



# Shaping GREAT experiences



Q2 2021 results presentation

July 16, 2021

Henric Andersson, CEO

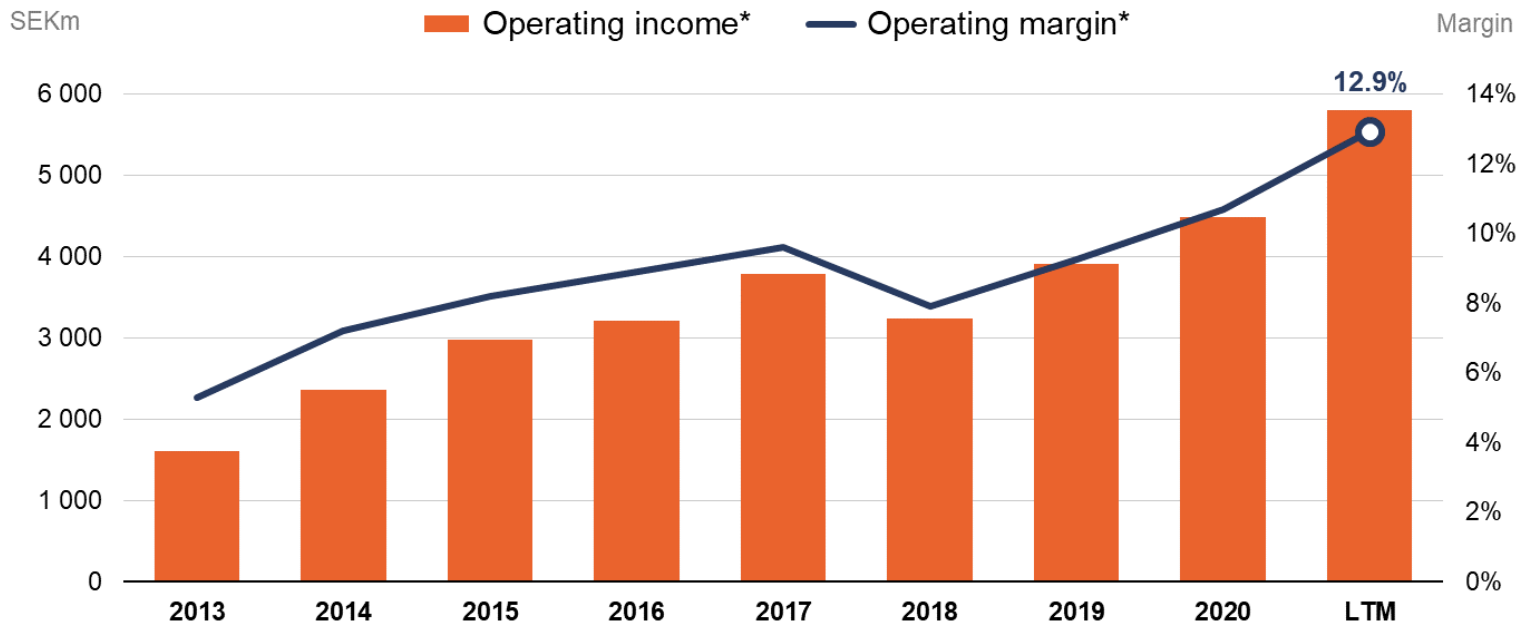
Glen Instone, CFO

# Record performance during the second quarter

- Strong and increased demand for gardening products, construction market continued to rebound
- Solid performance in all divisions and main regions
- Significant progress in strategy execution - groundbreaking new product launches



# Building a stronger Husqvarna Group



\*Operating income excluding items affecting comparability

# Record quarter



NET SALES

SEK **14,614**m (13,482)

ORGANIC GROWTH

**+14%**

- Strengthened positions; strong performance in main regions and prioritized strategic segments
- Global supply chain constraints



OPERATING INCOME

SEK **2,645**m (2,191)

**+21%**

- Volume growth, price increases and improved mix
- Higher raw materials and logistics costs



DIRECT OPERATING  
CASH FLOW H1

SEK **3,018**m (2,330)

- Strong cash flow from operations, improved working capital level
- Net debt / EBITDA decreased to 0.7x (1.8x)



ROBOTICS AND BATTERY

**18%** of Group (R12)

- Strong growth in both consumer & pro segments
- In total robotics & battery grew 27% in Q2
- Solid product line up and pipeline

# Husqvarna Division



**Q2: organic sales growth +18%;  
H1: +20%**

- Strong growth in all key regions, and categories, particularly for pro hand held, robotics & battery
- Strengthened market positions

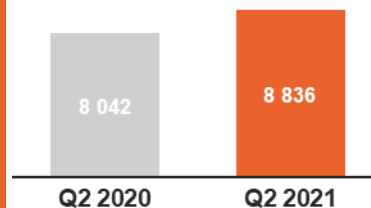
**Q2: operating margin 17.4%;  
H1: 17.4%**

- Volume growth, price increases and improved mix
- Increased raw material & logistics costs and currency

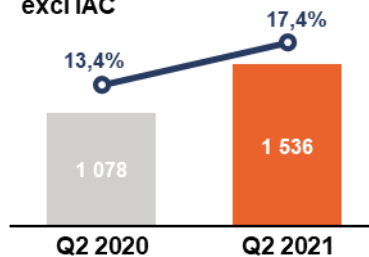
**Rolling 12-months: organic growth +20%, operating margin 13.1% (8.0)**

Q2 2021 (SEKm)

Net sales

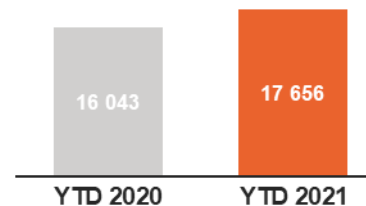


Operating income, excl IAC

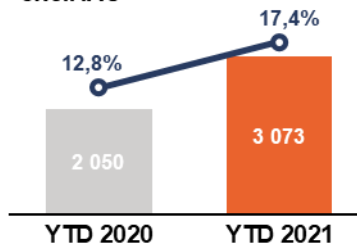


YTD 2021 (SEKm)

Net sales



Operating income, excl. IAC



# Gardena Division



**Q2: flat organic sales growth;  
H1: 15%**

- Strong growth in strategic growth markets, later start of watering season in central Europe
- Strong growth in online sales

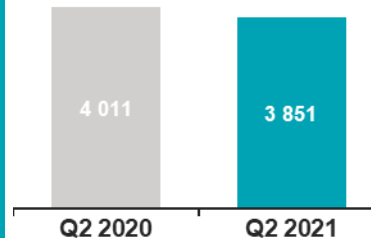
**Q2: operating margin 25.2%;  
H1: 22.1%**

- Growth, product mix, price increases
- Higher raw material & logistics costs

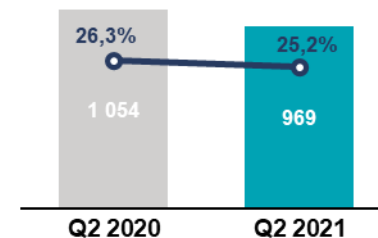
**LTM: organic growth +15%,  
operating income 15.9% (13.5)**

Q2 2021 (SEKm)

Net sales

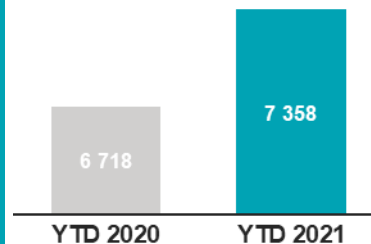


Operating income,  
excl. IAC

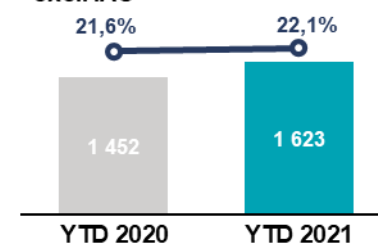


YTD 2021 (SEKm)

Net sales



Operating income,  
excl. IAC



# Construction Division



**Q2: organic growth +31%;  
H1: +23%**

- Strong growth, with strengthened positions in main markets
- Blastrac integration progressing well, contributed with +13% to growth in Q2

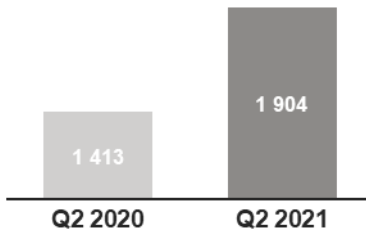
**Q2: operating margin 13.7%;  
H1: 13.0%**

- Volume growth and product mix (power cutters, light compaction solutions)
- Higher costs for raw materials, logistics and negative currency effects

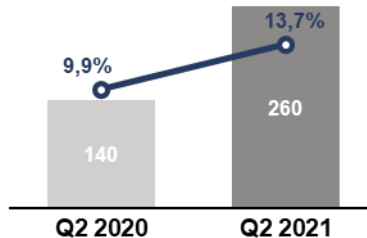
**LTM – organic growth +12%,  
operating margin at 12.7% (11.0)**

Q2 2021 (SEKm)

Net sales

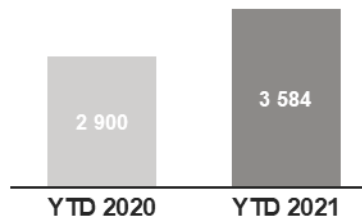


Operating income,  
excl. IAC

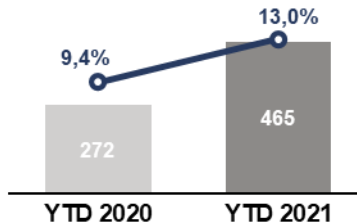


YTD 2021 (SEKm)

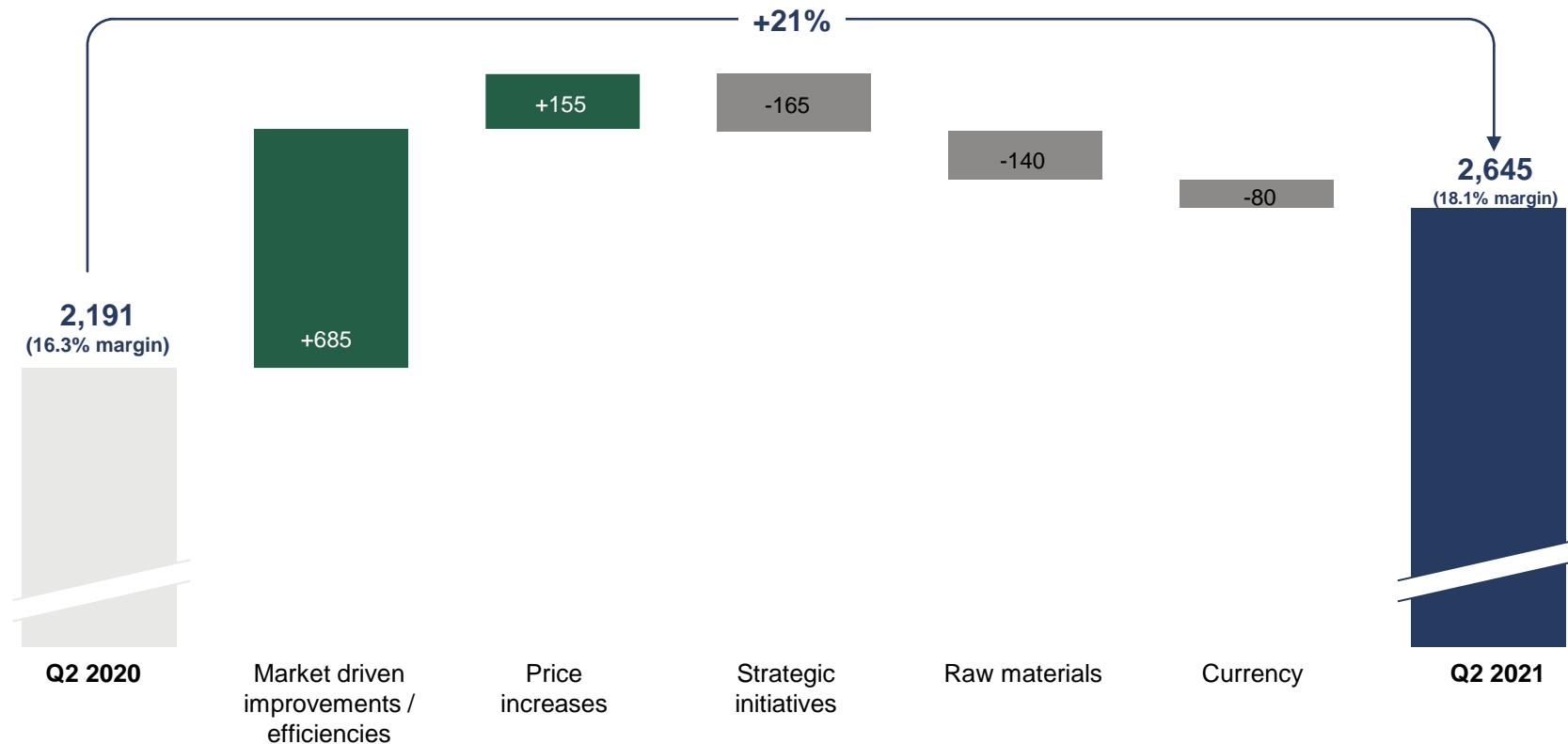
Net sales



Operating income,  
excl. IAC

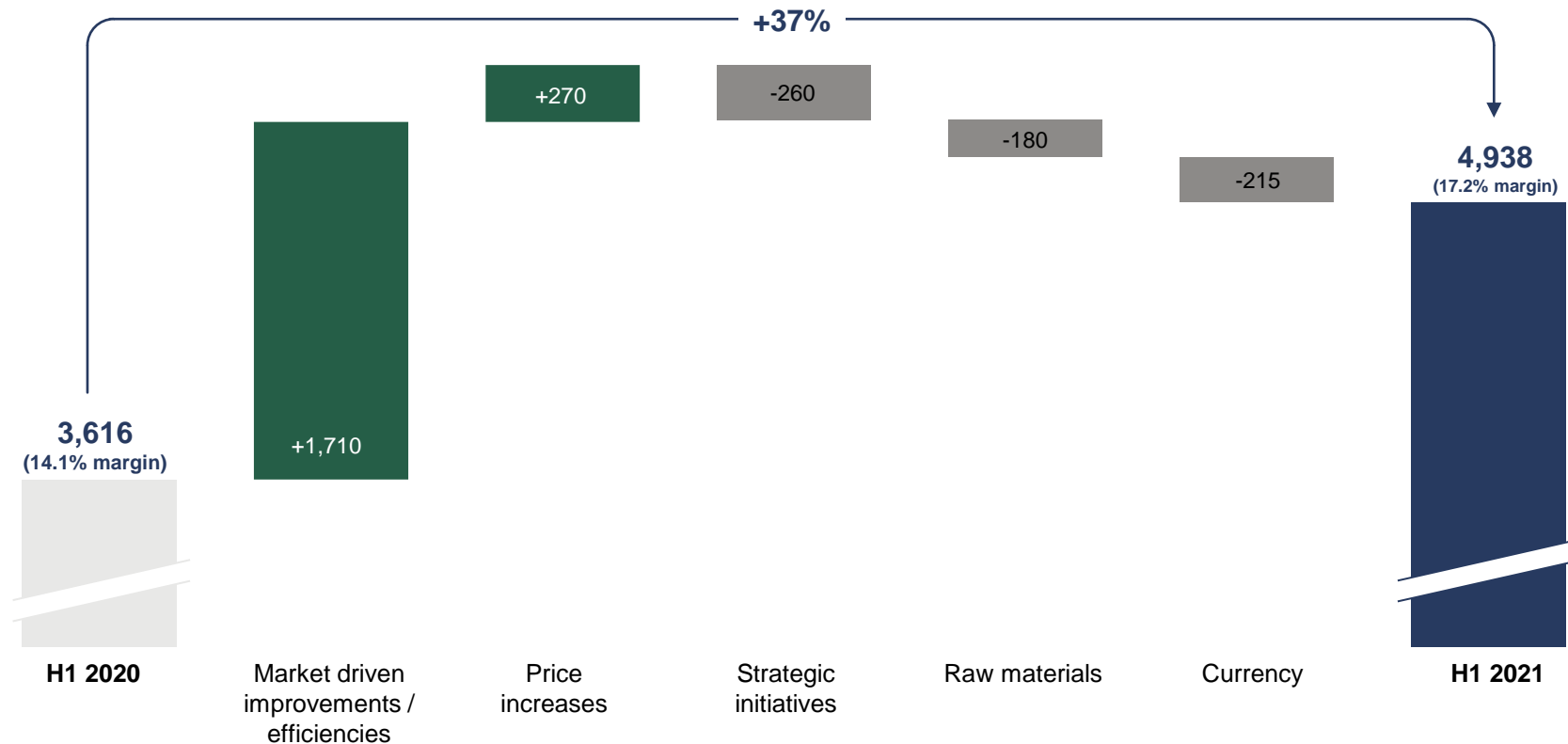


# Q2 EBIT bridge (excl. IAC)



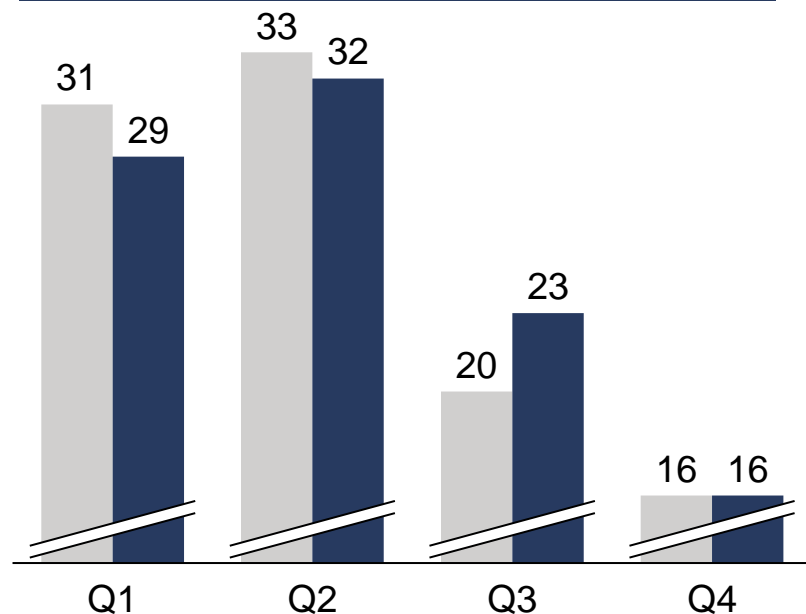


# H1 EBIT bridge (excl. IAC)

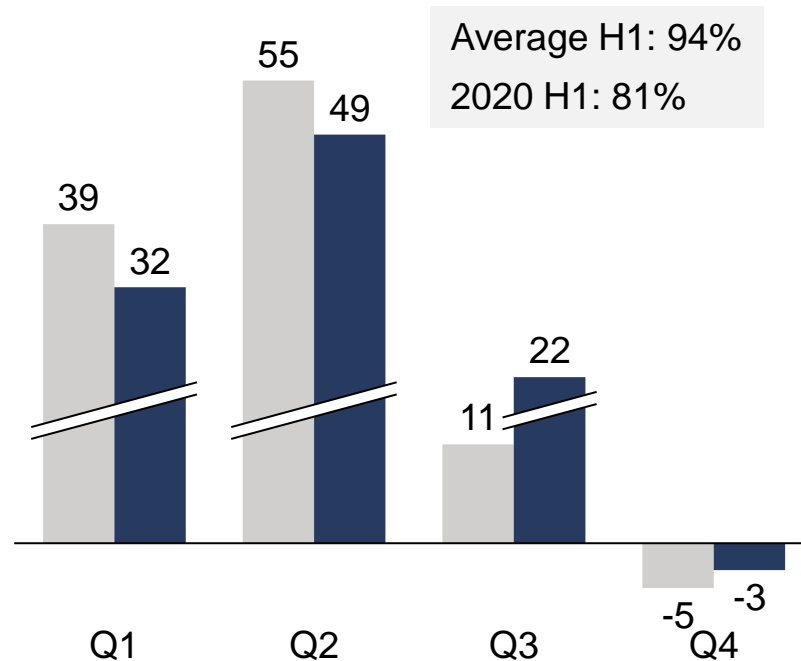


# 2020 was a special year in terms of quarterly distribution

## Net sales distribution by quarter

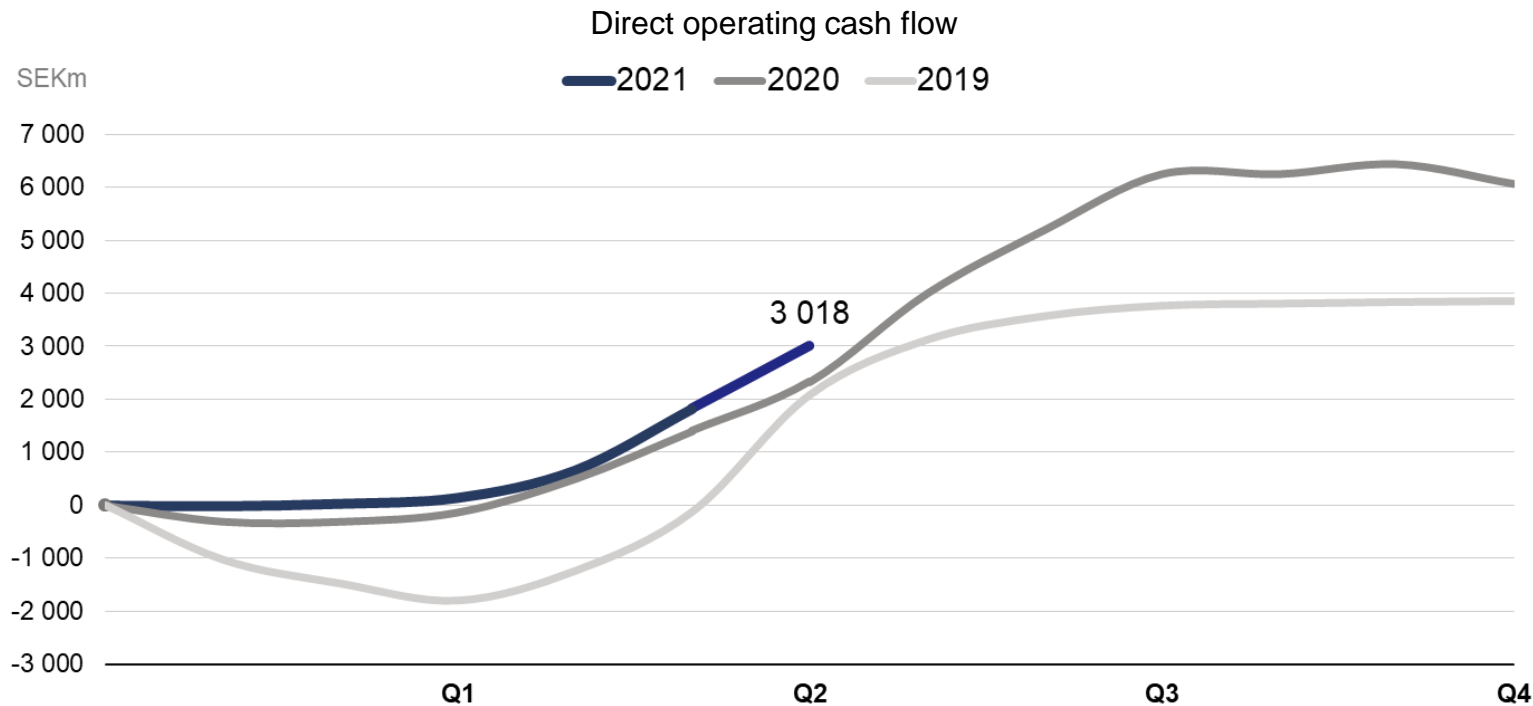


## Operating Income distribution by quarter

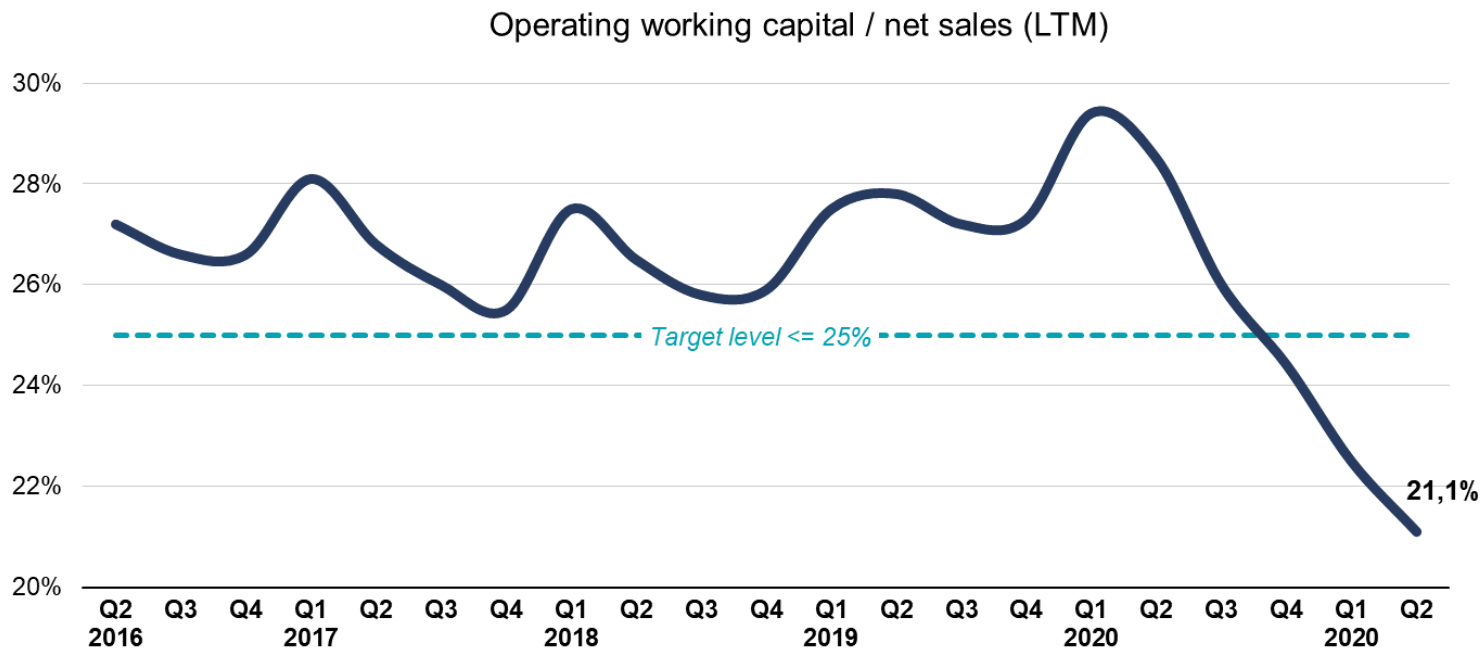


■ Average 2015 - 2019 ■ 2020

# Continued strong cash generation



# Improved capital efficiency

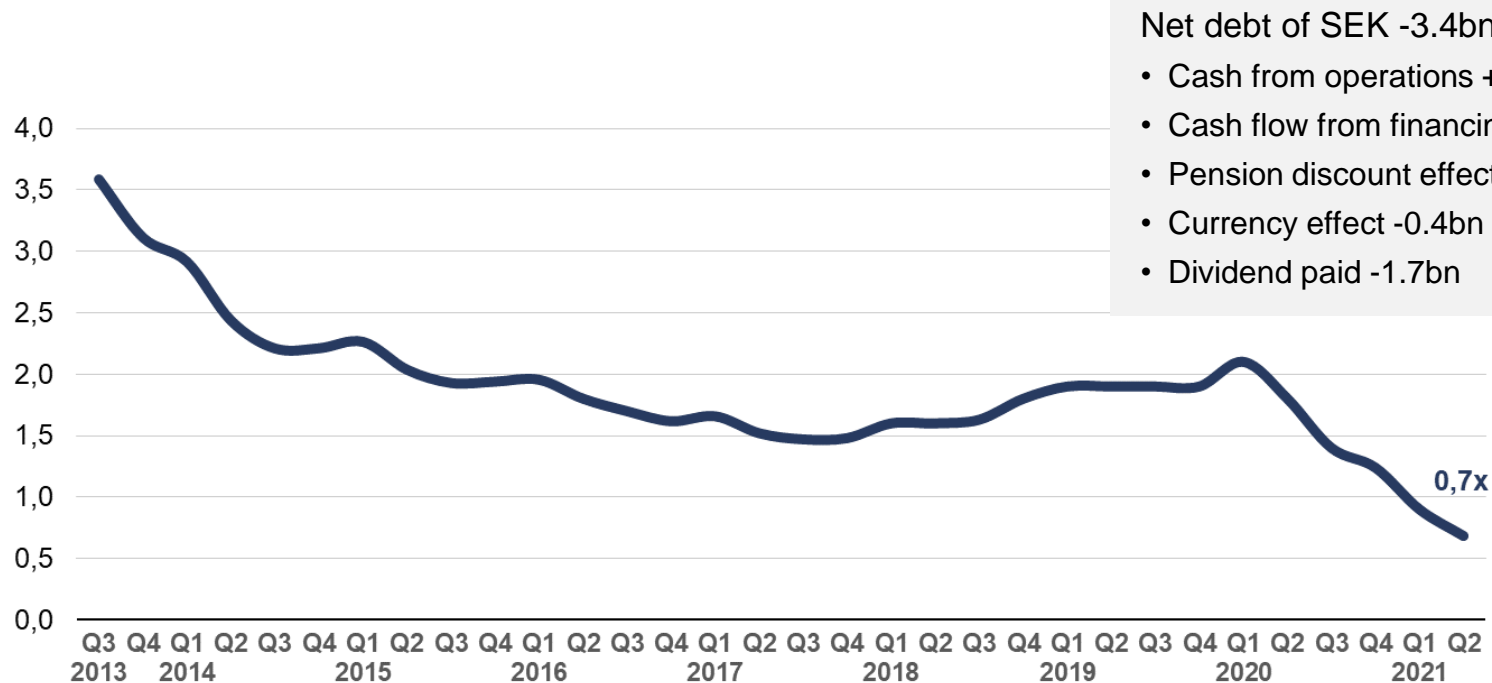


# Consolidated balance sheet

SEKm	June 30 2021	June 30 2020
Non-current assets	22 577	23 392
Inventories	9 458	8 766
Trade receivables	6 910	7 293
Other current assets	1 316	2 154
Cash and short term investments	7 780	6 413
<b>Total assets</b>	<b>48 041</b>	<b>48 018</b>
Total equity	20 183	19 353
Borrowings	6 821	11 015
Lease liabilities	1 563	1 534
Provisions for pensions	2 229	2 914
Other provisions	1 855	1 528
Trade payables	5 791	4 407
Other current liabilities	9 598	7 267
<b>Total equity and liabilities</b>	<b>48 041</b>	<b>48 018</b>

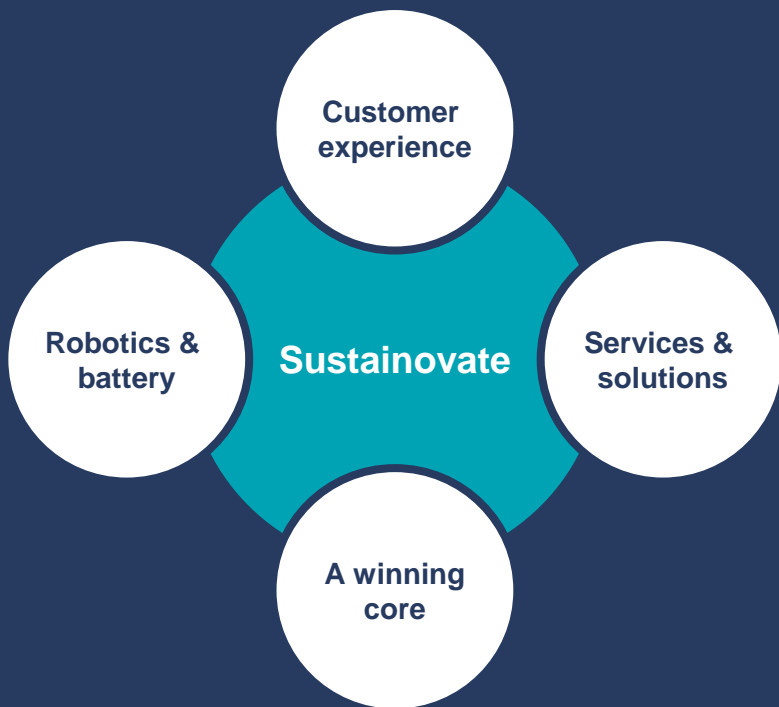
- Strong financial position
- Continued good working capital management
- Higher component inventory
- High production levels impacting trade payables
- Solid cash and short-term investments position of SEK 7.8bn
- Undrawn revolving credit facilities of SEK 5 bn

# Net debt / EBITDA (based on average net debt)



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

# Executing on our strategy



CEORAT™



K1 PACE

# Sustainovate 2025

## CARBON



Reduce absolute  
CO<sub>2</sub> emissions by  
**-35%**  
across our  
value chain

## CIRCULAR



Launch  
**50**  
new circular  
innovations

## PEOPLE



Empower  
**5 million**  
customers and colleagues  
to make sustainable choices



# Sustainovate 2025

## CARBON



Q2/2021  
**30%**

Reduce absolute  
CO<sub>2</sub> emissions by  
**35%**  
across our  
value chain

## CIRCULAR



Q2/2021  
**7**  
Innovation  
nominees

Launch  
**50**  
new circular  
innovations

## PEOPLE



Start to  
measure  
end of 2021

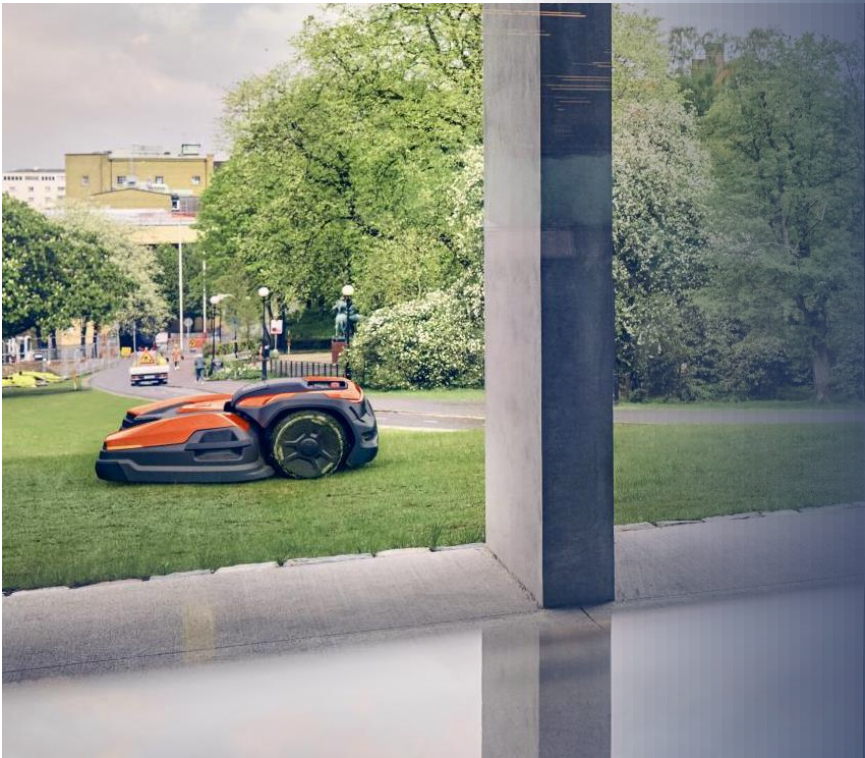
Empower  
**5 million**  
customers and colleagues  
to make sustainable choices

# A record second quarter

- Strong and increased demand for gardening products, construction market continued to rebound
- Solid performance in all divisions and main regions. Rolling 12-months organic sales growth +17%; operating margin 12.9%
- Significant progress in strategy execution - groundbreaking new product launches



# Capital Markets Day – save the date, Dec 1, 2021



- Physical event in Stockholm for analysts, investors and financial media
- From 8:30 am CET on Dec 1, 2021
- CEO, CFO, and Group Management presentations
- Strategy execution and growth journey ahead



**Husqvarna**  
**Group**