



Shaping GREAT experiences



Q4 2021 results presentation

February 3, 2022

Henric Andersson, CEO

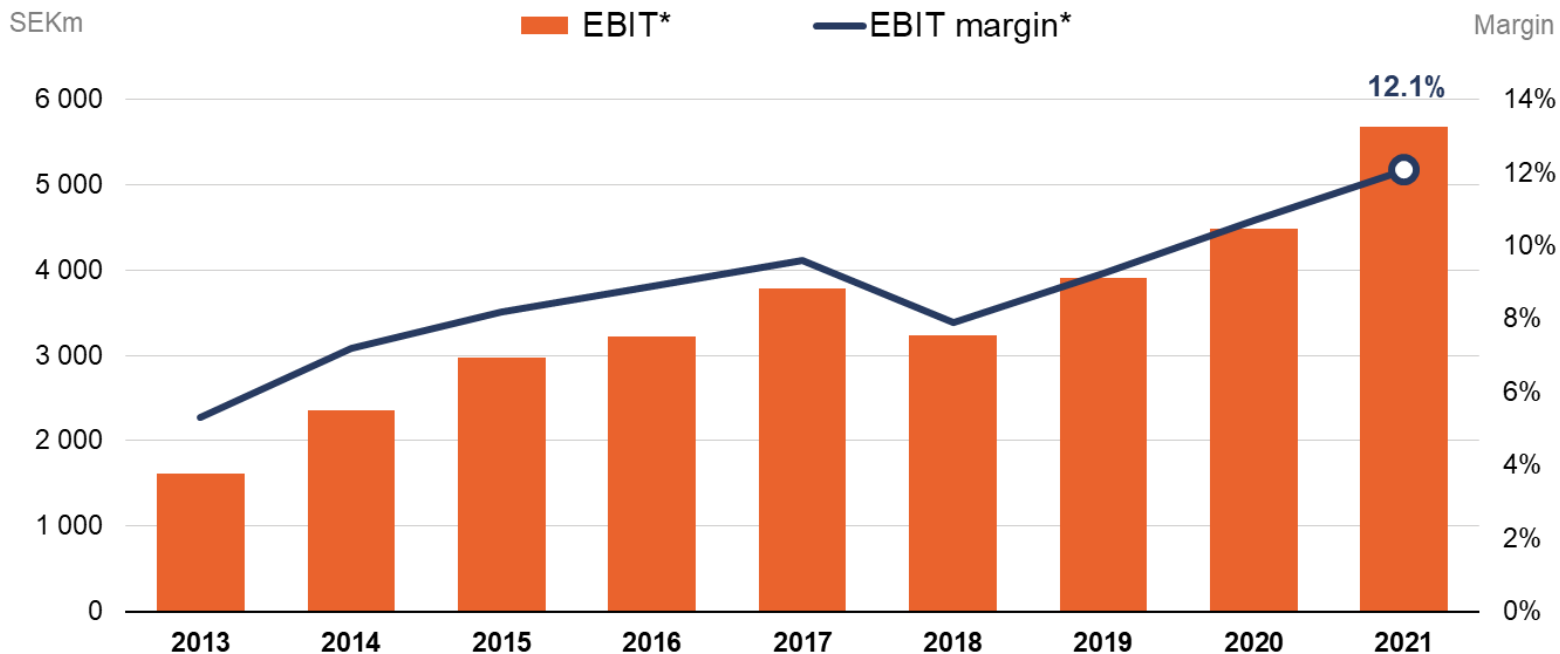
Glen Instone, CFO

A record year for the Group

- Solid performance in Q4 completes a record year
- Executing on strategy, reinforcing our positions within robotics, battery and smart watering
- Supply chain constraints will continue to impact our operations
- New financial targets launched at the recent capital markets day



Continuing to build a stronger Husqvarna Group



*Operating income excluding items affecting comparability

Strong performance in Q4



NET SALES
SEK **8,234**m (6,683)
ORGANIC GROWTH
+17%

- Strong growth across all divisions and main regions
- Further positive development in strategically important segments
- Global supply chain constraints



OPERATING INCOME
SEK **-180**m (-129)

- Investments in strategic growth areas
- Higher raw materials and logistics costs & currency



DIRECT OPERATING
CASH FLOW
SEK **-1,131**m (-185)

- Purposely increasing inventories
- Net debt / EBITDA decreased to 0.6x (1.2x)
- Acquisition of Orbit Irrigation
- Dividend proposal SEK 3.00 (2.40)



ROBOTICS AND BATTERY
18% of Group (R12)

- Strong growth in both Consumer and Professional segments
- Solid product range for season 2022

Husqvarna Forest & Garden Division



**Q4: organic sales growth 14%;
operating margin 1.3%**

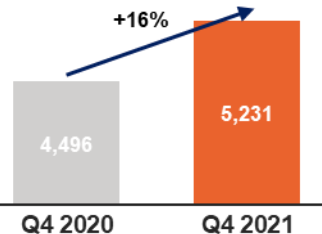
- Good growth in key regions and categories, particularly for robotics & battery and wheeled products

**2021: organic sales growth 15%;
operating margin 12.7%**

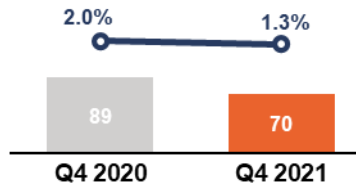
- Volume growth, price increases and improved mix
- Increased raw materials and logistics costs
- Changes in exchange rates impacted with SEK -180m

Q4 2021 (SEKm)

Net sales

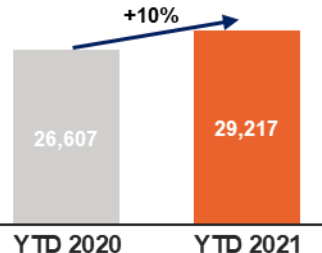


Operating income, excl IAC

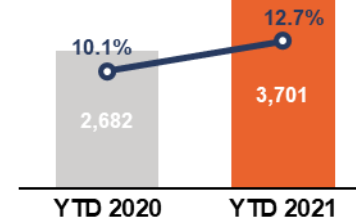


YTD 2021 (SEKm)

Net sales



Operating income, excl. IAC



Note: Operating income excluding items affecting comparability

Gardena Division



Q4: organic sales growth 24%; operating margin -24.1%

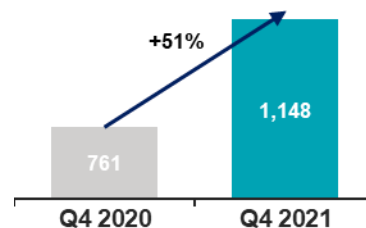
- Solid performance in all key regions. Early deliveries to trade partners in preparation for the upcoming garden season
- Orbit Irrigation acquisition contributed with a further 24%
- Higher costs for raw materials and logistics

2021: organic sales growth 14%; operating margin 14.5%

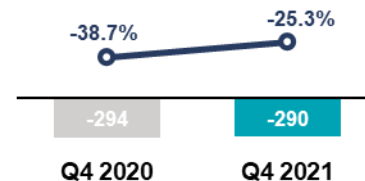
- Strong growth in strategic growth markets offsetting weaker watering market (heavy rainfall) in Central Europe

Q4 2021 (SEKm)

Net sales

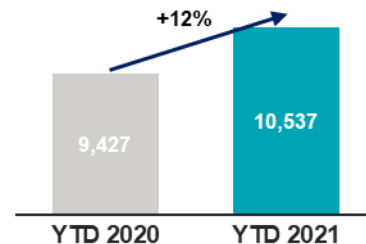


Operating income,
excl. IAC

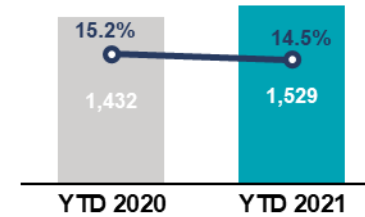


YTD 2021 (SEKm)

Net sales

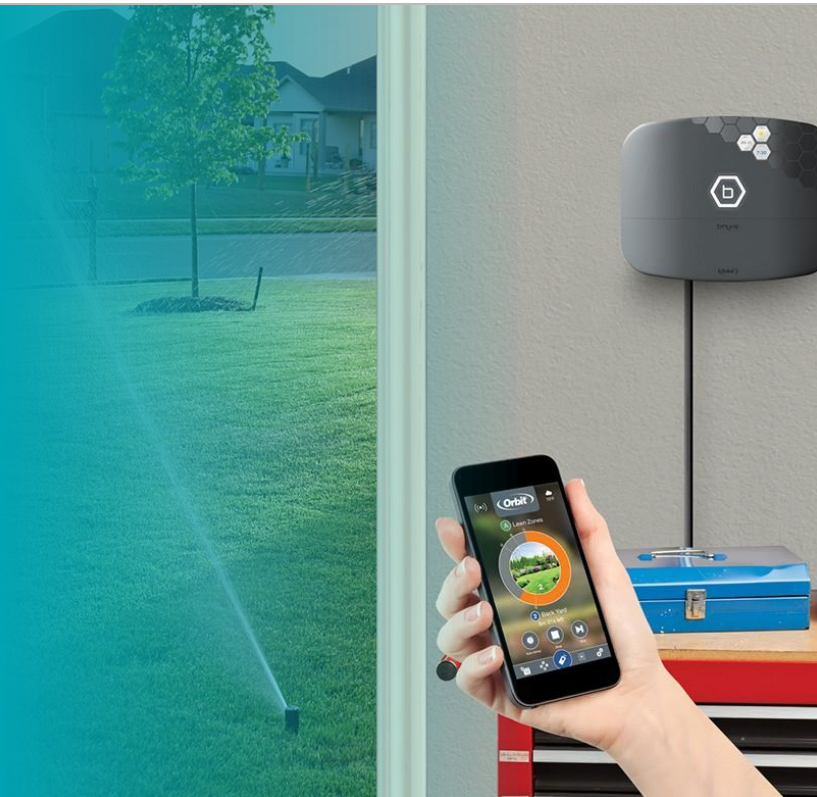


Operating income,
excl. IAC



Acquisition of Orbit Irrigation

- Forming the global #1 in residential watering
- Included in financial statements as from December 2021. Operating margin slightly dilutive to Group
- Enterprise value: USD 480m. Amortization will increase with SEK ~100m per year
- Funded using existing cash and undrawn credit facilities



Husqvarna Construction Division



**Q4: organic growth 21%;
operating margin 7.9%**

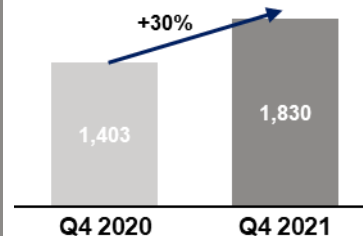
- Good growth, price increases - strengthened positions
- Higher costs for raw materials, logistics and negative currency. Lower margin from Blastrac

**2021: organic growth 18%;
operating margin 11.7%**

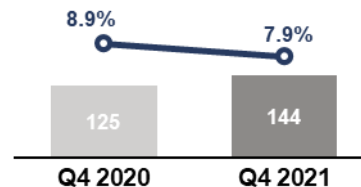
- Volume growth and price increases
- Higher costs for raw materials and logistics
- Currency effect SEK -95m

Q4 2021 (SEKm)

Net sales

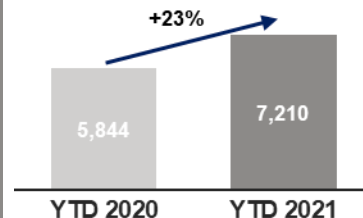


Operating income,
excl. IAC

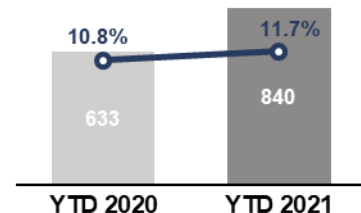


YTD 2021 (SEKm)

Net sales



Operating income,
excl. IAC



Note: Operating income excluding items affecting comparability

Strong portfolio of new products

Robotic mowers



Husqvarna Automower®
with A.I.M

Electrification



K1 PACE
high power
battery cutter



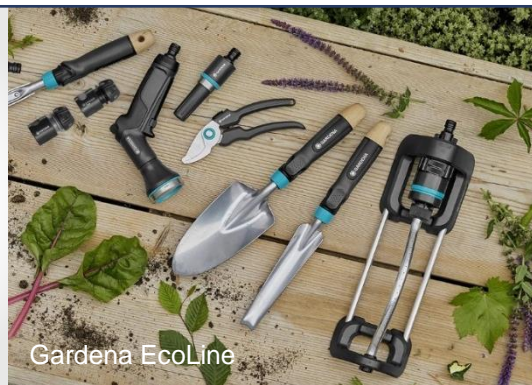
90CC chainsaw



Husqvarna CEORA



Gardena SILENO
with LONA



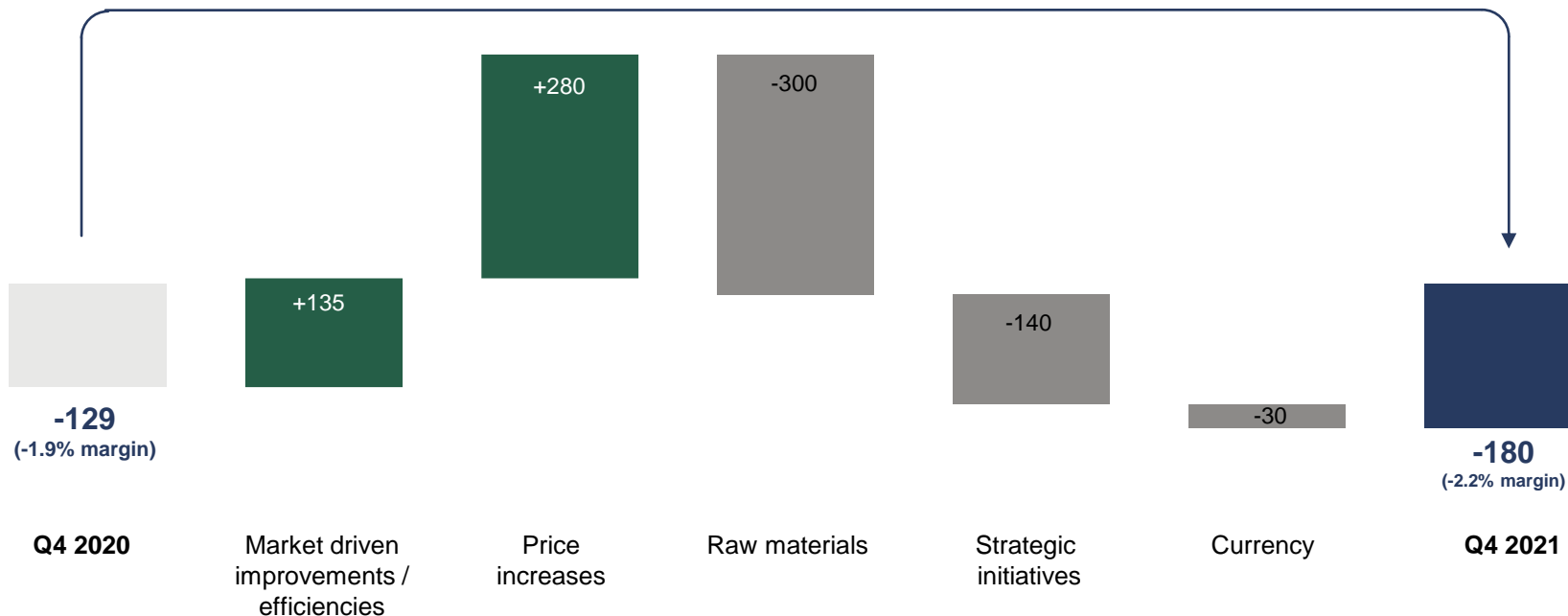
Gardena EcoLine

Connectivity

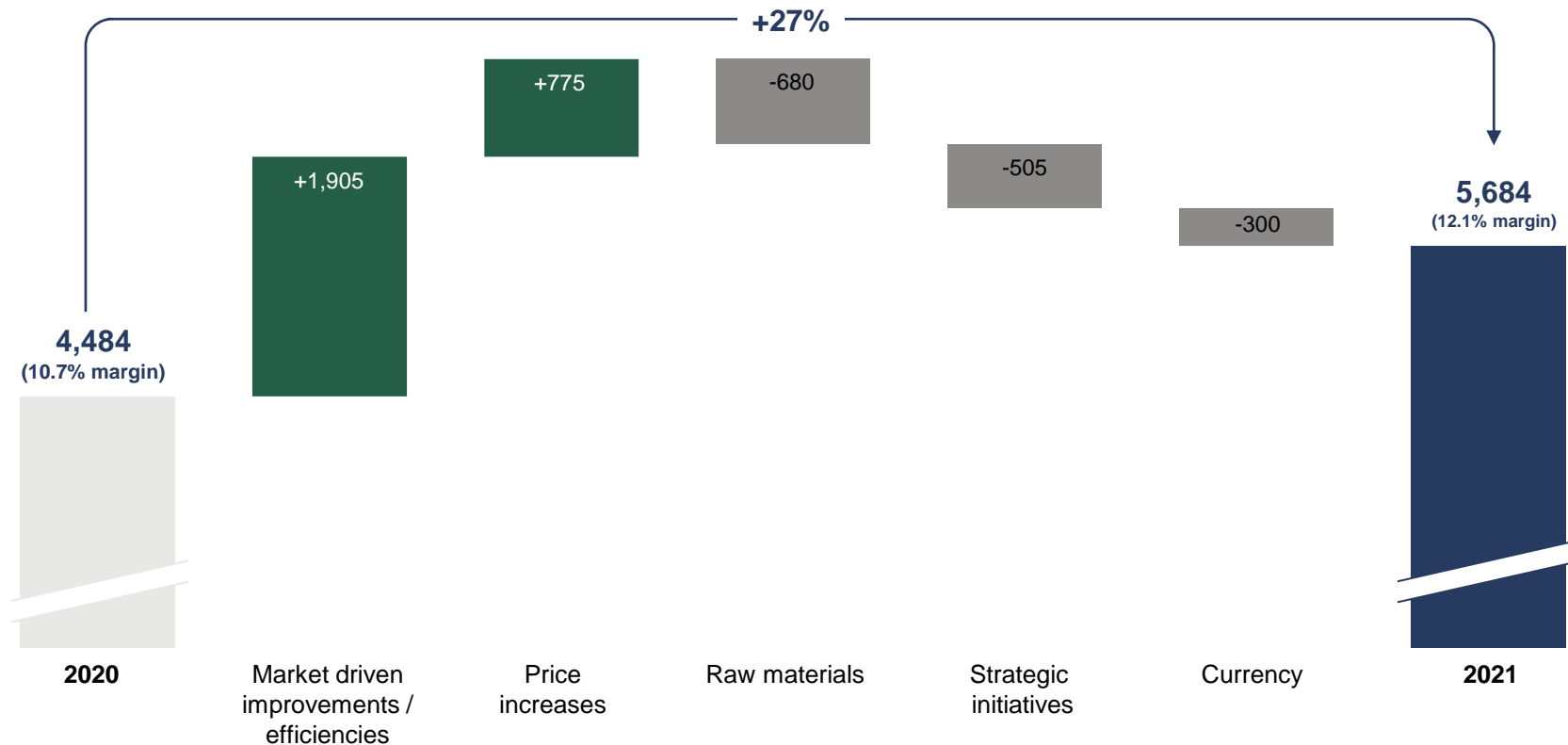


B-hyve
smart
watering

Q4 EBIT bridge (excl. IAC)

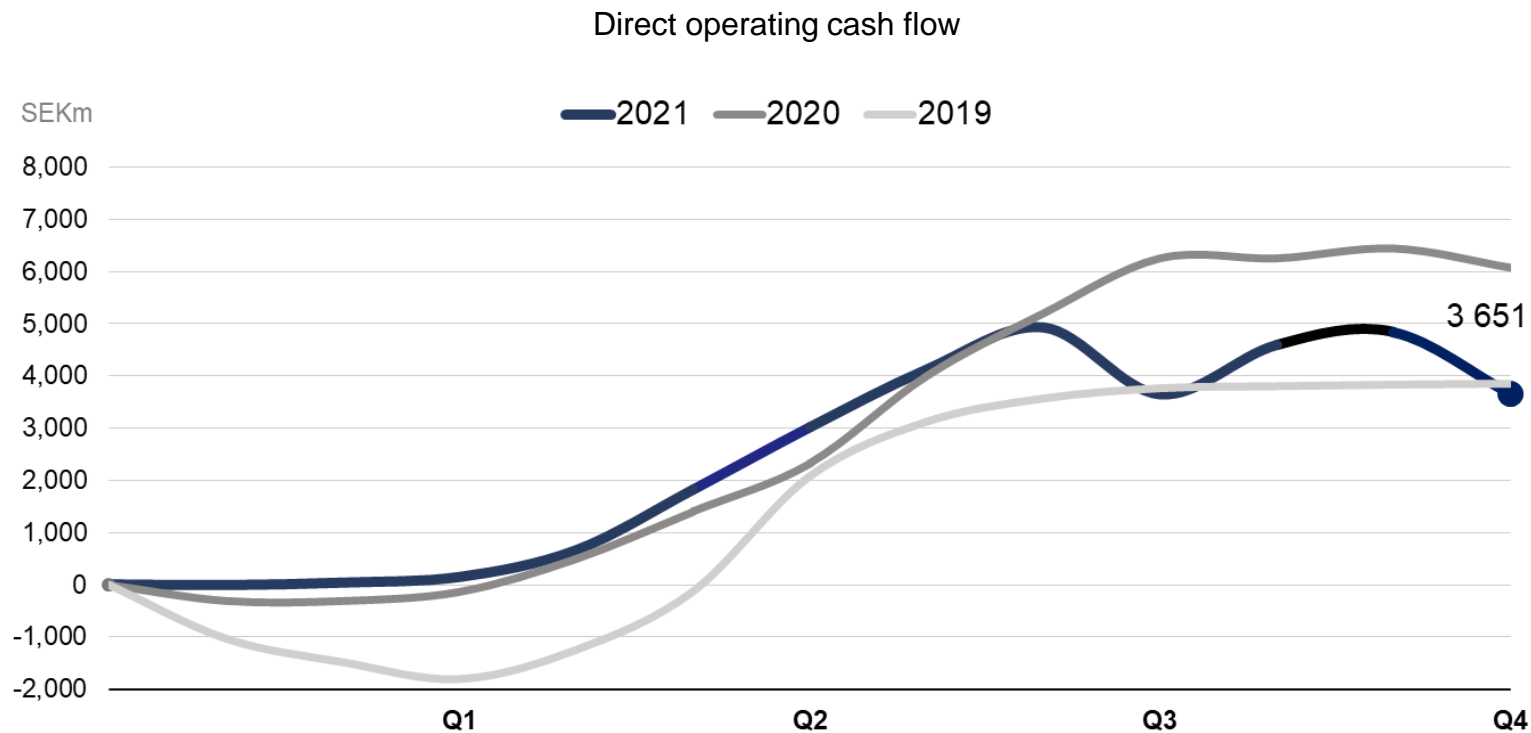


2021 EBIT bridge (excl. IAC)

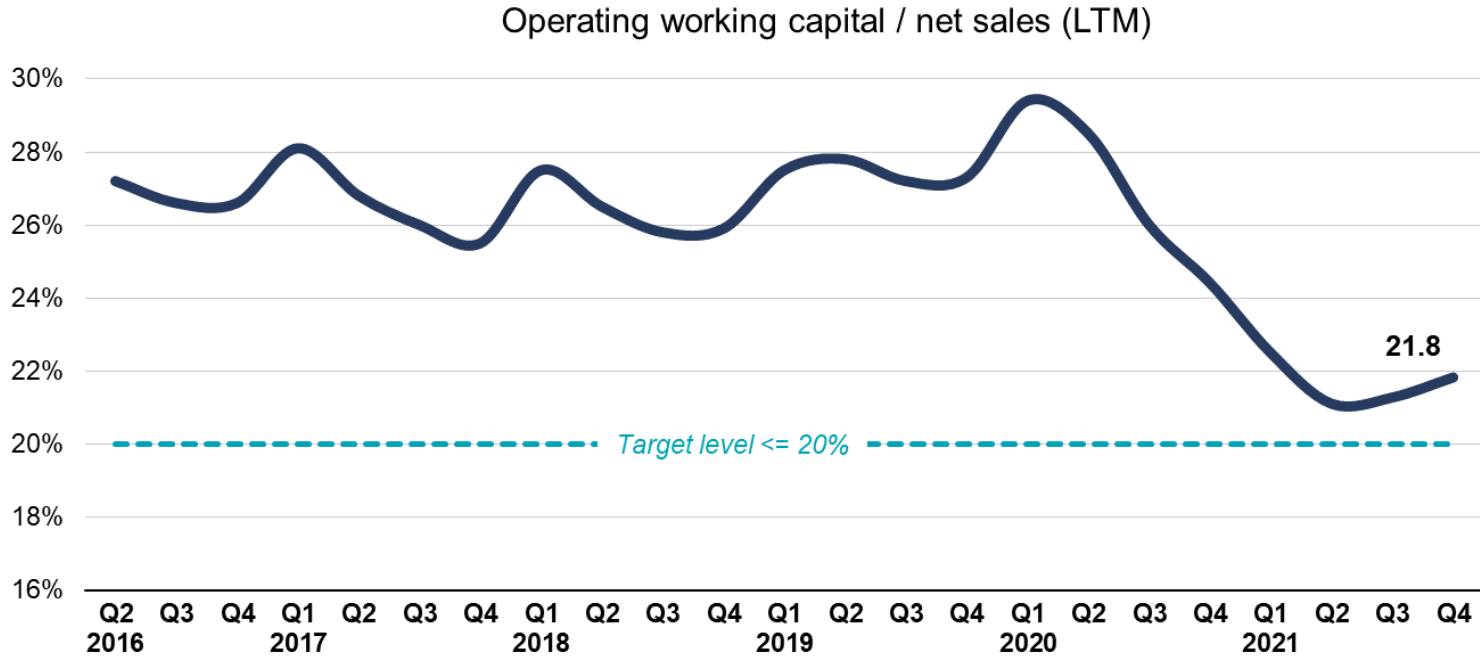


Note: Numbers are rounded to nearest 5 or 0.

Cash flow development



Capital efficiency

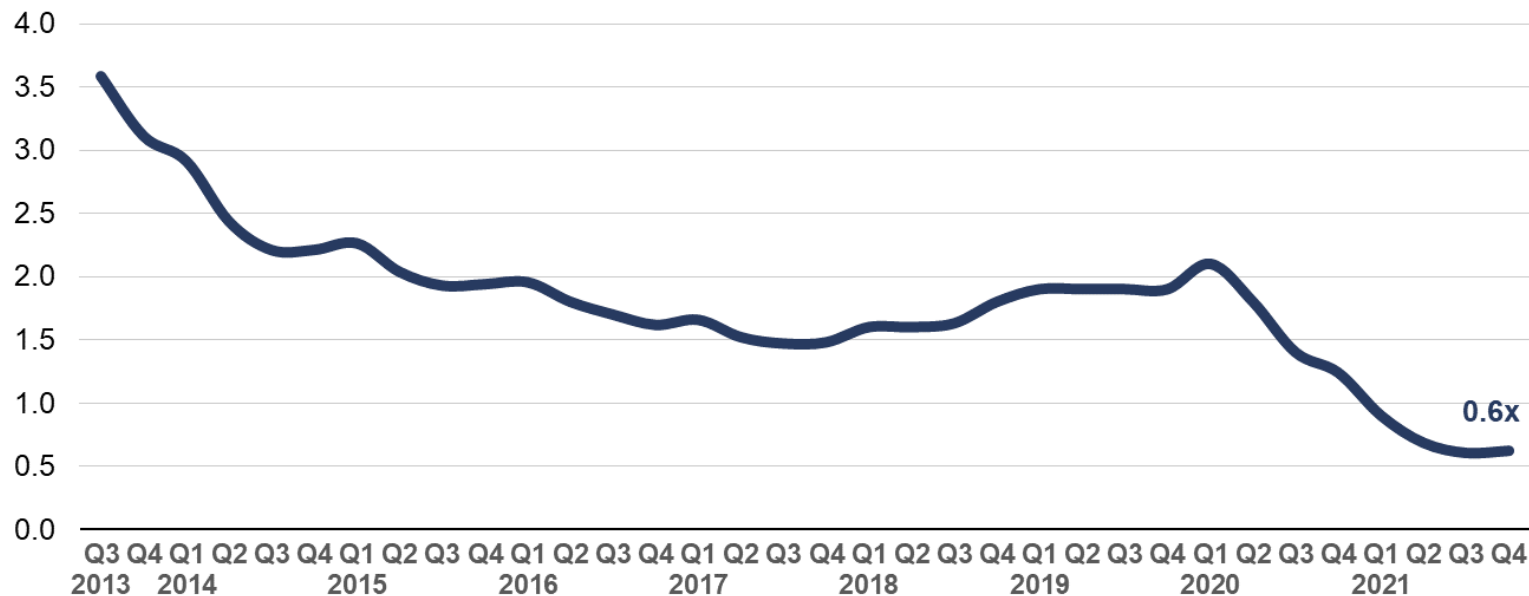


Consolidated balance sheet

SEKm	Dec 31, 2021	Dec 31, 2020
Non-current assets	28,571	22,269
Inventories	14,030	9,734
Trade receivables	4,310	3,259
Other current assets	1,801	2,103
Cash and cash equivalents	2,208	6,151
Total assets	50,920	43,517
Total equity	21,646	17,062
Borrowings	8,215	9,536
Lease liabilities	1,849	1,367
Provisions for pensions	2,192	2,637
Other provisions	1,512	1,651
Trade payables	6,990	4,815
Other current liabilities	8,515	6,449
Total equity and liabilities	50,920	43,517

- Solid financial position
- Higher inventory levels
 - Preparing for season 2022
 - Orbit Irrigation
 - Currency effect
- Good sales growth at the end of quarter thus increasing trade receivables accordingly
- Continued good working capital management

Net debt / EBITDA



Average net debt / rolling 12 months EBITDA, excl. items affecting comparability

Sustainable value creation at CMD

Husqvarna Group

Capital Markets Day 2021



New financial targets



GROWTH

Net organic
sales growth 5%



OPERATING MARGIN

Operating margin
13%



CAPITAL EFFICIENCY

Net working capital /
net sales 20%

Sustainovate 2025 targets



CARBON

Reduce absolute CO₂ emissions by -35%

-27%



CICRULAR

Launch 50 new circular innovations

2



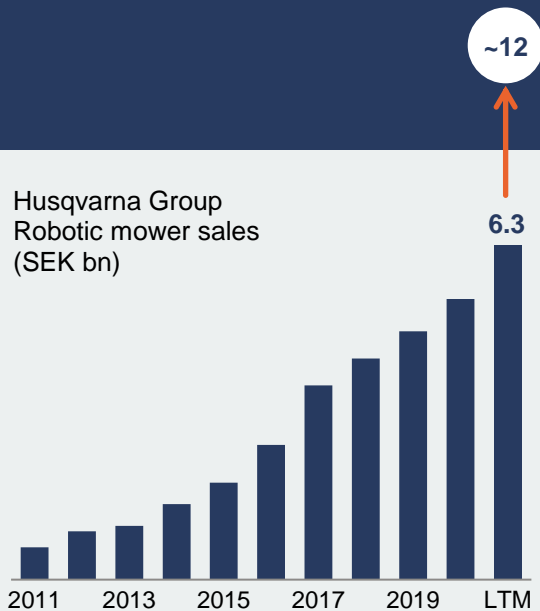
PEOPLE

Empower 5 million people to make sustainable choices

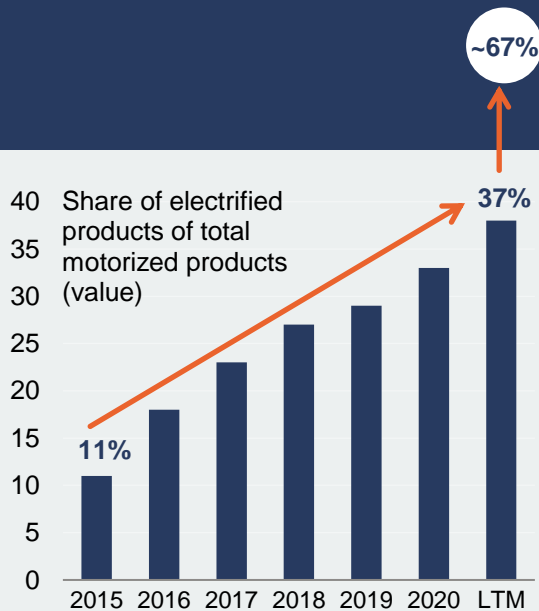
Start to measure end of 2021

5-year operational ambitions

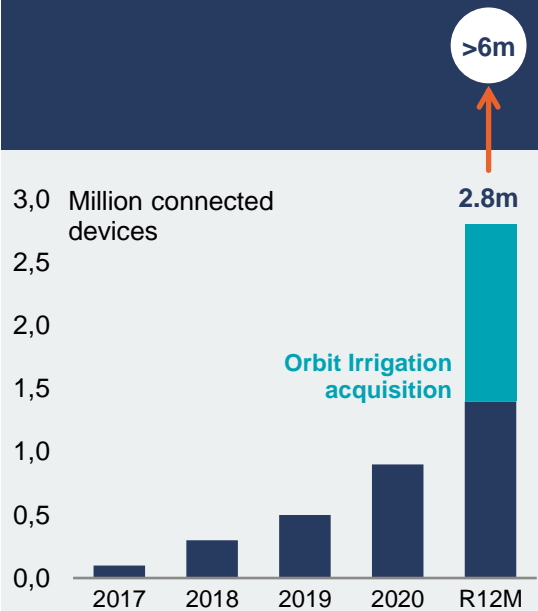
Double sales of robotic mowers



Electrified solutions to reach 2/3



Double number of connected devices



A record year for the Group

- Strong performance and operational execution in a year impacted by the pandemic
- Reinforced positions in high growth areas
- Supply chain constraints will continue to affect our operations
- Well positioned for 2022 with continued positive momentum



Terry Burke appointed CFO from 1 March, 2022

- Joined Husqvarna Group 2010
- VP Finance for Husqvarna Forest & Garden Division as well as for Gardena Division
- Chartered Certified Accountant (FCCA)





Husqvarna
Group