

Volvo Cars announces IPO to raise nearly \$2.9 billion

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Volvo plans to go all-electric by 2030.

Swedish car brand Volvo announced plans Monday to go public and raise nearly \$2.9 billion as it shifts to making electric vehicles, with Chinese owner Geely remaining its biggest shareholder.

The announcement marks another milestone for the automaker which had been struggling until Geely acquired it from US giant Ford for \$1.8 billion in 2010.

Volvo's image and sales have dramatically improved since then, riding the wave of popularity of SUVs. The company plans to go all-electric by 2030.

The automaker said it intends to make an initial public offering of shares on the Stockholm Nasdaq exchange "to raise gross proceeds of approximately SEK 25 billion (2.5 billion euros) and a potential partial sale of shares by Volvo Cars' main shareholder."

The first day of trading is expected to take place this year.

The IPO was "expected to consist of the issuance of new shares by Volvo Cars" and "a potential partial sale of shares by Volvo Cars' main shareholder," the group said in a statement.

The company said further announcements regarding the IPO would be made "in due course".

Volvo Cars said its current Swedish institutional shareholders AMF and Folksam would remain as shareholders.

Geely Sweden—a wholly-owned subsidiary of Zhejiang Geely Holding Co Ltd. — intends to remain the company's largest [shareholder](#).

"Volvo Cars will thereby continue to benefit from cooperation within the Geely ecosystem, providing valuable scale and market synergies," the statement said.

Volvo Cars describes itself as one of the world's fastest growing

premium automotive companies in terms of both units sales and revenue.

Tesla competitor's \$20 bn IPO

Volvo survived the Covid-19 crisis relatively unscathed with sales having already returned to pre-pandemic levels, although it has acknowledged the supply crunch in computer chips affecting all automakers will crimp its growth as well.

Earlier this year it set a target of doubling annual sales to 1.2 million vehicles by 2025 thanks in part to a shift in [online sales](#) and more leasing offers, with half of those cars to be electric.

By 2030 it aims to be fully electric and for sales to be completely online.

Most major automakers have unveiled plans for a shift to [electric vehicles](#) as pollution regulations in many nations are set to tighten in coming years in an effort to meet commitments to limit the growth in [global temperatures](#).

Monday's announcement came after electric carmaker Polestar, which is controlled by both by Volvo and Geely, said last week it would go public in a stock market debut that could value it at around \$20 billion.

A European competitor to Tesla, Polestar's IPO would serve to fund investments needed to expand its current line-up of two cars.

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