Husqvarna Group

INTERIM REPORT JANUARY - SEPTEMBER 2021



Q3

Good growth in Q3

Third quarter 2021

- Net sales increased by 6% to SEK 10,180m (9,570). The organic growth was 6%, changes in exchange rates impacted with -1% and acquisitions with 2%*.
- Operating income was SEK 926m (997). The operating margin was 9.1% (10.4).
- Earnings per share before dilution amounted to SEK 1.10 (1.14) and earnings per share after dilution amounted to SEK 1.10 (1.14).
- Cash flow from operations and investments was SEK 985m (3,701). Direct operating cash flow was SEK 1,764m (3,925).
- Operating working capital / net sales amounted to 21.3% (26.0).
- As previously announced, Husqvarna Group sees a potential negative financial impact in 2022 from a supplier dispute relating to petrol engines (see page 9).

*Numbers are rounded.

January – September 2021

- Net sales increased by 10% to SEK 38,824m (35,260). The organic growth was 15%, changes in exchange rates impacted with -6% and acquisitions with 1%.
- Operating income was SEK 5,878m (4,613). Excluding items affecting comparability, operating income increased by 27% to SEK 5,863m (4,613). The operating margin was 15.1% (13.1). For the rolling 12-month period the operating margin amounted to 12.6% (10.3), excluding items affecting comparability.
- Earnings per share before dilution amounted to SEK 7.49 (5.61) and earnings per share after dilution amounted to SEK 7.46 (5.61).
- Cash flow from operations and investments was SEK 5,707m (7,072). Direct operating cash flow was SEK 4,782m (6,255).
- The Group's absolute CO_2 emissions across the value chain (scope 1, 2 & 3) have been reduced by 27%* compared with the 2015 base line and measured on a rolling 12-month basis.

*Historic CO_2 data have been revised, see page 8.

Financial summary

Group, SEKm	**Q3 2021**	Q3 2020	Δ%	**Jan-Sep 2021**	Jan-Sep 2020	Δ%	**LTM***	Full year 2020
Net sales	10,180	9,570	6	38,824	35,260	10	45,507	41,943
Organic growth, %*	*6*	*21*		*15*	*-2*		*14*	*0*
Operating income (EBIT)	926	997	-7	5,878	4,613	27	4,934	3,669
Operating margin, %	*9.1*	*10.4*		*15.1*	*13.1*		*10.8*	*8.7*
Operating income excl. items affecting comparability*	926	997	-7	5,863	4,613	27	5,734	4,484
Operating margin excl. items affecting comparability, %*	*9.1*	*10.4*		*15.1*	*13.1*		*12.6*	*10.7*
Income after financial items	828	919	-10	5,657	4,348	30	4,639	3,330
Net income for the period	631	653	-3	4,291	3,211	34	3,575	2,495
Earnings per share before dilution, SEK	1.10	1.14	-4	7.49	5.61	34	6.24	4.36
Earnings per share after dilution, SEK	1.10	1.14	-4	7.46	5.61	33	6.20	4.35
Direct operating cash flow*	1,764	3,925	-55	4,782	6,255	-24	4,598	6,071
Operating working capital / net sales*, %	21.3	26.0		21.3	26.0		21.3	24.4

*Alternative Performance Measure, refer to "Definitions".

Good growth in the quarter

"We delivered a strong organic sales growth of 6% in the third quarter and strengthened market positions across all divisions. The performance was supported by a continued favorable stay-at-home trend but should also be viewed in the light of a record corresponding quarter last year. The execution of the Group strategy is progressing as planned. We continue to gain ground in strategically important segments, such as robotic mowers and battery-powered products, which grew by 25% during the quarter.

The Husqvarna Division achieved 6% organic sales growth in the quarter with strong progress across all main segments. Product categories with particular strong performance were robotic mowers and professional chain saws, including good volumes for our X-Cut saw chains. The Gardena Division's organic sales growth was 5%, with strongest growth in robotic mowers, battery-powered products and hand tools. The Construction Division had a strong performance in the main markets and organic sales growth was 5%, also supported by an improved market situation.

Our sales growth, a continued favorable product mix and price increases contributed to the operating income. Higher costs for raw materials and logistics had a negative effect, while we also continue to invest in our strategic growth initiatives. In total, operating income amounted to SEK 926m (997), excluding items affecting comparability. The operating margin was 9.1% (10.4) for the third quarter and amounted to 12.6% (10.3) on a rolling 12-month basis, excluding items affecting comparability.

As the pandemic continues to disrupt deliveries on a global scale, affecting component supply and freight capacity, our work continues to protect our supply chain. To secure deliveries for the 2022 season, we are purposely increasing inventory levels. The work during the summer to replace a defective component in a limited batch of robotic mowers was completed at the beginning of the quarter and production is back to normal levels. As previously reported, we have initiated legal proceedings against a major supplier of petrol engines for their breach of our supply contract. We remain optimistic that we will be able to achieve a satisfactory outcome.

Making a sustainable impact

We are reporting a strong quarterly progress with growth and a solid financial result. Our commitment to lead the industry towards a resource-smart economy continues. This means significant investments in automation where we aim to transform the market for professional management of green spaces. During the autumn, the recently launched robotic mower CEORA™, has been introduced to trade partners and end customers who have shown a strong interest. Sales have now started, and the first systems will be delivered to customers during the first quarter of 2022.

We have signed to support the Call on Carbon, a cross-sectoral initiative led by the Climate Leadership Coalition (CLC). We are hereby using our voice to encourage fit-for-purpose carbon pricing instruments that will shape markets for alternative energy solutions. As a Group, we have now reduced our absolute carbon dioxide emissions along the value chain by 27% compared to the base year 2015. We are following our plan to achieve our emissions target of -35% by 2025.

In summary, our dedicated work, driven by our vision to shape great experiences, continues and we are well positioned to deliver continued sustainable growth and value creation."



Henric Andersson, President & CEO

Financial Performance

Financial targets and performance

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

Metric	Financial target	Achievement LTM
Net sales growth	Market +2ppts	14%
Operating margin	>10%	12.6%*
Capital efficiency**	≤25%	21.3%

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

Third quarter

Net sales

Net sales for the third quarter increased by 6% to SEK 10,180m (9,570). Organic sales growth was 6%, currency effects impacted with -1% and acquisitions with 2%. The growth was driven by solid performance and strengthened market positions in main segments and regions. The performance was supported by a favorable stay-at-home trend.

Operating income

Operating income for the third quarter amounted to SEK 926m (997), excluding items affecting comparability, driven by volume growth, price increases and a favorable product mix. The operating income was negatively impacted by increased costs for raw materials and logistics. Changes in exchange rates impacted negatively with approximately SEK 65m compared to last year.

Financial items net

Financial items net amounted to SEK -98m (-79). During the quarter, two USD denominated loans of USD 123m together with corresponding interest rate hedges were prepaid, resulting in an early recognition of interest rate costs of approximately SEK 30m.

Income after financial items

Income after financial items amounted to SEK 828m (919).

Taxes

Income tax amounted to SEK -197m (-266), corresponding to an effective tax rate of 23.8% (28.9).

Earnings per share

Net income for the period attributable to equity holders of the Parent Company amounted to SEK 631m (654), corresponding to SEK 1.10 (1.14) per share after dilution.

January - September

Net sales

Net sales for January - September increased by 10% to SEK 38,824m (35,260). Organic growth was 15%, currency effects impacted with -6% and acquisitions with 1%. The growth was driven by solid performance and strengthened positions in all main regions. The performance was supported by a favorable stay-at-home trend during the season.

Operating income

Operating income for January - September increased to SEK 5,878m (4,613). Excluding items affecting comparability, operating income increased 27% to SEK 5,863m (4,613), driven by volume growth, price increases and a favorable product mix. This was despite increased costs for raw materials and logistics. Items affecting comparability amounted to SEK 14m (0) and relate to the supply chain efficiency measures announced in Q3 2020 and a gain from the sale of a business in Q2 2021. Changes in exchange rates contributed negatively with approximately SEK 275m compared to last year.

Financial items net

Financial items net amounted to SEK -221m (-265). The decrease is mainly related to lower interest rates and lower debt levels denominated in USD.

Income after financial items

Income after financial items amounted to SEK 5,657m (4,348).

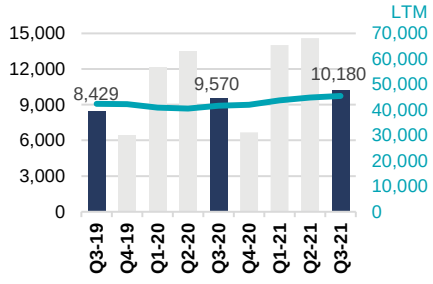
Taxes

Income tax amounted to SEK -1,365m (-1,136), corresponding to an effective tax rate of 24.1% (26.1).

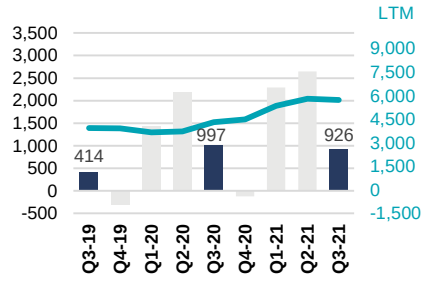
Earnings per share

Net income for the period attributable to equity holders of the Parent Company amounted to SEK 4,289m

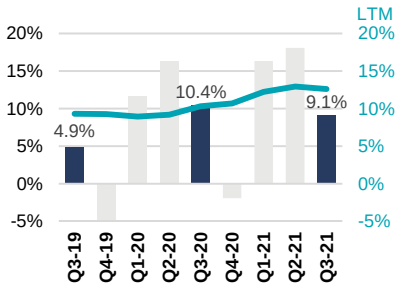
Net sales, SEKm



Operating income excl. IAC, SEKm



Operating margin excl. IAC



(3,211), corresponding to SEK 7.46 (5.61) per share after dilution.

Cash flow

Cash flow from operations and investments for January – September amounted to SEK 5,707m (7,072) and direct operating cash flow was SEK 4,782m (6,255). To secure deliveries for the 2022 season, the Group has purposely increased inventory levels. 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 September 30, 2021, excluding non-controlling interests, increased to SEK 21,176m (19,747), corresponding to SEK 36.8 (34.5) per share after dilution.

Net debt decreased to SEK 2,615m (4,457). The decrease was mainly related to cash flow from operations. The net pension liability decreased to SEK 2,053m (2,670). Other interest-bearing liabilities decreased to SEK 7,592m (11,630) and liquid funds and other interest-bearing assets decreased to SEK 7,946m (9,844).

The Group has long-term unutilized revolving credit facilities amounting to SEK 5bn. The net debt/EBITDA ratio, excluding items affecting comparability, decreased to 0.6 (1.4). The equity/assets ratio was 46% (43).

Financial summary

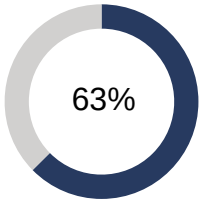
SEKm	Q3 2021	Q3 2020	Δ%	Jan-Sep 2021	Jan-Sep 2020	Δ%	LTM*	Full year 2020
Net sales	6,331	6,069	4	23,987	22,111	8	28,483	26,607
Organic growth, %*	*6*	*25*		*16*	*-6*		*16*	*-2*
Operating income	558	543	3	3,629	2,593	40	3,015	1,979
Operating margin, %	*8.8*	*8.9*		*15.1*	*11.7*		*10.6*	*7.4*
Operating income excl. items affecting comparability*	558	543	3	3,631	2,593	40	3,720	2,682
Operating margin excl. items affecting comparability, %*	*8.8*	*8.9*		*15.1*	*11.7*		*13.1*	*10.1*

* Alternative Performance Measure, refer to "Definitions".

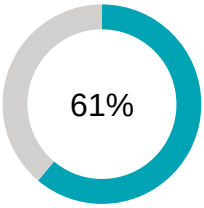
Third quarter 2021

Net sales increased by 4% to SEK 6,331m (6,069). The organic sales growth was 6% and currency effects impacted with -1%. The growth was particularly good in Europe and in emerging markets. Product categories with particular strong performance were robotic mowers and professional chain saws, including a good sales development and an expanded assortment of Husqvarna X-Cut saw chains. During the quarter, marketing activities for CEORA™ were conducted with very positive customer feedback. CEORA™ is the Division's latest all-new autonomous mowing solution that efficiently covers very large areas, which means more cost-efficient mowing operations and a significant sustainable advantage for green space professionals. Operating income amounted to SEK 558m (543) and the operating margin decreased to 8.8% (8.9). The increase in operating income was driven by net sales growth, price increases and a favorable product mix. This was despite increased raw material and logistics costs. Changes in exchange rates had a negative impact of approximately SEK 35m.

Share of Group net sales, LTM



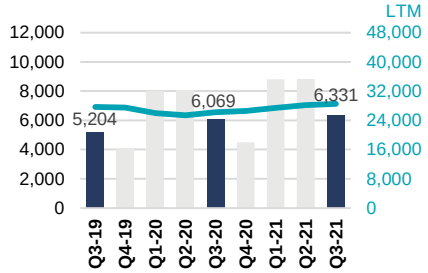
Share of Group operating income, LTM



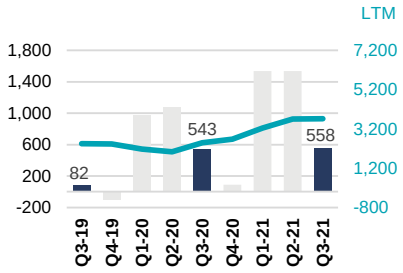
January - September 2021

Net sales increased by 8% to SEK 23,987m (22,111). The organic growth was 16% and currency effects impacted with -7%. The growth was strong across all product areas and key regions. The Division strengthened its positions particularly in the segments for robotic mowers and battery-powered products, as well as in the handheld segment for professional users. Operating income amounted to SEK 3,629m (2,593). Excluding items affecting comparability operating income increased 40% to SEK 3,631m (2,593) and the operating margin increased to 15.1% (11.7). The improvement was driven by strong net sales growth, price increases and a favorable product mix. This was despite increased raw material and logistics costs. Changes in exchange rates had a negative impact of approximately SEK 145m. Items affecting comparability, related to the previously announced supply chain efficiencies and a sale of a business in Q2, amounted to SEK 2m (0). Organic growth for the rolling 12-month period amounted to 16% and operating margin was 13.1% (9.5), excluding items affecting comparability.

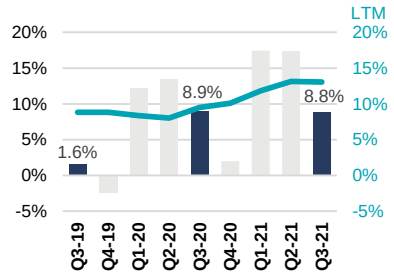
Net sales, SEKm



Operating income excl. IAC, SEKm



Operating margin excl. IAC





Gardena Division

Financial summary

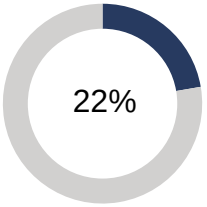
SEKm	Q3 2021	Q3 2020	Δ%	Jan-Sep 2021	Jan-Sep 2020	Δ%	LTM*	Full year 2020
Net sales	2,031	1,948	4	9,389	8,666	8	10,150	9,427
Organic growth, %*	*5*	*24*		*13*	*14*		*12*	*13*
Operating income	196	274	-29	1,829	1,726	6	1,534	1,432
Operating margin, %	*9.6*	*14.1*		*19.5*	*19.9*		*15.1*	*15.2*
Operating income excl. items affecting comparability*	196	274	-29	1,819	1,726	5	1,524	1,432
Operating margin excl. items affecting comparability, %*	*9.6*	*14.1*		*19.4*	*19.9*		*15.0*	*15.2*

* Alternative Performance Measure, refer to "Definitions".

Third quarter 2021

Net sales increased by 4% to SEK 2,031m (1,948). Organic growth was 5% and currency effects impacted with -1%. The growth for robotic mowers was strong, driven by the new Gardena SILENO minimo models. Additional categories with strong performance were battery-powered products and hand tools. Operating income was SEK 196m (274) and the operating margin was 9.6% (14.1). The result was negatively affected by higher raw material and logistics costs. Changes in exchange rates had a neutral impact in the third quarter.

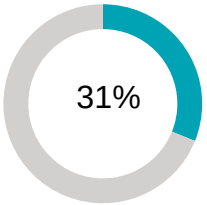
Share of Group net sales, LTM



January – September 2021

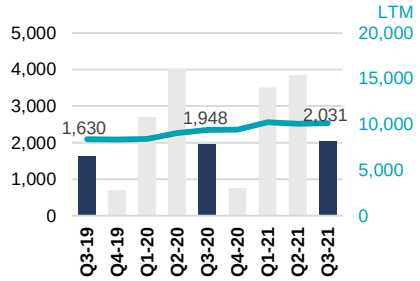
Net sales increased by 8% to SEK 9,389m (8,666). The organic growth was 13% and currency effects impacted with -5%. Growth was strong in strategic growth markets, especially in Southern and Northern Europe which compensated for a weak season for watering in Central Europe (due to excessive rainfall). Operating income amounted to SEK 1,829m (1,726). Excluding items affecting comparability, operating income increased 5% to SEK 1,819m (1,726), and the operating margin amounted to 19.4% (19.9). The growth in operating income was driven by strong net sales growth and price increases. This was despite increased raw material and logistics costs. Changes in exchange rates had a negative impact of approximately SEK 35m. Items affecting comparability amounted to SEK 10m.

Share of Group operating income, LTM

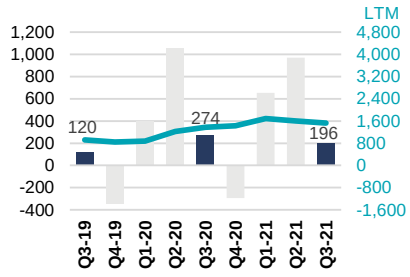


Organic growth for the rolling 12-month period amounted to 12% and operating margin was 15.0% (14.7), excluding items affecting comparability.

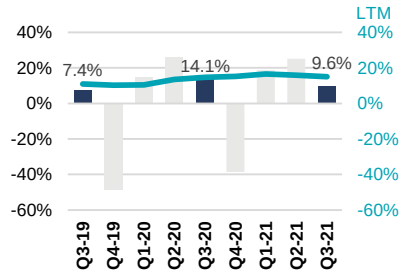
Net sales, SEKm



Operating income excl. IAC, SEKm



Operating margin excl. IAC



Financial Summary

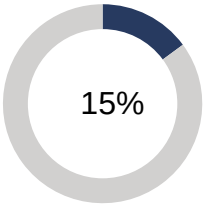
SEKm	Q3 2021	Q3 2020	Δ%	Jan-Sep 2021	Jan-Sep 2020	Δ%	LTM*	Full year 2020
Net sales	1,795	1,541	17	5,380	4,441	21	6,782	5,844
Organic growth, %*	*5*	*5*		*16*	*-6*		*11*	*-6*
Operating income	231	236	-2	696	508	37	729	541
Operating margin, %	*12.9*	*15.3*		*12.9*	*11.4*		*10.7*	*9.3*
Operating income excl. items affecting comparability*	231	236	-2	696	508	37	821	633
Operating margin excl. items affecting comparability, %*	*12.9*	*15.3*		*12.9*	*11.4*		*12.1*	*10.8*

* Alternative Performance Measure, refer to "Definitions".

Third quarter 2021

Net sales increased by 17% to SEK 1,795m (1,541). Organic sales growth was 5%, changes in exchange rates impacted with -2% and acquisitions contributed with 13%. The Division achieved good growth with improved market positions in most key regions. Operating income amounted to SEK 231m (236). The growth and price increases had a positive effect, while higher raw material and logistics costs had a negative effect to operating income. The operating margin was 12.9% (15.3), where the lower margin is mainly related to consolidating the recently acquired company Blastrac. Changes in exchange rates had a negative impact of approximately SEK 30m.

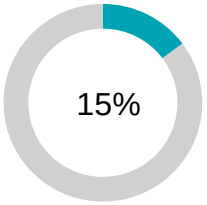
Share of Group net sales, LTM



January - September 2021

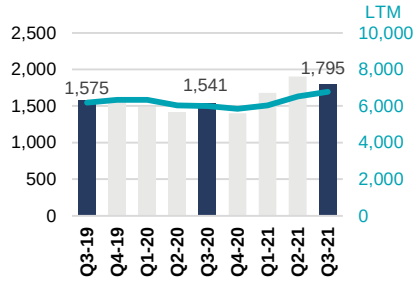
Net sales increased by 21% to SEK 5,380m (4,441). Organic sales growth was 16%, changes in exchange rates impacted with -7% and acquisitions contributed with 12%. The Division achieved strong growth with improved market positions in most key regions. The Division acquired Blastrac in the end of December 2020, which adds complementary surface preparation solutions including solutions for shot blasting, scarifying and scraping as well as grinding & polishing and dust collection. Blastrac has currently a lower operating margin than the average for the Division. Operating income increased by 37% to SEK 696m (508). The operating margin increased to 12.9% (11.4). This was driven by growth and price increases. Higher raw material and logistics costs had a negative effect. Changes in exchange rates had a negative impact of approximately SEK 100m, given the Division's sales in the US.

Share of Group operating income, LTM

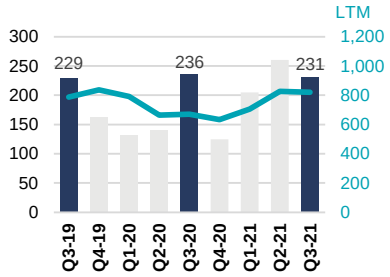


Organic growth for the rolling 12-month period amounted to 11% and operating margin was 12.1% (11.2), excluding items affecting comparability.

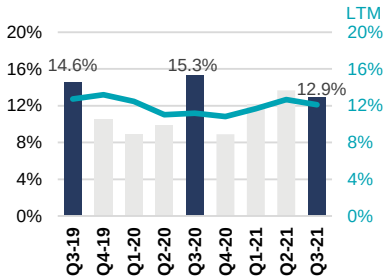
Net sales, SEKm



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

- Signed the CLC, Skift and Haga Initiative: "Call on Carbon".
- The Group's absolute CO_2 emissions across the value chain has been reduced by 27%.
- Three new circular innovation nominees.

Carbon – Drive the transition to low-carbon solutions

Husqvarna Group just recently announced its endorsement of the Call on Carbon, a cross-sectoral initiative led by the Climate Leadership Coalition (CLC). In this way, Husqvarna Group is strongly urging country delegates at COP26 in Glasgow to introduce a robust, effective policy framework for carbon pricing.

During Q3 we have taken measures to improve data quality for CO_2 emissions. This implies slight revisions of reported progress in 2021.

	2020 FY	2021 Q1	2021 Q2	2021 Q3
CO_2 reduction	-32%	-28%*	-27%*	-27%

*Revised historical data

As of Q3 2021 (LTM and compared to 2015 baseline), we have reduced our absolute CO_2 emissions from our value chain (suppliers, own operations, transportation and product use) by 27%. The relative increase in CO_2 during 2021 reflects a strong market growth. Nevertheless, we continue to see the decoupling between sales growth and CO_2 and we remain committed to our target to reduce CO_2 with 35% by 2025.

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

During Q3 2021, three new circular innovations were processed in Husqvarna Group's innovation funnel and nominated by the circular innovation committee.

- The Gardena and Construction Divisions nominated one innovation each in the field of recycled material in packaging.
- The Husqvarna Division nominated a service model for maintaining lawns with a "pay by square meter"-pricing model.

In addition, during Q3 we publically launched the Gardena "EcoLine" range of hand tools and watering equipment with high share of recycled material content. This range of products received their "Nominee" status in Q2 and are expected to be "Approved" in the next stage of the process.

As of Q3 2021, we now have 10 circular innovations that have been nominated.

People – Inspire actions that make a lasting difference

During Q3 we have started to build the content for our all-employee training program that will start by end of 2021. The empowerment of 5m people will start for real in 2022 and will then see an exponential growth leading up to 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 third quarter 403 shares were converted. The total number of outstanding shares in the company at September 30, 2021 amounted to 576,343,778 of which 111,427,872 were A-shares and 461,494,577 were B-shares. The total number of votes amounted to 157,919,462.6.

Parent Company

Net sales for January – September 2021 for the Parent Company, Husqvarna AB, amounted to SEK 17,121m (14,288), of which SEK 12,982m (11,061) referred to sales to Group companies and SEK 4,139m (3,227) to external customers. Income after financial items increased to SEK 2,566m (2,238), mainly due to Group internal transactions. Income for the period increased to SEK 2,072m (1,774). Investments in property, plant and equipment and intangible assets amounted to SEK 620m (787). Cash and cash equivalents amounted to SEK 5,647m (7,129) at the end of the quarter. Undistributed earnings in the Parent Company amounted to SEK 29,357m (28,978).

Significant events

Group management changes

Sascha Menges, President Husqvarna Division, has decided to take a position outside of the Husqvarna Group. His last day was August 31, 2021. Glen Instone, CFO, has taken up the position as interim President Husqvarna Division and a recruitment of Sascha's successor is ongoing.

Defective component in a limited batch of robotic mowers

During the second quarter, a defective component used in a limited batch of circuit boards for robotic

mowers was identified. The issue has been resolved and the full cost related to this issue amounted to SEK 50m in Q2 2021.

Potential negative financial impact in 2022 from supplier dispute

As previously reported, Briggs & Stratton LLC (B&S) has informed Husqvarna Group that B&S will only deliver a very small portion of the engines for ride-on mowers that Husqvarna Group had ordered in advance of the 2022 season, mainly for North America. Therefore, to protect its customers and operations, Husqvarna Group filed a lawsuit in South Carolina, US, for breach of the supply contract and to compel B&S to deliver all engines covered by orders previously issued under the contract. In a worst case scenario, the lack of engine supply could result in a loss of top line sales of up to approximately SEK 2 bn, mainly in 2022 with limited impact in Q4 2021. Husqvarna Group is optimistic, however, that the legal proceedings will have a satisfactory outcome, in which case there could be limited (or no) impact on operations, suppliers, customers and financial position. Given these proceedings are still ongoing, and the wide range of possible outcomes, the Group is still unable to estimate the likely net EBIT impact of this supply dispute. It is, however, noteworthy that the affected product category has a lower profitability than the Group average.

Annual General Meeting 2022

The AGM of Husqvarna AB (publ) will be held in Stockholm, Sweden on April 7, 2022. The meeting will also be broadcast live by videoconference in Huskvarna, Sweden.

Capital Markets Day 2021

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

Risks and uncertainty factors

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

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

Short term, demand for the Group's products is impacted by weather conditions. The Group's production processes and supply chain are therefore adapted to respond to changes in weather conditions. In the ordinary course of business, the Group is exposed to legal risks such as commercial, product liability and other disputes and provides for them as appropriate.The situation with Covid-19 can still have a significant impact on Husqvarna Group's operations, both in terms of difficulties of supply of raw materials and components as well as difficulties to purchase transportation and logistic services. It can also effect demand of Husqvarna Group's products and solutions.

Financial risks refer primarily to currency exchange rates, interest rates, financing, tax and credit risks. Risk management within Husqvarna Group is regulated by a financial policy established by the Board of Directors.For further information on risks and uncertainty factors, see the Annual Report 2020 which is available at www.husqvarnagroup.com.

Accounting Principles

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

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

The accounting policies adopted are consistent with those presented in the Annual Report of 2020, which is available at www.husqvarnagroup.com.

Auditors' review report

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

Stockholm, October 20, 2021

Henric Andersson
President and CEO

Condensed consolidated income statement

SEKm	**Q3 2021**	Q3 2020	**Jan-Sep 2021**	Jan-Sep 2020	LTM*	Full year 2020
Net sales	10,180	9,570	38,824	35,260	45,507	41,943
Cost of goods sold	-7,153	-6,641	-25,518	-23,905	-30,979	-29,367
Gross income	**3,027**	**2,929**	**13,307**	**11,355**	**14,528**	**12,576**
Gross margin, %	*29.7*	*30.6*	*34.3*	*32.2*	*31.9*	*30.0*
Selling expenses	-1,541	-1,400	-5,442	-5,057	-6,982	-6,596
Administrative expenses	-564	-537	-2,044	-1,705	-2,674	-2,335
Other operating income/expense	3	5	57	19	62	23
Operating income	**926**	**997**	**5,878**	**4,613**	**4,934**	**3,669**
Operating margin, %	*9.1*	*10.4*	*15.1*	*13.1*	*10.8*	*8.7*
Financial items, net	-98	-79	-221	-265	-295	-339
Income after financial items	**828**	**919**	**5,657**	**4,348**	**4,639**	**3,330**
Margin, %	*8.1*	*9.6*	*14.6*	*12.3*	*10.2*	*7.9*
Income tax	-197	-266	-1,365	-1,136	-1,064	-835
Net income for the period	**631**	**653**	**4,291**	**3,211**	**3,575**	**2,495**
Net income for the period attributable to:						
Equity holders of the Parent Company	631	654	4,289	3,211	3,572	2,494
Non-controlling interest	0	-1	2	0	3	1
Earnings per share:						
Before dilution, SEK	1.10	1.14	7.49	5.61	6.24	4.36
After dilution, SEK	1.10	1.14	7.46	5.61	6.20	4.35
Weighted average number of shares outstanding:						
Before dilution, millions	572.9	572.6	572.8	572.4	572.8	572.4
After dilution, millions	575.1	573.2	575.0	572.8	575.1	572.9

*Alternative Performance Measure, refer to "Definitions".

Condensed consolidated comprehensive income statement

SEKm	**Q3 2021**	Q3 2020	**Jan-Sep 2021**	Jan-Sep 2020	LTM*	Full year 2020
Net income for the period	**631**	**653**	**4,291**	**3,211**	**3,575**	**2,495**
Other comprehensive income						
Items that will not be reclassified to the income statement:						
Remeasurements on defined benefit pension plans, net of tax	37	52	421	-124	518	-27
Total items that will not be reclassified to the income statement, net of tax	**37**	**52**	**421**	**-124**	**518**	**-27**
Items that may be reclassified to the income statement:						
Translation differences	463	-592	1,148	-741	-458	-2,347
Net investment hedge, net of tax	-233	323	-517	181	210	908
Cash flow hedges, net of tax	62	-37	13	-53	89	23
Total items that may be reclassified to the income statement, net of tax	**292**	**-306**	**643**	**-613**	**-160**	**-1,416**
Other comprehensive income, net of tax	**329**	**-254**	**1,065**	**-737**	**359**	**-1,443**
Total comprehensive income for the period	**960**	**399**	**5,356**	**2,474**	**3,933**	**1,051**
Total comprehensive income attributable to:						
Equity holders of the Parent Company	960	400	5,354	2,474	3,930	1,050
Non-controlling interest	0	-1	2	0	3	1

*Alternative Performance Measure, refer to "Definitions".

Condensed consolidated balance sheet

SEKm	Sep 30 2021	Sep 30 2020	Dec 31 2020
Assets			
Property, plant and equipment	6,484	6,667	6,324
Right of use assets	1,466	1,320	1,212
Goodwill	7,172	7,219	6,905
Other intangible assets	5,619	5,641	5,639
Investments in associated companies	67	33	44
Other non-current assets	667	668	570
Deferred tax assets	1,235	1,520	1,576
Total non-current assets	**22,710**	**23,066**	**22,269**
Inventories	10,059	8,002	9,734
Trade receivables	5,030	4,613	3,259
Derivatives	247	403	929
Current tax receivables	178	208	53
Other current assets	906	782	1,122
Cash and cash equivalents	7,315	9,063	6,151
Total current assets	**23,735**	**23,071**	**21,248**
Total assets	**46,444**	**46,138**	**43,517**
Equity and liabilities			
Equity attributable to equity holders of the Parent Company	21,176	19,747	17,059
Non-controlling interests	3	2	3
Total equity	**21,179**	**19,750**	**17,062**
Borrowings	3,438	6,803	6,683
Lease liabilities	1,201	1,077	991
Derivatives	14	97	85
Deferred tax liabilities	1,519	1,685	1,497
Provisions for pensions and other post-employment benefits	2,247	2,885	2,637
Other provisions	640	614	588
Total non-current liabilities	**9,060**	**13,160**	**12,480**
Trade payables	5,123	3,947	4,815
Current tax liabilities	1,781	877	1,006
Other liabilities	4,323	3,942	3,413
Dividend payable	916	-	-
Borrowings	2,275	2,840	2,853
Lease liabilities	402	405	376
Derivatives	262	408	449
Other provisions	1,123	808	1,064
Total current liabilities	**16,206**	**13,228**	**13,976**
Total equity and liabilities	**46,444**	**46,138**	**43,517**

Condensed consolidated cash flow statement

SEKm	Q3 2021	Q3 2020	Jan-Sep 2021	Jan-Sep 2020	Full year 2020
Cash flow from operations					
Operating income	926	997	5,878	4,613	3,669
Non cash items	547	518	2,074	2,096	3,344
Cash items					
Paid restructuring expenses	-32	-33	-153	-154	-244
Net financial items, received/paid	-34	-77	-159	-241	-327
Taxes paid	-87	-130	-351	-396	-291
Cash flow from operations, excluding change in operating assets and liabilities	**1,319**	**1,275**	**7,290**	**5,918**	**6,150**
Operating assets and liabilities					
Change in inventories	-480	580	47	2,557	278
Change in trade receivables	1,910	2,669	-1,658	-1,183	55
Change in trade payables	-714	-420	172	-78	1,014
Change in other operating assets/liabilities	-590	-460	1,089	1,151	584
Cash flow from operating assets and liabilities	**126**	**2,369**	**-350**	**2,447**	**1,931**
Cash flow from operations	**1,446**	**3,644**	**6,940**	**8,365**	**8,081**
Investments					
Acquisitions and divestments of subsidiaries/operations and divestments of property, plant and equipment	1	-2	82	11	-399
Investments in property, plant and equipment and intangible assets	-432	-451	-1,265	-1,306	-1,994
Investments and divestments of financial assets	-30	510	-49	2	-2
Cash flow from investments	**-461**	**57**	**-1,232**	**-1,293**	**-2,395**
Cash flow from operations and investments	**985**	**3,701**	**5,707**	**7,072**	**5,686**
Financing					
Dividend paid to shareholders	-	-	-458	-	-1,288
Dividend paid to non-controlling interests	-	-	-2	-	-
Other financing activities	-1,478	-1,006	-4,167	175	5
Cash flow from financing	**-1,478**	**-1,006**	**-4,627**	**175**	**-1,284**
Total cash flow	**-493**	**2,694**	**1,081**	**7,247**	**4,403**
Cash and cash equivalents at the beginning of the period	7,780	6,413	6,151	1,911	1,911
Exchange rate differences referring to cash and cash equivalents	28	-45	83	-94	-162
Cash and cash equivalents at the end of the period	**7,315**	**9,063**	**7,315**	**9,063**	**6,151**

Operating cash flow, SEKm	Q3 2021	Q3 2020	Jan-Sep 2021	Jan-Sep 2020	Full year 2020
Cash flow from operations	1,446	3,644	6,940	8,365	8,081
Investments in property, plant and equipment and intangible assets	-432	-451	-1,265	-1,306	-1,994
Operating cash flow	**1,014**	**3,193**	**5,675**	**7,059**	**6,087**

Direct operating cash flow, SEKm	Q3 2021	Q3 2020	Jan-Sep 2021	Jan-Sep 2020	Full year 2020
EBITDA excl. items affecting comparability	1,479	1,547	7,486	6,265	6,718
Change in inventories	-480	580	47	2,557	278
Change in trade receivables	1,910	2,669	-1,658	-1,183	55
Change in trade payables	-714	-420	172	-78	1,014
Investments in property, plant and equipment and intangible assets	-432	-451	-1,265	-1,306	-1,994
Direct operating cash flow	**1,764**	**3,925**	**4,782**	**6,255**	**6,071**

Key performance indicators

Income statement

EBITDA*, SEKm	**Q3 2021**	Q3 2020	**Jan-Sep 2021**	Jan-Sep 2020	LTM*	Full year 2020
Operating income	926	997	5,878	4,613	4,934	3,669
Reversal of depreciation, amortization and impairment	554	550	1,629	1,652	2,514	2,537
EBITDA*	**1,479**	**1,547**	**7,507**	**6,265**	**7,448**	**6,206**
*Excl. items affecting comparability**	*1,479*	*1,547*	*7,486*	*6,265*	*7,939*	*6,718*
EBITDA margin, %	*14.5*	*16.2*	*19.3*	*17.8*	*16.4*	*14.8*
Excl. items affecting comparability, %*	*14.5*	*16.2*	*19.3*	*17.8*	*17.4*	*16.0*

*Alternative Performance Measure, refer to "Definitions".

Organic growth net sales, January - September

SEKm	Reported Net sales	Acquisitions / divestments	Net sales adjusted for acquisitions / divestments	Currency translation effect	Net sales adjusted for acquisitions / divestments and changes in exchange rates
2021	38,824	-520	38,305		38,305
2020	35,260		35,260	-1,981	33,279
Growth	3,564		3,045		5,026
Growth, %	***10***		***9***		***15***

Organic growth net sales, third quarter

SEKm	Reported Net sales	Acquisitions / divestments	Net sales adjusted for acquisitions / divestments	Currency translation effect	Net sales adjusted for acquisitions / divestments and changes in exchange rates
2021	10,180	-197	9,983		9,983
2020	9,570		9,570	-110	9,460
Growth	610		413		523
Growth, %	***6***		***4***		***6***

Balance sheet

Key data	Sep 30 2021	Sep 30 2020	Dec 31 2020
Operating working capital, SEKm	9,966	8,667	8,179
Operating working capital / net sales, %*	*21.3*	*26.0*	*24.4*
Return on capital employed [1], %	*15.5*	*12.3*	*10.9*
Excl. items affecting comparability, %*	*17.7*	*12.8*	*13.3*
Return on equity, %	*18.8*	*15.2*	*13.5*
Excl. items affecting comparability, %*	*15.6*	*15.9*	*16.8*
Capital turn-over rate, times	1.9	1.5	1.6
Equity/assets ratio, %	*46*	*43*	*39*
Equity per share after dilution, SEK	36.8	34.5	29.8
Average number of employees	13,813	12,321	12,374

* Alternative Performance Measure, refer to "Definitions".

[1] The definition of Return on capital employed has been changed and restated. Refer to "Definitions".

Net debt*, SEKm	Sep 30 2021	Sep 30 2020	Dec 31 2020
Net pension liability	2,053	2,670	2,483
Other interest-bearing liabilities	7,592	11,630	11,437
Dividend payable	916	-	-
Less: Liquid funds and other interest-bearing assets	-7,946	-9,844	-7,426
Net debt*	**2,615**	**4,457**	**6,493**
Net debt/equity ratio	0.12	0.23	0.38
Net debt/EBITDA excl. Items affecting comparability*	0.6	1.4	1.2

* Alternative Performance Measure, refer to "Definitions".

Return on capital employed, SEKm	Sep 30 2021	Sep 30 2020	Dec 31 2020
Total equity and liabilities	46,444	46,138	43,517
Deduction; Non interest bearing liabilities:	-14,510	-11,873	-12,382
Deferred tax liabilities	-1,519	-1,685	-1,497
Other provisions	-1,763	-1,422	-1,651
Trade payables	-5,123	-3,947	-4,815
Current tax liabilities	-1,781	-877	-1,006
Other liabilities	-4,323	-3,942	-3,413
Capital employed	**31,934**	**34,265**	**31,135**
Capital employed (LTM Average)	**31,917**	**33,601**	**33,611**
Operating income, LTM	4,934	4,119	3,669
Return on capital employed, %	**15.5**	**12.3**	**10.9**
Items affecting comparability* within Capital employed, LTM	-474	-	-109
Capital employed (LTM Average) excl. items affecting comparability*	**32,391**	**33,601**	**33,721**
Operating income excl. items affecting comparability*, LTM	5,734	4,302	4,484
Return on capital employed excl. items affecting comparability*, %	**17.7**	**12.8**	**13.3**

* 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, 2020	**17,281**	**2**	**17,283**
Share-based payment	-8	-	-8
Total comprehensive income	2,474	0	2,474
Closing balance September 30, 2020	**19,747**	**2**	**19,750**
Opening balance January 1, 2021	**17,059**	**3**	**17,062**
Share-based payment	138	-	138
Dividend	-1,374	-2	-1,376
Total comprehensive income	5,354	2	5,356
Closing balance September 30, 2021	**21,176**	**3**	**21,179**

Fair value of financial instruments

The Group's financial instruments carried at fair value are derivatives. Derivatives belong to Level 2 in the fair value hierarchy. Future cash flows have been discounted using current quoted market interest rates and exchange rates for similar instruments. Further information about the accounting principles for financial instruments and methods used for estimating the fair value of the financial instruments are described in note 1 and note 20, respectively, in the Annual Report 2020. The carrying value approximates fair value for all financial instruments except for non-current borrowings, which are shown in the table below.

	Sep 30 2021		Sep 30 2020		Dec 31 2020	
SEKm	**Carrying value**	**Fair value**	Carrying value	Fair value	Carrying value	Fair value
Non-current borrowings						
Loans	3,438	3,492	6,803	6,878	6,683	6,755

Net sales and income by quarter

	2021			2020				2019		
Group, SEKm	**Q3**	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Net sales	**10,180**	14,614	14,030	6,683	9,570	13,482	12,208	6,408	8,429	13,789
Net sales, LTM*	**45,507**	44,897	43,764	41,943	41,667	40,526	40,834	42,277	42,339	41,953
Operating income	**926**	2,659	2,293	-944	997	2,191	1,424	-493	414	2,125
Operating margin, %	***9.1***	*18.2*	*16.3*	*-14.1*	*10.4*	*16.3*	*11.7*	*-7.7*	*4.9*	*15.4*
*Operating income excl. IAC**	**926**	2,645	2,293	-129	997	2,191	1,424	-310	414	2,125
Operating margin excl. IAC, %*	***9.1***	*18.1*	*16.3*	*-1.9*	*10.4*	*16.3*	*11.7*	*-4.8*	*4.9*	*15.4*
Operating income, LTM*	**4,934**	5,005	4,538	3,669	4,119	3,536	3,470	3,690	3,079	2,542
Operating margin, LTM, %*	***10.8***	*11.1*	*10.4*	*8.7*	*9.9*	*8.7*	*8.5*	*8.7*	*7.3*	*6.1*
Operating income, LTM excl. IAC*	**5,734**	5,806	5,353	4,484	4,302	3,719	3,653	3,915	3,943	3,755
Operating margin, LTM excl. IAC, %*	***12.6***	*12.9*	*12.2*	*10.7*	*10.3*	*9.2*	*8.9*	*9.3*	*9.3*	*8.9*
Net income for the period	**631**	2,001	1,659	-718	653	1,567	992	-387	269	1,505
Husqvarna, SEKm	**Q3**	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Net sales	**6,331**	8,836	8,820	4,496	6,069	8,042	8,001	4,108	5,204	8,688
Net sales, LTM*	**28,483**	28,220	27,427	26,607	26,219	25,355	26,001	27,506	27,708	27,520
Operating income	**558**	1,534	1,537	-614	543	1,078	972	-225	82	1,217
Operating margin, %	***8.8***	*17.4*	*17.4*	*-13.6*	*8.9*	*13.4*	*12.2*	*-5.5*	*1.6*	*14.0*
Operating income excl. IAC*	**558**	1,536	1,537	89	543	1,078	972	-100	82	1,217
Operating margin excl. IAC, %*	***8.8***	*17.4*	*17.4*	*2.0*	*8.9*	*13.4*	*12.2*	*-2.4*	*1.6*	*14.0*
Operating income, LTM	**3,015**	3,000	2,544	1,979	2,368	1,907	2,046	2,260	1,859	1,433
Operating margin, LTM, %*	***10.6***	*10.6*	*9.3*	*7.4*	*9.0*	*7.5*	*7.9*	*8.2*	*6.7*	*5.2*
Operating income, LTM excl. IAC*	**3,720**	3,705	3,247	2,682	2,493	2,032	2,171	2,427	2,450	2,353
Operating margin, LTM excl. IAC, %*	***13.1***	*13.1*	*11.8*	*10.1*	*9.5*	*8.0*	*8.3*	*8.8*	*8.8*	*8.5*
Gardena, SEKm	**Q3**	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Net sales	**2,031**	3,851	3,506	761	1,948	4,011	2,708	710	1,630	3,373
Net sales, LTM*	**10,150**	10,067	10,226	9,427	9,377	9,058	8,421	8,343	8,379	8,312
Operating income	**196**	979	654	-294	274	1,054	398	-348	120	703
Operating margin, %	***9.6***	*25.4*	*18.7*	*-38.7*	*14.1*	*26.3*	*14.7*	*-49.0*	*7.4*	*20.8*
Operating income excl. IAC*	**196**	969	654	-294	274	1,054	398	-348	120	703
Operating margin excl. IAC, %*	***9.6***	*25.2*	*18.7*	*-38.7*	*14.1*	*26.3*	*14.7*	*-49.0*	*7.4*	*20.8*
Operating income, LTM	**1,534**	1,613	1,688	1,432	1,378	1,223	872	847	696	641
Operating margin, LTM, %*	***15.1***	*16.0*	*16.5*	*15.2*	*14.7*	*13.5*	*10.4*	*10.2*	*8.3*	*7.7*
Operating income, LTM excl. IAC*	**1,524**	1,603	1,688	1,432	1,378	1,224	873	847	920	867
Operating margin, LTM excl. IAC, %*	***15.0***	*15.9*	*16.5*	*15.2*	*14.7*	*13.5*	*10.4*	*10.2*	*11.0*	*10.4*
Construction, SEKm	**Q3**	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Net sales	**1,795**	1,904	1,680	1,403	1,541	1,413	1,487	1,551	1,575	1,720
Net sales, LTM*	**6,782**	6,528	6,037	5,844	5,992	6,026	6,333	6,340	6,187	6,059
Operating income	**231**	260	205	33	236	140	132	106	229	267
Operating margin, %	***12.9***	*13.7*	*12.2*	*2.3*	*15.3*	*9.9*	*8.9*	*6.8*	*14.6*	*15.5*
Operating income excl. IAC*	**231**	260	205	125	236	140	132	163	229	267
Operating margin excl. IAC, %*	***12.9***	*13.7*	*12.2*	*8.9*	*15.3*	*9.9*	*8.9*	*10.5*	*14.6*	*15.5*
Operating income, LTM	**729**	734	613	541	614	608	734	779	744	707
Operating margin, LTM, %*	***10.7***	*11.2*	*10.2*	*9.3*	*10.2*	*10.1*	*11.6*	*12.3*	*12.0*	*11.7*
Operating income, LTM excl. IAC*	**821**	826	705	633	670	664	791	836	788	752
Operating margin, LTM excl. IAC, %*	***12.1***	*12.7*	*11.7*	*10.8*	*11.2*	*11.0*	*12.5*	*13.2*	*12.7*	*12.4*
Group Common, SEKm	**Q3**	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Net sales	**23**	22	24	23	12	15	13	39	20	8
Operating income	**-59**	-114	-103	-69	-55	-80	-78	-26	-17	-62
Operating income excl. IAC*	**-59**	-120	-103	-49	-55	-80	-78	-25	-17	-62

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

*Alternative Performance Measure, refer to "Definitions".

Items affecting comparability

SEKm	Q3 2021	Q3 2020	Jan-Sep 2021	Jan-Sep 2020	Full year 2020
Impairment of non-current assets	-	-	-7	-	-303
Write-down of inventory	-	-	-	-	-98
Other restructuring costs	-	-	-23	-	-414
Sale of business	-	-	44	-	-
Total items affecting comparability	**-**	**-**	**14**	**-**	**-815**

Classification in the income statement

SEKm	Q3 2021	Q3 2020	Jan-Sep 2021	Jan-Sep 2020	Full year 2020
Cost of goods sold	-	-	-31	-	-521
Selling expenses	-	-	-	-	-82
Administrative expenses	-	-	1	-	-212
Other operating income/expense	-	-	44	-	-
Total items affecting comparability	**-**	**-**	**14**	**-**	**-815**

Net assets by segment [1]

	Assets		Liabilities		Net Assets	
SEKm	Sep 30 2021	Sep 30 2020	Sep 30 2021	Sep 30 2020	Sep 30 2021	Sep 30 2020
Husqvarna	19,388	18,691	6,389	5,283	12,999	13,408
Gardena	9,853	9,006	3,179	2,762	6,674	6,244
Construction	7,663	6,707	1,494	1,129	6,168	5,578
Other [2]	1,400	1,673	3,448	2,696	-2,047	-1,023
Total	**38,304**	**36,076**	**14,510**	**11,870**	**23,794**	**24,206**

[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	Q3 2021	Q3 2020	Jan-Sep 2021	Jan-Sep 2020	Full year 2020
Net sales	4,541	3,768	17,121	14,288	18,341
Cost of goods sold	-3,196	-2,858	-11,701	-10,444	-13,034
Gross income	**1,346**	**910**	**5,420**	**3,844**	**5,307**
Selling expense	-385	-329	-1,260	-1,091	-1,439
Administrative expense	-331	-276	-1,157	-873	-1,308
Other operating income/expense	0	-	0	-	-
Operating income	**630**	**306**	**3,003**	**1,880**	**2,560**
Financial items, net	-152	374	-437	358	1,235
Income after financial items	**478**	**680**	**2,566**	**2,238**	**3,795**
Appropriations	-17	-24	-63	-61	-506
Income before taxes	**461**	**655**	**2,502**	**2,177**	**3,290**
Tax on profit for the year	-51	-140	-430	-403	-647
Income for the period	**410**	**515**	**2,072**	**1,774**	**2,643**

Condensed balance sheet

SEKm	Sep 30 2021	Sep 30 2020	Dec 31 2020
Non-current assets	38,755	38,160	38,099
Current assets	13,937	14,938	14,476
Total assets	**52,692**	**53,098**	**52,575**
Equity	31,990	31,500	31,211
Untaxed reserves	794	794	794
Provisions	180	141	89
Non-current liabilities	3,289	6,711	6,606
Current liabilities	16,440	13,952	13,875
Total equity and liabilities	**52,692**	**53,098**	**52,575**

Number of shares

	Outstanding A-shares	Outstanding B-shares	Repurchased B-shares [1]	**Total**
Number of shares as of December 31, 2020	**111,690,460**	**460,887,468**	**3,765,850**	**576,343,778**
Conversion of A-shares into B-shares	*-262,588*	*262,588*	-	-
Shares allocated to 2018 LTI-program	-	*344,521*	*-344,521*	-
Number of shares as of September 30, 2021	**111,427,872**	**461,494,577**	**3,421,329**	**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

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

Roundings

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

Growth measures

Net sales growth

Change in net sales compared to previous period in percent.

Organic growth

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

Profitability measures

EBITDA

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

EBITDA margin

EBITDA as a percentage of net sales.

Gross margin

Gross income as a percentage of net sales.

Last twelve months (LTM)

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

Operating margin

Operating income as a percentage of net sales.

Return on capital employed

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

Return on equity

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

Share-based measures

Earnings per share, after dilution

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

Equity per share, after dilution

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

Capital indicators

Capital employed

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

Capital expenditure

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

Interest bearing liabilities

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

Liquid funds

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

Net assets

Total assets excluding liquid funds and interest-bearing assets less operating liabilities, non-interest-bearing provisions and deferred tax liabilities.

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

Operating working capital
Inventories and trade receivables less trade payables.

Capital measures

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

Capital turnover rate
Net sales last twelve months divided with average net assets.

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

Net debt/equity ratio
Net debt in relation to total equity.

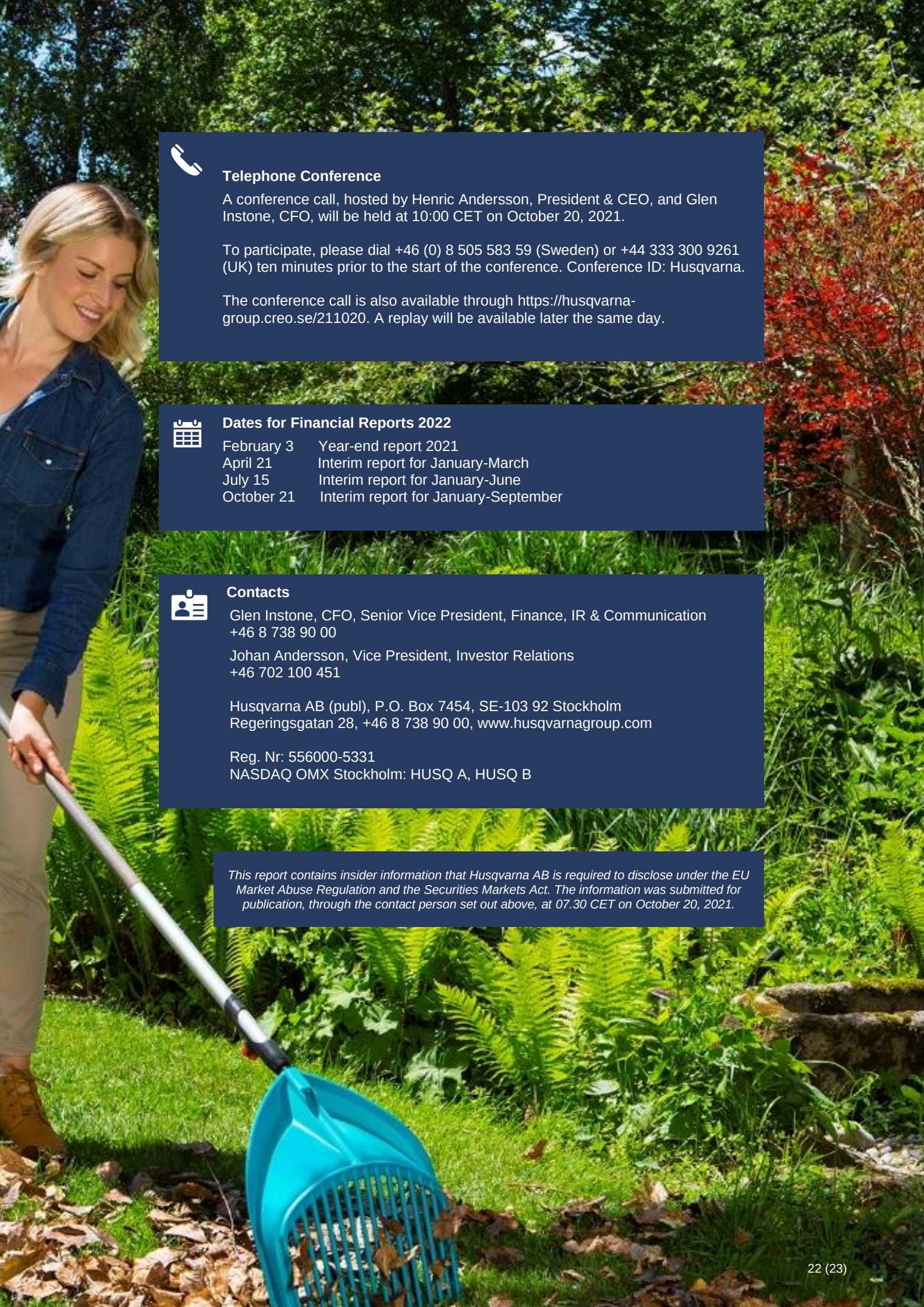
Operating working capital/net sales
Average operating working capital as a percentage of net sales last twelve months.

Other measures

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

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

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



Telephone Conference

A conference call, hosted by Henric Andersson, President & CEO, and Glen Instone, CFO, will be held at 10:00 CET on October 20, 2021.

To participate, please dial +46 (0) 8 505 583 59 (Sweden) or +44 333 300 9261 (UK) ten minutes prior to the start of the conference. Conference ID: Husqvarna.

The conference call is also available through https://husqvarna-group.creo.se/211020. A replay will be available later the same day.

Dates for Financial Reports 2022

February 3	Year-end report 2021
April 21	Interim report for January-March
July 15	Interim report for January-June
October 21	Interim report for January-September

Contacts

Glen Instone, CFO, Senior Vice President, Finance, IR & Communication
+46 8 738 90 00

Johan Andersson, Vice President, Investor Relations
+46 702 100 451

Husqvarna AB (publ), P.O. Box 7454, SE-103 92 Stockholm
Regeringsgatan 28, +46 8 738 90 00, www.husqvarnagroup.com

Reg. Nr: 556000-5331
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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 October 20, 2021.



Factors affecting forward-looking statements

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