Volvo Group
Quarter highlights

- Net sales increased to SEK 118.9 bn, an increase of 20% adjusted for FX
- Adjusted operating income reached SEK 13.7 bn (9.7), corresponding to a margin of 11.6% (10.7)
- Operating cash flow in the Industrial Operation amounted to SEK 7.2 bn (5.9)
- ROCE 26.8% (23.4) in Industrial Operations
- Supply chain constraints with low visibility

Net sales restated for UD Trucks divestment

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

Volume development

**TRUCK DELIVERIES**

- k units
- 12 months 221 k units
- +33%

<table>
<thead>
<tr>
<th>Quarter</th>
<th>2020</th>
<th>Q3 2021</th>
<th>Q4 2021</th>
<th>Q1 2022</th>
<th>Q2 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>24.8</td>
<td>45.7</td>
<td>60.8</td>
<td></td>
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</tr>
</tbody>
</table>

**MACHINE DELIVERIES**

- k units
- 12 months 81 k units
- -27%

<table>
<thead>
<tr>
<th>Quarter</th>
<th>2020</th>
<th>Q3 2021</th>
<th>Q4 2021</th>
<th>Q1 2022</th>
<th>Q2 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>29.1</td>
<td>30.7</td>
<td></td>
<td></td>
<td>22.4</td>
</tr>
</tbody>
</table>

*Deliveries restated for UD Trucks divestment*
Volvo Group

Electrification progress

ORDER INTAKE, FULLY ELECTRIC VEHICLES
Units

<table>
<thead>
<tr>
<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>
<th>Q2 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>79</td>
<td>230</td>
<td>351</td>
<td>351</td>
<td>1,457</td>
<td>1,457</td>
<td>1,457</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

12 months 3,224 units

DELIVERIES, FULLY ELECTRIC VEHICLES
Units

<table>
<thead>
<tr>
<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>
<th>Q2 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>26</td>
<td></td>
<td></td>
<td>357</td>
<td></td>
<td></td>
<td></td>
<td>434</td>
<td></td>
</tr>
</tbody>
</table>

12 months 1,207 units
Volvo Group

Service sales development

**SERVICE SALES** (incl. Financial Services)
SEK bn  12 months SEK 98.4 bn

+22%
+11% excl. FX

<table>
<thead>
<tr>
<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>
<th>Q2 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>19.4</td>
<td>19.4</td>
<td>21.9</td>
<td>26.7</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Service sales restated for UD Trucks divestment

YoY GROWTH %

10% TRUCKS
5% CONSTRUCTION EQUIPMENT
24% BUSES
5% PENTA
12% VFS

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

- Volvo Trucks showcased a new zero-emission fuel-cell truck powered by hydrogen
- Volvo Trucks will introduce frame-rails made of fossil-free steel in its battery electric heavy-duty trucks
- First assembly plant for battery packs opened in Ghent, Belgium.
Trucks

Market environment

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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

Quarterly Orders -8% and Deliveries +33%

Volvo Group
Second Quarter 2022

Figures restated for UD Trucks divestment
Trucks

Heavy-duty truck market shares

NORTH AMERICA
YTD May

EUROPE (EU29)
YTD May

BRAZIL
YTD June

SOUTH AFRICA
YTD June

AUSTRALIA
YTD June

Volvo Group
Second Quarter 2022

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Construction Equipment

- Customer delivery of the world’s first construction machine using fossil-free steel
- Volvo Construction Equipment investment in Dutch firm, Limach, to broaden the electric product range
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 -27%
Buses

- Orders in Q2 increased by 44%
- Deliveries in Q2 increased by 22%
- Volvo Buses launched a new powerful and fuel-efficient coach platform with up to 500hp and 9% fuel savings
Volvo Penta

- Orders decreased by 25%
- Deliveries decreased by 1%
- Volvo Penta’s electric driveline now powering city firetrucks in North America
Financial Services

- Record quarterly new business volume
- Stable finance penetration levels
- Strong portfolio performance
- Customer financing operations started in Portugal
SECOND QUARTER 2022

Tina Hultkvist, Executive Vice President Group Finance and CFO
Volvo Group
Net sales per market

NET SALES
SEK bn

Q2 2021 Europe North America South America Asia Africa and Q2 2022
90.6 8.3 12.2 6.3 -0.5 2.1 118.9

Currency SEK +10.2 bn
Volvo Group

Adjusted operating income contributors

**ADJUSTED OPERATING INCOME**

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Gross Income</th>
<th>Cash</th>
<th>Net R&amp;D</th>
<th>Selling</th>
<th>Admin</th>
<th>Other</th>
<th>Q2 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q2 2021</td>
<td>7.0</td>
<td>0.7</td>
<td>-1.4</td>
<td>-1.0</td>
<td>-0.2</td>
<td>-1.1</td>
<td>13.7</td>
</tr>
</tbody>
</table>

- Price realization
- Vehicle and service volumes
- Material costs
- Selling expenses
- R&D expenses
- Freight costs
Volvo Group

Cash flow and financial position in Industrial Operations

**Operating Cash Flow**

- **SEK bn**
  - 12 months SEK 19.6 bn

**Financial Position**

- **SEK bn**
  - (Excl. pensions and lease liabilities)

**Operational Cash Flow**

- **Q2 2020**
  - -5.7
- **Q3 2020**
  - 5.9
- **Q4 2020**
  - 7.2

**Financial Position**

- **Q2 2020**
  - 50.6
- **Q3 2020**
  - 67.3
- **Q4 2020**
  - 44.2

Volvo Group

Second Quarter 2022
Trucks

Net sales and adjusted operating income

**NET SALES**
SEK bn

- 12 months SEK 268.7 bn
  +51%
  (excl. FX +39%)
- 78.6

**ADJUSTED OPERATING INCOME**
SEK bn

- 5.4
- 9.6

- Price realization
- Vehicle & service volumes

- Material costs
- JV earnings
- Selling expenses
- R&D expenses

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

- 0.7 (1.8%)  
- 5.4 (10.3%)  
- 9.6 (12.2%)

12 months 11.5%
Currency SEK +1.1 bn

Net sales restated for UD Trucks divestment

*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

Q2 2020  Q3 2020  Q4 2020  Q1 2021  Q2 2021  Q3 2021  Q4 2021  Q1 2022  Q2 2022
22.9  25.8  25.8  0%
(excl. FX -9%)

ADJUSTED OPERATING INCOME
SEK bn

Q2 2021  Q2 2022
3.4  3.6
+ Mix
+ Price realization
- Material costs
- Volume and capacity utilization in China

ADJUSTED OPERATING INCOME
SEK bn (margin)*  12 months 12.7%

Q2 2020  Q3 2020  Q4 2020  Q1 2021  Q2 2021  Q3 2021  Q4 2021  Q1 2022  Q2 2022
3.1 (13.6%)  3.4 (13.1%)  3.4 (13.1%)  3.6 (13.8%)
Currency SEK +1.3 bn

*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 14.6 bn

**ADJUSTED OPERATING INCOME**
SEK M

- Service & vehicle vol.
- Price realization
- Mix
- Material costs
- Selling & R&D expenses

**ADJUSTED OPERATING INCOME (margin)**
SEK M
12 months 0.8%
Currency SEK +39 M

-381 (-15.0%)

-9 (-0.2%)

7 (0.2%)

---

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 15.9 bn
  +16%
  (excl. FX +9%)

**Adjusted Operating Income**
SEK M
- Q2 2020: 2.5
- Q3 2020: 4.0
- Q4 2020: 4.6
- Q2 2021: 617
- Q2 2022: 699

*Price realization*
- Material costs
- Selling & R&D expenses
- Freight costs

**Adjusted Operating Income (margin)**
SEK M (margin)*
- 12 months 14.5%
- Currency SEK +187 M

*For information on adjustments, see note 6 in the quarterly report*
Financial Services
Credit portfolio and profitability

**ADJUSTED OPERATING INCOME**
SEK M

- Portfolio growth
- Accounting change in 2021 (190 MSEK)
- Selling expenses

**ADJUSTED OPERATING INCOME **
SEK M

12 months SEK 3 358 M
Currency SEK +128 M

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

- Net sales SEK 118.9 bn
- Adjusted operating margin 11.6%
- ROCE 26.8% (Industrial Operations)