



INTERIM REPORT

January - June 2024



SCANIA

CONTENT

At a glance

CEO letter

Order intake

Deliveries

Net sales by product

Operating income

Net cash flow

Net debt

Financial report

About Scania

SCANIA INTERIM REPORT Q2 2024

AT A GLANCE

SEK million	Q2			Jan-Jun		
	2024	2023	Δ%	2024	2023	Δ%
Trucks and buses (units)						
Order intake	19,234	19,780	-3%	39,405	38,698	2%
Deliveries	25,802	23,824	8%	52,298	46,450	13%
of which trucks	24,333	22,562	8%	49,721	44,173	13%
of which buses	1,469	1,262	16%	2,577	2,277	13%
Scania Group						
Net sales	55,427	50,989	9%	110,478	96,801	14%
Operating income	8,026	6,103	32%	15,608	12,303	27%
Adjusted operating income	8,026	6,953	15%	16,011	13,137	22%
Operating margin	14.5%	12.0%		14.1%	12.7%	
Adjusted operating margin	14.5%	13.6%		14.5%	13.6%	
Net income for the period from continuing operations	5,803	3,883	49%	11,910	8,287	44%
Net income for the period from discontinued operations	-	2,805	-100%	-	2,101	-100%
Net income for the period for the Group	5,803	6,688	-13%	11,910	10,388	15%
Vehicles & Services						
Net sales	55,427	51,006	9%	110,478	97,735	13%
Operating income	8,026	6,109	31%	15,608	12,309	27%
Adjusted operating income	8,026	6,958	15%	16,011	13,143	22%
Operating margin	14.5%	12.0%		14.1%	12.6%	
Adjusted operating margin	14.5%	13.6%		14.5%	13.4%	
Net cash flow	-459	7,557		6,601	12,505	
Net liquidity (+)/Net debt (-) ¹	22,234	28,448	14%			
Return on capital employed	31.9%	26.0%				
Employees	59,258	56,873	4%			

¹ As of June 30, 2024 and December 31, 2023.

This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act. All figures shown are rounded, so minor discrepancies may arise from addition of these amounts. This interim report has not been reviewed by Scania ABs auditors. For the definitions of the key ratios please refer to the Scania Annual and Sustainability Report 2023.

3%
Lower order intake

8%
Increase
in deliveries

9%
Increase
in net sales

8.0
Adjusted
operating income,
billion SEK

14.5%
Adjusted operating
margin

CONTENT

At a glance

CEO letter

Order intake

Deliveries

Net sales by product

Operating income

Net cash flow

Net debt

Financial report

About Scania

CEO LETTER

A STRONG FINANCIAL PERFORMANCE

Scania's market share remained high in a more cautious European market and the company delivered a strong financial performance in the second quarter, growing both sales and earnings significantly.

Scania's strong financial performance continued in the second quarter with net sales growing by 9 percent to SEK 55.4 billion, thanks to increased vehicle sales and a growing service business. Once again, operating income reached record levels for a single quarter, at SEK 8.0 billion, resulting in an operating margin of 14.5 percent.

With a more stable order-to-delivery flow, Scania managed to increase production output, reduce the order backlog to more normal levels and increase delivery volume in the second quarter. However, capacity utilisation, inventory and delivery precision were negatively impacted by the complex and major update of our products' next generation software platform. The new software platform will be the base for enabling quicker integrations with value adding functionality for our customers. Additionally, it is updated to meet the new cybersecurity legislation requirements. Scania's truck market share remains strong in both of our key regions; in Europe at 18.2 percent and in Latin America at 18.3 percent – a real testament to the Scania Super driveline.

The European truck market has returned to more normalised demand levels. Although there still is a replacement need among customers, their purchasing behaviour is cautious due to high interest rates. Meanwhile, in Latin America, the strong development in Brazil is continuing. Scania's vehicle order intake decreased slightly by 3 percent in the second quarter, impacted by a decrease in Europe which was partially offset by an increase in Latin America and Asia.

Electrification is underway and interest in Scania's battery electric vehicles is steadily increasing. On the bus side, we secured the first orders for the new Scania battery-electric bus platform, launched at Busworld last year. Deliveries of battery electric trucks in the second quarter were still at low levels but the ramp-up is now stabilising. At a recent event in Oslo, Norway, the trade journalists who tested our battery electric trucks were all in agreement that they were driving a mature vehicle with

great driveability, a typical Scania – but electric! They were also positively surprised by the range figures as the trucks showed a potential for ranges well above 450 kilometres despite being fully loaded at 40 tonnes GVW.

To help customers' transition to electric transport, Scania has formed Erinion, a new company which will provide solutions for depot and destination charging. This strategic move will see 40,000 new charging points installed at customer locations and will strengthen Scania's e-Mobility offer in the future transport ecosystem. With Erinion's solutions, customers will be empowered to seamlessly transition to zero-emission fleets with premium uptime. This will be a key factor in fulfilling Scania's declared ambition for 50 percent of its sales volume in Europe to be electric by 2030.

Another major milestone we announced in the second quarter was the opening up for orders of self-driving mining solutions in Australia as a first market. Scania's mining solutions with smaller, civil-class trucks have overall potential advantages over the industry's traditional heavy haulage trucks, both in terms of emissions and productivity, with clear cost benefits for our customers. Another benefit with our solution is that it allows mining companies to more quickly take the next step towards zero-emission operations. It's easier to electrify operations with Scania's autonomous trucks compared with traditional heavy haulage trucks.

Scania is constantly exploring new solutions to create value for our customers, today and in the future. I believe initiatives such as Erinion and our autonomous solutions are great examples of that. Another one is JUNA, our recently announced joint venture with sennder, designed to accelerate the adoption of electric trucks in Europe. By using an innovative pay-per-use model, customers can benefit from all the advantages of using electric vehicles without assuming any of the ownership risks.

All our investments in creating the ecosystem of future services puts us in the right place to serve the customer needs of tomorrow. Offering our customers complementary flexible financing solutions will continue to be a prerequisite for our core business, but will also be an extremely important accelerator for future customer services. The combined offer will help customers make the shift to sustainable transport and provide Scania with new, diversified revenue streams to mitigate the impact of our industry's cyclicity.



Christian Levin
President and CEO

- At a glance
- CEO letter
- Order intake
- Deliveries
- Net sales by product
- Operating income
- Net cash flow
- Net debt
- Financial report
- About Scania

ORDER INTAKE

Trucks

In the second quarter order intake for trucks amounted to 17,761 vehicles, which corresponds to a decrease of 4 percent compared to the same period last year.

In Europe order intake decreased by 5 percent compared to the same period last year. This was partly offset by an increase in Latin America and Asia.

Buses

The order intake for buses during the second quarter amounted to 1,473 units, which corresponds to an increase of 22 percent compared to the same period last year.

The increase was mainly due to Africa & Oceania and Latin America.

Power solutions

The order intake for power solutions during the second quarter amounted to 2,243 units, which corresponds to an increase of 27 percent compared to the same period last year.

The change is mainly due to an increase in the demand in Latin America and Asia.

Units	Order intake					
	Q2 2024	Q2 2023	Δ%	Jan-Jun 2024	Jan-Jun 2023	Δ%
TOTAL Trucks & Buses	19,234	19,780	-3%	39,405	38,698	2%
of which ZEV vehicles ¹	141	54		274	101	
Trucks	17,761	18,568	-4%	36,688	36,339	1%
Europe	8,969	9,429	-5%	18,615	21,194	-12%
America ²	6,101	5,723	7%	12,282	7,610	61%
Asia	2,102	1,768	19%	3,972	4,284	-7%
Africa & Oceania	454	1,415	-68%	1,372	2,582	-47%
Eurasia	135	233	-42%	447	669	-33%
Buses	1,473	1,212	22%	2,717	2,359	15%
Europe	398	374	6%	827	648	28%
America ²	766	614	25%	1,183	1,286	-8%
Asia	144	129	12%	320	189	69%
Africa & Oceania	165	95	74%	387	236	64%
Eurasia	-	-		-	-	
Power solutions	2,243	1,764	27%	4,600	6,326	-27%
Europe	1,047	929	13%	2,406	3,441	-30%
America	576	363	59%	1,090	785	39%
Asia	578	394	47%	1,018	1,869	-46%
Africa & Oceania	42	78	-46%	86	231	-63%
Eurasia	-	-		-	-	

¹ ZEV – Zero Emission Vehicles.

² Refers mainly to Latin America.

- At a glance
- CEO letter
- Order intake
- Deliveries
- Net sales by product
- Operating income
- Net cash flow
- Net debt
- Financial report
- About Scania

DELIVERIES

Trucks

Deliveries of trucks during the second quarter amounted to 24,333 units, which corresponds to an increase of 8 percent compared to the same period last year. This was fully explained by increased deliveries of trucks in Latin America.

In Europe¹, the total market for heavy trucks decreased by around 0.3 percent compared to last year. At the end of the second quarter, Scania’s European market share was 18.2 percent (15.7).

Buses

Deliveries of buses during the second quarter amounted to 1,469 units, which corresponds to an increase of 16 percent compared to the same period last year.

This was primarily due to increased deliveries of buses in Latin America.

In Europe, the total market increased by around 17.7 percent compared to last year. At the end of the second quarter Scania’s European market share was 5.1 percent (4.5).

Power solutions

Deliveries of Power solutions during the second quarter amounted to 2,910 units, which corresponds to a decrease of 27 percent compared to the same period last year.

Deliveries decreased in almost all regions.

¹ Europe includes 27 of the European Union member countries (all EU countries except Malta and Slovenia) plus Norway, Great Britain, Switzerland and Iceland

Units	Deliveries					
	Q2 2024	Q2 2023	Δ%	Jan-Jun 2024	Jan-Jun 2023	Δ%
TOTAL Trucks & Buses	25,802	23,824	8%	52,298	46,450	13%
of which ZEV vehicles ¹	62	71	-13%	109	145	-25%
Trucks	24,333	22,562	8%	49,721	44,173	13%
Europe	13,330	13,965	-5%	29,376	28,338	4%
America ²	6,950	3,823	82%	12,091	6,855	76%
Asia	2,243	2,624	-15%	4,761	5,387	-12%
Africa & Oceania	1,498	1,796	-17%	2,916	3,060	-5%
Eurasia	312	354	-12%	577	533	8%
Buses	1,469	1,262	16%	2,577	2,277	13%
Europe	577	515	12%	908	843	8%
America ²	671	491	37%	1,209	861	40%
Asia	57	111	-49%	168	331	-49%
Africa & Oceania	164	145	13%	292	242	21%
Eurasia	-	-		-	-	
Power solutions	2,910	3,977	-27%	5,674	7,879	-28%
Europe	1,529	1,940	-21%	2,911	4,044	-28%
America	667	822	-19%	1,208	1,472	-18%
Asia	596	1,107	-46%	1,336	2,186	-39%
Africa & Oceania	118	108	9%	219	177	24%
Eurasia	-	-		-	-	

¹ ZEV – Zero Emission Vehicles.
² Refers mainly to Latin America.

CONTENT

- At a glance
- CEO letter
- Order intake
- Deliveries
- Net sales by product
- Operating income
- Net cash flow
- Net debt
- Financial report
- About Scania

SCANIA INTERIM REPORT Q2 2024

NET SALES BY PRODUCT

Total net sales for Vehicles and Services amounted to SEK 55,427 m. (51,006) in the second quarter, which corresponds to an increase of 9 percent compared to same period last year. Currency effects between the periods was immaterial.

Net sales for Trucks amounted to SEK 36,613 m. (33,101), which corresponds to an increase of 11 percent. This was due to higher volumes, price increases and a positive product mix. Adjusted for currency effect net sales of Trucks increased by 10 percent.

Net sales for Services amounted to SEK 10,902 m. (10,500), which corresponds to an increase of 4 percent. Adjusted for currency effect Service net sales increased by 3 percent.

SEK million	Q2			Jan-Jun		
	2024	2023	Δ%	2024	2023	Δ%
Vehicles & Services	55,427	51,006	9%	110,478	97,735	13%
Trucks	36,613	33,101	11%	74,210	62,883	18%
Buses	3,198	2,355	36%	5,312	3,932	35%
Power solutions	968	1,228	-21%	1,892	2,338	-19%
Services ¹	10,902	10,500	4%	21,819	21,020	4%
Other ²	3,747	3,822	- 2%	7,245	7,563	-4%

¹ Includes spare parts and workshop services.
² Includes used vehicles and deferred revenues.



CONTENT

At a glance
CEO letter
Order intake
Deliveries
Net sales by product
Operating income
Net cash flow
Net debt
Financial report
About Scania

SCANIA INTERIM REPORT Q2 2024

OPERATING INCOME

Adjusted operating income for Vehicles and Services amounted to SEK 8,026 m. (6,958) in the second quarter. Currency effects impacted negatively by SEK 11 m. The adjusted operating margin improved to 14.5 percent (13.6).

Items affecting comparability amounted to SEK 0 m. (850).

The adjusted operating margin was positively impacted by higher volumes, increased prices and product mix. This was partly offset by higher cost of input goods.

Scania's research and development expenditures amounted to SEK 3,935 m. (3,151). After adjusting for SEK 1,177 m. (711) in capitalised expenditures, and SEK 497 m. (298) in depreciation of previously capitalised expenditures, recognised expenses increased to SEK 3,255 m. (2,738).

The Scania Financial Services business, although no longer included in the Scania Group's consolidated reports since it was divested to TRATON Financial Services 1 of April 2023. The operation in Scania Financial Services is still a core part of the Scania customer offer. The finance penetration rate year to date was just below 40 percent and total asset increased with approximately SEK 12 m. to SEK 162 m. year to date. In local currency, the increase was SEK 10 m. year to date.

SEK million	Scania Group					
	Q2 2024	Q2 2023	Δ%	Jan-Jun 2024	Jan-Jun 2023	Δ%
Net sales	55,427	50,989	9%	110,478	96,801	14%
Operating income	8,026	6,103	32%	15,608	12,303	27%
Adjusted operating income	8,026	6,953	15%	16,011	13,137	22%
Operating margin	14.5%	12.0%		14.1%	12.7%	
Adjusted operating margin	14.5%	13.6%		14.5%	13.6%	

SEK million	Vehicles & Services					
	Q2 2024	Q2 2023	Δ%	Jan-Jun 2024	Jan-Jun 2023	Δ%
Net sales	55,427	51,006	9%	110,478	97,735	13%
Operating income	8,026	6,109	31%	15,608	12,309	27%
Adjusted operating income	8,026	6,958	15%	16,011	13,143	22%
Operating margin	14.5%	12.0%		14.1%	12.6%	
Adjusted operating margin	14.5%	13.6%		14.5%	13.4%	

CONTENT

At a glance
CEO letter
Order intake
Deliveries
Net sales by product
Operating income
Net cash flow
Net debt
Financial report
About Scania

SCANIA INTERIM REPORT Q2 2024

NET CASH FLOW

Scania Group

For the second quarter, net cash flow amounted to SEK -1,250 m. (6,869).

SEK million	Scania Group					
	Q2 2024	Q2 2023	Δ%	Jan-Jun 2024	Jan-Jun 2023	Δ%
Cash flow from operating activities before change in working capital	9,458	8,115	17%	18,213	14,955	22%
Change in working capital	-6,813	-3,105		-5,434	-9,552	-43%
Cash flow from operating activities	2,645	5,010	-47%	12,779	5,403	
Net investments	-3,895	1,859		-6,969	750	
Cash flow after investing activities attributable to operating activities	-1,250	6,869		5,810	6,153	-6%

Vehicles and Services

For the second quarter, net cash flow in Vehicles and Services amounted to SEK -459 m. (7,557). Change in working capital had a negative impact of SEK -6,022 m. (-3,599) mainly due to increased inventory and decreased trade payables. Net investments amounted to SEK -3,895 m. (3,084).

SEK million	Vehicles & Services					
	Q2 2024	Q2 2023	Δ%	Jan-Jun 2024	Jan-Jun 2023	Δ%
Cash flow from operating activities before change in working capital	9,458	8,072	17%	18,213	14,697	24%
Change in working capital	-6,022	-3,599	67%	-4,643	-7,542	-38%
Cash flow from operating activities	3,436	4,473	-23%	13,570	7,155	90%
Net investments	-3,895	3,084		-6,969	5,350	
Cash flow after investing activities attributable to operating activities	-459	7,557		6,601	12,505	-47%

CONTENT

- At a glance
- CEO letter
- Order intake
- Deliveries
- Net sales by product
- Operating income
- Net cash flow
- Net debt
- Financial report
- About Scania

SCANIA INTERIM REPORT Q2 2024

NET DEBT

The Group's net cash position decreased by SEK 5,933 m. to SEK 22,173 m. due to dividend paid during the second quarter, offset by positive cash flow from the operations.

The net cash position in Vehicles and Services decreased by SEK 6,214 m. to SEK 22,234 m. due to dividend paid during second quarter, offset by positive cash flow from the operations.

SEK million	Scania Group			Vehicles & Services		
	30 Jun 2024	31 dec 2023	Δ%	30 Jun 2024	31 dec 2023	Δ%
Net debt, excl. provision for pensions						
Assets	77,205	134,094	-42%	38,545	42,547	-9%
Current investments	979	591	66%	2,826	16,826	-83%
Non-current loans to TRATON entities	12,247	379		434	379	15%
Current loans to TRATON entities	29,535	8,929		841	627	34%
Cash and cash equivalents	34,444	24,715	39%	34,444	24,715	39%
Assets held for sale ¹	-	99,480		-	-	
Liabilities	55,032	105,988	-48%	16,311	14,099	16%
Interest-bearing liabilities, non-current	29,541	67,056	-56%	10,970	10,064	9%
Interest-bearing liabilities, current	25,491	38,932	-35%	5,341	4,035	32%
Net liquidity (+)/Net debt (-)	22,173	28,106	-21%	22,234	28,448	-22%

¹The assets held for sale in December 2023 refer to the loan receivables related to TRATON Financial Services. The sale of loan receivables was finalised in May 2024. See Note 4 for further information.



CONTENT

At a glance
CEO letter
Order intake
Deliveries
Net sales by product
Operating income
Net cash flow
Net debt
Financial report
About Scania

FINANCIAL REPORT

CONSOLIDATED INCOME STATEMENTS, CONDENSED

SEK million	Note	Q2			Jan-Jun		
		2024	2023	Δ%	2024	2023	Δ%
Net sales		55,427	50,989	9%	110,478	96,801	14%
Cost of goods sold and services rendered		-39,624	-37,154	7%	-79,520	-70,250	13%
Gross income		15,804	13,835	14%	30,958	26,551	17%
Research and development expenses		-3,255	-2,738	19%	-5,973	-5,422	10%
Selling expenses		-3,656	-3,330	10%	-7,247	-6,554	11%
Administrative expenses		-867	-814	7%	-1,727	-1,438	20%
Items affecting comparability	8	-	-850	-100%	-403	-834	-52%
Operating income		8,026	6,103	32%	15,608	12,303	27%
Interest income		3,962	1,867		5,959	2,576	
Interest expenses		-3,602	-1,576		-5,347	-2,023	
Share of income from associated companies and joint ventures		-56	-37	51%	-96	-58	66%
Other financial income		-1,363	911		-559	1,476	
Other financial expenses		-417	-953	-56%	-743	-1,843	-60%
Total financial items		-1,476	212		-786	128	
Income before taxes for the period from continuing operations		6,550	6,315	4%	14,822	12,431	19%
Income taxes		-747	-2,432	-69%	-2,912	-4,144	-30%
Net income for the period from continuing operations		5,803	3,883	49%	11,910	8,287	44%
Net income for the period from discontinued operations	5	-	2,805	-100%	-	2,101	-100%
Net income for the period for the Group		5,803	6,688	-13%	11,910	10,388	15%
Other comprehensive income							
Items that may be reclassified subsequently to profit or loss							
Translation differences		-1,430	1,315		181	3,241	-94%
Income taxes		1	12	-92%	-2	-3	-33%
		-1,429	1,327		179	3,238	-94%
Items that will not be reclassified to profit or loss							
Remeasurement defined benefit plans ¹		-547	893		-334	699	
Income taxes		113	-171		68	-133	
		-434	721		-266	566	
Other comprehensive income for the period		-1,863	2,049		-87	3,804	
Total comprehensive income for the period		3,937	8,737	-55%	11,821	14,192	-17%
Net income attributable to:							
Scania shareholders		5,822	6,691	-13%	11,926	10,391	15%
Non-controlling interest		-19	-3		-16	-3	
Total comprehensive income attributable to:							
Scania shareholders		3,956	8,740	-55%	11,837	14,195	-17%
Non-controlling interest		-19	-3		-16	-3	

¹ Discount rate in calculating the Swedish pension liability is 3.25 percent and inflation 1.75 percent.

CONTENT

At a glance
CEO letter
Order intake
Deliveries
Net sales by product
Operating income
Net cash flow
Net debt
Financial report
About Scania

FINANCIAL REPORT

Continued

CONSOLIDATED BALANCE SHEETS, CONDENSED

SEK million	Note	30 Jun		31 dec
		2024	2023	2023
Assets				
Non-current assets				
Intangible assets		18,026	15,470	16,274
Tangible assets		50,442	47,236	48,480
Lease assets		21,666	25,337	22,154
Shares and participations		3,084	2,781	3,024
Interest-bearing receivables		12,735	53,173	855
Other receivables ¹	4	13,165	11,432	10,528
Current assets				
Inventories		42,242	39,447	38,214
Interest-bearing receivables		4,786	50,956	9,744
Other receivables		21,527	21,729	20,867
Current investments		29,050	1,315	971
Cash and cash equivalents	4	34,444	25,899	24,792
		132,049	139,346	94,588
Assets classified as held for sale	5	-	2,030	99,692
Total assets		251,167	296,805	295,595
Equity				
Scania shareholders		84,393	78,058	80,473
Non-controlling interest		36	56	52
Total equity		84,429	78,114	80,525
Non-current liabilities				
Interest-bearing liabilities		29,818	65,371	67,264
Provisions for pensions		9,220	7,179	8,897
Other provisions		4,362	4,088	4,036
Other liabilities ¹		27,497	28,206	26,720
Current liabilities				
Interest-bearing liabilities		25,853	46,828	39,828
Provisions		6,295	5,149	5,568
Other liabilities		63,693	61,442	62,757
		95,841	113,419	108,153
Liabilities directly attributable to assets held for sale	5	-	428	-
Total equity and liabilities		251,167	296,805	295,595

¹Including deferred tax.

CONTENT

At a glance
CEO letter
Order intake
Deliveries
Net sales by product
Operating income
Net cash flow
Net debt
Financial report
About Scania

FINANCIAL REPORT

Continued

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY, CONDENSED

SEK million	Jan-Jun		
	2024	2023	Δ%
Equity, 1 Jan	80,525	79,625	1%
Net income for the period	11,910	10,388	15%
Other comprehensive income for the period	-87	3,804	
Dividend to shareholders	-7,903	-15,700	-50%
Change in non-controlling interest	-16	-3	
Total equity at the end of the period	84,429	78,114	8%
Attributable to:			
Scania AB shareholders	84,393	78,058	8%
Non-controlling interest	36	56	-35%

CONTENT

At a glance
CEO letter
Order intake
Deliveries
Net sales by product
Operating income
Net cash flow
Net debt
Financial report
About Scania

FINANCIAL REPORT

Continued

CONSOLIDATED CASH FLOW STATEMENTS, CONDENSED

SEK million	Note	Q2			Jan-Jun		
		2024	2023	Δ%	2024	2023	Δ%
Operating activities							
Income before tax ¹		6,550	9,141	-28%	14,822	14,774	0%
Items not affecting cash flow		5,393	817		7,720	4,796	61%
Taxes paid		-2,485	-1,843	35%	-4,329	-4,615	-6%
Cash flow from operating activities before change in working capital		9,458	8,115	17%	18,213	14,955	22%
Change in working capital		-6,813	-3,105		-5,434	-9,552	-43%
Cash flow from operating activities		2,645	5,010	-47%	12,779	5,403	
Investing activities							
Net investments	4	-3,895	1,859		-6,969	750	
Cash flow from investing activities attributable to operating activities		-3,895	1,859		-6,969	750	
Cash flow after investing activities attributable to operating activities		-1,250	6,869		5,810	6,153	-6%
Investments in securities and loans		9,361	-1,467		66,852	-953	
Cash flow from investing activities		5,466	392		59,883	-203	
Cash flow before financing activities		8,111	5,402	50%	72,662	5,200	
Financing activities							
Change in debt from financing activities		3,244	3,938	-18%	-55,457	3,735	
Dividend		-7,903	-6,200	27%	-7,903	-6,200	27%
Cash flow from financing activities		-4,659	-2,262		-63,360	-2,465	
Cash flow for the period		3,452	3,140	10%	9,302	2,735	
Cash and cash equivalents at beginning of period		30,773	22,105	39%	24,715	22,489	10%
Exchange rate differences in cash and cash equivalents		219	709	-69%	427	730	-42%
Cash and cash equivalents at end of period		34,444	25,954	33%	34,444	25,954	33%
Cash and cash equivalents at end of period reported separately in the balance sheet (assets held for sale)	5	-	-55	-100%	-	-55	-100%
Cash and cash equivalents at end of period (reported in the balance sheet)		34,444	25,899	33%	34,444	25,899	33%

¹ Includes Income before tax from continuing and discontinued operations.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 1 – Accounting principles

Scania applies International Financial Reporting Standards (IFRSs) as adopted by the EU. There are no amendments of IFRS during 2024 that are estimated to have a material impact on the result and financial position of the Scania Group. The accounting policies and definitions are consistently applied with those described in Scania's Annual and Sustainability Report 2023. This interim report for the Scania Group has been prepared in accordance with IAS 34, "Interim Financial Reporting" and the Annual Accounts Act.

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.

Note 2 – Material risks and uncertainties

Scania continuously assesses the situation relating to the war in Ukraine and the potential impact on the future development and/or risks that can affect the financial position.

The situation could lead to:

- Decreased market demand in the short and medium term in several important markets for Scania, leading to decreased sales of vehicles and services and also price pressure on new and used vehicles. This, in turn, could also lead to needs to make write-downs in vehicle inventory and changed estimates of residual value on buy-back commitments.
- The supplier network could be unable to deliver components and articles, leading to shorter or longer periods of close down of Scania's global production system.
- Customers facing financial problems leading to deteriorating ability to pay outstanding receivables to Scania.
- Impairment of goodwill and other intangible assets.

The text above is not an exhaustive list and one or several of these potential impacts can occur independently, or in combination, and could have a negative impact on the Scania Group's business and financial development and performance.

The section entitled "Risks and risk management" in Scania's Annual and Sustainability Report 2023 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 28 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 five percent of the vehicles Scania sells are delivered with repurchase obligations. These are recognised as operating lease contracts, with the consequence that recognition of revenue and earnings is allocated over the life of the obligation (contract).

b) Legal risks

In February 2024, Scania received the final judgment from the European Court of Justice regarding Scania's appeal against the EC's decision about cartel collusion. The EU court dismissed the appeal in its entirety and upheld the EC's decision. Scania has paid the fine and interest in full in accordance with the decision from the EC already in 2022 why this decision had no further financial impact on Scania's earnings.

Scania has received civil claims connected to EC's decision by direct or indirect customers of Scania in multiple jurisdictions. Scania defends itself against all claims by denying any effect of the alleged cartel and in this stage, except for a limited number of jurisdictions or cases, it is not possible to make a reliable estimate of the total potential risk from such proceedings.

CONTENT

- At a glance
- CEO letter
- Order intake
- Deliveries
- Net sales by product
- Operating income
- Net cash flow
- Net debt
- Financial report
- About Scania

FINANCIAL REPORT

Continued

Note 3 – Segment reporting

The results and financial position of the Vehicles & Services operations are monitored by Scania's Board of directors and Management. The Vehicles and Services operating segment encompasses the products, trucks, buses and power solutions including the services associated with these products. All products are based on shared basic components and monitoring of results thus occurs on an aggregated basis. Earnings, assets and liabilities and cash flow attributable to the Vehicles and Services operations have been allocated to this segment.

Treasury operations consisting of interest income and expenses, receivables and liabilities attributable to the financing of the Financial Services segment divested to TRATON as of 1 April 2023 are presented as Group activities in the segment reporting.

During Q1 2024 the majority of the lending portfolio towards TRATON Financial Services together with the corresponding loans was sold to TRATON Treasury AB resulting in a net gain of SEK 542 m. presented in financial items.

In Q2 2024 the remaining part of the lending portfolio towards TRATON Financial Services and related derivatives was sold to TRATON Treasury AB resulting in a net gain of SEK 49 m. Scania will continue to carry out limited treasury activities against TRATON during a transition period.

Q2	Vehicles & Services			Group Activities			Eliminations			Scania Group		
SEK million	2024	2023	Δ%	2024	2023	Δ%	2024	2023	Δ%	2024	2023	Δ%
Net sales	55,427	51,006	9%	-	-		-	-17	-100%	55,427	50,989	9%
Gross income	15,804	13,841	14%	-	-		-	-6	-100%	15,804	13,835	14%
Operating income	8,026	6,109	31%	-	-	-100%	-	-6	-100%	8,026	6,103	32%
Interest Income	3,098	924		864	956	-10%	-	-13	-100%	3,962	1,867	
Interest Expenses	-2,799	-633		-803	-956	-16%	-	13	-100%	-3,602	-1,576	
Other	-1,765	11,196		-71	-21		-	-11,254	-100%	-1,836	-79	
Total financial items	-1,466	11,487		-10	-21	-52%	-	-11,254	-100%	-1,476	212	
Income before taxes	6,560	17,596	-63%	-10	-21	-53%	-	-11,260	-100%	6,550	6,315	4%
Income taxes	-736	-2,432	-70%	-11	4		-	-4	-100%	-747	-2,432	-69%
Net income for the period from continuing operations	5,824	15,164	-62%	-21	-17	24%	-	-11,264	-100%	5,803	3,883	49%
Net income for the period from discontinued operations	-	-		-	2,805	-100%	-	-		-	2,805	-100%
Net income for the Group	5,824	15,164	-62%	-21	2,788		-	-11,264	-100%	5,803	6,688	-13%

Jan-Jun	Vehicles & Services			Group Activities			Eliminations			Scania Group		
SEK million	2024	2023	Δ%	2024	2023	Δ%	2024	2023	Δ%	2024	2023	Δ%
Net sales	110,478	97,735	13%	-	-	-100%	-	-934	-100%	110,478	96,801	14%
Gross income	30,958	26,557	17%	-	-	-100%	-	-6	-100%	30,958	26,551	17%
Operating income	15,608	12,309	27%	-	-		-	-6	-100%	15,608	12,303	27%
Interest Income	3,768	1,633		2,191	1,734	26%	-	-791	-100%	5,959	2,576	
Interest Expenses	-3,217	-1,080		-2,130	-1,734	23%	-	791	-100%	-5,347	-2,023	
Other	-1,869	10,843		471	-261		-	-11,007	-100%	-1,398	-425	
Total financial items	-1,318	11,396		532	-261		-	-11,007	-100%	-786	128	
Income before taxes	14,290	23,705	-40%	532	-261		-	-11,013	-100%	14,822	12,431	19%
Income taxes	-2,810	-4,137	-32%	-102	54		-	-61	-100%	-2,912	-4,144	-30%
Net income for the period from continuing operations	11,480	19,568	-41%	430	-207		-	-11,074	-100%	11,910	8,287	44%
Net income for the period from discontinued operations	-	-		-	2,101	-100%	-	-		-	2,101	-100%
Net income for the Group	11,480	19,568	-41%	430	1,894	-77%	-	-11,074	-100%	11,910	10,388	15%

CONTENT

At a glance

CEO letter

Order intake

Deliveries

Net sales by product

Operating income

Net cash flow

Net debt

Financial report

About Scania

FINANCIAL REPORT

Continued

Note 4 – Acquisitions and divestments

Acquisitions

No acquisitions were made during the first six months of 2024.

Divestments

In Q1 2024 the majority of the lending portfolio towards TRATON Financial Services Business Units was sold to TRATON Treasury AB. The related funding and derivatives were also novated or mirrored to TRATON Treasury AB. The portfolio has been presented within Group activities as assets held for sale. The transaction resulted in that receivables amounting to SEK 79,637 m. and liabilities amounting to SEK 80,641 m. was transferred to TRATON Treasury AB. As part of the restructuring for the financing of TRATON FS entities Scania also entered in different lending and borrowing agreements with TRATON treasury AB. The Cash flow is presented as cash flow in investing activities and financing activities. As a result of the transaction a net gain of SEK 542 m. was recognised in Q1 2024, within finance net presented in Group activities.

On 28 May the remaining lending portfolio and related derivatives was sold to TRATON Treasury AB. The portfolio has been presented within Group activities as assets held for sale amounting to SEK 4,428 and the transaction resulted in a net gain of SEK 49 m. recognised in Q2 2024 within finance net presented in Group Activities.

Scania will during a period continue to support some TRATON FS entities with funding. Receivables and liabilities related to Scania's financing of TRATON FS entities after the transaction is presented within Group activities, see Note 3.

See Note 5 Assets held for sale and discontinued operations for further information.

CONTENT

- At a glance
- CEO letter
- Order intake
- Deliveries
- Net sales by product
- Operating income
- Net cash flow
- Net debt
- Financial report
- About Scania

FINANCIAL REPORT

Continued

Note 5 – Assets held for sale and discontinued operations

During the first six months the lending portfolio towards TRATON Financial Services was sold to TRATON Treasury AB in two tranches. In Q1 2024 the majority of the portfolio was sold and in Q2 the remaining portfolio was sold, previously classified as assets held for sale. For more information see Note 4. Of the asset held for sale at year-end SEK 16,075 m. was reclassified.

As from Q1 2023 the Financial Services segment is reported as a discontinued operation in the income statement of the Scania Group. The Scania Financial Services segment was sold to TRATON on 1 April 2023. As per 30 June 2023 a few legal entities of the segment was not legally transferred and presented as assets and liabilities held for sale.

Income statement SEK million	Q2			Jan-Jun		
	2024	2023	Δ%	2024	2023	Δ%
Net sales	-	42	-100%	-	3,103	-100%
Cost of sales	-	-17	-100%	-	-2,070	-100%
Gross income	-	25	-100%	-	1,033	-100%
Selling expenses	-	-18	-100%	-	-514	-100%
Other income	-	100	-100%	-	210	-100%
Other expenses	-	-38	-100%	-	-132	-100%
Items affecting comparability	-	2,758	-100%	-	1,746	-100%
Operating income	-	2,827	-100%	-	2,344	-100%
Total financial items	-	-		-	-1	-100%
Income before taxes	-	2,827	-100%	-	2,343	-100%
Taxes	-	-22	-100%	-	-242	-100%
discontinued operations	-	2,805	-100%	-	2,101	-100%

Cash flow statement SEK million	Q2			Jan-Jun		
	2024	2023	Δ%	2024	2023	Δ%
Cash flow from operating activities	-	1	-100%	-	-1,970	-100%
Cash flow from investing activities	-	-1,551	-100%	-	-4,926	-100%
Cash flow from financing activities	-	260	-100%	-	2,351	-100%
Cash flow for the period	-	-1,290	-100%	-	-4,545	-100%

Net assets SEK million	30 Jun 2024	30 Jun 2023
Intangible assets	-	1
Tangible assets	-	30
Interest-bearing receivables, non-current	-	650
Other receivables, non-current	-	416
Interest-bearing receivables, current	-	382
Other receivables, current	-	138
Current investments	-	428
Cash and cash equivalents	-	55
Elimination against Vehicles & Services	-	-71
Assets held for sale	-	2,030
Interest-bearing liabilities, non-current	-	679
Other non-current provisions	-	12
Other liabilities, non-current	-	49
Interest-bearing liabilities, current	-	399
Other liabilities, current	-	367
Elimination against Vehicles & Services	-	-1,078
Liabilities directly attributable to assets held for sale¹	-	428
Eliminations	-	-1,007
Net carrying amount of the remaining entities	-	595

CONTENT

At a glance

CEO letter

Order intake

Deliveries

Net sales by product

Operating income

Net cash flow

Net debt

Financial report

About Scania

FINANCIAL REPORT

Continued

Note 6 – Fair value of financial instruments

In Scania's balance sheet, financial instruments carried at fair value are mainly derivatives, current and non-current investments. Fair value is established according to various levels, defined in IFRS 13, that reflect the extent to which market values have been utilised.

Current investments are carried according to Level 1, i.e. quoted prices in active markets for identical assets.

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, Other current receivables, Other non-current liabilities and Other current liabilities.

Equity instruments assets are carried according to Level 3 based on unobservable data.

Financial instruments measured at fair value		
SEK million	30 Jun 2024	31 Dec 2023
Equity instruments ³	1,360	1,349
Current investments and cash and cash equivalents ¹	50	50
Other assets, non-current ³	487	475
Other receivables, non-current ²	1,903	1,526
Other receivables, current ²	1,674	550
Total assets	5,474	3,950
Other liabilities, non-current ²	1,772	1,739
Other liabilities, current ²	1,859	1,181
Total Liabilities	3,631	2,920

¹ Level 1 – Quoted prices in active markets for identical assets.

² Level 2 – Directly or indirectly observable market data, such as discount rate and credit risk.

³ Level 3 – Unobservable data.

For financial instruments that are carried at amortised cost, fair value disclosures are provided in the table below. 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 less 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 and Sustainability Report for 2023.

Financial instruments measured at amortised cost				
SEK million	30 Jun 2024		31 Dec 2023	
	Carrying amount	Fair value	Carrying amount	Fair value
Total assets	91,970	92,113	47,561	47,181
Total liabilities	78,008	77,961	128,736	129,321

CONTENT

At a glance
CEO letter
Order intake
Deliveries
Net sales by product
Operating income
Net cash flow
Net debt
Financial report
About Scania

FINANCIAL REPORT

Continued

Note 7 – Related party transactions

All related party transactions occur on market terms.

The volume of related party transactions included in the consolidated financial statements has increased since 1 April 2023 since all transactions with the former subsidiaries within the Financial Services segment are now external transactions with related parties. The majority of the lending portfolio towards TRATON Financial Services Business Units was sold to TRATON Treasury AB in March 2024. The related funding and derivatives were also novated or mirrored to TRATON Treasury AB. These transactions are presented under the line item TRATON Financial Services (Including TRATON Treasury AB) in the tables below.

	Revenue			
SEK million	Q2 2024	Q2 2023	Jan-Jun 2024	Jan-Jun 2023
Volkswagen Group ¹	23	1	41	16
TRATON GROUP ²	700	307	1,331	512
TRATON Financial Services	1,538	945	2,953	945
Associated companies and joint ventures	103	128	236	238

	Expenses			
SEK million	Q2 2024	Q2 2023	Jan-Jun 2024	Jan-Jun 2023
Volkswagen Group ¹	-434	-504	-814	-745
TRATON GROUP ²	-258	-400	-1,027	-676
TRATON Financial Services	-1,768	-860	-2,259	-860
Associated companies and joint ventures	-145	-133	-290	-354

	Assets		Liabilities	
SEK million	30 Jun 2024	31 dec 2023	30 Jun 2024	31 dec 2023
Volkswagen Group ¹	1,007	979	698	772
TRATON GROUP ²	27,914	20,786	1,088	73,311
TRATON Financial Services	46,539	109,429	36,624	16,136
Associated companies and joint ventures	511	405	0	0

¹ Excluding TRATON GROUP.

² Excluding TRATON Financial Services.

Note 8 – Items affecting comparability

In 2023 Scania decided to close down the part of the plant in Słupsk, Poland, which was producing bus bodies for Scania chassis. The decision resulted in impairments of assets and restructuring costs which is classified as items affecting comparability. The expenses in the first six months amounted to SEK 81 m. This decision will not affect chassis production in Słupsk nor other Scania entities in Poland.

During 2024 expenses for civil claims from customers amounts to SEK 322 m. The costs is related to specific jurisdictions or cases that are currently possible to make an realistic estimation of the probability of outflow of resources.

Items affecting comparability				
SEK million	Q2 2024	Q2 2023	Jan-Jun 2024	Jan-Jun 2023
Busproduction Poland	-	-839	-81	-839
Impairment and capital loss in Russia, Vehicles and Services	-	-11	-	-11
Civil claims	-	-	-322	-
Total items affecting comparability within Operating income	-	-850	-403	-850
Tax effect	-	-170	83	-170
Total items affecting comparability within Net income	-	-1,020	-320	-1,020

Note 9 – Events after the reporting period

There have not been any significant events after the reporting period.

CONTENT

- At a glance
- CEO letter
- Order intake
- Deliveries
- Net sales by product
- Operating income
- Net cash flow
- Net debt
- Financial report**
- About Scania

FINANCIAL REPORT

Continued

PARENT COMPANY

Income statement	Jan-Jun		
SEK million	2024	2023	Δ%
Financial income and expenses	37	95	- 61%
Taxes	-7	-19	- 63%
Net income for the period	30	76	- 61%

Statement of other comprehensive income			
Net income	30	76	- 61%
Other comprehensive income	-	-	
Total comprehensive income	30	76	- 61%

Balance sheet	30 Jun		
SEK million	2024	2023	Δ%
Assets			
Financial non-current assets			
Shares in subsidiaries	8,435	8,435	
Current assets			
Due from subsidiaries	492	1,030	- 52%
Total assets	8,927	9,465	- 6%

Equity			
Equity	8,920	9,446	- 6%
Total shareholders' equity	8,920	9,446	- 6%
Current liabilities			
Tax liabilities	7	19	- 63%
Total equity and liabilities	8,927	9,465	- 6%

Statement of changes in equity	30 Jun		
SEK million	2024	2023	Δ%
Equity, 1 january	16,793	25,070	- 33%
Total comprehensive income	30	76	- 61%
Dividend	-7,903	-15,700	- 50%
Equity	8,920	9,446	- 6%

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.

CONTENT

At a glance

CEO letter

Order intake

Deliveries

Net sales by product

Operating income

Net cash flow

Net debt

Financial report

About Scania

FINANCIAL REPORT

Continued

DIVIDEND AND ANNUAL GENERAL MEETING

Scania's Annual General Meeting for the financial year 2023 was held on 8 May 2024 in Södertälje, Sweden. The Annual General Meeting accepted the Board of Director's dividend proposal of SEK 7,903 m. as cash dividend.

CONTENT

At a glance
CEO letter
Order intake
Deliveries
Net sales by product
Operating income
Net cash flow
Net debt
Financial report
About Scania

FINANCIAL REPORT

Continued

KEY FINANCIAL RATIOS AND FIGURES

SEK million	Q2			Jan-Jun		
	2024	2023	Δ%	2024	2023	Δ%
Continuing operations						
Net sales	55,427	50,989	9%	110,478	96,801	14%
Operating income	8,026	6,103	32%	15,608	12,303	27%
Adjusted operating income	8,026	6,953	15%	16,011	13,137	22%
Net income for the period from continuing operations	5,803	3,883	49%	11,910	8,287	44%
Adjusted Net income for the period from continuing operations	5,803	4,733	23%	12,313	9,121	35%
Operating margin	14.5%	12.0%		14.1%	12.7%	
Adjusted operating margin	14.5%	13.6%		14.5%	13.6%	
Net margin	10.5%	7.6%		10.8%	8.6%	
Adjusted Net margin	10.5%	9.3%		11.1%	9.4%	
Equity/asset ratio	33.6%	26.3%		33.6%	26.3%	
Capital employed¹	Q2					
SEK million	2024	2023	Δ%			
Total assets, excl. shares and participations in group companies	206,544	179,085	15%			
Other provisions, non-current and current	10,103	9,026	12%			
Other liabilities, non-current and current	90,348	81,689	11%			
Net derivatives	-137	-275	-50%			
Capital employed	106,230	88,646	20%			
Items affecting comparability	113	329	-66%			
Adjusted capital employed	106,343	88,974	20%			
Return on capital employed¹	Q2					
SEK million	2024	2023	Δ%			
Operating income	28,112	19,695	43%			
Items affecting comparability	748	1,960	-62%			
Adjusted Operating income	28,860	21,654	33%			
Financial income	5,732	3,340	72%			
Capital employed	106,230	88,646	20%			
Return on capital employed	31.9%	26.0%	23%			
Adjusted return on capital employed	32.5%	28.1%				

¹ Refers to Vehicles & Services segment.

For the definitions of the key ratios please refer to the Scania Annual and Sustainability Report 2023.

CONTENT

- At a glance
- CEO letter
- Order intake
- Deliveries
- Net sales by product
- Operating income
- Net cash flow
- Net debt
- Financial report
- About Scania

ABOUT SCANIA

Scania’s purpose is to drive the shift towards a sustainable transport system, creating a world of mobility that is better for business, society and the environment.

Scania offers sustainable solutions of trucks and buses for heavy transport applications, combined with an extensive product related service offering. We offer vehicle financing, insurance, and rental services to enable our customers to focus on their core business. Scania is also a leading provider of industrial and marine engines.



Trucks

Scania supports transport companies across the world by delivering heavy trucks for each customer’s need.

We offer tailor-made solutions for a range of different applications including long-distance, urban applications and construction.



Buses and coaches

Scania offers buses and coaches for customers in the urban and travel segment, in close cooperation with bodybuilders and partners.

Our offering includes complete solutions, tailored to help solve today’s mobility challenges.



Power solutions

Scania engines can be found at the heart of machines required to be in use 24 hours a day, including in wheel loaders, patrol and public transport boats, and power gensets.



Services

Scania’s extensive service offering includes workshop services, tailor-made maintenance with flexible and predictive plans, driver training and evaluation. We also offer services for support and management of our customers’ operations.



Financial services

Through TRATON Financial Services, Scania offers flexible financing and insurance solutions, tailored to give our customers predictable costs and manageable risks over the entire life cycle of their vehicles.

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