

P R E S S R E L E A S E

Volvo Construction Equipment delivers solid performance in uncertain market in Q1 2025

Volvo Construction Equipment (Volvo CE) continues to push the boundaries of innovation with the rollout of new products and services – as market decline impacts its earnings for the first quarter of 2025.



The Volvo A30 Electric articulated hauler was unveiled for the first time at Bauma 2025

Global sales dropped 8% in the first quarter of the year for Volvo CE, compared to the historically high levels of the same period of 2024, in line with the industry's overall decline. While South America and Asia saw a growth in their markets, lower volumes in Europe and North America are driving the shortfall, largely due to increased geopolitical and market uncertainty.

Volvo CE has maintained a steady performance during this period, while still investing in new technologies for the benefit of its customers everywhere. Though machine sales are down for the first quarter, the company has seen a rise in service sales, demonstrating the increasing relevance of service solutions, and an overall increase in orders and deliveries.

Melker Jernberg, Head of Volvo CE, says: "As a global company we are understandably affected by these turbulent times, but we have shown resilience in the face of uncertainty and maintained a solid performance today, while moving in the right direction for tomorrow. Our industry's transformation may be slower than we would like, but our commitment remains strong as we continue to invest into building a

better world for all – as demonstrated by our pioneering 100% zero-emission lineup at the recent Bauma show.”



Volvo CE electrified Bauma 2025 with its first-ever zero-emission-only lineup

Orders and deliveries increase during uncertain market landscape

In Q1, 2025, net sales decreased by 8% to SEK 21,117 M (22,877). When adjusted for currency movements, net sales of machines decreased by 10% and service sales increased by 2%. Compared with Q1 2024, a negative brand, market and product mix was partly offset by increased volumes, lower material costs and an improved service business.

However, global deliveries rose 12% in Q1, driven largely by increases in South America, Asia and Africa and Oceania – and despite a drop in Europe and North America. Net order intake also increased by 24% with improvements in all markets except South America. In Europe, this was due to dealer inventory levels coming down and end customer sentiment improving, and in North America, it was an effect of more normalized supply compared to the lower intake the previous year. Orders for SDLG branded machines improved by 30% driven by the Chinese market.

Commitment to transformation continues

Volvo CE has enjoyed a busy first quarter with the rollout of its new generation articulated haulers – and the introduction of a brand new A50, alongside several local launches of the new range of excavators in Asian markets. Delivering on its digitalization transformation, Volvo CE also announced a partnership with software company Unicontrol to integrate its 3D machine control technology into Volvo excavators.

A major recent focus was the company’s groundbreaking all-electric lineup at the construction trade show Bauma in Germany – the highlight of which was the unveiling of the world’s first electric articulated hauler of its size class, the A30 Electric, which will reach selected customers in Europe in 2026 alongside the new A40 Electric articulated hauler. The pioneering platform was a demonstration of the company’s commitment to sustainable change.

Market development

For the first quarter, the total machine market was flat compared to the previous year with Asia, including China, and South America growing while Europe and North America contracted. Compared to the historically high levels of the first quarter 2024, Europe declined 18% as end customer demand remained saturated, while North America declined 14% due to repositioning of fleets and market outlook uncertainty.

The growth in South America (12%) was mainly driven by Brazil, but also improved business sentiment in Argentina and Chile. The Chinese market improved by 42% on the back of governmental policies to stimulate the real estate and construction segments. In Asia, outside China, the market was up slightly (1%) thanks to growth in Indonesia and South Korea.

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

| Net sales by market area | First quarter | | Change % |
|-----------------------------|---------------|---------------|-------------|
| | SEK M | 2025 | |
| Europe | 6,400 | 7,177 | -11 |
| North America | 5,251 | 6,425 | -18 |
| South America | 889 | 759 | 17 |
| Asia | 7,362 | 6,925 | 6 |
| Africa & Oceania | 1,215 | 1,589 | -24 |
| Total | 21,117 | 22,877 | -8 |

April, 2025

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Volvo Construction Equipment (Volvo CE) is a global leader in construction solutions, delivering premium products and services that combine power and performance with a more sustainable way of working. We are a company driven by people and together we have a purpose: To build the world we want to live in. Founded in 1832 and with a distribution network across every major market, our many dedicated experts around the world are fulfilling our shared purpose through a focus on sustainability, electromobility and services. As well as our expanding range of electric machines and charging solutions, Volvo CE provides industry-leading haulers, loaders, excavators and much more, all built to suit the demands of our customers' varied construction and infrastructure needs. Volvo CE benefits from being connected to the Volvo Group, which also offers trucks, buses, power solutions for marine and industrial applications, financing and services that increase our customers' uptime and productivity. Through its holistic perspective, Volvo Group is committed to shaping the future landscape of

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sustainable transport and infrastructure solutions. For further company information and to explore our values further please visit www.volvoce.com