

Scania Interim Report January-June 2022

Summary of the first six months of 2022

- Net sales were unchanged compared to the previous year and amounted to SEK 74,690 m. (74,776)
- Operating income decreased by 42 percent to SEK 5,651 m. (9,733)
- Operating margin amounted to 7.6 percent (13.0)
- In the second quarter of 2022, net sales increased by 2 percent to SEK 39,933 m. (39,068), operating income decreased to SEK 3,044 m. (5,076) and operating margin amounted to 7.6 percent (13.0)

Comments by Christian Levin, President and CEO

“With both war in Ukraine and an ongoing pandemic, the turbulent external environment is continuing. Rising inflation and increased interest rates are also adding to the uncertainty. Despite this, economic activity is still high. We see this both in demand for our solutions but also in the utilisation of the existing vehicle fleet.

However, as in the first quarter, this strong demand is not reflected in the order intake. With already large order books and long delivery times due to component shortages and the production transition to our new powertrain range, we have continued to be restrictive in the placing of orders. The global component shortage has persisted but eased somewhat towards the end of the second quarter. Our efforts to find solutions throughout the supply chain to stabilise the flow, has gradually improved production output, although outbound transport capacity has been increasingly challenging in the second quarter.

During the second quarter, truck deliveries decreased by 25 percent while bus and coach deliveries increased by 36 percent. Within Power Solutions, deliveries increased by 13 percent. The service business is still strong and revenue in local currency increased by 13 percent. In Financial Services, the underlying business is strong. Both our vehicle-related and financial services help to balance profitability in periods of lower vehicle deliveries.

Scania's earnings were negatively affected by lower vehicle volume and increased cost of input goods, weaker capacity utilisation in production due to component shortage and by revalued assets and provisions for bad debt made due to the developments in Ukraine and Russia.

In Ukraine, our operations are in full swing with all workshops, except for two, open for customers. Recently, a new Scania workshop was inaugurated outside of Kyiv.

The fact that we are present locally to support the Ukrainian society with transport services and logistics is of course incredibly important.

Despite the difficult circumstances, we are continuing to drive the shift. In line with our electrification plan, where at least one new electric vehicle application will be introduced annually, we recently launched complete BEV-based solutions for regional long-haul operations. This opens up opportunities to operate electric trucks for a vast number of different customers in the transport industry ecosystem.

The lessons we are learning through the development collaborations with some of our most innovative customers are paving the way for the upcoming introductions in our electrification plan. In Boliden's mines, the 74-tonne battery electric truck for heavy transports is now in operation, as well as SCA's battery-powered truck for timber transports with capacity of up to 80 tonnes total weight.

The second quarter was also the starting point for a collaborative product development partnership with Einride, the Swedish freight technology company, a leading provider of digital, electric and autonomous shipping solutions. Involving 110 trucks, it is the largest order of heavy duty electric vehicles to date for Scania in Europe.

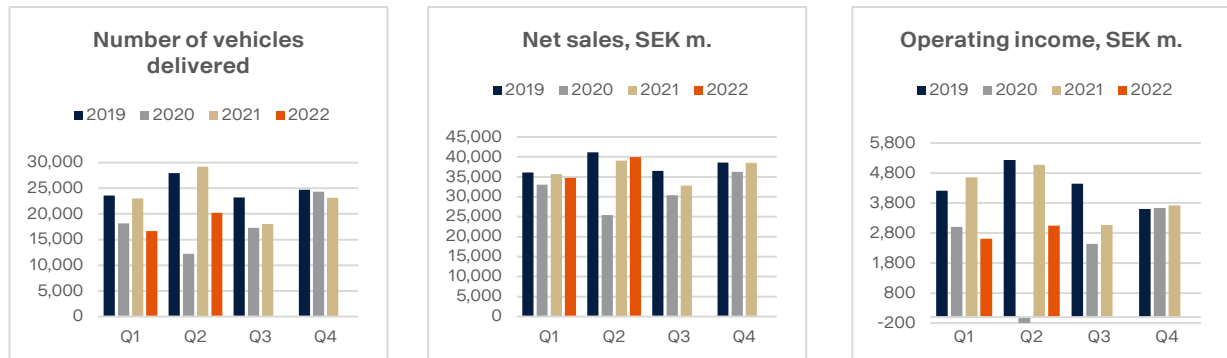
For the transport tasks where the combustion engine is still the best or the only solution, our new Scania Super has proved itself – both by being named “Green Truck 2022”, and also as the winner in Germany's 1000 points comparison test. These are excellent proof points of Scania's position of strength and the customer benefit we deliver with our solutions.”

Financial overview

	H1			Q2			
	2022	2021	Change, %	2022	2021	Change, %	
Trucks and buses, units							
Order intake	39,213	75,437	-48	18,225	38,493	-53	
Deliveries	36,834	49,229	-25	20,189	26,196	-23	
Net sales and earnings	<i>EUR m.*</i>						
Net sales, Scania Group, SEK m.	<i>6,965</i>	74,690	74,776	0	39,933	39,068	2
Operating income, Vehicles and Services, SEK m.	<i>491</i>	5,264	8,720	-40	2,859	4,585	-38
Operating income, Financial Services, SEK m.	<i>36</i>	387	1,013	-62	185	491	-62
Operating income, SEK m.	<i>528</i>	5,651	9,733	-42	3,044	5,076	-40
Income before taxes, SEK m.	<i>716</i>	7,675	9,694	-21	3,723	5,089	-27
Net income for the period, SEK m.	<i>450</i>	4,824	7,234	-33	2,434	3,765	-35
Operating margin, %		7.6	13.0		7.6	13.0	
Return on capital employed, Vehicles and Services, %**		17.8	20.5				
Cash flow, Vehicles and Services, SEK m.	<i>-1,232</i>	-13,220	3,661		-12,036	799	

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 10.72 = 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. ** Items affecting comparability include a provision of SEK 5,229 m. due to a General Court judgement relating to the European Commission's competition investigation.

Business overview



Sales performance

Total vehicle deliveries decreased by 25 percent during the first half of 2022 to 36,834 (49,229) units, compared to the same period last year. Net sales were unchanged compared to the same period last year and amounted to SEK 74,690 m. (74,776)

Strong demand

The period was characterised by great uncertainty due to the changing global macroeconomic and geopolitical situation. However, in Scania's key markets, transport activity is still high which can be seen in data from Scania's connected vehicles.

Order intake for trucks and buses and coaches in the first six months of 2022 decreased by 48 percent to 39,213 (75,437) vehicles, compared to 2021.

Demand for trucks is still strong but this is not reflected in the order intake which decreased by 51 percent. This is because we have been restrictive during the period with the placing of orders for trucks due to an already large order book and in view of the production transition to Scania's updated Euro 6 range. On the bus and coach side, order intake increased by 51 percent, mainly due to a large order intake in Latin America. In Power solutions, order intake decreased by 13 percent and this was mainly explained by lower order intake in South Korea and Russia.

In the second quarter of 2022, order intake for new vehicles decreased by 53 percent, compared to the same period of the previous year, to 18,225 (38,493) vehicles.

The truck market

Order intake

Scania's order intake decreased during the second quarter of 2022 and totalled 16,740 (37,412) trucks.

Order intake in Europe decreased by 46 percent to 12,154 (22,586) trucks, primarily related to Germany, Great Britain and Poland. In Latin America, order intake decreased by 75 percent to 2,129 (8,566) trucks, mainly related to Brazil. In Eurasia, order intake amounted to a negative 1,915 (1,230), attributable to cancelled order intake related to Russia. Order intake in Asia decreased by 28 percent to 2,338 (3,229) trucks, mainly related to Turkey, Hong Kong and China. In Africa and Oceania, order intake increased by 13 percent to 2,034 (1,801) trucks, primarily related to South Africa, Australia and Tanzania.

Deliveries

Scania's total truck deliveries decreased by 25 percent to 18,901 (25,249) units during the second quarter of 2022 compared to the same period of the previous year.

In Europe, deliveries decreased by 9 percent to 10,854 (11,992) trucks, mainly related to Poland, Netherlands and Germany. In Eurasia, deliveries decreased by 96 percent to 123 (2,848) trucks, primarily related to Russia. In Latin America, deliveries decreased by 25 percent to 4,283 (5,739) trucks, mainly related to Brazil. In Asia, deliveries decreased by 29 percent to 2,347 (3,289) trucks, primarily related to Turkey, China and Israel. In Africa and Oceania, deliveries decreased by 6 percent to 1,294 (1,381) trucks, mainly related to Tunisia and Egypt.

Net sales

Net sales of trucks decreased by 13 percent to SEK 41,624 m. (47,637) during the first half of 2022. During the second quarter, net sales decreased by 11 percent to SEK 22,702 m. (25,577).

The total European market for heavy trucks

The total market for heavy trucks in 27 of the European Union member countries (all EU countries except Malta) plus Norway, Great Britain, Switzerland and Iceland was unchanged at about 147 800 (147,800) units during the first half of 2022. Scania truck registrations amounted to some 19,500 (25,500) units, equivalent to a market share of about 13.2 (17.2) percent.

Scania trucks	Order intake			Deliveries		
	6 months 2022	6 months 2021	Change, %	6 months 2022	6 months 2021	Change, %
Europe	26,665	46,664	-43	20,388	23,798	-14
Eurasia	-2,971	3,673	-	998	4,585	-78
America*	5,068	12,700	-60	7,147	10,357	-31
Asia	3,872	6,395	-39	3,887	6,126	-37
Africa and Oceania	3,429	3,917	-12	2,381	2,406	-1
Total	36,063	73,349	-51	34,801	47,272	-26

*Refers to Latin America

The bus and coach market

Order intake

Order bookings for buses and coaches during the second quarter of 2022 increased by 37 percent to 1,485 (1,081) compared to the second quarter of 2021.

In Europe, order intake increased by 4 percent and amounted to 488 (469) buses and coaches, mainly related to Norway. In Latin America, order intake increased by 150 percent to 523 (209) buses and coaches, primarily related to Argentina. In Asia, order intake decreased by 44 percent to 128 (230) buses and coaches, mainly related to Taiwan and Israel. In Eurasia, order intake amounted to 0 (12) buses and coaches, primarily related to Russia. Order intake in Africa and Oceania increased by 115 percent to 346 (161) buses and coaches, mainly related to Australia.

Deliveries

Scania's bus and coach deliveries increased by 36 percent to 1,288 (947) buses and coaches during the second quarter of 2022.

In Europe, deliveries increased by 28 percent to 554 (432) buses and coaches, primarily related to Sweden and Italy. Deliveries in Latin America increased by 32 percent to 389 (294) buses and coaches, mainly related to Argentina. In Asia, deliveries increased by 102 percent to 89 (44) buses and coaches, primarily related to Israel. In Africa and Oceania, deliveries increased by 48 percent to 256 (173) buses and coaches, mainly related to Ghana. Deliveries to Eurasia amounted to 0 (4) buses and coaches, primarily related to Russia.

Scania's market share in buses and coaches in Europe amounted to around 5.5 percent in the first six months of 2022 compared to 6.0 percent during the same period of the previous year.

Net sales

Net sales of buses and coaches increased by 2 percent during the first half of 2022 to SEK 3,448 m. (3,380). During the second quarter, net sales increased by 41 percent to SEK 2,238 m. (1,591).

Scania buses and coaches	Order intake			Deliveries		
	6 months 2022	6 months 2021	Change, %	6 months 2022	6 months 2021	Change, %
Europe	958	868	10	841	640	31
Eurasia	5	23	-78	5	16	-69
America*	1,518	586	-	675	659	2
Asia	190	333	-43	197	150	31
Africa and Oceania	479	278	72	315	492	-36
Total	3,150	2,088	51	2,033	1,957	4

*Refers to Latin America

Power Solutions

Order intake

Total engine order intake decreased by 13 percent to 8,432 (9,693) units during the first half of 2022 compared to the previous year, mainly related to South Korea and Russia. During the second quarter of 2022, order intake decreased by 14 percent to 4,298 (5,011) compared to the same period of the previous year.

Deliveries

Deliveries of Power Solutions increased by 16 percent to 6,378 (5,508) units during the first half of 2022, primarily related to Brazil, Italy and Spain. During the second quarter of 2022, deliveries increased by 13 percent to 3,317 (2,935) units compared to the same period of the previous year.

Net sales

During the first half of 2022, net sales increased by 39 percent to SEK 1,597 m. (1,152). Net sales in the second quarter amounted to SEK 832 m. (600), an increase of 39 percent.

Services

Service revenue amounted to SEK 17,415 m. (14,509) during the first half of 2022, an increase of 20 percent. Higher volume in most markets impacted revenue positively. In local currencies, revenue increased by 13 percent.

In Europe, service revenue increased by 16 percent to SEK 11,973 m. (10,357) compared to the first half of 2021. In Latin America, revenue increased by 54 percent to SEK 2,137 m. (1,390) and service revenue in Eurasia increased by 6 percent to SEK 502 m. (475). Service revenue in Asia increased by 23 percent to SEK 1,558 m. (1,271). In Africa and Oceania, service revenue increased by 23 percent to SEK 1,245 m. (1,016).

Earnings

Vehicles and Services

The first half of 2022

Operating income in Vehicles and Services totalled SEK 5,264 m. (8,720) during the first half of 2022. The lower operating income was mainly due to lower vehicle volume, increased cost of input goods and weaker capacity utilisation in production caused by component shortages. During the period, impairment/write-downs of assets in Russia and Ukraine had a negative impact on earnings and amounted to SEK 242 m.

Compared to the first half of 2021, the total currency effect was positive and amounted to about SEK 1,474 m.

Scania's research and development expenditures amounted to SEK 4,773 m. (3,662). After adjusting for SEK 1,106 m. (833) in capitalised expenditures and SEK 550 m. (456) in depreciation of previously capitalised expenditures, recognised expenses increased to SEK 4,217 m. (3,285).

Second quarter

Operating income in Vehicles and Services totalled SEK 2,859 m. (4,585) during the second quarter of 2022. The lower operating income was mainly due to lower vehicle volume and increased cost of input goods and weaker capacity utilisation in production caused by component shortages. During the period, impairment/write-downs of assets in Russia amounted to SEK 114 m.

Compared to the second quarter of 2021, the total currency rate effect was positive and amounted to about SEK 1,030 m.

Scania's research and development expenditures amounted to SEK 2,536 m. (1,854). After adjusting for SEK 550 m. (441) in capitalised expenditures, and SEK 311 m. (233) in depreciation of previously capitalised expenditures, recognised expenses increased to SEK 2,297 m. (1,646).

Financial Services

Customer finance portfolio

At the end of the second quarter of 2022, the size of Scania's customer finance portfolio amounted to SEK 120.9 billion, which was SEK 12.1 billion higher than the end of 2021, including an acquisition of a finance portfolio of SEK 2.4 billion. In local currencies, the portfolio increased by SEK 2.5 billion.

Penetration rate

The penetration rate for new trucks was 40 (43) percent during the first half of 2022 in those markets where Scania has its own financing operations.

Operating income

Operating income in Financial Services decreased to SEK 387 m. (1,013) during the first half of 2022, compared to the same period in 2021, impacted by provisions for bad debt losses amounting to SEK 670 m. due to the war in Ukraine.

Scania Group

During the first six months of 2022, Scania's operating income amounted to SEK 5,651 m. (9,733). Operating margin amounted to 7.6 (13.0) percent. Scania's net financial items amounted to SEK 2,024 m. (-39).

The Scania Group's tax expense amounted to SEK 2,851 m. (2,460), equivalent to 37.1 (25.4) percent of income before taxes. Net income for the period totalled SEK 4,824 m. (7,234), equivalent to a net margin of 6.5 (9.7) percent.

Cash flow

Vehicles and Services

Scania's cash flow in Vehicles and Services amounted to SEK -13,220 m. (3,661) during the first half of 2022, excluding the payment of the European Commission's fine, cash flow amounted to SEK -3,563 m. Change in working capital had a negative impact by SEK 18,094 m., excluding the payment of the EU Commission's fine the working capital had a negative impact by SEK 8,437 m. (the payment of the European Commission's fine of SEK 9,657 m. was made on 12 April).

Net investments amounted to SEK 3,893 m. (4,026), including SEK 1,106 m. (833) in capitalisation of development expenses. At the end of the first half of 2022, the net cash position in Vehicles and Services amounted to SEK 17,536 m. compared to a net cash position of SEK 25,520 m. at the end of 2021.

Scania Group

Scania's cash flow in Financial Services amounted to SEK negative 490 m. (negative 5,313) during the first half of 2022 due to a decrease in the size of the customer finance portfolio. Together with the negative cash flow in Vehicles and Services, the Group's net debt increased by about SEK 18,804 m. compared to the end of 2021.

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 7 m. (0) during the first six months of 2022.

Miscellaneous

Number of employees

At the end of the second quarter of 2022, the number of employees totalled 55,630, compared to 53,307 on the same date in 2021.

Material risks and uncertainties

The impact of the war in Ukraine in 2022 is at this point in time difficult to assess, and also how it is developing and what measures different countries are taking to handle the situation. Scania will continuously assess the situation and potential impacts on future development and/or risks that can affect the future financial position. The situation can 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, can 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 them can occur independently or in combination and could have a negative impact on the Scania Groups' business and financial development and performance. See more under Risks and risk management. The section entitled "Risks and risk management" in Scania's Annual and Sustainability Report 2021 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 10 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) 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 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 was served a final decision by the EC in October 2017, holding Scania liable for such scope of a cartel in the amount of around EUR 880.5 m. in fines. Scania has appealed against this decision in its entirety, and has in January 2018 provided a guarantee as security for the fines pending the outcome of such appeal. The General Court rendered its judgement on 2 February 2022, dismissing Scania's appeal entirely and upholding the full amount of fines as set by the EC. Scania appealed the judgement on 8 April 2022 to the EU Court of Justice. Due to the judgement Scania increased its provision to SEK 9 029 m. (EUR 880.5 m.) plus accrued interest to SEK 543 m. (EUR 52.8 m.) earlier recorded to SEK 228 m. The total amount of the fine, including the interest, was paid on April 12. 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 (IFRSs) as adopted by the EU with the exception of new and revised standards and interpretations that entered into force on 1 January 2022. The accounting policies and definitions are consistently applied with those described in Scania's Annual and Sustainability Report 2021. This Interim Report for the Scania Group has been prepared in accordance with IAS 34, "Interim Financial Reporting" and the Annual Accounts Act.

Parent Company

The Interim Report for the Parent Company, Scania AB, has been prepared in accordance with the Annual Accounts Act and recommendation RFR 2, "Accounting for Legal Entities" of the Swedish Financial Reporting Board.

Dividend and Annual General Meeting

Scania's Annual General Meeting for the financial year 2021 was held on 5 May 2022 in Södertälje, Sweden. The Annual General Meeting resolved against the Board of Director's dividend proposal and decided that no dividend will be paid for 2021. Decisions on dividends can be made at an Extraordinary General Meeting.

Contact persons

Susanna Berlin
Acting Head of Corporate Communications
Tel. +46 8 553 861 12
Mobile +46 70 086 05 02

Erik Bratthall
Corporate Public and Media Relations manager
Tel. +46 8 553 801 51
Mobile +46 76 724 45 27

Consolidated income statements, condensed

Amounts in SEK m. unless otherwise stated	First Half		2021	Change in %	Q2	
	EUR m.*	2022			2022	2021
Revenue	6,965	74,690	74,776	0	39,933	39,068
Cost of goods sold and services rendered	-5,234	-56,130	-55,299	2	-30,192	-28,946
Gross income	1,731	18,560	19,477	-5	9,741	10,122
Research and development expenses	-393	-4,217	-3,285	28	-2,297	-1,646
Selling expenses	-695	-7,451	-5,406	38	-3,857	-2,803
Administrative expenses	-111	-1,191	-1,081	10	-629	-600
Other operating income ²⁾	105	1,122	1,260	-11	529	400
Other operating expenses ²⁾	-93	-996	-1,232	-19	-443	-397
Items affecting comparability ³⁾	-16	-176	0		0	0
Operating income	528	5,651	9,733	-42	3,044	5,076
Interest income	50	541	298	82	378	132
Interest expenses	-37	-397	-406	-2	-296	-186
Share of income from associated companies and joint ventures	-3	-28	35		-17	39
Other financial income	244	2,615	477		1,065	196
Other financial expenses	-66	-707	-443	60	-451	-168
Total financial items	188	2,024	-39		679	13
Income before taxes	716	7,675	9,694	-21	3,723	5,089
Taxes	-266	-2,851	-2,460	16	-1,289	-1,324
Net income for the period	450	4,824	7,234	-33	2,434	3,765
Other comprehensive income						
Items that may be reclassified subsequently to profit or loss						
Translation differences	449	4,818	1,157		2,847	455
Income tax	2	21	18		-4	3
	451	4,839	1,175		2,843	458
Items that will not be reclassified to profit or loss						
Re-measurement defined benefit plans ¹⁾	281	3,013	997		2,603	46
Fair value adjustment equity instruments	7	79	402		51	402
Income tax	-60	-641	-288		-546	-92
	228	2,451	1,111		2,108	356
Other comprehensive income for the period	679	7,290	2,286		4,951	814
Total comprehensive income for the period	1,129	12,114	9,520		7,385	4,579
Net income attributable to:						
<i>Scania shareholders</i>	450	4,823	7,232		2,435	3,763
<i>Non-controlling interest</i>	0	1	2		-1	2
Total comprehensive income attributable to:						
<i>Scania shareholders</i>	1,129	12,113	9,518		7,386	4,577
<i>Non-controlling interest</i>	0	1	2		-1	2
<i>Operating income includes depreciation of</i>	-547	-5,864	-5,500		-3,025	-2,724
Operating margin, percent		7.6	13.0		7.6	13.0

1) Discount rate in calculating the Swedish pension liability is 3.75% and inflation 2.75%.

2) 2022 currency effects for financial services are presented as gross amounts in other operating income and expenses. 2021 have been restated accordingly.

3) See note 3 on page 17.

* Translated solely for the convenience of the reader at a closing exchange rate of SEK 10.72 = EUR 1.00.

Revenue and deliveries, Vehicles and Services

Amounts in SEK m. unless otherwise stated

	First Half			Change in %	Q2	
	EUR m.	2022	2021		2022	2021
Revenue						
Trucks	3,881	41,624	47,637	-13	22,702	25,577
Buses*	322	3,448	3,380	2	2,238	1,591
Power Solutions	149	1,597	1,152	39	832	600
Service-related products	1,624	17,415	14,509	20	8,739	7,235
Used vehicles	436	4,679	4,134	13	2,358	2,059
Miscellaneous	187	2,006	2,369	-15	1,026	1,231
Delivery sales value	6,599	70,769	73,181	-3	37,895	38,293
Revenue deferrals ¹⁾	87	924	-678		455	-400
Revenue	6,686	71,693	72,503	-1	38,350	37,893

Revenue²⁾

Europe	4,368	46,840	44,618	5	24,270	22,595
Eurasia	159	1,701	4,971	-66	455	3,040
America**	1,039	11,145	10,114	10	6,845	5,532
Asia	630	6,751	7,811	-14	3,729	4,140
Africa and Oceania	490	5,256	4,989	5	3,051	2,586
Revenue	6,686	71,693	72,503	-1	38,350	37,893

Total delivery volume, units

Trucks		34,801	47,272	-26	18,901	25,249
Buses*		2,033	1,957	4	1,288	947
Power Solutions		6,378	5,508	16	3,317	2,935

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	2022		2021	
	EUR m.	30 Jun	31 Dec	30 Jun
Assets				
Non-current assets				
Intangible assets	1,332	14,280	13,587	12,903
Tangible assets	4,056	43,492	41,465	39,733
Lease assets	2,430	26,058	26,659	27,425
Shares and participations	258	2,772	2,410	2,380
Interest-bearing receivables	6,057	64,957	57,507	55,322
Other receivables ¹⁾	856	9,174	8,477	7,697
Current assets				
Inventories	2,931	31,432	23,943	25,528
Interest-bearing receivables	3,822	40,987	35,646	32,945
Other receivables	1,939	20,793	18,484	16,968
Current investments	82	876	386	52
Cash and cash equivalents	1,838	19,711	29,262	27,917
Total assets	25,601	274,532	257,826	248,870
Equity and liabilities				
Equity				
Scania shareholders	7,488	80,302	68,189	68,353
Non-controlling interest	2	23	24	12
Total equity	7,490	80,325	68,213	68,365
Non-current liabilities				
Interest-bearing liabilities	6,498	69,684	62,192	58,038
Provisions for pensions	901	9,663	12,455	11,649
Other provisions	379	4,064	3,394	7,148
Other liabilities ¹⁾	1,636	17,542	15,177	16,680
Current liabilities				
Interest-bearing liabilities	3,739	40,090	37,953	39,113
Provisions ²⁾	413	4,424	13,540	4,362
Other liabilities	4,545	48,740	44,902	43,515
Total equity and liabilities	25,601	274,532	257,826	248,870
¹⁾ Including deferred tax				
²⁾ Including provision related to the European Commission's competition investigation				
Equity/assets ratio, percent		29.3	26.5	27.5

Statement of changes in equity, condensed

Amounts in SEK m. unless otherwise stated	First Half		
	EUR m.	2022	2021
Equity, 1 January	6,361	68,213	61,547
Net income for the period	450	4,824	7,234
Other comprehensive income for the period	679	7,290	2,286
Dividend to shareholders	-	-	-2,700
Change in non-controlling interest	0	-2	-2
Total equity at the end of the period	7,490	80,325	68,365
Attributable to:			
Scania AB shareholders	7,488	80,302	68,353
Non-controlling interest	2	23	12

Cash flow statement, condensed

Amounts in SEK m. unless otherwise stated	First Half			Q2	
	EUR m.	2022	2021	2022	2021
Operating activities					
Income before tax	716	7,675	9,694	3,723	5,089
Items not affecting cash flow	388	4,165	5,394	2,550	2,517
Taxes paid	-256	-2,748	-2,356	-1,555	-1,191
Cash flow from operating activities before change in working capital	848	9,092	12,732	4,718	6,415
Change in working capital	-1,726	-18,508	-10,649	-16,540	-7,750
Cash flow from operating activities	-878	-9,416	2,083	-11,822	-1,335
Investing activities					
Net investments ¹⁾	-398	-4,264	-4,040	-1,638	-2,257
Cash flow from investing activities attributable to operating activities	-398	-4,264	-4,040	-1,638	-2,257
Cash flow after investing activities attributable to operating activities	-1,276	-13,680	-1,957	-13,460	-3,592
Investments in securities and loans	-34	-360	3	-383	3
Cash flow from investing activities	-432	-4,624	-4,037	-2,021	-2,254
Cash flow before financing activities	-1,310	-14,040	-1,954	-13,843	-3,589
Financing activities					
Change in debt from financing activities	263	2,823	27	3,182	5,012
Transactions with non-controlling interests	-	-	-2	-	-
Dividend	-	-	-2,700	-	-2,700
Cash flow from financing activities	263	2,823	-2,675	3,182	2,312
Cash flow for the period	-1,047	-11,217	-4,629	-10,661	-1,277
Cash and cash equivalents at beginning of period	2,729	29,262	32,268	28,983	29,185
Exchange rate differences in cash and cash equivalents	156	1,666	278	1,389	9
Cash and cash equivalents at end of period	1,838	19,711	27,917	19,711	27,917
Cash flow statement, Vehicles and services					
Cash flow from operating activities before change in working capital	850	9,113	12,153	4,854	6,280
Change in working capital	-1,687	-18,094	-4,466	-15,267	-3,233
Cash flow from operating activities	-837	-8,981	7,687	-10,413	3,047
Cash flow from investing activities attributable to operating activities	-395	-4,239	-4,026	-1,623	-2,248
Cash flow after investing activities attributable to operating activities	-1,232	-13,220	3,661	-12,036	799

1) See note 4 on page 17.

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 111 m. (136). 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 1,269 m. (845), Other current receivables SEK 314 m. (863), Other non-current liabilities SEK 2,536 m. (384) and Other current liabilities SEK 1,082 m. (381). Equity instrument assets are carried according to Level 3 based on unobservable data and amount to SEK 1,298 m. (1,144)

For financial assets that are carried at amortised cost, book value amounts to SEK 137,425 m. (131,818) and fair value to SEK 133,581 m. (131,142). For financial liabilities that are carried at amortised cost, book value amounts to SEK 126,854 m. (113,880) and fair value to SEK 125,947 m. (114,313). 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 AB's Annual Report for 2021.

Quarterly data, units by geographic area

	2022		2021				
	Q2	Q1	Full year	Q4	Q3	Q2	Q1
Order bookings, trucks							
Europe	12,154	14,511	64,575	8,904	9,007	22,586	24,078
Eurasia	-1,915	-1,056	6,256	598	1,985	1,230	2,443
America*	2,129	2,939	23,626	2,094	8,832	8,566	4,134
Asia	2,338	1,534	10,840	2,028	2,417	3,229	3,166
Africa and Oceania	2,034	1,395	7,705	2,245	1,543	1,801	2,116
Total	16,740	19,323	113,002	15,869	23,784	37,412	35,937
Trucks delivered							
Europe	10,854	9,534	42,365	11,456	7,111	11,992	11,806
Eurasia	123	875	7,724	1,671	1,468	2,848	1,737
America*	4,283	2,864	21,201	5,665	5,179	5,739	4,618
Asia	2,347	1,540	9,649	1,734	1,789	3,289	2,837
Africa and Oceania	1,294	1,087	4,991	1,399	1,186	1,381	1,025
Total	18,901	15,900	85,930	21,925	16,733	25,249	22,023
Order bookings, buses**							
Europe	488	470	1,266	197	201	469	399
Eurasia	0	5	39	11	5	12	11
America*	523	995	1,228	228	414	209	377
Asia	128	62	332	-72	71	230	103
Africa and Oceania	346	133	931	105	548	161	117
Total	1,485	1,665	3,796	469	1,239	1,081	1,007
Buses delivered**							
Europe	554	287	1,606	528	438	432	208
Eurasia	0	5	40	11	13	4	12
America*	389	286	1,526	324	543	294	365
Asia	89	108	350	111	89	44	106
Africa and Oceania	256	59	914	232	190	173	319
Total	1,288	745	4,436	1,206	1,273	947	1,010

* Refers mainly to Latin America

** Including body-built buses and coaches.

Parent Company Scania AB, financial statements

Amounts in SEK m. unless otherwise stated	First Half		
	EUR m.	2022	2021
Income statement			
Financial income and expenses	1	7	-
Net income for the period	1	7	-

	2022			2021
	EUR m.	30 Jun	30 Jun	30 Jun
Balance sheet				
Assets				
Financial non-current assets				
Shares in subsidiaries	787	8,435	8,435	
Current assets				
Due from subsidiaries	906	9,716	3,501	
Total assets	1,693	18,151	11,936	
Equity				
Equity	1,693	18,151	11,936	
Total shareholders' equity	1,693	18,151	11,936	
Total equity and liabilities	1,693	18,151	11,936	

	2022			2021
	EUR m.	30 Jun	30 Jun	30 Jun
Statement of changes in equity				
Equity, 1 January	1,692	18,144	14,636	
Total comprehensive income	1	7	-	
Dividend	-	-	-2,700	
Equity	1,693	18,151	11,936	

Note 1 Segment Reporting

Income statements

Vehicles and Services

Amounts in SEK m. unless otherwise stated	2022	2021	2022	2021
	First Half	First Half	Q2	Q2
Revenue	71,693	72,503	38,350	37,893
Cost of goods sold	-54,997	-54,661	-29,556	-28,614
Gross income	16,696	17,842	8,794	9,279
Research and development expenses	-4,217	-3,285	-2,297	-1,646
Selling expenses	-5,848	-4,756	-3,009	-2,448
Administrative expenses	-1,191	-1,081	-629	-600
Items affecting comparability	-176	-	-	-
Operating income	5,264	8,720	2,859	4,585
Interest income	541	298	378	132
Interest expenses	-397	-406	-296	-186
Share of income in associated companies and joint ventures	-28	35	-17	39
Dividends in between segments	64	67	64	67
Other financial income	2,615	477	1,065	196
Other financial expenses	-707	-443	-451	-168
Total financial items	2,088	28	743	80
Income before taxes	7,352	8,748	3,602	4,665
Taxes	-2,544	-2,200	-1,116	-1,194
Net income for the period	4,808	6,548	2,486	3,471

Financial Services

Amounts in SEK m. unless otherwise stated				
Interest and lease income	4,896	4,091	2,460	2,082
Insurance commission	162	152	88	84
Interest and prepaid expenses	-3,194	-2,608	-1,601	-1,323
Interest surplus and insurance commission	1,864	1,635	947	843
Other income	1,122	1,260	529	400
Other expenses	-996	-1,232	-443	-397
Gross income	1,990	1,663	1,033	846
Selling and administration expenses	-784	-672	-407	-350
Bad debt expenses, realised and anticipated	-819	22	-441	-5
Operating income	387	1,013	185	491
Income before tax	387	1,013	185	491
Taxes	-299	-255	-172	-128
Net income for the period	88	758	13	363

Reconciliation of segments to the Scania Group

January-June	Vehicles & Services		Financial Services		Eliminations		Scania Group	
	2022 First Half	2021 First Half	2022 First Half	2021 First Half	2022 First Half	2021 First Half	2022 First Half	2021 First Half
Amounts in SEK m. unless otherwise stated								
Revenue	71,693	72,503	5,058	4,243	-2,061	-1,970	74,690	74,776
Cost of sales	-54,997	-54,661	-3,194	-2,608	2,061	1,970	-56,130	-55,299
Gross income	16,696	17,842	1,864	1,635	0	0	18,560	19,477
Research and development expenses	-4,217	-3,285					-4,217	-3,285
Selling expenses	-5,848	-4,756	-1,603	-650			-7,451	-5,406
Administrative expenses	-1,191	-1,081					-1,191	-1,081
Items affecting comparability	-176	-					-176	-
Other operating income			1,122	1,260			1,122	1,260
Other operating expenses			-996	-1,232			-996	-1,232
Operating income	5,264	8,720	387	1,013	-	-	5,651	9,733
Interest income	541	298					541	298
Interest expenses	-397	-406					-397	-406
Share of income in associated companies and joint ventures	-28	35					-28	35
Dividends in between segments	64	67			-64	-67	0	0
Other financial income	2,615	477					2,615	477
Other financial expenses	-707	-443					-707	-443
Total financial items	2,088	28	-	-	-64	-67	2,024	-39
Income before taxes	7,352	8,748	387	1,013	-64	-67	7,675	9,694
Taxes	-2,544	-2,200	-299	-255	-8	-5	-2,851	-2,460
Net income for the period	4,808	6,548	88	758	-72	-72	4,824	7,234

April-June

	Vehicles & Services		Financial Services		Eliminations		Scania Group	
	2022 Q2	2021 Q2	2022 Q2	2021 Q2	2022 Q2	2021 Q2	2022 Q2	2021 Q2
Amounts in SEK m. unless otherwise stated								
Revenue	38,350	37,893	2,548	2,166	-965	-991	39,933	39,068
Cost of sales	-29,556	-28,614	-1,601	-1,323	965	991	-30,192	-28,946
Gross income	8,794	9,279	947	843	0	0	9,741	10,122
Research and development expenses	-2,297	-1,646	-	-			-2,297	-1,646
Selling expenses	-3,009	-2,448	-848	-355			-3,857	-2,803
Administrative expenses	-629	-600	-	-			-629	-600
Other operating income	-	-	529	400			529	400
Other operating expenses	-	-	-443	-397			-443	-397
Operating income	2,859	4,585	185	491	-	-	3,044	5,076
Interest income	378	132					378	132
Interest expenses	-296	-186					-296	-186
Share of income in associated companies and joint ventures	-17	39					-17	39
Dividends in between segments	64	67			-64	-67	0	0
Other financial income	1,065	196					1,065	196
Other financial expenses	-451	-168					-451	-168
Total financial items	743	80	-	-	-64	-67	679	13
Income before taxes	3,602	4,665	185	491	-64	-67	3,723	5,089
Taxes	-1,116	-1,194	-172	-128	-1	-2	-1,289	-1,324
Net income for the period	2,486	3,471	13	363	-65	-69	2,434	3,765

Note 2 Financial risk management in the financial reporting regarding the war in Ukraine

In 2021, Scania's operations in the Russian and Ukrainian markets amounted to approximately 6 percent of total revenues, where Ukraine made up less than 1 percent. On the balance sheet these markets amounted to approximately 3 percent, where Ukraine made up less than 1 percent. Assessments were made in the Scania entities in the impacted regions regarding potential impairment of assets. There is still great uncertainty, and further write-downs may be necessary going forward.

Impairment Vehicles and Services

For the entities in Ukraine and Russia, write-downs have been made by SEK 128 m. and 114 m. respectively in fixed assets, inventories and receivables.

Credit risk Financial Services

Scania is continuously assessing the credit risk and during the first half of 2022 extra provisions have been provided towards Russia and Ukraine by SEK 522m. and SEK 149m. respectively for potential future credit losses with regards to the exposure in the area impacted by the war between them.

Note 3 Items affecting comparability

In February 2022, the European Court of Justice rejected Scania's appeal of the EU truck case and upheld the European Commission's fine. In 2021, due to the judgement, Scania increased the provision by SEK 5,229 m. to SEK 9,029 m. and the accrued interest provision by SEK 315 m. to SEK 543 m. During 2022, a translation effect of SEK 176 m. impacted the items affecting comparability. The total amount of the fine, including the interest, totalling SEK 9,657 m. was paid on April 12.

Note 4 Acquisition

On 3 January 2022, Scania Sverige AB acquired Bilmetro AB and three real estate companies. The acquisition relates to 100 percent of the shares. Bilmetro AB is an authorized dealer of Scania trucks as well as of the passenger car brands Volkswagen, Audi, ŠKODA, SEAT, CUPRA and Volkswagen Commercial Vehicles. The passenger car business was sold to Din Bil Sverige AB as of 3 January 2022. The balance sheet total for Bilmetro AB, excluding Din Bil Sverige AB, as of the acquisition date amounted to SEK 3,607 m., including a financing portfolio amounting to SEK 2,675 m. The acquisition analysis shows no material goodwill and has no material impact on Scania's Group's sales and balance sheet total.

Note 5 Restricted cash

Cash and cash equivalents in the Ukrainian and Russian entities amounts to SEK 2,714 m. Restrictions are placed on these funds which limits Scania's ability to freely use them.

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 revenue.

Net margin

Net income as a percentage of revenue.

Net debt (+) / net cash (-) (excluding provision for pensions)

Current and non-current interest-bearing liabilities (excluding pension provisions) less cash and cash equivalents, current investments and non-current intra-group loans to Volkswagen entities.

Capital employed ¹⁾

Total assets excluding shares and participations in group companies 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 for the thirteen most recent months.

²⁾ Operating income is calculated on rolling 12 months.

Amounts in SEK m. unless otherwise stated

Scania Group

Operating and net income	<i>EUR m.</i>	First Half		Q2	
		2022	2021	2022	2021
<i>Revenue</i>	6,965	74,690	74,776	39,933	39,068
<i>Operating income</i>	526	5,651	9,733	3,044	5,076
<i>Net income for the period</i>	450	4,824	7,234	2,434	3,765
<i>Operating margin, % (Operating income/Revenue)</i>		7.6	13.0	7.6	13.0
<i>Net margin, % (Net income/Revenue)</i>		6.5	9.7	6.1	9.6

RECONCILIATIONS

Amounts in SEK m. unless otherwise stated

Scania Group

Net debt/Net cash, excluding provision for pensions

Assets	EUR m.	30 Jun	31 Dec
Current investments	82	876	386
Cash and cash equivalents	1,838	19,711	29,262
Loans to Volkswagen entities	0	1	2
Accrued interest in current investments	-1	-15	-14
	1,919	20,573	29,636

Liabilities

Interest-bearing liabilities, non-current	6,498	69,684	62,192
Interest-bearing liabilities, current	3,739	40,090	37,953
Accrued interest in interest-bearing liabilities	-25	-272	-384
	10,212	109,502	99,761

Net debt	8,293	88,929	70,125
-----------------	-------	--------	--------

Vehicles and Services

Net debt/Net cash, excluding provision for pensions

Assets	EUR m.	30 Jun	31 Dec
Current investments	662	7,104	2,779
Cash and cash equivalents	1,480	15,873	28,280
Accrued interest in current investments	-1	-14	-13
	2,141	22,963	31,046

Liabilities

Interest-bearing liabilities, non-current	405	4,339	4,430
Interest-bearing liabilities, current	101	1,088	1,096
	506	5,427	5,526

Net cash	-1,635	-17,536	-25,520
-----------------	--------	---------	---------

Capital employed

	EUR m.	30 Jun	30 Jun
Total assets, excl. shares and participations in group companies	15,177	162,752	155,582
Operating liabilities			
Other provisions, non-current and current	1,172	12,563	10,789
Other liabilities, non-current and current	6,819	73,126	71,381
Net derivatives	-20	-215	1,790
Capital employed	7,206	77,278	71,622
Items affecting comparability	432	4,629	3,800
Adjusted capital employed	7,638	81,907	75,422

Return on capital employed

	EUR m.	30 Jun	30 Jun
Operating income	526	5,644	14,147
Items affecting comparability	488	5,229	-
Adjusted Operating income	1,014	10,873	14,147
Financial income	344	3,686	1,293
Capital employed	7,206	77,278	71,622
Return on capital employed		12.1%	21.6%
Adjusted return on capital employed		17.8%	20.5%