

## Scania Interim Report January–March 2019

### Summary of the first three months of 2019

- Operating income rose by 27 percent to SEK 4,207 m. (3,315)
- Net sales increased by 16 percent to SEK 36,092 m. (31,115)
- Cash flow amounted to SEK 507 m. (64) in Vehicles and Services

### Comments by Henrik Henriksson, President and CEO

“Scania’s net sales rose to SEK 36.1 billion and earnings in the first quarter amounted to an all-time-high of SEK 4,207 m., which gave an operating margin of 11.7 percent. Higher vehicle and service volume, currency effects and the market mix contributed positively while higher production costs due to the changeover in Latin America and supply chain constraints impacted earnings negatively. Scania’s last PGR series truck has rolled off the assembly line and only trucks from the new truck range are now produced in the entire global production system. The final stage of the transition was completed during the quarter with the changeover of production in Latin America. Some limitations remain in the flexibility and capacity of our global production system. There is still a higher than normal cost situation in general for products and production related to the new truck generation. The measures put in place to normalise cost levels are continuing.

Service revenue during the first quarter of 2019 amounted to a record high SEK 7,166 m. (6,500), an increase of 10 percent. Financial Services reported operating income of SEK 345 m. and maintained its trend of increased profitability.

Order bookings for trucks fell by 9 percent in the first quarter of 2019 compared to the high level during the year-earlier period. Demand for trucks in Europe remains strong due to the positive economic situation.

In Latin America, the trend in demand is positive thanks to the recovery in Brazil. Demand in Eurasia was impacted negatively by a slowdown in Russia. In Asia, order bookings fell in comparison with the previous year due to the Middle East, while demand in other parts of Asia remained strong. Buses and coaches were also impacted negatively by lower order intake in the Middle East and overall order bookings for buses and coaches were 28 percent lower than last year. In the Engines business area, demand remains at a high level.

We see ever-increasing interest in Scania’s gas vehicles. When the city of Bogotá renewed their Bus Rapid Transit system, TransMilenio chose 741 Scania Euro 6 gas buses, the cleanest and most silent buses on the Colombian market. Scania will also deliver 100 gas trucks to a customer in Germany for transports to the food retail sector. Regardless of whether they are powered by biogas or natural gas, Scania’s gas engines have essentially the same technical solution. From a sustainability perspective, biogas is preferable since this fuel reduces CO<sub>2</sub> emissions by up to 90 percent (15 percent with natural gas). However, the use of biogas is hampered by a shortage of fuel. For this reason, Scania is working actively in various partnerships to secure the production of biogas and thereby enable a broader penetration for sustainable gas solutions to reduce carbon footprint.”

### Financial overview

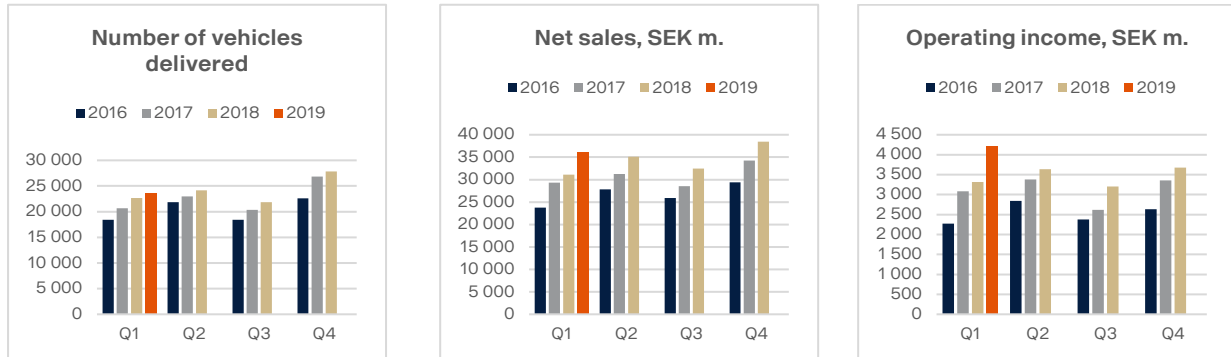
		Q1		Change, %
		2019	2018	
<b>Trucks and buses, units</b>				
Order bookings		<b>26,703</b>	29,759	-10
Deliveries		<b>23,576</b>	22,640	4
<b>Net sales and earnings</b>				
	EUR m*			
<b>Net sales, Scania Group, SEK m.,</b>	<i>3,470</i>	<b>36,092</b>	31,115	16
Operating income, Vehicles and Services, SEK m.	<i>371</i>	<b>3,862</b>	3,013	28
Operating income, Financial Services, SEK m.	<i>33</i>	<b>345</b>	302	14
Operating income, SEK m.	<i>404</i>	<b>4,207</b>	3,315	27
<b>Income before taxes, SEK m.</b>	<i>376</i>	<b>3,915</b>	3,214	22
<b>Net income for the period, SEK m.</b>	<i>292</i>	<b>3,036</b>	2,367	28
Operating margin, %		<b>11.7</b>	10.7	
Return on capital employed, Vehicles and Services, %		<b>23.1</b>	22.0	
Cash flow, Vehicles and Services	<i>49</i>	<b>507</b>	64	

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 10.4017 = 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



Excluding items affecting comparability (Q2 2016)

### Sales performance

Total vehicle deliveries increased by 4 percent during the first quarter of 2019 to 23,576 (22,640) units, compared to the year-earlier period. Group net sales rose by 16 percent to SEK 36,092 m. (31,115). Currency effects had a positive impact on sales of SEK 1,346 m.

### Continued strong demand in several regions

Order bookings for trucks and buses and coaches in the first quarter of 2019 fell by 10 percent to 26,703 (29,759) vehicles, compared to 2018.

Demand for trucks in Europe remains strong due to the positive economic situation combined with an expansion need and attractive financing levels. Transport growth is continuing, driven by basic industries such as forestry, agriculture and industrial goods. In Latin America, the trend in demand is positive thanks to the recovery in Brazil. In Russia, there is a modernisation need but demand has slowed somewhat. In the Middle East, demand fell drastically while in other parts of Asia, demand is strong. In China, the European truck segment is growing in line with the development of the logistics systems, along with stricter emission legislation levels. A particularly strong increase in order bookings came from the Japanese market where Scania's customer offering is starting to gain a strong foothold.

## The truck market

### Order bookings

Scania's order bookings fell during the first quarter of 2019 and totalled 24,789 (27,103) trucks. Order bookings in Europe decreased by 9 percent to 14,551 (15,917) units, compared to the first quarter of 2018, related to lower demand in Great Britain, Germany and Austria, which was partly offset by upturns in France, Poland and the Czech Republic.

Order bookings in Latin America rose significantly during the first quarter of 2019 compared to the year-earlier period, to 6,296 (3,063) trucks, mainly related to increased demand in Brazil.

In Eurasia, total order bookings fell during the first quarter and amounted to 1,271 trucks (3,144), a decrease that was primarily related to Russia.

In Asia, order bookings fell to 1,951 (3,751) trucks during the first quarter. The decrease was mainly related to Iran and Indonesia, which was offset somewhat by upturns in Israel and Japan.

In Africa and Oceania, order bookings were lower compared to the first quarter of 2018 and amounted to 720 (1,228) units, compared to the first quarter of 2018.

### Deliveries

Scania's total truck deliveries increased by 8 percent to 22,186 (20,567) units during the first quarter of 2019 compared to the year-earlier period. In Europe, deliveries rose by 25 percent to 16,150 (12,960) units compared to the first quarter of 2018. Latin America has now also changed over to the new product range and therefore all production units globally have changed over to production of the new truck generation.

In Eurasia, deliveries fell to 767 (1,223) trucks. In Latin America, deliveries fell by 6 percent to 2,470 (2,629) units, compared to the first quarter of 2018. In Asia, deliveries fell compared to the first quarter of 2018 to 1,920 (2,659) trucks. In Africa and Eurasia, deliveries fell by 20 percent to 879 (1,096) trucks.

### Net sales

Net sales of trucks rose by 22 percent to SEK 23,325 m. (19,112) during the first quarter of 2019.

## 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, Switzerland, Iceland and Bosnia and Herzegovina increased by about 6 percent to about 86,300 (81,200) units during the first quarter of 2019. Scania truck registrations amounted to about 16,200 units (13,800), equivalent to a market share of about 18.7 (17.0) percent.

### Scania trucks

	Order bookings			Deliveries		
	3 months 2019	3 months 2018	Change, %	3 months 2019	3 months 2018	Change, %
Europe	14,551	15,917	-9	16,150	12,960	25
Eurasia	1,271	3,144	-60	767	1,223	-37
America*	6,296	3,063	106	2,470	2,629	-6
Asia	1,951	3,751	-48	1,920	2,659	-28
Africa and Oceania	720	1,228	-41	879	1,096	-20
Total	24,789	27,103	-9	22,186	20,567	8

\*Refers to Latin America

## The bus and coach market

### Order bookings

Order bookings for buses and coaches during the first quarter of 2019 fell compared to the previous year to 1,914 (2,656) units.

In Europe, order bookings fell and totalled 526 (631) units in the first quarter, mainly related to Spain and Sweden, which was partly offset by upturns in the Czech Republic and Norway. In Latin America, order bookings rose by 35 percent to 1,012 (751) units compared to the first quarter of 2018, mainly related to Colombia and Chile, which was partly offset by downturns in Peru and Argentina. In Asia, order bookings fell to 166 (880) buses and coaches compared to the first quarter of 2018, mainly related to Iran, which was partly offset by increases in Japan and Hong Kong. Order bookings in Eurasia rose compared to the year-earlier period and amounted to 10 (0). Order bookings in Africa and Oceania fell to 200 (394) buses and coaches.

### Deliveries

Scania's bus and coach deliveries fell to 1,390 (2,073) units during the first quarter of 2019. In Europe, deliveries fell by 38 percent to 328 (527) units compared to the first quarter of 2018. In Latin America, deliveries fell by 1 percent to 626 (630). In Asia, deliveries fell by 42 percent to 250 (430) and deliveries of buses and coaches in Africa and Oceania fell during the first quarter to 171 (237) units. Deliveries to Eurasia fell to 15 (249) buses and coaches.

Scania's market share in buses and coaches in Europe amounted to 5.1 percent in the first quarter of 2019 compared to 8.2 percent during the year-earlier period.

### Net sales

Net sales of buses and coaches fell by 28 percent to SEK 1,858 m. (2,576) during the first quarter.

### Scania buses and coaches

	Order bookings			Deliveries		
	3 months 2019	3 months 2018	Change, %	3 months 2019	3 months 2018	Change, %
Europe	526	631	-17	328	527	-38
Eurasia	10	0	0	15	249	
America*	1,012	751	35	626	630	-1
Asia	166	880	-81	250	430	-42
Africa and Oceania	200	394	-49	171	237	-28
Total	1,914	2,656	-28	1,390	2,073	-33

\*Refers to Latin America

## Engines

### Order bookings

Total engine order bookings fell by 34 percent to 2,587 (3,913) units during the first quarter of 2019 compared to the year-earlier period. The decrease was primarily related to Germany and South Korea, which was offset somewhat by increases in Brazil and the Czech Republic.

### Deliveries

Engine deliveries fell by 6 percent to 2,571 (2,737) units during the first quarter of 2019.

## Net sales

During the first quarter, sales fell by 1 percent to SEK 566 m. (569).

## Services

Service revenue amounted to SEK 7,166 m. (6,500) during the first quarter of 2019, an increase of 10 percent. Higher volume had a positive impact on revenue. In local currencies, revenue increased by 6 percent.

In Europe, service revenue rose by 11 percent to SEK 5,014 m. (4,508) compared to the first quarter of 2018. In Latin America, revenue increased by 9 percent to SEK 808 m. (741) and service revenue in Eurasia rose by 20 percent to SEK 218 m. (181) compared to the first quarter of 2018. Service revenue in Asia was 8 percent higher than the previous year at SEK 674 m. (626). In Africa and Oceania, service revenue rose by 7 percent to SEK 472 m. (442).

## Earnings

### Vehicles and Services

#### First quarter

Operating income in Vehicles and Services totalled SEK 3,862 m. (3,013) during the first quarter of 2019. Higher vehicle and service volume, currency effects and the market mix contributed positively while higher production costs due to the changeover in Latin America and supply chain constraints impacted earnings negatively.

Compared to the first quarter of 2018, the total currency effect was positive and amounted to about SEK 523 m.

Scania's research and development expenditures amounted to SEK 1,716 m. (1,640). After adjusting for SEK 496 m. (338) in capitalised expenditures, and SEK 175 m. (182) in depreciation of previously capitalised expenditures, recognised expenses decreased to SEK 1,395 m. (1,484).

### Financial Services

#### Customer finance portfolio

At the end of the first quarter of 2019, the size of Scania's customer finance portfolio amounted to SEK 94.7 billion, which was SEK 5.5 billion higher than the end of 2018. In local currencies, the portfolio increased by SEK 3.1 billion.

#### Penetration rate

The penetration rate was 40 (41) percent during the first quarter in those markets where Scania has its own financing operations.

#### Operating income

Operating income in Financial Services rose to SEK 345 m. (302) during the first quarter of 2019, compared to the same period in 2018. A larger portfolio and currency effects had a positive impact on earnings, while lower margins had a negative impact.

### Scania Group

During the first quarter of 2019, Scania's operating income amounted to SEK 4,207 m. (3,315). Operating margin amounted to 11.7 (10.7) percent. Scania's net financial items amounted to SEK -292 m. (-101).

The Scania Group's tax expense amounted to SEK 879 m. (847), equivalent to 22.5 (26.4) percent of income before taxes. Net income for the period totalled SEK 3,036 m. (2,367), equivalent to a net margin of 8.4 (7.6) percent.

## Cash flow

### Vehicles and Services

Scania's cash flow in Vehicles and Services amounted to SEK 507 m. (64) during the first quarter of 2019. Tied-up working capital increased by SEK 3,105 m., mainly due to higher inventory levels, which was offset somewhat by increased supplier invoices.

Net investments amounted to SEK 1,703 m. (1,612), including SEK 496 m. (338) in capitalisation of development expenses. At the end of the first quarter of 2019, the net cash position in Vehicles and Services amounted to SEK 8,388 m. compared to a net cash position of SEK 16,923 m. at the end of 2018. The net cash position was negatively impacted by paid out dividend in March 2019, SEK 4,867 m. and interest-bearing liabilities connected to IFRS 16, SEK 4,658 m..

## Scania Group

Scania Group's cash flow amounted to SEK -2,406 (-1,122) during the first quarter of 2019 due to a growing customer finance portfolio. The Group's net debt increased by about SEK 13.2 billion compared to the end of 2018 due to increased customer finance portfolio, paid out dividend and interest-bearing liabilities connected to IFRS 16.

## 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 2019.

## Miscellaneous

### Number of employees

At the end of first quarter of 2019, the number of employees totalled 52,378 compared to 49,982 on the same date in 2018.

### Material risks and uncertainties

The section entitled "Risks and risk management" in Scania's Annual and Sustainability Report for 2018 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 13 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.

#### 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) in 2011 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 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 has 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. This Interim Report for the Scania Group has been prepared in accordance with IAS 34, "Interim Financial Reporting" and the Annual Accounts Act.

### New accounting principles from 2019

As from 1 January 2019 the Group applies IFRS 16 "Leases". IFRS 16 has replaced IAS 17 "Leases" and the related interpretations IFRIC 4, SIC-15 and SIC-27. The standard requires, from the lessor perspective, that assets and liabilities arising from all leases, with exception for low value and short-term leases, to be recognised on the balance

sheet. The accounting for lessors will in all material aspects be unchanged. The Scania Group applied the modified retrospective transition method for the first-time adoption of IFRS 16. As a result of the first-time recognition of the right-of-use assets and corresponding lease liabilities at the same amount the balance sheet total increased by approximately 2 %, with no impact on equity. The increase in financial liabilities has a negative impact on the net liquidity of the Scania Group. In contrast to the previous approach to include expenses for operating leases in the operating profit, under IFRS 16 only the amortization of the right-of-use assets is included in the operating profit. Interest expenses from the compounding of the lease liability are shown in the financial result. Based on the lease contracts existing as of 1 January 2019, a minor not significant increase in operating profit is expected. The changed recognition of expenses from operating leases in the cash flow statement results in a slight improvement of the cash flow from operating activities and an equivalent decline of the cash flow from financing activities. The application of IFRS 16 will also lead to more extensive disclosures.

Other changes in standards and interpretations that enter into force on 1 January 2019 or subsequently are not expected to have any material impact on Scania's accounting.

## Cash flow

As from 1 January 2019 Scania has aligned the presentation of cash flow statement with Volkswagen.

## 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 2018 was held in Södertälje, Sweden on 14 March 2019. The Board of Directors proposed to the 2019 Annual General Meeting that a total amount of SEK 14,611 m., consisting of SEK 4,867 m. as ordinary dividend which represents 50 percent of the net income SEK 9,734 m. for 2018 and an extraordinary dividend of SEK 9,744 m., to be distributed to the shareholders as a cash dividend. The Annual General Meeting decided in accordance with the proposal. The extraordinary dividend was immediately returned as capital injection. The extraordinary dividend and re-capitalisation was done at the same time with no net effect on Scania capitalisation.

### Contact persons

Susanna Berlin  
Investor Relations  
Tel. +46 8 553 861 12  
Mobile tel. +46 70 086 05 02

Erik Ljungberg  
Communications, Brand and Marketing  
Tel. +46 8 553 835 57  
Mobile tel. +46 73 988 35 57

## Consolidated income statements, condensed

Amounts in SEK m. unless otherwise stated	Q1			Change in %
	EUR m.*	2019	2018	
Revenue	3,470	36,092	31,115	16
Cost of goods sold and services rendered	-2,593	-26,972	-23,019	17
<b>Gross income</b>	877	9,120	8,096	13
Research and development expenses	-134	-1,395	-1,484	-6
Selling expenses	-287	-2,984	-2,812	6
Administrative expenses	-50	-518	-469	10
Other operating income	3	38	39	-3
Other operating expenses	-5	-54	-55	-2
<b>Operating income</b>	404	4,207	3,315	27
Interest income	11	107	99	8
Interest expenses	-21	-219	-185	18
Share of income from associated companies and joint ventures	1	13	11	18
Other financial income	12	128	62	106
Other financial expenses	-31	-321	-88	265
<b>Total financial items</b>	-28	-292	-101	189
<b>Income before taxes</b>	376	3,915	3,214	22
Taxes	-84	-879	-847	4
<b>Net income for the period</b>	292	3,036	2,367	28
<b>Other comprehensive income</b>				
<b>Items that may be reclassified subsequently to profit or loss</b>				
Translation differences	83	865	971	
Income tax relating to items that may be reclassified	2	17	38	
	85	882	1,009	
<b>Items that will not be reclassified to profit or loss</b>				
Re-measurement defined benefit plans <sup>1)</sup>	-106	-1,101	-471	
Equity instruments	8	82	0	
Income tax relating to items that will not be reclassified	21	225	100	
	-77	-794	-371	
<b>Other comprehensive income for the period</b>	8	88	638	
<b>Total comprehensive income for the period</b>	300	3,124	3,005	
Net income attributable to:				
Scania shareholders	292	3,035	2,367	
Non-controlling interest	0	1	0	
Total comprehensive income attributable to:				
Scania shareholders	300	3,124	3,005	
Non-controlling interest	0	0	0	
Operating income includes depreciation of	242	2,513	-2,094	
Operating margin, percent		11.7	10.7	

<sup>1)</sup> The discount rate in calculating the Swedish pension liability has changed to 2.0 percent per 31 March.

\* Translated solely for the convenience of the reader at a closing exchange rate of SEK 10.4017 = EUR 1.00.

## Net sales and deliveries, Vehicles and Services

Amounts in SEK m. unless otherwise stated	Q1			Change in %
	EUR m.	2019	2018	
<b>Net sales</b>				
Trucks	2,242	<b>23,325</b>	19,112	22
Buses*	179	<b>1,858</b>	2,576	-28
Engines	54	<b>566</b>	569	-1
Service-related products	689	<b>7,166</b>	6,500	10
Used vehicles	203	<b>2,111</b>	1,896	11
Miscellaneous	114	<b>1,181</b>	1,089	8
Delivery sales value	3,481	<b>36,207</b>	31,742	14
Revenue deferrals <sup>1)</sup>	-121	<b>-1,259</b>	-1,517	-17
Net sales	3,360	<b>34,948</b>	30,225	16
<b>Net sales<sup>2)</sup></b>				
Europe	2,387	<b>24,843</b>	19,700	26
Eurasia	110	<b>1,139</b>	1,490	-24
America**	367	<b>3,813</b>	3,468	10
Asia	297	<b>3,085</b>	3,483	-11
Africa and Oceania	199	<b>2,068</b>	2,084	-1
Net sales	3,360	<b>34,948</b>	30,225	16

### Total delivery volume, units

Trucks	<b>22,186</b>	20,567	8
Buses*	<b>1,390</b>	2,073	-33
Engines	<b>2,571</b>	2,737	-6

<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	2019		2018	
	EUR m.	31 Mar	31 Dec	31 Mar
<b>Assets</b>				
<b>Non-current assets</b>				
Intangible assets	1,071	11,140	10,761	9,648
Tangible assets	3,086	32,095	31,486	30,476
Right of use assets	436	4,534	0	0
Lease assets	2,819	29,324	28,273	26,658
Shares and participations	95	988	823	747
Interest-bearing receivables	4,364	45,397	43,251	40,612
Other receivables <sup>1), 2)</sup>	686	7,136	6,921	6,248
<b>Current assets</b>				
Inventories	2,754	28,646	25,804	25,439
Interest-bearing receivables	2,926	30,435	27,797	24,623
Other receivables <sup>3)</sup>	1,754	18,246	17,000	16,337
Current investments	161	1,674	1,612	742
Cash and cash equivalents	784	8,153	7,222	6,478
<b>Total assets</b>	<b>20,936</b>	<b>217,768</b>	<b>200,950</b>	<b>188,008</b>
<b>Total equity and liabilities</b>				
<b>Equity</b>				
Scania shareholders	5,057	52,601	54,345	52,759
Non-controlling interest	1	15	14	15
<b>Total equity</b>	<b>5,058</b>	<b>52,616</b>	<b>54,359</b>	<b>52,774</b>
<b>Non-current liabilities</b>				
Interest-bearing liabilities	4,826	50,196	42,950	41,465
Provisions for pensions	1,122	11,672	10,439	9,958
Other provisions <sup>6)</sup>	617	6,415	6,389	6,601
Other liabilities <sup>1), 4)</sup>	1,577	16,402	15,819	15,060
<b>Current liabilities</b>				
Interest-bearing liabilities	3,519	36,607	29,922	20,505
Provisions	338	3,518	3,569	3,579
Other liabilities <sup>5)</sup>	3,879	40,342	37,503	38,066
<b>Total equity and liabilities</b>	<b>20,936</b>	<b>217,768</b>	<b>200,950</b>	<b>188,008</b>
<b>Equity/assets ratio, percent</b>				
		<b>24.2</b>	27.1	28.1

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

<sup>2)</sup> Including derivatives with positive value for hedging of borrowings

<sup>3)</sup> Including derivatives with positive value for hedging of borrowings

<sup>4)</sup> Including derivatives with negative value for hedging of borrowings

<sup>5)</sup> Including derivatives with negative value for hedging of borrowings

<sup>6)</sup> Including provision related to the European Commission's competition investigation

## Statement of changes in equity, condensed

Amounts in SEK m. unless otherwise stated	Q1		
	EUR m.	2019	2018
Equity, 1 January	5,226	<b>54,359</b>	49,919
Transition to IFRS 9	0	<b>0</b>	-150
Net income for the period	292	<b>3,036</b>	2,367
Other comprehensive income for the period	8	<b>88</b>	638
Dividend to shareholders	-1,405	<b>-14,611</b>	-
Capital injection	937	<b>9,744</b>	-
Change in non-controlling interest	0	<b>0</b>	-
<b>Total equity at the end of the period</b>	<b>5,058</b>	<b>52,616</b>	52,774
Attributable to:			
Scania AB shareholders	5,057	<b>52,601</b>	52,759
Non-controlling interest	1	<b>15</b>	15

## Cash flow statement, condensed

Amounts in SEK m. unless otherwise stated	Q1		
	EUR m.	2019	2018
<b>Operating activities</b>			
Income before tax	376	3,915	3,214
Items not affecting cash flow	253	2,628	2,028
Taxes paid	-98	-1,023	-1,262
<b>Cash flow from operating activities before change in working capital</b>	<b>531</b>	<b>5,520</b>	3,980
Change in working capital <sup>1)</sup>	-592	-6,156	-3,818
<b>Cash flow from operating activities</b>	<b>-61</b>	<b>-636</b>	162
<b>Investing activities</b>			
Net investments	-166	-1,722	-1,622
<b>Cash flow from investing activities attributable to operating activities</b>	<b>-166</b>	<b>-1,722</b>	-1,622
<b>Cash flow after investing activities attributable to operating activities</b>	<b>-227</b>	<b>-2,358</b>	-1,460
Investments in securities and loans <sup>2)</sup>	-5	-48	338
<b>Cash flow from investing activities</b>	<b>-170</b>	<b>-1,770</b>	-1,284
<b>Cash flow before financing activities</b>	<b>-231</b>	<b>-2,406</b>	-1,122
<b>Financing activities</b>			
Change in debt from financing activities <sup>3)</sup>	777	8,087	1,486
Dividend	-468	-4,867	-
<b>Cash flow from financing activities</b>	<b>309</b>	<b>3,220</b>	1,486
<b>Cash flow for the period</b>	<b>78</b>	<b>814</b>	364
<b>Cash and cash equivalents at beginning of period <sup>4)</sup></b>	<b>694</b>	<b>7,222</b>	6,042
<b>Exchange rate differences in cash and cash equivalents</b>	<b>11</b>	<b>117</b>	72
<b>Cash and cash equivalents at end of period <sup>5)</sup></b>	<b>783</b>	<b>8,153</b>	6,478
<b>Cash flow statement, Vehicles and services</b>			
Cash flow from operating activities before change in working capital	511	5,315	3,747
Change in working capital <sup>1)</sup>	-299	-3,105	-2,071
Cash flow from operating activities	212	2,210	1,676
Cash flow from investing activities attributable to operating activities	-164	-1,703	-1,612
Cash flow after investing activities attributable to operating activities	49	507	64

As from 2019 changes have been done in Cash flow statement in accordance with Volkswagen Group presentation of cash flow.

Comparitive figures for 2018 have been adjusted with:

<sup>1)</sup> Loan receivables moved to investments in securities and loans with SEK 631 m.

<sup>2)</sup> Municipal bonds included with SEK -140 m, previously presented in cash and cash equivalents. Loan receivables included with SEK -631 m, previously presented in working capital. Loan receivables included with SEK 1 101, previously presented in financing activities.

<sup>3)</sup> Loan receivables moved to investments in securities and loans with SEK -1 101 m.

<sup>4)</sup> Municipal bonds moved to investments in securities and loans with SEK -450 m.

<sup>5)</sup> Municipal bonds moved to investments in securities and loans with SEK -590 m.

In addition to above, some minor reclassifications have been made, affecting comparative figures for 2018 as follows: Items not affecting cash flow SEK -108 m, taxes paid SEK -4 m, change in working capital SEK -22 m, investing activities SEK 99 m, financing activities SEK 46 m and change in cash and cash equivalents SEK -11 m.

## 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 and cash and cash equivalents are carried according to Level 1, i.e. quoted prices in active markets for identical assets, and amounted to SEK 50 m. (696). 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 126 m. (155), Other current receivables SEK 305 m. (255), Other non-current liabilities SEK 792 m. (875) and Other current liabilities SEK m. 923 (1,170).

For financial assets that are carried at amortised cost, book value amounts to SEK 95,471 m. (80,615) and fair value to SEK 95,895 m. (80,650). For financial liabilities that are carried at amortised cost, book value amounts to SEK 98,280 m. (77,872) and fair value to SEK 99,840 m. (77,864). 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 2018.

## Quarterly data, units by geographic area

	2019	2018				
	Q1	Full year	Q4	Q3	Q2	Q1
<b>Order bookings, trucks</b>						
Europe	14,551	57,188	16,413	11,241	13,617	15,917
Eurasia	1,271	6,492	896	1,523	929	3,144
America **	6,296	10,150	1,866	3,099	2,122	3,063
Asia	1,951	9,665	1,969	1,465	2,480	3,751
Africa and Oceania	720	5,245	1,592	1,265	1,160	1,228
<b>Total</b>	<b>24,789</b>	<b>88,740</b>	<b>22,736</b>	<b>18,593</b>	<b>20,308</b>	<b>27,103</b>
<b>Trucks delivered</b>						
Europe	16,150	52,016	14,839	11,603	12,614	12,960
Eurasia	767	8,006	3,165	1,921	1,697	1,223
America**	2,470	12,725	4,192	2,671	3,233	2,629
Asia	1,920	10,464	2,339	2,795	2,671	2,659
Africa and Oceania	879	4,784	1,327	1,014	1,347	1,096
<b>Total</b>	<b>22,186</b>	<b>87,995</b>	<b>25,862</b>	<b>20,004</b>	<b>21,562</b>	<b>20,567</b>
<b>Order bookings, buses*</b>						
Europe	526	2,431	589	545	666	631
Eurasia	10	81	4	21	56	0
America **	1,012	3,345	885	389	1,320	751
Asia	166	1,405	215	207	103	880
Africa and Oceania	200	1,444	528	231	291	394
<b>Total</b>	<b>1,914</b>	<b>8,706</b>	<b>2,221</b>	<b>1,393</b>	<b>2,436</b>	<b>2,656</b>
<b>Buses delivered*</b>						
Europe	328	2,212	561	452	672	527
Eurasia	15	344	31	3	61	249
America **	626	2,805	840	613	722	630
Asia	250	2,058	304	582	742	430
Africa and Oceania	171	1,063	240	207	379	237
<b>Total</b>	<b>1,390</b>	<b>8,482</b>	<b>1,976</b>	<b>1,857</b>	<b>2,576</b>	<b>2,073</b>

\* Including body-built buses and coaches.

\*\* Refers to Latin America

## Parent Company Scania AB, financial statements

Amounts in SEK m. unless otherwise stated	Q1		
	EUR m.	2019	2018
<b>Income statement</b>			
Financial income and expenses	0	0	0
<b>Net income for the period</b>	0	0	0

	2019			2018
	EUR m.	31 Mar	31 Mar	31 Mar
<b>Balance sheet</b>				
<b>Assets</b>				
<b>Financial non-current assets</b>				
Shares in subsidiaries	811	8,435	8,435	
<b>Current assets</b>				
Due from subsidiaries	596	6,201	1,567	
<b>Total assets</b>	1,407	14,636	10,002	
<b>Equity</b>				
Equity	1,407	14,636	10,002	
<b>Total shareholders' equity</b>	1,407	14,636	10,002	
<b>Total equity and liabilities</b>	1,407	14,636	10,002	

	2019			2018
	EUR m.	31 Mar	31 Mar	31 Mar
<b>Statement of changes in equity</b>				
Equity, 1 January	1,875	19,503	10,002	
Total comprehensive income	0	0	0	
Dividend	-1,405	-14,611	-	
Capital injection	937	9,744	-	
<b>Equity</b>	1,407	14,636	10,002	

## Note 1 Segment Reporting

### Income statements

#### Vehicles and Services

	2019	2018
Amounts in SEK m. unless otherwise stated	Q1	Q1
Revenue	34,948	30,225
Cost of goods sold	-26,589	-22,781
<b>Gross income</b>	8,359	7,444
Research and development expenses	-1,395	-1,484
Selling expenses	-2,584	-2,478
Administrative expenses	-518	-469
<b>Operating income</b>	3,862	3,013
Interest income	107	99
Interest expenses	-219	-185
Share of income in associated companies and joint ventures	13	11
Other financial income	128	62
Other financial expenses	-321	-88
<b>Total financial items</b>	-292	-101
<b>Income before taxes</b>	3,570	2,912
Taxes	-801	-759
<b>Net income for the period</b>	2,769	2,153

#### Financial Services

Amounts in SEK m. unless otherwise stated	2019	2018
Interest and lease income	2,041	1,733
Insurance commission	74	55
Interest and prepaid expenses	-1,354	-1,136
Interest surplus and insurance commission	761	652
Other income	38	39
Other expenses	-54	-55
<b>Gross income</b>	745	636
Selling and administration expenses	-310	-260
Bad debt expenses, realised and anticipated	-90	-74
<b>Operating income</b>	345	302
<b>Income before tax</b>	345	302
Taxes	-78	-88
<b>Net income for the period</b>	267	214

### Reconciliation of segments to the Scania Group

#### January - March

Amounts in SEK m. unless otherwise stated	Vehicles and Services		Financial Services		Eliminations		Scania Group	
	2019	2018	2019	2018	2019	2018	2019	2018
	Q1	Q1	Q1	Q1	Q1	Q1	Q1	Q1
Revenue	34,948	30,225	2,115	1,788	-971	-898	36,092	31,115
Cost of sales	-26,589	-22,781	-1,354	-1,136	971	898	-26,972	-23,019
<b>Gross income</b>	8,359	7,444	761	652	0	0	9,120	8,096
Research and development expenses	-1,395	-1,484					-1,395	-1,484
Selling expenses	-2,584	-2,478	-400	-334			-2,984	-2,812
Administrative expenses	-518	-469					-518	-469
Other operating income			38	39			38	39
Other operating expenses			-54	-55			-54	-55
<b>Operating income</b>	3,862	3,013	345	302	0	0	4,207	3,315
Interest income	107	99					107	99
Interest expenses	-219	-185					-219	-185
Share of income in associated companies and joint ventures	13	11					13	11
Other financial income	128	62					128	62
Other financial expenses	-321	-88					-321	-88
<b>Total financial items</b>	-292	-101	0	0	0	0	-292	-101
<b>Income before taxes</b>	3,570	2,912	345	302	0	0	3,915	3,214
Taxes	-801	-759	-78	-88			-879	-847
<b>Net income for the period</b>	2,769	2,153	267	214	0	0	3,036	2,367

## 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 net sales.

#### **Net margin**

Net income as a percentage of net sales.

#### **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>2019</b>	2018
<i>Net sales</i>	3,470	<b>36,092</b>	31,115
<i>Operating income</i>	404	<b>4,207</b>	3,315
<i>Net income for the period</i>	292	<b>3,036</b>	2,367
<i>Operating margin, % (Operating income/Net sales)</i>		<b>11.7</b>	10.7
<i>Net margin, % (Net income/Net sales)</i>		<b>8.4</b>	7.6



## RECONCILIATIONS

Amounts in SEK m. unless otherwise stated

### Scania Group

#### Net debt, excluding provision for pensions

	EUR m.	31 Mar	31 Mar
<b>Assets</b>			
Current investments	161	1,674	742
Cash and cash equivalents	784	8,153	6,478
Loans to Volkswagen entities	12	6	632
Accrued interest in current investments	29	-3	-1
	986	9,830	7,851

#### Liabilities

Interest-bearing liabilities, non-current	4,826	50,196	41,465
Interest-bearing liabilities, current	3,519	36,607	20,505
Accrued interest in Interest-bearing liabilities	76	-382	-346
	8,421	86,421	61,624

<b>Net debt</b>	7,435	76,591	53,773
-----------------	-------	--------	--------

### Vehicles and Services

2019 2018

#### Net debt, excluding provision for pensions

	EUR m.	31 Mar	31 Mar
<b>Assets</b>			
Current investments	503	5,229	12,107
Cash and cash equivalents	752	7,819	6,082
Loans to Volkswagen entities	0	0	630
Accrued interest in current investments	0	-2	0
	1,255	13,046	18,819

#### Liabilities

Interest-bearing liabilities, non-current	368	3,824	0
Interest-bearing liabilities, current	80	834	0
	448	4,658	0

<b>Net debt</b>	-807	-8,388	-18,819
-----------------	------	--------	---------

### Capital Employed

2019 2018

	EUR m.	31 Mar	31 Mar
Total assets, excl. Shares and participations in group companies	12,933	134,523	122,806
Operating liabilities			
Other provisions, non-current and current	595	6,193	6,005
Other liabilities, non-current and current	6,638	69,042	62,874
Net derivatives	-127	-1,326	-497
<b>Capital Employed</b>	5,827	60,614	54,424

### Return on Capital Employed

2019 2018

	EUR m.	31 Mar	31 Mar
Operating income	1,273	13,241	11,342
Financial income	71	738	608
Capital employed	5,827	60,614	54,424
<b>Return on Capital Employed</b>		23.1%	22.0%