

REPORT ON THE FIRST QUARTER 2022



- » In Q1 2022, net sales increased by 12% to SEK 105.3 billion (94.0). Adjusted for currency movements and the divestment of UD Trucks, the increase was 11%.
- » Adjusted operating income² amounted to SEK 12,681 M (11,821), corresponding to an adjusted operating margin of 12.0% (12.6).
- » Reported operating income amounted to SEK 8,556 M (12,067), including a negative effect from provisioning of assets related to Russia in an amount of SEK 4,125 M.
- » Currency movements had a positive impact on operating income of SEK 1,267 M.
- » Earnings per share amounted to SEK 3.46 (4.35).
- » Operating cash flow in the Industrial Operations amounted to SEK -5,400 M (5,665).
- » Return on capital employed in Industrial Operations of 25.3% (17.1).

SEK M unless otherwise stated	First quarter	
	2022	2021
Net sales	105,317	94,018
Net sales excluding UD Trucks ¹	105,317	88,581
Adjusted operating income ²	12,681	11,821
Adjusted operating margin, %	12.0	12.6
Operating income	8,556	12,067
Operating margin, %	8.1	12.8
Income after financial items	9,027	12,290
Income for the period	7,071	9,004
Earnings per share, SEK	3.46	4.35
Operating cash flow in Industrial Operations	-5,400	5,665
Net financial position in Industrial Operations, SEK bn ³	59.5	74.8
Return on capital employed in Industrial Operations, % ⁴	25.3	17.1
Return on equity in Financial Services, % ⁴	4.1	8.7
Net order intake, number of trucks	45,594	85,461
Net order intake excluding UD Trucks ¹	45,594	80,444
Deliveries, number of trucks	55,588	52,444
Deliveries excluding UD Trucks ¹	55,588	48,450
Net order intake, number of construction equipment	20,683	35,616
Deliveries, number of construction equipment	20,779	30,957

¹ For more information, please see Appendix UD Trucks in the report on the fourth quarter 2021.

² For information on adjusted operating income, please see note 6.

³ Excluding post-employment benefits and lease liabilities.

⁴ 12 months rolling.

CEO'S COMMENTS

Continued strong performance in challenging times

Economic activity continued to be good in Q1 2022 with high transport volumes and good construction activity in most markets. We increased sales and improved profitability. Our net sales grew by 12% to SEK 105.3 billion. The high business activity combined with our growing service contract portfolio resulted in continued good service growth, which was up by 19%. Adjusted operating income increased to SEK 12.7 billion (11.8) and we achieved an adjusted operating margin of 12.0% (12.6) despite a challenging supply chain situation. Operating cash flow in the Industrial Operations amounted to SEK -5.4 billion (5.7), in part due to a build-up of inventory related to the unstable supply chain.

Since the war in Ukraine started and sanctions were imposed, all sales, services and production in Russia have been suspended. We have total assets of approximately SEK 9 billion related to Russia, of which SEK 4.1 billion were provisioned for in Q1 with a negative impact on operating income.

The ongoing war is devastating for Ukraine and my thoughts go out to everyone who is suffering. We are doing what we can to support affected colleagues, families and communities. The Group and many individual employees have donated funds to the Red Cross and UNHCR. Furthermore, our colleagues in neighboring countries have teamed up with these organizations so that we can provide concrete local in-kind support that matches their needs. There are many examples of our colleagues going above and beyond to support the victims of this humanitarian catastrophe and we appreciate all their dedicated efforts.

With transport activity across most regions on good levels, demand for trucks is high. We have large order books and delivery times are long, and this has made us restrictive with order slotting, which affected order intake negatively. We are doing everything we can to reduce the long lead times to our customers. The supply chain continued to be strained, which caused disturbances and stoppages in production also in Q1. Despite these issues, truck deliveries increased by 6% to 55,600 vehicles which is a record for a first quarter. Net sales grew by 31% to SEK 69.6 billion. We have had extra costs due to the supply chain disruptions as well as higher costs for material and have worked proactively with price management to mitigate them. We expect that the inflationary pressure will continue. Despite these headwinds, our truck business achieved an adjusted operating margin of 12.5% (12.8).

Construction activity in Europe and North America has remained on good levels, driven by both the commercial sector and infrastructure investments. Order backlogs are extended and lead times long, and this has negatively impacted order intake. The Chinese market, on the other hand, continued to decline. Volvo CE's net sales decreased by 9% to SEK 22.6 billion, primarily related to China. The adjusted operating margin amounted to 12.4% (15.4).



After a difficult period with limited travel due to the covid-19 pandemic, there are some signs of demand for buses improving from low levels. In Q1, net sales in our bus segment increased by 28% to SEK 3.1 billion and the adjusted operating margin was 0.7% (-0.6).

Volvo Penta's solid performance continued in Q1, with sales that increased by 23% to SEK 4.2 billion and an adjusted operating margin of 18.3% (18.9).

For our customer-financing business, Volvo Financial Services, new business volume continued to grow and credit losses remained low in most regions. Adjusted operating income increased to SEK 882 M (682), excluding the provision related to Russia.

The whole organization is doing an impressive job in supplying our customers with vehicles and machines and supporting them with services. However, the situation in the global supply chain for semiconductors and other components remains unstable, characterized by disruptions, unpredictability and lack of freight capacity. We will therefore continue to have disruptions and stoppages both in the production of trucks and in other parts of the Group. The continued spread of covid-19 particularly in China and the war in Ukraine are putting additional pressure on the already strained supply chain and production system.

Amid this period of geopolitical turmoil and human suffering we are keeping up the speed in the transformation to more sustainable transport and infrastructure solutions. It is clear that our customers and their customers are really beginning to push for a transition into electric vehicles and machines to decarbonize their value chains. This is a development that will only accelerate. In March, the global logistics company Maersk placed an order for 110 Volvo VNR Electric trucks. In Canada, Volvo Trucks' customer Martin Brower, which is a transport provider for restaurant chains globally, has introduced its first Volvo VNR Electric truck dedicated for deliveries to McDonald's restaurants. These are just some examples of the transformation that is taking place here and now. We are maneuvering from a position of strength with a competitive electric offer already today. And we continue to accelerate our investments to roll out even more electric products and solutions in the near future.

Martin Lundstedt
President and CEO

FINANCIAL SUMMARY OF THE FIRST QUARTER 2022

Net sales

In Q1 2022, the Volvo Group's net sales, excluding UD Trucks, amounted to SEK 105,317 M compared with SEK 88,581 M in the same quarter the preceding year.

Adjusted for both currency movements and the divestment of UD Trucks, net sales increased by 11%, of which vehicle sales by 11% and service sales by 10%.

Operating income

In Q1 2022, adjusted operating income amounted to SEK 12,681 M (11,821), corresponding to an adjusted operating margin of 12.0% (12.6).

The adjusted operating income in Q1 2022 excludes a negative effect from provisioning of assets related to Russia in an amount of SEK 4,125 M. Q1 2021 was adjusted for a positive impact of SEK 246 M related to the ceased depreciation and amortization of assets held for sale. For more information on adjusted operating income, please see Note 6.

Compared with Q1 2021, the higher adjusted operating income is mainly an effect of price realization and improved vehicle and service volumes. This was partly offset by higher material costs, increased freight costs and lower earnings in joint ventures.

Currency movements, compared with Q1 2021, had a positive impact of SEK 1,267 M.

Reported operating income in Q1 2022 amounted to SEK 8,556 M (12,067).

Financial items

In Q1 2022, interest income was SEK 125 M (76), whereas interest expenses amounted to SEK 328 M (296).

Other financial income and expenses amounted to SEK 674 M (443). The change is primarily due to revaluation effects of financial assets and liabilities.

Net sales SEK M	First quarter		Change %
	2022	2021	
Net sales per geographical region excluding UD Trucks			
Europe	46,565	37,218	25
North America	29,861	24,394	22
South America	8,836	5,557	59
Asia	14,115	16,683	-15
Africa and Oceania	5,940	4,730	26
Total net sales excluding UD Trucks	105,317	88,581	19
Net sales per product group excluding UD Trucks			
Vehicles ¹	80,795	67,609	20
Services, Industrial Operations	21,550	18,162	19
Financial Services revenue	3,734	3,257	15
Eliminations	-762	-447	-70
Total net sales excluding UD Trucks	105,317	88,581	19
Timing of revenue recognition excluding UD Trucks			
Revenue of vehicles and services recognized at the point of delivery	96,339	80,367	20
Revenue of vehicles and services recognized over contract period	8,978	8,214	9
Total net sales excluding UD Trucks	105,317	88,581	19
UD Trucks ²	-	5,438	N/A
Total net sales	105,317	94,018	12

¹ Including construction equipment and Volvo Penta engines.

² For more information, please see Appendix UD Trucks in the report on the fourth quarter 2021.

Consolidated Income Statement, Volvo Group SEK M	First quarter	
	2022	2021
Net sales	105,317	94,018
Cost of sales	-80,700	-70,322
Gross income	24,617	23,696
Research and development expenses	-4,583	-4,370
Selling expenses	-6,783	-6,249
Administrative expenses	-1,321	-1,156
Other operating income and expenses	-3,377	-503
Income/loss from investments in joint ventures and associated companies	-123	645
Income/loss from other investments	127	3
Operating income	8,556	12,067
Interest income and similar credits	125	76
Interest expenses and similar charges	-328	-296
Other financial income and expenses	674	443
Income after financial items	9,027	12,290
Income taxes	-1,956	-3,286
Income for the period *	7,071	9,004
* Attributable to:		
Owners of AB Volvo	7,033	8,841
Non-controlling interest	38	164
	7,071	9,004
Basic earnings per share, SEK	3.46	4.35
Diluted earnings per share, SEK	3.46	4.35

Income taxes

In Q1 2022, income taxes amounted to SEK 1,956 M (3,286). The tax rate was 22% (27). The tax rate in Q1 2021 was impacted by transactions in preparation of the divestment of UD Trucks.

Income for the period and earnings per share

In Q1 2022, income for the period amounted to SEK 7,071 M (9,004). Earnings per share amounted to SEK 3.46 (4.35).

Operating cash flow in the Industrial Operations

During Q1 2022, operating cash flow in the Industrial Operations amounted to SEK -5,400 M (5,665). Compared with Q1 2021, the change in operating cash flow is primarily related to trade payables. In Q1 2022, trade payables decreased by SEK 5,248 M compared with an increase of SEK 9,237 M in Q1 2021.

Volvo Group financial position

During Q1 2022, net financial assets in the Industrial Operations, excluding provisions for post-employment benefits and lease liabilities, decreased by SEK 6.7 billion resulting in a net financial asset position of SEK 59.5 billion on March 31, 2022. The change is mainly explained by a negative operating cash flow of SEK 5.4 billion.

Including provisions for post-employment benefits and lease liabilities, the Industrial Operations net financial assets amounted to SEK 47.0 billion on March 31, 2022. During Q1 2022, remeasurements of defined benefit pension plans had a positive impact of SEK 3.9 billion. The remeasurements were primarily an effect of higher discount rates offset by lower return on assets.

Total assets in the Volvo Group increased by SEK 36.5 billion compared to year-end 2021, whereof SEK 12.6 billion is related to currency movements.

On March 31, 2022, total equity for the Volvo Group amounted to SEK 157.7 billion compared with SEK 144.1 billion at year-end 2021. The equity ratio was 28.5% (27.9). On the same date the equity ratio in the Industrial Operations amounted to 37.1% (34.9).

Number of employees

On March 31, 2022, the Volvo Group had 99,346 employees, including temporary employees and consultants, compared with 95,850 employees on December 31, 2021. The number of blue-collar employees increased by 1,993 and the number of white-collar employees increased by 1,503.

Number of employees	Mar 31 2022	Dec 31 2021	Mar 31 2021
Blue-collar	52,114	50,121	51,131
Whereof temporary employees and consultants	8,732	7,536	6,801
White-collar	47,232	45,729	47,851
Whereof temporary employees and consultants	6,555	5,774	4,221
Total number of employees	99,346	95,850	98,982
Whereof temporary employees and consultants	15,287	13,310	11,022

BUSINESS SEGMENT OVERVIEW

Net sales SEK M	First quarter		Change %	Change % ¹	12 months rolling	Jan-Dec 2021
	2022	2021				
Trucks	69,552	58,372	19	11	242,062	230,881
Trucks excluding UD Trucks ²	69,552	52,934	31	23	242,062	225,444
Construction Equipment	22,613	24,742	-9	-16	89,902	92,031
Buses ³	3,051	2,378	28	20	14,325	13,652
Volvo Penta	4,204	3,409	23	18	15,233	14,437
Group Functions & Other ³	3,848	3,214	20	14	14,093	13,459
Eliminations	-923	-906	-	-	-3,416	-3,398
Industrial Operations	102,345	91,209	12	5	372,198	361,062
Financial Services	3,734	3,257	15	6	13,914	13,437
Reclassifications and eliminations	-762	-447	-	-	-2,598	-2,283
Volvo Group	105,317	94,018	12	4	383,514	372,216
Volvo Group excluding UD Trucks	105,317	88,581	19	11	383,514	366,778

1 Adjusted for exchange rate fluctuations.

2 For more information, please see Appendix UD Trucks in the report on the fourth quarter 2021.

3 The operations of Nova Bus were reclassified from the "Buses" segment into the segment "Group Functions & Other" as of October 1, 2021. To facilitate the comparability, the financial numbers for 2021 have been restated. For more information, please see Appendix Nova Bus in the report on the fourth quarter 2021.

Adjusted operating income ¹ SEK M	First quarter		Change %	12 months rolling	Jan-Dec 2021
	2022	2021			
Trucks	8,690	7,479	16	26,778	25,567
Construction Equipment	2,810	3,822	-26	11,215	12,228
Buses ³	20	-15	233	94	59
Volvo Penta	769	643	20	2,217	2,092
Group Functions & Other ³	-488	-776	37	-1,978	-2,265
Eliminations	-3	-15	-	66	53
Industrial Operations	11,798	11,138	6	38,393	37,733
Financial Services	882	682	29	3,479	3,279
Reclassifications and eliminations	1	1	-	2	2
Volvo Group adjusted operating income ²	12,681	11,821	7	41,874	41,015
Adjustments ¹	-4,125	246	-1,777	-2,312	2,059
Volvo Group operating Income	8,556	12,067	-29	39,562	43,074

1 For more information on adjusted operating income, please see note 6.

2 UD Trucks had a marginally positive impact on adjusted operating income.

3 The operations of Nova Bus were reclassified from the "Buses" segment into the segment "Group Functions & Other" as of October 1, 2021. To facilitate the comparability, the financial numbers for 2021 have been restated. For more information, please see Appendix Nova Bus in the report on the fourth quarter 2021.

Adjusted operating margin %	First quarter		12 months rolling	Jan-Dec 2021
	2022	2021		
Trucks	12.5	12.8	11.1	11.1
Construction Equipment	12.4	15.4	12.5	13.3
Buses ¹	0.7	-0.6	0.7	0.4
Volvo Penta	18.3	18.9	14.6	14.5
Industrial Operations	11.5	12.2	10.3	10.5
Volvo Group adjusted operating margin	12.0	12.6	10.9	11.0

Volvo Group operating margin	8.1	12.8	10.3	11.6
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1 The operations of Nova Bus were reclassified from the "Buses" segment into the segment "Group Functions & Other" as of October 1, 2021. To facilitate the comparability, the financial numbers for 2021 have been restated. For more information, please see Appendix Nova Bus in the report on the fourth quarter 2021.

TRUCKS

Strong execution in challenging times

- » In Q1 net sales, excluding UD Trucks, increased by 31% to SEK 69,552 M
- » Adjusted operating income increased to 8,690 (7,479) with a margin of 12.5% (12.8)
- » In Q1, order intake decreased by 43% while deliveries increased by 15%

**Market development**

In Q1 2022, demand for both new and used trucks continued to be strong in Europe and North America. High freight volumes and freight rates support customer profitability. Utilization of truck fleets remained on a high level which drove good demand for services.

In Brazil, high transport volumes were primarily driven by commodities, mainly related to mining and agriculture. Demand also continued to be supported by the pent-up need to renew an aging truck fleet.

The Indian truck market continued to recover in Q1. The market is modernizing, which gradually opens opportunities to sell European trucks also in the highway segment.

The Chinese truck market declined following a general economic slowdown, covid-19 lockdowns and high comparison numbers due to the prior year's pre-buy ahead of new emission standards in July 2021.

Demand for electric trucks is gradually gaining traction in city distribution and regional haul.

Orders and deliveries

Demand has continued to be stronger than supply due to constrained global supply chains. However, the Volvo Group has been restrictive in order slotting due to large order books, long delivery times and increasing inflation.

In Q1, net order intake excluding UD Trucks, which was divested on April 1, 2021, decreased by 43% to 45,594 trucks, compared with an extraordinary high level in 2021. On the other hand, deliveries excluding UD Trucks increased by 15% to 55,588 trucks.

In Europe, order intake for heavy- and medium-duty trucks declined by 50% to 19,631 vehicles while deliveries increased by 29% to 24,276 vehicles. Volvo Trucks' total heavy-duty market share through March increased to 18.6% (16.1). The electric heavy-duty market share was 34.9% (52.2). Renault Trucks' heavy-duty total market share increased to 9.2% (8.6). The electric heavy-duty market share was 20.2% (13.4).

Order intake in North America decreased by 73% to 6,017 trucks while deliveries increased by 7% to 13,908 vehicles. Volvo Trucks' heavy-duty truck market share decreased to 9.8% (10.3) and Mack Trucks' market share decreased to 5.3% (6.6).

South American order intake increased by 95% to 7,354 trucks and deliveries increased by 15% to 6,245 vehicles. In Brazil, Volvo Trucks' heavy-duty trucks market share increased to 25.9% (20.9).

In Asia, order intake decreased by 9% to 4,766 vehicles and deliveries decreased by 9% to 3,697 vehicles.

In Q1, order intake of fully-electric trucks amounted to 494 (200) vehicles while deliveries amounted to 193 (26) vehicles.

The Indian joint venture VECV increased order intake by 6% to 17,886 vehicles and deliveries increased by 4% to 17,860 vehicles. On the other hand, deliveries from the Chinese joint venture, DFCV, declined by 44% to 20,561 vehicles.

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

Total market development	First quarter		Change %	Full year 2021	Forecast 2022	Change vs. previous forecast
	2022	2021				
Registrations, number of trucks						
Europe 29 ¹ heavy-duty	66,204	66,263	0	247,565	-	-
Europe 30 ¹ heavy-duty	74,315	74,293	0	277,015	300,000	unchanged
North America heavy-duty (retail)	62,131	65,439	-5	270,022	300,000	unchanged
Brazil heavy-duty	20,049	19,735	2	98,331	100,000	unchanged
China heavy-duty	231,938	531,572	-56	1,395,290	880,000	-90,000
China medium-duty	32,457	55,498	-42	178,755	120,000	-10,000
India heavy-duty	64,975	54,027	20	153,833	215,000	+15,000
India medium-duty	36,810	34,276	7	99,714	110,000	+10,000

¹ EU29 includes Norway and Switzerland but excludes UK. EU30 includes UK.

Net order intake	First quarter		Change %
	2022	2021	
Number of trucks			
Net order intake excluding UD Trucks			
Europe	24,984	46,564	-46
Heavy- and medium-duty	19,631	39,081	-50
Light-duty	5,353	7,483	-28
North America	6,017	22,182	-73
South America	7,354	3,773	95
Asia	4,766	5,246	-9
Africa and Oceania	2,473	2,679	-8
Total order intake excluding UD Trucks	45,594	80,444	-43
UD Trucks ¹	-	5,017	N/A
Total order intake	45,594	85,461	-47
Net order intake excluding UD Trucks			
Heavy-duty (>16 tons)	36,861	67,803	-46
Medium-duty (7-16 tons)	3,272	5,058	-35
Light-duty (<7 tons)	5,461	7,583	-28
Total order intake excluding UD Trucks	45,594	80,444	-43
UD Trucks ¹	-	5,017	N/A
Total order intake	45,594	85,461	-47
Volvo	27,157	44,153	-38
UD Trucks ¹	-	5,017	N/A
Renault Trucks	16,141	22,703	-29
Heavy- and medium-duty	10,680	15,120	-29
Light-duty	5,461	7,583	-28
Mack	2,031	13,588	-85
Other brands	265	-	N/A
Total order intake	45,594	85,461	-47
Non-consolidated operations			
VE Commercial Vehicles (Eicher)	17,886	16,831	6

¹ For more information, please see Appendix UD Trucks in the report on the fourth quarter 2021.

Deliveries	First quarter		Change %
	2022	2021	
Number of trucks			
Deliveries excluding UD Trucks			
Europe	29,089	23,982	21
Heavy- and medium-duty	24,276	18,871	29
Light-duty	4,813	5,111	-6
North America	13,908	12,956	7
South America	6,245	5,413	15
Asia	3,697	4,044	-9
Africa and Oceania	2,649	2,055	29
Total deliveries excluding UD Trucks	55,588	48,450	15
UD Trucks ¹	-	3,994	N/A
Total deliveries	55,588	52,444	6
Deliveries excluding UD Trucks			
Heavy-duty (>16 tons)	46,889	40,311	16
Medium-duty (7-16 tons)	3,818	2,965	29
Light-duty (<7 tons)	4,881	5,174	-6
Total deliveries excluding UD Trucks	55,588	48,450	15
UD Trucks ¹	-	3,994	N/A
Total deliveries	55,588	52,444	6
Volvo	33,861	28,309	20
UD Trucks ¹	-	3,994	N/A
Renault Trucks	14,740	13,685	8
Heavy- and medium-duty	9,859	8,511	16
Light-duty	4,881	5,174	-6
Mack	6,518	6,456	1
Other brands	469	-	N/A
Total deliveries	55,588	52,444	6
Non-consolidated operations			
VE Commercial Vehicles (Eicher)	17,860	17,103	4
Dongfeng Commercial Vehicle Company (Dongfeng Trucks) ²	20,561	36,647	-44

¹ For more information, please see Appendix UD Trucks in the report on the fourth quarter 2021.

² First quarter includes 2 months of deliveries.

Net sales and operating income SEK M	First quarter		Change %
	2022	2021	
Net sales per geographical region excluding UD Trucks			
Europe	33,499	25,179	33
North America	20,580	16,725	23
South America	6,781	4,288	58
Asia	4,797	4,008	20
Africa and Oceania	3,895	2,733	43
Total net sales excluding UD Trucks	69,552	52,934	31
Net sales per product group excluding UD Trucks			
Vehicles	54,467	40,144	36
Services	15,085	12,790	18
Total net sales excluding UD Trucks	69,552	52,934	31
Timing of revenue recognition excluding UD Trucks			
Revenue of vehicles and services recognized at the point of delivery	65,017	48,921	33
Revenue of vehicles and services recognized over contract period	4,535	4,013	13
Total net sales excluding UD Trucks	69,552	52,934	31
UD Trucks ²	-	5,438	N/A
Total net sales	69,552	58,372	19
Adjusted operating income ¹			
Adjusted operating income	8,690	7,479	16
Adjustments	-1,447	-	-
Operating income	7,243	7,479	-3
Adjusted operating margin, %	12.5	12.8	
Operating margin, %	10.4	12.8	

¹ For more information on adjusted operating income, please see note 6.

² For more information, please see Appendix UD Trucks in the report on the fourth quarter 2021.

Net sales and operating income

In Q1 2022, the truck operation's net sales amounted to SEK 69,552 M, which was 31% higher than in Q1 2021 when excluding UD Trucks. Excluding currency effects, net sales increased by 23% with sales of vehicles increasing by 27% and sales of services by 10%.

Adjusted operating income amounted to SEK 8,690 M (7,479), corresponding to an adjusted operating margin of 12.5% (12.8). Compared with Q1 2021, the higher adjusted operating income is an effect of price realization and improved vehicle and service volumes. This was partly offset by higher material costs, lower earnings in joint ventures and higher freight costs. Compared with Q1 2021, currency movements had a positive impact of SEK 755 M.

In Q1 2022, adjusted operating income excludes a negative effect of SEK 1,447 M primarily from provisioning of inventory and receivables related to Russia. UD Trucks

had a marginally positive impact on operating income in Q1 2021. For more information on adjusted operating income, please see Note 6.

Reported operating income amounted to SEK 7,243 M (7,479).

Important events

In March, Volvo Trucks in North America received an order for 110 Volvo VNR Electric trucks from the global logistics company Maersk. The deal adds to a previous order of 16 trucks of the same model and marks the single largest commercial order to date for Volvo's electric trucks.

Also in March, Renault Trucks announced the expansion of its all-electric range and the start of sales in 2023 of two new models of up to 44 tons, the Renault Trucks T E-Tech for regional transport and the Renault Trucks C E-Tech for the construction industry.

Net order intake of fully electric trucks	First quarter		Change %
	2022	2021	
Number of trucks			
Volvo	202	77	162
Renault Trucks	292	123	137
Heavy- and medium-duty	138	29	376
Light-duty	154	94	64
Mack	-	-	-
Total order intake	494	200	147

Deliveries of fully electric trucks	First quarter		Change %
	2022	2021	
Number of trucks			
Volvo	61	10	510
Renault Trucks	130	16	713
Heavy- and medium-duty	82	4	1,950
Light-duty	48	12	300
Mack	2	-	-
Total deliveries	193	26	642

CONSTRUCTION EQUIPMENT

Performance impacted by China and supply chain disturbances

- » Deliveries down 33% in Q1, primarily due to the market decline in China
- » Adjusted operating income of SEK 2,810 M (3,822), with a margin of 12.4% (15.4)
- » Service sales increased by 17%, adjusted for currency



Charging the ECR25 Electric compact excavator.

Market development

Overall, the total market outside China kept its growth momentum in Q1, fueled by good demand in the commodity segments as well as investments in infrastructure.

The European market grew by 13% in the first two months of the year, influenced by a large number of investments in infrastructure and housing.

In North America, market demand continued on a high level, with strong housing construction and manufacturing activity. The total market grew by 20%.

The South American market continued its strong growth, +45%, with demand for commodities on a high level.

The Chinese market declined by 33% compared to the high levels of prior year, primarily due to a spike in covid-19 cases that has led to restrictions and lockdowns across the country. The pricing pressure, primarily on excavators, remains.

Asia outside of China was down by 8%, negatively impacted by a decline in India due to price increases on machines which was related to new emission regulations. Other key markets in the region continued to grow.

Orders and deliveries

Order intake declined by 42% in Q1 2022. This is mainly due to a continued decline in China and high levels of order intake in Q1 2021. Order intake was also negatively impacted by restrictive order slotting due to large order books and long delivery times as well as cancellation of orders to Russia.

In Q1 2022, deliveries decreased by 33% with a negative impact from lower volumes in China and effects from a strained supply chain.

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

Total market development	Year-to-date February		Previous forecast 2022
	2022	Forecast 2022	
Change in % measured in units			
Europe	13	0% to +10%	0% to +10%
North America	20	+5% to +15%	+5% to +15%
South America	45	+5% to +15%	+5% to +15%
Asia excl. China	-8	0% to +10%	0% to +10%
China	-33	-40% to -30%	-30% to -20%

Net order intake	First quarter		Change %
	2022	2021	
Number of construction equipment			
Europe	5,149	7,808	-34
North America	1,254	3,564	-65
South America	685	1,324	-48
Asia	12,854	22,038	-42
Africa and Oceania	741	882	-16
Total orders	20,683	35,616	-42
Large and medium construction equipment	15,075	25,832	-42
Compact construction equipment	5,608	9,784	-43
Of which fully electric	141	78	81
Total orders	20,683	35,616	-42
Of which:			
Volvo	9,376	16,166	-42
SDLG	11,261	19,403	-42
Of which in China	9,183	17,191	-47

Deliveries	First quarter		Change %
	2022	2021	
Number of construction equipment			
Europe	4,815	5,927	-19
North America	1,735	1,684	3
South America	951	793	20
Asia	12,698	21,849	-42
Africa and Oceania	580	704	-18
Total deliveries	20,779	30,957	-33
Large and medium construction equipment	15,215	21,871	-30
Compact construction equipment	5,564	9,086	-39
Of which fully electric	113	111	2
Total deliveries	20,779	30,957	-33
Of which:			
Volvo	9,472	11,275	-16
SDLG	11,261	19,635	-43
Of which in China	9,183	17,396	-47

Net sales and operating income	First quarter		Change %
	2022	2021	
SEK M			
Net sales per geographical region			
Europe	7,388	7,263	2
North America	4,762	4,297	11
South America	1,090	674	62
Asia	8,128	11,319	-28
Africa and Oceania	1,244	1,189	5
Total net sales	22,613	24,742	-9
Net sales per product group			
Construction equipment	18,983	21,844	-13
Services	3,630	2,898	25
Total net sales	22,613	24,742	-9
Timing of revenue recognition			
Revenue of vehicles and services recognized at the point of delivery	22,017	24,283	-9
Revenue of vehicles and services recognized over contract period	596	459	30
Total net sales	22,613	24,742	-9
Adjusted operating income ¹	2,810	3,822	-26
Adjustments	-106	-	-
Operating income	2,703	3,822	-29
Adjusted operating margin, %	12.4	15.4	
Operating margin, %	12.0	15.4	

¹ For more information on adjusted operating income, please see note 6.

Net sales and operating income

In Q1 2022, net sales decreased by 9% to SEK 22,613 M (24,742). Adjusted for currency movements net sales decreased by 16%, of which net sales of machines declined by 20% while service sales increased by 17%.

Adjusted operating income amounted to SEK 2,810 M (3,822), corresponding to an adjusted operating margin of 12.4% (15.4). Operating income was negatively affected by lower machine volumes and higher material costs, which were partially mitigated by improved price realization and higher service volumes. Compared with Q1 2021, currency movements had a positive impact of SEK 327 M.

In Q1 2022, adjusted operating income excludes a negative effect of SEK 106 M from provisioning for receivables related to Russia. For more information on adjusted operating income, please see Note 6.

Reported operating income amounted to SEK 2,703 M (3,822).

Important events

Volvo CE launched its first fully electric machine on the Asian market. The compact ECR25 electric excavator is now available to order for customers in South Korea as the latest step in the roll out of the company's electric offering across global markets.

During Q1, Volvo CE also offered a new Carbon Reduction Program aimed at helping customers realize their own unique goals towards carbon-neutrality.

BUSES

Improved order intake and service sales

- » Order intake increased by 146% while deliveries decreased by 2% in Q1
- » Both adjusted and reported operating income amounted to SEK 20 M (-15) with a margin of 0.7% (-0.6)
- » Currency-adjusted service sales increased 24% reflecting improved utilization



As covid restrictions have been lifted in many markets, the confidence level has started to pick up and utilization of the vehicles has increased. Demand has improved, especially for services, used buses and coaches in North America. Activity in the city and transit bus markets also continued to improve from low levels.

Compared with Q1 2021, net order intake increased by 146% to 1,764 units. Volvo Buses received a significant order of 566 buses for Santiago, Chile, confirming the very strong position for Volvo within highly demanding city bus operations. Good order intake was also noticed in Australia, Mexico and Brazil.

Deliveries during Q1 amounted to 947 units, 2% fewer than in Q1 2021.

Net sales increased by 28% to SEK 3,051 M (2,378). Adjusted for currency movements, net sales increased by

20%, with increases for vehicle sales of 18% and service sales of 24%.

Both adjusted and reported operating income amounted to SEK 20 M (-15), corresponding to an operating margin of 0.7% (-0.6). Earnings were favorably impacted by increased service volumes and a positive customer mix, which were offset by higher material costs. Compared with Q1 2021, currency movements had a positive impact on operating income of SEK 49 M.

In February, Volvo Buses won the prestigious UITP Climate and Health award for the successful electromobility implementation in Gothenburg, Sweden. UITP is the International Association of Public Transport. The award recognized the positive environmental benefits the electric bus system has had on the city.

Net order intake and deliveries ¹		First quarter		Change %
Number of buses		2022	2021	
Total orders		1,764	718	146
Of which fully electric		52	26	100
Of which hybrids		12	67	-82
Total deliveries		947	965	-2
Of which fully electric		31	28	11
Of which hybrids		3	27	-89
Net sales and operating income ¹		First quarter		Change %
SEK M		2022	2021	
Net sales per geographical region				
Europe		997	971	3
North America		1,243	415	200
South America		247	170	45
Asia		247	451	-45
Africa and Oceania		316	371	-15
Total net sales		3,051	2,378	28
Net sales per product group				
Vehicles		2,082	1,644	27
Services		969	733	32
Total net sales		3,051	2,378	28
Timing of revenue recognition				
Revenue of vehicles and services recognized at the point of delivery		2,893	2,238	29
Revenue of vehicles and services recognized over contract period		157	140	12
Total net sales		3,051	2,378	28
Adjusted operating income ²				
Adjusted operating income		20	-15	233
Adjustments		-	-	-
Operating income		20	-15	233
Adjusted operating margin, %		0.7	-0.6	
Operating margin, %		0.7	-0.6	

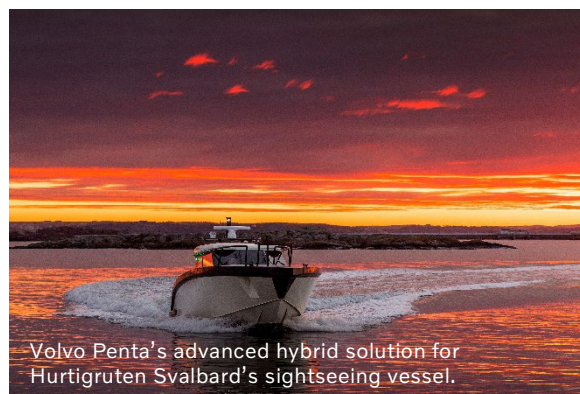
¹ Financial numbers for 2021 have been restated. For more information, please see Appendix Nova Bus in the report on the fourth quarter 2021.

² For more information on adjusted operating income, please see note 6.

VOLVO PENTA

Stable performance

- » In Q1, deliveries increased by 8% while net order intake decreased by 1%
- » Adjusted operating income amounted to SEK 769 M (643) with a margin of 18.3% (18.9)
- » Launch of power upgrade to D13 genset engine



Demand in the marine leisure market continued to be strong in Q1. The marine commercial market has recovered and investments in new vessels, that were postponed due to covid-19, have restarted with an increasing interest in more sustainable solutions.

There has been a continued good development in the market for industrial off-road engines, driven by the material handling, agriculture and mining sectors. The industrial power generation market has also been positive.

In Q1, net order intake decreased by 1% to 14,315 units while deliveries increased by 8% to 11,514 units.

Net sales increased by 23% to SEK 4,204 M (3,409). Adjusted for currency movements, net sales increased by 18%, of which sales of engines increased by 18% and sales of services by 17%.

Adjusted operating income amounted to SEK 769 M (643), corresponding to an adjusted operating margin of

18.3% (18.9). Earnings were favorably impacted by increased engine and service volumes as well as price realization. This was partly offset by higher material costs and increased freight costs. Compared with Q1 2021, the currency impact on operating income was positive in an amount of SEK 99 M. For more information on adjusted operating income, please see Note 6.

Reported operating income amounted to SEK 767 M (643).

During Q1, Volvo Penta introduced a new D13 500 kVA genset, which expands the power generation offer further.

Volvo Penta's advanced hybrid solution for Hurtigruten Svalbard's new sightseeing vessel was recently put through its first test at sea and will be used in the sensitive archipelago of Svalbard from the beginning of May.

Net order intake and deliveries		First quarter		Change %
		2022	2021	
Number of Engines				
Total orders		14,315	14,508	-1
Of which fully electric		18	4	350
Total deliveries		11,514	10,623	8
Of which fully electric		6	4	50
Net sales and operating income		First quarter		Change %
SEK M		2022	2021	
Net sales per geographical region				
Europe		2,344	1,898	23
North America		778	614	27
South America		143	107	34
Asia		700	592	18
Africa and Oceania		239	197	21
Total net sales		4,204	3,409	23
Net sales per product group				
Engines		3,058	2,470	24
Services		1,146	939	22
Total net sales		4,204	3,409	23
Timing of revenue recognition				
Revenue of vehicles and services recognized at the point of delivery		4,204	3,409	23
Revenue of vehicles and services recognized over contract period		-	-	-
Total net sales		4,204	3,409	23
Adjusted operating income ¹		769	643	20
Adjustments		-3	-	-
Operating income		767	643	19
Adjusted operating margin, %		18.3	18.9	
Operating margin, %		18.2	18.9	

¹ For more information on adjusted operating income, please see note 6.

FINANCIAL SERVICES

Good portfolio growth and performance

- » In Q1, new business volume increased 14%, adjusted for currency
- » Adjusted operating income of SEK 882 M (682)
- » Credit provision of SEK 3 billion related to Russia

In Q1 2022, portfolio performance outside of Russia continued to be stable due to high demand for transportation and construction services.

When adjusted for currency, new business volume was up by 14% over Q1 2021 due to increased penetration and higher unit prices on Group products. Adjusted for currency and excluding impacts related to Russia, the credit portfolio grew by 7% compared with Q1 2021.

Adjusted operating income increased to SEK 882 M (682). This was primarily a result of profitable portfolio



growth and lower credit provisions, which were partially offset by higher selling and administrative expenses. For more information on adjusted operating income, please see Note 6.

Operating income amounted to SEK -1,686 M (682), including an adjustment of SEK -2,568 M primarily related to Russia.

Return on shareholders' equity excluding the impacts related to Russia reached 18.7% (8.7).

Financial Services SEK M	First quarter	
	2022	2021
Number of financed units, 12 months rolling	69,902	63,550
Total penetration rate, 12 months rolling, % ¹	31	31
New retail financing volume, SEK billion	22.3	18.2
Credit portfolio net, SEK billion	179	162
Credit provision expenses	3,033	182
Credit provision expenses excluding impacts related to Russia	73	182
Adjusted operating income ²	882	682
Adjustments ²	-2,568	-
Operating income	-1,686	682
Credit reserves, % of credit portfolio	3.38	2.06
Credit reserves, % of credit portfolio excluding impacts related to Russia	1.79	2.06
Return on equity, 12 months rolling, %	4.1	8.7
Return on equity excluding impacts related to Russia, 12 months rolling, % ²	18.7	8.7

¹ Share of unit sales financed by Volvo Financial Services in relation to the total number of units sold by the Volvo Group in markets where financial services are offered.
² For more information on adjustments, please see note 6.

IMPORTANT EVENTS FOR THE VOLVO GROUP

Tina Hultkvist new CFO

On March 15, Tina Hultkvist took up the position as Chief Financial Officer and became a new member of Volvo Group Executive Board. She succeeded Jan Ytterberg, who continues as Volvo Group senior advisor.

Annual General Meeting of AB Volvo

AB Volvo's Annual General Meeting on April 6, 2022, adopted the income statement and balance sheet as well as the consolidated income statement and the consolidated balance sheet. In accordance with the Board of Director's proposal, the Meeting resolved that an ordinary dividend of SEK 6.50 per share and an extraordinary dividend of SEK 6.50 per share should be paid to the shareholders. The Board Members, Board Deputies and the President & CEO were discharged from liability for their administration during the 2021 fiscal year. Matti Alahuhta, Eric Elzvik, Martha Finn Brooks, Kurt Jofs, Martin Lundstedt, Kathryn V. Marinello, Martina Merz, Hanne de Mora, Helena Stjernholm and Carl-Henric Svanberg were re-elected as members of the Board. Jan Carlson was elected as new member of the

Board. Carl-Henric Svanberg was re-elected as Chairman of the Board. Pär Boman (AB Industrivärden), Anders Oscarsson (AMF and AMF Funds), Magnus Billing (Alecta), Anders Algotsson (AFA Insurance) and the Chairman of the Board were elected members of the Election Committee. The Annual General Meeting approved the Board of Director's remuneration report. A remuneration policy for senior executives was adopted in accordance with the Board of Directors' motion.

Financial impact due to the war in Ukraine

Since the war in Ukraine started and sanctions were imposed, all sales, service and production in Russia have been suspended. The Volvo Group have total assets of approximately SEK 9 billion related to Russia, of which approximately SEK 6 billion is cash items that could be materialized over the coming years. In Q1 2022, operating income included a negative effect due to a provisioning for assets of SEK 4,125 M related to Russia.

Detailed information about the events is available at www.volvogroup.com

CONSOLIDATED INCOME STATEMENT FIRST QUARTER

SEK M	Industrial Operations		Financial Services		Eliminations		Volvo Group	
	2022	2021	2022	2021	2022	2021	2022	2021
Net sales	102,345	91,209	3,734	3,257	-762	-447	105,317	94,018
Cost of sales	-79,327	-68,919	-2,135	-1,851	763	448	-80,700	-70,322
Gross income	23,018	22,289	1,599	1,406	1	1	24,617	23,696
Research and development expenses	-4,583	-4,370	-	-	-	-	-4,583	-4,370
Selling expenses	-6,124	-5,664	-659	-584	-	-	-6,783	-6,249
Administrative expenses	-1,318	-1,153	-3	-3	-	-	-1,321	-1,156
Other operating income and expenses	-754	-366	-2,623	-137	-	-	-3,377	-503
Income/loss from investments in joint ventures and associated companies	-123	645	-	-	-	-	-123	645
Income/loss from other investments	127	3	0	0	-	-	127	3
Operating income	10,241	11,384	-1,686	682	1	1	8,556	12,067
Interest income and similar credits	139	78	-	-	-14	-2	125	76
Interest expenses and similar charges	-343	-298	0	0	14	2	-328	-296
Other financial income and expenses	674	443	-	-	-	-	674	443
Income after financial items	10,712	11,607	-1,686	682	1	1	9,027	12,290
Income taxes	-2,243	-3,105	287	-180	-0	0	-1,956	-3,286
Income for the period *	8,469	8,502	-1,399	502	0	0	7,071	9,004

* Attributable to:

Owners of AB Volvo	7,033	8,841
Non-controlling interest	38	164
	7,071	9,004

Basic earnings per share, SEK	3.46	4.35
Diluted earnings per share, SEK	3.46	4.35

Key ratios, %

Gross margin	22.5	24.4	-	-	-	-	23.4	25.2
Research and development expenses as % of net sales	4.5	4.8	-	-	-	-	4.4	4.6
Selling expenses as % of net sales	6.0	6.2	-	-	-	-	6.4	6.6
Administrative expenses as % of net sales	1.3	1.3	-	-	-	-	1.3	1.2
Operating margin	10.0	12.5	-	-	-	-	8.1	12.8

CONSOLIDATED OTHER COMPREHENSIVE INCOME FIRST QUARTER

SEK M	2022	2021
Income for the period	7,071	9,004
Items that will not be reclassified to income statement:		
Remeasurements of defined benefit pension plans	3,060	3,499
Remeasurements of holding of shares at fair value	-25	40
Items that may be reclassified subsequently to income statement:		
Exchange differences on translation of foreign operations	3,023	3,595
Share of OCI related to joint ventures and associated companies	386	669
Other comprehensive income, net of income taxes	6,444	7,803
Total comprehensive income for the period *	13,515	16,807
* Attributable to:		
Owners of AB Volvo	13,387	16,467
Non-controlling interest	128	340
	13,515	16,807

CONSOLIDATED BALANCE SHEET

SEK M	Industrial Operations		Financial Services		Eliminations		Volvo Group	
	Mar 31 2022	Dec 31 2021	Mar 31 2022	Dec 31 2021	Mar 31 2022	Dec 31 2021	Mar 31 2022	Dec 31 2021
Assets								
Non-current assets								
Intangible assets	37,908	36,971	95	98	-	-	38,002	37,070
<i>Tangible assets</i>								
Property, plant and equipment	55,806	54,356	48	48	-	-	55,854	54,405
Assets under operating leases	32,626	32,150	19,626	19,658	-11,982	-11,838	40,270	39,969
<i>Financial assets</i>								
Investments in Joint Ventures and associated companies	21,454	20,685	-	-	-	-	21,454	20,685
Other shares and participations	480	524	17	15	-	-	497	539
Non-current customer-financing receivables	1,692	1,669	86,388	83,774	-2,121	-2,057	85,958	83,386
Net pension assets	2,396	2,372	-	-	-	-	2,396	2,372
Non-current interest-bearing receivables	1,168	1,747	214	74	-210	-70	1,172	1,752
Other non-current receivables	9,576	9,211	671	187	-176	-170	10,072	9,227
Deferred tax assets	10,978	9,744	1,815	1,203	0	0	12,792	10,947
Total non-current assets	174,083	169,430	108,874	105,058	-14,489	-14,135	268,468	260,352
Current assets								
Inventories	72,501	63,715	227	202	-	-	72,729	63,916
<i>Current receivables</i>								
Customer-financing receivables	903	868	73,153	68,352	-1,133	-1,102	72,923	68,118
Tax assets	1,570	1,336	251	373	-	-	1,821	1,708
Interest-bearing receivables	3,572	1,976	0	0	-26	-26	3,546	1,950
Internal funding	1,776	16,672	-	-	-1,776	-16,672	-	-
Accounts receivable	41,320	39,321	1,463	1,455	-	-	42,783	40,776
Other receivables	18,879	18,103	1,746	1,840	-3,973	-3,201	16,652	16,742
Marketable securities	83	167	-	-	-	-	83	167
Cash and cash equivalents	69,691	59,435	4,549	3,913	-851	-1,223	73,388	62,126
Assets held for sale	-	-	-	-	-	-	-	-
Total current assets	210,295	201,593	81,388	76,135	-7,759	-22,223	283,925	255,504
Total assets	384,378	371,022	190,262	181,193	-22,247	-36,359	552,392	515,856
Equity and liabilities								
Equity attributable to owners of AB Volvo	139,258	126,546	15,221	14,500	-1	-2	154,478	141,045
Non-controlling interest	3,200	3,073	-	-	-	-	3,200	3,073
Total equity	142,458	129,619	15,221	14,500	-1	-2	157,678	144,118
<i>Non-current provisions</i>								
Provisions for post-employment benefits	8,554	12,095	87	82	-	-	8,641	12,177
Provisions for deferred taxes	3,752	2,774	2,197	2,153	-	-	5,949	4,926
Other provisions	11,071	10,610	60	49	-	557	11,131	11,216
<i>Non-current liabilities</i>								
Bond loans	85,999	79,365	-	-	-	-	85,999	79,365
Other loans	24,505	16,488	11,135	10,148	-1,861	-1,823	33,780	24,812
Internal funding	-96,932	-82,734	76,794	74,223	20,138	8,512	-	-
Other liabilities	44,488	42,978	1,743	1,557	-7,257	-7,705	38,973	36,831
Current provisions	11,916	11,535	24	36	-	383	11,940	11,954
<i>Current liabilities</i>								
Bond loans	21,602	21,747	-	-	-	-	21,602	21,747
Other loans	30,932	21,230	7,878	7,432	-1,008	-962	37,802	27,700
Internal funding	-42,990	-36,176	66,462	63,141	-23,473	-26,964	-	-
Trade payables	72,170	76,079	656	666	-	-	72,826	76,745
Tax liabilities	4,061	3,720	454	567	-	-	4,515	4,287
Other liabilities	62,791	61,693	7,551	6,639	-8,785	-8,354	61,556	59,978
Liabilities held for sale	-	-	-	-	-	-	-	-
Total equity and liabilities	384,378	371,022	190,262	181,193	-22,247	-36,359	552,392	515,856
Key ratios, %								
Equity ratio	37.1	34.9	8.0	8.0	0.0	0.0	28.5	27.9
Equity attributable to owners of AB Volvo, per share in SEK	-	-	-	-	-	-	76.0	69.4
Return on operating capital ¹	50.7	51.9	-	-	-	-	-	-
Return on capital employed ¹	25.3	25.3	-	-	-	-	-	-
Return on equity ¹	-	-	4.1	18.0	-	-	22.3	23.4

¹ 12 months rolling.

CONSOLIDATED CASH FLOW STATEMENT FIRST QUARTER

SEK M	Industrial Operations		Financial Services		Eliminations		Volvo Group	
	2022	2021	2022	2021	2022	2021	2022	2021
Operating activities								
Operating income	10,241	11,384	-1,686	682	1	1	8,556	12,067
Amortization intangible assets	700	634	9	9	-	-	709	643
Depreciation tangible assets	1,860	1,792	6	6	-	-	1,866	1,798
Depreciation leasing vehicles	1,183	1,037	1,127	1,068	0	-5	2,310	2,101
Other non-cash items ¹	1,829	-696	2,963	245	-15	-23	4,777	-475
Total change in working capital whereof	-15,890	-3,183	-4,350	-4,016	-20	156	-20,260	-7,043
<i>Change in accounts receivables</i>	-1,274	-4,773	-6	-60	-	-	-1,280	-4,833
<i>Change in customer-financing receivables</i>	4	-132	-5,160	-4,227	17	160	-5,139	-4,199
<i>Change in inventories</i>	-7,765	-6,357	-32	97	-	-	-7,797	-6,260
<i>Change in trade payables</i>	-5,428	9,237	-9	113	-	-	-5,437	9,350
<i>Other changes in working capital</i>	-1,426	-1,159	857	61	-37	-4	-606	-1,102
Interest and similar items received	108	78	0	0	6	4	114	83
Interest and similar items paid	-423	-399	0	4	9	21	-414	-375
Other financial items	77	-32	-	-	-	-	77	-32
Income taxes paid	-1,826	-3,082	-276	-274	-	-	-2,102	-3,356
Cash flow from operating activities	-2,140	7,535	-2,208	-2,277	-20	153	-4,368	5,411
Investing activities								
Investments in intangible assets	-1,345	-634	-4	-9	-	-	-1,348	-642
Investments in tangible assets	-1,947	-1,419	-1	0	-	-	-1,948	-1,420
Investment in leasing vehicles	-1	-16	-2,117	-2,325	4	7	-2,113	-2,333
Disposals of in-/tangible assets and leasing vehicles	32	199	1,391	1,550	-3	-7	1,420	1,741
Operating cash flow	-5,400	5,665	-2,939	-3,061	-18	153	-8,357	2,757
Investments of shares							-525	-6,895
Divestments of shares							157	-
Acquired operations							-	-13
Divested operations							153	-11
Interest-bearing receivables incl. marketable securities							-381	-30
Cash flow after net investments							-8,952	-4,192
Financing activities								
New borrowings							50,345	17,262
Repayments of borrowings							-30,975	-27,625
Other							37	-86
Change in cash and cash equivalents excl. translation differences							10,455	-14,641
Translation difference on cash and cash equivalents							808	1,579
Change in cash and cash equivalents							11,263	-13,061

¹ The increase of Other non-cash items refers to the financial impact related to Russia.

CONSOLIDATED NET FINANCIAL POSITION

Net financial position excl. post-employment benefits and lease liabilities SEK bn	Industrial Operations		Volvo Group	
	Mar 31 2022	Dec 31 2021	Mar 31 2022	Dec 31 2021
Non-current interest-bearing assets				
Non-current customer-financing receivables	-	-	86.0	83.4
Non-current interest-bearing receivables	1.2	1.7	1.2	1.8
Current interest-bearing assets				
Customer-financing receivables	-	-	72.9	68.1
Interest-bearing receivables	3.6	2.0	3.5	2.0
Internal funding	1.8	16.7	-	-
Marketable securities	0.1	0.2	0.1	0.2
Cash and cash equivalents	69.7	59.4	73.4	62.1
Total interest-bearing financial assets	76.3	80.0	237.1	217.5
Non-current interest-bearing liabilities				
Bond loans	-86.0	-79.4	-86.0	-79.4
Other loans	-20.0	-12.0	-29.3	-20.3
Internal funding	96.9	82.7	-	-
Current interest-bearing liabilities				
Bond loans	-21.6	-21.7	-21.6	-21.7
Other loans	-29.2	-19.6	-36.0	-26.1
Internal funding	43.0	36.2	-	-
Total interest-bearing financial liabilities excl. lease liabilities	-16.8	-13.8	-172.9	-147.5
Net financial position excl. post-employment benefits and lease liabilities	59.5	66.2	64.2	70.0

Provisions for post-employment benefits and lease liabilities, net SEK bn	Industrial Operations		Volvo Group	
	Mar 31 2022	Dec 31 2021	Mar 31 2022	Dec 31 2021
Non-current lease liabilities	-4.5	-4.5	-4.5	-4.5
Current lease liabilities	-1.8	-1.7	-1.8	-1.6
Provisions for post-employment benefits, net	-6.2	-9.7	-6.2	-9.8
Provisions for post-employment benefits and lease liabilities, net	-12.5	-15.9	-12.5	-15.9

Net financial position incl. post-employment benefits and lease liabilities SEK bn	Industrial Operations		Volvo Group	
	Mar 31 2022	Dec 31 2021	Mar 31 2022	Dec 31 2021
Net financial position excl. post-employment benefits and lease liabilities	59.5	66.2	64.2	70.0
Provisions for post-employment benefits and lease liabilities, net	-12.5	-15.9	-12.5	-15.9
Net financial position incl. post-employment benefits and lease liabilities	47.0	50.4	51.6	54.1

CHANGES IN NET FINANCIAL POSITION, INDUSTRIAL OPERATIONS

SEK bn	First quarter 2022
Net financial position excl. post-employment benefits and lease liabilities at the end of previous period	66.2
Operating cash flow	-5.4
Investments and divestments of shares, net	-0.4
Acquired and divested operations, net	0.2
Capital injections to/from Financial Services	-1.3
Currency effect	0.8
Other changes	-0.6
Net financial position excl. post-employment benefits and lease liabilities at the end of period	59.5
Provisions for post-employment benefits and lease liabilities at the end of previous period	-15.9
Pension payments, included in operating cash flow	0.2
Remeasurements of defined post-employment benefits	3.9
Service costs and other pension costs	-0.4
Investments, remeasurements and amortizations of lease contracts	-0.0
Currency effect	-0.3
Other changes	-0.0
Provisions for post-employment benefits and lease liabilities at the end of period	-12.5
Net financial position incl. post-employment benefits and lease liabilities at the end of period	47.0

CONSOLIDATED CHANGES IN TOTAL EQUITY

SEK bn	Mar 31 2022	Dec 31 2021
Total equity at the end of previous period	144.1	148.1
Equity attributable to shareholders of AB Volvo at the end of previous period	141.0	145.3
Income for the period	7.0	32.8
Other comprehensive income	6.4	12.6
Total comprehensive income	13.4	45.4
Dividend to AB Volvo shareholders	0.0	-49.8
Other changes	0.1	0.2
Equity attributable to shareholders of AB Volvo at the end of period	154.5	141.0
Non-controlling interest at the end of previous period	3.1	2.8
Income for the period	0.0	0.5
Other comprehensive income	0.1	0.4
Total comprehensive income	0.1	0.8
Dividend to non-controlling interest	-	-0.6
Other changes	0.0	0.0
Non-controlling interest at the end of period	3.2	3.1
Total equity at the end of period	157.7	144.1

QUARTERLY FIGURES

Income Statements, Volvo Group					
SEK M unless otherwise stated	1/2022	4/2021	3/2021	2/2021	1/2021
Net sales	105,317	102,378	85,258	90,561	94,018
Cost of sales	-80,700	-78,941	-64,357	-68,843	-70,322
Gross income	24,617	23,436	20,902	21,718	23,696
Research and development expenses	-4,583	-4,803	-4,074	-4,780	-4,370
Selling expenses	-6,783	-6,148	-5,597	-5,965	-6,249
Administrative expenses	-1,321	-1,450	-991	-1,274	-1,156
Other operating income and expenses	-3,377	-161	-482	1,393	-503
Income/loss from investments in Joint Ventures and associated companies	-123	-668	-322	290	645
Income/loss from other investments	127	13	-32	2	3
Operating income	8,556	10,219	9,403	11,384	12,067
Interest income and similar credits	125	94	99	88	76
Interest expenses and similar charges	-328	-315	-291	-264	-296
Other financial income and expenses	674	204	222	57	443
Income after financial items	9,027	10,202	9,433	11,265	12,290
Income taxes	-1,956	-2,136	-2,325	-2,202	-3,286
Income for the period *	7,071	8,066	7,109	9,064	9,004
* Attributable to:					
Owners of AB Volvo	7,033	7,995	7,052	8,900	8,841
Non-controlling interest	38	72	56	164	164
	7,071	8,066	7,109	9,064	9,004
Key ratios, Volvo Group, %					
Gross margin	23.4	22.9	24.5	24.0	25.2
Research and development expenses as % of net sales	4.4	4.7	4.8	5.3	4.6
Selling expenses as % of net sales	6.4	6.0	6.6	6.6	6.6
Administrative expenses as % of net sales	1.3	1.4	1.2	1.4	1.2
Operating margin	8.1	10.0	11.0	12.6	12.8
Key ratios, Industrial Operations, %					
Gross margin	22.5	22.0	23.6	23.2	24.4
Research and development expenses as % of net sales	4.5	4.8	5.0	5.4	4.8
Selling expenses as % of net sales	6.0	5.5	6.1	6.1	6.2
Administrative expenses as % of net sales	1.3	1.5	1.2	1.4	1.3
Operating margin	10.0	9.4	10.4	11.9	12.5
EBITDA margin, Industrial Operations					
Operating income Industrial Operations	10,241	9,352	8,576	10,471	11,384
Product and software development, amortization	667	676	666	687	594
Other intangible assets, amortization	33	23	40	32	40
Tangible assets, depreciation	3,043	2,957	3,017	2,736	2,830
Total depreciation and amortization	3,743	3,655	3,724	3,454	3,464
Operating Income before depreciation and amortization (EBITDA)	13,984	13,007	12,301	13,925	14,847
EBITDA margin, %	13.7	13.0	14.9	15.9	16.3
Net capitalization of research and development					
Capitalization	1,324	1,199	620	591	621
Amortization	-628	-637	-628	-653	-561
Net capitalization and amortization	696	562	-7	-63	60
Return on operating capital in Industrial Operations, % ¹	50.7	51.9	54.9	49.8	35.0
Return on capital employed in Industrial Operations, % ¹	25.3	25.3	25.6	23.4	17.1

¹ 12 months rolling.

QUARTERLY FIGURES

Net sales					
SEK M	1/2022	4/2021	3/2021	2/2021	1/2021
Trucks	69,552	67,164	53,401	51,945	58,372
Construction Equipment	22,613	21,812	19,638	25,839	24,742
Buses ¹	3,051	4,157	3,306	3,811	2,378
Volvo Penta	4,204	3,634	3,428	3,967	3,409
Group Functions & Other ¹	3,848	3,973	3,271	3,001	3,214
Eliminations	-923	-993	-748	-752	-906
Industrial Operations	102,345	99,747	82,296	87,810	91,209
Financial Services	3,734	3,579	3,368	3,233	3,257
Reclassifications and eliminations	-762	-948	-406	-482	-447
Volvo Group	105,317	102,378	85,258	90,561	94,018

¹ Financial numbers for 2021 have been restated. For more information, please see Appendix Nova Bus in the report on the fourth quarter 2021.

Operating income					
SEK M	1/2022	4/2021	3/2021	2/2021	1/2021
Trucks	7,243	7,052	5,814	7,004	7,479
Construction Equipment	2,703	2,396	2,635	3,374	3,822
Buses ¹	20	-22	124	-9	-15
Volvo Penta	767	330	501	617	643
Group Functions & Other ¹	-489	-459	-515	-514	-530
Eliminations	-3	54	17	-2	-15
Industrial Operations	10,241	9,352	8,576	10,471	11,384
Financial Services	-1,686	867	826	913	682
Reclassifications and eliminations	1	0	1	0	1
Volvo Group	8,556	10,219	9,403	11,384	12,067

¹ Financial numbers for 2021 have been restated. For more information, please see Appendix Nova Bus in the report on the fourth quarter 2021.

Adjusted operating income ¹					
SEK M	1/2022	4/2021	3/2021	2/2021	1/2021
Trucks	8,690	6,924	5,814	5,350	7,479
Construction Equipment	2,810	2,396	2,635	3,374	3,822
Buses ²	20	-42	124	-9	-15
Volvo Penta	769	330	501	617	643
Group Functions & Other ²	-488	-461	-515	-514	-776
Eliminations	-3	54	17	-2	-15
Industrial Operations	11,798	9,202	8,576	8,817	11,138
Financial Services	882	858	826	913	682
Reclassifications and eliminations	1	0	1	0	1
Volvo Group adjusted operating income	12,681	10,060	9,403	9,730	11,821

¹ For more information on adjusted operating income, please see note 6.

² Financial numbers for 2021 have been restated. For more information, please see Appendix Nova Bus in the report on the fourth quarter 2021.

Operating margin					
%	1/2022	4/2021	3/2021	2/2021	1/2021
Trucks	10.4	10.5	10.9	13.5	12.8
Construction Equipment	12.0	11.0	13.4	13.1	15.4
Buses ¹	0.7	-0.5	3.8	-0.2	-0.6
Volvo Penta	18.2	9.1	14.6	15.6	18.9
Industrial Operations	10.0	9.4	10.4	11.9	12.5
Volvo Group	8.1	10.0	11.0	12.6	12.8

¹ Financial numbers for 2021 have been restated. For more information, please see Appendix Nova Bus in the report on the fourth quarter 2021.

Adjusted operating margin					
%	1/2022	4/2021	3/2021	2/2021	1/2021
Trucks	12.5	10.3	10.9	10.3	12.8
Construction Equipment	12.4	11.0	13.4	13.1	15.4
Buses ¹	0.7	-1.0	3.8	-0.2	-0.6
Volvo Penta	18.3	9.1	14.6	15.6	18.9
Industrial Operations	11.5	9.2	10.4	10.0	12.2
Volvo Group adjusted operating margin	12.0	9.8	11.0	10.7	12.6

¹ Financial numbers for 2021 have been restated. For more information, please see Appendix Nova Bus in the report on the fourth quarter 2021.

QUARTERLY FIGURES

Share data	1/2022	4/2021	3/2021	2/2021	1/2021
Earnings per share, SEK ¹	3.46	3.93	3.47	4.38	4.35
Earnings per share, SEK ¹ , 12 months rolling	15.23	16.12	16.72	16.07	11.55
Diluted earnings per share, SEK	3.46	3.93	3.47	4.38	4.35
Number of outstanding shares in millions	2,033	2,033	2,033	2,033	2,033
Average number of shares before dilution in millions	2,033	2,033	2,033	2,033	2,033
Average number of shares after dilution in millions	2,033	2,033	2,033	2,033	2,033
Number of own shares in millions	0	0	0	0	0
Average number of own shares in millions	0	0	0	0	0

¹ Earnings per share are calculated as Income for the period (excl. Non-controlling interest) divided by the weighted average number of shares outstanding during the period.

NOTE 1 | ACCOUNTING POLICIES

The Volvo Group applies International Financial Reporting Standards (IFRS) as endorsed by the EU. The accounting policies and definitions are consistently applied with those described in the Volvo Group Annual and Sustainability Report 2021 (available at www.volvogroup.com). There are no new accounting policies applicable from 2022 that significantly affects the Volvo Group.

This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act. The Parent Company applies the Swedish Annual Accounts Act and RFR 2 Reporting for legal entities.

NOTE 2 | RISKS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Each of the Volvo Group's Business Areas and Truck Divisions monitors and manages risks in its operations. In addition, the Volvo Group utilizes a centralized Enterprise Risk Management (ERM) reporting process, which is a systematic and structured framework for reporting and reviewing risk assessments and mitigations as well as for follow-up on identified risks.

The ERM process classifies Volvo Group risks into five categories:

Macro and market related risks – such as the cyclical nature of the commercial vehicles industry, intense competition, extensive government regulations, political instability and security;

Operational risks – such as transformation and technology risk, new business models, risks related to industrial operations, reliance on suppliers and scarce materials, cost inflation and price increases, cybersecurity and IT infrastructure, strategic transactions such as mergers and acquisitions, partnerships and divestments as well as residual value commitments;

Climate and people risks – such as pandemics, climate and risk related to people and culture as well as human rights;

Compliance risks – such as non-compliance with data protection laws, protection and maintenance of intangible assets, legal proceedings and corruption and non-compliance with competition law; and

Financial risks – such as insurance coverage, credit risk, pension commitments, interest level and currency fluctuations, liquidity risks, as well as impairment on goodwill and other intangible assets.

For a more elaborate description of these risks, please refer to the Risk Management section on pages 70-75 in the Volvo Group Annual and Sustainability Report 2021.

Risk updates

Short-term risks, when applicable, are also described in the respective segment section of this report.

Update on supply situation and inflationary pressure

Our ability to deliver according to market demand depends significantly on obtaining a timely and adequate supply of materials, components and other vital services, as well as on our ability to properly utilize the capacity in the Group's different production and services facilities. At present, our supply chain and industrial system are strained in many areas due to e.g. shortages of semiconductors and other materials and components, shortages of transport services and developments of the covid-19 pandemic and response measures taken. In addition, the war in Ukraine and ensuing sanctions may also impact our supply chain and industrial system. There will be supply chain disturbances and stoppages in production going forward. Such disturbances could lead to higher costs and interruptions in production and delivery of Group products and services, that could have a material negative impact on the Group's financial performance.

The Group is experiencing higher input costs from increased prices on e.g. purchased material, freight and energy as well as higher labor costs. If the Group is unable to compensate for the higher input costs through increased

prices on products and services sold, this could have a negative impact on the Group's financial performance.

The covid-19 pandemic

The outbreak of the covid-19 pandemic throughout the world has led to major disruptions in the economies of many countries, including the Group's key markets. These have previously had an adverse effect on demand for the Group's products and services and on the financial performance of the Group and depending on the developments of the pandemic, it cannot be excluded that a similar situation would occur again.

The duration and expected development of the covid-19 pandemic is unknown, and no predictions can be made in relation to future impacts. A prolongation or worsening of the virus outbreak would, however, be expected to negatively affect the Group's financial performance and could have a material adverse effect on the Group's business and financial development.

Accounts receivable

Due to the prevailing business model in the construction equipment industry in China, with long payment terms to customers, a substantial part of the Volvo Group's accounts receivable are normally related to customers in this market. The weakened Chinese construction equipment market may negatively impact customers' and dealers' ability to honor their obligations to the Group and consequently have a material adverse effect on the Group's financial result and position.

Detected premature degradation of emissions control component

As previously communicated, the Volvo Group has detected that an emissions control component used in certain markets and models, may degrade more quickly than expected, affecting the vehicles emission performance negatively. The Volvo Group made a provision of SEK 7 billion impacting the operating income in Q4 2018, relating to the estimated costs to address the issue. Negative cash flow effects started in 2019 and will continue in the coming years. The Volvo Group will continuously assess the size of the provision as the matter develops.

Financial impact from the war in Ukraine

Since the war in Ukraine started and sanctions were imposed, all Volvo Group sales, service and production in Russia have been suspended. SEK 4.1 billion out of the Group's total assets of approximately SEK 9 billion related to Russia have been provisioned for and impacted operating income negatively in Q1 2022. Of the assets of approximately SEK 9 billion related to Russia, approximately

SEK 6 billion is cash items that could be materialized over the coming years.

The Group follows developments closely, but the situation with rapid and sometimes unpredictable changes may persist. No predictions can hence be made on the full impact from the war and ensuing sanctions on Group's assets in the region or on the general economic development. Further write-downs of the Group's assets related to Russia may be necessary in the coming periods, which could have a materially adverse effect on the Group's financial result, cash flow and financial position.

Contingent liabilities and contingent assets

The reported amounts for contingent liabilities reflect a part of Volvo Group's risk exposure. Total contingent liabilities as of March 31, 2022, amounted to SEK 18.2 billion, an increase of SEK 0.2 billion compared to December 31, 2021. The gross exposure of SEK 18.2 billion is partly reduced by counter guarantees and collaterals.

Legal proceedings

Starting in January 2011, the Volvo Group, together with a number of other truck manufacturers, was investigated by the European Commission in relation to a possible violation of EU antitrust rules. In July 2016 the European Commission issued a settlement decision against the Volvo Group and other truck manufacturers finding that they were involved in an antitrust infringement which, in the case of the Volvo Group, covered a 14-year period from 1997 to 2011. The Volvo Group paid a monetary fine of EUR 670 million.

Following the adoption of the European Commission's settlement decision, the Volvo Group has received and is defending itself against a significant number of private damages claims brought by customers and other third parties alleging that they suffered loss, directly or indirectly, by reason of the conduct covered in the decision. The claims are being brought in various countries (including EU Member States, the United Kingdom and Israel) by large numbers of claimants either acting individually or as part of a wider group or class of claimants. Further claims are likely to be commenced.

At this stage it is not possible to make a reliable estimate of any liability that could arise from any such proceedings. However, the litigation is substantial in scale and an adverse outcome or outcomes of some or all of the litigation, depending on the nature and extent of such outcomes, may have a material negative impact on the Volvo Group's financial results, cash flows and financial position.

NOTE 3 | ACQUISITIONS AND DIVESTMENTS

The Volvo Group has not made any acquisitions or divestments of operations during Q1 that have had a significant impact on the financial statements.

NOTE 4 | CURRENCY AND FINANCIAL INSTRUMENTS

Fair value of financial instruments

Valuation principles and classifications of Volvo Group financial instruments, as described in Volvo Group Annual and Sustainability report 2021 Note 30, have been consistently applied throughout the reporting period. Financial instruments in the Volvo Group reported at fair value through profit and loss consist mainly of interest and currency derivatives. Derivatives with positive fair values amounted to SEK 3.4 billion (3.5) and derivatives with negative fair values amounted to SEK 3.4 billion (2.4) as of March 31, 2022.

The derivatives are accounted for on gross basis. Financial liabilities valued at amortized cost, reported as current and non-current bond loans and other loans, amounted to SEK 176.1 billion (151.5) in reported carrying value with a fair value of SEK 175.4 billion (152.9). In the Volvo Group consolidated financial position, financial liabilities include loan-related derivatives with negative fair values amounting to SEK 3.1 billion (2.2).

SEK M	Compared to first quarter 2021		
	First quarter 2022	First quarter 2021	Change
Net flow in foreign currency			632
Realized and unrealized gains and losses on derivatives	-	2	-2
Unrealized gains and losses on receivables and liabilities in foreign currency	-62	-8	-54
Translation effect on operating income in foreign subsidiaries			690
Total currency effect on operating income, Volvo Group			1,267

Applicable currency rates	Quarterly exchange rates		Close rates	
	First quarter 2022	First quarter 2021	Mar 31 2022	Mar 31 2021
BRL	1.79	1.53	1.94	1.51
CNY	1.47	1.30	1.46	1.33
EUR	10.48	10.12	10.34	10.24
GBP	12.53	11.59	12.17	12.00
USD	9.34	8.40	9.26	8.72
KRW	0.0078	0.0075	0.0076	0.0077

NOTE 5 | TRANSACTIONS WITH RELATED PARTIES

SEK M	Sales of goods, services and other income		Purchases of goods, services and other expenses	
	First quarter 2022	First quarter 2021	First quarter 2022	First quarter 2021
Associated companies	175	365	23	12
Joint ventures	382	417	314	278

SEK M	Receivables		Payables	
	Mar 31 2022	Dec 31 2021	Mar 31 2022	Dec 31 2021
Associated companies	65	48	16	30
Joint ventures	319	353	70	69

NOTE 6 | RECONCILIATION OF ADJUSTED OPERATING INCOME

Adjusted operating income					
SEK M	1/2022	4/2021	3/2021	2/2021	1/2021
Trucks	8,690	6,924	5,814	5,350	7,479
Construction Equipment	2,810	2,396	2,635	3,374	3,822
Buses ¹	20	-42	124	-9	-15
Volvo Penta	769	330	501	617	643
Group Functions & Other ¹	-488	-461	-515	-514	-776
Eliminations	-3	54	17	-2	-15
Industrial Operations	11,798	9,202	8,576	8,817	11,138
Financial Services	882	858	826	913	682
Reclassifications and eliminations	1	0	1	0	1
Volvo Group adjusted operating income	12,681	10,060	9,403	9,730	11,821

Adjustments					
SEK M	1/2022	4/2021	3/2021	2/2021	1/2021
Adjustment items (segment)					
Financial impact related to Russia:					
Trucks	-1,447	-	-	-	-
Construction Equipment	-106	-	-	-	-
Volvo Penta	-3	-	-	-	-
Group Functions & Other	-1	-	-	-	-
Financial Services	-2,568	-	-	-	-
Restructuring charges related to headcount reductions:					
Trucks	-	128	-	-	-
Construction Equipment	-	0	-	-	-
Buses	-	20	-	-	-
Volvo Penta	-	0	-	-	-
Group Functions & Other	-	2	-	-	-
Financial Services	-	9	-	-	-
Divestment of UD Trucks (Trucks)	-	-	-	1,653	-
Depreciation of Assets held for sale (Group functions & Other)	-	-	-	-	246
Total adjustments					
Trucks	-1,447	128	-	1,653	-
Construction Equipment	-106	0	-	-	-
Buses ¹	-	20	-	-	-
Volvo Penta	-3	0	-	-	-
Group Functions & Other ¹	-1	2	-	-	246
Industrial Operations	-1,557	150	-	1,653	246
Financial Services	-2,568	9	-	-	-
Reclassifications and eliminations	-	-0	-0	-	-
Volvo Group	-4,125	159	-	1,653	246

Operating income					
SEK M	1/2022	4/2021	3/2021	2/2021	1/2021
Trucks	7,243	7,052	5,814	7,004	7,479
Construction Equipment	2,703	2,396	2,635	3,374	3,822
Buses ¹	20	-22	124	-9	-15
Volvo Penta	767	330	501	617	643
Group Functions & Other ¹	-489	-459	-515	-514	-530
Eliminations	-3	54	17	-2	-15
Industrial Operations	10,241	9,352	8,576	10,471	11,384
Financial Services	-1,686	867	826	913	682
Reclassifications and eliminations	1	0	1	0	1
Volvo Group	8,556	10,219	9,403	11,384	12,067

¹ Financial numbers for 2021 have been restated. For more information, please see Appendix Nova Bus in the report on the fourth quarter 2021.

For reconciliations of other Key Ratios, see www.volvogroup.com.

PARENT COMPANY

Income from investments in group companies for the first quarter includes dividends amounting to SEK 3,814 M (840).

Financial net debt amounted to SEK 40,687 M (42,877) at the end of the first quarter.

Income Statement SEK M	First quarter	
	2022	2021
Net sales¹	65	75
Cost of sales ¹	-65	-75
Gross income	0	0
Operating expenses ¹	-303	-246
Operating income (loss)	-303	-246
Income from investments in group companies	3,814	840
Income from investments in joint ventures and associated companies	-	16
Interest income and expenses	-71	-74
Other financial income and expenses	22	1
Income after financial items	3,462	537
Income taxes	60	26
Income for the period	3,522	563

¹ Of net sales in the first quarter, SEK 61 M (71) pertained to group companies, while purchases from group companies amounted to SEK 80 M (116).

Other comprehensive income		
Income for the period	3,522	563
Other comprehensive income, net of income taxes	-	-
Total comprehensive income for the period	3,522	563

Balance Sheet		
SEK M	Mar 31 2022	Dec 31 2021
Assets		
Non-current assets		
Tangible assets	7	7
Financial assets		
Shares and participations in group companies	67,686	67,683
Investments in joint ventures and associated companies	8,946	8,946
Other shares and participations	1	1
Other long-term receivables	368	487
Deferred tax assets	303	242
Total non-current assets	77,311	77,366
Current assets		
Current receivables from group companies	56,561	56,546
Tax asset	339	-
Other current receivables	335	1,235
Total current assets	57,235	57,781
Total assets	134,546	135,147
Equity and liabilities		
Equity		
Restricted equity	9,899	9,899
Unrestricted equity	64,833	61,311
Total Equity	74,732	71,210
Untaxed reserves	10,000	10,000
Provisions	296	275
Non-current liabilities ¹	181	5,745
Current liabilities ²	49,337	47,917
Total equity and liabilities	134,546	135,147

¹ Of which SEK 175 M (5,739) pertains to group companies.

² Of which SEK 48,727 M (45,414) pertains to group companies.

Events after the balance sheet date

For important events, please see page 13. No other significant events have occurred after the end of the first quarter 2022 that are expected to have a substantial effect on the Volvo Group.

Gothenburg, April 22, 2022
AB Volvo (publ)

Martin Lundstedt
President and CEO

This report has not been reviewed by AB Volvo's auditors.

NET ORDER INTAKE

Net order intake of trucks	First quarter		Change %
	2022	2021	
Number of trucks			
Net order intake excluding UD Trucks			
Europe	24,984	46,564	-46
Heavy- and medium-duty	19,631	39,081	-50
Light-duty	5,353	7,483	-28
North America	6,017	22,182	-73
South America	7,354	3,773	95
Asia	4,766	5,246	-9
Africa and Oceania	2,473	2,679	-8
Total order intake excluding UD Trucks	45,594	80,444	-43
UD Trucks	-	5,017	N/A
Total order intake	45,594	85,461	-47
Heavy-duty (>16 tons)	36,861	67,803	-46
Medium-duty (7-16 tons)	3,272	5,058	-35
Light-duty (<7 tons)	5,461	7,583	-28
Total order intake excluding UD Trucks	45,594	80,444	-43
UD Trucks	-	5,017	N/A
Total order intake	45,594	85,461	-47
Net order intake of trucks by brand			
Volvo			
Europe	10,937	25,465	-57
North America	4,220	9,180	-54
South America	7,020	3,391	107
Asia	3,357	4,312	-22
Africa and Oceania	1,623	1,805	-10
Total Volvo	27,157	44,153	-38
Heavy-duty (>16 tons)	25,816	42,869	-40
Medium-duty (7-16 tons)	1,341	1,284	4
Total Volvo	27,157	44,153	-38
Renault Trucks			
Europe	14,047	21,099	-33
Heavy- and medium-duty	8,694	13,616	-36
Light-duty	5,353	7,483	-28
North America	65	64	2
South America	116	119	-3
Asia	1,409	934	51
Africa and Oceania	504	487	3
Total Renault Trucks	16,141	22,703	-29
Heavy-duty (>16 tons)	9,065	13,093	-31
Medium-duty (7-16 tons)	1,615	2,027	-20
Light-duty (<7 tons)	5,461	7,583	-28
Total Renault Trucks	16,141	22,703	-29
Mack			
North America	1,732	12,938	-87
South America	172	263	-35
Africa and Oceania	127	387	-67
Total Mack	2,031	13,588	-85
Heavy-duty (>16 tons)	1,816	11,841	-85
Medium-duty (7-16 tons)	215	1,747	-88
Total Mack	2,031	13,588	-85

DELIVERIES

Deliveries of trucks	First quarter		Change %
	2022	2021	
Number of trucks			
Deliveries excluding UD Trucks			
Europe	29,089	23,982	21
Heavy- and medium-duty	24,276	18,871	29
Light-duty	4,813	5,111	-6
North America	13,908	12,956	7
South America	6,245	5,413	15
Asia	3,697	4,044	-9
Africa and Oceania	2,649	2,055	29
Total deliveries excluding UD Trucks	55,588	48,450	15
UD Trucks	-	3,994	N/A
Total deliveries	55,588	52,444	6
Heavy-duty (>16 tons)	46,889	40,311	16
Medium-duty (7-16 tons)	3,818	2,965	29
Light-duty (<7 tons)	4,881	5,174	-6
Total deliveries excluding UD Trucks	55,588	48,450	15
UD Trucks	-	3,994	N/A
Total deliveries	55,588	52,444	6
Deliveries of trucks by brand			
Volvo			
Europe	15,638	11,703	34
North America	7,640	6,748	13
South America	6,030	5,204	16
Asia	2,913	3,286	-11
Africa and Oceania	1,640	1,368	20
Total Volvo	33,861	28,309	20
Heavy-duty (>16 tons)	33,050	27,689	19
Medium-duty (7-16 tons)	811	620	31
Total Volvo	33,861	28,309	20
Renault Trucks			
Europe	13,451	12,279	10
Heavy- and medium-duty	8,638	7,168	21
Light-duty	4,813	5,111	-6
North America	23	32	-28
South America	128	76	68
Asia	784	758	3
Africa and Oceania	354	540	-34
Total Renault Trucks	14,740	13,685	8
Heavy-duty (>16 tons)	8,252	6,940	19
Medium-duty (7-16 tons)	1,607	1,571	2
Light-duty (<7 tons)	4,881	5,174	-6
Total Renault Trucks	14,740	13,685	8
Mack			
North America	6,245	6,176	1
South America	78	133	-41
Asia	-	-	-
Africa and Oceania	195	147	33
Total Mack	6,518	6,456	1
Heavy-duty (>16 tons)	5,211	5,682	-8
Medium-duty (7-16 tons)	1,307	774	69
Total Mack	6,518	6,456	1

This is information that AB Volvo (publ) is obliged to make public pursuant to the EU Market Abuse Regulation and the Securities Market Act. The information was submitted for publication, through the agency of the contact person set out in the press release concerning this report, at 07.20 CET on April 22, 2022.

This report contains forward-looking statements that reflect the Board of Directors' and management's current views with respect to certain future events and potential financial performance. Forward-looking statements are subject to risks and uncertainties. Results could differ materially from forward-looking statements as a result of, among other factors, (i) changes in economic, market and competitive conditions, (ii) success of business initiatives, (iii) changes in the regulatory environment and other government actions, (iv) fluctuations in exchange rates and (v) business risk management.

This report is based solely on the circumstances at the date of publication and except to the extent required under applicable law, AB Volvo is under no obligation to update the information, opinions or forward-looking statements in this report.

Financial calendar

Report on the second quarter 2022	July 19, 2022
Report on the third quarter 2022	October 20, 2022

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V O L V O

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