

Volvo Cars reports all-time high revenue and profitability for the full year 2021

- Revenue FY SEK 282. bn (262.8), Q4 SEK 80.1 bn (85.3)
- Operating income FY SEK 20.3 bn (8.5), Q4 SEK 3.7 bn (4.9)
- EBIT margin FY 7.2% (3.2), Q4 4.6% (5.8)
- EBIT margin excluding share of income from joint ventures and associates FY 7.5% (3.4), Q4 7.1% (5.8)
- Basic earnings per share FY SEK 4.72(2.28), Q4 SEK 0.66 (1.92)
- Retail sales FY up 6% to 698,700 cars, Q4 down 20% to 168,000 cars
- Electrified 'Recharge' line-up accounted for 34% of total sales in Q4

New Delhi, 11th February 2022: Volvo Cars today reported an all-time high revenue and profitability for the full year 2021. The demand for the company's cars remained strong with growing unit sales, despite persistent component supply shortages in the auto industry.

The company's revenue for 2021 amounted to SEK 282 bn, up from SEK 262.8 bn in 2020. It reported an operating income of SEK 20.3 bn for the year, up from SEK 8.5 bn in Covid-19 affected 2020. The operating margin for the period was 7.2 per cent.

"2021 was a year to be proud of for Volvo Cars. Despite persistent component supply shortages in the auto industry, we increased market share globally and delivered all-time high revenue and profitability," said Håkan Samuelsson, chief executive Volvo Cars.

The interim report for the fourth quarter 2021, which can be found [here](#), shows that revenues was SEK 80.1 billion, down 6 per cent compared with the same period last year. Demand and order intake remained strong, but production was restrained. The negative effect of volumes was offset by strong price realisation and a shift towards high margin models. On the other hand, the share of income in joint ventures and associates reduced operating income, primarily driven by strategic affiliates such as Polestar, where costs were incurred in their early development phase and a change in accounting treatment related to deferred tax assets. Operating income was SEK 3.7 billion in the quarter, representing an operating margin of 4.6 per cent. Excluding share of income from joint ventures and associates, EBIT margin was 7.1 per cent.

Sales volumes in the fourth quarter fell 20 per cent compared to the same period in 2020. The company's electrified line-up continued to be popular with customers and Recharge models made up 34 per cent of the global volume in the fourth quarter. Plug-in hybrids amounted to 28 per cent of volumes, while fully electric cars made up 6 per cent of total sales in the fourth quarter.

The share of fully electric cars as part of total sales will continue to grow as Volvo Cars increase the annual production capacity for fully electric cars to 150,000 cars after summer and, for the full year 2022, the company expects that share to have more than doubled compared with the full year 2021.

Looking ahead, uncertainty is still high. While the component shortage has eased somewhat, the supply chain is expected to remain a restraining factor. At the same time, Volvo Cars continues to see strong customer demand, and expects that electric cars will grow faster than the overall market. This should allow the company to continue growing sales volume in 2022.

Volvo Cars in 2020-2021

For the twelve months between July 2020 and June 2021, Volvo Car Group recorded an operating profit of 22.5 BSEK (14.3 BSEK in 2019). Revenue over the period amounted to 292.1 BSEK (274.1 BSEK), while global sales reached 773,000 cars.

About Volvo Car Group

Volvo Cars was founded in 1927. Today, it is one of the most well-known and respected car brands in the world with sales to customers in more than 100 countries. Volvo Cars is listed on the Nasdaq Stockholm exchange, where it is traded under the ticker "VOLCAR B".

Volvo Cars aims to provide customers with the Freedom to Move in a personal, sustainable and safe way. This is reflected in its ambition to become a fully electric car maker by 2030 and in its commitment to an ongoing reduction of its carbon footprint, with the ambition to be a climate-neutral company by 2040.

As of December 2020, Volvo Cars employed approximately 40,000 full-time employees. Volvo Cars' head office, product development, marketing and administration functions are mainly located in Gothenburg, Sweden. Volvo Cars' production plants are located in Gothenburg (Sweden), Ghent (Belgium), South Carolina (US), Chengdu, Daqing and Taizhou (China). The company also has R&D and design centres in Gothenburg, Camarillo (US), Sunnyvale (US) and Shanghai (China).

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