

## Press Release

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# Volvo Cars reports Q1 2025 results, launches SEK 18 billion cost and cash action plan

- Q1 revenue was SEK 82.9 bn (SEK 93.9 bn in Q1 2024)
- Q1 operating income (excl. JVs and associates) was SEK 1.9 bn (SEK 6.8 bn in Q1 2024)
- Q1 operating income was SEK 1.9 bn (SEK 4.7 bn in Q1 2024)
- Q1 EBIT margin (excl. JVs and associates) was 2.3 per cent (7.2 per cent in Q1 2024)
- Q1 EBIT margin was 2.3 per cent (5.0 per cent in Q1 2024)
- Q1 basic earnings per share was 0.40 SEK (1.12 SEK in Q1 2024)
- Q1 fully electric car sales share at 19 per cent (21 per cent in Q1 2024)
- Q1 electrified car sales share at 43 per cent (41 per cent in Q1 2024)

Volvo Cars today reports a group operating income (EBIT) of SEK 1.9 billion for the first quarter of 2025, following a drop in wholesales as part of a planned inventory reduction during Q4 last year, as well as adverse currency effects. The result also reflects the current turbulence in the world and a challenging external environment for the automotive industry.

To protect profitability and drive structural efficiencies on direct and indirect costs, as well as helping to offset external headwinds, the company has launched an accelerated cost and cash action plan totalling SEK 18 billion. The majority of the effects from this plan will be realised in 2026.

The plan includes SEK 3 billion in variable cost actions and SEK 5 billion in indirect spend efficiencies, half of which will impact EBIT already in 2026. Furthermore, SEK 10 billion will be added in additional cash actions to reduce working capital and capital expenditures during 2025 and 2026.

The reductions in investments are in addition to the already planned lower investments going forward, as previously communicated. As part of the action plan, there will be redundancies at its operations around the globe, but the company will come back with more details as soon as possible.

*“The automotive industry is in the middle of a very difficult period with challenges not seen before,” said Håkan Samuelsson, Volvo Cars CEO. “Over the last few weeks, I have worked with the management team and other colleagues on a plan to make the company stronger and more resilient. While our strategy is clear, we must get better at delivering results. Given the turbulence in the market, we need to further improve our cash flow generation and lower our costs. While we still have a lot to do, our direction going forward is focused on three areas: profitability, electrification and regionalisation.”*

Volvo Cars remains firm on its ambition of becoming a fully electric car company. Fully electric is the fastest growing market segment and Volvo Cars is a leader in this transition. 43 per cent of all the Volvo cars sold in the first quarter were electrified, meaning fully electric or plug-in hybrid, with almost a fifth of sales fully electric. During the first quarter, Volvo Cars also launched its next fully electric software-defined car, the ES90.

As Volvo Cars accelerates towards full electrification, its premium plug-in hybrids provide a pragmatic bridge for customers not yet ready to switch.

Volvo Cars also sees a need to adapt to a more regionalised world. This includes a more focused approach for each region in terms of product, technology, manufacturing and commercial. The company will empower its regions to better meet the needs of its customers, ensuring it is resilient and fit for growth.

The company will start by focusing on the US and China markets, as priorities. In China, it will adapt faster to the fast-changing auto sector and customer demands, and the company is looking into giving larger operational responsibility to the market. Volvo Cars will soon reveal its first extended range plug-in hybrid in China – a good example of its ability to tailor products to different demands in different markets.

Volvo Cars is also undertaking a strategic restructuring of its operations in the US and has created a new region, called Americas. This region includes the US, Canada and the Latin America markets and will be led by Luis Rezende. At the same time, Mike Cottone will leave Volvo Cars and the company wishes to thank him for his almost 20 years of service. The restructuring further simplifies the company's global operations into three streamlined regions: Americas, Greater China, and Europe & Rest of the World.

In the US, the company will sharpen the product line-up it needs for growth and how it can better use its existing manufacturing footprint there in the coming years – producing more cars where they are sold. Earlier this month, Volvo Cars started production of the important EX30 at its Ghent factory in Belgium.

### ***Q1 results breakdown***

The current turbulence in the broader world economy is reflected in the company's financial results for the first quarter. In terms of retail sales, the company sold 172,219 cars in the first quarter, a drop of 6 per cent compared to the same period in 2024.

The result was also affected by currency effects and a 19 per cent drop in wholesale volumes after Volvo Cars lowered its inventories in Q4 last year. Revenues fell by 12 per cent to SEK 82.9 billion. The core EBIT of SEK 1.9 billion translated into a core operating profit margin of 2.3 per cent.

At the same time, despite the drop in wholesales, the company improved its free cash flow, supported by improvements in working capital as well as the sale of its stake in Lynk & Co. Volvo Cars also continued its path towards electrification and its fully electric sales share of 19 per cent in Q1 remained the highest among its premium legacy competitors.

More details on the first quarter performance can be found in Volvo Cars' full financial report: [Results Centre | Volvo Cars](#)

### ***Looking ahead***

2025 will be a challenging and transition year given the uncertainties around macroeconomic, geopolitical and market developments. As Volvo Cars enters into the year, it sees that tougher market conditions and lower volumes combined with increased price pressure and tariff effects are impacting profitability.

The company's long-term strategy, foundations for growth and path to improved profitability remain, and the accelerated cost and cash action plan has also been launched in order to further protect those elements. But given external developments and increased uncertainties, Volvo Cars is no longer providing financial guidance for 2025 and 2026.

In recent years, Volvo Cars has made strong progress in electrification and it was one of the fastest growing premium car companies in the world. The company aims to continue in that direction with the right cars, a competitive cost base and increased resilience, and will continue to build a stronger, more efficient and more valuable Volvo Cars.

### ***Note to editors***

Håkan Samuelsson and chief financial officer Fredrik Hansson will host a livestream on Volvo Cars' Q1 2025 results for media, investors and analysts at 08:00 CET today. The presentation will be held in English and followed by a Q&A session.

Link for livestream: <https://live.volvocars.com>

China-only link for livestream: <https://live.volvocars.com.cn>

It will be possible to ask questions during the Q&A session following the main presentation. To participate, you can either use the chat function online to type your question or you can call in. To call in, participants need to register via the link below and will then receive the dial-in details and individual PIN.

[Link to register](#)

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**Volvo Cars in 2024**

*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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