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SKF invests in strengthened competitiveness in North America

Gothenburg, 22 September 2020: SKF is investing approximately SEK 550 million in strengthening its manufacturing footprint and competitiveness in North America.

Approximately SEK 350 million is being invested in expanding and automating manufacturing processes at the Group's factory in Sumter, South Carolina.

A further SEK 200 million is being invested in localizing manufacturing of Tapered Roller Bearings (TRBs) from China to an existing manufacturing site in Mexico. The transfer supports the Group's regional manufacturing ambitions and will strengthen SKF's North American product offering.

The resulting improvements in flexibility and service levels enable the Group to consolidate its factories in Avon, Ohio and North Charleston, South Carolina into the Sumter factory.

John Schmidt, President, Industrial Sales, Americas, says: "These investments illustrate SKF's commitment to better serving customers in the region and will improve both our flexibility and competitiveness. While this is an essential step for SKF, we do not take decisions that impact our employees lightly. We are deeply appreciative of our employees in Avon and North Charleston and we are committed to fully supporting them as they transition to roles outside SKF."

Kent Viitanen, President, Bearing Operations, says: "These investments represent the next steps in developing our regional manufacturing capabilities. Our investments in Sumter will expand their product capability, as well as see the first implementation of our automated manufacturing technologies within the slewing bearing cluster."

The investments and consolidation announced today will take approximately 12-18 months to implement and will result in a reduction in staff of approximately 120, with associated restructuring costs amounting to SEK 35 million, to be accounted for during the third quarter of 2020.

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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

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distributor locations worldwide. Annual sales in 2019 were SEK 86 013 million and the number of employees was 43,360. www.skf.com

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