



Volvo Cars adjusts core business ambitions for 2026 and beyond

Volvo Cars has adjusted its core business ambitions for the coming years, reflecting the company's relentless focus on value creation while remaining pragmatic amidst fluid market conditions.

The adjusted business ambitions are revealed ahead of Volvo Cars' Capital Markets Day which takes place in Gothenburg, Sweden today. During the day, Volvo Cars will reveal details of its value creation approach, technology roadmap and product plan for the coming years.

Rather than aiming for an absolute revenue target, Volvo Cars' ambition is now to continue outgrowing the premium car market until 2026, as it has done in recent years.

Given the increased complexity especially in relation to global trade and tariffs, the company also aims to achieve an EBIT* margin of 7-8 per cent for the full year in 2026.

In terms of free cash flow generation, Volvo Cars continues to aim for cash flow neutrality in 2024 and 2025, followed by a strong free cash flow from 2026 onwards. From 2026 onwards, Volvo Cars expects to benefit further from its current investment phase through higher profitability and stronger free cash flow.

The adjusted revenue and EBIT margin ambitions follow on yesterday's announcement around Volvo Cars' revised electrification ambitions. The company now aims for 50-60 per cent of its global sales by 2025 to consist of electrified cars, so both plug-in hybrid and fully electric models.

By 2030, it expects electrified cars to represent between 90-100 per cent of global sales volumes. The remaining 10 per cent will allow for a limited number of mild hybrid models to be sold, if needed.

These adjusted electrification ambitions also lead to new CO₂ reduction ambitions, which remain leading for the automotive industry. Volvo Cars now aims to reduce its CO₂ footprint per car by 30-35 per cent by 2025 versus a 2018 baseline, which is an important step towards a CO₂ reduction per car of 65-75 per cent by 2030.

The company will continue to work together with its suppliers to bring down emissions from materials and from its operations, including its supply chain and logistics networks.

For more information on the company's adjusted electrification ambitions, [read here](#).

The company continues to retain the potential for shareholder distribution once its current investment phase is concluded. More details will follow closer to that point in time.

“Volvo Cars stands at a pivotal and exciting crossroads in our journey. We have been laying the foundations for the last few years that put us in the strong position we are in today,” says Jim Rowan, chief executive of Volvo Cars. “The sharpened business ambitions we announce today further reinforce our commitment to drive value as a business, while remaining true to our purpose. As I have said before: business is not a game of perfection, it’s about continuous progress and adaptation.”

The small print

- Volvo Cars' EBIT target applies to core EBIT, i.e. *EBIT excl. JVs and associates

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Volvo Cars in 2023

For the full year 2023, Volvo Car Group recorded a record-breaking core operating profit of SEK 25.6 billion. Revenue in 2023 amounted to an all-time high of SEK 399.3 billion, while global sales reached a record 708,716 cars.

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 to customers in more than 100 countries. Volvo Cars is listed on the Nasdaq Stockholm exchange, where it is traded under the ticker “VOLCAR B”.

"For life. To give people the freedom to move in a personal, sustainable and safe way." This purpose is reflected in Volvo Cars' ambition to become a fully electric car maker and in its commitment to an ongoing reduction of its carbon footprint, with the ambition to achieve net-zero greenhouse gas emissions by 2040.

As of December 2023, Volvo Cars employed approximately 43,400 full-time employees. Volvo Cars' head office, product development, marketing and administration functions are mainly located in Gothenburg, Sweden. Volvo Cars' production plants are located in Gothenburg, Ghent (Belgium), South Carolina (US), Chengdu, Daqing and Taizhou (China). The company also has R&D and design centres in Gothenburg and Shanghai (China).