Volvo Cars reports third quarter 2019 results

Volvo Cars reports third quarter 2019 operating profit of SEK 3,492 million

CEO Håkan Samuelsson:

"During the third quarter, Volvo Cars continued to grow faster than the industry in Europe, China and the US. The growth in unit sales, revenue and profit was driven by a strong demand for our SUV range as well as cost efficiency. Our focus on sustainable production, and the ambition to reduce total lifecycle carbon footprint of our cars by 40 per cent by 2025, will ensure a long-term sustainable business, which is core to Volvo Cars, our consumers and the environment."

Highlights from the financial report include the following:

- Global third-quarter retail sales up 7.7 per cent to 166,878 cars
- Net revenue up to MSEK 64,827, up 14.2 per cent versus Q3 2018
- Operating profit of MSEK 3,492, an increase of 90.0 per cent compared to Q3 2018
- Net income of MSEK 2,376, an increase of 108.8 per cent compared to Q3 2018
- Cash flow from operating and investing activities of MSEK 1,976, versus MSEK -6,631 in Q3 2018
- EBIT margin 5.4 per cent, versus 3.2 per cent in Q3 2018

Outlook for 2019:

- Volvo Cars expects continued growth in sales and revenue
- Volvo Cars expects market conditions to put continued pressure on margins
- Volvo Cars expects volume growth and initiated cost actions to strengthen profit in the second half of the year compared with the same period last year.
- After an intense period of investments in our global footprint and new technologies, Volvo Cars expect a slightly lower level of capital expenditure.

The full financial report can be found on the Volvo Cars Investor Relations website or here.

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Volvo Car Group in 2018

For the 2018 financial year, Volvo Car Group recorded an operating profit of 14,185 MSEK (14,061 MSEK in 2017). Revenue over the period amounted to 252,653 MSEK (208,646 MSEK). For the full year 2018, global sales reached a record 642,253 (571,577) cars, an increase of 12.4 per cent versus 2017. 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 has been in operation since 1927. Today, Volvo Cars is one of the most well-known and respected car brands in the world with sales of 642,253 cars in 2018 in about 100 countries. Volvo Cars has been under the ownership of the Zhejiang Geely Holding (Geely Holding) of China since 2010. It formed part of the Swedish Volvo Group until 1999, when the company was bought by Ford Motor Company of the US. In 2010, Volvo Cars was acquired by Geely Holding.

In 2018, Volvo Cars employed on average approximately 43,000 (39,500) full-time employees. Volvo Cars head office, product development, marketing and administration functions are mainly located in Gothenburg, Sweden. Volvo Cars head office for China 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).

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