

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

## Volvo Construction Equipment increases sales and continues industry transformation in Q4, 2022

Volvo Construction Equipment (Volvo CE) has achieved a steady rise in sales across both the last quarter and the full year, 2022 – securing good profitability while accelerating in the sustainable industry transformation.



*The EC230 Electric continued to prove successful on customers' sites during Q4.*

All global markets have enjoyed an increase in machine sales over the last quarter 2022 – with North America seeing the highest rise of 54%, thanks to strong activity in the infrastructure segment. Meanwhile China, which has continued to be impacted by low economic activity last year during the Covid-19 pandemic and ongoing lockdowns, saw an increase in sales and deliveries in Q4 due to the introduction of emission regulations.

In Q4, 2022 net sales increased by 27% to SEK 27,596 M (21,812), with a contribution from both machine sales and the service market. Adjusted for currency movements net sales increased by 13%, of which net sales of machines were up by 15% and service sales remained on a similar level. For the full year 2022, net sales rose 9% amounting to SEK 100,261 M (92,031). Adjusted operating income for the full year totaling SEK 13,244 M (12,228), and corresponding to an adjusted operating margin of 13.2% (13.3).

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Global net order intake has continued to remain low with a decline of 23% from Q4, 2021 – although still slightly more orders than the last quarter Q3, 2022 – largely due to restrictive order slotting caused by large order books and long lead times in North America and Europe, as well as stopped sales in Russia. However, deliveries have increased by 4%, again thanks to emission regulations coming into effect in China and the good demand in North America and Asia.

### Accelerated transformation

While maintaining a steady financial performance, Volvo CE has continued to innovate this quarter by introducing powerful new solutions for the here and now and investing into a more sustainable future. The company is continuing to work towards its vision for zero accident worksites with the introduction of automatic braking feature [Collision Mitigation System](#) for Volvo wheel loaders.

Volvo CE also announced a largescale investment into its facility in [Braås](#), Sweden. Over the coming years the plant will be adapted to produce a larger range of articulated haulers with different types of powertrains, including electric. These products will join one of the largest ranges of [electric machines](#) on the market, including the Volvo electric compact wheel loaders and excavators, and the larger mid-size [EC230 Electric excavator](#).

Melker Jernberg, Head of Volvo CE, says: “We continue to take steps in our transformation journey – continuing to deliver reliable, efficient and more sustainable solutions fit for our customers’ needs today, while driving investment across our business towards our fossil-free future.”

### Market development

Except for China, activity in the construction industry has remained good across many regions, primarily driven by ongoing infrastructure investments and favorable commodity prices. Underlying demand in the North American market remained solid due to steady infrastructure activity and in South America, the overall market in Q4 was impacted by a slowdown of investments in Brazil. Meanwhile in Europe the market remained relatively steady despite signals of a weakening business climate.

Most Asian markets enjoyed continued high demand for commodities, partially off-set by lower construction activity in key markets such as South Korea and Thailand. And while China was still affected by restrictions and lockdowns caused by the Covid-19 pandemic, it did however see a positive development due to the fact pre-bought electric machine sales were coming into effect from December 1, when emission regulations were introduced.

**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	
	2022	2021	2022	2021
Europe	7,878	7,631	30,194	29,524
North America	6,294	4,077	22,294	16,583

## V O L V O

South America	1,495	1,138	6,491	3,951
Asia	9,896	7,269	34,228	36,427
Africa & Oceania	2,033	1,696	7,054	5,546
<b>Total</b>	<b>27,596</b>	<b>21,812</b>	<b>100,261</b>	<b>92,031</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

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