

Solid cash flow in a quarter affected by weak market conditions

Second quarter 2024

- Net sales decreased by 9% to SEK 15,430m (16,976). Changes in exchange rates impacted with -1%.
- Planned exits of low-margin petrol-powered business impacted with -2%. Organic sales decreased by 6%.
- Operating income was SEK 1,899m (2,101) and the operating margin was 12.3% (12.4).
- Excluding items affecting comparability, the operating income amounted to SEK 1,906m (2,313) and the operating margin was 12.4% (13.6).
- Earnings per share before dilution amounted to SEK 2.22 (2.47) and earnings per share after dilution amounted to SEK 2.22 (2.46).
- Cash flow from operations and investments amounted to SEK 3,459m (4,432). Direct operating cash flow was SEK 3,917m (4,443). Cash flow was impacted by the planned reduction of trade receivables financing and adjusted for this, direct operating cash flow decreased by SEK 252m, compared to last year.

January – June 2024

- Net sales decreased by 12% to SEK 30,150m (34,143). Changes in exchange rates had a neutral effect.
- Planned exits of low-margin petrol-powered business impacted with -3%. Organic sales decreased by 9%.
- Operating income was SEK 3,830m (4,465) and the operating margin was 12.7% (13.1).
- Excluding items affecting comparability, the operating income amounted to SEK 3,837m (4,723) and the operating margin was 12,7% (13,8).
- Earnings per share before dilution amounted to SEK 4.54 (5.37) and earnings per share after dilution amounted to SEK 4.53 (5.35).
- Cash flow from operations and investments was SEK 2,403m (5,020). Direct operating cash flow was SEK 2,303m (4,204). Cash flow was impacted by the planned reduction of trade receivables financing and adjusted for this, direct operating cash flow improved by SEK 354m, compared to last year.

Financial summary

Group, SEKm	**Q2 2024**	Q2 2023	Δ%	**Jan-Jun 2024**	Jan-Jun 2023	Δ%	**LTM***	Full year 2023
Net sales	15,430	16,976	-9	30,150	34,143	-12	49,267	53,261
Organic growth, %*	*-6*	*0*		*-9*	*1*		*-11*	*-5*
Operating income (EBIT)	1,899	2,101	-10	3,830	4,465	-14	3,245	3,880
Operating margin, %	*12.3*	*12.4*		*12.7*	*13.1*		*6.6*	*7.3*
Operating income excl. items affecting comparability*	1,906	2,313	-18	3,837	4,723	-19	4,084	4,970
Operating margin excl. items affecting comparability, %*	*12.4*	*13.6*		*12.7*	*13.8*		*8.3*	*9.3*
Income after financial items	1,641	1,854	-11	3,343	3,973	-16	2,249	2,878
Net income for the period	1,273	1,411	-10	2,595	3,063	-15	1,709	2,177
Earnings per share before dilution, SEK	2.22	2.47	-10	4.54	5.37	-15	2.98	3.81
Earnings per share after dilution, SEK	2.22	2.46	-10	4.53	5.35	-15	2.99	3.81
Direct operating cash flow*	3,917	4,443	-12	2,303	4,204	-45	4,639	6,541
Operating working capital/net sales*, %	39.5	34.1		39.5	34.1		39.5	36.9

*Alternative Performance Measure, refer to "Definitions".

Solid cash flow in a quarter affected by weak market conditions

“During the second quarter, we continued executing on our strategy and strengthened our positions in segments such as robotic mowers for the professional market, consumer battery-powered products and parts and accessories. However, as the quarter progressed, the continued challenging macroeconomic environment and hence cautious consumer spending gradually impacted the business negatively. In combination with unfavorable weather conditions in Central Europe and North America, that significantly impacted Gardena’s watering business, the Group’s organic sales decreased by 6%. The operating income decreased to SEK 1,906m (2,313).This was primarily a result of lower sales volumes, product mix effects and low capacity utilization in our production. Our cost-savings programs are progressing as planned, with savings of SEK 215m in the quarter.

Direct operating cash flow amounted to SEK 3.9bn (4.4) for the quarter with a significant contribution from our active efforts to reduce inventory levels, which in turn has decreased by SEK 3.2bn. Since second half of 2023 we have stopped using trade receivables financing. The effect on cash flow this quarter was approximately SEK -0.3bn and we expect a positive effect from this going forward.

Organic sales in the Husqvarna Forest & Garden Division decreased by 6% during the quarter. Growth was strong in robotic mowers for the professional market, driven by Husqvarna CEORA™. In addition, the segments consumer battery-powered products and parts and accessories performed well. In robotic mowers for the residential market, growth was strong for the Husqvarna Automower® NERA range, which was further expanded with two boundary wire-free models this season. The successful range now comprises five models, which together accounted for approximately one third of our residential robotic mower sales in the quarter. Sales of petrol-powered wheeled products remained at a low level, due to lower demand and the fact that we are proactively exiting parts of the segment in North America. Operating margin improved in the quarter, driven by our cost savings.

In the Gardena Division, organic sales decreased by 9%. Sales started well in the quarter but the watering business was significantly impacted by unfavorable weather conditions in Central Europe and North America, resulting in lower end-user demand.

Organic sales in the Husqvarna Construction Division decreased by 3% in the quarter, where sales were stable in Europe, decreased in North America and grew in emerging markets.

Executing on strategy

We remain committed to our strategy and ongoing transformation where we focus on the high-growth areas of robotics, battery, smart watering and professional solutions. An efficient and sustainable cost base ensures delivery on our ambitions. To mitigate the near-term macroeconomic dynamics, we are now accelerating the existing cost-savings programs.

In terms of sustainability and reduction of our overall CO_2 footprint, our emissions (Scope 1, 2 and 3) have decreased by -56% compared with the base year of 2015. This means that we have exceeded our target of a -35% reduction by 2025.

In summary, despite the challenging market conditions in the quarter, our strategic focus and execution of cost efficiencies continues. This will enable us to continue to create sustainable value.”



Pavel Hajman, CEO

Financial Performance

Financial targets and performance

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

Metric	Financial targets	Achievement 2023	Achievement LTM
Organic sales growth	5%	-5%	-11%
Operating margin*	13%	9.3%	8.3%
Capital efficiency**	20%	36.9%	39.5%

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

Second quarter 2024

Net sales

Net sales for the second quarter decreased by 9% to SEK 15,430m (16,976). Changes in exchange rates impacted with -1%. Planned exits impacted with -2%. Organic sales declined by 6%. Net sales grew in segments such as robotic mowers for the professional market, consumer battery-powered products and parts & accessories. Sales of watering products, petrol-powered wheeled products and construction products decreased during the quarter.

Operating income

Operating income for the second quarter amounted to SEK 1,899m (2,101) and the operating margin was 12.3% (12.4). Excluding items affecting comparability, operating income amounted to SEK 1,906m (2,313). The decline was mainly a result of lower volumes with lower capacity utilization in the production as well as product mix effects. This was partly offset by cost savings. Acquisition related amortizations amounted to SEK -57m (-58). The operating margin was 12.4% (13.6).

Changes in exchange rates had a positive contribution of approximately SEK 80m compared with the preceding year.

Financial items net

Financial items net amounted to SEK -258m (-247).

Income after financial items

Income after financial items amounted to SEK 1,641m (1,854).

Taxes

Income tax amounted to SEK -369m (-443), corresponding to an effective tax rate of 22.5% (23.9).

Earnings per share

Net income attributable to equity holders of the Parent Company amounted to SEK 1,272m (1,411), corresponding to SEK 2.22 (2.46) per share after dilution.

Cash flow

Cash flow from operations and investments for April – June amounted to SEK 3,459m (4,432). Direct operating cash flow was SEK 3,917m (4,443). The decline was related to lower operating income and lower cash flow from change in trade receivables. This was due to the planned reduction of trade receivables financing and adjusted for this, direct operating cash flow declined by SEK 252m, compared to last year.

January – June

Net sales

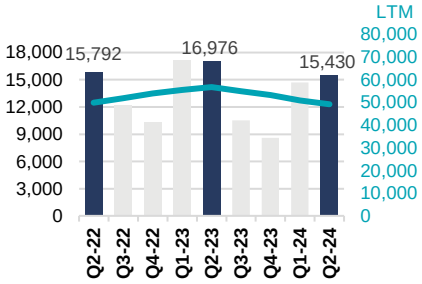
Net sales for the period decreased by 12% to SEK 30,150m (34,143). Changes in exchange rates had a neutral effect. Planned exits impacted with -3%. Organic sales declined by 9%. Net sales grew in segments such as robotic mowers for the professional market, consumer battery-powered products and parts & accessories. Sales of petrol-powered wheeled products continued on a low level.

Operating income

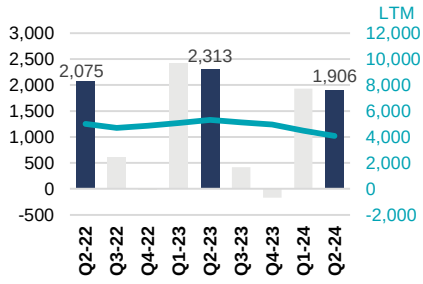
Operating income for the period amounted to SEK 3,830m (4,465) and the operating margin was 12.7% (13.1). Excluding items affecting comparability, operating income amounted to SEK 3,837m (4,723). The decline was mainly a result of lower volumes with lower capacity utilization in the production. This was partly offset by cost savings. Acquisition related amortizations amounted to SEK -113m (-114). The operating margin was 12.7% (13.8).

Changes in exchange rates had a positive contribution of approximately SEK 280m compared with the preceding year.

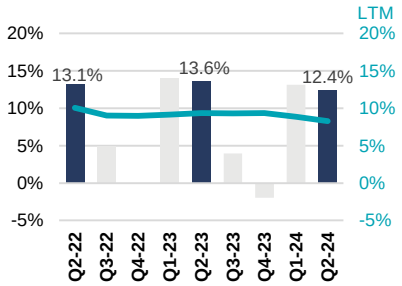
Net sales, SEKm



Operating income excl. IAC, SEKm



Operating margin excl. IAC



Financial items net
Financial items net amounted to SEK -486m (-492).

Income after financial items
Income after financial items amounted to SEK 3,343m (3,973).

Taxes
Income tax amounted to SEK -748m (-909), corresponding to an effective tax rate of 22.4% (22.9).

Earnings per share
Net income for the period attributable to equity holders of the Parent Company amounted to SEK 2,593m (3,064), corresponding to SEK 4.53 (5.35) per share after dilution.

Cash flow
Cash flow from operations and investments for January – June amounted to SEK 2,403m (5,020). Direct operating cash flow was SEK 2,303m (4,204). The decline was related to lower operating income and negative cash flow from change in trade receivables. This was due to planned reduction of trade receivables financing and adjusted for this, cash flow improved by SEK 354m, compared to 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. Cash flow in the fourth quarter is usually negatively impacted by the pre-season production for the next year.

Financial position
Net debt as of June 30, 2024 was SEK 15,615m (15,748). The net pension liability increased to SEK 1,720m (1,451). Other interest-bearing liabilities decreased to SEK 15,714m (18,141) and liquid funds and other interest-bearing assets decreased to SEK 2,962m (4,985).

The net debt/EBITDA ratio, excluding items affecting comparability, increased to 2.3 (2.0), mainly due to lower EBITDA. The equity/assets ratio was 42% (40).

Financial summary

SEKm	Q2 2024	Q2 2023	Δ%	Jan-Jun 2024	Jan-Jun 2023	Δ%	LTM*	Full year 2023
Net sales	8,722	9,722	-10	16,994	20,379	-17	28,374	31,759
Organic growth, %*	*-6*	*3*		*-12*	*9*		*-15*	*-4*
Operating income	1,145	1,123	2	2,336	2,794	-16	2,248	2,706
Operating margin, %	*13.1*	*11.6*		*13.7*	*13.7*		*7.9*	*8.5*
Operating income excl. items affecting comparability*	1,149	1,260	-9	2,340	2,950	-21	2,626	3,236
Operating margin excl. items affecting comparability, %*	*13.2*	*13.0*		*13.8*	*14.5*		*9.3*	*10.2*

* Alternative Performance Measure, refer to "Definitions".

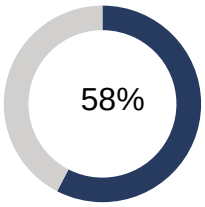
Second quarter 2024

Net sales decreased by 10% to SEK 8,722m (9,722) during the quarter. Currency had a neutral effect. Planned exits had an impact of -4%. Organic sales declined by 6%. Sales of robotic mowers for the professional market, including Husqvarna CEORA™, consumer battery-powered products and parts & accessories achieved good growth.

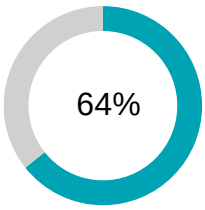
The product range of Husqvarna Automower® NERA has been expanded with robotic mowers for medium-sized lawns and a new edge cut system. Automower® NERA is a good example of the Group's technology leadership and innovative capacity when it comes to robotic mower technology. The NERA range, with its five models, accounted for approximately one third of robotic mower sales to the residential market in the second quarter. Sales of petrol-powered, wheeled products remained at low levels as a result of lower demand and that the Group is proactively exiting parts of the segment in North America.

Operating income amounted to SEK 1,145m (1,123) and the operating margin was 13.1% (11.6). Excluding items affecting comparability, operating income was SEK 1,149m (1,260) and the operating margin increased to 13.2% (13.0). The improved operating margin was mainly related to cost savings and planned exits. Changes in exchange rates had a positive contribution of approximately SEK 60m compared with the preceding year.

Share of Group net sales, LTM



Share of Group operating income excl. IAC, LTM

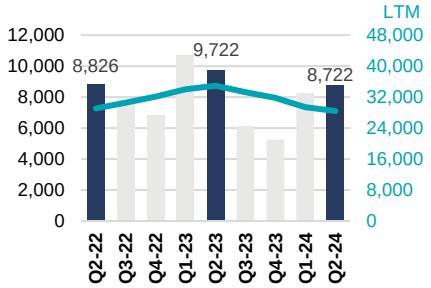


January – June 2024

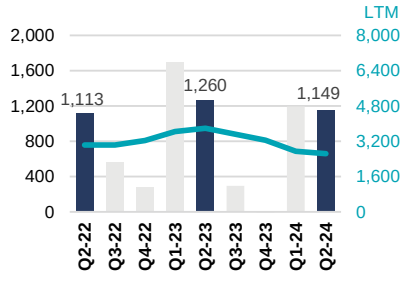
Net sales decreased by 17% to SEK 16,994m (20,379). Currency had a neutral effect. Planned exits had an impact of -5%. Organic sales declined by 12%. Sales of robotic mowers for the professional market and consumer battery-powered products achieved a good growth. Sales of petrol-powered, wheeled products remained at low levels as a result of lower demand and that the Group is proactively exiting parts of the segment in North America.

Operating income amounted to SEK 2,336m (2,794) and the operating margin was 13.7% (13.7). Excluding items affecting comparability, operating income was SEK 2,340m (2,950) and the operating margin was 13.8% (14.5). Operating income was impacted by lower volumes and lower capacity utilization in production. Changes in exchange rates had a positive contribution of approximately SEK 250m compared with the preceding year.

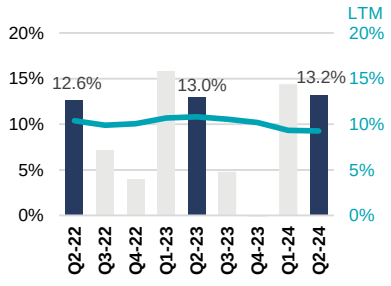
Net sales, SEKm



Operating income excl. IAC, SEKm



Operating margin excl. IAC



Financial summary

SEKm	Q2 2024	Q2 2023	Δ%	Jan-Jun 2024	Jan-Jun 2023	Δ%	LTM*	Full year 2023
Net sales	4,566	5,031	-9	8,980	9,351	-4	12,593	12,964
Organic growth, %*	*-9*	*-2*		*-4*	*-11*		*-5*	*-10*
Operating income	691	818	*-15*	1,365	1,403	-3	912	950
Operating margin, %	*15.1*	*16.3*		*15.2*	*15.0*		*7.2*	*7.3*
Operating income excl. items affecting comparability*	693	857	*-19*	1,366	1,441	-5	1,061	1,136
Operating margin excl. items affecting comparability, %*	*15.2*	*17.0*		*15.2*	*15.4*		*8.4*	*8.8*

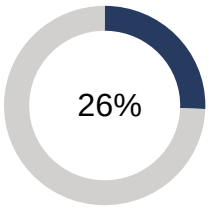
* Alternative Performance Measure, refer to "Definitions".

Second quarter 2024

Net sales decreased by 9% to SEK 4,566m (5,031). Changes in exchange rates had a neutral impact, and organic sales decreased by 9%. Sales were strong for handheld battery products. Sales of watering products started well in the quarter, but was significantly impacted by cold and rainy weather in Central Europe and North America.

Operating income decreased by 15% to SEK 691m (818) and the operating margin decreased to 15.1% (16.3). Excluding items affecting comparability, operating income was SEK 693m (857) and the operating margin was 15.2% (17.0). The decline in operating income was related to lower volumes and lower capacity utilization in production, partly offset by cost savings. Acquisition-related amortization amounted to SEK -30m (-30). Changes in exchange rates had a positive contribution of approximately SEK 20m compared with the preceding year.

Share of Group net sales, LTM

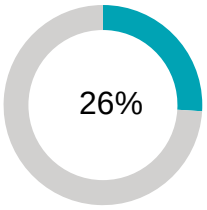


January – June 2024

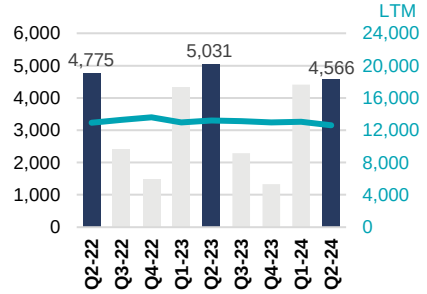
Net sales decreased by 4% to SEK 8,980m (9,351). Organic sales declined by 4% and currency had a neutral effect.

Operating income amounted to SEK 1,365m (1,403) and the operating margin was 15.2% (15.0). Excluding items affecting comparability, operating income was SEK 1,366m (1,441) and the operating margin was 15.2% (15.4). Cost savings and efficiencies had a positive effect, while lower volumes had a negative impact. Acquisition-related amortization amounted to SEK -60m (-60). Changes in exchange rates had a positive contribution of approximately SEK 15m compared with the preceding year.

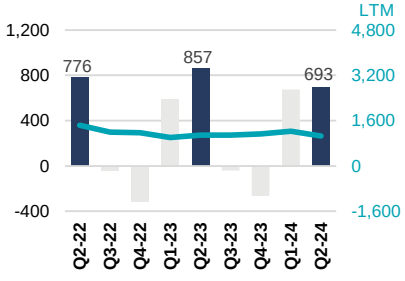
Share of Group operating income excl. IAC, LTM



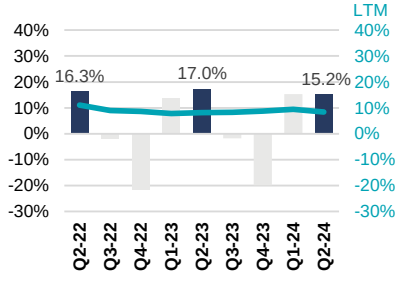
Net sales, SEKm



Operating income excl. IAC, SEKm



Operating margin excl. IAC



Financial summary

SEKm	Q2 2024	Q2 2023	Δ%	Jan-Jun 2024	Jan-Jun 2023	Δ%	LTM*	Full year 2023
Net sales	2,105	2,192	-4	4,114	4,369	-6	8,143	8,398
Organic growth, %*	*-3*	*-5*		*-5*	*-3*		*-5*	*-3*
Operating income	204	272	-25	407	534	-24	628	755
Operating margin, %	*9.7*	*12.4*		*9.9*	*12.2*		*7.7*	*9.0*
Operating income excl. items affecting comparability*	205	308	-33	408	597	-32	813	1,002
Operating margin excl. items affecting comparability, %*	*9.7*	*14.1*		*9.9*	*13.7*		*10.0*	*11.9*

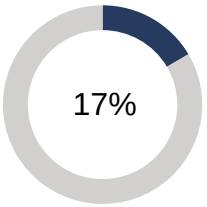
* Alternative Performance Measure, refer to "Definitions".

Second quarter 2024

Net sales decreased by 4% to SEK 2,105m (2,192). Changes in exchange rates had an impact of -1%. Organic sales declined by 3%. Sales in emerging markets increased, were stable in Europe, but decreased in North America. The offering of demolition robots has been expanded and achieved good growth during the quarter.

Operating income was SEK 204m (272), and the operating margin was 9.7% (12.4). Excluding items affecting comparability, operating income was SEK 205m (308) and the operating margin was 9.7% (14.1). The decline in operating income was mainly related to lower volumes and lower capacity utilization in production and partly offset by cost savings. Acquisition-related amortization amounted to SEK -27m (-26). Changes in exchange rates had a neutral effect compared with the preceding year.

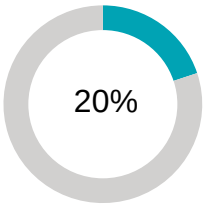
Share of Group net sales, LTM



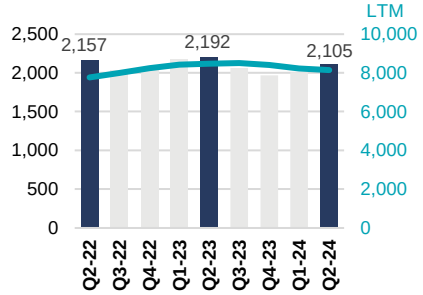
January – June 2024

Net sales decreased by 6% to SEK 4,114m (4,369). Organic sales declined by 5% and changes in exchange rates had an impact of -1%. Operating income amounted to SEK 407m (534) and the operating margin was 9.9% (12.2). Excluding items affecting comparability, operating income was SEK 408m (597) and the operating margin was 9.9% (13.7). Acquisition-related amortization amounted to SEK -54m (-51). Changes in exchange rates had a positive contribution of approximately SEK 15m compared with the preceding year.

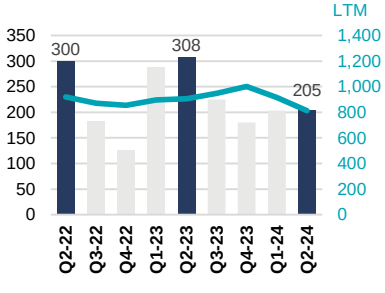
Share of Group operating income excl. IAC, LTM



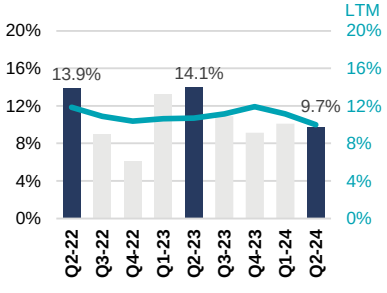
Net sales, SEKm



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.

2025 targets and status

- Reduce absolute CO_2 emissions across the value chain by -35%, current result is -56%.
- Launch 50 circular innovations, the number of approved innovations is currently 31.
- Empower 5 million People to make sustainable choices, achieved so far is 3.3 million.

Carbon – drive the transition to low-carbon solutions

As of the second quarter 2024, the Group has further reduced its CO_2 emissions by -5 percentage points compared to Q1 2024 and exceeded the 2025 target. The reduction is primarily linked to the product mix driven by the electrification of the industry and lower sales of petrol-powered products, primarily wheeled.

The CO_2 KPI is absolute and in direct relation to volume performance which implies a rather volatile behavior. Despite the clear long-term reduction trend, fluctuations between quarters are expected to continue.

Circular – rethink and redesign for a resource-smart customer experience

The circular innovations will make smarter use of materials and will extend product lifecycles. The target addresses resource impacts across the value chain, from suppliers and operations to product use and end-of-life.

One circular innovation was approved in the second quarter:

- A new design of the robotic lawn mower garage for our Flymo and Gardena brands. The lightweight garage with a toolless assembly reduces the material consumption significantly.

People – inspire actions that make a lasting difference

During the second quarter, the Group has continued its communication campaigns and reached a total accumulated sales number of 3.3 million products qualified as Sustainable Choices.

Parent Company

Net sales for January – June 2024 for the Parent Company, Husqvarna AB (publ) amounted to SEK 13,281m (15,242), of which SEK 10,117m (12,064) referred to sales to Group companies and SEK 3,164m (3,179) to external customers. Income after financial items decreased to SEK 804m (2,102). The financial items are affected negatively by an equity hedge. Income for the period decreased to SEK 741m (1,745). Investments in property, plant and equipment and intangible assets amounted to SEK 747m (769). Cash and cash equivalents amounted to SEK 199m (1,707) at the end of the period. Undistributed earnings in the Parent Company amounted to SEK 27,817m (29,118).

Significant events

Annual General Meeting 2024

The Annual General Meeting of Husqvarna AB (publ) was held on April 18, 2024. 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 22 as the first record day, and secondly SEK 2.00 per share with Tuesday, October 22, as the second record day. The estimated dates for payment are Thursday, April 25, and Friday, October 25, 2024.

Changes to Group Management

Husqvarna Group has appointed Claus Andersen as the interim President of the Gardena Division until a permanent successor to Pär Åström has been appointed. Claus has held the position of Senior Vice President Finance for the Gardena Division since 2017. During his interim role Claus will be a member of the Group Management team.

Significant events after the quarter

No significant events after the quarter.

Risks and uncertainty factors

A number of factors may affect Husqvarna Group's operations in terms of operational and financial risks. Geopolitical uncertainties and war can have a 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 and Sustainability Report 2023 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 principles adopted are consistent with those presented in the Annual and Sustainability Report 2023, which is available at www.husqvarnagroup.com.

The Board of Directors and the 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 17, 2024

Tom Johnstone
Chair of the Board

Torbjörn Lööf
Deputy Chair 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

Pavel Hajman
Board member and CEO

Anders Krantz
Board member and
employee representative

Dan Byström
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 2024 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 17, 2024

KPMG AB

Joakim Thilstedt

Authorized Public Accountant

Condensed consolidated income statement

SEKm	**Q2 2024**	Q2 2023	**Jan-Jun 2024**	Jan-Jun 2023	**LTM***	Full year 2023
Net sales	15,430	16,976	30,150	34,143	49,267	53,261
Cost of goods sold	-10,236	-11,430	-19,989	-22,906	-34,218	-37,136
Gross income	**5,195**	**5,547**	**10,161**	**11,237**	**15,049**	**16,125**
Gross margin, %	*33.7*	*32.7*	*33.7*	*32.9*	*30.5*	*30.3*
Selling expenses	-2,423	-2,598	-4,580	-4,972	-8,642	-9,034
Administrative expenses	-874	-854	-1,752	-1,789	-3,175	-3,211
Other operating income/expense	1	7	2	-12	14	0
Operating income	**1,899**	**2,101**	**3,830**	**4,465**	**3,245**	**3,880**
Operating margin, %	*12.3*	*12.4*	*12.7*	*13.1*	*6.6*	*7.3*
Financial items, net	-258	-247	-486	-492	-996	-1,002
Income after financial items	**1,641**	**1,854**	**3,343**	**3,973**	**2,249**	**2,878**
Margin, %	*10.6*	*10.9*	*11.1*	*11.6*	*4.6*	*5.4*
Income tax	-369	-443	-748	-909	-540	-702
Net income for the period	**1,273**	**1,411**	**2,595**	**3,063**	**1,709**	**2,177**
Net income for the period attributable to:						
Equity holders of the Parent Company	1,272	1,411	2,593	3,064	1,707	2,177
Non-controlling interest	1	0	2	0	1	-1
Earnings per share:						
Before dilution, SEK	2.22	2.47	4.54	5.37	2.98	3.81
After dilution, SEK	2.22	2.46	4.53	5.35	2.99	3.81
Weighted average number of shares outstanding:						
Before dilution, millions	571.6	570.6	571.6	570.6	572.5	570.9
After dilution, millions	572.5	573.1	572.4	573.1	570.2	571.6

Condensed consolidated comprehensive income statement

SEKm	**Q2 2024**	Q2 2023	**Jan-Jun 2024**	Jan-Jun 2023	**LTM***	Full year 2023
Net income for the period	**1,273**	**1,411**	**2,595**	**3,063**	**1,709**	**2,177**
Other comprehensive income						
Items that will not be reclassified to the income statement:						
Remeasurements on defined benefit pension plans, net of tax	223	-66	234	11	-202	-426
Total items that will not be reclassified to the income statement, net of tax	**223**	**-66**	**234**	**11**	**-202**	**-426**
Items that may be reclassified to the income statement:						
Translation differences	-260	1,497	1,395	1,436	-880	-839
Net investment hedge, net of tax	57	-566	-665	-487	226	403
Cash flow hedges, net of tax	-32	-103	-128	-57	167	238
Total items that may be reclassified to the income statement, net of tax	**-234**	**828**	**602**	**892**	**-487**	**-197**
Other comprehensive income, net of tax	**-11**	**762**	**836**	**903**	**-689**	**-622**
Total comprehensive income for the period	**1,262**	**2,173**	**3,431**	**3,966**	**1,019**	**1,554**
Total comprehensive income attributable to:						
Equity holders of the Parent Company	1,261	2,173	3,429	3,966	1,018	1,555
Non-controlling interest	1	0	2	0	1	-1

Condensed consolidated balance sheet

SEKm	**Jun 30 2024**	Jun 30 2023	Dec 31 2023
Assets			
Property, plant and equipment	7,381	7,372	7,205
Right of use assets	2,058	2,207	2,068
Goodwill	10,292	10,581	9,920
Other intangible assets	8,624	8,785	8,400
Investments in associated companies	13	16	14
Derivatives	-	29	0
Other non-current assets	909	896	843
Deferred tax assets	1,984	2,452	2,143
Total non-current assets	**31,262**	**32,338**	**30,592**
Inventories	14,720	17,949	17,184
Trade receivables	10,519	9,373	5,289
Derivatives	406	500	1,604
Current tax receivables	295	544	242
Other current assets	1,221	1,576	1,171
Cash and cash equivalents	2,059	3,990	1,527
Total current assets	**29,220**	**33,932**	**27,018**
Total assets	**60,482**	**66,270**	**57,610**
Equity and liabilities			
Equity attributable to equity holders of the Parent Company	25,512	26,276	23,770
Non-controlling interests	3	3	2
Total equity	**25,516**	**26,279**	**23,772**
Borrowings	11,629	12,074	8,556
Lease liabilities	1,390	1,613	1,436
Derivatives	2	-	-
Deferred tax liabilities	2,351	2,607	2,334
Provisions for pensions and other post-employment benefits	1,935	1,713	2,209
Other provisions	682	713	620
Total non-current liabilities	**17,988**	**18,720**	**15,155**
Trade payables	5,934	7,017	5,487
Current tax liabilities	829	749	662
Other liabilities	4,916	6,202	3,866
Dividend payable	1,143	1,141	-
Borrowings	1,647	2,358	6,031
Lease liabilities	691	636	648
Derivatives	355	1,460	575
Other provisions	1,462	1,708	1,415
Total current liabilities	**16,978**	**21,271**	**18,683**
Total equity and liabilities	**60,482**	**66,270**	**57,610**

Condensed consolidated cash flow statement

SEKm	Q2 2024	Q2 2023	Jan-Jun 2024	Jan-Jun 2023	Full year 2023
Cash flow from operations					
Operating income	1,899	2,101	3,830	4,465	3,880
Non cash items	762	994	1,660	1,910	3,586
Cash items					
Paid restructuring expenses	-116	-60	-190	-149	-565
Net financial items, received/paid	-234	-195	-400	-369	-862
Taxes paid/received	-100	-205	-353	-825	-493
Cash flow from operations, excluding change in operating assets and liabilities	**2,212**	**2,635**	**4,548**	**5,032**	**5,546**
Operating assets and liabilities					
Change in inventories	2,196	1,509	2,975	2,238	1,918
Change in trade receivables	590	1,336	-5,127	-2,726	917
Change in trade payables	-836	-825	328	-346	-1,579
Change in other operating assets/liabilities	1	340	899	1,923	264
Cash flow from operating assets and liabilities	**1,951**	**2,360**	**-925**	**1,089**	**1,521**
Cash flow from operations	**4,163**	**4,995**	**3,623**	**6,122**	**7,067**
Investments					
Acquisitions of subsidiaries/operations	-	-	-5	-	-9
Proceeds from sale of property, plant and equipment	8	5	11	16	5
Investments in property, plant and equipment and intangible assets	-703	-608	-1,209	-1,130	-2,627
Investments and divestments of financial assets	-10	41	-17	13	-22
Cash flow from investments	**-704**	**-562**	**-1,221**	**-1,101**	**-2,652**
Cash flow from operations and investments	**3,459**	**4,432**	**2,403**	**5,020**	**4,414**
Financing					
Dividend paid to shareholders	-570	-571	-570	-571	-1,714
Dividend paid to non-controlling interests	0	-2	0	-2	-2
Proceeds/repayment of borrowings	-2,371	-2,229	-1,400	-2,434	-2,066
Other financing activities	-337	-279	56	-411	-1,380
Cash flow from financing	**-3,279**	**-3,081**	**-1,915**	**-3,417**	**-5,161**
Total cash flow	**180**	**1,352**	**487**	**1,603**	**-746**
Cash and cash equivalents at the beginning of the period	1,898	2,571	1,527	2,328	2,328
Exchange rate differences referring to cash and cash equivalents	-19	67	45	59	-55
Cash and cash equivalents at the end of the period	**2,059**	**3,990**	**2,059**	**3,990**	**1,527**

Direct operating cash flow, SEKm	Q2 2024	Q2 2023	Jan-Jun 2024	Jan-Jun 2023	Full year 2023
EBITDA excl. items affecting comparability	2,669	3,031	5,336	6,168	7,911
Change in inventories	2,196	1,509	2,975	2,238	1,918
Change in trade receivables	590	1,336	-5,127	-2,726	917
Change in trade payables	-836	-825	328	-346	-1,579
Investments in property, plant and equipment and intangible assets	-703	-608	-1,209	-1,130	-2,627
Direct operating cash flow	**3,917**	**4,443**	**2,303**	**4,204**	**6,541**

Key performance indicators

Income statement

EBITDA*, SEKm	**Q2 2024**	Q2 2023	**Jan-Jun 2024**	Jan-Jun 2023	**LTM***	Full year 2023
Operating income	1,899	2,101	3,830	4,465	3,245	3,880
Reversals						
Depreciation	500	488	985	984	1,993	1,992
Amortization	260	229	509	445	995	931
Impairment	3	-2	5	27	160	182
Depreciation, amortization and impairment	763	715	1,500	1,456	3,148	3,105
EBITDA*	**2,663**	**2,816**	**5,329**	**5,921**	**6,393**	**6,985**
Excl. items affecting comparability*	2,669	3,031	5,336	6,168	7,080	*7,911*
EBITDA margin, %	*17.3*	*16.6*	*17.7*	*17.3*	*13.0*	*13.1*
Excl. items affecting comparability, %*	*17.3*	*17.9*	*17.7*	*18.1*	*14.4*	*14.9*

Organic growth*

Net sales, second quarter

SEKm	Reported Net sales	Acquisitions/ divestments	Planned exits	Organic net sales before currency translation	Currency translation	Organic net sales
2024	15,430			15,430		15,430
2023	16,976		-426	16,550	-89	16,462
Growth	-1,546			-1,120		-1,031
Growth, %	***-9***			***-7***		***-6***

Net sales, January - June

SEKm	Reported Net sales	Acquisitions/ divestments	Planned exits	Organic net sales before currency translation	Currency translation	Organic net sales
2024	30,150	0		30,150		30,150
2023	34,143		-1,099	33,044	-80	32,964
Growth	-3,994			-2,894		-2,814
Growth, %	***-12***			***-9***		***-9***

*Alternative Performance Measure, refer to "Definitions".

Other Key performance indicators

Key data	Jun 30 2024	Jun 30 2023	Dec 31 2023
Operating working capital, SEKm	19,304	20,305	16,986
Average operating working capital LTM, SEKm	19,447	19,334	19,631
Operating working capital/net sales, %*	*39.5*	*34.1*	*36.9*
Return on capital employed, %	*7.2*	*7.2*	*8.4*
Excl. items affecting comparability, %*	*9.0*	*11.7*	*10.8*
Return on equity, %	*6.7*	*7.6*	*8.5*
Excl. items affecting comparability, %*	*9.3*	*13.8*	*11.8*
Capital turn-over rate, times	1.2	1.4	1.3
Equity/assets ratio, %	*42*	*40*	*41*
Equity per share after dilution, SEK	44.6	45.9	41.6
Average number of employees	13,789	14,371	13,755

Net debt*, SEKm	Jun 30 2024	Jun 30 2023	Dec 31 2023
Net pension liability	1,720	1,451	1,994
Other interest-bearing liabilities	15,714	18,141	17,245
Dividend payable	1,143	1,141	-
Less: Liquid funds and other interest-bearing assets	-2,962	-4,985	-3,600
Net debt*	**15,615**	**15,748**	**15,640**
Net debt/equity ratio	0.61	0.60	0.66
Net debt/EBITDA excl. items affecting comparability*	2.3	2.0	2.1

Return on capital employed*, SEKm	Jun 30 2024	Jun 30 2023	Dec 31 2023
Total equity and liabilities	60,482	66,270	57,610
Deduction; Non interest bearing liabilities:	-16,174	-18,996	-14,383
Deferred tax liabilities	-2,351	-2,607	-2,334
Other provisions	-2,143	-2,420	-2,035
Trade payables	-5,934	-7,017	-5,487
Current tax liabilities	-829	-749	-662
Other liabilities	-4,916	-6,202	-3,866
Capital employed*	**44,308**	**47,274**	**43,227**
Capital employed*, LTM Average	**45,350**	**45,533**	**45,956**
Operating income, LTM	3,245	3,283	3,880
Return on capital employed*, %	***7.2***	***7.2***	**8.4**
Operating income excl. items affecting comparability*, LTM	4,084	5,311	4,970
Return on capital employed excl. items affecting comparability*, %	***9.0***	***11.7***	**10.8**

* 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, 2023	**24,002**	**10**	**24,011**
Share-based payment	106	-	106
Hedge for LTI-programs	-92		-92
Shareholder contribution from non-controlling interest		1	1
Dividend	-1,712		-1,712
Total comprehensive income	3,967	0	3,966
Acquistion of non-controlling interest	5	-5	-
Dividend to non-controlling interest		-2	-2
Closing balance June 30, 2023	**26,276**	**3**	**26,279**
Opening balance January 1, 2024	**23,770**	**2**	**23,772**
Share-based payment	338	-	338
Hedge for LTI-programs	-311		-311
Dividend	-1,714		-1,714
Total comprehensive income	3,429	2	3,431
Closing balance June 30, 2024	**25,512**	**3**	**25,516**

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 and Sustainability Report 2023. The carrying value approximates fair value for all financial instruments.

Net sales and income by division and quarter

SEKm	2024		2023				2022			
Group	**Q2**	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Net sales	**15,430**	14,719	8,605	10,512	16,976	17,167	10,353	12,206	15,792	15,685
Net sales, LTM*	**49,267**	50,813	53,261	55,009	56,703	55,519	54,037	51,918	49,892	48,714
Operating income	**1,899**	1,930	-983	398	2,101	2,364	-1,737	555	2,065	2,159
Operating margin, %	***12.3***	*13.1*	*-11.4*	*3.8*	*12.4*	*13.8*	*-16.8*	*4.5*	*13.1*	*13.8*
Operating income excl. IAC*	**1,906**	1,930	-168	415	2,313	2,410	-13	601	2,075	2,190
Operating margin excl. IAC, %*	***12.4***	*13.1*	*-1.9*	*3.9*	*13.6*	*14.0*	*-0.1*	*4.9*	*13.1*	*14.0*
Operating income, LTM*	**3,245**	3,447	3,880	3,126	3,283	3,247	3,043	4,647	5,018	5,612
Operating margin, LTM, %*	***6.6***	*6.8*	*7.3*	*5.7*	*5.8*	*5.8*	*5.6*	*9.0*	*10.1*	*11.5*
Operating income excl. IAC*, LTM*	**4,084**	4,491	4,970	5,125	5,311	5,073	4,853	4,686	5,011	5,580
Operating margin excl. IAC, LTM*, %*	***8.3***	*8.8*	*9.3*	*9.3*	*9.4*	*9.1*	*9.0*	*9.0*	*10.0*	*11.5*
Net income for the period	**1,273**	1,322	-1,011	125	1,411	1,653	-1,392	269	1,417	1,638
Husqvarna Forest & Garden	**Q2**	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Net sales	**8,722**	8,272	5,257	6,123	9,722	10,656	6,793	7,761	8,826	8,701
Net sales, LTM*	**28,374**	29,375	31,759	33,295	34,933	34,037	32,082	30,519	29,089	29,099
Operating income	**1,145**	1,191	-379	291	1,123	1,670	-1,252	560	1,107	1,392
Operating margin, %	***13.1***	*14.4*	*-7.2*	*4.8*	*11.6*	*15.7*	*-18.4*	*7.2*	*12.5*	*16.0*
Operating income excl. IAC*	**1,149**	1,191	-7	293	1,260	1,690	273	555	1,113	1,283
Operating margin excl. IAC, %*	***13.2***	*14.4*	*-0.1*	*4.8*	*13.0*	*15.9*	*4.0*	*7.2*	*12.6*	*14.7*
Operating income, LTM*	**2,248**	2,226	2,706	1,833	2,101	2,085	1,807	3,129	3,127	3,554
Operating margin, LTM, %*	***7.9***	*7.6*	*8.5*	*5.5*	*6.0*	*6.1*	*5.6*	*10.3*	*10.8*	*12.2*
Operating income excl. IAC*, LTM*	**2,626**	2,737	3,236	3,516	3,779	3,631	3,224	3,021	3,024	3,447
Operating margin excl. IAC, LTM*, %*	***9.3***	*9.3*	*10.2*	*10.6*	*10.8*	*10.7*	*10.0*	*9.9*	*10.4*	*11.8*
Gardena	**Q2**	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Net sales	**4,566**	4,414	1,326	2,287	5,031	4,321	1,470	2,400	4,775	4,960
Net sales, LTM*	**12,593**	13,057	12,964	13,108	13,222	12,966	13,606	13,284	12,915	11,991
Operating income	**691**	673	-407	-46	818	585	-468	-93	773	706
Operating margin, %	***15.1***	*15.3*	*-30.7*	*-2.0*	*16.3*	*13.5*	*-31.8*	*-3.9*	*16.2*	*14.2*
Operating income excl. IAC*	**693**	673	-264	-41	857	584	-314	-42	776	752
Operating margin excl. IAC, %*	***15.2***	*15.3*	*-19.9*	*-1.8*	*17.0*	*13.5*	*-21.4*	*-1.7*	*16.3*	*15.2*
Operating income, LTM*	**912**	1,039	950	889	842	797	918	1,109	1,398	1,603
Operating margin, LTM, %*	***7.2***	*8.0*	*7.3*	*6.8*	*6.4*	*6.2*	*6.8*	*8.3*	*10.8*	*13.4*
Operating income excl. IAC*, LTM*	**1,061**	1,225	1,136	1,086	1,085	1,005	1,173	1,197	1,434	1,627
Operating margin excl. IAC, LTM*, %*	***8.4***	*9.4*	*8.8*	*8.3*	*8.2*	*7.7*	*8.6*	*9.0*	*11.1*	*13.6*
Husqvarna Construction	**Q2**	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Net sales	**2,105**	2,008	1,968	2,061	2,192	2,177	2,071	2,024	2,157	1,981
Net sales, LTM*	**8,143**	8,230	8,398	8,500	8,463	8,428	8,232	7,992	7,763	7,511
Operating income	**204**	203	-4	225	272	262	80	183	299	152
Operating margin, %	***9.7***	*10.1*	*-0.2*	*10.9*	*12.4*	*12.0*	*3.9*	*9.0*	*13.9*	*7.7*
Operating income excl. IAC*	**205**	203	180	225	308	289	127	182	300	245
Operating margin excl. IAC, %*	***9.7***	*10.1*	*9.1*	*10.9*	*14.1*	*13.3*	*6.1*	*9.0*	*13.9*	*12.4*
Operating income, LTM*	**628**	696	755	839	796	823	713	778	826	787
Operating margin, LTM, %*	***7.7***	*8.5*	*9.0*	*9.9*	*9.4*	*9.8*	*8.7*	*9.7*	*10.6*	*10.5*
Operating income excl. IAC*, LTM*	**813**	916	1,002	948	905	897	854	871	920	880
Operating margin excl. IAC, LTM*, %*	***10.0***	*11.1*	*11.9*	*11.2*	*10.7*	*10.6*	*10.4*	*10.9*	*11.9*	*11.7*
Group Common	**Q2**	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Net sales	**38**	24	54	41	31	13	20	22	34	43
Operating income	**-141**	-137	-193	-72	-112	-154	-97	-95	-114	-90
Operating income excl. IAC*	**-141**	-137	-76	-62	-112	-154	-98	-95	-114	-90

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

*Alternative Performance Measure, refer to "Definitions".

Items affecting comparability

SEKm	Q2 2024	Q2 2023	Jan-Jun 2024	Jan-Jun 2023	Full year 2023
Restructuring costs					
Impairment of non-current assets	-	3	-	-11	-163
Write-down of inventory	-	-64	-	-64	-272
Other restructuring costs	-7	-151	-7	-183	-567
Non-recurring costs relating to Russia					
Write-down/reversal of current assets	-	-	-	-	15
Write-down/reversal of inventory	-	-	-	-	0
Other restructuring costs	-	-	-	-	-102
Total items affecting comparability	**-7**	**-212**	**-7**	**-258**	**-1,090**

In Q2 2024 items affecting comparability was SEK -7m, related to the Group's cost saving initiatives. In 2023 items affecting comparability was SEK -1,090m. This was mainly related to the expansion of the Group's cost saving initiatives (announced in October 2023), including the consolidation of operations and brands from previous acquisitions, a write-down of inventory related to exits of petrol-powered, low-margin consumer wheeled products (announced in October 2022), as well as non-recurring costs related to Russia.

Classification in the income statement

SEKm	Q2 2024	Q2 2023	Jan-Jun 2024	Jan-Jun 2023	Full year 2023
Cost of goods sold	-	-212	-	-237	-725
Selling expenses	-	-	-	-5	-172
Administrative expenses	-7	-	-7	-15	-193
Total items affecting comparability	**-7**	**-212**	**-7**	**-258**	**-1,090**

Net assets by division[1]

	Assets		Liabilities		Net Assets	
SEKm	Jun 30 2024	Jun 30 2023	Jun 30 2024	Jun 30 2023	Jun 30 2024	Jun 30 2023
Husqvarna Forest & Garden	26,421	28,053	7,324	9,361	19,096	18,692
Gardena	19,074	20,144	4,045	4,478	15,028	15,666
Husqvarna Construction	8,998	9,476	1,365	1,736	7,633	7,740
Other[2]	2,813	3,350	3,440	3,421	-627	-70
Total	**57,305**	**61,023**	**16,174**	**18,995**	**41,131**	**42,028**

[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	Q2 2024	Q2 2023	Jan-Jun 2024	Jan-Jun 2023	Full year 2023
Net sales	6,761	7,574	13,281	15,242	23,454
Cost of goods sold	-4,757	-5,386	-9,518	-10,444	-18,366
Gross income	**2,004**	**2,188**	**3,762**	**4,798**	**5,089**
Selling expense	-530	-566	-1,011	-1,081	-2,129
Administrative expense	-550	-539	-1,101	-1,123	-2,721
Other operating income/expense	0	0	0	-0	-1
Operating income	**924**	**1,082**	**1,651**	**2,594**	**238**
Financial items, net	329	-382	-847	-492	1,474
Income after financial items	**1,254**	**700**	**804**	**2,102**	**1,711**
Appropriations	-10	-13	-29	-51	-266
Income before taxes	**1,243**	**687**	**775**	**2,050**	**1,445**
Tax on profit for the year	-129	-21	-34	-305	80
Income for the period	**1,114**	**666**	**741**	**1,745**	**1,525**

Condensed balance sheet

SEKm	Jun 30 2024	Jun 30 2023	Dec 31 2023
Non-current assets	52,408	49,811	50,263
Current assets	13,428	19,967	15,616
Total assets	**65,836**	**69,777**	**65,880**
Equity	30,931	32,124	32,030
Untaxed reserves	1,424	1,400	1,424
Provisions	608	515	542
Non-current liabilities	11,521	11,903	8,406
Current liabilities	21,352	23,836	23,478
Total equity and liabilities	**65,836**	**69,777**	**65,880**

Number of shares

	Outstanding A-shares	Outstanding B-shares	Repurchased B-shares [1]	Total
Number of shares as of December 31, 2023	**109,451,449**	**462,067,132**	**4,825,197**	**576,343,778**
Conversion of shares	-1,626,146	1,626,146		0
Hedge for LTI-programs		178,336	-178,336	0
Number of shares as of June 30, 2024	**107,825,303**	**463,871,614**	**4,646,861**	**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 affected balance sheet items 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. 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, planned exits 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.

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, 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.

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.



Webcast presentation and telephone conference

A webcast presentation of the Q2 report hosted by Pavel Hajman, CEO and Terry Burke, CFO will be held at 10:00 CET on July 18, 2024.

To view the presentation, please use the link:
husqvarnagroup.creo.se/8080f1ee-635c-4505-8f81-a5c393bb2868

The dial-in to the telephone conference (in order to ask questions):
+46 (0) 8 505 100 31 (Sweden) or +44 207 107 06 13 (UK)

Dates for Financial Reports 2024

October 23 Interim report for January-September 2024

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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 07.00 CET on July 18, 2024.

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.