

## Scania Interim Report January–March 2021

### Summary of the first three months of 2021

- Net sales increased by 8 percent to SEK 35,708 m. (33,051)
- Operating income increased by 55 percent to SEK 4,657 m. (3,005)
- Operating margin amounted to 13.0 (9.1) percent
- Cash flow amounted to SEK 2,862 m. (1,441) in Vehicles and Services

### Comments by Christian Levin, President and CEO

“The first quarter of the year was characterised by a high level of activity both in order intake and deliveries, despite major difficulties related to pandemic restrictions and the supply chain. Scania managed to deliver strong earnings and an operating margin of 13 percent and we saw that the hard work with the cost structure that was carried out last year is paying off.

Net sales amounted to almost SEK 36 billion during the first quarter of 2021, an increase of 8 percent. Vehicle deliveries rose by 27 percent and service revenue increased by 5 percent in local currency. Deliveries of Power solutions decreased by 12 percent compared to last year’s high level. In Financial Services, the number of new financed vehicles increased and our customer’s ability to pay according to plan continued to improve.

The shortage of semiconductors and other components is impacting the entire industry. Despite an imminent risk of production disruptions Scania, as one of the few European manufacturers, has managed to maintain a high production rate without any stoppages due to shortage of components in the first quarter. This is thanks to intense and successful cross-functional efforts in close collaboration with our suppliers. In the European system the daily production pace for trucks is slightly reduced during a few number of days in the second quarter, as a temporary measure to handle the shortage of semiconductors.

After last year’s uncertainty due to the pandemic, the recovery in demand has continued to be strong during this quarter. Our customers’ capacity utilisation is good and data gathered from connected Scania vehicles show a high level of transport activity, particularly in the long haulage and construction segments. On the bus and coach side, the low level of activity continues, particularly for coaches, while the situation for city buses is slightly better. The investment need that follows the high transport activity of our truck customers has also been seen in the order books during the quarter. Order intake for trucks is strong in essentially all markets, while it is weaker for buses and coaches.

During the quarter, we started the construction of our new battery assembly plant in Södertälje. The facility which will be fully operational by 2023, clearly demonstrates our determination to take a leading role in heavy vehicle electrification. Operating an on-site battery assembly plant is a prerequisite for large-scale production of electric vehicles. To deliver increasing volumes of electric vehicles is crucial for Scania’s commitment to fulfil our climate targets.

As new to the CEO position – but after 25 years in the company – I am looking forward to continuing to drive the shift to sustainable transport with Scania in the lead. The strategy remains and to be able to deliver on the strategy, we accelerate the ongoing transformation of the company.”

### Financial overview

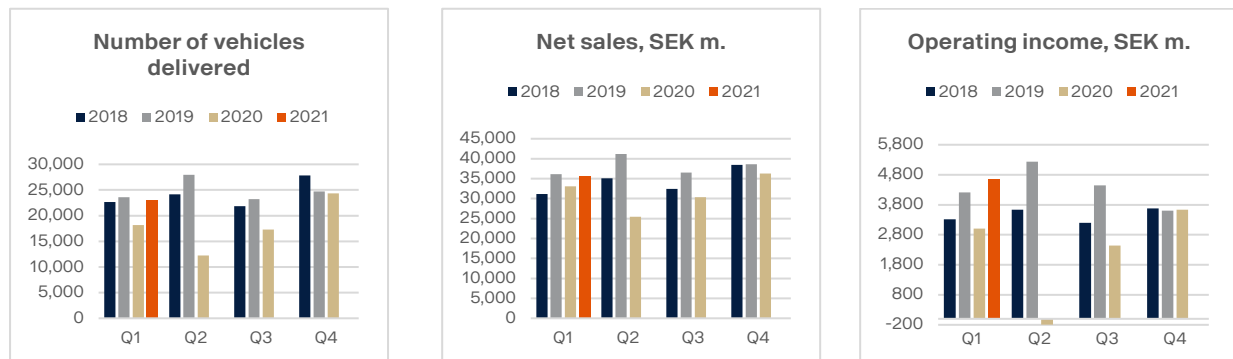
		Q1		Change, %
		2021	2020	
<b>Trucks and buses, units</b>				
Order intake		<b>36,944</b>	20,671	79
Deliveries		<b>23,033</b>	18,184	27
<b>Net sales and earnings</b>				
	MEUR*			
<b>Net sales, Scania Group, SEK m.,</b>	3,492	<b>35,708</b>	33,051	8
Operating income, Vehicles and Services, SEK m.	404	<b>4,135</b>	2,728	52
Operating income, Financial Services, SEK m.	51	<b>522</b>	277	88
Operating income, SEK m.	455	<b>4,657</b>	3,005	55
<b>Income before taxes, SEK m.</b>	450	<b>4,605</b>	2,445	88
<b>Net income for the period, SEK m.</b>	339	<b>3,469</b>	1,783	99
Operating margin, %		<b>13.0</b>	9.1	
Return on capital employed, Vehicles and Services, %		<b>13.8</b>	22.1	
Cash flow, Vehicles and Services	279	<b>2,862</b>	1,441	99

Unless otherwise stated, all comparisons refer to the corresponding period of the preceding year.

\*Translated to EUR solely for the convenience of the reader at a closing day rate of SEK 10.22 = EUR 1.00.

This interim report has not been subject to review by the company’s auditors. This report is also available on [www.scania.com](http://www.scania.com)

## Business overview



### Sales performance

During the first quarter of 2021, total vehicle deliveries increased by 27 percent to 23,033 (18,184), compared to the year-earlier period. Net sales increased by 8 percent to SEK 35,708 (33,051).

#### Strong demand in several regions

After a great deal of uncertainty last year related to the spread of the coronavirus, demand during the first quarter of 2021 has been strong. Order intake for vehicles in the first quarter of 2021 increased by 79 percent to 36,944 (20,671), compared to 2020. Total truck order intake increased by 99 percent compared to the same period last year and buses and coaches decreased by 61 percent.

Demand for trucks in Europe more than doubled during the first quarter of 2021 compared to the year-earlier period, despite the ongoing pandemic, and demand was strong in all European markets. In Latin America, demand was also strong during the first quarter. In Brazil, there is high activity in the agricultural and mining sectors, despite the serious pandemic situation. In Asia and China specifically, which now has a relatively low proportion of its population infected with the coronavirus, demand was robust, driven by a strong export market and growing domestic consumption.

The restrictions brought about by the spread of the coronavirus have a significant negative impact on the transport of people and the demand situation is particularly difficult to judge for coaches and tourist buses, while demand is stronger for buses for urban traffic.

In Power solutions, demand has been strong during the quarter, mainly driven by demand from major component producers in the industrial segment.

## The truck market

### Order intake

Scania's order intake increased during the first quarter of 2021 and totalled 35,937 (18,058) trucks.

Order intake in Europe increased by 124 percent to 24,078 (10,753) units, compared to the first quarter of 2020. In Latin America, order intake increased by 92 percent during the first quarter of 2021 compared to the previous year to 4,134 (2,156) trucks and in Eurasia, order intake increased by 58 percent and amounted to 2,443 (1,545) trucks. Order intake in Asia increased by 20 percent to 3,166 (2,629) trucks during the first quarter of 2021 and in Africa and Oceania, order intake increased by 117 percent and amounted to 2,116 (975) units.

### Deliveries

Scania's total truck deliveries increased by 33 percent to 22,023 (16,605) units during the first quarter of 2021 compared to the year-earlier period.

In Europe, deliveries increased by 16 percent to 11,806 (10,178) units compared to the first quarter of 2020. In Eurasia, deliveries increased by 179 percent to 1,737 (622) trucks. In Latin America, deliveries increased by 72 percent to 4,618 (2,690) units compared to the first quarter of 2020. In Asia, deliveries increased by 23 percent compared to the first quarter of 2020 to 2,837 (2,309) trucks. Deliveries in Africa and Oceania increased by 27 percent to 1,025 (806) trucks.

### Net sales

Net sales of trucks increased by 20 percent to SEK 22,060 m. (18,381) during the first quarter of 2021.

## The total European market for heavy trucks

The total market for heavy trucks in 27 of the European Union member countries (all EU countries except Malta) plus Norway, Great Britain, Switzerland and Iceland increased by 16.9 percent 73 700 (63,100) units during the first quarter of 2021. Scania truck registrations amounted to about 12,900 (11,100) units, equivalent to a market share of 17.5 (17.7) percent.

Scania trucks	Order intake			Deliveries		
	3 months 2021	3 months 2020	Change, %	3 months 2021	3 months 2020	Change, %
Europe	24,078	10,753	124	11,806	10,178	16
Eurasia	2,443	1,545	58	1,737	622	179
America*	4,134	2,156	92	4,618	2,690	72
Asia	3,166	2,629	20	2,837	2,309	23
Africa and Oceania	2,116	975	117	1,025	806	27
Total	35,937	18,058	99	22,023	16,605	33

\*Refers to Latin America

## The bus and coach market

### Order intake

Order intake for buses and coaches during the first quarter of 2021 decreased compared to the previous year to 1,007 (2,613) units.

In Europe, order intake decreased by 13 percent to 399 (460) units in the first quarter of 2021 compared to the first quarter of 2020. In Latin America, order intake decreased by 77 percent to 377 (1,662) units and in Asia, order intake decreased by 28 percent to 103 (144) buses and coaches compared to the first quarter of 2020. In Eurasia, order intake decreased by 82 percent compared to the year-earlier period and amounted to 11 (61) buses and coaches. Order intake in Africa and Oceania decreased by 59 percent to 117 (286) buses and coaches.

### Deliveries

Scania's bus and coach deliveries decreased by 36 percent to 1,010 (1,579) units during the first quarter of 2021. In Europe, deliveries decreased by 52 percent to 208 (433) units compared to the first quarter of 2020. Deliveries in Latin America decreased by 48 percent to 365 (701) units. In Asia, deliveries decreased by 57 percent to 106 (247) units, while deliveries of buses and coaches in Africa and Oceania increased by 125 percent during the first quarter to 319 (142) units. Deliveries to Eurasia decreased by 79 percent to 12 (56) buses and coaches.

Scania's market share in buses and coaches in Europe amounted to 5.6 percent in the first quarter of 2021 compared to 7.2 percent during the year-earlier period.

### Net sales

Net sales of buses and coaches decreased by 35 percent to SEK 2,762 m. (1,858) during the first quarter of 2021.

Scania buses and coaches	Order intake			Deliveries		
	3 months 2021	3 months 2020	Change, %	3 months 2021	3 months 2020	Change, %
Europe	399	460	-13	208	433	-52
Eurasia	11	61	-82	12	56	-79
America*	377	1,662	-77	365	701	-48
Asia	103	144	-28	106	247	-57
Africa and Oceania	117	286	-59	319	142	125
Total	1,007	2,613	-61	1,010	1,579	-36

\*Refers to Latin America

## Power Solutions

### Order intake

Total engine order intake rose by 73 percent to 4,682 (2,707) units during the first quarter of 2021 compared to the previous year.

### Deliveries

Engine deliveries fell by 12 percent to 2,573 (2,917) units during the first quarter of 2021.

## Net sales

During the first quarter, sales fell by 14 percent to SEK 552 m. (642).

## Services

Service revenue amounted to SEK 7,274 m. (7,509) during the first quarter of 2021, a decrease of 3 percent. Higher volume had a positive impact on revenue while currency effects had a negative impact. In local currencies, revenue increased by 5 percent.

In Europe, service revenue increased by 1 percent to SEK 5,284 m. (5,213) compared to the first quarter of 2020. In Latin America, revenue decreased by 14 percent to SEK 663 m. (772) and service revenue in Eurasia decreased by 3 percent to SEK 229 m. (235) compared to the first quarter of 2020. In Asia, service revenue decreased by 26 percent compared to the previous year to SEK 604 m. (813), while in Africa and Oceania revenue rose by 4 percent to SEK 494 m. (476).

## Earnings

### Vehicles and Services

#### First quarter

Operating income in Vehicles and Services increased by 52 percent and totalled SEK 4,135 m. (2,728) during the first quarter of 2021. Higher vehicle and service volume impacted earnings positively, which was partly offset by currency effects.

Compared to the first quarter of 2020, the total currency rate effect was negative and amounted to about SEK 1,076 m.

Scania's research and development expenditures amounted to SEK 1,808 m. (1,726). After adjusting for SEK 392 m. (471) in capitalised expenditures, and SEK 223 m. (176) in amortisation of previously capitalised expenditures, recognised expenses increased to SEK 1,639 m. (1,431).

### Financial Services

#### Customer finance portfolio

At the end of the first quarter of 2021, the size of Scania's customer finance portfolio amounted to SEK 99.4 billion, which was SEK 4 billion higher than the end of 2020. In local currencies, the portfolio increased by SEK 1.7 billion.

#### Penetration rate

The penetration rate for new vehicles was 41 (39) percent during the first quarter in those markets where Scania has its own financing operations.

#### Operating income

Operating income in Financial Services increased to SEK 522 m. (277) during the first quarter of 2021, compared to the same period in 2020. A larger portfolio impacted earnings positively, as did lower operating cost, which was partly offset by negative currency effects. We see that all of our customers' ability to pay is continuing to improve and that fewer and fewer need to reschedule their payments due to the coronavirus outbreak.

### Scania Group

During the first quarter of 2021, Scania's operating income amounted to SEK 4,657 m. (3,005). Operating margin amounted to 13.0 (9.1) percent. Scania's net financial items amounted to SEK -52 m. (-560).

The Scania Group's tax expense amounted to SEK 1,136 m. (662), equivalent to 24.7 (27.1) percent of income before taxes. Net income for the period totalled SEK 3,469 m. (1,783), equivalent to a net margin of 9.7 (5.4) percent.

## Cash flow

### Vehicles and Services

Scania's cash flow in Vehicles and services amounted to SEK 2,862 (1,441) during the first quarter of 2021. Tied-up working capital increased by SEK 1,233 m.

Net investments amounted to SEK 1,778 m. (2,346), including SEK 392 m. (471) in capitalisation of development expenditure. At the end of the first quarter of 2021, the net cash position in Vehicles and Services amounted to SEK 24,899 m. compared to a net cash position of SEK 21,824 m. at the end of 2020.

### Scania Group

Scania's cash flow in Financial Services amounted to SEK negative 930 m. (484) during the first quarter of 2021 due to a growing customer portfolio. Together with the positive cash flow in Vehicles and Services, the Group's net debt decreased by about SEK 106 m. compared to the end of 2020.

## Parent Company

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. Income before taxes of Scania AB totalled SEK 0 m. (0) during the first quarter of 2021.

## Miscellaneous

### Number of employees

At the end of the first quarter, the number of employees totalled 51,934 compared to 51,370 on the same date in 2020.

### Material risks and uncertainties

During 2020 Scania continuously assessed the impact of the Covid-19 outbreak and will continue to assess potential impacts on future development and/or risks that can affect the future financial position.

It is difficult to assess the continuing impact, and depending on how Covid-19 develops and which measures different countries take to handle the situation, this can 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 parts, 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 them can occur independently or in combination and could have a negative impact on the Scania Groups' business and financial development and performance.

The section entitled "Risks and risk management" in Scania's Annual and Sustainability Report 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 27 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 10 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) Credit risks

In its Financial Service operations, Scania has an exposure in the form of contractual future payments. This exposure is reduced by the collateral Scania has in the form of the right to repossess the underlying vehicle. In case the market value of the collateral does not cover the exposure to the customer, Scania runs a credit risk. Reserves for probable losses in Financial Service operations are set aside in the estimated amounts required.

## c) Legal risks

In 2011, Scania became subject of an investigation by the European Commission (EC) into allegedly inappropriate cooperation with other European truck manufacturers. A Statement of Objections was served on Scania by the EC in November 2014. In light of such statement and other developments in the investigation and in accordance with relevant accounting principles, Scania made a provision with an amount of SEK 3,800 m. in June 2016. Scania always cooperated fully with the EC, while all through the investigation contesting the EC's view that Scania would have participated in a pan-European cartel during 1997-2011 on pricing and delayed introductions of emissions related technology. Scania were served with a final decision by the EC in October 2017, holding Scania liable for such scope of a cartel in the amount of around SEK 8.4 bn. (EUR 881 m.) in fines. Scania have appealed against this decision in its entirety, and has in January 2018 provided a guarantee as security for the fines pending the outcome of such appeal. Scania is also the subject of related civil claims by direct or indirect customers of Scania, and may face additional similar claims. However, at this stage it is not possible to give any meaningful indication as to Scania's risk associated with private damages. Scania's appeal against the EU Commission decision before the General Court is still pending and there is also great uncertainty around the extent to which claims will be made against Scania. In addition, risk assessment around claims that have already been made is associated with significant uncertainties, and investigations are in their initial stages only.

## Accounting principles

Scania applies International Financial Reporting Standards (IFRSs) as adopted by the EU. The accounting policies and definitions are consistently applied with those described in Scania's Annual and Sustainability Report 2020. This Interim Report for the Scania Group has been prepared in accordance with IAS 34, "Interim Financial Reporting" and the Annual Accounts Act.

## Parent Company

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.

## Dividend and Annual General Meeting

Scania's Annual General Meeting for the financial year 2020 was held on 6 May 2021 in Södertälje, Sweden. The Annual General Meeting decided on a dividend as proposed by the Board of directors of SEK 2,700 m. as ordinary dividend, which represents 50 percent of the net income SEK 5,400 m. for 2020, to be distributed to the shareholders as cash dividend.

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## Consolidated income statements, condensed

Amounts in SEK m. unless otherwise stated	Q1			Change in %
	EUR m.*	2021	2020	
Revenue	3,492	35,708	33,051	8
Cost of goods sold and services rendered	-2,577	-26,353	-25,021	5
<b>Gross income</b>	915	9,355	8,030	17
Research and development expenses	-160	-1,639	-1,431	15
Selling expenses	-255	-2,603	-3,014	-14
Administrative expenses	-47	-481	-559	-14
Other operating income	8	86	36	139
Other operating expenses	-6	-61	-57	7
<b>Operating income</b>	455	4,657	3,005	55
Interest income	16	166	116	43
Interest expenses	-21	-220	-205	7
Share of income from associated companies and joint ventures	0	-4	20	
Other financial income	27	281	415	-32
Other financial expenses	-27	-275	-906	-70
<b>Total financial items</b>	-5	-52	-560	-91
<b>Income before taxes</b>	450	4,605	2,445	88
Taxes	-111	-1,136	-662	72
<b>Net income for the period</b>	339	3,469	1,783	95
<b>Other comprehensive income</b>				
<b>Items that may be reclassified subsequently to profit or loss</b>				
Translation differences	69	702	-442	
Income tax	1	15	8	
	70	717	-434	
<b>Items that will not be reclassified to profit or loss</b>				
Re-measurement defined benefit plans <sup>1)</sup>	93	951	876	
Fair value adjustment equity instruments	0	0	0	
Income tax	-19	-196	-181	
	74	755	695	
<b>Other comprehensive income for the period</b>	144	1,472	261	
<b>Total comprehensive income for the period</b>	483	4,941	2,044	
Net income attributable to:				
Scania shareholders	339	3,469	1,782	
Non-controlling interest	0	0	1	
Total comprehensive income attributable to:				
Scania shareholders	483	4,941	2,043	
Non-controlling interest	0	0	1	
Operating income includes depreciation of	-272	-2,776	-2,725	
Operating margin, percent		13.0	9.1	

1) Discount rate in calculating the Swedish pension liability is 1.75% and inflation 1.75%.

\* Translated solely for the convenience of the reader at a closing exchange rate of SEK 10.22 = EUR 1.00.

## Revenue and deliveries, Vehicles and Services

Amounts in SEK m. unless otherwise stated

	Q1			Change in %
	EUR m.	2021	2020	
<b>Revenue</b>				
Trucks	2,158	<b>22,060</b>	18,381	20
Buses*	175	<b>1,789</b>	2,762	-35
Power Solutions	54	<b>552</b>	642	-14
Service-related products	711	<b>7,274</b>	7,509	-3
Used vehicles	203	<b>2,075</b>	1,973	5
Miscellaneous	111	<b>1,138</b>	1,071	6
Delivery sales value	3,412	<b>34,888</b>	32,338	8
Revenue deferrals <sup>1)</sup>	-27	<b>-278</b>	-528	-47
Revenue	3,385	<b>34,610</b>	31,810	9

### Revenue<sup>2)</sup>

Europe	2,154	<b>22,023</b>	20,482	8
Eurasia	189	<b>1,931</b>	1,083	78
America**	448	<b>4,582</b>	4,450	3
Asia	359	<b>3,671</b>	3,786	-3
Africa and Oceania	235	<b>2,403</b>	2,009	20
Revenue	3,385	<b>34,610</b>	31,810	9

### Total delivery volume, units

Trucks	<b>22,023</b>	16,605	33
Buses*	<b>1,010</b>	1,579	-36
Power Solutions	<b>2,573</b>	2,917	-12

<sup>1)</sup> Refers to the difference between sales value based on deliveries and revenue recognised as income

<sup>2)</sup> Revenues from external customers by location of customers

\* Including body-built buses and coaches

\*\* Refers mainly to Latin America



## Consolidated balance sheets, condensed

Amounts in SEK m. unless otherwise stated	2021		2020	
	EUR m.	31 Mar	31 Dec	31 Mar
<b>Assets</b>				
<b>Non-current assets</b>				
Intangible assets	1,242	12,698	12,513	12,182
Tangible assets	3,799	38,840	38,254	38,987
Lease assets	2,721	27,824	27,460	32,141
Shares and participations	154	1,578	1,248	1,060
Interest-bearing receivables	5,027	51,395	48,004	50,961
Other receivables <sup>1)</sup>	823	8,412	8,698	8,679
<b>Current assets</b>				
Inventories	2,395	24,486	21,105	26,685
Interest-bearing receivables	3,114	31,840	30,817	32,450
Other receivables	1,520	15,540	14,960	17,785
Current investments	5	54	54	928
Cash and cash equivalents	2,854	29,185	32,268	22,826
<b>Total assets</b>	<b>23,654</b>	<b>241,852</b>	<b>235,381</b>	<b>244,684</b>
<b>Equity and liabilities</b>				
<b>Equity</b>				
Scania shareholders	6,502	66,478	61,535	62,913
Non-controlling interest	1	10	12	19
<b>Total equity</b>	<b>6,503</b>	<b>66,488</b>	<b>61,547</b>	<b>62,932</b>
<b>Non-current liabilities</b>				
Interest-bearing liabilities	5,288	54,073	53,564	58,903
Provisions for pensions	1,131	11,559	12,384	11,493
Other provisions <sup>1)</sup>	691	7,064	6,865	6,587
Other liabilities <sup>2)</sup>	1,647	16,842	16,297	20,273
<b>Current liabilities</b>				
Interest-bearing liabilities	3,794	38,792	42,478	40,845
Provisions	411	4,203	3,962	3,942
Other liabilities	4,189	42,831	38,284	39,709
<b>Total equity and liabilities</b>	<b>23,654</b>	<b>241,852</b>	<b>235,381</b>	<b>244,684</b>
<b>Equity/assets ratio, percent</b>		<b>27.5</b>	26.1	25.7

<sup>1)</sup> Including provision related to the European Commission's competition investigation

<sup>2)</sup> Including deferred tax

## Statement of changes in equity, condensed

Q1

Amounts in SEK m. unless otherwise stated

	<i>EUR m.</i>	<b>2021</b>	2020
Equity, 1 January	6,020	<b>61,547</b>	60,888
Net income for the period	339	<b>3,469</b>	1,783
Other comprehensive income for the period	144	<b>1,472</b>	261
Dividend to shareholders	-	-	-
Capital contribution	-	-	-
Change in non-controlling interest	0	<b>0</b>	0
<b>Total equity at the end of the period</b>	<b>6,503</b>	<b>66,488</b>	62,932
Attributable to:			
Scania AB shareholders	6,502	<b>66,478</b>	62,913
Non-controlling interest	1	<b>10</b>	19

## Cash flow statement, condensed

Amounts in SEK m. unless otherwise stated	Q1		
	EUR m.	2021	2020
<b>Operating activities</b>			
Income before tax	450	4,605	2,445
Items not affecting cash flow	281	2,877	3,965
Taxes paid	-114	-1,165	-983
<b>Cash flow from operating activities before change in working capital</b>	617	6,317	5,427
Change in working capital	-284	-2,899	-555
<b>Cash flow from operating activities</b>	333	3,418	4,872
<b>Investing activities</b>			
Net investments	-174	-1,783	-2,359
<b>Cash flow from investing activities attributable to operating activities</b>	-174	-1,783	-2,359
<b>Cash flow after investing activities attributable to operating activities</b>	159	1,635	2,513
Investments in securities and loans	0	0	-114
<b>Cash flow from investing activities</b>	-174	-1,783	-2,473
<b>Cash flow before financing activities</b>	159	1,635	2,399
<b>Financing activities</b>			
Change in debt from financing activities	-488	-4,985	-631
Transactions with non-controlling interests	-	-	-
Dividend	-	-	-
Dividends paid to non-controlling interests in subsidiaries	0	-2	-
<b>Cash flow from financing activities</b>	-488	-4,987	-631
<b>Cash flow for the period</b>	-329	-3,352	1,768
<b>Cash and cash equivalents at beginning of period</b>	3,156	32,268	20,981
<b>Exchange rate differences in cash and cash equivalents</b>	27	269	77
<b>Cash and cash equivalents at end of period</b>	2,854	29,185	22,826
<b>Cash flow statement, Vehicles and services</b>			
Cash flow from operating activities before change in working capital	574	5,873	4,671
Change in working capital	-121	-1,233	-884
Cash flow from operating activities	453	4,640	3,787
Cash flow from investing activities attributable to operating activities	-174	-1,778	-2,346
Cash flow after investing activities attributable to operating activities	279	2,862	1,441

## Fair value of financial instruments

Amounts in SEK m. unless otherwise stated

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 are carried according to Level 1, i.e. quoted prices in active markets for identical assets, and amounted to SEK 203 m. (130). 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 2,074 m. (2,565), Other current receivables SEK 654 m. (826), Other non-current liabilities SEK 369 m. (355) and Other current liabilities SEK 401 m. (350). Equity instrument assets are carried according to Level 3 based on unobservable data and amount to SEK 311 m. (341).

For financial assets that are carried at amortised cost, book value amounts to SEK 120,019 m. (117,997) and fair value to SEK 120,360 m. (118,181). For financial liabilities that are carried at amortised cost, book value amounts to SEK 104,421 m. (105,091) and fair value to SEK 104,996 m. (106,225). 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 minus any impairment losses, is regarded as coinciding with the carrying amount.

For further information about financial instruments, see Note 28 Financial instruments in Scania's Annual Report for 2020.

## Quarterly data, units by geographic area

	2021	2020				
	Q1	Full year	Q4	Q3	Q2	Q1
<b>Order bookings, trucks</b>						
Europe	24,078	43,494	14,436	10,076	8,229	10,753
Eurasia	2,443	10,049	4,601	2,795	1,108	1,545
America *	4,134	20,707	8,517	8,683	1,351	2,156
Asia	3,166	10,250	2,805	2,874	1,942	2,629
Africa and Oceania	2,116	4,408	1,644	1,050	739	975
<b>Total</b>	<b>35,937</b>	<b>88,908</b>	<b>32,003</b>	<b>25,478</b>	<b>13,369</b>	<b>18,058</b>
<b>Trucks delivered</b>						
Europe	11,806	36,747	12,787	8,075	5,707	10,178
Eurasia	1,737	5,148	2,061	1,654	811	622
America*	4,618	12,173	4,430	2,659	2,394	2,690
Asia	2,837	9,072	3,066	2,284	1,413	2,309
Africa and Oceania	1,025	3,759	1,112	1,116	725	806
<b>Total</b>	<b>22,023</b>	<b>66,899</b>	<b>23,456</b>	<b>15,788</b>	<b>11,050</b>	<b>16,605</b>
<b>Order bookings, buses**</b>						
Europe	399	1,329	473	174	222	460
Eurasia	11	80	12	5	2	61
America *	377	1,831	141	90	-62	1,662
Asia	103	286	72	80	-10	144
Africa and Oceania	117	506	32	107	81	286
<b>Total</b>	<b>1,007</b>	<b>4,032</b>	<b>730</b>	<b>456</b>	<b>233</b>	<b>2,613</b>
<b>Buses delivered**</b>						
Europe	208	1,827	396	396	602	433
Eurasia	12	84	19	1	8	56
America *	365	2,182	260	920	301	701
Asia	106	582	75	112	148	247
Africa and Oceania	319	511	144	81	144	142
<b>Total</b>	<b>1,010</b>	<b>5,186</b>	<b>894</b>	<b>1,510</b>	<b>1,203</b>	<b>1,579</b>

\* Refers mainly to Latin America

\*\* Including body-built buses and coaches.

## Parent Company Scania AB, financial statements

Amounts in SEK m. unless otherwise stated	Q1		
	EUR m.	2021	2020
<b>Income statement</b>			
Financial income and expenses	0	0	0
<b>Net income for the period</b>	0	0	0

	2021			2020
	EUR m.	31 Mar	31 Mar	31 Mar
<b>Balance sheet</b>				
<b>Assets</b>				
<b>Financial non-current assets</b>				
Shares in subsidiaries	825	8,435	8,435	
<b>Current assets</b>				
Due from subsidiaries	606	6,201	6,201	
<b>Total assets</b>	1,431	14,636	14,636	
<b>Equity</b>				
Equity	1,431	14,636	14,636	
<b>Total shareholders' equity</b>	1,431	14,636	14,636	
<b>Total equity and liabilities</b>	1,431	14,636	14,636	

	2021			2020
	EUR m.	31 Mar	31 Mar	31 Mar
<b>Statement of changes in equity</b>				
Equity, 1 January	1,431	14,636	14,636	
Total comprehensive income	0	0	0	
Dividend	-	-	-	
Capital injection	-	-	-	
<b>Equity</b>	1,431	14,636	14,636	

## Note 1 Segment Reporting

### Income statements

#### Vehicles and Services

	2021	2020
Amounts in SEK m. unless otherwise stated	Q1	Q1
Revenue	34,610	31,810
Cost of goods sold	-26,047	-24,615
<b>Gross income</b>	8,563	7,195
Research and development expenses	-1,639	-1,431
Selling expenses	-2,308	-2,477
Administrative expenses	-481	-559
<b>Operating income</b>	4,135	2,728
Interest income	166	116
Interest expenses	-220	-205
Share of income in associated companies and joint ventures	-4	20
Dividends in between segments	0	0
Other financial income	281	415
Other financial expenses	-275	-906
<b>Total financial items</b>	-52	-560
<b>Income before taxes</b>	4,083	2,168
Taxes	-1,006	-580
<b>Net income for the period</b>	3,077	1,588

#### Financial Services

Amounts in SEK m. unless otherwise stated	2021	2020
Interest and lease income	2,009	2,231
Insurance commission	68	74
Interest and prepaid expenses	-1,285	-1,470
Interest surplus and insurance commission	792	835
Other income	86	36
Other expenses	-61	-57
<b>Gross income</b>	817	814
Selling and administration expenses	-322	-338
Bad debt expenses, realised and anticipated	27	-199
<b>Operating income</b>	522	277
<b>Income before tax</b>	522	277
Taxes	-127	-82
<b>Net income for the period</b>	395	195

### Reconciliation of segments to the Scania Group

#### January-March

Amounts in SEK m. unless otherwise stated	Vehicles and Services		Financial Services		Eliminations		Scania Group	
	2021	2020	2021	2020	2021	2020	2021	2020
	Q1	Q1	Q1	Q1	Q1	Q1	Q1	Q1
Revenue	34,610	31,810	2,077	2,305	-979	-1,064	35,708	33,051
Cost of sales	-26,047	-24,615	-1,285	-1,470	979	1,064	-26,353	-25,021
<b>Gross income</b>	8,563	7,195	792	835	0	0	9,355	8,030
Research and development expenses	-1,639	-1,431	0	0			-1,639	-1,431
Selling expenses	-2,308	-2,477	-295	-537			-2,603	-3,014
Administrative expenses	-481	-559	0	0			-481	-559
Other operating income	-	-	86	36			86	36
Other operating expenses	-	-	-61	-57			-61	-57
<b>Operating income</b>	4,135	2,728	522	277	0	0	4,657	3,005
Interest income	166	116					166	116
Interest expenses	-220	-205					-220	-205
Share of income in associated companies and joint ventures	-4	20					-4	20
Dividends in between segments	0	0					0	0
Other financial income	281	415					281	415
Other financial expenses	-275	-906					-275	-906
<b>Total financial items</b>	-52	-560	-	-	-	-	-52	-560
<b>Income before taxes</b>	4,083	2,168	522	277	0	0	4,605	2,445
Taxes	-1,006	-580	-127	-82	-3		-1,136	-662
<b>Net income for the period</b>	3,077	1,588	395	195	-3	0	3,469	1,783

## **Note 2 Government grants**

During the first quarter 2021 Scania received grants related to COVID-19 of SEK 0 m. (0). In 2020, Scania received government grants amounting to SEK 953 m. (87) attributable to operating expenses of SEK 14,144 m. (425), whereof SEK 873 m related to short-term allowances of employees due to COVID-19.

## **Note 3 Financial risk management**

### ***Credit risk Vehicles and Services***

Due to COVID-19 the Vehicles and Services segment has, from the second quarter 2020, applied a risk premium of 20% based on the valuation allowance by means of which the expected credit loss (ECL) on trade receivables is estimated. This resulted in an increased loss allowance of SEK 18 m. for the full year 2020. For the first quarter 2021 the risk premium has resulted in an increased loss allowance of SEK 1 (0) m.

### ***Credit risk Financial Services***

Scania is continuously assessing the credit risk and during the first half of 2020 Scania rescheduled a number of its finance contracts in the Financial Services operation. The underlying reason for agreed reschedulings was temporary liquidity constraints with our customers due to the COVID-19. During the second half of 2020 the reschedulings returned to normal levels, which is still valid during the first quarter 2021.



## Key financial ratios and figures

In the Interim report, Scania presents certain performance measures that are used to explain relevant trends and performance of the group, of which not all are defined under IFRS. As these performance measures are not uniformly defined by all companies, these are not always comparable with the measures used by other companies. These performance measures should therefore not be viewed as substitutes for IFRS-defined measures. The following are the performance measures used by Scania that are not defined under IFRS, unless otherwise stated.

### DEFINITIONS

#### **Operating margin**

Operating income as a percentage of revenue.

#### **Net margin**

Net income as a percentage of revenue.

#### **Net debt, net cash excluding provision for pensions**

Current and non-current interest borrowings (excluding pension liabilities) less cash and cash equivalents, current investments and non-current intra-group loans to Volkswagen entities.

#### **Capital employed <sup>1)</sup>**

Total assets excluding shares and participations in group companies less operating liabilities.

#### **Return on capital employed <sup>1) 2)</sup>**

Operating income plus financial income as a percentage of capital employed.

<sup>1)</sup> Calculations are based on average capital employed for the thirteen most recent months.

<sup>2)</sup> Operating income is calculated on rolling 12 months.

Amounts in SEK m. unless otherwise stated

### Scania Group

<b>Operating and net income</b>	<i>EUR m.</i>	<b>Q1</b>	
		<b>2021</b>	<b>2020</b>
<i>Revenue</i>	3,492	<b>35,708</b>	33,051
<i>Operating income</i>	455	<b>4,657</b>	3,005
<i>Net income for the period</i>	339	<b>3,469</b>	1,783
<i>Operating margin, %</i> <i>(Operating income/Revenue)</i>		<b>13.0</b>	9.1
<i>Net margin, %</i> <i>(Net income/Revenue)</i>		<b>9.7</b>	5.4

## RECONCILIATIONS

Amounts in SEK m. unless otherwise stated

### Scania Group 2021      2020

#### Net debt, excluding provision for pensions

<b>Assets</b>	<i>EUR m.</i>	<b>31 Mar</b>	31 Dec
Current investments	5	<b>54</b>	54
Cash and cash equivalents	2,854	<b>29,185</b>	32,268
Loans to Volkswagen entities	0	<b>4</b>	4
Accrued interest in current investments	0	<b>-1</b>	-1
	<b>2,859</b>	<b>29,242</b>	32,325
<b>Liabilities</b>			
Interest-bearing liabilities, non-current	5,288	<b>54,073</b>	53,564
Interest-bearing liabilities, current	3,794	<b>38,792</b>	42,478
Accrued interest in interest-bearing liabilities	-36	<b>-373</b>	-361
	<b>9,046</b>	<b>92,492</b>	95,681
<b>Net debt</b>	<b>6,187</b>	<b>63,250</b>	63,356

### Vehicles and Services 2021      2020

#### Net debt, excluding provision for pensions

<b>Assets</b>	<i>EUR m.</i>	<b>31 Mar</b>	31 Dec
Current investments	192	<b>1,963</b>	54
Cash and cash equivalents	2,752	<b>28,142</b>	31,535
Accrued interest in current investments	0	<b>0</b>	0
	<b>2,944</b>	<b>30,105</b>	31,589
<b>Liabilities</b>			
Interest-bearing liabilities, non-current	413	<b>4,221</b>	3,837
Interest-bearing liabilities, current	96	<b>984</b>	5,928
	<b>509</b>	<b>5,205</b>	9,765
<b>Net debt</b>	<b>-2,435</b>	<b>-24,900</b>	-21,824

#### Capital employed 2021      2020

	<i>EUR m.</i>	<b>31 Mar</b>	31 Mar
Total assets, excl. shares and participations in group companies	15,152	<b>154,922</b>	152,623
Operating liabilities			
Other provisions, non-current and current	662	<b>6,770</b>	6,586
Other liabilities, non-current and current	6,929	<b>70,841</b>	75,534
Net derivatives	174	<b>1,775</b>	-1,487
<b>Capital employed</b>	<b>7,387</b>	<b>75,536</b>	71,990

#### Return on capital employed 2021      2020

	<i>EUR m.</i>	<b>31 Mar</b>	31 Mar
Operating income	897	<b>9,171</b>	14,843
Financial income	120	<b>1,226</b>	1,050
Capital employed	7,387	<b>75,536</b>	71,990
<b>Return on capital employed</b>		<b>13.8%</b>	22.1%