

# Q1 2025



## Strong margin in turbulent markets

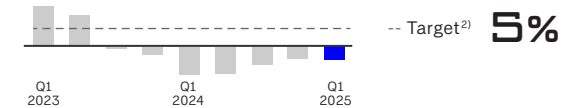
- **Net sales** MSEK 23,966 (24,699)
- **Organic growth** -3.5% (-7.0%), driven by lower market demand across regions and industries, except for aerospace showing continuous growth.
- **Adjusted operating profit** MSEK 3,233 (3,303). Continued strong price/mix contribution, driven by pricing actions and active portfolio management, as well as good cost control which largely offset the lower volumes.
- **Adjusted operating margin** 13.5% (13.4%) with Industrial at 16.9% (16.4%) and Automotive at 5.2% (6.0%).
- **Operating profit** MSEK 2,885 (2,993), included items affecting comparability of MSEK -348 (-310).
- **Operating margin** 12.0% (12.1%)
- **Net cash flow from operating activities** MSEK 977 (1,781)
- **Basic earnings per share** MSEK 3.95 (4.15)

### Financial overview

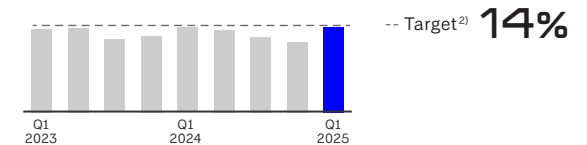
MSEK unless otherwise stated	Q1 2025	Q1 2024
Net sales	23,966	24,699
Organic growth, %	-3.5	-7.0
Adjusted operating profit	3,233	3,303
Adjusted operating margin, %	13.5	13.4
Operating profit	2,885	2,993
Operating margin, %	12.0	12.1
Adjusted net profit	2,296	2,312
Net profit	1,948	2,002
Net cash flow from operating activities	977	1,781
Basic earnings per share	3.95	4.15
Adjusted earnings per share	4.71	4.83

### Long-term targets

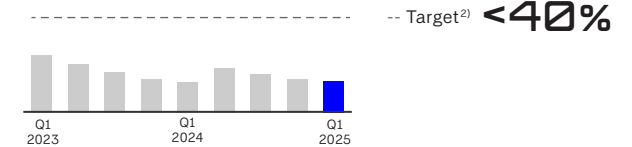
#### Revenue growth<sup>1)</sup>



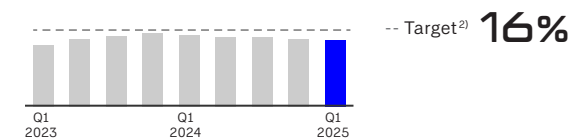
#### Adjusted operating margin



#### Net debt/Equity<sup>3)</sup>



#### Adjusted ROCE



#### Decarbonized operations<sup>4)</sup> (scope 1 and 2)



1) Sales excluding effects of currency and divested businesses.

2) Financial targets to be achieved over a business cycle.

3) Excluding pension liabilities.

4) CO<sub>2</sub>e emissions 2030 vs 2019. Latest figures are presented for the end of the previous quarter, 12 months rolling.

# CEO Statement

**In a volatile environment, I'm pleased that we maintained our resilient performance and improved our adjusted operating margin year-over-year. We continue to execute our strategy including the creation of two independent and fit for purpose businesses and thereby creating strong foundations for the future.**

## **Margin resilience despite continued weak demand**

In the first quarter we saw continued weak demand resulting in an organic sales decline of –3.5% compared to last year. The lower volumes were partly offset by a solid price/mix. Demand in Europe remained weak. However, we view the announced state-backed investments aimed at increasing European competitiveness as positive long term. China and Northeast Asia posted positive organic growth for the first time in seven quarters, primarily driven by favorable comparable figures. Both Americas and India and Southeast Asia shifted from organic growth in Q4 to a decline in Q1. This was mainly due to the positive timing effects at the end of 2024 as previously communicated and a weaker automotive demand.

The adjusted operating margin was strong at 13.5%, a slight year-over-year improvement despite a weak market environment. The margin resilience was supported by an effective execution of pricing, portfolio management, and cost reduction initiatives. However, these initiatives did not fully offset the negative impact from lower volumes. Currency effects had a positive impact on the margin, mainly driven by a stronger USD year-over-year.

The adjusted operating margin for our Industrial business increased to 16.9%, driven by good portfolio and cost management execution. The Automotive business performed relatively well, considering the challenging market conditions, with an adjusted operating margin of 5.2%. We see potential in further improving the margin, but given the current turbulent environment, the timeline of achieving the targeted 8% adjusted operating margin level will extend beyond 2025.

Cash flow was not satisfactory at close to BSEK 1, mainly driven by increased working capital, including high accounts receivables generated by a strong quarter end, and negative currency effects.

## **Creating two fit for purpose businesses**

The separation of the Automotive business continues at high pace, where the operating model and organizational design now have been concluded. Automotive's global manufacturing footprint has also been finalized with 16 factories. The overall separation process progresses according to plan, but the complexity of the separation, including the IT structure, may stretch the overall time plan.

“ Continued rightsizing to create strong foundations for the future.

The initiated organizational review is progressing well, right-sizing both organizations to create strong foundations for the future and to withstand turbulent markets. More focused businesses with less complexity allow for leaner organizational structures resulting in sizeable reductions in staff positions, not least within Europe. The number of positions affected, savings and restructuring charge will be presented in conjunction with the Q2 2025 report.

## **Outlook**

Lately, the business environment has experienced significant volatility driven by increased geopolitical uncertainty including trade and tariff turmoil. We are preparing the business for different scenarios and remain confident that our strategy, in combination with our decentralized organization and effective cost management, will provide us with the agility and flexibility to navigate through these turbulent times. So far, we have largely compensated for increased tariff costs through price



adjustments and we expect to continue to do so also in the second quarter, given current tariff levels. However, today's market uncertainty may influence demand and the prerequisites for certain products and markets.

We expect continued volatility and, even if we have seen signs of markets bottoming out, we plan for another quarter with negative volumes and expect organic sales to weaken somewhat in Q2, year-over-year.

Rickard Gustafson  
President and CEO

# SKF Group

## Net sales

Net sales amounted to MSEK 23,966 (24,699) and decreased by –3.0% compared to last year. Organic sales declined by –3.5% (–7.0%), driven by lower market demand across industries, except for aerospace showing continuous growth. The lower sales volumes were partly offset by positive price/mix due to continued active pricing and portfolio management. Regionally, China and Northeast Asia had a positive organic growth, while Europe, Middle East and Africa, the Americas and India and Southeast Asia showed declining organic sales. Acquired net growth was 0.5%, relating to the John Sample Group acquisition.

## Organic sales by region

In local currencies, change year-over-year, %	Q1 2025
Europe, Middle East and Africa	–7.0
The Americas	–0.9
China and Northeast Asia	2.0
India and Southeast Asia	–4.0

## Sales and Adjusted operating profit bridge<sup>1)</sup>

MSEK	Q1 2024	Organic sales and manufacturing volumes	Cost development	Currency impact	Structure <sup>2)</sup>	Q1 2025
Net sales	24,699	–853		6	114	23,966
Growth, %		–3.5		0.0	0.5	–3.0
Adjusted operating profit	3,303	–139	–30	90	9	3,233
Adjusted operating margin, %	13.4					13.5
Accretion/dilution, pp		–0.1	–0.1	0.4	0.0	

1) Numbers are rounded.

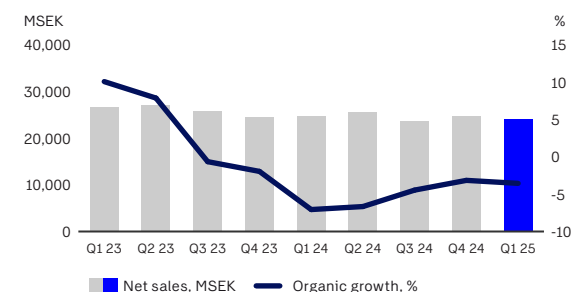
2) Including acquisitions and divestments of businesses.

## Operating profit

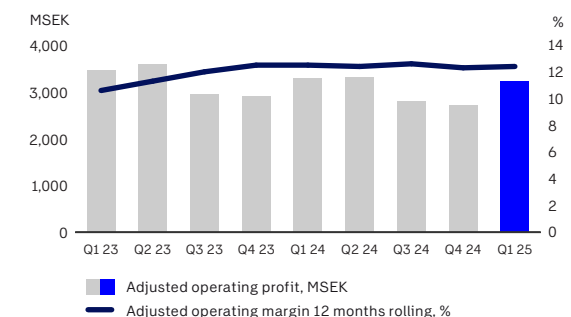
Operating profit for the first quarter was MSEK 2,885 (2,993). Operating profit included items affecting comparability of MSEK –348 (–310), whereof MSEK –380 (–214) related to both ongoing restructuring and cost reduction activities, mainly in Europe, as well as expenses related to the separation of the Automotive business, while MSEK –192 (–96) related to impairment of fixed assets and MSEK 224 (0) related to profit from sale of the manufacturing site in Luton, UK.

The adjusted operating profit for the first quarter was MSEK 3,233 (3,303). The adjusted operating profit was positively impacted by price and mix as well as currency effects. Adjusted operating profit was negatively impacted by lower sales and manufacturing volumes, which also resulted in cost inefficiencies. Cost reduction activities more than offset wage inflation and volume related cost inefficiencies, which together with flat to slightly negative development for the other cost items, led to relatively stable cost levels year-over-year.

## Net sales and Organic growth



## Adjusted operating profit and Adjusted operating margin



## SKF Group cont.

### Financial net and tax

Financial income and expenses, net was MSEK –290 (–271). Taxes in the quarter were MSEK –647 (–720) resulting in an effective tax rate of 24.9% (26.4%).

### Net profit for the period

Net profit for the quarter amounted to MSEK 1,948 (2,002), corresponding to SEK 3.95 (4.15) in earnings per share.

### Cash flow

Net cash flow from operating activities in the first quarter was MSEK 977 (1,781). Changes in net working capital impacted negatively in the quarter with MSEK –1,829 (–1,581), mainly driven by inventories as well as higher accounts receivable due to seasonality. Non-cash and other items impacted negatively in the quarter due to the impact from currency effects.

### Key figures

	31 March 2025	31 Dec 2024	31 March 2024
Net working capital, % of 12 months rolling sales	30.4	30.6	30.9
Adjusted ROCE, %	14.0	14.2	15.1
Net debt/equity, %	25.2	26.6	26.6
Net debt/equity, excluding post-employment benefits, %	13.1	14.1	13.0
Net debt/EBITDA	1.0	1.1	1.1
Net debt/Adjusted EBITDA	0.9	1.0	0.9

### Operating cash flow

MSEK	Q1 2025	Q1 2024
EBITDA	4,143	4,065
Taxes	–602	–726
Non-cash items and other items	–735	23
Changes in net working capital	–1,829	–1,581
<b>Net cash flow from operating activities</b>	<b>977</b>	<b>1,781</b>
Investing activities	–603	–989
<b>Operating cash flow after investments</b>	<b>374</b>	<b>792</b>

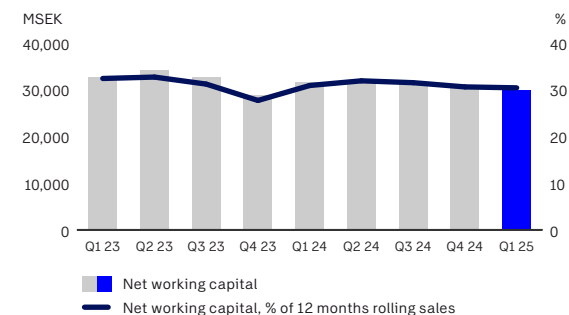
Net capital expenditure amounted to MSEK –917 (–997). Investing activities also included sale of fixed assets of MSEK 314 where the majority is related to the sale of the site in Luton, UK.

### Financial position

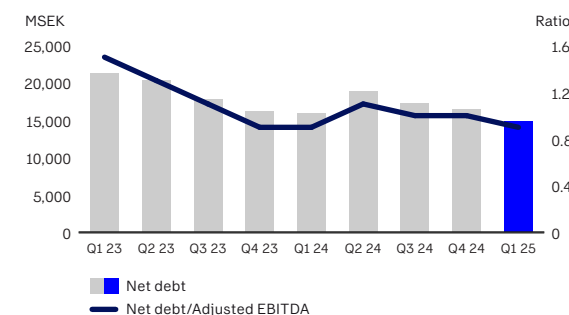
Net working capital in percentage of 12 months rolling sales was 30.4% in March 2025 compared to 30.9% in March 2024. This, as accounts receivables as a percentage of sales, decreased from last year, driven by currency effects.

As of March 31 2025, SKF's net debt was MSEK 14,933, compared to SEK 16,472 as of January 1 2025. The decrease was mainly relating to currency effects. Provisions for post-employment benefits, net decreased by MSEK –569 (–390) in the first quarter, mainly driven by higher discount rates as well as currency effects.

### Net working capital



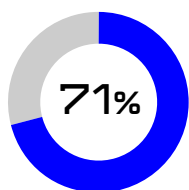
### Net debt and Net debt/Adjusted EBITDA



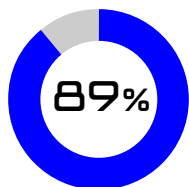
### Net cash flow from operating activities<sup>1)</sup>



# Industrial business



Share of  
Group net sales



Share of  
Group adjusted  
operating profit

## Net sales

The Industrial business reported net sales of MSEK 17,033 (17,487). This was driven by positive currency effects of 0.4% and acquired growth of 0.6%, while organic growth declined by -3.6%. The organic sales decline, year-over-year, was driven by a weak demand environment, partly offset by a solid price/mix through effective pricing activities and portfolio management. Organic sales declined for most regions, with the exception of Americas that had flat organic sales development year-over-year. From a customer industry perspective, aerospace continued to deliver solid organic growth, while renewable energy was down organically driven by a continued weakness in the global wind industry.

## Operating profit

The adjusted operating profit was MSEK 2,871 (2,867), with a corresponding operating margin of 16.9% (16.4%). Adjusted operating profit was negatively impacted by lower sales and manufacturing volumes, which also resulted in cost inefficiencies. Cost reduction activities, solid price/mix contribution and positive currency effects fully offset lower sales and manufacturing volumes as well as significant wage inflation and volume related cost inefficiencies.

## Key financials

MSEK	Q1 2025	Q1 2024
Net sales	17,033	17,487
Adjusted operating profit	2,871	2,867
Adjusted operating margin, %	16.9	16.4
Operating profit	2,677	2,644
Operating margin, %	15.7	15.1

## Sales and Adjusted operation profit bridge<sup>1)</sup>

MSEK	Q1 2024	Organic sales and manufacturing volumes	Cost development	Currency impact	Structure <sup>2)</sup>	Q1 2025
Net sales	17,487	-644		76	114	17,033
Growth, %		-3.6		0.4	0.6	-2.6
Adjusted operating profit	2,867	-228	160	63	9	2,871
Adjusted operating margin, %	16.4					16.9
Accretion/dilution, pp		-0.7	0.9	0.3	-0.1	

1) Numbers are rounded.

2) Including acquisitions and divestments of businesses.

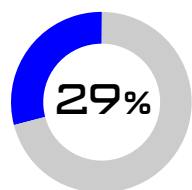
## Organic sales by customer industry<sup>3)</sup>

	Share of net sales by industry, %	Europe, Middle East & Africa	The Americas	China & Northeast Asia <sup>4)</sup>	India & Southeast Asia
Share of net sales by region, %		43	29	19	9
Industrial distribution	40	--	-	+++	--
Aerospace	10	+/-	+++	---	+/-
High-speed machinery and electrical drives	8	--	---	+/-	+++
Heavy industries	7	---	+++	---	---
Railway	7	+/-	+++	---	+++
Other industrial	7	+/-	+++	---	+/-
Agriculture, food and beverage	5	---	---	---	+++
Renewable energy	3	---	---	--	+++
Off-highway	3	---	+++	---	-
Marine	3	---	+++	+++	+/-
Material handling	2	---	---	+/-	+++
Traditional energy	3	---	+/-	+++	---
Automation	2	---	+	---	+++
<b>Total</b>		--	+/-	-	--

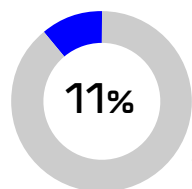
3) For the quarter, in local currencies, changes year-over-year.

4) Reclassification of customer accounts between customer industries impact year-over-year comparison.

# Automotive business



Share of  
Group net sales



Share of  
Group adjusted  
operating profit

## Net sales

The Automotive business reported net sales of MSEK 6,933 (7,212). The organic sales decline of –3.0% was driven by a weak demand environment, partly offset by a solid price/mix. Regionally, China and Northeast Asia posted positive organic growth, where mainly light vehicles drove the growth. Demand in Europe, Middle East and Africa continued to be weak.

## Operating profit

The adjusted operating profit was MSEK 362 (436), with a corresponding margin of 5.2% (6.0%). The decline was related to higher costs due to lower cost absorption and significant wage inflation. Active portfolio management resulted in strong price/mix, which more than compensated for lower sales and manufacturing volumes. Furthermore, currency effects impacted the operating profit positively.

## Key financials

MSEK	Q1 2025	Q1 2024
Net sales	6,933	7,212
Adjusted operating profit	362	436
Adjusted operating margin, %	5.2	6.0
Operating profit	208	349
Operating margin, %	3.0	4.8

## Sales and Adjusted operation profit bridge<sup>1)</sup>

MSEK	Q1 2024	Organic sales and manufacturing volumes	Cost development	Currency impact	Structure <sup>2)</sup>	Q1 2025
Net sales	7,212	–209		–70	0	6,933
Growth, %		–3.0		–0.9	0.0	–3.9
Adjusted operating profit	436	89	–190	27	0	362
Adjusted operating margin, %	6.0					5.2
Accretion/dilution, pp		1.4	–2.7	0.4	0.0	

1) Numbers are rounded.

2) Including acquisitions and divestments of businesses.

## Organic sales by customer industry<sup>3)</sup>

	Share of net sales by industry, %	Europe, Middle East & Africa	The Americas	China & Northeast Asia	India & Southeast Asia
Share of net sales by region, %		42	32	15	11
Light vehicles	52	---	+/-	+++	+
Vehicle aftermarket	32	-	+/-	+++	---
Commercial vehicles	16	---	---	---	+++
<b>Total</b>		---	+/-	+++	+/-

3) For the quarter, in local currencies, changes year-over-year.

# Outlook and guidance

## Outlook

- Q2 2025: We expect continued volatility and, even if we have seen signs of markets bottoming out, we plan for another quarter with negative volumes and expect organic sales to weaken somewhat in Q2, year-over-year.

## Guidance Q2 2025

- Currency impact on the operating profit is expected to be around MSEK 400 negative compared to the second quarter 2024, based on exchange rates per 31 March 2025.

## Guidance FY 2025

- Tax level excluding effects related to divested businesses: around 26%.
- Additions to property, plant and equipment: around BSEK 4.5 excluding separation of the Automotive business.

## Previous outlook and guidance statement

### Outlook

- Q1 2025: We expect organic sales to weaken
- SKF has decided to discontinue issuing full year organic sales outlook.

### Guidance Q1 2025

- Currency impact on the operating profit is expected to be around MSEK 200 positive compared to the first quarter 2024, based on exchange rates per 31 December 2024.

### Guidance FY 2025

- Tax level excluding effects related to divested businesses: around 26%.
- Additions to property, plant and equipment: around BSEK 4.5 excluding separation of the Automotive business.

# Other Group information

## Significant events after the quarter

### 1 April 2025 – Annual General Meeting of AB SKF

Hans Stråberg, Hock Goh, Geert Follens, Håkan Buskhe, Susanna Schneeberger, Rickard Gustafson, Beth Ferreira, Therese Friberg, Richard Nilsson and Niko Pakalén were reelected as Board members. Mats Rahmström was newly elected as Board member. Hans Stråberg was elected Chair of the Board. The Board has appointed Håkan Buskhe and Mats Rahmström as Vice Chairs of the Board.

### 14 April 2025 – Previously announced divestment of ring and seal operation in Hanover, USA completed

SKF has completed the previously announced divestment of its ring and seal operation in Hanover, Pennsylvania, USA, to Carco PRP Group for a total enterprise value of MUSD 215, corresponding to approximately BSEK 2.1. The divestment will result in a capital gain amounting to approximately BSEK 0.8 in Q2 and will be reported as Items affecting comparability.



More information on <https://investors.skf.com>



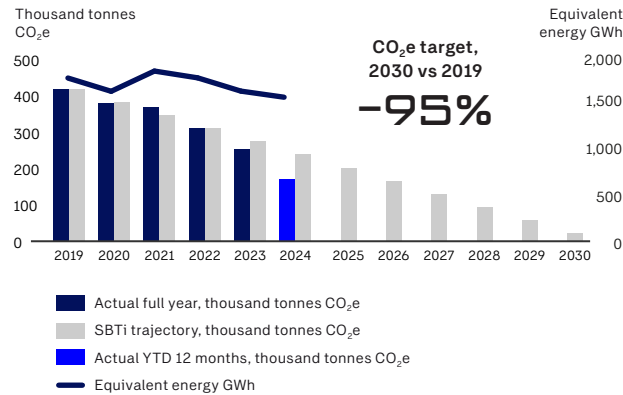
# Decarbonized operations 2030

SKF has a longstanding track record on understanding and reducing its environmental and climate impact and started already in 2000 to set targets and report on carbon dioxide emissions. In 2020, the target of decarbonizing own operations by 2030 was launched and in 2021 SKF's target of net-zero greenhouse gas emissions for the full value chain by 2050 was set. Both targets have been approved by the Science Based Targets Initiative.

The four strategic levers to decarbonized manufacturing operations by 2030 are energy and operational efficiency improvements, as well as switching to renewable energy sources and electrification of fossil fuel applications. This covers both scope 1 direct emissions as well as scope 2 indirect emissions.

During the last quarter reported, resulting in the full year result for 2024, the scope 1 and 2 emissions continued to reduce in line with the 2030 target trajectory. This is mainly explained by an increasing amount of renewable electricity sourced for example in India and China, a substantial reduction of emissions from natural gas, as well as contributions from energy efficiency improvements in manufacturing globally.

Decarbonized operations (scope 1 and 2)<sup>1)</sup>



<sup>1)</sup> Latest figures are presented for the end of the previous quarter, 12 months rolling.

Sustainability is an integral part of SKF's strategy and is a priority for long-term profitable growth. Around 20% of all energy produced globally is used to overcome friction. By creating more efficient and durable solutions for industries, significantly cutting emissions by 2030 and achieving net-zero greenhouse gas emissions in the supply chain by 2050, SKF is pioneering sustainability in its sphere. Further reporting of all material sustainability topics are found in the annual report, including for example accident rates, disclosures for own workforce and workers in the value chain.

 **More information on**  
[www.skf.com/group/organisation/sustainability](https://www.skf.com/group/organisation/sustainability)



# Financial statements – SKF Group

## Condensed consolidated income statements

MSEK	Jan-Mar 2025	Jan-Mar 2024
Net sales	23,966	24,699
Cost of goods sold	-16,830	-17,604
<b>Gross profit</b>	<b>7,136</b>	<b>7,095</b>
Research and development expenses	-849	-826
Selling and administrative expenses	-3,448	-3,234
Other operating income/expenses, net	46	-42
<b>Operating profit</b>	<b>2,885</b>	<b>2,993</b>
Financial income and expenses, net	-290	-271
<b>Profit before taxes</b>	<b>2,595</b>	<b>2,722</b>
Income taxes	-647	-720
<b>Net profit</b>	<b>1,948</b>	<b>2,002</b>
Net profit attributable to:		
Shareholders of AB SKF	1,796	1,888
Non-controlling interests	152	114
Basic earnings per share (SEK) <sup>1)</sup>	3.95	4.15

1) Shares from the Performance Share Programme are not considered dilutive, therefore, diluted earnings per share is equal to basic earnings per share.

## Condensed consolidated statements of comprehensive income

MSEK	Jan-Mar 2025	Jan-Mar 2024
<b>Net profit</b>	<b>1,948</b>	<b>2,002</b>
Items that will not be reclassified to the income statement:		
Remeasurements (actuarial gains and losses)	189	510
Assets at fair value through other comprehensive income	-309	-21
Income taxes	-39	-113
	<b>-159</b>	<b>376</b>
Items that may be reclassified to the income statement:		
Exchange differences arising on translation of foreign operations	-4,641	2,735
Assets at fair value through other comprehensive income	—	—
Income taxes	—	—
	<b>-4,641</b>	<b>2,735</b>
Other comprehensive income, net of tax	-4,800	3,111
<b>Total comprehensive income</b>	<b>-2,852</b>	<b>5,113</b>
Shareholders of AB SKF	-2,794	4,869
Non-controlling interests	-58	244

## Condensed consolidated balance sheets

MSEK	March 2025	December 2024	March 2024
Goodwill	11,574	12,574	12,678
Other intangible assets	4,169	4,671	5,148
Property, plant and equipment	28,152	30,470	28,360
Right-of-use asset leases	3,211	3,564	3,097
Deferred tax assets	3,436	3,369	3,235
Other non-current assets	2,488	2,971	2,490
<b>Non-current assets</b>	<b>53,030</b>	<b>57,619</b>	<b>55,008</b>
Inventories	24,845	26,182	24,552
Trade receivables	16,761	16,600	18,668
Other current assets	5,756	6,057	6,662
Other current financial assets	11,143	11,361	14,496
<b>Current assets</b>	<b>58,505</b>	<b>60,200</b>	<b>64,378</b>
Assets classified as held for sale	1,654	1,594	—
<b>Total assets</b>	<b>113,189</b>	<b>119,413</b>	<b>119,386</b>
Equity attributable to shareholders of AB SKF	56,898	59,649	57,687
Equity attributable to non-controlling interests	2,262	2,320	2,457
Long-term financial liabilities	14,397	15,399	18,776
Provisions for post-employment benefits	7,917	8,502	8,733
Provisions for deferred taxes	1,800	1,905	1,378
Other long-term liabilities and provisions	1,209	1,504	1,459
<b>Non-current liabilities</b>	<b>25,323</b>	<b>27,310</b>	<b>30,346</b>
Trade payables	11,783	12,553	11,645
Short-term financial liabilities	4,943	5,361	4,034
Other short-term liabilities and provisions	11,857	12,087	13,217
<b>Current liabilities</b>	<b>28,583</b>	<b>30,001</b>	<b>28,896</b>
Liabilities classified as held for sale	123	133	—
<b>Total equity and liabilities</b>	<b>113,189</b>	<b>119,413</b>	<b>119,386</b>

## Condensed consolidated statements of changes in shareholders' equity

MSEK	Jan-Mar 2025	Jan-Mar 2024
<b>Opening balance 1 January</b>	<b>61,969</b>	<b>54,956</b>
Net profit	1,948	2,002
Hyperinflation adjustments	41	91
<b>Components of other comprehensive income</b>		
Currency translation adjustments	-4,641	2,735
Change in FV OCI assets and cash flow hedges	-309	-21
Remeasurements	189	510
Income taxes	-39	-113
<b>Transactions with shareholders</b>		
Non-controlling interest	32	—
Cost for Performance Share Programmes, net	-30	-30
Dividends	—	15
Other	—	-1
<b>Closing balance 31 March</b>	<b>59,160</b>	<b>60,144</b>

## Condensed consolidated statements of cash flow

MSEK	Jan-Mar 2025	Jan-Mar 2024
Operating activities:		
Operating profit	2,885	2,993
Non-cash items:		
Depreciation, amortization and impairment	1,258	1,072
Net loss/gain (—) on sales of PPE and businesses	-263	-2
Other non-cash items	89	376
Income taxes paid	-602	-726
Interest received	46	82
Interest paid	-146	-192
Other	-461	-241
Changes in working capital:	-1,829	-1,581
Inventories	-589	-216
Accounts receivable	-1,415	-1,094
Accounts payable	36	-73
Other operating assets/liabilities	139	-198
<b>Net cash flow from operating activities</b>	<b>977</b>	<b>1,781</b>
Investing activities:		
Payments for intangible assets, PPE, businesses and equity securities	-917	-997
Sales of PPE, businesses and equity securities	314	8
<b>Net cash flow used in investing activities</b>	<b>-603</b>	<b>-989</b>
<b>Net cash flow after investments before financing</b>	<b>374</b>	<b>792</b>

MSEK	Jan-Mar 2025	Jan-Mar 2024
Financing activities:		
Proceeds from short- and long-term loans	53	2
Repayments of short- and long-term loans	-41	-68
Repayment leases	-233	-202
Cash dividends	—	—
Other financing items	—	—
Investments in short-term financial assets	-107	-122
Sales of short-term financial assets	14	50
<b>Net cash flow used in financing activities</b>	<b>-314</b>	<b>-340</b>
<b>Net cash flow</b>	<b>60</b>	<b>452</b>
Change in cash and cash equivalents:		
Cash and cash equivalents at 1 January	11,031	13,311
Cash effect excl. acquired/sold businesses	60	452
Cash effect of acquired/sold businesses	—	—
Exchange rate effect	-398	97
<b>Cash and cash equivalents at 31 March</b>	<b>10,693</b>	<b>13,860</b>

Change in Net debt	Closing balance 31 March 2025	Other non-cash changes	Acquired/ sold businesses	Cash changes	Exchange rate effects	Opening balance 1 January 2025
Loans, long- and short-term	15,596	17	—	12	-959	16,526
Post-employment benefits, net	7,160	62	—	-249	-382	7,729
Lease liabilities	3,179	146	—	-233	-250	3,516
Financial assets, other	-309	-2	—	-69	30	-268
Cash and cash equivalents	-10,693	—	—	-60	398	-11,031
<b>Net debt</b>	<b>14,933</b>	<b>223</b>	<b>—</b>	<b>-599</b>	<b>-1,163</b>	<b>16,472</b>

## Condensed consolidated financial information

MSEK unless otherwise stated	Q2/23	Q3/23	Q4/23	Q1/24	Q2/24	Q3/24	Q4/24	Q1/25
Net sales	27,123	25,771	24,438	24,699	25,606	23,692	24,725	23,966
Cost of goods sold	-19,720	-19,161	-18,316	-17,604	-18,736	-17,145	-17,864	-16,830
<b>Gross profit</b>	<b>7,403</b>	<b>6,610</b>	<b>6,122</b>	<b>7,095</b>	<b>6,870</b>	<b>6,547</b>	<b>6,861</b>	<b>7,136</b>
Gross margin, %	27.3	25.6	25.1	28.7	26.8	27.6	27.8	29.8
Research and development expenses	-864	-785	-848	-826	-870	-782	-848	-849
Selling and administrative expenses	-3,415	-3,213	-3,404	-3,234	-3,411	-3,225	-3,494	-3,448
as % of sales	12.6	12.5	13.9	13.1	13.3	13.6	14.1	14.4
Other operating income/expenses, net	89	-45	55	-42	-100	-14	-188	46
<b>Operating profit</b>	<b>3,213</b>	<b>2,567</b>	<b>1,925</b>	<b>2,993</b>	<b>2,489</b>	<b>2,526</b>	<b>2,331</b>	<b>2,885</b>
Operating margin, %	11.8	10.0	7.9	12.1	9.7	10.7	9.4	12.0
Adjusted operating profit	3,614	2,956	2,929	3,303	3,324	2,821	2,735	3,233
Adjusted operating margin, %	13.3	11.5	12.0	13.4	13.0	11.9	11.1	13.5
Financial net	-383	-374	-709	-271	-377	-285	-317	-290
<b>Profit before taxes</b>	<b>2,830</b>	<b>2,193</b>	<b>1,216</b>	<b>2,722</b>	<b>2,112</b>	<b>2,241</b>	<b>2,014</b>	<b>2,595</b>
Profit margin before taxes, %	10.4	8.5	5.0	11.0	8.2	9.5	8.1	10.8
Income taxes	-668	-460	-493	-720	-449	-610	-423	-647
<b>Net profit</b>	<b>2,162</b>	<b>1,733</b>	<b>723</b>	<b>2,002</b>	<b>1,663</b>	<b>1,631</b>	<b>1,591</b>	<b>1,948</b>
Net profit attributable to:								
Shareholders of AB SKF	2,042	1,657	623	1,888	1,529	1,550	1,507	1,796
Non-controlling interests	120	76	100	114	134	81	84	152

## Reconciliation of profit before taxes for the Group

MSEK	Q2/23	Q3/23	Q4/23	Q1/24	Q2/24	Q3/24	Q4/24	Q1/25
Operating profit:								
Industrial	2,633	2,081	1,913	2,644	2,131	2,241	2,269	2,677
Automotive	580	486	12	349	358	285	62	208
Financial net	-383	-374	-709	-271	-377	-285	-317	-290
<b>Profit before tax for the Group</b>	<b>2,830</b>	<b>2,193</b>	<b>1,216</b>	<b>2,722</b>	<b>2,112</b>	<b>2,241</b>	<b>2,014</b>	<b>2,595</b>

## Share data

	Jan-Mar 2025	Jan-Mar 2024
Total number of shares:	455,351,068	455,351,068
whereof A shares	28,930,844	29,286,933
whereof B shares	426,420,224	426,064,135
Basic earnings per share (SEK) <sup>1)</sup>	3.95	4.15
Diluted earnings per share (SEK) <sup>2)</sup>	3.95	4.15
Weighted average number of shares, basic	455,351,068	455,351,068
Weighted average number of shares, diluted	455,351,068	455,351,068

1) Basic earnings per share is calculated as net profit (excl. non-controlling interests) divided by the weighted average number of shares.

2) Shares from the Performance Share Programme are not considered dilutive, therefore, diluted earnings per share is equal to basic earnings per share.

# Key figures

	Q2/23	Q3/23	Q4/23	Q1/24	Q2/24	Q3/24	Q4/24	Q1/25
Net sales, MSEK	27,123	25,771	24,438	24,699	25,606	23,692	24,725	23,966
Organic growth, %	7.9	-0.6	-1.9	-7.0	-6.6	-4.4	-3.1	-3.5
Adjusted EBITDA, MSEK	4,553	4,027	4,069	4,280	4,326	3,831	3,833	4,298
EBITDA, MSEK	4,154	3,645	3,204	4,065	3,705	3,562	3,439	4,143
EBITA, MSEK	3,377	2,732	2,092	3,152	2,643	2,681	2,495	3,049
Adjusted operating profit, MSEK	3,614	2,956	2,929	3,303	3,324	2,821	2,735	3,233
Adjusted operating margin, %	13.3	11.5	12.0	13.4	13.0	11.9	11.1	13.5
Operating profit	3,213	2,567	1,925	2,993	2,489	2,526	2,331	2,885
Operating margin, %	11.8	10.0	7.9	12.1	9.7	10.7	9.4	12.0
Adjusted earnings per share, SEK	5.36	4.49	3.57	4.83	5.19	4.05	4.20	3.95
Basic earnings per share, SEK	4.48	3.64	1.37	4.15	3.36	3.40	3.31	4.71
Dividend per share, SEK	—	—	—	—	7.50	—	—	—
Share price at the end of the period, SEK	187.6	182.2	201.3	218.5	212.8	202.0	207.6	202.2
Net working capital, % of 12 months rolling sales	32.7	31.2	27.7	30.9	31.9	31.5	30.6	30.4
Adjusted ROCE, %	14.1	14.9	15.4	15.1	14.7	14.6	14.2	14.0
ROCE, %	12.7	13.3	13.3	12.7	11.9	11.9	12.1	11.9
ROE, %	12.0	12.6	12.0	11.5	10.6	10.4	11.7	11.5
Gearing, %	34.9	34.0	35.2	33.5	32.2	32.1	30.9	30.5
Equity/assets ratio, %	48.7	49.8	49.1	50.4	50.9	50.9	51.9	52.3
Additions to property, plant and equipment, MSEK	1,608	1,167	1,478	989	1,305	1,420	1,364	916
Net debt/equity, %	35.4	30.8	29.5	26.6	32.8	30.0	26.6	25.2
Net debt/equity, excluding post-employment benefits, %	20.4	16.9	13.9	13.0	18.6	16.2	14.1	13.1
Net debt, MSEK	20,393	17,893	16,191	15,983	18,937	17,291	16,472	14,933
Net debt/EBITDA	1.4	1.2	1.1	1.1	1.3	1.2	1.1	1.0
Net debt/Adjusted EBITDA	1.3	1.1	0.9	0.9	1.1	1.0	1.0	0.9
Registered number of employees	41,675	41,141	40,396	40,051	39,589	39,198	38,743	38,426

Definitions, see page 18.

SKF applies the guidelines issued by ESMA (European Securities and Markets Authority) on APMs (Alternative Performance Measures). These key figures are not defined or specified in IFRS but provide complementary information to investors and other stakeholders on the company's performance. The definition of each APM is presented at the end of the interim report. For the reconciliation of each APM against the most reconcilable line item in the financial statements, see [investors.skf.com/en](https://investors.skf.com/en).

## Segment information – quarterly figures

### Industrial

MSEK unless otherwise stated	Q2/23	Q3/23	Q4/23	Q1/24	Q2/24	Q3/24	Q4/24	Q1/25
Net sales	19,114	18,037	17,350	17,487	17,943	16,537	17,508	17,033
Organic growth, %	5.7	-2.1	-3.0	-7.3	-7.4	-4.6	-2.7	-3.6
Adjusted operating profit	3,025	2,462	2,611	2,867	2,919	2,486	2,549	2,871
Adjusted operating margin, %	15.8	13.6	15.0	16.4	16.3	15.0	14.6	16.9
Operating profit	2,633	2,081	1,913	2,644	2,131	2,241	2,269	2,677
Operating margin, %	13.8	11.5	11.0	15.1	11.9	13.6	13.0	15.7
Adjusted EBITDA	3,847	3,386	3,594	3,719	3,790	3,379	3,512	3,800
EBITDA	3,457	3,013	3,035	3,592	3,180	3,160	3,242	3,799
Assets and liabilities, net <sup>1)</sup>	56,216	54,520	50,381	55,342	55,230	53,298	54,652	51,950
Registered number of employees <sup>1)</sup>	35,407	34,833	34,013	33,722	33,235	32,876	32,465	31,883

### Automotive

MSEK unless otherwise stated	Q2/23	Q3/23	Q4/23	Q1/24	Q2/24	Q3/24	Q4/24	Q1/25
Net sales	8,009	7,734	7,088	7,212	7,663	7,155	7,217	6,933
Organic growth, %	13.8	3.1	0.7	-6.2	-4.7	-4.0	-4.0	-3.0
Adjusted operating profit	589	494	318	436	405	335	186	362
Adjusted operating margin, %	7.4	6.4	4.5	6.0	5.3	4.7	2.6	5.2
Operating profit	580	486	12	349	358	285	62	208
Operating margin, %	7.2	6.3	0.2	4.8	4.7	4.0	0.9	3.0
Adjusted EBITDA	706	641	475	560	535	452	321	498
EBITDA	696	632	169	473	525	402	197	344
Assets and liabilities, net <sup>1)</sup>	16,048	15,806	14,648	15,582	15,941	15,549	16,159	15,354
Registered number of employees <sup>1)</sup>	3,955	3,970	4,093	3,968	3,983	3,918	3,879	3,913

1) Previously published figures for 2023 and 2024 have been restated to reflect change in responsibilities for factories and Group functions in accordance with new organizational structure.



# Notes

## NOTE 1 Accounting principles

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The consolidated financial statements of the SKF Group were prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU. The interim report was prepared in accordance with IAS 34 Interim Financial Reporting.

Disclosures as required by IAS 34 p. 16 A are provided in the notes to the financial statements as well as in other parts of the interim report. The financial statements of the Parent Company were prepared in accordance with the "Annual Accounts Act" and the RFR 2 "Accounting for legal entities". SKF Group and the Parent Company applied the same accounting principles and methods of computation in the interim financial statements as compared with the latest annual report. IASB issued several amended accounting standards that were endorsed by EU, effective date 1 January 2025. None of these have a material effect on the SKF Group's financial statements.

Pillar II income taxes legislation was effective from 1 January, 2024. Under the legislation, the parent company will be required to pay top-up tax on profit of its subsidiaries that are taxed at an effective tax rate of less than 15 percent. No top-up tax has been included in the financial statements for the first quarter 2025. SKF Group has analyzed the financial figures and concluded that the Group is not expecting any additional material top-up tax during 2025. The Group will continue to assess the impact of Pillar II income taxes legislation on its future financial performance.

Valuation principles and classifications of the financial instruments, as described in SKF Annual report 2024, have been consistently applied throughout the reporting period. There are no major changes in fair value during the period.

## NOTE 2 Transactions with related parties

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No significant change is present for transactions with related parties in relation to disclosure provided in Annual Report 2024.

## NOTE 3 Risks and uncertainties in the business

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The SKF Group operates in many different industrial and geographical areas. As a result, the SKF Group is exposed to various types of risks. SKF appreciates that there are risks associated with the macro environment such as the geo-political landscape, the state of global markets and significant industry and technological shifts. There are also business risks including supply chain disruptions, information and cybersecurity threats, and challenges in attracting talent in a competitive labour market. Additionally, there are legal and compliance risks arising from the increased regulatory demands and internal governance and coordination within the Group as well as ongoing regulatory investigations and processes.

The SKF Group's operations are also exposed to various types of financial risks; market risks (being currency risk, interest rate risk and other price risks), liquidity risks and credit risks. Further information on the risks and how SKF works to mitigate them is found in SKF's latest annual report (available on [investors.skf.com/en](https://investors.skf.com/en)), under "Risks and the share".

The financial position of the Parent Company is dependent on the financial position and development of the subsidiaries. A general decline in the demand for the products and services provided by the Group could mean lower residual profits and lower dividend income for the Parent Company, as well as a need for writing down values of the shares in the subsidiaries.

## NOTE 4 Assets held for sale

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As per 31 March 2025 the net assets for the Aerospace operations in US have been reported as assets held for sale in accordance with IFRS 5. Net assets per end of March amounted to approximately MSEK 1,500.

Gothenburg, 25 April 2025

Aktiebolaget SKF (publ)

Rickard Gustafson  
President and CEO

This report has not been reviewed  
by AB SKF's auditors.

# Financial statements – Parent Company

## Parent Company condensed income statements

MSEK	Jan-Mar 2025	Jan-Mar 2024
Revenue	1,951	2,510
Cost of revenue	-1,333	-1,451
General management and administrative expenses	-477	-421
Other operating income/expenses, net	21	4
<b>Operating profit</b>	<b>162</b>	<b>642</b>
Financial income and expenses, net	120	-17
<b>Profit before taxes</b>	<b>282</b>	<b>625</b>
Appropriations	—	—
Income taxes	-18	-140
<b>Net profit</b>	<b>264</b>	<b>485</b>

## Parent Company condensed statements of comprehensive income

MSEK	Jan-Mar 2025	Jan-Mar 2024
Net profit	264	485
Items that will not be reclassified to the income statement:		
Assets at fair value through other comprehensive income	-309	-21
Items that may be reclassified to the income statement:		
Assets at fair value through other comprehensive income	—	—
<b>Other comprehensive income, net of tax</b>	<b>-45</b>	<b>464</b>
<b>Total comprehensive income</b>	<b>-45</b>	<b>464</b>

## Parent Company condensed balance sheets

MSEK	March 2025	December 2024	March 2024
Intangible assets	666	712	970
Investments in subsidiaries	20,777	20,797	22,431
Receivables from subsidiaries	11,748	12,483	15,974
Other non-current assets	710	937	767
<b>Non-current assets</b>	<b>33,901</b>	<b>34,929</b>	<b>40,142</b>
Receivables from subsidiaries	7,751	8,207	6,610
Other receivables	553	557	426
<b>Current assets</b>	<b>8,304</b>	<b>8,764</b>	<b>7,036</b>
<b>Total assets</b>	<b>42,205</b>	<b>43,693</b>	<b>47,178</b>
Shareholders' equity	24,819	24,895	25,629
Provisions	760	731	790
Non-current liabilities	11,746	12,480	15,971
Current liabilities	4,880	5,587	4,788
<b>Total shareholders' equity, provisions and liabilities</b>	<b>42,205</b>	<b>43,693</b>	<b>47,178</b>

# Alternative performance measures and definitions

## **Adjusted operating profit**

Operating profit excluding items affecting comparability.

## **Adjusted operating margin**

Operating profit margin excluding items affecting comparability.

## **Adjusted earnings/loss per share in SEK**

Basic earnings per share excluding items affecting comparability.

## **Adjusted return on capital employed (Adjusted ROCE)**

Return on capital employed (ROCE) excluding items affecting comparability.

## **Basic earnings/loss per share in SEK (as defined by IFRS)**

Profit/loss after taxes less non-controlling interests divided by the ordinary number of shares.

## **Currency impact on operating profit**

The effects of both translation and transaction flows based on current assumptions and exchange rates compared to the corresponding period last year.

## **Debt**

Loans and net provisions for post-employment benefits.

## **EBITA (Earnings before interest, taxes and amortization)**

Operating profit before amortizations.

## **EBITDA (Earnings before interest, taxes, depreciation and amortization)**

Operating profit before depreciations, amortizations, and impairments.

## **Equity/assets ratio**

Equity as a percentage of total assets.

## **Gearing**

Debt as a percentage of the sum of debt and equity.

## **Gross margin**

Gross income as a percentage of net sales.

## **Items affecting comparability**

Significant income/expenses that affect comparability between accounting periods. This includes, but is not limited to, restructuring costs, impairments and write-offs, currency effects caused by devaluations and gains and losses on divestments of businesses.

## **Net debt**

Debt less short-term financial assets excluding derivatives.

## **Net debt/EBITDA**

Net debt, in relation to 12 months rolling EBITDA.

## **Net debt/equity**

Net debt, as a percentage of equity.

## **Net working capital (NWC)**

Trade receivables plus inventories minus trade payables

## **Operating margin**

Operating profit/loss, as a percentage of net sales.

## **Organic growth**

Sales excluding effects of currency and acquired and divested businesses.

## **Revenue growth**

Sales excluding effects of currency and divested businesses.

## **Registered number of employees**

Total number of employees included in SKF's payroll at the end of the period.

## **Return on capital employed (ROCE)**

Operating profit/loss plus interest income, as a percentage of 12 months rolling average of total assets less the average of non-interest bearing liabilities.

## **Return on equity (ROE)**

Profit/loss after taxes as a percentage of 12 months rolling average of equity.

## **Scope 1, 2 and 3**

Scope 1 is emissions that SKF controls directly, e.g. equipment using fossil fuel. Scope 2 is emissions that SKF causes indirectly, e.g. from electricity purchase. Scope 3 is emissions that SKF is indirectly responsible for up the value chain, e.g. steel purchase or logistics.

## **SKF organic sales outlook**

The organic sales outlook for SKF's products and services represents management's best estimate based on current information about the future demand from our customers.

For reconciliations of other Key Ratios, see [investors.skf.com/en](https://investors.skf.com/en)

# Q1 webcast

25 April at 09:00 CEST

To follow the presentation via webcast:

**Viewing [SKF Q1 2025 Results](#)**

Dial-in to participate via telephone:

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More information on  
<https://investors.skf.com>

# Calendar 2025

18 July	Q2 report
29 October	Q3 report
11 November	Capital Markets Day
30 January 2026	Q4 report

## Cautionary statement

This report contains forward-looking statements that reflect SKF's current expectations on future events and financial and operational development. Forward-looking statements are inherently associated with risks and uncertainties, both known and unknown, and depend on future events and circumstances. Although management believes that the expectations reflected in the forward-looking statements are reasonable, no assurance can be given that such expectations will be fulfilled. Any statements about future strategy and business decisions are indicative only and remain subject to all necessary approvals. Results and actual outcomes could differ materially as a result of several factors, including but not limited to changes in economic, market and competitive conditions, regulatory changes and other government action, and fluctuations in exchange rates. SKF makes no undertaking to disclose, update or revise any forward-looking statement due to new information, future events or other such matters, other than what is required according to applicable legislation.

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The financial information in this report contains inside information that AB SKF is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication through the agency of the contact persons set out above, on 25 April 2025 at 07.30 CEST.

# This is SKF

Today, around 20% of all energy is spent overcoming friction. At SKF, we fight friction to reduce energy waste and make the most of the resources around us.

As a leading technology and engineering company, we deliver value at every step of our customers' journey. From the design phase, integrating our solutions into customers' products, to ongoing support throughout their lifecycle, we provide peace of mind.

Built on a century of expertise and a profound understanding of our customer applications, we've established a global presence and a brand trusted across industries. This allows us to offer tailored solutions – whether optimizing for speed, durability or efficiency – paving the way for a sustainable, resource-efficient future.

## Quick facts

Founded 1907

Represented in around 130 countries

Figures for FY 2024:

- Net sales MSEK 98,722
- 38,743 employees
- > 17,000 distributors

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