

## Scania Interim Report January–March 2018

### Summary of the first three months of 2018

- Operating income rose by 8 percent to SEK 3,315 m. (3,081)
- Net sales increased by 6 percent to SEK 31,115 m. (29,299)
- Cash flow amounted to SEK -437 m. (2,353) in Vehicles and Services
- As from 2018 Scania's presentation of the income statement has been adjusted to align with Volkswagen Group's (including comparative periods)

### Comments by Henrik Henriksson, President and CEO

"Scania's net sales rose to a record high SEK 31.1 billion and earnings in the first quarter amounted to SEK 3,315 m., which gave an operating margin of 10.7 percent. Higher vehicle and service volume contributed positively while a less favourable market mix, higher production costs for running double product ranges and continued constraints in the supply chain impacted earnings negatively. Demand for trucks in Europe remains very good due to the positive economic situation. The trend in demand in Latin America is positive, mainly driven by the continued recovery in Brazil. In Eurasia, the trend in demand is positive, due to Russia where order bookings are very strong. In Asia, demand remains at a high level, mainly due to Iran. Demand for Buses and Coaches in Europe continues to be strong. The business area Engines has record high demand, mainly driven by order bookings for industrial engines. There is high capacity utilization in customer vehicle fleets and service revenue amounted to a record high SEK 6,500 m. (5,851), an increase of 11 percent in local currency. The steady growth in service revenue is a clear result of Scania's strategic investment in a vertically integrated service business, which means that we comprehensively support our customers' operations.

The breadth and flexibility in the offering including service-related products, digital and connected services, driver services, financing and insurance, means that solutions can be tailored to customer needs with improved profitability as a result. Financial Services maintained the trend of increased profitability and reported operating income of SEK 302 million. Credit losses remain at low levels.

For the second consecutive year, Scania's new generation trucks were victorious in the 1000 Point Test – Europe's most comprehensive comparative test for trucks. The new Scania truck was top-rated in the categories of cab, driveline and performance, fuel consumption and in cost and payload. Scania also received the Green Truck Award again – a special comparative test with fuel consumption in focus. Since the new truck generation was launched during autumn 2016, Scania has come out victorious in practically all comparative and individual trade press tests. Low fuel consumption of course not only reduces costs, it is also connected with increased energy efficiency, lower CO<sub>2</sub> emissions and improved sustainability."

### Financial overview

	Q1			
	2018	2017	Change, %	
<b>Trucks and buses, units</b>				
Order bookings	<b>29,759</b>	27,935	7	
Deliveries	<b>22,640</b>	20,656	10	
	<i>EUR</i>			
	<i>m.*</i>			
<b>Net sales and earnings</b>				
<b>Net sales, Scania Group, SEK m.**</b>	<i>3,026</i>	<b>31,115</b>	29,299	6
Operating income, Vehicles and Services, SEK m.	<i>293</i>	<b>3,013</b>	2,831	6
Operating income, Financial Services, SEK m.	<i>29</i>	<b>302</b>	250	21
Operating income, SEK m.	<i>322</i>	<b>3,315</b>	3,081	8
<b>Income before taxes, SEK m.</b>	<i>312</i>	<b>3,214</b>	2,999	7
<b>Net income for the period, SEK m.</b>	<i>320</i>	<b>2,367</b>	2,211	7
Operating margin, %**		<b>10.7</b>	10.5	
Return on capital employed, Vehicles and Services, %		<b>22.0</b>	22.9	
Cash flow, Vehicles and Services	<i>-43</i>	<b>-437</b>	2,353	

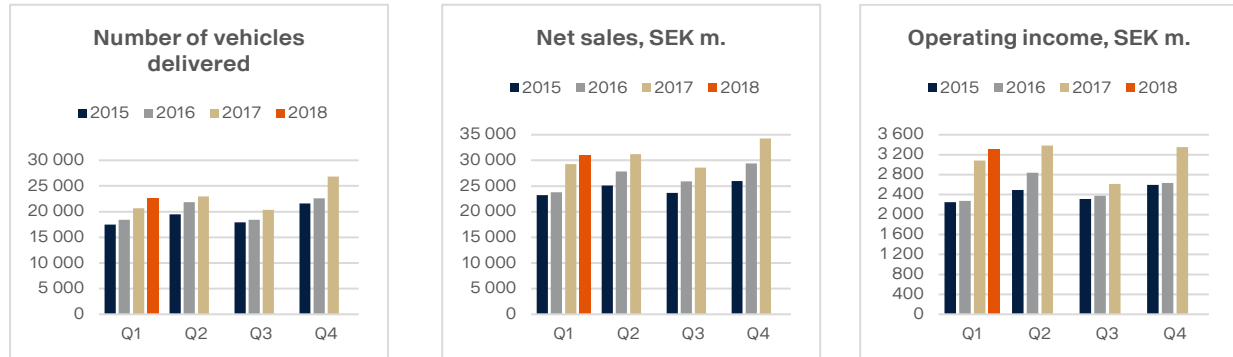
Unless otherwise stated, all comparisons refer to the corresponding period of the preceding year.

\* Translated to EUR solely for the convenience of the reader at a closing day rate of SEK 10.2821 = EUR 1.00.

\*\* Q1 2017 figure has been re-measured as a result of the new presentation of the income statement as from 2018.

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

During the first quarter of 2018, total vehicle deliveries increased by 10 percent to 22,640 (20,656) units, compared to the year-earlier period. Net sales rose by 6 percent to SEK 31,115 m. (29,299). Currency effects had a positive impact of 1 percent on sales.

Order bookings rose by 7 percent to 29,759 (27,935) vehicles, compared to the first quarter of 2017.

### Continued good demand in most regions

Scania's order bookings for trucks reached the highest level for a first quarter ever, thanks to continued strong demand in Europe and upturns in Eurasia and Latin America. In Europe, stable freight growth, attractive financing levels and the low oil price are supporting customers' profitability and their demand for trucks. Sales of the new truck generation are contributing positively to Scania's strong market position. Demand for used vehicles in Europe is still good.

Demand in Latin America increased compared to the first quarter of 2017 due to an improved economic situation. In Brazil, demand is increasing from low levels, related to greater activity in the agricultural and mining sectors. Demand in Argentina is increasing gradually in line with the normalisation of the economy.

In Russia, the strong trend in demand continued but the outlook for the Eurasia region remains uncertain.

Demand is strong in Asia, mainly related to an upturn in Iran.

### Continued high market share in Europe

Scania's market share for trucks in Europe during the first quarter of 2018 amounted to 17.2 percent compared to 16.8 percent the year-earlier period. The continued high level confirms the positive reception of the new truck generation, which with its good performance and high quality, is highly appreciated by customers. Increased sales activities in new segments and Scania's broad engine range for alternative fuels also contributed to the high market share in Europe.

## The truck market

### Order bookings

Scania's order bookings increased during the first quarter of 2018 and totalled 27,103 (25,298) trucks. Order bookings in Europe decreased by 4 percent to 15,917 (16,512) units, compared to the first quarter of 2017, mainly related to lower demand in Belgium, Germany and France.

Order bookings in Latin America rose during the first quarter of 2018. Compared to the first quarter of 2017, order bookings rose by 42 percent to 3,063 (2,152) trucks, mainly related to increased demand from low levels in Brazil.

In Eurasia, total order bookings rose during the first quarter and amounted to 3,144 (1,461) trucks, an upturn that was primarily related to Russia. The political turbulence in the region persists, and for this reason the market situation remains uncertain in Eurasia.

In Asia, order bookings fell somewhat to 3,751 (3,808) trucks during the first quarter. The decrease was primarily related to China and India.

In Africa and Oceania, order bookings were lower compared to the first quarter of 2017, mainly related to South Africa. Order bookings amounted to 1,288 (1,365) units, compared to the first quarter of 2017.

## Deliveries

Scania's total truck deliveries increased by 8 percent to 20,567 (19,062) units during the first quarter compared to the year-earlier period. In Europe, deliveries rose by 7 percent to 12,960 (12,151) units compared to the first quarter of 2017, despite continuing constraints in the supply chain. The running of double product ranges is contributing to a strained situation for our sub-suppliers. Zwolle has now also changed over to the new product range and thus all European production units have shifted to production of the new truck generation.

In Eurasia, deliveries rose to 1,223 (868) trucks. In Latin America, deliveries rose by 42 percent to 2,629 (1,854) units compared to the first quarter of 2017. In Asia, deliveries fell compared to the first quarter of 2017 to 2,659 (3,142) trucks. In Africa and Oceania, deliveries rose by 5 percent to 1,096 (1,047) trucks.

## Net sales

Net sales of trucks rose by 6 percent to SEK 19,112 m. (17,975) during the first quarter of 2018.

## The total European market for heavy trucks

The total market for heavy trucks in 25 of the European Union member countries (all EU countries except Bulgaria, Greece and Malta) plus Norway, Switzerland, Iceland and Bosnia and Herzegovina increased by ca 4 percent to about 80,100 (77,100) units for the first three months of 2018. Scania truck registrations amounted to some 13,700 (13,000) units, equivalent to a market share of about 17.2 (16.8) percent.

Scania trucks	Order bookings			Deliveries		
	3 months 2018	3 months 2017	Change, %	3 months 2018	3 months 2017	Change, %
Europe	15,917	16,512	-4	12,960	12,151	7
Eurasia	3,144	1,461	115	1,223	868	41
America*	3,063	2,152	42	2,629	1,854	42
Asia	3,751	3,808	-1	2,659	3,142	-15
Africa and Oceania	1,228	1,365	-10	1,096	1,047	5
Total	27,103	25,298	7	20,567	19,062	8

\*Refers to Latin America

## The bus and coach market

### Order bookings

Total order bookings for buses and coaches during the first quarter of 2018 were in line with the previous year at 2,656 (2,637) units.

Scania's market share in buses and coaches in Europe amounted to 8.4 percent for the first quarter 2018 compared to 7.5 percent during the year-earlier period.

In Europe, order bookings rose and totalled 631 (573) units during the first quarter. Order bookings rose mainly in Finland and Sweden.

In Latin America, order bookings fell by 13 percent to 751 (864) units compared to the first quarter of 2017. In Asia, order bookings fell to 880 (967) buses and coaches compared to the first quarter of 2017, mainly related to India and Indonesia. Order bookings in Eurasia fell compared to the year-earlier period and amounted to 0 (24). Order bookings in Africa and Oceania rose to 394 (209) buses and coaches.

### Deliveries

Scania's bus and coach deliveries totalled 2,073 (1,594) units during the first quarter. In Europe, deliveries increased by 15 percent to 527 (460) units compared to the first quarter of 2017. In Latin America, deliveries were up by 52 percent to 630 (415). In Asia, deliveries fell by 22 percent to 430 (550), while deliveries of buses and coaches in Africa and Oceania rose during the first quarter to 237 (155) units. Deliveries to Eurasia increased to 249 (14) buses and coaches.

### Net sales

Net sales of buses and coaches rose by 28 percent to SEK 2,576 m. (2,016) during the first quarter.

## Scania buses and coaches

	Order bookings			Deliveries		
	3 months 2018	3 months 2017	Change, %	3 months 2018	3 months 2017	Change, %
Europe	631	573	10	527	460	15
Eurasia	0	24	-100	249	14	
America*	751	864	-13	630	415	52
Asia	880	967	-9	430	550	-22
Africa and Oceania	394	209	89	237	155	53
Total	2,656	2,637	1	2,073	1,594	30

\*Refers to Latin America

## Engines

### Order bookings

Engine order bookings rose overall by 80 percent to 3,913 (2,175) units during the first quarter of 2018 compared to 2017. The upturn was primarily related to South Korea.

### Deliveries

Engine deliveries rose by 46 percent to 2,737 (1,877) units during the first quarter of 2018.

### Net sales

During the first quarter, net sales of engines rose by 36 percent to SEK 569 m. (418).

## Services

Service revenue amounted to SEK 6,500 (5,851) during the first quarter of 2018, an increase of 11 percent. Higher volume had a positive impact on revenue. In local currencies, revenue also increased by 11 percent.

In Europe, service revenue rose by 12 percent to SEK 4,510 m. (4,018) compared to the first quarter of 2017. In Latin America, revenue was in line with the previous year at SEK 741 m. (739) and service revenue in Eurasia rose to SEK 181 m. (158) compared to the first quarter of 2017. Service revenue in Asia was 13 percent higher than the previous year at SEK 626 m. (556). In Africa and Oceania, service revenue rose by 16 percent to SEK 442 m. (380).

## Earnings

As from 2018 figures have been re-measured as a result of the new presentation of the income statement as explained in the notes.

## Vehicles and Services

### First quarter

Operating income in Vehicles and Services totalled SEK 3,013 m. (2,831) during the first quarter of 2018. Higher vehicle and service volume contributed positively while a less favourable market mix, higher production costs for running double product ranges and continuing constraints in the supply chain impacted earnings negatively.

Compared to the first quarter of 2017, the total currency effect was positive and amounted to about SEK 262 m.

Scania's research and development expenditures amounted to SEK 1,640 m. (1,715). After adjusting for SEK 338 m. (408) in capitalised expenditures and SEK 181 m. (90) in depreciation of previously capitalised expenditures, recognised expenses decreased to SEK 1,484 m. (1,397).

## Financial Services

### Customer finance portfolio

At the end of the first quarter of 2018, the size of Scania's customer finance portfolio amounted to SEK 81.8 billion, which was SEK 4.8 billion higher than the end of 2017. In local currencies, the portfolio increased by SEK 1.5 billion, equivalent to 2 percent.

### Penetration rate

The penetration rate was 41 (42) 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 302 m. (250) during the first quarter of 2018, compared to the same period in 2017. A larger portfolio had a positive impact on earnings, while smaller margins had a negative impact.

## Scania Group

During the first quarter of 2018, Scania's operating income amounted to SEK 3,315 m. (3,081). Operating margin amounted to 10.7 (10.5) percent. Scania's net financial items amounted to SEK -101 m. (-82).

The Scania Group's tax expense amounted to SEK 847 m. (788), equivalent to 26.4 percent of income before taxes. Net income for the period totalled SEK 2,367 m. (2,211), equivalent to a net margin of 7.6 (7.5) percent.

## Cash flow

### Vehicles and Services

Scania's cash flow in Vehicles and Services amounted to SEK -437 m. (2,353) during the first quarter of 2018. Tied-up working capital increased by SEK 2,503 m., mainly due to higher inventory levels, which was somewhat offset by increased supplier invoices.

Net investments amounted to SEK 1,712 m. (1,316), including SEK 338 m. (408) in capitalisation of development expenses. At the end of the first quarter of 2018, the net cash position in Vehicles and Services amounted to SEK 16,556 m. compared to a net cash position of SEK 17,058 m. at the end of 2017.

### Scania Group

Scania's cash flow in Financial Services amounted to SEK -1,612 m. (-420) during the first quarter of 2018 due to a growing customer finance portfolio. Due to the negative cash flow in Vehicles and Services, the Group's net debt increased by about SEK 4.8 billion compared to the end of 2017.

## 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 2018.

## Miscellaneous

### Number of employees

At the end of the first quarter of 2018, the number of employees totalled 49,982 compared to 46,621 on the same date in 2017.

### Material risks and uncertainties

The section entitled "Risks and risk management" in Scania's Annual and Sustainability Report for 2017 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 15 percent of the vehicles Scania sells are delivered with residual value obligations or 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). If there are major changes in the market value of used vehicles, this increases the risk of future losses when selling returned vehicles. When a residual value obligation is deemed likely to cause a future loss, a provision is made in cases where the expected loss exceeds the as-yet-unrecognised profit on the vehicle.

#### 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 closing 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.

## Accounting principles

Scania applies International Financial Reporting Standards (IFRS) 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 2018

As from 1 January 2018 the Group applies IFRS 9, "Financial Instruments" and IFRS 15, "Revenue from Contracts with Customers."

IFRS 9 has from 1 January 2018 replaced IAS 39, "Financial Instruments: Recognition and Measurement." IFRS 9 contains different rules for classification and measurement of financial assets and liabilities, impairment of financial instruments and hedge accounting compared to IAS 39. For Scania the impact of the new standard refers to the impairment model and the requirement to consider expected credit losses when calculating loss allowances. Scania has chosen to apply IFRS 9 retrospectively without adjusting comparative figures. The impact of the transition 1 January 2018 refers to the impairment model and amounts to SEK 150 m. net after tax recognised in equity. See note 4.

IFRS 15 has replaced IAS 18 Revenue and related interpretations. The core principle of IFRS 15 is that an entity shall recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The transition to IFRS 15 has been done based on the modified approach meaning that the comparative figures are not adjusted. Scania's previously applied accounting principles regarding revenue, as described in the Annual report, was in line with the requirements in IFRS 15 and therefore Scania has no effect in equity on transition to IFRS 15.

Other new and revised standards and interpretations that have been applied from 1 January 2018 have not had any significant impact on Scania's financial statements.

### Sales with repurchase obligations

As from 2018 the Group has adopted the presentation of sales transactions with repurchase obligations to the Volkswagen Group's accounting principles of such transactions. The change has only resulted in reclassifications in the balance sheet. The effect on the Group is not significant while the effect regarding internal sales transactions with repurchase obligations between the segments Vehicle and Services and Financial Services in the segments is greater. The new accounting principle have been applied retrospectively which means that comparative figures have been recalculated. See Note 3.

### Reclassifications 2018

As from 2018 some reclassifications regarding the presentation in the income statement have been done. The reclassifications have been done as a result of adoption to the presentation of different costs in the Volkswagen Group. The reclassification has been done retrospectively which mean that comparative figures have been recalculated. See Note 2.

### Presentation of the income statement

AS from 2018 the presentation of the income statement has changed due to an adoption to how the income statement is presented in the Volkswagen Group. See Note 2.

### 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.

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## Consolidated income statements, condensed

Amounts in SEK m. unless otherwise stated	Q1			Change in %
	EUR m.*	2018	2017	
Revenue	3,026	31,115	29,299	6
Cost of goods sold and services rendered	-2,239	-23,019	-21,570	7
<b>Gross income</b>	<b>787</b>	<b>8,096</b>	<b>7,729</b>	<b>5</b>
Research and development expenses	-144	-1,484	-1,397	6
Selling expenses	-273	-2,812	-2,745	2
Administrative expenses	-47	-469	-474	-1
Other operating income	4	39	61	-36
Other operating expenses	-5	-55	-93	-41
<b>Operating income</b>	<b>322</b>	<b>3,315</b>	<b>3,081</b>	<b>8</b>
Interest income	10	99	221	-55
Interest expenses	-18	-185	-317	-42
Share of income from associated companies and joint ventures	1	11	9	22
Other financial income	6	62	87	-29
Other financial expenses	-9	-88	-82	7
<b>Total financial items</b>	<b>-10</b>	<b>-101</b>	<b>-82</b>	<b>23</b>
<b>Income before taxes</b>	<b>312</b>	<b>3,214</b>	<b>2,999</b>	<b>7</b>
Taxes	-82	-847	-788	7
<b>Net income for the period</b>	<b>230</b>	<b>2,367</b>	<b>2,211</b>	<b>7</b>
<b>Other comprehensive income</b>				
<b>Items that may be reclassified subsequently to profit or loss</b>				
Translation differences	94	971	285	
Income tax relating to items that may be reclassified	4	38	10	
	98	1,009	295	
<b>Items that will not be reclassified to profit or loss</b>				
Re-measurement defined benefit plans <sup>1)</sup>	-46	-471	1	
Income tax relating to items that will not be reclassified	10	100	0	
	-36	-371	1	
<b>Other comprehensive income for the period</b>	<b>62</b>	<b>638</b>	<b>296</b>	
<b>Total comprehensive income for the period</b>	<b>292</b>	<b>3,005</b>	<b>2,507</b>	
Net income attributable to:				
Scania shareholders	230	2,367	2,212	
Non-controlling interest	0	0	-1	
Total comprehensive income attributable to:				
Scania shareholders	292	3,005	2,508	
Non-controlling interest	0	0	-1	
Operating income includes depreciation of	-105	-1,079	-973	
Operating margin, percent		10.7	10.5	

<sup>1)</sup> The discount rate in calculating the Swedish pension liability has changed to 2.5 percent per 31 March.

\* Translated solely for the convenience of the reader at a closing exchange rate of SEK 10.2821 = EUR 1.00.

## Net sales and deliveries, Vehicles and Services

	Q1			Change in %	Q1	
	EUR m.	2018	2017		2018	2017
Amounts in SEK m. unless otherwise stated						
<b>Net sales</b>						
Trucks	1,859	<b>19,112</b>	17,975	6	<b>19,112</b>	17,975
Buses*	251	<b>2,576</b>	2,016	28	<b>2,576</b>	2,016
Engines	55	<b>569</b>	418	36	<b>569</b>	418
Service-related products	632	<b>6,500</b>	5,851	11	<b>6,500</b>	5,851
Used vehicles	185	<b>1,896</b>	1,675	13	<b>1,896</b>	1,675
Miscellaneous	106	<b>1,089</b>	983	11	<b>1,089</b>	983
Delivery sales value	3,088	<b>31,742</b>	28,918	10	<b>31,742</b>	28,918
Revenue deferrals <sup>1)</sup>	-148	<b>-1,517</b>	-498	205	<b>-1,517</b>	-498
Net sales	2,940	<b>30,225</b>	28,420	6	<b>30,225</b>	28,420
<b>Net sales<sup>2)</sup></b>						
Europe	1,916	<b>19,700</b>	18,551	6	<b>19,700</b>	18,551
Eurasia	145	<b>1,490</b>	1,010	47	<b>1,490</b>	1,010
America**	337	<b>3,468</b>	2,761	26	<b>3,468</b>	2,761
Asia	203	<b>2,084</b>	4,105	-49	<b>2,084</b>	4,105
Africa and Oceania	339	<b>3,483</b>	1,993	75	<b>3,483</b>	1,993
Net sales	2,940	<b>30,225</b>	28,420	6	<b>30,225</b>	28,420
<b>Total delivery volume, units</b>						
Trucks		<b>20,567</b>	19,062	8	<b>20,567</b>	19,062
Buses*		<b>2,073</b>	1,594	30	<b>2,073</b>	1,594
Engines		<b>2,737</b>	1,877	46	<b>2,737</b>	1,877

<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	2018		2017	
	EUR m.	31 Mar	31 Dec	31 Mar
<b>Assets</b>				
<b>Non-current assets</b>				
Intangible assets	938	9,648	9,421	8,796
Tangible assets	2,964	30,476	29,711	29,067
Lease assets	2,593	26,658	25,816	24,979
Shares and participations	72	747	587	565
Interest-bearing receivables	3,950	40,612	37,218	31,911
Other receivables <sup>1), 2)</sup>	608	6,248	5,765	5,975
<b>Current assets</b>				
Inventories	2,474	25,439	21,589	21,075
Interest-bearing receivables	2,395	24,623	23,452	21,005
Other receivables <sup>3)</sup>	1,589	16,337	15,300	14,196
Current investments	15	151	1,245	1,171
Cash and cash equivalents	687	7,069	6,504	10,979
<b>Total assets</b>	<b>18,285</b>	<b>188,008</b>	<b>176,608</b>	<b>169,719</b>
<b>Total equity and liabilities</b>				
<b>Equity</b>				
Scania shareholders	5,131	52,759	49,904	44,800
Non-controlling interest	1	15	15	24
<b>Total equity</b>	<b>5,132</b>	<b>52,774</b>	<b>49,919</b>	<b>44,824</b>
<b>Non-current liabilities</b>				
Interest-bearing liabilities	4,033	41,465	39,869	34,734
Provisions for pensions	969	9,958	9,346	8,705
Other provisions <sup>6)</sup>	642	6,601	6,498	6,500
Other liabilities <sup>1), 4)</sup>	1,465	15,060	14,703	13,688
<b>Current liabilities</b>				
Interest-bearing liabilities	1,994	20,505	18,822	24,959
Provisions	348	3,579	3,400	3,382
Other liabilities <sup>5)</sup>	3,702	38,066	34,051	32,927
<b>Total equity and liabilities</b>	<b>18,285</b>	<b>188,008</b>	<b>176,608</b>	<b>169,719</b>
<b>Equity/assets ratio, percent</b>				
		<b>28.1</b>	28.3	26.4

<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.	2018	2017
Equity, 1 January	4,855	<b>49,919</b>	42,312
Transition to IFRS 9	-15	<b>-150</b>	0
Net income for the period	230	<b>2,367</b>	2,211
Other comprehensive income for the period	62	<b>638</b>	296
Change in non-controlling interest	-	-	5
<b>Total equity at the end of the period</b>	<b>5,132</b>	<b>52,774</b>	44,824
Attributable to:			
Scania AB shareholders	5,131	<b>52,759</b>	44,800
Non-controlling interest	1	<b>15</b>	24

## Cash flow statement, condensed

Amounts in SEK m. unless otherwise stated	Q1		
	EUR m.	2018	2017
<b>Operating activities</b>			
Income before tax	312	3,214	2,999
Items not affecting cash flow <sup>1)</sup>	208	2,136	2,214
Taxes paid	-122	-1,258	-730
<b>Cash flow from operating activities before change in working capital</b>	398	4,092	4,483
of which: <i>Vehicles and Services</i>	366	3,767	4,243
<i>Financial Services</i>	32	325	240
Change in working capital <sup>2)</sup>	-431	-4,428	-1,236
of which: <i>Vehicles and Services</i>	-243	-2,503	-576
<i>Financial Services</i>	-187	-1,926	-658
<i>Eliminations</i>	0	1	-2
<b>Cash flow from operating activities</b>	-33	-336	3,247
<b>Investing activities</b>			
Net investments <sup>3)</sup>	-167	-1,712	-1,316
of which: <i>Vehicles and Services</i>	-166	-1,702	-1,314
<i>Financial Services</i>	-1	-10	-2
<i>Acquisitions/divestments of businesses</i>	0	-	-
<b>Cash flow from investing activities</b>	-167	-1,712	-1,316
<b>Cash flow from Vehicles and Services</b>	-43	-437	2,353
<b>Cash flow from Financial Services</b>	-157	-1,612	-420
<b>Eliminations</b>	0	1	-2
<b>Financing activities</b>			
Change in debt from financing activities	247	2,541	1,348
<b>Cash flow from financing activities</b>	247	2,541	1,348
<b>Cash flow for the year</b>	47	493	3,279
<b>Cash and cash equivalents at beginning of period</b>	633	6,504	7,634
<b>Exchange rate differences in cash and cash equivalents</b>	7	72	66
<b>Cash and cash equivalents at end of period</b>	687	7,069	10,979

As from 2018 changes have been done in Cash flow statement in accordance with Volkswagen Group presentation of cash flow.

Comparitive figures for 2017 have been adjusted with:

<sup>1)</sup> Depreciation for buyback included with SEK 991 m, previously presented net within operating activities. Provisions for pensions included with SEK 74 m, previously presented in change in working capital.

<sup>2)</sup> For Vehicles & Services; investments in buyback included with SEK -991 m, previously presented net within operating activities. Net investments in rental included with SEK -58 m, previously presented within net investments. Provisions for pensions moved to items not affecting cash flow with SEK -74 m. For Financial Services; net investments in credit portfolio etc. included with SEK -658 m, previously presented within net investments.

<sup>3)</sup> For Vehicles & Services; net investments in rental moved to working capital with SEK 58 m. For Financial Services; net investments in credit portfolio etc. moved to working capital with SEK 658 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 696 m. (899). 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 155 m. (320), Other current receivables SEK 255 m. (300), Other non-current liabilities SEK 875 m. (770) and Other current liabilities SEK m. 1,170 (465).

For financial assets that are carried at amortised cost, book value amounts to SEK 80,615 m. (72,764) and fair value to SEK 80,650 m. (72,288). For financial liabilities that are carried at amortised cost, book value amounts to SEK 77,872 m. (73,209) and fair value to SEK 77,864 m. (73,393). 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 2017.

## Quarterly data, units by geographic area

	2018	2017				
	Q1	Full year	Q4	Q3	Q2	Q1
<b>Order bookings, trucks</b>						
Europe	15,917	62,068	18,920	11,492	15,144	16,512
Eurasia	3,144	7,834	2,415	1,868	2,090	1,461
America **	3,063	12,376	3,994	3,169	3,061	2,152
Asia	3,751	13,541	2,873	3,186	3,674	3,808
Africa and Oceania	1,228	4,812	1,200	1,180	1,067	1,365
<b>Total</b>	<b>27,103</b>	<b>100,631</b>	<b>29,402</b>	<b>20,895</b>	<b>25,036</b>	<b>25,298</b>
<b>Trucks delivered</b>						
Europe	12,960	48,436	13,559	9,853	12,873	12,151
Eurasia	1,223	6,748	2,813	1,700	1,367	868
America**	2,629	9,701	3,025	2,381	2,441	1,854
Asia	2,659	13,175	3,868	3,241	2,924	3,142
Africa and Oceania	1,096	4,412	1,044	1,107	1,214	1,047
<b>Total</b>	<b>20,567</b>	<b>82,472</b>	<b>24,309</b>	<b>18,282</b>	<b>20,819</b>	<b>19,062</b>
<b>Order bookings, buses*</b>						
Europe	631	2,009	492	554	390	573
Eurasia	0	594	381	164	25	24
America **	751	2,423	554	653	352	864
Asia	880	2,891	671	572	681	967
Africa and Oceania	394	867	201	223	234	209
<b>Total</b>	<b>2,656</b>	<b>8,784</b>	<b>2,299</b>	<b>2,166</b>	<b>1,682</b>	<b>2,637</b>
<b>Buses delivered*</b>						
Europe	527	2,009	461	576	512	460
Eurasia	249	365	304	33	14	14
America **	630	2,302	587	587	713	415
Asia	430	2,821	927	670	674	550
Africa and Oceania	237	808	230	203	220	155
<b>Total</b>	<b>2,073</b>	<b>8,305</b>	<b>2,509</b>	<b>2,069</b>	<b>2,133</b>	<b>1,594</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.	2018	2017
<b>Income statement</b>			
Financial income and expenses	0	0	0
<b>Net income for the period</b>	<b>0</b>	<b>0</b>	<b>0</b>
		<b>2018</b>	<b>2017</b>
	EUR m.	<b>31 Mar</b>	<b>31 Mar</b>
<b>Balance sheet</b>			
<b>Assets</b>			
<b>Financial non-current assets</b>			
Shares in subsidiaries	821	8,435	8,435
<b>Current assets</b>			
Due from subsidiaries	152	1,567	1,567
<b>Total assets</b>	<b>973</b>	<b>10,002</b>	<b>10,002</b>
<b>Equity</b>			
Equity	973	10,002	10,002
<b>Total shareholders' equity</b>	<b>973</b>	<b>10,002</b>	<b>10,002</b>
<b>Total equity and liabilities</b>	<b>973</b>	<b>10,002</b>	<b>10,002</b>
		<b>2018</b>	<b>2017</b>
	EUR m.	<b>31 Mar</b>	<b>31 Mar</b>
<b>Statement of changes in equity</b>			
Equity, 1 January	973	10,002	10,002
Total comprehensive income	0	0	0
<b>Equity</b>	<b>973</b>	<b>10,002</b>	<b>10,002</b>

## Note 1 Segment Reporting

### Income statements

#### Vehicle and Services

Amounts in SEK m. unless otherwise stated	Q1 2018	Q1 2017
Revenue	30,225	28,411
Cost of goods sold	-22,781	-21,281
<b>Gross income</b>	<b>7,444</b>	<b>7,130</b>
Research and development expenses	-1,484	-1,397
Selling expenses	-2,478	-2,428
Administrative expenses	-469	-474
<b>Operating income</b>	<b>3,013</b>	<b>2,831</b>
Interest income	99	221
Interest expenses	-185	-317
Share of income in associated companies and joint ventures	11	9
Other financial income	62	87
Other financial expenses	-88	-82
<b>Total financial items</b>	<b>-101</b>	<b>-82</b>
<b>Income before taxes</b>	<b>2,912</b>	<b>2,749</b>
Taxes	-759	-716
<b>Net income for the period</b>	<b>2,153</b>	<b>2,033</b>

#### Financial Services

Amounts in SEK m. unless otherwise stated	Q1 2018	Q1 2017
Interest and lease income	1,733	1,674
Insurance commission	55	46
Interest and prepaid expenses	-1,136	-1,121
Interest surplus and insurance commission	652	599
Other income	39	61
Other expenses	-55	-93
<b>Gross income</b>	<b>636</b>	<b>567</b>
Selling and administration expenses	-260	-242
Bad dept expenses, realised and anticipated	-74	-75
<b>Operating income</b>	<b>302</b>	<b>250</b>
<b>Income before tax</b>	<b>302</b>	<b>250</b>
Taxes	-88	-72
<b>Net income for the period</b>	<b>214</b>	<b>178</b>

#### Reconciliation of segments to the Scania Group

Amounts in SEK m. unless otherwise stated	Vehicle and Services		Financial Services		Eliminations		Scania Group	
	Q1 2018	Q1 2017	Q1 2018	Q1 2017	Q1 2018	Q1 2017	Q1 2018	Q1 2017
Revenue	30,225	28,411	1,788	1,720	-898	-832	31,115	29,299
Cost of sales	-22,781	-21,281	-1,136	-1,121	898	832	-23,019	-21,570
<b>Gross income</b>	<b>7,444</b>	<b>7,130</b>	<b>652</b>	<b>599</b>			<b>8,096</b>	<b>7,729</b>
Research and development expenses	-1,484	-1,397					-1,484	-1,397
Selling expenses	-2,478	-2,428	-334	-317			-2,812	-2,745
Administrative expenses	-469	-474					-469	-474
Other operating income	0	0	39	61			39	61
Other operating expenses	0	0	-55	-93			-55	-93
<b>Operating income</b>	<b>3,013</b>	<b>2,831</b>	<b>302</b>	<b>250</b>			<b>3,315</b>	<b>3,081</b>
Interest income	99	221					99	221
Interest expenses	-185	-317					-185	-317
Share of income in associated companies and joint ventures	11	9					11	9
Other financial income	62	87					62	87
Other financial expenses	-88	-82					-88	-82
<b>Total financial items</b>	<b>-101</b>	<b>-82</b>					<b>-101</b>	<b>-82</b>
<b>Income before taxes</b>	<b>2,912</b>	<b>2,749</b>	<b>302</b>	<b>250</b>			<b>3,214</b>	<b>2,999</b>
Taxes	-759	-716	-88	-72			-847	-788
<b>Net income for the period</b>	<b>2,153</b>	<b>2,033</b>	<b>214</b>	<b>178</b>			<b>2,367</b>	<b>2,211</b>

## Note 2 Changes in Income statement

Income statements	Previous presentation income statement	Adjust to new presentation income statement	Re-classifications	Eliminations	Total	Note
Amounts in SEK m. unless otherwise stated	Q1 2017	Q1 2017	Q1 2017	Q1 2017	Q1 2017	
<b>Vehicle and Services</b>						
Revenue	28,411	1,720		-832	29,299	
Cost of sales	-21,126	-1,121	-155	832	-21,570	a), b), d)
<b>Gross income</b>	<b>7,285</b>				<b>7,729</b>	
Research and development expenses	-1,587		190		-1,397	a), d)
Selling expenses	-2,409	-317	-19		-2,745	a), c), d)
Administrative expenses	-458		-16		-474	a), b), c), d)
Other operating income		61			61	
Other operating expenses		-93			-93	
<b>Operating income</b>	<b>2,831</b>	<b>250</b>			<b>3,081</b>	
					0	
<b>Financial Services</b>					0	
Interest and lease income	1,674	-1,674			0	
Insurance commission	46	-46			0	
Interest and depreciation expenses	-1,121	1,121			0	
<i>Interest surplus and insurance commission</i>	<i>599</i>	<i>-599</i>			0	
Other income	61	-61			0	
Other expenses	-93	93			0	
<b>Gross income</b>	<b>567</b>	<b>-567</b>			<b>0</b>	
Selling and administration expenses	-242	242			0	
Bad dept expenses, realised and anticipated	-75	75			0	
<b>Operating income</b>	<b>817</b>	<b>-817</b>			<b>0</b>	
					0	
<b>Operating income</b>	<b>3,648</b>				<b>3,648</b>	
Interest income	221				221	
Interest expenses	-317				-317	
Share of income in associated companies and joint ventures	9				9	
Other financial income	87				87	
Other financial expenses	-82				-82	
Total financial items	-82				-82	
<b>Income before taxes</b>	<b>3,566</b>				<b>3,566</b>	
Taxes	-788				-788	
<b>Net income</b>	<b>2,778</b>				<b>2,778</b>	

### Note

- a) IT cost previously presented as administration- and R&D expenses (SEK 33 m. and 4 respectively) now presented as cost of goods sold (SEK -37 m.)
- b) Administration costs in Treasury SLA of SEK 6 m. now presented as cost of goods sold
- c) Reclassification of costs for controlling function previously presented as selling expenses (SEK 3 m.), now presented as administration expenses (SEK -3 m.).
- d) Alignment with the Volkswagen Group regarding presentation of different types of costs resulting in costs previously presented as R&D (SEK 186 m.) is now allocated to cost of goods sold (SEK -112 m.), Selling expenses (SEK -22 m.), Administration expenses (SEK -52 m.).



## Note 3 Reclassifications

As from 2018 Scania applies the Volkswagen Group accounting concept for an internal buyback transaction between the Vehicle and Service segment and the Financial Services segment. Comparative figures or year-end have been reclassified according to the table below.

The changed concept for internal transactions with repurchase obligations only have effects on the balance sheet. Under previous accounting principles an internal buyback transaction resulted in a presentation of a net liability in the Vehicle and Service segment. However, in the income statement the deferred revenue and cost was presented gross on the same line items (Revenue and Cost of goods sold) as it will be under the concept applied as from January 2018. In Vehicle and Service segment the depreciation of the restated asset is presented as cost of goods sold which is the same presentation as how the cost of the sold vehicle was presented previously.

### Scania Group - Balance Sheet

Amounts in MSEK	Dec -17 before change	Re-classifications	Dec -17 after restate	Note
<b>Non-current assets</b>				
Intangible non-current assets	9,421		9,421	
Tangible non-current assets	29,711		29,711	
Lease assets	26,547	-731	25,816	a)
Shares and participations	587		587	
Interest-bearing receivables	37,218		37,218	
Other receivables	5,765		5,765	
<b>Current assets</b>				
Inventories	21,589		21,589	
Interest-bearing receivables	23,452		23,452	
Other receivables	15,300		15,300	
Current investments	1,245		1,245	
Cash and cash equivalents	6,504		6,504	
<b>Total assets</b>	177,339	-731	176,608	
<b>Equity and liabilities</b>				
Scania shareholders	49,904		49,904	
Non-controlling interest	15		15	
Total equity	49,919	0	49,919	
<b>Non-current liabilities</b>				
Interest-bearing liabilities	39,869		39,869	
Provisions for pensions	9,346		9,346	
Other provisions	6,498		6,498	
Financial liabilities, Buy Back external		4,270	4,270	b)
Other liabilities	15,792	-8,934	6,858	b)
Other liabilities, Buy Back external		3,575	3,575	b)
<b>Current liabilities</b>				
Interest-bearing liabilities	18,822		18,822	
Provisions	3,523	-123	3,400	a)
Financial liabilities, Buy Back external		1,095	1,095	c)
Other liabilities	33,570	-2,256	31,314	a), c)
Other liabilities, Buy Back external		1,642	1,642	c)
<b>Total equity and liabilities</b>	177,339	-731	176,608	

### Vehicle and Services segment - Balance Sheet

Amounts in MSEK	Dec -17		Dec -17 after restate	Note
	before change	Re-classifications		
<b>Non-current assets</b>				
Intangible non-current assets	9,391		9,391	
Tangible non-current assets	29,601		29,601	
Lease assets, Buy back external and Rental	12,294	-284	12,010	d)
Lease assets, Buy back internal		13,806	13,806	e)
Shares and participations	587	3,457	4,044	f)
Interest-bearing receivables	64		64	
Other receivables	5,211		5,211	
<b>Current assets</b>				
Inventories	21,589		21,589	
Interest-bearing receivables	243		243	
Other receivables	14,926		14,926	
Current investments	12,266		12,266	
Cash and cash equivalents	5,431		5,431	
<b>Total assets</b>	111,603	16,979	128,582	
<b>Equity and liabilities</b>				
Scania shareholders	42,643	3,457	46,100	f)
Non-controlling interest	15		15	
Total equity	42,658	3,457	46,115	
<b>Non-current liabilities</b>				
Provisions for pensions	9,275		9,275	
Other provisions	6,496		6,496	
Financial liabilities, Buy Back internal		6,968	6,968	g)
Financial liabilities, Buy Back external		4,270	4,270	g)
Other liabilities	14,995	-8,934	6,061	g)
Other liabilities, Buy Back internal		4,528	4,528	g)
Other liabilities, Buy Back external		3,575	3,575	g)
<b>Current liabilities</b>				
Provisions	3,459	-123	3,336	d), e)
Financial liabilities, Buy Back internal		2,807	2,807	g)
Financial liabilities, Buy Back external		1,095	1,095	g)
Other liabilities	34,720	-4,668	30,052	e), g)
Other liabilities, Buy Back internal		2,362	2,362	g)
Other liabilities, Buy Back external		1,642	1,642	g)
<b>Total equity and liabilities</b>	111,603	16,979	128,582	

### Financial Services segment - Balance Sheet

Amounts in MSEK	Dec -17		Dec -17 after restate	Note
	before change	Re-classifications		
<b>Non-current assets</b>				
Intangible non-current assets	30		30	
Tangible non-current assets	110		110	
Lease assets	16,665	-16,665	0	h)
Financial receivables	37,154		37,154	
Financial receivables, Buy Back internal		6,968	6,968	h)
Other receivables	554		554	
Other receivables, Buy Back internal		4,528	4,528	h)
<b>Current assets</b>				
Financial receivables	23,209		23,209	
Financial receivables, Buy Back internal		2,807	2,807	h)
Other receivables	1,691		1,691	
Other receivables, Buy Back internal		2,362	2,362	h)
Current investments	27		27	
Cash and cash equivalents	1,073		1,073	
<b>Total assets</b>	80,513	0	80,513	
<b>Equity and liabilities</b>				
Scania shareholders	7,261		7,261	
Total equity	7,261	0	7,261	
<b>Interest-bearing liabilities</b>				
<b>Non-current liabilities</b>				
Provisions for pensions	71		71	
Other provisions	2		2	
Other liabilities	797		797	
<b>Current liabilities</b>				
Provisions	64		64	
Other liabilities	2,579		2,579	
<b>Total equity and liabilities</b>	80,513	0	80,513	
<b>Financing portfolio</b>	77,028		77,028	

## Note

- a) Reclassification of provision relating to previous accounting where provisions were made for differences of market value and repurchase price. Also includes reclassification of Artificial price commitments previously accounted for as other liabilities. The reclassification is reducing provisions and other liabilities as well as reducing leased assets.
- b) Reclassification of previous recognised non-current liability into two parts, one part that is the prepayment (deferred revenue) and one part that is the commitment value (repurchase price).
- c) Reclassification of previous recognised current liability to one part that is the prepayment (deferred revenue) and one part that is the commitment value (repurchase price) regarding external sold vehicles with repurchase commitment (i.e no internal transaction with the Financial Serviced segment).
- d) Adjustment for provision regarding differences between market value and agreed repurchase price and other liabilities regarding artificial price commitments.
- e) In accordance with the Volkswagen Group buyback concept the vehicles is accounted for in Vehicle and Service, hence the vehicles have been moved from the Financial Services segment and added in the Vehicle and Services segment. Compared to the accounted value in the Financial Services segment the value has been adjusted for regarding internal profit, provision for differences between market value and agreed repurchase price and other liabilities regarding artificial price commitments.
- f) Restate regarding shares in owned entities in Vehicle and Service segment regarding subsidiaries in Financial Services segment.
- g) Splitting current and non-current other liabilities into one part that is the prepaid revenue and one part that is the commitment value and further divided prepaid revenue and commitment value into current and non-current. Other liabilities also contained one part corresponding to internal profit which has been adjusted against leased asset, see comment e) above.
- h) Under previous accounting policy Financial Services segment recognised the vehicle in a buyback transaction. After applying the Volkswagen Group buyback concept Financial Services no longer recognises the vehicle. Instead the amount paid initially for the vehicle is recognised as a receivable and are allocated to one part that is the prepayment and one part that is the repurchase commitment which is the amount that Vehicle and Service segment will repurchase the car for in subsequent period. Those are further divided into a current and non-current part.

## Note 4 IFRS 9 - Transition

### Effects on receivables as per 1 January 2018

Category	Presented under IAS 39 as per 31 December 2017		Effect of transition to IFRS 9	IFRS 9 remeasured as of 1 January 2018	
	Financial assets carried at fair value through profit and loss	Loan and trade receivables		Hold to collect	Hold to collect and Sell
<b>Measurement</b>	Fair value through profit and loss	Amortized cost		Amortized cost	Fair value through profit and loss
<b>Assets</b>					
Interest-bearing receivables		60,670	-154	60,516	
Non-interest bearing trade receivables		9,024	-66	8,958	
Current investments and Cash and Cash equivalents	738	7,011		7,011	738
Other receivables	616	102		102	616
<b>Total</b>	<b>1,354</b>	<b>76,807</b>	<b>-220</b>	<b>76,587</b>	<b>1,354</b>

## 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 net fair value of derivatives for hedging borrowings.

#### **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**

#### **Operating- and net income**

		Q1	
	EUR m.	2018	2017
Net sales	3,026	31,115	29,299
Operating income	322	3,315	3,081
Net income for the period	230	2,367	2,211
Operating margin, % (Operating income/Net sales)		10.7	10.5
Net margin, % (Net income/Net sales)		7.6	7.5

## RECONCILIATIONS

Amounts in SEK m. unless otherwise stated

### Scania Group

		2018	2017
<b>Net debt, excluding provision for pensions</b>			
<b>Assets</b>	<i>EUR m.</i>	<b>31 Mar</b>	31 Mar
Current investments	15	151	1,171
Cash and cash equivalents	687	7,069	10,979
Derivatives, non-current	15	155	320
Derivatives, current	25	255	297
	742	7,630	12,767
<b>Liabilities</b>			
Interest-bearing liabilities, non-current	4,033	41,465	34,734
Interest-bearing liabilities, current	1,994	20,505	24,959
Derivatives, non-current	85	875	770
Derivatives, current	114	1,169	465
	6,226	64,014	60,928
<b>Net debt</b>	5,484	56,384	48,161

### Vehicles and Services

		2018	2017
<b>Net debt, excluding provision for pensions</b>			
<b>Assets</b>	<i>EUR m.</i>	<b>31 Mar</b>	31 Mar
Current investments	1,177	12,107	4,280
Cash and cash equivalents	592	6,082	9,627
Derivatives, non-current	15	155	320
Derivatives, current	25	255	297
	1,809	18,599	14,524
<b>Liabilities</b>			
Derivatives, non-current	85	875	770
Derivatives, current	114	1,169	465
	199	2,044	1,235
<b>Net debt</b>	-1,610	-16,555	-13,289

### Capital Employed, after reclassifications according to note 3

		2018	2017
	<i>EUR m.</i>	<b>31 Mar</b>	31 Mar
Total assets, excl. Shares and participations in group companies	11,944	122,806	108,837
Operating liabilities			
Other provisions, non-current and current <sup>1)</sup>	584	6,005	5,536
Other liabilities, non-current and current	6,115	62,874	55,712
Net derivatives	-48	-497	-415
<b>Capital Employed<sup>1)</sup></b>	5,293	54,424	48,004

### Return on Capital Employed

		2018	2017
	<i>EUR m.</i>	<b>31 Mar</b>	31 Mar
Operating income	1,103	11,342	9,918
Financial income	59	608	1,056
Capital employed <sup>1)</sup>	5,293	54,424	48,004
<b>Return on Capital Employed</b>		<b>22.0%</b>	22.9%

<sup>1)</sup> Excluding provision of SEK 3,800 m. booked in June 2016, related to the European commission's competition investigation.