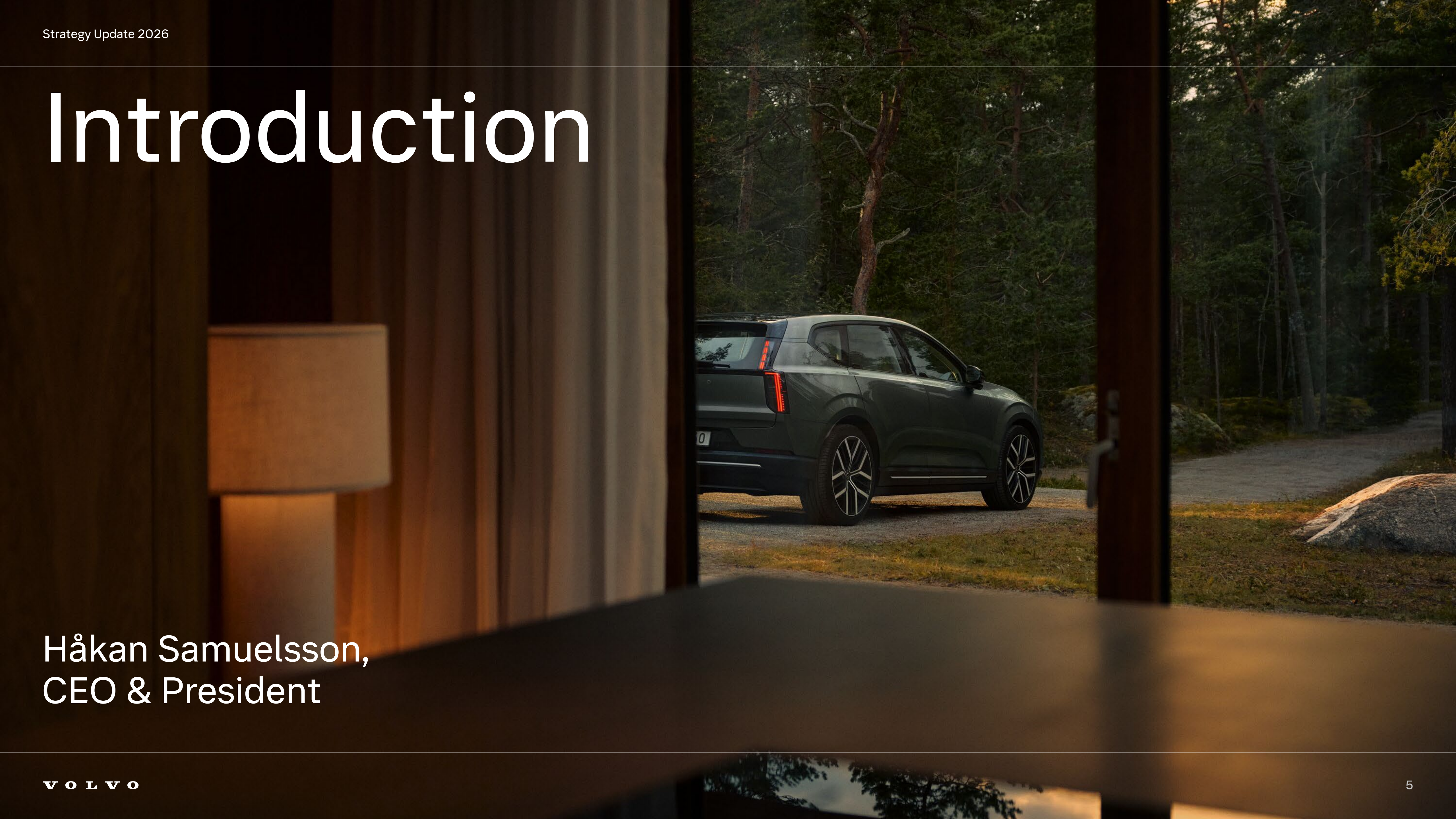
Strategy Update 2026

VOLVO

01	02	03	04	05
Introduction	Growth through electrification	New products in a regionalised world	Building a stronger Volvo Cars with Geely synergies	Break
Håkan Samuelsson	Erik Severinson	Alexander Petrofski	Michael Fleiss & Francesca Gamboni	
06	07	08	09	10
From just a car to complete customer offer	Roadmap to higher profitability and cash flow generation	Design	Ending remarks	Q&A Lunch & mingle
Erik Severinson	Fredrik Hansson	Thomas Ingenlath	Håkan Samuelsson	

Introduction



Håkan Samuelsson,
CEO & President

Executive Management Team

Håkan Samuelsson
Chief Executive Officer & President

Fredrik Hansson
Chief Financial Officer

Helen Hu
General Counsel &
Chief Corporate Affairs Officer

Hanna Fager
Chief People Officer

Erik Severinson
Chief Commercial Officer

Luis Rezende
President Americas

Francesca Gamboni
Chief Procurement &
Supply Chain Officer

Alexander Petrofski
Chief Technology Officer

Michael Fleiss
Chief Strategy & Product Officer

Thomas Ingenlath
Chief Design Officer

Magnus Nilsson
Chief Manufacturing Officer

Key strategic actions delivered since November 2025

01 Product

- ✓ All-new EX60 launched and first cars on the road
- ✓ Entered long-range PHEV segment globally
- ✓ HuginCore with Level 5 SDV status
- ✓ Rolled out AI assistant Gemini

02 Performance

- ✓ Delivered > SEK 5 billion additional spend reduction
- ✓ Highest share of electrified cars among all premium competitors
- ✓ Investments now within affordable levels

03 Regionalisation

- ✓ Implemented regional governance model, and strengthened regional leadership in EMT
- ✓ Granted specific authorisation on ICTS
- ✓ Europe divided in 5 sub regions

Responding to external challenges with speed and purpose

01	02	03
Climate / Fossil fuel usage	End of globalisation	Hypercompetition

Volvo Cars' unique success factors

01

Regionalised product offer and governance

02

Growth through focus on electrification

03

Utilise Geely synergies

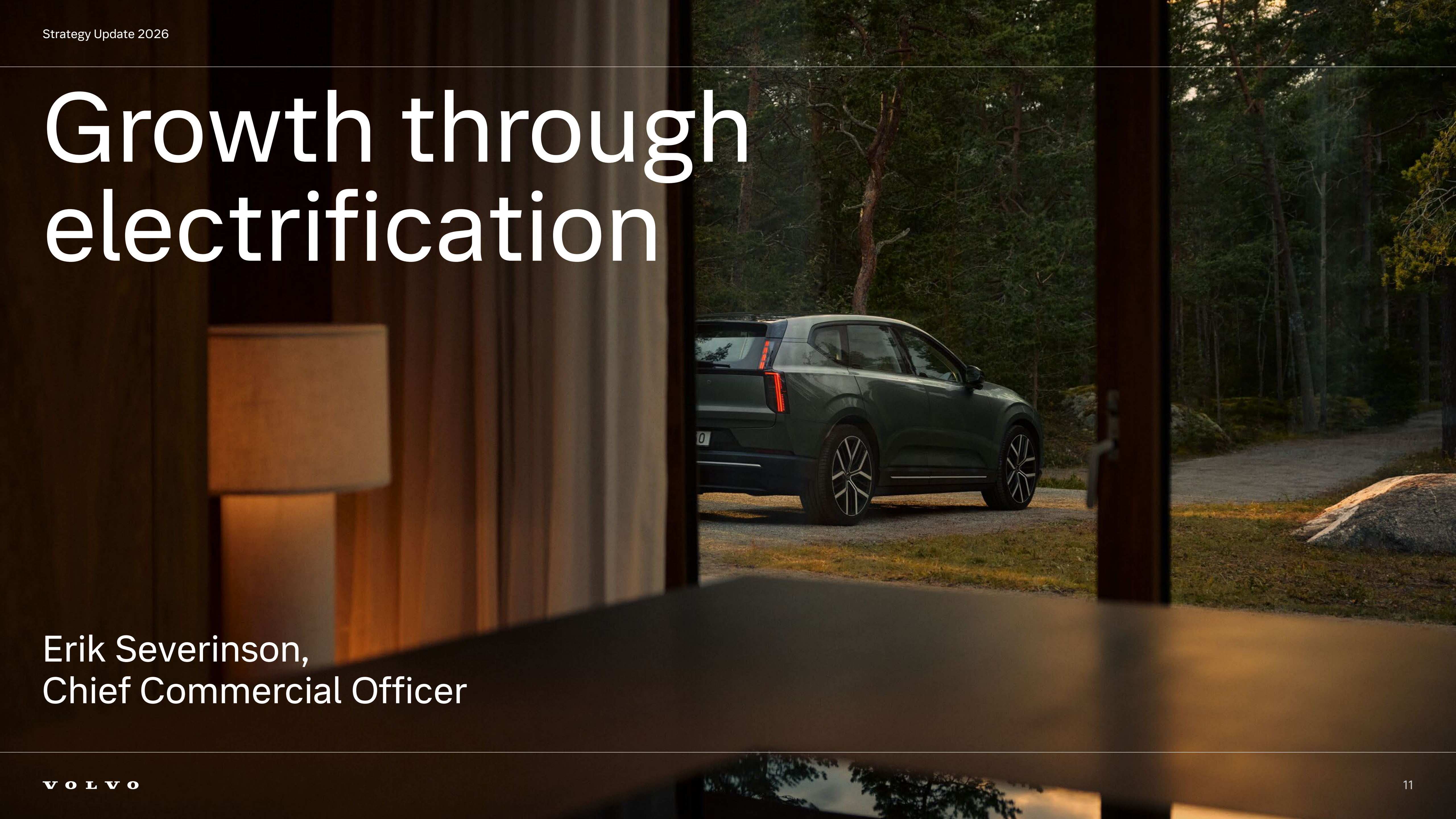
04

From just a car to complete customer offer

High performing organisation and affordable investment and cost levels

Common challenges and unique opportunities

Our ambition is to be the leading premium car brand

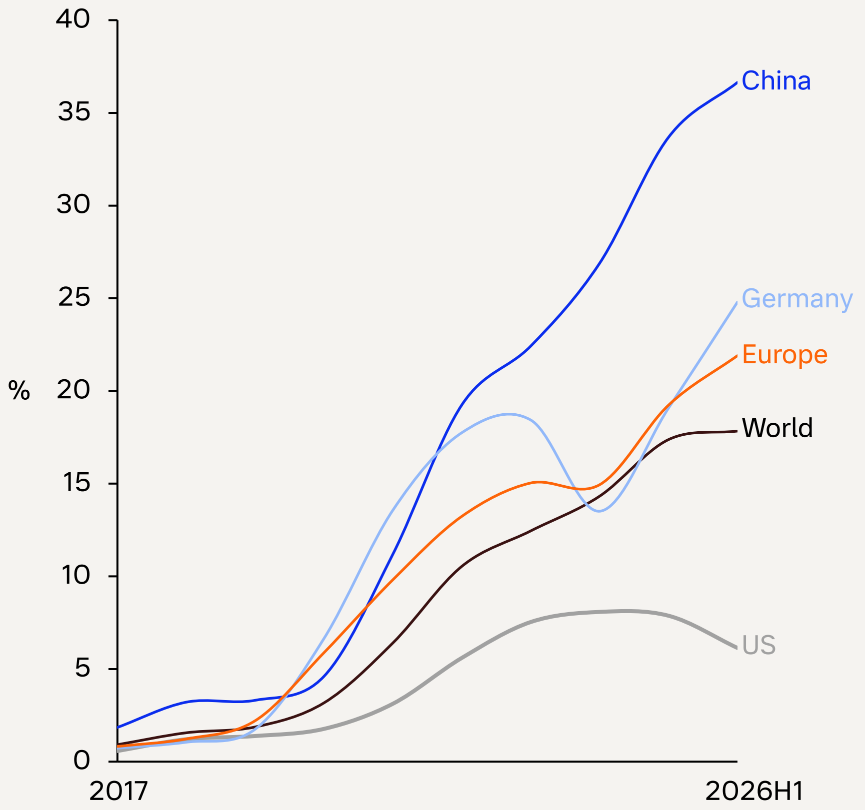


Growth through electrification

Erik Severinson,
Chief Commercial Officer

Our strategy is underpinned by an electrifying global market

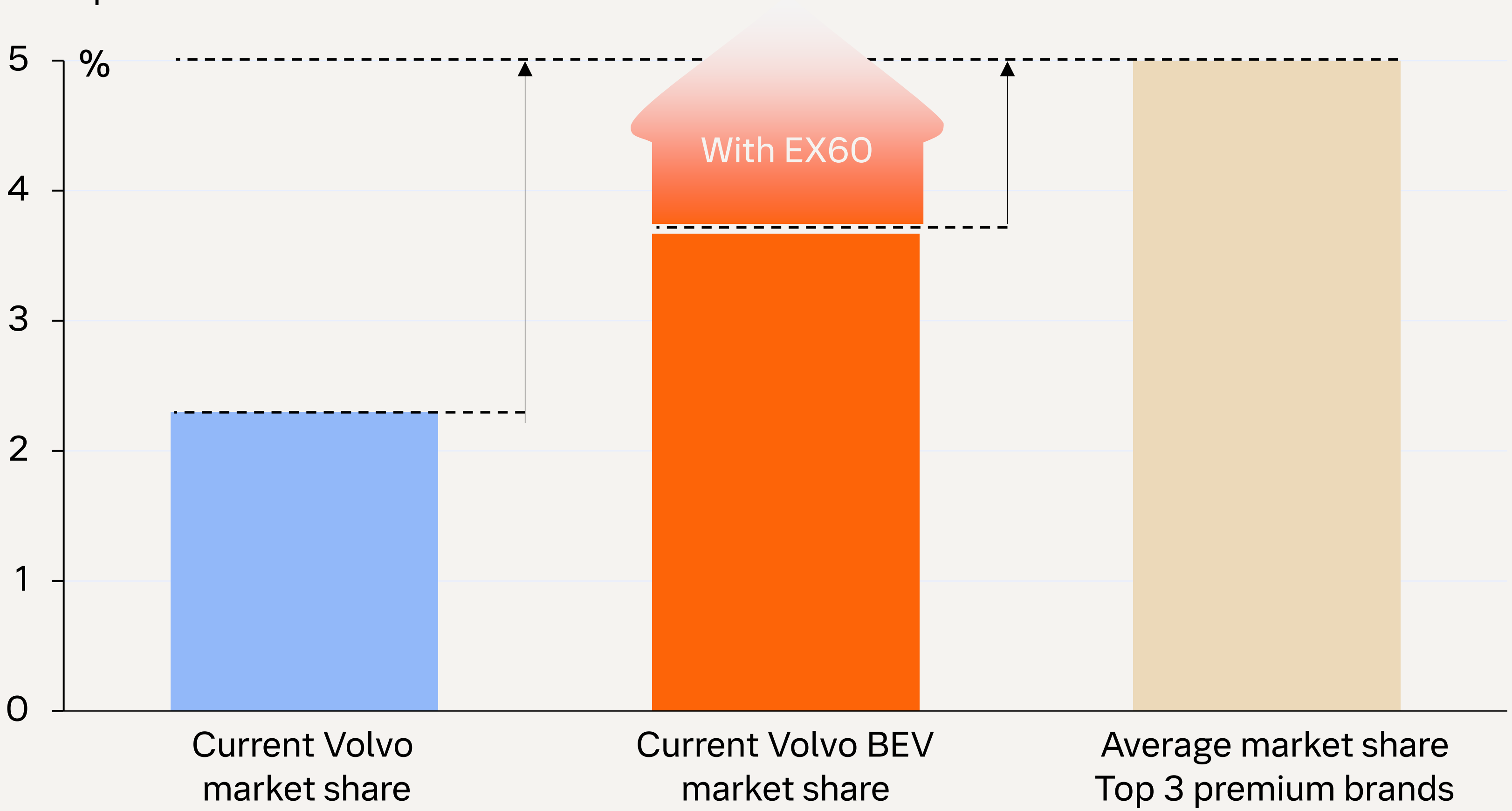
BEV share across the world, 2017-2026 H1



Source: Mobility Global, Total passenger car market (TIV)

Our BEV growth is helping close the gap to our competition

Market share in Europe: 2026



Source:
2026H1, Volvo sales data, Mobility Global

Proof of our BEV strategy: EX60 is set to be one of our best-selling and most profitable cars

Customer concerns solved

Goes as far

Charges as fast as your average stop

Costs the same as a PHEV

→

Addresses the largest BEV segment

More profitable than XC60

Record order intake in first six months

T3 Volvo EX60 just showed the world how to build an electric mid-sized SUV – a Scandinavian masterpiece on wheels

edmunds

Volvo's … best electric effort yet … objectively and subjectively great

Electrifying.com score

10/10

CNET

The EX60 Is Volvo's Most Important Car, and It's Glorious

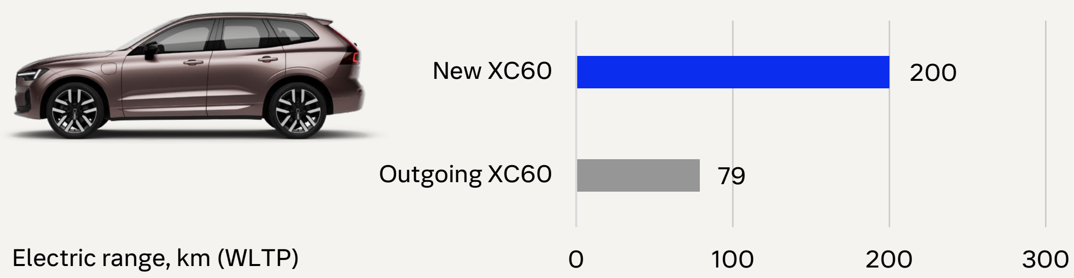
The INDEPENDENT

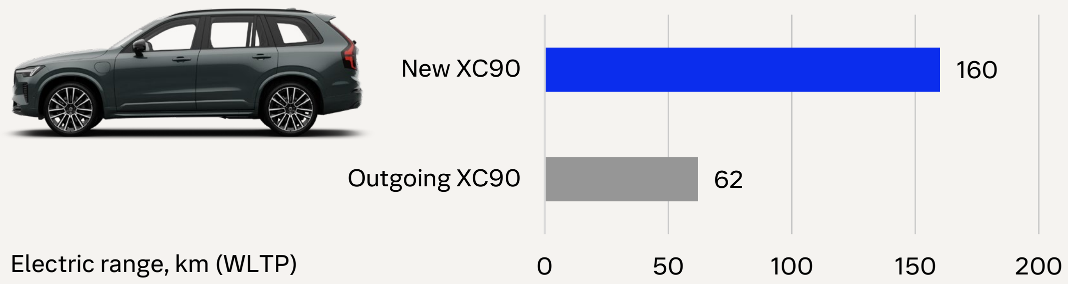
Volvo EX60 review – brilliant new electric SUV is perfect for family life. It's quiet, quick, comfortable practical and efficient. I loved it.

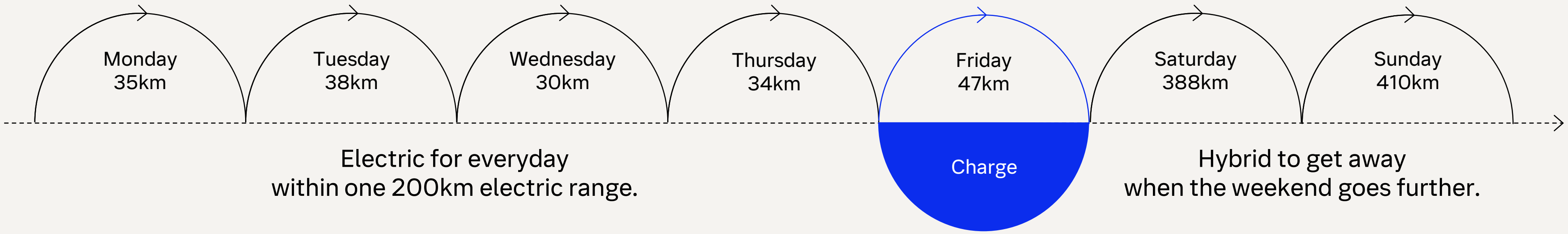
WHAT CAR?

We have made significant upgrades to our core hybrid models...

…including class-leading electric range for our best-selling XC60 and XC90 PHEVs







"Its strongest achievement may be making the next fully electric Volvo feel like a smaller step."

Forbes

In a nutshell

01

The world is electrifying

02

BEVs are increasing our market share

03

EX60 validates our BEV strategy

04

We are bridging the gap with world-leading PHEVs

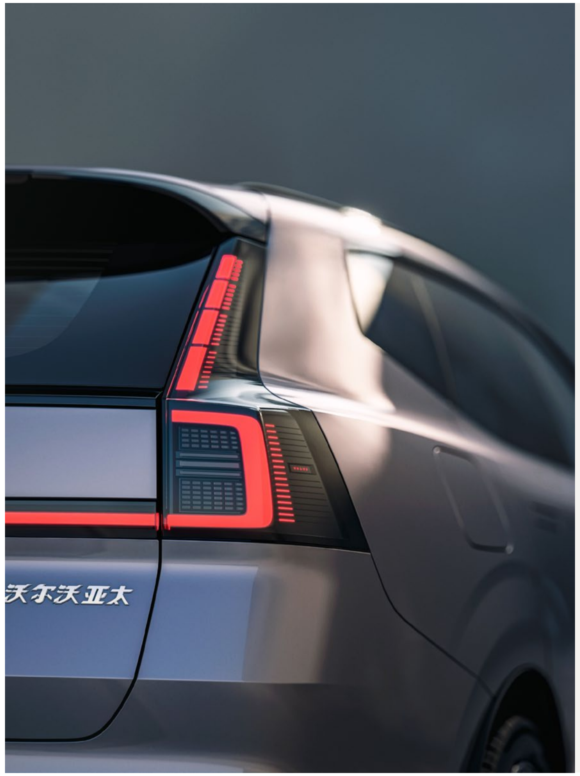
New products in a regionalised world

Alexander Petrofski,
Chief Technology Officer

Uniquely positioned to deliver 13 new regionally tailored products

West

- 7 new cars, locally produced
- Uncompromised BEVs and 3rd gen Hybrids
- HuginCore, industry leading tech stack
- One tech stack with one software



East

- 6 new cars, locally produced
- Eastern tech stack for competitive technology
- Geely synergies aiding faster time to market
- Efficiency by shared platforms & components

Leveraging our 100-year heritage of Safety and Scandinavian design

Updated products that keep getting better over time

SPA1 Platform Hardware update

CMA Platform Hardware update

EX60 on SPA3 & HuginCore

New Volvo UX

Software

2.5 million Volvo cars updated across 85 countries.

Google Gemini

Software

Volvo drivers among first to experience next gen AI assistant

Driving Alerts

Software

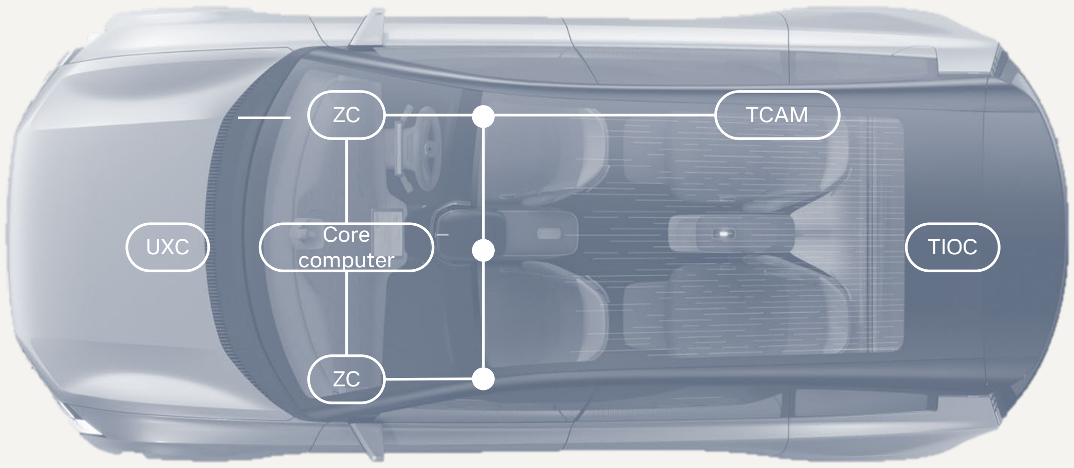
Giving drivers info at right time enabling safer driving

EX60 Charging

Software

Improving charging speed from 18 to 16 minutes with software

Changing the game with Software Defined Vehicles



Safety Technology
Multi use of exterior and interior sensing

High-Performance Compute
Designed for heavy load, developed with NVIDIA & Qualcomm

Advanced Connectivity
Continuous access to sensor data from fleets for AI modelling

Advanced Zonal Controllers
Zonals with dual MCUs replacing multiple ECUs

Redundant Power-Supply
Fault tolerant design to enable L3/L4 driving

Software Factory and Testing
One update for all products

SDVs unlocking step change in customer experience and benefits

SDV Readiness Top Scorers in 2026

OEM brand	SDV readiness 2026*	Design Location	OEM type
NIO	5	Greater China	Native BEV developer
Volvo	5	Europe	Incumbent OEM, multiple propulsions
LI	4	Greater China	Native BEV developer
Xpeng	4	Greater China	Native BEV developer
Tesla	4	North America	Native BEV developer
Stelato	4	Greater China	Native BEV developer
Maextro	4	Greater China	Native BEV developer
Aito	4	Greater China	Native BEV developer
BMW	4	Europe	Incumbent OEM, multiple propulsions

* As of March 2026. The "SDV Readiness Forecast" is a ranking of SDV-readiness based on a combination of software capability, advanced hardware, and OTA published by S&P Global Mobility.
Data compiled Mar. 10, 2026.
Source: S&P Global Mobility.

What it means for the consumers

→ Safer and more intelligent cars
→ Constantly improving entire car over lifecycle
→ New customer value & continuous quality improvements
→ Strengthened residual value

What it means for our business

→ Improved scalability and managed complexity
→ Products developed faster with lower investments
→ Increased loyalty and improve customer relationships
→ Vertically integrated with faster improvements
→ Significantly improved profitability per car

US

Expanding portfolio and improving the appeal

Market opportunities

- Market shaped by tariffs and regulations
- Sizeable electric D-SUV segment
- Opportunity in next gen hybrids and plug-ins
- Customer preference for larger sized vehicles

End of decade showroom

- Offering larger cars to increase addressable market
- Locally produced cars with more premium features

Underpinning technology

- Multi-propulsion approach based on mixed energy platform
- Western tech stack based on HuginCore for all cars

Europe

Full BEV lineup to lead premium electrification

Market opportunities

- Mature BEV market in north and west
- Continued opportunities for hybrids in east and south
- Small and mid-size cars dominating market
- BEV adoption driven by corporate fleets

End of decade showroom

- Full BEV line up by 2030, next car coming in 2027
- 3rd gen hybrids to maintain flexibility

Underpinning technology

- Uncompromised BEVs, SPA3
- 3rd gen hybrids through synergy and past investments
- Western tech stack, HuginCore for all cars

China

New products faster through Geely synergies

Market opportunities

- Acceleration to full electrification continues
- Plug-in hybrids still highly relevant for larger segments
- Preference for spacious cars with advanced tech
- High speed of technology development

End of decade showroom

- New BEVs and PHEVs to further strengthen brand
- Offer competitive tech - ADAS and smart cockpits.

Underpinning technology

- Proven eastern tech stack and shared platforms

In a nutshell: Largest product offensive tailored for regions, driving growth

Uniquely positioned

Regionalised demands and opportunities

Past investments

Geely synergies & Eastern tech stack

Western tech stack

→

Global brand, regional adaptations

All new electric & 3rd gen hybrid vehicles

New low & high body types

Segment expansion with larger vehicles

→

13

New products, increasing addressable market

Building a stronger Volvo Cars with Geely synergies

Michael Fleiss,
Chief Strategy & Product Officer

Commercial and technology synergies – scale benefits on both sides of the business

Growing revenue and reach

→ Access to new segments and customer groups

→ Higher volume through the Volvo Cars ecosystem

Optimising our cost base

→ Increase commonality and leverage investments already made

→ China-specific cars and bridge hybrids with Geely synergies

Commercial synergies: Lynk & Co partnership gives us and our retailers further growth opportunities

01

Unlocking revenue growth in a new segment

02

Increasing volume in the Volvo Cars ecosystem

03

Additional business opportunity for Volvo Cars network

Technology and parts synergies: a global portfolio, tailored regionally

Volvo Cars' global brand, design, safety and quality standards

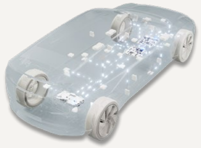
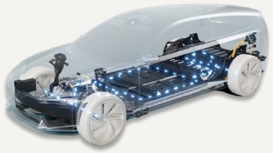
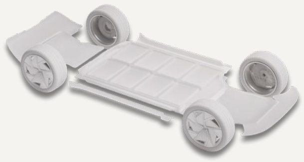
Western parts and tech | China parts and tech

Selected global parts and tech

Local supply chain	Local supply chain	Local supply chain
Local production	Local production	Local production
↓	↓	↓
Fit for US	Right for Europe	Tailored for China

Strong product pipeline made affordable through Geely synergies
and leveraging investments already made

Four architecture aspects, four opportunities for efficiencies

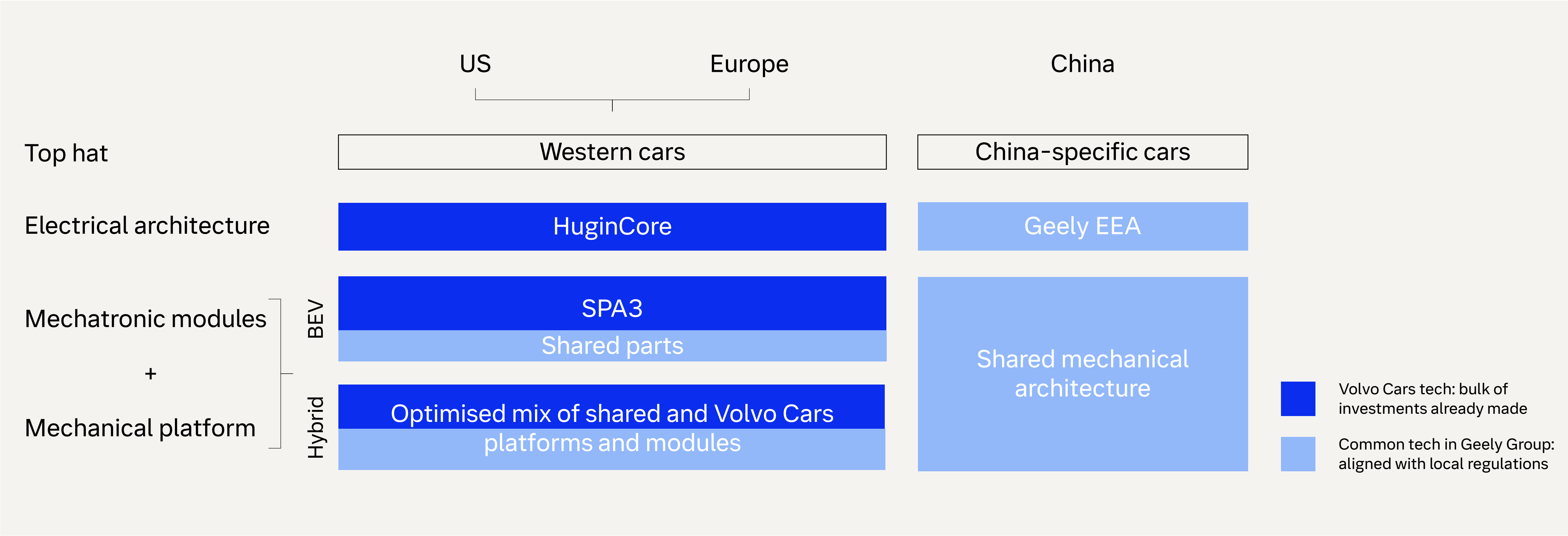
		Content	Main efficiency levers
Top hat		Internal and exterior design-parts	Commonality in vehicle lines
Electrical architecture		The brain of the car created through computers and a network of wires	Geely EEA for China-specific cars All new Western cars on HuginCore
Mechatronic modules		The mechatronic vehicle system controlled by the brain	Shared modules, where aligned with brand standards and local regulations
Mechanical platform		The structural layout and frame of the car	Maximum commonality on part and platform level, aligned with brand standards and local regulations

Purchasing collaboration

Contract manufacturing

(where aligned with local regulations)

Future products will efficiently leverage mechanical and electrical architectures to meet regional needs

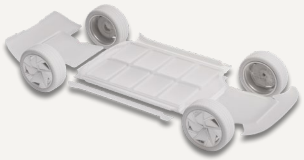


We will significantly increase the share of shared parts in future cars

Commonality potential (bill of materials)

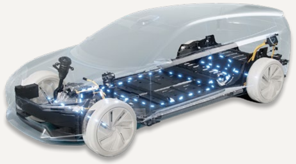
Mechanical Architecture

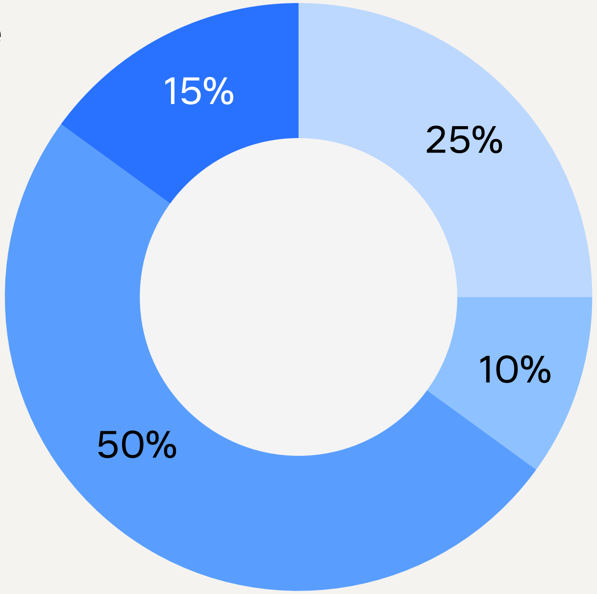
>80%



Mechatronic modules

>60%



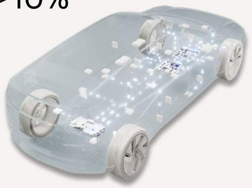


Top hat

>30%

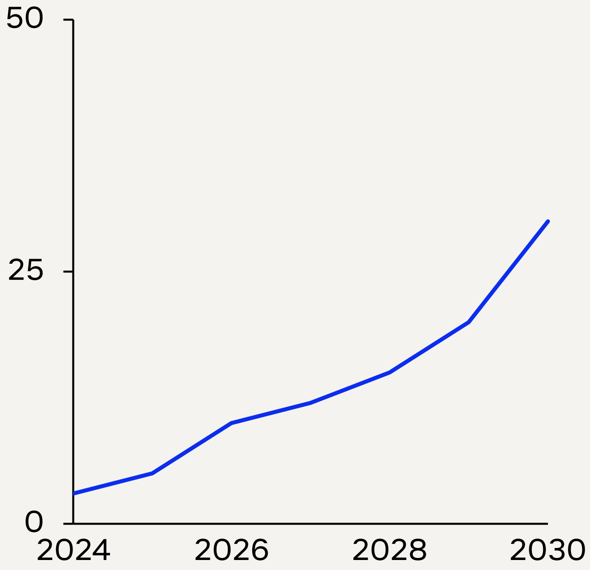
Electrical Architecture

>10%



Commonality

% of BOM



In a nutshell

01

Lynk & Co distribution adds volume and retailer revenue

02

China-specific cars only affordable with Geely collaboration

03

Western cars: we are either past the platform investment peak or leveraging Geely synergies

04

Significant increases in commonality by 2030 – while maintaining Volvo Cars values

Capacity, commonality and collaborative procurement

Francesca Gamboni,
Chief Procurement & Supply Chain Officer

Creating structural cost competitiveness through shared platforms, shared industrial capacity and collaborative procurement

01

Shared mechanical platform and parts...

Faster development

Lower cost per programme

Shared modules aligned with brand and local regulations

02

...enabling shared industrial capacity...

Increased utilisation

Optimised logistics and distribution flows

Broader retail and service coverage

03

...and greater commercial leverage

Shared suppliers and parts

Coordinated local supplier approach

Shared view of supplier performance

All contemplated collaboration subject to applicable local laws and regulations and implemented via arm's-length agreements between separate legal entities

Creating a competitive industrial footprint

01 One platform per plant

- Complexity reduction
- Productivity focus

02 Regional optimisation

- Lead time and logistics cost reduction
- Customer proximity

03 Contract manufacturing

- Increased utilisation
- Lower investment per unit

Future state footprint

Region	Plant	# Platforms (% Complexity reduction)	Main focus	
	Charleston	1 (50 %)	Large cars, mixed propulsion	Focused plant
	Torslanda	1 (50 %)	Medium cars	Focused plant
	Ghent	2 (30 %)	Small to medium cars	Contract manufacturing opportunity
	Košice	1 (-)	Medium cars	Focused plant
	Taizhou	1 (50 %)	Medium cars	Focused plant
	Daqing	1 (-)	Large cars	Focused plant
	Chengdu	1 (50 %)	Medium cars	Contract manufacturing opportunity

Strengthening long-term competitiveness of Volvo Car Gent

01

Reduced structural cost

Position Gent as a competitive Western European manufacturing footprint

02

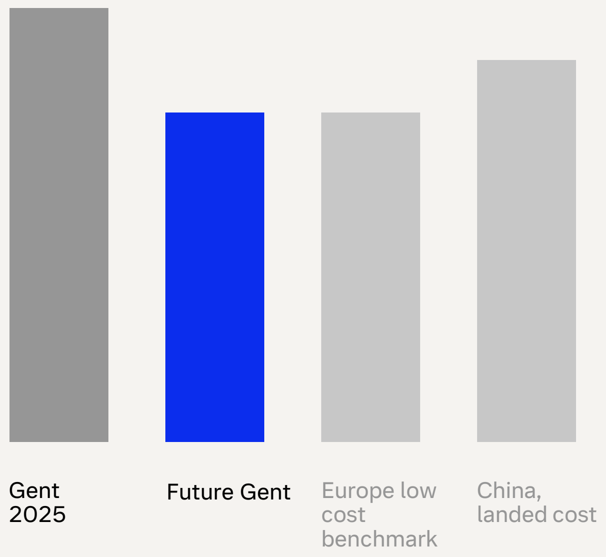
Through government partnership

Partnership with the Belgian federal government and the regional government of Flanders

03

To enable brand flexibility

Unlocking the opportunity to grow volumes at Gent



Manufacturing and supply cost, indicative

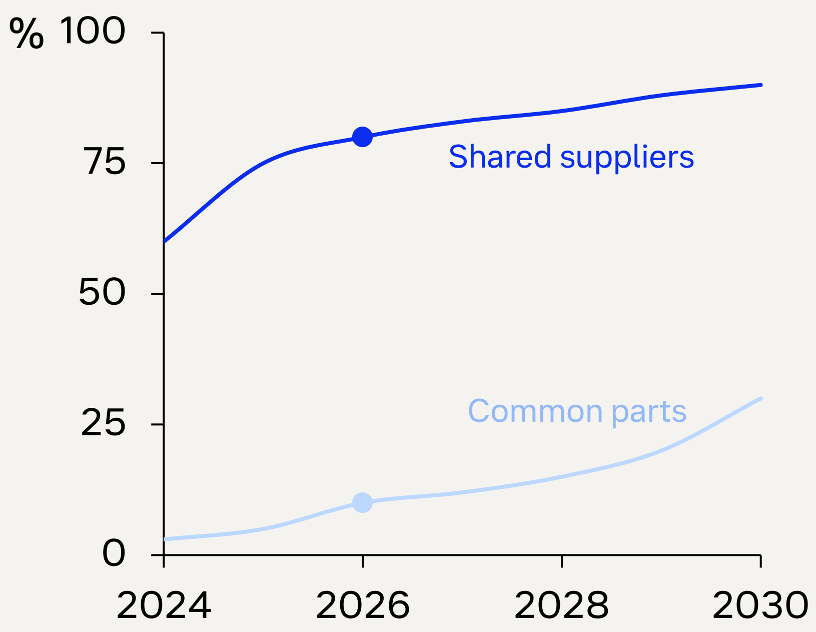
Creating structural cost competitiveness through shared platforms, suppliers and parts

	Objective	Status
Collaborative procurement	Greater commercial leverage, synergies at birth and not at call	Deepened collaboration in China
Shared parts	30 % commonality with variant reduction	10 % commonality
Shared supplier leverage	> 90 % spend with shared suppliers	80 % spend with shared suppliers (representing SEK ~120 billion)

All contemplated collaboration subject to applicable local laws and regulations and implemented via arm's-length agreements between separate legal entities

Shared platforms and modules enables next level of procurement synergy savings

Shared suppliers & parts



~5%

Additional total material cost savings potential by end of the decade

+

Additional savings on CAPEX, manufacturing and indirect

Synergies are a differentiator: scale compounds into shareholder value

01	02	03	04
Shared platforms → Industrial scale	Industrial scale → Competitive footprint	Common parts → Procurement scale	Procurement scale → Greater commercial leverage

→ Lower investments per car
Lower manufacturing cost per car

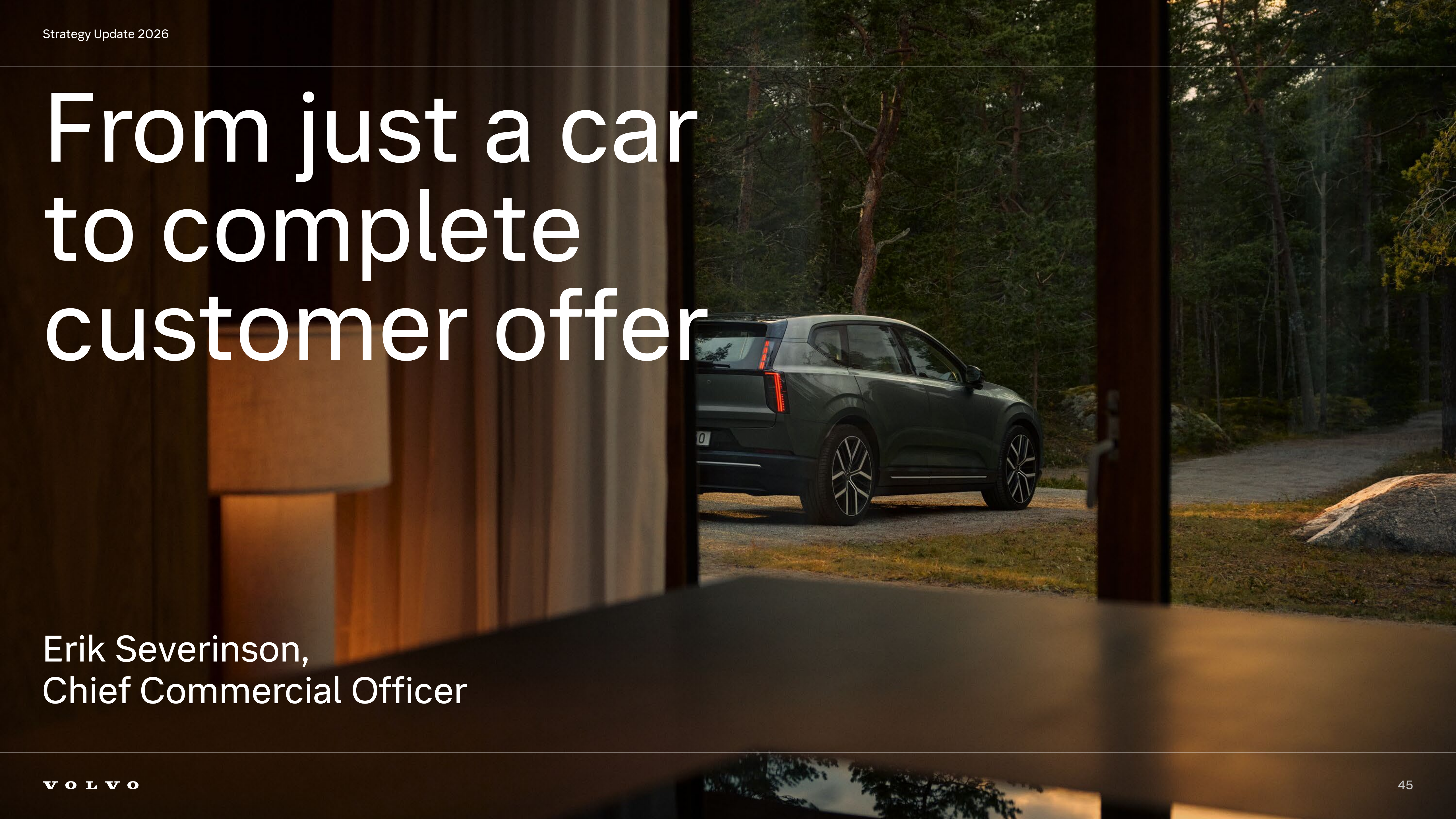
→ Increased resilience
Enabled innovation

→ Lower BOM cost
Lower indirect cost

Scale – a multiplier for future value

From just a car to complete customer offer

Erik Severinson,
Chief Commercial Officer



Purchase is a moment.
How you use it is the journey.

Volvo EX60 Cross Country 100% electric volvocars.com

We are making it easier for people to purchase a Volvo car...

Purchase → Use → Renew

Easier purchase journey

→ Simplicity

→ Transparency

→ Precision

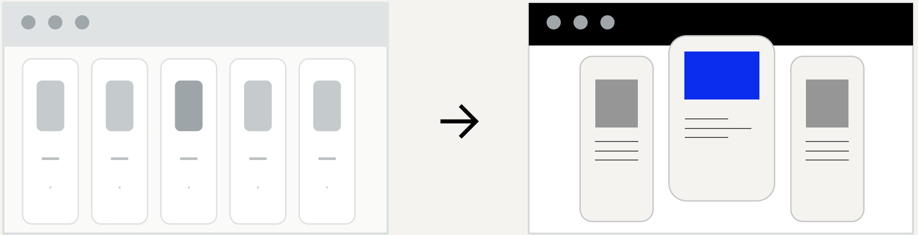
Make it easy to find, choose and access the right car

…by giving customers a simpler offer, transparent pricing and more control over when they get their car

Purchase

Simpler, more transparent choice

Fewer, more relevant variants
Transparent pricing online



Easier to understand | Easier to compare | Easier to choose

Delivery precision and faster access

Instant delivery option included

01
Right car

02
Right place

03
Right time

Greater availability | Shorter waiting time

Combining our industry-leading tech capabilities and human-centric approach, we can deliver a world-class customer experience

Purchase → Use → Renew

Easier purchase journey

→ Simplicity

→ Transparency

→ Precision

Make it easy to find, choose and access the right car

Elevated life

01
Premium access model

Care offer: comprehensive bundle at one fixed price

02
Smart digital relationship

Volvo ID
Google Gemini
Value-add software services
Simple onboarding

03
Ever-improving car

Updates, upgrades and new features via OTA

The brands redefining premium are not the ones offering the most choices, but the ones removing the most friction

Care	Complete customer offer, everything you need A new car every third year
Volvo ID	Volvo in your pocket, one identity
SDV Level 5	Safer, more intelligent car Gets better with time

CUSTOMER-DEFINED, EVERY DAY

THE FUTURE OF PREMIUM

Personal | Effortless | Ever-improving

...which will lead to happier customers who are more likely to stay with us – and tell others

Purchase → Use → Renew

Easier purchase journey

- → Simplicity
- → Transparency
- → Precision

Make it easy to find, choose and access the right car

Elevated life

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Higher customer satisfaction

- → Retention
- → Advocacy

The combined power of our offer, and happier customers, will increase revenues

Purchase → Use → Renew

Easier purchase journey

→ Simplicity

→ Transparency

→ Precision

Make it easy to find, choose and access the right car

Elevated life

01
Premium access model

Care offer: comprehensive bundle at one fixed price

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Updates, upgrades and new features via OTA

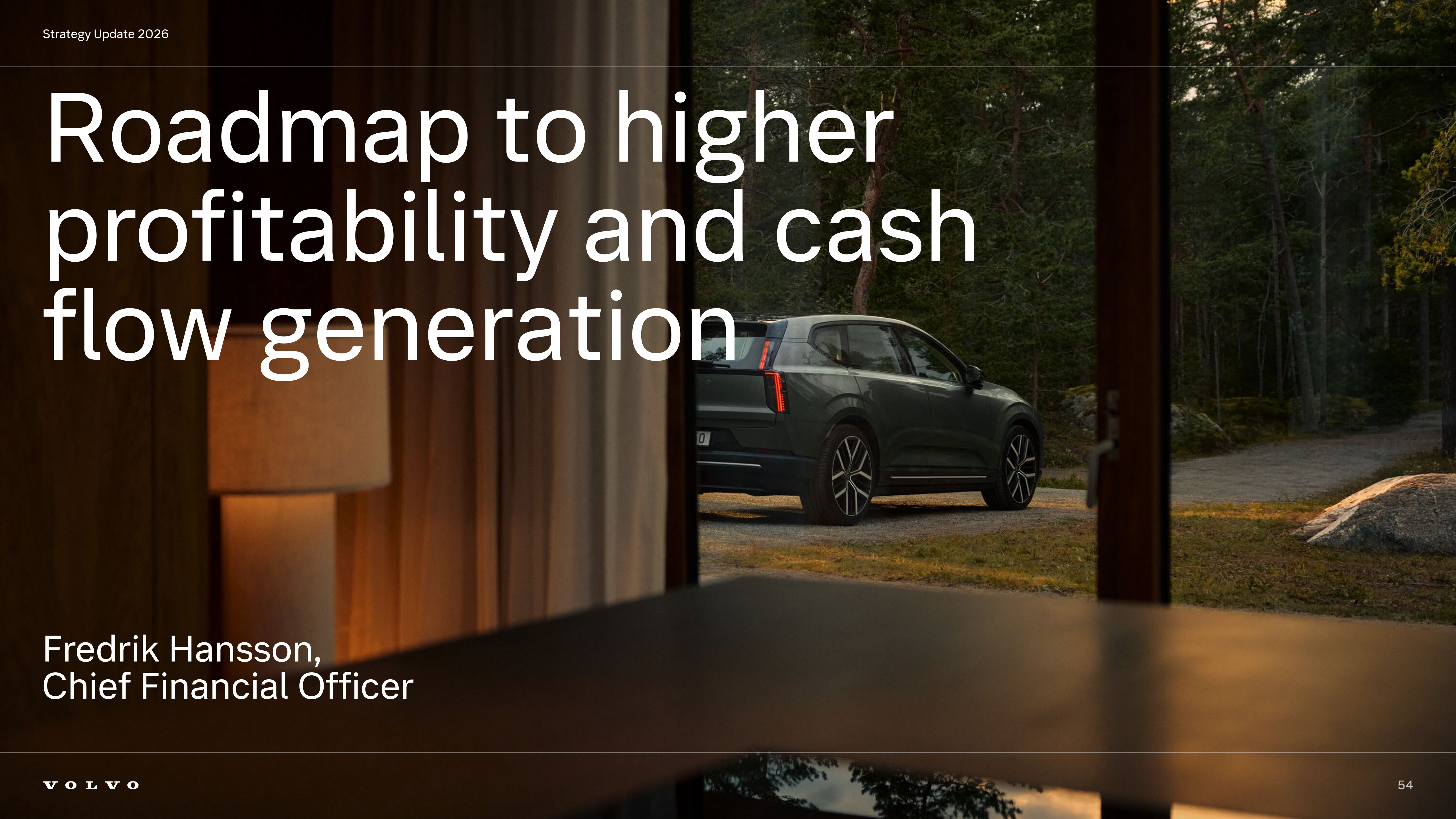
Higher customer satisfaction

→ Retention

→ Advocacy

Recurring revenue | **Higher RVs** | **Resilient profitability**

Roadmap to higher profitability and cash flow generation



Fredrik Hansson,
Chief Financial Officer

Strategic value of our plan remains unchanged

>8%
EBIT

Strong
positive cash flows

Strategic value of our plan remains unchanged

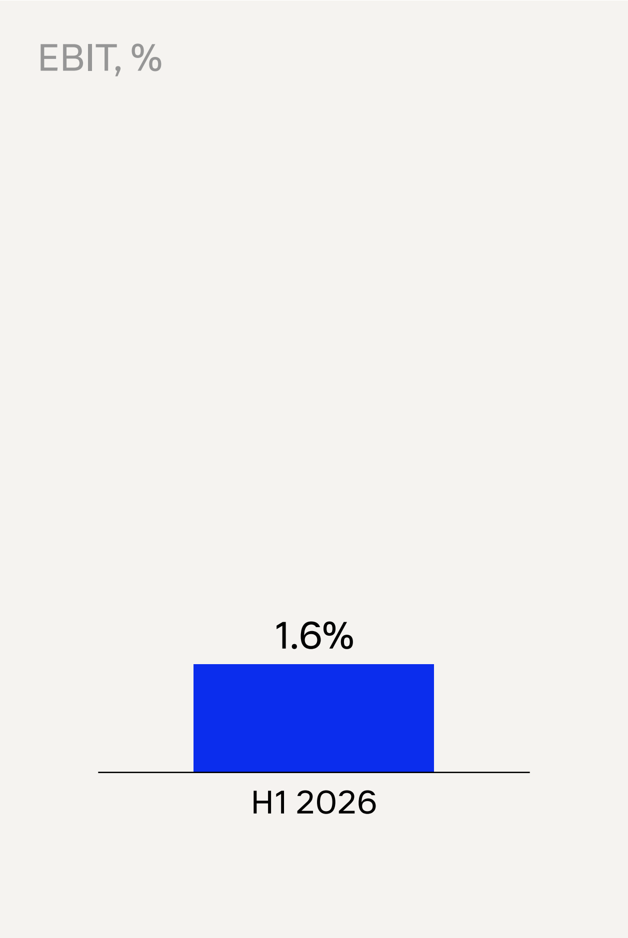
>8%

EBIT

Strong

positive cash flows

Challenging environment puts pressure on profitability



01	China hypercompetition	Hypercompetition in China and beyond
02	Tariffs	US and EU tariffs weighing down profitability
03	Gen 1 BEVs profitability	Structurally higher product cost
04	Ageing product portfolio	Largest product push ever is not yet fully implemented
05	Low-capacity utilisation	Capacity not in line with current volumes
06	Foreign exchange	The FX headwinds have persisted for the past 18 months
07	D&A headwind increasing	High historical investments adding D&A headwind
08	Raw-material price hike	Continued headwinds, hedges to eventually run out
09	Consumer sentiment	Very weak consumer sentiment in US and China

Challenging environment puts pressure on profitability

What we can control

01	China hypercompetition	Hypercompetition in China and beyond
02	Tariffs	US and EU tariffs weighing down profitability
03	Gen 1 BEVs profitability	Structurally higher product cost
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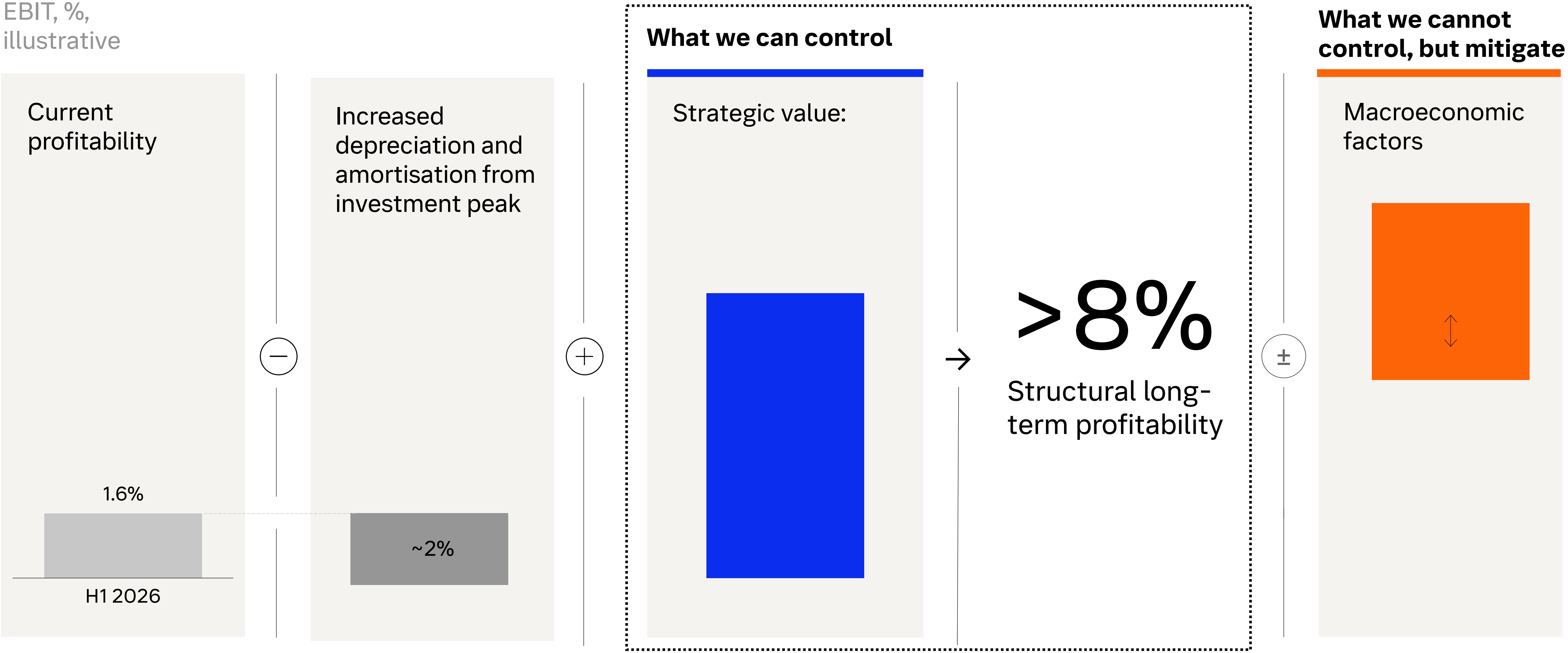
What we cannot control, but mitigate

The equation for long-term profitability

EBIT, %, illustrative

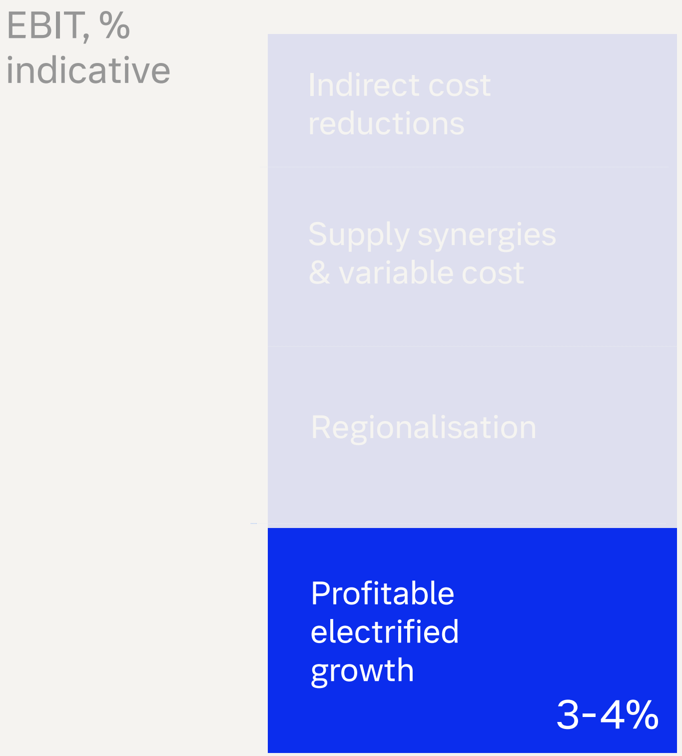


Focus on what we can control: value of our strategic actions across four areas

Strategic value

- Indirect cost reductions
- Supply synergies & variable cost
- Regionalisation
- Profitable electrified growth

Profitable electrified growth:
We are embarking on the biggest product launch ever



Completed strategic actions

- [x] EX60, first car on SPA3 delivered to customers (July 2026)
- [x] Updated PHEV portfolio with industry leading range (September 2026)

Upcoming actions to reach full potential

- [ ] Strengthened portfolio by end of decade; renewing and expanding into new segments

  7 new Western cars including;

  01 Second car on SPA3 in Košice

  02 Low cars

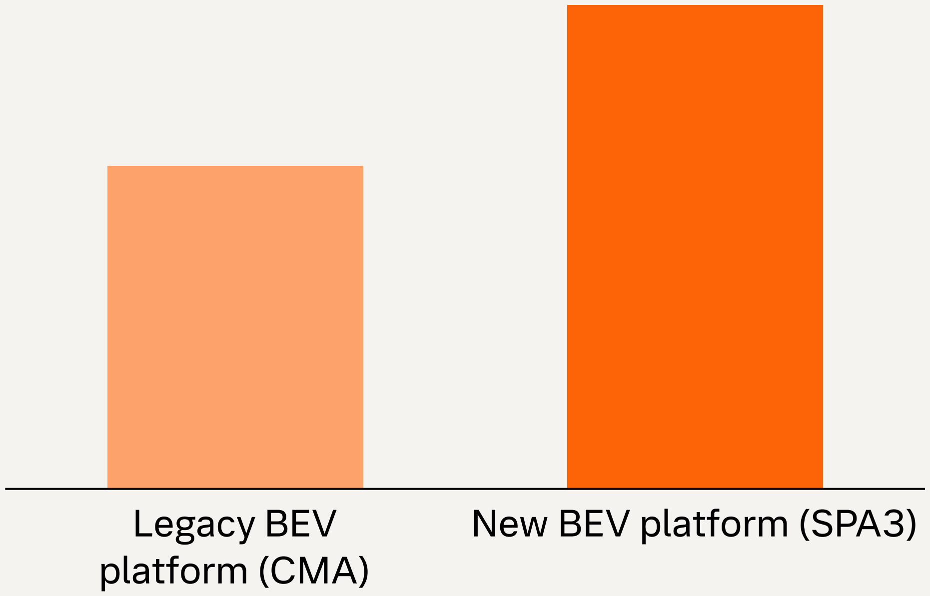
  03 Larger cars and mixed propulsion for US

- [ ] Complete customer offers beyond the car
- [ ] Lynk & Co contributing at scale

Profitable electrified growth: Margin to increase as we grow into new product portfolio

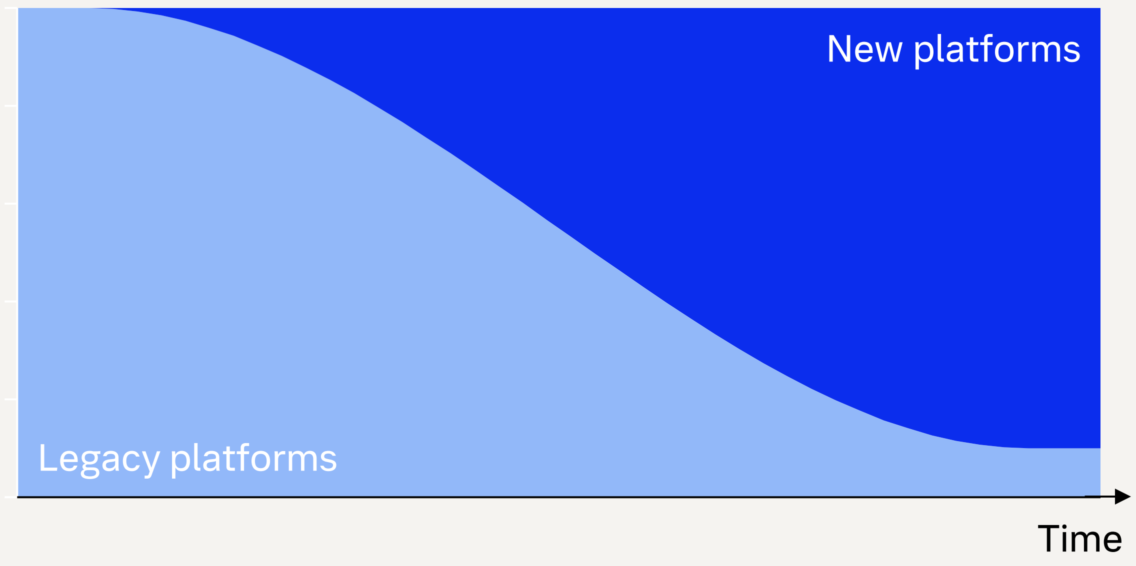
Increased margin per vehicle

Contribution margin, indicative



Total margin increases as new platform scales

Volume per platform, illustrative



Regionalisation: Localised products and production for further margin improvement

EBIT, %
indicative

Completed strategic actions

- [x] Strengthened regions
- [x] XC70 launched in China

Upcoming actions to reach full potential

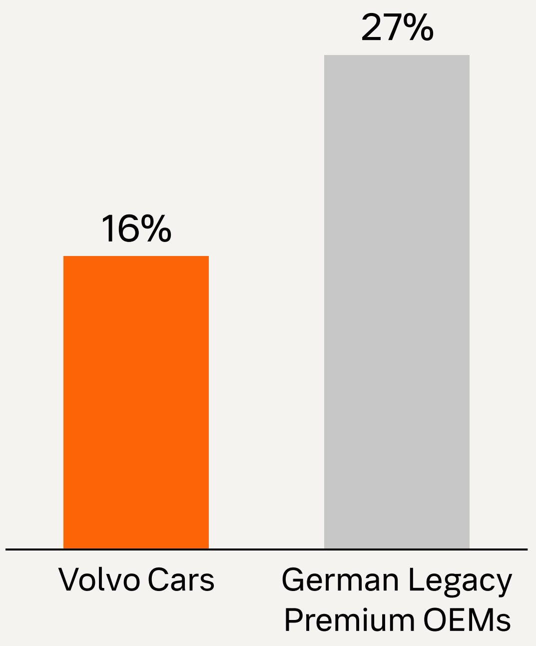
- [ ] XC60 production in the US
- [ ] Majority of US cars locally produced
- [ ] Full product offer tailored for China

China offer expansion Step 1

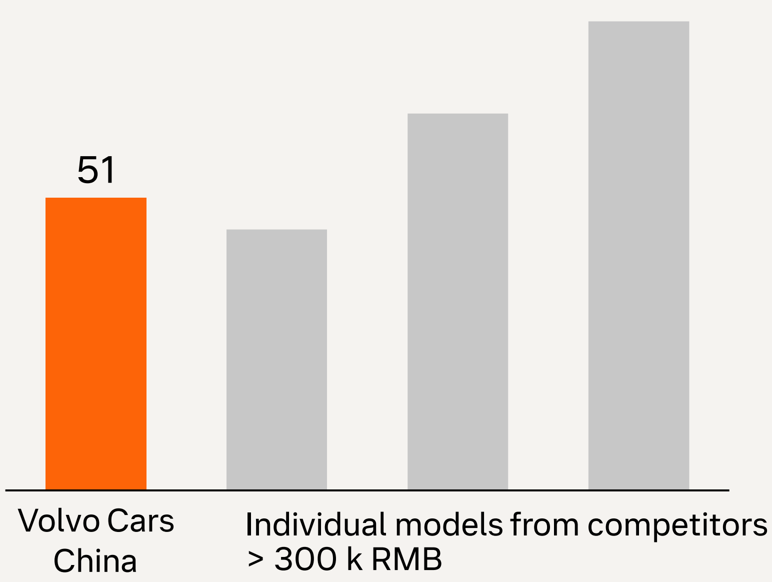
China offer expansion Step 2

Regionalisation: Strong option value for Volvo Cars on the Chinese market

China volumes as % of global volumes, H1 2026



Sales volumes, H1 2026, k units



Source: Mobility Global

Strong option value for Volvo Cars in China

→ Limited downside risk – majority of Volvo Cars' profit and volume in other regions

→ Large upside potential – new premium players are reaching large volumes from just one model

→ 6 new products tailored for China within affordable frames – best of Volvo Cars and Geely

Supply synergies & variable cost reduction: Unique synergies enable margin expansion

EBIT, %, illustrative

Completed strategic actions

- [x] 80% common supplier base
- [x] 10% common parts

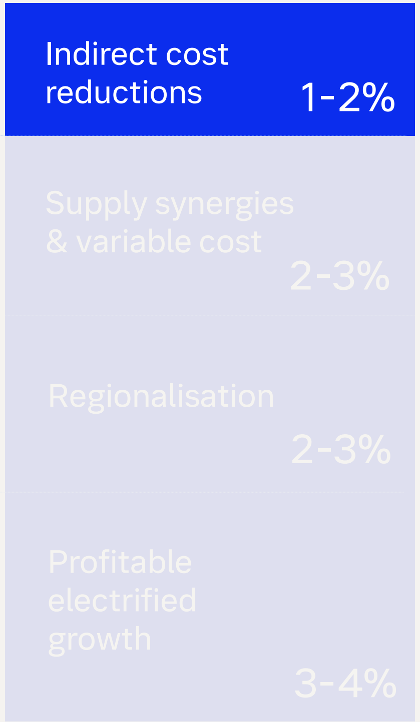
Upcoming actions to reach full potential

- [ ] Leverage scale on 90% of spend on common suppliers
- [ ] 30% common hardware parts
- [ ] Contract manufacturing at scale

Where aligned with local regulations

Indirect cost reductions: Program reached initial target, additional actions being implemented

EBIT, %, illustrative



Completed strategic actions

- [x] Structural reduction of 3,000 headcounts (November 2025)
- [x] 18 bn SEK cash and cost program realised one year early (December 2025)
- [x] Additional 5 bn SEK cost program realised 6 months early (June 2026)
- [x] Announced closure of Stockholm office (September 2026)

Upcoming actions to reach full potential

- [ ] SW efficiency – HuginCore in all Western cars
- [ ] Lean corporate overhead – regional empowerment
- [ ] AI transformation enabling productivity increases – keeping fixed cost fixed

These actions build a company capable of >8% EBIT

EBIT, %, illustrative

Current profitability

1.6%

H1 2026

−

Increased depreciation and amortisation from investment peak

~2%

+

What we can control

Strategic value:

Indirect cost reductions	1-2%
Supply synergies & variable cost	2-3%
Regionalisation	2-3%
Profitable electrified growth	3-4%

→

>8%

Structural long-term profitability

±

What we cannot control, but mitigate

Macroeconomic factors

Strategic value of our plan remains unchanged

>8%

EBIT

Strong

positive cash flows

Record product expansion will not mean record investments – affordable frames remain

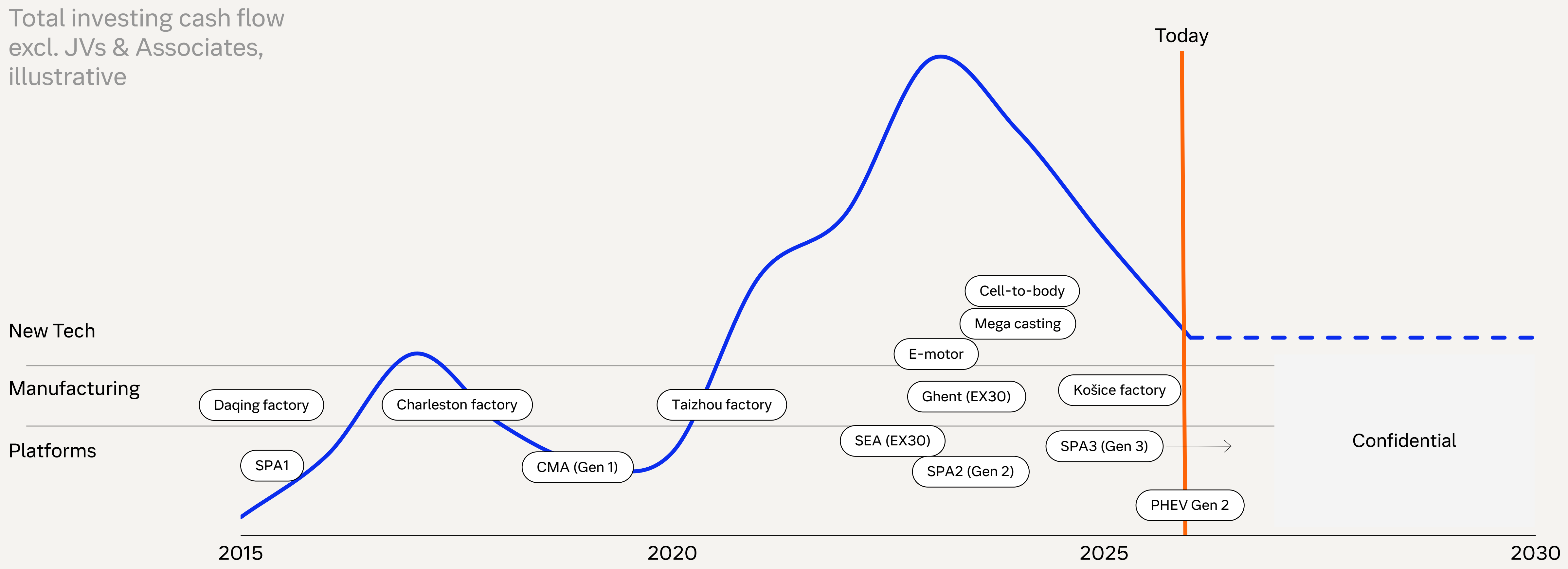
01

Infrastructure investments for future portfolio taken – stabilising at affordable levels

02

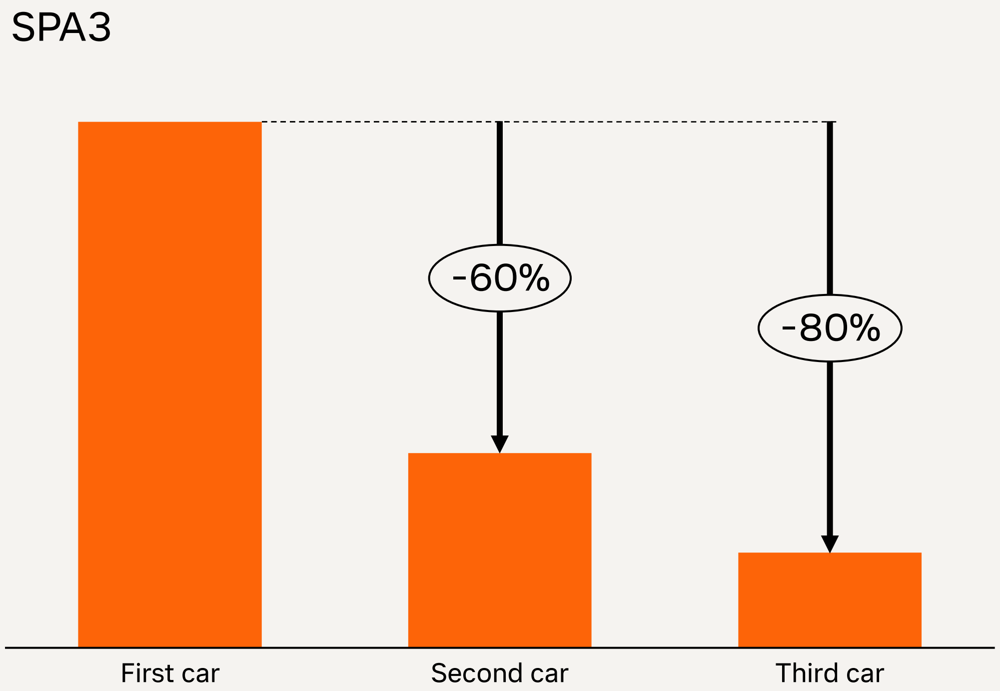
Geely synergies enables low investments and better products for Chinese market faster

Investments stabilising at affordable levels after the investment mountain is behind us



Strong positive cash flows:
Upcoming vehicle releases demand significantly lower investments

Indicative investment needs



Future-proofed platform

- Cell-to-body
- Mega casting
- HuginCore

Scalable platform

- Superset tech stack
- Flexible architecture
- Fast industrialisation

Upcoming releases demand significantly lower investments

60-80%

Lower investment need per vehicle

Record product expansion will not mean record investments – affordable frames remain

01

Infrastructure investments for future portfolio taken – stabilising at affordable levels

02

Geely synergies enables low investments and better products for Chinese market faster

Combining a strong global Volvo Cars with Geely synergies to play in China

01

Access to leading technology

02

Operating in China with local playbook

03

Building on scale with one of the largest OEMs in China

Summary

01

Short-term challenges are evident, having a roadmap with good answers is critical

02

Our roadmap is clear and step-by-step execution has started

03

The foundation and investments to execute are already in place

We play to lead in a new regionalised, software-defined, hypercompetitive and electrified world

Chief Design Officer

SINCE 1927

VOLVO

Concrete answers to industry challenges

Regionally tailored cars for Europe, US and China	Regional empowerment – lean corporate overhead	Factories focusing on one platform	Shared platforms – joint sourcing and shared parts	Geely software for China – HuginCore for West	From wholesale of cars to transparent total offering

Structural outcome

13 new cars 7 West made 6 China made	From 7 to 5 dedicated plants	Affordable investments and cost levels	Doubling market share in electrified segment	A company capable of >8% EBIT

Q&A

VOLVO

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