

PRESS RELEASE

## Volvo CE continues to transform in Q2 2024 through tougher industry landscape

Volvo CE is reporting a dip in net sales for Q2 this year – driven by the downturn in the industry – while still delivering on its transformation ambitions with its biggest product launches in years.



*Volvo CE is maintaining momentum with the launch of its most ambitious line-up of new products.*

Volvo CE has continued to bring industry transformation in the second quarter of 2024 while demand in many markets has slowed, particularly compared with the high levels reported from the same period last year. Earnings have been impacted by lower volumes in Europe and North America. However, order intake in Asia has increased by one fifth, largely driven by the China market, leading to a global growth of 9%.

In Q2, 2024, net sales amounted to SEK 24,423 M (28,999). Adjusted for currency movements this represents a decrease in net sales of 16%, of which net sales of machines dropped by 19% while service sales increased by 2% - once again demonstrating the increasing market value of service solutions to ensure customer productivity during tougher times. Both adjusted and reported operating income amounted to SEK 3,888 M (5,353), corresponding to an operating margin of 15.9% (18.5).

During the quarter, net order intake increased by 9%, mainly prompted by an increase in orders in China when compared to the slowdown in that region in 2023, but also by North America, as orders were restricted last year due to supply chain inefficiencies. Deliveries in Q2 this year were below 2023, caused by lower market demand in Europe and North America.

## Driving the transformation

In June during its flagship Volvo Days event, Volvo CE unveiled its biggest product renewal in the company's history. It involved both conventional machines, such as the launch of a new generation of state-of-the-art excavators and two new rigid haulers, the R60 and R70 stage V for regulated markets, as well as zero-exhaust emission solutions, most notably an expansion of the mid-size range with the L90 Electric and L120 Electric wheel loaders, as well as the EWR150 Electric, Volvo's first electric wheeled excavator. Scheduled for stepwise introductions over the next 12 months, they represent the next step on the company's transformation journey. The same quarter, Volvo CE inaugurated its expanded facilities in Braås, Sweden, in its work to move towards more sustainable power sources for its articulated haulers.

Melker Jernberg, President of Volvo CE, says: "We continue to drive innovation and investments to remain at the forefront of the transformation to more sustainable solutions for the benefit of our customers, shareholders and society at large. It is a testament to our commitment to perform and transform that we are able to ensure profitability during challenging times while still setting the course for construction innovation."

## Market development

Compared to the historically high levels of 2023, there has been an overall market decline, particularly in Europe where weakening business confidence has had an effect, and also in North America, largely due to a normalization in the replenishment of dealer fleets and lower end-customer demand.

In South America however, the market grew driven by strong demand in Brazil and Peru. China also showed good signs of recovery from last year, supported by recently announced government policies to stimulate the real estate market. Meanwhile Asia, outside China, reported a slight slowdown, caused mostly by lower commodity prices in Indonesia, despite an increase in demand in regions including India and the Middle East.

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	
	2024	2023	2024	2023
Europe	7,544	9,413	14,721	18,023
North America	6,961	8,123	13,386	14,660
South America	1,024	1,105	1,784	1,864
Asia	7,172	8,042	14,097	15,140
Africa & Oceania	1,722	2,315	3,312	4,421
<b>Total</b>	<b>24,423</b>	<b>28,999</b>	<b>47,300</b>	<b>54,108</b>

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*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](http://www.volvoce.com)

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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 [www.volvoce.com](http://www.volvoce.com)