

P R E S S R E L E A S E

Volvo Construction Equipment reaches agreement to divest the ABG paver business

Volvo Construction Equipment (Volvo CE) and the Ammann Group have reached an agreement whereby Ammann will acquire Volvo CE's global ABG paver business. As a result of the planned transaction, the Volvo Group's operating income will be negatively impacted by approximately SEK 650 M in the fourth quarter of 2023.

The divestment includes the ABG paver production and technology center in Hameln, Germany, and will ensure the availability of the range and full support through the Ammann Group distribution channels and selected Volvo CE dealers. Volvo CE and the Ammann Group see this as the best way to maintain and develop the long established ABG heritage in the paver business for relevant customers, dealers, suppliers and employees. As a consequence of the divestment, production of Volvo CE compaction equipment in Hameln will be phased out.

In 2022, ABG paver business had revenues amounting to SEK 1,100 M. As part of the divestment process, about 400 people will move from Volvo CE to join the Ammann Group.

The negative earnings effect will be reported in the segment Construction Equipment and be excluded from adjusted operating income. The transaction is subject to regulatory approvals. Closing is anticipated in the first half of 2024.

December 14, 2023

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V O L V O

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