



**Staffan Jufors**

President Volvo Trucks

# Content

- Strategy
- Sales development
- Value chain and flexibility
- Margin- and cash flow management



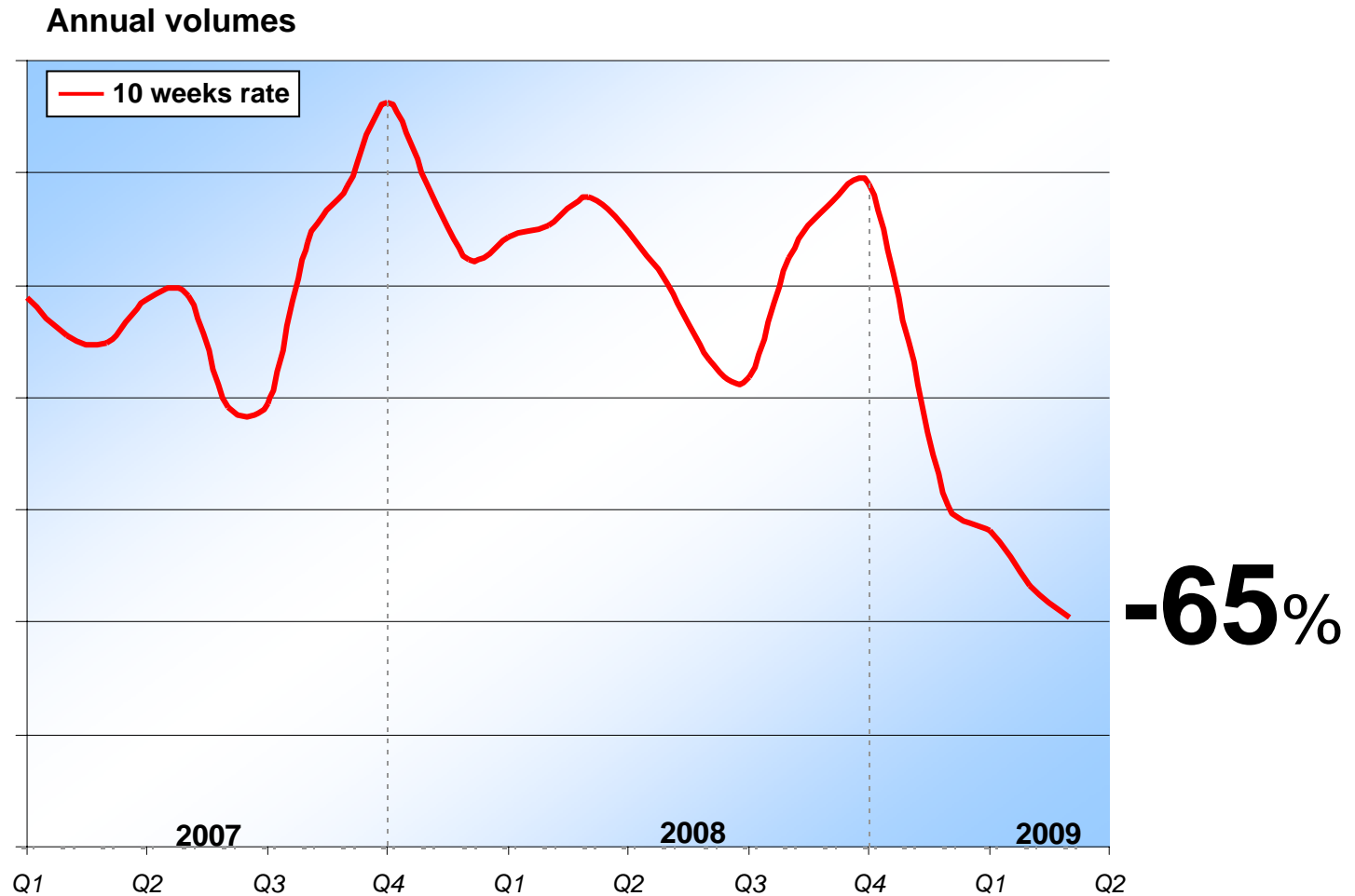
# Volvo Trucks Strategy – Transport Solutions



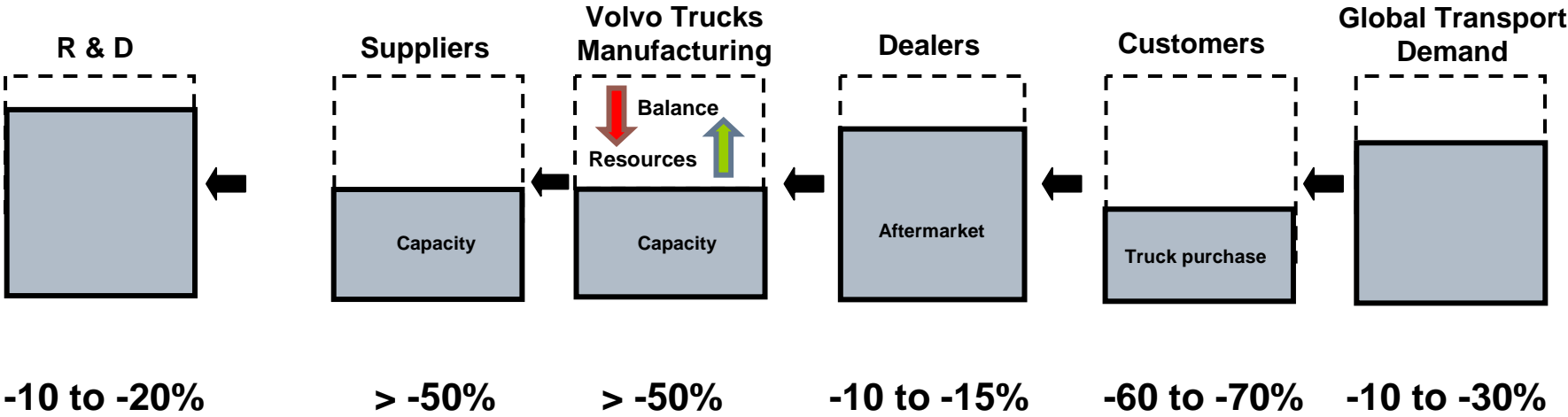
# Strong Positions

- **Quality – Best Ever**
- **Safety – Leading**
- **Fuel Efficiency – Leading**
- **Customer Satisfaction / Image**
  - **No 1 or 2 in Europe and International markets**
  - **Improved customer satisfaction in North America**

# Global Deliveries

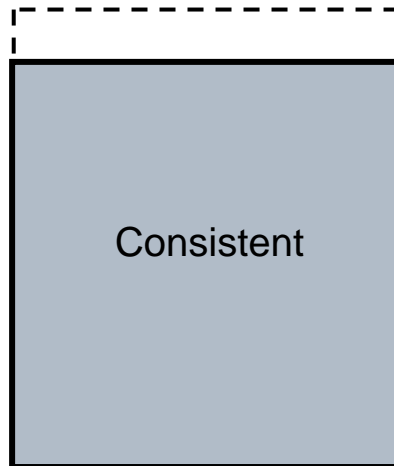


# Every Part of the Value Chain is Stressed

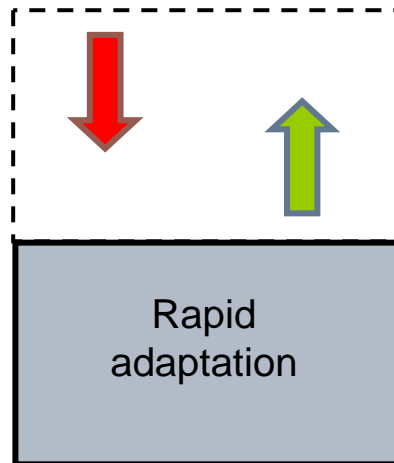


# Tactics Volvo Trucks

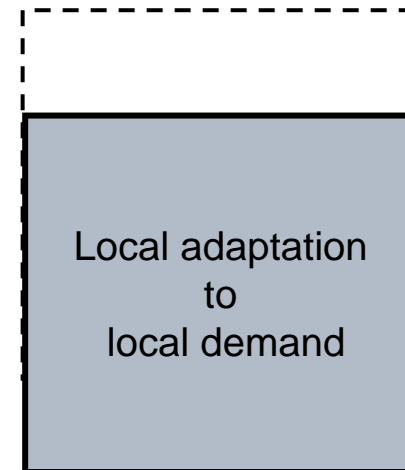
## R&D



## Manufacturing



## Sales & Aftermarket



# R&D - Strengthening Tomorrow's Business

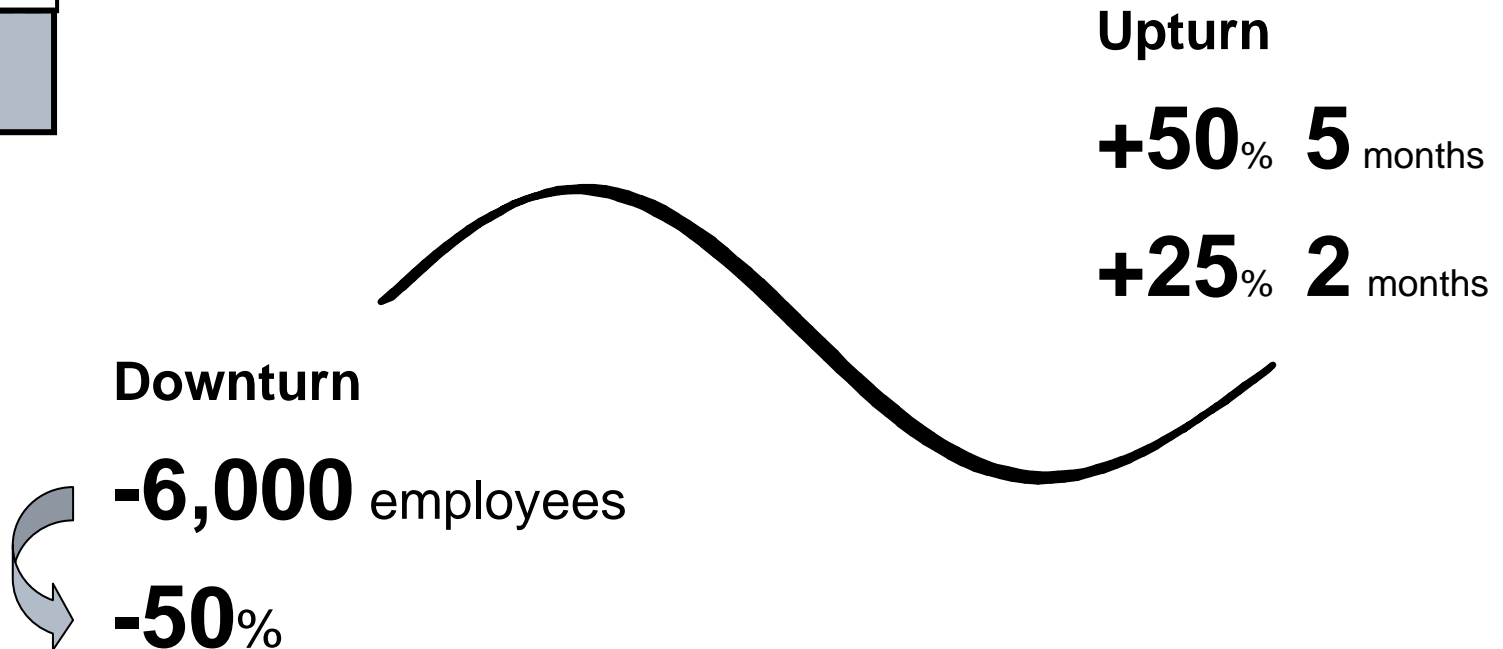
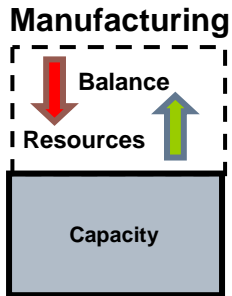
R & D

Consistent



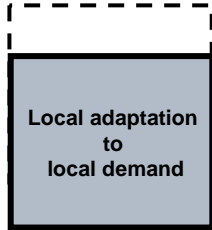


# Flexibility Volvo Trucks Manufacturing

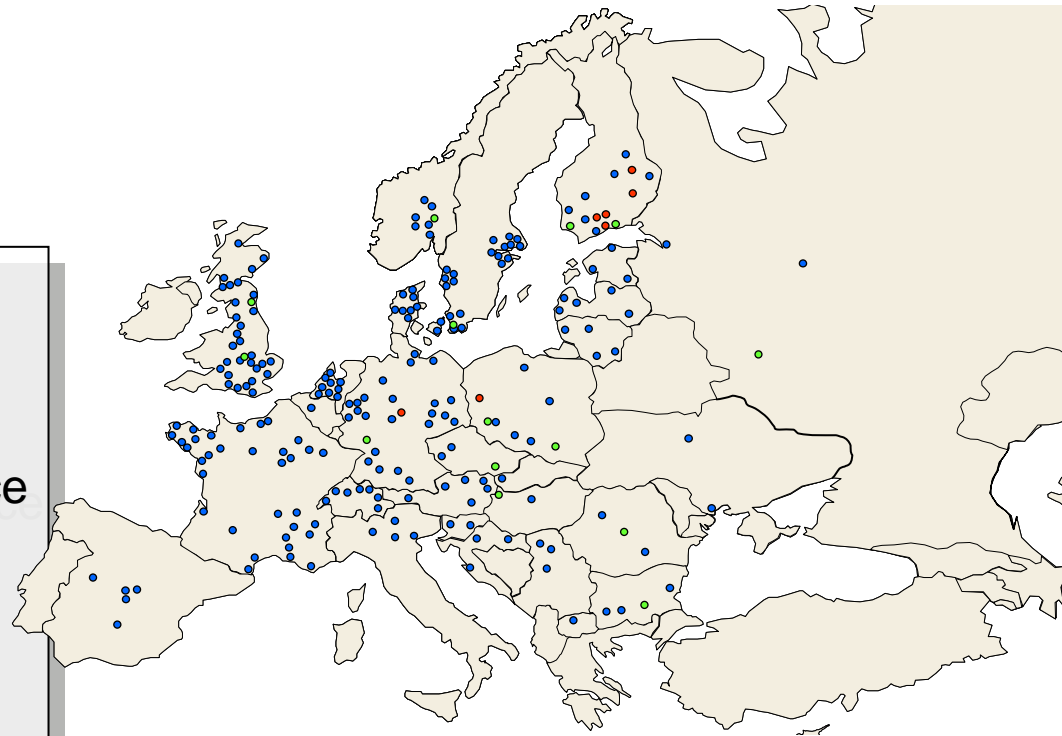


# Retail – Strategic Direction Remains

## Sales & Aftermarket



- Direct customer relation
  - Life cycle approach
  - Control **70%** sales / **30%** service
- Less volatile
  - Parts revenues almost unchanged
- Grow soft offer business
- Investment pace slower



# Margin Management

## - With the customer in focus

### Revenues

- Protect price-leading position
- Utilize strong aftermarket position
- Own service network protects parts business

### Costs

- Operating expenses reduction
- Reduce material costs
- Adapting workforce to demand
- STEP – Cost reduction program North America

# Cash Flow Management

- Continue to adjust production capacity
- Payables balancing out in Q2-Q3
- Inventory reduced
  - Work in Production and New trucks -50% from peak
  - Used trucks returns currently equal to sales pace
- Operating expenses reduction
- Investment pace to match sales



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