FIRST QUARTER 2022

Martin Lundstedt, President and CEO
Volvo Group
Quarter highlights

- Net sales increased to SEK 105.3 bn, an increase of 11% adjusted for UD Trucks divestment & FX
- Adjusted operating income reached SEK 12.7 bn (11.8), corresponding to a margin of 12.0% (12.6)
- Operating cash flow in the Industrial Operation amounted to SEK -5.4 bn (5.7)
- ROCE 25.3% (17.1) in Industrial Operations
- Supply chain constraints with low visibility

*For information on adjustments, see note 6 in the quarterly report
Volvo Group

Volume development

TRUCK DELIVERIES
k units

- 12 months 206 k units

+15%

41.4 48.5 55.6
Q1 Q2 Q3 Q4 Q1 Q2 Q3 Q4 2020 2021 2022

MACHINE DELIVERIES
k units

- 12 months 90 k units

-33%

20.2 31.0 20.8
Q1 Q2 Q3 Q4 Q1 Q2 Q3 Q4 2020 2021 2022

Deliveries restated for UD Trucks divestment
Volvo Group

Electrification progress

ORDER INTAKE, FULLY ELECTRIC VEHICLES

- 12 months 2,118 units

DELIVERIES, FULLY ELECTRIC VEHICLES

- 12 months 1,130 units
Volvo Group

Service sales development

**SERVICE SALES** (incl. Financial Services)
SEK bn  12 months SEK 93.6 bn

+18%
+10% excl. FX

<table>
<thead>
<tr>
<th>Q1 2020</th>
<th>Q2 2020</th>
<th>Q3 2020</th>
<th>Q4 2020</th>
<th>Q1 2021</th>
<th>Q2 2021</th>
<th>Q3 2021</th>
<th>Q4 2021</th>
<th>Q1 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>22.6</td>
<td>21.4</td>
<td>21.4</td>
<td>22.6</td>
<td>23.8</td>
<td>24.8</td>
<td>25.3</td>
<td>26.3</td>
<td>25.3</td>
</tr>
</tbody>
</table>

Service sales restated for UD Trucks divestment

**YoY GROWTH %**

- **10%** TRUCKS
- **17%** CONSTRUCTION EQUIPMENT
- **24%** BUSES
- **17%** PENTA
- **6%** VFS

*All figures are excluding FX and are restated for the UD Trucks divestment*
Trucks

- Maersk in North America ordered 110 Volvo VNR electric
- Renault Trucks expands its electric offer up to 44 ton
Trucks

Market environment

Market forecasts are based on current visibility, which is low. Uncertainty is significant due to inability to predict supply chain capacity and the ongoing COVID-19 pandemic and the war in Ukraine.
Trucks: Restrictive order slotting to manage order book quality and cost inflation

HD/MD: Quarterly Orders -45% and Deliveries +17%

**Volvo Group**
First Quarter 2022

Figures restated for UD Trucks divestment
Trucks

Heavy-duty truck market shares

NORTH AMERICA
YTD Mar

EUROPE (EU29)
YTD Mar

BRAZIL
YTD Mar

SOUTH AFRICA
YTD Mar

AUSTRALIA
YTD Mar

Volvo  |  Mack
---|---
10.3 | 8.6
9.8 | 5.3

Volvo  |  Renault
---|---
16.1 | 8.6
18.6 | 9.2

Volvo  |  Renault
---|---
52.2 | 13.4
34.9 | 20.2

Volvo

Volvo  |  Mack
---|---
21.3 | 14.8
17.8 | 4.9

Volvo  |  Mack
---|---
12.9 | 6.6
14.8 | 6.6

2022

Volvo Group
First Quarter 2022

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2022-04-22
CONSTRUCTION EQUIPMENT
Construction Equipment

- Fully electric machines now also launched in Asia, with South Korea being first out with a compact excavator
- Introduction of a new carbon reduction program supporting customers towards carbon-neutrality
Construction Equipment

Market environment

Market forecasts are based on current visibility, which is low. Uncertainty is significant due to inability to predict supply chain capacity and the ongoing COVID-19 pandemic and the war in Ukraine.
Construction Equipment: Restrictive order slotting to manage order book quality and cost inflation
Quarterly Orders -42% and Deliveries -33%

NORTH AMERICA

Orders -65%
Deliveries +3%

EUROPE

Orders -34%
Deliveries -19%

SOUTH AMERICA

Orders -48%
Deliveries +20%

AFRICA AND OCEANIA

Orders -16%
Deliveries -18%

ASIA

Orders -42%
Deliveries -42%
Buses

- Orders in Q1 increased by 146%
- Deliveries in Q1 decreased by 2%
- Order of 566 buses for Santiago
Volvo Penta

- Orders decreased by 1%
- Deliveries increased by 8%
- Sea testing ongoing on the advanced hybrid solution on Hurtigruten Svalbard’s sightseeing vessel
Financial services

- Consistent growth in new retail financing volumes
- Continuous improvement in finance penetration across the business areas
- Volvo Pay launched for Volvo Trucks customers in selected European markets
Volvo Group

Net sales per market

**NET SALES**

SEK bn

<table>
<thead>
<tr>
<th></th>
<th>Q1 2021</th>
<th>Europe</th>
<th>North America</th>
<th>South America</th>
<th>Asia</th>
<th>Africa and Oceania</th>
<th>Q1 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>NET SALES</td>
<td>88.6</td>
<td>9.3</td>
<td>5.5</td>
<td>3.3</td>
<td>-2.6</td>
<td>1.2</td>
<td>105.3</td>
</tr>
<tr>
<td>Currency SEK</td>
<td>+7.1 bn</td>
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</tr>
</tbody>
</table>

*Net sales restated for UD Trucks divestment*
Volvo Group

Adjusted operating income contributors

<table>
<thead>
<tr>
<th>ADJUSTED OPERATING INCOME</th>
</tr>
</thead>
<tbody>
<tr>
<td>SEK bn</td>
</tr>
<tr>
<td>Currency SEK +1.3 bn</td>
</tr>
</tbody>
</table>

Q1 2021 | Gross Income | Cash R&D | Net R&D Cap./Amo. | Selling | Admin | Other | Q1 2022 |
<table>
<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td></td>
<td>11.8</td>
<td>-0.8</td>
<td>0.7</td>
<td>-0.1</td>
<td>-0.2</td>
<td>-0.8</td>
<td>12.7</td>
</tr>
</tbody>
</table>

- Price realization
- Vehicle and service volumes
- Material costs
- Freight costs
- JV earnings
Volvo Group

Cash flow and financial position in Industrial Operations

**OPERATING CASH FLOW**

<table>
<thead>
<tr>
<th>Q1 2020</th>
<th>Q2 2020</th>
<th>Q3 2020</th>
<th>Q4 2020</th>
<th>Q1 2021</th>
<th>Q2 2021</th>
<th>Q3 2021</th>
<th>Q4 2021</th>
<th>Q1 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>-4.1</td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td>-5.4</td>
</tr>
</tbody>
</table>

12 months SEK 18.4 bn

**OPERATING CASH FLOW**

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>10.2</td>
<td>-1.3</td>
<td>-7.8</td>
<td>-5.4</td>
<td>3.7</td>
<td>-3.3</td>
<td>-5.4</td>
</tr>
</tbody>
</table>

Working capital (-15.9 bn)

**FINANCIAL POSITION**

(Excl. Pensions and lease liabilities)

<table>
<thead>
<tr>
<th>Q1 2020</th>
<th>Q2 2020</th>
<th>Q3 2020</th>
<th>Q4 2020</th>
<th>Q1 2021</th>
<th>Q2 2021</th>
<th>Q3 2021</th>
<th>Q4 2021</th>
<th>Q1 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>57.8</td>
<td>74.8</td>
<td>59.5</td>
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<td></td>
</tr>
</tbody>
</table>

Volvo Group

First Quarter 2022
Trucks

Net sales and adjusted operating income

**NET SALES**
SEK bn

- 12 months SEK 242.1 bn
- +31% (excl. FX +23%)

<table>
<thead>
<tr>
<th>Year</th>
<th>Sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1 2020</td>
<td>52.4</td>
</tr>
<tr>
<td>Q2 2020</td>
<td>34.2</td>
</tr>
<tr>
<td>Q3 2020</td>
<td>45.2</td>
</tr>
<tr>
<td>Q4 2020</td>
<td>52.9</td>
</tr>
<tr>
<td>Q1 2021</td>
<td>52.9</td>
</tr>
<tr>
<td>Q2 2021</td>
<td>52.9</td>
</tr>
<tr>
<td>Q3 2021</td>
<td>52.9</td>
</tr>
<tr>
<td>Q4 2021</td>
<td>69.6</td>
</tr>
<tr>
<td>Q1 2022</td>
<td>80.7</td>
</tr>
</tbody>
</table>

*Net sales restated for UD Trucks divestment*

**ADJUSTED OPERATING INCOME**
SEK bn

<table>
<thead>
<tr>
<th>Year</th>
<th>Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1 2020</td>
<td>7.5 (6.8%)</td>
</tr>
<tr>
<td>Q2 2020</td>
<td>2.5 (3.2%)</td>
</tr>
<tr>
<td>Q3 2020</td>
<td>4.5 (5.3%)</td>
</tr>
<tr>
<td>Q4 2020</td>
<td>7.5 (9.5%)</td>
</tr>
<tr>
<td>Q1 2021</td>
<td>7.5 (12.8%)</td>
</tr>
<tr>
<td>Q2 2021</td>
<td>7.5 (12.8%)</td>
</tr>
<tr>
<td>Q3 2021</td>
<td>7.5 (12.8%)</td>
</tr>
<tr>
<td>Q4 2021</td>
<td>7.5 (12.8%)</td>
</tr>
<tr>
<td>Q1 2022</td>
<td>8.7 (12.5%)</td>
</tr>
</tbody>
</table>

+ Price realization
+ Vehicle & service volumes

- Material costs
- JV earnings
- Freight costs

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

- 12 months 11.1%
- Currency SEK +0.8 bn

<table>
<thead>
<tr>
<th>Year</th>
<th>Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1 2020</td>
<td>3.9 (6.8%)</td>
</tr>
<tr>
<td>Q2 2020</td>
<td>2.5 (3.2%)</td>
</tr>
<tr>
<td>Q3 2020</td>
<td>4.5 (5.3%)</td>
</tr>
<tr>
<td>Q4 2020</td>
<td>6.5 (9.5%)</td>
</tr>
<tr>
<td>Q1 2021</td>
<td>7.5 (12.8%)</td>
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<tr>
<td>Q4 2021</td>
<td>7.5 (12.8%)</td>
</tr>
<tr>
<td>Q1 2022</td>
<td>8.7 (12.5%)</td>
</tr>
</tbody>
</table>

*For information on adjustments, see note 6 in the quarterly report*
Construction Equipment

Net sales and adjusted operating income

**NET SALES**
SEK bn  12 months SEK 89.9 bn

-9% (excl. FX -16%)

<table>
<thead>
<tr>
<th>Q1 2020</th>
<th>Q2 2020</th>
<th>Q3 2020</th>
<th>Q4 2020</th>
<th>Q1 2021</th>
<th>Q2 2021</th>
<th>Q3 2021</th>
<th>Q4 2021</th>
<th>Q1 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>20.1</td>
<td>19.0</td>
<td>18.7</td>
<td>20.5</td>
<td>24.7</td>
<td>23.8</td>
<td>22.6</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**ADJUSTED OPERATING INCOME**
SEK bn

- Price realization
- Service volumes
- Material costs
- Volume

3.8 (13.3%)

2.8 (12.4%)

<table>
<thead>
<tr>
<th>Q1 2021</th>
<th>Q1 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.8</td>
<td>2.8</td>
</tr>
</tbody>
</table>

**ADJUSTED OPERATING INCOME**
SEK bn (margin)*  12 months 12.5%

<table>
<thead>
<tr>
<th>Q1 2020</th>
<th>Q2 2020</th>
<th>Q3 2020</th>
<th>Q4 2020</th>
<th>Q1 2021</th>
<th>Q2 2021</th>
<th>Q3 2021</th>
<th>Q4 2021</th>
<th>Q1 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.7</td>
<td>4.3</td>
<td>3.8</td>
<td>3.6</td>
<td>3.8</td>
<td>3.6</td>
<td>3.5</td>
<td>3.3</td>
<td>3.1</td>
</tr>
</tbody>
</table>

*For information on adjustments, see note 6 in the quarterly report*
Buses

Net sales and adjusted operating income

**NET SALES**
SEK bn  
12 months SEK 14.3 bn

**ADJUSTED OPERATING INCOME**
SEK M

- + Service volumes
- + Customer mix
- Materials costs

**ADJUSTED OPERATING INCOME**
SEK M (margin)*  
12 months 0.7%

Currency SEK +49 M

All numbers restated to exclude Nova Bus which is now included in segment ‘Group Functions and other’

*For information on adjustments, see note 6 in the quarterly report
Volvo Penta

Net sales and adjusted operating income

**NET SALES**
SEK bn
12 months SEK 15.2 bn

3.3 Q1 2020
Q2
Q3
Q4
Q1 2021
Q2
Q3
Q4
Q1 2022

+23%
(excl. FX +18%)

**ADJUSTED OPERATING INCOME**
SEK M

643 Q1 2021

769 Q1 2022

+ Engine & service volume
+ Price realization

- Material costs
- Freight costs

**ADJUSTED OPERATING INCOME**
SEK M (margin)*
12 months 14.6%

Currency SEK +99 M
769 (18.3%)

509 (15.2%)

*For information on adjustments, see note 6 in the quarterly report.

Volvo Group
First Quarter 2022
Financial Services
Credit portfolio and profitability

CREDIT PORTFOLIO & ROE*
SEK bn
* ROE 12 months 18.7%

ADJUSTED OPERATING INCOME
SEK M
+ Portfolio growth
+ Credit provisions
- Selling and admin

ADJUSTED OPERATING INCOME **
SEK M
12 months SEK 3 479 M
Currency SEK +65 M

* ROE excludes provisioning related to Russian assets in 2022-Q1
**For information on adjustments, see note 6 in the quarterly report
Q&A

- Net sales SEK 105.3 bn
- Record truck deliveries for a Q1
- Adjusted operating margin 12.0%
- ROCE 25.3% (Industrial Operations)
Volvo Group Capital Markets Day 2022
June 22

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