

Volvo sales fall, loss reported

STOCKHOLM, SWEDEN: Swedish heavy truck and construction equipment manufacturer Volvo last week reported a quarterly loss as sales plummeted to their lowest since the start of Europe's financial crisis.



However, the company claimed that orders were rising as confidence among customers returned. The company made a first quarter net loss of €35.4m.

"The sales volumes were the lowest since the financial crisis and were on the level of the first quarter of 2009," chief executive Olof Persson said as the company announced a 25% revenue fall.

The results were lower than expected by analysts polled by Dow Jones Newswires, who had forecast a net profit of 1.09bn kronor on revenue of 64.43bn kronor.

The company warned in February that the first quarter would be difficult as orders in the fourth quarter of last year had been weak.

But in a sign that an industry-wide slump is ending, orders in the January to March period rose 30%.

"The uncertainty seen at the end of last year has given way to more certainty," Persson said at a press conference according to news agency TT.

Describing the quarter as "transitional", the company noted that a high number of product launches this year meant it had incurred higher development and sales costs.

Swedish rival Scania last week also announced a surge in orders, as it posted a 22% net profit decline.

Source: AFP via I-Net Bridge

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