

# INTERIM REPORT JANUARY - JUNE 2020

Stockholm, July 16, 2020



## Henric Andersson, President & CEO:

"We have delivered a very good quarter. After a challenging start, given the Covid-19 situation, demand accelerated quickly as markets gradually reopened and consumers showed a high interest in lawn and garden products. We improved our operating margin to 16.3% (15.4) in the quarter driven by temporary cost avoidance activities and a favorable product mix.

Net sales grew by 3% when adjusting for Consumer Brands exits and changes in exchange rates. We achieved growth in key categories such as watering, robotics & battery, handheld products and aftermarket & accessories. Husqvarna Division's adjusted\* net sales decreased by 2% in the quarter, but showed strong growth in June. The Gardena Division delivered an adjusted\* growth of 24%, with particularly strong performance for watering products, mainly supported by the reopening in their main markets and by the impact of Covid-19 on people's buying patterns. The market situation for the Construction Division strengthened during the latter part of the quarter, but in total sales declined by 18%, adjusted for changes in exchange rates. Overall, we have secured a strong financial position and our direct operating cash flow amounted to SEK 2.3 billion (2.1) for the first half year.

Our Covid-19 strategy has been effective in protecting our employees and safeguarding the continuity of our business. We have experienced an extreme volatility during the quarter, from quickly deteriorating demand to a surge in demand. We have also taken decisive steps to mitigate the financial impact by applying temporary cost avoidance measures which were instrumental to deliver the second quarter result. We will now gradually increase our investments in some of the earlier paused strategic initiatives to support future profitable growth. Demand has continued to stay strong at the very start of the third quarter but as in previous years the peak of the lawn and garden season has passed. Given the considerable uncertainty about the global economic recovery, our dedicated work to navigate the complexities of the Covid-19 situation continues.

The Group strategy focusing on the customer experience, services & solutions, robotics & battery as well as developing our core offering, remains our foundation, and we will further sharpen areas such as our go-to market approach. Related to that, we are testing concepts such as robotics as a service models as well as the new Husqvarna EPOS technology, which allows for mowing with virtual boundaries, in selective markets. In the Gardena Division we have just announced that we are a co-founder of a multi-brand consumer battery alliance, "Power for All", providing customers a solution with having one single battery for their electrical maintenance products at their home. This amplifies our electrification ambitions specifically in the 18V consumer segment.

To continue to make real difference through leadership in sustainability we have joined the global group of leading companies to commit to the Business Ambition for 1.5 °C to limit global temperature rise and our carbon target in our Sustainovate 2025 program has been approved as Science Based Targets. In addition, I would like to sincerely thank all our colleagues around the world for their tremendous work despite the circumstances. This period has truly demonstrated our organizations' agility, cooperation and extraordinary commitment."

\* Net sales growth adjusted for Consumer Brands exits and changes in exchange rates.

## Second quarter 2020

- Net sales decreased by 2% to SEK 13,482m (13,789). Net sales increased by 3% when adjusted for exit of Consumer Brands business and changes in exchange rates.
- Operating income amounted to SEK 2,191m (2,125), representing a margin of 16.3% (15.4).
- Earnings per share after dilution amounted to SEK 2.74 (2.63).
- Direct operating cash flow\*, for the first half 2020, amounted to SEK 2,330m (2,084).

Group, SEKm	Q2 2020	Q2 2019	Δ%	Jan-Jun 2020	Jan-Jun 2019	Δ%	LTM*	Full year 2019
Net sales	13,482	13,789	-2	25,690	27,440	-6	40,526	42,277
Currency adjusted change*, %	-2	-7	-	-8	-2	-	-	-2
Operating income (EBIT)	2,191	2,125	3	3,616	3,769	-4	3,536	3,689
Operating margin, %	16.3	15.4	-	14.1	13.7	-	8.7	8.7
Operating income excl. items affecting comparability*	2,191	2,125	3	3,616	3,811	-5	3,719	3,915
Operating margin excl. items affecting comparability*	16.3	15.4	-	14.1	13.9	-	9.2	9.3
Income for the period	1,567	1,506	4	2,559	2,646	-3	2,441	2,528
Earnings per share after dilution, SEK	2.74	2.63	4	4.47	4.62	-3	4.27	4.42
<b>Net sales, Divisions</b>								
Husqvarna	8,042	8,688	-7	16,043	18,194	-12	25,355	27,506
Gardena	4,011	3,373	19	6,718	6,003	12	9,058	8,343
Construction	1,413	1,720	-18	2,900	3,214	-10	6,026	6,340
<b>Operating income, Divisions</b>								
Husqvarna	1,078	1,217	-11	2,050	2,403	-15	1,907	2,260
Excl. items affecting comparability*	1,078	1,217	-11	2,050	2,445	-16	2,032	2,427
Gardena	1,054	703	50	1,452	1,075	35	1,223	847
Excl. items affecting comparability*	1,054	703	50	1,452	1,075	35	1,224	847
Construction	140	267	-48	272	444	-39	608	779
Excl. items affecting comparability*	140	267	-48	272	444	-39	664	836

\*Alternative Performance Measure, refer to "Definitions".

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## SECOND QUARTER

### Net sales

Net sales for the second quarter decreased by 2% to SEK 13,482m (13,789). Net sales increased by 3% when adjusted for exit of Consumer Brands business and changes in exchange rates. The beginning of the second quarter was challenging but as markets gradually reopened demand accelerated quickly and consumers showed a high interest in lawn and garden products.

### Operating income

Operating income for the second quarter increased to SEK 2,191m (2,125), driven by temporary cost avoidance activities and a favorable product mix. Changes in exchange rates contributed negatively with approximately SEK 70m compared to last year.

### Financial items net

Financial items net amounted to SEK -78m (-153). The decrease is mainly related to lower interest rates and lower debt levels nominated in USD.

### Income after financial items

Income after financial items increased to SEK 2,114m (1,972).

### Taxes

Income tax amounted to SEK -547m (-466).

### Earnings per share

Income for the period attributable to equity holders of the Parent Company amounted to SEK 1,566m (1,505), corresponding to SEK 2.74 (2.63) per share after dilution.

## JANUARY - JUNE

### Net sales

Net sales for January - June decreased by 6% to SEK 25,690m (27,440) or by 8% when adjusted for changes in exchange rates\*. Net sales decreased by 1% when adjusted for exit of Consumer Brands business and changes in exchange rates. After a good start to the year, the volumes decreased towards the very end of the first quarter, due to the Covid-19 situation. During the second quarter, markets gradually reopened and demand accelerated quickly as consumers showed a high interest in lawn and garden products.

### Operating income

Operating income for January - June amounted to SEK 3,616m (3,769). The decrease was primarily related to lower net sales and manufacturing levels and partly offset by cost saving activities. Changes in exchange rates contributed negatively with approximately SEK 20m compared to last year.

### Financial items net

Financial items net amounted to SEK -187m (-313). The decrease is mainly related to lower interest rates and lower debt levels nominated in USD.

### Income after financial items

Income after financial items amounted to SEK 3,429m (3,456).

### Taxes

Income tax amounted to SEK -870m (-810).

### Earnings per share

Income for the period attributable to equity holders of the Parent Company amounted to SEK 2,558m (2,645), corresponding to SEK 4.47 (4.62) per share after dilution.

## OPERATING CASH FLOW

Operating cash flow\* for January - June increased to SEK 3,866m (2,519) and direct operating cash flow\* increased to SEK 2,330m (2,084). The increase was related to increased cash flow from operations and positive effects from changes in inventories but partly offset by changes in trade receivables.

Due to the seasonal build-up of working capital, operating cash flow is normally negative in the first quarter (this year mitigated by exits of Consumer Brands business), followed by positive cash flow in the second and third quarters, while cash flow in the fourth quarter is negatively impacted by the pre-season production for the next year.

## FINANCIAL POSITION

Group equity as of June 30, 2020, excluding non-controlling interests, increased to SEK 19,350m (17,394), corresponding to SEK 33.8 (30.4) per share after dilution.

Net debt decreased to SEK 7,737m (11,340). The decrease is mainly related to strong operating cash flow. The net pension liability increased to SEK 2,710m (2,207), mainly due to decreased discount rates. Other interest-bearing liabilities increased to SEK 12,952m (11,101) and liquid funds and other interest-bearing assets increased to SEK 7,926m (2,826).

The Group has an unutilized revolving credit facility of SEK 5bn. In early April, additional financing was secured. The net debt/EBITDA ratio, excluding items affecting comparability\*, decreased to 1.8 (1.9). The equity/assets ratio was 40% (39).

## EFFECTS OF COVID-19

The Covid-19 situation is changing rapidly and involves a high level of uncertainty. As countries emerge from the immediate health crisis, restart their economies and lift lockdown measures brought in by most governments, the impact on Husqvarna Group's markets and channel partners has eased and customer demand has improved. Currently, all manufacturing and warehouse sites are in operation to the extent possible adhering to health and safety restrictions. The primary focus is on the health and safety of the employees and safeguarding the business continuity. Given the uncertainty about the global economic recovery the situation is closely monitored, and further measures are ready to be initiated should the situation change.

## PERFORMANCE BY BUSINESS SEGMENTS

### Husqvarna

SEKm	Q2 2020	Q2 2019	Δ%	Jan-Jun 2020	Jan-Jun 2019	Δ%	LTM*	Full year 2019
Net sales	8,042	8,688	-7	16,043	18,194	-12	25,355	27,506
<i>Currency adjusted change*, %</i>	-8	-11	-	-14	-4	-	-	-4
Operating income	1,078	1,217	-11	2,050	2,403	-15	1,907	2,260
<i>Operating margin, %</i>	13.4	14.0	-	12.8	13.2	-	7.5	8.2
<i>Operating income excl. items affecting comparability*</i>	1,078	1,217	-11	2,050	2,445	-16	2,032	2,427
<i>Operating margin excl. items affecting comparability*</i>	13.4	14.0	-	12.8	13.4	-	8.0	8.8

\* Alternative Performance Measure, refer to "Definitions".

Net sales for the Husqvarna Division decreased by 7% in the second quarter or by 8% when adjusted for changes in exchange rates\*. Net sales decreased 2% when adjusted for exit of Consumer Brands business and changes in exchange rates. The start of the quarter was challenging but demand accelerated quickly as markets gradually reopened. The growth was strong in the month of June.

Operating income for the second quarter decreased to SEK 1,078m (1,217). Temporary cost avoidance activities and efficiency measures contributed positively, but were offset by lower net sales and manufacturing levels. Changes in exchange rates had a negative impact of approximately SEK 25m on operating income in the second quarter compared to last year.

### Gardena

SEKm	Q2 2020	Q2 2019	Δ%	Jan-Jun 2020	Jan-Jun 2019	Δ%	LTM*	Full year 2019
Net sales	4,011	3,373	19	6,718	6,003	12	9,058	8,343
<i>Currency adjusted change*, %</i>	19	-1	-	11	0	-	-	0
Operating income	1,054	703	50	1,452	1,075	35	1,223	847
<i>Operating margin, %</i>	26.3	20.8	-	21.6	17.9	-	13.5	10.2
<i>Operating income excl. items affecting comparability*</i>	1,054	703	50	1,452	1,075	35	1,224	847
<i>Operating margin excl. items affecting comparability*</i>	26.3	20.8	-	21.6	17.9	-	13.5	10.2

\* Alternative Performance Measure, refer to "Definitions".

Net sales in the Gardena Division increased by 19% in the second quarter and by 24% when adjusted for exit of Consumer Brands business and changes in exchange rates. The increase was related to a quickly accelerated demand as markets reopened and consumers showed a high interest in garden products. The growth was particularly strong for watering products.

Operating income for the second quarter increased to SEK 1,054m (703), driven by net sales growth and temporary cost avoidance activities. Changes in exchange rates had a negative impact of approximately SEK 40m on operating income in the second quarter compared to last year.

### Construction

SEKm	Q2 2020	Q2 2019	Δ%	Jan-Jun 2020	Jan-Jun 2019	Δ%	LTM*	Full year 2019
Net sales	1,413	1,720	-18	2,900	3,214	-10	6,026	6,340
<i>Currency adjusted change*, %</i>	-18	3	-	-11	4	-	-	5
Operating income	140	267	-48	272	444	-39	608	779
<i>Operating margin, %</i>	9.9	15.5	-	9.4	13.8	-	10.1	12.3
<i>Operating income excl. items affecting comparability*</i>	140	267	-48	272	444	-39	664	836
<i>Operating margin excl. items affecting comparability*</i>	9.9	15.5	-	9.4	13.8	-	11.0	13.2

\* Alternative Performance Measure, refer to "Definitions".

Net sales in the Construction Division decreased by 18% in the second quarter. The decline was related to weak market conditions due to the situation with Covid-19. Markets started to recover towards the end of the quarter.

Operating income for the second quarter decreased to SEK 140m (267), mainly as a result of the lower net sales and partly offset by cost avoidance activities. Changes in exchange rates had a negative impact of approximately SEK 5m on operating income in the second quarter compared to last year.

## CONVERSION OF SHARES

According to the Company's articles of association, owners of A-shares have the right to have such shares converted to B-shares. Conversion reduces the total number of votes in the Company. No shares were converted in the second quarter. The total number of registered shares in the company at June 30, 2020 amounted to 576,343,778 of which 111,900,132 were A-shares and 464,443,646 were B-shares. The total number of votes amounted to 158,344,496.6.

## PARENT COMPANY

Net sales for January – June 2020 for the Parent Company, Husqvarna AB, amounted to SEK 10,519m (11,477), of which SEK 8,252m (9,167) referred to sales to Group companies and SEK 2,267m (2,310) to external customers.

Income after financial items decreased to SEK 1,251m (8,734), mainly due to Group internal transactions. Income for the quarter decreased to SEK 1,055m (8,525). Investments in property, plant and equipment and intangible assets amounted to SEK 531m (504). Cash and cash equivalents amounted to SEK 4,837m (523) at the end of the period. Undistributed earnings in the Parent Company amounted to SEK 28,170m (27,353).

## RESTRUCTURING OF THE CONSUMER BRANDS DIVISION

As communicated in 2018, Husqvarna Group is exiting certain low-margin petrol-powered product segments in the underperforming former Consumer Brands Division and instead focusing on its strengths in premium offerings under the core brands of Husqvarna and Gardena.

In 2019 the Group exited net sales of SEK 1.4bn related to Consumer Brands. In 2020, the Group plans to exit about SEK 2.2bn. Exits in the first half 2020 amounted to SEK 2.1bn.

## ADDITIONAL RESTRUCTURING INITIATIVES

In November 2019 additional efficiency initiatives were launched. The initiatives are expected to deliver annual cost savings of SEK 150m, of which the majority will be realized in 2020 and the remainder in 2021.

## APPOINTMENT OF NEW PRESIDENT AND CEO

The Board of Directors of Husqvarna AB appointed Henric Andersson to succeed Kai Wörn as the President & CEO of the Husqvarna Group and was effective as of April 2, 2020. Previously, Henric Andersson was President of the Construction Division of Husqvarna Group and has been a member of the Group Management team since 2012 and has worked in the Group for the last 22 years. He was born in 1973 and has a Master of Science degree in Industrial Engineering & Management from Linköping Institute of Technology.

## GROUP MANAGEMENT CHANGES

Karin Falk has been appointed President Construction Division and will also be a member of Husqvarna Group's Management Team. Most recently Karin Falk was Senior Vice President Services & Customer Quality at Volvo Trucks and will take up her new position within Husqvarna Group on September 1, 2020.

Brian Belanger, SVP Legal Affairs and General Counsel, assumed the additional role as acting SVP Business Development as Per Ericson, former SVP Business Development, left Husqvarna Group June 30, 2020.

## 2020 ANNUAL GENERAL MEETING

The AGM of Husqvarna AB (publ) was held on June 26, 2020 in accordance with Sec. 20 of the Act (2020:198) with temporary exceptions to facilitate the holding of annual general meetings. Shareholders participated in the meeting by voting or submitting questions in advance on the proposals at the AGM. In accordance with the Board Proposal no dividend for financial year 2019 was decided (a deviation from the proposal in the Annual Report).

## RISKS AND UNCERTAINTY FACTORS

A number of factors may affect Husqvarna Group's operations in terms of operational and financial risks.

Operational risks include general economic conditions, as well as trends in consumer and professional spending, particularly in North America and Europe, where the majority of the Group's products are sold. An economic downturn in these markets may have an adverse effect on Group sales and earnings. Shifts in product technology as well as shifts in distribution structure and sales channels could also have a negative impact, as will fluctuations in prices of sourced raw materials and components.

Short term, demand for the Group's products is impacted by weather conditions. The Group's production processes and supply chain are therefore adapted to respond to changes in weather conditions. In the ordinary course of business, the Group is exposed to legal risks such as commercial, product liability and other disputes and provides for them as appropriate.

The situation with Covid-19 can have a significant impact on Husqvarna Group operations, both in terms of difficulties of supply of raw materials and components and also effects on demand of Husqvarna Group's products and solutions.

Financial risks refer primarily to currency exchange rates, interest rates, financing, tax and credit risks. Risk management within Husqvarna Group is regulated by a financial policy established by the Board of Directors.

For further information on risks and uncertainty factors, see the Annual Report 2019 which is available at [www.husqvarnagroup.com](http://www.husqvarnagroup.com)

## **ACCOUNTING PRINCIPLES**

This interim report has been prepared in accordance with IAS 34, Interim financial reporting and the Swedish Annual Accounts Act. The financial statement of the Parent Company has been prepared in accordance with the Swedish Annual Accounts Act, chapter 9 and the Swedish Financial Reporting Board's standard RFR 2 Accounting for Legal Entities.

The accounting policies adopted are consistent with those presented in the Annual Report of 2019, which is available at [www.husqvarnagroup.com/ir](http://www.husqvarnagroup.com/ir).

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The Board of Directors and the President and CEO certify that the interim report gives a fair view of the performance of the business, position and income statements of the Parent Company and Husqvarna Group, and describes the principal risks and uncertainties to which the Parent Company and the Group is exposed.

Stockholm, July 15, 2020

Tom Johnstone  
Chairman of the Board

Ulla Litzén  
Board member

Katarina Martinson  
Board member

Bertrand Neuschwander  
Board member

Daniel Nodhäll  
Board member

Lars Pettersson  
Board member

Christine Robins  
Board member

Henric Andersson  
President and CEO  
and Board member

Dan Byström  
Board member and  
employee representative

Tina Helmke Hallberg  
Board member and  
employee representative

## AUDITORS' REVIEW REPORT

Husqvarna AB (publ), corporate identity number 556000-5331

To the Board of Directors of Husqvarna AB (publ)

### Introduction

We have reviewed the condensed interim report for Husqvarna AB (publ) as at June 30, 2020 and for the six months period then ended. The Board of Directors and the CEO are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

### Scope of review

We conducted our review in accordance with the International Standard on Review Engagements, ISRE 2410 Review of Interim Financial Statements Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material aspects, in accordance with IAS 34 and the Swedish Annual Accounts Act regarding the Group, and in accordance with the Swedish Annual Accounts Act regarding the Parent Company.

Stockholm, July 15, 2020  
Ernst & Young AB

Hamish Mabon  
Authorized Public Accountant

## Consolidated income statement

SEKm	Q2 2020	Q2 2019	Jan-Jun 2020	Jan-Jun 2019	Full year 2019
Net sales	13,482	13,789	25,690	27,440	42,277
Cost of goods sold	-8,863	-9,176	-17,264	-18,724	-29,748
<b>Gross income</b>	<b>4,619</b>	<b>4,613</b>	<b>8,426</b>	<b>8,716</b>	<b>12,529</b>
Gross margin, %	34.3	33.5	32.8	31.8	29.6
Selling expenses	-1,789	-1,952	-3,657	-3,861	-6,985
Administrative expenses	-640	-550	-1,167	-1,092	-2,051
Other operating income/expense	2	14	14	6	197
<b>Operating income</b>	<b>2,191</b>	<b>2,125</b>	<b>3,616</b>	<b>3,769</b>	<b>3,690</b>
Operating margin, %	16.3	15.4	14.1	13.7	8.7
Financial items, net	-78	-153	-187	-313	-568
<b>Income after financial items</b>	<b>2,114</b>	<b>1,972</b>	<b>3,429</b>	<b>3,456</b>	<b>3,122</b>
Margin, %	15.7	14.3	13.3	12.6	7.4
Income tax	-547	-466	-870	-810	-594
<b>Income for the period</b>	<b>1,567</b>	<b>1,506</b>	<b>2,559</b>	<b>2,646</b>	<b>2,528</b>
Income for the period attributable to:					
Equity holders of the Parent Company	1,566	1,505	2,558	2,645	2,527
Non-controlling interest	1	1	1	1	1
Earnings per share:					
Before dilution, SEK	2.74	2.63	4.47	4.63	4.42
After dilution, SEK	2.74	2.63	4.47	4.62	4.42
Average number of shares outstanding:					
Before dilution, millions	572.6	572.0	572.3	571.8	572.0
After dilution, millions	572.7	572.4	572.5	572.2	572.2

## Consolidated comprehensive income statement

SEKm	Q2 2020	Q2 2019	Jan-Jun 2020	Jan-Jun 2019	Full year 2019
<b>Income for the period</b>	<b>1,567</b>	<b>1,506</b>	<b>2,559</b>	<b>2,646</b>	<b>2,528</b>
<b>Other comprehensive income</b>					
<i>Items that will not be reclassified to the income statement:</i>					
Remeasurements on defined benefit pension plans, net of tax	-117	-94	-176	-156	-302
<b>Total items that will not be reclassified to the income statement, net of tax</b>	<b>-117</b>	<b>-94</b>	<b>-176</b>	<b>-156</b>	<b>-302</b>
<i>Items that may be reclassified to the income statement:</i>					
Currency translation differences	-1,493	113	-149	774	916
Net investment hedge, net of tax	627	-36	-142	-442	-525
Cash flow hedges, net of tax	17	-56	-16	-157	-79
<b>Total items that may be reclassified to the income statement, net of tax</b>	<b>-849</b>	<b>21</b>	<b>-307</b>	<b>175</b>	<b>312</b>
<b>Other comprehensive income, net of tax</b>	<b>-966</b>	<b>-73</b>	<b>-483</b>	<b>19</b>	<b>10</b>
<b>Total comprehensive income for the period</b>	<b>601</b>	<b>1,433</b>	<b>2,076</b>	<b>2,665</b>	<b>2,538</b>
Total comprehensive income attributable to:					
Equity holders of the Parent Company	600	1,431	2,075	2,664	2,537
Non-controlling interest	1	2	1	1	1

EBITDA, SEKm*	Q2 2020	Q2 2019	Jan-Jun 2020	Jan-Jun 2019	Full year 2019
Operating income	2,191	2,125	3,616	3,769	3,690
Reversal of depreciation, amortization and impairment	557	519	1,103	1,013	2,089
<b>EBITDA*</b>	<b>2,749</b>	<b>2,644</b>	<b>4,718</b>	<b>4,782</b>	<b>5,779</b>
<i>Excl. items affecting comparability*</i>	<i>2,749</i>	<i>2,644</i>	<i>4,718</i>	<i>4,824</i>	<i>5,996</i>
<b>EBITDA margin, %</b>	<b>20.4</b>	<b>19.2</b>	<b>18.4</b>	<b>17.4</b>	<b>13.7</b>
<i>Excl. items affecting comparability*</i>	<i>20.4</i>	<i>19.2</i>	<i>18.4</i>	<i>17.6</i>	<i>14.2</i>

Key data, SEKm	Q2 2020	Q2 2019	Jan-Jun 2020	Jan-Jun 2019	Full year 2019
Net sales growth, %	-2	-3	-6	3	3
Operating income	2,191	2,125	3,616	3,769	3,690
Operating margin, %	16.3	15.4	14.1	13.7	8.7
Operating income excl. items affecting comparability*	2,191	2,125	3,616	3,811	3,915
Operating margin excl. items affecting comparability*	16.3	15.4	14.1	13.9	9.3
Average number of employees	12,254	13,251	12,353	13,334	12,708

\* Alternative Performance Measure, refer to "Definitions".

## Consolidated balance sheet

<b>SEKm</b>	<b>Jun 30 2020</b>	Jun 30 2019	Dec 31 2019
<b>Assets</b>			
Property, plant and equipment	6,707	6,363	6,794
Right of use assets	1,366	1,584	1,585
Goodwill	7,326	7,306	7,338
Other intangible assets	5,651	5,639	5,629
Investments in associated companies	33	0	33
Derivatives	0	3	1
Other non-current assets	670	653	669
Deferred tax assets	1,639	1,477	1,690
<b>Total non-current assets</b>	<b>23,392</b>	<b>23,025</b>	<b>23,739</b>
Inventories	8,766	10,275	10,858
Trade receivables	7,293	6,754	3,620
Derivatives	609	317	592
Tax receivables	196	688	250
Other current assets	836	1,083	1,011
Other short term investments	513	0	0
Cash and cash equivalents	6,413	2,116	1,911
<b>Total current assets</b>	<b>24,626</b>	<b>21,233</b>	<b>18,242</b>
<b>Total assets</b>	<b>48,018</b>	<b>44,258</b>	<b>41,981</b>
<b>Equity and liabilities</b>			
Equity attributable to equity holders of the Parent Company	19,350	17,394	17,281
Non-controlling interests	2	1	2
<b>Total equity</b>	<b>19,353</b>	<b>17,395</b>	<b>17,283</b>
Borrowings	6,865	6,081	7,047
Lease liabilities	1,119	1,286	1,304
Derivatives	88	83	55
Deferred tax liabilities	1,685	1,671	1,732
Provisions for pensions and other post-employment benefits	2,914	2,391	2,622
Other provisions	623	723	610
<b>Total non-current liabilities</b>	<b>13,293</b>	<b>12,235</b>	<b>13,370</b>
Trade payables	4,407	4,805	4,099
Tax liabilities	732	629	269
Other liabilities	4,447	4,034	2,995
Dividend payable	-	858	-
Borrowings	4,150	2,771	2,694
Lease liabilities	416	404	457
Derivatives	315	476	229
Other provisions	905	651	585
<b>Total current liabilities</b>	<b>15,372</b>	<b>14,628</b>	<b>11,328</b>
<b>Total equity and liabilities</b>	<b>48,018</b>	<b>44,258</b>	<b>41,981</b>
<b>Key data, SEKm</b>			
Operating working capital	11,652	12,224	10,379
<i>Operating working capital / net sales*, %</i>	28.5	27.8	27.3
<i>Return on capital employed, %</i>	12.3	9.5	12.9
<i>Excl. items affecting comparability*, %</i>	12.8	13.9	14.1
<i>Return on equity, %</i>	13.5	9.1	14.7
<i>Excl. items affecting comparability*, %</i>	14.2	14.2	15.5
Capital turn-over rate, times	1.4	1.5	1.5
<i>Equity/assets ratio, %</i>	40	39	41
Equity per share after dilution, SEK	33.8	30.4	30.2
<b>Net debt, SEKm*</b>			
Net pension liability	2,710	2,207	2,427
Other interest-bearing liabilities	12,952	11,101	11,786
Dividend payable	-	858	-
Less: Liquid funds and other interest-bearing assets	-7,926	-2,826	-2,898
<b>Net debt*</b>	<b>7,737</b>	<b>11,340</b>	<b>11,315</b>
Net debt/equity ratio	0.40	0.65	0.65
Net debt/EBITDA excl. Items affecting comparability*	1.8	1.9	1.9

\* Alternative Performance Measure, refer to "Definitions".

## Consolidated cash flow statement

SEKm	Q2 2020	Q2 2019	Jan-Jun 2020	Jan-Jun 2019	Full year 2019
<b>Cash flow from operations</b>					
Operating income	2,191	2,125	3,616	3,769	3,690
Non cash items	828	409	1,579	1,158	2,359
<i>Cash items</i>					
Paid restructuring expenses	-39	-67	-121	-133	-272
Net financial items, received/paid	-60	-76	-164	-248	-490
Taxes paid	-132	-163	-266	-618	-811
<b>Cash flow from operations, excluding change in operating assets and liabilities</b>	<b>2,789</b>	<b>2,228</b>	<b>4,643</b>	<b>3,928</b>	<b>4,476</b>
<b>Change in operating assets and liabilities</b>					
Change in inventories	1,942	1,501	1,977	1,159	627
Change in trade receivables	-814	2,051	-3,852	-2,994	114
Change in trade payables	-1,001	-1,817	342	61	-656
Change in other operating assets/liabilities	954	484	1,611	1,331	347
<b>Cash flow from operating assets and liabilities</b>	<b>1,081</b>	<b>2,219</b>	<b>78</b>	<b>-443</b>	<b>432</b>
<b>Cash flow from operations</b>	<b>3,870</b>	<b>4,447</b>	<b>4,721</b>	<b>3,485</b>	<b>4,908</b>
<b>Investments</b>					
Acquisitions and divestments of subsidiaries/operations and divestments of property, plant and equipment	6	18	13	23	349
Investments in property, plant and equipment and intangible assets	-413	-488	-855	-966	-2,232
Investments and divestments of financial assets	-507	-	-508	-	-56
<b>Cash flow from investments</b>	<b>-914</b>	<b>-470</b>	<b>-1,350</b>	<b>-943</b>	<b>-1,939</b>
<b>Cash flow from operations and investments</b>	<b>2,956</b>	<b>3,977</b>	<b>3,371</b>	<b>2,542</b>	<b>2,969</b>
<b>Financing</b>					
Dividend paid to shareholders	-	-428	-	-428	-1,287
Dividend paid to non-controlling interests	-	-2	-	-2	-1
Other financing activities	1,093	-2,971	1,181	-1,413	-1,159
<b>Cash flow from financing</b>	<b>1,093</b>	<b>-3,401</b>	<b>1,181</b>	<b>-1,843</b>	<b>-2,447</b>
<b>Total cash flow</b>	<b>4,049</b>	<b>576</b>	<b>4,552</b>	<b>699</b>	<b>522</b>
Cash and cash equivalents at the beginning of the period	2,446	1,514	1,911	1,346	1,346
Exchange rate differences referring to cash and cash equivalents	-80	26	-49	71	43
<b>Cash and cash equivalents at the end of the period</b>	<b>6,413</b>	<b>2,116</b>	<b>6,413</b>	<b>2,116</b>	<b>1,911</b>
<b>Operating cash flow, SEKm</b>	<b>Q2 2020</b>	<b>Q2 2019</b>	<b>Jan-Jun 2020</b>	<b>Jan-Jun 2019</b>	<b>Full year 2019</b>
Cash flow from operations and investments	2,956	3,977	3,371	2,542	2,969
Acquisitions and divestments of subsidiaries/operations and divestments of property, plant and equipment	-6	-18	-13	-23	-349
Investments and divestments of financial assets	507	-	508	-	56
<b>Operating cash flow</b>	<b>3,457</b>	<b>3,959</b>	<b>3,866</b>	<b>2,519</b>	<b>2,676</b>
<b>Direct operating cash flow, SEKm</b>	<b>Q2 2020</b>	<b>Q2 2019</b>	<b>Jan-Jun 2020</b>	<b>Jan-Jun 2019</b>	<b>Full year 2019</b>
EBITDA excl. items affecting comparability	2,749	2,644	4,718	4,824	5,996
Change in inventories	1,942	1,501	1,977	1,159	627
Change in trade receivables	-814	2,051	-3,852	-2,994	114
Change in trade payables	-1,001	-1,817	342	61	-656
Investments in property, plant and equipment and intangible assets	-413	-488	-855	-966	-2,232
<b>Direct operating cash flow</b>	<b>2,463</b>	<b>3,891</b>	<b>2,330</b>	<b>2,084</b>	<b>3,849</b>

## Change in Group equity

SEKm	Attributable to equity holders of the Parent Company	Non-controlling interests	Total equity
<b>Opening balance January 1, 2019</b>	<b>16,007</b>	<b>2</b>	<b>16,009</b>
Share-based payment	9	-	9
Dividend	-1,286	-2	-1,288
Total comprehensive income	2,664	1	2,665
<b>Closing balance June 30, 2019</b>	<b>17,394</b>	<b>1</b>	<b>17,395</b>
<b>Opening balance January 1, 2020</b>	<b>17,281</b>	<b>2</b>	<b>17,283</b>
Share-based payment	-6	-	-6
Total comprehensive income	2,075	1	2,076
<b>Closing balance June 30, 2020</b>	<b>19,350</b>	<b>2</b>	<b>19,353</b>

## Fair value of financial instruments

The Group's financial instruments carried at fair value are derivatives. Derivatives belong to Level 2 in the fair value hierarchy. Future cash flows have been discounted using current quoted market interest rates and exchange rates for similar instruments. Further information about the accounting principles for financial instruments and methods used for estimating the fair value of the financial instruments are described in note 1 and note 20, respectively, in the Annual Report 2019. The carrying value approximates fair value for all financial instruments except for non-current borrowings, which are shown in the table below.

SEKm	Jun 30 2020		Jun 30 2019		Dec 31 2019	
	Book value	Fair value	Book value	Fair value	Book value	Fair value
<i>Non-current borrowings</i>						
Loans	6,865	6,922	6,081	6,006	7,046	6,966
<b>Total non-current borrowings</b>	<b>6,865</b>	<b>6,922</b>	<b>6,081</b>	<b>6,006</b>	<b>7,046</b>	<b>6,966</b>

## Net sales and income by quarter

Group, SEKm	2020		2019				2018 <sup>1</sup>			
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Net sales, finished goods	13,376	12,128	6,277	8,347	13,708	13,575	6,401	7,964	14,184	12,248
Net sales, services, royalty and other	106	81	131	82	81	76	69	78	86	55
Net sales total	13,482	12,208	6,408	8,429	13,789	13,651	6,470	8,042	14,270	12,303
Net sales, LTM*	40,526	40,834	42,277	42,339	41,952	42,433	41,085	40,745	40,152	38,951
Operating income	2,191	1,424	-493	414	2,125	1,644	-1,104	-124	1,925	1,373
Operating margin, %	16.3	11.7	-7.7	4.9	15.4	12.0	-17.1	-1.5	13.5	11.2
Operating income excl. IAC*	2,191	1,424	-310	414	2,125	1,686	-282	225	1,925	1,373
Operating margin excl. IAC*, %	16.3	11.7	-4.8	4.9	15.4	12.3	-4.4	2.8	13.5	11.2
Operating income, LTM*	3,536	3,470	3,690	3,079	2,541	2,341	2,070	3,104	3,661	3,738
Operating margin, LTM*, %	8.7	8.5	8.7	7.3	6.1	5.5	5.0	7.6	9.1	9.6
Operating income, LTM excl. IAC*	3,719	3,653	3,915	3,943	3,754	3,554	3,241	3,453	3,661	3,738
Operating margin, LTM excl. IAC*, %	9.2	8.9	9.3	9.3	8.9	8.4	7.9	8.5	9.1	9.6
Income for the period	1,567	992	-387	269	1,506	1,140	-922	-185	1,380	940
Earnings per share after dilution, SEK	2.74	1.73	-0.67	0.47	2.63	1.99	-1.61	-0.32	2.41	1.64
<b>Husqvarna, SEKm</b>	<b>Q2</b>	<b>Q1</b>	<b>Q4</b>	<b>Q3</b>	<b>Q2</b>	<b>Q1</b>	<b>Q4</b>	<b>Q3</b>	<b>Q2</b>	<b>Q1</b>
Net sales	8,042	8,001	4,108	5,204	8,688	9,506	4,310	5,015	9,347	8,484
Net sales, LTM*	25,355	26,001	27,506	27,708	27,519	28,178	27,156	27,030	26,945	26,466
Operating income	1,078	972	-225	82	1,217	1,186	-626	-344	1,154	1,044
Operating margin, %	13.4	12.2	-5.5	1.6	14.0	12.5	-14.5	-6.9	12.3	12.3
Operating income excl. IAC*	1,078	972	-100	82	1,217	1,228	-77	-15	1,154	1,044
Operating margin excl. IAC*, %	13.4	12.2	-2.4	1.6	14.0	12.9	-1.8	-0.3	12.3	12.3
Operating income, LTM	1,907	2,046	2,260	1,859	1,433	1,370	1,228	1,924	2,609	2,706
Operating margin, LTM*, %	7.5	7.9	8.2	6.7	5.2	4.9	4.5	7.1	9.7	10.2
Operating income, LTM excl. IAC*	2,032	2,171	2,427	2,450	2,353	2,290	2,106	2,253	2,609	2,706
Operating margin, LTM excl. IAC*, %	8.0	8.3	8.8	8.8	8.6	8.1	7.8	8.3	9.7	10.2
<b>Gardena, SEKm</b>	<b>Q2</b>	<b>Q1</b>	<b>Q4</b>	<b>Q3</b>	<b>Q2</b>	<b>Q1</b>	<b>Q4</b>	<b>Q3</b>	<b>Q2</b>	<b>Q1</b>
Net sales	4,011	2,708	710	1,630	3,373	2,630	746	1,564	3,325	2,483
Net sales, LTM*	9,058	8,421	8,343	8,379	8,313	8,265	8,118	8,098	7,790	7,325
Operating income	1,054	398	-348	120	703	372	-498	64	595	264
Operating margin, %	26.3	14.7	-49.0	7.4	20.8	14.1	-66.8	4.1	17.9	10.6
Operating income excl. IAC*	1,054	398	-348	120	703	372	-274	66	595	264
Operating margin excl. IAC*, %	26.3	14.7	-49.0	7.4	20.8	14.1	-36.7	4.2	17.9	10.6
Operating income, LTM	1,223	873	847	697	641	533	425	699	647	632
Operating margin, LTM*, %	13.5	10.4	10.2	8.3	7.7	6.4	5.2	8.6	8.3	8.6
Operating income, LTM excl. IAC*	1,224	873	847	921	867	759	651	701	647	632
Operating margin, LTM excl. IAC*, %	13.5	10.4	10.2	11.0	10.4	9.2	8.0	8.7	8.3	8.6
<b>Construction, SEKm</b>	<b>Q2</b>	<b>Q1</b>	<b>Q4</b>	<b>Q3</b>	<b>Q2</b>	<b>Q1</b>	<b>Q4</b>	<b>Q3</b>	<b>Q2</b>	<b>Q1</b>
Net sales	1,413	1,487	1,551	1,575	1,720	1,494	1,398	1,446	1,590	1,328
Net sales, LTM*	6,026	6,333	6,340	6,187	6,058	5,928	5,762	5,581	5,395	5,146
Operating income	140	132	106	229	267	177	71	192	251	158
Operating margin, %	9.9	8.9	6.8	14.6	15.5	11.8	5.0	13.3	15.8	11.9
Operating income excl. IAC*	140	132	163	229	267	177	115	192	251	158
Operating margin excl. IAC*, %	9.9	8.9	10.5	14.6	15.5	11.8	8.2	13.3	15.8	11.9
Operating income, LTM	608	734	779	744	707	691	672	734	682	666
Operating margin, LTM*, %	10.1	11.6	12.3	12.0	11.7	11.6	11.7	13.1	12.6	12.9
Operating income, LTM excl. IAC*	664	791	836	788	751	735	716	734	682	666
Operating margin, LTM excl. IAC*, %	11.0	12.5	13.2	12.7	12.4	12.4	12.4	13.1	12.6	12.9
<b>Group Common, SEKm</b>	<b>Q2</b>	<b>Q1</b>	<b>Q4</b>	<b>Q3</b>	<b>Q2</b>	<b>Q1</b>	<b>Q4</b>	<b>Q3</b>	<b>Q2</b>	<b>Q1</b>
Net sales	15	13	39	20	8	21	16	17	8	8
Operating income	-80	-78	-26	-17	-62	-91	-51	-36	-75	-93
Operating income excl. IAC*	-80	-78	-25	-17	-62	-91	-46	-18	-75	-93

<sup>1</sup> In 2018, IAS 17 was applied.

Items affecting comparability SEKm	2020		2019				2018			
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Restructuring related expenses	-	-	-183	-	-	-42	-822	-349	-	-

### Restructuring related expenses

SEKm	Q2 2020	Q2 2019	Jan-Jun 2020	Jan-Jun 2019	Full year 2019
Restructuring provisions	-	-	-	-9	-213
Impairment of non-current assets	-	-	-	-	-8
Write down of inventory	-	-	-	-	-4
Other restructuring related expenses	-	-	-	-33	-
<b>Total items affecting comparability</b>	-	-	-	<b>-42</b>	<b>-225</b>

### Classification in the income statement

SEKm	Q2 2020	Q2 2019	Jan-Jun 2020	Jan-Jun 2019	Full year 2019
Cost of goods sold	-	-	-	-42	-117
Selling expenses	-	-	-	-	-57
Administrative expenses	-	-	-	-	-51
<b>Total items affecting comparability</b>	-	-	-	<b>-42</b>	<b>-225</b>

### Net assets by segment <sup>1</sup>

SEKm	Assets		Liabilities		Net Assets	
	Jun 30 2020	Jun 30 2019	Jun 30 2020	Jun 30 2019	Jun 30 2020	Jun 30 2019
Husqvarna	21,610	21,145	5,903	5,983	15,708	15,162
Gardena	9,609	10,497	3,364	2,622	6,245	7,875
Construction	6,980	7,258	1,130	1,206	5,850	6,052
Other <sup>2</sup>	1,689	2,348	2,402	2,702	-713	-354
<b>Total</b>	<b>39,888</b>	<b>41,248</b>	<b>12,799</b>	<b>12,513</b>	<b>27,089</b>	<b>28,735</b>

<sup>1</sup> Liquid assets, other interest-bearing assets, interest-bearing liabilities and equity are not included in the table above.

<sup>2</sup> Other includes tax items, associates and common Group services such as Holding, Treasury and Risk Management.

## PARENT COMPANY

### Income statement

SEKm	Q2 2020	Q2 2019	Jan-Jun 2020	Jan-Jun 2019	Full year 2019
Net sales	5,030	5,425	10,519	11,477	17,838
Cost of goods sold	-3,702	-3,982	-7,586	-8,337	-13,626
<b>Gross income</b>	<b>1,328</b>	<b>1,443</b>	<b>2,933</b>	<b>3,140</b>	<b>4,212</b>
Selling expense	-385	-415	-762	-803	-1,449
Administrative expense	-323	-305	-598	-661	-1,308
Other operating income/expense	-	8	-	0	9
<b>Operating income</b>	<b>621</b>	<b>731</b>	<b>1,574</b>	<b>1,676</b>	<b>1,464</b>
Financial items, net	745	7,658	-323	7,058	7,048
<b>Income after financial items</b>	<b>1,366</b>	<b>8,389</b>	<b>1,251</b>	<b>8,734</b>	<b>8,512</b>
Appropriations	-23	-13	-37	-25	110
<b>Income before taxes</b>	<b>1,343</b>	<b>8,376</b>	<b>1,214</b>	<b>8,709</b>	<b>8,622</b>
Tax on profit for the year	-288	-120	-263	-184	-92
<b>Income for the period</b>	<b>1,055</b>	<b>8,256</b>	<b>951</b>	<b>8,525</b>	<b>8,530</b>

### Balance sheet

SEKm	Jun 30 2020	Jun 30 2019	Dec 31 2019
Non-current assets	38,171	38,684	38,226
Current assets	15,625	12,220	9,987
<b>Total assets</b>	<b>53,796</b>	<b>50,904</b>	<b>48,213</b>
Equity	30,695	29,679	29,801
Untaxed reserves	794	794	794
Provisions	126	182	101
Non-current liabilities	6,748	5,905	6,881
Current liabilities	15,433	14,344	10,636
<b>Total equity and liabilities</b>	<b>53,796</b>	<b>50,904</b>	<b>48,213</b>

### Number of shares

	Outstanding A-shares	Outstanding B-shares	Re-purchased B-shares <sup>1</sup>	Total
<b>Number of shares as of December 31, 2019</b>	<b>112,015,629</b>	<b>460,186,985</b>	<b>4,141,164</b>	<b>576,343,778</b>
<i>Conversion of A-shares into B-shares</i>	-115,497	115,497	-	-
<i>Shares allocated to 2017 LTI-program</i>	-	375,314	-375,314	-
<b>Number of shares as of June 30, 2020</b>	<b>111,900,132</b>	<b>460,677,796</b>	<b>3,765,850</b>	<b>576,343,778</b>

<sup>1</sup> All re-purchased B-shares are included in a third party share swap agreement.

## DEFINITIONS

This report includes financial measures as required by the financial reporting framework applicable to Husqvarna Group, which is based on IFRS. In addition, there are other measures (alternative performance measures) used by management and other stakeholders to analyze trends and performance of the Group's operations that cannot be directly read or derived from the financial statements. Husqvarna stakeholders should not consider these as substitutes, but rather as additions, to the financial reporting measures prepared in accordance with IFRS. Please note that the alternative performance measures as defined, may not be comparable to similarly titled measures used by other companies. Refer below for a list of definitions of all measures and indicators used, referred to and presented in this report.

### Computation of average amounts

In computation of key ratios where averages of capital balances are included, the average capital balances are based on the opening balance and all quarter-end closing balances included in the reporting period, i.e five quarters.

### Roundings

All items are stated in SEKm and, accordingly, rounding differences can occur.

### Growth measures

#### *Net sales adjusted for changes in exchange rates*

Change in net sales adjusted for currency translation effects. Net sales are also disclosed adjusted for currency translation effects as Husqvarna Group is a global company generating significant transactions in other currencies than the reporting currency (SEK) and the currency rates have proven to be volatile.

#### *Net sales growth*

Change in net sales compared to previous period in percent.

#### *Organic growth*

Change in net sales, adjusted for acquisitions, divestments and currency translation effects.

### Profitability measures

#### *EBITDA*

EBITDA is a measure of earnings before interest, taxes, depreciation, amortization and impairment charges. EBITDA measures Husqvarna Group's operating performance and the ability to generate cash from operations, without considering the capital structure of the Group or its fiscal environment. For a reconciliation of EBITDA refer to table below the income statement.

#### *EBITDA margin*

EBITDA as a percentage of net sales.

#### *Gross margin*

Gross income as a percentage of net sales.

#### *Last twelve months (LTM)*

Last twelve months rolling has been included to assist stakeholders in their analysis of the seasonality that Husqvarna Group's business is exposed to.

#### *Operating margin*

Operating income as a percentage of net sales.

#### *Return on capital employed*

Operating income plus financial income (last twelve months) as a percentage of average capital employed.

#### *Return on equity*

Net income attributable to equity holders of the Parent Company last twelve months as a percentage of average equity attributable to equity holders of the Parent Company.

### Share-based measures

#### *Earnings per share, after dilution*

Net income attributable to equity holders of the Parent Company divided by the weighted average number of shares outstanding (net of treasury shares), after dilution.

#### *Equity per share, after dilution*

Equity attributable to equity holders of the Parent Company divided by the weighted average number of shares outstanding (net of treasury shares), after dilution.

### Capital indicators

#### *Capital employed*

Total equity and liabilities less non-interest-bearing debt including deferred tax liabilities.

#### *Capital expenditure*

Investments in property, plant and equipment, right of use assets and intangible assets.

#### *Interest bearing liabilities*

Long-term and short-term borrowings, net pension liability and fair value derivative liabilities.

#### *Liquid funds*

Cash and cash equivalents, short-term investments and fair value derivative assets.

#### *Net assets*

Total assets excluding liquid funds and interest-bearing assets less operating liabilities, non-

interest-bearing provisions and deferred tax liabilities.

*Net debt*

Net debt describes the Group's gearing and its ability to repay its debts from cash generated from the Group's ordinary business (see operating cash flow below), if they were all due today. It's also used to analyze how future net interest costs will impact earnings. Net debt is defined as total interest-bearing liabilities plus dividend payable, less liquid funds and interest-bearing assets. For a reconciliation of net debt refer to table below the balance sheet.

*Operating working capital*

Inventories and trade receivables less trade payables.

**Capital measures**

*Equity/assets ratio*

Equity attributable to equity holders of the Parent Company as a percentage of total assets.

*Capital turnover rate*

Net sales last twelve months divided with average net assets.

*Net debt/EBITDA excl. items affecting comparability*

Average net debt in relation to EBITDA last twelve months, excluding items affecting comparability.

*Net debt/equity ratio*

Net debt in relation to total equity.

*Operating working capital/net sales*

Average operating working capital as a percentage of net sales last twelve months.

**Other measures**

*Direct operating cash flow*

Direct operating cash flow is a measure of the cash generated by the Groups operating business. The measure is defined as EBITDA, excluding items affecting comparability, adjusted for change in trade payables, inventory and trade receivables and investments in property, plant and equipment and intangible assets. For a reconciliation of direct operating cash flow refer to the table below the cash flow statement.

*Items affecting comparability*

To assist in understanding Husqvarna Group's operations, we believe that it is useful to consider certain measures and ratios exclusive of items affecting comparability. Items affecting comparability includes items that are non-recurring, have a significant impact and are considered to be important for understanding the operating performance when comparing results between periods. The items affecting comparability are disclosed in this report. All measures and ratios in this report have been disclosed including items affecting comparability first and then excluding items affecting comparability as a second measure when deemed appropriate.

*Operating cash flow*

Operating cash flow is a measure of the amount of cash generated by the Group's ordinary business operations. The measure is defined as total cash flow from operations and investments, excluding acquisitions and divestments of subsidiaries/operations, divestments of property plant and equipment and investments/divestments of financial assets. For a reconciliation of operating cash flow refer to table below the cash flow statement.

## TELEPHONE CONFERENCE

A conference call, hosted by Henric Andersson, President & CEO, and Glen Instone, CFO, will be held at 11:00 CET on July 16, 2020. To participate, please dial +46 (0) 8 505 583 52 (Sweden) or +44 333 300 9035 (UK) ten minutes prior to the start of the conference. Conference ID: Husqvarna. The conference call is also available through <https://husqvarna-group.creo.se/200716>. A replay will be available later the same day.

## DATES FOR FINANCIAL REPORTS 2020

October 20      Interim report for January-September

## CONTACTS

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- Johan Andersson, Director, Group Corporate Communications and Investor Relations, +46 702 100 451

*This information is such that Husqvarna AB must disclose in accordance with the Securities Market Act. The information was submitted for publication on July 16, 2020, at 07:30 CET.*

## Factors affecting forward-looking statements

This report contains forward-looking statements in the sense referred to in the American Private Securities Litigation Reform Act of 1995. Such statements comprise, among other things, financial goals, goals of future business and financial plans. These statements are based on present expectations and are subject to risks and uncertainties that may give rise to major deviations in the result due to several aspects. These aspects include, among other things: consumer demand and market conditions in the geographical areas and lines of business in which Husqvarna operates, the effects of currency fluctuations, downward pressure on prices due to competition, a material reduction in sales by important distributors, success in developing new products and in marketing, outcome of product responsibility litigation, progress in terms of reaching the goals set for productivity and efficient use of capital, successful identification of growth opportunities and acquisition objects, integration of these into the existing business and successful achievement of goals for making the supply chain more efficient.