



PRESS RELEASE

Volvo Group – the fourth quarter and full year 2018

“2018 was a record year for the Volvo Group. For the full year, we grew net sales by 17% to SEK 391 billion (333) and improved our adjusted operating income to SEK 40.7 billion (29.3), with a margin of 10.4% (8.8). Trucks, Construction Equipment, Volvo Penta and Financial Services all recorded their highest adjusted operating income ever. During the year we also continued to increase our financial strength. With an operating cash flow of SEK 26.6 billion we ended the year with a net cash position of SEK 43.9 billion in the Industrial Operations, excluding pension liabilities. This enables us to take on the future from a position of strength,” says Martin Lundstedt, President and CEO.

THE FOURTH QUARTER 2018

- In Q4, net sales increased by 16% to SEK 105.8 bn (91.6). Adjusted for currency movements and acquired and divested units net sales increased by 10%.
- Adjusted operating income amounted to SEK 10,597 M (7,105), corresponding to an adjusted operating margin of 10.0% (7.8). Adjusted operating income in Q4 2018 excludes the previously announced provision of SEK 7 bn.
- Reported operating income amounted to SEK 3,597 M (7,105).
- Currency movements had a positive impact on operating income of SEK 1,225 M.
- Operating cash flow in the Industrial Operations amounted to SEK 15.5 bn (14.4).



THE FULL YEAR 2018

- For the full year 2018 net sales increased by 17% to SEK 390.8 bn (332.7).
- Adjusted operating income amounted to SEK 40,660 M (29,278) corresponding to an operating margin of 10.4% (8.8).
- Reported operating income amounted to SEK 34,478 M (29,678).
- Operating cash flow in the Industrial Operations amounted to SEK 26.6 bn (28.4).
- The Board of Directors proposes an ordinary dividend of SEK 5.00 per share (4.25) and an extra dividend of SEK 5.00 per share.

January 30, 2019

Press and Analyst Conference. An on-line presentation of the report, followed by a question-and-answer session will be webcast starting at 09.00 CET. More information under Investors on www.volvogroup.com

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For more information, please visit volvogroup.com/press

The Volvo Group is one of the world's leading manufacturers of trucks, buses, construction equipment and marine and industrial engines. The Group also provides complete solutions for financing and service. The Volvo Group, which employs almost 100,000 people, has production facilities in 18 countries and sells its products in more than 190 markets. In 2017 the Volvo Group's sales amounted to about SEK 335 billion (EUR 35 billion). The Volvo Group is a publicly-held company headquartered in Göteborg, Sweden. Volvo shares are listed on Nasdaq Stockholm.