



PRESS RELEASE

Volvo Group – the fourth quarter and full year 2019

“2019 was another good year for the Volvo Group. We grew net sales by 11% to SEK 432 billion and improved our adjusted operating income to SEK 47.9 billion (40.7), with a margin of 11.1% (10.4). During the year we also continued to increase our financial strength. With an operating cash flow of SEK 38.3 billion, we ended the year with a net cash position of SEK 62.6 billion in the Industrial Operations, excluding pension and lease liabilities. Our increased profitability and strong financial position allow us to invest in our future as well as return cash to our shareholders,” says Martin Lundstedt, President and CEO.

THE FOURTH QUARTER 2019

- In Q4 2019, net sales amounted to SEK 105.4 billion (105.8). Adjusted for currency movements, net sales decreased by 5%.
- Adjusted operating income amounted to SEK 9,223 M (10,597), corresponding to an operating margin of 8.8% (10.0).
- Reported operating income amounted to SEK 9,379 M (3,597).
- Currency movements had a positive impact on operating income of SEK 763 M.
- Diluted earnings per share amounted to SEK 3.27 (1.26).
- Operating cash flow in the Industrial Operations amounted to SEK 19,856 M (15,471).
- Volvo Group and Isuzu Motors intend to form strategic alliance.

THE FULL YEAR 2019

- For the full year 2019 net sales increased by 11% to SEK 432.0 billion (390.8).
- Adjusted operating income amounted to SEK 47,910 M (40,660) corresponding to an operating margin of 11.1% (10.4).
- Reported operating income amounted to SEK 49,531 M (34,478).
- Diluted earnings per share amounted to SEK 17.64 (12.24).
- Operating cash flow in the Industrial Operations amounted to SEK 38,309 M (26,597).
- The Board of Directors proposes an ordinary dividend of SEK 5.50 per share (5.00) and an extra dividend of SEK 7.50 per share (5.00).

Press and Analyst Conference. An on-line presentation of the report, followed by a question-and-answer session will be webcast starting at 9.00 CET. More information 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 105,000 people and serves customers in more than 190 markets. In 2018, net sales amounted to about SEK 391 billion (EUR 38,1 billion). Volvo shares are listed on Nasdaq Stockholm.