



Press Release

Volvo Cars first quarter 2022 – A stable performance in an unstable environment

- Revenue increased by 8% to SEK 74.3 (68.6) bn
- Operating income (EBIT) was SEK 6.0 (8.4) bn
- EBIT margin was 8.1 (12.3) %
- EBIT margin, excluding share of income from joint ventures and associates, was 7.9 (8.1)%
- Basic earnings per share was SEK 1.29 (2.28)
- Operating and investing cash flow was SEK –12.3 (–6.9) bn
- Retail sales decreased by 20% to 148.3 (185.7) thousand cars
- Electrified 'Recharge' line-up accounted for 34% of total sales in Q1, of which 8% were fully electric

Delhi; May 5, 2022

Volvo Cars today reports a stable financial result for the first quarter 2022, with gradual impact from the market disturbances caused by the war in Ukraine and the Covid-19 lockdowns in Asia.

"In the first few months of 2022, the war in Ukraine has destroyed lives and displaced millions of innocent people. The same war has also sent already rising inflation to new heights and further disrupted supply chains that were already fragile," said Jim Rowan, chief executive of Volvo Cars. "When summarizing Volvo Cars' performance during this first quarter, I am incredibly pleased that we have delivered such stable results."

The interim report for the first quarter, which can be found [here](#), shows that Volvo Cars' revenue amounted to SEK 74.3 bn, up from SEK 68.6 bn the same period last year. EBIT for Volvo's core operations was SEK 5.9 billion or 7.9 per cent, and reported EBIT was SEK 6.0 billion or 8.1 per cent.

Volvo Cars sold a total of 148,295 cars in the first quarter as the supply chain constraints affecting the company continued to slowly ease. However, late in the quarter the company was hit by a shortage of a specific component which will also impact production during the second quarter. Volvo Cars considers this a temporary set-back and expect the supply chains to improve in the second half of the year. The company expects marginal growth in sales volumes for the full year 2022, compared to 2021, although uncertainty is high."

Volvo Cars plug-in hybrid and fully electric Recharge models remain popular among customers and the share of electrified cars continued to rise. In the first quarter, Recharge sales made up 34 per cent of total sales, whereof fully electric cars made up 8 per cent doubling in the space of the last two quarters. That share will continue to grow as we increase our annual production capacity of fully electric cars to 150,000 units after summer. For the full year 2022, Volvo Cars expect continued high growth of fully electric cars.

The number of active subscriptions in the first quarter increased by 174 per cent compared with the same period last year. This growth was driven by customer demand in combination with a broadened offer as online fleet sales for small and medium enterprises were introduced both in the UK and in Sweden. In the first quarter, online sales made up 13 per cent of total sales in established markets.

Volvo Cars efforts to reduce its CO₂ footprint per car are progressing according to plan. In the first quarter CO₂ emissions were 13.4 per cent lower compared with 2018, supporting the company 2025 ambition of a 40 per cent CO₂ reduction per car.

"The strategic direction remains clear and very much in focus; the fastest transformer in the industry, a fully electric brand with direct consumer relations, and lower carbon emissions is our way forward," said Jim Rowan. "To achieve our ambitions we will increase our pace of product development, strengthen the resilience of our supply chain, and accelerate our digital and software capabilities."

This disclosure contains information that Volvo Car AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation (EU nr 596/2014). The information was submitted for publication, through the agency of the contact person, on 28-04-2022 7:00 CET.

Volvo Cars in 2021

Volvo Car Group recorded an operating profit of 20.3 BSEK. Revenue in 2021 amounted to 282.0 BSEK, while global sales reached 698,700 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 2021, Volvo Cars employed approximately 41,000 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, Ghent (Belgium), South Carolina (US), Chengdu, Daqing and Taizhou (China). The company also has R&D and design centres in Gothenburg, Camarillo (US) and Shanghai (China).

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