

Press Release

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Volvo Cars to triple electric production capacity in Ghent after strong year of electrified car sales

GLOBAL ANNOUNCEMENT

Volvo Cars is tripling electric car manufacturing capacity at its plant in Ghent, Belgium as it prepares to meet fast growing demand for its Recharge line-up of chargeable cars.

The capacity increase comes as Volvo Cars also reports its [full-year sales results for 2020](#), which showed a strong growth in demand for the company's Recharge models. The share of Recharge cars as a percentage of total sales more than doubled in 2020, compared to 2019.

By 2022, electric car capacity at the Ghent plant will have more than tripled from today's levels and amount to around 60 per cent of the plant's total production capacity.

Ghent is currently preparing to take a second fully electric Volvo model, based on the CMA modular vehicle architecture, into production later this year. The plant already builds the XC40 Recharge, the company's first fully electric car, as well as a plug-in hybrid version of the XC40.

"Our future is electric and customers clearly like what they see from our Recharge cars," said Javier Varela, head of global industrial operations and quality. "As we continue to electrify our line-up and boost our electric production capacity, Ghent is a real trailblazer for our global manufacturing network."

Volvo Cars is committed to becoming a premium electric car company and in coming years, the company will launch several fully electric cars. By 2025, it aims for its global sales to consist of 50 per cent fully electric cars, with the rest hybrids.

While Ghent is the first of its global manufacturing network to start building fully electric cars, the company also has plans to increase electric car manufacturing capacity at its other facilities around the globe.

Last month, Volvo Cars also announced it will assemble electric motors at its powertrain plant in Skövde, Sweden, and plans to establish complete in-house e-motor production by mid-decade. It will invest 700 million SEK to this end in coming years. The company is also investing significantly in the in-house design and development of e-motors for the next generation of Volvo cars.

Volvo Car Group in 2019

For the 2019 financial year, Volvo Car Group recorded an operating profit of 14.3 BSEK (14.2 BSEK in 2018). Revenue over the period amounted to 274.1 BSEK (252.7 BSEK). For the full year 2019, global sales reached a record 705,452 (642,253) cars, an increase of 9.8 per cent versus 2018. The results underline the comprehensive transformation of Volvo Cars' finances and operations in recent years, positioning the company for its next growth phase.

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 705,452 cars in 2019 in about 100 countries. Volvo Cars has been under

the ownership of the Zhejiang Geely Holding since 2010.

In 2019, Volvo Cars employed on average approximately 41,500 (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 into 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 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.

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Descriptions and facts in this press material relate to Volvo Cars's 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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