



## PRESS RELEASE

# Volvo Group – the third quarter 2020

**“In Q3, utilization of trucks and machines gradually improved as COVID-19 restrictions were eased. Towards the end of the quarter transport activity was back on roughly the same level as a year ago in most markets. This led to an improved sentiment among our customers, which is reflected in increased order intake for trucks, engines and construction equipment as well as a gradually improving service business. In the last two quarters, our organization and business partners have shown great volume flexibility by first handling a dramatic volume decline and then a steep recovery with good productivity maintained. However, the weak order intake in the previous quarter impacted the Group’s net sales in Q3, which amounted to SEK 76.9 billion – 16% lower than a year ago adjusted for currency. Our service business is more stable, with currency-adjusted revenues coming down by only 1% compared to Q3 last year and with a sequential improvement. Despite the sales decline we achieved an adjusted operating margin of 9.4% (11.0) thanks to significant cost reductions,” says Martin Lundstedt, President and CEO.**

- In Q3 2020, net sales amounted to SEK 76.9 billion (98.7). Adjusted for currency movements, net sales decreased by 16%.
- Adjusted operating income amounted to SEK 7,217 M (10,885), corresponding to an adjusted operating margin of 9.4% (11.0).
- Reported operating income amounted to SEK 7,508 M (10,885).
- Currency movements had a negative impact on operating income of SEK 1,499 M.
- Diluted earnings per share amounted to SEK 2.81 (3.67).
- Operating cash flow in the Industrial Operations was positive in an amount of SEK 11,712 M (1,831).

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](#).

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The Volvo Group drives prosperity through transport and infrastructure 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 almost 100.000 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.