



The Leader in Stock Valuation and Forecasting

RATING AND FORECAST REPORT

Company Name: VOLVO AB-B

Ticker: VLVLY

Jul. 05, 2017

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Rating and Forecast Report

VOLVO AB-B (OTC: VLVLY)



Report Date: Jul 5, 2017

DATA SUMMARY

Sector: Auto-Tires-Trucks

Industry: Auto/Truck-Original Eqp

Last Close: \$17.17

Trade Date: Jul 3, 2017

1-Yr Forecast: 8.97%

1-Yr Momentum: 71.87%

Trailing P/E: 17.34

Market Cap (bil): 27.87

Forward P/E: 15.75

EPS Growth: 10.10%

PEG Ratio: 1.72

P/S Ratio: 0.79

M/B Ratio: 3.76

5-Yr Avg Return: 40.20%

Volatility: 25.08%

Sharpe Ratio: 1.60

Beta: 1.29

Annual Dividend: \$0.26

Dividend Yield: 1.54%

52-Wk High: \$17.38

52-Wk Low: \$9.13

Avg Volume: 7461

VALUENGINE RECOMMENDATION

NEGATIVE
underperform

NEUTRAL
match

POSITIVE
outperform

ValuEngine
Rating



ValuEngine recommendation covers more than 5000 companies. The recommendations are based on the proprietary ValuEngine one-year forecast return model output for each individual equity. ValuEngine's Five-Engine rating stocks have an averaged annual return of 20.34% since 2002.

FORECAST ANALYSIS

	Target Price	Exp. Return
1-Month	\$17.30	0.75%
3-Month	\$17.03	-0.83%
6-Month	\$17.45	1.63%
1-Year	\$18.71	8.97%
2-Year	\$17.35	1.06%
3-Year	\$16.87	-1.75%

The predictive variables used in ValuEngine's forecast model include both proprietary and well-established variables derived from credible financial studies and publications. We use a distinct forecasting model for each time horizon and apply the most advanced statistical/econometric techniques to ensure that our stock return forecasts are as reliable as possible.

[Click for more information on ValuEngine's models.](#)

PRICE AND RECOMMENDATION HISTORY



Most Recent Recommendation Changes

Jun 01, 2017

Upgrade to Buy

Past Performance

Last One Month	0.79%
Last Three Month	19.65%
Last Six Month	47.00%
Last One Year	71.87%

CONTACT VALUENGINE

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ValuEngine's fundamentally-based, quant-derived research is now available to private investors. ValuEngine's research will enhance your ability to evaluate individual stocks, manage your portfolio and allocate capital for maximum returns. ValuEngine currently covers @5500 US equities as well as most major Canadian stocks.

Rating and Forecast Report

VOLVO AB-B (OTC: VLVLY)



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VALUENGINE EVALUATION & RANKINGS

	Value	Rank
1-Yr Forecast	8.97%	93
1-Yr Momentum	71.87%	91
P/E Ratio	17.34	72
Market Cap	27.87B	96
EPS Growth	10.10%	40
5-Yr Avg Return	40.20%	97
Volatility	25.08%	60
Sharpe Ratio	1.60	98
P/S Ratio	0.79	76
M/B Ratio	3.76	34
Surprise	-3.59%	31
Beta	1.29	26

Just as important as the percentages shown for our predictive variables for each stock is the way they are ranked against @7000 stocks in our database. This is sometimes confusing to newcomers to ValuEngine. Each of these quantitative measurements is ranked on a scale of 1 to 100. Generally the higher the ranking, the more positive the influence each measurement has on the overall attractiveness of the stock. In other words a high rank is always better. For example:
 Forecast rank 93: 7% of stocks have higher forecast returns.
 Momentum rank 91: 9% of stocks have higher momentum.
 P/E rank 72: 28% of stocks have lower P/E ratios.
 Size rank 96: 4% of stocks have higher market capitalization.
 Volatility rank 60: 40% of stocks have less volatility.

COMPARISON TO INDUSTRY

1-Yr Forecast		Rank	EPS Growth		Rank
VLVLY	8.97%	93	VLVLY	10.10%	40
Industry	7.23%	81	Industry	19.84%	40
Sector	6.25%	78	Sector	23.20%	45
1-Yr Momentum		Rank	5-Yr Avg Return		Rank
VLVLY	71.87%	91	VLVLY	40.20%	97
Industry	48.40%	66	Industry	10.49%	69
Sector	38.55%	63	Sector	5.99%	62
S&P 500	15.50%	55	S&P 500	3.05%	55
Valuation		Rank	P/S Ratio		Rank
VLVLY			VLVLY	0.79	76
Industry	5.15%	51	Industry	2.93	69
Sector	6.46%	51	Sector	2.75	70
P/E Ratio		Rank	M/B Ratio		Rank
VLVLY	17.34	72	VLVLY	3.76	34
Industry	14.44	77	Industry	6.07	38
Sector	15.00	74	Sector	4.93	46
Market Cap (bil.)		Rank	Surprise		Rank
VLVLY	27.87	96	VLVLY	-3.59%	31
Industry	4.68	61	Industry	7.36%	63
Sector	11.32	65	Sector	4.25%	57
Volatility		Rank	SharpeRatio		Rank
VLVLY	25.08%	60	VLVLY	1.60	98
Industry	45.64%	46	Industry	0.38	65
Sector	46.49%	46	Sector	0.27	59
S&P 500	19.24%	71	S&P 500	0.16	58

Rating and Forecast Report

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COMPARISON WITH PEERS

Return Forecast : Expected Return

Ticker	Company Name	VE Rating	1-Mon	3-Mon	6-Mon	1-Yr	2-Yr	3-Yr
VLVLY	VOLVO AB-B	4	0.75%	-0.83%	1.63%	8.97%	1.06%	-1.75%
DNZOY	DENSO CORP	4	0.67%	0.30%	1.41%	8.09%	6.29%	8.07%
DLPH	DELPHI AUTO PLC	4	0.87%	-0.28%	1.35%	10.38%	3.78%	3.26%
RACE	FERRARI NV	3	0.24%	-1.75%	0.48%	2.92%	-5.99%	-12.07%
ASEKY	AISIN SEIKO LTD	4	0.59%	0.16%	1.23%	7.08%	5.00%	6.16%

1-Yr Forecast

Ticker	Forecast	Rank
VLVLY	8.97%	93
DNZOY	8.09%	91
DLPH	10.38%	95
RACE	2.92%	68
ASEKY	7.08%	88

EPS Growth

Ticker	EPS Growth	Rank
VLVLY	10.10%	40
DNZOY	1.47%	22
DLPH	5.63%	30
RACE	10.44%	41
ASEKY	33.06%	66

1-Yr Momentum

Ticker	Momentum	Rank
VLVLY	71.87%	93
DNZOY	23.38%	66
DLPH	38.01%	77
RACE	106.87%	95
ASEKY		

5-Yr Avg Return

Ticker	Avg Return	Rank
VLVLY	40.20%	97
DNZOY	4.33%	58
DLPH	24.69%	92
RACE	32.04%	95
ASEKY	29.74%	94

Valuation

Ticker	Valuation	Rank
VLVLY		
DNZOY		
DLPH	2.12%	55
RACE		
ASEKY		

P/S Ratio

Ticker	P/S Ratio	Rank
VLVLY	0.79	76
DNZOY	0.90	72
DLPH	1.54	57
RACE	4.55	24
ASEKY		

P/E Ratio

Ticker	P/E Ratio	Rank
VLVLY	17.34	72
DNZOY	13.81	83
DLPH	13.36	84
RACE	31.43	44
ASEKY	15.31	79

M/B Ratio

Ticker	M/B Ratio	Rank
VLVLY	3.76	34
DNZOY	1.20	74
DLPH	175.65	2
RACE	31.63	5
ASEKY	0.98	81

Market Cap (bil.)

Ticker	Market Cap	Rank
VLVLY	27.87	96
DNZOY	37.41	97
DLPH	26.00	95
RACE	16.21	93
ASEKY	15.11	93

Surprise

Ticker	Surprise	Rank
VLVLY	-3.59%	31
DNZOY		
DLPH	7.87%	64
RACE	31.16%	85
ASEKY		

Volatility

Ticker	Volatility	Rank
VLVLY	25.08%	60
DNZOY	20.89%	68
DLPH	23.54%	63
RACE	28.31%	55
ASEKY	15.21%	79

SharpeRatio

Ticker	Sharpe Ratio	Rank
VLVLY	1.60	98
DNZOY	0.21	60
DLPH	1.05	92
RACE	1.13	94
ASEKY	1.96	99

Rating and Forecast Report

VOLVO AB-B (OTC: VLVLY)

ANALYST OPINIONS

Hold

The mean recommendation was calculated from the numbers provided by Zacks.

Current Mean: 3.00

Number of Analyst: 3

Strong Buy: 1

Buy: 0

Hold: 1

Sell: 0

Strong Sell: 1

Recommendation Mean Trend

Three Month Ago: 3.00

Two Month Ago: 3.00

One Month Ago: 3.00

Current: 3.00

EPS CONSENSUS EXPECTATIONS

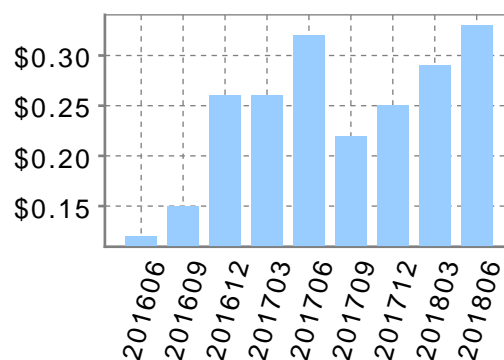
Quarter	201706	201709	201712	201803	201806
Mean	\$0.32	\$0.22	\$0.25	\$0.29	\$0.33
# of Estimates	1	1	1	1	1
High	\$0.32	\$0.22	\$0.25	\$0.29	\$0.33
Low	\$0.32	\$0.22	\$0.25	\$0.29	\$0.33
Same Qtr Last Yr	\$0.12	\$0.15	\$0.26	\$0.26	\$0.32
% Growth	166.67	46.67	-3.85	11.54	3.13

Qtr/Year/LTG	201706	201709	2017	2018	LTG
Mean - Current	\$0.32	\$0.22	\$0.95	\$1.17	
Mean - 7 Days Ago	\$0.32	\$0.22	\$0.95	\$1.17	
Mean - 30 Days Ago	\$0.32	\$0.22	\$0.95	\$1.17	
Mean - 60 Days Ago	\$0.32	\$0.22	\$0.87	\$1.08	
Mean - 90 Days Ago	\$0.21	\$0.20	\$0.84	\$1.00	

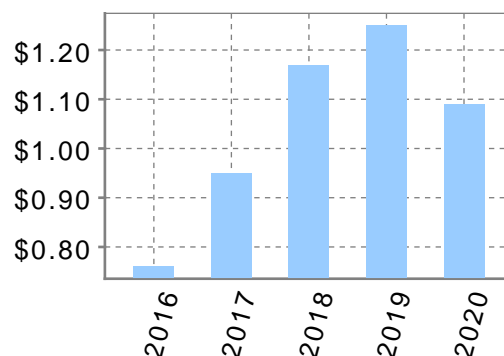
Year/LTG	2017	2018	2019	2020	LTG
Mean	\$0.95	\$1.17	\$1.25	\$1.09	
# of Estimates	2	2	2	1	0
High	\$1.03	\$1.20	\$1.32	\$1.09	
Low	\$0.88	\$1.13	\$1.18	\$1.09	
Previous Year	\$0.76	\$0.95	\$1.17	\$1.25	
% Growth	25.66	21.99	7.30	-12.80	

Quarter	201606	201609	201612	201703
Estimated EPS	\$0.21	\$0.18	\$0.24	\$0.19
Actual EPS	\$0.12	\$0.15	\$0.26	\$0.26
Difference	\$-0.09	\$-0.03	\$0.02	\$0.07
% Surprise	-42.86	-16.67	8.33	36.84

Quarterly EPS Trend



Annual EPS Trend



BUSINESS SUMMARY

Volvo AB is a manufacturer of trucks, buses, construction equipment and marine and industrial engines. It also develops, manufactures and markets equipment for construction and related industries, including wheel and backhoe loaders, hydraulic wheeled and crawler excavators, articulated and rigid haulers, compactors, pavers, pipe layers, road machinery under the brand names of Volvo, SDLG and Terex Trucks. The Company offers repair and maintenance, lease financing, insurance and financial services. It operates primarily in Europe, North America, South America, Asia, and internationally. Volvo AB is headquartered in Gothenburg, Sweden.

Rating and Forecast Report

VOLVO AB-B (OTC: VLPLY)



Report Date: Jul 5, 2017

ANNUAL FINANCIALS (All numbers in millions)

Balance Sheet	201512	201612
Cash	2496	2800
Marketable Securities	396.59	142.96
Receivables	11693	12428
Inventory	5265	5645
Raw Materials	2004	
Work in Progress		
Finished Goods	3261	
Notes Receivable		
Other Current Assets	393.04	61.37
Total Current Assets	20243	21077
Property, Plant & Equipment		
Accumulated Depreciation		
Net Property, Plant & Equipment	6359	6532
Investment & Advances	1322	1361
Other non-current Assets	6568	7392
Deferred Charges	1595	1683
Intangibles	4319	4432
Deposits & other assets	3969	4156
TOTAL ASSETS	44376	46633
Notes Payable	6799	6605
Accounts Payable	6600	6460
Current Portion of Long-term Debt		
Current Portion of Capital Leases		
Accrued Expenses		
Income Taxes Payable	156.78	80.07
Other Current Liabilities	4929	6323
Total Current Liabilities	18485	19468
Mortgages		
Deferred Charges (taxes/income)	414.50	616.06
Convertible Debt		
Long Term Debt	8928	9884
Non-Current Capital Leases		
Other Long-Term Liabilities	4714	5237
TOTAL LIABILITIES	32541	35205
Minority Interest (liabilities)		
Preferred Stock		
Common Stock, Net	302.90	298.56
Capital Surplus		
Retained Earnings	9717	10366
Treasury Stock		
Other Liabilities	133.66	763.59
SHAREHOLDERS' EQUITY	10153	11429
TOTAL LIABILITES & SHAREHOLDERS EQUITY	42695	46633

Rating and Forecast Report

VOLVO AB-B (OTC: VLVLY)



Report Date: Jul 5, 2017

ANNUAL FINANCIALS (All numbers in millions)

Income Statement	201512	201612
Net Sales or Revenues	37064	35294
Cost of Goods Sold	28541	27074
Gross Profit	8523	8219
Research & Development Expense	1823	1710
Selling, General, & Admin. Expense	4994	4137
Income Before Deprec., Depletion, Amort.	1706	2372
Depreciation, Depletion, Amortization		
Non-Operating Income	-63.45	29.34
Interest Expense	280.60	215.91
Pretax Income	2422	2248
Provision for Income Taxes	630.95	702.33
Minority Interest		8.76
Investment Gains (Losses)		
Other Income		
Income Before Extraordinaries & Disc Operations	1791	1546
Extraordinary Items & Discontinued Operations		
Net Income	1791	1537
EPS - Basic, net	0.88	0.76
EPS - Diluted, net	0.88	0.76
EPS - Diluted, before non-recurring items	0.88	0.76
Cash Flow Statement	201512	201612
Net Income (Cash Flow)	2766	2435
Depreciation, Depletion, Amortization-CF	1993	1960
Net Increase (decrease) in Assets/Liabilities	-1085	-1624
Cash from (used in) Discontinued Operations		
Other Adjustments - Net	-607.46	-717.88
Net Cash from (used by) Operating Activities	3067	2053
(increase) Decrease in Prop, Plant, & Equipment	-1313	-984.88
Acquisition/disposition of subsidiaries, othr bus	48.38	166.58
Increase (decrease) in investments	-235.30	26.18
Other Cash inflow from investment activities	153.58	-41.03
Net Cash from (used by) investment activities	-1346	-833.14
Issuance (purchase) of equity shares		
Issuance (repayment) of debt securities	-1571	-262.44
Increase (decrease) in bank & other borrowings		
Payment of dividends & other cash distributions	-722.27	-712.27
Other cash from (used by) financing activities	1.66	-25.13
Net Cash from (used by) Financing Activities	-2292	-999.84
Effect of Exchange Rate Changes on Cash	-44.83	119.58
Net Change in Cash & Cash Equivalents	-616.00	339.12
Cash & Equivalents at beginning of year	3112	2461
Cash & Equivalents at year end	2496	2800

Rating and Forecast Report

VOLVO AB-B (OTC: VLVLY)



Report Date: Jul 5, 2017

QUARTERLY FINANCIALS (All numbers in millions)

Balance Sheet	201512	201603	201606	201609	201612	201703
Cash	2496	1871	1833	2320	2800	3592
Marketable Securities	396.59	713.59	769.28	708.03	142.96	27.57
Receivables	11693	11750	12758	11924	12428	11537
Inventory	5265	5546	5932	5899	5645	5778
Raw Materials	2004					
Work in Progress						
Finished Goods	3261					
Notes Receivable						
Other Current Assets	393.04	319.32	456.26	392.11	61.37	669.46
Total Current Assets	20243	20201	21748	21243	21077	21604
Property, Plant & Equipment						
Accumulated Depreciation						
Net Property, Plant & Equipment	6359	6325	10587	6502	6532	6210
Investment & Advances	1322	1340	1372	1337	1361	1339
Other non-current Assets	6568	6691	7174	7143	7392	6828
Deferred Charges	1595	1614	1754	1827	1683	1630
Intangibles	4319	4354	4673	4567	4432	4163
Deposits & other assets	3969	3799	98.65	4044	4156	3994
TOTAL ASSETS	44376	44322	47408	46664	46633	45768
Notes Payable					6799	6605
Accounts Payable	6600	5438	6209	5889	6460	6386
Current Portion of Long-term Debt			8092			
Current Portion of Capital Leases						
Accrued Expenses			274.90			
Income Taxes Payable	156.78	197.96		371.10	80.07	151.67
Other Current Liabilities	4929	6674	5191	6903	6323	6275
Total Current Liabilities	18485	19167	19767	20634	19468	18030
Mortgages						
Deferred Charges (taxes/income)	414.50	356.26		474.29	616.06	610.27
Convertible Debt						
Long Term Debt	8928	9358	9271	9453	9884	9398
Non-Current Capital Leases						
Other Long-Term Liabilities	4714	4969	7917	5683	5237	4899
TOTAL LIABILITIES	32541	33850	36955	36244	35205	34202
Minority Interest (liabilities)						
Preferred Stock						
Common Stock, Net	302.90				298.56	
Capital Surplus						
Retained Earnings	9717				10366	
Treasury Stock						
Other Liabilities	133.66				763.59	
SHAREHOLDERS' EQUITY	10153	10472	10454	10419	11429	11565
TOTAL LIABILITES & SHAREHOLDERS EQUITY	42695	44322	47408	46664	46633	45768

Rating and Forecast Report

VOLVO AB-B (OTC: VLVLY)



Report Date: Jul 5, 2017

QUARTERLY FINANCIALS (All numbers in millions)

Income Statement	201506	201509	201512	201603	201606	201609	201612	201703
Net Sales or Revenues	10067	8645	9365	8490	9603	8066	9132	8669
Cost of Goods Sold				6559	7358	6172	6985	6483
Gross Profit				1931	2251	1900	2138	2189
Research & Development Expense				408.36	447.61	386.12	468.27	447.72
Selling, General, & Admin. Expense				854.25	1341	986.27	955.91	1029
Income Before Deprec., Depletion, Amort.				668.13	462.23	527.71	713.83	712.28
Depreciation, Depletion, Amortization								
Non-Operating Income				48.42	10.59	-4.46	-25.21	-14.23
Interest Expense				53.63	52.25	58.34	51.69	51.90
Pretax Income				627.40	420.57	483.68	716.34	721.92
Provision for Income Taxes				178.78	178.07	177.15	168.33	182.05
Minority Interest				2.60		2.70	3.46	9.52
Investment Gains (Losses)								
Other Income								
Income Before Extraordinaries & Disc	611.51	362.13	304.47	446.01	240.64	303.73	532.57	530.02
Extraordinary Items & Discontinued								
Net Income	611.51	362.13	304.47	446.01	240.64	303.73	532.57	530.02
EPS - Basic, net	0.30	0.18	0.15	0.22	0.12	0.15	0.26	0.26
EPS - Diluted, net	0.30	0.18	0.15	0.22	0.12	0.15	0.26	0.26
EPS - Diluted, before non-recurring items	0.30	0.18	0.15	0.22	0.12	0.15	0.26	0.26
Cash Flow Statement			201512	201603	201606	201609	201612	201703
Net Income (Cash Flow)			2766	627.52	462.84	1620	2435	784.70
Depreciation, Depletion, Amortization-CF			1993	473.60	194.88	1421	1960	470.82
Net Increase (decrease) in			-1085	-1693	-24.36	-1561	-1624	-112.10
Cash from (used in) Discontinued								
Other Adjustments - Net			-607.46	-130.24	462.84	-164.36	-717.88	-179.36
Net Cash from (used by) Operating			3067	-710.40	1096	1327	2053	964.06
(increase) Decrease in Prop, Plant, &			-1313	-213.12		-786.58	-984.88	-257.83
Acquisition/disposition of subsidiaries, othr			48.38	165.76	-182.70	164.36	166.58	
Increase (decrease) in investments			-235.30	11.84		23.48	26.18	
Other Cash inflow from investment			153.58	-390.72	852.60	-551.78	-41.03	89.67
Net Cash from (used by) investment			-1346	-426.24	669.90	-1151	-833.14	795.91
Issuance (purchase) of equity shares								
Issuance (repayment) of debt securities			-1571	520.96	-85.26	293.50	-262.44	100.89
Increase (decrease) in bank & other								
Payment of dividends & other cash			-722.27		-742.98	-716.14	-712.27	
Other cash from (used by) financing			1.66			11.74	-25.13	11.21
Net Cash from (used by) Financing			-2292	520.96	-828.24	-410.90	-999.84	112.10
Effect of Exchange Rate Changes on			-44.83		60.90	82.18	119.58	
Net Change in Cash & Cash Equivalents			-616.00	-615.68	-97.44	-152.62	339.12	1872
Cash & Equivalents at beginning of year							3112	2461
Cash & Equivalents at year end			2496				2800	

VALUENGINE SERVICE DESCRIPTIONS

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VALUENGINE'S METHODOLOGY

ValuEngine's research combines the most advanced academic concepts with real world Wall Street practice. The result is state-of-the-art fair market valuation and price forecasting technologies.

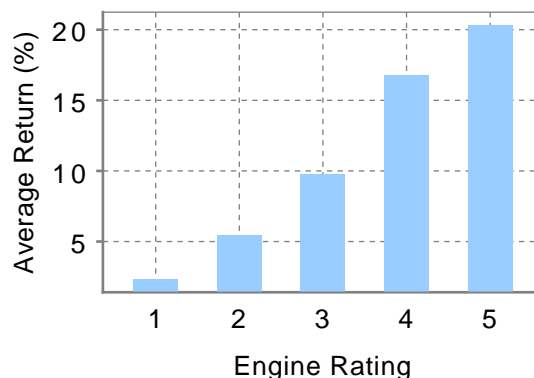
ValuEngine's stock valuation employs a sophisticated, three-factor approach. Fundamental variables, such as a company's trailing 12-month Earnings-Per-Share (EPS), the analyst consensus estimate of the company's future 12-month EPS, and the 30-year Treasury yield, are all used to create a more accurate reflection of a company's fair value. Together with eleven additional variables, ValuEngine paints a detailed picture of a company's fair value, represented by the model price.

ValuEngine's stock forecasts capture several important tendencies that stock prices consistently exhibit over six time horizons to ensure forecasts are established relative to a stock's proper peer groups. Advanced statistical/econometric techniques are used to run thousands of simulations estimating the probability of a double in stock price, as well as the probability of meeting and exceeding any given portfolio or stock investment target.

VE Engine Rating is an assessment of a stock's overall attractiveness. It is based on the one year forecast target price, which is the final evolution of VE's equity modeling. On average, only 2 percent of ValuEngine's 5,500 stocks under coverage achieve a 5 rating. 5 and 4 rated stocks are expected to outperform the overall markets, 3 rated to roughly match market performance, and 2 and 1 rated are expected to underperform.

For additional information about ValuEngine's financial research and financial modeling, please click www.valuengine.com

Engine Rating and Average Annual Return
(Jan 2002 - Jun 2017)



DISCLOSURES

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1. Buy: Expected to outperform the SP500 producing above average returns.
2. Hold: Expected to perform in line with the SP500 with average returns.
3. Sell: Expected to underperform the SP500 producing below-average returns.

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