

REPORT ON THE FIRST QUARTER 2021



- » In Q1 2021, net sales increased by 3% to SEK 94.0 billion (91.4). Adjusted for currency movements, net sales increased by 13%.
- » Adjusted operating income¹ amounted to SEK 11,821 M (7,140), corresponding to an adjusted operating margin of 12.6% (7.8).
- » Reported operating income amounted to SEK 12,067 M (7,374).
- » Currency movements had a negative impact on operating income of SEK 1,125 M.
- » Earnings per share amounted to SEK 4.35 (2.30).
- » Operating cash flow in the Industrial Operations amounted to SEK 5,665 M (-4,117).
- » Volvo Group and Daimler Truck AG completed creation of fuel-cell joint venture cellcentric.
- » On April 1, Volvo Group and Isuzu Motors completed the UD Trucks transaction as part of the strategic alliance.
- » Shortage of semiconductors impacting production.

SEK M unless otherwise stated	First quarter	
	2021	2020
Net sales	94,018	91,449
Adjusted operating income ¹	11,821	7,140
Adjusted operating margin, %	12.6	7.8
Operating income	12,067	7,374
Operating margin, %	12.8	8.1
Income after financial items	12,290	6,490
Income for the period	9,004	4,766
Earnings per share, SEK	4.35	2.30
Operating cash flow in Industrial Operations	5,665	-4,117
Net financial position in Industrial Operations, SEK bn ²	74.8	74.7
Return on capital employed in Industrial Operations, % ³	17.1	23.9
Return on equity, % ³	16.4	22.0
Net order intake, number of trucks	85,461	38,399
Deliveries, number of trucks	52,444	44,765
Net order intake, number of construction equipment	35,616	20,614
Deliveries, number of construction equipment	30,957	20,170

¹ For information on adjusted operating income, please see note 7.

² Excluding post-employment benefits and lease liabilities.

³ 12 months rolling.

CEO'S COMMENTS

Good profitability and high activity among our customers

The first quarter of 2021 was characterized by high activity among our customers, which was reflected in good demand for both new products and services. Compared with the first quarter of 2020, our net sales increased by 3% to SEK 94.0 billion. The good sales volumes, not least in the service business, and our own measures to keep costs down contributed to the adjusted operating income improving to SEK 11.8 billion (7.1). The adjusted operating margin increased to a historically high 12.6% (7.8).

We had an operating cash flow in the Industrial Operations of SEK 5.7 billion (-4.1) during the quarter and a net cash position of SEK 74.8 billion at its end, excluding pension and lease liabilities. Our strong financial position allows us to invest in the technologies, products and solutions that transform our industry as well as provide a good return to our shareholders.

A strong freight market with increased transport volumes, not least driven by increased e-commerce, and rising freight prices is positive for our customers' profitability and means that they both renew and expand their fleets to meet the increased demand. This contributed to a strong order intake in our truck business. Our inventories of both new and used trucks are globally low and we have full focus on trying to satisfy the demand from our customers. Deliveries increased by 17% during the first quarter. The truck business improved the adjusted operating margin to 12.8% (6.8) on the back of high volumes and good cost execution.

The global shortage of semiconductors had a limited impact on our production during the first quarter. As we announced at the end of March, we still expect to take stop days corresponding to two to four weeks in the global truck manufacturing, depending on production site, in the second quarter. The global supply chain for semiconductors as well as for other components remains very unstable and the uncertainty about the development is high. We can therefore not rule out further disruptions in both the truck business and other parts of the Group. Together with our business partners, we work hard to minimize the number of vehicles affected and the impact on customers and our costs. We maintain our readiness to increase production when possible.

On April 1, as part of the formation of a strategic alliance, Isuzu Motors acquired UD Trucks for approximately SEK 19 billion. We hand over a company that has a positive profitability development and I would like to thank everyone at UD Trucks for their hard work. UD Trucks will be a strong foundation for our collaboration with Isuzu Motors.

Demand for construction machines is good. In many countries there is a need to invest in an aging infrastructure and we see that such investments are now both ongoing and planned for the future. Together with a high level of construction activity in several other sectors, this is driving demand for both new machines and services. During the first quarter, both deliveries and order intake rose sharply.



Profitability also improved and the adjusted operating margin amounted to 15.4% (13.3).

For Volvo Buses, the continued low activity in the tourism industry means that demand for coaches is very weak and many operators' fleets are standing still, which also affects our service business. Compared with the first quarter of 2020, bus deliveries decreased by 26% and order intake by as much as 68%. Volvo Buses has done a very good job of reducing costs, but it is difficult to fully compensate for the large volume loss and the adjusted operating margin amounted to -1.8% (-2.5).

Volvo Penta's sales volume was at roughly the same level as in the first quarter of 2020, while order intake rose by 27%. The adjusted operating margin was 18.9% (15.2).

For our customer financing operations in Volvo Financial Services, the good freight market and increased construction activity mean that customers' profitability and their ability to repay their loans continue to improve. Adjusted operating income increased to SEK 682 M (605).

We continue to invest in electrified, automated and connected solutions. The Group already has fully-electric trucks, buses and construction equipment in serial production. Even if volumes are currently small, customer interest is high and we expect a transition to electric vehicles segment by segment, market by market and region by region. With the rollout of the heavy-duty electric trucks from both Volvo Trucks and Renault Trucks in the next two years, the Volvo Group will offer electric trucks with ranges that cover almost half of the truck transports carried out in the EU. In the quarter we also started the new joint fuel cell company cellcentric together with Daimler Truck, with the ambition to make it a leading global manufacturer of fuel cells. Furthermore, Volvo Autonomous Solutions has entered a strategic partnership with US-based company Aurora to jointly develop on-highway autonomous trucks.

We are convinced that demand for both transport and infrastructure will continue to grow in the long term. It is driven by population growth, urbanization, a growing middle class and increasing e-commerce. It is also clear that we need to meet that demand with sustainable solutions. We stand by our long-term ambition to offer transport and infrastructure solutions that are 100% safe, 100% fossil-free and 100% more efficient than today.

Martin Lundstedt
President and CEO

FINANCIAL SUMMARY OF THE FIRST QUARTER 2021

Net sales

In Q1 2021, the Volvo Group's net sales amounted to SEK 94,018 M compared with SEK 91,449 M in the same quarter the preceding year.

Adjusted for currency movements, net sales increased by 13%, of which vehicle sales increased by 17% and service sales increased by 5%.

Operating income

In Q1 2021, the adjusted operating income amounted to SEK 11,821 M (7,140), corresponding to an adjusted operating margin of 12.6% (7.8). The adjustment in Q1 2021 refers to a positive impact of SEK 246 M (234) related to the ceased depreciation and amortization of assets held for sale.

Compared with Q1 2020, the higher adjusted operating income is mainly an effect of higher vehicle volumes and industrial capacity utilization, good cost execution across the Group and higher earnings in the service business. This was

partly offset by an unfavorable mix and currency development.

Currency movements, compared with Q1 2020, had a negative impact of SEK 1,125 M.

Reported operating income amounted to SEK 12,067 M (7,374).

Financial items

In Q1 2021, interest income of SEK 76 M (79) was on par with the previous year, whereas interest expenses decreased to SEK 296 M (343). The decrease relates primarily to the effect from the repayment of the first tranche of the hybrid bond in Q2 2020.

Other financial income and expenses amounted to SEK 443 M (-620). The change is primarily due to revaluation effects of financial assets and liabilities related to changes in long-term interest rates.

Net sales SEK M	First quarter		Change %
	2021	2020	
Europe	37,222	35,751	4
North America	24,420	25,651	-5
South America	5,599	5,846	-4
Asia	21,434	18,787	14
Africa and Oceania	5,343	5,414	-1
Total	94,018	91,449	3
Of which:			
Vehicles ¹	70,955	67,107	6
Services	20,254	21,097	-4
Financial Services revenue	3,257	3,810	-15
Eliminations	-447	-566	21

¹ Including construction equipment and Volvo Penta engines.

Consolidated Income Statement, Volvo Group SEK M	First quarter	
	2021	2020
Net sales	94,018	91,449
Cost of sales	-70,322	-69,759
Gross income	23,696	21,689
Research and development expenses	-4,370	-4,962
Selling expenses	-6,249	-7,462
Administrative expenses	-1,156	-1,318
Other operating income and expenses	-503	-549
Income/loss from investments in joint ventures and associated companies	645	-31
Income/loss from other investments	3	7
Operating income	12,067	7,374
Interest income and similar credits	76	79
Interest expenses and similar charges	-296	-343
Other financial income and expenses	443	-620
Income after financial items	12,290	6,490
Income taxes	-3,286	-1,724
Income for the period *	9,004	4,766
* Attributable to:		
Owners of AB Volvo	8,841	4,675
Non-controlling interest	164	92
	9,004	4,766
Basic earnings per share, SEK	4.35	2.30
Diluted earnings per share, SEK	4.35	2.30

Income taxes

In Q1 2021, income taxes amounted to SEK 3,286 M (1,724), corresponding to a tax rate of 27% (27). The tax rate was impacted by transactions in preparation of the divestment of UD Trucks to Isuzu Motors.

Income for the period and earnings per share

In Q1 2021, income for the period amounted to SEK 9,004 M (4,766). Earnings per share amounted to SEK 4.35 (2.30).

Operating cash flow in the Industrial Operations

During Q1 2021, operating cash flow in the Industrial Operations amounted to SEK 5,665 M (-4,117). The higher cash flow compared to Q1 2020 is primarily an effect of a lower seasonal increase in working capital of SEK 3,183 M, compared with an increase of SEK 9,556 M in Q1 2020. This is primarily due to higher payables reflecting increased production levels in Q1 2021 compared to Q1 2020, when production was reduced. The improved cash flow is also an effect of a higher operating income of SEK 11,384 M (6,768).

Volvo Group financial position

During Q1 2021, net financial assets in the Industrial Operations, excluding provisions for post-employment benefits and lease liabilities, increased by SEK 0.1 billion resulting in a net financial asset position of SEK 74.8 billion on March 31, 2021. The positive effect from the operating cash flow was offset by the acquisition of shares in the new fuel cell joint venture with Daimler Truck AG, cellcentric. Currency movements increased net financial assets by SEK 2.0 billion.

Including provisions for post-employment benefits and lease liabilities, the Industrial Operations had net financial assets of SEK 54.9 billion on March 31, 2021. Provisions for post-employment benefits and lease liabilities decreased by SEK 3.8 billion during the quarter. This was mainly related to remeasurements of defined benefit pension plans by SEK 4.5 billion. The decrease in defined benefit obligations was primarily an effect of significantly higher interest rates in all countries, which were partly offset by lower return on assets.

Total assets in the Volvo Group increased by SEK 20.6 billion compared to year-end 2020. Currency movements increased total assets by SEK 15.2 billion.

On March 31, 2021 total equity for the Volvo Group amounted to SEK 164.9 billion compared to SEK 148.1 billion at year-end 2020. The equity ratio was 31.0% (29.0). On the same date the equity ratio in the Industrial Operations amounted to 38.1% (35.8).

Number of employees

On March 31, 2021, the Volvo Group had 98,982 employees, including temporary employees and consultants, which was a decrease of 54 employees compared with March 31, 2020. The number of blue-collar employees increased by 2,025 while the number of white-collar employees decreased by 2,079.

During Q1, the number of employees increased by 2,788. The number of blue-collar employees increased by 2,380 and the number of white-collar employees by 408. The increase in blue-collar employees relates to increased production levels. The increase in white-collar employees mainly relates to research and development.

Number of employees	Mar 31 2021	Dec 31 2020	Mar 31 2020
Blue-collar	51,131	48,751	49,106
Whereof temporary employees and consultants	6,801	5,223	4,014
White-collar	47,851	47,443	49,930
Whereof temporary employees and consultants	4,221	3,479	3,859
Total number of employees	98,982	96,194	99,036
Whereof temporary employees and consultants	11,022	8,702	7,873

BUSINESS SEGMENT OVERVIEW

Net sales SEK M	First quarter		Change %	Change % ¹	12 months rolling	Jan-Dec 2020
	2021	2020				
Trucks	58,372	58,010	1	12	208,624	208,262
Construction Equipment	24,742	20,148	23	34	86,047	81,453
Buses	3,570	5,190	-31	-24	18,171	19,791
Volvo Penta	3,409	3,338	2	9	11,962	11,891
Group Functions & Other	2,022	2,350	-14	-10	7,542	7,870
Eliminations	-906	-832	-	-	-2,870	-2,796
Industrial Operations	91,209	88,204	3	14	329,477	326,472
Financial Services	3,257	3,810	-15	-3	13,407	13,960
Reclassifications and eliminations	-447	-566	-	-	-1,869	-1,987
Volvo Group	94,018	91,449	3	13	341,015	338,446

¹ Adjusted for exchange rate fluctuations.

Adjusted operating income ¹ SEK M	First quarter		Change %	12 months rolling	Jan-Dec 2020
	2021	2020			
Trucks	7,479	3,948	89	20,782	17,251
Construction Equipment	3,822	2,678	43	11,214	10,071
Buses	-64	-129	50	-380	-445
Volvo Penta	643	509	26	1,583	1,448
Group Functions & Other	-727	-469	-55	-1,639	-1,382
Eliminations	-15	-2	-	-1	12
Industrial Operations	11,138	6,534	70	31,560	26,955
Financial Services	682	605	13	1,683	1,606
Reclassifications and eliminations	1	1	-	2	2
Volvo Group adjusted operating income	11,821	7,140	66	33,245	28,564
Adjustments ¹	246	234	5	-1,069	-1,081
Volvo Group operating income	12,067	7,374	64	32,177	27,484

¹ For more information on adjusted operating income, please see note 7.

Adjusted operating margin %	First quarter		12 months rolling	Jan-Dec 2020
	2021	2020		
Trucks	12.8	6.8	10.0	8.3
Construction Equipment	15.4	13.3	13.0	12.4
Buses	-1.8	-2.5	-2.1	-2.2
Volvo Penta	18.9	15.2	13.2	12.2
Industrial Operations	12.2	7.4	9.6	8.3
Volvo Group adjusted operating margin	12.6	7.8	9.7	8.4
Volvo Group operating margin	12.8	8.1	9.4	8.1

TRUCKS

Strong profitability and order intake

- » Q1 net sales increased by 1% to SEK 58,372 M
- » Both adjusted and reported operating income increased to SEK 7,479 M (3,948), with an operating margin of 12.8% (6.8)
- » Order intake increased by 123% to 85,461 trucks



Market development

In Q1, the freight market continued to be strong with high volumes of both industrial goods and consumer goods in the Volvo Group's main markets. In combination with a general shortage of transport capacity, this has meant that freight rates have increased and customer profitability improved, driving demand for both for new and used vehicles. The increase is broad based across segments in both Europe and North America. With truck fleet utilization on pre-Covid-19 levels, demand for spare parts and service is strong.

The Brazilian market continued to grow on the back of a strong commodity export market as well as a general need to replace old trucks.

The Indian truck market continued to regain momentum driven by increased freight volumes, infrastructure investments and a pent-up replacement need.

The Chinese market grew strongly in Q1 driven by subsidies to accelerate the replacement of vehicles of lower than CN3 emission standards. The market almost doubled compared with Q1 2020, which was affected by the outbreak of Covid-19.

The Japanese truck market has remained solid through the pandemic but declined by 5% in Q1.

Orders and deliveries

Total net order intake increased by 123% to 85,461 trucks while deliveries increased by 17% to 52,444 trucks.

In Europe, order intake of heavy- and medium-duty trucks increased by 126% to 39,081 vehicles. The increase is a combination of good demand in Q1 2021 and a weak order

intake in the same period in the preceding year, which was impacted by order cancellations. European deliveries of heavy- and medium-duty trucks amounted to 18,871 vehicles, which was 10% above last year. Volvo Trucks' heavy-duty market share through February was stable at 17.1% (17.1) and so was Renault Trucks' market share at 9.0% (9.1).

Order intake in North America increased by 369% to 22,215 trucks, driven by very strong order volumes in Q1 2021 and a weak order intake the same period in the preceding year, which was impacted by order cancellations. Deliveries in North America increased by 22% to 12,972 trucks. Volvo Trucks' heavy-duty truck market share through March increased to 10.3% (9.1) while Mack Trucks' market share declined to 6.6% (6.9).

South American order intake increased by 27% to 3,856 trucks and deliveries increased by 13% to 5,522 vehicles. Through March Volvo Trucks' market share in heavy-duty trucks in Brazil decreased to 20.9% compared with the historically high 26.0% in the same period the preceding year.

In Asia, order intake increased by 27% to 8,802 vehicles and deliveries increased by 25% to 7,072 vehicles. UD Trucks heavy-duty truck market share in Japan increased through March to 17.0% (15.3).

The Indian joint venture VECV increased order intake by 98% to 16,831 vehicles and deliveries by 93% to 17,103 vehicles. Deliveries from the Chinese joint venture, DFCV, increased by 127% to 36,647 vehicles in the first two months of the year.

Total market development	First quarter		Change	Forecast	Change vs. previous
Registrations, number of trucks	2021	2020	%	2021	forecast
Europe 28 ¹ heavy-duty (as of February)	40,093	39,508	1	-	-
Europe 30 ¹ heavy-duty (preliminary as of February)	44,021	43,237	2	290,000	unchanged
North America heavy-duty (Retail sales)	65,439	57,459	14	290,000	unchanged
Brazil heavy-duty	19,735	15,100	31	95,000	unchanged
China heavy-duty	531,572	274,139	94	1,420,000	+120,000
China medium-duty	55,498	26,658	108	140,000	+10,000
India heavy-duty	54,027	29,076	86	175,000	unchanged
India medium-duty (Preliminary)	34,276	16,548	107	90,000	unchanged

¹ EU 28 includes Norway and Switzerland but excludes the UK and Bulgaria. Forecast for EU 30 includes the UK and Bulgaria.

Net order intake	First quarter		Change %
	2021	2020	
Number of trucks			
Europe	46,564	21,178	120
Heavy- and medium-duty	39,081	17,312	126
Light-duty	7,483	3,866	94
North America	22,215	4,732	369
South America	3,856	3,044	27
Asia	8,802	6,913	27
Africa and Oceania	4,024	2,532	59
Total orders	85,461	38,399	123
Heavy-duty (>16 tons)	71,688	30,322	136
Medium-duty (7-16 tons)	5,932	4,021	48
Light-duty (<7 tons)	7,841	4,056	93
Total orders	85,461	38,399	123
Volvo	44,153	18,471	139
UD	5,017	4,331	16
Renault Trucks	22,703	11,853	92
Heavy- and medium-duty	15,120	7,956	90
Light-duty	7,583	3,897	95
Mack	13,588	3,744	263
Total orders	85,461	38,399	123
Non-consolidated operations			
VE Commercial Vehicles (Eicher)	16,831	8,501	98

Deliveries	First quarter		Change %
	2021	2020	
Number of trucks			
Europe	23,982	21,003	14
Heavy- and medium-duty	18,871	17,103	10
Light-duty	5,111	3,900	31
North America	12,972	10,660	22
South America	5,522	4,878	13
Asia	7,072	5,669	25
Africa and Oceania	2,896	2,555	13
Total deliveries	52,444	44,765	17
Heavy-duty (>16 tons)	43,316	38,265	13
Medium-duty (7-16 tons)	3,736	2,443	53
Light-duty (<7 tons)	5,392	4,057	33
Total deliveries	52,444	44,765	17
Volvo	28,309	25,320	12
UD	3,994	3,409	17
Renault Trucks	13,685	10,535	30
Heavy- and medium-duty	8,511	6,627	28
Light-duty	5,174	3,908	32
Mack	6,456	5,501	17
Total deliveries	52,444	44,765	17
Non-consolidated operations			
VE Commercial Vehicles (Eicher)	17,103	8,862	93
Dongfeng Commercial Vehicle Company (Dongfeng Trucks) ¹	36,647	16,170	127

¹First quarter includes 2 months of deliveries.

Net sales and operating income

In Q1 2021, the truck operation's net sales amounted to SEK 58,372 M, which was 1% higher than in Q1 2020. Excluding currency effects, net sales increased by 12% with sales of vehicles increasing by 14% and sales of services increasing by 5%.

Both adjusted and reported operating income amounted to SEK 7,479 M (3,948), corresponding to an operating margin

of 12.8% (6.8). Compared with Q1 2020, the higher operating income is an effect of increased vehicle volumes, cost reductions, increased capacity utilization in the industrial system, higher joint venture income, and higher service earnings, which were partly offset by a negative mix. Compared with Q1 2020, currency movements had a negative impact of SEK 445 M.

Net sales and operating income SEK M	First quarter		Change %
	2021	2020	
Europe	25,183	24,866	1
North America	16,752	16,781	-0
South America	4,331	4,541	-5
Asia	8,759	8,356	5
Africa and Oceania	3,347	3,466	-3
Total net sales	58,372	58,010	1
Of which:			
Vehicles	43,490	42,318	3
Services	14,882	15,692	-5
Adjusted operating income ¹	7,479	3,948	89
Adjustments	-	-	-
Operating income	7,479	3,948	89
Adjusted operating margin, %	12.8	6.8	
Operating margin, %	12.8	6.8	

¹ For more information on adjusted operating income, please see note 7.

Important events

In Q1, the Volvo Group signed a partnership agreement with Aurora in the U.S. to accelerate the deployment of autonomous transport solutions. The initial focus is on hub-to-hub trucking transport applications in the U.S. market.

In March, Renault Trucks announced their investment ambitions in electric mobility. From 2023, an all-electric Renault Trucks' offer will be available for each segment: distribution, construction and long-distance transports. In April, Volvo Trucks announced the start of sales of three new heavy-duty all-electric models later this year.

In Q1, Volvo Group and Daimler Truck AG completed the creation of the fuel-cell joint venture, cellcentric. The ambition is to make the new joint venture a leading global manufacturer of fuel cells.

On April 1, Volvo Group and Isuzu Motors completed the UD Trucks transaction as part of the strategic alliance. More information is available under Important events for the Volvo Group on page 14.

Net order intake of fully electric trucks Number of trucks	First quarter		Change %
	2021	2020	
Volvo	77	-	-
UD	-	-	-
Renault Trucks	123	-	-
Heavy- and medium-duty	29	-	-
Light-duty	94	-	-
Mack	-	-	-
Total orders	200	-	-

Deliveries of fully electric trucks Number of trucks	First quarter		Change %
	2021	2020	
Volvo	10	2	400
UD	-	-	-
Renault Trucks	16	2	700
Heavy- and medium-duty	4	-	-
Light-duty	12	2	500
Mack	-	-	-
Total deliveries	26	4	550

CONSTRUCTION EQUIPMENT

Good performance and increased order intake

- » In Q1 net sales increased by 23%
- » Both adjusted and reported operating income amounted to SEK 3,822 M (2,678), with an operating margin of 15.4% (13.3)
- » Order intake increased by 73%

Market development

Overall, market demand continued to increase in Q1 following the recovery that started in the second half of last year. High activity level in the infrastructure segment and increased demand for commodities were the main growth drivers.

The European market, however, had a slow start to the year impacted by Covid-19 restrictions in key markets such as France and Germany but has since gained momentum.

In North America, increased construction activity had a positive impact on the market, and expectations of increased government investments in infrastructure are creating a positive sentiment among customers.

Demand in China, the world's largest construction equipment market, was strong due to governmental infrastructure investments. The market was up 142% in the first two months when compared to the very low volumes caused by Covid-19 in Q1 2020.

The South American market was strong, reflecting increased demand for commodities.

Asia (excluding China) had a positive start to the year with an improvement in key markets including India, Korea and South East Asia.



The EC480 Year of the Ox excavator for China.

Orders and deliveries

Order intake increased by 73% in Q1 2021 compared to the relatively weak order intake in Q1 2020. The improved construction activity and increasing investments in infrastructure drove demand. Low inventory levels at dealers and their need to restock also contributed to the higher order intake. Demand for large and medium sized machines were stronger than those for compact machines. In the preceding year, customer activity was low due to expectations of a slowdown combined with the uncertainty created by the outbreak of Covid-19.

Deliveries increased by 53% in Q1, driven by higher sales in all regions with the largest increase in China.

Total market development	Year-to-date February		Previous forecast
	2021	Forecast 2021	2021
Change in % measured in units			
Europe	-9	0% to +10%	0% to +10%
North America	7	+5% to +15%	0% to +10%
South America	41	+20% to +30%	+10% to +20%
Asia excl. China	16	+5% to +15%	0% to +10%
China	142	-5% to +5%	-15% to -5%

Net order intake	First quarter		Change %
	2021	2020	
Number of construction equipment			
Europe	7,808	4,173	87
North America	3,564	1,791	99
South America	1,324	599	121
Asia	22,038	13,312	66
Africa and Oceania	882	739	19
Total orders	35,616	20,614	73
Large and medium construction equipment	25,832	14,001	85
Compact construction equipment	9,784	6,613	48
Of which fully electric	78	-	-
Total orders	35,616	20,614	73
Of which:			
Volvo	16,166	11,243	44
SDLG	19,403	9,332	108
Of which in China	17,191	8,520	102

Deliveries	First quarter		Change %
	2021	2020	
Number of construction equipment			
Europe	5,927	4,549	30
North America	1,684	1,501	12
South America	793	457	74
Asia	21,849	13,070	67
Africa and Oceania	704	593	19
Total deliveries	30,957	20,170	53
Large and medium construction equipment	21,871	13,355	64
Compact construction equipment	9,086	6,816	33
Of which fully electric	111	-	-
Total deliveries	30,957	20,170	53
Of which:			
Volvo	11,275	10,799	4
SDLG	19,635	9,332	110
Of which in China	17,396	8,520	104

Net sales and operating income	First quarter		Change %
	2021	2020	
SEK M			
Europe	7,263	6,477	12
North America	4,297	3,711	16
South America	674	559	21
Asia	11,319	8,403	35
Africa and Oceania	1,189	998	19
Total net sales	24,742	20,148	23
Of which:			
Construction equipment	21,844	17,291	26
Services	2,898	2,857	1
Adjusted operating income ¹	3,822	2,678	43
Adjustments	-	-	-
Operating income	3,822	2,678	43
Adjusted operating margin, %	15.4	13.3	
Operating margin, %	15.4	13.3	

¹ For more information on adjusted operating income, please see note 7.

Net sales and operating income

In Q1 2021, net sales increased by 23% to SEK 24,742 M (20,148). Adjusted for currency movements net sales increased by 34%, of which net sales of machines increased by 37% and service sales by 12%.

Both adjusted and reported operating income amounted to SEK 3,822 M (2,678), corresponding to an operating margin of 15.4% (13.3). Earnings were positively impacted by higher machine volumes and capacity utilization in the industrial system, cost reductions and increased service earnings, which were partly offset by negative mix effects. Compared with Q1 2020, currency movements had a negative impact of SEK 562 M.

Important events

In March, Volvo CE announced that it will build a test and demonstration area for electric autonomous transport solutions at the Customer Center in Eskilstuna, Sweden. The 66,000 sqm innovation zone will include a secure track for fully-electric, automated and teleoperated machines with charging infrastructure and 5G connectivity.

Also in March, the company used a new online sales channel in China to promote the recently launched excavators developed for the important Chinese market. The sales channel proved successful with orders for over 400 machines during the 90-minute event that was attended by around 1.5 million participants online.

BUSES

Improved operations in a continued weak market

- » Order intake decreased by 68% and deliveries by 26% in Q1
- » Both adjusted and reported operating income amounted to SEK -64 M (-129) with an operating margin of -1.8% (-2.5%)
- » Currency-adjusted service sales -17% reflecting low utilization of coach fleets



Various restrictions following Covid-19 continue to have a severe effect on the global bus market. The decline in demand is still especially steep for coaches and related service sales. Activity in the city and transit bus markets also continues to be at lower levels. The market shift towards electrification of city buses continues.

Compared with Q1 2020, net order intake decreased by 68% to 871 units as a consequence of the continued weak demand in the global bus market.

Major orders included a Nova Bus contract with Chicago Transit Authority for 100 units with options for an additional 500. Volvo Buses received an order for 64 Volvo 7900 S-Charge from Belgian operator OTW, the largest order to date for the new hybrid bus.

Deliveries in Q1 2021 amounted to 1,168 units, 26% fewer than in Q1 2020. Volumes decreased in all regions, mainly related to lower demand for coaches.

Net sales decreased by 31% to SEK 3,570 M (5,190). Adjusted for currency movements, net sales decreased by 24%, of which vehicle sales decreased by 27% and service sales by 17%.

Both adjusted and reported operating income amounted to SEK -64 M (-129), corresponding to an operating margin of -1.8% (-2.5). Earnings were negatively impacted by lower vehicle and service volumes as well as capacity utilization in the industrial system, which were offset by cost reductions. Compared with Q1 2020, currency movements had a positive impact on operating income of SEK 34 M.

In January, Volvo Buses launched a new 4-meter-high version of its double decker, the Volvo 9700 DD, followed by an order of 22 units from Keolis in Sweden.

As of February, Anna Westerberg, previously Head of Volvo Group Connected Solutions, assumed the position as President of Volvo Buses.

Net order intake and deliveries		First quarter		Change %
Number of buses		2021	2020	
Total orders		871	2,753	-68
Of which fully electric		26	140	-81
Of which hybrids		71	329	-78
Total deliveries		1,168	1,570	-26
Of which fully electric		30	5	500
Of which hybrids		100	113	-12

Net sales and operating income		First quarter		Change %
SEK M		2021	2020	
Europe		971	1,012	-4
North America		1,607	2,631	-39
South America		170	268	-37
Asia		451	789	-43
Africa and Oceania		371	490	-24
Total net sales		3,570	5,190	-31
Of which:				
Vehicles		2,627	3,964	-34
Services		943	1,226	-23
Adjusted operating income ¹		-64	-129	50
Adjustments		-	-	-
Operating income		-64	-129	50
Adjusted operating margin, %		-1.8	-2.5	
Operating margin, %		-1.8	-2.5	

¹ For more information on adjusted operating income, please see note 7.

VOLVO PENTA

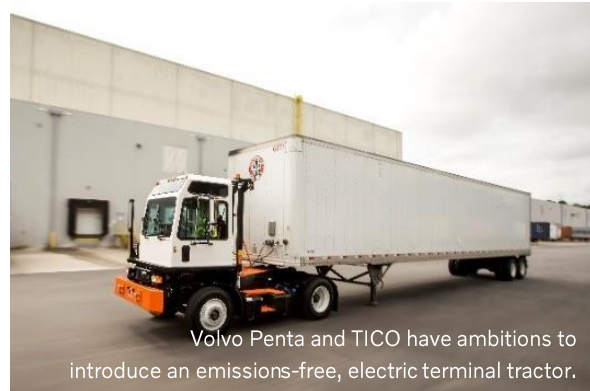
Strong profitability and market demand

- » Net order intake increased by 27% and deliveries by 7% in Q1
- » Both adjusted and reported operating income amounted to SEK 643 M (509), with an operating margin of 18.9% (15.2)
- » Volvo Penta announced partnership with TICO in electromobility

The marine leisure market has recovered strongly since the initial weakening due to Covid-19 and demand was high in Q1. In the marine commercial market, some investments in new vessels have been postponed. However, demand for vessels serving the offshore wind industry continued to be good. The positive development in the market for industrial off-road engines continued in Q1. This was driven by a strong construction market, especially in China, good momentum in the mining sector as well as a recovery in agriculture and material handling. The industrial power generation market also had a positive development.

Net order intake in Q1 increased by 27% to 14,508 units and deliveries increased by 7% to 10,623 units. Both the marine and industrial segments are affected by disturbances in the supply chain, which holds back production increases and is resulting in longer lead-times to customers.

In Q1, net sales increased by 2% to SEK 3,409 M (3,338). Adjusted for currency movements, net sales



increased by 9%, of which sales of engines increased by 5% and sales of services by 20%.

Both adjusted and reported operating income amounted to SEK 643 M (509), corresponding to an operating margin of 18.9% (15.2). Earnings were positively impacted by higher service earnings, cost reductions and increased engine deliveries, which were partly offset by negative mix effects. Compared with Q1 2020, the currency impact on operating income was negative in an amount of SEK 99 M.

During Q1, Volvo Penta and North American terminal tractor company TICO announced a joint development of emissions-free, fully-electric terminal truck prototypes.

The company also announced the industry's first fully, integrated Assisted Docking system at the Consumer Electronics Show (CES), earning two 'Best of CES' award nominations. Collaboration on Assisted Docking with Azimut Yachts, Beneteau Group and Tiara Yachts were showcased.

Net order intake and deliveries		First quarter		Change %
Number of Engines		2021	2020	
Total orders		14,508	11,437	27
Of which fully electric		4	-	-
Total deliveries		10,623	9,964	7
Of which fully electric		4	-	-

Net sales and operating income		First quarter		Change %
SEK M		2021	2020	
Europe		1,898	1,847	3
North America		614	640	-4
South America		107	83	29
Asia		592	585	1
Africa and Oceania		197	183	8
Total net sales		3,409	3,338	2
Of which:				
Engines		2,470	2,491	-1
Services		939	847	11
Adjusted operating income ¹		643	509	26
Adjustments		-	-	-
Operating income		643	509	26
Adjusted operating margin, %		18.9	15.2	
Operating margin, %		18.9	15.2	

¹ For more information on adjusted operating income, please see note 7.

FINANCIAL SERVICES

Improved penetration levels and financial results

- » Increased new business volume and higher penetration
- » Both adjusted and reported operating income of SEK 682 M (605)
- » Stable portfolio performance



In Q1 2021, new business volume was up by 17%, currency adjusted, over Q1 2020 due to both higher deliveries of Group products and improved finance penetration levels. Adjusted for currency, the credit portfolio grew by 3% on a year over year basis.

Both adjusted and reported operating income increased to SEK 682 M (605). This was primarily a result of

profitable portfolio growth and lower credit provisions reflecting improved customer profitability. Compared with Q1 2020, currency movements had a negative impact on operating income in an amount of SEK 115 M.

Portfolio performance continued to be stable.

Financial Services SEK M	First quarter	
	2021	2020
Number of financed units, 12 months rolling	63,550	63,089
Total penetration rate, 12 months rolling, % ¹	31	26
New retail financing volume, SEK billion	18.2	17.5
Credit portfolio net, SEK billion	162	175
Credit provision expenses	182	329
Adjusted operating income ²	682	605
Adjustments ²	-	-
Operating income	682	605
Credit reserves, % of credit portfolio	2.06	1.56
Return on equity, 12 months rolling, %	8.7	14.7

¹ Share of unit sales financed by Volvo Financial Services in relation to the total number of units sold by the Volvo Group in markets where financial services are offered.

² For more information on adjustments, please see note 7.

IMPORTANT EVENTS FOR THE VOLVO GROUP

Daimler Truck AG and the Volvo Group complete creation of fuel-cell joint venture

On March 1, Volvo Group and Daimler Truck AG completed the transaction to form the previously announced fuel-cell joint venture. The Volvo Group has acquired 50% of the partnership interests in the existing Daimler Truck Fuel Cell GmbH & Co. KG. Daimler Truck AG and the Volvo Group have agreed to rename the company cellcentric GmbH & Co. KG.

Shortage of semiconductors impacting production

On March 22, the Volvo Group announced that the global shortage of semiconductors will have a substantial impact on the Group's production in the second quarter. In the beginning of the second quarter, the Group will implement stop days across its global truck manufacturing operations. In total, these are estimated to be between two and four weeks depending on production site. In addition, disturbances are also expected to impact the Group's other business areas. The disturbances are

expected to have a negative impact on earnings and cash flow.

Annual General Meeting of AB Volvo

The Annual General Meeting of AB Volvo on March 31 adopted the income statement and balance sheet as well as the consolidated income statement and the consolidated balance sheet. In accordance with the Board of Director's proposal, the Meeting resolved that an ordinary dividend of SEK 6.00 per share and an extraordinary dividend of SEK 9.00 per share should be paid to the shareholders. The Board Members, Board Deputies and the President were discharged from liability for their administration during the 2020 fiscal year. Matti Alahuhta, Eckhard Cordes, Eric Elzvik, Kurt Jofs, Martin Lundstedt, Kathryn V. Marinello, Martina Merz, Hanne de Mora, Helena Stjernholm and Carl-Henric Svanberg were reelected as members of the Board. Martha Finn Brooks was elected as new member of the Board. Carl-Henric Svanberg was reelected as Chairman of the Board. The Annual General Meeting approved the Board of Director's

remuneration report. A remuneration policy for senior executives was adopted in accordance with the Board of Directors' motion.

Volvo Group and Isuzu Motors complete UD Trucks transaction as part of the strategic alliance

On April 1, the Volvo Group and Isuzu Motors completed the transaction whereby Isuzu Motors acquired UD Trucks from the Volvo Group for an enterprise value of approximately SEK 19 billion on a cash and debt free basis. The strategic alliance within commercial vehicles

between the two groups, aiming to capture opportunities in the ongoing industry transformation, will now also become operational. The transaction is estimated to have a positive impact on the Volvo Group's operating income in the second quarter 2021 of close to SEK 2 billion and increase the Volvo Group's net cash position by approximately SEK 19 billion.

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

CONSOLIDATED INCOME STATEMENT **FIRST QUARTER**

	Industrial Operations		Financial Services		Eliminations		Volvo Group	
SEK M	2021	2020	2021	2020	2021	2020	2021	2020
Net sales	91,209	88,204	3,257	3,810	-447	-566	94,018	91,449
Cost of sales	-68,919	-67,988	-1,851	-2,338	448	566	-70,322	-69,759
Gross income	22,289	20,216	1,406	1,473	1	1	23,696	21,689
Research and development expenses	-4,370	-4,962	-	-	-	-	-4,370	-4,962
Selling expenses	-5,664	-6,854	-584	-608	-	-	-6,249	-7,462
Administrative expenses	-1,153	-1,315	-3	-3	-	-	-1,156	-1,318
Other operating income and expenses	-366	-292	-137	-257	-	-	-503	-549
Income/loss from investments in joint ventures and associated companies	645	-31	-	-	-	-	645	-31
Income/loss from other investments	3	7	0	0	-	-	3	7
Operating income	11,384	6,768	682	605	1	1	12,067	7,374
Interest income and similar credits	78	122	-	-	-2	-43	76	79
Interest expenses and similar charges	-298	-386	0	0	2	43	-296	-343
Other financial income and expenses	443	-620	-	-	-	-	443	-620
Income after financial items	11,607	5,884	682	605	1	1	12,290	6,490
Income taxes	-3,105	-1,580	-180	-144	0	0	-3,286	-1,724
Income for the period *	8,502	4,305	502	461	1	0	9,004	4,766
* Attributable to:								
Owners of AB Volvo							8,841	4,675
Non-controlling interest							164	92
							9,004	4,766
Basic earnings per share, SEK							4.35	2.30
Diluted earnings per share, SEK							4.35	2.30

Key ratios, %

Gross margin	24.4	22.9	-	-	-	-	25.2	23.7
Research and development expenses as percentage of net sales	4.8	5.6	-	-	-	-	4.6	5.4
Selling expenses as percentage of net sales	6.2	7.8	-	-	-	-	6.6	8.2
Administrative expenses as percentage of net sales	1.3	1.5	-	-	-	-	1.2	1.4
Operating margin	12.5	7.7	-	-	-	-	12.8	8.1

CONSOLIDATED OTHER COMPREHENSIVE INCOME **FIRST QUARTER**

SEK M	2021	2020
Income for the period	9,004	4,766
Items that will not be reclassified to income statement:		
Remeasurements of defined benefit pension plans	3,499	-152
Remeasurements of holding of shares at fair value	40	-67
Items that may be reclassified subsequently to income statement:		
Exchange differences on translation of foreign operations	3,595	3,321
Share of OCI related to joint ventures and associated companies	669	-1
Accumulated translation difference reversed to income	-	-
Other comprehensive income, net of income taxes	7,803	3,101
Total comprehensive income for the period *	16,807	7,867
* Attributable to:		
Owners of AB Volvo	16,467	7,571
Non-controlling interest	340	296
	16,807	7,867

CONSOLIDATED BALANCE SHEET

SEK M	Industrial Operations		Financial Services		Eliminations		Volvo Group	
	Mar 31 2021	Dec 31 2020	Mar 31 2021	Dec 31 2020	Mar 31 2021	Dec 31 2020	Mar 31 2021	Dec 31 2020
Assets								
Non-current assets								
Intangible assets	35,204	34,423	154	154	-	-	35,358	34,577
<i>Tangible assets</i>								
Property, plant and equipment	50,644	49,045	67	68	-	-	50,711	49,113
Assets under operating leases	30,463	29,460	19,693	19,155	-11,557	-10,653	38,599	37,962
<i>Financial assets</i>								
Investments in Joint Ventures and associated companies	21,267	13,160	-	-	-	-	21,267	13,160
Other shares and participations	364	262	15	15	-	-	379	276
Non-current customer-financing receivables	1,247	1,061	74,519	70,773	-1,472	-1,287	74,295	70,547
Net pension assets	1,771	1,712	-	-	-	-	1,771	1,712
Non-current interest-bearing receivables	3,364	4,603	-	-	-575	-410	2,789	4,193
Other non-current receivables	9,692	9,228	159	157	-823	-815	9,028	8,569
Deferred tax assets	9,976	9,505	1,178	1,089	1	1	11,154	10,595
Total non-current assets	163,992	152,458	95,785	91,411	-14,427	-13,164	245,351	230,705
Current assets								
Inventories	56,389	47,273	257	352	-	-	56,646	47,625
<i>Current receivables</i>								
Customer-financing receivables	696	635	63,703	58,096	-861	-746	63,538	57,985
Tax assets	1,497	1,659	219	528	-	-	1,716	2,187
Interest-bearing receivables	971	1,698	4	4	-18	-15	957	1,686
Internal funding	18,246	10,925	-	-	-18,246	-10,925	-	-
Accounts receivable	41,481	34,278	1,449	1,383	-	-	42,930	35,660
Other receivables	17,580	17,105	1,910	1,361	-3,694	-3,208	15,795	15,258
Marketable securities	227	213	-	-	-	-	227	213
Cash and cash equivalents	67,439	81,973	6,290	4,680	-1,585	-1,448	72,144	85,206
Assets held for sale	27,116	29,362	5,032	4,934	-	-	32,148	34,296
Total current assets	231,643	225,121	78,863	71,337	-24,404	-16,342	286,102	280,116
Total assets	395,635	377,579	174,648	162,748	-38,831	-29,506	531,452	510,821
Equity and liabilities								
Equity attributable to owners of AB Volvo	147,734	132,280	13,971	13,018	-3	-3	161,702	145,295
Non-controlling interest	3,187	2,847	-	-	-	-	3,187	2,847
Total equity	150,921	135,127	13,971	13,018	-3	-3	164,888	148,142
<i>Non-current provisions</i>								
Provisions for post-employment benefits	14,348	18,282	152	148	-	-	14,500	18,430
Provisions for deferred taxes	2,135	1,166	2,191	2,099	-	-	4,326	3,265
Other provisions	10,540	10,217	228	238	497	464	11,265	10,918
<i>Non-current liabilities</i>								
Bond loans	60,492	66,391	-	-	-	-	60,492	66,391
Other loans	18,353	18,053	11,235	11,905	-1,359	-1,182	28,229	28,775
Internal funding	-60,608	-58,839	64,681	59,412	-4,073	-573	-	-
Other liabilities	39,957	38,094	1,459	1,371	-8,393	-8,041	33,023	31,424
Current provisions	12,800	12,411	231	225	521	517	13,552	13,153
<i>Current liabilities</i>								
Bond loans	32,567	30,904	-	-	-	-	32,567	30,904
Other loans	15,825	17,055	10,258	10,968	-743	-669	25,340	27,354
Internal funding	-40,545	-38,547	57,221	51,050	-16,676	-12,503	-	-
Trade payables	70,705	59,013	737	598	-	-	71,442	59,611
Tax liabilities	5,091	3,885	384	714	-	-	5,475	4,599
Other liabilities	58,289	57,730	7,071	6,354	-8,601	-7,515	56,758	56,569
Liabilities held for sale	4,765	6,638	4,830	4,649	-	-	9,595	11,286
Total equity and liabilities	395,635	377,579	174,648	162,748	-38,831	-29,506	531,452	510,821
Key ratios, %								
Equity ratio	38.1	35.8	8.0	8.0	0.0	0.0	31.0	29.0
Equity attributable to owners of AB Volvo, per share in SEK	-	-	-	-	-	-	79.5	71.5
Return on operating capital ¹	35.0	29.4	-	-	-	-	-	-
Return on capital employed ¹	17.1	14.7	-	-	-	-	-	-
Return on total equity ¹	-	-	8.7	8.3	-	-	16.4	13.8

¹ 12 months rolling.

CONSOLIDATED CASH FLOW STATEMENT **FIRST QUARTER**

SEK M	Industrial Operations		Financial Services		Eliminations		Volvo Group	
	2021	2020	2021	2020	2021	2020	2021	2020
Operating activities								
Operating income	11,384	6,768	682	605	1	1	12,067	7,374
Amortization intangible assets	634	707	9	13	-	-	643	719
Depreciation tangible assets	1,792	1,893	6	7	-	-	1,798	1,900
Depreciation leasing vehicles	1,037	1,109	1,068	1,260	-5	-1	2,101	2,368
Other non-cash items	-696	-280	245	303	-23	21	-475	45
Total change in working capital whereof	-3,183	-9,556	-4,016	-1,296	156	97	-7,043	-10,755
Change in accounts receivables	-4,773	-750	-60	5	-	-	-4,833	-745
Change in customer-financing receivables	-132	4	-4,227	-1,734	160	-29	-4,199	-1,759
Change in inventories	-6,357	-3,462	97	36	-	-	-6,260	-3,426
Change in trade payables	9,237	-3,691	113	145	-	-	9,350	-3,546
Other changes in working capital	-1,159	-1,658	61	252	-4	126	-1,102	-1,279
Interest and similar items received	78	96	0	0	4	-48	83	48
Interest and similar items paid	-399	-399	4	0	21	28	-375	-371
Other financial items	-32	-42	-	-	-	-	-32	-42
Income taxes paid	-3,082	-2,964	-274	-156	-	-	-3,356	-3,120
Cash flow from operating activities	7,535	-2,667	-2,277	736	153	97	5,411	-1,834
Investing activities								
Investments in intangible assets	-634	-1,133	-9	-20	-	-	-642	-1,154
Investments in tangible assets	-1,419	-1,409	0	-1	-	-	-1,420	-1,410
Investment in leasing vehicles	-16	-3	-2,325	-3,226	7	885	-2,333	-2,344
Disposals of in-/tangible assets and leasing vehicles	199	1,096	1,550	1,903	-7	-885	1,741	2,114
Operating cash flow	5,665	-4,117	-3,061	-608	153	97	2,757	-4,627
Investments of shares							-6,895	-136
Divestments of shares							-	11
Acquired operations							-13	-
Divested operations							-11	141
Interest-bearing receivables incl. marketable securities							-30	-869
Cash flow after net investments							-4,192	-5,479
Financing activities								
New borrowings							17,262	22,622
Repayments of borrowings							-27,625	-14,082
Other							-86	-167
Change in cash and cash equivalents excl. translation differences							-14,641	2,893
Translation difference on cash and cash equivalents							1,579	244
Change in cash and cash equivalents							-13,061	3,137

CONSOLIDATED NET FINANCIAL POSITION

Net financial position excl. post-employment benefits and lease liabilities SEK bn	Industrial Operations		Volvo Group	
	Mar 31 2021	Dec 31 2020	Mar 31 2021	Dec 31 2020
Non-current interest-bearing assets				
Non-current customer-financing receivables	-	-	74.3	70.5
Non-current interest-bearing receivables	3.4	4.6	2.8	4.2
Current interest-bearing assets				
Customer-financing receivables	-	-	63.5	58.0
Interest-bearing receivables	1.0	1.7	1.0	1.7
Internal funding	18.2	10.9	-	-
Marketable securities	0.2	0.2	0.2	0.2
Cash and cash equivalents	67.4	82.0	72.1	85.2
Assets held for sale	0.0	0.0	4.8	4.7
Total interest-bearing financial assets	90.2	99.4	218.8	224.5
Non-current interest-bearing liabilities				
Bond loans	-60.5	-66.4	-60.5	-66.4
Other loans	-13.8	-13.6	-23.7	-24.3
Internal funding	60.6	58.8	-	-
Current interest-bearing liabilities				
Bond loans	-32.6	-30.9	-32.6	-30.9
Other loans	-14.1	-15.5	-23.7	-25.8
Internal funding	40.5	38.5	-	-
Liabilities held for sale	4.4	4.3	-0.0	-0.0
Total interest-bearing financial liabilities excl. lease liabilities	-15.4	-24.7	-140.5	-147.5
Net financial position excl. post-employment benefits and lease liabilities	74.8	74.7	78.3	77.0

Provisions for post-employment benefits and lease liabilities, net SEK bn	Industrial Operations		Volvo Group	
	Mar 31 2021	Dec 31 2020	Mar 31 2021	Dec 31 2020
Non-current lease liabilities	-4.6	-4.5	-4.5	-4.4
Current lease liabilities	-1.7	-1.6	-1.7	-1.6
Provisions for post-employment benefits, net	-12.6	-16.6	-12.7	-16.7
Liabilities held for sale	-1.1	-1.1	-1.1	-1.1
Provisions for post-employment benefits and lease liabilities, net	-19.9	-23.7	-20.0	-23.8

Net financial position incl. post-employment benefits and lease liabilities SEK bn	Industrial Operations		Volvo Group	
	Mar 31 2021	Dec 31 2020	Mar 31 2021	Dec 31 2020
Net financial position excl. post-employment benefits and lease liabilities	74.8	74.7	78.3	77.0
Provisions for post-employment benefits and lease liabilities, net	-19.9	-23.7	-20.0	-23.8
Net financial position incl. post-employment benefits and lease liabilities	54.9	51.0	58.3	53.2

CHANGES IN NET FINANCIAL POSITION, INDUSTRIAL OPERATIONS

SEK bn	First quarter 2021
Net financial position excl. post-employment benefits and lease liabilities at the end of previous period	74.7
Operating cash flow	5.7
Investments and divestments of shares, net	-6.9
Acquired and divested operations, net	-0.0
Capital injections to/from Financial Services	-0.1
Currency effect	2.0
Other changes	-0.5
Net financial position excl. post-employment benefits and lease liabilities at the end of period	74.8
Provisions for post-employment benefits and lease liabilities at the end of previous period	-23.7
Pension payments, included in operating cash flow	0.4
Remeasurements of defined benefit pension plans	4.5
Service costs and other pension costs	-0.5
Investments, remeasurements and amortizations of lease contracts	-0.0
Currency effect	-0.5
Other changes	-0.1
Provisions for post-employment benefits and lease liabilities at the end of period	-19.9
Net financial position incl. post-employment benefits and lease liabilities at the end of period	54.9

CONSOLIDATED CHANGES IN TOTAL EQUITY

SEK bn	Mar 31 2021	Dec 31 2020
Total equity at the end of previous period	148.1	141.7
Equity attributable to shareholders of AB Volvo at the end of previous period	145.3	138.6
Income for the period	8.9	19.3
Other comprehensive income	7.6	-12.4
Total comprehensive income	16.5	6.9
Other changes	-0.1	-0.2
Equity attributable to shareholders of AB Volvo at the end of period	161.7	145.3
Non-controlling interest at the end of previous period	2.8	3.1
Income for the period	0.2	0.8
Other comprehensive income	0.2	-0.2
Total comprehensive income	0.3	0.5
Dividend to non-controlling interest	-	-0.8
Other changes	0.0	0.0
Non-controlling interest at the end of period	3.2	2.8
Total equity at the end of period	164.9	148.1

QUARTERLY FIGURES

Income Statements, Volvo Group					
SEK M unless otherwise stated					
	1/2021	4/2020	3/2020	2/2020	1/2020
Net sales	94,018	96,917	76,852	73,227	91,449
Cost of sales	-70,322	-73,071	-58,015	-58,474	-69,759
Gross income	23,696	23,847	18,837	14,753	21,689
Research and development expenses	-4,370	-4,314	-3,711	-3,811	-4,962
Selling expenses	-6,249	-6,808	-6,131	-6,109	-7,462
Administrative expenses	-1,156	-1,252	-1,066	-985	-1,318
Other operating income and expenses	-503	125	-739	-4,296	-549
Income/loss from investments in Joint Ventures and associated companies	645	615	340	825	-31
Income/loss from other investments	3	3	-23	10	7
Operating income	12,067	12,215	7,508	388	7,374
Interest income and similar credits	76	86	71	63	79
Interest expenses and similar charges	-296	-334	-308	-364	-343
Other financial income and expenses	443	-90	369	-177	-620
Income after financial items	12,290	11,877	7,640	-90	6,490
Income taxes	-3,286	-2,517	-1,737	134	-1,724
Income for the period *	9,004	9,360	5,903	44	4,766
* Attributable to:					
Owners of AB Volvo	8,841	9,202	5,723	-282	4,675
Non-controlling interest	164	158	180	326	92
	9,004	9,360	5,903	44	4,766
Key ratios, Volvo Group, %					
Gross margin	25.2	24.6	24.5	20.1	23.7
Research and development expenses as percentage of net sales	4.6	4.5	4.8	5.2	5.4
Selling expenses as percentage of net sales	6.6	7.0	8.0	8.3	8.2
Administrative expenses as percentage of net sales	1.2	1.3	1.4	1.3	1.4
Operating margin	12.8	12.6	9.8	0.5	8.1
Key ratios, Industrial Operations, %					
Gross margin	24.4	23.9	23.7	19.0	22.9
Research and development expenses as percentage of net sales	4.8	4.6	5.0	5.4	5.6
Selling expenses as percentage of net sales	6.2	6.7	7.5	7.9	7.8
Administrative expenses as percentage of net sales	1.3	1.3	1.4	1.4	1.5
Operating margin	12.5	12.4	9.6	0.5	7.7
EBITDA margin, Industrial Operations					
Operating income Industrial Operations	11,384	11,691	7,084	375	6,768
Product and software development, amortization	594	666	713	694	660
Other intangible assets, amortization	40	94	146	46	47
Tangible assets, depreciation	2,830	3,368	2,914	3,577	3,001
Total depreciation and amortization	3,464	4,128	3,773	4,317	3,708
Operating income before depreciation and amortization (EBITDA)	14,847	15,820	10,857	4,693	10,476
EBITDA margin, %	16.3	16.8	14.7	6.7	11.9
Net capitalization of research and development					
Capitalization	621	559	415	308	881
Amortization	-561	-574	-667	-672	-635
Net capitalization and amortization	60	-15	-253	-363	246
Return on operating capital in Industrial Operations, % ¹	35.0	29.4	25.4	28.4	44.2
Return on capital employed in Industrial Operations, % ¹	17.1	14.7	13.2	15.3	23.9

¹ 12 months rolling.

QUARTERLY FIGURES

Net sales					
SEK M	1/2021	4/2020	3/2020	2/2020	1/2020
Trucks	58,372	61,917	47,740	40,595	58,010
Construction Equipment	24,742	20,810	17,619	22,876	20,148
Buses	3,570	6,748	4,654	3,199	5,190
Volvo Penta	3,409	2,985	3,062	2,507	3,338
Group Functions & Other	2,022	2,340	1,661	1,519	2,350
Eliminations	-906	-754	-666	-544	-832
Industrial Operations	91,209	94,047	74,070	70,151	88,204
Financial Services	3,257	3,369	3,304	3,477	3,810
Reclassifications and eliminations	-447	-498	-522	-401	-566
Volvo Group	94,018	96,917	76,852	73,227	91,449

Operating income					
SEK M	1/2021	4/2020	3/2020	2/2020	1/2020
Trucks	7,479	8,866	4,549	-1,598	3,948
Construction Equipment	3,822	2,460	1,951	2,493	2,678
Buses	-64	-8	232	-617	-129
Volvo Penta	643	37	562	295	509
Group Functions & Other	-481	317	-213	-191	-235
Eliminations	-15	18	3	-7	-2
Industrial Operations	11,384	11,691	7,084	375	6,768
Financial Services	682	523	423	12	605
Reclassifications and eliminations	1	1	1	-	1
Volvo Group	12,067	12,215	7,508	388	7,374

Adjusted operating income ¹					
SEK M	1/2021	4/2020	3/2020	2/2020	1/2020
Trucks	7,479	8,045	4,522	737	3,948
Construction Equipment	3,822	2,321	1,963	3,108	2,678
Buses	-64	-24	240	-532	-129
Volvo Penta	643	25	570	345	509
Group Functions & Other	-727	29	-505	-436	-469
Eliminations	-15	17	3	-7	-2
Industrial Operations	11,138	10,413	6,793	3,215	6,534
Financial Services	682	521	423	57	605
Reclassifications and eliminations	1	1	1	-	1
Volvo Group adjusted operating income	11,821	10,934	7,217	3,272	7,140

¹ For more information on adjusted operating income, please see note 7.

Operating margin					
%	1/2021	4/2020	3/2020	2/2020	1/2020
Trucks	12.8	14.3	9.5	-3.9	6.8
Construction Equipment	15.4	11.8	11.1	10.9	13.3
Buses	-1.8	-0.1	5.0	-19.3	-2.5
Volvo Penta	18.9	1.2	18.3	11.8	15.2
Industrial Operations	12.5	12.4	9.6	0.5	7.7
Volvo Group	12.8	12.6	9.8	0.5	8.1

Adjusted operating margin					
%	1/2021	4/2020	3/2020	2/2020	1/2020
Trucks	12.8	13.0	9.5	1.8	6.8
Construction Equipment	15.4	11.2	11.1	13.6	13.3
Buses	-1.8	-0.4	5.2	-16.6	-2.5
Volvo Penta	18.9	0.8	18.6	13.7	15.2
Industrial Operations	12.2	11.1	9.2	4.6	7.4
Volvo Group adjusted operating margin	12.6	11.3	9.4	4.5	7.8

QUARTERLY FIGURES

Share data					
	1/2021	4/2020	3/2020	2/2020	1/2020
Earnings per share, SEK ¹	4.35	4.53	2.81	-0.14	2.30
Earnings per share, SEK ¹ , 12 months rolling	11.55	9.50	8.24	9.10	14.71
Diluted earnings per share, SEK	4.35	4.53	2.81	-0.14	2.30
Number of outstanding shares in millions	2,033	2,033	2,033	2,033	2,033
Average number of shares before dilution in millions	2,033	2,033	2,033	2,033	2,033
Average number of shares after dilution in millions	2,033	2,033	2,033	2,033	2,033
Number of own shares in millions	0	0	0	95	95
Average number of own shares in millions	0	0	32	95	95

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 2020 (available at www.volvogroup.com). 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.

New accounting policies for 2021

As of January 1, 2021, the amendment to IFRS 7, IFRS 9 and IFRS 16 is effective. The amendments relates to the interest

rate benchmark reform - phase 2 and provides guidance on how to account for the effects of the reform. The interest rate benchmark reform refers to the transition from current interest reference rate such as LIBOR to new benchmark interest rates. The Volvo Group closely follows the transition which will take place during 2021. The amendments to IFRS 7, IFRS 9 and IFRS 16 will be applied when new interest rate benchmarks are incorporated in the underlying contracts which are expected to have taken place by the end of 2021.

There are no other new accounting policies applicable from 2021 that significantly affects the Volvo Group.

NOTE 2 | RISKS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Each of the Volvo Group's Business Areas is responsible for its own risk management. In addition, the Volvo Group works with Enterprise Risk Management (ERM), which is a systematic and structured framework to report and analyze risk assessments and mitigations as well as to follow-up on the risks that might impact the Group's business. The objective of the ERM framework is to improve business performance and to minimize the cost of managing risks; thus protecting the Group's enterprise value as well as enhancing and protecting the Group's assets.

The risks within the Volvo Group are classified into four categories:

Strategic risks – such as technology shift and convergence, intense competition and extensive government regulations;

Operational risks – such as customer satisfaction, cyclical nature of the commercial vehicles industry, reliance on suppliers and scarce materials, disturbances and inefficiencies in the industrial system, risk related to human capital and human rights, residual value commitments, cybersecurity and IT infrastructure as well as political instability across the world;

Compliance risks – such as non-compliance with data protection laws, protection and maintenance of intangible assets, complaints and legal actions by customers and other third parties, environmental regulations 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 68-75 in the Volvo Group Annual and Sustainability Report 2020 (available at www.volvogroup.com).

Risk updates

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

Update on supply situation

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, a global shortage of semiconductor components is causing us to adapt production. Our supply chain and industrial system is also strained in many areas due to e.g. shortages of other materials and components, shortages of transport services and developments of the Covid-19 pandemic and response measures taken. Stop days have been implemented in the global truck manufacturing operations which, as previously communicated, are estimated to extend over two to four weeks in the second quarter, and we also expect disturbances in other business areas. These disturbances are expected to have a negative impact on earnings and cash

flow, and there is also a risk that we may face additional supply chain or production disturbances 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 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, and it is expected that economic activity will be negatively impacted in the coming quarters. This have had, and might also continue to have, an adverse effect on demand for the Group's products and services and on the financial performance of the Group. The duration and expected development of the Covid-19 pandemic is unknown, and no predictions can be made in relation to the length of present, and further measures that different countries and others may take in response to the crisis. However, any prolongation or worsening of the virus outbreak may lead to e.g. the following:

- the extension of containment measures and restrictions on freedom of movement in the Group's key markets,
- key suppliers experiencing severe financial difficulties,
- shortages of necessary material and parts from suppliers directly or indirectly affected by the virus outbreak that may in turn lead to supply chain disruptions and production downtimes,
- a larger number of customers directly or indirectly affected by the virus outbreak having difficulties, or being prevented from, making payments to the Group when due,
- further price pressure on new and used vehicles, which may give rise to write-downs or further reserve requirements with respect to vehicles in stock and residual value commitments,
- impairments of goodwill and other intangible assets,
- further disruption of financial markets and/or
- a prolonged global economic downturn leading to a more severe reduction in demand for Group products.

Given the evolving nature of the crisis, the above list is not exhaustive, but each of these events, or any combination of them, could amplify the negative impact of the crisis on the Group's financial performance and have material adverse

effect on the Group's business, financial development and shareholder value.

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.

Contingent liabilities and contingent assets

The reported amounts for contingent liabilities reflect a part of Volvo Group's risk exposure. Total contingent liabilities as of March 31, 2021, amounted to SEK 15.1 billion, an increase of SEK 1.3 billion compared to December 31, 2020. The gross exposure of SEK 15.1 billion is partly reduced by counter guarantees and collaterals.

Total contingent assets as of March 31, 2021 amounted to SEK 1.0 billion (SEK 1.3 billion as of December 31, 2020) and is related to a tax credit in Brazil.

Legal proceedings

Following the adoption of the European Commission's settlement decision, the Volvo Group has received and will be defending itself against numerous private damages claims brought by customers and other third parties alleging that they suffered loss by reason of the conduct covered in the decision. The claims are being brought in various countries by 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. An adverse outcome of some or all of the litigations, depending on the nature and extent of such outcomes, may have a material negative impact on the Volvo Group's financial results.

The other legal proceedings and investigations described in note 21 and note 24 in the Volvo Group Annual and Sustainability Report 2020 are progressing. No material changes have occurred in these matters in Q1 2021.

NOTE 3 | REVENUE

The two major revenue streams within the Volvo Group are vehicles and services. Vehicles include sales of vehicles, machinery and engines. Revenue is recognized when the control of the vehicle has been transferred to the customer, normally at one point in time, which is when the vehicle has been delivered to the customer. If the sale of a vehicle is combined with a residual value commitment and there is a significant economic incentive for the customer to return the vehicle, the revenue is recognized over the residual value commitment period. Services include sale of spare parts, maintenance services and other aftermarket products. Revenue is recognized when the control of the service has

been transferred to the customer, which is when the customer can benefit from the use of the delivered services.

For spare parts, revenue is normally recognized at one point in time, which is when it is delivered. For maintenance services and other aftermarket products, revenue is normally recognized over time, which is during the contract period. When payments for maintenance contracts are received in advance from the customers, the payments are recognized as contract liabilities. Income from operating leasing is recognized over the leasing period. Interest income related to finance leasing and installment credits is recognized as net sales within Financial Services during the underlying contract period.

NOTE 4 | ACQUISITIONS AND DIVESTMENTS

Acquisitions and divestments

On March 1, 2021, the Volvo Group and Daimler Truck AG completed the previously announced transaction to form a fuel cell joint venture. The Volvo Group has acquired 50 percent of the shares in the existing Daimler Truck Fuel Cell GmbH & Co. KG. The parties have agreed to rename the company cellcentric GmbH & Co. KG.

To enable the joint venture, the Daimler Group bundled all fuel cell activities and transferred the business to cellcentric. The assets acquired and liabilities assumed were measured at their fair values and the excess amount was recognized as goodwill. A substantial portion of cellcentric's net assets is related to technology.

In connection to the acquisition of shares in cellcentric, the Volvo Group has made a preliminary purchase price allocation of identified assets and liabilities, which is expected to be finalized within 12 months as of the acquisition date. Most of the purchase price of SEK 6,503 M

corresponded to the Volvo Group's share of cellcentric's net assets at fair value. As of March 1, 2021, the investment in the joint venture is recognized in the Volvo Group's financial statements, in the segment Trucks, by applying the equity method.

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

Assets and liabilities held for sale

At the end of Q1, assets and liabilities held for sale amounted to SEK 32,148 M (34,296) and SEK 9,595 M (11,286) respectively. The assets and liabilities held for sale mainly relate to the transfer of ownership of the complete UD Trucks business globally from the Volvo Group to Isuzu Motors. The balances are impacted by changes in the underlying assets and liabilities as well as changes in currency. The transaction was completed on April 1.

NOTE 5 | 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 2020 Note 30 (available at www.volvogroup.com), 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 4.7 billion (6.6) and derivatives with negative fair values amounted to SEK 2.0 billion (1.4) as of March 31, 2021.

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 145.3 billion (152.8) in reported carrying value with a fair value of SEK 147.5 billion (155.7). In the Volvo Group consolidated financial position, financial liabilities include loan-related derivatives with negative fair values amounting to SEK 1.4 billion (0.6).

Currency effect on operating income, Volvo Group	Compared to first quarter 2020		
	First quarter 2021	First quarter 2020	Change
SEK M			
Net flow in foreign currency			-422
Realized and unrealized gains and losses on derivatives	2	-32	33
Unrealized gains and losses on receivables and liabilities in foreign currency	-8	-662	654
Translation effect on operating income in foreign subsidiaries			-1,390
Total currency effect on operating income, Volvo Group			-1,125

Applicable currency rates	Quarterly exchange rates		Close rates	
	First quarter 2021	First quarter 2020	Mar 31 2021	Mar 31 2020
BRL	1.53	2.18	1.51	1.94
CNY	1.30	1.39	1.33	1.42
EUR	10.12	10.66	10.24	11.08
GBP	11.59	12.37	12.00	12.39
USD	8.40	9.67	8.72	10.08
JPY	0.0792	0.0888	0.0788	0.0929
KRW	0.0075	0.0081	0.0077	0.0083

NOTE 6 | TRANSACTIONS WITH RELATED PARTIES

SEK M	Sales of goods, services and other income		Purchases of goods, services and other expenses	
	First quarter	First quarter	First quarter	First quarter
	2021	2020	2021	2020
Associated companies	365	554	12	27
Joint ventures	417	397	278	199

SEK M	Receivables		Payables	
	Mar 31	Dec 31	Mar 31	Dec 31
	2021	2020	2021	2020
Associated companies	208	242	8	24
Joint ventures	308	330	94	71

NOTE 7 | RECONCILIATION OF ADJUSTED OPERATING INCOME

Adjusted operating income					
SEK M	1/2021	4/2020	3/2020	2/2020	1/2020
Trucks	7,479	8,045	4,522	737	3,948
Construction Equipment	3,822	2,321	1,963	3,108	2,678
Buses	-64	-24	240	-532	-129
Volvo Penta	643	25	570	345	509
Group Functions & Other	-727	29	-505	-436	-469
Eliminations	-15	17	3	-7	-2
Industrial Operations	11,138	10,413	6,793	3,215	6,534
Financial Services	682	521	423	57	605
Reclassifications and eliminations	1	1	1	-	1
Volvo Group adjusted operating income	11,821	10,934	7,217	3,272	7,140

Adjustments					
SEK M	1/2021	4/2020	3/2020	2/2020	1/2020
Adjustment items (segment)					
Depreciation of Assets held for sale (Group functions & Other)	246	287	291	315	234
Restructuring charges related to headcount reductions:					
Trucks	-	821	28	-2,335	-
Construction Equipment	-	140	-12	-615	-
Buses	-	16	-8	-85	-
Volvo Penta	-	12	-8	-50	-
Group Functions & Other	-	1	-	-70	-
Financial Services	-	2	-	-45	-
Total adjustments					
Trucks	-	821	28	-2,335	-
Construction Equipment	-	140	-12	-615	-
Buses	-	16	-8	-85	-
Volvo Penta	-	12	-8	-50	-
Group Functions & Other	246	288	291	245	234
Industrial Operations	246	1,278	291	-2,840	234
Financial Services	-	2	-	-45	-
Volvo Group	246	1,280	291	-2,885	234

Operating income					
SEK M	1/2021	4/2020	3/2020	2/2020	1/2020
Trucks	7,479	8,866	4,549	-1,598	3,948
Construction Equipment	3,822	2,460	1,951	2,493	2,678
Buses	-64	-8	232	-617	-129
Volvo Penta	643	37	562	295	509
Group Functions & Other	-481	317	-213	-191	-235
Eliminations	-15	18	3	-7	-2
Industrial Operations	11,384	11,691	7,084	375	6,768
Financial Services	682	523	423	12	605
Reclassifications and eliminations	1	1	1	-	1
Volvo Group	12,067	12,215	7,508	388	7,374

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

PARENT COMPANY

Income from investments in Group companies and joint ventures for the first quarter include dividends amounting to SEK 856 M.

Investment in Volvo Fuel Cell Holding AB has increased the value of shares in Group companies by SEK 3,000 M.

Financial net debt amounted to SEK 9,922 M (7,565) at the end of the first quarter.

Income Statement		
	First quarter	
SEK M	2021	2020
Net sales¹	75	81
Cost of sales ¹	-75	-81
Gross income	0	0
Operating expenses ¹	-246	-347
Operating income (loss)	-246	-347
Income from investments in Group companies	840	-
Income from investments in joint ventures and associated companies	16	-
Interest income and expenses	-74	-195
Other financial income and expenses	1	-6
Income after financial items	537	-548
Income taxes	26	104
Income for the period	563	-444

¹ Of net sales in the first quarter, SEK 71 M (70) pertained to Group companies, while purchases from Group companies amounted to SEK 116 M (62).

Other comprehensive income		
Income for the period	563	-444
Other comprehensive income, net of income taxes	-	-
Total comprehensive income for the period	563	-444

Balance Sheet		
SEK M	Mar 31 2021	Dec 31 2020
Assets		
Non-current assets		
Tangible assets	7	7
Financial assets		
Shares and participations in Group companies	74,857	71,857
Investments in joint ventures and associated companies	8,946	8,946
Other shares and participations	1	1
Deferred tax assets	353	298
Total non-current assets	84,164	81,109
Current assets		
Current receivables from Group companies	1,129	1,735
Tax assets	435	-
Other current receivables	145	85
Total current assets	1,709	1,820
Total assets	85,873	82,929
Equity and liabilities		
Equity		
Restricted equity	9,899	9,899
Unrestricted equity	55,363	54,800
Total Equity	65,262	64,699
Untaxed reserves	10,000	10,000
Provisions	268	271
Non-current liabilities ¹	5,595	5,595
Current liabilities ²	4,748	2,364
Total equity and liabilities	85,873	82,929

¹ Of which SEK 5,589 M (5,589) pertains to Group companies.

² Of which SEK 4,113 M (1,789) pertains to Group companies.

Events after the balance sheet date

For important events, please see page 13. No other significant events have occurred after the end of the first quarter 2021 that are expected to have a substantial effect on the Volvo Group.

Gothenburg, April 22, 2021
AB Volvo (publ)

Martin Lundstedt
President and CEO

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

NET ORDER INTAKE

Net order intake of trucks	First quarter		Change %
	2021	2020	
Number of trucks			
Europe	46,564	21,178	120
Heavy- and medium-duty	39,081	17,312	126
Light-duty	7,483	3,866	94
North America	22,215	4,732	369
South America	3,856	3,044	27
Asia	8,802	6,913	27
Africa and Oceania	4,024	2,532	59
Total trucks	85,461	38,399	123
Heavy-duty (>16 tons)	71,688	30,322	136
Medium-duty (7-16 tons)	5,932	4,021	48
Light-duty (<7 tons)	7,841	4,056	93
Total trucks	85,461	38,399	123

Net order intake of trucks by brand

Volvo			
Europe	25,465	10,846	135
North America	9,180	1,160	691
South America	3,391	2,726	24
Asia	4,312	2,656	62
Africa and Oceania	1,805	1,083	67
Total Volvo	44,153	18,471	139
Heavy-duty (>16 tons)	42,869	17,627	143
Medium-duty (7-16 tons)	1,284	844	52
Total Volvo	44,153	18,471	139

UD			
North America	33	16	106
South America	83	144	-42
Asia	3,556	3,532	1
Africa and Oceania	1,345	639	110
Total UD	5,017	4,331	16
Heavy-duty (>16 tons)	3,885	3,430	13
Medium-duty (7-16 tons)	874	742	18
Light-duty (<7 tons)	258	159	62
Total UD	5,017	4,331	16

Renault Trucks			
Europe	21,099	10,332	104
Heavy- and medium-duty	13,616	6,466	111
Light-duty	7,483	3,866	94
North America	64	38	68
South America	119	68	75
Asia	934	725	29
Africa and Oceania	487	690	-29
Total Renault Trucks	22,703	11,853	92
Heavy-duty (>16 tons)	13,093	6,208	111
Medium-duty (7-16 tons)	2,027	1,748	16
Light-duty (<7 tons)	7,583	3,897	95
Total Renault Trucks	22,703	11,853	92

Mack			
North America	12,938	3,518	268
South America	263	106	148
Africa and Oceania	387	120	223
Total Mack	13,588	3,744	263
Heavy-duty (>16 tons)	11,841	3,057	287
Medium-duty (7-16 tons)	1,747	687	154
Total Mack	13,588	3,744	263

DELIVERIES

Deliveries of trucks	First quarter		Change %
	2021	2020	
Number of trucks			
Europe	23,982	21,003	14
Heavy- and medium-duty	18,871	17,103	10
Light-duty	5,111	3,900	31
North America	12,972	10,660	22
South America	5,522	4,878	13
Asia	7,072	5,669	25
Africa and Oceania	2,896	2,555	13
Total trucks	52,444	44,765	17
Heavy-duty (>16 tons)	43,316	38,265	13
Medium-duty (7-16 tons)	3,736	2,443	53
Light-duty (<7 tons)	5,392	4,057	33
Total trucks	52,444	44,765	17

Deliveries of trucks by brand

Volvo			
Europe	11,703	11,528	2
North America	6,748	5,328	27
South America	5,204	4,627	12
Asia	3,286	2,673	23
Africa and Oceania	1,368	1,164	18
Total Volvo	28,309	25,320	12
Heavy-duty (>16 tons)	27,689	24,623	12
Medium-duty (7-16 tons)	620	697	-11
Total Volvo	28,309	25,320	12

UD			
North America	16	11	45
South America	109	59	85
Asia	3,028	2,722	11
Africa and Oceania	841	617	36
Total UD	3,994	3,409	17
Heavy-duty (>16 tons)	3,005	2,646	14
Medium-duty (7-16 tons)	771	614	26
Light-duty (<7 tons)	218	149	46
Total UD	3,994	3,409	17

Renault Trucks			
Europe	12,279	9,475	30
Heavy- and medium-duty	7,168	5,575	29
Light-duty	5,111	3,900	31
North America	32	149	-79
South America	76	32	138
Asia	758	273	178
Africa and Oceania	540	606	-11
Total Renault Trucks	13,685	10,535	30
Heavy-duty (>16 tons)	6,940	5,495	26
Medium-duty (7-16 tons)	1,571	1,132	39
Light-duty (<7 tons)	5,174	3,908	32
Total Renault Trucks	13,685	10,535	30

Mack			
North America	6,176	5,172	19
South America	133	160	-17
Asia	-	1	-
Africa and Oceania	147	168	-13
Total Mack	6,456	5,501	17
Heavy-duty (>16 tons)	5,682	5,501	3
Medium-duty (7-16 tons)	774	-	-
Total Mack	6,456	5,501	17

This information is information that AB Volvo (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out in the press release concerning this report, at 7.20 CET on April 22, 2021.

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. Although the Board of Directors and the management believe that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct. Accordingly, results could differ materially from those set out in the forward-looking statements as a result of, among other factors, (i) changes in economic, market and competitive conditions, (ii) success of business and operating initiatives, (iii) changes in the regulatory environment and other government actions, (iv) fluctuations in exchange rates and (v) business risk management.

This report does not imply that the Company has undertaken to revise these forward-looking statements, beyond what is required under the company's registration contract with Nasdaq Stockholm, if and when circumstances arise that will lead to changes compared to the date when these statements were provided.

Financial calendar

Report on the second quarter 2021	July 20, 2021
Report on the third quarter 2021	October 21, 2021

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