

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

Increased sales and profitability for Volvo Construction Equipment in Q4, 2021

All regions outside China saw an improvement across sales and deliveries for the final quarter of 2021 – supported by a rise in sales of services and compact electric machines across many key markets.



Despite the continued decline in China, Volvo Construction Equipment (Volvo CE) sustains its solid growth with high infrastructure investment particularly across Europe, North America and South America, and increased revenue from services. The current drop in China is due to a saturated market for excavators following last year's high sales levels and the overall slowdown in construction and infrastructure investments across the region.

In Q4, 2021, net sales increased by 5% to SEK 21,812 M (20,810 M). Adjusted for currency movements net sales increased by 2%, of which net sales of machines were flat and service sales increased by 14%. Primarily impacted by the decline in the Chinese market, global order intake decreased by 24% and deliveries decreased by 18% for the final quarter.

For the full year 2021, net sales amounted to SEK 92,031 M – rising from SEK 81,453 M from last year and demonstrating that the global market is continuing to spring back from the initial hit caused by the disruptions of 2020. Adjusted for operating income, it increased to SEK 12,228 M (10,071), corresponding to an adjusted operating margin of 13.3% (12.4%).

Market development

www.volvoce.com

Volvo Construction Equipment
SE-405 08 Göteborg
Sweden

Telephone
+46 31 66 00 00

Registration No.
556021-9338

Registered Office
Eskilstuna,
Sweden

The European market showed a continuation of solid growth (27%) with a high level of infrastructure investments and a recovery in the rental segment. North America’s growth (23%) was supported by investments in commercial real estate and strong housing construction, while South America’s increase of 65% was largely driven by a high demand for commodities. The world’s biggest construction equipment market of China, however, reported a drop of 1% while all other regions in Asia, particularly in Korea and Southeast Asia, continued its rising market development of 19%.

A sustainable outlook

The final months of 2021 saw the first shipment of the 20-ton EC230 Electric excavator for the Asian market from the factory in South Korea – setting yet another milestone for Volvo CE’s electric future. Sales of the company’s compact electric machines, the ECR25 Electric excavator and the L25 Electric wheel loader, continued across key markets with Volvo CE delivering 321 of these machines in the last year. The reveal of a new concept autonomous electric wheel loader, Volvo LX03, also showcased the company’s direction towards decarbonization.

“The industry continues to be confronted by the effects of the ongoing Covid-19 pandemic in combination with additional challenges such as transport disruptions, global component shortages and an overwhelmed supply chain,” says Melker Jernberg, President of Volvo CE.

“Yet thanks to the dedicated work of my colleagues, partners and suppliers, we have continued to deliver good profitability and took several important steps forward in our efforts to lead the transition to a carbon-neutral construction industry. The greater flexibility, digitalization and innovation across our products and services – not forgetting the stringent targets we have set ourselves in building a better world – have contributed towards a solid performance for 2021.”

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

Net sales by market area SEK M	Fourth quarter		Full year	
	2021	2020	2021	2020
Europe	7,631	6,038	29,524	23,191
North America	4,077	2,814	16,583	13,020
South America	1,138	742	3,951	2,245
Asia	7,269	9,978	36,427	39,095
Africa & Oceania	1,696	1,239	5,546	3,902
Total	21,812	20,810	92,031	81,453

January, 2022

Journalists wanting further information, please contact:

Åsa Alström

Head of Strategic Communications

Volvo Construction Equipment

asa.alstrom@volvo.com

For more information, please visit www.volvoce.com

For frequent updates, follow us on

Twitter: @VolvoCEGlobal

LinkedIn: @Volvo Construction Equipment

Facebook: @VolvoCEGlobal

Instagram: @VolvoCE

YouTube: @Volvo Construction Equipment

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 2020, net sales amounted to about SEK 338 billion (EUR 33.6 billion). Volvo shares are listed on Nasdaq Stockholm.
