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SKF's Capital Markets Day focuses on strategic priorities and actions to improve performance

Gothenburg, 4 November 2015: SKF's Capital Markets Day was held today in Gothenburg, Sweden. Presentations focused on the Group's strategic priorities and actions being taken to improve performance.

SKF's President and CEO, Alrik Danielson, presented the Group's ambition to become the undisputed leader in the bearing business, as well as the Group's strategic priorities: creating and capturing customer value; application-driven innovation; world-class manufacturing; cost competitiveness and maximising long-term cash flow.

Alrik Danielson also elaborated on the Group's two value propositions and how these are being applied within Industrial Market: supporting customers in maximising the performance of their rotating equipment and providing products that fulfil customer requirements, based on real operating conditions and are competitive compared to other alternatives. A case study regarding SKF's work with U.S. Steel was presented, demonstrating these value propositions in action and how they support SKF's customers.

Details of the previously communicated Automotive Market profit improvement programme were presented, including its aim of achieving an operating margin of 8%. The business area's long-term strategic priorities were also discussed: reducing the product line to focus on core capabilities; addressing market requirements with the right price/performance positioning and developing the aftermarket business model to fit market needs and new channels.

The Group's investments will to a larger extent be allocated to support the development of world-class manufacturing, as opposed to being invested in capacity increases. In line with this ambition, investments in developing flexible manufacturing processes are already being made, such as the recently announced SEK 190 million investment in modernizing spherical roller bearing production in Gothenburg.

The importance of cost reduction was emphasised during the day, with activities to reduce the Group's cost base described in further detail. Cash flow will be used to strengthen the balance sheet going forward.

An update on the operational structure of Specialty Business was presented, also including those units that have been integrated into other parts of SKF and those non-core units that have been divested.

The Capital Markets Day was recorded and is available to view as a replay via the Group's Investor Relations website: <http://www.skf.com/group/investors/>.

Aktiebolaget SKF



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SKF is a leading global supplier of bearings, seals, mechatronics, lubrication systems, and services which include technical support, maintenance and reliability services, engineering consulting and training. SKF is represented in more than 130 countries and has around 15,000 distributor locations worldwide. Annual sales in 2014 were SEK 70 975 million and the number of employees was 48 593. www.skf.com

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