THIRD QUARTER 2022

Martin Lundstedt, President and CEO
Volvo Group
Quarter highlights

- Net sales increased to SEK 114.9 bn, an increase of 21% adjusted for FX
- Adjusted operating income reached SEK 11.9 bn (9.4), corresponding to a margin of 10.3% (11.0)
- Operating cash flow in Industrial Operations amounted to SEK 14.6 bn (-5.7)
- ROCE 27.4% (25.6) in Industrial Operations
- EPS increased by 22% to SEK 4.24 (3.47)
- Supply chain constraints with low visibility
- Series production of heavy-duty, 44-tonnes electric trucks started

Net sales restated for UD Trucks divestment

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

Volume development

TRUCK DELIVERIES
- 12 months 230 k units
- +21%

MACHINE DELIVERIES
- 12 months 80 k units
- -7%

Deliveries restated for UD Trucks divestment
Volvo Group

Electrification progress

ORDER INTAKE, FULLY ELECTRIC VEHICLES
- 12 months 4,015 units

DELIVERIES, FULLY ELECTRIC VEHICLES
- 12 months 1,537 units
Volvo Group

Service sales development

**SERVICE SALES** (incl. Financial Services)
SEK bn  12 months SEK 103.7 bn

+24%
+10% excl. FX

<table>
<thead>
<tr>
<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>
<th>Q3 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>20.6</td>
<td>21.5</td>
<td>22.5</td>
<td>23.5</td>
<td>24.5</td>
<td>25.5</td>
<td>27.8</td>
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</tr>
</tbody>
</table>

Service sales restated for UD Trucks divestment

**YoY GROWTH %**

- **TRUCKS**: 11%
- **CONSTRUCTION EQUIPMENT**: 3%
- **BUSES**: 28%
- **PENTA**: 7%
- **VFS**: 15%

*All figures are excluding FX*
Trucks

Significant electrification steps taken in the quarter:

- Volvo Trucks starts series production of electric heavy-duty trucks
- Volvo Trucks will supply 20 electric heavy-duty trucks to Amazon
- Renault Trucks electric heavy-duty trucks available for pre-order
- Volvo Group starts process to establish plant for battery cell production in Sweden
Trucks

Market environment

**NORTH AMERICA HD**
- 2021: 270'
- Forecast 2022: 300'
- Forecast 2023: 300'

**EUROPE HD**
- 2021: 277'
- Forecast 2022: 300'
- Forecast 2023: 300'

**BRAZIL HD**
- 2021: 98'
- Forecast 2022: 95'
- Forecast 2023: 80'

**INDIA HD+MD**
- 2021: 254
- Forecast 2022: 350'
- Forecast 2023: 400'

**CHINA HD+MD**
- 2021: 1574'
- Forecast 2022: 800'
- Forecast 2023: 850'

*Market forecasts are based on current visibility, which is low and with significant uncertainty.*
**Trucks:** Restrictive order slotting to manage order book quality and cost inflation

Quarterly Orders +27% and Deliveries +21%

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**NORTH AMERICA**

Orders: -14%
Deliveries: +30%

**EUROPE**

Orders: +76%
Deliveries: +18%

**SOUTH AMERICA**

Orders: +24%
Deliveries: +6%

**AFRICA AND OCEANIA**

Orders: -9%
Deliveries: +34%

**ASIA**

Orders: +63%
Deliveries: +46%

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Figures restated for UD Trucks divestment
## Trucks

### Heavy-duty truck market shares

<table>
<thead>
<tr>
<th>Region</th>
<th>Year</th>
<th>Volvo</th>
<th>Mack</th>
<th>Volvo Total Market Share</th>
<th>Renault</th>
<th>Renault Battery Electric Market Share</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>NORTH AMERICA</strong></td>
<td>YTD Aug</td>
<td>8.4</td>
<td>7.2</td>
<td>15.4</td>
<td>4.7</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>10.3</td>
<td>5.9</td>
<td>18.9</td>
<td>9.7</td>
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</tr>
<tr>
<td><strong>EUROPE (EU29)</strong></td>
<td>YTD Aug</td>
<td></td>
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</tr>
<tr>
<td></td>
<td></td>
<td>8.4</td>
<td>4.7</td>
<td>13.1</td>
<td>4.7</td>
<td></td>
</tr>
<tr>
<td><strong>BRAZIL</strong></td>
<td>YTD Sept</td>
<td>21.6</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>25.0</td>
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<td></td>
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<tr>
<td><strong>SOUTH AFRICA</strong></td>
<td>YTD Aug</td>
<td>21.6</td>
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<tr>
<td></td>
<td></td>
<td>20.1</td>
<td></td>
<td></td>
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<tr>
<td><strong>AUSTRALIA</strong></td>
<td>YTD Sept</td>
<td>12.9</td>
<td>4.5</td>
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</tr>
<tr>
<td></td>
<td></td>
<td>15.2</td>
<td>5.2</td>
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</tbody>
</table>

Volvo Group
Third Quarter 2022

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Construction Equipment

- Continued global roll-out of electric machines in China and South Korea
- Order intake for electric machines increased 98% and deliveries increased 147%
Construction Equipment

Market environment

Market forecasts are based on current visibility, which is low and with significant uncertainty.
Construction Equipment: Restrictive order slotting to manage order book quality and cost inflation

Quarterly Orders -32% and Deliveries -7%
Buses

- Orders increased by 3%
- Deliveries increased by 19%
- The new Volvo 9800 Euro 6 coach is well received in Mexico
Volvo Penta

- Orders on par with last year
- Deliveries increased by 14%
- New range of variable speed generator sets for marine applications launched
Financial Services

• Record new business volume for a third quarter
• Stable finance penetration levels
• Good portfolio performance
• VFS finances 112 electric Volvo buses with largest operator in Sweden
Volvo Group

Net sales per market

NET SALES
SEK bn

Currency SEK +12.2 bn

Q3 2022

Africa and Oceania

Asia

South America

North America

Europe

Q3 2021

85.3

7.0

11.5

5.4

3.4

2.4

114.9

Volvo Group

Third Quarter 2022
Volvo Group

Adjusted operating income contributors

<table>
<thead>
<tr>
<th>Period</th>
<th>Gross Income</th>
<th>Cash R&amp;D</th>
<th>Net R&amp;D Cap./Amo.</th>
<th>Selling Admin</th>
<th>Other</th>
<th>Q3 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q3 2021</td>
<td>9.4</td>
<td>6.2</td>
<td>-1.8</td>
<td>-1.4</td>
<td>-0.4</td>
<td>11.9</td>
</tr>
</tbody>
</table>

ADJUSTED OPERATING INCOME

SEK bn

Currency SEK +2.4 bn

- Price realization
- Vehicle and service volumes

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

Cash flow and financial position in Industrial Operations

**OPERATING CASH FLOW**

SEK bn

11.7  Q3 2020
-5.7  Q4 2020
-5.7  Q1 2021
11.0  Q2 2021
14.6  Q3 2021
11.2  Q4 2021
2.2   Q1 2022
2.1   Q2 2022
0.4   Q3 2022
3.8   Q4 2022
-4.3  Q1 2023
-1.8  Q2 2023
14.6  Q3 2023

**FINANCIAL POSITION**

(Excl. pensions and lease liabilities)

SEK bn

62.3  Q3 2020
42.5  Q4 2020
59.5  Q1 2021
42.5  Q2 2021
59.5  Q3 2021
59.5  Q4 2021
59.5  Q1 2022
59.5  Q2 2022
59.5  Q3 2022
Trucks

Net sales and adjusted operating income

**NET SALES**
- SEK bn
- 12 months SEK 290.4 bn +41% (excl. FX +26%)

**ADJUSTED OPERATING INCOME**
- SEK bn
- Q3 2021: 5.8
- Q3 2022: 7.3
- + Price realization
- + Vehicle volumes
- - Material costs
- - R&D expenses
- - Selling expenses
- - Freight costs

**ADJUSTED OPERATING INCOME**
- SEK bn (margin)*
- 12 months 11.2%
- Currency SEK +1.0 bn

*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 94.4 bn +23%
(excl. FX +9%)

17.6 Q3 2020 Q4 Q1 Q2 Q3 2021 Q4 Q1 Q2 Q3 2022

24.2

ADJUSTED OPERATING INCOME
SEK bn

2.6 Q3 2021

3.8 Q3 2022

↑ + Price realization + Mix
↓ - Material costs - Freight costs

ADJUSTED OPERATING INCOME
SEK bn (margin)*

2.0 (11.1%) Q3 2020 Q4 Q1 Q2 Q3 2021 Q4 Q1 Q2 Q3 2022

2.6 (13.4%)

3.8 (15.6%)

*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 16.1 bn
+46%
(excl. FX +31%)

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ADJUSTED OPERATING INCOME
SEK M

<table>
<thead>
<tr>
<th>Q3 2021</th>
<th>Q3 2022</th>
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<tbody>
<tr>
<td>124</td>
<td>99</td>
</tr>
</tbody>
</table>

+ Service volume
+ Price realization
- Material costs
- Selling expenses
- R&D expenses

ADJUSTED OPERATING INCOME
SEK M (margin)
12 months 0.5%
Currency SEK +116 M

<table>
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<th>Q3 2020</th>
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<td>124</td>
<td>99</td>
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124
(3.8%)
99
(2.0%)

21
(0.7%)

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 16.9 bn
  +30%
  (excl. FX +20%)

- Q3 2020: 3.1
- Q4 2020: 3.4
- Q1 2021: 3.4
- Q2 2021: 4.5
- Q3 2022: 4.5

**ADJUSTED OPERATING INCOME**
SEK M

- Q3 2021: 501
- Q3 2022: 593

   - + Engine volumes
   - + Price realization

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

**ADJUSTED OPERATING INCOME**
SEK M (margin)*
- 12 months 14.2%
  Currency SEK +224 M

- Q3 2020: 570 (18.6%)
- Q4 2020: 501 (14.6%)
- Q1 2021: 501
- Q2 2021: 501
- Q3 2022: 593 (13.3%)

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

CREDIT PORTFOLIO & ROE*
SEK bn
- ROE 12 months 16.4%

ADJUSTED OPERATING INCOME
SEK M
- Portfolio growth
- Selling expenses
- Spreads

ADJUSTED OPERATING INCOME **
SEK M
- 12 months SEK 3,411 M
Currency SEK +151 M

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

- Net sales SEK 114.9 bn
- Adjusted operating margin 10.3%
- ROCE 27.4% (Industrial Operations)
- EPS increased by 22% to SEK 4.24 (3.47)
- Series production of heavy-duty, 44-tonnes electric trucks started