

V O L V O

Financials

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Mid-decade Business Ambitions

8–10%

EBIT margin

50%

fully electric sales

1.2M

units

40%

CO₂ reduction per car

50%

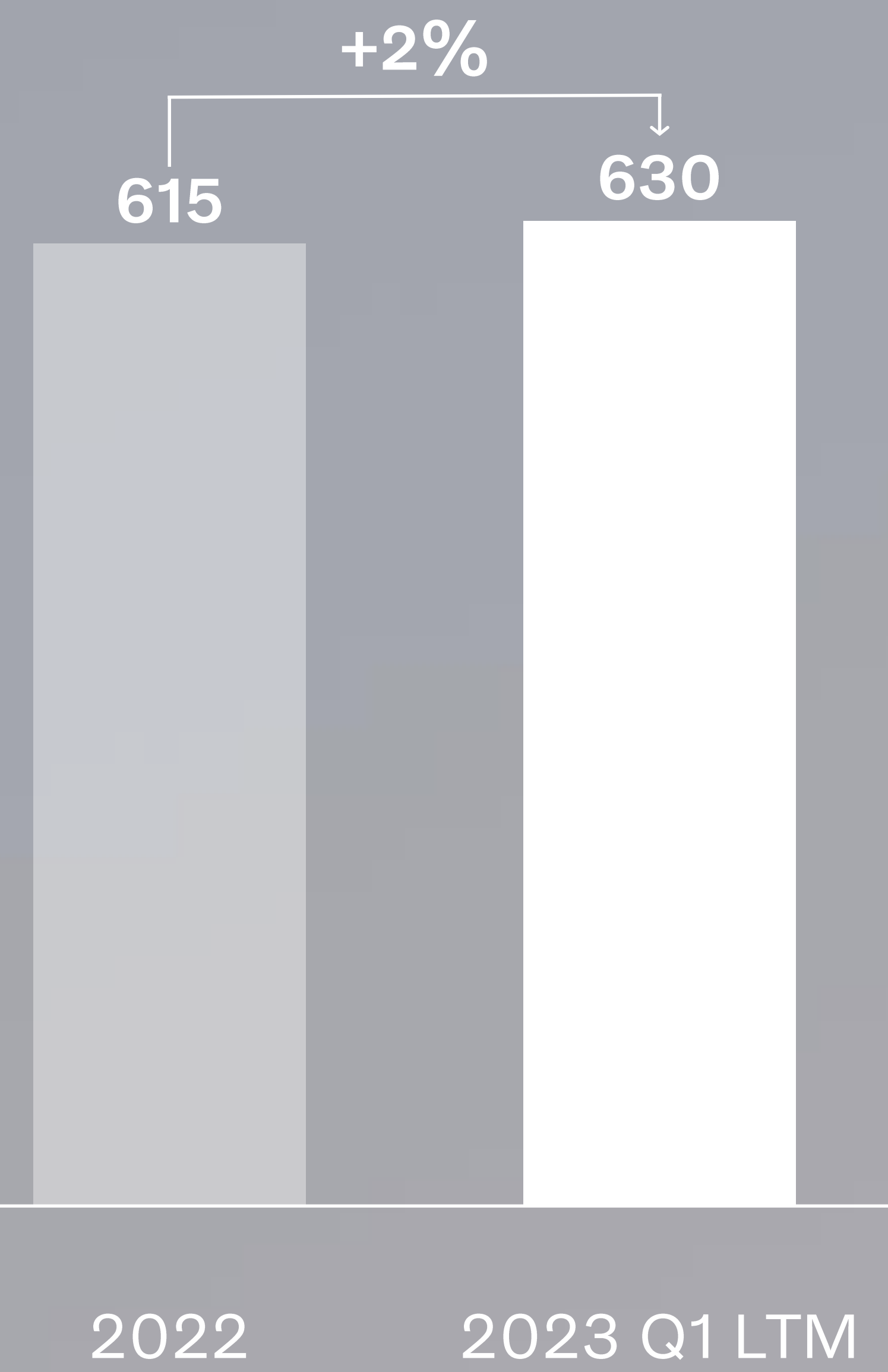
direct/online sales

Current trading

Sound performance in an unstable environment

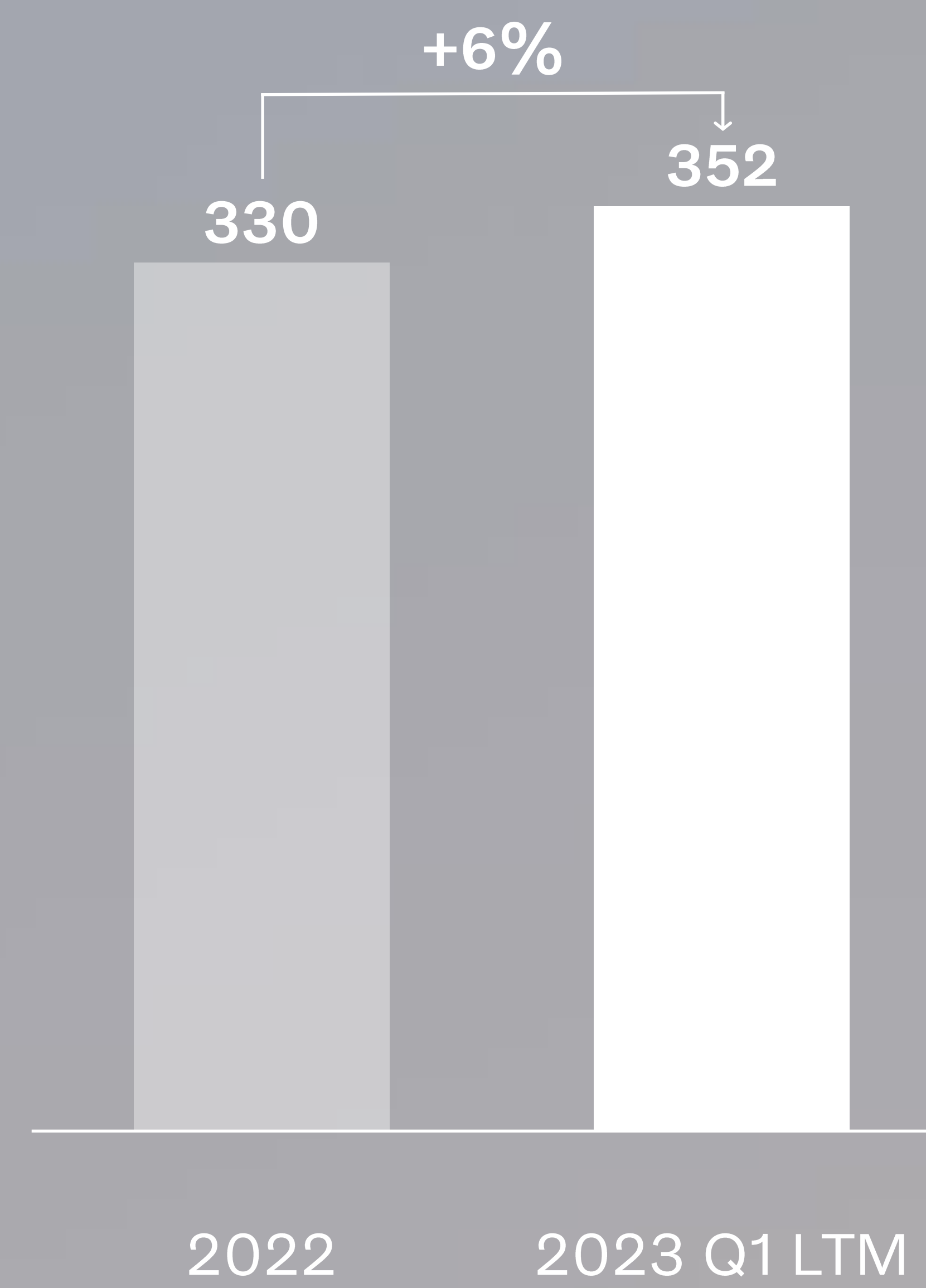
Retail sales

(k units)



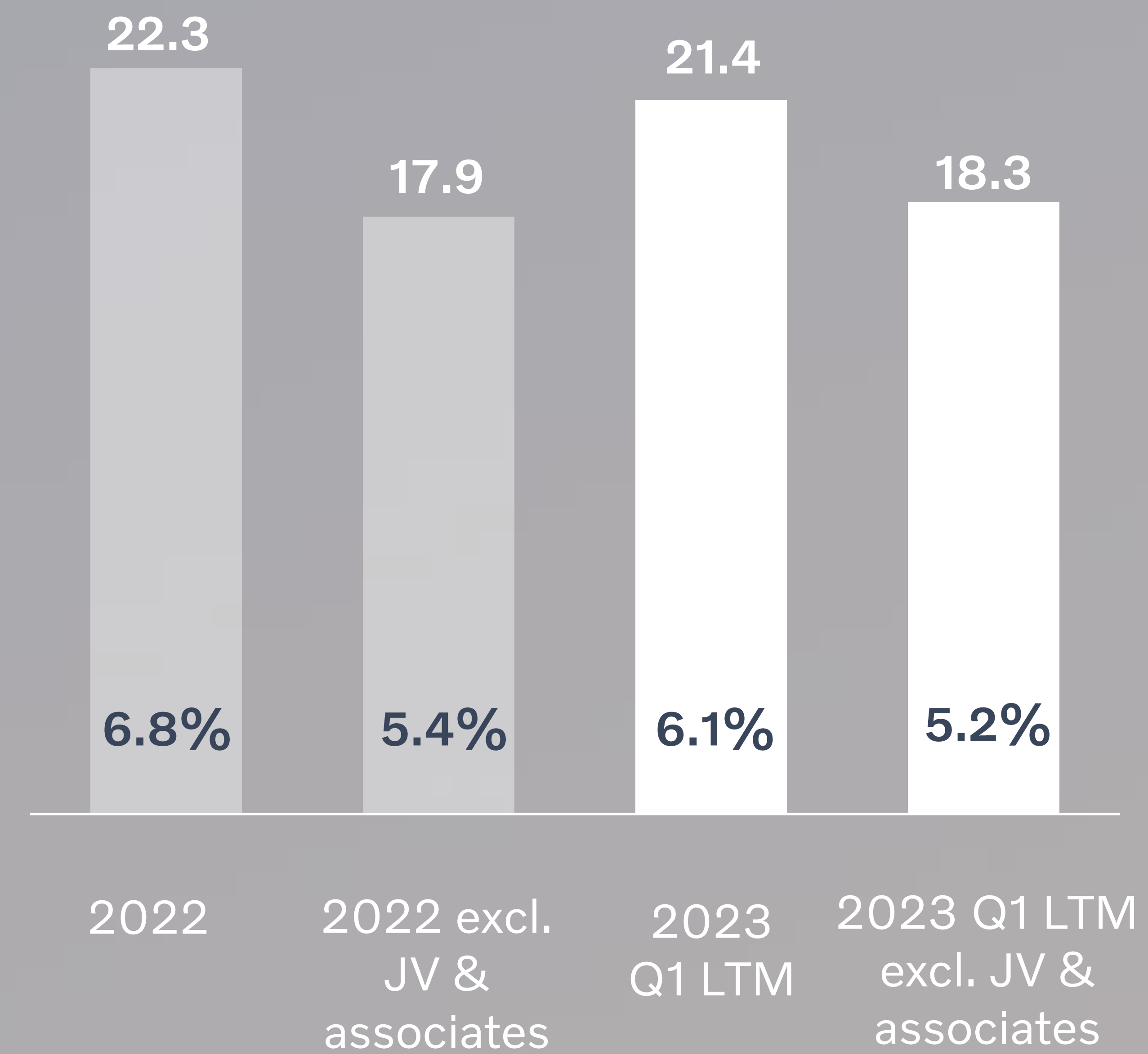
Revenue

(bn SEK)



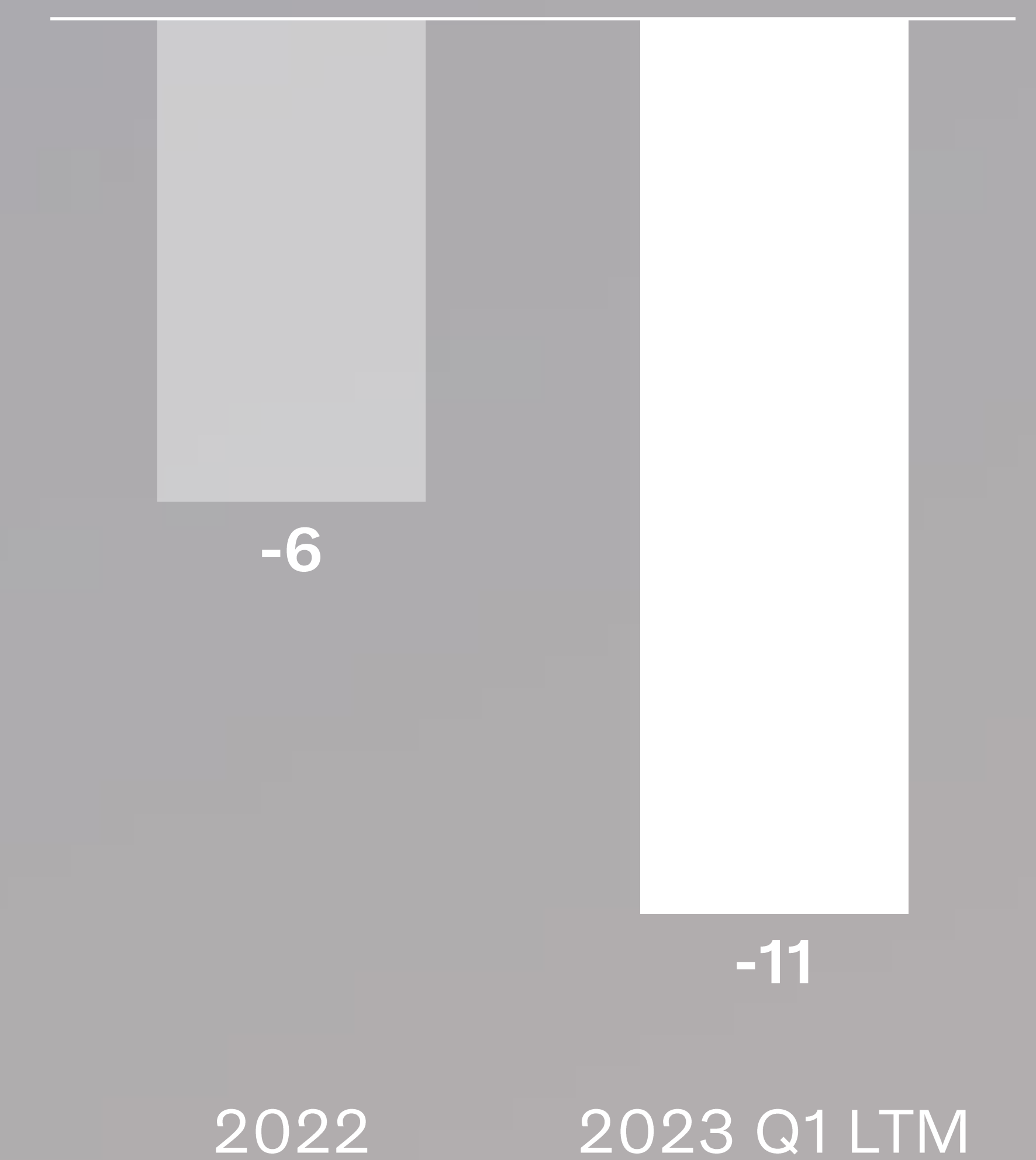
EBIT / margin

(bn SEK/%)

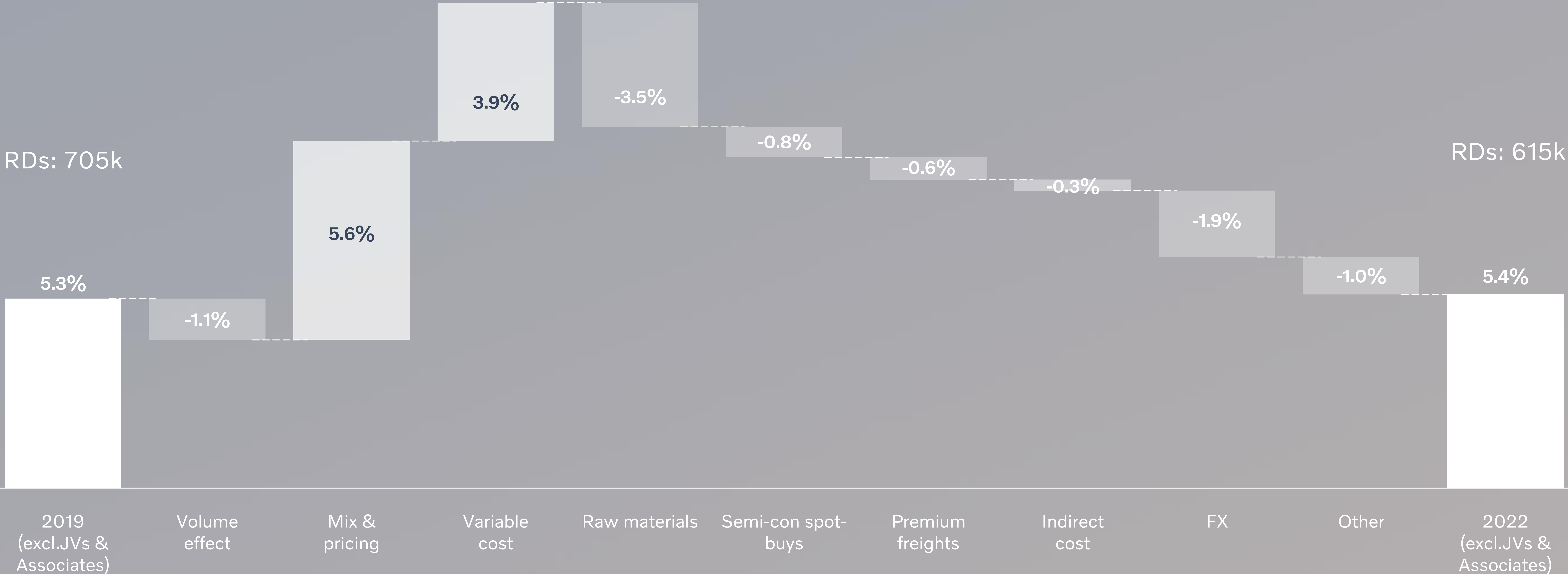


Cash flow

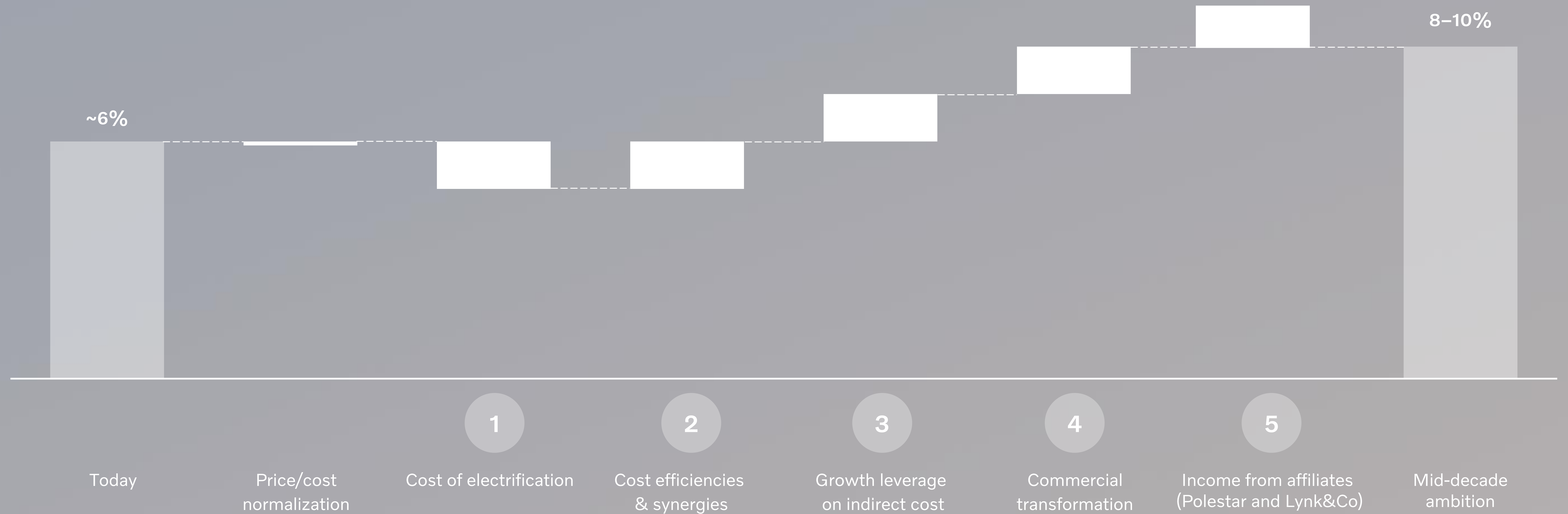
from operating and investing activities (bn SEK)



Absorbing and offsetting costs



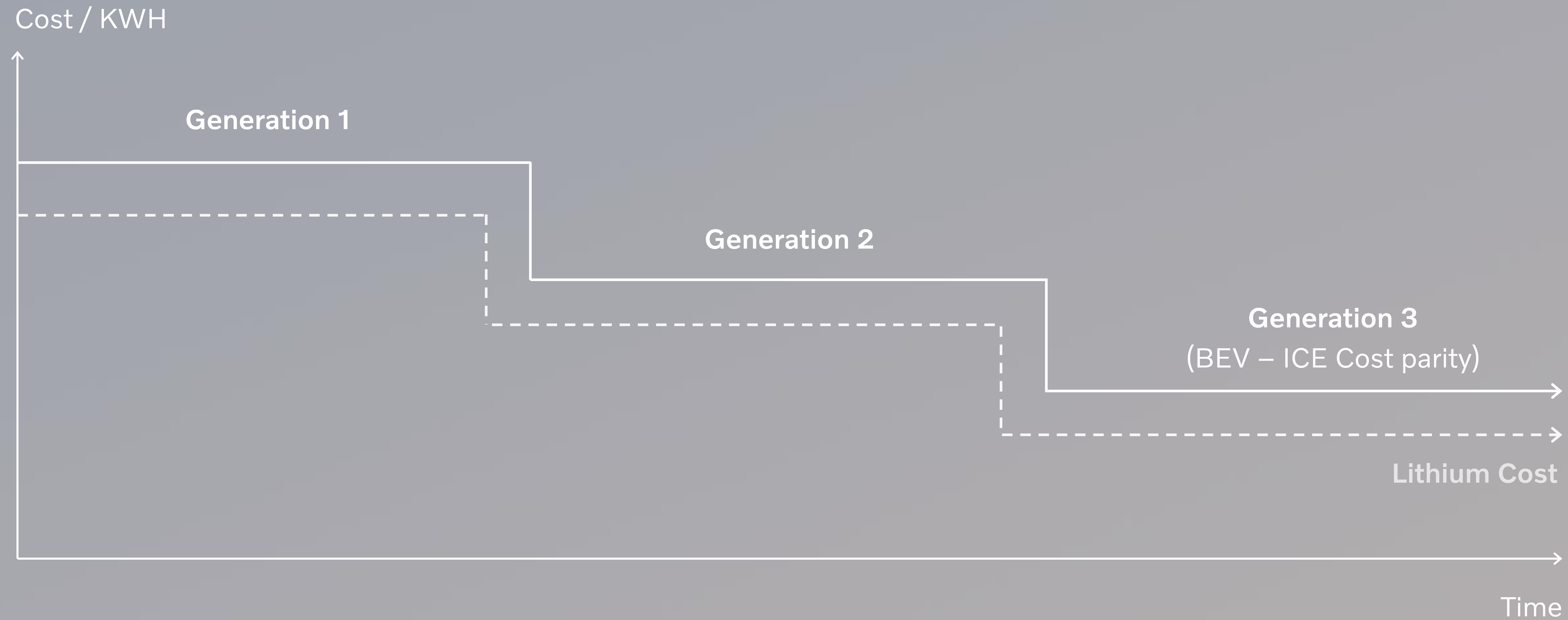
Reaching 8–10% EBIT



Cost of electrification

1. Early generation BEVs hamper margins – unlocked with Gen. 3

Evolution of BEV – ICE cost parity – Illustrative



Cost efficiencies & synergies

2. Significant cost efficiencies from new technology in pipeline – examples

Battery pack (cell-to-body)

-30%

In-house developed Cell-to-Body concept

- Higher pack density
- Lower cost per car
- Lower weight per car

e-drives (gen. 3)

-40%

Holistically optimized in-house designed and built e-machines with integrated transmission

Mega casting (rear floor)

-35%

- Reduced landed cost
- Improved design flexibility & sustainability
- Reduced number of parts and improved production flexibility

Cost efficiencies & synergies

2. We are deploying additional measures to achieve operational leverage and enable continuous transformation

Culture

Continue culture journey to embrace transformation and enable flexibility

Competence

Make room for our critical talents that are key for the future

Costs

Take further steps in optimizing variable and indirect cost with efficiency and sustainable structure

Cost efficiencies & synergies

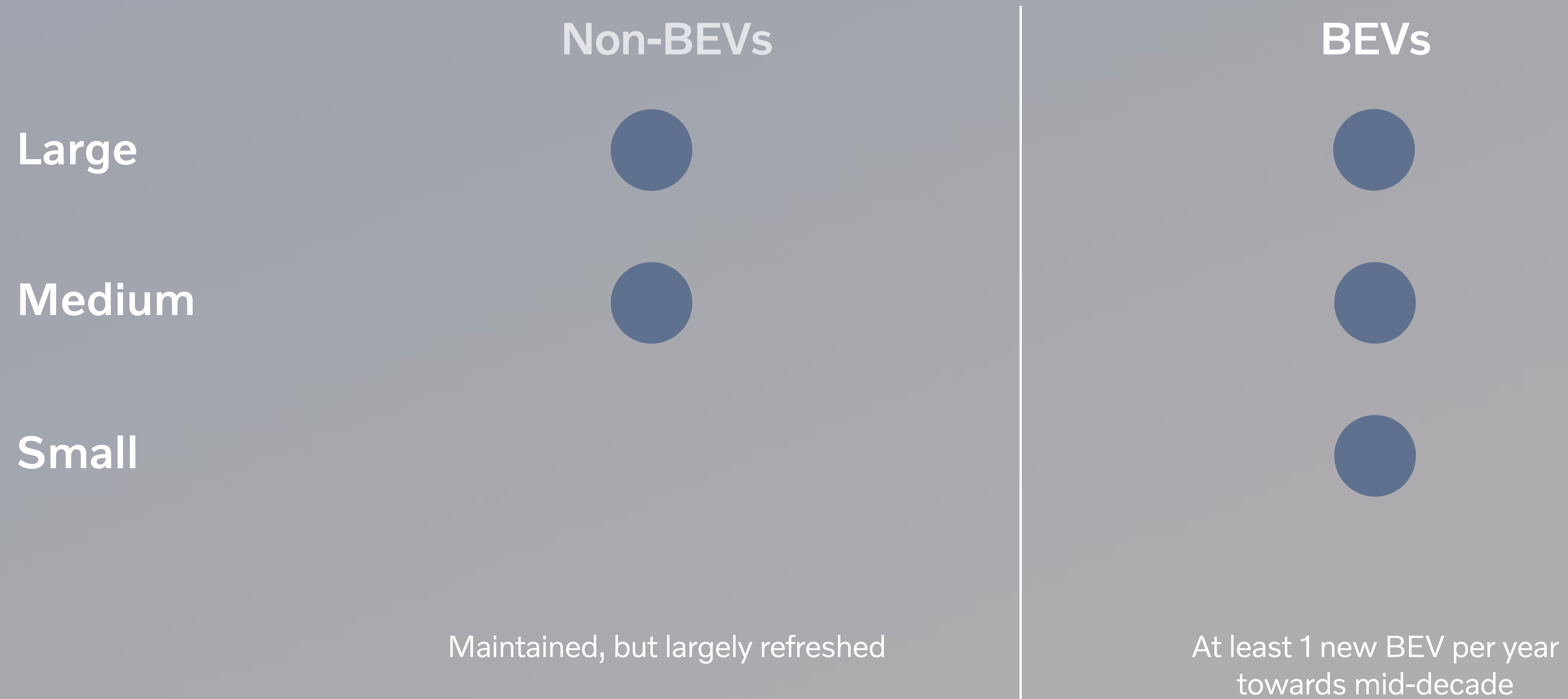
EX30

small in size,
but large in synergies



Growth leverage on indirect cost

3. Growth leverage from expanding addressable market



Commercial transformation

4. A competitive go-to-market setup

Key benefits

Scalable and consistent
consumer experience

Optimise marketing, sales,
inventory, capital and
distribution cost across
entire system

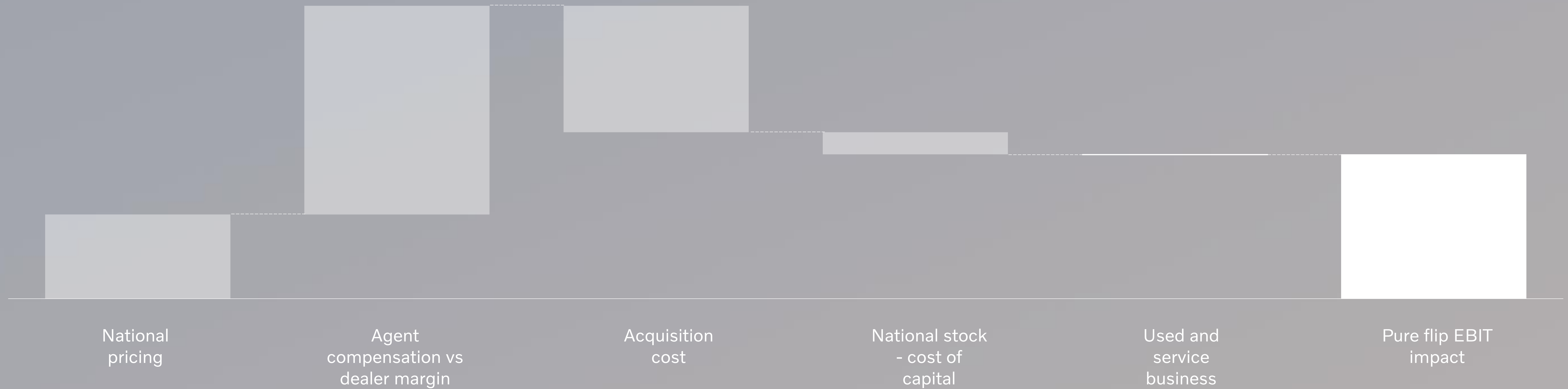
Responsibility for digital
infrastructure, direct consumer
contacts and price setting*

Direct customer relationships
with potential for cross-selling
and up-selling

* Inline with country specific franchise laws

4. A competitive go-to-market setup

Illustrative EBIT impact of 'flips' – UK example



Commercial transformation

4. Direct/Online sales today

10 markets with elements of direct/online sales* already today



Direct/Online sales has to fulfill 2 criteria: (i) Ordered online with national price and direct invoice, yet inline with franchise law in US/Canada, (ii) Part of clear roadmap to develop structurally better CX/cost



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