Volvo Cars refines SEK5 billion of existing preference shares

Volvo Cars has issued SEK5 billion worth of convertible preference shares to a group of Swedish institutional investors, comprising Swedish pension fund AMF and Swedish insurance and pension savings group Folksam.

The preference shares may be repurchased or converted into common shares of Volvo Car AB. No further details on the terms of sale will be disclosed.

The proceeds from the preference shares will be used by Volvo Cars to refinance the existing SEK5 billion worth of preference shares, which were issued in December 2016.

Today's announcement represents a significant, continued endorsement for Volvo Cars from one of Sweden's largest pension funds and one of the country's leading insurance and pension savings group, who together manage assets worth SEK1100bn.

Volvo Cars' business and operations have continued to develop strongly in recent years. Buoyed by strong demand for its award-winning range of SUVs among other models, Volvo Cars has continued to take market share around the globe amidst stagnating global car markets.

The company is also a global industry leader in areas such as autonomous drive technology, connectivity and electrification. Earlier this year Volvo Cars launched its first fully electric car, the XC40 Recharge, and it will launch a fully electric car every year over the next five years.

It is also the only car maker to offer one or more plug-in hybrid variants on every model in its portfolio. By 2025, Volvo Cars expects half of its global sales volume to consist of fully electric cars, with the rest hybrids.

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 Cars was founded in 1927. Today, it is one of the most well-known and respected premium 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 of China since 2010.

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).

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: by the middle of next decade it aims for half of its global sales to be fully electric cars and to offer half of all cars to customers via its subscription service. By then, it also expects one-third of its cars sold to be autonomous.
Volvo Cars refines SEK5 billion worth of existing preference shares

Volvo Cars has issued SEK5 billion worth of convertible preference shares to a group of Swedish institutional investors, comprising Swedish pension fund AMF and Swedish insurance and pension savings group Folksam. The preference shares may be repurchased or converted into common shares of Volvo Car AB. No further details on the terms of sale will be disclosed.

The proceeds from the preference shares will be used by Volvo Cars to refinance the existing SEK5 billion worth of preference shares, which were issued in December 2016. Today's announcement represents a significant, continued endorsement for Volvo Cars from one of Sweden's largest pension funds and one of the country's leading insurance and pension savings group, who together manage assets worth SEK1100bn.

Volvo Cars' business and operations have continued to develop strongly in recent years. Buoyed by strong demand for its award-winning range of SUVs among other models, Volvo Cars has continued to take market share around the globe amidst stagnating global car markets.

The company is also a global industry leader in areas such as autonomous drive technology, connectivity and electrification. Earlier this year Volvo Cars launched its first fully electric car, the XC40 Recharge, and it will launch a fully electric car every year over the next five years.

It is also the only car maker to offer one or more plug-in hybrid variants on every model in its portfolio. By 2025, Volvo Cars expects half of its global sales volume to consist of fully electric cars, with the rest hybrids.

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 Cars was founded in 1927. Today, it is one of the most well-known and respected premium 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 of China since 2010.

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).

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: by the middle of next decade it aims for half of its global sales to be fully electric cars and to offer half of all cars to customers via its subscription service. By then, it also expects one-third of its cars sold to be autonomous.

Media Contacts

Volvo Cars Media Relations
Phone: +46 31-596525
media@volvocars.com

Related Images

ID: 259209