VOLVO

VOLVO GROUP BUSINESS UPDATE

Post Q2, 2025

Volvo Group

Business Update post Q2 2025

2025-08-18

LONG TERM AMBITION

100%

Safe
Fossil free
More productive

Our strategic direction is in sync with our financial ambitions

Strategic direction	Strong positions in key markets with regional value chains	Value creation through Group portfolio mgmt.	Service business growth	Synergies across the Group through CAST	Leadership in the transformation
Financial ambitions	Gradual and consistent earnings improvement	Reduced volatility in earnings and cash flow	Discipline in capital allocation/ investments	Continuous investments in offerings, new technologies and innovations	Accelerating growth through transformation

Common Architecture and Shared Technology (CAST)

Driving global platforms supported by CAST

VOLVO TRUCKS

RENAULT TRUCKS

MACK TRUCKS

VOLVO PENTA

VOLVO BUSES

VOLVO CE

EICHER TRUCKS

FINANCIAL SERVICES

MANUFACTURING OF CABS & TRUCKS

REMANUFACTURING OF COMPONENTS

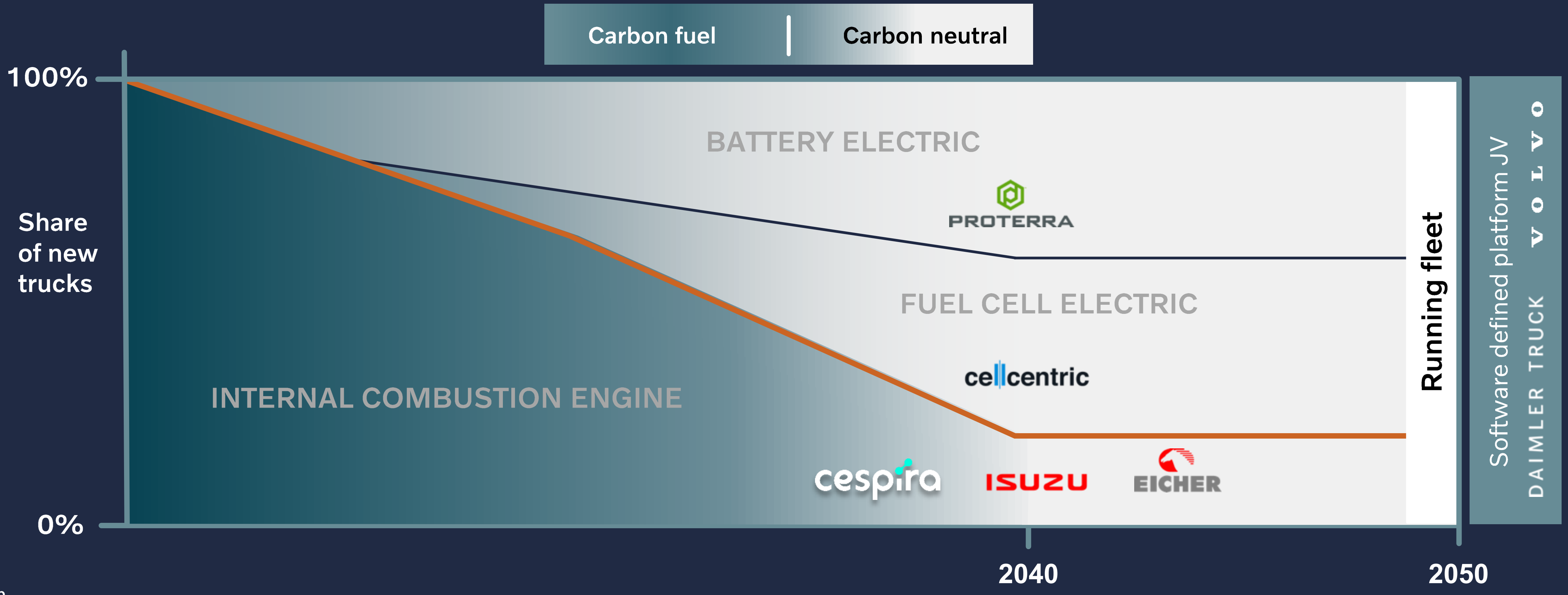
PRODUCTION LOGISTICS

MANUFACTURING OF COMPONENTS (ENGINES, TRANSMISSIONS, BATTERIES)

SERVICE MARKET LOGISTICS

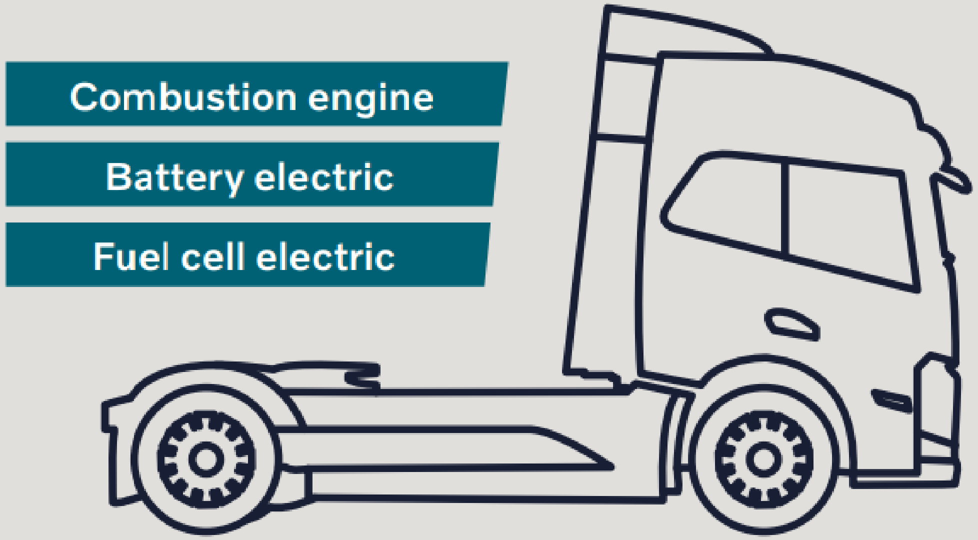
VOLVO PERFORMANCE SYSTEM

Strong partnerships to accelerate the transition

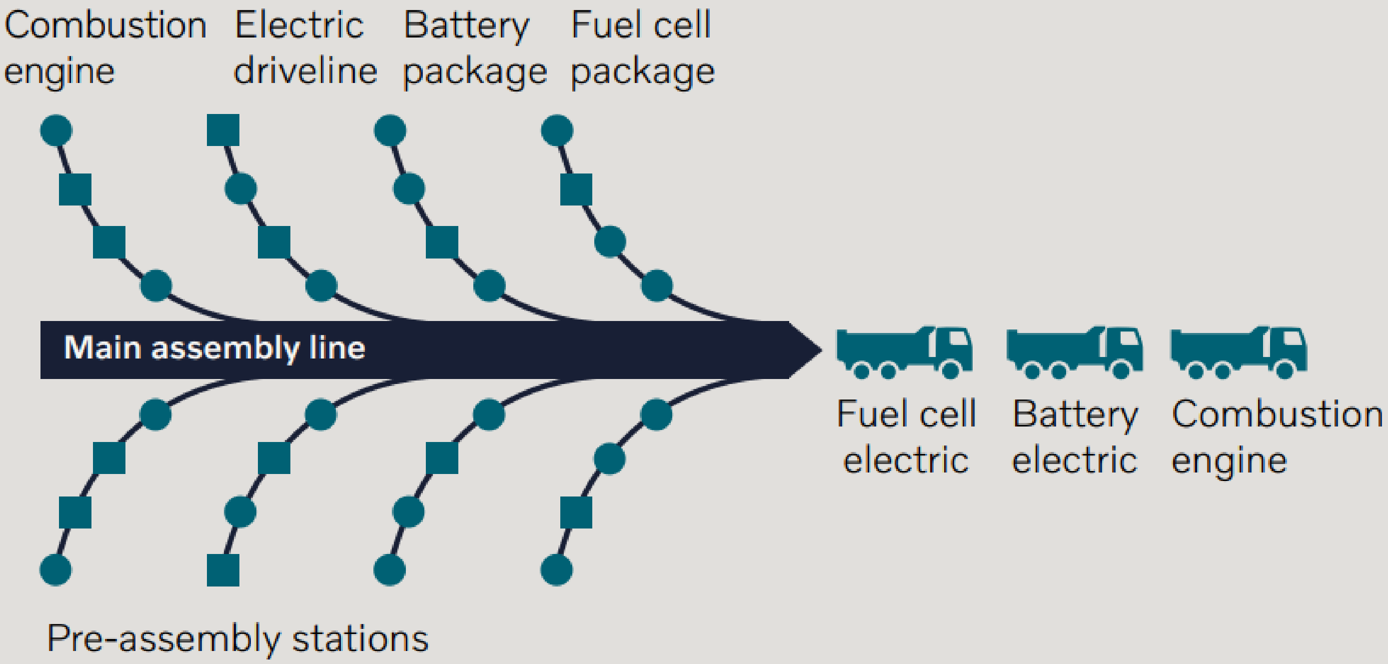


Value creation through modular architecture

SAME VEHICLE PLATFORM



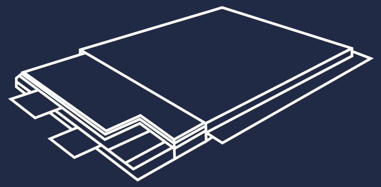
SAME PLANT



The formula for electromobility adoption

Electromobility adoption rate = Product and services offering × Total cost of ownership incl. incentives, regulation and carbon targets and pricing × Infrastructure × Fossil-free energy × Supply network = Customer competitiveness and peace of mind

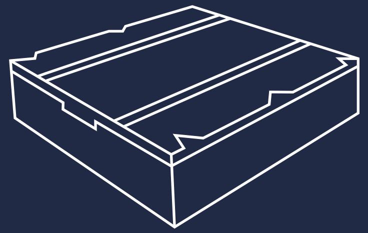
CELL



VOLVO
+ partner

SAMSUNG LG

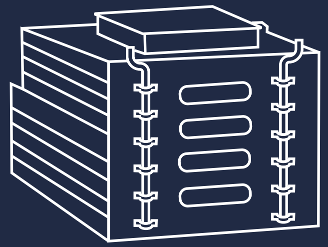
MODULE



VOLVO

PROTERRA SAMSUNG AKASOL

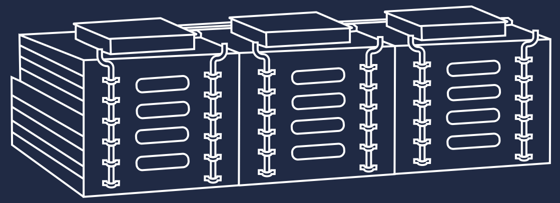
PACK



VOLVO

PROTERRA AKASOL

ENERGY STORAGE SYSTEM



VOLVO

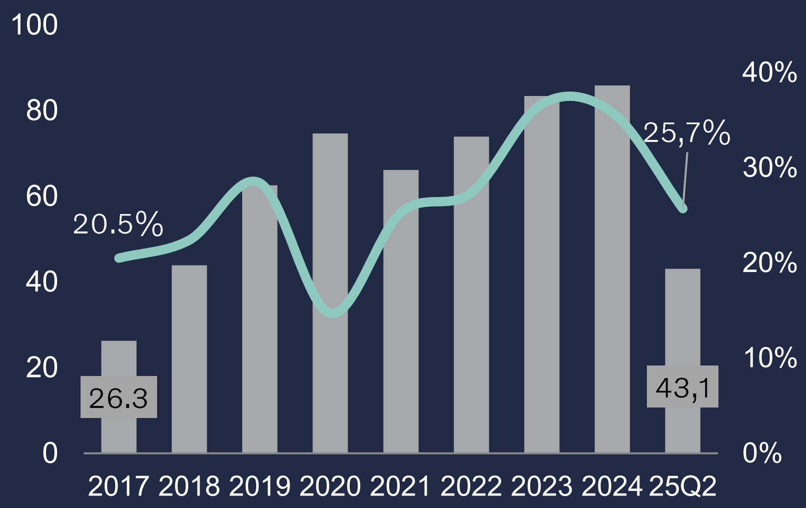
GRADUAL BACKWARD INTEGRATION

Disciplined capital allocation balancing shareholder return while future proofing the Group

STRONG FINANCIAL POSITION AND RETURN ON CAPITAL EMPLOYED

Net cash position, SEK bn Industrial Operations
(excl. pensions and lease liabilities)

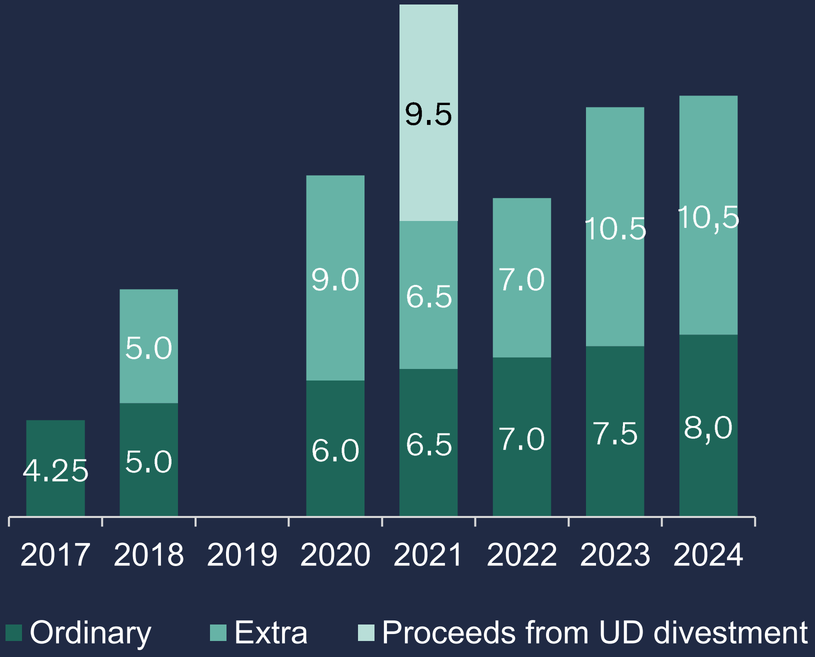
ROCE



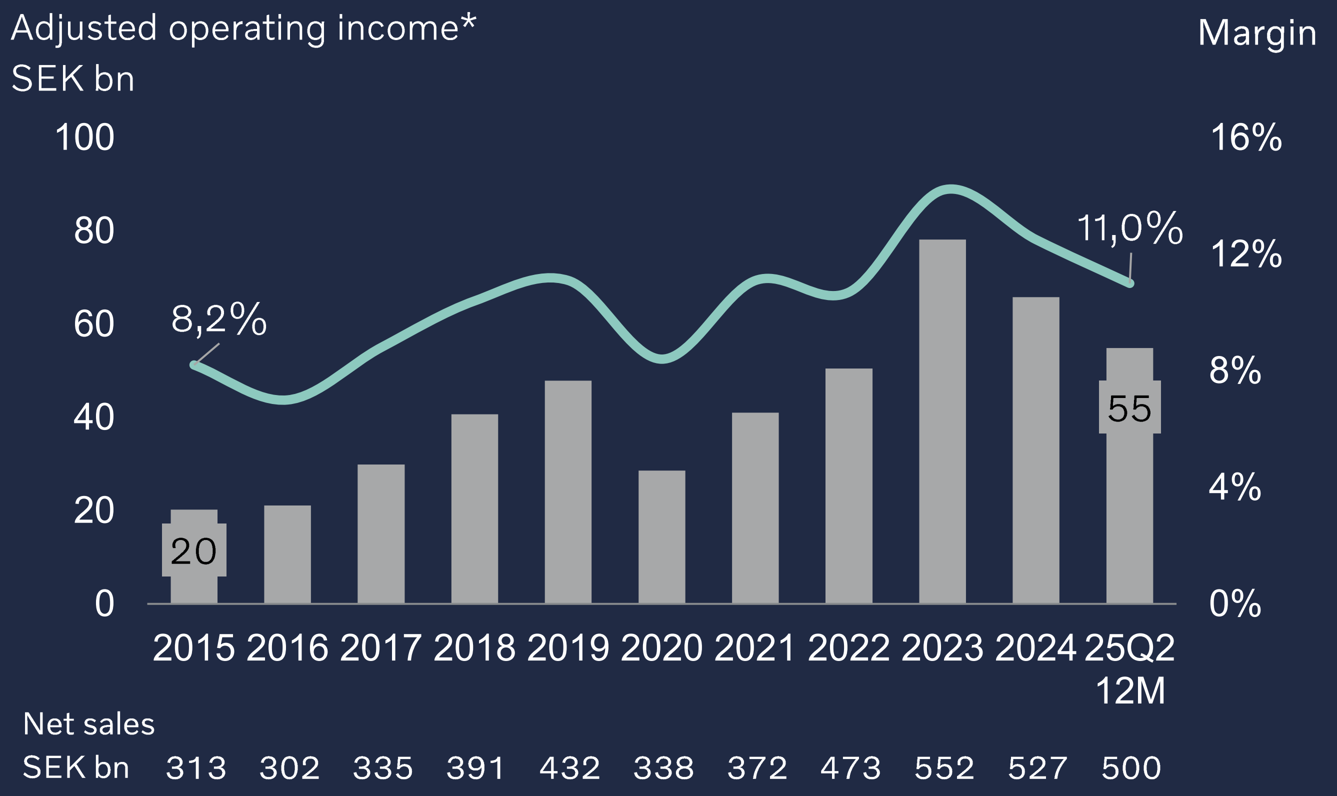
FORWARD-LEANING INVESTMENTS INTO TECHNOLOGY AND INNOVATION

ATTRACTIVE SHAREHOLDER RETURN

Dividend, SEK/share



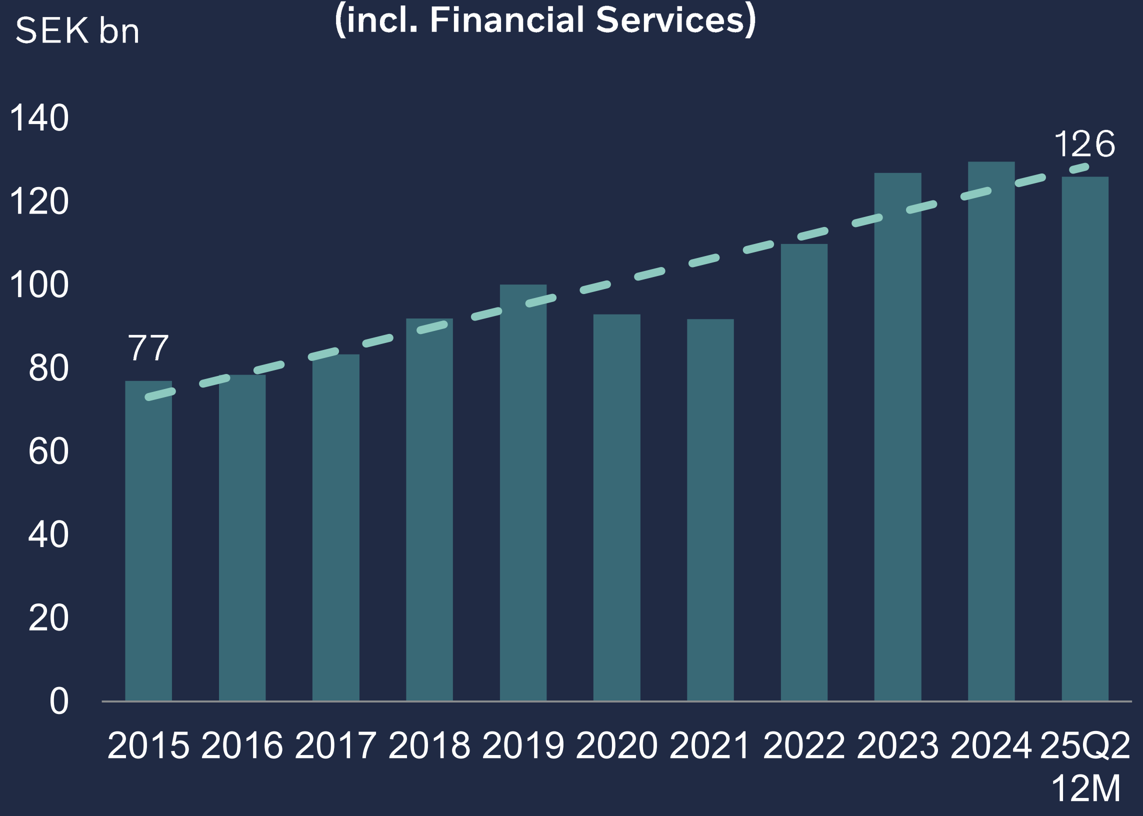
Consistent earnings improvement while investing in new technologies



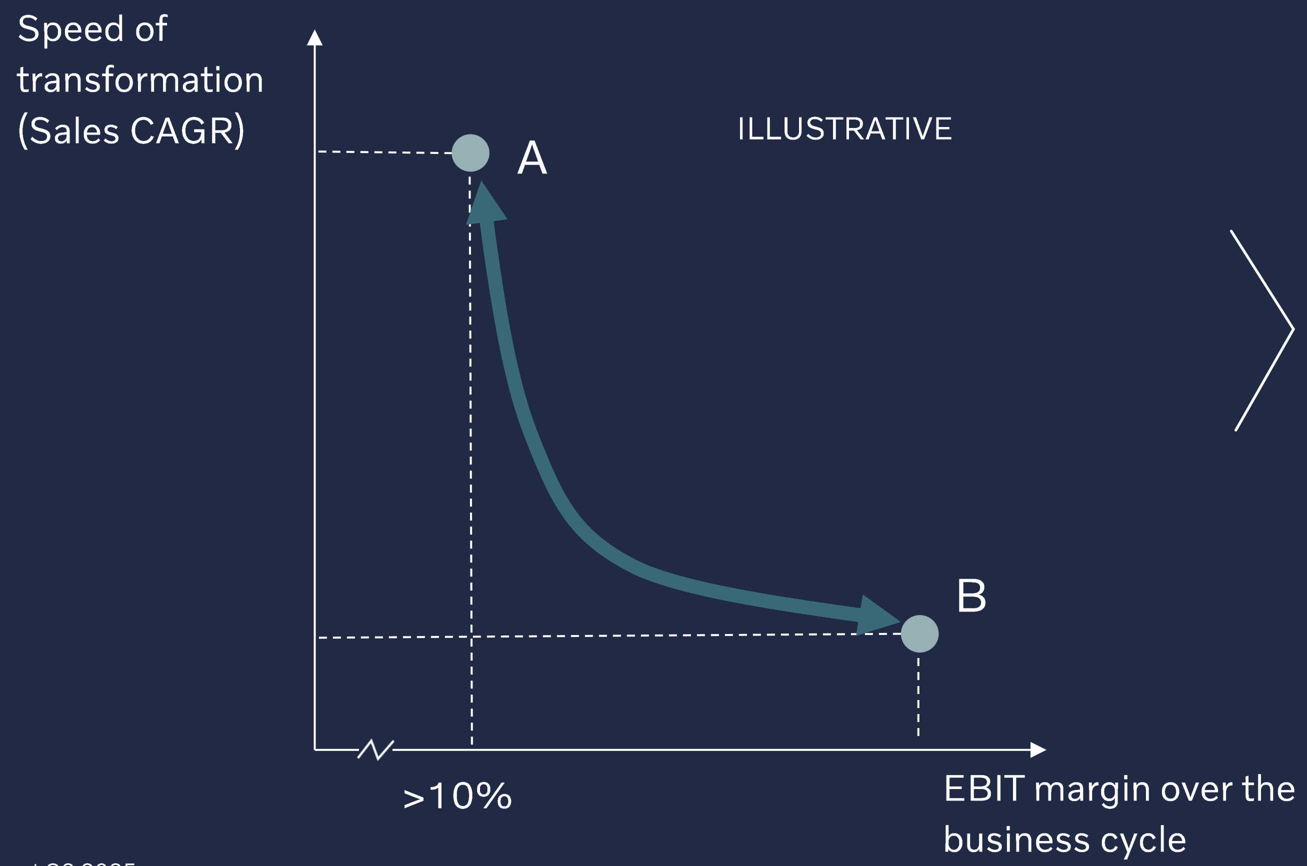
*Reported operating income 2015–2021, Adjusted operating income 2022–2024

Services strengthening both customer retention, profitability and resilience

VOLVO GROUP SERVICE SALES
(incl. Financial Services)



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



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

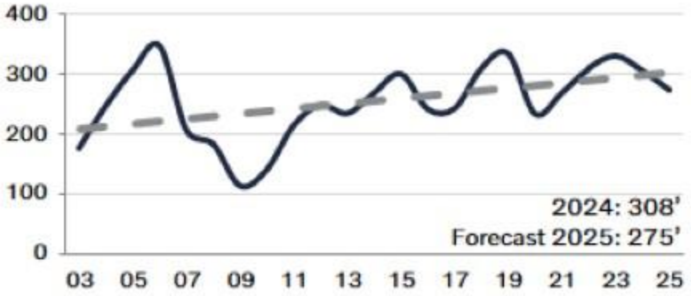
Deep dive slides

Market forecasts as per 2025 Q2

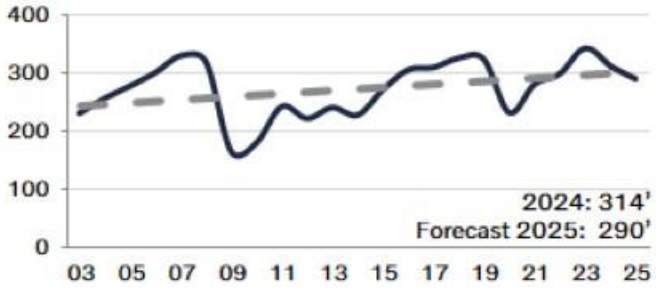
TRUCKS

Market environment

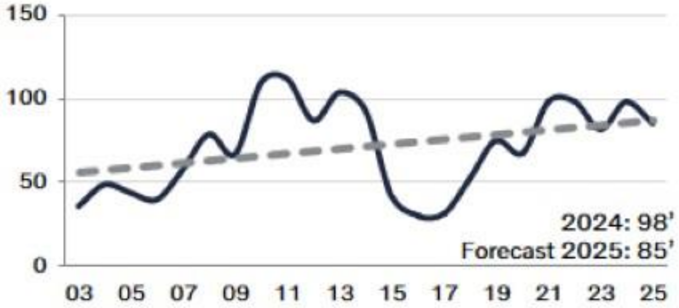
NORTH AMERICA HD



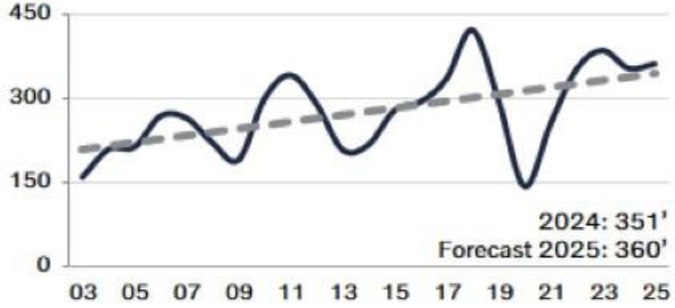
EUROPE HD



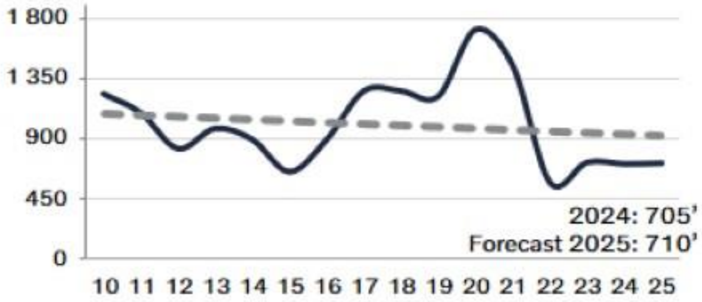
BRAZIL HD



INDIA HD+MD



CHINA HD+MD

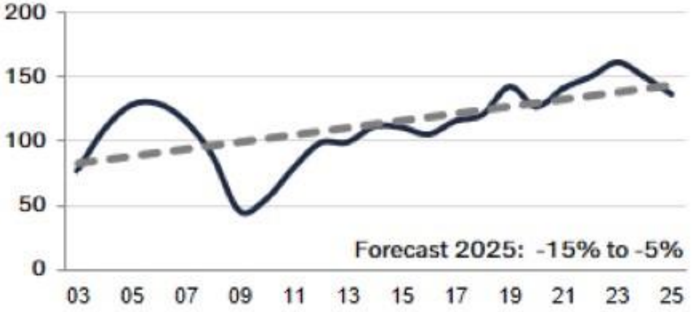


Market forecasts as per 2025 Q2

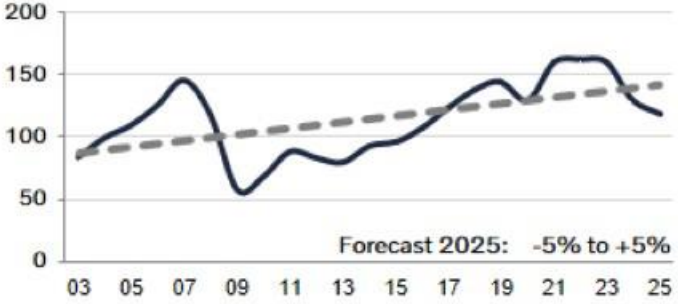
CONSTRUCTION EQUIPMENT

Market environment

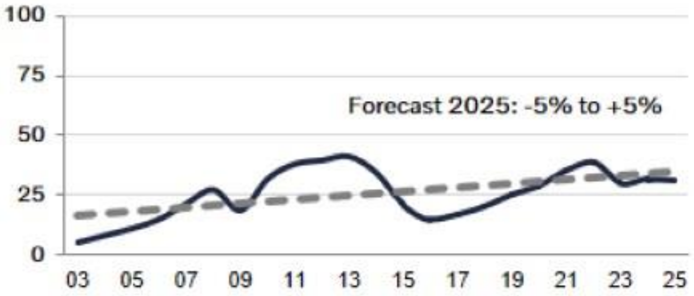
NORTH AMERICA



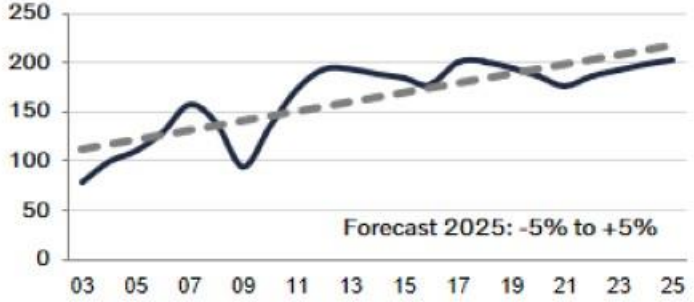
EUROPE



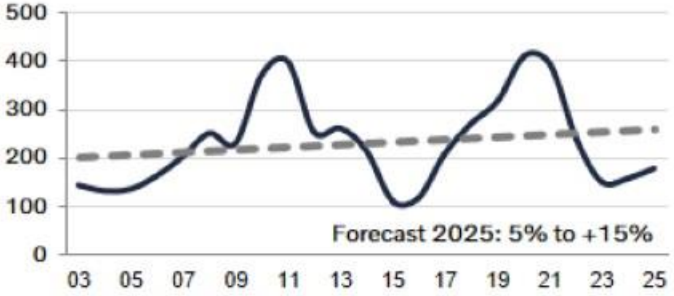
SOUTH AMERICA



ASIA (excl. CHINA)



CHINA

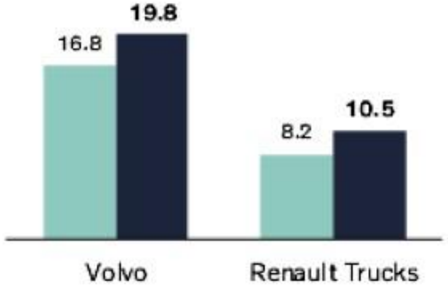


TRUCKS

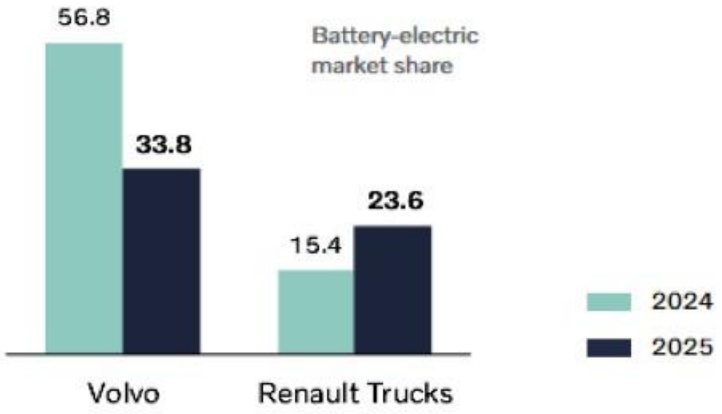
Heavy-duty truck market shares

EUROPE (EU29)
YTD May

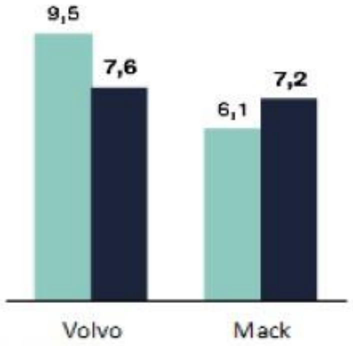
Total market share



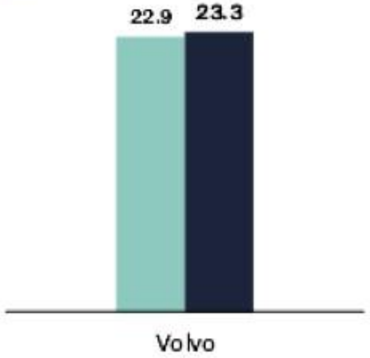
Battery-electric market share



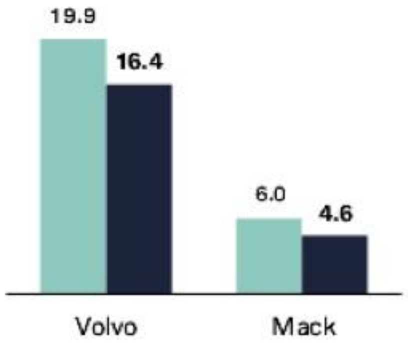
NORTH AMERICA
YTD June



BRAZIL
YTD June

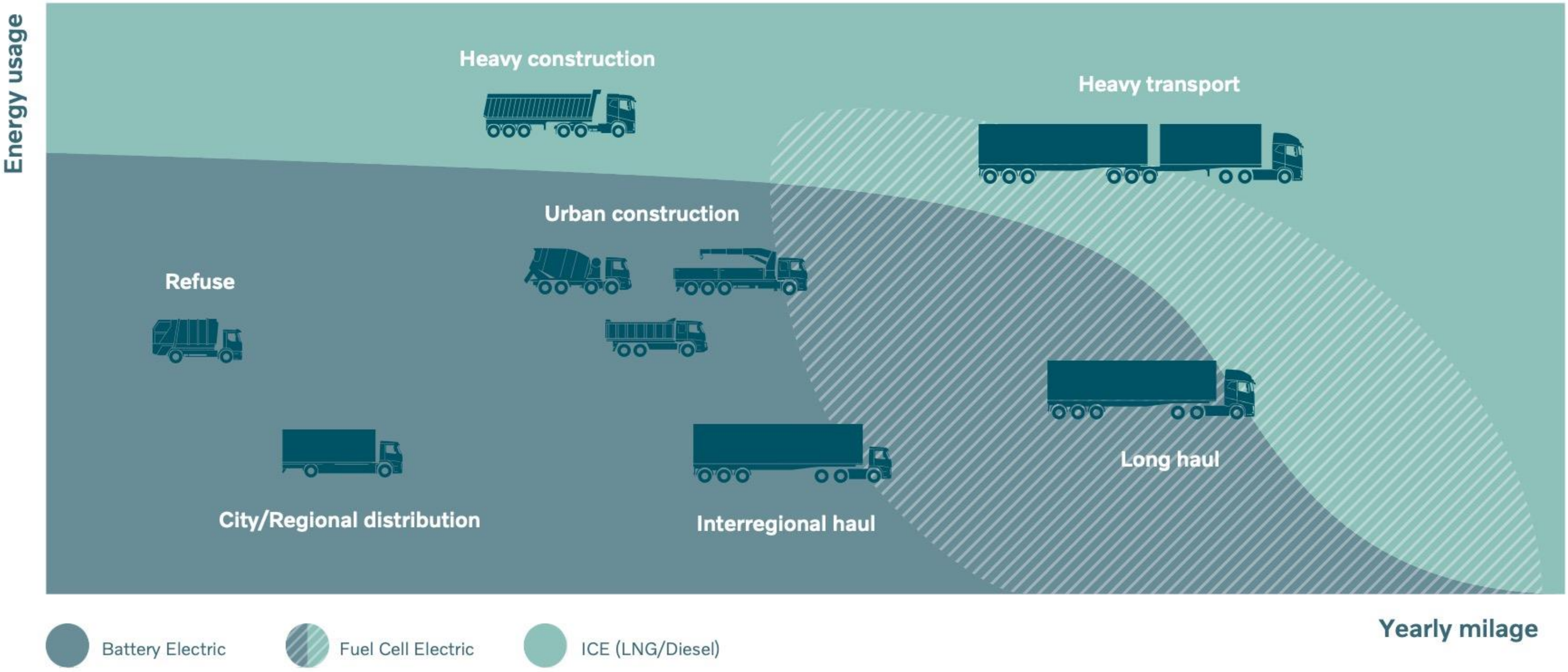


AUSTRALIA
YTD June

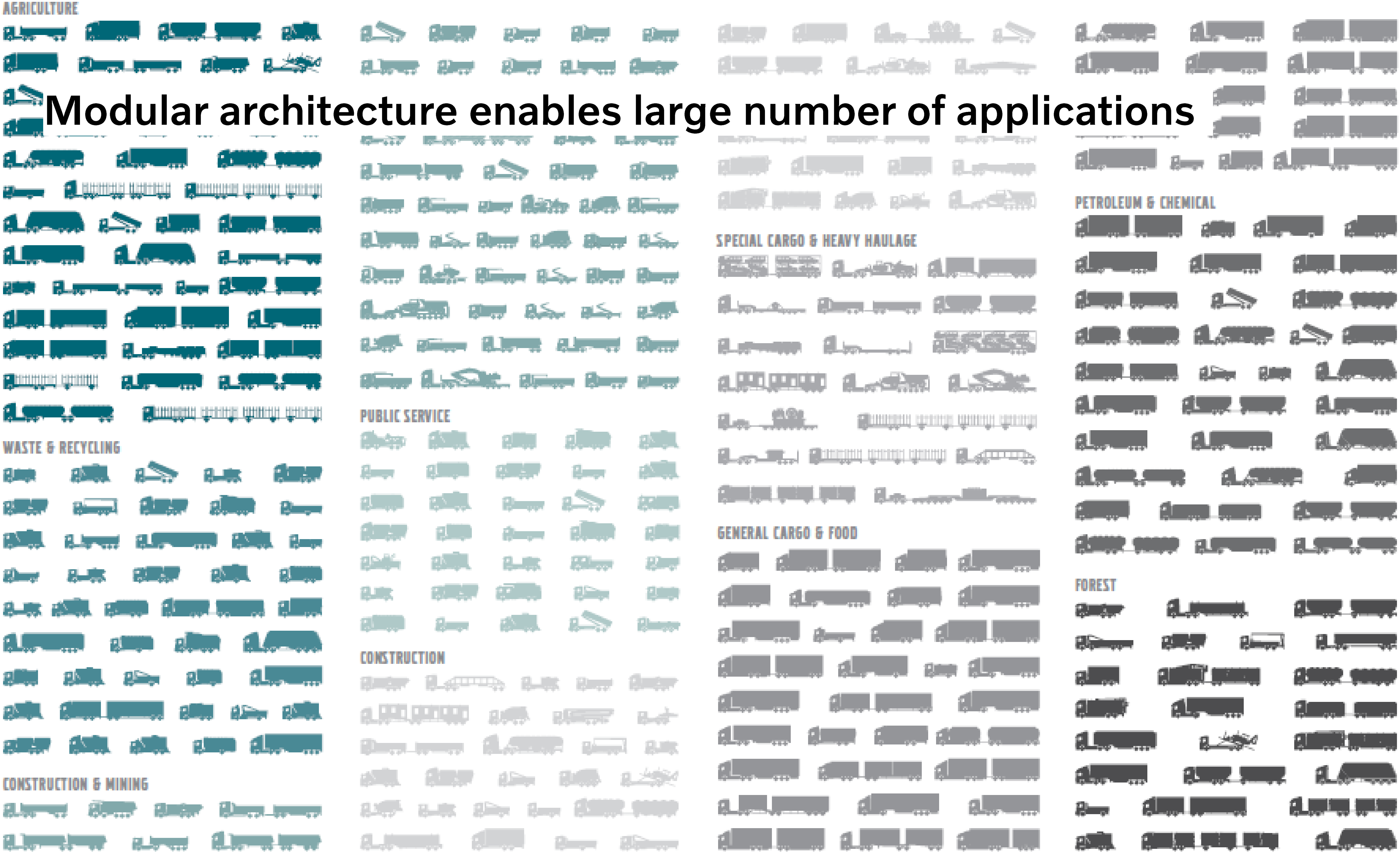


VOLVO

A mix of products required to support CO2 reductions towards 2030

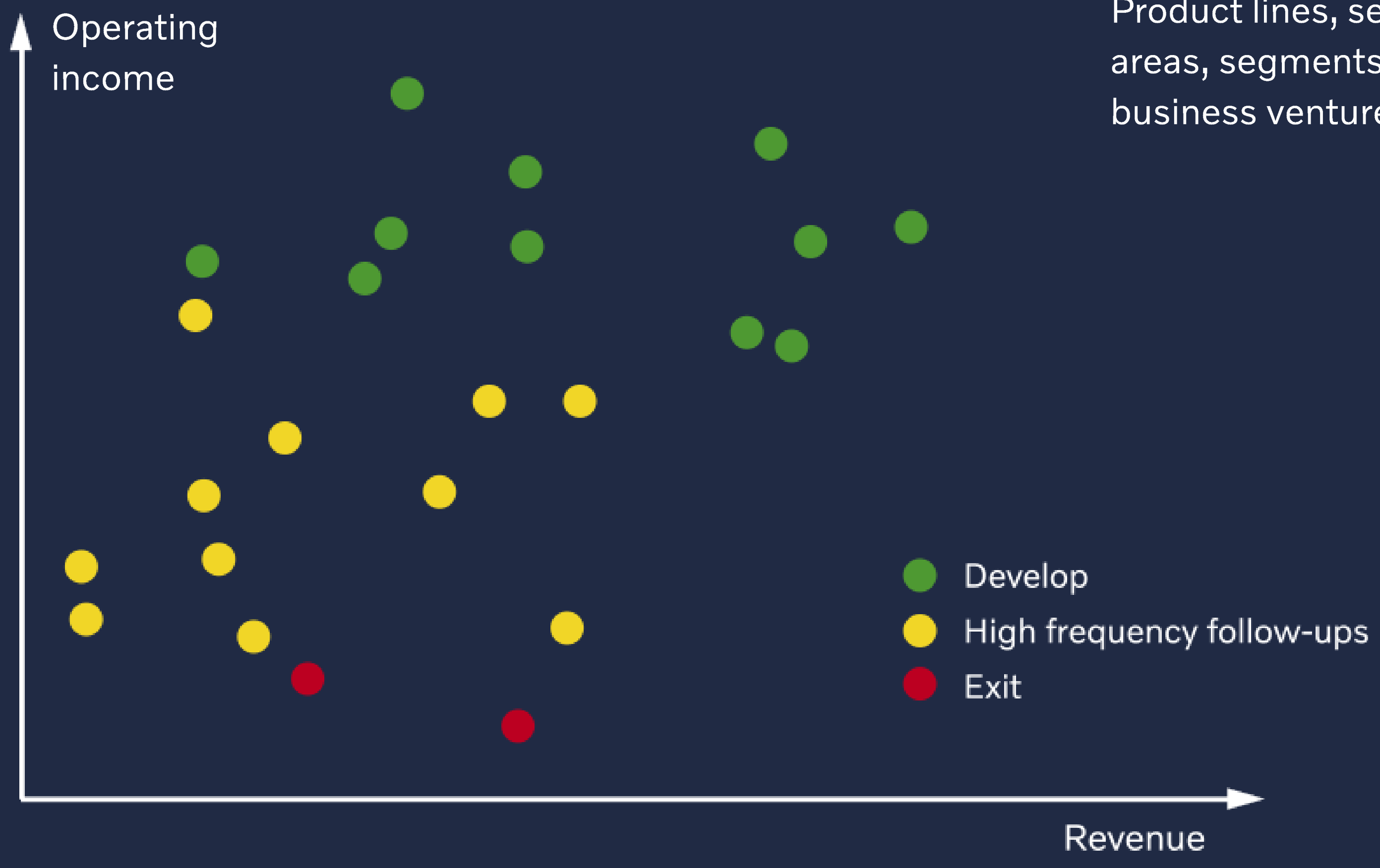


Modular architecture enables large number of applications



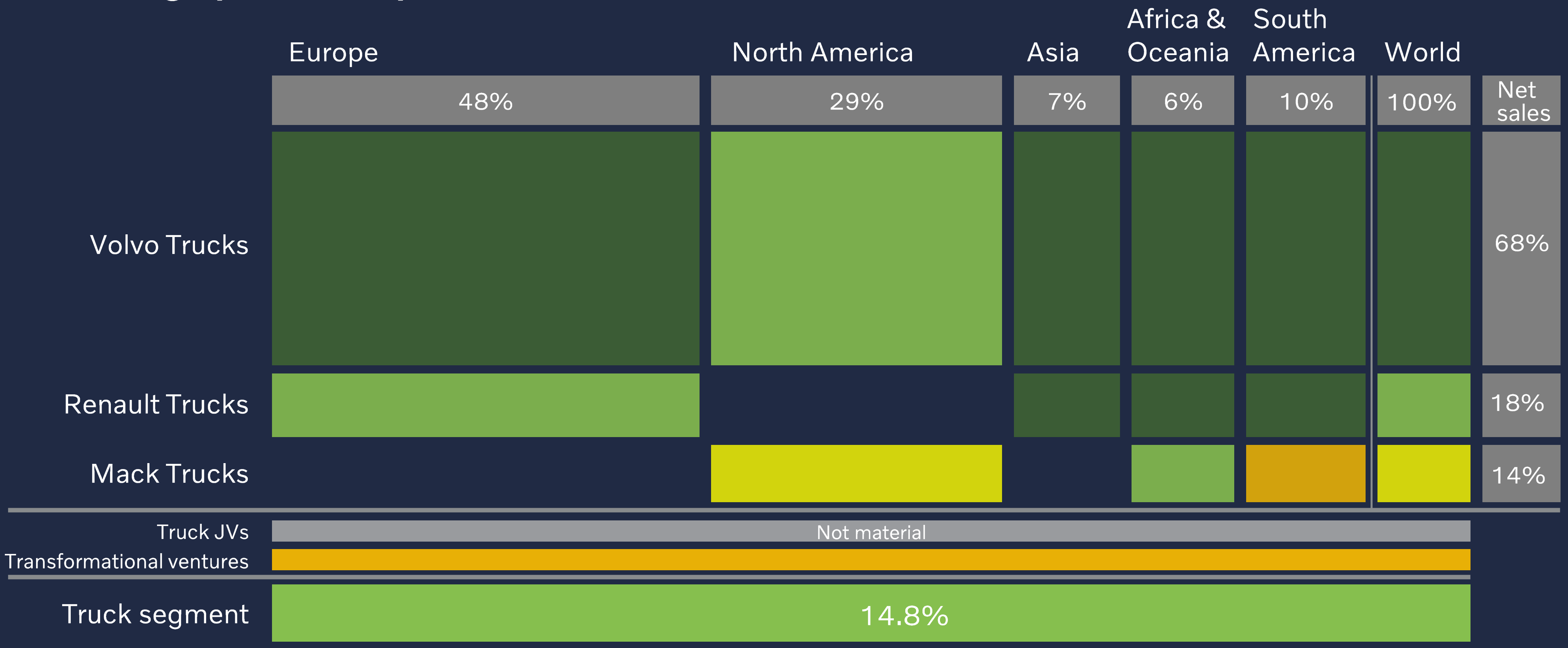
Continuously reviewing the Group’s business portfolio

Product lines, services, market areas, segments, product projects, business ventures, etc.



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

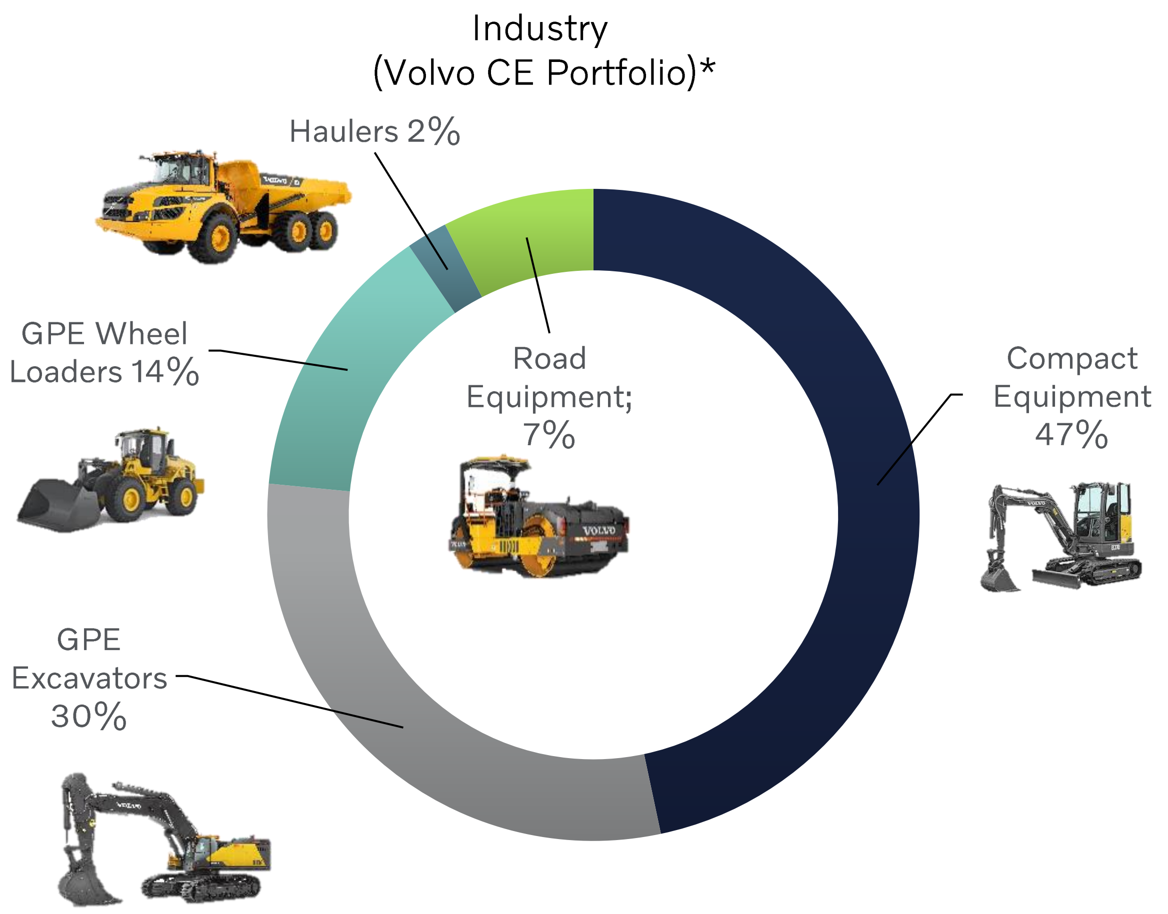
– Earnings profile as per FY2023

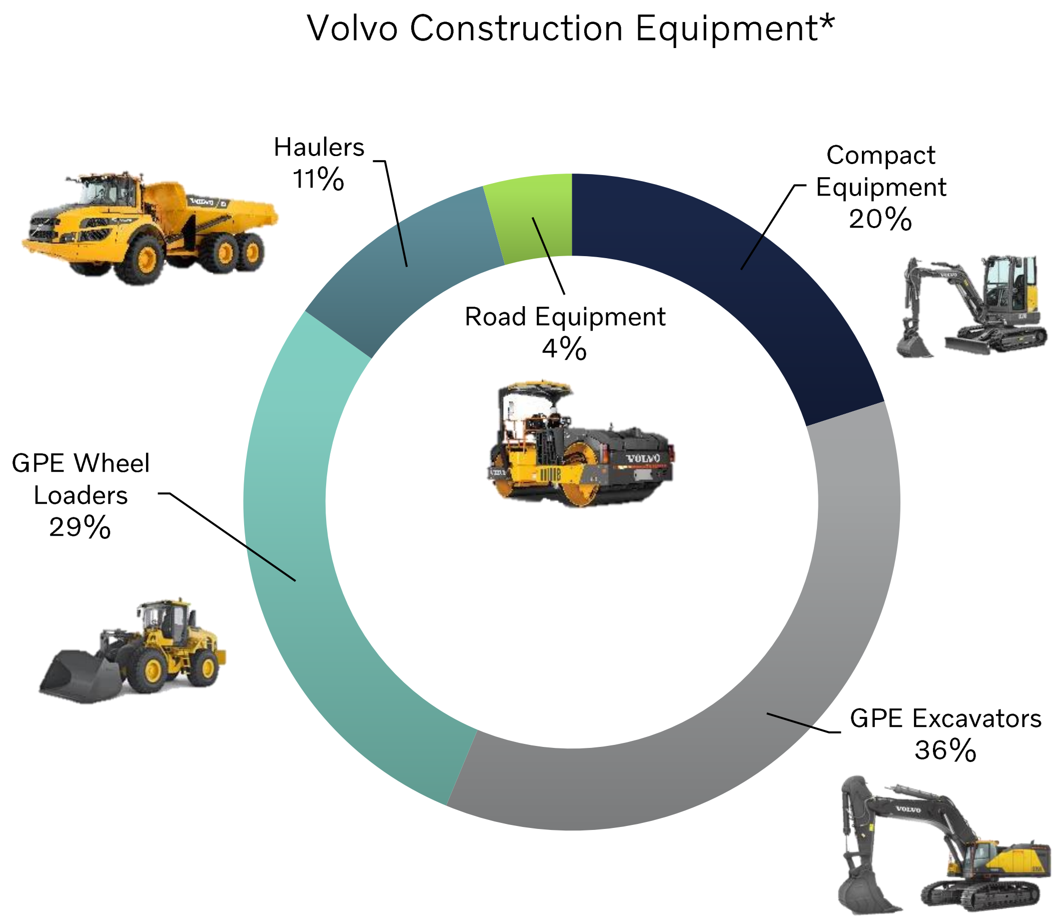


Adjusted operating margin in 2023 per brand and region relative to Group target (>10%):

Significantly above | Above target | Below target | Significantly below

Volvo Construction Equipment product line exposure versus industry





*) As of December 2024 defined as units sold

Volvo's standard vehicle for autonomous transportation

Platform to maximize value creation for Volvo Group

Virtual drivers

VOLVO · Aurora · +

Truck brands

VOLVO · MACK · RENAULT

Business models

Transport as a Service

Truck as a Service

Autonomy-enabled truck

Use cases

Geographies

APAC

Drivetrains

Internal combustion engine

Battery electric

Fuel cell

Volvo Autonomous Solutions has achieved critical milestones

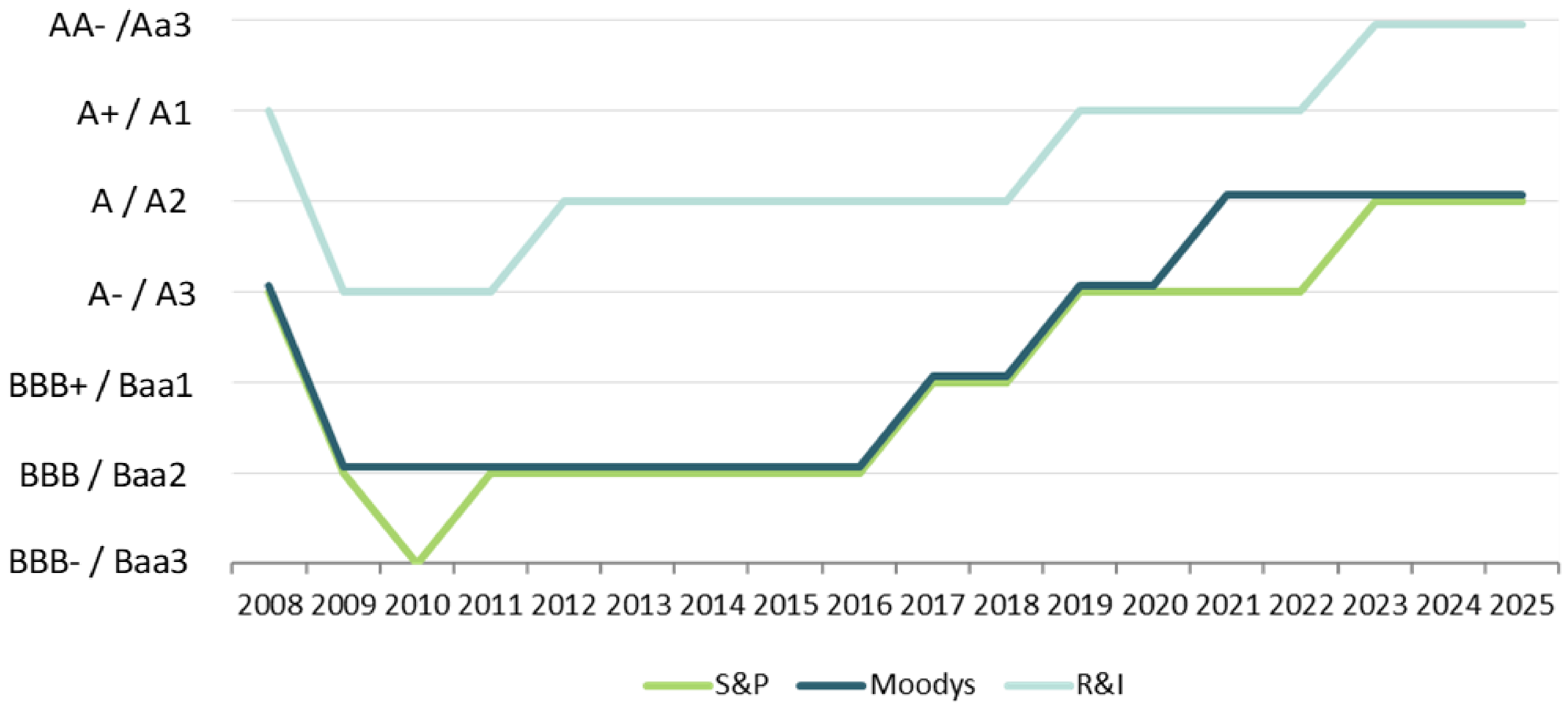
Unveiling of the Volvo VNL Autonomous

Launch fleet produced

Start of autonomous operations with safety driver

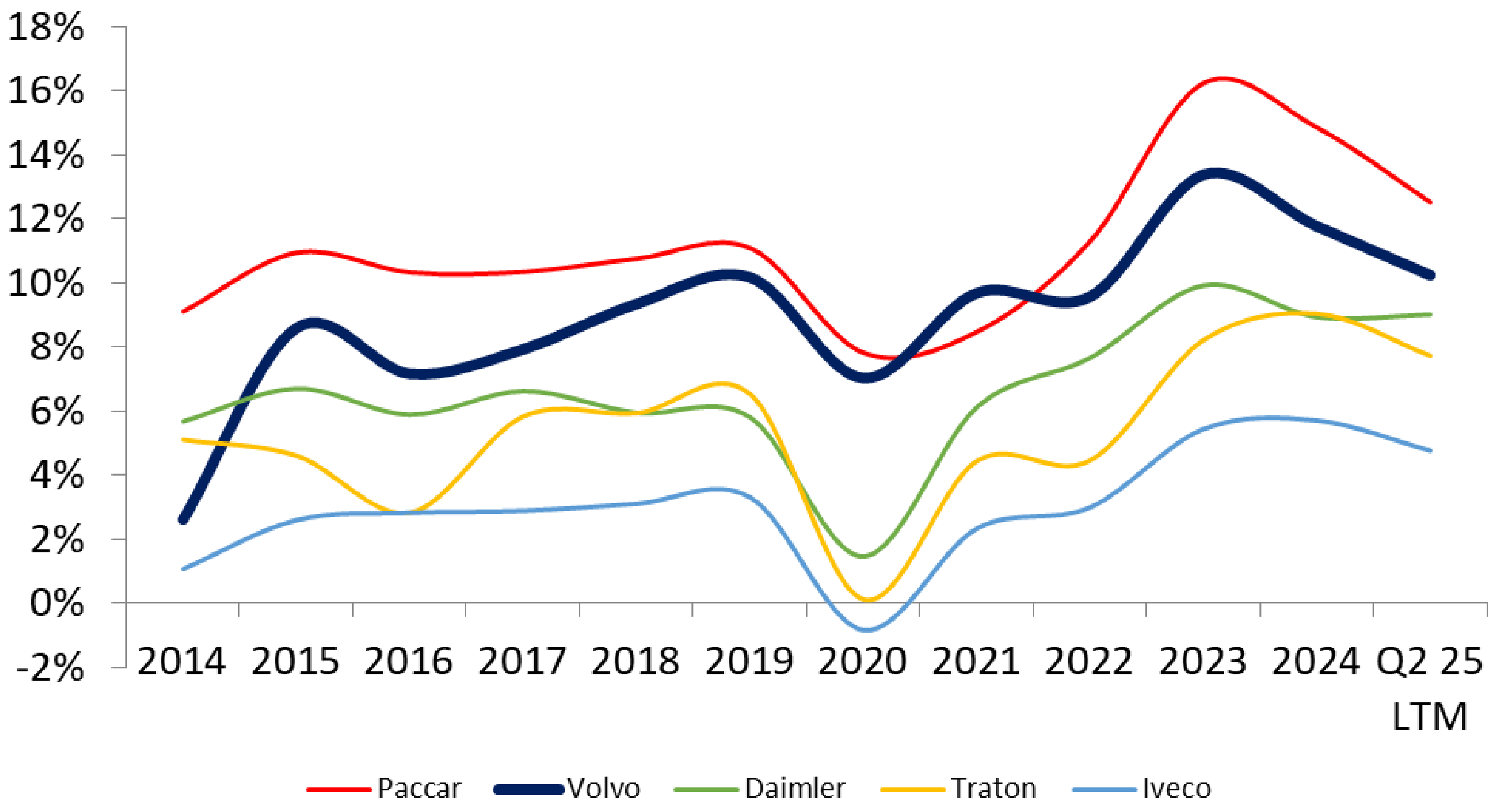
Develop, test, validate, integrate

Strong credit ratings



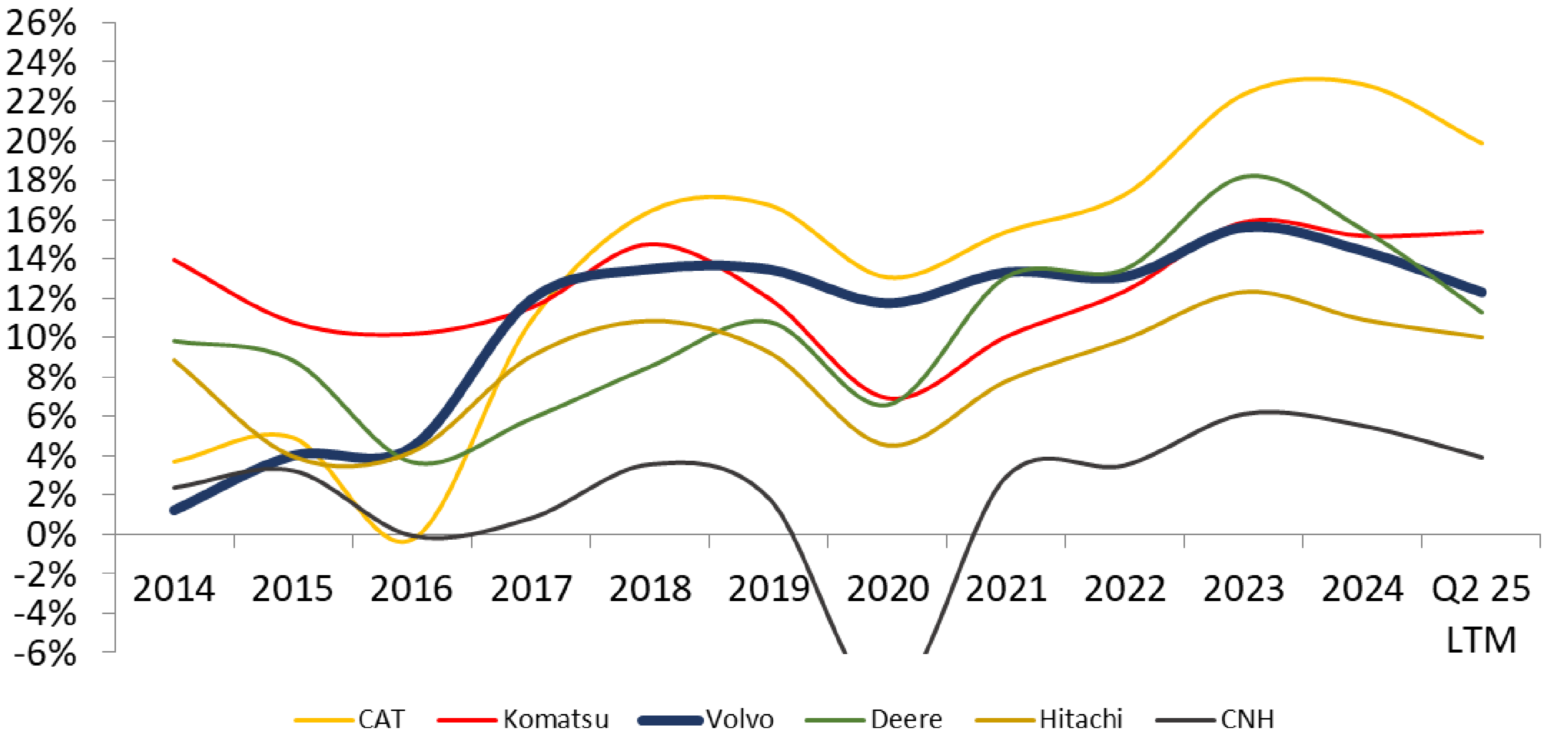
Trucks, Buses & Engines

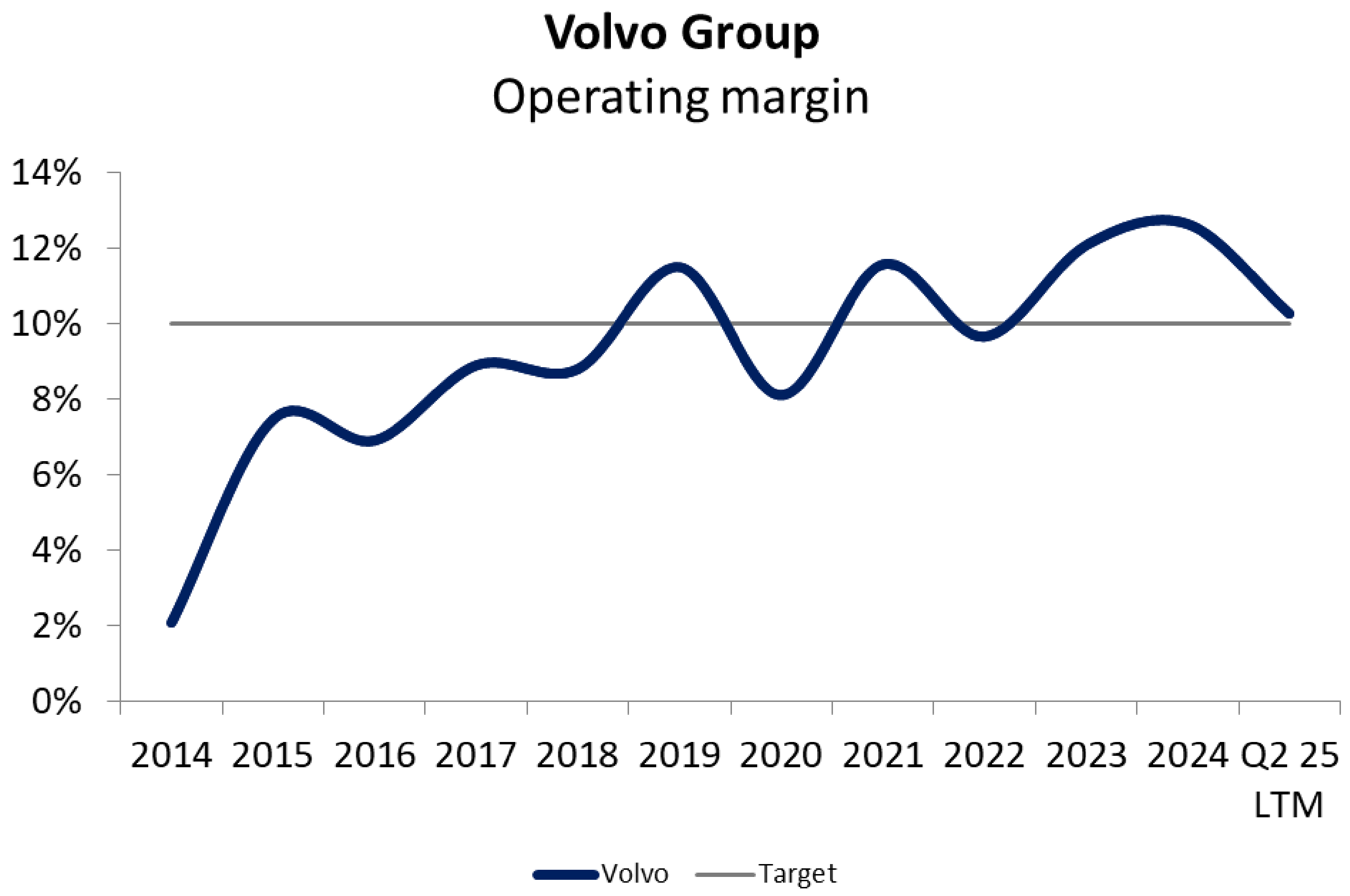
Adjusted operating margin: Volvo vs Peers



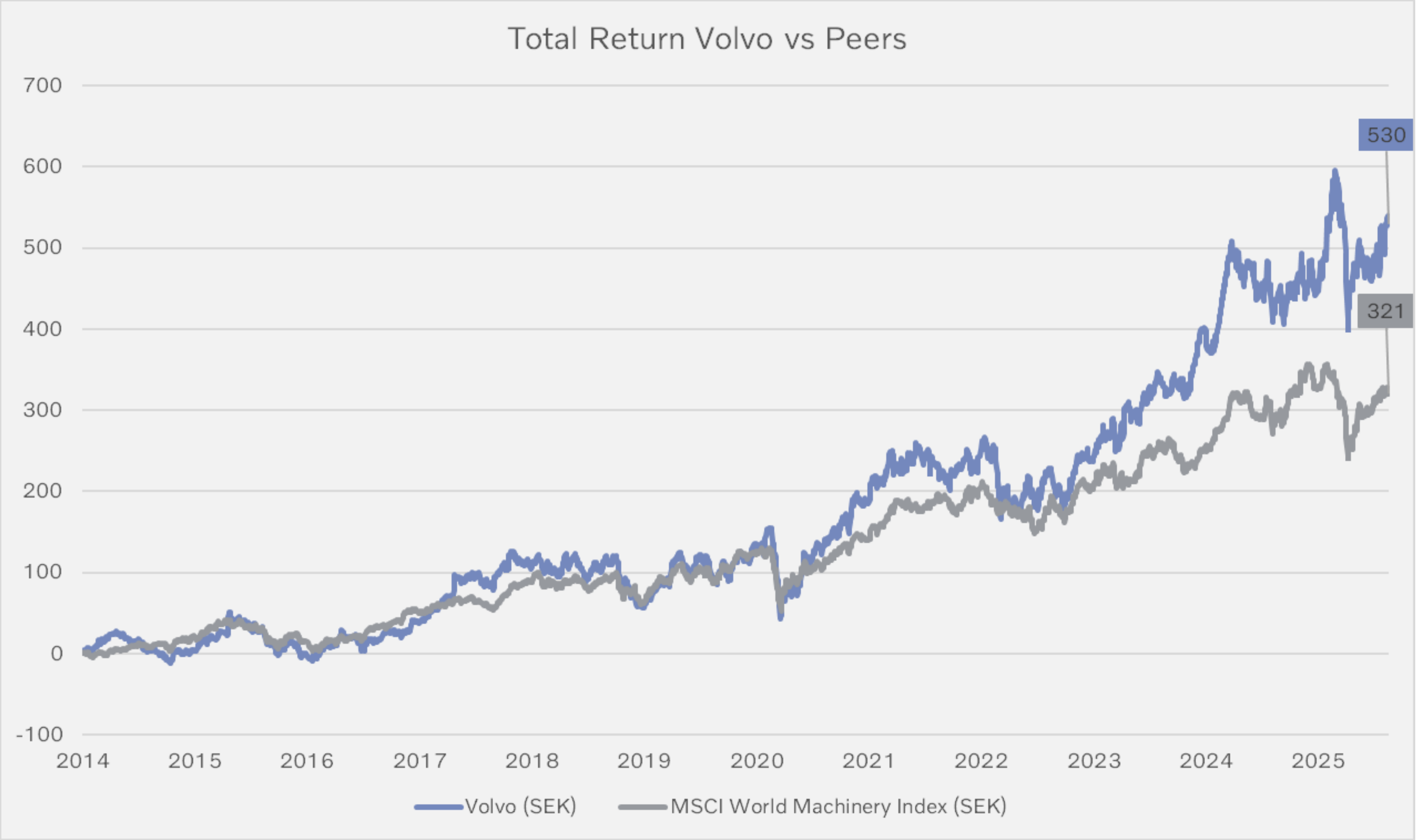
Construction equipment

Operating margin: Volvo vs Peers

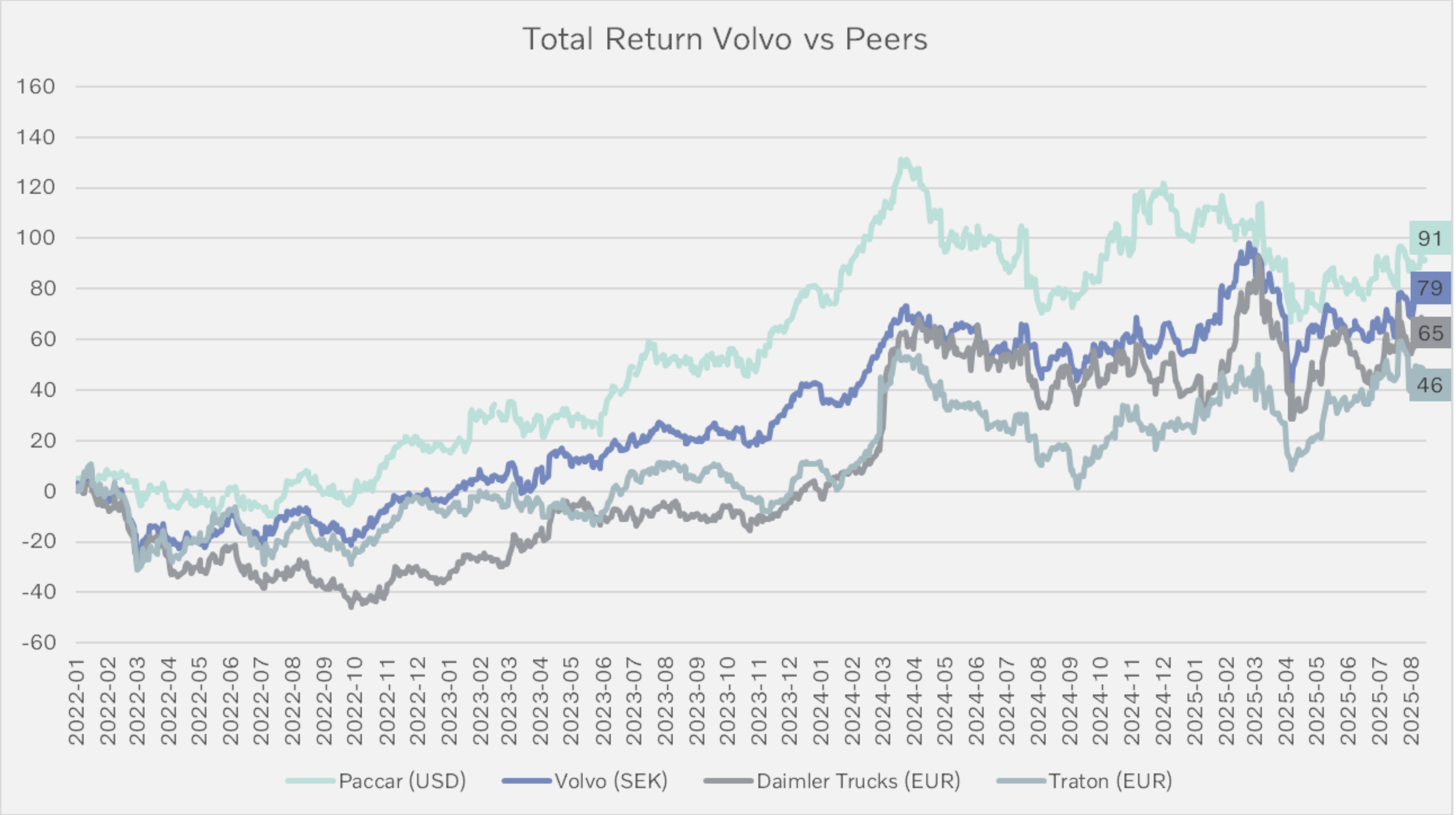



Volvo Group
Operating margin
14%
12%
10%
8%
6%
4%
2%
0%
2014 2015 2016 2017 2018 2019 2020 2021 2022 2023 2024 Q2 25 LTM
Volvo
Target

Volvo Group vs MSCI World Machinery Index



Volvo Group vs European truck peers



Volvo Group vs US peers

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