



Staffan Jufors

President Volvo Trucks

Content

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



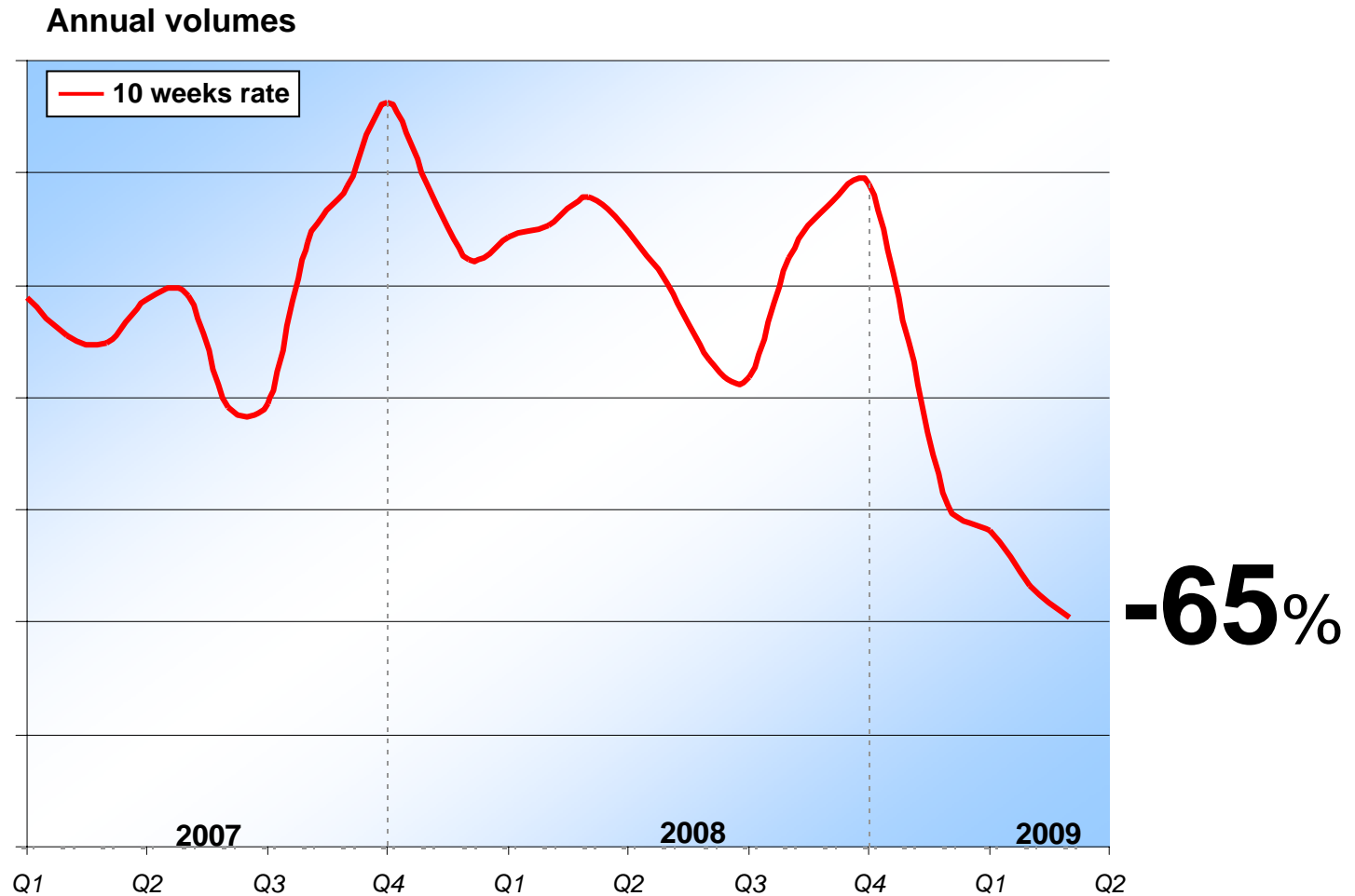
Volvo Trucks Strategy – Transport Solutions



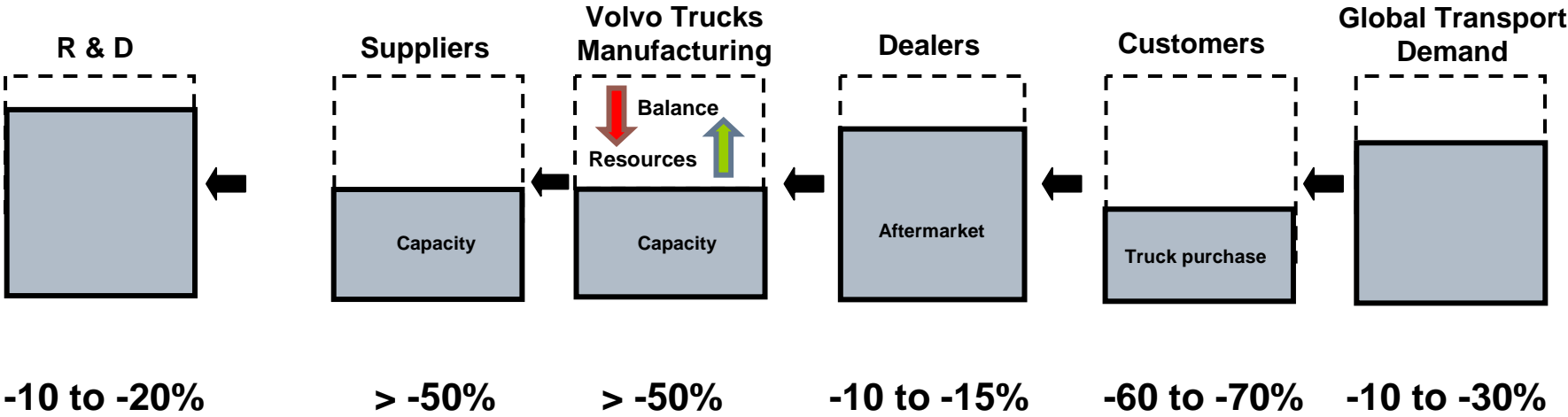
Strong Positions

- **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

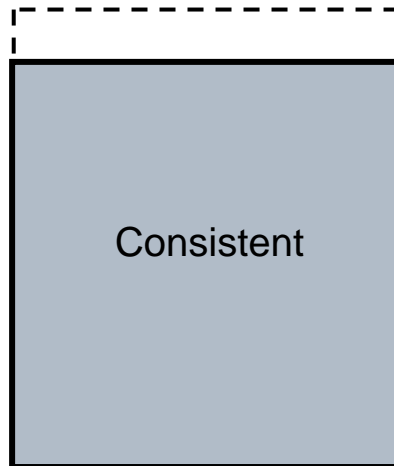


Every Part of the Value Chain is Stressed

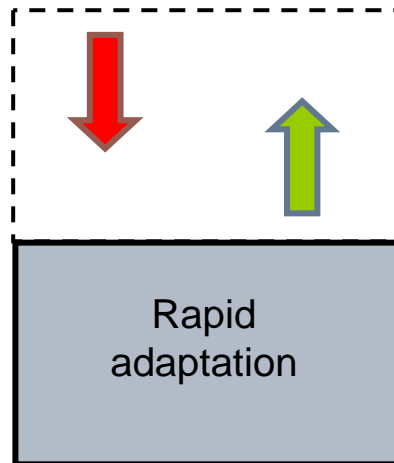


Tactics Volvo Trucks

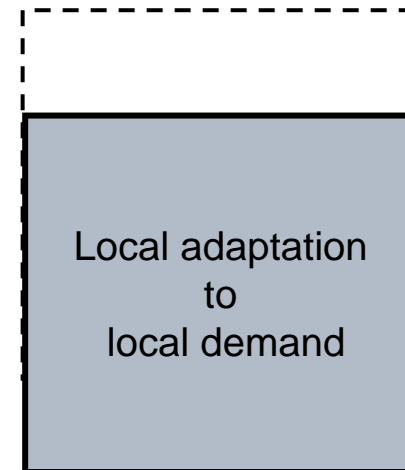
R&D



Manufacturing



Sales & Aftermarket



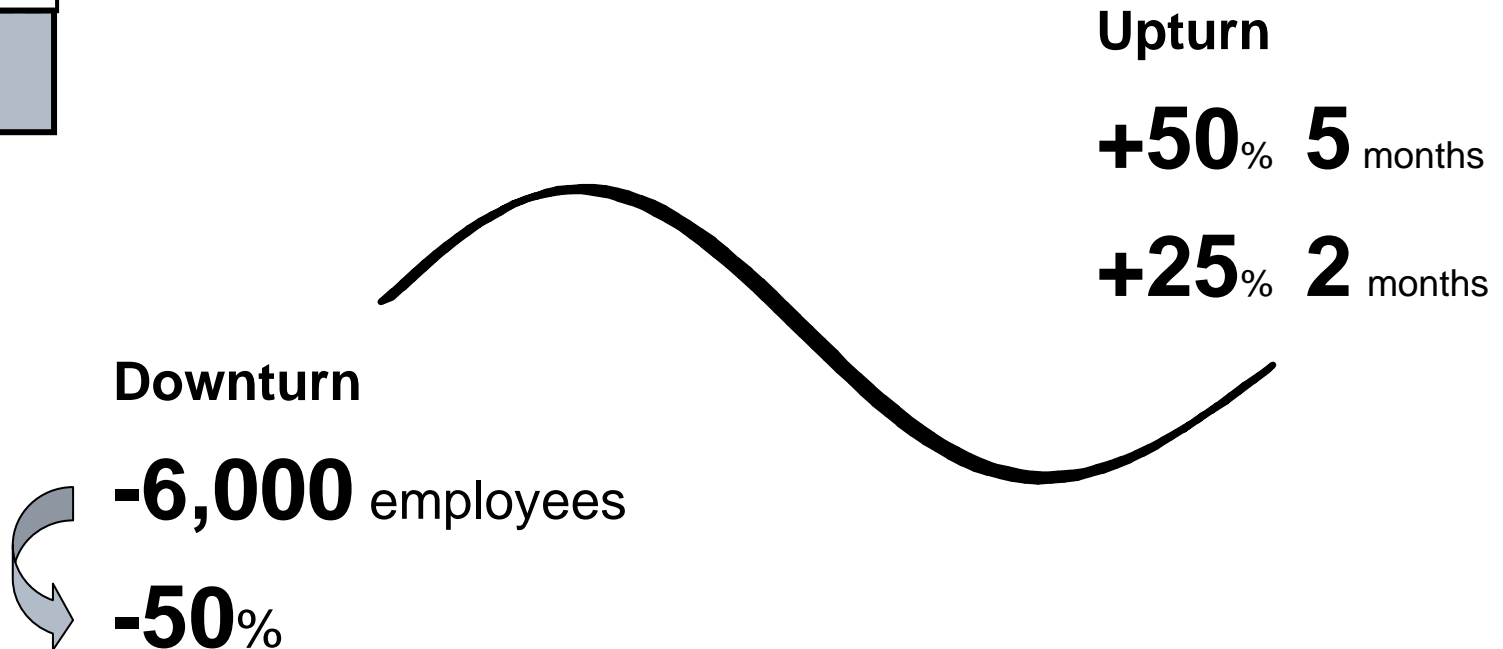
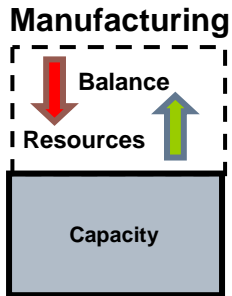
R&D - Strengthening Tomorrow's Business

R & D

Consistent

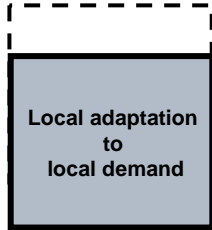


Flexibility Volvo Trucks Manufacturing

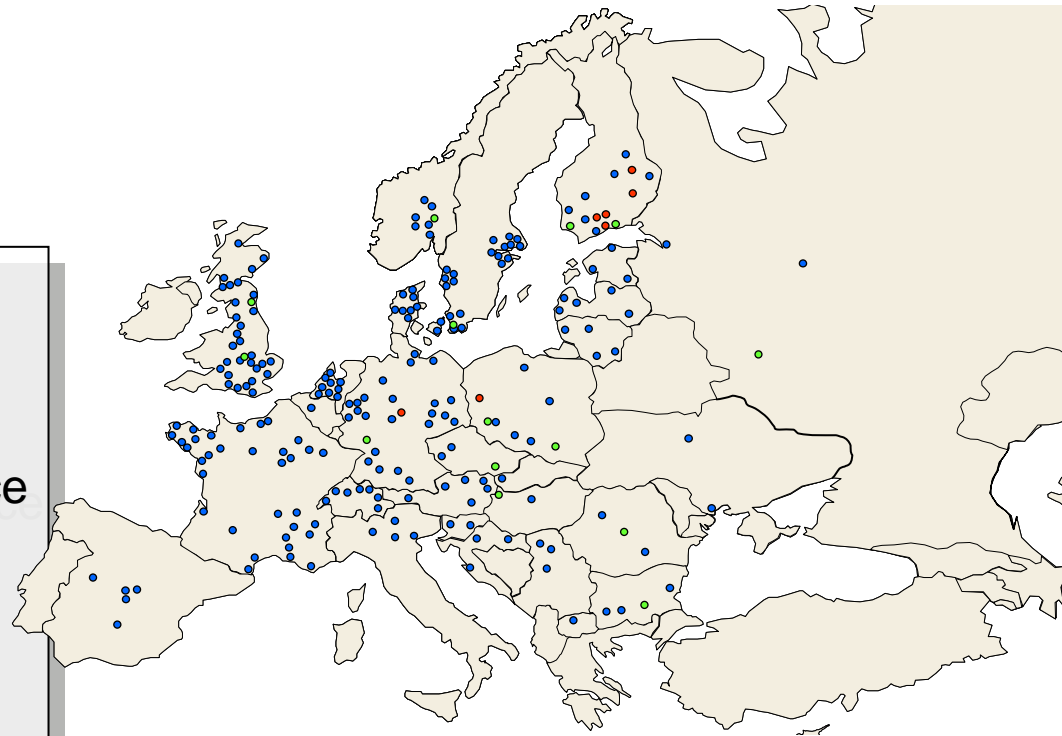


Retail – Strategic Direction Remains

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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