SKF issues its first green bond

Gothenburg, 8 November 2019: SKF has, as one of the first industrial companies, issued a green bond. The bond will raise EUR 300 million to fund eligible green projects in accordance with SKF’s recently launched Green Finance Framework.

SKF’s green bond has received much attention from investors and it was oversubscribed four times. The proceeds from the bond will finance green investments that reduce CO₂ emissions and impact from SKF’s own operations and supply chain operations, as well as supporting customers to reduce their emissions. This will be done through capital investment in manufacturing, plant and property and R&D related to cleantech industries.

Niclas Rosenlew, Senior Vice President and CFO, says: “We are very pleased with the vast interest from investors from all over Europe for our green bond. This shows the capital market’s confidence in SKF’s financial strength.”

“Issuing a green bond is a further step to integrate sustainability to our financing operations. With the green bond we also diversify our investor base by reaching out to new investors and increase the transparency towards our stakeholders even further.”

The value of the green bond is EUR 300 million with a duration of ten years. Settlement day will be on 15 November 2019. The bond has a fixed rate and carries a coupon of 0.875% annually. There are no financial covenants for the bond. The bond will be listed on the Luxembourg Stock Exchange (LuxSE) and it will also be displayed on the Luxembourg Green Exchange (LGX).


Fact box: SKF’s Green Bond
Volume: EUR 300 million
Tenor: 10 years
Interest spread: MS+80 bps
Yield: 0.891%
Coupon: 0.875%
Price: 99.848%
Listing: Luxembourg Stock Exchange (LuxSE). The green bond will also be displayed on the Luxembourg Green Exchange (LGX).

Aktiebolaget SKF
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SKF’s mission is to be the undisputed leader in the bearing business. SKF offers solutions around the rotating shaft, including bearings, seals, lubrication management, condition monitoring and maintenance services. SKF is represented in more than 130 countries and has around 17,000 distributor locations worldwide. Annual sales in 2018 were SEK 85 713 million and the number of employees was 44,428. www.skf.com

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