

V O L V O

# COMPANY PRESENTATION

Volvo Group

Company Presentation 2023

2023-03-02



## Driving prosperity

Every day, across the globe, our trucks, buses, engines, construction equipment, and financial services and solutions make modern life possible. We are driving the transition to sustainable and safe transport, mobility, and infrastructure solutions.

That way, we will meet the growing demand for transportation, while making the journey to become a net-zero society. Together.



# What we do

Volvo Group offers trucks, buses, construction equipment, power solutions for marine and industrial applications, financing and services that increase our customers' uptime and productivity.

We develop and offer electrified and autonomous solutions for the benefit of customers, society and for the environment.



## Our brands

Volvo Group's brand portfolio consists of several distinct brands, targeting a variety of customers and segments.

V O L V O

V O L V O  
P E N T A

ROKBAK



PREVOST

NOVABUS



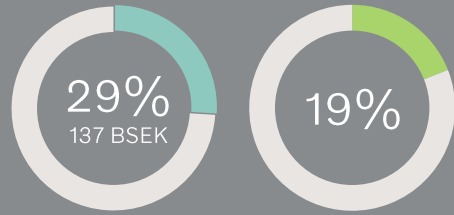
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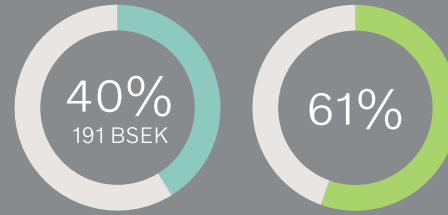


cellcentric

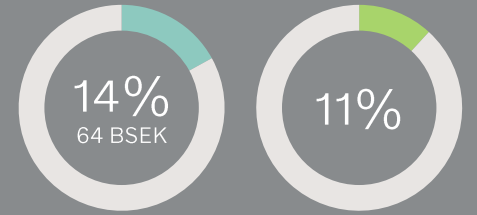
NORTH AMERICA



EUROPE

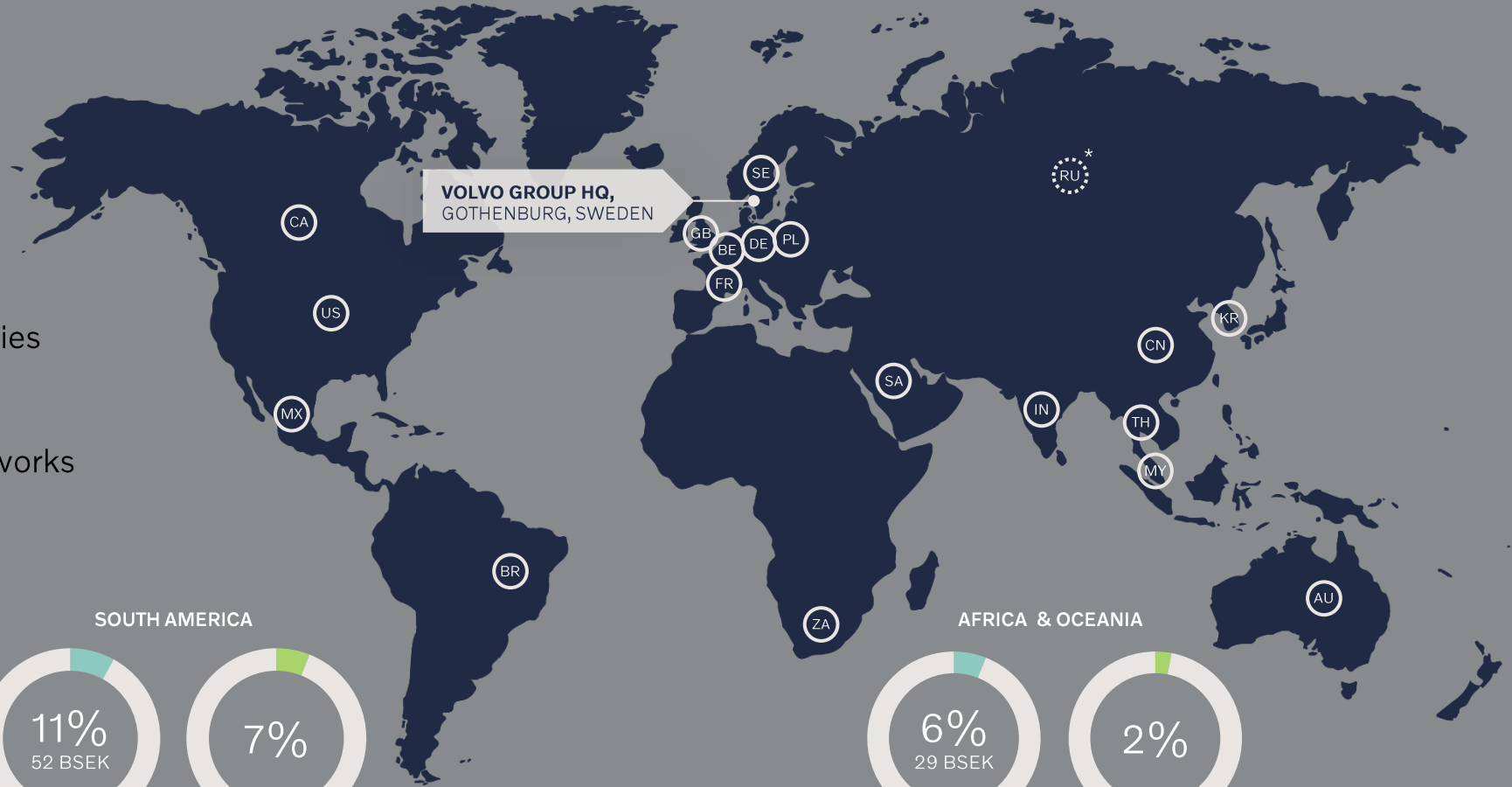


ASIA

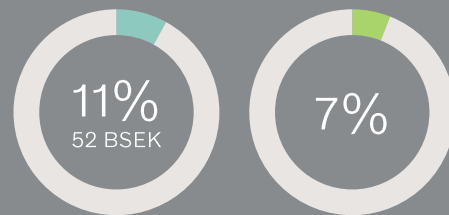


# Global presence

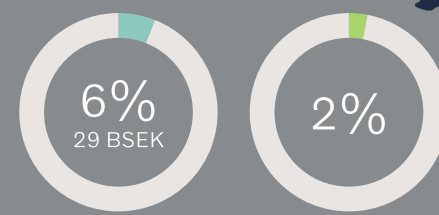
- 102,000 employees
- Production in 18 countries
- 190 markets
- Worldwide service networks and dealerships



SOUTH AMERICA



AFRICA & OCEANIA



\* Production activities in Russia have been suspended since February 2022.

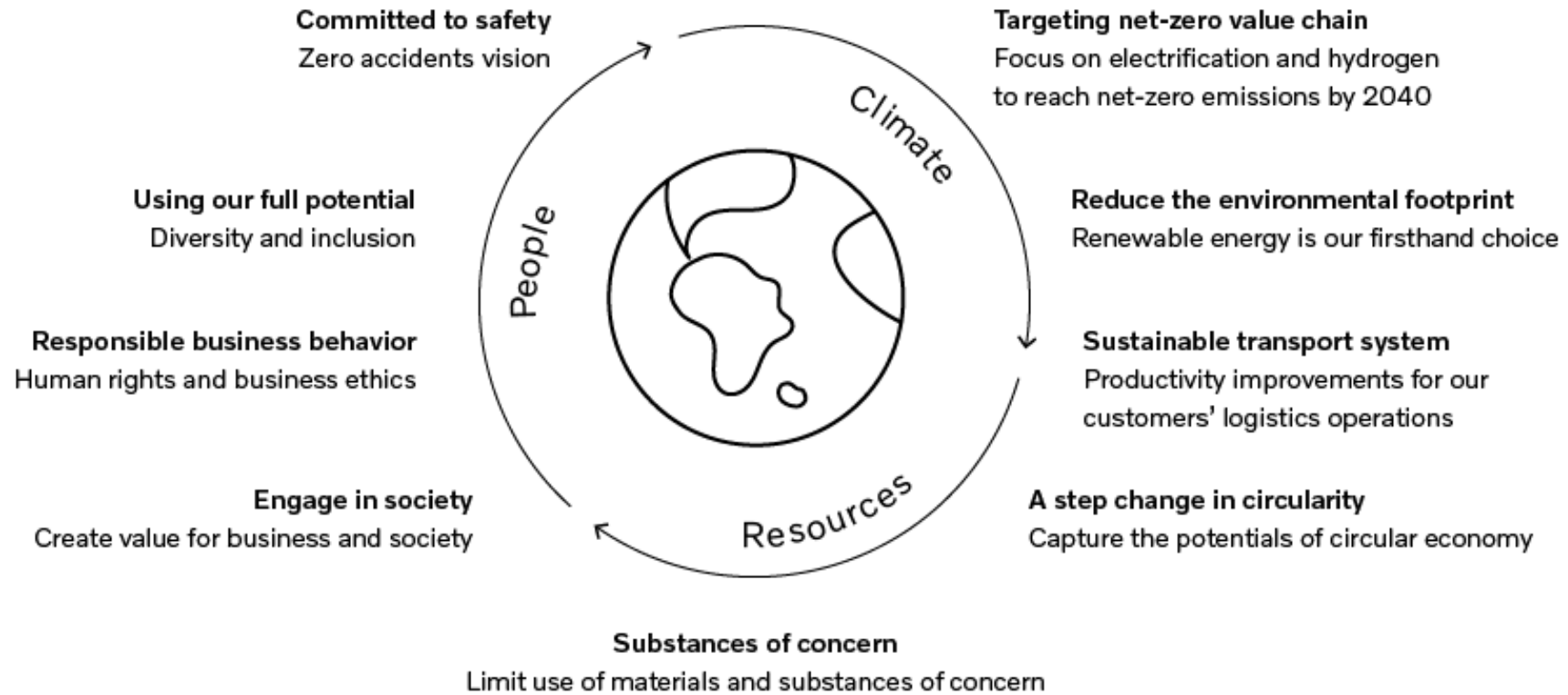
# Shaping the world we want to live in

Our mission is to drive prosperity through transport and infrastructure solutions.





# Our sustainability priorities



# Innovative since 1927

Snapshots of a history of innovation and sustainability focus.

Safety is put in focus in the very first year of Volvo's history.

1927

The world's first articulated hauler sees the light of day.

1966



The Lambda Sond is presented.

1976

1995

Volvo Trucks introduces driver airbags in heavy-duty trucks as a world first.

1990



The Volvo Environment Prize is incepted.

2001



I-Shift becomes available.

1959

The three-point safety belt is invented.



1972

Environmental care becomes a core value for Volvo.





Volvo Penta's revolutionary **IPS system** is revealed.

2004

2007

The world's first **carbon neutral vehicle manufacturing plant** opens in Ghent.



2013

Launch of **Volvo Dynamic Steering**.



2018

The groundbreaking **Vera system** puts automation in focus.

2002



Infomax from Renault Trucks premieres.

**V-Eagle** – Volvo Group's LGBTQ+ network is established.

2005



2010

Volvo Group joins **WWF's Climate Savers** program.



2015

The **ElectricCity** project takes place in Gothenburg

Results from the **Electric Site** research project shows a 98% reduction in CO<sub>2</sub> emissions.

2018

Volvo Group commits to the goals of the **Paris Agreement**.

2020

2022



Volvo Group starts series production of **electric heavy-duty trucks** – completing the range.



Long-term ambitions

100%

Safe

Fossil-free

More productive



# 100% safe – on our way to zero accidents



We have a vision of zero accidents involving our products and we work diligently to ensure that the Volvo Group is a safe place to work.

→ **Safety for all road users**

Driver training and safety awareness, safety features in products.

→ **Collaboration**

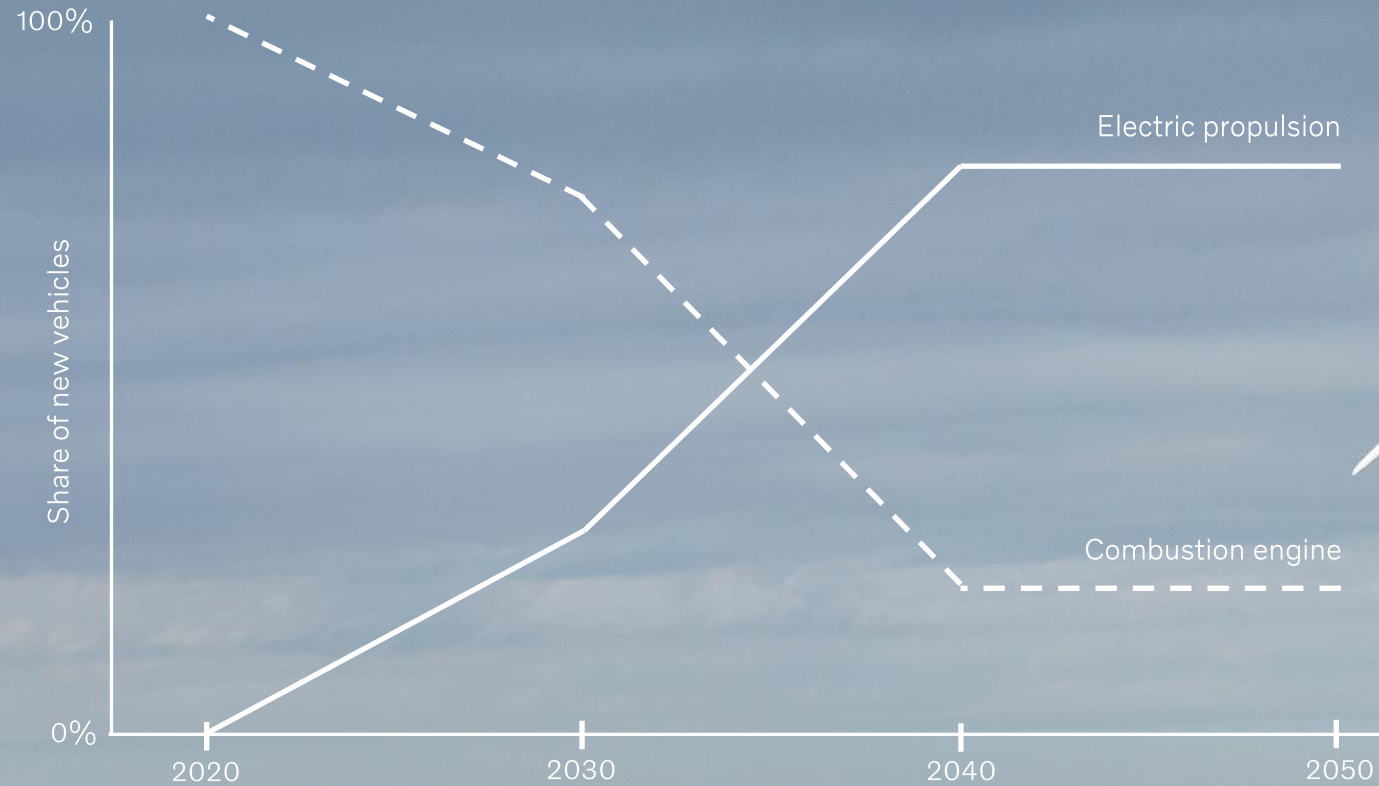
Working with authorities, academia and other industry players to advance knowledge, regulations, and development of new solutions for safer transport systems.

→ **Creating knowledge and sharing data**

Real time data from accidents and connected vehicles to develop safety related solutions and spread safety awareness. Utilized by us and shared with others.



# Accelerating the sustainable transformation to 100% fossil-free fuel



→ Our ambition is for 100% of our products to be driven by fossil-free fuels by 2040.

→ To contribute to an emissions-free future, there will be a steady shift into electric propulsion, and combustion engines will run on biofuel.



# 100% more productive

- By increasing productivity and efficiency it is possible to meet a **growing need for transportation** while staying within the boundaries of what our planet can sustain.
- Our solutions increase productivity and efficiency by **optimizing transport flows**.
- One example is **Efficient Load Out**, a cloud-based software solution, connects machine operators, truck drivers and site managers in real-time to maximize the profitability and sustainability of mass excavation projects.

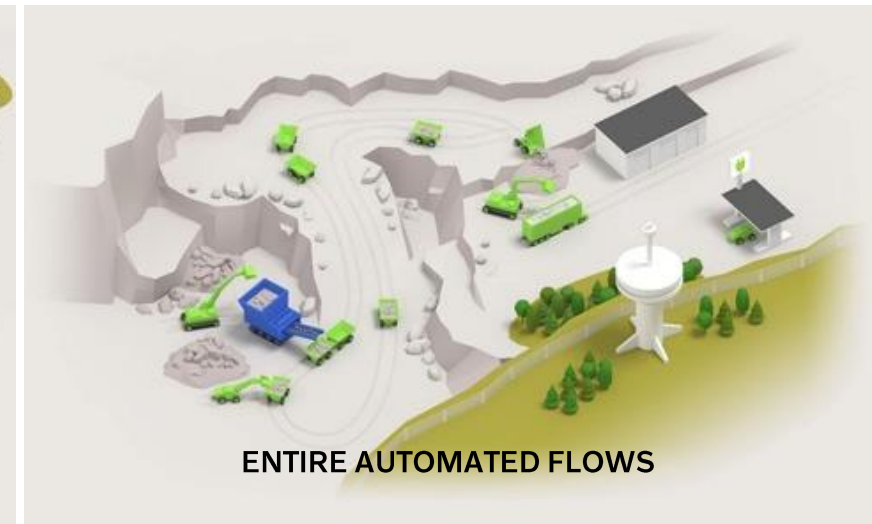
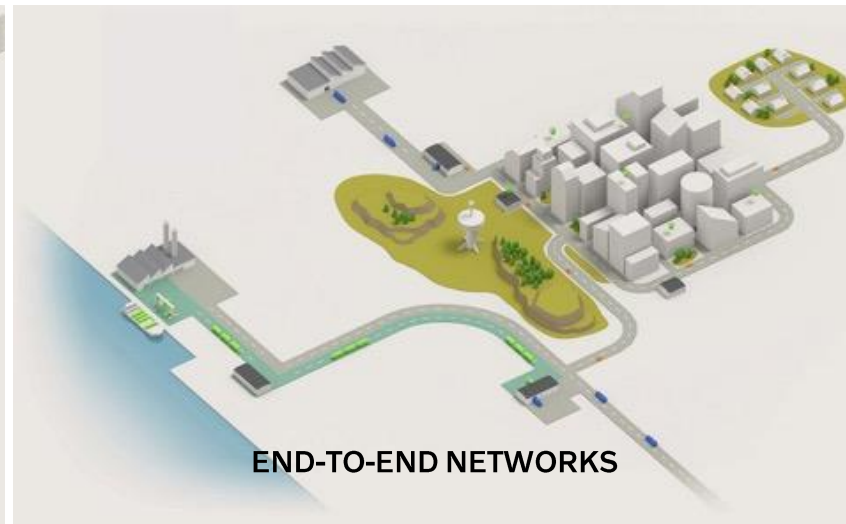




# Taking full responsibility

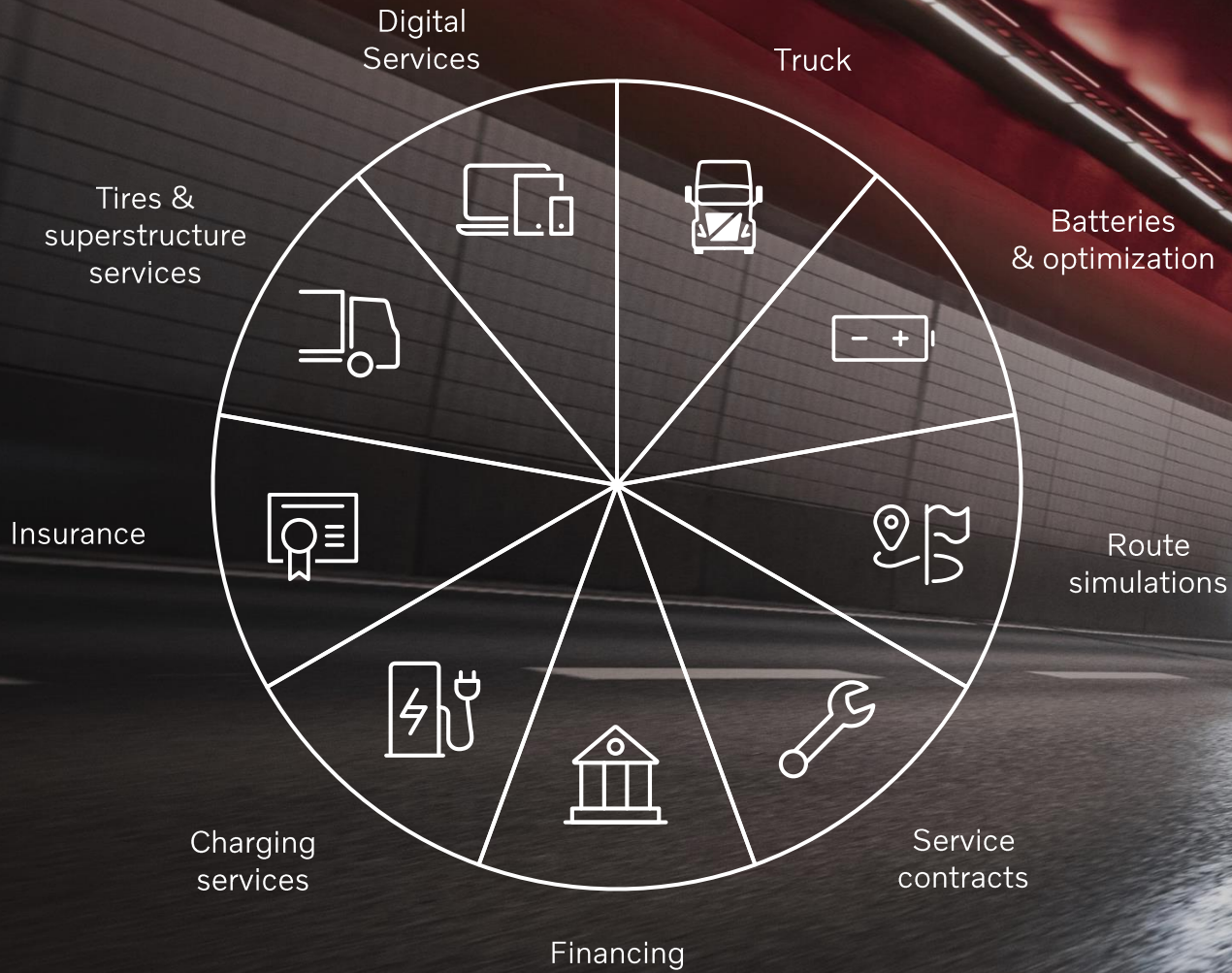
From products to solutions

Electric, connected and autonomous vehicles enable improved logistics efficiency in complete transportation flows. This opens up for new business models where the focus is on offering total solutions.





# Complete solutions



# BUSINESS AREAS

Volvo Trucks | Renault Trucks | Mack Trucks | Volvo Construction Equipment |  
Volvo Buses | Volvo Penta | Volvo Energy | Volvo Autonomous Solutions |  
Volvo Financial Services | Arquus



# Volvo Trucks

One of the largest premium truck brands in the world.

- Medium and heavy-duty trucks.
- Main production in Sweden, Belgium, Brazil and the USA.



Volvo FH Electric



VNR Electric





# Renault Trucks

One of the world leaders in heavy goods vehicles.

- Light, medium and heavy-duty trucks.
- Main production in France.



Renault Trucks  
D Wide



Renault Trucks  
T High



# Mack Trucks

One of North America's largest truck manufacturers.

- Heavy-duty trucks, engines and transmissions and axles.
- Medium-duty trucks
- Main production in the USA.



Mack Anthem



Mack LR Electric



Mack MD





# Volvo Construction Equipment

A leading provider of construction equipment and innovative solutions.

- Brands: Volvo, SDLG, Rokbak.
- Rigid & articulated haulers, wheel loaders, excavators & road equipment.
- Main production in Sweden, Germany, South Korea and China.



Volvo A60H



Volvo ECR 25  
Electric



SDLG LG938L



Rokbak  
RA40 RA30



# Volvo Buses

Leader in the development of sustainable transport solutions for public transport.

- Premium city- and intercity buses, coaches and chassis.
- Brands: Volvo and Prevost.
- Production in Sweden, Poland, Mexico, Brazil and Canada.



Volvo 7900 Electric



Volvo 9800



Volvo BZL Electric



Prevost X3-45





# Volvo Penta

World-leading supplier of power solutions to marine and industrial applications.

- Engine- and power systems for marine and industrial applications.
- Production in Sweden, USA and China.



D16 engine



Volvo Penta IPS



Volvo Penta powered hybrid-electric sightseeing vessel



Volvo Penta powered electric terminal tractor

# Volvo Energy

Volvo Energy is Volvo Group's newest business area, dedicated to make a fundamental breakthrough by accelerating electrification and driving circularity for a better tomorrow through:

- **Charging and Infrastructure:** support the Volvo Group brands in sales and services of electrified vehicles and machines.
- **Battery Circularity:** create an attractive and sustainable circular business model for second-life batteries.
- **Enabling and accelerating the Volvo Group's overall sustainability ambitions.**





# Volvo Autonomous Solutions

Dedicated to the commercialization of autonomous transport solutions:

- Industry verticals: hub-to-hub on highway trucking, ports and logistics centers, mines and quarries
- Complete Autonomous Transport Solution based on Transport as a Service
- Full-stack in-house solution for confined areas, partners for hub-to-hub
- Deployments in Brønnøy, Norway, Switzerland and the United States



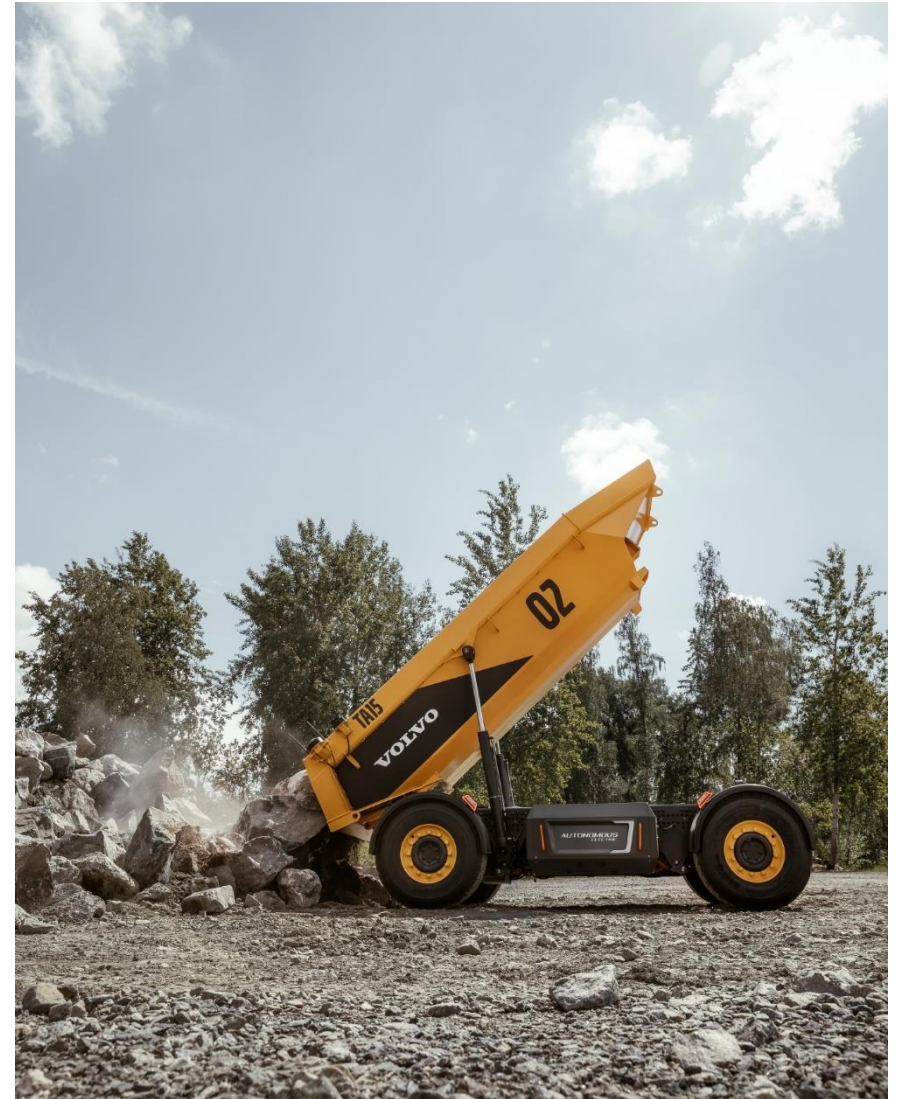
**Autonomous  
Volvo VNL**



**Tara Solution  
(Electric & Autonomous)**



**Autonomous  
Volvo FH**



# Volvo Financial Services

Volvo Group's captive finance provider committed to customer success

- Works collaboratively with all Volvo Group brands and business areas as an integral part of Volvo Group's total offer
- A full range of financing, rental, insurance and other services and solutions for the truck, construction equipment, bus and marine and industrial engine markets
- Accelerating sustainable solutions for customers





# Arquus

European leader in high mobility vehicles and innovative solutions for military applications.

- Armored vehicles for all operational missions
- Energy management
- Self-protection
- Integrated logistic support and maintenance
- Production in France



VAB MK3



Sherpa



Bastion



V O L V O

# THE STRENGTH OF THE VOLVO GROUP



# Creating synergies

Harnessing shared resources

Volvo Group has global organizations for product development, manufacturing and purchasing. This is one of the ways in which we can create synergies and utilize Volvo Group's extensive and shared resources in the best possible way.



**PURCHASING**



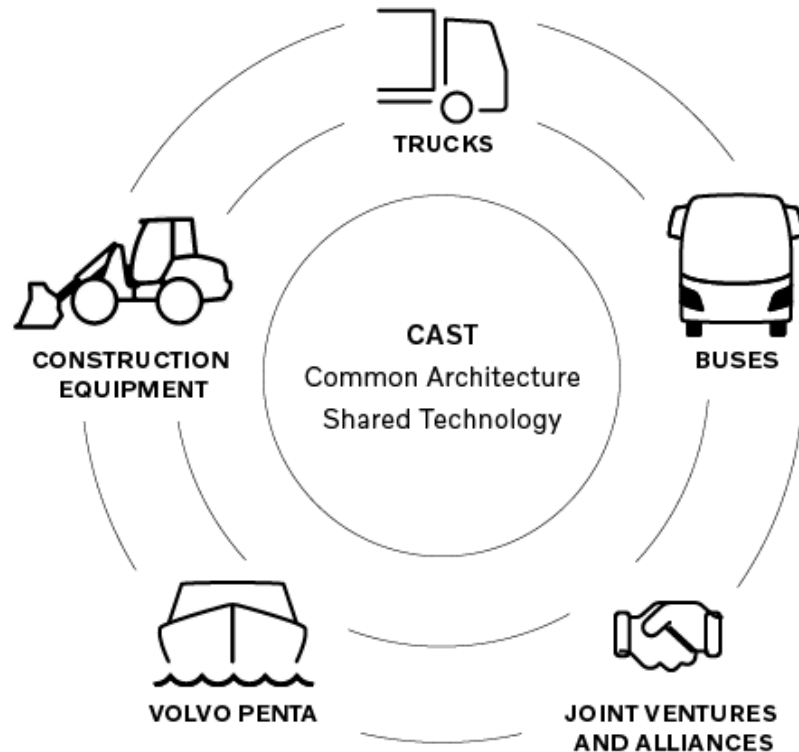
**OPERATIONS**



**TECHNOLOGY**

# CAST – Common Architecture & Shared Technology

A modular approach that benefits all business areas

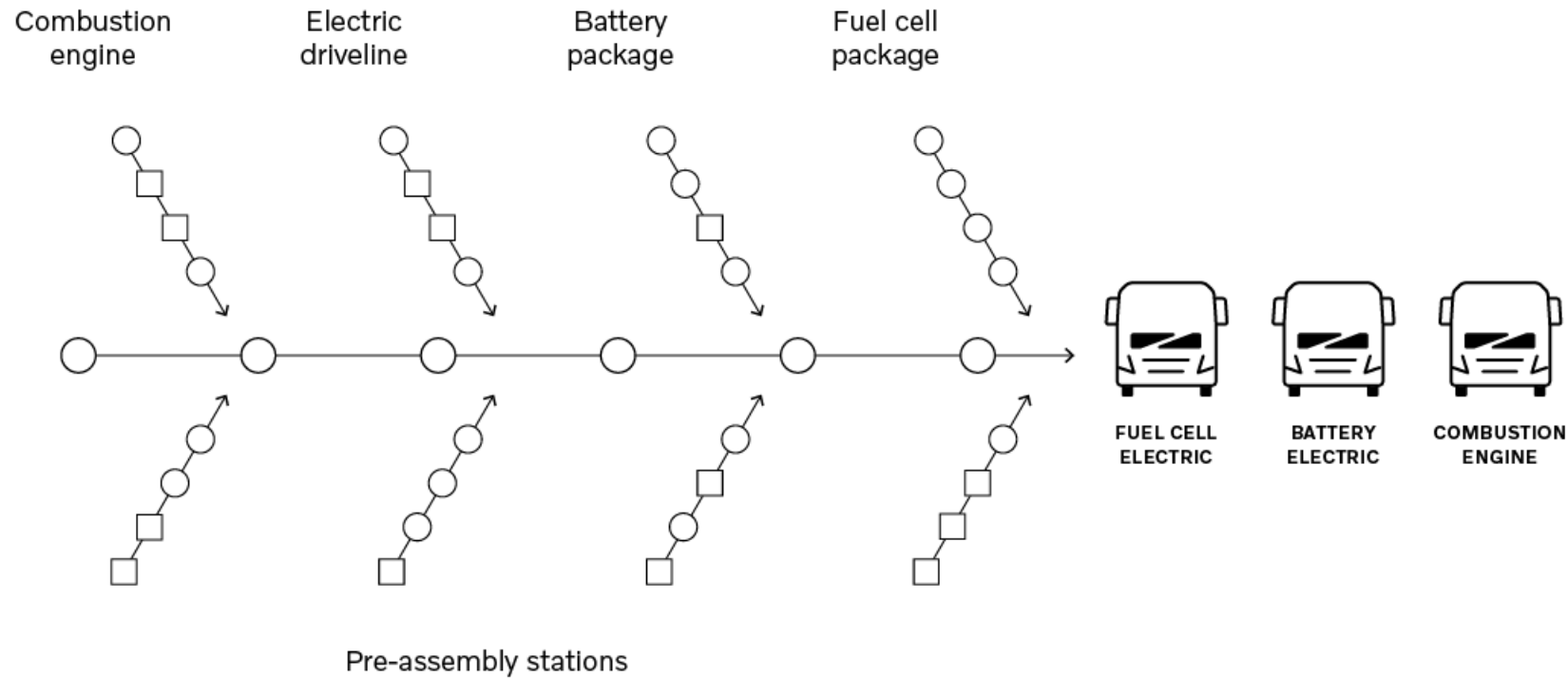


- Volvo Group and its partners can benefit from the Group's modular platform: Common Architecture & Shared Technology (CAST).
- The ambition with CAST is to develop a competitive set of modular products and services that are easy to integrate, that meet future legal, market and society needs, and that exceed customer expectations.
- This modular approach enables Volvo Group to share technology for engines, electronics, transmissions, chassis, connectivity, electromobility and automation among its business areas.



# Mixed model assembly

Volvo produces electric trucks on the same lines as its conventional trucks, which gives high production flexibility and efficiency gains.





## Partnership is the new leadership

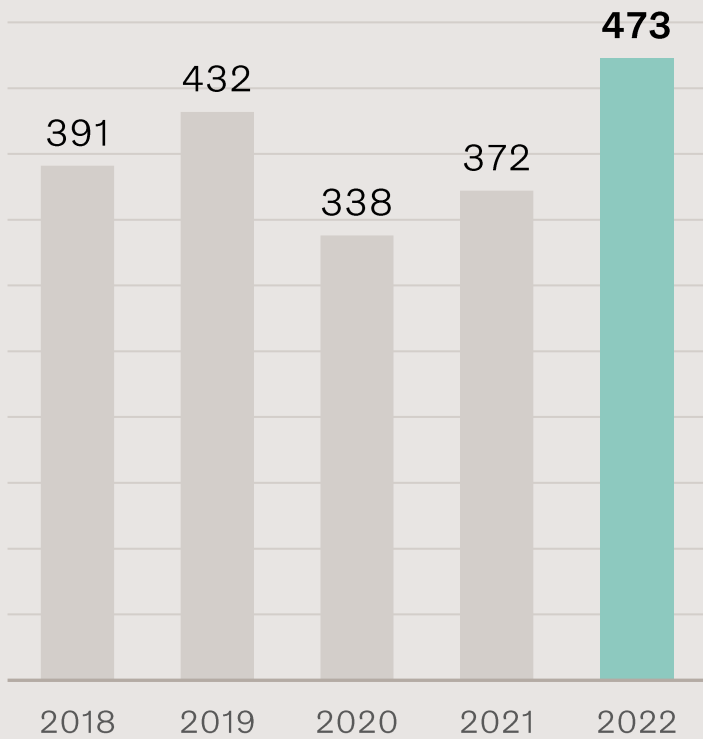
Keeping up with the latest development is an essential part of staying successful – and one which is impossible to do on your own. So, Volvo Group engages in numerous collaborations and partnerships.



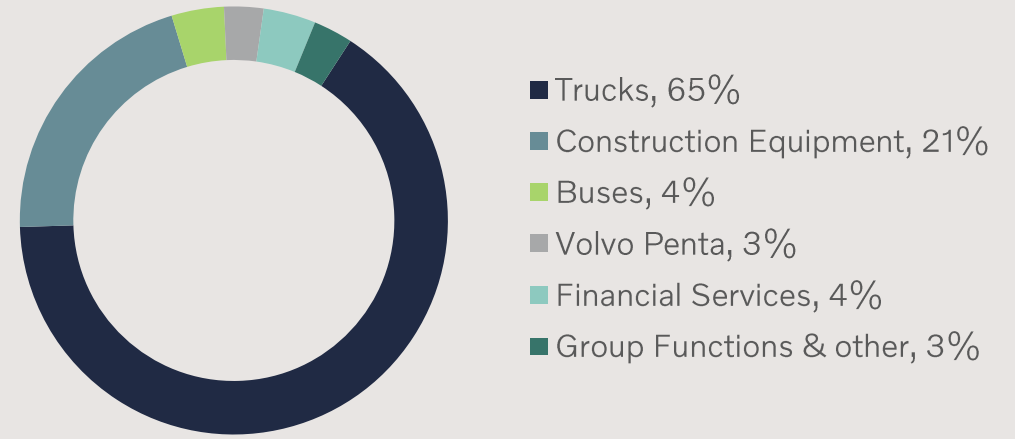
# FINANCIAL PERFORMANCE

# Net sales

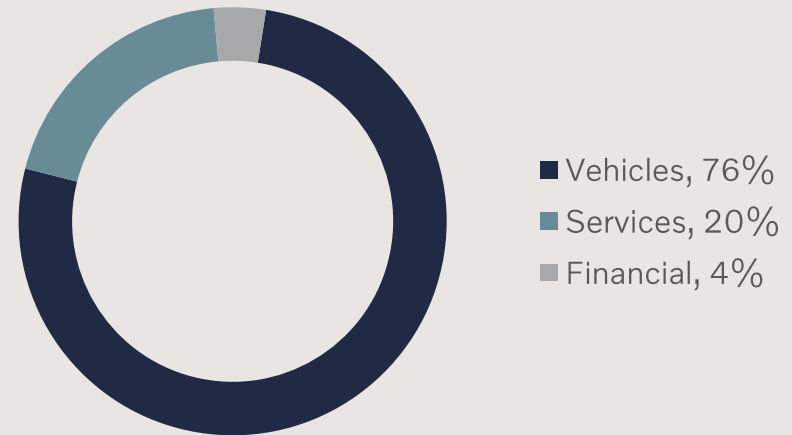
Volvo Group's net sales 2018-2022, BSEK.



Share of net sales by segment



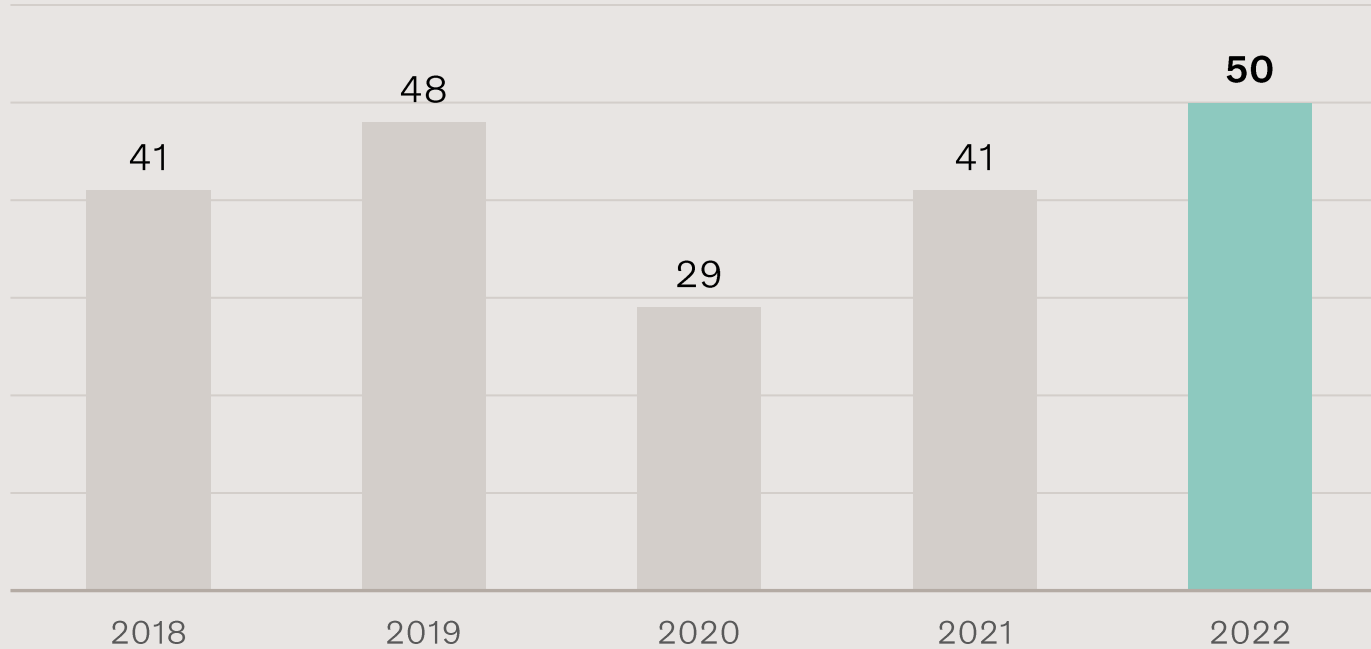
Share of net sales by revenue type





# Adjusted operating income

Volvo Group's adjusted operating income 2018–2022, BSEK.



## Adjusted operating margin:

2022: 10.7%

2021: 11.0%

2020: 8.4%

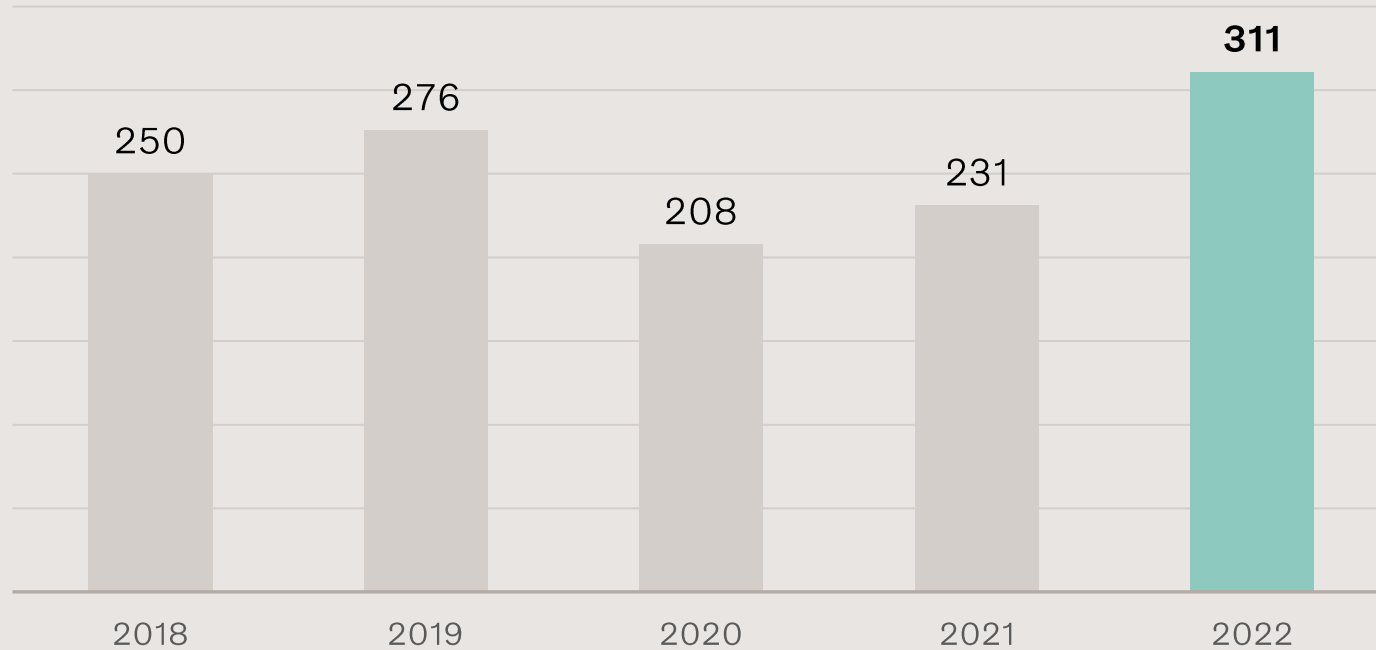
2019: 11.1%

2018: 10.4%

# Trucks

Trucks' financial performance 2018–2022.

## Net sales (BSEK)



## Adjusted operating margin:

2022: 10.9%

2021: 11.1%

2020: 8.3%

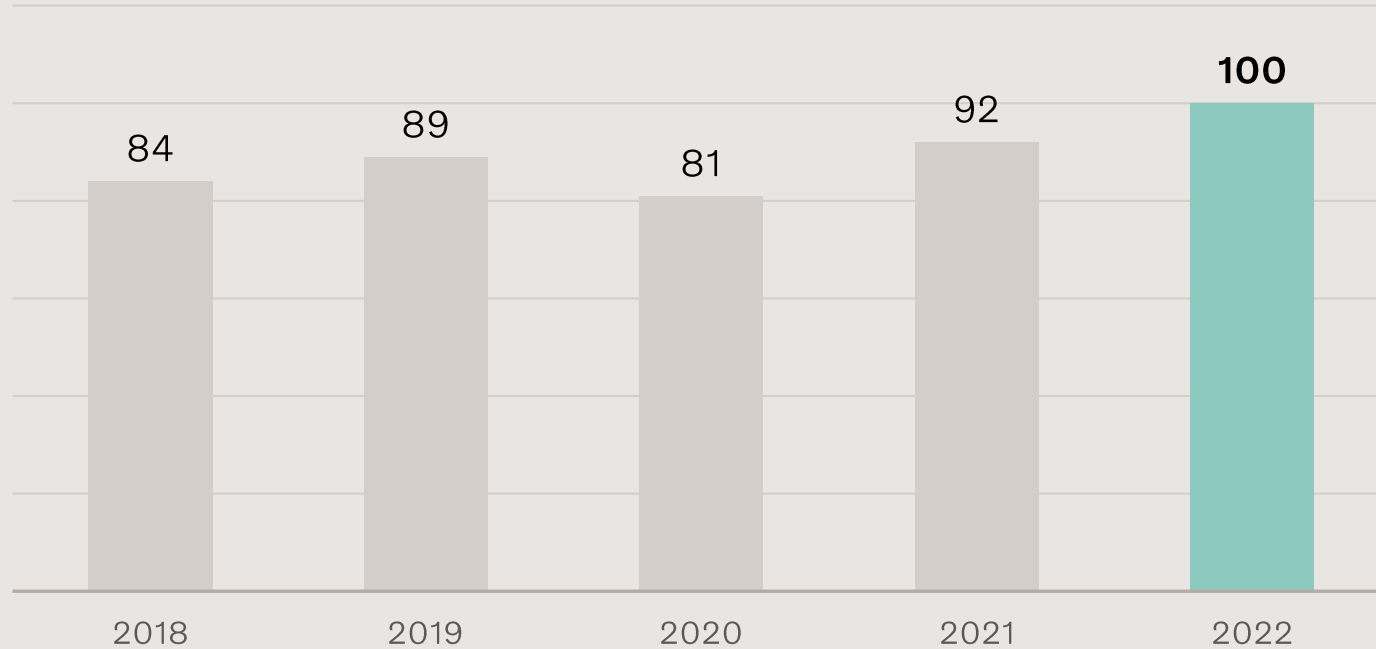
2019: 11.4%

2018: 10.5%

# Construction Equipment

Construction Equipment's financial performance 2018–2022.

## Net sales (BSEK)



## Adjusted operating margin:

2022: 13.2%

2021: 13.3%

2020: 12.4%

2019: 13.4%

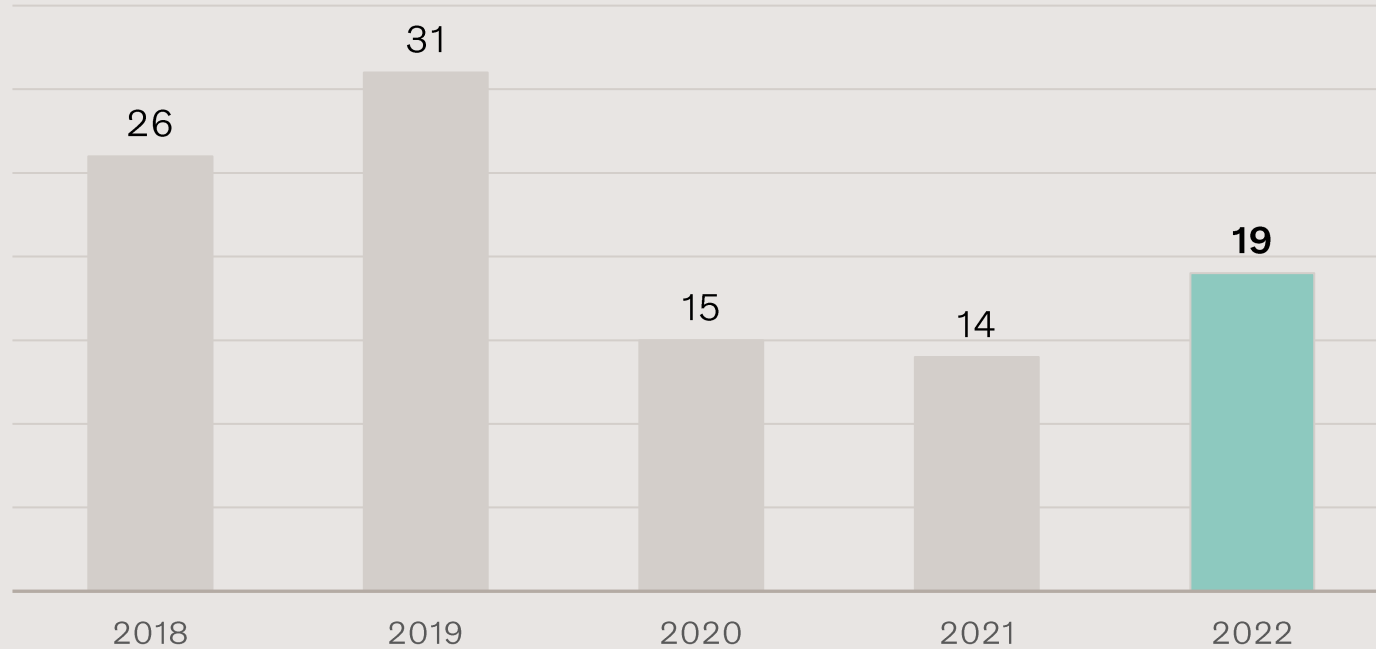
2018: 13.4%



# Buses

Buses' financial performance 2018–2022\*.

## Net sales (BSEK)



## Adjusted operating margin:

2022: 1.9% \*

2021: 0.4%\*

2020: -3.1%\*

2019: 4.3%

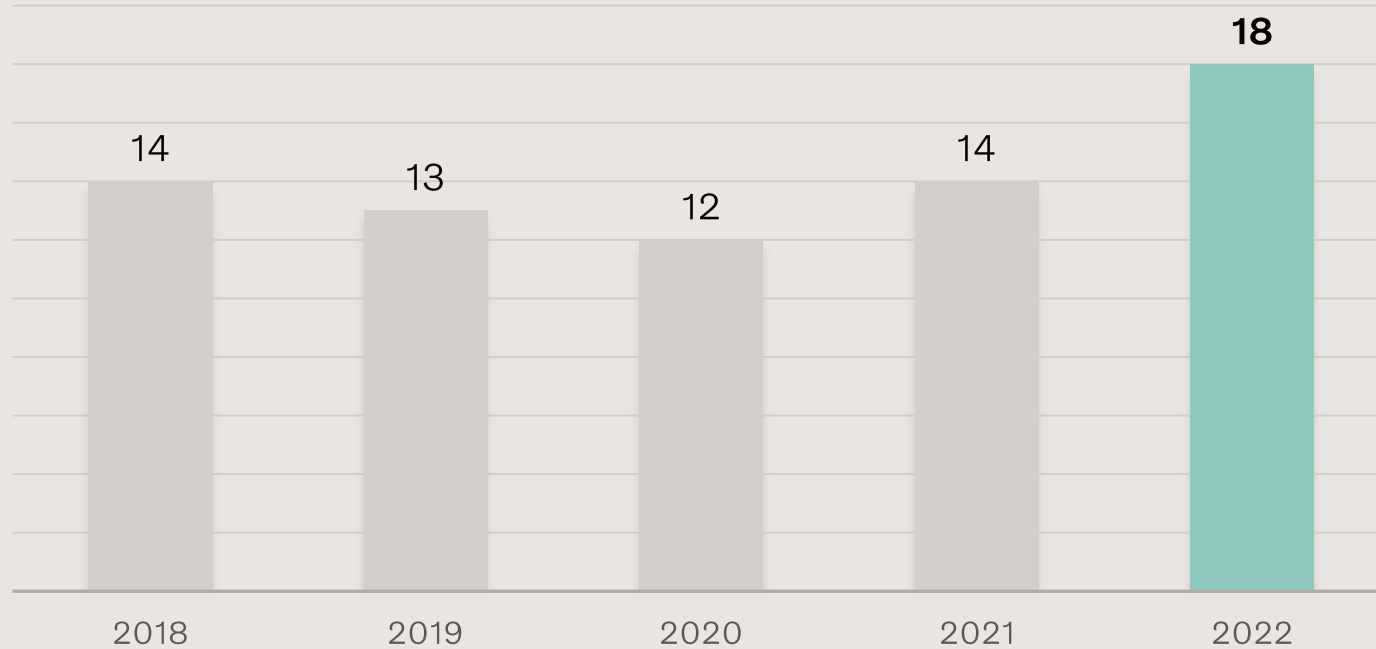
2018: 3.0%

\* As of October 1, 2021, the operations of Nova Bus have been reclassified from the Group Segment into Group Functions and Other. To facilitate comparability, financial numbers for 2020, 2021 and 2022 have been restated.

# Volvo Penta

Volvo Penta's financial performance 2018–2022.

## Net sales (BSEK)



## Adjusted operating margin:

**2022: 14.0%**

**2021: 14.5%**

**2020: 12.2%**

**2019: 14.1%**

**2018: 17.0%**

# Volvo Group

102,000 employees | 190 markets

10 business areas | 13 brands

Sharing resources

Safer | Cleaner | More efficient





V O L V O

Together

**WE SHAPE THE WORLD**

we want to live in

**V O L V O**