

V O L V O

FIRST QUARTER 2023

Martin Lundstedt

President and CEO

Volvo Group

First quarter 2023

2023-04-20

Volvo Group

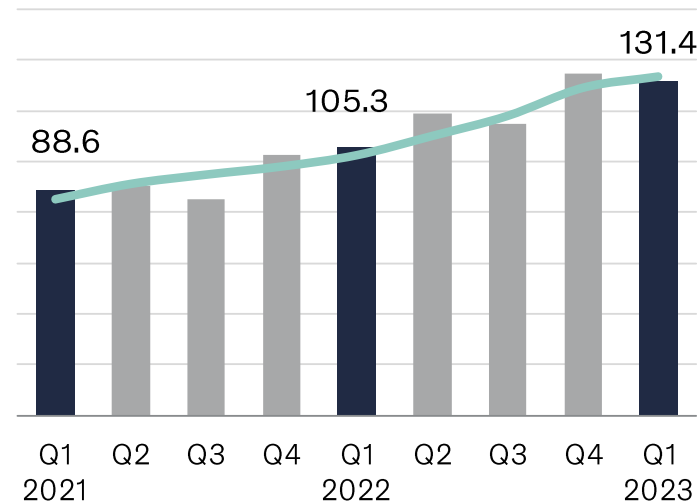
First quarter highlights

- Net sales increased to SEK 131.4 bn, an increase of 17% adjusted for FX
- Adjusted operating income reached SEK 18.4 bn (12.7), corresponding to a margin of 14.0% (12.0)
- Operating cash flow in Industrial Operations amounted to SEK 5.0 bn (-5.4)
- ROCE 30.3% (25.3) in Industrial Operations
- EPS increased by 84% to SEK 6.35 (3.46)

NET SALES

SEK bn

— 12 months SEK 500 bn

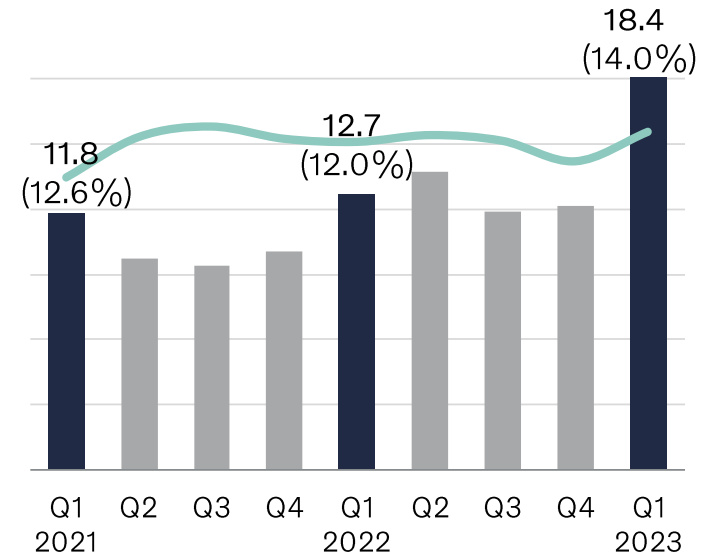


Net sales restated for UD Trucks divestment

ADJUSTED OPERATING INCOME

SEK bn (margin)*

— 12 months 11.2%



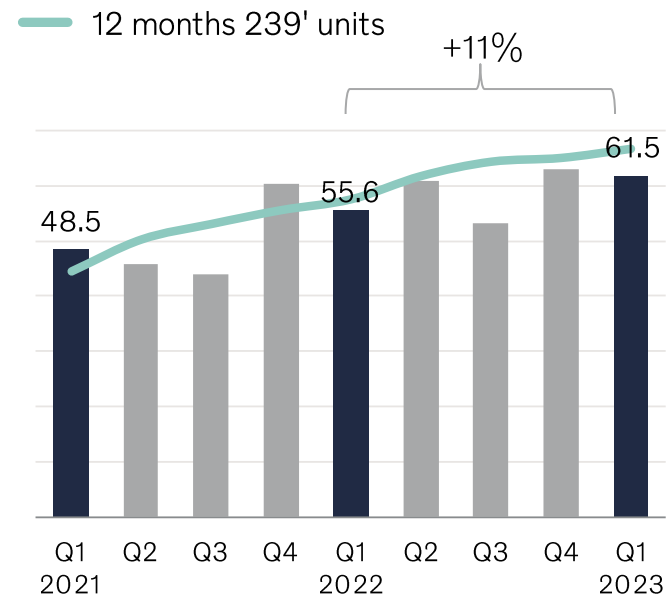
*For information on adjustments, see note 6 in the quarterly report

Volvo Group

Volume development

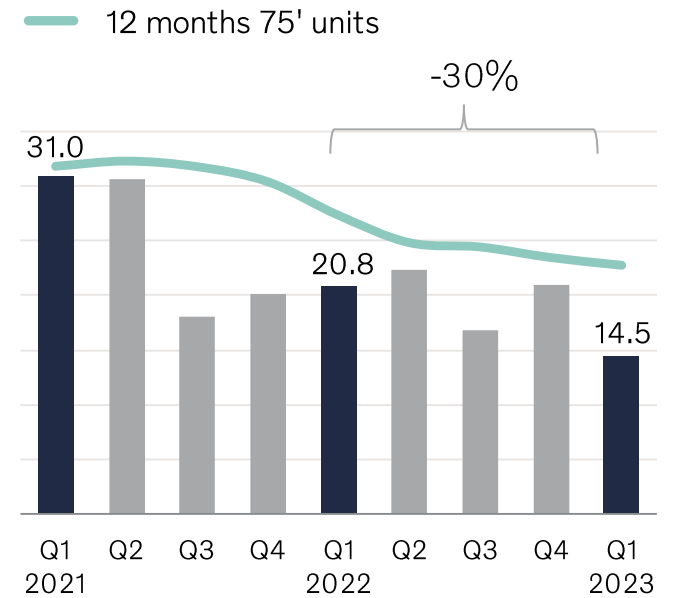


TRUCK DELIVERIES



Deliveries restated for UD Trucks divestment

MACHINE DELIVERIES



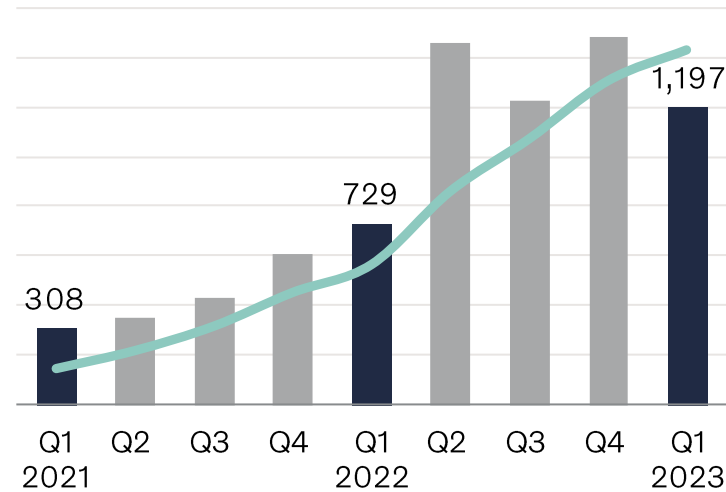
Volvo Group

Electrification progress



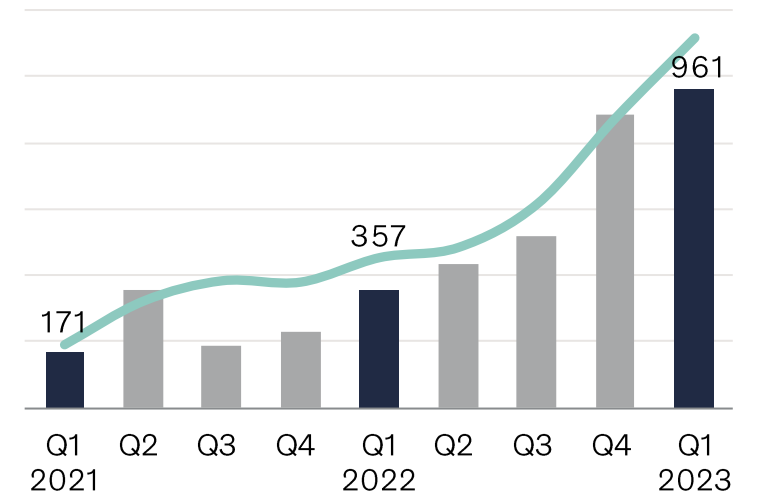
ORDER INTAKE, FULLY ELECTRIC VEHICLES

12 months 5,360 units



DELIVERIES, FULLY ELECTRIC VEHICLES

12 months 2,798 units



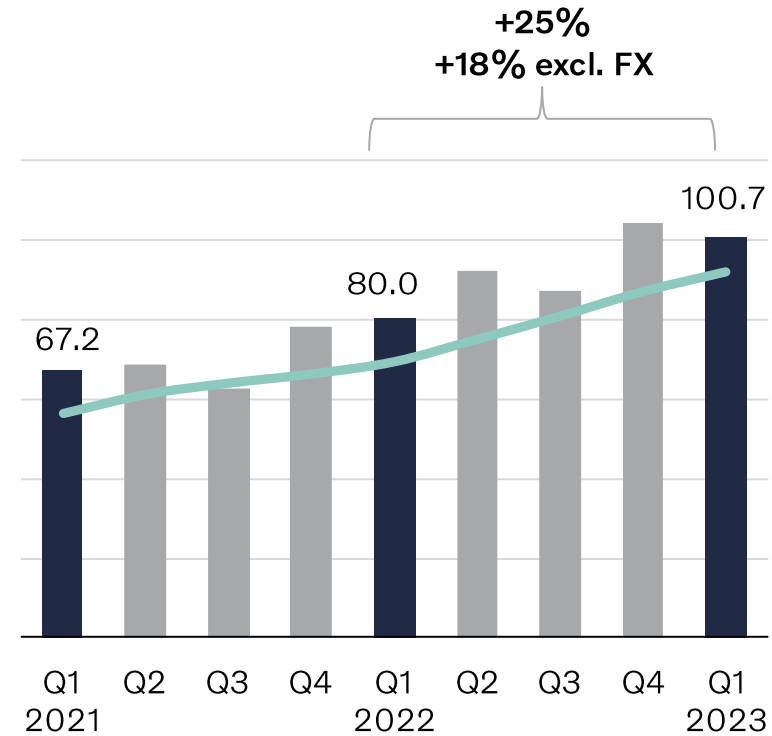
Including Designwerk and Nova Bus

Volvo Group

Vehicle and machine sales development

VEHICLE SALES

SEK bn  12 months SEK 384 bn



Vehicle sales restated for UD Trucks divestment



YoY GROWTH %



24%

TRUCKS



5%

CONSTRUCTION
EQUIPMENT



32%

BUSES



31%

VOLVO PENTA

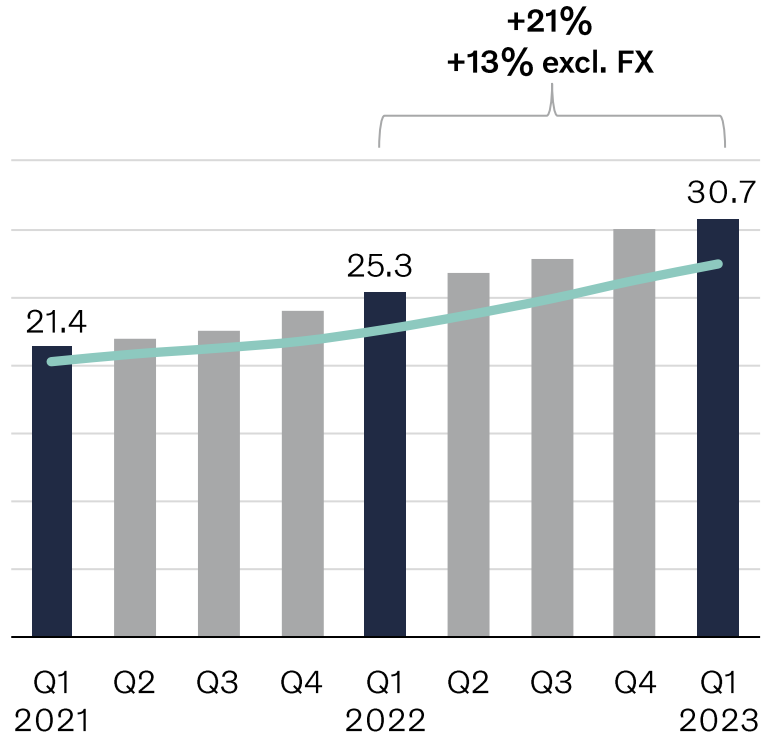
All figures are excluding FX

Volvo Group

Service sales development

SERVICE SALES (incl. Financial Services)

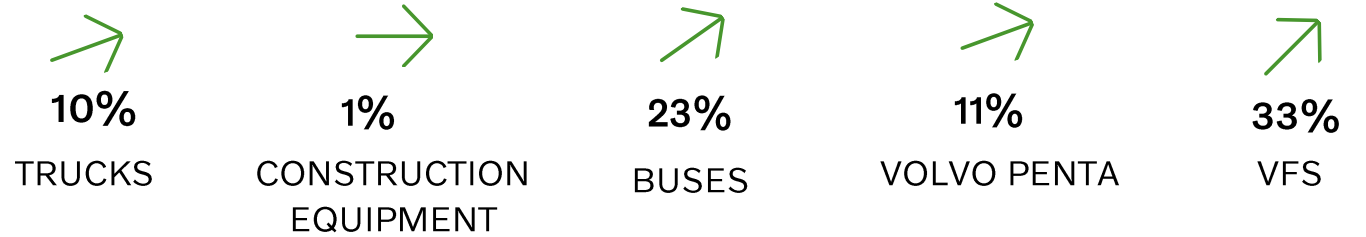
SEK bn — 12 months SEK 115 bn



Vehicle sales restated for UD Trucks divestment



YoY GROWTH %



All figures are excluding FX

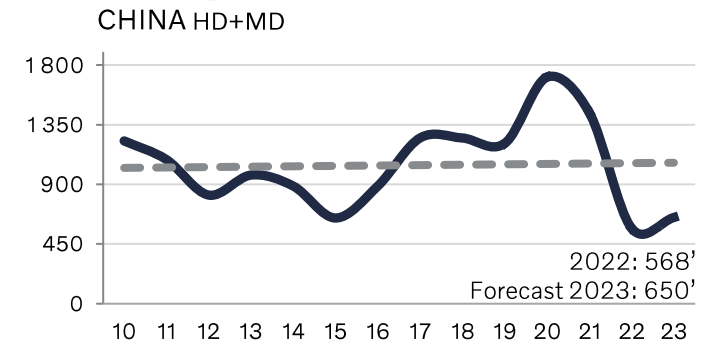
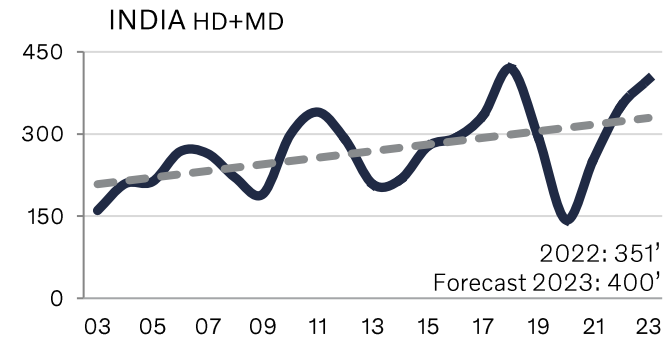
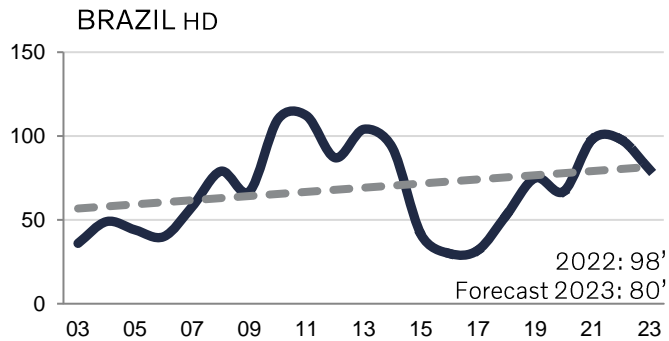
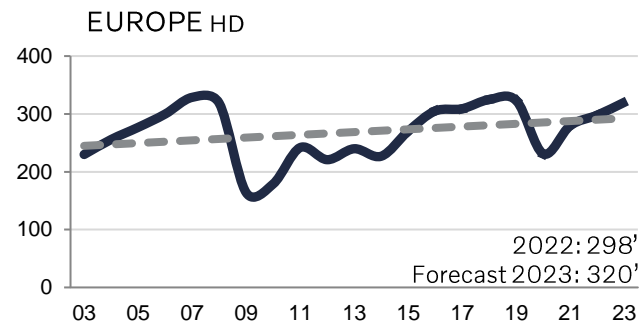
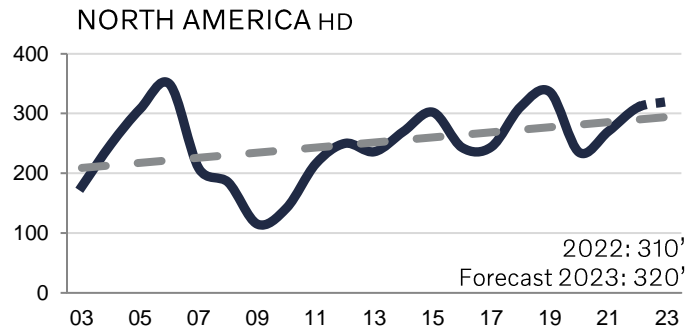
Trucks

- Volvo Trucks started production of heavy-duty rigid electric trucks
- Volvo Trucks and Boliden collaborate on deployment of underground electric trucks for mining
- Mack Trucks launched medium-duty electric models for North America
- The existing technology cooperation with Isuzu Group was extended to also include Isuzu branded vehicles



Trucks

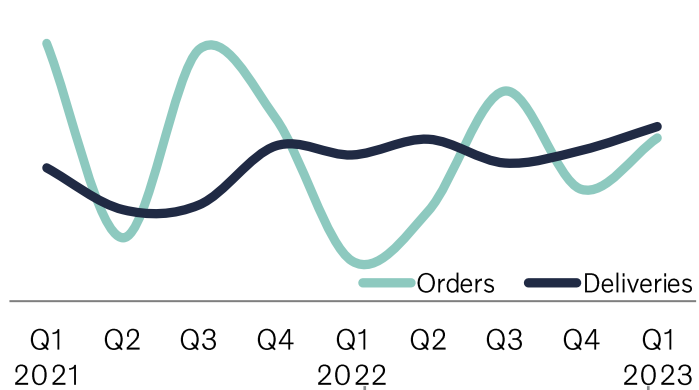
Market environment



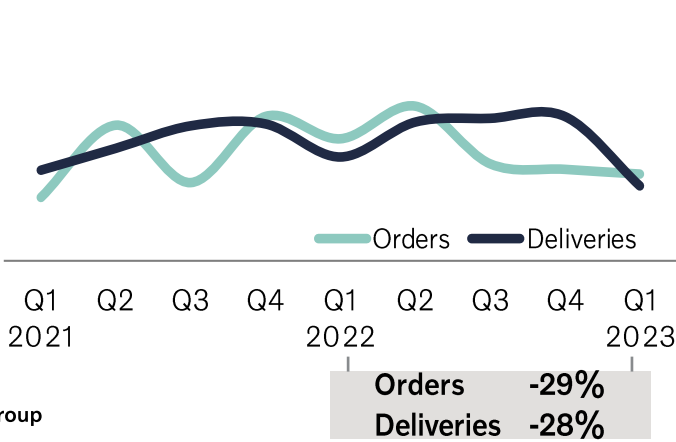
Trucks

Quarterly orders +32% and deliveries +11%

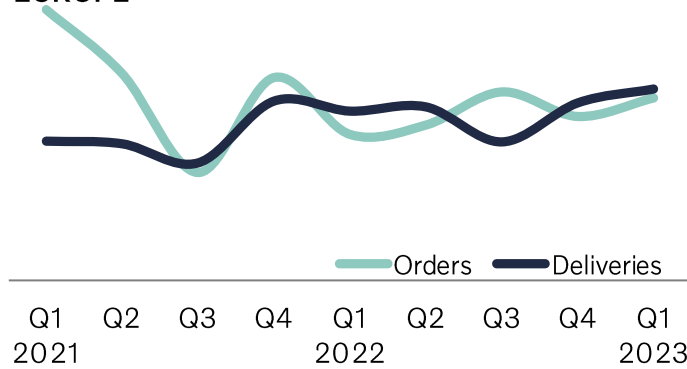
NORTH AMERICA



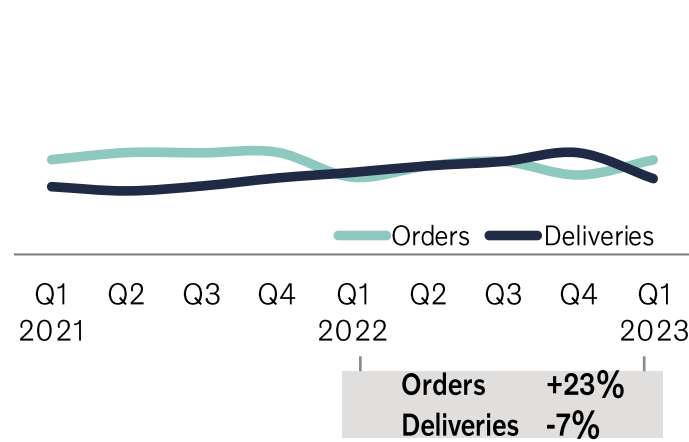
SOUTH AMERICA



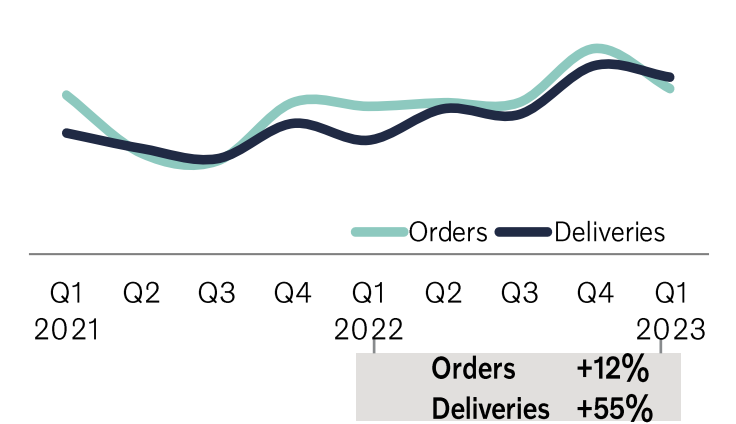
EUROPE



AFRICA AND OCEANIA



ASIA

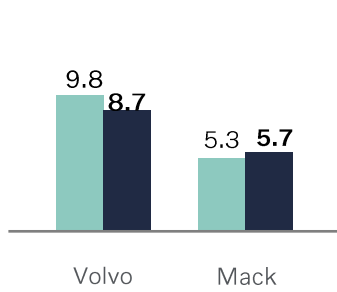


Trucks

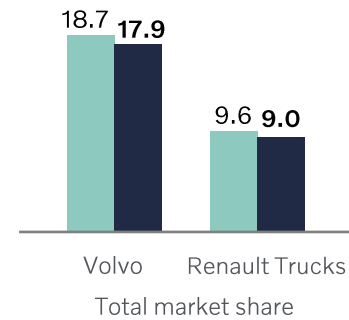
Heavy-duty truck market shares



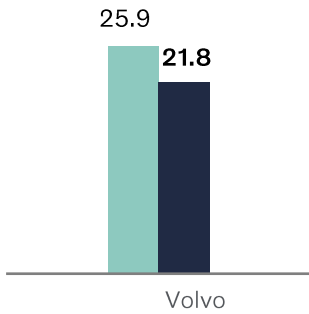
NORTH AMERICA
YTD Mar



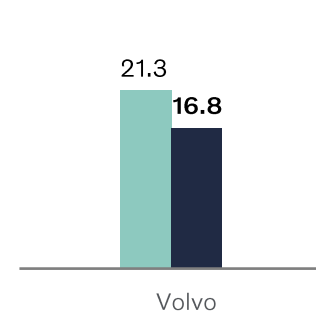
EUROPE (EU29)
YTD Mar



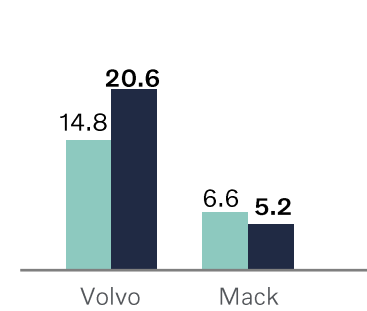
BRAZIL
YTD Mar



SOUTH AFRICA
YTD Mar



AUSTRALIA
YTD Mar



2022 2023

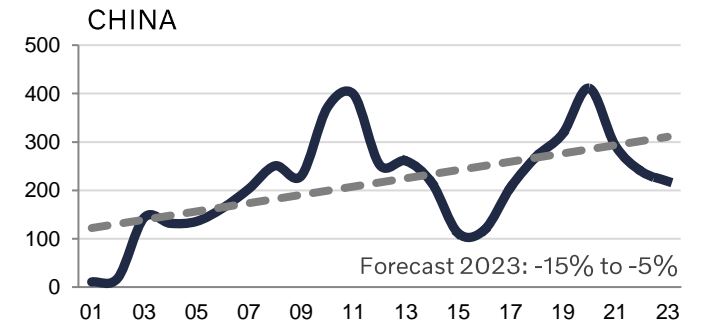
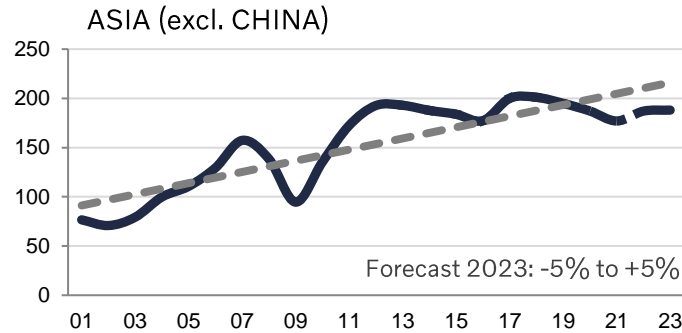
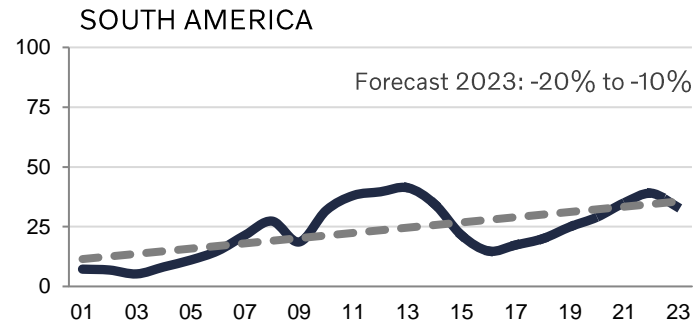
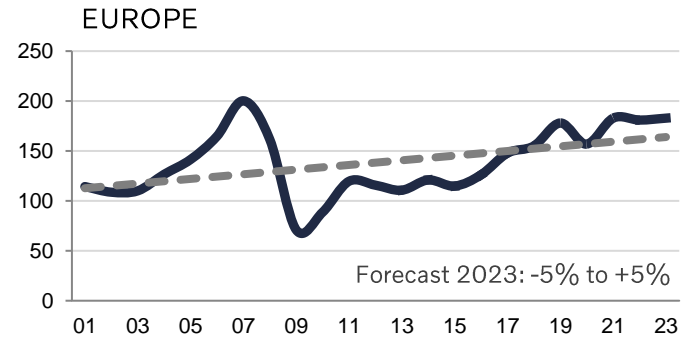
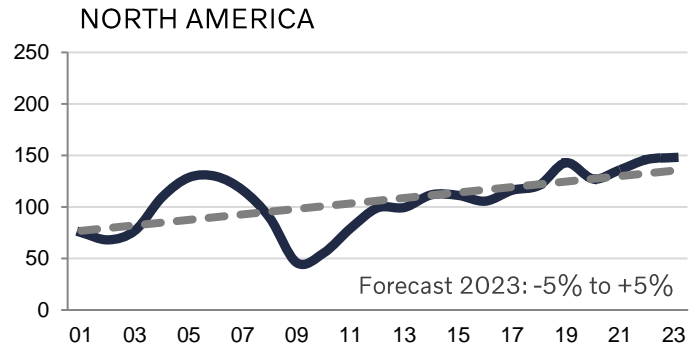
Construction Equipment

- New midsize wheel loader with electric conversion
- Investment in battery pack production at the excavator plant in South Korea
- Good customer reception to product launches at ConExpo
- Electric machine orders increased 84% and deliveries increased 79%



Construction Equipment

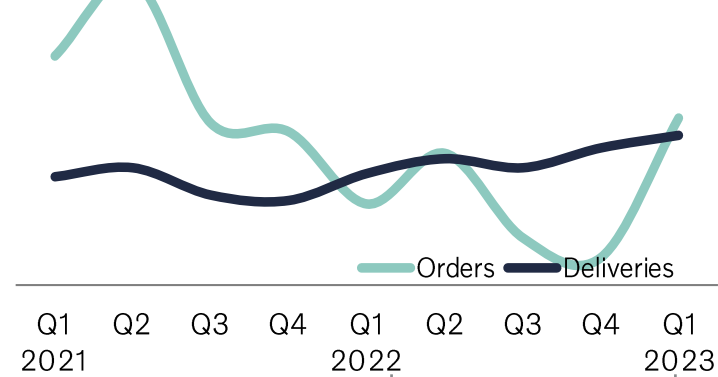
Market environment



Construction Equipment

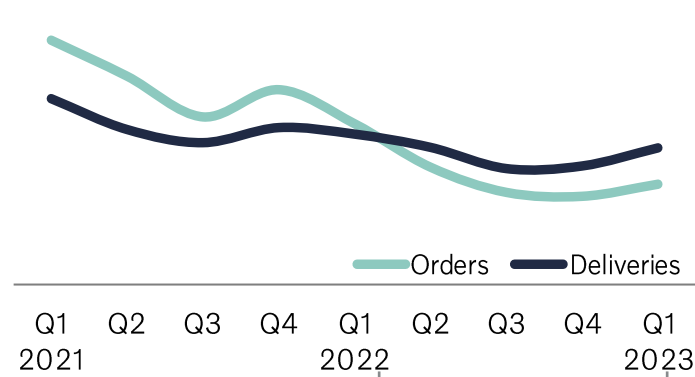
Quarterly orders -35% and deliveries -30%

NORTH AMERICA



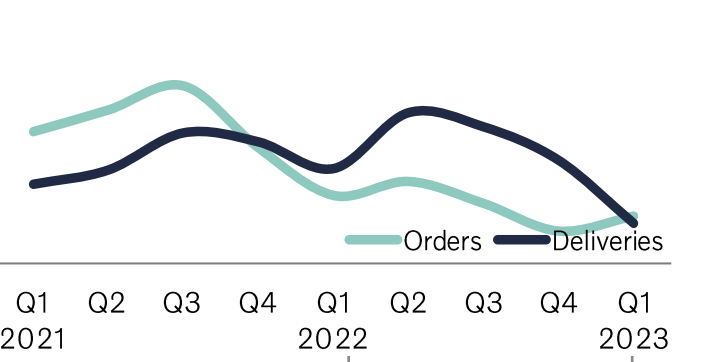
Orders +107%
Deliveries +35%

EUROPE



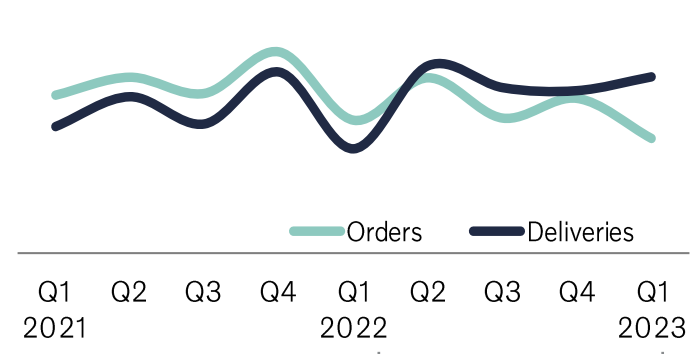
Orders -37%
Deliveries -9%

SOUTH AMERICA



Orders -30%
Deliveries -58%

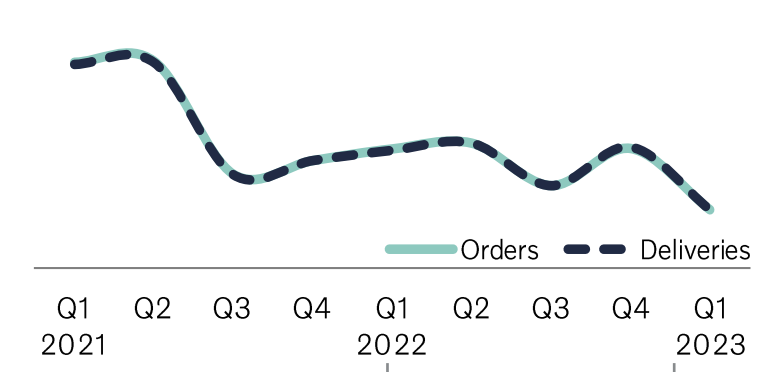
AFRICA AND OCEANIA



Orders -14%
Deliveries +69%



ASIA



Orders -50%
Deliveries -50%

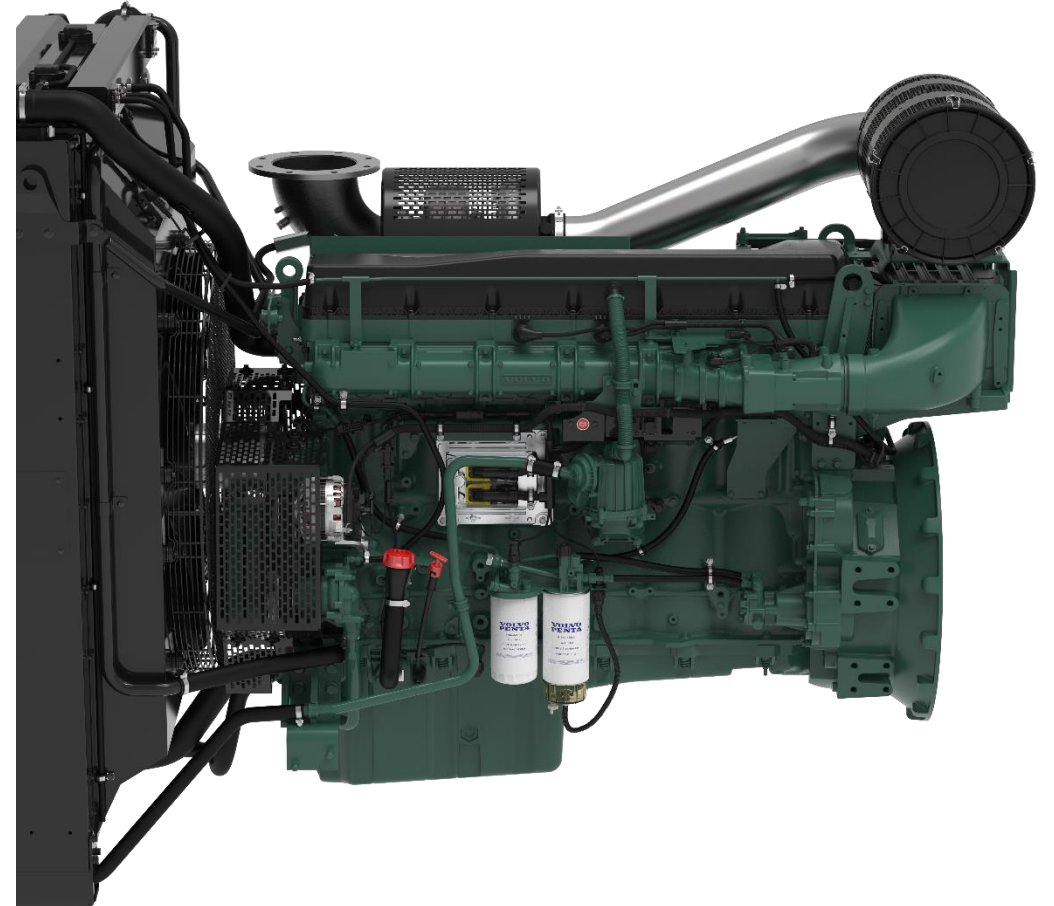
Buses

- Orders increased by 4%
- Deliveries increased by 25%
- New business model in Europe:
 - Focus inhouse resources on chassis
 - Use external body builders
- Prevest launched an all-new version of its H3-45 coach model which is more aerodynamic and up to 12% more fuel efficient



Volvo Penta

- Orders decreased by 6%
- Deliveries increased by 11%
- Volvo Penta has expanded its genset range and launched its most powerful engine, D17
- To accelerate entry into the utility sector Volvo Penta acquired a minority stake in Utility Innovation Group in the US

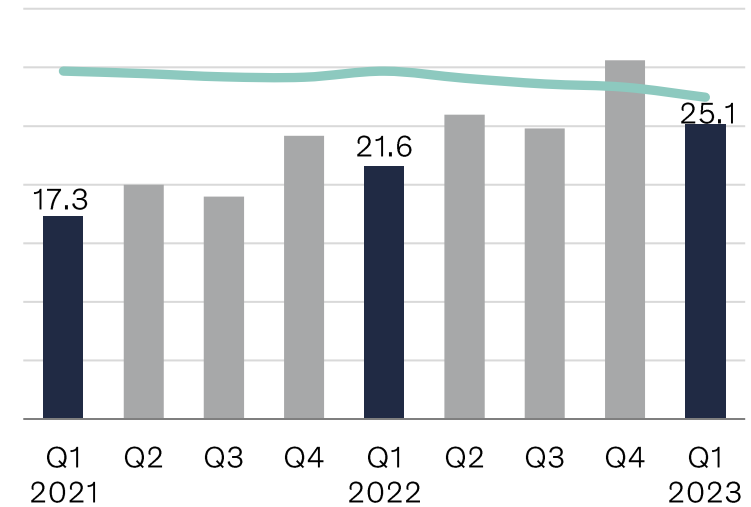


Financial Services

- Good growth in new business volumes
- Penetration trending down due to continued competitive environment
- Stable portfolio performance

NEW RETAIL FINANCING & PENETRATION RATE*

SEK bn Penetration rate 12 months 27 %



**All figures exclude activity related to Russia and Belarus*

V O L V O

FIRST QUARTER 2023

Jan Ytterberg

Acting CFO and Executive Vice President Group Finance

Volvo Group

First quarter 2023

2023-04-20

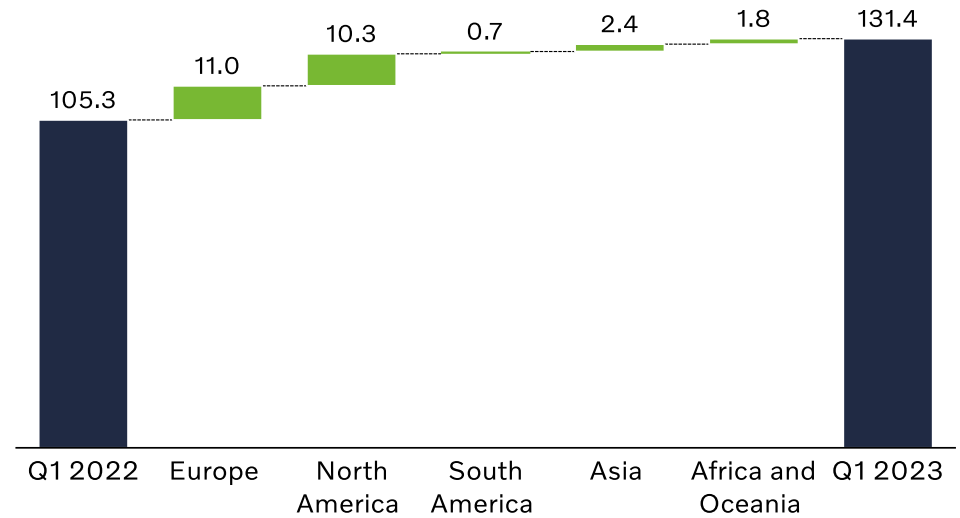
Volvo Group

Net sales per market



NET SALES
SEK bn

Currency SEK +8.5 bn



Volvo Group

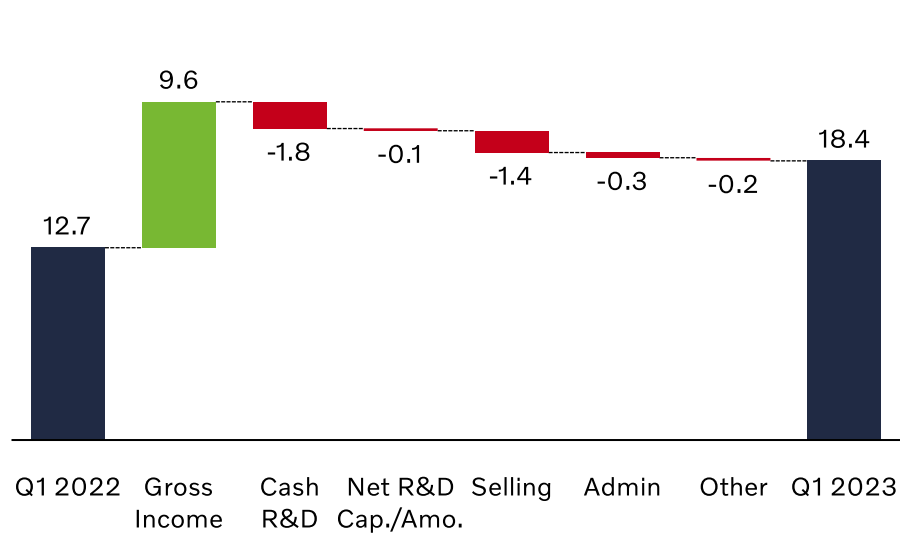
Adjusted operating income contributors



ADJUSTED OPERATING INCOME

SEK bn

Currency SEK +1.7 bn



- + Price realization
- + Brand and product mix in Construction Equipment



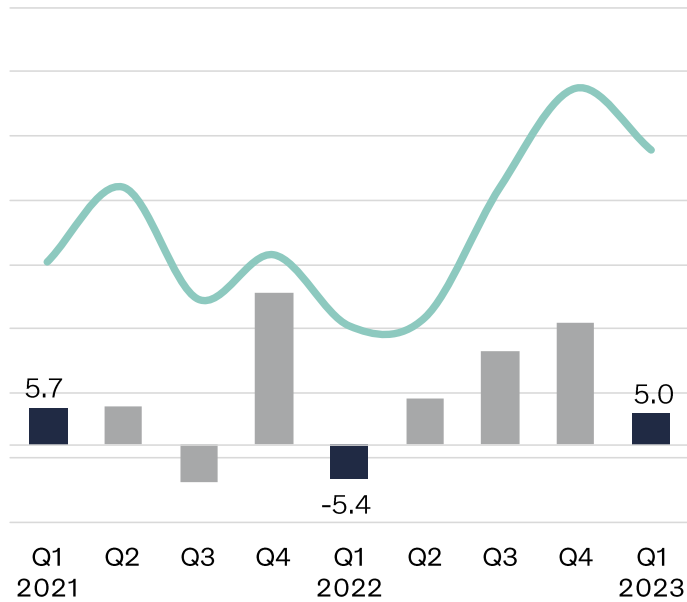
- Material costs
- R&D expenses
- Selling expenses

Volvo Group

Cash flow, financial position and ROCE in Industrial Operations

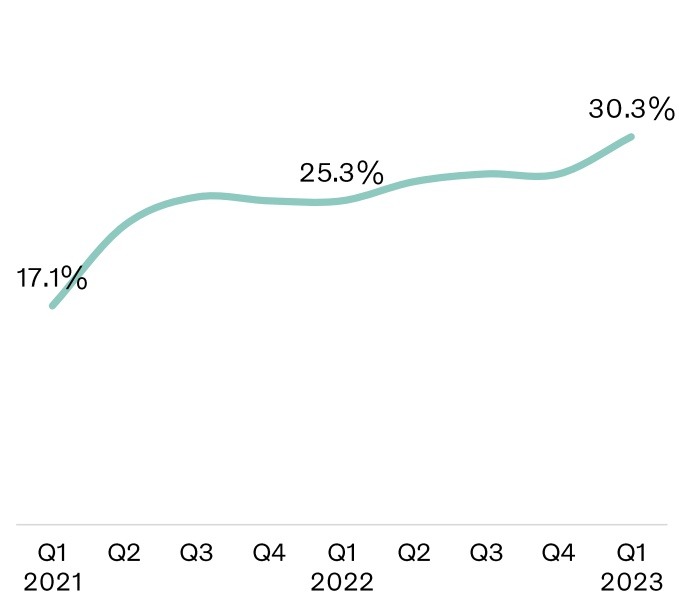
OPERATING CASH FLOW

SEK bn — 12 months SEK 45.7 bn



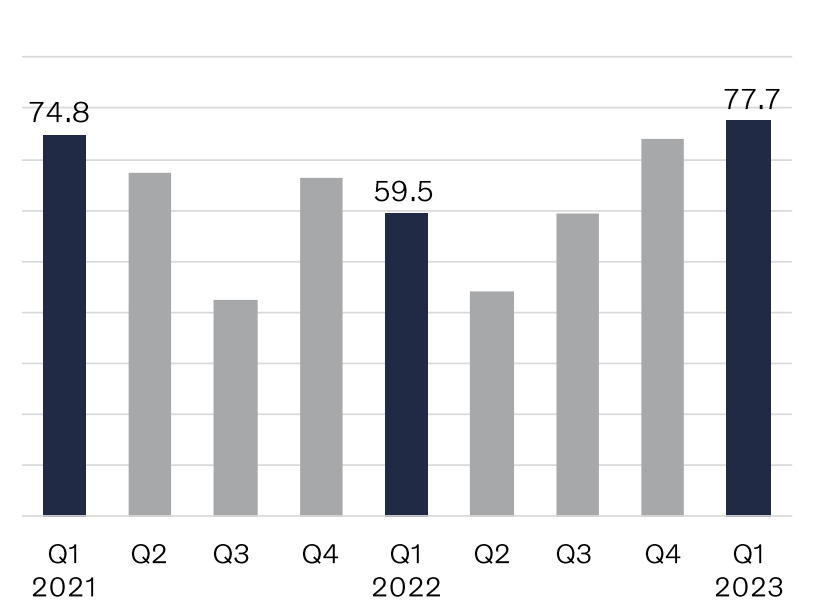
ROCE

% 12 months



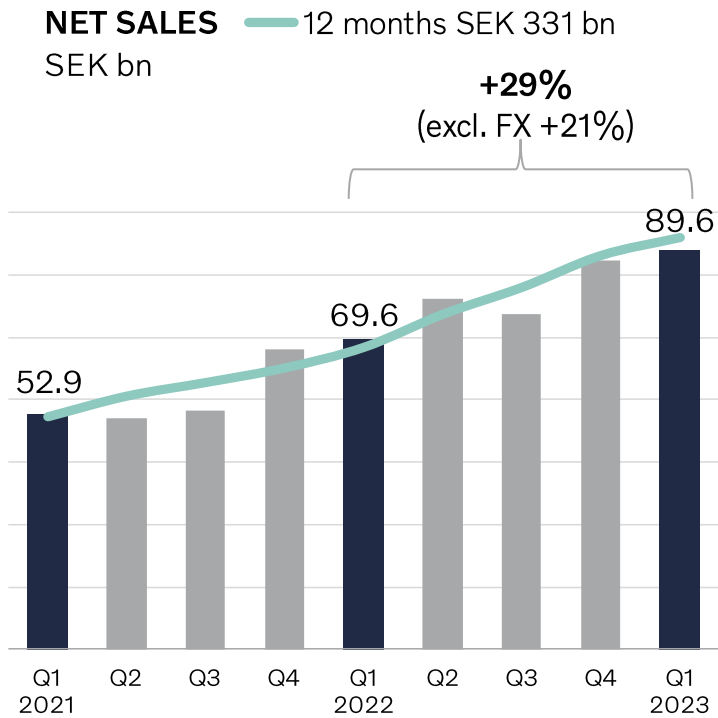
FINANCIAL POSITION

(Excl. pensions and lease liabilities)
SEK bn

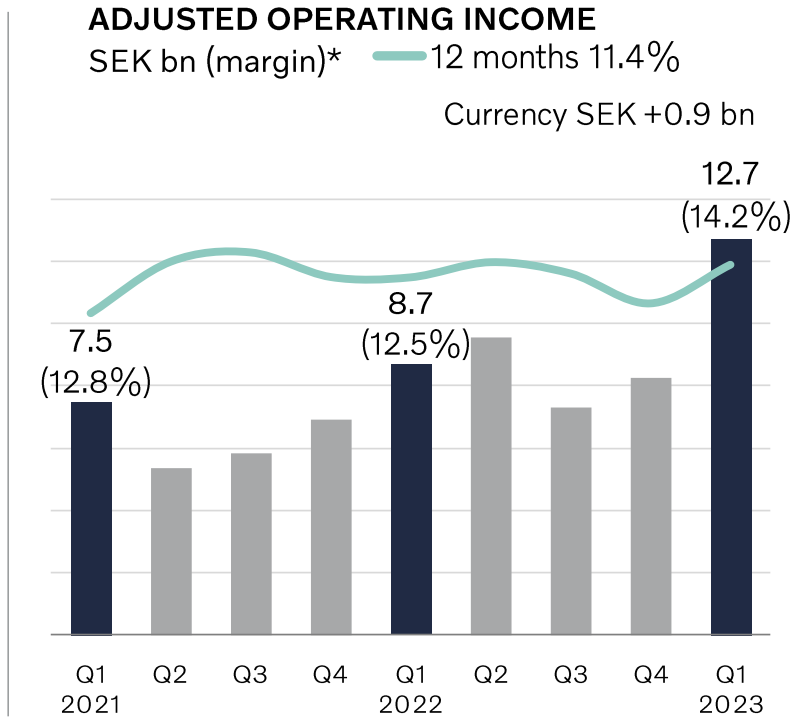
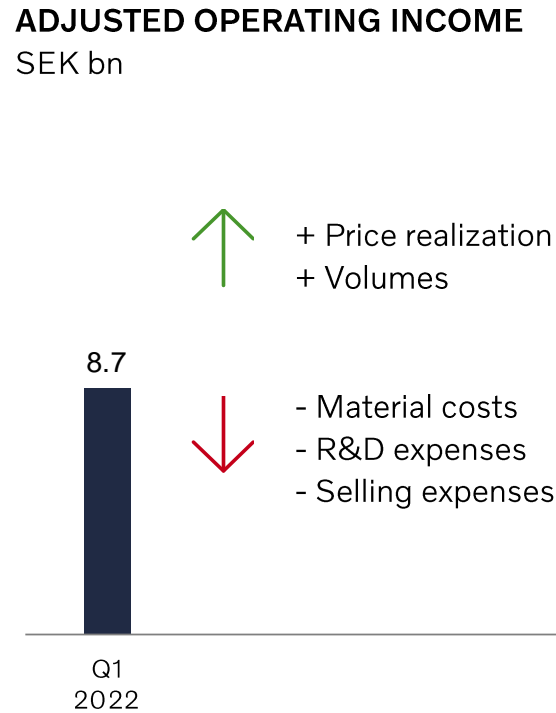


Trucks

Net sales and adjusted operating income



Net sales restated for UD Trucks divestment

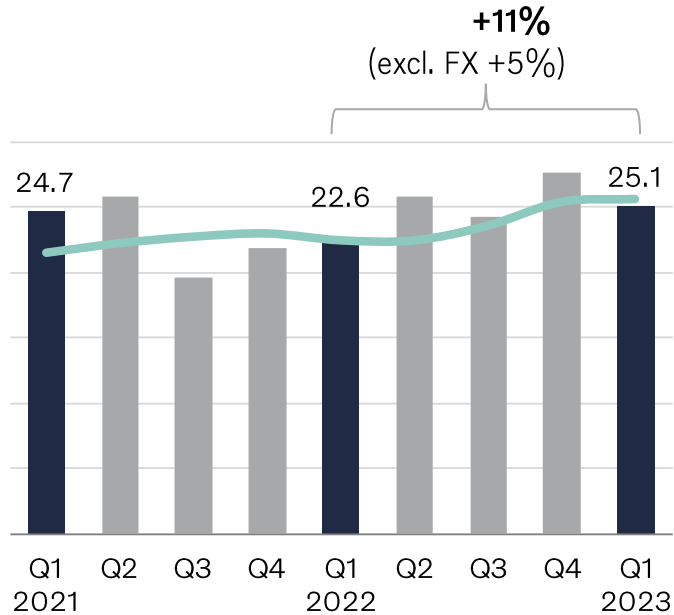


*For information on adjustments, see note 6 in the quarterly report

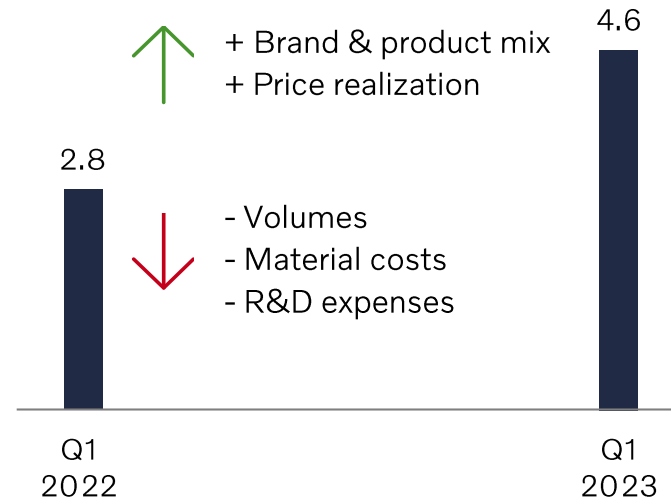
Construction Equipment

Net sales and adjusted operating income

NET SALES 12 months SEK 103 bn
SEK bn

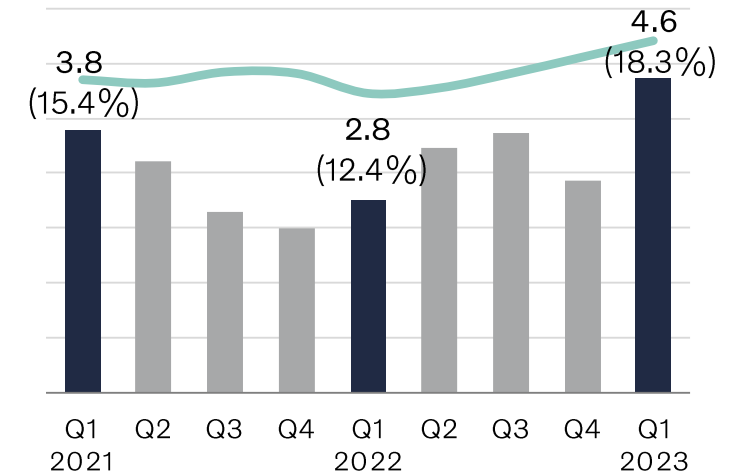


ADJUSTED OPERATING INCOME
SEK bn



ADJUSTED OPERATING INCOME

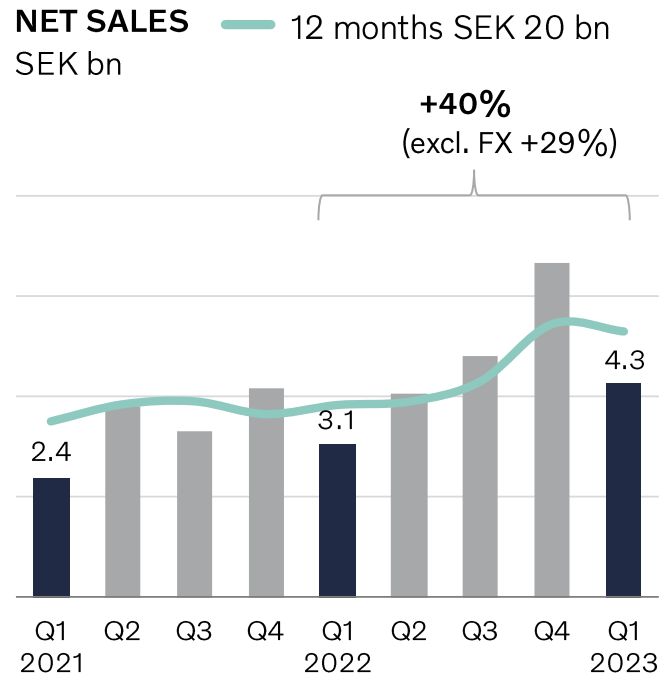
SEK bn (margin)* 12 months 14.6%
Currency SEK +0.6 bn



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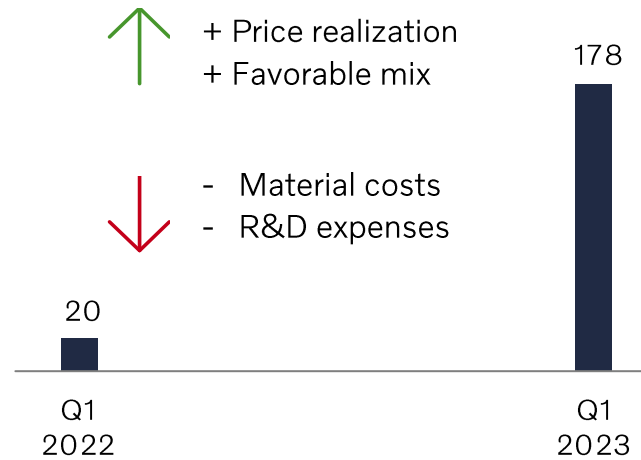
Buses

Net sales and adjusted operating income

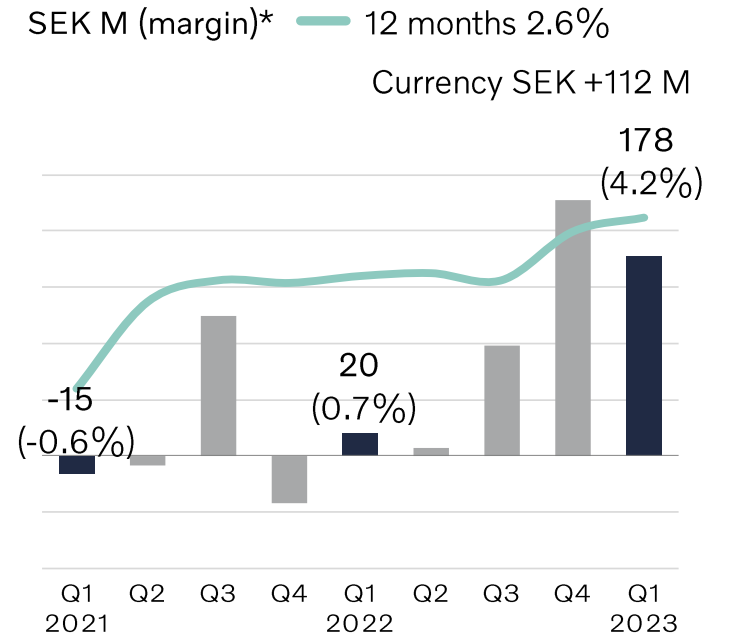


All numbers restated to exclude Nova Bus which is now included in segment 'Group Functions and other'

ADJUSTED OPERATING INCOME
SEK M



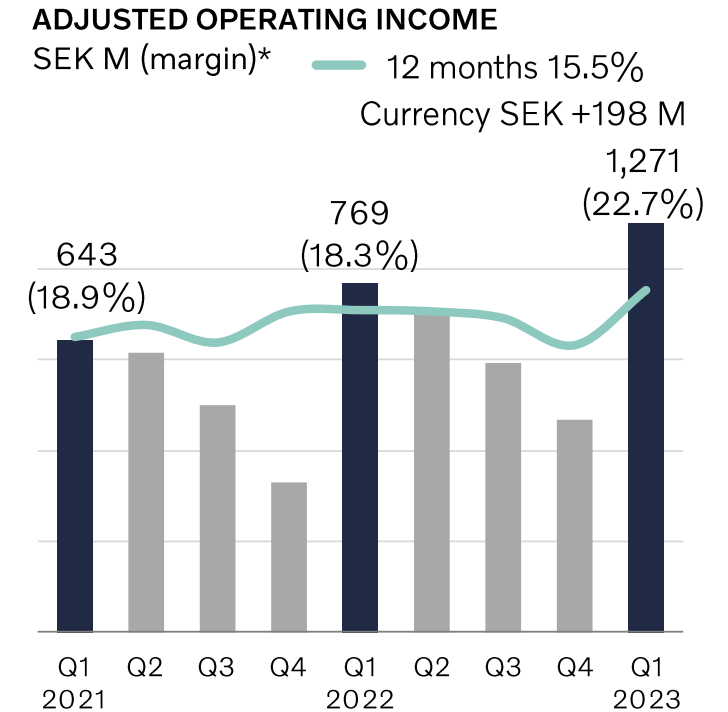
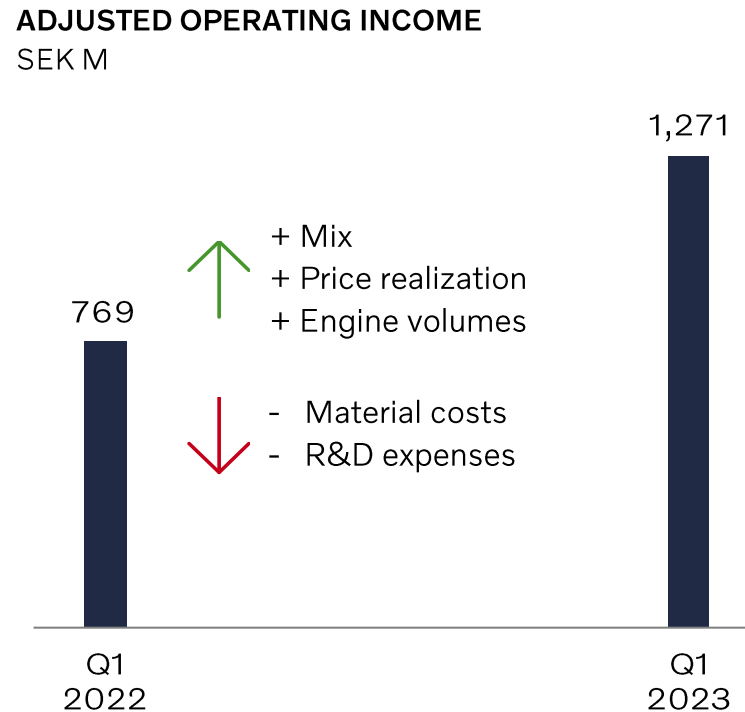
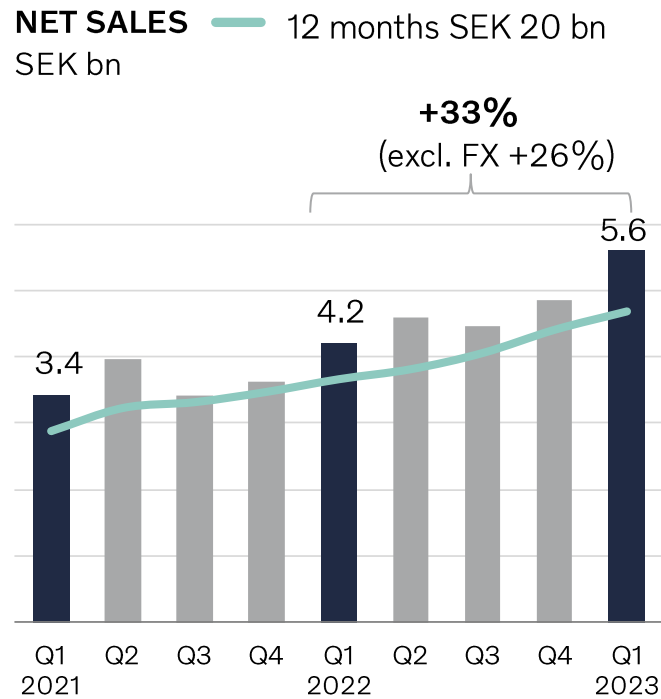
ADJUSTED OPERATING INCOME



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Volvo Penta

Net sales and adjusted operating income



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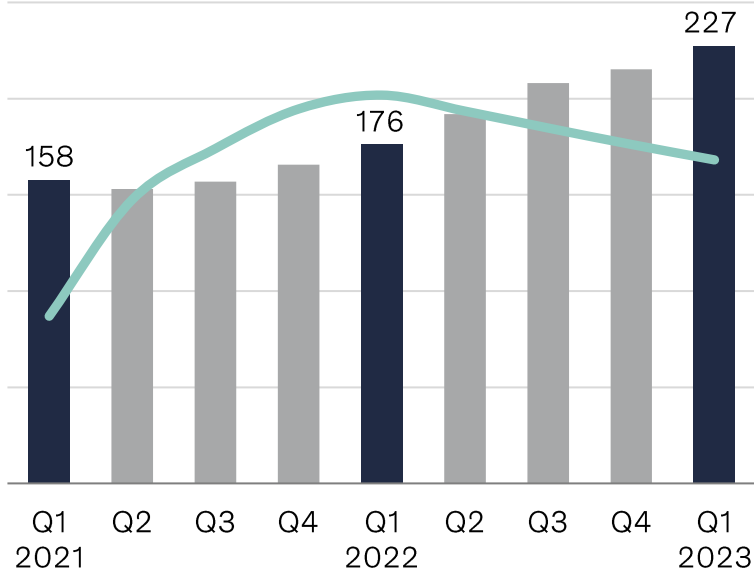
Financial Services

Credit portfolio and profitability

CREDIT PORTFOLIO & ROE*

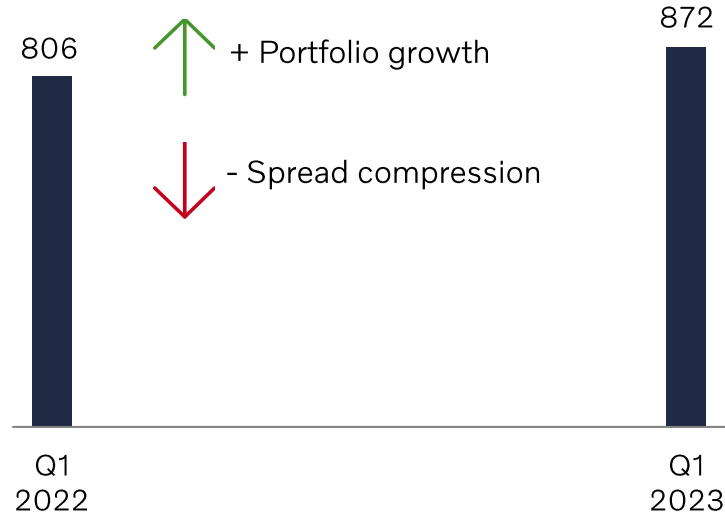
SEK bn

ROE 12 months 14.8%



ADJUSTED OPERATING INCOME*

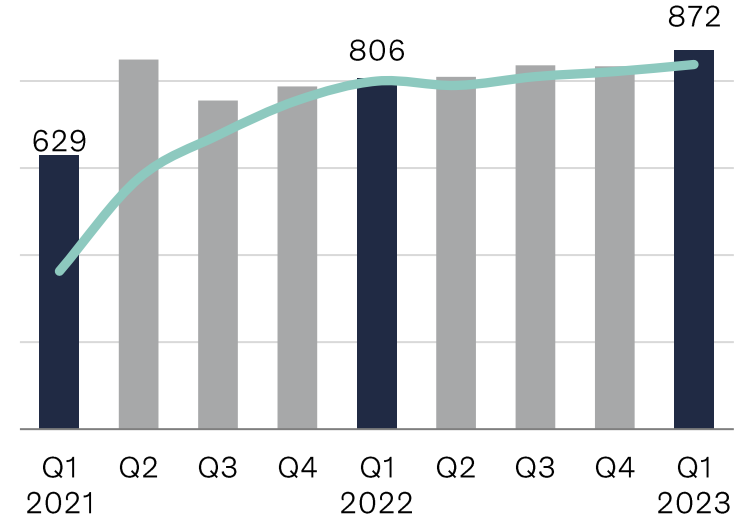
SEK M



ADJUSTED OPERATING INCOME *

SEK M

12 months SEK 3351 M
Currency SEK +75 M



*All figures exclude activity related to Russia and Belarus
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Volvo Group

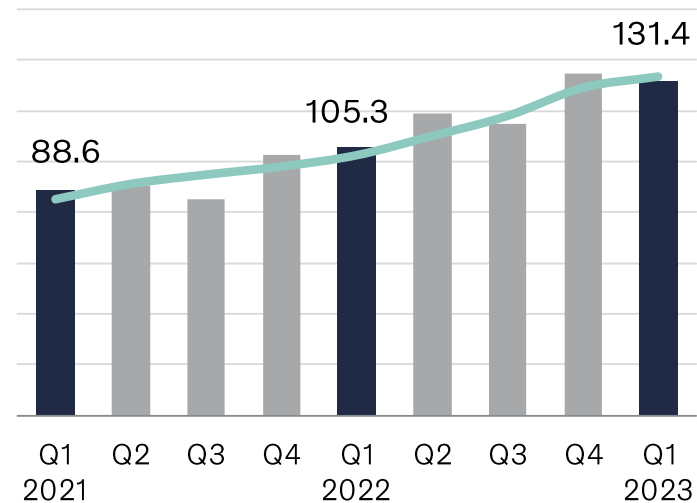
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NET SALES

SEK bn

— 12 months SEK 500 bn

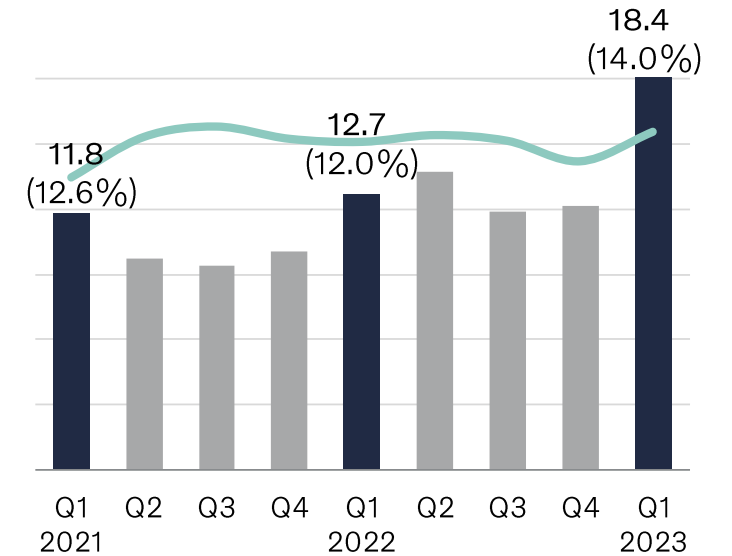


Net sales restated for UD Trucks divestment

ADJUSTED OPERATING INCOME

SEK bn (margin)*

— 12 months 11.2%



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