

PRESS RELEASE

## Volvo CE continues to perform and transform during slower Q1 2024

Volvo Construction Equipment (Volvo CE) is proving its commitment to perform and transform, delivering for its customers for today and tomorrow, while it feels the effects of the industry downturn.



*The grid connected EW240 Electric material handler launched in early 2024, initially for selected customers in Europe.*

In Q1, 2024, sales across all regions have either decreased or remained flat, in line with the expected market downturn. Compared to the strong sales of the same period last year, market demand is softening across the globe, with lower deliveries and order intake in Europe and North America compensated slightly by a stronger performance in Asia.

For the first quarter this year, net sales have dipped by 9% to SEK 22,877 M from SEK 25,109 M in 2023. Adjusted for currency movements, net sales of machines have decreased by 9% and service sales by 3%. Compared with Q1, 2023, a negative brand and market mix was partly offset by price realization and lower material costs.

Meanwhile, deliveries in Q1 were on a par with last year, with a lower performance in Europe and North America offset by China. During the same period, net order intake increased by 4%, largely driven by the China market and the SDLG brand which is rising after the low order intake in the previous year's first quarter. Overall, order intake for the Volvo brand decreased in line with market development in Europe and

North America. Orders in South America increased from a low level in 2023, driven by signs of a recovery in Brazil.

### Leading the transformation

However, the tougher climate has not stopped Volvo CE furthering its commitment to the sustainable transformation by taking action in several important areas. Firstly, by introducing its first commercial grid-connected excavator, the EW240 Electric material handler, to select customers earlier in the year. This was followed by a forward-thinking partnership with Sweden's largest ski company SkiStar to help develop a roadmap towards fossil free ski resorts. Later in the quarter, Volvo CE announced the trial of an innovative electric shuttle delivery solution for transporting its machines from Belley, France, together with Volvo Trucks and logistics firm Capelle Transports.

Melker Jernberg, Head of Volvo CE, says: "Maintaining profitability remains a high priority and we have taken great steps to ensure as strong a performance as possible during these tougher times. While the industry feels the effects of this market downturn, we are maintaining our momentum to come out stronger – ensuring that we remain flexible in our systems while continuing to deliver on our transformation ambitions."



*Volvo CE is working with SkiStar to develop a roadmap towards fossil free ski resorts.*

### Market development

For the first quarter, the total machine market was flat or negative across most regions. While in Asia outside China it was on a par with the previous year and South America saw a modest increase, it declined in Europe, North America and China. Europe's 22% drop was driven largely by customer caution in the face of a weakening economic climate and in North America a fall of 6% was likely due to a continued

deferral of rental fleet replacement, as interest rates and inflation remain high. Market demand in China meanwhile declined by 22% due to low investment levels and an overall slow economic activity.

The better results in South America, an increase of 4%, was bolstered by signs of recovery in various industry segments, while Asian markets outside China overall remained flat.

**Table 1. Volvo Construction Equipment, net sales by market area, in Millions of Swedish Krona**

Net sales by market area	First quarter		
	SEK M	2024	2023
Europe	7,177	8,610	-17
North America	6,425	6,537	-2
South America	759	758	-
Asia	6,925	7,098	-2
Africa & Oceania	1,589	2,106	-25
<b>Total</b>	<b>22,877</b>	<b>25,109</b>	<b>-9</b>

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