

# VOLVO CONSTRUCTION EQUIPMENT

Corporate Presentation 2018



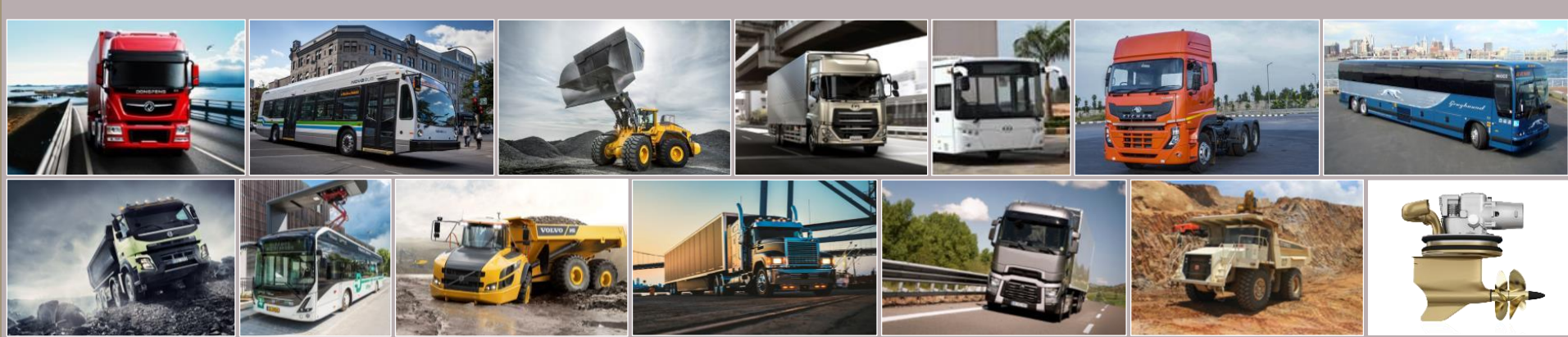
# VOLVO GROUP



# Volvo Group 2017

We are one of the world's leading manufacturers of trucks, buses, construction equipment and marine and industrial engines.

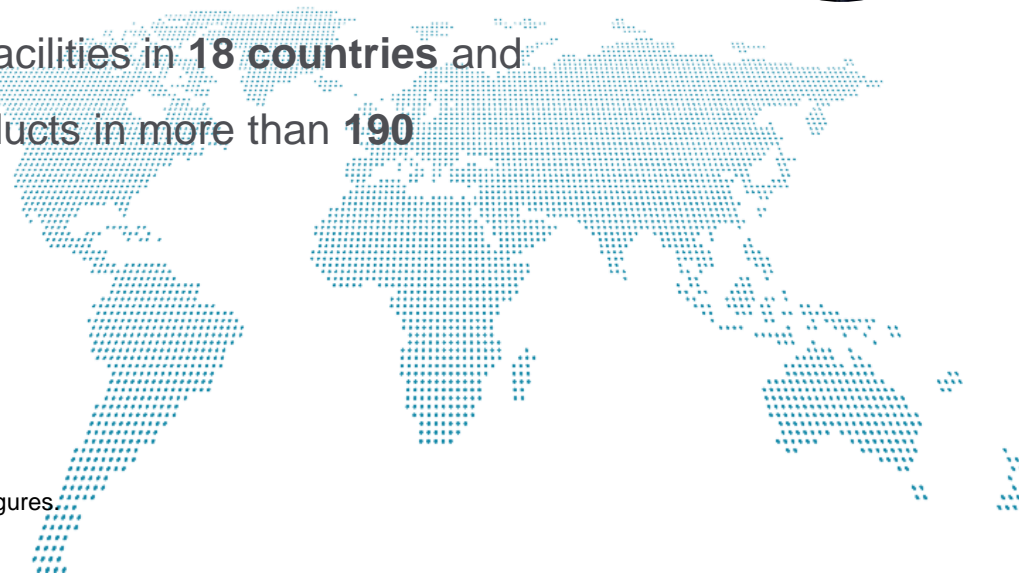
We also provide complete solutions for financing and service.



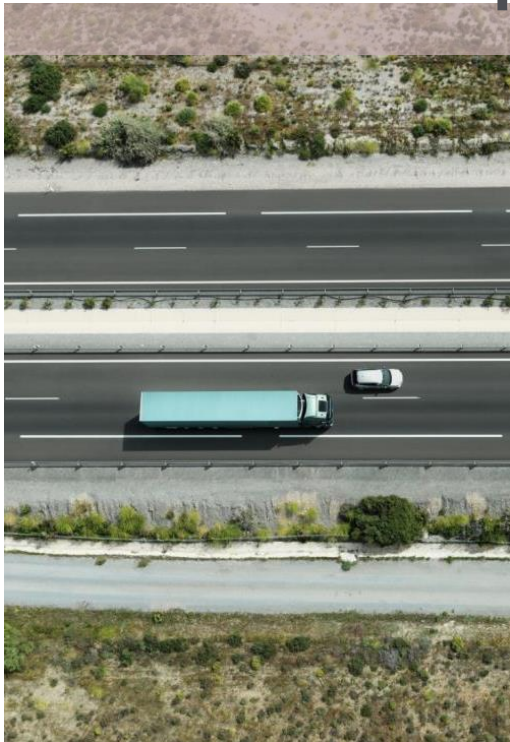
# Volvo Group 2017



We employ about **95,000 people**, have production facilities in **18 countries** and sell our products in more than **190 markets**.



\* These are the 2017 figures.



# What we do

## ON THE ROAD

Our products help ensure that people have food on the table, can travel to their destination and have roads to drive on.



## IN THE CITY

Our products are part of the daily life. They take people to work, distribute goods and collect rubbish. We are developing tomorrow's public transport solutions.

## AT THE SITE

We contribute to the extraction of some of the world's most important raw materials. Our engines, machines and vehicles can be found at mining and construction sites and in the middle of forests.

## AT SEA

Our products and services are with you, regardless of whether you are at work on a ship or on holiday with your pleasure boat.



## OUR MISSION

# Driving prosperity through transport solutions

Modern logistics is a prerequisite for our economic welfare: transport helps combat poverty. Transport is not an end in itself, but rather a means allowing people to access what they need, economically and socially.



## OUR VISION

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

We are in a people business. We operate in a business-to-business market, but people make the decisions. Trust and relations are as important as the total offer.

By bringing together the best of everything from the offer to the relationship, we will become the customers' preferred choice.



# OUR ASPIRATIONS

A photograph of two men in a workshop. The man on the left is wearing a high-visibility yellow and black work jacket and glasses, holding a tablet. The man on the right is wearing a dark jacket and is looking at the tablet. They are standing in front of a piece of machinery, possibly an engine or a motor, with various pipes and components visible in the background.

**Have leading customer satisfaction for all brands in their segments**

**Be the most admired employer in our industry**

**Have industry leading profitability**





# OUR VALUES

## **Customer success**

We make our customers win.

## **Trust**

We trust each other.

## **Passion**

We have passion for what we do.

## **Change**

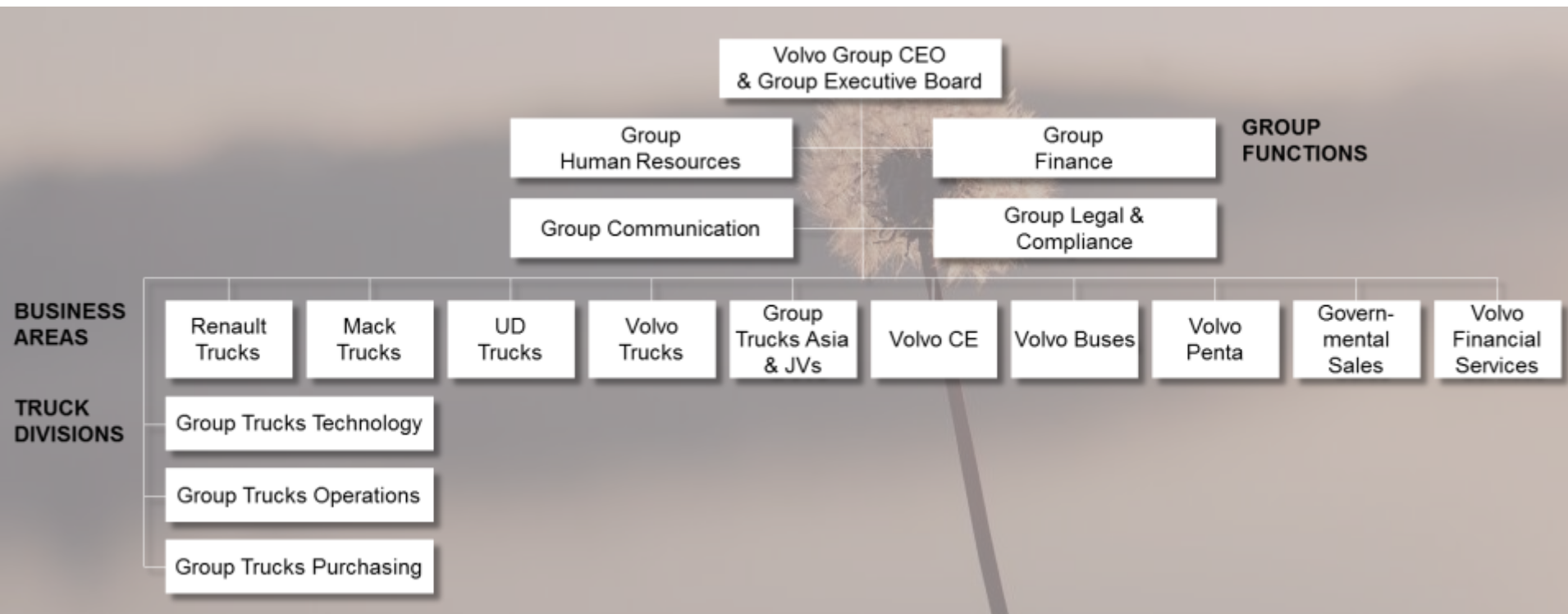
We change to stay ahead.

## **Performance**

We are profitable to shape our future.

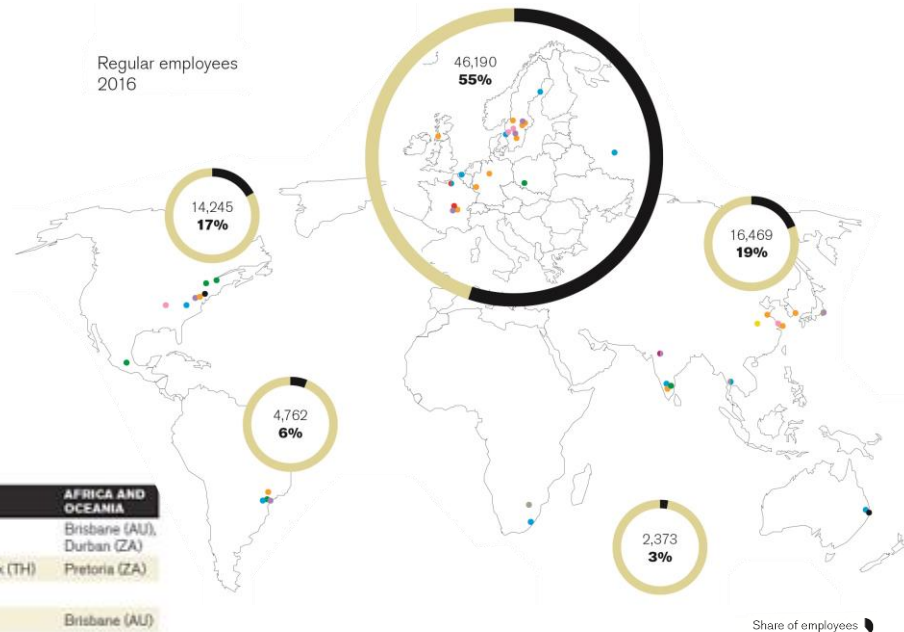


# Our organization



# Global industrial structure

Regular employees  
2016



## MAJOR PRODUCTION FACILITIES

|                           | NORTH AMERICA   | SOUTH AMERICA    | EUROPE  | ASIA   | AFRICA AND OCEANIA         |
|---------------------------|---|------------------|---|--|----------------------------|
| Volvo Trucks              | New River Valley (US)   | Curitiba (BR)    | Blairville (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            |   |                  | Blairville, Bourg-en-Bresse (FR)  |  |                            |
| Mack Trucks               | Lehigh Valley (US)  |                  |   |  | Brisbane (AU)              |
| Eicher*                   |   |                  |   | Pitthampur* (IN)                                     |                            |
| Dongfeng Trucks*          |   |                  |   | Shiyan* (CN)   |                            |
| Engines and transmissions | Hagerstown (US)   | Curitiba (BR)    | Köping, Skövde (SE), Vérisseux (FR)   | Ageo (JP), Pitthampur* (IN)                          |                            |
| Construction Equipment    | Shippensburg (US)   | Pederneiras (BR) | Arvika, Braås, Eskilstuna, Hallstberg (SE), Konz-Könen, Hameln (DE), Bellef (FR), Motherwell (UK) | Changwon (KR), Shanghai, Linyi* (CN), Bangalore (IN) |                            |
| Buses                     | St Claire, St Eustache (CA), Mexico City (MX), Plattsburgh (US) | Curitiba (BR)    | Borås, Wroclaw (PL)   | Bangalore (IN)                                       |                            |
| Volvo Penta               | Lexington (US)  |                  | Göteborg, Vara (SE)   | Shanghai (CN)  |                            |

\* Ownership ≥ 45%

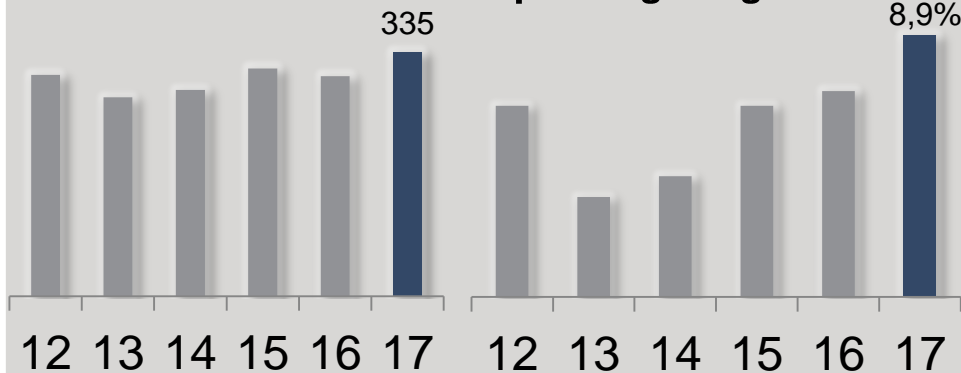


# Volvo Group

Financial Performance 2012-2017

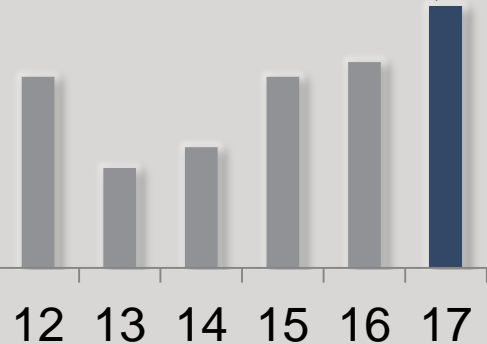
SEK bn

## Net Sales



## Operating Margin

8,9%



# VOLVO CONSTRUCTION EQUIPMENT



# Our purpose

At Volvo Construction Equipment 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.

Together we're building the world we want to live in.



Watch our Brand movie [here](#).

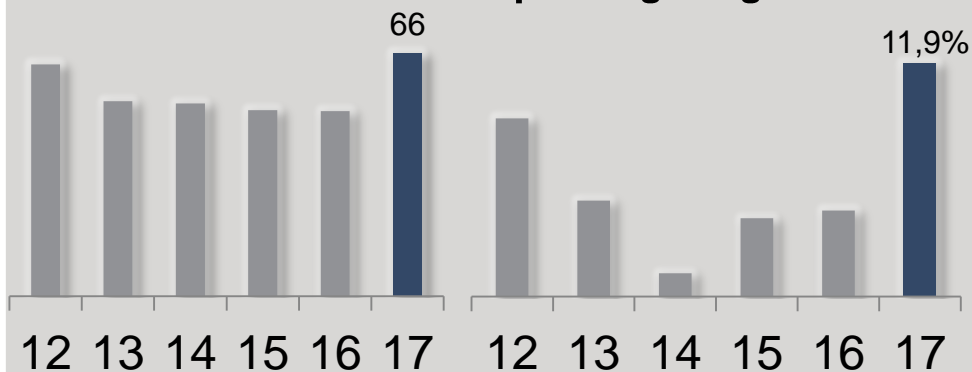


# Volvo Construction Equipment

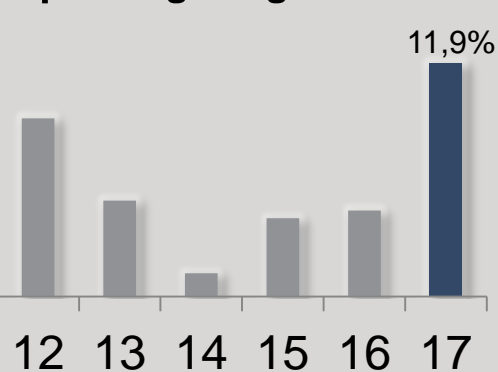
Financial Performance 2012-2017

Sek bn

## Net Sales



## Operating Margin



# Volvo Construction Equipment

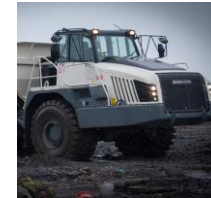
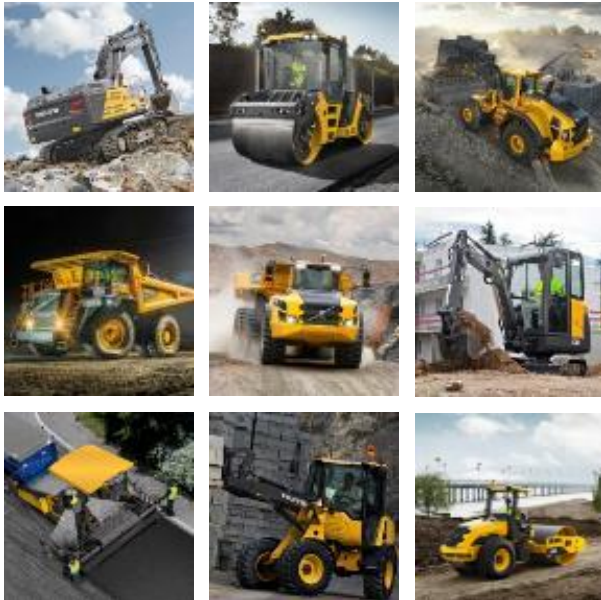


- Develops, manufactures and markets equipment for construction and related industries
- Broad range of products and services
- Range of solutions in financing and used equipment
- Part of the Volvo Group

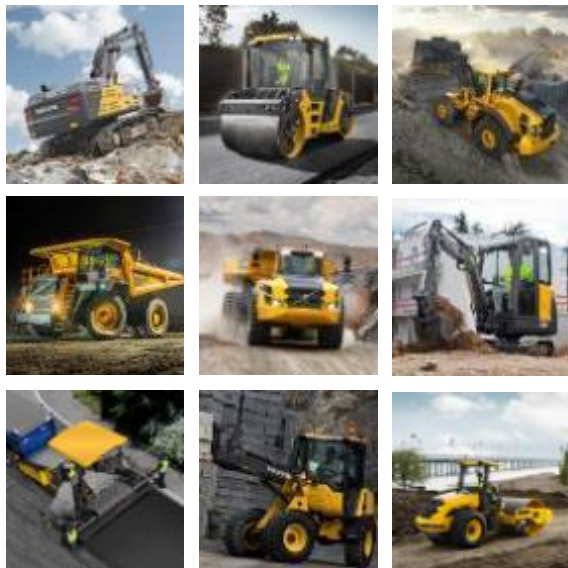




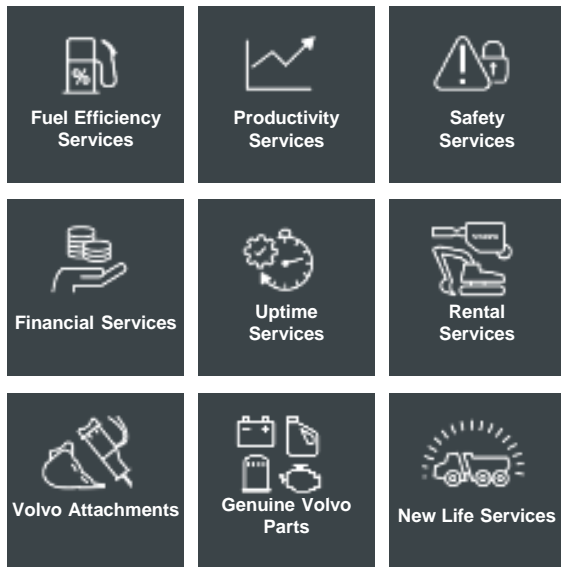
# Three brands – several products



# Volvo Services



+

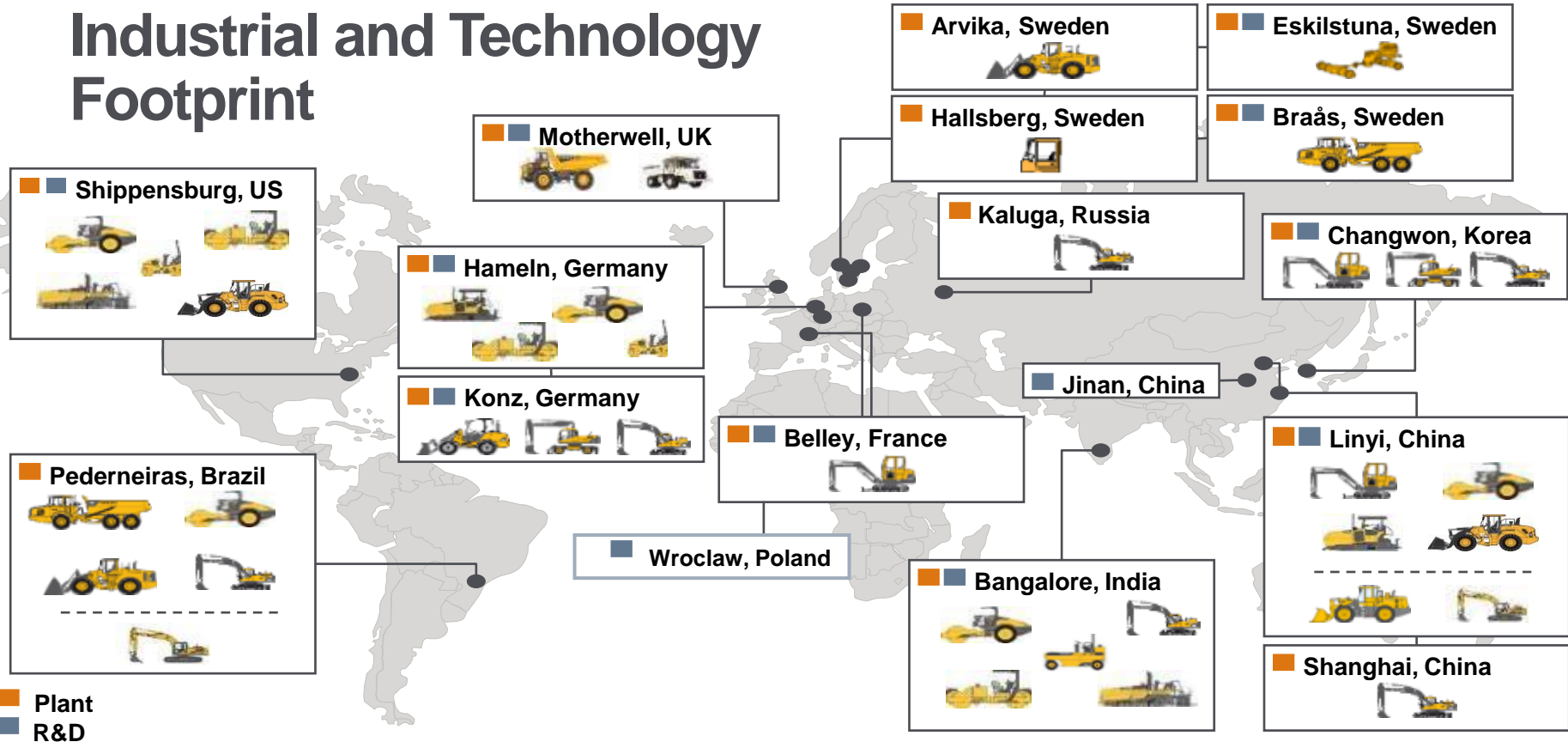


=

**Solutions and  
greater brand  
experience**  
for the customer

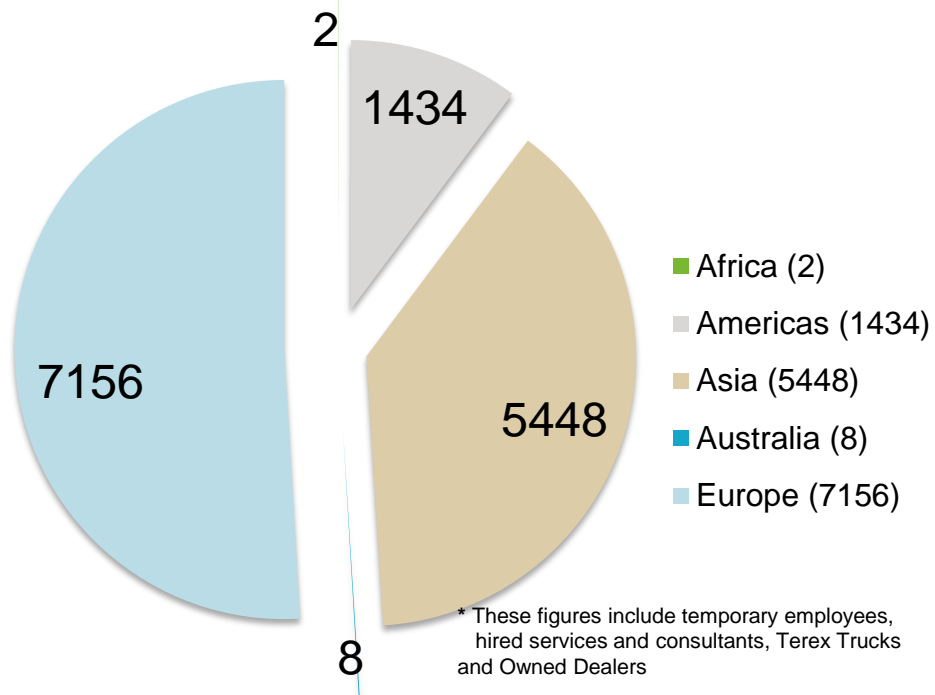


# Industrial and Technology Footprint



# Our employees

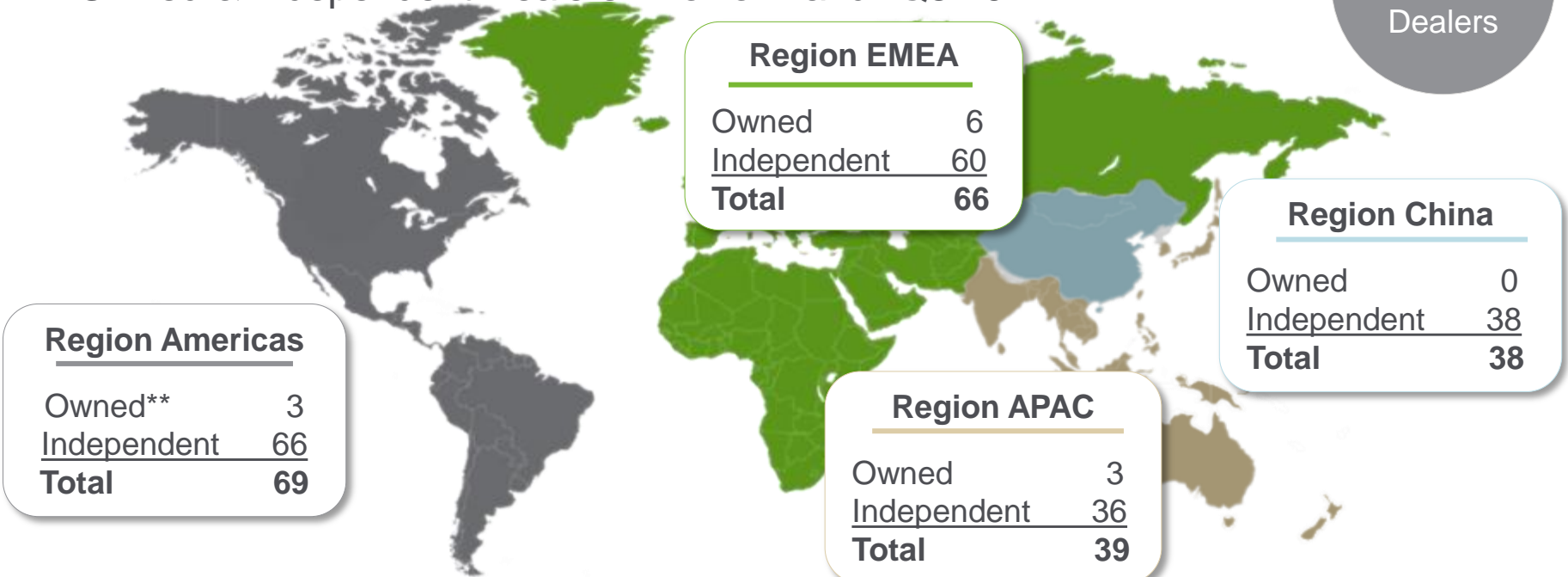
Total as of January 2018 = 14 048



# Volvo CE Dealer network

Owned & Independent Dealers - Volvo Brand\* Q3 2017

**212**  
Dealers



\* May include dealers that sell SDLG and/or Terex Trucks at the same organization (Volvo is the primary brand)

\*\* EPSA – Escandinavia del Plata is the Volvo CE owned dealer responsible for two markets: Argentina and Uruguay. Other owned dealers in Region Americas are Volvo Peru and VCES (California)

# Volvo CE Dealer network

Owned & Independent Dealers - Volvo Brand\* Q3 2017

**1552**  
Locations

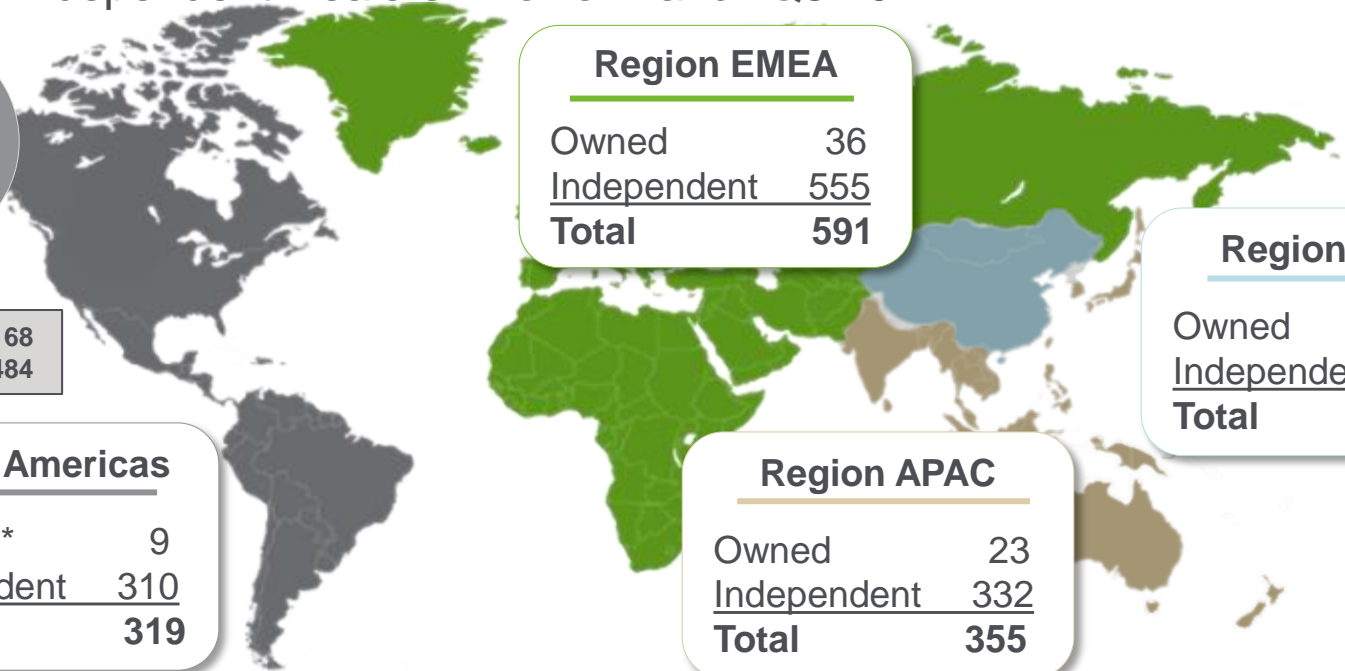
|             |      |
|-------------|------|
| Owned       | 68   |
| Independent | 1484 |

| <u>Region Americas</u> |            |
|------------------------|------------|
| Owned**                | 9          |
| Independent            | 310        |
| <b>Total</b>           | <b>319</b> |

| <u>Region EMEA</u> |            |
|--------------------|------------|
| Owned              | 36         |
| Independent        | 555        |
| <b>Total</b>       | <b>591</b> |

| <u>Region China</u> |            |
|---------------------|------------|
| Owned               | 0          |
| Independent         | 287        |
| <b>Total</b>        | <b>287</b> |

| <u>Region APAC</u> |            |
|--------------------|------------|
| Owned              | 23         |
| Independent        | 332        |
| <b>Total</b>       | <b>355</b> |



\* May include dealers that sell SDLG and/or Terex Trucks at the same organization (Volvo is the primary brand)

\*\* EPSPA – Escandinavia del Plata is the Volvo CE owned dealer responsible for two markets: Argentina and Uruguay. Other owned dealers in Region Americas are Volvo Peru and VCES (California)

# Our core values

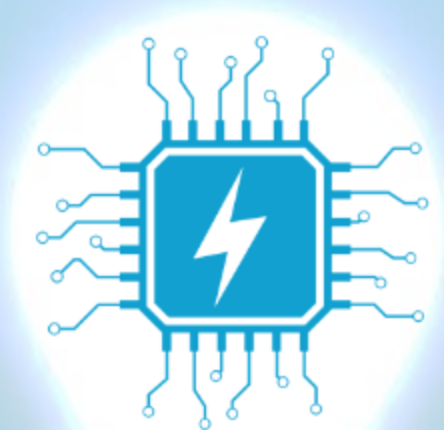
- QUALITY
- SAFETY
- ENVIRONMENTAL CARE



# Think exponential ...



**Intelligent  
Machines**



**Electric  
Machines**



**Connected  
Machines**



# Intelligent machines



# Electric machines

## Hybrid



# Electric machines

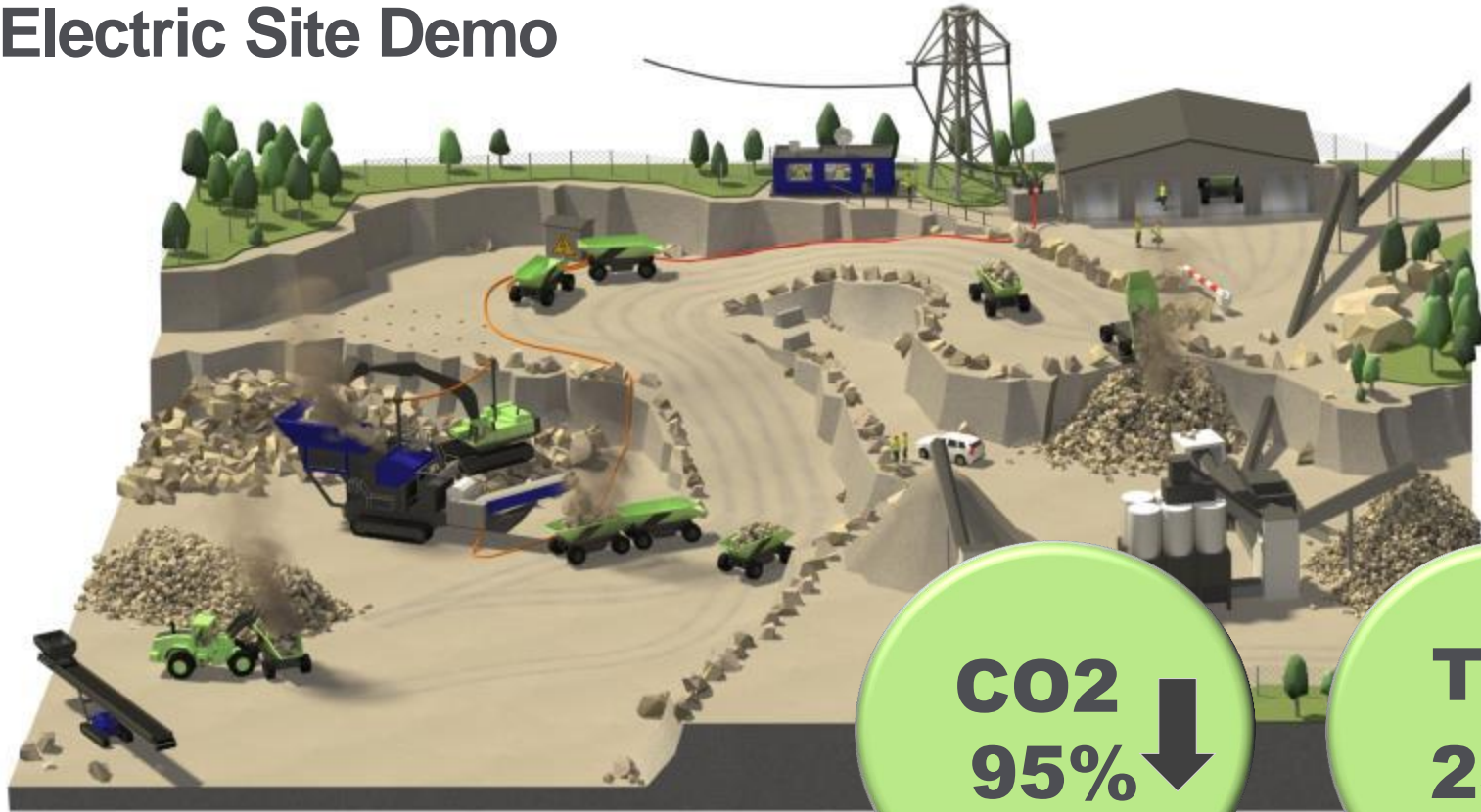
Fully electric



# Connected machines



# Electric Site Demo



**CO2**  
**95%** ↓

**TCO**  
**25%** ↓

**0**

**DOWNTIME  
ACCIDENTS  
EMISSIONS**

**&**

**10X**

**THE  
EFFICIENCY**





Building the world we want to live in

# A SUSTAINABLE FUTURE FOR EVERYONE

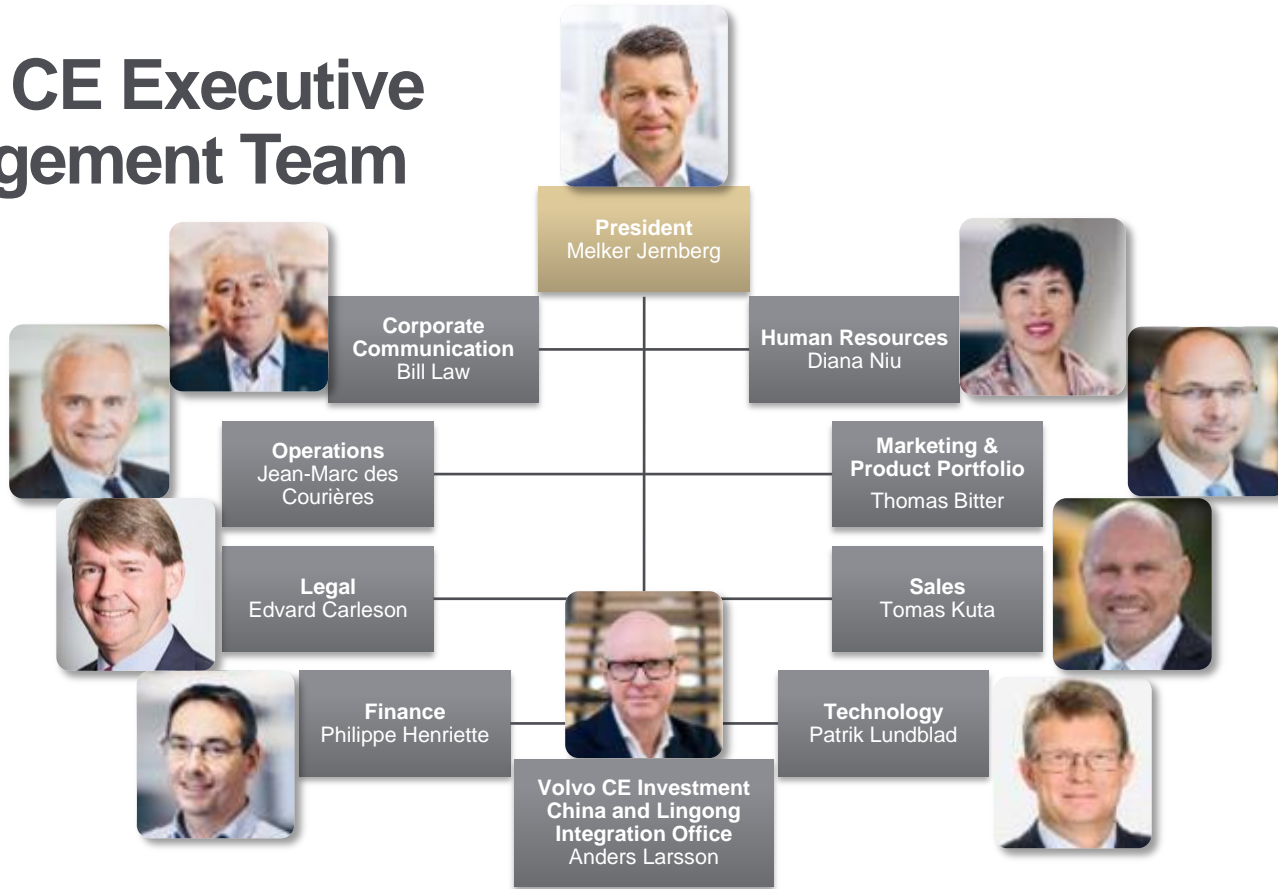


# BACK UP SLIDES



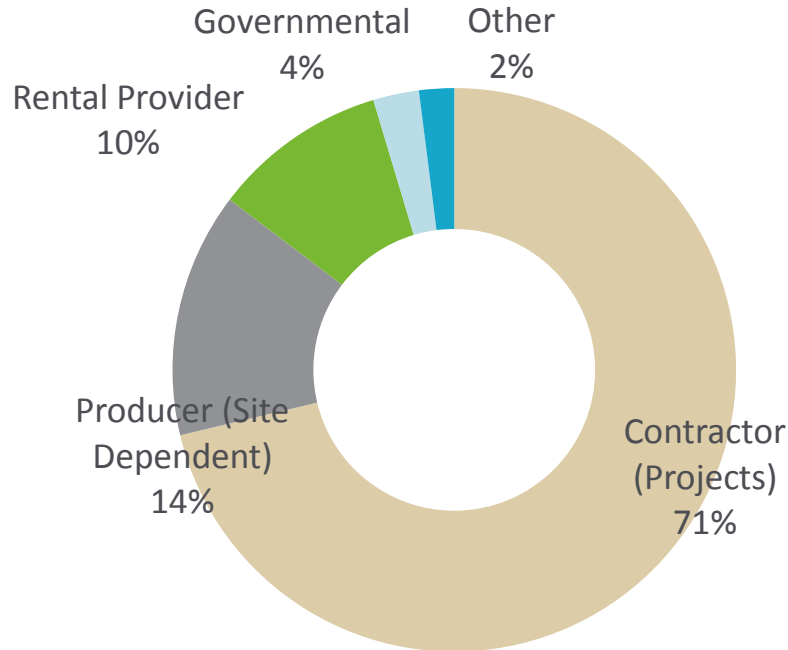


# Volvo CE Executive Management Team

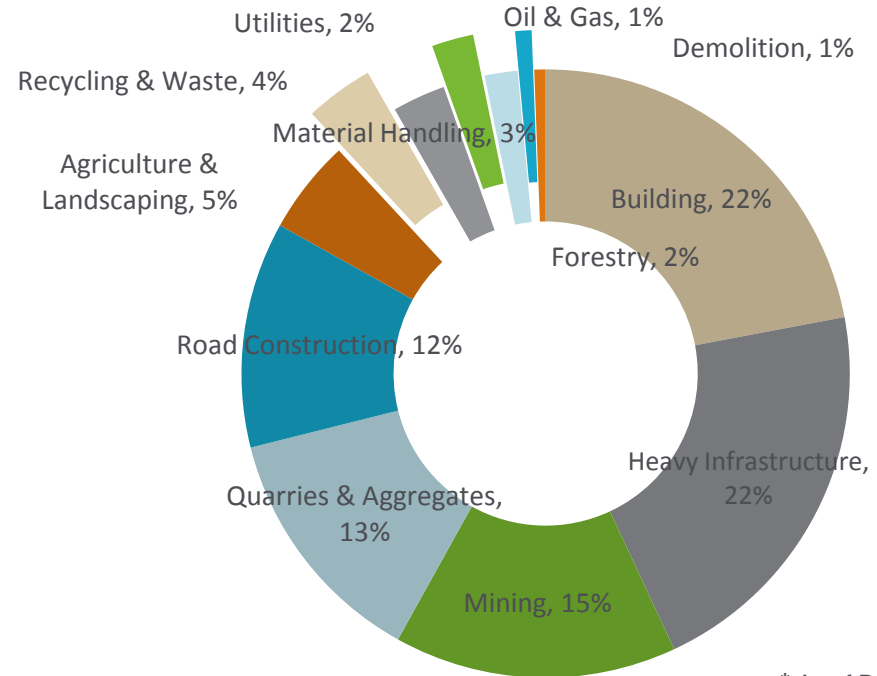


# Volvo CE Customer types and industry segments

## Customer Types\*



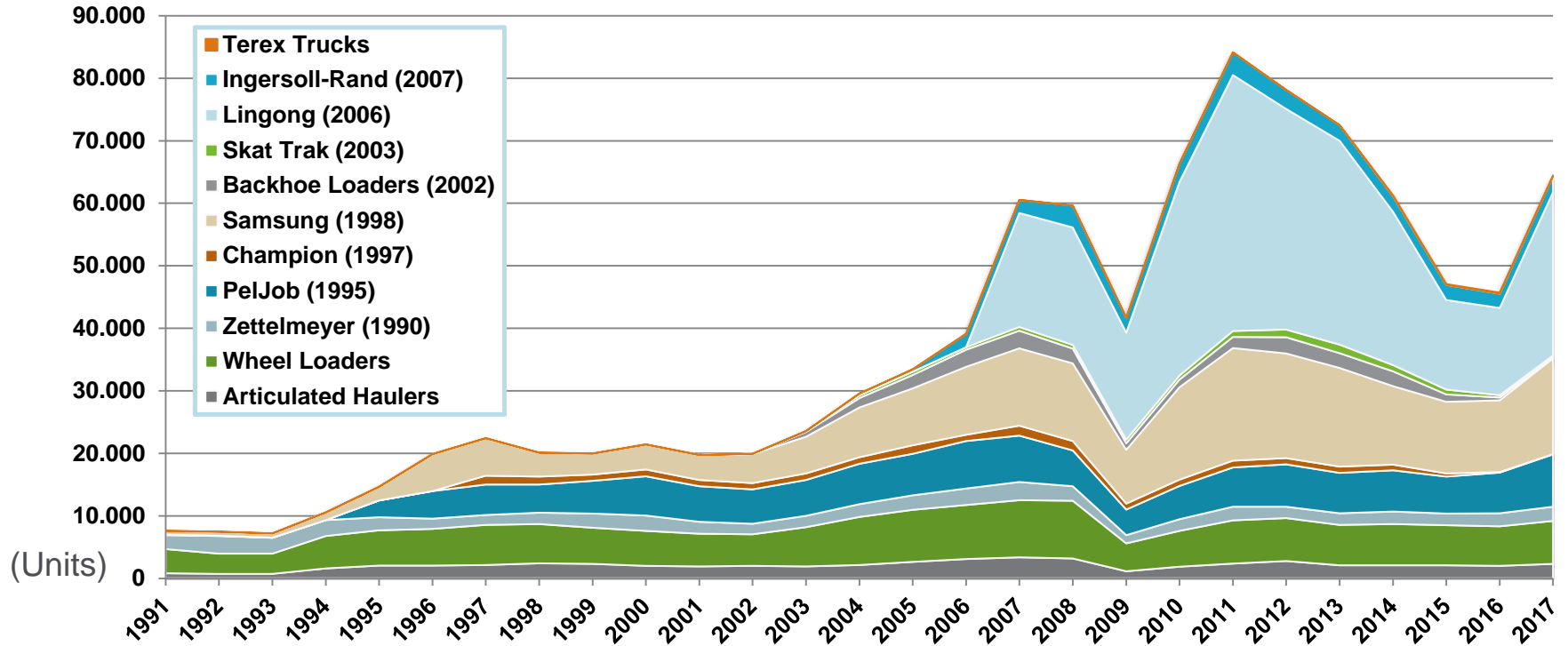
## Industry Segments\*



\* As of December 2017

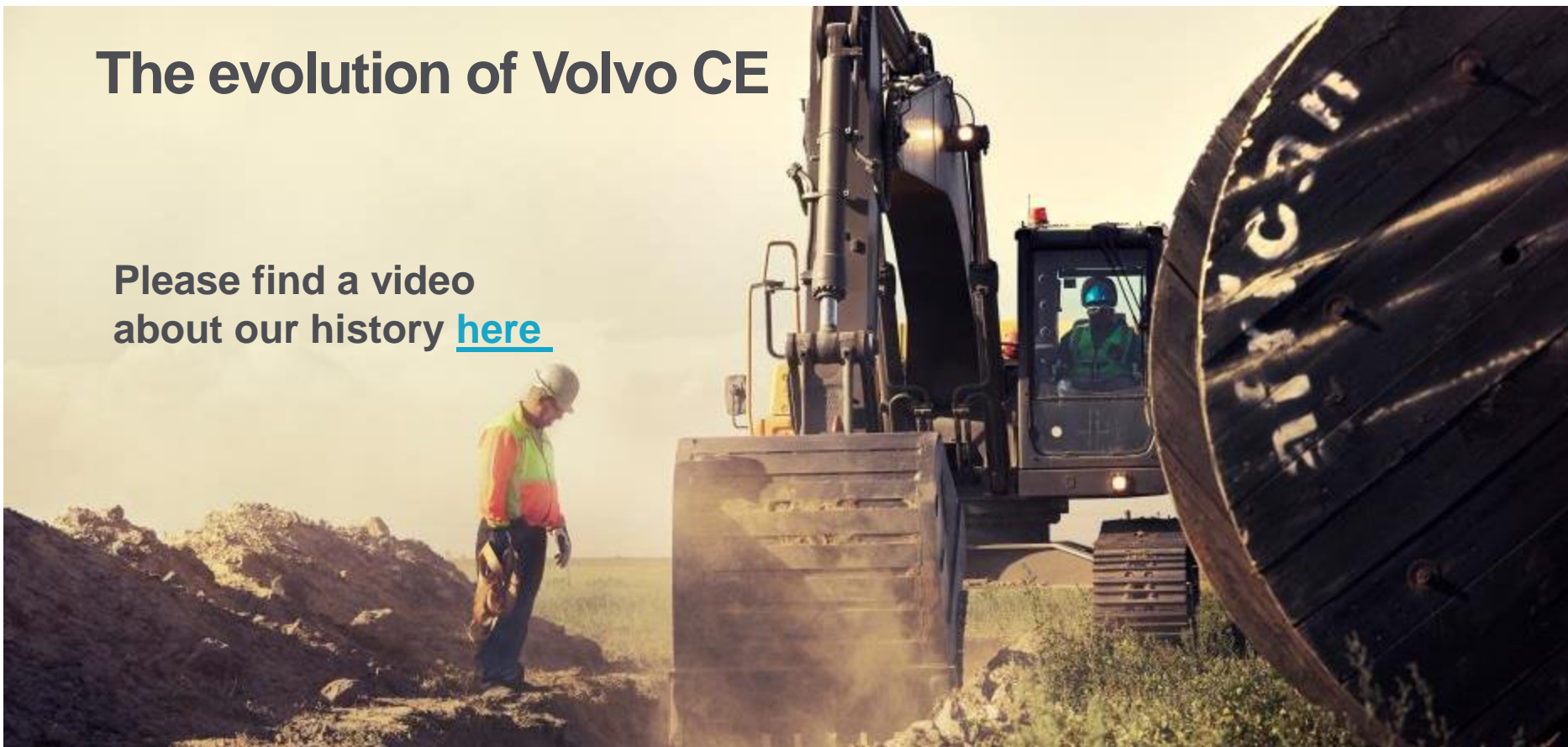


# The growth of Volvo CE



# The evolution of Volvo CE

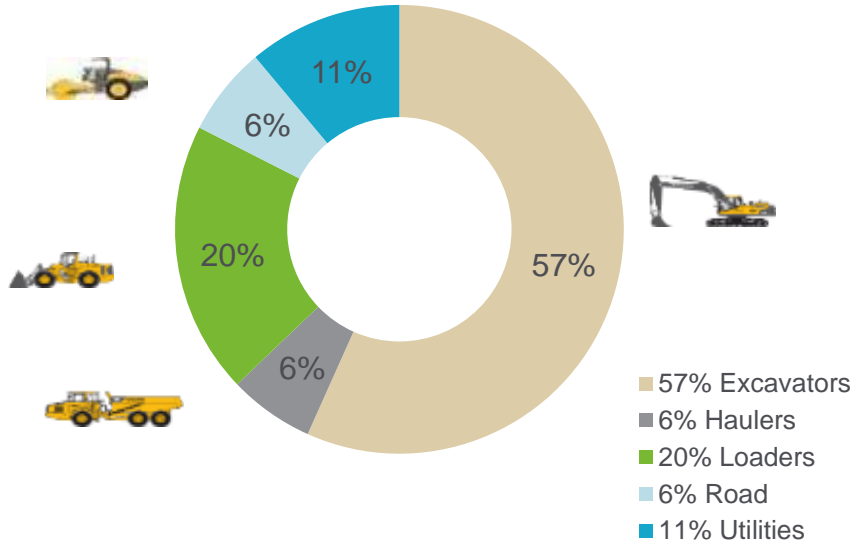
Please find a video  
about our history [here](#)



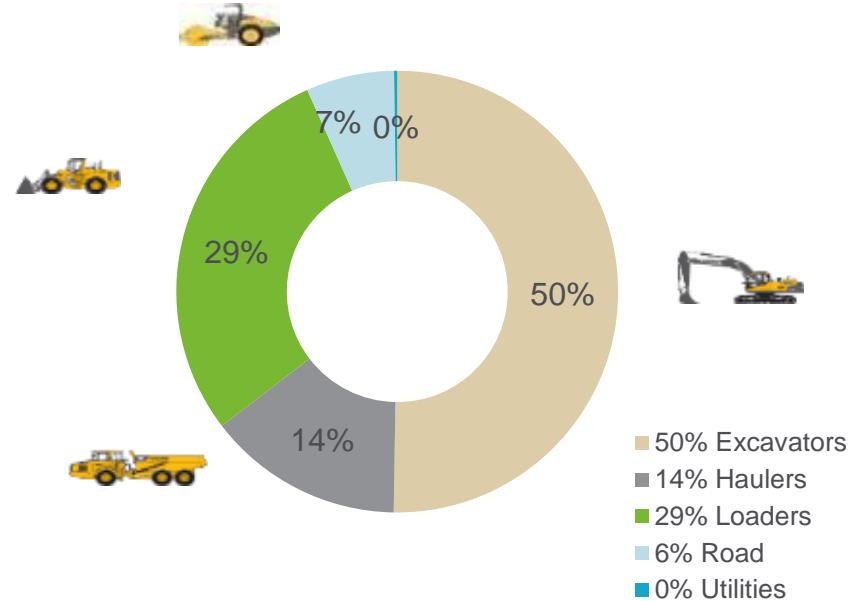
# Volvo CE vs industry

Share by machine range

Industry (Volvo CE Portfolio)\*



Volvo Construction Equipment\*



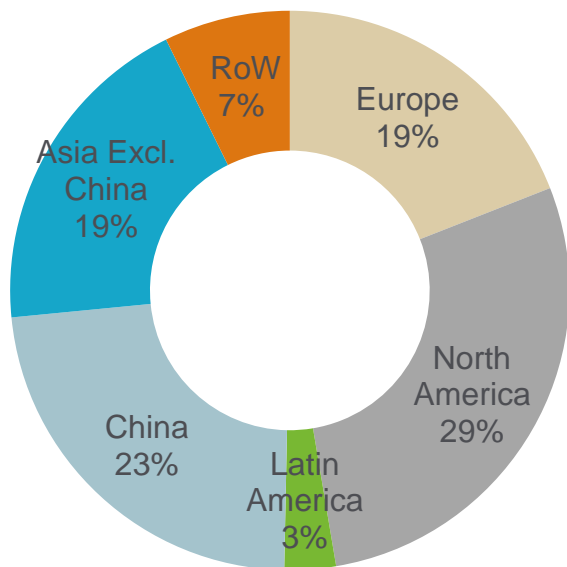
\* As of December 2017



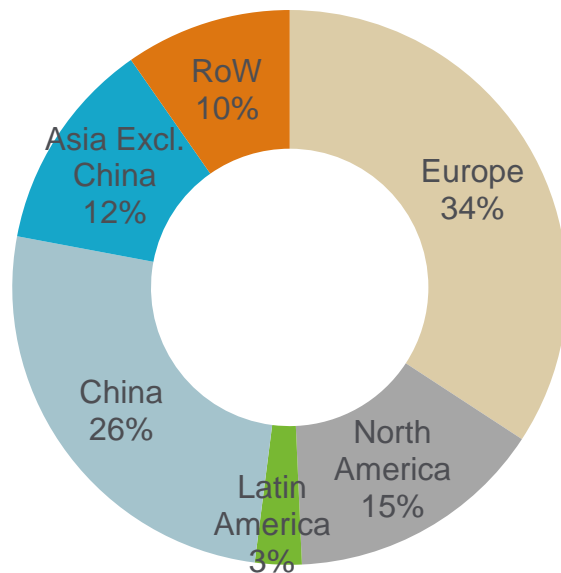
# Volvo CE vs industry

Share by region

Industry (Volvo CE Portfolio)\*



Volvo Construction Equipment\*



\* As of December 2017

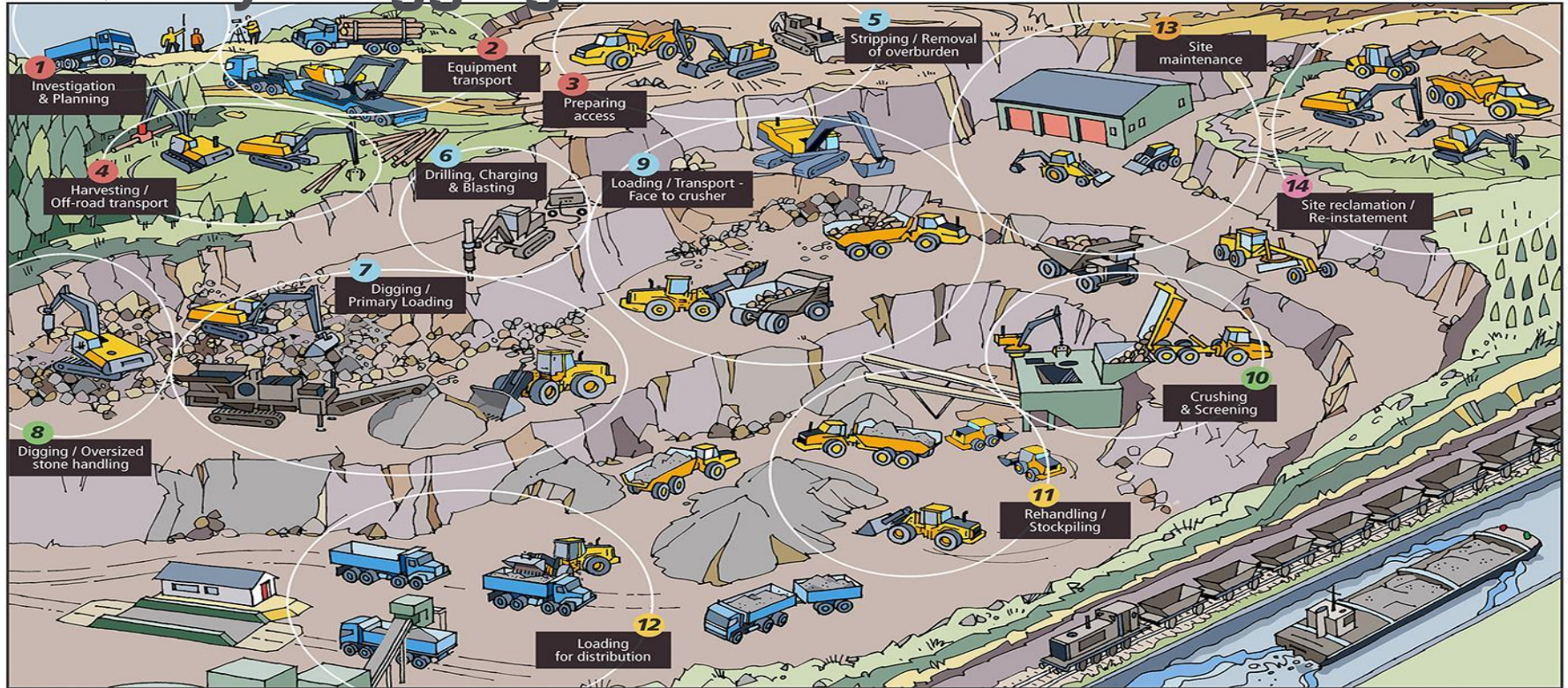


# USAGE OF OUR MACHINES IN DIFFERENT SEGMENTS



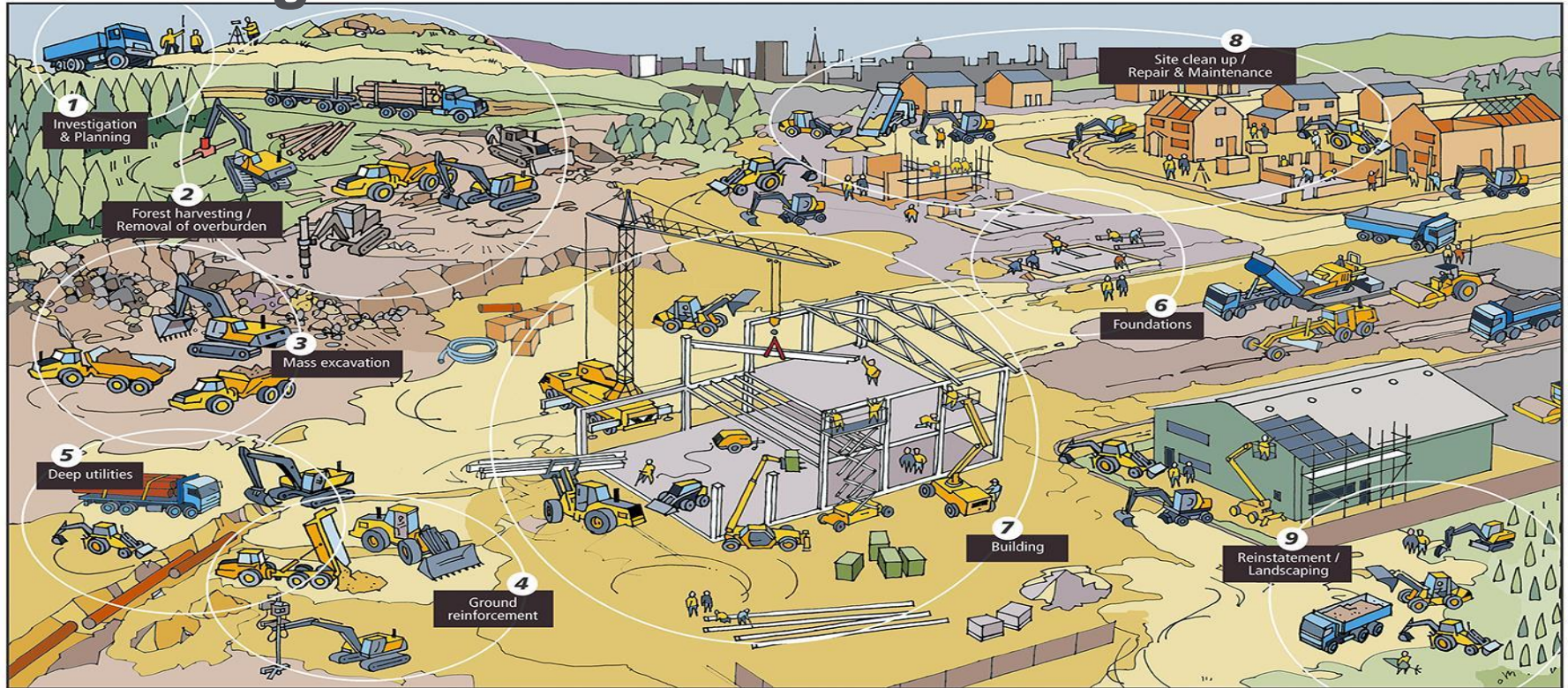
# Quarry & Aggregates

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

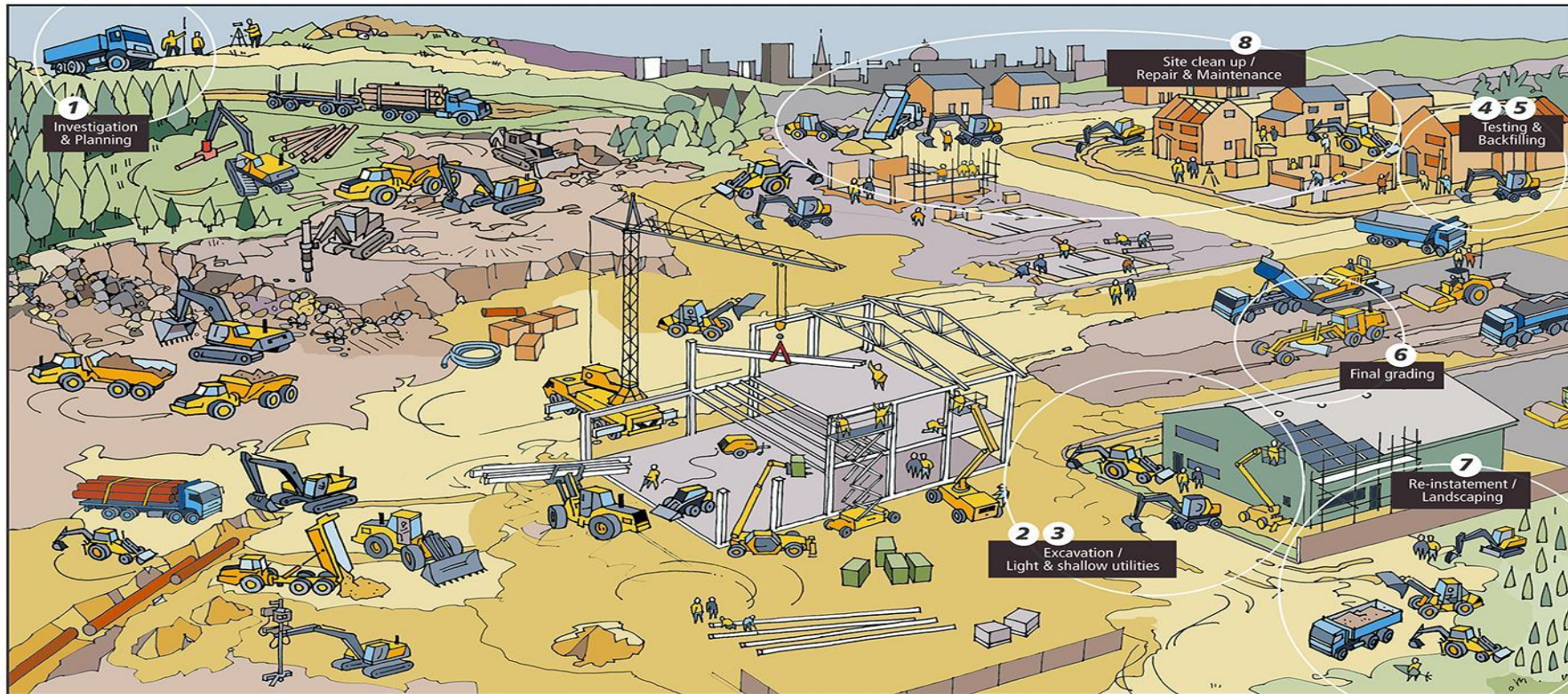




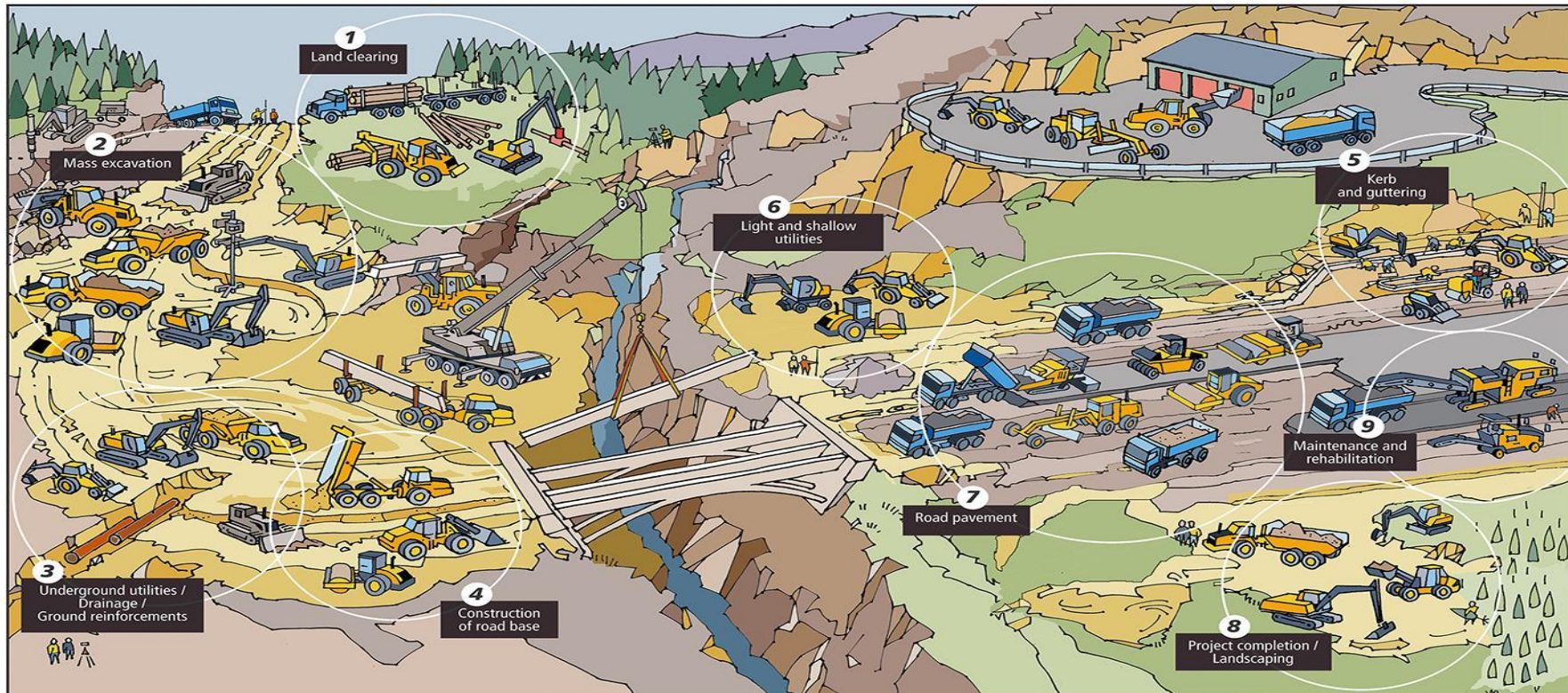
# Building



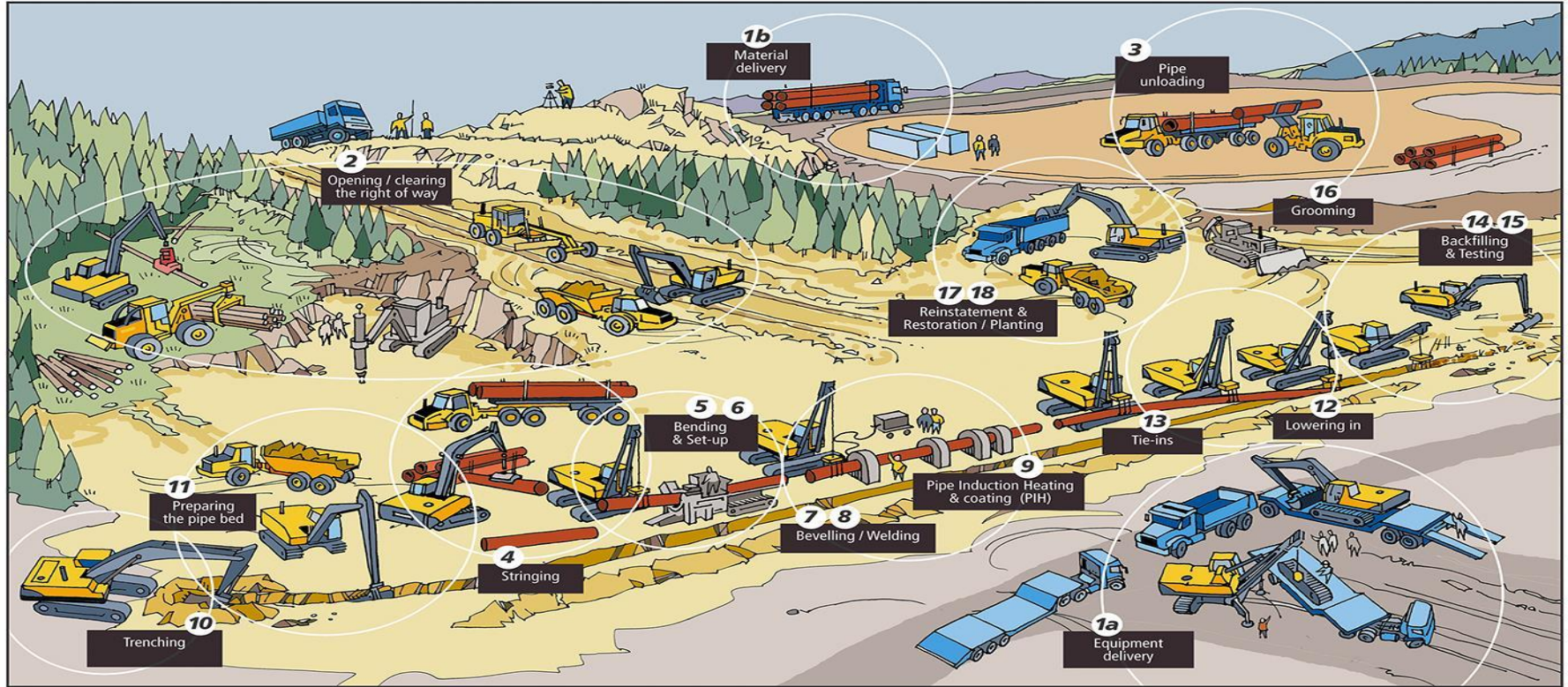
# Utilities



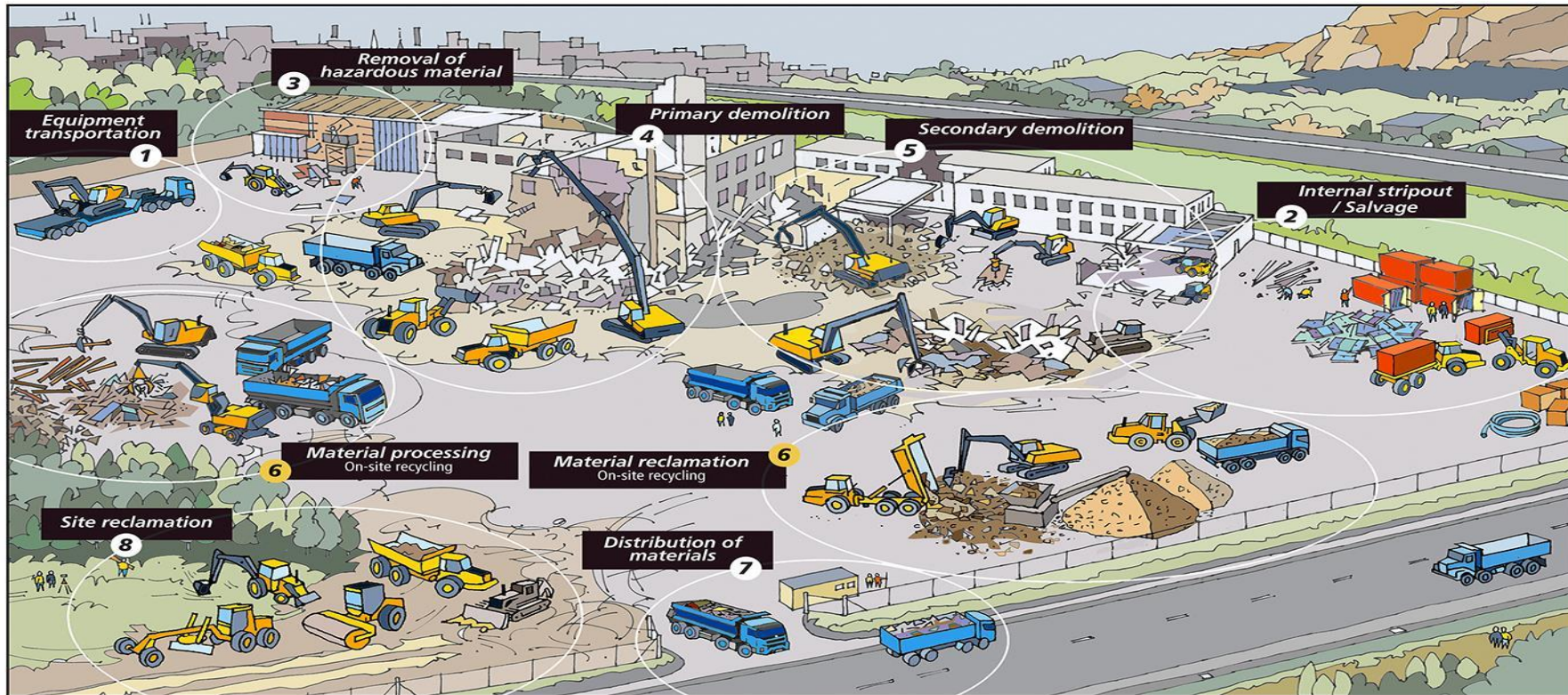
# Road construction



# Oil & Gas

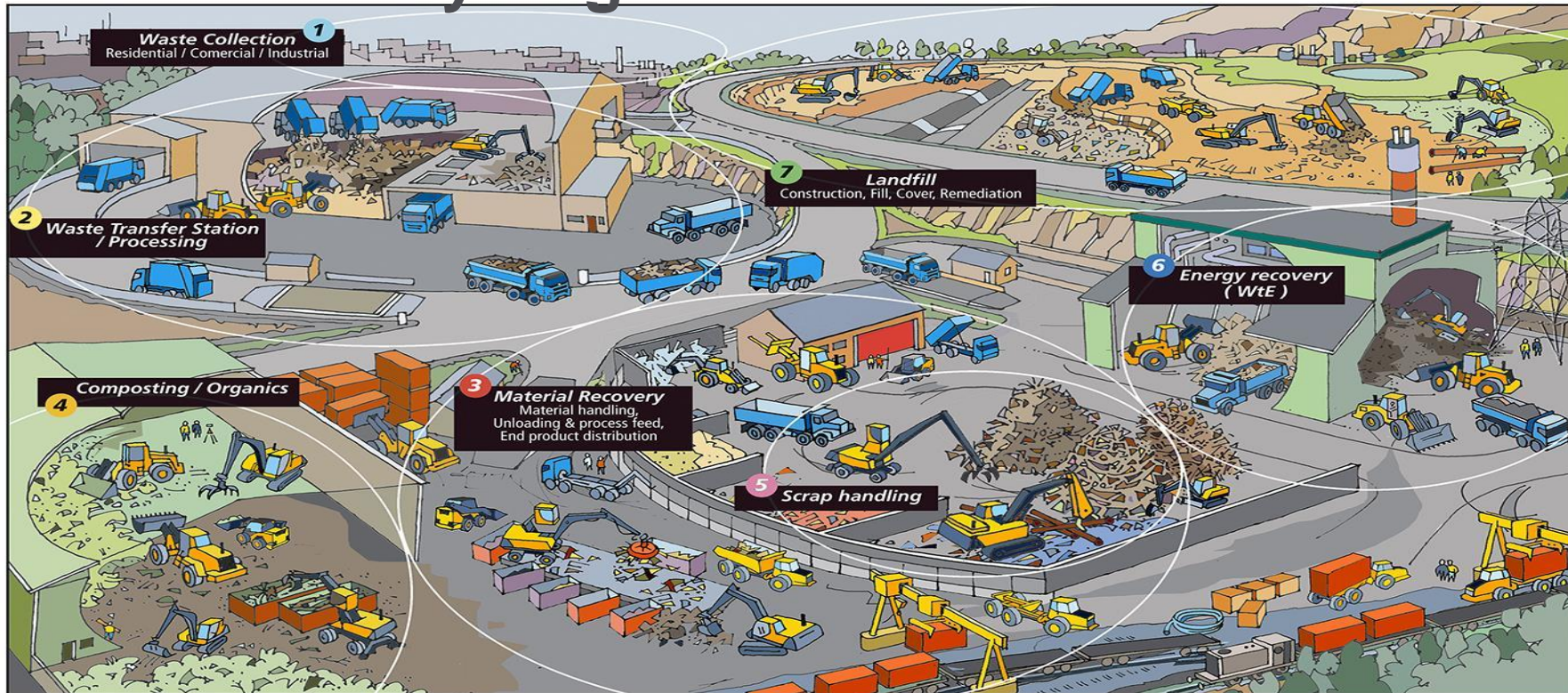


# Demolition

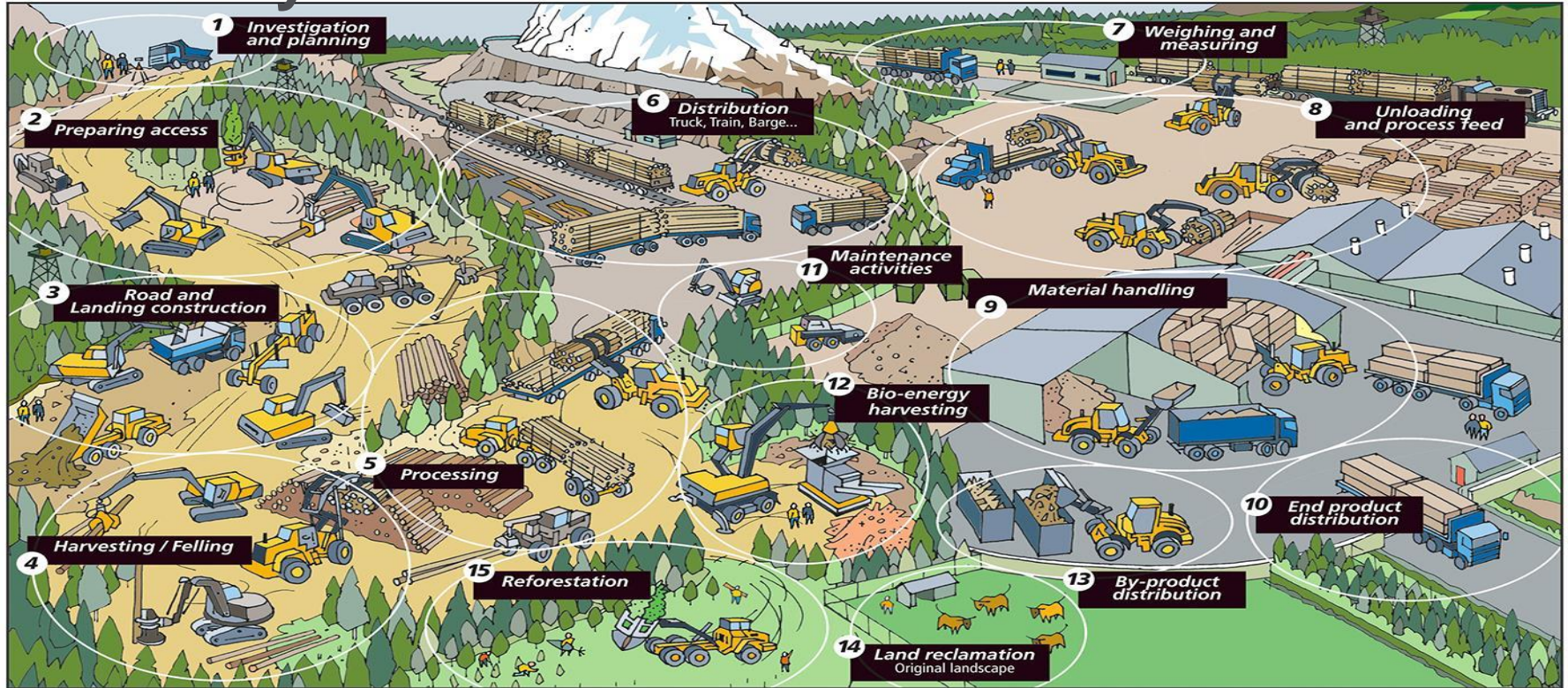


# Waste & Recycling

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



# Forestry



# Mining

