VOLVO

VOLVO GROUP

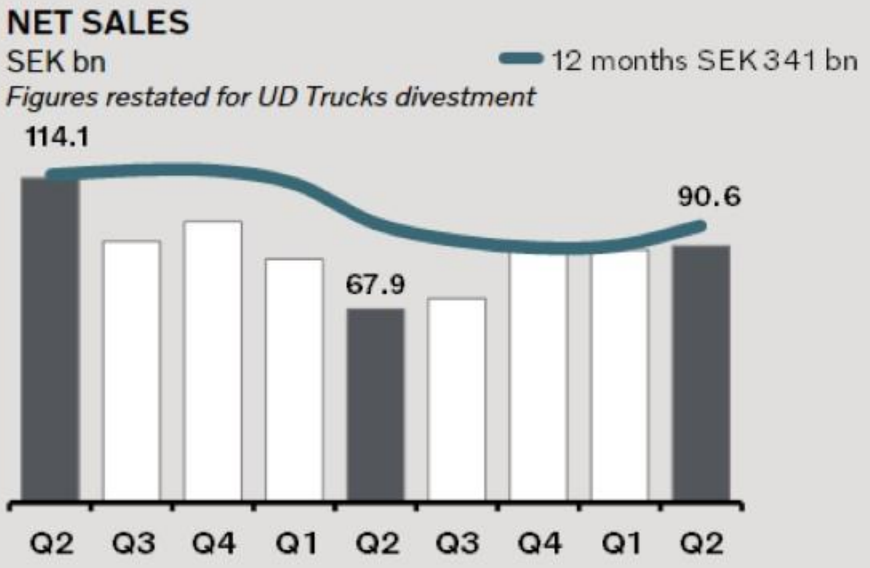
SECOND QUARTER 2021

Martin Lundstedt, President and CEO

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



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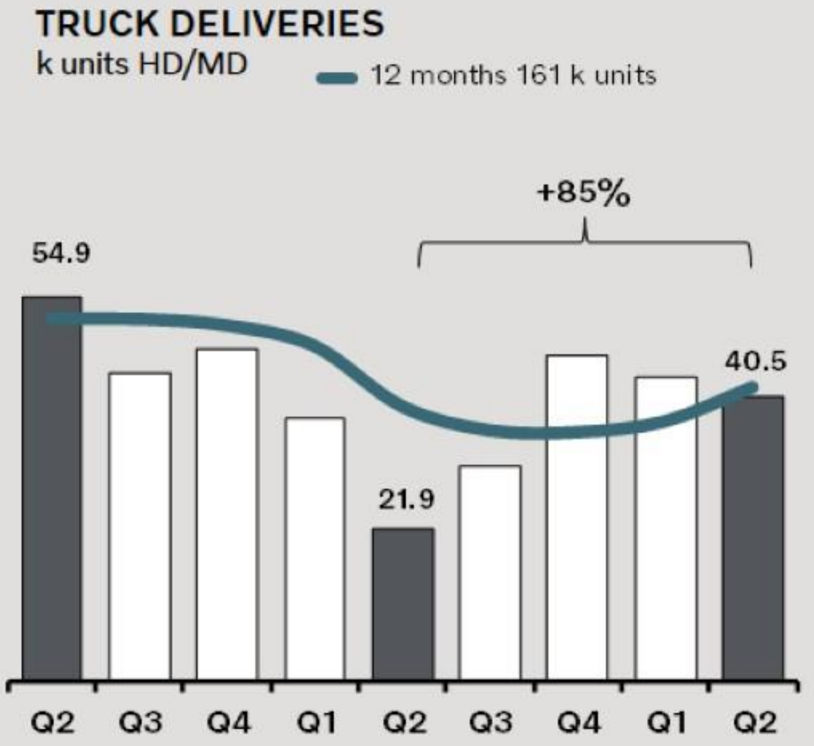
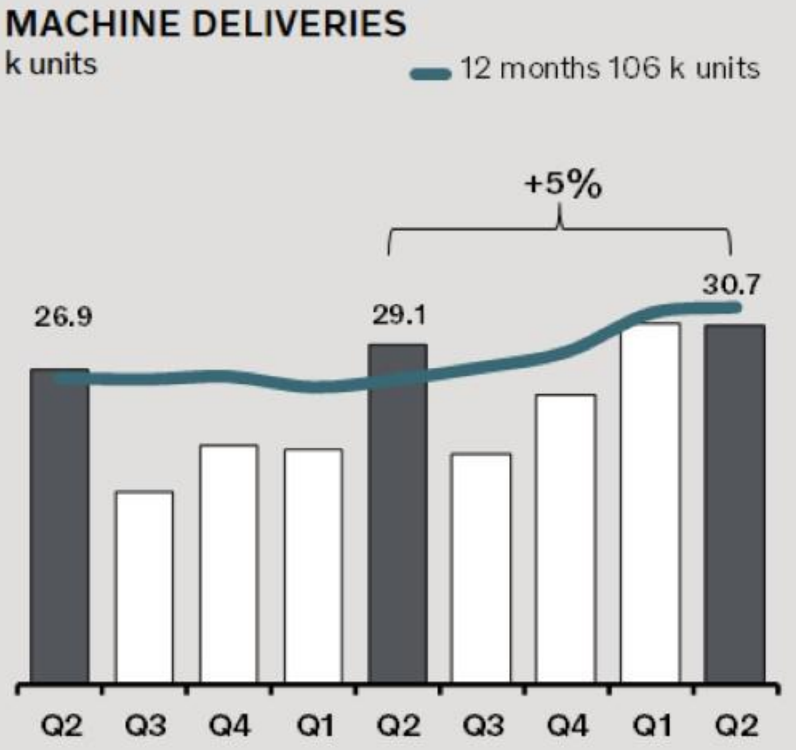
Volvo Group

VOLUME DEVELOPMENT IN THE SECOND QUARTER



Figures restated for UD Trucks divestment



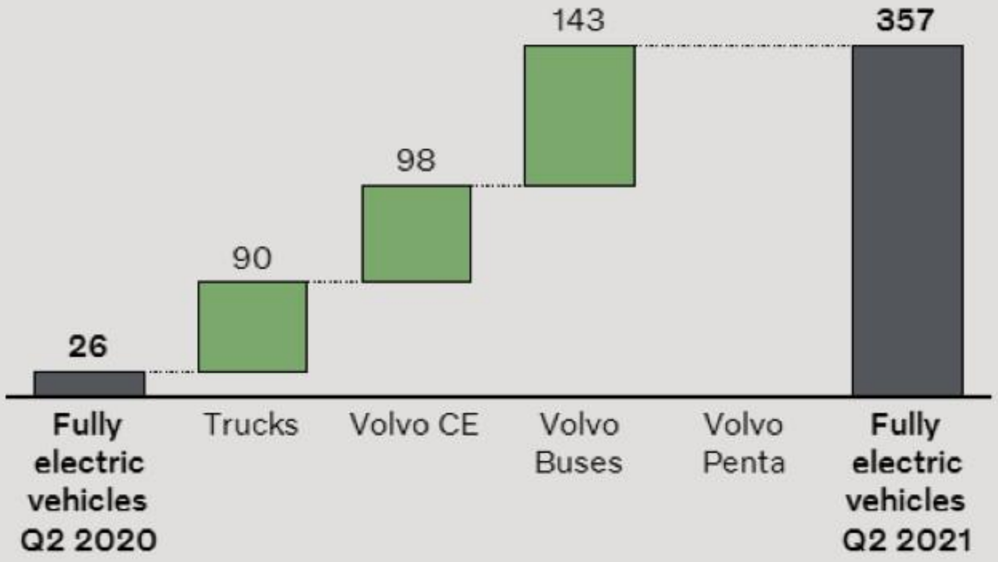
Volvo Group

ELECTRIFICATION PROGRESS

Order Intake, fully electric vehicles, Q2 2021
units HD/MD/LD

Trucks	194
Volvo CE	99
Volvo Buses	50
Volvo Penta	8
Volvo Group, Total	**351**

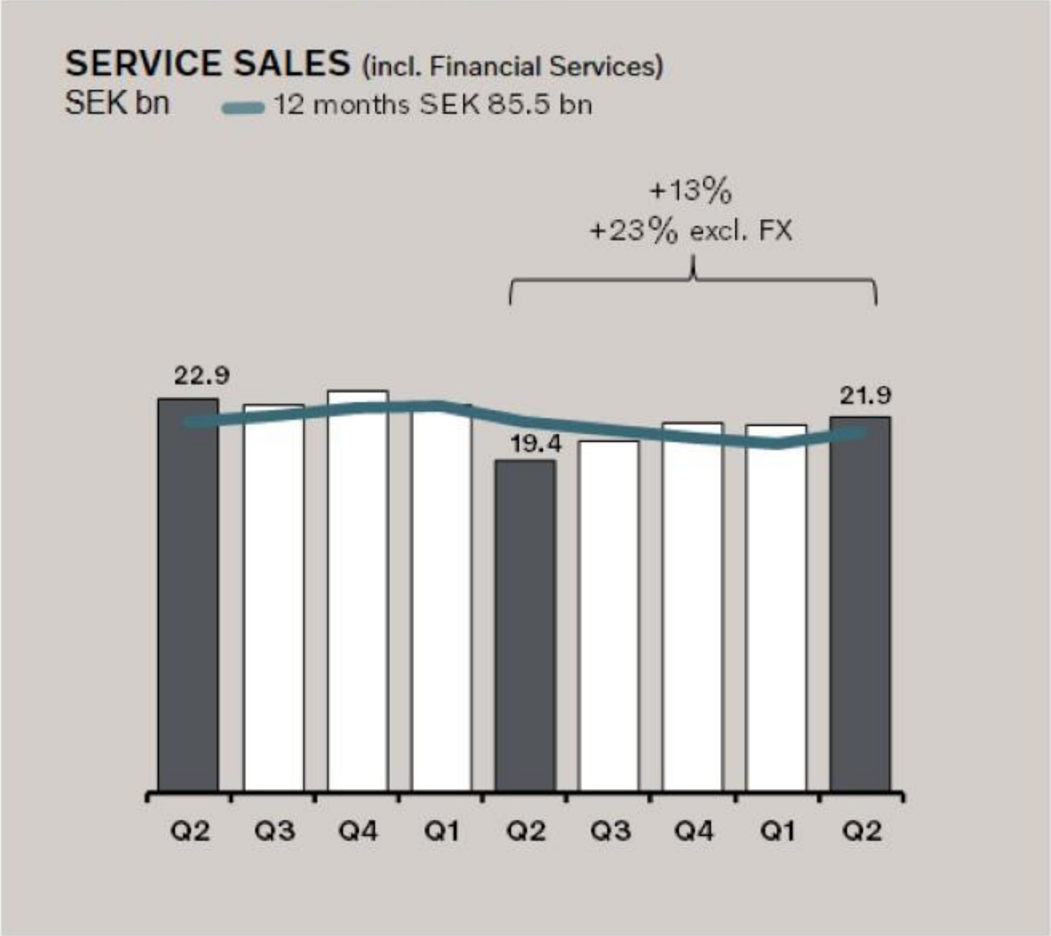
Deliveries, fully electric vehicles, Q2 2021
units HD/MD/LD

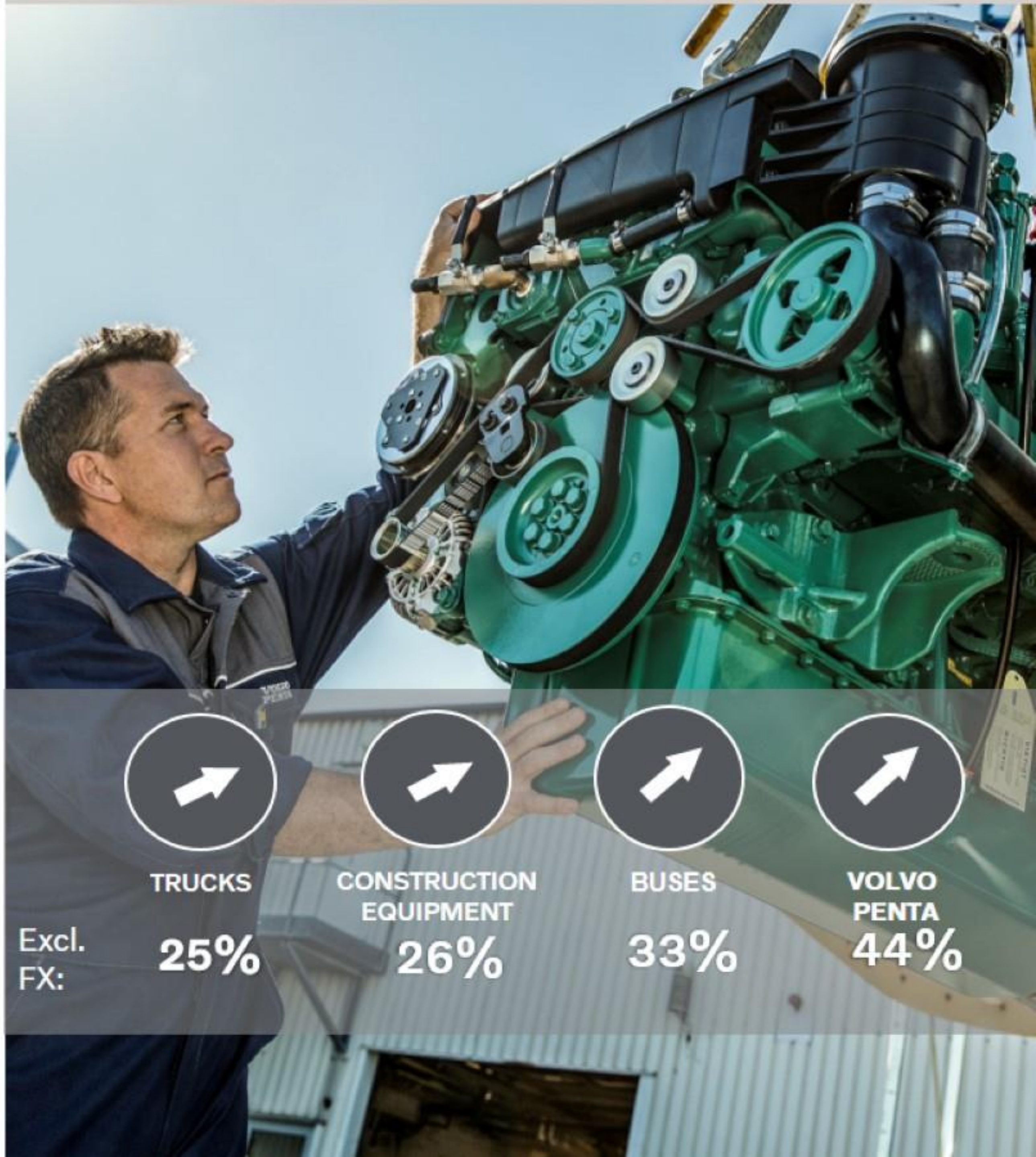


Volvo Group

SERVICE SALES DEVELOPMENT

Figures restated for UD Trucks divestment

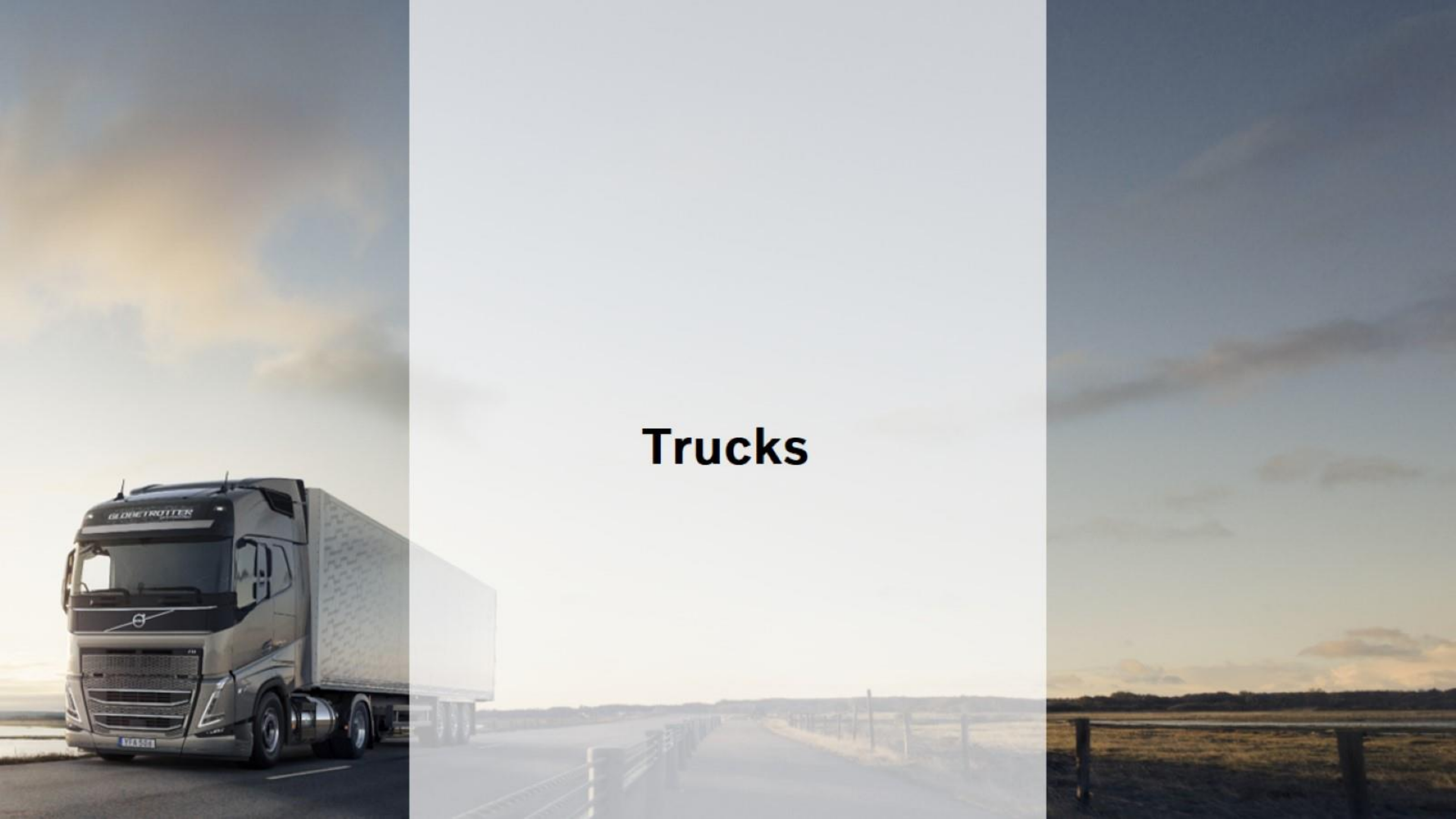




Volvo Group GHG targets validated by Science Based Targets initiative

- 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

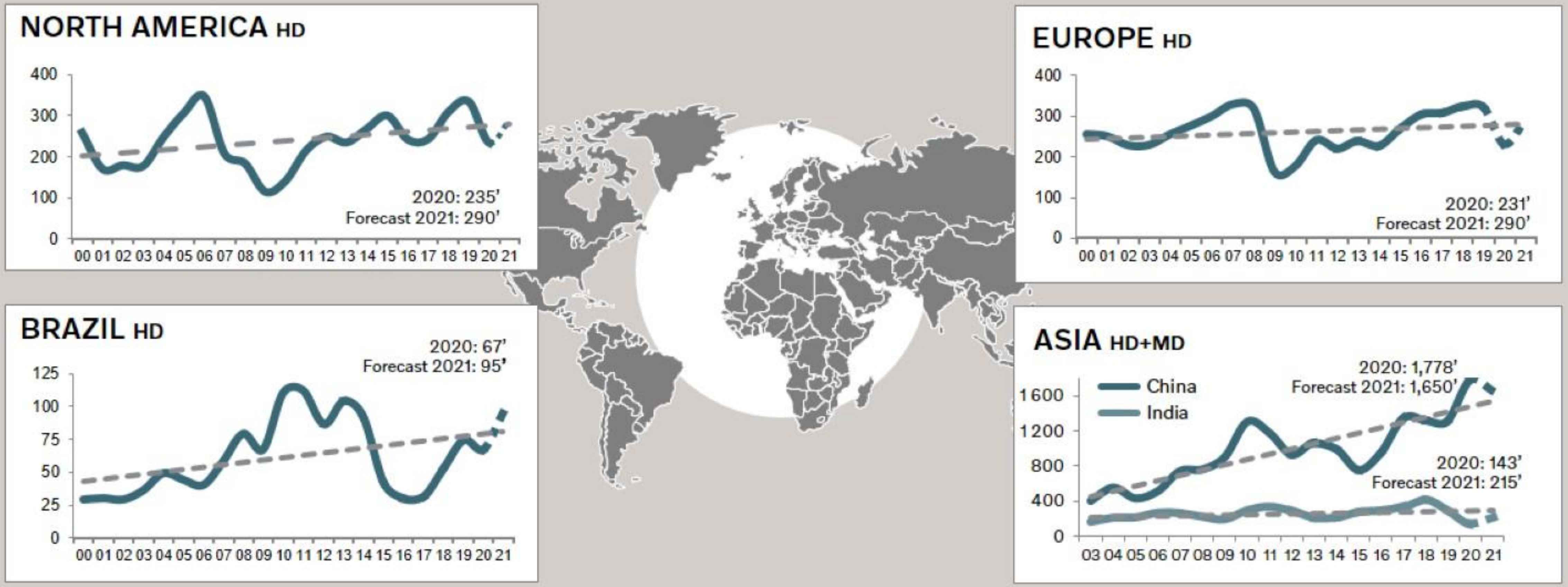


Trucks

- 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



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%

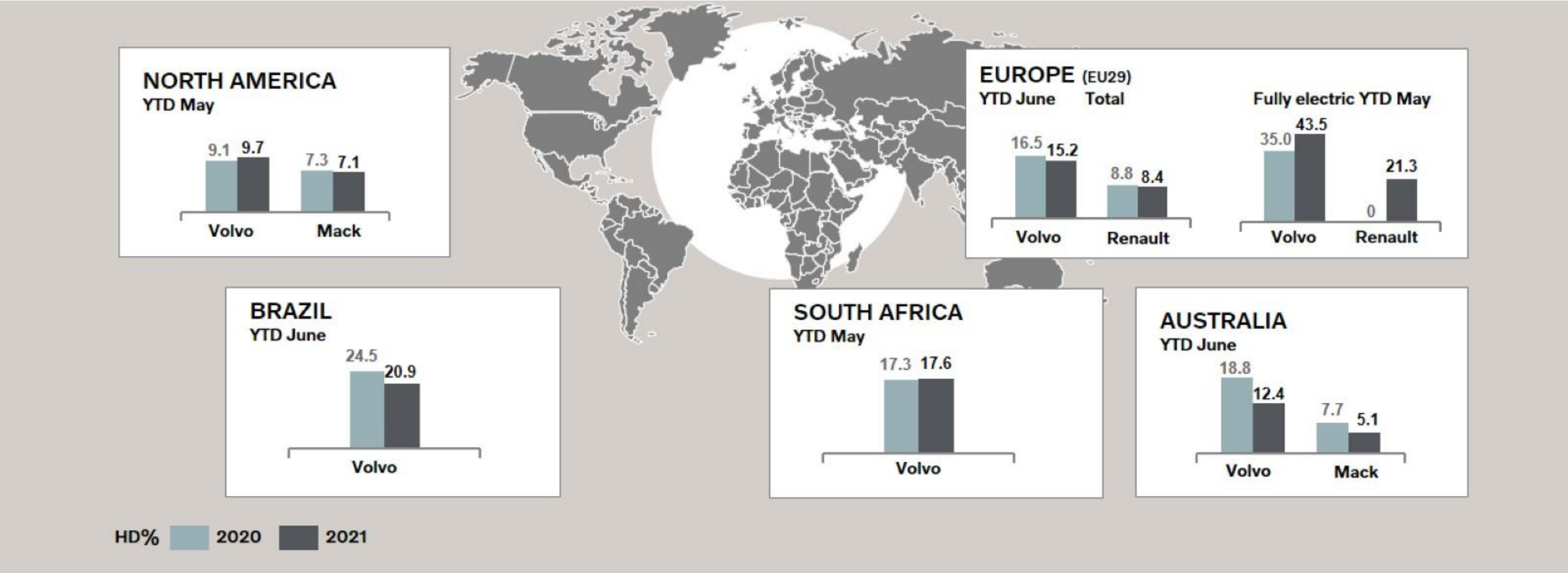
ASIA

Orders -6%
Deliveries +10%

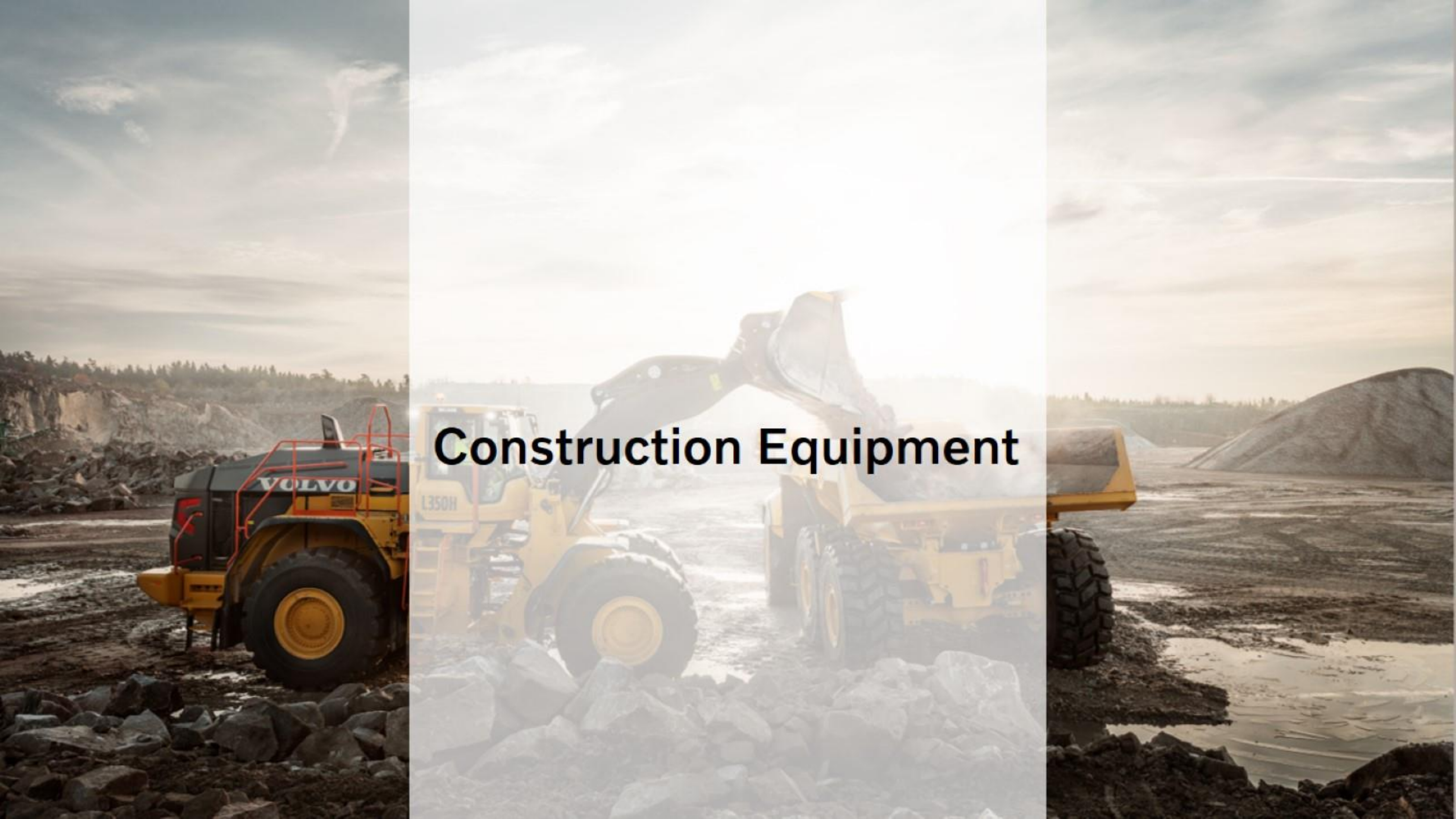
Figures restated for UD Trucks divestment

Trucks

MARKET SHARES

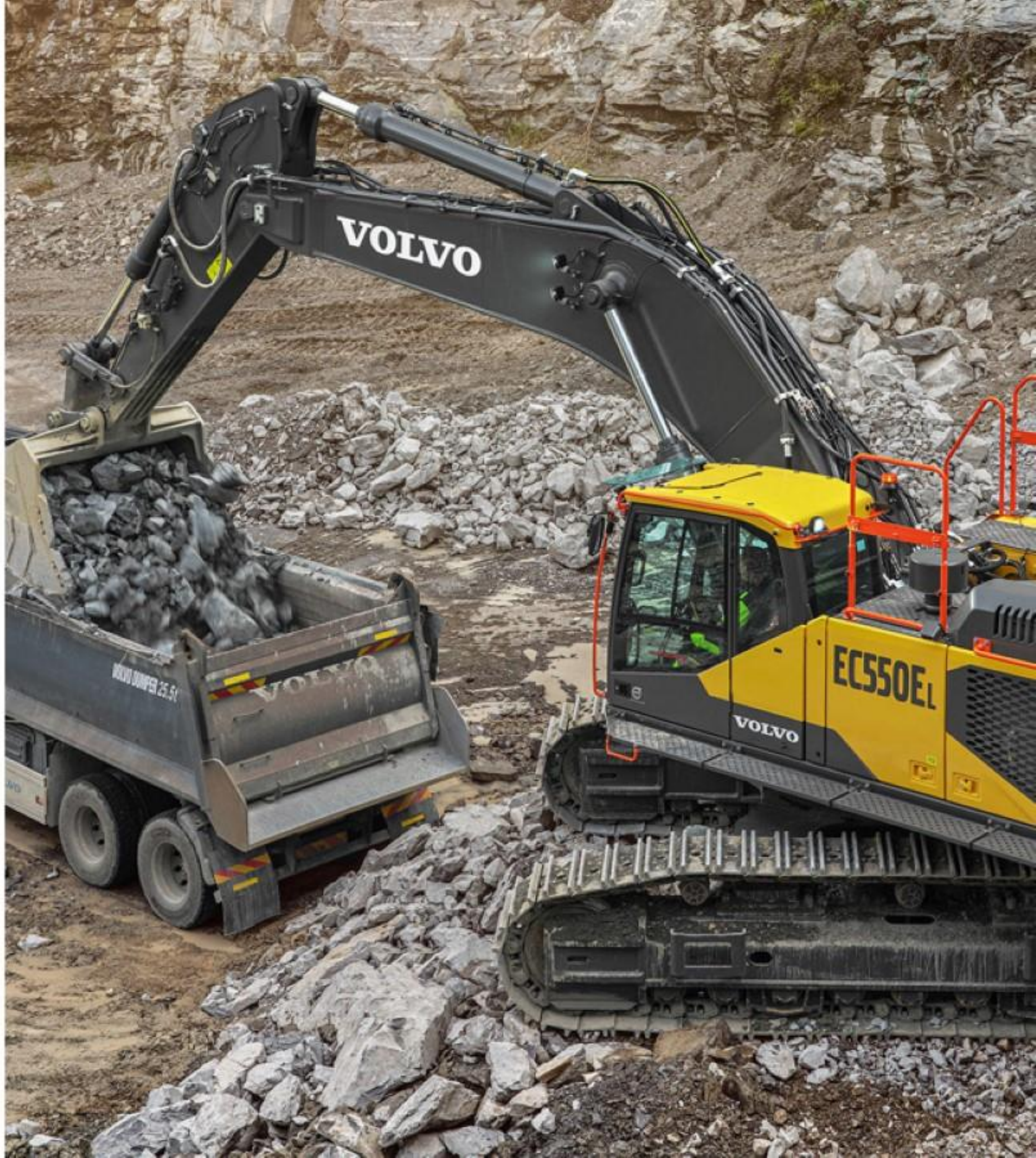


Construction Equipment



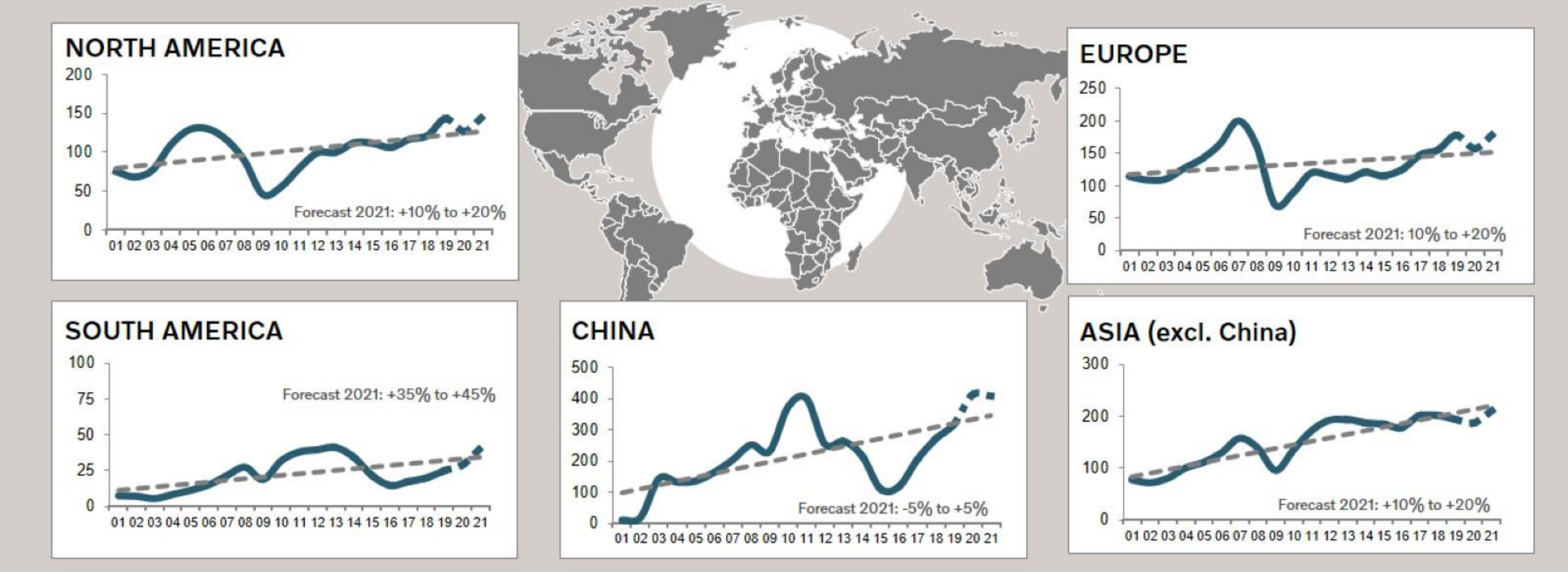
Construction Equipment

- 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



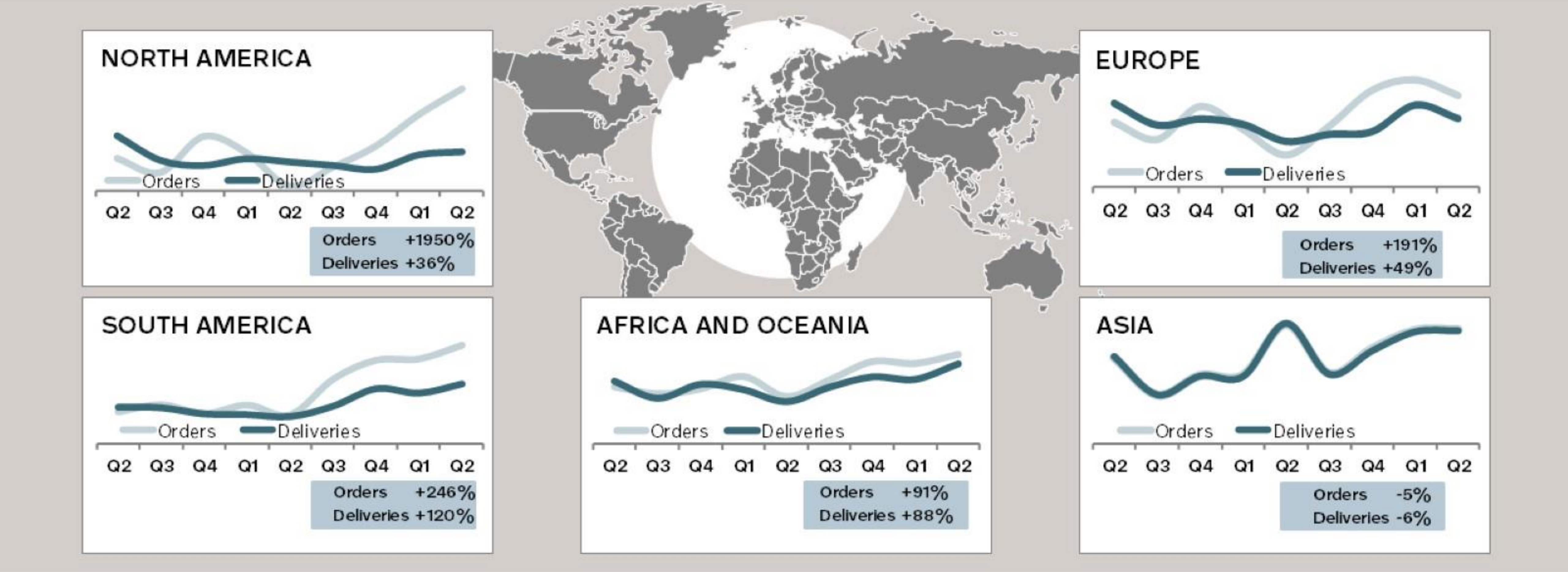
Construction Equipment

MARKET ENVIRONMENT



Construction Equipment

QUARTERLY ORDERS +35% AND DELIVERIES +5%



Buses

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

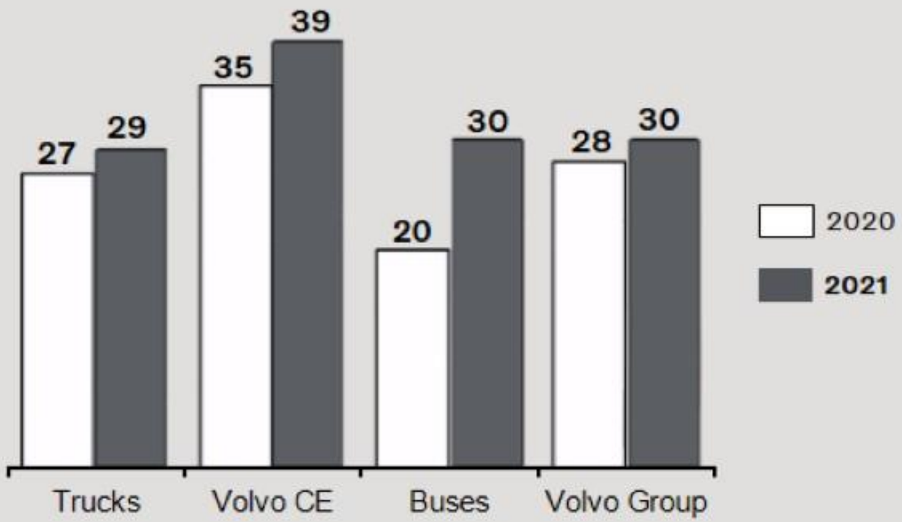
Volvo Penta

- 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

PENETRATION RATE, %
12 months moving

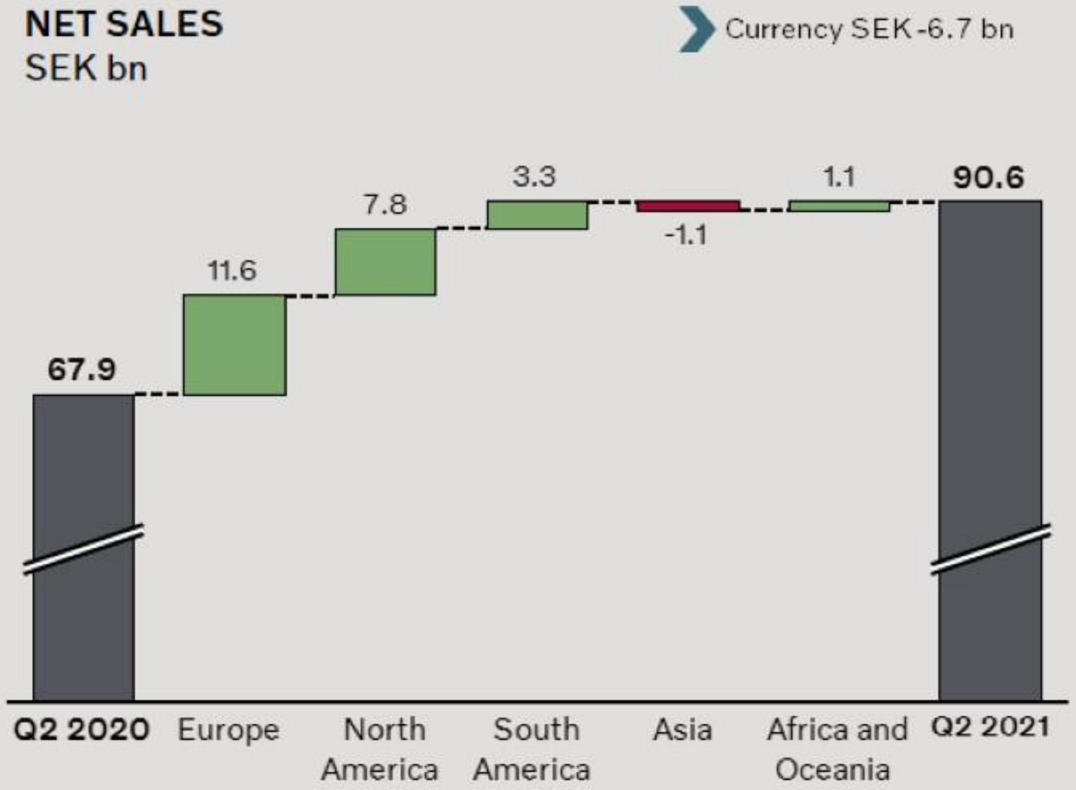


SECOND QUARTER 2021

Jan Ytterberg, CFO

Volvo Group

NET SALES PER MARKET



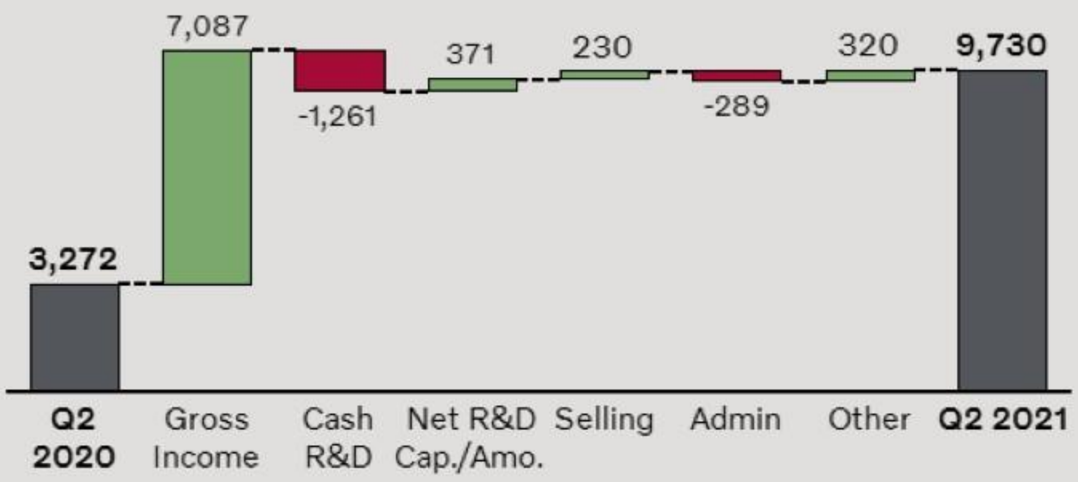
Figures restated for UD Trucks divestment

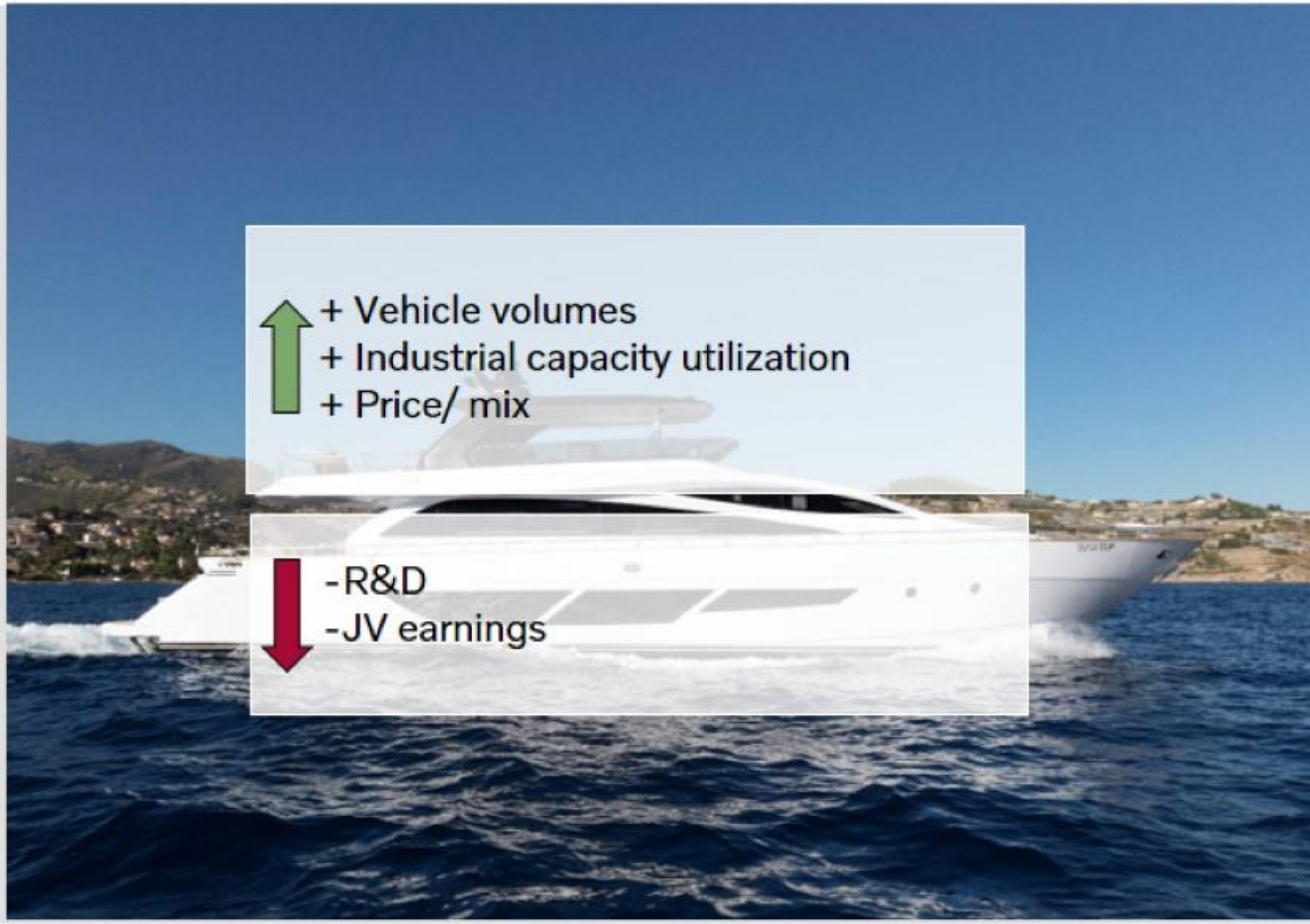
Volvo Group

ADJUSTED OPERATING INCOME CONTRIBUTORS

ADJUSTED OPERATING INCOME*
SEK M

Currency SEK -1.5 bn





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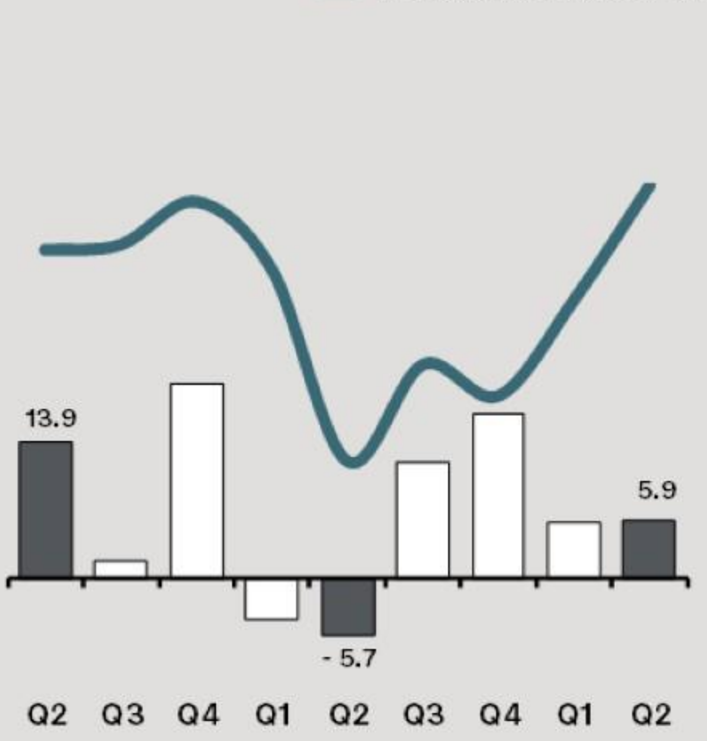
Volvo Group – Industrial Operations

CASH FLOW AND FINANCIAL POSITION

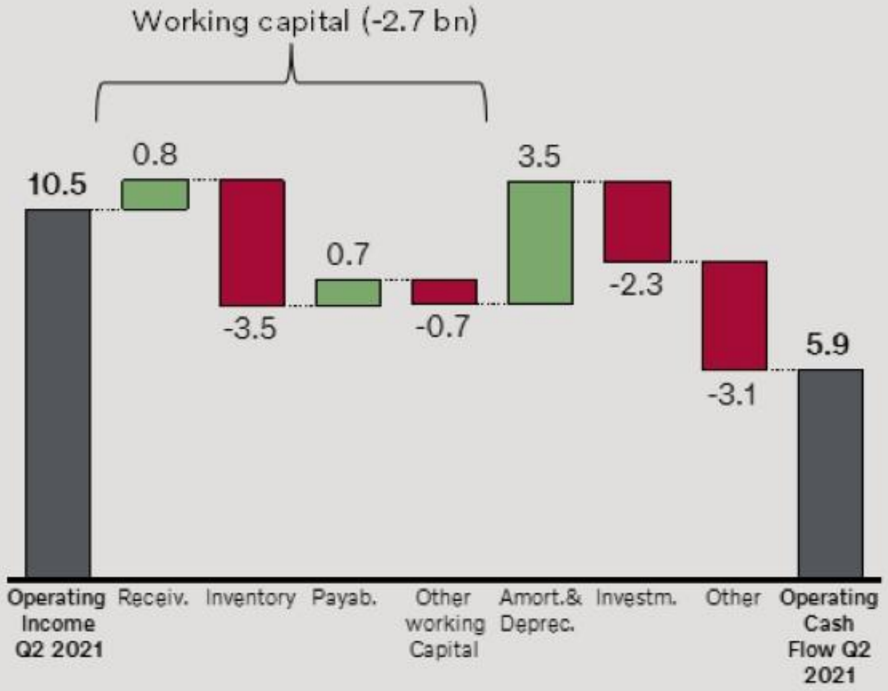
OPERATING CASH FLOW

SEK bn



OPERATING CASH FLOW

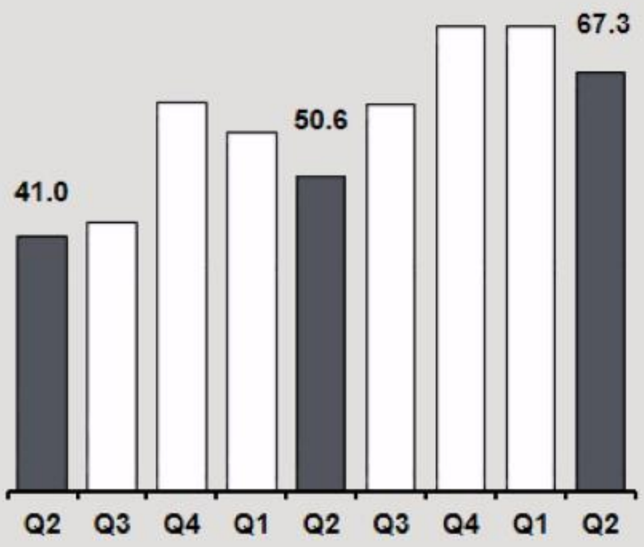
SEK bn



FINANCIAL POSITION

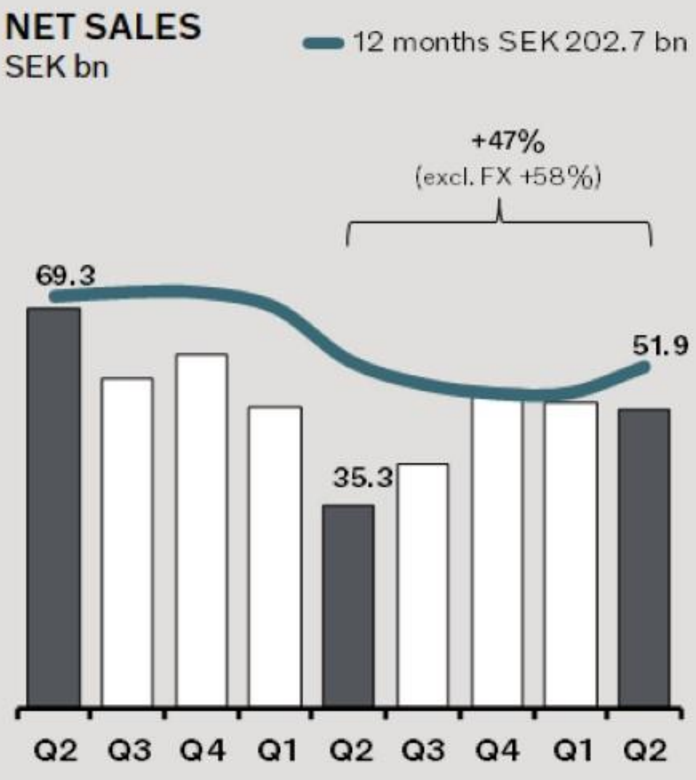
(Excl. pensions and lease liabilities)

SEK bn



Trucks

NET SALES AND ADJUSTED OPERATING INCOME



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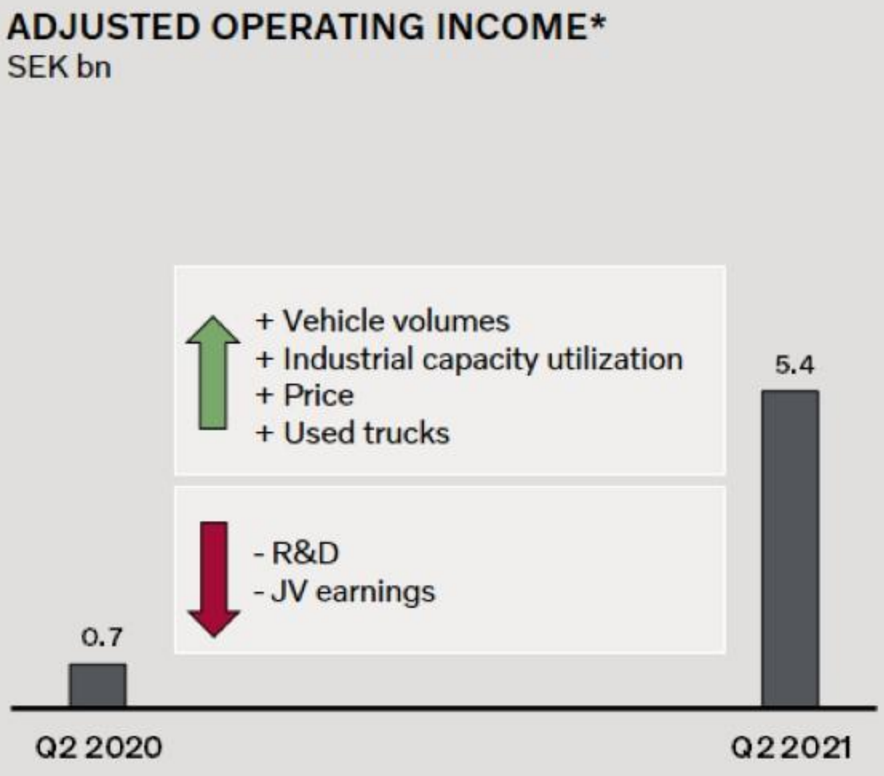

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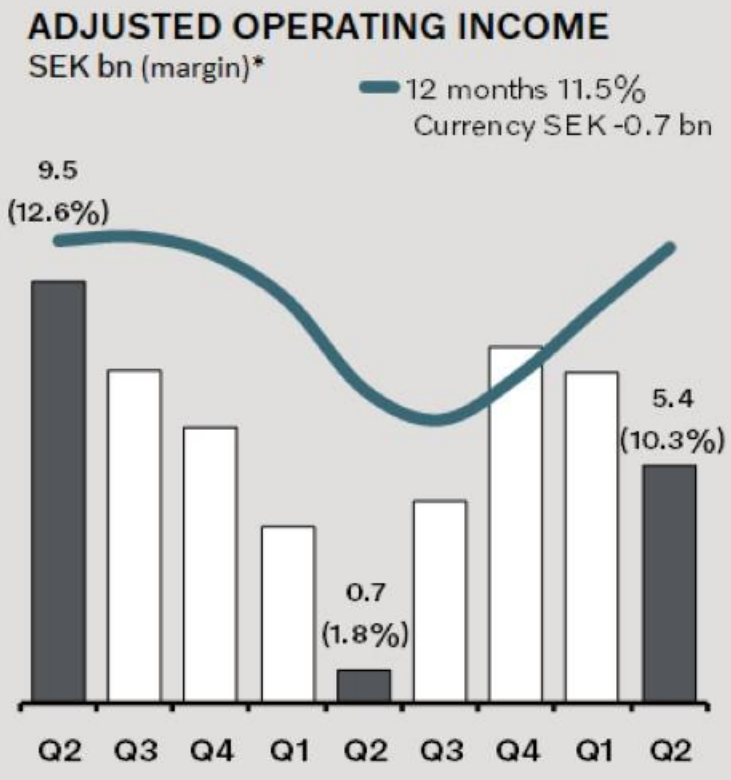
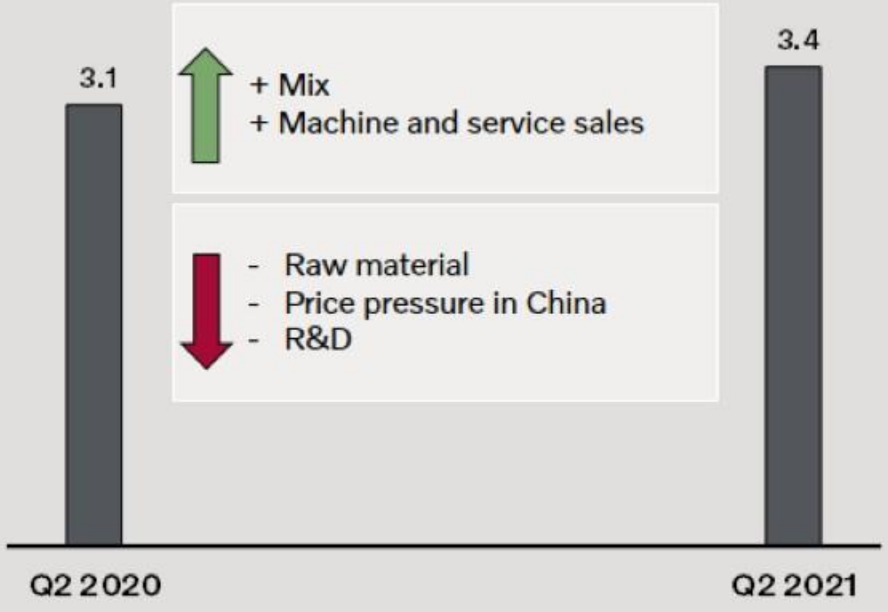


Construction Equipment

NET SALES AND ADJUSTED OPERATING INCOME

NET SALES
SEK bn

ADJUSTED OPERATING INCOME*
SEK bn



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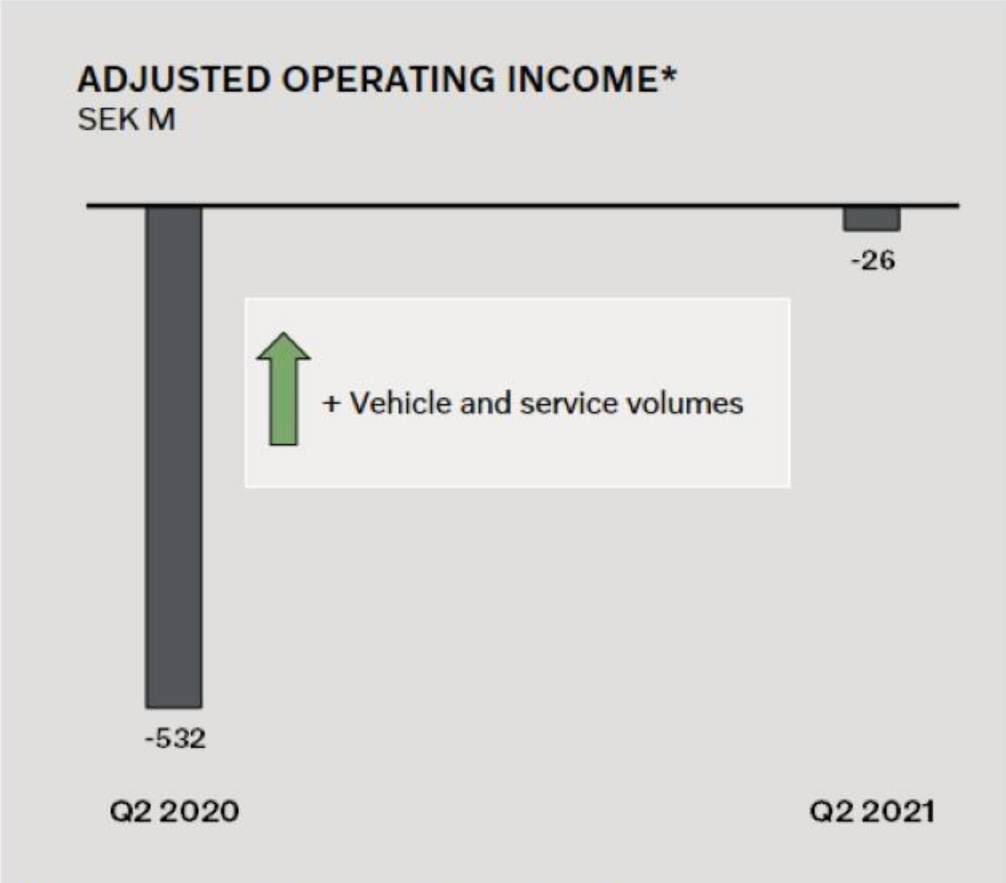
ADJUSTED OPERATING INCOME
SEK bn (margin)*

Buses

NET SALES AND ADJUSTED OPERATING INCOME



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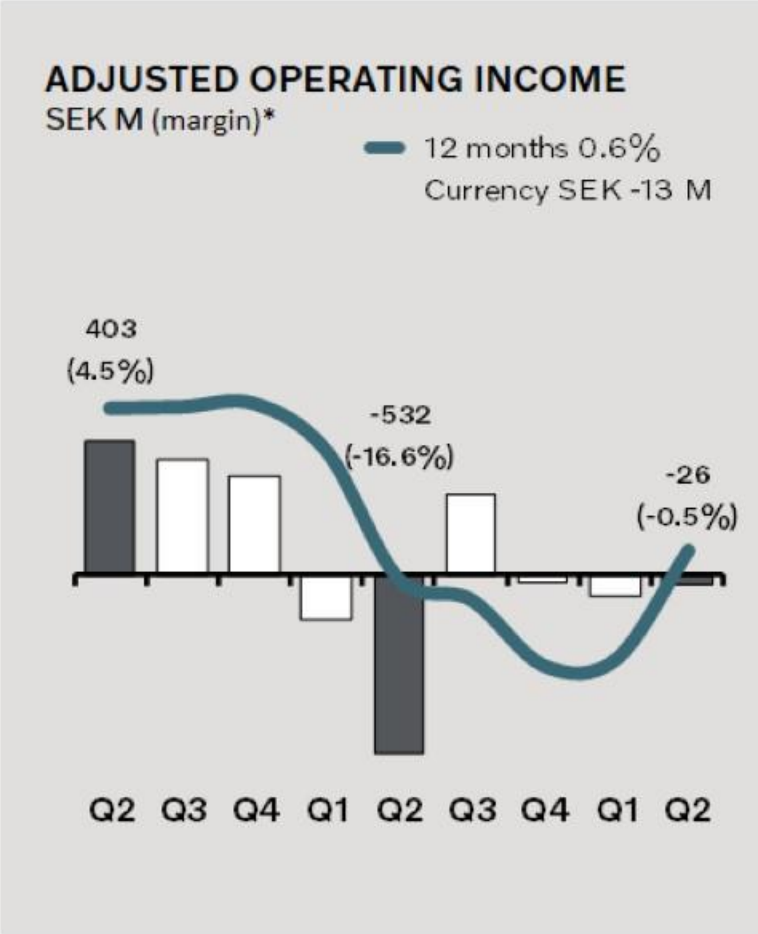
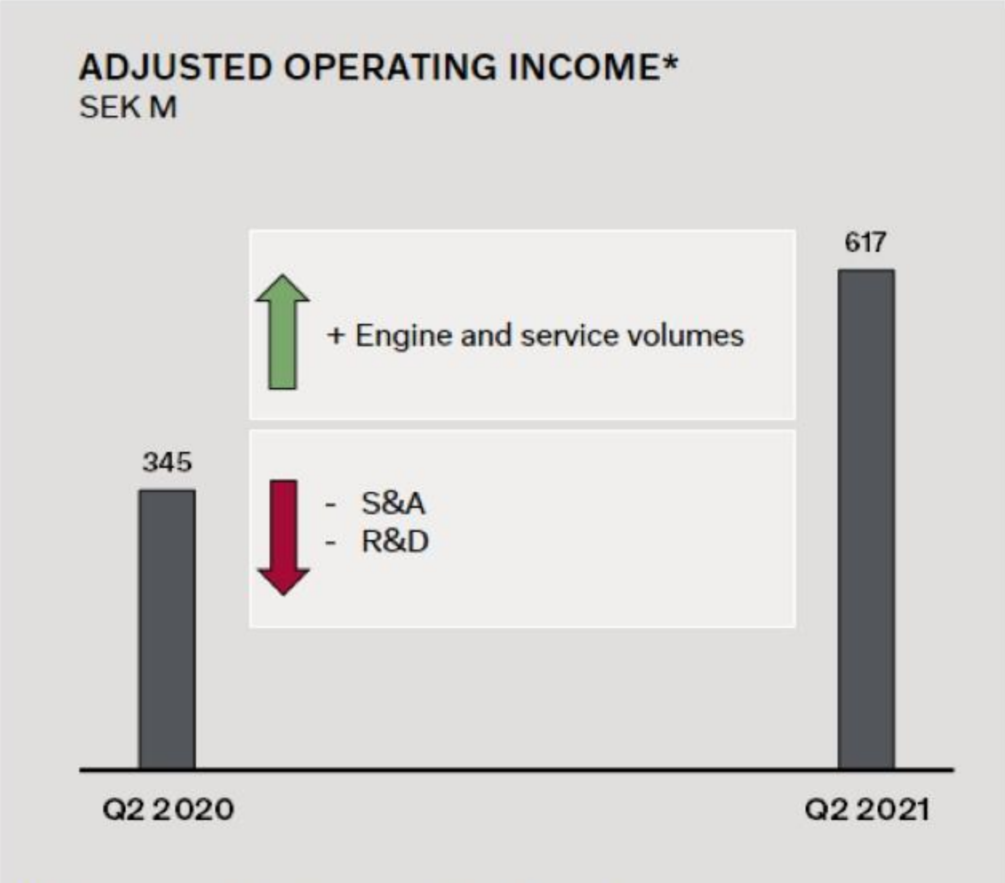


Volvo Penta

NET SALES AND ADJUSTED OPERATING INCOME



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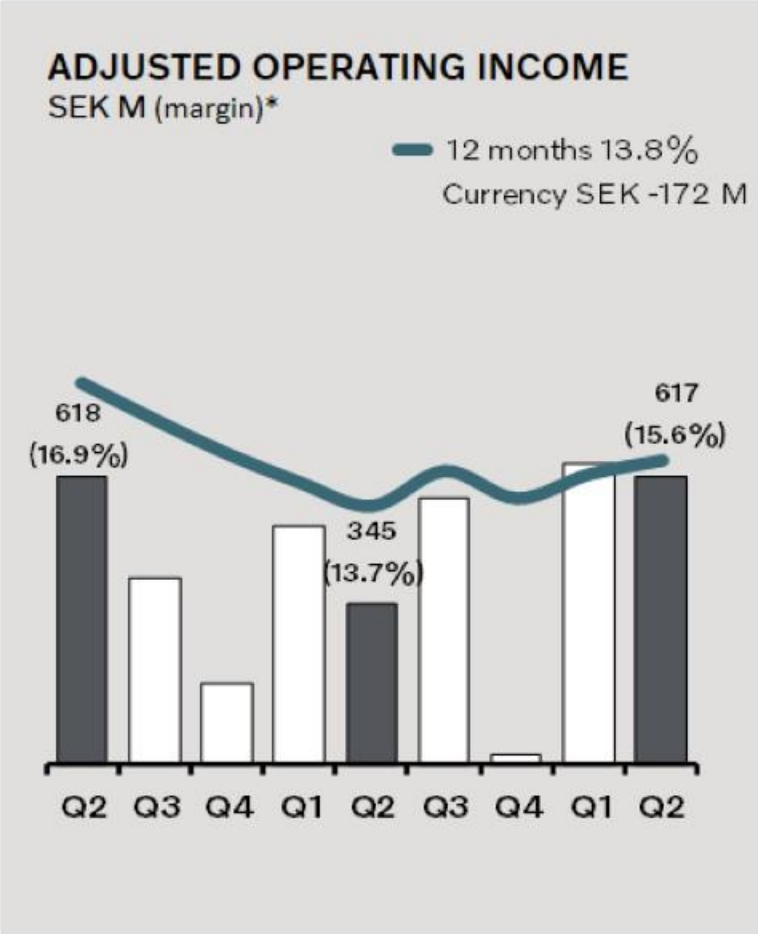

Financial Services

CREDIT PORTFOLIO AND PROFITABILITY

NEW RETAIL FINANCING
SEK bn

ADJUSTED OPERATING INCOME*
SEK M

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CREDIT PORTFOLIO & ROE
SEK bn

Volvo Group

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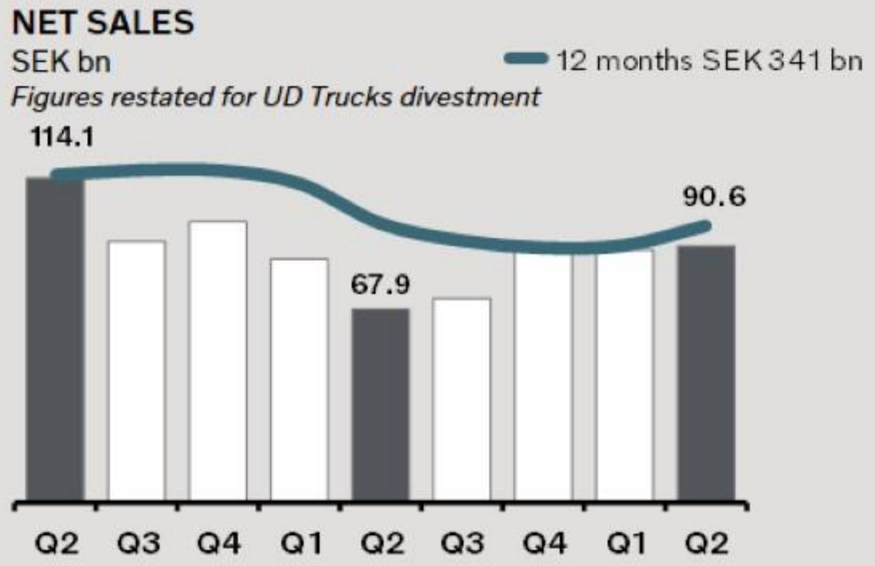

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Q&A