THIRD QUARTER 2023

Martin Lundstedt
President and CEO
Volvo Group
Third quarter highlights

- Net sales increased to SEK 132.4 bn, an increase of 9% adjusted for FX
- Adjusted operating income reached SEK 19.1 bn (11.9), corresponding to a margin of 14.4% (10.3)
- Operating cash flow in Industrial Operations amounted to SEK 5.6 bn (14.6)
- ROCE 33.7% (27.4) in Industrial Operations
- EPS increased to SEK 6.93 (4.24)

**NET SALES**
SEK bn
- 12 months SEK 539 bn

**ADJUSTED OPERATING INCOME**
SEK bn (margin)*
- 12 months 13.3%

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

TRUCK DELIVERIES

<table>
<thead>
<tr>
<th>Quarter</th>
<th>2021</th>
<th>2022</th>
<th>2023</th>
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<tbody>
<tr>
<td>Q3</td>
<td>44.0</td>
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</table>

12 months 243’ units, +4%

MACHINE DELIVERIES

<table>
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<tr>
<th>Quarter</th>
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<tbody>
<tr>
<td>Q3</td>
<td>18.1</td>
<td>16.8</td>
<td>13.3</td>
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</tbody>
</table>

12 months 66’ units, -21%
Volvo Group
Electrification progress

ORDER INTAKE, FULLY ELECTRIC VEHICLES
- 12 months 5,985 units

DELIVERIES, FULLY ELECTRIC VEHICLES
- 12 months 4,141 units

Including Designwerk and Nova Bus

Volvo Group
Third quarter 2023
Volvo Group
Vehicle and machine sales development

**VEHICLE SALES**
SEK bn  12 months SEK 414 bn

- **62.8** Q3 2021
- **75.8** Q4 2021
- **87.1** Q1 2022
- **89.2** Q2 2022
- **97.3** Q3 2022
- **100.1** Q3 2023

+15%  
+9% excl. FX

**YoY GROWTH %**

- **16%** TRUCKS
- **-5%** CONSTRUCTION EQUIPMENT
- **4%** BUSES
- **5%** VOLVO PENTA

*All figures are excluding FX*
Volvo Group
Service sales development

SERVICE SALES (incl. Financial Services)
SEK bn  12 months SEK 125 bn

+16%
+10% excl. FX

Q3 2021  Q4 2021  Q1 2022  Q2 2022  Q3 2022

32.3
27.8
22.5

YoY GROWTH %

TRUCKS  5%
CONSTRUCTION EQUIPMENT  4%
BUSES  13%
VOLVO PENTA  6%
VFS  32%

All figures are excluding FX
Trucks news

• Renault Trucks taking heavy-duty electric orders since Q3 and starts serial production in Bourg-en-Bresse, France, in November

• Volvo Autonomous Solutions entered a long-term collaboration with Boliden to deploy autonomous solutions

• Volvo Defense entered a 7-year framework agreement for deliveries of logistics trucks to Estonia and Latvia
Trucks news

- Volvo Group, Renault Group and CMA CGM Group join forces to address the growing needs of decarbonized and efficient logistics with an all-new generation of electric vans
- Volvo Group, through Renault Trucks, and Renault Group have successfully worked together on light commercial vehicles for decades
Trucks
Market environment

NORTH AMERICA HD

2022: 310'
Forecast 2023: 330'
Forecast 2024: 290'

EUROPE HD

2022: 298'
Forecast 2023: 340'
Forecast 2024: 290'

BRAZIL HD

2022: 98'
Forecast 2023: 80'
Forecast 2024: 80'

INDIA HD+MD

2022: 351'
Forecast 2023: 400'
Forecast 2024: 440'

CHINA HD+MD

2022: 566'
Forecast 2023: 680'
Forecast 2024: 700'
Trucks
Quarterly orders -27% and deliveries +4%

NORTH AMERICA

SOUTH AMERICA

EUROPE

AFRICA AND OCEANIA

ASIA

Volvo Group
Third quarter 2023
Trucks
Heavy-duty truck market shares

NORTH AMERICA
YTD Aug

10.3 9.0
Volvo  Mack

18.9 17.4
Volvo  Renault Trucks
Total market share

48.3 22.9
Volvo  Renault Trucks
Battery-electric market share

BRAZIL
YTD Sep

25.0 23.7
Volvo

19.6 15.5
Volvo

SOUTH AFRICA
YTD Sep

AUSTRALIA
YTD Sep

20.1 15.2
Volvo

6.2 5.2
Mack
Construction Equipment news

- The fully electric 23-ton excavator, EC230, rolled out to a range of key markets in Europe
- First electric power unit delivered to a customer in Sweden
Construction Equipment

Market environment

NORTH AMERICA
Forecast 2023: 0% to +10%
Forecast 2024: -10% to 0%

EUROPE
Forecast 2023: -5% to +5%
Forecast 2024: -15% to -5%

SOUTH AMERICA
Forecast 2023: -20% to -10%
Forecast 2024: 0% to +10%

ASIA (excl. CHINA)
Forecast 2023: -5% to +5%
Forecast 2024: -15% to +5%

CHINA
Forecast 2023: -40% to -30%
Forecast 2024: -10% to 0%
Construction Equipment
Quarterly orders -27% and deliveries -21%

NORTH AMERICA
ORDERS - 196%
DELIVERIES + 33%

EUROPE
ORDERS - 56%
DELIVERIES - 4%

SOUTH AMERICA
ORDERS - 20%
DELIVERIES - 57%

AFRICA AND OCEANIA
ORDERS - 16%
DELIVERIES - 16%

ASIA
ORDERS - 36%
DELIVERIES - 34%
Buses

• Orders increased by 6%
• Deliveries increased by 4%
• Agreement signed with MCV to manufacture bodies for electric city buses
• Electric bus orders to Warrington Borough Council and Lothian Buses in the UK
Volvo Penta

- Orders decreased by 28%
- Deliveries decreased by 9%
- Volvo Penta continues to appoint dedicated dealers for industrial business
Financial Services

- Record business volume for a third quarter
- Portfolio growth across most key markets
- Portfolio performance continues to be good

NEW RETAIL FINANCING & PENETRATION RATE*

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

Jan Ytterberg

Volvo Group
Third quarter 2023
2023-10-18
Volvo Group

Net sales per market

NET SALES
SEK bn

Q3 2022 | Europe | North America | South America | Asia | Africa and Oceania | Q3 2023
--- | --- | --- | --- | --- | --- | ---
114.9 | 10.0 | 6.7 | -0.7 | 0.0 | 1.4 | 132.4

Currency SEK +6.8 bn
Volvo Group

Adjusted operating income contributors

ADJUSTED OPERATING INCOME
SEK bn

Currency SEK +1.2 bn

- Price realization
- Production costs
- Selling expenses
- R&D expenses

Volvo Group
Third quarter 2023
Volvo Group
Cash flow, financial position and ROCE in Industrial Operations

**Operating Cash Flow**
SEK bn  12 months SEK 42.1 bn

**ROCE**
% 12 months

**Financial Position**
(Excl. pensions and lease liabilities)
SEK bn

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

**NET SALES**
12 months SEK 360 bn
SEK bn
+20% (excl. FX +13%)

<table>
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<tr>
<th>Quarter</th>
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<th>Q3 2022</th>
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<th>Q2 2023</th>
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<tr>
<td>Sales</td>
<td>53.4</td>
<td>75.1</td>
<td>89.8</td>
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**ADJUSTED OPERATING INCOME**
SEK bn

- Price realization
- Production costs
- R&D expenses
- Selling expenses

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<tr>
<th>Quarter</th>
<th>Q3 2022</th>
<th>Q3 2023</th>
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<tbody>
<tr>
<td>Income</td>
<td>7.3</td>
<td>14.0</td>
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<tr>
<td>Margin</td>
<td>(10.9%)</td>
<td>(15.6%)</td>
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</table>

**ADJUSTED OPERATING INCOME**
SEK bn (margin)
12 months 13.9%
Currency SEK +0.9 bn

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<tr>
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<td>Margin</td>
<td>7.3</td>
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*For information on adjustments, see note 6 in the quarterly report*
Construction Equipment
Net sales and adjusted operating income

**NET SALES**
12 months SEK 106 bn
SEK bn

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<tr>
<td>Q3</td>
<td>19.6</td>
<td>24.2</td>
<td>24.3</td>
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</tbody>
</table>

+0% (excl. FX -4%)

**ADJUSTED OPERATING INCOME**
SEK bn

<table>
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<tr>
<th>Quarter</th>
<th>2022</th>
<th>2023</th>
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</thead>
<tbody>
<tr>
<td>Q3</td>
<td>3.8</td>
<td>3.7</td>
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</tbody>
</table>

+ Price realization
+ Brand & market mix

↓
- Volumes
- Production costs
- Selling expenses

**ADJUSTED OPERATING INCOME**
SEK bn (margin)*
12 months 15.8%
Currency SEK +0.1 bn

<table>
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<td>Q3</td>
<td>2.6</td>
<td>3.8</td>
<td>3.7</td>
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<tr>
<td></td>
<td>(13.4%)</td>
<td>(15.6%)</td>
<td>(15.4%)</td>
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</tbody>
</table>

*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 22 bn
+12% (excl. FX +6%)

**ADJUSTED OPERATING INCOME**
SEK M
+ Price realization
+ Service sales
+ Production efficiency
- Material costs

**ADJUSTED OPERATING INCOME**
SEK M (margin)*
12 months 4.4%
Currency SEK +86 M

*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 Group
Third quarter 2023

2023-10-18  24
Volvo Penta

Net sales and adjusted operating income

**NET SALES**

12 months SEK 21 bn

SEK bn

+11%
(excl. FX +5%)

<table>
<thead>
<tr>
<th>Q3</th>
<th>Q4</th>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
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<th>Q1</th>
<th>Q2</th>
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<td>3.4</td>
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**ADJUSTED OPERATING INCOME**

SEK M

+ Price realization
  + Product mix
- Material costs
- Production efficiency
- Selling expenses

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<td>593</td>
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<td>790</td>
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(14.6%) (13.3%) (14.6%) (13.3%) (13.3%) (13.3%) (13.3%) (15.9%)

**ADJUSTED OPERATING INCOME**

SEK M (margin)*

12 months 16.0%

Currency SEK +136 M

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<td>790</td>
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(14.6%) (13.3%) (14.6%) (13.3%) (13.3%) (13.3%) (13.3%) (15.9%)

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

CREDIT PORTFOLIO & ROE*
SEK bn
ROE 12 months 14.1%

ADJUSTED OPERATING INCOME*
SEK M

ADJUSTED OPERATING INCOME *
SEK M
12 months SEK 3680 M
Currency SEK +36 M

*All figures exclude activity related to Russia and Belarus
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Volvo Group
Third quarter highlights

• Net sales increased to SEK 132.4 bn, an increase of 9% adjusted for FX

• Adjusted operating income reached SEK 19.1 bn (11.9), corresponding to a margin of 14.4% (10.3)

• Operating cash flow in Industrial Operations amounted to SEK 5.6 bn (14.6)

• ROCE 33.7% (27.4) in Industrial Operations

• EPS increased to SEK 6.93 (4.24)

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QUESTIONS AND ANSWERS