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## **Record earnings in Scania Financial Services**

**Operating income in Scania Financial Services increased to more than SEK 1 billion during 2014. Customers are increasingly choosing Scania as their long-term partner in vehicle financing, which has meant a growing portfolio. Lower bad debt expenses and better margins also contributed to the improved earnings.**

In total 35,097 trucks, buses and trailers were financed during 2014, compared to 33,109 units in 2013. Scania's finance portfolio grew to SEK 55.6 billion, a currency adjusted increase of 8 percent. Operating income in Financial Services rose to a record high SEK 1,016 m. (719).

"More and more of our customers see the benefits in Scania's overall solutions. We are a long-term partner that can support the customer regardless of the business climate. In addition to the growth of our finance portfolio, we see a significant increase in demand for insurance solutions," says Scania's President and CEO Martin Lundstedt.

By offering customers insurance solutions, Scania can contribute to a quicker insurance claims process.

"Together with Scania's high quality service organisation, our customers can minimise the negative effects of unplanned downtime," explains Lundstedt.

### **Lower bad debt expenses**

Bad debt expenses amounted to SEK 167 m. during 2014, which was lower than the previous year (SEK 297 m). Scania's customer finance portfolio is well diversified with regard to geography, industry and customer size, which limits the risks.

"The lower bad debt expenses indicate that we have a very professional customer base and that our customers performed well in general during 2014. It is also a result of the further improved model for underwriting credit and working close to our customers," comments Koen Knoops, Head of Scania Financial Services.

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*Scania is one of the world's leading manufacturers of trucks and buses for heavy transport applications, and of industrial and marine engines. Service-related products account for a growing proportion of the company's operations, assuring Scania customers of cost-effective transport solutions and maximum uptime. Scania also offers financial services. Employing some 41,000 people, the company operates in about 100 countries. Research and development activities are concentrated in Sweden, while production takes place in Europe and South America, with facilities for global interchange of both components and complete vehicles. In 2013, net sales totalled SEK 86.8 billion and net income amounted to SEK 6.2 billion. Scania press releases are available on [www.scania.com](http://www.scania.com)*

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