



# Q3 Results – October 20, 2023

Pavel Hajman, CEO  
Terry Burke, CFO

# Strategy execution in challenging market conditions

- Challenging market conditions impacting our forest & garden segments
- Improved operating result in Construction
- Direct operating cash flow increased by SEK 1.5bn
- Further cost reductions. Reduced manufacturing for the remainder of the year
- Significant progress in value creation areas: robotics, battery, watering and professional solutions



# Q3 – solid cash flow in the quarter



NET SALES

SEK **10,512**<sub>m</sub> (12,206)

ORGANIC GROWTH -15%

- Good growth for battery-powered products
- Significant decrease for petrol-powered wheeled products, lower demand and exits
- Resilience in Construction



OPERATING INCOME

SEK **415**<sub>m</sub> (601)

- Lower volumes
- Price increase carry-over
- Lower raw material and logistics costs
- Cost savings on plan



DIRECT OPERATING  
CASH FLOW

SEK **1,814**<sub>m</sub> (338)

- Solid cash flow from working capital changes
- Focus on further inventory reduction

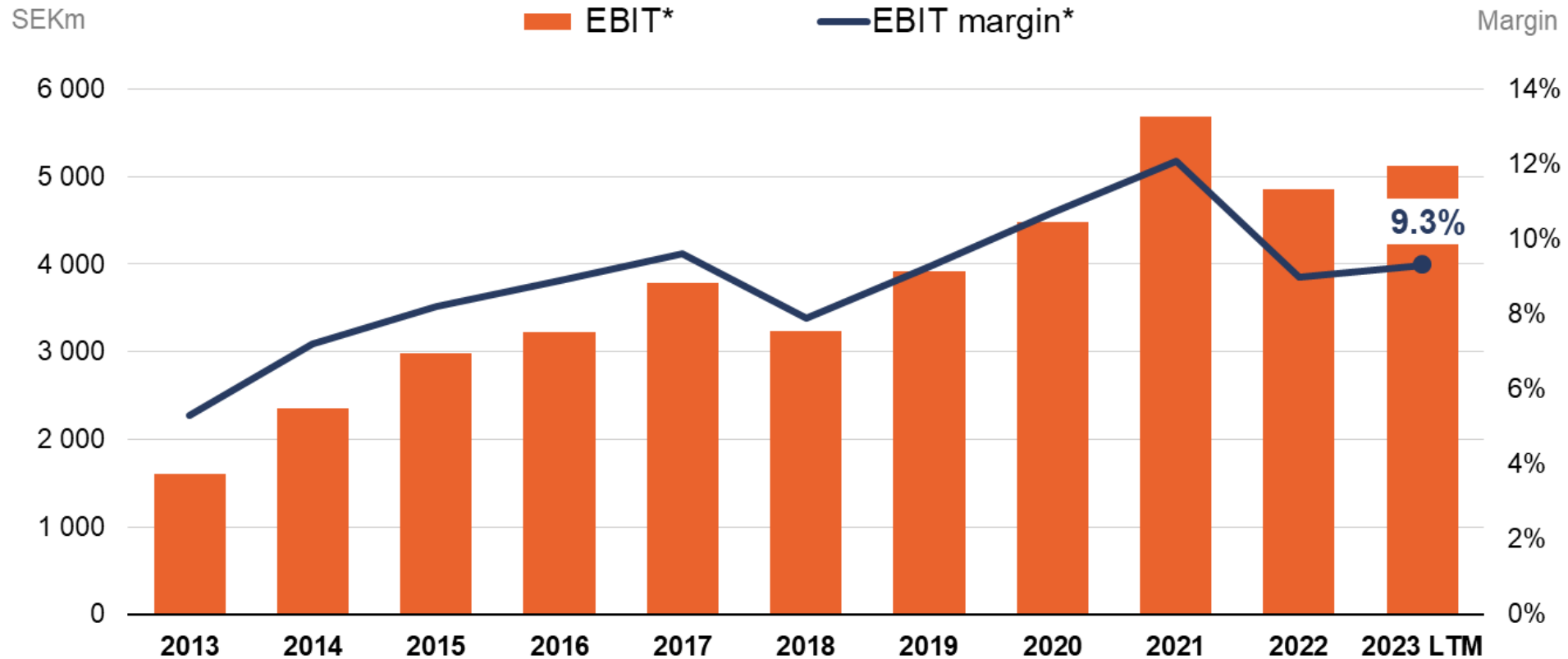


ROBOTICS AND BATTERY

**21%** (14) of Group R12

- Lower robotics volumes vs. Q3 2022 – but higher than past years average
- Strong product line-ups
- Strengthened market positions

# Building a stronger Husqvarna Group



*\*Operating income excluding items affecting comparability*

# Husqvarna Forest & Garden Division

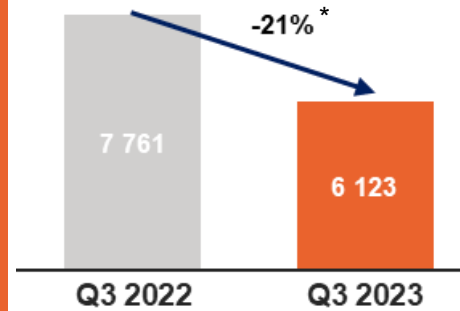


**Q3: Organic sales declined 21%; operating margin 4.8%**

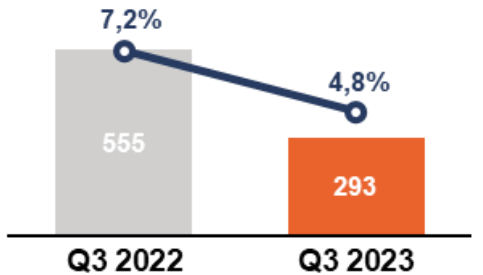
- Strong growth for battery-powered products
- Significant decline in wheeled products – exits and lower demand
- Lower robotics volumes vs. 2022 – but higher than past years average
- Operating margin impacted by lower volumes – partly offset by price increases & lower raw materials and logistics costs

**9M: Organic sales unchanged; operating margin 12.2%**

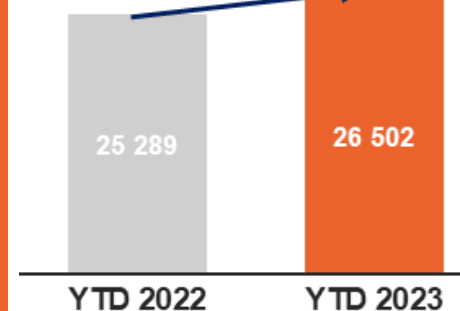
Net sales



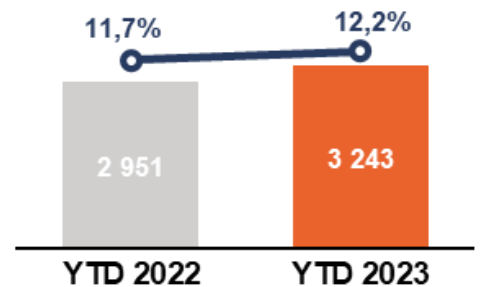
Operating income, excl IAC



Net sales



Operating income, excl. IAC



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

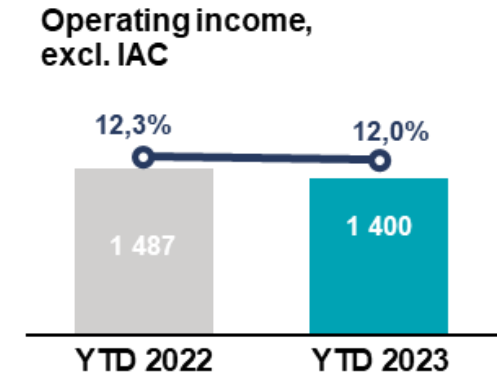
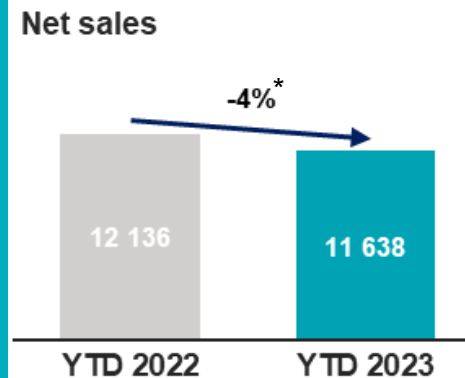
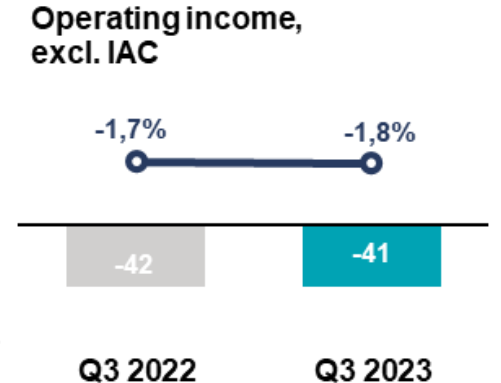
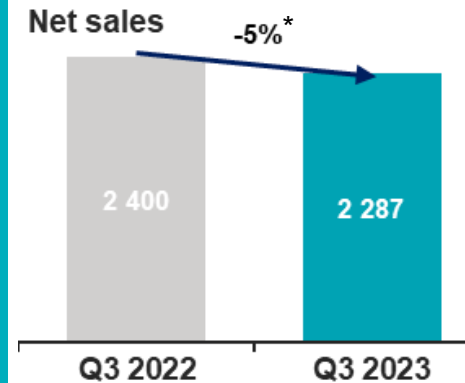
# Gardena Division



**Q3: Organic sales declined 8%; operating margin -1.8%**

- Sales decreased - lower demand
- Orbit improved operating margin, however sales growth below division average
- Positive effects from cost savings and price increases
- Flat operating income. SEK -35m in currency impact

**9M: Organic sales declined 11%; operating margin 12.0%**



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

# Husqvarna Construction Division

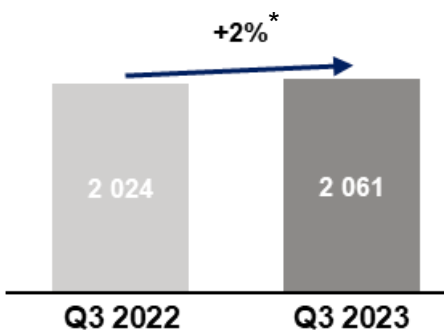


**Q3: Organic sales declined 1%; operating margin 10.9%**

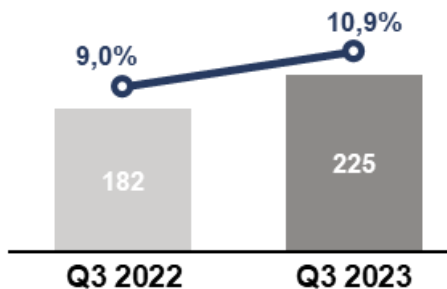
- Good growth in North America and Emerging markets
- Decline in Europe
- Positive effects from price increases and cost savings

**9M: Organic sales declined 2%; operating margin 12.8%**

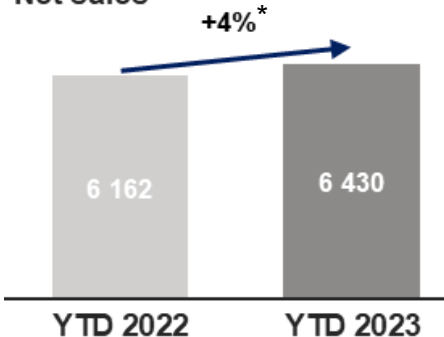
**Net sales**



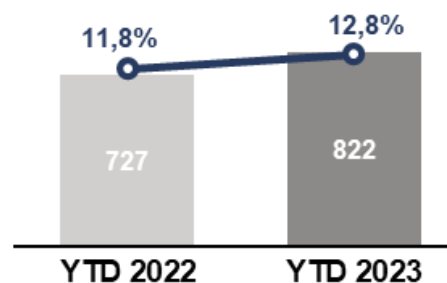
**Operating income, excl. IAC**



**Net sales**

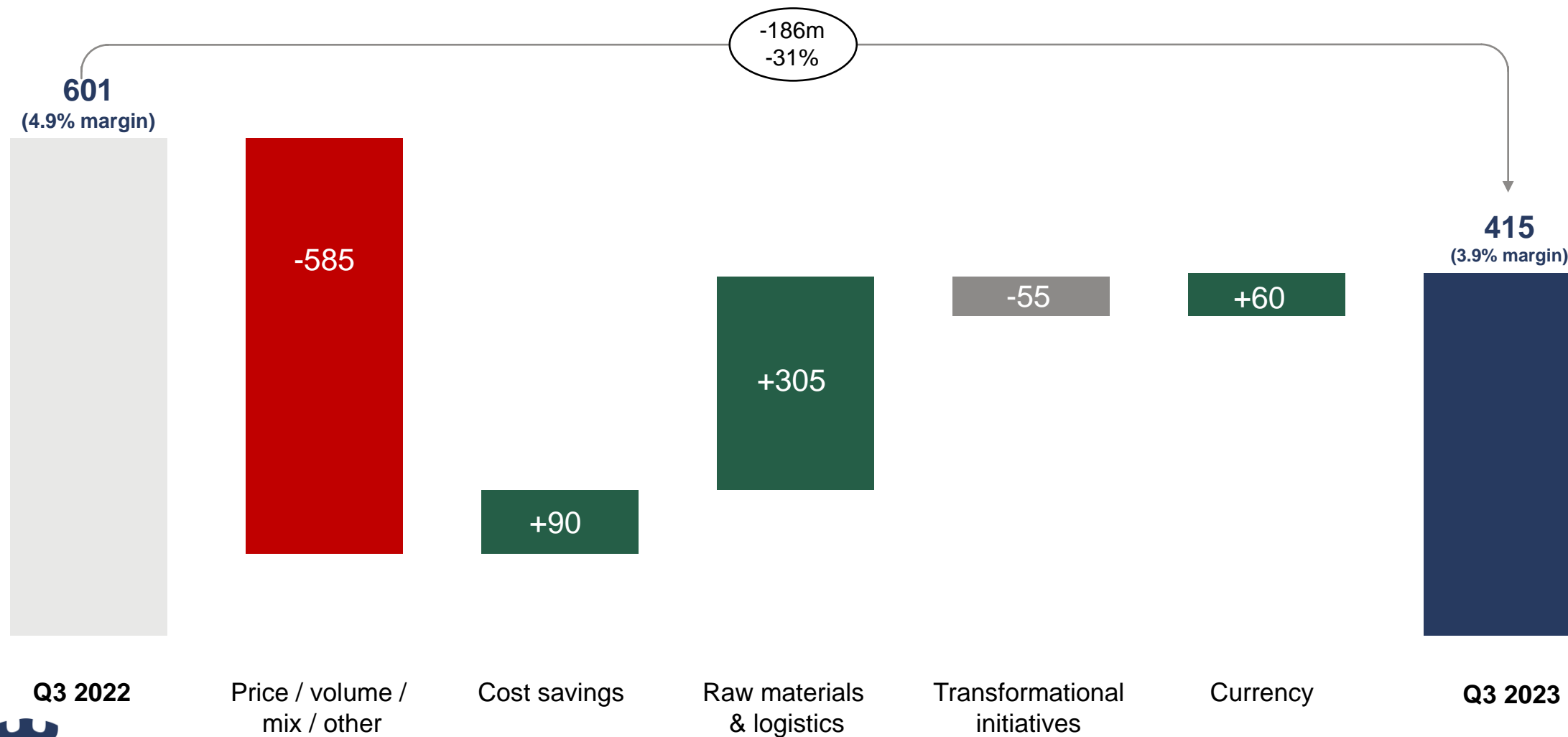


**Operating income, excl. IAC**



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

# Q3 2023 EBIT bridge (excl. IAC)





# 9M 2023 EBIT bridge (excl. IAC)



# Additional cost savings

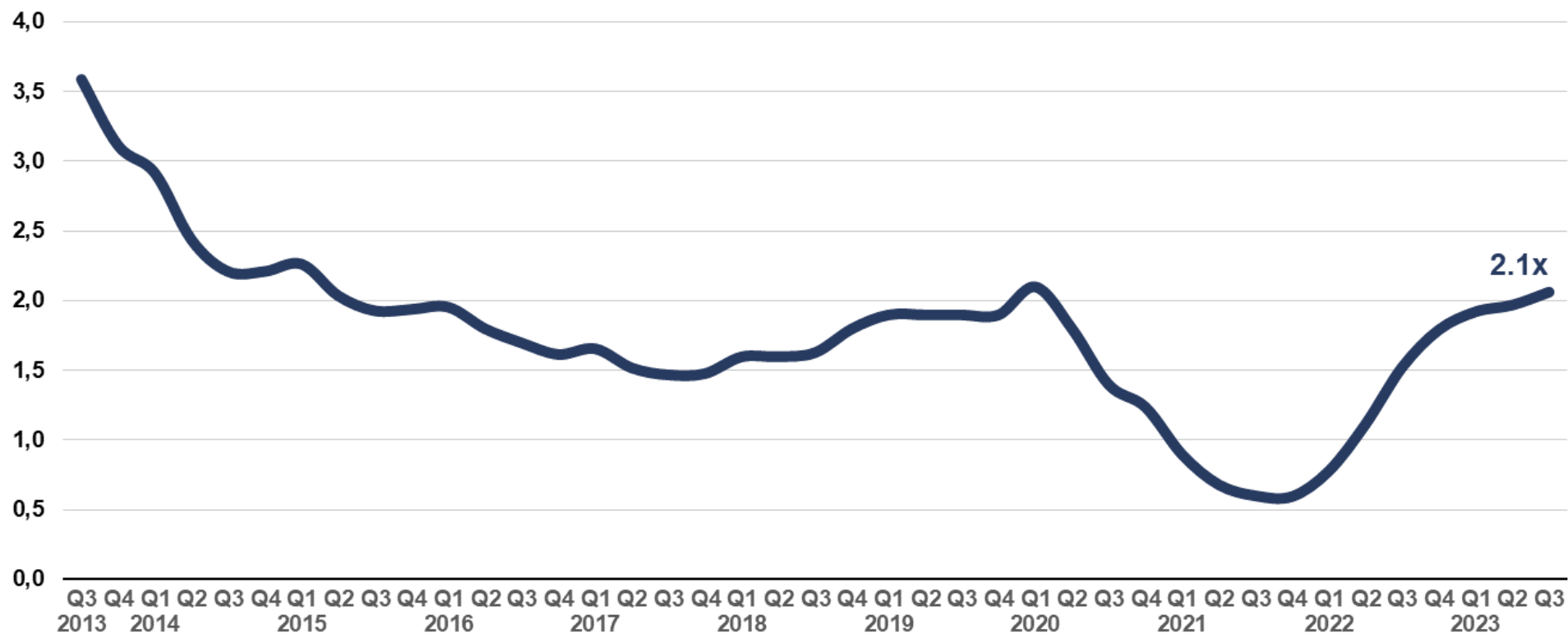
- Expanding our cost saving initiatives by additionally SEK 400m, impacting approximately 300 positions
- Combined with our existing programs, total targeted savings are now SEK 1.2bn with full effect in 2025

# Consolidated balance sheet

SEKm	Sept 30, 2023	Sept 30, 2022	Dec 31, 2022
Non-current assets	31 266	30 837	30 849
Inventories	17 090	17 612	19 334
Trade receivables	6 562	6 896	6 267
Other current assets	2 474	2 658	2 858
Cash and cash equivalents	2 196	2 423	2 328
<b>Total assets</b>	<b>59 588</b>	<b>60 426</b>	<b>61 636</b>
Total equity	26 129	26 472	24 011
Borrowings	13 299	11 948	16 627
Lease liabilities	2 247	1 923	2 358
Provisions for pensions	1 637	1 631	1 681
Other provisions	2 065	1 538	2 116
Trade payables	5 016	6 843	7 111
Other current liabilities	9 194	10 070	7 732
<b>Total equity and liabilities</b>	<b>59 588</b>	<b>60 426</b>	<b>61 636</b>

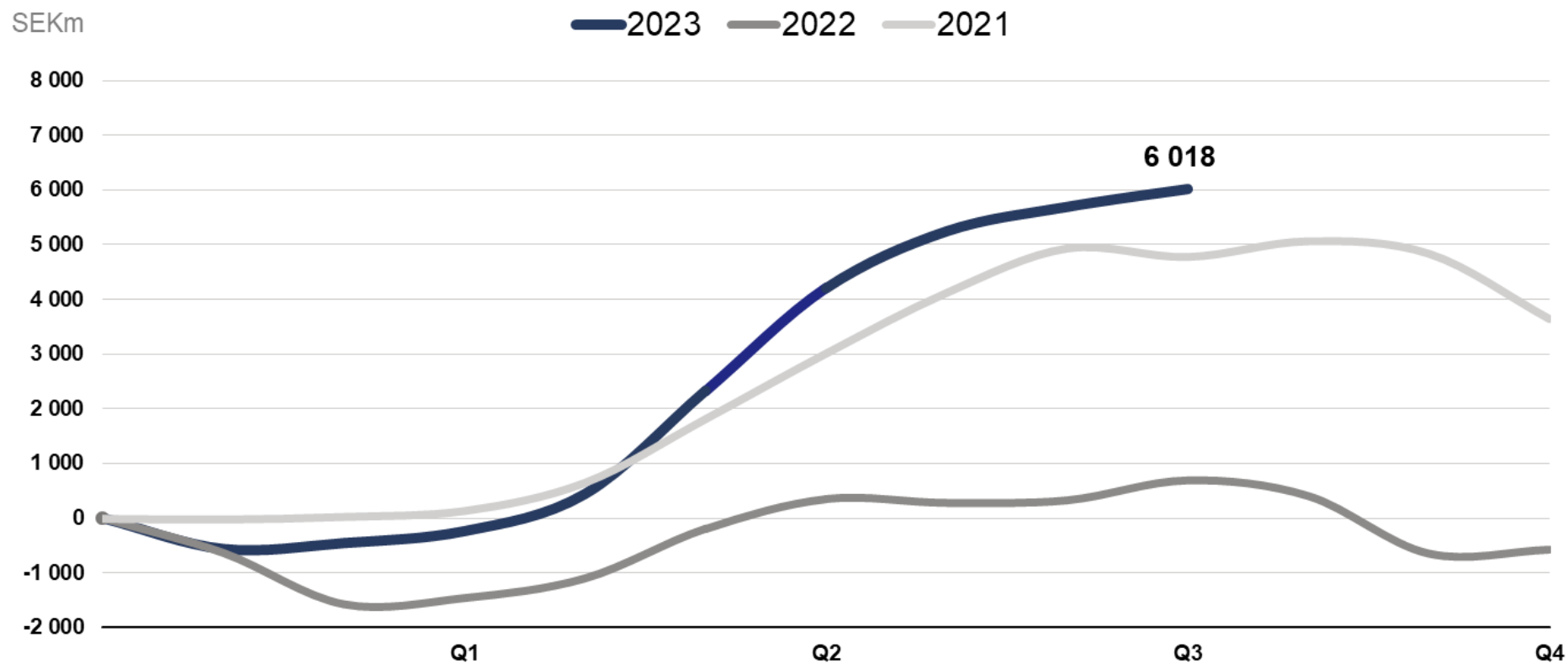
- Solid financial position
- Net debt reduction since year-end
- Lower inventory levels
- Lower payables driven by reduced inventories

# Net debt / EBITDA



# Strong cash flow generation

Direct operating cash flow



# Investing in our value creation areas



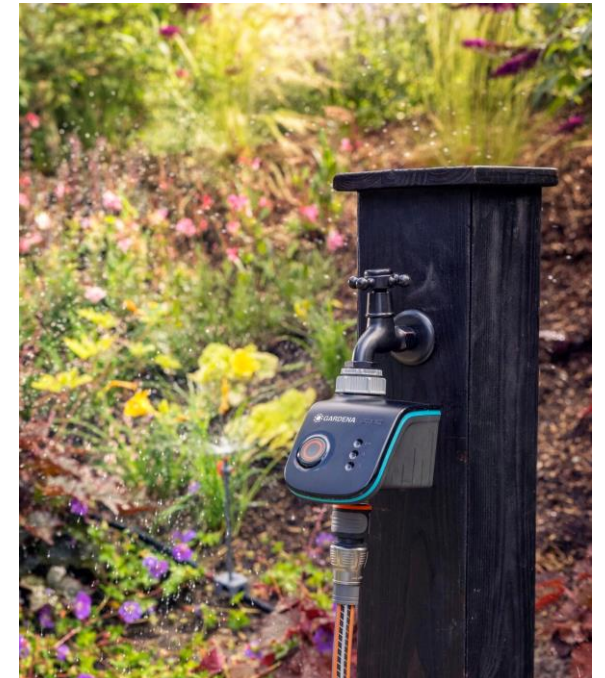
Robotic mowers



Battery-powered products



Professional solutions

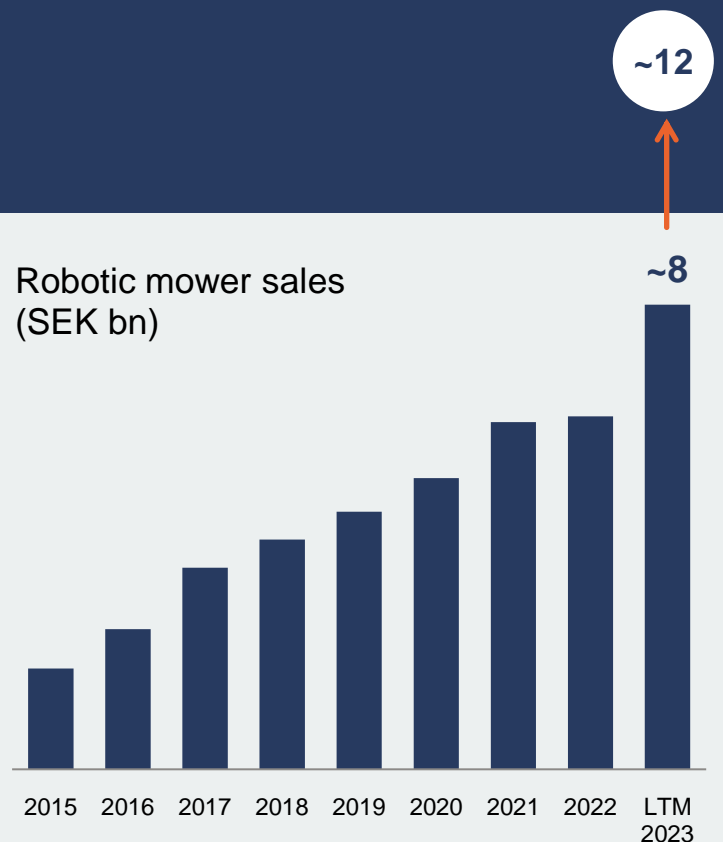


Watering products

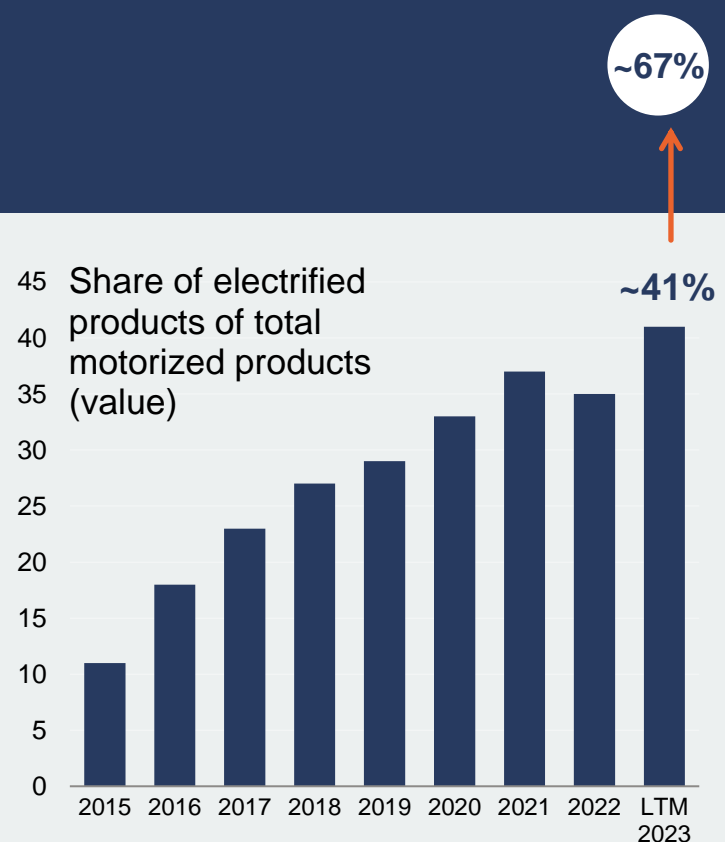


# Executing on our strategy

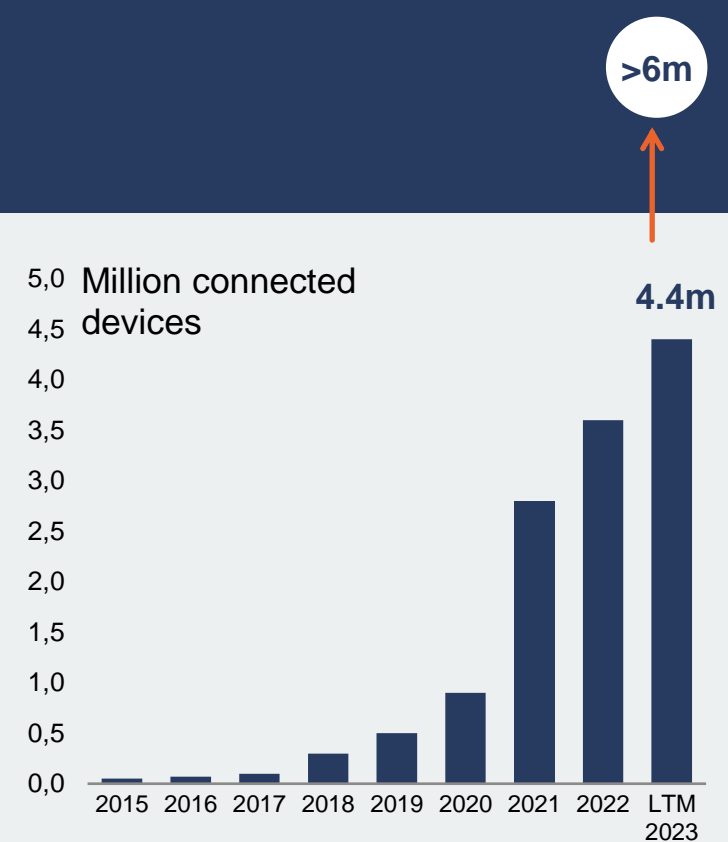
## Double sales of robotic mowers



## Electrified solutions to reach 2/3



## Double number of connected devices



# Strategic highlights

High demand  
and delivery of  
Husqvarna  
Automower  
NERA



Breakthrough  
battery deal in  
BeNeLux



Strong  
demand in  
MicroDrip  
systems



Growing range  
of heavy-duty  
machines on  
the Husqvarna  
PACE battery  
system





# Progress on our Sustainovate 2025 targets



## CARBON

Reduce absolute CO<sub>2</sub> emissions by -35%

Status Q3 2023:

**-40%**



## CIRCULAR

Launch 50 new circular innovations

Status Q3 2023:

**22**



## PEOPLE

Empower 5 million people to make sustainable choices

Status Q3 2023:

**1.7m**



Husqvarna  
Group

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