

## PRESS RELEASE

# Volvo Construction Equipment demonstrates better earnings driven by positive product mix and improved service business in Q4, 2025

Volvo Construction Equipment (Volvo CE) closed 2025 with strong momentum, delivering growth across both machines and services with order intake rising by 18% in Q4. The results further demonstrate the company's continued transformation toward becoming a total solutions provider.



*Volvo Construction Equipment confirmed Eskilstuna as the location for its new crawler excavator assembly plant.*

During the last quarter the total machine market grew compared to the prior year. Europe, South America, Africa and Oceania, China and North America grew while Asia contracted.

In Q4 2025, net sales decreased by 16% to SEK 18,692 M (22,197). Adjusted for currency movements and the divestment of SDLG, net sales increased by 12%, of which net sales of machines increased by 13% and service sales by 8%. Both adjusted and reported operating income amounted to SEK 2,599 M (2,609), corresponding to an operating margin of 13.9% (11.8). Compared with Q4 2024, a positive product and market mix and an improved service business were partly offset by lower volumes and increased US tariff costs. Currency movements had a negative impact of SEK 653 M. For the full year 2025, net sales amounted to SEK 81,641 M (88,305). Adjusted operating income amounted to SEK 10,856 M (12,737), corresponding to an adjusted operating margin of 13.3% (14.4).

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

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

“This has been a positive quarter, driven by increased sales of recently launched products and higher revenue from our services business. Customer response to our new equipment has been strong across key markets, while our solutions offerings continue to gain traction. We enter the new year with solid momentum and a clear focus on driving the industry’s transformation forward.”

In Q4, Volvo CE confirmed Eskilstuna, Sweden, as the location for its new crawler excavator assembly plant serving European markets. The 30,000-square-meter facility will strengthen Volvo CE’s position in the key excavator segment by increasing capacity and flexibility to meet growing regional demand.

Volvo CE continued the rollout of its new range of electric models, with the first L120 Electric wheel loaders delivered to customers in selected European and Asian markets.

In December, Volvo CE participated in the EXCON 2025 construction equipment show in India, where the company showcased a portfolio of products and services aimed at supporting the next phase of growth in construction, mining, and material handling.

Following the European Commission’s approval of Volvo CE’s planned acquisition of Swecon, the transaction is now in its final stages. Closing of the previously announced acquisition is expected on January 31, 2026.

**Market development**

The total market in Europe continued to grow in Q4, with support from major markets like Germany, UK and France, on the back of a more positive business outlook in general. The North American market grew slightly in Q4 as the US economy had a development that was better than expectations in the second half of 2025.

Market growth in South America was driven by a rebound in Chile, Argentina and Colombia. The Chinese market continued to grow, though at a slower pace, supported by governmental policies to stimulate the real estate sector and investments in farmland transformation. These mainly drive demand for smaller machines. Asia excluding China registered a modest growth, despite a decline in Japan. There was continued growth in Indonesia, driven by investments in infrastructure and food estate projects and a stable mining industry, as well as growth in Southeast Asia. The markets in Middle East, Australia and Turkey grew, while India was down, mainly for large machines.

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

Net sales by market area	Fourth quarter		Full year		
	SEK M	2025	2024	2025	2024
Europe		7,556	6,495	27,761	26,934
North America		4,013	5,018	19,301	23,459
South America		1,093	1,319	3,939	4,099
Asia		3,912	6,975	23,419	26,604
Africa & Oceania		2,117	2,390	7,221	7,208
<b>Total</b>		<b>18,692</b>	<b>22,197</b>	<b>81,641</b>	<b>88,305</b>

January, 2026

*Journalists wanting further information, please contact:*

**Åsa Alström**

*Head of Strategic Communications*

*Volvo Construction Equipment*

*[asa.alstrom@volvo.com](mailto:asa.alstrom@volvo.com)*

**For more information, please visit [www.volvoce.com](http://www.volvoce.com)**

For frequent updates, follow us on

LinkedIn: @Volvo Construction Equipment

Facebook: @VolvoCEGlobal

Instagram: @VolvoCE

YouTube: @Volvo Construction Equipment

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)