

SKF

QUARTERLY PRESENTATION

29 OCTOBER 2025

Q3 2025

Ask a question

Telephone

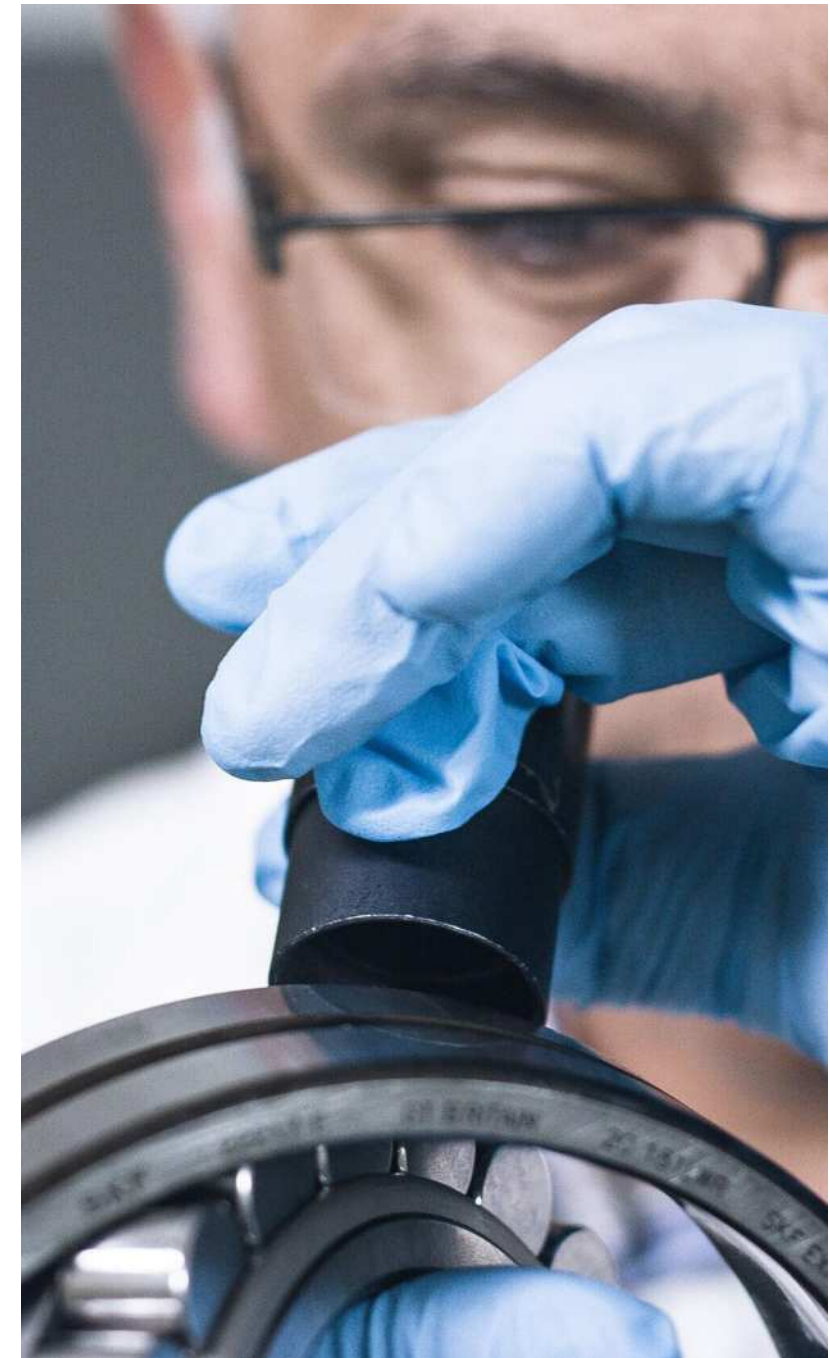
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Webcast

Use question tab
above the slides

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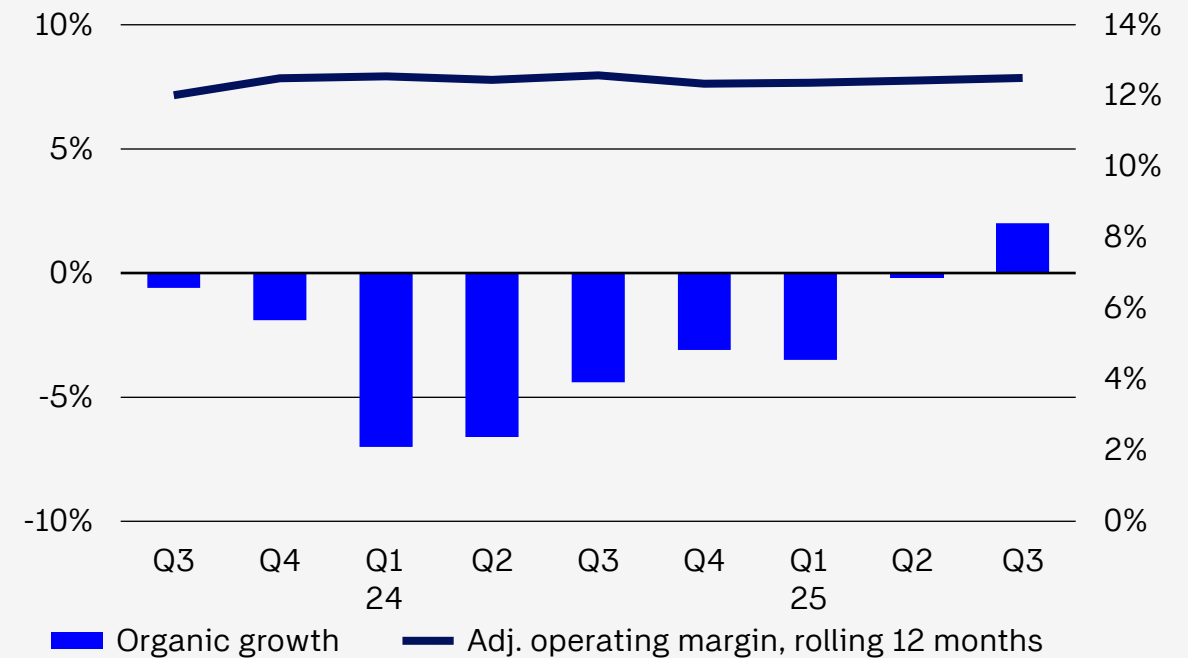
This presentation contains forward-looking statements that reflect SKF's current expectations on future events and financial and operational development. Words such as "intend", "anticipate", "expect", "may", "plan", "believe", "estimate", "project", and other expressions entailing indications or predictions of future development or trends, not based on historical facts, constitute forward-looking statements. Forward-looking statements are inherently associated with risks and uncertainties, both known and unknown, and depend on future events and circumstances. 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. 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.



Improved margin in continued challenging markets

- Resilient adjusted operating margin despite a challenging market environment and currency headwind
- Positive organic sales growth
 - Across all regions for Industrial
 - Continued low demand in Automotive
- The Automotive separation is progressing at high pace
 - Capital Markets Day, Nov 11, Stockholm
- Industrial business rightsizing initiative proceeding as planned
- New Super Precision Centre inaugurated in Italy

Organic growth and adjusted operating margin



Margin resilience in continued challenging markets

Net sales, SEK bn

Organic sales 2.0%, year-over-year, driven by Industrial demand and price/mix

22.4

Adjusted operating margin, %

Adjusted operating margin increased 0.4 pp year-over-year, driven by commercial execution and continued good cost control

12.3

Net cash flow from operations, SEK bn

Net cash flow from operations decreased year-over-year, mainly driven by higher costs for Automotive separation and working capital build-up

1.8

Positive organic growth across all regions

Region	% of global net sales	Net sales, SEK bn	Organic growth, %	Market highlights
EMEA	<div><div>42%</div></div>	9.4	1.0%	<ul style="list-style-type: none">Industrial organic growth driven by Aerospace and MagneticsSlight improvement in demand in Automotive driven by commercial vehicles and aftermarket
Americas	<div><div>29%</div></div>	6.4	1.0%	<ul style="list-style-type: none">Robust price/mix actions in IndustrialContinued weak Automotive demand exacerbated by market uncertainty
China & NEA	<div><div>19%</div></div>	4.4	5.6%	<ul style="list-style-type: none">Higher Industrial demand with some tail-effect from policy-driven pre-buys within WindPositive organic growth in Automotive
India & SEA	<div><div>10%</div></div>	2.3	2.2%	<ul style="list-style-type: none">Continued Industrial organic growth, particularly in India and VietnamPositive organic growth in Automotive

EMEA: Europe, Middle East and Africa;
NEA: North-East Asia; SEA: South-East Asia
Organic growth: year-over-year

Industrial business

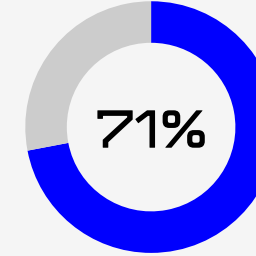
Organic growth 3.8%

- Continued organic growth across all geographic regions
- Robust price/mix actions, particularly in Americas
- Somewhat higher sales volumes
 - Similar demand environment as in Q2

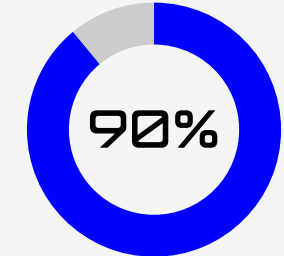
Adjusted operating margin 15.5% (15.0%)

- Strong organic contribution
- Solid cost mangement partly offset volume related cost ineffciencies, wage inflation and tariffs
- Significant currency headwind (-0.8 pp)

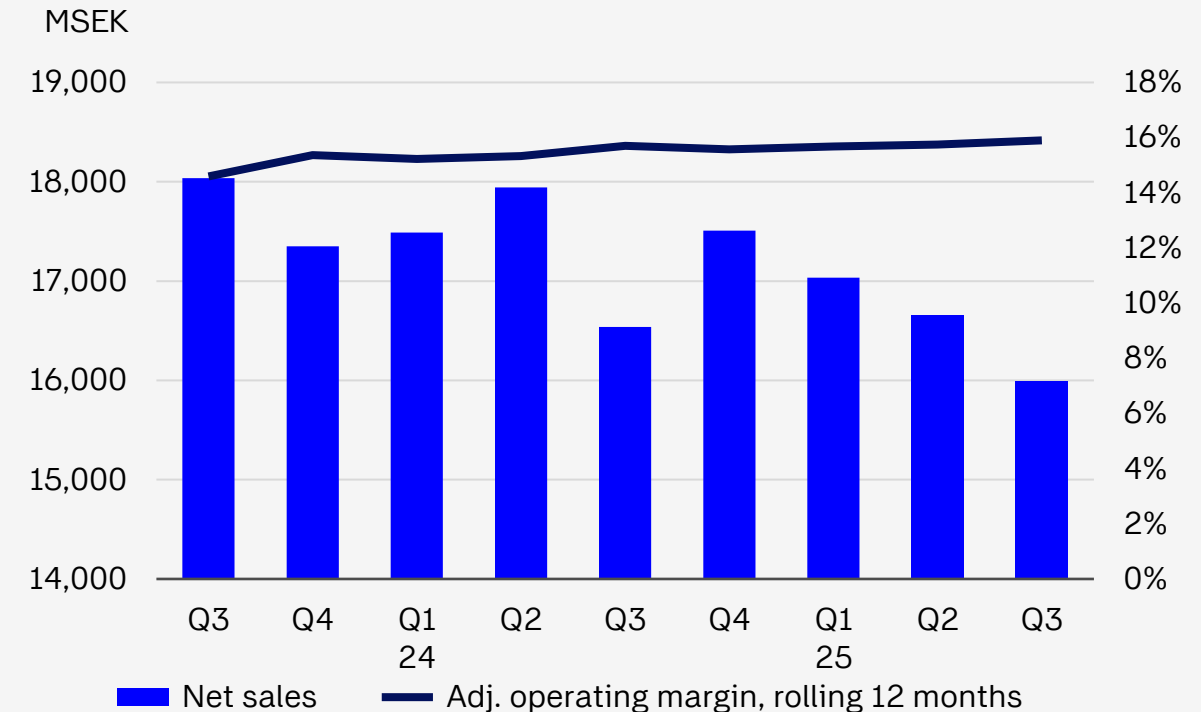
Share of Group net sales



Share of Group adjusted operating profit



Net sales and adjusted operating margin



Automotive business

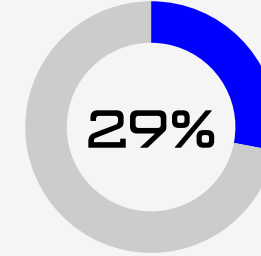
Organic growth -2.3%

- Continued challenging market conditions, particularly in Americas driven by tariff-related uncertainty
- Positive organic sales growth in CNEA and ISEA continued
- Solid price/mix actions

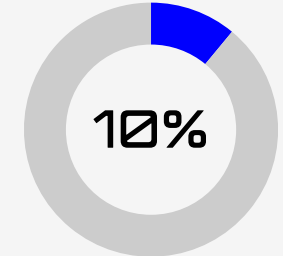
Adjusted operating margin 4.3% (4.7%)

- Price/mix compensated for adverse volume effects
- Lower costs due to strong cost focus and lower material cost
- Significant currency headwind (-1.6 pp)

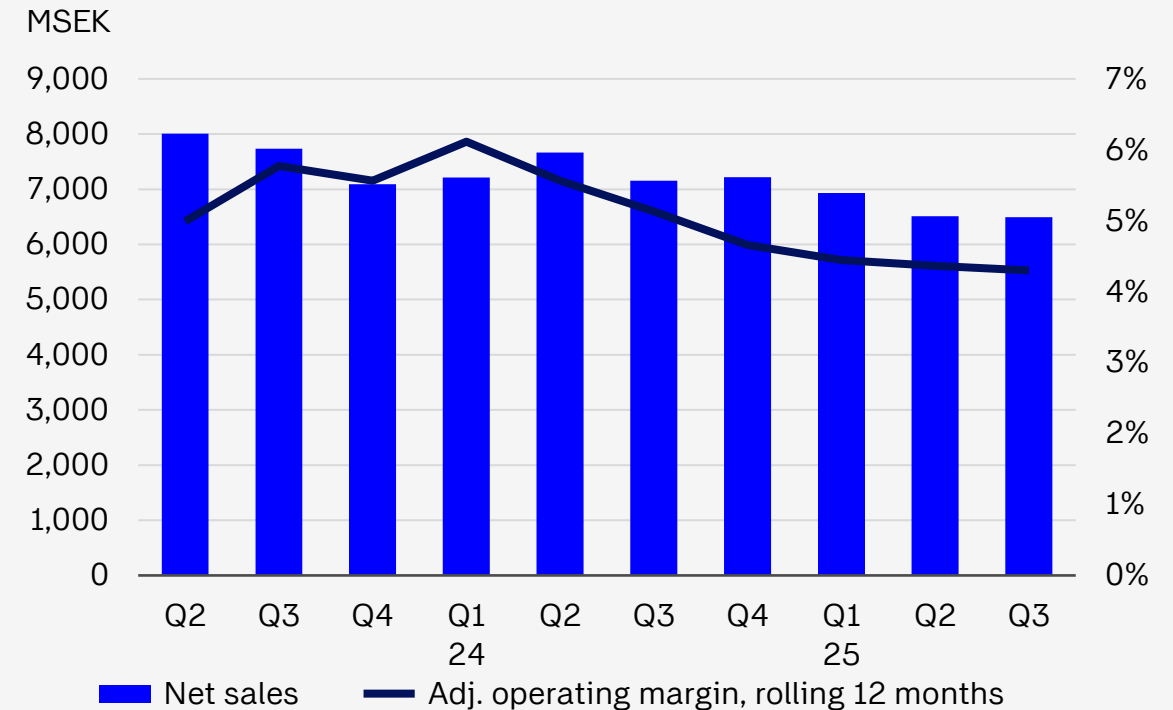
Share of Group net sales



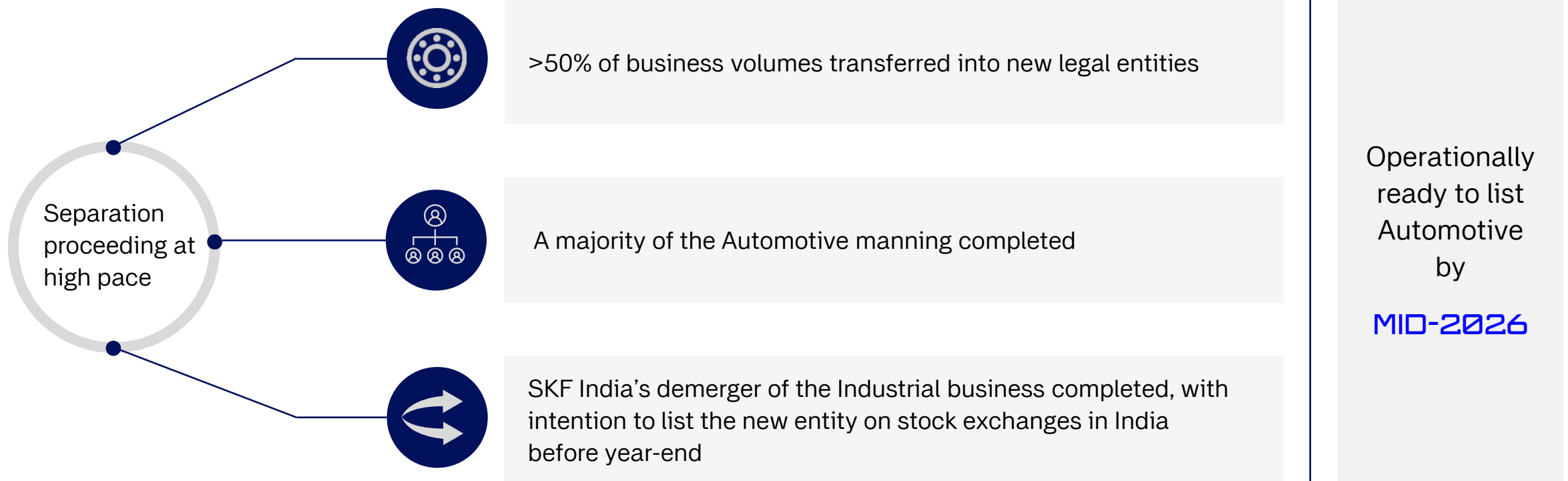
Share of Group adjusted operating profit

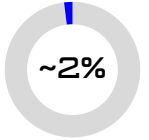


Net sales and adjusted operating margin



Automotive separation progressing well under a stretched timeline





Q3 2025 | STRATEGIC HIGHLIGHTS

Super precision bearings | Targeting attractive segments driven by electrification and automation

Super precision bearings are critical in attractive segments driven by strong megatrends...



Industrial automation

- Robotics
- Automated production lines

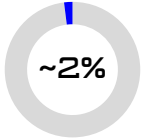


High-performance applications

- Machine tools
- Turbo compressors
- Fluid machinery and Marine

...with a robust value proposition customized to meet specific performance requirements...

- 1 High accuracy and speed**
-Minimal friction and exceptional running accuracy
- 2 Better control**
-Superior stiffness and power density enabling better control
- 3 Reduced downtime and maintenance costs**
-Extending bearing life and stabilized heat generation
- 4 Increased energy efficiency**
-Supporting customers to achieve sustainability goals
- 5 Improved time-to-market and efficiency**
-Digital twins and engineering simulation platforms



Q3 2025 | STRATEGIC HIGHLIGHTS

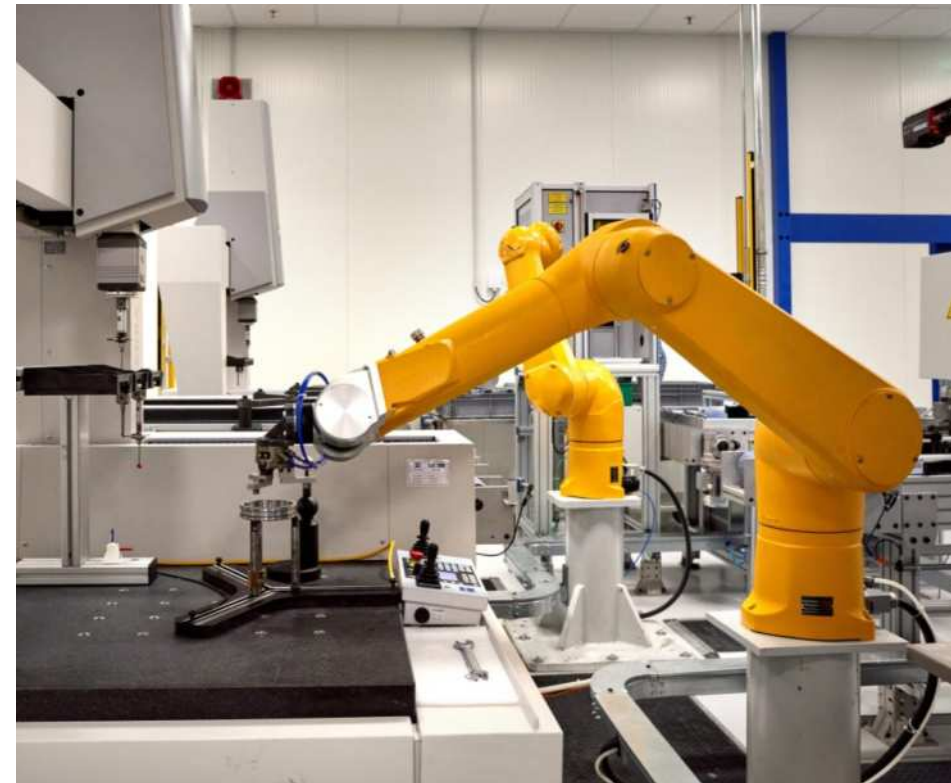
Super precision bearings | To meet rising demand, we are setting up a new cross-functional center

Creating a global cross-functional center

- ✓ Co-locating R&D, engineering and production teams
- ✓ A center for advanced manufacturing and a hub for customer centric innovation
- ✓ A highly automated and digital environment optimized for speed, flexibility and quality

Bringing numerous business benefits to future-proof SKF's position

- **Cross-functional synergies** through real-time collaboration
- **Accelerated product development** greatly reducing time-to-market for new technologies
- **Enhanced responsiveness** to customer needs
- Catering for an **efficient scaling** to meet the rising demand



Financials

Susanne Larsson, CFO

Financial summary

MSEK unless otherwise stated	Q3 2024	Q3 2025	Change
Net sales	23,692	22,482	-5.1%
Organic growth, %	-4.4	2.0	
Gross profit	6,547	6,093	
Gross margin, %	27.6	27.1	-0.5 pp
Adjusted operating profit	2,821	2,762	
Adjusted operating margin, %	11.9	12.3	0.4 pp
Items affecting comparability	-295	-755	
Operating profit	2,526	2,007	
Operating margin, %	10.7	8.9	-1.8 pp

IAC breakdown (BSEK)

- Impairments: -0.2
- Restructuring: -0.5, whereof Automotive separation costs of -0.4

We expect IAC to sequentially increase due to the Automotive separation and recently announced closure of our factory in Argentina

Bridge analysis

	Q3 2024	Organic ¹⁾	Cost	Currency	Structure	Q3 2025
Net sales, MSEK	23,692	471		-1,627	-54	22,482
Growth, %		2.0		-6.9	-0.2	-5.1
Adjusted operating profit, MSEK	2,821	389	-23	-439	14	2,762
Adjusted operating margin, %	11.9					12.3
Accretion/dilution, p.p.		1.5	-0.1	-1.0	0.1	

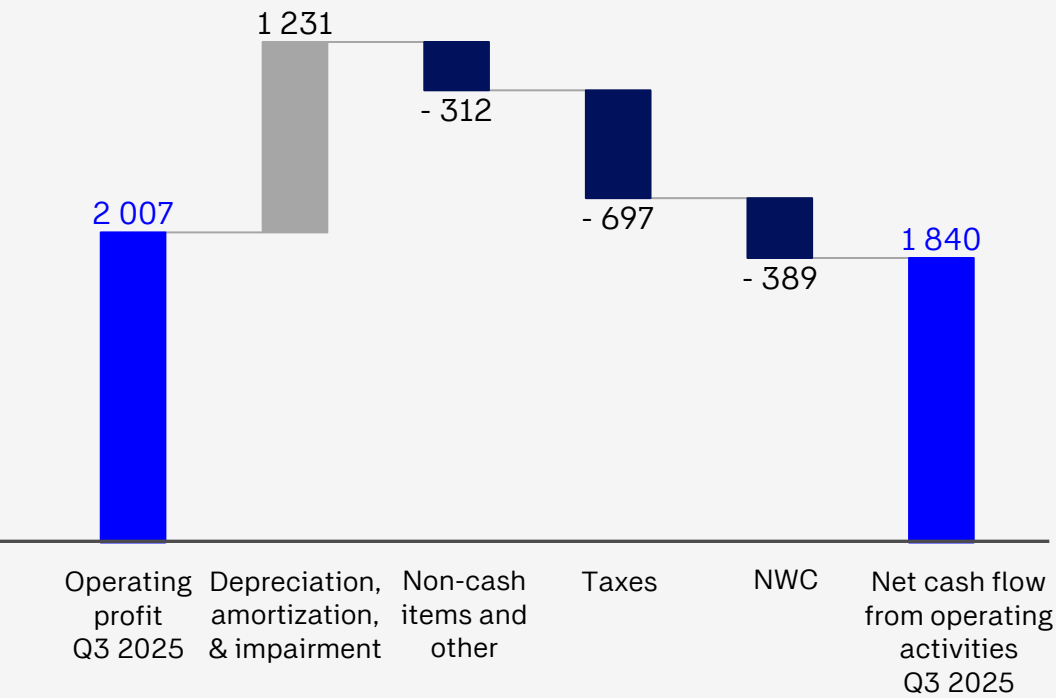
- **Organic:** Strong organic contribution from the Industrial business
- **Cost:** Robust cost control and lower material cost almost compensated for volume related inefficiencies, wage inflation and tariff costs
 - Largely compensated for tariff costs through price adjustments and cost mitigating activities
- **Currency:** Significant headwind from a weaker USD and CNY but also TRY versus SEK
- **Structure:** Last years' acquired growth from John Sample Group offset by the divestment of the Aerospace business in Hanover, USA

1) Organic = Organic sales and manufacturing volumes

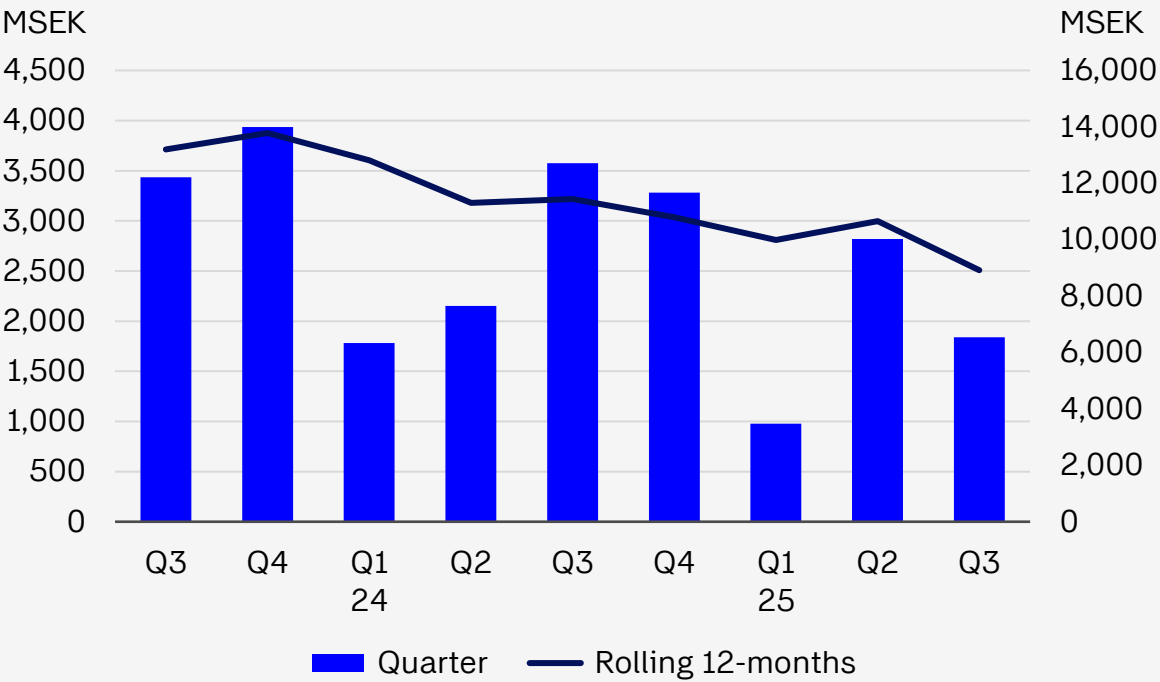
Note: The numbers in the table are rounded. Comments relate to earnings impact

Cash flow

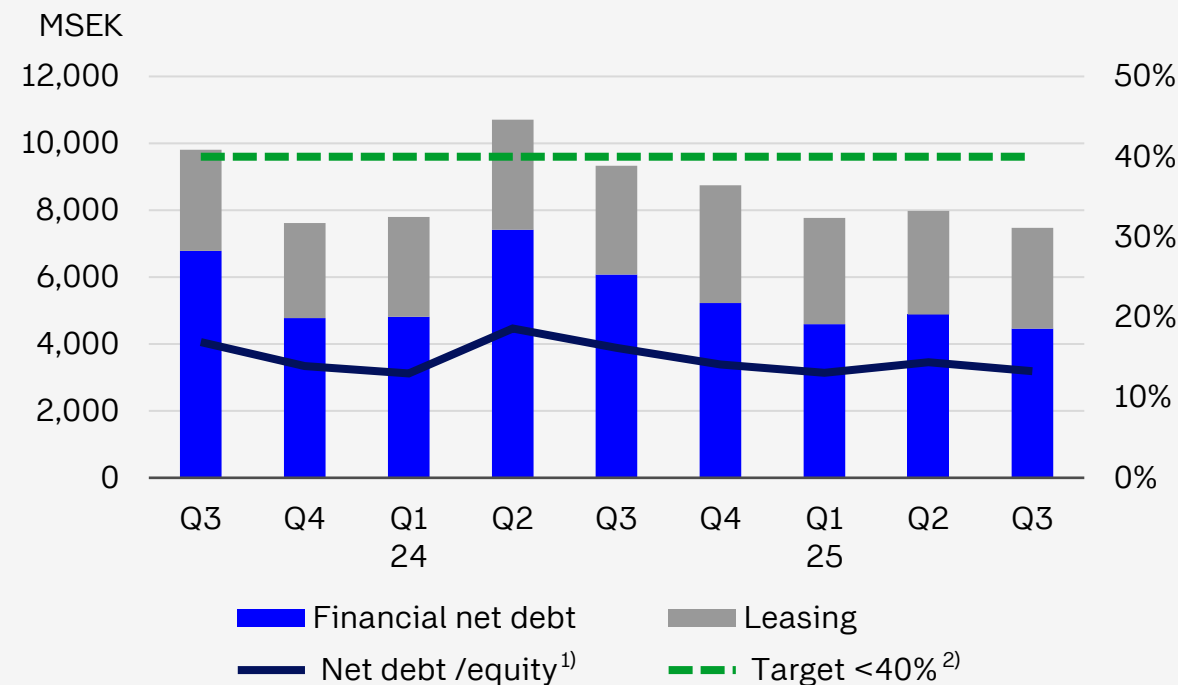
Net cash flow from operating activities, MSEK



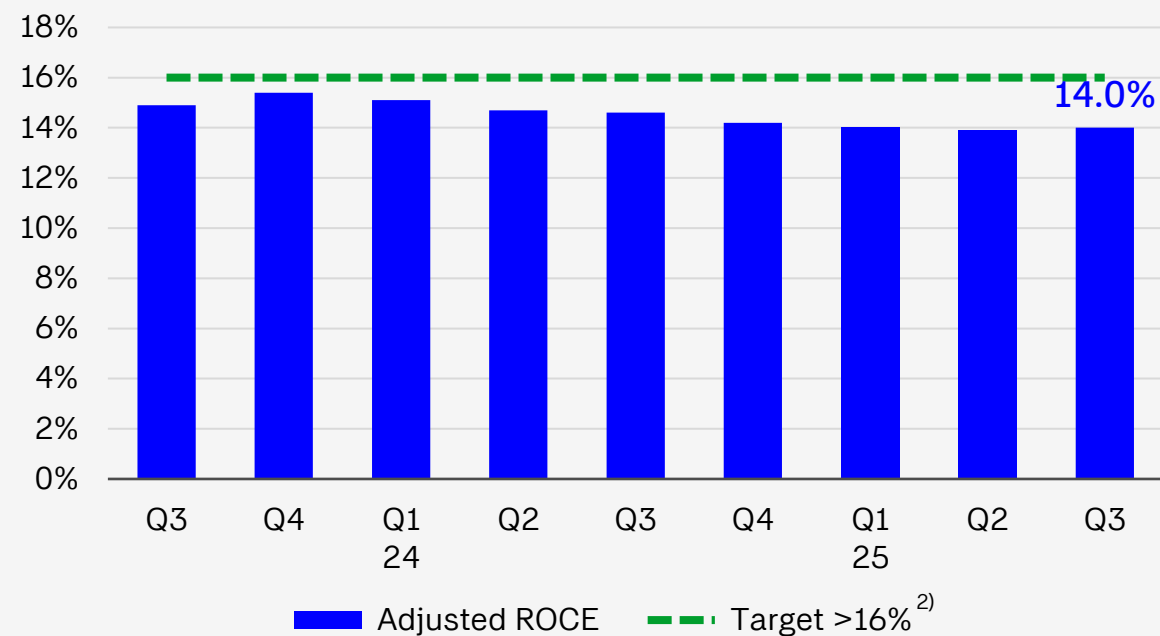
Net cash flow from operating activities



Balance sheet and return on capital

Net debt, and Net debt/equity¹⁾


Adjusted ROCE, 12 months rolling



Q3 2025

Outlook and guidance

Outlook

- Q4 2025: While the global economic development makes the outlook uncertain, we expect market demand to remain at similar levels as in Q3. Consequently, we expect organic sales to be relatively unchanged in Q4, year-over-year.

Guidance Q4 2025

- Currency impact on the operating profit is expected to be around MSEK 650 negative compared to the fourth quarter 2024, based on exchange rate per 30 September 2025.

Guidance FY 2025

- Tax level excluding effects related to divested businesses and separation of the Automotive business: around 28%.
- Additions to property, plant and equipment: around BSEK 4.¹⁾

1) Excluding CAPEX related to the separation of the Automotive business

Cautionary statement

This presentation contains forward-looking statements that are based on the current expectations of the management of SKF. Although management believes that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct. Accordingly, results could differ materially from those implied in the forward-looking statements as a result of, among other factors, changes in economic, market and competitive conditions, changes in the regulatory environment and other government actions, fluctuations in exchange rates and other factors mentioned in SKF's latest annual report (available on www.skf.com) under the Administration Report; "Risk management at SKF" and "Sensitivity analysis".



Improved margin in continued challenging markets

01

Continued challenging markets

Continued overall weak markets and geopolitical volatility

02

Margin resilience

Solid price/mix actions and cost management

03

Automotive separation

The separation continues at a high pace

04

Capital Markets Day

November 11 in Stockholm and online

Q6A

SKF