



PRESS RELEASE

Volvo Group – the second quarter 2020

“The second quarter of 2020 was characterized by the COVID-19 pandemic and its negative effects on society and economic development. Measures adopted by countries to control the spread had a significant impact on our production and supply chain as well as on demand for our products and services. Our net sales decreased by 39% to SEK 73.2 billion. After having been standing still in April, production was gradually restarted in May and is currently running well thanks to great efforts by our colleagues and suppliers. We also took forceful actions to reduce activities and costs, including salary reductions, temporary layoffs as part of governmental programs and a reduction of purchased services. All of these activities contributed to the Volvo Group achieving an adjusted operating income of SEK 3.3 billion (15.1) with a margin of 4.5% (12.5),” says Martin Lundstedt, President and CEO.

- Severe impact from COVID-19-related effects on both sales and earnings.
- In Q2 2020, net sales amounted to SEK 73.2 billion (120.7). Adjusted for currency movements, net sales decreased by 38%.
- Adjusted operating income amounted to SEK 3,272 M (15,105), corresponding to an adjusted operating margin of 4.5% (12.5).
- Reported operating income amounted to SEK 388 M (15,105).
- Operating income in Q2 includes restructuring charges of SEK 3,200 M related to the previously announced cost-reduction measures, which are expected to generate annual savings in the same magnitude with the majority taking effect during the first half of 2021.
- Currency movements had a positive impact on operating income of SEK 341 M.
- Diluted earnings per share amounted to SEK -0.14 (+5.47).
- Operating cash flow in the Industrial Operations was negative in an amount of SEK 5,718 M (positive SEK 13,867 M).

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 on [the Volvo Group Investor page](#).

This information is information that AB Volvo (publ) is obliged to make public pursuant to the EU Market Abuse Regulation and the Securities Markets Act. The information was submitted for publication, through the agency of the contact person set out above, at 07.20 CEST on July 17, 2020.



July 17, 2020

Aktiebolaget Volvo (publ) 556012-5790

Investor Relations

SE-405 08 Göteborg, Sweden

Tel +46 31 66 00 00

www.volvogroup.com

Contact Media Relations:

Claes Eliasson +46 765 53 72 29

Contacts Investor Relations:

Christer Johansson +46 739 02 25 22

Johan Bartler +46 739 02 21 93

Anders Christensson +46 765 53 59 66

For more information, please visit www.volvogroup.com

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.