

V O L V O

FOURTH QUARTER 2023

Martin Lundstedt

President and CEO

Volvo Group

Fourth quarter 2023

2024-01-26

Volvo Group

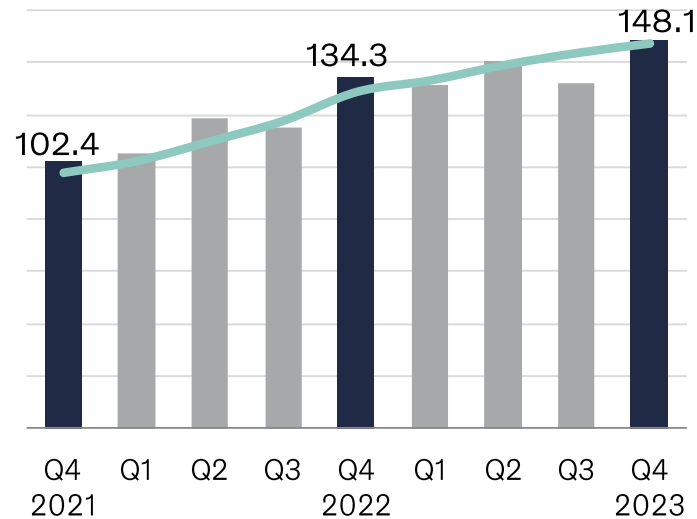
Fourth quarter highlights

- Net sales increased to SEK 148.1 bn, an increase of 8% adjusted for FX
- Adjusted operating income reached SEK 18.4 bn (12.2), corresponding to a margin of 12.4% (9.1)
- Operating cash flow in Industrial Operations amounted to SEK 22.7 bn (18.9)
- Net cash position in Industrial Operations, SEK 83.4 bn (73.9)
- ROCE 36.7% (27.4) in Industrial Operations
- EPS increased to SEK 5.93 (3.26)

NET SALES

SEK bn

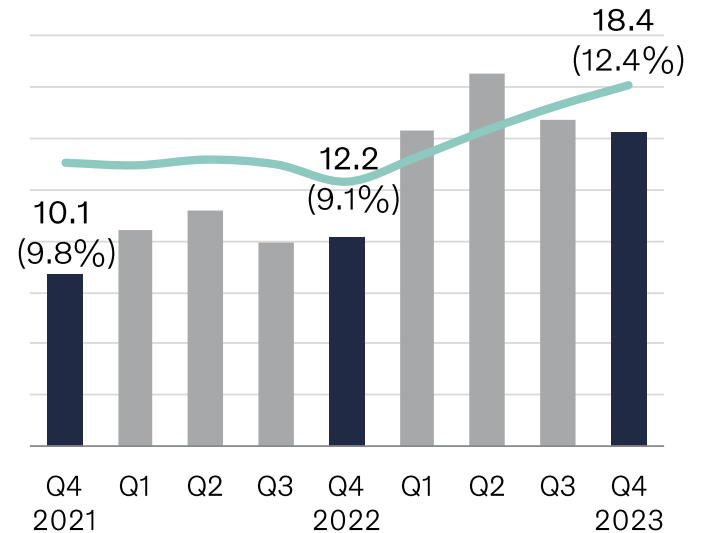
— 12 months SEK 553 bn



ADJUSTED OPERATING INCOME

SEK bn (margin)*

— 12 months 14.0%



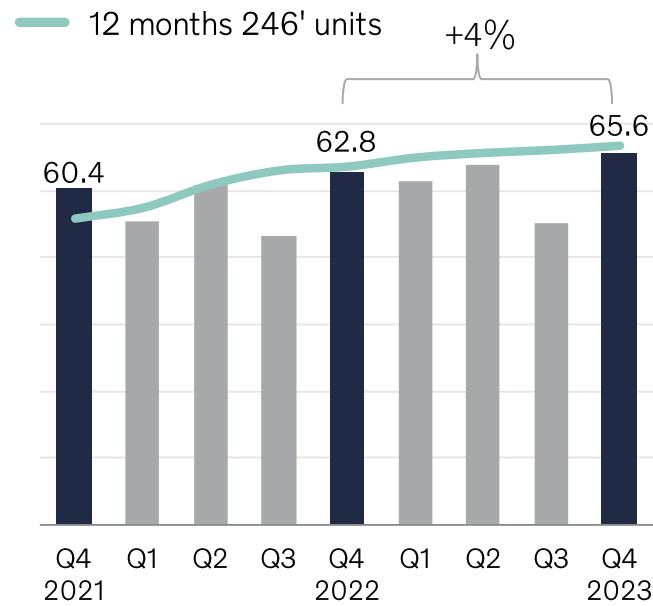
*For information on adjustments, see note 6 in the quarterly report

Volvo Group

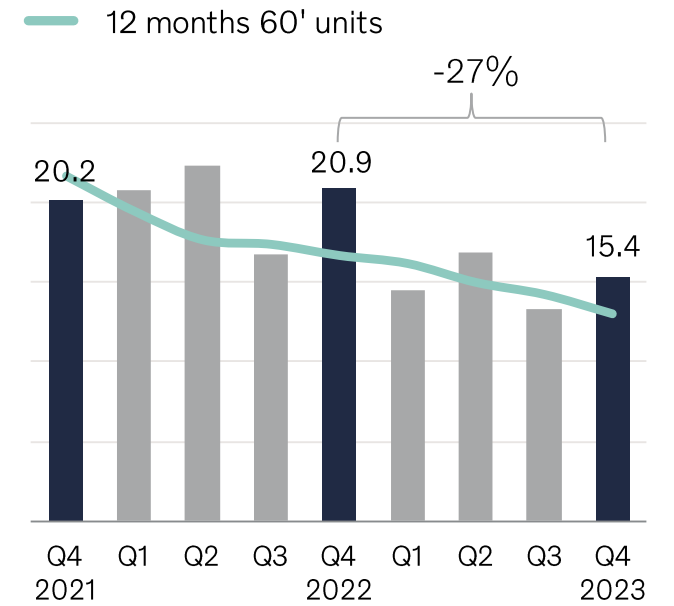
Volume development



TRUCK DELIVERIES



MACHINE DELIVERIES



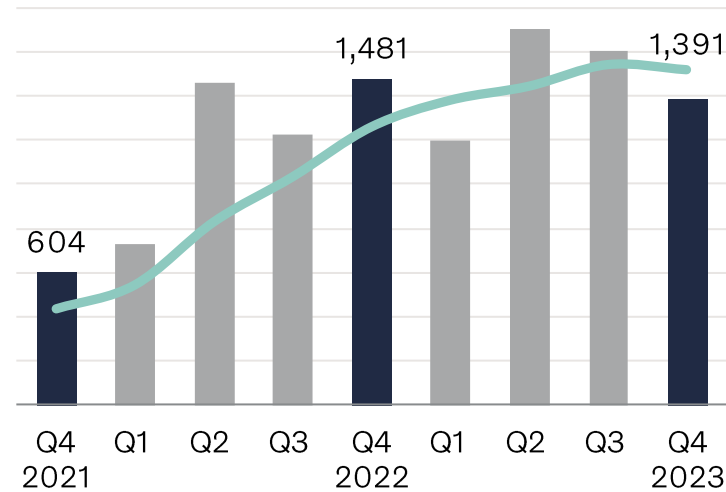
Volvo Group

Electrification progress



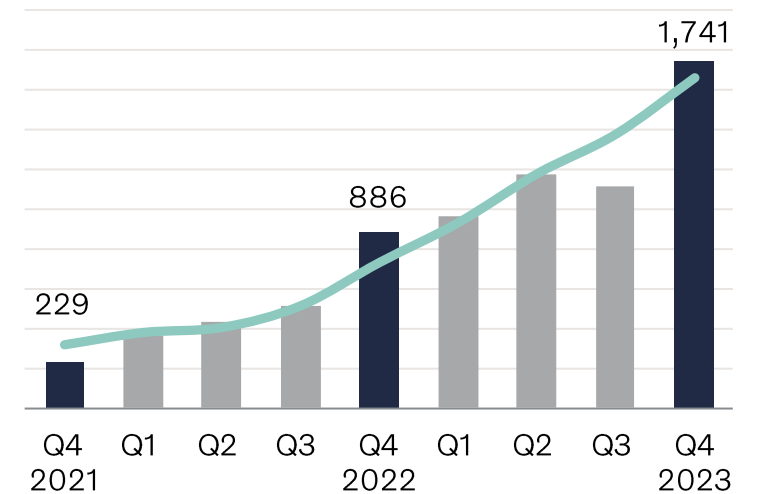
ORDER INTAKE, FULLY ELECTRIC VEHICLES

12 months 5,895 units



DELIVERIES, FULLY ELECTRIC VEHICLES

12 months 4,996 units



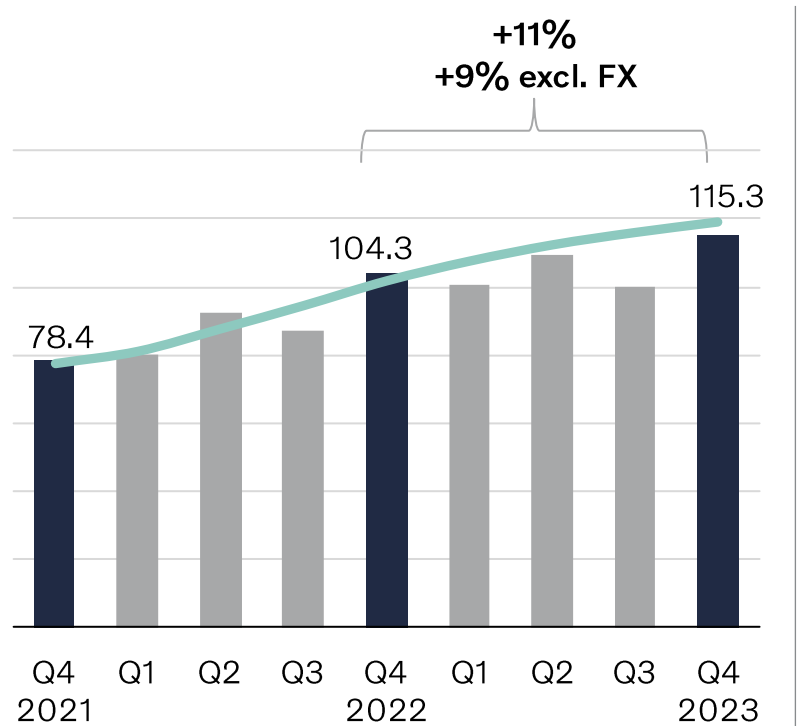
Including Designwerk and Nova Bus

Volvo Group

Vehicle and machine sales development

VEHICLE SALES

SEK bn — 12 months SEK 425 bn



YoY GROWTH %



15%

TRUCKS



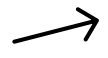
-6%

CONSTRUCTION
EQUIPMENT



7%

BUSES



1%

VOLVO PENTA

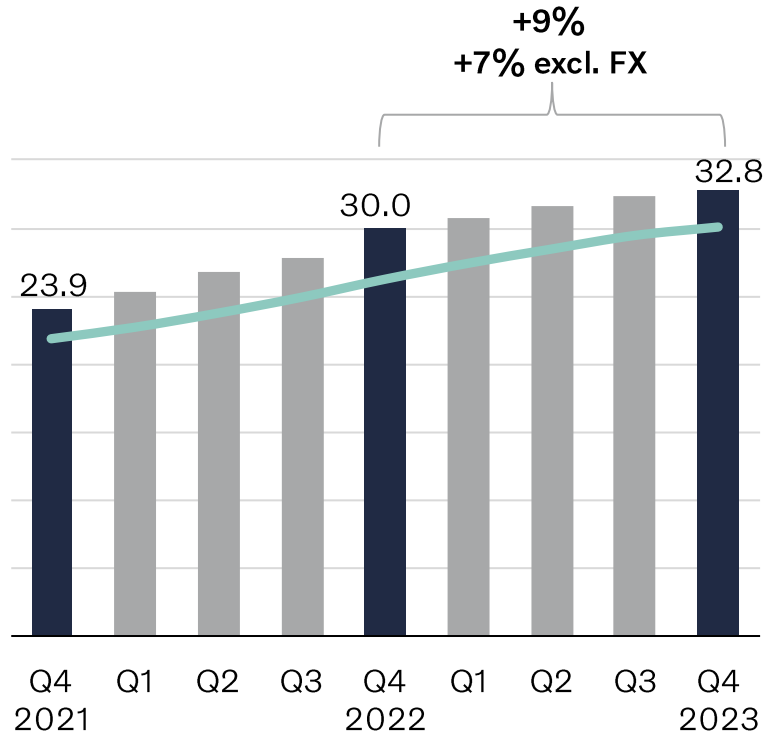
All figures are excluding FX

Volvo Group

Service sales development

SERVICE SALES (incl. Financial Services)

SEK bn — 12 months SEK 127 bn



YoY GROWTH %



2%

TRUCKS



6%

CONSTRUCTION
EQUIPMENT



12%

BUSES



2%

VOLVO PENTA



26%

VFS

All figures are excluding FX

Group news

- Volvo Group to acquire the battery business from Proterra
- First step in creating a battery value chain in North America and adds to Volvo Group battery capabilities
- Option agreement to divest Arquus



Trucks news

- Volvo Trucks in North America launches an all-new Volvo VNL heavy-duty truck range



VOLVO



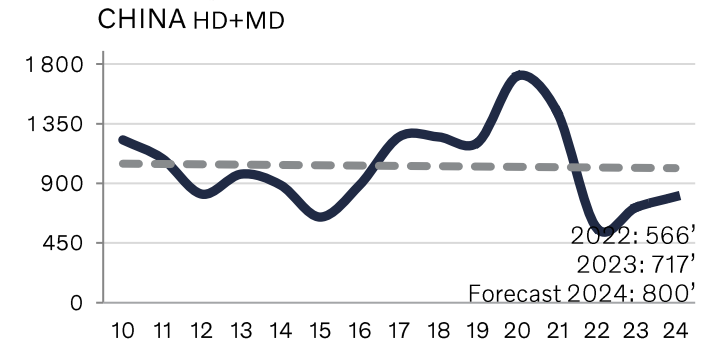
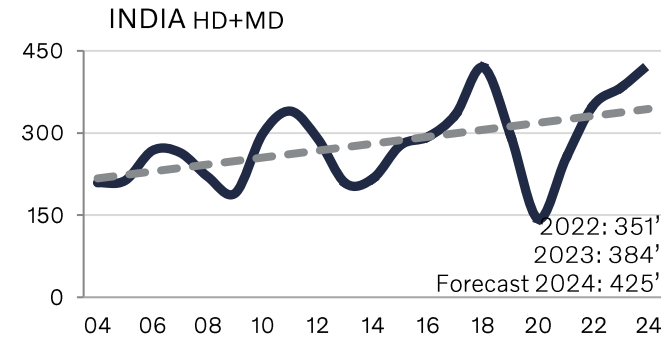
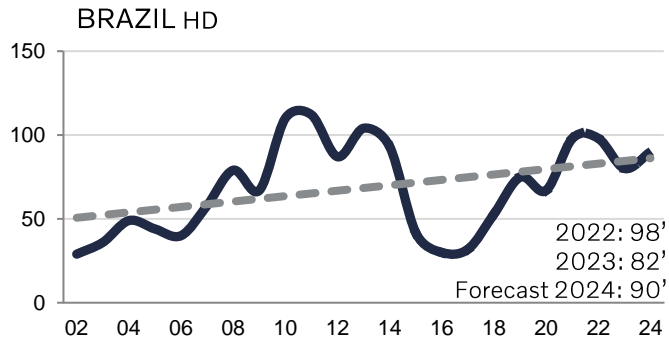
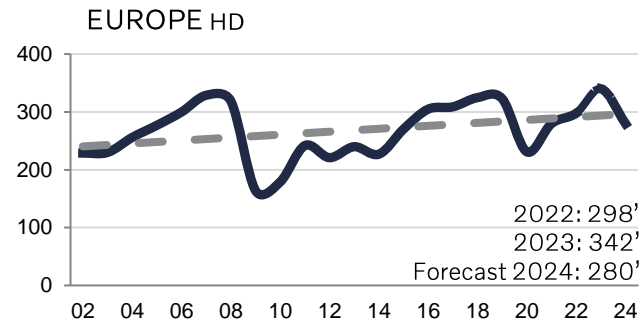
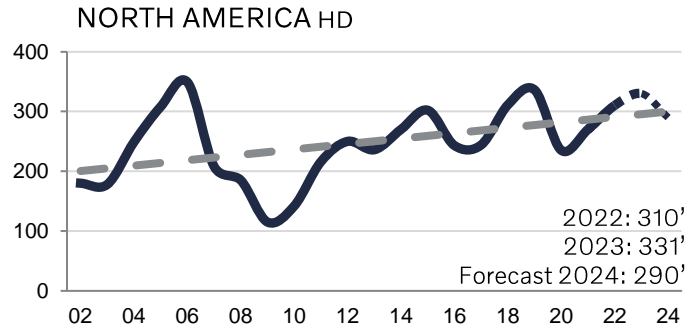
Trucks news

- Volvo FH electric awarded Truck of the Year 2024 in Europe
- Volvo Trucks starts electric heavy-duty truck sales in Latin America
- New designs and enhanced safety features for the Renault Trucks and Volvo Trucks urban ranges



Trucks

Market environment



Trucks

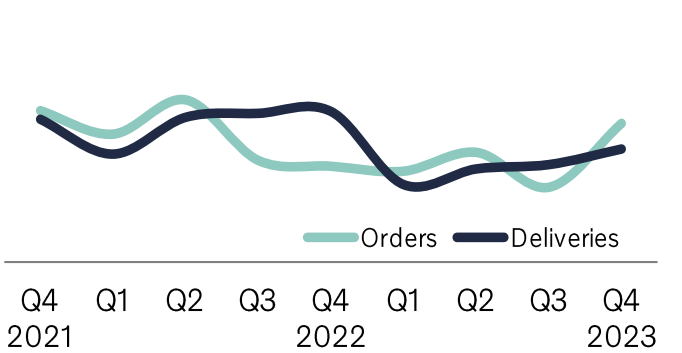
Quarterly orders -9% and deliveries +4%

NORTH AMERICA



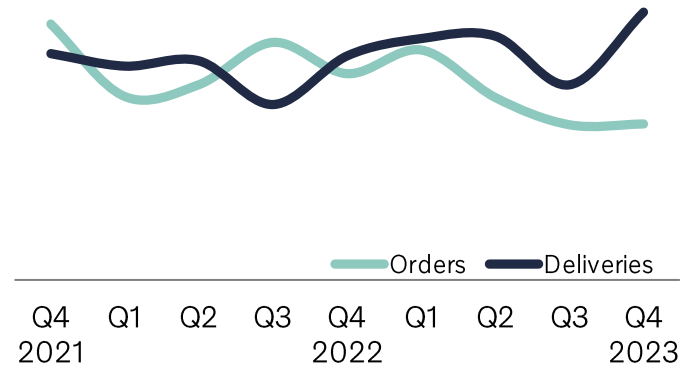
Orders +19%
Deliveries -3%

SOUTH AMERICA



Orders +45%
Deliveries -25%

EUROPE

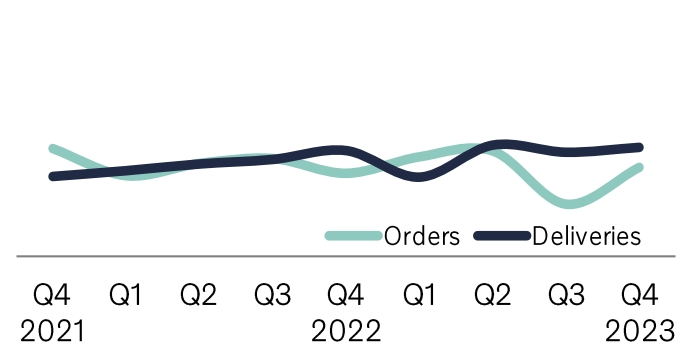


Orders Deliveries

Q4 2021 Q1 2022 Q2 2022 Q3 2022 Q4 2022 Q1 2023 Q2 2023 Q3 2023 Q4 2023

Orders -24%
Deliveries +20%

AFRICA AND OCEANIA



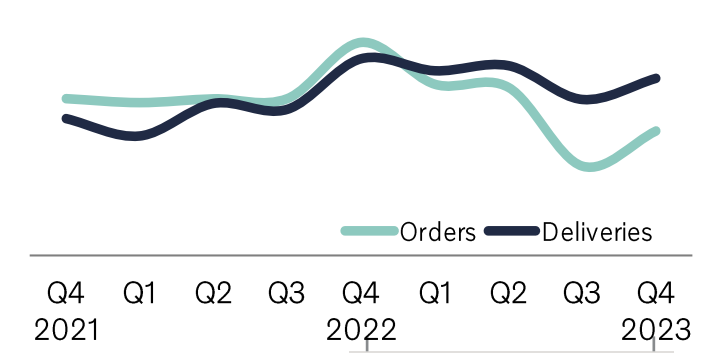
Orders Deliveries

Q4 2021 Q1 2022 Q2 2022 Q3 2022 Q4 2022 Q1 2023 Q2 2023 Q3 2023 Q4 2023

Orders +7%
Deliveries +3%



ASIA



Orders Deliveries

Q4 2021 Q1 2022 Q2 2022 Q3 2022 Q4 2022 Q1 2023 Q2 2023 Q3 2023 Q4 2023

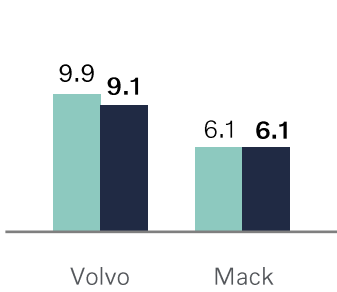
Orders -41%
Deliveries -10%

Trucks

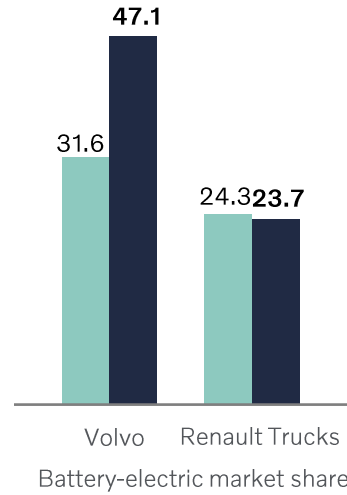
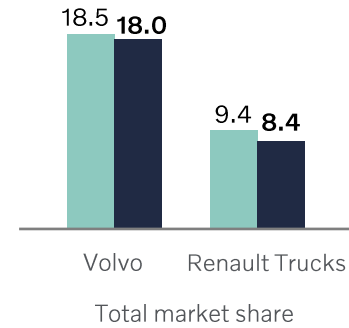
Heavy-duty truck market shares



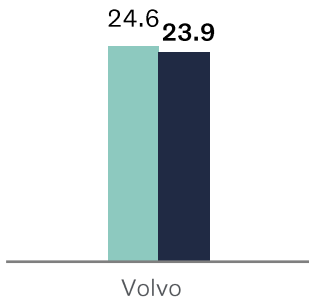
NORTH AMERICA
YTD Dec



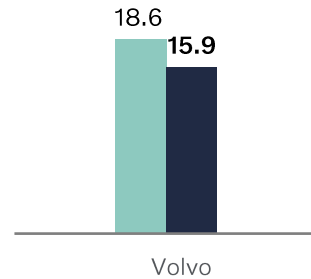
EUROPE (EU29)
YTD Dec



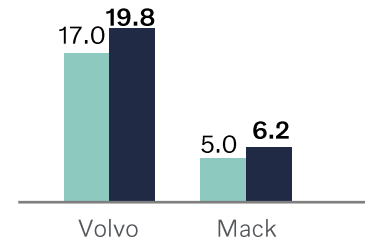
BRAZIL
YTD Dec



SOUTH AFRICA
YTD Dec



AUSTRALIA
YTD Dec



2022 2023

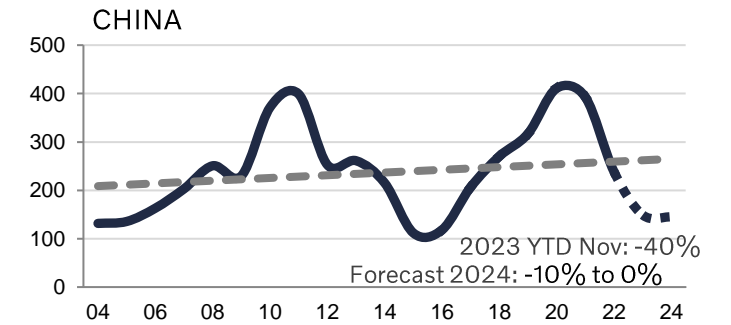
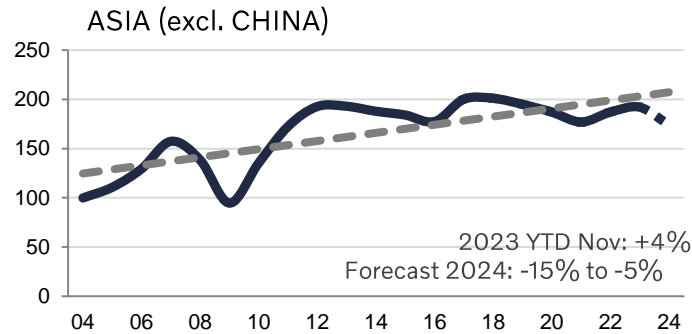
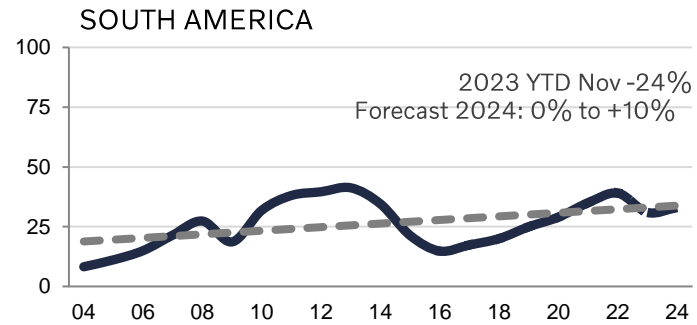
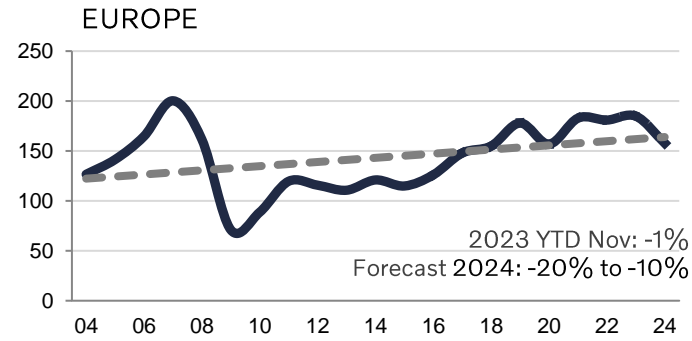
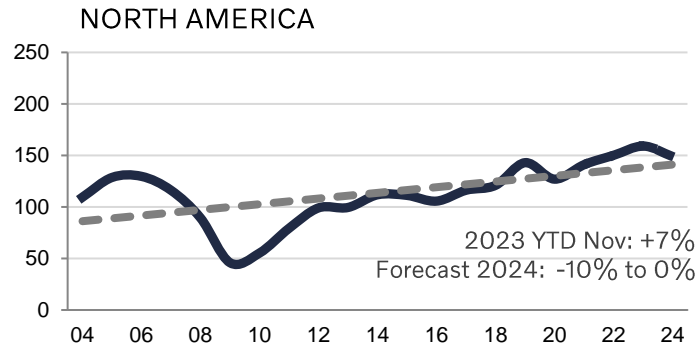
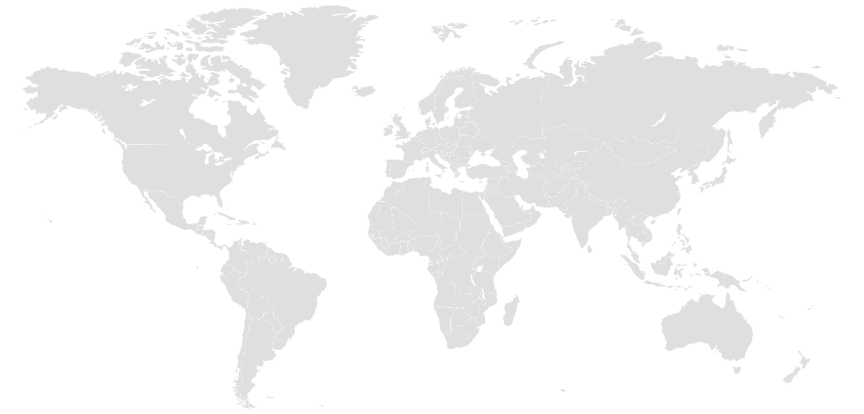
Construction Equipment news

- Volvo Construction Equipment will divest ABG Paver Business
- Launch of several electric models in the Indian market at ExCon trade show



Construction Equipment

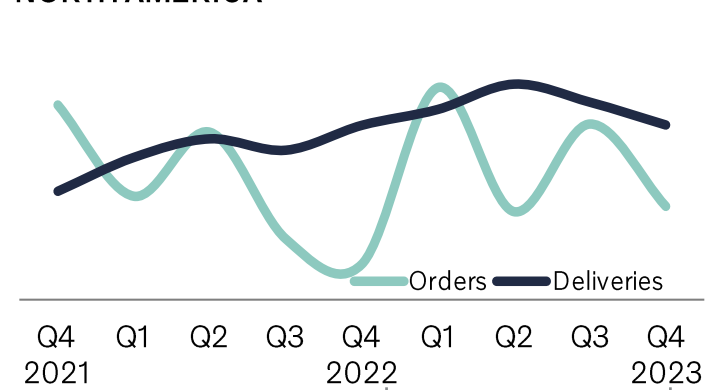
Market environment



Construction Equipment

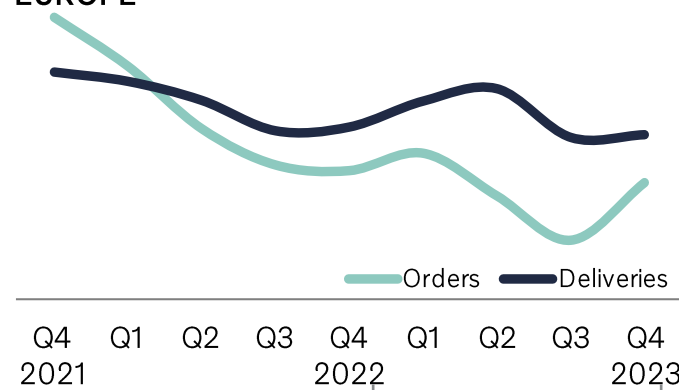
Quarterly orders -26% and deliveries -27%

NORTH AMERICA



Orders +173%
Deliveries +0%

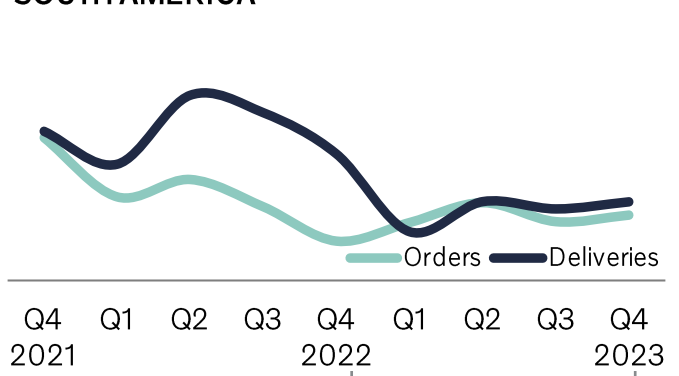
EUROPE



Orders -9%
Deliveries -4%



SOUTH AMERICA



Orders +64%
Deliveries -38%

AFRICA AND OCEANIA



Orders -10%
Deliveries +20%

ASIA



Orders -39%
Deliveries -40%

Buses

- Orders increased by 12%
- Deliveries decreased by 15%
- Volvo Buses secured the first order for electric city buses with bodies built by MCV
- PrevoSt takes its largest order to date in the US



Volvo Penta

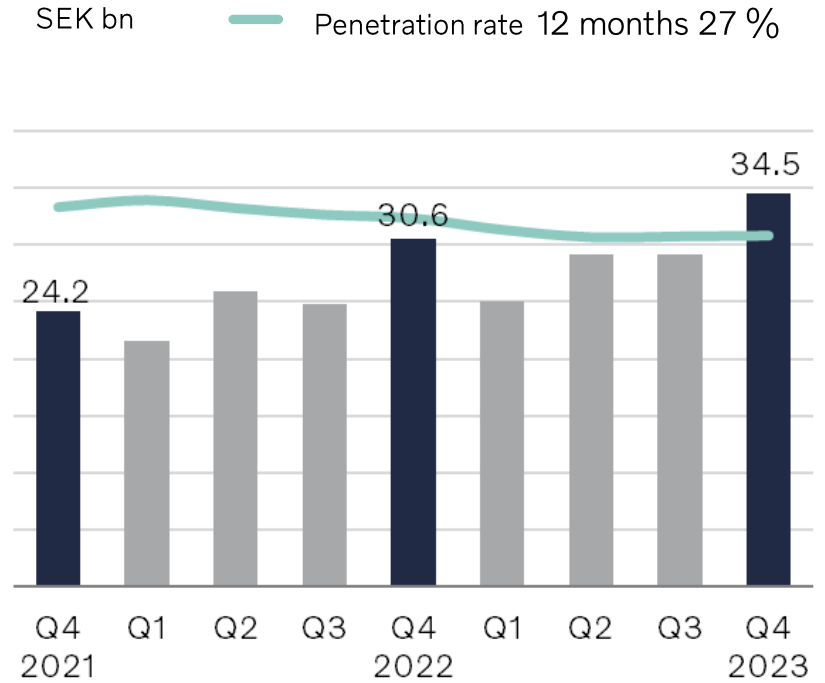
- Orders increased by 1%
- Deliveries decreased by 8%
- Volvo Penta provided sub-system to battery energy storage solutions with TechnoGen in Italy



Financial Services

- Record business volume
- Stable portfolio performance
- Usage-based leasing product for Mack MD Electric models

NEW RETAIL FINANCING & PENETRATION RATE*



*All figures exclude activity related to Russia and Belarus

V O L V O

FOURTH QUARTER 2023

Mats Backman

Chief Financial Officer

Volvo Group

Fourth quarter 2023

2024-01-26

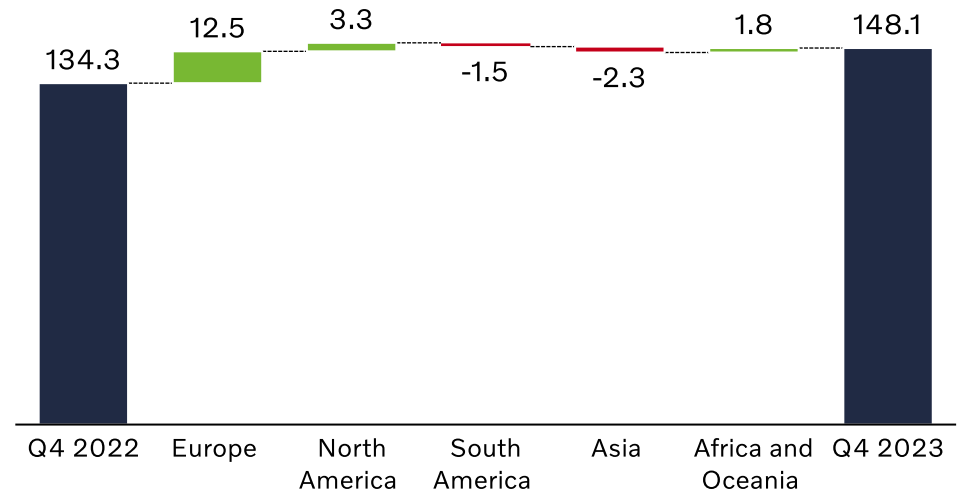
Volvo Group

Net sales per market



NET SALES
SEK bn

Currency SEK +2.6 bn



Volvo Group

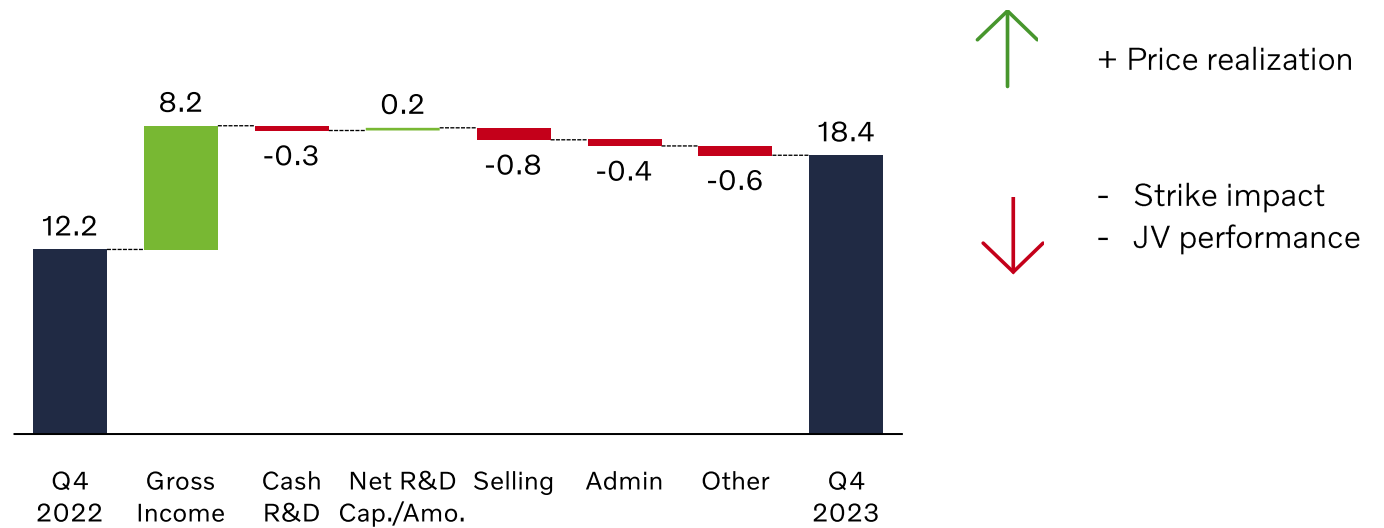
Adjusted operating income contributors



ADJUSTED OPERATING INCOME

SEK bn

Currency SEK +1.1 bn

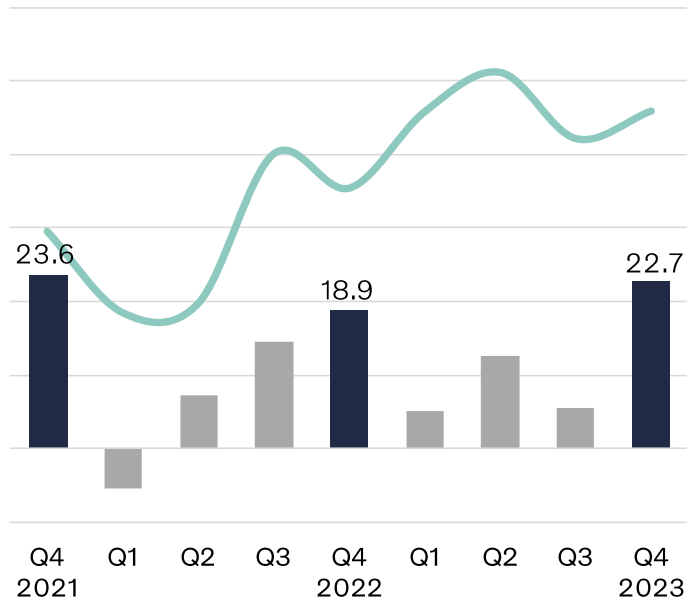


Volvo Group

Cash flow, financial position and ROCE in Industrial Operations

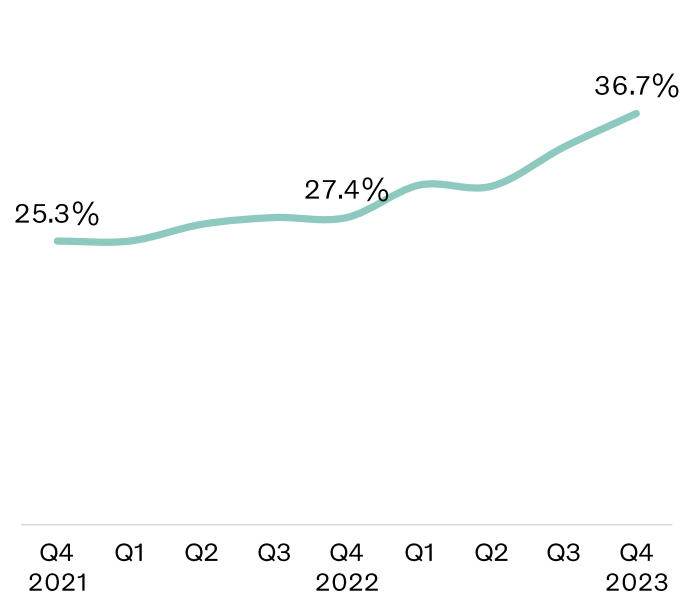
OPERATING CASH FLOW

SEK bn — 12 months SEK 45.8 bn



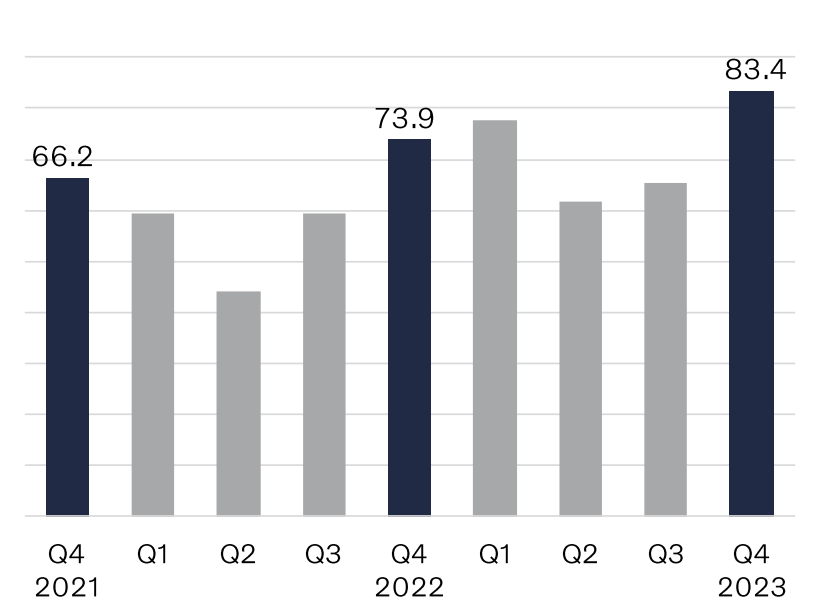
ROCE

% 12 months



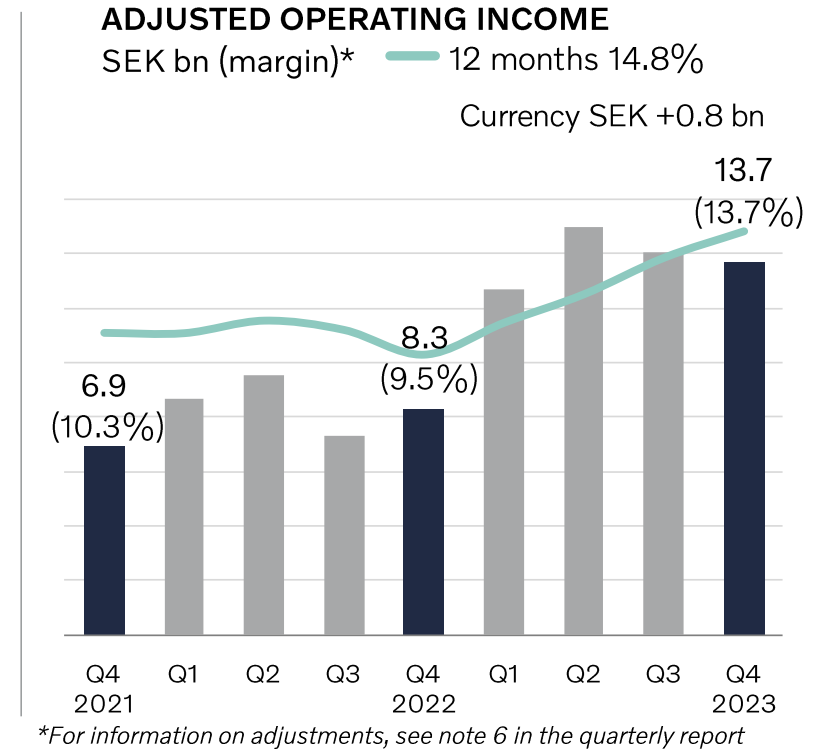
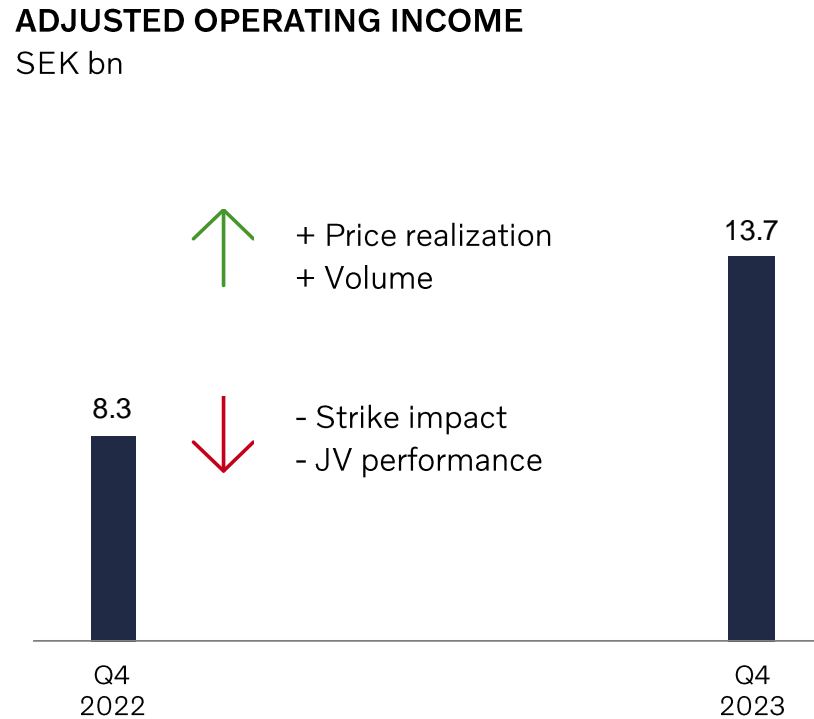
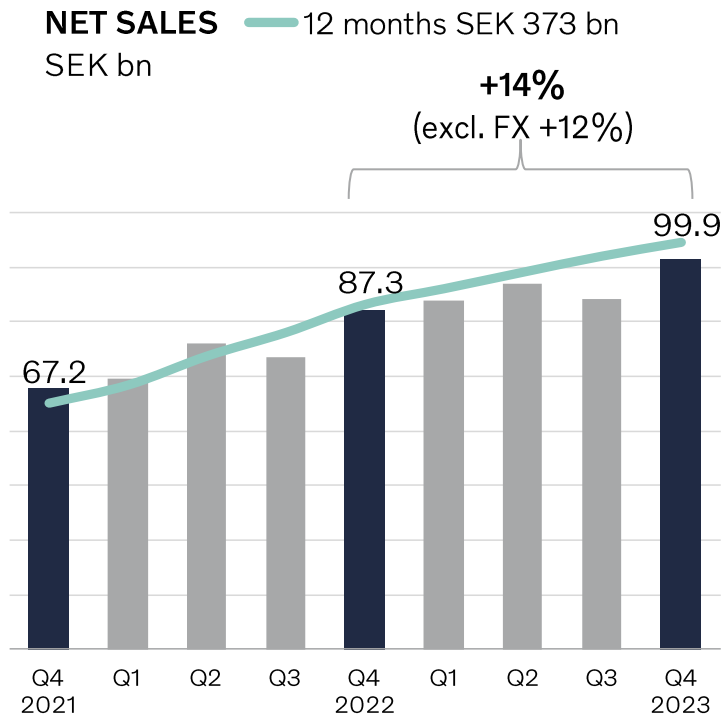
FINANCIAL POSITION

(Excl. pensions and lease liabilities)
SEK bn



Trucks

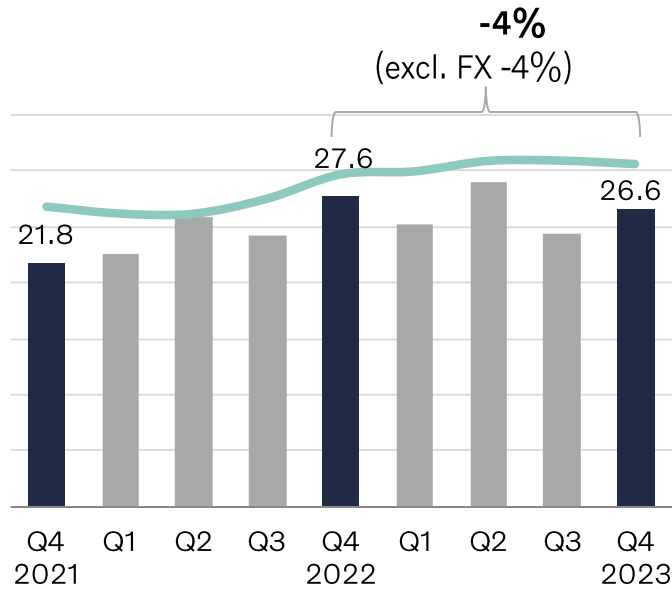
Net sales and adjusted operating income



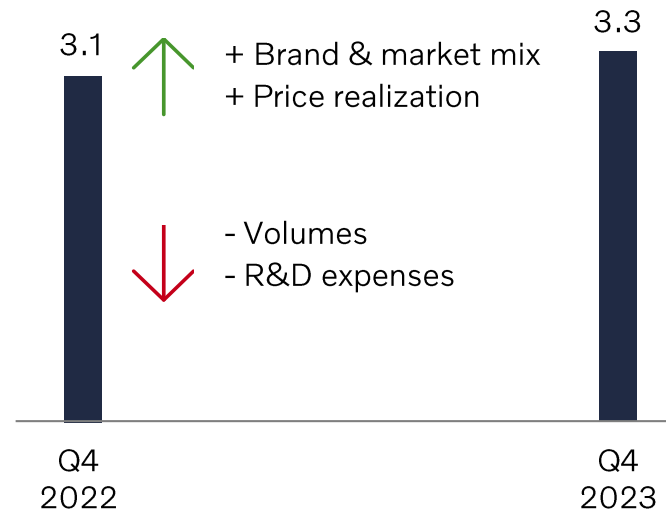
Construction Equipment

Net sales and adjusted operating income

NET SALES 12 months SEK 105 bn
SEK bn

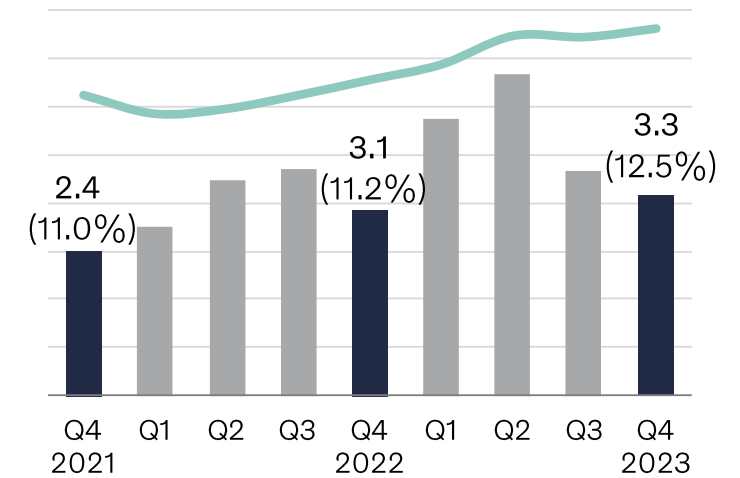


ADJUSTED OPERATING INCOME
SEK bn



ADJUSTED OPERATING INCOME

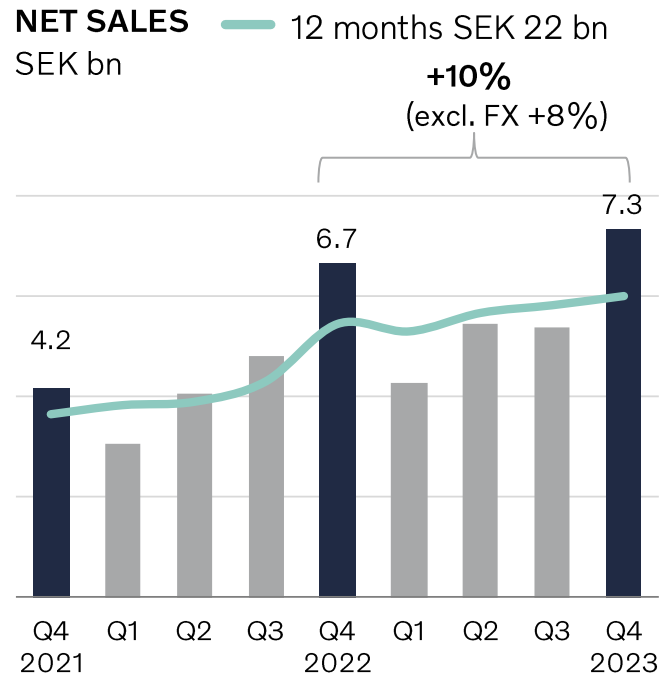
SEK bn (margin)* 12 months 16.2%
Currency SEK 0.0 bn



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

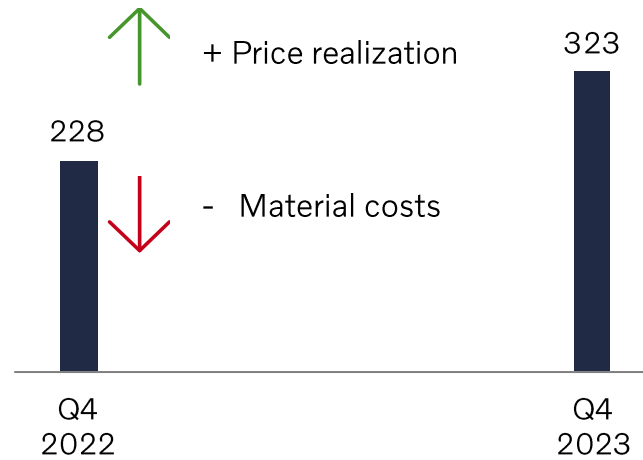
Buses

Net sales and adjusted operating income

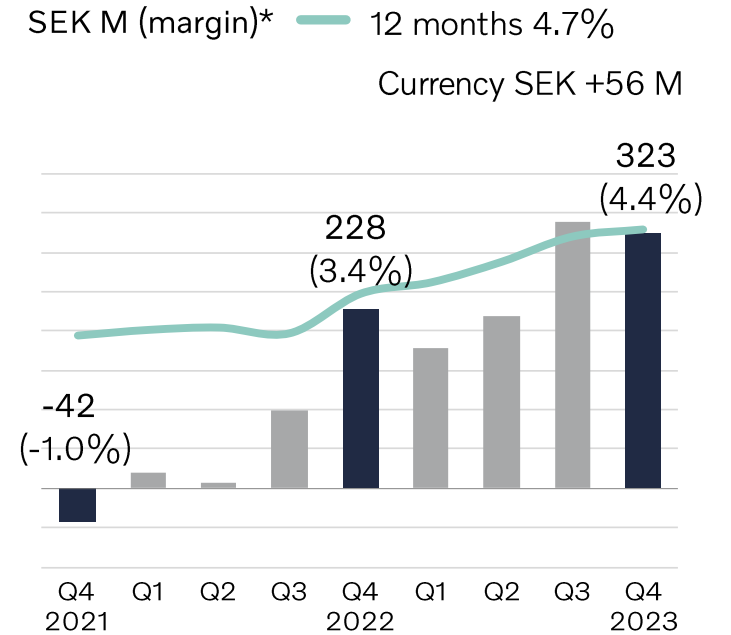


All numbers restated to exclude Nova Bus which is now included in segment 'Group Functions and other'

ADJUSTED OPERATING INCOME
SEK M



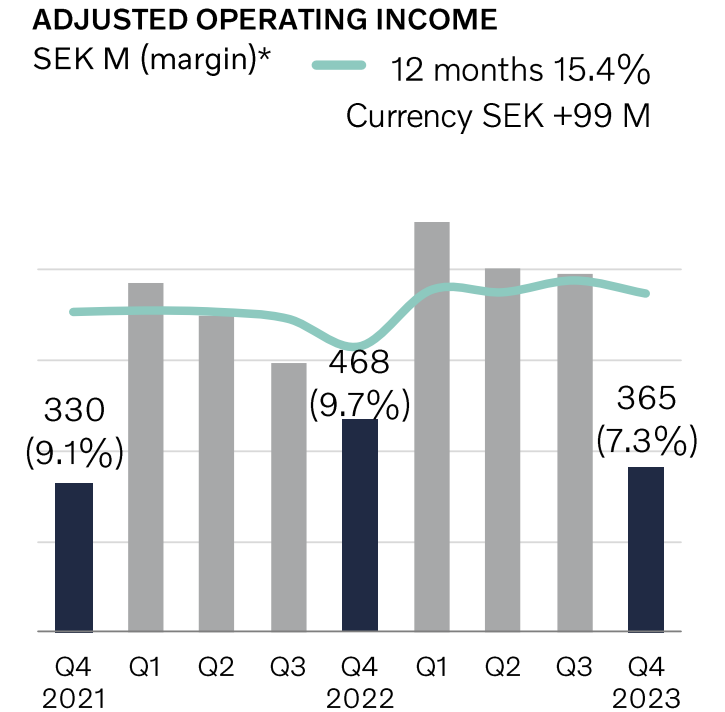
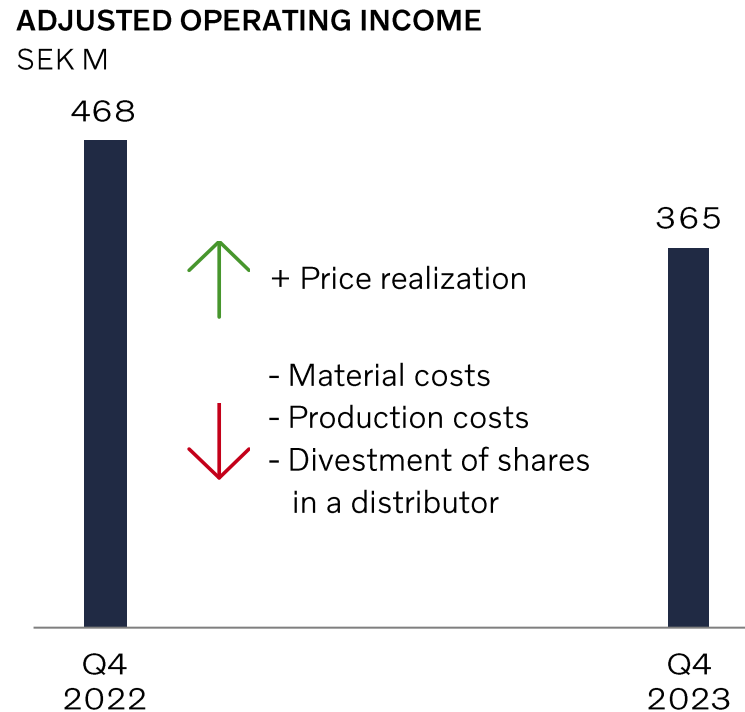
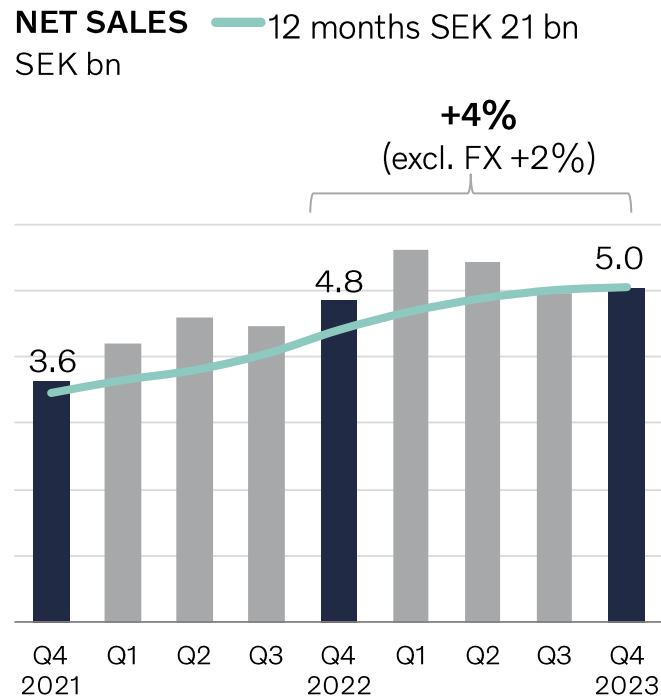
ADJUSTED OPERATING INCOME



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

Volvo Penta

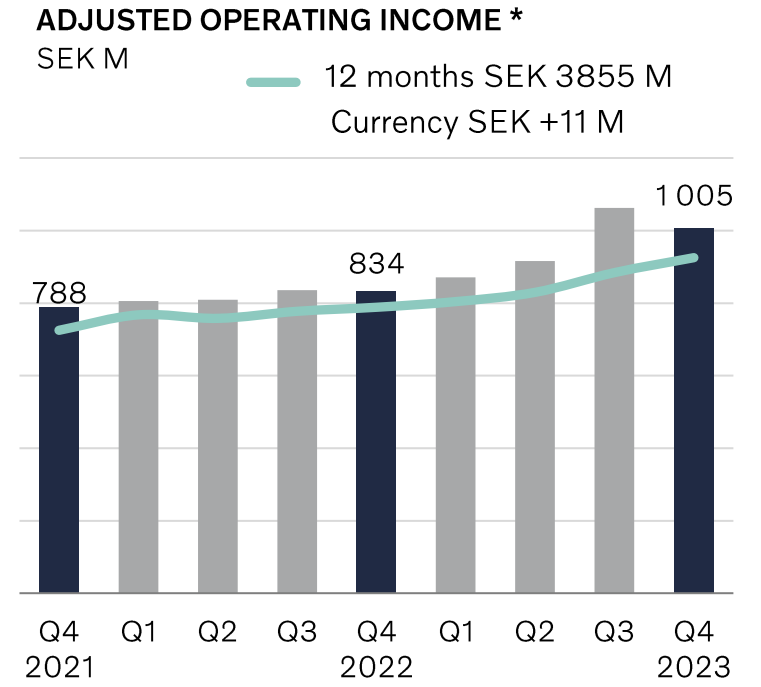
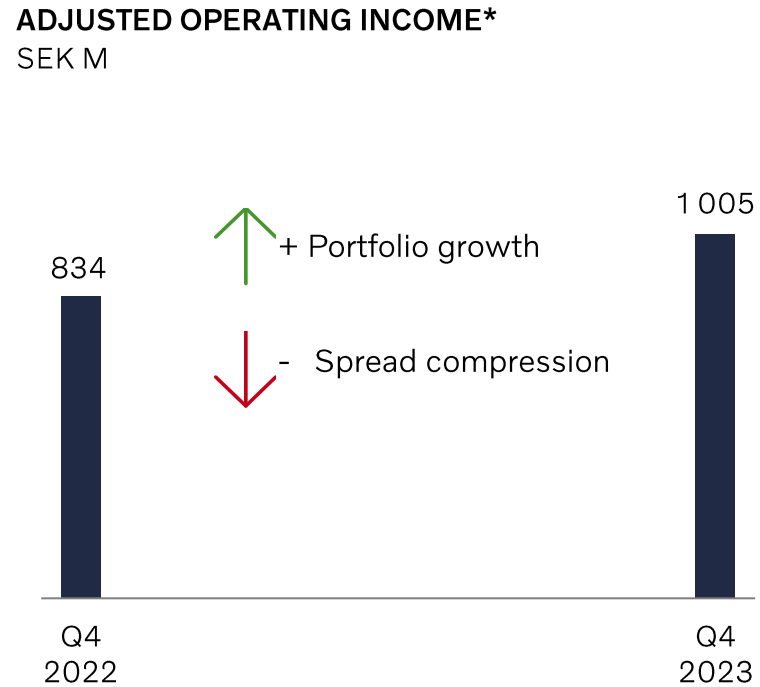
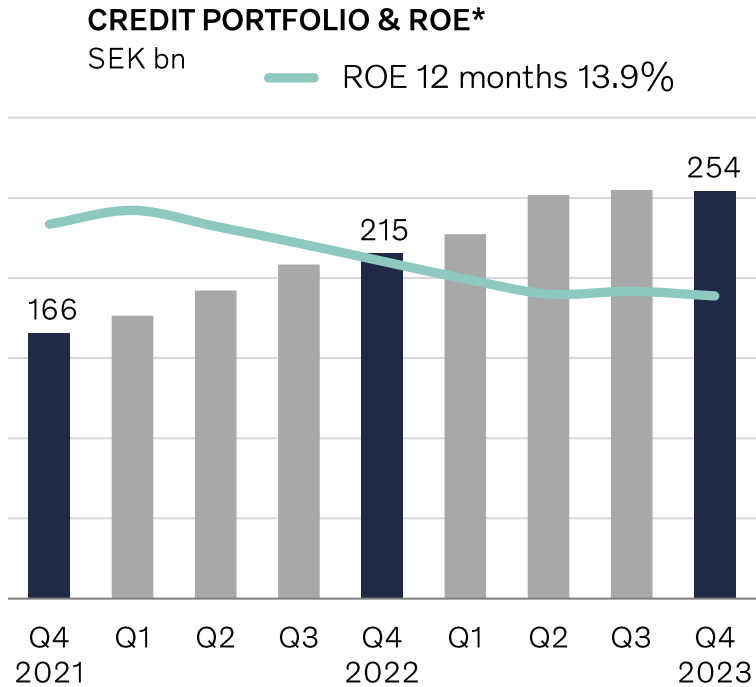
Net sales and adjusted operating income



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

Financial Services

Credit portfolio and profitability



*All figures exclude activity related to Russia and Belarus
For information on adjustments, see note 6 in the quarterly report

Volvo Group

Full year 2023 highlights

- Sales growth to SEK 553 bn
 - Vehicle sales growth + 17%
 - Service sales growth +16%
- Adj. operating income growth + 54% to SEK 78 bn
- Operating cash flow (IO) +30% to SEK 46 bn
- EPS +52% to 24.50 SEK
- ROCE +9ppt to 37%

Proposed ordinary dividend of SEK 7.50 (7.00)
and an extra dividend of SEK 10.50 (7.00).
Dividend yield of ~7%.



VOLVO



Save the date

CAPITAL MARKETS DAY 14 NOVEMBER 2024

Department name | Document name | Issuer | Classification
New River Valley, Virginia

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