

VOLVO

VOLVO GROUP BUSINESS UPDATE FY2024



Driving prosperity through transport
and infrastructure solutions

Gearing up for growth

- by delivering continuous solid performance
- by accelerating growth through transformation
- by evolving our performance culture

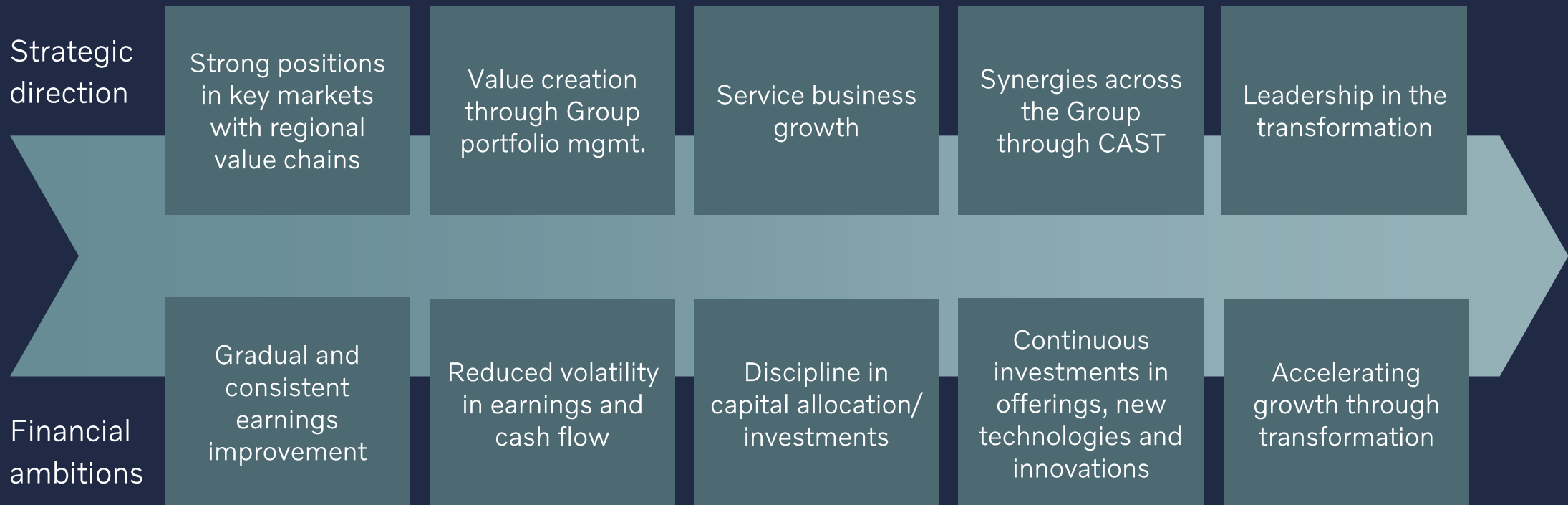


LONG TERM AMBITION

100%

Safe
Fossil free
More productive

Our strategic direction is in sync with our financial ambitions



Our strategy is clear

**We will continue to win
in ICE, BEV and FCEV –
regardless of the pace
of transformation ...**

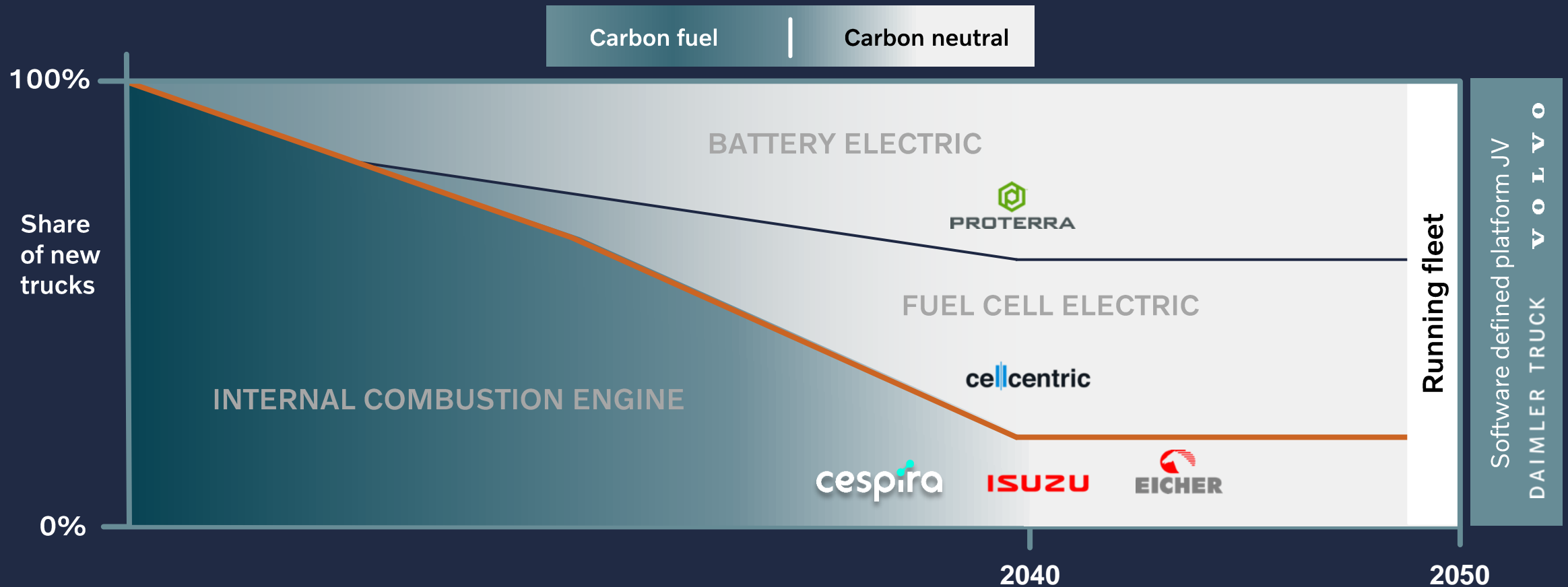
... with the strongest product and
solution lineup ever



Common Architecture and Shared Technology (CAST)



Strong partnerships to accelerate the transition



Driving global platforms supported by CAST



**VOLVO
TRUCKS**



**RENAULT
TRUCKS**



**MACK
TRUCKS**



**VOLVO
PENTA**



**VOLVO
BUSES**



**VOLVO
CE**



**EICHER
TRUCKS**



**FINANCIAL
SERVICES**

MANUFACTURING OF CABS & TRUCKS

REMANUFACTURING OF COMPONENTS

PRODUCTION LOGISTICS

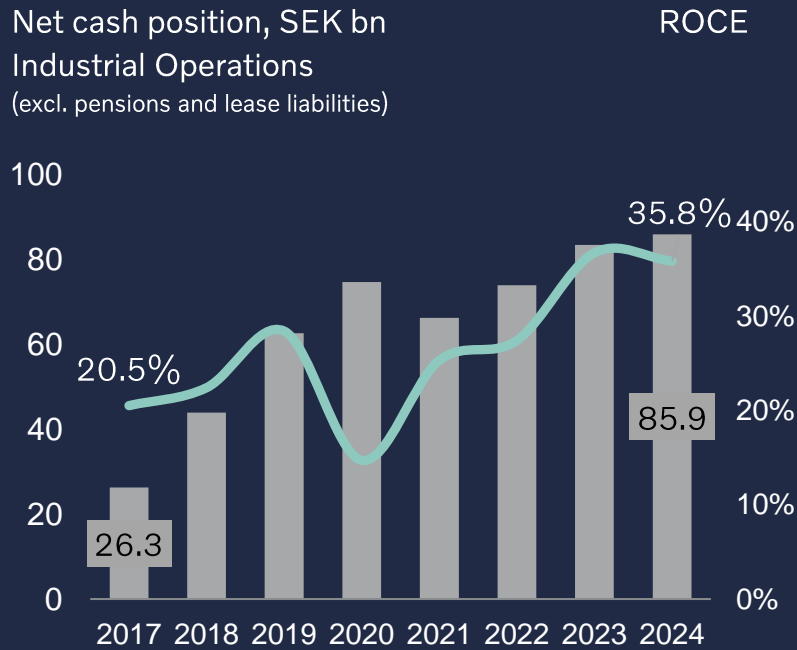
MANUFACTURING OF COMPONENTS (ENGINES, TRANSMISSIONS, BATTERIES)

SERVICE MARKET LOGISTICS

VOLVO PERFORMANCE SYSTEM

Disciplined capital allocation balancing shareholder return while future proofing the Group

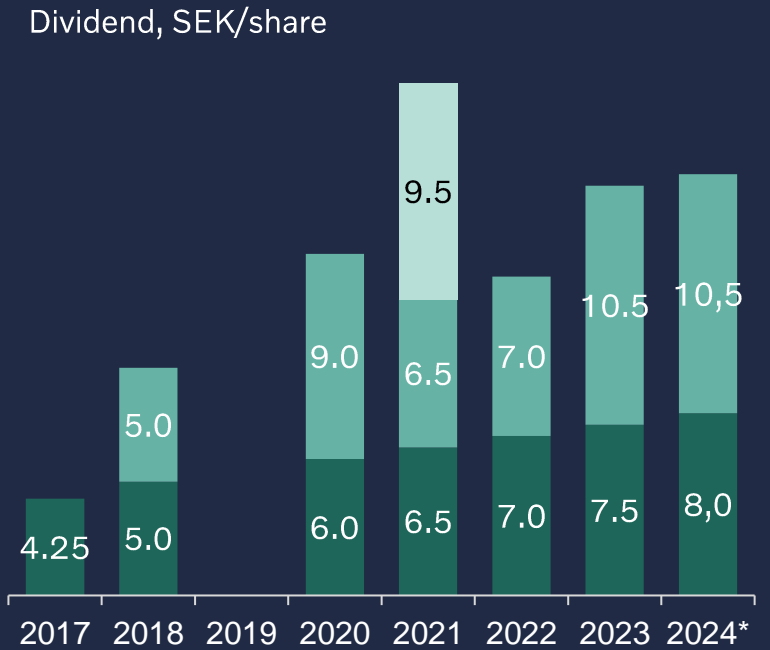
STRONG FINANCIAL POSITION AND RETURN ON CAPITAL EMPLOYED



FORWARD-LEANING INVESTMENTS INTO TECHNOLOGY AND INNOVATION

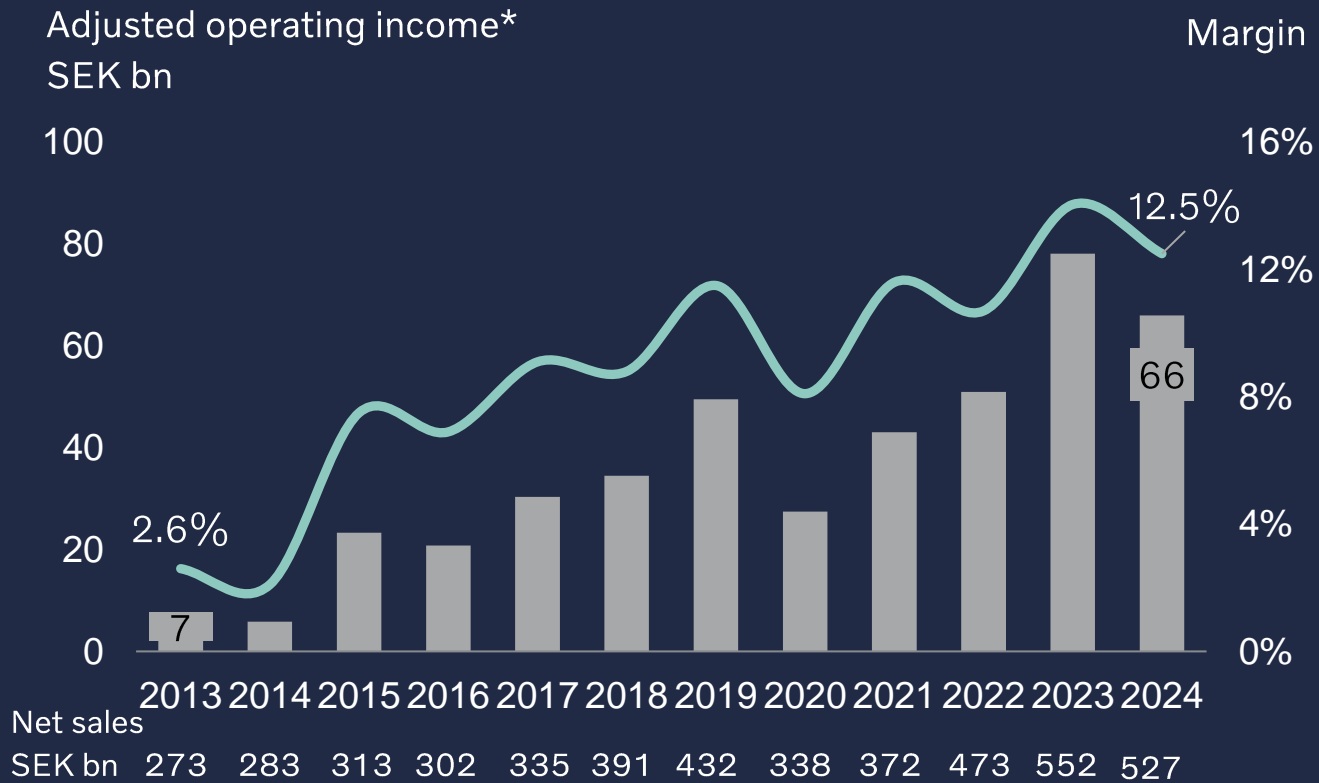


ATTRACTIVE SHAREHOLDER RETURN

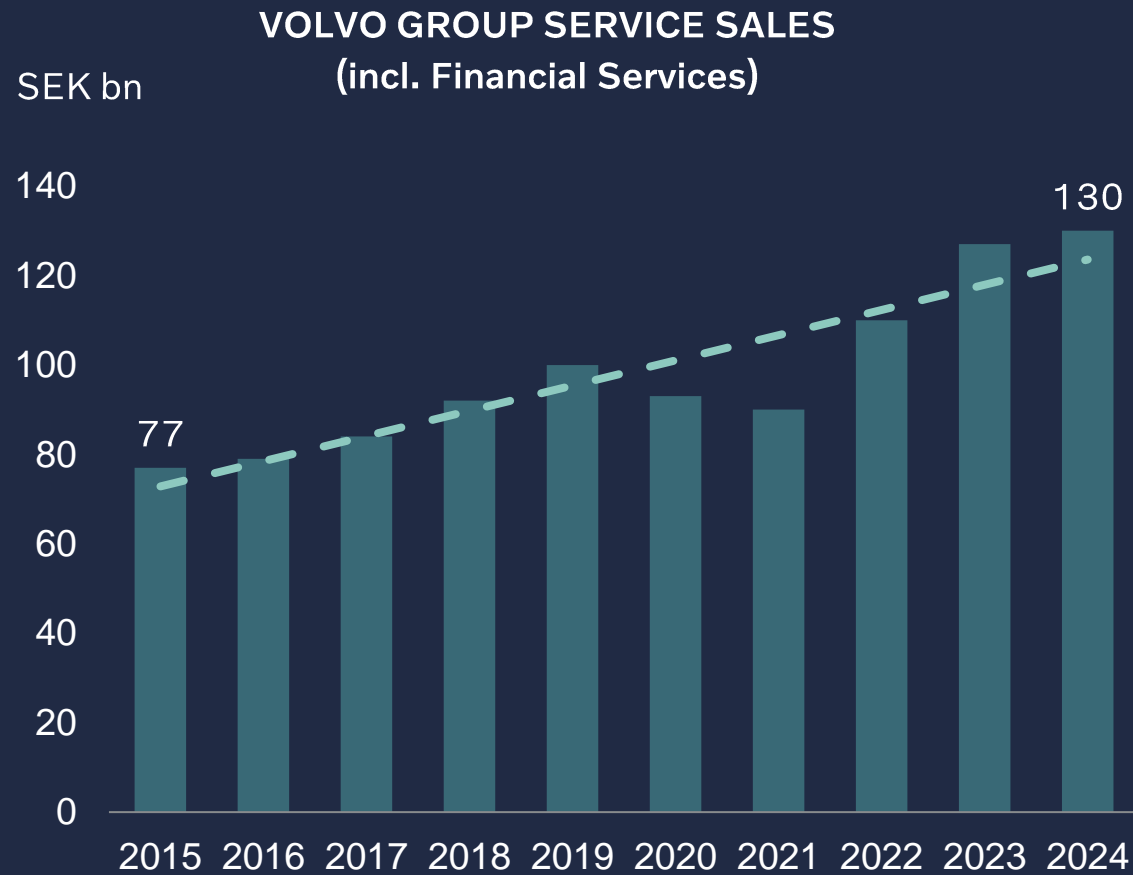


■ Ordinary ■ Extra ■ Proceeds from UD divestment

Consistent earnings improvement while investing in new technologies



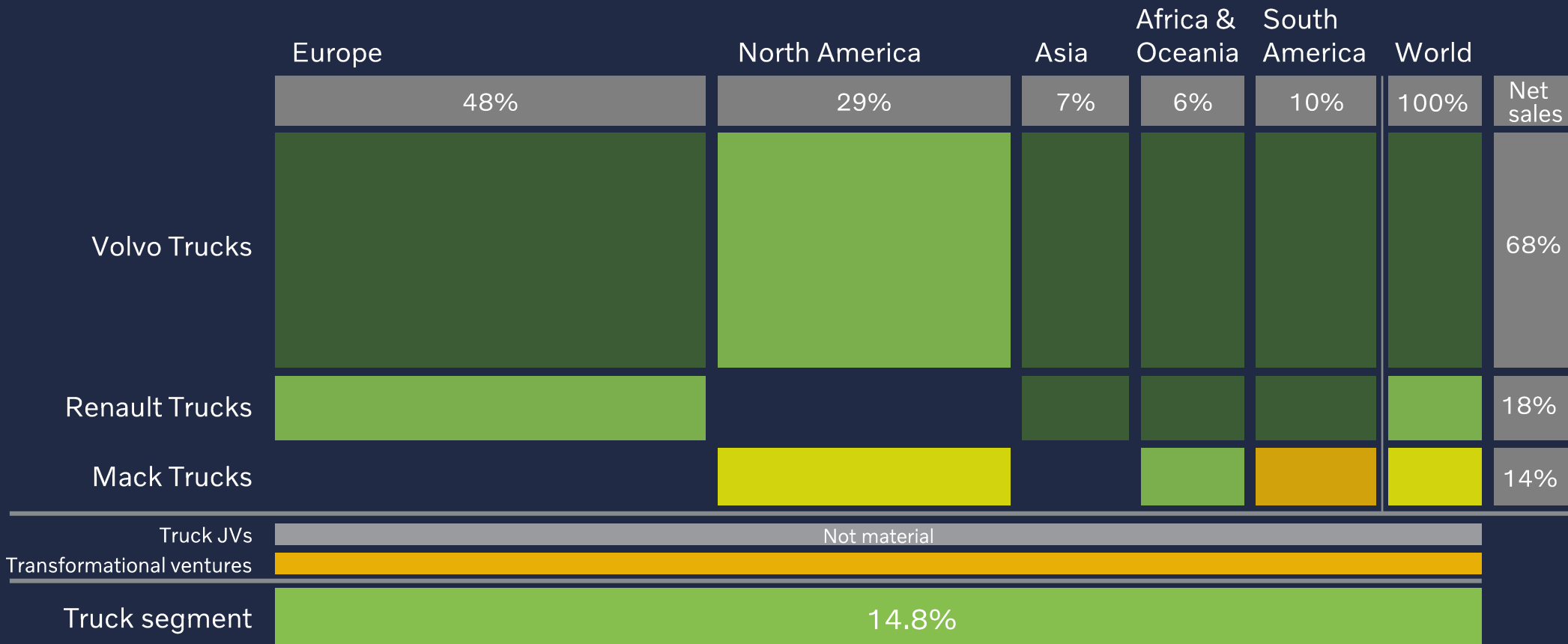
Services strengthening both customer retention, profitability and resilience



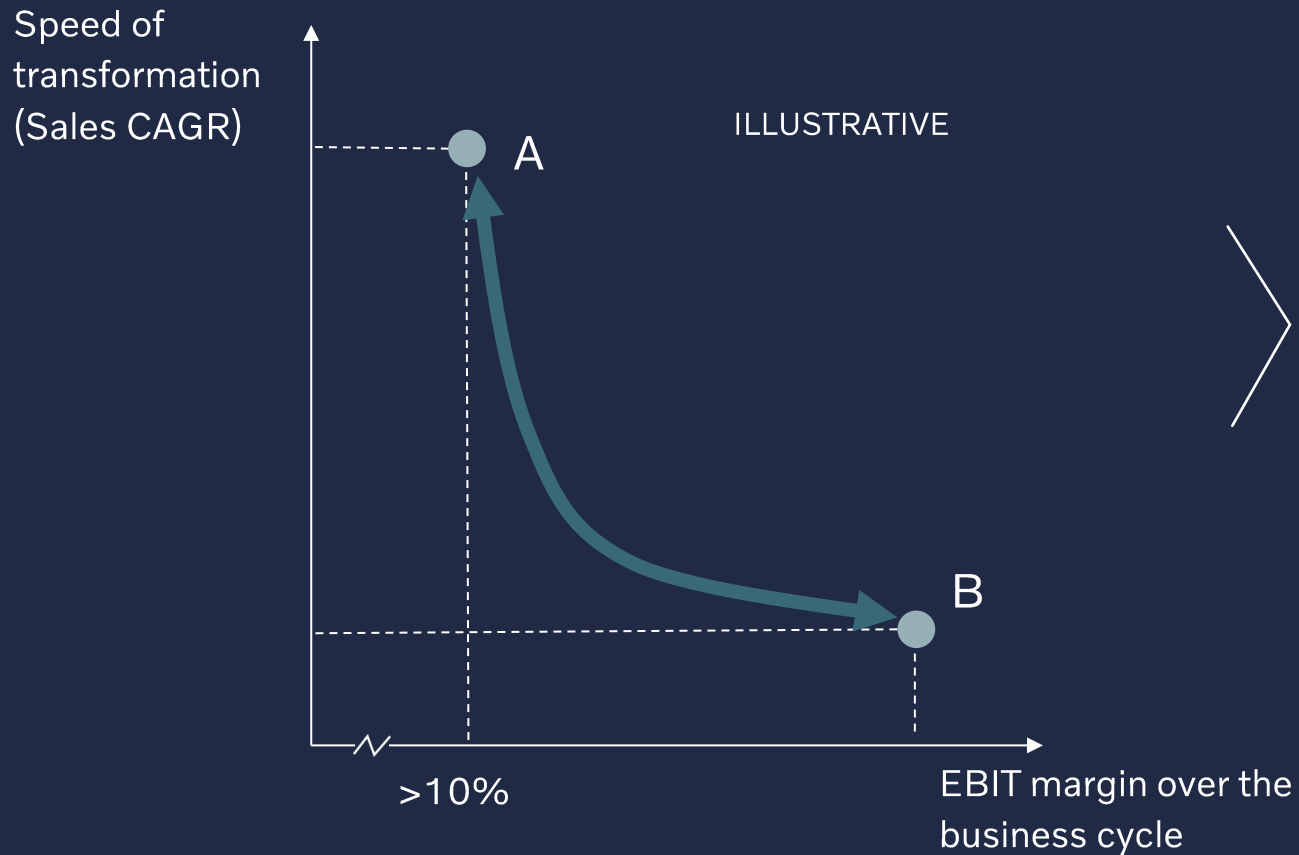
Continuously reviewing the Group's business portfolio



Driving performance improvements across truck brands and JV's while investing into tomorrow's value chain and technologies



We will generate strong shareholder returns regardless of the speed of transformation



- The Group is geared to operate effectively anywhere between point A and B on the curve
- In both scenarios, the Group will generate strong shareholder returns
- Unprecedented value generation upside from an accelerated transformation

VOLVO

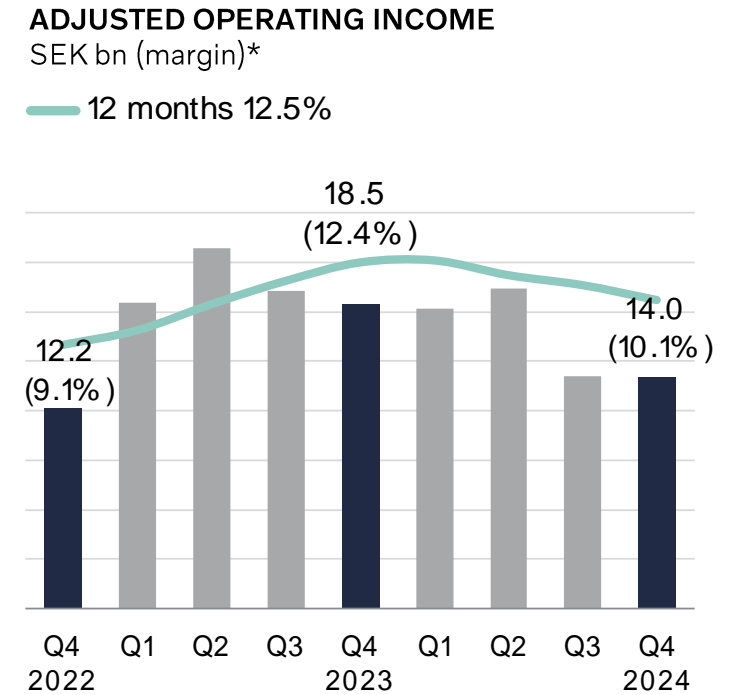
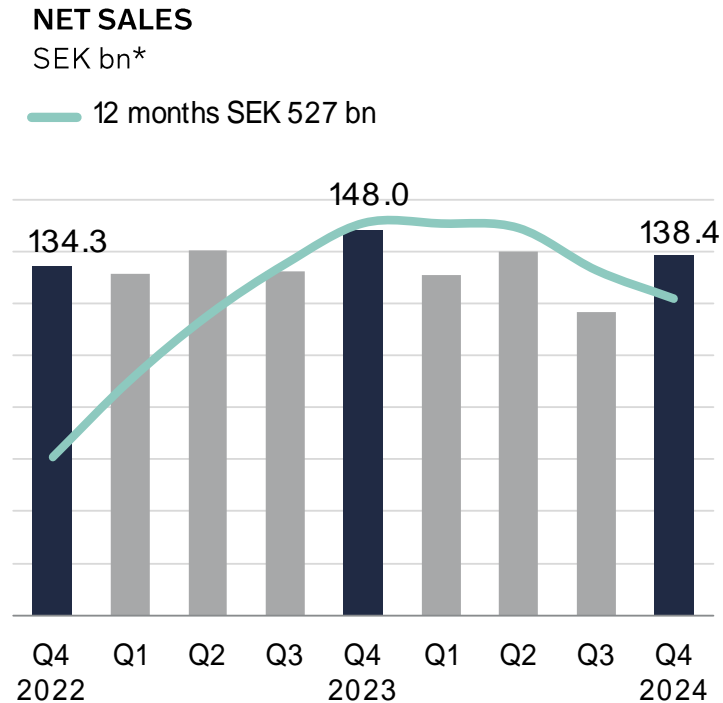
QUESTIONS AND ANSWERS

Deep dive slides

VOLVO GROUP

Fourth quarter highlights

- Net sales amounted to SEK 138.4 bn (148.0) with SEK -1.1 bn impact from FX
- Adjusted operating income reached SEK 14.0 bn (18.5), corresponding to a margin of 10.1% (12.4)
- Operating cash flow in Industrial Operations amounted to SEK 24.3 bn (22.7)
- Net cash position in Industrial Operations amounted to SEK 85.9 bn (83.4)
- ROCE 35.8% (36.7) in Industrial Operations
- EPS SEK 5.28 (5.93)

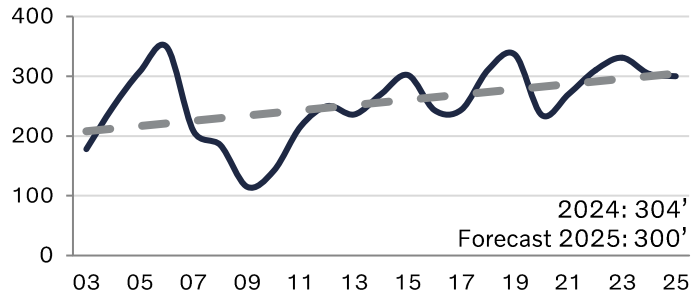


*For information on adjustments, see note 6 in the quarterly report

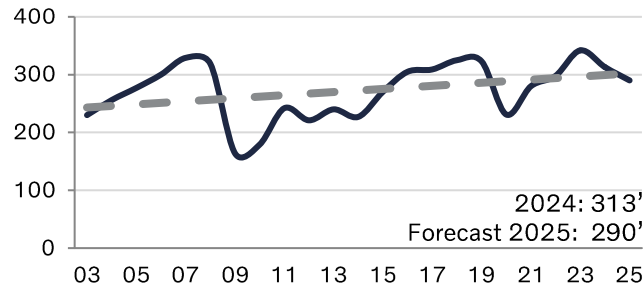
TRUCKS

Market environment – guidance as per 24Q4

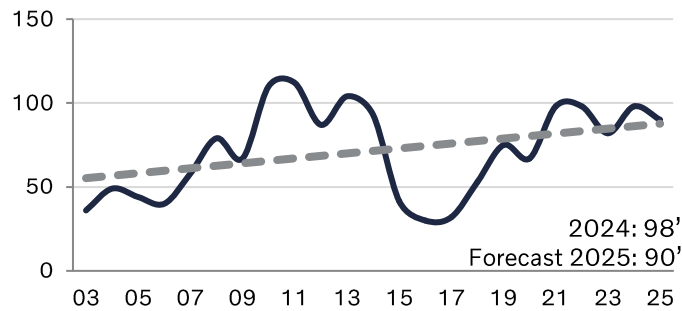
NORTH AMERICA HD



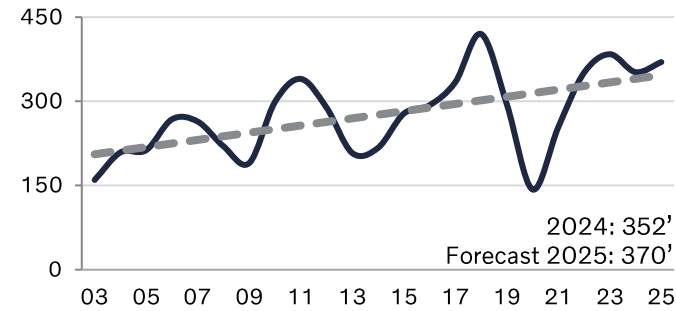
EUROPE HD



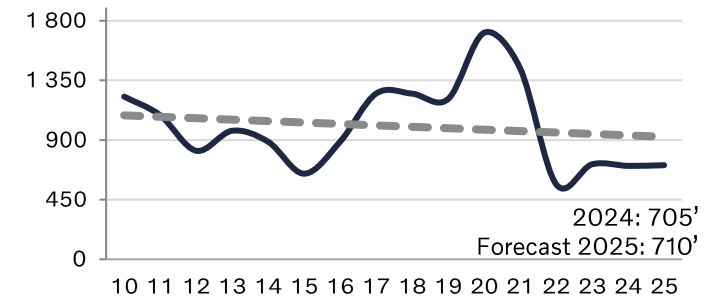
BRAZIL HD



INDIA HD+MD

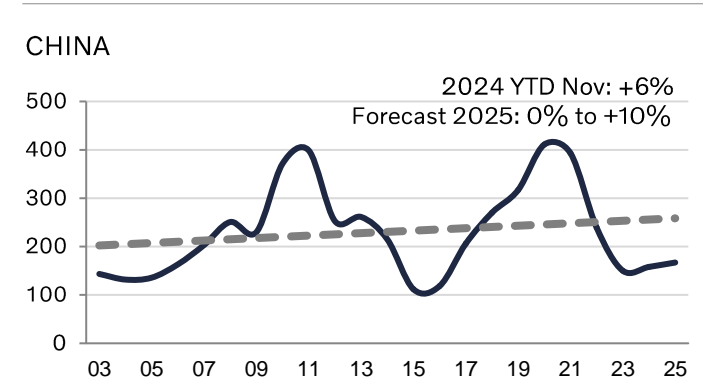
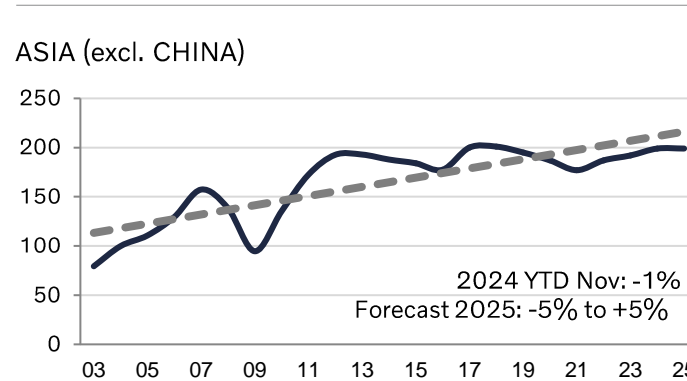
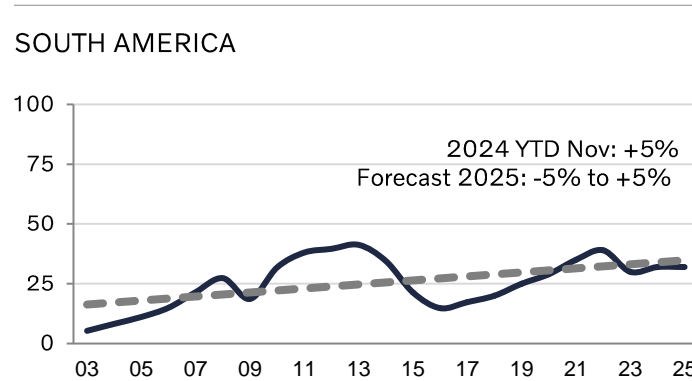
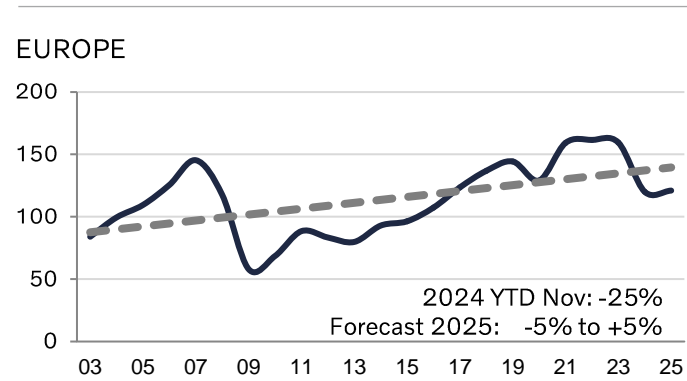
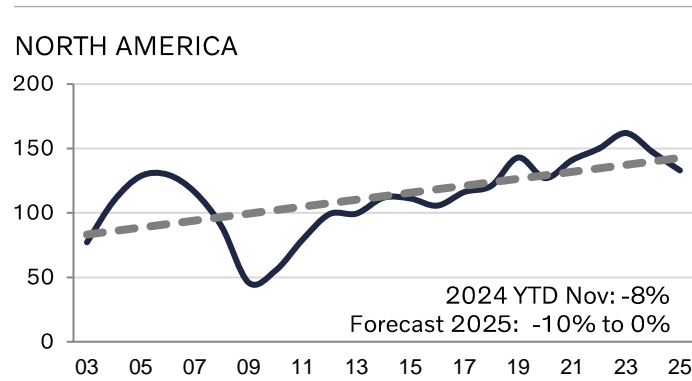


CHINA HD+MD



CONSTRUCTION EQUIPMENT

Market environment – guidance as per 24Q4



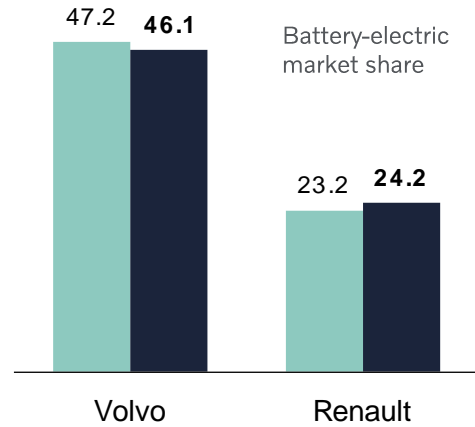
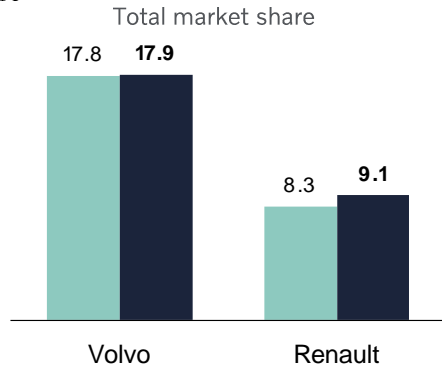


TRUCKS

Heavy-duty truck market shares

EUROPE (EU29)

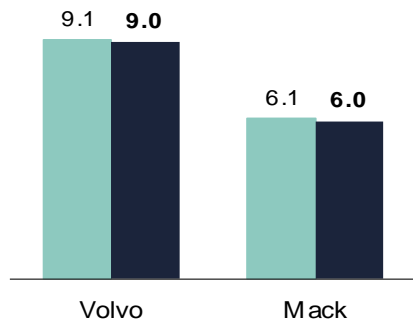
YTD Dec



2023
2024

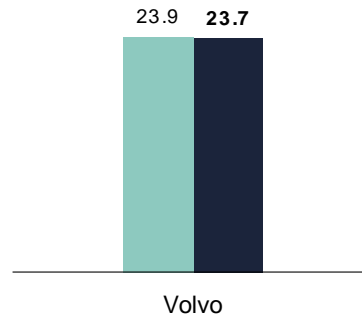
NORTH AMERICA

YTD Dec



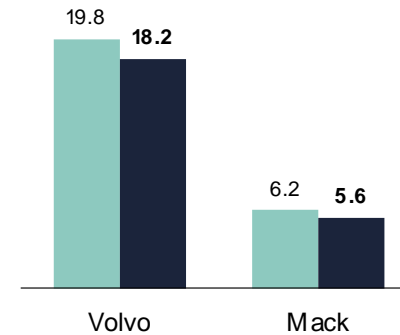
BRAZIL

YTD Dec

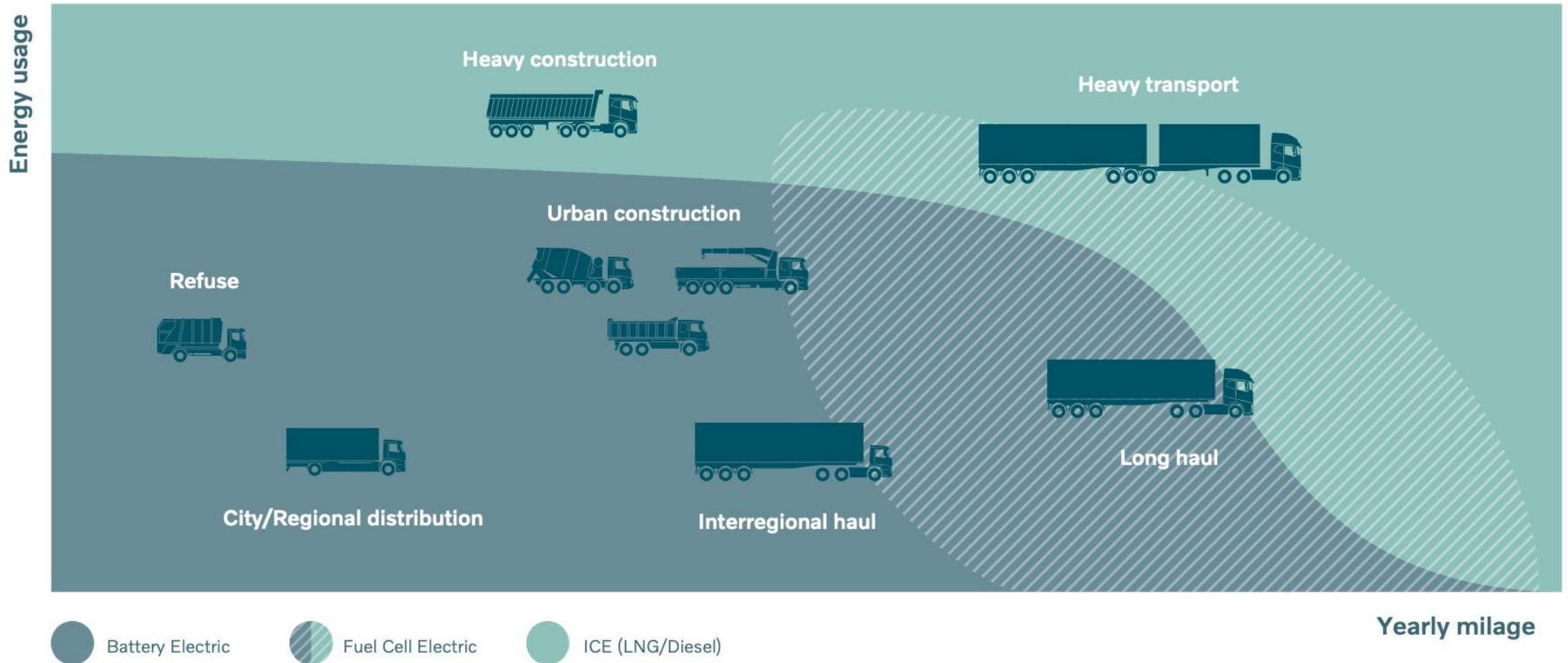


AUSTRALIA

YTD Dec

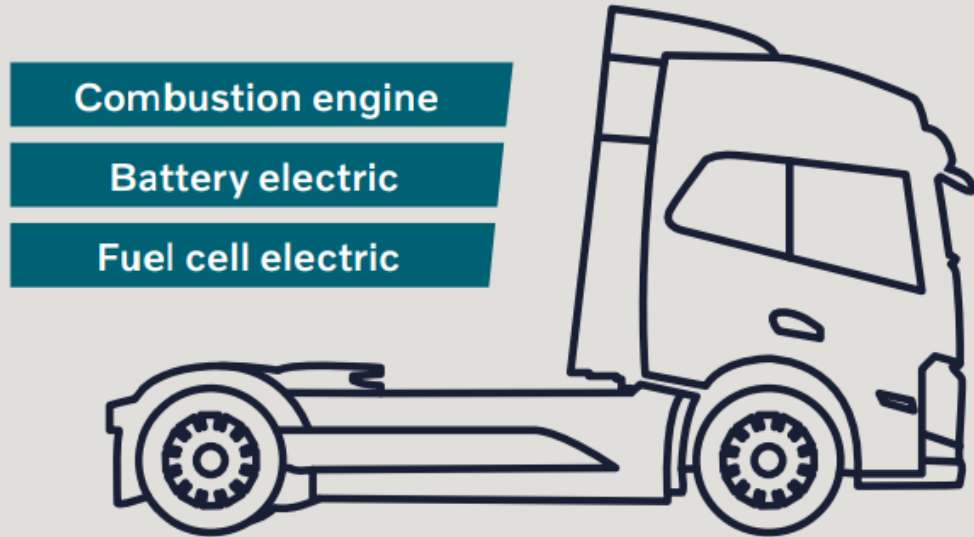


A mix of products required to support CO2 reductions towards 2030

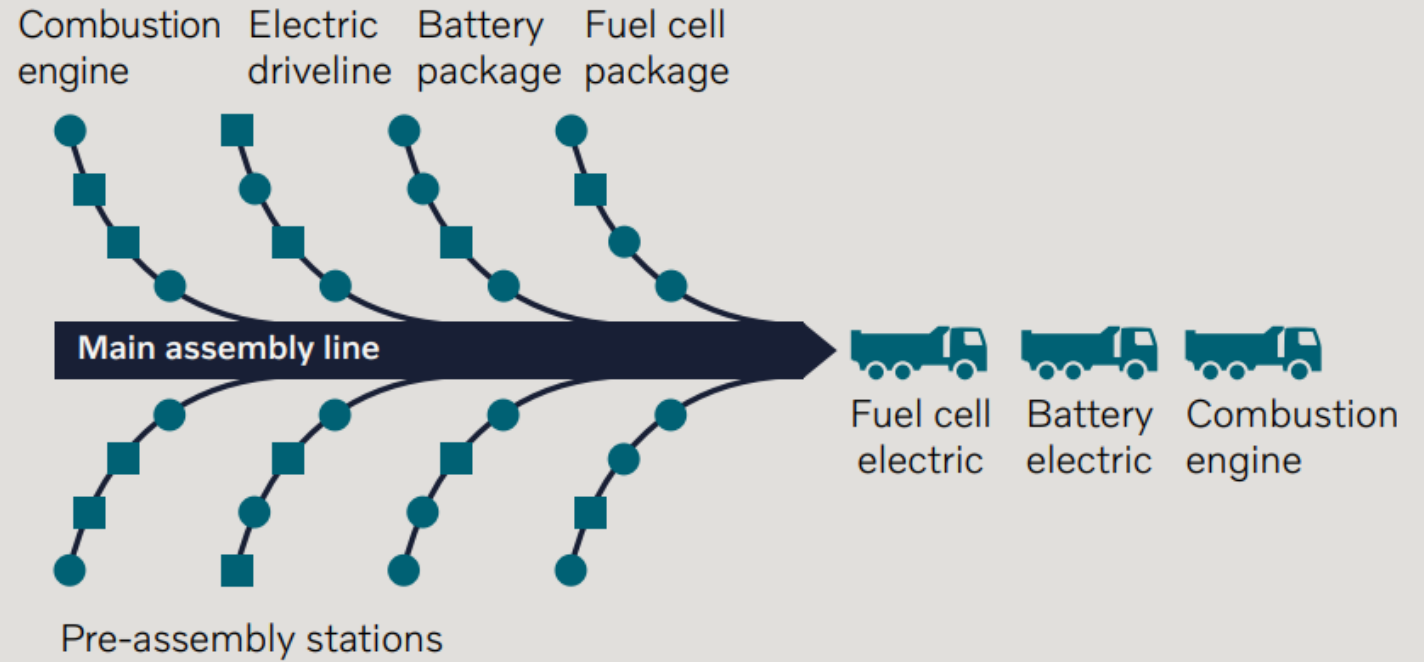


Value creation through modular architecture

SAME VEHICLE PLATFORM



SAME PLANT



AGRICULTURE



Modular architecture enables large number of applications



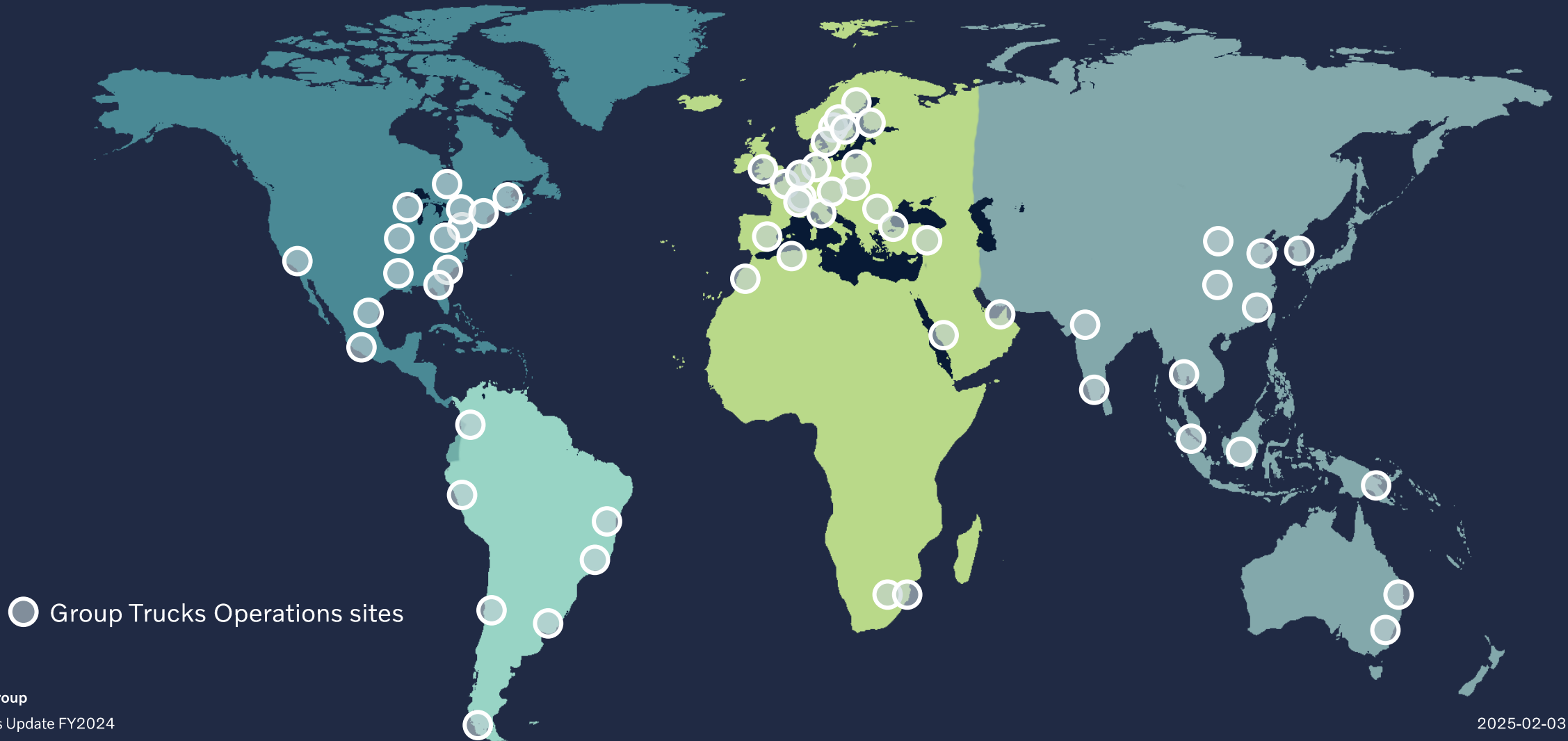
WASTE & RECYCLING



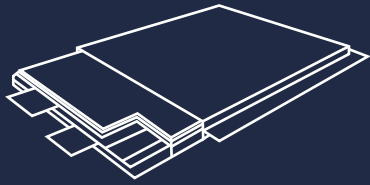
CONSTRUCTION & MINING



Geoflex and continued regionalization of value chains



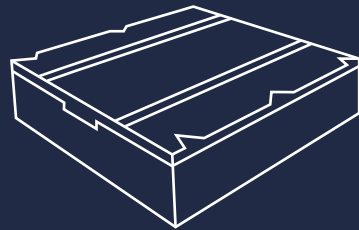
CELL



V O L V O
+ partner



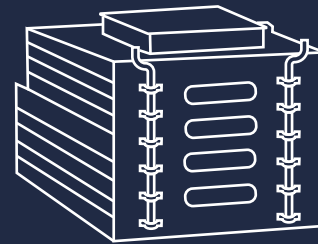
MODULE



V O L V O



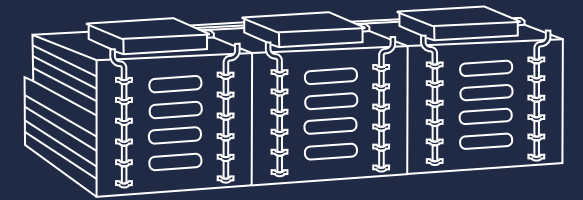
PACK



V O L V O



ENERGY STORAGE SYSTEM



V O L V O

GRADUAL BACKWARD INTEGRATION

LARGE
>300KW



MEDIUM



MIDI



MINI
< 30KW



Volvo CE moving up the ladder on sustainably powered machines

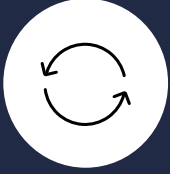
With additional electric machines Volvo CE continue to move up the ladder on sustainably powered machines with more products, in more segments, to new and existing customers. Leveraging Group technologies through CAST.



BATTERY
ELECTRIC



CABLE
ELECTRIC



MOTION
RECUPERATION



FUEL CELL
ELECTRIC



H2ICE

Volvo CE continues to invest with its biggest launch ever!



- Launch of 80 new and updated machines, along with new services in 2024–2025
- A new range of excavators, articulated haulers, rigid haulers for regulated markets and several electric solutions
- Both conventional and electric vehicles
- With the new range of articulated haulers Volvo CE will continue its #1 market share position

V O L V O

A RANGE MADE FOR GROWTH



Holistic program in place to drive growth in North America

PRODUCT PORTFOLIO



- New product range
- Leading fuel efficiency and feature positions

SUPPLY CHAIN & MANUFACTURING



- New factory in Mexico
- Start of production 2026
 - Stabilized supply chain

COMMERCIAL AND DISTRIBUTION NETWORK



- Strengthening and expansion of dealer network

SERVICE GROWTH



- Driving service sales with end-to-end growth plan and service contracts

A regional value chain with a strong culture and leading customer satisfaction

The formula for electromobility adoption



Electromobility adoption rate

Product and services offering

Total cost of ownership incl. incentives, regulation and carbon targets and pricing

Infrastructure

Fossil-free energy

Supply network

Customer competitiveness and peace of mind



The industry is on a journey to learn the new economics in ZEV

Today's economics are well known and stable

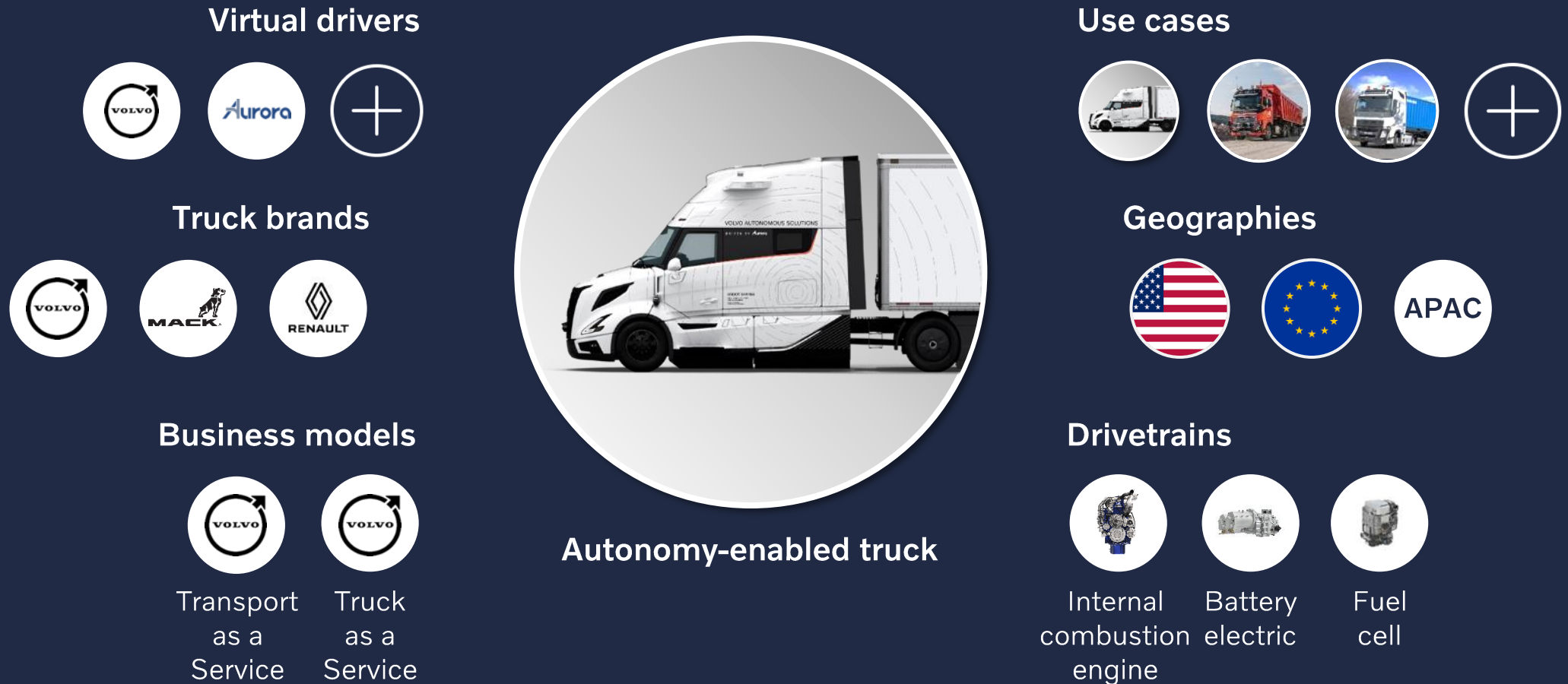
Tomorrow's economics will be different



Over time, a balance between P&Ls of OEM's, customers and other players in the value chain is reached

Volvo's standard vehicle for autonomous transportation

Platform to maximize value creation for Volvo Group



Volvo Autonomous Solutions has achieved critical milestones



Unveiling of the Volvo VNL Autonomous



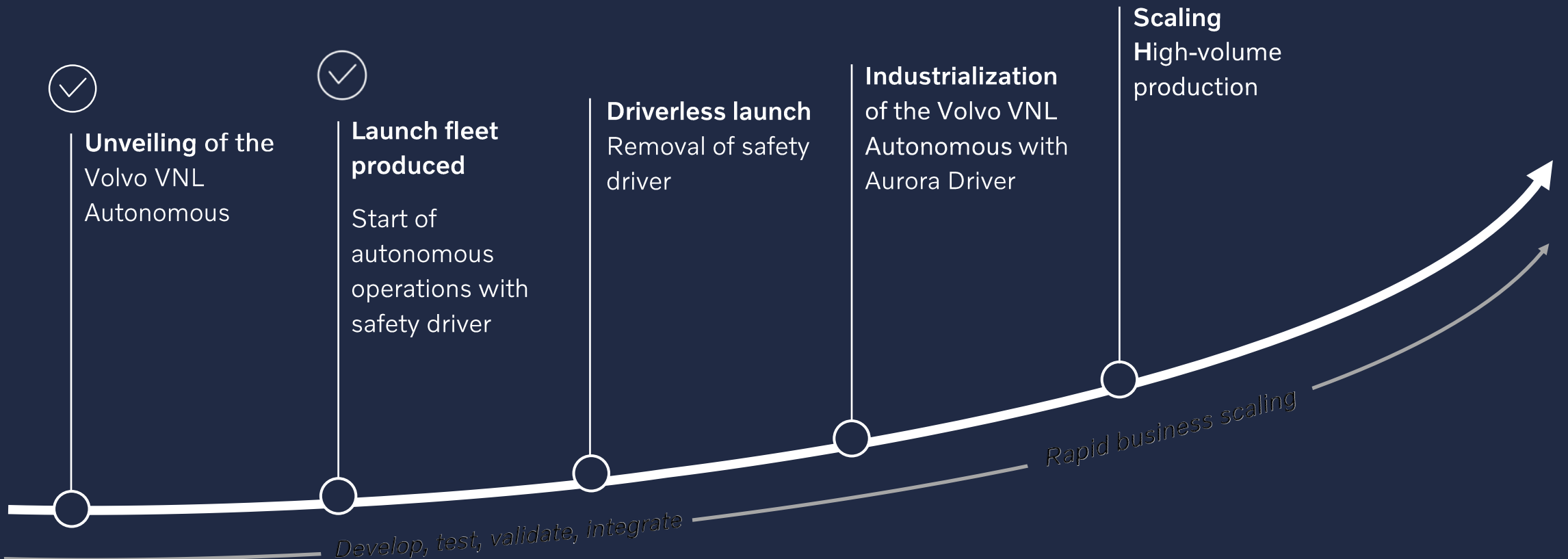
Launch fleet produced

Start of autonomous operations with safety driver



Develop, test, validate, integrate

Volvo Autonomous Solutions has a clear path towards driverless launch

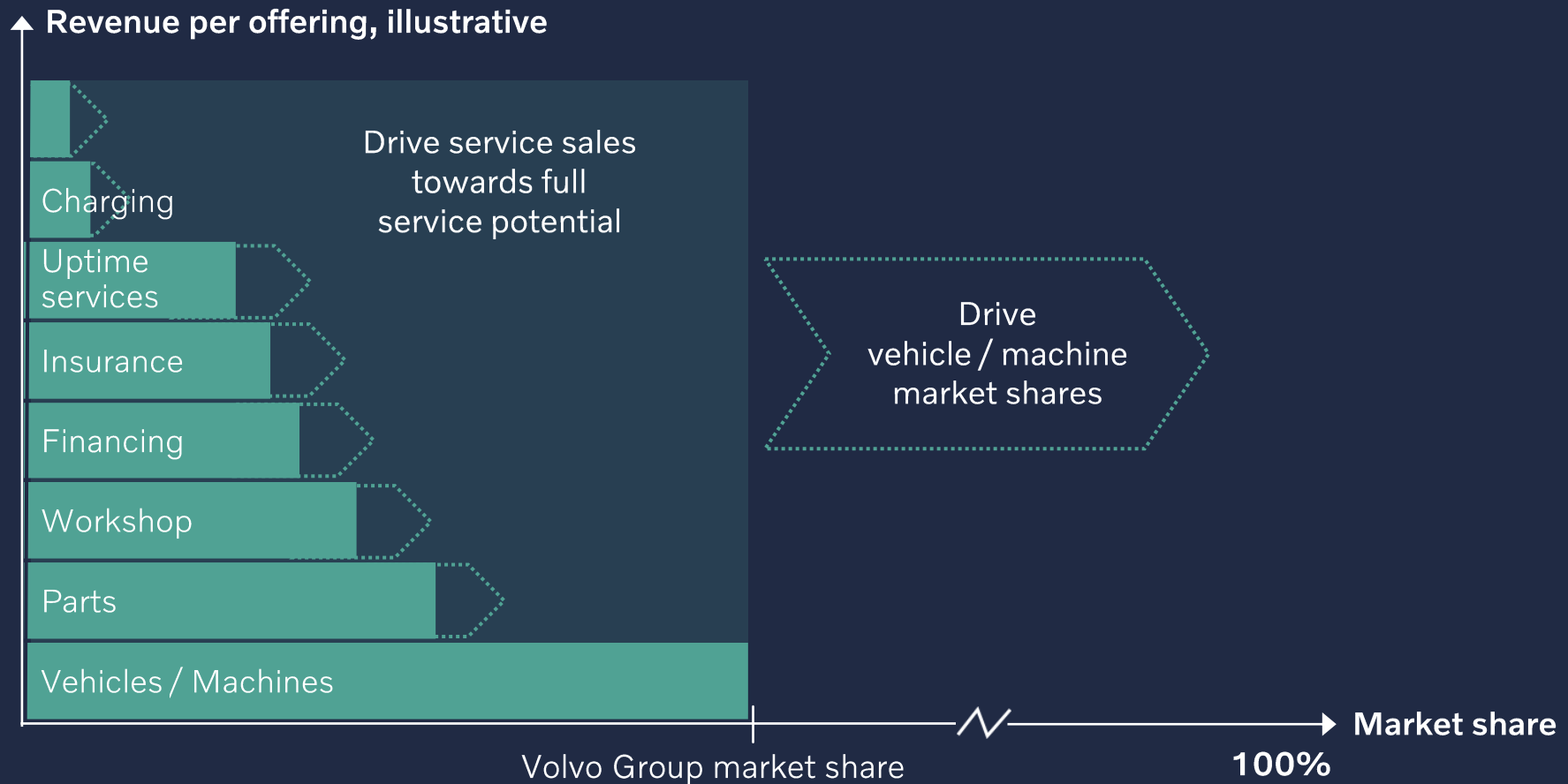


The job to be done – maximize customer value

Volvo Group's services are a key component to provide a total solution



Services strengthening both customer retention, profitability and resilience



The energy transition is a great opportunity for the Group

Charging services



Battery Energy Storage System (BESS)

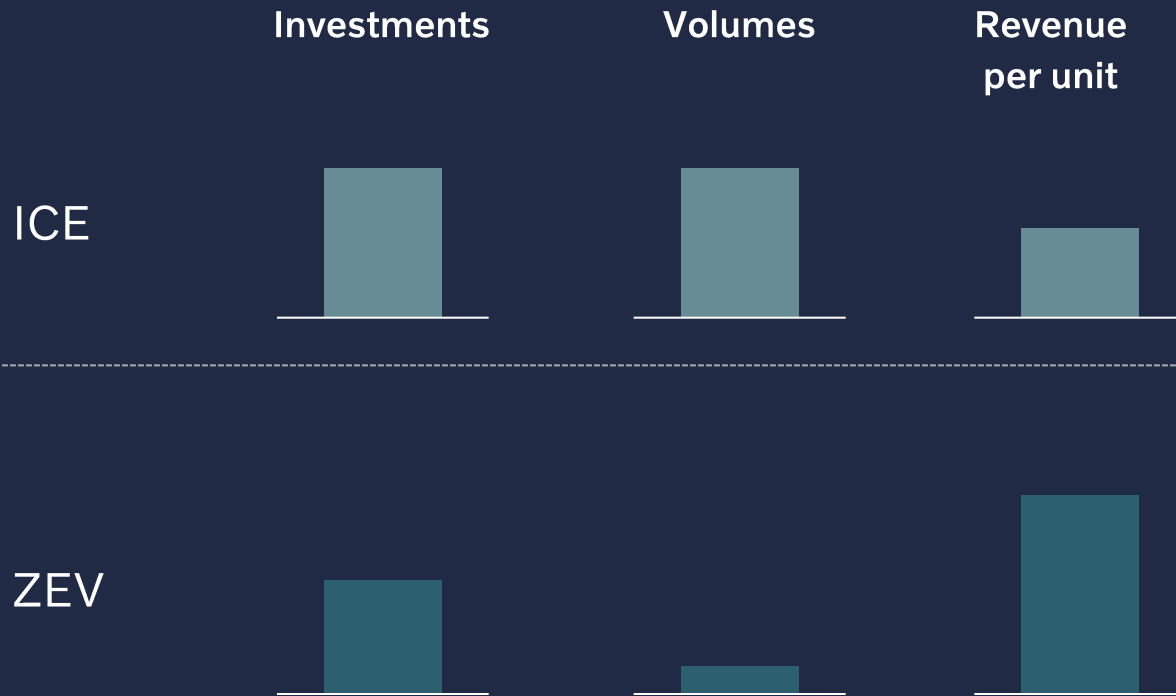


e-Mobility Service Provider (eMSP)



There is no way to leapfrog the investment phase into ZEV and we ha

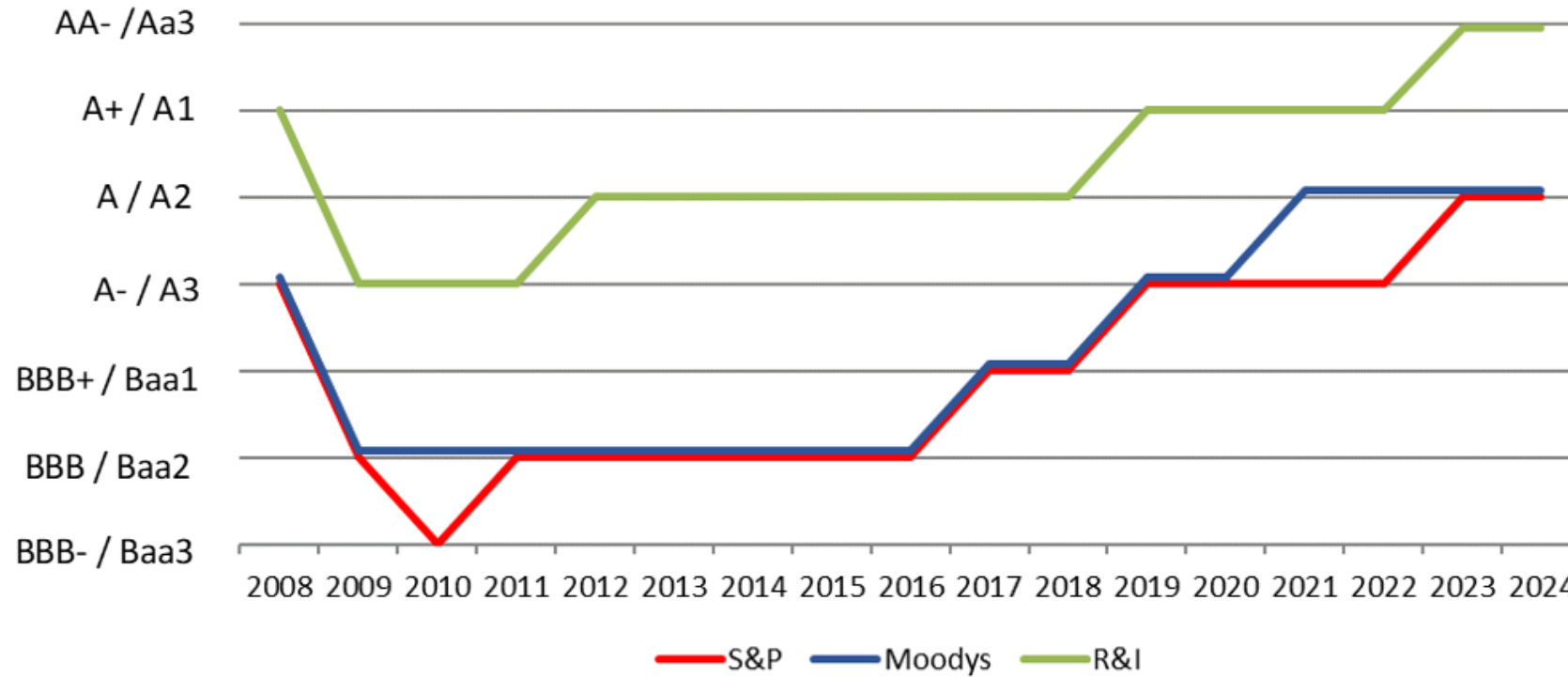
Current view,
illustrative



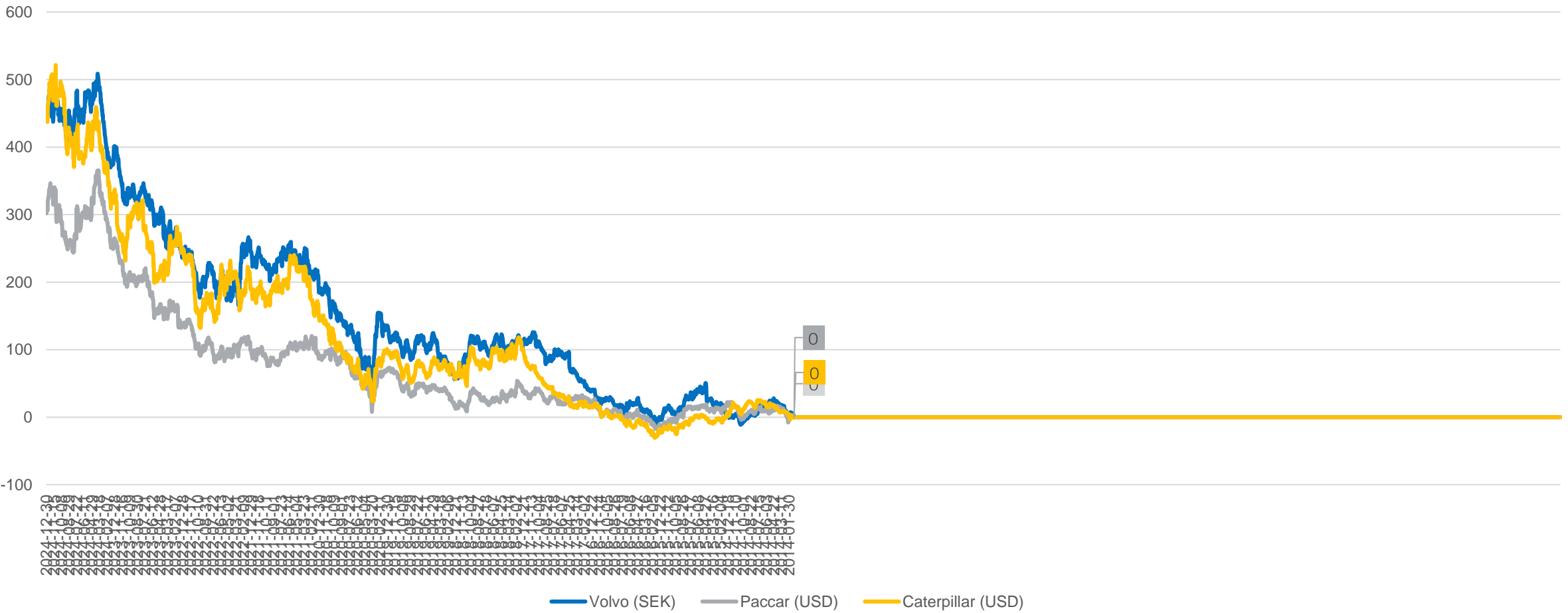
- Continued large investments in ICE to have the best offer on the market
- Flexible industrial system to manage the transformation
- ICE business funding ZEV transition

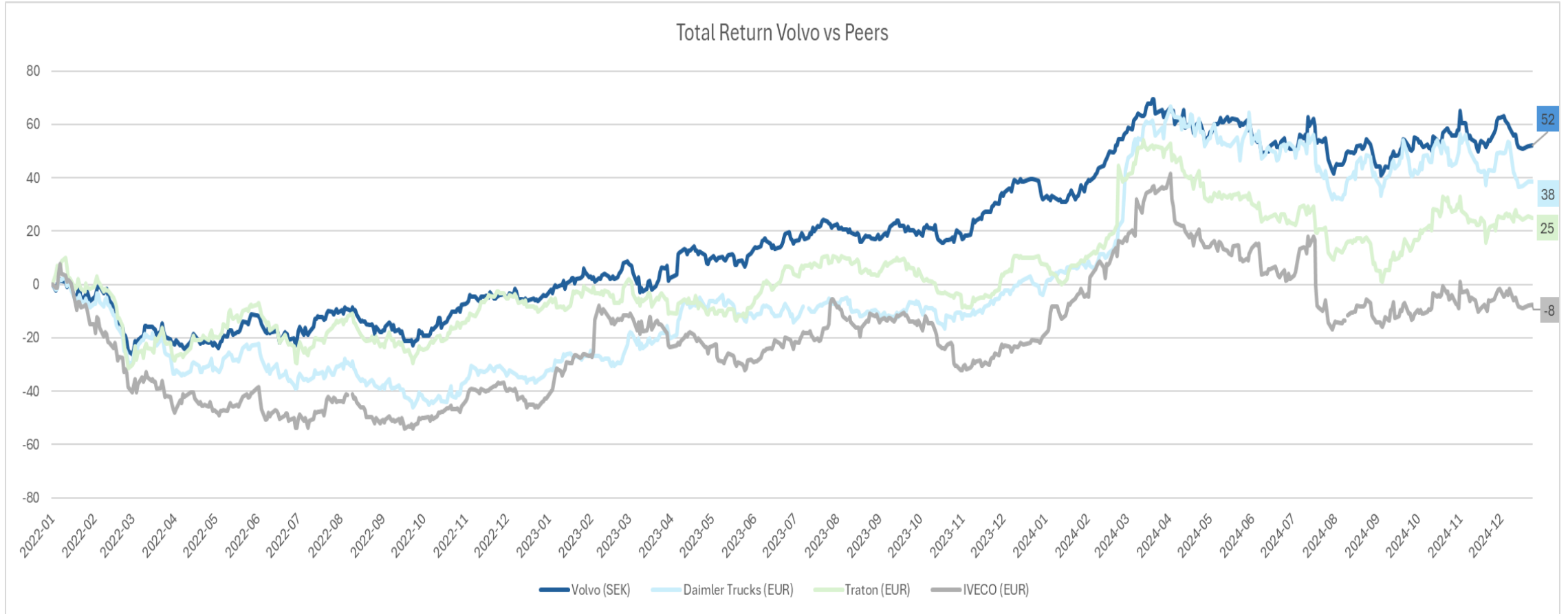
- Investing in ZEV to future proof our business
- Volume growth and value chain maturity are prerequisites for increased ZEV profitability

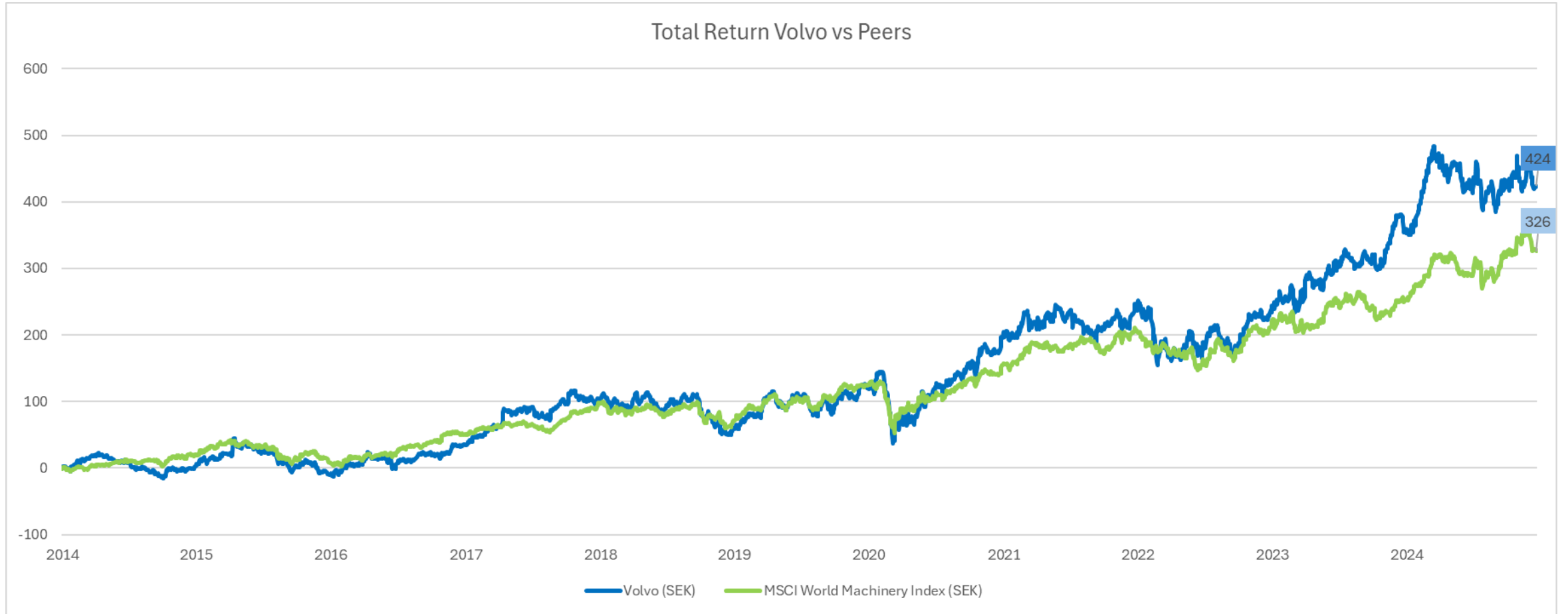
Strong credit ratings



Total Return Volvo vs Peers







V O L V O

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