



First-quarter report 2021

Press release 22 April

Strong organic growth and operating profit, while managing cost and currency headwinds

During the first quarter we saw strong sales and demand growth. We also experienced significant headwinds in terms of cost inflation and currency impact, affecting our operating result by SEK 1.3 billion. Despite this, we delivered a very solid adjusted operating result of SEK 2,789 million (SEK 2,572 million), representing an adjusted operating margin of 14% (12.8%).

Organic sales development in the quarter was 8.6%, with net sales of SEK 19,865 million (SEK 20,085 million). Sales were significantly higher in Latin America and Asia and relatively unchanged in Europe and North America.

We are already implementing measures across both Industrial and Automotive to compensate for rising input costs.

The Industrial business delivered strong results, with an adjusted operating margin of 16.3% (15.5%). The Automotive business continues to perform well, with an adjusted operating margin of 8.9% (6.0%).

The first quarter is historically lower in terms of cash flow generation. The sharp increase in demand in the quarter also contributed to increased working capital. As a result, cash flow was SEK -702 million (SEK 1,930 million).

From this quarter, we will be reporting on our sustainability-related targets as an integrated part of our quarterly report. One of SKF's strengths is our ability to support the development of industries that enable a shift towards a low-carbon world. Our investments in industries such as renewable energy, electric vehicles and railway is paying off, with sales to these industries growing from SEK 4 billion to 7 billion in the last two years. We are also making progress on our ambitions to reduce CO2 emissions from our own operations.

We continue to capitalize on new ways of working and digitalizing throughout the organization. The sharp increase in demand in the quarter has necessitated an increase of around 200 temporary workers, predominantly in our factories. Permanent staff numbers were unchanged.

Demand has increased gradually since the trough in the second quarter of 2020.

Net sales is expected to continue to grow, reaching pre-COVID levels in the second quarter of 2021: i.e. in line with levels reported in the second quarter of 2019.

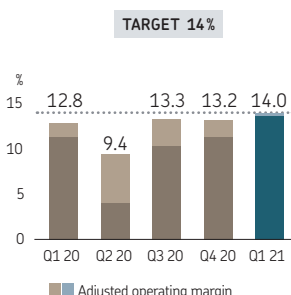
After close to seven years as CEO, this will be my last quarterly report. To all colleagues, customers and stakeholders: thank you for your support during these years, making all we have done possible.



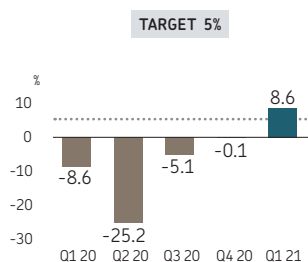
Alrik Danielson
President and CEO

As the Board announced in January, Rickard Gustafson will be joining as President and CEO at the latest by 1 July. Alrik Danielson's last working day with SKF will be 30 April. The Board has appointed Niclas Rosenlew as Interim CEO in addition to his current role as Chief Financial Officer.

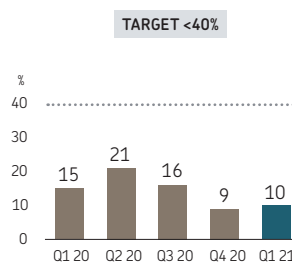
Operating margin¹⁾



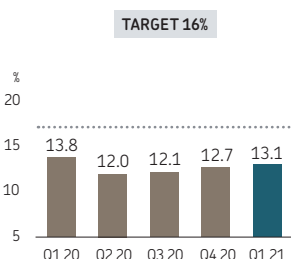
Revenue growth²⁾



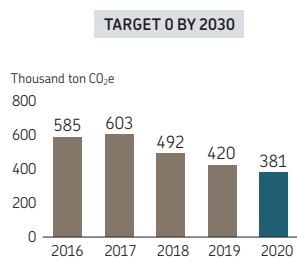
Net debt/Equity³⁾



ROCE¹⁾



Carbon Neutral by 2030⁴⁾



SKF's long-term targets shall be achieved over a business cycle

- 1) Adjusted for items affecting comparability.
- 2) Including acquisitions, adjusted for divestments.
- 3) Excluding pension liabilities.
- 4) Scope 1 & 2 CO₂e from all SKF manufacturing and logistics units.

Cover picture:
Production of a spherical roller bearing at SKF world-class manufacturing site in Gothenburg.

Key figures

MSEK unless otherwise stated	Q1 2021	Q1 2020
Net sales	19,865	20,085
Adjusted operating profit	2,789	2,572
Adjusted operating margin, %	14.0	12.8
Operating profit	2,699	2,268
Operating margin, %	13.6	11.3
Adjusted profit before taxes	2,586	1,856
Profit before taxes	2,495	2,160
Net cash flow after investments before financing	-702	1,930
Adjusted earnings per share	4.11	3.41
Basic earnings per share	3.91	2.75

Financial performance

First quarter 2021

Operating profit for the first quarter was SEK 2,699 million (2,268). Operating profit included items affecting comparability of SEK -91 million (-304) whereof SEK -91 million (-93) related to ongoing restructuring and cost reduction activities and SEK 0 million (-202) related to customer settlements. The adjusted operating profit for the first quarter was SEK 2,789 million (2,572). The adjusted operating profit was positively impacted by sales and manufacturing volumes, sales price and cost reductions. It was negatively impacted by currency effects, material cost and logistic costs.

Adjusted operating profit bridge, MSEK	Q1
2020	2,572
Currency impact	-761
Organic sales & Manufacturing volumes	780
Cost development	198
2021	2,789

- Financial income and expense, net in the first quarter was SEK -204 million (-412) where last year was negatively affected by exchange rate differences.
- Taxes in the quarter was SEK -646 million (-549) resulting in an effective tax rate of 25.9% (29.6%).
- Net cash flow after investment before financing in the first quarter was SEK -702 million (1,930). The decrease compared to last year is mainly explained by higher working capital driven by higher volumes.
- Net working capital in percent of annual sales was 30.2% in the first quarter compared to 29.5% in the first quarter 2020. The increase is mainly related to higher accounts receivable driven by increased volumes partly offset by higher accounts payable.
- Provisions for post-employment benefits net decreased by SEK -1,704 million (+1,521) in the first quarter mainly due to actuarial gains on the gross obligation driven by higher discount rates.

Key figures	31 March 2021	31 December 2020	31 March 2020
Net working capital, % of 12 months rolling sales	30.2	26.1	29.5
ROCE for the 12-month period, % ¹⁾	13.1	12.7	13.8
Net debt/equity, %	43.2	51.7	57.6
Net debt/equity, excluding post-employment benefits, %	10.2	9.3	15.2
Net debt/EBITDA	1.6	1.8	1.8

1) Adjusted for items affecting comparability.

Sales

Net sales, change y-o-y, %	Q1			
	Organic ¹⁾	Structure	Currency	Total
SKF Group	8.6	0.0	-9.7	-1.1
Industrial	5.4	0.0	-9.4	-4.0
Automotive	16.7	0.0	-10.5	6.2

1) Price, mix and volume

Organic sales in local currencies, change y-o-y, %	Q1			
	Europe, Middle East and Africa	North America	Latin America	Asia-Pacific
SKF Group	1.7	-0.4	17.7	26.2
Industrial	+/-	+/-	+++	+++
Automotive	++	-	+++	+++

Customer industries	Q1			
	Europe, Middle East and Africa	North America	Latin America	Asia-Pacific
Organic sales in local currencies, change y-o-y:				
Light vehicles	+	-	++	+++
Trucks	+++	++	+++	+++
Vehicle aftermarket	+++	--	+++	+++
Aerospace	---	---		+++
Industrial drives	+/-	-	+++	+++
Energy	+/-	---	+++	+++
Heavy industries	++	---	+/-	+/-
Off-highway	++	+++	+++	+++
Railway	+/-	+/-		---
Agriculture, food and beverage	+/-			+++
Marine	---	+++		---
Electrical	+++			+++
Other industrial	--	--	---	+++
Industrial distribution	+++	+++	+++	+++

Comments on organic sales in local currencies in Q1 2021, compared to Q1 2020

Europe, Middle East and Africa

Industrial: Overall, sales were relatively unchanged in the quarter. By industry, sales to industrial distribution were significantly higher, sales to heavy industries and to off-highway were higher while sales to the energy, railway, industrial drives and to the agriculture, food & beverage industries were relatively unchanged. Sales to the aerospace and marine industries were significantly lower compared to Q1 2020.

Automotive: Sales in the quarter were higher compared to last year with significantly higher sales to trucks and to the vehicle aftermarket. Sales to light vehicles were slightly higher compared to Q1 2020.

North America

Industrial: Sales were relatively unchanged in the quarter compared to Q1 2020. Sales to industrial distribution, marine and off-highway were significantly higher. Sales to railway were relatively unchanged, sales to industrial drives were slightly lower while sales to all other industries were significantly lower.

Automotive: Sales in the quarter were slightly lower compared to last year with higher sales to trucks, slightly lower sales to light vehicles and lower sales to the vehicle aftermarket.

Asia-Pacific

Industrial: Sales were significantly higher in the quarter. Sales were significantly higher to all industrial segments with the exception of heavy industries which saw relatively unchanged sales and the marine and railway industries where sales were significantly lower compared to Q1 2020.

Automotive: Sales were significantly higher in the quarter. Sales were significantly higher to trucks, light vehicles as well as to the vehicle aftermarket compared to Q1 2020.

Latin America

Industrial: Overall, sales were significantly higher in the quarter. By industry, sales to energy, off-highway, industrial drives and to industrial distribution were all significantly higher. Sales to heavy industries were relatively unchanged compared to Q1 2020.

Automotive: Sales in the quarter were significantly higher compared to last year with significantly higher sales to trucks and to the vehicle aftermarket. Sales to light vehicles were higher compared to Q1 2020.

Segment information¹⁾

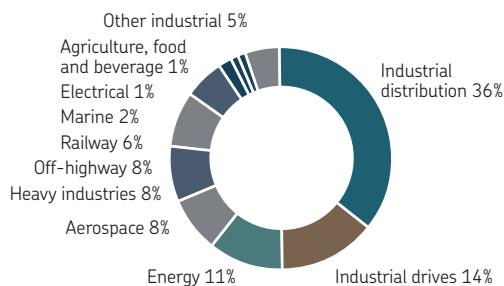
MSEK unless otherwise stated

Industrial	Q1 2021	Q1 2020
Net sales	13,788	14,364
Adjusted operating profit	2,247	2,230
Adjusted operating margin, %	16.3	15.5
Operating profit	2,177	2,151
Operating margin, %	15.8	15.0

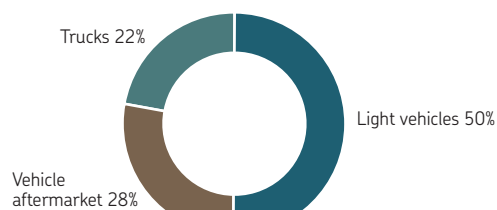
Automotive	Q1 2021	Q1 2020
Net sales	6,077	5,721
Adjusted operating profit	542	342
Adjusted operating margin, %	8.9	6.0
Operating profit	522	117
Operating margin, %	8.6	2.0

1) Previously published figures for 2020 have been restated to reflect a change in classification of customers between the segments.

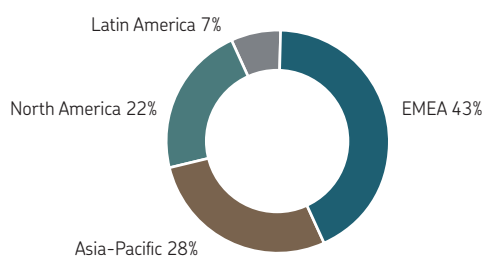
Net sales by customer industry for Industrial Q1 2021



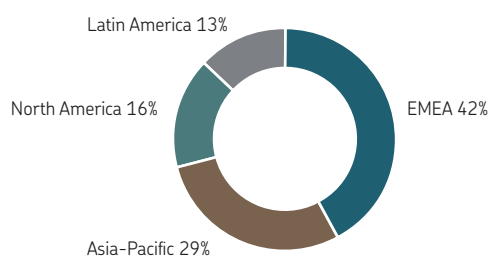
Net sales by customer industry for Automotive Q1 2021



Net sales by region for Industrial Q1 2021



Net sales by region for Automotive Q1 2021



Outlook and Guidance

Demand for Q2 2021 compared to Q2 2020

Demand has improved gradually since the trough in the second quarter of 2020. Net sales is expected to continue to grow, reaching pre-COVID levels in the second quarter of 2021, i.e. in line with levels reported in the second quarter of 2019.

Guidance Q2 2021

Currency impact on the operating profit is expected to be around SEK -400 million compared with Q2 2020, based on exchange rates per 31 March 2021.

Guidance 2021

- Tax level excluding effects related to divested businesses: around 28%.
- Additions to property, plant and equipment: around SEK 3,600 million.

Previous outlook statement

Demand for Q1 2021 compared to Q1 2020

We expect to see mid-single digit growth in organic sales in the first quarter of 2021 compared to the first quarter of 2020.

The industries and regions in which SKF operates are still impacted by the effects related to the spread of COVID-19.

Highlights

Investing in Airasca, Italy

SKF is investing SEK 400 million in expanding and modernizing its manufacturing facility in Airasca, Italy. The investment will bring the manufacturing of super-precision bearings (SuPBs) for industrial applications into the Group's largest manufacturing site in Italy and enables the consolidation of the Group's existing manufacturing sites in Northern Italy. The factory in Pianezza, currently manufacturing SuPBs, will be consolidated into Airasca. The factory in Villar Perosa will continue to focus on bearings for the railway and aerospace industries while the production of SuPBs will be transferred to Airasca.

Annual General Meeting of AB SKF

Rickard Gustafson was newly elected as Board member. The following Board members were re-elected: Hans Stråberg, Hock Goh, Barb Samardzich, Colleen Repplier, Geert Follens, Håkan Buskhe and Susanna Schneeberger. Hans Stråberg was elected Chairman of the Board of Directors.

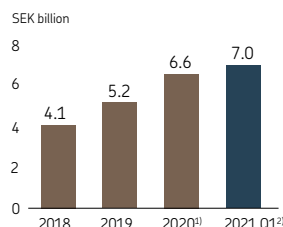
Sustainability performance

SKF has been publicly reporting on sustainability performance for many years in the Group's annual report, on skf.com and in various other forums. Reflecting the increasing operational and strategic importance of these issues, the Group is now including certain related KPI's also in the quarterly report. It is anticipated that the scope and depth of this reporting will increase over time.

Cleantech revenues

Cleantech revenues are the aggregated sales to acknowledged cleantech sectors such as renewable energy, electric vehicles, railway, and recycling. The growth of these sectors has far outstripped the organic growth of SKF as a whole – indicating the successful execution of SKF's cleantech strategy.

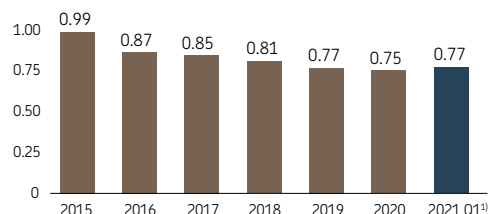
1) Previously published figures for 2020 have been restated to reflect a change in classification
2) 2021 figures relate to the latest 12 months period.



Accident rate

The Accident rate measures the number of recordable accidents per 100 employees per year. There has been a considerable reduction in the accident rate over the past 5 years.

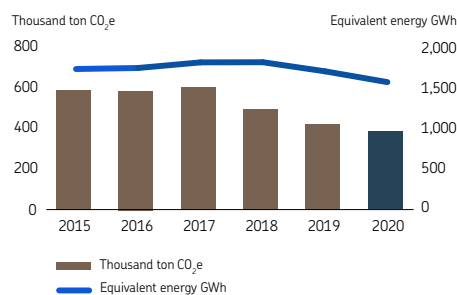
1) 2021 figures relate to the latest 12 months period.



CO₂ emissions, Equivalent energy

CO₂ emissions¹⁾ for SKF's operations (Scope 1 and 2 according to the Greenhouse Gas protocol) and total energy use for the same scope are presented in the graph. SKF continues to make good progress towards the Group's goal to be Carbon Neutral for these aspects by 2030.

1) Due to external reporting constraints, this data is presented for the end of the previous quarter.



Accounting principles

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. 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 2021. None of these have a material effect on the SKF Group's financial statements.

Risks and uncertainties in the business

The SKF Group operates in many different industrial and geographical areas that are at different stages of the economic cycle. A general economic downturn at global level, for example caused by a pandemic, or in one of the world's leading economies, could reduce the demand for the Group's products, solutions and services for a period of time. In addition, terrorism and other hostilities, as well as disturbances in worldwide financial markets and natural disasters, could have a negative effect on the demand for the Group's products and services. There are also political and regulatory risks associated with the wide geographical presence.

Regulatory requirements, taxes, tariffs and other trade barriers, price or exchange controls or other governmental policies could limit the SKF Group's operations. The SKF Group is subject to both transaction and translation of currency exposure.

For commercial flows the SKF Group is primarily exposed to the EUR, USD and CNY. As the major part of the profit is made outside Sweden, the Group is also exposed to translational risks in all the major currencies. 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.

SKF is subject to an investigation in Brazil by the General Superintendence of the Administrative Council for Economic Defense, regarding an alleged violation of antitrust rules by several companies active on the automotive aftermarket in Brazil.

Gothenburg, 22 April 2021
Aktiebolaget SKF (publ)
Alrik Danielson
President and CEO

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

Condensed consolidated income statements

MSEK	Jan-Mar 2021	Jan-Mar 2020
Net sales	19,865	20,085
Cost of goods sold	-14,124	-14,575
Gross profit	5,741	5,510
Research and development cost	-653	-651
Selling and administrative expenses	-2,423	-2,708
Other operating income/expenses, net	34	117
Operating profit	2,699	2,268
Financial income and expense, net	-204	-412
Profit before taxes	2,495	1,856
Taxes	-646	-549
Net profit	1,849	1,307
Net profit attributable to:		
Shareholders of the parent	1,782	1,250
Non-controlling interests	67	57
Basic earnings per share (SEK)	3.91	2.75
Diluted earnings per share (SEK)	3.91	2.74

Condensed consolidated statements of comprehensive income

MSEK	Jan-Mar 2021	Jan-Mar 2020
Net profit	1,849	1,307
Items that will not be reclassified to the income statement:		
Remeasurements (actuarial gains and losses)	2,090	-742
Income taxes	-535	125
	1,555	-617
Items that may be reclassified to the income statement:		
Exchange differences arising on translation of foreign operations	1,618	1,706
Assets at fair value through other comprehensive income	11	-30
Income taxes	-20	15
	1,609	1,691
Other comprehensive income, net of tax	3,164	1,074
Total comprehensive income	5,013	2,381
Shareholders of AB SKF	4,871	2,273
Non-controlling interests	142	108

Condensed consolidated balance sheets

MSEK	March 2021	December 2020
Goodwill	10,611	10,117
Other intangible assets	6,256	6,125
Property, plant and equipment	19,105	18,161
Right of use asset leases	2,577	2,517
Deferred tax assets	4,372	4,800
Other non-current assets	1,784	1,939
Non-current assets	44,705	43,659
Inventories	16,939	15,733
Trade receivables	14,793	12,286
Other current assets	4,537	4,242
Other current financial assets	15,023	14,637
Current assets	51,292	46,898
Total assets	95,997	90,557
Equity attributable to shareholders of AB SKF	39,169	34,309
Equity attributable to non-controlling interests	1,545	1,403
Long-term financial liabilities	18,366	15,089
Provisions for post-employment benefits	13,465	15,170
Provisions for deferred taxes	926	792
Other long-term liabilities and provisions	1,585	2,150
Non-current liabilities	34,342	33,201
Trade payables	9,190	8,459
Short-term financial liabilities	824	3,260
Other short-term liabilities and provisions	10,927	9,925
Current liabilities	20,941	21,644
Total equity and liabilities	95,997	90,557

Condensed consolidated statements of changes in shareholders' equity

MSEK	Jan-Mar 2021	Jan-Mar 2020
Opening balance 1 January	35,712	37,366
Total comprehensive income	5,013	2,381
Cost for performance share programmes, net	-17	-36
Transactions with non-controlling interests, other	-1	-
Other	7	13
Total cash dividends	-	-1
Closing balance	40,714	39,723

Condensed consolidated statements of cash flow

MSEK	Jan-Mar 2021	Jan-Mar 2020
Operating activities:		
Operating profit	2,699	2,268
Non-cash items:		
Depreciation, amortization and impairment	796	866
Net loss/gain (-) on sales of PPE and businesses	-	-47
Other non-cash items	-676	347
Income taxes paid	-453	-310
Other	-446	188
Changes in working capital:	-1,789	-539
Inventories	-598	-544
Accounts receivable	-2,043	-291
Accounts payable	466	635
Other operating assets/liabilities	386	-339
Net cash flow from operations	131	2,773
Investing activities:		
Payments for intangible assets, PPE, businesses and equity securities	-835	-926
Sales of PPE, businesses and equity securities	2	83
Net cash flow used in investing activities	-833	-843
Net cash flow after investments before financing	-702	1,930
Financing activities:		
Proceeds from short- and long-term loans	3,079	174
Repayments of short- and long-term loans	-2,111	-250
Repayment leases	-183	-212
Cash dividends	-	-1
Investments in short-term financial assets	-20	-259
Sales of short-term financial assets	52	3,788
Net cash flow used in financing activities	817	3,240
Net cash flow	115	5,170
Change in cash and cash equivalents:		
Cash and cash equivalents at 1 January	14,050	6,430
Cash effect excl. acquired/sold business	115	5,170
Cash effect of acquired/sold businesses	-	-
Exchange rate effect	290	-178
Cash and cash equivalents at 31 March	14,455	11,422

Change in Net debt	Closing balance 31 March 2021	Other non cash changes	Acquired/ sold businesses	Cash changes	Translation effect	Opening balance 1 January 2021
Loans, long- and short-term	16,391	-66	-	968	249	15,240
Post-employment benefits, net	13,433	-1,872	-	-219	388	15,136
Lease liabilities	2,644	139	-	-183	104	2,584
Financial assets, others	-437	-	-	33	-20	-450
Cash and cash equivalents	-14,455	-	-	-115	-290	-14,050
Net debt	17,576	-1,799	-	484	431	18,460

Number of shares

	Jan-Mar 2021	Jan-Mar 2020
Total number of shares:	455,351,068	455,351,068
- whereof A shares	31,319,602	32,397,042
- whereof B shares	424,031,466	422,954,026
Weighted average number of shares in:		
- basic earnings per share	455,351,068	455,351,068
- diluted earnings per share	455,440,172	455,585,942

Condensed consolidated financial information

MSEK unless otherwise stated

	Q2/19	Q3/19	Q4/19	Q1/20	Q2/20	Q3/20	Q4/20	Q1/21
Net sales	22,488	21,039	21,208	20,085	16,599	18,596	19,572	19,865
Cost of goods sold	-16,150	-15,330	-15,717	-14,575	-12,895	-13,759	-14,118	-14,124
Gross profit	6,338	5,709	5,491	5,510	3,704	4,837	5,454	5,741
Gross margin, %	28.2	27.1	25.9	27.4	22.3	26.0	27.9	28.9
Research and development cost	-691	-642	-684	-651	-652	-553	-660	-653
Selling and administrative expenses	-3,103	-2,918	-2,993	-2,708	-2,569	-2,317	-2,659	-2,423
- as % of sales	13.8	13.9	14.1	13.5	15.5	12.5	13.6	12.2
Other, net	-5	139	96	117	186	-45	75	34
Operating profit	2,539	2,288	1,910	2,268	669	1,922	2,210	2,699
Operating margin, %	11.3	10.9	9.0	11.3	4.0	10.3	11.3	13.6
Adjusted operating profit	2,856	2,380	2,181	2,572	1,565	2,475	2,582	2,789
Adjusted operating margin, %	12.7	11.3	10.3	12.8	9.4	13.3	13.2	14.0
Financial net	-278	-244	-188	-412	-89	-202	-66	-204
Profit before taxes	2,261	2,044	1,722	1,856	580	1,720	2,144	2,495
Profit margin before taxes, %	10.1	9.7	8.1	9.2	3.5	9.2	11.0	12.6
Taxes	-682	-693	-641	-549	-249	-487	-541	-646
Net profit	1,579	1,351	1,081	1,307	331	1,233	1,603	1,849
Net profit attributable to								
Shareholders of the parent company	1,511	1,293	1,035	1,250	342	1,179	1,527	1,782
Non-controlling interests	68	58	46	57	-11	54	76	67

Reconciliation of profit before taxes for the Group

MSEK	Q2/19	Q3/19	Q4/19	Q1/20	Q2/20	Q3/20	Q4/20	Q1/21
Operating profit:								
Industrial ¹⁾	2,227	2,172	1,879	2,151	1,282	1,595	1,663	2,177
Automotive ¹⁾	312	116	31	117	-613	327	547	522
Financial net	-278	-244	-188	-412	-89	-202	-66	-204
Profit before taxes for the Group	2,261	2,044	1,722	1,856	580	1,720	2,144	2,495

1) Previously published figures for 2019 and 2020 have been restated to reflect a change in classification of customers between the segments.

Key figures

Definitions, see page 15

	Q2/19	Q3/19	Q4/19	Q1/20	Q2/20	Q3/20	Q4/20	Q1/21
EBITDA, MSEK	3,425	3,134	2,840	3,134	1,543	2,734	3,059	3,494
EBITA, MSEK	2,691	2,443	2,063	2,421	822	2,069	2,369	2,841
Adjusted operating profit	2,856	2,380	2,181	2,572	1,565	2,475	2,582	2,789
Adjusted operating margin, %	12.7	11.3	10.3	12.8	9.4	13.3	13.2	14.0
Basic earnings per share, SEK	3.32	2.84	2.27	2.75	0.75	2.59	3.36	3.91
Adjusted earnings per share, SEK	4.02	3.04	2.86	3.41	2.72	3.80	4.17	4.11
Diluted earnings per share, SEK	3.32	2.84	2.27	2.74	0.75	2.59	3.35	3.91
Dividend per share, SEK	6.00	–	–	–	3.00	–	–	–
Net worth per share, SEK	74	76	78	83	76	77	75	86
Share price at the end of the period, SEK	170.8	162.7	189.4	136.7	173.2	185.7	213.4	248.2
NWC, % of 12 months rolling sales	30.1	29.9	27.7	29.5	30.0	28.7	26.1	30.2
ROCE for the 12-month period, %	16.0	15.0	13.2	12.5	9.8	9.3	9.8	10.5
ROE for the 12-month period, %	20.1	18.9	15.7	14.3	10.9	10.6	12.1	13.7
Gearing, %	49.3	48.9	47.1	47.4	49.7	50.2	48.0	44.4
Equity/assets ratio, %	37.6	37.8	39.7	39.4	38.7	38.1	39.4	42.4
Additions to property, plant and equipment, MSEK	684	967	1,154	917	670	796	949	819
Net debt/equity, %	67.6	67.0	59.3	57.6	62.5	59.8	51.7	43.2
Net debt, MSEK	24,103	24,548	22,176	22,877	22,866	21,868	18,460	17,576
Net debt/EBITDA	1.8	1.8	1.7	1.8	2.1	2.1	1.8	1.6
Registered number of employees	43,700	43,687	43,360	43,134	41,835	41,174	40,963	41,151

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.

Segment information – quarterly figures¹⁾

MSEK unless otherwise stated

Industrial	Q2/19	Q3/19	Q4/19	Q1/20	Q2/20	Q3/20	Q4/20	Q1/21
Net sales	15,909	14,971	15,232	14,364	13,080	12,979	13,489	13,788
Adjusted operating profit	2,499	2,078	2,022	2,230	1,832	2,045	1,963	2,247
Adjusted operating margin, %	15.7	13.9	13.3	15.5	14.0	15.8	14.6	16.3
Operating profit	2,227	2,172	1,879	2,151	1,282	1,595	1,663	2,177
Operating margin, %	14.0	14.5	12.3	15.0	9.8	12.3	12.3	15.8
Assets and liabilities, net	42,864	43,717	42,949	45,898	43,384	41,713	38,508	41,472
Registered number of employees	35,951	36,067	35,839	35,478	33,916	33,400	33,157	33,446

Automotive	Q2/19	Q3/19	Q4/19	Q1/20	Q2/20	Q3/20	Q4/20	Q1/21
Net sales	6,579	6,068	5,976	5,721	3,519	5,617	6,083	6,077
Adjusted operating profit	357	303	159	342	-267	430	619	542
Adjusted operating margin, %	5.4	5.0	2.7	6.0	-7.6	7.7	10.2	8.9
Operating profit	312	116	31	117	-613	327	547	522
Operating margin, %	4.7	1.9	0.5	2.0	-17.4	5.8	9.0	8.6
Assets and liabilities, net	12,738	12,915	11,954	11,909	11,184	10,313	9,358	10,645
Registered number of employees	7,106	6,958	6,850	6,741	6,499	6,362	6,351	6,292

1) Previously published figures for 2019 and 2020 have been restated to reflect a change in classification of customers between the segments.

Parent company condensed income statements

MSEK	Jan-Mar 2021	Jan-Mar 2020
Revenue	1,532	1,200
Cost of goods sold	-1,215	-1,224
General management and administrative expenses	-360	-332
Other operating income/expenses, net	1	-9
Operating result	-42	-365
Financial income and expense, net	-5	-17
Profit before taxes	-47	-382
Taxes	12	74
Net profit	-35	-308

Parent company condensed statements of comprehensive income

MSEK	Jan-Mar 2021	Jan-Mar 2020
Net profit	-35	-308
Items that may be reclassified to the income statement:		
Assets at fair value through other comprehensive income	11	-30
Other comprehensive income, net of tax	11	-30
Total comprehensive income	-24	-338

Parent company condensed balance sheets

MSEK	March 2021	December 2020
Intangible assets	1,479	1,528
Investments in subsidiaries	22,496	22,496
Receivables from subsidiaries	15,998	12,750
Other non-current assets	1,022	970
Non-current assets	40,995	37,744
Receivables from subsidiaries	2,395	5,971
Other receivables	3,096	163
Current assets	5,491	6,134
Total assets	46,486	43,878
Shareholders' equity	25,709	25,801
Provisions	468	468
Non-current liabilities	15,998	12,750
Current liabilities	4,311	4,859
Total shareholders' equity, provisions and liabilities	46,486	43,878

Definitions

Adjusted operating profit

Operating profit excluding items affecting comparability.

Adjusted operating margin

Operating profit margin excluding items affecting comparability.

Basic earnings/loss per share in SEK

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.

Diluted earnings per share

Diluted earnings per share is calculated using the weighted average number of shares outstanding during the period adjusted for all potential dilutive ordinary shares.

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.

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 exchange rate 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, as a percentage of twelve months rolling EBITDA.

Net debt/equity

Net debt, as a percentage of equity.

Net worth per share (Equity per share)

Equity excluding non-controlling interests divided by the ordinary number of shares.

Net working capital as % of 12 month rolling sales (NWC)

Trade receivables plus inventory minus trade payables as a percentage of twelve months rolling net sales.

Operating margin

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

Operational performance

Operational performance includes the effects on operating profit related to changes in organic sales, changes in manufacturing volumes and manufacturing costs and changes in selling and administrative expenses.

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 twelve 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 twelve months rolling average of equity.

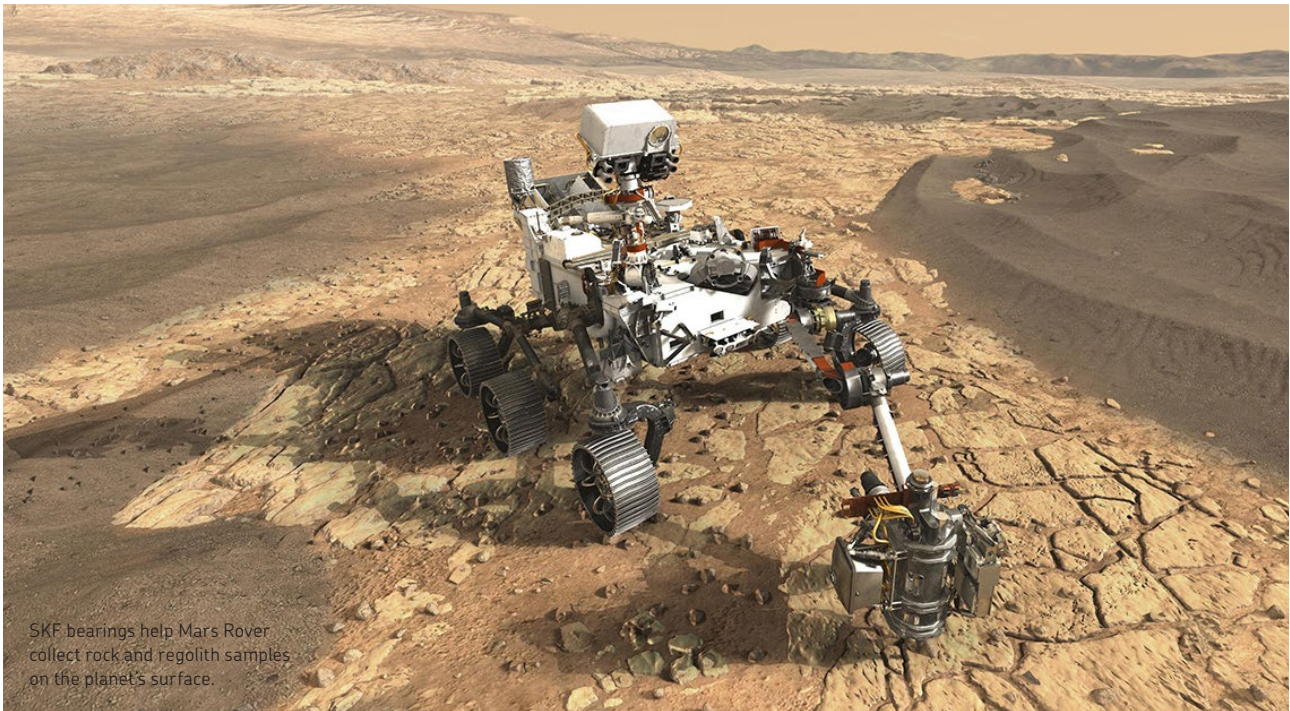
SKF demand outlook

The demand outlook for SKF's products and services represents management's best estimate based on current information about the future demand from our customers. The demand outlook is the expected volume development in the markets where our customers operate.

Cautionary statement

This report 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 investors.skf.com/en), including under the Administration Report; "Risk management" and in this report under "Risks and uncertainties in the business."



This is SKF

SKF is a leading global supplier of bearings, seals, lubrication systems and services, which include technical support, maintenance and reliability services, engineering consulting and training.

Quick facts

Founded 1907
Represented in more than 130 countries
Net sales in 2020: SEK 74,852 million
40,963 employees
15 technical centers
91 manufacturing sites
More than 17,000 distributors

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Company reg.no. 556007-3495

Vision

SKF works to reduce friction, make things run faster, longer, cleaner and more safely. Doing this in the most effective, productive and sustainable way contributes to the vision – A world of reliable rotation.

Mission

To be the undisputed leader in the bearing business.

Strategic focus areas

Based on SKF's vision and mission, the company focuses on six strategic areas:

1. Digital sales
2. New business models
3. Innovation
4. World-class manufacturing
5. Future workforce
6. Cleantech

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Webcast

22 April at 10:00 (CEST), 09.00 (UK)
<https://investors.skf.com/en>
Sweden +46 10 884 8016
UK / International +44 20 3936 2999
Passcode: 895705

Calendar

20 July, Q2 report 2021
26 October, Q3 report 2021

The financial information in this press release is information which AB SKF is required to disclose under the EU Market Abuse Regulation (EU) No 596/2014. The information was provided by the above contact persons for publication on 22 April 2021 at 08.45 CEST.