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SKF divests non-core aerospace operation for USD 220 million

Gothenburg, 29 October 2024: SKF is committed to creating a more focused and resilient company to serve its customers even better and accelerate profitable growth. As part of the decision from the Group's strategic review of its aerospace business, communicated on 27 October 2023, to focus on core aerospace business and to exit areas that are non-strategic, SKF has signed an agreement to divest its ring and seal operation in Hanover, Pennsylvania, USA.

The Hanover ring and seal operation is divested to Carco PRP Group, through its US aerospace subsidiary, PCTI, for a total enterprise value of USD 220 million, corresponding to approximately SEK 2.3 billion. The Hanover facility manufactures mechanical seals and rings, representing 2023 annual sales of approximately SEK 700 million.

"I'm pleased that we have been able to deliver on our prior promises and successfully reached an agreement to divest this successful but non-core business at accretive multiples. With a new owner, I'm confident that Hanover will continue to provide customers with top quality solutions. Aerospace will remain one of our largest customer industries and we will continue to invest and strengthen our position in core Aerospace segments", says Rickard Gustafson, President and CEO.

SKF will continue to focus its aerospace business around high growth core areas related to aeroengine and aerostructure bearing offers, representing annual sales of approximately SEK 6 billion. The customer offering in these core areas will be further strengthened through investments in product development, customer service and state of the art manufacturing.

As previously announced, SKF is exploring options to exit the precision elastomeric device (PED) aerospace operation in Elgin, Illinois, USA. The PED business is also non-strategic but smaller than Hanover and the exit process is proceeding according to plan.

The Hanover divestment is expected to close during the first quarter of 2025, subject to authorities' approval.

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SKF is a world-leading provider of innovative solutions that help industries become more competitive and sustainable. By making products lighter, more efficient, longer lasting, and repairable, we help our customers improve their rotating equipment performance and reduce their environmental impact. Our offering around the rotating shaft includes bearings, seals, lubrication management, condition

Press release



monitoring, and services. Founded in 1907, SKF is represented in approximately 130 countries and has around 17,000 distributor locations worldwide. Annual sales in 2023 were SEK 103,881 million and the number of employees was 40,396. www.skf.com

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