VOLVO

SECOND QUARTER 2022

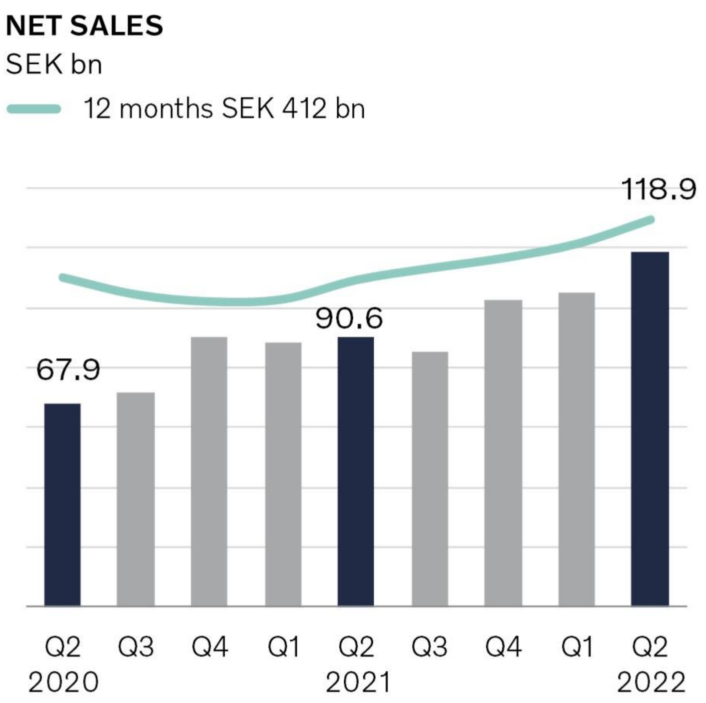
Martin Lundstedt, President and CEO

Volvo Group
Second Quarter 2022
2022-07-19

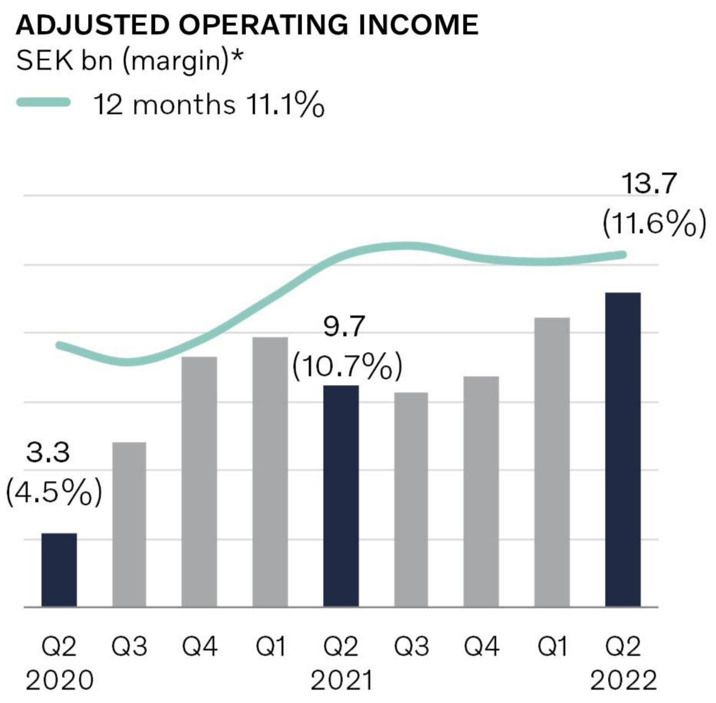
Volvo Group

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



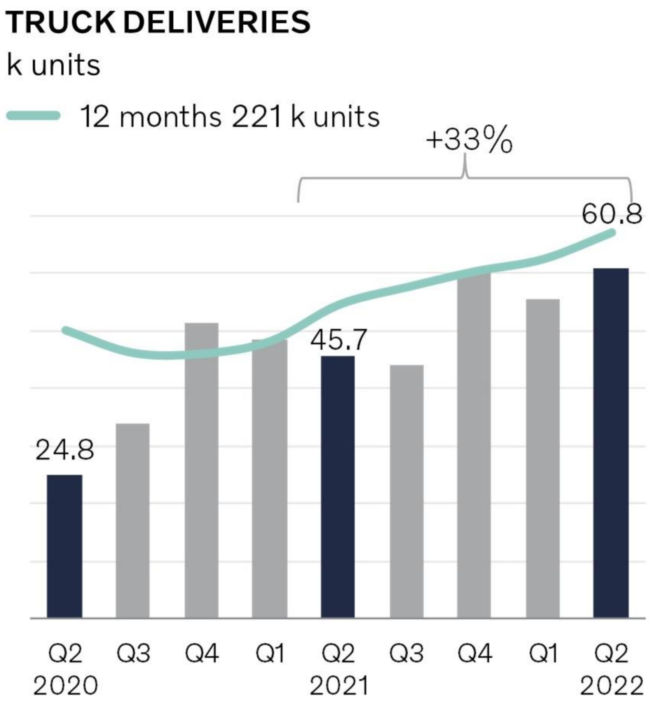
Net sales restated for UD Trucks divestment



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

Volvo Group

Volume development



Deliveries restated for UD Trucks divestment

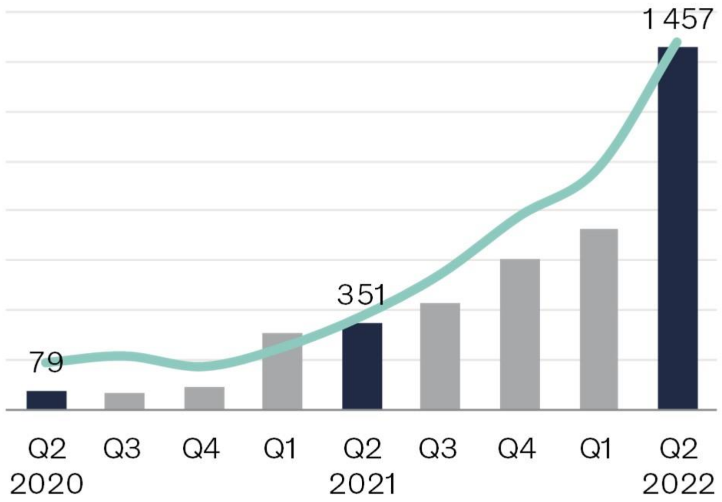
Volvo Group

Electrification progress

ORDER INTAKE, FULLY ELECTRIC VEHICLES

Units

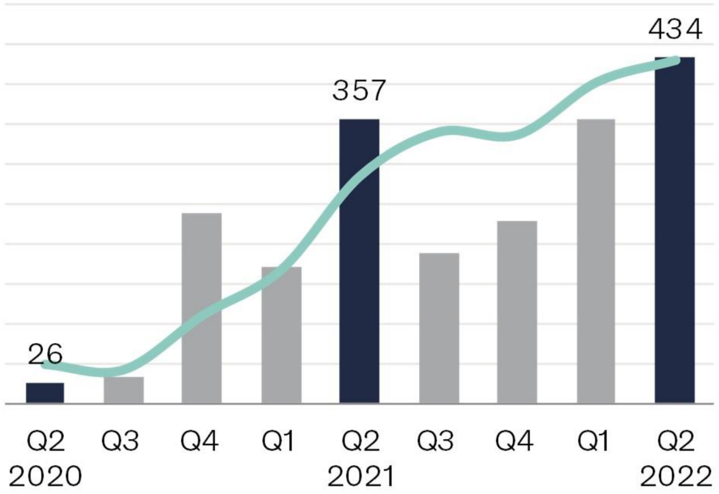
12 months 3,224 units



DELIVERIES, FULLY ELECTRIC VEHICLES

Units

12 months 1,207 units

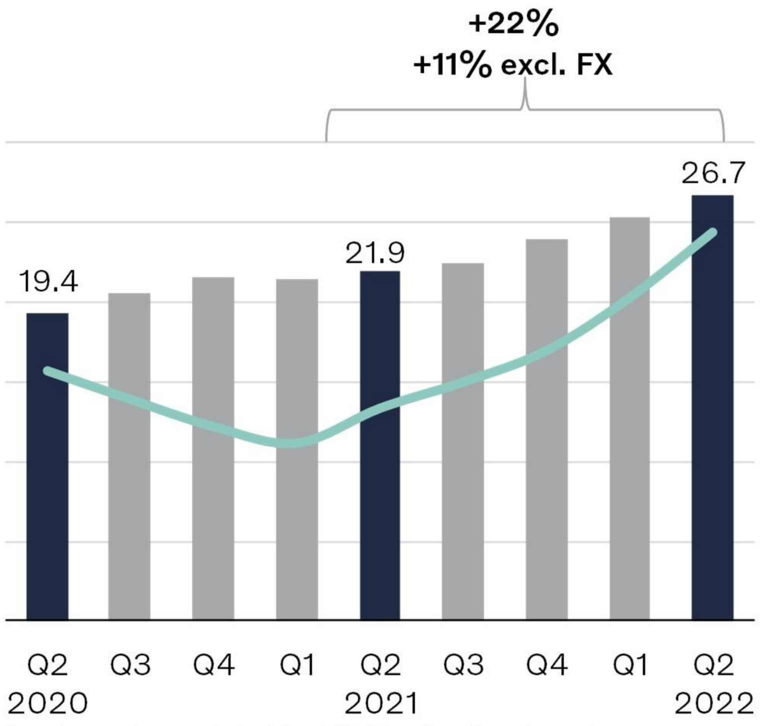


Volvo Group

Service sales development

SERVICE SALES (incl. Financial Services)

SEK bn — 12 months SEK 98.4 bn



Service sales restated for UD Trucks divestment

YoY GROWTH %

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

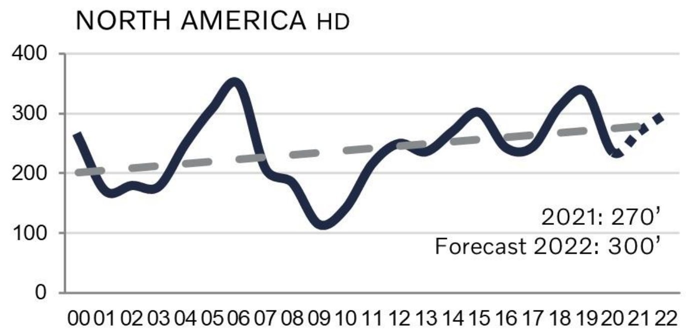
All figures are excluding FX and are restated for the UD Trucks divestment

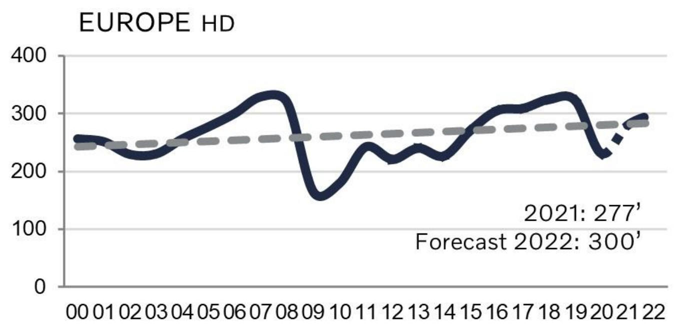
Trucks

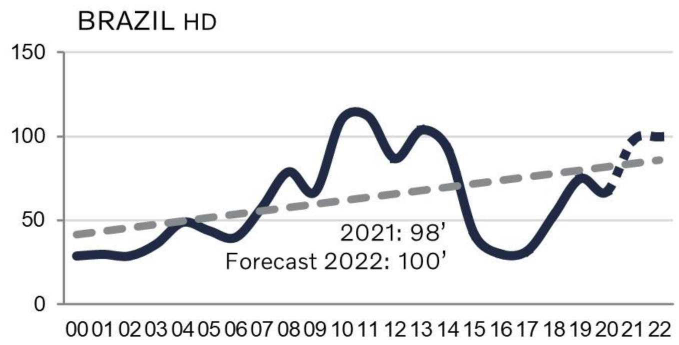
- Volvo Trucks showcased a new zero-emission fuel-cell truck powered by hydrogen
- Volvo Trucks will introduce frame-rails made of fossil-free steel in its battery electric heavy-duty trucks
- First assembly plant for battery packs opened in Ghent, Belgium.

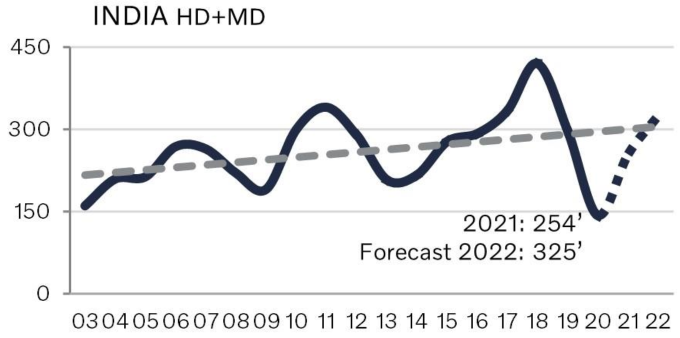
Trucks

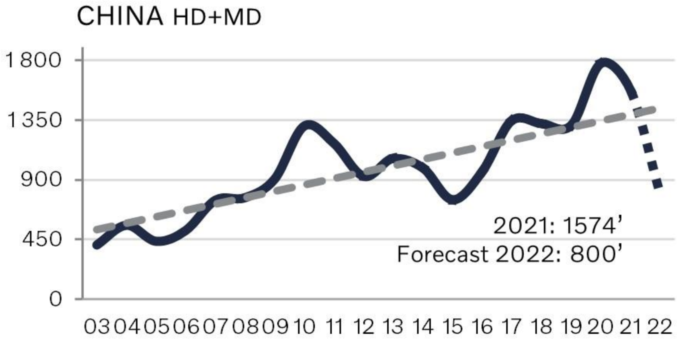
Market environment









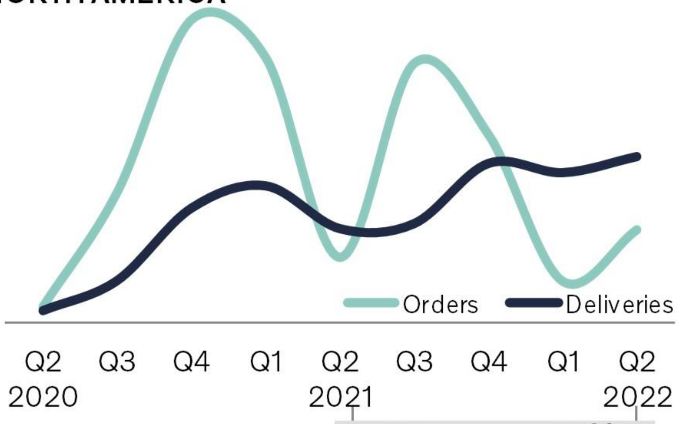


Market forecasts are based on current visibility, which is low. Uncertainty is significant due to inability to predict supply chain capacity and the ongoing COVID-19 pandemic and the war in Ukraine

Trucks: Restrictive order slotting to manage order book quality and cost inflation

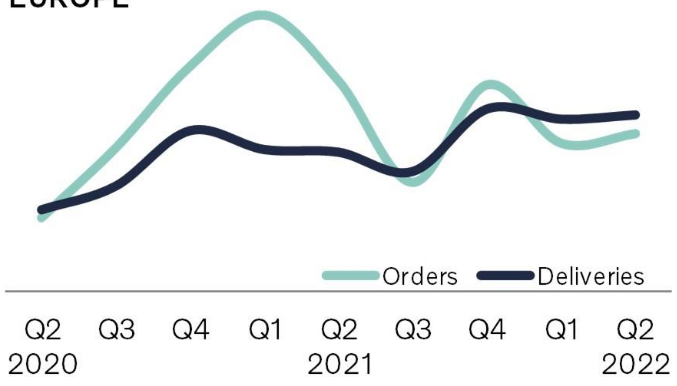
Quarterly Orders -8% and Deliveries +33%

NORTH AMERICA



Orders	+26%
Deliveries	+53%

EUROPE



Orders	-25%
Deliveries	+27%

SOUTH AMERICA

Orders	+14%
Deliveries	+24%

AFRICA AND OCEANIA

Orders	-13%
Deliveries	+38%

ASIA

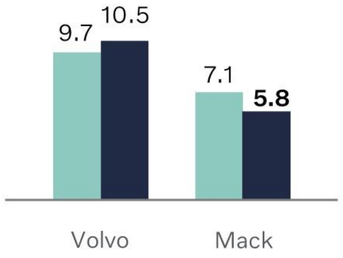
Orders	+50%
Deliveries	+38%

Figures restated for UD Trucks divestment

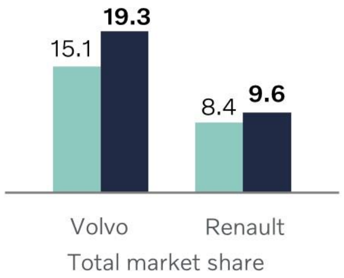
Trucks

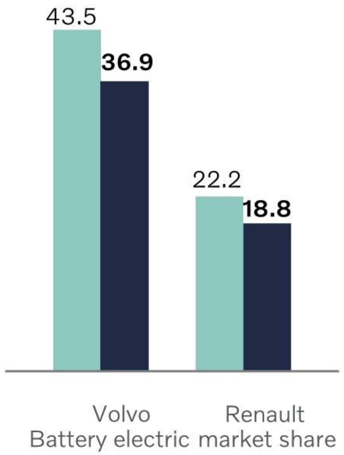
Heavy-duty truck market shares

NORTH AMERICA
YTD May

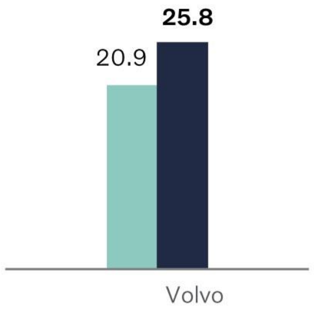


EUROPE (EU29)
YTD May

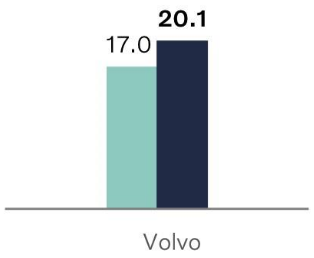




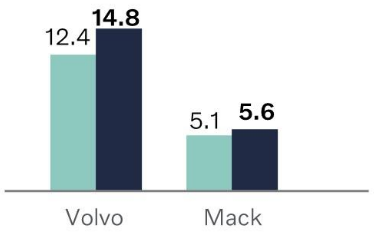
BRAZIL
YTD June



SOUTH AFRICA
YTD June



AUSTRALIA
YTD June



2021 **2022**

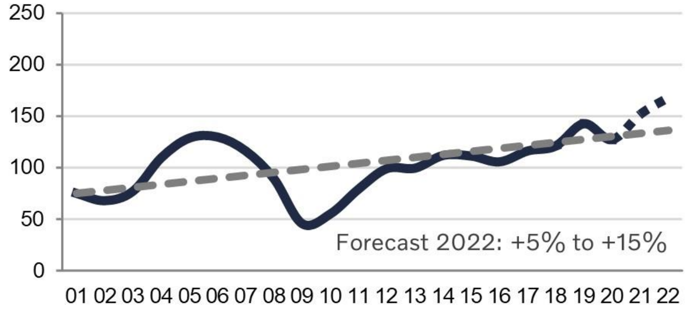
Construction Equipment

- 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

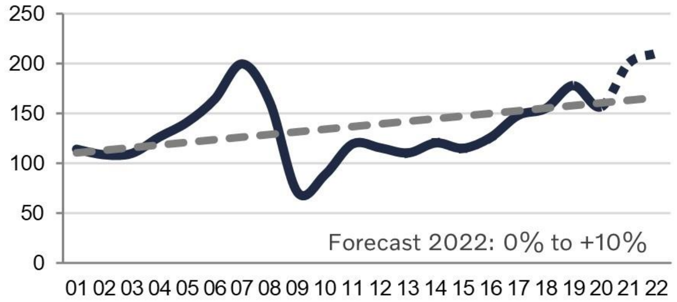
Construction Equipment

Market environment

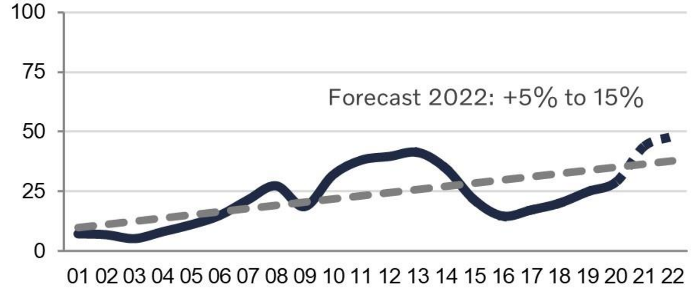
NORTH AMERICA



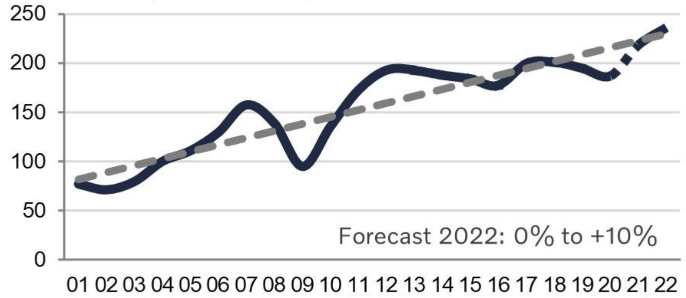
EUROPE



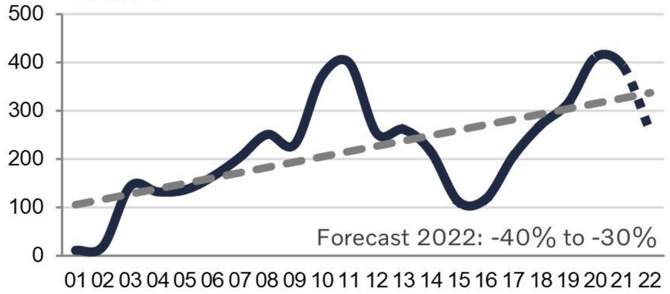
SOUTH AMERICA



ASIA (excl. CHINA)



CHINA

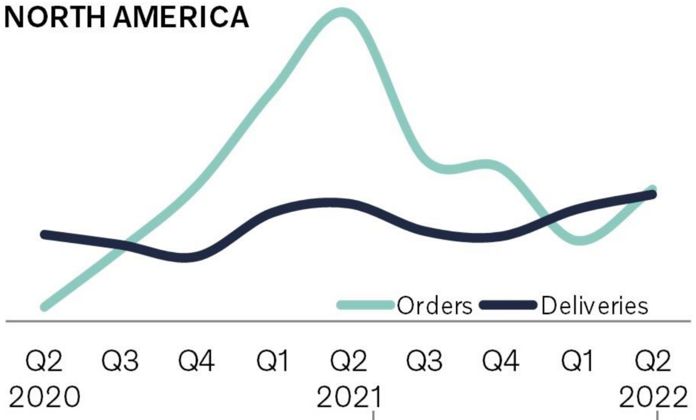


Market forecasts are based on current visibility, which is low. Uncertainty is significant due to inability to predict supply chain capacity and the ongoing COVID-19 pandemic and the war in Ukraine

Construction Equipment: Restrictive order slotting to manage order book quality and cost inflation

Quarterly Orders -42% and Deliveries -27%

NORTH AMERICA



Orders -57%
Deliveries +8%

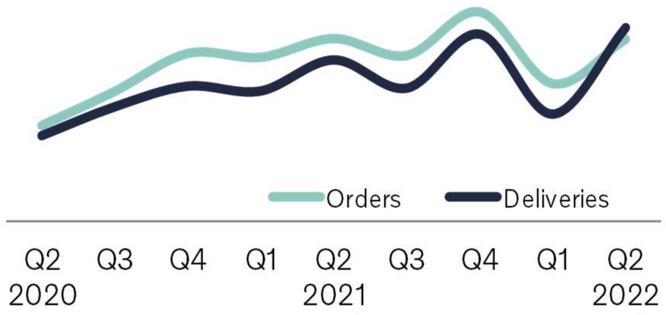
EUROPE

Orders -43%
Deliveries -11%

SOUTH AMERICA

Orders -46%
Deliveries +62%

AFRICA AND OCEANIA



Orders 0%
Deliveries +20%

ASIA

Orders -39%
Deliveries -39%

Buses

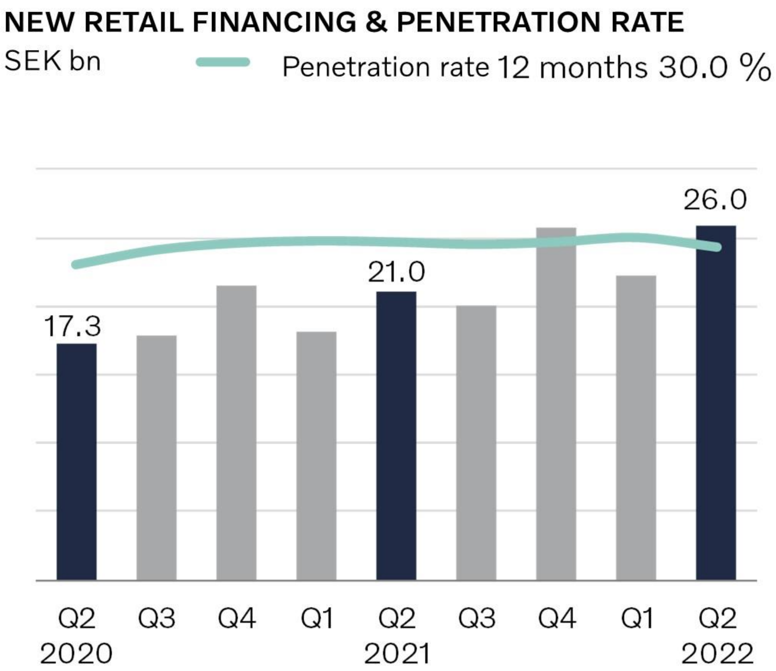
- Orders in Q2 increased by 44%
- Deliveries in Q2 increased by 22%
- Volvo Buses launched a new powerful and fuel-efficient coach platform with up to 500hp and 9% fuel savings

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

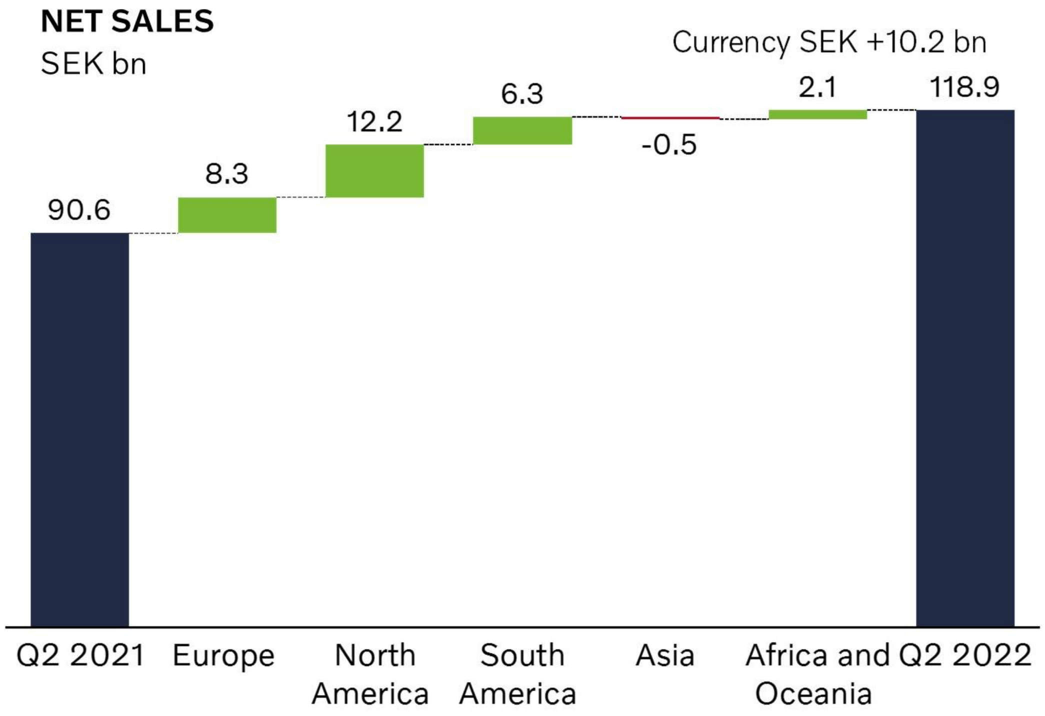


SECOND QUARTER 2022

Tina Hultkvist, Executive Vice President Group Finance and CFO

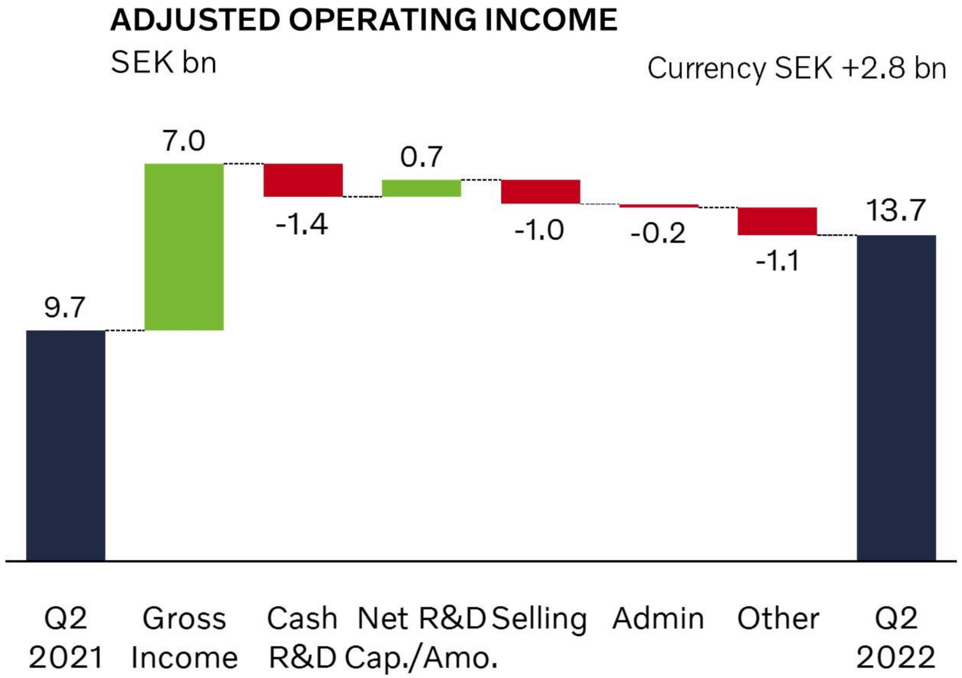
Volvo Group

Net sales per market



Volvo Group

Adjusted operating income contributors

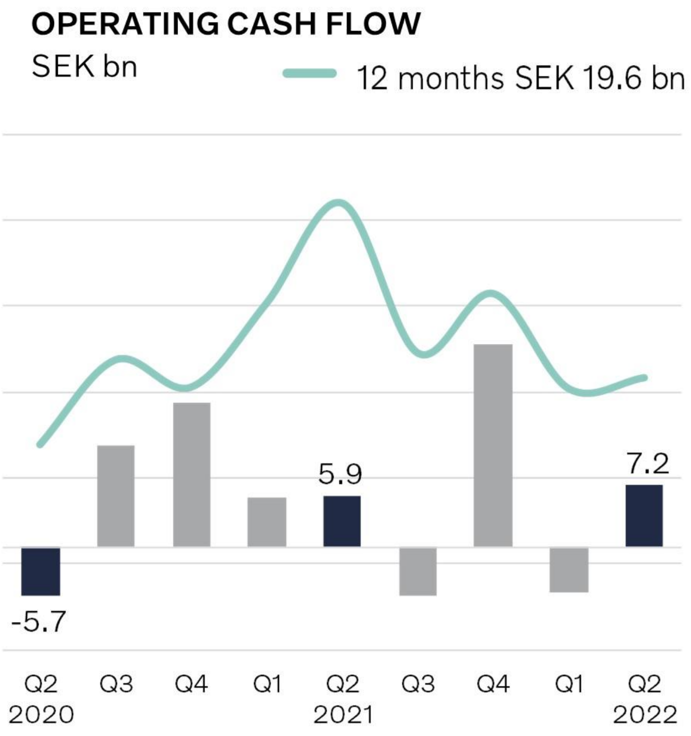


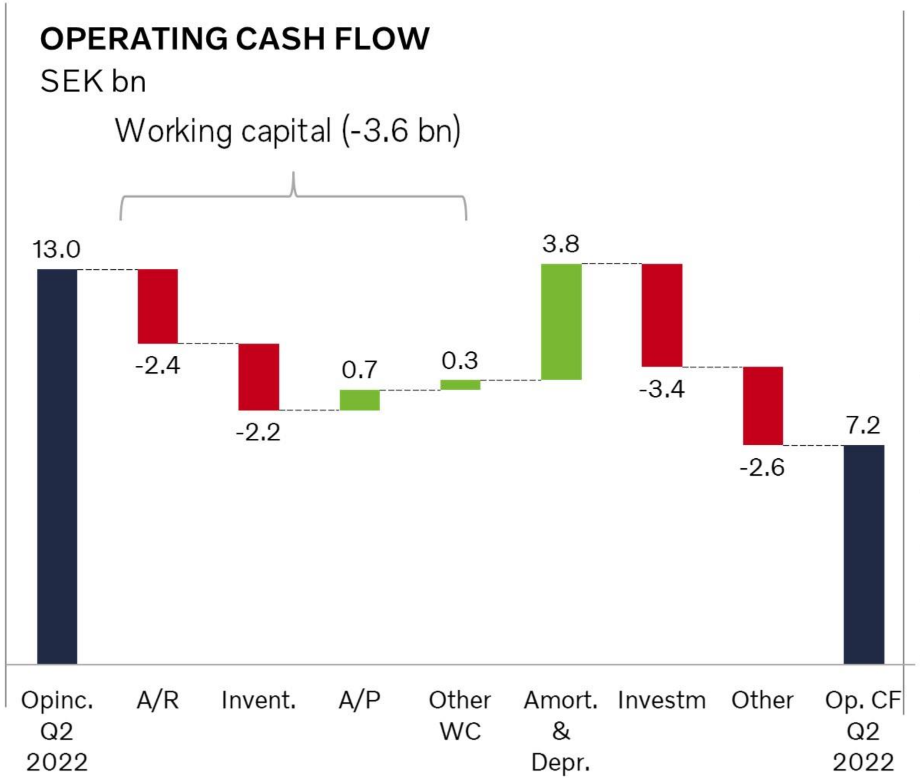
+ Price realization
+ Vehicle and service volumes

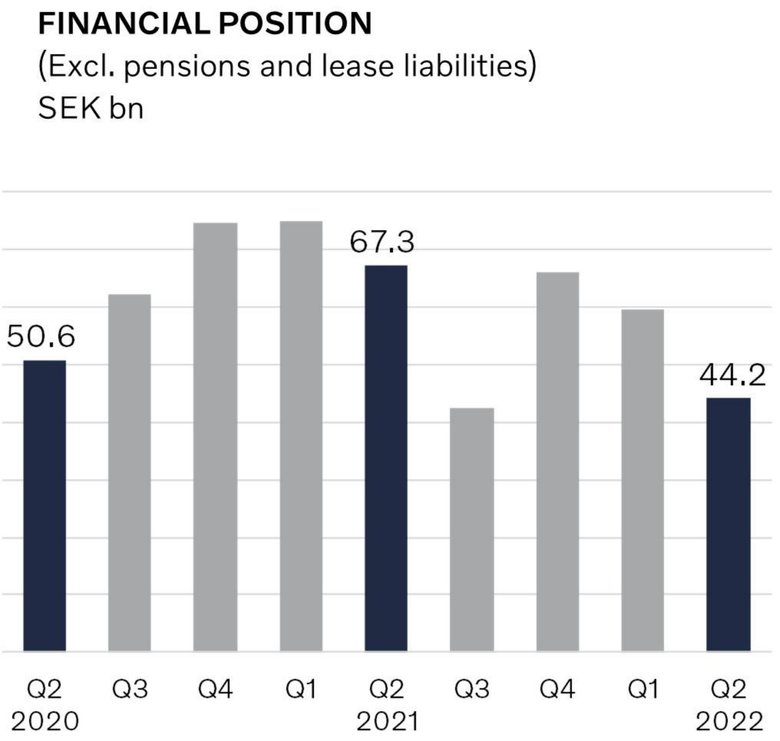
- Material costs
- Selling expenses
- R&D expenses
- Freight costs

Volvo Group

Cash flow and financial position in Industrial Operations

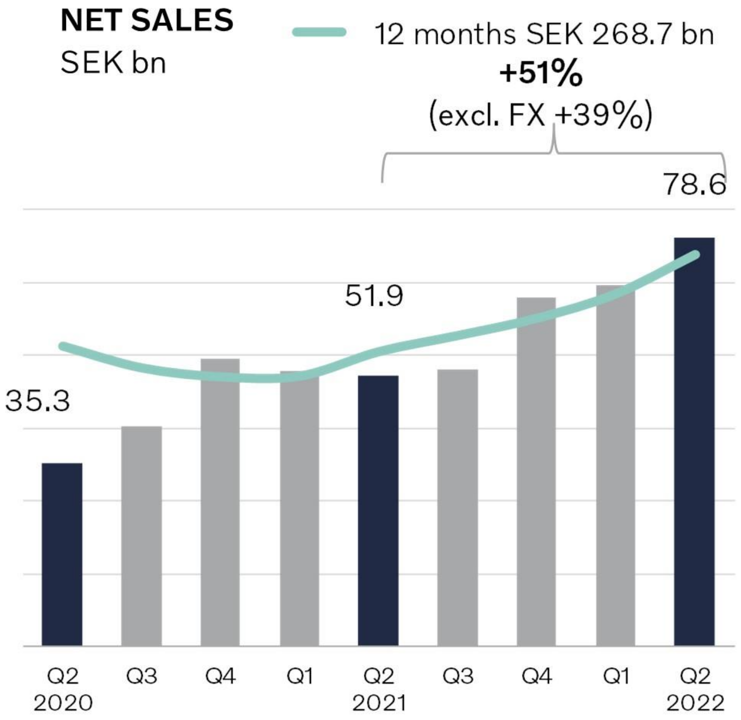




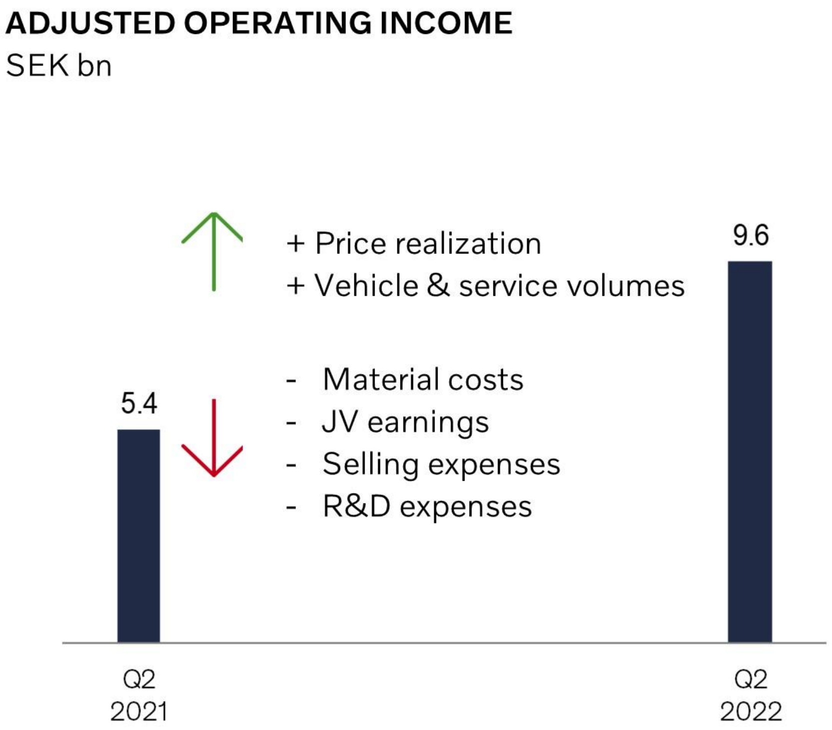


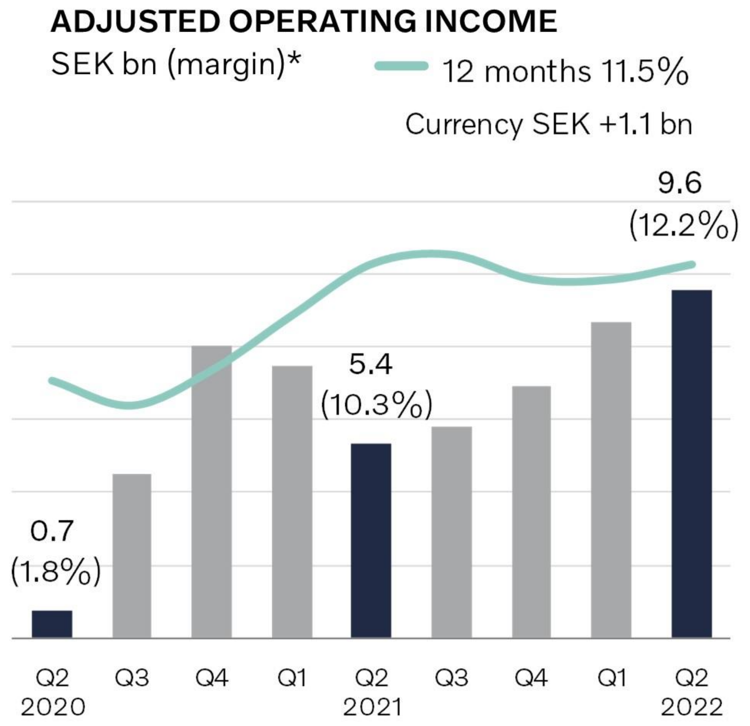
Trucks

Net sales and adjusted operating income



Net sales restated for UD Trucks divestment

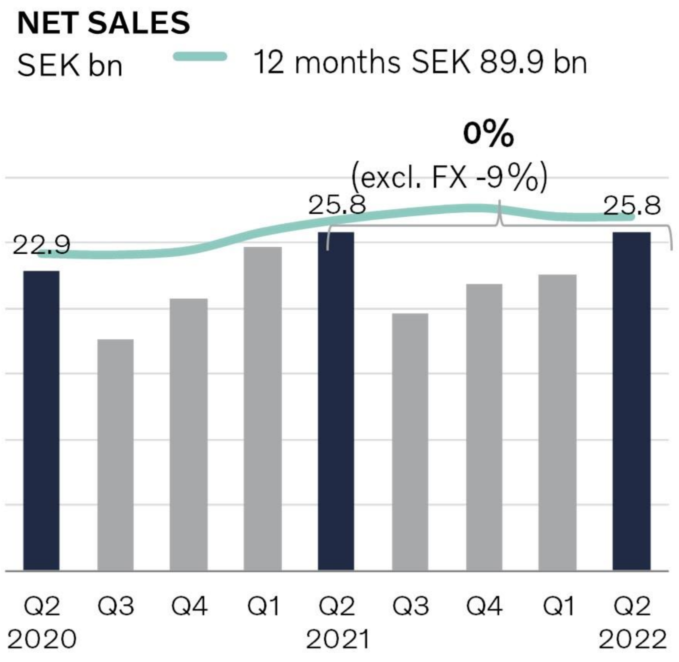


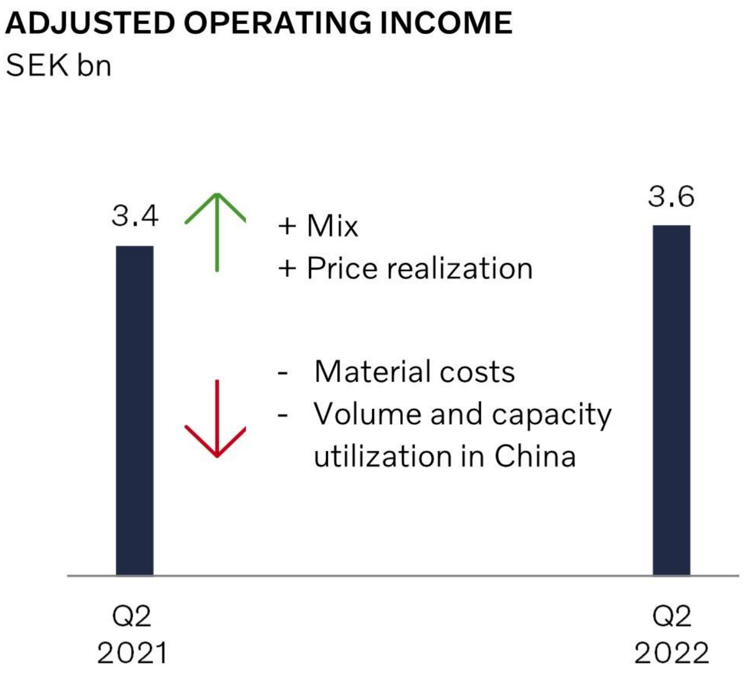


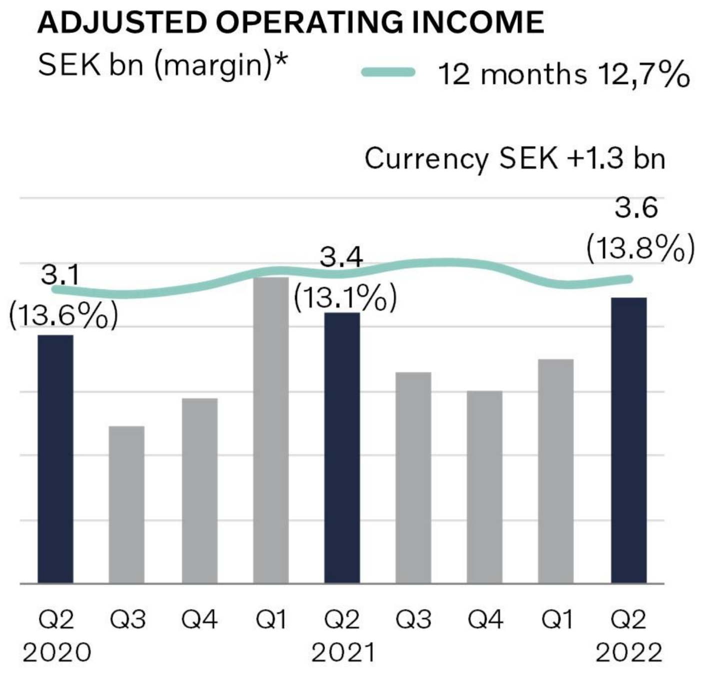
*For information on adjustments, see note 6 in the quarterly report

Construction Equipment

Net sales and adjusted operating income







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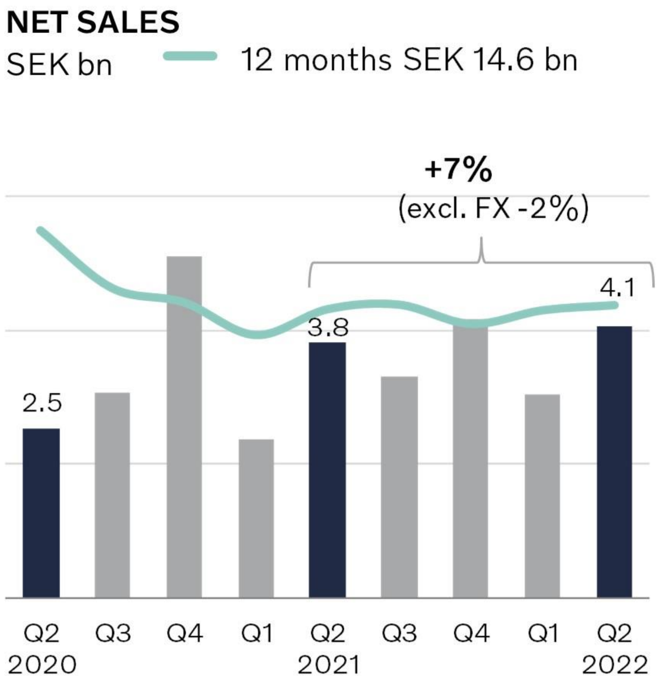
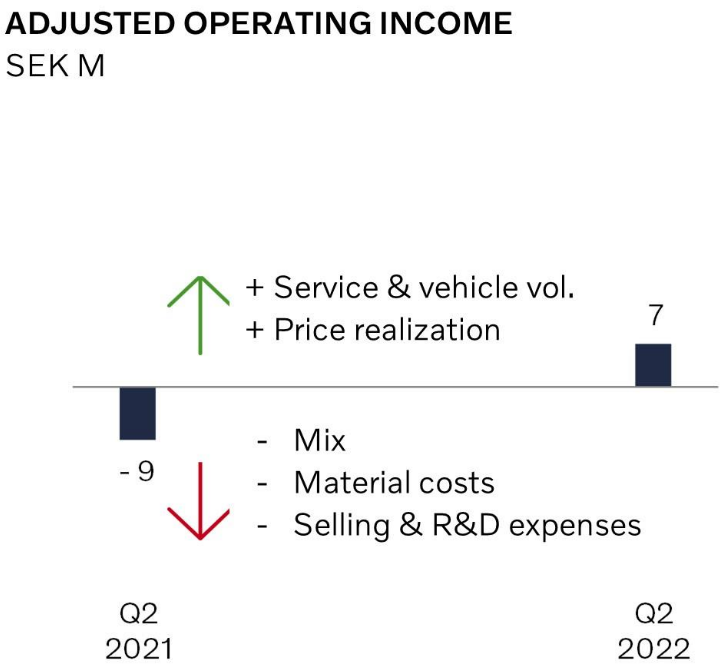
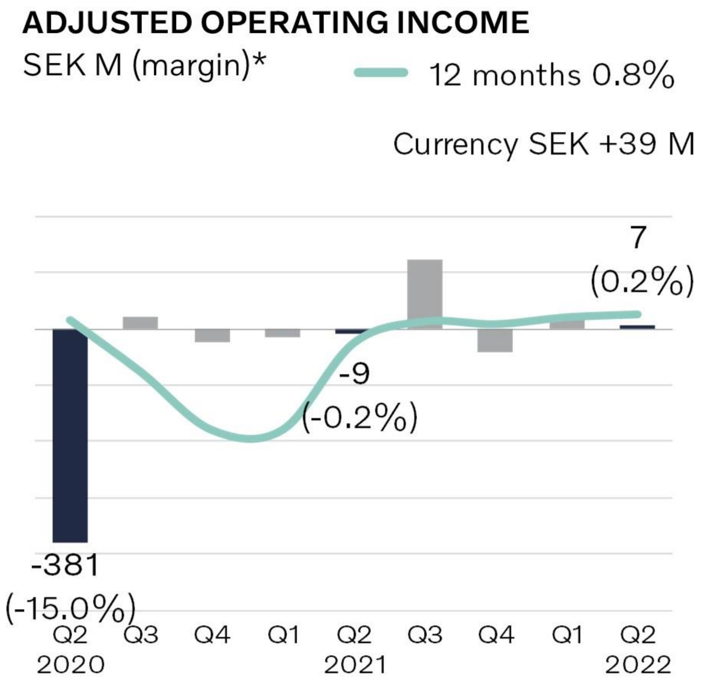
Buses

Net sales and adjusted operating income





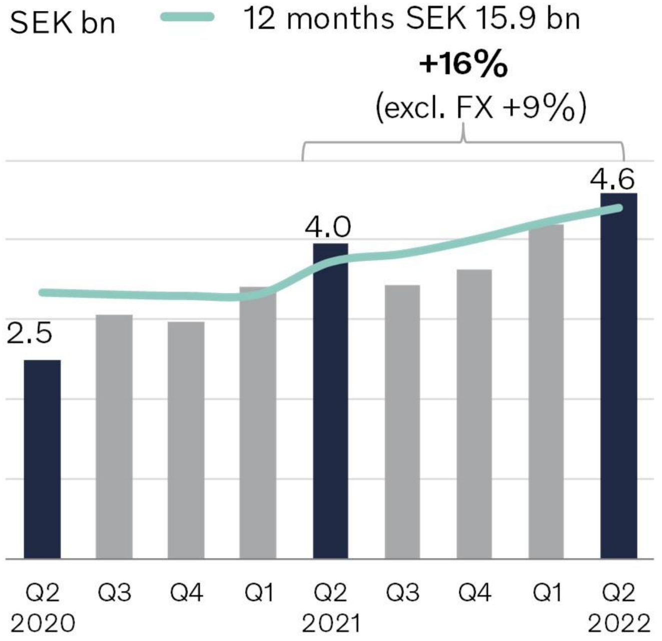


All numbers restated to exclude Nova Bus which is now included in segment 'Group Functions and other'
**For information on adjustments, see note 6 in the quarterly report*

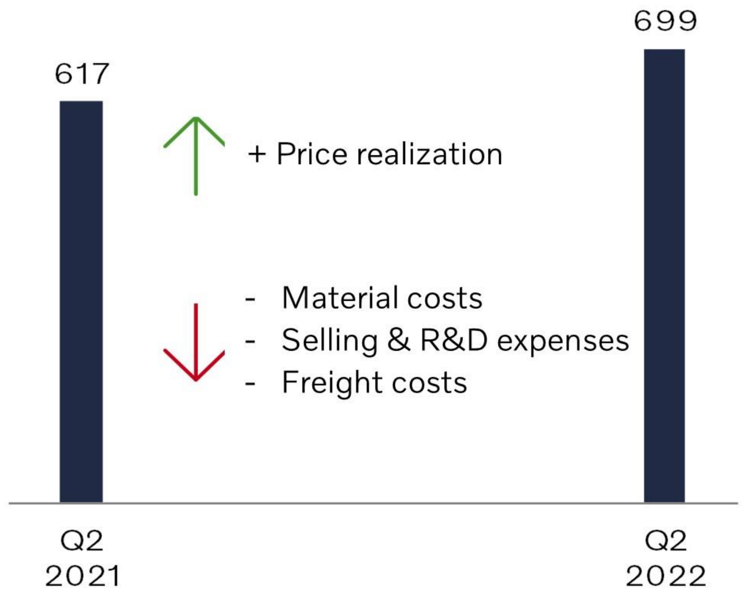
Volvo Penta

Net sales and adjusted operating income

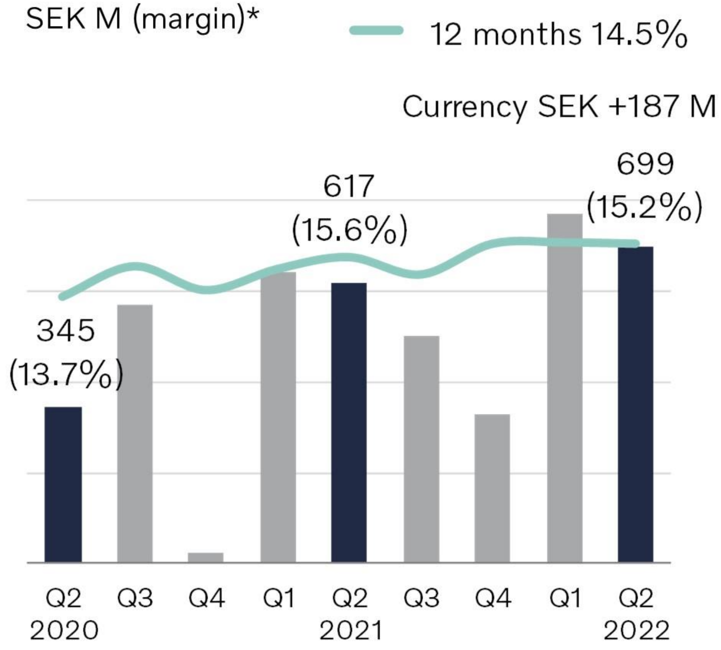
NET SALES
SEK bn



ADJUSTED OPERATING INCOME
SEK M



ADJUSTED OPERATING INCOME
SEK M (margin)*



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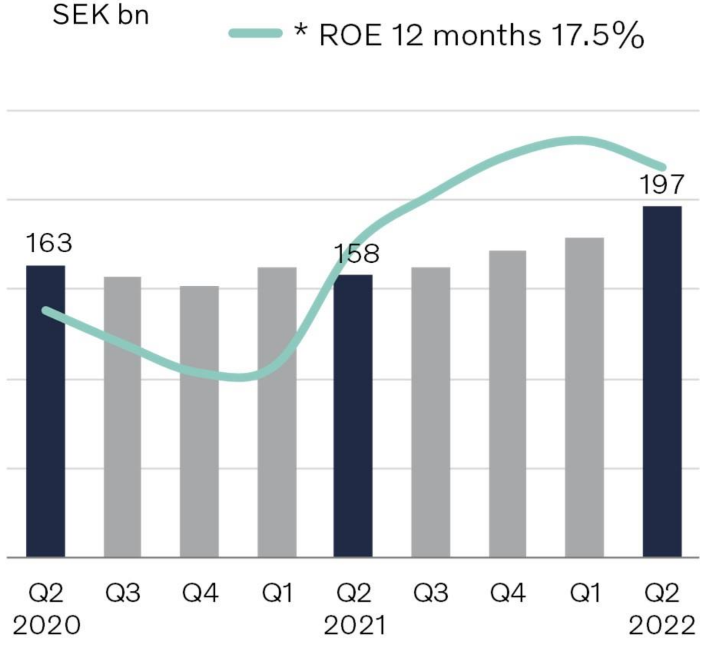
Financial Services

Credit portfolio and profitability

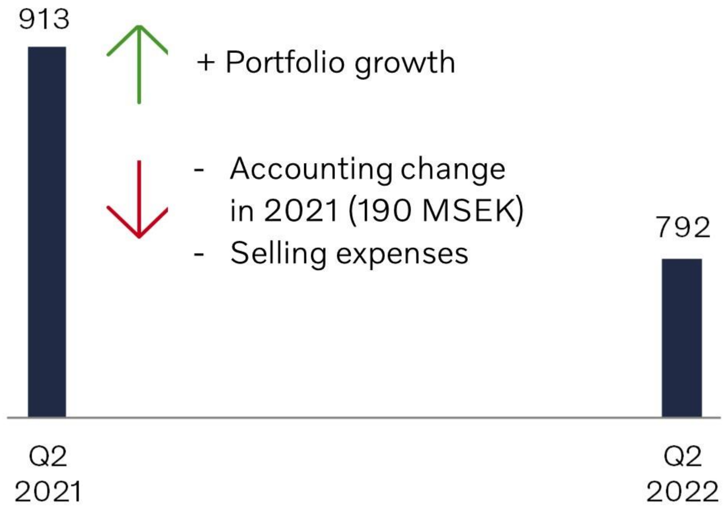
CREDIT PORTFOLIO & ROE*

SEK bn



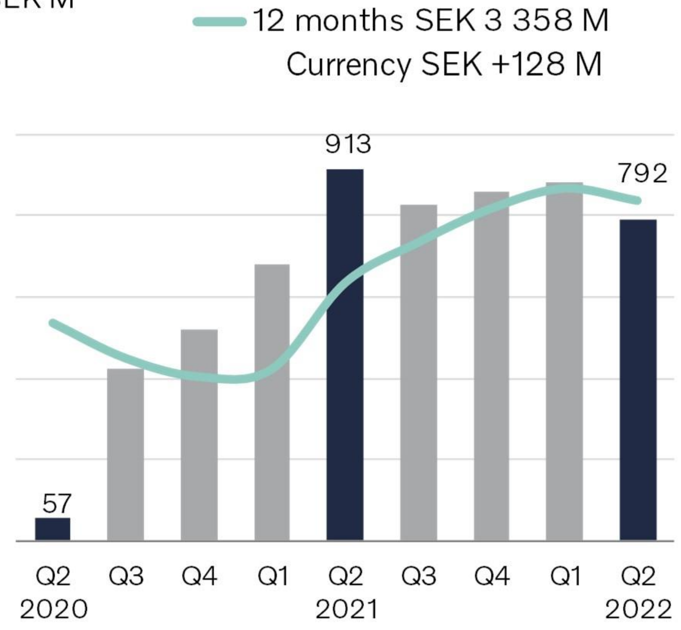
ADJUSTED OPERATING INCOME

SEK M



ADJUSTED OPERATING INCOME **

SEK 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)