Volvo Group 2018

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.
We employ more than 105,000 people, have production facilities in 18 countries and sell our products in more than 190 markets.
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.

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.

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 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, 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

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

Financial performance 2014–2018
SEK bn

<table>
<thead>
<tr>
<th>Year</th>
<th>Net Sales</th>
<th>Operating Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>283</td>
<td>5.8</td>
</tr>
<tr>
<td>2015</td>
<td>313</td>
<td>23.3</td>
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<tr>
<td>2016</td>
<td>302</td>
<td>20.8</td>
</tr>
<tr>
<td>2017</td>
<td>333</td>
<td>29.7</td>
</tr>
<tr>
<td>2018</td>
<td>391</td>
<td>34.5</td>
</tr>
</tbody>
</table>
VOLVO CONSTRUCTION EQUIPMENT
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 2014–2018
SEK bn

<table>
<thead>
<tr>
<th>NET SALES</th>
<th>OPERATING INCOME</th>
</tr>
</thead>
<tbody>
<tr>
<td>53 51 51 66 84</td>
<td>0.7 2.0 2.2 7.9 12.1</td>
</tr>
</tbody>
</table>

14 15 16 17 18
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

Fuel Efficiency Services
Productivity Services
Safety Services
Financial Services
Uptime Services
Rental Services
Volvo Attachments
Genuine Volvo Parts
New Life Services

Solutions and greater brand experience for the customer
Our employees

Total as of January 2019 = 15,150

These figures include temporary employees, hired services and consultants, Terex Trucks and Owned Dealers.
Volvo CE Sales Regions

Volvo, SDLG and Terex Trucks

**Americas**
- Headquartered in Shippensburg, USA.
- 2 Hubs: Hub North and Hub Latin America
- 68 Volvo dealers (3 Volvo owned dealers & 65 independent), 6 SDLG exclusive dealers and 32 Terex Trucks exclusive dealers
- 410 dealer locations

**EMEA**
- Headquartered in Eskilstuna, Sweden.
- 3 hubs: North, West and South.
- 78 Volvo dealers (6 Volvo owned dealers & 72 independent), 23 SDLG exclusive dealers and 45 Terex Trucks exclusive dealers
- 591 dealer locations

**China**
- Headquartered in Pudong Jinqiao, Shanghai
- 2 Hubs: North and South.
- 45 dealers (all independent), 166 SDLG exclusive dealers
- 321 dealer locations

**APAC**
- Headquartered in Singapore,
- 4 hubs (hub India, hub Korea, hub Oceania, hub South East Asia incl. Indonesia)
- 41 Volvo dealers (3 Volvo owned dealers & 38 independent) and 32 SDLG exclusive dealers (1 owned, 29 independent)
- 371 dealer locations

Update: Q1-2019
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.
Innovation is in our DNA

ELECTROMOBILITY

AUTOMATION

CONNECTIVITY
Electromobility
Fully electric machines
Electromobility
Hybrid machines
Automation
ELECTRIC SITE
Results | November 21

-70% Energy Cost
-40% Operator Cost
50% Fuel Efficiency
Increased Safety

-98% Carbon Emission
USAGE OF OUR MACHINES
in different segments
Quarry & aggregates
Building

1. Investigation & Planning
2. Forest harvesting / Removal of overburden
3. Mass excavation
4. Ground reinforcement
5. Deep utilities
6. Foundations
7. Building
8. Site clean up / Repair & Maintenance
9. Reinforcement / Landscaping

Volvo CE Corporate Presentation 2019
Utilities

1. Investigation & Planning
2. Excavation / Light & shallow utilities
3. Final grading
4. Re-Instatement / Landscaping
5. Backfilling
6. Site clean up / Repair & Maintenance
Road construction
Demolition

1. Equipment transportation
2. Internal stripout / Salvage
3. Removal of hazardous material
4. Primary demolition
5. Secondary demolition
6. Material processing / On-site recycling
7. Material reclamation / On-site recycling
8. Site reclamation
9. Distribution of materials
Waste & recycling
# Volvo CE Executive Management Team

<table>
<thead>
<tr>
<th>Role</th>
<th>Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>President</td>
<td>Melker Jernberg</td>
</tr>
<tr>
<td>Corporate Communications</td>
<td>Bill Law</td>
</tr>
<tr>
<td>Sales</td>
<td>Tomas Kuta</td>
</tr>
<tr>
<td>Operations</td>
<td>Jean-Marc des Courières</td>
</tr>
<tr>
<td>Marketing &amp; Product Portfolio</td>
<td>TBC</td>
</tr>
<tr>
<td>Legal</td>
<td>Edvard Carleson</td>
</tr>
<tr>
<td>Finance</td>
<td>Philippe Henriette</td>
</tr>
<tr>
<td>Human Resources</td>
<td>Ann-Sofie Räftegård*</td>
</tr>
<tr>
<td>Technology</td>
<td>Thomas Bitter</td>
</tr>
<tr>
<td>Purchasing</td>
<td>Peter Jordansson</td>
</tr>
</tbody>
</table>

*From 1st Oct 2019*
Volvo CE Customer types and Industry segments

Customer Types*

- Contractor (Projects) 74%
- Rental Provider 11%
- Producer (Site Dependent) 10%
- Governmental 4%
- Other 2%

Industry Segments*

- Heavy Infrastructure 22%
- Building 22%
- Agriculture & Landscaping 4%
- Mining 15%
- Oil & Gas Utilities 1%
- Forestry 1%
- Recycling & Waste 4%
- Oil & Gas 1%
- Demolition 1%
- Material Handling 3%
- Road Management 12%
- Quarries & Aggregates 13%

* As of December 2018

Volvo CE Corporate Presentation 2019
The growth of Volvo CE

Machine volumes

- Terex Trucks
- Ingersoll-Rand (2007)
- Lingong (2006)
- Skat Trak (2003)
- Backhoe Loaders (2002)
- Samsung (1998)
- Champion (1997)
- PelJob (1995)
- Zetelmeyer (1990)
- Wheel Loaders
- Articulated Haulers
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)*

- 61% Excavators
- 13% Loaders
- 7% Haulers
- 5% Road
- 14% Utilities

Volvo Construction Equipment*

- 50% Excavators
- 14% Haulers
- 29% Loaders
- 6% Road
- 0% Utilities

* As of December 2018
Volvo CE vs industry
Share by region

Industry (Volvo CE Portfolio)*

Volvo Construction Equipment*

* As of end of December 2018
Global industrial structure

<table>
<thead>
<tr>
<th>MAJOR PRODUCTION FACILITIES</th>
<th>NORTH AMERICA</th>
<th>SOUTH AMERICA</th>
<th>EUROPE</th>
<th>ASIA</th>
<th>AFRICA AND OCEANIA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Volvo Trucks</td>
<td>New River Valley (US)</td>
<td>Curitiba (BR)</td>
<td>Blainville (FR), Göteborg, Umeå (Cabo, SE), Gent (BE), Kaluga (RU)</td>
<td>Bangalore (IN), Bangkok (TH), Shenyang (CN), Durban (ZA)</td>
<td></td>
</tr>
<tr>
<td>UD Trucks</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mack Trucks</td>
<td>Lehigh Valley (US)</td>
<td></td>
<td>Blainville, Bourg-en-Bresse (FR)</td>
<td></td>
<td>Brisbane (AU), Pretoria (ZA)</td>
</tr>
<tr>
<td>Eicher®</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dongfeng Trucks®</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Engines and transmissions</td>
<td>Hagerstown (US)</td>
<td>Curitiba (BR)</td>
<td>Köping, Skövde (SE), Vanves (FR)</td>
<td>Ageo (JP), Pithampur® (IN)</td>
<td></td>
</tr>
<tr>
<td>Construction Equipment</td>
<td>Shippensburg (US)</td>
<td>Pedreira (BR)</td>
<td>Arika, Braks, Eskilstuna, Hallberg (SE), Konz-Köthen, Hameln (DE), Belley (FR), Motherwell (UK)</td>
<td>Changwon (KR), Shanghai, Linyi® (CN), Bangalore (IN)</td>
<td></td>
</tr>
<tr>
<td>Buses</td>
<td>St Claire, St Eustache (CA), Mexico City (MX), Plattsburgh (US)</td>
<td>Curitiba (BR)</td>
<td>Borda, Wroclaw (PL)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Volvo CE Corporate Presentation 2019

Volvo Construction Equipment
Building Tomorrow