

Scania Interim Report January-March 2017

Summary of the first three months of 2017

- Operating income rose by 35 percent to SEK 3,081 m. (2,275)
- Net sales increased by 23 percent to SEK 28,411 m. (23,056)
- Cash flow amounted to SEK 2,351 m. (133) in Vehicles and Services

Comments by Henrik Henriksson, President and CEO:

“Scania’s net sales rose to a record high SEK 28.4 billion and earnings for the first quarter reached SEK 3,081 m. Higher vehicle and service volumes were partly offset by the high investment level related to Scania’s new truck generation. Demand for trucks in Europe remains very strong due to the positive economic situation. Scania’s market share for trucks in Europe amounted to 16.8 percent compared to 17.4 percent in 2016. In Latin America demand is positively impacted by increases in Brazil, a market that now seems to have bottomed out at low levels. In Eurasia the demand trend is developing positively thanks to Russia. In Asia, demand increased due to a good performance in China, Iran and India. In Buses and Coaches, demand was strong in Asia, mainly related to Iran. The trend in demand for industrial and marine engines is still positive, while remaining weak on power generation side. Service revenue amounted to a record high SEK 5,849 m. (5,152), an increase of 14 percent. Scania’s revenue generated directly or indirectly from the 250,000 connected vehicles in the

Scania fleet is constantly increasing. Connectivity is an important component, which is enabling Scania to offer customers more efficient services aimed at improving their profitability. The new Scania R 450 received the “Green Truck 2017” award in the heavy tractor class. The award is based on the superior fuel performance in comparative on-road testing and the figures speak for themselves – an average consumption of 23.7 litres/100 km. Whether through fuel-efficient diesel vehicles or through alternative fuels, sustainability and profitability go hand in hand according to Scania. Apart from offering the industry’s most energy-efficient powertrains, Scania is making dedicated efforts to reduce transport companies’ dependence on fossil fuels. Scania has the market’s broadest range of hybrids and engine alternatives for all commercially available biofuels. All of Scania’s standard vehicles may be operated using biodiesel and up to 100-percent hydrotreated vegetable oil (HVO).“

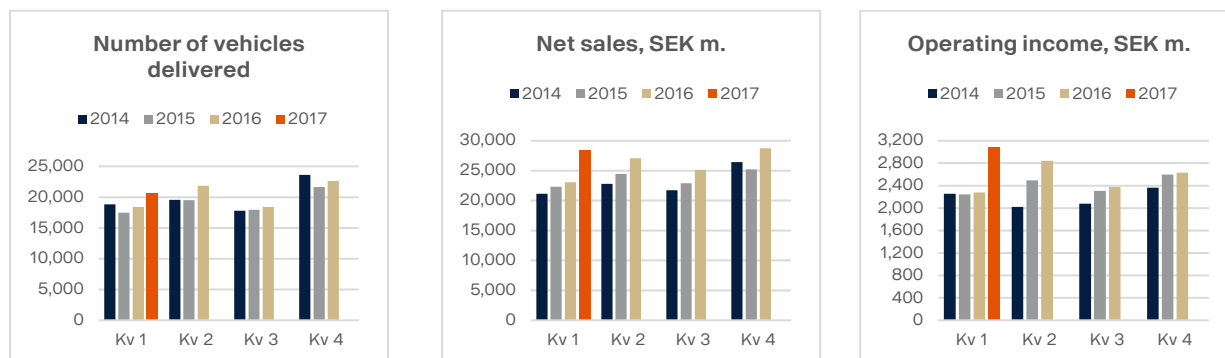
Financial overview

	Q1			Change, %
	2017	2016		
Trucks and buses, units				
Order bookings	27,935	21,609		29
Deliveries	20,656	18,440		12
Net sales and earnings	<i>EUR m.*</i>			
Net sales, Scania Group, SEK m.	<i>2,979</i>	28,411	23,056	23
Operating income, Vehicles and Services, SEK m.	<i>297</i>	2,831	2,022	40
Operating income, Financial Services, SEK m.	<i>27</i>	250	253	-1
Operating income, SEK m.	<i>324</i>	3,081	2,275	35
Income before taxes, SEK m.	<i>316</i>	2,999	2,166	38
Net income for the period, SEK m.	<i>233</i>	2,211	1,546	43
Operating margin, %		10.8	9.9	
Return on capital employed, Vehicles and Services, %		22.8	19.6	
Cash flow, Vehicles and Services, SEK m.	<i>247</i>	2,351	133	

* Translated to EUR solely for the convenience of the reader at a closing day rate of SEK 9.5359 = EUR 1.00. Unless otherwise stated, all comparisons refer to the corresponding period of the preceding year. This interim report has not been subject to review by the company’s auditors.

This report is also available on www.scania.com

Business overview



Excluding items affecting comparability (Q2 2016)

Sales performance

During the first quarter of 2017, total vehicle deliveries increased by 12 percent to 20,656 (18,440) units, compared to the year-earlier period. Net sales rose by 23 percent to SEK 28,411 m. (23,056). Currency rate effects had a positive impact of 4 percent on sales.

Order bookings rose by 29 percent to 27,935 (21,609) vehicles, compared to the first quarter of 2016.

Europe remains strong, improved level of incoming orders in Asia, Latin America and Eurasia

Scania's total order bookings for trucks in Europe rose and reached the highest level for a first quarter since 2007 thanks to continued strong demand in the region. Demand in some of Scania's traditionally major markets such as Germany, Belgium, the Netherlands and Great Britain is high. Stable freight growth, attractive financing levels and the low oil price are supporting factors for the positive demand trend for trucks in Europe. Sales of the new truck generation is positively contributing to Scania's market situation. Demand for used vehicles in Europe is still good.

Demand in Latin America rose compared to the first quarter of 2016 due to an increase from very low levels in Brazil and strong demand in Argentina. The Brazilian market seems to be bottoming out but at low levels, positively impacted by increases related to the Brazilian agriculture and mining sectors.

In Russia, demand rose compared to the first quarter of 2016 but the outlook for the Eurasia region remains uncertain.

Demand is strong in Asia, mainly related to increases in China, Iran and India.

Continued high market share in Europe

Scania's market share for trucks in Europe during the first quarter of 2017 amounted to 16.8 percent compared to 17.4 percent in 2016. The continued high level confirms that the current truck range, 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 2017 and totalled 25,298 (19,363) trucks. Order bookings in Europe increased by 20 percent to 16,512 (13,708) units, compared to the first quarter of 2016. Demand increased in several major European markets such as Germany, Belgium, Netherlands and Great Britain. Total order bookings in Europe also rose compared to the previous quarter.

Order bookings in Latin America rose during the first quarter of 2017. Compared to the first quarter of 2016, order bookings rose by 71 percent to 2,152 (1,260) trucks, mainly related to increased demand from low levels in Brazil and Argentina. Compared to the previous quarter, demand in Latin America fell slightly.

In Eurasia, total order bookings rose during the first quarter and amounted to 1,461 (623) trucks, an upturn that was primarily related to Russia. Total order bookings decreased slightly compared to the previous quarter. The political turbulence in the region persists, and for this reason the market situation remains uncertain in Eurasia.

In Asia, order bookings rose somewhat to 3,808 (2,671) trucks during the first quarter. The upturn was primarily related to China, India and Iran. Order bookings also rose compared to the fourth quarter of 2016.

In Africa and Oceania, order bookings were higher compared to the first quarter of 2016, mainly related to South Africa. Order bookings amounted to 1,365 (1,101) units, compared to the first quarter of 2016. Order bookings were also higher than the fourth quarter of 2016.

Deliveries

Scania's total truck deliveries increased by 12 percent to 19,062 (17,079) units during the first quarter compared to the year-earlier period. In Europe, deliveries fell by 5 percent to 12,151 (12,799) units compared to the first quarter of 2016. In Eurasia, deliveries rose to 868 (383) trucks. In Latin America, deliveries rose by 46 percent to 1,854 (1,272) units compared to the first quarter of 2016. In Asia, deliveries rose compared to the first quarter of 2016 to 3,142 (1,769) trucks. Deliveries in Africa and Oceania rose by 22 percent to 1,047 (856) trucks.

Sales

Net sales of trucks rose by 18 percent to SEK 17,974 m. (15,186) during the first quarter of 2017.

The total European market for heavy trucks

The total market for heavy trucks in 28 of the European Union member countries (all EU countries except Bulgaria and Malta) plus Norway and Switzerland increased by ca 3 percent to about 76,700 (74,400) units during the first quarter of 2017. Scania truck registrations amounted to some 12,900 units, equivalent to a market share of about 16.8 (17.4) percent.

Scania trucks	Order bookings			Deliveries		
	3 months 2017	3 months 2016	Change, %	3 months 2017	3 months 2016	Change, %
Europe	16,512	13,708	20	12,151	12,799	-5
Eurasia	1,461	623	135	868	383	127
America*	2,152	1,260	71	1,854	1,272	46
Asia	3,808	2,671	43	3,142	1,769	78
Africa and Oceania	1,365	1,101	24	1,047	856	22
Total	25,298	19,363	31	19,062	17,079	12

*Refers to Latin America

The bus and coach market

Order bookings

Order bookings for buses and coaches during the first quarter of 2017 rose compared to the previous year to 2,637 (2,246) units.

Scania's market share in buses and coaches in Europe amounted to 7.5 percent for the period compared to 6.5 percent during the year-earlier period.

In Europe, order bookings fell and totalled 573 (639) units in the first quarter. Order bookings fell mainly in Denmark, Italy and Sweden.

In Latin America, order bookings fell by 12 percent to 864 (984) units compared to the first quarter of 2016. In Asia, order bookings rose to 967 (392) buses and coaches compared to the first quarter of 2016, mainly related to Iran. Order bookings in Eurasia fell compared to the year-earlier period. Order bookings in Africa and Oceania rose to 209 (201) buses and coaches.

Deliveries

Scania's bus and coach deliveries totalled 1,594 (1,361) units during the first quarter. In Europe, deliveries increased by 15 percent to 460 (400) units compared to the first quarter of 2016. In Latin America, deliveries were up by 16 percent to 415 (357). In Asia, deliveries rose by 42 percent to 550 (388), while deliveries of buses and coaches in Africa and Oceania fell during the first quarter to 155 (203) units. Deliveries to Eurasia increased marginally.

Net sales

Net sales of buses and coaches rose by 20 percent to SEK 2,016 m. (1,679) during the first quarter.

Scania buses and coaches	Order bookings			Deliveries		
	3 months 2017	3 months 2016	Change, %	3 months 2017	3 months 2016	Change, %
Europe	573	639	-10	460	400	15
Eurasia	24	30	-20	14	13	8
America*	864	984	-12	415	357	16
Asia	967	392	147	550	388	42
Africa and Oceania	209	201	4	155	203	-24
Total	2,637	2,246	17	1,594	1,361	17

*Refers to Latin America

Engines

Order bookings

Total engine order bookings rose by 12 percent to 2,175 (1,945) units during the first quarter of 2017 compared to 2016. The upturn was primarily related to South Korea. Compared to the previous quarter, total order bookings rose slightly.

Deliveries

Engine deliveries rose by 5 percent to 1,877 (1,790) units during the first quarter of 2017.

Net sales

During the first quarter, sales rose by 17 percent to SEK 418 m. (356).

Services

Service revenue amounted to SEK 5,849 m. (5,152) during the first quarter of 2017, an increase of 14 percent. Higher volume and currency rate effects had a positive impact. In local currencies, revenue increased by 9 percent.

In Europe, service revenue rose by 9 percent to SEK 4,015 m. (3,683) compared to the first quarter of 2016. In Latin America, revenue increased by 23 percent to SEK 739 m. (603) and revenue in Eurasia rose to SEK 159 m. (114) compared to the first quarter of 2016. Revenue in Asia was 28 percent higher than the previous year at SEK 556 m. (439). In Africa and Oceania, service revenue rose by 22 percent to SEK 380 m. (313).

Earnings

Vehicles and Services

First quarter

Operating income in Vehicles and Services totalled SEK 2,831 m. (2,022) during the first quarter of 2017. Compared to the first quarter of 2016, the total currency rate effect was positive and amounted to about SEK 696 m. Higher vehicle and service volumes had a positive impact on earnings but were partly offset by the high investment level related to Scania's new truck generation.

Scania's research and development expenditures amounted to SEK 1,905 m. (1,753). After adjusting for SEK 408 m. (438) in capitalised expenditures and SEK 90 m. (99) in depreciation of previously capitalised expenditures, recognised expenses increased to SEK 1,587 m. (1,414).

Financial Services

Customer finance portfolio

At the end of the first quarter of 2017, the size of Scania's customer finance portfolio amounted to SEK 69.4 billion, which was SEK 1.4 billion higher than the end of 2016. In local currencies, the portfolio increased by SEK 1.1 billion, equivalent to 2 percent.

Penetration rate

The penetration rate was 42 (39) percent during the first quarter in those markets where Scania has its own financing operations.

Operating income

Operating income in Financial Services decreased to SEK 250 m. (253) during the first quarter of 2017, compared to the same period in 2016. A larger portfolio and currency effects had a positive impact on earnings while lower margins and increased operating cost including bad debt had a negative impact.

Scania Group

During the first quarter of 2017, Scania's operating income amounted to SEK 3,081 m. (2,275). Operating margin amounted to 10.8 (9.9) percent. Scania's net financial items amounted to SEK -82 m. (-109).

The Scania Group's tax expense amounted to SEK 788 m. (620), equivalent to 26.3 (28.6) percent of income before taxes. Net income for the period totalled SEK 2,211 m. (1,546), equivalent to a net margin of 7.8 (6.7) percent.

Cash flow

Vehicles and Services

Scania's cash flow in Vehicles and Services amounted to SEK 2,351 m. (133) during the first quarter of 2017. Working capital decreased by SEK 545 m., mainly due to increased trade payables, which was offset somewhat by higher inventory levels.

Net investments amounted to SEK 1,374 m. (1,748), including SEK 408 m. (438) in capitalisation of development expenses. Net investment is expected to increase during the rest of the year. At the end of the first quarter of 2017, the net cash position in Vehicles and Services amounted to SEK 13,289 m. compared to a net cash position of SEK 10,954 m. at the end of 2016.

Scania Group

Scania's cash flow in Financial Services amounted to SEK -420 m. (-1,592) during the first quarter of 2017 due to increased customer finance portfolio. Due to the positive cash flow in Vehicles and Services, the Group's net debt decreased by about SEK 1.6 billion compared to the end of 2016.

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 2017.

Miscellaneous

Number of employees

At the end of first quarter of 2017, the number of employees totalled 46,651 compared to 45,031 on the same date in 2016.

Material risks and uncertainties

The section entitled "Risks and risk management" in Scania's Annual and Sustainability Report for 2016 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.

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 and revised standards and interpretations that are being applied from 1 January 2017 have not had any significant impact on Scania's financial statements. As from January 2017 some reclassifications have been made regarding presentation in the income statement. In Vehicles and service the presentation of Share of income in associated companies and joint ventures has been reclassified from presentation in operating income to presentation in financial items. In Financial services the result from sale of vehicles returned from customer and insurance commission previously presented as other income and expenses have been reclassified and presented in interest and lease income and separate as insurance commission respectively. The reclassifications has been done retrospectively and the comparative figures have been restated. The reclassifications only have minor effects on key financial ratios. Other than this accounting principles and calculation methods are unchanged from those applied in the Annual Report and Sustainability Report for 2016.

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.*	2017	2016	
Vehicles and Services				
Net sales	2,979	28,411	23,056	23
Cost of goods sold	-2,215	-21,126	-17,064	24
Gross income	764	7,285	5,992	22
Research and development expenses	-166	-1,587	-1,414	12
Selling expenses	-253	-2,409	-2,230	8
Administrative expenses	-48	-458	-326	40
Operating income, Vehicles and Services	297	2,831	2,022	40
Financial Services				
Interest and lease income	175	1,673	1,393	20
Insurance commission	5	46	37	24
Revenues	180	1,719	1,430	20
Interest and depreciation expenses	-117	-1,120	-914	23
Interest surplus and insurance income	63	599	516	16
Other income and expenses	-3	-32	-20	60
Gross income	60	567	496	14
Selling and administrative expenses	-25	-242	-214	13
Bad debt expenses, realised and anticipated	-8	-75	-29	159
Operating income, Financial Services	27	250	253	-1
Operating income	324	3,081	2,275	35
Interest income and expenses	-10	-96	-121	-21
Other financial income and expenses	1	5	-8	-163
Share of income from associated companies and joint ventures	1	9	20	-55
Total financial items	-8	-82	-109	-25
Income before taxes	316	2,999	2,166	38
Taxes	-83	-788	-620	27
Net income for the period	233	2,211	1,546	43
Other comprehensive income				
Items that may be reclassified subsequently to profit or loss				
Translation differences	30	285	144	
Income tax relating to items that may be reclassified	1	10	14	
	31	295	158	
Items that will not be reclassified to profit or loss				
Re-measurement defined benefit plans ¹⁾	0	1	-348	
Income tax relating to items that will not be reclassified	0	0	77	
	0	1	-271	
Other comprehensive income for the period	31	296	-113	
Total comprehensive income for the period	264	2,507	1,433	
Net income attributable to:				
Scania shareholders	233	2,212	1,552	
Non-controlling interest	0	-1	-6	
Total comprehensive income attributable to:				
Scania shareholders	264	2,508	1,440	
Non-controlling interest	0	-1	-7	
Operating income includes depreciation of	-102	-973	-807	
Operating margin, percent		10.8	9.9	

¹⁾ The discount rate in calculating the Swedish pension liability has changed to 3.0 percent per 31 March

* Translated solely for the convenience of the reader at a closing exchange rate of SEK 9.5359 = EUR 1.00.

Net sales and deliveries, Vehicles and Services

Amounts in SEK m. unless otherwise stated	Q1			Change in %
	EUR m.	2017	2016	
Net sales				
Trucks	1,885	17,974	15,186	18
Buses*	211	2,016	1,679	20
Engines	44	418	356	17
Service-related products	613	5,849	5,152	14
Used vehicles	176	1,675	1,521	10
Miscellaneous	102	977	510	92
Delivery sales value	3,031	28,909	24,404	18
Revenue deferrals ¹⁾	-52	-498	-1,348	-63
Net sales	2,979	28,411	23,056	23

Net sales²⁾

Europe	1,945	18,543	16,540	12
Eurasia	106	1,010	428	136
America**	289	2,760	1,949	42
Asia	430	4,105	2,598	58
Africa and Oceania	209	1,993	1,541	29
Net sales	2,979	28,411	23,056	23

Total delivery volume, units

Trucks	19,062	17,079	12
Buses*	1,594	1,361	17
Engines	1,877	1,790	5

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

²⁾ 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	2017		2016	
	EUR m.	31 Mar	31 Dec	31 Mar
Assets				
Non-current assets				
Intangible assets	922	8,796	8,438	7,240
Tangible assets	3,048	29,067	29,078	25,944
Lease assets	2,687	25,619	25,532	21,250
Shares and participations	59	565	605	525
Interest-bearing receivables	3,346	31,911	30,985	27,209
Other receivables ^{1), 2)}	627	5,975	5,643	4,913
Current assets				
Inventories	2,210	21,075	19,119	18,863
Interest-bearing receivables	2,203	21,005	20,481	17,588
Other receivables ³⁾	1,489	14,196	14,356	11,546
Current investments	123	1,171	1,122	215
Cash and cash equivalents	1,151	10,979	7,634	8,829
Total assets	17,865	170,359	162,993	144,122
Total equity and liabilities				
Equity				
Scania shareholders	4,698	44,800	42,292	39,230
Non-controlling interest	3	24	20	40
Total equity	4,701	44,824	42,312	39,270
Non-current liabilities				
Interest-bearing liabilities	3,642	34,734	27,298	28,541
Provisions for pensions	913	8,705	8,627	7,780
Other provisions ⁶⁾	682	6,500	6,439	3,002
Other liabilities ^{1), 4)}	1,556	14,842	14,694	12,051
Current liabilities				
Interest-bearing liabilities	2,617	24,959	30,713	24,689
Provisions	367	3,501	3,221	2,483
Other liabilities ⁵⁾	3,387	32,294	29,689	26,306
Total equity and liabilities	17,865	170,359	162,993	144,122
¹⁾ Including deferred tax ²⁾ Including derivatives with positive value for hedging of borrowings ³⁾ Including derivatives with positive value for hedging of borrowings ⁴⁾ Including derivatives with negative value for hedging of borrowings ⁵⁾ Including derivatives with negative value for hedging of borrowings ⁶⁾ Including provision related to the European Commission's competition investigation				
Equity/assets ratio, percent		26.3	26.0	27.2

Statement of changes in equity, condensed

Amounts in SEK m. unless otherwise stated	Q1		
	EUR m.	2017	2016
Equity, 1 January	4,436	42,312	37,837
Net income for the period	233	2,211	1,546
Other comprehensive income for the period	31	296	-113
Change in non-controlling interest	1	5	-
Total equity at the end of the period	4,701	44,824	39,270
Attributable to:			
Scania AB shareholders	4,698	44,800	39,230
Non-controlling interest	3	24	40

Information about Revenue from external customers

Amounts in SEK m. unless otherwise stated	Q1		
	EUR m.	2017	2016
Revenue from external customers, Vehicles and Services	2,979	28,411	23,056
Revenue from external customers, Financial Services	180	1,719	1,430
Elimination refers to lease income on operating leases	-87	-832	-700
Revenue from external customers, Scania Group	3,072	29,298	23,786
Operating income, Vehicles and Services	297	2,831	2,022
Operating income, Financial Services	27	250	253
Operating income, Scania Group	324	3,081	2,275

Cash flow statement, condensed

Amounts in SEK m. unless otherwise stated	Q1		
	EUR m.	2017	2016
Operating activities			
Income before tax	316	2,999	2,166
Items not affecting cash flow	120	1,149	1,114
Taxes paid	-77	-730	-514
Cash flow from operating activities before change in working capital	359	3,418	2,766
<i>of which: Vehicles and Services</i>	<i>334</i>	<i>3,180</i>	<i>2,542</i>
<i>Financial Services</i>	<i>25</i>	<i>238</i>	<i>224</i>
Change in working capital etc., Vehicles and Services	57	545	-661
Cash flow from operating activities	416	3,963	2,105
Investing activities			
Net investments, Vehicles and Services	-144	-1,374	-1,748
Net investments in credit portfolio etc., Financial Services	-69	-658	-1,816
Cash flow from investing activities	-213	-2,032	-3,564
Cash flow from Vehicles and Services	247	2,351	133
Cash flow from Financial Services	-44	-420	-1,592
Financing activities			
Change in debt from financing activities	141	1,348	-2,012
Cash flow from financing activities	141	1,348	-2,012
Cash flow for the year	344	3,279	-3,471
Cash and cash equivalents at beginning of period	801	7,634	12,295
Exchange rate differences in cash and cash equivalents	7	66	5
Cash and cash equivalents at end of period	1,152	10,979	8,829

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 899 m. (1,678). 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 320 m. (618), Other current receivables SEK 300 m. (414), Other non-current liabilities SEK 770 m. (423) and Other current liabilities SEK 465 m. (382).

For financial assets that are carried at amortised cost, book value amounts to SEK 72,765 (59,190) and fair value to SEK 72,540 (59,328). For financial liabilities that are carried at amortised cost, book value amounts to SEK 73,210 (65,192) and fair value to SEK 73,187 (64,891). 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 2016.

Quarterly data, units by geographic area

	2017	2016				
	Q1	Full year	Q4	Q3	Q2	Q1
Order bookings, trucks						
Europe	16,512	51,569	13,871	10,776	13,214	13,708
Eurasia	1,461	4,016	1,582	1,044	767	623
America **	2,152	7,232	2,168	2,016	1,788	1,260
Asia	3,808	9,834	2,912	1,682	2,569	2,671
Africa and Oceania	1,365	4,992	1,194	1,274	1,423	1,101
Total	25,298	77,643	21,727	16,792	19,761	19,363
Trucks delivered						
Europe	12,151	49,102	12,877	10,293	13,133	12,799
Eurasia	868	3,233	1,335	979	536	383
America**	1,854	7,022	2,077	1,788	1,885	1,272
Asia	3,142	9,287	2,490	1,872	3,156	1,769
Africa and Oceania	1,047	4,449	1,254	1,154	1,185	856
Total	19,062	73,093	20,033	16,086	19,895	17,079
Order bookings, buses*						
Europe	573	2,185	669	388	489	639
Eurasia	24	57	2	18	7	30
America **	864	2,559	276	354	945	984
Asia	967	2,226	360	590	884	392
Africa and Oceania	209	857	228	204	224	201
Total	2,637	7,884	1,535	1,554	2,549	2,246
Buses delivered*						
Europe	460	2,094	587	509	598	400
Eurasia	14	62	29	6	14	13
America **	415	2,350	751	739	503	357
Asia	550	2,568	949	752	479	388
Africa and Oceania	155	1,179	265	330	381	203
Total	1,594	8,253	2,581	2,336	1,975	1,361

* 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.	2017	2016
Income statement			
Financial income and expenses	0	0	0
Net income for the period	0	0	0
		2017	2016
	EUR m.	31 Mar	31 Mar
Balance sheet			
Assets			
Financial non-current assets			
Shares in subsidiaries	885	8,435	8,435
Current assets			
Due from subsidiaries	164	1,567	1,567
Total assets	1,049	10,002	10,002
Equity			
Equity	1,049	10,002	10,002
Total shareholders' equity	1,049	10,002	10,002
Total equity and liabilities	1,049	10,002	10,002
		2017	2016
	EUR m.	31 Mar	31 Mar
Statement of changes in equity			
Equity, 1 January	1,049	10,002	10,002
Total comprehensive income	0	0	0
Equity	1,049	10,002	10,002

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 borrowings (excluding pension liabilities) less cash and cash equivalents and net fair value of derivatives for hedging borrowings.

Capital employed ¹⁾

Total assets less operating liabilities.

Return on capital employed ^{1) 2)}

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

¹⁾ Calculations are based on average capital employed and operating capital for the thirteen most recent months.

²⁾ Operating income is calculated on rolling 12 months.

RECONCILIATIONS

Amounts in SEK m. unless otherwise stated

Scania Group

Net debt, excluding provision for pensions		Q1	
Assets	<i>EUR m.</i>	2017	2016
Current investments	123	1,171	215
Cash and cash equivalents	1,151	10,979	8,829
Derivatives, non-current	34	320	618
Derivatives, current	31	297	345
	1,339	12,767	10,007
Liabilities			
Interest-bearing liabilities, non current	3,642	34,734	28,541
Interest-bearing liabilities, current	2,617	24,959	24,689
Derivatives, non current	81	770	423
Derivatives, current	49	465	382
	6,389	60,928	54,035
Net debt	5,050	48,161	44,028

Vehicles and Services		2017		2016
Net debt, excluding provision for pensions		<i>EUR m.</i>	31 Mar	31 Mar
Assets				
Current investments	449	4,280	77	
Cash and cash equivalents	1,010	9,627	7,834	
Derivatives, non-current	34	320	618	
Derivatives, current	31	297	345	
	1,524	14,524	8,874	
Liabilities				
Interest-bearing liabilities, non-current and current	0	0	585	
Derivatives, non current	81	770	423	
Derivatives, current	49	465	382	
	130	1,235	1,390	
Net debt	-1,394	-13,289	-7,484	

Capital Employed		2017		2016
	<i>EUR m.</i>	31 Mar	31 Mar	
Total assets	10,051	95,846	87,640	
<i>Operating liabilities</i>				
Other provisions, non-current and current ¹⁾	581	5,545	5,130	
Other liabilities, non-current and current	4,479	42,712	35,506	
Net derivatives	-44	-415	-440	
Capital Employed	5,035	48,004	47,444	

Return on Capital Employed		2017		2016
	<i>EUR m.</i>	31 Mar	31 Mar	
Operating income ¹⁾	1,040	9,918	8,606	
Financial income	111	1,056	678	
Capital employed ¹⁾	5,034	48,004	47,444	
Return on Capital Employed		22.9%	19.6%	

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