

# Volvo profits rev higher on record sales

January 31 2018

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Strong global demand for trucks drove sales at Swedish maker Volvo last year

Swedish truck maker Volvo said Wednesday that its net profit sped ahead by 60 percent rise in 2017, as strong global demand for heavy goods vehicles drove up sales to a new record.

Investors cheered the latest earnings numbers, with Volvo's share price climbing 3.6 percent on the Stockholm stock exchange in mid-morning

trading on a flat market.

Volvo said in a statement that its [net profit](#) soared to 21 billion kronor (2.0 billion euros, \$2.67 billion) for the full year, as sales jumped by 11 percent to 334 billion kronor.

Operating income rose by 46 percent to 30.3 billion.

"In 2017 the Volvo Group achieved its highest sales and operating income in history," said chief executive Martin Lundstedt.

"We also improved our profitability with an operating margin of 9.1 percent," compared to 6.9 percent in 2016, he added.

Sales rose on all continents and in all business areas.

For Volvo Trucks, sales increased by eight percent, while the construction equipment unit saw a 31-percent jump. Volvo Penta posted a 12.4-percent rise, and Volvo Buses an increase of 3.0 percent.

All units also registered their highest operating income ever, Volvo said.

The company also raised its truck sales outlook for 2018 for the European, North American, Brazilian and Indian markets. For the construction equipment unit, it raised its forecast for Europe, North America and China.

Volvo's board of directors has proposed a dividend of 4.25 kronor per share in 2018, up from 3.25 kronor a year ago.

Earlier this month, Volvo Trucks also announced it would begin selling electric trucks in 2019.

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