

REPORT ON THE FIRST QUARTER 2019



A Renault Trucks tipper at work in a quarry.

- » In Q1 2019, net sales increased by 20% to SEK 107.2 billion (89.1). Adjusted for currency movements, net sales increased by 12%.
- » Adjusted operating income amounted to SEK 12,696 M (8,297), corresponding to an adjusted operating margin of 11.8% (9.3). Adjusted operating income excludes the capital gain from the sale of shares in WirelessCar amounting to SEK 1,466 M.
- » Reported operating income amounted to SEK 14,162 M (8,297). Currency movements had a positive impact of SEK 1,211 M.
- » Diluted earnings per share rose to SEK 5.22 (2.78).
- » Return on capital employed in the Industrial Operations amounted to 25.5% (21.4).
- » Operating cash flow in the Industrial Operations amounted to SEK 2,754 M (1,489).

SEK M unless otherwise stated	First quarter	
	2019	2018
Net sales	107,208	89,143
Adjusted operating income ¹	12,696	8,297
Adjusted operating margin, %	11.8	9.3
Operating income	14,162	8,297
Operating margin, %	13.2	9.3
Income after financial items	13,280	7,727
Income for the period	10,763	5,796
Diluted earnings per share, SEK	5.22	2.78
Operating cash flow in Industrial Operations	2,754	1,489
Return on capital employed in Industrial Operations, %	25.5	21.4
Return on shareholders' equity, %	24.4	21.0
Net order intake, number of trucks	45,884	71,965
Deliveries, number of trucks	58,594	51,574
Net order intake, number of construction equipment	22,246	23,938
Deliveries, number of construction equipment	23,139	22,102

¹ For more information on adjusted operating income, please see note 7.

CEO'S COMMENTS

Another solid quarter



The Volvo Group's positive development continued in Q1 2019. We increased net sales to SEK 107.2 billion (89.1), with all business segments and regions contributing. Both our vehicle and service business grew at a good pace. The increased sales volumes together with an improvement in our operational performance contributed to a rise in profitability. Our adjusted operating income increased by 53% to SEK 12.7 billion with all business segments contributing with higher earnings. The adjusted operating margin rose to 11.8%.

Activity levels in our truck business are high. During Q1 2019 we delivered 14% more trucks than in the same quarter a year ago, when our North American business had capacity constraints in connection to the change-over to new truck generations for Volvo and Mack.

Truck order intake decreased by 36%, primarily due to North America. As expected, order intake in the region has remained low as our order books are close to full for 2019. However, freight volumes and service demand in North America have remained solid. In Europe, truck orders were on good levels but decreased compared to Q1 last year. In the quarter we launched Volvo FH with I-Save in Europe. It is an offer combining the new 13-liter turbo compound engine with updated fuel-saving features. Volvo I-Save can cut fuel costs by up to 7% in long-haul operations and do so without compromising drivability. In Brazil the need for fleet renewal continues to drive demand, while in Japan, the heavy-duty truck market remained relatively stable.

Our strategy to improve customers' up-time and competitiveness together with strong global demand for transports had a positive impact on our service revenues. The higher deliveries combined with a more stable situation in the supply chain improved the efficiency in our industrial system. Operating income in Trucks increased by 69% to SEK 8.3 billion and the operating margin improved to 12.2% (8.8).

The global construction equipment market remained solid in Q1, in particular in China where the year started off better than anticipated. Compared to a year earlier, our machine deliveries globally rose by 5% and net sales to SEK 24.2 billion (20.9). We increased our deliveries in all major regions. The Construction Equipment organization has successfully managed the increased volumes and Q1

was no exception, with the operating income rising to SEK 3.6 billion (2.9) and the operating margin to 15.1% (13.8). In early April, The Volvo Group made a strong showing at the world's largest construction equipment fair, Bauma, where Volvo CE premiered a number of new products and services, including fully electric machines and a new excavator in the important 20-ton class for Europe.

Buses turned a small loss in Q1 last year into a profit this year. Volumes in Q1 increased by 18% as deliveries of the big order to Bogotá, Colombia began. Buses operating margin amounted to 4.3% (-0.3).

Volvo Penta started the year as strongly as they ended 2018 and continues to grow into new customer segments with an innovative and competitive product portfolio. The operating margin increased to 20.0% (16.2).

For Financial Services', the credit portfolio continued to perform on a good level with limited overdues and low credit losses. Return on equity was on par with last year and amounted to 14.6% (14.8).

Our efforts to simplify the Group and focus on our core business continue, and in the quarter we concluded the divestment of 75.1% in WirelessCar. With an encouraging start to the year, we also continue our work to strengthen our customers' and the Volvo Group's competitiveness. It is a continuous journey where we are focusing on improving quality, on growing our service business by working even closer with our customers and on increasing efficiency in all parts of the Group and throughout the supply chain. After a period with good markets, a strong service business and high volume flexibility are key for us to be more resilient to changes in the business environment.

Martin Lundstedt
President and CEO

FINANCIAL SUMMARY OF THE FIRST QUARTER 2019

Net sales

In Q1 2019, the Volvo Group's net sales increased by 20% to SEK 107,208 M (89,143). Adjusted for currency movements, net sales increased by 12%.

Vehicle sales increased by 15% adjusted for currency movements, primarily driven by higher volumes of trucks, construction equipment and buses. All regions contributed to the sales growth. Adjusted for currency movements, service sales increased by 4%, reflecting a growing installed population and good utilization of customer fleets.

Operating income

Adjusted operating income in Q1 2019 amounted to SEK 12,696 M (8,297), corresponding to an adjusted operating margin of 11.8% (9.3). The adjustment in Q1 2019 refers to a capital gain on the sale of shares in WirelessCar amounting to SEK 1,466 M. There were no adjustments in Q1 2018.

Compared with Q1 2018, the higher adjusted operating income is mainly an effect of higher margins reflecting

improved prices and mix, higher vehicle sales as well as improved capacity utilization and efficiency in the industrial system. This was partly offset by higher selling expenses. Currency movements, compared with Q1 2018, had a positive impact of SEK 1,211 M.

Reported operating income in Q1 2019 amounted to SEK 14,162 M (8,297).

Financial items

Compared with Q1 2018 interest income increased by SEK 35 M to SEK 73 M as a result of higher cash assets. Interest expenses amounted to SEK 455 M (424). The increase relates to interest expenses on lease liabilities as a result of applying the new lease accounting standard IFRS 16 as of January 1, 2019.

In Q1 2019 Other financial income and expenses amounted to SEK -500 M (-184). The change compared with the previous year is primarily related to unrealized revaluations and realized results on derivatives.

Net sales SEK M	First quarter		Change %
	2019	2018	
Europe	40,618	37,791	7
North America	34,174	23,147	48
South America	6,733	4,469	51
Asia	19,716	18,400	7
Africa and Oceania	5,966	5,337	12
Total	107,208	89,143	20
Of which:			
Vehicles ¹	83,249	67,547	23
Services	20,908	18,757	11
Financial Services revenue	3,509	3,026	16
Eliminations	-459	-186	-147

¹ Including construction equipment and Volvo Penta engines

Consolidated Income Statement, Volvo Group		First quarter	
SEK M		2019	2018
Net sales		107,208	89,143
Cost of sales		-80,540	-67,809
Gross income		26,667	21,335
Research and development expenses		-4,125	-4,268
Selling expenses		-7,853	-7,344
Administrative expenses		-1,474	-1,431
Other operating income and expenses		503	-392
Income/loss from investments in joint ventures and associated companies		425	385
Income from other investments		18	12
Operating income		14,162	8,297
Interest income and similar credits		73	38
Interest expenses and similar charges		-455	-424
Other financial income and expenses		-500	-184
Income after financial items		13,280	7,727
Income taxes		-2,517	-1,932
Income for the period *		10,763	5,796
* Attributable to:			
Owners of AB Volvo		10,615	5,654
Non-controlling interest		148	142
		10,763	5,796
Basic earnings per share, SEK		5.22	2.78
Diluted earnings per share, SEK		5.22	2.78

Income taxes

In Q1 2019 the tax expense amounted to SEK 2,517 M (1,932) corresponding to a tax rate of 19% (25). The tax rate was favorably impacted by a non-taxable capital gain related to the divestment of shares in WirelessCar.

Income for the period and earnings per share

In Q1 2019 income for the period amounted to SEK 10,763 M (5,796). Diluted earnings per share amounted to SEK 5.22 (2.78).

Operating cash flow in the Industrial Operations

During Q1 2019, operating cash flow in the Industrial Operations was positive in an amount of SEK 2,754 M (1,489). The cash flow was positively impacted by an increased operating income. This was partly off-set by a somewhat higher seasonal build-up of working capital during Q1 2019 than in the preceding year.

Other Non-cash items of SEK -1,583 M includes the capital gain related to the divestment of shares in WirelessCar. The positive cash flow effect from the divestment is reported as Acquired and divested operations in an amount of SEK 1,174 M.

Volvo Group financial position

During Q1 2019, net financial assets in the Industrial Operations, excluding pension and lease liabilities, increased by SEK 3.6 billion to SEK 47.5 billion on March 31, 2019. This equals 37.7% of shareholders' equity.

Including pension and lease liabilities the Industrial Operations net financial assets amounted to SEK 25.1 billion which equals 19.9% of shareholders' equity. The change is mainly explained by the positive operating cash flow of SEK 2.8 billion and the divestment of shares in

WirelessCar of SEK 1.2 billion. During the quarter, currency movements decreased net financial assets by SEK 0.4 billion. Applying the new lease accounting standard IFRS 16, interest-bearing liabilities have increased by SEK 6.1 billion in the Industrial Operations as of January 1, 2019 and thereby decreased net financial assets by the same amount. Pensions have increased by SEK 1.3 billion during the quarter, mainly due to remeasurements of defined benefit pension plans of SEK 0.9 billion. The increase in the defined benefit obligations is primarily an effect of lower discount rates, mainly in Sweden, the US and the UK, which were partly offset by higher return on assets.

Total assets in the Volvo Group have increased by SEK 44.6 billion compared to December 31, 2018. Applying the new lease accounting standard IFRS 16, total assets in the Volvo Group including Financial Services have increased by SEK 6.2 billion. Currency movements increased total assets by SEK 12.6 billion.

On March 31, 2019 shareholders' equity for the Volvo Group amounted to SEK 139.3 billion compared to SEK 125.8 billion on December 31, 2018. The equity ratio was 26.8% (26.5). On the same date, the equity ratio in the Industrial Operations amounted to 32.5% (31.9).

Number of employees

On March 31, 2019, the Volvo Group had 106,280 employees, including temporary employees and consultants, which was an increase of 3,571 employees compared with March 31, 2018. The number of blue-collar employees increased by 2,226 and the number of white-collar employees increased by 1,345. The increase in employees is primarily related to Trucks.

Number of employees	Mar 31 2019	Dec 31 2018	Mar 31 2018
Blue-collar	54,016	53,065	51,790
Whereof temporary employees and consultants	7,173	6,501	7,497
White-collar	52,264	52,110	50,919
Whereof temporary employees and consultants	6,607	6,545	6,354
Total number of employees	106,280	105,175	102,709
Whereof temporary employees and consultants	13,780	13,046	13,851

BUSINESS SEGMENT OVERVIEW

Net sales SEK M	First quarter		Change %	Change % ¹	12 months rolling	Jan-Dec 2018
	2019	2018				
Trucks	68,201	55,989	22	14	262,570	250,358
Construction Equipment	24,155	20,914	15	8	87,479	84,238
Buses	6,847	5,687	20	11	26,986	25,826
Volvo Penta	3,423	3,147	9	3	14,016	13,741
Group Functions & Other	2,318	1,323	75	64	8,562	7,568
Eliminations	-785	-756	-4	-4	-3,440	-3,411
Industrial Operations	104,158	86,304	21	13	396,173	378,320
Financial Services	3,509	3,026	16	9	13,554	13,070
Reclassifications and eliminations	-459	-186	-147	-147	-828	-555
Volvo Group	107,208	89,143	20	12	408,899	390,834

¹ Adjusted for exchange rate fluctuations.

Adjusted operating income ¹ SEK M	First quarter		Change %	12 months rolling	Jan-Dec 2018
	2019	2018			
Trucks	8,293	4,909	69	29,735	26,351
Construction Equipment	3,646	2,888	26	12,065	11,306
Buses	294	-15	-	1,074	765
Volvo Penta	684	509	34	2,517	2,341
Group Functions & Other	-804	-591	-36	-2,716	-2,503
Eliminations	-18	-4	-	-27	-12
Industrial Operations	12,095	7,695	57	42,648	38,249
Financial Services	602	602	0	2,411	2,411
Volvo Group	12,696	8,297	53	45,059	40,660
Adjustments ¹	1,466	-	-	-4,716	-6,182
Volvo Group operating income	14,162	8,297	71	40,343	34,478

¹ For more information on adjusted operating income, please see note 7.

Adjusted operating margin %	First quarter		12 months rolling	Jan-Dec 2018
	2019	2018		
Trucks	12.2	8.8	11.3	10.5
Construction Equipment	15.1	13.8	13.8	13.4
Buses	4.3	-0.3	4.0	3.0
Volvo Penta	20.0	16.2	18.0	17.0
Industrial Operations	11.6	8.9	10.8	10.1
Volvo Group	11.8	9.3	11.0	10.4
Volvo Group operating margin	13.2	9.3	9.9	8.8

TRUCKS

Continued good sales and profitability growth

- » In Q1, deliveries increased by 14% and net sales grew by 22% to SEK 68,201 M (55,989)
- » Both adjusted and reported operating income amounted to SEK 8,293 M (4,909), with an operating margin of 12.2% (8.8)
- » Lower order intake (-36%), primarily due to North America

Market development

In terms of registrations, the European market for heavy-duty trucks grew by a preliminary 3% during the first three months of the year. High transport volumes continued to support fleet utilization, freight rates and customer profitability.

In North America, freight volumes have remained good and contractual freight rates have increased while spot rates have declined, albeit from high levels. Inventories of trucks at dealerships have gradually increased during the quarter. The market for heavy-duty trucks in North America increased by 22% in Q1.

In Brazil, the market for heavy-duty trucks increased strongly in Q1. The need for fleet renewal is driving demand for new trucks and the increase is broad-based across several customer segments.

The Indian heavy-duty truck market declined in the beginning of the year with continued tight credit conditions for truck financing.

In China, the heavy-duty truck market was relatively stable, while the medium-duty truck market declined, pronouncing the continued shift towards heavy-duty trucks.

Market activity in Japan remained more or less on the same level as in recent quarters.

Orders and deliveries

Total truck net order intake in Q1 2019 decreased by 36% to 45,884 trucks while deliveries increased by 14% to 58,594 vehicles.



In Europe, order intake of heavy- and medium-duty trucks decreased by 15% to 21,055 vehicles, while the deliveries of 21,587 vehicles were on the same level as the preceding year. Volvo Trucks' heavy-duty preliminary market share through March was 15.3% compared to 16.8% in the same period last year. Renault Trucks' preliminary market share was 8.9% (8.7).

North American order intake decreased by 77% to 5,469 vehicles while deliveries increased by 42% to 17,205 trucks. A large part of the 2019 order book is sold out and there have been activities together with dealers to secure order book quality, which has affected order intake. Volvo Trucks' heavy-duty truck market share decreased to 9.0% (10.2) and Mack Trucks' heavy-duty market share declined to 5.5% (6.5).

South American order intake decreased by 4% to 3,998 trucks while deliveries increased by 47% to 4,734 vehicles. Volvo Trucks' market share in heavy-duty trucks in Brazil increased to 21.1% (18.6).

In Asia, order intake declined by 23% to 7,470 vehicles primarily driven by a decline in the Middle East, while deliveries declined by 5% to 6,688 vehicles. In Japan, UD Trucks' heavy-duty market share increased to 16.5% (15.2). The Indian joint venture, VECV, decreased deliveries by 12% to 17,275 vehicles and the Chinese joint venture, DFCV, decreased deliveries by 9% to 21,738 vehicles.

Total market development	First quarter		Change %	Forecast 2019	Change vs. previous forecast
	2019	2018			
Registrations, number of trucks					
Europe 28 ¹ heavy-duty (prel.)	74,966	72,466	3	-	-
Europe 30 ¹ heavy-duty	-	-	-	300,000	unchanged
North America heavy-duty (Retail sales)	77,216	63,421	22	310,000	unchanged
Brazil heavy-duty	15,310	9,601	59	70,000	unchanged
China heavy-duty	325,486	323,383	1	970,000	unchanged
China medium-duty	38,052	47,610	-20	180,000	unchanged
India heavy-duty	81,883	92,660	-12	290,000	unchanged
India medium-duty	35,118	32,069	10	110,000	unchanged
Japan heavy-duty	12,698	12,939	-2	45,000	unchanged

¹ EU 28 includes Norway and Switzerland but excludes the UK and Bulgaria. Forecast for EU 30 includes the UK and Bulgaria.

Net order intake	First quarter		Change %
	2019	2018	
Number of trucks			
Europe	26,007	31,321	-17
Heavy- and medium-duty	21,055	24,802	-15
Light-duty	4,952	6,519	-24
North America	5,469	23,405	-77
South America	3,998	4,160	-4
Asia	7,470	9,644	-23
Africa and Oceania	2,940	3,435	-14
Total orders	45,884	71,965	-36
Heavy-duty (>16 tons)	37,786	61,210	-38
Medium-duty (7-16 tons)	2,935	3,884	-24
Light-duty (<7 tons)	5,163	6,871	-25
Total orders	45,884	71,965	-36
Volvo	23,531	38,269	-39
UD	5,219	5,781	-10
Renault Trucks	13,891	17,963	-23
Heavy- and medium-duty	8,873	11,285	-21
Light-duty	5,018	6,678	-25
Mack	3,243	9,952	-67
Total orders	45,884	71,965	-36
Non-consolidated operations			
VE Commercial Vehicles (Eicher)	16,760	19,408	-14

Net sales and operating income

The truck operation's net sales amounted to SEK 68,201 M (55,989), which was 22% higher than in Q1 2018. Net sales adjusted for currency increased by 14%, with sales of vehicles increasing by 17% and service sales increasing by 4%.

Both adjusted and reported operating income amounted to SEK 8,293 M (4,909) corresponding to an operating margin of 12.2% (8.8). Compared with Q1 2018, operating income was

positively impacted by higher margins reflecting improved prices and mix, higher vehicle sales as well as increased capacity utilization and efficiency in the industrial system. The higher capitalization of R&D expenses impacted positively whereas higher selling expenses impacted negatively.

Compared with Q1 2018, changes in currency exchange rates had a positive impact on operating income in an amount of SEK 722 M.

Deliveries	First quarter		Change %
	2019	2018	
Number of trucks			
Europe	26,884	26,104	3
Heavy- and medium-duty	21,587	21,916	-2
Light-duty	5,297	4,188	26
North America	17,205	12,126	42
South America	4,734	3,220	47
Asia	6,688	7,030	-5
Africa and Oceania	3,083	3,094	0
Total deliveries	58,594	51,574	14
Heavy-duty (>16 tons)	49,643	43,749	13
Medium-duty (7-16 tons)	3,341	3,518	-5
Light-duty (<7 tons)	5,610	4,307	30
Total deliveries	58,594	51,574	14
Volvo	32,066	29,655	8
UD	4,602	4,410	4
Renault Trucks	14,305	12,549	14
Heavy- and medium-duty	8,916	8,300	7
Light-duty	5,389	4,249	27
Mack	7,621	4,960	54
Total deliveries	58,594	51,574	14
Non-consolidated operations			
VE Commercial Vehicles (Eicher)	17,275	19,575	-12
Dongfeng Commercial Vehicle Company (Dongfeng Trucks) ¹	21,738	23,967	-9

¹ First quarter includes 2 months of deliveries.

Net sales and operating income		First quarter		Change
SEK M		2019	2018	%
Europe		27,757	25,932	7
North America		23,032	15,338	50
South America		4,869	3,327	46
Asia		8,561	7,916	8
Africa and Oceania		3,983	3,477	15
Total net sales		68,201	55,989	22
Of which:				
Vehicles		52,587	42,001	25
Services		15,614	13,988	12
Adjusted operating income ¹		8,293	4,909	69
Adjustments ¹		-	-	-
Operating income		8,293	4,909	69
Adjusted operating margin, %		12.2	8.8	
Operating margin, %		12.2	8.8	

¹ For more information on adjusted operating income, please see note 7.

Important events

In March, Volvo Trucks introduced Volvo FH with I-Save for customers in Europe. By combining the new D13TC (turbo compound) engine with updated fuel-saving features, this new solution can save fuel costs by up to 7% in long-haul operations – without compromising drivability.

On April 4, the Volvo Group announced a four-year, SEK 1.6 billion investment in the plant in Skövde, Sweden to improve flexibility regarding future products and materials in the foundry.

CONSTRUCTION EQUIPMENT

Good sales and profit improvement

- » Net sales increased by 15% to SEK 24,155 M (20,914)
- » Both adjusted and reported operating income amounted to SEK 3,646 M (2,888), with an operating margin of 15.1% (13.8)
- » Volvo CE showed its first electric products at Bauma



Market development

In the first two months of the year, the European market was up by 3% driven by growth in Germany, the UK and Italy.

The North American market was 4% above last year mainly due to growth for larger wheel loaders, road equipment and articulated haulers.

In South America the market was 5% above last year mainly driven by growth in Brazil.

Asia (excluding China) was 4% below last year, with lower volumes in most key markets, whereas the Chinese market was 23% above last year with continued growth for both large excavators and smaller compact excavators. On the back of the good start to the year, the market forecast for China has been revised upwards.

Orders and deliveries

In Europe order intake in Q1 2019 was 10% lower compared to the strong order intake in the same period the previous year.

North American order intake decreased by 26% due to reduced orders on medium and larger sized products following the large order intake in the second half of last year.

In China order intake increased by 8% mainly due to higher demand for SDLG-branded products, while in the rest of Asia order intake decreased by 26%.

Deliveries increased by 5% in Q1 2019, largely as a result of higher volumes of SDLG products in China and continued growth in North America and Europe.

Total market development	Year-to-date Feb		
	2019	Forecast 2019	Previous forecast
Change in % measured in units			
Europe	3	-5% to +5%	-5% to +5%
North America	4	0% to +10%	0% to +10%
South America	5	0% to +10%	-5% to +5%
Asia excl. China	-4	-10% to 0%	-10% to 0%
China	23	0% to +10%	-10% to 0%

Net order intake	First quarter		Change %
	2019	2018	
Number of construction equipment			
Europe	5,270	5,878	-10
North America	2,072	2,812	-26
South America	393	467	-16
Asia	14,001	13,958	0
Africa and Oceania	510	823	-38
Total orders	22,246	23,938	-7
Large and medium construction equipment	16,488	17,764	-7
Compact construction equipment	5,758	6,174	-7
Total orders	22,246	23,938	-7
Of which:			
Volvo	11,686	14,298	-18
SDLG	10,513	9,587	10
Of which in China	9,597	8,515	13

Deliveries	First quarter		Change %
	2019	2018	
Number of construction equipment			
Europe	5,930	5,331	11
North America	2,087	1,703	23
South America	399	437	-9
Asia	14,038	13,795	2
Africa and Oceania	685	836	-18
Total deliveries	23,139	22,102	5
Large and medium construction equipment	16,823	16,048	5
Compact construction equipment	6,316	6,054	4
Total deliveries	23,139	22,102	5
Of which:			
Volvo	12,579	12,462	1
SDLG	10,513	9,587	10
Of which in China	9,597	8,515	13

Net sales and operating income	First quarter		Change %
	2019	2018	
SEK M			
Europe	8,092	6,599	23
North America	4,926	3,433	43
South America	546	516	6
Asia	9,379	9,091	3
Africa and Oceania	1,211	1,275	-5
Total net sales	24,155	20,914	15
Of which:			
Construction equipment	21,173	18,173	17
Services	2,982	2,741	9
Adjusted operating income ¹	3,646	2,888	26
Adjustments ¹	-	-	
Operating income	3,646	2,888	26
Adjusted operating margin, %	15.1	13.8	
Operating margin, %	15.1	13.8	

¹ For more information on adjusted operating income, please see note 7.

Net sales and operating income

Net sales in first quarter 2019 increased by 15% to SEK 24,155 M (20,914). Adjusted for changes in currency exchange rates, net sales increased by 8%, of which sales of machines increased by 9% and service sales by 2%.

Both adjusted and reported operating income amounted to SEK 3,646 M (2,888), corresponding to an operating margin of 15.1% (13.8). Earnings were positively impacted by higher margins, reflecting improved prices and mix, and higher sales. Changes in currency exchange rates had a positive impact on operating income in an amount of SEK 380 M.

Important events

In early April Volvo Construction Equipment showed its first fully electric machines, the L25 wheel loader and the

ECR25 compact excavator at the Bauma construction exhibition in Munich, Germany. A new mid-sized 20-ton excavator was also launched. The new machine is suitable for construction, utilities and road infrastructure.

In the quarter Swedish telecoms operator Telia installed its first 5G network for industrial purposes at Volvo CE's research facility in Eskilstuna, Sweden. Volvo CE will be one of the first companies in the world to use 5G technology to test remote-controlled machines and autonomous solutions.

In Q1, Volvo CE acquired CeDe Group, an adaptor of construction and mining machinery for special applications. CeDe Group has 45 employees and is based in Malmö, Sweden.

BUSES

Improved operating income and continued strong order intake

- » In Q1 deliveries increased by 18%
- » Both adjusted and reported operating income amounted to SEK 294 M (-15), with an operating margin of 4.3% (-0.3).
- » Order intake improved by 33%.

In Q1 2019, the European market remained stable on high levels. Demand in North America is good for both coaches and transit buses. The South American market is unstable, following macro-economic uncertainty in some key markets. Demand in the Asian and Middle Eastern markets is strong, in particular for transit buses.

Compared to Q1 2018, net order intake increased by 33% to 2,422 units in Q1 2019. The increase was mainly driven by Asia, Oceania and Mexico. Major orders in Q1 include 450 units to Perth, Australia (out of a frame agreement of 900 units), 313 units to Mexico and 70 units to Calgary, Canada.

Volvo Buses delivered 2,019 units in Q1 2019, 18% more than in the same period last year. The increase is mainly driven by South America as deliveries of the large order to Bogotá, Colombia began.

In Q1 2019, net sales increased by 20% to SEK 6,847 M (5,687) compared to the same period in 2018. Adjusted for currency movements, net sales increased by 11%,



450 units of Volvo Euro 6 buses to the Perth metropolitan region, Australia.

whereof vehicle sales increased by 14% and service sales increased by 2%.

Both adjusted and reported operating income amounted to SEK 294 M (-15), corresponding to an operating margin of 4.3% (-0.3). Earnings were positively impacted by improved volumes and capacity utilization in the industrial system. Compared to Q1 2018, currency movements had a positive impact on operating income in an amount of SEK 124 M.

In the quarter, The Nanyang Technological University, Volvo Buses and the Land Transport Authority of Singapore, demonstrated a pioneering 12-meter fully autonomous electric bus. It is the first of two buses that have undergone preliminary tests ahead of trials on designated public roads.

In March, Volvo Buses won the Red Dot Product Design Award for the outstanding design of its new premium coach, Volvo 9900.

Net order intake and deliveries		First quarter		Change %
Number of buses		2019	2018	
Total orders		2,422	1,823	33
Total deliveries		2,019	1,714	18

Net sales and operating income		First quarter		Change %
SEK M		2019	2018	
Europe		1,505	1,963	-23
North America		3,328	2,689	24
South America		978	264	270
Asia		639	441	45
Africa and Oceania		396	330	20
Total net sales		6,847	5,687	20
Of which:				
Vehicles		5,563	4,512	23
Services		1,284	1,176	9
Adjusted operating income ¹		294	-15	-
Adjustments ¹		-	-	-
Operating income		294	-15	-
Adjusted operating margin, %		4.3	-0.3	
Operating margin, %		4.3	-0.3	

¹ For more information on adjusted operating income, please see note 7.

VOLVO PENTA

Continued profit improvement

- » Sales growth continues: +9%
- » Both adjusted and reported operating income amounted to SEK 684 M (509), with an operating margin of 20.0% (16.2)
- » Contract signed for the development of electric driveline for fire truck producer Rosenbauer

Demand in the marine leisure market has remained stable. Volvo Penta continued to grow in new customer segments, such as large yachts. There was a positive development in the marine commercial market.

The market for industrial off-road engines continued to grow and Volvo Penta gained new business in the segment. Demand for industrial power generation engines improved further, with construction and data centers as main drivers.

Net order intake in Q1 2019 decreased by 15% to 11,326 units post the prebuy of industrial engines in Europe in 2018. Deliveries decreased by 9% to 10,697 units.

Net sales increased by 9% to SEK 3,423 M (3,147). Adjusted for currency movements, net sales increased by 3%, of which sales of engines increased by 1% and sales of services increased by 10%.

Both adjusted and reported operating income amounted to SEK 684 M (509). The operating margin was 20.0%



(16.2). Earnings were positively impacted by a favorable product mix and higher service sales. Compared with Q1 2018, the currency impact on operating income was positive in an amount of SEK 38 M.

During Q1, important steps have been taken in the company's journey to offer electrified power solutions to both industrial and marine segments by 2021. Volvo Penta signed an agreement to design and deliver an electric driveline for leading fire service vehicle manufacturer Rosenbauer. The electrified fire truck is scheduled for launch in 2021.

Additionally, Volvo Penta announced it will provide the propulsion system for an electric ferry service to be introduced in Gothenburg, Sweden as part of the city's ElectriCity project. When in operation by the end of 2020, the electric-powered ferry will link both sides of the Göta River.

Net order intake and deliveries	First quarter		Change %
	2019	2018	
Number of Engines			
Total orders	11,326	13,305	-15
Total deliveries	10,697	11,707	-9

Net sales and operating income	First quarter		Change %
	2019	2018	
SEK M			
Europe	1,798	1,679	7
North America	742	650	14
South America	68	77	-12
Asia	659	600	10
Africa and Oceania	156	142	10
Total net sales	3,423	3,147	9
Of which:			
Engines	2,597	2,434	7
Services	826	713	16
Adjusted operating income ¹	684	509	34
Adjustments ¹	-	-	-
Operating income	684	509	34
Adjusted operating margin, %	20.0	16.2	
Operating margin, %	20.0	16.2	

¹ For more information on adjusted operating income, please see note 7.

FINANCIAL SERVICES

Good portfolio growth

- » New business volume up 13%
- » Operating income of SEK 602 M (602)
- » Stable portfolio performance



In Q1 2019, new business volume was up by 13% due to increased deliveries of Group products while penetration was stable. Adjusted for currency, the credit portfolio grew by 11% on a year over year basis. The portfolio continued to perform well during the quarter, highlighted by low customer overdues and credit losses in most markets.

Operating income was stable at SEK 602 M (602). Compared with Q1 2018, the positive impact of profitable portfolio growth was offset by lower interest spreads, higher

operating expenses and increased credit provision expenses.

In February, Volvo Financial Services successfully completed an asset-backed securitization transaction, under which SEK 7.0 billion of securities tied to US-based loans on trucking and construction equipment assets were issued. In addition, SEK 2.8 billion of assets were syndicated in the quarter in order to reduce concentration risks.

Financial Services SEK M	First quarter	
	2019	2018
Number of financed units, 12 months rolling	59,419	53,342
Total penetration rate, 12 months rolling, % ¹	24	25
New retail financing volume, SEK billion	15.9	13.2
Credit portfolio net, SEK billion	157	135
Credit provision expenses	156	108
Operating income	602	602
Credit reserves, % of credit portfolio	1.60	1.69
Return on shareholders' equity, %	14.6	23.0
Return on shareholders' equity excluding effect from US tax reform 2017, % ²	14.6	14.8

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 Excluding the positive impact of SEK 897 M from the revaluation of deferred tax liabilities related to the year 2017 tax reform in the United States.

IMPORTANT EVENTS FOR THE VOLVO GROUP

Sale of shares in WirelessCar completed

On March 29, the Volvo Group completed the previously announced divestment of 75.1% of the shares in its wholly-owned subsidiary WirelessCar to the Volkswagen Group. The sales price amounted to SEK 1,174 M. The divestment resulted in a positive impact on operating income of SEK 1,466 M and a positive cash flow effect of SEK 1,174 M in the first quarter of 2019.

Annual General Meeting of AB Volvo

The Annual General Meeting of AB Volvo held on April 3, 2019, approved the Board of Directors' motion that an ordinary dividend of SEK 5.00 per share and an extraordinary dividend of SEK 5.00 per share should be paid to the shareholders. The income statement and

balance sheet as well as the consolidated income statement and the consolidated balance sheet were adopted. The Board Members, Board Deputies and the President were discharged from liability for their administration during the 2018 fiscal year.

Matti Alahuhta, Eckhard Cordes, Eric Elzvik, James W. Griffith, Martin Lundstedt, Kathryn V. Marinello, Martina Merz, Hanne de Mora, Helena Stjernholm and Carl-Henric Svanberg were reelected as members of the Board. Carl-Henric Svanberg was reelected as Chairman of the Board.

A remuneration policy for senior executives was adopted in accordance with the Board of Directors' motion.

Detailed information about the events is available at www.volvogroup.com

CONSOLIDATED INCOME STATEMENT FIRST QUARTER

SEK M	Industrial Operations		Financial Services		Eliminations		Volvo Group	
	2019	2018	2019	2018	2019	2018	2019	2018
Net sales	104,158	86,304	3,509	3,026	-459	-186	107,208	89,143
Cost of sales	-78,810	-66,184	-2,190	-1,811	459	186	-80,540	-67,809
Gross income	25,348	20,120	1,319	1,215	-	-	26,667	21,335
Research and development expenses	-4,125	-4,268	-	-	-	-	-4,125	-4,268
Selling expenses	-7,235	-6,808	-617	-536	-	-	-7,853	-7,344
Administrative expenses	-1,471	-1,420	-3	-10	-	-	-1,474	-1,431
Other operating income and expenses	600	-326	-97	-67	0	-	503	-392
Income/loss from investments in joint ventures and associated companies	425	385	-	-	-	-	425	385
Income from other investments	18	12	0	0	-	-	18	12
Operating income	13,560	7,695	602	602	0	-	14,162	8,297
Interest income and similar credits	73	38	-	-	0	-	73	38
Interest expenses and similar charges	-454	-424	0	0	0	-	-455	-424
Other financial income and expenses	-500	-184	-	-	-	-	-500	-184
Income after financial items	12,679	7,125	602	602	-	-	13,280	7,727
Income taxes	-2,361	-1,773	-156	-159	-	-	-2,517	-1,932
Income for the period *	10,318	5,352	446	443	-	-	10,763	5,796
* Attributable to:								
Owners of AB Volvo							10,615	5,654
Non-controlling interest							148	142
							10,763	5,796
Basic earnings per share, SEK							5.22	2.78
Diluted earnings per share, SEK							5.22	2.78

Key ratios, %

Gross margin	24.3	23.3	-	-	-	-	24.9	23.9
Research and development expenses as percentage of net sales	4.0	4.9	-	-	-	-	3.8	4.8
Selling expenses as percentage of net sales	6.9	7.9	-	-	-	-	7.3	8.2
Administrative expenses as percentage of net sales	1.4	1.6	-	-	-	-	1.4	1.6
Operating margin	13.0	8.9	-	-	-	-	13.2	9.3

CONSOLIDATED OTHER COMPREHENSIVE INCOME FIRST QUARTER

SEK M	2019	2018
Income for the period	10,763	5,796
Items that will not be reclassified to income statement:		
Remeasurements of defined benefit pension plans	-705	662
Items that may be reclassified subsequently to income statement:		
Exchange differences on translation of foreign operations	3,433	2,644
Share of OCI related to joint ventures and associated companies	-	0
Available-for-sale investments	20	11
Other comprehensive income, net of income taxes	2,748	3,317
Total comprehensive income for the period *	13,511	9,112
* Attributable to:		
Owners of AB Volvo	13,236	8,879
Non-controlling interest	275	233
	13,511	9,112

CONSOLIDATED BALANCE SHEET

SEK M	Industrial Operations		Financial Services		Eliminations		Volvo Group	
	Mar 31	Dec 31	Mar 31	Dec 31	Mar 31	Dec 31	Mar 31	Dec 31
	2019	2018	2019	2018	2019	2018	2019	2018
Assets								
Non-current assets								
Intangible assets	38,796	37,889	224	215	-	-	39,019	38,104
<i>Tangible assets</i>								
Property, plant and equipment ¹	62,668	55,631	85	42	-	-	62,754	55,673
Assets under operating leases	33,289	32,700	21,736	22,154	-11,814	-11,751	43,211	43,103
<i>Financial assets</i>								
Investments in Joint Ventures and associated companies	12,292	11,135	-	-	-	-	12,292	11,135
Other shares and participations	766	731	9	9	-	-	775	740
Non-current customer-financing receivables	925	891	67,329	66,154	-929	-898	67,324	66,148
Prepaid pensions	1,543	1,549	-	-	-	-	1,543	1,549
Non-current interest-bearing receivables	680	1,300	-	-	41	-5	720	1,296
Other non-current receivables	10,500	9,030	261	244	-553	-538	10,209	8,736
Deferred tax assets	12,390	12,506	1,048	999	-	-	13,438	13,505
Total non-current assets	173,848	163,363	90,692	89,817	-13,255	-13,191	251,285	239,989
Current assets								
Inventories	73,538	65,366	476	417	-	-	74,015	65,783
<i>Current receivables</i>								
Customer-financing receivables	710	669	68,507	60,860	-768	-750	68,449	60,779
Tax assets	1,639	1,326	253	343	-	-	1,892	1,669
Interest-bearing receivables	4,011	2,581	-	1	-1,198	-485	2,812	2,097
Internal funding	17,890	21,465	-	-	-17,890	-21,465	-	-
Accounts receivable	48,272	40,376	1,576	1,530	-	-	49,848	41,906
Other receivables	16,582	15,095	1,233	1,258	-1,295	-1,210	16,520	15,144
Non interest-bearing assets held for sale	210	203	-	-	-	-	210	203
Marketable securities	184	160	1	-	-	-	186	160
Cash and cash equivalents	50,946	43,747	3,687	4,419	-581	-1,233	54,052	46,933
Total current assets	213,983	190,989	75,734	68,829	-21,732	-25,143	267,985	234,675
Total assets	387,832	354,351	166,426	158,646	-34,988	-38,334	519,270	474,663
Equity and liabilities								
Equity attributable to owners of AB Volvo	123,264	110,692	13,315	12,687	-	-	136,579	123,379
Non-controlling interest	2,740	2,452	-	-	-	-	2,740	2,452
Total equity	126,004	113,144	13,315	12,687	-	-	139,319	125,831
<i>Non-current provisions</i>								
Provisions for post-employment benefits	17,686	16,374	112	108	-	-	17,797	16,482
Provisions for deferred taxes	1,488	1,472	2,810	2,656	-	-	4,298	4,128
Other provisions	14,182	13,991	249	278	330	321	14,762	14,590
<i>Non-current liabilities</i>								
Bond loans	64,513	59,115	-	-	-	-	64,513	59,115
Other loans ¹	19,406	13,411	19,983	15,638	-982	-954	38,406	28,095
Internal funding	-59,919	-54,024	57,190	58,750	2,729	-4,726	-	-
Other liabilities	41,806	39,369	1,702	1,621	-7,908	-8,040	35,599	32,949
Current provisions	13,424	13,013	207	222	272	213	13,903	13,448
<i>Current liabilities</i>								
Bond loans	26,834	26,657	-	-	-	-	26,834	26,657
Other loans ¹	13,728	12,950	12,858	11,154	-2,864	-2,114	23,722	21,989
Internal funding	-32,130	-32,781	52,431	49,907	-20,301	-17,126	-	-
Trade payables	77,613	72,683	658	947	-	-	78,271	73,630
Tax liabilities	3,752	3,493	238	256	-	-	3,991	3,749
Other liabilities	59,446	55,485	4,674	4,421	-6,264	-5,907	57,856	53,999
Total equity and liabilities	387,832	354,351	166,426	158,646	-34,988	-38,334	519,270	474,663
Key ratios, %								
Equity ratio	32.5	31.9	8.0	8.0	-	-	26.8	26.5
Shareholders' equity per share, excluding non-controlling interest, SEK	-	-	-	-	-	-	67.2	60.7
Return on operating capital	45.6	39.0	-	-	-	-	-	-
Return on capital employed	25.5	22.4	-	-	-	-	-	-
Return on shareholders' equity	-	-	14.6	15.1	-	-	24.4	21.3

¹ As from January 1, 2019, IFRS 16 Leases is applied and the effect is included in the opening balance for 2019 with SEK 6.209 M whereof SEK 6.147 M in Industrial Operations and SEK 62 M in Financial Services. For more information, please see Note 1.

CONSOLIDATED CASH FLOW STATEMENT **FIRST QUARTER**

SEK M	Industrial Operations		Financial Services		Eliminations		Volvo Group	
	2019	2018	2019	2018	2019	2018	2019	2018
Operating activities								
Operating income	13,560	7,695	602	602	-	-	14,162	8,297
Amortization intangible assets	703	769	6	9	-	-	709	777
Depreciation tangible assets	1,999	1,538	6	2	-	-	2,004	1,540
Depreciation leasing vehicles	1,054	827	1,259	1,072	0	0	2,313	1,898
Other non-cash items	-1,583	688	223	133	-23	8	-1,383	830
Total change in working capital whereof	-8,015	-5,906	-5,159	-2,099	49	31	-13,125	-7,974
Change in accounts receivables	-7,231	-4,089	-41	-78	0	0	-7,273	-4,167
Change in customer-financing receivables	-42	2	-4,837	-2,142	49	31	-4,830	-2,108
Change in inventories	-6,004	-6,826	-25	152	0	0	-6,028	-6,674
Change in trade payables	3,562	4,766	-310	60	0	0	3,252	4,826
Other changes in working capital	1,700	240	54	-91	-1	0	1,754	149
Interest and similar items received	73	62	-	-	0	-1	73	61
Interest and similar items paid	-456	-461	-	-	23	-7	-433	-468
Other financial items	-71	-62	-	-	-	-	-71	-62
Income taxes paid	-2,330	-2,085	-13	143	0	0	-2,343	-1,942
Cash flow from operating activities	4,934	3,065	-3,077	-139	48	30	1,905	2,956
Investing activities								
Investments in intangible assets	-1,056	-481	-13	-12	-	-	-1,069	-493
Investments in tangible assets	-1,189	-1,201	-2	-1	-	-	-1,192	-1,203
Investment in leasing vehicles	-21	-1	-1,931	-1,844	-	-	-1,952	-1,844
Disposals of in-/tangible assets and leasing vehicles	87	107	1,704	1,571	-	-	1,790	1,677
Operating cash flow	2,754	1,489	-3,319	-425	48	30	-517	1,094
Investments and divestments of shares, net							18	9
Acquired and divested operations, net							1,187	1
Interest-bearing receivables incl. marketable securities							-940	-63
Cash flow after net investments							-252	1,040
Financing activities								
Change in loans, net							6,700	1,373
Other							81	-67
Change in cash and cash equivalents excl. translation differences							6,529	2,346
Translation difference on cash and cash equivalents							590	307
Change in cash and cash equivalents							7,119	2,653

CONSOLIDATED NET FINANCIAL POSITION

SEK bn	Industrial Operations		Volvo Group	
	Mar 31 2019	Dec 31 2018	Mar 31 2019	Dec 31 2018
<i>Non-current interest-bearing assets</i>				
Non-current customer-financing receivables	-	-	67.3	66.1
Non-current interest-bearing receivables	0.7	1.3	0.7	1.3
<i>Current interest-bearing assets</i>				
Customer-financing receivables	-	-	68.4	60.8
Interest-bearing receivables	4.0	2.6	2.8	2.1
Internal funding	17.9	21.5	-	-
Marketable securities	0.2	0.2	0.2	0.2
Cash and cash equivalents	50.9	43.7	54.1	46.9
Total interest-bearing financial assets	73.7	69.3	193.5	177.4
<i>Non-current interest-bearing liabilities</i>				
Bond loans	-64.5	-59.1	-64.5	-59.1
Other loans	-14.7	-13.4	-33.7	-28.1
Internal funding	59.9	54.0	-	-
<i>Current interest-bearing liabilities</i>				
Bond loans	-26.8	-26.7	-26.8	-26.7
Other loans	-12.2	-12.9	-22.2	-22.0
Internal funding	32.1	32.8	-	-
Total interest-bearing financial liabilities excl. lease liabilities	-26.2	-25.3	-147.3	-135.9
Net financial position excl. post-employment benefits and lease liabilities	47.5	43.9	46.3	41.6
Non-current lease liabilities	-4.7	-	-4.7	-
Current lease liabilities	-1.5	-	-1.5	-
Provisions for post-employment benefits, net	-16.1	-14.8	-16.3	-14.9
Net financial position incl. post-employment benefits and lease liabilities	25.1	29.1	23.8	26.6
Key ratios, %				
Net financial position excl. post-employment benefits and lease liabilities as percentage of shareholders' equity	37.7	38.8		
Net financial position incl. post-employment benefits and lease liabilities as percentage of shareholders' equity	19.9	25.7		

CHANGES IN NET FINANCIAL POSITION, INDUSTRIAL OPERATIONS

SEK bn	First quarter 2019
Net financial position at the end of previous period	29.1
Transition effect IFRS 16	-6.1
Net financial position after transitional effect IFRS 16 at the beginning of period	23.0
Cash flow from operating activities	4.9
Investments in in-/tangible assets and leasing vehicles	-2.3
Disposals of in-/tangible assets and leasing vehicles	0.1
Operating cash flow	2.8
Investments and divestments of shares, net	0.0
Acquired and divested operations, net	1.2
Capital injections to/from Financial Services	0.3
Currency effect	-0.4
Remeasurements of defined benefit pension plans	-0.9
Pension payments and costs, net	-0.3
Other changes	-0.4
Total change	2.2
Net financial position at end of period	25.1

CONSOLIDATED CHANGES IN TOTAL EQUITY

SEK bn	Mar 31 2019	Dec 31 2018
Total equity at the end of previous period	125.8	107.8
Transition effect IFRS 9	-	-0.4
Total equity after transition effect IFRS 9 at the beginning of period	125.8	107.4
Equity attributable to shareholders of AB Volvo at the end of previous period	123.4	105.9
Transition effect IFRS 9	-	-0.4
Equity attributable to shareholders of AB Volvo after transition effect IFRS 9 at the beginning of period	123.4	105.5
Income for the period	10.6	24.9
Other comprehensive income	2.6	1.6
Total comprehensive income	13.2	26.5
Dividend to AB Volvo shareholders	-	-8.6
Share-based payments	-	0.0
Other changes	0.0	0.0
Equity attributable to shareholders of AB Volvo at end of period	136.6	123.4
Non-controlling interest at beginning of period	2.5	1.9
Income for the period	0.1	0.5
Other comprehensive income	0.1	0.1
Total comprehensive income	0.3	0.5
Dividend to non-controlling interest	-	0.0
Other changes	0.0	0.0
Non-controlling interest at end of period	2.7	2.5
Total equity at end of period	139.3	125.8

QUARTERLY FIGURES

Income Statements, Volvo Group					
SEK M unless otherwise stated	1/2019	4/2018	3/2018	2/2018	1/2018
Net sales	107,208	105,786	92,282	103,623	89,143
Cost of sales	-80,540	-87,707	-69,812	-78,150	-67,809
Gross income	26,667	18,079	22,470	25,474	21,335
Research and development expenses	-4,125	-4,112	-3,327	-4,192	-4,268
Selling expenses	-7,853	-8,234	-7,320	-7,992	-7,344
Administrative expenses	-1,474	-1,470	-1,275	-1,622	-1,431
Other operating income and expenses	503	-821	-535	-525	-392
Income/loss from investments in Joint Ventures and associated companies	425	144	234	1,187	385
Income from other investments	18	11	1	9	12
Operating income	14,162	3,597	10,247	12,337	8,297
Interest income and similar credits	73	58	48	54	38
Interest expenses and similar charges	-455	-416	-433	-386	-424
Other financial income and expenses	-500	-201	-165	-319	-184
Income after financial items	13,280	3,038	9,698	11,685	7,727
Income taxes	-2,517	-374	-2,178	-2,300	-1,932
Income for the period *	10,763	2,664	7,520	9,384	5,796
* Attributable to:					
Owners of AB Volvo	10,615	2,563	7,459	9,221	5,654
Non-controlling interest	148	101	61	163	142
	10,763	2,664	7,520	9,384	5,796
Key ratios, Volvo Group, %					
Gross margin	24.9	17.1	24.3	24.6	23.9
Research and development expenses as percentage of net sales	3.8	3.9	3.6	4.0	4.8
Selling expenses as percentage of net sales	7.3	7.8	7.9	7.7	8.2
Administrative expenses as percentage of net sales	1.4	1.4	1.4	1.6	1.6
Operating margin	13.2	3.4	11.1	11.9	9.3
Key ratios, Industrial Operations, %					
Gross margin	24.3	16.4	23.8	24.0	23.3
Research and development expenses as percentage of net sales	4.0	4.0	3.7	4.2	4.9
Selling expenses as percentage of net sales	6.9	7.5	7.6	7.4	7.9
Administrative expenses as percentage of net sales	1.4	1.4	1.4	1.6	1.6
Operating margin	13.0	2.9	10.8	11.7	8.9
EBITDA margin, Industrial Operations					
Operating income Industrial Operations	13,560	2,991	9,626	11,755	7,695
Product and software development, amortization	636	659	662	687	697
Other intangible assets, amortization	67	67	69	75	72
Tangible assets, depreciation	3,054	2,956	2,715	2,536 ¹	2,597 ¹
Total depreciation and amortization	3,756	3,681	3,445	3,298	3,366
Operating income before depreciation and amortization (EBITDA)	17,316	6,672	13,071	15,053	11,061
EBITDA margin, %	16.6	6.5	14.7	15.0	12.8
Net capitalization of research and development					
Capitalization	1,023	1,190	908	853	415
Amortization	-604	-631	-631	-651	-663
Net capitalization and amortization	419	559	277	202	-248
Return on operating capital in Industrial Operations, %	45.6	39.0	43.5	40.3	35.0
Return on capital employed in Industrial Operations, %	25.5	22.4	25.5	24.0	21.4

¹ Depreciation of tangible assets has been restated for Q1 and Q2 2018, which impacts the measurement of EBITDA, but has no effect on the reported operating income.

QUARTERLY FIGURES

Net sales					
SEK M	1/2019	4/2018	3/2018	2/2018	1/2018
Trucks	68,201	68,532	60,682	65,155	55,989
Construction Equipment	24,155	20,323	18,598	24,403	20,914
Buses	6,847	7,487	5,804	6,847	5,687
Volvo Penta	3,423	3,832	3,207	3,555	3,147
Group Functions & Other	2,318	3,269	1,472	1,504	1,323
Eliminations	-785	-1,035	-717	-903	-756
Industrial Operations	104,158	102,407	89,047	100,562	86,304
Financial Services	3,509	3,437	3,344	3,263	3,026
Reclassifications and eliminations	-459	-59	-109	-202	-186
Volvo Group	107,208	105,786	92,282	103,623	89,143

Operating income					
SEK M	1/2019	4/2018	3/2018	2/2018	1/2018
Trucks	8,293	640	6,757	7,236	4,909
Construction Equipment	3,646	2,157	2,587	4,493	2,888
Buses	294	76	254	260	-15
Volvo Penta	684	493	630	709	509
Group Functions & Other	662	-373	-608	-932	-591
Eliminations	-18	-3	6	-11	-4
Industrial Operations	13,560	2,991	9,626	11,755	7,695
Financial Services	602	605	621	582	602
Volvo Group	14,162	3,597	10,247	12,337	8,297

Adjusted operating income ¹					
SEK M	1/2019	4/2018	3/2018	2/2018	1/2018
Trucks	8,293	7,450	6,757	7,236	4,909
Construction Equipment	3,646	2,157	2,587	3,675	2,888
Buses	294	266	254	260	-15
Volvo Penta	684	493	630	709	509
Group Functions & Other	-804	-373	-608	-932	-591
Eliminations	-18	-3	6	-11	-4
Industrial Operations	12,095	9,991	9,626	10,937	7,695
Financial Services	602	605	621	582	602
Volvo Group	12,696	10,597	10,247	11,519	8,297

¹ For more information on adjusted operating income, please see note 7.

Operating margin					
%	1/2019	4/2018	3/2018	2/2018	1/2018
Trucks	12.2	0.9	11.1	11.1	8.8
Construction Equipment	15.1	10.6	13.9	18.4	13.8
Buses	4.3	1.0	4.4	3.8	-0.3
Volvo Penta	20.0	12.9	19.6	19.9	16.2
Industrial Operations	13.0	2.9	10.8	11.7	8.9
Volvo Group	13.2	3.4	11.1	11.9	9.3

Adjusted operating margin					
%	1/2019	4/2018	3/2018	2/2018	1/2018
Trucks	12.2	10.9	11.1	11.1	8.8
Construction Equipment	15.1	10.6	13.9	15.1	13.8
Buses	4.3	3.6	4.4	3.8	-0.3
Volvo Penta	20.0	12.9	19.6	19.9	16.2
Industrial Operations	11.6	9.8	10.8	10.9	8.9
Volvo Group	11.8	10.0	11.1	11.1	9.3

QUARTERLY FIGURES

Share data	1/2019	4/2018	3/2018	2/2018	1/2018
Earnings per share, SEK ¹	5.22	1.26	3.67	4.54	2.78
Earnings per share, SEK ¹ , 12 months rolling	14.69	12.25	13.30	12.29	10.61
Diluted earnings per share, SEK	5.22	1.26	3.67	4.53	2.78
Number of outstanding shares in millions	2,033	2,033	2,032	2,032	2,032
Average number of shares before dilution in millions	2,033	2,033	2,032	2,032	2,032
Average number of shares after dilution in millions	2,034	2,033	2,033	2,033	2,033
Number of own shares in millions	95	96	96	96	96
Average number of own shares in millions	95	96	96	96	96

¹ 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.

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 and Sustainability Report 2018 (available at www.volvogroup.com). 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.

New accounting policies for 2019

As of January 1, 2019 Volvo Group applies IFRS 16 Leases and IFRIC 23 Uncertainty over Income Tax Treatment.

IFRS 16 Leases

IFRS 16 is the new accounting standard for leases and the main impact relates to the lessee accounting, as lease contracts are recognized in the balance sheet. For the Volvo Group this implies a change in accounting of lease contracts for real estate, company cars and other leased items.

Implementing the new lease accounting standard results in increased assets and interest-bearing liabilities in the balance sheet, thereby affecting the net financial position. It has also a positive impact on operating income in the income statement, as a part of the lease expenses is recognized as an interest expense within the finance net. In the cash flow statement, the lease payments are allocated between interests paid within the operating cash flow and repayment of lease liabilities within the financing activities. Thus, it has a positive effect on the operating cash flow.

IFRS 16 is applied retrospectively but prior period financial information has not been restated. Hence, the opening

balance for 2019 was adjusted in accordance with the new standard. For leases previously classified as operating leases with the Volvo Group as the lessee, a lease liability was recognized at the present value of future lease payments, amounting to SEK 6,209 M as of January 1, 2019. The asset was recognized at an amount equal to the lease liability; therefore no transition effect was presented in equity.

IFRIC 23 Uncertainty over Income Tax Treatment

IFRIC 23 is a new interpretation of uncertain income tax treatments within scope of IAS 12 Income Taxes. For the Volvo Group this implies a changed classification for identified income tax-related risks that were previously recognized as a provision for tax charges that are probable to regulate the obligation. Uncertain income tax treatments are now reported as tax liabilities.

IFRIC 23 is applied retrospectively but prior period financial information has not been restated. Hence, the opening balance for 2019 was adjusted in accordance with the new interpretation. Income tax risks previously recognized as current and non-current provisions were reclassified to tax liabilities with an amount of SEK 295 M as of January 1, 2019. Thus no transition effect was presented in equity.

The effect of implementing IFRS 16 is summarized in the table below. As the effect of implementing IFRIC 23 only was a reclassification within liabilities it is not included in the table. More details from the transition, restated financial information and a description of the new accounting policies are presented in the Volvo Group Annual and Sustainability Report 2018 in note 32.

Effect on the opening balance as of January 1, 2019 SEK M	Previously reported Dec 31, 2018	Restatement IFRS 16	After restatement Jan 1, 2019
Total assets	474,663	6,209	480,872
Total equity	125,831	-	125,831
Total liabilities	348,832	6,209	355,041
Total equity and liabilities	474,663	6,209	480,872

Effect on net financial position as of January 1, 2019 SEK bn	Previously reported Dec 31, 2018	Restatement IFRS 16	After restatement Jan 1, 2019
Net financial position incl. post-employment benefits	26,6	-6,2	20,4

NOTE 2 | RISKS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Each of the Volvo Group's Business Area is responsible for its own risk management. In addition, the Volvo Group works with Enterprise Risk Management (ERM), which is a systematic and structured process to report and analyze risk assessments and mitigations as well as to follow-up on the risks that might impact the Group's business. The objective of the ERM process is to improve business performance and to minimize the cost of managing risks; thus protecting the Group's enterprise value as well as enhancing and protecting the Group's assets. The risks within the Volvo Group are classified into four categories:

Strategic risks – such as geopolitical instability, intense competition, technology shift and convergence and extensive government regulations;

Operational risks – such as customer satisfaction, cyclical nature of the commercial vehicles industry, reliance on suppliers and scarce materials, interruptions, inefficiencies in the industrial system, residual value commitments, risk related to human capital and human rights and risk related to natural disasters, malicious intent or accident risks, as well as corruption and non-compliance with competition law;

Compliance risks – such as non-compliance with data privacy laws, protection and maintenance of intangible assets, complaints and legal actions by customers and other third parties, environmental regulations and contractual conditions related to takeover bids; and

Financial risks – such as currency fluctuations, interest level fluctuations, valuation of shares or similar instruments, credit risks, liquidity risks, as well as impairment on goodwill and other intangible assets.

For a more elaborate account of these risks, please refer to the Risk Management section on pages 108-115 in the Volvo Group Annual Report 2018 (available at www.volvogroup.com).

Risk updates for the reporting period

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

An increase in demand could potentially result in delivery disturbances, due to suppliers' financial instability or shortage of resources.

Uncertainty regarding customers' access to the financing of products in emerging markets might have a negative impact on demand.

Volvo Group verifies annually, or more frequently if necessary, the goodwill value and other intangible assets for possible impairment. The size of the surplus value differs between the business areas and they are, to a varying degree, sensitive to changes in the business environment. Instability in a business recovery and volatility in interest and currency rates may be indications of impairment.

The reported amounts for contingent liabilities reflect a part of Volvo Group's risk exposure. Total contingent liabilities as of March 31, 2019, amounted to SEK 14.7 billion, an increase of SEK 0.5 billion compared to December 31, 2018. The gross exposure of SEK 14.7 billion is partly reduced by counter guarantees and collaterals.

Following the adoption of the European Commission's settlement decision, the Volvo Group has received and will be defending itself against numerous private damages claims brought by customers and other third parties alleging that they suffered loss by reason of the conduct covered in the decision. The claims are being brought in various countries by claimants either acting individually or as part of a wider group or class of claimants. Further claims are likely to be commenced. At this stage, it is not possible to make a reliable estimate of the amount of any liability that could arise from any such proceedings.

The other legal proceedings and investigations described in note 21 and note 24 in the Volvo Group Annual and Sustainability Report 2018 are progressing. No material changes have occurred in these matters in the first quarter of 2019.

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 has made a provision of SEK 7 billion impacting the operating income in the fourth quarter 2018, relating to the estimated costs to address the issue. Negative cash flow effects will start in 2019 and gradually ramp up in the coming years. The Volvo Group will continuously assess the size of the provision as the matter develops.

NOTE 3 | REVENUE

The two major revenue streams within the Volvo Group are vehicles and services.

Vehicles include sales of vehicles, machinery and engines. Revenue is recognized when the control of the vehicle has been transferred to the customer, normally at one point in time which is when the vehicle has been delivered to the customer. If the sale of a vehicle is combined with a residual value commitment the revenue is recognized over the residual value commitment period.

Services include sale of spare parts, maintenance services and other aftermarket products. Revenue is recognized when the control of the service has been transferred to the customer, which is when the customer can benefit from the use of the delivered services. For

spare parts, revenue is normally recognized at one point in time and for maintenance services and other aftermarket products, revenue is normally recognized over time. When payments for maintenance contracts are received in advance from the customers, the payments are recognized as contract liabilities. Income from operating leasing is recognized over the leasing period. Interest income related to finance leasing and installment credit contracts are recognized as net sales within Financial Services during the underlying contract period.

NOTE 4 | ACQUISITIONS AND DIVESTMENTS

Acquisitions and divestments

During the first quarter, the Volvo Group has made divestments, which resulted in a positive effect on operating income of SEK 1,410 M. The gain mainly pertains to the sale of WirelessCar, which had a positive effect on operating income of SEK 1,466 M. The Volvo Group has not made any other acquisitions or divestments during the first quarter that have had a significant impact on the Volvo Group.

Assets and liabilities held for sale

Assets held for sale amounted to net SEK 210 (203) M in Q1. The amount corresponds mainly to the reclassification of planned property divestments.

NOTE 5 | CURRENCY AND FINANCIAL INSTRUMENTS

Fair value of financial instruments

Valuation principles and classifications of Volvo Group financial instruments, as described in Volvo Group Annual and Sustainability Report 2018 Note 30 (available at www.volvogroup.com), 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 3.7 billion (4.5) and derivatives with negative fair values

amounted to SEK 2.7 billion (1.5) as of March 31, 2019.

The derivatives are accounted for on gross-basis.

Financial liabilities valued at amortized cost, reported as current and non-current bond loans and other loans, amounted to SEK 151.3 billion (134.7) in reported carrying value with a fair value of SEK 152.1 billion (135.8). In the Volvo Group consolidated financial position, financial liabilities include loan-related derivatives with negative fair values amounting to SEK 2.2 billion (1.2).

Currency effect on operating income, Volvo Group	Compared to first quarter 2018			Compared to fourth quarter 2018		
	First quarter 2019	First quarter 2018	Change	First quarter 2019	Fourth quarter 2018	Change
SEK M						
Net flow in foreign currency			520			344
Realized and unrealized gains and losses on derivatives	-6	-4	-2	-6	0	-6
Unrealized gains and losses on receivables and liabilities in foreign currency	-102	-129	27	-102	35	-137
Translation effect on operating income in foreign subsidiaries			665			112
Total currency effect on operating income, Volvo Group			1,211			313

Applicable currency rates	Quarterly exchange rates		Close rates	
	First quarter 2019	First quarter 2018	Mar 31 2019	Mar 31 2018
BRL	2.44	2.50	2.38	2.49
CNY	1.36	1.27	1.38	1.33
EUR	10.42	9.97	10.42	10.29
GBP	11.94	11.28	12.08	11.76
USD	9.17	8.11	9.28	8.36
JPY	0.0833	0.0749	0.0838	0.0785
KRW	0.0082	0.0076	0.0082	0.0077

NOTE 6 | TRANSACTIONS WITH RELATED PARTIES

SEK M	Sales of goods, services and other income		Purchases of goods, services and other expenses	
	First quarter 2019	First quarter 2018	First quarter 2019	First quarter 2018
Associated companies	293	467	28	24
Joint Ventures	470	462	237	234
Other Related Parties	25	12	270	209

SEK M	Receivables		Payables	
	Mar 31 2019	Dec 31 2018	Mar 31 2019	Dec 31 2018
Associated companies	291	290	27	33
Joint Ventures	301	353	56	166
Other Related Parties	99	80	258	252

NOTE 7 | RECONCILIATION OF ADJUSTED OPERATING INCOME

Adjusted operating income					
SEK M	1/2019	4/2018	3/2018	2/2018	1/2018
Trucks	8,293	7,450	6,757	7,236	4,909
Construction Equipment	3,646	2,157	2,587	3,675	2,888
Buses	294	266	254	260	-15
Volvo Penta	684	493	630	709	509
Group Functions & Other	-804	-373	-608	-932	-591
Eliminations	-18	-3	6	-11	-4
Industrial Operations	12,095	9,991	9,626	10,937	7,695
Financial Services	602	605	621	582	602
Volvo Group	12,696	10,597	10,247	11,519	8,297

Adjustments					
SEK M	1/2019	4/2018	3/2018	2/2018	1/2018
Adjustment items (segment)					
Provision for addressing the issue with an emission control component (Trucks)	-	-6,810	-	-	-
Provision for addressing the issue with an emission control component (Buses)	-	-190	-	-	-
Capital gain on sale of shares in Inner Mongolia North Hauler Joint Stock Co., Ltd (Construction Equipment)	-	-	-	818	-
Capital gain on sale of shares in WirelessCar (Group functions & Other)	1,466	-	-	-	-

Total adjustments					
Trucks	-	-6,810	-	-	-
Construction Equipment	-	-	-	818	-
Buses	-	-190	-	-	-
Group Functions & Other	1,466	-	-	-	-
Industrial Operations	1,466	-7,000	-	818	-
Volvo Group	1,466	-7,000	-	818	-

Operating income					
SEK M	1/2019	4/2018	3/2018	2/2018	1/2018
Trucks	8,293	640	6,757	7,236	4,909
Construction Equipment	3,646	2,157	2,587	4,493	2,888
Buses	294	76	254	260	-15
Volvo Penta	684	493	630	709	509
Group Functions & Other	662	-373	-608	-932	-591
Eliminations	-18	-3	6	-11	-4
Industrial Operations	13,560	2,991	9,626	11,755	7,695
Financial Services	602	605	621	582	602
Volvo Group	14,162	3,597	10,247	12,337	8,297

For reconciliations of other Key Ratios, see www.volvogroup.com. As of first quarter 2019, the key ratio Return on capital employed is included.

PARENT COMPANY

Income from investments in Group companies for the first quarter includes loss on divestment of 19 and income from liquidation of 2 (-).

Financial net debt amounted to SEK 29,227 M (27,785) at the end of the first quarter.

Income Statement		
	First quarter	
SEK M	2019	2018
Net sales¹	149	129
Cost of sales ¹	-149	-129
Gross income	0	0
Operating expenses ¹	-364	-343
Income from investments in Group companies	9	10
Operating income (loss)	-355	-333
Interest income and expenses	-184	-178
Other financial income and expenses	-1	-14
Income after financial items	-540	-525
Income taxes	104	110
Income for the period	-436	-415

¹ Of net sales in the first quarter, SEK 136 M (115) pertained to Group companies, while purchases from Group companies amounted to SEK 90 M (105).

Other comprehensive income		
Income for the period	-436	-415
Other comprehensive income, net of income taxes	-	-
Total comprehensive income for the period	-436	-415

Balance Sheet		
SEK M	March 31 2019	Dec 31 2018
Assets		
Non-current assets		
Tangible assets	7	7
Financial assets		
Shares and participations in Group companies	72,765	72,765
Investments in joint ventures and associated companies	8,894	8,894
Other shares and participations	4	4
Deferred tax assets	290	186
Total non-current assets	81,960	81,856
Current assets		
Current receivables from Group companies	35,077	35,027
Tax assets	264	-
Other current receivables	345	118
Total current assets	35,686	35,145
Total assets	117,646	117,001
Shareholders' equity and liabilities		
Shareholders' equity		
Restricted equity	9,891	9,891
Unrestricted equity	51,218	51,653
Untaxed reserves	6,001	6,001
Provisions	257	258
Non-current liabilities ¹	13,977	13,977
Current liabilities ²	36,302	35,221
Total shareholders' equity and liabilities	117,646	117,001

¹ Of which SEK 13,973 M (13,973) pertains to Group companies.

² Of which SEK 35,440 M (34,050) pertains to Group companies.

Events after the balance sheet date

For important events, please see page 13. No other significant events have occurred after the end of the first quarter 2019 that are expected to have a substantial effect on the Volvo Group.

Gothenburg, April 24, 2019
AB Volvo (publ)

Martin Lundstedt
President and CEO

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

NET ORDER INTAKE

Net order intake of trucks	First quarter		Change %
	2019	2018	
Number of trucks			
Europe	26,007	31,321	-17
Heavy- and medium-duty	21,055	24,802	-15
Light-duty	4,952	6,519	-24
North America	5,469	23,405	-77
South America	3,998	4,160	-4
Asia	7,470	9,644	-23
Africa and Oceania	2,940	3,435	-14
Total trucks	45,884	71,965	-36
Heavy-duty (>16 tons)	37,786	61,210	-38
Medium-duty (7-16 tons)	2,935	3,884	-24
Light-duty (<7 tons)	5,163	6,871	-25
Total trucks	45,884	71,965	-36

Net order intake of trucks by brand

Volvo			
Europe	13,505	15,068	-10
North America	2,092	13,815	-85
South America	3,516	3,568	-1
Asia	2,783	4,303	-35
Africa and Oceania	1,635	1,515	8
Total Volvo	23,531	38,269	-39
Heavy-duty (>16 tons)	22,701	37,375	-39
Medium-duty (7-16 tons)	830	894	-7
Total Volvo	23,531	38,269	-39

UD			
North America	9	20	-55
South America	106	76	39
Asia	4,344	4,685	-7
Africa and Oceania	760	1,000	-24
Total UD	5,219	5,781	-10
Heavy-duty (>16 tons)	4,282	4,530	-5
Medium-duty (7-16 tons)	792	1,058	-25
Light-duty (<7 tons)	145	193	-25
Total UD	5,219	5,781	-10

Renault Trucks			
Europe	12,502	16,253	-23
Heavy- and medium-duty	7,550	9,734	-22
Light-duty	4,952	6,519	-24
North America	645	235	174
South America	42	133	-68
Asia	343	656	-48
Africa and Oceania	359	686	-48
Total Renault Trucks	13,891	17,963	-23
Heavy-duty (>16 tons)	7,560	9,353	-19
Medium-duty (7-16 tons)	1,313	1,932	-32
Light-duty (<7 tons)	5,018	6,678	-25
Total Renault Trucks	13,891	17,963	-23

Mack			
North America	2,723	9,335	-71
South America	334	383	-13
Africa and Oceania	186	234	-21
Total Mack	3,243	9,952	-67
Heavy-duty (>16 tons)	3,243	9,952	-67
Total Mack	3,243	9,952	-67

DELIVERIES

Deliveries of trucks	First quarter		Change %
	2019	2018	
Number of trucks			
Europe	26,884	26,104	3
Heavy- and medium-duty	21,587	21,916	-2
Light-duty	5,297	4,188	26
North America	17,205	12,126	42
South America	4,734	3,220	47
Asia	6,688	7,030	-5
Africa and Oceania	3,083	3,094	0
Total trucks	58,594	51,574	14
Heavy-duty (>16 tons)	49,643	43,749	13
Medium-duty (7-16 tons)	3,341	3,518	-5
Light-duty (<7 tons)	5,610	4,307	30
Total trucks	58,594	51,574	14

Deliveries of trucks by brand

Volvo			
Europe	13,674	14,576	-6
North America	9,741	7,454	31
South America	4,414	3,039	45
Asia	2,579	3,109	-17
Africa and Oceania	1,658	1,477	12
Total Volvo	32,066	29,655	8
Heavy-duty (>16 tons)	31,162	28,736	8
Medium-duty (7-16 tons)	904	919	-2
Total Volvo	32,066	29,655	8

UD			
North America	33	12	175
South America	65	59	10
Asia	3,771	3,483	8
Africa and Oceania	733	856	-14
Total UD	4,602	4,410	4
Heavy-duty (>16 tons)	3,549	3,300	8
Medium-duty (7-16 tons)	832	1,052	-21
Light-duty (<7 tons)	221	58	281
Total UD	4,602	4,410	4

Renault Trucks			
Europe	13,210	11,528	15
Heavy- and medium-duty	7,913	7,340	8
Light-duty	5,297	4,188	26
North America	323	69	368
South America	34	9	278
Asia	338	438	-23
Africa and Oceania	400	505	-21
Total Renault Trucks	14,305	12,549	14
Heavy-duty (>16 tons)	7,311	6,753	8
Medium-duty (7-16 tons)	1,605	1,547	4
Light-duty (<7 tons)	5,389	4,249	27
Total Renault Trucks	14,305	12,549	14

Mack			
North America	7,108	4,591	55
South America	221	113	96
Africa and Oceania	292	256	14
Total Mack	7,621	4,960	54
Heavy-duty (>16 tons)	7,621	4,960	54
Total Mack	7,621	4,960	54

This information is information that AB Volvo (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out in the press release concerning this report, at 7.20 CET on April 24, 2019.

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. Although the Board of Directors and the management believe that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct. Accordingly, results could differ materially from those set out in the forward-looking statements as a result of, among other factors, (i) changes in economic, market and competitive conditions, (ii) success of business and operating initiatives, (iii) changes in the regulatory environment and other government actions, (iv) fluctuations in exchange rates and (v) business risk management.

This report does not imply that the Company has undertaken to revise these forward-looking statements, beyond what is required under the company's registration contract with Nasdaq Stockholm, if and when circumstances arise that will lead to changes compared to the date when these statements were provided.

Financial calendar

Report on the second quarter 2019	July 18, 2019
Report on the third quarter 2019	October 18, 2019
Report on the fourth quarter and full year 2019	January 30, 2020

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