



PRESS RELEASE

Volvo Group and Isuzu Motors complete UD Trucks transaction as part of the strategic alliance

The Volvo Group and Isuzu Motors today completed the transaction whereby Isuzu Motors acquired UD Trucks from the Volvo Group for an enterprise value of JPY 243 billion (approximately SEK 19 billion) on a cash and debt free basis. The strategic alliance within commercial vehicles between the two groups, aiming to capture opportunities in the ongoing industry transformation, will now also become operational. The transaction is estimated to have a positive impact on the Volvo Group's operating income in the second quarter 2021 of close to SEK 2 billion and increase the Volvo Group's net cash position by approximately SEK 19 billion.

The Alliance between the [Volvo Group](#) and [Isuzu Motors](#) is set to build long-term and robust relationship. Alliance work is now entering the next phase to derive potential synergies in areas that will encompass but are not be limited to:

- Forming a technology partnership, intended to leverage the parties' complementary areas of expertise within both well-known and [new technologies](#) and creating a larger volume base to support investments for world-class technology.
- Creating the best long-term conditions for a stronger heavy-duty truck business for UD Trucks and Isuzu Motors in Japan and across international markets by transferring ownership of the complete UD Trucks business from the Volvo Group to Isuzu Motors.
- Exploring further opportunities for even broader and deeper collaboration within the commercial vehicle businesses across geographical areas and product lines for future urban logistics solutions.
- Exploring cooperation in the areas of purchasing and logistics, leveraging common technology, as well as the geographical footprint complementarity and volume expansion.

The Volvo Group and Isuzu Motors will establish a Joint Alliance Office, with facilities both in Japan and Sweden, which will be overseen by an Alliance Board comprising the Isuzu Motors President, the Volvo Group CEO and other key executives from the two groups.

The Alliance is agreed to have a minimum duration of 20 years and is intended to address possibilities and challenges of the logistics industry of the future, maximizing value and benefits for customers as well as for society.



UD Trucks' revenues for 2020 amounted to JPY 261 billion (approx. SEK 23 billion). The business had a marginally positive impact on the Volvo Group's operating income in the same period.

In respect of Isuzu Motors' acquisition of [UD Trucks](#), an additional amount up to JPY 15 billion (approx. SEK 1.2 billion) is to be paid to Volvo Group as an earnout subject to the performance of UD Trucks during the years 2021-2023.

April 1, 2021

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The Volvo Group drives prosperity through transport and infrastructure solutions, offering trucks, buses, construction equipment, power solutions for marine and industrial applications, financing and services that increase our customers' uptime and productivity. Founded in 1927, the Volvo Group is committed to shaping the future landscape of sustainable transport and infrastructure solutions. The Volvo Group is headquartered in Gothenburg, Sweden, employs almost 100.000 people and serves customers in more than 190 markets. In 2020, net sales amounted to about SEK 338 billion (EUR 33.6 billion). Volvo shares are listed on Nasdaq Stockholm.