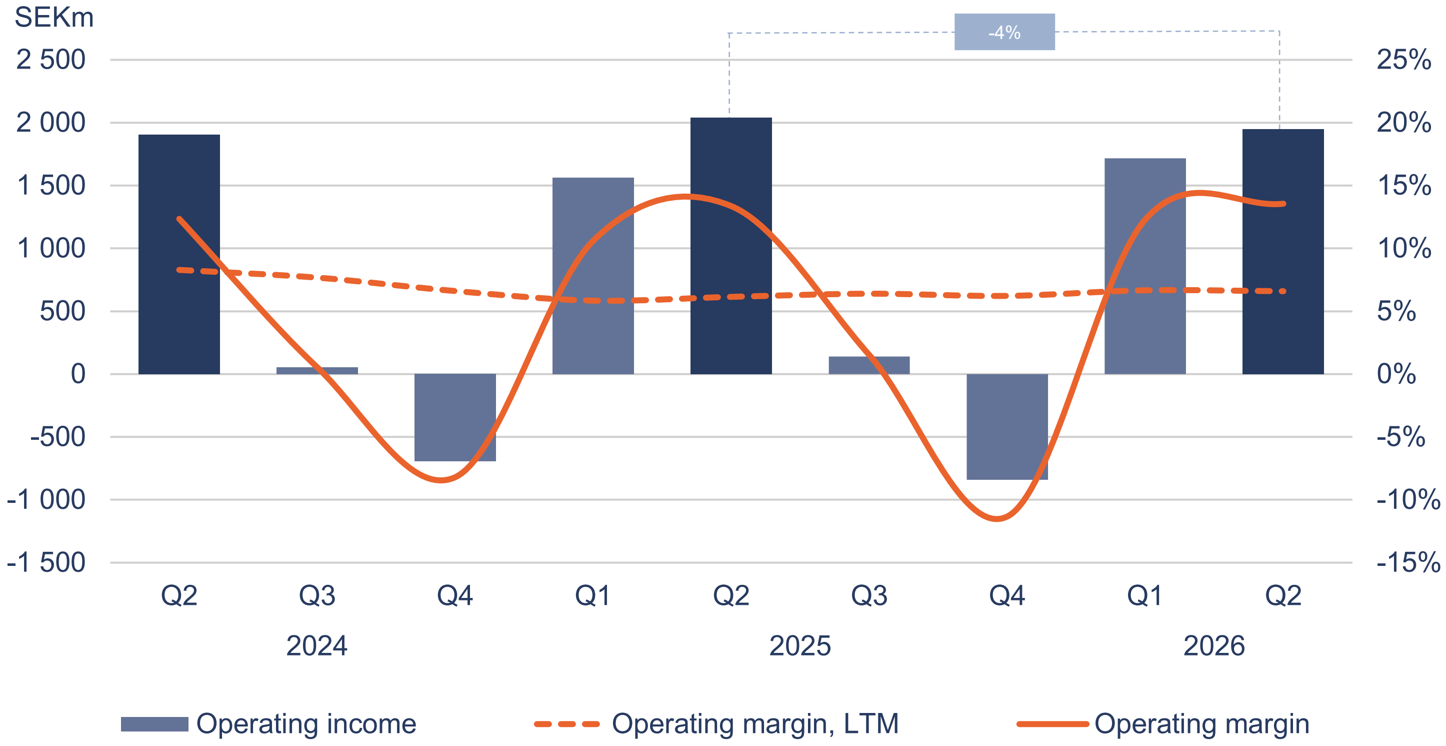
(Q2 2025: 15,277)

Organic: -4%
Currency: -2%
Total: -6%

- Decline in Gardena and Husqvarna Forest & Garden Divisions
- Growth in Construction Division
- Weak market conditions in Europe
- Growth in North America

Earnings

Operating income and margin, excluding IAC



Q2

Operating income, ex IAC

1,950 (SEKm)

(Q2 2025: 2,041)

Operating margin, ex IAC

13.6%

(Q2 2025: 13.4%)

- IEEPA-related tariff refunds of SEK 240m
- Earnings impacted by lower sales volumes, inflationary pressure, higher raw material and logistics cost
- Currency headwind of SEK 60m

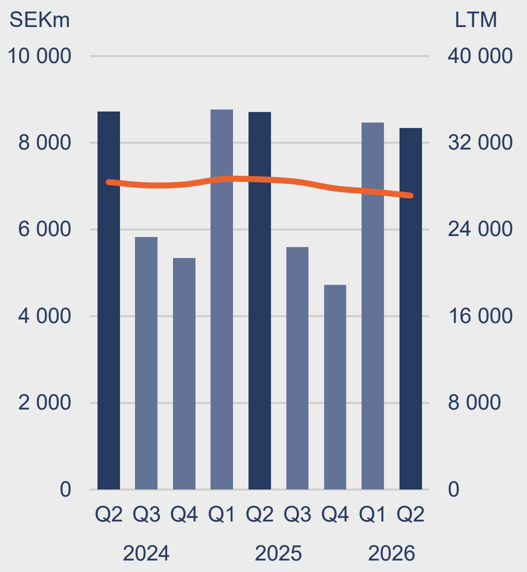
Husqvarna Forest & Garden Division

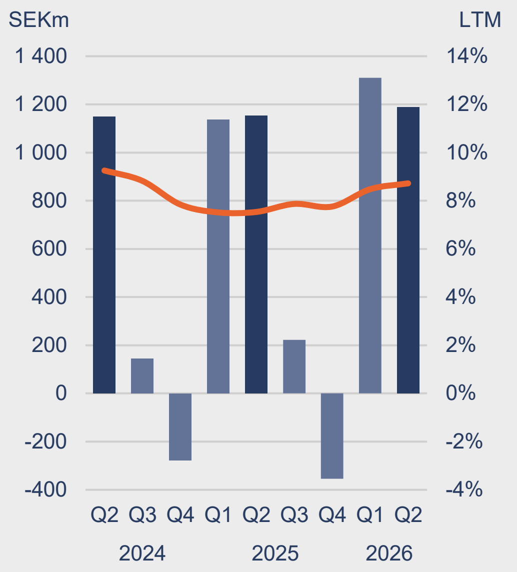
Market and net sales

- Weak sentiment and sales decline in Europe, mainly from the Wheeled BPU
- Growth in North America with solid handheld sales

Earnings

- Tariff refunds of SEK 112m
- Impact from lower volumes
- Cost inflation, including raw material and logistics cost
- FX had a negative impact of SEK -45m YoY





Note: Operating income excluding items affecting comparability

SEKm	Q2 2026	Q2 2025	Chg. %	Jan-Jun 2026	Jan-Jun 2025	Chg. %	LTM	Full year 2025
Net sales	8,338	8,701	-4	16,806	17,469	-4	27,125	27,788
Organic growth, %	*-3*	*5*		*0*	*5*		*0*	*3*
Operating income, ex IAC	1,189	1,153	3	2,499	2,289	9	2,366	2,156
Operating margin, ex IAC, %	*14.3*	*13.3*		*14.9*	*13.1*		*8.7*	*7.8*

Gardena Division

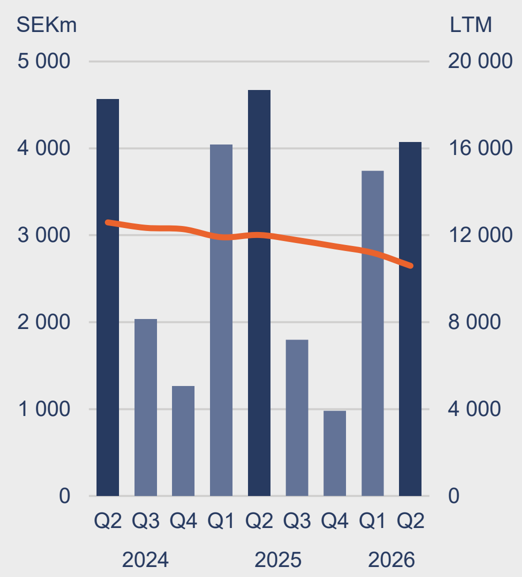
Market and topline

- Broad-based sales decline in Europe, which particularly affected the Powered Garden BPU
- Decline in Watering Europe
- Growth in Watering North America

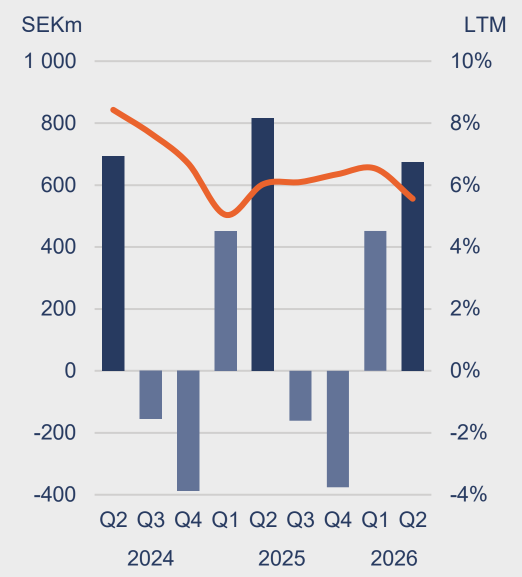
Earnings

- Tariff refunds of SEK 29m
- Negative effects from lower volumes
- Dilution from Powered Garden
- FX had a positive impact of SEK 10m YoY

Net sales

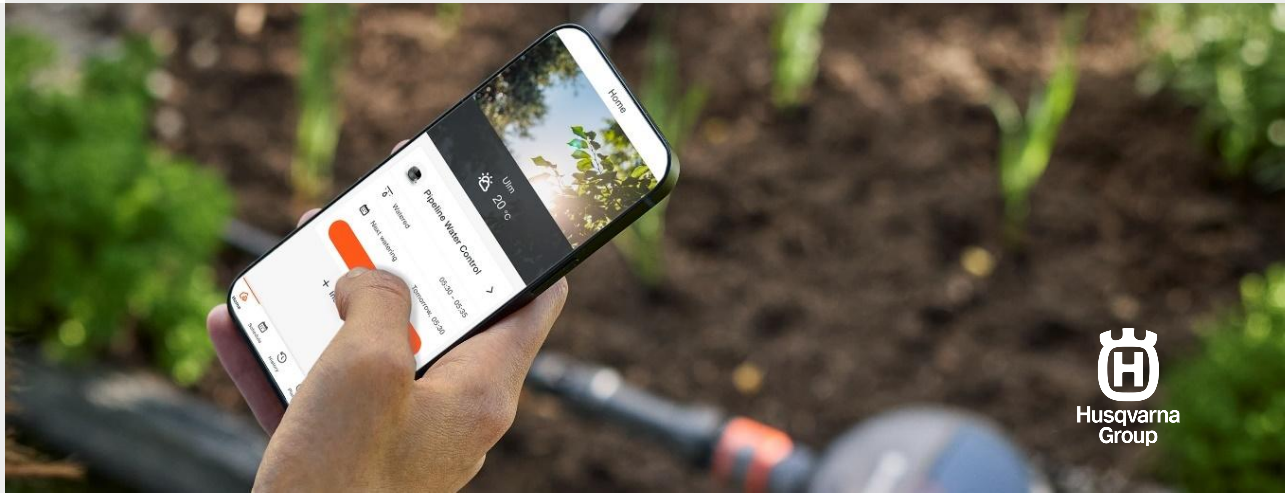


Operating income and margin, ex IAC



Note: Operating income excluding items affecting comparability

SEKm	Q2 2026	Q2 2025	Chg. %	Jan-Jun 2026	Jan-Jun 2025	Chg. %	LTM	Full year 2025
Net sales	4,072	4,668	-13	7,815	8,713	-10	10,596	11,493
Organic growth, %	*-11*	*7*		*-7*	*-1*		*-7*	*-3*
Operating income, ex IAC	674	816	-17	1,126	1,267	-11	589	730
Operating margin, ex IAC, %	*16.6*	*17.5*		*14.4*	*14.5*		*5.6*	*6.4*



Husqvarna Construction Division

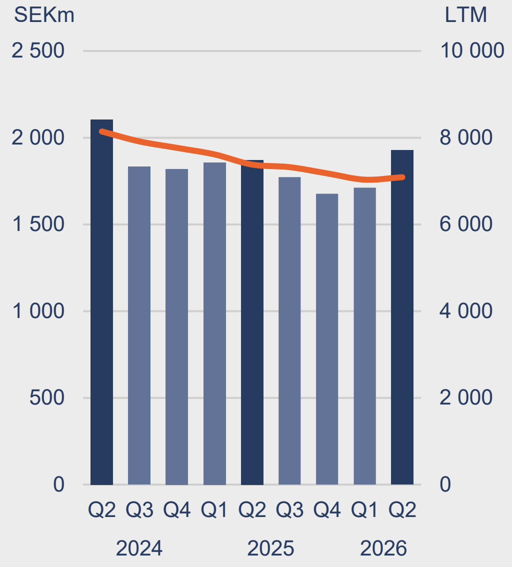
Market and topline

- Growth mainly driven by the Sawing & Drilling BPU
- Record high aftermarket sales
- Growth in all regions

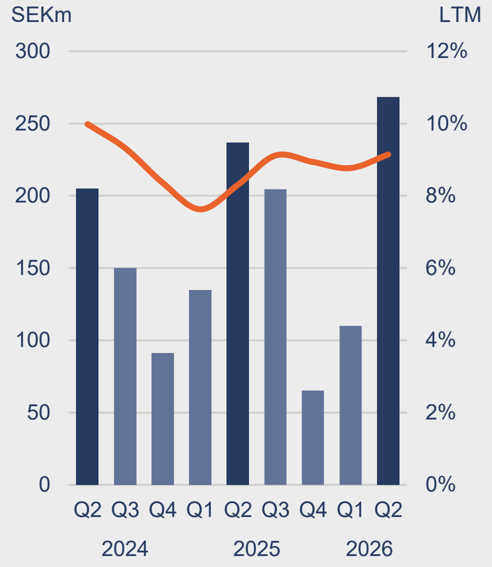
Earnings

- Tariff refunds of SEK 99m
- Negative timing effects from increased cost of raw materials, tariffs and FX
- Dilution from stone diamond tool business and under-absorption
- FX had a negative impact of SEK -25m YoY

Net sales



Operating income and margin, ex IAC



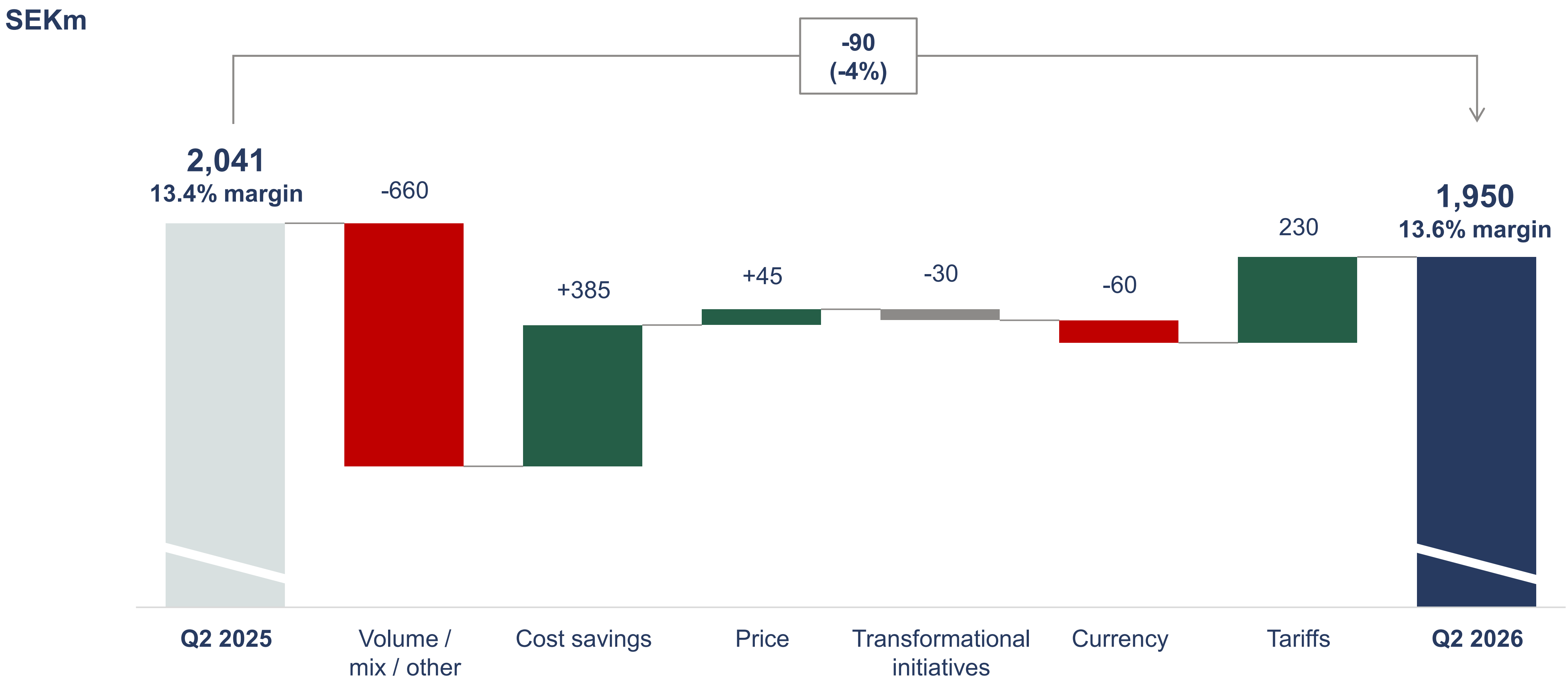
Note: Operating income excluding items affecting comparability

SEKm	Q2 2026	Q2 2025	Chg. %	Jan-Jun 2026	Jan-Jun 2025	Chg. %	LTM	Full year 2025
Net sales	1,928	1,871	3	3,640	3,728	-2	7,089	7,177
Organic growth, %	*5*	*-4*		*3*	*-6*		*3*	*-2*
Operating income, ex IAC	268	237	13	378	372	2	648	641
Operating margin, ex IAC, %	*13.9*	*12.7*		*10.4*	*10.0*		*9.1*	*8.9*

Terry Burke

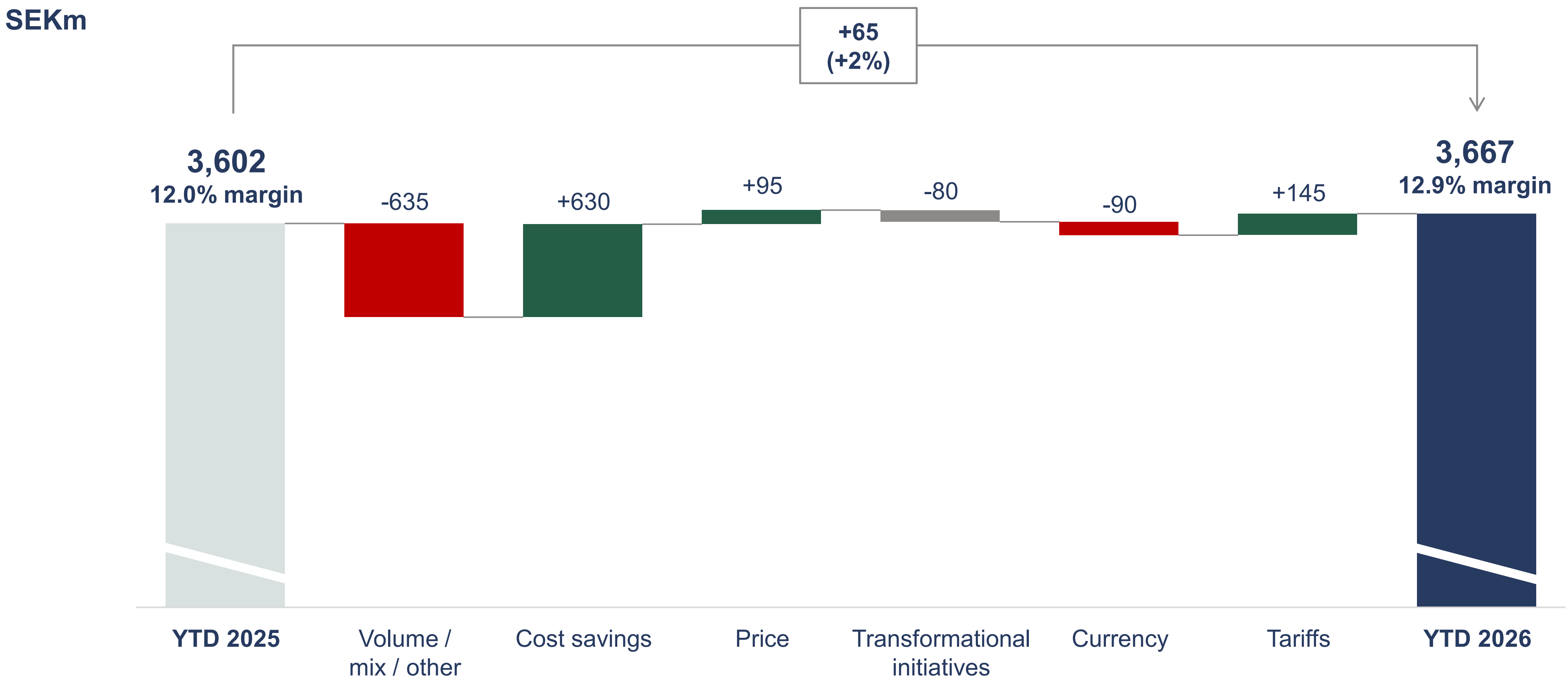
CFO

Q2 EBIT bridge (ex. IAC)



Note: Numbers are rounded to nearest 5 or 0.

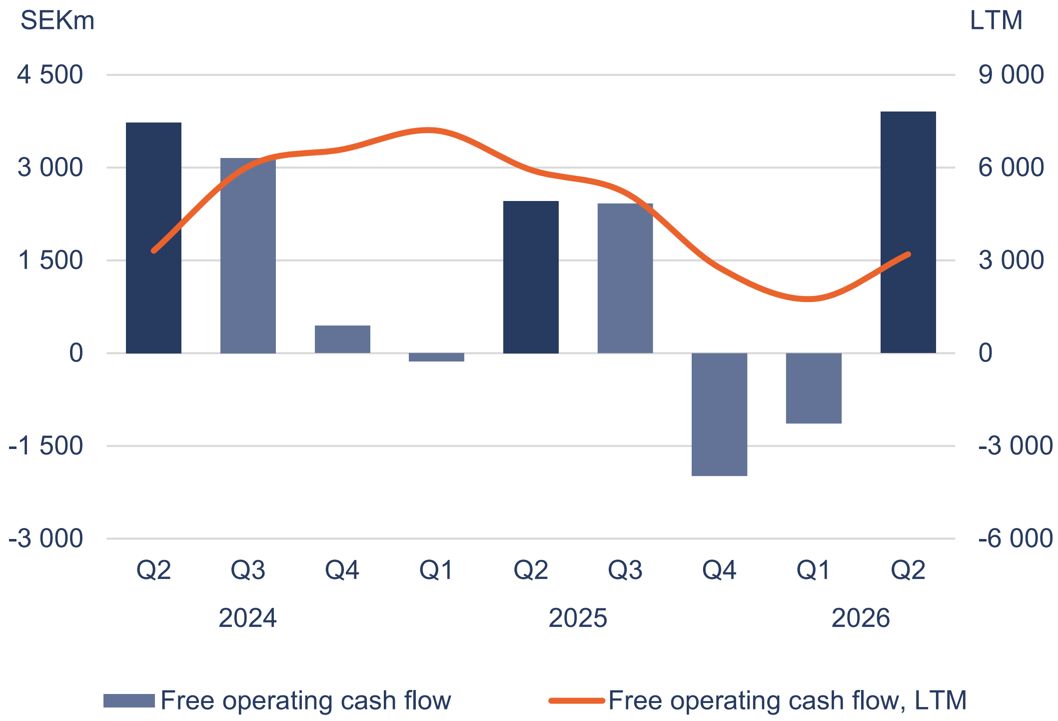
YTD EBIT bridge (ex. IAC)



Note: Numbers are rounded to nearest 5 or 0.

Cash flow

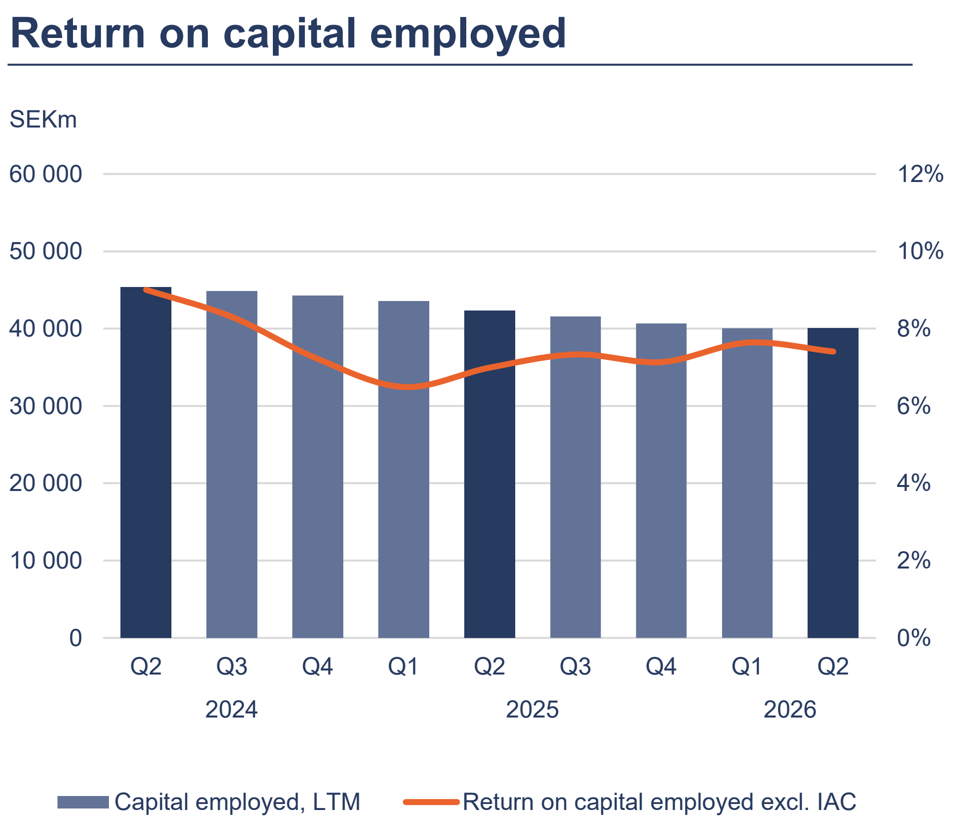
Free operating cash flow



SEKm	**Q2 2026**	Q2 2025	**Jan-Jun 2026**	Jan-Jun 2025	Full year 2025
EBITDA	2,402	2,814	4,852	5,081	5,866
Non-cash and other items*	514	-49	504	-157	-677
EBITDA excl. non-cash and other items	**2,916**	**2,765**	**5,355**	**4,924**	**5,189**
Capex	-489	-605	-873	-1,136	-2,258
NWC	1,476	299	-1,716	-1,459	-169
FOCF	**3,903**	**2,459**	**2,766**	**2,329**	**2,762**

* *Other items include items affecting comparability and lease payments.*

Return on capital employed



- Capital employed decreased to SEK 40,038m (42,348)
- Lowering our net assets shifting to a more asset-light operating model over time
- ROCE excl. IAC of 7.4% (7.0)

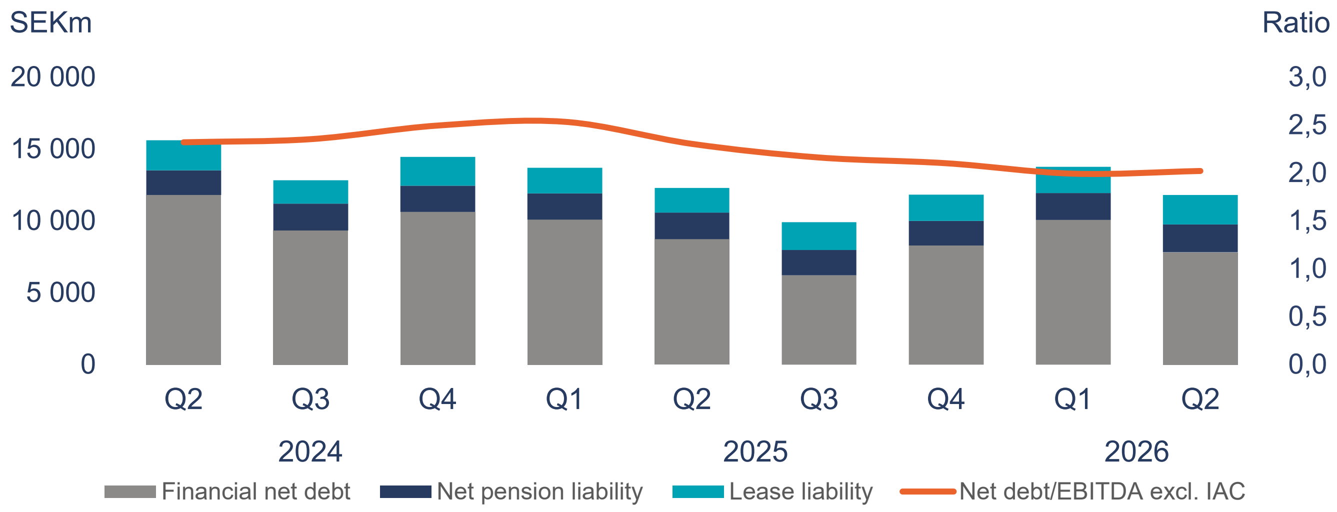
Consolidated balance sheet

SEKm	Jun 30, 2026	Jun 30, 2025
Non-current assets	29,314	29,613
Inventories	12,682	11,954
Trade receivables	10,443	10,683
Other current assets	2,767	2,690
Cash and cash equivalents	3,457	3,475
Total assets	**58,663**	**58,415**
Total equity	25,767	24,645
Borrowings	11,120	12,308
Lease liabilities	2,049	1,726
Provisions for pensions	2,065	2,040
Other provisions	1,862	1,894
Trade payables	6,163	6,786
Other liabilities	9,638	9,015
Total equity and liabilities	**58,663**	**58,415**

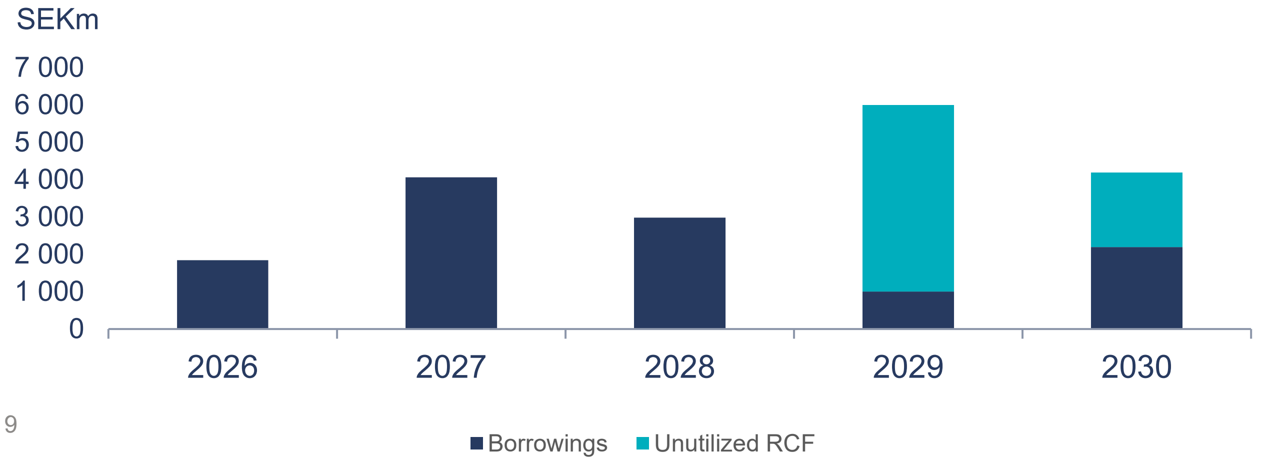
- Solid financial position
- Reduced borrowings

Debt overview

Net debt



Maturity profile



Net debt/EBITDA
(excl. IAC)
2.0

Net debt
(SEKb)
11.8

- Renewal of a SEK 2bn bilateral RCF by five years
- Amortization of SEK 500m bond in June
- S&P rating: BBB- Stable outlook

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Q&A

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