

V O L V O

VOLVO GROUP  
REPORT ON THE FIRST QUARTER  
2024



**Net sales amounted to  
SEK 131.2 billion (131.3)**

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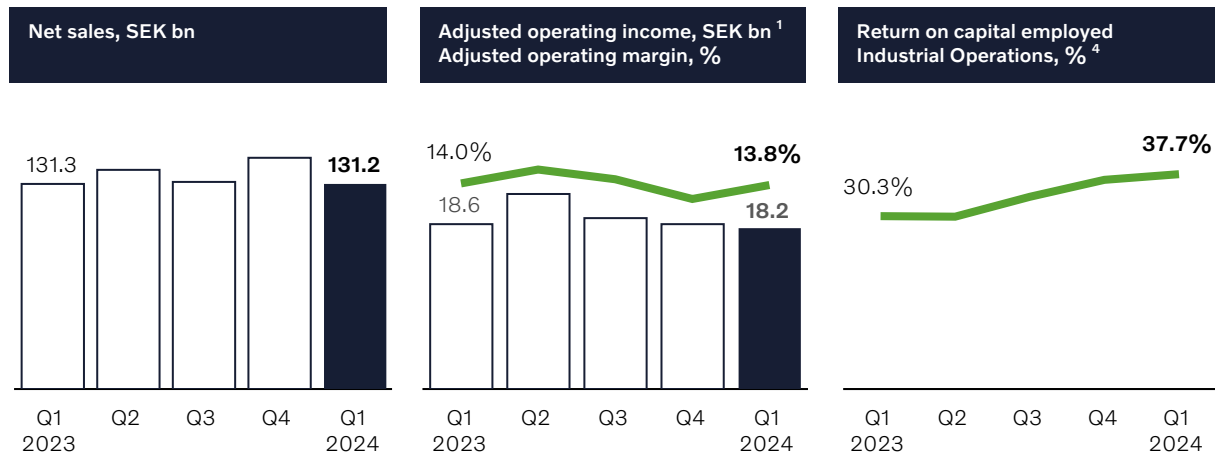
**Adjusted operating  
income amounted to  
SEK 18,159 M (18,566)**

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## 2 IN BRIEF



- In Q1 2024, net sales were on the same level as in the previous year and amounted to SEK 131.2 billion (131.3). Also when adjusted for currency movements, net sales were flat.
- Adjusted operating income<sup>1</sup> amounted to SEK 18,159 M (18,566), corresponding to an adjusted operating margin of 13.8% (14.0). There were no adjustments in Q1 2024. In Q1 2023, a negative effect of SEK 1,300 M was excluded from adjusted operating income.
- Reported operating income amounted to SEK 18,159 M (17,266).
- Currency movements had a negative impact on operating income of SEK 346 M.
- Earnings per share amounted to SEK 6.92 (6.35).
- Operating cash flow in the Industrial Operations amounted to SEK 8,896 M (5,004).
- Return on capital employed in the Industrial Operations amounted to 37.7% (30.3).



SEK M unless otherwise stated	First quarter	
	2024	2023
Net sales	131,177	131,303
Adjusted operating income <sup>1</sup>	18,159	18,566
Adjusted operating margin, %	13.8	14.0
Operating income <sup>2</sup>	18,159	17,266
Operating margin, %	13.8	13.0
Income after financial items	18,442	16,797
Income for the period	14,103	12,934
Earnings per share, SEK	6.92	6.35
Operating cash flow in Industrial Operations	8,896	5,004
Net financial position in Industrial Operations <sup>3</sup> , SEK bn	88.7	77.7
Return on capital employed in Industrial Operations <sup>4</sup> , %	37.7	30.3
Return on equity in Financial Services <sup>4</sup> , %	13.0	11.0
Net order intake, number of trucks	48,701	60,040
Deliveries, number of trucks	55,470	61,531
Net order intake, number of construction equipment	13,851	13,342
Deliveries, number of construction equipment	14,456	14,468

1 For information on adjusted operating income, please see note 6.

2 As from 2024, elimination of internal interest income related to internal funding from Volvo Treasury AB to Financial Services is reclassified from finance net to gross income. The comparative figures in the financial statements for 2023 have been restated accordingly, impacting operating income positively with SEK 158 M in Q1 2023. The effect on key ratios is insignificant.

3 Excluding post-employment benefits and lease liabilities.

4 12 months rolling.



### 3 CEO'S COMMENTS

## Good profitability on lower volumes

**“We are committed to driving the day-to-day performance of our business and the transformation of our industries towards safer and more sustainable solutions.”**

During Q1 2024, demand continued to normalize at good levels across many of the Volvo Group's markets. Adjusted for currency, net sales were on the same level as in Q1 2023 and amounted to SEK 131.2 billion. Invoiced price continued to increase, mainly on the back of carry-over from the price increases we gradually implemented last year. Adjusted operating income amounted to SEK 18.2 billion (18.6), which corresponds to a margin of 13.8% (14.0). Return on capital employed improved to 37.7% (30.3). We continue to prioritize quality in the business.

Operating cash flow in our Industrial Operations amounted to SEK 8.9 billion (5.0), driven by the earnings and good inventory management. At the end of the quarter, we had a net financial position of SEK 88.7 billion, excluding pension and lease liabilities and before the distribution of the dividend in April.

Overall, utilization of vehicles and machines remained on a good level and this supported the service business, which grew by 6% adjusted for currency. The service business is an area of priority because it contributes to improving our customers' productivity, strengthens our relationships and provides financial resilience for the Volvo Group. On a rolling 12 month basis we have service revenues of SEK 129 billion.

In Q1, we delivered 55,470 trucks, which was 10% fewer than in the year before and net order intake declined by 19% to 48,701 trucks. In Europe, order backlogs and lead times have normalized. Through the quarter we gradually reduced production capacity in Europe and anticipate to be in balance during Q2. In North America, Mack Trucks' order backlogs are still extended, partly due to the strike in November, which pushed already sold production slots from 2023 into 2024. Therefore, Mack has been restrictive in slotting orders into production. In Brazil, both deliveries and order intake increased significantly. Overall, net sales in our truck business were on par with last year and amounted to SEK 89.9 billion (89.6). The adjusted operating margin increased to 14.5% (14.2).

In Q1, Volvo Trucks unveiled an all-new heavy-duty truck platform for the North American market in parallel to a new heavy-duty truck range for Europe, Australia and markets in Asia and Africa. The new ranges provide significant improvements in energy efficiency and customer profitability. We also continue to develop our presence in North America and have decided to add capacity by building a new plant for cabs and final assembly for Volvo Trucks and Mack Trucks in Mexico. We plan to have the plant up and running in 2026 and it will be a strong complement to our main sites in Virginia and Pennsylvania in the US.

For Construction Equipment, demand for new machines has come down in many markets, particularly in Europe. In Q1, deliveries of 14,456 machines were on the same level as in the previous year, while order intake went up by 4%. Both deliveries and order intake decreased in Europe and North America, whereas they increased in China driven by SDLG. Construction Equipment's net sales decreased by 9% to SEK 22.9 billion and the adjusted operating margin declined to 16.1% (18.3).

In Q1, deliveries of buses increased in Europe and North America on the back of a continued increase in travel. Net sales in Buses rose by 21% to SEK 5.2 billion. The adjusted operating margin improved to 5.0% (4.2).

For Volvo Penta, end customer demand has weakened in both the marine and industrial segment. Net sales decreased by 8% to SEK 5.2 billion and the adjusted operating margin amounted to 19.1% (22.7).

For Volvo Financial Services, the credit portfolio continued to perform well with low levels of overdues and credit losses. The adjusted operating income amounted to SEK 1,009 M (871).

In Q1, we finalized the acquisition of the battery business from Proterra, thereby fast-forwarding our establishment of a value chain for batteries in North America. We also signed the final agreements to establish a joint venture with Westport regarding high pressure injectors, which is a technology suited for combustion engines running on carbon-neutral or zero-carbon fuels like biogas or hydrogen. Furthermore, we completed the creation of Flexis, which is a joint venture with Renault SAS and CMA CGM Group, for an all-new generation of electric vans for last mile delivery, which is an area with good growth prospects.

The continued strengthening of our customers' competitiveness and the Volvo Group's performance remain our core priorities. We are committed to driving the day-to-day performance of our business and the transformation of our industries towards safer and more sustainable solutions. Keys to maintaining good profitability over the business cycle are a strong focus on our service business, volume flexibility in the industrial system and tight cost control across the organization. At the same time, we will continue to drive R&D investments in the new technologies and services that are transforming our industries.

Martin Lundstedt  
President and CEO



## 4 IMPORTANT EVENTS

### Acquisition of battery business from Proterra completed

On February 1, 2024, it was announced that the Volvo Group had completed the previously announced transaction whereby the Group acquired the battery business from Proterra Inc. and Proterra Operating Company Inc. The acquisition, which was made at a purchase price of SEK 2.4 billion, includes a development center for battery modules and packs in California and an assembly factory in Greer, South Carolina. The assets as well as the skills and competence of the Proterra team are great complements to the Volvo Group's current footprint and enables the Group to accelerate its battery-electric roadmap. The transaction has no material impact on the Volvo Group's financial performance.

### Agreement with Westport for joint venture

On March 11, 2024, it was announced that the Volvo Group had signed an agreement according to the previously announced Letter of Intent with Westport Fuel Systems Inc to establish a joint venture to accelerate the commercialization and global adoption of Westport's High Pressure Direct Injection fuel system technology for long-haul and off-road applications. As previously announced, Westport will contribute certain HPDI assets and opportunities, including related fixed assets, intellectual property, and business, into the joint venture. Volvo Group will acquire a 45% interest in the joint venture for approximately SEK 290 M plus up to an additional approximately SEK 460 M depending on the performance of the joint venture. It is anticipated that the joint venture will become operational following the formal closing which is expected in the second quarter of 2024, subject to certain conditions, including regulatory and government approvals.

### Creation of Flexis completed

On March 22, 2024, it was announced that Volvo Group and Renault Group had obtained all the required regulatory approvals and had officially launched the new company Flexis SAS for the next generation fully electric and software defined vehicles. The new company, which will be based in France, will address the growing needs of decarbonized and efficient urban logistics. Volvo Group and Renault Group plan to invest EUR 300 M respectively over the next three years. The initial investment for Volvo Group's share in Flexis amounted to SEK 2.4 billion. On April 3, 2024, CMA CGM Group acquired a 10% stake in Flexis and will invest up to EUR 120 M by 2026.

### Annual General Meeting of AB Volvo

AB Volvo's Annual General Meeting on March 27, 2024, adopted the income statement and balance sheet as well as the consolidated income statement and the consolidated balance sheet. In accordance with the Board's proposal, the Meeting resolved that an ordinary dividend of SEK 7.50 per share and an extraordinary dividend of SEK 10.50 per share should be paid to the shareholders. April 2, 2024, was decided as the record date for the right to receive dividends. The Board Members, Board Deputies and the President and CEO were discharged from liability for their administration during the 2023 fiscal year. Matti Alahuhta, Bo Annvik, Jan Carlson, Eric Elzvik, Martha Finn Brooks, Kurt Jofs, Martin Lundstedt, Kathryn V. Marinello, Martina Merz and Helena Stjernholm were re-elected as members of the Board. Pär Boman was elected as new member of the Board and Chairman. The auditing firm Deloitte AB was re-elected as Auditor for the period until the close of the Annual General Meeting 2025, in accordance with the Election Committee's proposal and the Board's and the Audit Committee's recommendation. Fredrik Persson (AB Industrivärden), Anders Oscarsson (AMF and AMF Funds), Carina Silberg (Alecta), Anders Algotsson (AFA Insurance) and the Chairman of the Board were elected members of the Election Committee. The Annual General Meeting approved the Board's remuneration report.

### Volvo Group to increase North American heavy-duty truck production capacity

On April 11, 2024, Volvo Group announced that it will build a new heavy-duty truck manufacturing plant in Mexico to supplement the Group's U.S. production. The plant will provide additional capacity to support the growth plans of both Volvo Trucks and Mack Trucks in the U.S. and Canadian markets and support Mack's truck sales in Mexico and Latin America. The plant is expected to be operational in 2026. The new plant will be approximately 1.7 million square feet in size, and will focus on production of heavy-duty conventional vehicles for the Volvo and Mack brands. It will be a complete conventional vehicle assembly facility including cab body-in-white production and paint.

Detailed information about the events is available at [www.volvogroup.com](http://www.volvogroup.com)



## 5 FINANCIAL SUMMARY

### Net sales

In Q1 2024, the Volvo Group's net sales amounted to SEK 131,177 M compared with SEK 131,303 M in the same quarter the preceding year. Sales increased in North America and South America but decreased in Europe, Asia and Africa and Oceania.

Also when adjusted for currency movements, net sales were on the same level as in Q1 2023, of which vehicle sales decreased by 2% and service sales increased by 6%.

### Operating income

In Q1 2024, adjusted operating income amounted to SEK 18,159 M (18,566), corresponding to an adjusted operating margin of 13.8% (14.0). There were no adjustments in Q1 2024. Adjusted operating income in Q1 2023 excluded a negative effect of SEK 1,300 M from a restructuring provision in Buses. For more information on adjusted operating income, please see Note 6.

Compared with Q1 2023, the adjusted operating income was negatively affected by lower volumes and industrial utilization as well as higher selling, administrative and R&D expenses, which were partly offset by price realization and lower material costs. Currency movements, compared with Q1 2023, had a negative impact of SEK 346 M.

Reported operating income in Q1 2024 amounted to SEK 18,159 M (17,266).

### Financial items

In Q1 2024, interest income was SEK 885 M (572) as a consequence of higher interest rates on financial assets, whereas interest expenses amounted to SEK -364 M (-472).

Other financial income and expenses amounted to SEK -238 M (-570). The change is primarily due to revaluation effects of financial assets and liabilities.

### Income taxes

In Q1 2024, income taxes amounted to SEK -4,339 M (-3,863). The tax rate was 23.5% (23.0).

### Income for the period and earnings per share

In Q1 2024, income for the period amounted to SEK 14,103 M (12,934). Earnings per share amounted to SEK 6.92 (6.35).

Consolidated Income Statement	First quarter	
	2024	2023
SEK M		
<b>Net sales</b>	<b>131,177</b>	<b>131,303</b>
Cost of sales	-94,395	-95,837
<b>Gross income</b>	<b>36,781</b>	<b>35,466</b>
Research and development expenses	-7,332	-6,492
Selling expenses	-8,617	-7,894
Administrative expenses	-1,964	-1,663
Other operating income and expenses	-567	-1,980
Income/loss from investments in joint ventures and associated companies	-142	-171
Income/loss from other investments	-	-
<b>Operating income</b>	<b>18,159</b>	<b>17,266</b>
Interest income and similar credits	885	572
Interest expenses and similar charges	-364	-472
Other financial income and expenses	-238	-570
<b>Income after financial items</b>	<b>18,442</b>	<b>16,797</b>
Income taxes	-4,339	-3,863
<b>Income for the period *</b>	<b>14,103</b>	<b>12,934</b>
* Attributable to:		
Owners of AB Volvo	14,080	12,910
Non-controlling interest	23	24
	<b>14,103</b>	<b>12,934</b>
Basic earnings per share, SEK	6.92	6.35
Diluted earnings per share, SEK	6.92	6.35



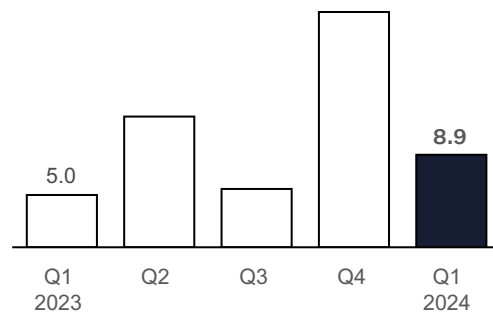
## 6 FINANCIAL SUMMARY

Net sales SEK M	First quarter		Change %
	2024	2023	
<b>Net sales per geographical region</b>			
Europe	56,861	57,404	-1
North America	40,888	40,153	2
South America	11,428	9,566	19
Asia	14,710	16,488	-11
Africa and Oceania	7,289	7,692	-5
<b>Total net sales</b>	<b>131,177</b>	<b>131,303</b>	<b>-</b>
<b>Net sales per product group</b>			
Vehicles	98,841	100,732	-2
Services	32,336	30,571	6
<b>Total net sales</b>	<b>131,177</b>	<b>131,303</b>	<b>-</b>
<b>Timing of revenue recognition</b>			
Revenue of vehicles and services recognized at the point of delivery	117,799	119,878	-2
Revenue of vehicles and services recognized over contract period	13,377	11,425	17
<b>Total net sales</b>	<b>131,177</b>	<b>131,303</b>	<b>-</b>

### Operating cash flow in the Industrial Operations

During Q1 2024 operating cash flow in the Industrial Operations was positive in an amount of SEK 8,896 M (5,004). Compared with Q1 2023, the higher operating cash flow is primarily related to the higher earnings and good inventory management.

Operating cash flow  
Industrial Operations, SEK bn





## 7 FINANCIAL SUMMARY

### Volvo Group financial position

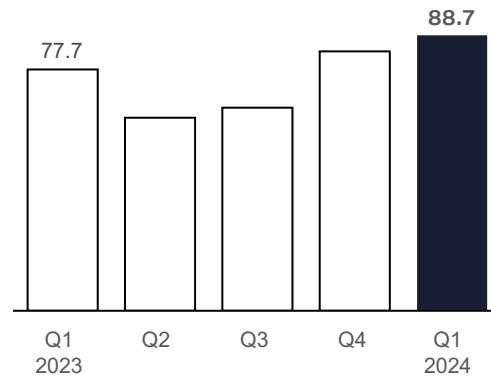
During Q1 2024, net financial assets in the Industrial Operations, excluding provisions for post-employment benefits and lease liabilities, increased by SEK 5.3 billion resulting in a net financial asset position of SEK 88.7 billion (83.4) on March 31, 2024. The change is mainly explained by a positive operating cash flow of SEK 8.9 billion, partly reduced by the acquisition of the battery business from Proterra Inc. and Proterra operating company Inc. by SEK 2.4 billion and from the investment of shares in Flexis SAS, a newly formed joint venture with Renault Group and CMA CGM Group, by SEK 2.4 billion. Currency movements increased net financial assets by SEK 1.6 billion.

Including provisions for post-employment benefits and lease liabilities, the Industrial Operations net financial assets amounted to SEK 71.8 billion (66.7) on March 31, 2024. During Q1 2024, remeasurements of defined benefit pension plans had a positive impact of SEK 0.6 billion.

Total assets in the Volvo Group increased by SEK 45.8 billion compared with Q1 2023 whereof SEK 22.5 billion is related to currency movements.

On March 31, 2024, total equity for the Volvo Group amounted to SEK 163.9 billion compared with SEK 180.7 billion at year end 2023. The equity ratio was 22.8% (26.8). On the same date the equity ratio in the Industrial Operations amounted to 30.2% (36.2).

**Net financial position excl. post-employment benefits and lease liabilities Industrial Operations, SEK bn**



### Number of employees

On March 31, 2024, the Volvo Group had 104,905 employees, including temporary employees and consultants, compared with 104,251 employees on March 31, 2023. The number of blue-collar employees decreased by 1,887 and the number of white-collar

employees increased by 2,541. The decrease in blue-collar employees is related to lower production levels and the increase in white-collar employees is related to higher development and transformational activities.

Number of employees	Mar 31 2024	Dec 31 2023	Mar 31 2023
Blue-collar	51,599	51,424	53,486
Whereof temporary employees and consultants	6,153	6,002	8,567
White-collar	53,306	52,723	50,765
Whereof temporary employees and consultants	7,510	7,410	7,366
<b>Total number of employees</b>	<b>104,905</b>	<b>104,147</b>	<b>104,251</b>
Whereof temporary employees and consultants	13,663	13,412	15,933

## 8 BUSINESS SEGMENT OVERVIEW



Net sales SEK M	First quarter		Change %	Change % <sup>1</sup>	12 months rolling	Jan-Dec 2023
	2024	2023				
Trucks	89,946	89,556	0	1	373,438	373,048
Construction Equipment	22,877	25,109	-9	-8	102,749	104,981
Buses	5,173	4,267	21	19	23,329	22,423
Volvo Penta	5,168	5,603	-8	-7	20,571	21,006
Group Functions & Other	4,281	3,779	13	13	17,311	16,809
Eliminations	-1,280	-1,195	-	-	-5,083	-4,998
<b>Industrial Operations</b>	<b>126,163</b>	<b>127,117</b>	<b>-1</b>	<b>0</b>	<b>532,315</b>	<b>533,269</b>
Financial Services	6,532	5,370	22	21	25,175	24,012
Reclassifications and eliminations	-1,519	-1,184	-	-	-5,365	-5,030
<b>Volvo Group</b>	<b>131,177</b>	<b>131,303</b>	<b>0</b>	<b>0</b>	<b>552,125</b>	<b>552,252</b>

1 Adjusted for exchange rate fluctuations.

Adjusted operating income <sup>1</sup> SEK M	First quarter		Change %	12 months rolling	Jan-Dec 2023
	2024	2023			
Trucks	13,073	12,715	3	55,753	55,394
Construction Equipment	3,683	4,587	-20	16,088	16,993
Buses	259	178	46	1,141	1,059
Volvo Penta	988	1,271	-22	2,947	3,230
Group Functions & Other	-947	-1,225	-23	-2,672	-2,950
Eliminations	-13	12	-	31	55
<b>Industrial Operations</b>	<b>17,044</b>	<b>17,538</b>	<b>-3</b>	<b>73,288</b>	<b>73,782</b>
Financial Services	1,009	871	16	3,993	3,855
Reclassifications and eliminations	106	158	-33	466	519
<b>Volvo Group adjusted operating income</b>	<b>18,159</b>	<b>18,566</b>	<b>-2</b>	<b>77,746</b>	<b>78,155</b>
Adjustments <sup>1</sup>	-	-1,300	-	-9,554	-10,854
<b>Volvo Group operating income</b>	<b>18,159</b>	<b>17,266</b>	<b>5</b>	<b>68,193</b>	<b>67,301</b>

1 For more information on adjusted operating income, please see note 6.

Adjusted operating margin %	First quarter		12 months rolling	Jan-Dec 2023
	2024	2023		
Trucks	14.5	14.2	14.9	14.8
Construction Equipment	16.1	18.3	15.7	16.2
Buses	5.0	4.2	4.9	4.7
Volvo Penta	19.1	22.7	14.3	15.4
<b>Industrial Operations</b>	<b>13.5</b>	<b>13.8</b>	<b>13.8</b>	<b>13.8</b>
<b>Volvo Group adjusted operating margin</b>	<b>13.8</b>	<b>14.0</b>	<b>14.1</b>	<b>14.0</b>
<b>Volvo Group operating margin</b>	<b>13.8</b>	<b>13.0</b>	<b>12.4</b>	<b>12.1</b>



## 9 TRUCKS

# Stable sales and higher margin on lower volumes

- In Q1, net sales amounted to SEK 89,946 M, on par with the prior year
- Adjusted operating income rose to SEK 13,073 M (12,715) with a margin of 14.5% (14.2)
- Deliveries decreased by 10% and net order intake decreased by 19%

## Market development

During Q1, market conditions continued to normalize both in Europe and North America on the back of transport volumes and freight rates coming down from the previously very high levels. Many fleets continue their replacements, while retail customers are more in a wait-and-see mode. Utilization of the installed truck fleet remains on good levels.

The Brazilian truck market was on par with Q1 2023. The mining sector and good domestic spending provided resilience to the market.

In India, the truck market declined somewhat but remained on a good level mirroring positive economic sentiment with good investment levels and consumer spending.

The overall Chinese market continued to improve from a low level. Demand in the construction and general cargo segments continued to be weak while demand for tractors was stronger, especially for LNG trucks.

## Orders and deliveries

In Q1, net order intake declined by 19% to 48,701 units and deliveries decreased by 10% to 55,470 units.

In Europe, order intake decreased by 20% to 25,077 trucks while deliveries decreased by 11% to 29,289 trucks. Through March, Volvo Trucks' total heavy-duty truck market share decreased to 17.2% (17.7) while the electric heavy-duty market share increased to 54.1% (50.2). Renault Trucks' total heavy-duty truck market share decreased to 8.0% (9.0) while the electric heavy-duty market share increased to 19.8% (15.5).

Order intake in North America decreased by 37% to 9,620 trucks while deliveries decreased by 6% to 15,056 vehicles. Mack Trucks' order intake was impacted by the strike in Q4 2023 as already sold production slots were moved from 2023 into 2024 and by Mack Trucks having been restrictive in order slotting because of long lead times. Volvo Trucks' heavy-duty truck market share increased to 9.1% (8.7) while Mack Trucks' market share declined somewhat to 5.3% (5.7).

In South America, order intake increased by 52% to 7,898 trucks while deliveries increased by 15% to 5,154 vehicles compared with the weak development in Q1 2023. In Brazil, Volvo Trucks' heavy-duty truck market share remained strong and came in on 22.3% (21.8).

Order intake in Asia decreased by 23% to 4,115 vehicles while deliveries decreased by 35% to 3,717 vehicles.

Order intake for fully electric trucks declined by 23% to 638 vehicles while deliveries increased by 32% to 907 vehicles. The market for electric trucks is still driven by early adopters. A broader adoption is dependent on several factors, including the expansion of necessary infrastructure such as charging.

Order intake in the Indian joint venture, VE Commercial Vehicles, decreased by 10% to 18,611 vehicles and deliveries decreased by 3% to 19,328 vehicles.

Deliveries from the Chinese joint venture, Dongfeng Commercial Vehicles, increased by 61% to 22,850 trucks.

Total market development	First quarter			Full year 2023	Forecast 2024	Change vs. previous forecast
	2024	2023	Change %			
Registrations, number of trucks						
Europe 29 <sup>1</sup> heavy-duty	73,702	80,186	-8	304,360	-	-
Europe 30 <sup>1</sup> heavy-duty	82,530	89,770	-8	341,892	280,000	unchanged
North America heavy-duty (retail)	71,329	79,433	-10	330,792	290,000	unchanged
Brazil heavy-duty	20,951	21,454	-2	82,070	95,000	+5,000
China <sup>2</sup> medium- and heavy-duty	222,454	197,265	13	717,272	800,000	unchanged
India medium- and heavy-duty	103,695	117,318	-12	383,654	390,000	-35,000

1 EU29 includes Norway and Switzerland but excludes UK. EU30 includes UK.

2 Previous year has been adjusted to exclude exports.

## 10 TRUCKS



Net order intake	First quarter		Change %
	2024	2023	
Number of trucks	2024	2023	Change %
Europe	25,077	31,290	-20
Heavy- and medium-duty	19,976	26,055	-23
Light-duty	5,101	5,235	-3
North America	9,620	15,159	-37
South America	7,898	5,212	52
Asia	4,115	5,336	-23
Africa and Oceania	1,991	3,043	-35
<b>Total order intake</b>	<b>48,701</b>	<b>60,040</b>	<b>-19</b>
Heavy-duty (>16 tons)	40,211	49,901	-19
Medium-duty (7-16 tons)	3,269	4,831	-32
Light-duty (<7 tons)	5,221	5,308	-2
<b>Total order intake</b>	<b>48,701</b>	<b>60,040</b>	<b>-19</b>
Volvo	31,067	35,956	-14
Renault Trucks	14,823	15,741	-6
Heavy- and medium-duty	9,602	10,433	-8
Light-duty	5,221	5,308	-2
Mack	2,765	7,933	-65
Other brands	46	410	-89
<b>Total order intake</b>	<b>48,701</b>	<b>60,040</b>	<b>-19</b>
<b>Non-consolidated operations</b>			
VE Commercial Vehicles (Eicher)	18,611	20,590	-10

Deliveries	First quarter		Change %
	2024	2023	
Number of trucks	2024	2023	Change %
Europe	29,289	32,850	-11
Heavy- and medium-duty	22,559	26,702	-16
Light-duty	6,730	6,148	9
North America	15,056	16,011	-6
South America	5,154	4,475	15
Asia	3,717	5,742	-35
Africa and Oceania	2,254	2,453	-8
<b>Total deliveries</b>	<b>55,470</b>	<b>61,531</b>	<b>-10</b>
Heavy-duty (>16 tons)	44,431	50,684	-12
Medium-duty (7-16 tons)	4,270	4,604	-7
Light-duty (<7 tons)	6,769	6,243	8
<b>Total deliveries</b>	<b>55,470</b>	<b>61,531</b>	<b>-10</b>
Volvo	31,954	35,789	-11
Renault Trucks	15,836	17,496	-9
Heavy- and medium-duty	9,067	11,253	-19
Light-duty	6,769	6,243	8
Mack	7,467	7,958	-6
Other brands	213	288	-26
<b>Total deliveries</b>	<b>55,470</b>	<b>61,531</b>	<b>-10</b>
<b>Non-consolidated operations</b>			
VE Commercial Vehicles (Eicher)	19,328	20,017	-3
Dongfeng Commercial Vehicle Company (Dongfeng Trucks)	22,850	14,184	61

## 11 TRUCKS



Net order intake and deliveries of fully electric trucks	First quarter		Change %
	2024	2023	
Number of trucks			
Volvo	306	486	-37
Renault Trucks	319	324	-2
Heavy- and medium-duty	172	174	-1
Light-duty	147	150	-2
Mack	13	15	-13
<b>Total order intake of fully electric trucks</b>	<b>638</b>	<b>825</b>	<b>-23</b>
Volvo	520	350	49
Renault Trucks	358	331	8
Heavy- and medium-duty	202	128	58
Light-duty	156	203	-23
Mack	29	2	1,350
<b>Total deliveries of fully electric trucks</b>	<b>907</b>	<b>683</b>	<b>33</b>

Net sales and operating income	First quarter		Change %
	2024	2023	
SEK M			
<b>Net sales per geographical region</b>			
Europe	43,425	42,676	2
North America	27,237	27,607	-1
South America	8,712	7,224	21
Asia	5,976	7,533	-21
Africa and Oceania	4,594	4,516	2
<b>Total net sales</b>	<b>89,946</b>	<b>89,556</b>	<b>-</b>
<b>Net sales per product group</b>			
Vehicles	71,584	71,754	-
Services	18,361	17,802	3
<b>Total net sales</b>	<b>89,946</b>	<b>89,556</b>	<b>-</b>
<b>Timing of revenue recognition</b>			
Revenue of vehicles and services recognized at the point of delivery	84,078	84,395	-
Revenue of vehicles and services recognized over contract period	5,868	5,161	14
<b>Total net sales</b>	<b>89,946</b>	<b>89,556</b>	<b>-</b>
<b>Adjusted operating income <sup>1</sup></b>	<b>13,073</b>	<b>12,715</b>	<b>3</b>
Adjustments	-	139	-
<b>Operating income</b>	<b>13,073</b>	<b>12,854</b>	<b>2</b>
Adjusted operating margin, %	14.5	14.2	
Operating margin, %	14.5	14.4	

1 For more information on adjusted operating income, please see note 6.

### Net sales and operating income

In Q1 2024, the truck operation's net sales amounted to SEK 89,946 M, which was on the same level as in Q1 2023. Excluding currency effects, net sales increased by 1% with sales of vehicles being flat and sales of services increasing by 3%.

In Q1 2024, adjusted operating income increased to SEK 13,073 M (12,715), corresponding to an adjusted operating margin of 14.5% (14.2). There were no adjustments in Q1 2024. Adjusted operating income in Q1 2023 excluded a positive effect of SEK 139 M. For more information on adjusted operating income, see note 6.

Compared with Q1 2023 the higher adjusted operating income is an effect of price realization and lower material costs, which were partly offset by lower volumes and industrial utilization as well as higher R&D and selling expenses. Compared with Q1 2023, currency movements had a negative impact of SEK 364 M.

Reported operating income amounted to SEK 13,073 M (12,854).

### Important events

In January, Volvo Trucks unveiled an all-new heavy-duty product platform for the North American market in parallel to the new Volvo Aero heavy-duty truck range for Europe, Australia and markets in Asia and Africa. These new energy-efficient models drive productivity and profitability for customers.

In March, Volvo Group, Renault Group and CMA CGM Group completed the creation of a joint venture, Flexis SAS, for an all-new generation of electric vans for urban logistics.

On April 11, 2024, Volvo Group announced that it will build a new heavy-duty truck manufacturing plant in Mexico to supplement the Group's U.S. production.

For more information on the latter two events, please see Important events on page 4.

## 12 CONSTRUCTION EQUIPMENT



- In Q1, deliveries were on the same level as the prior year, whereas order intake increased by 4%, driven by China from low levels
- Adjusted and reported operating income of SEK 3,683 M (4,587), with a margin of 16.1% (18.3)
- Service sales decreased by 3%, adjusted for currency

### Market development

In Q1, the total machine market was flat or negative in most regions. In Asia outside of China it was on par with the prior year, while it declined in Europe, North America and China. In South America the market increased somewhat.

The North American market softened in Q1, due to a continued deferral of rental fleet replacement, as interest rates and inflation remain high.

In Europe, the market decline accelerated driven by weakening business confidence and cautiousness among end customers.

The South American market grew driven by increased demand in Brazil, Chile and Colombia as there were signs of recovery in various industry segments.

In China, market demand continued to decline due to low investment levels and an overall slow economic activity. Other Asian markets were flat overall, with increased demand in India and a slowdown in Indonesia and Japan. Demand in the Middle East and Africa grew.

### Orders and deliveries

In Q1, net order intake increased by 4%. The increase was driven by SDLG and China due to low order intake in Q1 2023 following a prebuy in Q4 2022 in connection with changes to the Chinese emissions regulations. Order intake for the Volvo brand decreased in line with the overall market development in Europe and North America. Orders in South America increased from a low level driven by signs of a recovery in Brazil.

Deliveries in Q1 were on par with last year as the lower market demand in Europe and North America was offset by China that increased from very low levels.

Total market development	Year-to-date		Previous forecast
	February	Forecast	
Change in % measured in units	<b>2024</b>	<b>2024</b>	<b>2024</b>
Europe	-22	-20% to -10%	-20% to -10%
North America	-6	-10% to 0%	-10% to 0%
South America	4	0% to +10%	0% to +10%
Asia excl. China	-1	-15% to -5%	-15% to -5%
China	-22	-10% to 0%	-10% to 0%

Net order intake	First quarter		
	2024	2023	Change %
Number of construction equipment			
Europe	2,677	3,226	-17
North America	1,446	2,596	-44
South America	662	478	38
Asia	8,415	6,404	31
Africa and Oceania	651	638	2
<b>Total orders</b>	<b>13,851</b>	<b>13,342</b>	<b>4</b>
Large and medium construction equipment	9,901	10,049	-1
Compact construction equipment	3,950	3,293	20
Of which fully electric	199	259	-23
<b>Total orders</b>	<b>13,851</b>	<b>13,342</b>	<b>4</b>
<b>Of which:</b>			
Volvo	7,083	9,161	-23
SDLG	6,712	4,114	63
Of which in China	5,534	2,846	94

## 13 CONSTRUCTION EQUIPMENT



Deliveries	First quarter		
	2024	2023	Change %
Number of construction equipment			
Europe	3,050	4,384	-30
North America	1,746	2,334	-25
South America	370	398	-7
Asia	8,650	6,370	36
Africa and Oceania	640	982	-35
<b>Total deliveries</b>	<b>14,456</b>	<b>14,468</b>	<b>-</b>
Large and medium construction equipment	10,593	10,665	-1
Compact construction equipment	3,863	3,803	2
Of which fully electric	232	202	15
<b>Total deliveries</b>	<b>14,456</b>	<b>14,468</b>	<b>-</b>
<b>Of which:</b>			
Volvo	7,688	10,287	-25
SDLG	6,712	4,114	63
Of which in China	5,534	2,846	94

Net sales and operating income	First quarter		
	2024	2023	Change %
SEK M			
<b>Net sales per geographical region</b>			
Europe	7,177	8,610	-17
North America	6,425	6,537	-2
South America	759	758	-
Asia	6,925	7,098	-2
Africa and Oceania	1,589	2,106	-25
<b>Total net sales</b>	<b>22,877</b>	<b>25,109</b>	<b>-9</b>
<b>Net sales per product group</b>			
Construction equipment	19,092	21,188	-10
Services	3,784	3,921	-3
<b>Total net sales</b>	<b>22,877</b>	<b>25,109</b>	<b>-9</b>
<b>Timing of revenue recognition</b>			
Revenue of vehicles and services recognized at the point of delivery	22,065	24,469	-10
Revenue of vehicles and services recognized over contract period	811	640	27
<b>Total net sales</b>	<b>22,877</b>	<b>25,109</b>	<b>-9</b>
<b>Adjusted operating income <sup>1</sup></b>	<b>3,683</b>	<b>4,587</b>	<b>-20</b>
Adjustments	-	-	-
<b>Operating income</b>	<b>3,683</b>	<b>4,587</b>	<b>-20</b>
Adjusted operating margin, %	16.1	18.3	
Operating margin, %	16.1	18.3	

<sup>1</sup> For more information on adjusted operating income, please see note 6.

#### Net sales and operating income

In Q1 2024, net sales amounted to SEK 22,877 M (25,109). Adjusted for currency movements net sales decreased by 8%, of which net sales of machines decreased by 9% and service sales decreased by 3%.

Both adjusted and reported operating income amounted to SEK 3,683 M (4,587), corresponding to an operating margin of 16.1% (18.3). For more information on adjusted operating income, please see note 6.

Compared with Q1 2023, a negative brand and market mix was partly offset by price realization and lower material costs. Currency movements had a negative impact of SEK 24 M.

#### Important events

In Q1, Volvo Construction Equipment (Volvo CE) introduced the grid-connected EW240 Electric Material Handler, the latest addition to its range of zero exhaust emission machines. The wheeled excavator is available to select customers, initially in Europe.

## 14 BUSES



# Improved profitability

- In Q1, deliveries increased by 10% while net order intake decreased by 52%
- Adjusted operating income improved to SEK 259 M (178) with a margin of 5.0% (4.2)
- Service sales increased by 7% adjusted for currency

In Q1, demand for buses continued to improve in many markets, with a particularly strong development for coaches.

Following a high order book at the start of Q1 as well as a consequence of the ongoing transformation in Europe, net order intake decreased by 52% compared with Q1 2023. At the end of Q1, the order book was nonetheless higher compared with the prior year. The transition towards electric vehicles in city traffic continues and orders for 45 electric buses were confirmed in Q1.

Deliveries increased by 10% to 1,301 units, from a good development in a majority of the bus markets, particularly in Mexico.

In Q1, net sales increased by 21% to SEK 5,173 M (4,267). Adjusted for currency, net sales increased by 19%, whereof vehicle sales increased by 24% and service sales by 7%.

Adjusted operating income amounted to SEK 259 M (178), corresponding to an adjusted operating margin of 5.0% (4.2). There were no adjustments in Q1 2024. Adjusted operating

income in Q1 2023 excluded negative effects in a total of SEK 1,439 M. For more information on adjusted operating income, please see note 6.

Price realization and lower material costs had a positive impact, whereas lower industrial utilization due to the wind-down of the complete bus factory in Poland had a negative impact. Compared with Q1 2023, currency movements had a positive impact of SEK 48 M.

Reported operating income amounted to SEK 259 M (-1,261).

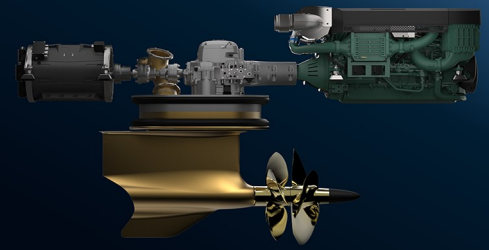
In Q1, the wind-down of the complete bus production in Poland was finalized. This has been a critical step in the transformation to offer customers in Europe a complete range of products together with external bodybuilders.

In March, Volvo Buses launched the Volvo BZR Electric, which is a new global electromobility platform for city, intercity and commuter operations.

Net order intake and deliveries <sup>1</sup>	First quarter		
	2024	2023	Change %
Number of buses			
<b>Total orders</b>	<b>874</b>	<b>1,839</b>	-52
Of which fully electric	45	48	-6
Of which hybrids	-	3	-
<b>Total deliveries</b>	<b>1,301</b>	<b>1,184</b>	10
Of which fully electric	74	34	118
Of which hybrids	26	44	-41

Net sales and operating income	First quarter		
	2024	2023	Change %
SEK M			
<b>Net sales per geographical region</b>			
Europe	1,564	1,340	17
North America	2,396	1,745	37
South America	403	300	34
Asia	296	365	-19
Africa and Oceania	514	516	-
<b>Total net sales</b>	<b>5,173</b>	<b>4,267</b>	<b>21</b>
<b>Net sales per product group</b>			
Vehicles	3,794	2,986	27
Services	1,378	1,280	8
<b>Total net sales</b>	<b>5,173</b>	<b>4,267</b>	<b>21</b>
<b>Timing of revenue recognition</b>			
Revenue of vehicles and services recognized at the point of delivery	4,929	4,064	21
Revenue of vehicles and services recognized over contract period	244	203	20
<b>Total net sales</b>	<b>5,173</b>	<b>4,267</b>	<b>21</b>
<b>Adjusted operating income <sup>1</sup></b>	<b>259</b>	<b>178</b>	<b>46</b>
Adjustments	-	-1,439	-
<b>Operating income</b>	<b>259</b>	<b>-1,261</b>	<b>-</b>
Adjusted operating margin, %	5.0	4.2	
Operating margin, %	5.0	-29.6	

<sup>1</sup> For more information on adjusted operating income, please see note 6.



**15 VOLVO PENTA**

# Declining sales in a softening market

- In Q1, deliveries decreased by 18% and order intake decreased by 33%
- Adjusted and reported operating income of SEK 988 M (1,271) with a margin of 19.1% (22.7)
- Continued focus on large yachts and commercial vessels

In Q1, demand in most of Volvo Penta’s markets declined, especially the market for smaller power boats. However, the marine commercial market showed resilience and the market for crew transfer vessels continued to grow.

On the industrial market, demand for engines for power generation applications declined, especially in Europe. Demand was also affected by a prebuy in 2023 for a previous engine range that is being phased out. The off-highway markets in construction, mining, and material handling faced lower demand while agriculture held up better.

In Q1, net order intake was affected by the weakening demand and decreased by 33% to 9,050 units compared with Q1 2023. Deliveries decreased by 18% to 10,435 units.

Net sales decreased by 8% to SEK 5,168 M (5,603). Adjusted for currency movements, net sales decreased by 7%, of which sales of engines decreased by 9% and sales of services by 1%.

Both adjusted and reported operating income amounted to SEK 988 M (1,271), corresponding to an operating margin of 19.1% (22.7). For more information on adjusted operating income, please see note 6.

Price realization contributed positively to the result, but this was offset by lower volumes, increased selling and administrative expenses as well as lower industrial utilization. Compared with Q1 2023, the currency impact on operating income was positive in an amount of SEK 11 M.

In Q1, Volvo Penta unveiled its intelligent technology and propulsion solution for superyachts and commercial vessels – the IPS Professional Platform. The technology builds on Volvo Penta’s Inboard Performance System and Electronic Vessel Control, with enhancements to accommodate larger vessels.

Net order intake and deliveries	First quarter		
	2024	2023	Change %
Number of Engines			
<b>Total orders</b>	<b>9,050</b>	<b>13,489</b>	-33
Of which fully electric	43	21	105
<b>Total deliveries</b>	<b>10,435</b>	<b>12,727</b>	-18
Of which fully electric	44	20	120

Net sales and operating income	First quarter		
	2024	2023	Change %
SEK M			
<b>Net sales per geographical region</b>			
Europe	2,624	2,973	-12
North America	874	1,043	-16
South America	226	164	38
Asia	1,125	1,067	5
Africa and Oceania	319	356	-10
<b>Total net sales</b>	<b>5,168</b>	<b>5,603</b>	<b>-8</b>
<b>Net sales per product group</b>			
Engines	3,861	4,256	-9
Services	1,306	1,347	-3
<b>Total net sales</b>	<b>5,168</b>	<b>5,603</b>	<b>-8</b>
<b>Timing of revenue recognition</b>			
Revenue of vehicles and services recognized at the point of delivery	5,156	5,603	-8
Revenue of vehicles and services recognized over contract period	11	-	-
<b>Total net sales</b>	<b>5,168</b>	<b>5,603</b>	<b>-8</b>
<b>Adjusted operating income <sup>1</sup></b>	<b>988</b>	<b>1,271</b>	<b>-22</b>
Adjustments	-	-	-
<b>Operating income</b>	<b>988</b>	<b>1,271</b>	<b>-22</b>
Adjusted operating margin, %	19.1	22.7	
Operating margin, %	19.1	22.7	

<sup>1</sup> For more information on adjusted operating income, please see note 6.

## 16 FINANCIAL SERVICES

# Solid earnings and stable portfolio performance

- In Q1, new business volume decreased by 5%, adjusted for currency
- Stable portfolio performance
- Both adjusted and reported operating income amounted to SEK 1,009 M (871)

In Q1 2024, the credit portfolio increased by 16% compared with Q1 2023, adjusted for currency. Overall portfolio performance continues to be good, with customer overdues and defaults at relatively low levels historically, although a return to average business cycle conditions in some markets is visible.

Penetration levels in the quarter improved compared to Q1, 2023, however the financing of new products slowed down reflecting the normalization of demand for Group products. In Q1 2024, new business volume decreased by 5%, when adjusted for currency.

In Q1, both adjusted and reported operating income increased to SEK 1,009 M (871). For more information on adjusted operating income, please see note 6.

The increase in operating income was primarily a result of continued profitable portfolio growth, which was partly offset by higher selling expenses and increased credit provisions. Currency movements had a positive impact of SEK 50 M compared with Q1 2023.

Return on equity increased to 13.0% (11.0).

Financial Services	First quarter	
	2024	2023
SEK M unless otherwise stated		
Number of financed units, 12 months rolling	66,258	67,727
Total penetration rate, 12 months rolling, % <sup>1</sup>	27	27
New retail financing volume, SEK billion	24.0	25.1
Credit portfolio net, SEK billion	270	227
Credit provision expenses <sup>2</sup>	248	160
Adjusted operating income <sup>3</sup>	1,009	871
Adjustments <sup>3</sup>	–	–
Operating income	1,009	871
Credit reserves <sup>2</sup> , % of credit portfolio	1.35	2.88
Return on equity <sup>2</sup> , 12 months rolling, %	13.0	11.0

1 Share of unit sales financed by Volvo Financial Services in relation to the total number of units sold by the Volvo Group in markets where financial services are offered.

2 2023 included Russian and Belarus operations, which were divested in Q3 2023.

3 For more information on adjustments, please see note 6.





## 17 FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT - FIRST QUARTER								
SEK M	Industrial Operations		Financial Services		Eliminations		Volvo Group	
	2024	2023	2024	2023	2024	2023	2024	2023
<b>Net sales<sup>1</sup></b>	<b>126,163</b>	<b>127,117</b>	<b>6,532</b>	<b>5,370</b>	<b>-1,519</b>	<b>-1,184</b>	<b>131,177</b>	<b>131,303</b>
Cost of sales <sup>1</sup>	-91,567	-93,602	-4,453	-3,577	1,625	1,342	-94,395	-95,837
<b>Gross income</b>	<b>34,596</b>	<b>33,516</b>	<b>2,079</b>	<b>1,793</b>	<b>106</b>	<b>158</b>	<b>36,781</b>	<b>35,466</b>
Research and development expenses	-7,332	-6,492	-	-	-	-	-7,332	-6,492
Selling expenses	-7,778	-7,114	-839	-780	-	-	-8,617	-7,894
Administrative expenses	-1,960	-1,659	-4	-3	-	-	-1,964	-1,663
Other operating income and expenses	-340	-1,841	-227	-139	-	-	-567	-1,980
Income/loss from investments in joint ventures and associated companies	-142	-171	-	-	-	-	-142	-171
Income/loss from other investments	-	-	-	-	-	-	-	-
<b>Operating income</b>	<b>17,044</b>	<b>16,238</b>	<b>1,009</b>	<b>871</b>	<b>106</b>	<b>158</b>	<b>18,159</b>	<b>17,266</b>
Interest income and similar credits	991	729	-	-	-106	-158	885	572
Interest expenses and similar charges <sup>1</sup>	-364	-472	-	-	-	-	-364	-472
Other financial income and expenses	-238	-570	-	-	-	-	-238	-570
<b>Income after financial items</b>	<b>17,433</b>	<b>15,926</b>	<b>1,009</b>	<b>871</b>	<b>-</b>	<b>-</b>	<b>18,442</b>	<b>16,797</b>
Income taxes	-4,047	-3,614	-293	-249	-	-	-4,339	-3,863
<b>Income for the period *</b>	<b>13,387</b>	<b>12,312</b>	<b>716</b>	<b>622</b>	<b>-</b>	<b>-</b>	<b>14,103</b>	<b>12,934</b>
* Attributable to:								
Owners of AB Volvo							14,080	12,910
Non-controlling interest							23	24
							<b>14,103</b>	<b>12,934</b>
Basic earnings per share, SEK							6.92	6.35
Diluted earnings per share, SEK							6.92	6.35
<b>Key ratios, %</b>								
Gross margin	27.4	26.4					28.0	26.9
Research and development expenses as % of net sales	5.8	5.1					5.6	4.9
Selling expenses as % of net sales	6.2	5.6					6.6	6.0
Administrative expenses as % of net sales	1.6	1.3					1.5	1.3
Operating margin	13.5	12.8					13.8	13.0

1 As from 2024, elimination of internal interest income related to internal funding from Volvo Treasury AB to Financial Services is reclassified from finance net to gross income. The comparative figures in the financial statements for 2023 have been restated accordingly, impacting operating income positively with SEK 158 M in Q1, 2023. The effect on key ratios is insignificant.

CONSOLIDATED OTHER COMPREHENSIVE INCOME - FIRST QUARTER		
SEK M	2024	2023
<b>Income for the period</b>	<b>14,103</b>	<b>12,934</b>
<i>Items that will not be reclassified to income statement:</i>		
Remeasurements of defined benefit pension plans	453	-744
Remeasurements of holding of shares at fair value	-7	1
<i>Items that may be reclassified subsequently to income statement:</i>		
Exchange differences on translation of foreign operations	4,282	69
Share of OCI related to joint ventures and associated companies	756	116
Accumulated exchange differences reversed to income	-	-
<b>Other comprehensive income, net of income taxes</b>	<b>5,485</b>	<b>-558</b>
<b>Total comprehensive income for the period *</b>	<b>19,588</b>	<b>12,376</b>
* Attributable to:		
Owners of AB Volvo	19,437	12,341
Non-controlling interest	151	36
	<b>19,588</b>	<b>12,376</b>

## 18 FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEET									
SEK M	Industrial Operations		Financial Services		Eliminations		Volvo Group		
	Mar 31 2024	Dec 31 2023	Mar 31 2024	Dec 31 2023	Mar 31 2024	Dec 31 2023	Mar 31 2024	Dec 31 2023	
<b>Assets</b>									
<b>Non-current assets</b>									
Intangible assets	43,554	42,378	144	135	-	-	43,697	42,512	
<i>Tangible assets</i>									
Property, plant and equipment	72,665	68,393	58	56	-	-	72,723	68,449	
Assets under operating leases	35,451	35,154	22,028	21,318	-15,780	-14,562	41,699	41,910	
<i>Financial assets</i>									
Investments in joint ventures and associated companies	22,714	19,158	-	-	-	-	22,714	19,158	
Other shares and participations	1,125	862	19	18	-	-	1,144	881	
Non-current customer-financing receivables	1,655	1,605	127,373	121,987	-1,968	-1,954	127,061	121,638	
Net pension assets	2,092	2,039	-	-	-	-	2,092	2,039	
Non-current interest-bearing receivables	2,860	3,405	-	950	-210	-950	2,650	3,405	
Other non-current receivables	6,603	6,431	307	283	-210	-197	6,699	6,518	
Deferred tax assets	15,516	14,142	2,143	2,044	-	-	17,659	16,186	
<b>Total non-current assets</b>	<b>204,234</b>	<b>193,566</b>	<b>152,071</b>	<b>146,791</b>	<b>-18,168</b>	<b>-17,662</b>	<b>338,137</b>	<b>322,695</b>	
<b>Current assets</b>									
Inventories	86,188	75,958	1,066	904	-	-	87,254	76,863	
<i>Current receivables</i>									
Customer-financing receivables	1,046	1,027	120,722	110,822	-1,406	-1,284	120,362	110,565	
Tax assets	2,608	1,329	492	895	-	-	3,100	2,223	
Interest-bearing receivables	2,498	2,784	-	-	-19	-19	2,479	2,765	
Internal funding	6,435	10,680	-	-	-6,435	-10,680	-	-	
Accounts receivable	43,453	41,383	1,787	1,827	-	-	45,240	43,210	
Other receivables	22,352	22,173	2,948	3,283	-4,988	-5,084	20,311	20,372	
Marketable securities	179	89	-	-	-	-	179	89	
Cash and cash equivalents	87,555	78,858	4,592	5,785	-884	-1,318	91,263	83,326	
Assets held for sale	11,540	11,960	-	-	-	-	11,540	11,960	
<b>Total current assets</b>	<b>263,855</b>	<b>246,241</b>	<b>131,607</b>	<b>123,516</b>	<b>-13,732</b>	<b>-18,384</b>	<b>381,729</b>	<b>351,373</b>	
<b>Total assets</b>	<b>468,089</b>	<b>439,807</b>	<b>283,678</b>	<b>270,307</b>	<b>-31,900</b>	<b>-36,046</b>	<b>719,866</b>	<b>674,068</b>	
<b>Equity and liabilities</b>									
Equity attributable to owners of AB Volvo	138,054	156,171	22,698	21,620	-	-	160,753	177,791	
Non-controlling interest	3,100	2,948	-	-	-	-	3,100	2,948	
<b>Total equity</b>	<b>141,154</b>	<b>159,119</b>	<b>22,698</b>	<b>21,620</b>	<b>-</b>	<b>-</b>	<b>163,852</b>	<b>180,739</b>	
<i>Non-current provisions</i>									
Provisions for post-employment benefits	10,742	11,138	81	81	-	-	10,823	11,219	
Other provisions	14,106	12,902	76	76	-	-	14,182	12,979	
<i>Non-current liabilities</i>									
Bond loans	107,765	96,970	-	-	-	-	107,765	96,970	
Other loans	24,065	23,779	19,085	19,352	-1,632	-1,599	41,518	41,532	
Internal funding	-120,225	-109,059	115,868	112,231	4,357	-3,173	-	-	
Deferred tax liabilities	2,717	2,486	2,219	2,238	-	-	4,936	4,725	
Other liabilities	51,453	49,600	1,766	1,701	-10,746	-9,759	42,473	41,542	
Current provisions	19,537	19,609	37	14	-	-	19,574	19,623	
<i>Current liabilities</i>									
Bond loans	52,676	46,641	-	-	-	-	52,676	46,641	
Other loans	40,984	40,804	11,546	11,861	-1,023	-1,017	51,507	51,648	
Internal funding	-86,624	-79,494	99,376	89,985	-12,752	-10,491	-	-	
Trade payables	85,322	81,883	1,173	1,103	-	-	86,495	82,987	
Tax liabilities	4,428	4,140	670	947	-	-	5,098	5,087	
Other liabilities	111,202	71,130	9,082	9,095	-10,104	-10,007	110,180	70,218	
Liabilities held for sale	8,787	8,157	-	-	-	-	8,787	8,157	
<b>Total equity and liabilities</b>	<b>468,089</b>	<b>439,807</b>	<b>283,678</b>	<b>270,307</b>	<b>-31,900</b>	<b>-36,046</b>	<b>719,866</b>	<b>674,068</b>	
<b>Key ratios, %</b>									
Equity ratio	30.2	36.2	8.0	8.0			22.8	26.8	
Equity attributable to owners of AB Volvo, per share in SEK							79.1	87.4	
Return on operating capital <sup>1</sup>	75.2	71.3							
Return on capital employed <sup>1</sup>	37.7	36.7							
Return on equity <sup>1</sup>			13.0	13.0			29.4	28.7	

1 12 months rolling.

## 19 FINANCIAL STATEMENTS

Net financial position excl. post-employment benefits and lease liabilities	Industrial Operations		Volvo Group	
	Mar 31 2024	Dec 31 2023	Mar 31 2024	Dec 31 2023
SEK bn				
<i>Non-current interest-bearing assets</i>				
Non-current customer-financing receivables	–	–	127.1	121.6
Non-current interest-bearing receivables	2.9	3.4	2.6	3.4
<i>Current interest-bearing assets</i>				
Customer-financing receivables	–	–	120.4	110.6
Interest-bearing receivables	2.5	2.8	2.5	2.8
Internal funding	6.4	10.7	–	–
Marketable securities	0.2	0.1	0.2	0.1
Cash and cash equivalents	87.6	78.9	91.3	83.3
Assets held for sale	–	–	–	–
<b>Total interest-bearing financial assets</b>	<b>99.5</b>	<b>95.8</b>	<b>344.0</b>	<b>321.8</b>
<i>Non-current interest-bearing liabilities</i>				
Bond loans	-107.8	-97.0	-107.8	-97.0
Other loans	-18.4	-18.4	-35.9	-36.2
Internal funding	120.2	109.1	–	–
<i>Current interest-bearing liabilities</i>				
Bond loans	-52.7	-46.6	-52.7	-46.6
Other loans	-38.9	-38.9	-49.4	-49.8
Internal funding	86.6	79.5	–	–
Liabilities held for sale	–	–	–	–
<b>Total interest-bearing financial liabilities excl. lease liabilities</b>	<b>-10.8</b>	<b>-12.4</b>	<b>-245.7</b>	<b>-229.6</b>
<b>Net financial position excl. post-employment benefits and lease liabilities</b>	<b>88.7</b>	<b>83.4</b>	<b>98.3</b>	<b>92.2</b>

Provisions for post-employment benefits and lease liabilities, net	Industrial Operations		Volvo Group	
	Mar 31 2024	Dec 31 2023	Mar 31 2024	Dec 31 2023
SEK bn				
Non-current lease liabilities	-5.7	-5.3	-5.7	-5.3
Current lease liabilities	-2.1	-1.9	-2.1	-1.9
Provisions for post-employment benefits, net	-8.7	-9.1	-8.7	-9.2
Liabilities held for sale	-0.4	-0.4	-0.4	-0.4
<b>Provisions for post-employment benefits and lease liabilities, net</b>	<b>-16.9</b>	<b>-16.7</b>	<b>-16.9</b>	<b>-16.8</b>

Net financial position incl. post-employment benefits and lease liabilities	Industrial Operations		Volvo Group	
	Mar 31 2024	Dec 31 2023	Mar 31 2024	Dec 31 2023
SEK bn				
Net financial position excl. post-employment benefits and lease liabilities	88.7	83.4	98.3	92.2
Provisions for post-employment benefits and lease liabilities, net	-16.9	-16.7	-16.9	-16.8
<b>Net financial position incl. post-employment benefits and lease liabilities</b>	<b>71.8</b>	<b>66.7</b>	<b>81.4</b>	<b>75.4</b>

## 20 FINANCIAL STATEMENTS

Changes in net financial position, industrial operations	First quarter
SEK bn	2024
<b>Net financial position excl. post-employment benefits and lease liabilities at the end of previous period</b>	<b>83.4</b>
Operating cash flow	8.9
Investments and divestments of shares, net	-2.9
Acquired and divested operations, net	-2.3
Capital injections to/from Financial Services	0.4
Currency effect	1.6
Dividend to owners of AB Volvo	-
Dividend to non-controlling interest	-
Other changes	-0.4
<b>Net financial position excl. post-employment benefits and lease liabilities at the end of period</b>	<b>88.7</b>
<b>Provisions for post-employment benefits and lease liabilities at the end of previous period</b>	<b>-16.7</b>
Pension payments, included in operating cash flow	0.6
Remeasurements of defined post-employment benefits	0.6
Service costs and other pension costs	-0.3
Investments, remeasurements and amortizations of lease contracts	-0.1
Currency effect	-0.5
Other changes	-0.3
<b>Provisions for post-employment benefits and lease liabilities at the end of period</b>	<b>-16.9</b>
<b>Net financial position incl. post-employment benefits and lease liabilities at the end of period</b>	<b>71.8</b>

CHANGES IN CONSOLIDATED EQUITY			
SEK M	Equity attributable to owners of AB Volvo	Non-controlling interest	Total equity
<b>Balance as of December 31, 2022</b>	<b>162,717</b>	<b>3,519</b>	<b>166,236</b>
Income for the period	49,825	107	49,932
Other comprehensive income for the period	-6,094	-191	-6,285
<b>Total comprehensive income for the period</b>	<b>43,731</b>	<b>-84</b>	<b>43,647</b>
Dividend	-28,468	-457	-28,926
Changes in non-controlling interests	-	-29	-29
Other changes	-189	-	-189
<b>Transactions with shareholders</b>	<b>-28,658</b>	<b>-486</b>	<b>-29,143</b>
<b>Balance as of December 31, 2023</b>	<b>177,791</b>	<b>2,948</b>	<b>180,739</b>
Income for the period	14,080	23	14,103
Other comprehensive income for the period	5,357	128	5,485
<b>Total comprehensive income for the period</b>	<b>19,437</b>	<b>151</b>	<b>19,588</b>
Dividend	-36,602	-	-36,602
Changes in non-controlling interests	-	-	-
Other changes	127	-	127
<b>Transactions with shareholders</b>	<b>-36,475</b>	<b>-</b>	<b>-36,475</b>
<b>Balance as of March 31, 2024</b>	<b>160,753</b>	<b>3,100</b>	<b>163,852</b>

## 21 FINANCIAL STATEMENTS

CONSOLIDATED CASH FLOW STATEMENT - FIRST QUARTER								
SEK M	Industrial Operations		Financial Services		Eliminations		Volvo Group	
	2024	2023	2024	2023	2024	2023	2024	2023
<b>Operating activities</b>								
Operating income	17,044	16,238	1,009	871	106	158	18,159	17,266
Amortization intangible assets	770	740	6	8	–	–	776	748
Depreciation tangible assets	2,132	2,068	7	5	–	–	2,138	2,073
Depreciation leasing vehicles	972	1,075	1,280	1,212	–	–	2,252	2,287
Other non-cash items	365	1,859	213	229	–	-1	578	2,087
Total change in working capital whereof	-3,818	-7,738	-6,034	-11,355	-104	-263	-9,956	-19,356
<i>Change in accounts receivables</i>	953	13	52	-125	–	–	1,005	-112
<i>Change in customer-financing receivables</i>	31	59	-5,099	-11,102	-61	-198	-5,128	-11,241
<i>Change in inventories</i>	-6,117	-9,206	-138	54	–	–	-6,255	-9,152
<i>Change in trade payables</i>	1,150	1,899	31	7	–	–	1,181	1,907
<i>Change in vehicles on operating lease and assets for service solutions<sup>1</sup></i>	-63	-180	-1,108	-689	48	12	-1,123	-858
<i>Other changes in working capital</i>	227	-324	229	500	-91	-77	364	99
Dividends received from joint ventures and associated companies	–	–	–	–	–	–	–	–
Interest and similar items received	994	724	–	–	-106	-158	888	567
Interest and similar items paid	-267	-620	–	–	-27	21	-294	-599
Other financial items	-138	-27	–	–	–	–	-138	-27
Income taxes paid	-5,588	-5,602	-300	-285	–	–	-5,888	-5,888
<b>Cash flow from operating activities</b>	<b>12,465</b>	<b>8,717</b>	<b>-3,818</b>	<b>-9,315</b>	<b>-131</b>	<b>-243</b>	<b>8,516</b>	<b>-841</b>
<b>Investing activities</b>								
Investments in intangible assets	-1,135	-1,315	-11	-8	–	–	-1,146	-1,324
Investments in tangible assets	-2,511	-2,463	-1	-3	–	–	-2,512	-2,466
Disposals of in-/tangible assets	77	65	2	1	–	–	79	66
<b>Operating cash flow</b>	<b>8,896</b>	<b>5,004</b>	<b>-3,828</b>	<b>-9,326</b>	<b>-131</b>	<b>-243</b>	<b>4,937</b>	<b>-4,565</b>
Investments of shares							-2,940	-673
Divestment of shares							2	–
Acquired operations							-2,448	-9
Divested operations							170	196
Interest-bearing receivables incl. marketable securities							-292	-76
<b>Cash flow after net investments</b>							<b>-570</b>	<b>-5,127</b>
<b>Financing activities</b>								
New borrowings							62,761	44,727
Repayments of borrowings							-56,332	-39,524
Dividend to owners of AB Volvo							–	–
Dividend to non-controlling interest							–	–
Other							41	3
<b>Change in cash and cash equivalents excl. exchange rate changes</b>							<b>5,901</b>	<b>80</b>
Effect of exchange rate changes on cash and cash equivalents							2,036	212
<b>Change in cash and cash equivalents</b>							<b>7,936</b>	<b>292</b>
<b>Cash and cash equivalents, beginning of quarter</b>							<b>83,326</b>	<b>83,886</b>
<b>Cash and cash equivalents, end of quarter</b>							<b>91,263</b>	<b>84,178</b>

1 As from 2024, change in vehicles on operating lease and assets for service solutions is presented separately in the cash flow statement. The comparative figures for 2023 have been restated.

## 22 QUARTERLY FIGURES

<b>Income Statements, Volvo Group</b>					
SEK M unless otherwise stated	1/2024	4/2023	3/2023	2/2023	1/2023
<b>Net sales</b>	<b>131,177</b>	<b>147,988</b>	<b>132,275</b>	<b>140,685</b>	<b>131,303</b>
Cost of sales	-94,395	-109,188	-95,751	-101,637	-95,837
<b>Gross income</b>	<b>36,781</b>	<b>38,800</b>	<b>36,524</b>	<b>39,048</b>	<b>35,466</b>
Research and development expenses	-7,332	-7,029	-6,305	-6,819	-6,492
Selling expenses	-8,617	-9,249	-8,202	-8,329	-7,894
Administrative expenses	-1,964	-2,149	-1,686	-1,858	-1,663
Other operating income and expenses	-567	-2,247	-1,180	-6,873	-1,980
Income/loss from investments in Joint Ventures and associated companies	-142	-1,154	-665	-578	-171
Income/loss from other investments	-	10	-22	-2	-
<b>Operating income</b>	<b>18,159</b>	<b>16,982</b>	<b>18,464</b>	<b>14,589</b>	<b>17,266</b>
Interest income and similar credits	885	890	656	572	572
Interest expenses and similar charges	-364	-406	-417	-390	-472
Other financial income and expenses	-238	-582	-67	-362	-570
<b>Income after financial items</b>	<b>18,442</b>	<b>16,884</b>	<b>18,636</b>	<b>14,409</b>	<b>16,797</b>
Income taxes	-4,339	-4,798	-4,543	-3,591	-3,863
<b>Income for the period *</b>	<b>14,103</b>	<b>12,086</b>	<b>14,093</b>	<b>10,819</b>	<b>12,934</b>
* Attributable to:					
Owners of AB Volvo	14,080	12,053	14,092	10,770	12,910
Non-controlling interest	23	33	1	49	24
	<b>14,103</b>	<b>12,086</b>	<b>14,093</b>	<b>10,819</b>	<b>12,934</b>
<b>Key ratios, Volvo Group, %</b>					
Gross margin	28.0	26.1	27.5	27.6	26.9
Research and development expenses as % of net sales	5.6	4.7	4.8	4.8	4.9
Selling expenses as % of net sales	6.6	6.2	6.2	5.9	6.0
Administrative expenses as % of net sales	1.5	1.5	1.3	1.3	1.3
Operating margin	13.8	11.4	13.8	10.3	13.0
<b>Key ratios, Industrial Operations, %</b>					
Gross margin	27.4	25.7	27.0	27.3	26.4
Research and development expenses as % of net sales	5.8	4.9	5.0	5.0	5.1
Selling expenses as % of net sales	6.2	5.9	5.8	5.5	5.6
Administrative expenses as % of net sales	1.6	1.5	1.3	1.4	1.3
Operating margin	13.5	11.1	13.7	10.0	12.8
<b>EBITDA margin, Industrial Operations</b>					
<b>Operating income Industrial Operations</b>	<b>17,044</b>	<b>15,887</b>	<b>17,393</b>	<b>13,545</b>	<b>16,238</b>
Product and software development, amortization	736	781	704	709	696
Other intangible assets, amortization	34	40	39	38	44
Tangible assets, depreciation	3,103	3,407	3,314	3,259	3,143
<b>Total depreciation and amortization</b>	<b>3,873</b>	<b>4,228</b>	<b>4,057</b>	<b>4,006</b>	<b>3,883</b>
<b>Operating income before depreciation and amortization (EBITDA)</b>	<b>20,917</b>	<b>20,115</b>	<b>21,450</b>	<b>17,551</b>	<b>20,121</b>
EBITDA margin, %	16.6	14.1	16.9	12.9	15.8
<b>Net capitalization of research and development</b>					
Capitalization	1,101	1,314	1,022	1,166	1,208
Amortization	-701	-696	-665	-670	-657
<b>Net capitalization and amortization</b>	<b>400</b>	<b>617</b>	<b>357</b>	<b>496</b>	<b>551</b>
Return on operating capital in Industrial Operations, % <sup>1</sup>	75.2	71.3	66.0	58.4	57.0
Return on capital employed in Industrial Operations, % <sup>1</sup>	37.7	36.7	33.7	30.2	30.3

<sup>1</sup> 12 months rolling.

## 23 QUARTERLY FIGURES

<b>Net sales</b>					
SEK M	<b>1/2024</b>	4/2023	3/2023	2/2023	1/2023
Trucks	89,946	99,896	89,848	93,748	89,556
Construction Equipment	22,877	26,578	24,296	28,999	25,109
Buses	5,173	7,336	5,386	5,434	4,267
Volvo Penta	5,168	5,031	4,956	5,416	5,603
Group Functions & Other	4,281	5,448	3,954	3,629	3,779
Eliminations	-1,280	-1,348	-1,219	-1,236	-1,195
<b>Industrial Operations</b>	<b>126,163</b>	<b>142,941</b>	<b>127,220</b>	<b>135,991</b>	<b>127,117</b>
Financial Services	6,532	6,542	6,249	5,851	5,370
Eliminations	-1,519	-1,495	-1,195	-1,156	-1,184
<b>Volvo Group</b>	<b>131,177</b>	<b>147,988</b>	<b>132,275</b>	<b>140,685</b>	<b>131,303</b>

<b>Operating income</b>					
SEK M	<b>1/2024</b>	4/2023	3/2023	2/2023	1/2023
Trucks	13,073	13,691	13,397	8,950	12,854
Construction Equipment	3,683	2,710	3,733	5,353	4,587
Buses	259	323	340	219	-1,261
Volvo Penta	988	365	790	804	1,271
Group Functions & Other	-947	-1,232	-878	-1,783	-1,225
Eliminations	-13	30	11	3	12
<b>Industrial Operations</b>	<b>17,044</b>	<b>15,887</b>	<b>17,393</b>	<b>13,545</b>	<b>16,238</b>
Financial Services	1,009	1,005	927	916	871
Eliminations	106	90	144	128	158
<b>Volvo Group</b>	<b>18,159</b>	<b>16,982</b>	<b>18,464</b>	<b>14,589</b>	<b>17,266</b>

<b>Adjusted operating income <sup>1</sup></b>					
SEK M	<b>1/2024</b>	4/2023	3/2023	2/2023	1/2023
Trucks	13,073	13,691	14,038	14,950	12,715
Construction Equipment	3,683	3,320	3,733	5,353	4,587
Buses	259	323	340	219	178
Volvo Penta	988	365	790	804	1,271
Group Functions & Other	-947	-352	-860	-513	-1,225
Eliminations	-13	30	11	3	12
<b>Industrial Operations</b>	<b>17,044</b>	<b>17,377</b>	<b>18,051</b>	<b>20,815</b>	<b>17,538</b>
Financial Services	1,009	1,005	1,062	916	871
Eliminations	106	90	144	128	158
<b>Volvo Group adjusted operating income</b>	<b>18,159</b>	<b>18,472</b>	<b>19,258</b>	<b>21,859</b>	<b>18,566</b>

<sup>1</sup> For more information on adjusted operating income, please see note 6.

## 24 QUARTERLY FIGURES

<b>Operating margin</b>					
%	<b>1/2024</b>	4/2023	3/2023	2/2023	1/2023
Trucks	14.5	13.7	14.9	9.5	14.4
Construction Equipment	16.1	10.2	15.4	18.5	18.3
Buses	5.0	4.4	6.3	4.0	-29.6
Volvo Penta	19.1	7.3	15.9	14.8	22.7
<b>Industrial Operations</b>	<b>13.5</b>	<b>11.1</b>	<b>13.7</b>	<b>10.0</b>	<b>12.8</b>
<b>Volvo Group</b>	<b>13.8</b>	<b>11.4</b>	<b>13.8</b>	<b>10.3</b>	<b>13.0</b>

<b>Adjusted operating margin</b>					
%	<b>1/2024</b>	4/2023	3/2023	2/2023	1/2023
Trucks	14.5	13.7	15.6	15.9	14.2
Construction Equipment	16.1	12.5	15.4	18.5	18.3
Buses	5.0	4.4	6.3	4.0	4.2
Volvo Penta	19.1	7.3	15.9	14.8	22.7
<b>Industrial Operations</b>	<b>13.5</b>	<b>12.2</b>	<b>14.2</b>	<b>15.3</b>	<b>13.8</b>
<b>Volvo Group adjusted operating margin</b>	<b>13.8</b>	<b>12.4</b>	<b>14.4</b>	<b>15.4</b>	<b>14.0</b>

<b>Share data</b>					
	<b>1/2024</b>	4/2023	3/2023	2/2023	1/2023
Earnings per share, SEK <sup>1</sup>	<b>6.92</b>	5.93	6.93	5.30	6.35
Earnings per share, SEK <sup>1</sup> , 12 months rolling	<b>25.07</b>	24.50	21.84	19.15	18.98
Diluted earnings per share, SEK	<b>6.92</b>	5.93	6.93	5.30	6.35
Number of outstanding shares in millions	<b>2,033</b>	2,033	2,033	2,033	2,033
Average number of shares before dilution in millions	<b>2,033</b>	2,033	2,033	2,033	2,033
Average number of shares after dilution in millions	<b>2,033</b>	2,033	2,033	2,033	2,033
Number of own shares in millions	-	-	-	-	-
Average number of own shares in millions	-	-	-	-	-

<sup>1</sup> Earnings per share are calculated as Income for the period (excl. Non-controlling interest) divided by the weighted average number of shares outstanding during the period.



## 25 NOTES

### NOTE 1 | ACCOUNTING POLICIES

The Volvo Group applies International Financial Reporting Standards (IFRS) as endorsed by the EU. The accounting policies and definitions are consistently applied with those described in the Volvo Group Annual Report 2023 (available at [www.volvogroup.com](http://www.volvogroup.com)). There are no new accounting policies

applicable from 2024 that materially affects the Volvo Group.

This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act. The Parent Company applies the Swedish Annual Accounts Act and RFR 2 Reporting for legal entities.

### NOTE 2 | RISKS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Each of the Volvo Group's Business Areas and Truck Divisions monitors and manages risks in its operations. In addition, the Volvo Group utilizes a centralized Enterprise Risk Management (ERM) reporting process, which is a systematic and structured framework for reporting and reviewing risk assessments and mitigations as well as for follow-up on identified risks.

The ERM process classifies Volvo Group risks into five categories:

**Macro and market related risks** – such as cyclical nature of the commercial vehicles industry, intense competition, extensive government regulations, political and social uncertainty;

**Operational risks** – such as transformation and technology risk, new business models, risks related to industrial operations including supply chain, reliance on suppliers and materials, cost inflation and price increases, information security and digital infrastructure, strategic transactions such as mergers and acquisitions, partnerships and divestments as well as residual value commitments;

**Climate and people risks** – such as climate, people and culture as well as human rights;

**Compliance risks** – such as data protection laws, protection and maintenance of intangible assets, legal proceedings and corruption and competition law; and

**Financial risks** – such as insurance coverage, credit risk, pension commitments, interest-rates and currency fluctuations, liquidity risk, as well as impairment on goodwill and other intangible assets.

For a more elaborate description of these risks, please refer to the Risk Management section on pages 82-88 in the Volvo Group Annual Report 2023.

#### Risk updates

Short-term risks, when applicable, are also described in the respective segment section of this report.

#### Update on supply situation and inflationary pressure

Our ability to deliver according to market demand depends significantly on obtaining a timely and adequate supply of materials, components and other vital services, as well as on our ability to properly utilize the capacity in the Group's different production and services facilities. At present, our supply chain and industrial system are strained in many areas due to e.g. shortages of labor, materials and components, and transport services. Further strains on the supply chain may also evolve from other events, including financial distress of suppliers and consequences of the war in Ukraine and other geopolitical events. There might be supply chain disturbances and stoppages in production going forward. Such disturbances could lead to higher costs and

interruptions in production and delivery of Group products and services, that could have a material negative impact on the Group's financial performance.

The Group might experience higher input costs from increased prices on e.g. purchased material, freight and energy as well as higher labor costs. If the Group is unable to compensate for the higher input costs through increased prices on products and services sold, this could have a negative impact on the Group's financial performance.

#### Accounts receivable

Due to the prevailing business model in the construction equipment industry in China, with long payment terms to customers, a substantial part of the Volvo Group's accounts receivable is related to customers in this market. The weakened Chinese construction equipment market is currently impacting customers' and dealers' profitability negatively. This might affect their ability to honor their obligations to the Group and may consequently have a material adverse effect on the Group's financial result and position.

#### Detected premature degradation of emissions control component

As previously communicated, the Volvo Group has detected that an emissions control component used in certain markets and models, may degrade more quickly than expected, affecting the vehicles emission performance negatively. The Volvo Group made a provision of SEK 7 billion impacting the operating income in Q4 2018, relating to the estimated costs to address the issue. Negative cash flow effects started in 2019 and will continue in the coming years. As of year-end 2023, approximately half of the initial provision had been utilized. The Volvo Group will continuously assess the size of the provision as the matter develops.

#### Contingent liabilities

The reported amounts for contingent liabilities reflect a part of Volvo Group's risk exposure. Total contingent liabilities as of March 31, 2024, amounted to SEK 16.1 billion, an increase of SEK 0.2 billion compared with December 31, 2023. The gross exposure of SEK 16.1 billion is partly reduced by counter guarantees and collaterals.

## 26 NOTES

### Legal proceedings

Starting in January 2011, the Volvo Group, together with a number of other truck manufacturers, was investigated by the European Commission in relation to a possible violation of EU antitrust rules. In July 2016 the European Commission adopted a settlement decision against the Volvo Group and other truck manufacturers finding that they were involved in an antitrust infringement which, in the case of the Volvo Group, covered a 14-year period from 1997 to 2011. The Volvo Group paid a monetary fine of EUR 670 million.

Following the adoption of the European Commission's settlement decision, the Volvo Group has received and is defending itself against a significant number of private damages claims brought by customers and other third parties alleging that they suffered loss, directly or indirectly, by reason of the conduct covered in the decision. The claims relate primarily to Volvo Group trucks sold during the 14-year period of the infringement and, in some cases, to trucks sold in certain periods after the infringement ended. Some claims have also been made against the Volvo Group that relate to trucks sold by other manufacturers. The truck manufacturers subject to the 2016 settlement decision are, in most countries, jointly and severally liable for any losses arising from the infringement.

In the region of 3,000 claims are being brought in over 20 countries (including EU Member States, the United Kingdom, Norway and Israel) by large numbers of claimants either acting individually or as part of a wider group or class of claimants. Further claims may be commenced. The litigation in many countries can be expected to run for several years.

Several hundred thousand trucks sold by the Volvo Group are currently subject to claims against it or other truck manufacturers, with claimants alleging that the infringement resulted in an increase in the prices paid for Volvo Group trucks which directly or indirectly caused them loss.

The Volvo Group maintains its firm view that no damage was caused to its customers or any third party by the conduct set out in the settlement decision, and in fact, the European Commission did not assess any potential effects of the infringement on the market. The Volvo Group considers that transaction prices our customers paid for their trucks were unaffected by the infringement and were the outcome of individual negotiations across all elements of their purchasing requirements, including not only the prices for new trucks but also (where relevant) associated products and services sold together with new trucks such as service contracts, financing, buy-back guarantees etc.

Litigation developments so far have been mixed with some adverse outcomes, although uncertainty regarding ultimate exposure to the litigation remains high and it is inherent in complex litigation that outlooks and risks fluctuate over time.

At this stage it is not possible to make a reliable estimate of the total liability that could arise from such proceedings given the complexity of the claims and the different (and in some cases relatively early) stages to which national proceedings have progressed. However, the litigation is substantial in scale and any adverse outcome or outcomes of some or all of the litigation, depending on the nature and extent of such outcomes, may have a material negative impact on the Volvo Group's financial results, cash flows and financial position. In light of progress in litigations and current risks, the Volvo Group has in Q2 2023 recognized a cost of SEK 6 billion, besides legal fees to advisors, which relate to aspects of the litigation that are currently possible to estimate and where an outflow of resources is probable. This is Volvo Group's current assessment, which may change as the litigation progresses.

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## NOTE 3 | ACQUISITIONS AND DIVESTMENTS

### Acquisitions and divestments

In February, the Volvo Group acquired the battery business from Proterra Inc. and Proterra Operating Company Inc. The acquisition was made at a purchase price of SEK 2.4 billion, including an adjustment for inventory levels at closing. In March, the Volvo Group and Renault Group completed the creation of Flexis, a joint venture with the purpose to offer an all-new generation of electric vans. The initial investment for Volvo Group's share in Flexis amounted to SEK 2.4 billion. The Volvo Group has not completed any other acquisitions or divestments of operations during the first quarter that have had a material impact on the financial statements.

### Assets and liabilities held for sale

Assets and liabilities held for sale amounted to net SEK 2,753 M (3,803) as of March 31, 2024. It relates to the planned divestments of Arquus to John Cockerill Defense, Volvo Construction Equipment's ABG paver business to Ammann Group, and property divestments.

## 27 NOTES

### NOTE 4 | CURRENCY AND FINANCIAL INSTRUMENTS

Valuation principles and classifications of Volvo Group financial instruments, as described in Volvo Group Annual Report 2023 Note 30, have been consistently applied throughout the reporting period. Financial instruments in the Volvo Group reported at fair value through profit and loss consist mainly of interest and currency derivatives. Derivatives with positive fair values amounted to SEK 5.8 billion (6.9) and derivatives with negative fair values amounted to SEK 5.7 billion (5.8) as of March 31, 2024. The derivatives are accounted for on gross basis.

Financial liabilities valued at amortized cost, reported as non-current and current bond loans and other loans, amounted to SEK 249.8 billion (233.5) in reported carrying value with a fair value of SEK 247.6 billion (232.8). In the Volvo Group consolidated financial position, financial liabilities include loan-related derivatives with negative fair values amounting to SEK 3.6 billion (3.3).

Currency effect on operating income, Volvo Group	Compared to first quarter 2023		
	First quarter 2024	First quarter 2023	Change
SEK M			
Net flow in foreign currency			-19
Realized and unrealized gains and losses on derivatives	2	-1	3
Unrealized gains and losses on receivables and liabilities in foreign currency	-81	241	-323
Translation effect on operating income in foreign subsidiaries			-7
<b>Total currency effect on operating income, Volvo Group</b>			<b>-346</b>

Applicable currency rates	Quarterly exchange rates		Close rates	
	First quarter 2024	First quarter 2023	Mar 31 2024	Mar 31 2023
BRL	2.10	2.01	2.13	2.03
CNY	1.44	1.52	1.47	1.51
EUR	11.28	11.20	11.49	11.28
GBP	13.17	12.68	13.41	12.81
KRW	0.0078	0.0082	0.0079	0.0079
USD	10.38	10.43	10.62	10.35

### NOTE 5 | TRANSACTIONS WITH RELATED PARTIES

SEK M	Sales of goods, services and other income		Purchases of goods, services and other expenses	
	First quarter 2024	First quarter 2023	First quarter 2024	First quarter 2023
Associated companies	503	513	53	52
Joint ventures	880	391	311	325

SEK M	Receivables		Payables	
	Mar 31 2024	Dec 31 2023	Mar 31 2024	Dec 31 2023
Associated companies	513	259	75	106
Joint ventures	517	535	117	85

## 28 NOTES

### NOTE 6 | RECONCILIATION OF ADJUSTED OPERATING INCOME

<b>Adjusted operating income</b>					
SEK M	1/2024	4/2023	3/2023	2/2023	1/2023
Trucks	13,073	13,691	14,038	14,950	12,715
Construction Equipment	3,683	3,320	3,733	5,353	4,587
Buses	259	323	340	219	178
Volvo Penta	988	365	790	804	1,271
Group Functions & Other	-947	-352	-860	-513	-1,225
Eliminations	-13	30	11	3	12
<b>Industrial Operations</b>	<b>17,044</b>	<b>17,377</b>	<b>18,051</b>	<b>20,815</b>	<b>17,538</b>
Financial Services	1,009	1,005	1,062	916	871
Eliminations	106	90	144	128	158
<b>Volvo Group adjusted operating income<sup>1</sup></b>	<b>18,159</b>	<b>18,472</b>	<b>19,258</b>	<b>21,859</b>	<b>18,566</b>

<b>Adjustments</b>					
SEK M	1/2024	4/2023	3/2023	2/2023	1/2023
<b>Adjustment items (segment)</b>					
Financial impact related to the planned divestment of Arquus (Group Functions & Other)	-	-880	-	-	-
Financial impact related to the planned divestment of the ABG paver business (Construction Equipment)	-	-610	-	-	-
Financial impact related to Russia:					
Trucks	-	-	-640	-	-
Group Functions & Other	-	-	-18	-	-
Financial Services	-	-	-136	-	-
Costs relating to claims arising from the European Commission's 2016 antitrust settlement decision (Trucks)	-	-	-	-6,000	-
Restructuring charges relating to the US bus production for Nova Bus (Group Functions & Other)	-	-	-	-1,270	-
Restructuring charges relating to the European bus operation (Buses)	-	-	-	-	-1,300
Previously announced provision for premature degradation of an emission control component:					
Trucks	-	-	-	-	139
Buses	-	-	-	-	-139
<b>Total adjustments</b>					
Trucks	-	-	-640	-6,000	139
Construction Equipment	-	-610	-	-	-
Buses	-	-	-	-	-1,439
Volvo Penta	-	-	-	-	-
Group Functions & Other	-	-880	-18	-1,270	-
<b>Industrial Operations</b>	<b>-</b>	<b>-1,490</b>	<b>-658</b>	<b>-7,270</b>	<b>-1,300</b>
Financial Services	-	-	-136	-	-
Eliminations	-	-	-	-	-
<b>Volvo Group</b>	<b>-</b>	<b>-1,490</b>	<b>-794</b>	<b>-7,270</b>	<b>-1,300</b>

<b>Operating income</b>					
SEK M	1/2024	4/2023	3/2023	2/2023	1/2023
Trucks	13,073	13,691	13,397	8,950	12,854
Construction Equipment	3,683	2,710	3,733	5,353	4,587
Buses	259	323	340	219	-1,261
Volvo Penta	988	365	790	804	1,271
Group Functions & Other	-947	-1,232	-878	-1,783	-1,225
Eliminations	-13	30	11	3	12
<b>Industrial Operations</b>	<b>17,044</b>	<b>15,887</b>	<b>17,393</b>	<b>13,545</b>	<b>16,238</b>
Financial Services	1,009	1,005	927	916	871
Eliminations	106	90	144	128	158
<b>Volvo Group<sup>1</sup></b>	<b>18,159</b>	<b>16,982</b>	<b>18,464</b>	<b>14,589</b>	<b>17,266</b>

<sup>1</sup> As from 2024, elimination of internal interest income related to internal funding from Volvo Treasury AB to Financial Services is reclassified from finance net to gross income. The comparative figures in the financial statements for 2023 have been restated accordingly, impacting operating income positively with SEK 158 M in Q1, 2023. The effect on key ratios is insignificant.

## 29 PARENT COMPANY

There was no income from investments in Group companies in the first quarter 2024. In the previous year an additional payment of earnout from divestment of UD Trucks amounted to SEK 49 M.

Net financial assets amounted to SEK 6,599 M at end of the first quarter 2024. At year-end 2023, there was a net debt of SEK 34,147 M.

Income statement SEK M	First quarter	
	2024	2023
<b>Net sales<sup>1</sup></b>	<b>233</b>	<b>70</b>
Cost of sales <sup>1</sup>	-233	-70
<b>Gross income</b>	<b>-</b>	<b>-</b>
Operating expenses <sup>1</sup>	-314	-368
<b>Operating income (loss)</b>	<b>-314</b>	<b>-368</b>
Income from investments in group companies	-	49
Income from investments in joint ventures and associated companies	-	-
Income from investments, other shares and participations	-	-
Interest income and expenses	-353	-160
Other financial income and expenses	-14	-54
<b>Income after financial items</b>	<b>-681</b>	<b>-533</b>
Appropriations	-	-
Income taxes	129	91
<b>Income for the period</b>	<b>-552</b>	<b>-442</b>

<sup>1</sup> Of net sales in the first quarter, SEK 233 M (67) pertained to group companies, while purchases from group companies amounted to SEK 137 M (106).

Other comprehensive income		
Income for the period	-552	-442
Other comprehensive income, net of income taxes	-	-
<b>Total comprehensive income for the period</b>	<b>-552</b>	<b>-442</b>

## 30 PARENT COMPANY

<b>Balance sheet</b>	<b>31 Mar</b>	31 Dec
SEK M	<b>2024</b>	2023
<b>Assets</b>		
<b>Non-current assets</b>		
Tangible assets	7	7
Financial assets		
Shares and participations in group companies	72,597	71,885
Investments in joint ventures and associated companies	8,946	8,946
Other shares and participations	2	2
Other non-current receivables	690	690
Deferred tax assets	324	205
<b>Total non-current assets</b>	<b>82,556</b>	<b>81,735</b>
<b>Current assets</b>		
Current receivables from group companies	7,239	47,762
Tax assets	1,174	–
Other current receivables	197	305
<b>Total current assets</b>	<b>8,610</b>	<b>48,067</b>
<b>Total assets</b>	<b>91,176</b>	<b>129,802</b>
<b>Equity and liabilities</b>		
<b>Equity</b>		
Restricted equity	9,899	9,899
Unrestricted equity	38,694	75,849
<b>Total Equity</b>	<b>48,593</b>	<b>85,748</b>
Untaxed reserves	4,000	4,000
Provisions	246	251
Non-current liabilities <sup>1</sup>	742	696
Current liabilities <sup>2</sup>	37,595	39,107
<b>Total equity and liabilities</b>	<b>91,176</b>	<b>129,802</b>

1 Of which SEK 735 M (690) pertains to group companies.

2 Of which SEK 79 M (35,889) pertains to group companies.

### Events after the balance sheet date

For important events, please see page 4. No other significant events have occurred after the end of the first quarter 2024 that are expected to have a material effect on the Volvo Group.

Gothenburg, April 17, 2024  
AB Volvo (publ)

Martin Lundstedt  
President and CEO

This report has not been reviewed by AB Volvo's auditors.

## 31 NET ORDER INTAKE

Net order intake of trucks	First quarter		Change %
	2024	2023	
Number of trucks			
<b>Net order intake</b>			
Europe	25,077	31,290	-20
Heavy- and medium-duty	19,976	26,055	-23
Light-duty	5,101	5,235	-3
North America	9,620	15,159	-37
South America	7,898	5,212	52
Asia	4,115	5,336	-23
Africa and Oceania	1,991	3,043	-35
<b>Total order intake</b>	<b>48,701</b>	<b>60,040</b>	<b>-19</b>
Heavy-duty (>16 tons)	40,211	49,901	-19
Medium-duty (7-16 tons)	3,269	4,831	-32
Light-duty (<7 tons)	5,221	5,308	-2
<b>Total order intake</b>	<b>48,701</b>	<b>60,040</b>	<b>-19</b>
<b>Net order intake of trucks by brand</b>			
<b>Volvo</b>			
Europe	12,065	17,367	-31
North America	6,909	7,554	-9
South America	7,712	4,924	57
Asia	3,074	4,232	-27
Africa and Oceania	1,307	1,879	-30
<b>Total Volvo</b>	<b>31,067</b>	<b>35,956</b>	<b>-14</b>
Heavy-duty (>16 tons)	30,194	34,742	-13
Medium-duty (7-16 tons)	873	1,214	-28
<b>Total Volvo</b>	<b>31,067</b>	<b>35,956</b>	<b>-14</b>
<b>Renault Trucks</b>			
Europe	13,012	13,923	-7
Heavy- and medium-duty	7,911	8,688	-9
Light-duty	5,101	5,235	-3
North America	26	50	-48
South America	108	127	-15
Asia	1,041	1,104	-6
Africa and Oceania	636	537	18
<b>Total Renault Trucks</b>	<b>14,823</b>	<b>15,741</b>	<b>-6</b>
Heavy-duty (>16 tons)	7,769	8,528	-9
Medium-duty (7-16 tons)	1,833	1,905	-4
Light-duty (<7 tons)	5,221	5,308	-2
<b>Total Renault Trucks</b>	<b>14,823</b>	<b>15,741</b>	<b>-6</b>
<b>Mack</b>			
North America	2,685	7,555	-64
South America	78	149	-48
Africa and Oceania	2	229	-99
<b>Total Mack</b>	<b>2,765</b>	<b>7,933</b>	<b>-65</b>
Heavy-duty (>16 tons)	2,214	6,268	-65
Medium-duty (7-16 tons)	551	1,665	-67
<b>Total Mack</b>	<b>2,765</b>	<b>7,933</b>	<b>-65</b>

## 32 DELIVERIES

Deliveries of trucks	First quarter		Change %
	2024	2023	
Number of trucks			
<b>Deliveries</b>			
Europe	29,289	32,850	-11
Heavy- and medium-duty	22,559	26,702	-16
Light-duty	6,730	6,148	9
North America	15,056	16,011	-6
South America	5,154	4,475	15
Asia	3,717	5,742	-35
Africa and Oceania	2,254	2,453	-8
<b>Total deliveries</b>	<b>55,470</b>	<b>61,531</b>	<b>-10</b>
Heavy-duty (>16 tons)	44,431	50,684	-12
Medium-duty (7-16 tons)	4,270	4,604	-7
Light-duty (<7 tons)	6,769	6,243	8
<b>Total deliveries</b>	<b>55,470</b>	<b>61,531</b>	<b>-10</b>
<b>Deliveries of trucks by brand</b>			
<b>Volvo</b>			
Europe	14,554	17,189	-15
North America	7,881	8,306	-5
South America	5,012	4,297	17
Asia	3,045	4,449	-32
Africa and Oceania	1,462	1,548	-6
<b>Total Volvo</b>	<b>31,954</b>	<b>35,789</b>	<b>-11</b>
Heavy-duty (>16 tons)	30,987	34,705	-11
Medium-duty (7-16 tons)	967	1,084	-11
<b>Total Volvo</b>	<b>31,954</b>	<b>35,789</b>	<b>-11</b>
<b>Renault Trucks</b>			
Europe	14,735	15,661	-6
Heavy- and medium-duty	8,005	9,513	-16
Light-duty	6,730	6,148	9
North America	22	50	-56
South America	87	81	7
Asia	672	1,293	-48
Africa and Oceania	320	411	-22
<b>Total Renault Trucks</b>	<b>15,836</b>	<b>17,496</b>	<b>-9</b>
Heavy-duty (>16 tons)	7,449	9,345	-20
Medium-duty (7-16 tons)	1,618	1,908	-15
Light-duty (<7 tons)	6,769	6,243	8
<b>Total Renault Trucks</b>	<b>15,836</b>	<b>17,496</b>	<b>-9</b>
<b>Mack</b>			
North America	7,153	7,655	-7
South America	55	83	-34
Africa and Oceania	259	220	18
<b>Total Mack</b>	<b>7,467</b>	<b>7,958</b>	<b>-6</b>
Heavy-duty (>16 tons)	5,806	6,388	-9
Medium-duty (7-16 tons)	1,661	1,570	6
<b>Total Mack</b>	<b>7,467</b>	<b>7,958</b>	<b>-6</b>



## 33 OTHER INFORMATION

This is information that AB Volvo (publ) is obliged to make public pursuant to the EU Market Abuse Regulation and the Securities Market Act. The information was submitted for publication, through the agency of the contact person set out in the press release concerning this report, at 07.20 CET on April 17, 2024.

This report contains forward-looking statements that reflect the Board of Directors' and management's current views with respect to certain future events and potential financial performance. Forward-looking statements are subject to risks and uncertainties. Results could differ materially from forward-looking statements as a result of, among other factors, (i) changes in economic, market and competitive conditions, (ii) success of business initiatives, (iii) changes in the regulatory environment and other government actions, (iv) fluctuations in exchange rates and (v) business risk management.

This report is based solely on the circumstances at the date of publication and except to the extent required under applicable law, AB Volvo is under no obligation to update the information, opinions or forward-looking statements in this report.

## 34 FINANCIAL CALENDAR AND CONTACTS

### Financial calendar

Report on the second quarter 2024	July 18, 2024
Report on the third quarter 2024	October 18, 2024
Capital Markets Day	November 14, 2024

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