

# VOLVO CONSTRUCTION EQUIPMENT

Corporate Presentation 2020





# VOLVO GROUP

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# 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, where 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 setting. 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 blue jacket. They are both looking at the tablet. The background shows industrial equipment and a workshop environment.

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.



# Volvo Group 2020

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 2020

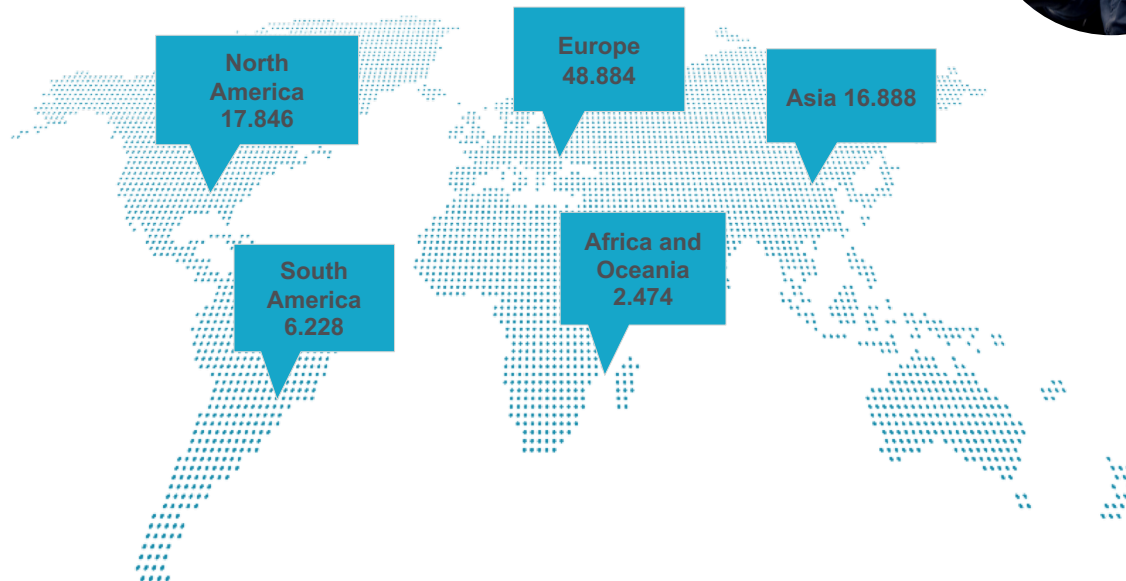


We employ almost **100.000 people**,  
have production facilities in **18 countries** and  
sell our products in more than **190 markets**.





# Number of employees



# What we do

Like a circulatory system, our trucks, buses, engines, construction equipment and financial services are involved in many of the functions that most of us rely on every day.

## 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.

## FIRST CLASS SERVICES

In addition to vehicles and machines, the Volvo Group's offering includes services such as insurance, rental services, spare parts, preventive maintenance, service agreements, assistance services and IT services.



# Strong brands

The Volvo Group's brand portfolio consists of: Volvo, Volvo Penta, UD Trucks, UD Buses, Terex Trucks, Renault Trucks, Prevost, Nova Bus, Mack and Arquus.

We partner in alliances and joint ventures with the SDLG, Eicher and Dongfeng brands.

By offering products and services under different brands, the Group addresses many different customer and market segments in both mature markets and growth markets.





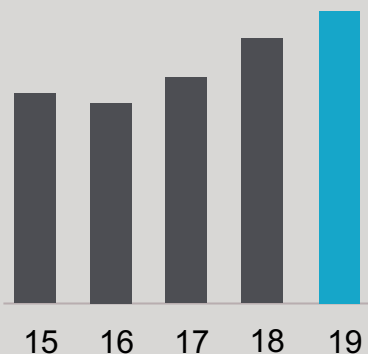
# Volvo Group

Financial performance 2015–2019  
SEK bn

## NET SALES

SEK bn

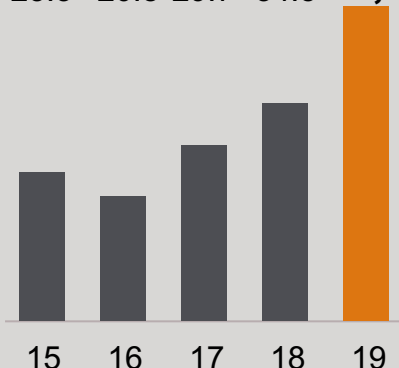
313 302 333 391 **432**



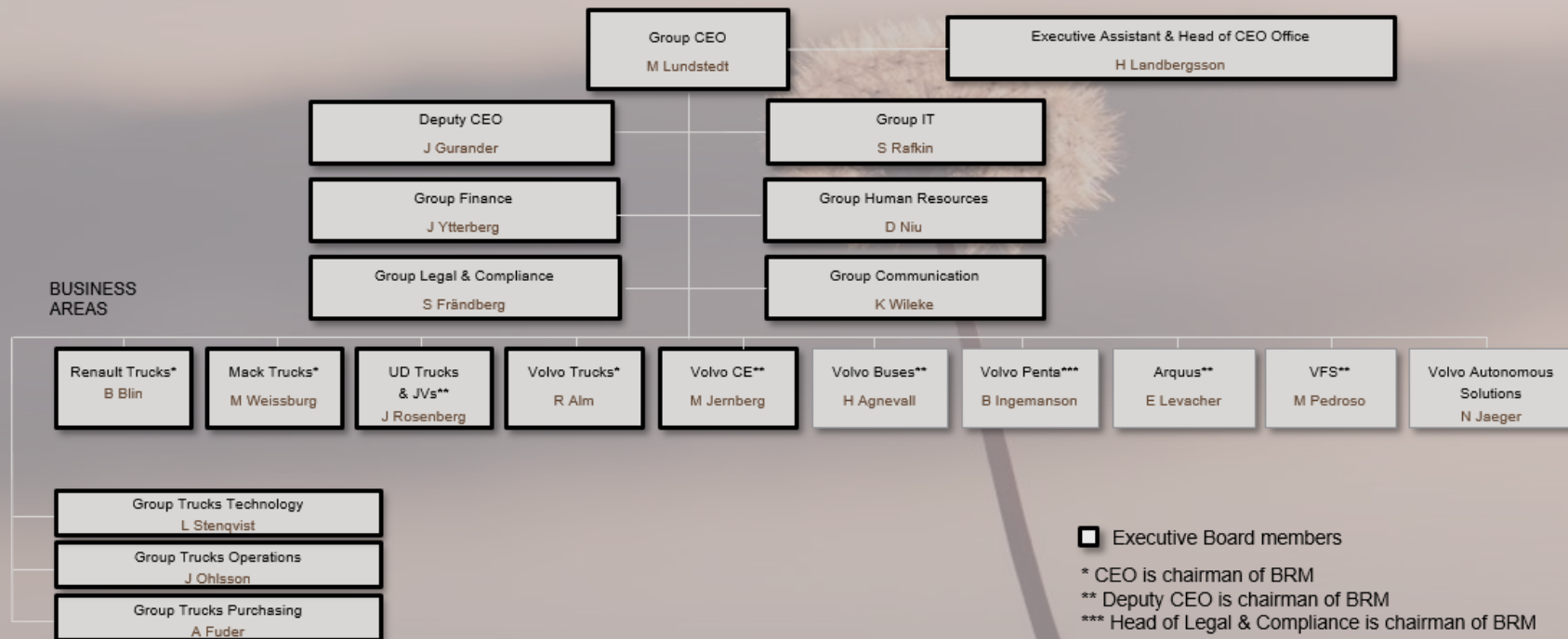
## OPERATING INCOME

SEK bn

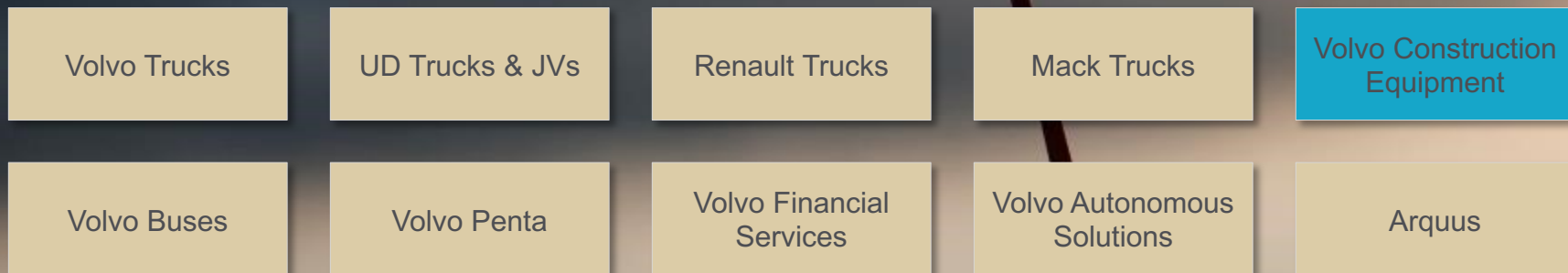
23.3 20.8 29.7 34.5 **49,5**



# Our organization



# We comprise ten business areas







# VOLVO CONSTRUCTION EQUIPMENT

# 2



# Our purpose

## TO BUILD THE WORLD WE WANT TO LIVE IN

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](#) 



# We believe in innovations



Our innovative spirit has taken us where we are today and will continue to guide us into the future.

We believe strongly in using the power of imagination and creativity, not only to constantly improve the quality, safety, performance and efficiency of our machines, but also to be able to completely rethink the concept of what our products and services could look like.

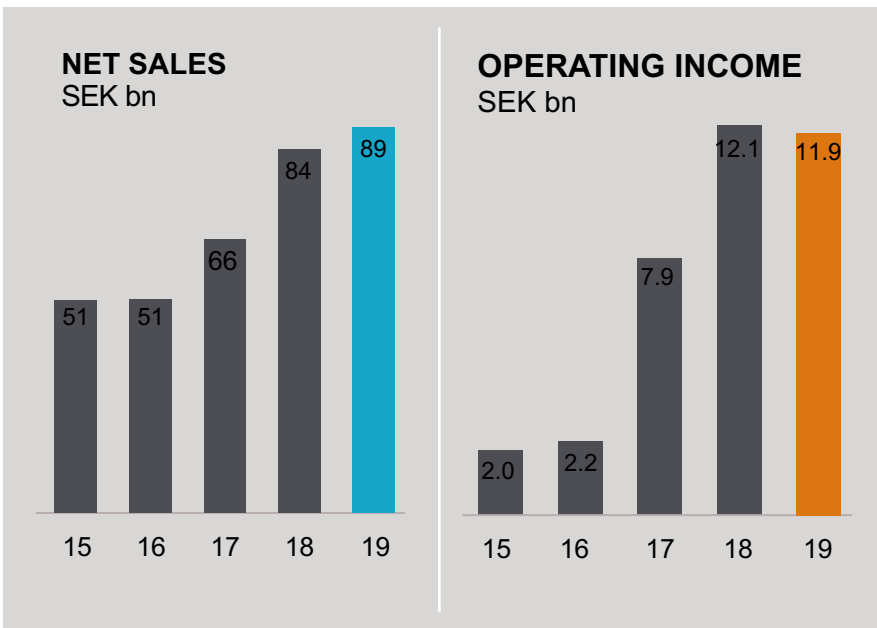
We want work sites with **zero accidents**, **zero unplanned stops** and **zero emissions**.



# Volvo Construction Equipment

Financial Performance 2015–2019

SEK bn





# 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



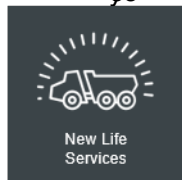
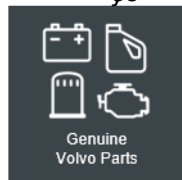
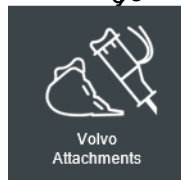
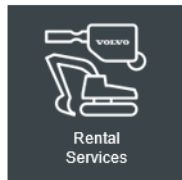
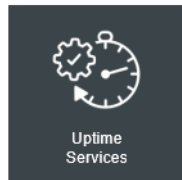
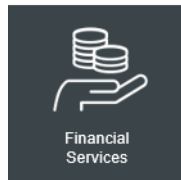
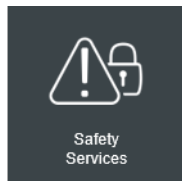
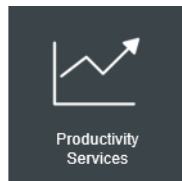
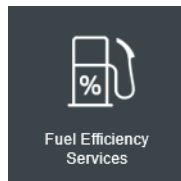
 **TEREX** | TRUCKS



# Volvo CE Services



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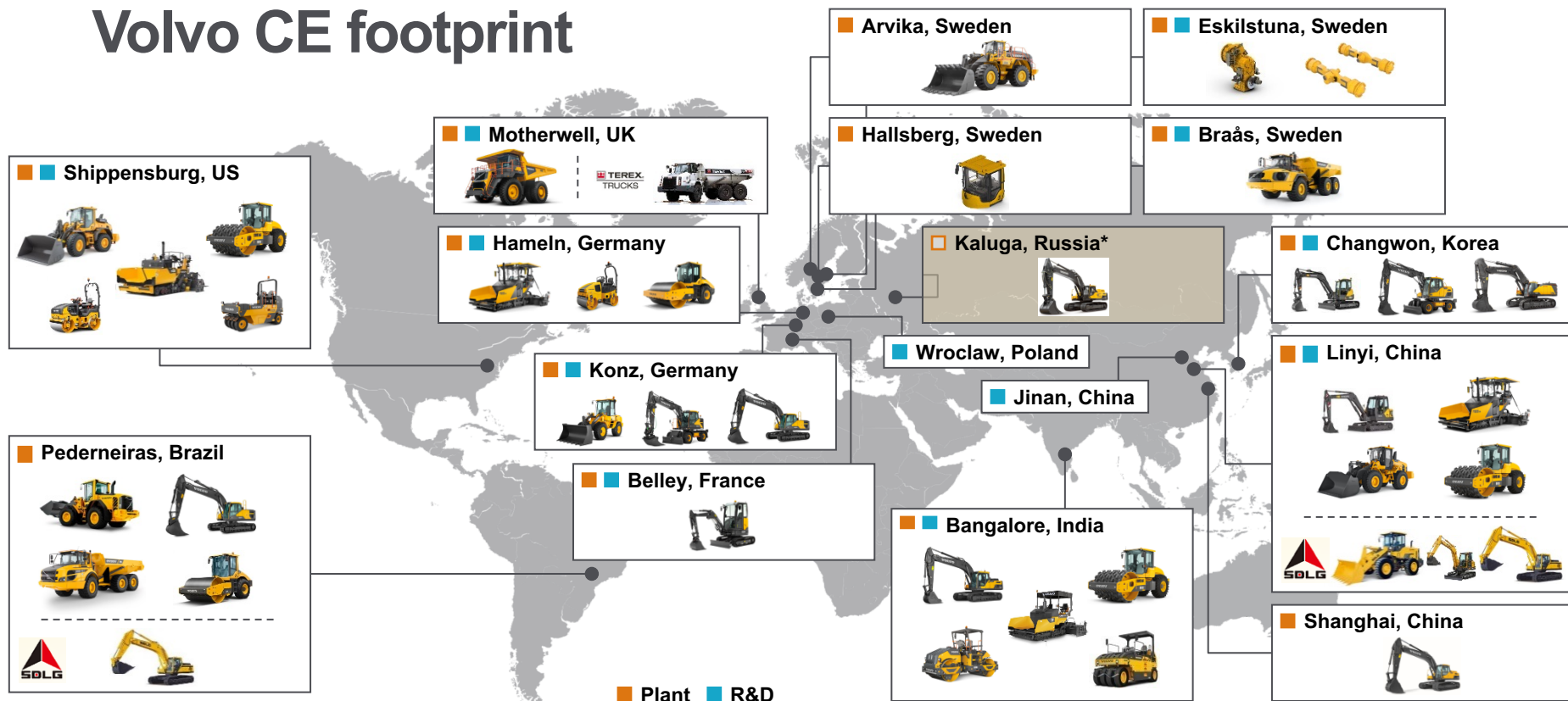


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**Solutions and  
greater brand  
experience**  
for the customer



# Volvo CE footprint





# We believe in the power of people

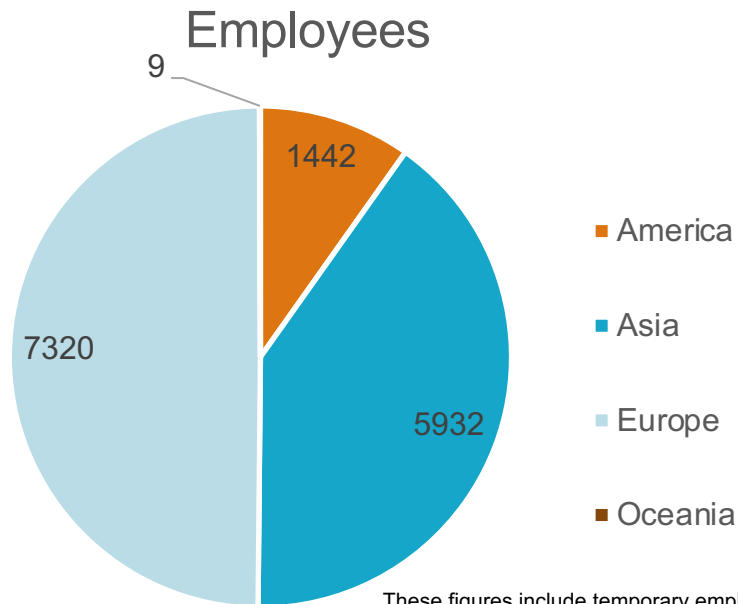
Care and respect for people has always been the core of Volvo. This guides us every day, in how we behave towards our customers, our employees, our suppliers and all the other people we share this planet with.

Our company culture is built around trust, passion and an open mindset, and we're confident that the more we listen to and understand different perspectives, the stronger we become. Because after all, only one thing can change the world for the better. People.



# Our employees

Total as of January 2020 = 14.703



These figures include temporary employees, hired services and consultants, Terex Trucks and Owned Dealers.





# Volvo CE Dealer Network

- **7** Regions
- **~ 1.500** Locations
- **270** Dealers
- **258** Independent dealers
- **12** Volvo owned dealers



# Region Europe and Region International

## Region Europe



40 markets covered



46 Dealers (40 independent and 6 owned)

## Region International



63 markets covered



63 independent dealers



# Region North America and Region Latin America

## Region North America



2 markets covered



44 Dealers (43 independent and 1 owned )

## Region Latin America



19 markets covered



23 Dealers (21 independent and 2 owned)



# Region China, Region Asia & Region India

## Region China



2 markets covered



53 independent dealers, 0 owned

## Region Asia



18 markets covered



22 Dealers (19 independent and 3 owned)

## Region India



1 market covered



19 independent dealers





# Our core values

- QUALITY
- SAFETY
- ENVIRONMENTAL CARE



# What is sustainability for us within Volvo CE?



## **Economic sustainability**

To offer competitive and financially healthy products and services, enabling investments for the future.



## **Environmental sustainability**

To limit emissions and use of natural resources in all phases of the product lifecycle.



## **Social sustainability**

To care for people's health and wellbeing in all parts of the value chain and to contribute to a sustainable development of the society.



***To live our Purpose:*** *To adopt a sustainable mindset across the value chain to deliver clean, productive and innovative products and services to customers – and a better world to society.*



# Building a sustainable culture – Building Tomorrow!



“ Our purpose is all about creating a better place to live for future generations.



“ We should deliver clean, productive and innovative products and services.



“ Our future products and services will play an important part in building a sustainable society.



“ We will lead the way towards developing a world that is cleaner, smarter, and more connected.



“ We want to influence others to make changes that will benefit everyone.







# THE LEADING VOICE IN INNOVATION

# 3





# Electromobility



# Walking the talk – making a difference

- First to commit to an electric future for its compact machine range
- Launch 2020 of a fully electric range of Volvo branded compact wheel loaders and compact excavators





# Hybrids an important step in the innovation journey

- EC300E Hybrid
- Harvests 'free' energy generated by the down motion of the excavator's boom and uses it to supercharge the hydraulic system





# Automation





# Breaking new grounds in machine autonomy

- Fully autonomous battery-electric hauler
- Customer pilot with Harsco Corporation March 2020
- Driving innovation by building on the strength of the Volvo Group



# Connectivity



Volvo CE  
Equipment  
Access  
Control



Volvo CE  
Equipment  
Access  
Control



Volvo CE  
Equipment  
Access  
Control





# Unleashing the power of data

- 150,000 connected machines
- Smart technology turning data to valuable insights
- Making worksites more productive, more sustainable and safer



# Electric Site: Ground-breaking research project

- Creating the world first emission free quarry
- Utilizing the technologies of electromobility, automation and connectivity in a site solution
- Break-through results:
  - 98% reduction in carbon emissions
  - 70% reduction in energy costs
  - 40% reduction in operator costs







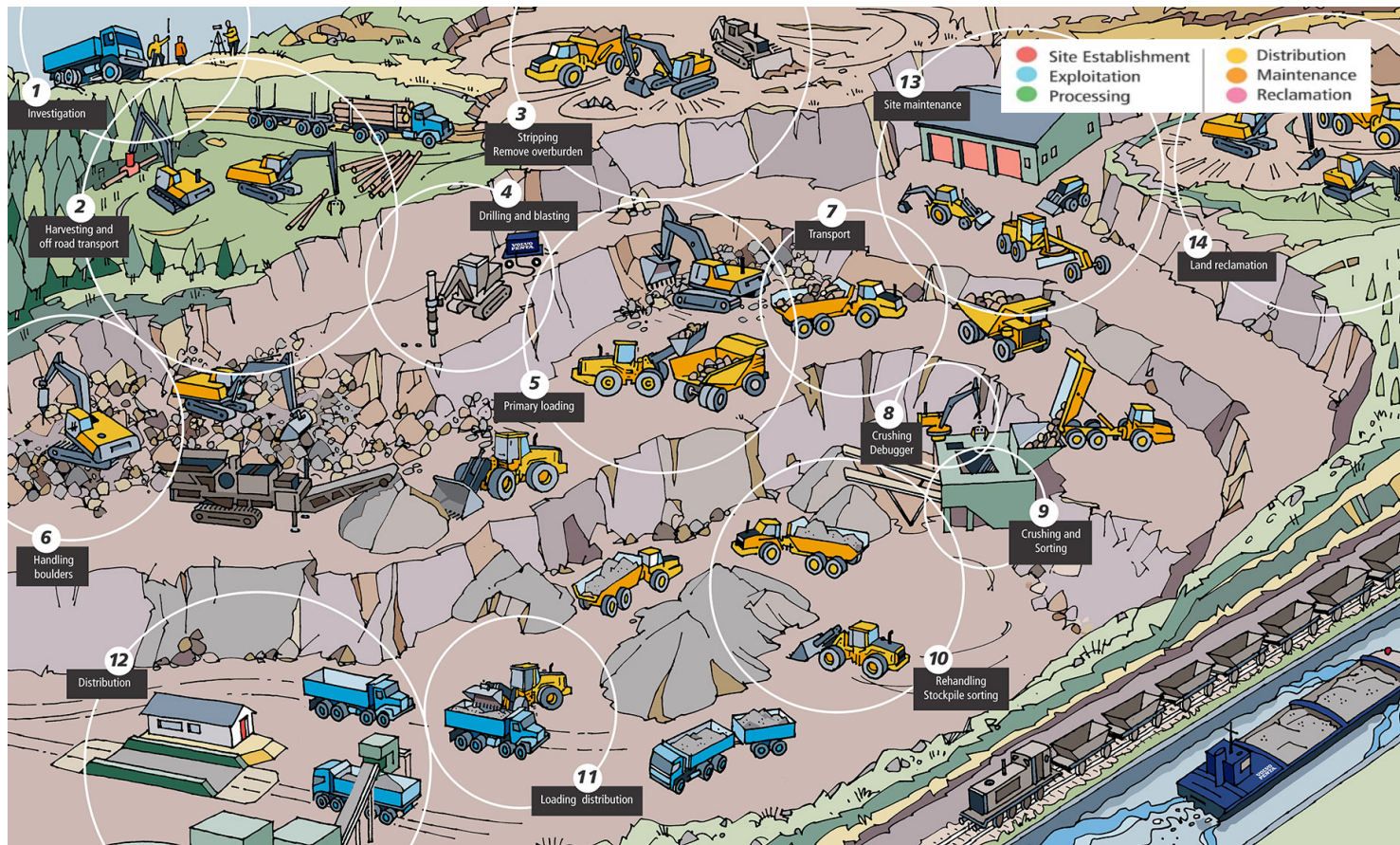
# USAGE OF OUR MACHINES

in different segments

# 4

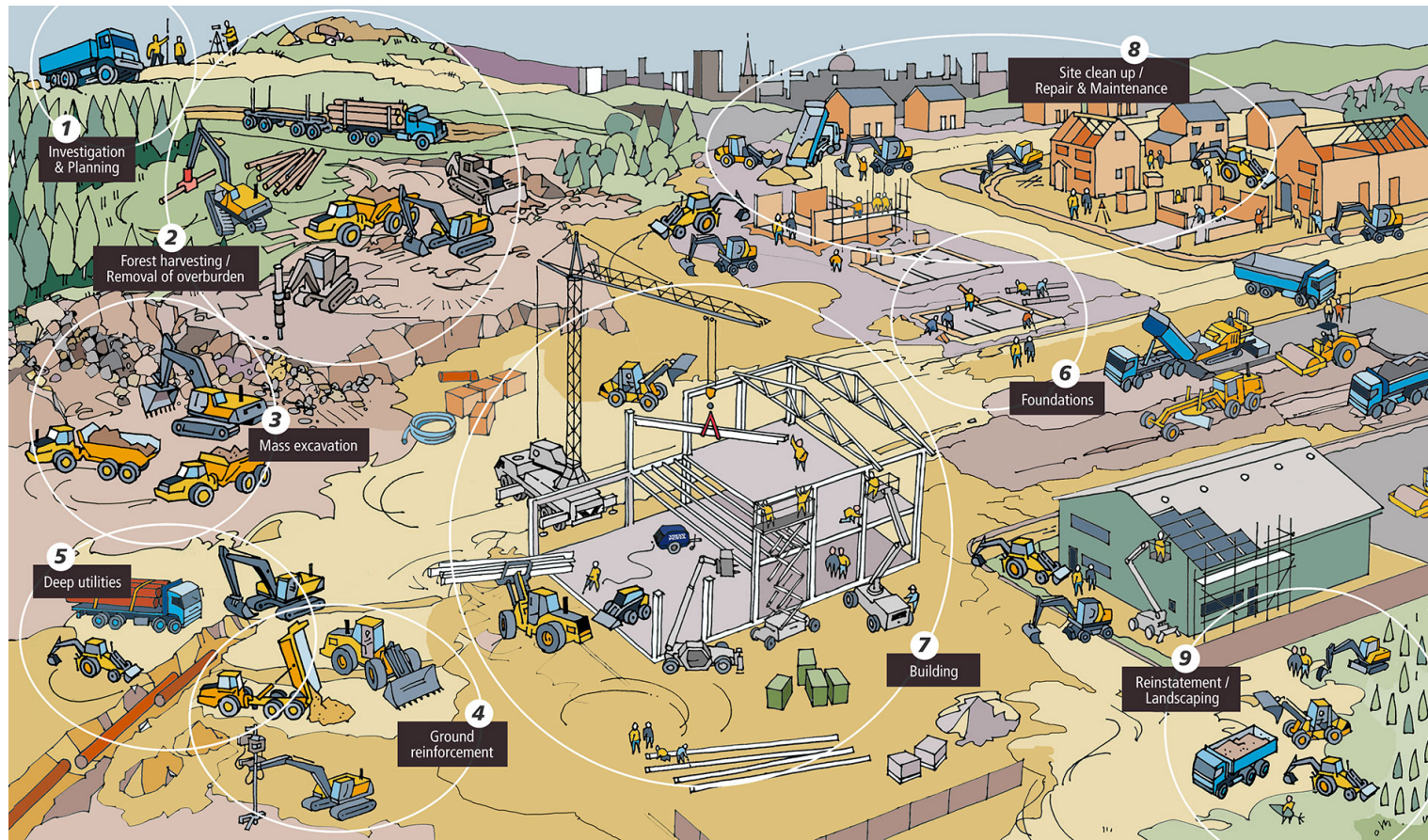


# Quarry & aggregates



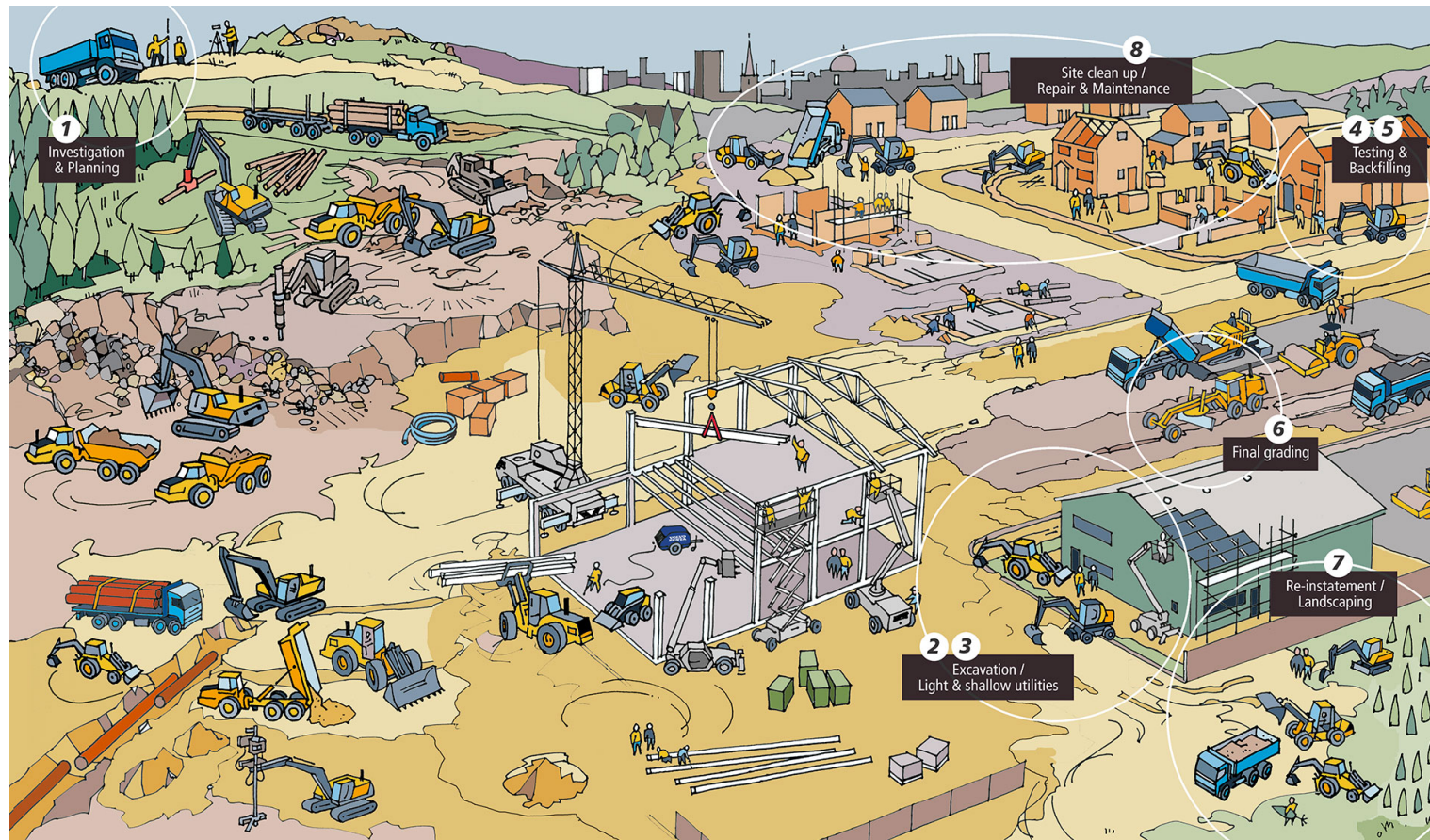


# Building



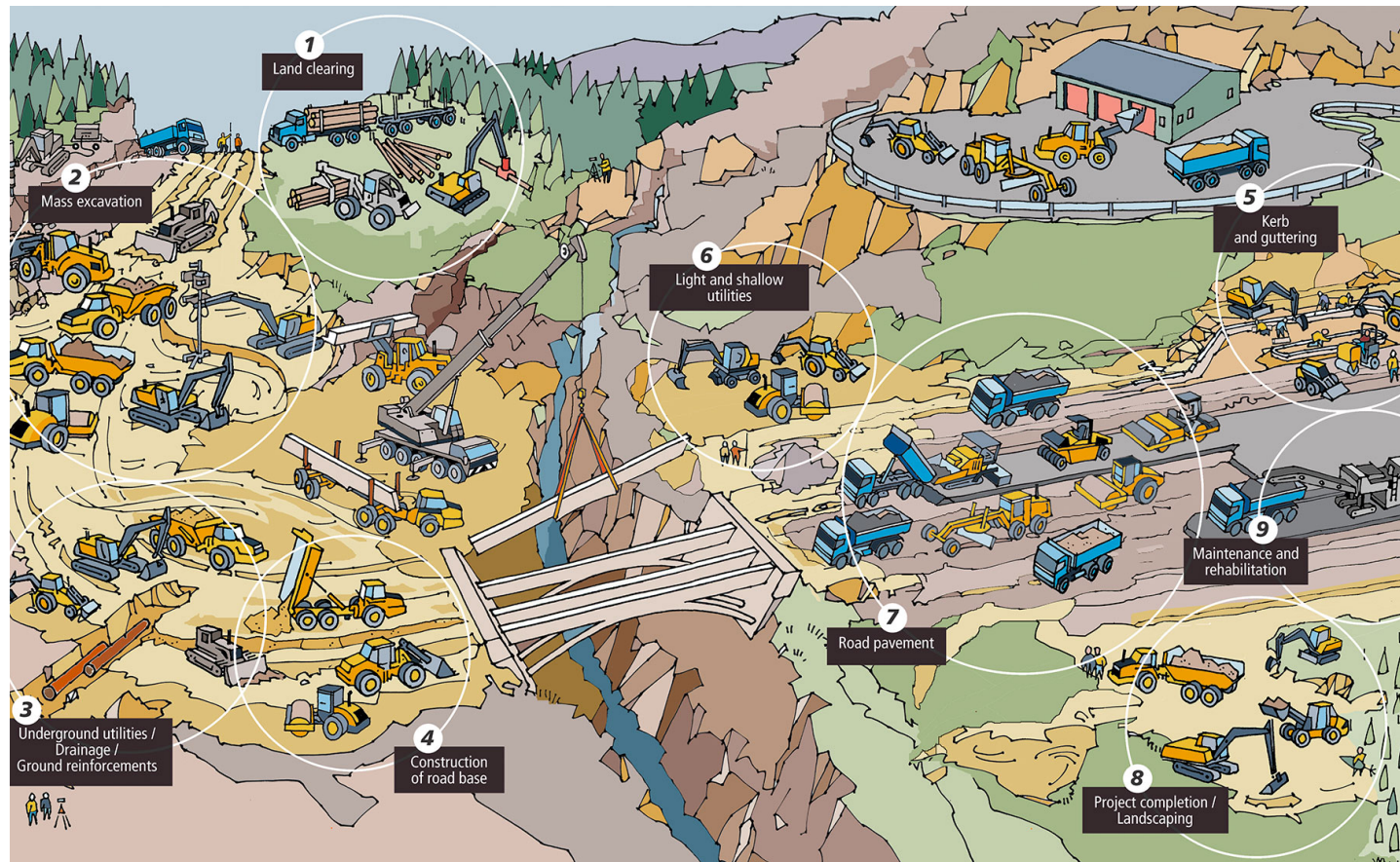


# Utilities

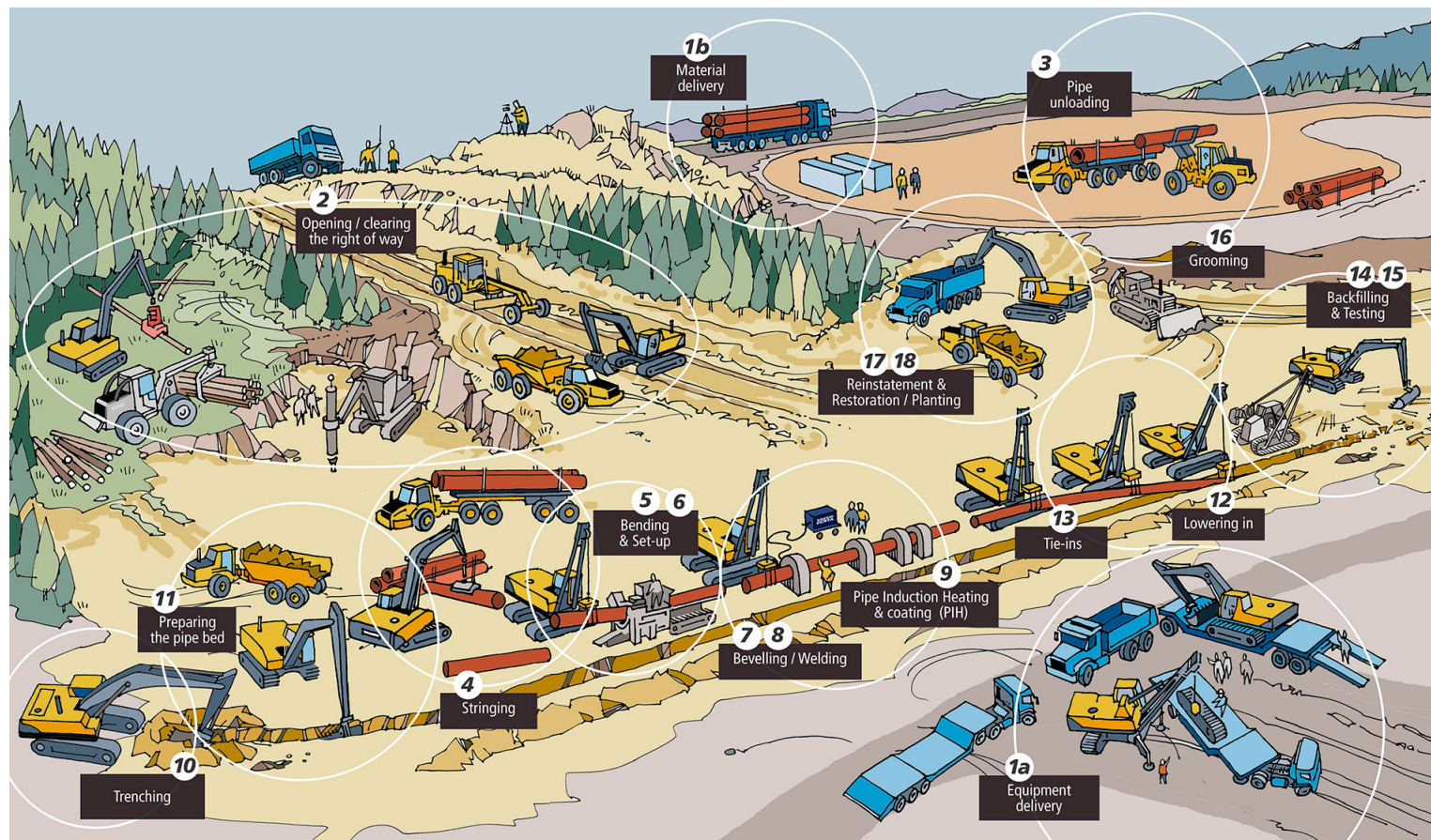




# Road construction

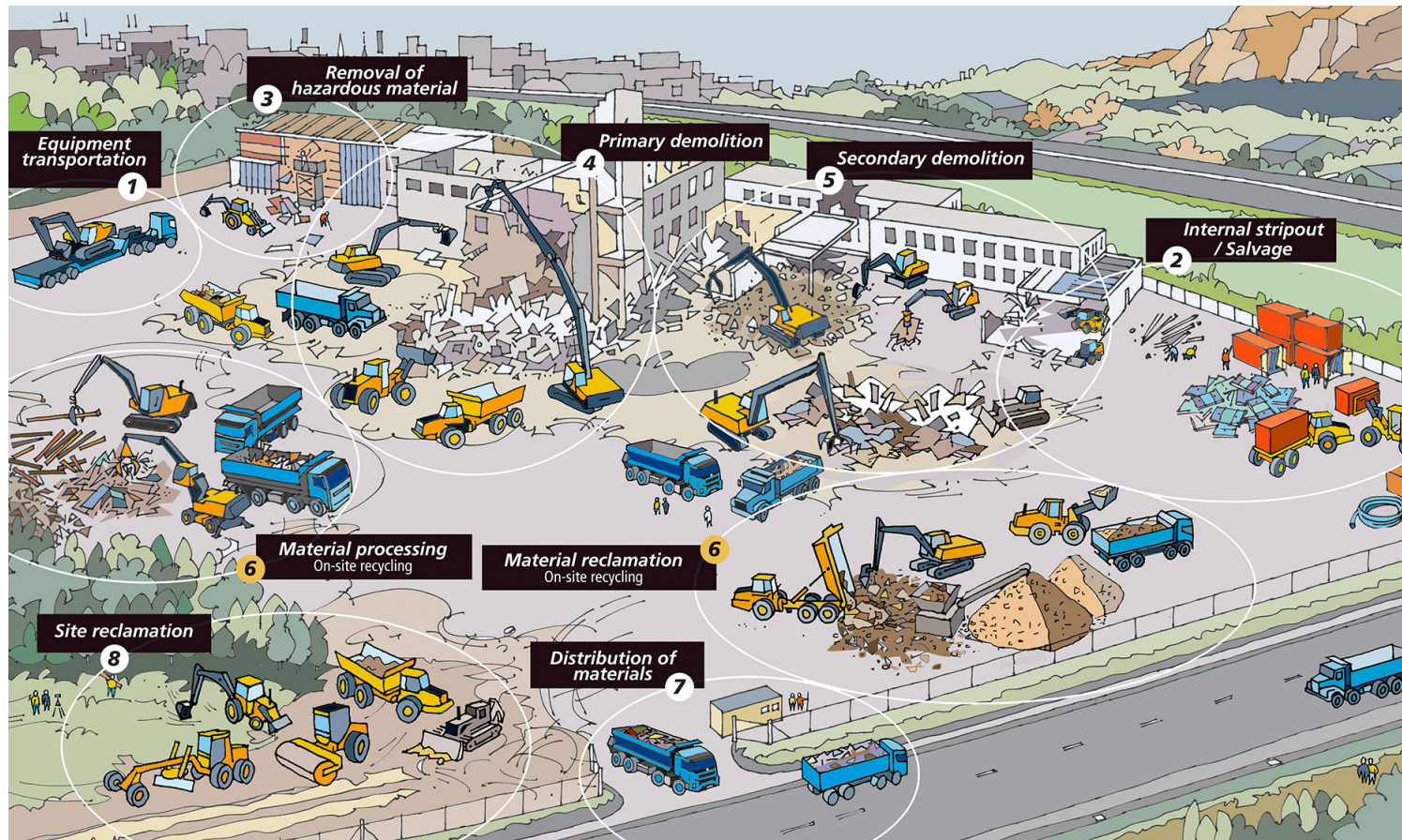


# Oil & gas



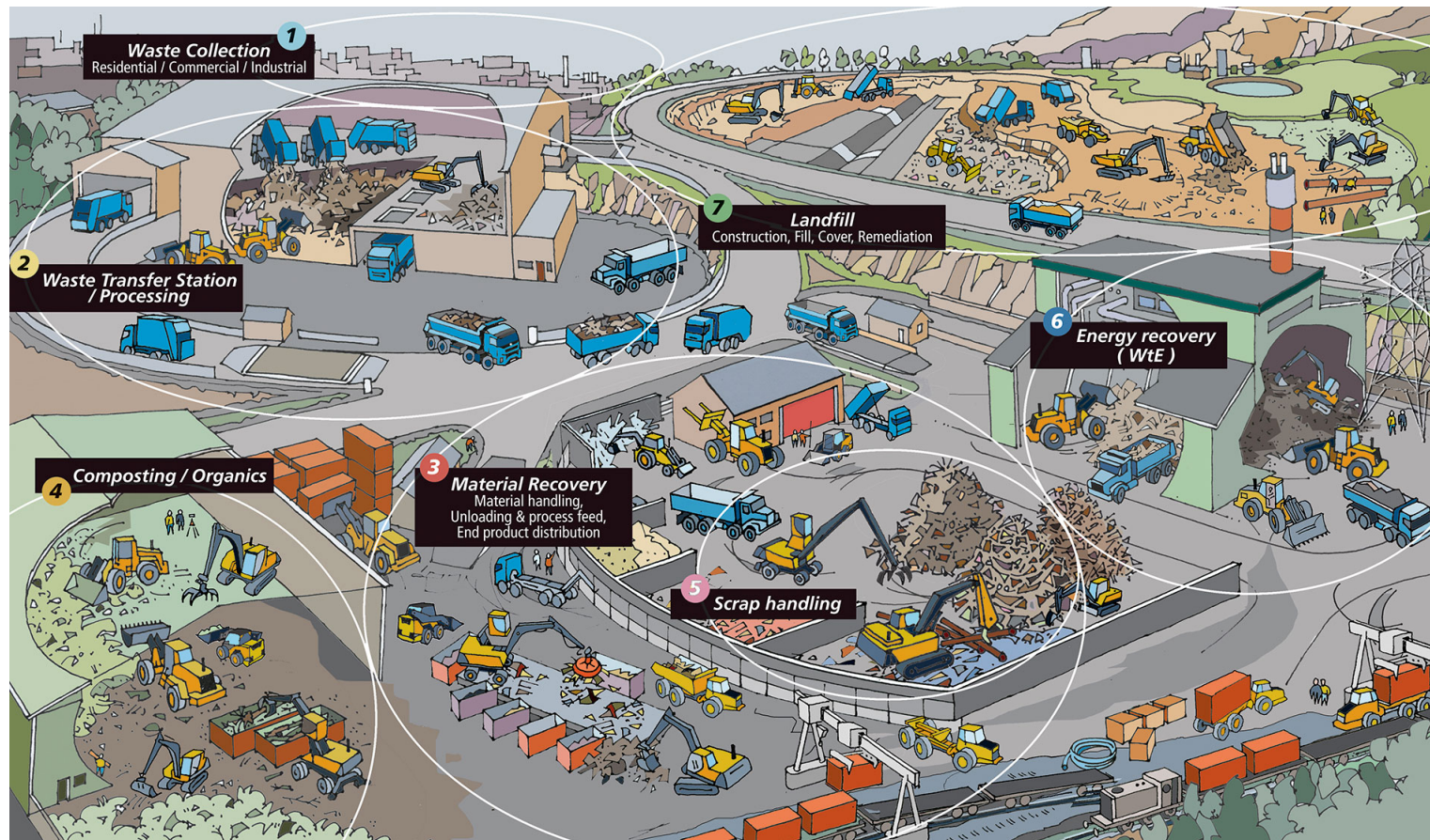


# Demolition



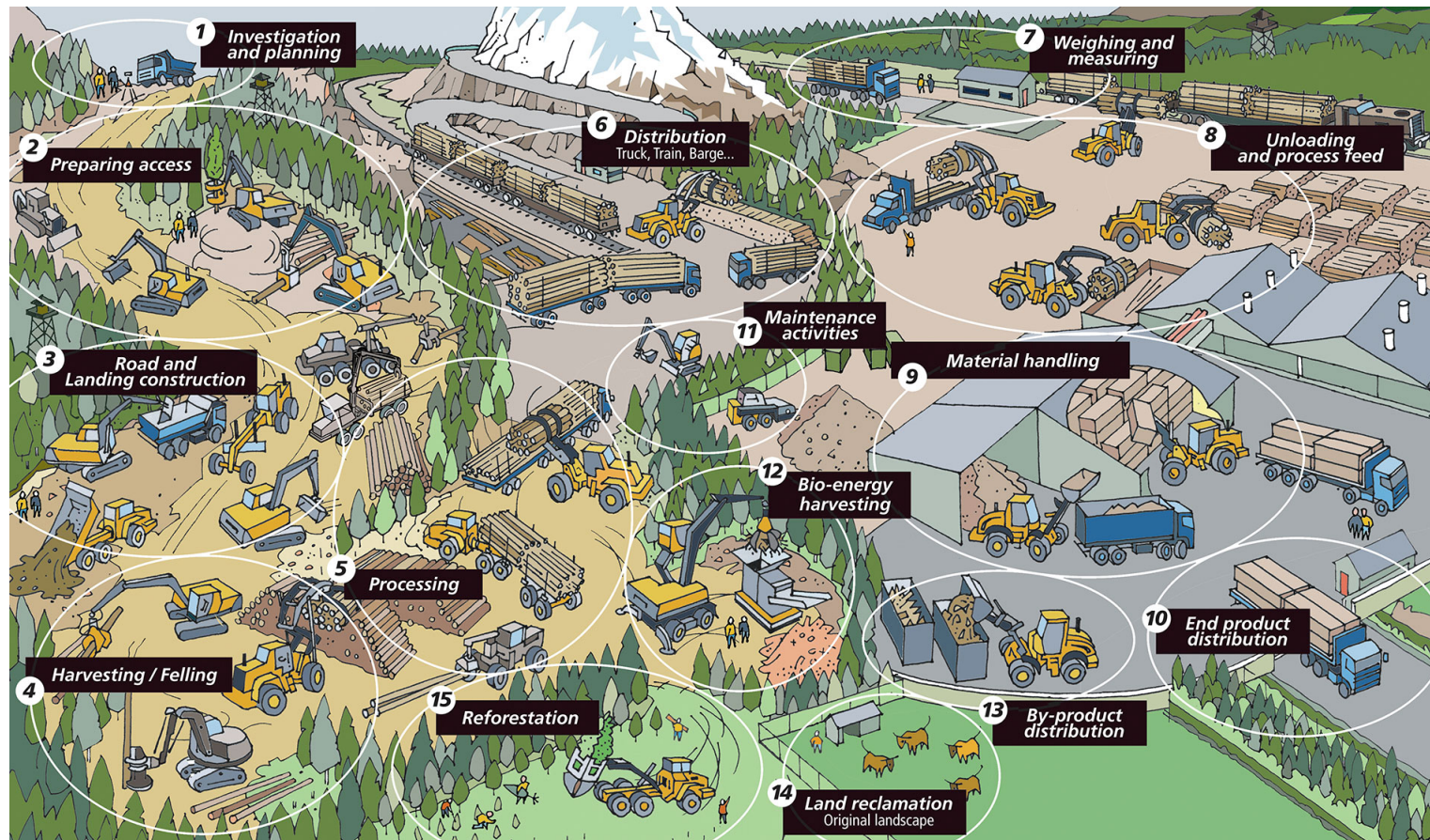


# Waste & recycling



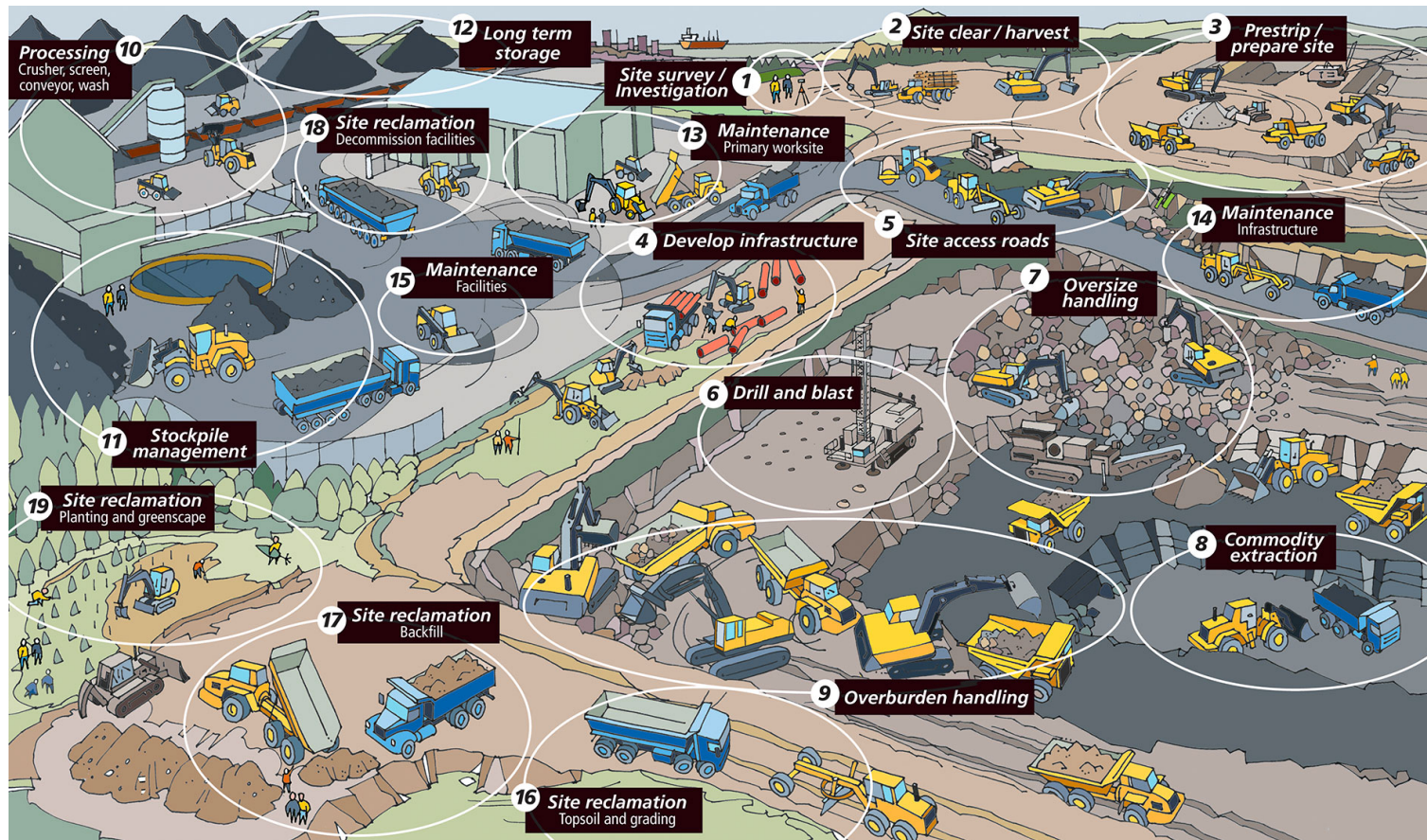


# Forestry





# Mining









# EXTRA SLIDES

# 5



# Volvo CE Executive Management Team



**President**  
Melker Jernberg



**Executive Assistant**  
Adriana Munhoz Rocha



**Legal**  
Nina Aresund



**Human Resources**  
Ann-Sofie Räftegård



**Technology**  
Thomas Bitter



**Purchasing**  
Peter Jordansson



**Communications**  
Bill Law



**Finance, Process & IT**  
Philippe Henriette



**Operations**  
Jean-Marc des Courières



**Sales Region Europe & International**  
Carl Slotte



**Sales Region America**  
Stephen Roy

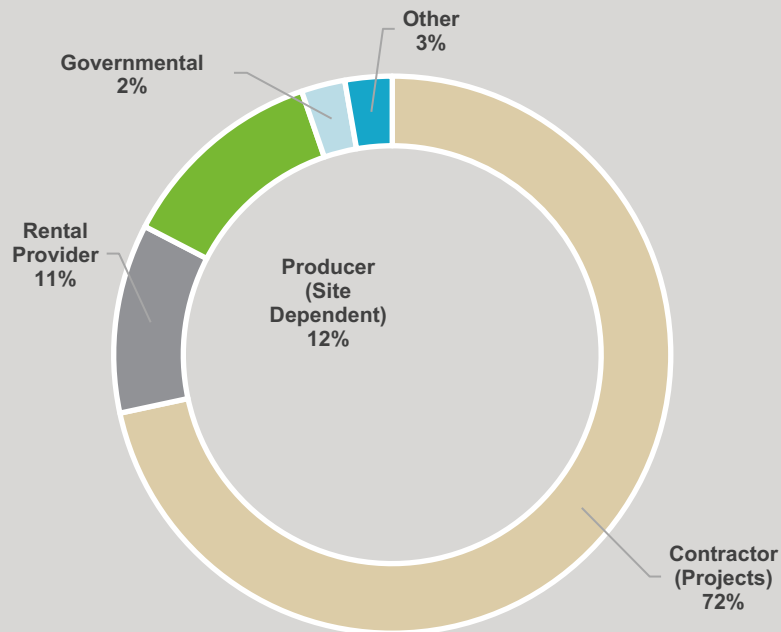


**Sales Region Asia**  
Tomas Kuta

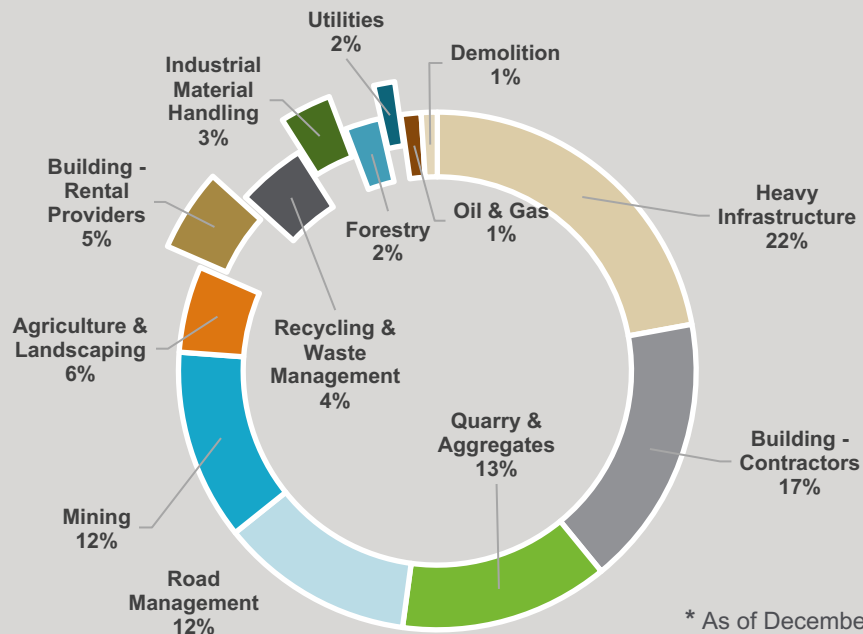


# Volvo CE Customer types and Industry segments

Customer Types\*



Industry Segments\*

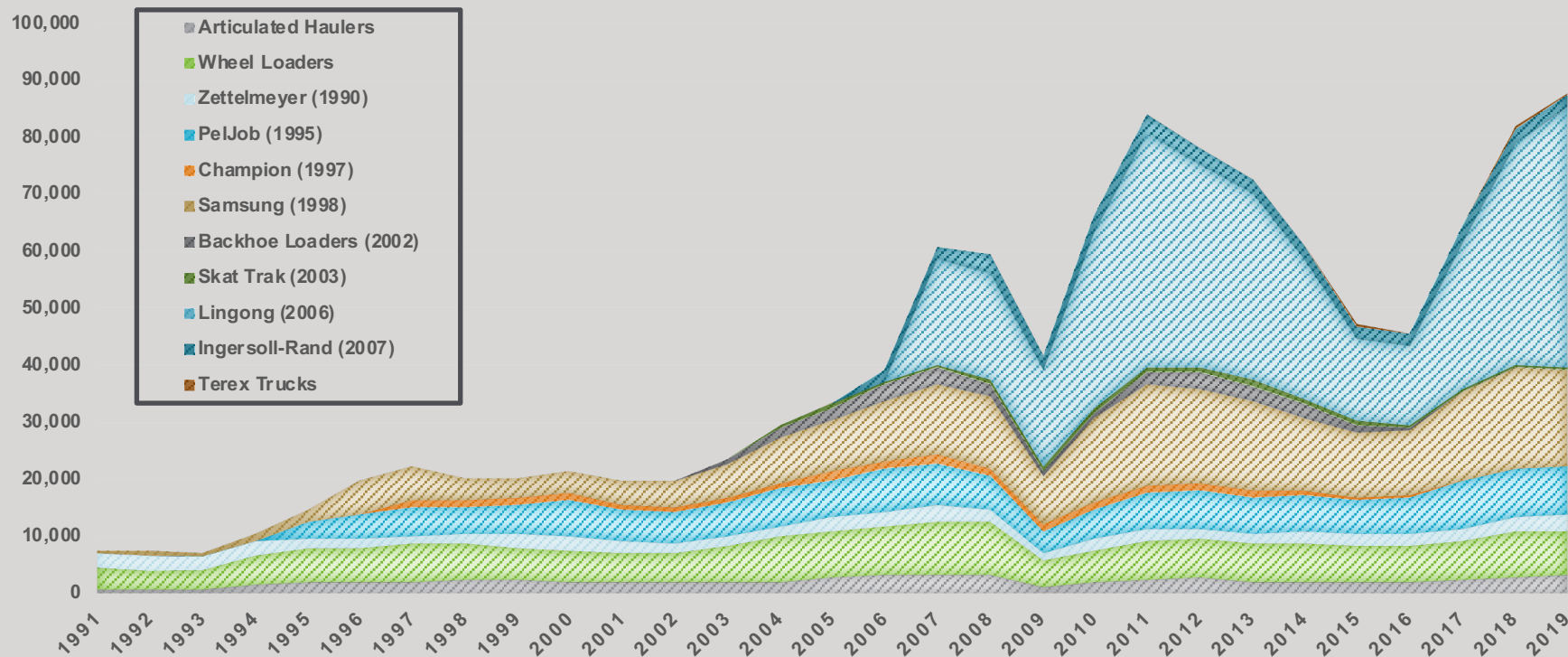


\* As of December 2019



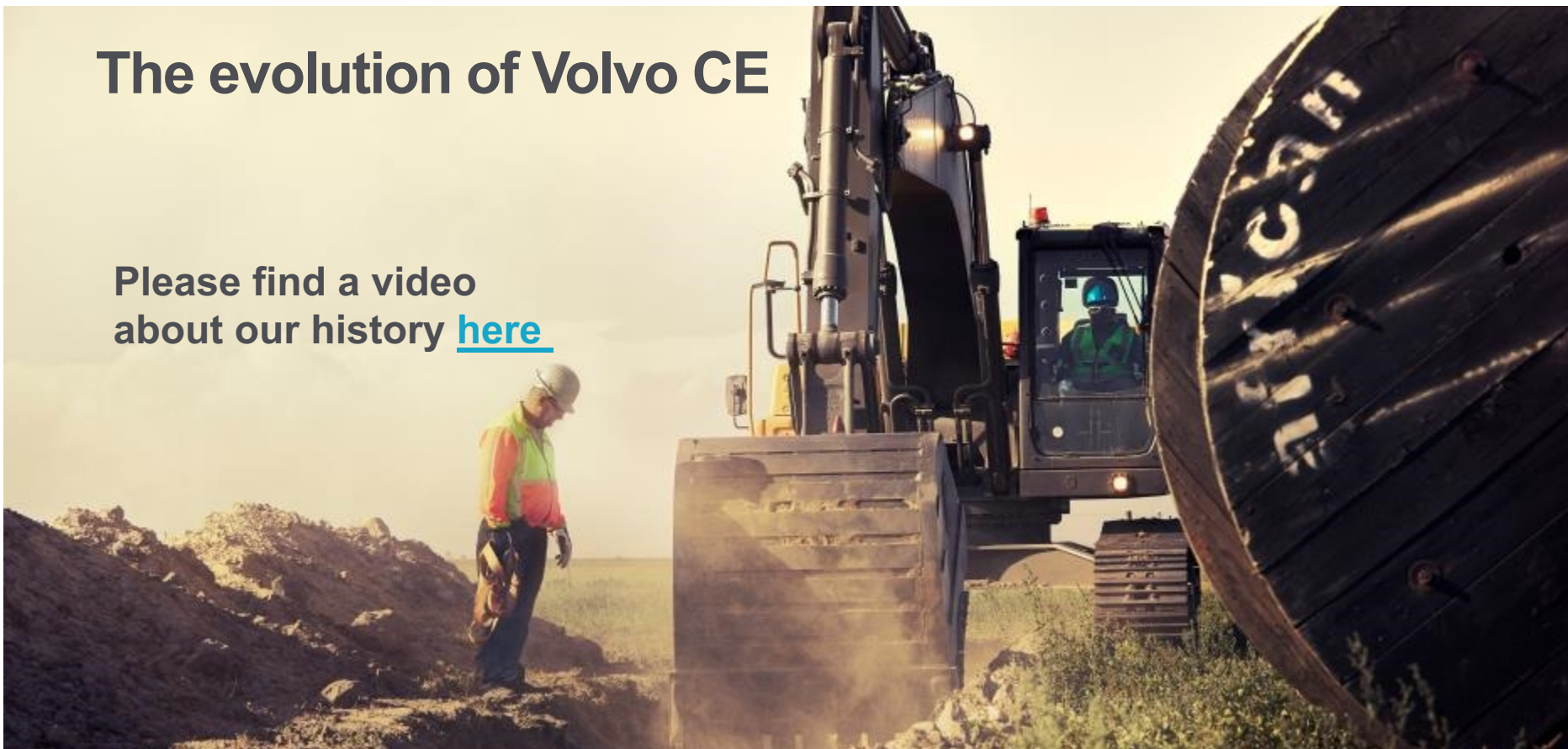


# The growth of Volvo CE (in units)



# The evolution of Volvo CE

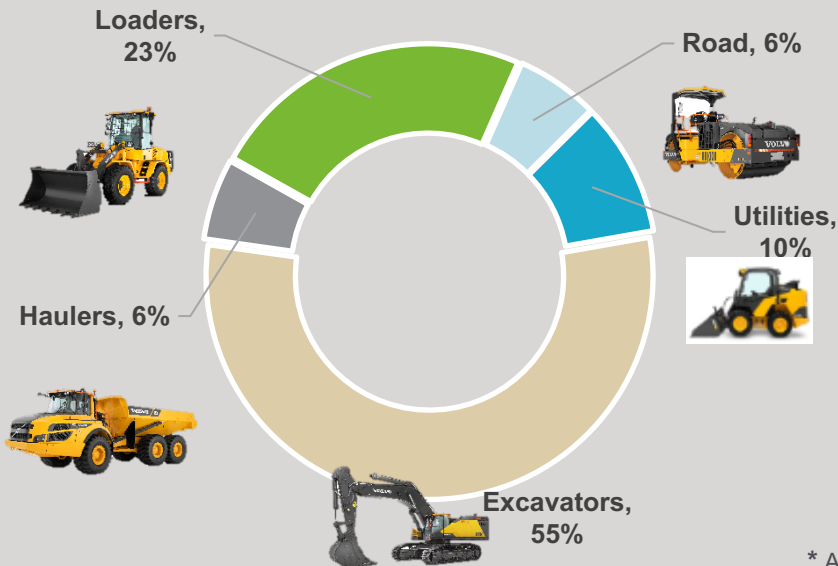
Please find a video  
about our history [here](#)



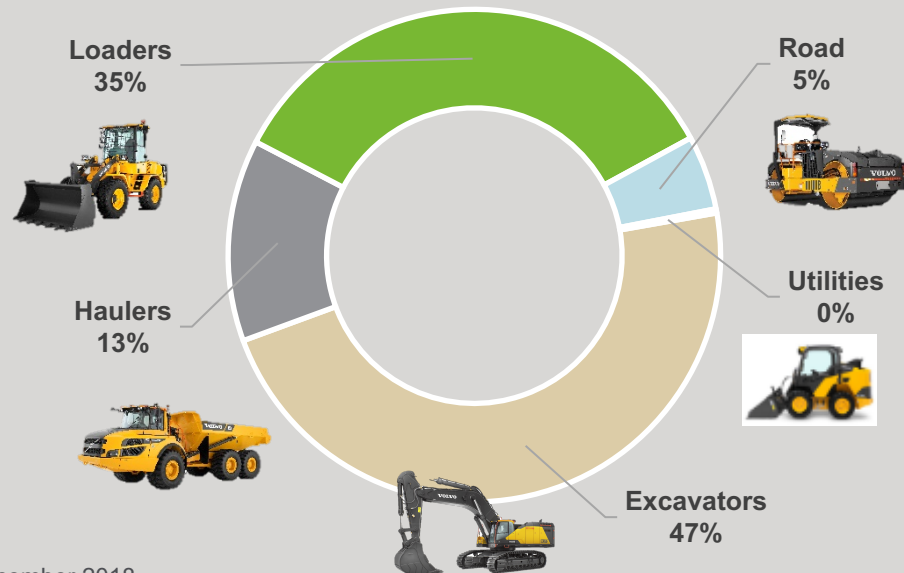
# Volvo CE vs industry

## Share by machine range

Industry (Volvo CE Portfolio)\*



Volvo Construction Equipment\*



\* As of December 2018

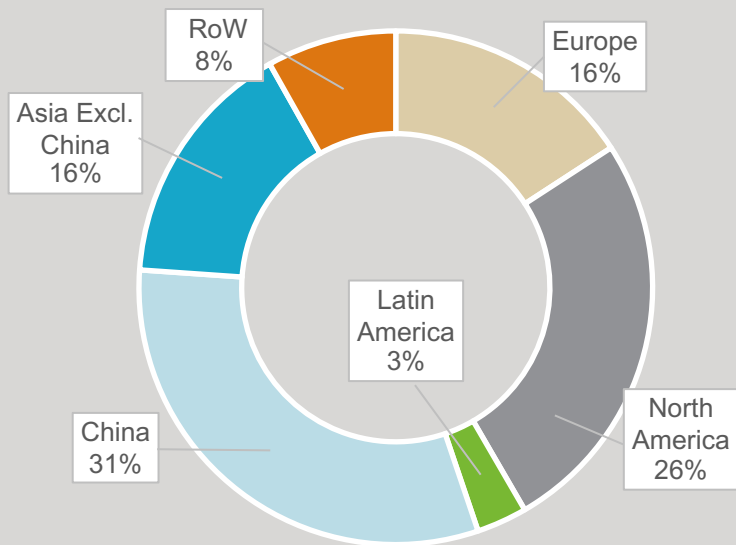




# Volvo CE vs industry

## Share by region

Industry (Volvo CE Portfolio)\*



Volvo Construction Equipment\*

