

V O L V O

# SECOND QUARTER 2023

Martin Lundstedt

President and CEO

**Volvo Group**

Second quarter 2023

2023-07-19

# Volvo Group

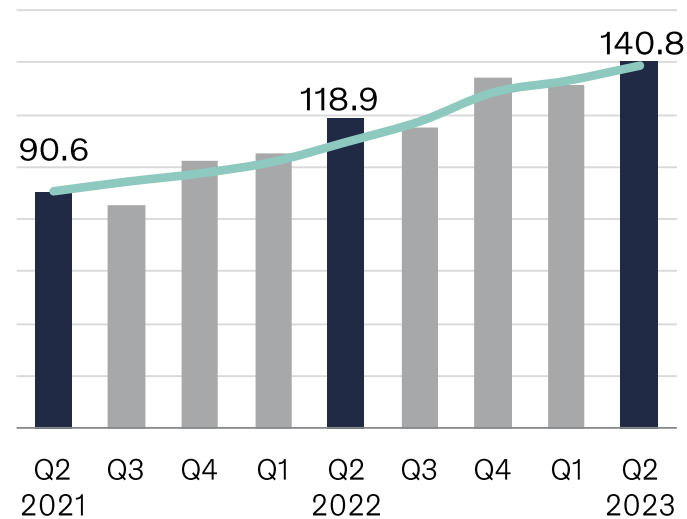
## Second quarter highlights

- Net sales increased to SEK 140.8 bn, an increase of 11% adjusted for FX
- Adjusted operating income reached SEK 21.7 bn (13.7), corresponding to a margin of 15.4% (11.6)
- Operating cash flow in Industrial Operations amounted to SEK 12.6 bn (7.2)
- ROCE 30.2% (26.8) in Industrial Operations
- EPS increased to SEK 5.30 (5.14)

### NET SALES

SEK bn

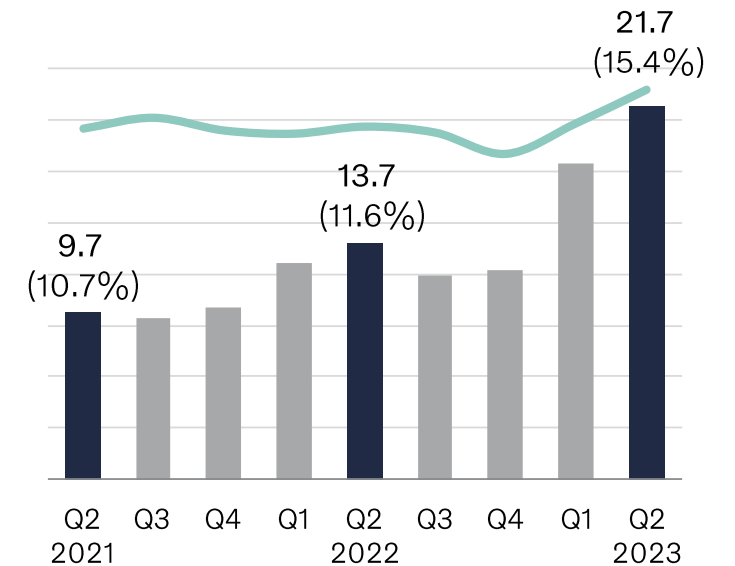
— 12 months SEK 521 bn



### ADJUSTED OPERATING INCOME

SEK bn (margin)\*

— 12 months 12.3%



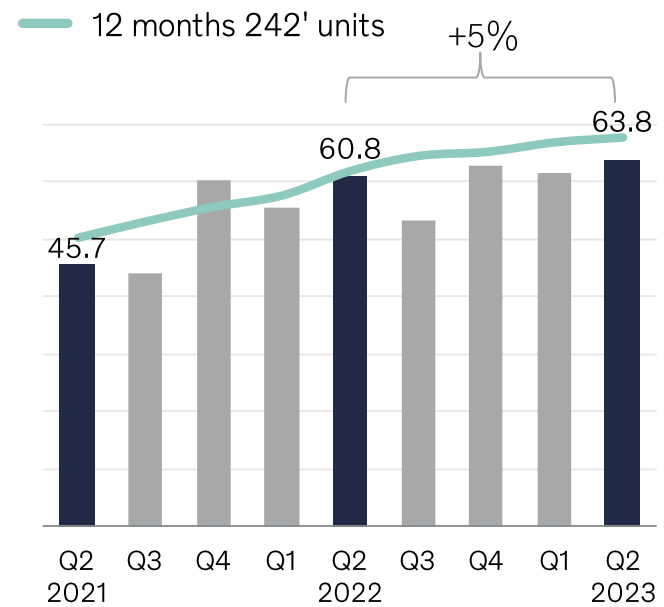
\*For information on adjustments, see note 6 in the quarterly report

# Volvo Group

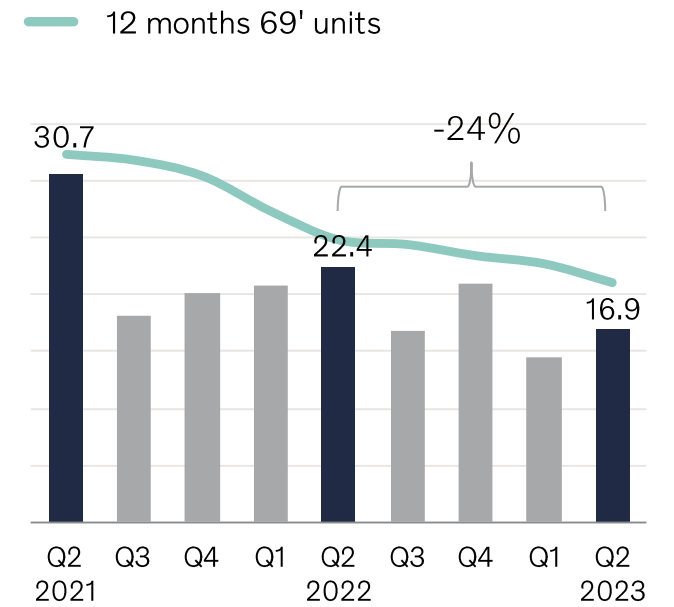
## Volume development



### TRUCK DELIVERIES



### MACHINE DELIVERIES



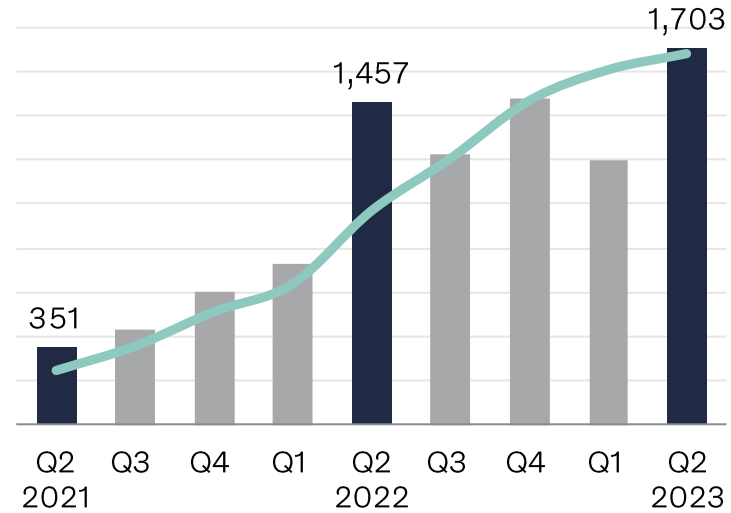
# Volvo Group

## Electrification progress



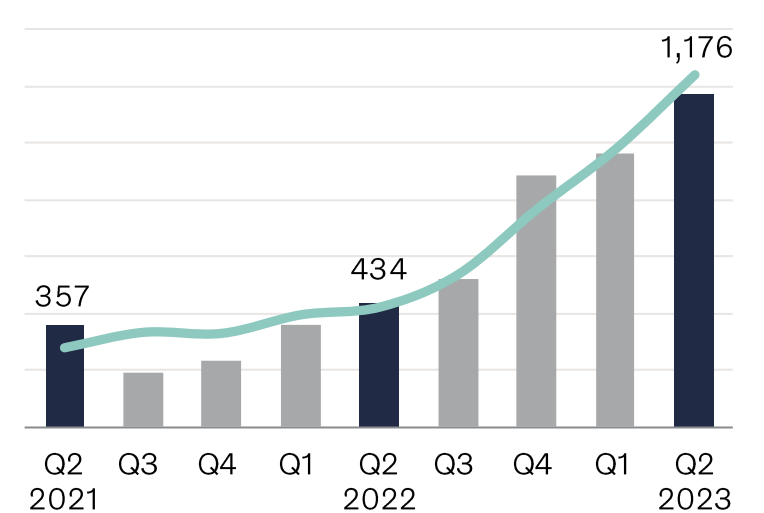
### ORDER INTAKE, FULLY ELECTRIC VEHICLES

12 months 5,606 units



### DELIVERIES, FULLY ELECTRIC VEHICLES

12 months 3,540 units



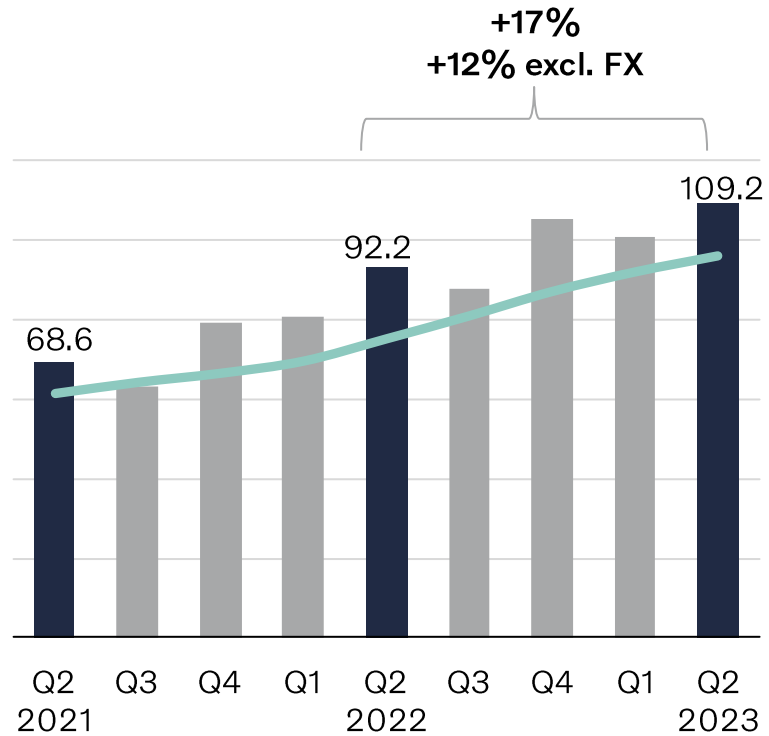
*Including Designwerk and Nova Bus*

# Volvo Group

## Vehicle and machine sales development

### VEHICLE SALES

SEK bn — 12 months SEK 401 bn



### YoY GROWTH %



**13%**  
TRUCKS



**7%**  
CONSTRUCTION  
EQUIPMENT



**26%**  
BUSES



**10%**  
VOLVO PENTA

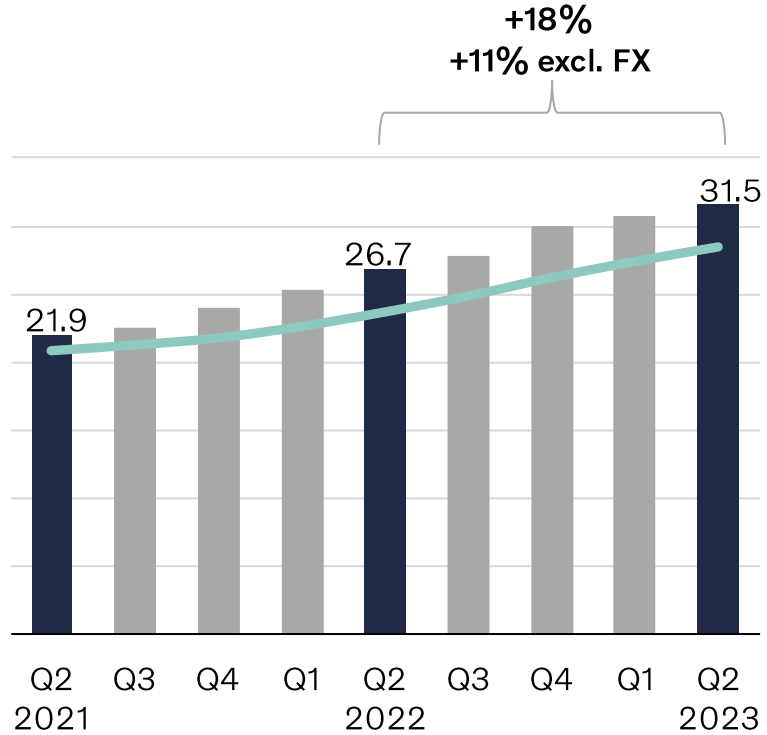
All figures are excluding FX

# Volvo Group

## Service sales development

**SERVICE SALES** (incl. Financial Services)

SEK bn — 12 months SEK 120 bn



### YoY GROWTH %



8%

TRUCKS



4%

CONSTRUCTION  
EQUIPMENT



23%

BUSES



13%

VOLVO PENTA



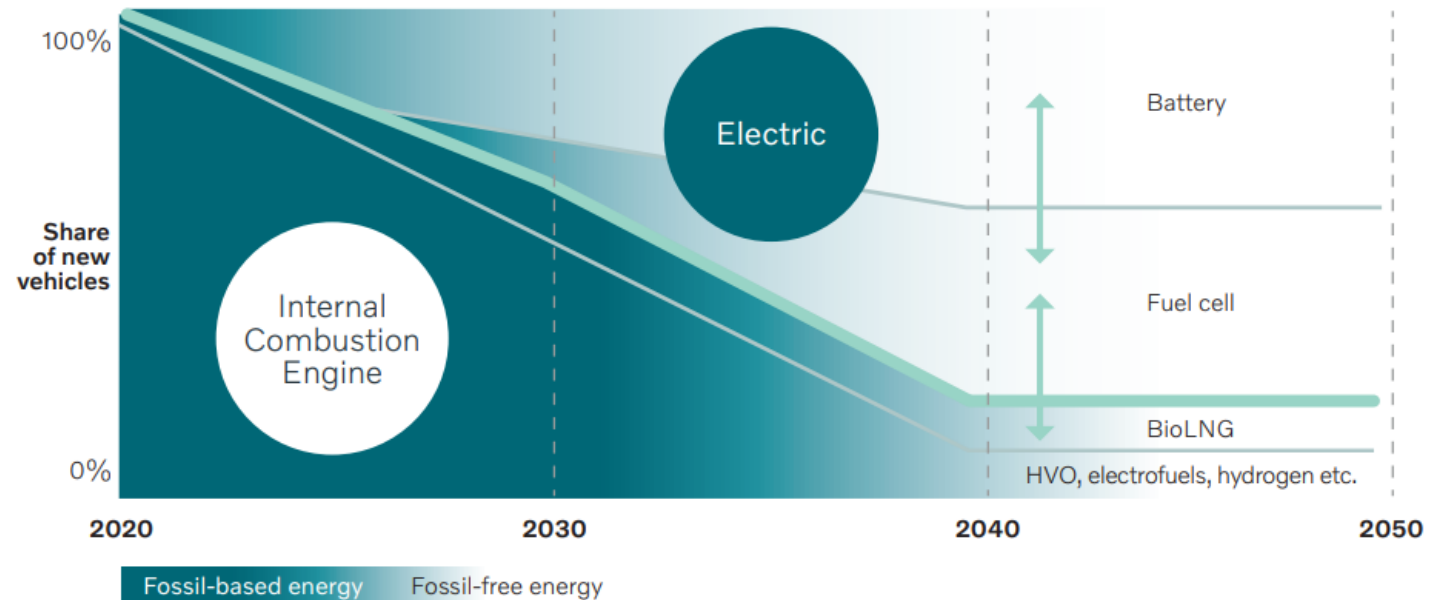
37%

VFS

All figures are excluding FX

# Group news

- Volvo Group and Westport agreed to establish joint venture for high pressure gas injection fuel systems
- Volvo Group partners with Vattenfall to secure long-term renewable electricity for its Swedish operations





# Trucks news

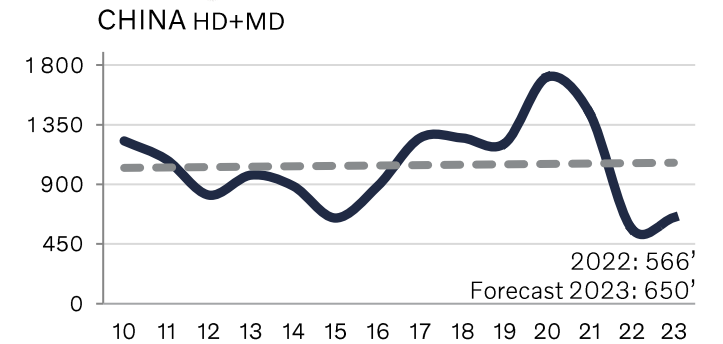
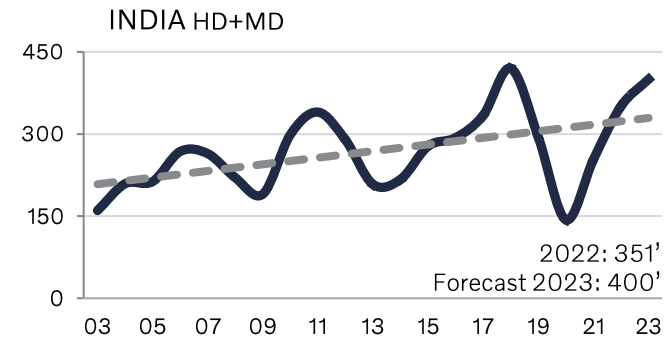
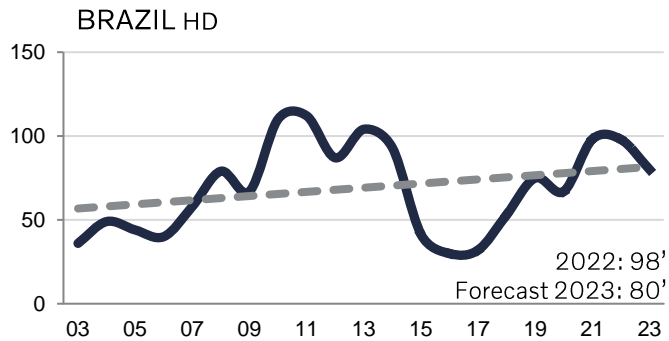
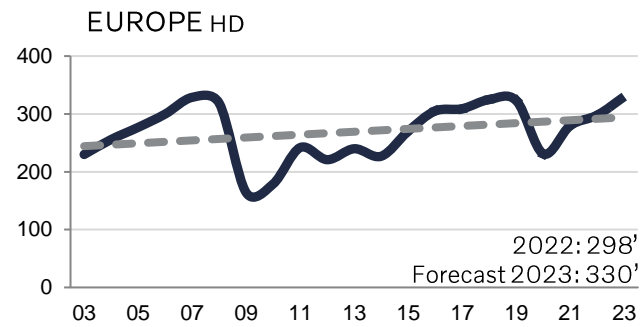
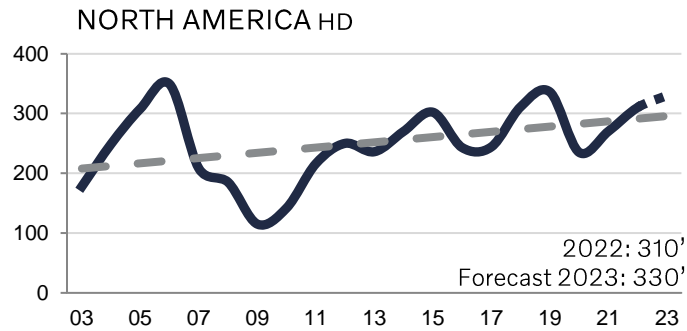
- First Volvo FH electric truck produced in the Ghent plant, Belgium, handed over to customer
- Volvo Trucks has delivered an electric truck for heavy transport up to a total weight of 74 tonnes
- Volvo Trucks has signed a letter of intent to sell 1,000 electric trucks between now and 2030 to Holcim





# Trucks

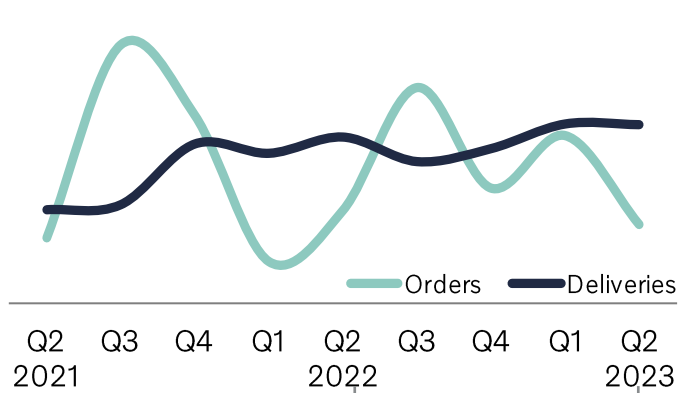
## Market environment



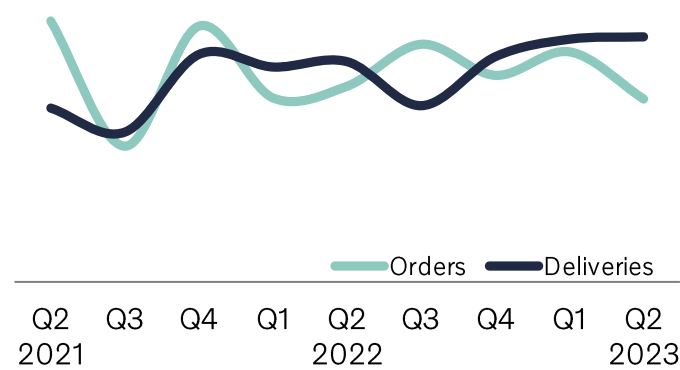
# Trucks

Quarterly orders -10% and deliveries +5%

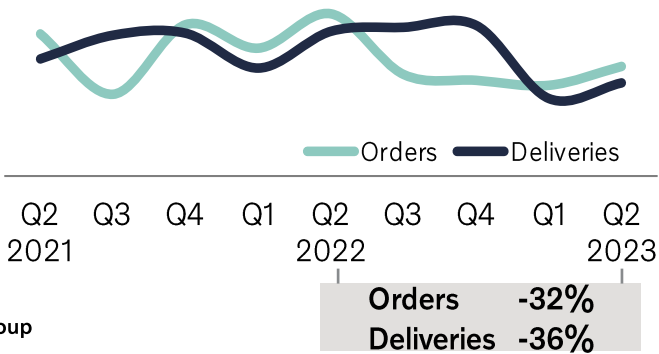
## NORTH AMERICA



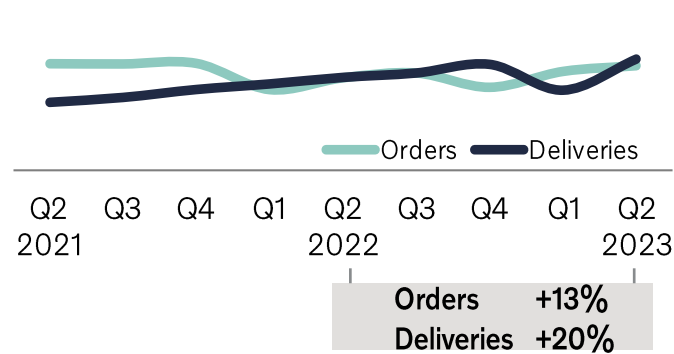
## EUROPE



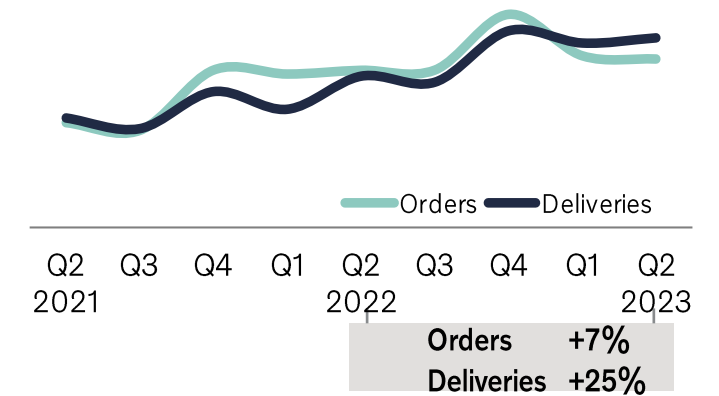
## SOUTH AMERICA



## AFRICA AND OCEANIA



## ASIA

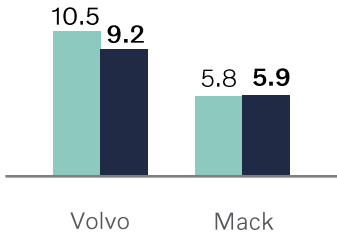


# Trucks

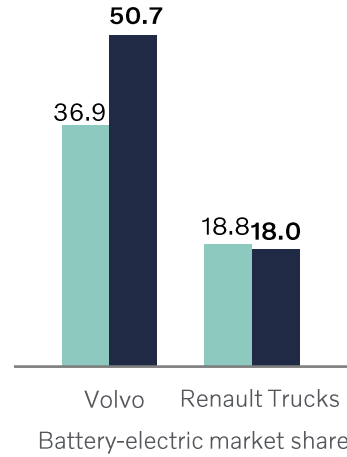
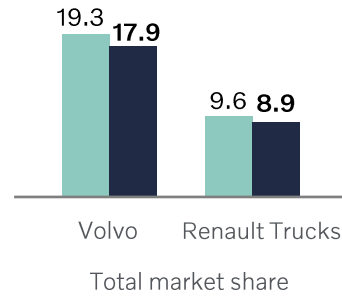
## Heavy-duty truck market shares



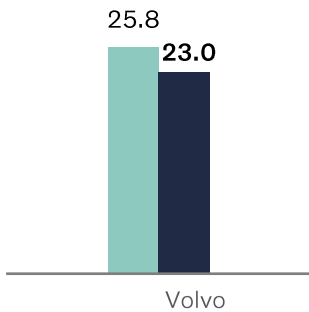
NORTH AMERICA  
YTD May



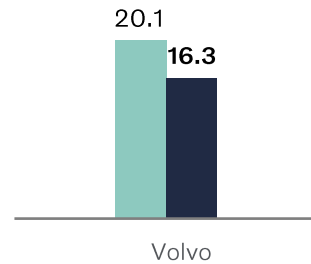
EUROPE (EU29)  
YTD May



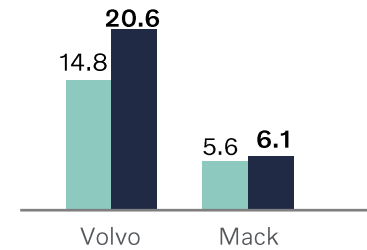
BRAZIL  
YTD June



SOUTH AFRICA  
YTD June



AUSTRALIA  
YTD June



2022 2023

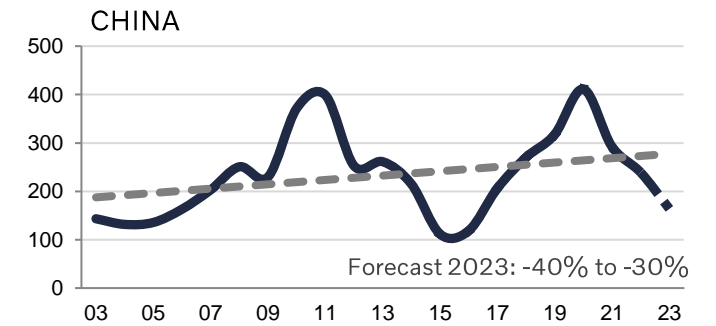
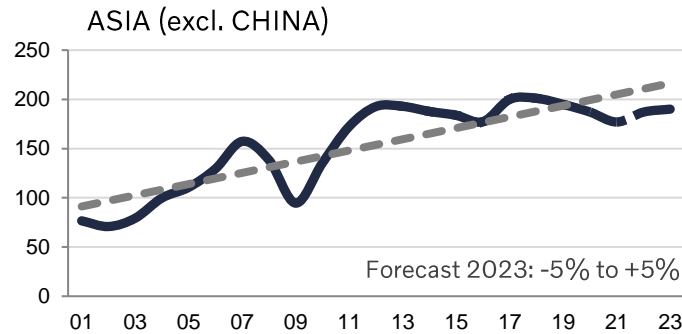
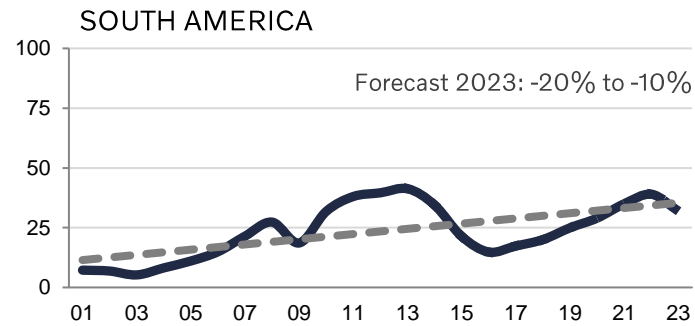
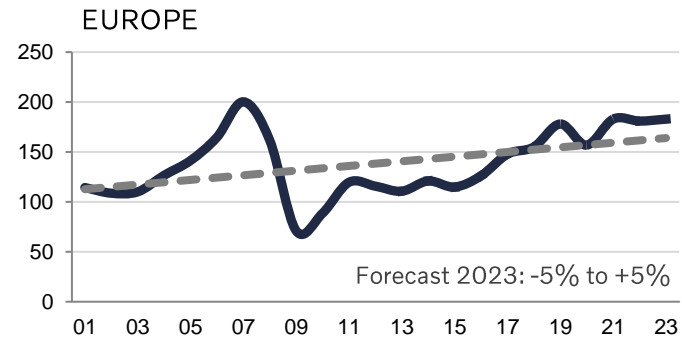
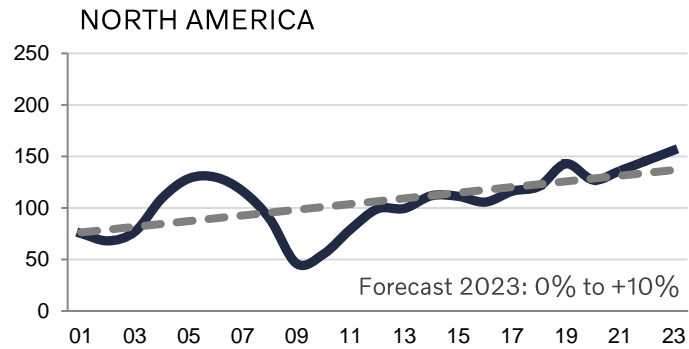
## Construction Equipment news

- Full value chain business unit established for compact equipment machines and solutions
- Continued global roll-out of electric machines with additional markets in Asia



# Construction Equipment

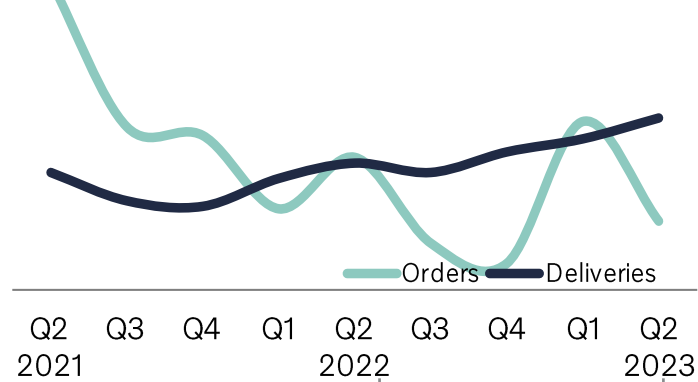
## Market environment



# Construction Equipment

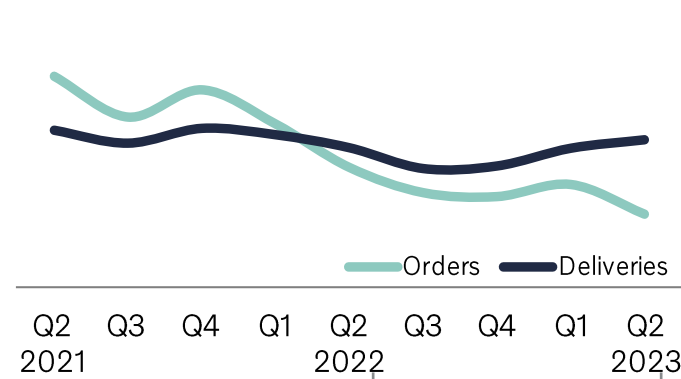
Quarterly orders -41% and deliveries -24%

## NORTH AMERICA



**Orders -48%**  
**Deliveries +35%**

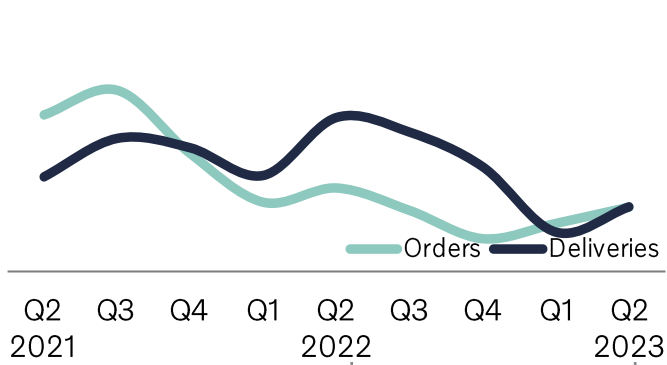
## EUROPE



**Orders -39%**  
**Deliveries +6%**

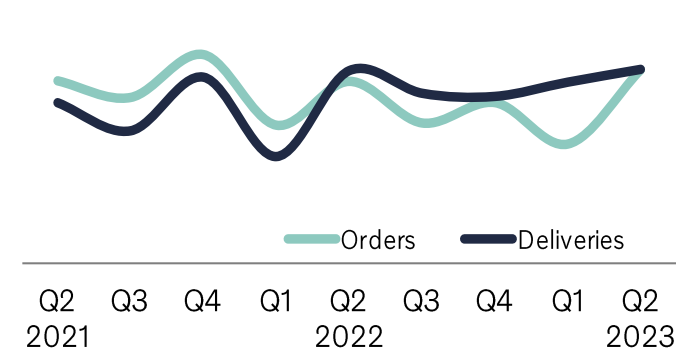


## SOUTH AMERICA



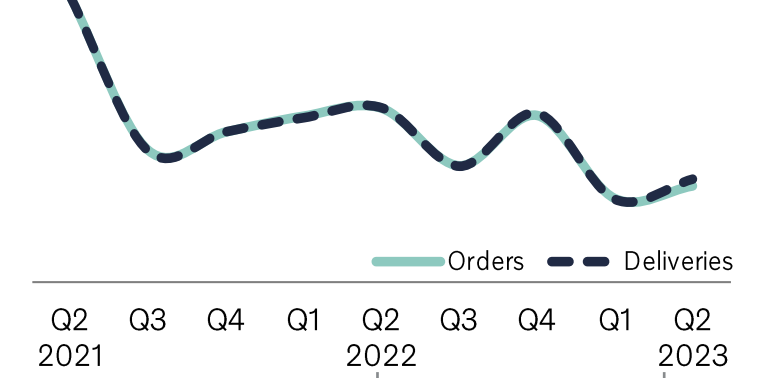
**Orders -23%**  
**Deliveries -57%**

## AFRICA AND OCEANIA



**Orders +6%**  
**Deliveries +1%**

## ASIA



**Orders -45%**  
**Deliveries -41%**

# Buses

- Orders increased by 23%
- Deliveries decreased by 1%
- Letters of intent signed with body builders to support the new business model in Europe
- Orders for 189 new electric buses from Stagecoach in the UK





# Volvo Penta

- Orders decreased by 11%
- Deliveries decreased by 3%
- Volvo Penta Inboard Performance System (IPS) introduced on larger vessels and yachts

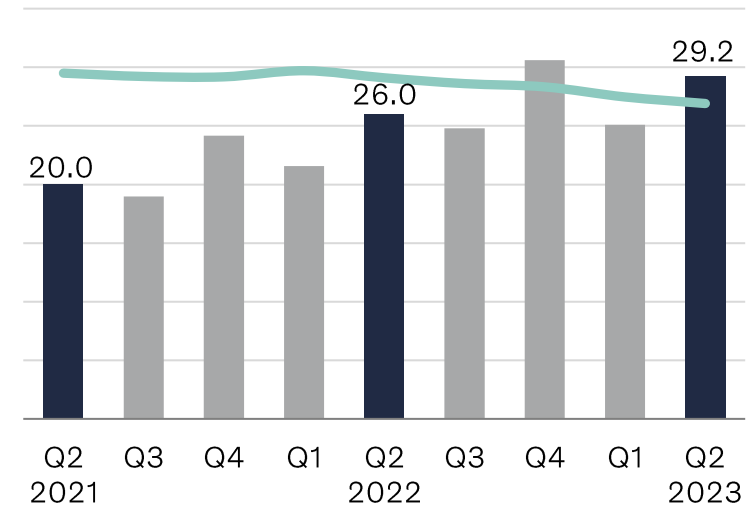


# Financial Services

- Record business volume for a second quarter
- Penetration stable in competitive environment
- Stable portfolio performance

## NEW RETAIL FINANCING & PENETRATION RATE\*

SEK bn Penetration rate 12 months 27%



\*All figures exclude activity related to Russia and Belarus

V O L V O

# SECOND QUARTER 2023

Jan Ytterberg

Acting CFO and Executive Vice President Group Finance

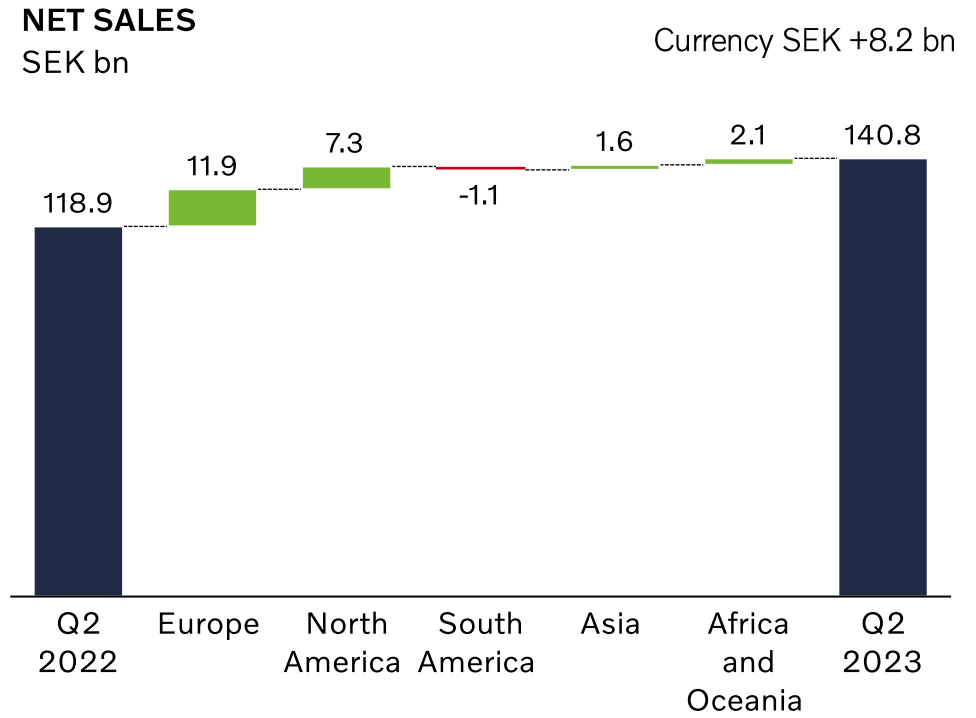
**Volvo Group**

Second quarter 2023

2023-07-19

# Volvo Group

Net sales per market



# Volvo Group

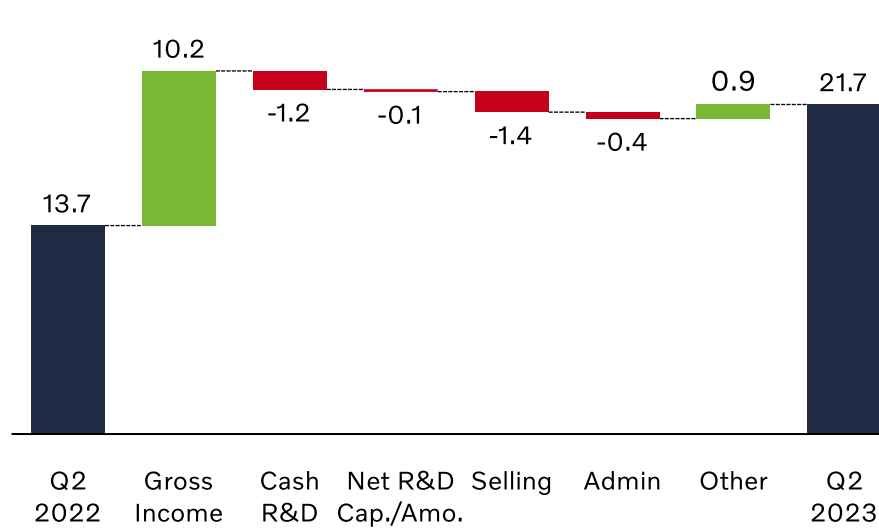
## Adjusted operating income contributors



### ADJUSTED OPERATING INCOME

SEK bn

Currency SEK +0.8 bn



+ Price realization  
+ Brand and product mix



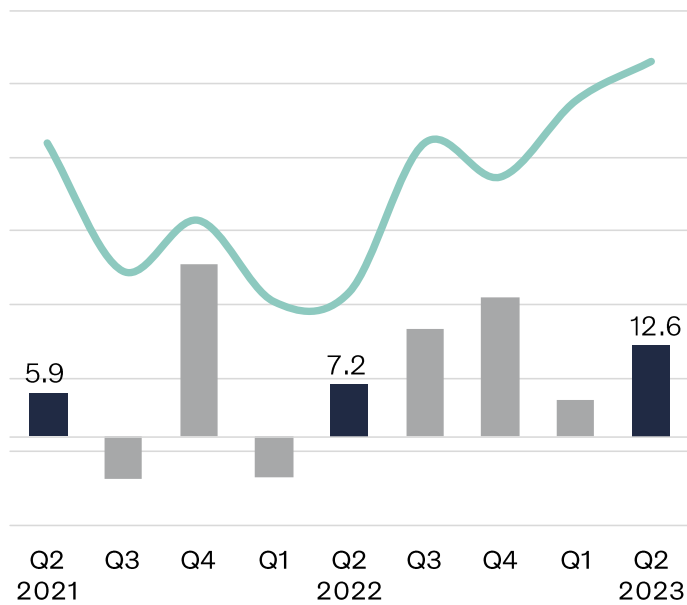
- Material costs  
- R&D expenses  
- Production efficiency

# Volvo Group

## Cash flow, financial position and ROCE in Industrial Operations

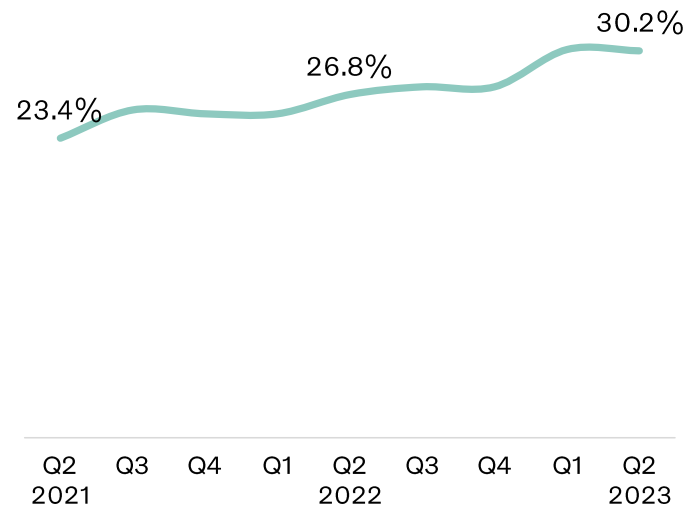
### OPERATING CASH FLOW

SEK bn — 12 months SEK 51.1 bn



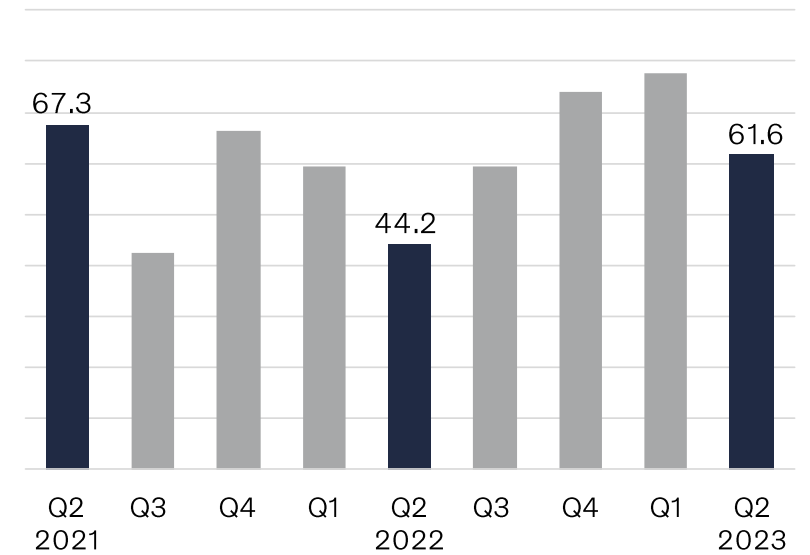
### ROCE

% 12 months



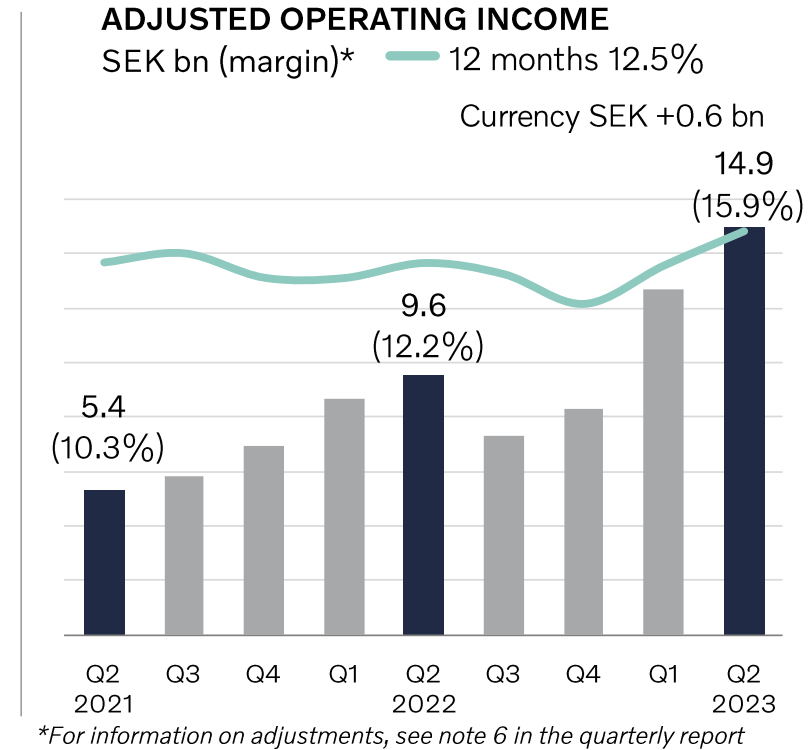
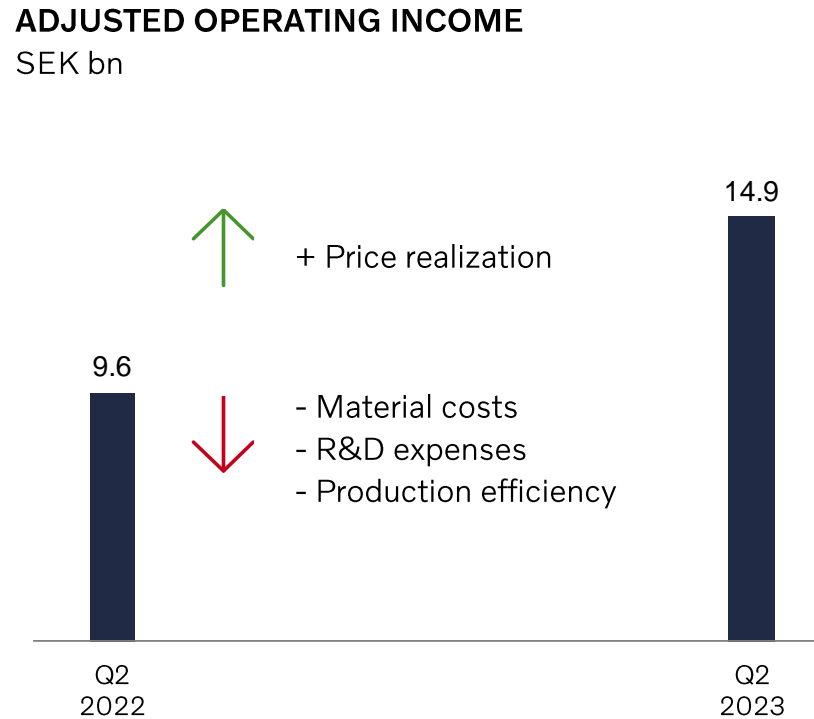
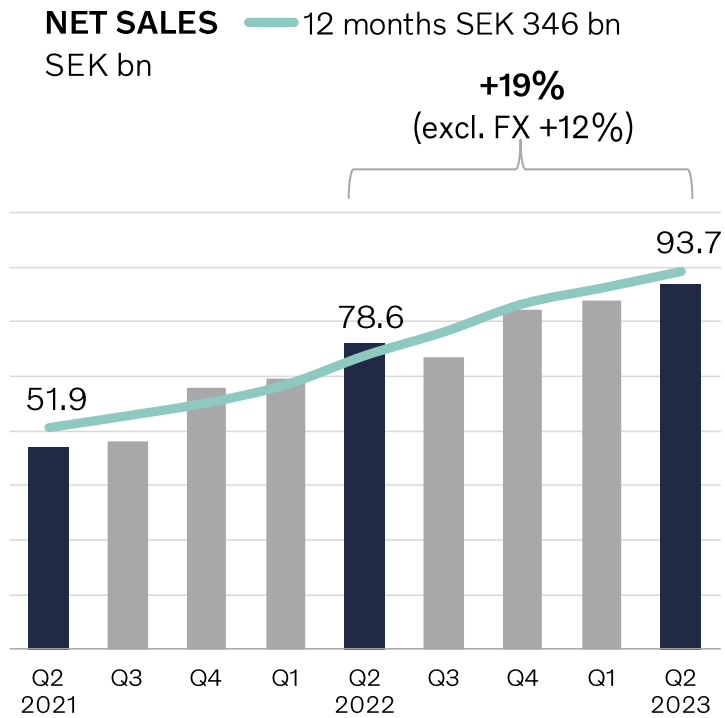
### FINANCIAL POSITION

(Excl. pensions and lease liabilities)  
SEK bn



# Trucks

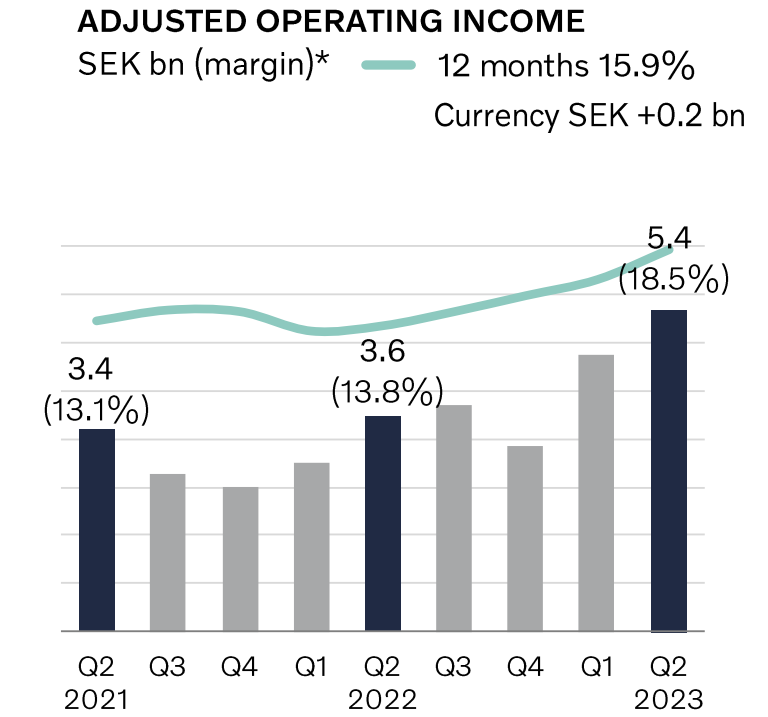
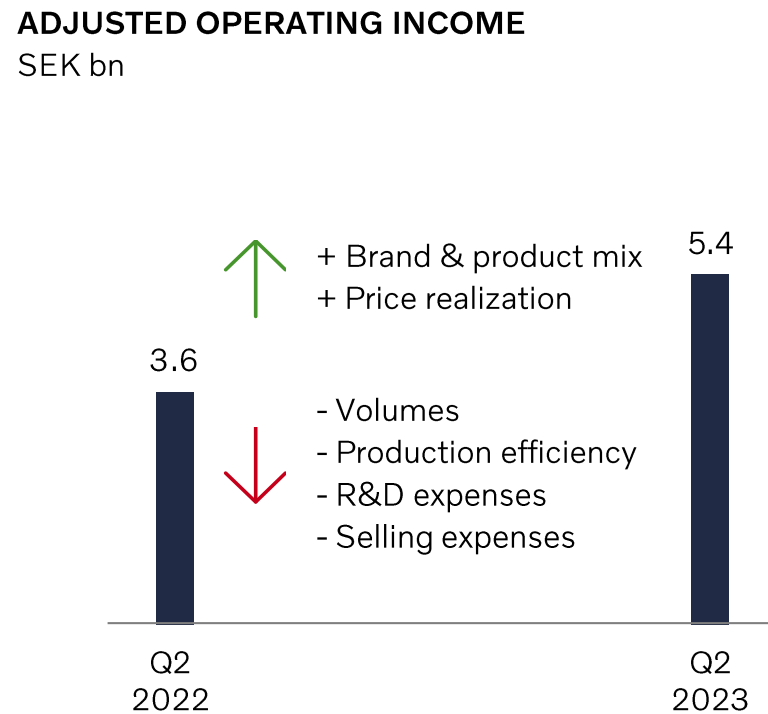
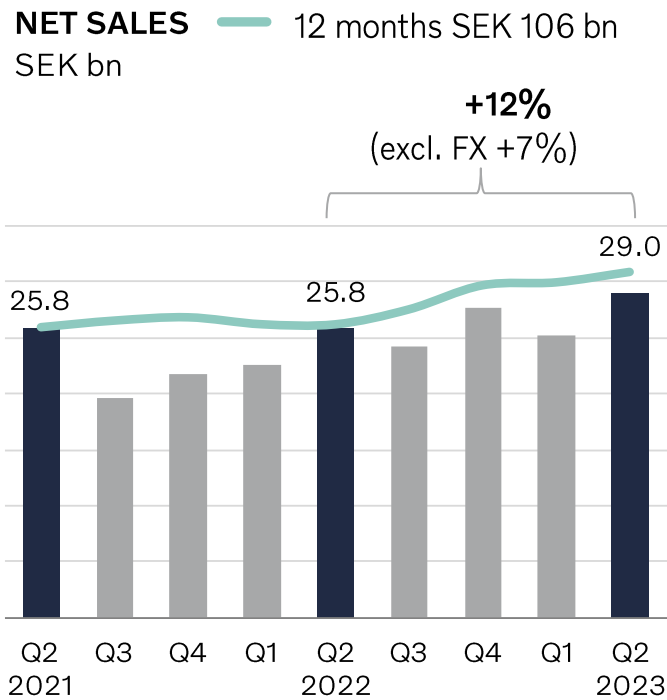
## Net sales and adjusted operating income





# Construction Equipment

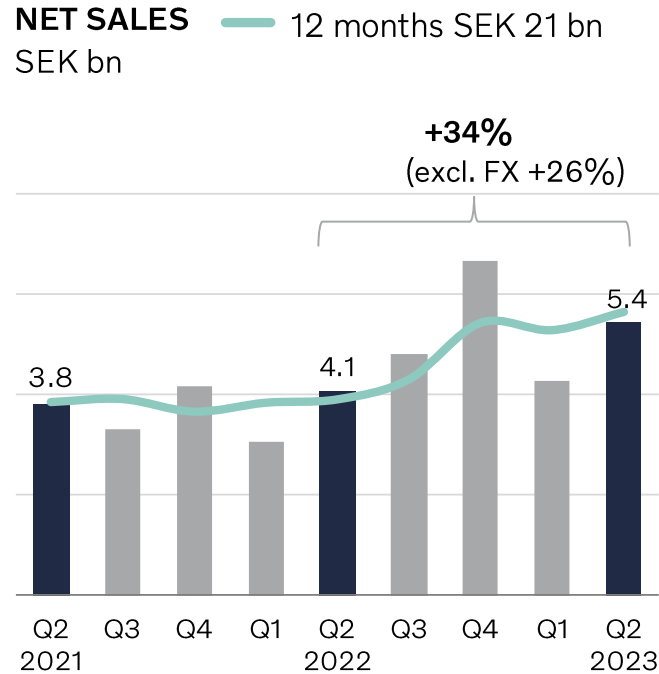
Net sales and adjusted operating income



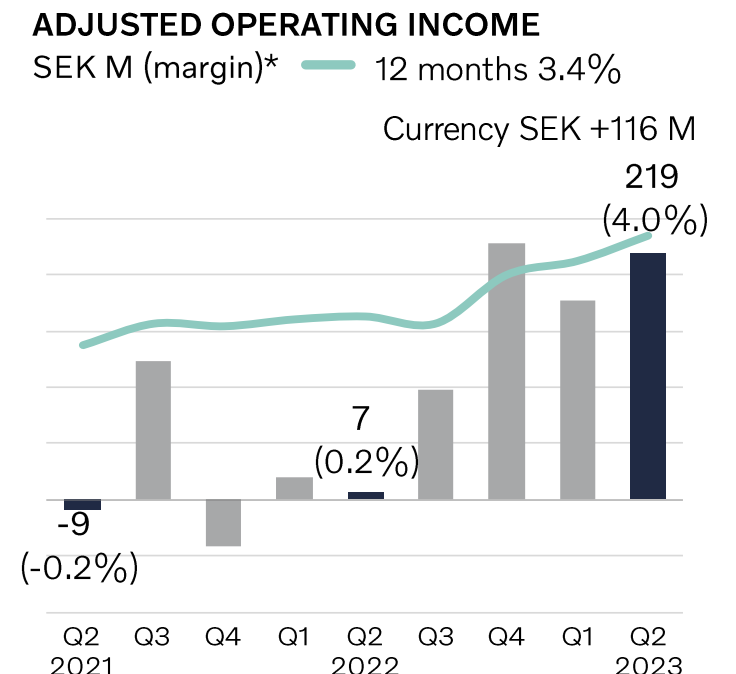
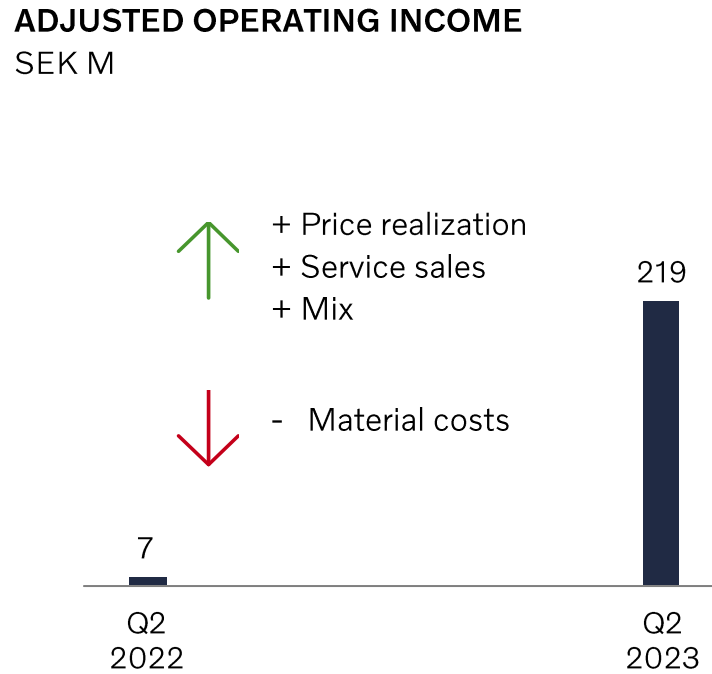
\*For information on adjustments, see note 6 in the quarterly report

# Buses

## Net sales and adjusted operating income



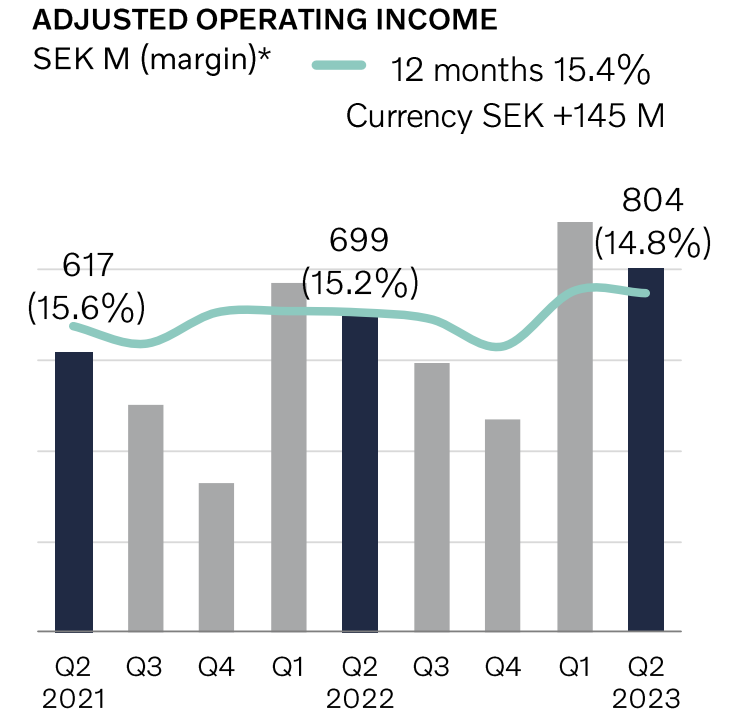
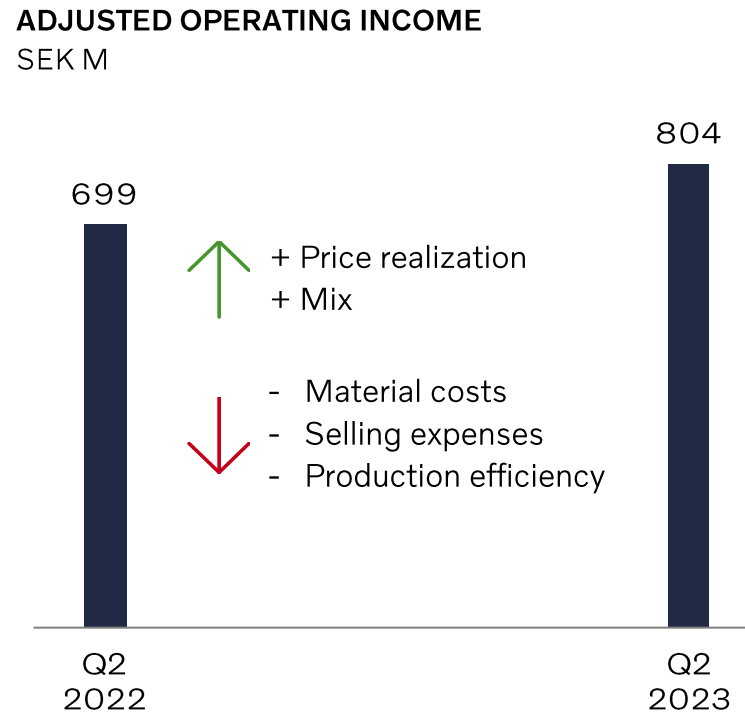
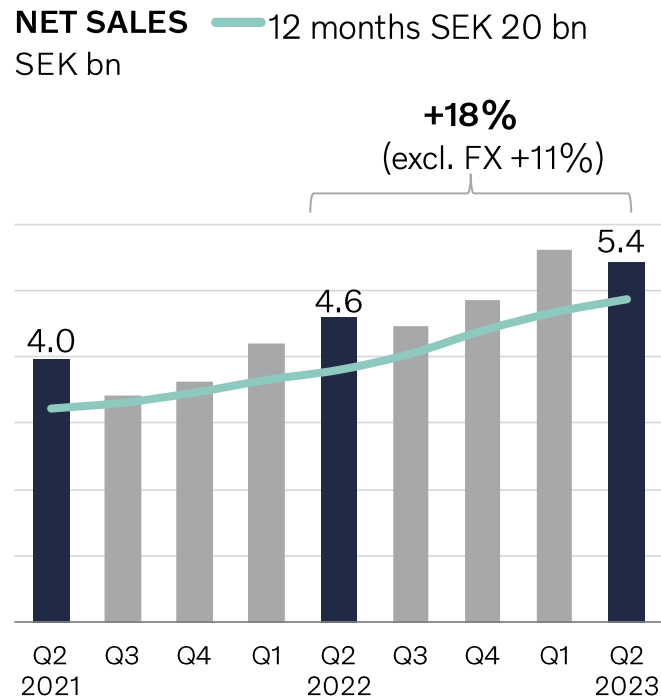
All numbers restated to exclude Nova Bus which is now included in segment 'Group Functions and other'



\*For information on adjustments, see note 6 in the quarterly report

# Volvo Penta

## Net sales and adjusted operating income



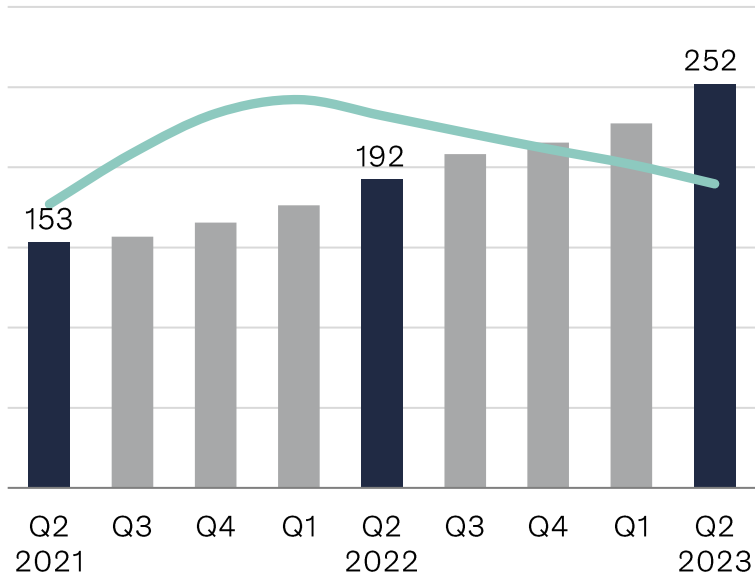
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# Financial Services

## Credit portfolio and profitability

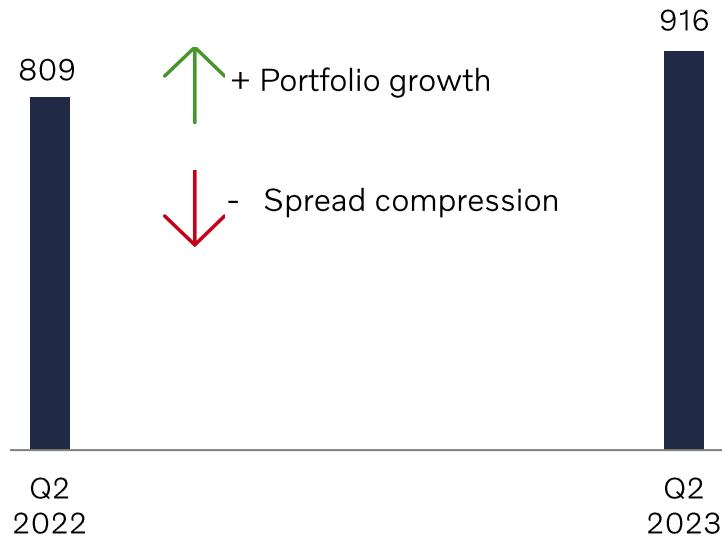
**CREDIT PORTFOLIO & ROE\***

SEK bn      ROE 12 months 13.9%



**ADJUSTED OPERATING INCOME\***

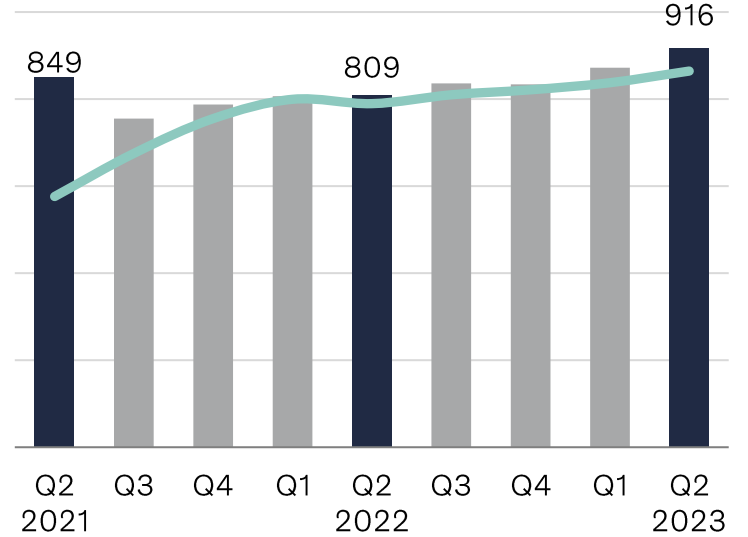
SEK M



**ADJUSTED OPERATING INCOME \***

SEK M

12 months SEK 3458 M  
Currency SEK +59 M



\*All figures exclude activity related to Russia and Belarus  
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# Volvo Group

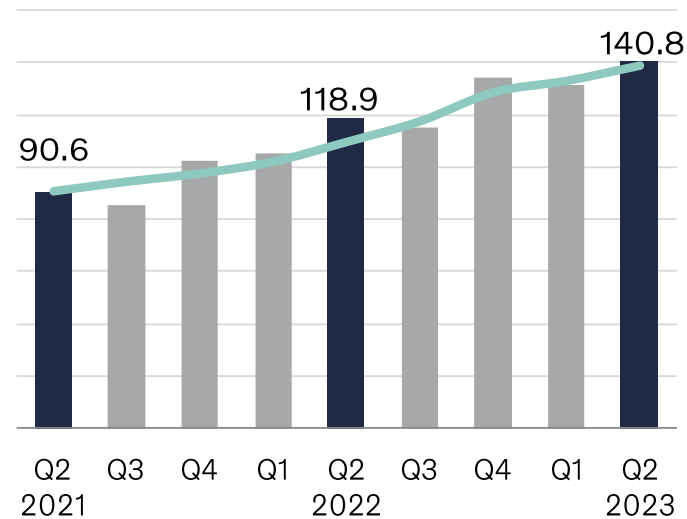
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### NET SALES

SEK bn

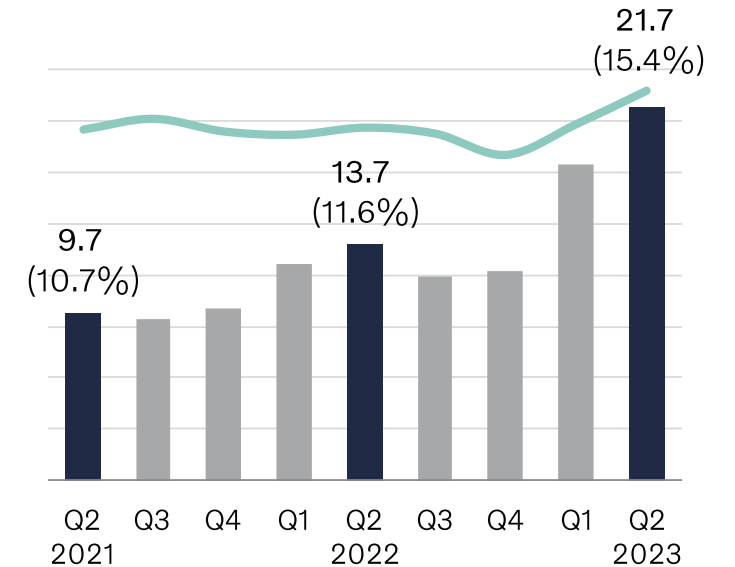
— 12 months SEK 521 bn



### ADJUSTED OPERATING INCOME

SEK bn (margin)\*

— 12 months 12.3%



\*For information on adjustments, see note 6 in the quarterly report

VOLVO

# QUESTIONS AND ANSWERS



**V O L V O**