

# Interim Report, January–March 2014

Erik Ljungberg, Corporate Relations





# Business overview

Martin Lundstedt, President and CEO



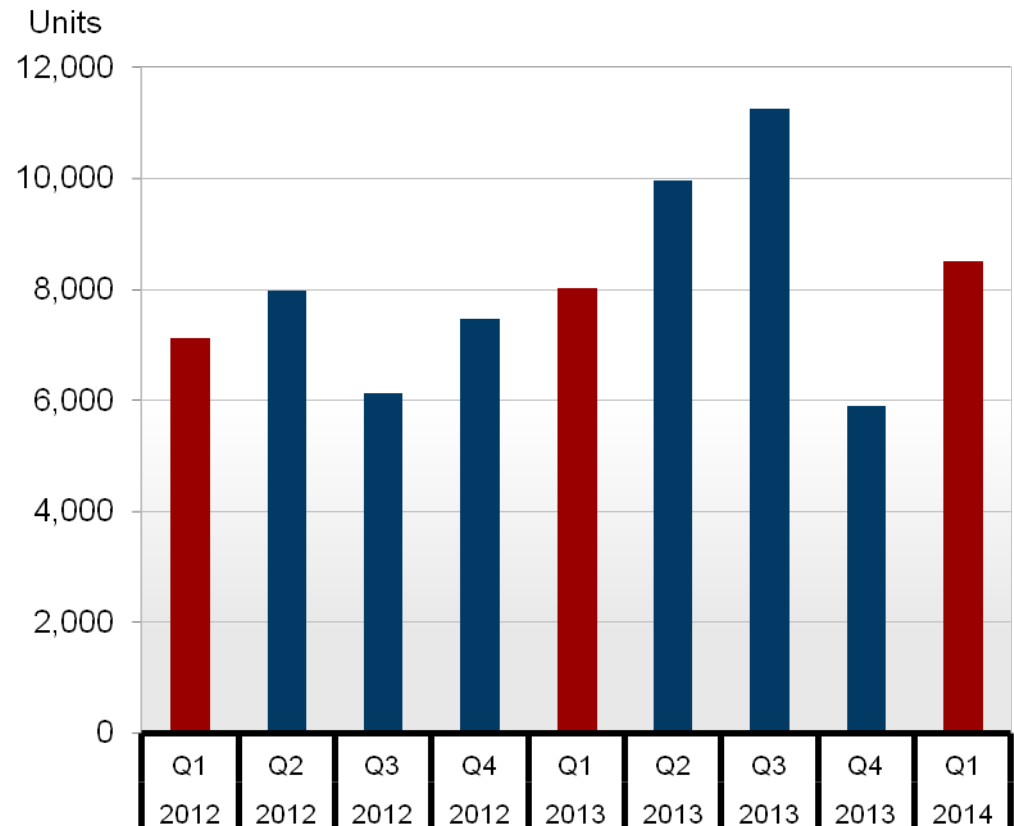
# First three months of 2014

- **European market recovering compared to Q4 2013**
- **Strong position in Europe and higher market share**
- **Latin America in line with previous quarters**
- **Growth in services**

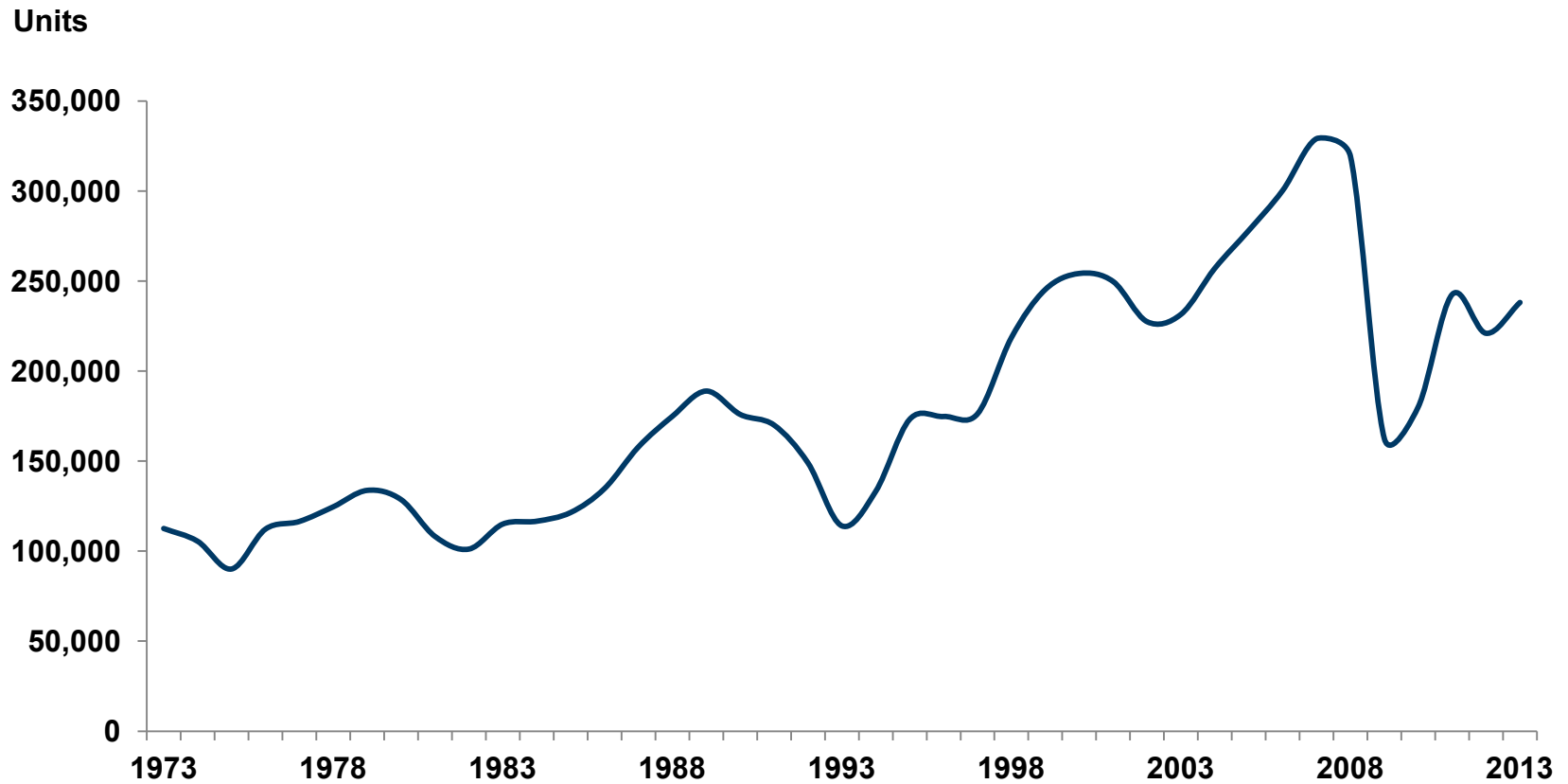
# Europe

## Scania trucks, order bookings

- Positive trend in underlying demand
- Strong position and higher market share
- Good demand for used trucks
- Replacement need



# European heavy truck market



Truck registrations > 16 tonnes



# Green truck 2014 award



- The Scania G 410 was given an award by respected German transport trade magazines
- The truck with the lowest environmental impact in the heavy tractor class
- Euro 6 engine with fuel consumption averaging a record-low 23.29 litres /100 km

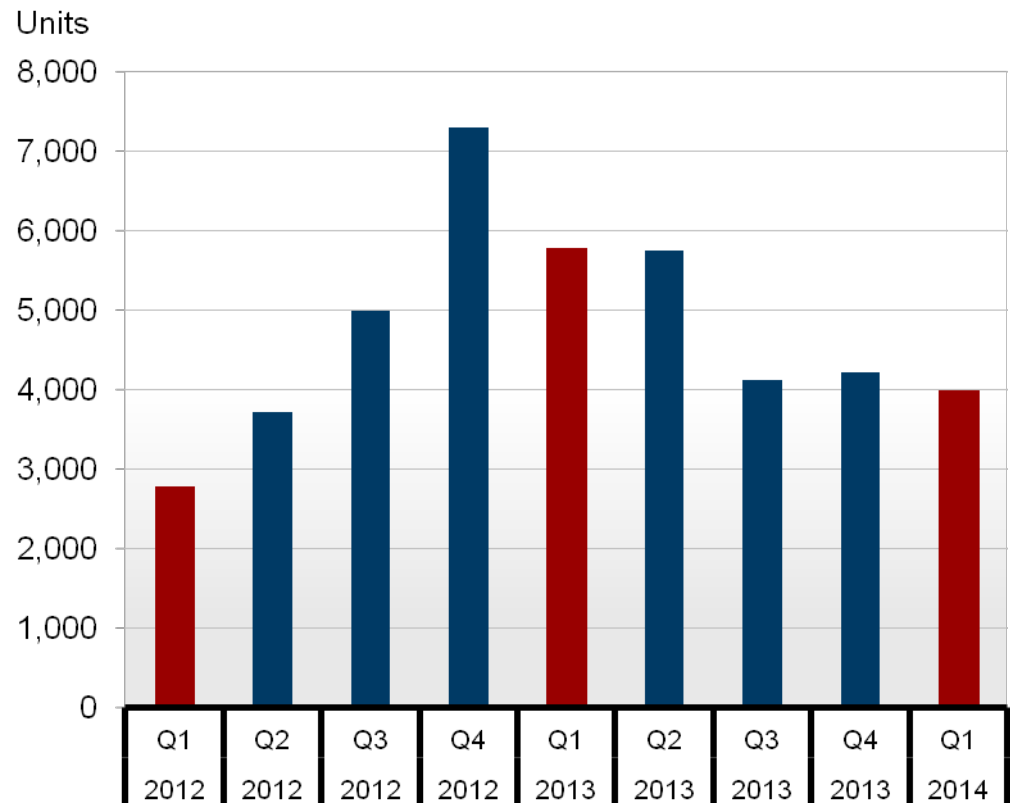


**SCANIA**

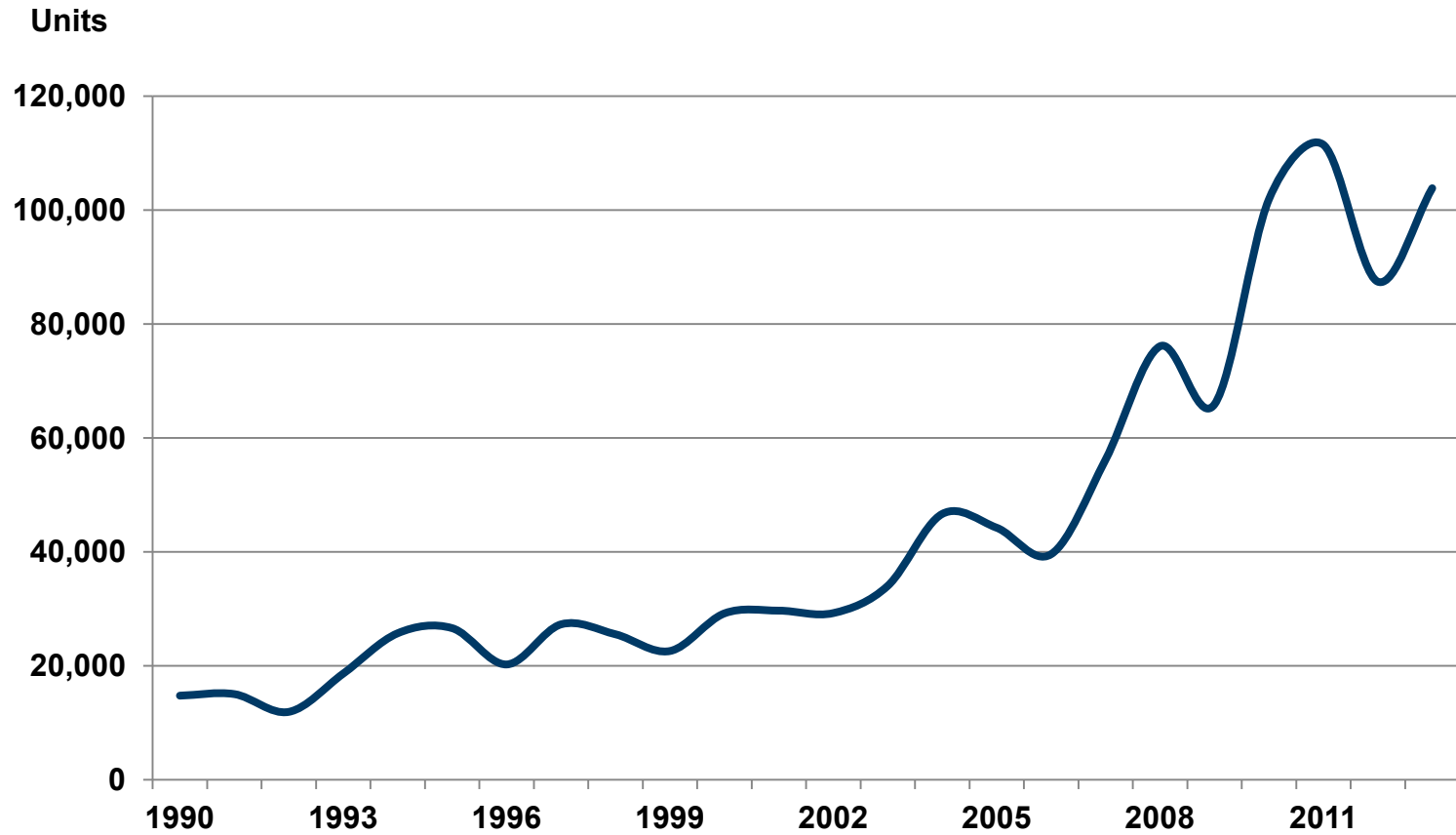
# Latin America

## Scania trucks, order bookings

- Order bookings in line with previous quarters
- Subsidies in Brazil will continue



# Brazilian heavy truck market

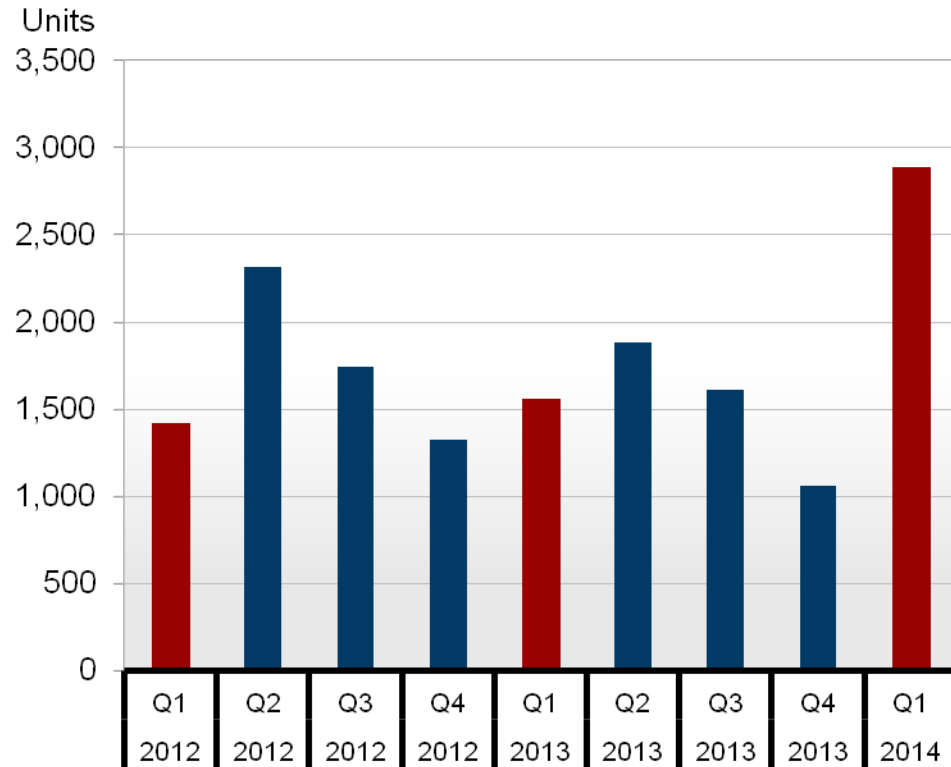




# Eurasia

## Scania trucks, order bookings

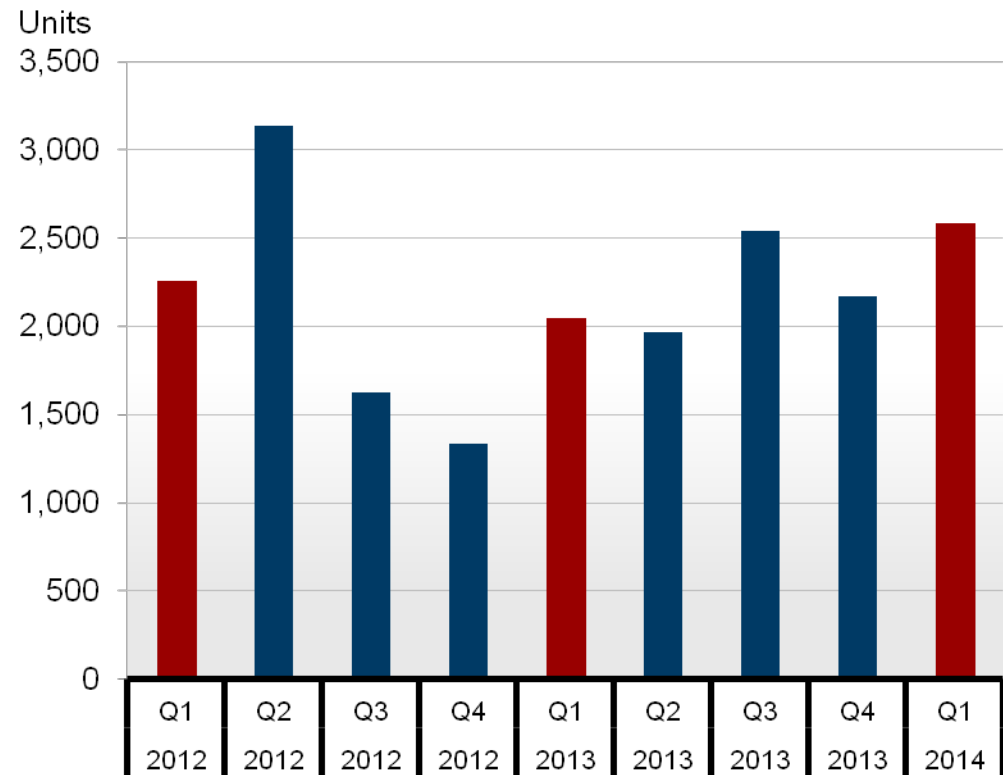
- Higher level of demand in Russia in Q1
- Uncertain short-term outlook for the region



# Asia

## Scania trucks, order bookings

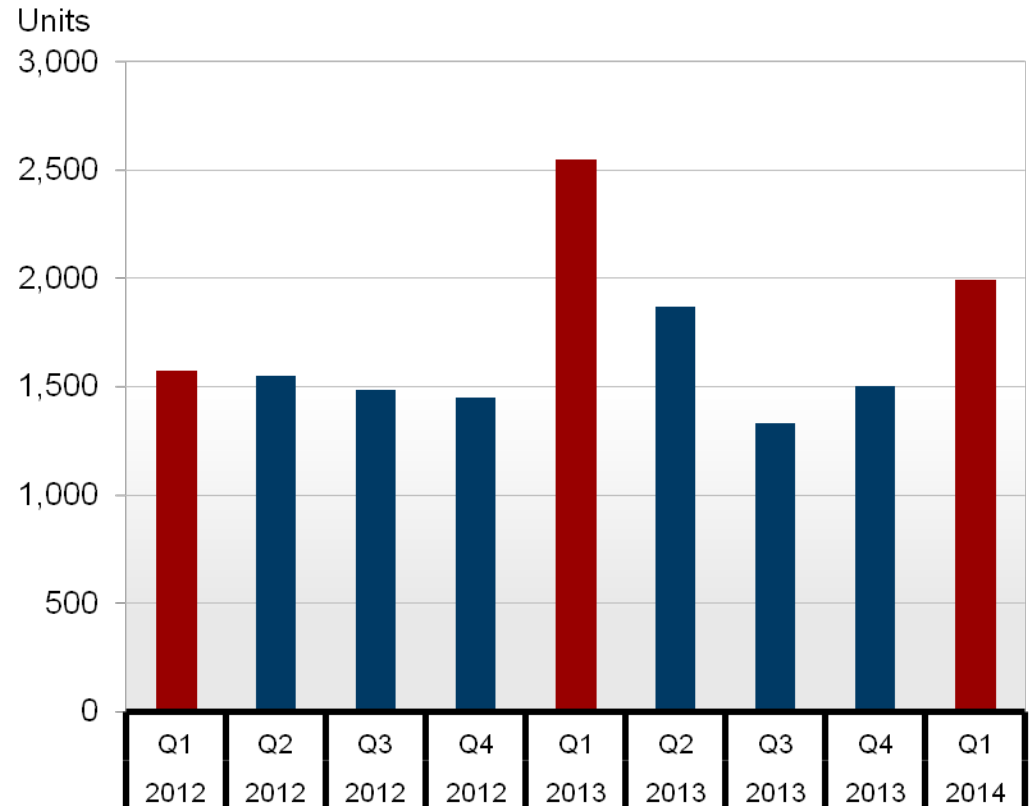
- Improved order bookings in Q1
- Higher level in the Middle East and Hong Kong



# Buses and coaches

## Scania buses and coaches, order bookings

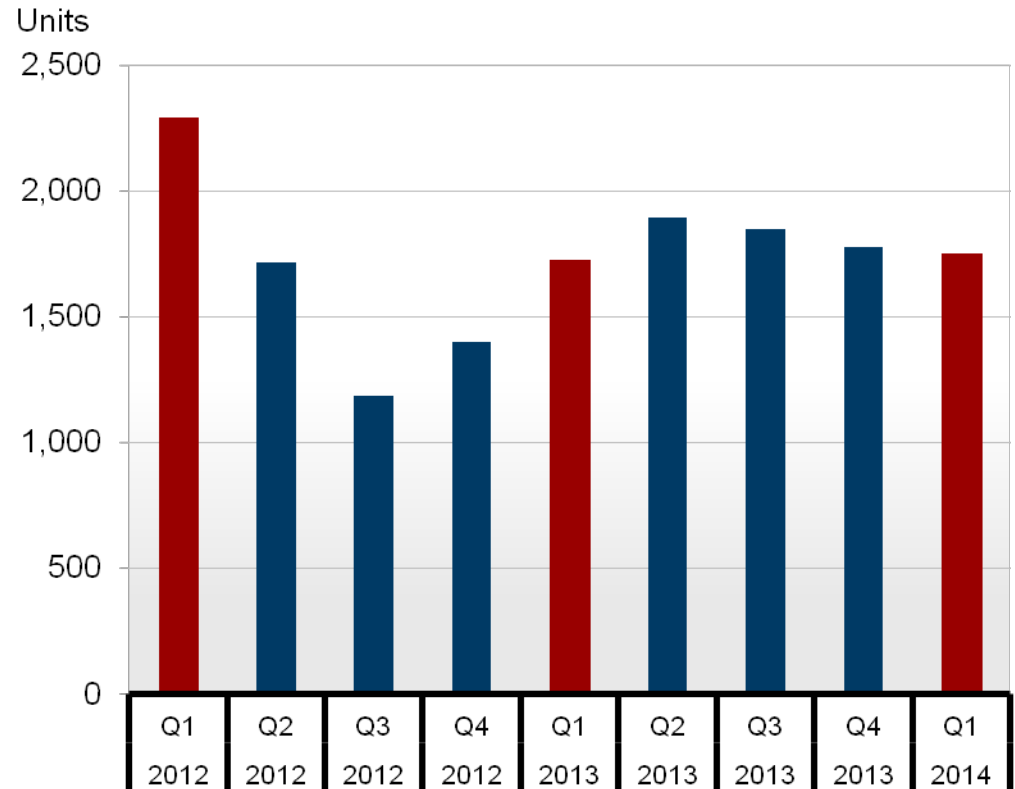
- Q1 2013 impacted by large orders
- Breakthrough for BRT-systems in Western Africa
- Efficiency raising programme in city bus operations



# Engines

## Scania engines, order bookings

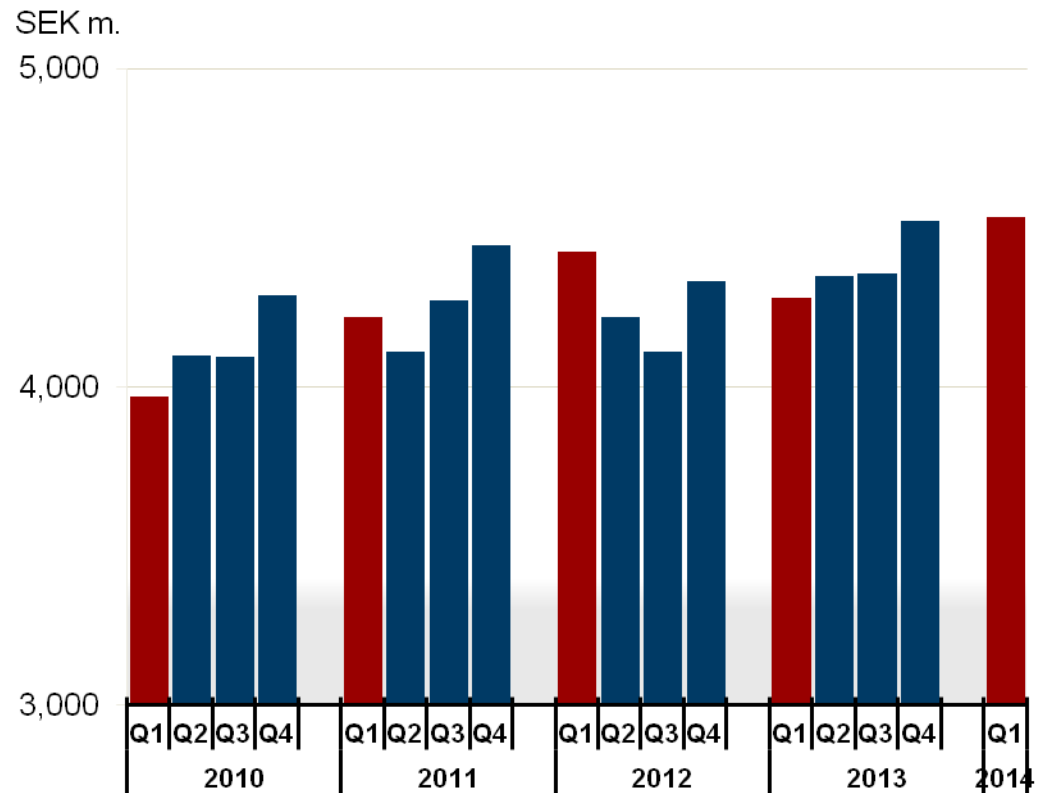
- Higher order bookings in Asia, Eurasia, Africa and Oceania
- Partnership with Atlas Copco





# Growing service revenue

- **Ambition to increase market share**
- **Increased presence in East Africa**
- **> 60,000 connected Scania vehicles strengthen leading position**



# Summary

- **Positive underlying demand trend in the European market**
- **Strong position in Europe and higher market share**
- **Latin America in line with previous quarters**
- **Growth in the service business**



**SCANIA**

# Interim Report, January–March 2014

Jan Ytterberg, CFO





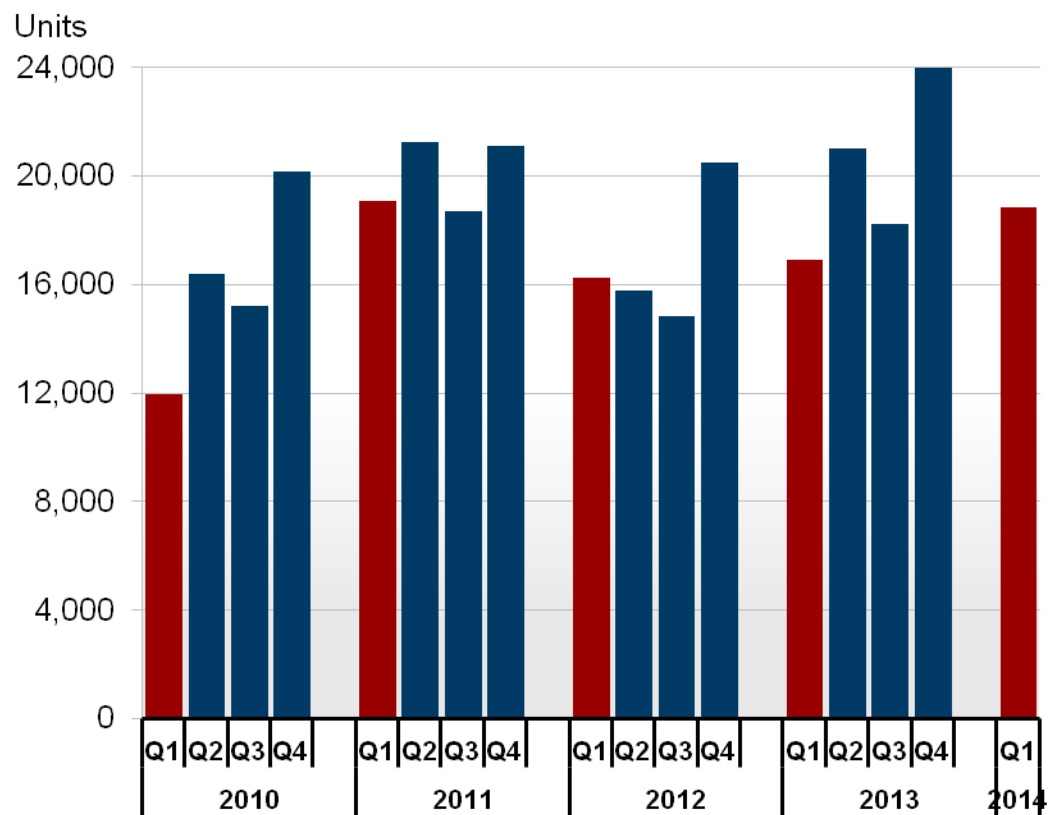
# First three months of 2014 – highlights

- **Higher vehicle and service volume**
- **Improved operating margin**
- **Strong earnings in Financial Services**
- **High level of investments**

# Volume trend

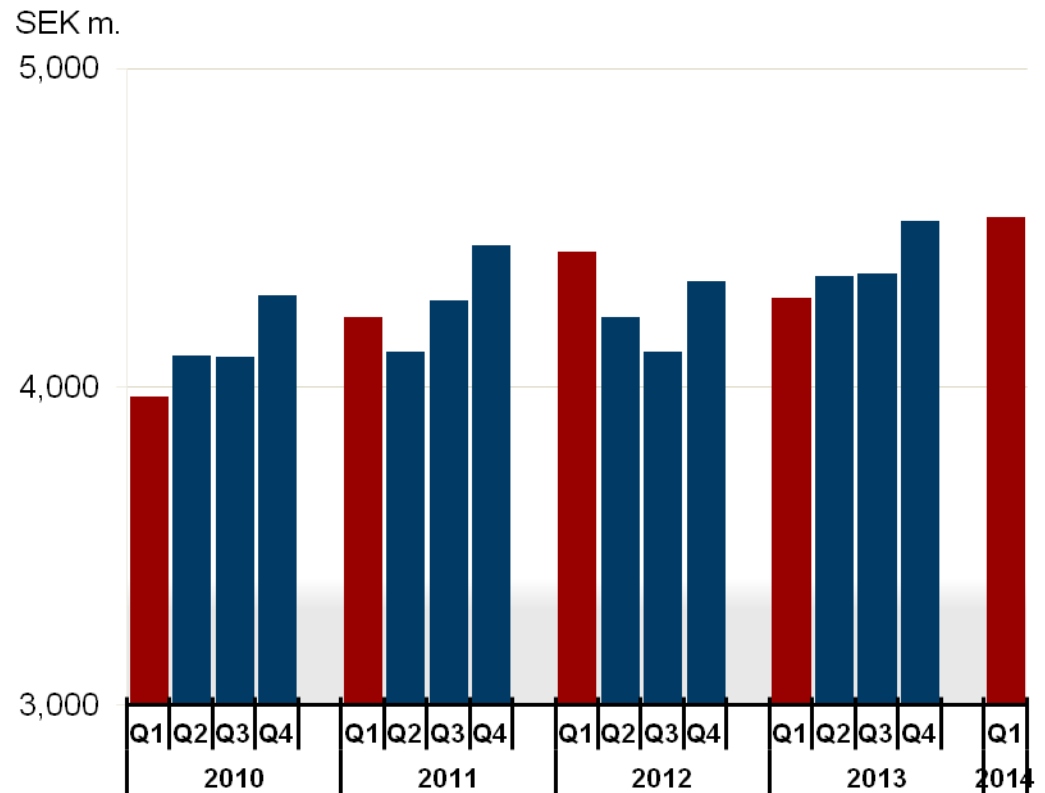
## Total deliveries, trucks and buses

- Growth in all regions except Latin America compared to Q1 2013
- Higher production volume compared to Q1 2013



# Service revenue

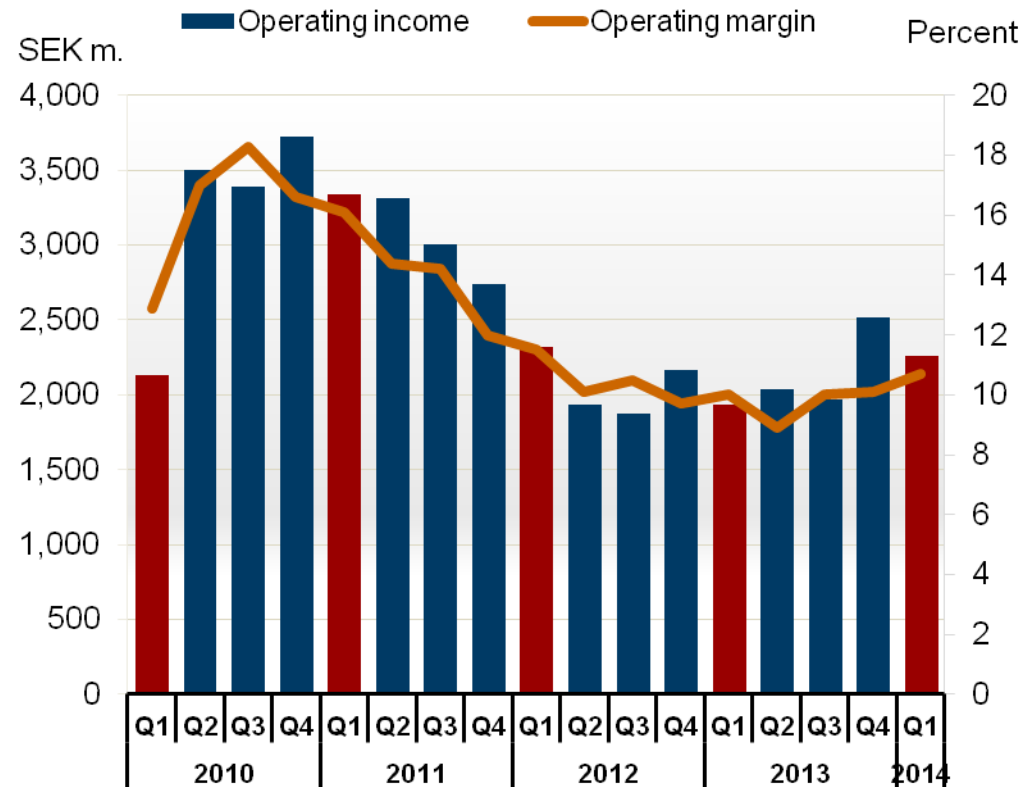
- Increased revenue in local currencies
- Revenue rose to SEK 4,536 m. in Q1



# Earnings trend

## Operating income, Scania Group

- Net sales up 9% in Q1 2014
- EBIT margin 10.7% (10.0) in Q1
- Earnings per share SEK 1.95 (1.75) in Q1 2014





# Operating income

## Vehicles and Services

### ■ EBIT increase due to:

- Volume
- Capacity utilisation
- Prices

### ■ Negative effects:

- Currency
- Market mix
- Cost level

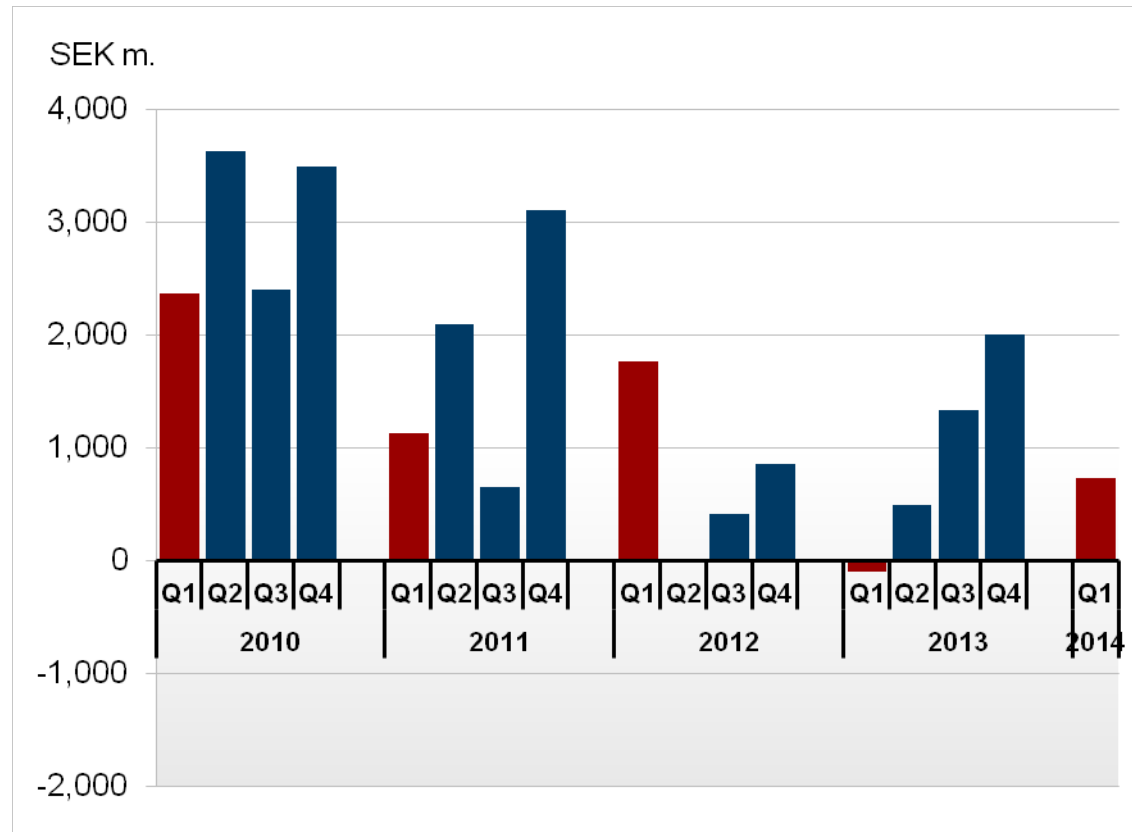


EBIT increase:  
SEK 213 m.,  
3 months

# Cash flow

## Vehicles and Services

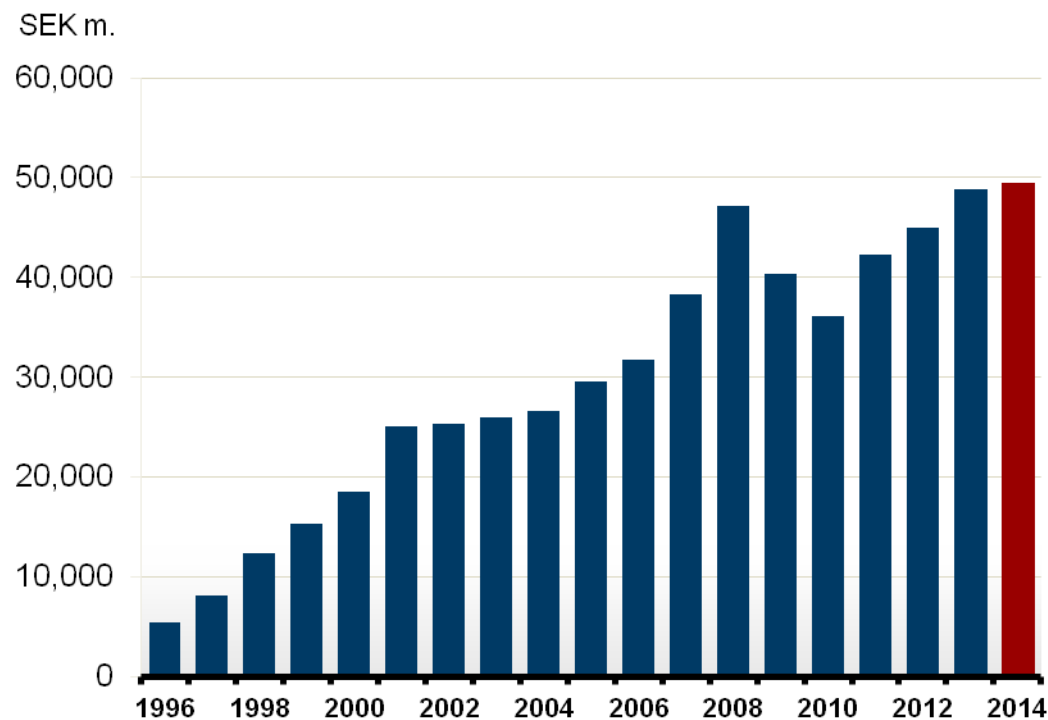
- Cash flow  
SEK 730 m. in Q1
- High level of investments in capacity, new products



# Volume trend

## Credit portfolio, Financial Services

- Portfolio stable since the end of 2013 in local currencies
- Historically low levels of overdue receivables
- Operating income SEK 266 m. (155)



# Summary

- **Higher vehicle and service volume**
- **Negative impact from weaker emerging market currencies**
- **High level of investments**
- **Improved operating margin**



**SCANIA**