

## Press Release

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# Volvo Cars reports second consecutive year of record sales, revenue and profits in 2024, anticipates challenging 2025

### Full Year 2024

- 2024 revenue was SEK 400.2 bn (SEK 399.3 bn in 2023)
- 2024 operating income (excl. JVs and associates) was SEK 27.0 bn (SEK 25.6 bn in 2023)
- 2024 operating income was SEK 22.3 bn (SEK 19.9 bn in 2023)
- 2024 EBIT margin (excl. JVs and associates) was 6.8 per cent (6.4 per cent in 2023)
- 2024 EBIT margin was 5.6 per cent (5.0 per cent in 2023)
- 2024 basic earnings per share was SEK 5.17 (SEK 4.38 in 2023)
- 2024 fully electric car sales share at 23 per cent (16 per cent in 2023)
- 2024 free cash flow of SEK 1.1 bn (SEK -9.0 bn in 2023)

### Quarter 4, 2024

- Q4 revenue was SEK 112.1 bn (SEK 109.4 bn SEK in Q4 2023)
- Q4 operating income (excl. JVs and associates) was SEK 6.3 bn (SEK 6.7 bn in Q4 2023)
- Q4 operating income was SEK 3.9 bn SEK (SEK 5.4 bn in Q4 2023)
- Q4 EBIT margin (excl. JVs and associates) was 5.6 per cent (6.1 per cent in Q4 2023)
- Q4 EBIT margin was 3.4 per cent (4.9 per cent in Q4 2023)
- Q4 basic earnings per share was SEK 0.84 (SEK 1.04 in Q4 2023)
- Q4 fully electric car sales share at 21 per cent (16 per cent in Q4 2023)
- Q4 free cash flow of SEK 13.6 bn (SEK 6.1 bn in Q4 2023)

Volvo Cars had a second consecutive record-breaking year in 2024 and today reports the highest full-year retail sales, revenues and core operating profit in its 98-year history. However, the company anticipates a turbulent 2025 due to challenging market conditions.

Full-year revenues exceeded SEK 400 billion for the first time in the company's history, due to a new all-time sales record of 763,389 cars. Its full-year core operating profit of SEK 27 billion, excluding joint ventures and associates, was another record and up 6 per cent compared to 2023. The core operating margin came in at 6.8 per cent, up from 6.4 per cent in 2023.

Group operating income in the fourth quarter was affected by a SEK 1.7 bn write-down related to assets in the NOVO joint venture, before the company took full financial control of NOVO from an accounting perspective.

Gross margins for the fourth quarter came in at 17.1 per cent, impacted by a one-time effect from the sale of on-balance sheet cars. This increased both revenue and cost of sales and lowered the Q4 gross margin. Volvo Cars also saw a considerably larger decrease in inventory during Q4 compared to the previous year, which further impacted gross margins. Margins were also affected by car line and sales channel mix as well as pricing pressure in the market, but this was partially offset by a more efficient cost structure for new car sales.

The company's cash flow improved considerably in the latter part of the year and full-year free cash flow ended up positive at SEK 1.1 billion, thanks to diligent and disciplined cash

management.

*“2024 was a year of two halves,” said Jim Rowan, chief executive for Volvo Cars. “For the first six months, we recorded strong double-digit volume growth. But like the rest of the industry, we experienced a more challenging second half. Demand slowed down and this had an impact on both our sales pace and underlying profitability. Nevertheless, we can look back at 2024 with a sense of achievement in several areas and we are positioned well to achieve our long-term ambitions.”*

The company’s 2024 results show that despite challenges, Volvo Cars performed better than most of its peers in the premium segment in terms of volume growth and demonstrated resilience. This also underlines the strength of its balanced product portfolio, which contains both electric cars as well as plug-in and mild hybrid models.

The company sold 175,194 fully electric cars in 2024, an increase of 54 per cent versus 2023 and representing 23 per cent of its total global sales volume, which was the highest share among all legacy premium carmakers. Sales of fully electric and plug-in hybrid models amounted to 46 per cent of all Volvo cars sold in 2024. This strong performance enabled Volvo Cars to exceed its CO2 targets as set by the EU, giving it a surplus of EU carbon credits in 2025.

The full CEO letter by Jim Rowan, with more details on the past year and the years ahead, is included in the interim report for the period and can be found [here](#).

### **Looking ahead to 2025**

While the company expects the market to remain weak in 2025, due to the multitude of competitive and geopolitical challenges, Volvo Cars is coming into 2025 in a solid position with strong liquidity, on the back of two record years of sales and profits.

The company’s focused strategy, balanced footprint, technological development and diversified line-up will help it navigate challenges and pave the way for its long-term future growth. It will continue to invest in and strengthen its diversified and balanced product line-up, with five new or refreshed versions of existing models coming on the market in 2025. Volvo Cars expects that these cars will help it partly mitigate the challenging market conditions in 2025.

Volvo Cars continues to double down on internal cost actions and efficiency with heightened focus on protecting cash and efficiently managing its inventories, while continuing to invest in its future. Volvo Cars is currently at the peak of its investment cycle, which will decline as planned from 2026 onwards and unlock strong, positive free cash flows.

Nevertheless, competitive pressures have increased considerably. Additionally, the strong orderbook the company developed in the last two years has now returned to pre-pandemic levels. While a smaller order book is good for customers as it results in shorter lead times, it does present the company with a challenge, particularly for the first six months of 2025, which it will manage.

This means that while Volvo Cars maintains its guidance on outgrowing the market between 2023-2026 on a CAGR basis, delivering a core EBIT margin of 7-8 per cent and generating a strong positive free cash flow in 2026, it anticipates that 2025 will be a challenging and transition year on the path to its long-term growth ambitions. The company does not anticipate the market to grow at the rate of previous years, coupled to a highly likely increase in discounts across the industry due to increased competition.

As a result, Volvo Cars anticipates it will be challenging to reach the volumes and profitability level it achieved in 2024. It also sees effects on profitability from higher amortisations as it continues to ramp up its new cars, such as the EX90 and the ES90 in 2025. However, Volvo Cars continues to focus on cash preservation and anticipates it can deliver a positive free cash flow for the full year 2025, compared to its previous guidance of neutral free cash flow.

*“2025 will be a year of transition,” said Jim Rowan. “The global car industry is facing several uncertainties: cyclical, structural, transformational and geopolitical. We have navigated this environment better and faster than many of our peers, but we and the rest of the industry will be severely tested this year. At the same time, we must keep our eyes firmly on the road ahead and not sacrifice the future on the altar of the present. In other words, we must be prudent, diligent and disciplined during a turbulent 2025, while paving the way for our long-term ambitions.”*

**Note to editors**

Jim Rowan, chief financial officer Johan Ekdahl and chief engineering and technology officer Anders Bell will host a livestream on Volvo Cars' 2024 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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