UNLOCKING LONG-TERM VALUE CREATION

Capital Markets Day

November 11th, 2025

Agenda

Introduction	Unlocking long-term value creation	**Rickard Gustafson,** President & CEO
Industrial	Reignite growth	**Hans Landin,** President Specialized Industrial Solutions
	Q&A	
	Break (14.30-15.00 CET)	
	Innovation leadership	**Annika Ölme,** CTO, SVP
	Business driven value chain	**David Johansson,** President Industrial region Europe & Africa
	Financial performance	**Susanne Larsson,** CFO, CSO, SVP
	Q&A	
Automotive	Automotive bearing solutions	**Kerstin Enochsson,** President Automotive
	Q&A	

UNLOCKING LONG-TERM VALUE CREATION

Rickard Gustafson

President and CEO

Unlocking full value potential with two standalone companies

SKF GROUP

Creating a historic step:

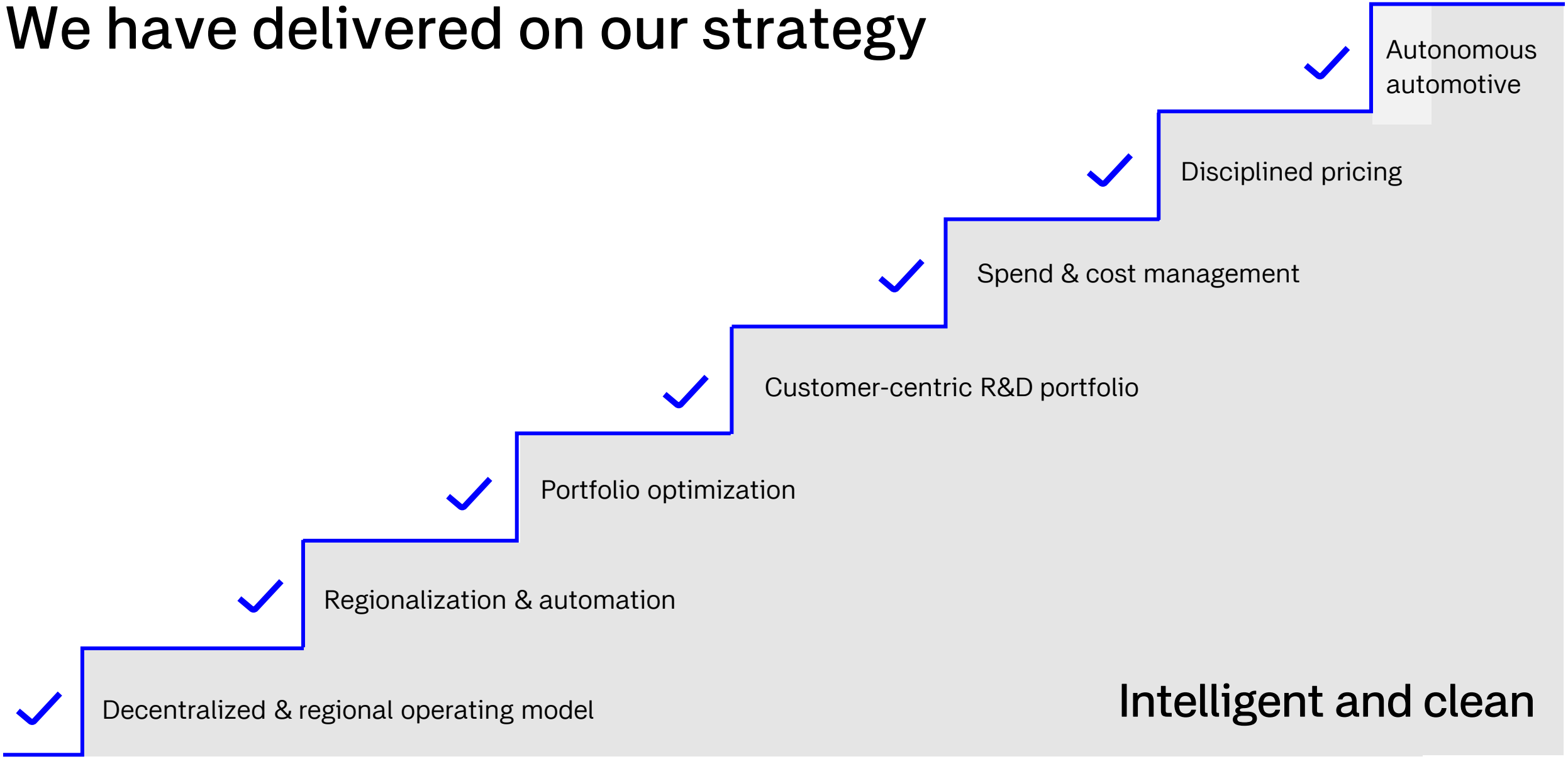
SKF INDUSTRIAL

"Fighting friction"

SKF AUTOMOTIVE

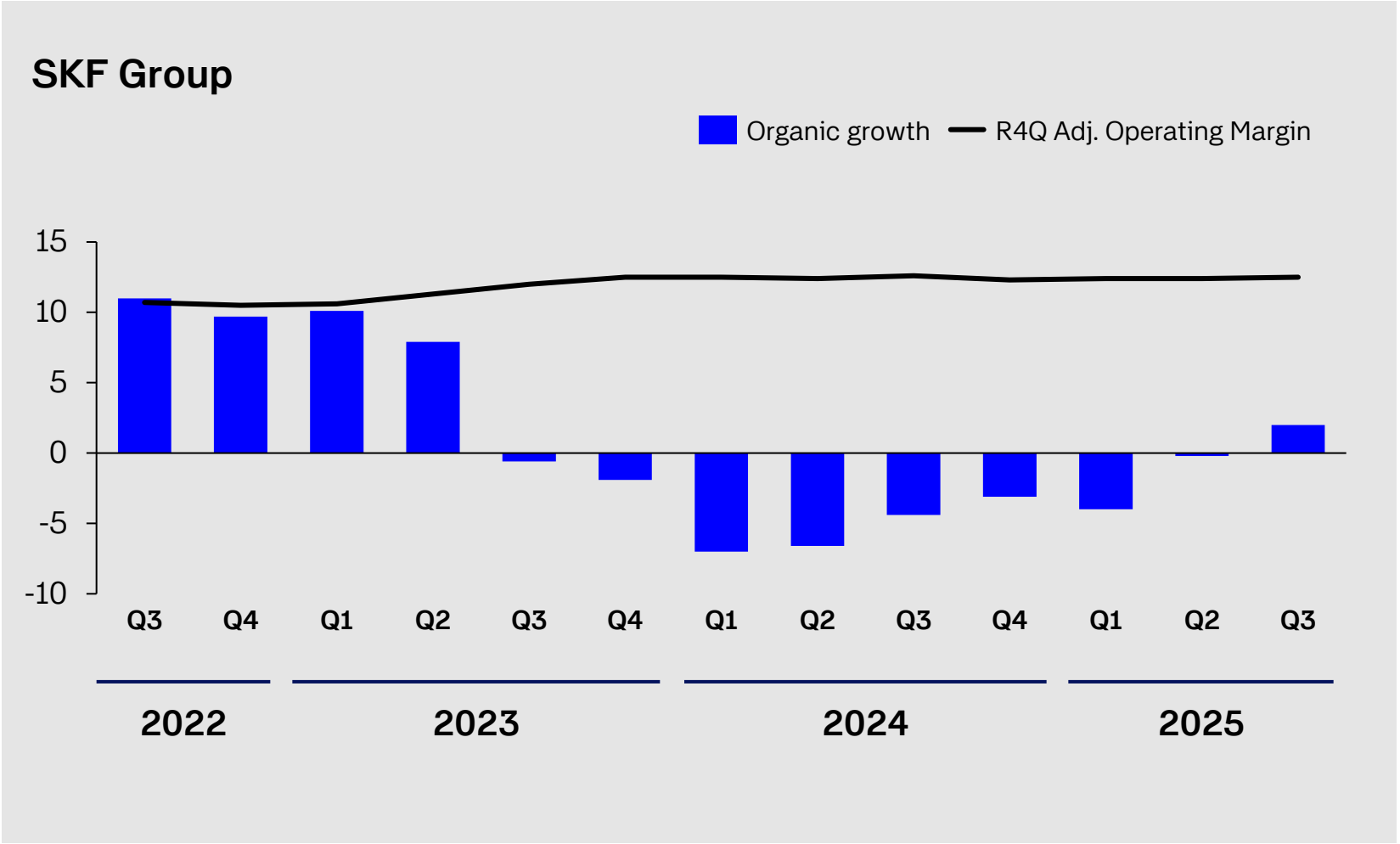
"Moving people further"

We have delivered on our strategy



Intelligent and clean

Creating margin resilience in a challenging market



Successfully **maintained overall SKF market share...**

...despite a general low market demand and active portfolio management

- → Exited non-profitable contracts
- → Exited Russia and Belarus

Now we are creating two even sharper businesses

	INDUSTRIAL 67 BSEK net sales 15.9% adj. Operating margin	AUTOMOTIVE 27 BSEK net sales 4.3% adj. Operating margin
Business dynamics	Diversified market exposure, focus on accessibility and speed	Rapidly transforming industry, driven by electrification
Manufacturing process	Smaller batches, more variants, agility and speed to market	Larger batches, few variants, cost efficiency
Customers	Diversified base with many local/regional OEMs, end-users and distributors	Limited number of OEMs
Sales process & Contracts	Dynamic and shorter sales cycle and lower volumes	Longer sales cycle with long-term contracts and high volumes

Note. Financial figures are R12M Q325 for the Industrial segment and Automotive segment as reported in SKF's interim reports i.e. not pro-forma figures.

Automotive spin-off proceeding according to plan

We are managing a highly complex separation

With key milestones achieved

- **>50%** of Automotive sales transferred to new legal entities
- **>70%** of new positions in Automotive filled
- **>70%** of manufacturing channels transferred that are planned pre-spin

Timing

We expect to be operationally ready to list the Automotive business by mid-2026

Value creation post separation

SKF Group recent average

Pre-spin figures last years, 2020-2024

2%	Organic growth
12%	Adj. operating margin
14%	Adj. ROCE[1]

INDUSTRIAL

long-term targets over a business cycle post separation

4% → 1 p.p.	above market over a business cycle Organic growth[2]
>17% mid-term >19% long-term	Adj. operating margin
20%	Adj. ROCE[1]

AUTOMOTIVE

long-term indicative objectives post separation

"Above market over a business cycle" Organic growth
"High single digit" Adj. operating margin
To be revealed at Automotive CMD Adj. ROCE[1]

1. Defined as: Adjusted 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
2. Defined as 1 p.p. growth over market over a business cycle, excluding contract manufacturing

AUTOMOTIVE

Moving people further since 1907

Separation unleashes growth, efficiency and speed

Growth unleashed	Resilient foundation, steering investments into high-growth and margin accretive areas
Leaner and more cost-efficient setup	Complete redesign of value chain in line with Auto Tier 1
Increased speed	Fewer touchpoints and layers to manoeuvre

SKF AUTOMOTIVE

Well positioned global player in key growth segments and geographies

Global player with **local** manufacturing and distributor presence

Leadership position in **commercial vehicles**

Strong aftermarket position

Electric vehicles – **leading position & long-standing relations** with **key players**

Wheel end products **driveline agnostic** – exposure to **ICE powertrain** historically **limited**

Portfolio management initiatives with focus on profitability in EMEA are **paying off**

SKF AUTOMOTIVE

Five key strategic levers

1 Continue to win in leading segments

2 Maintain and strengthen leadership in innovation

3 Expand addressable market

4 A lean company setup

5 Entire value chain is Automotive adapted

Accelerate growth

Faster and more efficient

Long-term indicative objectives post separation

Organic growth	**“above market over a business cycle”**
Adj. operating margin	**“High single digit”**
Net leverage[1]	**<1x**

1. (Net Debt (inc. Pensions)) / Adj. EBITDA)

SKF
SKF INDUSTRIAL
Fighting friction since 1907

SKF INDUSTRIAL

Well positioned with a resilient foundation

Diversified industry verticals

>20

Industry verticals served,
with leading position in most

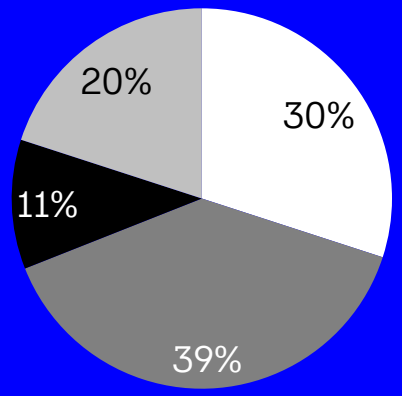
Examples

- Aerospace
- Railway
- Fluid power
- Renewable
- Defense
- Mining
- Marine
- Agriculture
- Metal
- Construction
- Handling
- Oil & Gas
- Ind gearboxes
- Automation
- Powertrain
- Pulp & Paper
- Machine Tool
- Food & Beverage
- Power Generation
- Electrical
- Medical

Strong geographical coverage

~130

Countries served



Healthy share of aftermarket

>50%

Aftermarket as % of net sales
(including distribution, services and end-users)

~7,000

Industrial distributors

Leading industrial provider

#1

Market position in Industrial segment

SKF INDUSTRIAL

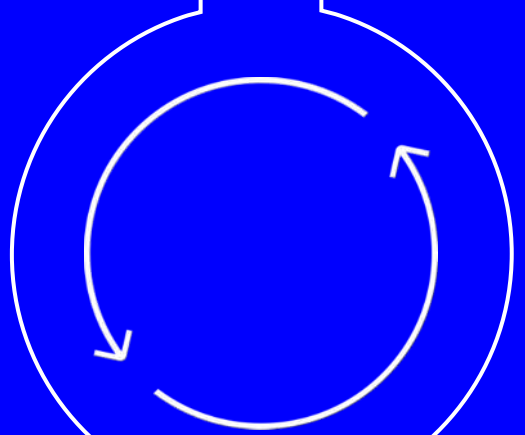
Two clear business segments unlocking more value

Bearing solutions

~75%

of revenue

- Americas
- EMEA
- CNEA
- ISEA



Specialized Industrial Solutions

~25%

of revenue

- Aerospace
- Lubrication Lifetime Solutions
- Sealing Solutions
- Magnetic Mechatronic Solutions

SKF INDUSTRIAL

More progress – 3 pillars and 7 levers

Reignite growth

1. Leverage attractive high-growth industries and geographies
2. Scale recurring service and intelligent solution business
3. Accelerate Specialized Industrial Solutions
4. Explore value accretive bolt-on M&A

Innovation leadership

5. Differentiate through customer-centric innovation and AI

Business-driven value chain

6. Finalize ongoing regionalization and footprint optimization
7. Optimize supply chain for a pure Industrial play

TARGETS

4% → 1 p.p. above market over a business cycle

Organic growth[1]

>17% mid-term **>19%** long-term

Adj. operating margin

20%

Adj. ROCE[2]

1. Excluding Automotive contract manufacturing
2. Adjusted operating profit/loss plus interest income, as a % of 12 months rolling average of total assets less the average of non-interest bearing liabilities

SKF INDUSTRIAL

Creating long-term value step by step

	Mid-term Building the value >17% Adj. operating margin target	Long-term Bringing it home >19% Adj. operating margin target
Reignite growth	Leverage high-growth industries, geographies and services	Accelerate profitable growth organically and inorganically
	Lift Specialized Industrial Solutions margin	Scale Specialized Industrial Solutions
Innovation leadership	Capitalize on customer-centric technologies and digital tools	Continue launching new offerings and scale AI
Business-driven value chain	Finalize ongoing regionalization and invest in footprint optimization	Harness operational efficiency and productivity gains
	Invest in supply chain optimization and IT capability build-up	Optimize working capital and further improve cash generation
	Deliver on rightsizing activities, minimize contract manufacturing and mitigate dissynergies	

REIGNITE GROWTH

Hans Landin

President Specialized Industrial Solutions

1 Leverage attractive high-growth industries and geographies

2 Scale recurring service and intelligent solution business

3 Accelerate Specialized Industrial Solutions

4 Explore value accretive bolt-on M&A

1

Leverage attractive high-growth industries and geographies

Megatrends generating extra tailwinds

Digitalization & Automation

- **Automation:** investment in robotics and automated solutions
- **Data and monitoring:** AI driving demand monitoring capabilities and data handling

Decarbonization & Electrification

- **Green technology:** electrification requirements
- **Public policy:** decarbonization and sustainable power generation

Urbanization

- **Economic development:** increase of global consumption
- **Population densification:** demand concentration and urbanization

Infrastructure & Defence

- **Defence investments:** supply chain effects and geopolitical tensions
- **Infrastructure development:** infrastructure modernization

Source: IEA, BMI, Technavio, Business Research Company

High participation in targeted Industries and Mega trends

Primary growth driver(s)

Digitalization & automation

Decarbonization & Electrification

Urbanization

Infrastructure & Defence

	% of SKF Industrial OEM sales	Digitalization & automation	Decarbonization & Electrification	Urbanization	Infrastructure & Defence
Industrial mobility & Defence	27%	●	●	●	●
High-speed machinery & Electrical	15%	●	●	○	●
Heavy industries	12%	○	●	○	●
Sustainable food supply	7%	○	○	●	○
Advanced technology	4%	●	●	○	●

Leadership in high-growth and resilient industries

Industrial mobility and Defence

- Aerospace
- Railway
- Defence

#1
SKF position

High-speed machinery and Electrical

- Heating & cooling
- Industrial electrical
- Machine tool

#1-2
SKF position

Heavy industries

- Mining
- Metal
- Pulp & Paper

#1
SKF position

Sustainable food supply

- Agriculture
- Food & Beverage

#1
SKF position

Advanced technology

- Automation
- Medical

#2-3
SKF position

Railway focus has yielded sticky results

A key growth opportunity...

+4%

p.a. Global Railway market growth until 2030[1]

~5 BSEK

SKF Industrial sales 2024

+9%

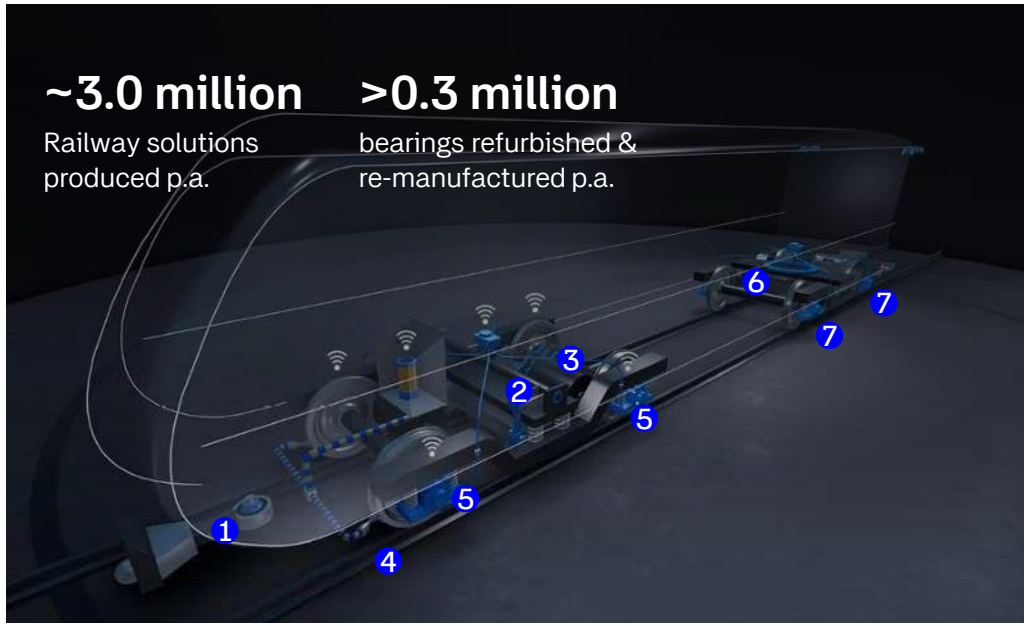
SKF Industrial sales CAGR in recent years (2022-2024)

1 Source: SCI report

...constituting many mission critical bearing applications...

~3.0 million
Railway solutions produced p.a.

>0.3 million
bearings refurbished & re-manufactured p.a.



- Condition monitoring systems
- 1 Plain bearings
- 2 Traction motor
- 3 Gearbox
- 4 Wheel flange lubrication
- 5 Wheelset bearings
- 6 Slewing bearings
- 7 Axleboxes

... where SKF is already well positioned

- ✓ **Co-developing with customers** from early design phase with high willingness and capabilities to innovate
- ✓ **Full-suite portfolio offering,** including complementary condition monitoring and lubrication systems
- ✓ **Leading sustainable solutions,** improving both customer total cost of ownership and environmental impact

Key fundamentals to capture further growth in Defence

A key growth opportunity…

+7-8%

p.a. Global Defence market growth until 2030[1]

2-3%

Defence spend of GDP by 2030 from Europe investing to meet Nato targets

~2 BSEK

SKF Industrial sales 2024

+14%

SKF Industrial sales CAGR in recent years (2022-2024)

1 Source: Global Defence Market from TBRC

…constituting many mission critical bearing applications…

… where SKF is already well positioned

- ✓ **Regionalized manufacturing**
  Allowing us to maintain localization requirements
- ✓ **Relationships with key OEMs**
  SKF products as a core part of product design
- ✓ **Legal requirements fulfilment**
  certified processes in line with requirements
- ✓ **Commercial dedicated teams**
  leveraging sales synergies and scale
- ✓ **Ready to scale**
  growing defence segments

Competitive play in data center build-outs

A key growth opportunity…

20%

p.a. Data Center Cooling market growth to 2030[1] with AI as a key growth driver

<1 BSEK

SKF Industrial sales in applicable portfolio areas for data centres 2024

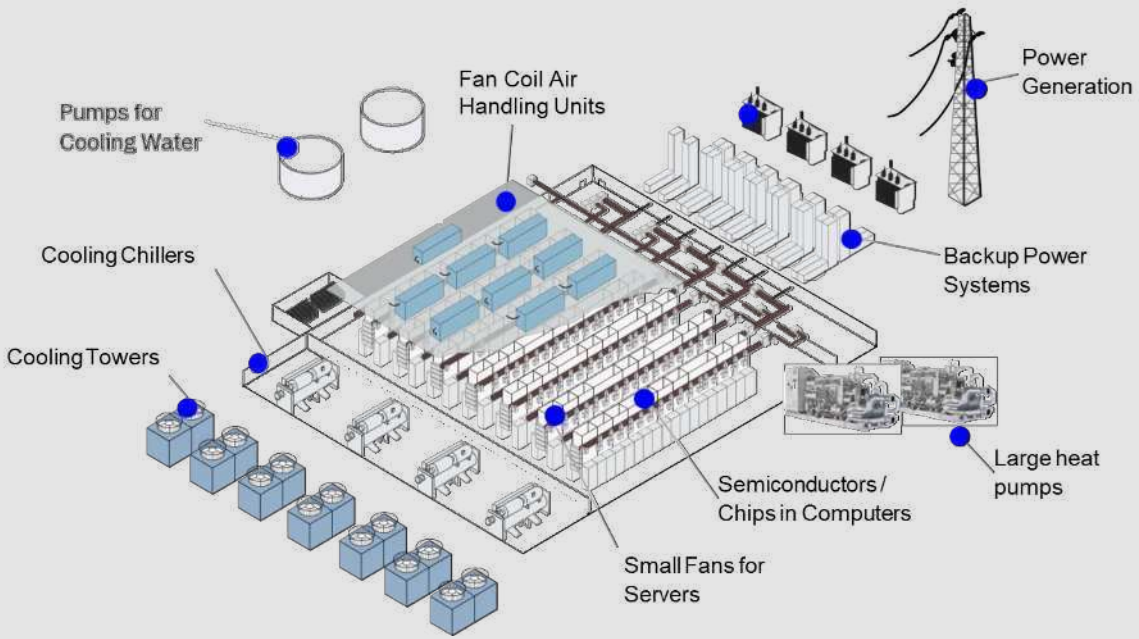
+26%

SKF Industrial data center sales CAGR in recent years (2022-2024)

1) Source: Omdia

…constituting many mission critical bearing applications…

>3,000 mission critical solutions in a mid-sized datacenter



● = Positions where SKF solutions can apply

… where SKF is already a technology leader

- ✓ Expertise in high-temperature, low lubrication environments
- ✓ Advanced bearings ideal for demanding conditions, e.g. hybrid & magnetic bearings
- ✓ Intelligent solutions for condition monitoring
- ✓ Full suite offering that helps reducing total cost of ownership while improving reliability

Strong focus in fast-growing geographies

A key growth opportunity...

~10%

of total bearings market

~11 BSEK

SKF Industrial sales 2024 in selected high-growth geographies

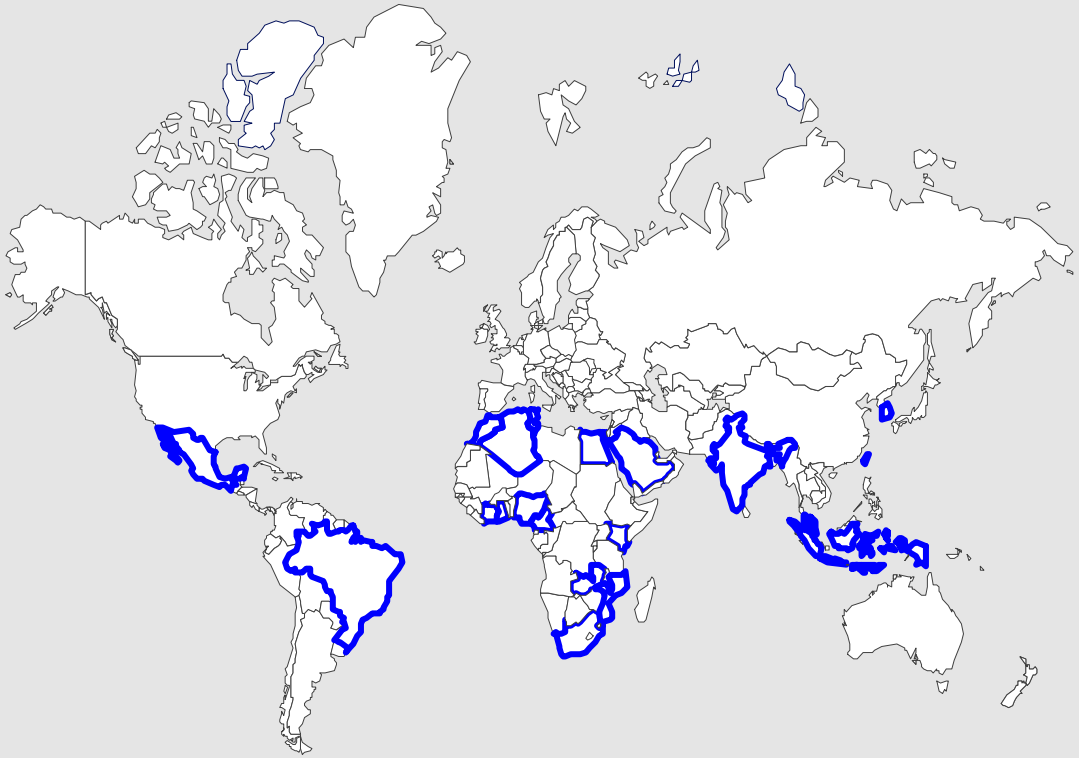
+4 P.P

SKF sales growth compared to market 22'-24' in selected high-growth geographies

Strong tailwinds

given exposure to megatrends, with increasing demand for high-performance industrial products

... in selected high-growth geographies

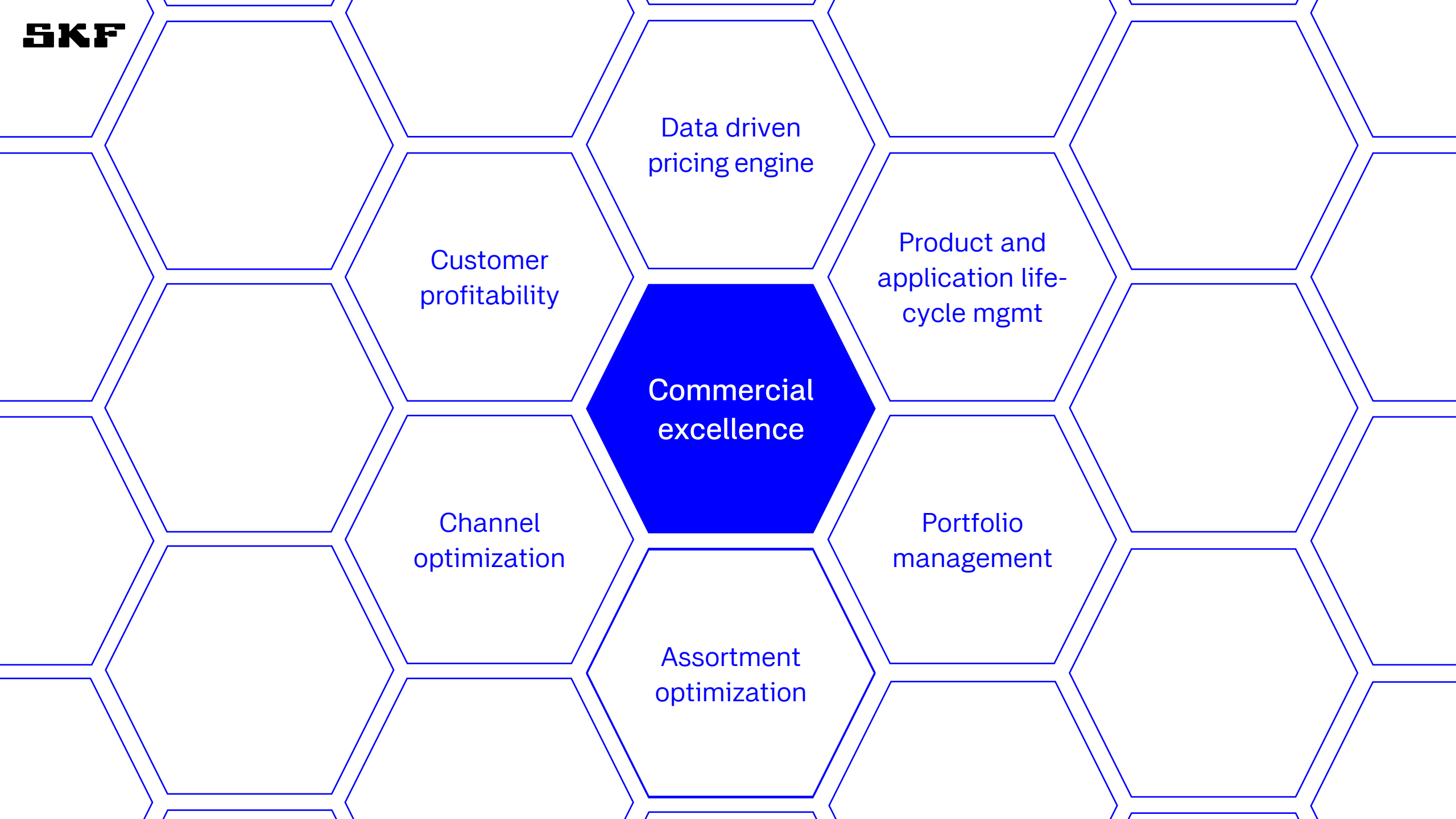


... where SKF is already well positioned

- ✓ Brand recognized globally
- ✓ Extensive installed-base to scale aftermarket

... to accelerate profitable growth

- ✓ Further regionalization
- ✓ Expand distribution network


Data driven pricing engine
Customer profitability
Product and application life-cycle mgmt
Commercial excellence
Channel optimization
Portfolio management
Assortment optimization

2

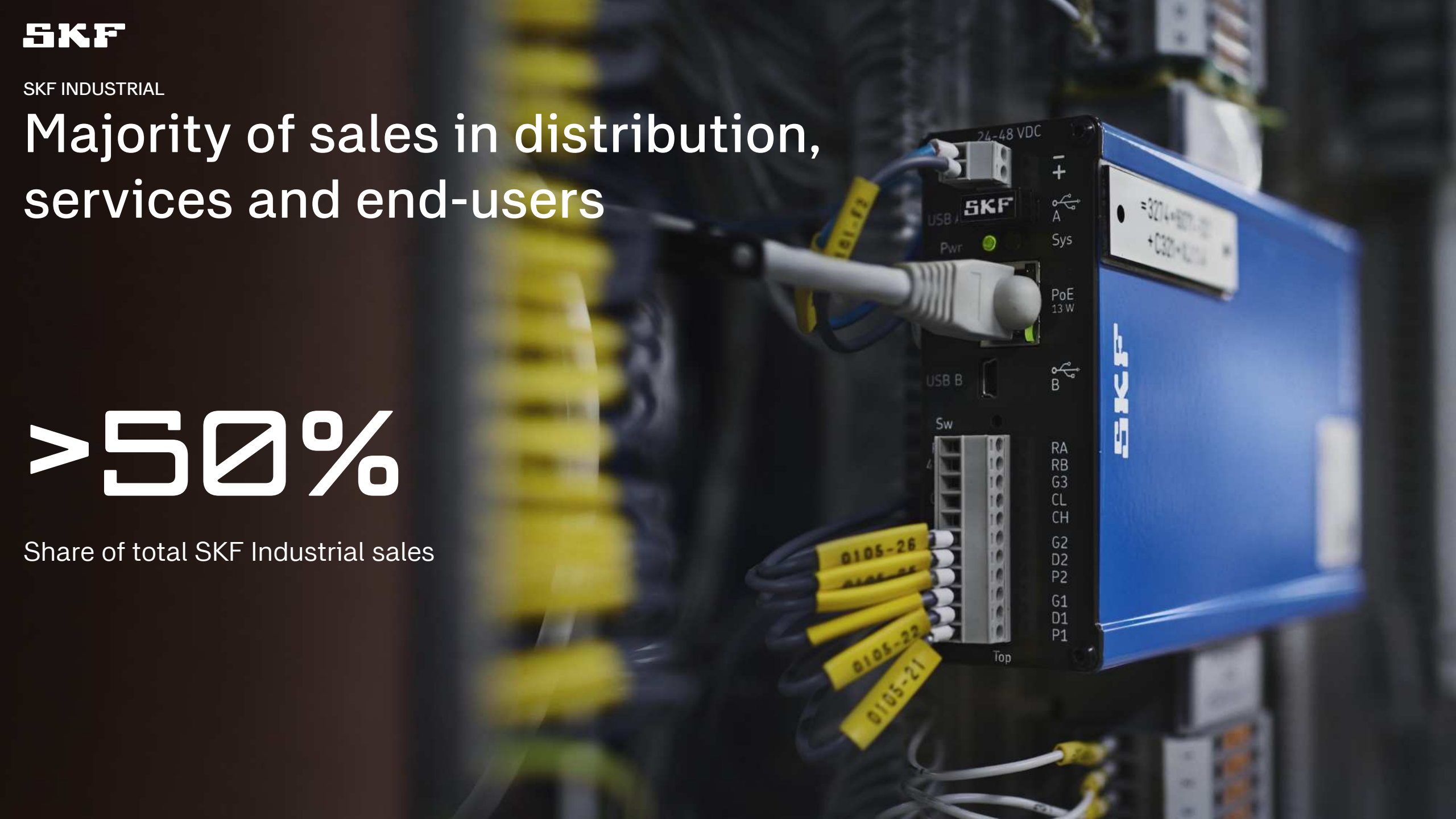
Scale recurring service and intelligent solution business

SKF INDUSTRIAL

Majority of sales in distribution, services and end-users

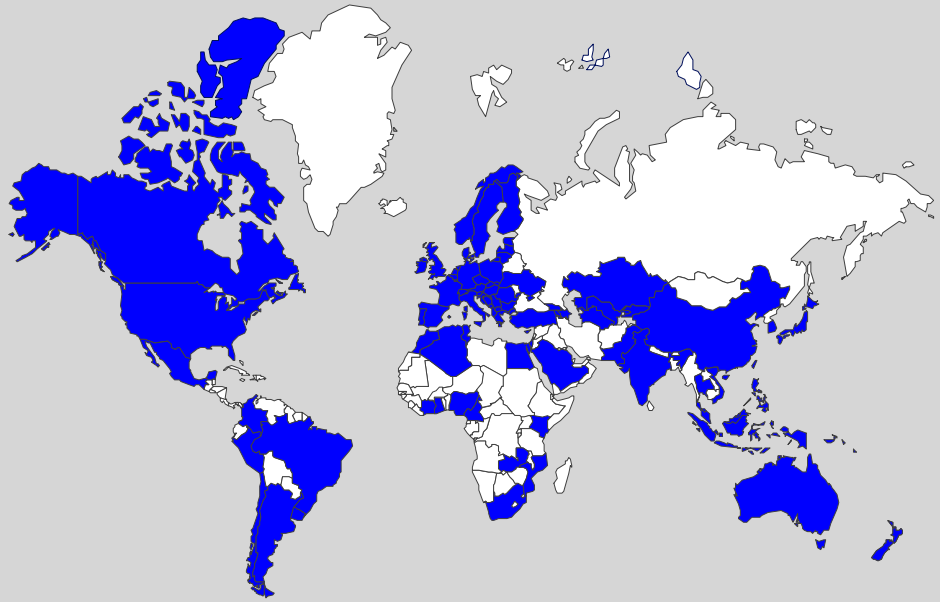
>50%

Share of total SKF Industrial sales



The world is “blue” – Global distribution network enhancing customer value

SKF Distribution network



#1
SKF position

+2 p.p.
Distribution market share development 2020-2024

~7,000
Industrial distributors

- **Key offerings** includes all solutions and expertise through a globally strong network
- **Customer value** created through increased reach, ability to cater smaller batches, fast deliveries and direct access to SKF expertise
- **Value to SKF** increased customer access and brand presence through a high-margin business

Accelerating a scalable service and intelligent solutions business

SKF Service & Intelligent solutions

+10%

Sales CAGR 2022-2024

~3,000

Active service contracts

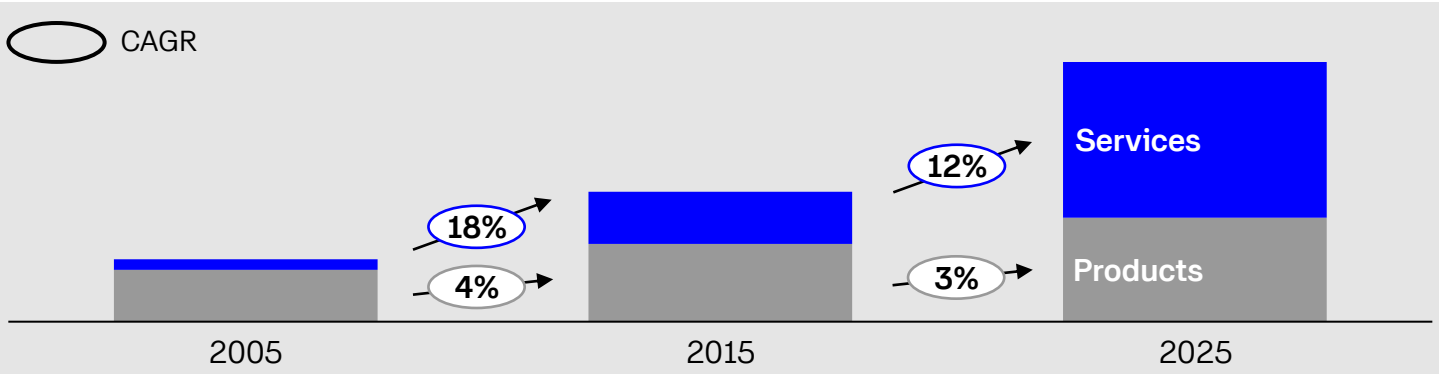
~4,000,000

Monitored assets
(15% CAGR since 2018)

- **Key offerings** including Condition Monitoring, Reliability Solutions with Predictive Maintenance, Customization and Remanufacturing
- **Customer value** are increased uptime and performance
- **Value to SKF** increased stickiness with recurring bearing revenues in a high-margin and low-fixed asset business

Services and intelligent solutions increasing customer share of wallet

SKF sales development to an underground mining customer



2005	2015	2025
⊕ **Bearings**	• Bearings	• Bearings
⊕ **Seals**	• Seals	• Seals
	⊕ **Lubrication**	• Lubrication
	⊕ **Spare parts**	• Spare parts
⊕ **Field Service**	⊕ **Condition Monitoring**	• Condition Monitoring
	⊕ **Mechanical Service**	• Mechanical Service
	⊕ **Inhouse Services**	⊕ **Re-Manufacturing**
		⊕ **Reliability solutions**
		⊕ **Partnership Agreement**

SKF INDUSTRIAL: STEEL COMPANY CUSTOMER EXAMPLE

Remanufacturing driving customer value and improved profitability

Remanufacturing benefits vs new

Up to 90%

reduced CO_2e emissions

Up to 75%

lower cost over the asset lifecycle

Up to 75%

Reduction in lead-times

Customer example

3

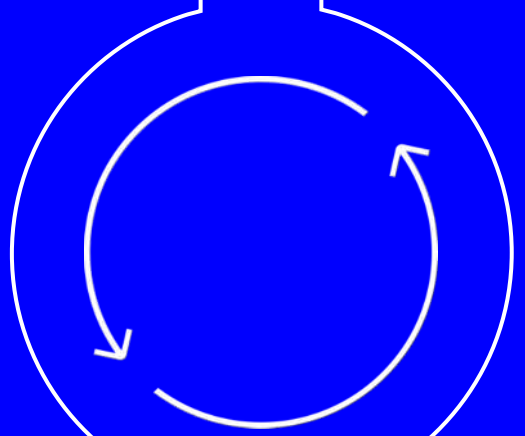
Accelerate Specialized Industrial Solutions

Two clear business segments unlocking more value

Bearing solutions

~75%

of revenue



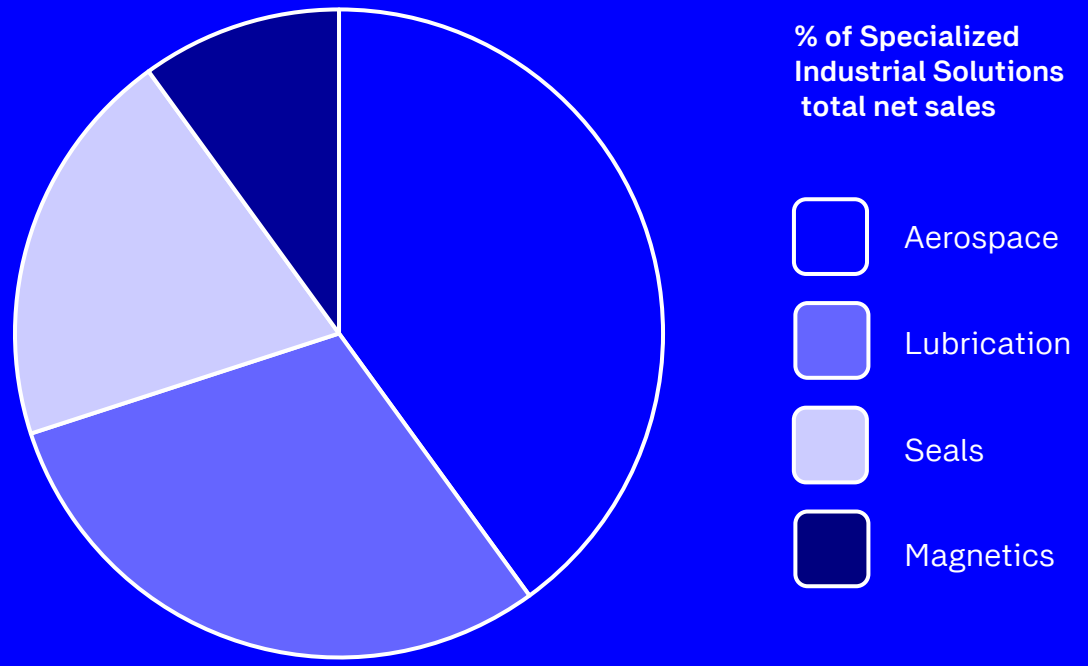
Specialized Industrial Solutions

~25%

of revenue

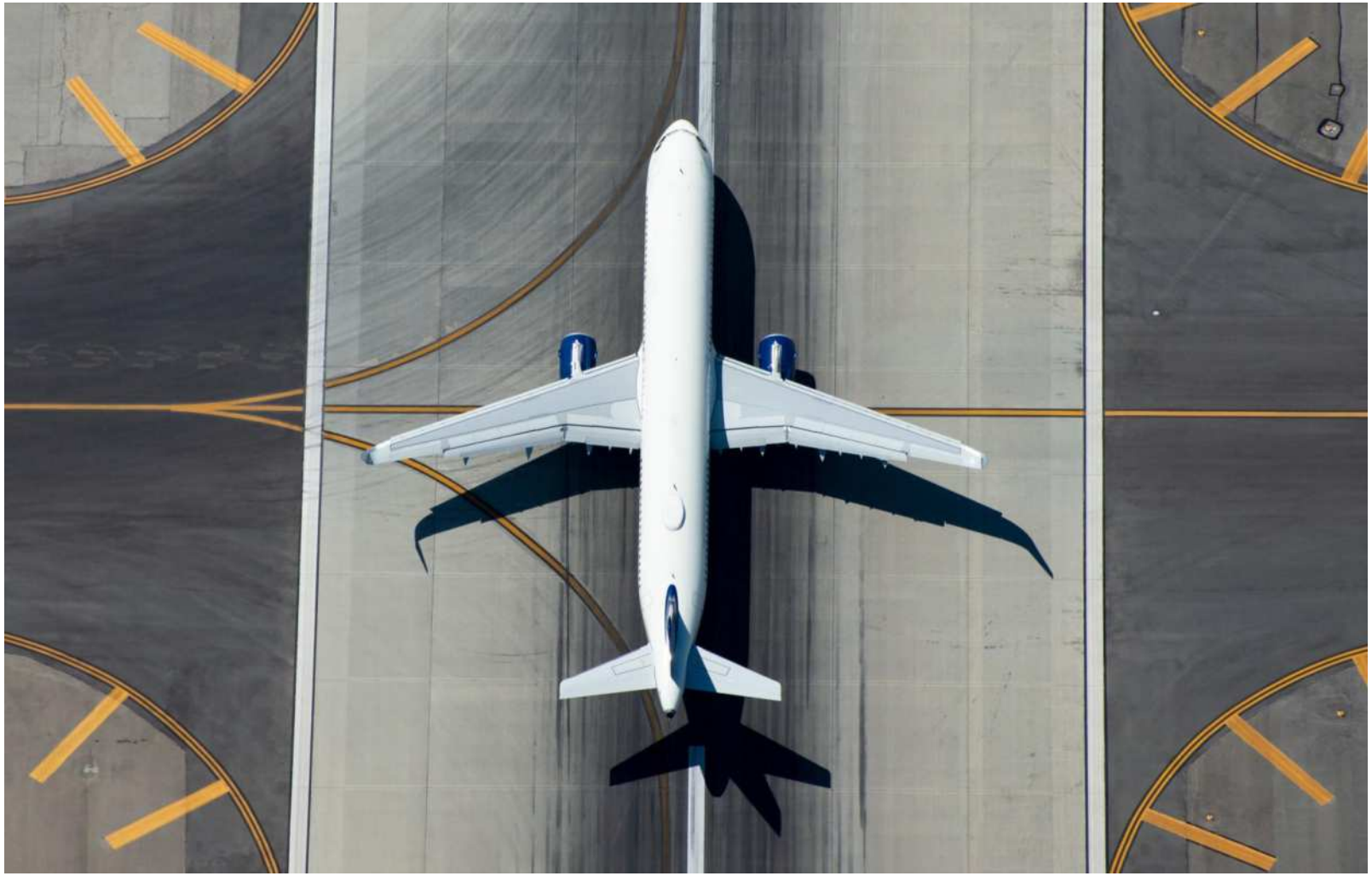
Specialized Industrial Solutions – 4 focused businesses

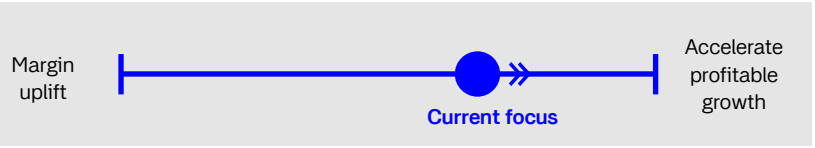
- Average profitability level to be improved to Bearing Solutions levels during the value-building phase…
- … with activities ongoing to lift margin, especially for Lubrication Lifetime Solution and Sealing Solutions
- .. and accelerate profitable growth for Aerospace and Magnetic Mechatronic Solutions



Aerospace

- **A key leading supplier** to the Aerospace and air-based defence
- Leader in **Aero Engine bearing** segment
- **Portfolio Management** done with new improved financial contracts
- **Operations and supply chain** excellence initiated
- **Margin expansion** is the priority but large portfolio now in profitable growth focus
- **Increased Maintenance,** Repair and Overhaul (MRO) focus
- **Strong and growing orderbook**





Aerospace full-suite offering increase share of wallet

A key opportunity for profitable growth…

+6%

Total commercial Aerospace market[1] CAGR 24'-28'

+14%

SKF Aerospace sales CAGR 22'-25[2']

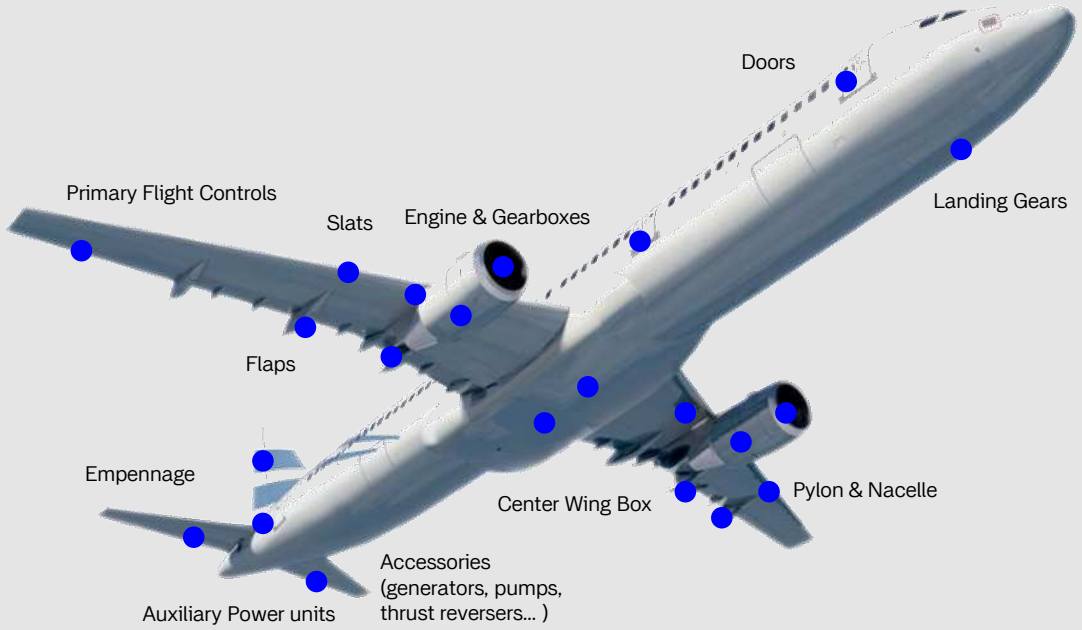
+8 P.P

SKF Aerospace adj. operating margin increase 22'-25[2']

Source: 1 The Business Research Company;
2 2022–2025Q3 R12m,
excl divestments of Hanover and Elgin

…constituting many mission critical bearing solutions…

Up to 2,000 bearings in an aircraft



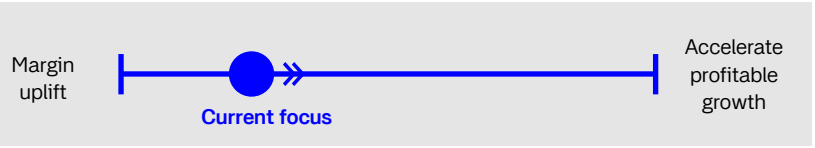
● = Positions where SKF solutions may be found

… where SKF is already a key leading supplier

- ✓ **Streamlined offering** for Aeroengine & Aerostructure inline with strict market requirements
- ✓ **Accelerated MRO** development, supported by **industry leading repair** facilities enabling reduced downtime
- ✓ **Well-defined global presence** and regionalized production, with over 2,700 people in 10 industrial sites & 1 R&D center

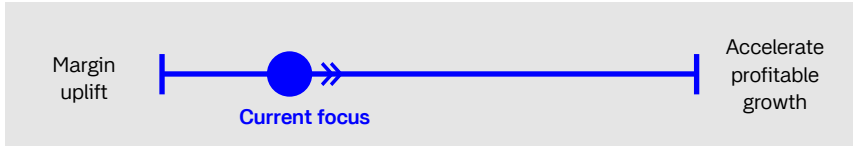
Lubrication Lifetime Solutions

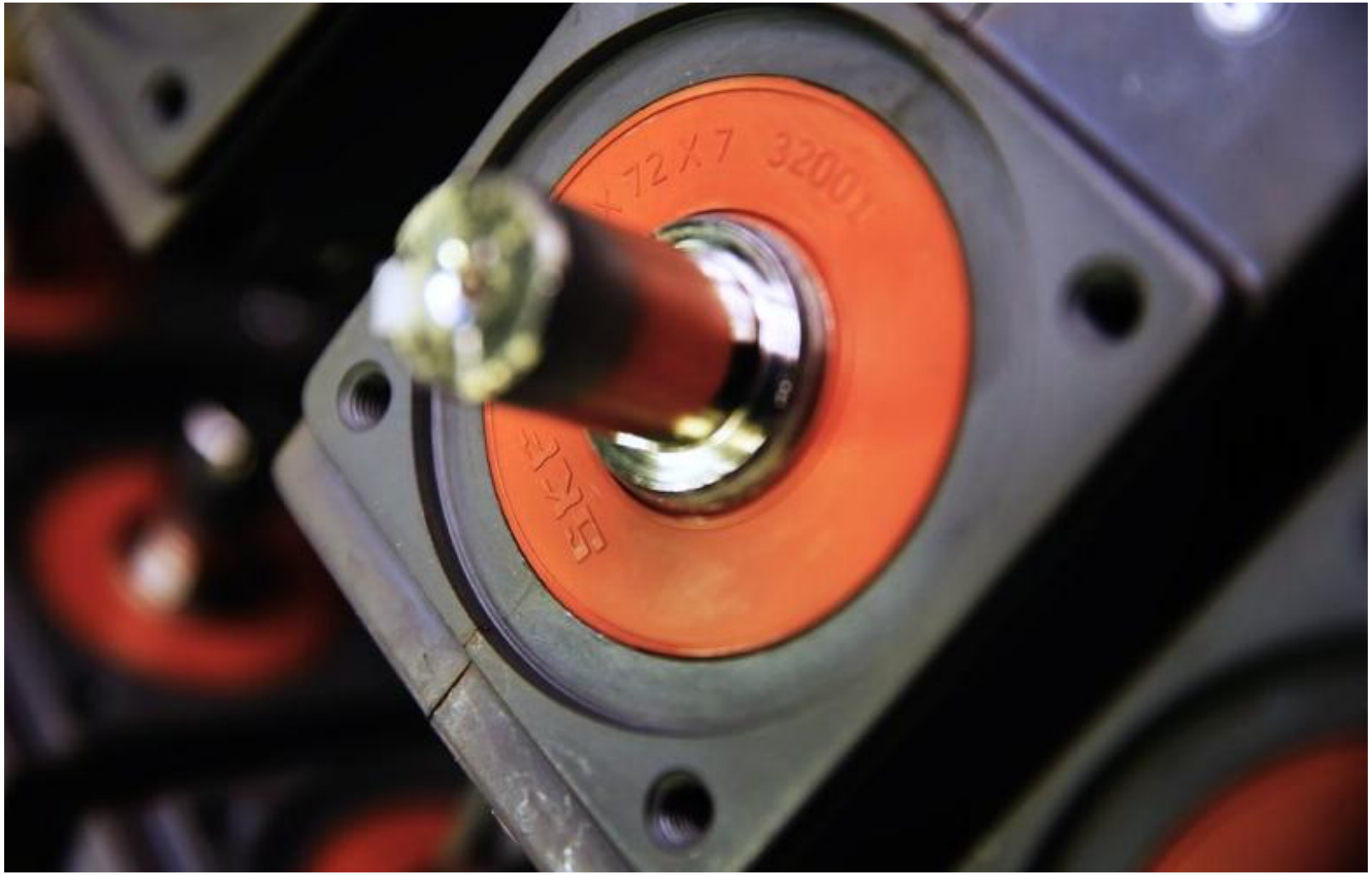
- **Leader in Automatic Lubrication systems**
- **Improve margins**
  - **Portfolio management**
  - **Commercial** excellence
  - **Operations and Supply chain** excellence
  - **Regionalization**
- **Excellent market** with attractive profitable growth opportunities



Sealing Solutions

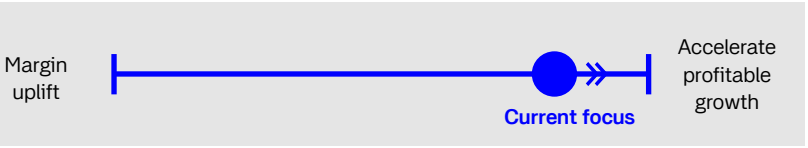
- **Streamline business** with focused end-to-end ownership
- **Improve margins**
  - **Portfolio management**
  - **Commercial** excellence
  - **Operations efficiency** and localization priority
- **Accelerate growth** in profitable industrial niches
- **Capture additional** aftermarket opportunities





Magnetic Mechatronic Solutions

- **Leader** in Magnetic Mechatronic Solutions
- **Value based pricing** and unique customized high-tech solutions
- **Margin accretive**
- **Megatrend tailwind** and strong orderbook
- **Focus on profitable growth** incl. capacity and geographic expansion



4

Explore value accretive bolt-on M&A

Clear M&A agenda ahead

Moving forward

Strong governance in place with **Business Areas** led M&A Agenda

Focus on long-term **value accretive bolt-ons**

Targets will be characterized by:

- ~250-1,000 MSEK in sales
- High aftermarket and service content / potential
- Adjacent business to SKF, that we understand
- Geographical expansion

Recent divestment

Non-core Aerospace

Hannover & Elgin[1]
Q2/Q4 2025

~2 800 MSEK
Enterprise value

Increase focus and divest non-core businesses at accretive multiples

Recent acquisition

John Sample Group

Lubrication
Q4 2024

~700 MSEK
Enterprise value

Strengthen the important south-east Asia region

1 Closing expected in Q4 2025 subject to authorities' approvals

SKF INDUSTRIAL

Reignite growth

Reignite growth

1 Leverage attractive high-growth industries and geographies
2 Scale recurring service and intelligent solution business
3 Accelerate Specialized Industrial Solutions
4 Explore value accretive bolt-on M&A

Innovation leadership

5 Differentiate through customer-centric innovation and AI

Business-driven value chain

6 Finalize ongoing regionalization and footprint optimization
7 Optimize supply chain for a pure Industrial play

4%

Organic sales growth over a business cycle 1 p.p. above market

(excluding Automotive contract manufacturing)

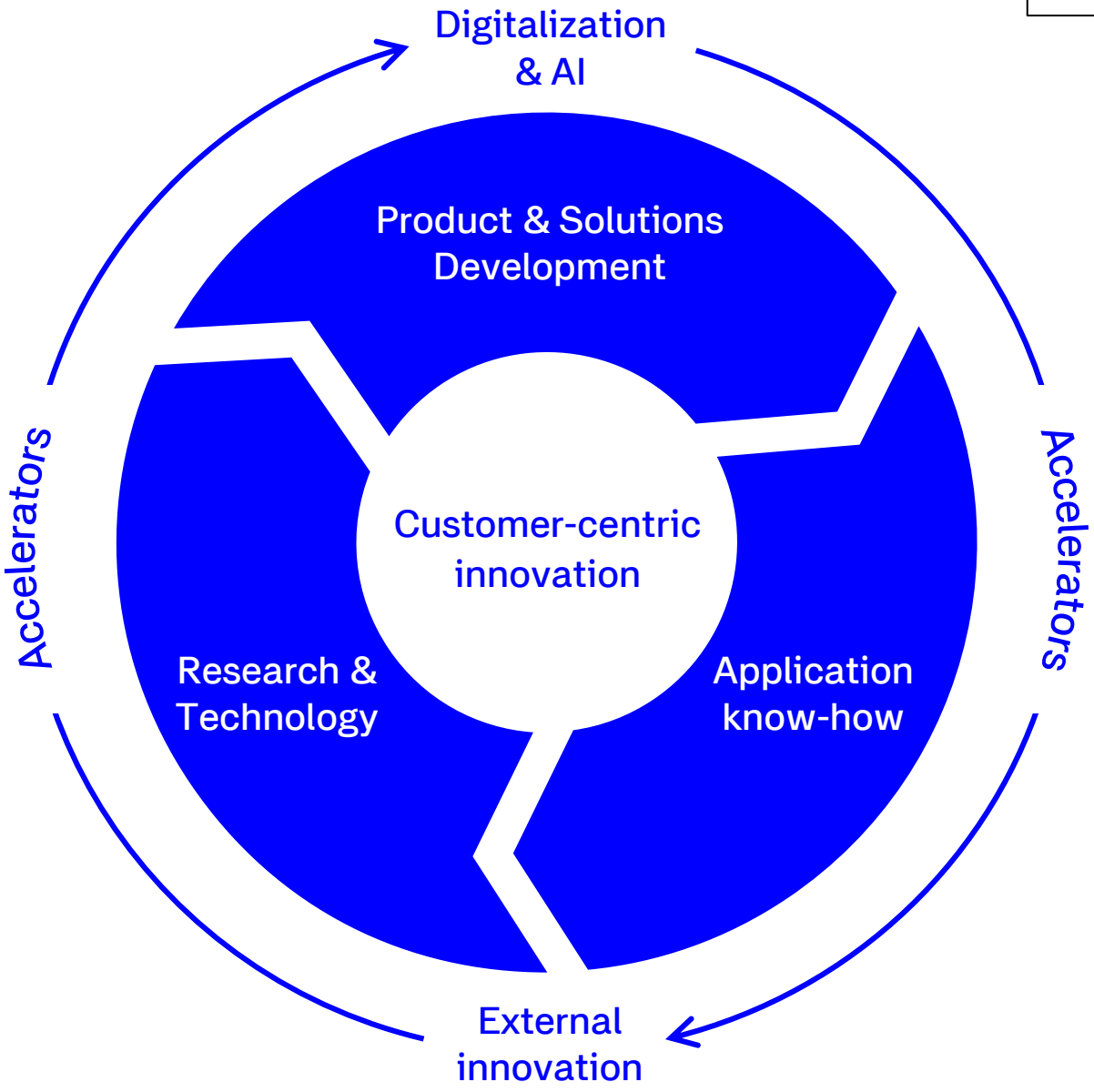
INNOVATION LEADER-SHIP

Annika Ölme

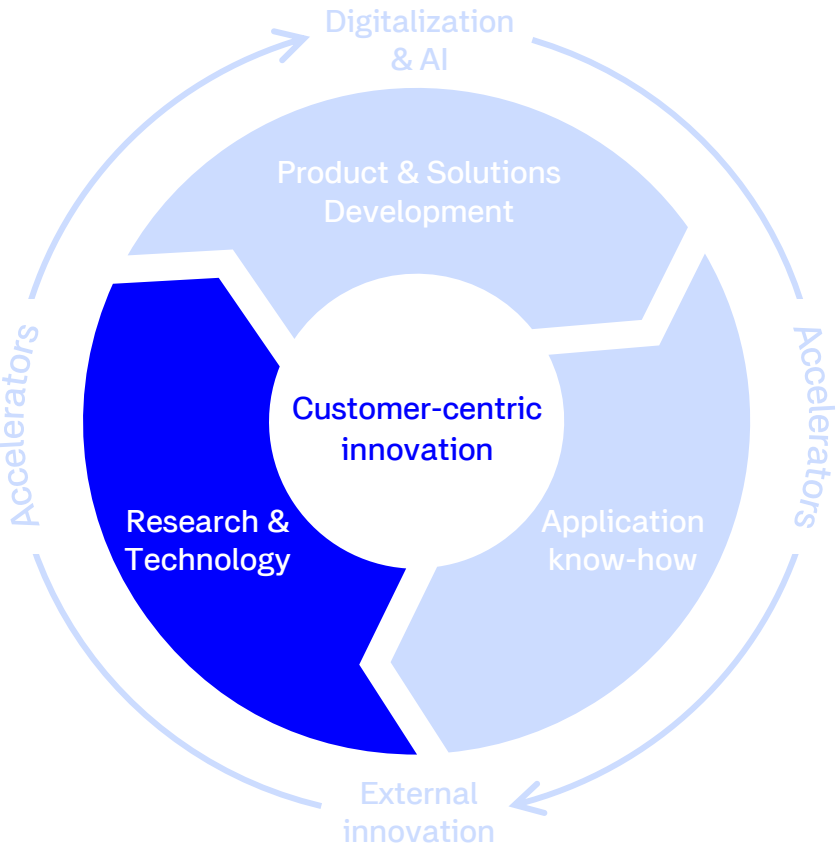
CTO

5 Differentiate through customer-centric innovation and advanced technologies & AI

Differentiate through customer-centric innovation and advanced technologies & AI



Developing hard-to-replicate technologies to drive competitiveness



Value to customers

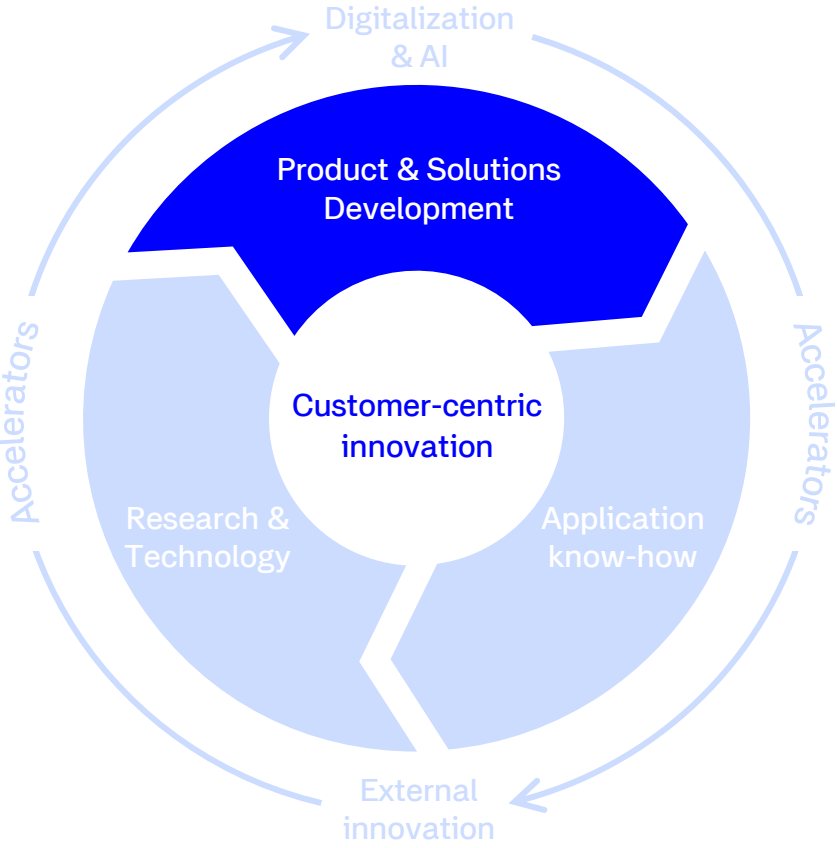
- World-class expertise in Tribology and Material Science for superior product performance
- Faster access to relevant innovations across the rotating equipment

26
core technology areas

>100
dedicated researchers

17
Technology centers

Transforming research into scalable customer solutions



Value to customers

- Faster access to new products and solutions through our global network
- Superior product performance, reliability and quality through tailored solutions

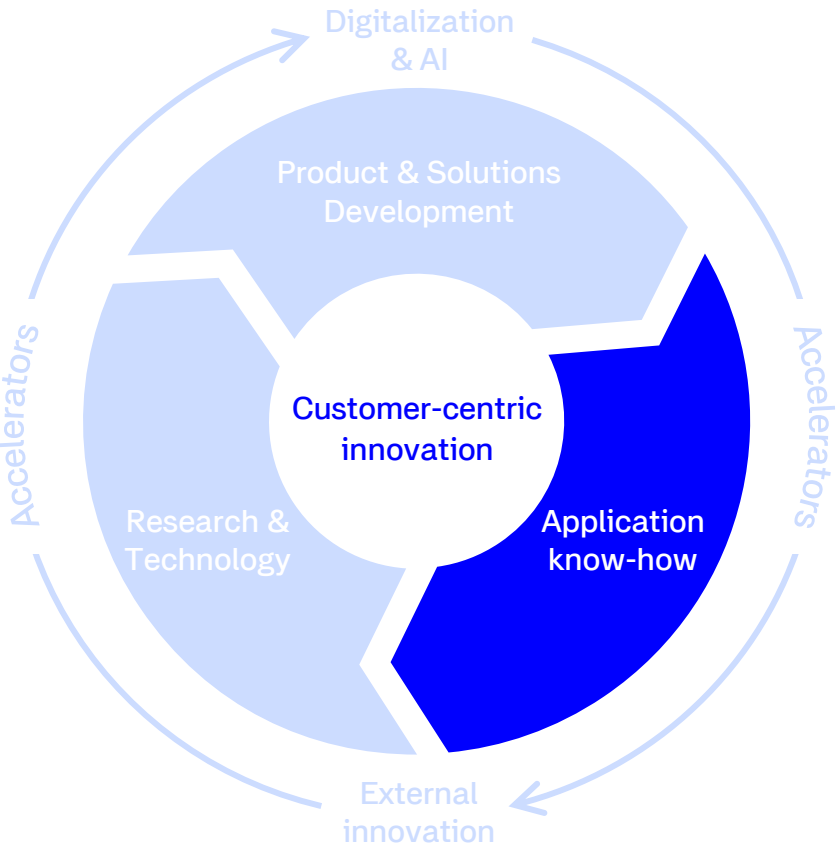
>70%

of projects co-developed with customers

↓

First-mover advantage, strong customer relationships, secured aftermarket

Delivering application-specific solutions faster



Value to customers

- Trusted partner delivering tailored solutions to ensure optimal performance
- End-to-end support – from planning, designing, optimizing, and integration to troubleshooting and equipment installation

>600

Application engineers in our global network

↓

Deep technical and multi-industry expertise to solve real customer challenges

EXAMPLE: INDUSTRIAL ELECTRICAL INDUSTRY

Application-specific Hybrid ceramic bearings for industrial electrical motors

The challenge

- Oversized bearings
- Electric current failures in bearings
- Higher speeds

The solution

- Product re-design leveraging unique and patented knowledge on steels and ceramics
- Optimized every step of value chain to increase cost efficiency and scalability

The result

Customer value

- 50% friction saving with optimized machine design
- 4X longer life under harsh conditions

SKF value

- Scalable solution in higher-volume electrical motor market

25%

higher speed capability than SKF standard steel products

EXAMPLE: METAL INDUSTRY

Achieving dual goal of high performance and lower cost

The challenge

- Intense market competition
- High bearing failures in harsh conditions
- Too much downtime

The solution

- New design of the bearings
- New material
- New heat treatment

The result

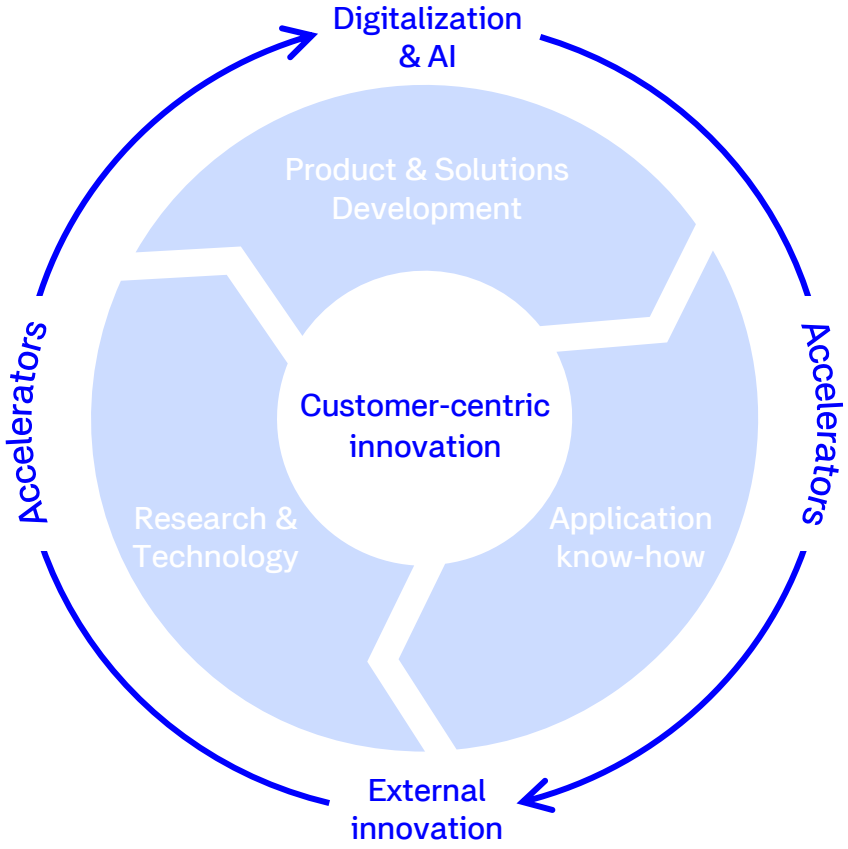
Customer value
- Longer lifespan
- Better product reliability
- Lower cost

SKF value
- Superior solution ready to scale
- Increased customer stickiness

20%

improved dynamic load rating – i.e. improved performance

Efficiency and innovation through digitalization & external collaboration



External innovation

- Early access to emerging technologies and faster time-to-market
- Collaborative problem-solving with customers, eco-system partners and start-ups

Digitalization & AI

- **AI solutions and digital tools** for efficiency and customer stickiness
- **AI and automation** across full value chain for cost and efficiency gains

>40

university partnerships in core areas e.g., tribology, lubrication, ceramic, polymers, AI, prognostics, sensors and grease

>100K

interactions with customers and engineers in SKF Product assistant

EXAMPLE: CUSTOMER DMG MORI

Intelligent sensor technology a game-changer for machine tool manufacturers

The challenge

- Less productivity
- Unplanned downtime
- Demand for advanced condition monitoring

The solution

- SKF Insight Super-precision bearing system with embedded sensors
- One compact solution to monitor load, temperature, and vibration in a high-speed spindle

The result

Customer value

- Real-time monitoring and actionable insights for predictive maintenance
- Higher machine availability

SKF value

- Well-positioned to support the customer’s technology roadmap portfolio

Strong innovation track record

2007
relaunch

Magnetic bearings

Use electromagnets and an intelligent control system to levitate a rotating shaft, eliminating friction and wear

+15% 2020-2025 CAGR

2023
relaunch

Hybrid ceramic bearings

Combines ceramic and steel enabling low-conductivity and high-speed rotation

+21% 2023-2024 CAGR

2023
launch

SKF Microlog Analyzer dBX

Portable vibration data analyzer and collector for monitoring the condition of rotating machines

+35% 2022-2025 CAGR

2024
launch

SKF Insight Super-precision bearing system

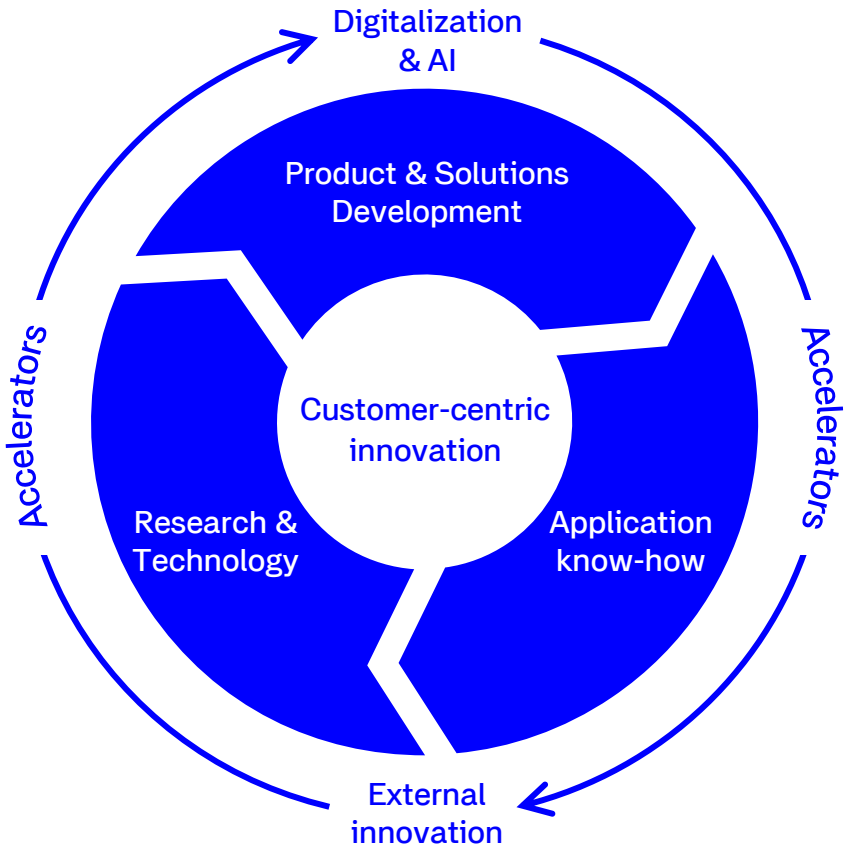
Embeds sensors and electronics directly into bearings to monitor real-time data

>90%

of projects in targeted industries

Innovation leadership driving competitiveness

Our customer-centric innovation approach …



…enables us to create value by…

- Continuing to innovate in **core technologies**
- Launching **new and adjacent solutions**
- Advancing **technologies and AI solutions** across full value chain

…and positions us to stay ahead of the game

- ✓ Differentiate and increase **entry barriers**
- ✓ **Scale solutions** to address customer needs
- ✓ Speed up **time-to-market,** and drive cost and efficiency gains

BUSINESS-DRIVEN VALUE CHAIN

David Johansson

President, Europe & Africa

6 Finalize ongoing regionalization and footprint optimization

7 Optimize supply chain for a pure Industrial play

Transforming our footprint

Regionalization

Main volume and long series' production shifting close to customers

Automation

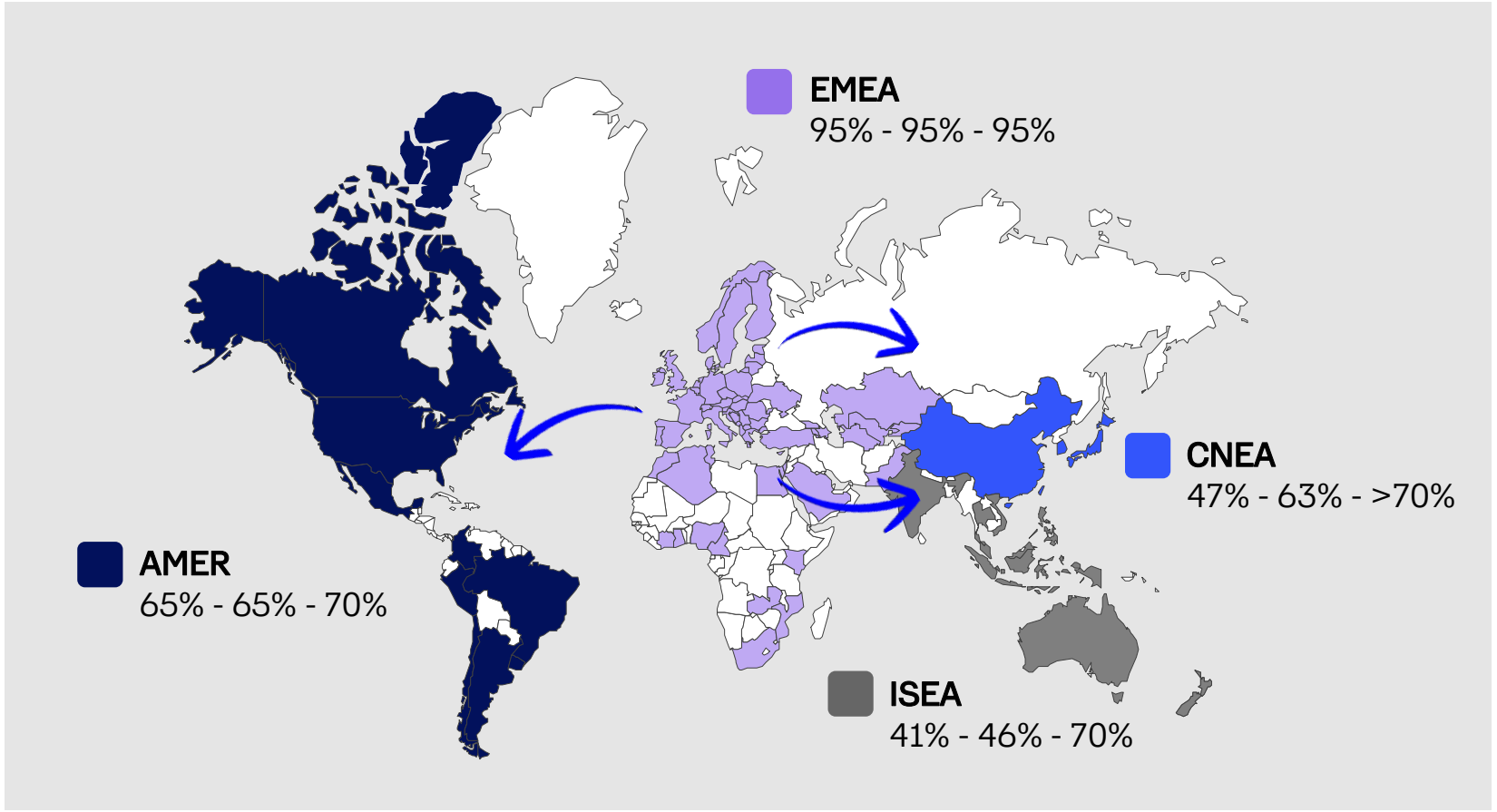
Highly flexible global centres for a customized tail-end assortment

Industry-centric

Clear purpose and value creation by factory, aligned with growth strategy

Higher volumes now closer to customers

Industrial regionalization rate[1], 2021 - 2025 - 2030



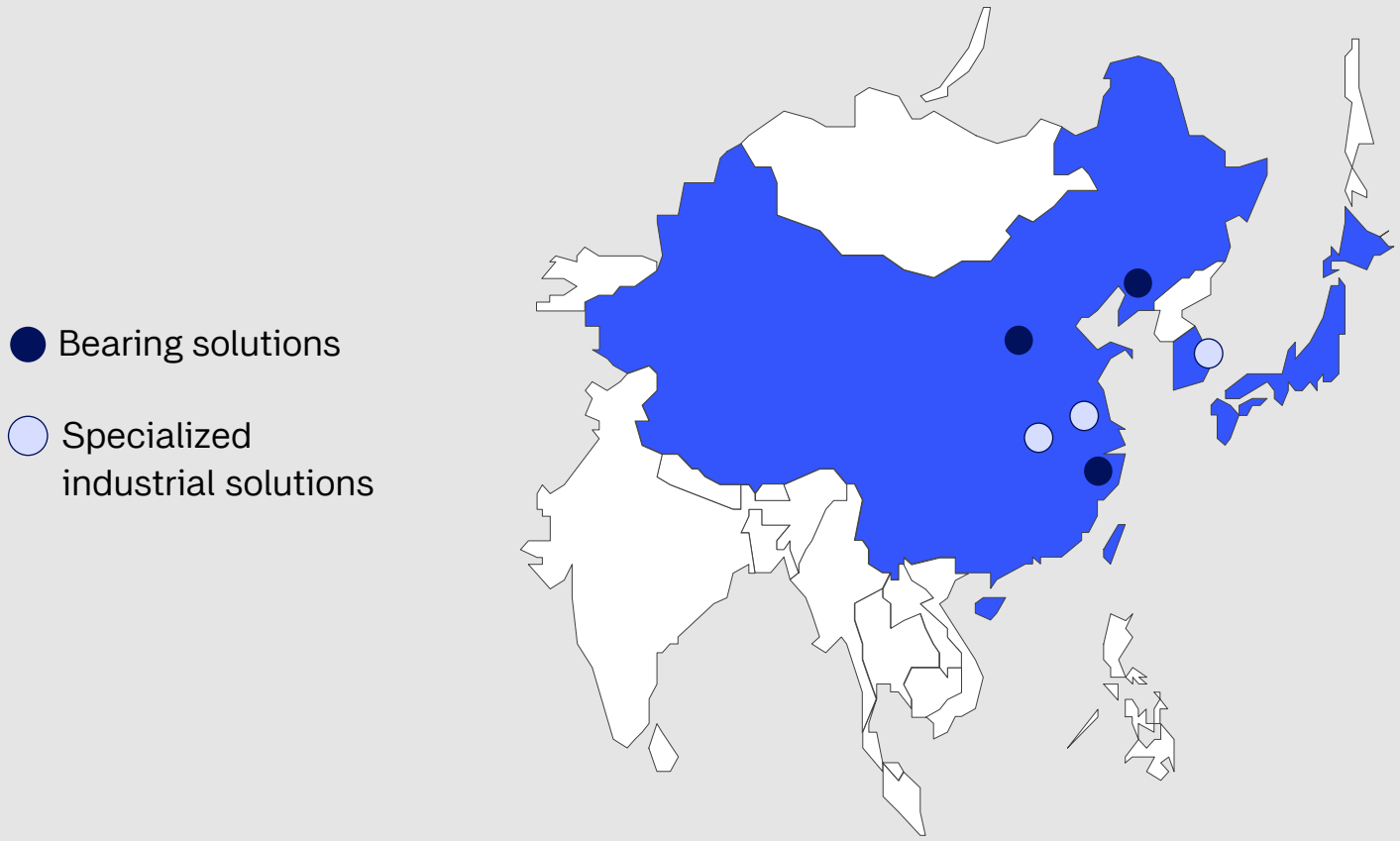
Regionalization rationales

- Adaptation and development to **local customer needs**
- Greater **supply chain resilience**
- Improved **cost-competitiveness**
- Increased **capital efficiency**

1. % of regional net sales produced in the same region

CNEA reaching regionalization target

CNEA factory footprint



Positive effects, 2022–2025

20%

Lead-time reduction

up to 30%

Manufacturing cost reduction
(relevant assortment only)

Europe focusing on regional demand and Global tail-end

9 Regional sites

- Footprint and site consolidation, for volumes in Europe
- Cost-competitiveness and shortening lead-times
- Increasing capacity of finished products in East Europe

3

large site closures completed, 2022-2025

+20 p.p.

Installed component production in East Europe, 2022-2025

Europe focusing on regional demand and Global tail-end

6 Global centers

- Customer-centric variations and long-tail assortment
- High production flexibility for frequent resetting
- Application, product and process expertise

<20 min

Time to reset, with full automation
Comparing with several hours and manual intervention in the past

-25%

Global assortment reduction
(decommission ~100k SKUs), 2022-2025

Global super precision center in Airasca, Italy

Progress made,
2022–2025

+30%

capacity utilization

-30%

throughput time

-30%

headcount

Global super precision center in Airasca, Italy

Progress made,
2022–2025

+30%

capacity utilization

-30%

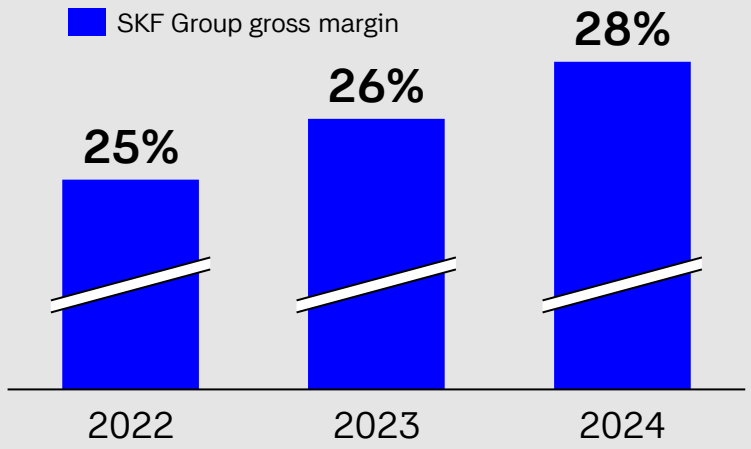
throughput time

-30%

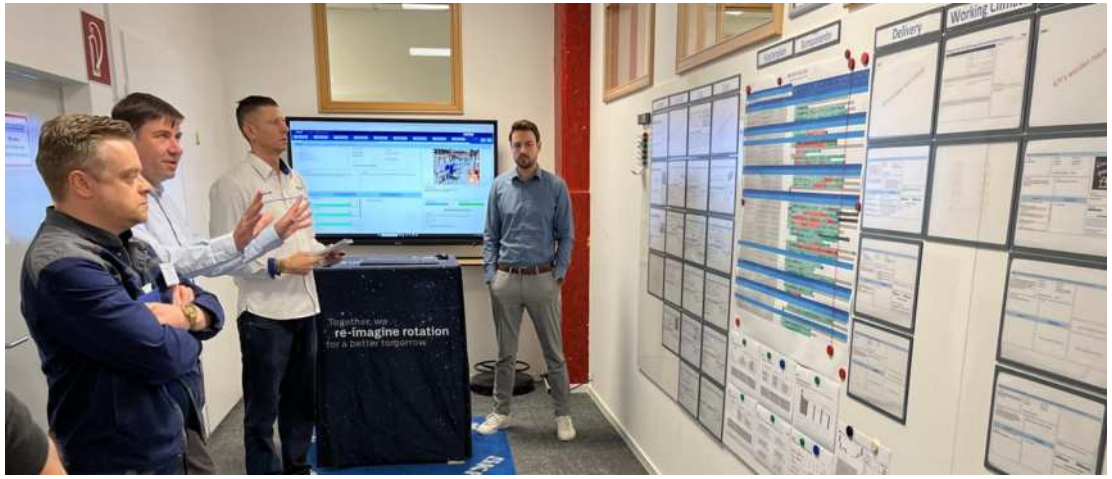
headcount

We run our operations with a lean mindset

- SKF Production System; Standard, best practices and a business enabler for closer partnerships
- Lean manufacturing, engaging the full value chain
- Driving resilience and competitiveness, mitigating cost inflation and gross margin pressure
- Enable decarbonized operations in 2030



Gross margin increase by 3 p.p. in a negative business cycle

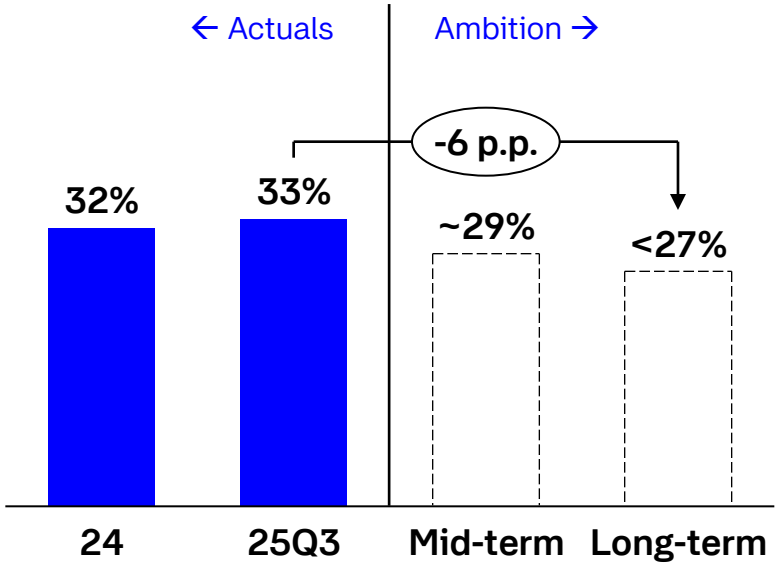


Managing working capital and business performance during the footprint transformation

Recent focus areas

- **Reinforced global governance** for supply chain optimization, managing transitional and separation effects
- **NWC accountability** with detailed inventory targets per Business Area
- **Attention on availability** for high runners, to defend market share and drive margin improvements

Industrial NWC development, % of NS



+12 p.p.

Availability increase for profitable high-runners (2025 vs 2024)

Drivers for long term step change

- **Optimized Industrial Supply chain**
  Leveraging our consolidated, regionalized and industry focused footprint & supply base
- **Specialized Industrial Solutions**
  Leverage end-to-end responsibility with a confirmed portfolio and stabilised supply base
- **Further modernized IT landscape**
  End-to-end visibility and optimization, fuelled by AI and with pilots ongoing

Business-driven value chains by mid term

Step 1

Building the value

Business-driven value chain

Finalize footprint optimization

- **Finalize ongoing regionalization** in ISEA, manage implications in Europe
- **Optimize Global hubs** for tail-end and build capability in East Europe
- **Consolidate and modernize** footprint in Americas
- **Minimize** contract manufacturing

Supply chain for a pure Industrial play

- **Launching a Global standard** for Industrial supply chain mgmt., leveraging the optimized footprint
- **Inventory improvements** in Specialized Industrial Solutions
- **Digital & AI advancements** moving from selected pilots into broad scale implementation

Step 2

To bring it home

- ✓ **Harnessed productivity gains**
- ✓ **Optimized working capital**

FINANCIAL PERFORMANCE

Susanne Larsson

Chief Financial and Sustainability Officer

SKF INDUSTRIAL

Long-term targets

New financial long-term targets – over a business cycle

Organic growth[1]

4%

… 1 p.p. above market over a business cycle

Adj. Operating margin

>17% mid-term

>19% long-term

Cash conversion

60%

Adj. Cash flow after investments / Adj. EBITDA

Adj. ROCE

20%

ROCE adjusted for IAC

Net leverage

<2.0X

(Net Debt (inc. Pensions) / Adj. EBITDA)

Dividend

50%

(Payout ratio)

Re-confirmed sustainability targets

Operations decarbonized by

2030

Net Zero by

2050

1 Automotive contract manufacturing not part of target

SKF INDUSTRIAL

Organic growth above market

Organic growth target

4%

1 p.p. above market
over a business cycle

(excluding Automotive
contract manufacturing)

- Over the last ~20 years, the industrial bearing market has grown by ~3% per annum
- SKF has successfully defended market position through effective strategic execution
- With a renewed Industrial commercial focus, fuelled by customer-centric innovation, we are confident in our ability to accelerate growth to 1 p.p. above market over a business cycle

SKF INDUSTRIAL

Contract manufacturing not included in growth target

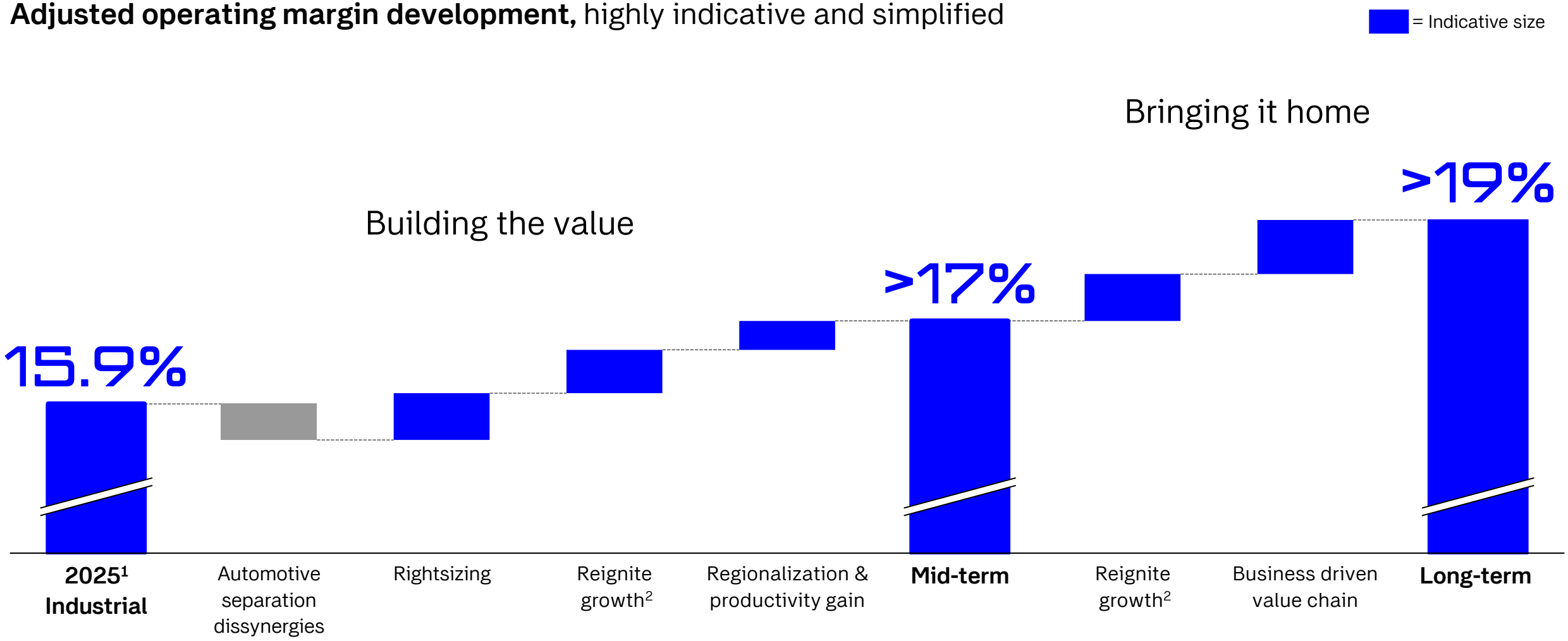
~5% contract manufacturing of Industrial sales at point of separation, **not included in organic growth target**

- During a transition period following the separation there will be a temporary contract manufacturing set-up where Industrial will sell to Automotive
- Scope of contract manufacturing will considerably decrease in the mid-term
- This set-up will create short-term stability

SKF INDUSTRIAL

High teens margin business potential

Adjusted operating margin development, highly indicative and simplified



1 R12M Q325 for the Industrial segment as reported in SKF's interim reports i.e. not pro-forma figures for the SKF Group post Automotive separation.

2 Net of cost inflation

SKF INDUSTRIAL

Update on rightsizing activities

Communicated in Q2 2025

1,700
Number of gross positions[1]

- Net reduction of ~1,200 positions
- ~500 re-hires relating to strategic footprint shift
- Mainly staff positions in Europe

~2 BSEK
Estimated savings

- Full annual run-rate savings expected by the end of 2027
- Rather linear savings profile in 2026-27
- The savings will more than compensate for dyssynergies related to the Automotive separation

2 BSEK
Restructuring charges[2]

- Full amount of restructuring costs charged in Q2 2025
- Reported as items affecting comparability
- Most of the cash effect expected in 2026

Progress update

Most agreements in place during Q4 2025

Re-confirming linear savings profile 2026-27

Re-confirming most cash-effect expected in 2026

1 Estimated savings also include reduction of consultants and other cost saving initiatives.

2 Restructuring costs associated with the rightsizing program and not including any separation cost for the Automotive split. c

SKF INDUSTRIAL

Strengthened capital efficiency

	2025[1]	Mid-term	Long-term
Adj. Operating margin	15.9%	>17%	>19%
NWC	33%	~29%	<27%
CAPEX % of NS	5%	~5%	~3.5%
Dividend	50%	50%	50%

Long-term

Cash conversion

60%

Adj Cash flow after investments / Adj EBITDA

ROCE

20%

ROCE adjusted for IAC

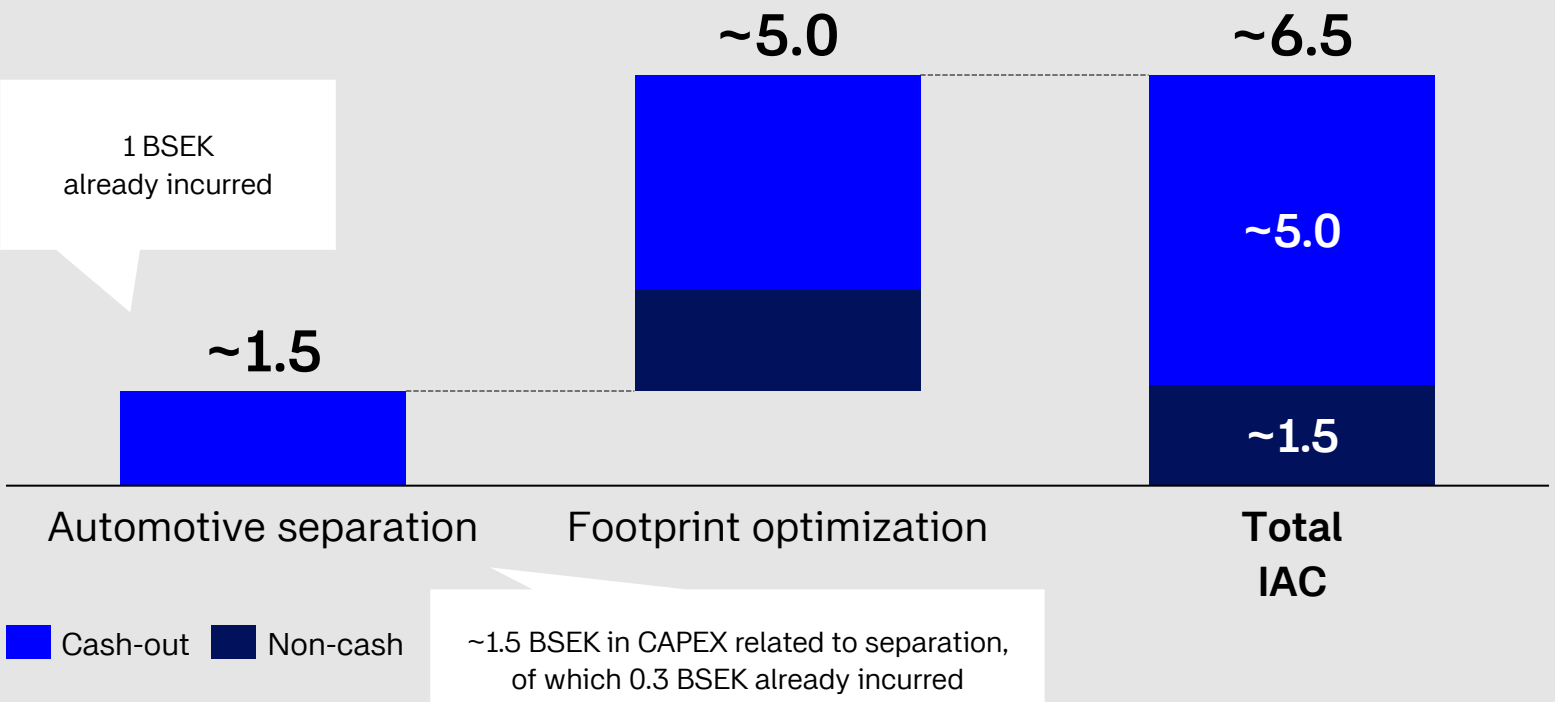
1 R12M Q325 for the Industrial segment as reported in SKF's interim reports i.e. not pro-forma figures for the SKF Group post Automotive separation.

SKF INDUSTRIAL

Finalizing ongoing restructuring by 2028

Building the value

Restructuring, BSEK, 2025Q4-2028



Bringing it home

Limited IACs
expected post 2028

SKF INDUSTRIAL

Net leverage and proposed capital structure

INDUSTRIAL

Retains current strong investment grade rating (Baa1, BBB+)

- **We anticipate the separation credit positive**, with maintained ratings given the expected reduced earnings volatility and improved profitability
- **We have capacity for bolt-on M&A** and further transformation considering the expected profitable growth
- **New target net leverage of <2.0x**

AUTOMOTIVE

Currently financed through intra-group financing

- **Expected net leverage post separation <1x**
- **Credit facilities** for Automotive, primarily liquidity back-up, will be considered later in the separation

* Net leverage definition: (Net Debt (inc. Pensions)) / Adj. EBITDA

SKF INDUSTRIAL

Long-term targets

New financial long-term targets – over a business cycle

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(Payout ratio)

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Operations decarbonized by

2030

Net Zero by

2050

1 Automotive contract manufacturing not part of target

AUTOMOTIVE

Kerstin Enochsson

Automotive president

SKF AUTOMOTIVE

Separation unleashes growth, efficiency and speed

Growth unleashed	Resilient foundation, steering investments into high-growth and margin accretive areas
Leaner and more cost-efficient setup	Complete redesign of value chain in line with Auto Tier 1
Increased speed	Fewer touchpoints and layers to manoeuvre as well as a fully focused management team

SKF AUTOMOTIVE

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A flavour of Automotive

Well positioned global player

Accelerate growth

Faster and more efficient

Indicative long-term financial objectives

SKF AUTOMOTIVE

Well positioned global player in key growth segments and geographies

Global player with **local** manufacturing and distributor presence and innovation track record

Leadership position in **commercial vehicles**

Strong aftermarket position

Electric vehicles – **leading position & long-standing relations** with **key players**

Wheel end products **driveline agnostic** – exposure to **ICE powertrain** historically **limited**

Portfolio management initiatives with focus on profitability in EMEA are **paying off**

SKF AUTOMOTIVE

Five strategic levers

1 Continue to win in leading segments

2 Maintain and strengthen leadership in innovation

3 Expand addressable market

4 A lean company setup

5 Entire value chain is Automotive adapted

Accelerate profitable growth

Faster and more efficient

SKF AUTOMOTIVE

Accelerating profitable growth...

1

Continue to win in leading segments

Keep leading position in core areas

Continuously improve current portfolio

2

Maintain and strengthen leadership in innovation

Increase utilization of digital tools

Speed up time-to-market

Develop new products attuned to future needs

3

Expand addressable market

Broaden offering in profitable growth segments (e.g. EV, CV & VA)

Explore adjacent product opportunities (e.g. break by wire)

Geographical expansion

4

A lean company setup

5

Entire value chain is Automotive adapted

SKF AUTOMOTIVE

… in our key end-markets

1

Continue to win in leading segments

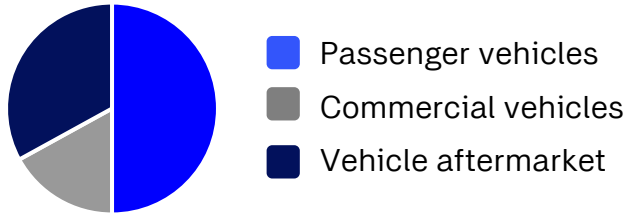
2

Maintain and strengthen leadership in innovation

3

Expand addressable market

% OF SKF AUTOMOTIVE SALES



Key end-markets

A Passenger vehicles

B Commercial vehicles

C Vehicle aftermarket

SKF AUTOMOTIVE

Passenger vehicles - positioned to capture value in fast-growing segment

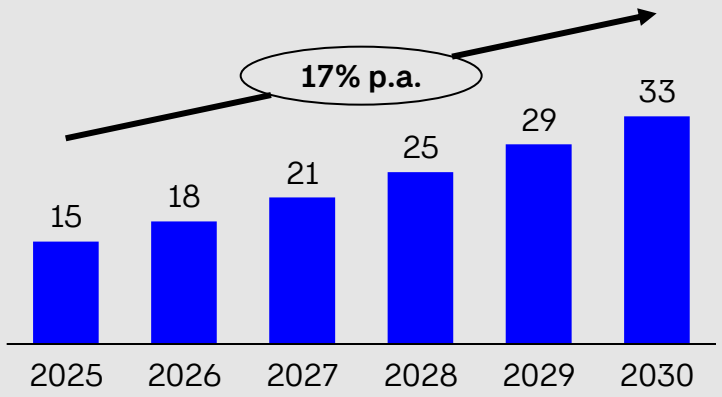
Stable market for passenger vehicles...

+1.2%

CAGR 2025-2030
In global PV production

...with strong growth for EV[1]

Global PV EV sales in million units



>30% EV SHARE OF GLOBAL SALES BY 2030

Powertrain shift plays to our advantage

- **Strong partnerships** with key players
- **Leading innovation in Asia**; bringing insights to global markets
- Technically more sophisticated products for EV provide **positive mix effect**
- **EV share** of SKF powertrain sales 2024: 33%

1) EV = Battery Electric Vehicle + Extended-Range Electric Vehicle +Fuel Cell Electric Vehicle
Source: GlobalData Plc.

BYD

All motors with 30000 rpm equipped with SKF high-speed ceramic bearings

BYD positioned SKF as EV leading technology development partner

78 years of collaboration with Ferrari & F1

“SKF has been alongside Scuderia Ferrari since our very first Formula 1 race, providing crucial support through every generation of our sport.

This partnership is a remarkable example of technical excellence and enduring commitment — qualities that perfectly reflect what Ferrari stands for.

We look forward to what the future holds for the cooperation between our two companies as we continue to push the boundaries of performance together.”

Fred Vasseur
Scuderia Ferrari Team Principal

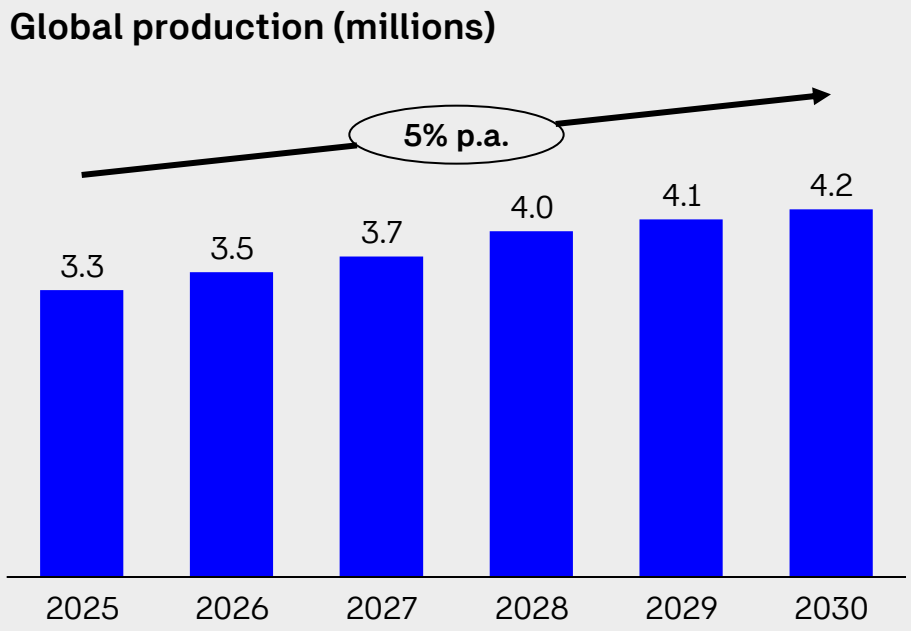
SKF AUTOMOTIVE

Commercial vehicles – Leading position and gearing for more

Leveraging our strong position

- Well renowned for **R&D and technical capabilities**
- **Leadership position** in CV bearings
- High share of revenue in **heavy-duty truck segment**
- **Cutting edge products** for fast-growing last-mile-delivery segment

Commercial vehicle production returns to growth…



… with faster growth in niche areas

+26%

CAGR 2025-2030
In Last-Mile delivery EV vans

Source: GlobalData Plc.

SKF AUTOMOTIVE

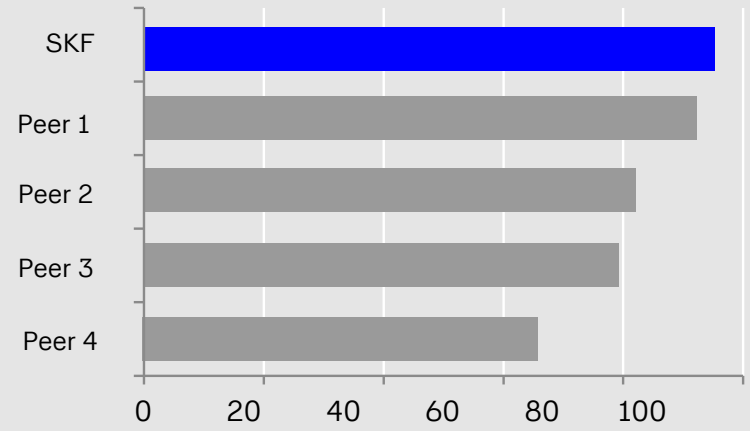
Vehicle aftermarket – aging fleet sets stage for increased demand

We are well-positioned

- **~50% of EU garage spend** covered by current portfolio* (e.g. bearings, brakes)
- **Leverage brand** in geographical expansion of broader portfolio outside of EU
- Expansion of **distribution network from today's 10 000**
- **Aftermarket CAGR 6.8%** (Q1 '21 – YTD Q3 '25)

We are well-known

SKF customer awareness vs. peers



IPSOS Survey. (n=140). Answers in %
Top of mind, spontaneous awareness, aided awareness

Growing, aging vehicle park prompts demand

~50%
OF GLOBAL CAR PARK

>8 YEARS OLD
BY 2030

+1.3%
CAGR 2025-2030
In global car park

Source: SKF Garage spend analysis in EU

SKF AUTOMOTIVE

Value proposition and positioning pays off

Value proposition

Wheel end

- Engineering support
- Superior friction
- Low total cost of ownership
- Global footprint & supply chain resilience

Powertrain

EV

- Component development partner
- Electric current management
- High-speed capability
- Simulation capability

ICE

- Trusted full portfolio partner
- Footprint & supply chain resilience

Significant wins the last 6 months

Global premium OEM

World-leading truck manufacturer

Leading premium OEM

Premium global Tier 1 supplier

World-leading EV OEM

Reasons for choosing SKF Automotive

"Flexible & resilient global production footprint"

"Local build of global partner program"

"Superior e-powertrain portfolio & competitive footprint"

"Full portfolio development & sourcing partner"

"Superior innovation and technical know-how"

SKF AUTOMOTIVE

Becoming faster and more efficient to drive margin improvement

1 Continue to win in leading segments

2 Maintain and strengthen leadership in innovation

3 Expand addressable market

4 A lean company setup

5 Entire value chain is Automotive adapted

Accelerate profitable growth

Faster and more efficient

Split enables a leaner company setup

At listing

A path to offset dyssynergies:

- Lean overhead functions
- Efficient processes with few touchpoints

Going forward

- Contract manufacturing's margin impact, will be reduced over time
- Driving change towards automotive pure play will lead to a leaner, more efficient business

SKF AUTOMOTIVE

Optimized value chain for Automotive drives profitable growth

Auto Tier 1 pureplay…

- Redesign product offering
- Redesign of logistics network
- Utilize strength in global footprint
- Increased speed in customer interaction

… spurs further profitable growth

- Execution of strong order pipeline
- Drive further profitable growth in key areas
- Strengthen pricing and portfolio management

A flavour of Automotive

Well positioned global player

Accelerate growth

Faster and more efficient

Indicative long-term financial objectives

SKF AUTOMOTIVE

Indicative long-term financial objectives

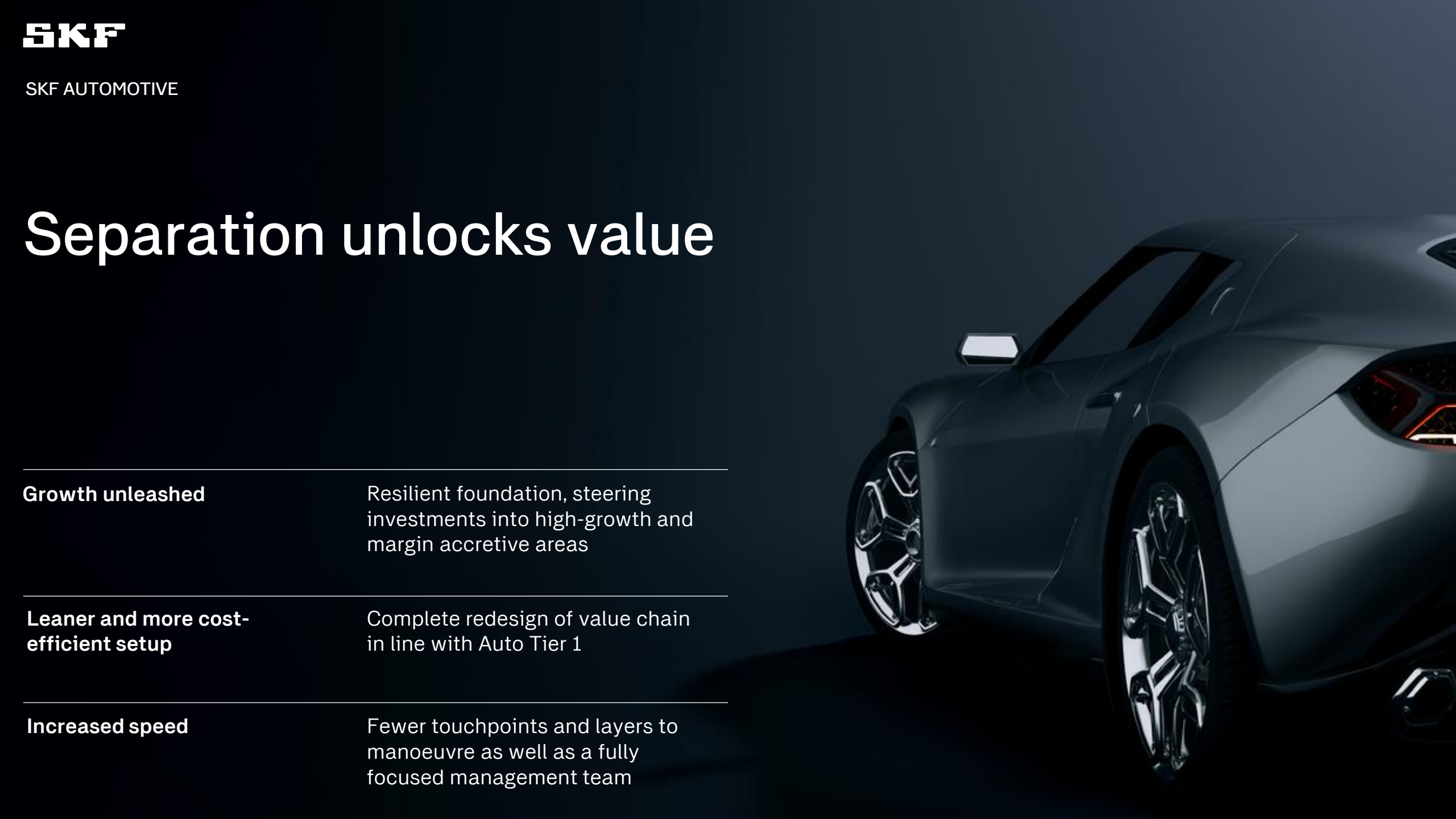
Organic growth	Adj. operating margin	Net leverage[1]
“Growth above market over a business cycle”	“High single digit”	<1x

1. Net Debt (incl. Pensions)/ Adj. EBITDA

SKF AUTOMOTIVE

Separation unlocks value

Growth unleashed	Resilient foundation, steering investments into high-growth and margin accretive areas
Leaner and more cost-efficient setup	Complete redesign of value chain in line with Auto Tier 1
Increased speed	Fewer touchpoints and layers to manoeuvre as well as a fully focused management team



CONCLUDING REMARKS

Rickard Gustafson

President and CEO

Value creation post separation

SKF Group recent average

Pre-spin figures last years, 2020-2024

2%	Organic growth
12%	Adj. operating margin
14%	Adj. ROCE[1]

INDUSTRIAL

"Fighting friction"

long-term targets over a business cycle post separation

4% → 1 p.p. above market over a business cycle	Organic growth[2]
>17% mid-term, >19% long-term	Adj. operating margin
20%	Adj. ROCE[1]

AUTOMOTIVE

"Moving people further"

long-term indicative objectives post separation

"market over a business cycle" — Organic growth
"High single digit" — Adj. operating margin
To be revealed at Automotive CMD — Adj. ROCE[1]

1. Defined as: Adjusted 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
2. Defined as 1 p.p. growth over market over a business cycle, excluding contract manufacturing

SKF
UNLOCKING LONG-TERM VALUE CREATION