



# INTERIM REPORT

January - March 2023



**SCANIA**



## CONTENT

### At a glance

CEO letter

Order intake and deliveries

Net sales by product

Operating Income

Net cash flow

Net debt

Financial report

About Scania

## SCANIA INTERIM REPORT Q1 2023

# AT A GLANCE

SEK million	Q1		
	2023	2022	Δ%
<b>Trucks and buses (units)</b>			
Order intake	18,918	20,988	-10%
Deliveries	22,626	16,645	36%
of which trucks	21,611	15,900	36%
of which buses	1,015	745	36%
<b>Scania Group</b>			
Net sales	45,812	32,247	42%
Operating income	6,201	2,405	
Adjusted Operating income	6,185	2,581	
Operating margin	13.5%	7.5%	
Adjusted Operating margin	13.5%	8.0%	
Net income for the period from continuing operations	4,404	2,315	90%
Net income for the period from discontinued operations	-704	75	
Net income for the period for the group	3,700	2,390	55%
<b>Vehicles &amp; Services</b>			
Net sales	46,729	33,343	40%
Operating income	6,200	2,405	
Adjusted Operating income	6,184	2,581	
Operating margin	13.3%	7.2%	
Adjusted Operating margin	13.2%	7.7%	
Net cash flow	4,948	-1,184	
Net liquidity (+)/Net debt (-)	16,200	11,607	40%
Return on capital employed	22.2%	13.2%	
Employees	55,945	53,244	5%

This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act. The report has been reviewed by Scania's auditors. All figures shown are rounded, so minor discrepancies may arise from addition of these amounts. For the definitions of the key ratios please refer to the Scania Annual and Sustainability Report 2022.

**10%**  
Lower order intake

**36%**  
Increase  
in deliveries

**42%**  
Increase  
in net sales

**6.2**  
Operating income,  
billion SEK

**13.5%**  
Operating margin

## CONTENT

At a glance

CEO letter

Order intake and deliveries

Net sales by product

Operating Income

Net cash flow

Net debt

Financial report

About Scania

## CEO LETTER

# STRONG PERFORMANCE IN THE FIRST QUARTER

**Despite continuing macroeconomic and geopolitical uncertainty, transport activity remained high in general, as did demand for our products.**

Scania's net sales increased by 42 percent to SEK 45.8 billion and with an adjusted operating income of SEK 6.2 billion, adjusted operating margin came in at 13.5 percent (8.0).

Overall global truck demand remains at a high level in our key markets, with the exception of Latin America where the weakening economy is affecting demand. For Scania's buses and coaches, demand is gradually coming back from low levels after being hit hard by the pandemic. Order intake for our Power Solutions is at an all-time high, driven by the strong momentum among OEMs. The high activity levels in the quarter were reflected in our service sales, which grew by 15 percent adjusted for currency.

The supply chain situation continued to improve in the first quarter, although still unpredictable. Our efforts to stabilise the system have paid off and I am proud to see Scania demonstrate truly cross-functional work and, truck volumes to our customers are increasing as a result. The higher volumes and improved capacity utilisation in production impacted operating income positively. So did positive currency effects and price increases.

The transition to the new Scania SUPER powertrain is now almost complete in our European industrial system and the transition in the Latin American production system is underway. In the European system we have successfully started test production of the new battery electric truck for regional haulage that will be delivered to our customers in the second half of the year.

In these disruptive times for our industry, Scania benefits from the collective strength of the TRATON GROUP when it comes to sharing technology and investments. For the transport solutions of the future, the need to offer new financial solutions is emerging and that requires enhanced funding capabilities. To fully leverage on the strengths of the Group, Scania's successful financial services business serves as a blueprint for TRATON FINANCIAL SERVICES - a global commercial vehicle financial services structure. The Group brands, including Scania will benefit from a

common backbone, while the customer experience will remain unchanged. As the Financial Services business has been divested to TRATON GROUP, Scania's financial reporting segment structure has changed and now consists of a single operating segment, Vehicles and Services.

Another update in Scania's financial reporting is the specification of order and deliveries of zero emission vehicles (ZEV), which will make it easier for Scania's stakeholders to track the progress of our electrification journey. In the first quarter the number of ZEV deliveries tripled compared to the same period last year.

Electrified transport involves a complex network of interdependent elements, including not just vehicles but also charging requirements. Therefore, shifting to electrification will be challenging without the right information at hand, at the right time. With data retrieved in collaboration with our customers from a vast number of connected Scania vehicles worldwide, combined with our expertise in using that data, we can provide our customers with information on how to organise the scale-up of electric transport responsibly and economically. We recently announced a pilot with Axel Johnson, one of the largest trade and service companies in the Nordic region. Using Scania's models and analytic tools applied to Axel Johnson's operations, we are examining through digitised scenario modelling how electrified transport can operate and be charged in the most economically viable manner.

Collaborations and pilots like these allow us to explore the new ecosystem of energy supply, storage and vehicle charging, opening up new business opportunities to meet the demands of cities and society for electrified transport solutions.

In order to seize these new business opportunities and ensure a broad market uptake of electric vehicles, we are of course making huge investments. So are our peers in the heavy vehicle industry.

But we need full support from policymakers for the business case of zero emission vehicles to materialise. We salute the EU's ambitious targets which are in line with our own, but we also need the enabling factors in place. These factors include access to green electricity and charging infrastructure, price parity between electric and fossil-driven transport and minimising distracting regulations. Only by presenting a framework that allows heavy vehicle manufacturers to focus their efforts and investments solely on new technologies, can we decarbonise road transport at the scale and pace required.



**Christian Levin**  
President and CEO

## CONTENT

At a glance

CEO letter

**Order intake and deliveries**

Net sales by product

Operating Income

Net cash flow

Net debt

Financial report

About Scania

## SCANIA INTERIM REPORT Q1 2023

# ORDER INTAKE AND DELIVERIES

### Trucks

Order intake for trucks decreased by 8 percent compared to the same period last year. In Europe, although demand continues to be strong in most markets, order intake decreased compared to last year. We have been restrictive in the placing of orders for production far in time and since the order book for trucks is already large, we want to be able to ensure the quality of the order book and the ability to adjust prices to the high cost inflation.

In the Americas, order intake was low in the whole region due to political and economic volatility.

Deliveries increased by 36 percent, with strong contributions from Europe and the Middle East as well as Oceania, a result of a stabilised supply chain and logistical flows.

In Europe, the total market for heavy trucks increased by 20.5 percent compared to last year. Scania's European market share was 15.5 percent (13.1).

### Buses

Order intake for buses decreased by 31 percent and deliveries increased by 36 percent compared to the same period last year.

In Europe, the total market increased by 8.2 percent compared to last year. Scania's European market share was 4.4 percent (4.8).

### Power Solutions

Order intake for Power Solutions increased by 10 percent. Demand remains at a high level in many markets, especially China, Belgium and Norway.

Deliveries increased by 27 percent, which was the result of high production volume during the first quarter.

Units	Order intake			Deliveries		
	Q1 2023	Q1 2022	Δ%	Q1 2023	Q1 2022	Δ%
<b>TOTAL Trucks &amp; Buses</b>	<b>18,918</b>	<b>20,988</b>	<b>-10%</b>	<b>22,626</b>	<b>16,645</b>	<b>36%</b>
<i>of which ZEV vehicles<sup>1</sup></i>	47	155	-70%	74	24	
<b>Trucks</b>	<b>17,771</b>	<b>19,323</b>	<b>-8%</b>	<b>21,611</b>	<b>15,900</b>	<b>36%</b>
Europe	11,765	14,511	-19%	14,373	9,534	51%
America <sup>2</sup>	1,887	2,939	-36%	3,032	2,864	6%
Asia	2,516	1,534	64%	2,763	1,540	79%
Africa & Oceania	1,167	1,395	-16%	1,264	1,087	16%
Eurasia	436	-1,056		179	875	-80%
<b>Buses</b>	<b>1,147</b>	<b>1,665</b>	<b>-31%</b>	<b>1,015</b>	<b>745</b>	<b>36%</b>
Europe	274	470	-42%	328	287	14%
America <sup>2</sup>	672	995	-32%	370	286	29%
Asia	60	62	-3%	220	108	
Africa & Oceania	141	133	6%	97	59	64%
Eurasia	-	5	-100%	-	5	-100%
<b>Power Solutions</b>	<b>4,562</b>	<b>4,134</b>	<b>10%</b>	<b>3,902</b>	<b>3,061</b>	<b>27%</b>
Europe	2,512	2,192	15%	2,104	1,375	53%
America	422	909	-54%	650	798	-19%
Asia	1,475	785	88%	1,079	808	34%
Africa & Oceania	153	109	40%	69	74	-7%
Eurasia	-	139	-100%	-	6	-100%

<sup>1</sup> ZEV – Zero Emission Vehicles

<sup>2</sup> Refers mainly to Latin America



## CONTENT

At a glance

CEO letter

Order intake and deliveries

**Net sales by product**

Operating Income

Net cash flow

Net debt

Financial report

About Scania

## SCANIA INTERIM REPORT Q1 2023

# NET SALES BY PRODUCT

Total net sales of Vehicles and Services increased by 40 percent to SEK 46,729 m. (33,343), positively impacted by higher volumes and currency effects.

Net sales of trucks increased by 57 percent to SEK 29,782 m. (18,922) due to higher volumes, price increases and a positive product mix.

Net sales of services increased by 21 percent to SEK 10,520 m. (8,676). In local currency service net sales increased by 15 percent.

SEK million	Q1		
	2023	2022	Δ%
<b>Vehicles &amp; Services</b>	<b>46,729</b>	<b>33,343</b>	<b>40%</b>
Trucks	29,782	18,922	57%
Buses	1,577	1,210	30%
Power Solutions	1,110	765	45%
Services <sup>1</sup>	10,520	8,676	21%
Other <sup>2</sup>	3,741	3,769	-1%

<sup>1</sup>Includes spare parts and workshop services.

<sup>2</sup>Includes used vehicles and deferred revenues.



## CONTENT

At a glance

CEO letter

Order intake and deliveries

Net sales by product

**Operating Income**

Net cash flow

Net debt

Financial report

About Scania

## SCANIA INTERIM REPORT Q1 2023

# OPERATING INCOME

Operating income for Scania Group amounted to SEK 6,201 m. (2,405) and the adjusted operating margin improved to 13.5 percent (8.0). In Vehicles and Services, adjusted operating income increased to SEK 6,184 m. (2,581), and the adjusted operating margin was 13.2 percent (7.7). Operating income was positively impacted by higher volumes following a gradual return to a more normal supply chain. Currency effects and price increases also impacted positively while higher costs for input goods and inflation had a negative effect.

Scania's research and development expenditures amounted to SEK 3,066 m. (2,237). After adjusting for SEK 681 m. (556) in capitalised expenditures, and SEK 299 m. (239) in depreciation of previously capitalised expenditures, recognised expenses increased to SEK 2,684 m. (1,920).

You will find further details on the Financial Services discontinued operations in note 3, 5 and 7.

SEK million	Scania Group			Vehicles & Services		
	Q1 2023	Q1 2022	Δ%	Q1 2023	Q1 2022	Δ%
Net sales	45,812	32,247	42%	46,729	33,343	40%
Operating income	6,201	2,405		6,200	2,405	
Adjusted Operating Income	6,185	2,581		6,184	2,581	
Operating margin	13.5%	7.5%		13.3%	7.2%	
Adjusted Operating margin	13.5%	8.0%		13.2%	7.7%	



## CONTENT

- At a glance
- CEO letter
- Order intake and deliveries
- Net sales by product
- Operating Income
- Net cash flow**
- Net debt
- Financial report
- About Scania

## SCANIA INTERIM REPORT Q1 2023

# NET CASH FLOW

### Scania Group

Cash flow amounted to SEK negative 716 m. (negative 220) including cash flows from discontinued operations. The discontinued operations includes a negative effect from divestments of the Russian operations. In total, the Group's net debt increased by about SEK 3,038 m. compared to the end of 2022.

### Vehicles and Services

Scania's cash flow in Vehicles and Services amounted to SEK positive 4,948 m. (negative 1,184), including a positive effect of SEK 4,514 m. from divestments of the Russian operations, during the first quarter of 2023. Change in working capital had a negative impact of SEK 3,943 m. (negative 2,827).

Net investments amounted to SEK positive 2,266 m. (negative 2,616), including SEK 681 m. (556) in capitalisation of development expenditure. At the end of the first quarter of 2023, the net cash position in Vehicles and Services amounted to SEK 16,200 m. compared to a net cash position of SEK 11,607 m. at the end of 2022.

SEK million	Scania Group			Vehicles & Services		
	Q1 2023	Q1 2022	Δ%	Q1 2023	Q1 2022	Δ%
Cash flow from operating activities before change in working capital	6,840	4,374	56%	6,625	4,259	56%
Change in working capital	-6,447	-1,968		-3,943	-2,827	39%
Cash flow from operating activities	393	2,406	-84%	2,682	1,432	87%
Net investments	-1,109	-2,626	-58%	2,266	-2,616	
Cash flow after investing activities attributable to operating activities	-716	-220		4,948	-1,184	



## CONTENT

At a glance

CEO letter

Order intake and deliveries

Net sales by product

Operating Income

Net cash flow

**Net debt**

Financial report

About Scania

## SCANIA INTERIM REPORT Q1 2023

# NET DEBT

The Group's net debt position increased by SEK 3,038 m. to SEK 101,756 m. due to an increased financial lease portfolio in the discontinued Financial Services Segment.

The net liquidity position in Vehicles and Services increased by SEK 4,593 m. due to positive cash flow from the operations and a positive effect from divestment of the operations in Russia which was partly offset by negative working capital.

SEK million	Scania Group			Vehicles & Services		
	31 Mar 2023	31 Dec 2022	Δ%	31 Mar 2023	31 Dec 2022	Δ%
<b>Net debt, excl. provision for pensions</b>						
<b>Assets</b>	<b>23,032</b>	<b>24,365</b>	<b>-5%</b>	<b>30,678</b>	<b>23,339</b>	<b>31%</b>
Current investments	803	1,865	-57%	9,911	5,448	82%
Cash and cash equivalents	8,476	9,921	-15%	8,476	8,688	-2%
Loans to Volkswagen entities	12,291	9,215	33%	12,291	9,203	34%
Assets held for sale <sup>1</sup>	1,462	3,364	-57%	-	-	
<b>Liabilities</b>	<b>124,788</b>	<b>123,083</b>	<b>1%</b>	<b>14,478</b>	<b>11,732</b>	<b>23%</b>
Interest-bearing liabilities, non-current	58,381	76,828	-24%	11,469	10,535	9%
Interest-bearing liabilities, current	40,220	46,255	-13%	3,009	1,197	
Liabilities held for sale <sup>1</sup>	26,187	-		-	-	
<b>Net liquidity (+)/Net debt (-)</b>	<b>-101,756</b>	<b>-98,718</b>	<b>3%</b>	<b>16,200</b>	<b>11,607</b>	<b>40%</b>

<sup>1</sup>The assets held for sale in December 2022 refers to cash and cash equivalents in the Russian Financial Services Operations. This divestment was finalised in January 2023. The assets and liabilities held for sale, as of March 2023, refer to assets and liabilities included in the net liquidity in the Financial Services segment.



## CONTENT

At a glance

CEO letter

Order intake and deliveries

Net sales by product

Operating Income

Net cash flow

Net debt

**Financial report**

About Scania

## FINANCIAL REPORT

# CONSOLIDATED INCOME STATEMENT, CONDENSED

SEK million	Note	Q1		Δ%
		2023	2022	
Net sales		45,812	32,247	42%
Cost of goods sold and services rendered		-33,096	-24,346	36%
<b>Gross income</b>		<b>12,716</b>	<b>7,901</b>	<b>61%</b>
Research and development expenses		-2,684	-1,920	40%
Selling expenses		-3,222	-2,838	14%
Administrative expenses		-625	-562	11%
Items affecting comparability		16	-176	
<b>Operating income</b>		<b>6,201</b>	<b>2,405</b>	
Interest income		709	163	
Interest expenses		-447	-101	
Share of income from associated companies and joint ventures		-21	-12	75%
Other financial income		565	1,550	-64%
Other financial expenses		-891	-255	
<b>Total financial items</b>		<b>-85</b>	<b>1,345</b>	
<b>Income before taxes for the period from continuing operations</b>		<b>6,116</b>	<b>3,750</b>	<b>63%</b>
Income taxes		-1,712	-1,435	19%
<b>Net income for the period from continuing operations</b>		<b>4,404</b>	<b>2,315</b>	<b>90%</b>
<b>Net income for the period from discontinued operations</b>	5	<b>-704</b>	<b>75</b>	
<b>Net income for the period for the group</b>		<b>3,700</b>	<b>2,390</b>	<b>55%</b>
<b>Other comprehensive income</b>				
<b>Items that may be reclassified subsequently to profit or loss</b>				
Translation differences		1,926	1,971	-2%
Income taxes		-16	25	
		1,910	1,996	-4%
<b>Items that will not be reclassified to profit or loss</b>				
Remeasurement defined benefit plans <sup>1</sup>		-194	410	
Fair value adjustment equity instruments		-	28	-100%
Income taxes		39	-95	
		-155	343	
<b>Other comprehensive income for the period</b>		<b>1,755</b>	<b>2,339</b>	<b>-25%</b>
<b>Total comprehensive income for the period</b>		<b>5,455</b>	<b>4,729</b>	<b>15%</b>
Net income attributable to:				
Scania shareholders		3,700	2,388	15%
Non-controlling interest		0	2	-100%
Total comprehensive income attributable to:				
Scania shareholders		5,455	4,727	15%
Non-controlling interest		0	2	-100%

<sup>1</sup> Discount rate in calculating the Swedish pension liability is 3.75 percent and inflation 1.75 percent.

## CONTENT

- At a glance
- CEO letter
- Order intake and deliveries
- Net sales by product
- Operating Income
- Net cash flow
- Net debt
- Financial report**
- About Scania

## FINANCIAL REPORT

Continued

# CONSOLIDATED BALANCE SHEET, CONDENSED

SEK million	Note	31 Mar		31 Dec
		2023	2022	2022
<b>Assets</b>				
<b>Non-current assets</b>				
Intangible assets		15,361	14,003	14,995
Tangible assets		44,797	42,602	44,456
Lease assets		24,571	26,061	24,926
Shares and participations		2,991	2,693	2,839
Interest-bearing receivables		460	60,507	69,690
Other receivables <sup>1</sup>		10,409	9,283	11,146
<b>Current assets</b>				
Inventories		36,595	26,850	30,673
Interest-bearing receivables		1,113	37,140	44,184
Other receivables		18,939	18,889	22,088
Current investments		806	375	1,873
Cash and cash equivalents		20,767	28,983	19,125
		<b>78,220</b>	<b>112,237</b>	<b>117,943</b>
Assets classified as held for sale	5	124,684	-	4,668
<b>Total assets</b>		<b>301,493</b>	<b>267,386</b>	<b>290,663</b>
<b>Equity</b>				
Scania shareholders		85,021	72,918	79,566
Non-controlling interest		59	26	59
<b>Total equity</b>		<b>85,080</b>	<b>72,944</b>	<b>79,625</b>
<b>Non-current liabilities</b>				
Interest-bearing liabilities		58,381	65,521	76,828
Provisions for pensions		7,921	12,097	7,853
Other provisions		4,114	3,626	4,061
Other liabilities <sup>1</sup>		16,801	15,717	16,779
<b>Current liabilities</b>				
Interest-bearing liabilities		40,554	38,769	46,862
Provisions		5,024	14,089	4,578
Other liabilities		52,881	44,623	53,840
		<b>98,459</b>	<b>97,481</b>	<b>105,280</b>
Liabilities directly attributable to assets held for sale	5	30,737	-	237
<b>Total equity and liabilities</b>		<b>301,493</b>	<b>267,386</b>	<b>290,663</b>

<sup>1</sup>Including deferred tax.

## CONTENT

- At a glance
- CEO letter
- Order intake and deliveries
- Net sales by product
- Operating Income
- Net cash flow
- Net debt
- Financial report**
- About Scania

## FINANCIAL REPORT

Continued

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY, CONDENSED

SEK million	Q1		
	2023	2022	Δ%
<b>Equity, 1 Jan</b>	<b>79,625</b>	<b>68,213</b>	<b>17%</b>
Net income for the period	3,700	2,390	55%
Other comprehensive income for the period	1,755	2,339	-25%
Change in non-controlling interest	0	2	-100%
<b>Total equity at the end of the period</b>	<b>85,080</b>	<b>72,944</b>	<b>17%</b>
<b>Attributable to:</b>			
Scania AB shareholders	85,021	72,918	17%
Non-controlling interest	59	26	



## CONTENT

- At a glance
- CEO letter
- Order intake and deliveries
- Net sales by product
- Operating Income
- Net cash flow
- Net debt
- Financial report**
- About Scania

## FINANCIAL REPORT

Continued

# CONSOLIDATED CASH FLOW STATEMENT, CONDENSED

SEK million	Note	Q1		Δ%
		2023	2022	
<b>Operating activities</b>				
Income before tax <sup>1</sup>		5,633	3,952	43%
Items not affecting cash flow		3,979	1,615	
Taxes paid		-2,772	-1,193	
<b>Cash flow from operating activities before change in working capital</b>		<b>6,840</b>	<b>4,374</b>	<b>56%</b>
Change in working capital		-6,447	-1,968	
<b>Cash flow from operating activities</b>		<b>393</b>	<b>2,406</b>	<b>-84%</b>
<b>Investing activities</b>				
Net investments	4	-1,109	-2,626	-58%
<b>Cash flow from investing activities attributable to operating activities</b>		<b>-1,109</b>	<b>-2,626</b>	<b>-58%</b>
<b>Cash flow after investing activities attributable to operating activities</b>		<b>-716</b>	<b>-220</b>	
Net investments in securities and loans		514	23	
<b>Cash flow from investing activities</b>		<b>-595</b>	<b>-2,603</b>	<b>-77%</b>
<b>Cash flow before financing activities</b>		<b>-202</b>	<b>-197</b>	<b>3%</b>
<b>Financing activities</b>				
Change in debt from financing activities		-203	-359	-43%
<b>Cash flow from financing activities</b>		<b>-203</b>	<b>-359</b>	<b>-43%</b>
<b>Cash flow for the period</b>		<b>-405</b>	<b>-556</b>	<b>-27%</b>
<b>Cash and cash equivalents at beginning of period</b>		<b>22,489</b>	<b>29,262</b>	<b>-23%</b>
Exchange rate differences in cash and cash equivalents		21	277	-92%
<b>Cash and cash equivalents at end of period</b>		<b>22,105</b>	<b>28,983</b>	<b>-24%</b>
Cash and cash equivalents at end of period reported separately in the balance sheet (assets held for sale)	5	-1,338	-	
<b>Cash and cash equivalents at end of period (reported in the balance sheet)</b>		<b>20,767</b>	<b>-</b>	

<sup>1</sup> Includes Income before tax from continuing and discontinued operations

## CONTENT

- At a glance
- CEO letter
- Order intake and deliveries
- Net sales by product
- Operating Income
- Net cash flow
- Net debt
- Financial report**
- About Scania

## FINANCIAL REPORT

Continued

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### Note 1 – Accounting principles

Scania applies International Financial Reporting Standards (IFRSs) as adopted by the EU. There are no amendments of IFRS during 2023 that are estimated to have a material impact on the result and financial position of the Scania Group. The accounting policies and definitions are consistently applied with those described in Scania's Annual and Sustainability Report 2022. This Interim Report for the Scania Group has been prepared in accordance with IAS 34, "Interim Financial Reporting" and the Annual Accounts Act.

The Interim Report for the Parent Company, Scania AB, has been prepared in accordance with the Annual Accounts Act and recommendation RFR 2, "Accounting for Legal Entities" of the Swedish Financial Reporting Board.

#### Assets held for sale

The Group classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use.

The criteria for held for sale classification is regarded as met only when the sale is highly probable, and the assets or disposal group is available for immediate sale in its present condition. Management must be committed to a plan to sell the asset and the sale expected to be completed within one year from the date of the classification.

Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset/disposal group, excluding finance costs and income tax.

#### Discontinued operations

A discontinued operation is a component of the Group which either has been disposed of, or is classified as held for sale, and represents a separate line of business or geographical area of operation. A discontinued operation is reported separately from continuing operations in the income statement, and comparable information for prior periods is restated. Assets classified as held for sale and associated liabilities are presented separately in the balance sheet. Prior periods are not affected.

For information regarding changes in the Segment reporting refer to Note 3.

### Note 2 – Material risks and uncertainties

The continuing impact of the continuing war in Ukraine is still difficult to assess. Scania continuously assesses the situation and the potential impact on the future development and/or risks that can affect the financial position. The situation could lead to:

- Decreased market demand in the short and medium term in several important markets for Scania, leading to decreased sales of vehicles and services and also price pressure on new and used vehicles. This, in turn, also can lead to needs to make write-downs in vehicle inventory and changed estimates of residual value on buy-back commitments.
- The supplier network could be unable to deliver components and articles, leading to shorter or longer periods of close down of Scania's global production system.
- Customers facing financial problems leading to deteriorating ability to pay outstanding receivables to Scania.
- Impairment of goodwill and other intangible assets.

The text above is not an exhaustive list and one or several of these potential impacts can occur independently, or in combination, and could have a negative impact on the Scania Group's business and financial development and performance.

The section entitled "Risks and risk management" in Scania's Annual and Sustainability Report 2022 describes Scania's strategic, operational, legal and financial risks. Note 2 of the same report provides a detailed account of key judgements and estimates. Note 28 of the same report describes the financial risks, such as currency risk and interest rate risk. The risks that have the greatest impact on financial performance and on reporting for the Group and the Parent Company are summarised as follows:

#### a) Sales with obligations

About seven percent of the vehicles Scania sells are delivered with repurchase obligations. These are recognised as operating lease contracts, with the consequence that recognition of revenue and earnings is allocated over the life of the obligation (contract).

#### b) Legal risks

In 2011, Scania became subject of an investigation by the European Commission (EC) into allegedly inappropriate cooperation with all of the other European truck manufacturers. The EU served Scania a final decision in October 2017, holding Scania liable to pay fines for said cartel in the amount of around EUR 880.5 m. Scania appealed against the EC decision to the EU's General Court (GC), which rendered its judgment on 2 February 2022. In the GC judgment, Scania's appeal was dismissed in its entirety and the full amount of the fines was upheld. Scania appealed against the GC judgment in April 2022 to the European Court of Justice (ECJ) and also fulfilled its formal duty to pay the total amount of the fines (including accrued interest) even pending the outcome of the ECJ appeal proceedings. These are still in progress. In addition, Scania has received related civil claims by direct or indirect customers of Scania in multiple jurisdictions. Scania defends itself against all claims by denying any effect of the alleged cartel while also seeking to have all court proceedings stayed until such time that the ECJ has rendered its judgment.

## CONTENT

- At a glance
- CEO letter
- Order intake and deliveries
- Net sales by product
- Operating Income
- Net cash flow
- Net debt
- Financial report**
- About Scania

## FINANCIAL REPORT

Continued

### Note 3 – Segment reporting

#### Segment structure from Q1

As a consequence of the decision to divest its Financial Services segment to TRATON the Scania Group has a changed segment structure, which subsequently consists of a single operating segment, Vehicles and Services.

The results and financial position of the Vehicles and Services operations are monitored by Scania's Board of Directors and Management. The Vehicles and Services operating segment encompasses the products, trucks, buses and power solutions including the services associated with these products. All products are based on shared basic components and monitoring of results thus occurs on an aggregated basis. Earnings, assets and liabilities and cash flow attributable to the Vehicles and Services operations have been allocated to this segment.

Treasury activities consisting of interest income and expenses, receivables and liabilities attributable to the financing of the Financial Service business divested to TRATON as of 1 April 2023 are presented as Group activities in the segment reporting. These activities will continue to be carried out by Scania during a transition period.

The comparative figures for 2022 have been restated to reflect the organisational changes as a result of the divestment of the Financial Services segment.

Jan-Mar SEK million	Vehicles & Services			Group Activities			Eliminations			Scania Group		
	2023	2022	Δ%	2023	2022	Δ%	2023	2022	Δ%	2023	2022	Δ%
Net sales	46,729	33,343	40%	-	-		-917	-1,096	-16%	45,812	32,247	42%
Gross income	12,716	7,901	61%	-	-		-	-		12,716	7,901	61%
Operating income	6,200	2,405		-	-		1	-		6,201	2,405	
Interest Income	709	163		778	344		-778	-344		709	163	
Interest Expenses	-447	-101		-778	-344		778	344		-447	-101	
Other	-354	1,283		-240	-		247	-		-347	1,283	
<b>Total financial items</b>	<b>-92</b>	<b>1,345</b>		<b>-240</b>	<b>-</b>		<b>247</b>	<b>-</b>		<b>-85</b>	<b>1,345</b>	
Income before taxes	6,109	3,750	63%	-240	-		247	-		6,116	3,750	63%
Income taxes	-1,705	-1,428	19%	49	-		-56	-7		-1,712	-1,435	19%
<b>Net income for the period from continuing operations</b>	<b>4,403</b>	<b>2,322</b>	<b>90%</b>	<b>-190</b>	<b>-</b>		<b>191</b>	<b>-7</b>		<b>4,404</b>	<b>2,315</b>	<b>90%</b>
Net income for the period from discontinued operations	-	-		-704	75		-	-		-704	75	
<b>Net income for the period for the group</b>	<b>4,403</b>	<b>2,322</b>	<b>90%</b>	<b>-894</b>	<b>75</b>		<b>191</b>	<b>-7</b>		<b>3,700</b>	<b>2,390</b>	<b>55%</b>

### Note 4 – Acquisitions and divestments

#### Acquisitions

No acquisitions were made during quarter 1 2023.

#### Divestments

In September 2022, Scania took the decision to divest its business operations in Russia. The sale of the commercial operations was already completed in 2022, while the divestment of the financial operations to companies within Volkswagen Group was finalised on 17 January 2023.

The divestment of the financial operations resulted in an impairment loss of SEK 2,294 m. in the Financial Services segment which recognised in 2022. In addition, negative currency translation effects in other comprehensive income of SEK 1,012 m. was recycled to the income statement (line item Net income for the period from discontinued operations) in 2023. In the period the cash flow was positively impacted by SEK 1,150 m. due to the divestment. This means that Scania has completed the disposal of all its operations in Russia.



## CONTENT

- At a glance
- CEO letter
- Order intake and deliveries
- Net sales by product
- Operating Income
- Net cash flow
- Net debt
- Financial report**
- About Scania

## FINANCIAL REPORT

Continued

### Note 5 – Assets held for sale and discontinued operations

As part of the ongoing transformation of TRATON, the Scania Financial Services segment was sold to TRATON on 1 April 2023. The sales price amounted to SEK 15.7 bn. and the capital gain before recognition of currency effects in other comprehensive income is expected to amount to approximately SEK 1.6 bn. which will be reported in the second quarter. As of 31 March 2023 the assets and liabilities of the Financial Services segment have been classified as assets and liabilities held for sale and the segment is reported as a discontinued operation in the income statement.

During the period, the adjusted operating income of the Financial Services segment amounted to SEK 529 m. an increase of SEK 327 m. compared to the same period last year. The increase was due to a larger average portfolio and positive currency effects and lower bad debt expenses.

Income statement SEK million	Q1		
	2023	2022	Δ%
Net sales	3,061	2,510	22%
Cost of sales	-2,053	-1,593	29%
<b>Gross income</b>	<b>1,008</b>	<b>917</b>	<b>10%</b>
Selling expenses	-495	-755	-34%
Other income	110	107	3%
Other expenses	-94	-67	39%
Items affecting comparability	-1,012	-	
<b>Operating income</b>	<b>-483</b>	<b>202</b>	
Total financial items	-1	-0	
<b>Income before taxes</b>	<b>-484</b>	<b>202</b>	
Taxes	-220	-127	73%
<b>Net income for the period from discontinued operations</b>	<b>-704</b>	<b>75</b>	

Cash flow statement SEK million	Q1		
	2023	2022	Δ%
Cash flow from operating activities	-1,971	961	
Cash flow from investing activities	-3,375	13	
Cash flow from financing activities	2,091	-710	
<b>Cash flow for the period</b>	<b>-3,255</b>	<b>264</b>	

Net assets at the time of classification SEK million	Q1 2023
Intangible assets	31
Tangible assets	6,470
Lease assets	85
Shares and participations	2
Interest-bearing receivables, non-current	78,304
Other receivables, non-current	1,912
Interest-bearing receivables, current	44,829
Other receivables, current	6,728
Current investments	118
Cash and cash equivalents	1,338
Elimination against Vehicles & Services	-15,132
<b>Assets held for sale</b>	<b>124,684</b>
Interest-bearing liabilities, non-current	65,375
Provisions for pensions	93
Other non-current provisions	16
Other liabilities, non-current	633
Interest-bearing liabilities, current	55,169
Current provisions	31
Other liabilities, current	4,374
Elimination against Vehicles & Services	-94,954
<b>Liabilities directly attributable to assets held for sale</b>	<b>30,737</b>
<b>Total elimination</b>	<b>-79,822</b>
<b>Net carrying amount of the Financial Services segment</b>	<b>14,125</b>

## CONTENT

At a glance

CEO letter

Order intake and deliveries

Net sales by product

Operating Income

Net cash flow

Net debt

**Financial report**

About Scania

## FINANCIAL REPORT

Continued

### Note 6 – Fair value of financial instruments

In Scania's balance sheet, items carried at fair value are mainly derivatives and current investments. Fair value is established according to various levels, defined in IFRS 13, that reflect the extent to which market values have been utilised.

Current investments in the balance sheet accounted for at fair value are carried according to Level 1, i.e. quoted prices in active markets for identical assets, and amounted to SEK 127 m. (203).

Other assets that are carried at fair value refer to derivatives. These assets are carried according to Level 2, which is based on data other than the quoted prices that are part of Level 1 and refer to directly or indirectly observable market data, such as discount rate and credit risk. These items are carried under Other non-current receivables SEK 2,012 m. (2,157), Other current receivables SEK 707 m. (639), Other non-current liabilities SEK 2,495 m. (2,614) and Other current liabilities SEK 1,215 m. (1,131).

Equity instrument assets are carried according to Level 3 based on unobservable data and amounted to SEK 1,398 m. (1,312). Non-current assets that are carried at fair value refers to convertible loans under non-current interest-bearing receivables. These assets are carried according to Level 3, which is based on unobservable data and amounted to SEK 458 m. (-).

For financial assets that are carried at amortised cost, book value amounted to SEK 155,180 m. (151,578) and fair value to SEK 154,961 m. (149,380). For financial liabilities that are carried at amortised cost, book value amounted to SEK 148,258 m. (143,437) and fair value to SEK 147,551 m. (142,186). Fair value of financial instruments such as trade receivables, trade payables and other non-interest-bearing financial assets and liabilities that are recognised at amortised cost less any impairment losses regarding financial assets, is regarded as coinciding with the carrying amount.

For further information about financial instruments, see Note 29 Financial instruments in the Scania Annual and Sustainability Report 2022.

### Note 7 – Events after the reporting period

On 1 April 2023 the Scania Financial Services segment was sold to TRATON Sweden AB. For further information see "Note 3 – Segment reporting" and "Note 5 – Assets held for sale and discontinued operations".

## CONTENT

At a glance

CEO letter

Order intake and deliveries

Net sales by product

Operating Income

Net cash flow

Net debt

**Financial report**

About Scania

## FINANCIAL REPORT

Continued

# PARENT COMPANY

Income statement SEK million	Q1		
	2023	2022	Δ%
Financial income and expenses	69	7	
Taxes	-14	-2	
<b>Net income for the period</b>	<b>55</b>	<b>5</b>	

Statement of other comprehensive income			
Net income	55	5	
Other comprehensive income	-	-	
<b>Total comprehensive income</b>	<b>55</b>	<b>5</b>	

Balance sheet SEK million	Q1		
	2023	2022	Δ%
<b>Assets</b>			
<b>Financial non-current assets</b>			
Shares in subsidiaries	8,435	8,435	-
<b>Current assets</b>			
Due from subsidiaries	16,704	9,716	72%
<b>Total assets</b>	<b>25,139</b>	<b>18,151</b>	<b>38%</b>
<b>Equity</b>			
Equity	25,125	18,149	38%
<b>Total shareholders' equity</b>	<b>25,125</b>	<b>18,149</b>	<b>38%</b>
Tax liabilities	14	2	
<b>Current liabilities</b>	<b>14</b>	<b>2</b>	
<b>Total equity and liabilities</b>	<b>25,139</b>	<b>18,151</b>	<b>38%</b>

Statement of changes in equity			
SEK million	Q1		
	2023	2022	Δ%
Equity, 1 january	25,070	18,144	38%
Total comprehensive income	55	5	
<b>Equity</b>	<b>25,125</b>	<b>18,149</b>	<b>38%</b>

The assets of the Parent Company, Scania AB, consist of shares in Scania CV AB. Scania CV AB is the Parent Company of the Group that comprises all production and sales and service companies as well as other companies.



## CONTENT

At a glance

CEO letter

Order intake and deliveries

Net sales by product

Operating Income

Net cash flow

Net debt

**Financial report**

About Scania

## FINANCIAL REPORT

Continued

# DIVIDEND AND ANNUAL GENERAL MEETING

Scania's Annual General Meeting for the financial year 2022 will be held on 4 May 2023 in Södertälje, Sweden. The Annual General Meeting will decide on the Board of Director's dividend proposal of SEK 15,700 m. of which SEK 9,500 m is dividend in kind and SEK 6,200 m is cash dividend.

Södertälje, 2 May 2023

Christian Levin

President and CEO

# AUDITOR'S REVIEW REPORT

## Introduction

We have reviewed the condensed interim report for Scania AB as of 31 March 2023 and for the three months period then ended. The Board of Directors and the Managing Director are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

## Scope of review

We conducted our review in accordance with the International Standard on Review Engagements, ISRE 2410 Review of Interim Financial Statements Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

## Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act regarding the Group, and in accordance with the Swedish Annual Accounts Act regarding the Parent Company.

Stockholm, 2 May 2023  
Ernst & Young AB

Heléne Siberg Wendin

Authorised Public Accountant

## CONTENT

- At a glance
- CEO letter
- Order intake and deliveries
- Net sales by product
- Operating Income
- Net cash flow
- Net debt
- Financial report**
- About Scania

## FINANCIAL REPORT

Continued

# KEY FINANCIAL RATIOS AND FIGURES

SEK million	Q1		
	2023	2022	Δ%
<b>Continuing operations</b>			
Net sales	45,812	32,247	42%
Operating income	6,201	2,405	
<i>Adjusted Operating income</i>	6,185	2,581	
Net income for the period	4,404	2,315	90%
<i>Adjusted Net income for the period</i>	4,388	2,491	76%
Operating margin	13.5%	7.5%	
<i>Adjusted Operating margin</i>	13.5%	8.0%	
Net margin	9.6%	7.2%	
<i>Adjusted Net margin</i>	9.6%	7.7%	
Equity/asset ratio	28.2%	27.3%	
<b>Capital employed</b>			
SEK million	Q1		
	2023	2022	Δ%
<b>Total assets, excl. shares and participations in group companies</b>	<b>171,316</b>	<b>161,370</b>	<b>6%</b>
Other provisions, non-current and current	9,490	13,251	-28%
Other liabilities, non-current and current	78,968	72,698	9%
Net derivatives	-287	168	
<b>Capital employed</b>	<b>83,145</b>	<b>75,253</b>	<b>10%</b>
Items affecting comparability	1,019	5,492	-81%
<b>Adjusted capital employed</b>	<b>84,164</b>	<b>80,745</b>	<b>4%</b>
<b>Return on capital employed</b>			
SEK million	Q1		
	2023	2022	Δ%
Operating income	16,444	7,370	
Items affecting comparability	1,110	5,405	-79%
Adjusted Operating income	17,554	12,775	37%
Financial income	2,006	2,571	-22%
Capital employed	83,145	75,253	10%
<b>Return on capital employed</b>	<b>22.2%</b>	<b>13.2%</b>	
<b>Adjusted return on capital employed</b>	<b>23.2%</b>	<b>19.0%</b>	

For the definitions of the key ratios please refer to the Scania Annual and Sustainability Report 2022.

## CONTENT

At a glance

CEO letter

Order intake and deliveries

Net sales by product

Operating Income

Net cash flow

Net debt

Financial report

**About Scania**

## ABOUT SCANIA

Scania's purpose is to drive the shift towards a sustainable transport system, creating a world of mobility that is better for business, society and the environment.

Scania is a world-leading provider of transport solutions, including trucks and buses for heavy transport applications combined with an extensive product related service offering. Scania offers vehicle financing, insurance and rental services to enable our customers to focus on their core business. Scania is also a leading provider of power solutions for industrial and marine applications.



### Trucks

Scania supports transport companies across the world by delivering heavy trucks for each customer's need.

We offer tailor-made solutions for a range of different applications including long-distance, urban applications and construction.



### Buses and coaches

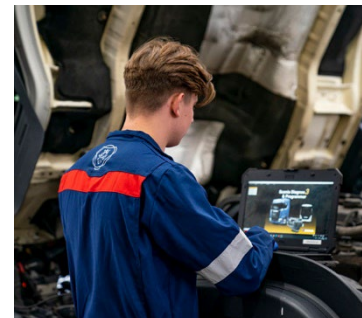
Scania offers a complete range of city buses and coaches for public transport operators and coach companies.

Our offer also includes tailored solutions to help solve today's urban mobility challenges.



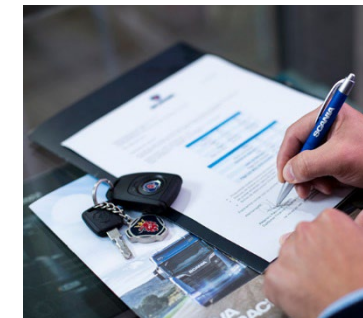
### Power solutions

Scania engines can be found at the heart of machines required to be in use 24 hours a day, including in wheel loaders, patrol boats and power gensets.



### Services

Scania's extensive service offering includes workshop services, tailor-made maintenance with flexible and predictive plans, driver training and evaluation, and services for support and management of our customers' operations.



### Financial services

Scania Financial services provides flexible financing and insurance solutions tailored to give our customers predictable costs and manageable risks over the entire life cycle of their vehicles.

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