

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

## Volvo CE remains strong in Q2, 2022

Moderate fluctuations across different regions have seen sales remain flat for Volvo Construction Equipment (Volvo CE) in the second quarter of this year – resulting in a solid performance during challenging market conditions.



Volvo CE has maintained its strong position on the market – while taking action to build a more sustainable construction equipment offering for today and tomorrow. It has enjoyed a solid performance for the last quarter, despite lower deliveries, down by 27%, due primarily to the market decline in China. Net order intake has also declined by 42% in the last quarter as a consequence of this drop in China and a natural outcome from the high order intake experienced during the same quarter 2021.

However, the downturn in China has been well compensated by growth in the rest of the world. In Q2, 2022, total net sales were flat at SEK 25,814 M (SEK 25,839 M in Q2, 2021) – remaining steady due to market variations which saw sales greatly increase in North America (28%) and South America (121%) but drop slightly in the larger markets of Europe (-2%) and Asia (-24%). While service sales continued to rise, enjoying an increase of 5%, net sales of machines declined by 11%.

Volvo CE is continuing to weather the challenges created by the ongoing Covid-19 pandemic and the war in Ukraine by supporting its communities, preparing for the future and providing more sustainable solutions in the here-and-now with its strong focus on electromobility and services. This last quarter has demonstrated its commitment to building a better world with the world's first customer handover of a machine made using fossil-free steel and investment in Dutch firm Limach to expand its already industry-leading electromobility portfolio.

Melker Jernberg, President of Volvo CE, says: “Thanks to the hard work of our colleagues and supply chain partners, we are enjoying a confident performance with solid sales on a par with last year. With our dedication to expanding our electromobility offering and taking action to place more sustainable construction solutions into the hands of our customers, we not only remain strong in the face of an unpredictable global outlook but are geared for growth.”

**Market development**

Construction activity in most markets has remained on good levels, driven by both the commercial sector and the ongoing investments in infrastructure. While the Chinese market declined due to lower economic activity and pricing pressures, Asia outside of China instead saw strong growth in key markets supported by government stimulus and high commodity prices. There is a continued need to renew and expand an aging infrastructure in many countries across the world, with the South American market remaining on a favorable trend with demand for commodities on a high level. While construction activity in both Europe and North America remained high in Q2, total market deliveries were impacted by limited machine availability because of supply chain constraints.

The quarter also marked an important event for Volvo CE with the return of its flagship Volvo Days in Eskilstuna, Sweden, for the first time in four years. Under the banner of ‘Change Starts Here’, over 7,000 customers visited the company’s headquarters to take a closer look at its industry-leading line-up of products and services for today and tomorrow.

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

Net sales by market area SEK M	Second quarter		First six months	
	2022	2021	2022	2021
Europe	7,607	7,734	14,996	14,997
North America	5,669	4,418	10,431	8,715
South America	1,890	857	2,980	1,531
Asia	8,716	11,421	16,844	22,740
Africa & Oceania	1,931	1,408	3,175	2,597
<b>Total</b>	<b>25,814</b>	<b>25,839</b>	<b>48,427</b>	<b>50,581</b>

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# V O L V O

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 and infrastructure 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 almost 100.000 people and serves customers in more than 190 markets. In 2021, net sales amounted to about SEK 372.2 billion (EUR 35.8 billion). Volvo shares are listed on Nasdaq Stockholm.