Volvo Group
SECOND QUARTER HIGHLIGHTS

- Net sales adjusted for UD Trucks divestment increased by 33% (+43% excl. FX)
- Adjusted operating income SEK 9.7 bn (3.3) corresponding to a margin of 10.7% (4.5)
- Operating cash flow in the Industrial Operations SEK 5.9 bn (-5.7)
- ROCE 23.4% (15.3%)
- Supply chain constraints impacting production

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

VOLUME DEVELOPMENT IN THE SECOND QUARTER

TRUCK DELIVERIES
k units HD/MD
12 months 161 k units

MACHINE DELIVERIES
k units
12 months 106 k units

Figures restated for UD Trucks divestment
## Volvo Group

### Electrification Progress

#### Order Intake, fully electric vehicles, Q2 2021

<table>
<thead>
<tr>
<th>Category</th>
<th>Units HD/MD/LD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trucks</td>
<td>194</td>
</tr>
<tr>
<td>Volvo CE</td>
<td>99</td>
</tr>
<tr>
<td>Volvo Buses</td>
<td>50</td>
</tr>
<tr>
<td>Volvo Penta</td>
<td>8</td>
</tr>
<tr>
<td><strong>Volvo Group, Total</strong></td>
<td><strong>351</strong></td>
</tr>
</tbody>
</table>

#### Deliveries, fully electric vehicles, Q2 2021

<table>
<thead>
<tr>
<th>Category</th>
<th>Units HD/MD/LD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fully electric vehicles Q2 2020</td>
<td>26</td>
</tr>
<tr>
<td>Trucks</td>
<td>90</td>
</tr>
<tr>
<td>Volvo CE</td>
<td>98</td>
</tr>
<tr>
<td>Volvo Buses</td>
<td>143</td>
</tr>
<tr>
<td>Volvo Penta</td>
<td></td>
</tr>
<tr>
<td><strong>Fully electric vehicles Q2 2021</strong></td>
<td><strong>357</strong></td>
</tr>
</tbody>
</table>
Volvo Group

SERVICE SALES DEVELOPMENT

Figures restated for UD Trucks divestment

SERVICE SALES (incl. Financial Services)
SEK bn
12 months SEK 85.5 bn

+13%
+23% excl. FX

Q2 Q3 Q4 Q1 Q2 Q3 Q4 Q1 Q2
22.9 21.9

EXCL. FX:

TRUCKS: 25%
CONSTRUCTION EQUIPMENT: 26%
BUSES: 33%
VOLVO PENTA: 44%
Volvo Group GHG targets validated by Science Based Targets initiative

- Target to reach net-zero value chain emissions by 2040 at the latest, ten years earlier than the SBTi commitment
- GHG reduction interim-goals by 2030:
  (Baseline 2019)
  - Trucks and Buses: -40% per vehicle km
  - Volvo CE: -30% in absolute reductions
  - Volvo Penta: -37.5% in absolute reductions by 2034
  - Reduce emissions in our own operations by -50%
Trucks
Trucks

- Renault Trucks T, T high, C & K evolution launched with more comfortable, reliable and productive trucks
- Volvo Group, Daimler Truck and the Traton Group plan to pioneer a European high-performance charging network for heavy-duty trucks
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

2020: 1,778'
Forecast 2021: 1,650'

2020: 143'
Forecast 2021: 215'

Volvo Group
Second Quarter 2021
2021-07-20
Trucks

HD/MD: QUARTERLY ORDERS +140% AND DELIVERIES +85%

- **NORTH AMERICA**
  - Orders: +85%
  - Deliveries: +150%

- **EUROPE**
  - Orders: +190%
  - Deliveries: +70%

- **SOUTH AMERICA**
  - Orders: +216%
  - Deliveries: +182%

- **AFRICA AND OCEANIA**
  - Orders: +168%
  - Deliveries: +32%

- **ASIA**
  - Orders: -6%
  - Deliveries: +10%

*Figures restated for UD Trucks divestment*
Construction Equipment
Construction Equipment

- Introducing a new 50-tonne excavator machine class aimed at heavy-duty digging and large site preparation.
- First dedicated Fuel Cell Test Lab in Volvo Group opened in Eskilstuna, Sweden
Construction Equipment

MARKET ENVIRONMENT

NORTH AMERICA

Forecast 2021: +10% to +20%

EUROPE

Forecast 2021: 10% to +20%

SOUTH AMERICA

Forecast 2021: +35% to +45%

CHINA

Forecast 2021: -5% to +5%

ASIA (excl. China)

Forecast 2021: +10% to +20%
Construction Equipment

QUARTERLY ORDERS +35% AND DELIVERIES +5%

NORTH AMERICA

ORDERS
DELIVERIES
Q2 Q3 Q4 Q1 Q2 Q3 Q4 Q1 Q2
Orders +1950%
Deliveries +36%

SOUTH AMERICA

ORDERS
DELIVERIES
Q2 Q3 Q4 Q1 Q2 Q3 Q4 Q1 Q2
Orders +246%
Deliveries +120%

AFRICA AND OCEANIA

ORDERS
DELIVERIES
Q2 Q3 Q4 Q1 Q2
Orders +91%
Deliveries +88%

EUROPE

ORDERS
DELIVERIES
Q2 Q3 Q4 Q1 Q2 Q3 Q4 Q1 Q2
Orders +191%
Deliveries +49%

ASIA

ORDERS
DELIVERIES
Q2 Q3 Q4 Q1 Q2
Orders -5%
Deliveries -6%
Buses

- Orders increased by 5%
- Deliveries increased by 45%
Volvo Penta

- Orders increased by 102%
- Deliveries increased by 68%
- Acquisition of a majority stake in ZEM, a Norwegian marine battery and electric driveline solutions provider
Financial Services

- Record new business volume for a Q2
- Continued penetration improvement
- Stable portfolio performance
- Developing new services and business models
Volvo Group

NET SALES PER MARKET

NET SALES
SEK bn

Currency SEK -6.7 bn

Q2 2020 Europe North America South America Asia Africa and Oceania Q2 2021

67.9

11.6

7.8

3.3

-1.1

1.1

90.6

Figures restated for UD Trucks divestment

Volvo Group
Second Quarter 2021
Volvo Group

ADJUSTED OPERATING INCOME CONTRIBUTORS

ADJUSTED OPERATING INCOME*
SEK M

<table>
<thead>
<tr>
<th></th>
<th>Q2 2020</th>
<th>Q2 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross Income</td>
<td>3,272</td>
<td>7,087</td>
</tr>
<tr>
<td>Cash R&amp;D</td>
<td>-1,261</td>
<td>-289</td>
</tr>
<tr>
<td>Net R&amp;D</td>
<td>371</td>
<td>320</td>
</tr>
<tr>
<td>Selling</td>
<td>230</td>
<td>9,730</td>
</tr>
<tr>
<td>Admin</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Currency SEK -1.5 bn

+ Vehicle volumes
+ Industrial capacity utilization
+ Price/ mix

-R&D
-JV earnings

* 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 40.0 bn

Q2 Q3 Q4 Q1 Q2 Q3 Q4 Q1 Q2

Operating Cash Flow
SEK bn

10.5
0.8
-3.5
0.7
-0.7
3.5
-2.3
-3.1
5.9

Operating Income Q2 2021
Receivables
Inventory
Payables
Other working capital
Amort & Deprec
Investment
Other operating cash flow Q2 2021

Financial Position
(Excl. pensions and lease liabilities)
SEK bn

Q2 Q3 Q4 Q1 Q2 Q3 Q4 Q1 Q2

41.0
60.6
67.3

Volvo Group
Second Quarter 2021
22 2021-07-20
Trucks

NET SALES AND ADJUSTED OPERATING INCOME

**NET SALES**
SEK bn
12 months SEK 202.7 bn

+47% (excl. FX +68%)

69.3 Q2 Q3 Q4 Q1 Q2 Q3 Q4 Q1 Q2

**ADJUSTED OPERATING INCOME**
SEK bn

51.9

0.7 Q2 2020

5.4 Q2 2021

**ADJUSTED OPERATING INCOME**
SEK bn (margin)
12 months 11.5%
Currency SEK -0.7 bn

9.5 (12.6%)

5.4 (10.3%)

+ Vehicle volumes
+ Industrial capacity utilization
+ Price
+ Used trucks

- R&D
- JV earnings

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

Figures restated for UD Trucks divestment
Construction Equipment

NET SALES AND ADJUSTED OPERATING INCOME

NET SALES
SEK bn

12 months SEK 89.0 bn

+13%
(excl. FX +21%)

Q2 Q3 Q4 Q1 Q2 Q3 Q4 Q1 Q2
26.8 22.9 25.8

ADJUSTED OPERATING INCOME*
SEK bn

Q2 2020
3.1

Q2 2021
3.4

+ Mix
+ Machine and service sales

- Raw material
- Price pressure in China
- R&D

ADJUSTED OPERATING INCOME
SEK bn (margin)*

12 months 12.9% Currency SEK -0.6 bn

Q2 Q3 Q4 Q1 Q2 Q3 Q4 Q1 Q2
4.2 (15.5%)
3.1 (13.8%)
3.4 (13.1%)

* 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 20.1 bn

+60%
(excl. FX +68%)

<table>
<thead>
<tr>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
<th>Q1</th>
<th>Q2</th>
</tr>
</thead>
<tbody>
<tr>
<td>8.9</td>
<td>3.2</td>
<td>1.7</td>
<td>3.2</td>
<td>8.9</td>
<td>3.2</td>
<td>1.7</td>
<td>3.2</td>
<td>8.9</td>
</tr>
</tbody>
</table>

**ADJUSTED OPERATING INCOME**
SEK M

-532

+ Vehicle and service volumes

<table>
<thead>
<tr>
<th>Q2 2020</th>
<th>Q2 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>-532</td>
<td>-26</td>
</tr>
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</table>

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

- 12 months 0.6%
Currency SEK -13 M

403
(4.5%)

-532
(-16.6%)

-26
(-0.5%)

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

Volvo Group
Second Quarter 2021

25 2021-07-20
Volvo Penta

NET SALES AND ADJUSTED OPERATING INCOME

NET SALES
SEK bn
12 months SEK 13.4 bn
+58%
(excl. FX +69%)

ADJUSTED OPERATING INCOME*
SEK M

+ Engine and service volumes
- S&A
- R&D

617
Q2 2021

345
Q2 2020

618
(16.9%)
Q2

345
(13.7%)
Q1

617
(15.6%)
Q2

ADJUSTED OPERATING INCOME
SEK M (margin)*
12 months 13.8%
Currency SEK -172 M

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

CREDIT PORTFOLIO AND PROFITABILITY

NEW RETAIL FINANCING
SEK bn

12 months SEK 78.6 bn

ADJUSTED OPERATING INCOME*
SEK M

12 months SEK 2,539 M
Currency SEK -86 M

CREDIT PORTFOLIO & ROE
SEK bn

ROE 12 months 14.0%

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

Volvo Group
Second Quarter 2021
27 2021-07-20
Volvo Group
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