



PRESS INFORMATION

Solid performance in the second quarter for Volvo Construction Equipment

Volvo CE (Volvo Construction Equipment) has seen net sales increase by 13% in Q2, 2021 – owing to higher volumes in Europe, North America and South America.



Continuing its strong rebound from the challenges of last year all markets have enjoyed in uptick in sales from the same period 2020 – all except China which has seen a slight slowdown despite its initial surge of sales in the first three months of the year. With improved construction activity, high customer confidence and increased investment in infrastructure, order intake has also increased by 35%.



Total net sales in the second quarter increased by 13% amounting to SEK 25,839 M (SEK 22,876 M in Q2 2020) – supported by a 17% rise in the sales of services. Adjusted for currency movements, however, net sales increased by 21%. Sales in Asia, including China, the world’s largest construction equipment market, remained the highest but still accounted for a 12% drop, due to a decline in infrastructure investment. Asia (excluding China) continued to solidify its growth with improvements in all key markets including India, Korea and South East Asia. Adjusted operating income amounted to SEK 3,374 M, up slightly from 3,108 M last year, corresponding to an adjusted operating margin of 13.1% (13.6%).

Thanks to a more confident customer outlook and increased investment across most markets, order intake increased by 35% with a significant increase in orders for Volvo branded products and a more modest yet stable order intake in SDLG branded products, affected as they were by the slowdown in the Chinese market. Demand for large and medium sized machines remained strong and higher than for compact machines. Due in large part to higher sales in Europe and North and South America, the latter of which saw a 120% increase in deliveries from the same period last year, overall deliveries increased by 5% in Q2.

Market development

The year up to May has benefited from high customer activity across industry segments, more than positively impacted by increasing volumes in the European, North American and South American markets. In Europe, the majority of countries continued their recovery to see a 30% increase measured in units from the same period last year, while North America saw a 35% rise thanks to high infrastructure and housing construction activity. The South American market enjoyed the biggest surge (71%) due to an increased demand in commodities. Despite its strong start to the year, China began to decline in Q2 in line with decreasing government investment in infrastructure.

Melker Jernberg, President of Volvo CE, said: “Thanks to our commitment to innovation and customer success, we have offset a slowdown in China with a solid increase in demand across our other key regions of Europe and North America. While maintaining a steady recovery from the challenges of last year remains our top priority, we have also continued our journey of innovation with a number of exciting launches this quarter, including our entry into the 50 ton excavator segment and the launch of our first dedicated Fuel Cell Test Lab.”

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
Volvo Construction Equipment SE-405 08 Göteborg Sweden	Telephone +46 31 66 00 00	Registration No. 556021-9338
		Registered Office Eskilstuna, Sweden



SEK M	2021	2020	2021	2020
Europe	7,734	5,254	14,997	11,731
North America	4,418	3,527	8,715	7,237
South America	857	422	1,531	981
Asia	11,421	12,928	22,740	21,331
Africa & Oceania	1,408	746	2,597	1,744
Total	25,839	22,876	50,581	43,023

Ends.

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Volvo Construction Equipment (Volvo CE) is a leading international manufacturer of premium construction equipment, and with over 14,000 employees, it is one of the largest companies in the industry. Volvo CE offers a wide range of products and services in more than 140 countries through its global distribution network. Volvo CE is part of the Volvo Group. The Volvo Group drives prosperity through transport solutions, offering trucks, buses, construction equipment, power solutions for marine and industrial applications, financing and services that increase our customers' uptime and productivity. Founded in 1927, the Volvo Group is committed to shaping the future landscape of sustainable transport and infrastructure solutions. The Volvo Group is headquartered in Gothenburg, Sweden, employs 105,000 people and serves customers in more than 190 markets. In 2018, net sales amounted to about SEK 391 billion (EUR 38.1 billion). Volvo shares are listed on Nasdaq Stockholm.