

# Year-end Report, January–December 2013

Erik Ljungberg, Corporate Relations





# Business overview

Martin Lundstedt, President and CEO



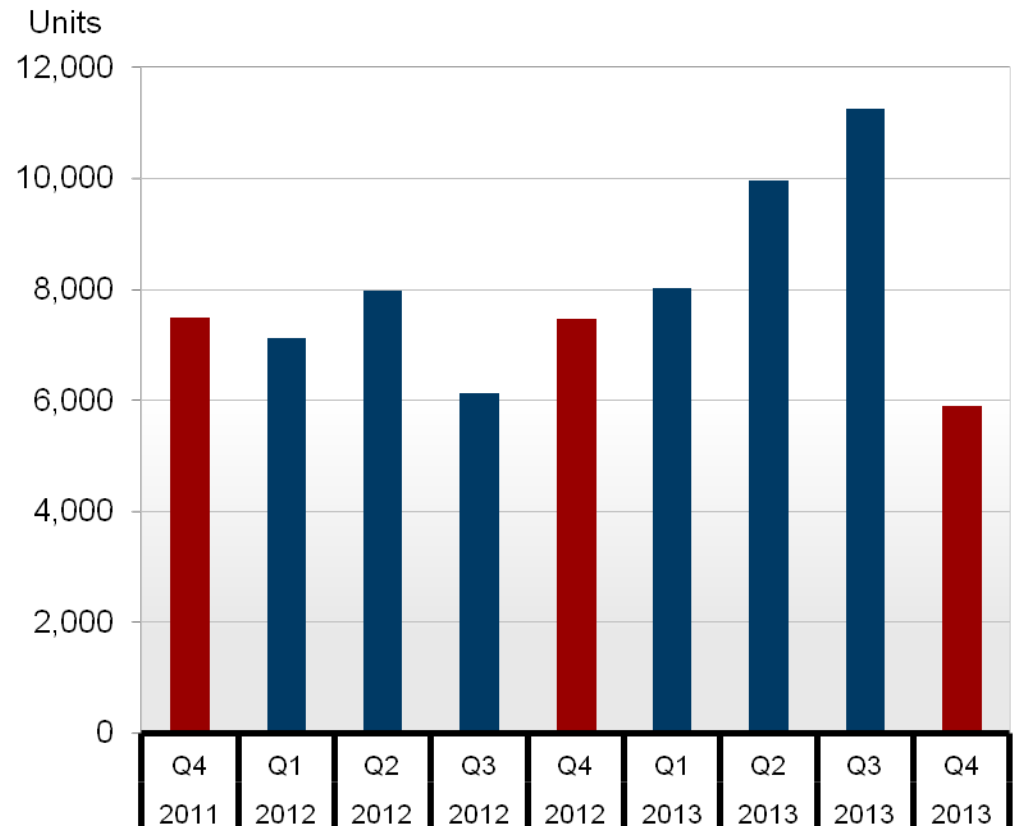
# Full year 2013

- **Record high vehicle and service volume**
- **Pre-buys in Europe and economic activity stabilising**
- **Successful launch of Streamline and Euro 6**
- **Good level of demand in Latin America**
- **Volatile demand impacted production**

# Europe

## Scania trucks, order bookings

- Higher market share
- Correction in Q4 after pre-buys in Q3
- Economic activity stabilising
- Good demand for used trucks
- Replacement need



# Strong position in Euro 6



- **Maintain leadership in fuel efficiency with Scania Streamline**
- **Proven Euro 6 track record**
- **Second generation with better fuel efficiency launched in 2013**
- **Complete Euro 6 range available**

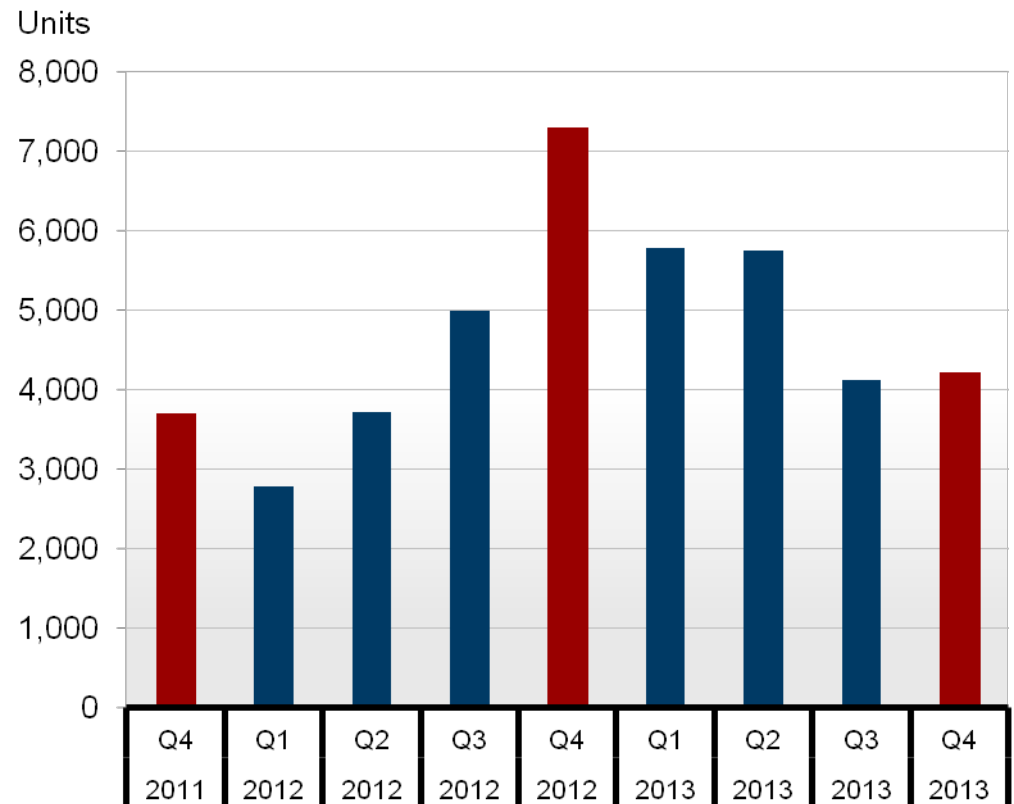


**SCANIA**

# Latin America

## Scania trucks, order bookings

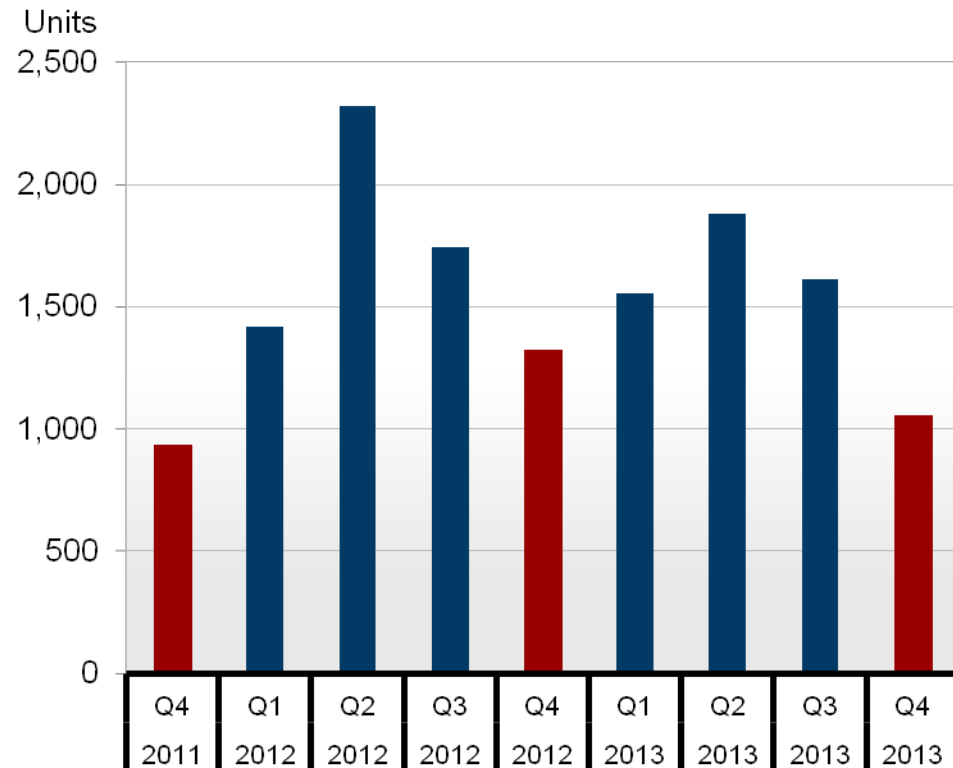
- Record high deliveries
- Higher market share
- Order bookings at a good level in Q4
- Subsidies in Brazil and Argentina will continue



# Eurasia

## Scania trucks, order bookings

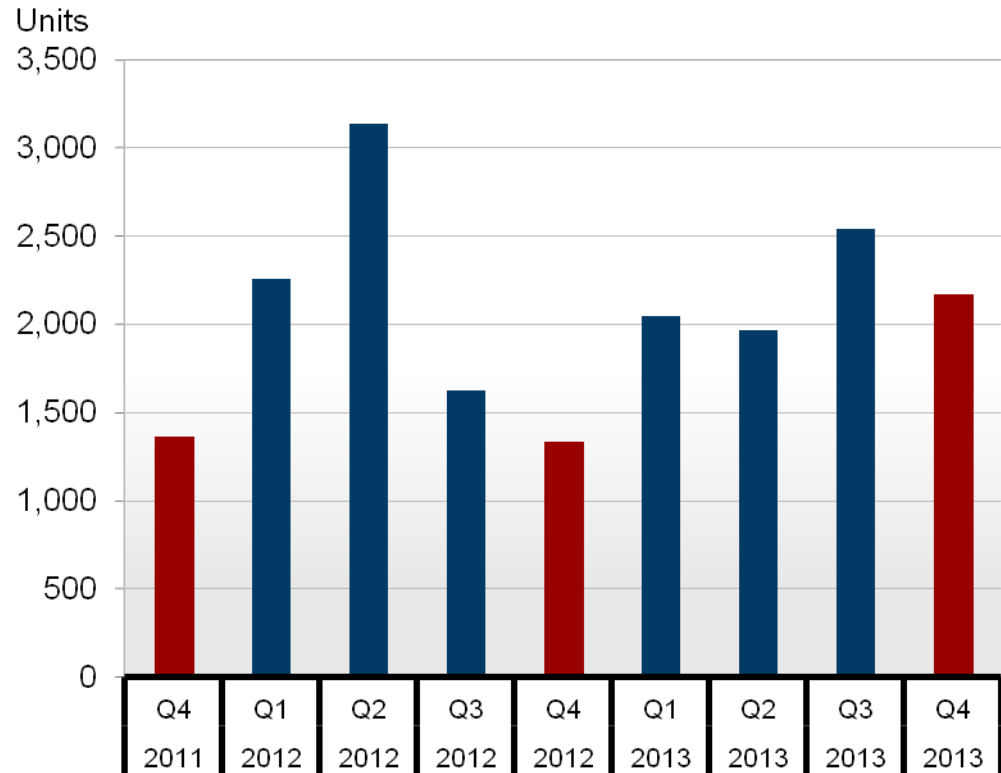
- Lower level of demand in Russia in Q4
- Market leader among western brands



# Asia

## Scania trucks, order bookings

- Improved order bookings in the Middle East in Q4 from low level in Q4 2012

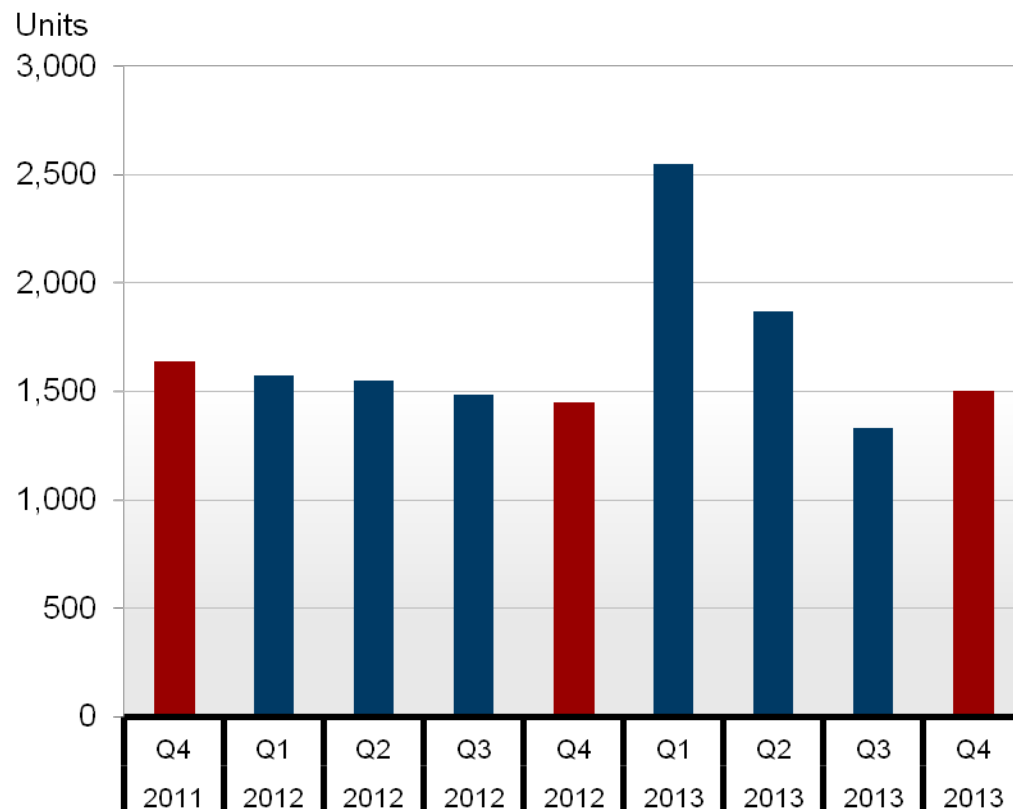




# Buses and coaches

## Scania buses and coaches, order bookings

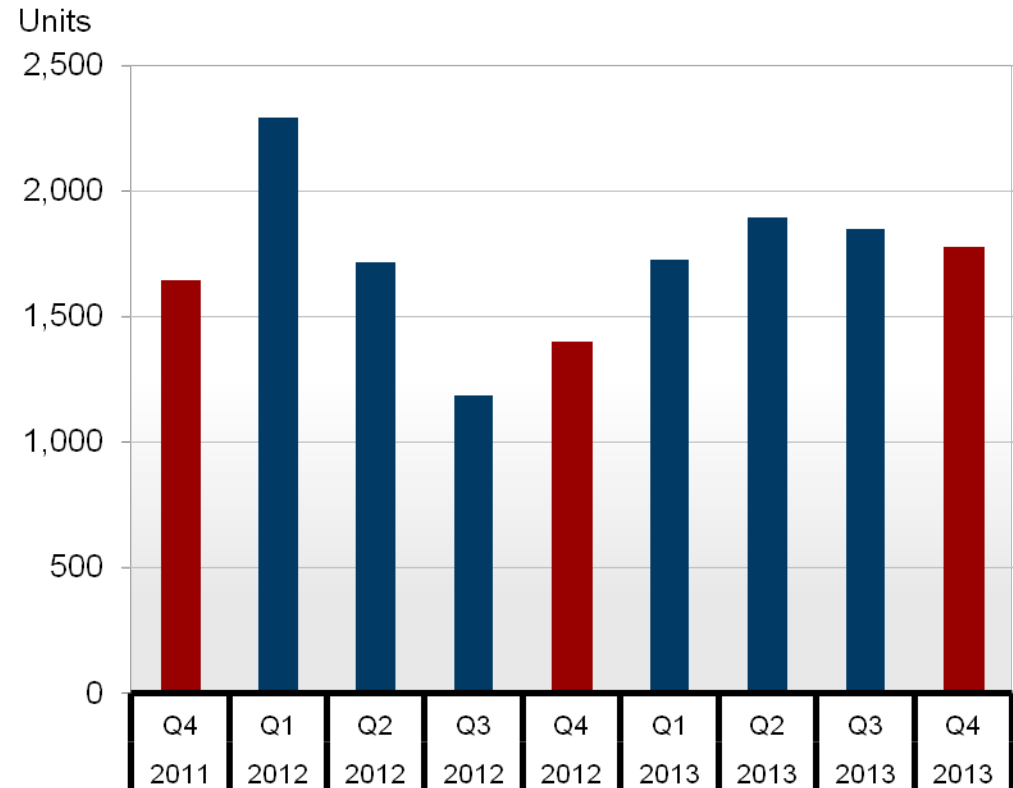
- Large orders in Russia, Malaysia and Taiwan in 2013
- Europe at a low level
- City bus order to Germany



# Engines

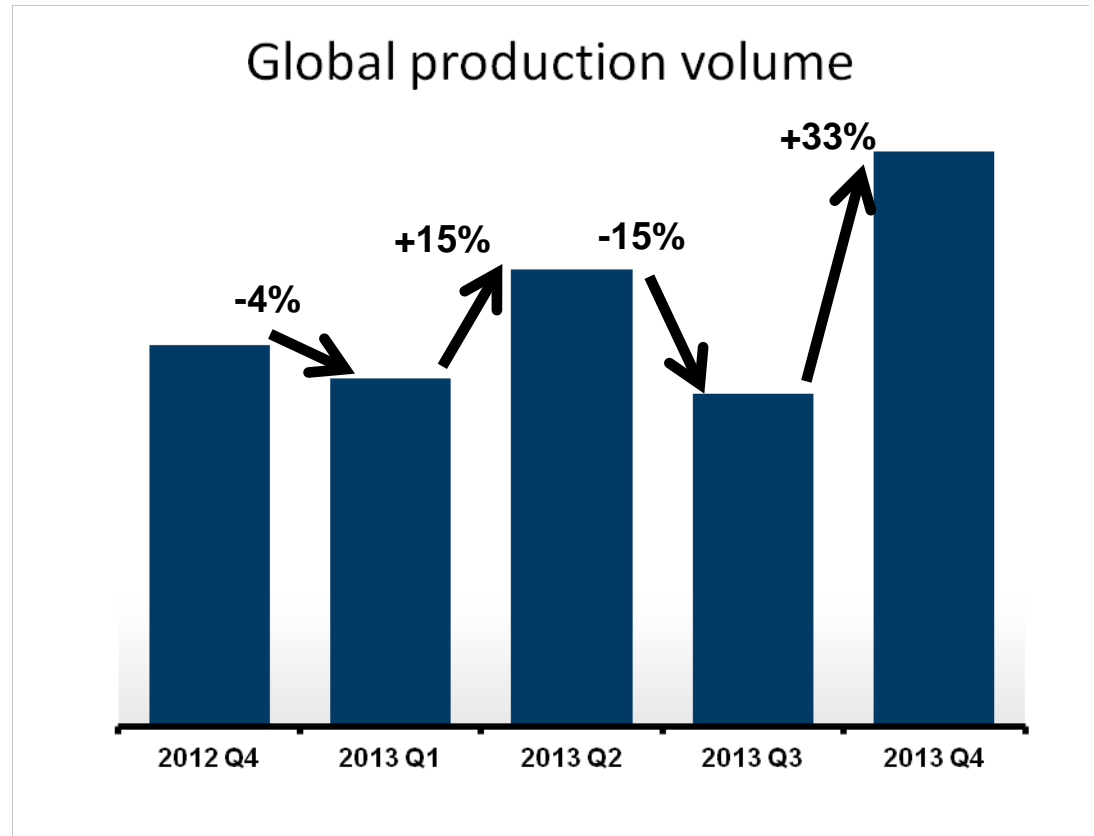
## Scania engines, order bookings

- Pre-buy activity ahead of transition to new emission standard (Stage IV/Tier4-final) in 2014



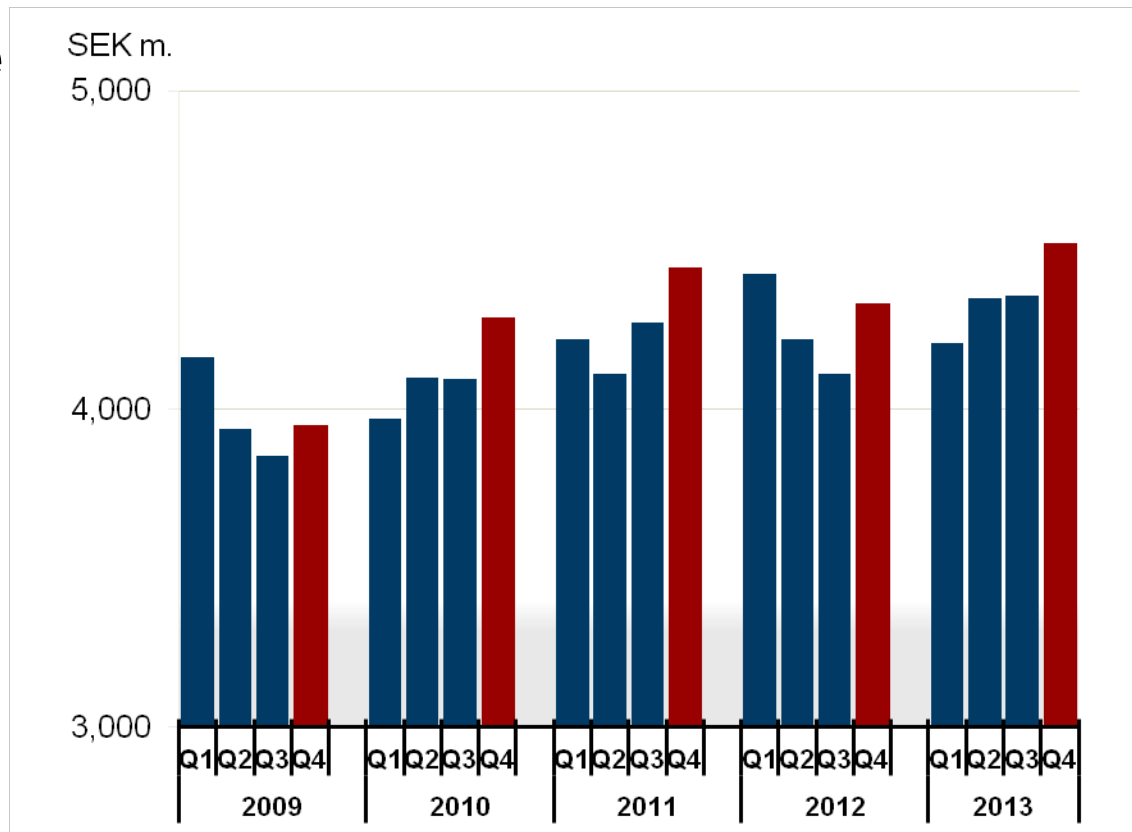
# Volatile demand impacts production

- Lower production level in Q1 2014
- Reduction of personnel on hire and other measures
- Investment for expansion of technical capacity to 120,000 vehicles is ongoing



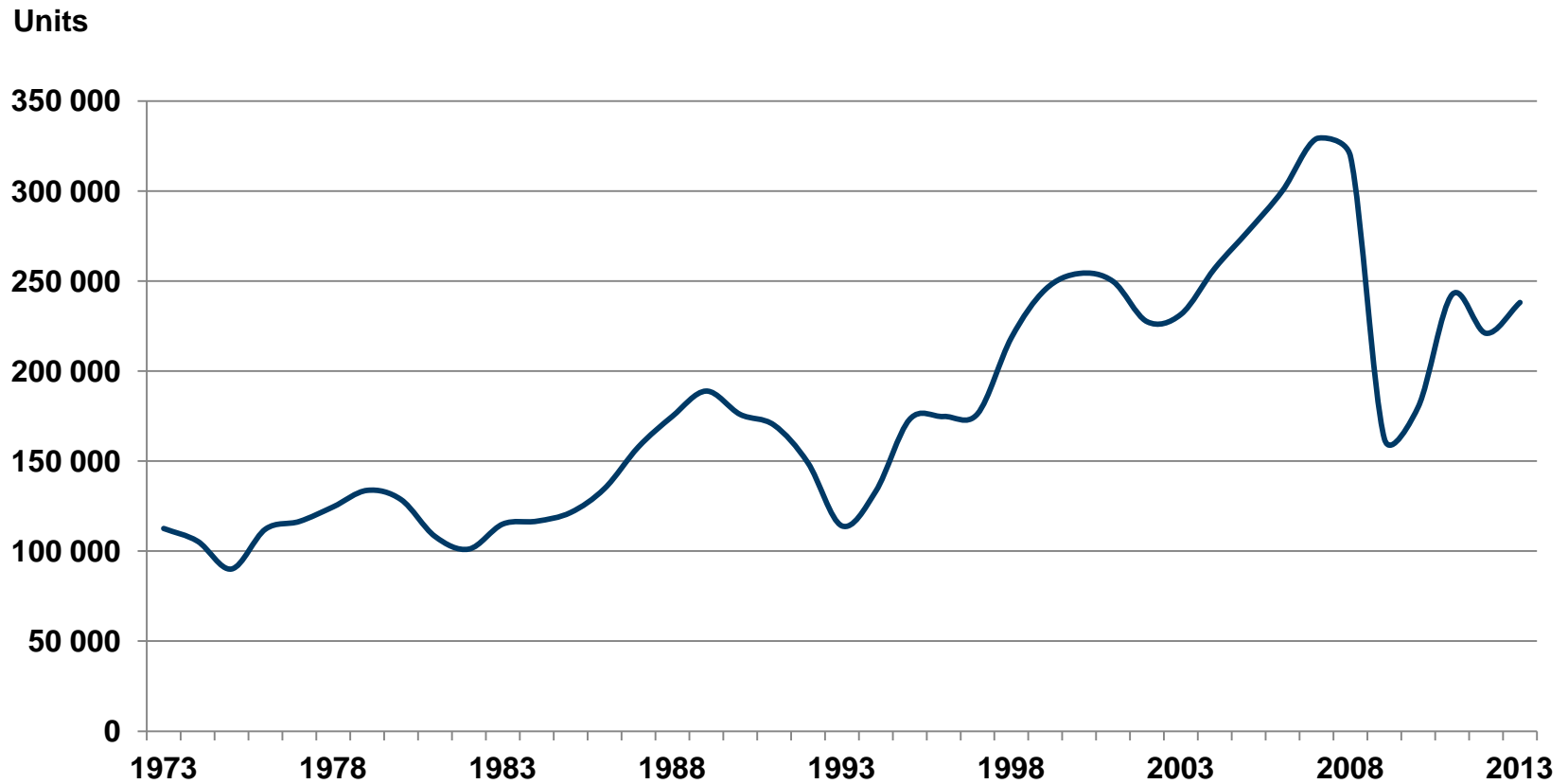
# Growing service revenue

- Record high volume
- Investment in capacity
- Ambition to further increase market share





# European heavy truck market



Truck registrations > 16 tonnes

# Summary

- **Pre-buys will affect first half of 2014, but Europe stabilising**
- **Lower production level in Q1 2014**
- **Strong position with complete Euro 6 range and Streamline**
- **Higher market share**
- **Good level of demand in Latin America**



**SCANIA**

# Year-end Report, January–December 2013

Jan Ytterberg, CFO





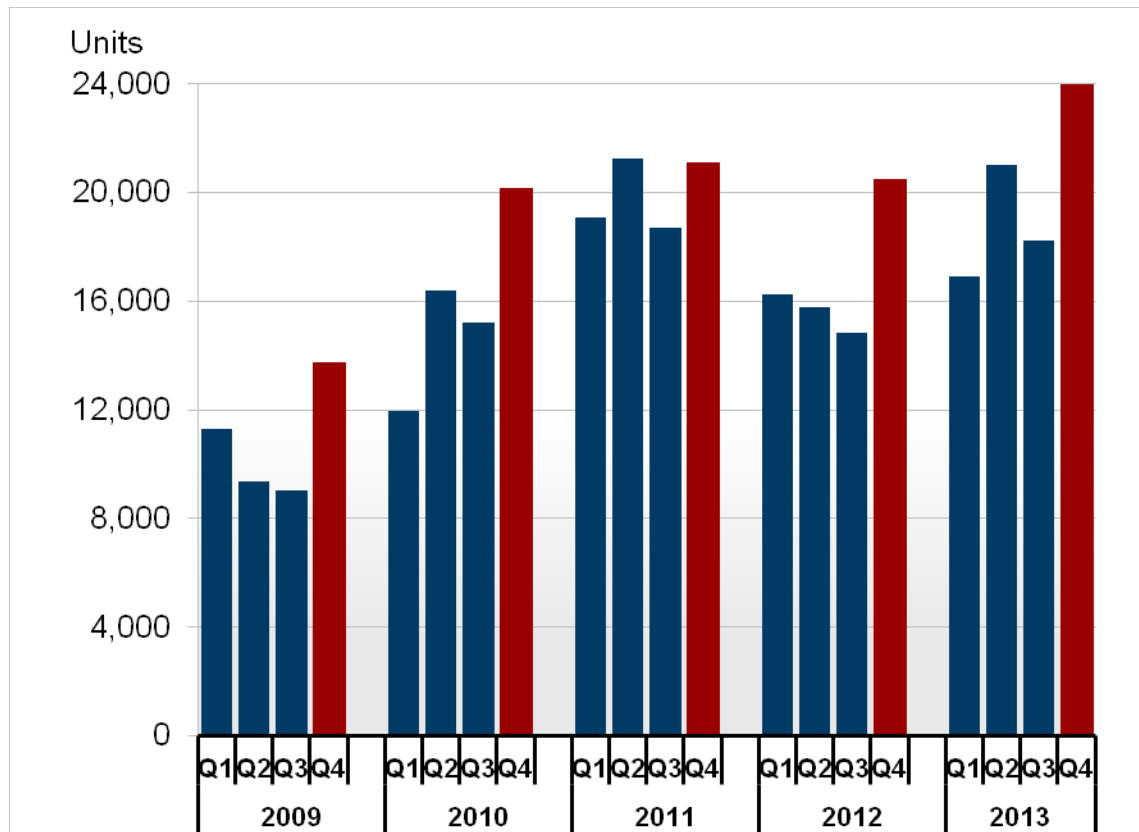
# Full year 2013 – highlights

- **Record high vehicle and service volume**
- **Impact from stronger SEK and weaker BRL**
- **High level of investments**
- **Dividend SEK 4.00 per share (Board proposal)**

# Volume trend

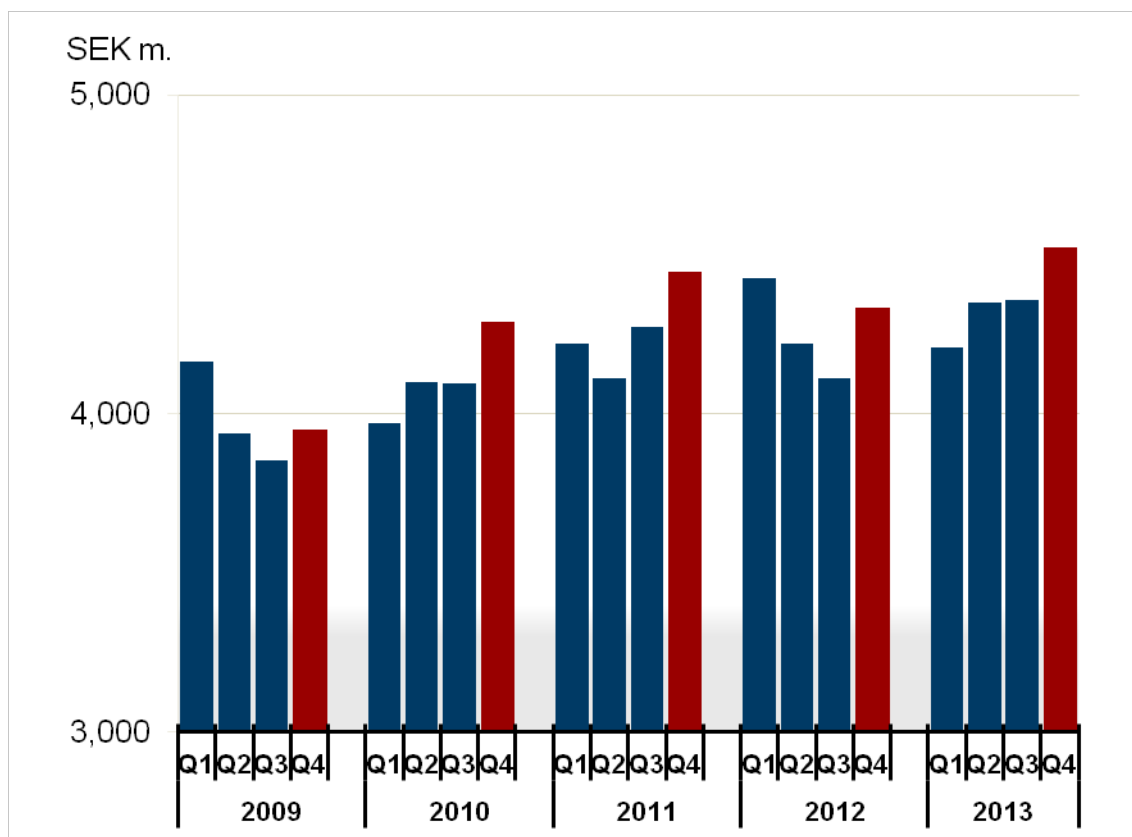
## Total deliveries, trucks and buses

- Record high volume
- Lower production level in Q1 2014



# Service revenue

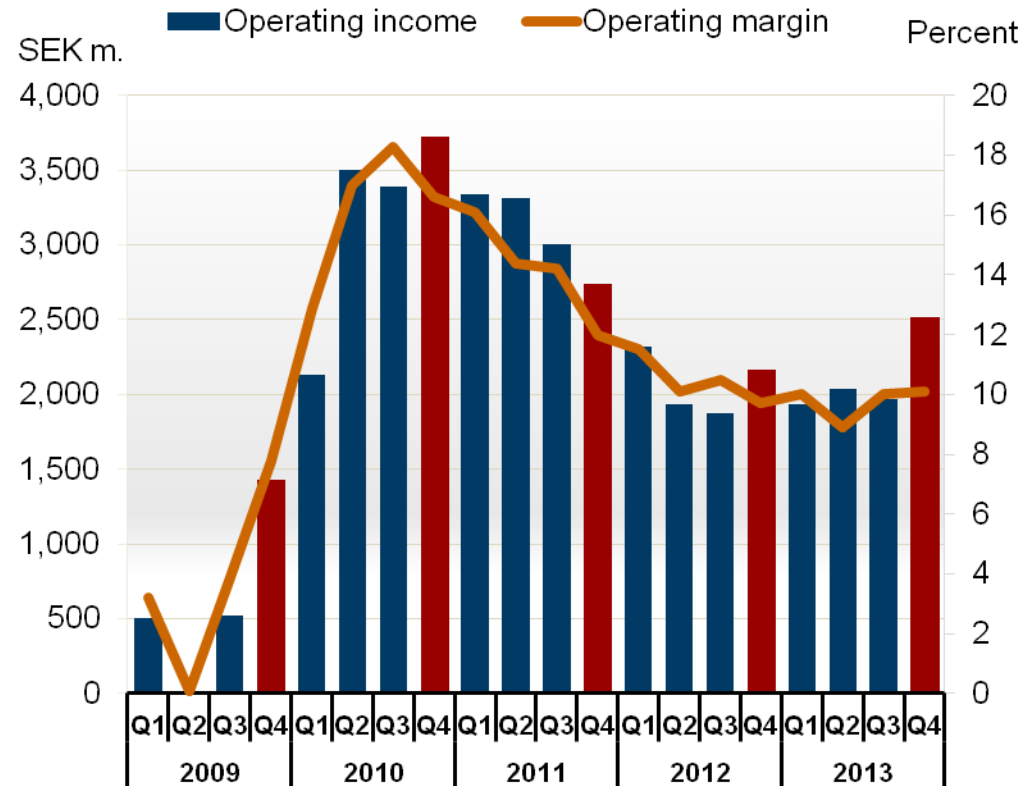
- Revenue rose to record level of SEK 17,510 m. in full year 2013
- Increased revenue in local currencies in several regions



# Earnings trend

## Operating income, Scania Group

- Net sales up 9% year-on-year and up 12% in Q4 2013
- EBIT margin 9.7% (10.4) year-on-year and 10.1% (9.7) in Q4
- Earnings per share SEK 7.75 (8.31) for FY 2013





# Operating income

## Vehicles and Services

### ■ EBIT increase due to:

- Volume
- Capacity utilisation

### ■ Negative effects:

- Currency
- Higher cost level
- Prices

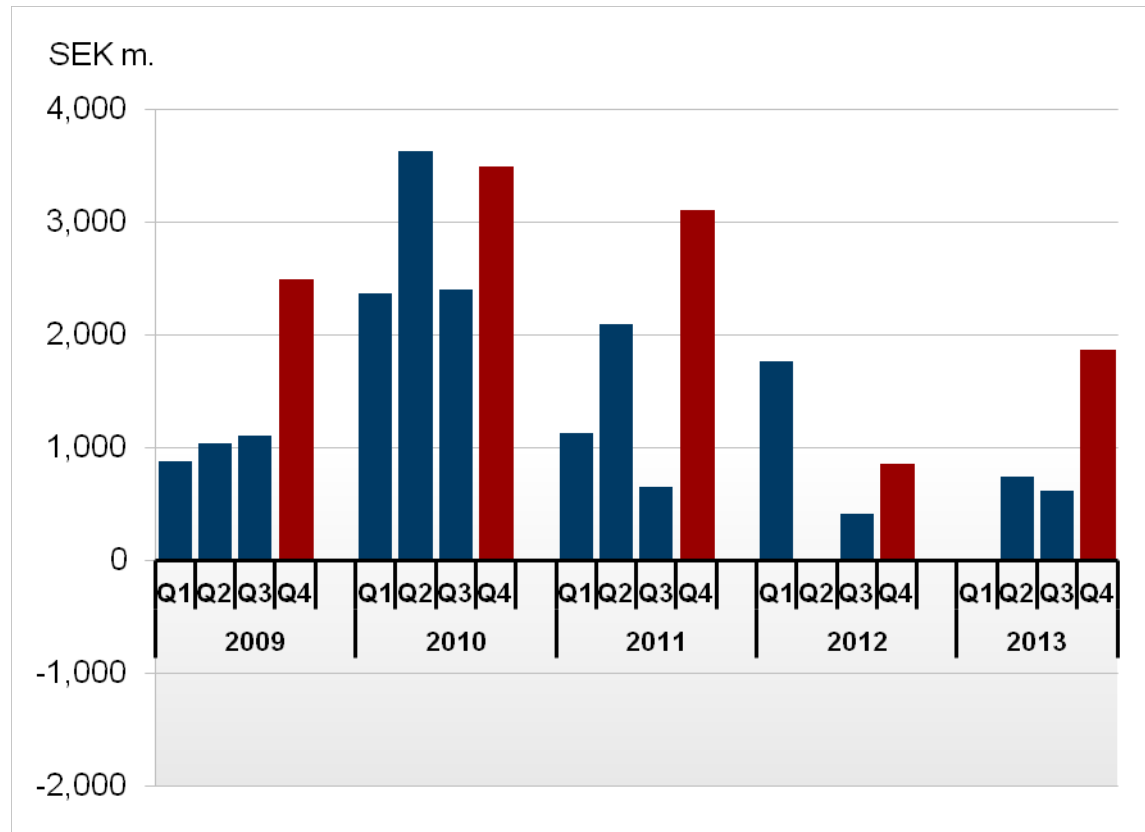


EBIT increase:  
SEK 42 m.,  
2013

# Cash flow

## Vehicles and Services

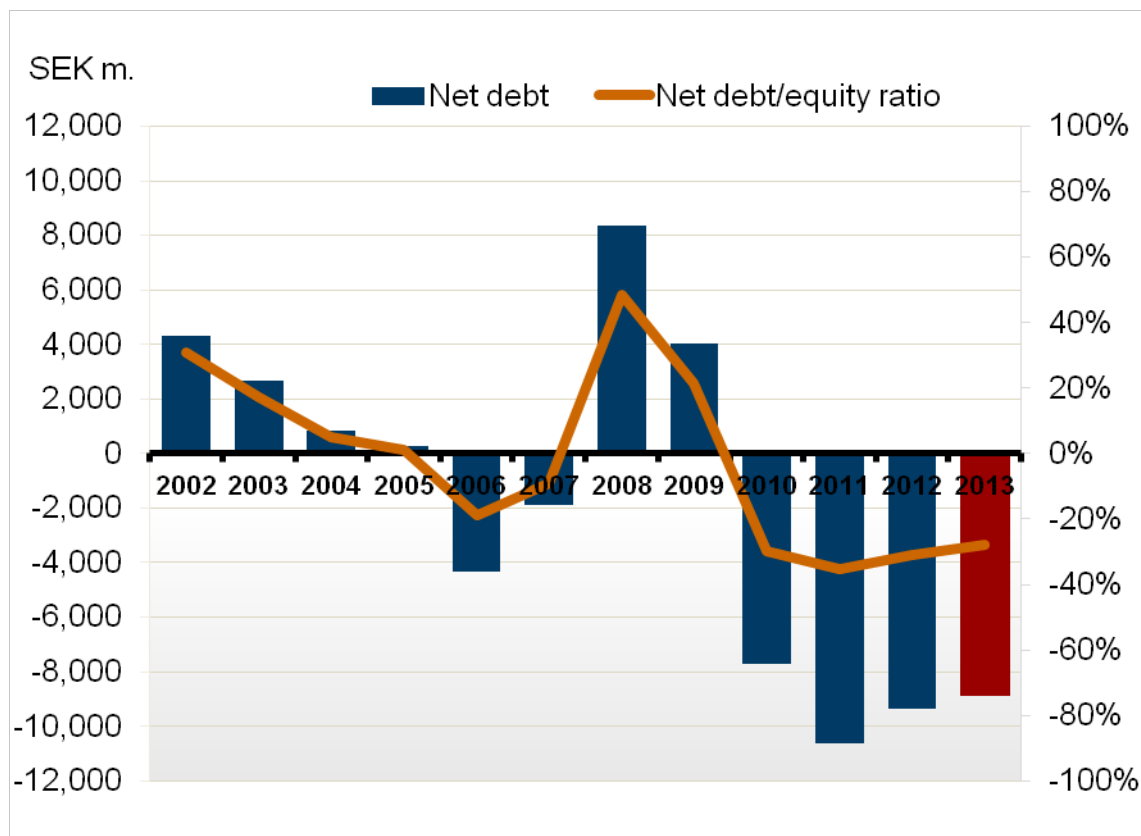
- Cash flow  
SEK 1,869 m. in Q4
- Redemption of pension in Q1
- High level of investments



# Net debt

## Vehicles and Services

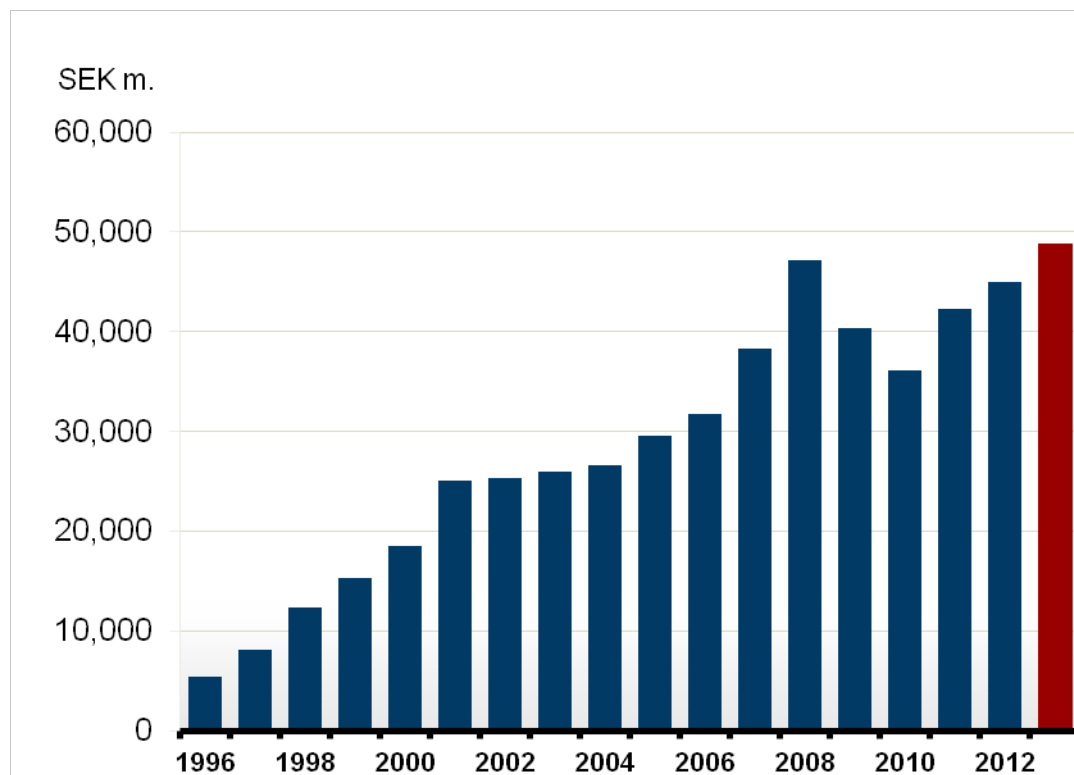
- **Net cash**  
**SEK 8,843 m.**  
**(Net cash SEK**  
**9,361 m. at end**  
**of 2012)**
- **Dividend payment**  
**SEK 3.8 bn. in Q2**
- **Proposed dividend**  
**of SEK 4.00 (4.75)**  
**for 2013**



# Volume trend

## Credit portfolio, Financial Services

- Portfolio +9% in local currencies since end of 2012
- Record high operating income SEK 719 m. (606)
- Historically low levels of overdue receivables



# Summary

- **Record high vehicle and service volume**
- **Significant impact from stronger SEK on earnings**
- **High level of investments**
- **Record earnings in Financial Services**



**SCANIA**