

# Interim Report, January–March 2013

Erik Ljungberg, Corporate Relations





# Business overview

Martin Lundstedt, President and CEO



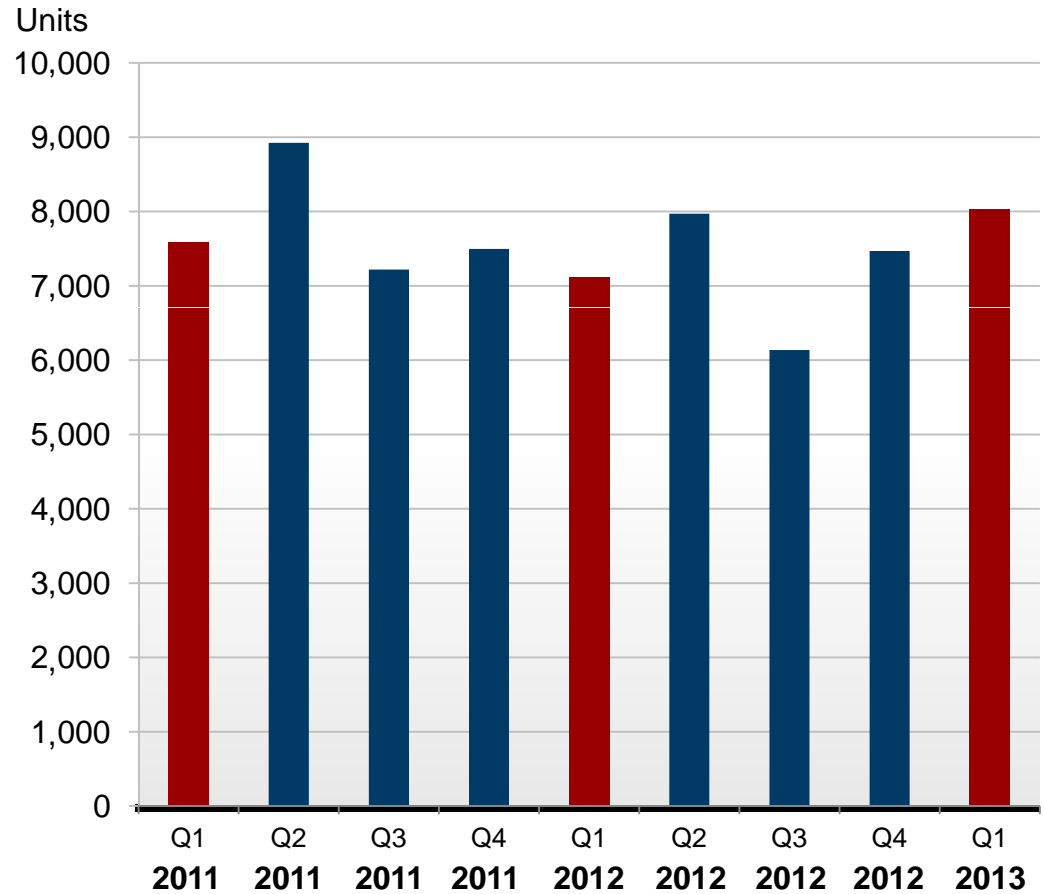
# First three months of 2013

- **Improved order bookings in Europe**
- **Order bookings in Latin America at a high level**
- **Service volume stable**
- **Focus on adjusting cost level**

# Europe

## Scania trucks, order bookings

- Improved order bookings in Q1
- Stronger performance than overall market
- Replacement need



# Scania Streamline – fuel efficiency

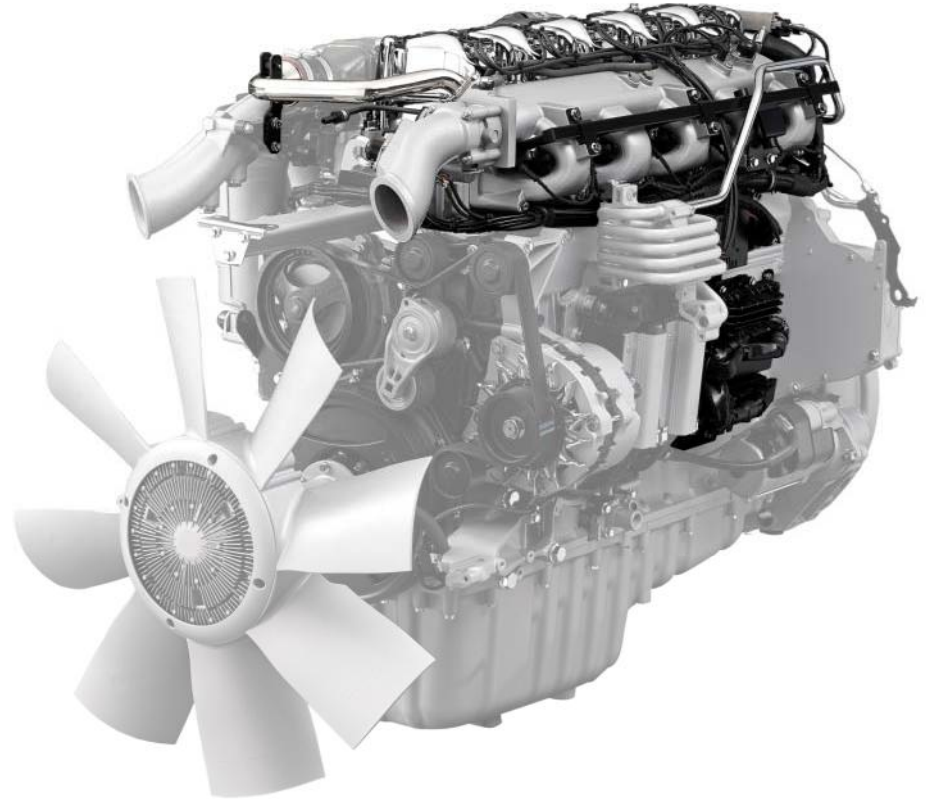


- Better fuel efficiency
- Improved aerodynamics
- New Scania Opticruise gearbox
- Connected vehicles



# Full Euro 6 range

- **Second generation with better fuel efficiency than Euro 5**
- **Both EGR/SCR engines and SCR-only engines**
- **Alternative fuels**

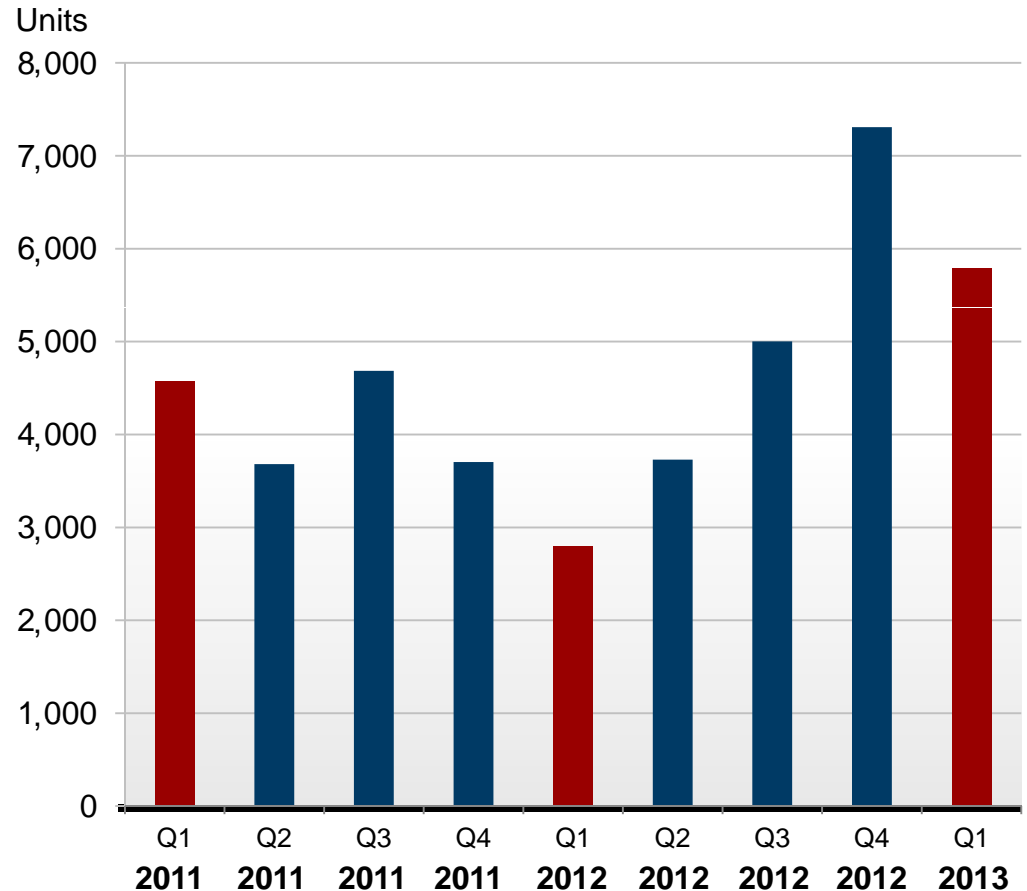


Scania 9-litre gas engine, gas specific components.

# Latin America

## Scania trucks, order bookings

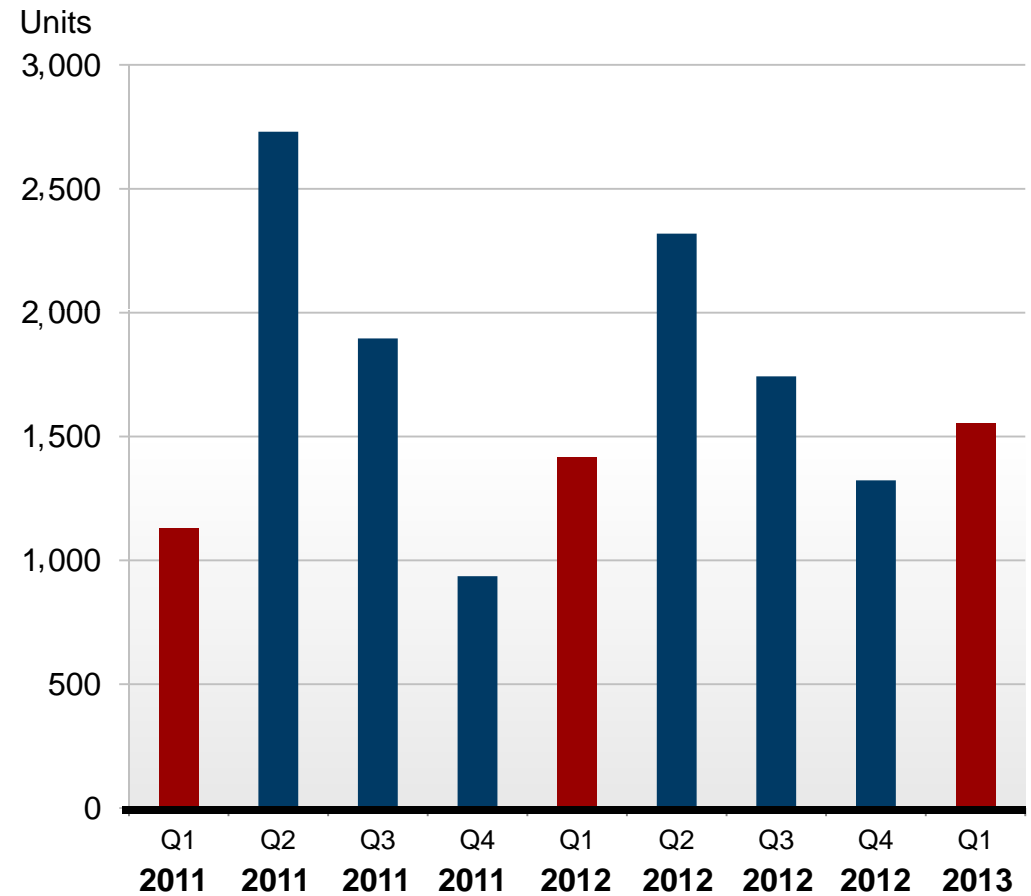
- Order bookings at a high level
- Incentives in Brazil and Argentina
- Strong performance in Brazil



# Eurasia

## Scania trucks, order bookings

- **Good level of demand in Russia**

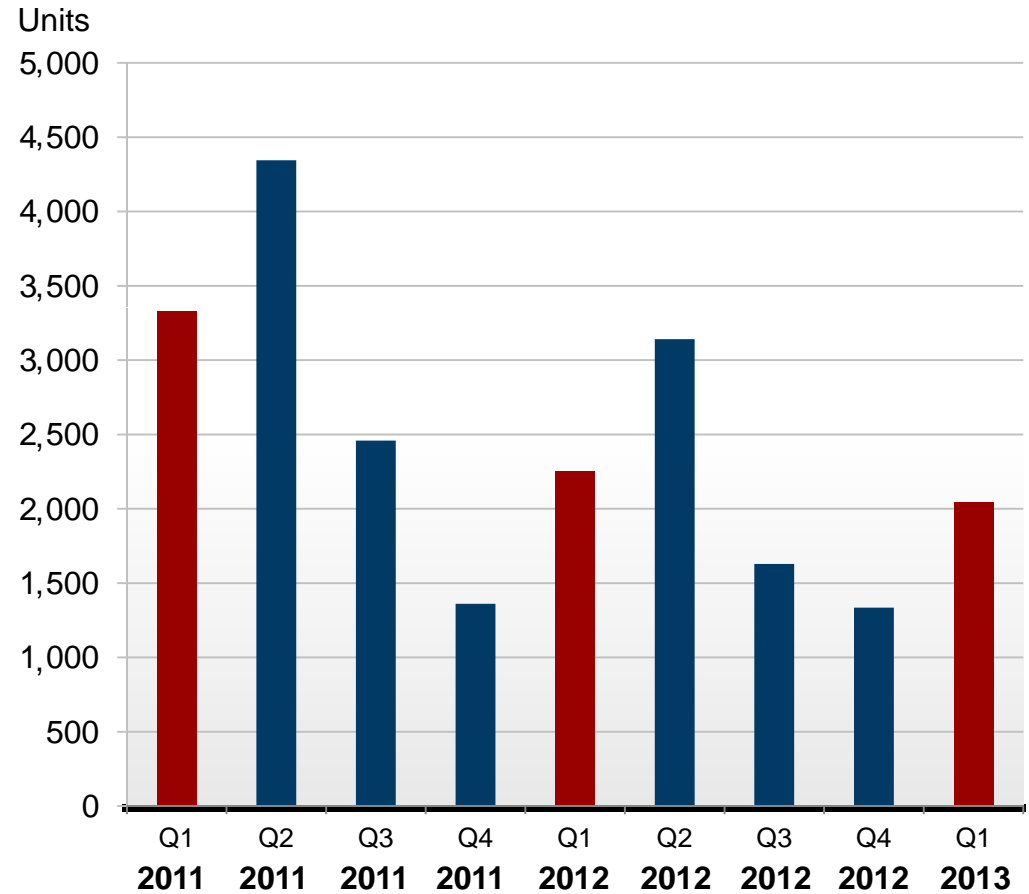




# Asia

## Scania trucks, order bookings

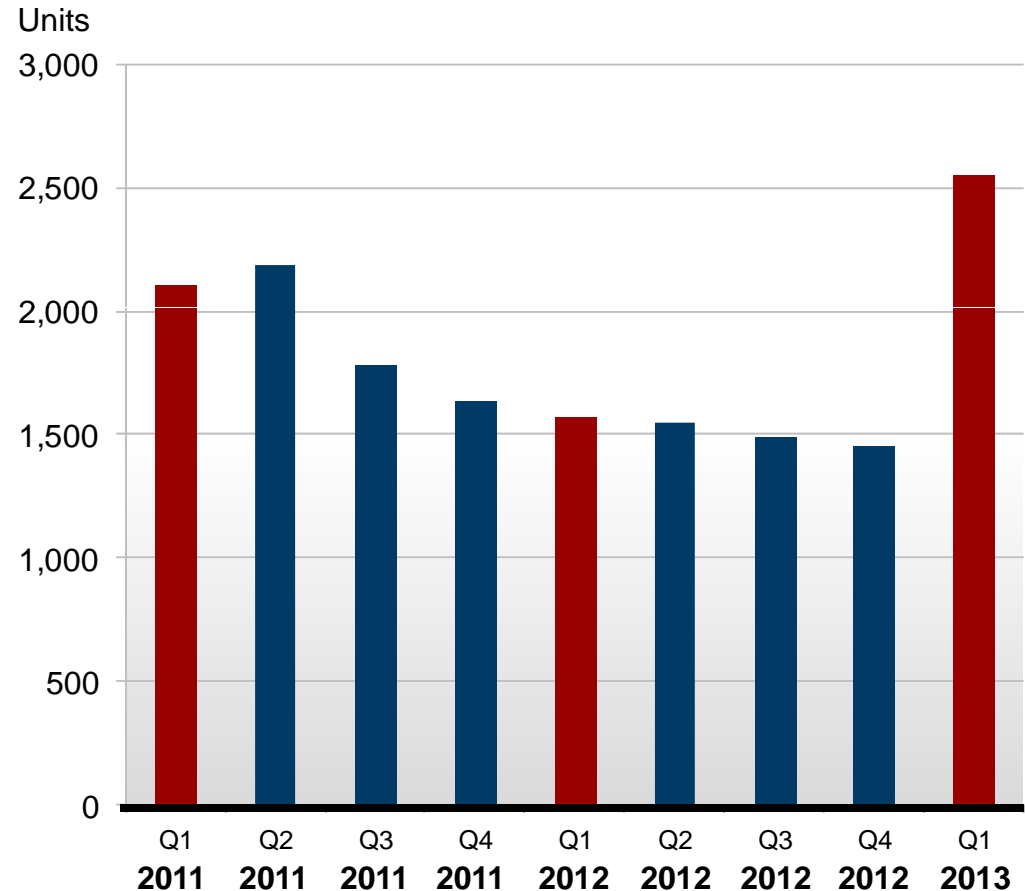
- Middle East improved from low level
- Stable demand in markets outside Middle East



# Buses and coaches

## Scania buses and coaches, order bookings

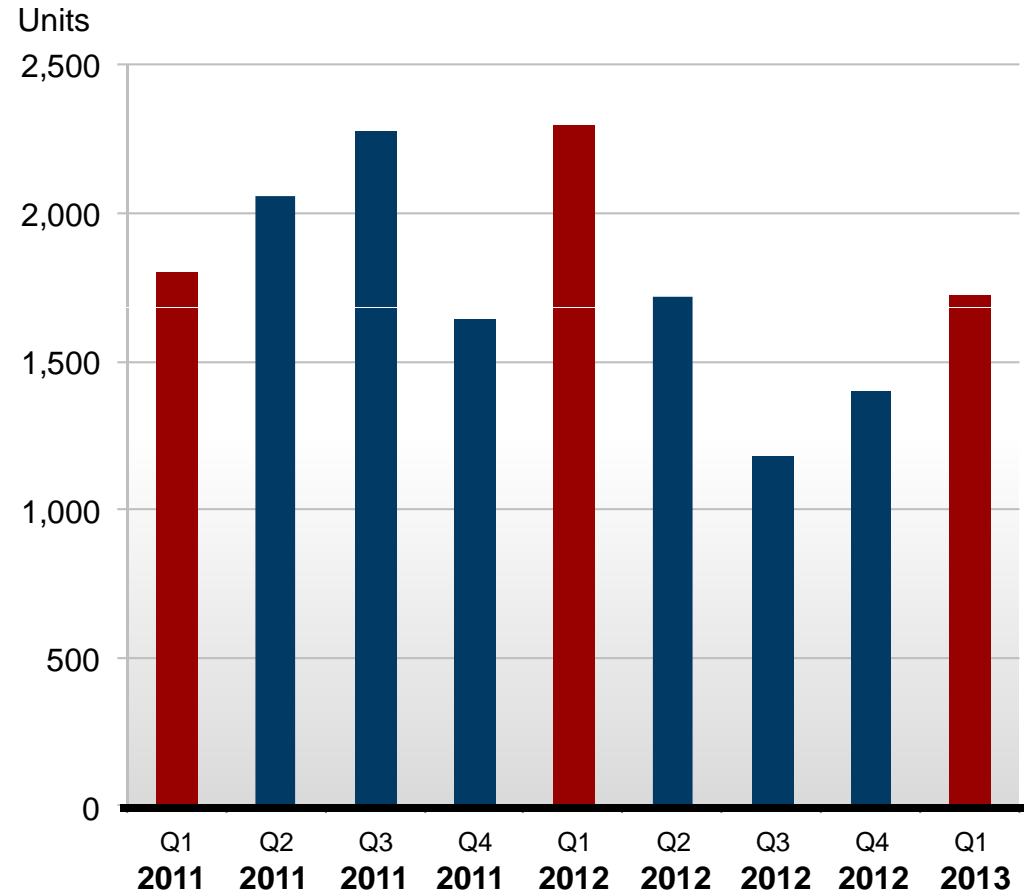
- Order bookings at high level in Q1
- Large orders from Russia and Malaysia
- Higher order bookings in Brazil and Mexico
- Europe weak



# Engines

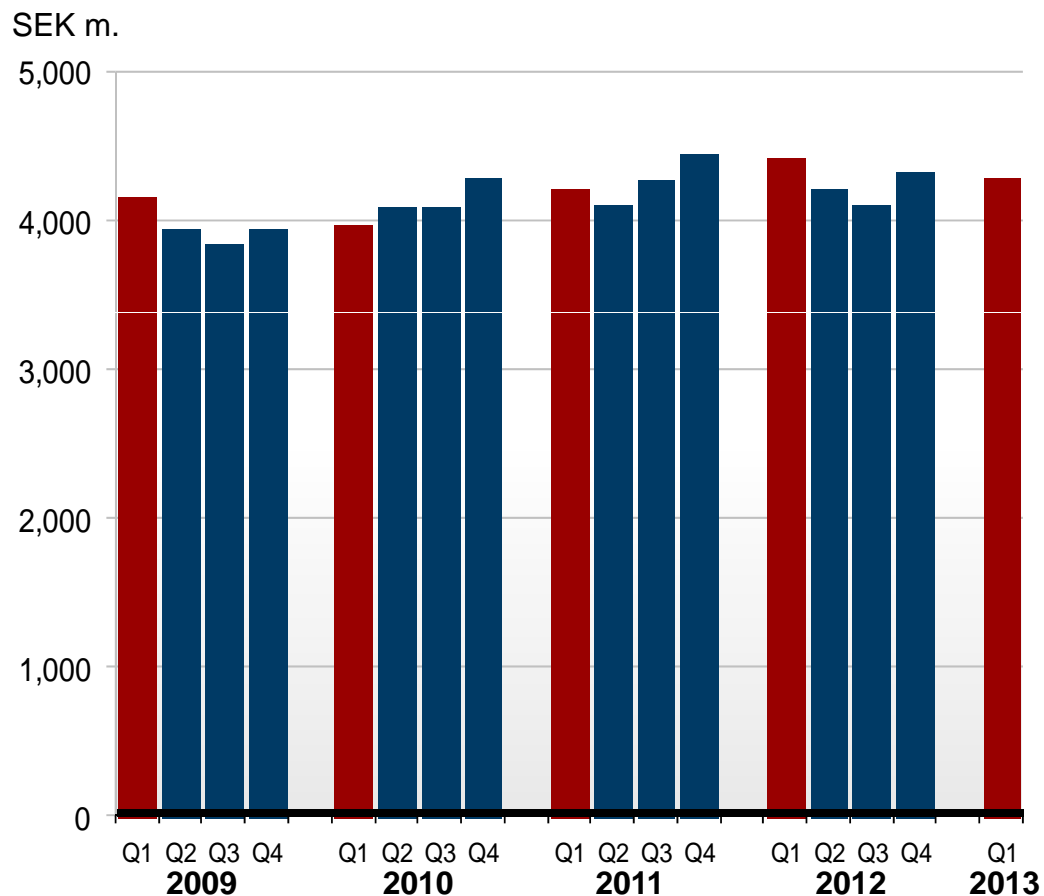
## Scania engines, order bookings

- Improvement compared to end of 2012
- Main increase in western Europe
- Some improvement in Asia



# Service revenue

- Service volume stable
- Southern Europe weak
- Increased volume in several regions outside Europe





# Adjusting cost level

- **Daily production rate in Europe reduced during Q1**
- **Measures taken in the service network in certain European markets**
- **Restrictive with hiring and general spending**

# Prioritised investments



- **Core development projects**
- **Sales and Services capacity in emerging markets**
- **Increase technical production capacity to 120,000**

# Summary

- **Improved order bookings in Q1 in several markets**
- **Large bus orders**
- **Price pressure and stronger SEK**
- **Adjusting cost level and prioritising investments**



**SCANIA**



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Jan Ytterberg, CFO



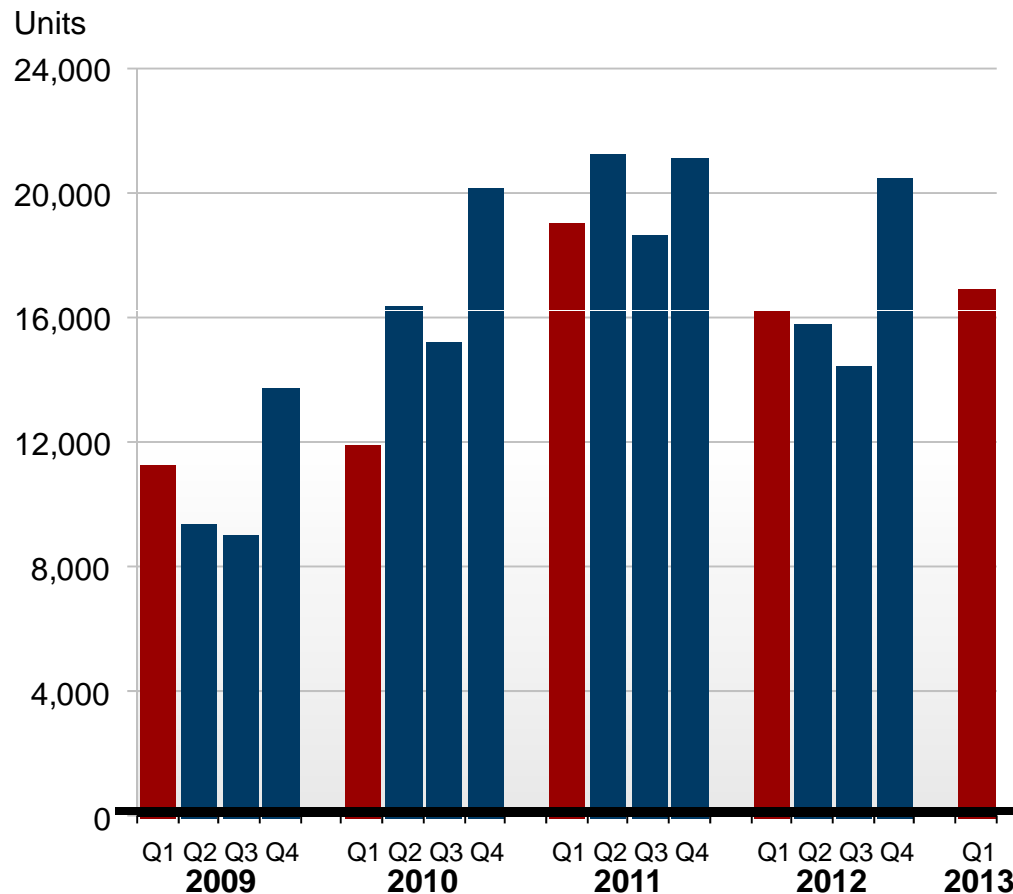
# First three months of 2013 – highlights

- **Impact from stronger SEK**
- **Improved capacity utilisation in Latin America**
- **Higher truck volume**

# Volume trend

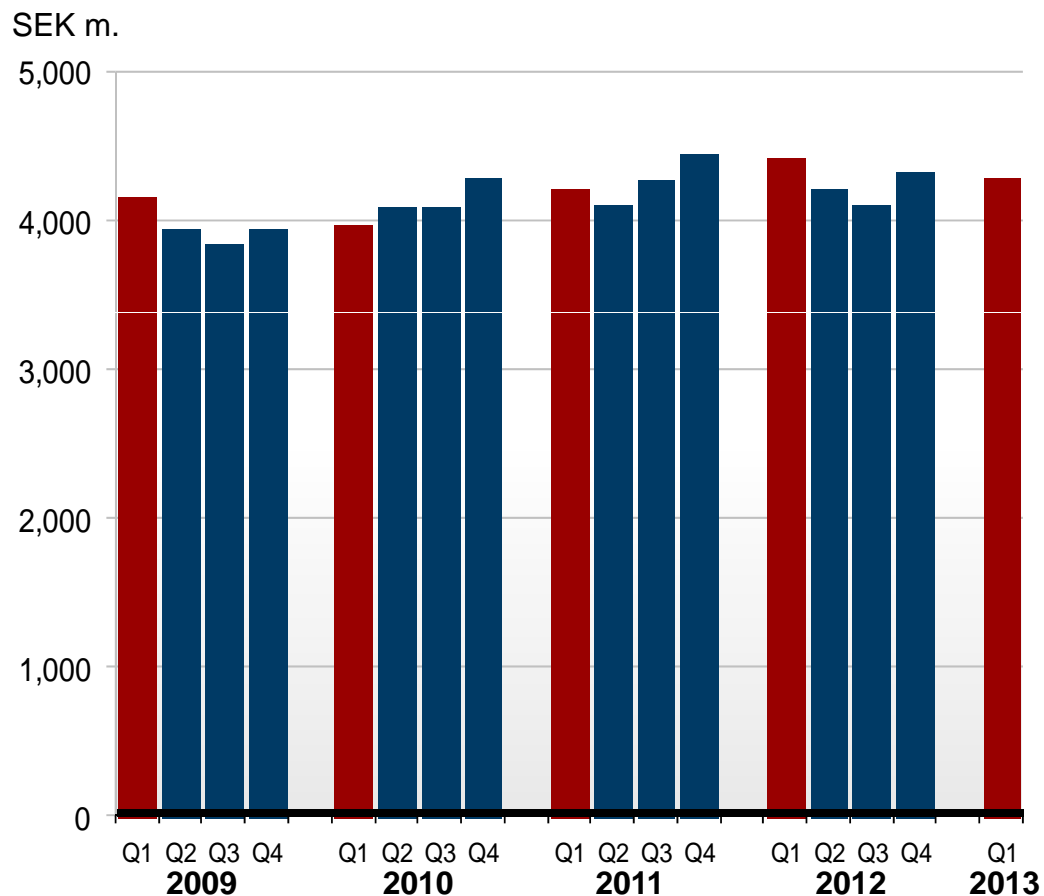
## Total deliveries, trucks and buses

- Higher volume driven by Latin America
- Lower deliveries in Asia
- Low capacity utilisation in Europe
- High utilisation in Latin America



# Service revenue

- Southern Europe weak
- Increased revenue in local currency in several regions

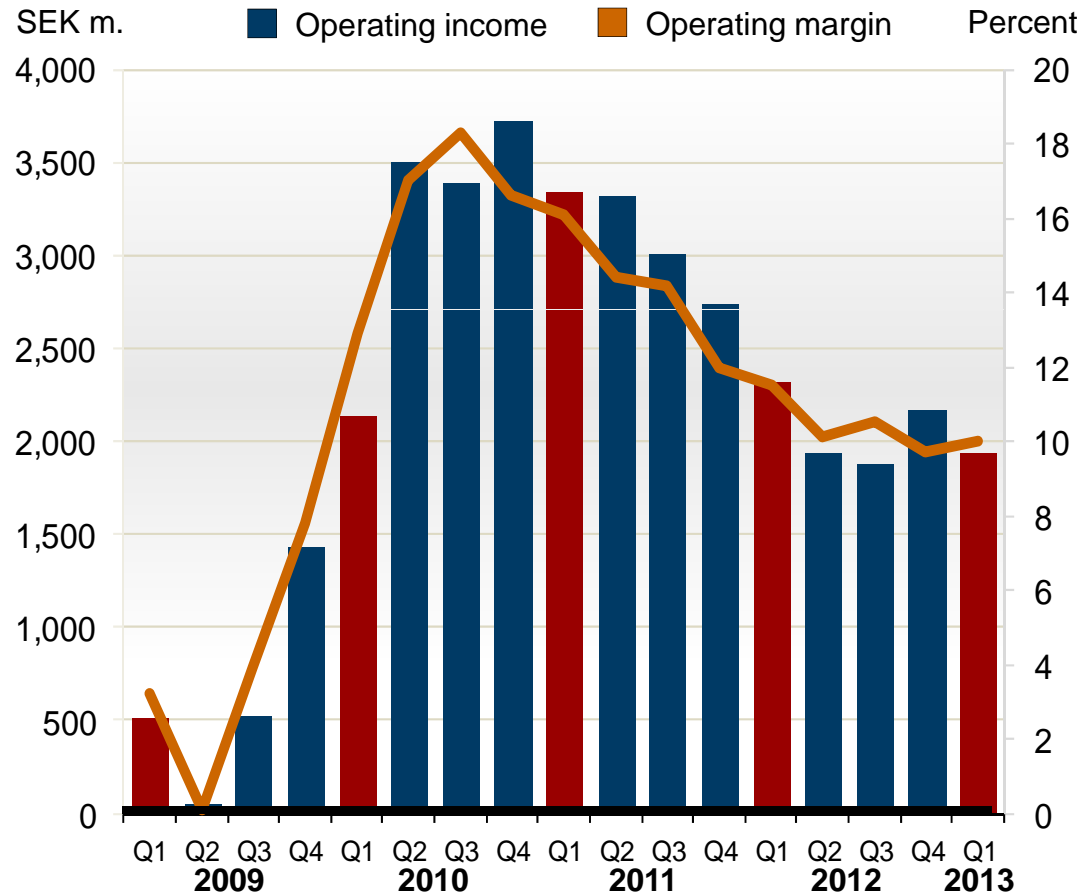




# Earnings trend

## Operating income, Scania Group

- Net sales -4% in Q1 2013
- EBIT margin 10.0% (11.5)
- Earnings per share SEK 1.75 (2.24)



# Operating income

## Vehicles and Services

- **EBIT decrease due to:**
  - Currency rate effects
  - Prices
  - Utilisation fee in Russia
- **Positive effects:**
  - Capacity utilisation in Latin America
  - Truck volume

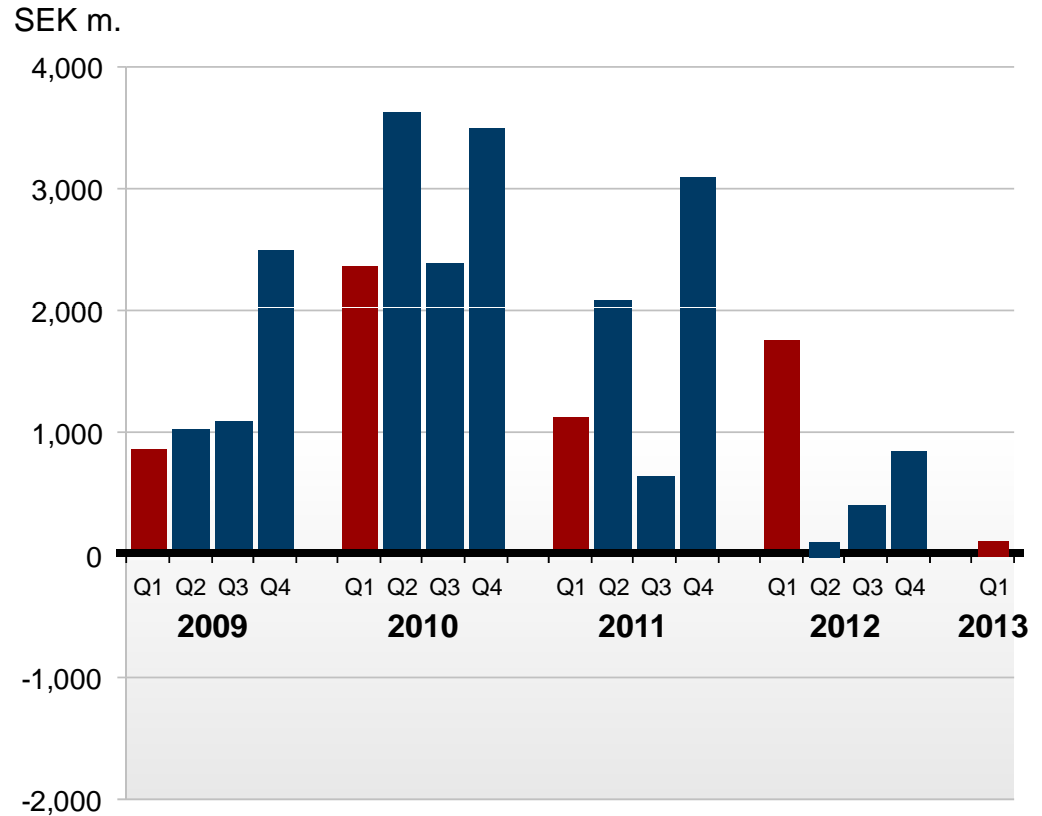


EBIT decrease:  
SEK 414 m.,  
Q1 2013

# Cash flow

## Vehicles and Services

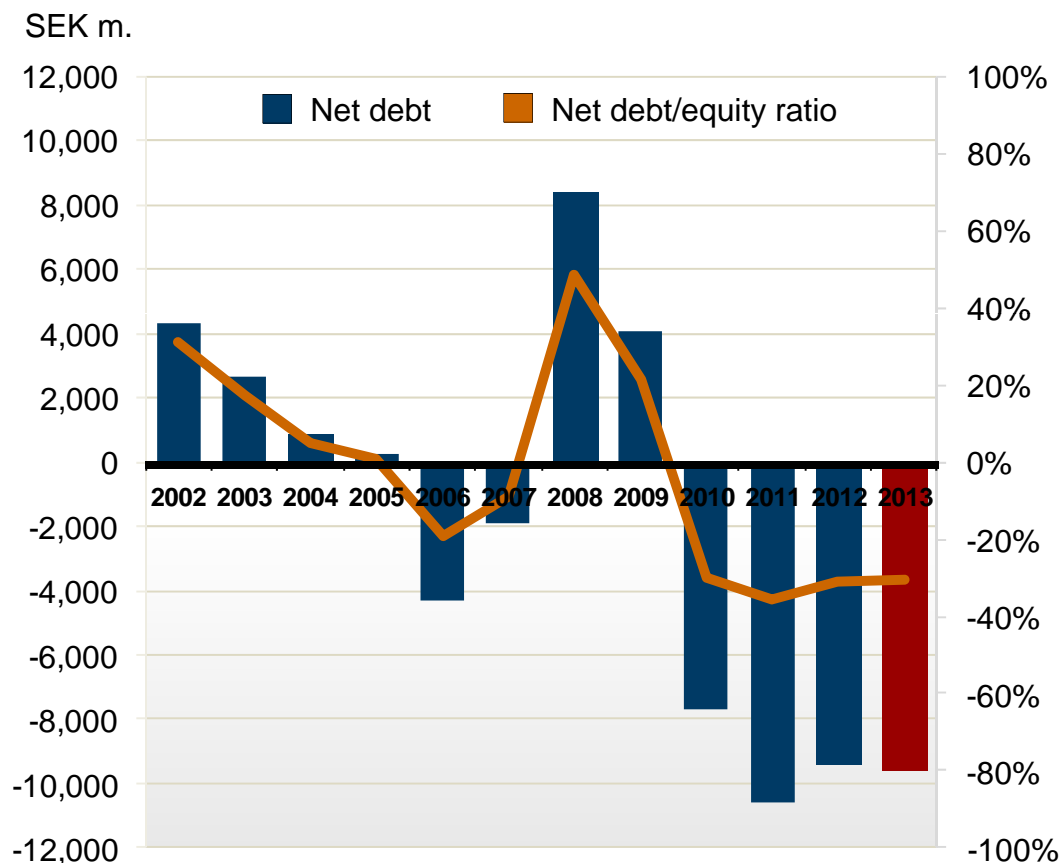
- Redemption of some SEK 800 m. related to pensions (PRI)
- Taxes paid in Brazil
- High level of investments



# Net debt

## Vehicles and Services

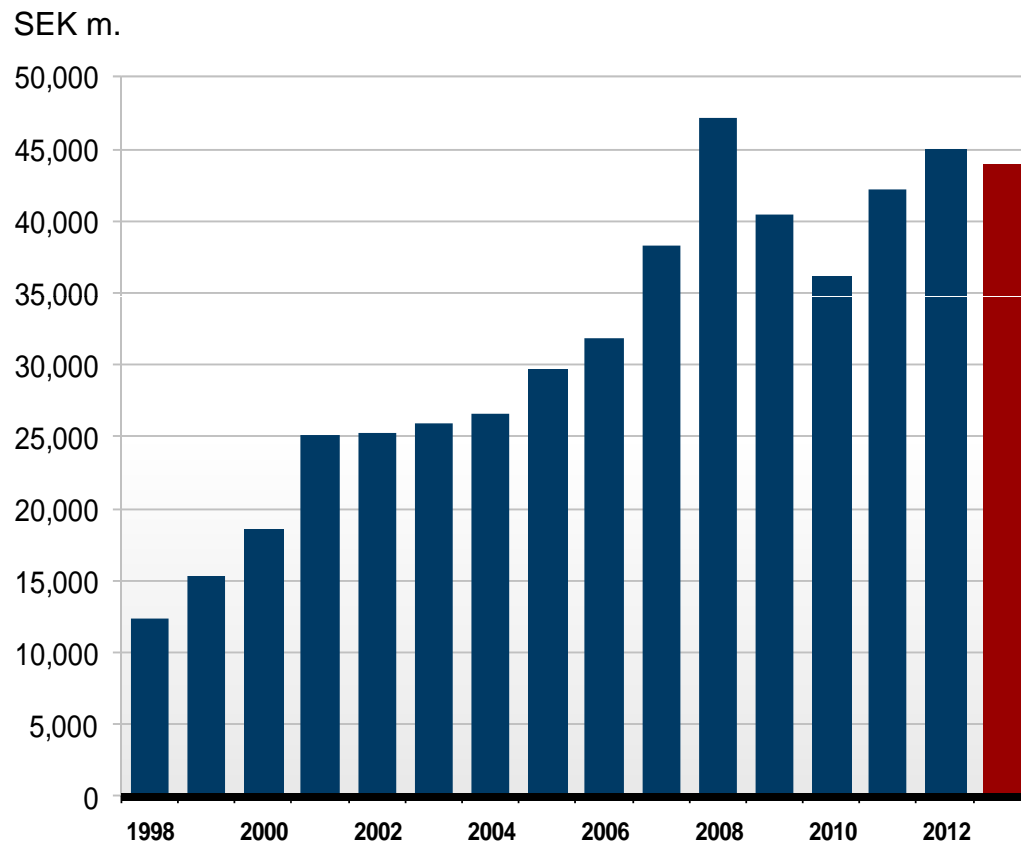
- **Net cash**  
**SEK 9,554 m.**  
**(Net cash SEK**  
**9,361 m. at end**  
**of 2012)**
- **Board has proposed**  
**dividend per share**  
**of SEK 4.75 (5.00)**



# Volume trend

## Credit portfolio, Financial Services

- Portfolio stable since end of 2012 in local currencies
- Operating income SEK 155 m. (131) in Q1 2013



# Summary

- **Impact from stronger SEK on revenue and earnings**
- **Higher truck deliveries**
- **Adjusting cost level**
- **Higher capacity utilisation in Latin America**



**SCANIA**