

V O L V O

Report on the first quarter 2023

Volvo Group

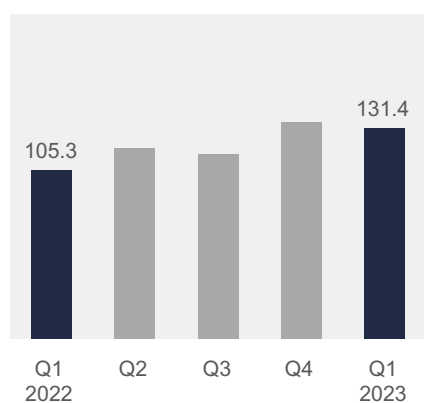


The first quarter in brief

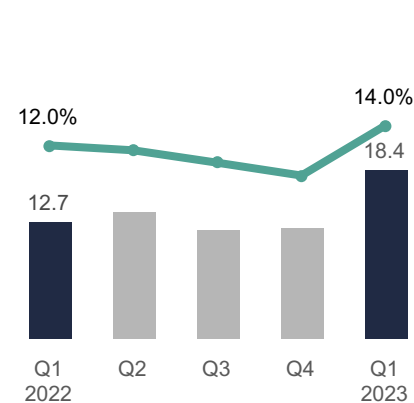
- In Q1 2023, net sales increased by 25% to SEK 131.4 billion (105.3). Adjusted for currency movements, the increase was 17%.
- Adjusted operating income¹ amounted to SEK 18,409 M (12,681), corresponding to an adjusted operating margin of 14.0% (12.0). Adjusted operating income excludes a negative effect of SEK 1,300 M from a restructuring provision in Buses.
- Reported operating income amounted to SEK 17,109 M (8,556).
- Currency movements had a positive impact on operating income of SEK 1,669 M.
- Earnings per share amounted to SEK 6.35 (3.46).
- Operating cash flow in the Industrial Operations amounted to SEK 5,004 M (-5,400).
- Return on capital employed in Industrial Operations amounted to 30.3% (25.3).

SEK M unless otherwise stated	First quarter	
	2023	2022
Net sales	131,420	105,317
Adjusted operating income ¹	18,409	12,681
Adjusted operating margin, %	14.0	12.0
Operating income	17,109	8,556
Operating margin, %	13.0	8.1
Income after financial items	16,797	9,027
Income for the period	12,934	7,071
Earnings per share, SEK	6.35	3.46
Operating cash flow in Industrial Operations	5,004	-5,400
Net financial position in Industrial Operations, SEK bn ²	77.7	59.5
Return on capital employed in Industrial Operations, % ³	30.3	25.3
Return on equity in Financial Services, % ³	11.0	4.1
Return on equity in Financial Services excluding Russian and Belarus operations, % ³	14.8	17.8
Net order intake, number of trucks	60,040	45,594
Deliveries, number of trucks	61,531	55,588
Net order intake, number of construction equipment	13,342	20,683
Deliveries, number of construction equipment	14,468	20,779

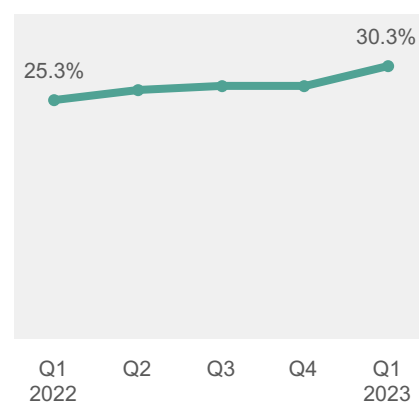
Net sales, SEK bn



Adjusted operating income, SEK bn¹
Adjusted operating margin, %



Return on capital employed
Industrial Operations, %³



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

² Excluding post-employment benefits and lease liabilities.

³ 12 months rolling.

CEO'S COMMENTS

Strong start to 2023

During Q1 2023, the Volvo Group's growth continued and our profitability took a step up. Sales increased in all business areas and in all regions. Net sales rose by 25% to SEK 131.4 billion, the highest so far for a first quarter. We increased the adjusted operating income by SEK 5.7 billion to SEK 18.4 billion, corresponding to a margin of 14.0% (12.0). Return on capital employed rose to 30.3% (25.3).

A good profitability is important for us to be able to continue to increase our investments in the biggest technological shift ever in our industries. We are in a period when we are investing battery and fuel cell electric vehicles as well as internal combustion engines in parallel. Furthermore, the proposed Euro VII emissions legislation will put additional pressure on our investments in research and development of the combustion engine. Good profitability and financial strength are important to be able to drive these investments. In Q1, Industrial Operations generated an operating cash flow of SEK 5.0 billion (-5.4) and at the end of the quarter had net cash of SEK 77.7 billion, excluding pension and leasing liabilities.

Despite a deteriorating economic outlook with high inflation and rising interest rates, transport volumes and infrastructure activity have continued to be solid in most of our markets. In combination with customers' need to renew aging fleets, this contributes to good demand for our products. The high activity levels were also reflected in our service sales, which grew by 13% adjusted for currency. The service business is a priority area because it contributes to increasing our customers' productivity, strengthens customer relationships and provides stability over the business cycle.

There is a continued pent-up need to replace aging fleets, which is noticeable on the truck side, where order intake rose as we gradually opened the order books for the second half of 2023. Overall, order intake rose by 32% to 60,040 trucks while we delivered 61,531 trucks, an increase of 11% compared to the previous year. This is both a delivery and production record for a Q1 and the result of hard work across the value chain. The disturbances in the European supply chains have not been as extensive as in the autumn and have contributed to increased productivity. The North American supply chain, on the other hand, remains unstable, which leads to production disturbances. During Q1, net sales in the truck business grew by 29% to SEK 89.6 billion, with strong sales in all regions. The adjusted operating margin increased to 14.2% (12.5).

With the exception of China, activity in the construction industry has continued to be good in most of our markets. It is primarily driven by ongoing infrastructure investments and by the mining industry, which benefits from continued good commodity prices. Construction Equipment's net sales increased by 11% to SEK 25.1 billion and the adjusted operating margin rose to 18.3% (12.4) with strong development for our Volvo products in North America and Europe. However, order intake decreased by 35% due to lower demand in China and weakening order intake in Europe. Seen in a longer perspective, the order books are large in most markets and we are working to shorten the long lead times.



Demand for buses has continued to improve as travel has increased after the pandemic. This is particularly evident for coaches in North America and on the service side. In Q1, net sales in Buses rose by 40% and amounted to SEK 4.3 billion. Underlying profitability improved but remains low. The adjusted operating margin amounted to 4.2% (0.7), excluding a cost of SEK 1.3 billion to restructure the European operations.

"A good profitability is important for us to be able to continue to increase our investments in the biggest technological shift ever in our industries."

For Volvo Penta, demand continued to be good in both the marine and industrial segments. Net sales rose by 33% to SEK 5.6 billion and the adjusted operating margin improved to 22.7% (18.3).

For Volvo Financial Services, the credit portfolio continued to grow and the good activity levels at our customers in most regions was reflected in continued low credit losses. The adjusted operating income amounted to SEK 871 M (882).

Together with our business partners, we continue to work hard to meet our customers' needs while at the same time having a high degree of flexibility to quickly adapt to any changes in demand. We are operating from a position of strength and will continue to take advantage of growth opportunities in our efforts to move to fossil-free transport and infrastructure solutions – to the benefit of our customers and our shareholders as well as society at large.

Martin Lundstedt
President and CEO

FINANCIAL SUMMARY OF THE FIRST QUARTER 2023

Net sales

In Q1 2023, the Volvo Group's net sales amounted to SEK 131,420 M compared with SEK 105,317 M in the same quarter the preceding year. Sales increased in all business areas and in all regions.

Adjusted for currency movements, net sales increased by 17%, of which vehicle sales by 18% and service sales by 13%.

Operating income

In Q1 2023, adjusted operating income amounted to SEK 18,409 M (12,681), corresponding to an adjusted operating margin of 14.0% (12.0).

The adjusted operating income in Q1 2023 excludes a negative

effect of SEK 1,300 M from a restructuring provision in Buses. Q1 2022 excluded a negative effect from provisioning of assets related to Russia in an amount of SEK 4,125 M. For more information on adjusted operating income, please see Note 6.

Compared with Q1 2022, the higher adjusted operating income is mainly an effect of price realization and favorable brand and product mix in Construction Equipment. This was partly offset by higher material costs as well as increased R&D and selling expenses.

Currency movements, compared with Q1 2022, had a positive impact of SEK 1,669 M.

Reported operating income in Q1 2023 amounted to SEK 17,109 M (8,556).

Net sales SEK M	First quarter		Change %
	2023	2022	
Net sales per geographical region			
Europe	57,521	46,565	24
North America	40,153	29,861	34
South America	9,566	8,836	8
Asia	16,488	14,115	17
Africa and Oceania	7,692	5,940	30
Total net sales	131,420	105,317	25
Net sales per product group			
Vehicles	100,732	80,035	26
Services	30,688	25,282	21
Total net sales	131,420	105,317	25
Timing of revenue recognition			
Revenue of vehicles and services recognized at the point of delivery	119,878	96,339	24
Revenue of vehicles and services recognized over contract period	11,542	8,978	29
Total net sales	131,420	105,317	25

Consolidated Income Statement SEK M	First quarter	
	2023	2022
Net sales	131,420	105,317
Cost of sales	-96,112	-80,700
Gross income	35,308	24,617
Research and development expenses	-6,492	-4,583
Selling expenses	-7,894	-6,783
Administrative expenses	-1,663	-1,321
Other operating income and expenses	-1,980	-3,377
Income/loss from investments in joint ventures and associated companies	-171	-123
Income/loss from other investments	-	127
Operating income	17,109	8,556
Interest income and similar credits	572	125
Interest expenses and similar charges	-314	-328
Other financial income and expenses	-570	674
Income after financial items	16,797	9,027
Income taxes	-3,863	-1,956
Income for the period *	12,934	7,071
* Attributable to:		
Owners of AB Volvo	12,910	7,033
Non-controlling interest	24	38
	12,934	7,071
Basic earnings per share, SEK	6.35	3.46
Diluted earnings per share, SEK	6.35	3.46

Financial items

In Q1 2023, interest income was SEK 572 M (125) as a consequence of higher interest on financial assets, whereas interest expenses amounted to SEK 314 M (328).

Other financial income and expenses amounted to SEK -570 M (674). The change is primarily due to revaluation effects of financial assets and liabilities.

Income taxes

In Q1 2023, income taxes amounted to SEK 3,863 M (1,956). The tax rate was 23% (22).

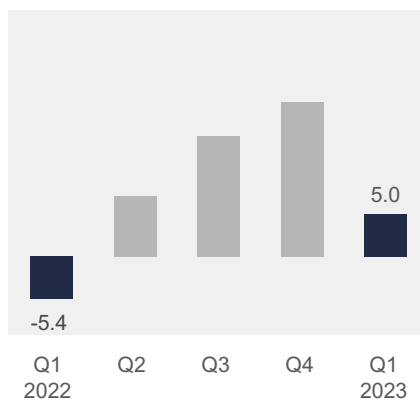
Income for the period and earnings per share

In Q1 2023, income for the period amounted to SEK 12,934 M (7,071). Earnings per share amounted to SEK 6.35 (3.46).

Operating cash flow in the Industrial Operations

During Q1 2023, operating cash flow in the Industrial Operations was positive in an amount of SEK 5,004 M (-5,400). Compared with Q1 2022, the improved operating cash flow is primarily related to a lower seasonal buildup of working capital of SEK 7,738 M (15,890) and higher operating income of SEK 16,238 M (10,241). This was partly off-set by higher tax payments of SEK 5,602 M (1,826).

Operating cash flow
Industrial Operations, SEK bn



Volvo Group financial position

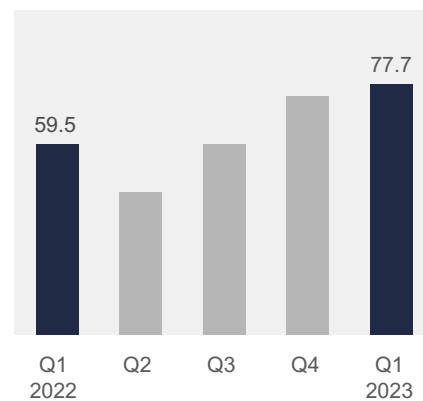
During Q1 2023, net financial assets in the Industrial Operations, excluding provisions for post-employment benefits and lease liabilities, increased by SEK 3.8 billion resulting in a net financial asset position of SEK 77.7 billion on March 31, 2023. The change is mainly explained by a positive operating cash flow of SEK 5.0 billion.

Including provisions for post-employment benefits and lease liabilities, the Industrial Operations net financial assets amounted to SEK 63.4 billion on March 31, 2023. During Q1 2023, remeasurements of defined benefit pension plans had a negative impact of SEK 1.0 billion. The remeasurements were primarily an effect of lower discount rates, partly offset by higher return on assets.

During Q1 2023 a decision was made to call the final tranche (EUR 0.6 billion) of the hybrid bond with payment date on March 10, 2023.

On March 31, 2023, total equity for the Volvo Group amounted to SEK 178.7 billion compared with SEK 166.2 billion at year-end 2022. The equity ratio was 27.3% (26.4). On the same date the equity ratio in the Industrial Operations amounted to 35.8% (34.1).

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



Number of employees	Mar 31 2023	Dec 31 2022	Mar 31 2022
Blue-collar	53,486	51,779	52,114
Whereof temporary employees and consultants	8,567	7,064	8,732
White-collar	50,765	50,376	47,232
Whereof temporary employees and consultants	7,366	7,405	6,555
Total number of employees	104,251	102,155	99,346
Whereof temporary employees and consultants	15,933	14,469	15,287

Number of employees

On March 31, 2023, the Volvo Group had 104,251 employees, including temporary employees and consultants, compared with 99,346 employees on March 31 2022. The number of blue-collar employees increased by 1,372 and the number of white-collar employees increased by 3,533. The increase in blue-collar employees is related to higher production levels and the increase in white-collar employees is related to higher development and transformational activities.

IMPORTANT EVENTS FOR THE VOLVO GROUP

Tina Hultkvist resigned as CFO

On February 3, 2023, it was announced that Tina Hultkvist had decided to leave her role as Volvo Group Chief Financial Officer and member of the Executive Board. Jan Ytterberg, previously Volvo Group Chief Financial Officer and member of the Executive Board and Volvo Group senior advisor, stepped in as acting CFO.

Volvo Buses changes business model in Europe and has decided to close its bodybuilding factory in Wroclaw in 2024

On March 16, 2023, it was announced that Volvo Buses is changing its business model in Europe and will apply the same successful model as it has on several other markets. This means that Volvo Buses will focus its production on chassis and together with external bodybuilders offer customers in Europe a complete range of city and intercity buses as well as coaches for the premium segment. Consequently, Volvo Buses has decided to close its bodybuilding factory in Wroclaw, Poland, Q1 2024. Volvo Buses has signed a Letter of Intent regarding the divestment of its premises to Vargas Holding. A restructuring provision of SEK 1,300 M negatively impacted operating income in Q1 2023.

Annual General Meeting of AB Volvo

AB Volvo's Annual General Meeting on April 4, 2023, adopted the income statement and balance sheet as well as the consolidated income statement and the consolidated balance sheet. In

accordance with the Board's proposal, the Meeting resolved that an ordinary dividend of SEK 7.00 per share and an extraordinary dividend of SEK 7.00 per share should be paid to the shareholders. April 6, 2023 was decided as the record date for the right to receive dividends. The Board Members, Board Deputies and the President and CEO were discharged from liability for their administration during the 2022 fiscal year. Matti Alahuhta, Jan Carlson, Eric Elzvik, Martha Finn Brooks, Kurt Jofs, Martin Lundstedt, Kathryn V. Marinello, Martina Merz, Helena Stjernholm and Carl-Henric Svanberg were re-elected as members of the Board. Bo Annvik was elected as new member of the Board. Carl-Henric Svanberg was re-elected as Chairman of the Board. The following persons were elected as members of the Election Committee: Pär Boman (AB Industrivärden), Anders Oscarsson (AMF and AMF Funds), Magnus Billing (Alecta, subsequently replaced by Carina Silberg), Anders Algotsson (AFA Insurance) and the Chairman of the Board. The Meeting resolved that no fees shall be paid to the members of the Election Committee. The Annual General Meeting approved the Board's remuneration report. Guidelines for remuneration to the Volvo Group Executive Board were adopted in accordance with the Board's proposal. The Meeting resolved to approve the Board's proposed adoption of a new long-term incentive plan.

Detailed information about the events is available at www.volvogroup.com

BUSINESS SEGMENT OVERVIEW

Net sales SEK M	First quarter		Change %	Change % ¹	12 months rolling	Jan-Dec 2022
	2023	2022				
Trucks	89,556	69,552	29	21	330,540	310,536
Construction Equipment	25,109	22,613	11	5	102,757	100,261
Buses	4,267	3,051	40	29	19,799	18,583
Volvo Penta	5,603	4,204	33	26	19,500	18,102
Group Functions & Other	3,779	3,848	-2	-	16,307	16,376
Eliminations	-1,195	-923	-	-	-4,427	-4,155
Industrial Operations	127,117	102,345	24	16	484,475	459,703
Financial Services	5,370	3,734	44	33	18,991	17,355
Reclassifications and eliminations	-1,067	-762	-	-	-3,884	-3,579
Volvo Group	131,420	105,317	25	17	499,582	473,479

¹ Adjusted for exchange rate fluctuations.

Adjusted operating income ¹ SEK M	First quarter		Change %	12 months rolling	Jan-Dec 2022
	2023	2022			
Trucks	12,715	8,690	46	37,847	33,821
Construction Equipment	4,587	2,810	63	15,022	13,244
Buses	178	20	781	511	353
Volvo Penta	1,271	769	65	3,031	2,530
Group Functions & Other	-1,225	-488	151	-3,648	-2,911
Eliminations	12	-3	-	26	12
Industrial Operations	17,538	11,798	49	52,789	47,049
Financial Services	871	882	-1	3,405	3,416
Reclassifications and eliminations	-	1	-	2	2
Volvo Group adjusted operating income	18,409	12,681	45	56,195	50,467
Adjustments ¹	-1,300	-4,125	-	-1,930	-4,755
Volvo Group operating income	17,109	8,556	100	54,265	45,712

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

Adjusted operating margin %	First quarter		12 months rolling	Jan-Dec 2022
	2023	2022		
Trucks	14.2	12.5	11.4	10.9
Construction Equipment	18.3	12.4	14.6	13.2
Buses	4.2	0.7	2.6	1.9
Volvo Penta	22.7	18.3	15.5	14.0
Industrial Operations	13.8	11.5	10.9	10.2
Volvo Group adjusted operating margin	14.0	12.0	11.2	10.7
Volvo Group operating margin	13.0	8.1	10.9	9.7

TRUCKS

Strong growth and improved profitability

- In Q1, net sales increased by 29% to SEK 89,556 M
- Adjusted operating income increased to SEK 12,715 M (8,690) with a margin of 14.2% (12.5)
- Order intake increased by 32% and deliveries by 11%



Market development

During Q1 2023, demand in both Europe and North America continued to be on a good level for both new and used vehicles as well as for services on the back of customers replacing aging fleets and continued good transport activity.

In Brazil, demand in Q1 declined due to a prebuy that took place in 2022 ahead of a new emission legislation which was implemented on January 1, 2023.

The Indian market continued to grow as an effect of increased consumption levels, pent-up demand, and increased government expenditure on infrastructure.

Demand in China started to show signs of recovery with contribution from various regional stimulus initiatives in infrastructure and towards consumer consumption.

Orders and deliveries

In Q1, the truck markets in most regions continued to be supply-driven on the back of production capacity limitations. Net order intake in Q1 increased by 32% to 60,040 trucks while deliveries increased by 11% to 61,531 trucks.

In Europe, order intake increased by 25% to 31,290 vehicles and deliveries increased by 13% to 32,850 vehicles. Volvo Trucks' total heavy-duty market share through February decreased to 17.9% (18.7) while the electric heavy-duty market share increased to 50.2% (32.0). Renault Trucks' heavy-duty total market share decreased to 9.0% (9.6) and the electric heavy-duty market share decreased to 15.5% (18.7).

Order intake in North America increased by 152% to 15,159 trucks while deliveries increased by 15% to 16,011 vehicles. Volvo Trucks' heavy-duty truck market share through March decreased to 8.7% (9.8). Mack Trucks' market share increased to 5.7% (5.3).

In South America, order intake decreased by 29% to 5,212 trucks while deliveries decreased by 28% to 4,475 vehicles after the prebuy in 2022. Production rates have been reduced. In Brazil, Volvo Trucks' heavy-duty trucks market share through March decreased to 21.8% (25.9).

Order intake in Asia increased by 12% to 5,336 vehicles and deliveries increased by 55% to 5,742 vehicles, mainly driven by the Middle East.

In Q1, order intake for fully electric trucks increased by 67% to 825 (494) vehicles while deliveries increased by 254% to 683 (193) vehicles.

Order intake for the Indian joint venture, VE Commercial Vehicles, increased by 15% to 20,590 vehicles while deliveries increased by 12% to 20,017 vehicles.

Deliveries from the Chinese joint venture, Dongfeng Commercial Vehicles decreased by 31% to 14,184 trucks.

Total market development	First quarter		Change %	Full year 2022	Forecast 2023	Change vs. previous forecast
	2023	2022				
Registrations, number of trucks						
Europe 29 ¹ heavy-duty	80,186	66,204	21	264,100	-	-
Europe 30 ¹ heavy-duty	89,770	74,315	21	297,500	320,000	+20,000
North America heavy-duty (retail)	79,433	62,134	28	309,916	320,000	+20,000
Brazil heavy-duty	21,454	20,049	7	97,856	80,000	unchanged
China ² medium- and heavy-duty	197,265	227,181	-13	566,130	650,000	unchanged
India medium- and heavy-duty	117,318	101,869	15	350,797	400,000	unchanged

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

² Previous year has been adjusted to exclude exports.

Net order intake	First quarter		Change %
	2023	2022	
Number of trucks			
Europe	31,290	24,984	25
Heavy- and medium-duty	26,055	19,631	33
Light-duty	5,235	5,353	-2
North America	15,159	6,017	152
South America	5,212	7,354	-29
Asia	5,336	4,766	12
Africa and Oceania	3,043	2,473	23
Total order intake	60,040	45,594	32
Heavy-duty (>16 tons)	49,901	36,861	35
Medium-duty (7-16 tons)	4,831	3,272	48
Light-duty (<7 tons)	5,308	5,461	-3
Total order intake	60,040	45,594	32
Volvo	35,956	27,157	32
Renault Trucks	15,741	16,141	-2
Heavy- and medium-duty	10,433	10,680	-2
Light-duty	5,308	5,461	-3
Mack	7,933	2,031	291
Other brands	410	265	55
Total order intake	60,040	45,594	32
Non-consolidated operations			
VE Commercial Vehicles (Eicher)	20,590	17,886	15

Deliveries	First quarter		Change %
	2023	2022	
Number of trucks			
Europe	32,850	29,089	13
Heavy- and medium-duty	26,702	24,276	10
Light-duty	6,148	4,813	28
North America	16,011	13,908	15
South America	4,475	6,245	-28
Asia	5,742	3,697	55
Africa and Oceania	2,453	2,649	-7
Total deliveries	61,531	55,588	11
Heavy-duty (>16 tons)	50,684	46,889	8
Medium-duty (7-16 tons)	4,604	3,818	21
Light-duty (<7 tons)	6,243	4,881	28
Total deliveries	61,531	55,588	11
Volvo	35,789	33,861	6
Renault Trucks	17,496	14,740	19
Heavy- and medium-duty	11,253	9,859	14
Light-duty	6,243	4,881	28
Mack	7,958	6,518	22
Other brands	288	469	-39
Total deliveries	61,531	55,588	11
Non-consolidated operations			
VE Commercial Vehicles (Eicher)	20,017	17,860	12
Dongfeng Commercial Vehicle Company (Dongfeng Trucks)	14,184	20,561	-31

Net sales and operating income SEK M	First quarter		Change %
	2023	2022	
Net sales per geographical region			
Europe	42,676	33,499	27
North America	27,607	20,580	34
South America	7,224	6,781	7
Asia	7,533	4,797	57
Africa and Oceania	4,516	3,895	16
Total net sales	89,556	69,552	29
Net sales per product group			
Vehicles	71,754	54,467	32
Services	17,802	15,085	18
Total net sales	89,556	69,552	29
Timing of revenue recognition			
Revenue of vehicles and services recognized at the point of delivery	84,395	65,017	30
Revenue of vehicles and services recognized over contract period	5,161	4,535	14
Total net sales	89,556	69,552	29
Adjusted operating income ¹	12,715	8,690	46
Adjustments	139	-1,447	-
Operating income	12,854	7,243	77
Adjusted operating margin, %	14.2	12.5	
Operating margin, %	14.4	10.4	

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

Net sales and operating income

In Q1 2023, the truck operation's net sales amounted to SEK 89,556 M, which was 29% higher than in Q1 2022. Excluding currency effects, net sales increased by 21% with sales of vehicles increasing by 24% and sales of services by 10%.

Adjusted operating income increased to SEK 12,715 (8,690), corresponding to an adjusted operating margin of 14.2% (12.5). Adjusted operating income excludes a positive effect of SEK 139 M related to a decrease of the provision announced in 2018 for the premature degradation of an emission control component. In Q1 2022, adjusted operating income excluded a negative effect of SEK 1,447 M primarily from provisioning of inventories and receivables related to Russia. For more information on adjusted operating income, see Note 6.

Compared with Q1 2022, the higher adjusted operating income is an effect of price realization and increased volumes. Earnings were negatively impacted by higher material costs as well as increased R&D and selling expenses. Compared with Q1 2022, currency movements had a positive impact of SEK 850 M.

Reported operating income amounted to SEK 12,854 M (7,243).

Important events

In Q1, Volvo Trucks started production of heavy-duty, rigid electric trucks in the Tuve plant in Sweden.

Volvo Trucks and mining company Boliden started a collaboration project around the usage of electric trucks for underground mining (see photo on page 8).

Mack Trucks launched fully electric medium-duty trucks for North America.

The existing technology cooperation with Isuzu Motors was extended to also include Isuzu branded vehicles.

Net order intake of fully electric trucks Number of trucks	First quarter		Change %
	2023	2022	
Volvo	486	202	141
Renault Trucks	324	292	11
Heavy- and medium-duty	174	138	26
Light-duty	150	154	-3
Mack	15	-	-
Total order intake	825	494	67

Deliveries of fully electric trucks Number of trucks	First quarter		Change %
	2023	2022	
Volvo	350	61	474
Renault Trucks	331	130	155
Heavy- and medium-duty	128	82	56
Light-duty	203	48	323
Mack	2	2	-
Total deliveries	683	193	254

CONSTRUCTION EQUIPMENT

Strong earnings and margin

- In Q1, net sales increased by 11% to SEK 25,109 M
- Adjusted operating income amounted to SEK 4,587 M (2,810), with a margin of 18.3% (12.4)
- Service sales flat, adjusted for currency

**Market development**

Overall, demand in major markets outside China remained stable in Q1, with growth in Europe and North America while facing corrections in Asia and Latin America.

In the North American market demand continued to be good, with many large infrastructure projects and strong commercial construction more than offsetting a weakness in residential construction amid high interest rates.

In Europe, the market grew as construction activities remained on good levels. Market growth was also positively influenced by rental fleet replacements.

In South America, investment levels slowed down in Brazil due to lower business confidence among customers.

The Chinese market had a significant negative correction due to the pre-buy effect related to the emissions regulations change at the end of last year, in addition to low economic activity.

Development in other Asian markets was flat due to a weaker economic outlook in key markets such as Korea and Thailand, which was offset by Indonesia, where demand remained stable with good demand for commodities.

Orders and deliveries

In Q1, net order intake declined by 35%. The lower order intake was heavily impacted by low order intake in China after the prebuy in Q4 as well as by more cautiousness among customers and dealers in Europe. Order intake in North America increased significantly driven by a favorable market outlook.

In Q1, deliveries decreased by 30% as a consequence of lower deliveries in China and a slowdown in Brazil. Deliveries in Europe increased when excluding the effect of the stopped sales in Russia. The increase in North America was supported by favorable market conditions.

Total market development	Year-to-date	Forecast	Previous forecast
	February		
Change in % measured in units	2023	2023	2023
Europe	5	-5% to +5%	-5% to +5%
North America	10	-5% to +5%	-5% to +5%
South America	-31	-20% to -10%	-10% to 0%
Asia excl. China	1	-5% to +5%	0% to +10%
China	-35	-15% to -5%	-15% to -5%

Net order intake	First quarter		Change %
	2023	2022	
Number of construction equipment			
Europe	3,226	5,149	-37
North America	2,596	1,254	107
South America	478	685	-30
Asia	6,404	12,854	-50
Africa and Oceania	638	741	-14
Total orders	13,342	20,683	-35
Large and medium construction equipment	10,049	15,075	-33
Compact construction equipment	3,293	5,608	-41
Of which fully electric	259	141	84
Total orders	13,342	20,683	-35
Of which:			
Volvo	9,161	9,376	-2
SDLG	4,114	11,261	-63
Of which in China	2,846	9,183	-69

Deliveries	First quarter		Change %
	2023	2022	
Number of construction equipment			
Europe	4,384	4,815	-9
North America	2,334	1,735	35
South America	398	951	-58
Asia	6,370	12,698	-50
Africa and Oceania	982	580	69
Total deliveries	14,468	20,779	-30
Large and medium construction equipment	10,665	15,215	-30
Compact construction equipment	3,803	5,564	-32
Of which fully electric	202	113	79
Total deliveries	14,468	20,779	-30
Of which:			
Volvo	10,287	9,472	9
SDLG	4,114	11,261	-63
Of which in China	2,846	9,183	-69

Net sales and operating income SEK M	First quarter		Change %
	2023	2022	
Net sales per geographical region			
Europe	8,610	7,388	17
North America	6,537	4,762	37
South America	758	1,090	-30
Asia	7,098	8,128	-13
Africa and Oceania	2,106	1,244	69
Total net sales	25,109	22,613	11
Net sales per product group			
Construction equipment	21,188	18,983	12
Services	3,921	3,630	8
Total net sales	25,109	22,613	11
Timing of revenue recognition			
Revenue of vehicles and services recognized at the point of delivery	24,469	22,017	11
Revenue of vehicles and services recognized over contract period	640	596	7
Total net sales	25,109	22,613	11
Adjusted operating income ¹	4,587	2,810	63
Adjustments	-	-106	-
Operating income	4,587	2,703	70
Adjusted operating margin, %	18.3	12.4	
Operating margin, %	18.3	12.0	

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

Net sales and operating income

In Q1 2023, net sales increased by 11% to SEK 25,109 M (22,613). Adjusted for currency movements net sales increased by 5%, of which net sales of machines increased by 5% and service sales by 1%.

Adjusted operating income amounted to SEK 4,587 M (2,810), corresponding to an operating margin of 18.3% (12.4). Operating income was positively impacted by a favorable brand and product mix, and price realization, which were partly offset by lower volumes and increased material costs and R&D expenses. Compared with Q1 2022, currency movements had a positive impact of SEK 589 M.

Reported operating income amounted to SEK 4,587 M (2,703).

Important events

In Q1, Volvo CE made several introductions of sustainable power solutions and new service offerings. Among them was a solution in Europe to convert the L120 wheel loader to electric – fulfilling market appetite for more sustainable solutions in the mid-size range (see photo on page 11). The introduction of electric products in new markets continued with the launch of the fully electric EC55 excavator in India.

In conjunction with the ConExpo show in Las Vegas in March, Volvo CE launched a range of new service offerings in North America, including Connected Map, Task Manager and Global Load Out solutions, all designed to increased connectivity, productivity and sustainability in work site operations. Also at ConExpo, the first fossil-free articulated hauler in North America was handed over to a customer.

Volvo CE also announced a SEK 80 M investment in battery pack production at its excavator plant in Changwon, South Korea.

BUSES

Higher volumes and improved profitability

- In Q1, deliveries increased by 25%
- Adjusted operating income increased to SEK 178 M (20) with a margin of 4.2% (0.7)
- Restructuring of the European business

In Q1, global demand for new buses continued to improve, particularly for coaches. Demand for city buses was more stable, with a continued increase in requests for electric buses.

Compared with Q1 2022, net order intake increased by 4% to 1,839 units, primarily supported by significant coach orders in North America. Important orders were received in Mexico for the recently introduced EU6 coach.

Deliveries increased by 25% to 1,184 units, with higher deliveries in North America, the Middle East and Africa.

In Q1, net sales increased by 40% to SEK 4,267 M (3,051). Adjusted for currency, net sales increased by 29%, whereof vehicle sales increased by 32% and service sales by 23%.

Adjusted operating income amounted to SEK 178 M (20), corresponding to an adjusted operating margin of 4.2% (0.7). Adjusted operating income excludes a negative effect of SEK 1,300 M relating to a provision for the restructuring of the European bus



business and a negative effect of SEK 139 M related to an increase of the provision announced in 2018 for the premature degradation of an emission control component. For more information regarding the restructuring, see page 6.

Compared with Q1 2022, the higher adjusted operating income is an effect of price realization and a positive mix, whereas increased material costs and R&D expenses impacted negatively. Compared with Q1 2022, currency movements had a positive impact of SEK 112 M. Reported operating income amounted to SEK -1,261 M (20).

In January, Prevost launched an all new version of its coach H3-45, pictured above. The redesigned coach, with a new aerodynamic shape, makes it up to 12% more fuel efficient and the completely new interior provides an enhanced environment for drivers and passengers.

Net order intake and deliveries ¹	First quarter		Change %
	2023	2022	
Number of buses			
Total orders	1,839	1,764	4
Of which fully electric	48	52	-8
Of which hybrids	3	12	-75
Total deliveries	1,184	947	25
Of which fully electric	34	31	10
Of which hybrids	44	3	1,367
Net sales and operating income			
SEK M	First quarter		Change %
	2023	2022	
Net sales per geographical region			
Europe	1,340	997	34
North America	1,745	1,243	40
South America	300	247	21
Asia	365	247	48
Africa and Oceania	516	316	63
Total net sales	4,267	3,051	40
Net sales per product group			
Vehicles	2,986	2,082	43
Services	1,280	969	32
Total net sales	4,267	3,051	40
Timing of revenue recognition			
Revenue of vehicles and services recognized at the point of delivery	4,064	2,893	40
Revenue of vehicles and services recognized over contract period	203	157	29
Total net sales	4,267	3,051	40
Adjusted operating income ¹	178	20	781
Adjustments	-1,439	-	-
Operating income	-1,261	20	-
Adjusted operating margin, %	4.2	0.7	
Operating margin, %	-29.6	0.7	

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

VOLVO PENTA

Strong sales and operating income

- In Q1, deliveries increased by 11% and net sales by 33%
- Adjusted operating income increased to SEK 1,271 M (769)
- Several innovative launches in both the industrial and the marine segment

In Q1, demand within marine leisure showed a slight decline mainly caused by weakening demand for smaller boats. In the marine commercial segment demand was strong for supply and patrol vessel propulsion. Power generation was particularly strong while construction showed a slight decrease. Material handling showed signs of declining demand while demand from mining and agriculture remained on high levels.

Net order intake decreased by 6% to 13,489 units while deliveries increased by 11% to 12,727 units. Supply limitations and long lead times continued to affect order booking negatively.

Net sales increased by 33% to SEK 5,603 M (4,204). Adjusted for currency movements, net sales increased by 26%, of which sales of engines increased by 31% and sales of services by 11%.

Adjusted operating income amounted to SEK 1,271 M (769), corresponding to an operating margin of 22.7% (18.3). Earnings were positively impacted by a favorable product mix, price realization



and engine volumes, which were partly offset by increased material costs and R&D expenses. Compared with Q1 2022, the currency impact was positive in an amount of SEK 198 M. Reported operating income amounted to SEK 1,271 M (767).

Volvo Penta's Joystick Docking won the Innovation Award at the Miami International Boat Show. The Twin Forward Drive, Dynamic Positioning System for twin V6 and V8 propulsion packages, and the refined Water Sport Control were launched to further enhance the boating experience.

Volvo Penta strengthened its power generation portfolio with its most powerful engine, the D17 and introduced its modular and scalable subsystem intended for integration into customers' battery energy storage solutions.

To accelerate entry into the utility sector Volvo Penta acquired a minority stake in Utility Innovation Group (see photo of Battery Energy Storage System above).

Net order intake and deliveries	First quarter		Change %
	2023	2022	
Number of Engines			
Total orders	13,489	14,315	-6
Of which fully electric	21	18	17
Total deliveries	12,727	11,514	11
Of which fully electric	20	6	233
Net sales and operating income			
SEK M			
Net sales per geographical region			
Europe	2,973	2,344	27
North America	1,043	778	34
South America	164	143	14
Asia	1,067	700	52
Africa and Oceania	356	239	49
Total net sales	5,603	4,204	33
Net sales per product group			
Engines	4,256	3,058	39
Services	1,347	1,146	18
Total net sales	5,603	4,204	33
Timing of revenue recognition			
Revenue of vehicles and services recognized at the point of delivery	5,603	4,204	33
Revenue of vehicles and services recognized over contract period	-	-	-
Total net sales	5,603	4,204	33
Adjusted operating income ¹	1,271	769	65
Adjustments	-	-3	-
Operating income	1,271	767	66
Adjusted operating margin, %	22.7	18.3	
Operating margin, %	22.7	18.2	

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

FINANCIAL SERVICES

Good portfolio growth and stable performance

- In Q1, new business volume increased 9%, adjusted for currency
- Adjusted operating income of SEK 871 M (882)
- Good portfolio performance



In Q1 2023, customer activity levels and demand for transportation and construction services continued to be high, resulting in continued good portfolio performance in most parts of the world.

When adjusted for currency, new business volume excluding Russia and Belarus was up by 9% compared with Q1 2022 primarily due to higher sales of Group products. Penetration declined in a competitive environment. Overall, the credit portfolio grew by 18% compared with Q1 2022, adjusted for currency.

In Q1, adjusted operating income was in line with prior year at SEK 871 M (882) as profitable portfolio growth was offset by spread compression from prior year financing volumes, higher selling expenses and credit provisions. Currency movements had a positive impact of SEK 42 M compared with Q1 2022.

Reported operating income improved to SEK 871 M from SEK -1,686 M in Q1 2022, which included expenses of SEK -2,568 M primarily related to Russia.

Excluding Russia and Belarus, return on shareholders' equity amounted to 14.8% (17.8).

Financial Services SEK M unless otherwise stated	First quarter	
	2023	2022
Number of financed units, 12 months rolling	67,727	69,902
Total penetration rate, 12 months rolling, % ¹	27	31
New retail financing volume, SEK billion	25.1	22.3
Credit portfolio net, SEK billion	227	179
Credit portfolio net excluding Russian and Belarus operations, SEK billion	227	176
Credit provision expenses	160	3,033
Credit provision expenses excluding Russian and Belarus operations	126	67
Adjusted operating income ²	871	882
Adjustments ²	-	-2,568
Operating income	871	-1,686
Credit reserves, % of credit portfolio	2.88	3.38
Credit reserves, % of credit portfolio excluding Russian and Belarus operations	1.54	1.84
Return on equity, 12 months rolling, %	11.0	4.1
Return on equity excluding Russian and Belarus operations, 12 months rolling, % ²	14.8	17.8

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 For more information on adjustments, please see note 6.

CONSOLIDATED INCOME STATEMENT FIRST QUARTER

SEK M	Industrial Operations		Financial Services		Eliminations		Volvo Group	
	2023	2022	2023	2022	2023	2022	2023	2022
Net sales	127,117	102,345	5,370	3,734	-1,067	-762	131,420	105,317
Cost of sales	-93,602	-79,327	-3,577	-2,135	1,067	763	-96,112	-80,700
Gross income	33,516	23,018	1,793	1,599	-	1	35,308	24,617
Research and development expenses	-6,492	-4,583	-	-	-	-	-6,492	-4,583
Selling expenses	-7,114	-6,124	-780	-659	-	-	-7,894	-6,783
Administrative expenses	-1,659	-1,318	-3	-3	-	-	-1,663	-1,321
Other operating income and expenses	-1,841	-754	-139	-2,623	-	-	-1,980	-3,377
Income/loss from investments in joint ventures and associated companies	-171	-123	-	-	-	-	-171	-123
Income/loss from other investments	-	127	-	-	-	-	-	127
Operating income	16,238	10,241	871	-1,686	-	1	17,109	8,556
Interest income and similar credits	729	139	-	-	-158	-14	572	125
Interest expenses and similar charges	-472	-343	-	-	158	14	-314	-328
Other financial income and expenses	-570	674	-	-	-	-	-570	674
Income after financial items	15,926	10,712	871	-1,686	-	1	16,797	9,027
Income taxes	-3,614	-2,243	-249	287	-	-	-3,863	-1,956
Income for the period *	12,312	8,469	622	-1,399	-	-	12,934	7,071
* Attributable to:								
Owners of AB Volvo							12,910	7,033
Non-controlling interest							24	38
							12,934	7,071
Basic earnings per share, SEK							6.35	3.46
Diluted earnings per share, SEK							6.35	3.46
Key ratios, %								
Gross margin	26.4	22.5					26.9	23.4
Research and development expenses as % of net sales	5.1	4.5					4.9	4.4
Selling expenses as % of net sales	5.6	6.0					6.0	6.4
Administrative expenses as % of net sales	1.3	1.3					1.3	1.3
Operating margin	12.8	10.0					13.0	8.1

CONSOLIDATED OTHER COMPREHENSIVE INCOME FIRST QUARTER

SEK M	2023	2022
Income for the period	12,934	7,071
<i>Items that will not be reclassified to income statement:</i>		
Remeasurements of defined benefit pension plans	-744	3,060
Remeasurements of holding of shares at fair value	1	-25
<i>Items that may be reclassified subsequently to income statement:</i>		
Exchange differences on translation of foreign operations	69	3,023
Share of OCI related to joint ventures and associated companies	116	386
Accumulated translation difference reversed to income	-	-
Other comprehensive income, net of income taxes	-558	6,444
Total comprehensive income for the period *	12,376	13,515
* Attributable to:		
Owners of AB Volvo	12,341	13,387
Non-controlling interest	36	128
	12,376	13,515

CONSOLIDATED BALANCE SHEET

SEK M	Industrial Operations		Financial Services		Eliminations		Volvo Group	
	Mar 31 2023	Dec 31 2022	Mar 31 2023	Dec 31 2022	Mar 31 2023	Dec 31 2022	Mar 31 2023	Dec 31 2022
Assets								
Non-current assets								
Intangible assets	42,128	41,471	73	73	-	-	42,202	41,544
<i>Tangible assets</i>								
Property, plant and equipment	64,245	63,112	49	50	-	-	64,294	63,162
Assets under operating leases	34,072	34,109	20,882	21,372	-12,155	-11,963	42,799	43,518
<i>Financial assets</i>								
Investments in Joint Ventures and associated companies	21,984	21,583	-	-	-	-	21,984	21,583
Other shares and participations	820	587	19	18	-	-	839	605
Non-current customer-financing receivables	1,819	1,903	108,607	105,536	-2,227	-2,375	108,200	105,064
Net pension assets	2,394	2,722	1	5	-	-	2,396	2,727
Non-current interest-bearing receivables	7,613	7,227	5	1,153	-5,095	-6,578	2,523	1,803
Other non-current receivables	10,288	10,997	239	227	-201	-202	10,326	11,022
Deferred tax assets	13,516	12,219	2,083	1,969	-	-	15,599	14,189
Total non-current assets	198,879	195,931	131,959	130,404	-19,678	-21,118	311,160	305,217
Current assets								
Inventories	84,503	75,382	249	307	-	-	84,751	75,689
<i>Current receivables</i>								
Customer-financing receivables	1,132	1,128	97,702	89,145	-1,330	-1,409	97,504	88,864
Tax assets	2,037	1,489	306	570	-	-	2,343	2,059
Interest-bearing receivables	5,016	5,690	1,098	-	-1,124	-27	4,991	5,663
Internal funding	6,565	7,991	-	-	-6,565	-7,991	-	-
Accounts receivable	47,179	46,672	1,635	1,548	-	-	48,814	48,220
Other receivables	22,515	21,390	3,511	3,302	-5,685	-5,319	20,341	19,373
Marketable securities	91	93	-	-	-	-	91	93
Cash and cash equivalents	75,340	76,005	9,764	9,688	-925	-1,806	84,178	83,886
Assets held for sale	247	-	-	-	-	-	247	-
Total current assets	244,626	235,840	114,265	104,560	-15,629	-16,553	343,261	323,847
Total assets	443,505	431,771	246,224	234,964	-35,307	-37,671	654,422	629,064
Equity and liabilities								
Equity attributable to owners of AB Volvo	155,395	143,921	19,700	18,796	-	-	175,095	162,717
Non-controlling interest	3,556	3,519	-	-	-	-	3,556	3,519
Total equity	158,951	147,439	19,700	18,796	-	-	178,651	166,236
<i>Non-current provisions</i>								
Provisions for post-employment benefits	9,615	8,690	56	55	-	-	9,671	8,745
Other provisions	12,749	12,330	79	66	-	-	12,828	12,396
<i>Non-current liabilities</i>								
Bond loans	101,136	102,887	-	-	-	-	101,136	102,887
Other loans	25,070	25,446	11,922	12,325	-1,941	-2,086	35,051	35,684
Internal funding	-114,152	-110,254	99,873	98,310	14,279	11,944	-	-
Deferred tax liabilities	2,956	3,060	2,280	2,412	-	-	5,235	5,472
Other liabilities	52,020	51,351	1,518	1,467	-7,693	-7,270	45,845	45,549
Current provisions	13,748	13,095	21	24	-	-	13,769	13,119
<i>Current liabilities</i>								
Bond loans	41,379	37,794	-	-	-	-	41,379	37,794
Other loans	30,052	24,666	11,559	11,163	-1,202	-1,247	40,409	34,583
Internal funding	-59,523	-50,804	88,012	79,677	-28,489	-28,873	-	-
Trade payables	91,206	89,174	1,025	1,003	-	-	92,231	90,177
Tax liabilities	5,881	6,147	629	760	-	-	6,510	6,907
Other liabilities	72,416	70,749	9,550	8,906	-10,262	-10,138	71,705	69,517
Liabilities held for sale	-	-	-	-	-	-	-	-
Total equity and liabilities	443,505	431,771	246,224	234,964	-35,307	-37,671	654,422	629,064
Key ratios, %								
Equity ratio	35.8	34.1	8.0	8.0			27.3	26.4
Equity attributable to owners of AB Volvo, per share in SEK							86.1	80.0
Return on operating capital ¹	57.0	50.8						
Return on capital employed ¹	30.3	27.4						
Return on equity ¹			11.0	-0.3			23.6	20.7

¹ 12 months rolling

CONSOLIDATED CASH FLOW STATEMENT FIRST QUARTER

SEK M	Industrial Operations		Financial Services		Eliminations		Volvo Group	
	2023	2022	2023	2022	2023	2022	2023	2022
Operating activities								
Operating income	16,238	10,241	871	-1,686	-	1	17,109	8,556
Amortization intangible assets	740	700	8	9	-	-	748	709
Depreciation tangible assets	2,068	1,860	5	6	-	-	2,073	1,866
Depreciation leasing vehicles	1,075	1,183	1,212	1,127	-	-	2,287	2,310
Other non-cash items	1,859	1,829	229	2,963	-1	-15	2,087	4,777
Total change in working capital whereof	-7,738	-15,890	-10,665	-4,350	-289	-20	-18,693	-20,260
<i>Change in accounts receivables</i>	13	-1,274	-125	-6	-	-	-112	-1,280
<i>Change in customer-financing receivables</i>	59	4	-11,102	-5,160	-198	17	-11,241	-5,139
<i>Change in inventories</i>	-9,496	-7,765	54	-32	-	-	-9,442	-7,797
<i>Change in trade payables</i>	1,899	-5,428	7	-9	-	-	1,907	-5,437
<i>Other changes in working capital</i>	-214	-1,426	500	857	-92	-37	195	-606
Dividends received from joint ventures and associated companies	-	-	-	-	-	-	-	-
Interest and similar items received	724	108	-	-	-158	6	567	114
Interest and similar items paid	-620	-423	-	-	178	9	-441	-414
Other financial items	-27	77	-	-	-	-	-27	77
Income taxes paid	-5,602	-1,826	-285	-276	-	-	-5,888	-2,102
Cash flow from operating activities	8,717	-2,140	-8,626	-2,208	-270	-20	-178	-4,368
Investing activities								
Investments in intangible assets	-1,315	-1,345	-8	-4	-	-	-1,324	-1,348
Investments in tangible assets	-2,463	-1,947	-3	-1	-	-	-2,466	-1,948
Investment in leasing vehicles	-	-1	-1,917	-2,117	28	4	-1,888	-2,113
Disposals of in-/tangible assets and leasing vehicles	65	32	1,228	1,391	-2	-3	1,291	1,420
Operating cash flow	5,004	-5,400	-9,326	-2,939	-243	-18	-4,565	-8,357
Investments of shares							-673	-525
Divestment of shares							-	157
Acquired operations							-9	-
Divested operations							196	153
Interest-bearing receivables incl. marketable securities							-76	-381
Cash flow after net investments							-5,127	-8,952
Financing activities								
New borrowings ¹							44,727	49,163
Repayments of borrowings ¹							-39,524	-29,793
Dividend to owners of AB Volvo							-	-
Dividend to non-controlling interest							-	-
Other							3	37
Change in cash and cash equivalents excl. translation differences							80	10,455
Translation difference on cash and cash equivalents							212	808
Change in cash and cash equivalents							292	11,263
Cash and cash equivalents, beginning of quarter							83,886	62,126
Cash and cash equivalents, end of quarter							84,178	73,388

¹ The comparative figures are restated due to a reclassification between new borrowings and repayments of borrowings.

CONSOLIDATED NET FINANCIAL POSITION

Net financial position excl. post-employment benefits and lease liabilities	Industrial Operations		Volvo Group	
	Mar 31 2023	Dec 31 2022	Mar 31 2023	Dec 31 2022
SEK bn				
Non-current interest-bearing assets				
Non-current customer-financing receivables	-	-	108.2	105.1
Non-current interest-bearing receivables	7.6	7.2	2.5	1.8
Current interest-bearing assets				
Customer-financing receivables	-	-	97.5	88.9
Interest-bearing receivables	5.0	5.7	5.0	5.7
Internal funding	6.6	8.0	-	-
Marketable securities	0.1	0.1	0.1	0.1
Cash and cash equivalents	75.3	76.0	84.2	83.9
Total interest-bearing financial assets	94.6	97.0	297.5	285.4
Non-current interest-bearing liabilities				
Bond loans	-101.1	-102.9	-101.1	-102.9
Other loans	-20.0	-20.6	-30.0	-30.9
Internal funding	114.2	110.3	-	-
Current interest-bearing liabilities				
Bond loans	-41.4	-37.8	-41.4	-37.8
Other loans	-28.1	-22.9	-38.5	-32.8
Internal funding	59.5	50.8	-	-
Total interest-bearing financial liabilities excl. lease liabilities	-16.9	-23.1	-211.0	-204.4
Net financial position excl. post-employment benefits and lease liabilities	77.7	73.9	86.5	81.0

Provisions for post-employment benefits and lease liabilities, net	Industrial Operations		Volvo Group	
	Mar 31 2023	Dec 31 2022	Mar 31 2023	Dec 31 2022
SEK bn				
Non-current lease liabilities	-5.1	-4.8	-5.0	-4.8
Current lease liabilities	-1.9	-1.8	-1.9	-1.8
Provisions for post-employment benefits, net	-7.2	-6.0	-7.3	-6.0
Provisions for post-employment benefits and lease liabilities, net	-14.2	-12.6	-14.2	-12.6

Net financial position incl. post-employment benefits and lease liabilities	Industrial Operations		Volvo Group	
	Mar 31 2023	Dec 31 2022	Mar 31 2023	Dec 31 2022
SEK bn				
Net financial position excl. post-employment benefits and lease liabilities	77.7	73.9	86.5	81.0
Provisions for post-employment benefits and lease liabilities, net	-14.2	-12.6	-14.2	-12.6
Net financial position incl. post-employment benefits and lease liabilities	63.4	61.3	72.3	68.4

CHANGES IN NET FINANCIAL POSITION, INDUSTRIAL OPERATIONS

SEK bn	First quarter 2023
Net financial position excl. post-employment benefits and lease liabilities at the end of previous period	73.9
Operating cash flow	5.0
Investments and divestments of shares, net	-0.7
Acquired and divested operations, net	0.2
Capital injections to/from Financial Services	-0.4
Currency effect	0.4
Dividend to owners of AB Volvo	-
Dividend to non-controlling interest	-
Other changes	-0.7
Net financial position excl. post-employment benefits and lease liabilities at the end of period	77.7
Provisions for post-employment benefits and lease liabilities at the end of previous period	-12.6
Pension payments, included in operating cash flow	0.1
Remeasurements of defined post-employment benefits	-1.0
Service costs and other pension costs	-0.3
Investments, remeasurements and amortizations of lease contracts	-0.4
Currency effect	-
Other changes	-0.1
Provisions for post-employment benefits and lease liabilities at the end of period	-14.2
Net financial position incl. post-employment benefits and lease liabilities at the end of period	63.4

CHANGES IN CONSOLIDATED EQUITY

SEK M	Equity attributable to owners of AB Volvo	Non-controlling interest	Total equity
Balance as of December 31, 2021	141,045	3,073	144,118
Income for the period	32,722	247	32,969
Other comprehensive income for the period	15,417	179	15,596
Total comprehensive income for the period	48,140	425	48,565
Dividend	-26,435	-19	-26,454
Changes in non-controlling interests	-	40	40
Other changes	-33	-	-33
Transactions with shareholders	-26,468	20	-26,447
Balance as of December 31, 2022	162,717	3,519	166,236
Income for the period	12,910	24	12,934
Other comprehensive income for the period	-570	12	-558
Total comprehensive income for the period	12,341	36	12,376
Dividend	-	-	-
Changes in non-controlling interests	-	2	2
Other changes	38	-	37
Transactions with shareholders	38	2	39
Balance as of March 31, 2023	175,095	3,556	178,651

QUARTERLY FIGURES

Income Statements, Volvo Group					
SEK M unless otherwise stated	1/2023	4/2022	3/2022	2/2022	1/2022
Net sales	131,420	134,302	114,917	118,943	105,317
Cost of sales	-96,112	-103,227	-87,594	-90,221	-80,700
Gross income	35,308	31,076	27,324	28,721	24,617
Research and development expenses	-6,492	-6,893	-5,595	-5,454	-4,583
Selling expenses	-7,894	-8,239	-7,046	-6,977	-6,783
Administrative expenses	-1,663	-1,744	-1,383	-1,432	-1,321
Other operating income and expenses	-1,980	-2,292	-896	-809	-3,377
Income/loss from investments in Joint Ventures and associated companies	-171	-351	-536	-323	-123
Income/loss from other investments	-	-15	1	19	127
Operating income	17,109	11,541	11,869	13,745	8,556
Interest income and similar credits	572	453	247	182	125
Interest expenses and similar charges	-314	-338	-262	-277	-328
Other financial income and expenses	-570	-1,237	-96	222	674
Income after financial items	16,797	10,420	11,758	13,873	9,027
Income taxes	-3,863	-3,730	-3,071	-3,352	-1,956
Income for the period *	12,934	6,690	8,687	10,520	7,071
* Attributable to:					
Owners of AB Volvo	12,910	6,620	8,627	10,443	7,033
Non-controlling interest	24	70	61	78	38
	12,934	6,690	8,687	10,520	7,071
Key ratios, Volvo Group, %					
Gross margin	26.9	23.1	23.8	24.1	23.4
Research and development expenses as % of net sales	4.9	5.1	4.9	4.6	4.4
Selling expenses as % of net sales	6.0	6.1	6.1	5.9	6.4
Administrative expenses as % of net sales	1.3	1.3	1.2	1.2	1.3
Operating margin	13.0	8.6	10.3	11.6	8.1
Key ratios, Industrial Operations, %					
Gross margin	26.4	22.5	23.0	23.4	22.5
Research and development expenses as % of net sales	5.1	5.3	5.0	4.7	4.5
Selling expenses as % of net sales	5.6	5.7	5.7	5.4	6.0
Administrative expenses as % of net sales	1.3	1.3	1.2	1.2	1.3
Operating margin	12.8	8.2	9.9	11.2	10.0
EBITDA margin, Industrial Operations					
Operating income Industrial Operations	16,238	10,678	10,990	12,953	10,241
Product and software development, amortization	696	723	712	697	667
Other intangible assets, amortization	44	33	27	26	33
Tangible assets, depreciation	3,143	3,784	3,090	3,093	3,043
Total depreciation and amortization	3,883	4,541	3,828	3,816	3,743
Operating income before depreciation and amortization (EBITDA)	20,121	15,219	14,818	16,769	13,984
EBITDA margin, %	15.8	11.7	13.3	14.5	13.7
Net capitalization of research and development					
Capitalization	1,208	1,114	972	1,296	1,324
Amortization	-657	-677	-673	-658	-628
Net capitalization and amortization	551	438	300	638	696
Return on operating capital in Industrial Operations, % ¹	57.0	50.8	50.1	50.6	50.7
Return on capital employed in Industrial Operations, % ¹	30.3	27.4	27.4	26.8	25.3

¹ 12 months rolling.

QUARTERLY FIGURES

Net sales					
SEK M	1/2023	4/2022	3/2022	2/2022	1/2022
Trucks	89,556	87,303	75,078	78,603	69,552
Construction Equipment	25,109	27,596	24,238	25,814	22,613
Buses	4,267	6,654	4,817	4,062	3,051
Volvo Penta	5,603	4,849	4,451	4,597	4,204
Group Functions & Other	3,779	4,985	3,793	3,750	3,848
Eliminations	-1,195	-1,175	-950	-1,106	-923
Industrial Operations	127,117	130,212	111,427	115,719	102,345
Financial Services	5,370	5,124	4,430	4,067	3,734
Reclassifications and eliminations	-1,067	-1,033	-940	-844	-762
Volvo Group	131,420	134,301	114,917	118,943	105,317

Operating income					
SEK M	1/2023	4/2022	3/2022	2/2022	1/2022
Trucks	12,854	7,644	7,539	9,551	7,243
Construction Equipment	4,587	3,093	3,541	3,568	2,703
Buses	-1,261	228	99	7	20
Volvo Penta	1,271	468	593	699	767
Group Functions & Other	-1,225	-754	-778	-890	-489
Eliminations	12	-1	-4	19	-3
Industrial Operations	16,238	10,678	10,990	12,953	10,241
Financial Services	871	863	879	792	-1,686
Reclassifications and eliminations	-	1	1	-	1
Volvo Group	17,109	11,541	11,869	13,745	8,556

Adjusted operating income ¹					
SEK M	1/2023	4/2022	3/2022	2/2022	1/2022
Trucks	12,715	8,274	7,307	9,551	8,690
Construction Equipment	4,587	3,093	3,773	3,568	2,810
Buses	178	228	99	7	20
Volvo Penta	1,271	468	593	699	769
Group Functions & Other	-1,225	-754	-778	-890	-488
Eliminations	12	-1	-4	19	-3
Industrial Operations	17,538	11,308	10,990	12,953	11,798
Financial Services	871	863	879	792	882
Reclassifications and eliminations	-	1	1	-	1
Volvo Group adjusted operating income	18,409	12,171	11,869	13,745	12,681

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

Operating margin					
%	1/2023	4/2022	3/2022	2/2022	1/2022
Trucks	14.4	8.8	10.0	12.2	10.4
Construction Equipment	18.3	11.2	14.6	13.8	12.0
Buses	-29.6	3.4	2.0	0.2	0.7
Volvo Penta	22.7	9.7	13.3	15.2	18.2
Industrial Operations	12.8	8.2	9.9	11.2	10.0
Volvo Group	13.0	8.6	10.3	11.6	8.1

Adjusted operating margin					
%	1/2023	4/2022	3/2022	2/2022	1/2022
Trucks	14.2	9.5	9.7	12.2	12.5
Construction Equipment	18.3	11.2	15.6	13.8	12.4
Buses	4.2	3.4	2.0	0.2	0.7
Volvo Penta	22.7	9.7	13.3	15.2	18.3
Industrial Operations	13.8	8.7	9.9	11.2	11.5
Volvo Group adjusted operating margin	14.0	9.1	10.3	11.6	12.0

QUARTERLY FIGURES

Share data	1/2023	4/2022	3/2022	2/2022	1/2022
Earnings per share, SEK ¹	6.35	3.26	4.24	5.14	3.46
Earnings per share, SEK ¹ , 12 months rolling	18.98	16.09	16.77	15.99	15.23
Diluted earnings per share, SEK	6.35	3.26	4.24	5.14	3.46
Number of outstanding shares in millions	2,033	2,033	2,033	2,033	2,033
Average number of shares before dilution in millions	2,033	2,033	2,033	2,033	2,033
Average number of shares after dilution in millions	2,033	2,033	2,033	2,033	2,033
Number of own shares in millions	-	-	-	-	-
Average number of own shares in millions	-	-	-	-	-

¹ 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.

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 2022 (available at www.volvogroup.com). As from January 1, 2023, a new long-term incentive plan has been adopted by the Annual General Meeting. The plan is accounted for in accordance with IFRS 2 Share-based payments. There are no other

new accounting policies applicable from 2023 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 the cyclical nature of the commercial vehicles industry, intense competition, extensive government regulations, political instability and security;

Operational risks – such as transformation and technology risk, new business models, risks related to industrial operations, reliance on suppliers and scarce materials, cost inflation and price increases, cybersecurity and IT infrastructure, strategic transactions such as mergers and acquisitions, partnerships and divestments as well as residual value commitments;

Climate and people risks – such as pandemics, climate and risk related to people and culture as well as human rights;

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

Financial risks – such as insurance coverage, credit risk, pension commitments, interest level and currency fluctuations, liquidity risks, 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 68-73 in the Volvo Group Annual Report 2022.

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. 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. The Volvo Group will continuously assess the size of the provision as the matter develops.

Financial impact from the war in Ukraine

In Q1 2022, the Volvo Group reported that out of the Group's total assets related to Russia of approximately SEK 9 billion, SEK 4.1 billion had been provisioned for and impacting operating income negatively in Q1 2022. As of the end of this quarter, the Group's total exposure for additional impairment needs related to Russia largely remains unchanged. In 2021, approximately 3% of the Group's net sales were attributable to Russia.

The Group follows developments closely, but the situation with rapid and sometimes unpredictable changes may persist. No predictions can hence be made on the full impact from the war and ensuing sanctions on Group's assets in the region or on the general economic development. Further write-downs of the Group's assets related to Russia may be necessary in the coming periods, which could have a materially adverse effect on the Group's financial result, cash flow and financial position.

Contingent liabilities and contingent assets

The reported amounts for contingent liabilities reflect a part of Volvo Group's risk exposure. Total contingent liabilities as of March 31, 2023, amounted to SEK 17.3 billion, an decrease of SEK 0.9 billion compared to December 31, 2022. The gross exposure of SEK 17.3 billion is partly reduced by counter guarantees and collaterals.

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 Commission did not assess any potential effects on the market. The 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 developments, although uncertainty 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. The Volvo Group has recognized costs, besides legal fees to advisors, which relate to certain limited 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 depending on the progress of the litigation.

NOTE 3 | ACQUISITIONS AND DIVESTMENTS

The Volvo Group has not made any acquisitions or divestments of operations during Q1 that have had a material impact on the financial statements.

Assets held for sale amounted to net SEK 247 M (-) as of March 31, 2023 mainly related to planned property divestments.

NOTE 4 | CURRENCY AND FINANCIAL INSTRUMENTS**Fair value of financial instruments**

Valuation principles and classifications of Volvo Group financial instruments, as described in Volvo Group Annual Report 2022 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 6.5 billion (6.3) and derivatives with negative fair values amounted to SEK 8.8 billion (9.0) as of March 31, 2023.

The derivatives are accounted for on gross basis. Financial liabilities valued at amortized cost, reported as current and non-current bond loans and other loans, amounted to SEK 212.2 billion (205.0) in reported carrying value with a fair value of SEK 208.5 billion (201.3). In the Volvo Group consolidated financial position, financial liabilities include loan-related derivatives with negative fair values amounting to SEK 5.8 billion (5.9).

Currency effect on operating income, Volvo Group SEK M	Compared to first quarter 2022		
	First quarter 2023	First quarter 2022	Change
Net flow in foreign currency			413
Realized and unrealized gains and losses on derivatives	-1	-	-1
Unrealized gains and losses on receivables and liabilities in foreign currency	241	-62	303
Translation effect on operating income in foreign subsidiaries			954
Total currency effect on operating income, Volvo Group			1,669

Applicable currency rates	Quarterly exchange rates		Close rates	
	First quarter 2023	First quarter 2022	Mar 31 2023	Mar 31 2022
BRL	2.01	1.79	2.03	1.94
CNY	1.52	1.47	1.51	1.46
EUR	11.20	10.48	11.28	10.34
GBP	12.68	12.53	12.81	12.17
KRW	0.0082	0.0078	0.0079	0.0076
USD	10.43	9.34	10.35	9.26

NOTE 5 | TRANSACTIONS WITH RELATED PARTIES

SEK M	Sales of goods, services and other income		Purchases of goods, services and other expenses	
	First quarter 2023	First quarter 2022	First quarter 2023	First quarter 2022
Associated companies	513	175	52	23
Joint ventures	391	382	325	314

SEK M	Receivables		Payables	
	Mar 31 2023	Dec 31 2022	Mar 31 2023	Dec 31 2022
Associated companies	325	113	52	63
Joint ventures	396	472	88	122

NOTE 6 | RECONCILIATION OF ADJUSTED OPERATING INCOME

Adjusted operating income					
SEK M	1/2023	4/2022	3/2022	2/2022	1/2022
Trucks	12,715	8,274	7,307	9,551	8,690
Construction Equipment	4,587	3,093	3,773	3,568	2,810
Buses	178	228	99	7	20
Volvo Penta	1,271	468	593	699	769
Group Functions & Other	-1,225	-754	-778	-890	-488
Eliminations	12	-1	-4	19	-3
Industrial Operations	17,538	11,308	10,990	12,953	11,798
Financial Services	871	863	879	792	882
Reclassifications and eliminations	-	1	1	-	1
Volvo Group adjusted operating income	18,409	12,171	11,869	13,745	12,681

Adjustments					
SEK M	1/2023	4/2022	3/2022	2/2022	1/2022
Adjustment items (segment)					
Restructuring charges relating to the European bus operation (Buses)	-1,300	-	-	-	-
Previously announced provision for premature degradation of an emission control component					
Trucks	139	-	-	-	-
Buses	-139	-	-	-	-
Costs relating to claims arising from the European Commission's 2016 antitrust settlement decision (Trucks)	-	-630	-	-	-
Financial impact related to Russia:					
Trucks	-	-	232	-	-1,447
Construction Equipment	-	-	-232	-	-106
Volvo Penta	-	-	-	-	-3
Group Functions & Other	-	-	-	-	-1
Financial Services	-	-	-	-	-2,568
Total adjustments					
Trucks	139	-630	232	-	-1,447
Construction Equipment	-	-	-232	-	-106
Buses	-1,439	-	-	-	-
Volvo Penta	-	-	-	-	-3
Group Functions & Other	-	-	-	-	-1
Industrial Operations	-1,300	-630	-	-	-1,557
Financial Services	-	-	-	-	-2,568
Reclassifications and eliminations	-	-	-	-	-
Volvo Group	-1,300	-630	-	-	-4,125

Operating income					
SEK M	1/2023	4/2022	3/2022	2/2022	1/2022
Trucks	12,854	7,644	7,539	9,551	7,243
Construction Equipment	4,587	3,093	3,541	3,568	2,703
Buses	-1,261	228	99	7	20
Volvo Penta	1,271	468	593	699	767
Group Functions & Other	-1,225	-754	-778	-890	-489
Eliminations	12	-1	-4	19	-3
Industrial Operations	16,238	10,678	10,990	12,953	10,241
Financial Services	871	863	879	792	-1,686
Reclassifications and eliminations	-	1	1	-	1
Volvo Group	17,109	11,541	11,869	13,745	8,556

For reconciliation of other key ratios, see www.volvogroup.com

PARENT COMPANY

Income from investments in group companies for the first quarter includes additional payment of earnout from divestment of UD Trucks amounting to SEK 49 M. The first quarter previous year included dividends of SEK 3,814 M.

Financial net debt amounted to SEK 3,978 M (22,213) at the end of the first quarter .

Income statement SEK M	First quarter	
	2023	2022
Net sales¹	70	65
Cost of sales ¹	-70	-65
Gross income	-	-
Operating expenses ¹	-368	-303
Operating income (loss)	-368	-303
Income from investments in group companies	49	3,814
Income from investments in joint ventures and associated companies	-	-
Income from investments, other shares and participations	-	-
Interest income and expenses	-160	-71
Other financial income and expenses	-54	22
Income after financial items	-533	3,462
Appropriations	-	-
Income taxes	91	60
Income for the period	-442	3,522
Other comprehensive income		
Income for the period	-442	3,522
Other comprehensive income, net of income taxes	-	-
Total comprehensive income for the period	-442	3,522

¹ Of net sales in the first quarter, SEK 67 M (61) pertained to group companies, while purchases from group companies amounted to SEK 106 M (80).

Balance sheet		
SEK M	Mar 31 2023	Dec 31 2022
Assets		
Non-current assets		
Tangible assets	7	7
Financial assets		
Shares and participations in group companies	70,987	70,987
Investments in joint ventures and associated companies	8,946	8,946
Other shares and participations	2	2
Other long-term receivables	438	593
Deferred tax assets	307	217
Total non-current assets	80,687	80,752
Current assets		
Current receivables from group companies	146	29,316
Other current receivables	304	251
Tax assets	605	-
Total current assets	1,055	29,567
Total assets	81,742	110,319
Equity and liabilities		
Equity		
Restricted equity	9,899	9,899
Unrestricted equity	59,062	59,504
Total Equity	68,961	69,403
Untaxed reserves	7,500	7,500
Provisions	257	259
Non-current liabilities ¹	480	405
Current liabilities ²	4,544	32,752
Total equity and liabilities	81,742	110,319

¹ Of which SEK 475 M (400) pertains to group companies.

² Of which SEK 3,843 M (28,819) pertains to group companies.

Events after the balance sheet date

For important events, please see page 6. No other significant events have occurred after the end of the first quarter 2023 that are expected to have a material effect on the Volvo Group.

Gothenburg, April 20, 2023
AB Volvo (publ)

Martin Lundstedt
President and CEO

This report has not been reviewed by AB Volvo's auditors.

NET ORDER INTAKE

Net order intake of trucks	First quarter		Change %
	2023	2022	
Number of trucks			
Net order intake			
Europe	31,290	24,984	25
Heavy- and medium-duty	26,055	19,631	33
Light-duty	5,235	5,353	-2
North America	15,159	6,017	152
South America	5,212	7,354	-29
Asia	5,336	4,766	12
Africa and Oceania	3,043	2,473	23
Total order intake	60,040	45,594	32
Heavy-duty (>16 tons)	49,901	36,861	35
Medium-duty (7-16 tons)	4,831	3,272	48
Light-duty (<7 tons)	5,308	5,461	-3
Total order intake	60,040	45,594	32
Net order intake of trucks by brand			
Volvo			
Europe	17,367	10,937	59
North America	7,554	4,220	79
South America	4,924	7,020	-30
Asia	4,232	3,357	26
Africa and Oceania	1,879	1,623	16
Total Volvo	35,956	27,157	32
Heavy-duty (>16 tons)	34,742	25,816	35
Medium-duty (7-16 tons)	1,214	1,341	-9
Total Volvo	35,956	27,157	32
Renault Trucks			
Europe	13,923	14,047	-1
Heavy- and medium-duty	8,688	8,694	-
Light-duty	5,235	5,353	-2
North America	50	65	-23
South America	127	116	9
Asia	1,104	1,409	-22
Africa and Oceania	537	504	7
Total Renault Trucks	15,741	16,141	-2
Heavy-duty (>16 tons)	8,528	9,065	-6
Medium-duty (7-16 tons)	1,905	1,615	18
Light-duty (<7 tons)	5,308	5,461	-3
Total Renault Trucks	15,741	16,141	-2
Mack			
North America	7,555	1,732	336
South America	149	172	-13
Africa and Oceania	229	127	80
Total Mack	7,933	2,031	291
Heavy-duty (>16 tons)	6,268	1,816	245
Medium-duty (7-16 tons)	1,665	215	674
Total Mack	7,933	2,031	291

DELIVERIES

Deliveries of trucks Number of trucks	First quarter		Change %
	2023	2022	
Deliveries			
Europe	32,850	29,089	13
Heavy- and medium-duty	26,702	24,276	10
Light-duty	6,148	4,813	28
North America	16,011	13,908	15
South America	4,475	6,245	-28
Asia	5,742	3,697	55
Africa and Oceania	2,453	2,649	-7
Total deliveries	61,531	55,588	11
Heavy-duty (>16 tons)	50,684	46,889	8
Medium-duty (7-16 tons)	4,604	3,818	21
Light-duty (<7 tons)	6,243	4,881	28
Total deliveries	61,531	55,588	11
Deliveries of trucks by brand			
Volvo			
Europe	17,189	15,638	10
North America	8,306	7,640	9
South America	4,297	6,030	-29
Asia	4,449	2,913	53
Africa and Oceania	1,548	1,640	-6
Total Volvo	35,789	33,861	6
Heavy-duty (>16 tons)	34,705	33,050	5
Medium-duty (7-16 tons)	1,084	811	34
Total Volvo	35,789	33,861	6
Renault Trucks			
Europe	15,661	13,451	16
Heavy- and medium-duty	9,513	8,638	10
Light-duty	6,148	4,813	28
North America	50	23	117
South America	81	128	-37
Asia	1,293	784	65
Africa and Oceania	411	354	16
Total Renault Trucks	17,496	14,740	19
Heavy-duty (>16 tons)	9,345	8,252	13
Medium-duty (7-16 tons)	1,908	1,607	19
Light-duty (<7 tons)	6,243	4,881	28
Total Renault Trucks	17,496	14,740	19
Mack			
North America	7,655	6,245	23
South America	83	78	6
Africa and Oceania	220	195	13
Total Mack	7,958	6,518	22
Heavy-duty (>16 tons)	6,388	5,211	23
Medium-duty (7-16 tons)	1,570	1,307	20
Total Mack	7,958	6,518	22

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.

Financial calendar

Report on the second quarter 2023	July 19 2023
Report on the third quarter 2023	October 18 2023

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