

REPORT ON THE THIRD QUARTER 2022



In September, Volvo Trucks started series production of heavy electric, 44-tonne trucks.

- » In Q3 2022, net sales increased by 35% to SEK 114.9 billion (85.3). Adjusted for currency movements the increase was 21%.
- » Both adjusted and reported operating income² amounted to SEK 11,869 M (9,403), corresponding to an operating margin of 10.3% (11.0).
- » Currency movements had a positive impact on operating income of SEK 2,417 M.
- » Earnings per share amounted to SEK 4.24 (3.47).
- » Operating cash flow in Industrial Operations amounted to SEK 14,611 M (-5,735).
- » Return on capital employed in Industrial Operations amounted to 27.4% (25.6).
- » Series production of heavy-duty, 44-tonne electric trucks started.

SEK M unless otherwise stated	Third quarter		First nine months	
	2022	2021	2022	2021
Net sales	114,917	85,258	339,176	269,838
Net sales excluding UD Trucks ¹	114,917	85,258	339,176	264,400
Adjusted operating income ²	11,869	9,403	38,295	30,955
Adjusted operating margin, %	10.3	11.0	11.3	11.5
Operating income	11,869	9,403	34,171	32,854
Operating margin, %	10.3	11.0	10.1	12.2
Income after financial items	11,758	9,433	34,657	32,988
Income for the period	8,687	7,109	26,279	25,177
Earnings per share, SEK	4.24	3.47	12.84	12.19
Operating cash flow in Industrial Operations	14,611	-5,735	16,409	5,861
Net financial position in Industrial Operations, SEK bn ³			59.5	42.5
Return on capital employed in Industrial Operations, % ⁴			27.4	25.6
Return on equity in Financial Services, % ⁴			3.4	16.3
Net order intake, number of trucks	64,689	51,118	163,671	194,540
Net order intake excluding UD Trucks ¹	64,689	51,118	163,671	189,523
Deliveries, number of trucks	53,303	43,984	169,724	142,098
Deliveries excluding UD Trucks ¹	53,303	43,984	169,724	138,104
Net order intake, number of construction equipment	14,018	20,738	55,790	92,474
Deliveries, number of construction equipment	16,792	18,085	59,969	79,699

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

A solid quarter with good growth

In Q3 2022, the Volvo Group's strong growth continued. We increased our net sales by 35% to SEK 114.9 billion with a good development both in the sales of vehicles and in the service business. The adjusted operating income rose to SEK 11.9 billion (9.4) with an adjusted operating margin of 10.3% (11.0). A reduction in working capital contributed to a strong operating cash flow of SEK 14.6 billion (-5.7) in Industrial Operations. Return on capital employed improved to 27.4% (25.6).

In most regions our customers continue to benefit from high transport and infrastructure activity, reflected in good service sales, which grew by 10% adjusted for currency. Overall, demand for our products also remain good and order backlogs in many markets are extended with long lead times. In order to manage the quality in the order books and the increasing cost inflation, we continue to be restrictive in slotting orders for production too far into the future. There is an increased uncertainty about the macroeconomic development, and therefore we continue to have high focus on flexibility to be able to quickly adapt to changes in demand. Costs related to energy, material and supply chain disruptions continue to increase, constituting a challenge, and we work actively to try to compensate for these effects.

In Q3, net order intake of trucks increased by 27% to 64,700 trucks, primarily driven by a pent-up need to replace aging truck fleets. Deliveries rose by 21% to 53,300 vehicles. This is both a production and delivery record for a Q3 and the result of hard work across the value chain. We are gaining market shares in most regions and our truck operation's net sales grew by 41% to SEK 75.1 billion with strong sales in all regions. The truck operations had an adjusted operating margin of 9.7% (10.9).

Construction activity has remained on good levels in many regions, primarily driven by ongoing infrastructure investments. In the longer term, there is a need to renew and expand an aging infrastructure in many countries across the world. However, recent interest rate increases have made customers in some markets more cautious about the future. In combination with restrictive order slotting, this resulted in order intake declining by 32%, but the order backlog is still on a high level. In Q3, Volvo Construction Equipment's net sales increased to SEK 24.2 billion (19.6) with both the sales of machines and the service market contributing. There was good sales growth in all regions, except in China where the challenging market conditions persist. The adjusted operating margin increased to 15.6% (13.4).

Net sales in Buses increased by 46% from low levels and amounted to SEK 4.8 billion. Profitability is still low with an adjusted operating margin of 2.0% (3.8).

Volvo Penta's sales grew by 30% to SEK 4.5 billion. The adjusted operating margin was 13.3% (14.6).

For our customer-financing operations, Volvo Financial Services, new business volume continued to grow on the



back of strong deliveries of vehicles and machines. Good customer profitability in most regions was reflected in continued low credit losses.

All employees across the Volvo Group are doing an impressive job in supplying our customers with vehicles and machines and supporting them with services. The situation in the global supply chain for components is still unstable, characterized by disruptions, unpredictability and lack of freight capacity. Higher input costs, in particular energy prices, are putting our supplier base under financial pressure. We will therefore continue to have disruptions, stoppages and extra costs both in the production of trucks and in other parts of the Group.

In the quarter we took significant steps on our transformation journey to more sustainable transport and infrastructure solutions. As the first global truck manufacturer to do so, Volvo Trucks in September started series production of heavy electric 44 tonne trucks. With the addition of electric versions of its most important product range, the Volvo FH, Volvo FM, and Volvo FMX, Volvo Trucks now has six electric truck models in series production. Furthermore, in early October we announced that Renault Trucks will open for pre-orders of heavy electric trucks for regional transport and urban construction. Production will start at the end of next year. The Group's electric trucks are produced on the same lines as the conventional trucks, which gives high production flexibility and efficiency gains.

To meet the growing demand for battery electric heavy-duty vehicles and machines, we have also initiated the process to establish a large-scale production plant for battery cells in Mariestad, Sweden. The ramp-up of electric vehicles will require large volumes of high-performing batteries, produced using fossil-free energy and it is a logical next step for us to include battery production in our future industrial footprint. We aim to do this together with partners and plan to gradually increase capacity and reach large-scale series production by 2030. Our ambition is to lead the transition to a decarbonized transport system, and we are accelerating our efforts to build upon our strong position.

Martin Lundstedt
President and CEO

FINANCIAL SUMMARY OF THE THIRD QUARTER 2022

Net sales

In Q3 2022, the Volvo Group's net sales amounted to SEK 114,917 M compared with SEK 85,258 M in the same quarter the preceding year.

Adjusted for currency movements net sales increased by 21%, of which vehicle sales increased by 25% and service sales by 10%.

Operating income

In Q3 2022, both adjusted and reported operating income amounted to SEK 11,869 M (9,403), corresponding to an adjusted operating margin of 10.3% (11.0). For more information on adjusted operating income, see Note 6.

Compared with Q3 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 R&D and selling expenses as well as higher freight costs.

Currency movements, compared with Q3 2021, had a positive impact of SEK 2,417 M.

Financial items

In Q3 2022, interest income was SEK 247 M (99), whereas interest expenses amounted to SEK 262 M (291).

Other financial income and expenses amounted to SEK -96 M (222). The change is primarily due to revaluation effects of financial assets and liabilities.

Income taxes

In Q3 2022, income taxes amounted to SEK 3,071 M (2,325). The tax rate was 26% (25). The higher tax rate relates to changed country mix in earnings and withholding tax on dividends from foreign subsidiaries.

Income for the period and earnings per share

In Q3 2022, income for the period amounted to SEK 8,687 M (7,109). Earnings per share amounted to SEK 4.24 (3.47).

Net sales	Third quarter		Change %	First nine months		Change %
SEK M	2022	2021		2022	2021	
Net sales per geographical region excluding UD Trucks						
Europe	43,275	36,320	19	137,461	112,885	22
North America	34,808	23,351	49	99,520	70,437	41
South America	14,190	8,763	62	36,179	21,201	71
Asia	14,878	11,486	30	45,133	44,769	1
Africa and Oceania	7,767	5,338	46	20,883	15,108	38
Total net sales excluding UD Trucks	114,917	85,258	35	339,176	264,400	28
Net sales per product group excluding UD Trucks						
Vehicles ¹	88,045	63,194	39	261,916	199,926	31
Services, Industrial Operations	23,381	19,102	22	67,575	55,952	21
Financial Services revenue	4,430	3,368	32	12,231	9,859	24
Eliminations	-940	-406	-132	-2,546	-1,336	-91
Total net sales excluding UD Trucks	114,917	85,258	35	339,176	264,400	28
Timing of revenue recognition excluding UD Trucks						
Revenue of vehicles and services recognized at the point of delivery	105,118	77,054	36	310,988	239,826	30
Revenue of vehicles and services recognized over contract period	9,799	8,204	19	28,188	24,574	15
Total net sales excluding UD Trucks	114,917	85,258	35	339,176	264,400	28
UD Trucks ²	-	-	N/A	-	5,438	N/A
Total net sales	114,917	85,258	35	339,176	269,838	26

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	Third quarter		First nine months	
	2022	2021	2022	2021
Net sales	114,917	85,258	339,176	269,838
Cost of sales	-87,594	-64,357	-258,515	-203,521
Gross income	27,324	20,902	80,662	66,317
Research and development expenses	-5,595	-4,074	-15,632	-13,224
Selling expenses	-7,046	-5,597	-20,805	-17,811
Administrative expenses	-1,383	-991	-4,136	-3,420
Other operating income and expenses	-896	-482	-5,082	407
Income/loss from investments in joint ventures and associated companies	-536	-322	-982	614
Income/loss from other investments	1	-32	147	-28
Operating income	11,869	9,403	34,171	32,854
Interest income and similar credits	247	99	555	264
Interest expenses and similar charges	-262	-291	-868	-852
Other financial income and expenses	-96	222	800	722
Income after financial items	11,758	9,433	34,657	32,988
Income taxes	-3,071	-2,325	-8,379	-7,812
Income for the period *	8,687	7,109	26,279	25,177
* Attributable to:				
Owners of AB Volvo	8,627	7,052	26,102	24,793
Non-controlling interest	61	56	176	384
	8,687	7,109	26,279	25,177
Basic earnings per share, SEK	4.24	3.47	12.84	12.19
Diluted earnings per share, SEK	4.24	3.47	12.84	12.19

Operating cash flow in the Industrial Operations

During Q3 2022, operating cash flow in the Industrial Operations amounted to SEK 14,611 M (-5,735). Compared with Q3 2021, the higher operating cash flow is primarily related to changes in working capital. In Q3 2021, working capital increased by SEK 13,444 M whereas in Q3 2022, working capital decreased by SEK 5,887 M.

Volvo Group financial position

During Q3 2022, net financial assets in the Industrial Operations, excluding provisions for post-employment benefits and lease liabilities, increased by SEK 15.3 billion resulting in a net financial asset position of SEK 59.5 billion on September 30, 2022. The change is mainly explained by the positive operating cash flow of SEK 14.6 billion. Currency movements increased net financial assets by SEK 1.4 billion.

Including provisions for post-employment benefits and lease liabilities, the Industrial Operations net financial assets amounted to SEK 52.4 billion on September 30, 2022. During Q3 2022, remeasurements of defined benefit pension plans had a negative impact of SEK 0.4

billion. Currency movements increased provisions for post-employment benefits and lease liabilities by SEK 0.5 billion.

Total assets in the Volvo Group increased by SEK 104.6 billion compared to year-end 2021, whereof SEK 59,3 billion is related to currency movements.

On September 30, 2022, total equity for the Volvo Group amounted to SEK 168.5 billion compared with SEK 144.1 billion at year-end 2021. The equity ratio was 27.2% (27.9). On the same date the equity ratio in the Industrial Operations amounted to 35.6% (34.9).

Number of employees

On September 30, 2022, the Volvo Group had 102,683 employees, including temporary employees and consultants, compared with 95,470 employees on September 30, 2021. The number of blue-collar employees increased by 2,200 and the number of white-collar employees by 5,013. The increase in blue-collar employees is related to higher production levels and the increase in white-collar employees is related to higher development and transformational activities.

Number of employees	Sep 30 2022	Jun 30 2022	Mar 31 2022	Dec 31 2021	Sep 30 2021
Blue-collar	52,734	52,826	52,114	50,121	50,534
Whereof temporary employees and consultants	8,507	9,008	8,732	7,536	8,619
White-collar	49,949	48,658	47,232	45,729	44,936
Whereof temporary employees and consultants	7,426	7,147	6,555	5,774	5,159
Total number of employees	102,683	101,484	99,346	95,850	95,470
Whereof temporary employees and consultants	15,933	16,155	15,287	13,310	13,778

BUSINESS SEGMENT OVERVIEW

Net sales SEK M	Third quarter		Change %	Change % ¹	First nine months		Change %	Change % ¹	12 months rolling	Jan-Dec 2021
	2022	2021			2022	2021				
Trucks	75,078	53,401	41	26	223,233	163,717	36	25	290,397	230,881
Trucks excluding UD Trucks ²	75,078	53,401	41	26	223,233	158,280	41	29	290,397	225,444
Construction Equipment	24,238	19,638	23	9	72,664	70,219	3	-6	94,476	92,031
Buses ³	4,817	3,306	46	31	11,929	9,495	26	15	16,086	13,652
Volvo Penta	4,451	3,428	30	20	13,253	10,803	23	16	16,887	14,437
Group Functions & Other ³	3,793	3,271	16	4	11,392	9,487	20	11	15,365	13,459
Eliminations	-950	-748	-	-	-2,980	-2,406	-	-	-3,973	-3,398
Industrial Operations	111,427	82,296	35	21	329,491	261,315	26	15	429,238	361,062
Financial Services	4,430	3,368	32	15	12,231	9,859	24	11	15,810	13,437
Reclassifications and eliminations	-940	-406	-	-	-2,546	-1,336	-	-	-3,494	-2,283
Volvo Group	114,917	85,258	35	21	339,176	269,838	26	15	441,554	372,216
Volvo Group excluding UD Trucks	114,917	85,258	35	21	339,176	264,400	28	17	441,554	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	Third quarter		Change %	First nine months		Change %	12 months rolling	Jan-Dec 2021
	2022	2021		2022	2021			
Trucks	7,307	5,814	26	25,547	18,643	37	32,471	25,567
Construction Equipment	3,773	2,635	43	10,151	9,832	3	12,547	12,228
Buses ³	99	124	-20	126	100	26	84	59
Volvo Penta	593	501	18	2,061	1,762	17	2,391	2,092
Group Functions & Other ³	-778	-515	-51	-2,157	-1,805	-20	-2,618	-2,265
Eliminations	-4	17	-	13	0	-	67	53
Industrial Operations	10,990	8,576	28	35,741	28,532	25	44,942	37,733
Financial Services	879	826	6	2,553	2,421	5	3,411	3,279
Reclassifications and eliminations	1	1	-	2	2	-	2	2
Volvo Group adjusted operating income ²	11,869	9,403	26	38,295	30,955	24	48,355	41,015
Adjustments ¹	0	-	-	-4,125	1,900	-317	-3,966	2,059
Volvo Group operating income	11,869	9,403	26	34,171	32,854	4	44,390	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 %	Third quarter		First nine months		12 months rolling	Jan-Dec 2021
	2022	2021	2022	2021		
Trucks	9.7	10.9	11.4	11.4	11.2	11.1
Construction Equipment	15.6	13.4	14.0	14.0	13.3	13.3
Buses ¹	2.0	3.8	1.1	1.1	0.5	0.4
Volvo Penta	13.3	14.6	15.6	16.3	14.2	14.5
Industrial Operations	9.9	10.4	10.8	10.9	10.5	10.5
Volvo Group adjusted operating margin	10.3	11.0	11.3	11.5	11.0	11.0
Volvo Group operating margin	10.3	11.0	10.1	12.2	10.1	11.6

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 growth and significant electrification steps

- » In Q3, net sales increased by 41% to SEK 75,078 M
- » Adjusted operating income increased to 7,307 M (5,814) with a margin of 9.7% (10.9)
- » Net order intake increased by 27% and deliveries by 21%, whereof order intake for fully electric trucks increased by 307% and deliveries by 130%
- » Serial production of Volvo Trucks' heavy electric trucks started and Renault Trucks' heavy electric trucks available for pre-order

Market development

In Q3 2022, demand for both new and used vehicles continued to be good in Europe and North America. Customers' fleets have been utilized a lot and aged in recent years as an effect of constraints in the production of trucks due to the strained supply chains. This has led to a pent-up need to replace aging trucks and an increased need for spare parts and services.

In Brazil, the agricultural segment drives demand on the back of a record harvest, high prices for crops and a pre-buy ahead of the Euro VI emissions legislation being implemented on January 1, 2023.

The Chinese truck market continued to decline due to lower economic activity and lower freight prices.

Demand for trucks in India continued to grow, spurred on by increased consumption, pent-up demand and increased government investments in infrastructure.

Orders and deliveries

In Q3, the Volvo Group continued to be restrictive in order placement due to large order books, long delivery times and continued cost inflation.

In Q3, net order intake increased by 27% to 64,689 trucks while deliveries increased by 21% to 53,303 trucks, which is a record for a third quarter.



In Europe, order intake increased by 76% to 32,329 vehicles while deliveries increased by 18% to 23,857 vehicles. Volvo Trucks' total heavy-duty market share through August increased to 18.9% (15.4) while the electric heavy-duty market share declined to 30.9% (42.9). Renault Trucks' heavy-duty total market share increased to 9.7% (8.4) while the electric heavy-duty market share increased to 22.9% (18.4).

Order intake in North America decreased by 14% to 18,641 trucks while deliveries increased by 30% to 13,312 vehicles. Volvo Trucks' heavy-duty truck market share through August increased to 10.3% (8.4) while Mack Trucks' market share decreased to 5.9% (7.2).

South American order intake increased by 24% to 5,837 trucks and deliveries increased by 6% to 8,611 vehicles. In Brazil, Volvo Trucks' heavy-duty trucks market share through September increased to 25.0% (21.6).

In Asia, order intake increased by 63% to 4,889 vehicles and deliveries increased by 46% to 4,532 vehicles.

In Q3, order intake for fully electric trucks amounted to 872 (214) vehicles while deliveries amounted to 237 (103) vehicles.

Deliveries from the Chinese joint venture, Dongfeng Commercial Vehicles, declined by 55% to 15,142 vehicles. The Indian joint venture, VE Commercial Vehicles, increased order intake by 2% to 14,902 vehicles and deliveries increased less than a percentage point to 14,405 vehicles.

Market forecasts are based on current visibility, which is low and with significant uncertainty.

Total market development	First nine months		Change	Full year	Forecast	Change vs. previous	Forecast
Registrations, number of trucks	2022	2021	%	2021	2022	forecast	2023
Europe 29 ¹ heavy-duty (as of August)	170,653	166,059	3	247,565	-	-	-
Europe 30 ¹ heavy-duty (as of August)	191,143	184,979	3	277,015	300,000	unchanged	300,000
North America heavy-duty (retail, as of August)	192,267	179,579	7	270,022	300,000	unchanged	300,000
Brazil heavy-duty	71,367	72,505	-2	98,331	95,000	-5,000	80,000
China heavy-duty	523,022	1,233,208	-58	1,395,290	700,000	unchanged	750,000
China medium-duty	77,275	139,180	-44	178,755	100,000	unchanged	100,000
India heavy-duty	168,440	112,773	49	153,833	230,000	+15,000	270,000
India medium-duty	93,077	70,280	32	99,714	120,000	+10,000	130,000

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

Net order intake	Third quarter		Change %	First nine months		Change %
Number of trucks	2022	2021		2022	2021	
Net order intake excluding UD Trucks						
Europe	32,329	18,396	76	83,908	100,473	-16
Heavy- and medium-duty	26,090	13,032	100	68,056	81,000	-16
Light-duty	6,239	5,364	16	15,852	19,473	-19
North America	18,641	21,750	-14	34,389	51,672	-33
South America	5,837	4,695	24	22,527	16,647	35
Asia	4,889	3,000	63	14,538	11,491	27
Africa and Oceania	2,993	3,277	-9	8,309	9,240	-10
Total order intake excluding UD Trucks	64,689	51,118	27	163,671	189,523	-14
UD Trucks ¹	-	-	N/A	-	5,017	N/A
Total order intake	64,689	51,118	27	163,671	194,540	-16
Net order intake excluding UD Trucks						
Heavy-duty (>16 tons)	52,891	39,300	35	135,745	153,948	-12
Medium-duty (7-16 tons)	5,513	6,422	-14	11,839	15,902	-26
Light-duty (<7 tons)	6,285	5,396	16	16,087	19,673	-18
Total order intake excluding UD Trucks	64,689	51,118	27	163,671	189,523	-14
UD Trucks ¹	-	-	N/A	-	5,017	N/A
Total order intake	64,689	51,118	27	163,671	194,540	-16
Volvo	38,309	25,753	49	98,800	103,277	-4
UD Trucks ¹	-	-	N/A	-	5,017	N/A
Renault Trucks	14,608	11,377	28	46,325	54,181	-14
Heavy- and medium-duty	8,323	5,981	39	30,238	34,508	-12
Light-duty	6,285	5,396	16	16,087	19,673	-18
Mack	11,416	13,583	-16	17,540	30,801	-43
Other brands	356	405	-12	1,006	1,264	-20
Total order intake	64,689	51,118	27	163,671	194,540	-16
Non-consolidated operations						
VE Commercial Vehicles (Eicher)	14,902	14,580	2	46,514	36,658	27

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

Deliveries	Third quarter		Change %	First nine months		Change %
Number of trucks	2022	2021		2022	2021	
Deliveries excluding UD Trucks						
Europe	23,857	20,286	18	82,755	67,803	22
Heavy- and medium-duty	19,258	17,156	12	68,478	54,512	26
Light-duty	4,599	3,130	47	14,277	13,291	7
North America	13,312	10,222	30	42,293	33,036	28
South America	8,611	8,152	6	23,236	20,340	14
Asia	4,532	3,098	46	12,947	10,571	22
Africa and Oceania	2,991	2,226	34	8,493	6,354	34
Total deliveries excluding UD Trucks	53,303	43,984	21	169,724	138,104	23
UD Trucks ¹	-	-	N/A	-	3,994	N/A
Total deliveries	53,303	43,984	21	169,724	142,098	19
Deliveries excluding UD Trucks						
Heavy-duty (>16 tons)	45,174	37,957	19	144,129	115,416	25
Medium-duty (7-16 tons)	3,509	2,863	23	11,174	9,200	21
Light-duty (<7 tons)	4,620	3,164	46	14,421	13,488	7
Total deliveries excluding UD Trucks	53,303	43,984	21	169,724	138,104	23
UD Trucks ¹	-	-	N/A	-	3,994	N/A
Total deliveries	53,303	43,984	21	169,724	142,098	19
Volvo	33,950	28,137	21	106,067	83,435	27
UD Trucks ¹	-	-	N/A	-	3,994	N/A
Renault Trucks	12,586	10,224	23	42,356	36,772	15
Heavy- and medium-duty	7,966	7,060	13	27,935	23,284	20
Light-duty	4,620	3,164	46	14,421	13,488	7
Mack	6,375	5,349	19	20,045	17,321	16
Other brands	392	274	43	1,256	576	118
Total deliveries	53,303	43,984	21	169,724	142,098	19
Non-consolidated operations						
VE Commercial Vehicles (Eicher)	14,405	14,396	0	45,544	36,843	24
Dongfeng Commercial Vehicle Company (Dongfeng Trucks)	15,142	33,718	-55	58,965	149,385	-61

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

Net sales and operating income	Third quarter		Change	First nine months		Change
SEK M	2022	2021	%	2022	2021	%
Net sales per geographical region excluding UD Trucks						
Europe	30,379	24,649	23	98,369	75,637	30
North America	23,390	15,040	56	67,920	45,888	48
South America	10,448	6,676	57	27,191	16,332	66
Asia	5,838	3,784	54	16,428	11,594	42
Africa and Oceania	5,024	3,252	54	13,325	8,828	51
Total net sales excluding UD Trucks	75,078	53,401	41	223,233	158,280	41
Net sales per product group excluding UD Trucks						
Vehicles	58,562	40,127	46	176,047	119,300	48
Services	16,516	13,274	24	47,186	38,979	21
Total net sales excluding UD Trucks	75,078	53,401	41	223,233	158,280	41
Timing of revenue recognition excluding UD Trucks						
Revenue of vehicles and services recognized at the point of delivery	70,461	49,328	43	209,495	146,174	43
Revenue of vehicles and services recognized over contract period	4,617	4,072	13	13,738	12,106	13
Total net sales excluding UD Trucks	75,078	53,401	41	223,233	158,280	41
UD Trucks ²	-	-	N/A	-	5,438	N/A
Total net sales	75,078	53,401	41	223,233	163,717	36
Adjusted operating income ¹						
Adjusted operating income	7,307	5,814	26	25,547	18,643	37
Adjustments	232	-	-	-1,215	1,653	-174
Operating income	7,539	5,814	30	24,332	20,297	20
Adjusted operating margin, %	9.7	10.9		11.4	11.4	
Operating margin, %	10.0	10.9		10.9	12.4	

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 Q3 2022, the truck operation's net sales amounted to SEK 75,078 M, which was 41% higher than in Q3 2021. Excluding currency effects, net sales increased by 26% with sales of vehicles increasing by 32% and sales of services by 11%.

Adjusted operating income increased to SEK 7,307 M (5,814), corresponding to an adjusted operating margin of 9.7% (10.9). Compared with Q3 2021, the higher adjusted operating income is an effect of price realization and higher vehicle volumes, which were partly offset by higher material costs, increased R&D and selling expenses as well as higher freight costs. For more information on adjusted operating income, see Note 6. Compared with Q3 2021, currency movements had a positive impact of SEK 1,018 M.

Reported operating income amounted to SEK 7,539 M (5,814).

Important events

In September, as the first global truck manufacturer, Volvo Trucks started series production of heavy electric trucks with up to 44 tonnes in gross combination weight when the Volvo FH, Volvo FM, and Volvo FMX models were added to the lineup. These three models represent around two thirds of Volvo Trucks' sales.

In October, Renault Trucks announced the opening of pre-orders for the heavy electric trucks for regional transport and urban construction, extending the current offer. These new 44-tonne electric trucks will be produced at the plant in Bourg-en-Bresse, France.

In October, Volvo Trucks announce that they will deliver 20 fully electric heavy-duty trucks to Amazon in Germany by year end.

Net order intake of fully electric trucks	Third quarter		Change	First nine months		Change
Number of trucks	2022	2021	%	2022	2021	%
Volvo	411	71	479	1,225	232	428
Renault Trucks	438	143	206	1,206	369	227
Heavy- and medium-duty	196	106	85	507	162	213
Light-duty	242	37	554	699	207	238
Mack	23	-	-	32	7	357
Total order intake	872	214	307	2,463	608	305

Deliveries of fully electric trucks	Third quarter		Change	First nine months		Change
Number of trucks	2022	2021	%	2022	2021	%
Volvo	88	29	203	232	67	246
Renault Trucks	149	74	101	406	160	154
Heavy- and medium-duty	92	13	608	267	44	507
Light-duty	57	61	-7	139	116	20
Mack	-	-	-	8	-	-
Total deliveries	237	103	130	646	227	185

CONSTRUCTION EQUIPMENT

Good profitability despite lower deliveries

- » Deliveries decreased by 7% in Q3, primarily due to the market decline in China
- » Adjusted operating income amounted to SEK 3,773 M (2,635), with a margin of 15.6% (13.4)
- » Service sales increased by 3%, adjusted for currency



Market development

Overall, demand outside China continued to be good in Q3 with high activity in the commodity and infrastructure segments.

The North American market remained robust, with infrastructure projects offsetting a slowdown in residential construction.

In Europe, the mild slowdown continued with increased uncertainty about the economic development making customers somewhat more cautious. However, in general, construction activity remained high.

The market in South America was supported by good demand for commodities. However, the growth rate decelerated in Q3.

The Chinese market continued to be challenging with pricing pressure and weak demand due to lower economic activity combined with restrictions and lockdowns related to covid-19.

The good development elsewhere in Asia was supported by government stimulus programs in many countries and high commodity prices.

Orders and deliveries

In Q3 2022, net order intake declined by 32%. Restrictive order-slotting due to large order books and long lead times as well as somewhat more cautious customers in Europe impacted order intake. The lower order intake is also an effect of halted sales in Russia and high order intake in Q3 2021.

In Q3 2022, deliveries decreased by 7%, with a negative impact from lower volumes in China partially mitigated by better deliveries on other markets. In Europe, deliveries were higher than the prior year when excluding Russia.

Market forecasts are based on current visibility, which is low and with significant uncertainty.

Total market development Change in % measured in units	Year-to-date August		Previous forecast 2022	Forecast 2023
	2022	Forecast 2022		
Europe	-4	-5% to +5%	0% to +10%	-5% to +5%
North America	6	0% to +10%	+5% to +15%	-5% to +5%
South America	20	+5% to +15%	+5% to +15%	-10% to 0%
Asia excl. China	3	0% to +10%	0% to +10%	0% to +10%
China	-45	-40% to -30%	-40% to -30%	-15% to -5%

Net order intake Number of construction equipment	Third quarter		Change %	First nine months		Change %
	2022	2021		2022	2021	
Europe	2,966	5,367	-45	11,883	19,839	-40
North America	726	2,514	-71	4,025	10,835	-63
South America	605	1,783	-66	2,115	4,648	-54
Asia	8,968	10,182	-12	35,293	54,395	-35
Africa and Oceania	753	892	-16	2,474	2,757	-10
Total orders	14,018	20,738	-32	55,790	92,474	-40
Large and medium construction equipment	10,057	16,200	-38	38,488	68,449	-44
Compact construction equipment	3,961	4,538	-13	17,302	24,025	-28
Of which fully electric	166	84	98	478	261	83
Total orders	14,018	20,738	-32	55,790	92,474	-40
Of which:						
Volvo	6,620	11,539	-43	25,233	43,456	-42
SDLG	7,347	9,144	-20	30,385	48,858	-38
Of which in China	6,075	7,376	-18	25,097	43,074	-42

Deliveries	Third quarter		Change %	First nine months		Change %
	2022	2021		2022	2021	
Number of construction equipment						
Europe	3,735	4,547	-18	12,950	15,434	-16
North America	1,825	1,396	31	5,527	4,905	13
South America	1,373	1,312	5	3,840	3,042	26
Asia	8,937	10,111	-12	35,106	54,024	-35
Africa and Oceania	922	719	28	2,546	2,294	11
Total deliveries	16,792	18,085	-7	59,969	79,699	-25
Large and medium construction equipment	12,457	13,982	-11	42,056	58,363	-28
Compact construction equipment	4,335	4,103	6	17,913	21,336	-16
Of which fully electric	146	59	147	428	268	60
Total deliveries	16,792	18,085	-7	59,969	79,699	-25
Of which:						
Volvo	9,394	8,886	6	29,412	30,681	-4
SDLG	7,347	9,144	-20	30,385	48,858	-38
Of which in China	6,075	7,376	-18	25,097	43,074	-42

Net sales and operating income SEK M	Third quarter		Change %	First nine months		Change %
	2022	2021		2022	2021	
Net sales per geographical region						
Europe	7,321	6,896	6	22,316	21,893	2
North America	5,569	3,790	47	16,000	12,505	28
South America	2,016	1,282	57	4,996	2,813	78
Asia	7,487	6,417	17	24,332	29,158	-17
Africa and Oceania	1,845	1,253	47	5,021	3,850	30
Total net sales	24,238	19,638	23	72,664	70,219	3
Net sales per product group						
Construction equipment	20,497	16,441	25	61,634	60,953	1
Services	3,741	3,197	17	11,031	9,267	19
Total net sales	24,238	19,638	23	72,664	70,219	3
Timing of revenue recognition						
Revenue of vehicles and services recognized at the point of delivery	23,515	19,083	23	70,720	68,701	3
Revenue of vehicles and services recognized over contract period	723	556	30	1,945	1,518	28
Total net sales	24,238	19,638	23	72,664	70,219	3
Adjusted operating income ¹	3,773	2,635	43	10,151	9,832	3
Adjustments	-232	-	-	-338	-	-
Operating income	3,541	2,635	34	9,813	9,832	-
Adjusted operating margin, %	15.6	13.4		14.0	14.0	
Operating margin, %	14.6	13.4		13.5	14.0	

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

Net sales and operating income

In Q3 2022, net sales increased by 23% to SEK 24,238 M (19,638). Adjusted for currency movements net sales increased by 9%, of which net sales of machines were up by 10% and service sales by 3%.

Adjusted operating income amounted to SEK 3,773 M (2,635), with a positive impact from price realization and mix effects, which were partially offset by increased material and freight costs. For more information on adjusted operating income, see Note 6. Compared with Q3 2021, currency movements had a positive impact of SEK 1,100 M.

Reported operating income amounted to SEK 3,541 M (2,635).

Important events

Volvo CE continued its global rollout of electric machines in Q3. In South Korea, the ECR25 Electric excavator was introduced and in China a series of customer events were held across the country showcasing the electric excavator offering and charging infrastructure.

Volvo CE also launched a product configurator, an online tool that allows customers to “build and price” their electric compact excavators and wheel loaders.

BUSES

Higher deliveries and improved service sales

- » Deliveries increased by 19% in Q3
- » Adjusted operating income amounted to SEK 99 M (124) with a margin of 2.0% (3.8)
- » Currency-adjusted service sales increased 28%



In Q3, demand improved for services and coaches, primarily in the Americas. Demand for electric city buses remains high.

Compared with Q3 2021, net order intake increased by 3% to 1,492 units, with a good development in Mexico, Brazil and Australia. Deliveries reached 1,359 units, 19% more than in Q3 2021, with high deliveries primarily in Brazil and Chile.

Net sales in Q3 increased by 46% to SEK 4,817 M (3,306). Adjusted for currency movements, net sales increased by 31%, with vehicle sales increasing by 32% and service sales by 28%. The increased sales of vehicles are related to the volume increase and product mix.

Both adjusted and reported operating income amounted to SEK 99 M (124), corresponding to an operating margin of 2.0% (3.8). Earnings were favorably impacted by increased service sales and price realization, which were offset by higher material costs as well as increased selling and R&D expenses. Compared with Q3 2021, currency movements had a positive impact on operating income of SEK 116 M.

After the launch of Volvo Buses new coach platform in June, Volvo Buses in Mexico have received three major orders totalling 330 Volvo 9800 Euro VI coaches, of which 140 are double-deckers. Deliveries are set to take place in 2023.

Net order intake and deliveries ¹	Third quarter		Change %	First nine months		Change %
	2022	2021		2022	2021	
Number of buses						
Total orders	1,492	1,442	3	4,678	3,147	49
Of which fully electric	103	99	4	233	162	44
Of which hybrids	55	14	293	107	122	-12
Total deliveries	1,359	1,142	19	3,601	3,172	14
Of which fully electric	77	2	3,750	147	191	-23
Of which hybrids	73	61	20	122	156	-22

Net sales and operating income ¹	Third quarter		Change %	First nine months		Change %
	2022	2021		2022	2021	
SEK M						
Net sales per geographical region						
Europe	1,659	1,357	22	4,111	4,218	-3
North America	1,593	1,119	42	4,370	2,435	79
South America	741	265	180	1,349	635	112
Asia	419	272	54	981	1,134	-13
Africa and Oceania	405	293	38	1,118	1,072	4
Total net sales	4,817	3,306	46	11,929	9,495	26
Net sales per product group						
Vehicles	3,646	2,491	46	8,751	7,187	22
Services	1,171	815	44	3,178	2,308	38
Total net sales	4,817	3,306	46	11,929	9,495	26
Timing of revenue recognition						
Revenue of vehicles and services recognized at the point of delivery	4,614	3,167	46	11,385	9,078	25
Revenue of vehicles and services recognized over contract period	202	139	45	544	416	31
Total net sales	4,817	3,306	46	11,929	9,495	26
Adjusted operating income ²						
Adjusted	99	124	-20	126	100	26
Operating income	99	124	-20	126	100	26
Adjusted operating margin, %	2.0	3.8		1.1	1.1	
Operating margin, %	2.0	3.8		1.1	1.1	

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

Increased deliveries and strong sales

- » In Q3, deliveries increased by 14% and net sales by 30%
- » Adjusted operating income amounted to SEK 593 M (501) with a margin of 13.3% (14.6)
- » Net order intake on the same level as prior year



In Q3, demand on the marine leisure market was strong. For the marine commercial market, demand was especially driven by patrol and supply vessels. The positive development continued also in the industrial off-road segment, driven by mining, material handling and construction, except for China. Demand within power generation accelerated due to the unstable situation in the energy sector.

In Q3, the net order intake of 10,866 units was on the same level as the prior year, while deliveries increased by 14% to 10,735 units.

Net sales increased by 30% to SEK 4,451 M (3,428). Adjusted for currency movements, the increase was 20%, of which sales of engines increased by 27% and sales of services by 7%.

Both adjusted and reported operating income amounted to SEK 593 M (501), corresponding to an operating margin of

13.3% (14.6). Earnings were positively impacted by engine volumes and price realization, which were offset by higher material costs and R&D and selling expenses. Compared with Q3 2021, the currency impact on operating income was positive in an amount of SEK 224 M.

During Q3, Volvo Penta launched the industry first joystick docking system for single diesel Aquamatic sterndrive installations which integrates steering, bow thruster, gear, and engine speed into one control.

A new range of variable speed generator sets for marine vessels was also launched. The generator sets enable electrified marine propulsion. In addition, a partnership with CMB.TECH designed to accelerate the development of dual-fuel hydrogen/diesel powered solutions for both on land and at sea applications was signed.

Net order intake and deliveries		Third quarter		Change	First nine months		Change
Number of Engines		2022	2021	%	2022	2021	%
Total orders		10,866	10,907	-	34,822	38,272	-9
Of which fully electric		-3	36	-108	15	48	-69
Total deliveries		10,735	9,390	14	33,850	31,687	7
Of which fully electric		6	23	-74	15	27	-44

Net sales and operating income		Third quarter		Change	First nine months		Change
SEK M		2022	2021	%	2022	2021	%
Net sales per geographical region							
Europe		2,185	1,646	33	6,945	5,626	23
North America		1,008	765	32	2,756	2,236	23
South America		165	124	33	481	346	39
Asia		836	680	23	2,327	1,959	19
Africa and Oceania		257	213	21	744	636	17
Total net sales		4,451	3,428	30	13,253	10,803	23
Net sales per product group							
Engines		3,133	2,296	36	9,508	7,578	25
Services		1,318	1,132	16	3,745	3,225	16
Total net sales		4,451	3,428	30	13,253	10,803	23
Timing of revenue recognition							
Revenue of vehicles and services recognized at the point of delivery		4,451	3,428	30	13,253	10,803	23
Revenue of vehicles and services recognized over contract period		-	-	-	-	-	-
Total net sales		4,451	3,428	30	13,253	10,803	23
Adjusted operating income ¹							
Adjusted operating income		593	501	18	2,061	1,762	17
Adjustments		-	-	-	-3	-	-
Operating income		593	501	18	2,059	1,762	17
Adjusted operating margin, %		13.3	14.6		15.6	16.3	
Operating margin, %		13.3	14.6		15.5	16.3	

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

FINANCIAL SERVICES

Good growth and portfolio performance

- » In Q3, new business volume increased by 12%, adjusted for currency
- » Adjusted operating income amounted to SEK 879 M (826)
- » Good portfolio performance



In Q3 2022, Volvo Financial Services continued to grow the credit portfolio and increase earnings.

New business volume was up by 12%, currency adjusted, over Q3 2021 due primarily to higher deliveries and unit prices of Group products. Adjusted for currency, the credit portfolio grew by 12% on a year-over-year basis. Portfolio performance remained stable in most parts of the world due to continued strong customer activity levels and good demand for transportation and construction services.

Both adjusted and reported operating income amounted to SEK 879 M (826). The increase in operating income is primarily a result of profitable portfolio growth, which was partly offset by higher selling expenses and lower spreads. Currency movements had a positive impact of SEK 151 M compared with Q3 2021.

Return on shareholders' equity excluding the adjustments related to Russia recorded in Q1 2022 increased to 16.4% (16.3).

Financial Services SEK M	Third quarter		First nine months	
	2022	2021	2022	2021
Number of financed units, 12 months rolling			70,052	67,888
Total penetration rate, 12 months rolling, % ¹			29	30
New retail financing volume, SEK billion	24.8	20.0	73.0	59.3
Credit portfolio net, SEK billion			211	162
Credit provision expenses	100	108	3,173	207
Credit provision expenses excluding impacts related to Russia	100	108	213	207
Adjusted operating income ²	879	826	2,553	2,421
Adjustments ²	-	-	-2,568	-
Operating income	879	826	-15	2,421
Credit reserves, % of credit portfolio			3.12	1.91
Credit reserves, % of credit portfolio excluding impacts related to Russia			1.76	1.91
Return on equity, 12 months rolling, %			3.4	16.3
Return on equity excluding impacts related to Russia, 12 months rolling, % ²			16.4	16.3

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

Process started to establish battery plant in Sweden

To meet the growing demand for battery electric heavy-duty vehicles and machines, the Volvo Group has initiated the process to establish a large-scale production plant for battery cells in Mariestad, Sweden. The Group plans to gradually increase capacity and reach large-scale series production by 2030. Establishment of the production site is subject to approvals from relevant authorities.

Changes in Group Executive Board

Nina Aresund has been appointed new member of Volvo Group Executive Board and Executive Vice President Group Legal and Compliance, succeeding Sofia Frändberg. Nina Aresund will take on her position on January 1, 2023.

Furthermore, Jan Gurander will step down as Volvo Group Deputy CEO as of December 31, 2022.

Series production of heavy electric trucks

As the first global truck manufacturer to do so, in September Volvo Trucks started series production of

heavy electric, 44 ton trucks in Gothenburg, Sweden. Next year the factory in Ghent, Belgium will follow. With these new additions, Volvo Trucks has six electric truck models in series production globally – the broadest electric truck lineup in the industry. Volvo produces the electric trucks on the same line as its conventional trucks, which gives high production flexibility and efficiency gains.

Previously reported important events

- Tina Hultkvist new CFO
- Annual General Meeting of AB Volvo
- Financial impact due to the war in Ukraine
- Volvo Group accelerates to grow in the ongoing industry transformation

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

CONSOLIDATED INCOME STATEMENT THIRD QUARTER

SEK M	Industrial Operations		Financial Services		Eliminations		Volvo Group	
	2022	2021	2022	2021	2022	2021	2022	2021
Net sales	111,427	82,296	4,430	3,368	-940	-406	114,917	85,258
Cost of sales	-85,783	-62,838	-2,751	-1,925	940	407	-87,594	-64,357
Gross income	25,644	19,458	1,679	1,443	1	1	27,324	20,902
Research and development expenses	-5,595	-4,074	-	-	-	-	-5,595	-4,074
Selling expenses	-6,301	-5,013	-744	-584	-	-	-7,046	-5,597
Administrative expenses	-1,380	-988	-3	-3	-	-	-1,383	-991
Other operating income and expenses	-843	-452	-53	-30	-	-	-896	-482
Income/loss from investments in joint ventures and associated companies	-536	-322	-	-	-	-	-536	-322
Income/loss from other investments	1	-32	0	0	-	-	1	-32
Operating income	10,990	8,576	879	826	1	1	11,869	9,403
Interest income and similar credits	352	99	-	-	-105	1	247	99
Interest expenses and similar charges	-367	-291	0	0	105	-1	-262	-291
Other financial income and expenses	-96	222	0	-	-	-	-96	222
Income after financial items	10,878	8,607	879	826	1	1	11,758	9,433
Income taxes	-2,840	-2,127	-231	-197	-0	-0	-3,071	-2,325
Income for the period *	8,039	6,479	648	629	0	0	8,687	7,109
* Attributable to:								
Owners of AB Volvo							8,627	7,052
Non-controlling interest							61	56
							8,687	7,109
Basic earnings per share, SEK								4.24
Diluted earnings per share, SEK								3.47

Key ratios, %								
Gross margin	23.0	23.6	-	-	-	-	23.8	24.5
Research and development expenses as % of net sales	5.0	5.0	-	-	-	-	4.9	4.8
Selling expenses as % of net sales	5.7	6.1	-	-	-	-	6.1	6.6
Administrative expenses as % of net sales	1.2	1.2	-	-	-	-	1.2	1.2
Operating margin	9.9	10.4	-	-	-	-	10.3	11.0

CONSOLIDATED OTHER COMPREHENSIVE INCOME THIRD QUARTER

SEK M	2022	2021
Income for the period	8,687	7,109
Items that will not be reclassified to income statement:		
Remeasurements of defined benefit pension plans	-303	327
Remeasurements of holding of shares at fair value	3	0
Items that may be reclassified subsequently to income statement:		
Exchange differences on translation of foreign operations	4,073	1,172
Share of OCI related to joint ventures and associated companies	549	240
Accumulated translation difference reversed to income	-	-
Other comprehensive income, net of income taxes	4,322	1,739
Total comprehensive income for the period *	13,009	8,848
* Attributable to:		
Owners of AB Volvo	12,855	8,699
Non-controlling interest	154	149
	13,009	8,848

CONSOLIDATED INCOME STATEMENT FIRST NINE MONTHS

SEK M	Industrial Operations		Financial Services		Eliminations		Volvo Group	
	2022	2021	2022	2021	2022	2021	2022	2021
Net sales	329,491	261,315	12,231	9,859	-2,546	-1,336	339,176	269,838
Cost of sales	-253,762	-199,207	-7,300	-5,652	2,548	1,337	-258,515	-203,521
Gross income	75,729	62,108	4,931	4,207	2	2	80,662	66,317
Research and development expenses	-15,632	-13,224	-	-	-	-	-15,632	-13,224
Selling expenses	-18,680	-16,058	-2,125	-1,753	-	-	-20,805	-17,811
Administrative expenses	-4,126	-3,412	-9	-8	-	-	-4,136	-3,420
Other operating income and expenses	-2,271	432	-2,812	-24	-	-	-5,082	407
Income/loss from investments in joint ventures and associated companies	-982	614	-	-	-	-	-982	614
Income/loss from other investments	147	-28	0	0	-	-	147	-28
Operating income	34,184	30,432	-15	2,421	2	2	34,171	32,854
Interest income and similar credits	728	263	-	-	-173	1	555	264
Interest expenses and similar charges	-1,041	-852	0	0	173	-1	-868	-852
Other financial income and expenses	800	722	0	-	-	-	800	722
Income after financial items	34,671	30,565	-15	2,421	2	2	34,657	32,988
Income taxes	-8,264	-7,212	-115	-599	-0	-0	-8,379	-7,812
Income for the period *	26,407	23,353	-130	1,822	1	1	26,279	25,177
* Attributable to:								
Owners of AB Volvo							26,102	24,793
Non-controlling interest							176	384
							26,279	25,177
Basic earnings per share, SEK							12.84	12.19
Diluted earnings per share, SEK							12.84	12.19
Key ratios, %								
Gross margin	23.0	23.8	-	-	-	-	23.8	24.6
Research and development expenses as % of net sales	4.7	5.1	-	-	-	-	4.6	4.9
Selling expenses as % of net sales	5.7	6.1	-	-	-	-	6.1	6.6
Administrative expenses as % of net sales	1.3	1.3	-	-	-	-	1.2	1.3
Operating margin	10.4	11.6	-	-	-	-	10.1	12.2

CONSOLIDATED OTHER COMPREHENSIVE INCOME FIRST NINE MONTHS

SEK M	2022	2021
Income for the period	26,279	25,177
Items that will not be reclassified to income statement:		
Remeasurements of defined benefit pension plans	8,112	4,513
Remeasurements of holding of shares at fair value	-39	40
Items that may be reclassified subsequently to income statement:		
Exchange differences on translation of foreign operations	14,784	4,112
Share of OCI related to joint ventures and associated companies	1,708	835
Accumulated translation difference reversed to income	-	-324
Other comprehensive income, net of income taxes	24,566	9,176
Total comprehensive income for the period *	50,844	34,353
* Attributable to:		
Owners of AB Volvo	50,342	33,732
Non-controlling interest	502	621
	50,844	34,353

CONSOLIDATED BALANCE SHEET

SEK M	Industrial Operations		Financial Services		Eliminations		Volvo Group	
	Sep 30 2022	Dec 31 2021	Sep 30 2022	Dec 31 2021	Sep 30 2022	Dec 31 2021	Sep 30 2022	Dec 31 2021
Assets								
Non-current assets								
Intangible assets	41,177	36,971	88	98	-	-	41,265	37,070
<i>Tangible assets</i>								
Property, plant and equipment	61,551	54,356	54	48	-	-	61,604	54,405
Assets under operating leases	33,695	32,150	21,219	19,658	-11,474	-11,838	43,440	39,969
<i>Financial assets</i>								
Investments in Joint Ventures and associated companies	22,324	20,685	-	-	-	-	22,324	20,685
Other shares and participations	555	524	19	15	-	-	574	539
Non-current customer-financing receivables	2,087	1,669	101,440	83,774	-2,566	-2,057	100,961	83,386
Net pension assets	5,665	2,372	-	-	-	-	5,665	2,372
Non-current interest-bearing receivables	1,941	1,747	1,464	74	-1,871	-70	1,534	1,752
Other non-current receivables	11,481	9,211	210	187	-214	-170	11,477	9,227
Deferred tax assets	12,050	9,744	2,700	1,203	0	0	14,750	10,947
Total non-current assets	192,525	169,430	127,193	105,058	-16,124	-14,135	303,593	260,352
Current assets								
Inventories	79,831	63,715	244	202	-	-	80,075	63,916
<i>Current receivables</i>								
Customer-financing receivables	1,167	868	88,323	68,352	-1,458	-1,102	88,032	68,118
Tax assets	2,823	1,336	478	373	-	-	3,300	1,708
Interest-bearing receivables	10,274	1,976	0	0	-143	-26	10,131	1,950
Internal funding	5,817	16,672	-	-	-5,817	-16,672	-	-
Accounts receivable	44,108	39,321	1,532	1,455	-	-	45,640	40,776
Other receivables	20,250	18,103	1,958	1,840	-4,494	-3,201	17,715	16,742
Marketable securities	98	167	-	-	-	-	98	167
Cash and cash equivalents	65,031	59,435	8,124	3,913	-1,249	-1,223	71,906	62,126
Total current assets	229,400	201,593	100,659	76,135	-13,161	-22,223	316,899	255,504
Total assets	421,925	371,022	227,852	181,193	-29,285	-36,359	620,492	515,856
Equity and liabilities								
Equity attributable to owners of AB Volvo	146,722	126,546	18,228	14,500	0	-2	164,949	141,045
Non-controlling interest	3,581	3,073	-	-	-	-	3,581	3,073
Total equity	150,302	129,619	18,228	14,500	0	-2	168,530	144,118
<i>Non-current provisions</i>								
Provisions for post-employment benefits	6,253	12,095	96	82	-	-	6,349	12,177
Provisions for deferred taxes	3,618	2,774	2,601	2,153	-	-	6,219	4,926
Other provisions	12,588	10,610	67	49	0	557	12,655	11,216
<i>Non-current liabilities</i>								
Bond loans	98,472	79,365	-	-	-	-	98,472	79,365
Other loans	27,123	16,488	11,319	10,148	-2,286	-1,823	36,155	24,812
Internal funding	-107,581	-82,734	92,308	74,223	15,274	8,512	-	-
Other liabilities	49,774	42,978	1,614	1,557	-6,780	-7,705	44,608	36,831
Current provisions	14,049	11,535	26	36	0	383	14,076	11,954
<i>Current liabilities</i>								
Bond loans	36,357	21,747	-	-	-	-	36,357	21,747
Other loans	33,214	21,230	8,669	7,432	-1,299	-962	40,585	27,700
Internal funding	-57,457	-36,176	82,333	63,141	-24,876	-26,964	-	-
Trade payables	79,863	76,079	792	666	-	-	80,655	76,745
Tax liabilities	7,710	3,720	783	567	-	-	8,494	4,287
Other liabilities	67,639	61,694	9,016	6,639	-9,317	-8,354	67,338	59,978
Total equity and liabilities	421,925	371,022	227,852	181,193	-29,285	-36,359	620,492	515,856
Key ratios, %								
Equity ratio	35.6	34.9	8.0	8.0	-	0.0	27.2	27.9
Equity attributable to owners of AB Volvo, per share in SEK	-	-	-	-	-	-	81.1	69.4
Return on operating capital ¹	50.1	51.9	-	-	-	-	-	-
Return on capital employed ¹	27.4	25.3	-	-	-	-	-	-
Return on equity ¹	-	-	3.4	18.0	-	-	22.6	23.4

¹ 12 months rolling.

CONSOLIDATED CASH FLOW STATEMENT THIRD QUARTER

SEK M	Industrial Operations		Financial Services		Eliminations		Volvo Group	
	2022	2021	2022	2021	2022	2021	2022	2021
Operating activities								
Operating income	10,990	8,576	879	826	1	1	11,869	9,403
Amortization intangible assets	738	707	14	10	-	-	752	716
Depreciation tangible assets	2,022	1,814	7	7	-	-	2,028	1,821
Depreciation leasing vehicles	1,068	1,204	1,193	1,077	0	0	2,261	2,280
Other non-cash items	610	119	91	118	-93	16	608	253
Total change in working capital whereof	5,887	-13,444	-4,269	-2,989	45	215	1,663	-16,218
Change in accounts receivables	2,394	1,887	4	-10	-	-	2,398	1,877
Change in customer-financing receivables	-176	-173	-4,672	-2,734	146	218	-4,702	-2,689
Change in inventories	1,187	-2,188	58	5	-	-	1,245	-2,184
Change in trade payables	2,051	-12,413	-2	-131	-	-	2,050	-12,544
Other changes in working capital	431	-557	343	-119	-100	-3	673	-679
Dividends received from joint ventures and associated companies	6	1	-	-	-	-	6	1
Interest and similar items received	264	87	0	0	28	1	291	89
Interest and similar items paid	-176	-137	0	2	64	-14	-112	-149
Other financial items	-150	-111	-	-	-	-	-150	-111
Income taxes paid	-2,480	-1,487	-188	-132	-	-	-2,668	-1,619
Cash flow from operating activities	18,779	-2,672	-2,273	-1,082	45	219	16,551	-3,535
Investing activities								
Investments in intangible assets	-1,521	-1,265	-12	8	-	-	-1,533	-1,256
Investments in tangible assets	-2,733	-1,882	-3	-1	-	-	-2,737	-1,883
Investment in leasing vehicles	0	-5	-2,092	-2,159	3	0	-2,089	-2,164
Disposals of in-/tangible assets and leasing vehicles	86	89	963	1,277	0	-1	1,049	1,365
Operating cash flow	14,611	-5,735	-3,417	-1,957	48	218	11,241	-7,474
Investments of shares							-426	-412
Acquired operations							-203	-354
Divested operations							-	6
Interest-bearing receivables incl. marketable securities							-23	-449
Cash flow after net investments							10,589	-8,683
Financing activities								
New borrowings							34,633	19,519
Repayments of borrowings							-28,914	-23,383
Dividend to owners of AB Volvo							-	-19,318
Dividend to non-controlling interest							-19	-14
Other							-2	-11
Change in cash and cash equivalents excl. translation differences							16,285	-31,891
Translation difference on cash and cash equivalents							1,353	311
Change in cash and cash equivalents							17,638	-31,580

CONSOLIDATED CASH FLOW STATEMENT FIRST NINE MONTHS

SEK M	Industrial Operations		Financial Services		Eliminations		Volvo Group	
	2022	2021	2022	2021	2022	2021	2022	2021
Operating activities								
Operating income	34,184	30,432	-15	2,421	2	2	34,171	32,854
Amortization intangible assets	2,162	2,059	40	28	-	-	2,201	2,087
Depreciation tangible assets	5,835	5,392	19	19	-	-	5,854	5,410
Depreciation leasing vehicles	3,391	3,191	3,459	3,212	0	0	6,850	6,403
Other non-cash items	2,727	-2,440	3,237	329	-216	-4	5,747	-2,115
Total change in working capital whereof	-13,628	-19,297	-13,808	-8,201	74	617	-27,362	-26,881
Change in accounts receivables	-1,292	-1,787	-65	-71	-	-	-1,356	-1,858
Change in customer-financing receivables	-181	-580	-15,445	-8,332	145	642	-15,482	-8,270
Change in inventories	-8,770	-12,072	-22	84	-	-	-8,792	-11,988
Change in trade payables	-2,712	-2,455	80	110	-	-	-2,631	-2,345
Other changes in working capital	-673	-2,403	1,643	9	-71	-25	899	-2,419
Dividends received from joint ventures and associated companies	60	769	-	-	-	-	60	769
Interest and similar items received	507	227	0	0	131	6	637	232
Interest and similar items paid	-834	-723	0	7	84	4	-750	-712
Other financial items	-203	-216	-	-	-	-	-203	-216
Income taxes paid	-7,152	-6,362	-1,329	-615	-	-	-8,480	-6,977
Cash flow from operating activities	27,048	13,031	-8,397	-2,799	74	624	18,725	10,855
Investing activities								
Investments in intangible assets	-4,185	-2,502	-24	11	-	-	-4,209	-2,491
Investments in tangible assets	-6,751	-4,947	-8	-2	-	-	-6,759	-4,949
Investment in leasing vehicles	-1	-31	-6,346	-6,674	8	16	-6,339	-6,690
Disposals of in-/tangible assets and leasing vehicles	298	311	3,836	4,121	-6	-10	4,129	4,423
Operating cash flow	16,409	5,861	-10,939	-5,343	76	630	5,546	1,148
Investments of shares							-1,050	-7,311
Divestments of shares							157	-
Acquired operations							-239	-789
Divested operations ¹							153	22,447
Interest-bearing receivables incl. marketable securities							-76	-22
Cash flow after net investments							4,491	15,473
Financing activities								
New borrowings							138,624	60,372
Repayments of borrowings							-111,245	-76,278
Dividend to owners of AB Volvo							-26,435	-49,820
Dividend to non-controlling interest							-19	-417
Other							-20	-101
Change in cash and cash equivalents excl. translation differences							5,396	-50,770
Translation difference on cash and cash equivalents							4,385	1,743
Change in cash and cash equivalents							9,781	-49,027

¹ In 2021, the total cash flow impact from the divestment of UD Trucks amounted to SEK 22,450 M.

CONSOLIDATED NET FINANCIAL POSITION

Net financial position excl. post-employment benefits and lease liabilities SEK bn	Industrial Operations		Volvo Group	
	Sep 30 2022	Dec 31 2021	Sep 30 2022	Dec 31 2021
Non-current interest-bearing assets				
Non-current customer-financing receivables	-	-	101.0	83.4
Non-current interest-bearing receivables	1.9	1.7	1.5	1.8
Current interest-bearing assets				
Customer-financing receivables	-	-	88.0	68.1
Interest-bearing receivables	10.3	2.0	10.1	2.0
Internal funding	5.8	16.7	-	-
Marketable securities	0.1	0.2	0.1	0.2
Cash and cash equivalents	65.0	59.4	71.9	62.1
Total interest-bearing financial assets	83.2	80.0	272.7	217.5
Non-current interest-bearing liabilities				
Bond loans	-98.5	-79.4	-98.5	-79.4
Other loans	-22.4	-12.0	-31.5	-20.3
Internal funding	107.6	82.7	-	-
Current interest-bearing liabilities				
Bond loans	-36.4	-21.7	-36.4	-21.7
Other loans	-31.4	-19.6	-38.8	-26.1
Internal funding	57.5	36.2	-	-
Total interest-bearing financial liabilities excl. lease liabilities	-23.7	-13.8	-205.1	-147.5
Net financial position excl. post-employment benefits and lease liabilities	59.5	66.2	67.5	70.0

Provisions for post-employment benefits and lease liabilities, net SEK bn	Industrial Operations		Volvo Group	
	Sep 30 2022	Dec 31 2021	Sep 30 2022	Dec 31 2021
Non-current lease liabilities	-4.7	-4.5	-4.7	-4.5
Current lease liabilities	-1.8	-1.7	-1.8	-1.6
Provisions for post-employment benefits, net	-0.6	-9.7	-0.7	-9.8
Provisions for post-employment benefits and lease liabilities, net	-7.1	-15.9	-7.1	-15.9

Net financial position incl. post-employment benefits and lease liabilities SEK bn	Industrial Operations		Volvo Group	
	Sep 30 2022	Dec 31 2021	Sep 30 2022	Dec 31 2021
Net financial position excl. post-employment benefits and lease liabilities	59.5	66.2	67.5	70.0
Provisions for post-employment benefits and lease liabilities, net	-7.1	-15.9	-7.1	-15.9
Net financial position incl. post-employment benefits and lease liabilities	52.4	50.4	60.4	54.1

CHANGES IN NET FINANCIAL POSITION, INDUSTRIAL OPERATIONS

SEK bn	Third quarter 2022	First nine months 2022
Net financial position excl. post-employment benefits and lease liabilities at the end of previous period	44.2	66.2
Operating cash flow	14.6	16.4
Investments and divestments of shares, net	-0.4	-0.9
Acquired and divested operations, net	-0.2	-0.1
Capital injections to/from Financial Services	0.2	-1.1
Currency effect	1.4	4.3
Dividend to owners of AB Volvo	-	-26.4
Dividend to non-controlling interest	-0.0	-0.0
Other changes	-0.3	1.1
Net financial position excl. post-employment benefits and lease liabilities at the end of period	59.5	59.5
Provisions for post-employment benefits and lease liabilities at the end of previous period	-6.2	-15.9
Pension payments, included in operating cash flow	0.3	0.8
Remeasurements of defined post-employment benefits	-0.4	10.5
Service costs and other pension costs	-0.4	-1.2
Investments, remeasurements and amortizations of lease contracts	0.2	0.3
Currency effect	-0.5	-1.4
Other changes	-0.0	-0.1
Provisions for post-employment benefits and lease liabilities at the end of period	-7.1	-7.1
Net financial position incl. post-employment benefits and lease liabilities at the end of period	52.4	52.4

CONSOLIDATED CHANGES IN TOTAL EQUITY

SEK bn	Sep 30 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	26.1	32.8
Other comprehensive income	24.2	12.6
Total comprehensive income	50.3	45.4
Dividend to AB Volvo shareholders	-26.4	-49.8
Other changes	0.0	0.2
Equity attributable to shareholders of AB Volvo at the end of period	164.9	141.0
Non-controlling interest at the end of previous period	3.1	2.8
Income for the period	0.2	0.5
Other comprehensive income	0.3	0.4
Total comprehensive income	0.5	0.8
Dividend to non-controlling interest	-0.0	-0.6
Other changes	0.0	0.0
Non-controlling interest at the end of period	3.6	3.1
Total equity at the end of period	168.5	144.1

QUARTERLY FIGURES

Income Statements, Volvo Group						First nine months	First nine months
SEK M unless otherwise stated	3/2022	2/2022	1/2022	4/2021	3/2021	2022	2021
Net sales	114,917	118,943	105,317	102,378	85,258	339,176	269,838
Cost of sales	-87,594	-90,221	-80,700	-78,941	-64,357	-258,515	-203,521
Gross income	27,324	28,721	24,617	23,436	20,902	80,662	66,317
Research and development expenses	-5,595	-5,454	-4,583	-4,803	-4,074	-15,632	-13,224
Selling expenses	-7,046	-6,977	-6,783	-6,148	-5,597	-20,805	-17,811
Administrative expenses	-1,383	-1,432	-1,321	-1,450	-991	-4,136	-3,420
Other operating income and expenses	-896	-809	-3,377	-161	-482	-5,082	407
Income/loss from investments in Joint Ventures and associated companies	-536	-323	-123	-668	-322	-982	614
Income/loss from other investments	1	19	127	13	-32	147	-28
Operating income	11,869	13,745	8,556	10,219	9,403	34,171	32,854
Interest income and similar credits	247	182	125	94	99	555	264
Interest expenses and similar charges	-262	-277	-328	-315	-291	-868	-852
Other financial income and expenses	-96	222	674	204	222	800	722
Income after financial items	11,758	13,873	9,027	10,202	9,433	34,657	32,988
Income taxes	-3,071	-3,352	-1,956	-2,136	-2,325	-8,379	-7,812
Income for the period *	8,687	10,520	7,071	8,066	7,109	26,279	25,177
* Attributable to:							
Owners of AB Volvo	8,627	10,443	7,033	7,995	7,052	26,102	24,793
Non-controlling interest	61	78	38	72	56	176	384
	8,687	10,520	7,071	8,066	7,109	26,279	25,177
Key ratios, Volvo Group, %							
Gross margin	23.8	24.1	23.4	22.9	24.5	23.8	24.6
Research and development expenses as % of net sales	4.9	4.6	4.4	4.7	4.8	4.6	4.9
Selling expenses as % of net sales	6.1	5.9	6.4	6.0	6.6	6.1	6.6
Administrative expenses as % of net sales	1.2	1.2	1.3	1.4	1.2	1.2	1.3
Operating margin	10.3	11.6	8.1	10.0	11.0	10.1	12.2
Key ratios, Industrial Operations, %							
Gross margin	23.0	23.4	22.5	22.0	23.6	23.0	23.8
Research and development expenses as % of net sales	5.0	4.7	4.5	4.8	5.0	4.7	5.1
Selling expenses as % of net sales	5.7	5.4	6.0	5.5	6.1	5.7	6.1
Administrative expenses as % of net sales	1.2	1.2	1.3	1.5	1.2	1.3	1.3
Operating margin	9.9	11.2	10.0	9.4	10.4	10.4	11.6
EBITDA margin, Industrial Operations							
Operating income Industrial Operations	10,990	12,953	10,241	9,352	8,576	34,184	30,432
Product and software development, amortization	712	697	667	676	666	2,076	1,946
Other intangible assets, amortization	27	26	33	23	40	86	112
Tangible assets, depreciation	3,090	3,093	3,043	2,957	3,017	9,226	8,583
Total depreciation and amortization	3,828	3,816	3,743	3,655	3,724	11,387	10,642
Operating income before depreciation and amortization (EBITDA)	14,818	16,769	13,984	13,007	12,301	45,571	41,074
EBITDA margin, %	13.3	14.5	13.7	13.0	14.9	13.8	15.7
Net capitalization of research and development							
Capitalization	972	1,296	1,324	1,199	620	3,593	1,832
Amortization	-673	-658	-628	-637	-628	-1,959	-1,925
Net capitalization and amortization	300	638	696	562	-7	1,634	-93
Return on operating capital in Industrial Operations, % ¹	50.1	50.6	50.7	51.9	54.9		
Return on capital employed in Industrial Operations, % ¹	27.4	26.8	25.3	25.3	25.6		

¹ 12 months rolling.

QUARTERLY FIGURES

Net sales						First nine months 2022	First nine months 2021
SEK M	3/2022	2/2022	1/2022	4/2021	3/2021		
Trucks	75,078	78,603	69,552	67,164	53,401	223,233	163,717
Construction Equipment	24,238	25,814	22,613	21,812	19,638	72,664	70,219
Buses ¹	4,817	4,062	3,051	4,157	3,306	11,929	9,495
Volvo Penta	4,451	4,597	4,204	3,634	3,428	13,253	10,803
Group Functions & Other ¹	3,793	3,750	3,848	3,973	3,271	11,392	9,487
Eliminations	-950	-1,106	-923	-993	-748	-2,980	-2,406
Industrial Operations	111,427	115,719	102,345	99,747	82,296	329,491	261,315
Financial Services	4,430	4,067	3,734	3,579	3,368	12,231	9,859
Reclassifications and eliminations	-940	-844	-762	-948	-406	-2,546	-1,336
Volvo Group	114,917	118,943	105,317	102,378	85,258	339,176	269,838

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						First nine months 2022	First nine months 2021
SEK M	3/2022	2/2022	1/2022	4/2021	3/2021		
Trucks	7,539	9,551	7,243	7,052	5,814	24,332	20,297
Construction Equipment	3,541	3,568	2,703	2,396	2,635	9,813	9,832
Buses ¹	99	7	20	-22	124	126	100
Volvo Penta	593	699	767	330	501	2,059	1,762
Group Functions & Other ¹	-778	-890	-489	-459	-515	-2,158	-1,559
Eliminations	-4	19	-3	54	17	13	0
Industrial Operations	10,990	12,953	10,241	9,352	8,576	34,184	30,432
Financial Services	879	792	-1,686	867	826	-15	2,421
Reclassifications and eliminations	1	0	1	0	1	2	2
Volvo Group	11,869	13,745	8,556	10,219	9,403	34,171	32,854

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						First nine months 2022	First nine months 2021
SEK M	3/2022	2/2022	1/2022	4/2021	3/2021		
Trucks	7,307	9,551	8,690	6,924	5,814	25,547	18,643
Construction Equipment	3,773	3,568	2,810	2,396	2,635	10,151	9,832
Buses ²	99	7	20	-42	124	126	100
Volvo Penta	593	699	769	330	501	2,061	1,762
Group Functions & Other ²	-778	-890	-488	-461	-515	-2,157	-1,805
Eliminations	-4	19	-3	54	17	13	0
Industrial Operations	10,990	12,953	11,798	9,202	8,576	35,741	28,532
Financial Services	879	792	882	858	826	2,553	2,421
Reclassifications and eliminations	1	0	1	0	1	2	2
Volvo Group adjusted operating income	11,869	13,745	12,681	10,060	9,403	38,295	30,955

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						First nine months 2022	First nine months 2021
%	3/2022	2/2022	1/2022	4/2021	3/2021		
Trucks	10.0	12.2	10.4	10.5	10.9	10.9	12.4
Construction Equipment	14.6	13.8	12.0	11.0	13.4	13.5	14.0
Buses ¹	2.0	0.2	0.7	-0.5	3.8	1.1	1.1
Volvo Penta	13.3	15.2	18.2	9.1	14.6	15.5	16.3
Industrial Operations	9.9	11.2	10.0	9.4	10.4	10.4	11.6
Volvo Group	10.3	11.6	8.1	10.0	11.0	10.1	12.2

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						First nine months 2022	First nine months 2021
%	3/2022	2/2022	1/2022	4/2021	3/2021		
Trucks	9.7	12.2	12.5	10.3	10.9	11.4	11.4
Construction Equipment	15.6	13.8	12.4	11.0	13.4	14.0	14.0
Buses ¹	2.0	0.2	0.7	-1.0	3.8	1.1	1.1
Volvo Penta	13.3	15.2	18.3	9.1	14.6	15.6	16.3
Industrial Operations	9.9	11.2	11.5	9.2	10.4	10.8	10.9
Volvo Group adjusted operating margin	10.3	11.6	12.0	9.8	11.0	11.3	11.5

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	3/2022	2/2022	1/2022	4/2021	3/2021	First nine months 2022	First nine months 2021
Earnings per share, SEK ¹	4.24	5.14	3.46	3.93	3.47	12.84	12.19
Earnings per share, SEK ¹ , 12 months rolling	16.77	15.99	15.23	16.12	16.72	-	-
Diluted earnings per share, SEK	4.24	5.14	3.46	3.93	3.47	12.84	12.19
Number of outstanding shares in millions	2,033	2,033	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	2,033	2,033
Average number of shares after dilution in millions	2,033	2,033	2,033	2,033	2,033	2,033	2,033
Number of own shares in millions	0	0	0	0	0	0	0
Average number of own shares in millions	0	0	0	0	0	0	55

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 labor, materials and components, and transport services. Further strains on the supply chain may also evolve from other events, including financial distress of suppliers, developments of the covid-19 pandemic and response measures taken, and consequences of the war in Ukraine. 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 is related to customers in this market. The weakened Chinese construction equipment market is currently impacting customers' and dealers' profitability negatively. This might affect their ability to honor their obligations to the Group and may 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

In Q1 2022, the Group reported that SEK 4.1 billion out of the Group's at that time total assets of approximately SEK 9 billion related to Russia had been provisioned for and impacted operating income negatively in Q1 2022. As of the end of this quarter, the Group's total exposure for additional impairment needs related to Russia largely remains unchanged. In 2021, approximately 3% of the Group's net sales were attributable to Russia.

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 September 30, 2022, amounted to SEK 19.1 billion, an increase of SEK 1.1 billion compared to December 31, 2021. The gross exposure of SEK 19.1 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

In Q3 2022, the Volvo Group has acquired a dealer and workshop business in Germany.

The Volvo Group has not made any other acquisitions or divestments of operations during Q3 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 6.4 billion (3.5) and derivatives with negative fair values amounted to SEK 11.8 billion (2.4) as of September 30, 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 201.9 billion (151.5) in reported carrying value with a fair value of SEK 198.4 billion (152.9). In the Volvo Group consolidated financial position, financial liabilities include loan-related derivatives with negative fair values amounting to SEK 9.7 billion (2.2).

Currency effect on operating income, Volvo Group		Compared to third quarter 2021		
		Third quarter 2022	Third quarter 2021	Change
SEK M				
Net flow in foreign currency				1,387
Realized and unrealized gains and losses on derivatives		-18	-4	-13
Unrealized gains and losses on receivables and liabilities in foreign currency		-288	-127	-161
Translation effect on operating income in foreign subsidiaries				1,204
Total currency effect on operating income, Volvo Group				2,417

Applicable currency rates	Quarterly exchange rates		Close rates	
	Third quarter 2022	Third quarter 2021	Sep 30 2022	Sep 30 2021
BRL	2.01	1.66	2.06	1.62
CNY	1.54	1.34	1.57	1.36
EUR	10.62	10.20	10.92	10.20
GBP	12.41	11.92	12.41	11.81
USD	10.55	8.65	11.12	8.79
KRW	0.0079	0.0075	0.0078	0.0074

NOTE 5 | TRANSACTIONS WITH RELATED PARTIES

	Sales of goods, services and other income		Purchases of goods, services and other expenses	
	Third quarter 2022	Third quarter 2021	Third quarter 2022	Third quarter 2021
SEK M				
Associated companies	353	180	35	10
Joint ventures	1,092	207	336	228

	Receivables		Payables	
	Sep 30 2022	Dec 31 2021	Sep 30 2022	Dec 31 2021
SEK M				
Associated companies	154	48	38	30
Joint ventures	318	353	115	69

NOTE 6 | RECONCILIATION OF ADJUSTED OPERATING INCOME

Adjusted operating income						First nine months	First nine months
SEK M	3/2022	2/2022	1/2022	4/2021	3/2021	2022	2021
Trucks	7,307	9,551	8,690	6,924	5,814	25,547	18,643
Construction Equipment	3,773	3,568	2,810	2,396	2,635	10,151	9,832
Buses ¹	99	7	20	-42	124	126	100
Volvo Penta	593	699	769	330	501	2,061	1,762
Group Functions & Other ¹	-778	-890	-488	-461	-515	-2,157	-1,805
Eliminations	-4	19	-3	54	17	13	0
Industrial Operations	10,990	12,953	11,798	9,202	8,576	35,741	28,532
Financial Services	879	792	882	858	826	2,553	2,421
Reclassifications and eliminations	1	0	1	0	1	2	2
Volvo Group adjusted operating income	11,869	13,745	12,681	10,060	9,403	38,295	30,955

Adjustments						First nine months	First nine months
SEK M	3/2022	2/2022	1/2022	4/2021	3/2021	2022	2021
Adjustment items (segment)							
Financial impact related to Russia:							
Trucks	232	-	-1,447	-	-	-1,215	-
Construction Equipment	-232	-	-106	-	-	-338	-
Volvo Penta	-	-	-3	-	-	-3	-
Group Functions & Other	-	-	-1	-	-	-1	-
Financial Services	-	-	-2,568	-	-	-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	232	-	-1,447	128	-	-1,215	1,653
Construction Equipment	-232	-	-106	0	-	-338	-
Buses ¹	-	-	-	20	-	-	-
Volvo Penta	-	-	-3	0	-	-3	-
Group Functions & Other ¹	-	-	-1	2	-	-1	246
Industrial Operations	0	-	-1,557	150	-	-1,557	1,900
Financial Services	-	-	-2,568	9	-	-2,568	-
Reclassifications and eliminations	-	-	-	-0	-	-	-
Volvo Group	0	-	-4,125	159	-	-4,125	1,900

Operating income						First nine months	First nine months
SEK M	3/2022	2/2022	1/2022	4/2021	3/2021	2022	2021
Trucks	7,539	9,551	7,243	7,052	5,814	24,332	20,297
Construction Equipment	3,541	3,568	2,703	2,396	2,635	9,813	9,832
Buses ¹	99	7	20	-22	124	126	100
Volvo Penta	593	699	767	330	501	2,059	1,762
Group Functions & Other ¹	-778	-890	-489	-459	-515	-2,158	-1,559
Eliminations	-4	19	-3	54	17	13	0
Industrial Operations	10,990	12,953	10,241	9,352	8,576	34,184	30,432
Financial Services	879	792	-1,686	867	826	-15	2,421
Reclassifications and eliminations	1	0	1	0	1	2	2
Volvo Group	11,869	13,745	8,556	10,219	9,403	34,171	32,854

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 third quarter includes dividends amounting to SEK 1,221 M (3,136).

Financial net debt amounted to SEK 22,036 M (42,877) at the end of the third quarter.

Income statement				
SEK M	Third quarter		First nine months	
	2022	2021	2022	2021
Net sales¹	52	72	183	203
Cost of sales ¹	-52	-72	-183	-203
Gross income	0	0	0	0
Operating expenses ¹	-334	-141	-940	-756
Operating income (loss)	-334	-141	-940	-756
Income from investments in group companies	1,221	3,136	5,099	11,653
Income from investments in joint ventures and associated companies	-	-	34	785
Interest income and expenses	-112	-174	-276	-398
Other financial income and expenses	5	2	204	-3
Income after financial items	780	2,823	4,121	11,281
Appropriations	-	-	-	2,000
Income taxes	46	-83	143	-459
Income for the period	826	2,740	4,264	12,822

¹ Of net sales in the third quarter, SEK 48 M (62) pertained to group companies, while purchases from group companies amounted to SEK 91 M (72).

Other comprehensive income				
Income for the period	826	2,740	4,264	12,822
Other comprehensive income, net of income taxes	-	-	-	-
Total comprehensive income for the period	826	2,740	4,264	12,822

Balance sheet		
SEK M	Sep 30 2022	Dec 31 2021
Assets		
Non-current assets		
Tangible assets	7	7
Financial assets		
Shares and participations in group companies	69,278	67,683
Investments in joint ventures and associated companies	8,946	8,946
Other shares and participations	2	1
Other long-term receivables	503	487
Deferred tax assets	446	242
Total non-current assets	79,182	77,366
Current assets		
Current receivables from group companies	1,319	56,546
Tax assets	1,354	-
Other current receivables	244	1,235
Total current assets	2,917	57,781
Total assets	82,099	135,147
Equity and liabilities		
Equity		
Restricted equity	9,899	9,899
Unrestricted equity	39,140	61,311
Total Equity	49,039	71,210
Untaxed reserves	10,000	10,000
Provisions	294	275
Non-current liabilities ¹	316	5,745
Current liabilities ²	22,450	47,917
Total equity and liabilities	82,099	135,147

¹ Of which SEK 310 M (5,739) pertains to group companies.

² Of which SEK 21,871 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 third quarter 2022 that are expected to have a substantial effect on the Volvo Group.

Gothenburg, October 20, 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	Third quarter		Change %	First nine months		Change %
	2022	2021		2022	2021	
Number of trucks						
Net order intake excluding UD Trucks						
Europe	32,329	18,396	76	83,908	100,473	-16
Heavy- and medium-duty	26,090	13,032	100	68,056	81,000	-16
Light-duty	6,239	5,364	16	15,852	19,473	-19
North America	18,641	21,750	-14	34,389	51,672	-33
South America	5,837	4,695	24	22,527	16,647	35
Asia	4,889	3,000	63	14,538	11,491	27
Africa and Oceania	2,993	3,277	-9	8,309	9,240	-10
Total order intake excluding UD Trucks	64,689	51,118	27	163,671	189,523	-14
UD Trucks	-	-	N/A	-	5,017	N/A
Total order intake	64,689	51,118	27	163,671	194,540	-16
Heavy-duty (>16 tons)	52,891	39,300	35	135,745	153,948	-12
Medium-duty (7-16 tons)	5,513	6,422	-14	11,839	15,902	-26
Light-duty (<7 tons)	6,285	5,396	16	16,087	19,673	-18
Total order intake excluding UD Trucks	64,689	51,118	27	163,671	189,523	-14
UD Trucks	-	-	N/A	-	5,017	N/A
Total order intake	64,689	51,118	27	163,671	194,540	-16
Net order intake of trucks by brand						
Volvo						
Europe	19,097	8,167	134	42,655	50,617	-16
North America	7,614	8,804	-14	17,557	22,273	-21
South America	5,676	4,351	30	21,762	15,643	39
Asia	3,976	2,329	71	11,040	8,975	23
Africa and Oceania	1,946	2,102	-7	5,786	5,769	0
Total Volvo	38,309	25,753	49	98,800	103,277	-4
Heavy-duty (>16 tons)	36,956	25,010	48	95,277	100,374	-5
Medium-duty (7-16 tons)	1,353	743	82	3,523	2,903	21
Total Volvo	38,309	25,753	49	98,800	103,277	-4
Renault Trucks						
Europe	13,232	10,229	29	41,253	49,856	-17
Heavy- and medium-duty	6,993	4,865	44	25,401	30,383	-16
Light-duty	6,239	5,364	16	15,852	19,473	-19
North America	41	16	156	138	103	34
South America	87	220	-60	379	565	-33
Asia	913	671	36	3,498	2,516	39
Africa and Oceania	335	241	39	1,057	1,141	-7
Total Renault Trucks	14,608	11,377	28	46,325	54,181	-14
Heavy-duty (>16 tons)	6,162	4,219	46	24,670	29,028	-15
Medium-duty (7-16 tons)	2,161	1,762	23	5,568	5,480	2
Light-duty (<7 tons)	6,285	5,396	16	16,087	19,673	-18
Total Renault Trucks	14,608	11,377	28	46,325	54,181	-14
Mack						
North America	10,986	12,930	-15	16,694	29,296	-43
South America	74	99	-25	310	375	-17
Africa and Oceania	356	554	-36	536	1,130	-53
Total Mack	11,416	13,583	-16	17,540	30,801	-43
Heavy-duty (>16 tons)	9,471	9,781	-3	15,014	23,608	-36
Medium-duty (7-16 tons)	1,945	3,802	-49	2,526	7,193	-65
Total Mack	11,416	13,583	-16	17,540	30,801	-43

DELIVERIES

Deliveries of trucks	Third quarter		Change %	First nine months		Change %
	2022	2021		2022	2021	
Number of trucks						
Deliveries excluding UD Trucks						
Europe	23,857	20,286	18	82,755	67,803	22
Heavy- and medium-duty	19,258	17,156	12	68,478	54,512	26
Light-duty	4,599	3,130	47	14,277	13,291	7
North America	13,312	10,222	30	42,293	33,036	28
South America	8,611	8,152	6	23,236	20,340	14
Asia	4,532	3,098	46	12,947	10,571	22
Africa and Oceania	2,991	2,226	34	8,493	6,354	34
Total deliveries excluding UD Trucks	53,303	43,984	21	169,724	138,104	23
UD Trucks	-	-	N/A	-	3,994	N/A
Total deliveries	53,303	43,984	21	169,724	142,098	19
Heavy-duty (>16 tons)	45,174	37,957	19	144,129	115,416	25
Medium-duty (7-16 tons)	3,509	2,863	23	11,174	9,200	21
Light-duty (<7 tons)	4,620	3,164	46	14,421	13,488	7
Total deliveries excluding UD Trucks	53,303	43,984	21	169,724	138,104	23
UD Trucks	-	-	N/A	-	3,994	N/A
Total deliveries	53,303	43,984	21	169,724	142,098	19
Deliveries of trucks by brand						
Volvo						
Europe	12,845	11,167	15	44,934	34,881	29
North America	7,282	5,044	44	23,148	16,341	42
South America	8,308	7,963	4	22,331	19,667	14
Asia	3,505	2,464	42	10,131	8,478	19
Africa and Oceania	2,010	1,499	34	5,523	4,068	36
Total Volvo	33,950	28,137	21	106,067	83,435	27
Heavy-duty (>16 tons)	33,131	27,381	21	103,492	81,375	27
Medium-duty (7-16 tons)	819	756	8	2,575	2,060	25
Total Volvo	33,950	28,137	21	106,067	83,435	27
Renault Trucks						
Europe	11,012	9,119	21	37,821	32,922	15
Heavy- and medium-duty	6,413	5,989	7	23,544	19,631	20
Light-duty	4,599	3,130	47	14,277	13,291	7
North America	15	26	-42	62	110	-44
South America	131	76	72	467	271	72
Asia	1,027	634	62	2,816	2,093	35
Africa and Oceania	401	369	9	1,190	1,376	-14
Total Renault Trucks	12,586	10,224	23	42,356	36,772	15
Heavy-duty (>16 tons)	6,581	5,851	12	23,415	19,000	23
Medium-duty (7-16 tons)	1,385	1,209	15	4,520	4,284	6
Light-duty (<7 tons)	4,620	3,164	46	14,421	13,488	7
Total Renault Trucks	12,586	10,224	23	42,356	36,772	15
Mack						
North America	6,015	5,152	17	19,083	16,585	15
South America	127	92	38	360	333	8
Asia	-	-	-	-	-	-
Africa and Oceania	233	105	122	602	403	49
Total Mack	6,375	5,349	19	20,045	17,321	16
Heavy-duty (>16 tons)	5,168	4,506	15	16,281	14,637	11
Medium-duty (7-16 tons)	1,207	843	43	3,764	2,684	40
Total Mack	6,375	5,349	19	20,045	17,321	16

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 CEST on October 20, 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 fourth quarter and full year 2022	January 26, 2023
Annual and Sustainability Report 2022	February 28, 2023
Annual General Meeting 2023	April 4, 2023
Report on the first quarter 2023	April 20, 2023
Report on the second quarter 2023	July 19, 2023
Report on the third quarter 2023	October 18, 2023

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