



Husqvarna
Group



Q2 Results – July 18, 2023

Pavel Hajman, CEO
Terry Burke, CFO

Good performance in Q2

- Strong growth for robotic mowers and battery-powered products. Watering returned to growth during the quarter
- EBIT* increased by 11% - all three divisions strengthened their operating margin
- Strong cash flow - driven by operating income, inventories and trade receivables
- Significant progress on strategic transformation. Consolidation of North American manufacturing footprint
- Macroeconomic uncertainty - continued focus on costs, cash flow and operational flexibility



Strong growth for robotic mowers



NET SALES

SEK **16,976**_m (15,792)

UNCHANGED ORGANIC
GROWTH

- Strong growth for robotic mowers and battery-powered products
- Gardena returned to growth in the latter part of the quarter driven by watering demand
- Resilience in Construction



OPERATING INCOME

SEK **2,313**_m (2,075)

- Price increase carry-over. Favorable product mix
- Lower raw material and logistics costs
- Lower volumes
- Negative currency effect



DIRECT OPERATING
CASH FLOW

SEK **4,443**_m (1,803)

- Strong cash flow from working capital changes
- Higher operating result

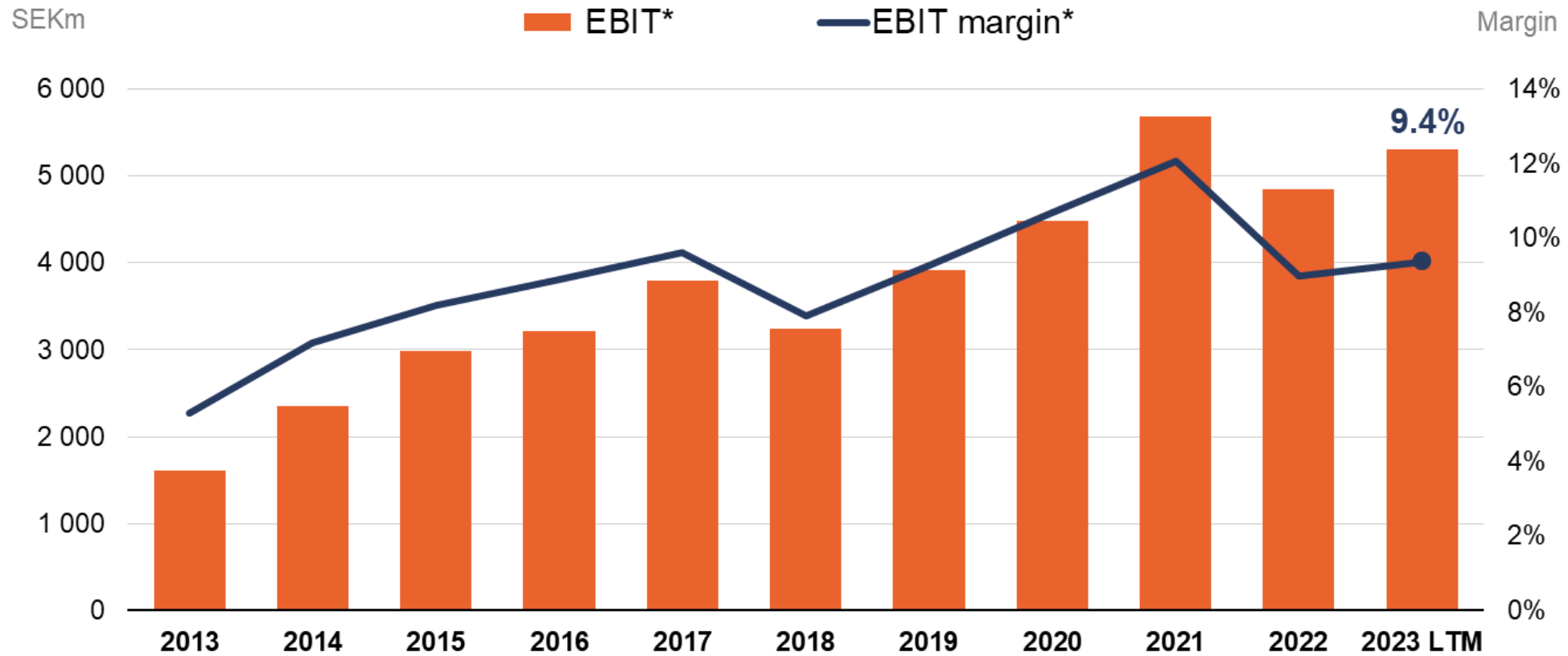


ROBOTICS AND BATTERY

20% (14) of Group R12

- Growth driven by solid demand
- Strong product line-up in both robotics and battery
- Improved supply chain

Building a stronger Husqvarna Group



Husqvarna Forest & Garden Division

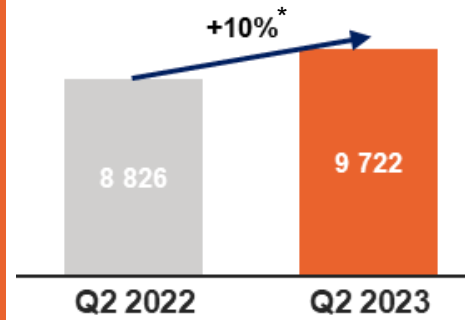


Q2: organic sales growth 3%; operating margin 13.0%

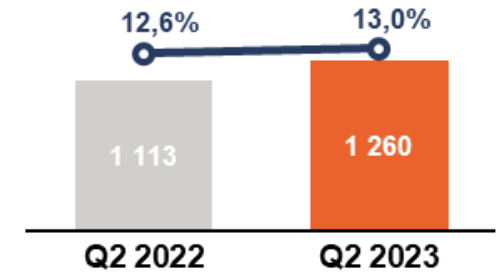
- Strong growth for robotic mowers and battery-powered products
- Successful product launches including NERA, MAX and ASPIRE
- Higher operating margin – price, mix & lower raw materials and logistics costs
- Positive currency effect SEK 30m

H1: organic sales growth 9%; operating margin 14.5%

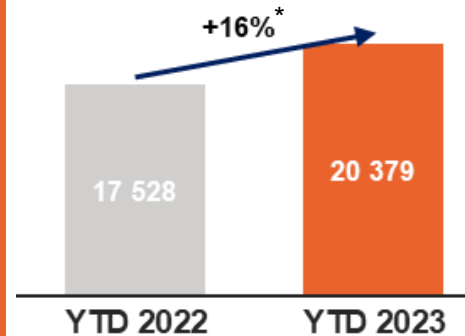
Net sales



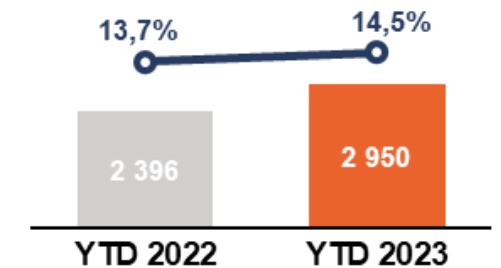
Operating income, excl IAC



Net sales



Operating income, excl. IAC



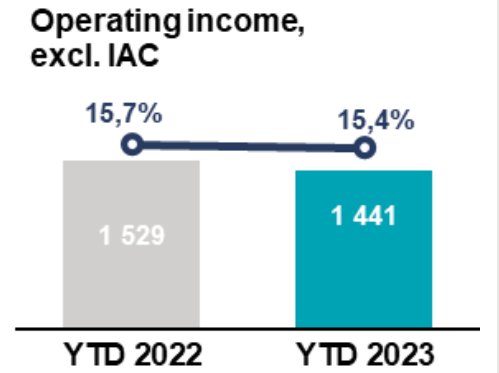
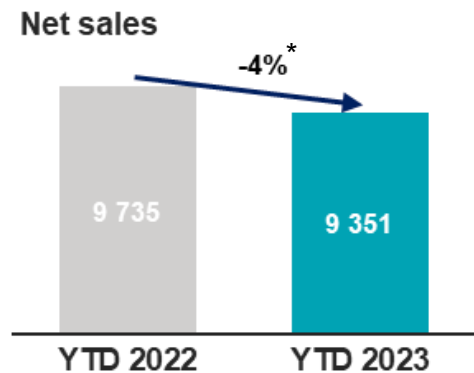
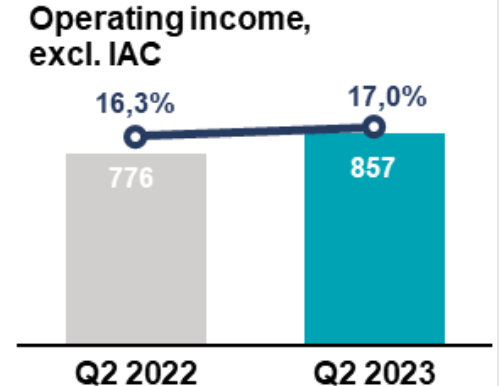
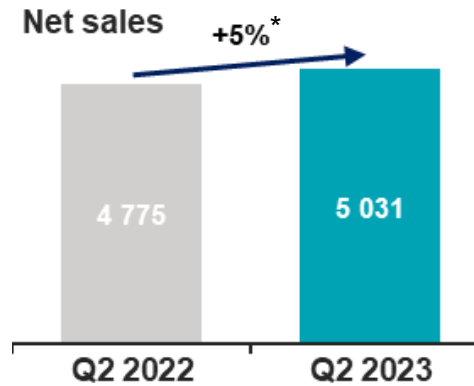
Gardena Division



Q2: organic sales declined 2%; operating margin 17.0%

- Watering returned to growth in the quarter
- Good performance in Orbit Irrigation
- Higher margin driven by price increases and lower costs for raw materials and logistics
- Currency effect of SEK -115m on operating income

H1: organic sales declined 11%; operating margin 15.4%



Note: Operating income excluding items affecting comparability
*Reported sales growth in SEK

Husqvarna Construction Division

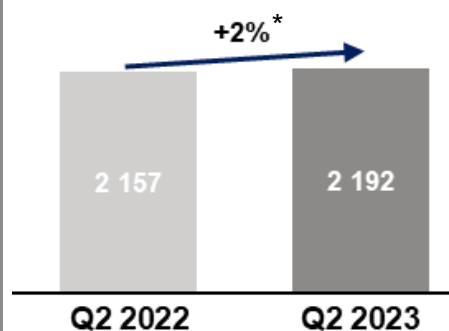


Q2: organic sales declined 5%; operating margin 14.1%

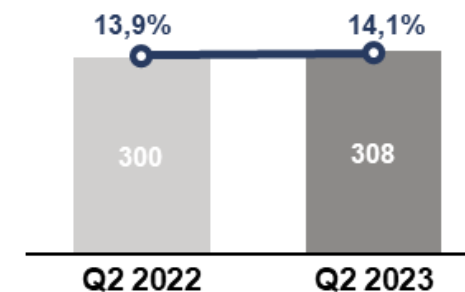
- Good growth in North America
- Strong performance for Concrete Surface & Floors segment
- Price increases and cost efficiency
- Positive currency effect of SEK 60m on operating income

H1: organic sales declined 3%; operating margin 13.7%

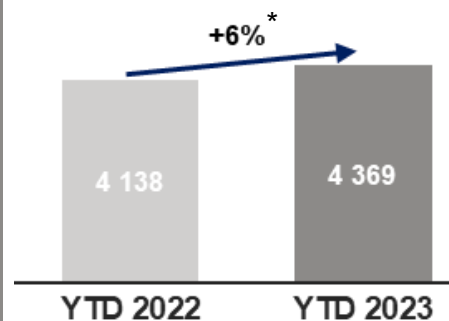
Net sales



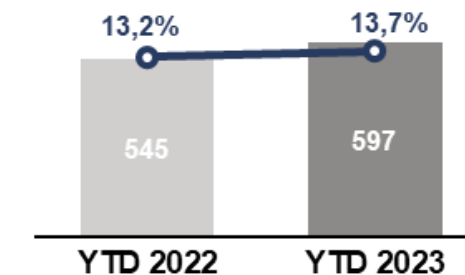
Operating income, excl. IAC



Net sales

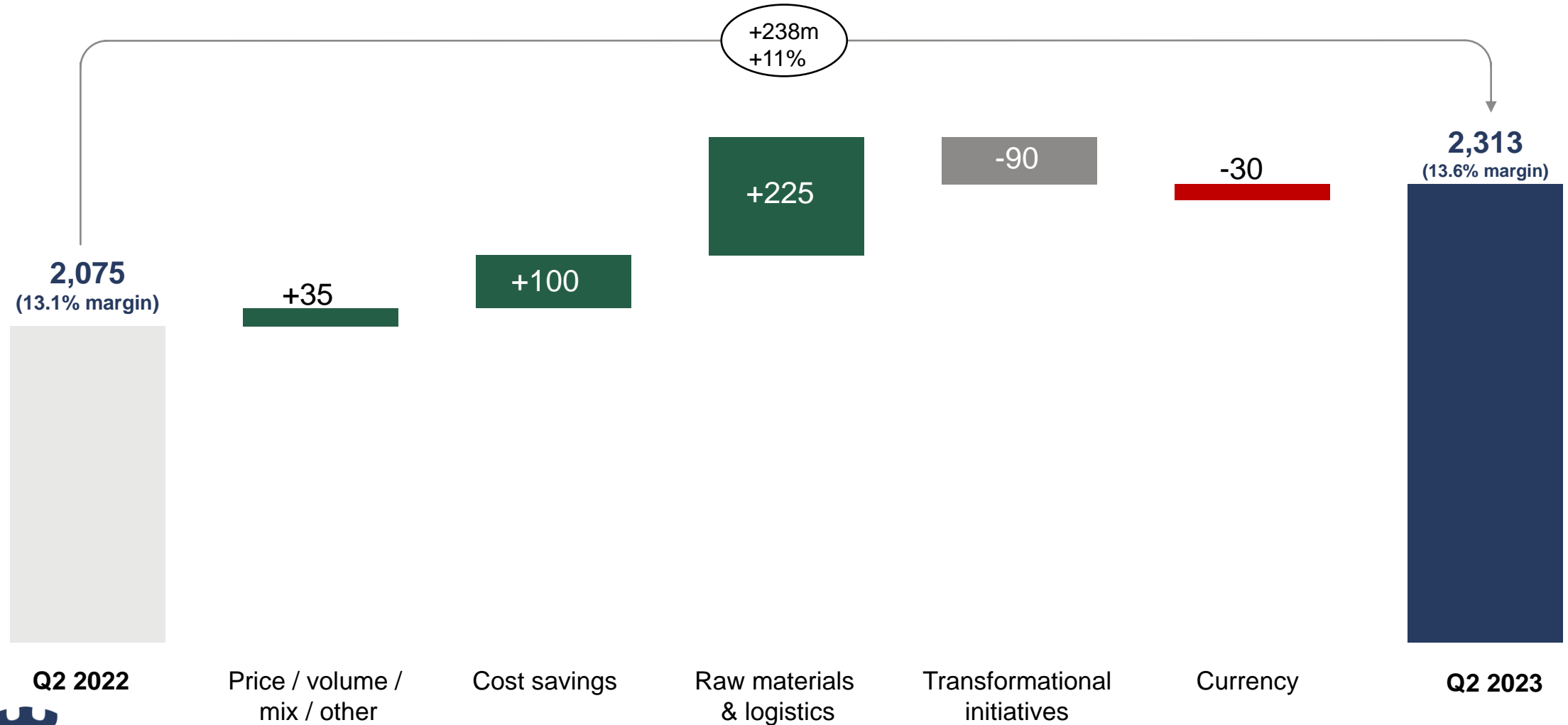


Operating income, excl. IAC

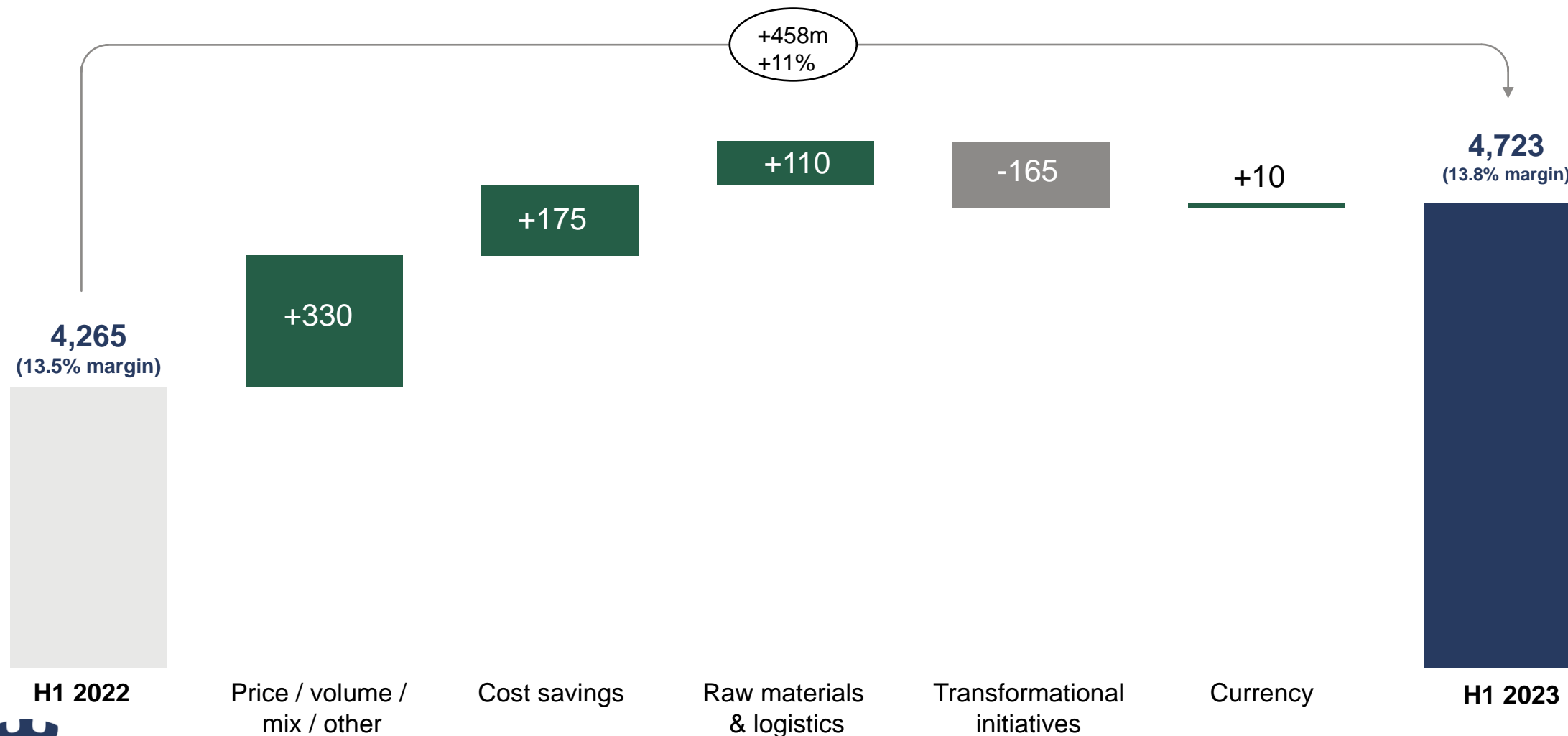


*Note: Operating income excluding items affecting comparability
Reported sales growth in SEK

Q2 2023 EBIT bridge (excl. IAC)



H1 2023 EBIT bridge (excl. IAC)

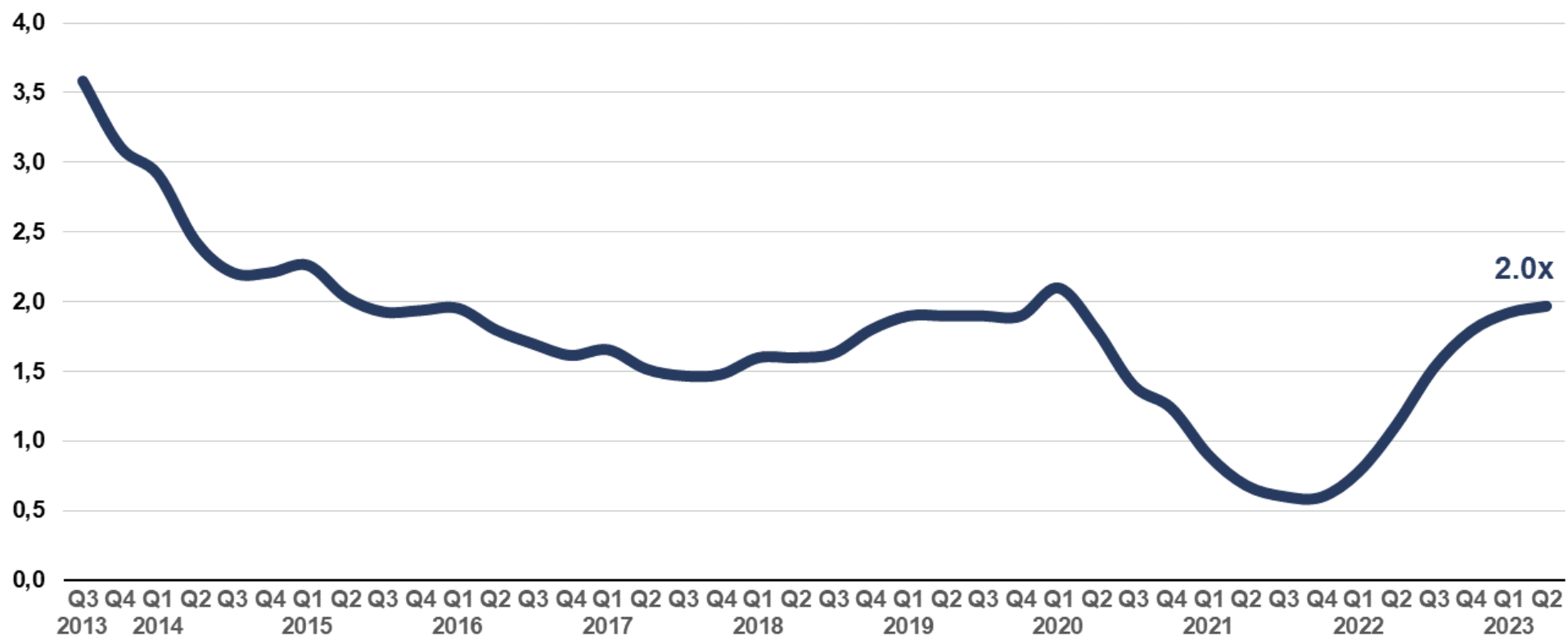


Consolidated balance sheet

SEKm	June 30, 2023	June 30, 2022	Dec 31, 2022
Non-current assets	32 338	29 776	30 849
Inventories	17 949	16 455	19 334
Trade receivables	9 373	8 204	6 267
Other current assets	2 620	2 395	2 858
Cash and cash equivalents	3 990	2 558	2 328
Total assets	66 270	59 387	61 636
Total equity	26 279	25 034	24 011
Borrowings	14 432	10 848	16 627
Lease liabilities	2 249	1 851	2 358
Provisions for pensions	1 713	1 701	1 681
Other provisions	2 420	1 583	2 116
Trade payables	7 017	7 918	7 111
Other current liabilities	12 159	10 452	7 732
Total equity and liabilities	66 270	59 387	61 636

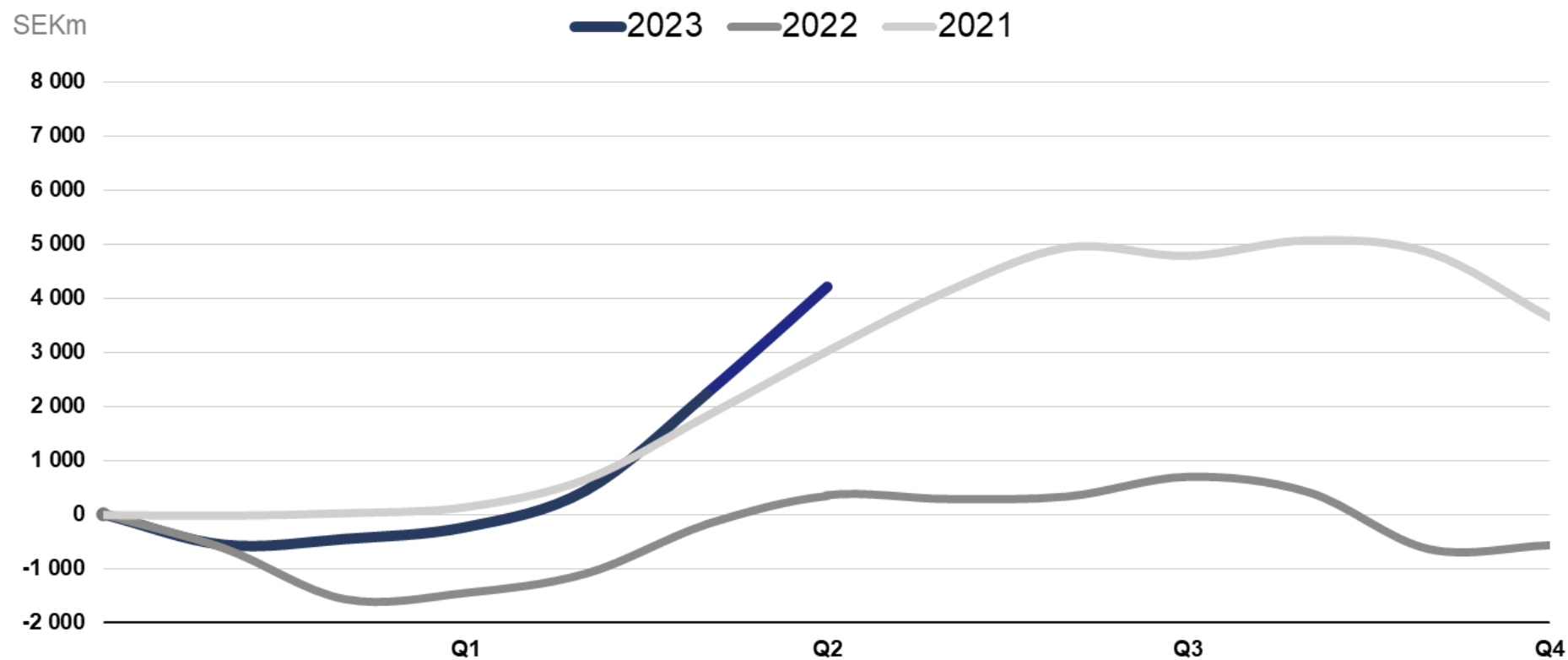
- Solid financial position
- Net debt reduction since year end
- Lower inventory levels since year end
 - Lower levels of components
 - Currency effect
 - Cost increase
 - Continued focus on inventory management
- Higher receivables driven by increased sales

Net debt / EBITDA



Strong cash flow generation

Direct operating cash flow



Product highlights

High demand
on updated
GARDENA
Micro-Drip-
System



New Battery
chainsaw for
PRO



Husqvarna
Construction -
The complete
partner in
surface
preparation



Husqvarna
NERA
launched

Rewilding
mode
available



Investing in our sustainable value creation levers



Robotic mowers



Battery-powered products



Professional solutions

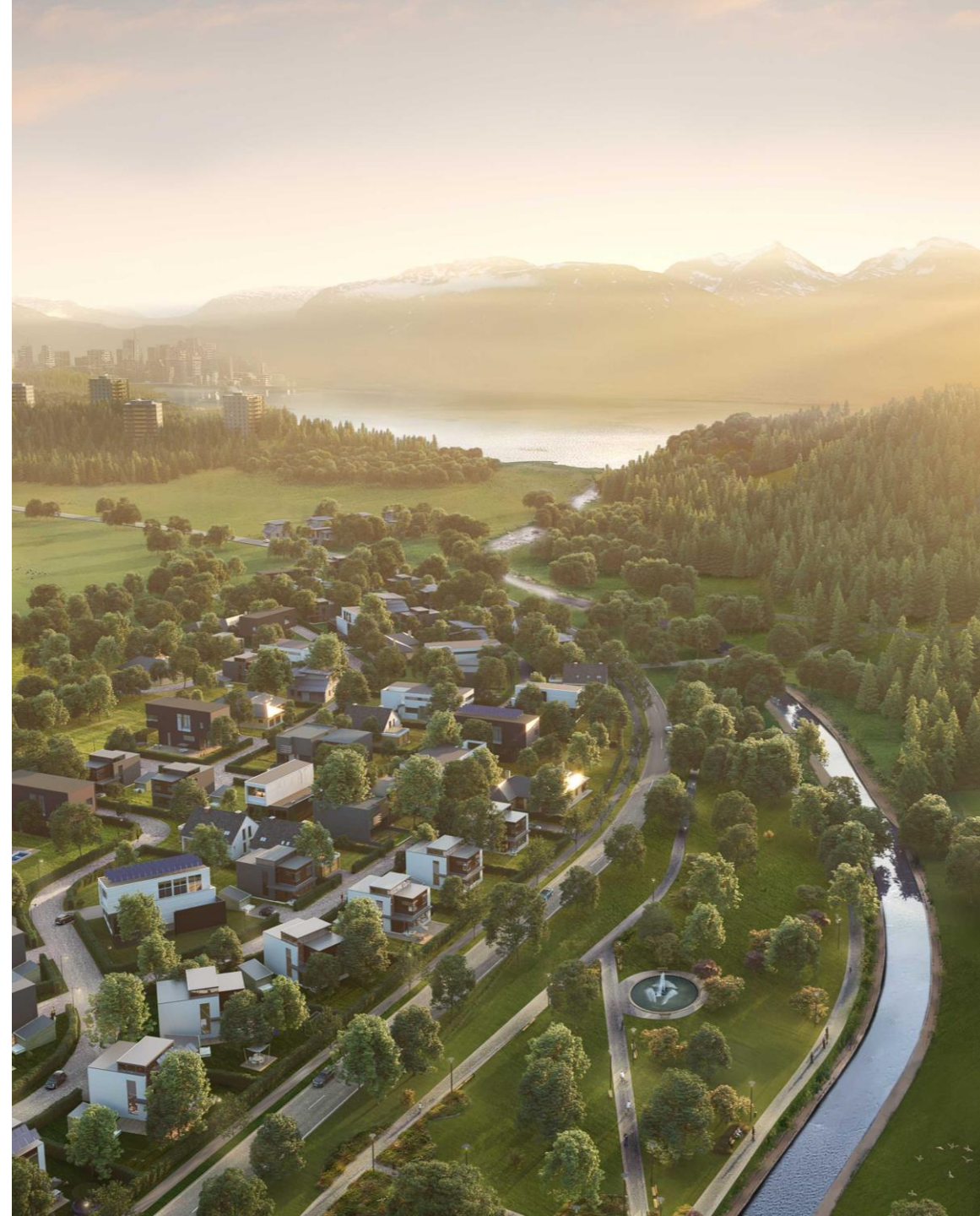


Watering products



Increasing operational efficiencies, Husqvarna Forest & Garden Division

- Acceleration program progressing as planned
- Optimizing our manufacturing footprint to reflect the petrol-to-battery shift
- Exiting 2 bn SEK of low-margin petrol-powered consumer business (primarily wheeled)
- Consolidating the North American operations
 - Right-sizing Orangeburg, SC
 - Closing of the production facility in Nashville, AR
- Operational investments in São Carlos, Brazil



Sustainovate 2025 targets – good progress



CARBON

Reduce absolute CO₂ emissions by -35%

Status Q2 2023:

-38%



CIRCULAR

Launch 50 new circular innovations

Status Q2 2023:

20



PEOPLE

Empower 5 million people to make sustainable choices

Status Q2 2023:

1,4m



Husqvarna
Group

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**Excluding items affecting comparability, Y/Y growth*



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