

## Press Release

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# Volvo Car Group takes ownership of Luqiao plant from Geely Holding

Volvo Car Group has reached an agreement with its parent Geely Holding to acquire full ownership of the Luqiao manufacturing operations in China, consolidating the plant within the company's own assets.

Following previous agreements between the two parties, this transfer means that within the next two years, Volvo Cars will fully own all plants producing its cars.

The plant's manufacturing capacity will be fully available to Volvo Car Group, further strengthening the company's position in China, its largest market. Additionally, the transfer creates a clearer ownership structure within both Volvo Car Group and Geely Holding.

The manufacturing plant, which has been owned by Geely Holding with operational support by Volvo Cars since its inauguration in 2017, will continue to produce the Volvo XC40, the fully electric XC40 Recharge and Polestar 2 models.

In line with Volvo Cars naming convention for its other plants in China, the Luqiao plant will from now on be referred to as the Taizhou plant, reflecting the name of its home city instead of its home district.

"The transfer of the Taizhou plant is a sound and logical move for both parties, as the plant is now fully dedicated to produce Volvo Car Group's cars," said Javier Varela, head of Engineering and Operations. "It is symbolic that the plant that produced the first unit of our first fully electric car, the Polestar 2, will continue to help us grow in our aim to become a global leader in the premium electric car segment."

The Taizhou plant is a good example of the successful collaboration between Volvo Cars and Geely Holding, as the plant provides Volvo Cars with the scale necessary to continue its strong growth in China. The models produced there today are all based on the Compact Modular Architecture (CMA), co-developed by Volvo Cars and Geely Holding.

Geely Holding and Volvo Cars are continuously working to optimise collaboration and the operational structure within the wider group. The transfer of the Taizhou plant follows [the creation of Aurobay](#), a new, stand-alone business merging the companies' powertrain operations, as well as [an agreement in July](#), stating that Volvo Cars will acquire Geely Holding's stake in the companies' joint ventures in China.

As Volvo Cars already operates the Taizhou plant, there will be no changes in its operations following today's agreement. All of the plant's 2,600 employees, including manufacturing and supporting functions, will be transferred to Volvo Cars from Geely Holding.

### **Volvo Car Group in 2020**

*For the 2020 financial year, Volvo Car Group recorded an operating profit of 8.5 BSEK (14.3 BSEK in 2019). Revenue over the period amounted to 262.8 BSEK (274.1 BSEK). For the full year of 2020, global sales reached 661,713 cars (705,452), a decline of 6.2 per cent compared to 2019.*

### **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 of 661,713 cars in 2020 in about 100 countries. Volvo Cars has been under the ownership of the Zhejiang Geely Holding since 2010.*

*As of December 2020, Volvo Cars employed approximately 40,000 (41,500) full-time employees. Volvo Cars head office, product development, marketing and administration functions are mainly located in Gothenburg, Sweden. Volvo Cars head office for APAC is located in Shanghai. The company's main car production plants are located in Gothenburg (Sweden), Ghent (Belgium), South Carolina (US), Chengdu and Daqing (China), while engines are manufactured in Skövde (Sweden) and Zhangjiakou (China) and body components in Olofström (Sweden).*

*Under its new company purpose, Volvo Cars aims to provide customers with the Freedom to Move in a personal, sustainable and safe way. This purpose is reflected in a number of business ambitions: for example, by the middle of this decade it aims for half of its global sales to be fully electric cars, to sell half of its global volume online and to establish five million direct consumer relationships. Volvo Cars is also committed to an ongoing reduction of its carbon footprint, with the ambition to be a climate-neutral company by 2040.*

### **Keywords:**

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Descriptions and facts in this press material relate to Volvo Cars' international car range. Described features might be optional. Vehicle specifications may vary from one country to another and may be altered without prior notification.

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