

## PRESS RELEASE

# Volvo Construction Equipment delivers margin improvements driven by positive product mix and better service business in Q1, 2026

Volvo Construction Equipment (Volvo CE) opened 2026 with positive momentum, achieving growth across both machines and services with deliveries increasing by 12% in Q1. The results reflect the company's continued transformation towards a full solutions offering.



*Volvo Construction Equipment exhibiting at ConExpo in Las Vegas, one of the world's largest construction industry exhibitions.*

During the first quarter, the global machine market continued to grow. South America, Africa and Oceania, as well as Asia outside of China saw increases while North America was at the same level as the previous year. Europe and China contracted somewhat.

In Q1 2026, net sales decreased by 13% to SEK 18,305 M (21,117) as a consequence of the divestment of SDLG. The organic sales growth was 14%, of which net sales of machines increased by 16% and service sales increased by 7%. Adjusted operating income amounted to SEK 2,491 M (2,542), corresponding to an adjusted operating margin of 13.6%.

**The first quarter marks important milestones achieved and investments for continued growth**

In the first quarter, Volvo CE maintained positive performance and stability despite uncertain market conditions. Melker Jernberg, President of Volvo CE, said:

“In spite of ongoing headwinds, this has been a positive start to the year, driven by increased deliveries of machines and a strong product mix that has enabled us to increase our share of the market for haulers and large excavators. We continue to grow our parts and services businesses. We take this momentum into the second quarter, maintaining our focus on delivering a solid full-year performance and on advancing the transformation of our industry.”

In Q1, as part of a long-term strategic shift and due to the unsustainable profitability of the Rokbak business, Volvo CE announced in March that it will close the business and concentrate resources on its portfolio of other hauling solutions. The business had revenues of SEK 1.0 billion in 2025 and was loss-making. The production of Rokbak articulated haulers is scheduled to stop in July 2026.

On February 1, Volvo CE announced that the acquisition of Swecon had been completed, following approval from the European Commission. Volvo CE acquired Swecon’s business operations in Sweden, Germany and the Baltics including Entrack.

Volvo CE had a strong presence at the ConExpo exhibition in Las Vegas in March. Since the last ConExpo, 35% of the Volvo machine portfolio has been renewed, including the launch of the EC560 excavator, the new flagship A50 articulated hauler, major wheel loader updates, and a new generation of electric machines such as the L120 Electric. Services and solutions to support customer uptime and productivity have also been expanded.

**Market development**

The market in Europe declined somewhat following a weak January, when construction activity was hampered by severe winter conditions, especially in Northern Europe.

The North American market continued to show good resilience supported by investments in data centers, energy infrastructure and the onshoring of manufacturing. South America expanded, driven by rebounds in Brazil, Argentina, and Peru with mining and heavy infrastructure leading the way.

In Asia, the Japanese and South Korean markets declined while Indonesia continued to grow on the back of resilient GDP growth, sustained infrastructure and food security investments. The markets in Southeast Asia, Turkey and the Middle East also grew. The Chinese market contracted slightly. There was good growth in Africa and Australia.

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

Net sales by market area SEK M	First quarter	
	2026	2025
Europe	7,886	6,400
North America	4,535	5,251
South America	690	889
Asia	3,426	7,362
Africa & Oceania	1,767	1,215
<b>Total</b>	<b>18,305</b>	<b>21,117</b>

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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](http://www.volvoce.com)