

A successful year

Fourth quarter 2020

- Net sales increased by 4% to SEK 6,683m (6,408), or by 13% when adjusted for changes in exchange rates. (Exits of Consumer Brands business were completed in Q3).
- Operating income was SEK -944m (-493). Excluding items affecting comparability, operating income amounted to SEK -129m (-310).
- Items affecting comparability amounted to SEK -815m (-183) and relate to the supply chain efficiency measures announced in Q3 2020, see page 4 and 16.
- Earnings per share after dilution amounted to SEK -1.26 (-0.67).
- The Construction Division acquired Blastrac, a leading provider of complementing surface preparation technologies.
- The Husqvarna Division announced CEORA, an autonomous professional turf care solution for grass areas up to 50 000m², operating within virtual boundaries.

January – December 2020

- Net sales decreased 1% to SEK 41,943m (42,277) or increased by 6% when adjusted for exits of Consumer Brands business and changes in exchange rates.
- Operating income was SEK 3,669m (3,690). Excluding items affecting comparability, operating income amounted to SEK 4,484 (3,915) representing a margin of 10.7% (9.3).
- Items affecting comparability amounted to SEK -815m (-225) and relate to the supply chain efficiency measures, see page 4 and 16.
- Earnings per share after dilution amounted to SEK 4.35 (4.42).
- Direct operating cash flow* was SEK 6,071m (3,849).
- The Board of Directors will propose a dividend for 2020 of SEK 2.40 per share (2.25) to the AGM.

Financial summary

Group, SEKm	Q4 2020	Q4 2019	Δ%	Jan-Dec 2020	Jan-Dec 2019	Δ%
Net sales	6,683	6,408	4	41,943	42,277	-1
Currency adjusted change*, %	13	-5	-	0	-2	-
Operating income (EBIT)	-944	-493	-92	3,669	3,690	-1
Operating margin, %	-14.1	-7.7	-	8.7	8.7	-
Operating income excl. items affecting comparability*	-129	-310	58	4,484	3,915	15
Operating margin excl. items affecting comparability*	-1.9	-4.8	-	10.7	9.3	-
Income for the period	-718	-387	-86	2,495	2,528	-1
Earnings per share after dilution, SEK	-1.26	-0.67	-88	4.35	4.42	-2
Net sales, Divisions						
Husqvarna	4,496	4,108	9	26,607	27,506	-3
Gardena	761	710	7	9,427	8,343	13
Construction	1,403	1,551	-10	5,844	6,340	-8
Operating income, Divisions						
Husqvarna	-614	-225	-172	1,979	2,260	-12
Excl. items affecting comparability*	89	-100	n/a	2,682	2,427	11
Gardena	-294	-348	15	1,432	847	69
Excl. items affecting comparability*	-294	-348	16	1,432	847	69
Construction	33	106	-69	541	779	-31
Excl. items affecting comparability*	125	163	-23	633	836	-24

*Alternative Performance Measure, refer to "Definitions".

Strong results despite a challenging year

"We achieved a continued strong sales growth in our seasonally smallest fourth quarter. The growth was largely driven by our core categories robotics & battery-powered products, handheld products and watering solutions and supported by a prolonged season. This resulted in a net sales growth of 13%*. The development was particularly strong for the Husqvarna and Gardena Divisions, up 19%* and 13%*, respectively, where we strengthened our market positions. The construction industry is severely impacted by the effects of Covid-19 and the net sales of the Construction Division decreased by 2%* in the quarter.

2020 - a successful year

Our primary focus during 2020 has been the health and safety of the employees while decisively safeguarding the business continuity. The good performance in the fourth quarter concludes a record year where we, as a result of hard diligent work over several years, have now reached our financial targets, growth, profitability and capital efficiency, despite a volatile and challenging macro environment marked by the Covid-19 pandemic. Group net sales increased by 6%* during 2020 which demonstrates our strong position and agility to adapt to rapid shifts in demand. The growth was also supported by the stay-at-home trend and an extended gardening season.

Overall, we achieved an operating margin of 10.7% for the year, excluding items affecting comparability of SEK -815m (-225), related to the handheld supply chain efficiency measures we announced in Q3. The improved margin was driven by sales growth in all our regions, product mix effects and temporary cost avoidance activities. Direct operating cash flow* increased to SEK 6.1 billion (3.8) for the year. The Board of Directors will propose a dividend of SEK 2.40 (2.25) per share to the AGM for 2020.

Our strategic focus on sustainability has resulted in a reduction of absolute CO₂ emissions across the value chain by 32% compared with the base year 2015. As we enter the new phase of Sustainovate 2025, we continue our commitment to contribute to limiting the global warming to 1.5 degrees.

Raised strategic ambitions & investing in the future

As previously announced, we are accelerating our strategic growth investments by 50% annually or SEK 250m and focus on innovative, sustainable products and solutions. We are increasing our

investments in R&D, production, and go-to-market capabilities for our core categories. One example is CEORA, our latest robotic lawn mowing platform for large, commercial turf areas operating within virtual boundaries. With CEORA, we aim to transform professional green landscaping with an automated, cost-efficient, and sustainable solution. Another example is stepping up our efforts pertaining to digital services, where in 2020 we passed the milestone of one million connected customers on our digital platforms.

In conclusion, we delivered a strong fourth quarter resulting in a record year, achieving our financial targets and strengthened our market positions. I would like to sincerely thank our team around the world for tremendous efforts and commitment during the year. With the global uncertainty of the Covid-19 situation, we are well prepared to adapt to fluctuations in demand and focus to protect the health and safety of our employees and business partners. We will continue to accelerate our strategy to further strengthen our market positions and technology leadership."

**Net sales is adjusted for changes in exchange rates, and for the Husqvarna and Gardena Divisions', exits of the Consumer Brands business.*



Henric Andersson, President & CEO

Financial Performance

Financial targets achieved 2020

In 2020, all financial targets; growth, operating margin and capital efficiency were achieved.

Metric	Financial target	Achievement 2020
Sales growth	Market +2ppts	+6%*
Operating margin	>10%	10.7%*
Capital efficiency	≤25%	24.4%

*Net sales is adjusted for changes in exchange rates and exits of Consumer Brands business and operating margin excluding items affecting comparability.

Fourth quarter

Net sales

Net sales for the fourth quarter increased by 4% to SEK 6,683m (6,408) or by 13% when adjusted for changes in exchange rates. The growth was driven by strong performance and good market development, supported by a prolonged gardening season. The market for the Construction division was weaker and its net sales declined in the quarter.

Operating income

Operating income for the fourth quarter was SEK -944m (-493). Excluding items affecting comparability, operating income improved to SEK -129m (-310), driven by the growth in net sales, a favorable product mix and cost avoidance activities. Items affecting comparability amounted to SEK -815m (-183). Changes in exchange rates contributed negatively with approximately SEK 40m compared to last year.

Financial items net

Financial items net amounted to SEK -74m (-131). The decrease was mainly related to lower interest rates and lower debt levels denominated in USD.

Income after financial items

Income after financial items amounted to SEK -1,018m (-624).

Taxes

Income tax amounted to SEK 301m (237).

Earnings per share

Income for the period attributable to equity holders of the Parent Company amounted to SEK -719m (-388),

corresponding to SEK -1.26 (-0.67) per share after dilution.

January - December

Net sales

Net sales for January - December amounted to SEK 41,943m (42,277). Net sales increased by 6% when adjusted for exit of Consumer Brands business and changes in exchange rates. Due to the Covid-19 situation the start of the gardening season was weak. When markets gradually reopened, demand accelerated quickly, as consumers showed a high interest in lawn and garden products. Husqvarna Group was quick to respond and strengthened its market positions during the year.

Operating income

Operating income for January - December was SEK 3,669m (3,690). Excluding items affecting comparability operating income increased 15% to SEK 4,484m (3,915). The increase was primarily related to higher net sales, favorable product mix and cost avoidance activities. Items affecting comparability amounted to SEK -815m (-225). Changes in exchange rates contributed negatively with approximately SEK 75m compared to last year.

Financial items net

Financial items net amounted to SEK -339m (-568). The decrease is mainly related to lower interest rates and lower debt levels denominated in USD.

Income after financial items

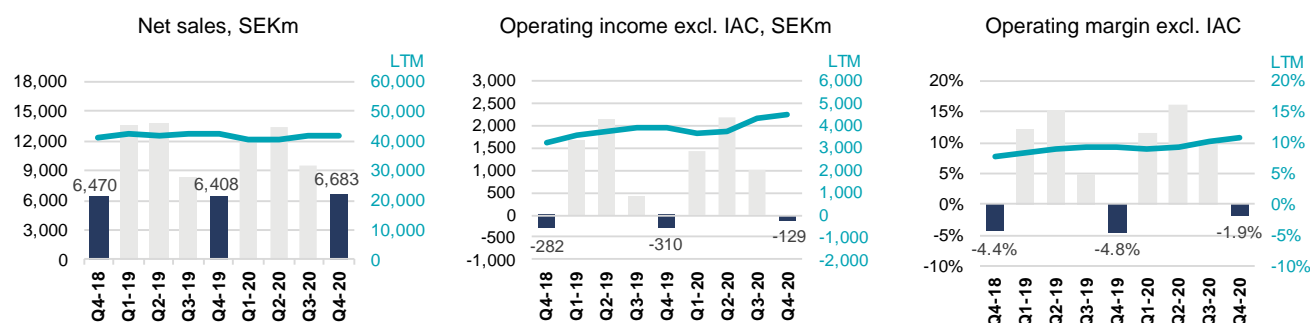
Income after financial items amounted to SEK 3,330m (3,122).

Taxes

Income tax amounted to SEK -835m (-594). The effective tax rate for the year was 25% (19).

Earnings per share

Income for the period attributable to equity holders of the Parent Company amounted to SEK 2,494m (2,527), corresponding to SEK 4.35 (4.42) per share after dilution.



Operating cash flow

Operating cash flow for January - December increased to a record SEK 6,087m (2,676) and direct operating cash flow* increased to SEK 6,071m (3,849). The increase was related to higher cash flow from operations and positive effects from changes in working capital.

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 usually negatively impacted by the pre-season production for the next year.

Financial position

Group equity as of December 31, 2020, excluding non-controlling interests, decreased to SEK 17,059m (17,281), corresponding to SEK 29.8 (30.2) per share after dilution.

Net debt decreased to SEK 6,493m (11,315). The decrease was mainly related to strong operating cash flow. The net pension liability increased to SEK 2,483m (2,427). Other interest-bearing liabilities decreased to SEK 11,437m (11,786) and liquid funds and other interest-bearing assets increased to SEK 7,426m (2,898).

The Group has long-term unutilized revolving credit facilities amounting to SEK 5bn. The net debt/EBITDA ratio, excluding items affecting comparability*, decreased to 1.2 (1.9). The equity/assets ratio was 39 (41).

Effects of Covid-19

The Covid-19 pandemic continues to affect the world and the situation is still uncertain. Currently, all manufacturing and warehouse sites are in operation

adhering to health and safety restrictions. The Group's primary focus during this situation has been the health and safety of the employees while decisively safeguarding the business continuity as well as long-term operational resilience. Given the uncertainty with the development of the pandemic and the effect on our business, the situation is closely monitored, and further measures are ready to be initiated should the situation change.

Accelerated growth initiatives and increased competitiveness in petrol supply chain

The Group is accelerating strategic investments in sustainable solutions with strong long-term growth potential. The strategic growth initiatives include R&D, production and go-to-market capabilities for key categories such as robotics, battery and watering solutions including an increased focus on solutions for the professional segments. At the same time the overall competitiveness is further improved in the petrol supply chain by streamlining and reducing fixed costs within component manufacturing, increasing the level of automation in the factories and by reallocating production volumes among the factories, bringing final assembly closer to the customers.

These steps will reduce the global workforce by approximately 350 positions and result in annual savings of around SEK 500m, fully effective in 2023, whereof SEK 250m will be reinvested annually into accelerated growth initiatives resulting in net savings of SEK 250m on a yearly basis. The associated one-off costs are estimated to SEK 880m (of which SEK 500m are cash items) where SEK 815m was charged to the result in the fourth quarter of 2020. Overall, the Group is well-positioned to accelerate investments in sustainable growth areas to continue to reduce carbon footprint, cater to changing customer needs and deliver value to all stakeholders.

Financial summary

SEKm	Q4 2020	Q4 2019	Δ%	Jan-Dec 2020	Jan-Dec 2019	Δ%
Net sales	4,496	4,108	9	26,607	27,506	-3
Currency adjusted change*, %	19	-9	-	-2	-4	-
Operating income	-614	-225	-172	1,979	2,260	-12
Operating margin, %	-13.6	-5.5	-	7.4	8.2	-
Operating income excl. items affecting comparability*	89	-100	n/a	2,682	2,427	11
Operating margin excl. items affecting comparability*	2.0	-2.4	-	10.1	8.8	-

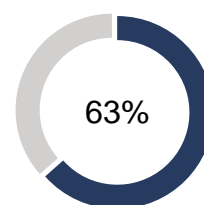
* Alternative Performance Measure, refer to "Definitions".

Fourth quarter

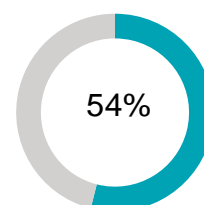
Net sales increased by 9% to SEK 4,496m (4,108) or by 19% when adjusted for changes in exchange rates. The growth was strong in all key regions and the division strengthened its market positions, particularly for robotic lawnmowers, battery-powered products as well as handheld products. New innovations as well as increased focus on aftermarket & accessories contributed to the strong growth.

Operating income amounted to SEK -614m (-225). Excluding items affecting comparability operating income improved by SEK 189m to SEK 89m (-100) and items affecting comparability, related to the previously announced supply chain efficiencies, amounted to SEK -703m (-125). The improvement was related to net sales growth, favorable product mix and cost avoidance activities. Changes in exchange rates had a negative impact of approximately SEK 20m.

Share of Group
net sales, 2020



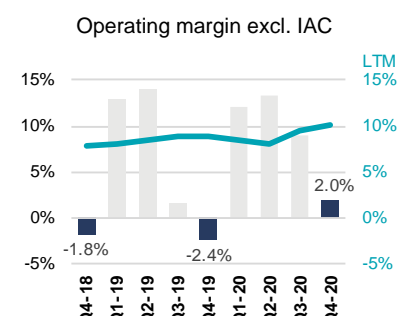
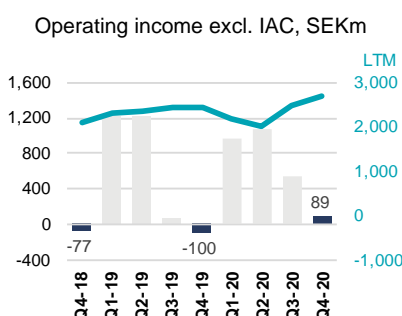
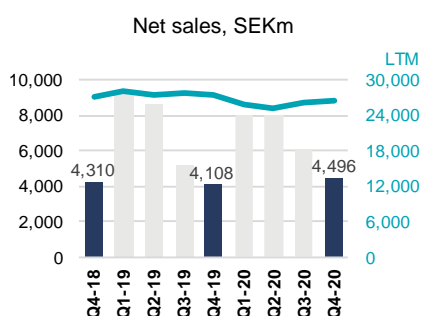
Share of Group
operating income, 2020



January – December

Net sales decreased by 3% to SEK 26,607m (27,506) or by 2% when adjusted for changes in exchange rates. Net sales increased by 5% when adjusted for exits of Consumer Brands business and changes in exchange rates. Due to the Covid-19 situation and related lockdowns, the initial start of the season was weak, but improved rapidly as markets reopened. Good weather conditions and the stay-at-home trend supported a prolonged gardening season.

Operating income amounted to SEK 1,979m (2,260). Excluding items affecting comparability operating income increased 11% to SEK 2,682m (2,427) and the operating margin increased by 1.3 percentage points to 10.1% (8.8). Items affecting comparability, related to the previously announced supply chain efficiencies, amounted to SEK -703m (-167). The margin was positively impacted by a favorable product mix, higher volumes and cost avoidance activities. Changes in exchange rates had a negative impact of approximately SEK 20m.



Financial summary

SEKm	Q4 2020	Q4 2019	Δ%	Jan-Dec 2020	Jan-Dec 2019	Δ%
Net sales	761	710	7	9,427	8,343	13
Currency adjusted change*, %	13	-8	-	13	0	-
Operating income	-294	-348	15	1,432	847	69
Operating margin, %	-38.7	-49.0	-	15.2	10.2	-
Operating income excl. items affecting comparability*	-294	-348	16	1,432	847	69
Operating margin excl. items affecting comparability*	-38.7	-49.0	-	15.2	10.2	-

* Alternative Performance Measure, refer to "Definitions".

Fourth quarter

Net sales increased by 7% to SEK 761m (710) or by 13% when adjusted for changes in exchange rates. The growth was strong, particularly for watering solutions and hand tools, where the Gardena Division strengthened the market positions significantly.

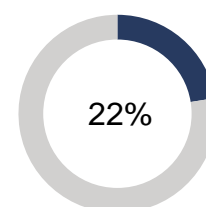
Operating income increased by SEK 54m to SEK -294m (-348). The improvement was driven by the good volume development and a favorable product mix. Changes in exchange rates had a positive impact of approximately SEK 10m.

January – December

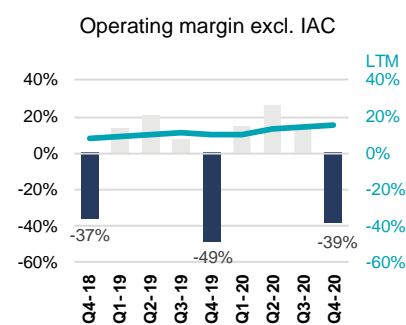
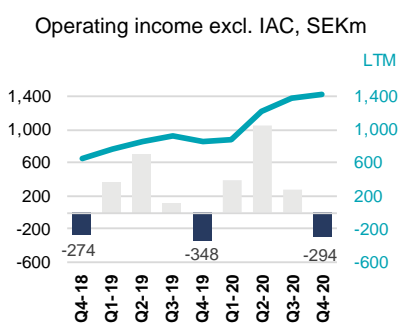
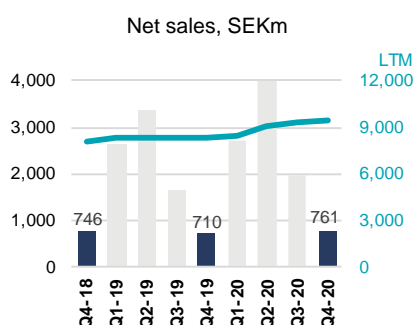
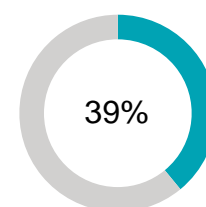
Net sales increased by 13% to SEK 9,427m (8,343). Net sales increased by 17% when adjusted for exits of Consumer Brands business and changes in exchange rates. As markets reopened after Covid-19 lockdowns, the demand increased quickly. The growth was strong for all categories with good support from recent product launches and innovations. Good weather conditions and the stay-at-home trend supported a prolonged gardening season.

Operating income increased by 69% to SEK 1,432m (847) and the operating margin increased by 5 percentage points to 15.2% (10.2). Gardena concluded the fifth year of consecutive growth and delivered a record result. The margin improvement was driven by the strong volume growth and a favorable product mix. Changes in exchange rates had a negative impact of approximately SEK 35m.

Share of Group net sales, 2020



Share of Group operating income, 2020



Financial Summary

SEKm	Q4 2020	Q4 2019	Δ%	Jan-Dec 2020	Jan-Dec 2019	Δ%
Net sales	1,403	1,551	-10	5,844	6,340	-8
Currency adjusted change*, %	-2	7	-	-6	5	-
Operating income	33	106	-69	541	779	-31
Operating margin, %	2.3	6.8	-	9.3	12.3	-
Operating income excl. items affecting comparability*	125	163	-23	633	836	-24
Operating margin excl. items affecting comparability*	8.9	10.5	-	10.8	13.2	-

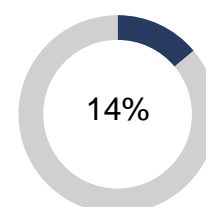
* Alternative Performance Measure, refer to "Definitions".

Fourth quarter

Net sales decreased by 10% to SEK 1,403m (1,551) or by 2% when adjusted for changes in exchange rates. Sales developed positively in Europe, whereas sales declined slightly in North America, due to Covid-19 restrictions.

Operating income amounted to SEK 33m (106). Excluding items affecting comparability operating income amounted to SEK 125m (163). The result include acquisition related costs for the Blastrac acquisition. Items affecting comparability, related to the previously announced supply chain efficiencies, amounted to SEK -92m (-57). Changes in exchange rates had a negative impact of approximately SEK 30m, where the division's sales in the US had the largest impact.

Share of Group
net sales, 2020

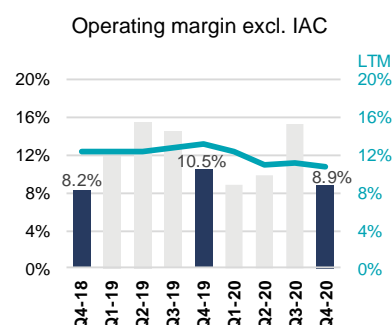
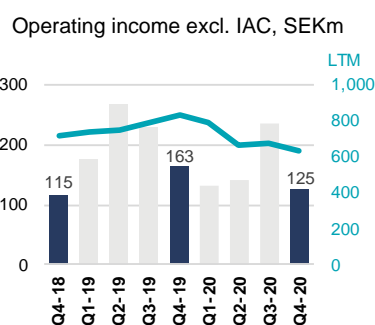
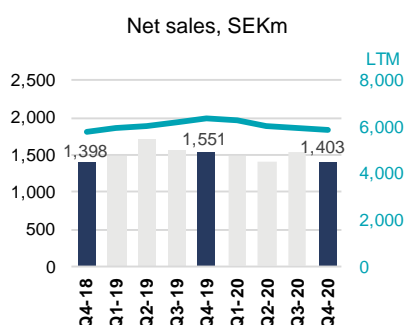
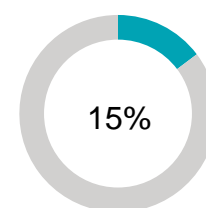


January - December

Net sales decreased by 8% to SEK 5,844m (6,340) or by 6% when adjusted for changes in exchange rates. The decline in net sales was primarily due to Covid-19, with lowered demand that affected the markets. Markets recovered towards the end of the second quarter and the third quarter, but was affected from additional restrictions in the fourth quarter.

Operating income amounted to SEK 541m (779). Excluding items affecting comparability operating income amounted to SEK 633m (836). Items affecting comparability, related to the previously announced supply chain efficiencies, amounted to SEK -92m (-57). The operating margin declined 2.4 percentage points to 10.8% (13.2%). The decline was due to lower volumes but partly offset by cost avoidance activities. Changes in exchange rates had a negative impact of approximately SEK 20m.

Share of Group
operating income, 2020



Additional information

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. 4,520 shares were converted in the fourth quarter. The total number of registered shares in the company at December 31, 2020 amounted to 576,343,778 of which 111,690,460 were A-shares and 464,653,318 were B-shares. The total number of votes amounted to 158,155,791.8.

Parent Company

Net sales for January – December 2020 for the Parent Company, Husqvarna AB, amounted to SEK 18,341m (17,838), of which SEK 14,336m (13,983) referred to sales to Group companies and SEK 4,005m (3,855) to external customers.

Income after financial items decreased to SEK 3,795m (8,512), mainly due to Group internal transactions. Income for the year decreased to SEK 2,643m (8,530). Investments in property, plant and equipment and intangible assets amounted to SEK 1,126m (1,208). Cash and cash equivalents amounted to SEK 4,596m (650) at the end of the year. Undistributed earnings in the Parent Company amounted to SEK 28,627m (27,351).

Important events

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.

As previously communicated, in 2019 the Group exited net sales of SEK 1.4 billion related to Consumer Brands. Exits in 2020 amounted to SEK 2.2 billion and were completed in Q3.

Appointment of New President & CEO

The Board of Directors of Husqvarna AB appointed Henric Andersson to succeed Kai Wörn as the President & CEO of 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. 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 of the Construction Division and is also a member of Husqvarna Group's management team. Most recently Karin Falk was Senior Vice President Services & Customer Quality at Volvo Trucks and took up her new position within Husqvarna Group on September 1, 2020.

A further step in optimizing and decentralizing the organization was taken in 2020. A new function, Strategy & Innovation was formed, initially headed by Henric Andersson, President & CEO, on an acting basis. Activities within two prior functions, Business Development and Innovation & Technology, were merged into this new function. Activities within the function Operations Development were moved into other functions and/or the divisions. Accordingly, Anders Johanson, Senior Vice President, Innovation & Technology and CTO decided to leave the Group. Brian Belanger left his interim role as Senior Vice President Business Development and continue in his role as Senior Vice President, Legal Affairs. Pavel Hajman continue as Senior Vice President Global Information Services and CIO. The organizational changes were effective from December 1, 2020.

Reinstated dividend

The Board of Directors assessed the Company's financial performance and cash position, as well as general market conditions, and concluded that a reinstatement of the dividend was appropriate. An extra AGM on October 23, 2020 decided on a dividend of SEK 2.25 per share for the fiscal year 2019.

2021 Annual General Meeting

The AGM of Husqvarna AB (publ) will be held on April 14, 2021. Proposals from shareholders on matters to be considered at the Annual General Meeting must be received by Husqvarna AB no later than February 24, 2021.

Acquisition of Blastrac

In December 2020, Husqvarna Group's Construction Division acquired Blastrac, a leading provider of surface preparation technologies for the global construction and remediation industry. The Blastrac product portfolio includes high-quality and efficient solutions for shot blasting, scarifying, scraping, grinding & polishing and dust collection. Blastrac's net sales in 2020 amounted to approximately SEK 600m. The company has 380 employees globally with manufacturing and sales offices in North America, Europe and Asia with sales in more than 80 countries.

Announcement of CEORA

The Husqvarna Division has announced a new robotic solution for commercial turf care management. The new Husqvarna CEORA platform is a autonomous turf care solution for grass areas of up to 50 000 m². The high performing, low noise and zero emission Husqvarna CEORA mows autonomously and systematically within virtual boundaries.

Significant events after the quarter

Dividend

The Board of Directors will propose a dividend for 2020 of SEK 2.40 (2.25) per share to the AGM, corresponding to a total dividend payment of SEK 1,374m (1,287) based on the number of outstanding shares at the end of 2020.

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

Accounting Principles

This year-end 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.

Auditors' review report

This year-end report has not been subject to review by the auditors.

Stockholm, February 3, 2021

Henric Andersson
President and CEO

Consolidated income statement

SEKm	Q4 2020	Q4 2019	Jan-Dec 2020	Jan-Dec 2019
Net sales	6,683	6,408	41,943	42,277
Cost of goods sold	-5,462	-4,976	-29,367	-29,748
Gross income	1,221	1,432	12,576	12,529
Gross margin, %	18.3	22.3	30.0	29.6
Selling expenses	-1,539	-1,582	-6,596	-6,985
Administrative expenses	-630	-539	-2,335	-2,051
Other operating income/expense	4	196	23	197
Operating income	-944	-493	3,669	3,690
Operating margin, %	-14.1	-7.7	8.7	8.7
Financial items, net	-74	-131	-339	-568
Income after financial items	-1,018	-624	3,330	3,122
Margin, %	-15.2	-9.7	7.9	7.4
Income tax	301	237	-835	-594
Income for the period	-718	-387	2,495	2,528
Income for the period attributable to:				
Equity holders of the Parent Company	-719	-388	2,494	2,527
Non-controlling interest	1	1	1	1
Earnings per share:				
Before dilution, SEK	-1.26	-0.67	4.36	4.42
After dilution, SEK	-1.26	-0.67	4.35	4.42
Weighted average number of shares outstanding:				
Before dilution, millions	572.6	572.2	572.4	572.0
After dilution, millions	572.6	572.2	572.9	572.2

Consolidated comprehensive income statement

SEKm	Q4 2020	Q4 2019	Jan-Dec 2020	Jan-Dec 2019
Income for the period	-718	-387	2,495	2,528
Other comprehensive income				
<i>Items that will not be reclassified to the income statement:</i>				
Remeasurements on defined benefit pension plans, net of tax	97	49	-27	-302
Total items that will not be reclassified to the income statement, net of tax	97	49	-27	-302
<i>Items that may be reclassified to the income statement:</i>				
Translation differences	-1,606	-845	-2,347	916
Net investment hedge, net of tax	727	605	908	-525
Cash flow hedges, net of tax	76	86	23	-79
Total items that may be reclassified to the income statement, net of tax	-803	-154	-1,416	312
Other comprehensive income, net of tax	-706	-105	-1,443	10
Total comprehensive income for the period	-1,424	-492	1,051	2,538
Total comprehensive income attributable to:				
Equity holders of the Parent Company	-1,425	-492	1,050	2,537
Non-controlling interest	1	0	1	1

Consolidated balance sheet

SEKm	Dec 31 2020	Dec 31 2019
Assets		
Property, plant and equipment	6,324	6,794
Right of use assets	1,212	1,585
Goodwill	6,905	7,338
Other intangible assets	5,639	5,629
Investments in associated companies	44	33
Other non-current assets	570	670
Deferred tax assets	1,576	1,690
Total non-current assets	22,269	23,739
Inventories	9,734	10,858
Trade receivables	3,259	3,620
Derivatives	929	592
Tax receivables	53	250
Other current assets	1,122	1,011
Cash and cash equivalents	6,151	1,911
Total current assets	21,248	18,242
Total assets	43,517	41,981
Equity and liabilities		
Equity attributable to equity holders of the Parent Company	17,059	17,281
Non-controlling interests	3	2
Total equity	17,062	17,283
Borrowings	6,683	7,047
Lease liabilities	991	1,304
Derivatives	85	55
Deferred tax liabilities	1,497	1,732
Provisions for pensions and other post-employment benefits	2,637	2,622
Other provisions	588	610
Total non-current liabilities	12,480	13,370
Trade payables	4,815	4,099
Tax liabilities	1,006	269
Other liabilities	3,413	2,995
Borrowings	2,853	2,694
Lease liabilities	376	457
Derivatives	449	229
Other provisions	1,064	585
Total current liabilities	13,976	11,328
Total equity and liabilities	43,517	41,981

Consolidated cash flow statement

SEKm	Q4 2020	Q4 2019	Jan-Dec 2020	Jan-Dec 2019
Cash flow from operations				
Operating income	-944	-493	3,669	3,690
Non cash items	1,247	627	3,344	2,359
<i>Cash items</i>				
Paid restructuring expenses	-90	-42	-244	-272
Net financial items, received/paid	-86	-102	-327	-490
Taxes paid	105	-60	-291	-811
Cash flow from operations, excluding change in operating assets and liabilities	232	-70	6,150	4,476
Operating assets and liabilities				
Change in inventories	-2,279	-1,022	278	627
Change in trade receivables	1,238	878	55	114
Change in trade payables	1,092	704	1,014	-656
Change in other operating assets/liabilities	-567	-371	584	347
Cash flow from operating assets and liabilities	-516	189	1,931	432
Cash flow from operations	-284	119	8,081	4,908
Investments				
Acquisitions and divestments of subsidiaries/operations and divestments of property, plant and equipment	-409	325	-399	349
Investments in property, plant and equipment and intangible assets	-689	-711	-1,994	-2,232
Investments and divestments of financial assets	-4	-88	-2	-56
Cash flow from investments	-1,102	-474	-2,395	-1,939
Cash flow from operations and investments	-1,386	-355	5,686	2,969
Financing				
Dividend paid to shareholders	-1,288	-859	-1,288	-1,287
Dividend paid to non-controlling interests	-	-	-	-1
Other financing activities	-170	1,540	5	-1,159
Cash flow from financing	-1,458	681	-1,284	-2,447
Total cash flow	-2,844	326	4,403	522
Cash and cash equivalents at the beginning of the period	9,064	1,623	1,911	1,346
Exchange rate differences referring to cash and cash equivalents	-69	-38	-162	43
Cash and cash equivalents at the end of the period	6,151	1,911	6,151	1,911
	Q4 2020	Q4 2019	Jan-Dec 2020	Jan-Dec 2019
Operating cash flow, SEKm				
Cash flow from operations	-284	119	8,081	4,908
Investments in property, plant and equipment and intangible assets	-689	-711	-1,994	-2,232
Operating cash flow	-973	-592	6,087	2,676
	Q4 2020	Q4 2019	Jan-Dec 2020	Jan-Dec 2019
Direct operating cash flow, SEKm				
EBITDA excl. items affecting comparability	453	229	6,718	5,996
Change in inventories	-2,279	-1,022	278	627
Change in trade receivables	1,238	878	55	114
Change in trade payables	1,092	704	1,014	-656
Investments in property, plant and equipment and intangible assets	-689	-711	-1,994	-2,232
Direct operating cash flow	-185	78	6,071	3,849

Key performance indicators

Income statement

	Q4 2020	Q4 2019	Jan-Dec 2020	Jan-Dec 2019
EBITDA, SEKm*				
Operating income	-944	-493	3,669	3,690
Reversal of depreciation, amortization and impairment	885	547	2,537	2,089
EBITDA*	-59	54	6,206	5,779
<i>Excl. items affecting comparability*</i>	453	229	6,718	5,996
<i>EBITDA margin, %</i>	-0.9	0.8	14.8	13.7
<i>Excl. items affecting comparability*</i>	6.8	3.6	16.0	14.2

	Q4 2020	Q4 2019	Jan-Dec 2020	Jan-Dec 2019
Key data, SEKm				
<i>Net sales growth, %</i>	4	-1	-1	3
Operating income	-944	-493	3,669	3,690
<i>Operating margin, %</i>	-14.1	-7.7	8.7	8.7
Operating income excl. items affecting comparability*	-129	-310	4,484	3,915
<i>Operating margin excl. items affecting comparability*</i>	-1.9	-4.8	10.7	9.3
Average number of employees	12,547	12,051	12,374	12,708

* Alternative Performance Measure, refer to "Definitions".

Balance sheet

	Dec 31 2020	Dec 31 2019
Key data, SEKm		
Operating working capital	8,179	10,379
<i>Operating working capital / net sales*, %</i>	24.4	27.3
<i>Return on capital employed, %</i>	13.3	12.9
<i>Excl. items affecting comparability*, %</i>	15.7	14.1
<i>Return on equity, %</i>	13.5	14.7
<i>Excl. items affecting comparability*, %</i>	16.8	15.5
Capital turn-over rate, times	1.6	1.5
<i>Equity/assets ratio, %</i>	39	41
Equity per share after dilution, SEK	29.8	30.2

	Dec 31 2020	Dec 31 2019
Net debt, SEKm*		
Net pension liability	2,483	2,427
Other interest-bearing liabilities	11,437	11,786
Less: Liquid funds and other interest-bearing assets	-7,426	-2,898
Net debt*	6,493	11,315
Net debt/equity ratio	0.38	0.65
Net debt/EBITDA excl. Items affecting comparability*	1.2	1.9

* Alternative Performance Measure, refer to "Definitions".

Change in Group equity

SEKm	Attributable to equity holders of the Parent Company	Non-controlling interests	Total equity
Opening balance January 1, 2019	16,007	2	16,009
Share-based payment	24	-	24
Dividend	-1,287	-1	-1,288
Total comprehensive income	2,537	1	2,538
Closing balance December 31, 2019	17,281	2	17,283
Opening balance January 1, 2020	17,281	2	17,283
Share-based payment	17	-	17
Dividend	-1,288	-	-1,288
Total comprehensive income	1,050	1	1,051
Closing balance December 31, 2020	17,059	3	17,062

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. Fair value corresponds to book value in all material aspects.

SEKm	Dec 31 2020		Dec 31 2019	
	Book value	Fair value	Book value	Fair value
<i>Non-current borrowings</i>				
Loans	6,683	6,755	7,046	6,966

Net sales and income by quarter

Group, SEKm	2020				2019			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Net sales	6,683	9,570	13,482	12,208	6,408	8,429	13,789	13,651
Net sales, LTM*	41,943	41,667	40,526	40,834	42,277	42,339	41,953	42,433
Operating income	-944	997	2,191	1,424	-493	414	2,125	1,644
Operating margin, %	-14.1	10.4	16.3	11.7	-7.7	4.9	15.4	12.0
Operating income excl. IAC*	-129	997	2,191	1,424	-310	414	2,125	1,686
Operating margin excl. IAC*, %	-1.9	10.4	16.3	11.7	-4.8	4.9	15.4	12.3
Operating income, LTM*	3,669	4,119	3,536	3,470	3,690	3,079	2,542	2,341
Operating margin, LTM*, %	8.7	9.9	8.7	8.5	8.7	7.3	6.1	5.5
Operating income, LTM excl. IAC*	4,484	4,302	3,719	3,653	3,915	3,943	3,755	3,553
Operating margin, LTM excl. IAC*, %	10.7	10.3	9.2	8.9	9.3	9.3	8.9	8.4
Income for the period	-718	653	1,567	992	-387	269	1,505	1,140
Husqvarna, SEKm	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Net sales	4,496	6,069	8,042	8,001	4,108	5,204	8,688	9,506
Net sales, LTM*	26,607	26,219	25,355	26,001	27,506	27,708	27,520	28,178
Operating income	-614	543	1,078	972	-225	82	1,217	1,186
Operating margin, %	-13.6	8.9	13.4	12.2	-5.5	1.6	14.0	12.5
Operating income excl. IAC*	89	543	1,078	972	-100	82	1,217	1,228
Operating margin excl. IAC*, %	2.0	8.9	13.4	12.2	-2.4	1.6	14.0	12.9
Operating income, LTM	1,979	2,368	1,907	2,046	2,260	1,859	1,433	1,370
Operating margin, LTM*, %	7.4	9.0	7.5	7.9	8.2	6.7	5.2	4.9
Operating income, LTM excl. IAC*	2,682	2,493	2,032	2,171	2,427	2,450	2,353	2,290
Operating margin, LTM excl. IAC*, %	10.1	9.5	8.0	8.3	8.8	8.8	8.5	8.1
Gardena, SEKm	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Net sales	761	1,948	4,011	2,708	710	1,630	3,373	2,630
Net sales, LTM*	9,427	9,377	9,058	8,421	8,343	8,379	8,312	8,264
Operating income	-294	274	1,054	398	-348	120	703	372
Operating margin, %	-38.7	14.1	26.3	14.7	-49.0	7.4	20.8	14.1
Operating income excl. IAC*	-294	274	1,054	398	-348	120	703	372
Operating margin excl. IAC*, %	-38.7	14.1	26.3	14.7	-49.0	7.4	20.8	14.1
Operating income, LTM	1,432	1,378	1,223	872	847	696	641	532
Operating margin, LTM*, %	15.2	14.7	13.5	10.4	10.2	8.3	7.7	6.4
Operating income, LTM excl. IAC*	1,432	1,378	1,224	873	847	920	867	758
Operating margin, LTM excl. IAC*, %	15.2	14.7	13.5	10.4	10.2	11.0	10.4	9.2
Construction, SEKm	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Net sales	1,403	1,541	1,412	1,487	1,551	1,575	1,720	1,494
Net sales, LTM*	5,844	5,992	6,025	6,332	6,340	6,187	6,059	5,928
Operating income	33	236	140	132	106	229	267	177
Operating margin, %	2.3	15.3	9.9	8.9	6.8	14.6	15.5	11.8
Operating income excl. IAC*	125	236	140	132	163	229	267	177
Operating margin excl. IAC*, %	8.9	15.3	9.9	8.9	10.5	14.6	15.5	11.8
Operating income, LTM	541	614	608	735	779	744	707	691
Operating margin, LTM*, %	9.3	10.2	10.1	11.6	12.3	12.0	11.7	11.6
Operating income, LTM excl. IAC*	633	670	664	792	836	788	752	735
Operating margin, LTM excl. IAC*, %	10.8	11.2	11.0	12.5	13.2	12.7	12.4	12.4
Group Common, SEKm	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Net sales	23	12	15	13	39	20	8	21
Operating income	-69	-55	-80	-78	-26	-17	-62	-91
Operating income excl. IAC*	-49	-55	-80	-78	-25	-17	-62	-91

*Alternative Performance Measure, refer to "Definitions".

Items affecting comparability

SEKm	Q4 2020	Q4 2019	Jan-Dec 2020	Jan-Dec 2019
Impairment of non-current assets	-303	-8	-303	-8
Write-down of inventory	-98	-4	-98	-4
Other restructuring costs	-414	-171	-414	-213
Total items affecting comparability	-815	-183	-815	-225

Classification in the income statement

SEKm	Q4 2020	Q4 2019	Jan-Dec 2020	Jan-Dec 2019
Cost of goods sold	-521	-75	-521	-117
Selling expenses	-82	-57	-82	-57
Administrative expenses	-212	-51	-212	-51
Total items affecting comparability	-815	-183	-815	-225

Net assets by segment ¹

SEKm	Assets		Liabilities		Net Assets	
	Dec 31 2020	Dec 31 2019	Dec 31 2020	Dec 31 2019	Dec 31 2020	Dec 31 2019
Husqvarna	18,155	20,080	5,727	4,709	12,427	15,371
Gardena	9,229	9,835	2,579	2,102	6,650	7,733
Construction	6,874	6,988	1,266	1,155	5,608	5,833
Other ²	1,679	1,952	2,809	2,324	-1,130	-372
Total	35,937	38,855	12,382	10,290	23,555	28,565

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

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

Parent Company

Income statement

SEKm	Q4 2020	Q4 2019	Jan-Dec 2020	Jan-Dec 2019
Net sales	4,054	3,006	18,341	17,838
Cost of goods sold	-2,590	-2,593	-13,034	-13,626
Gross income	1,463	413	5,307	4,212
Selling expense	-348	-334	-1,439	-1,449
Administrative expense	-435	-372	-1,308	-1,308
Other operating income/expense	-	9	-	9
Operating income	680	-284	2,560	1,464
Financial items, net	876	611	1,235	7,048
Income after financial items	1,557	327	3,795	8,512
Appropriations	-445	155	-506	110
Income before taxes	1,112	482	3,290	8,622
Tax on profit for the year	-243	-115	-647	-92
Income for the period	869	367	2,643	8,530

Balance sheet

SEKm	Dec 31 2020	Dec 31 2019
Non-current assets	38,099	38,226
Current assets	14,476	9,987
Total assets	52,575	48,213
Equity	31,211	29,801
Untaxed reserves	794	794
Provisions	89	101
Non-current liabilities	6,606	6,881
Current liabilities	13,875	10,636
Total equity and liabilities	52,575	48,213

Number of shares

	Outstanding A-shares	Outstanding B-shares	Repurchased B-shares ¹	Total
Number of shares as of December 31, 2019	112,015,629	460,186,985	4,141,164	576,343,778
Conversion of A-shares into B-shares	-325,169	325,169	-	-
Shares allocated to 2017 LTI-program	-	375,314	-375,314	-
Number of shares as of December 31, 2020	111,690,460	460,887,468	3,765,850	576,343,778

¹ All repurchased 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 10:00 CET on February 3, 2021.

To participate, please dial +46 (0) 8 505 583 51 (Sweden) or +44 333 300 9274 (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/210203>. A replay will be available later the same day.



Dates for Financial Reports 2021

April 14	Annual General Meeting 2021
April 22	Interim report for January-March
July 16	Interim report for January-June
October 20	Interim report for January- September



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This report contains insider information that Husqvarna AB is required to disclose under the EU Market Abuse Regulation and the Securities Markets Act. The information was submitted for publication, through the contact person set out above, at 07.30 CET on February 3, 2021.

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.