

First-quarter report 2022

Press release 26 April

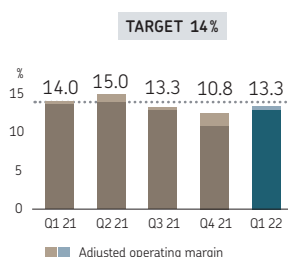
Q1 2022

- Net sales of SEK 22,942 million (19,865).
- 6.5% organic growth driven by strong sales in most regions.
- Adjusted operating profit of SEK 3,058 million (2,789).
- 13.3% (14.0%) adjusted operating margin with accelerated price realization.
 - Industrial adjusted operating margin 16.5% (16.3%)
 - Automotive adjusted operating margin 5.2% (8.9%)
- Net Cash flow from operations SEK -271 million (131) affected by increased inventories driven by buffer stocks, cost inflation, logistics and the Shanghai lockdown.

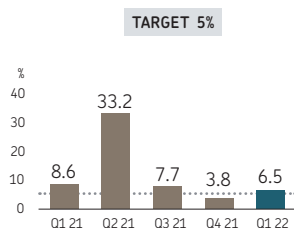
Financial overview

MSEK unless otherwise stated	Q1 2022	Q1 2021
Net sales	22,942	19,865
Adjusted operating profit	3,058	2,789
Adjusted operating margin, %	13.3	14.0
Operating profit	2,953	2,699
Operating margin, %	12.9	13.6
Adjusted profit before taxes	2,990	2,586
Profit before taxes	2,885	2,495
Net cash flow from operating activities	-271	131
Basic earnings per share	4.36	3.91
Adjusted earnings per share	4.59	4.11

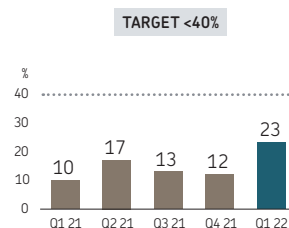
Operating margin¹⁾



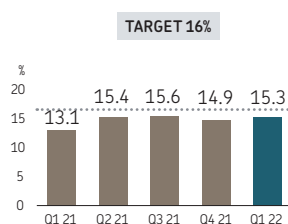
Revenue growth²⁾



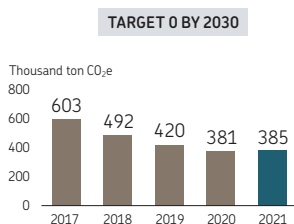
Net debt/Equity³⁾



ROCE¹⁾



Net zero 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.

Strong growth with improved industrial margin

In the first quarter, we managed to deliver strong results and growth in an external environment characterized by supply constraints and big uncertainties following the war in Ukraine and the Covid-situation in China.

Organic growth in the quarter was 6.5%, driven by strong sales in most regions. The growth in Industrial was very strong with 11%, while Automotive was down by -3%. Net sales were SEK 22,942 million (19,865). It is encouraging to see that several of the segments that we identified as high-growth areas in our strategic framework had a strong first quarter with double-digit growth. Key examples being high-speed machinery, industrial distribution, agriculture, food & beverage and automation.

The adjusted operating profit improved to SEK 3,058 million (2,789). During the first quarter we were able to successfully compensate for cost increases on raw material and components. I'm pleased with the accelerated price realization we've secured so far, but we will continue to drive price relentlessly to mitigate cost inflation.

Our Industrial business delivered a very strong result, with an improved adjusted operating margin of 16.5% (16.3%). Clearly, our competitive offerings are contributing to strong profitable growth in combination with effective measures to mitigate the cost inflation.

Also, our Automotive business performed relatively well during the quarter given the circumstances. Supply chain volatility and continued OEM production delays resulted in lower sales, reduced productivity, and a build-up of inventories. On the positive side, demand for electrical vehicles and the vehicle aftermarket remained strong. All in all, the adjusted operating margin came in at 5.2% (8.9%), which I consider to be acceptable in a volatile automotive market.

Cash flow from operations in the quarter was SEK -271 million (131), which is not satisfactory and something that we're acting on. The negative development was driven by increased inventories, supply and logistics constraints. In China, for example, we were not able to fully deliver our products to customers due to Covid lockdowns.

We see good progress when it comes to implementing our new strategic framework. During the quarter, there has been an increased demand for magnetic technology and hydrogen solutions. Within our service offering, we've announced a partnership with Amazon Web Services, aiming to take scalability of condition monitoring and data analysis to a new level.

The Russian invasion of Ukraine has a severe effect on our operations in both Ukraine and Russia. As a direct consequence,



we've concluded that it's impossible for us to continue our operations in Russia, as the basis and stability for our business does not exist. Therefore, and as previously communicated, we're planning for a rapid and controlled exit from the Russian market. As a direct consequence, a write down of SKF's financial assets totaling SEK 500 million will be made during the second quarter. In Ukraine we continue to be operational whenever possible given the prevailing circumstances, however at a lower level than normal.

Looking into the second quarter of 2022, there are continued uncertainties with supply constraints, implications from the war in Ukraine and the Covid-situation in China, which will continue to affect our operations. We anticipate organic sales to grow in Industrial, while organic sales in Automotive most likely will decline. We expect organic sales for the second quarter to be relatively unchanged compared to previous year. For the full year 2022, we expect an organic sales growth of about 4-8%, accounting for our planned exit from Russia.

In these very difficult external circumstances, I'm impressed and proud of all the hard work from SKF employees in all geographies in supporting each other, our customers and safeguarding our business.

Rickard Gustafson
President and CEO

Financial performance

First quarter 2022

Operating profit for the first quarter was SEK 2,953 million (2,699). Operating profit included items affecting comparability of SEK -105 million (-91), mainly related to ongoing restructuring and cost reduction activities in Europe.

The adjusted operating profit for the first quarter was SEK 3,058 million (2,789). The adjusted operating profit was positively impacted by sales volumes, price and customer mix and currency effects. Operating profit was negatively impacted by cost increases, mainly related to material, logistics and energy costs.

Adjusted operating profit bridge, MSEK	Q1
2021	2,789
Currency impact	288
Organic sales & Manufacturing volumes	1,376
Cost development	-1,395
2022	3,058

- Financial income and expense, net was SEK -68 million (-204). Exchange rate fluctuations had a positive effect in the first quarter 2022, while it was negative in 2021.
- Taxes in the quarter was SEK -824 million (-646) resulting in an effective tax rate of 29% (26%).
- Net cash flow from operating activities in the first quarter was SEK -271 million (131). The difference against last year is mainly driven by working capital development related to inventory levels increasing with higher volumes, supply chain and logistic challenges.
- Net working capital in percent of annual sales was 34.3% in the first quarter compared to 30.2% in the first quarter 2021. The ratio was negatively affected by higher inventory levels and currency effects.
- Provisions for post-employment benefits net decreased by SEK -1,345 million (-1,704) driven by actuarial gains on gross obligation due to increased discount rates.

Key figures	31 March 2022	31 December 2021	31 March 2021
Net working capital, % of 12 months rolling sales	34.3	30.7	30.2
ROCE for the 12-month period, % ¹⁾	15.3	14.9	13.1
Net debt/equity, %	45.0	38.3	43.2
Net debt/equity, excluding post-employment benefits, %	22.5	12.5	10.2
Net debt/EBITDA	1.2	1.2	1.6

1) Adjusted for items affecting comparability.

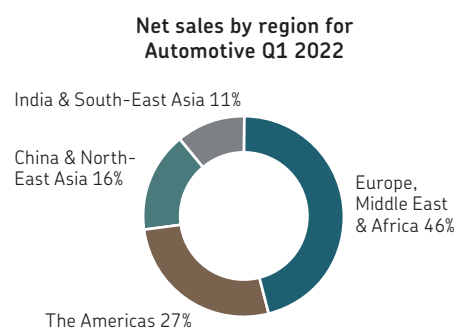
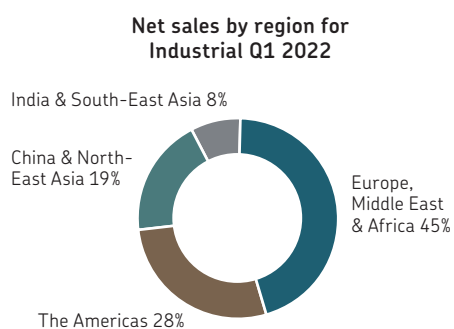
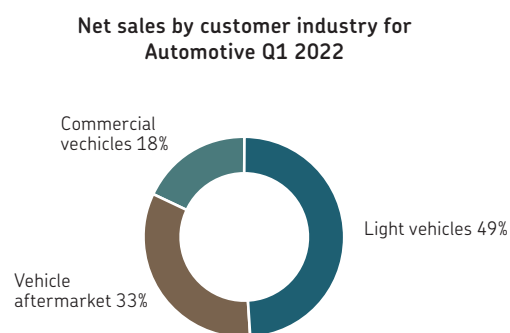
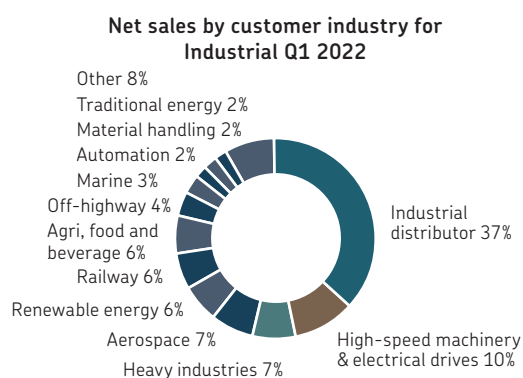
Sales

Net sales, change y-o-y, %	Q1			
	Organic ¹⁾	Structure	Currency	Total
SKF Group	6.5	–	9.0	15.5
Industrial	10.6	–	9.2	19.8
Automotive	-2.7	–	8.4	5.7

¹⁾ Price, mix and volume

Organic sales in local currencies, change y-o-y, %	Q1			
	Europe, Middle East & Africa	The Americas	China & North-East Asia	India & South-East Asia
SKF Group	11.1	8.0	-8.6	15.7
Industrial	+++	+++	-	+++
Automotive	++	+/-	---	++

Customer industries	Q1			
	Europe, Middle East & Africa	The Americas	China & North-East Asia	India & South-East Asia
Organic sales in local currencies, change y-o-y:				
Industrial distributor	+++	+++	+++	+++
High-speed machinery & electrical drives	+++	+++	+++	+++
Other	+++	+++	+/-	+++
Renewable energy	---	---	---	-
Heavy industries	+++	-	+/-	+++
Aerospace	+/-	---	---	+/-
Railway	+	+++	+++	+++
Agriculture, food and beverage	+++	+++	+++	---
Off-highway	+++	+/-	++	+++
Marine	+++	+++	+++	+++
Material handling	+++	+++	---	---
Automation	+++	+++	---	+++
Traditional energy	--	+++	+++	---
Light vehicles	---	--	+	++
Vehicle aftermarket	+++	++	+++	+
Commercial vehicles	+/-	--	---	+++



Segment information¹⁾

MSEK unless otherwise stated

	Industrial		Automotive	
	Q1 2022	Q1 2021	Q1 2022	Q1 2021
Net sales	16,520	13,788	6,422	6,077
Adjusted operating profit	2,722	2,250	336	540
Adjusted operating margin, %	16.5	16.3	5.2	8.9
Operating profit	2,632	2,179	321	520
Operating margin, %	15.9	15.8	5.0	8.6

1) Previously published figures for 2021 have been restated to reflect a change in classification of customers between the segments.

Industrial

Comments on organic sales in local currencies in first quarter 2022, compared to first quarter 2021

Europe, Middle East & Africa

Overall, sales were significantly higher in the quarter. By industry, sales to most industrial segments were significantly higher. The exceptions were, railway where it was slightly higher, aerospace where it was relatively unchanged, traditional energy where it was lower and renewable energy where sales were significantly lower compared to Q1 last year.

The Americas

Sales were significantly higher in the quarter. By industry, sales to most industrial segments were significantly higher. Except for off-highway where it was relatively unchanged, heavy industries where it was slightly lower and to renewable energy and aerospace where it was significantly lower compared to Q1 last year.

China & North-East Asia

Overall, sales were slightly lower in the quarter. It was significantly higher to industrial distributors, high speed machinery & electrical drives, railway, agriculture, food and beverage as well as to marine and traditional energy. Sales were higher to off-highway, relatively unchanged to other and heavy industries. Sales to renewable energy, aerospace, material handling and automation were significantly lower compared to Q1 last year.

India & South-East Asia

Overall, sales were significantly higher in the quarter. To industrial distributors, high speed machinery & electrical drives, other, heavy industries, railway, off-highway, marine and automation it was significantly higher. To aerospace it was relatively unchanged. To renewable energy it was slightly lower while sales to agriculture, food and beverage, material handling and traditional energy were significantly lower compared to Q1 last year.

First quarter 2022

The adjusted operating profit for the first quarter was SEK 2,722 million (2,250). The adjusted operating profit was positively impacted by sales volumes, price, customer mix and currency effects. Operating profit was negatively impacted by material cost and logistics.

Adjusted operating profit bridge, MSEK	Q1
2021	2,250
Currency	213
Organic sales & Manufacturing volumes	1,288
Cost development	-1,029
2022	2,722

Automotive

Comments on organic sales in local currencies in first quarter 2022, compared to first quarter 2021

Europe, Middle East & Africa

Sales in the quarter were higher compared to Q1 last year with significantly higher sales to the vehicle aftermarket, relatively unchanged to commercial vehicles and significantly lower sales to light vehicles.

The Americas

Sales in the quarter were relatively unchanged compared to Q1 last year, with higher sales to the vehicle aftermarket and lower sales to light vehicles and commercial vehicles.

China & North-East Asia

Sales were significantly lower in the quarter compared to Q1 last year with significantly higher sales to the vehicle aftermarket, slightly higher sales to light vehicles and significantly lower sales to commercial vehicles.

India & South-East Asia

Sales in the quarter were higher compared to Q1 last year with slightly higher sales to the vehicle aftermarket, higher sales to light vehicles and significantly higher sales to commercial vehicles.

First quarter 2022

The adjusted operating profit for the first quarter was SEK 336 million (540). The adjusted operating profit was positively impacted by price, customer mix and currency effects. Operating profit was negatively impacted by sales volumes, material cost and logistics.

Adjusted operating profit bridge, MSEK	Q1
2021	540
Currency	75
Organic sales & Manufacturing volumes	88
Cost development	-366
2022	336

Outlook and Guidance

Demand for Q2 2022 compared to Q2 2021

We expect organic sales for the second quarter to be relatively unchanged compared to previous year. However, there are significant uncertainties in the market including Covid-related lock-downs in China.

Guidance for the second quarter 2022

Currency impact on the operating profit is expected to be around SEK 200 million compared with the second quarter 2021, based on exchange rates per 31 March 2022.

Guidance 2022

- For the full year 2022, we expect an organic sales growth of about 4-8%.
- Tax level excluding effects related to divested businesses: around 26%.
- Additions to property, plant and equipment: around SEK 5 billion.

Previous outlook and guidance statement

Demand for Q1 2022 compared to Q1 2021

Looking ahead, for Q1 2022, we estimate a low single-digit organic sales growth.

Guidance 2022

- For the full year 2022, we expect an organic sales growth of about 5-10%.

Highlights

25 January 2022 – Grant from the European Commission

SKF has been awarded a EUR 1.62 million grant from the European Commission to install and operate a stand-alone processing plant for regeneration of industrial oils in Tudela, Spain. The project will use the innovative Double Separation Technology developed by SKF RecondOil to remove contaminants from used oils.

3 February 2022 – SKF presented new strategic framework

SKF has presented a new strategic framework, including a decentralized operating model, that will result in a different SKF than today. By 2030, the goal is to:

- Grow faster and double the business, at improved margins.
- Be more focused and efficient.
- Be the technical partner of choice among customers.
- Lead the development of sustainable solutions.

24 March 2022 – Annual General Meeting of AB SKF

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

Changes to Group Management as of 15 February 2022

- Joakim Landholm was appointed Senior Vice President, Operations and Digital Transformation.
- Manish Bhatnagar was appointed President Industrial Region India and South-East Asia.
- David Johansson was appointed President Automotive.
- Erik Nelander, President Industrial Sales Europe Middle East & Africa left Group Management.

Changes to Group Management as of 29 March 2022

- Victoria van Camp, CTO and Senior Vice President, SKF Technology Development left Group Management.
- Senior Vice President, SKF Technology Development has been assumed on an interim basis by Andrew Bell, Director, Product Development & Engineering

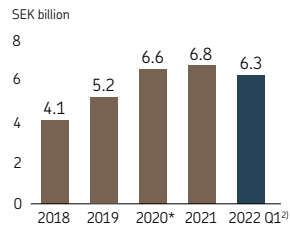
Sustainability performance

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, recycling industry and bearing remanufacturing. 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.

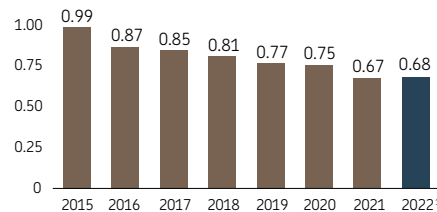
- 1) Previously published figures for 2020 have been restated to reflect a change in classification.
- 2) 2022 figures relate to the latest 12 months period.



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.

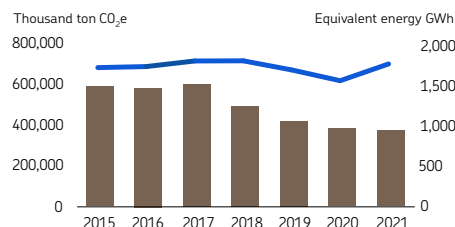
- 1) 2022 figures relate to the latest 12 months period.



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 net zero for these aspects by 2030.

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



Notes

Note 1 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.

Disclosure as required by IAS 34 p. 16 A is 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 2021. None of these have a material effect on the SKF Group's financial statements.

Note 2 Transactions with related parties

No significant change is present for transactions with related parties in relation to disclosure provided in Annual Report 2021.

Note 3 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.

SKF's operations are affected by the ongoing conflict in Ukraine. SKF operates in both Ukraine and Russia with approximately 1,100 and 250 employees, respectively.

Sales in Ukraine amounted to less than 0.5% of SKF's total sales and sales in Russia amounted to approximately 2% of SKF's total sales in 2021. SKF's factory in Lutsk, Ukraine, accounted for a production volume of approximately 1% of SKF's total production volume in 2021. The factory in Ukraine has been producing whenever possible due to prevailing circumstances however at lower level than normal. SKF has concluded that it is impossible to continue operations in Russia and consequently the operations have been stopped.

SKF has taken measures to replace the supply of raw material from the region.

Note 4 Subsequent events

SKF has decided to cease all business and operations in Russia. The intention is to divest the business. A write-down of approximately SEK 500 million will be recognized in the second quarter.

Gothenburg, 26 April 2022
Aktiebolaget SKF (publ)
Rickard Gustafson
President and CEO

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

Condensed consolidated income statements

MSEK	Jan-Mar 2022	Jan-Mar 2021
Net sales	22,942	19,865
Cost of goods sold	-16,453	-14,124
Gross profit	6,489	5,741
Research and development cost	-765	-653
Selling and administrative expenses	-2,779	-2,423
Other operating income/expenses, net	8	34
Operating profit	2,953	2,699
Financial income and expense, net	-68	-204
Profit before taxes	2,885	2,495
Taxes	-824	-646
Net profit	2,061	1,849
Net profit attributable to:		
Shareholders of AB SKF	1,984	1,782
Non-controlling interests	77	67
Basic earnings per share (SEK)	4.36	3.91

Condensed consolidated statements of comprehensive income

MSEK	Jan-Mar 2022	Jan-Mar 2021
Net profit	2,061	1,849
Items that will not be reclassified to the income statement:		
Remeasurements (actuarial gains and losses)	1,530	2,090
Income taxes	-394	-535
	1,136	1,555
Items that may be reclassified to the income statement:		
Exchange differences arising on translation of foreign operations	819	1,618
Assets at fair value through other comprehensive income	-23	11
Income taxes	1	-20
	797	1,609
Other comprehensive income, net of tax	1,933	3,164
Total comprehensive income	3,994	5,013
Shareholders of AB SKF	3,900	4,871
Non-controlling interests	94	142

Condensed consolidated balance sheets

MSEK	March 2022	December 2021
Goodwill	11,124	10,924
Other intangible assets	6,060	6,018
Property, plant and equipment	21,566	20,723
Right of use asset leases	2,625	2,661
Deferred tax assets	3,534	3,839
Other non-current assets	1,638	1,674
Non-current assets	46,547	45,839
Inventories	23,354	20,997
Trade receivables ¹⁾	16,487	13,972
Other current assets	5,872	5,163
Other current financial assets ¹⁾	8,991	13,657
Current assets	54,704	53,789
Total assets	101,251	99,628
Equity attributable to shareholders of AB SKF	44,419	43,645
Equity attributable to non-controlling interests	1,803	1,720
Long-term financial liabilities ¹⁾	15,613	15,472
Provisions for post-employment benefits	10,440	11,781
Provisions for deferred taxes	1,190	1,040
Other long-term liabilities and provisions	1,333	1,445
Non-current liabilities	28,576	29,738
Trade payables ¹⁾	10,765	9,881
Short-term financial liabilities ¹⁾	4,024	3,864
Other short-term liabilities and provisions	11,664	10,780
Current liabilities	26,453	24,525
Total equity and liabilities	101,251	99,628

1) Valuation principles and classifications of the financial instruments, as described in SKF Annual report 2021, have been consistently applied throughout the reporting period. There are no major changes in fair value during the period.

Condensed consolidated statements of changes in shareholders' equity

MSEK	Jan-Mar 2022	Jan-Mar 2021
Opening balance 1 January	45,364	35,712
Net profit	2,061	1,848
Hyperinflation adjustments	53	26
Components of other comprehensive income		
Currency translation adjustments	819	1,619
Change in FV OCI assets and cash flow hedges	-23	11
Remeasurements	1,530	2,090
Income taxes	-393	-555
Other	-	-19
Transactions with shareholders		
Non-controlling interest	-	-1
Cost for Performance Share Programmes, net	9	-17
Dividends	-3,198	-
Closing balance 31 March	46,222	40,714

Condensed consolidated statements of cash flow

MSEK	Jan-Mar 2022	Jan-Mar 2021
Operating activities:		
Operating profit	2,953	2,699
Non-cash items:		
Depreciation, amortization and impairment	860	796
Net loss/gain (-) on sales of PPE and businesses	-1	-
Other non-cash items	188	-676
Income taxes paid	-489	-453
Interest received	1	-3
Interest paid	-65	-63
Other	-257	-380
Changes in working capital:	-3,461	-1,789
Inventories	-1,913	-598
Accounts receivable	-2,210	-2,043
Accounts payable	711	466
Other operating assets/liabilities	-49	386
Net cash flow from operating activities	-271	131
Investing activities:		
Payments for intangible assets, PPE, businesses and equity securities	-1,110	-835
Sales of PPE, businesses and equity securities	3	2
Net cash flow used in investing activities	-1,107	-833
Net cash flow after investments before financing	-1,378	-702
Financing activities:		
Proceeds from short- and long-term loans	16	3,079
Repayments of short- and long-term loans	-52	-2,111
Repayment leases	-180	-183
Cash dividends	-3,198	-
Other financing items	-	-
Investments in short-term financial assets	-16	-20
Sales of short-term financial assets	23	52
Net cash flow used in financing activities	-3,407	817
Net cash flow	-4,785	115
Change in cash and cash equivalents:		
Cash and cash equivalents at 1 January	13,219	14,050
Cash effect excl. acquired/sold business	-4,793	115
Cash effect of acquired/sold businesses	8	-
Exchange rate effect	20	290
Cash and cash equivalents at 31 March	8,454	14,455

Change in Net debt	Closing balance 31 March 2022	Other non- cash changes	Acquired/sold businesses	Cash changes	Translation effect	Opening balance 1 January 2022
Loans, long- and short-term	16,495	22	8	-36	47	16,454
Post-employment benefits, net	10,367	-1,243	-	-210	109	11,711
Lease liabilities	2,728	97	-	-180	53	2,758
Financial assets, others	-349	-	-	1	-6	-344
Cash and cash equivalents	-8,454	-	-8	4,793	-20	-13,219
Net debt	20,787	-1,124	-	4,368	183	17,360

Condensed consolidated financial information

MSEK unless otherwise stated

	Q2/20	Q3/20	Q4/20	Q1/21	Q2/21	Q3/21	Q4/21	Q1/22
Net sales	16,599	18,596	19,572	19,865	20,735	20,146	20,986	22,942
Cost of goods sold	-12,895	-13,759	-14,118	-14,124	-14,441	-14,582	-15,310	-16,453
Gross profit	3,704	4,837	5,454	5,741	6,294	5,564	5,676	6,489
Gross margin, %	22.3	26.0	27.9	28.9	30.4	27.6	27.0	28.3
Research and development cost	-652	-553	-660	-653	-683	-648	-766	-765
Selling and administrative expenses	-2,569	-2,317	-2,659	-2,423	-2,706	-2,385	-2,736	-2,779
- as % of sales	15.5	12.5	13.6	12.2	13.1	11.8	13.0	12.1
Other, net	186	-45	75	34	-27	57	420	8
Operating profit	669	1,922	2,210	2,699	2,878	2,588	2,594	2,953
Operating margin, %	4.0	10.3	11.3	13.6	13.9	12.8	12.4	12.9
Adjusted operating profit	1,565	2,475	2,582	2,789	3,118	2,672	2,260	3,058
Adjusted operating margin, %	9.4	13.3	13.2	14.0	15.0	13.3	10.8	13.3
Financial net	-89	-202	-66	-204	-77	-148	-266	-68
Profit before taxes	580	1,720	2,144	2,495	2,801	2,440	2,328	2,885
Profit margin before taxes, %	3.5	9.2	11.0	12.6	13.5	12.1	11.1	12.6
Taxes	-249	-487	-541	-646	-661	-618	-559	-824
Net profit	331	1,233	1,603	1,849	2,140	1,822	1,769	2,061
Net profit attributable to								
Shareholders of AB SKF	342	1,179	1,527	1,782	2,089	1,756	1,705	1,984
Non-controlling interests	-11	54	76	67	51	66	64	77

Reconciliation of profit before taxes for the Group

MSEK	Q2/20	Q3/20	Q4/20	Q1/21	Q2/21	Q3/21	Q4/21	Q1/22
Operating profit:								
Industrial ¹⁾	1,283	1,596	1,664	2,179	2,407	2,420	2,313	2,632
Automotive ¹⁾	-614	326	546	520	470	169	281	321
Financial net	-89	-202	-66	-204	-77	-148	-266	-68
Profit before taxes for the Group	580	1,720	2,144	2,495	2,801	2,440	2,328	2,885

1) Previously published figures for 2020 and 2021 have been restated to reflect a change in classification of customers between the segments.

Number of shares

	Jan-Mar 2022	Jan-Mar 2021
Total number of shares:	455,351,068	455,351,068
- whereof A shares	29,403,933	31,319,602
- whereof B shares	425,947,135	424,031,466
Weighted average number of shares in:		
- basic earnings per share	455,351,068	455,351,068

Key figures

Definitions, see page 16

	Q2/20	Q3/20	Q4/20	Q1/21	Q2/21	Q3/21	Q4/21	Q1/22
EBITDA, MSEK	1,543	2,734	3,059	3,494	3,852	3,239	3,479	3,814
EBITA, MSEK	822	2,069	2,369	2,841	3,024	2,733	2,742	3,104
Adjusted operating profit	1,565	2,475	2,582	2,789	3,118	2,672	2,260	3,058
Adjusted operating margin, %	9.4	13.3	13.2	14.0	15.0	13.3	10.8	13.3
Basic earnings per share, SEK	0.75	2.59	3.36	3.91	4.59	3.86	3.74	4.36
Adjusted earnings per share, SEK	2.72	3.80	4.17	4.11	5.11	4.04	3.01	4.59
Dividend per share, SEK	3.00	–	–	–	6.50	–	–	7.00
Net worth per share, SEK	76	77	75	86	83	89	96	98
Share price at the end of the period, SEK	173.2	185.7	213.4	248.2	217.9	207.6	214.5	153.9
NWC, % of 12 months rolling sales	30.0	28.7	26.1	30.2	30.7	30.5	30.7	34.3
ROCE for the 12-month period, %	9.8	9.3	9.8	10.5	13.6	14.5	14.8	15.1
ROE for the 12-month period, %	10.9	10.6	12.1	13.7	18.4	19.3	18.8	18.3
Gearing, %	49.7	50.2	48.0	44.4	44.7	43.1	40.5	39.0
Equity/assets ratio, %	38.7	38.1	39.4	42.4	41.6	43.2	45.5	45.7
Additions to property, plant and equipment, MSEK	670	796	949	819	895	969	1,138	1,023
Net debt/equity, %	62.5	59.8	51.7	43.2	50.1	44.0	38.3	45.0
Net debt, MSEK	22,866	21,868	18,460	17,576	19,809	18,541	17,360	20,787
Net debt/EBITDA	2.1	2.1	1.8	1.6	1.5	1.4	1.2	1.4
Registered number of employees	41,835	41,174	40,963	41,151	41,433	42,139	42,602	42,763

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	Q2/20	Q3/20	Q4/20	Q1/21	Q2/21	Q3/21	Q4/21	Q1/22
Net sales	13,080	12,979	13,489	13,788	14,889	14,747	15,135	16,520
Adjusted operating profit	1,833	2,046	1,964	2,250	2,676	2,465	2,044	2,722
Adjusted operating margin, %	14.0	15.8	14.6	16.3	18.0	16.7	13.5	16.5
Operating profit	1,283	1,596	1,664	2,179	2,407	2,420	2,313	2,632
Operating margin, %	9.8	12.3	12.3	15.8	16.2	16.4	15.3	15.9
Assets and liabilities, net	49,696	47,594	40,560	42,389	42,620	42,170	43,176	46,883
Registered number of employees	33,916	33,400	33,157	33,446	33,572	34,283	34,702	34,898
Automotive	Q2/20	Q3/20	Q4/20	Q1/21	Q2/21	Q3/21	Q4/21	Q1/22
Net sales	3,519	5,617	6,083	6,077	5,846	5,399	5,851	6,422
Adjusted operating profit	-268	429	618	540	441	207	216	336
Adjusted operating margin, %	-7.6	7.6	10.2	8.9	7.5	3.8	3.7	5.2
Operating profit	-614	326	546	520	470	169	281	321
Operating margin, %	-17.4	5.8	9.0	8.6	8.0	3.1	4.8	5.0
Assets and liabilities, net	11,488	9,881	9,535	10,798	11,125	11,191	10,992	12,718
Registered number of employees	6,499	6,362	6,351	6,292	6,416	6,391	6,421	6,409

1) Previously published figures for 2020 and 2021 have been restated to reflect a change in classification of customers between the segments.

Parent Company condensed income statements

MSEK	Jan-Mar 2022	Jan-Mar 2021
Revenue	1,903	1,532
Cost of goods sold	-1,514	-1,215
General management and administrative expenses	-389	-360
Other operating income/expenses, net	15	1
Operating result	15	-42
Financial income and expense, net	7	-5
Profit before taxes	22	-47
Appropriations	-	-
Taxes	-27	12
Net profit	-5	-35

Parent Company condensed statements of comprehensive income

MSEK	Jan-Mar 2022	Jan-Mar 2021
Net profit	-5	-35
Items that may be reclassified to the income statement:		
Assets at fair value through other comprehensive income	-23	11
Other comprehensive income, net of tax	-23	11
Total comprehensive income	-28	-24

Parent Company condensed balance sheets

MSEK	March 2022	December 2021
Intangible assets	1,336	1,371
Investments in subsidiaries	22,074	22,074
Receivables from subsidiaries	13,136	13,022
Other non-current assets	906	891
Non-current assets	37,452	37,358
Receivables from subsidiaries	6,358	6,958
Other receivables	357	273
Current assets	6,715	7,231
Total assets	44,167	44,589
Shareholders' equity	22,449	25,683
Provisions	575	445
Non-current liabilities	13,137	13,023
Current liabilities	8,006	5,438
Total shareholders' equity, provisions and liabilities	44,167	44,589

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.

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.

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.

For reconciliations of other Key Ratios, see investors.skf.com/en.

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."



SKF Headquarters, Götaholm, in Gothenburg, Sweden.

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 2021: SEK 81,732 million
42,602 employees
15 technical centers
87 manufacturing sites
More than 17,000 distributors

AB SKF (publ)

Postal address: SE-415 50 Gothenburg, Sweden
Visiting address: Sven Wingquists Gata 2
tel. +46 31 337 10 00
www.skf.com
Company reg.no. 556007-3495

For further information, please contact:

INVESTOR RELATIONS: Patrik Stenberg, Director,
SKF Group Investor Relations and Mergers & Acquisitions
tel: 46 31 337 2104 mobile: 46 705 472 104
e-mail: patrik.stenberg@skf.com

PRESS: Carl Bjernstam, Corporate Communication

tel: 46 31 337 2517 mobile: 46 722 201 893
e-mail: carl.bjernstam@skf.com

Webcast

26 April at 09:00 (CEST), 08.00 (UK)
<https://investors.skf.com/en>
Sweden +46 10 884 80 16
UK / International +44 203 936 2999
Passcode: 410557

Calendar 2022

20 July, Q2 report
25 October, Q3 report
2 February 2023, Q4 report

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 26 April 2022 at 08.00 CEST.