



PRESS RELEASE

Volvo Group – the first quarter 2020

“The first quarter of 2020 was impacted by the measures in society to stop the spread of the COVID-19 pandemic. These began affecting our operations in China in February and had a severe impact on the Group as of mid-March, when our global supply chain was disrupted and production halted in most parts of our operations. The reduced production and the lower demand impacted both the Group’s sales and profits negatively in Q1. Net sales decreased by 15% to SEK 91.4 billion. Our adjusted operating income amounted to SEK 7.1 billion (12.7) with a margin of 7.8% (11.8). Cash flow was negative of SEK 4.1 billion with the normal seasonal effect from higher working capital. We maintain a strong financial position with net cash of SEK 57.8 billion in the Industrial Operations, pension and lease liabilities excluded,” says Martin Lundstedt, President and CEO.

- In Q1 2020, net sales amounted to SEK 91.4 billion (107.2). Adjusted for currency movements, net sales decreased by 16%.
- Adjusted operating income amounted to SEK 7,140 M (12,696), corresponding to an adjusted operating margin of 7.8% (11.8).
- Reported operating income amounted to SEK 7,374 M (14,162).
- Currency movements had a negative impact on operating income of SEK 261 M.
- Diluted earnings per share amounted to SEK 2.30 (5.22).
- Operating cash flow in the Industrial Operations was negative in an amount of SEK 4,117 M (positive SEK 2,754 M).
- Severe impact from COVID-19 from mid-March.
- Annual General Meeting to be held on June 18, 2020.
- The Volvo Group and Daimler Truck AG intend to form joint venture for the development and large-scale production of fuel cells.

Press and Analyst Conference Call. An on-line presentation of the report, followed by a question-and-answer session will be webcast starting at 09.00 CEST. More information is available under Investors on www.volvogroup.com

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The Volvo Group drives prosperity through transport solutions, offering trucks, buses, construction equipment, power solutions for marine and industrial applications, financing and services that increase our customers' uptime and productivity. Founded in 1927, the Volvo Group is committed to shaping the future landscape of sustainable transport and infrastructure solutions. The Volvo Group is headquartered in Gothenburg, Sweden, employs 104.000 people and serves customers in more than 190 markets. In 2019, net sales amounted to about SEK 432 billion (EUR 40.5 billion). Volvo shares are listed on Nasdaq Stockholm.