



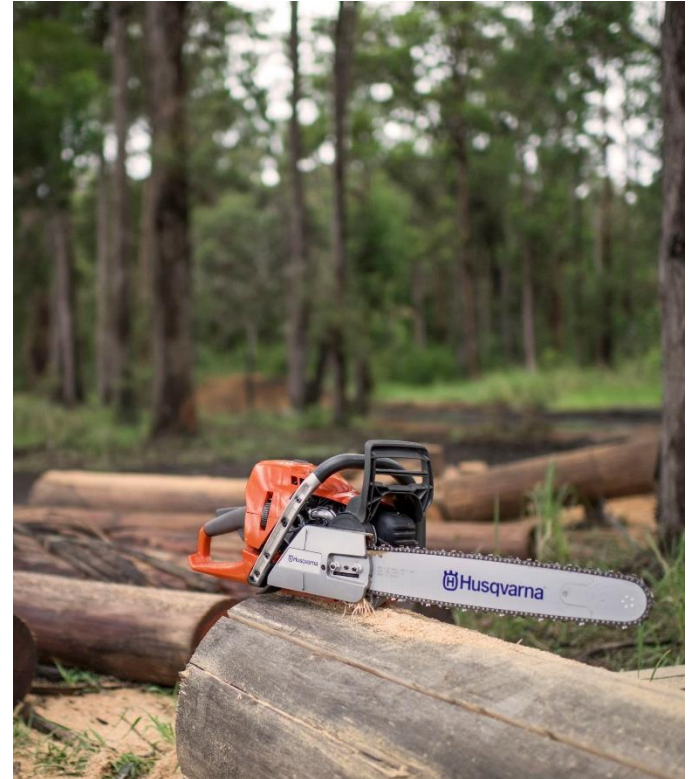
Q3 2017 results presentation

2017-10-20

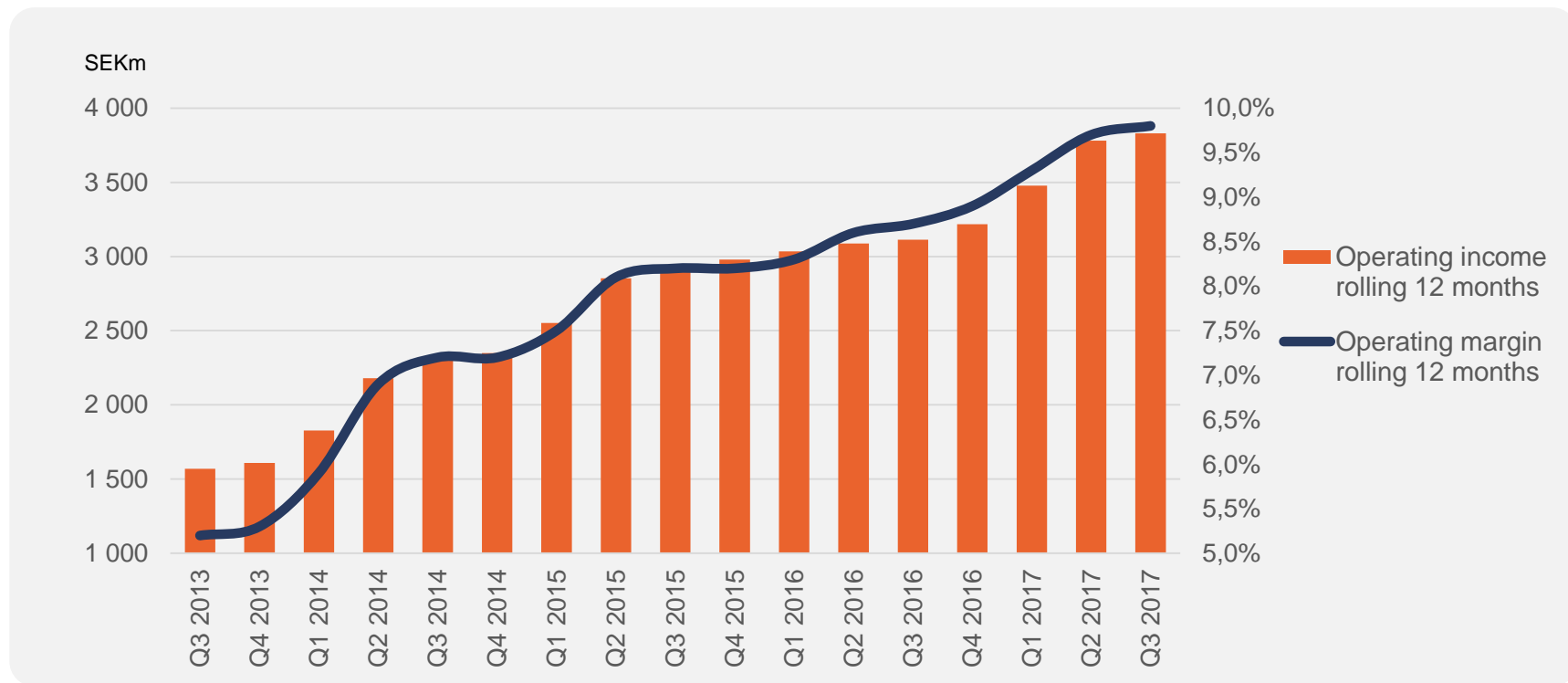
Group summary Q3 2017

- Operative Group performance better than prior year Q3
- Divisions in profitable growth mode;
 - Continued growth
 - Continued investments in select growth activities along with further efficiency improvements
 - Lower results leverage on sales in H2 due to the high investment level in profitable growth activities
- Active decision to scale back certain non-strategic U.S. retail channel volume in Consumer Brands

***Strong year-to-date development
for the Group***

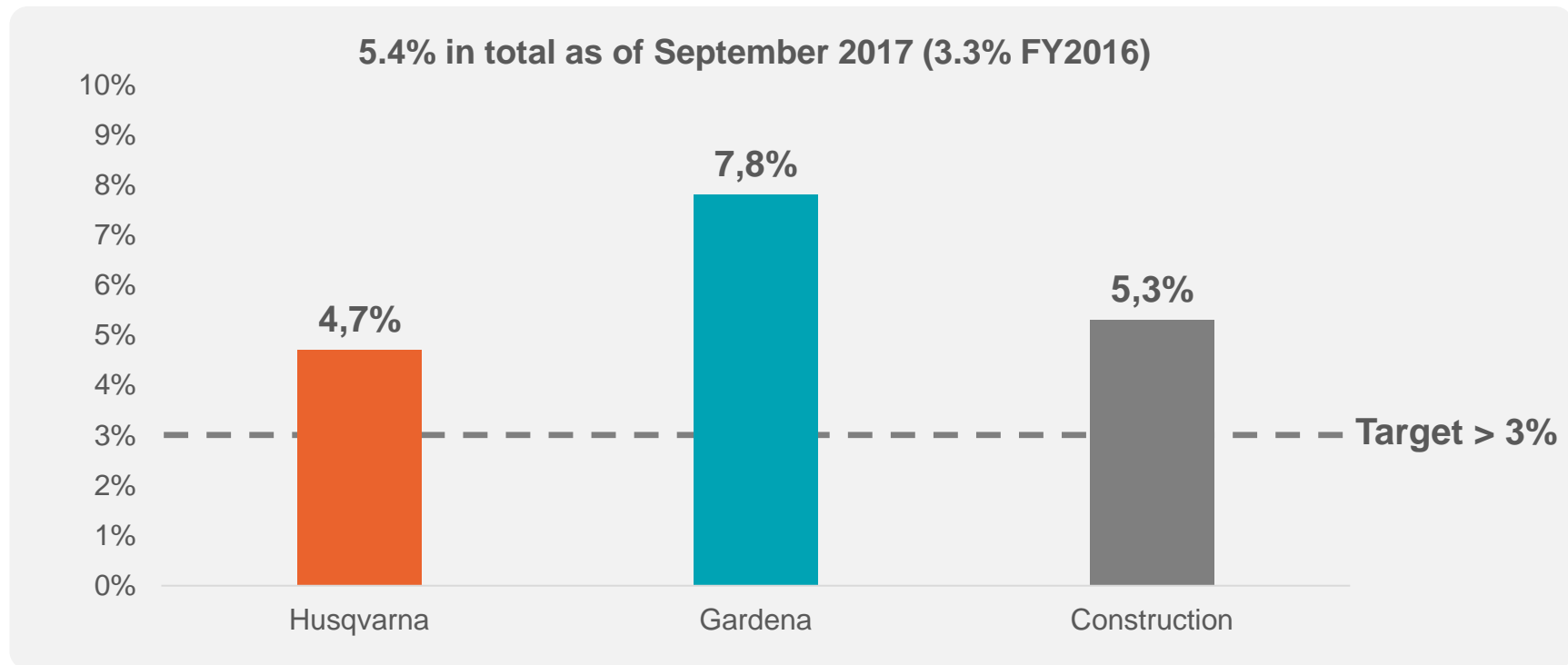


Group results development



Profitable growth divisions

Net sales growth, R12, adjusted for currency and acquisitions



Financial highlights, Group

SEKm	Q3 2017	Q3 2016	Change, %	Jan-Sep 2017	Jan-Sep 2016	Change, %	LTM ¹	FY 2016
Net sales	7,449	7,349	1	33,264	30,214	10	39,032	35,982
<i>Currency adjusted change, %</i>	4	-1	-	7	0	-	-	0
<i>Gross margin, %</i>	31.7	31.2	-	31.9	31.1	-	31.6	30.8
Operating income	433	431	0	3,860	3,326	16	3,752	3,218
<i>Operating margin, %</i>	5.8	5.9	-	11.6	11.0	-	9.6	8.9

¹ Last twelve months.

- Continued organic growth
- Results improvement trend sustained, despite restructuring costs and investments in growth initiatives
- Operating working capital / net sales improvement

Year-to-date strong financials

- Sales up 7%
- Operating income up 16%
- Cash flow improvement



Husqvarna Division

SEKm	Q3 2017	Q3 2016	Change, %	Jan-Sep 2017	Jan-Sep 2016	Change, %	LTM ¹	FY 2016
Net sales	3,734	3,752	0	16,420	14,930	10	19,450	17,960
<i>Currency adjusted change, %</i>	2	5	-	7	4	-	-	2
Operating income	385	368	4	2,618	2,243	17	2,692	2,317
<i>Operating margin, %</i>	10.3	9.8	-	15.9	15.0	-	13.8	12.9

¹ Last twelve months.

- 2% currency adjusted growth, primarily related to North America and wheeled products
- Positive volume and currency impact offset by unfavorable geographical and product mix
- Investments in growth initiatives continue

Year-to-date strong financials reflecting execution of profitable growth strategy

- Sales up 7%, operating income up 17%



Entry into commercial applications for robotic mowers

Husqvarna launches Fleet Services and first generation of robotic mowers for commercial use

Husqvarna Automower® 550 and 520

- Developed for green space managers and landscaping companies
- Performance ideal for e.g. hotels, libraries, cemeteries
- Connected to Husqvarna Fleet Services to enable control of a variety of mower activities and settings, service and maintenance needs



Husqvarna Fleet Services™

- Cloud-based solution that allows commercial lawn and garden managers to monitor their machine park
- Track use, productivity, monitor service needs – to maximize uptime and profitability



Gardena Division

SEKm	Q3 2017	Q3 2016	Change, %	Jan-Sep 2017	Jan-Sep 2016	Change, %	LTM ¹	FY 2016
Net sales	1,033	1,002	3	5,074	4,515	12	5,592	5,033
<i>Currency adjusted change, %</i>	3	-6	-	9	9	-	-	8
Operating income	62	50	24	878	725	21	748	595
<i>Operating margin, %</i>	6.0	5.0	-	17.3	16.1	-	13.4	11.8

¹ Last twelve months.

- 3% currency adjusted growth
- Good development for watering products into July
- 2018 activities include continued fast rate of new product launches, branding investments, geo and channel expansion

Year-to-date strong financials reflecting execution of profitable growth strategy

- Sales up 9%, operating income up 21%



Consumer Brands Division

SEKm	Q3 2017	Q3 2016	Change, %	Jan-Sep 2017	Jan-Sep 2016	Change, %	LTM ¹	FY 2016
Net sales	1,419	1,553	-9	7,967	7,654	4	9,201	8,888
<i>Currency adjusted change, %</i>	-5	-10	-	1	-11	-	-	-10
Operating income	-94	-80	-17	39	131	-70	-89	3
<i>Operating margin, %</i>	-6.6	-5.2	-	0.5	1.7	-	-1.0	0.0

¹ Last twelve months.

- Lower sales, mainly related to decline in Europe
- Continued cost reductions and efficiency measures, offset by
 - Unfavorable product and regional mix, raw material inflation
 - Competitive environment in the U.S. retail channel
- Decision to scale back sales to a large non-strategic U.S. retail account
 - Sales impact ~ SEK 1 Bn in 2018. Some impact on pre-season shipments in Q4 2017
 - Additional mitigating actions
 - Delay of operating income improvement trajectory



Consumer Brands 2018 Innovation

- Innovation vital for sustainable profitability improvements
- Widened product range under several brands
- Awarded Lowes Innovation Partner honor

WEED EATER



20V Ecosystem



58V Ecosystem



Petrol Extensions Mower
Mow N Stow Mower



58V Ecosystem



Hover Collect Speedimow

Construction Division

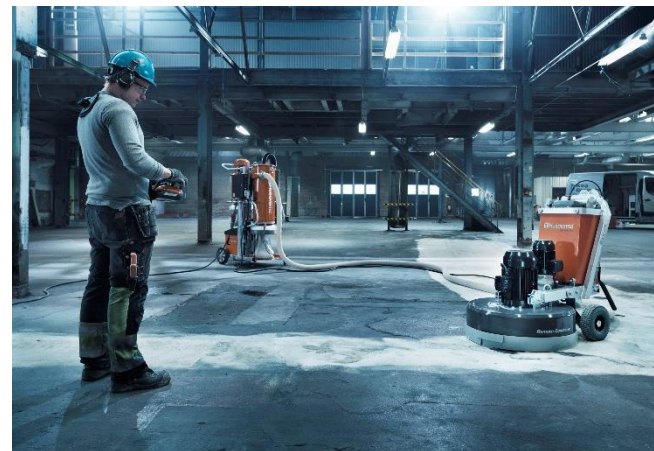
SEKm	Q3 2017	Q3 2016	Change, %	Jan-Sep 2017	Jan-Sep 2016	Change, %	LTM ¹	FY 2016
Net sales	1,260	1,042	21	3,798	3,115	22	4,784	4,101
<i>Currency adjusted change, %</i>	25	1	-	19	3	-	-	4
Operating income	143	155	-8	517	423	22	662	568
<i>Operating margin, %</i>	11.4	14.9	-	13.6	13.6	-	13.8	13.9

¹ Last twelve months.

- Continued growth, sales up 25%
 - Strong performance by acquired Pullman Ermator and HTC
 - 5% organic growth rate
- Broad geographical and product category sales increases
- Operating income includes ~SEK 50m of restructuring costs

Year-to-date strong financials reflecting execution of profitable growth strategy

- Sales up 19%, operating income up 22%



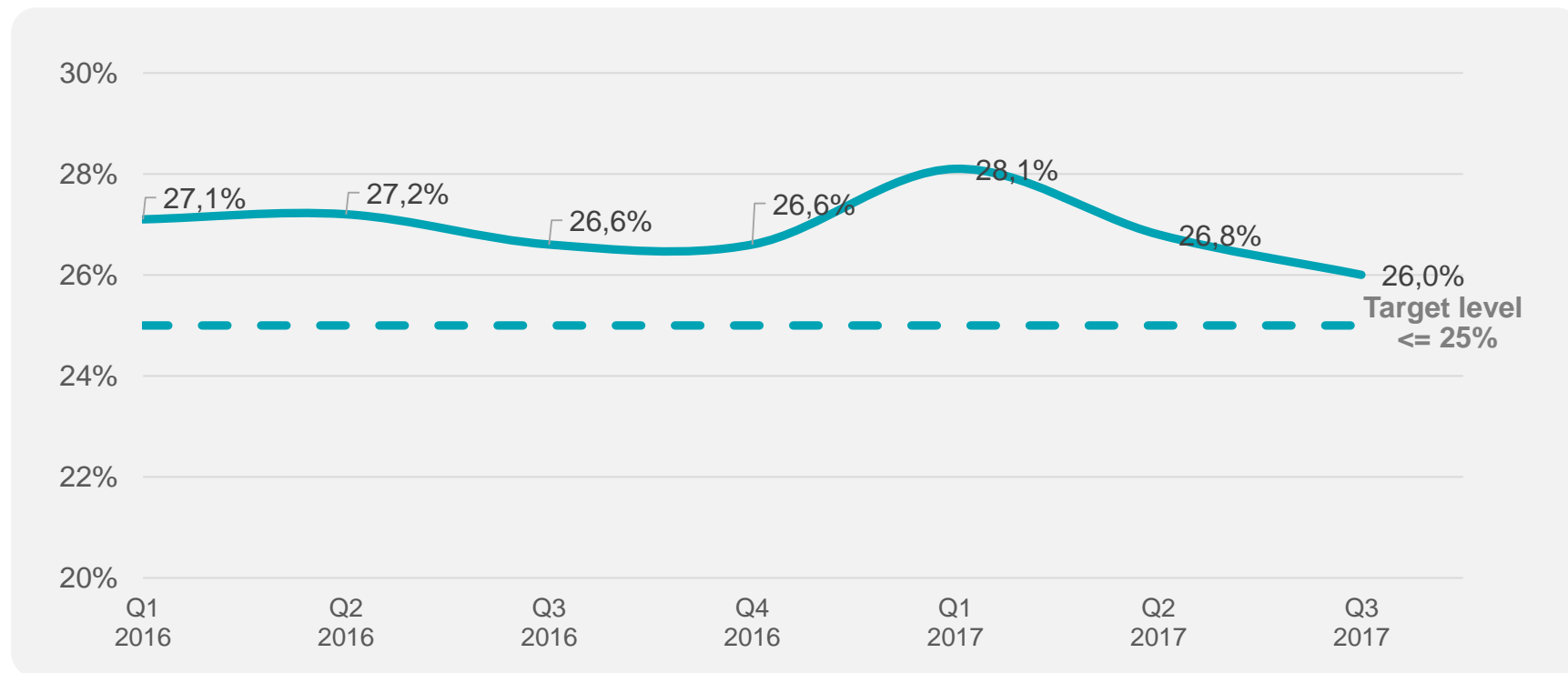
Consolidated income statement

SEKm	Q3 2017	Q3 2016	Jan-Sep 2017	Jan-Sep 2016	FY 2016
Net sales	7,449	7,349	33,264	30,214	35,982
Cost of goods sold	-5,085	-5,058	-22,638	-20,824	-24,886
Gross income	2,364	2,291	10,626	9,390	11,096
<i>Gross margin, %</i>	<i>31.7</i>	<i>31.2</i>	<i>31.9</i>	<i>31.1</i>	<i>30.8</i>
Selling expenses	-1,448	-1,438	-5,341	-4,787	-6,168
Administrative expenses	-484	-415	-1,431	-1,270	-1,707
Other operating income/expense	1	-7	6	-7	-3
Operating income ¹	433	431	3,860	3,326	3,218
<i>Operating margin, %</i>	<i>5.8</i>	<i>5.9</i>	<i>11.6</i>	<i>11.0</i>	<i>8.9</i>
Financial items, net	-104	-124	-365	-338	-422
Income after financial items	329	307	3,495	2,988	2,796
<i>Margin, %</i>	<i>4.4</i>	<i>4.2</i>	<i>10.5</i>	<i>9.9</i>	<i>7.8</i>
Income tax	-119	-102	-896	-763	-692
Income for the period	210	205	2,599	2,225	2,104
Earnings per share after dilution, SEK	0.37	0.36	4.52	3.87	3.66
¹ Of which depreciation, amortization and impairment	309	305	984	860	1,164

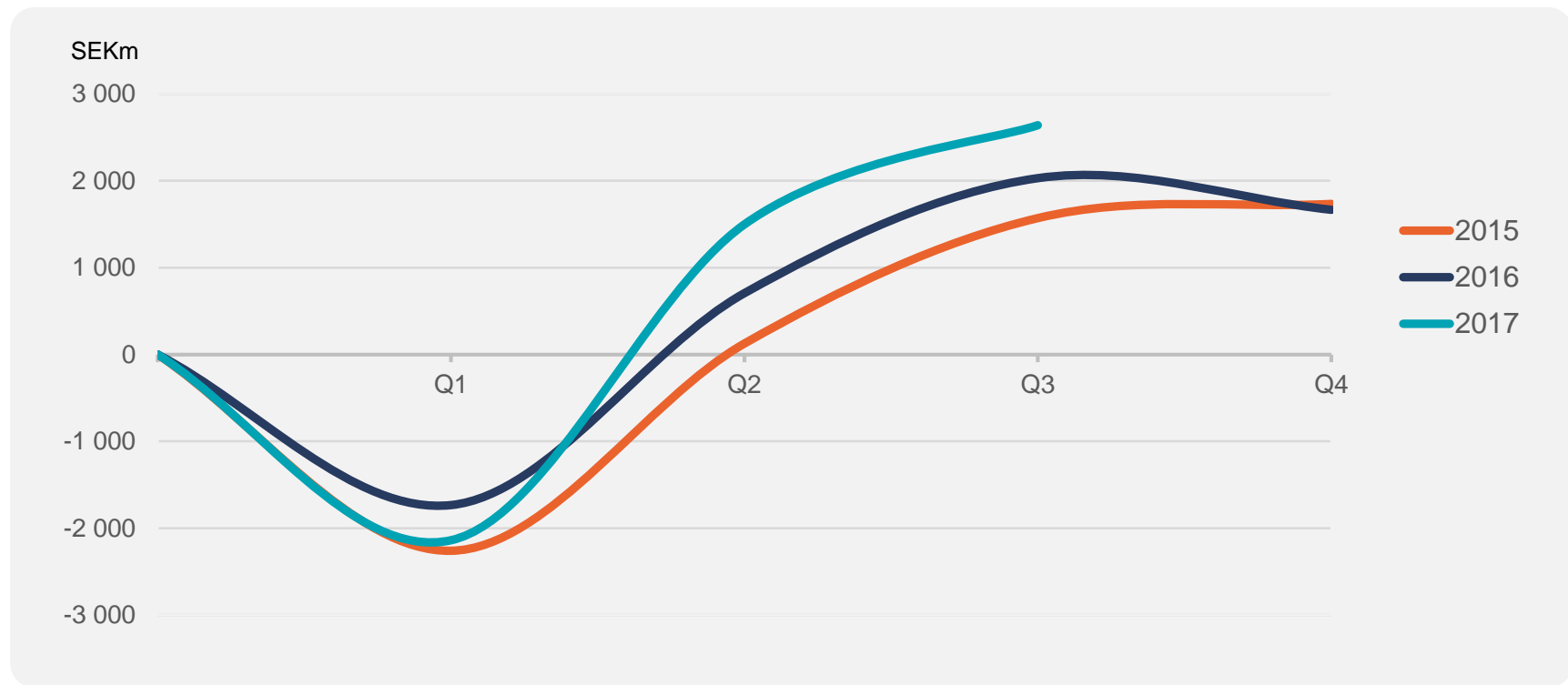
Consolidated balance sheet

SEKm	Sep. 30, 2017	Sep. 30, 2016	Dec. 31, 2016
Non-current assets	18,662	16,589	17,169
Inventories	7,967	7,659	9,225
Trade receivables	4,391	4,475	3,290
Other current assets	897	747	1,004
Liquid funds	4,345	3,357	2,290
Total assets	36,262	32,827	32,978
Total equity	15,478	14,242	14,365
Interest-bearing liabilities	9,328	7,770	7,396
Provisions for pensions	1,838	2,068	1,759
Other provisions	3,025	3,211	2,983
Trade payables	3,143	2,771	3,752
Other current liabilities	3,450	2,765	2,723
Total equity and liabilities	36,262	32,827	32,978

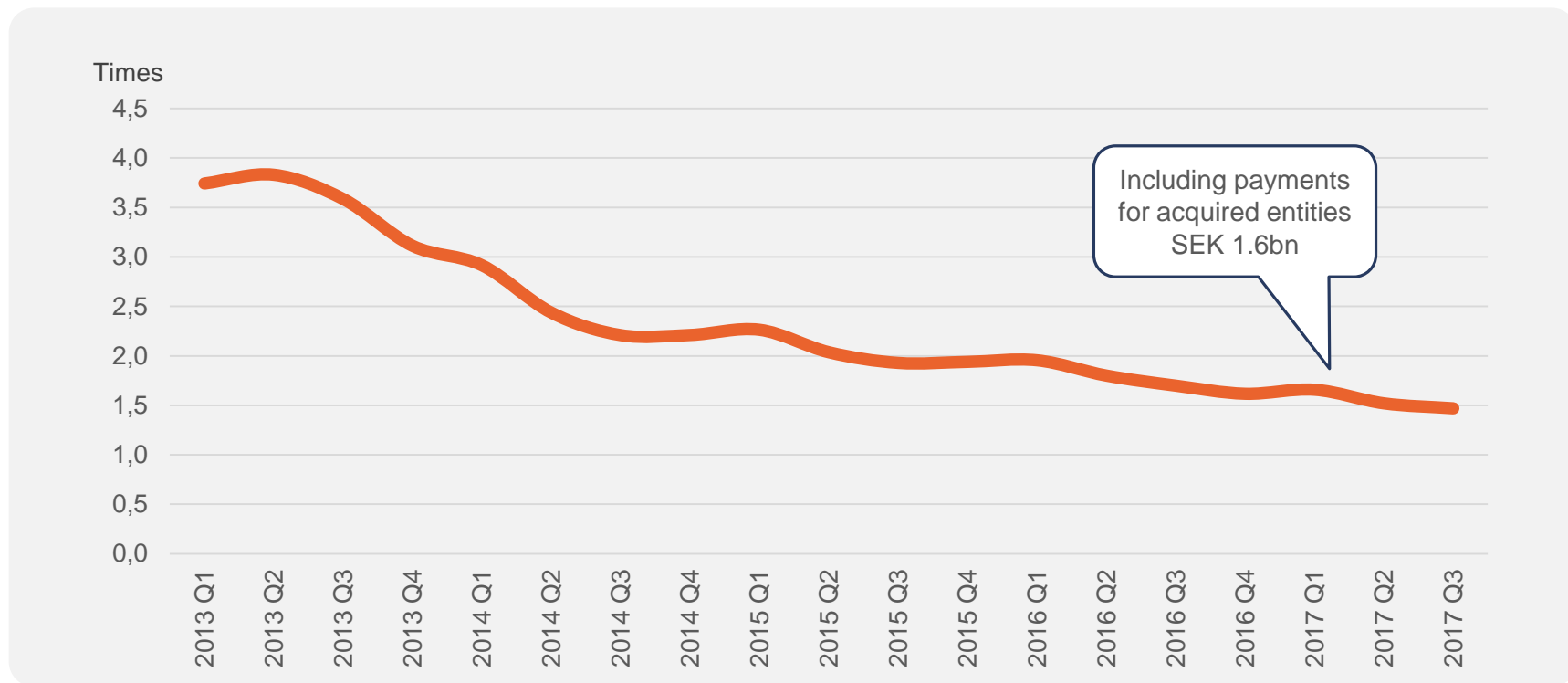
Operating working capital / net sales



Operating cash flow



Net debt / EBITDA last 12 months rolling



Key data, Group

	Q3 2017	Q3 2016	Jan-Sep 2017	Jan-Sep 2016	Full-year 2016
Net sales, SEKm	7,449	7,349	33,264	30,214	35,982
<i>Net sales growth, %</i>	1	1	10	-1	-1
<i>Gross margin, %</i>	31.7	31.2	31.9	31.1	30.8
Operating income, SEKm	433	431	3,860	3,326	3,218
<i>Operating margin, %</i>	5.8	5.9	11.6	11.0	8.9
Operating working capital, SEKm	-	-	9,215	9,363	8,763
<i>Return on capital employed, %</i>	-	-	14.5	13.0	13.7
<i>Excl. items affecting comparability</i>	-	-	14.5	13,7	13.7
<i>Return on equity, %</i>	-	-	16.5	14.6	15.2
Earnings per share after dilution, SEK	0.37	0.36	4.52	3.87	3.66
Capital turn-over rate, times	-	-	1.7	1.7	1.7
Operating cash flow, SEKm	1,132	1,323	2,629	2,030	1,666
Net debt/equity ratio	-	-	0.42	0.45	0.48
Capital expenditure, SEKm	411	419	1,147	1,051	1,889
Average number of employees	-	-	13,433	12,961	12,704

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