

V O L V O

VOLVO GROUP  
REPORT ON THE SECOND QUARTER  
2024



**Net sales amounted to  
SEK 140.2 billion (140.7)**

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**Adjusted operating  
income amounted to  
SEK 19.4 billion (21.9)**

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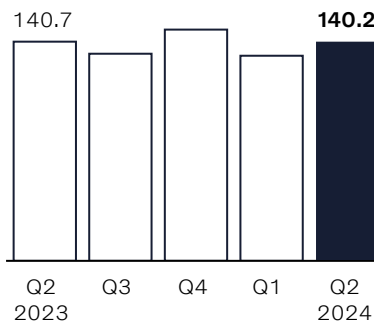
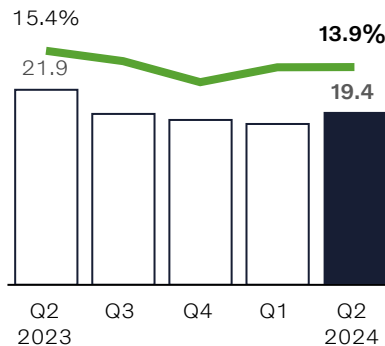
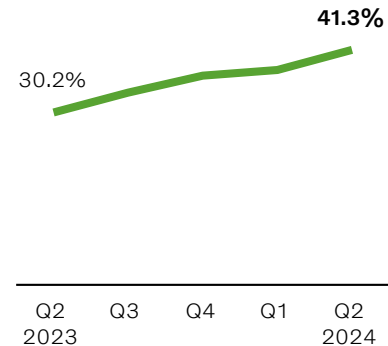


## 2 IN BRIEF



- In Q2 2024, net sales were on the same level as in the previous year and amounted to SEK 140.2 billion (140.7). Also when adjusted for currency movements, net sales were flat.
- Adjusted operating income<sup>1</sup> amounted to SEK 19,446 M (21,859), corresponding to an adjusted operating margin of 13.9% (15.4). In Q2 2024, adjusted operating income excludes positive effects of SEK 893 M in total. In Q2 2023, negative effects of SEK 7,270 M were excluded from adjusted operating income.
- Reported operating income amounted to SEK 20,339 M (14,589), corresponding to an operating margin of 14.5% (10.3).
- Currency movements had a positive impact on operating income amounting to SEK 187 M (817).
- Earnings per share amounted to SEK 7.65 (5.30).
- Operating cash flow in the Industrial Operations amounted to SEK 9,060 M (12,553).
- Return on capital employed in the Industrial Operations amounted to 41.3% (30.2).

Net sales, SEK bn

Adjusted operating income, SEK bn<sup>1</sup>  
Adjusted operating margin, %Return on capital employed  
Industrial Operations, %<sup>4</sup>

SEK M unless otherwise stated	Second quarter		First six months	
	2024	2023	2024	2023
Net sales	140,249	140,685	271,426	271,988
Adjusted operating income <sup>1</sup>	19,446	21,859	37,605	40,426
Adjusted operating margin, %	13.9	15.4	13.9	14.7
Operating income <sup>2</sup>	20,339	14,589	38,498	31,856
Operating margin, %	14.5	10.3	14.2	11.6
Income after financial items	20,534	14,409	38,977	31,206
Income for the period	15,583	10,819	29,686	23,753
Earnings per share, SEK	7.65	5.30	14.57	11.65
Operating cash flow in Industrial Operations	9,060	12,553	17,956	17,556
Net financial position in Industrial Operations <sup>3</sup> , SEK bn			59.3	61.6
Return on capital employed in Industrial Operations <sup>4</sup> , %			41.3	30.2
Return on equity in Financial Services <sup>4</sup> , %			12.9	10.7
Net order intake, number of trucks	47,760	48,308	96,461	108,348
Deliveries, number of trucks	58,935	63,842	114,405	125,373
Net order intake, number of construction equipment	13,522	12,421	27,373	25,763
Deliveries, number of construction equipment	15,255	16,940	29,711	31,408

<sup>1</sup> For information on adjusted operating income, please see note 6.

<sup>2</sup> As from 2024, elimination of internal interest income related to internal funding from Volvo Treasury AB to Financial Services is reclassified from finance net to gross income. The comparative figures in the financial statements for 2023 have been restated accordingly, impacting operating income positively with SEK 128 M in Q2 2023. The effect on key ratios is insignificant.

<sup>3</sup> Excluding post-employment benefits and lease liabilities.

<sup>4</sup> 12 months rolling.

### 3 CEO'S COMMENTS



## Strong performance on normalizing volumes

**“We continue to drive innovation and investments to remain at the forefront of the transformation of our industries to more sustainable solutions for the benefit of our customers, shareholders, and society at large.”**

During Q2 2024, the Volvo Group delivered good profitability as demand in many markets continued to normalize compared with the high levels of 2023.

Net sales amounted to SEK 140.2 billion, which adjusted for currency changes was on the same level as in the prior year. The adjusted operating income amounted to SEK 19.4 billion (21.9), with a margin of 13.9% (15.4). Lower volumes and our increased investments in R&D affected margins negatively, while carry-over from the price increases we implemented last year continued to have a positive effect. Our service business grew by 5% adjusted for currency. On a rolling 12 month basis the service business generated revenues of SEK 130.3 billion.

Return on capital employed was strong at 41.3% (30.2). Operating cash flow in our Industrial Operations amounted to SEK 9.1 billion (12.6). At the end of the quarter, we had a net financial position of SEK 59.3 billion in the Industrial Operations, excluding pension and lease liabilities.

In Q2, we delivered 58,935 trucks in total, which was 8% fewer than the year before, with deliveries of our heavy-duty trucks being on par with last year. Total net order intake was also on same level as last year, with orders increasing for heavy-duty trucks and decreasing for medium-duty and light-duty trucks. Our customers' utilization of their trucks remained on good levels. Total net sales in our truck business amounted to SEK 95.1 billion, on the same level as last year. The adjusted operating margin amounted to 13.9% (15.9).

During the quarter, Volvo Trucks began producing the new heavy-duty truck range for Europe, Australia and markets in Asia and Africa. Volvo Trucks also opened for orders of the all-new heavy-duty truck platform for the North American market with production starting this fall. The new ranges provide significant improvements in energy efficiency and support our customers' profitability.

We continued to take strides on our zero-emissions vehicle journey. Our line-up of biodiesel-powered trucks was expanded with a full range of new Volvo truck models that can run on 100% biodiesel. Furthermore, we announced that we are developing combustion engines running on green hydrogen. On-road tests will begin in 2026, and the commercial launch is planned towards the end of this decade. These trucks provide a significant step to decarbonize heavy transport. We also announced that we intend to form a joint venture together with Daimler Truck to become the leader of software-defined heavy-duty vehicle platforms.

In Q2, deliveries of construction machines declined by 10% in total, impacted by lower deliveries in both Europe and North America. Order intake increased by 9% driven by North America and China. Construction Equipment's net sales decreased by 16% to SEK 24.4 billion with an adjusted operating margin of 15.9% (18.5). During the quarter, Volvo CE unveiled an ambitious new product line-up, launching a modernized range of excavators and extending our wide range of electric machines, including the first electric wheeled excavator.

In Q2, deliveries of buses increased by 29% with a particularly good development for coaches in North and South America. The increased volumes, a good development in the service business and the restructured business model in Europe supported earnings. Net sales in Buses rose by 21% to SEK 6.6 billion and the adjusted operating margin improved significantly to 8.5% (4.0).

For Volvo Penta, end-customer demand has continued to weaken in the marine segment while the industrial segment has been slightly better. With deliveries decreasing by 21%, net sales of SEK 5.2 billion were slightly lower than last year while the adjusted operating margin improved to 19.5% (14.8).

For Volvo Financial Services, the credit portfolio continued to perform well with overdues and credit losses on normal levels for this part of the business cycle. The adjusted operating income amounted to SEK 1,028 M (916).

We will maintain our strong focus on our service business, volume flexibility in the industrial system and tight cost control across the organization. Meanwhile, we continue to drive innovation and investments to remain at the forefront of the transformation of our industries to more sustainable solutions for the benefit of our customers, shareholders, and society at large.

Martin Lundstedt  
President and CEO



## 4 IMPORTANT EVENTS

### **Volvo Group and Daimler Truck intend to form a joint venture for a software-defined vehicle platform**

On May 17, it was announced that Volvo Group and Daimler Truck intend to create a joint venture to develop a common software-defined vehicle platform and dedicated truck operating system, providing the basis for future software-defined commercial vehicles. The intention is to make the new joint venture a leading developer of standardized hardware and software. This technical base will then enable Volvo Group and Daimler Truck and potentially other partners to provide differentiating digital vehicle features for its products ultimately enhancing customer efficiency and experience. The new company is intended to be a 50/50 joint venture to be headquartered in Gothenburg, Sweden. The preliminary agreement is non-binding. A final agreement is expected within 2024, with the goal to close the final transaction in Q1 2025, subject to necessary examination and approvals by the respective authorities.

### **Divestment of Arquus completed**

On July 2, it was announced that Volvo Group had completed the divestment of Arquus to John Cockerill Defense according to the previously announced option agreement. Arquus manufactures and sells specially designed vehicles to defense forces and employs about 1,200 employees in France. In 2023, Arquus represented approximately 1% of Group revenues. The transaction has no material impact on the Volvo Group financial performance.

### **Previously reported important events in 2024**

- Acquisition of battery business from Proterra completed
- Agreement with Westport for joint venture
- Creation of Flexis completed
- Annual General Meeting of AB Volvo
- Volvo Group to increase North American heavy-duty truck production capacity

Detailed information about the events is available at [www.volvogroup.com](http://www.volvogroup.com)



## 5 FINANCIAL SUMMARY

### Net sales

In Q2 2024, the Volvo Group's net sales amounted to SEK 140,249 M compared with SEK 140,685 M in the same quarter the preceding year. Sales increased in North America and South America but decreased in Europe, Asia and Africa & Oceania.

Also when adjusted for currency movements, net sales were on the same level as in Q2 2023, of which vehicle sales decreased by 2% and service sales increased by 5%.

### Operating income

In Q2 2024, adjusted operating income amounted to SEK 19,446 M (21,859), corresponding to an adjusted operating margin of 13.9% (15.4). In Q2 2024, positive effects in a total of SEK 893 M have been excluded from adjusted operating income, of which SEK 140 M from a release of a provision made for the premature degradation of an emissions control component, SEK 200 M from a release of a restructuring provision in Buses, SEK 372 M from a release of a restructuring provision in Nova Bus and SEK 181 M from a reversal of an impairment of Arquus in assets held for sale. Adjusted operating income in Q2 2023 excluded negative effects of SEK 7,270 M. For more information on adjusted operating income, please see Note 6.

Compared with Q2 2023, the adjusted operating income was negatively affected by lower volumes as well as higher R&D

expenses, a negative brand and market mix and higher selling expenses, which were partly offset by price realization and lower freight costs. Currency movements, compared with Q2 2023, had a positive impact of SEK 187 M.

Reported operating income in Q2 2024 amounted to SEK 20,339 M (14,589), corresponding to an operating margin of 14.5% (10.3).

### Financial items

In Q2 2024, interest income was SEK 546 M (572), whereas interest expenses amounted to SEK -370 M (-390).

Other financial income and expenses amounted to SEK 19 M (-362). The change is primarily due to revaluation effects of financial assets and liabilities.

### Income taxes

In Q2 2024, income taxes amounted to SEK -4,952 M (-3,591). The tax rate was 24.1% (24.9).

### Income for the period and earnings per share

In Q2 2024, income for the period amounted to SEK 15,583 M (10,819). Earnings per share amounted to SEK 7.65 (5.30).

Consolidated Income Statement SEK M	Second quarter		First six months	
	2024	2023	2024	2023
<b>Net sales</b>	<b>140,249</b>	<b>140,685</b>	<b>271,426</b>	<b>271,988</b>
Cost of sales	-100,257	-101,637	-194,652	-197,474
<b>Gross income</b>	<b>39,992</b>	<b>39,048</b>	<b>76,774</b>	<b>74,514</b>
Research and development expenses	-8,216	-6,819	-15,547	-13,310
Selling expenses	-8,841	-8,329	-17,459	-16,224
Administrative expenses	-1,988	-1,858	-3,952	-3,521
Other operating income and expenses	-16	-6,873	-584	-8,853
Income/loss from investments in joint ventures and associated companies	-605	-578	-746	-749
Income/loss from other investments	13	-2	13	-2
<b>Operating income</b>	<b>20,339</b>	<b>14,589</b>	<b>38,498</b>	<b>31,856</b>
Interest income and similar credits	546	572	1,432	1,144
Interest expenses and similar charges	-370	-390	-734	-861
Other financial income and expenses	19	-362	-219	-932
<b>Income after financial items</b>	<b>20,534</b>	<b>14,409</b>	<b>38,977</b>	<b>31,206</b>
Income taxes	-4,952	-3,591	-9,291	-7,453
<b>Income for the period *</b>	<b>15,583</b>	<b>10,819</b>	<b>29,686</b>	<b>23,753</b>
* Attributable to:				
Owners of AB Volvo	15,551	10,770	29,631	23,680
Non-controlling interest	32	49	55	73
Basic earnings per share, SEK	7.65	5.30	14.57	11.65
Diluted earnings per share, SEK	7.65	5.30	14.57	11.65



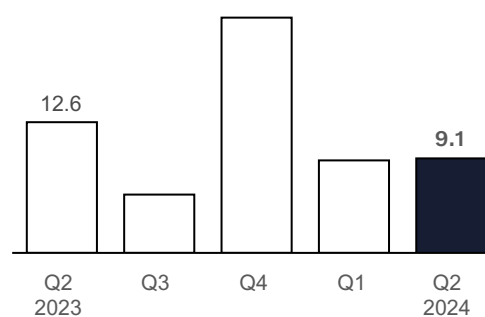
## 6 FINANCIAL SUMMARY

Net sales SEK M	Second quarter			First six months		
	2024	2023	Change %	2024	2023	Change %
<b>Net sales per geographical region</b>						
Europe	56,957	59,418	-4	113,818	116,822	-3
North America <sup>1</sup>	43,934	42,186	4	84,823	82,339	3
South America	14,562	12,049	21	25,990	21,615	20
Asia	15,780	17,765	-11	30,490	34,253	-11
Africa and Oceania	9,016	9,267	-3	16,305	16,959	-4
<b>Total net sales</b>	<b>140,249</b>	<b>140,685</b>	<b>-</b>	<b>271,426</b>	<b>271,988</b>	<b>-</b>
<b>Net sales per product group</b>						
Vehicles	107,277	109,305	-2	206,118	210,035	-2
Services	32,972	31,380	5	65,308	61,953	5
<b>Total net sales</b>	<b>140,249</b>	<b>140,685</b>	<b>-</b>	<b>271,426</b>	<b>271,988</b>	<b>-</b>
<b>Timing of revenue recognition</b>						
Revenue of vehicles and services recognized at the point of delivery	126,578	128,657	-2	244,377	248,536	-2
Revenue of vehicles and services recognized over contract period	13,671	12,028	14	27,049	23,453	15
<b>Total net sales</b>	<b>140,249</b>	<b>140,685</b>	<b>-</b>	<b>271,426</b>	<b>271,988</b>	<b>-</b>

### Operating cash flow in the Industrial Operations

During Q2 2024 operating cash flow in the Industrial Operations was positive in an amount of SEK 9,060 M (12,553). Compared with Q2 2023, the lower operating cash flow is an effect of an increase in working capital due to a lower buildup of trade payables and higher accounts receivables.

Operating cash flow  
Industrial Operations, SEK bn





## 7 FINANCIAL SUMMARY

### Volvo Group financial position

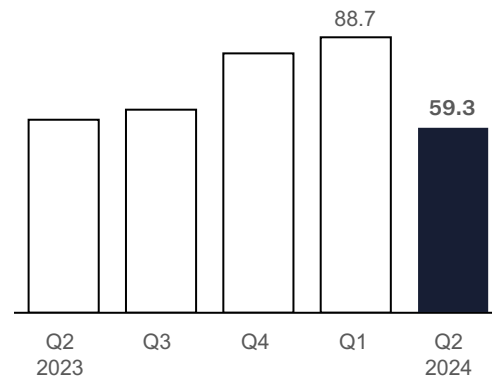
During Q2 2024, net financial assets in the Industrial Operations, excluding provisions for post-employment benefits and lease liabilities, decreased by SEK 29.4 billion resulting in a net financial asset position of SEK 59.3 billion on June 30, 2024, compared with SEK 88.7 billion on March 31, 2024. The change is mainly explained by the dividend paid to AB Volvo shareholders of SEK 36.6 billion and the positive operating cash flow of SEK 9.1 billion, partly reduced by the investment of the Volvo Group's share in the joint venture Westport Fuel Systems of SEK 0.4 billion. Currency movements decreased net financial assets by SEK 0.5 billion.

Including provisions for post-employment benefits and lease liabilities, the Industrial Operations net financial assets amounted to SEK 40.6 billion on June 30, 2024, compared with SEK 71.8 billion on March 31, 2024. During Q2 2024, remeasurements of defined benefit pension plans had a negative impact of SEK 2.0 billion. The negative impact was primarily in Sweden due to a lower discount rate.

Total assets in the Volvo Group increased by SEK 24.8 billion compared with year end 2023, whereof SEK 8.3 billion is related to currency movements.

On June 30, 2024, total equity for the Volvo Group amounted to SEK 175.7 billion compared with SEK 180.7 billion at year end 2023. The equity ratio was 25.1% (26.8). On the same date the equity ratio in the Industrial Operations amounted to 34.6% (36.2).

**Net financial position excl. post-employment benefits and lease liabilities Industrial Operations, SEK bn**



### Number of employees

On June 30, 2024, the Volvo Group had 104,439 employees, including temporary employees and consultants, compared with 105,196 employees on June 30, 2023. The number of blue-collar employees decreased by 3,141 and the number of white-collar employees increased by 2,384.

The decrease in blue-collar employees is related to lower production levels and the increase in white-collar employees is mainly related to higher development and transformational activities.

Number of employees	Jun 30 2024	Mar 31 2024	Dec 31 2023	Jun 30 2023
Blue-collar	50,959	51,599	51,424	54,100
Whereof temporary employees and consultants	5,642	6,153	6,002	9,021
White-collar	53,480	53,306	52,723	51,096
Whereof temporary employees and consultants	7,532	7,510	7,410	7,341
<b>Total number of employees</b>	<b>104,439</b>	<b>104,905</b>	<b>104,147</b>	<b>105,196</b>
Whereof temporary employees and consultants	13,174	13,663	13,412	16,362





## 8 BUSINESS SEGMENT OVERVIEW

Net sales	Second quarter		Change %	Change % <sup>1</sup>	First six months		Change %	Change % <sup>1</sup>	12 months rolling	Jan-Dec 2023
	2024	2023			2024	2023				
SEK M										
Trucks	95,132	93,748	1	2	185,078	183,304	1	1	374,822	373,048
Construction Equipment	24,423	28,999	-16	-16	47,300	54,108	-13	-12	98,173	104,981
Buses	6,551	5,434	21	19	11,723	9,701	21	19	24,445	22,423
Volvo Penta	5,216	5,416	-4	-3	10,383	11,019	-6	-5	20,371	21,006
Group Functions & Other	4,657	3,629	28	28	8,938	7,407	21	22	18,339	16,809
Eliminations	-1,263	-1,236	-	2	-2,542	-2,431	-	-	-5,110	-4,998
<b>Industrial Operations</b>	<b>134,715</b>	<b>135,991</b>	<b>-1</b>	<b>-1</b>	<b>260,879</b>	<b>263,108</b>	<b>-1</b>	<b>-</b>	<b>531,040</b>	<b>533,269</b>
Financial Services	6,801	5,851	16	16	13,334	11,221	19	19	26,126	24,012
Reclassifications and eliminations	-1,268	-1,156	-	-	-2,787	-2,341	-	-	-5,476	-5,030
<b>Volvo Group net sales</b>	<b>140,249</b>	<b>140,685</b>	<b>-</b>	<b>-</b>	<b>271,426</b>	<b>271,988</b>	<b>-</b>	<b>-</b>	<b>551,689</b>	<b>552,252</b>

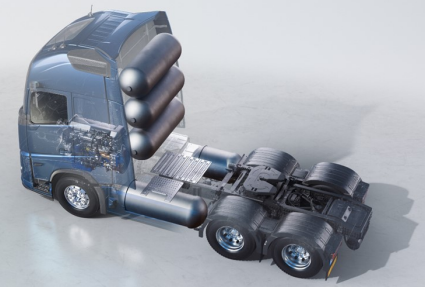
<sup>1</sup> Adjusted for exchange rate fluctuations.

Adjusted operating income <sup>1</sup>	Second quarter		Change %	First six months		Change %	12 months rolling	Jan-Dec 2023
	2024	2023		2024	2023			
SEK M								
Trucks	13,251	14,950	-11	26,325	27,665	-5	54,054	55,394
Construction Equipment	3,888	5,353	-27	7,571	9,940	-24	14,623	16,993
Buses	554	219	153	813	397	105	1,476	1,059
Volvo Penta	1,016	804	26	2,005	2,075	-3	3,160	3,230
Group Functions & Other	-436	-513	-15	-1,383	-1,738	-20	-2,595	-2,950
Eliminations	13	3	-	-	15	-	41	55
<b>Industrial Operations</b>	<b>18,286</b>	<b>20,815</b>	<b>-12</b>	<b>35,330</b>	<b>38,353</b>	<b>-8</b>	<b>70,758</b>	<b>73,782</b>
Financial Services	1,028	916	12	2,037	1,787	14	4,105	3,855
Reclassifications and eliminations	132	128	4	238	285	-16	470	519
<b>Volvo Group adjusted operating income</b>	<b>19,446</b>	<b>21,859</b>	<b>-11</b>	<b>37,605</b>	<b>40,426</b>	<b>-7</b>	<b>75,333</b>	<b>78,155</b>
Adjustments <sup>1</sup>	893	-7,270	-	893	-8,570	-	-1,391	-10,854
<b>Volvo Group operating income</b>	<b>20,339</b>	<b>14,589</b>	<b>39</b>	<b>38,498</b>	<b>31,856</b>	<b>21</b>	<b>73,943</b>	<b>67,301</b>

<sup>1</sup> For more information on adjusted operating income, please see note 6.

Adjusted operating margin	Second quarter		First six months		12 months rolling	Jan-Dec 2023
	2024	2023	2024	2023		
%						
Trucks	13.9	15.9	14.2	15.1	14.4	14.8
Construction Equipment	15.9	18.5	16.0	18.4	14.9	16.2
Buses	8.5	4.0	6.9	4.1	6.0	4.7
Volvo Penta	19.5	14.8	19.3	18.8	15.5	15.4
<b>Industrial Operations</b>	<b>13.6</b>	<b>15.3</b>	<b>13.5</b>	<b>14.6</b>	<b>13.3</b>	<b>13.8</b>
<b>Volvo Group adjusted operating margin</b>	<b>13.9</b>	<b>15.4</b>	<b>13.9</b>	<b>14.7</b>	<b>13.7</b>	<b>14.0</b>
<b>Volvo Group operating margin</b>	<b>14.5</b>	<b>10.3</b>	<b>14.2</b>	<b>11.6</b>	<b>13.4</b>	<b>12.1</b>





# Market conditions continued to normalize

- In Q2, net sales amounted to SEK 95,132 M, on par with the prior year
- Adjusted operating income declined to SEK 13,251 M (14,950) with a margin of 13.9% (15.9)
- Deliveries decreased by 8% while net order intake was flat versus Q2 2023

## Market development

During Q2, market conditions continued to normalize both in Europe and North America as an effect of lower transport volumes. Large fleets continued their replacements as they balance their orders with freight capacity needs. Retail customers were more hesitant in placing orders. Utilization of the installed truck fleets has remained on good levels. The market for vocational trucks in North America has been relatively strong.

The Brazilian truck market continued to pace on a high level supported by domestic spending while the agricultural segment has come down from high levels.

In India, the truck market has rebounded after the general election. Growth is expected to continue in 2024.

The overall Chinese freight market remains very competitive with overcapacity. In combination with dealer inventory levels remaining elevated, this has resulted in a continued price pressure.

## Orders and deliveries

In Q2, net order intake amounted to 47,760 trucks, flat year over year, while deliveries were down by 8% to 58,935 units.

In Europe, order intake decreased by 15% to 21,080 units, as a consequence of lower intake of light-duty trucks in connection with a model change while order intake for heavy- and medium-duty trucks increased by 4%. Total deliveries in Europe decreased by 15% to 28,086 trucks. Through May, Volvo Trucks' total heavy-duty truck market share decreased to 17.0% (17.9) while the electric heavy-duty market share increased to 56.9% (50.7).

Renault Trucks' total heavy-duty truck market share was essentially flat 8.8% (8.9) while the electric heavy-duty market share decreased to 15.4% (18.0).

Order intake in North America increased by 12% to 9,756 trucks and deliveries increased by 2% to 16,234 vehicles. Through June, Volvo Trucks' heavy-duty truck market share increased to 10.8% (10.1) and Mack Trucks' market share increased to 6.8% (6.5).

In South America, order intake increased by 66% to 10,483 trucks while deliveries increased by 37% to 7,368 vehicles. In Brazil, Volvo Trucks' heavy-duty truck market share remained strong and came in on 22.9% (23.0).

Order intake in Asia decreased by 21% to 4,149 vehicles while deliveries decreased by 28% to 4,261 vehicles.

Order intake for fully electric trucks declined by 3% to 655 vehicles while deliveries increased by 45% to 1,103 vehicles. The market for electric trucks is still driven by early adopters. A broader adoption is dependent on several factors, among them the expansion of necessary infrastructure such as charging and the total cost of ownership development including incentive schemes.

Order intake in the Indian joint venture, VE Commercial Vehicles, increased by 1% to 14,274 vehicles while deliveries decreased by 3% to 13,946 vehicles.

Deliveries from the Chinese joint venture, Dongfeng Commercial Vehicles, decreased by 14% to 28,236 trucks.

Total market development	First six months			Full year 2023	Forecast 2024	Change vs. previous forecast
	2024	2023	Change %			
Registrations, number of trucks						
Europe 29 <sup>1</sup> heavy-duty	125,795	129,711	-3	304,360	-	-
Europe 30 <sup>1</sup> heavy-duty	140,940	145,340	-3	341,892	290,000	+10,000
North America heavy-duty (retail)	127,613	137,163	-7	330,792	290,000	Unchanged
Brazil heavy-duty	44,582	39,114	14	82,070	100,000	+5,000
China <sup>2</sup> medium- and heavy-duty	403,823	395,617	2	717,272	750,000	-50,000
India medium- and heavy-duty	182,463	194,574	-6	383,654	390,000	Unchanged

1 EU29 includes Norway and Switzerland but excludes UK. EU30 includes UK.

2 Previous year has been adjusted to exclude exports.

## 10 TRUCKS



Net order intake	Second quarter		Change %	First six months		Change %
	2024	2023		2024	2023	
Number of trucks						
Europe	21,080	24,840	-15	46,157	56,130	-18
Heavy- and medium-duty	19,201	18,476	4	39,177	44,531	-12
Light-duty	1,879	6,364	-70	6,980	11,599	-40
North America	9,756	8,708	12	19,376	23,867	-19
South America	10,483	6,302	66	18,381	11,514	60
Asia	4,149	5,236	-21	8,264	10,572	-22
Africa and Oceania	2,292	3,222	-29	4,283	6,265	-32
<b>Total order intake</b>	<b>47,760</b>	<b>48,308</b>	<b>-1</b>	<b>96,461</b>	<b>108,348</b>	<b>-11</b>
Heavy-duty (>16 tons)	42,555	38,397	11	82,766	88,298	-6
Medium-duty (7-16 tons)	3,328	3,497	-5	6,597	8,328	-21
Light-duty (<7 tons)	1,877	6,414	-71	7,098	11,722	-39
<b>Total order intake</b>	<b>47,760</b>	<b>48,308</b>	<b>-1</b>	<b>96,461</b>	<b>108,348</b>	<b>-11</b>
Volvo	30,711	29,597	4	61,778	65,553	-6
Renault Trucks	10,076	13,326	-24	24,899	29,067	-14
Heavy- and medium-duty	8,199	6,912	19	17,801	17,345	3
Light-duty	1,877	6,414	-71	7,098	11,722	-39
Mack	6,812	5,104	33	9,577	13,037	-27
Other brands	161	281	-43	207	691	-70
<b>Total order intake</b>	<b>47,760</b>	<b>48,308</b>	<b>-1</b>	<b>96,461</b>	<b>108,348</b>	<b>-11</b>
<b>Non-consolidated operations</b>						
VE Commercial Vehicles (Eicher)	14,274	14,092	1	32,885	34,682	-5

Deliveries	Second quarter		Change %	First six months		Change %
	2024	2023		2024	2023	
Number of trucks						
Europe	28,086	33,169	-15	57,375	66,019	-13
Heavy- and medium-duty	22,151	24,862	-11	44,710	51,564	-13
Light-duty	5,935	8,307	-29	12,665	14,455	-12
North America	16,234	15,960	2	31,290	31,971	-2
South America	7,368	5,385	37	12,522	9,860	27
Asia	4,261	5,902	-28	7,978	11,644	-31
Africa and Oceania	2,986	3,426	-13	5,240	5,879	-11
<b>Total deliveries</b>	<b>58,935</b>	<b>63,842</b>	<b>-8</b>	<b>114,405</b>	<b>125,373</b>	<b>-9</b>
Heavy-duty (>16 tons)	49,109	50,355	-2	93,540	101,039	-7
Medium-duty (7-16 tons)	3,837	5,070	-24	8,107	9,674	-16
Light-duty (<7 tons)	5,989	8,417	-29	12,758	14,660	-13
<b>Total deliveries</b>	<b>58,935</b>	<b>63,842</b>	<b>-8</b>	<b>114,405</b>	<b>125,373</b>	<b>-9</b>
Volvo	35,258	36,455	-3	67,212	72,244	-7
Renault Trucks	15,723	19,164	-18	31,559	36,660	-14
Heavy- and medium-duty	9,734	10,747	-9	18,801	22,000	-15
Light-duty	5,989	8,417	-29	12,758	14,660	-13
Mack	7,713	7,960	-3	15,180	15,918	-5
Other brands	241	263	-8	454	551	-18
<b>Total deliveries</b>	<b>58,935</b>	<b>63,842</b>	<b>-8</b>	<b>114,405</b>	<b>125,373</b>	<b>-9</b>
<b>Non-consolidated operations</b>						
VE Commercial Vehicles (Eicher)	13,946	14,381	-3	33,274	34,398	-3
Dongfeng Commercial Vehicle Company (Dongfeng Trucks)	28,236	32,674	-14	51,086	46,858	9

### Net sales and operating income

In Q2 2024, the truck operation's net sales increased to SEK 95,132 M (93,748). Excluding currency effects, net sales increased by 2% with both vehicles and service sales increasing by 2%.

In Q2 2024, adjusted operating income amounted to SEK 13,251 M (14,950), corresponding to an adjusted operating margin of 13.9% (15.9). In Q2 2024 adjusted operating income

excludes a positive effect of SEK 140 M from a release of a provision made for the premature degradation of an emissions control component. Adjusted operating income in Q2 2023 excluded costs of SEK 6,000 M. For more information on adjusted operating income, see note 6.

Compared with Q2 2023, the lower adjusted operating income is an effect of lower volumes as well as higher R&D and selling expenses, which were partly offset by price realization, lower

## 11 TRUCKS



freight costs and a favorable product mix.

Compared with Q2 2023, currency movements had a positive impact of SEK 21 M.

Reported operating income amounted to SEK 13,391 M (8,950).

Net order intake and deliveries of fully electric trucks	Second quarter		Change %	First six months		Change %
	2024	2023		2024	2023	
Number of trucks						
Volvo	308	410	-25	614	896	-31
Renault Trucks	340	258	32	659	582	13
Heavy- and medium-duty	167	113	48	339	287	18
Light-duty	173	145	19	320	295	8
Mack	7	9	-22	20	24	-17
<b>Total order intake of fully electric trucks</b>	<b>655</b>	<b>677</b>	<b>-3</b>	<b>1,293</b>	<b>1,502</b>	<b>-14</b>
Volvo	551	337	64	1,068	687	55
Renault Trucks	528	417	27	886	748	18
Heavy- and medium-duty	285	168	70	487	296	65
Light-duty	243	249	-2	399	452	-12
Mack	24	5	380	53	7	657
<b>Total deliveries of fully electric trucks</b>	<b>1,103</b>	<b>759</b>	<b>45</b>	<b>2,007</b>	<b>1,442</b>	<b>39</b>

Net sales and operating income	Second quarter		Change %	First six months		Change %
	2024	2023		2024	2023	
SEK M						
<b>Net sales per geographical region</b>						
Europe	42,635	43,080	-1	86,060	85,756	-
North America	28,657	27,762	3	55,895	55,369	1
South America	11,403	9,101	25	20,115	16,326	23
Asia	6,628	8,070	-18	12,604	15,603	-19
Africa and Oceania	5,809	5,734	1	10,403	10,250	1
<b>Total net sales</b>	<b>95,132</b>	<b>93,748</b>	<b>1</b>	<b>185,078</b>	<b>183,304</b>	<b>1</b>
<b>Net sales per product group</b>						
Vehicles	76,901	75,851	1	148,486	147,605	1
Services	18,231	17,897	2	36,592	35,699	3
<b>Total net sales</b>	<b>95,132</b>	<b>93,748</b>	<b>1</b>	<b>185,078</b>	<b>183,304</b>	<b>1</b>
<b>Timing of revenue recognition</b>						
Revenue of vehicles and services recognized at the point of delivery	89,351	88,384	1	173,430	172,779	-
Revenue of vehicles and services recognized over contract period	5,780	5,364	8	11,648	10,525	11
<b>Total net sales</b>	<b>95,132</b>	<b>93,748</b>	<b>1</b>	<b>185,078</b>	<b>183,304</b>	<b>1</b>
<b>Adjusted operating income<sup>1</sup></b>	<b>13,251</b>	<b>14,950</b>	<b>-11</b>	<b>26,325</b>	<b>27,665</b>	<b>-5</b>
Adjustments	140	-6,000	-	140	-5,861	-
<b>Operating income</b>	<b>13,391</b>	<b>8,950</b>	<b>50</b>	<b>26,465</b>	<b>21,804</b>	<b>21</b>
Adjusted operating margin, %	13.9	15.9		14.2	15.1	
Operating margin, %	14.1	9.5		14.3	11.9	

<sup>1</sup> For more information on adjusted operating income, please see note 6.

### Important events

In Q2, it was announced that Volvo Trucks is developing trucks with combustion engines that can run on hydrogen. On-road tests with these trucks will begin in 2026, and the commercial launch is planned towards the end of this decade. During the quarter, the previously announced joint venture with Westport for High Pressure Direct Injection fuel systems became operational.

Renault Trucks intensifies its initiatives to decarbonize its operations by electrifying its in-house logistics flows. The first stage of this project involves the electrification of axle transport between the plants in Lyon and Bourg-en-Bresse, France.

On July 2, the Volvo Group and Isuzu Motors continued to build on their strategic alliance through the signing of a technology agreement specifically focused on heavy-duty technologies. In the future, Isuzu Motors and UD Trucks plan to develop a common platform for heavy-duty trucks by utilizing the Volvo Group's technology.





## 12 CONSTRUCTION EQUIPMENT

# Earnings impacted by lower volumes in Europe and North America

- In Q2, deliveries decreased by 10% while order intake increased by 9%, driven by China
- Adjusted and reported operating income of SEK 3,888 M (5,353), with a margin of 15.9% (18.5)
- Service sales increased by 2%, adjusted for currency

### Market development

In Q2, the total machine market declined compared with the previous year, largely due to a slowdown in Europe. South America and China grew while the total market contracted in Europe, North America and Asia excluding China.

In Europe, the market decline from last year's historically high levels continued, driven by weakening business confidence and a somewhat saturated end market.

The North American market declined in Q2, mainly due to a normalization in the replenishment of dealer fleets and lower end-customer demand. Despite the decline, the market remained on historically high levels.

In South America, the market grew driven by Brazil and Peru.

China showed signs of recovery supported by recently announced governmental policies to stimulate the real estate market. Asia excluding China was slightly down overall. Demand increased in India and the Middle East but Southeast Asian markets experienced a slowdown driven by Indonesia, which was impacted by lower commodity prices.

### Orders and deliveries

In Q2, net order intake increased by 9%. The increase continued to be driven mainly by SDLG and China due to low order intake in Q2 2023 following the change of the Chinese emission regulations at the end of 2022. Order intake for the Volvo brand decreased, mainly driven by lower demand and high inventory levels for dealers in Europe.

Order intake for North America increased in Q2 as orders were restricted last year due to supply chain inefficiencies. Orders in South America declined mainly due to lower demand in Brazil.

Deliveries in Q2 were below last year with the lower market demand in Europe and North America being partly offset by SDLG in China.

Total market development	Year-to-date		Forecast	Previous forecast
	May	2024		
Change in % measured in units				
Europe	-23	-25% to -15%	-20% to -10%	
North America	-6	-10% to 0%	-10% to 0%	
South America	5	-5% to +5%	0% to +10%	
Asia excl. China	-2	-15% to -5%	-15% to -5%	
China	-2	-10% to 0%	-10% to 0%	

Net order intake	Second quarter		Change %	First six months		Change %
	2024	2023		2024	2023	
Number of construction equipment						
Europe	2,017	2,282	-12	4,694	5,508	-15
North America	1,406	1,064	32	2,852	3,660	-22
South America	455	638	-29	1,117	1,116	-
Asia	8,896	7,394	20	17,311	13,798	25
Africa and Oceania	748	1,043	-28	1,399	1,681	-17
<b>Total orders</b>	<b>13,522</b>	<b>12,421</b>	<b>9</b>	<b>27,373</b>	<b>25,763</b>	<b>6</b>
Large and medium construction equipment	10,387	9,785	6	20,288	19,834	2
Compact construction equipment	3,135	2,636	19	7,085	5,929	19
Of which fully electric	537	205	162	736	464	59
<b>Total orders</b>	<b>13,522</b>	<b>12,421</b>	<b>9</b>	<b>27,373</b>	<b>25,763</b>	<b>6</b>
<b>Of which:</b>						
Volvo	5,808	6,115	-5	12,891	15,276	-16
SDLG	7,663	6,233	23	14,375	10,347	39
Of which in China	5,990	4,510	33	11,524	7,356	57

## 13 CONSTRUCTION EQUIPMENT



Deliveries	Second quarter		Change %	First six months		Change %
	2024	2023		2024	2023	
Number of construction equipment						
Europe	3,101	4,655	-33	6,151	9,039	-32
North America	1,899	2,650	-28	3,645	4,984	-27
South America	623	645	-3	993	1,043	-5
Asia	8,884	7,939	12	17,534	14,309	23
Africa and Oceania	748	1,051	-29	1,388	2,033	-32
<b>Total deliveries</b>	<b>15,255</b>	<b>16,940</b>	<b>-10</b>	<b>29,711</b>	<b>31,408</b>	<b>-5</b>
Large and medium construction equipment	11,545	12,903	-11	22,138	23,568	-6
Compact construction equipment	3,710	4,037	-8	7,573	7,840	-3
Of which fully electric	569	228	150	801	430	86
<b>Total deliveries</b>	<b>15,255</b>	<b>16,940</b>	<b>-10</b>	<b>29,711</b>	<b>31,408</b>	<b>-5</b>
<b>Of which:</b>						
Volvo	7,541	10,634	-29	15,229	20,921	-27
SDLG	7,663	6,233	23	14,375	10,347	39
Of which in China	5,990	4,510	33	11,524	7,356	57

Net sales and operating income SEK M	Second quarter		Change %	First six months		Change %
	2024	2023		2024	2023	
<b>Net sales per geographical region</b>						
Europe	7,544	9,413	-20	14,721	18,023	-18
North America	6,961	8,123	-14	13,386	14,660	-9
South America	1,024	1,105	-7	1,784	1,864	-4
Asia	7,172	8,042	-11	14,097	15,140	-7
Africa and Oceania	1,722	2,315	-26	3,312	4,421	-25
<b>Total net sales</b>	<b>24,423</b>	<b>28,999</b>	<b>-16</b>	<b>47,300</b>	<b>54,108</b>	<b>-13</b>
<b>Net sales per product group</b>						
Construction equipment	20,331	24,986	-19	39,423	46,174	-15
Services	4,093	4,013	2	7,877	7,934	-1
<b>Total net sales</b>	<b>24,423</b>	<b>28,999</b>	<b>-16</b>	<b>47,300</b>	<b>54,108</b>	<b>-13</b>
<b>Timing of revenue recognition</b>						
Revenue of vehicles and services recognized at the point of delivery	23,558	28,299	-17	45,623	52,769	-14
Revenue of vehicles and services recognized over contract period	865	700	24	1,676	1,339	25
<b>Total net sales</b>	<b>24,423</b>	<b>28,999</b>	<b>-16</b>	<b>47,300</b>	<b>54,108</b>	<b>-13</b>
<b>Adjusted operating income<sup>1</sup></b>	<b>3,888</b>	<b>5,353</b>	<b>-27</b>	<b>7,571</b>	<b>9,940</b>	<b>-24</b>
Adjustments	-	-	-	-	-	-
<b>Operating income</b>	<b>3,888</b>	<b>5,353</b>	<b>-27</b>	<b>7,571</b>	<b>9,940</b>	<b>-24</b>
Adjusted operating margin, %	15.9	18.5		16.0	18.4	
Operating margin, %	15.9	18.5		16.0	18.4	

<sup>1</sup> For more information on adjusted operating income, please see note 6.

### Net sales and operating income

In Q2 2024, net sales amounted to SEK 24,423 M (28,999). Adjusted for currency movements net sales decreased by 16%, of which net sales of machines decreased by 19% while service sales increased by 2%.

Both adjusted and reported operating income amounted to SEK 3,888 M (5,353), corresponding to an operating margin of 15.9% (18.5). For more information on adjusted operating income, please see note 6.

Compared with Q2 2023, a negative brand and market mix and lower volumes were partly offset by price realization as well as lower R&D expenses and material costs. Compared with Q2 2023, currency movements had a positive impact of SEK 26 M.

### Important events

In June, Volvo CE unveiled one of its biggest product renewal launches in the company's history at the Volvo Days customer event in Eskilstuna, Sweden. The launches covered conventional products, products containing new sustainable electric drivelines and supporting infrastructure for charging. In the high volume excavator product segment, a full range of modernized excavators from 14 tons to 50 tons was launched. Extending the range of electric machines the EWR150 Electric, the first of Volvo's electric wheeled excavators, and the L90 Electric and L120 Electric wheel loaders were launched. These new products are scheduled for stepwise introductions over the next 12 months across selected markets and will help Volvo CE to take the next step on the transformation journey.



# Improved profitability on increased deliveries

- In Q2, deliveries increased by 29% while net order intake decreased by 21%
- Adjusted operating income improved to SEK 554 M (219) with a margin of 8.5% (4.0)
- Service sales increased by 10% adjusted for currency

In Q2, demand for buses continued to improve in many markets, with a particularly strong development for coaches. However, as a consequence of a high order book and the ongoing transformation in Europe, net order intake decreased by 21% compared with Q2 2023. In Q2, orders for 153 electric buses were confirmed.

Deliveries increased by 29% to 1,644 units, from a good development in a majority of the bus markets, particularly in Mexico.

In Q2, net sales increased by 21% to SEK 6,551 M (5,434). Adjusted for currency, net sales increased by 19%, whereof vehicle sales by 22% and service sales by 10%.

Adjusted operating income amounted to SEK 554 M (219), corresponding to an adjusted operating margin of 8.5% (4.0). Adjusted operating income excludes a positive effect of SEK 200 M from the release of a restructuring provision. For more

information on adjusted operating income, please see Note 6.

Adjusted operating income was positively impacted by price realization and higher volumes as well as a favorable market and product mix and the restructuring of the business model in Europe, while industrial efficiency had a negative impact. Compared with Q2 2023, currency movements had a negative impact of SEK 1 M.

Reported operating income amounted to SEK 754 M (219).

In Q2, Volvo Buses launched a range of smart safety systems designed to assist drivers and further improve safety for bus occupants as well as other road users, including side collision avoidance and intelligent speed assistance with road sign recognition. These systems are exceeding the latest legal demands in Europe and are available globally.

Net order intake and deliveries <sup>1</sup>	Second quarter		Change %	First six months		Change %
	2024	2023		2024	2023	
Number of buses						
<b>Total orders</b>	<b>1,377</b>	<b>1,743</b>	-21	<b>2,251</b>	<b>3,582</b>	-37
Of which fully electric	153	317	-52	198	365	-46
Of which hybrids	-	4	-	-	7	-
<b>Total deliveries</b>	<b>1,644</b>	<b>1,277</b>	29	<b>2,945</b>	<b>2,461</b>	20
Of which fully electric	43	131	-67	117	165	-29
Of which hybrids	10	52	-81	36	96	-63

Net sales and operating income	Second quarter		Change %	First six months		Change %
	2024	2023		2024	2023	
SEK M						
<b>Net sales per geographical region</b>						
Europe	1,495	1,968	-24	3,059	3,309	-8
North America	3,006	2,104	43	5,402	3,848	40
South America	617	378	63	1,020	678	50
Asia	605	363	67	901	728	24
Africa and Oceania	828	622	33	1,342	1,138	18
<b>Total net sales</b>	<b>6,551</b>	<b>5,434</b>	<b>21</b>	<b>11,723</b>	<b>9,701</b>	<b>21</b>
<b>Net sales per product group</b>						
Vehicles	5,059	4,080	24	8,853	7,067	25
Services	1,492	1,354	10	2,870	2,635	9
<b>Total net sales</b>	<b>6,551</b>	<b>5,434</b>	<b>21</b>	<b>11,723</b>	<b>9,701</b>	<b>21</b>
<b>Timing of revenue recognition</b>						
Revenue of vehicles and services recognized at the point of delivery	6,229	5,210	20	11,158	9,274	20
Revenue of vehicles and services recognized over contract period	322	225	43	566	427	32
<b>Total net sales</b>	<b>6,551</b>	<b>5,434</b>	<b>21</b>	<b>11,723</b>	<b>9,701</b>	<b>21</b>
<b>Adjusted operating income <sup>1</sup></b>	<b>554</b>	<b>219</b>	<b>153</b>	<b>813</b>	<b>397</b>	<b>105</b>
Adjustments	200	-	-	200	-1,439	-
<b>Operating income</b>	<b>754</b>	<b>219</b>	<b>244</b>	<b>1,013</b>	<b>-1,042</b>	<b>-</b>
Adjusted operating margin, %	8.5	4.0		6.9	4.1	
Operating margin, %	11.5	4.0		8.6	-10.7	

<sup>1</sup> For more information on adjusted operating income, please see note 6.





# Strong result despite a declining market

- In Q2, deliveries decreased by 21% and order intake decreased by 20%
- Adjusted and reported operating income of SEK 1,016 M (804) with a margin of 19.5% (14.8)
- Continued technology advancement in decarbonization solutions

In Q2, the continued unfavorable business cycle had a negative impact on demand, particularly in the marine leisure market. The marine commercial market was also affected, but to a lesser extent. The industrial off-highway market held up well. Demand for power generation solutions remained on high levels.

In Q2, net order intake decreased by 20% to 6,847 units compared with Q2 2023. Deliveries decreased by 21% to 8,951 units.

Net sales decreased by 4% to SEK 5,216 M (5,416). Adjusted for currency movements, net sales decreased by 3%, of which sales of engines decreased by 7% while sales of services increased by 5%.

Both adjusted and reported operating income amounted to SEK 1,016 M (804), corresponding to an operating margin of 19.5% (14.8). For more information on adjusted operating income, please see note 6.

Price realization and a favorable product mix contributed to the result, but this was offset by lower volumes, increased R&D expenses and lower industrial utilization. Compared with Q2 2023, the currency impact on operating income was positive in an amount of SEK 2 M.

In Q2, Volvo Penta advanced its leading technology position in decarbonization solutions with the announcement of an installation of the Inboard Performance System (IPS) in the world's first retrofitted, electric crew transfer vessel (CTV). In addition, Volvo Penta announced an integrated hybrid concept for Danish CTV operator MHO-Co, combining Danfoss drives and machines with Volvo Penta's IPS.

A fully electric 4X4 RoRo tractor, developed in collaboration with the Belgian company MOL, is piloted in DFDS' facilities in the Port of Ghent, Belgium (see image above).

Net order intake and deliveries	Second quarter			First six months		
	2024	2023	Change %	2024	2023	Change %
Number of Engines						
<b>Total orders</b>	<b>6,847</b>	<b>8,602</b>	-20	<b>15,897</b>	<b>22,091</b>	-28
Of which fully electric	-5	9	-	38	30	27
<b>Total deliveries</b>	<b>8,951</b>	<b>11,261</b>	-21	<b>19,386</b>	<b>23,988</b>	-19
Of which fully electric	22	31	-29	66	51	29

Net sales and operating income	Second quarter			First six months		
	2024	2023	Change %	2024	2023	Change %
SEK M						
<b>Net sales per geographical region</b>						
Europe	2,520	2,871	-12	5,144	5,843	-12
North America	1,062	1,054	1	1,937	2,098	-8
South America	208	186	12	434	349	24
Asia	1,026	936	10	2,151	2,003	7
Africa and Oceania	398	369	8	717	725	-1
<b>Total net sales</b>	<b>5,216</b>	<b>5,416</b>	<b>-4</b>	<b>10,383</b>	<b>11,019</b>	<b>-6</b>
<b>Net sales per product group</b>						
Engines	3,640	3,897	-7	7,502	8,150	-8
Services	1,575	1,519	4	2,882	2,868	-
<b>Total net sales</b>	<b>5,216</b>	<b>5,416</b>	<b>-4</b>	<b>10,383</b>	<b>11,019</b>	<b>-6</b>
<b>Timing of revenue recognition</b>						
Revenue of vehicles and services recognized at the point of delivery	5,200	5,407	-4	10,356	11,009	-6
Revenue of vehicles and services recognized over contract period	16	9	78	27	9	200
<b>Total net sales</b>	<b>5,216</b>	<b>5,416</b>	<b>-4</b>	<b>10,383</b>	<b>11,019</b>	<b>-6</b>
<b>Adjusted operating income <sup>1</sup></b>	<b>1,016</b>	<b>804</b>	<b>26</b>	<b>2,005</b>	<b>2,075</b>	<b>-3</b>
Adjustments	-	-	-	-	-	-
<b>Operating income</b>	<b>1,016</b>	<b>804</b>	<b>26</b>	<b>2,005</b>	<b>2,075</b>	<b>-3</b>
Adjusted operating margin, %	19.5	14.8		19.3	18.8	
Operating margin, %	19.5	14.8		19.3	18.8	

1 For more information on adjusted operating income, please see note 6.

## 16 FINANCIAL SERVICES



# Stable portfolio performance and good earnings

- In Q2, the net credit portfolio increased by 13%, adjusted for currency
- Stable portfolio performance
- Both adjusted and reported operating income increased to SEK 1,028 M (916)

In Q2 2024, Volvo Financial Services continued to grow the credit portfolio and increase earnings. Adjusted for currency, the credit portfolio increased by 13% compared with Q2 2023. The portfolio performance continued to be good, with customer delinquencies trending at low levels, although a return to more average business cycle conditions is visible.

Compared with Q2 2023, new business volume decreased by 5%, when adjusted for currency, reflecting lower deliveries of Group products. The penetration level increased somewhat in a competitive environment.

In Q2, both adjusted and reported operating income increased to SEK 1,028 M (916).

The increase in operating income is primarily a result of continued profitable portfolio growth, which was partly offset by higher credit provisions. Currency movements had a positive impact of SEK 77 M compared with Q2 2023.

Return on equity increased to 12.9% (10.7).

Financial Services	Second quarter		First six months	
	2024	2023	2024	2023
SEK M unless otherwise stated				
Number of financed units, 12 months rolling			65,044	66,867
Total penetration rate, 12 months rolling, % <sup>1</sup>			28	27
New retail financing volume, SEK billion	27.7	29.2	51.6	54.3
Credit portfolio net, SEK billion			271	251
Credit provision expenses <sup>2</sup>	286	107	534	268
Adjusted operating income <sup>3</sup>	1,028	916	2,037	1,787
Adjustments <sup>3</sup>	–	–	–	–
Operating income	1,028	916	2,037	1,787
Credit reserves <sup>2</sup> , % of credit portfolio			1.33	2.69
Return on equity <sup>2</sup> , 12 months rolling, %			12.9	10.7

1 Share of unit sales financed by Volvo Financial Services in relation to the total number of units sold by the Volvo Group in markets where financial services are offered.

2 2023 included Russian and Belarus operations, which were divested in Q3 2023.

3 For more information on adjustments, please see note 6.

## 17 FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT - SECOND QUARTER								
	Industrial Operations		Financial Services		Eliminations		Volvo Group	
SEK M	2024	2023	2024	2023	2024	2023	2024	2023
<b>Net sales<sup>1</sup></b>	<b>134,715</b>	<b>135,991</b>	<b>6,801</b>	<b>5,851</b>	<b>-1,268</b>	<b>-1,156</b>	<b>140,249</b>	<b>140,685</b>
Cost of sales <sup>1</sup>	-96,974	-98,894	-4,683	-4,028	1,400	1,284	-100,257	-101,637
<b>Gross income</b>	<b>37,742</b>	<b>37,097</b>	<b>2,118</b>	<b>1,823</b>	<b>132</b>	<b>128</b>	<b>39,992</b>	<b>39,048</b>
Research and development expenses	-8,216	-6,819	-	-	-	-	-8,216	-6,819
Selling expenses	-7,987	-7,482	-855	-847	-	-	-8,841	-8,329
Administrative expenses	-1,984	-1,854	-4	-4	-	-	-1,988	-1,858
Other operating income and expenses	216	-6,822	-232	-51	-	-	-16	-6,873
Income/loss from investments in joint ventures and associated companies	-605	-578	-	-	-	-	-605	-578
Income/loss from other investments	13	4	-	-5	-	-	13	-2
<b>Operating income</b>	<b>19,179</b>	<b>13,545</b>	<b>1,028</b>	<b>916</b>	<b>132</b>	<b>128</b>	<b>20,339</b>	<b>14,589</b>
Interest income and similar credits	678	700	-	-	-132	-128	546	572
Interest expenses and similar charges <sup>1</sup>	-370	-390	-	-	-	-	-370	-390
Other financial income and expenses	19	-362	-	-	-	-	19	-362
<b>Income after financial items</b>	<b>19,506</b>	<b>13,493</b>	<b>1,028</b>	<b>916</b>	<b>-</b>	<b>-</b>	<b>20,534</b>	<b>14,409</b>
Income taxes	-4,664	-3,360	-287	-230	-	-	-4,952	-3,591
<b>Income for the period *</b>	<b>14,842</b>	<b>10,133</b>	<b>741</b>	<b>686</b>	<b>-</b>	<b>-</b>	<b>15,583</b>	<b>10,819</b>
* Attributable to:								
Owners of AB Volvo							15,551	10,770
Non-controlling interest							32	49
Basic earnings per share, SEK								
							7.65	5.30
Diluted earnings per share, SEK								
							7.65	5.30
<b>Key ratios, %</b>								
Gross margin	28.0	27.3					28.5	27.6
Research and development expenses as % of net sales	6.1	5.0					5.9	4.8
Selling expenses as % of net sales	5.9	5.5					6.3	5.9
Administrative expenses as % of net sales	1.5	1.4					1.4	1.3
Operating margin	14.2	10.0					14.5	10.3

1 As from 2024, elimination of internal interest income related to internal funding from Volvo Treasury AB to Financial Services is reclassified from finance net to gross income. The comparative figures in the financial statements for 2023 have been restated accordingly, impacting operating income positively with SEK 128 M in Q2 2023. The effect on key ratios is insignificant.

CONSOLIDATED OTHER COMPREHENSIVE INCOME - SECOND QUARTER		
SEK M	2024	2023
<b>Income for the period</b>	<b>15,583</b>	<b>10,819</b>
<i>Items that will not be reclassified to income statement:</i>		
Remeasurements of defined benefit pension plans	-1,637	727
Remeasurements of holding of shares at fair value	-	9
<i>Items that may be reclassified subsequently to income statement:</i>		
Exchange differences on translation of foreign operations	-1,963	3,675
Share of OCI related to joint ventures and associated companies	-99	428
Accumulated exchange differences reversed to income	-1	-
<b>Other comprehensive income, net of income taxes</b>	<b>-3,699</b>	<b>4,838</b>
<b>Total comprehensive income for the period *</b>	<b>11,883</b>	<b>15,657</b>
* Attributable to:		
Owners of AB Volvo	11,863	15,633
Non-controlling interest	21	24



## 18 FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT - FIRST SIX MONTHS								
SEK M	Industrial Operations		Financial Services		Eliminations		Volvo Group	
	2024	2023	2024	2023	2024	2023	2024	2023
<b>Net sales<sup>1</sup></b>	<b>260,879</b>	<b>263,108</b>	<b>13,334</b>	<b>11,221</b>	<b>-2,787</b>	<b>-2,341</b>	<b>271,426</b>	<b>271,988</b>
Cost of sales <sup>1</sup>	-188,541	-192,495	-9,136	-7,605	3,025	2,626	-194,652	-197,474
<b>Gross income</b>	<b>72,338</b>	<b>70,613</b>	<b>4,198</b>	<b>3,616</b>	<b>238</b>	<b>285</b>	<b>76,774</b>	<b>74,514</b>
Research and development expenses	-15,547	-13,310	-	-	-	-	-15,547	-13,310
Selling expenses	-15,765	-14,596	-1,694	-1,627	-	-	-17,459	-16,224
Administrative expenses	-3,944	-3,514	-8	-7	-	-	-3,952	-3,521
Other operating income and expenses	-125	-8,663	-459	-189	-	-	-584	-8,853
Income/loss from investments in joint ventures and associated companies	-746	-749	-	-	-	-	-746	-749
Income/loss from other investments	13	4	-	-5	-	-	13	-2
<b>Operating income</b>	<b>36,223</b>	<b>29,783</b>	<b>2,037</b>	<b>1,787</b>	<b>238</b>	<b>285</b>	<b>38,498</b>	<b>31,856</b>
Interest income and similar credits	1,670	1,429	-	-	-238	-285	1,432	1,144
Interest expenses and similar charges <sup>1</sup>	-734	-861	-	-	-	-	-734	-861
Other financial income and expenses	-219	-932	-	-	-	-	-219	-932
<b>Income after financial items</b>	<b>36,940</b>	<b>29,419</b>	<b>2,037</b>	<b>1,787</b>	<b>-</b>	<b>-</b>	<b>38,977</b>	<b>31,206</b>
Income taxes	-8,711	-6,974	-580	-479	-	-	-9,291	-7,453
<b>Income for the period *</b>	<b>28,229</b>	<b>22,445</b>	<b>1,457</b>	<b>1,308</b>	<b>-</b>	<b>-</b>	<b>29,686</b>	<b>23,753</b>
* Attributable to:								
Owners of AB Volvo							29,631	23,680
Non-controlling interest							55	73
Basic earnings per share, SEK								
							14.57	11.65
Diluted earnings per share, SEK								
							14.57	11.65

**Key ratios, %**

Gross margin	27.7	26.8					28.2	27.3
Research and development expenses as % of net sales	6.0	5.1					5.7	4.9
Selling expenses as % of net sales	6.0	5.5					6.4	6.0
Administrative expenses as % of net sales	1.5	1.3					1.5	1.3
Operating margin	13.9	11.3					14.2	11.6

1 As from 2024, elimination of internal interest income related to internal funding from Volvo Treasury AB to Financial Services is reclassified from finance net to gross income. The comparative figures in the financial statements for 2023 have been restated accordingly, impacting operating income positively with SEK 285 M for the first six months, 2023. The effect on key ratios is insignificant.

CONSOLIDATED OTHER COMPREHENSIVE INCOME - FIRST SIX MONTHS		
SEK M	2024	2023
<b>Income for the period</b>	<b>29,686</b>	<b>23,753</b>
<i>Items that will not be reclassified to income statement:</i>		
Remeasurements of defined benefit pension plans	-1,183	-17
Remeasurements of holding of shares at fair value	-7	10
<i>Items that may be reclassified subsequently to income statement:</i>		
Exchange differences on translation of foreign operations	2,320	3,743
Share of OCI related to joint ventures and associated companies	658	544
Accumulated translation difference reversed to income	-1	-
<b>Other comprehensive income, net of income taxes</b>	<b>1,786</b>	<b>4,281</b>
<b>Total comprehensive income for the period *</b>	<b>31,472</b>	<b>28,033</b>
* Attributable to:		
Owners of AB Volvo	31,300	27,973
Non-controlling interest	172	60

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CONSOLIDATED BALANCE SHEET								
SEK M	Industrial Operations		Financial Services		Eliminations		Volvo Group	
	Jun 30 2024	Dec 31 2023	Jun 30 2024	Dec 31 2023	Jun 30 2024	Dec 31 2023	Jun 30 2024	Dec 31 2023
<b>Assets</b>								
<b>Non-current assets</b>								
Intangible assets	43,245	42,378	150	135	-	-	43,396	42,512
<i>Tangible assets</i>								
Property, plant and equipment	73,625	68,393	55	56	-	-	73,680	68,449
Assets under operating leases	35,656	35,154	21,616	21,318	-15,355	-14,562	41,916	41,910
<i>Financial assets</i>								
Investments in joint ventures and associated companies	22,335	19,158	-	-	-	-	22,335	19,158
Other shares and participations	911	862	18	18	-	-	929	881
Non-current customer-financing receivables	1,561	1,605	127,412	121,987	-1,926	-1,954	127,047	121,638
Net pension assets	1,961	2,039	-	-	-	-	1,961	2,039
Non-current interest-bearing receivables	4,083	3,405	-	950	-1,220	-950	2,863	3,405
Other non-current receivables	6,272	6,431	311	283	-211	-197	6,371	6,518
Deferred tax assets	14,501	14,142	2,086	2,044	-	-	16,587	16,186
<b>Total non-current assets</b>	<b>204,150</b>	<b>193,566</b>	<b>151,648</b>	<b>146,791</b>	<b>-18,713</b>	<b>-17,662</b>	<b>337,086</b>	<b>322,695</b>
<b>Current assets</b>								
Inventories	86,404	75,958	1,078	904	-	-	87,482	76,863
<i>Current receivables</i>								
Customer-financing receivables	972	1,027	122,046	110,822	-1,632	-1,284	121,386	110,565
Tax assets	4,612	1,329	742	895	-	-	5,354	2,223
Interest-bearing receivables	2,192	2,784	25	-	-43	-19	2,174	2,765
Internal funding	1,632	10,680	-	-	-1,632	-10,680	-	-
Accounts receivable	44,062	41,383	1,833	1,827	-	-	45,895	43,210
Other receivables	22,970	22,173	2,586	3,283	-4,916	-5,084	20,641	20,372
Marketable securities	193	89	-	-	-	-	193	89
Cash and cash equivalents	62,831	78,858	5,373	5,785	-1,301	-1,318	66,902	83,326
Assets held for sale	11,724	11,960	-	-	-	-	11,724	11,960
<b>Total current assets</b>	<b>237,592</b>	<b>246,241</b>	<b>133,684</b>	<b>123,516</b>	<b>-9,523</b>	<b>-18,384</b>	<b>361,752</b>	<b>351,373</b>
<b>Total assets</b>	<b>441,742</b>	<b>439,807</b>	<b>285,331</b>	<b>270,307</b>	<b>-28,236</b>	<b>-36,046</b>	<b>698,838</b>	<b>674,068</b>
<b>Equity and liabilities</b>								
Equity attributable to owners of AB Volvo	149,804	156,171	22,816	21,620	-	-	172,620	177,791
Non-controlling interest	3,120	2,948	-	-	-	-	3,120	2,948
<b>Total equity</b>	<b>152,924</b>	<b>159,119</b>	<b>22,816</b>	<b>21,620</b>	<b>-</b>	<b>-</b>	<b>175,740</b>	<b>180,739</b>
<i>Non-current provisions</i>								
Provisions for post-employment benefits	12,642	11,138	81	81	-	-	12,724	11,219
Other provisions	12,873	12,902	70	76	-	-	12,943	12,979
<i>Non-current liabilities</i>								
Bond loans	108,555	96,970	-	-	-	-	108,555	96,970
Other loans	27,141	23,779	17,553	19,352	-1,577	-1,599	43,117	41,532
Internal funding	-123,776	-109,059	114,987	112,231	8,789	-3,173	-	-
Deferred tax liabilities	2,286	2,486	2,106	2,238	-	-	4,391	4,725
Other liabilities	51,884	49,600	1,838	1,701	-10,614	-9,759	43,108	41,542
Current provisions	19,401	19,609	46	14	-	-	19,447	19,623
<i>Current liabilities</i>								
Bond loans	45,614	46,641	-	-	-	-	45,614	46,641
Other loans	51,630	40,804	11,666	11,861	-967	-1,017	62,329	51,648
Internal funding	-89,840	-79,494	103,951	89,985	-14,112	-10,491	-	-
Trade payables	83,172	81,883	549	1,103	-	-	83,722	82,987
Tax liabilities	6,250	4,140	904	947	-	-	7,154	5,087
Other liabilities	72,383	71,130	8,763	9,095	-9,754	-10,007	71,392	70,218
Liabilities held for sale	8,602	8,157	-	-	-	-	8,602	8,157
<b>Total equity and liabilities</b>	<b>441,742</b>	<b>439,807</b>	<b>285,331</b>	<b>270,307</b>	<b>-28,236</b>	<b>-36,046</b>	<b>698,838</b>	<b>674,068</b>
<b>Key ratios, %</b>								
Equity ratio	34.6	36.2	8.0	8.0			25.1	26.8
Equity attributable to owners of AB Volvo, per share in SEK							84.9	87.4
Return on operating capital <sup>1</sup>	83.9	71.3						
Return on capital employed <sup>1</sup>	41.3	36.7						
Return on equity <sup>1</sup>			12.9	13.0			32.3	28.7

<sup>1</sup> 12 months rolling.

## 20 FINANCIAL STATEMENTS

Net financial position excl. post-employment benefits and lease liabilities	Industrial Operations		Volvo Group	
	Jun 30 2024	Dec 31 2023	Jun 30 2024	Dec 31 2023
SEK bn				
<i>Non-current interest-bearing assets</i>				
Non-current customer-financing receivables	–	–	127.0	121.6
Non-current interest-bearing receivables	4.1	3.4	2.9	3.4
<i>Current interest-bearing assets</i>				
Customer-financing receivables	–	–	121.4	110.6
Interest-bearing receivables	2.2	2.8	2.2	2.8
Internal funding	1.6	10.7	–	–
Marketable securities	0.2	0.1	0.2	0.1
Cash and cash equivalents	62.8	78.9	66.9	83.3
Assets held for sale	–	–	–	–
<b>Total interest-bearing financial assets</b>	<b>70.9</b>	<b>95.8</b>	<b>320.6</b>	<b>321.8</b>
<i>Non-current interest-bearing liabilities</i>				
Bond loans	-108.6	-97.0	-108.6	-97.0
Other loans	-21.5	-18.4	-37.5	-36.2
Internal funding	123.8	109.1	–	–
<i>Current interest-bearing liabilities</i>				
Bond loans	-45.6	-46.6	-45.6	-46.6
Other loans	-49.6	-38.9	-60.3	-49.8
Internal funding	89.8	79.5	–	–
Liabilities held for sale	–	–	–	–
<b>Total interest-bearing financial liabilities excl. lease liabilities</b>	<b>-11.6</b>	<b>-12.4</b>	<b>-252.0</b>	<b>-229.6</b>
<b>Net financial position excl. post-employment benefits and lease liabilities</b>	<b>59.3</b>	<b>83.4</b>	<b>68.6</b>	<b>92.2</b>

Provisions for post-employment benefits and lease liabilities, net	Industrial Operations		Volvo Group	
	Jun 30 2024	Dec 31 2023	Jun 30 2024	Dec 31 2023
SEK bn				
Non-current lease liabilities	-5.6	-5.3	-5.6	-5.3
Current lease liabilities	-2.1	-1.9	-2.1	-1.9
Provisions for post-employment benefits, net	-10.7	-9.1	-10.8	-9.2
Liabilities held for sale	-0.3	-0.4	-0.3	-0.4
<b>Provisions for post-employment benefits and lease liabilities, net</b>	<b>-18.7</b>	<b>-16.7</b>	<b>-18.8</b>	<b>-16.8</b>

Net financial position incl. post-employment benefits and lease liabilities	Industrial Operations		Volvo Group	
	Jun 30 2024	Dec 31 2023	Jun 30 2024	Dec 31 2023
SEK bn				
Net financial position excl. post-employment benefits and lease liabilities	59.3	83.4	68.6	92.2
Provisions for post-employment benefits and lease liabilities, net	-18.7	-16.7	-18.8	-16.8
<b>Net financial position incl. post-employment benefits and lease liabilities</b>	<b>40.6</b>	<b>66.7</b>	<b>49.9</b>	<b>75.4</b>



## 21 FINANCIAL STATEMENTS

Changes in net financial position, industrial operations	Second quarter	First six months
SEK bn	2024	2024
<b>Net financial position excl. post-employment benefits and lease liabilities at the end of previous period</b>	<b>88.7</b>	<b>83.4</b>
Operating cash flow	9.1	18.0
Investments and divestments of shares, net	-0.5	-3.4
Acquired and divested operations, net	0.1	-2.2
Capital injections to/from Financial Services	-0.1	0.3
Currency effect	-0.5	1.1
Dividend to owners of AB Volvo	-36.6	-36.6
Dividend to non-controlling interest	-	-
Other changes	-0.8	-1.2
<b>Net financial position excl. post-employment benefits and lease liabilities at the end of period</b>	<b>59.3</b>	<b>59.3</b>
<b>Provisions for post-employment benefits and lease liabilities at the end of previous period</b>	<b>-16.9</b>	<b>-16.7</b>
Pension payments, included in operating cash flow	0.4	1.0
Remeasurements of defined post-employment benefits	-2.0	-1.5
Service costs and other pension costs	-0.4	-0.6
Investments, remeasurements and amortizations of lease contracts	0.1	-0.1
Currency effect	0.1	-0.5
Other changes	-	-0.4
<b>Provisions for post-employment benefits and lease liabilities at the end of period</b>	<b>-18.7</b>	<b>-18.7</b>
<b>Net financial position incl. post-employment benefits and lease liabilities at the end of period</b>	<b>40.6</b>	<b>40.6</b>

CHANGES IN CONSOLIDATED EQUITY			
SEK M	Equity attributable to owners of AB Volvo	Non-controlling interest	Total equity
<b>Balance as of December 31, 2022</b>	<b>162,717</b>	<b>3,519</b>	<b>166,236</b>
Income for the period	49,825	107	49,932
Other comprehensive income for the period	-6,094	-191	-6,285
<b>Total comprehensive income for the period</b>	<b>43,731</b>	<b>-84</b>	<b>43,647</b>
Dividend	-28,468	-457	-28,926
Changes in non-controlling interests	-	-29	-29
Other changes	-189	-	-189
<b>Transactions with shareholders</b>	<b>-28,658</b>	<b>-486</b>	<b>-29,143</b>
<b>Balance as of December 31, 2023</b>	<b>177,791</b>	<b>2,948</b>	<b>180,739</b>
Income for the period	29,631	55	29,686
Other comprehensive income for the period	1,669	117	1,786
<b>Total comprehensive income for the period</b>	<b>31,300</b>	<b>172</b>	<b>31,472</b>
Dividend	-36,602	-	-36,602
Changes in non-controlling interests	-	-	-
Other changes	132	-	132
<b>Transactions with shareholders</b>	<b>-36,470</b>	<b>-</b>	<b>-36,470</b>
<b>Balance as of June 30, 2024</b>	<b>172,620</b>	<b>3,120</b>	<b>175,740</b>

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CONSOLIDATED CASH FLOW STATEMENT - SECOND QUARTER								
SEK M	Industrial Operations		Financial Services		Eliminations		Volvo Group	
	2024	2023	2024	2023	2024	2023	2024	2023
<b>Operating activities</b>								
Operating income	19,179	13,545	1,028	916	132	128	20,339	14,589
Amortization intangible assets	1,111	746	10	8	–	–	1,121	753
Depreciation tangible assets	2,233	2,120	6	5	–	–	2,240	2,126
Depreciation leasing vehicles	1,040	1,139	1,308	1,272	–	–	2,348	2,411
Other non-cash items	-392	6,840	311	257	–	–	-81	7,097
Total change in working capital whereof	-7,176	-4,927	-7,041	-13,241	124	-233	-14,093	-18,401
<i>Change in accounts receivables</i>	-1,372	86	-46	-235	–	–	-1,418	-149
<i>Change in customer-financing receivables</i>	9	12	-5,499	-12,039	218	-172	-5,272	-12,199
<i>Change in inventories</i>	-1,074	-4,828	9	-57	–	–	-1,065	-4,885
<i>Change in trade payables</i>	-1,715	1,009	-621	-147	–	–	-2,336	862
<i>Change in vehicles on operating lease and assets for service solutions<sup>1</sup></i>	-282	-142	-1,052	-1,471	-13	-15	-1,346	-1,628
<i>Other changes in working capital</i>	-2,742	-1,064	168	708	-81	-45	-2,656	-401
Dividends received from joint ventures and associated companies	152	108	–	–	–	–	152	108
Interest and similar items received	716	791	–	–	-132	-128	584	663
Interest and similar items paid	-338	-409	–	–	13	-14	-324	-423
Other financial items	-118	-130	–	–	–	–	-118	-130
Income taxes paid	-3,972	-3,941	-390	-383	–	–	-4,362	-4,324
<b>Cash flow from operating activities</b>	<b>12,435</b>	<b>15,882</b>	<b>-4,767</b>	<b>-11,165</b>	<b>138</b>	<b>-247</b>	<b>7,805</b>	<b>4,470</b>
<b>Investing activities</b>								
Investments in intangible assets	-693	-1,212	-20	-20	–	–	-714	-1,232
Investments in tangible assets	-2,759	-2,619	-1	-4	–	–	-2,760	-2,623
Disposals of in-/tangible assets	78	502	3	1	–	–	81	503
<b>Operating cash flow</b>	<b>9,060</b>	<b>12,553</b>	<b>-4,785</b>	<b>-11,188</b>	<b>138</b>	<b>-247</b>	<b>4,413</b>	<b>1,118</b>
Investments of shares							-515	-271
Divestment of shares							6	8
Acquired operations							-77	358
Divested operations							160	–
Interest-bearing receivables incl. marketable securities							-25	-106
<b>Cash flow after net investments</b>							<b>3,962</b>	<b>1,107</b>
<b>Financing activities</b>								
New borrowings							88,408	64,843
Repayments of borrowings							-79,368	-58,976
Dividend to owners of AB Volvo							-36,602	-28,468
Dividend to non-controlling interest							–	–
Other							-16	-31
<b>Change in cash and cash equivalents excl. exchange rate changes</b>							<b>-23,617</b>	<b>-21,525</b>
Effect of exchange rate changes on cash and cash equivalents							-744	1,166
<b>Change in cash and cash equivalents</b>							<b>-24,360</b>	<b>-20,359</b>
<b>Cash and cash equivalents, beginning of quarter</b>							<b>91,263</b>	<b>84,178</b>
<b>Cash and cash equivalents, end of quarter</b>							<b>66,902</b>	<b>63,819</b>

1 As from 2024, change in vehicles on operating lease and assets for service solutions is presented separately in the cash flow statement. The comparative figures for 2023 have been restated.

## 23 FINANCIAL STATEMENTS

CONSOLIDATED CASH FLOW STATEMENT - FIRST SIX MONTHS								
SEK M	Industrial Operations		Financial Services		Eliminations		Volvo Group	
	2024	2023	2024	2023	2024	2023	2024	2023
<b>Operating activities</b>								
Operating income	36,223	29,783	2,037	1,787	238	285	38,498	31,856
Amortization intangible assets	1,881	1,486	16	16	–	–	1,897	1,502
Depreciation tangible assets	4,365	4,188	13	10	–	–	4,378	4,199
Depreciation leasing vehicles	2,012	2,214	2,588	2,484	–	–	4,600	4,698
Other non-cash items	-28	8,700	525	486	–	-1	497	9,184
Total change in working capital whereof	-10,995	-12,665	-13,074	-24,596	20	-495	-24,048	-37,757
<i>Change in accounts receivables</i>	-418	99	6	-360	–	–	-413	-262
<i>Change in customer-financing receivables</i>	40	71	-10,597	-23,141	157	-369	-10,400	-23,440
<i>Change in inventories</i>	-7,191	-14,034	-129	-3	–	–	-7,320	-14,037
<i>Change in trade payables</i>	-565	2,909	-590	-140	–	–	-1,155	2,769
<i>Change in vehicles on operating lease and assets for service solutions<sup>1</sup></i>	-345	-322	-2,160	-2,160	36	-4	-2,469	-2,485
<i>Other changes in working capital</i>	-2,516	-1,388	396	1,208	-172	-122	-2,292	-302
Dividends received from joint ventures and associated companies	152	108	–	–	–	–	152	108
Interest and similar items received	1,709	1,515	–	–	-238	-285	1,471	1,230
Interest and similar items paid	-605	-1,029	–	–	-14	7	-618	-1,022
Other financial items	-256	-157	–	–	–	–	-256	-157
Income taxes paid	-9,560	-9,543	-690	-668	–	–	-10,250	-10,212
<b>Cash flow from operating activities</b>	<b>24,900</b>	<b>24,599</b>	<b>-8,585</b>	<b>-20,481</b>	<b>7</b>	<b>-490</b>	<b>16,321</b>	<b>3,629</b>
<b>Investing activities</b>								
Investments in intangible assets	-1,828	-2,527	-31	-28	–	–	-1,860	-2,556
Investments in tangible assets	-5,270	-5,083	-2	-7	–	–	-5,272	-5,089
Disposals of in-/tangible assets	155	567	5	2	–	–	160	569
<b>Operating cash flow</b>	<b>17,956</b>	<b>17,556</b>	<b>-8,613</b>	<b>-20,514</b>	<b>7</b>	<b>-490</b>	<b>9,350</b>	<b>-3,447</b>
Investments of shares							-3,455	-944
Divestments of shares							8	8
Acquired operations							-2,525	350
Divested operations							331	196
Interest-bearing receivables incl. marketable securities							-317	-182
<b>Cash flow after net investments</b>							<b>3,392</b>	<b>-4,019</b>
<b>Financing activities</b>								
New borrowings							151,169	109,570
Repayments of borrowings							-135,700	-98,500
Dividend to owners of AB Volvo							-36,602	-28,468
Dividend to non-controlling interest							–	–
Other							25	-27
<b>Change in cash and cash equivalents excl. exchange rate changes</b>							<b>-17,716</b>	<b>-21,445</b>
Effect of exchange rate changes on cash and cash equivalents							1,292	1,378
<b>Change in cash and cash equivalents</b>							<b>-16,424</b>	<b>-20,067</b>
<b>Cash and cash equivalents, beginning of period</b>							<b>83,326</b>	<b>83,886</b>
<b>Cash and cash equivalents, end of period</b>							<b>66,902</b>	<b>63,819</b>

1 As from 2024, change in vehicles on operating lease and assets for service solutions is presented separately in the cash flow statement. The comparative figures for 2023 have been restated.

## 24 QUARTERLY FIGURES

<b>Income Statements, Volvo Group</b>						First six months	First six months
SEK M unless otherwise stated	<b>2/2024</b>	1/2024	4/2023	3/2023	2/2023	<b>2024</b>	2023
<b>Net sales</b>	<b>140,249</b>	<b>131,177</b>	<b>147,988</b>	<b>132,275</b>	<b>140,685</b>	<b>271,426</b>	<b>271,988</b>
Cost of sales	-100,257	-94,395	-109,188	-95,751	-101,637	-194,652	-197,474
<b>Gross income</b>	<b>39,992</b>	<b>36,781</b>	<b>38,800</b>	<b>36,524</b>	<b>39,048</b>	<b>76,774</b>	<b>74,514</b>
Research and development expenses	-8,216	-7,332	-7,029	-6,305	-6,819	-15,547	-13,310
Selling expenses	-8,841	-8,617	-9,249	-8,202	-8,329	-17,459	-16,224
Administrative expenses	-1,988	-1,964	-2,149	-1,686	-1,858	-3,952	-3,521
Other operating income and expenses	-16	-567	-2,247	-1,180	-6,873	-584	-8,853
Income/loss from investments in joint ventures and associated companies	-605	-142	-1,154	-665	-578	-746	-749
Income/loss from other investments	13	-	10	-22	-2	13	-2
<b>Operating income</b>	<b>20,339</b>	<b>18,159</b>	<b>16,982</b>	<b>18,464</b>	<b>14,589</b>	<b>38,498</b>	<b>31,856</b>
Interest income and similar credits	546	885	890	656	572	1,432	1,144
Interest expenses and similar charges	-370	-364	-406	-417	-390	-734	-861
Other financial income and expenses	19	-238	-582	-67	-362	-219	-932
<b>Income after financial items</b>	<b>20,534</b>	<b>18,442</b>	<b>16,884</b>	<b>18,636</b>	<b>14,409</b>	<b>38,977</b>	<b>31,206</b>
Income taxes	-4,952	-4,339	-4,798	-4,543	-3,591	-9,291	-7,453
<b>Income for the period *</b>	<b>15,583</b>	<b>14,103</b>	<b>12,086</b>	<b>14,093</b>	<b>10,819</b>	<b>29,686</b>	<b>23,753</b>
* Attributable to:							
Owners of AB Volvo	15,551	14,080	12,053	14,092	10,770	29,631	23,680
Non-controlling interest	32	23	33	1	49	55	73
<b>Key ratios, Volvo Group, %</b>							
Gross margin	28.5	28.0	26.1	27.5	27.6	28.2	27.3
Research and development expenses as % of net sales	5.9	5.6	4.7	4.8	4.8	5.7	4.9
Selling expenses as % of net sales	6.3	6.6	6.2	6.2	5.9	6.4	6.0
Administrative expenses as % of net sales	1.4	1.5	1.5	1.3	1.3	1.5	1.3
Operating margin	14.5	13.8	11.4	13.8	10.3	14.2	11.6
<b>Key ratios, Industrial Operations, %</b>							
Gross margin	28.0	27.4	25.7	27.0	27.3	27.7	26.8
Research and development expenses as % of net sales	6.1	5.8	4.9	5.0	5.0	6.0	5.1
Selling expenses as % of net sales	5.9	6.2	5.9	5.8	5.5	6.0	5.5
Administrative expenses as % of net sales	1.5	1.6	1.5	1.3	1.4	1.5	1.3
Operating margin	14.2	13.5	11.1	13.7	10.0	13.9	11.3
<b>EBITDA margin, Industrial Operations</b>							
<b>Operating income</b>	<b>19,179</b>	<b>17,044</b>	<b>15,887</b>	<b>17,393</b>	<b>13,545</b>	<b>36,223</b>	<b>29,783</b>
Amortization product and software development	821	736	781	704	709	1,557	1,404
Amortization other intangible assets	290	34	40	39	38	324	82
Depreciation tangible assets	3,274	3,103	3,407	3,314	3,259	6,377	6,402
Total depreciation and amortization	4,385	3,873	4,228	4,057	4,006	8,257	7,888
<b>Operating income before depreciation and amortization (EBITDA)</b>	<b>23,563</b>	<b>20,917</b>	<b>20,115</b>	<b>21,450</b>	<b>17,551</b>	<b>44,481</b>	<b>37,671</b>
EBITDA margin, %	17.5	16.6	14.1	16.9	12.9	17.1	14.3
<b>Net capitalization of research and development</b>							
Capitalization	648	1,101	1,314	1,022	1,166	1,749	2,374
Amortization	-786	-701	-696	-665	-670	-1,487	-1,327
<b>Net capitalization and amortization</b>	<b>-138</b>	<b>400</b>	<b>617</b>	<b>357</b>	<b>496</b>	<b>262</b>	<b>1,047</b>
Return on operating capital, Industrial Operations, % <sup>1</sup>	83.9	75.2	71.3	66.0	58.4		
Return on capital employed, Industrial Operations, % <sup>1</sup>	41.3	37.7	36.7	33.7	30.2		

<sup>1</sup> 12 months rolling.



## 25 QUARTERLY FIGURES

<b>Net sales</b>						First six months	First six months
SEK M	<b>2/2024</b>	1/2024	4/2023	3/2023	2/2023	<b>2024</b>	2023
Trucks	95,132	89,946	99,896	89,848	93,748	185,078	183,304
Construction Equipment	24,423	22,877	26,578	24,296	28,999	47,300	54,108
Buses	6,551	5,173	7,336	5,386	5,434	11,723	9,701
Volvo Penta	5,216	5,168	5,031	4,956	5,416	10,383	11,019
Group Functions & Other	4,657	4,281	5,448	3,954	3,629	8,938	7,407
Eliminations	-1,263	-1,280	-1,348	-1,219	-1,236	-2,542	-2,431
<b>Industrial Operations</b>	<b>134,715</b>	<b>126,163</b>	<b>142,941</b>	<b>127,220</b>	<b>135,991</b>	<b>260,879</b>	<b>263,108</b>
Financial Services	6,801	6,532	6,542	6,249	5,851	13,334	11,221
Eliminations	-1,268	-1,519	-1,495	-1,195	-1,156	-2,787	-2,341
<b>Volvo Group net sales</b>	<b>140,249</b>	<b>131,177</b>	<b>147,988</b>	<b>132,275</b>	<b>140,685</b>	<b>271,426</b>	<b>271,988</b>

<b>Operating income</b>						First six months	First six months
SEK M	<b>2/2024</b>	1/2024	4/2023	3/2023	2/2023	<b>2024</b>	2023
Trucks	13,391	13,073	13,691	13,397	8,950	26,465	21,804
Construction Equipment	3,888	3,683	2,710	3,733	5,353	7,571	9,940
Buses	754	259	323	340	219	1,013	-1,042
Volvo Penta	1,016	988	365	790	804	2,005	2,075
Group Functions & Other	117	-947	-1,232	-878	-1,783	-830	-3,008
Eliminations	13	-13	30	11	3	-	15
<b>Industrial Operations</b>	<b>19,179</b>	<b>17,044</b>	<b>15,887</b>	<b>17,393</b>	<b>13,545</b>	<b>36,223</b>	<b>29,783</b>
Financial Services	1,028	1,009	1,005	927	916	2,037	1,787
Eliminations	132	106	90	144	128	238	285
<b>Volvo Group operating income</b>	<b>20,339</b>	<b>18,159</b>	<b>16,982</b>	<b>18,464</b>	<b>14,589</b>	<b>38,498</b>	<b>31,856</b>

<b>Adjusted operating income <sup>1</sup></b>						First six months	First six months
SEK M	<b>2/2024</b>	1/2024	4/2023	3/2023	2/2023	<b>2024</b>	2023
Trucks	13,251	13,073	13,691	14,038	14,950	26,325	27,665
Construction Equipment	3,888	3,683	3,320	3,733	5,353	7,571	9,940
Buses	554	259	323	340	219	813	397
Volvo Penta	1,016	988	365	790	804	2,005	2,075
Group Functions & Other	-436	-947	-352	-860	-513	-1,383	-1,738
Eliminations	13	-13	30	11	3	-	15
<b>Industrial Operations</b>	<b>18,286</b>	<b>17,044</b>	<b>17,377</b>	<b>18,051</b>	<b>20,815</b>	<b>35,330</b>	<b>38,353</b>
Financial Services	1,028	1,009	1,005	1,062	916	2,037	1,787
Eliminations	132	106	90	144	128	238	285
<b>Volvo Group adjusted operating income</b>	<b>19,446</b>	<b>18,159</b>	<b>18,472</b>	<b>19,258</b>	<b>21,859</b>	<b>37,605</b>	<b>40,426</b>

1 For more information on adjusted operating income, please see note 6.

## 26 QUARTERLY FIGURES

<b>Operating margin</b>						First six months	First six months
%	<b>2/2024</b>	1/2024	4/2023	3/2023	2/2023	<b>2024</b>	2023
Trucks	14.1	14.5	13.7	14.9	9.5	14.3	11.9
Construction Equipment	15.9	16.1	10.2	15.4	18.5	16.0	18.4
Buses	11.5	5.0	4.4	6.3	4.0	8.6	-10.7
Volvo Penta	19.5	19.1	7.3	15.9	14.8	19.3	18.8
<b>Industrial Operations</b>	<b>14.2</b>	<b>13.5</b>	<b>11.1</b>	<b>13.7</b>	<b>10.0</b>	<b>13.9</b>	<b>11.3</b>
<b>Volvo Group</b>	<b>14.5</b>	<b>13.8</b>	<b>11.4</b>	<b>13.8</b>	<b>10.3</b>	<b>14.2</b>	<b>11.6</b>

<b>Adjusted operating margin</b>						First six months	First six months
%	<b>2/2024</b>	1/2024	4/2023	3/2023	2/2023	<b>2024</b>	2023
Trucks	13.9	14.5	13.7	15.6	15.9	14.2	15.1
Construction Equipment	15.9	16.1	12.5	15.4	18.5	16.0	18.4
Buses	8.5	5.0	4.4	6.3	4.0	6.9	4.1
Volvo Penta	19.5	19.1	7.3	15.9	14.8	19.3	18.8
<b>Industrial Operations</b>	<b>13.6</b>	<b>13.5</b>	<b>12.2</b>	<b>14.2</b>	<b>15.3</b>	<b>13.5</b>	<b>14.6</b>
<b>Volvo Group adjusted operating margin</b>	<b>13.9</b>	<b>13.8</b>	<b>12.4</b>	<b>14.4</b>	<b>15.4</b>	<b>13.9</b>	<b>14.7</b>

<b>Share data</b>						First six months	First six months
	<b>2/2024</b>	1/2024	4/2023	3/2023	2/2023	<b>2024</b>	2023
Earnings per share, SEK <sup>1</sup>	<b>7.65</b>	6.92	5.93	6.93	5.30	<b>14.57</b>	11.65
Earnings per share, SEK <sup>1</sup> , 12 months rolling	<b>27.43</b>	25.07	24.50	21.84	19.15	<b>26.22</b>	20.24
Diluted earnings per share, SEK	<b>7.65</b>	6.92	5.93	6.93	5.30	<b>14.57</b>	11.65
Number of outstanding shares in millions	<b>2,033</b>	2,033	2,033	2,033	2,033	<b>2,033</b>	2,033
Average number of shares before dilution in millions	<b>2,033</b>	2,033	2,033	2,033	2,033	<b>2,033</b>	2,033
Average number of shares after dilution in millions	<b>2,033</b>	2,033	2,033	2,033	2,033	<b>2,033</b>	2,033
Number of own shares in millions	–	–	–	–	–	–	–
Average number of own shares in millions	–	–	–	–	–	–	–

<sup>1</sup> Earnings per share are calculated as Income for the period (excl. Non-controlling interest) divided by the weighted average number of shares outstanding during the period.

## 27 NOTES

### NOTE 1 | ACCOUNTING POLICIES

The Volvo Group applies International Financial Reporting Standards (IFRS) as endorsed by the EU. The accounting policies and definitions are consistently applied with those described in the Volvo Group Annual Report 2023 (available at [www.volvogroup.com](http://www.volvogroup.com)). There are no new accounting policies

applicable from 2024 that materially affects the Volvo Group.

This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act. The Parent Company applies the Swedish Annual Accounts Act and RFR 2 Reporting for legal entities.

### NOTE 2 | RISKS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Each of the Volvo Group's Business Areas and Truck Divisions monitors and manages risks in its operations. In addition, the Volvo Group utilizes a centralized Enterprise Risk Management (ERM) reporting process, which is a systematic and structured framework for reporting and reviewing risk assessments and mitigations as well as for follow-up on identified risks.

The ERM process classifies Volvo Group risks into five categories:

**Macro and market related risks** – such as cyclical nature of the commercial vehicles industry, intense competition, extensive government regulations, political and social uncertainty;

**Operational risks** – such as transformation and technology risk, new business models, risks related to industrial operations including supply chain, reliance on suppliers and materials, cost inflation and price increases, information security and digital infrastructure, strategic transactions such as mergers and acquisitions, partnerships and divestments as well as residual value commitments;

**Climate and people risks** – such as climate, people and culture as well as human rights;

**Compliance risks** – such as data protection laws, protection and maintenance of intangible assets, legal proceedings and corruption and competition law; and

**Financial risks** – such as insurance coverage, credit risk, pension commitments, interest-rates and currency fluctuations, liquidity risk, as well as impairment on goodwill and other intangible assets.

For a more elaborate description of these risks, please refer to the Risk Management section on pages 82-88 in the Volvo Group Annual Report 2023.

#### Risk updates

Short-term risks, when applicable, are also described in the respective segment section of this report.

#### Update on supply situation and inflationary pressure

Our ability to deliver according to market demand depends significantly on obtaining a timely and adequate supply of materials, components and other vital services, as well as on our ability to properly utilize the capacity in the Group's different production and services facilities. At present, our supply chain and industrial system are strained in many areas due to e.g. shortages of labor, materials and components, and transport services. Further strains on the supply chain may also evolve from other events, including financial distress of suppliers and consequences of the war in Ukraine and other geopolitical events. There might be supply chain disturbances and stoppages in production going forward. Such disturbances could lead to higher costs and

interruptions in production and delivery of Group products and services, that could have a material negative impact on the Group's financial performance.

The Group might experience higher input costs from increased prices on e.g. purchased material, freight and energy as well as higher labor costs. If the Group is unable to compensate for the higher input costs through increased prices on products and services sold, this could have a negative impact on the Group's financial performance.

#### Accounts receivable

Due to the prevailing business model in the construction equipment industry in China, with long payment terms to customers, a substantial part of the Volvo Group's accounts receivable is related to customers in this market. The weakened Chinese construction equipment market is currently impacting customers' and dealers' profitability negatively. This might affect their ability to honor their obligations to the Group and may consequently have a material adverse effect on the Group's financial result and position.

#### Detected premature degradation of emissions control component

As previously communicated, the Volvo Group has detected that an emissions control component used in certain markets and models, may degrade more quickly than expected, affecting the vehicles emission performance negatively. The Volvo Group made a provision of SEK 7 billion impacting the operating income in Q4 2018, relating to the estimated costs to address the issue. Negative cash flow effects started in 2019 and will continue in the coming years. As of year-end 2023, approximately half of the initial provision had been utilized. The Volvo Group will continuously assess the size of the provision as the matter develops.

#### Contingent liabilities

The reported amounts for contingent liabilities reflect a part of Volvo Group's risk exposure. Total contingent liabilities as of June 30, 2024, amounted to SEK 15.8 billion, a decrease of SEK 0.1 billion compared with December 31, 2023. The gross exposure of SEK 15.8 billion is partly reduced by counter guarantees and collaterals.

## 28 NOTES

### Legal proceedings

Starting in January 2011, the Volvo Group, together with a number of other truck manufacturers, was investigated by the European Commission in relation to a possible violation of EU antitrust rules. In July 2016 the European Commission adopted a settlement decision against the Volvo Group and other truck manufacturers finding that they were involved in an antitrust infringement which, in the case of the Volvo Group, covered a 14-year period from 1997 to 2011. The Volvo Group paid a monetary fine of EUR 670 million.

Following the adoption of the European Commission's settlement decision, the Volvo Group has received and is defending itself against a significant number of private damages claims brought by customers and other third parties alleging that they suffered loss, directly or indirectly, by reason of the conduct covered in the decision. The claims relate primarily to Volvo Group trucks sold during the 14-year period of the infringement and, in some cases, to trucks sold in certain periods after the infringement ended. Some claims have also been made against the Volvo Group that relate to trucks sold by other manufacturers. The truck manufacturers subject to the 2016 settlement decision are, in most countries, jointly and severally liable for any losses arising from the infringement.

In the region of 3,000 claims are being brought in over 20 countries (including EU Member States, the United Kingdom, Norway and Israel) by large numbers of claimants either acting individually or as part of a wider group or class of claimants. Further claims may be commenced. The litigation in many countries can be expected to run for several years.

Several hundred thousand trucks sold by the Volvo Group are currently subject to claims against it or other truck manufacturers, with claimants alleging that the infringement resulted in an increase in the prices paid for Volvo Group trucks which directly or

indirectly caused them loss.

The Volvo Group maintains its firm view that no damage was caused to its customers or any third party by the conduct set out in the settlement decision, and in fact, the European Commission did not assess any potential effects of the infringement on the market. The Volvo Group considers that transaction prices our customers paid for their trucks were unaffected by the infringement and were the outcome of individual negotiations across all elements of their purchasing requirements, including not only the prices for new trucks but also (where relevant) associated products and services sold together with new trucks such as service contracts, financing, buy-back guarantees etc.

Litigation developments so far have been mixed with some adverse outcomes, although uncertainty regarding ultimate exposure to the litigation remains high and it is inherent in complex litigation that outlooks and risks fluctuate over time.

At this stage it is not possible to make a reliable estimate of the total liability that could arise from such proceedings given the complexity of the claims and the different (and in some cases relatively early) stages to which national proceedings have progressed. However, the litigation is substantial in scale and any adverse outcome or outcomes of some or all of the litigation, depending on the nature and extent of such outcomes, may have a material negative impact on the Volvo Group's financial results, cash flows and financial position. In light of progress in litigations and current risks, the Volvo Group has in Q2 2023 recognized a cost of SEK 6 billion (in addition to previously recognized costs of SEK 630 M and besides legal fees to advisors), relating to aspects of the litigation that are currently possible to estimate and where an outflow of resources is probable. This is Volvo Group's current assessment, which may change as the litigation progresses.

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## NOTE 3 | ACQUISITIONS AND DIVESTMENTS

### Acquisitions and divestments

In May, the Volvo Group divested Volvo Construction Equipment's ABG paver business to Ammann Group. The divestment impacted the Volvo Group's operating income negatively by SEK 610 M in the fourth quarter 2023 due to a write-down of assets to fair value.

In June, the Volvo Group and Westport Fuel systems completed the creation of a joint venture. The investment for Volvo Group's share in the joint venture amounted to SEK 374 M.

The Volvo Group has not completed any other acquisitions or divestments of operations during the second quarter that have had a material impact on the financial statements.

### Assets and liabilities held for sale

Assets and liabilities held for sale amounted to net SEK 3,122 M (3.803) as of June 30, 2024. These relate to the divestments of Arquus to John Cockerill Defense, which was completed in July, and planned property divestments. A remeasurement of the net assets related to the divestment of Arquus at their fair value has resulted in a partial reversal of an impairment from Q4 2023. The reversal has impacted the Volvo Group's operating income positively in the second quarter by SEK 181 M.



## 29 NOTES

### NOTE 4 | CURRENCY AND FINANCIAL INSTRUMENTS

Valuation principles and classifications of Volvo Group financial instruments, as described in Volvo Group Annual Report 2023 Note 30, have been consistently applied throughout the reporting period. Financial instruments in the Volvo Group reported at fair value through profit and loss consist mainly of interest and currency derivatives. Derivatives with positive fair values amounted to SEK 5.6 billion (6.9) and derivatives with negative fair values amounted to SEK 5.0 billion (5.8) as of June 30, 2024. The derivatives are accounted for on gross basis.

Financial liabilities valued at amortized cost, reported as non-current and current bond loans and other loans, amounted to SEK 255.9 billion (233.5) in reported carrying value with a fair value of SEK 254.3 billion (232.8). In the Volvo Group consolidated financial position, financial liabilities include loan-related derivatives with negative fair values amounting to SEK 3.7 billion (3.3).

Currency effect on operating income, Volvo Group	Compared to second quarter 2023		
	Second quarter 2024	Second quarter 2023	Change
SEK M			
Net flow in foreign currency			319
Realized and unrealized gains and losses on derivatives	-29	-3	-26
Unrealized gains and losses on receivables and liabilities in foreign currency	-56	-64	8
Translation effect on operating income in foreign subsidiaries			-114
<b>Total currency effect on operating income, Volvo Group</b>			<b>187</b>

Applicable currency rates	Quarterly exchange rates		Close rates	
	Second quarter 2024	Second quarter 2023	Jun 30 2024	Jun 30 2023
BRL	2.05	2.13	1.93	2.23
CNY	1.48	1.50	1.46	1.50
EUR	11.51	11.46	11.38	11.79
GBP	13.49	13.18	13.45	13.72
KRW	0.0078	0.0080	0.0077	0.0082
USD	10.69	10.52	10.64	10.85

### NOTE 5 | TRANSACTIONS WITH RELATED PARTIES

SEK M	Sales of goods, services and other income		Purchases of goods, services and other expenses	
	Second quarter 2024	Second quarter 2023	Second quarter 2024	Second quarter 2023
Associated companies	618	899	67	57
Joint ventures	1,196	1,264	329	400

SEK M	Receivables		Payables	
	Jun 30 2024	Dec 31 2023	Jun 30 2024	Dec 31 2023
Associated companies	609	259	87	106
Joint ventures	809	535	111	85

## 30 NOTES

### NOTE 6 | RECONCILIATION OF ADJUSTED OPERATING INCOME

Adjusted operating income						First six months	First six months
SEK M	2/2024	1/2024	4/2023	3/2023	2/2023	2024	2023
Trucks	13,251	13,073	13,691	14,038	14,950	26,325	27,665
Construction Equipment	3,888	3,683	3,320	3,733	5,353	7,571	9,940
Buses	554	259	323	340	219	813	397
Volvo Penta	1,016	988	365	790	804	2,005	2,075
Group Functions & Other	-436	-947	-352	-860	-513	-1,383	-1,738
Eliminations	13	-13	30	11	3	-	15
<b>Industrial Operations</b>	<b>18,286</b>	<b>17,044</b>	<b>17,377</b>	<b>18,051</b>	<b>20,815</b>	<b>35,330</b>	<b>38,353</b>
Financial Services	1,028	1,009	1,005	1,062	916	2,037	1,787
Eliminations	132	106	90	144	128	238	285
<b>Volvo Group adjusted operating income<sup>1</sup></b>	<b>19,446</b>	<b>18,159</b>	<b>18,472</b>	<b>19,258</b>	<b>21,859</b>	<b>37,605</b>	<b>40,426</b>

Adjustments						First six months	First six months
SEK M	2/2024	1/2024	4/2023	3/2023	2/2023	2024	2023
<b>Adjustment items (segment)</b>							
Financial impact related to the divestment of Arqus (Group Functions & Other)	181	-	-880	-	-	181	-
Financial impact related to the divestment of the ABG paver business (Construction Equipment)	-	-	-610	-	-	-	-
Financial impact related to Russia:							
Trucks	-	-	-	-640	-	-	-
Group Functions & Other	-	-	-	-18	-	-	-
Financial Services	-	-	-	-136	-	-	-
Costs relating to claims arising from the European Commission's 2016 antitrust settlement decision (Trucks)	-	-	-	-	-6,000	-	-6,000
Restructuring charges relating to the US bus production for Nova Bus (Group Functions & Other)	372	-	-	-	-1,270	372	-1,270
Restructuring charges relating to the European bus operation (Buses)	200	-	-	-	-	200	-1,300
Previously announced provision for premature degradation of an emission control component:							
Trucks	140	-	-	-	-	140	139
Buses	-	-	-	-	-	-	-139
<b>Total adjustments</b>							
Trucks	140	-	-	-640	-6,000	140	-5,861
Construction Equipment	-	-	-610	-	-	-	-
Buses	200	-	-	-	-	200	-1,439
Volvo Penta	-	-	-	-	-	-	-
Group Functions & Other	553	-	-880	-18	-1,270	553	-1,270
<b>Industrial Operations</b>	<b>893</b>	<b>-</b>	<b>-1,490</b>	<b>-658</b>	<b>-7,270</b>	<b>893</b>	<b>-8,570</b>
Financial Services	-	-	-	-136	-	-	-
<b>Volvo Group</b>	<b>893</b>	<b>-</b>	<b>-1,490</b>	<b>-794</b>	<b>-7,270</b>	<b>893</b>	<b>-8,570</b>

Operating income						First six months	First six months
SEK M	2/2024	1/2024	4/2023	3/2023	2/2023	2024	2023
Trucks	13,391	13,073	13,691	13,397	8,950	26,465	21,804
Construction Equipment	3,888	3,683	2,710	3,733	5,353	7,571	9,940
Buses	754	259	323	340	219	1,013	-1,042
Volvo Penta	1,016	988	365	790	804	2,005	2,075
Group Functions & Other	117	-947	-1,232	-878	-1,783	-830	-3,008
Eliminations	13	-13	30	11	3	-	15
<b>Industrial Operations</b>	<b>19,179</b>	<b>17,044</b>	<b>15,887</b>	<b>17,393</b>	<b>13,545</b>	<b>36,223</b>	<b>29,783</b>
Financial Services	1,028	1,009	1,005	927	916	2,037	1,787
Eliminations	132	106	90	144	128	238	285
<b>Volvo Group operating income<sup>1</sup></b>	<b>20,339</b>	<b>18,159</b>	<b>16,982</b>	<b>18,464</b>	<b>14,589</b>	<b>38,498</b>	<b>31,856</b>

<sup>1</sup> As from 2024, elimination of internal interest income related to internal funding from Volvo Treasury AB to Financial Services is reclassified from finance net to gross income. The comparative figures in the financial statements for 2023 have been restated accordingly, impacting operating income positively with SEK 128 M in Q2, 2023. The effect on key ratios is insignificant.

## 31 PARENT COMPANY

Income from investments in group companies for the second quarter includes dividends amounting to SEK 2,515 M (5,319). In the second quarter, no impairment of shares and participations in group companies was made (1,380). Income from investments in joint ventures and associated companies includes dividends of SEK 108 M (76 M).

Financial net debt amounted to SEK 30,152 M on June 30, 2024, compared with SEK 34,147 M at year end 2023.

Income statement SEK M	Second quarter		First six months	
	2024	2023	2024	2023
<b>Net sales<sup>1</sup></b>	<b>327</b>	<b>84</b>	<b>560</b>	<b>154</b>
Cost of sales <sup>1</sup>	-327	-84	-560	-154
<b>Gross income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Operating expenses <sup>1</sup>	-327	-467	-640	-835
<b>Operating income (loss)</b>	<b>-327</b>	<b>-467</b>	<b>-640</b>	<b>-835</b>
Income from investments in group companies	2,515	3,940	2,515	3,989
Income from investments in joint ventures and associated companies	108	76	108	76
Income from investments, other shares and participations	-	-	-	-
Interest income and expenses	-366	-307	-719	-467
Other financial income and expenses	-18	-75	-33	-129
<b>Income after financial items</b>	<b>1,912</b>	<b>3,167</b>	<b>1,231</b>	<b>2,634</b>
Appropriations	-	-	-	-
Income taxes	132	2,532	261	2,623
<b>Income for the period</b>	<b>2,044</b>	<b>5,699</b>	<b>1,492</b>	<b>5,257</b>

<sup>1</sup> Of net sales in the first quarter, SEK 327 M (81) pertained to group companies, while purchases from group companies amounted to SEK 142 M (106).

Other comprehensive income				
Income for the period	2,044	5,699	1,492	5,257
Other comprehensive income, net of income taxes	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>2,044</b>	<b>5,699</b>	<b>1,492</b>	<b>5,257</b>

## 32 PARENT COMPANY

<b>Balance sheet</b>		
SEK M	<b>Jun 30 2024</b>	Dec 31 2023
<b>Assets</b>		
<b>Non-current assets</b>		
Tangible assets	7	7
Financial assets		
Shares and participations in group companies	72,619	71,885
Investments in joint ventures and associated companies	8,971	8,946
Other shares and participations	2	2
Other non-current receivables	631	690
Deferred tax assets	466	205
<b>Total non-current assets</b>	<b>82,696</b>	<b>81,735</b>
<b>Current assets</b>		
Current receivables from group companies	717	47,762
Tax assets	2,925	–
Other current receivables	188	305
<b>Total current assets</b>	<b>3,830</b>	<b>48,067</b>
<b>Total assets</b>	<b>86,526</b>	<b>129,802</b>
<b>Equity and liabilities</b>		
<b>Equity</b>		
Restricted equity	9,899	9,899
Unrestricted equity	40,738	75,849
<b>Total Equity</b>	<b>50,637</b>	<b>85,748</b>
Untaxed reserves	4,000	4,000
Provisions	245	251
Non-current liabilities <sup>1</sup>	759	696
Current liabilities <sup>2</sup>	30,885	39,107
<b>Total equity and liabilities</b>	<b>86,526</b>	<b>129,802</b>

1 Of which SEK 675 M (690) pertains to group companies.

2 Of which SEK 30,061 M (35,889) pertains to group companies.

### Events after the balance sheet date

For important events, please see page 4. No other significant events have occurred after the end of the second quarter 2024 that are expected to have a material effect on the Volvo Group.



## 33 SIGNATURES

The Board of Directors and the President certify that the half-yearly financial report gives a fair view of the performance of the business, position and profit or loss of the Company and the Group, and describes the principal risks and uncertainties that the Company and the companies in the Group face.

Gothenburg, July 18, 2024  
AB Volvo (publ)

Pär Boman  
Chairman of the Board

Matti Alahuhta  
Board member

Bo Annvik  
Board member

Jan Carlson  
Board member

Eric Elzvik  
Board member

Martha Finn Brooks  
Board member

Kurt Jofs  
Board member

Martin Lundstedt  
President, CEO  
and Board member

Kathryn V. Marinello  
Board member

Martina Merz  
Board member

Helena Stjernholm  
Board member

Lars Ask  
Board member

Therese Koggdal  
Board member

Urban Spännar  
Board member

## 34 AUDITOR'S REVIEW REPORT

AB Volvo (publ) org. nr 556012-5790

### Introduction

We have reviewed the condensed interim financial information (interim report) of AB Volvo (publ) as of June 30, 2024 and the six-month period then ended. The Board of Directors and the President are responsible for the preparation and presentation of the interim report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

### Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review

has a different focus and is substantially less in scope than an audit conducted in accordance with ISA and other generally accepted auditing practices. The procedures performed in a review do not enable us to obtain a level of assurance that would make us aware of all significant matters that might be identified in an audit. Therefore, the conclusion expressed based on a review does not give the same level of assurance as a conclusion expressed based on an audit.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not, in all material respects, prepared for the Group in accordance with IAS 34 and the Annual Accounts Act, and for the Parent Company in accordance with the Annual Accounts Act.

Gothenburg, July 18, 2024  
Deloitte AB

Signature on Swedish original

Fredrik Jonsson  
Authorized Public Accountant

This is a translation of the Swedish language original. In the event of any differences between this translation and the Swedish language original, the latter shall prevail.

## 35 NET ORDER INTAKE

Net order intake of trucks	Second quarter		Change %	First six months		Change %
	2024	2023		2024	2023	
Number of trucks						
<b>Net order intake</b>						
Europe	21,080	24,840	-15	46,157	56,130	-18
Heavy- and medium-duty	19,201	18,476	4	39,177	44,531	-12
Light-duty	1,879	6,364	-70	6,980	11,599	-40
North America	9,756	8,708	12	19,376	23,867	-19
South America	10,483	6,302	66	18,381	11,514	60
Asia	4,149	5,236	-21	8,264	10,572	-22
Africa and Oceania	2,292	3,222	-29	4,283	6,265	-32
<b>Total order intake</b>	<b>47,760</b>	<b>48,308</b>	<b>-1</b>	<b>96,461</b>	<b>108,348</b>	<b>-11</b>
Heavy-duty (>16 tons)	42,555	38,397	11	82,766	88,298	-6
Medium-duty (7-16 tons)	3,328	3,497	-5	6,597	8,328	-21
Light-duty (<7 tons)	1,877	6,414	-71	7,098	11,722	-39
<b>Total order intake</b>	<b>47,760</b>	<b>48,308</b>	<b>-1</b>	<b>96,461</b>	<b>108,348</b>	<b>-11</b>
<b>Net order intake of trucks by brand</b>						
<b>Volvo</b>						
Europe	12,692	12,862	-1	24,757	30,229	-18
North America	3,193	3,858	-17	10,102	11,412	-11
South America	10,250	6,228	65	17,962	11,152	61
Asia	2,972	4,278	-31	6,046	8,510	-29
Africa and Oceania	1,604	2,371	-32	2,911	4,250	-32
<b>Total Volvo</b>	<b>30,711</b>	<b>29,597</b>	<b>4</b>	<b>61,778</b>	<b>65,553</b>	<b>-6</b>
Heavy-duty (>16 tons)	29,875	28,775	4	60,069	63,517	-5
Medium-duty (7-16 tons)	836	822	2	1,709	2,036	-16
<b>Total Volvo</b>	<b>30,711</b>	<b>29,597</b>	<b>4</b>	<b>61,778</b>	<b>65,553</b>	<b>-6</b>
<b>Renault Trucks</b>						
Europe	8,388	11,978	-30	21,400	25,901	-17
Heavy- and medium-duty	6,509	5,614	16	14,420	14,302	1
Light-duty	1,879	6,364	-70	6,980	11,599	-40
North America	7	13	-46	33	63	-48
South America	145	25	480	253	152	66
Asia	1,177	958	23	2,218	2,062	8
Africa and Oceania	359	352	2	995	889	12
<b>Total Renault Trucks</b>	<b>10,076</b>	<b>13,326</b>	<b>-24</b>	<b>24,899</b>	<b>29,067</b>	<b>-14</b>
Heavy-duty (>16 tons)	6,750	5,615	20	14,519	14,143	3
Medium-duty (7-16 tons)	1,449	1,297	12	3,282	3,202	2
Light-duty (<7 tons)	1,877	6,414	-71	7,098	11,722	-39
<b>Total Renault Trucks</b>	<b>10,076</b>	<b>13,326</b>	<b>-24</b>	<b>24,899</b>	<b>29,067</b>	<b>-14</b>
<b>Mack</b>						
North America	6,556	4,837	36	9,241	12,392	-25
South America	88	49	80	166	198	-16
Africa and Oceania	168	218	-23	170	447	-62
<b>Total Mack</b>	<b>6,812</b>	<b>5,104</b>	<b>33</b>	<b>9,577</b>	<b>13,037</b>	<b>-27</b>
Heavy-duty (>16 tons)	5,798	3,775	54	8,012	10,043	-20
Medium-duty (7-16 tons)	1,014	1,329	-24	1,565	2,994	-48
<b>Total Mack</b>	<b>6,812</b>	<b>5,104</b>	<b>33</b>	<b>9,577</b>	<b>13,037</b>	<b>-27</b>

## 36 DELIVERIES

Deliveries of trucks	Second quarter		Change %	First six months		Change %
	2024	2023		2024	2023	
<b>Deliveries</b>						
Europe	28,086	33,169	-15	57,375	66,019	-13
Heavy- and medium-duty	22,151	24,862	-11	44,710	51,564	-13
Light-duty	5,935	8,307	-29	12,665	14,455	-12
North America	16,234	15,960	2	31,290	31,971	-2
South America	7,368	5,385	37	12,522	9,860	27
Asia	4,261	5,902	-28	7,978	11,644	-31
Africa and Oceania	2,986	3,426	-13	5,240	5,879	-11
<b>Total deliveries</b>	<b>58,935</b>	<b>63,842</b>	<b>-8</b>	<b>114,405</b>	<b>125,373</b>	<b>-9</b>
Heavy-duty (>16 tons)	49,109	50,355	-2	93,540	101,039	-7
Medium-duty (7-16 tons)	3,837	5,070	-24	8,107	9,674	-16
Light-duty (<7 tons)	5,989	8,417	-29	12,758	14,660	-13
<b>Total deliveries</b>	<b>58,935</b>	<b>63,842</b>	<b>-8</b>	<b>114,405</b>	<b>125,373</b>	<b>-9</b>
<b>Deliveries of trucks by brand</b>						
<b>Volvo</b>						
Europe	14,037	16,191	-13	28,591	33,380	-14
North America	8,779	8,337	5	16,660	16,643	-
South America	7,164	5,163	39	12,176	9,460	29
Asia	3,347	4,643	-28	6,392	9,092	-30
Africa and Oceania	1,931	2,121	-9	3,393	3,669	-8
<b>Total Volvo</b>	<b>35,258</b>	<b>36,455</b>	<b>-3</b>	<b>67,212</b>	<b>72,244</b>	<b>-7</b>
Heavy-duty (>16 tons)	34,360	35,190	-2	65,347	69,895	-7
Medium-duty (7-16 tons)	898	1,265	-29	1,865	2,349	-21
<b>Total Volvo</b>	<b>35,258</b>	<b>36,455</b>	<b>-3</b>	<b>67,212</b>	<b>72,244</b>	<b>-7</b>
<b>Renault Trucks</b>						
Europe	14,049	16,978	-17	28,784	32,639	-12
Heavy- and medium-duty	8,114	8,671	-6	16,119	18,184	-11
Light-duty	5,935	8,307	-29	12,665	14,455	-12
North America	25	68	-63	47	118	-60
South America	159	146	9	246	227	8
Asia	869	1,259	-31	1,541	2,552	-40
Africa and Oceania	621	713	-13	941	1,124	-16
<b>Total Renault Trucks</b>	<b>15,723</b>	<b>19,164</b>	<b>-18</b>	<b>31,559</b>	<b>36,660</b>	<b>-14</b>
Heavy-duty (>16 tons)	8,123	8,836	-8	15,572	18,181	-14
Medium-duty (7-16 tons)	1,611	1,911	-16	3,229	3,819	-15
Light-duty (<7 tons)	5,989	8,417	-29	12,758	14,660	-13
<b>Total Renault Trucks</b>	<b>15,723</b>	<b>19,164</b>	<b>-18</b>	<b>31,559</b>	<b>36,660</b>	<b>-14</b>
<b>Mack</b>						
North America	7,475	7,555	-1	14,628	15,210	-4
South America	45	66	-32	100	149	-33
Africa and Oceania	193	339	-43	452	559	-19
<b>Total Mack</b>	<b>7,713</b>	<b>7,960</b>	<b>-3</b>	<b>15,180</b>	<b>15,918</b>	<b>-5</b>
Heavy-duty (>16 tons)	6,392	6,122	4	12,198	12,510	-2
Medium-duty (7-16 tons)	1,321	1,838	-28	2,982	3,408	-13
<b>Total Mack</b>	<b>7,713</b>	<b>7,960</b>	<b>-3</b>	<b>15,180</b>	<b>15,918</b>	<b>-5</b>

## 37 OTHER INFORMATION

This is information that AB Volvo (publ) is obliged to make public pursuant to the EU Market Abuse Regulation and the Securities Market Act. The information was submitted for publication, through the agency of the contact person set out in the press release concerning this report, at 07.20 CEST on July 18, 2024.

This report contains forward-looking statements that reflect the Board of Directors' and management's current views with respect to certain future events and potential financial performance. Forward-looking statements are subject to risks and uncertainties. Results could differ materially from forward-looking statements as a result of, among other factors, (i) changes in economic, market and competitive conditions, (ii) success of business initiatives, (iii) changes in the regulatory environment and other government actions, (iv) fluctuations in exchange rates and (v) business risk management.

This report is based solely on the circumstances at the date of publication and except to the extent required under applicable law, AB Volvo is under no obligation to update the information, opinions or forward-looking statements in this report.



## 38 FINANCIAL CALENDAR AND CONTACTS

### Financial calendar

Report on the third quarter 2024	October 18, 2024
Capital Markets Day	November 14, 2024
Report on the fourth quarter and full year 2024	January 29, 2025
Report on the first quarter 2025	April 23, 2025
Report on the second quarter 2025	July 18, 2025
Report on the third quarter 2025	October 17, 2025

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