Volvo Group
FIRST QUARTER HIGHLIGHTS

- Net sales increased by 3% (+13% ex. FX)
- Adjusted operating income SEK 11.8 bn (7.1) corresponding to a margin of 12.6% (7.8)
- Operating cash flow in the Industrial operations SEK 5.7 bn (-4.1)
- ROCE 17.1% (23.9%)
- Several strategic partnership established

* For information on adjustments, see note 7 in the quarterly report
Volvo Group

VOLUME DEVELOPMENT IN THE FIRST QUARTER

TRUCK DELIVERIES
k units HD/MD

- 12 months 158 k units
- +16%

MACHINE DELIVERIES
k units

- 12 months 105 k units
- +53%

Volvo Group
First Quarter 2021

3 2021-04-22
Volvo Group

ELECTRIFICATION PROGRESS

Order Intake, fully electric vehicles, Q1
units HD/MD/LD

Group Trucks 200
Volvo CE 78
Volvo Bus 26
Volvo Penta 4

Volvo Group, Total 308

Deliveries, fully electric vehicles, Q1
units HD/MD/LD

Fully electric Vehicles Q1 2020
Group Trucks 9
Volvo CE 22
Volvo Bus 111
Volvo Penta 25

Fully electric Vehicles Q1 2021
Group Trucks 4
Volvo CE 4
Volvo Bus 25
Volvo Penta 171

Volvo Group
First Quarter 2021
2021-04-22
Volvo Group

SERVICE SALES DEVELOPMENT

SERVICE SALES (incl. Financial Services)
SEK bn  12 months SEK 91.6 bn

-6%
+5% excl. FX

24.4
24.9
23.5

Q1 Q2 Q3 Q4 Q1 Q2 Q3 Q4 Q1

Excl. FX:
TRUCKS 5%
CONSTRUCTION EQUIPMENT 12%
HUSES -17%
PENTA 20%

Volvo Group
First Quarter 2021
5 2021-04-22
Trucks
MARKET ENVIRONMENT

**NORTH AMERICA HD**
2020: 235'
Forecast 2021: 290'

**EUROPE HD**
2020: 231'
Forecast 2021: 280'

**BRAZIL HD**
2020: 67'
Forecast 2021: 95'

**ASIA HD+MD**
China
2020: 1,778'
Forecast 2021: 1,560'
India
2020: 143'
Forecast 2021: 265'
Trucks

HD/MD: QUARTERLY ORDERS 126% AND DELIVERIES 16%
Trucks

DRIVING INDUSTRY ELECTRIFICATION

- Volvo Trucks’ and Renault Trucks’ offerings in the next two years could electrify close to half of truck transports in Europe

- Volvo Group and Daimler Truck AG completed the creation of fuel-cell joint venture: cellcentric

- Volvo Group partners with Aurora to accelerate hub-to-hub highway applications in the U.S.

Volvo Trucks in Europe has started to sell electric trucks up to 44 tons
Construction Equipment
MARKET ENVIRONMENT

NORTH AMERICA
Forecast 2021: +5% to +15%

EUROPE
Forecast 2021: 0% to +10%

SOUTH AMERICA
Forecast 2021: +20% to +30%

CHINA
Forecast 2021: -5% to +5%

ASIA (excl. China)
Forecast 2021: +5% to +15%
Construction Equipment

QUARTERLY ORDERS 73% AND DELIVERIES 53%

NORTH AMERICA
Orders +99%
 Deliveries +12%

EUROPE
Orders +87%
 Deliveries +30%

SOUTH AMERICA
Orders +121%
 Deliveries +74%

AFRICA AND OCEANIA
Orders +19%
 Deliveries +19%

ASIA
Orders +66%
 Deliveries +67%
Buses

- Orders decreased by 68%
- Deliveries decreased by 26%
- Largest order to date for the new Volvo 7900 S-Charge with hybrid technology
Volvo Penta

- Orders increased by 27%
- Deliveries increased by 7%
- Volvo Penta and TICO co-develops fully-electric terminal truck prototypes
Financial Services

- Record new business volume for a Q1
- Continued penetration improvement
- Stable portfolio performance
FIRST QUARTER 2021
Jan Ytterberg, CFO
Volvo Group

NET SALES PER MARKET

NET SALES
SEK bn

Q1 2020  Europe  North America  South America  Asia  Africa and Oceania  Q1 2021

91.4  -1.2  -0.2  2.6  -0.1  94.0

Currency SEK -9.7 bn
Volvo Group

ADJUSTED OPERATING INCOME CONTRIBUTORS

ADJUSTED OPERATING INCOME* (SEK M)

Q1 2020: Gross Income, Cash, Net R&D, Selling, Admin, Other, Q1 2021

7,140 2,056 781 -263 1,225 161 721 11,821

Currency SEK -1.1 bn

+ Vehicle volumes
+ Industrial capacity utilization
+ Cost execution
+ Service earnings

- Mix

* For information on adjustments, see note 7 in the quarterly report
Volvo Group – Industrial Operations

CASH FLOW AND FINANCIAL POSITION

OPERATING CASH FLOW
SEK bn
12 months SEK 28.3 bn

OPERATING CASH FLOW
SEK bn
Working capital (-3.2 bn)

FINANCIAL POSITION
(Excl. pensions and lease liabilities)
SEK bn

Volvo Group
First Quarter 2021
2021-04-22
Trucks

NET SALES AND ADJUSTED OPERATING INCOME

**NET SALES**

SEK bn

- 12 months SEK 208.6 bn

- +1% (excl. FX +12%)

<table>
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<th>Q3</th>
<th>Q4</th>
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**ADJUSTED OPERATING INCOME***

SEK bn

- + Vehicle volumes
- + Cost execution
- + Industrial capacity utilization
- + JV income
- + Service earnings

- - Mix

<table>
<thead>
<tr>
<th>Q1 2020</th>
<th>Q1 2021</th>
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<tbody>
<tr>
<td>3.9</td>
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**ADJUSTED OPERATING INCOME***

SEK bn (margin)*

- 12 months 10.0%
- Currency SEK -0.4 bn

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<th>Q3</th>
<th>Q4</th>
<th>Q1</th>
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* For information on adjustments, see note 7 in the quarterly report.
Construction Equipment

NET SALES AND ADJUSTED OPERATING INCOME

NET SALES
SEK bn
12 months SEK 86.0 bn
+23% (excl. FX +34%)

Q1 Q2 Q3 Q4 Q1 Q2 Q3 Q4 Q1
24.2 20.1 24.7

ADJUSTED OPERATING INCOME*
SEK bn

Q1 2020
2.7
Q1 2021
3.8

+ Machine volumes
+ Industrial capacity utilization
+ Cost execution
+ Service earnings

- Mix

ADJUSTED OPERATING INCOME
SEK bn (margin)*
12 months 13.0%
Currency SEK -0.6 bn

Q1 Q2 Q3 Q4 Q1 Q2 Q3 Q4 Q1
3.6 (15.1%) 2.7 (13.3%) 3.8 (15.4%)

* For information on adjustments, see note 7 in the quarterly report
Buses

NET SALES AND ADJUSTED OPERATING INCOME

**NET SALES**
SEK bn

- 12 months SEK 18.2 bn

-31% (excl. FX -24%)

**ADJUSTED OPERATING INCOME**
SEK M

- Cost execution
- Vehicle volumes
- Industrial capacity utilization

Q1 2020

-129

Q1 2021

-64

**ADJUSTED OPERATING INCOME**
SEK M (margin)

- 12 months -2.1%
Currency SEK +34 M

294 (4.3%)

-129 (-2.5%)

-64 (-1.8%)

* For information on adjustments, see note 7 in the quarterly report.
Volvo Penta

NET SALES AND ADJUSTED OPERATING INCOME

NET SALES
SEK bn
12 months SEK 12.0 bn
+2%
(excl. FX +9%)

ADJUSTED OPERATING INCOME*
SEK M
509
643

ADJUSTED OPERATING INCOME
SEK M (margin)*
12 months 13.2%
Currency SEK -99 M
684 (20.0%)
509 (15.2%)
643 (18.9%)

* For information on adjustments, see note 7 in the quarterly report

Volvo Group
First Quarter 2021
24 2021-04-22
Financial Services
CREDIT PORTFOLIO AND PROFITABILITY

NEW RETAIL FINANCING
SEK bn

12 months SEK 74.8 bn

ADJUSTED OPERATING INCOME*
SEK M

12 months SEK 1,683 M
Currency SEK -115 M

CREDIT PORTFOLIO & ROE
SEK bn

ROE 12 months 8.7%

* For information on adjustments, see note 7 in the quarterly report.

Volvo Group
First Quarter 2021
25 2021-04-22
Volvo Group
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