

Strong growth in the fourth quarter

Fourth quarter 2022

- Net sales increased by 26% to SEK 10,353m (8,234). Organic sales growth was 8%, changes in exchange rates contributed with 14% and acquisitions with 4%.
- Operating income was SEK -1,737m (-132) and the operating margin -16.8% (-1.6). Excluding items affecting comparability, operating income was SEK -13m (-180) and the operating margin -0.1% (-2.2).
- Items affecting comparability amounted to SEK -1,724m (48) and was mainly related to the acceleration of the strategic transformation announced in October 2022, see pages 9 and 18.
- Earnings per share before dilution amounted to SEK -2.44 (0.26) and earnings per share after dilution amounted to SEK -2.43 (0.26).
- Cash flow from operations and investments was SEK -2,845m (-6,420). Direct operating cash flow decreased to SEK -1,261m (-1,131), mainly due to increased receivables.
- Operating working capital/net sales was 30.6% (21.8).
- It was announced that CEO, Henric Andersson, is on a temporary leave to undergo medical treatment and Pavel Hajman was appointed acting CEO. Subsequently, it was announced that Henric is unlikely to return to active status as CEO. The Board has therefore initiated a process to identify a potential permanent successor.
- The Group announced a program for accelerating the Group's strategic transformation, see page 9.

January – December 2022

- Net sales increased by 15% to SEK 54,037m (47,059). Organic sales growth was -1%, changes in exchange rates contributed with 9% and acquisitions with 7%.
- Operating income was SEK 3,043m (5,746) and the operating margin 5.6% (12.2). Excluding items affecting comparability, operating income was SEK 4,853m (5,684) and the operating margin 9.0% (12.1).
- Items affecting comparability amounted to SEK -1,810m (62), see pages 9 and 18.
- Earnings per share before dilution amounted to SEK 3.39 (7.76) and earnings per share after dilution amounted to SEK 3.38 (7.73).
- Cash flow from operations and investments was SEK -4,009m (-713). Direct operating cash flow was SEK -572m (3,651). The decrease was mainly related to increased net working capital.
- The CO_2 emissions across the value chain have been reduced by 32% (27) compared to the 2015 base line.

The Board of Directors will propose a dividend for 2022 of SEK 3.00 per share (3.00) to the AGM.

Financial summary

Group, SEKm	**Q4 2022**	Q4 2021	Δ%	**Jan-Dec 2022**	Jan-Dec 2021	Δ%
Net sales	10,353	8,234	26	54,037	47,059	15
Organic growth, %*	*8*	*17*		*-1*	*15*	
Operating income (EBIT)	-1,737	-132		3,043	5,746	-47
Operating margin, %	*-16.8*	*-1.6*		*5.6*	*12.2*	
Operating income excl. items affecting comparability*	-13	-180	93	4,853	5,684	-15
Operating margin excl. items affecting comparability, %*	*-0.1*	*-2.2*		*9.0*	*12.1*	
Income after financial items	-1,963	-163		2,581	5,494	-53
Net income for the period	-1,392	146		1,932	4,437	-56
Earnings per share before dilution, SEK	-2.44	0.26		3.39	7.76	-56
Earnings per share after dilution, SEK	-2.43	0.26		3.38	7.73	-56
Direct operating cash flow*	-1,261	-1,131	-12	-572	3,651	116
Operating working capital / net sales*, %	30.6	21.8		30.6	21.8	

*Alternative Performance Measure, refer to "Definitions".

Strong growth in the fourth quarter

“We delivered a solid result for the fourth quarter, which is seasonally the Group’s smallest quarter. Net sales for the Group increased 26%, of which organic sales growth was 8%. Growth was particularly strong in the robotic mowers and battery-powered product segments.

The Husqvarna Forest & Garden Division achieved organic sales growth of 15%, driven by a strong performance for robotic mowers in both the professional and residential segments. Organic sales growth in the Gardena Division was -11%, due to the continued impact of destocking among our retail partners during the end of the year. The Husqvarna Construction Division reported lower sales volumes and the organic sales growth was -1%.

Operating income for the fourth quarter, excluding items affecting comparability, amounted to SEK -13m (-180). The improvement was primarily driven by sales growth, favorable product mix and price increases, which offset higher raw material and logistics costs. Direct operating cash flow declined to SEK -1,261m (-1,131). This was due to lower cash flow from changes in working capital, primarily from receivables. We are continuing our activities to reduce inventory levels during the upcoming gardening season.

Solid performance in a challenging environment

The year was dominated by geopolitical and macroeconomic concerns, as well as significant supply chain challenges. Against this backdrop, we delivered a net sales growth of 15%, of which organic sales growth was -1% for the year. Operating income, excluding items affecting comparability, was SEK 4,853m (5,684) and the operating margin amounted to 9.0% (12.1). Price increases offset higher raw material and logistics costs while lower volumes and cost inflation had a negative impact on earnings. The Board will propose to the annual general meeting an unchanged dividend of SEK 3.00 (3.00) for the year.

We are proud of the results the organization has delivered under Henric Andersson’s leadership. I would like to thank Henric, my colleagues and our business partners for a good cooperation and their hard work during the past year. Together, we have taken a number of important steps to build a stronger Husqvarna Group and lead the industry transition into low-carbon solutions. During the year, we have executed on strategic priorities and a program was launched during the fourth quarter to accelerate the Group’s transformation with increased investments in the value creation levers; robotic mowers, battery products, watering products and solutions for the professional market. In parallel, we are proactively reducing business in petrol-powered low-margin consumer product segments. Total yearly cost savings in the program will amount to SEK 800m, fully implemented in 2025, where then half of the cost savings will be reinvested into the sustainable value creation levers. The program is progressing as planned and we recognized SEK 1.8bn of related non-recurring costs during the fourth quarter.

Our electrification ambition is part of our sustainability agenda, which aims to consistently reduce our carbon footprint. To date, we have reduced CO_2 emissions (scope 1, 2 & 3) by -32% compared with the base year of 2015. The target is a -35% reduction by 2025.

I am honored by the interim task to lead our strong organization and execute on the strategy that was formed under Henric’s leadership. With a strong foundation and a sustainable, smart and connected product portfolio going into 2023, we are well positioned to continue to create value for our customers, shareholders, employees and the society.”



Pavel Hajman, acting 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 2022
Organic growth	5%	-1%
Operating margin*	13%	9.0%
Capital efficiency**	20%	30.6%

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

Fourth quarter

Net sales

Net sales for the fourth quarter increased by 26% to SEK 10,353m (8,234). Organic sales growth was 8%, changes in exchange rates contributed with 14% and acquisitions, mainly Orbit Irrigation, with 4%. Sales growth was strong for robotic mowers both for the residential and professional segments. Organic sales growth in the Gardena Division was affected by inventory destocking among the retail partners through the end of the year, resulting in lower volumes.

Operating income

Operating income for the fourth quarter amounted to SEK -1,737m (-132) and the operating margin was -16.8% (-1.6). Excluding items affecting comparability, operating income amounted to SEK -13m (-180) and the operating margin was -0.1% (-2.2). The improvement was driven by sales growth, a favorable product mix and price increases that compensated for higher raw material and logistic costs. Acquisition related amortizations amounted to SEK -58m (-33). Changes in exchange rates had a negative impact of approximately SEK -45m compared to last year, mainly related to effects from purchases in foreign currencies and a stronger USD.

Financial items net

Financial items net amounted to SEK -226m (-31). The increase was related to higher interest expenses and financial charges for new long-term financing during the quarter.

Income after financial items

Income after financial items amounted to SEK -1,963m (-163).

Taxes

Income tax amounted to SEK 571m (309).

Earnings per share

Net income for the period attributable to equity holders of the Parent Company amounted to SEK -1,390m (148), corresponding to SEK -2.43 (0.26) per share after dilution.

January – December

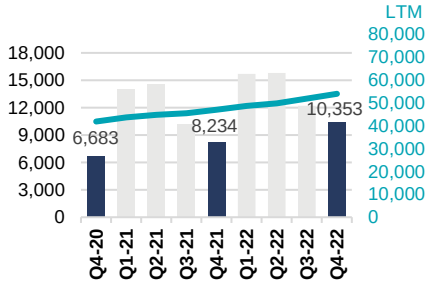
Net sales

Net sales for the year increased by 15% to SEK 54,037m (47,059). Organic sales growth was -1%, changes in exchange rates contributed with 9% and acquisitions, mainly Orbit Irrigation, with 7%. Sales growth was good for the professional segment such as handheld products, robotic mowers for the professional market and construction products, while sales of residential robotic mowers was lower than last year due to constraints in the supply chain in the first half of the year.

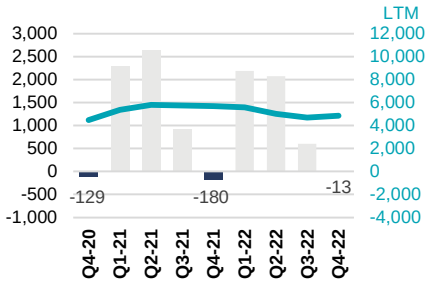
Operating income

Operating income for the year amounted to SEK 3,043m (5,746) and the operating margin was 5.6% (12.2). Excluding items affecting comparability, operating income amounted to SEK 4,853m (5,684) and the operating margin was 9.0% (12.1). Price increases compensated for higher raw material and logistic costs, while lower volumes, especially for residential robotic mowers and watering products, had a negative impact. The acquired Orbit Irrigation had a dilutive effect on the operating margin of 0.3 percentage points, excluding acquisition related amortizations.

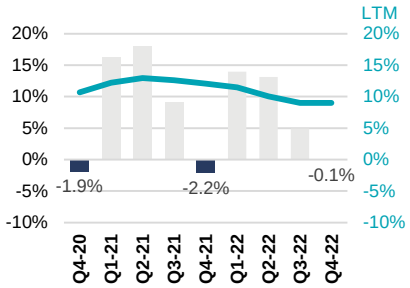
Net sales, SEKm



Operating income excl. IAC, SEKm



Operating margin excl. IAC



Acquisition related amortizations amounted to SEK -225m (-108) during the year. Changes in exchange rates had a positive contribution of approximately SEK 320m compared to last year, mainly related to the weakened SEK.

Financial items net

Financial items net amounted to SEK -461m (-252).

Income after financial items

Income after financial items amounted to SEK 2,581m (5,494).

Taxes

Income tax amounted to SEK -649m (-1,057), corresponding to an effective tax rate of 25.1% (19.2).

Earnings per share

Net income for the period attributable to equity holders of the Parent Company amounted to SEK 1,935m (4,437), corresponding to SEK 3.38 (7.73) per share after dilution.

Cash flow

Cash flow from operations and investments for the full year amounted to SEK -4,009m (-713). Direct operating cash flow was SEK -572m (3,651). The inventory levels remained high, particularly for components and products in transit. Paid tax was significantly higher compared with last year.

Due to the seasonal build-up of working capital, cash flow is normally weaker in the first quarter, followed by stronger cash flow in the second and third quarters. This year cash flow in the second and third quarters were impacted by higher inventory levels. Cash flow in the fourth quarter is usually negatively impacted by the pre-season production for the next year.

Financial position

Group equity as of December 31, 2022, excluding non-controlling interests, increased to SEK 24,002m (21,633), corresponding to SEK 41.9 (37.7) per share after dilution. Net debt increased to SEK 17,709m (9,623). The increase was mainly related to increased borrowing. The net pension liability decreased to SEK 1,431m (1,777). Other interest-bearing liabilities increased to SEK 19,897m (10,769) and liquid funds and other interest-bearing assets increased to SEK 3,618m (2,923).

During the year the Group signed a SEK 2bn sustainability-linked revolving credit facility. The two-year facility will be used as a backup for general corporate purposes. The pricing mechanism is linked to Husqvarna Group's CO_2 target. In addition, the Group entered into long-term loans of SEK 2.2bn with approximately 2-3 years maturity and has issued a 5 year bond of SEK 2bn. The net debt/EBITDA ratio, excluding items affecting comparability, increased to 1.8 (0.6), due to lower EBITDA and higher borrowings. The equity/assets ratio was 39% (42).

Financial summary

SEKm	Q4 2022	Q4 2021	Δ%	Jan-Dec 2022	Jan-Dec 2021	Δ%
Net sales	6,793	5,231	30	32,082	29,217	10
Organic growth, %*	*15*	*14*		*0*	*15*	
Operating income	-1,252	70		1,807	3,699	-51
Operating margin, %	*-18.4*	*1.3*		*5.6*	*12.7*	
Operating income excl. items affecting comparability*	273	70	289	3,224	3,701	-13
Operating margin excl. items affecting comparability, %*	*4.0*	*1.3*		*10.0*	*12.7*	

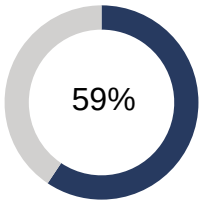
* Alternative Performance Measure, refer to "Definitions".

Fourth quarter 2022

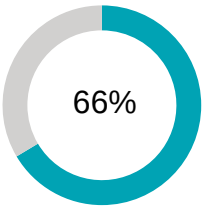
Net sales increased by 30% and amounted to SEK 6,793m (5,231) during the quarter. The organic sales growth was 15% and currency effects contributed with 15%. Sales of robotic mowers was strong, driven by an improved supply chain situation, continued good demand and re-stocking among our trade partners for the coming season. Professional robotics delivered strong growth and sales and installations of Husqvarna CEORA™ continued successfully during the quarter. We presented a new robotic mower range for the residential segment, Husqvarna Automower® NERA. This is a new premium robotic range with virtual boundary technology, satellite-based navigation and object detection.

Operating income amounted to SEK -1,252m (70) and the operating margin was -18.4% (1.3). Excluding items affecting comparability, operating income amounted to SEK 273m (70) and the operating margin was 4.0% (1.3). The improvement was driven by the sales growth, improved product mix and contribution from price increases which offset negative effects from higher raw material and logistics costs. Changes in exchange rates had a negative impact of approximately SEK -60m in the fourth quarter.

Share of Group net sales, LTM



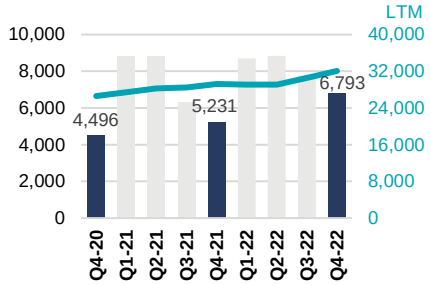
Share of Group operating income excl. IAC, LTM



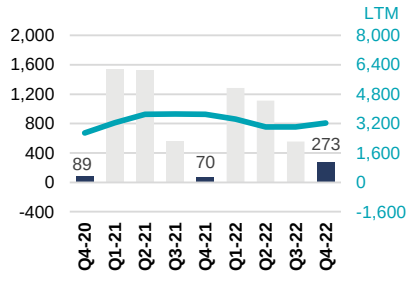
January - December 2022

Net sales increased by 10% to SEK 32,082m (29,217). The organic sales growth was flat and currency effects contributed with 10%. Operating income amounted to SEK 1,807m (3,699) and the operating margin was 5.6% (12.7). Excluding items affecting comparability, operating income amounted to SEK 3,224m (3,701) and the operating margin was 10.0% (12.7). Contribution from price increases have offset negative effects from higher raw material and logistics costs. However, the result was impacted by an unfavorable product mix, mainly robotic mowers and lower volumes. Changes in exchange rates had a negative contribution of approximately SEK -50m for the year.

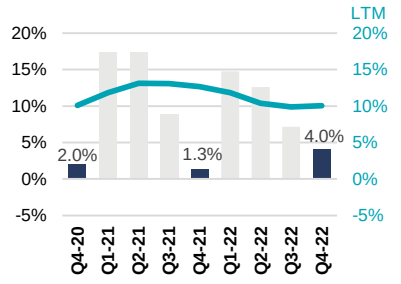
Net sales, SEKm



Operating income excl. IAC, SEKm



Operating margin excl. IAC





Gardena Division

Financial summary

SEKm	Q4 2022	Q4 2021	Δ%	Jan-Dec 2022	Jan-Dec 2021	Δ%
Net sales	1,470	1,148	28	13,606	10,537	29
Organic growth, %*	*-11*	*24*		*-7*	*14*	
Operating income	-468	-277	*-69*	918	1,552	-41
Operating margin, %	*-31.8*	*-24.1*		*6.8*	*14.7*	
Operating income excl. items affecting comparability*	-314	-290	*-8*	1,173	1,529	-23
Operating margin excl. items affecting comparability, %*	*-21.4*	*-25.3*		*8.6*	*14.5*	

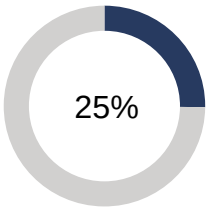
* Alternative Performance Measure, refer to "Definitions".

Fourth quarter 2022

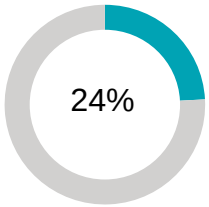
Net sales increased by 28% to SEK 1,470m (1,148). The organic sales growth was -11%, currency effects contributed with 13% and the acquisition of Orbit Irrigation with 26%. Sales was impacted by inventory destocking among the retail partners through the end of the year, resulting in lower volumes. The division has presented new products for the 2023 gardening season, including an expansion of the successful EcoLine product range and a new range of smart Micro-Drip-System watering solutions.

Operating income was SEK -468m (-277) and excluding items affecting comparability, operating income amounted to SEK -314m (-290). Contribution from price increases have offset negative effects from higher raw material and logistics costs, while lower volumes accounted for the majority of the decrease in operating income. Due to the product mix in the quarter, the acquired Orbit Irrigation had no dilution effect on operating income, excluding acquisition related amortizations, which amounted to SEK -30m. Changes in exchange rates had a negative impact of approximately SEK -35m for the quarter.

Share of Group net sales, LTM



Share of Group operating income excl. IAC, LTM

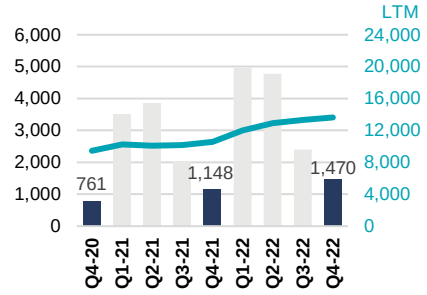


January – December 2022

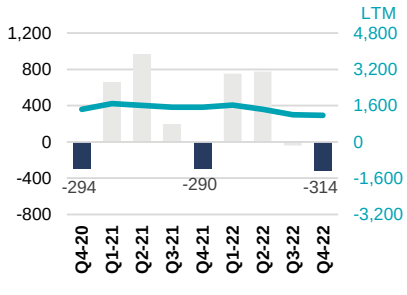
Net sales increased by 29% to SEK 13,606m (10,537). The organic sales growth was -7%, currency effects contributed with 6% and the acquisition of Orbit Irrigation with 31%. Volumes for robotic mowers for residential customers declined due to supply chain constraints. Sales of the new Gardena EcoLine product range was good during the year.

Operating income was SEK 918m (1,552) and the operating margin was 6.8% (14.7). Excluding items affecting comparability, operating income amounted to SEK 1,173m (1,529) and the operating margin was 8.6% (14.5). Contributions from price increases have offset negative effects from higher raw material and logistics costs, while lower volumes had a negative impact on the operating income. The acquired Orbit Irrigation had a dilution effect of 1.4 percentage points on operating income, excluding acquisition related amortizations, which amounted to SEK -115m. Changes in exchange rates had a positive contribution of approximately SEK 155m for the year.

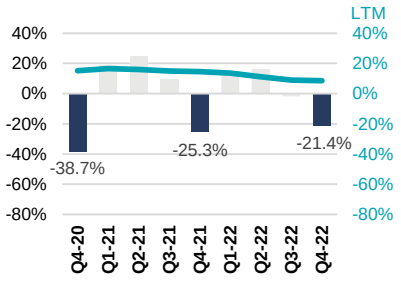
Net sales, SEKm



Operating income excl. IAC, SEKm



Operating margin excl. IAC



Financial summary

SEKm	Q4 2022	Q4 2021	Δ%	Jan-Dec 2022	Jan-Dec 2021	Δ%
Net sales	2,071	1,830	13	8,232	7,210	14
Organic growth, %*	*-1*	*21*		*2*	*18*	
Operating income	80	144	-45	713	840	-15
Operating margin, %	*3.9*	*7.9*		*8.7*	*11.7*	
Operating income excl. items affecting comparability*	127	144	-12	854	840	2
Operating margin excl. items affecting comparability, %*	*6.1*	*7.9*		*10.4*	*11.7*	

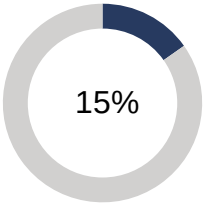
* Alternative Performance Measure, refer to "Definitions".

Fourth quarter 2022

Net sales increased by 13% to SEK 2,071m (1,830). The organic sales growth was -1%, due to lower sales volumes. Changes in exchange rates contributed with 13% and acquisitions with 1%. The recently launched K 1 PACE battery power cutter has been well-received in the market.

Operating income amounted to SEK 80m (144) and the operating margin was 3.9% (7.9). Excluding items affecting comparability, operating income amounted to SEK 127m (144) and the operating margin was 6.1% (7.9). Price increases compensated for higher raw material and logistics costs. However, lower volumes and higher costs related to supply chain disturbances had a negative impact. Acquisition related amortizations was SEK -26m. Changes in exchange rates had a positive contribution of approximately SEK 50m.

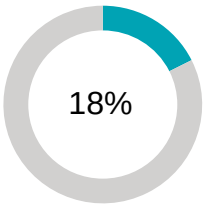
Share of Group net sales, LTM



January - December 2022

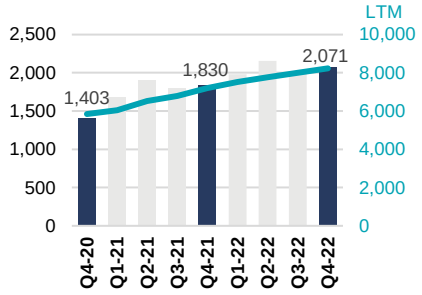
Net sales increased by 14% to SEK 8,232m (7,210). The organic sales growth was 2% and changes in exchange rates contributed with 11% and acquisitions with 1%. The division achieved growth in most of the key regions and the performance was good for power cutters. Operating income amounted to SEK 713m (840) and the operating margin was 8.7% (11.7). Excluding items affecting comparability, operating income amounted to SEK 854m (840) and the operating margin was 10.4% (11.7). Price increases compensated for higher raw material and logistics costs. However, the result was affected by lower volumes and higher costs related to supply chain disturbances. Acquisition related amortizations was SEK -104m. Changes in exchange rates had a positive contribution of approximately SEK 220m.

Share of Group operating income excl. IAC, LTM

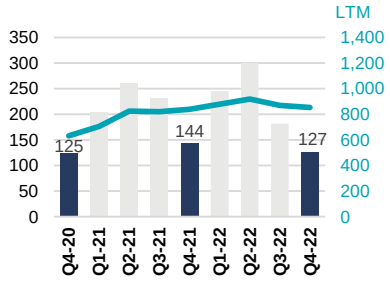


Heger was acquired during the year, which strengthens the division's business in Europe as the company is specialized in professional diamond tools for European sawing and drilling contractors in wall, floor and road sawing as well as core drilling. Heger has 45 employees and around EUR 9m in annual sales.

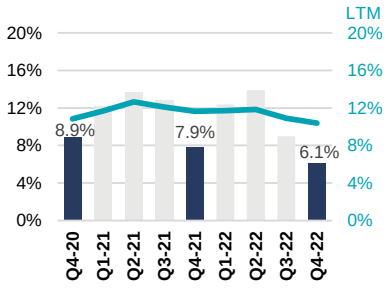
Net sales, SEKm



Operating income excl. IAC, SEKm



Operating margin excl. IAC



Additional information

Sustainovate 2025

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

Highlights

- The Group's absolute CO_2 emissions across the value chain has been reduced by -32%.
- Two new approved circular innovations and another five nominees are in the pipeline. Total approved innovations are now 10.
- People target performance: 572,000 Sustainable Choices products have now been sold.

Carbon – drive the transition to low-carbon solutions

As of year-end 2022 (LTM and compared to 2015 baseline), the Group has reduced its absolute CO_2 emissions from the value chain (suppliers, own operations, transportation and product use) by -32%. The improvement this year is mainly due to product mix effects and the lower sales volumes. This implies a reduction of -1% compared to Q3 2022 and is primarily linked to the product mix.

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

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

The Group's circular target is to launch 50 circular innovations by 2025. The innovations will make smarter use of the materials that comprise Husqvarna Group's products and will extend their lifecycles.

In our last quarter, two circular innovations were approved by the circular innovation committee:

- The first innovation relates to ReSpare, a new marketplace for dealers to trade used and obsolete spare parts. By making these parts available to service technicians, the Group aims at extending the lives of machines such as chain saws, tillers and brush cutters. The ReSpare platform can also be used to trade refurbished machines between dealers. All these use cases will result in reducing scrap, while offering a circular solution for our customers. The marketplace is currently available for our dealer networks in Poland, South Africa and Brazil.
- The second project relates to introducing recycled PET in blister film packaging in Gardena's standard portfolio. The packaging process is highly automated handling large volumes which sets high requirements on the recycled material.

In addition, five circular innovation nominees were reviewed in Q4. The Husqvarna Forest & Garden Division has one innovation prospect concerning a service business model and one concerning reuse of components from discarded robotic mowers. The Gardena Division nominated two innovations, one in the area of recycled materials and one focusing on a recycling program. The Husqvarna Construction Division nominated the Quick Swap Program intended to increase the attractiveness of retipping core drill bits by minimizing lead times for our customers.

The last quarter of 2022 provides a total summary of 10 approved Circular Innovations and with nineteen nominees in pipeline we are on the right path toward our target of 50 circular innovations.

People – inspire actions that make a lasting difference

During the fourth quarter, the Group has continued the roll-out of the all-employee sustainability training program.

At the same time, the Group has increased its programs to inform and educate customers on its assortment of Sustainable Choices, i.e. product and solution offerings that have a significantly and proven lower impact on use of natural resources and/or the environment.

Given the natural business seasonality it implies a modest growth between Q3 and Q4. Nevertheless, with now 572,000 Sustainable Choices sold it means that the Group has now picked up the speed on the journey to empower five million people by 2025.

Conversion of Shares

According to the Company's articles of association, owners of A-shares have the right to have such shares converted to B-shares. Conversion reduces the total number of votes in the Company. In the fourth quarter 110 shares were converted. The total number of shares in the company at December 31, 2022 amounted to 576,343,778 of which 110,106,194 were A-shares and 466,237,584 were B-shares. The total number of votes amounted to 156,729,952.4.

Parent Company

Net sales for January – December 2022 for the Parent Company, Husqvarna AB, amounted to SEK 23,308m (21,335), of which SEK 18,195m (16,269) referred to sales to Group companies and SEK 5,113m (5,066) to external customers. Income after financial items

decreased to SEK 1,378m (4,818), mainly due to Group internal transactions. Income for the period decreased to SEK 507m (3,697). Investments in property, plant and equipment and intangible assets amounted to SEK 3,423m (994). Cash and cash equivalents amounted to SEK 410m (561) at the end of the year. Undistributed earnings in the Parent Company amounted to SEK 29,250m (30,639).

Significant events

The Group announced temporary leave of absence for CEO

In December 2022, Husqvarna Group announced that Henric Andersson, CEO will take a temporary leave of absence to undergo medical treatment. Group CIO Pavel Hajman, who has been with the Group since 2014, was appointed acting CEO (see also significant events after the quarter).

Husqvarna Group in Ukraine

The Group is closely monitoring the developing situation in Ukraine and the priority is the security and safety of the employees and their families, and are actively working to support by various means.

The Group has discontinued its sales operations in Russia. For the year, restructuring costs and write-downs of SEK -137m have been charged related to the situation.

Group Management changes

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

Change in Husqvarna Group's Board

Stefan Ranstrand notified the Board of his resignation as Director of the Board of Directors of the Husqvarna Group.

Annual General Meeting 2023

The 2023 AGM for Husqvarna AB (publ) will be held on April 4, 2023 in Jönköping, Sweden.

Nomination Committee for the 2023 Annual General Meeting

The nomination committee ahead of the 2023 AGM has been formed, including representatives from the four largest shareholders in terms of voting rights, Investor AB, L E Lundbergföretagen AB, If Skadeförsäkring AB and Didner & Gerge Fonder AB.

Acquisition of Heger

In April 2022, Husqvarna Group acquired 100% of the shares in Heger. Heger is specialized in professional diamond tools for European sawing and drilling contractors in wall, floor and road sawing as well as core drilling. Heger is a part of the Husqvarna Construction Division and strengthens and complements the core Concrete Sawing & Drilling business in Central Europe. Heger’s headquarters and its manufacturing facility is located in Heitersheim, Germany and has sales offices in Germany and the Netherlands with 45 employees and MEUR 9 in annual sales. From the acquisition date up until December 2022 the company has contributed to the Group with SEK 62m in net sales and an operating income of SEK 0m.

Investment in Moleaer Inc.

In April 2022, USD 7.5m of venture capital was invested for a minority share in Moleaer, a global leader in nanobubble technology. By investing in Moleaer, Husqvarna Group's Gardena Division will be able to explore the nanobubble technology's potential in addressing water scarcity.

Husqvarna Group accelerates its strategic transformation

To further accelerate its strategic transformation, Husqvarna Group is increasing investments into the company’s key sustainable value creation levers: robotic mowers, battery, watering products and professional products. The incremental investments will reach SEK 400m per year by 2025.

As part of this shift, the Group will adjust the value chain for petrol-powered consumer products, including reducing the installed production capacity. Annual sales amounting to approximately SEK 2bn of low margin petrol-powered consumer business will be exited by 2024. Husqvarna Group will also fast-track necessary capability shifts and at the same time increase the organizational efficiency, simplify structures and reduce costs.

These measures will result in total annual cost savings of approximately SEK 800m fully effective in 2025 and net SEK 400m after the increased investments into the sustainable value creation levers. The efficiency measures also entail one-off costs of approximately SEK 2bn (of which SEK 0.9bn has a cash flow impact), where SEK 1.8bn was charged in the fourth quarter of 2022, see page 18. The workforce will be reduced by approximately 1,000 positions, whereof the vast majority relates to the accelerated petrol-to-battery shift.

Significant events after the quarter

Dividend

The Board of Directors will propose a dividend for 2022 of SEK 3.00 (3.00) per share to the 2023 AGM, corresponding to a total dividend payment of SEK 1,711m (1,711). It is proposed that the dividend is to be paid in two installments, the first of SEK 1.00 per share in April and the second of SEK 2.00 per share in October. The proposed record dates are April 6, 2023 and October 6, 2023.

The Group initiated process to identify a potential new CEO

The Group CEO, Henric Andersson, is unlikely to return as CEO from his temporary leave of absence for medical treatment. The Board has initiated a process to identify a potential permanent successor (see also significant events during the quarter).

Bosch

Bosch issued a press release stating that they have agreed to acquire shares in Husqvarna AB, subject to an approval. Their shareholding would then amount to roughly 12 percent. No new shares in Husqvarna AB have been issued.

Risks and uncertainty factors

A number of factors may affect Husqvarna Group's operations in terms of operational and financial risks. The Covid-19 pandemic and the war in Ukraine can have 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 Report 2021 which is available at www.husqvarnagroup.com.

Accounting Principles

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

Auditors' review report

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

Stockholm, February 1, 2023

Pavel Hajman
Acting CEO

Condensed consolidated income statement

SEKm	Q4 2022	Q4 2021	Jan-Dec 2022	Jan-Dec 2021
Net sales	10,353	8,234	54,037	47,059
Cost of goods sold	-9,085	-6,028	-39,424	-31,546
Gross income	**1,268**	**2,206**	**14,613**	**15,513**
Gross margin, %	*12.3*	*26.8*	*27.0*	*33.0*
Selling expenses	-2,197	-1,709	-8,770	-7,152
Administrative expenses	-810	-660	-3,001	-2,704
Other operating income/expense	2	32	202	89
Operating income	**-1,737**	**-132**	**3,043**	**5,746**
Operating margin, %	*-16.8*	*-1.6*	*5.6*	*12.2*
Financial items, net	-226	-31	-461	-252
Income after financial items	**-1,963**	**-163**	**2,581**	**5,494**
Margin, %	*-19.0*	*-2.0*	*4.8*	*11.7*
Income tax	571	309	-649	-1,057
Net income for the period	**-1,392**	**146**	**1,932**	**4,437**
Net income for the period attributable to:				
Equity holders of the Parent Company	-1,390	148	1,935	4,437
Non-controlling interest	-2	-2	-2	0
Earnings per share:				
Before dilution, SEK	-2.44	0.26	3.39	7.76
After dilution, SEK	-2.43	0.26	3.38	7.73
Weighted average number of shares outstanding:				
Before dilution, millions	570.5	571.7	570.4	571.5
After dilution, millions	573.0	574.3	573.0	574.1

Condensed consolidated comprehensive income statement

SEKm	Q4 2022	Q4 2021	Jan-Dec 2022	Jan-Dec 2021
Net income for the period	**-1,392**	**146**	**1,932**	**4,437**
Other comprehensive income				
Items that will not be reclassified to the income statement:				
Remeasurements on defined benefit pension plans, net of tax	-210	252	436	674
Total items that will not be reclassified to the income statement, net of tax	**-210**	**252**	**436**	**674**
Items that may be reclassified to the income statement:				
Translation differences	-1,421	485	2,728	1,632
Net investment hedge, net of tax	754	-117	-916	-634
Cash flow hedges, net of tax	-215	-32	-89	-19
Total items that may be reclassified to the income statement, net of tax	**-882**	**335**	**1,723**	**979**
Other comprehensive income, net of tax	**-1,092**	**588**	**2,159**	**1,653**
Total comprehensive income for the period	**-2,484**	**734**	**4,091**	**6,090**
Total comprehensive income attributable to:				
Equity holders of the Parent Company	-2,483	736	4,094	6,089
Non-controlling interest	-1	-2	-2	0

*Alternative Performance Measure, refer to "Definitions".

Condensed consolidated balance sheet

SEKm	Dec 31 2022	Dec 31 2021
Assets		
Property, plant and equipment	7,151	7,309
Right of use assets	2,288	1,814
Goodwill	10,187	9,305
Other intangible assets	8,408	7,680
Investments in associated companies	16	36
Derivatives	53	5
Other non-current assets	913	888
Deferred tax assets	1,834	1,534
Total non-current assets	**30,849**	**28,571**
Inventories	19,334	14,030
Trade receivables	6,267	4,310
Derivatives	795	324
Current tax receivables	524	194
Other current assets	1,538	1,283
Cash and cash equivalents	2,328	2,208
Total current assets	**30,787**	**22,349**
Total assets	**61,636**	**50,920**
Equity and liabilities		
Equity attributable to equity holders of the Parent Company	24,002	21,633
Non-controlling interests	10	14
Total equity	**24,011**	**21,646**
Borrowings	8,927	3,772
Lease liabilities	1,708	1,362
Derivatives	-	19
Deferred tax liabilities	2,056	2,237
Provisions for pensions and other post-employment benefits	1,681	2,192
Other provisions	700	634
Total non-current liabilities	**15,072**	**10,217**
Trade payables	7,111	6,990
Current tax liabilities	667	1,636
Other liabilities	4,097	3,936
Borrowings	7,700	4,442
Lease liabilities	649	487
Derivatives	912	686
Other provisions	1,416	878
Total current liabilities	**22,553**	**19,056**
Total equity and liabilities	**61,636**	**50,920**

Condensed consolidated cash flow statement

SEKm	Q4 2022	Q4 2021	Jan-Dec 2022	Jan-Dec 2021
Cash flow from operations				
Operating income	-1,737	-132	3,043	5,746
Non cash items	2,239	238	3,979	2,312
Cash items				
Paid restructuring expenses	-111	-39	-222	-192
Net financial items, received/paid	-108	-22	-247	-180
Taxes paid	-305	152	-2,318	-198
Cash flow from operations, excluding change in operating assets and liabilities	**-22**	**197**	**4,234**	**7,487**
Operating assets and liabilities				
Change in inventories	-2,014	-2,742	-3,832	-2,695
Change in trade receivables	508	1,130	-1,511	-528
Change in trade payables	338	1,304	-336	1,476
Change in other operating assets/liabilities	-876	-1,165	-264	-76
Cash flow from operating assets and liabilities	**-2,043**	**-1,474**	**-5,943**	**-1,824**
Cash flow from operations	**-2,066**	**-1,276**	**-1,709**	**5,664**
Investments				
Acquisitions of subsidiaries/operations	-	-3,935	-85	-3,935
Divestments of subsidiaries/operations	-	-	-	73
Proceeds from sale of property, plant and equipment	26	-1	240	8
Investments in property, plant and equipment and intangible assets	-801	-1,259	-2,344	-2,524
Investments and divestments of financial assets	-4	51	-112	2
Cash flow from investments	**-779**	**-5,144**	**-2,301**	**-6,376**
Cash flow from operations and investments	**-2,845**	**-6,420**	**-4,009**	**-713**
Financing				
Dividend paid to shareholders	-1,141	-917	-1,711	-1,375
Dividend paid to non-controlling interests	-	-	-2	-2
Other financing activities	3,975	2,187	5,688	-1,980
Cash flow from financing	**2,834**	**1,270**	**3,975**	**-3,357**
Total cash flow	**-11**	**-5,150**	**-35**	**-4,070**
Cash and cash equivalents at the beginning of the period	2,423	7,315	2,208	6,151
Exchange rate differences referring to cash and cash equivalents	-84	43	154	126
Cash and cash equivalents at the end of the period	**2,328**	**2,208**	**2,328**	**2,208**

Operating cash flow, SEKm	Q4 2022	Q4 2021	Jan-Dec 2022	Jan-Dec 2021
Cash flow from operations	-2,066	-1,276	-1,709	5,664
Investments in property, plant and equipment and intangible assets	-801	-1,259	-2,344	-2,524
Operating cash flow	**-2,867**	**-2,535**	**-4,052**	**3,140**

Direct operating cash flow, SEKm	Q4 2022	Q4 2021	Jan-Dec 2022	Jan-Dec 2021
EBITDA excl. items affecting comparability	707	436	7,450	7,922
Change in inventories	-2,014	-2,742	-3,832	-2,695
Change in trade receivables	508	1,130	-1,511	-528
Change in trade payables	338	1,304	-336	1,476
Investments in property, plant and equipment and intangible assets	-801	-1,259	-2,344	-2,524
Direct operating cash flow	**-1,261**	**-1,131**	**-572**	**3,651**

Key performance indicators

Income statement

EBITDA*, SEKm	**Q4 2022**	Q4 2021	**Jan-Dec 2022**	Jan-Dec 2021
Operating income	-1,737	-132	3,043	5,746
Reversals				
Depreciation	500	405	1,769	1,527
Amortization	214	176	821	662
Impairments	735	31	753	53
Depreciation, amortization and impairment	1,449	612	3,342	2,241
EBITDA*	**-287**	**480**	**6,385**	**7,987**
Excl. items affecting comparability*	707	436	7,450	7,922
EBITDA margin, %	*-2.8*	*5.8*	*11.8*	*17.0*
Excl. items affecting comparability, %*	*6.8*	*5.3*	*13.8*	*16.8*

Organic growth*

Net sales, Fourth quarter 2022

SEKm	Reported Net sales	Acquisitions / divestments	Net sales adjusted for acquisitions / divestments	Currency translation effect	Net sales adjusted for acquisitions / divestments and changes in exchange rates
2022	10,353	-326	10,028		10,028
2021	8,234		8,234	1,086	9,321
Growth	2,119		1,793		707
Growth, %	***26***		***22***		***8***

Net sales, January - December

SEKm	Reported Net sales	Acquisitions / divestments	Net sales adjusted for acquisitions / divestments	Currency translation effect	Net sales adjusted for acquisitions / divestments and changes in exchange rates
2022	54,037	-3,309	50,728		50,728
2021	47,059		47,059	4,206	51,265
Growth	6,978		3,670		-536
Growth, %	***15***		***8***		***-1***

*Alternative Performance Measure, refer to "Definitions".

Balance sheet

Key data	Dec 31 2022	Dec 31 2021
Operating working capital, SEKm	18,490	11,350
Operating working capital / net sales, %*	*30.6*	*21.8*
Return on capital employed, %	*7.3*	*17.9*
Excl. items affecting comparability, %*	*11.6*	*17.7*
Return on equity, %	*7.9*	*22.2*
Excl. items affecting comparability, %*	*13.6*	*21.9*
Capital turn-over rate, times	1.4	1.9
Equity/assets ratio, %	*39*	*42*
Equity per share after dilution, SEK	41.9	37.7
Average number of employees	14,416	13,873

Net debt*, SEKm	Dec 31 2022	Dec 31 2021
Net pension liability	1,431	1,777
Other interest-bearing liabilities	19,897	10,769
Less: Liquid funds and other interest-bearing assets	-3,618	-2,923
Net debt*	**17,709**	**9,623**
Net debt/equity ratio	0.74	0.44
Net debt/EBITDA excl. Items affecting comparability*	1.8	0.6

Return on capital employed*, SEKm	Dec 31 2022	Dec 31 2021
Total equity and liabilities	61,636	50,920
Deduction; Non interest bearing liabilities:	-16,047	-16,312
Deferred tax liabilities	-2,056	-2,237
Other provisions	-2,116	-1,512
Trade payables	-7,111	-6,990
Current tax liabilities	-667	-1,636
Other liabilities	-4,097	-3,936
Capital employed*	**45,589**	**34,608**
Capital employed* (LTM Average)	**41,710**	**32,116**
Operating income, LTM	3,043	5,746
Return on capital employed*, %	***7.3***	***17.9***
Operating income excl. items affecting comparability*, LTM	4,853	5,684
Return on capital employed excl. items affecting comparability*, %	***11.6***	***17.7***

* Alternative Performance Measure, refer to "Definitions".

Change in Group equity, condensed

SEKm	Attributable to equity holders of the Parent Company	Non-controlling interests	Total equity
Opening balance January 1, 2021	**17,059**	**3**	**17,062**
Share-based payment	194	-	194
Hedge for LTI-programs	-335	-	-335
Dividend	-1,375	-2	-1,377
Total comprehensive income	6,089	0	6,090
Acquisition of non-controlling interest	-	12	12
Closing balance December 31, 2021	**21,633**	**14**	**21,646**
Opening balance January 1, 2022	**21,633**	**14**	**21,646**
Share-based payment	78	-	78
Hedge for LTI-programs	-92	-	-92
Dividend	-1,711	-	-1,711
Total comprehensive income	4,094	-2	4,091
Dividend to non-controlling interest	-	-2	-2
Closing balance December 31, 2022	**24,002**	**10**	**24,011**

Fair value of financial instruments

The Group's financial instruments carried at fair value are derivatives. Derivatives belong to Level 2 in the fair value hierarchy. Future cash flows have been discounted using current quoted market interest rates and exchange rates for similar instruments. Further information about the accounting principles for financial instruments and methods used for estimating the fair value of the financial instruments are described in note 1 and note 20, respectively, in the Annual Report 2021. The carrying value approximates fair value for all financial instruments.

Net sales and income by division and quarter

SEKm	2022				2021			
Group	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Net sales	**10,353**	12,206	15,792	15,685	8,234	10,180	14,614	14,030
Net sales, LTM*	**54,037**	51,918	49,892	48,714	47,059	45,507	44,897	43,764
Operating income	**-1,737**	555	2,065	2,159	-132	926	2,659	2,293
Operating margin, %	***-16.8***	*4.5*	*13.1*	*13.8*	*-1.6*	*9.1*	*18.2*	*16.3*
Operating income excl. IAC*	**-13**	601	2,075	2,190	-180	926	2,645	2,293
Operating margin excl. IAC, %*	***-0.1***	*4.9*	*13.1*	*14.0*	*-2.2*	*9.1*	*18.1*	*16.3*
Operating income, LTM*	**3,043**	4,647	5,018	5,612	5,746	4,934	5,005	4,538
Operating margin, LTM, %*	***5.6***	*9.0*	*10.1*	*11.5*	*12.2*	*10.8*	*11.1*	*10.4*
Operating income, LTM excl. IAC*	**4,853**	4,686	5,011	5,580	5,684	5,734	5,806	5,353
Operating margin, LTM excl. IAC, %*	***9.0***	*9.0*	*10.0*	*11.5*	*12.1*	*12.6*	*12.9*	*12.2*
Net income for the period	**-1,392**	269	1,417	1,638	146	631	2,001	1,659
Husqvarna Forest & Garden	**Q4**	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Net sales	**6,793**	7,761	8,826	8,701	5,231	6,331	8,836	8,820
Net sales, LTM*	**32,082**	30,519	29,089	29,099	29,217	28,483	28,220	27,427
Operating income	**-1,252**	560	1,107	1,392	70	558	1,534	1,537
Operating margin, %	***-18.4***	*7.2*	*12.5*	*16.0*	*1.3*	*8.8*	*17.4*	*17.4*
Operating income excl. IAC*	**273**	555	1,113	1,283	70	558	1,536	1,537
Operating margin excl. IAC, %*	***4.0***	*7.2*	*12.6*	*14.7*	*1.3*	*8.8*	*17.4*	*17.4*
Operating income, LTM*	**1,807**	3,129	3,127	3,554	3,699	3,015	3,000	2,544
Operating margin, LTM, %*	***5.6***	*10.3*	*10.8*	*12.2*	*12.7*	*10.6*	*10.6*	*9.3*
Operating income, LTM excl. IAC*	**3,224**	3,021	3,024	3,447	3,701	3,720	3,705	3,247
Operating margin, LTM excl. IAC, %*	***10.0***	*9.9*	*10.4*	*11.8*	*12.7*	*13.1*	*13.1*	*11.8*
Gardena	**Q4**	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Net sales	**1,470**	2,400	4,775	4,960	1,148	2,031	3,851	3,506
Net sales, LTM*	**13,606**	13,284	12,915	11,991	10,537	10,150	10,067	10,226
Operating income	**-468**	-93	773	706	-277	196	979	654
Operating margin, %	***-31.8***	*-3.9*	*16.2*	*14.2*	*-24.1*	*9.6*	*25.4*	*18.7*
Operating income excl. IAC*	**-314**	-42	776	752	-290	196	969	654
Operating margin excl. IAC, %*	***-21.4***	*-1.7*	*16.3*	*15.2*	*-25.3*	*9.6*	*25.2*	*18.7*
Operating income, LTM*	**918**	1,109	1,398	1,603	1,552	1,534	1,613	1,688
Operating margin, LTM, %*	***6.8***	*8.3*	*10.8*	*13.4*	*14.7*	*15.1*	*16.0*	*16.5*
Operating income, LTM excl. IAC*	**1,173**	1,197	1,434	1,627	1,529	1,524	1,603	1,688
Operating margin, LTM excl. IAC, %*	***8.6***	*9.0*	*11.1*	*13.6*	*14.5*	*15.0*	*15.9*	*16.5*
Husqvarna Construction	**Q4**	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Net sales	**2,071**	2,024	2,157	1,981	1,830	1,795	1,904	1,680
Net sales, LTM*	**8,232**	7,992	7,763	7,511	7,210	6,782	6,528	6,037
Operating income	**80**	183	299	152	144	231	260	205
Operating margin, %	***3.9***	*9.0*	*13.9*	*7.7*	*7.9*	*12.9*	*13.7*	*12.2*
Operating income excl. IAC*	**127**	182	300	245	144	231	260	205
Operating margin excl. IAC, %*	***6.1***	*9.0*	*13.9*	*12.4*	*7.9*	*12.9*	*13.7*	*12.2*
Operating income, LTM*	**713**	778	826	787	840	729	734	613
Operating margin, LTM, %*	***8.7***	*9.7*	*10.6*	*10.5*	*11.7*	*10.7*	*11.2*	*10.2*
Operating income, LTM excl. IAC*	**854**	871	920	880	840	821	826	705
Operating margin, LTM excl. IAC, %*	***10.4***	*10.9*	*11.9*	*11.7*	*11.7*	*12.1*	*12.7*	*11.7*
Group Common	**Q4**	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Net sales	**20**	22	34	43	26	23	22	24
Operating income	**-97**	-95	-114	-90	-69	-59	-114	-103
Operating income excl. IAC*	**-98**	-95	-114	-90	-104	-59	-120	-103

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

*Alternative Performance Measure, refer to "Definitions".

Items affecting comparability

SEKm	Q4 2022	Q4 2021	Jan-Dec 2022	Jan-Dec 2021
Restructuring costs				
Impairment of non-current assets	-730	4	-745	-3
Write-down of inventory	-221	1	-249	1
Other restructuring costs	-811	8	-858	-15
Non-recurring costs relating to Russia and Ukraine				
Write-down of current assets	3	-	-59	-
Write-down / reversal of inventory	101	-	-11	-
Other restructuring costs	-67	-	-67	-
Other				
Sale of property	-	-	178	-
Sale of business	-	-	-	44
Insurance refund	-	35	-	35
Total items affecting comparability	**-1,724**	**48**	**-1,810**	**62**

The fourth quarter included items affecting comparability of SEK -1,724m. Of that, SEK -1,763m was related to the Group's acceleration of its strategic transformation (see page 9), whereof other restructuring costs include costs for reducing the number of employees and impairment of non-current assets include costs for reducing the installed production capacity. SEK -1,536m was related to the Husqvarna Forest & Garden Division, SEK -178m to the Gardena Division, SEK -46m to the Husqvarna Construction Division and SEK -1m to Group costs.

Non-recurring restructuring costs during the full year 2022 included SEK -90m related to integration costs from the acquisition of Blastrac within the Husqvarna Construction Division. Items affecting comparability relating to Russia and Ukraine amounted to SEK -137m for the year. In addition, a property in Norway was sold with a capital gain of SEK 178m.

Classification in the income statement

SEKm	Q4 2022	Q4 2021	Jan-Dec 2022	Jan-Dec 2021
Cost of goods sold	-1,433	13	-1,610	-18
Selling expenses	-189	-	-277	-
Administrative expenses	-103	-	-103	1
Other operating income/expense	-	35	178	79
Total items affecting comparability	**-1,724**	**48**	**-1,810**	**62**

Net assets by segment [1]

	Assets		Liabilities		Net Assets	
SEKm	Dec 31 2022	Dec 31 2021	Dec 31 2022	Dec 31 2021	Dec 31 2022	Dec 31 2021
Husqvarna	26,228	20,422	8,041	6,765	18,187	13,657
Gardena	20,010	17,395	3,213	3,655	16,798	13,740
Construction	9,058	7,994	1,724	1,713	7,334	6,281
Other [2]	2,471	1,771	3,070	4,179	-599	-2,408
Total	**57,767**	**47,581**	**16,047**	**16,312**	**41,720**	**31,270**

[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	Q4 2022	Q4 2021	Jan-Dec 2022	Jan-Dec 2021
Net sales	5,302	4,214	23,308	21,335
Cost of goods sold	-4,991	-2,922	-17,250	-14,623
Gross income	**312**	**1,292**	**6,057**	**6,712**
Selling expense	-586	-442	-1,911	-1,702
Administrative expense	-565	-587	-1,849	-1,744
Other operating income/expense	0	1	0	1
Operating income	**-839**	**264**	**2,298**	**3,267**
Financial items, net	813	1,989	-920	1,552
Income after financial items	**-27**	**2,253**	**1,378**	**4,818**
Appropriations	-728	-779	-858	-842
Income before taxes	**-755**	**1,474**	**521**	**3,976**
Tax on profit for the year	149	151	-14	-280
Income for the period	**-606**	**1,625**	**507**	**3,697**

Condensed balance sheet

SEKm	Dec 31 2022	Dec 31 2021
Non-current assets	41,563	39,079
Current assets	19,759	17,361
Total assets	**61,322**	**56,441**
Equity	32,054	33,318
Untaxed reserves	1,400	1,275
Provisions	408	139
Non-current liabilities	8,749	3,627
Current liabilities	18,710	18,082
Total equity and liabilities	**61,322**	**56,441**

Number of shares

	Outstanding A-shares	Outstanding B-shares	Repurchased B-shares [1]	Total
Number of shares as of December 31, 2021	**111,088,990**	**459,333,459**	**5,921,329**	**576,343,778**
Conversion of A-shares into B-shares	-982,796	982,796	-	-
Shares allocated to 2019 LTI-program	-	1,002,638	-1,002,638	-
Hedge for LTI-programs	-	-971,890	971,890	-
Number of shares as of December 31, 2022	**110,106,194**	**460,347,003**	**5,890,581**	**576,343,778**

[1] All repurchased B-shares are included in a third party share swap agreement.

Definitions

This report includes financial measures as required by the financial reporting framework applicable to Husqvarna Group, which is based on IFRS. In addition, there are other measures (Alternative Performance Measures) used by management and other stakeholders to analyze trends and performance of the Group's operations that cannot be directly read or derived from the financial statements. Husqvarna stakeholders should not consider these as substitutes, but rather as additions, to the financial reporting measures prepared in accordance with IFRS. Please note that the Alternative Performance Measures as defined, may not be comparable to similarly titled measures used by other companies. Refer below for a list of definitions of all measures and indicators used, referred to and presented in this report.

Computation of average amounts

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

Roundings

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

Last twelve months (LTM)

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

Earnings per share, after dilution

Earnings per share is expressed as net income attributable to equity holders of the Parent Company divided by the weighted average number of shares outstanding (net of treasury shares), after dilution. See further IAS 33 Earnings per share. Earnings per share is a good measure of the company's profitability and is used to determine the value of the company's outstanding shares.

Growth measures

Net sales growth

Change in net sales compared to previous period in percent.

Organic growth

Change in net sales, adjusted for acquisitions, divestments and currency translation effects. The measure is important in order to understand the underlying performance of the operations and increases the comparability between periods.

Profitability measures

EBITDA

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

EBITDA margin

EBITDA as a percentage of net sales.

Gross margin

Gross income as a percentage of net sales.

Operating margin

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

Return on capital employed

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

Return on equity

Net income attributable to equity holders of the Parent Company last twelve months as a percentage of average equity attributable to equity holders of the Parent Company. The indicator shows how share holders' capital yields interest during the period.

Share-based measures

Equity per share, after dilution

Equity attributable to equity holders of the Parent Company divided by the weighted average number of shares outstanding (net of treasury shares), after dilution. A measure of the amount of equity that exists per outstanding share and is used for measuring the share against the share price.

Capital indicators

Capital employed

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

Capital expenditure

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

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

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

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

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

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

Capital measures

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

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

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

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

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

Other measures

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

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

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



Telephone conference

A telephone conference of the Q4 report hosted by Pavel Hajman, acting CEO and Terry Burke, CFO will be held at 10:00 CET on February 1, 2023.

To view the presentation, please use the link:
https://husqvarna-group.creo.se/230201/

The dial-in to the telephone conference (in order to ask questions):
+46 (0) 8 5051 0031 (Sweden) or +44 207 107 06 13 (UK).

Dates for Financial Reports 2023

April 20	Interim report for January-March 2023
July 18	Interim report for January-June 2023
October 20	Interim report for January-September 2023

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This report contains insider information that Husqvarna AB is required to disclose under the EU Market Abuse Regulation and the Securities Markets Act. The information was submitted for publication, through the contact person set out above, at 07.30 CET on February 1, 2023.

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.