

# VOLVO CONSTRUCTION EQUIPMENT

Corporate Presentation 2017







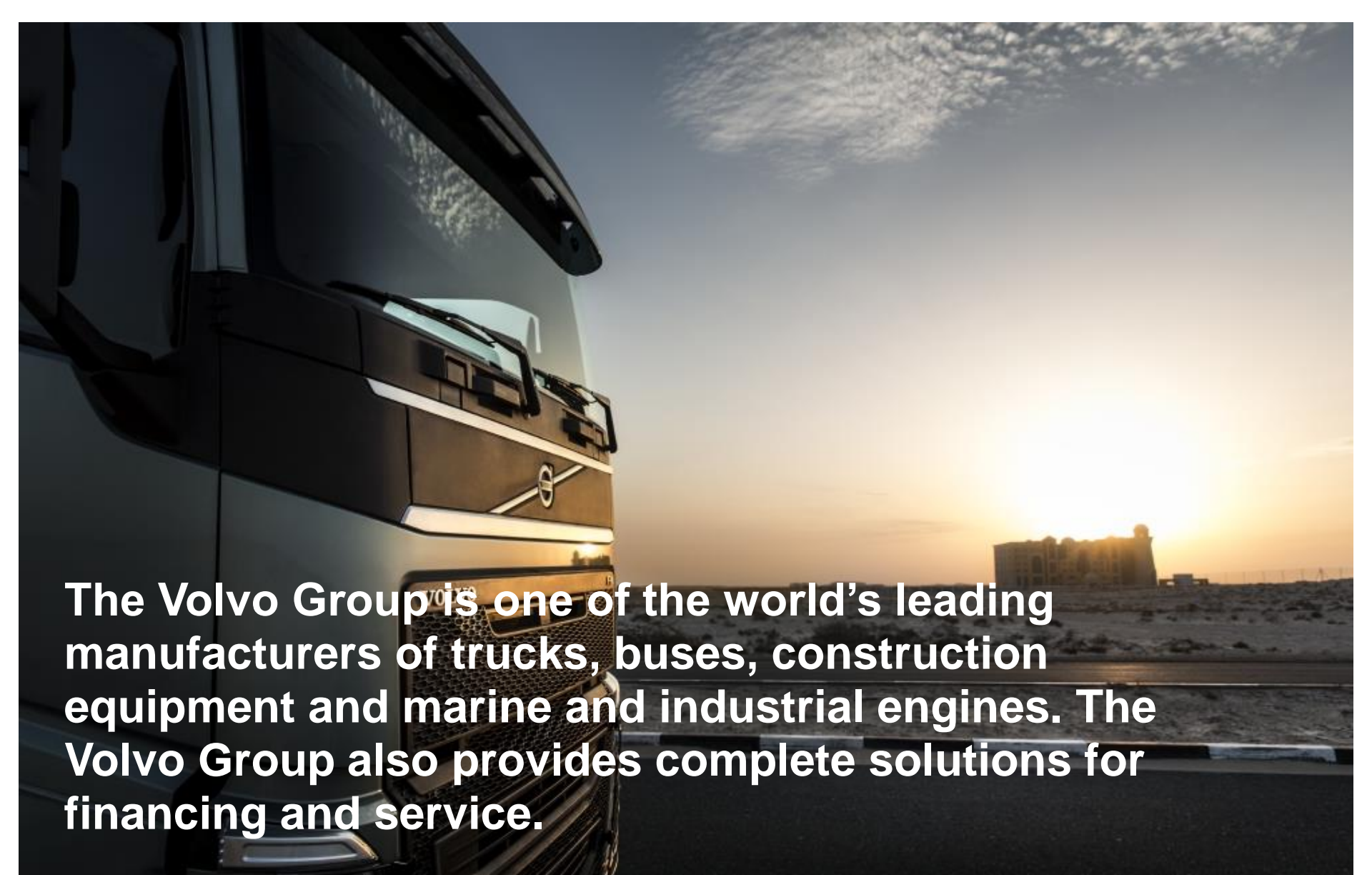
# THE VOLVO GROUP



# Volvo Group 2016

Day in and day out, all around the year, people's decisions and basic needs create demand for transports and infrastructure solutions. Without the type of products and services the Volvo Group provides, the societies where many of us live would not function. Together we move the world.





**The Volvo Group is one of the world's leading manufacturers of trucks, buses, construction equipment and marine and industrial engines. The Volvo Group also provides complete solutions for financing and service.**



**The Volvo Group, which employs about 100,000 people, has production facilities in 18 countries and sales of products in more than 190 markets.**



**On the road**

**In the city**



**Off road**

**At sea**



# Passion for customer success

**The majority of the Volvo Group's customers are companies within the transportation or infrastructure industries. The reliability and productivity of the products are important and in many cases crucial to our customers success and profitability.**





# The employer of choice

## Customer success

We make our customers win.

## Trust

We trust each other.

## Passion

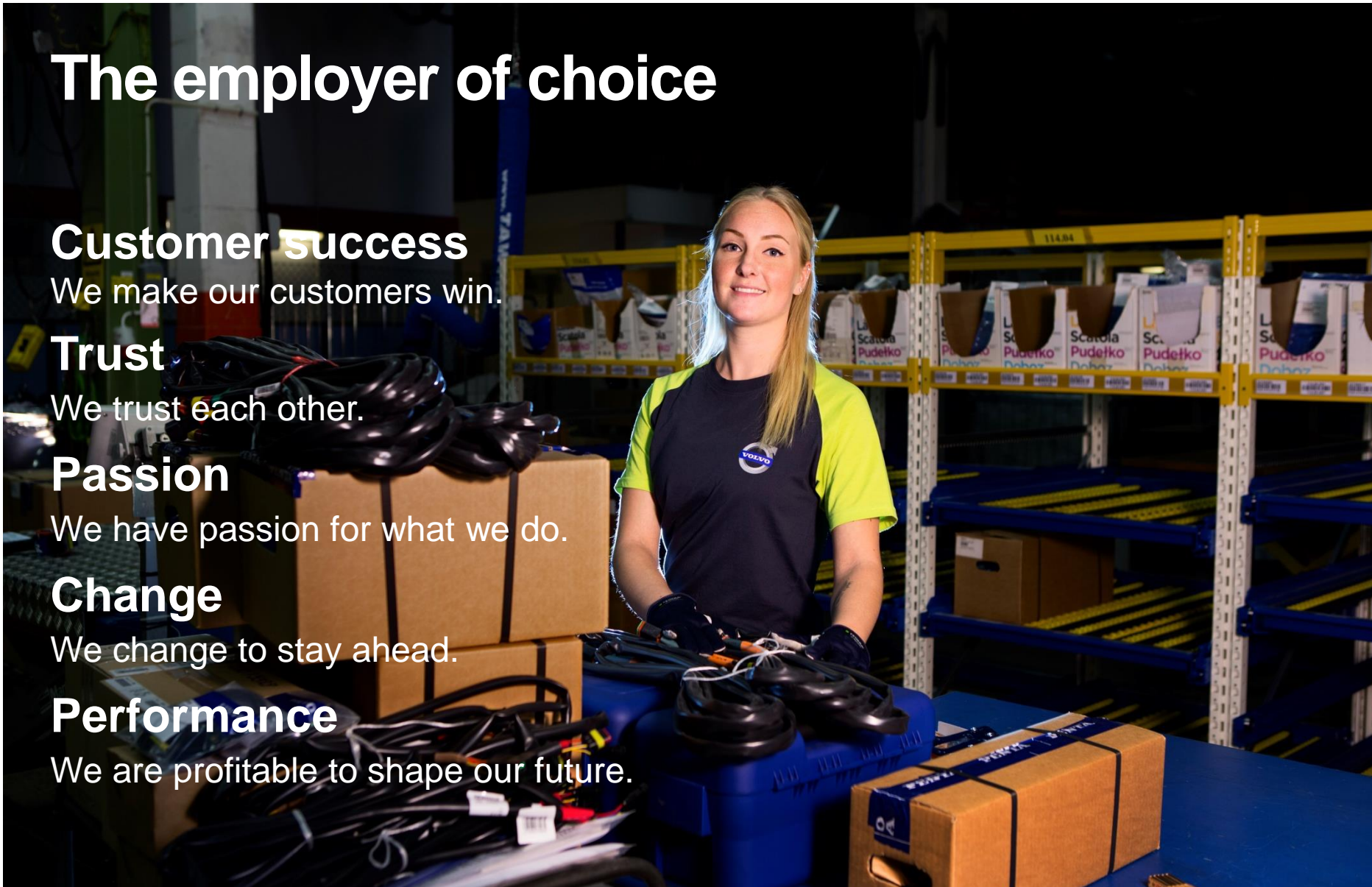
We have passion for what we do.

## Change

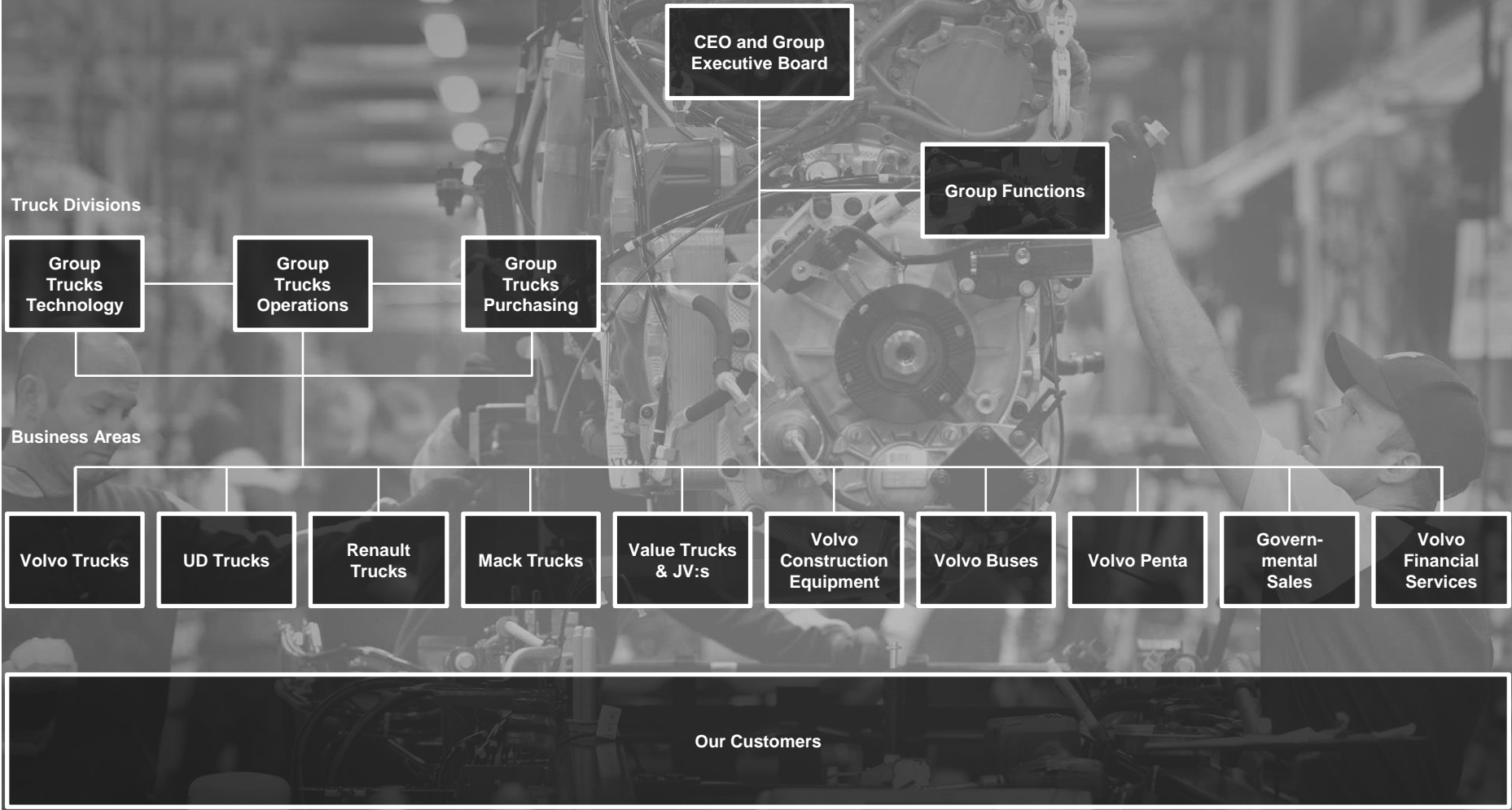
We change to stay ahead.

## Performance

We are profitable to shape our future.

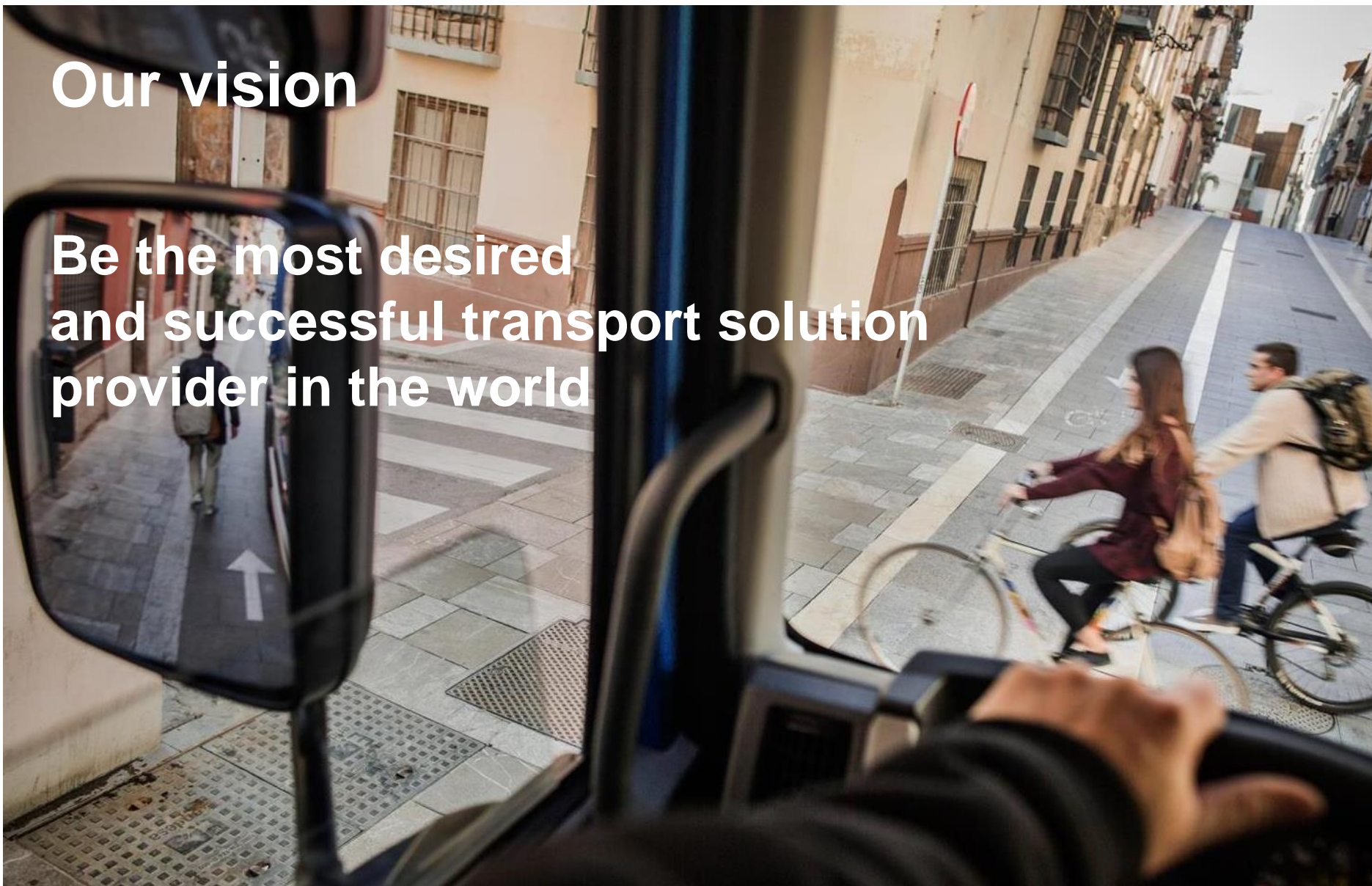


# Our Organization



# Our vision

Be the most desired  
and successful transport solution  
provider in the world



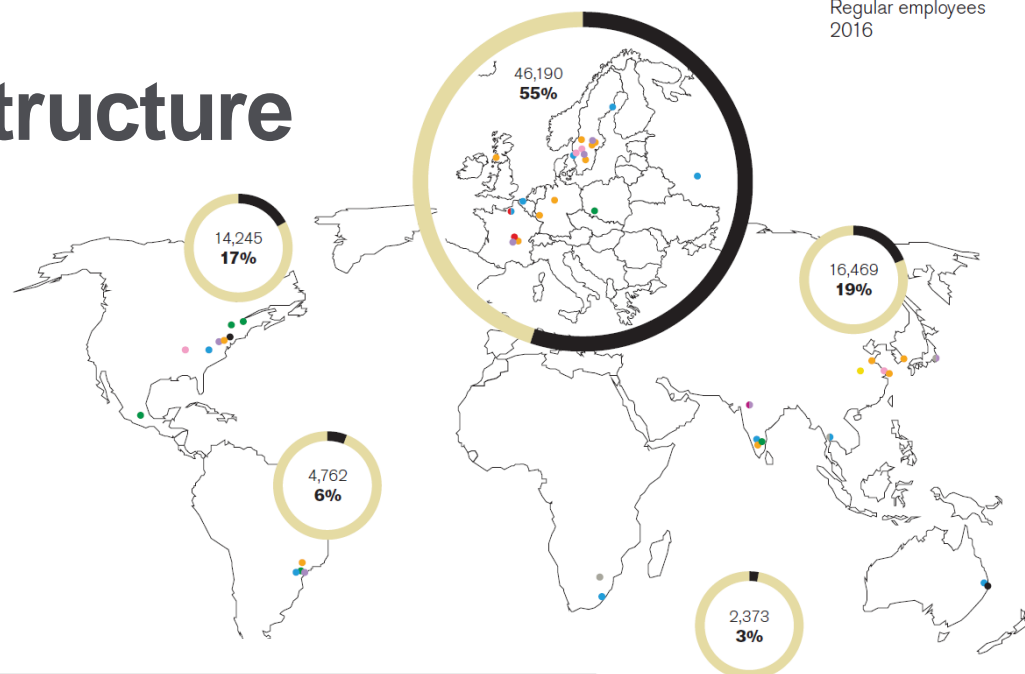


**Our mission**

**Driving prosperity through  
transport solutions**



# Global industrial structure



## MAJOR PRODUCTION FACILITIES

	NORTH AMERICA	SOUTH AMERICA	EUROPE	ASIA	AFRICA AND OCEANIA
● Volvo Trucks	New River Valley (US)	Curitiba (BR)	Blainville (FR), Göteborg, Umeå (Cabs, SE), Gent (BE), Kaluga (RU)	Bangalore (IN), Bangkok (TH)	Brisbane (AU), Durban (ZA)
● UD Trucks				Ageo (JP), Bangkok (TH)	Pretoria (ZA)
● Renault Trucks			Blainville, Bourg-en-Bresse (FR)		
● Mack Trucks	Lehigh Valley (US)				Brisbane (AU)
● Eicher*				Pithampur* (IN)	
● Dongfeng Trucks*				Shiyan* (CN)	
● Engines and transmissions	Hagerstown (US)	Curitiba (BR)	Köping, Skövde (SE), Vénissieux (FR)	Ageo (JP), Pithampur* (IN)	
● Construction Equipment	Shippensburg (US)	Pederneiras (BR)	Arvika, Braås, Eskilstuna, Hallsberg (SE), Konz-Köhen, Hameln (DE), Belley (FR), Motherwell (UK)	Changwon (KR), Shanghai, Linyi* (CN), Bangalore (IN)	
● Buses	St Claire, St Eustache (CA), Mexico City (MX), Plattsburgh (US)	Curitiba (BR)	Borås, Wrocław (PL)	Bangalore (IN),	
● Volvo Penta	Lexington (US)		Göteborg, Vara (SE)	Shanghai (CN)	

\* Ownership ≥ 45%

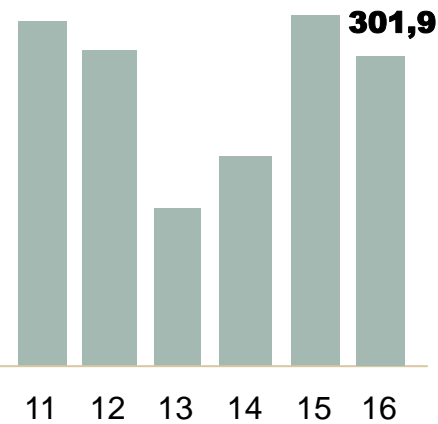


# Volvo Group

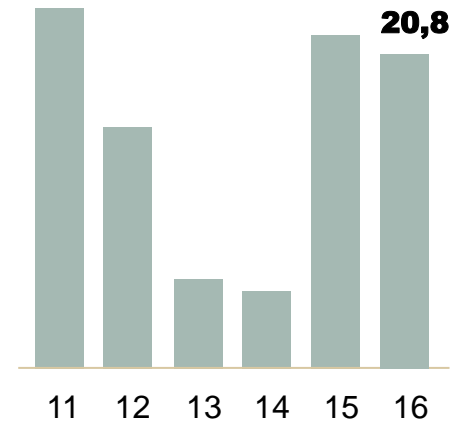
2016, SEK bn



## Net Sales



## Operating income

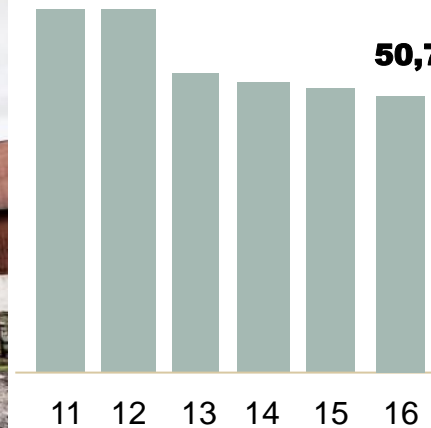


# Volvo Construction Equipment

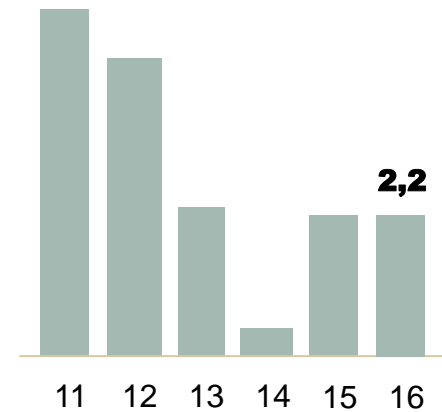
2016, SEK bn



## Net Sales



## Operating income





# VOLVO CONSTRUCTION EQUIPMENT



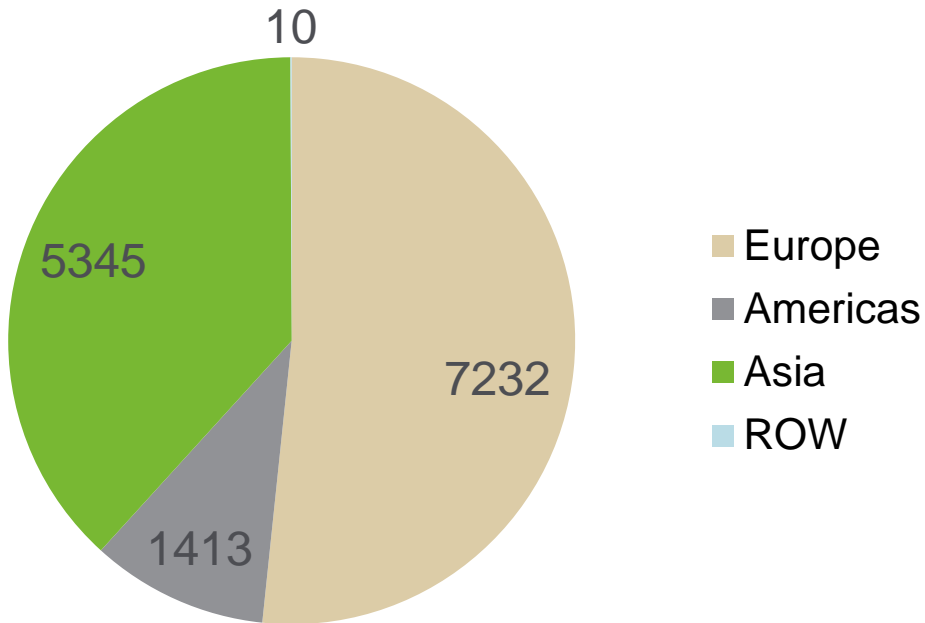




- Develops, manufactures and markets equipment for construction and related industries
- Broad range of products and services
- Range of solutions in financing and used equipment
- Part of the Volvo Group



# Our employees



Total as of January 2017 = 14,000

\* These figures exclude temporary employees, hired services and consultants.



# Our products



# Customer solutions

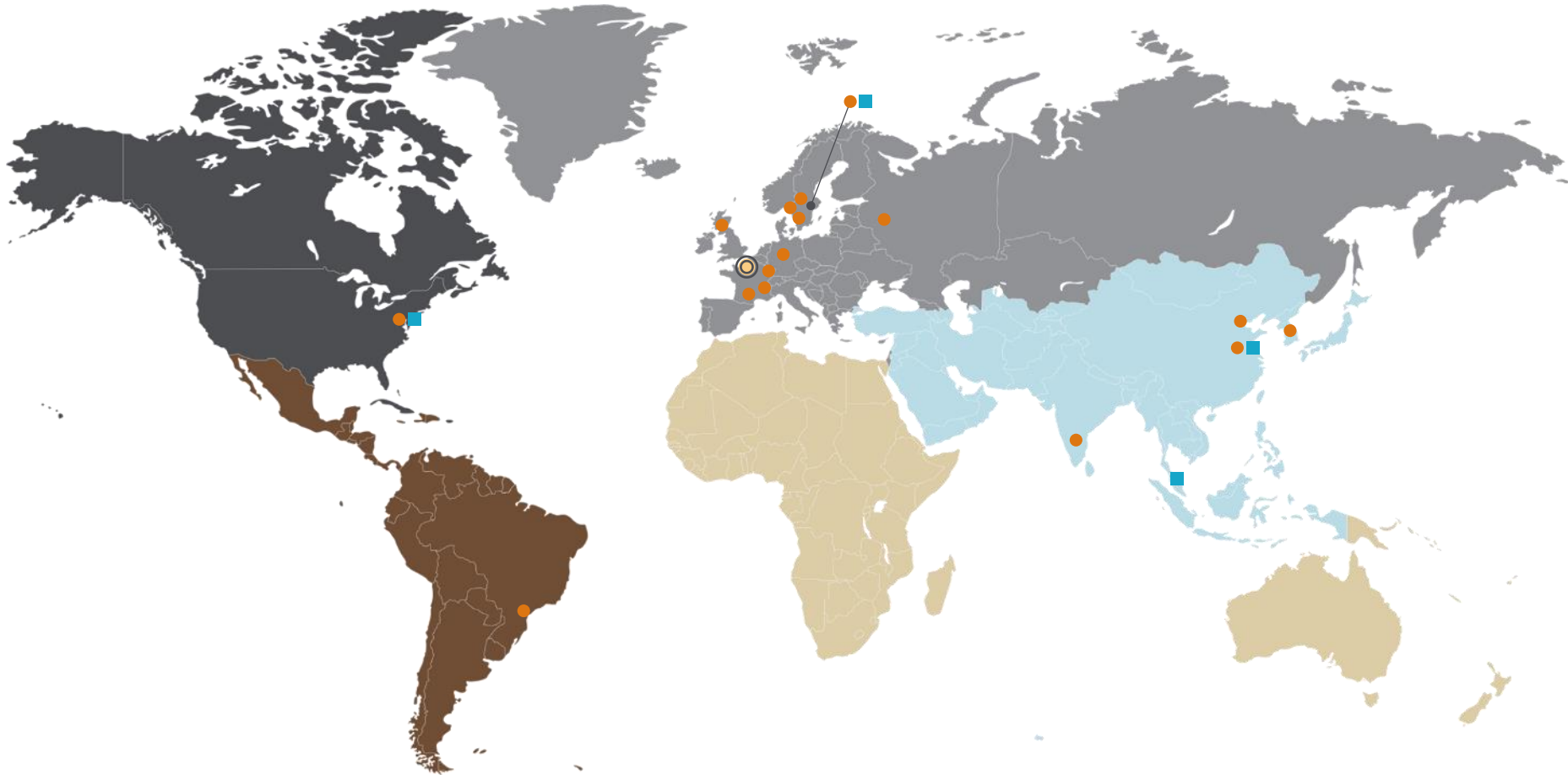
Our products and services enhance the customer's experience and satisfaction and drive a greater brand experience

Customer Solutions is a key contributor to Volvo CE's business

Customer Solutions is the part of the organization that creates products to engage customers throughout the entire machine lifecycle



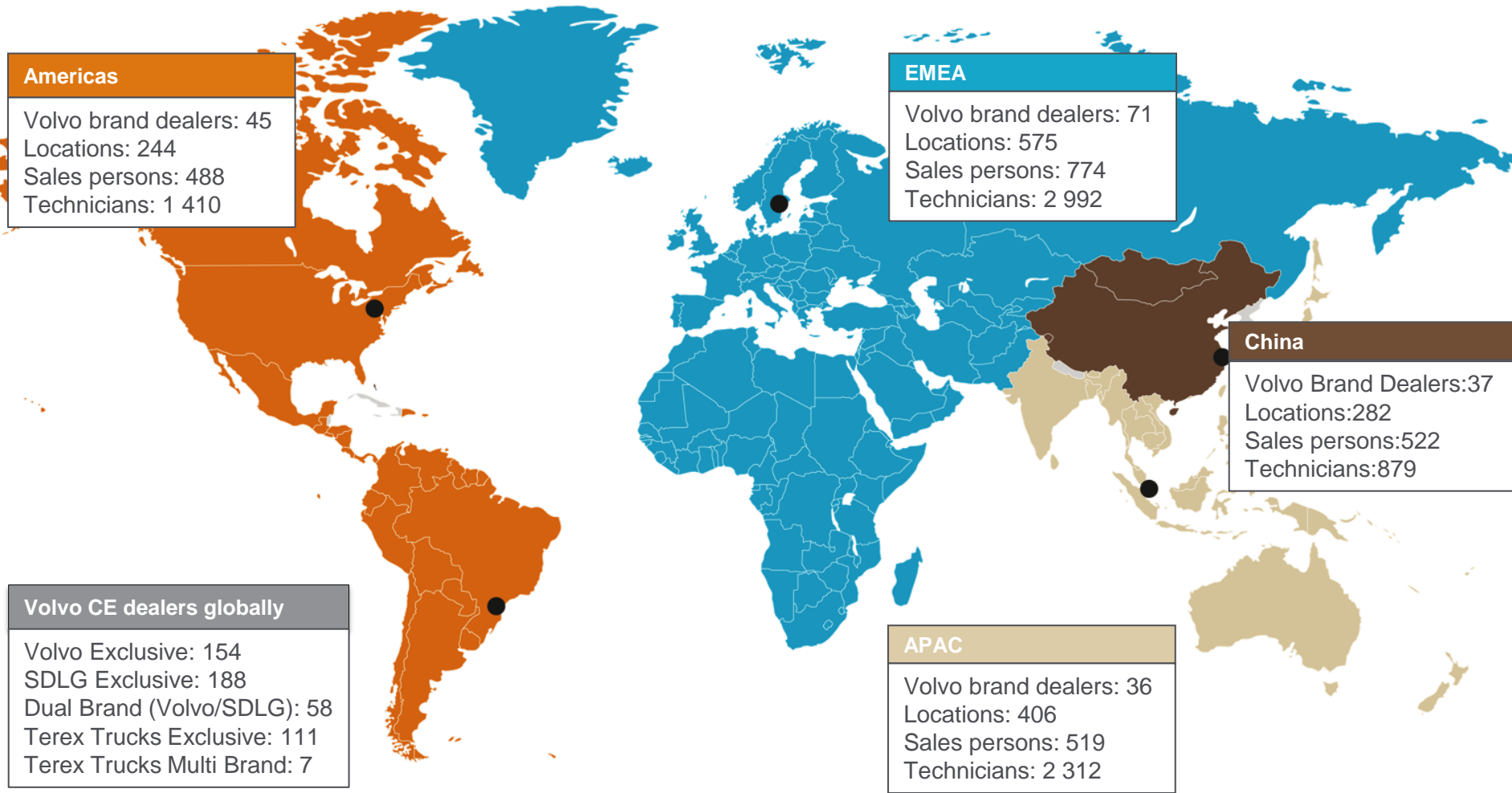
# Volvo CE organization: a global company



○ HQ   ● PLANTS   ■ REGIONAL SALES OFFICES HQ



# Sales Regions



# OUR CORE VALUES





**SAFETY FIRST  
ALWAYS**





Volvo Construction Equipment is a recognized industry leader in the field of safety. We approach safety on 3 levels:

- **PERSONAL SAFETY**
- **WORKSITE SAFETY**
- **MACHINE SAFETY**

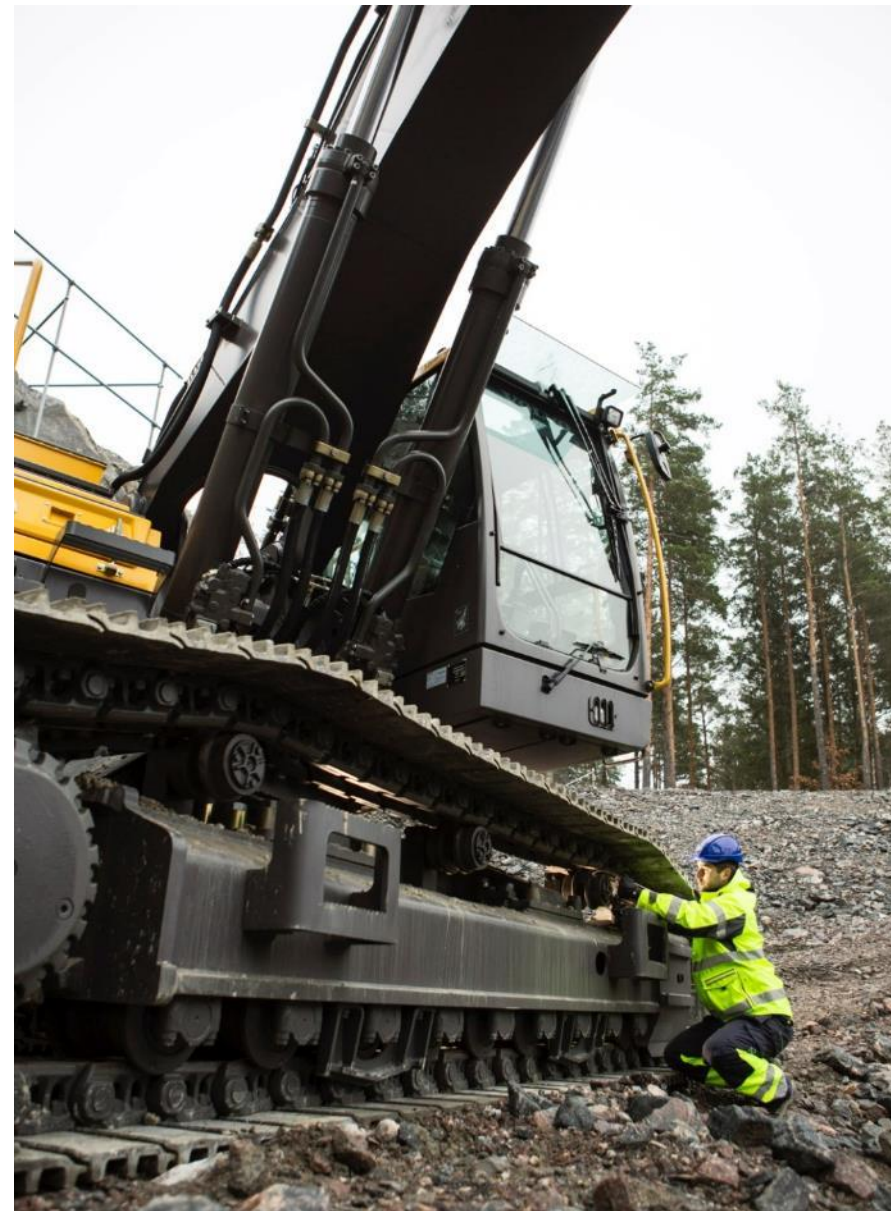
By continuously improving products, tools and competence, we are step by step approaching our vision.

### **A safe and healthy work environment**

People are the most important asset for Volvo Construction Equipment. Providing a safe and healthy work environment is essential to our business success.

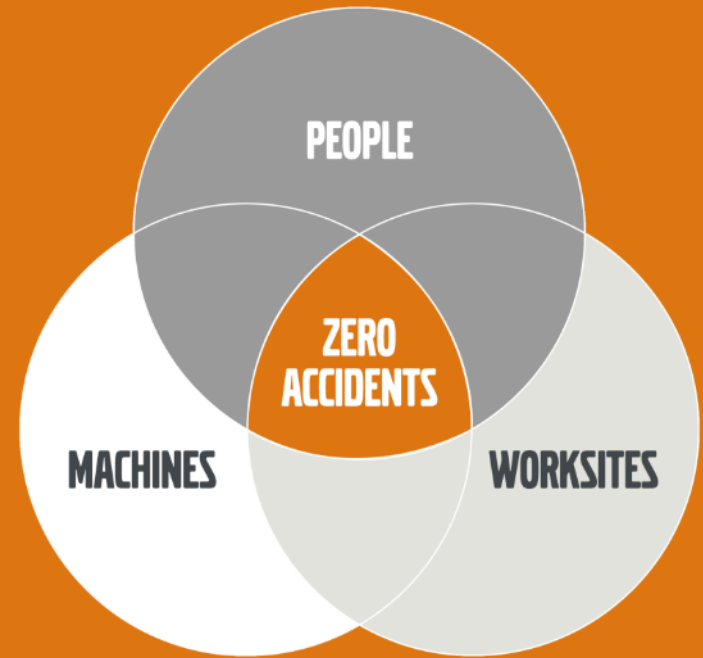
We are proactively addressing all improvement areas, contributing to the goal of being the most attractive employer in the industry!

Watch our [SAFETY VIDEO](#) on YouTube



Our vision

# ZERO ACCIDENTS WITH VOLVO PRODUCTS





**OUR  
QUALITY**



- Volvo Construction Equipment's commitment to quality starts by our vision is to be the model of excellence and care.
- Delivering a total quality experience to Fleet Owners, Operational Managers as well as those who operate our machines is key.



Watch our [QUALITY VIDEO](#) on YouTube



Our vision

**TO DELIVER THE  
NUMBER ONE TOTAL  
QUALITY EXPERIENCE**





# ENVIRONMENTAL CARE



- In 1972 Pehr G Gyllenhammar, former President and CEO, stated “We are part of the problem but also part of the solution”, and this is still valid.
- 2015-2020 Climate Savers partnership with the World Wide Fund for Nature (WWF) addresses e.g.:
  - Increased machine fuel efficiency through improvements of existing products and advanced technologies
  - Production site energy efficiency
  - Customer site efficiency enhancements by improved operator behavior and machine utilization
  - Hosting of the Construction Climate Challenge (CCC) program.

Watch Volvo CE President Martin Weissburg [introducing the CCC](#) on YouTube



Volvo CE is part of Volvo Group's WWF Climate Savers partnership. We are committed to be a climate leader within the global construction equipment industry.



Our vision

**TO BECOME THE WORLD  
LEADER IN SUSTAINABLE  
TRANSPORT SOLUTIONS**



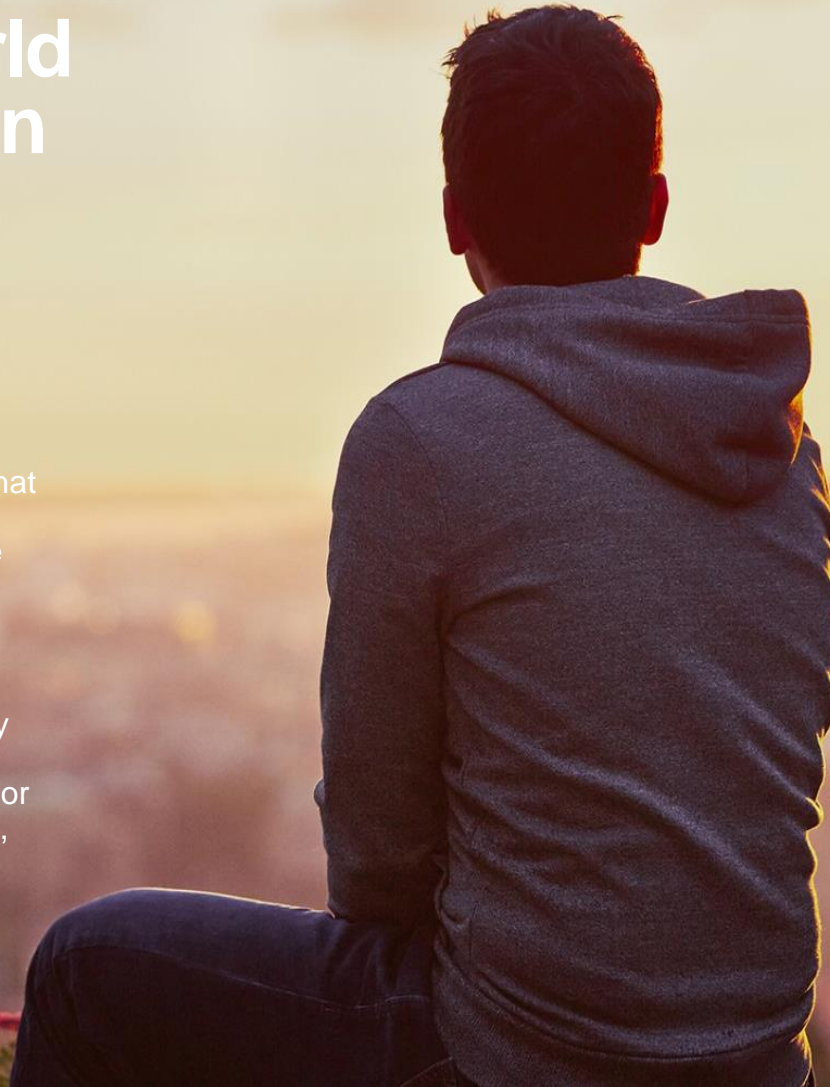


OUR PURPOSE

# To build the world we want to live in

At Volvo CE we are driven by the idea that through imagination, hard work and technological innovation we will lead the way towards developing a world that is cleaner, smarter, and more connected.

We believe in a sustainable future. And with the global construction industry as our arena, we work together with our customers to turn this belief into reality for people everywhere. That is our purpose, and we live and breathe it. Every day.



# INNOVATION LEADERSHIP



# The Triple Zero – Our aspiration, Our challenge



**Zero unplanned stops**



**Zero emissions**



**Zero accidents**



# The technology shifts



**Autonomous**



**Electromobility**



**Site Solution**





# PRODUCT AND SERVICE LEADERSHIP



World's **biggest** articulated hauler



**THE A60**



# Efficient business partners

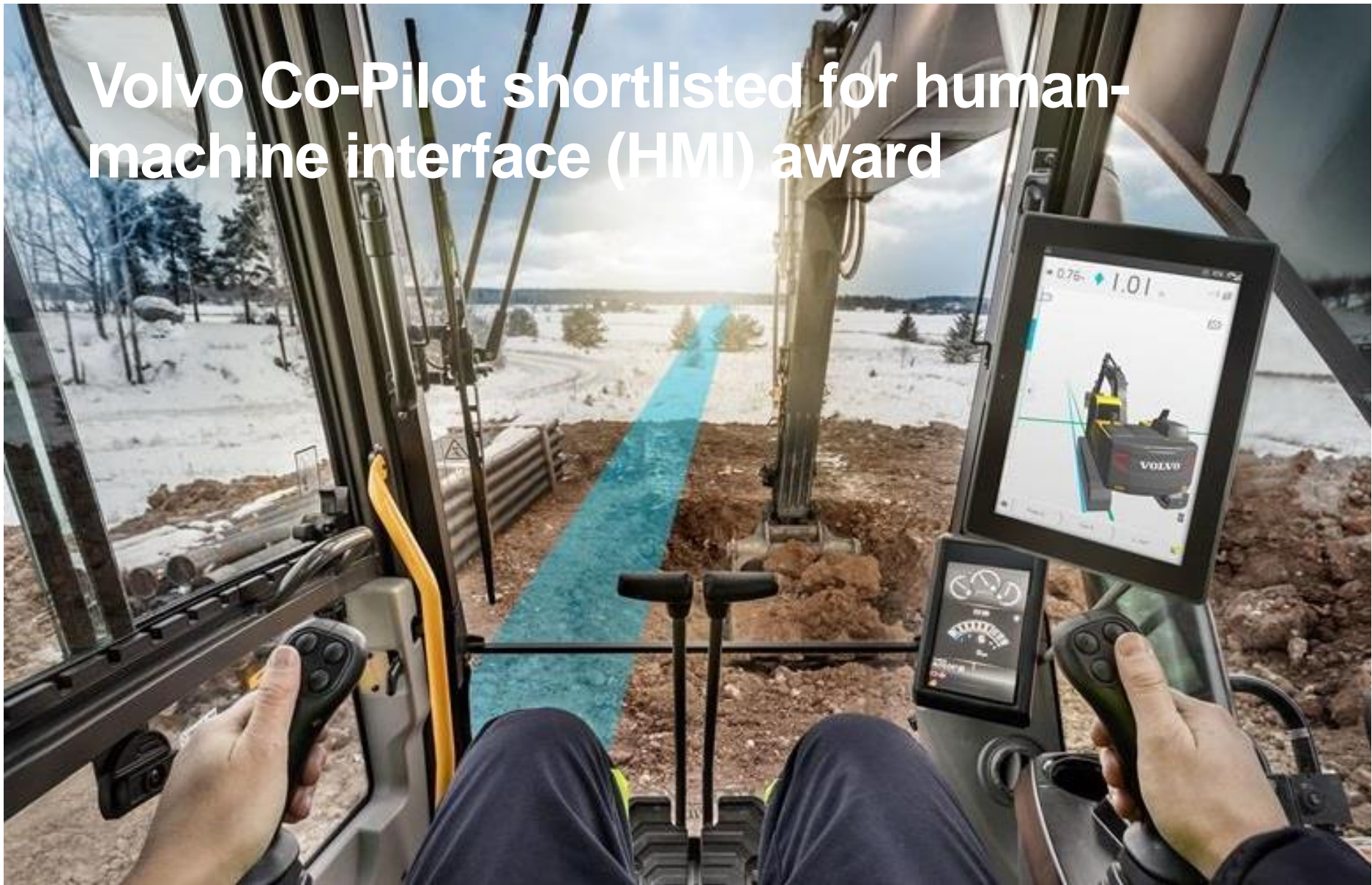


**22% MORE FUEL EFFICIENCY**

**6.5 % GREATER PRODUCTIVITY**

**17 % LESS FUEL CONSUMED**

# Volvo Co-Pilot shortlisted for human-machine interface (HMI) award





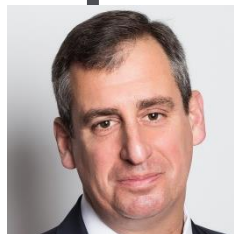
# Electric load carrier concept wins prestigious global award



# BACK-UP SLIDES



# Company leadership



**Martin Weissburg**  
President



**Patrik Lundblad**  
Technology



**Jean-Marc des Courieres**  
Operations



**Tomas Kuta**  
Sales



**Thomas Bitter**  
Marketing &  
Product Portfolio



**Bill Law**  
Corporate  
Communication



**Diana Niu**  
Human Resources



**Edvard Carleson**  
Legal



**Carl Lockwood**  
Strategy



**Philippe Henriette**  
Finance



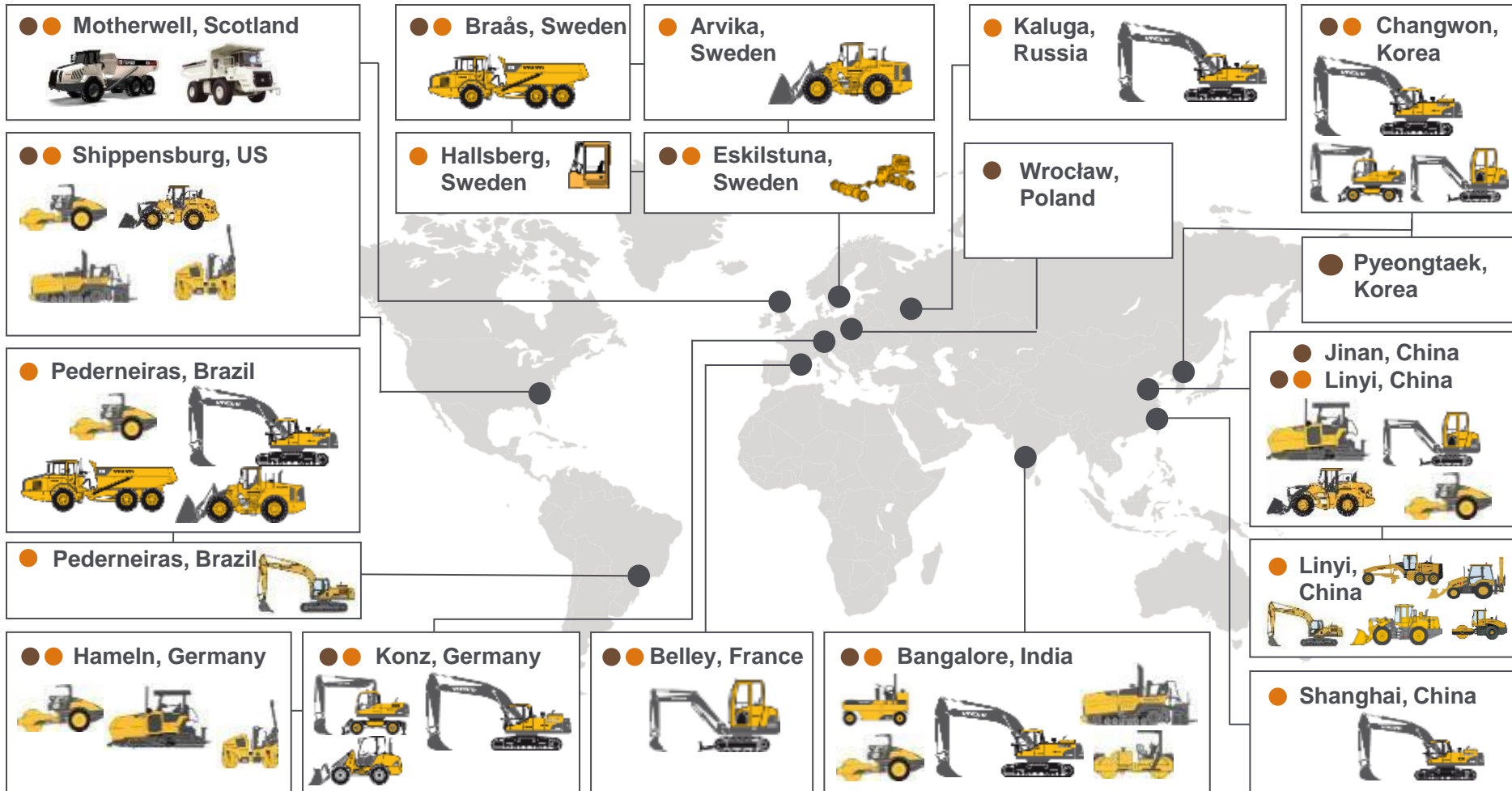
**Anders Larsson**  
Volvo CE Investment  
China and Lingong  
Integration Office



# Industrial footprint

● Plant

● R&D

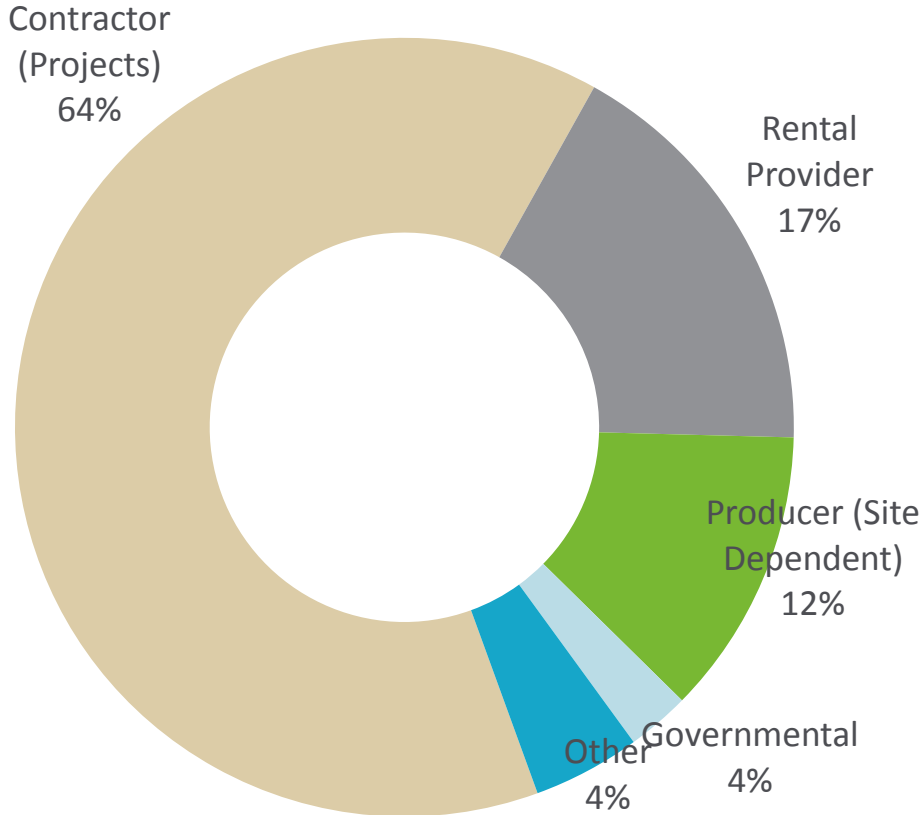


Internal use only

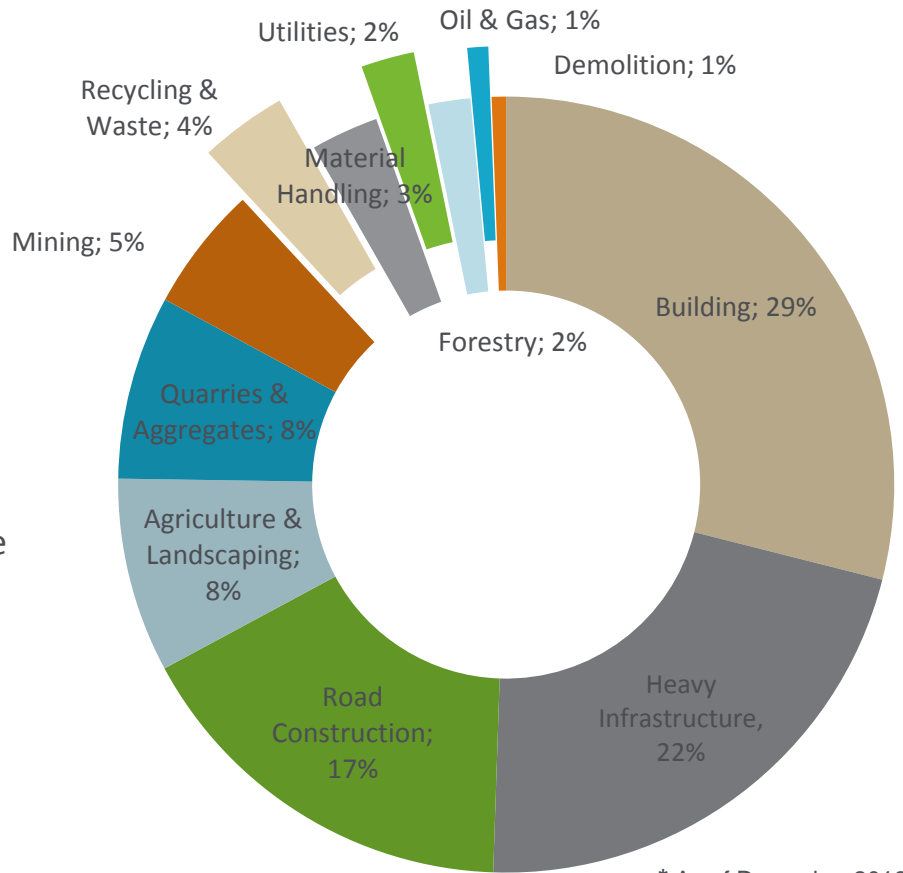


# Volvo CE Customer types and industry segments

Customer Types\*



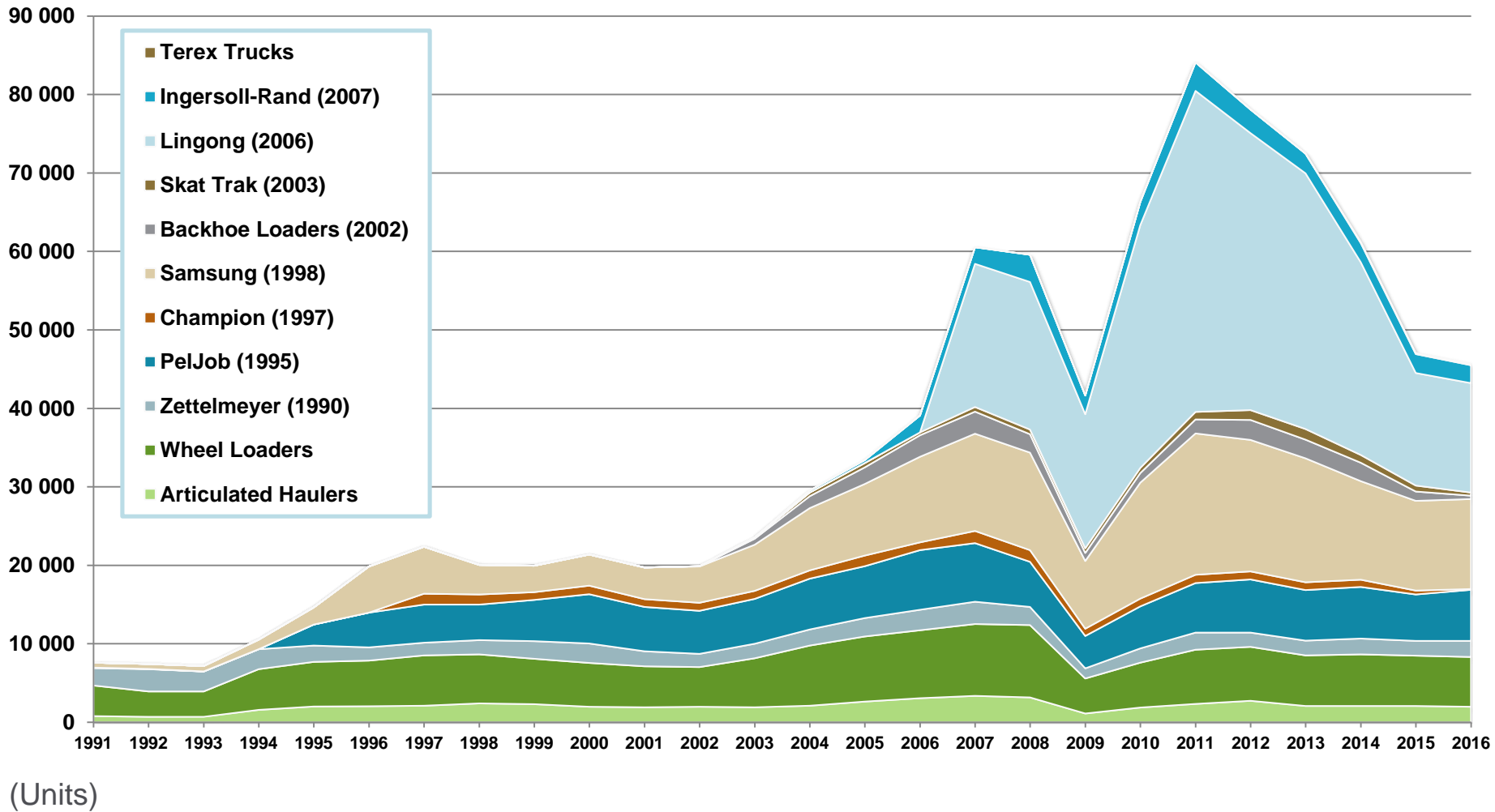
Industry Segments\*



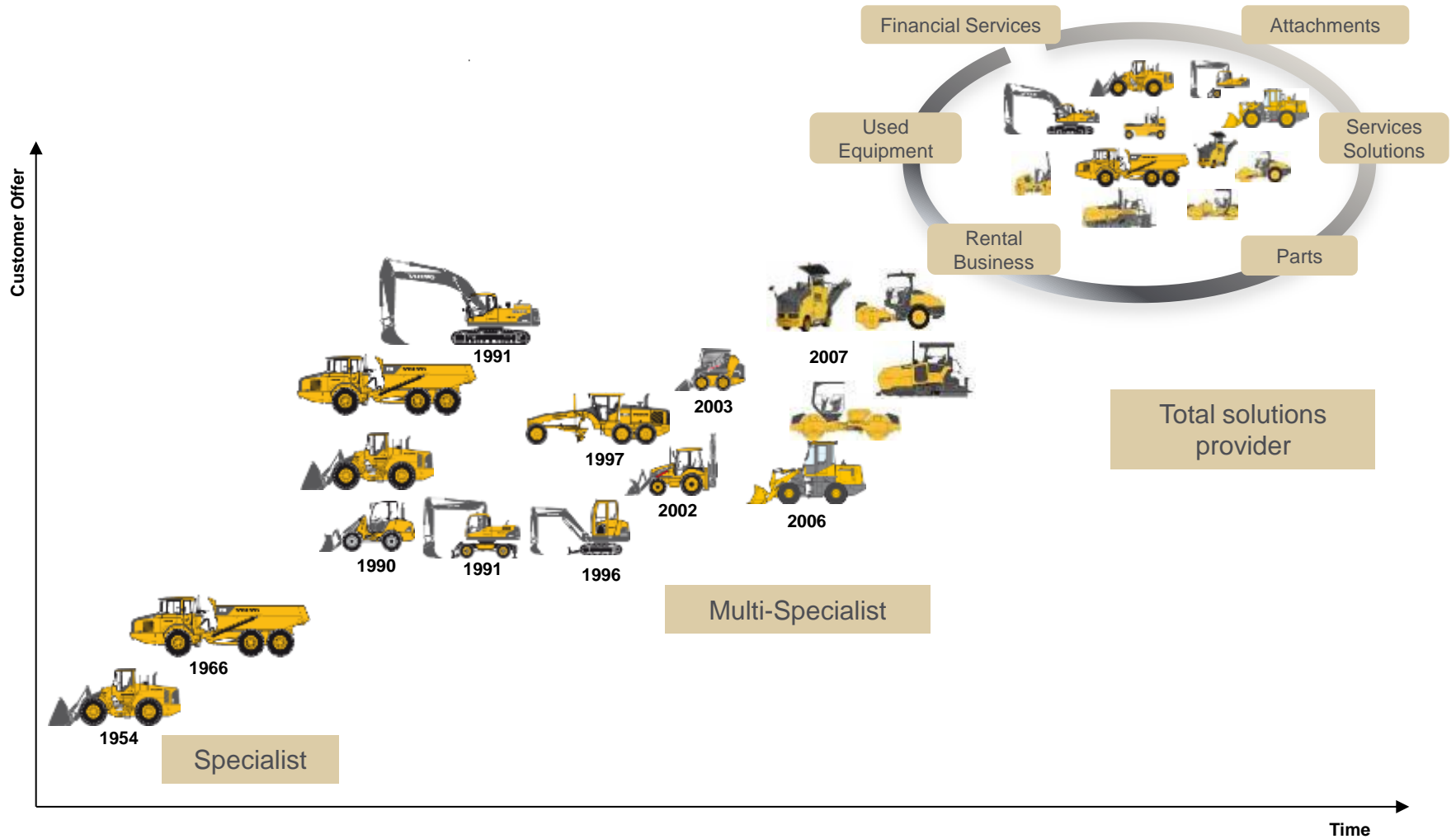
\* As of December 2016



# The growth of Volvo CE

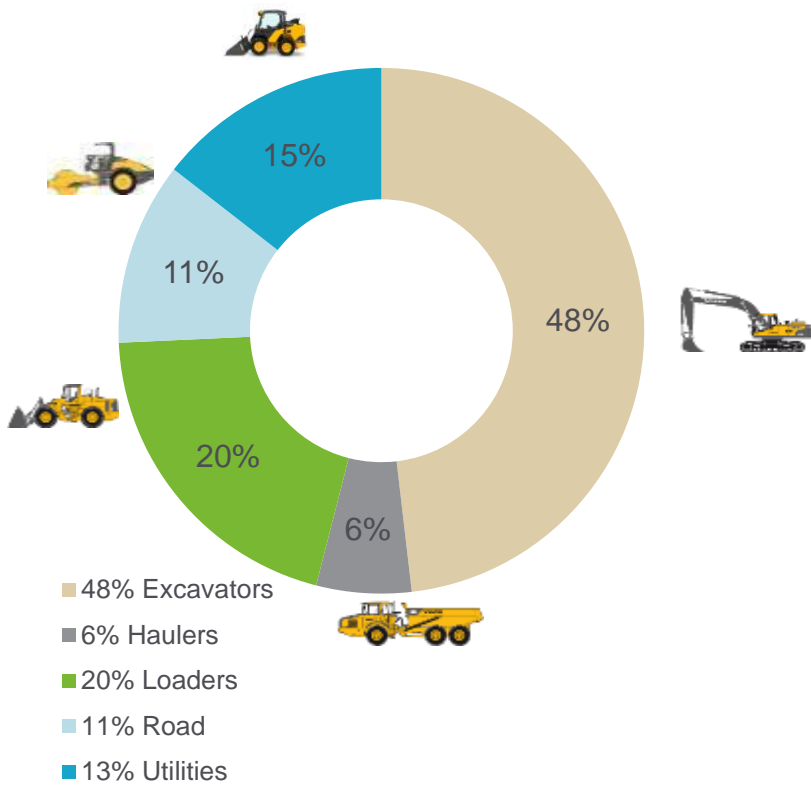


# The evolution of our company

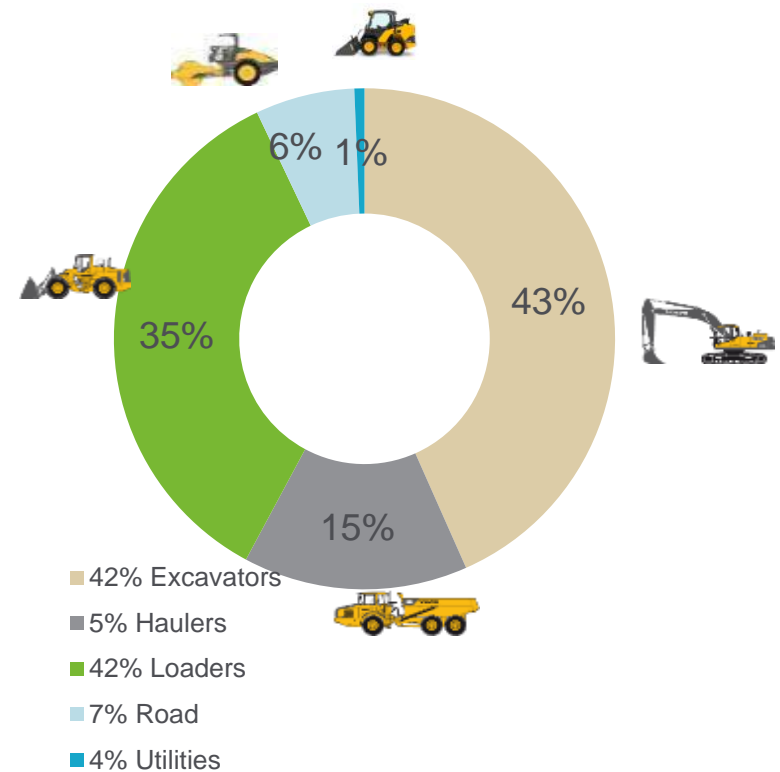


# Volvo CE vs. Industry: Share by Machine Range

Industry (Volvo CE Portfolio)\*



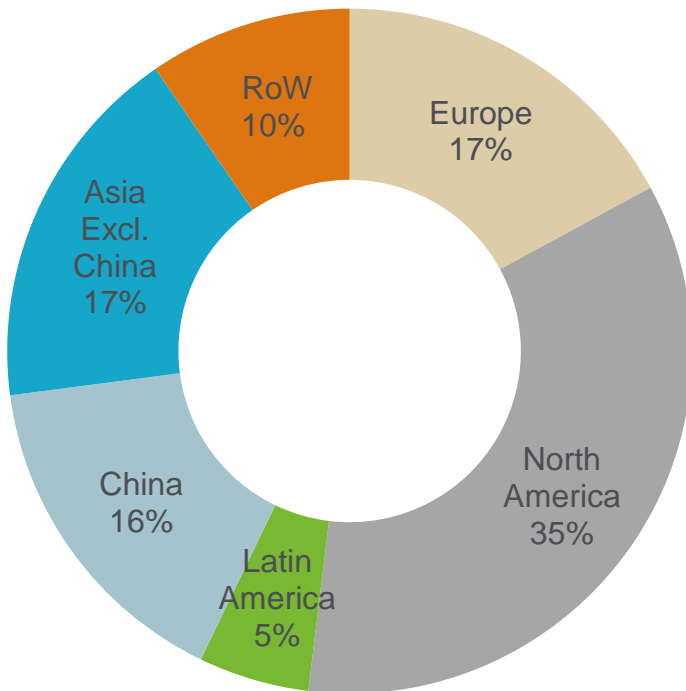
Volvo Construction Equipment\*



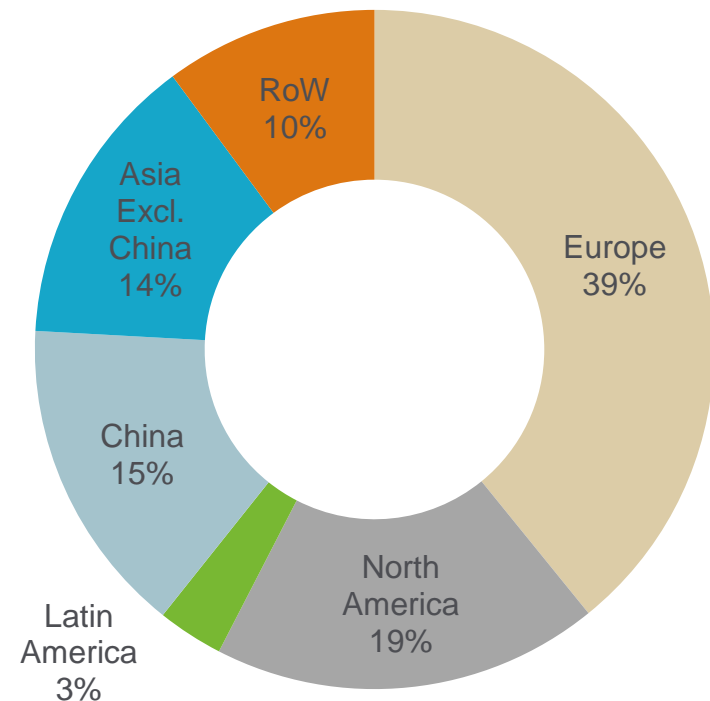


# Volvo CE vs. Industry: Share by Region

Industry (Volvo CE Portfolio)\*



Volvo Construction Equipment\*



\* As of end of December 2016



# Three distinct construction brands



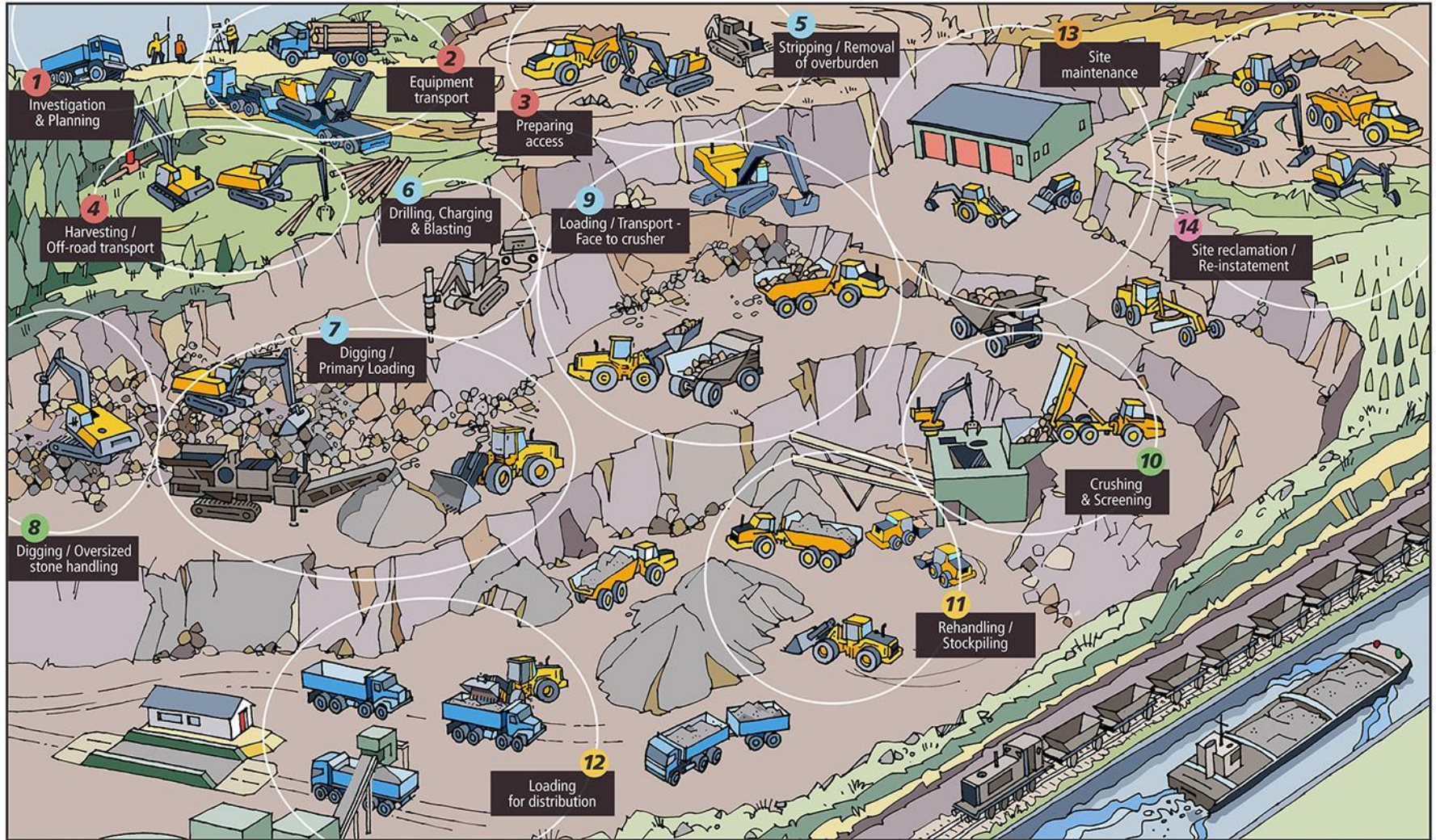
- Complementary offer
- Broader customer base

Internal use only

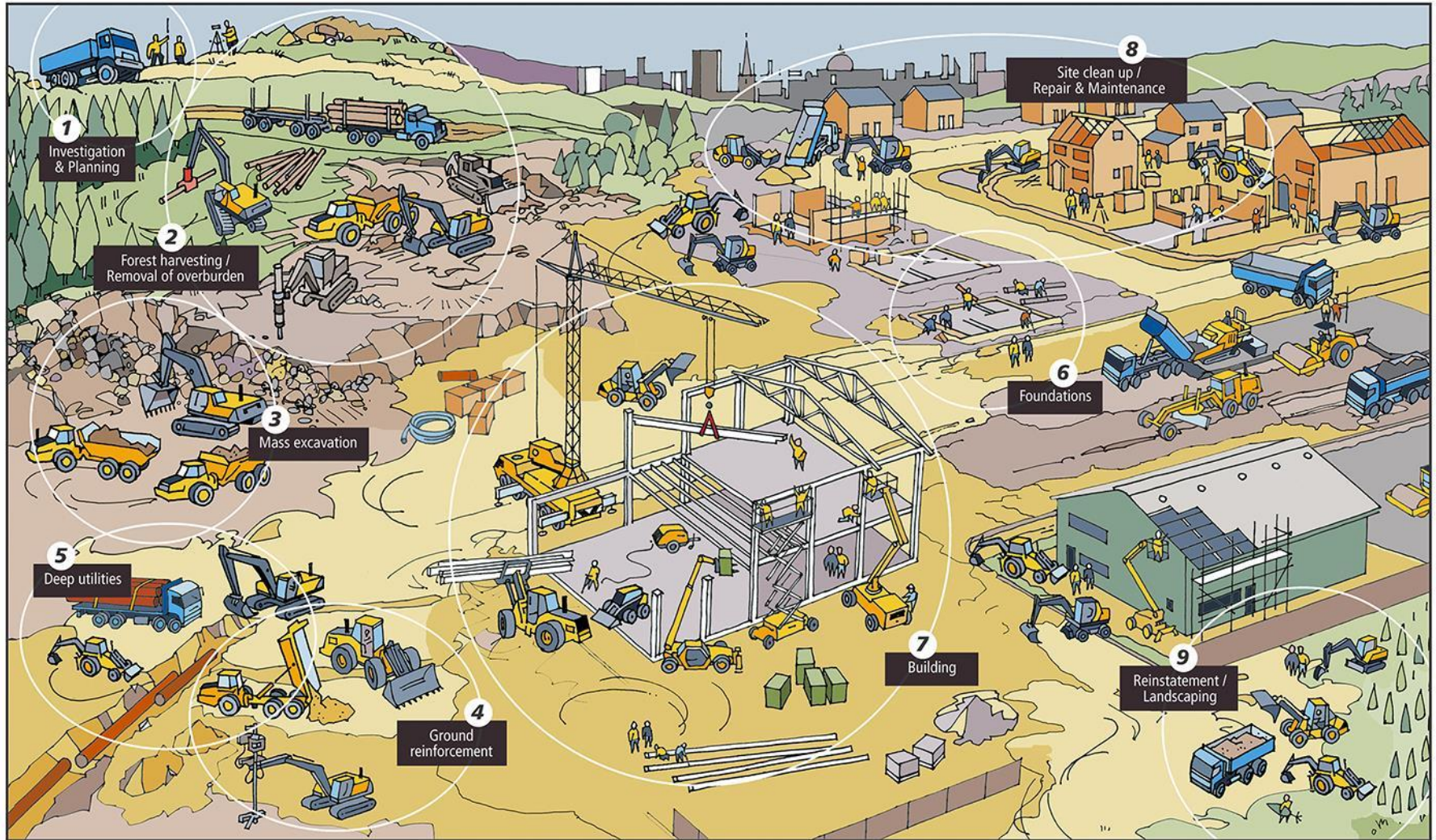


# Quarry & Aggregates

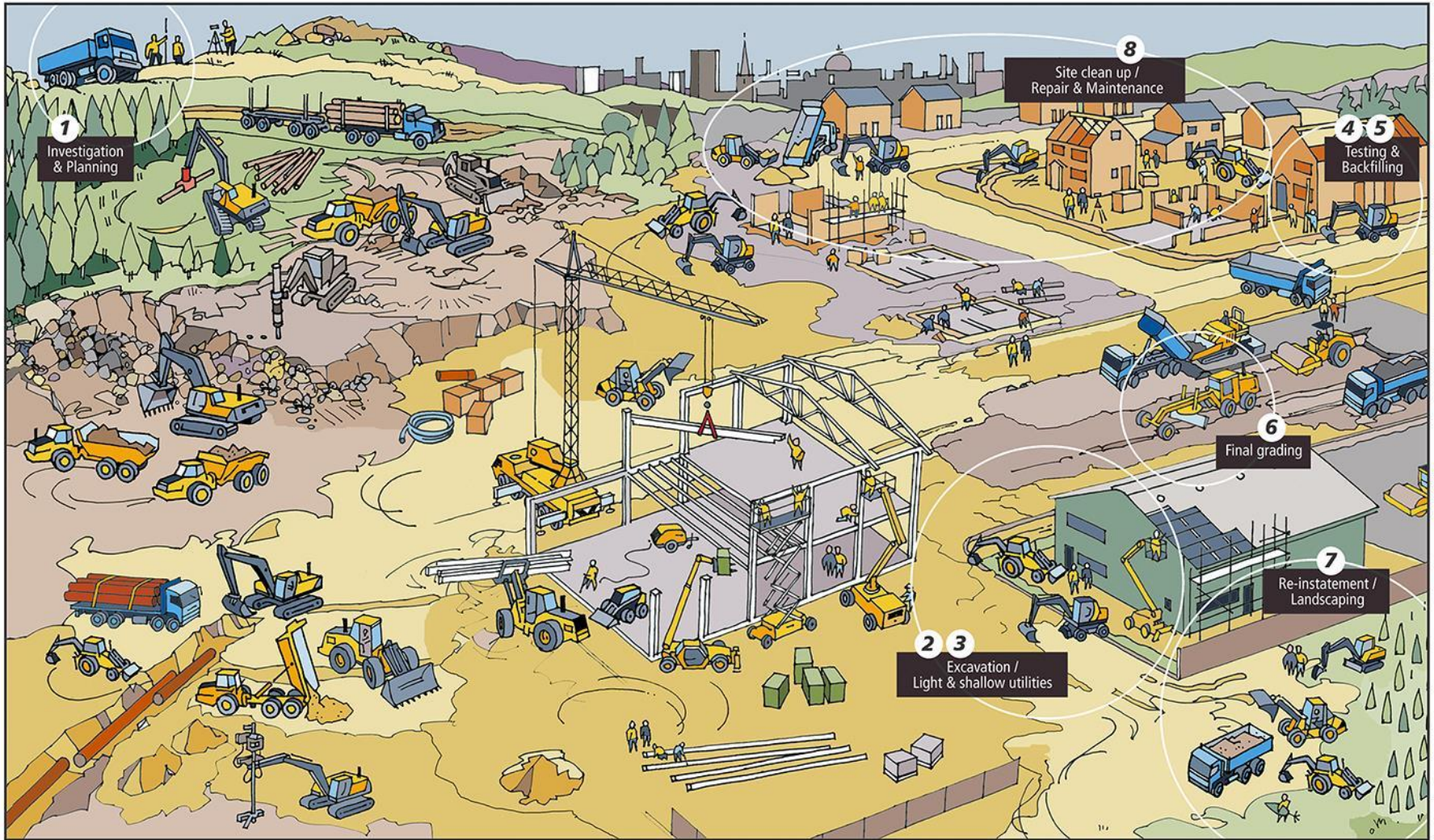
- Site Establishment
- Exploitation
- Processing
- Distribution
- Maintenance
- Reclamation



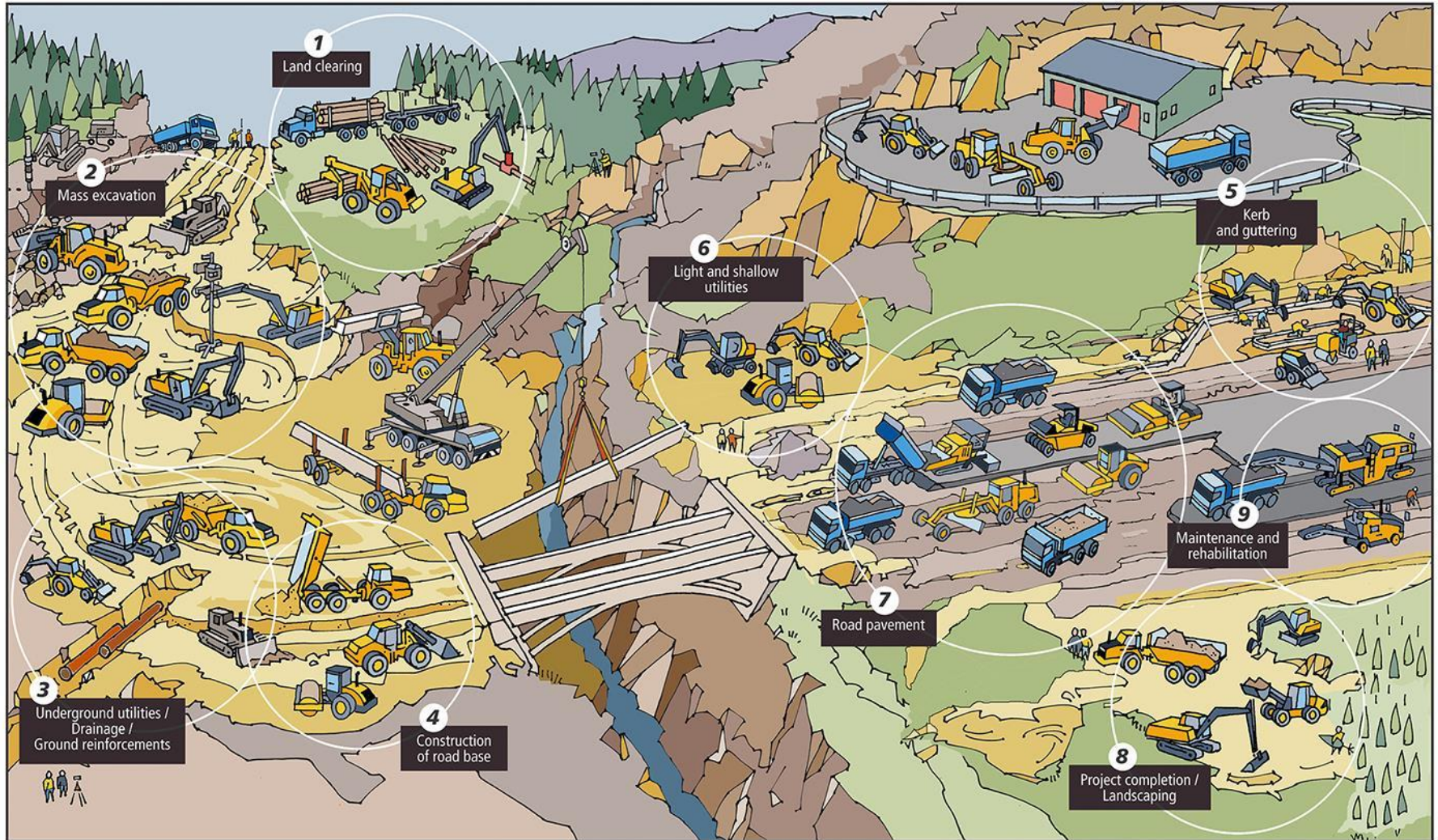
# Building



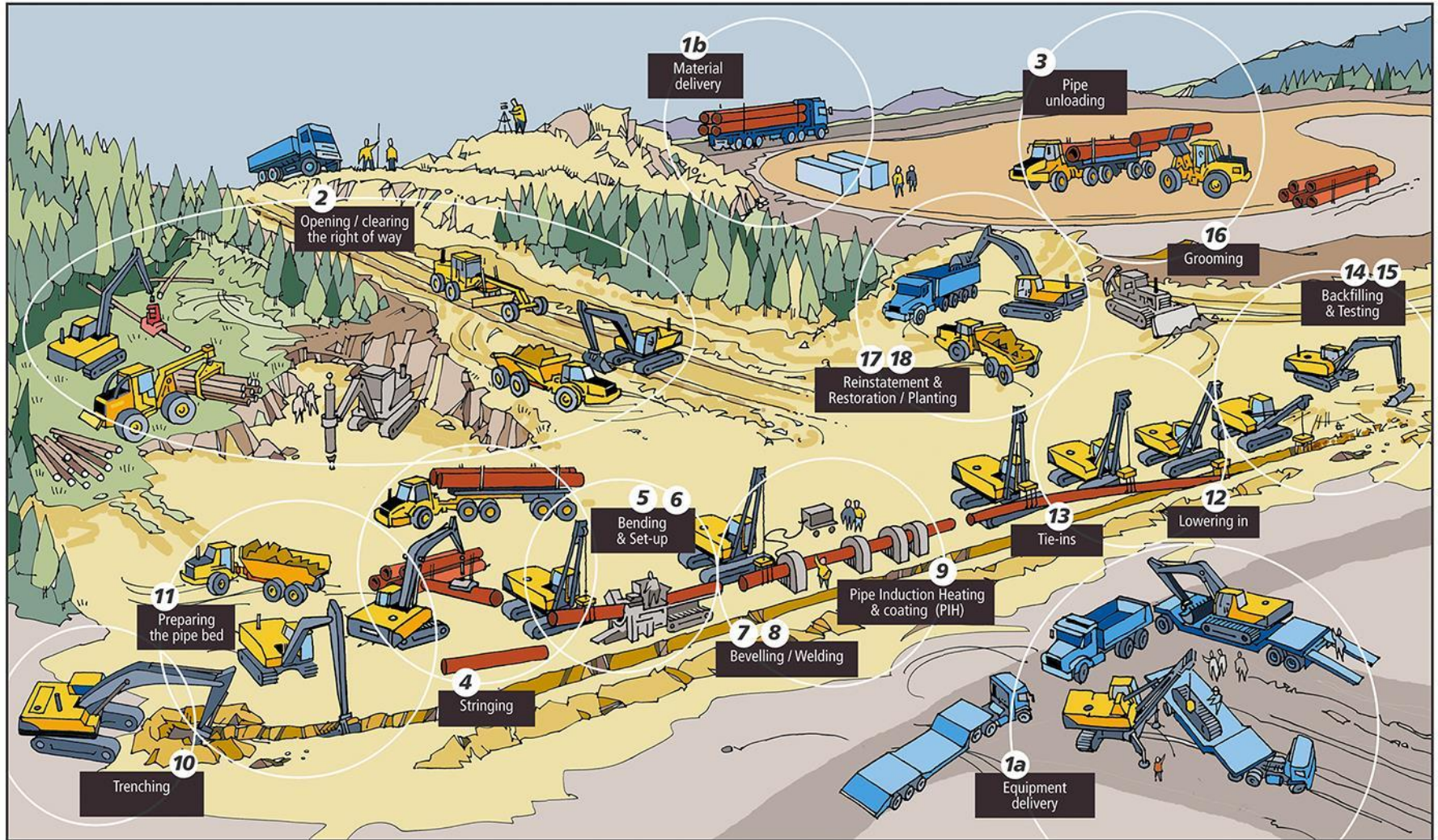
# Utilities



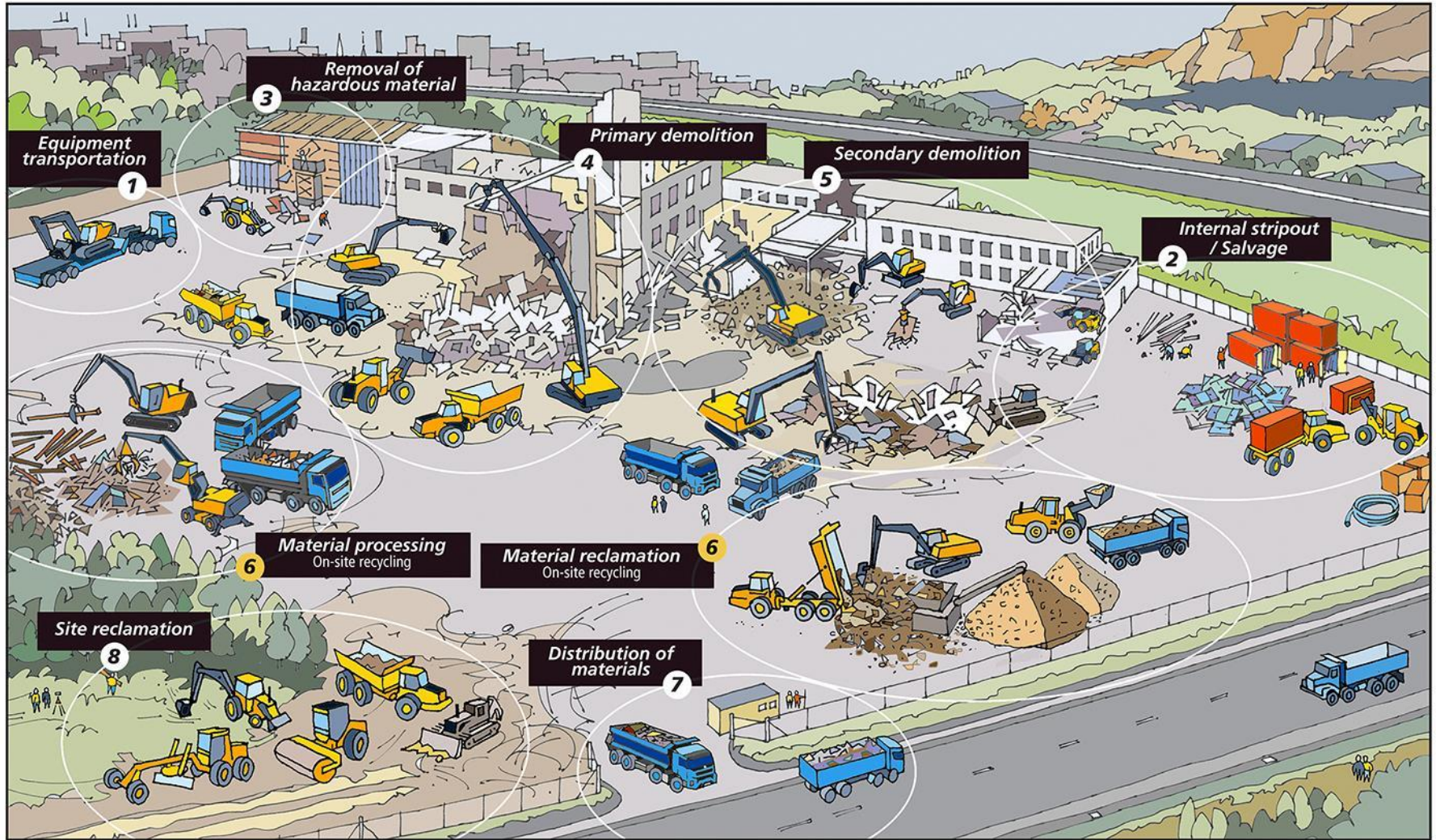
# Road construction



# Oil & Gas



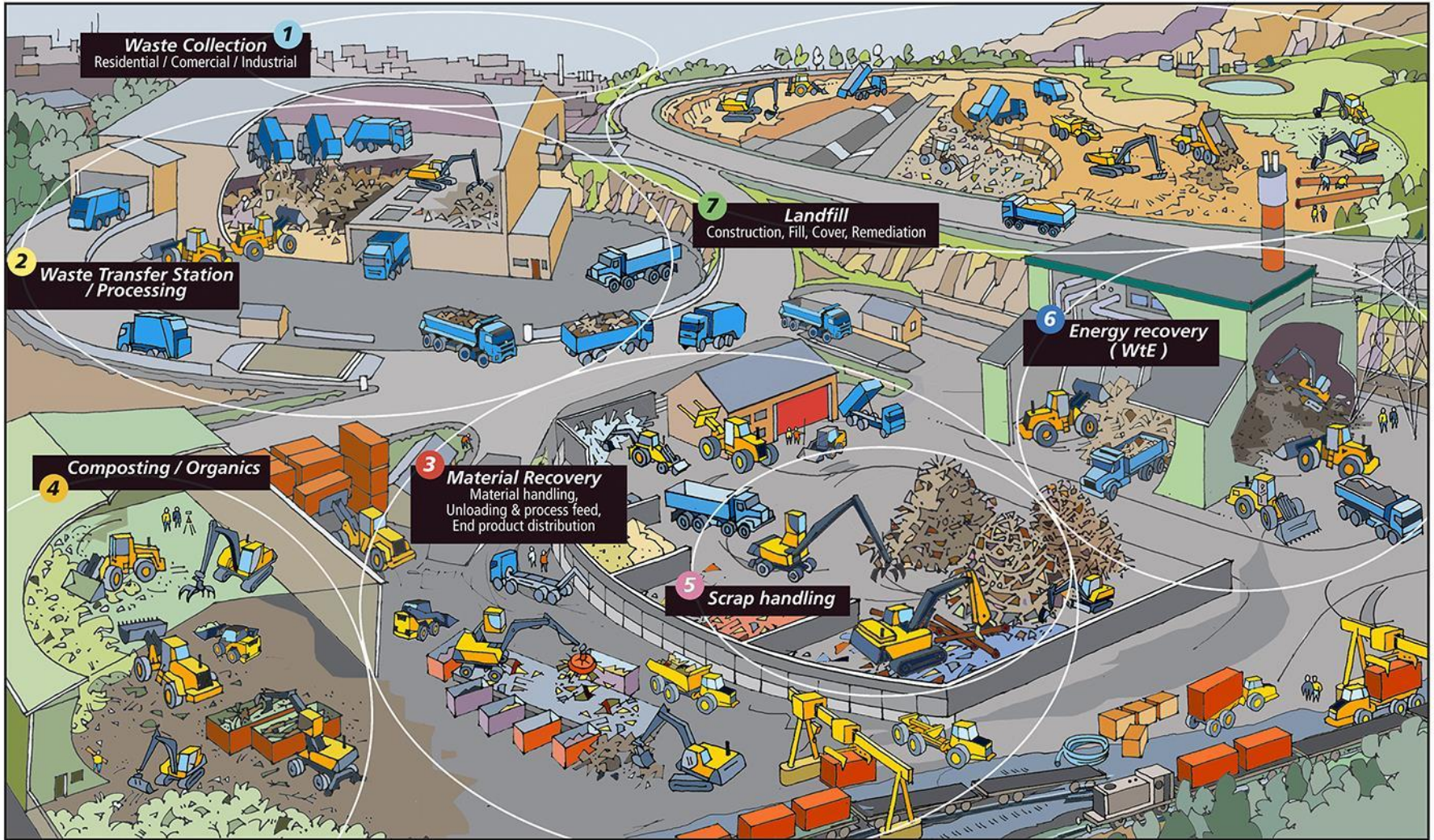
# Demolition



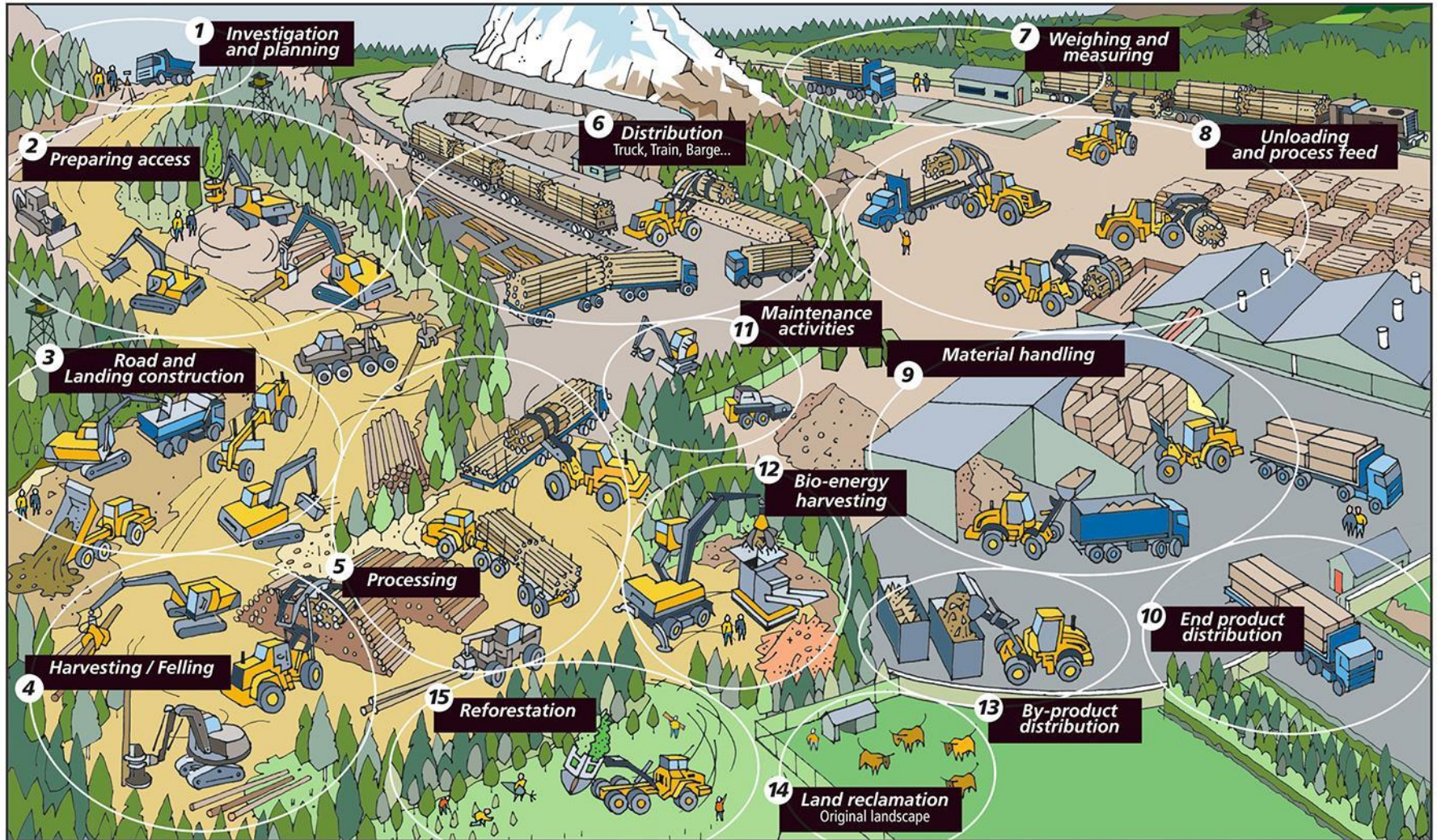


# Waste & Recycling

- Waste collection
- Transfer / Waste station (TS)
- Material recovery facility (MRF)
- Energy recovery (WtE)
- Scrap metal yard
- Disposal - Landfill / WtE
- Composting / Organics



# Forestry



# Mining

