

Press Release

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Volvo Cars announces redundancies as part of cost and cash action plan

Volvo Cars today announces global redundancies, as part of its recently launched cost and cash action plan.

The action plan aims to build a stronger and even more resilient Volvo Cars at a time when the automotive industry is facing considerable challenges in its external environment.

The SEK 18 billion action plan includes the creation of a leaner, more efficient organisation with a structurally lower cost base, which corresponds to an estimated reduction of around 3,000 positions, including consultants, at Volvo Cars' operations around the globe.

These reductions will primarily affect office-based positions in Sweden and will represent around 15 per cent of the total office-based workforce globally.

These structural changes are necessary for Volvo Cars to deliver on its long-term strategy, strengthening its foundations for profitable growth. Volvo Cars remains firm on its ambition of becoming a fully electric car company, as fully electric is the fastest growing market segment and Volvo Cars is a leader in this transition.

The estimated reduction in the Swedish operations (Volvo Personvagnar AB) concerns around 1,200 employee-held positions. Volvo Cars has initiated negotiations with relevant labour unions and will issue a notice for these office-based positions to the Swedish labour market authorities today (the Swedish Arbetsförmedlingen).

As part of the approximately 3,000 redundancies, the company will reduce around 1,000 positions currently filled by consultants (most in Sweden), and as mentioned 1,200 employees in Sweden and the remaining in other global markets.

The specific number of job reductions across all regions will be determined over the coming period, once the company has finalised a review of its entire organisation and determined a new structural set-up. Volvo Cars has a goal to complete the structural changes during the autumn of 2025.

"The actions announced today have been difficult decisions, but they are important steps as we build a stronger and even more resilient Volvo Cars," said Håkan Samuelsson, Volvo Cars President and CEO. "The automotive industry is in the middle of a challenging period. To address this, we must improve our cash flow generation and structurally lower our costs. At the same time, we will continue to ensure the development of the talent we need for our ambitious future."

As a result of today's announcement, Volvo Cars anticipates it will incur a one-time restructuring cost of up to SEK 1.5 bn. This cost will affect the company's financial results for the second quarter of 2025, with the effects realised from the fourth quarter of 2025 and into 2026. More details will be shared when the company presents those results on July 17.

For the full year 2024, Volvo Car Group recorded a record-breaking core operating profit of SEK 27 billion. Revenue in 2024 amounted to an all-time high of SEK 400.2 billion, while global sales reached a record 763,389 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".

"For life. To give people the freedom to move in a personal, sustainable and safe way." This purpose is reflected in Volvo Cars' ambition to become a fully electric car maker and in its commitment to an ongoing reduction of its carbon footprint, with the ambition to achieve net-zero greenhouse gas emissions by 2040.

As of December 2024, Volvo Cars employed approximately 42,600 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 and Shanghai (China).

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