

Scania Interim Report January–March 2021

Summary of the first three months of 2021

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

Comments by Christian Levin, President and CEO

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

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

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

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

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

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

Financial overview

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

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

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

This interim report has not been subject to review by the company’s auditors. This report is also available on www.scania.com

