

Strong demand but sales affected by supply chain constraints

First quarter 2022

- Net sales increased by 12% to SEK 15,685m (14,030). The organic growth was -2%, changes in exchange rates contributed with 6% and the acquisition of Orbit Irrigation contributed with 8%.
- Operating income was SEK 2,159m (2,293) and the operating margin was 13.8% (16.3). Excluding items affecting comparability, operating income was SEK 2,190m (2,293) and the operating margin was 14.0% (16.3).
- Items affecting comparability amounted to a net of SEK -31m (0) and was related to a real estate sale of SEK +178m, integration costs for the Blastrac acquisition of SEK -90m and write-downs related to Russia and Ukraine of SEK -119m, see page 16.
- Earnings per share before dilution amounted to SEK 2.87 (2.89) and earnings per share after dilution amounted to SEK 2.86 (2.89).
- Cash flow from operations and investments was SEK -1,219m (1,548), the decrease was mainly related to higher paid tax and increased inventories. Direct operating cash flow was SEK -1,452m (143).
- Operating working capital / net sales amounted to 23.5% (22.5).
- Husqvarna Group appointed Terry Burke as new CFO, succeeding Glen Instone who is now President, Husqvarna Forest & Garden Division.

Financial summary

Group, SEKm	**Q1 2022**	Q1 2021	Δ%	**LTM***	Full year 2021
Net sales	15,685	14,030	12	48,714	47,059
Organic growth, %*	*-2*	*24*		*8*	*15*
Operating income (EBIT)	2,159	2,293	-6	5,612	5,746
Operating margin, %	*13.8*	*16.3*		*11.5*	*12.2*
Operating income excl. items affecting comparability*	2,190	2,293	-5	5,580	5,684
Operating margin excl. items affecting comparability, %*	*14.0*	*16.3*		*11.5*	*12.1*
Income after financial items	2,098	2,232	-6	5,360	5,494
Net income for the period	1,638	1,659	-1	4,415	4,437
Earnings per share before dilution, SEK	2.87	2.89	-1	6.27	7.76
Earnings per share after dilution, SEK	2.86	2.89	-1	6.24	7.73
Direct operating cash flow*	-1,452	143		2,055	3,651
Operating working capital / net sales*, %	23.5	22.5		23.5	21.8

*Alternative Performance Measure, refer to "Definitions".

A quarter with strong demand but affected by short-term supply chain constraints

“Demand for our products and solutions was strong during the first quarter of the year, but sales have been constrained by disturbances in the supply chain. Sales of handheld and construction products as well as parts and accessories grew significantly while robotic and ride-on mowers were materially lower than last year. We are, in an uncertain environment, taking decisive measures together with suppliers and partners to resolve the supply chain constraints and expect gradual improvements throughout the gardening season.

Organic growth was -2% for the first quarter, with Husqvarna Forest & Garden Division delivering -7% whilst Gardena Division achieving organic growth of 5%. The Husqvarna Construction Division had a strong development in its core markets and reached an organic growth of 10%, mainly driven by high sales of power cutters and an overall continued favorable market for the construction industry. We have, for the acquired company Blastrac, successfully initiated the final step of the full integration and brand migration to the Husqvarna brand.

Operating profit for the first quarter amounted to SEK 2,190m (2,293). Price increases offset increased costs for raw materials and logistics, while higher strategic investments and lower volumes had a negative impact. Product mix and dilution from the acquired Orbit Irrigation had a negative impact on the operating margin. Direct operating cash flow amounted to SEK -1,452m (143).

The decline is related to higher inventories as we purposely increased the levels going into the year, but it is also impacted by the erratic supply of certain components which has led to higher component and semi-finished products inventory and increased lead-times for products in transit during the quarter.

Regarding the situation in Ukraine, we are monitoring the developments closely and our main priority is the safety and security of our employees. In addition, we have stopped all exports to and investments in Russia. Cost increases for raw materials, energy and transportation are expected to continue and therefore further price increases are being implemented.

Focus on long-term value creation

Our focus is to build a stronger Group by diligently executing on our strategy to create long term sustainable value. We are well positioned in attractive segments and are successfully driving the transformation of our industry. The strategy and value creation potential has naturally not changed due to the short-term supply chain constraints. Our technology leadership in robotic mowers has been further strengthened with the launch of the AIM/LONA technology for the consumer market, the latest mapping and navigation technology that enables virtual garden maps and zone control. We have also announced that for 2023 we will launch a boundary wire free solution for the consumer market. In the professional segment, production of CEORA™ has commenced with the first products now having reached our customers. The Husqvarna Construction Division is ramping up sales of the K 1 PACE 94V battery power cutter with performance comparable to a fossil-fuel powered product.

Leading in sustainability

We continue to deliver on our sustainability ambitions and are expanding our industry leadership. For example, we have achieved a reduction in CO_2 emissions across the value chain of -30% compared with our 2025 target of -35%. EcoLine, Gardena’s range of garden tools produced with a high share of recycled materials, is included in the four circular innovations that have been introduced in the market. We have also signed a SEK 5 bn sustainability-linked revolving credit facility to further integrate our sustainability ambitions throughout our operations.

In summary, strong customer demand continues and we are taking decisive measures together with our suppliers to resolve the current supply chain constraints. We expect gradual improvements throughout the gardening season and continue to execute on our strategy for sustainable value creation.”



Henric Andersson, President and CEO

Financial Performance

Financial targets and performance

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

Metric	Financial targets	Achievement R12
Organic growth	5%	8%
Operating margin	13%	11.5%*
Capital efficiency**	20%	23.5%

**Excluding items affecting comparability*
***Operating working capital / net sales, rolling 12-months*

First quarter 2022

Net sales

Net sales for the first quarter increased by 12% to SEK 15,685m (14,030). Organic sales growth was -2%, currency effects contributed with 6% and the acquisition of Orbit Irrigation with 8%. Sales of handheld and construction products as well as parts and accessories grew significantly while robotic and ride-on mowers were materially lower than last year, due to short-term constraints in the supply chain.

Operating income

Operating income for the first quarter amounted to SEK 2,159m (2,293). Excluding items affecting comparability, operating income amounted to SEK 2,190m (2,293). Price increases compensated for higher raw material and logistic costs, while lower volumes had a negative impact. Product mix and dilution from the acquired Orbit Irrigation had a negative impact on the operating margin. Acquisition related amortizations amounted to SEK 55m (28) in the first quarter. Items affecting comparability amounted to SEK -31m (0) and was related to a real estate sale, the integration of Blastrac and write-downs of inventory and receivables related to Russia and Ukraine. Changes in exchange rates had a positive contribution of approximately SEK 115m compared to last year, mainly related to a weakened SEK.

Financial items net

Financial items net amounted to SEK -61m (-61).

Income after financial items

Income after financial items amounted to SEK 2,098m (2,232).

Taxes

Income tax amounted to SEK -460m (-573), corresponding to an effective tax rate of 21.9% (25.7).

Earnings per share

Net income for the period attributable to equity holders of the Parent Company amounted to SEK 1,638m (1,658), corresponding to SEK 2.86 (2.89) per share after dilution.

Cash flow

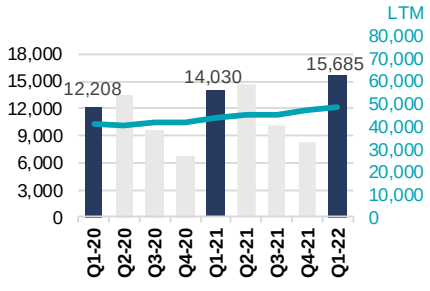
Cash flow from operations and investments for January – March amounted to SEK -1,219m (1,548). Direct operating cash flow was SEK -1,452m (143). The inventory levels remain high, particularly for components and products in transit. Whilst at the same time the order book is record high and customer demand remains strong. Paid tax was significantly higher compared with last year.

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.

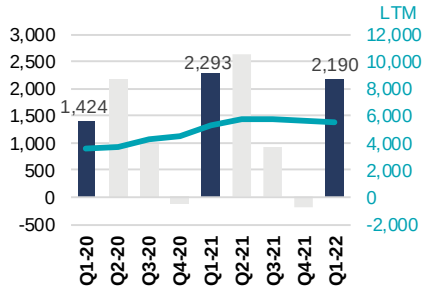
Financial position

Group equity as of March 31, 2022, excluding non-controlling interests, increased to SEK 23,657m (19,510), corresponding to SEK 41.3 (34.0) per share after dilution. Net debt increased to SEK 11,188m (5,314). The increase was mainly related to the acquisition of Orbit Irrigation. The net pension liability decreased to SEK 1,829m (2,175). Other interest-bearing liabilities increased to SEK 13,054m (12,022) and liquid funds and other interest-bearing assets decreased to SEK 3,695m (8,883). The Group signed a SEK 5 bn sustainability-linked revolving credit facility. The five-year facility has two one-year extension options and will be used as a backup for general corporate purposes. The pricing mechanism is linked to Husqvarna Group's CO_2 target. The net debt/EBITDA ratio, excluding items affecting comparability, decreased to 0.8 (0.9). The equity/assets ratio was 41% (39).

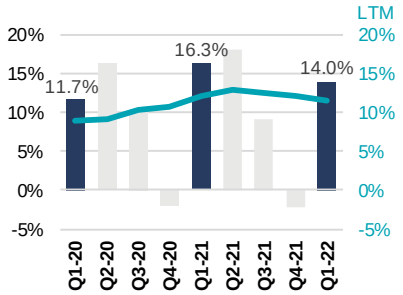
Net sales, SEKm



Operating income excl. IAC, SEKm



Operating margin excl. IAC



Financial summary

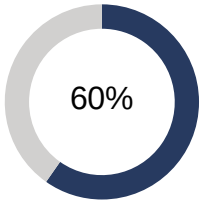
SEKm	Q1 2022	Q1 2021	Δ%	LTM*	Full year 2021
Net sales	8,701	8,820	-1	29,099	29,217
Organic growth, %*	*-7*	*21*		*7*	*15*
Operating income	1,392	1,537	-9	3,554	3,699
Operating margin, %	*16.0*	*17.4*		*12.2*	*12.7*
Operating income excl. items affecting comparability*	1,283	1,537	-17	3,447	3,701
Operating margin excl. items affecting comparability, %*	*14.7*	*17.4*		*11.8*	*12.7*

* Alternative Performance Measure, refer to "Definitions".

First quarter 2022

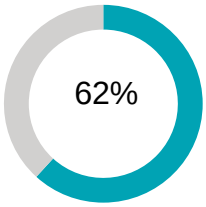
Net sales decreased by 1% to SEK 8,701m (8,820). The organic sales growth was -7% and currency effects contributed with 6%. Market demand has been strong throughout the first quarter and the inventory levels are generally low at our servicing dealers. Sales growth in the quarter was strong for handheld products and parts and accessories, however, sales of robotic mowers and ride-on mowers were materially lower than last year due to supply chain constraints. Measures are taken to mitigate this and gradual improvements are expected throughout the gardening season. New robotic mowers with the AIM technology is being launched for the season which are equipped with a new mapping and navigation technology that enables virtual garden maps and zone control. In the professional segment, the production of CEORA™ has commenced with the first products now having reached customers.

Share of Group net sales, LTM

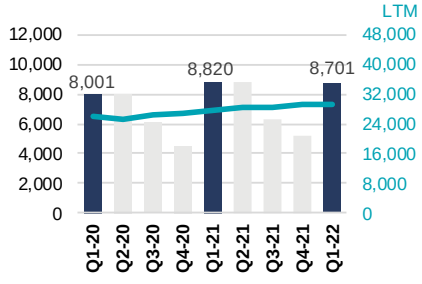


Operating income amounted to SEK 1,392m (1,537). Excluding items affecting comparability operating income amounted to SEK 1,283m (1,537) and the operating margin was 14.7% (17.4). The operating income was positively affected by price increases, while negatively impacted by increased raw material and logistics costs, lower factory absorption as well as continued investments in strategic initiatives. Items affecting comparability amounted to a net of SEK 109m (0) and included a real estate sale and write-downs related to Russia and Ukraine. Changes in exchange rates had a positive contribution of approximately SEK 45m.

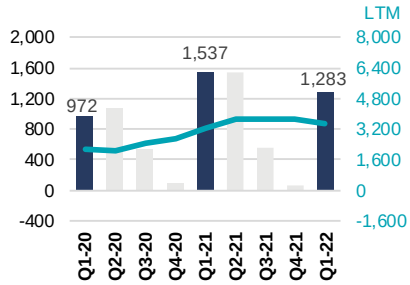
Share of Group operating income excl. IAC, LTM



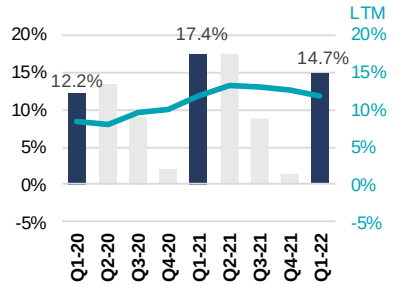
Net sales, SEKm



Operating income excl. IAC, SEKm



Operating margin excl. IAC





Financial summary

SEKm	Q1 2022	Q1 2021	Δ%	LTM*	Full year 2021
Net sales	4,960	3,506	41	11,991	10,537
Organic growth, %*	*5*	*37*		*5*	*14*
Operating income	706	654	8	1,603	1,552
Operating margin, %	*14.2*	*18.7*		*13.4*	*14.7*
Operating income excl. items affecting comparability*	752	654	15	1,627	1,529
Operating margin excl. items affecting comparability, %*	*15.2*	*18.7*		*13.6*	*14.5*

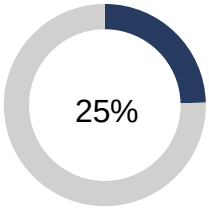
* Alternative Performance Measure, refer to "Definitions".

First quarter 2022

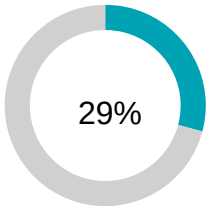
Net sales increased by 41% to SEK 4,960m (3,506). Organic growth was 5%, currency effects contributed with 3% and the acquisition of Orbit Irrigation by 33%. Growth was particularly strong in segments such as hand tools and accessories. Sales of the new Gardena EcoLine range was strong in the quarter. Volumes for robotic mowers declined materially due to supply chain constraints. The recently acquired Orbit Irrigation achieved good performance in the quarter although operating with a lower margin. Orbit contributed with net sales of SEK 1,154m and an operating income of SEK 105m, including acquisition related amortizations of SEK 27m. Orbit had a dilution effect of 1.8 percentage points on operating income in the first quarter compared to last year.

Operating income was SEK 706m (654). Excluding items affecting comparability, operating income increased 15% to SEK 752m (654). Contribution from price increases have offset negative effects from higher raw material and logistics costs. Items affecting comparability, related to write-downs in Russia and Ukraine amounted to SEK -46m (0). Changes in exchange rates had a positive contribution of approximately SEK 30m in the first quarter.

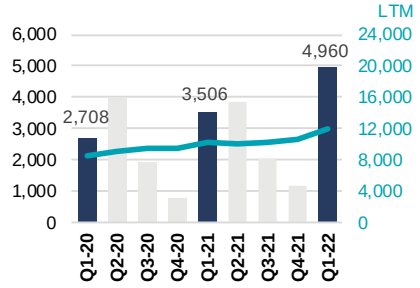
Share of Group net sales, LTM



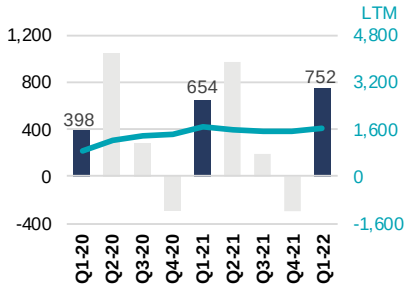
Share of Group operating income excl. IAC, LTM



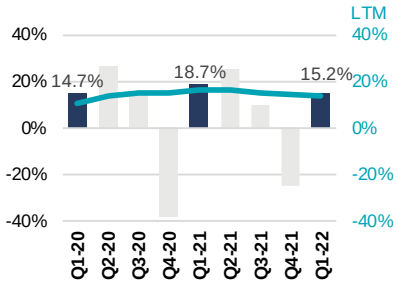
Net sales, SEKm



Operating income excl. IAC, SEKm



Operating margin excl. IAC



Financial summary

SEKm	Q1 2022	Q1 2021	Δ%	LTM*	Full year 2021
Net sales	1,981	1,680	18	7,511	7,210
Organic growth, %*	*10*	*14*		*16*	*18*
Operating income	152	205	-26	787	840
Operating margin, %	*7.7*	*12.2*		*10.5*	*11.7*
Operating income excl. items affecting comparability*	245	205	20	880	840
Operating margin excl. items affecting comparability, %*	*12.4*	*12.2*		*11.7*	*11.7*

* Alternative Performance Measure, refer to "Definitions".

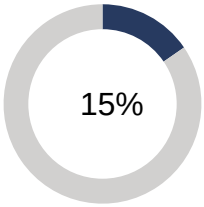
First quarter 2022

Net sales increased by 18% to SEK 1,981m (1,680). Organic sales growth was 10%, and changes in exchange rates contributed with 8%. The Division achieved good growth in most key regions and the performance was particularly strong for power cutters. The new K 1 PACE battery power cutter is being introduced in further markets around the world.

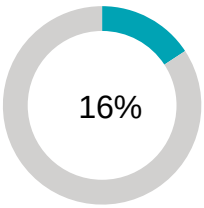
Operating income amounted to SEK 152m (205). Excluding items affecting comparability, operating income increased 20% to SEK 245m (205). Price increases compensated for higher raw material and logistics costs. Items affecting comparability amounted to SEK -93m and was mainly related to finalizing the operational integration and brand migration for the acquired Blastrac. Changes in exchange rates had a positive impact of approximately SEK 35m.

After the close of the quarter the acquisition of Heger was announced. Heger will strengthen the Construction business in central Europe as Heger is specialized in professional diamond tools for European sawing and drilling contractors in wall, floor and road sawing as well as core drilling. Heger has around 45 employees and around EUR 9m in annual sales.

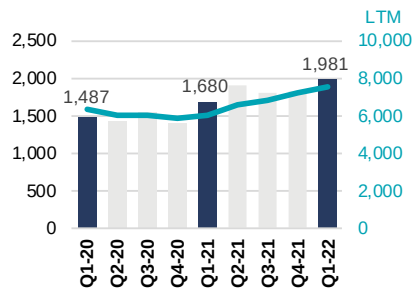
Share of Group net sales, LTM



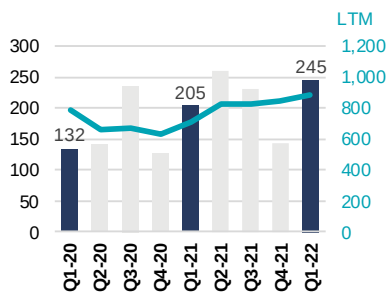
Share of Group operating income excl. IAC, LTM



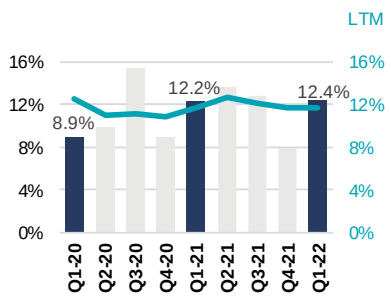
Net sales, SEKm



Operating income excl. IAC, SEKm



Operating margin excl. IAC



Additional information

Sustainovate 2025

Sustainovate 2025 is designed to maximize the Group's contribution to tackle climate change and resource scarcity. The five-year framework covers three opportunities and associated targets to 2025.

Highlights

- The Group's absolute CO_2 emissions across the value chain has been reduced by -30%.
- Two new approved circular innovations.
- Reporting started on the People target.

Carbon – drive the transition to low-carbon solutions

As of Q1 2022 (LTM and compared to 2015 baseline), we have reduced our absolute CO_2 emissions from the value chain (suppliers, own operations, transportation and product use) by -30%. This implies a relative reduction of -3% compared to Q4 2021.

Measuring in absolute numbers naturally means a rather volatile progress trajectory that is closely related to the market dynamics and also swings in product mix.

The Group's strategy is to further increase the share of electrified products in its offering. This is the main contributor to a continued CO_2 reduction. The Group remain committed to the target to reduce CO_2 with -35% by 2025.

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 Q1 2022, two circular innovations were approved relating to Gardena EcoLine. One was the range of hand tools and the other was their watering products. The product's plastic components consist of at least 65% recycled plastic - even up to 90% in some products - most of which comes from household waste. Wooden parts, like tool handles, are made from FSC-certified beech wood and all packaging is made from 100% recycled and recyclable material. The series come with long warranty times, ensuring the same high quality promise as the existing range.

In addition, five circular innovation nominees were reviewed in Q1. The Gardena Division has one innovation prospect where they rethink how to advertise spare parts in stores, moving away from transparent blister packaging to a fully recyclable cardboard box. Another innovation is using a standard USB cable for charging tools and avoiding the need of a product specific charger. The Husqvarna Construction Division nominated an innovation in the area of bio-based materials. The Husqvarna Forest & Garden Division nominated Lease Plus an all-inclusive leasing package for the residential customer including service, winter storage and repairs giving the Group the opportunity to prolong the lifetime of robotic mowers and one innovation aiming to significantly prolong the lifetime of a product line.

With four innovations approved and additional twelve nominees in the pipeline, the Group is continuing the journey towards 50 circular innovations.

People – inspire actions that make a lasting difference

During the first quarter the Group launched an all-employee sustainability training program. The training will be rolled out on a broad scale during 2022.

In parallel, the Group has initiated programs to inform and educate customers on its "Sustainable Choices" assortment, i.e. product and solution offerings that have a significantly and proven lower impact on use of natural resources and/or the environment as such.

With 275,000 Sustainable Choice products sold during the first quarter it means that the Group have now embarked on the journey to empower 5 million people by 2025.

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 first quarter 979,341 shares were converted. The total number of shares in the company at March 31, 2022 amounted to 576,343,778 of which 110,109,649 were A-shares and 466,234,129 were B-shares. The total number of votes amounted to 156,733,061.9.

Parent Company

Net sales for January – March 2022 for the Parent Company, Husqvarna AB (publ), amounted to SEK 6,483m (6,186), of which SEK 5,056m (4,911) referred to sales to Group companies and SEK 1,427m (1,275) to external customers. Income after financial items increased to SEK 985m (527), mainly due to Group internal transactions. Income for the period increased to SEK 759m (398). Investments in property, plant and equipment and intangible assets amounted to SEK 239m (227). Cash and cash equivalents amounted to SEK 272m (5,932) at the end of the quarter. Undistributed earnings in the Parent Company amounted to SEK 31,400m (28,911).

Significant events

Husqvarna Group in Ukraine

The Group is closely monitoring the developing situation in Ukraine and the priority is the security and safety of the employees and their families, and are actively working to support by various means. The Group has business operations, although no production, in Russia and Ukraine, with less than 2% of the Group's total net sales generated in 2021. The Group has decided to stop all investments in and exports into Russia. In the first quarter, write-downs of SEK 119m has been done related to the situation.

Group Management changes

Glen Instone was appointed President, Husqvarna Forest & Garden Division. The appointment was effective January 1, 2022. Terry Burke was appointed CFO of Husqvarna Group effective as of March 1, 2022. Terry has been within Husqvarna Group since 2010.

Annual General Meeting 2022

The Annual General Meeting of Husqvarna AB (publ) was held on April 7, 2022. The dividend was set at SEK 3.00 per share to be paid in two installments, firstly SEK 1.00 per share with Monday, April 11, 2022 as the first record day, and secondly SEK 2.00 per share with Tuesday, October 11, 2022 as the second record day. The estimated dates for payment are Thursday, April 14, 2022 and Friday, October 14, 2022.

Significant events after the quarter

Acquisition of Heger

On April 13, the acquisition of Heger was announced. Heger is specialized in professional diamond tools for European sawing and drilling contractors in wall, floor and road sawing as well as core drilling. Heger has around 45 employees and around EUR 9m in annual sales. Closing of the transaction is expected to occur in Q2, 2022 and is subject to customary closing conditions.

Investment in Moleaer Inc.

In April 2022, Husqvarna Group decided to invest USD 7.5m of venture capital into Moleaer, a global leader in nanobubble technology. By investing in Moleaer, Husqvarna Group's Gardena Division will be able to explore nanobubble technology's potential in addressing water scarcity.

Risks and uncertainty factors

A number of factors may affect Husqvarna Group's operations in terms of operational and financial risks. The Covid-19 pandemic and the war in Ukraine can have an significant impact on Husqvarna Group's operations, both in terms of difficulties of supply of raw materials and components as well as difficulties to purchase transportation and logistics services and related cost increases. It can also affect demand of Husqvarna Group's products and solutions. 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. 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 2021 which is available at www.husqvarnagroup.com.

Accounting Principles

This interim report has been prepared in accordance with IAS 34, Interim financial reporting and the Swedish Annual Accounts Act. The financial statement of the Parent Company has been prepared in accordance with the Swedish Annual Accounts Act, chapter 9 and the Swedish Financial Reporting Board's standard RFR 2 Accounting for Legal Entities. The accounting policies adopted are consistent with those presented in the Annual Report of 2021, which is available at www.husqvarnagroup.com.

Auditors' review report

This interim report has not been subject to review by the auditors.

Stockholm, April 21, 2022

Henric Andersson
President and CEO

Condensed consolidated income statement

SEKm	Q1 2022	Q1 2021	LTM*	Full year 2021
Net sales	15,685	14,030	48,714	47,059
Cost of goods sold	-10,706	-9,130	-33,122	-31,546
Gross income	**4,979**	**4,900**	**15,592**	**15,513**
Gross margin, %	*31.7*	*34.9*	*32.0*	*33.0*
Selling expenses	-2,201	-1,877	-7,476	-7,152
Administrative expenses	-801	-734	-2,771	-2,704
Other operating income/expense	182	4	267	89
Operating income	**2,159**	**2,293**	**5,612**	**5,746**
Operating margin, %	*13.8*	*16.3*	*11.5*	*12.2*
Financial items, net	-61	-61	-252	-252
Income after financial items	**2,098**	**2,232**	**5,360**	**5,494**
Margin, %	*13.4*	*15.9*	*11.0*	*11.7*
Income tax	-460	-573	-944	-1,057
Net income for the period	**1,638**	**1,659**	**4,415**	**4,437**
Net income for the period attributable to:				
Equity holders of the Parent Company	1,638	1,658	4,437	4,437
Non-controlling interest	0	1	-21	0
Earnings per share:				
Before dilution, SEK	2.87	2.90	6.27	7.76
After dilution, SEK	2.86	2.89	6.24	7.73
Weighted average number of shares outstanding:				
Before dilution, millions	570.4	572.6	572.0	571.5
After dilution, millions	573.4	573.8	574.1	574.1

Condensed consolidated comprehensive income statement

SEKm	Q1 2022	Q1 2021	LTM*	Full year 2021
Net income for the period	**1,638**	**1,659**	**4,415**	**4,437**
Other comprehensive income				
Items that will not be reclassified to the income statement:				
Remeasurements on defined benefit pension plans, net of tax	-24	275	375	674
Total items that will not be reclassified to the income statement, net of tax	**-24**	**275**	**375**	**674**
Items that may be reclassified to the income statement:				
Translation differences	564	1,044	1,153	1,632
Net investment hedge, net of tax	-177	-479	-332	-634
Cash flow hedges, net of tax	-12	-77	46	-19
Total items that may be reclassified to the income statement, net of tax	**375**	**488**	**866**	**979**
Other comprehensive income, net of tax	**351**	**762**	**1,241**	**1,653**
Total comprehensive income for the period	**1,989**	**2,422**	**5,657**	**6,089**
Total comprehensive income attributable to:				
Equity holders of the Parent Company	1,989	2,421	5,658	6,089
Non-controlling interest	0	1	-1	0

Condensed consolidated balance sheet

SEKm	Mar 31 2022	Mar 31 2021	Dec 31 2021
Assets			
Property, plant and equipment	7,349	6,487	7,309
Right of use assets	1,779	1,507	1,814
Goodwill	9,433	7,128	9,305
Other intangible assets	7,756	5,682	7,680
Investments in associated companies	36	44	36
Derivatives	-	1	-
Other non-current assets	917	615	892
Deferred tax assets	1,625	1,515	1,534
Total non-current assets	**28,895**	**22,979**	**28,571**
Inventories	15,192	9,947	14,030
Trade receivables	8,522	7,108	4,310
Derivatives	622	438	324
Current tax receivables	265	61	194
Other current assets	1,034	998	1,283
Cash and cash equivalents	2,659	8,067	2,208
Total current assets	**28,294**	**26,620**	**22,349**
Total assets	**57,189**	**49,599**	**50,920**
Equity and liabilities			
Equity attributable to equity holders of the Parent Company	23,657	19,510	21,633
Non-controlling interests	14	4	14
Total equity	**23,671**	**19,514**	**21,646**
Borrowings	2,272	5,662	3,772
Lease liabilities	1,330	1,239	1,362
Derivatives	60	57	19
Deferred tax liabilities	2,210	1,529	2,237
Provisions for pensions and other post-employment benefits	2,215	2,352	2,192
Other provisions	635	629	634
Total non-current liabilities	**8,722**	**11,468**	**10,217**
Trade payables	8,224	6,253	6,990
Current tax liabilities	1,225	1,346	1,636
Other liabilities	4,985	4,679	3,936
Borrowings	8,346	3,924	4,442
Lease liabilities	515	414	487
Derivatives	531	726	686
Other provisions	970	1,274	878
Total current liabilities	**24,796**	**18,617**	**19,056**
Total equity and liabilities	**57,189**	**49,599**	**50,920**

Condensed consolidated cash flow statement

SEKm	Q1 2022	Q1 2021	Full year 2021
Cash flow from operations			
Operating income	2,159	2,293	5,746
Non cash items	662	856	2,312
Cash items			
Paid restructuring expenses	-44	-60	-192
Net financial items, received/paid	-57	-80	-180
Taxes paid	-1,013	-100	-198
Cash flow from operations, excluding change in operating assets and liabilities	**1,707**	**2,910**	**7,487**
Operating assets and liabilities			
Change in inventories	-847	150	-2,695
Change in trade receivables	-4,112	-3,707	-528
Change in trade payables	1,146	1,290	1,476
Change in other operating assets/liabilities	1,163	1,318	-76
Cash flow from operating assets and liabilities	**-2,651**	**-949**	**-1,824**
Cash flow from operations	**-943**	**1,961**	**5,664**
Investments			
Acquisitions of subsidiaries/operations	-32	-	-3,935
Divestments of subsidiaries/operations	-	-	73
Proceeds from sale of property, plant and equipment	212	-	8
Investments in property, plant and equipment and intangible assets	-426	-413	-2,524
Investments and divestments of financial assets	-29	-	2
Cash flow from investments	**-276**	**-413**	**-6,376**
Cash flow from operations and investments	**-1,219**	**1,548**	**-713**
Financing			
Dividend paid to shareholders	-	-	-1,375
Dividend paid to non-controlling interests	-	-	-2
Other financing activities	1,626	283	-1,980
Cash flow from financing	**1,626**	**283**	**-3,357**
Total cash flow	**407**	**1,831**	**-4,070**
Cash and cash equivalents at the beginning of the period	2,208	6,151	6,151
Exchange rate differences referring to cash and cash equivalents	44	85	126
Cash and cash equivalents at the end of the period	**2,659**	**8,067**	**2,208**

Operating cash flow, SEKm	Q1 2022	Q1 2021	Full year 2021
Cash flow from operations	-943	1,961	5,664
Investments in property, plant and equipment and intangible assets	-426	-413	-2,524
Operating cash flow	**-1,370**	**1,548**	**3,140**

Direct operating cash flow, SEKm	Q1 2022	Q1 2021	Full year 2021
EBITDA excl. items affecting comparability	2,788	2,824	7,922
Change in inventories	-847	150	-2,695
Change in trade receivables	-4,112	-3,707	-528
Change in trade payables	1,146	1,290	1,476
Investments in property, plant and equipment and intangible assets	-426	-413	-2,524
Direct operating cash flow	**-1,452**	**143**	**3,651**

Key performance indicators

Income statement

EBITDA*, SEKm	Q1 2022	Q1 2021	LTM*	Full year 2021
Operating income	2,159	2,293	5,612	5,746
Reversal of depreciation, amortization and impairment	613	530	2,324	2,241
EBITDA*	**2,772**	**2,824**	**7,936**	**7,987**
Excl. items affecting comparability*	2,788	2,824	*7,886*	*7,922*
EBITDA margin, %	*17.7*	*20.1*	*16.3*	*17.0*
Excl. items affecting comparability, %*	*17.8*	*20.1*	*16.2*	*16.8*

Organic growth*

Net sales, January - March

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
2022	15,685	-1,155	14,530		14,530
2021	14,030		14,030	762	14,792
Growth	1,655		500		-262
Growth, %	***11.8***		***3.6***		***-1.8***

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

Balance sheet

Key data	Mar 31 2022	Mar 31 2021	Dec 31 2021
Operating working capital, SEKm	15,490	10,802	11,350
Operating working capital / net sales, %*	*23.5*	*22.5*	*21.8*
Return on capital employed, %	*16.8*	*13.5*	*17.9*
Excl. items affecting comparability, %*	*16.7*	*16.0*	*17.7*
Return on equity, %	*20.9*	*17.0*	*22.2*
Excl. items affecting comparability, %*	*20.7*	*20.4*	*21.9*
Capital turn-over rate, times	1.8	1.7	1.9
Equity/assets ratio, %	*41*	*39*	*42*
Equity per share after dilution, SEK	41.3	34.0	37.7
Average number of employees	14,730	13,777	13,873

Net debt*, SEKm	Mar 31 2022	Mar 31 2021	Dec 31 2021
Net pension liability	1,829	2,175	1,777
Other interest-bearing liabilities	13,054	12,022	10,769
Less: Liquid funds and other interest-bearing assets	-3,695	-8,883	-2,923
Net debt*	**11,188**	**5,314**	**9,623**
Net debt/equity ratio	0.47	0.27	0.44
Net debt/EBITDA excl. Items affecting comparability*	0.8	0.9	0.6

Return on capital employed*, SEKm	Mar 31 2022	Mar 31 2021	Dec 31 2021
Total equity and liabilities	57,189	49,599	50,920
Deduction; Non interest bearing liabilities:	-18,250	-15,711	-16,312
Deferred tax liabilities	-2,210	-1,529	-2,237
Other provisions	-1,605	-1,903	-1,512
Trade payables	-8,224	-6,253	-6,990
Current tax liabilities	-1,225	-1,346	-1,636
Other liabilities	-4,985	-4,679	-3,936
Capital employed*	**38,939**	**33,888**	**34,608**
Capital employed (LTM Average)	**33,414**	**33,529**	**32,116**
Operating income, LTM	5,612	4,538	5,746
Return on capital employed*, %	**16.8**	**13.5**	**17.9**
Operating income excl. items affecting comparability*, LTM	5,580	5,353	5,684
Return on capital employed excl. items affecting comparability*, %	**16.7**	**16.0**	**17.7**

* 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
Opening balance January 1, 2021	**17,059**	**3**	**17,062**
Share-based payment	30	-	30
Total comprehensive income	2,421	1	2,422
Closing balance March 31, 2021	**19,510**	**4**	**19,514**
Opening balance January 1, 2022	**21,633**	**14**	**21,646**
Share-based payment	35	-	35
Total comprehensive income	1,989	0	1,989
Closing balance March 31, 2022	**23,657**	**14**	**23,671**

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 2021. The carrying value approximates fair value for all financial instruments.

Net sales and income by division and quarter

	2022	2021				2020			
Group, SEKm	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Net sales	**15,685**	8,234	10,180	14,614	14,030	6,683	9,570	13,482	12,208
Net sales, LTM*	**48,714**	47,059	45,507	44,897	43,764	41,943	41,667	40,526	40,834
Operating income	**2,159**	-132	926	2,659	2,293	-944	997	2,191	1,424
Operating margin, %	***13.8***	*-1.6*	*9.1*	*18.2*	*16.3*	*-14.1*	*10.4*	*16.3*	*11.7*
*Operating income excl. IAC**	**2,190**	-180	926	2,645	2,293	-129	997	2,191	1,424
Operating margin excl. IAC, %*	***14.0***	*-2.2*	*9.1*	*18.1*	*16.3*	*-1.9*	*10.4*	*16.3*	*11.7*
Operating income, LTM*	**5,612**	5,746	4,934	5,005	4,538	3,669	4,119	3,536	3,470
Operating margin, LTM, %*	***11.5***	*12.2*	*10.8*	*11.1*	*10.4*	*8.7*	*9.9*	*8.7*	*8.5*
Operating income, LTM excl. IAC*	**5,580**	5,684	5,734	5,806	5,353	4,484	4,302	3,719	3,653
Operating margin, LTM excl. IAC, %*	***11.5***	*12.1*	*12.6*	*12.9*	*12.2*	*10.7*	*10.3*	*9.2*	*8.9*
Net income for the period	**1,638**	146	631	2,001	1,659	-718	653	1,567	992
Husqvarna Forest & Garden, SEKm	**Q1**	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Net sales	**8,701**	5,231	6,331	8,836	8,820	4,496	6,069	8,042	8,001
Net sales, LTM*	**29,099**	29,217	28,483	28,220	27,427	26,607	26,219	25,355	26,001
Operating income	**1,392**	70	558	1,534	1,537	-614	543	1,078	972
Operating margin, %	***16.0***	*1.3*	*8.8*	*17.4*	*17.4*	*-13.6*	*8.9*	*13.4*	*12.2*
Operating income excl. IAC*	**1,283**	70	558	1,536	1,537	89	543	1,078	972
Operating margin excl. IAC, %*	***14.7***	*1.3*	*8.8*	*17.4*	*17.4*	*2.0*	*8.9*	*13.4*	*12.2*
Operating income, LTM	**3,554**	3,699	3,015	3,000	2,544	1,979	2,368	1,907	2,046
Operating margin, LTM, %*	***12.2***	*12.7*	*10.6*	*10.6*	*9.3*	*7.4*	*9.0*	*7.5*	*7.9*
Operating income, LTM excl. IAC*	**3,447**	3,701	3,720	3,705	3,247	2,682	2,493	2,032	2,171
Operating margin, LTM excl. IAC, %*	***11.8***	*12.7*	*13.1*	*13.1*	*11.8*	*10.1*	*9.5*	*8.0*	*8.3*
Gardena, SEKm	**Q1**	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Net sales	**4,960**	1,148	2,031	3,851	3,506	761	1,948	4,011	2,708
Net sales, LTM*	**11,991**	10,537	10,150	10,067	10,226	9,427	9,377	9,058	8,421
Operating income	**706**	-277	196	979	654	-294	274	1,054	398
Operating margin, %	***14.2***	*-24.1*	*9.6*	*25.4*	*18.7*	*-38.7*	*14.1*	*26.3*	*14.7*
Operating income excl. IAC*	**752**	-290	196	969	654	-294	274	1,054	398
Operating margin excl. IAC, %*	***15.2***	*-25.3*	*9.6*	*25.2*	*18.7*	*-38.7*	*14.1*	*26.3*	*14.7*
Operating income, LTM	**1,603**	1,552	1,534	1,613	1,688	1,432	1,378	1,223	872
Operating margin, LTM, %*	***13.4***	*14.7*	*15.1*	*16.0*	*16.5*	*15.2*	*14.7*	*13.5*	*10.4*
Operating income, LTM excl. IAC*	**1,627**	1,529	1,524	1,603	1,688	1,432	1,378	1,224	873
Operating margin, LTM excl. IAC, %*	***13.6***	*14.5*	*15.0*	*15.9*	*16.5*	*15.2*	*14.7*	*13.5*	*10.4*
Husqvarna Construction, SEKm	**Q1**	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Net sales	**1,981**	1,830	1,795	1,904	1,680	1,403	1,541	1,413	1,487
Net sales, LTM*	**7,511**	7,210	6,782	6,528	6,037	5,844	5,992	6,026	6,333
Operating income	**152**	144	231	260	205	33	236	140	132
Operating margin, %	***7.7***	*7.9*	*12.9*	*13.7*	*12.2*	*2.3*	*15.3*	*9.9*	*8.9*
Operating income excl. IAC*	**245**	144	231	260	205	125	236	140	132
Operating margin excl. IAC, %*	***12.4***	*7.9*	*12.9*	*13.7*	*12.2*	*8.9*	*15.3*	*9.9*	*8.9*
Operating income, LTM	**787**	840	729	734	613	541	614	608	734
Operating margin, LTM, %*	***10.5***	*11.7*	*10.7*	*11.2*	*10.2*	*9.3*	*10.2*	*10.1*	*11.6*
Operating income, LTM excl. IAC*	**880**	840	821	826	705	633	670	664	791
Operating margin, LTM excl. IAC, %*	***11.7***	*11.7*	*12.1*	*12.7*	*11.7*	*10.8*	*11.2*	*11.0*	*12.5*
Group Common, SEKm	**Q1**	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Net sales	**43**	26	23	22	24	23	12	15	13
Operating income	**-90**	-69	-59	-114	-103	-69	-55	-80	-78
Operating income excl. IAC*	**-90**	-104	-59	-120	-103	-49	-55	-80	-78

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

*Alternative Performance Measure, refer to "Definitions".

Items affecting comparability

SEKm	Q1 2022	Q1 2021	Full year 2021
Restructuring costs			
Impairment of non-current assets	-15	-	-3
Write-down of inventory	-28	-	1
Other restructuring costs	-47	-	-15
Write-down relating to Russia and Ukraine			
Impairment of current assets	-33	-	-
Write-down of inventory	-86	-	-
Other			
Sale of property	178	-	-
Sale of business	-	-	44
Insurance refund	-	-	35
Total items affecting comparability	**-31**	**-**	**62**

The first quarter included non-recurring restructuring costs of SEK 90m related to integration costs from the acquisition of Blastrac within the Husqvarna Construction Division. The costs related to restructuring costs for consolidating the Blastrac manufacturing and warehouse sites in Europe. Write-downs relating to Russia and Ukraine amounted to SEK 119m, of which SEK 55m pertained to Husqvarna Forest & Garden Division, SEK 59m to Gardena Division and SEK 5m to Husqvarna Construction Division. During the quarter, a property in Norway was sold with a capital gain of SEK 178m.

Classification in the income statement

SEKm	Q1 2022	Q1 2021	Full year 2021
Cost of goods sold	-151	-	-18
Selling expenses	-59	-	0
Administrative expenses	0	-	1
Other operating income/expense	178	-	79
Total items affecting comparability	**-31**	**-**	**62**

Net assets by segment [1]

	Assets		Liabilities		Net Assets	
SEKm	Mar 31 2022	Mar 31 2021	Mar 31 2022	Mar 31 2021	Mar 31 2022	Mar 31 2021
Husqvarna	23,972	21,501	8,489	7,955	15,483	13,547
Gardena	19,018	10,245	4,736	3,684	14,281	6,561
Construction	8,403	7,390	1,773	1,343	6,630	6,047
Other [2]	1,716	1,401	3,252	2,730	-1,536	-1,330
Total	**53,109**	**40,537**	**18,250**	**15,712**	**34,858**	**24,825**

[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 functions such as Treasury and Risk Management.

Parent Company

Condensed income statement

SEKm	Q1 2022	Q1 2021	Full year 2021
Net sales	6,483	6,186	21,335
Cost of goods sold	-4,345	-4,228	-14,623
Gross income	**2,138**	**1,958**	**6,712**
Selling expense	-458	-404	-1,702
Administrative expense	-468	-387	-1,744
Other operating income/expense	0	-	1
Operating income	**1,212**	**1,167**	**3,267**
Financial items, net	-227	-640	1,552
Income after financial items	**985**	**527**	**4,818**
Appropriations	-25	-22	-842
Income before taxes	**960**	**505**	**3,976**
Tax on profit for the year	-200	-106	-280
Income for the period	**759**	**398**	**3,697**

Condensed balance sheet

SEKm	Mar 31 2022	Mar 31 2021	Dec 31 2021
Non-current assets	39,153	38,057	39,079
Current assets	21,296	18,142	17,361
Total assets	**60,449**	**56,199**	**56,441**
Equity	34,094	31,533	33,318
Untaxed reserves	1,275	794	1,275
Provisions	216	122	139
Non-current liabilities	2,168	5,545	3,627
Current liabilities	22,697	18,204	18,082
Total equity and liabilities	**60,449**	**56,199**	**56,441**

Number of shares

	Outstanding A-shares	Outstanding B-shares	Repurchased B-shares [1]	Total
Number of shares as of December 31, 2021	**111,088,990**	**459,333,459**	**5,921,329**	**576,343,778**
Conversion of A-shares into B-shares	*-979,341*	*979,341*		
Number of shares as of March 31, 2022	**110,109,649**	**460,312,800**	**5,921,329**	**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

The computation of key ratios is based on averages of capital balances the last 12 months.

Roundings

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

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.

Earnings per share, after dilution

Earnings per share is expressed as 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. See further IAS 33 Earnings per share. Earnings per share is a good measure of the company's profitability and is used to determine the value of the company's outstanding shares.

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. The measure is important in order to understand the underlying performance of the operations and increases the comparability between periods.

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.

Operating margin

Operating income as a percentage of net sales and is a key profitability measure.

Return on capital employed

Operating income during the last twelve months as a percentage of average capital employed. A central ratio for measuring return on capital tied up in operations.

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. The indicator shows how share holders' capital yields interest during the period.

Share-based measures

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. A measure of the amount of equity that exists per outstanding share and is used for measuring the share against the share price.

Capital indicators

Capital employed

Total equity and liabilities less non-interest-bearing debt including deferred tax liabilities. This measure shows the amount of capital that is used in the operations and is an important component for measuring the return from operations.

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 is 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. This measure shows how much working capital is tied up in the operations and can be put in relation to sales to understand how efficient working capital is managed.

Capital measures

Equity/assets ratio
Equity attributable to equity holders of the Parent Company as a percentage of total assets. A measure for showing financial risk, expressing the percentage of total assets that is financed by the owners.

Capital turnover rate
Net sales last twelve months divided with average net assets. Shows how effectively capital is managed and is a key measure for monitoring value creation.

Net debt/EBITDA excl. items affecting comparability
Average net debt in relation to EBITDA last twelve months, excluding items affecting comparability. Shows the company's capacity to repay its debt, adjusted for the impact of items affecting comparability.

Net debt/equity ratio
Net debt in relation to total equity. Shows financial risk and is a useful measure to monitor the level of the company's indebtedness.

Operating working capital/net sales
Average operating working capital as a percentage of net sales last twelve months. This measure is an important indicator for how efficient working capital is managed.

Other measures

Direct operating cash flow
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. Direct operating cash flow provides a measure of the cash generated by the Groups operating business.

Items affecting comparability (IAC)
Under Items affecting comparability, Husqvarna includes items that have the character of *being* non-recurring, such as restructuring costs, and are relevant when comparing earnings for one period with those of another. Separate reporting of items affecting comparability between periods provides a better understanding of the company's underlying operating activities.

Operating cash flow
Operating cash flow 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. Operating cash flow is a measure of the amount of cash generated by the Group's ordinary business operations that the units have control over themselves.



Webcast presentation and telephone conference

A webcast presentation of the Q1 report, hosted by Henric Andersson, President & CEO, and Terry Burke, CFO, will be held at 10:00 CET on April 21, 2022.

To view the presentation, please use the link:
https://husqvarna-group.creo.se/220421

The dial-in to the telephone conference (in order to ask questions):
+46 (0) 8 519 993 83 (Sweden) or +44 333 300 9031 (UK).
Conference pin: 33173009#.

Dates for Financial Reports 2022

July 15 Interim report for January-June
October 21 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 April 21, 2022.

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.