

## A record quarter

### Second quarter 2021

- Net sales increased by 8% to SEK 14,614m (13,482). The organic growth was 14%, changes in exchange rates impacted with -7% and acquisitions with 1%.
- Operating income was SEK 2,659m (2,191). Excluding items affecting comparability, operating income increased by 21% to SEK 2,645m (2,191). The operating margin was 18.1% (16.3).
- Earnings per share before dilution amounted to SEK 3.49 (2.74) and earnings per share after dilution amounted to SEK 3.48 (2.74).
- Cash flow from operations and investments was SEK 3,174m (2,956). Direct operating cash flow was SEK 2,875m (2,463).
- Operating working capital / net sales amounted to 21.1% (28.5).
- Save the date: Husqvarna Group will host a Capital Markets Day on December 1, 2021, 08:30, at Fotografiska, Stockholm.

### January – June 2021

- Net sales increased by 11% to SEK 28,644m (25,690). The organic growth was 19%, changes in exchange rates impacted with -9% and acquisitions with 1%.
- Operating income was SEK 4,952m (3,616). Excluding items affecting comparability, operating income increased by 37% to SEK 4,938m (3,616). The operating margin was 17.2% (14.1). For the rolling 12-month period the operating margin amounted to 12.9% (9.2), excluding items affecting comparability.
- Earnings per share before dilution amounted to SEK 6.39 (4.47) and earnings per share after dilution amounted to SEK 6.37 (4.47).
- Cash flow from operations and investments was SEK 4,723m (3,371). Direct operating cash flow was SEK 3,018m (2,330).
- The Group's total CO<sub>2</sub> emissions across the value chain has been reduced by 30% compared with the 2015 base line and measured on a rolling 12-month basis.

### Financial summary

Group, SEKm	Q2 2021	Q2 2020	Δ%	Jan-Jun 2021	Jan-Jun 2020	Δ%	LTM*	Full year 2020
Net sales	14,614	13,482	8	28,644	25,690	11	44,897	41,943
Organic growth*, %	14	-2		19	-8		17	0
Operating income (EBIT)	2,659	2,191	21	4,952	3,616	37	5,005	3,669
Operating margin, %	18.2	16.3		17.3	14.1		11.1	8.7
Operating income excl. items affecting comparability*	2,645	2,191	21	4,938	3,616	37	5,806	4,484
Operating margin excl. items affecting comparability*, %	18.1	16.3		17.2	14.1		12.9	10.7
Income after financial items	2,597	2,114	23	4,829	3,429	41	4,729	3,330
Net income for the period	2,001	1,567	28	3,660	2,559	43	3,596	2,495
Earnings per share before dilution, SEK	3.49	2.74	27	6.39	4.47	43	6.27	4.35
Earnings per share after dilution, SEK	3.48	2.74	27	6.37	4.47	43	6.25	4.35
Direct operating cash flow*	2,875	2,463	17	3,018	2,330	30	6,759	6,071
Operating working capital / net sales*, %	21.1	28.5		21.1	28.5		21.1	24.4

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

## A record quarter

"We delivered a record second quarter with strengthened market positions and strong performance in all divisions and main regions. The customer interest for gardening products increased and the construction industry market continued to rebound. Organic sales growth was 14% whilst operating income increased by 21%. We are very pleased with significant wins in strategically important segments during the quarter, notably robotic lawn mowers and battery-powered products where we grew organically by 27%.

The Husqvarna Division achieved 18% organic sales growth, with strong performance across all product categories and geographies, especially within handheld solutions and robotic lawn mowers. The Gardena Division's performance in strategic growth markets, notably in Southern and Northern Europe, was extremely encouraging and offsetting the late start to the watering season in Central Europe. In total Gardena's organic sales growth was flat, compared to an exceptional second quarter last year. The Construction Division achieved an organic sales growth of 31%, supported by an improved market situation. The integration of the Blastrac acquisition is progressing according to plan.

Our strong growth, a favorable product mix and price increases, combined with good cost control drove an increase in operating income to SEK 2,645m (2,191), excluding items affecting comparability. The increase was partly offset by higher raw material and logistics costs. Operating margin increased to 18.1% (16.3) for the second quarter, excluding items affecting comparability, and amounted to 12.9% on a rolling 12-month basis. We continued to improve our working capital position and direct operating cash flow increased to SEK 3,018m (2,330) during the first half year.

In the light of the Covid-19 situation, strong demand combined with supply shortages continue to put pressure on global supply chains including component availability. This has to some extent limited the volumes we have been able to produce.

In the quarter, we unfortunately identified a defective component on a circuit board used in a limited batch of robotic lawn mowers. We sincerely apologize for the inconvenience this has caused our valued customers and dealers. We are fully committed to quickly resolve this and as of today the vast majority of customers have had the component in question replaced.

### Accelerating sustainable value creation

Our performance this quarter reflects the strength of our long-term strategy and our execution continues at a rapid pace, as we lead our industry in the transition to a low-carbon and resource-smart economy. This means significant investments in innovation. With the recently launched professional robotic lawn mower Husqvarna CEORA™, we are setting out to transform the commercial turf care market.

The Construction Division announced a new battery-powered Power cutter, K1 PACE, setting a new standard providing comparable performance to petrol power cutters. These are both examples of groundbreaking products and solutions that show our commitment to drive our industry towards further automation and electrification. As a Group, we have now reduced our absolute CO<sub>2</sub> emissions along the value chain by 30% compared to the base year 2015. We are well on our way to achieve our 35% reduction target by 2025.

Looking ahead, based on our strong strategy execution and value proposition paired with the fact that many people have developed an increased appreciation for the outdoors, we are well-positioned to continue to grow and transform to meet our customers expectations."



*Henric Andersson, President & CEO*

## Financial Performance

### Financial targets and performance

Husqvarna Group has three financial targets; growth, operating margin and capital efficiency.

Metric	Financial target	Achievement LTM
Net sales growth	Market +2ppts	17%
Operating margin	>10%	12.9%*
Capital efficiency**	≤25%	21.1%

\*Excluding items affecting comparability

\*\*Operating working capital / net sales

### Second quarter

#### Net sales

Net sales for the second quarter increased by 8% to SEK 14,614m (13,482). Organic growth was 14%, currency effects impacted with -7% and acquisitions with 1%. The growth was driven by solid performance and strengthened market positions in main segments and regions.

#### Operating income

Operating income for the second quarter increased to SEK 2,659m (2,191). Excluding items affecting comparability, operating income increased 21% to SEK 2,645m (2,191), driven by volume growth, price increases, a favorable product mix and good cost control. This was despite increased costs for raw materials and logistics. Items affecting comparability amounted to SEK 14m (0) and relate to the supply chain efficiency measures announced in Q3 2020 and a gain from the sale of a business in Japan, see page 20. Changes in exchange rates impacted negatively with approximately SEK 80m compared to last year.

#### Financial items net

Financial items net amounted to SEK -62m (-78).

#### Income after financial items

Income after financial items amounted to SEK 2,597m (2,114).

#### Taxes

Income tax amounted to SEK -596m (-547), corresponding to an effective tax rate of 22.9% (25.9).

### Earnings per share

Net income for the period attributable to equity holders of the Parent Company amounted to SEK 2,000m (1,566), corresponding to SEK 3.48 (2.74) per share after dilution.

### January - June

#### Net sales

Net sales for January - June increased by 11% to SEK 28,644m (25,690). Organic growth was 19%, currency effects impacted with -9% and acquisitions with 1%. The growth was driven by solid performance and strengthened positions in all main regions.

#### Operating income

Operating income for January - June increased to SEK 4,952m (3,616). Excluding items affecting comparability, operating income increased 37% to SEK 4,938m (3,616), driven by volume growth, price increases, a favorable product mix and good cost control. This was despite increased costs for raw materials and logistics. Items affecting comparability amounted to SEK 14m (0) and relate to the supply chain efficiency measures announced in Q3 2020 and a gain from the sale of a business. Changes in exchange rates contributed negatively with approximately SEK 215m compared to last year.

#### Financial items net

Financial items net amounted to SEK -123m (-187). The decrease is mainly related to lower interest rates and lower debt levels denominated in USD.

#### Income after financial items

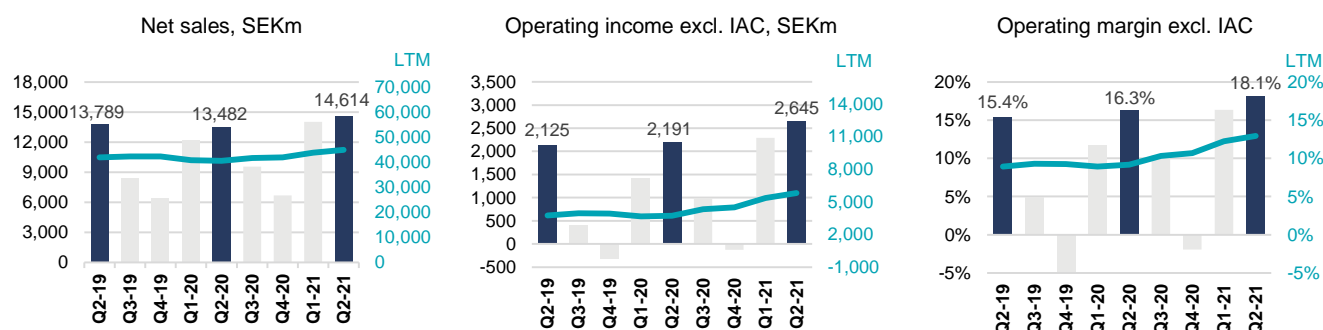
Income after financial items amounted to SEK 4,829m (3,429).

#### Taxes

Income tax amounted to SEK -1,169m (-870), corresponding to an effective tax rate of 24.2% (25.4).

### Earnings per share

Net income for the period attributable to equity holders of the Parent Company amounted to SEK 3,658m (2,558), corresponding to SEK 6.37 (4.47) per share after dilution.



## Cash flow

Cash flow from operations and investments for January – June increased to SEK 4,723m (3,371) and direct operating cash flow increased to SEK 3,018m (2,330). The increase was related to higher cash flow from operations. Due to the seasonal build-up of working capital, cash flow is normally weaker in the first quarter, followed by stronger 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 June 30, 2021, excluding non-controlling interests, increased to SEK 20,180m (19,350), corresponding to SEK 35.1 (33.8) per share after dilution.

Net debt decreased to SEK 3,365m (7,737). The decrease was mainly related to cash flow from operations. The net pension liability decreased to SEK 2,046m (2,710). Other interest-bearing liabilities decreased to SEK 8,763m (12,952) and liquid funds and other interest-bearing assets increased to SEK 8,360m (7,926).

The Group has long-term unutilized revolving credit facilities amounting to SEK 5bn. The net debt/EBITDA ratio, excluding items affecting comparability, decreased to 0.7 (1.8). The equity/assets ratio was 42% (40).

## Financial summary

SEKm	Q2 2021	Q2 2020	Δ%	Jan-Jun 2021	Jan-Jun 2020	Δ%	LTM*	Full year 2020
Net sales	8,836	8,042	10	17,656	16,043	10	28,220	26,607
Organic growth*, %	18	-8		20	-14		20	-2
Operating income	1,534	1,078	42	3,071	2,050	50	3,000	1,979
Operating margin, %	17.4	13.4		17.4	12.8		10.6	7.4
Operating income excl. items affecting comparability*	1,536	1,078	42	3,073	2,050	50	3,705	2,682
Operating margin excl. items affecting comparability*, %	17.4	13.4		17.4	12.8		13.1	10.1

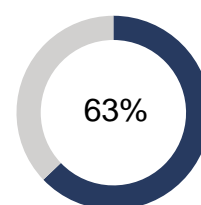
\* Alternative Performance Measure, refer to "Definitions".

### Second quarter 2021

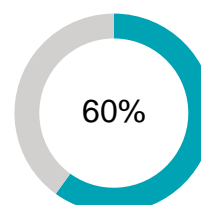
Net sales increased by 10% to SEK 8,836m (8,042). The organic sales growth was 18% and currency effects impacted with -8%. The growth was strong across all product areas and key regions. During the quarter the CEORA™ robotic lawn mower was launched. CEORA™ is an automated, cost-efficient and sustainable solution for professional lawn care. In addition, a new 90cc professional chainsaw was introduced to the market.

Operating income amounted to SEK 1,534m (1,078). Excluding items affecting comparability operating income increased 42% to SEK 1,536m (1,078) and the operating margin increased to 17.4% (13.4). The improvement was driven by strong net sales growth, price increases, a favorable product mix and cost avoidance activities. This was despite increased raw material and logistics costs. Changes in exchange rates had a negative impact of approximately SEK 55m. Items affecting comparability, related to the previously announced supply chain efficiencies and a sale of a business, amounted to SEK 2m (0).

Share of Group  
net sales, LTM



Share of Group  
operating income, LTM

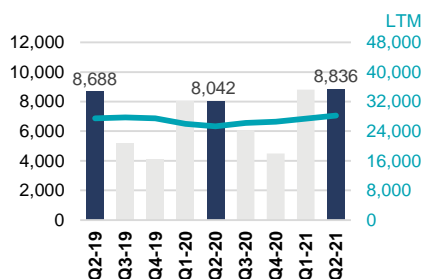


### January - June 2021

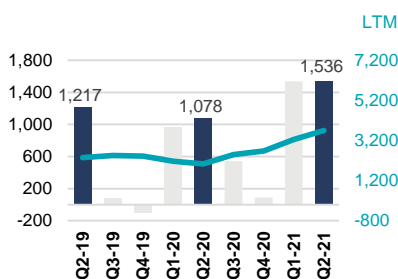
Net sales increased by 10% to SEK 17,656m (16,043). The organic growth was 20% and currency effects impacted with -10%. The growth was strong across all product areas and key regions. The Division strengthened its positions particularly in the segments for robotic lawn mowers and battery-powered products, as well as in the handheld segment for professional users. Operating income amounted to SEK 3,071m (2,050). Excluding items affecting comparability operating income increased 50% to SEK 3,073m (2,050) and the operating margin increased to 17.4% (12.8). The improvement was driven by strong net sales growth, price increases, a favorable product mix and cost avoidance activities. This was despite increased raw material and logistics costs. Changes in exchange rates had a negative impact of approximately SEK 105m.

Organic growth for the rolling 12-month period amounted to 20% and operating margin was 13.1% (8.0), excluding items affecting comparability.

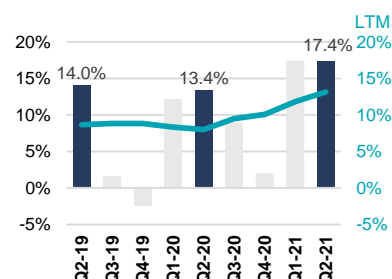
Net sales, SEKm



Operating income excl. IAC, SEKm



Operating margin excl. IAC





## Financial summary

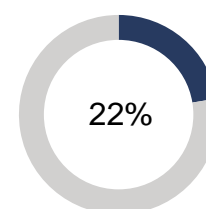
SEKm	Q2 2021	Q2 2020	Δ%	Jan-Jun 2021	Jan-Jun 2020	Δ%	LTM*	Full year 2020
Net sales	3,851	4,011	-4	7,358	6,718	10	10,067	9,427
Organic growth*, %	0	19		15	11		15	13
Operating income	979	1,054	-7	1,633	1,452	12	1,613	1,432
Operating margin, %	25.4	26.3		22.2	21.6		16.0	15.2
Operating income excl. items affecting comparability*	969	1,054	-8	1,623	1,452	12	1,603	1,432
Operating margin excl. items affecting comparability*, %	25.2	26.3		22.1	21.6		15.9	15.2

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

### Second quarter 2021

Net sales decreased by 4% to SEK 3,851m (4,011). Organic growth was flat and currency effects impacted with -4%. Growth was strong in strategic growth markets, especially in Southern and Northern Europe, whereas the watering season in Central Europe had a later start. Operating income was SEK 979m (1,054). Excluding items affecting comparability operating income was SEK 969m (1,054) and the operating margin was 25.2% (26.3). The result was negatively affected by higher raw material and logistics costs. Items affecting comparability amounted to SEK 10m (0). Changes in exchange rates had a positive impact of approximately SEK 10m.

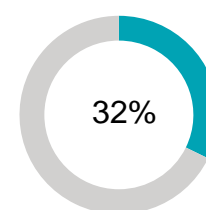
Share of Group  
net sales, LTM



### January – June 2021

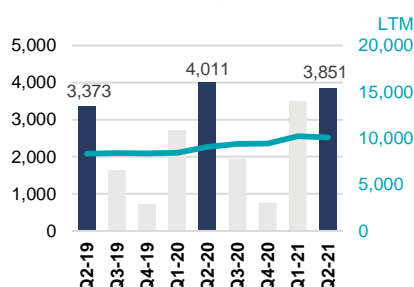
Net sales increased by 10% to SEK 7,358m (6,718). The organic growth was 15% and currency effects impacted with -5%. Growth was good in all key categories and regions. The development was supported by the recent product launches, such as the new robotic lawn mowers Gardena SILENO minimo, battery-powered products, hand tools and new watering solutions including hose boxes. Operating income amounted to SEK 1,633m (1,452). Excluding items affecting comparability operating income increased 12% to SEK 1,623m (1,452) and the operating margin to 22.1% (21.6). The improvement was driven by strong net sales growth, price increases, a favorable product mix and cost avoidance activities. This was despite increased raw material and logistics costs. Changes in exchange rates had a negative impact of approximately SEK 40m.

Share of Group  
operating income, LTM

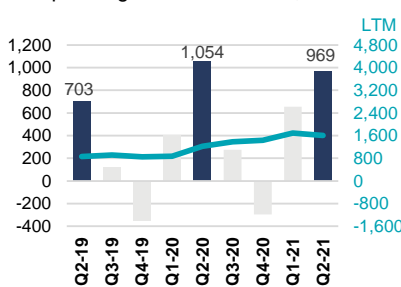


Organic growth for the rolling 12-month period amounted to 15% and operating margin was 15.9% (13.5), excluding items affecting comparability.

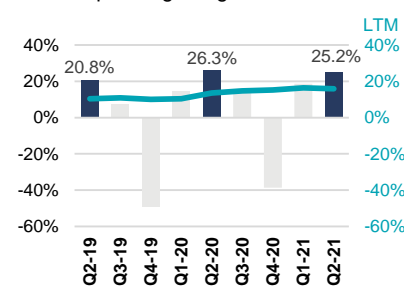
Net sales, SEKm



Operating income excl. IAC, SEKm



Operating margin excl. IAC



## Financial Summary

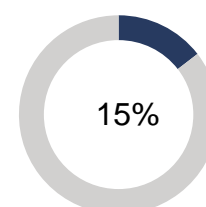
SEKm	Q2 2021	Q2 2020	Δ%	Jan-Jun 2021	Jan-Jun 2020	Δ%	LTM*	Full year 2020
Net sales	1,904	1,413	35	3,584	2,900	24	6,528	5,844
Organic growth*, %	31	-18		23	-11		12	-6
Operating income	260	140	86	465	272	71	734	541
Operating margin, %	13.7	9.9		13.0	9.4		11.2	9.3
Operating income excl. items affecting comparability*	260	140	86	465	272	71	826	633
Operating margin excl. items affecting comparability*, %	13.7	9.9		13.0	9.4		12.7	10.8

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

### Second quarter 2021

Net sales increased by 35% to SEK 1,904m (1,413). Organic sales growth was 31%, changes in exchange rates impacted with -9% and acquisitions contributed with 13%. The Division achieved strong growth with improved market positions in key regions. A new battery-powered power cutter, K1 PACE, was introduced during the quarter, which has performance comparable to similar products with a combustion engine. Using the K1 PACE allows customers to significantly reduce CO<sub>2</sub> emissions. Operating income increased by 86% to SEK 260m (140). The operating margin increased to 13.7% (9.9). This was driven by net sales growth and improved product mix. Higher logistics costs and raw material prices had a negative effect. Changes in exchange rates had a negative impact of approximately SEK 35m.

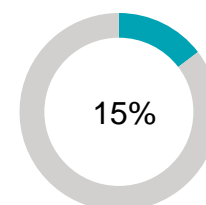
Share of Group  
net sales, LTM



### January - June 2021

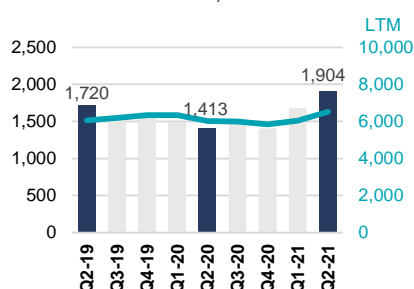
Net sales increased by 24% to SEK 3,584m (2,900). Organic sales growth was 23%, changes in exchange rates impacted with -11% and acquisitions contributed with 12%. The Division achieved strong growth with improved market positions in key regions. The Blastrac acquisition was completed in December 2020. Blastrac adds complementary surface preparation solutions including solutions for shot blasting, scarifying and scraping as well as grinding & polishing and dust collection. The integration is progressing according to plan. Operating income increased by 71% to SEK 465m (272). The operating margin increased to 13.0% (9.4). This was driven by net sales growth and improved product mix. Higher logistics costs and raw material prices had a negative effect. Changes in exchange rates had a negative impact of approximately SEK 70m, where the Division's sales in the US had the largest effect.

Share of Group  
operating income, LTM

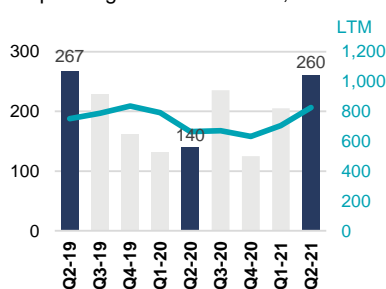


Organic growth for the rolling 12-month period amounted to 12% and operating margin was 12.7% (11.0), excluding items affecting comparability.

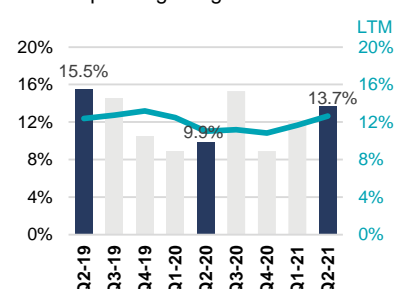
Net sales, SEKm



Operating income excl. IAC, SEKm



Operating margin excl. IAC



## Additional information

### Sustainovate 2025

The Group has set new targets that align and strengthen the 2025 business strategy and underline how the sustainability agenda is business critical. Sustainovate 2025 is designed to maximize the Group's contribution to tackling climate change and resource scarcity. The five-year framework covers three opportunities and associated targets to 2025. This goal-based approach focuses on long-term value creation and engaging others in Group efforts and drive the Group's ambitions to lead the industry in the shift to a low-carbon, resource-smart economy.

### Sustainovate Highlights

- Absolute CO<sub>2</sub> emissions went up 1% compared to Q1 as expected due to market growth, particularly for Construction.
- Five new circular innovation nominees, two within product refurbishment, two within recycled materials and one with reduction of material demand.

### Carbon – Drive the transition to low-carbon solutions

As of Q2 2021 (LTM % 2015 baseline), we have reduced our absolute CO<sub>2</sub> emissions from our value chain by 30%. Even though this mean that the absolute CO<sub>2</sub> emissions went up 1% compared to Q1, due to market growth particularly for Construction, we remain on the right track. With 85% of our emissions coming from the use of our products, this is the result of Husqvarna Groups shifting to low carbon solutions and battery technology. Our production sites in Aycliffe, Nashville and Orangeburg have become climate neutral with 100% renewable energy, and there is a robust plan to further reduce emissions in our operations.

### Circular – Rethink and redesign for a resource-smart customer experience

The Group's circular target is to launch 50 circular innovations by 2025. The innovations will make smarter use of the materials that comprise Husqvarna Group's products and will extend their lifecycles. During Q2 2021, five circular innovations were processed in Husqvarna Group's innovation funnel and nominated by the circular innovation committee.

- The Gardena Division nominated two innovations in the field of recycled materials. The recycled materials needs, due to the quite different type of application, fulfil specific requirements to ensure the same high-quality promise as the existing range. With this, eight of our core products within Watering and Handtools are now offered in a high degree of recycled material. Examples of products are a sprayer and a secateur.

- Two of the innovations relate to our line of Automowers. Refurbishment of robotics extends the lifetime of Automower by four years including an extended product warranty. EPOS enables customers who would otherwise choose a petrol-powered lawn mower to choose a battery-powered lawn mower with significantly lower resource consumption.

- Finally, the fifth circular innovation relates to the build-up of a subscription and refurbishment model with the aim of reusing engines from Power Cutters/products that has reached the end of the first life. The reused engines will be mounted into new Power Cutters which will significantly prolong the life of a key component.

As of Q2 2021, we now have 7 circular innovations in "Nominee" status but none has yet evolved into "Approved".

### People – Inspire actions that make a lasting difference

We have started to build our strategy for training our employees, marketing our sustainable products and thereby inspiring customers around the world to make sustainable choices. The empowerment of 5M people will start for real in Q2/Q3 2021 and will then see an exponential growth leading up to 2025. In Q2 we have chosen a partner to help us develop the all-employee online training program that will be launched during fall 2021.

### 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. In the second quarter 260,056 shares were converted. The total number of outstanding shares in the company at June 30, 2021 amounted to 576,343,778 of which 111,428,275 were A-shares and 461,494,174 were B-shares. The total number of votes amounted to 157,919,825.3.



## Parent Company

Net sales for January – June 2021 for the Parent Company, Husqvarna AB, amounted to SEK 12,580m (10,519), of which SEK 9,588m (8,252) referred to sales to Group companies and SEK 2,992m (2,267) to external customers. Income after financial items increased to SEK 2,088m (1,251), mainly due to Group internal transactions. Income for the quarter increased to SEK 1,264m (1,055). Investments in property, plant and equipment and intangible assets amounted to SEK 439m (531). Cash and cash equivalents amounted to SEK 5,787m (4,837) at the end of the quarter. Undistributed earnings in the Parent Company amounted to SEK 28,874m (28,170).

## Significant events

### Group management changes

Sascha Menges, President Husqvarna Division, has decided to take a position outside of the Husqvarna Group. His last day will be August 31, 2021. Sascha Menges joined Husqvarna Group in 2007. He has held several senior management positions and has been a member of Group Management since 2011. Glen Instone, CFO, has taken up the position as interim President Husqvarna Division and recruitment of Sascha's successor is ongoing.

### 2021 Annual General Meeting

The AGM of Husqvarna AB (publ) was held on April 14, 2021. The dividend was set at SEK 2.40 (2.25) per share, to be paid in two installments, firstly SEK 0.80 per share with Friday, April 16, 2021 as the first record day, and secondly SEK 1.60 per share with Monday, October 18, 2021 as the second record day.

### Capital Markets Day 2021

Save the date: Husqvarna Group will host a Capital Markets Day for investors, analysts and financial media on December 1, 2021, at Fotografiska in Stockholm. The event will start at 08:30.

## Defective component in a limited batch of robotic lawn mowers

In the quarter, a defective component used in a limited batch of circuit boards for robotic lawn mowers was identified. This impacts the product performance and is not related to product safety. After a short time in operation the component fails, and the robotic lawn mower indicates an error. Unfortunately, approximately 20,000 robotic lawn mowers with this

issue reached end customers. The affected customers are requested to contact their local trade partner to get the component replaced free of charge. Husqvarna Group sincerely apologize for the inconvenience this has caused customers and trade partners and is fully committed to quickly resolve this. As of today, new circuit boards representing approximately 85% of the affected robotic lawn mowers have been shipped and the vast majority of the customers have had the component in question replaced. The full cost related to this issue has been taken and amounted to SEK 50m in Q2 2021.

## 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 still have a significant impact on Husqvarna Group's 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 2020 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 IFRS Interpretations Committee (IFRS IC) published an agenda decision in April 2021 on "cloud computing arrangement costs", ie costs for configuring or adapting software in a cloud-based solution. Husqvarna Group is analyzing the effects of IFRS IC's decisions, which may mean that previously reported intangible assets may need to be reclassified to another type of asset or expensed in future financial reports. The possible amounts attributable to these intangible assets are not considered to be significant.

The accounting policies adopted are consistent with those presented in the Annual Report of 2020, which is available at [www.husqvarnagroup.com](http://www.husqvarnagroup.com).

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, 2021

Tom Johnstone  
Chairman of the Board

Ingrid Bonde  
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

To the Board of Directors of Husqvarna AB (publ)  
Corp. id. 556000-5331

### Introduction

We have reviewed the condensed interim financial information (interim report) of Husqvarna AB (publ) as of 30 June 2021 and the six-month period then ended. The Board of Directors and the President & CEO are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the 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 International Standard on Review Engagements ISRE 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial information 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 practices and consequently does 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 respects, for the Group in accordance with IAS 34 and the Annual Accounts Act, and for the Parent Company in accordance with the Annual Accounts Act.

Stockholm July 15, 2021

KPMG AB

Joakim Thilstedt  
Authorized Public Accountant



## Condensed income statement

SEKm	Q2 2021	Q2 2020	Jan-Jun 2021	Jan-Jun 2020	LTM*	Full year 2020
Net sales	14,614	13,482	28,644	25,690	44,897	41,943
Cost of goods sold	-9,234	-8,863	-18,364	-17,264	-30,467	-29,367
<b>Gross income</b>	<b>5,380</b>	<b>4,619</b>	<b>10,280</b>	<b>8,426</b>	<b>14,430</b>	<b>12,576</b>
Gross margin, %	36.8	34.3	35.9	32.8	32.1	30.0
Selling expenses	-2,025	-1,789	-3,902	-3,657	-6,840	-6,596
Administrative expenses	-746	-640	-1,480	-1,167	-2,648	-2,335
Other operating income/expense	50	2	54	14	63	23
<b>Operating income</b>	<b>2,659</b>	<b>2,191</b>	<b>4,952</b>	<b>3,616</b>	<b>5,005</b>	<b>3,669</b>
Operating margin, %	18.2	16.3	17.3	14.1	11.1	8.7
Financial items, net	-62	-78	-123	-187	-276	-339
<b>Income after financial items</b>	<b>2,597</b>	<b>2,114</b>	<b>4,829</b>	<b>3,429</b>	<b>4,729</b>	<b>3,330</b>
Margin, %	17.8	15.7	16.9	13.3	10.5	7.9
Income tax	-596	-547	-1,169	-870	-1,134	-835
<b>Net income for the period</b>	<b>2,001</b>	<b>1,567</b>	<b>3,660</b>	<b>2,559</b>	<b>3,595</b>	<b>2,495</b>
Net income for the period attributable to:						
Equity holders of the Parent Company	2,000	1,566	3,658	2,558	3,593	2,494
Non-controlling interest	1	1	2	1	2	1
Earnings per share:						
Before dilution, SEK	3.49	2.74	6.39	4.47	6.28	4.36
After dilution, SEK	3.48	2.74	6.37	4.47	6.25	4.35
Weighted average number of shares outstanding:						
Before dilution, millions	572.8	572.6	572.8	572.3	572.9	572.4
After dilution, millions	574.2	572.7	574.1	572.5	574.5	572.9

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

## Condensed comprehensive income statement

SEKm	Q2 2021	Q2 2020	Jan-Jun 2021	Jan-Jun 2020	LTM*	Full year 2020
<b>Net income for the period</b>	<b>2,001</b>	<b>1,567</b>	<b>3,660</b>	<b>2,559</b>	<b>3,595</b>	<b>2,495</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	110	-117	385	-176	534	-27
<b>Total items that will not be reclassified to the income statement, net of tax</b>	<b>110</b>	<b>-117</b>	<b>385</b>	<b>-176</b>	<b>534</b>	<b>-27</b>
<i>Items that may be reclassified to the income statement:</i>						
Translation differences	-359	-1,493	685	-149	-1,513	-2,347
Net investment hedge, net of tax	194	627	-285	-142	765	908
Cash flow hedges, net of tax	28	17	-49	-16	-10	23
<b>Total items that may be reclassified to the income statement, net of tax</b>	<b>-137</b>	<b>-849</b>	<b>351</b>	<b>-307</b>	<b>-758</b>	<b>-1,416</b>
<b>Other comprehensive income, net of tax</b>	<b>-27</b>	<b>-966</b>	<b>736</b>	<b>-483</b>	<b>-224</b>	<b>-1,443</b>
<b>Total comprehensive income for the period</b>	<b>1,974</b>	<b>601</b>	<b>4,396</b>	<b>2,076</b>	<b>3,370</b>	<b>1,051</b>
Total comprehensive income attributable to:						
Equity holders of the Parent Company	1,973	600	4,394	2,075	3,368	1,050
Non-controlling interest	1	1	2	1	2	1

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

## Condensed balance sheet

SEKm	Jun 30 2021	Jun 30 2020	Dec 31 2020
<b>Assets</b>			
Property, plant and equipment	6,408	6,707	6,324
Right of use assets	1,425	1,366	1,212
Goodwill	7,067	7,326	6,905
Other intangible assets	5,632	5,651	5,639
Investments in associated companies	56	33	44
Derivatives	1	0	-
Other non-current assets	633	670	570
Deferred tax assets	1,354	1,639	1,576
<b>Total non-current assets</b>	<b>22,577</b>	<b>23,392</b>	<b>22,269</b>
Inventories	9,458	8,766	9,734
Trade receivables	6,910	7,293	3,259
Derivatives	218	609	929
Current tax receivables	116	196	53
Other current assets	982	836	1,122
Other short term investments	-	513	0
Cash and cash equivalents	7,780	6,413	6,151
<b>Total current assets</b>	<b>25,464</b>	<b>24,626</b>	<b>21,248</b>
<b>Total assets</b>	<b>48,041</b>	<b>48,018</b>	<b>43,517</b>
<b>Equity and liabilities</b>			
Equity attributable to equity holders of the Parent Company	20,180	19,350	17,059
Non-controlling interests	3	2	3
<b>Total equity</b>	<b>20,183</b>	<b>19,353</b>	<b>17,062</b>
Borrowings	4,525	6,865	6,683
Lease liabilities	1,178	1,119	991
Derivatives	55	88	85
Deferred tax liabilities	1,521	1,685	1,497
Provisions for pensions and other post-employment benefits	2,229	2,914	2,637
Other provisions	624	623	588
<b>Total non-current liabilities</b>	<b>10,134</b>	<b>13,293</b>	<b>12,480</b>
Trade payables	5,791	4,407	4,815
Current tax liabilities	1,765	732	1,006
Other liabilities	5,017	4,447	3,413
Dividend payable	916	-	-
Borrowings	2,296	4,150	2,853
Lease liabilities	385	416	376
Derivatives	324	315	449
Other provisions	1,230	905	1,064
<b>Total current liabilities</b>	<b>17,724</b>	<b>15,372</b>	<b>13,976</b>
<b>Total equity and liabilities</b>	<b>48,041</b>	<b>48,018</b>	<b>43,517</b>

## Condensed cash flow statement

SEKm	Q2 2021	Q2 2020	Jan-Jun 2021	Jan-Jun 2020	Full year 2020
<b>Cash flow from operations</b>					
Operating income	2,659	2,191	4,952	3,616	3,669
Non cash items	672	828	1,528	1,579	3,344
<i>Cash items</i>					
Paid restructuring expenses	-61	-39	-121	-121	-244
Net financial items, received/paid	-45	-60	-125	-164	-327
Taxes paid	-163	-132	-263	-266	-291
<b>Cash flow from operations, excluding change in operating assets and liabilities</b>	<b>3,061</b>	<b>2,789</b>	<b>5,971</b>	<b>4,643</b>	<b>6,150</b>
<b>Operating assets and liabilities</b>					
Change in inventories	377	1,942	528	1,977	278
Change in trade receivables	139	-814	-3,569	-3,852	55
Change in trade payables	-404	-1,001	886	342	1,014
Change in other operating assets/liabilities	360	954	1,679	1,611	584
<b>Cash flow from operating assets and liabilities</b>	<b>473</b>	<b>1,081</b>	<b>-476</b>	<b>78</b>	<b>1,931</b>
<b>Cash flow from operations</b>	<b>3,534</b>	<b>3,870</b>	<b>5,494</b>	<b>4,721</b>	<b>8,081</b>
<b>Investments</b>					
Acquisitions and divestments of subsidiaries/operations and divestments of property, plant and equipment	81	6	81	13	-399
Investments in property, plant and equipment and intangible assets	-420	-413	-833	-855	-1,994
Investments and divestments of financial assets	-19	-507	-19	-508	-2
<b>Cash flow from investments</b>	<b>-359</b>	<b>-914</b>	<b>-772</b>	<b>-1,350</b>	<b>-2,395</b>
<b>Cash flow from operations and investments</b>	<b>3,174</b>	<b>2,956</b>	<b>4,723</b>	<b>3,371</b>	<b>5,686</b>
<b>Financing</b>					
Dividend paid to shareholders	-458	-	-458	-	-1,288
Other financing activities	-2,973	1,093	-2,691	1,181	5
<b>Cash flow from financing</b>	<b>-3,431</b>	<b>1,093</b>	<b>-3,149</b>	<b>1,181</b>	<b>-1,284</b>
<b>Total cash flow</b>	<b>-257</b>	<b>4,049</b>	<b>1,574</b>	<b>4,552</b>	<b>4,403</b>
Cash and cash equivalents at the beginning of the period	8,067	2,446	6,151	1,911	1,911
Exchange rate differences referring to cash and cash equivalents	-30	-80	55	-49	-162
<b>Cash and cash equivalents at the end of the period</b>	<b>7,780</b>	<b>6,413</b>	<b>7,780</b>	<b>6,413</b>	<b>6,151</b>
	<b>Q2 2021</b>	<b>Q2 2020</b>	<b>Jan-Jun 2021</b>	<b>Jan-Jun 2020</b>	<b>Full year 2020</b>
<b>Operating cash flow, SEKm</b>					
Cash flow from operations	3,534	3,870	5,494	4,721	8,081
Investments in property, plant and equipment and intangible assets	-420	-413	-833	-855	-1,994
<b>Operating cash flow</b>	<b>3,113</b>	<b>3,457</b>	<b>4,661</b>	<b>3,866</b>	<b>6,087</b>
	<b>Q2 2021</b>	<b>Q2 2020</b>	<b>Jan-Jun 2021</b>	<b>Jan-Jun 2020</b>	<b>Full year 2020</b>
<b>Direct operating cash flow, SEKm</b>					
EBITDA excl. items affecting comparability	3,183	2,749	6,006	4,718	6,718
Change in inventories	377	1,942	528	1,977	278
Change in trade receivables	139	-814	-3,569	-3,852	55
Change in trade payables	-404	-1,001	886	342	1,014
Investments in property, plant and equipment and intangible assets	-420	-413	-833	-855	-1,994
<b>Direct operating cash flow</b>	<b>2,875</b>	<b>2,463</b>	<b>3,018</b>	<b>2,330</b>	<b>6,071</b>

## Key performance indicators

### Income statement

	Q2 2021	Q2 2020	Jan-Jun 2021	Jan-Jun 2020	LTM*	Full year 2020
<b>EBITDA*, SEKm</b>						
Operating income	2,659	2,191	4,952	3,616	5,005	3,669
Reversal of depreciation, amortization and impairment	545	557	1,075	1,103	2,510	2,537
<b>EBITDA*</b>	<b>3,204</b>	<b>2,749</b>	<b>6,028</b>	<b>4,718</b>	<b>7,515</b>	<b>6,206</b>
<i>Excl. items affecting comparability*</i>	3,183	2,749	6,006	4,718	8,007	6,718
<i>EBITDA margin, %</i>	21.9	20.4	21.0	18.4	16.7	14.8
<i>Excl. items affecting comparability*, %</i>	21.8	20.4	21.0	18.4	17.8	16.0

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

### Organic growth net sales, January - June

SEKm	Reported Net sales	Acquisitions / divestments	Net sales adjusted for acquisitions / divestments	Currency translation effect	Net sales adjusted for acquisitions / divestments and changes in exchange rates
2021	28,644	-323	28,321		28,321
2020	25,690		25,690	-1,871	23,819
Growth	2,954		2,631		4,503
<b>Growth, %</b>	<b>11</b>		<b>10</b>		<b>19</b>

### Organic growth net sales, second quarter

SEKm	Reported Net sales	Acquisitions / divestments	Net sales adjusted for acquisitions / divestments	Currency translation effect	Net sales adjusted for acquisitions / divestments and changes in exchange rates
2021	14,614	-184	14,430		14,430
2020	13,482		13,482	-855	12,627
Growth	1,133		949		1,804
<b>Growth, %</b>	<b>8</b>		<b>7</b>		<b>14</b>



## Balance sheet

Key data	Jun 30 2021	Jun 30 2020	Dec 31 2020
Operating working capital, SEKm	10,577	11,652	8,179
Operating working capital / net sales*, %	21.1	28.5	24.4
Return on capital employed <sup>1</sup> , %	15.4	10.7	10.9
Excl. items affecting comparability*, %	17.6	11.3	13.3
Return on equity, %	19.3	13.5	13.5
Excl. items affecting comparability*, %	16.0	14.2	16.8
Capital turn-over rate, times	1.9	1.4	1.6
Equity/assets ratio, %	42	40	39
Equity per share after dilution, SEK	35.1	33.8	29.8
Average number of employees	13,717	12,353	12,374

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

<sup>1</sup> The definition of Return on capital employed has been changed and restated. Refer to "Definitions".

Net debt*, SEKm	Jun 30 2021	Jun 30 2020	Dec 31 2020
Net pension liability	2,046	2,710	2,483
Other interest-bearing liabilities	8,763	12,952	11,437
Dividend payable	916	-	-
Less: Liquid funds and other interest-bearing assets	-8,360	-7,926	-7,426
<b>Net debt*</b>	<b>3,365</b>	<b>7,737</b>	<b>6,493</b>
Net debt/equity ratio	0.17	0.40	0.38
Net debt/EBITDA excl. Items affecting comparability*	0.7	1.8	1.2

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

Return on capital employed, SEKm	Jun 30 2021	Jun 30 2020	Dec 31 2020
Total equity and liabilities	48,041	48,018	43,517
Deduction; Non interest bearing liabilities:	-15,949	-12,800	-12,382
Deferred tax liabilities	-1,521	-1,685	-1,497
Other provisions	-624	-623	-588
Trade payables	-5,791	-4,407	-4,815
Current tax liabilities	-1,765	-732	-1,006
Other liabilities	-5,017	-4,447	-3,413
Other provisions	-1,230	-905	-1,064
<b>Capital employed</b>	<b>32,091</b>	<b>35,218</b>	<b>31,135</b>
<b>Capital employed (LTM Average)</b>	<b>32,566</b>	<b>32,923</b>	<b>33,611</b>
Operating income, LTM	5,005	3,536	3,669
<b>Return on capital employed, %</b>	<b>15.4</b>	<b>10.7</b>	<b>10.9</b>
Items affecting comparability* within Capital employed, LTM	-363	-	-109
<b>Capital employed (LTM Average) excl. items affecting comparability*</b>	<b>32,929</b>	<b>32,923</b>	<b>33,721</b>
Operating income excl. items affecting comparability*, LTM	5,806	3,719	4,484
<b>Return on capital employed excl. items affecting comparability*, %</b>	<b>17.6</b>	<b>11.3</b>	<b>13.3</b>

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

## Change in Group equity, condensed

SEKm	Attributable to equity holders of the Parent Company	Non-controlling interests	Total equity
<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>
<b>Opening balance January 1, 2021</b>	<b>17,059</b>	<b>3</b>	<b>17,062</b>
Share-based payment	102	-	102
Dividend	-1,374	-2	-1,376
Total comprehensive income	4,394	2	4,396
<b>Closing balance June 30, 2021</b>	<b>20,180</b>	<b>3</b>	<b>20,183</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 2020. The carrying value approximates fair value for all financial instruments except for non-current borrowings, which are shown in the table below.

SEKm	2021		2020		2020	
	Carrying value	Fair value	Carrying value	Fair value	Carrying value	Fair value
<i>Non-current borrowings</i>						
Loans	4,525	4,595	6,865	6,922	6,683	6,755

## Net sales and income by quarter

Group, SEKm	2021		2020				2019			
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Net sales	14,614	14,030	6,683	9,570	13,482	12,208	6,408	8,429	13,789	13,651
Net sales, LTM*	44,897	43,764	41,943	41,667	40,526	40,834	42,277	42,339	41,952	42,433
Operating income	2,659	2,293	-944	997	2,191	1,424	-493	414	2,125	1,644
Operating margin, %	18.2	16.3	-14.1	10.4	16.3	11.7	-7.7	4.9	15.4	12.0
Operating income excl. IAC*	2,645	2,293	-129	997	2,191	1,424	-310	414	2,125	1,686
Operating margin excl. IAC*, %	18.1	16.3	-1.9	10.4	16.3	11.7	-4.8	4.9	15.4	12.3
Operating income, LTM*	5,005	4,538	3,669	4,119	3,536	3,470	3,690	3,079	2,541	2,341
Operating margin, LTM*, %	11.1	10.4	8.7	9.9	8.7	8.5	8.7	7.3	6.1	5.5
Operating income, LTM excl. IAC*	5,806	5,353	4,484	4,302	3,719	3,653	3,915	3,943	3,754	3,554
Operating margin, LTM excl. IAC*, %	12.9	12.2	10.7	10.3	9.2	8.9	9.3	9.3	8.9	8.4
Net income for the period	2,001	1,659	-718	653	1,567	992	-387	269	1,506	1,140
<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	8,836	8,820	4,496	6,069	8,042	8,001	4,108	5,204	8,688	9,506
Net sales, LTM*	28,220	27,427	26,607	26,219	25,355	26,001	27,506	27,708	27,519	28,178
Operating income	1,534	1,537	-614	543	1,078	972	-225	82	1,217	1,186
Operating margin, %	17.4	17.4	-13.6	8.9	13.4	12.2	-5.5	1.6	14.0	12.5
Operating income excl. IAC*	1,536	1,537	89	543	1,078	972	-100	82	1,217	1,228
Operating margin excl. IAC*, %	17.4	17.4	2.0	8.9	13.4	12.2	-2.4	1.6	14.0	12.9
Operating income, LTM	3,000	2,544	1,979	2,368	1,907	2,046	2,260	1,859	1,433	1,370
Operating margin, LTM*, %	10.6	9.3	7.4	9.0	7.5	7.9	8.2	6.7	5.2	4.9
Operating income, LTM excl. IAC*	3,705	3,247	2,682	2,493	2,032	2,171	2,427	2,450	2,353	2,290
Operating margin, LTM excl. IAC*, %	13.1	11.8	10.1	9.5	8.0	8.3	8.8	8.8	8.6	8.1
<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	3,851	3,506	761	1,948	4,011	2,708	710	1,630	3,373	2,630
Net sales, LTM*	10,067	10,226	9,427	9,377	9,058	8,421	8,343	8,379	8,313	8,265
Operating income	979	654	-294	274	1,054	398	-348	120	703	372
Operating margin, %	25.4	18.7	-38.7	14.1	26.3	14.7	-49.0	7.4	20.8	14.1
Operating income excl. IAC*	969	654	-294	274	1,054	398	-348	120	703	372
Operating margin excl. IAC*, %	25.2	18.7	-38.7	14.1	26.3	14.7	-49.0	7.4	20.8	14.1
Operating income, LTM	1,613	1,688	1,432	1,378	1,223	873	847	697	641	533
Operating margin, LTM*, %	16.0	16.5	15.2	14.7	13.5	10.4	10.2	8.3	7.7	6.4
Operating income, LTM excl. IAC*	1,603	1,688	1,432	1,378	1,224	874	847	921	867	759
Operating margin, LTM excl. IAC*, %	15.9	16.5	15.2	14.7	13.5	10.4	10.2	11.0	10.4	9.2
<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	1,904	1,680	1,403	1,541	1,413	1,487	1,551	1,575	1,720	1,494
Net sales, LTM*	6,528	6,037	5,844	5,992	6,026	6,333	6,340	6,187	6,058	5,928
Operating income	260	205	33	236	140	132	106	229	267	177
Operating margin, %	13.7	12.2	2.3	15.3	9.9	8.9	6.8	14.6	15.5	11.8
Operating income excl. IAC*	260	205	125	236	140	132	163	229	267	177
Operating margin excl. IAC*, %	13.7	12.2	8.9	15.3	9.9	8.9	10.5	14.6	15.5	11.8
Operating income, LTM	734	613	541	614	608	734	779	744	707	691
Operating margin, LTM*, %	11.2	10.2	9.3	10.2	10.1	11.6	12.3	12.0	11.7	11.6
Operating income, LTM excl. IAC*	826	705	633	670	664	791	836	788	751	735
Operating margin, LTM excl. IAC*, %	12.7	11.7	10.8	11.2	11.0	12.5	13.2	12.7	12.4	12.4
<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	21	23	23	12	15	13	39	20	8	21
Operating income	-114	-103	-69	-55	-80	-78	-26	-17	-62	-91
Operating income excl. IAC*	-120	-103	-49	-55	-80	-78	-25	-17	-62	-91

The majority of net sales are recognized at a certain point in time.

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

## Items affecting comparability

SEKm	Q2 2021	Q2 2020	Jan-Jun 2021	Jan-Jun 2020	Full year 2020
Impairment of non-current assets	-7	0	-7	0	-303
Write-down of inventory	0	0	0	0	-98
Other restructuring costs	-23	0	-23	0	-414
Sale of business	44	0	44	0	0
<b>Total items affecting comparability</b>	<b>14</b>	<b>0</b>	<b>14</b>	<b>0</b>	<b>-815</b>

## Classification in the income statement

SEKm	Q2 2021	Q2 2020	Jan-Jun 2021	Jan-Jun 2020	Full year 2020
Cost of goods sold	-31	0	-31	0	-521
Selling expenses	0	0	0	0	-82
Administrative expenses	1	0	1	0	-212
Other operating income/expense	44	0	44	0	0
<b>Total items affecting comparability</b>	<b>14</b>	<b>0</b>	<b>14</b>	<b>0</b>	<b>-815</b>

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

SEKm	Assets		Liabilities		Net Assets	
	Jun 30 2021	Jun 30 2020	Jun 30 2021	Jun 30 2020	Jun 30 2021	Jun 30 2020
Husqvarna	20,535	21,610	7,519	5,903	13,016	15,708
Gardena	10,169	9,609	3,699	3,364	6,470	6,245
Construction	7,418	6,980	1,440	1,130	5,978	5,850
Other <sup>2</sup>	1,361	1,689	3,290	2,402	-1,930	-713
<b>Total</b>	<b>39,484</b>	<b>39,888</b>	<b>15,949</b>	<b>12,799</b>	<b>23,534</b>	<b>27,089</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 functions such as Treasury and Risk Management.



## Parent Company

### Condensed income statement

SEKm	Q2 2021	Q2 2020	Jan-Jun 2021	Jan-Jun 2020	Full year 2020
Net sales	6,394	5,030	12,580	10,519	18,341
Cost of goods sold	-4,277	-3,702	-8,506	-7,586	-13,034
<b>Gross income</b>	<b>2,116</b>	<b>1,328</b>	<b>4,074</b>	<b>2,933</b>	<b>5,307</b>
Selling expense	-471	-385	-875	-762	-1,439
Administrative expense	-439	-323	-826	-598	-1,308
Other operating income/expense	0	-	0	-	-
<b>Operating income</b>	<b>1,206</b>	<b>621</b>	<b>2,373</b>	<b>1,574</b>	<b>2,560</b>
Financial items, net	355	745	-285	-323	1,235
<b>Income after financial items</b>	<b>1,561</b>	<b>1,366</b>	<b>2,088</b>	<b>1,251</b>	<b>3,795</b>
Appropriations	-25	-23	-46	-37	-506
<b>Income before taxes</b>	<b>1,536</b>	<b>1,343</b>	<b>2,041</b>	<b>1,214</b>	<b>3,290</b>
Tax on profit for the year	-273	-288	-379	-263	-647
<b>Income for the period</b>	<b>1,264</b>	<b>1,055</b>	<b>1,662</b>	<b>951</b>	<b>2,643</b>

### Condensed balance sheet

SEKm	Jun 30 2021	Jun 30 2020	Dec 31 2020
Non-current assets	38,856	38,171	38,099
Current assets	15,407	15,625	14,476
<b>Total assets</b>	<b>54,263</b>	<b>53,796</b>	<b>52,575</b>
Equity	31,505	30,695	31,211
Untaxed reserves	794	794	794
Provisions	149	126	89
Non-current liabilities	4,416	6,748	6,606
Current liabilities	17,399	15,433	13,875
<b>Total equity and liabilities</b>	<b>54,263</b>	<b>53,796</b>	<b>52,575</b>

### Number of shares

	Outstanding A-shares	Outstanding B-shares	Repurchased B-shares <sup>1</sup>	Total
<b>Number of shares as of December 31, 2020</b>	<b>111,690,460</b>	<b>460,887,468</b>	<b>3,765,850</b>	<b>576,343,778</b>
<i>Conversion of A-shares into B-shares</i>	-262,185	262,185	-	-
<i>Shares allocated to 2018 LTI-program</i>	-	344,521	-344,521	-
<b>Number of shares as of June 30, 2021</b>	<b>111,428,275</b>	<b>461,494,174</b>	<b>3,421,329</b>	<b>576,343,778</b>

<sup>1</sup> 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

As of 2021 the computation of key ratios are based on averages of capital balances the last 12 months. Previously, the average capital balances were based on the last five quarter-end closing balances.

### Roundings

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

### Growth measures

#### *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 section Key Performance Indicators.

#### *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 (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 section Key Performance Indicators.

### *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 July 16, 2021.

To participate, please dial +46 (0) 8 505 583 74 (Sweden) or +44 333 300 9267 (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/210716>. A replay will be available later the same day.



### Dates for Financial Reports 2021

October 20 Interim report for January- September



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NASDAQ OMX Stockholm: HUSQ A, HUSQ B

*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 July 16, 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.*