

PRESS RELEASE

Volvo Construction Equipment achieves good results amid industry challenges in Q2 2025

Volvo Construction Equipment (Volvo CE) has announced several global strategic announcements over the second quarter 2025 to stay closer to the customer and drive earnings resilience – as lower sales remain in Europe and North America.



While order intake and deliveries have risen, and the total machine market has also grown – when compared to the same period last year – this second quarter was also impacted by a continuing decline in sales for Europe and North America due to market uncertainty.

In Q2 2025, net sales decreased by 6% to SEK 22,906 M (24,423). Adjusted for currency movements net sales increased by 2%, of which machine sales increased by 2% and service sales were flat. Adjusted operating income declined to SEK 2,993 M (3,888), corresponding to an adjusted operating margin of 13.1% (15.9).

The second quarter has seen net order intake increase by 24%, with orders for the Volvo brand increasing by 26%, driven by Europe and Asia. In Europe, dealer orders increased as inventory replenishment continued. Order intake in North America increased but continued to be on a relatively low level. Deliveries in Q2 were also 11% higher than in the previous year.

Strategic investments to strengthen Volvo CE's position

Volvo CE has continued to strengthen its position by making a number of strategic moves over the last few months. These include an [expansion of its crawler excavator footprint globally](#) with investment in three main production sites: South Korea, Sweden and North America.

The company has also decided to [divest its entire 70% stake in SDLG](#) for SEK 8 billion to a fund predominantly owned by Lingong Group, and [acquire Swecon's operations](#) in Sweden, Germany, and the Baltics, including Entrack for SEK 7 billion from Lantmännen. These are expected to close in the second half of the year.

Melker Jernberg, Head of Volvo CE, said: "At a time of market uncertainty, we focus on staying closer to our customers than ever before, while maintaining a solid performance and investing in the future. These strategic agreements not only help us to meet growing customer demand, but with the addition of Swecon, our ambition is to own and manage the majority of our construction business in Europe, strengthening our total solution sales capabilities and service business in the region."

Market development

While the total machine market grew compared to the previous year, Q2 has also been impacted by a 10% drop in both Europe and North America. In Europe, end customer demand remained somewhat saturated and increased dealer stock had yet to reach end customers, while the North American market declined due to repositioning of rental fleets as well as lower end customer demand due to market outlook uncertainty.

The Chinese market has responded positively to recent government policies to stimulate the real estate sector, mainly driving demand for smaller machines. This has helped secure a 26% increase in market development for the region. South America has risen by 8% due to improved market sentiment in Argentina and Peru, while Asia excluding China has increased by 6% thanks to growth in Southeast Asia, the Middle East, Turkey and India.

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

Net sales by market area	Second quarter		First six months	
SEK M	2025	2024	2025	2024
Europe	7,356	7,544	13,756	14,721
North America	5,271	6,961	10,522	13,386
South America	899	1,024	1,788	1,784
Asia	6,899	7,172	14,261	14,097
Africa & Oceania	2,482	1,722	3,697	3,312
Total	22,906	24,423	44,023	47,300

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