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## VOLVO CAR GROUP

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### Press Release

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**Date of issue    Feb 08, 2018 | ID: 220890**

### **Volvo Cars reports record operating profit of SEK14.1 billion in 2017**

Volvo Cars, the premium car maker, has reported a strong 27.7 per cent increase in operating profit in 2017, earning a record SEK14.1 billion compared to SEK11.0 billion in 2016, driven by global sales of 571,577 cars.

Net revenue for the period increased 16.6 per cent to SEK210.9 billion compared to SEK180.9 billion in 2016, while the operating profit margin improved from 6.1 per cent in 2016 to 6.7 per cent in 2017.

The results underline the comprehensive transformation of Volvo's finances and operations in recent years, positioning the company for its next growth phase.

Global sales rose 7.0 per cent during the year, underpinned by a 25.8 per cent increase in China, Volvo Cars' largest individual market.

"Our business has transformed completely since 2010 and we are now gearing up for a phase of global, sustainable growth," said Håkan Samuelsson, president and chief executive. "We are investing in all parts of our organisation and have laid out clear strategies around electrification, autonomous drive and connectivity."

Full details of the company's financial results are available by following this [link](#) and will be discussed further at a press conference starting at 10:00am CET, which can be followed via this [link](#).

2017 was an important year for Volvo Cars, as the company launched new models, developed partnerships in important areas and unveiled a global electrification strategy unmatched by any other car maker.

It completed its global line-up of brand new SUVs throughout the year, with the launch of the new XC60 and the company's first ever small SUV, the XC40. The XC40 launch also coincided with the introduction of a new model of car access via the company's brand new 'Care by Volvo' premium

subscription service.

In July, Volvo Cars announced that it would place electrification at the core of its future business, stating that every car it launches from 2019 will have an electric motor. In a further commitment to electrification it launched Polestar, a new stand-alone electrified car brand fully consolidated within the Volvo Car Group.

Volvo Cars enhanced its collaboration with Geely Holding via the creation of a joint venture technology company to provide further economies of scale in technology development. It also acquired a 30 per cent stake in Geely's new LYNK & CO car brand, with which it shares the Compact Modular Architecture (CMA).

In 2017, Volvo Cars signed a framework agreement with ride-hailing company Uber to sell it tens of thousands of autonomous driving compatible base cars between 2019 and 2021.

Volvo announced in 2017 it will open its new manufacturing plant in South Carolina, its first in the United States, which will build the upcoming new S60 mid-sized sedan as well as the next generation XC90 large SUV. The plant represents an investment of over USD 1.1 billion and will create nearly 4,000 new jobs.

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### **Volvo Car Group in 2017**

*For the 2017 financial year, Volvo Car Group recorded an operating profit of 14,061 MSEK (11,014 MSEK in 2016). Revenue over the period amounted to 210,912 MSEK (180,902 MSEK). For the full year 2017, global sales reached a record 571,577 cars, an increase of 7.0 per cent versus 2016. 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 571,577 cars in 2017 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 2017, Volvo Cars employed on average approximately 38,000 (30,400) 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), Chengdu and Daqing (China), while engines are manufactured in Skövde (Sweden) and Zhangjiakou (China) and body components in Olofström (Sweden).*