



PRESS RELEASE

Volvo Group – the fourth quarter and full year 2020

“In 2020, the global pandemic presented us with challenges that are unprecedented in modern times. Together with business partners and suppliers, we supported our customers through all stages of the crisis. We handled dramatic fluctuations in demand while taking decisive steps forward towards tomorrow's fossil-free transport system. We demonstrated that we have significantly improved our volume and cost flexibility, which were crucial factors behind our earnings resilience in 2020. Despite a loss of almost SEK 100 billion in revenues, we were able to deliver an adjusted operating income of SEK 28.6 billion with a margin of 8.4%. I would like to thank all my colleagues and our business partners for their fantastic efforts in very difficult circumstances,” says Martin Lundstedt, President and CEO.

THE FOURTH QUARTER 2020

- In Q4 2020, net sales amounted to SEK 96.9 billion (105.4). Adjusted for currency movements, net sales increased by 1%.
- Adjusted operating income amounted to SEK 10,934 M (9,223), corresponding to an adjusted operating margin of 11.3% (8.8).
- Reported operating income amounted to SEK 12,215 M (9,379).
- Currency movements had a negative impact on operating income of SEK 1,770 M.
- Diluted earnings per share amounted to SEK 4.53 (3.27).
- Operating cash flow in the Industrial Operations amounted to SEK 16,668 M (19,856).
- Final agreements signed with Isuzu Motors and Daimler Truck AG.
- The supply chain is strained in many areas and there will be production disturbances and increased costs at least in Q1 2021.

THE FULL YEAR 2020

- Full year net sales were SEK 338.4 billion (432.0).
- Adjusted operating income amounted to SEK 28,564 M (47,910) corresponding to an adjusted operating margin of 8.4% (11.1).
- Reported operating income amounted to SEK 27,484 M (49,531).
- Diluted earnings per share were SEK 9.50 (17.64).
- Operating cash flow in the Industrial Operations amounted to SEK 18,545 M (38,309).
- The Board of Directors proposes an ordinary dividend of SEK 6.00 per share (0) and an extra dividend of SEK 9.00 per share (0).

Press and analyst conference call. An online presentation of the report, followed by a question-and-answer session will be webcast starting at 09.00 AM CET. More information is available on [the Volvo Group Investor page](#).



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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

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For more information, please visit www.volvogroup.com

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.