

V O L V O

THIRD QUARTER 2023

Martin Lundstedt

President and CEO

Volvo Group

Third quarter 2023

2023-10-18

Volvo Group

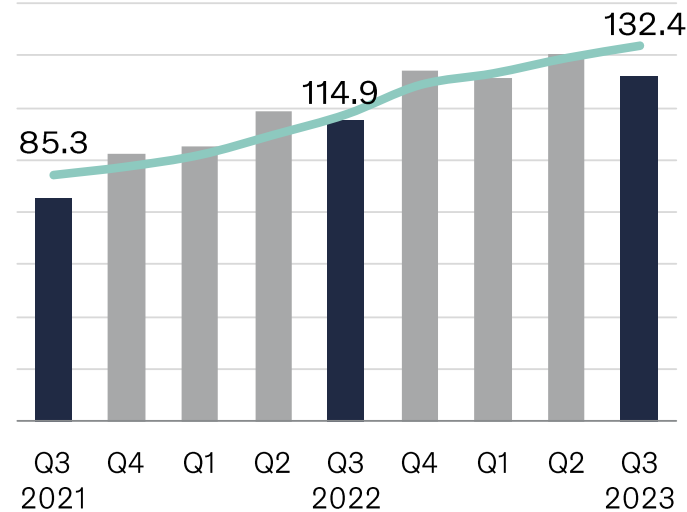
Third quarter highlights

- Net sales increased to SEK 132.4 bn, an increase of 9% adjusted for FX
- Adjusted operating income reached SEK 19.1 bn (11.9), corresponding to a margin of 14.4% (10.3)
- Operating cash flow in Industrial Operations amounted to SEK 5.6 bn (14.6)
- ROCE 33.7% (27.4) in Industrial Operations
- EPS increased to SEK 6.93 (4.24)

NET SALES

SEK bn

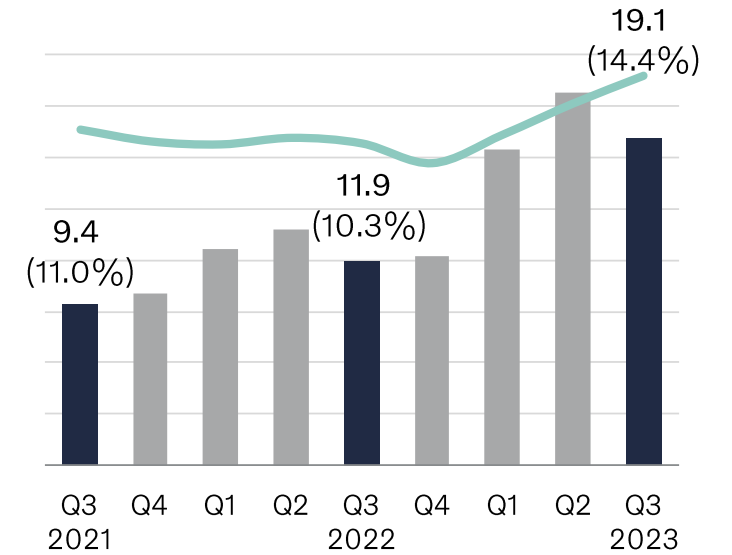
— 12 months SEK 539 bn



ADJUSTED OPERATING INCOME

SEK bn (margin)*

— 12 months 13.3%



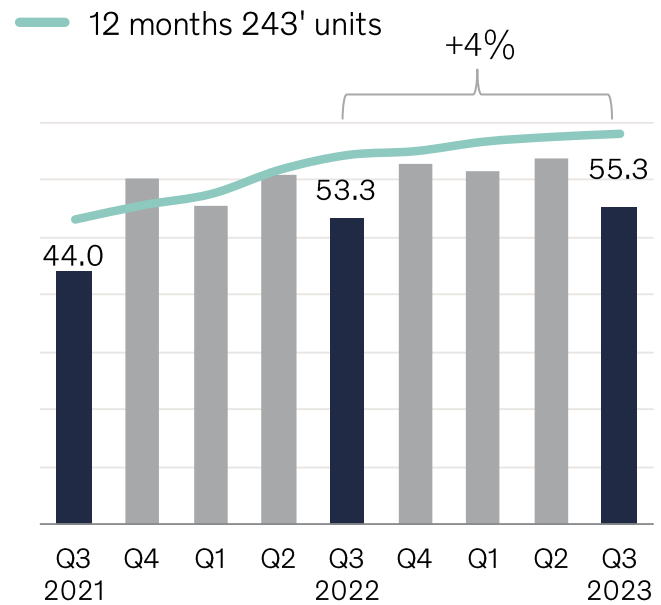
*For information on adjustments, see note 6 in the quarterly report

Volvo Group

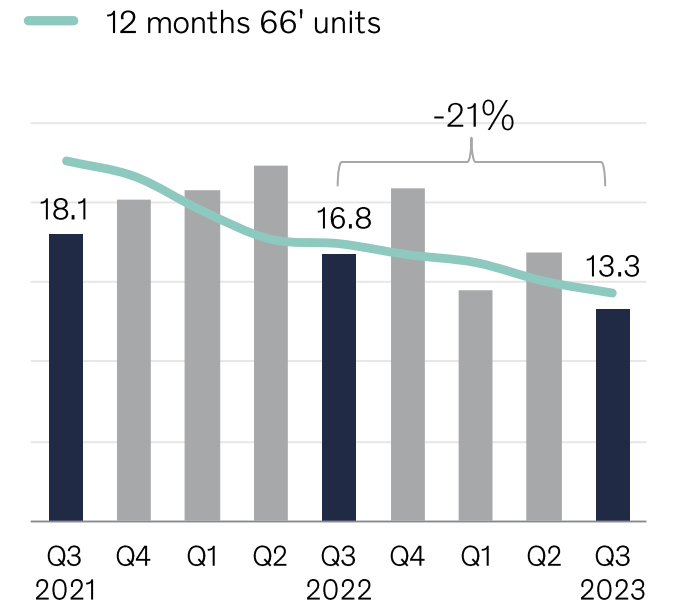
Volume development



TRUCK DELIVERIES



MACHINE DELIVERIES



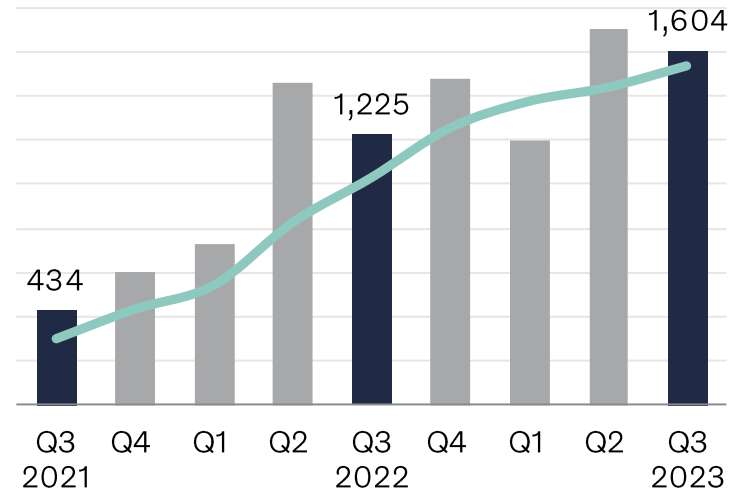
Volvo Group

Electrification progress



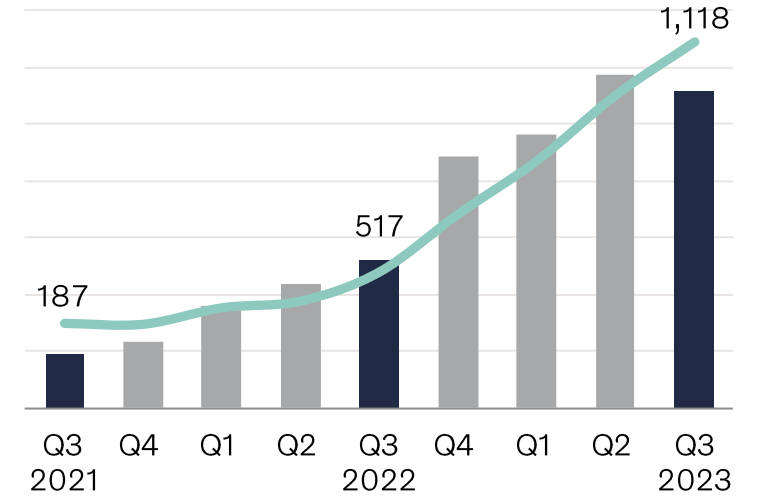
ORDER INTAKE, FULLY ELECTRIC VEHICLES

12 months 5,985 units



DELIVERIES, FULLY ELECTRIC VEHICLES

12 months 4,141 units



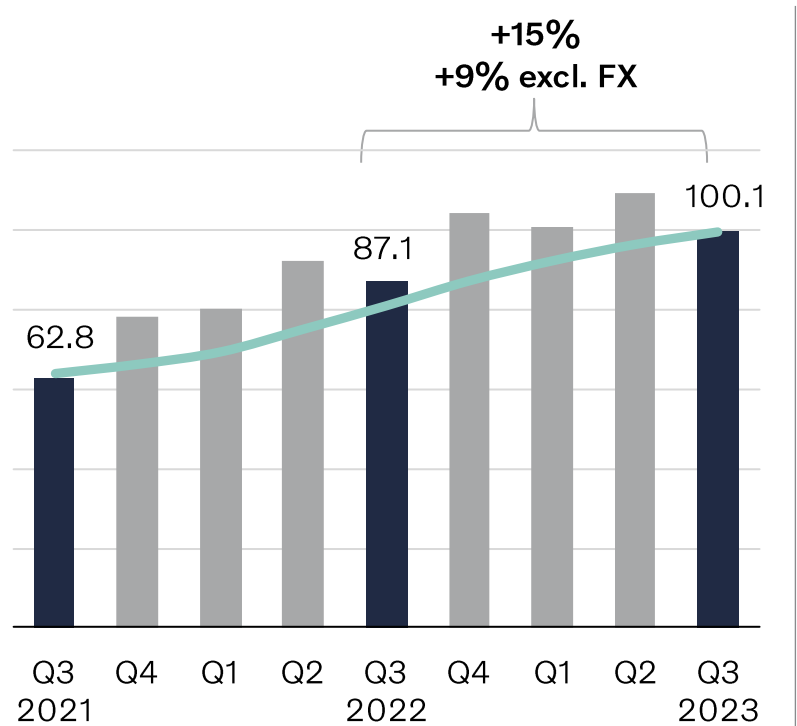
Including Designwerk and Nova Bus

Volvo Group

Vehicle and machine sales development

VEHICLE SALES

SEK bn — 12 months SEK 414 bn



YoY GROWTH %



16%

TRUCKS



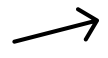
-5%

CONSTRUCTION
EQUIPMENT



4%

BUSES



5%

VOLVO PENTA

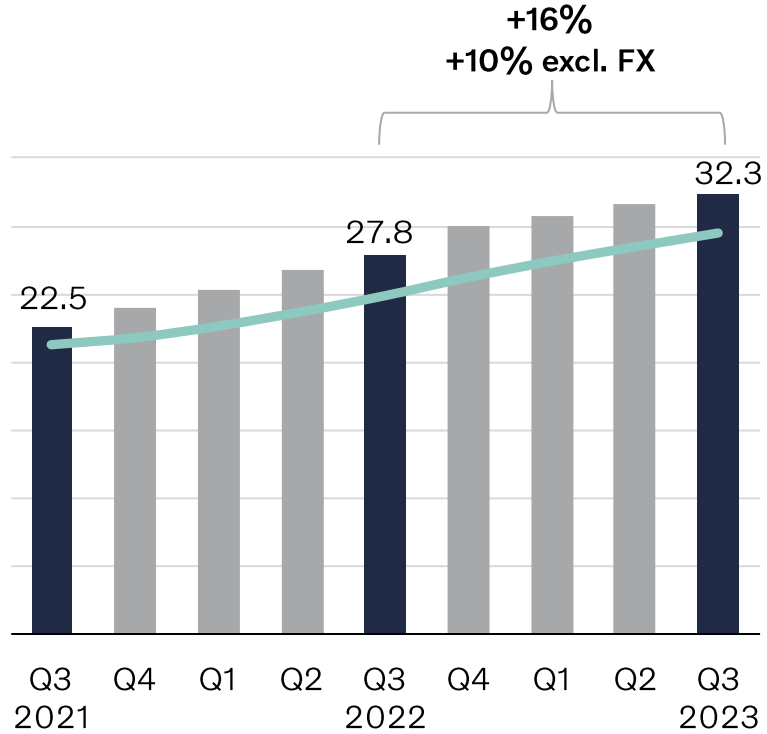
All figures are excluding FX

Volvo Group

Service sales development

SERVICE SALES (incl. Financial Services)

SEK bn — 12 months SEK 125 bn



YoY GROWTH %



5%

TRUCKS



4%

CONSTRUCTION
EQUIPMENT



13%

BUSES



6%

VOLVO PENTA



32%

VFS

All figures are excluding FX

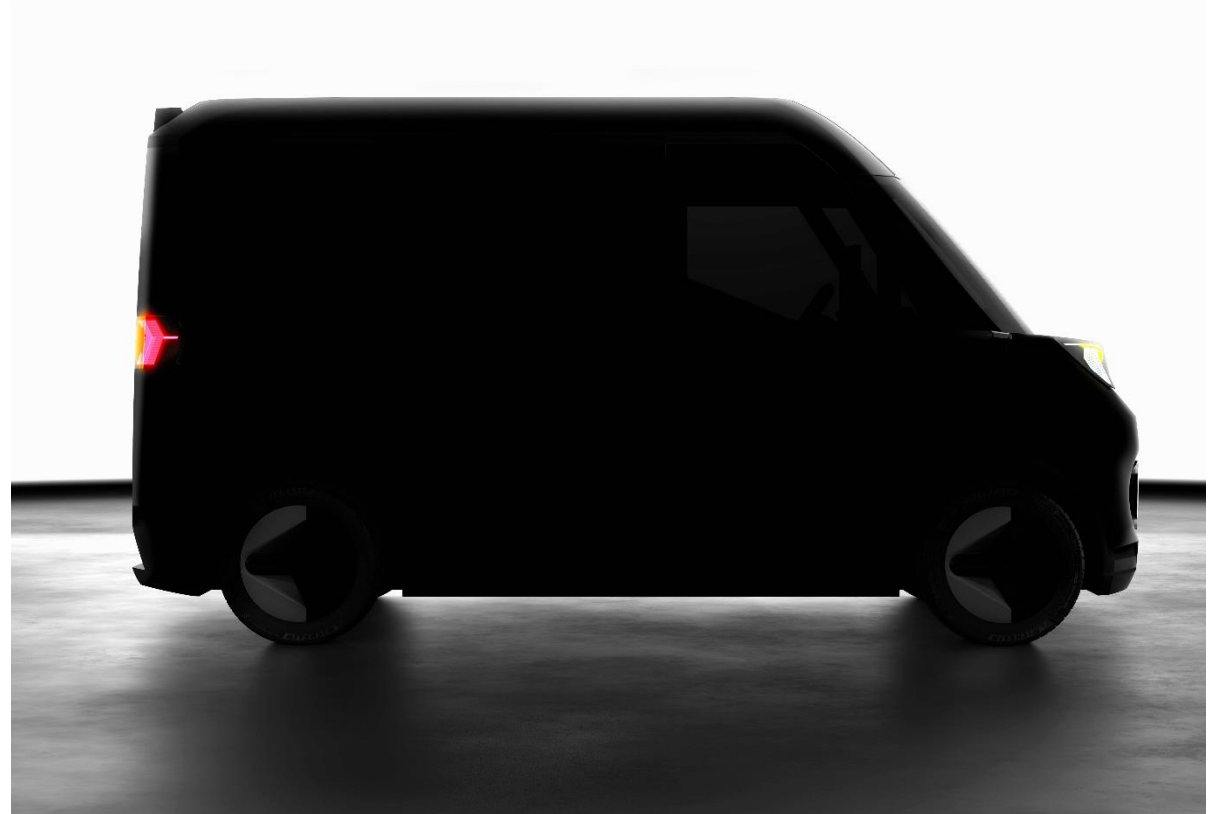
Trucks news

- Renault Trucks taking heavy-duty electric orders since Q3 and starts serial production in Bourg-en-Bresse, France, in November
- Volvo Autonomous Solutions entered a long-term collaboration with Boliden to deploy autonomous solutions
- Volvo Defense entered a 7-year framework agreement for deliveries of logistics trucks to Estonia and Latvia



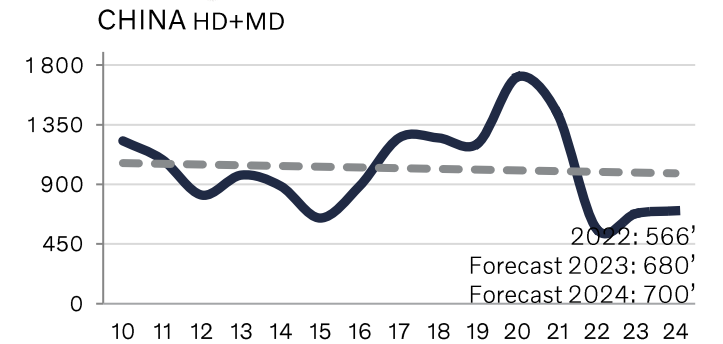
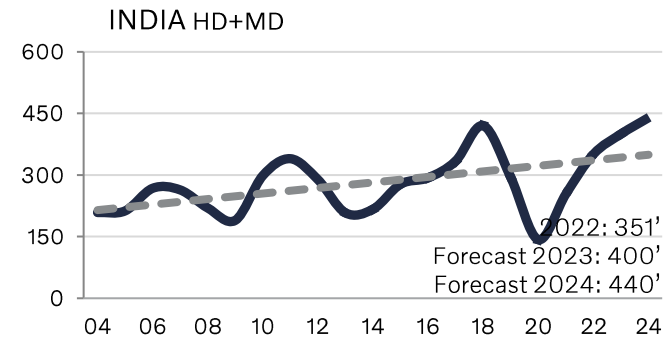
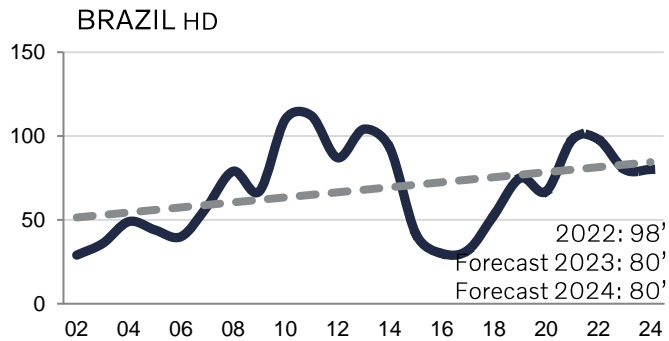
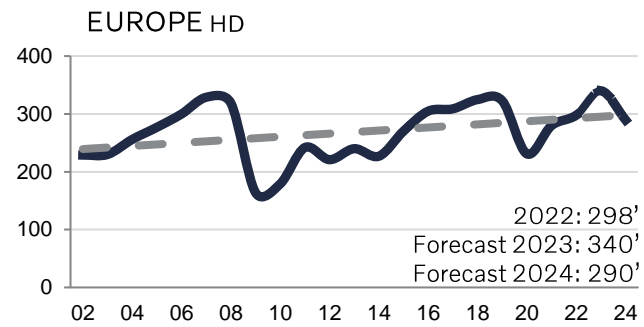
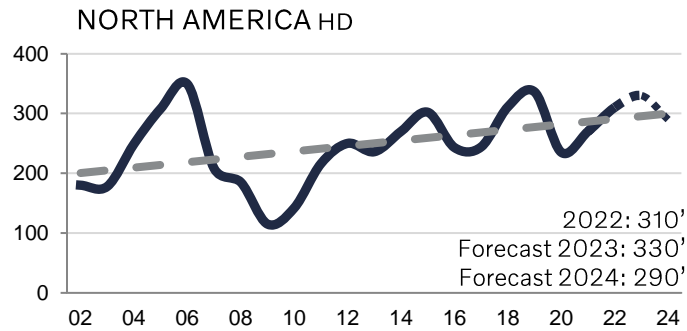
Trucks news

- Volvo Group, Renault Group and CMA CGM Group join forces to address the growing needs of decarbonized and efficient logistics with an all-new generation of electric vans
- Volvo Group, through Renault Trucks, and Renault Group have successfully worked together on light commercial vehicles for decades



Trucks

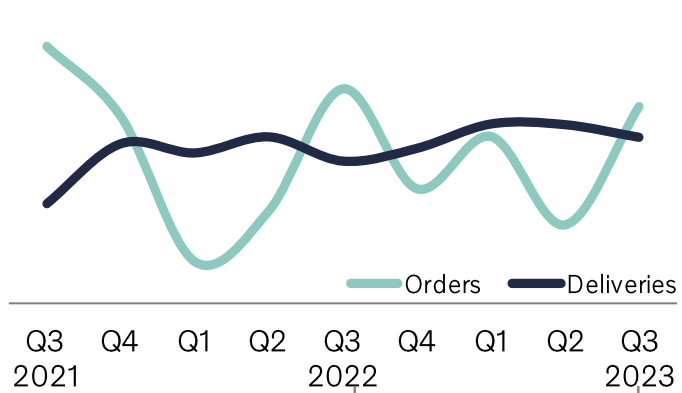
Market environment



Trucks

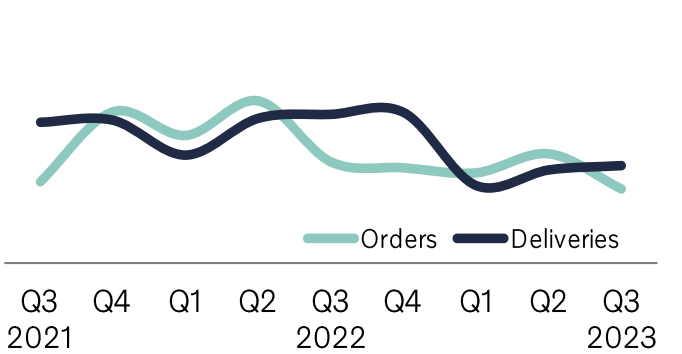
Quarterly orders -27% and deliveries +4%

NORTH AMERICA



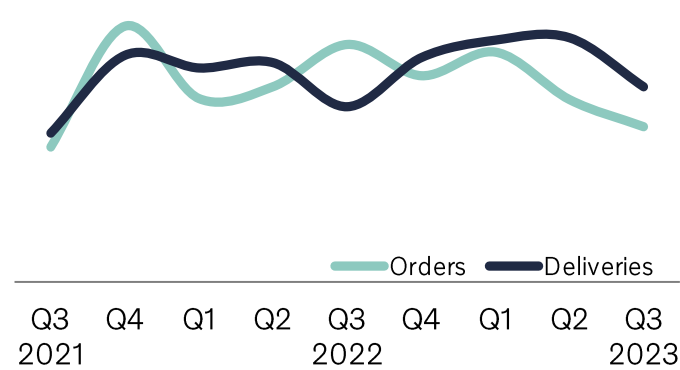
Orders -7%
Deliveries +13%

SOUTH AMERICA



Orders -27%
Deliveries -35%

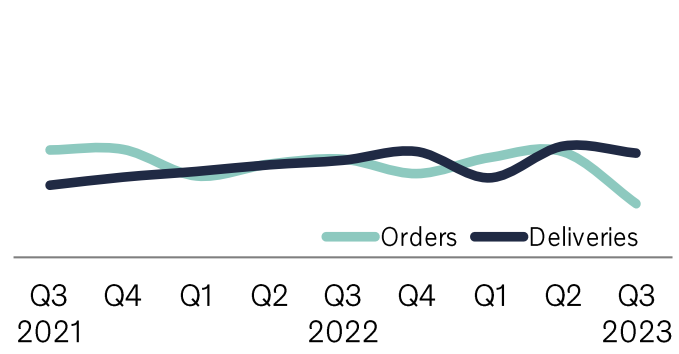
EUROPE



Orders Deliveries

Orders -35%
Deliveries +11%

AFRICA AND OCEANIA

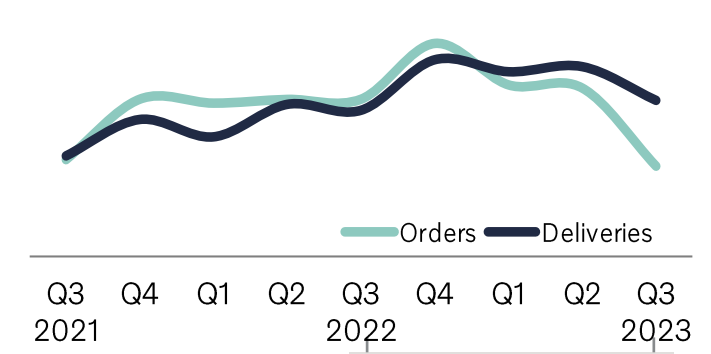


Orders Deliveries

Orders -46%
Deliveries +7%



ASIA



Orders Deliveries

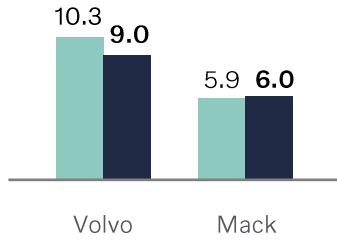
Orders -43%
Deliveries +7%

Trucks

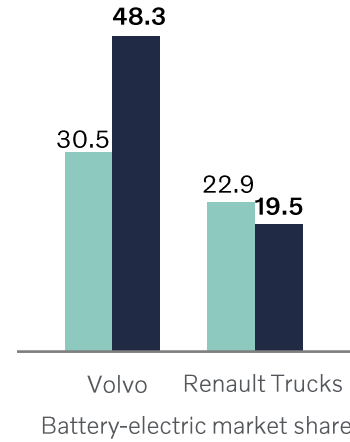
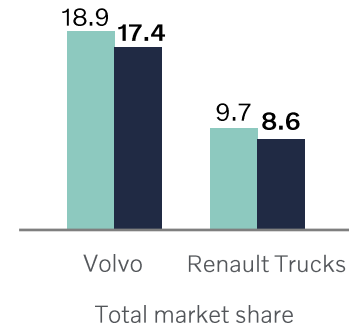
Heavy-duty truck market shares



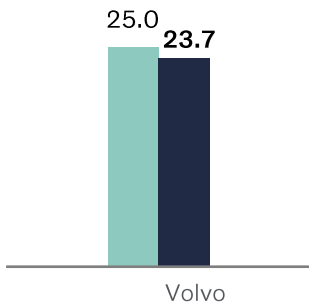
NORTH AMERICA
YTD Aug



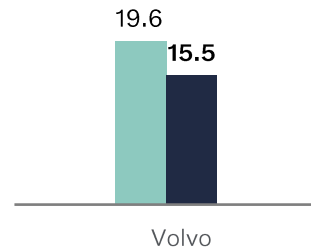
EUROPE (EU29)
YTD Aug



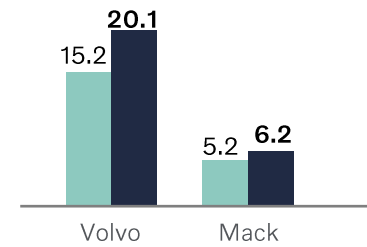
BRAZIL
YTD Sep



SOUTH AFRICA
YTD Sep



AUSTRALIA
YTD Sep



2022 2023

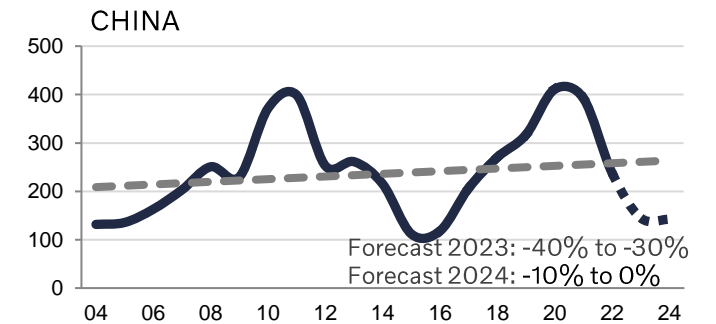
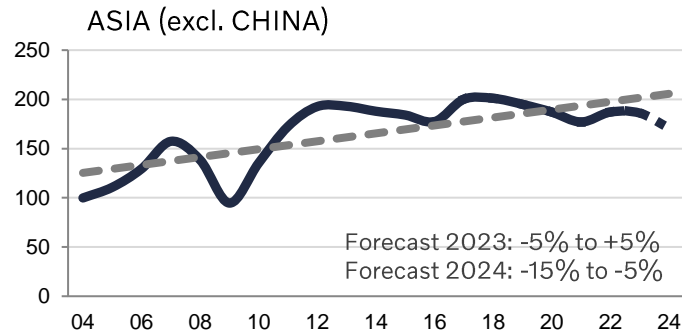
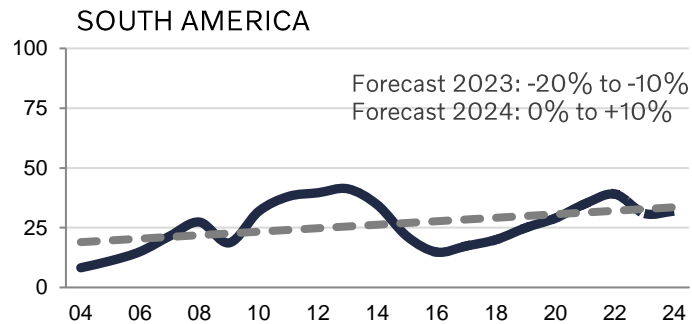
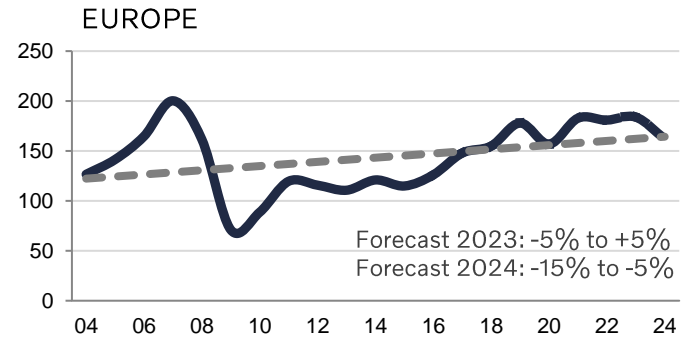
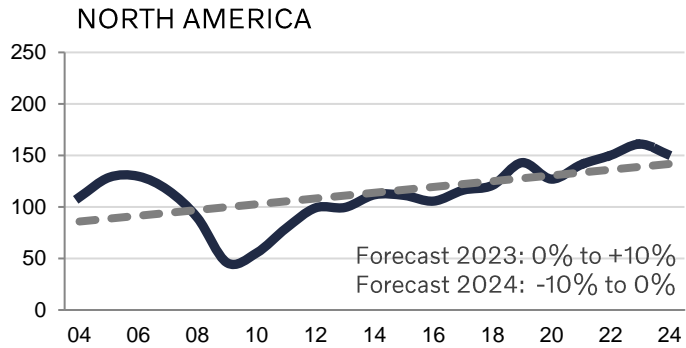
Construction Equipment news

- The fully electric 23-ton excavator, EC230, rolled out to a range of key markets in Europe
- First electric power unit delivered to a customer in Sweden



Construction Equipment

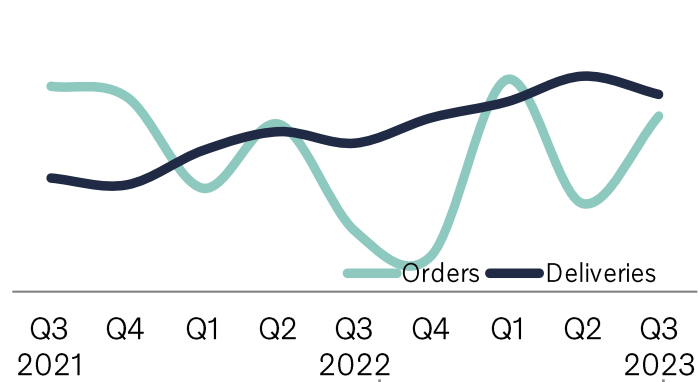
Market environment



Construction Equipment

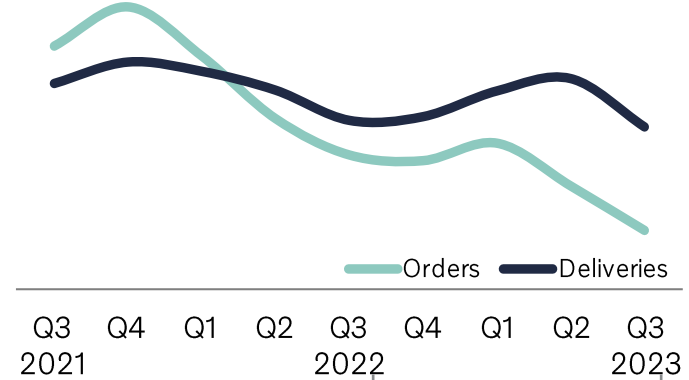
Quarterly orders -27% and deliveries -21%

NORTH AMERICA



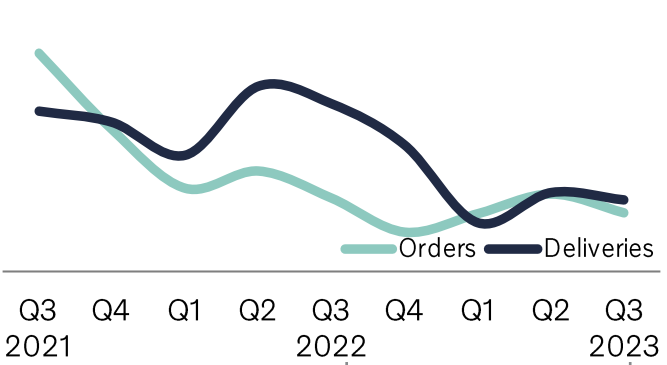
Orders +196%
Deliveries +33%

EUROPE



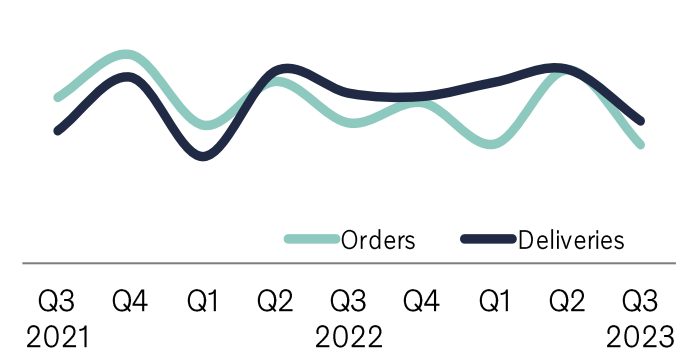
Orders -56%
Deliveries -4%

SOUTH AMERICA



Orders -20%
Deliveries -57%

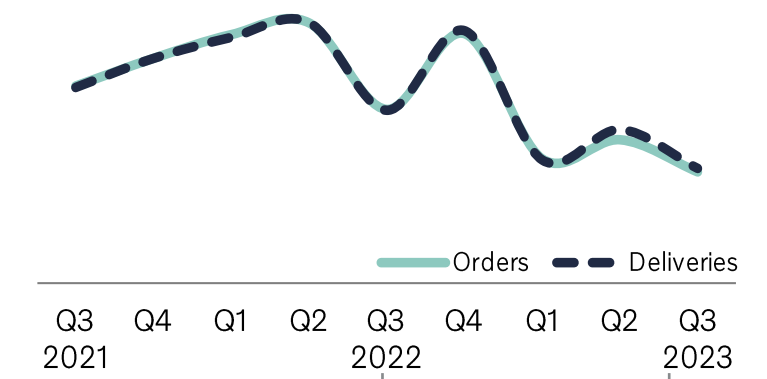
AFRICA AND OCEANIA



Orders -16%
Deliveries -16%



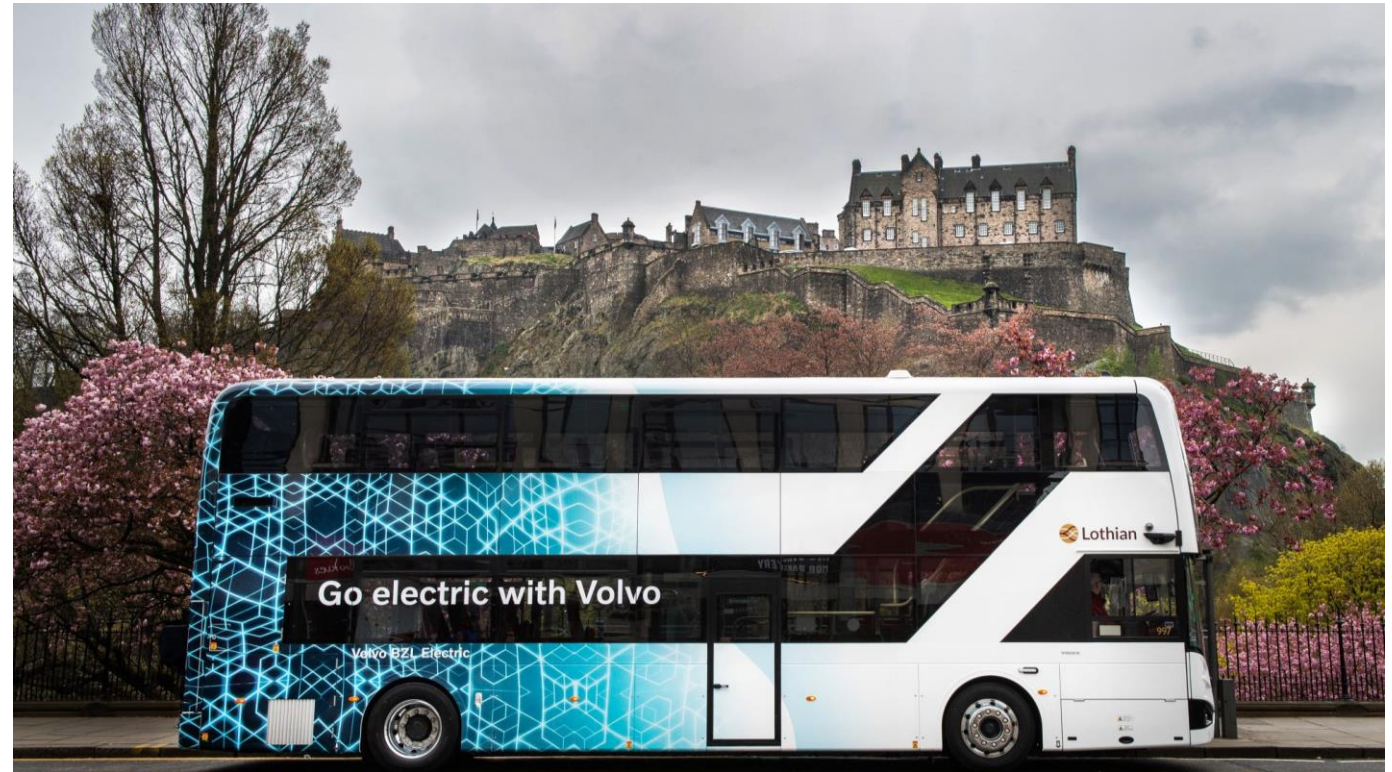
ASIA



Orders -36%
Deliveries -34%

Buses

- Orders increased by 6%
- Deliveries increased by 4%
- Agreement signed with MCV to manufacture bodies for electric city buses
- Electric bus orders to Warrington Borough Council and Lothian Buses in the UK



Volvo Penta

- Orders decreased by 28%
- Deliveries decreased by 9%
- Volvo Penta continues to appoint dedicated dealers for industrial business

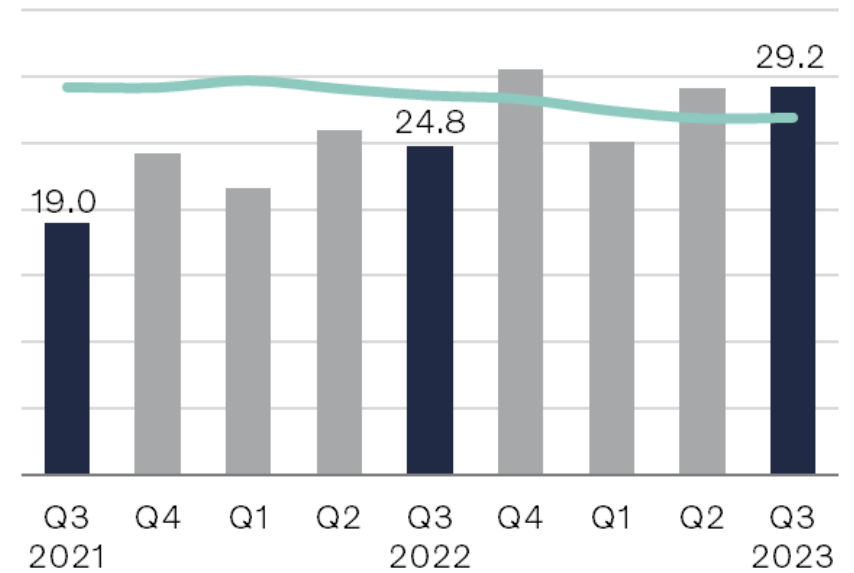


Financial Services

- Record business volume for a third quarter
- Portfolio growth across most key markets
- Portfolio performance continues to be good

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

THIRD QUARTER 2023

Jan Ytterberg

Volvo Group

Third quarter 2023

2023-10-18

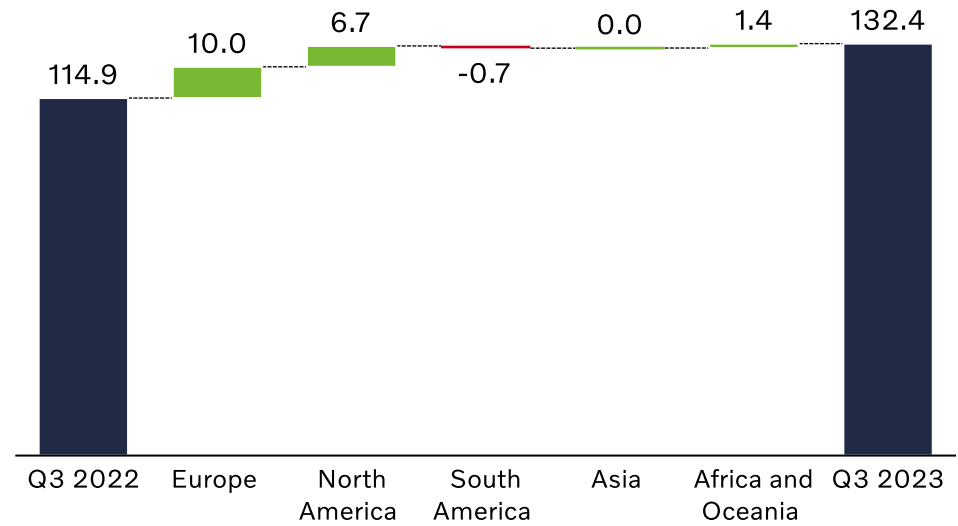
Volvo Group

Net sales per market



NET SALES
SEK bn

Currency SEK +6.8 bn



Volvo Group

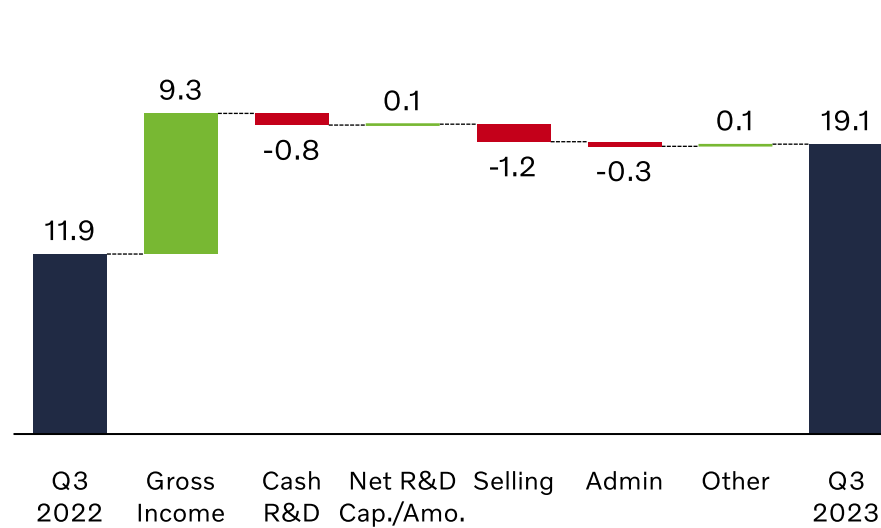
Adjusted operating income contributors



ADJUSTED OPERATING INCOME

SEK bn

Currency SEK +1.2 bn



+ Price realization



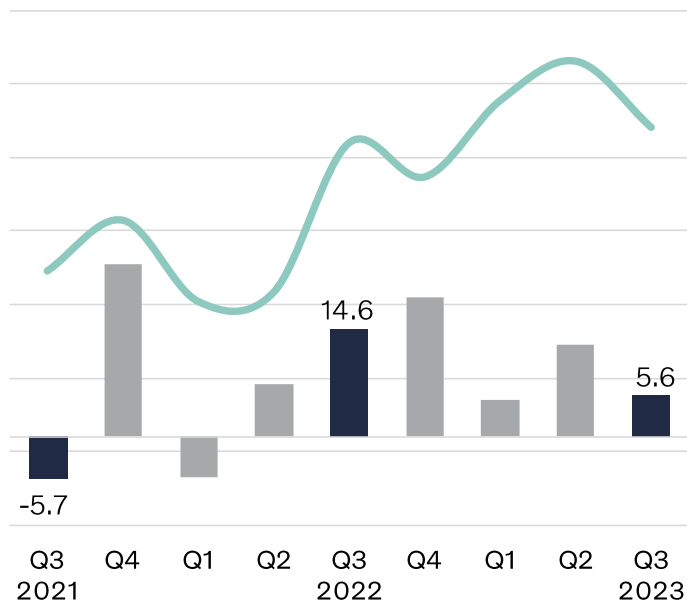
- Production costs
- Selling expenses
- R&D expenses

Volvo Group

Cash flow, financial position and ROCE in Industrial Operations

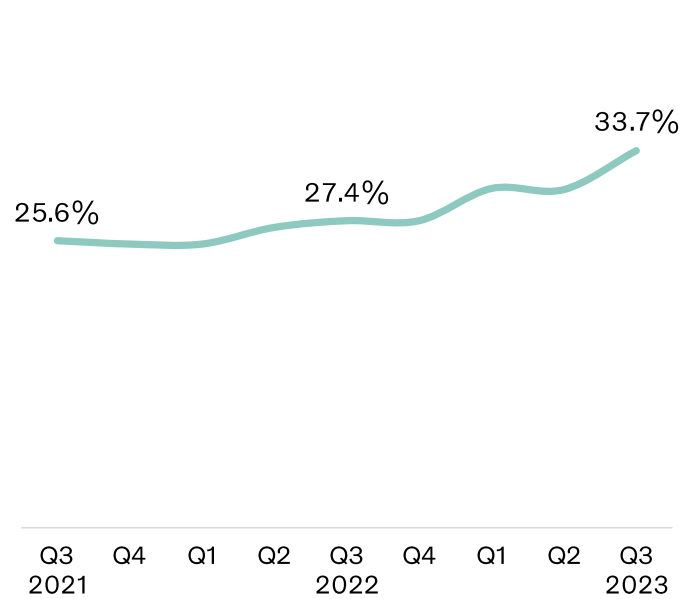
OPERATING CASH FLOW

SEK bn — 12 months SEK 42.1 bn



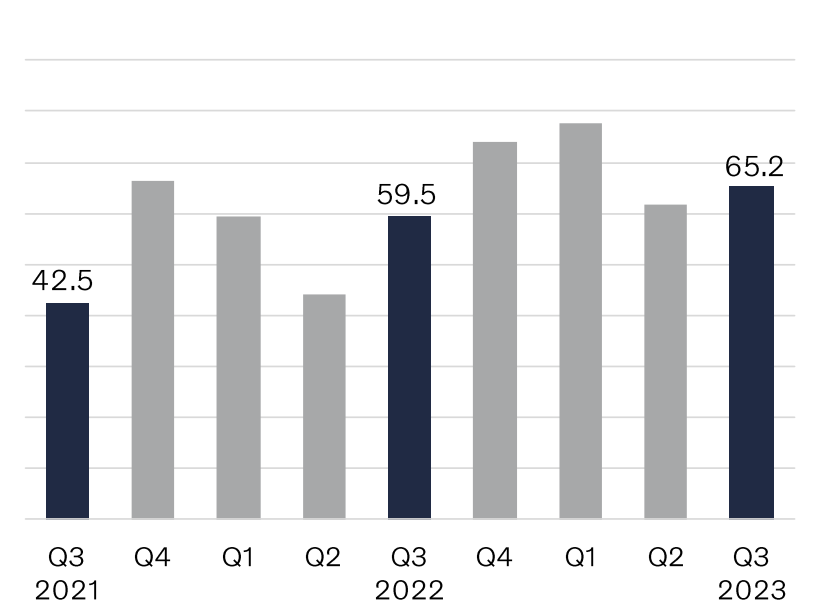
ROCE

% 12 months



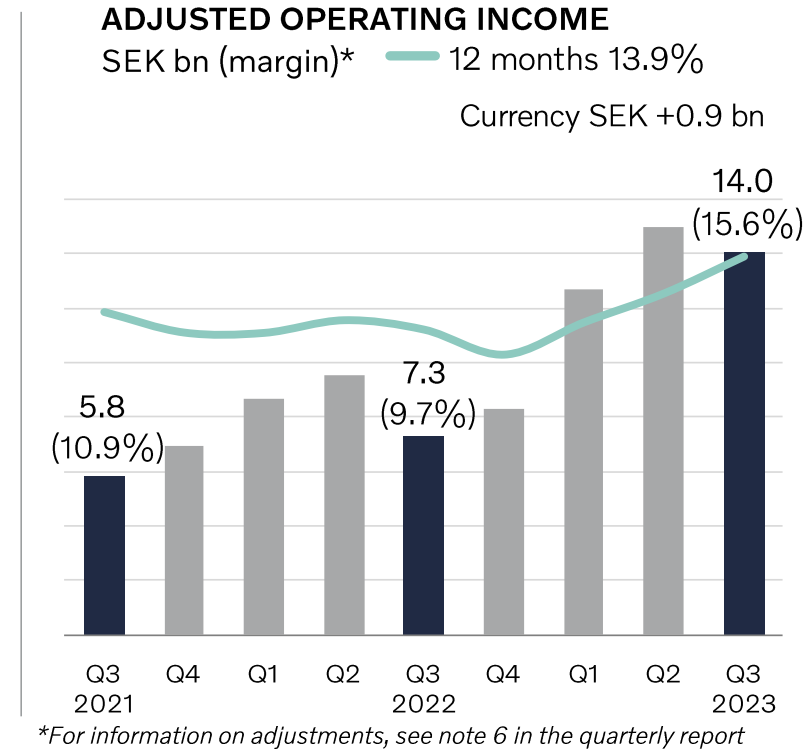
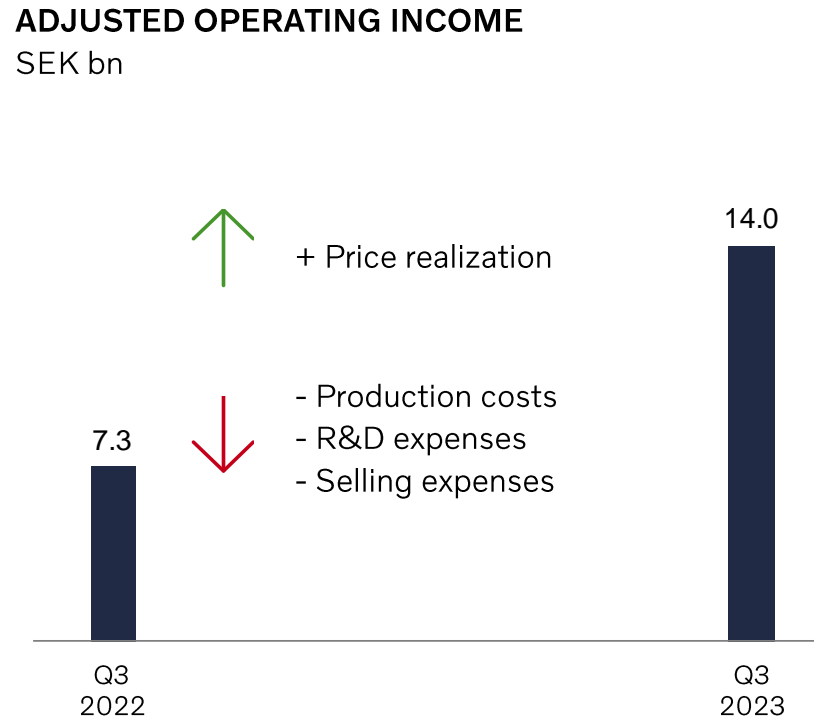
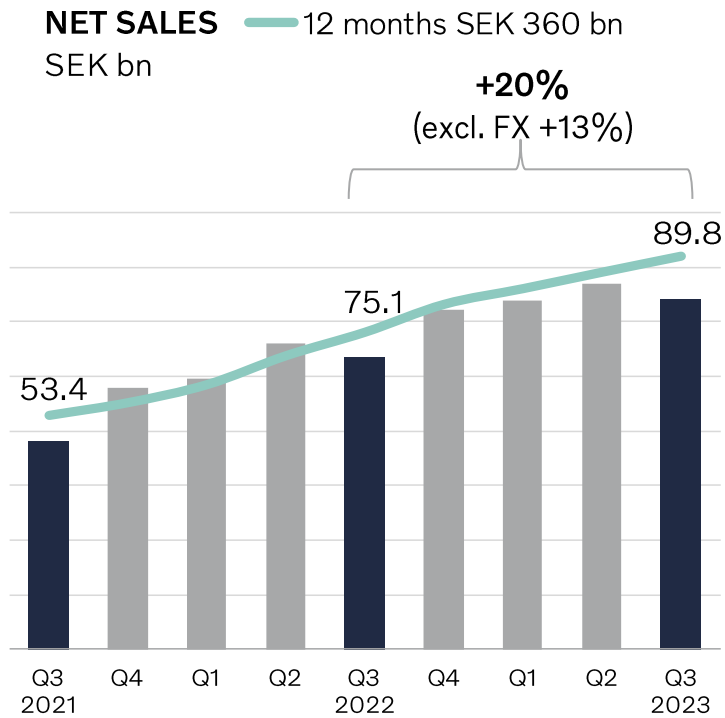
FINANCIAL POSITION

(Excl. pensions and lease liabilities)
SEK bn



Trucks

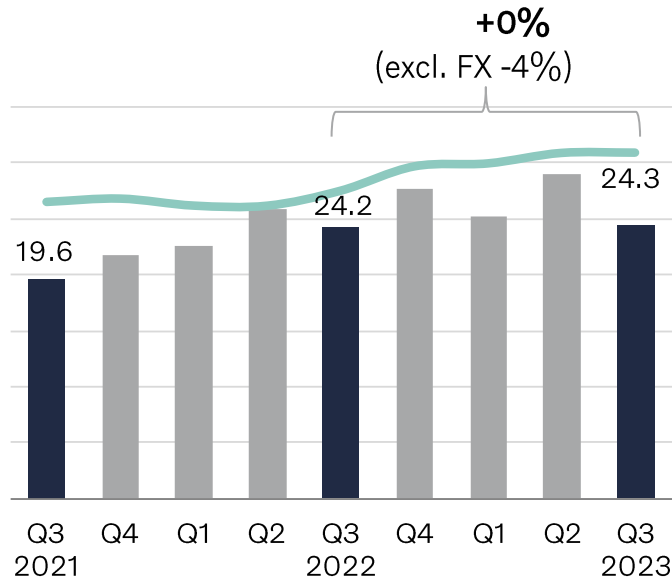
Net sales and adjusted operating income



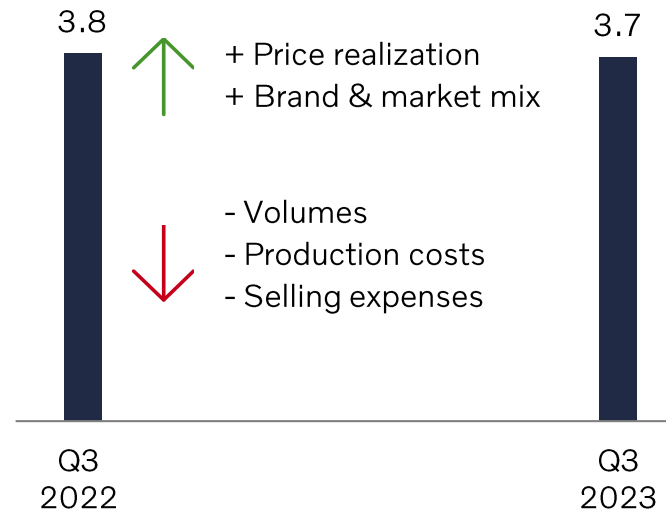
Construction Equipment

Net sales and adjusted operating income

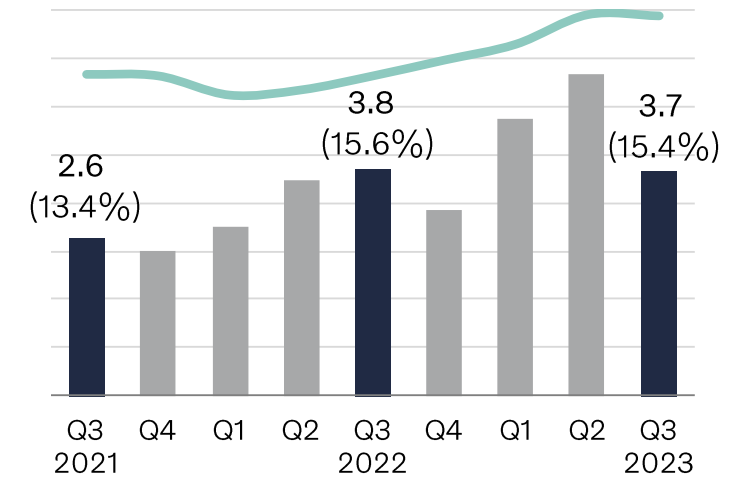
NET SALES 12 months SEK 106 bn
SEK bn



ADJUSTED OPERATING INCOME
SEK bn



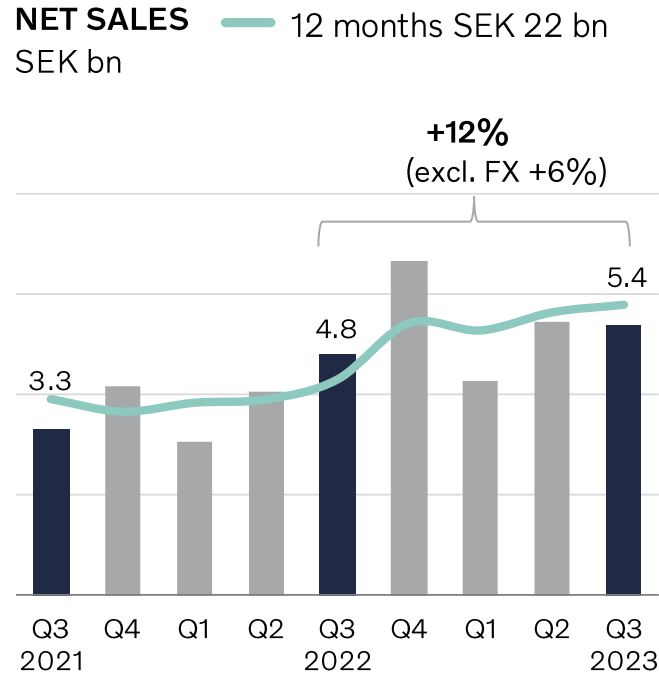
ADJUSTED OPERATING INCOME
SEK bn (margin)* 12 months 15.8%
Currency SEK +0.1 bn



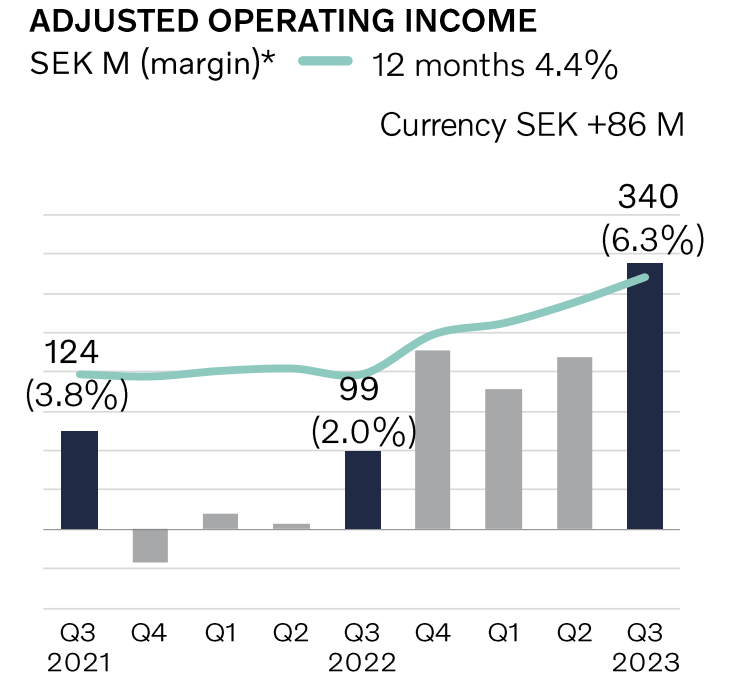
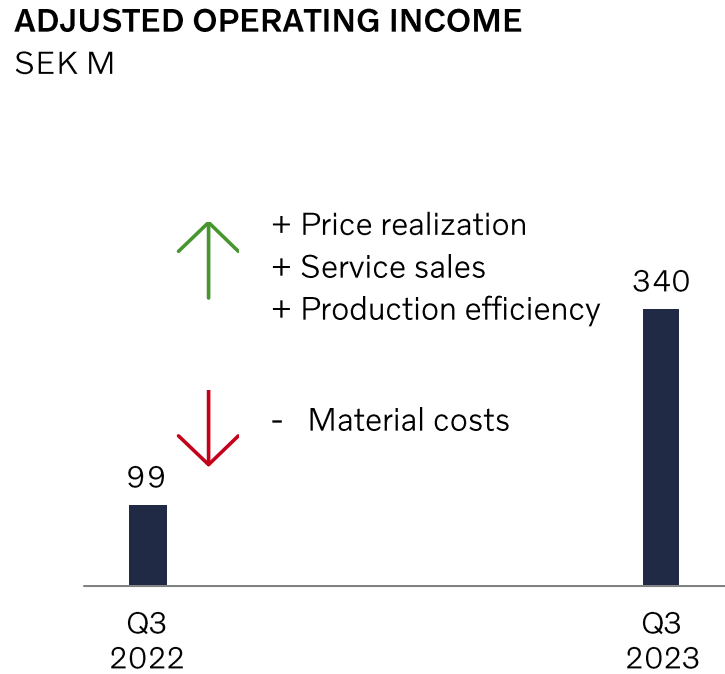
*For information on adjustments, see note 6 in the quarterly report

Buses

Net sales and adjusted operating income



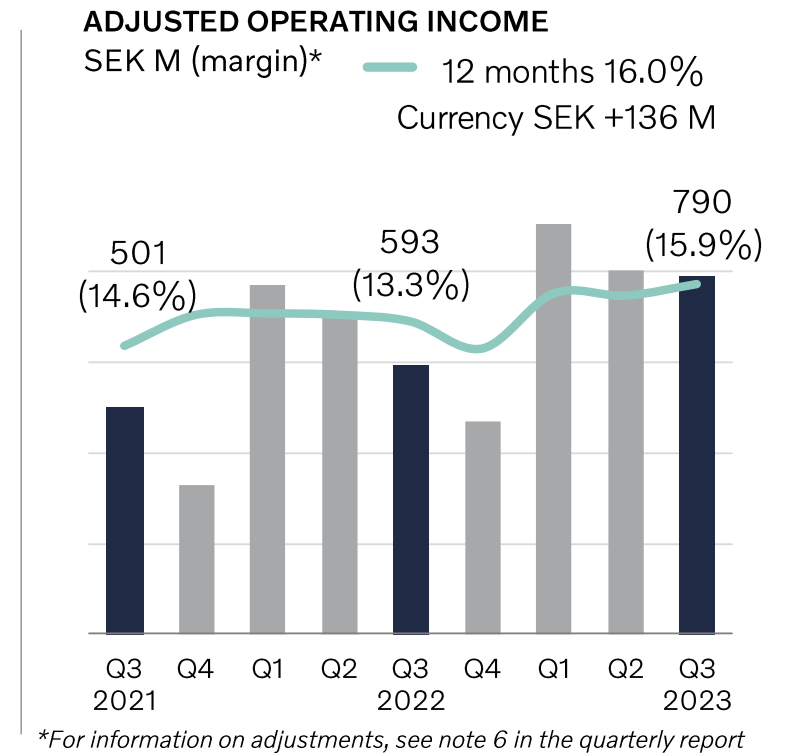
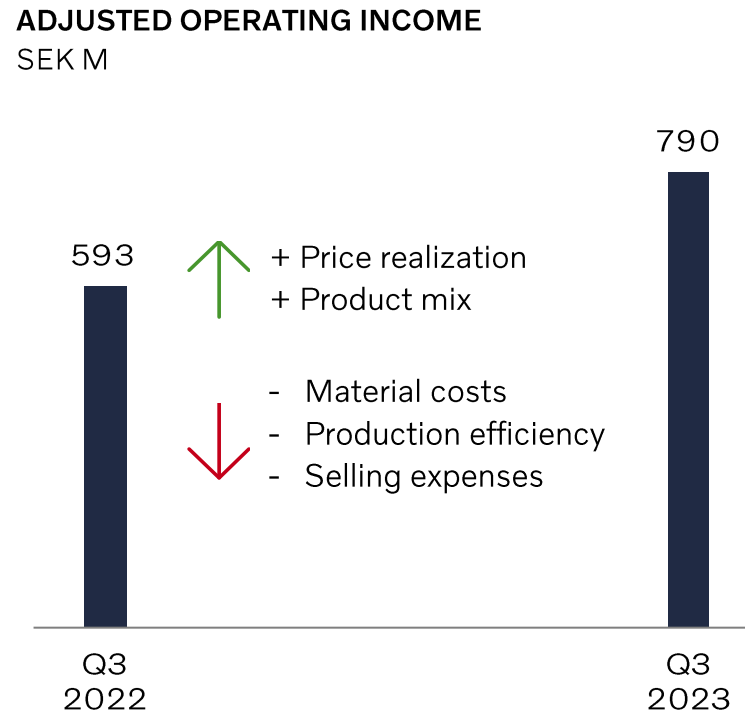
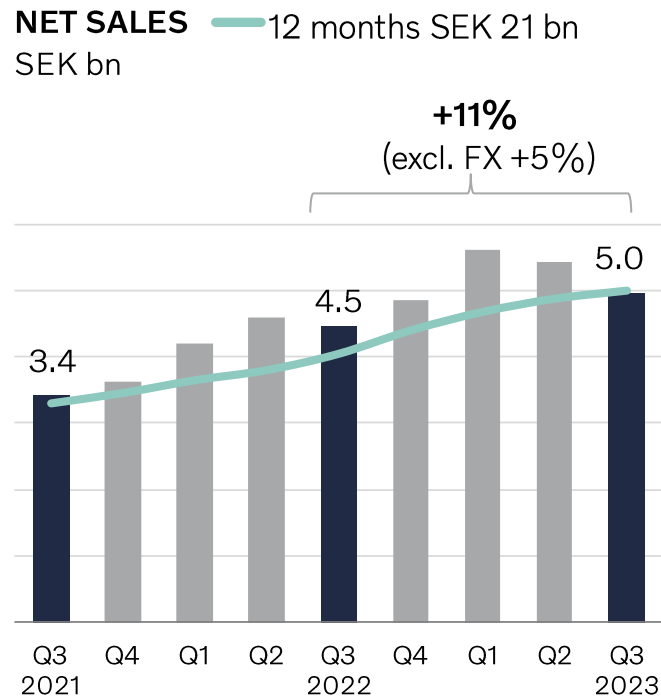
All numbers restated to exclude Nova Bus which is now included in segment 'Group Functions and other'



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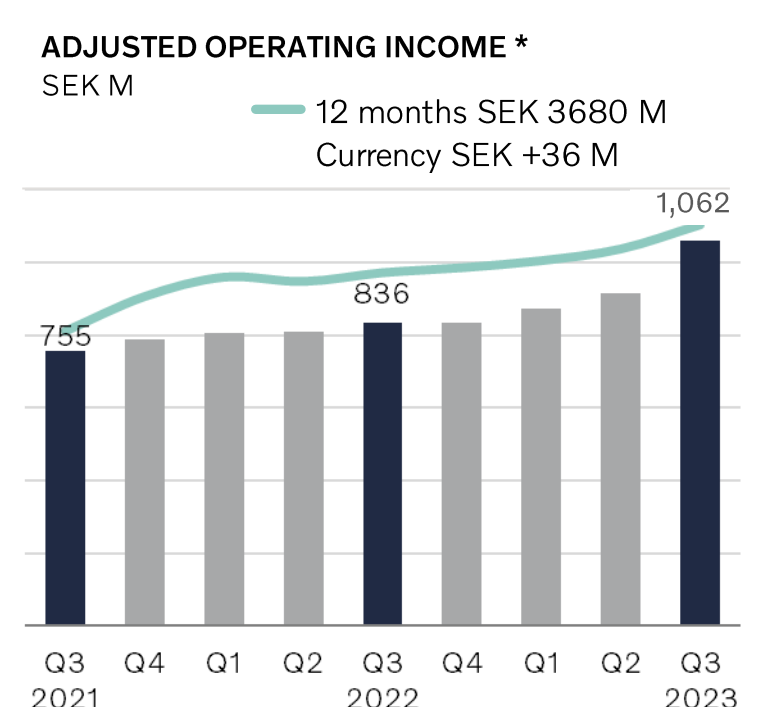
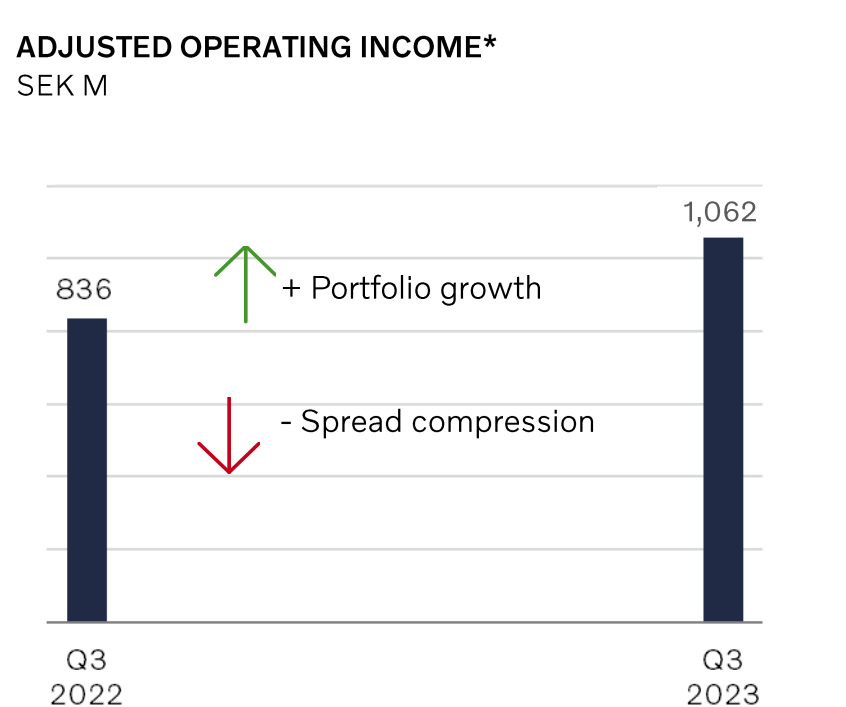
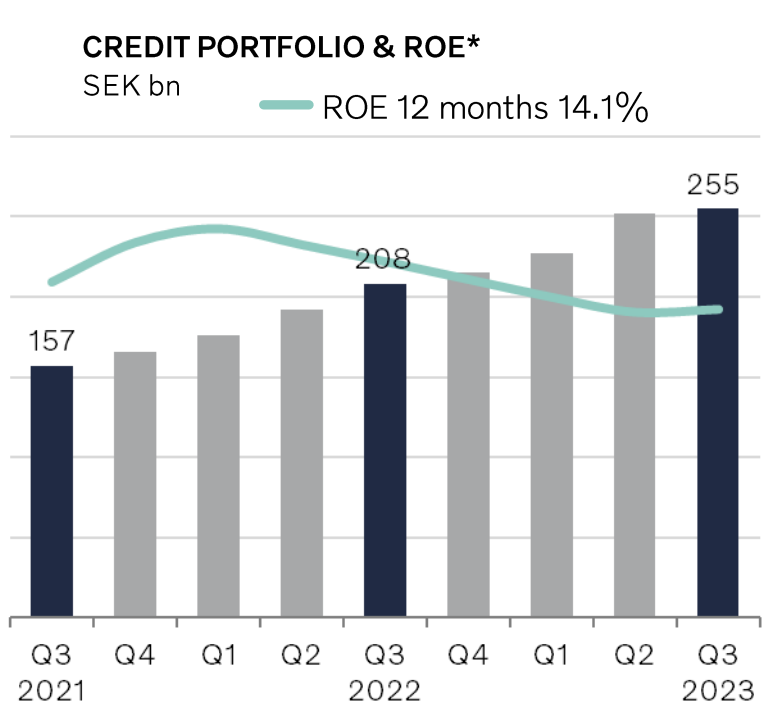
Volvo Penta

Net sales and adjusted operating income



Financial Services

Credit portfolio and profitability



**All figures exclude activity related to Russia and Belarus
For information on adjustments, see note 6 in the quarterly report*

Volvo Group

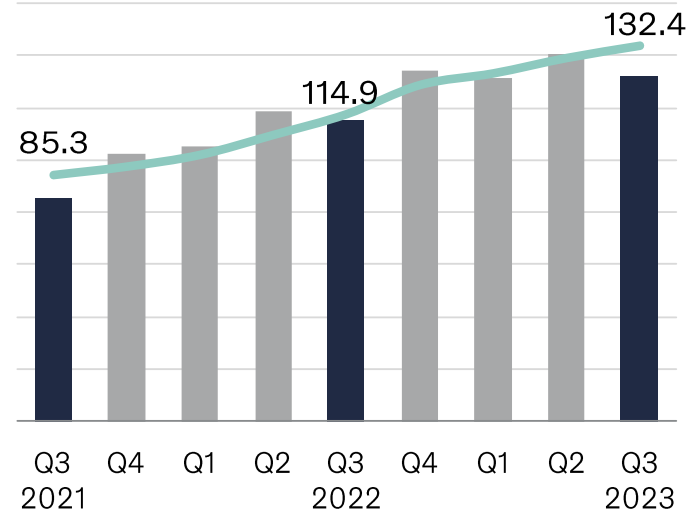
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- Operating cash flow in Industrial Operations amounted to SEK 5.6 bn (14.6)
- ROCE 33.7% (27.4) in Industrial Operations
- EPS increased to SEK 6.93 (4.24)

NET SALES

SEK bn

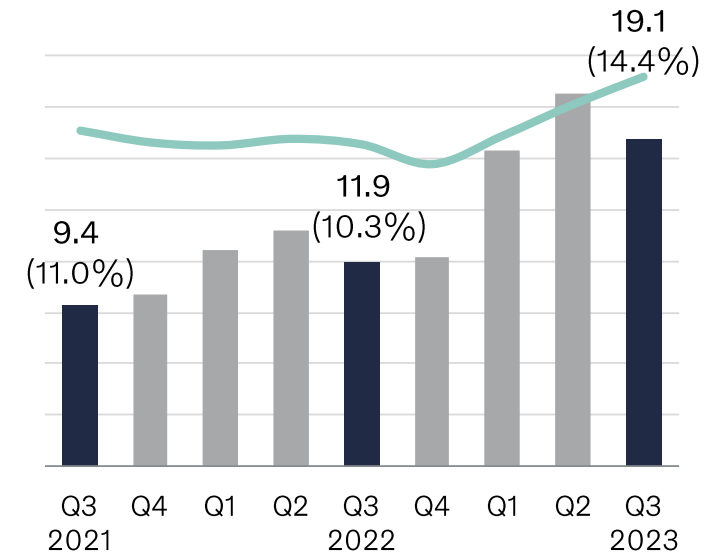
— 12 months SEK 539 bn



ADJUSTED OPERATING INCOME

SEK bn (margin)*

— 12 months 13.3%



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

VOLVO

QUESTIONS AND ANSWERS



V O L V O