FIRST QUARTER 2023

Martin Lundstedt
President and CEO

Volvo Group
First quarter 2023
2023-04-20
Volvo Group
First quarter highlights

- Net sales increased to SEK 131.4 bn, an increase of 17% adjusted for FX
- Adjusted operating income reached SEK 18.4 bn (12.7%), corresponding to a margin of 14.0% (12.0)
- Operating cash flow in Industrial Operations amounted to SEK 5.0 bn (-5.4)
- ROCE 30.3% (25.3) in Industrial Operations
- EPS increased by 84% to SEK 6.35 (3.46)

NET SALES
SEK bn
12 months SEK 500 bn

ADJUSTED OPERATING INCOME
SEK bn (margin)*
12 months 11.2%

Q1 2021 | Q2 2021 | Q3 2021 | Q4 2021 | Q1 2022 | Q2 2022 | Q3 2022 | Q4 2022 | Q1 2023
---|---|---|---|---|---|---|---|---
88.6 | 105.3 | 131.4 | 11.8 | 12.7 | 18.4 (14.0%)

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

Net sales restated for UD Trucks divestment
Volvo Group
Volume development

TRUCK DELIVERIES
12 months 239' units
+11%

MACHINE DELIVERIES
12 months 75' units
-30%

Deliveries restated for UD Trucks divestment
Volvo Group
Electrification progress

ORDER INTAKE, FULLY ELECTRIC VEHICLES
- 12 months 5,360 units

DELIVERIES, FULLY ELECTRIC VEHICLES
- 12 months 2,798 units

Including Designwerk and Nova Bus

Volvo Group
First quarter 2023

2023-04-20 4
Volvo Group
Vehicle and machine sales development

VEHICLE SALES
SEK bn  12 months SEK 384 bn

+25%
+18% excl. FX

67.2  80.0  100.7

Q1  Q2  Q3  Q4  Q1  Q2  Q3  Q4  Q1
2021  2022

Vehicle sales restated for UD Trucks divestment

YoY GROWTH %

24% TRUCKS
5% CONSTRUCTION EQUIPMENT
32% BUSES
31% VOLVO PENTA

All figures are excluding FX

Volvo Group
First quarter 2023

2023-04-20  5
Volvo Group
Service sales development

SERVICE SALES (incl. Financial Services)
SEK bn 12 months SEK 115 bn

+21%
+13% excl. FX

Vehicle sales restated for UD Trucks divestment

YoY GROWTH %

TRUCKS
10%

CONSTRUCTION
EQUIPMENT
1%

BUSES
23%

VOLVO PENTA
11%

VFS
33%

All figures are excluding FX
Trucks

• Volvo Trucks started production of heavy-duty **rigid** electric trucks
• Volvo Trucks and Boliden collaborate on deployment of underground electric trucks for mining
• Mack Trucks launched medium-duty electric models for North America
• The existing technology cooperation with Isuzu Group was extended to also include Isuzu branded vehicles
Trucks

Market environment

NORTH AMERICA HD

2022: 310'
Forecast 2023: 320'

EUROPE HD

2022: 298'
Forecast 2023: 320'

BRAZIL HD

2022: 98'
Forecast 2023: 80'

INDIA HD+MD

2022: 351'
Forecast 2023: 400'

CHINA HD+MD

2022: 568'
Forecast 2023: 650'

Volvo Group
First quarter 2023
Trucks
Quarterly orders +32% and deliveries +11%

NORTH AMERICA
Orders +152%
Deliveries +15%

EUROPE
Orders +25%
Deliveries +13%

AFRICA AND OCEANIA
Orders +23%
Deliveries -7%

SOUTH AMERICA
Orders -29%
Deliveries -28%

ASIA
Orders +12%
Deliveries +55%
Trucks

Heavy-duty truck market shares

NORTH AMERICA
YTD Mar

<table>
<thead>
<tr>
<th></th>
<th>2022</th>
<th>2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>Volvo</td>
<td>9.8</td>
<td>8.7</td>
</tr>
<tr>
<td>Mack</td>
<td>5.3</td>
<td>5.7</td>
</tr>
</tbody>
</table>

EUROPE (EU29)
YTD Mar

<table>
<thead>
<tr>
<th></th>
<th>2022</th>
<th>2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>Volvo</td>
<td>18.7</td>
<td>17.9</td>
</tr>
<tr>
<td>Renault Trucks</td>
<td>9.6</td>
<td>9.0</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2022</th>
<th>2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>Volvo</td>
<td>32.0</td>
<td>50.2</td>
</tr>
<tr>
<td>Renault Trucks</td>
<td>18.7</td>
<td>15.5</td>
</tr>
</tbody>
</table>

BRAZIL
YTD Mar

<table>
<thead>
<tr>
<th></th>
<th>2022</th>
<th>2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>Volvo</td>
<td>25.9</td>
<td>21.8</td>
</tr>
</tbody>
</table>

SOUTH AFRICA
YTD Mar

<table>
<thead>
<tr>
<th></th>
<th>2022</th>
<th>2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>Volvo</td>
<td>21.3</td>
<td>16.8</td>
</tr>
</tbody>
</table>

AUSTRALIA
YTD Mar

<table>
<thead>
<tr>
<th></th>
<th>2022</th>
<th>2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>Volvo</td>
<td>14.8</td>
<td>20.6</td>
</tr>
<tr>
<td>Mack</td>
<td>6.6</td>
<td>5.2</td>
</tr>
</tbody>
</table>
Construction Equipment

- New midsized wheel loader with electric conversion
- Investment in battery pack production at the excavator plant in South Korea
- Good customer reception to product launches at ConExpo
- Electric machine orders increased 84% and deliveries increased 79%
Construction Equipment

Market environment
Construction Equipment
Quarterly orders -35% and deliveries -30%

NORTH AMERICA

Orders +107%
Deliveries +35%

SOUTH AMERICA

Orders -30%
Deliveries -58%

EUROPE

Orders -37%
Deliveries -9%

AFRICA AND OCEANIA

Orders -14%
Deliveries +69%

ASIA

Orders -50%
Deliveries -50%

Valtra Group
First quarter 2023

2023-04-20
Buses

• Orders increased by 4%
• Deliveries increased by 25%
• New business model in Europe:
  ➢ Focus inhouse resources on chassis
  ➢ Use external body builders
• Prevost launched an all-new version of its H3-45 coach model which is more aerodynamic and up to 12% more fuel efficient
Volvo Penta

- Orders decreased by 6%
- Deliveries increased by 11%
- Volvo Penta has expanded its genset range and launched its most powerful engine, D17
- To accelerate entry into the utility sector Volvo Penta acquired a minority stake in Utility Innovation Group in the US
Financial Services

- Good growth in new business volumes
- Penetration trending down due to continued competitive environment
- Stable portfolio performance

NEW RETAIL FINANCING & PENETRATION RATE*
SEK bn

Penetration rate 12 months 27 %

Q1 Q2 Q3 Q4 Q1 Q2 Q3 Q4 Q1
2021 2021 2021 2021 2022 2022 2022 2022 2023
17.3 19.8 21.3 21.6 21.6 21.6 21.6 25.1

*All figures exclude activity related to Russia and Belarus
FIRST QUARTER 2023

Jan Ytterberg
Acting CFO and Executive Vice President Group Finance
Volvo Group

Net sales per market

Volvo Group
First quarter 2023

NET SALES
SEK bn

Currency SEK +8.5 bn

Q1 2022 | Europe | North America | South America | Asia | Africa and Oceania | Q1 2023
-------|--------|--------------|---------------|-----|-------------------|-------
105.3  | 11.0   | 10.3         | 0.7           | 2.4 | 1.8               | 131.4 |
Volvo Group
Adjusted operating income contributors

ADJUSTED OPERATING INCOME
SEK bn
Currency SEK +1.7 bn

+ Price realization
+ Brand and product mix in Construction Equipment
- Material costs
- R&D expenses
- Selling expenses

Q1 2022  Gross Income  Cash R&D  Net R&D Cap./Am.  Selling  Admin  Other  Q1 2023
12.7  9.6  -1.8  -0.1  -1.4  -0.3  -0.2  18.4
Volvo Group
Cash flow, financial position and ROCE in Industrial Operations

OPERATING CASH FLOW
SEK bn  12 months SEK 45.7 bn

ROCE
% 12 months

FINANCIAL POSITION
(Excl. pensions and lease liabilities)
SEK bn

Volvo Group
First quarter 2023
Trucks
Net sales and adjusted operating income

**NET SALES**

12 months SEK 331 bn
SEK bn

+29%
(excl. FX +21%)

<table>
<thead>
<tr>
<th>Q1 2021</th>
<th>Q2 2021</th>
<th>Q3 2021</th>
<th>Q4 2021</th>
<th>Q1 2022</th>
<th>Q2 2022</th>
<th>Q3 2022</th>
<th>Q4 2022</th>
<th>Q1 2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>52.9</td>
<td>56.1</td>
<td>69.6</td>
<td>89.6</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**ADJUSTED OPERATING INCOME**

SEK bn

+ Price realization
+ Volumes

- Material costs
- R&D expenses
- Selling expenses

<table>
<thead>
<tr>
<th>Q1 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>8.7</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Q1 2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>12.7</td>
</tr>
</tbody>
</table>

**ADJUSTED OPERATING INCOME**

SEK bn (margin)*

12 months 11.4%
Currency SEK +0.9 bn

<table>
<thead>
<tr>
<th>Q1 2021</th>
<th>Q2 2021</th>
<th>Q3 2021</th>
<th>Q4 2021</th>
<th>Q1 2022</th>
<th>Q2 2022</th>
<th>Q3 2022</th>
<th>Q4 2022</th>
<th>Q1 2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>7.5</td>
<td>7.5</td>
<td>7.5</td>
<td>7.5</td>
<td>8.7</td>
<td>8.7</td>
<td>8.7</td>
<td>8.7</td>
<td>12.7</td>
</tr>
</tbody>
</table>

(12.8%) (12.5%) (12.5%) (14.2%)

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

Net sales restated for UD Trucks divestment

Volvo Group
First quarter 2023
Construction Equipment
Net sales and adjusted operating income

**NET SALES**
12 months SEK 103 bn
SEK bn
+11%
(excl. FX +5%)
- Q1 2021: 24.7
- Q2 2021: 22.6
- Q3 2021: 22.6
- Q4 2021: 25.1

**ADJUSTED OPERATING INCOME**
12 months 14.6%
SEK bn
Currency SEK +0.6 bn
- Q1 2022: 2.8
- Q1 2023: 4.6

**ADJUSTED OPERATING INCOME**
Q1 2021: 3.8 (15.4%)
Q2 2021: 2.8 (12.4%)
Q3 2021: 2.8 (12.4%)
Q4 2021: 4.6 (18.3%)

- Volumes
- Material costs
- R&D expenses

+ Brand & product mix
+ Price realization

*For information on adjustments, see note 6 in the quarterly report*
Buses
Net sales and adjusted operating income

**NET SALES**
SEK bn
- 12 months SEK 20 bn
- +40% (excl. FX +29%)

<table>
<thead>
<tr>
<th>Quarter</th>
<th>2021</th>
<th>2022</th>
<th>2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1</td>
<td>2.4</td>
<td>3.1</td>
<td>4.3</td>
</tr>
</tbody>
</table>

**ADJUSTED OPERATING INCOME**
SEK M
- + Price realization
- + Favorable mix
- - Material costs
- - R&D expenses

<table>
<thead>
<tr>
<th>Quarter</th>
<th>2022</th>
<th>2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1</td>
<td>20</td>
<td>178</td>
</tr>
</tbody>
</table>

**ADJUSTED OPERATING INCOME**
SEK M (margin)*
- 12 months 2.6%
- Currency SEK +112 M

178 (4.2%)

-15 (-0.6%)
20 (0.7%)

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

All numbers restated to exclude Nova Bus which is now included in segment ‘Group Functions and other’
Volvo Penta
Net sales and adjusted operating income

**NET SALES**
- 12 months SEK 20 bn
- +33% (excl. FX +26%)  

**ADJUSTED OPERATING INCOME**
- SEK M
- Q1 2022: 769
- Q1 2023: 1,271
- + Mix
- + Price realization
- + Engine volumes
- - Material costs
- - R&D expenses

**ADJUSTED OPERATING INCOME (margin)**
- SEK M (margin)*
- 12 months 15.5%
- Currency SEK +198 M
- Q1 2021: 643 (18.9%)
- Q1 2022: 769 (18.3%)
- Q1 2023: 1,271 (22.7%)

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

Volvo Group
First quarter 2023
Financial Services
Credit portfolio and profitability

CREDIT PORTFOLIO & ROE*
SEK bn
ROE 12 months 14.8%

ADJUSTED OPERATING INCOME*
SEK M
+ Portfolio growth
- Spread compression

*All figures exclude activity related to Russia and Belarus
For information on adjustments, see note 6 in the quarterly report

Volvo Group
First quarter 2023

2023-04-20  25
Volvo Group
First quarter highlights

- Net sales increased to SEK 131.4 bn, an increase of 16.8% adjusted for FX
- Adjusted operating income reached SEK 18.4 bn (12.7), corresponding to a margin of 14.0% (12.0)
- Operating cash flow in Industrial Operations amounted to SEK 5.0 bn (-5.4)
- ROCE 30.3% (25.3) in Industrial Operations
- EPS increased by 84% to SEK 6.35 (3.46)

Net sales restated for UD Trucks divestment

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