



SAAB

Full steam ahead **to grow** **our business**



Saab's airborne
surveillance system
GlobalEye and
fighter jet Gripen E

Q1

INTERIM REPORT 2024

Key Highlights

- Order bookings increased 9% and amounted to SEK 18,495m (17,018), driven by strong growth in medium-sized orders.
- Sales amounted to SEK 14,185m (11,485) in the quarter with an organic sales growth of 24%. All business areas and Combitech showed growth, with strong contributions from Aeronautics and Surveillance.
- EBIT increased 28% and amounted to SEK 1,191m (928). The EBIT margin also improved to 8.4% (8.1), driven by the strong sales development.
- Net income improved to SEK 784m (735) and the earnings per share increased to SEK 5.71 (5.45).
- Operational cash flow was SEK -1,998m (3,072) in the quarter due to a high level of investment, increased inventory and lower customer milestone payments.
- Net liquidity position was SEK 0.8 bn (5.3) at the end of period.
- Upgraded sales outlook 2024: organic sales growth between 15-20%, compared to previous outlook of between 12-16%.
- The AGM decided on a dividend of SEK 6.40 (5.30) per share for the fiscal year 2023, and a 4:1 split of the Saab shares.

18

Order bookings, SEK bn

24

Organic sales growth, %

8.4

Operating margin, %

Financial highlights

MSEK	Jan-Mar 2024	Jan-Mar 2023	Change, %	Full Year 2023
Order bookings	18,495	17,018	9	77,811
Order backlog	158,369	132,662	19	153,409
Sales	14,185	11,485	24	51,609
Gross income	3,085	2,502	23	11,260
Gross margin, %	21.7	21.8		21.8
EBITDA	1,819	1,484	23	6,558
EBITDA margin, %	12.8	12.9		12.7
Operating income (EBIT)	1,191	928	28	4,272
Operating margin, %	8.4	8.1		8.3
Net income	784	735	7	3,443
of which Parent Company's shareholders' interest	770	732	5	3,381
Earnings per share after dilution, SEK	5.71	5.45	5	25.16
Return on equity, % ¹⁾	10.9	9.5		11.1
Operational cash flow	-1,998	3,072		3,157
Free cash flow	-2,389	3,125		1,566
Free cash flow per share after dilution, SEK	-17.71	23.26		11.65
Average number of shares after dilution	134,883,160	134,370,647		134,377,832

¹⁾ Return on equity is measured over a rolling 12-month period.



CEO comments

Full steam ahead to grow our business

Micael Johansson
President and CEO

Saab started 2024 by delivering increased order intake, strong sales growth and improved profitability. I am satisfied with the progress we made in the quarter on capacity-related investments and recruitments. Supported by better visibility on deliveries and timing of capacity increases, we now upgrade our outlook for the full year on organic sales growth.

Geopolitical tensions in the world remain high and the importance of delivering systems and solutions with a shorter lead time has become even more critical. We continue to put intense focus on customer deliveries and capacity growth as well as investing in future capabilities.

In Europe, there are several initiatives ongoing to strengthen the defence industry, including the recently released European defence industry strategy and new investment programmes. Key focus areas include enabling joint procurement, the build-up of production capacity and continued support to Ukraine to defend our freedom. Following its NATO accession, Sweden has several important steps ahead, such as integration with the alliance and adopting NATO's capability targets. Saab is fully committed to supporting Sweden and alliance partners in their efforts to build up much needed defence preparedness.

In Q1, medium-sized and small orders increased by 68% and 10%, respectively. Among some of the important contracts were four new Gripen C fighters to Hungary, an order for future fighter concept studies from Sweden, an order from Airbus for the Arexis Electronic Warfare sensor suite for 15 of Germany's Eurofighters and an order for the Carl-Gustaf system within our framework agreement with NATO's procurement agency NSPA.

All in all, order bookings amounted to SEK 18.5 billion (17.0) with a book-to-bill ratio above 1 for the sixth consecutive quarter. Our backlog has reached SEK 158 billion, up 19% year-over-year, and will support our business to grow for years to come.

In addition, Saab signed its largest Carl-Gustaf and training equipment contract to date with Poland for a value of SEK 12.9 billion, expected

to be booked in Q2. To meet the high demand, we are increasing capacity in both Sweden and international markets and the construction of our new Carl-Gustaf weapon manufacturing facility in India is one part of this work.

All business areas showed sales growth in the first quarter and group sales increased 24% on an organic basis. This was driven by executing on our backlog, high project activity and material inflow to our programmes, combined with increases in operational capacity. Based on improved visibility on deliveries and capacity increases during the year, we upgrade our organic sales growth outlook for the full year 2024 to now be between 15-20%, compared to our previous outlook of between 12-16%.

EBIT grew 28% in the quarter and the operating margin increased to 8.4% (8.1). The underlying improvement was driven by scale effects from higher volumes, particularly in Aeronautics and Surveillance. Meanwhile, margins in Dynamics were impacted by lower delivery volumes in the Ground Combat business this quarter, where we expect higher shipping volumes from Q2 and onwards. As of January 2024, the Underwater Systems business unit, previously in Dynamics, has been transferred to Kockums and the numbers have been restated in this report for comparability purposes.

Looking ahead, we remain committed to growing our operating income above organic sales growth for the full year 2024.

As we continue to increase our business volumes, we remain cautious about the supply chain as a potential limiting factor on growth and we are constantly working on mitigating these risks with our suppliers.

Operational cash flow in the quarter was SEK -2.0 billion (3.1), driven by the higher level of investment, increased inventory and fewer large customer milestone payments, which reflects the common quarterly fluctuations within our business. As previously communicated, the investments we are making will put pressure on our cash flow this year and next. We remain committed to delivering a positive cash flow for 2024.

With the ambition to become a sustainability leader in our sector, Saab's work in this area continued in the quarter. As an example, Saab was recognised for leadership in corporate transparency and climate performance by CDP, securing a place on its annual A-list. Moreover, the share of women managers increased to 28% from 27% at the end of last year. It is encouraging to see progress as we steadily work towards the targets defined in our updated sustainability strategy.

Finally, I would like to highlight our ongoing recruitment and onboarding efforts, with over 700 new employees joining us since the end of last year. This is clear evidence of our success in attracting the right competences, which is vital to reach our ambition to scale up and deliver on the next phase of Saab's growth journey.

Outlook 2024

Sales growth:

Organic sales growth between 15-20%
Previously: an organic sales growth between 12-16%

Operating income:

Operating income growth higher than organic sales growth

Operational cash flow:

Operational cash flow to be positive

Targets 2023-2027

Sales growth:

Organic sales growth of around 15%
(compound annual growth rate)

Operating income:

Operating income growth higher than organic sales growth

Operational cash flow:

Cash flow conversion of minimum 70%,
cumulative for the 5-year period

Orders

January-March 2024

Order bookings increased 9 per cent in the quarter and amounted to SEK 18,495 million (17,018). The increase was driven by medium-sized orders that grew 68 per cent and amounted to SEK 6,912 million (4,107). Small orders increased 10 per cent and amounted to SEK 4,835 million (4,400). Large orders declined somewhat compared to the same period last year and amounted to SEK 6,748 million (8,511). Order intake growth was particularly strong in Aeronautics in the quarter.

Key orders in the first quarter included an RBS 70 NG contract to Canada of SEK 1.8 billion and a support contract for GlobalEye to the United Arab Emirates of SEK 1.7 billion. Orders in the quarter, for which the value was not disclosed, also included a contract for four Gripen C fighter aircraft for Hungary as well as an order for the Arexis sensor suite for German Eurofighters.

The order backlog at the end of the period amounted to SEK 158,369 million, compared to SEK 153,409 million at the beginning of the year, and corresponded to an increase of 3 per cent. In total, 66 per cent of the backlog is attributable to international markets, compared to 64 per cent at the end of last year.

For more information on the order intake, see the business area pages 8, 9 and 10.

Sales

January-March 2024

Sales for the first quarter amounted to SEK 14,185 million (11,485) corresponding to a sales growth of 23.5 per cent, with an organic growth of 24.0 per cent. All business areas and Combitech reported sales growth, with strong contributions from Aeronautics and Surveillance in the quarter.

Sales from international markets increased 39 per cent and amounted to SEK 8,682 million (6,231), corresponding to 61 per cent (54) of total sales. Saab reported sales growth in all regions except Australia in the first quarter. 91 per cent (90) of sales were related to the defence business.

Sales growth

Per cent	Jan-Mar 2024	Jan-Mar 2023	Full Year 2023
Organic sales growth	24.0	23.0	22.6
Change from acquisitions and divestments	-0.2	-	-0.5
Currency translation effects	-0.3	1.6	0.8
Total sales growth	23.5	24.6	22.9

Sales per region

MSEK	Jan-Mar 2024	Jan-Mar 2023	Change, %
Sweden	5,503	5,254	5
Rest of Europe	3,582	2,135	68
North America	1,501	1,248	20
Latin America	922	670	38
Asia	1,345	1,152	17
Africa	50	34	47
Australia, etc.	919	992	-7
Undisclosed country	363	-	-
Total	14,185	11,485	24

Classification of orders	MSEK
Small orders	<100
Medium-sized orders	100-1000
Large orders	>1000

Order distribution Jan-Mar 2024

Small orders	26% (26)
Medium-sized orders	37% (24)
Large orders	37% (50)



Order backlog duration:

2024:	SEK 39.9 billion
2025:	SEK 49.9 billion
2026:	SEK 32.6 billion
2027:	SEK 18.3 billion
After 2027:	SEK 17.7 billion

Order by market

A total of 75% (81) of the order bookings related to markets outside Sweden during the first quarter 2024.

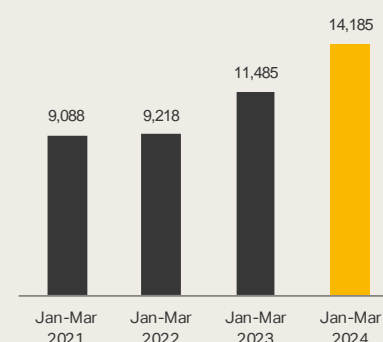


Sales by market

A total of 61% (54) of the sales related to markets outside Sweden during the first quarter 2024.



Sales Jan-Mar, MSEK



Income

January-March 2024

In the quarter, gross income increased 23 per cent and amounted to SEK 3,085 million (2,502) driven by the strong sales volumes. The gross margin was in line with the same quarter last year at 21.7 per cent (21.8).

Total depreciation, amortisation and write-downs amounted to SEK 628 million (556). Depreciation of tangible fixed assets and right-of-use assets amounted to SEK 421 million (371). Expenditures for internally funded investments in R&D amounted to SEK 587 million (443), of which SEK 116 million (125) has been capitalised. Capitalised expenditures are mainly attributable to the development of Gripen E/F. Amortisation and write-downs of intangible fixed assets amounted to SEK 207 million (185), of which amortisation and write-downs of capitalised development expenditures amounted to SEK 157 million (147). R&D amortisation is mainly related to GlobalEye, amounting to SEK 94 million (94) during the first quarter 2024.

The share of income in associated companies and joint ventures amounted to SEK 16 million (-287). The comparison period included write-downs in the minority portfolio of SEK -260 million classified as items affecting comparability, see also note 5.

EBITDA increased 23 per cent and amounted to SEK 1,819 million (1,484) with an EBITDA margin of 12.8 per cent (12.9). Operating income (EBIT) increased 28 per cent and amounted to SEK 1,191 million (928), with a margin of 8.4 per cent (8.1). The improvement was mainly driven by scale effects from increased sales volumes. The comparison period included items affecting comparability of net SEK 10 million comprising a capital gain from the sale of the Maritime Traffic Management (MTM) operations of SEK 270 million and the write-downs in the minority portfolio of SEK -260 million, see also note 5.

Financial net

MSEK	Jan-Mar 2024	Jan-Mar 2023
Financial net related to pensions	-12	-9
Net interest items	42	18
Currency gains/losses	-172	7
Lease liability interest	-38	-33
Other financial items	-2	19
Total	-182	2

The financial net amounted to SEK -182 million (2). The change was mainly a result of unfavourable effects from currency depreciation related to hedges of the tender portfolio in the period.

The financial net related to pensions is the financial cost for net pension obligations recognised in the balance sheet. See note 13 for more information regarding defined-benefit pension plans.

Net interest items refer to interest on liquid assets, short-term investments and interest expenses on short- and long-term interest-bearing liabilities and interest on interest-rate swaps.

Currency gains/losses recognised in the financial net are mainly related to currency hedges of the tender portfolio, which are measured at fair value through profit and loss. During the period, depreciation of the SEK had an unfavourable impact on Saab's tender hedge portfolio.

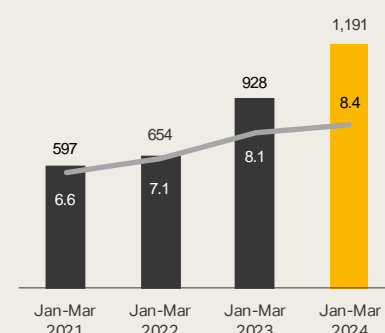
Lease liability interest consists of the interest portion related to lease liabilities recognised in the balance sheet.

Other financial items consist of realised and unrealised results from short-term investments and derivatives as well as other currency effects, e.g. changes in exchange rates for liquid assets in currencies other than SEK.

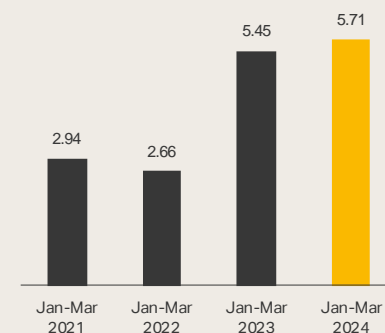
Tax

Current and deferred taxes amounted to SEK -225 million (-195) for the first quarter, corresponding to an effective tax rate of 22 (21) per cent. The effective tax rate in the comparison period was positively affected by non-taxable income from the capital gain related to the sale of the MTM operations, partly offset by negative effects from non-deductible write-downs in the minority portfolio.

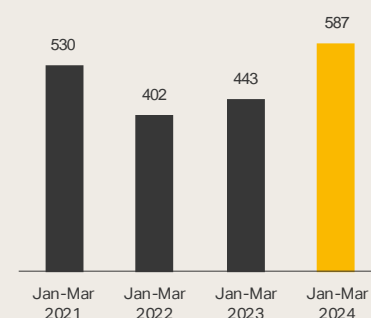
Operating income (MSEK) and margin (%), Jan-Mar



EPS after dilution, SEK



Internally funded R&D expenditures, MSEK



Financial position and liquidity

At the end of the first quarter 2024, Saab had a net liquidity of SEK 836 million, a decrease of SEK 1,507 million compared to SEK 2,343 million at year-end 2023. Net debt/EBITDA was -0.12 (-0.36) at the end of the period.

Cash flow from operating activities amounted to SEK -1,053 million (3,747).

Contract assets increased by SEK 2,063 million and contract liabilities increased by SEK 219 million compared to year-end 2023. Inventories increased by SEK 1,698 million during the first quarter with increases mainly in Dynamics and Surveillance.

Net provisions for pensions, excluding special employer's contribution, amounted to SEK 505 million as of 31 March 2024, compared to SEK 1,490 million at year-end 2023. The effect on net debt of SEK 985 million was mainly related to changes in actuarial assumptions regarding discount rate. For further information on Saab's benefit pension plans, see note 13.

Tangible fixed assets amounted to SEK 10,315 million at the end of the quarter compared to 9,501 at the end of 2023. Right-of-use assets recognised in the balance sheet amounted to SEK 2,641 million compared to 2,554 million at the end of 2023.

Net investments during the quarter amounted to SEK 1,139 million (742). Investments in tangible fixed assets amounted to SEK 998 million (524).

Investments in intangible fixed assets amounted to SEK 162 million (233), of which SEK 116 million (125) was related to capitalised R&D expenditures. The investments were mainly related to the development of Gripen E/F. Of the total investments in intangible fixed assets, SEK 46 million (108) was related to other intangible fixed assets.

As of 31 March 2024, short-term investments and liquid assets amounted to SEK 10,800 million, a decrease of SEK 2,669 million compared to year-end 2023. In addition, the Group had unutilised revolving credit facilities amounting to SEK 6,000 million.

Capital employed increased by SEK 94 million during the quarter to SEK 44,048 million. The return on capital employed was 12.6 per cent (9.6) and the return on equity was 10.9 per cent (9.5), both measured over a rolling 12-month period.

Change in net debt Jan-Mar 2024

MSEK	
Net liquidity (+) / net debt (-), 31 Dec 2023 ¹⁾	2,343
Cash flow from operating activities	-1,053
Change in net pension obligation	985
Net investments	-1,139
Sale of and investments in financial assets, associates and joint ventures	-2
Additional lease liabilities	-245
Investments in operations	-15
Other items, currency impact and unrealised results from financial investments	-38
Net liquidity (+) / net debt (-), 31 Mar 2024 ¹⁾	836
¹⁾ Net liquidity (+) / net debt (-) excluding net provisions for pensions, lease liabilities and interest-bearing receivables, 31 March 2024	3,765

Key indicators of financial position and liquidity

MSEK	31 Mar 2024	31 Dec 2023	Change	31 Mar 2023
Net liquidity / debt ²⁾	836	2,343	-1,507	5,326
Intangible fixed assets	13,049	12,941	108	12,273
Goodwill	5,517	5,424	93	5,371
Capitalised development costs	6,108	6,106	2	5,927
Other intangible fixed assets	1,424	1,411	13	975
Tangible fixed assets, etc ³⁾	10,720	9,915	805	8,644
Right of use assets ⁴⁾	2,641	2,554	87	2,574
Inventories	18,484	16,786	1,698	15,197
Accounts receivable	7,058	7,244	-186	4,953
Contract assets	14,379	12,316	2,063	11,523
Contract liabilities	16,772	16,553	219	15,125
Equity/assets ratio, %	39.7	39.1		39.6
Return on equity, %	10.9	11.1		9.5
Return on capital employed, %	12.6	11.9		9.6
Equity per share, SEK ¹⁾	249.68	240.42	9.26	225.57
1) Number of shares excluding treasury shares	133,460,300	133,247,315		132,670,977

2) The Group's net liquidity/debt refers to liquid assets, short-term investments and interest-bearing receivables less interest-bearing liabilities and provisions for pensions excluding provisions for special employers' contribution attributable to pensions. For a detailed break-down of interest-bearing receivables and interest-bearing liabilities, see note 8.

3) Including tangible fixed assets and biological assets.

4) Relate to right-of-use assets for leases.

Cash flow

January-March 2024

Operational cash flow amounted to SEK -1,998 million (3,072). The decrease compared to the same quarter last year was mainly due to increased investments and inventory in combination with fewer large milestone payments from customers in the period.

Free cash flow in the period amounted to SEK -2,389 million (3,125). For more detailed information on cash flow, see note 11.

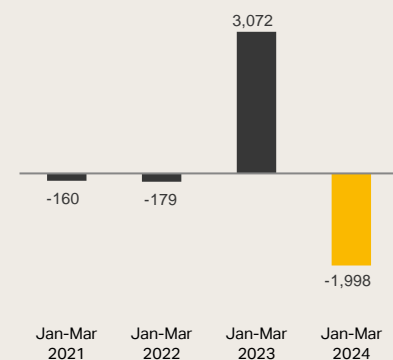
Due to the nature of Saab's customer contracts, deliveries and timing of milestone payments in large projects, there can be large fluctuations in cash flow between reporting periods.

MSEK	Jan-Mar 2024	Jan-Mar 2023
Cash flow from operating activities before changes in working capital, excluding taxes and other financial items ¹⁾	1,648	1,399
Change in working capital	-2,507	2,415
Cash flow from operating activities excluding taxes and other financial items	-859	3,814
Cash flow from investing activities ²⁾	-1,139	-742
Operational cash flow	-1,998	3,072
Taxes and other financial items	-374	-226
Sale of and investments in financial assets and operations	-17	279
Free cash flow	-2,389	3,125

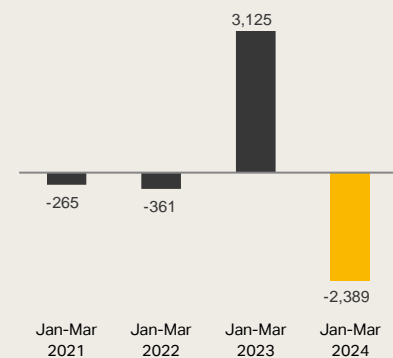
1) Including amortisation of lease liabilities

2) Cash flow from investing activities excluding change in short-term investments and other interest-bearing financial assets and excluding sale of and investment in financial assets, operations and subsidiaries. If investments in and sale of financial fixed assets are considered to be of operating nature, the item is included in investing activities.

Operational cash flow, MSEK



Free cash flow, MSEK



Business Area

Aeronautics

Business Units

Advanced Programs, Aerospace Systems, Aviation Services, Gripen.

Market highlights

Order bookings increased in the first quarter and included a Gripen C contract for Hungary, an order for Swedish future fighter concept studies as well as a Gripen equipment order to Sweden.

Sales and operating income

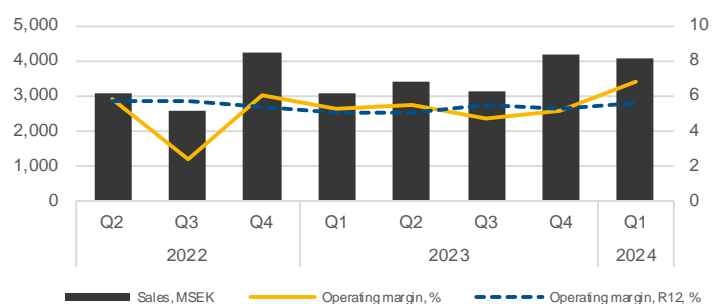
Sales was strong in the quarter and increased 32%, driven by higher volumes related to the Gripen C contract to Hungary and Gripen E/F programmes to Sweden and Brazil.

Operating income and margin improved as a result of scale effects from the higher volumes.

Cash flow

Cash flow was negative due to lower customer milestone payments in the quarter.

MSEK	Jan-Mar 2024	Jan-Mar 2023	Change, %	Full Year 2023
Order bookings	5,142	1,426	261	18,111
Order backlog	48,103	41,001	17	46,995
Sales	4,047	3,070	32	13,754
EBITDA	332	212	57	916
EBITDA margin, %	8.2	6.9		6.7
Operating income (EBIT)	276	163	69	710
Operating margin, %	6.8	5.3		5.2
Operational cash flow	-824	82		-370



Business Area

Dynamics

Business Units

Barracuda, Ground Combat, Missile Systems, Tactical Support Solutions, Training and Simulation.

Market highlights

Orders decreased compared to the same period last year which included a large defence equipment order to an undisclosed customer.

In the quarter, Dynamics received an RBS 70 NG contract to Canada as well as a Carl-Gustaf order from NATO's Support and Procurement Agency (NSPA).

A major contract for Carl-Gustaf to Poland was also received in the quarter and is expected to be booked as order intake before the end of Q2 2024.

Sales and operating income

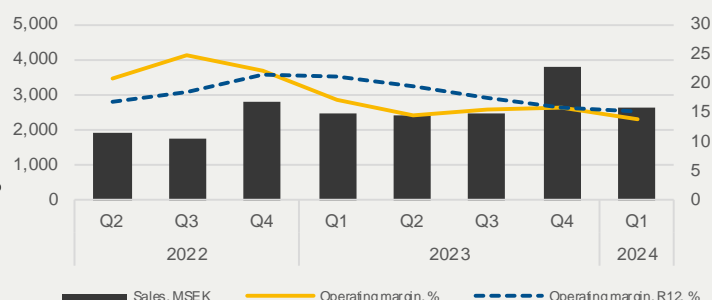
Sales grew 5% and reflected somewhat lower delivery volumes in the Ground Combat business this quarter, where we expect higher shipping volumes from Q2 and onwards. As a result, EBIT and margin declined in the quarter.

Cash flow

Operational cash flow declined due to higher investments and inventory build-up for future deliveries. Last year included large payments from customers.

MSEK	Jan-Mar 2024	Jan-Mar 2023	Change, %	Full Year 2023
Order bookings	5,591	9,313	-40	26,709
Order backlog	46,195	34,440	34	43,103
Sales	2,622	2,490	5	11,160
EBITDA	395	450	-12	1,856
EBITDA margin, %	15.1	18.1		16.6
Operating income (EBIT)	367	427	-14	1,758
Operating margin, %	14.0	17.1		15.8
Operational cash flow	-996	1,914		3,237

Note: 2023 has been restated due to the transfer of business unit Underwater Systems from Dynamics to Kockums as per 1st January 2024. For restated figures, please see <https://www.saab.com/investors/financials/financial-data>



Business Area

Surveillance

Business Units

Airborne Early Warning, Digital Battlespace Solutions, Fighter Core Capabilities, Naval Combat Systems, Safety and Security Solutions, Surface Sensor Solutions.

Market highlights

Order bookings increased in the quarter, driven by a GlobalEye support contract with UAE and an order for Arexis sensor suite for Germany's Eurofighters.

In the quarter, Saab delivered the first 340 AEW aircraft ordered by Poland in July 2023.

Sales and operating income

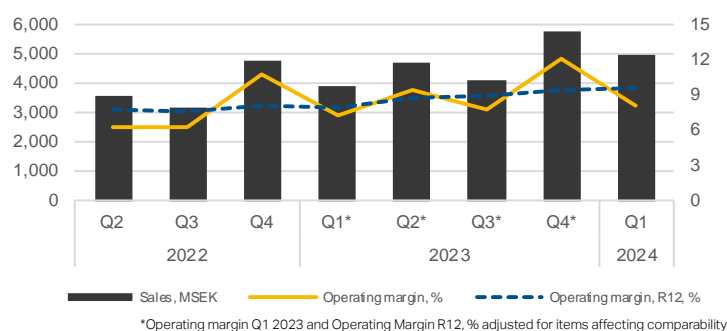
Sales increased 28% in the quarter mainly driven by high volumes and activity in the surface sensor business.

The increased sales volumes had a favourable effect on the operating income in the period. Operating income in Q1 2023 was positively impacted by a capital gain of 270 MSEK. Adjusted for this, the operating margin in the comparison quarter last year was 7.3%.

Cash flow

Cash flow in the quarter decreased and reflected timing of customer payments and increased investments.

MSEK	Jan-Mar 2024	Jan-Mar 2023	Change, %	Full Year 2023
Order bookings	5,929	4,872	22	23,887
Order backlog	47,167	41,730	13	45,780
Sales	4,989	3,894	28	18,559
EBITDA	633	768	-18	2,933
EBITDA margin, %	12.7	19.7		15.8
Operating income (EBIT)	405	554	-27	2,034
Operating margin, %	8.1	14.2		11.0
Operational cash flow	-436	745		1,153



Business Area

Kockums

Business Units

Docksta, Submarines, Surface Ships, Underwater Systems.

Market highlights

Order growth in the quarter was driven by several smaller orders across Kockums business units.

In the period, Saab entered the basic design phase of the development of four new future surface ships for Sweden.

As per 1st January 2024, business unit Underwater Systems was transferred from Dynamics to Kockums.

Sales and operating income

Sales growth in the quarter was 34%, driven by high project activity within the surface ship business.

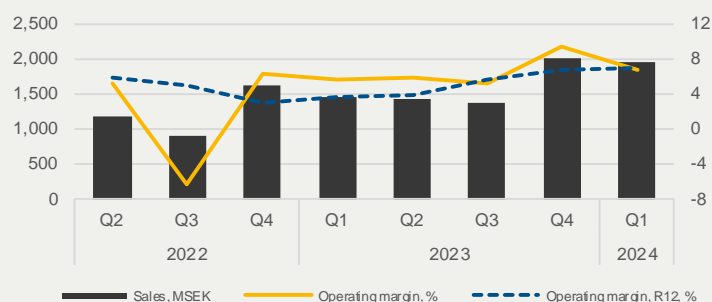
Operating income improved as a result of the increased volumes and a high share of international projects. The operating margin in the quarter increased to 6.7% (5.7).

Cash flow

The operational cash flow improved in the quarter and was driven by large customer milestone payments.

MSEK	Jan-Mar 2024	Jan-Mar 2023	Change, %	Full Year 2023
Order bookings	1,352	790	71	7,497
Order backlog	16,447	15,248	8	17,031
Sales	1,966	1,468	34	6,314
EBITDA	143	93	54	469
EBITDA margin, %	7.3	6.3		7.4
Operating income (EBIT)	132	83	59	432
Operating margin, %	6.7	5.7		6.8
Operational cash flow	920	703		-254

Note: 2023 has been restated due to the transfer of business unit Underwater Systems from Dynamics to Kockums as per 1st January 2024. For restated figures, please see <https://www.saab.com/investors/financials/financial-data>



Other operating segment

Combitech

Market highlights

A two-year contract was signed with Kongsberg Gruppen for consultancy services in the quarter, including Integrated Logistics Support (ILS) services.

New framework agreements were also signed with the Swedish Civil Aviation Administration (Luftfartsverket) within total defence and flight safety.

Sales and operating income

Sales increased in the quarter driven by high demand in most of Combitech's business segments.

Operating income and margin improved as a result of favourable customer mix.

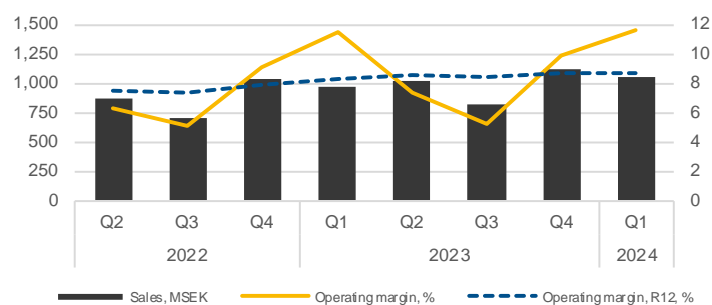
Cash flow

Cash flow was in line with last year and amounted to 135 MSEK (138).

MSEK	Jan-Mar 2024	Jan-Mar 2023	Change, %	Full Year 2023
Order bookings	1,083	1,081	0	4,291
Order backlog	1,631	1,343	21	1,595
Sales	1,049	966	9	3,922
EBITDA	125	113	11	350
EBITDA margin, %	11.9	11.7		8.9
Operating income (EBIT)	122	111	10	340
Operating margin, %	11.6	11.5		8.7
Operational cash flow	135	138		387



Market
Sales in markets outside Sweden amounted to 6% (7) in the quarter.



Corporate and other items

Corporate

Corporate comprises group staff, group departments and other operations including Saab's minority portfolio. The minority portfolio contains Saab's Venture portfolio.

Corporate reported an operating loss of SEK -111 million (-410) in the first quarter 2024. The comparison period last year included write-downs in the minority portfolio of SEK -260 million, see also note 5.

Operational cash flow attributable to Corporate amounted to SEK -797 million (-510), driven mainly by timing of group internal transactions and increased investments.

Acquisitions and divestments 2024

In the first quarter 2024, Saab completed the acquisition of the remaining shares in UMS Skeldar AG for a minor consideration.

Share repurchase and share split

Saab held 2,385,547 treasury shares as of 31 March 2024, compared to 2,598,532 at year-end 2023. The Annual General Meeting in 2024 authorised the Board of Directors to repurchase a maximum of 1,100,000 shares of series B (or a maximum of 4,400,000 shares of series B following implementation of the share split 4:1) to secure delivery of shares to participants in Saab's long-term incentive programmes 2025. The Annual General Meeting also decided to authorise the Board, before the next Annual General Meeting, to decide on the acquisition of Series B shares up to a maximum of 10 percent of the total number of shares in the company. The purpose of the authorisation is to be able to adjust the company's capital structure and thereby contribute to increased shareholder value as well as to enable continued use of repurchased shares in connection with potential acquisitions of companies and for the company's share-related incentive programmes.

On 11 April 2024, the Annual General Meeting decided on a share split, whereby each share shall be divided, regardless of series, into four shares of the same series. The record date for the share split will be 8 May, 2024. The share split will be automatically implemented via Euroclear Sweden AB and no actions are required by the shareholders. After the share split, the total number of shares in Saab will amount to 543,383,388 of which 9,535,612 are A shares and 533,847,776 B shares.

Risks and uncertainties

Saab's operations primarily involve the development, production and supply of technologically advanced hardware and software to military and civilian customers around the world. Operations largely consist of major projects carried out over long periods of time, usually several years, in close cooperation with customers, suppliers, partners and institutions. Projects generally entail significant investments, long periods of time and technological development or refinement of products. In addition to customer and supplier relations, international operations involve joint ventures and collaborations with other industries as well as the establishment of operations abroad. Operations entail risk in various respects. The key risk areas are strategic, market and political, operating, financial and compliance. Various policies and instructions govern the management of material risks. Saab today conducts projects involving a large share of development, and their inherent complexity entails a higher level of risk. Furthermore, the market is characterised by conditions where orders can be deferred to the future partly for financial and political reasons.

The uncertainty in the global supply chain and a higher inflationary environment also entails a risk for Saab and its operations. The challenges primarily relate to the availability of certain raw materials, components and longer lead times, as well as higher general inflation. Some of these are managed through contract management, re-planning and intensified dialogue and negotiations with suppliers.

Risks related to a pandemic outbreak cannot be ruled out and can impact Saab's operations through limited access to customers, employees, disruptions in supply chains, lock-downs in society and deteriorating market conditions in the civil aviation market. The effects from a pandemic may further cause electronics shortages, shipping delays and increased costs. Saab continues to monitor the long-term effects following the COVID-19 pandemic. For a general description of the risk areas, see the Annual Report 2023, pages 36-41.

Risks related to armed conflicts

Saab has no defence related sales exposure to Belarus and Russia, but is closely monitoring the effects on the business from the war in Ukraine. Saab is operating on a highly regulated market and it is essential for Saab as a responsible defence company to comply with all applicable regulations and commitments regarding export control and sanctions, i.e. sanctions from EU, UN, OSCE or other applicable country specific sanctions. Saab's crisis management organisation has an ongoing focus on security, embargo and sanction practises. The conflict in Ukraine and the increased geopolitical tension, has led to increased security measures at Saab. This may lead to increased costs for security to protect Saab's sites, personnel, IT and cyber security.

Furthermore, Saab could be impacted by supply chain risks related to the conflict in the Middle East as the company has a limited number of suppliers in Israel. Saab is monitoring the situation and has mitigating actions in place and is in close dialogue with its suppliers. Saab has no defence related sales exposure to Israel.

Owners

Largest owners, 31 March 2024:

	% of capital	% of votes
Investor AB	30.2	40.3
Wallenberg Investments	8.7	7.6
Swedbank Robur Funds	5.0	4.4
Vanguard	2.6	2.3
BlackRock	2.5	2.2
Norges Bank	1.6	1.4
Schroders	1.5	1.3
Avanza Pension	1.1	1.0
AFA Insurance	1.1	1.0
First Swedish National Pension Fund	1.1	0.9

Source: Modular Finance

The percentage of votes is calculated on the number of shares excluding treasury shares.

Personnel

	31 Mar 2024	31 Dec 2023
Number of employees	22,206	21,479
FTEs	22,335	21,610

Sustainability at Saab

Global challenges such as climate change, human rights, health and inequality can only be fully addressed when societies are safe and resilient. Saab strives for a sustainable business in all aspects of its operations and contributes to sustainable development through responsible business practices as well as driving sustainable innovation together with customers and partners.

Highlights during the quarter

- Saab was recognised for leadership in corporate transparency and performance on climate change by CDP, securing a place on its annual "A List" for 2023. This is an upgrade compared to last year and confirms that Saab is making progress towards its climate targets. Saab also improved its score in CDP Water to an A- for 2023, as a result of improved management of water security.
- During the quarter, Saab launched its updated global and mandatory e-learning "Code of Conduct". It reflects Saab's updated Code of Conduct launched in 2023 and aims at ensuring awareness amongst employees.
- Kockums has initiated a process for sustainable product development, integrating Environmental Conscious Design (ECD), based on the previous Life Cycle Assessment on a standard submarine.

Implementation of the sustainability strategy



With the ambition to be a sustainability leader in the defence sector, Saab is now accelerating the execution of its updated sustainability strategy. To further strengthen governance, each of Saab's business areas now have a designated sustainability coordinator or director. Several business areas have also established Sustainability Councils or other forums, within which the progress of strategy implementation and execution can be effectively monitored, enabling the allocation of necessary resources.

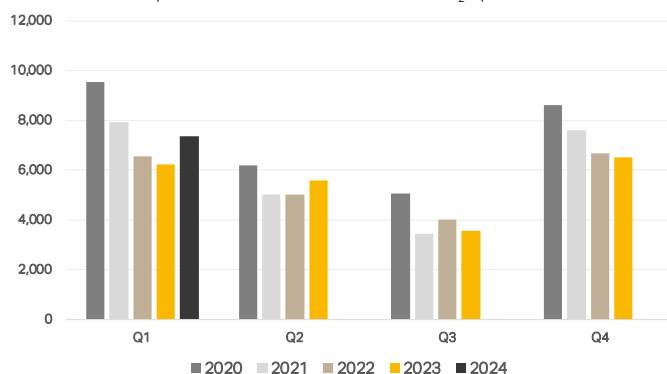
Life Cycle Assessment within submarines

Saab's business area Kockums is currently producing a design guideline for sustainable product development, which means that we can integrate Environmental Conscious Design (ECD) in the organisation. A previously produced Life Cycle Assessment (LCA) on a standard submarine is the basis for the work, and the ECD will be applicable to all of Saab's submarine products. The design guideline enables improvement of the submarines environmental impact throughout its life cycle.

Climate

In the first quarter, Saab's emissions increased by 18 per cent compared to the same quarter last year. The increase is mainly due to increased delivery flights of aircraft, a higher level of flight testing and increased business travel reported in Scope 1. In Scope 2, emissions from district heating increased primarily as a result of increased production at energy-intensive sites as well as lower outdoor temperatures compared to the same period last year.

Quarterly Emissions Scope 1 & 2 Market Based
Comparison Year-over-Year in Tonne CO₂e per Quarter



People

As part of our sustainability strategy, Saab continues to focus on diversity and inclusion to increase the share of women as managers and employees. During the first quarter, the share of women managers increased from 27% to 28% compared to the end of last year. The share of women employees remained at 25%.

In March, Saab hosted a number of girls and non-binary people between the ages 13-19 across our sites, introducing them to engineering. The initiative is part of the "Introduce a Girl to Engineering day", and the participants could, among other things, try Computer-Aided Design (CAD) and Virtual Reality (VR).

For the second consecutive year, Saab strengthened its position in employer branding company Universum's survey of attractive employers in Sweden among students. With this year's result, Saab climbs the list to a second place amongst BSc Engineering students (8th place 2023) as well as taking steps in the IT area (4th place 2024 from 7th place 2023) and remaining in the top 5 within MSc Engineering.

The Lost Time Injury Frequency Rate (LTIFR) and Total Recordable Injury Frequency Rate (TRIFR) decreased compared to previous year as a result of fewer accidents in the quarter. Meanwhile, reported incidents per workplace injury decreased compared to the end of 2023. The reporting of incidents and risk observations remains a focused priority for Saab.

Performance Indicators ¹	Dec 2022	Dec 2023	YTD 2024
Lost Time Injury Frequency Rate (LTIFR) ²	0.84	1.33	1.22
Total Recordable Injury Frequency Rate (TRIFR) ³	2.61	3.57*	3.25
Reported incidents per workplace injury ⁴	4.4	5.0	4.0
Share of women managers	27%	27%	28%
Share of women employees	24%	25%	25%

¹ All performance indicators are global

² Number of lost-time injuries / total hours worked x 1,000,000

³ Number of recordable injuries / total hours worked x 1,000,000

⁴ Increased incidence reporting leads to fewer accidents

* Note: In the year-end report 2023, the reported TRIFR was 3.17. The updated figure above reflects adjustments in classification in Dynamics.

Significant events

January-March 2024

On 22 January, Saab announced it had signed a GlobalEye support contract with the United Arab Emirates. The order value is approximately USD 190 million with a three-year contract period that runs until 2026.

On 23 January, Saab announced it had received an award from Boeing to produce T-7A aft fuselage systems. The order value is USD 101.7 million (approx. SEK 1 billion) and the order was booked in Q4 2023.

On 5 February, Saab announced an order for the anti-armour weapon AT4 from the NATO Support and Procurement Agency (NSPA). The order value is approx. EUR 63 million (approx. SEK 700 million) and deliveries will take place 2026-2027. The order was booked in Q4 2023.

On 15 February, Saab announced it had received an order from the Government of Canada for the short-range air defence system RBS 70 NG. The order value is approx. CAD 227 million (SEK 1.8 billion) with deliveries starting during 2024.

On 23 February, Saab signed a contract with the Swedish Defence Materiel Administration (FMV) and received an order for four additional Gripen C fighter aircraft for Hungary. With this new contract amendment, Hungary will operate a total of 18 Gripen C/D aircraft to protect and defend the Hungarian and NATO airspace.

On 4 March, Saab signed a contract with the Polish Ministry of Defence's procurement authority for delivery of the Carl-Gustaf M4 weapon, ammunition and training equipment. The order value corresponds to SEK 12.9 billion and the contract period is 2024-2027. The order is expected to be booked by Saab before the end of Q2 2024.

On 22 March, Saab received an order from the Swedish Defence Materiel Administration (FMV) regarding concept studies for future fighter systems. The contract period is 2024-2025, and includes conceptual studies of manned and unmanned solutions in a system of system perspective, technology development and demonstrations.

On 25 March, Saab announced it had received an order for the multi-role weapon system Carl-Gustaf from the NATO Support and Procurement Agency (NSPA). The order is placed on behalf of four NATO member nations within a framework agreement between Saab and the NSPA regarding Carl-Gustaf, including ammunition and equipment. The order value is approx. EUR 60 million (SEK 700 million) and the contract period is 2024-2027.

On 26 March, Saab announced it had received an order from Airbus Defence and Space for the Arexis sensor suite for the electronic warfare variant of the German Eurofighters. The contract period is 2024-2026, and marks the start of the first phase of Saab's delivery of Arexis within this programme.

For more information on significant orders received during the period, see page 4 and the comments on the business areas on page 8-10. All press releases can be found on www.saab.com/newsroom.

Events after the conclusion of the period

On 4 April, Saab announced that CFO and Deputy CEO Christian Luiga has decided to leave Saab in order to pursue a new opportunity at a global company in a different industry segment. Christian has a notice period of six months and will stay with Saab until latest 3 October in order to ensure a smooth transition to his successor. The recruitment process to find a successor has been initiated.

On 10 April, Saab announced it has appointed Mikael Adelsberg as Chief Digital Officer and head of the new group function Group Digitalisation. Mikael will become a member of Saab's Group Management and the change will take effect on 1 October at the latest.

On 11 April, Saab held its Annual General Meeting in Linköping, Sweden and the AGM decided on a dividend of SEK 6.40 per share, which is to be paid out in two equal instalments. The AGM also resolved on a share split whereupon each share is divided into four shares. The record date for the share split will be 8 May, 2024 and each shareholder's proportional ownership, including right to dividend, remains the same. The first part of the dividend (SEK 3.20 per share) was paid out on 18 April 2024 and following the share split, the second part (SEK 0.80 per share) will be paid out on 11 October 2024. Read more on www.saab.com/agm.



Major Carl-Gustaf contract with Poland

Saab has signed a contract with the Polish Ministry of Defence's procurement authority for delivery of the Carl-Gustaf® M4 weapon, ammunition and training equipment. The order value corresponds to SEK 12.9 billion and the contract period is 2024-2027.

Saab's Carl-Gustaf is a man-portable, multi-role weapon system with a wide range of ammunition types, making it suitable for a variety of tasks.

Arexis solution for German Eurofighters

The German defence procurement office announced in June 2023 that it had selected Saab's Arexis sensor suite for the Eurofighter EK. Saab has now received the order from Airbus, which will equip 15 of the German Air Force's Eurofighters for electronic warfare (EW) missions with solutions including Saab's Arexis.

Arexis enables the user to detect, locate and identify radar emitters in complex and congested electro magnetic environments.

Consolidated income statement

MSEK	Note	Jan-Mar 2024	Jan-Mar 2023	Rolling 12 Months	Full Year 2023
Sales	4	14,185	11,485	54,309	51,609
Cost of goods sold		-11,100	-8,983	-42,466	-40,349
Gross income		3,085	2,502	11,843	11,260
Gross margin, %		21.7	21.8	21.8	21.8
Other operating income	5	20	283	328	591
Marketing expenses		-694	-641	-2,791	-2,738
Administrative expenses		-585	-450	-2,115	-1,980
Research and development costs		-628	-465	-2,280	-2,117
Other operating expenses		-23	-14	-68	-59
Share of income in associated companies and joint ventures	5	16	-287	-382	-685
Operating income (EBIT) ¹⁾	3	1,191	928	4,535	4,272
Operating margin, %		8.4	8.1	8.4	8.3
Financial income		157	127	812	782
Financial expenses		-339	-125	-850	-636
Net financial items		-182	2	-38	146
Income before taxes		1,009	930	4,497	4,418
Taxes		-225	-195	-1,005	-975
Net income for the period		784	735	3,492	3,443
of which Parent Company's shareholders' interest		770	732	3,419	3,381
of which non-controlling interest		14	3	73	62
Earnings per share before dilution, SEK ²⁾		5.77	5.52	25.69	25.44
Earnings per share after dilution, SEK ³⁾		5.71	5.45	25.39	25.16
1) Of which depreciation/amortisation and write-downs		-628	-556	-2,358	-2,286
2) Average number of shares before dilution		133,353,808	132,579,931	133,077,377	132,883,908
3) Average number of shares after dilution		134,883,160	134,370,647	134,654,675	134,377,832

Consolidated statement of comprehensive income

MSEK	Jan-Mar 2024	Jan-Mar 2023	Rolling 12 Months	Full Year 2023
Net income for the period	784	735	3,492	3,443
Other comprehensive income/loss:				
Items that will not be reversed in the income statement:				
Revaluation of net pension obligations	1,161	-167	646	-682
Tax attributable to revaluation of net pension obligations	-239	35	-134	140
Equity instruments classified as measured at fair value through other comprehensive income	36	-0	-3	-39
Tax attributable to equity instruments classified as measured at fair value through other comprehensive income	-7	0	1	8
Total	951	-132	510	-573
Items that may be reversed in the income statement:				
Translation differences	353	-171	102	-422
Cash flow hedges	-1,035	-46	-182	807
Tax attributable to cash flow hedges	207	9	28	-170
Total	-475	-208	-52	215
Other comprehensive income/loss for the period	476	-340	458	-358
Net comprehensive income/loss for the period	1,260	395	3,950	3,085
of which Parent Company's shareholders' interest	1,234	394	3,878	3,038
of which non-controlling interest	26	1	72	47

Consolidated statement of financial position

MSEK	Note	31 Mar 2024	31 Dec 2023	31 Mar 2023
ASSETS				
Fixed assets:				
Intangible fixed assets	7	13,049	12,941	12,273
Tangible fixed assets		10,315	9,501	8,236
Biological assets		405	414	408
Right of use assets		2,641	2,554	2,574
Shares in associated companies and joint ventures		271	253	309
Financial investments		1,143	1,102	278
Long-term receivables		458	515	557
Deferred tax assets		526	482	395
Total fixed assets		28,808	27,762	25,030
Current assets:				
Inventories		18,484	16,786	15,197
Derivatives		966	1,656	1,483
Tax receivables		61	51	167
Accounts receivable		7,058	7,244	4,953
Contract assets		14,379	12,316	11,523
Other receivables		2,353	2,192	1,364
Prepaid expenses and accrued income		1,873	1,283	1,186
Short-term investments		8,464	11,340	12,688
Liquid assets	11	2,336	2,129	2,918
Total current assets		55,974	54,997	51,479
TOTAL ASSETS		84,782	82,759	76,509
SHAREHOLDERS' EQUITY AND LIABILITIES				
Shareholders' equity:				
Parent Company's shareholders' interest		33,322	32,035	29,927
Non-controlling interest		353	327	372
Total shareholders' equity		33,675	32,362	30,299
Long-term liabilities:				
Long-term lease liabilities		2,133	2,078	2,114
Other long-term interest-bearing liabilities	8	6,923	6,915	6,748
Other liabilities		272	210	141
Provisions for pensions	13	653	1,872	1,407
Other provisions		2,828	2,888	2,664
Deferred tax liabilities		1,514	1,432	1,125
Total long-term liabilities		14,323	15,395	14,199
Current liabilities:				
Short-term lease liabilities		640	597	562
Other short-term interest-bearing liabilities	8	113	453	205
Contract liabilities		16,772	16,553	15,125
Accounts payable		5,668	6,080	4,311
Derivatives		1,570	1,111	1,487
Tax liabilities		177	235	243
Other liabilities		1,208	1,083	827
Accrued expenses and deferred income		9,707	8,015	8,395
Provisions		929	875	856
Total current liabilities		36,784	35,002	32,011
Total liabilities		51,107	50,397	46,210
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		84,782	82,759	76,509

Consolidated statement of changes in equity

MSEK	Capital stock	Other capital contributions	Net result of cash flow hedges	Translation reserve	Retained earnings	Total parent company's shareholders' interest	Non-controlling interest	Total shareholders' equity
Opening balance, 1 January 2023	2,174	6,099	176	1,192	19,845	29,486	390	29,876
Net comprehensive income/loss for the period January-March 2023			-37	-169	600	394	1	395
Transactions with shareholders:								
Share matching plan					47	47		47
Dividend					-	-	-19	-19
Closing balance, 31 March 2023	2,174	6,099	139	1,023	20,492	29,927	372	30,299
Net comprehensive income/loss for the period April-December 2023			674	-238	2,208	2,644	46	2,690
Transactions with shareholders:								
Share matching plan					167	167		167
Dividend					-703	-703	-101	-804
Acquisition and sale of non-controlling interest					-	-	10	10
Closing balance, 31 December 2023	2,174	6,099	813	785	22,164	32,035	327	32,362
Opening balance, 1 January 2024	2,174	6,099	813	785	22,164	32,035	327	32,362
Net comprehensive income/loss for the period January-March 2024			-828	341	1,721	1,234	26	1,260
Transactions with shareholders:								
Share matching plan					53	53		53
Closing balance, 31 March 2024	2,174	6,099	-15	1,126	23,938	33,322	353	33,675

Consolidated statement of cash flows

MSEK	Note	Jan-Mar 2024	Jan-Mar 2023	Full Year 2023
Operating activities:				
Income after financial items		1,009	930	4,418
Adjustments for items not affecting cash flows		725	630	2,950
Dividend from associated companies and joint ventures		-	-	36
Income tax paid		-280	-228	-856
Cash flow from operating activities before changes in working capital		1,454	1,332	6,548
Cash flow from changes in working capital:				
Contract assets and liabilities		-1,771	2,100	2,915
Inventories		-1,595	-1,020	-2,691
Other current receivables		-278	1,064	-1,922
Other current liabilities		1,284	274	2,020
Provisions		-147	-3	-408
Cash flow from operating activities		-1,053	3,747	6,462
Investing activities:				
Capitalised development costs		-116	-125	-547
Investments in other intangible fixed assets		-46	-108	-484
Investments in tangible fixed assets		-998	-524	-2,507
Sales and disposals of tangible fixed assets including biological assets		21	15	4
Investments in and sale of short-term investments		2,886	-2,704	-1,233
Investments in financial assets, associated companies and joint ventures		-2	-141	-1,268
Investments in operations		-15	-	-262
Sale of subsidiaries and other operations		-	307	382
Cash flow from investing activities		1,730	-3,280	-5,915
Financing activities:				
Repayments of loans		-341	-248	-1,075
Amortisation of lease liabilities		-180	-159	-586
Raising of loans		-	-	1,250
Dividend paid to Parent Company's shareholders		-	-	-703
Dividend paid to non-controlling interest		-	-	-126
Transactions with non-controlling interest		-	-	10
Cash flow from financing activities		-521	-407	-1,230
Cash flow for the period		156	60	-683
Liquid assets at the beginning of the period		2,129	2,869	2,869
Exchange rate difference in liquid assets		51	-11	-57
Liquid assets at end of period	11	2,336	2,918	2,129

Quarterly consolidated income statement

MSEK	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022
Sales	14,185	16,122	11,527	12,475	11,485	13,866	8,751	10,171
Cost of goods sold	-11,100	-12,605	-9,046	-9,715	-8,983	-11,017	-6,870	-8,049
Gross income	3,085	3,517	2,481	2,760	2,502	2,849	1,881	2,122
Gross margin, %	21.7	21.8	21.5	22.1	21.8	20.5	21.5	20.9
Other operating income	20	179	15	114	283	101	43	69
Marketing expenses	-694	-777	-633	-687	-641	-582	-561	-638
Administrative expenses	-585	-596	-443	-491	-450	-463	-334	-384
Research and development costs	-628	-624	-506	-522	-465	-529	-433	-439
Other operating expenses	-23	22	-26	-41	-14	5	-20	6
Share of income in associated companies and joint ventures	16	-301	-29	-68	-287	-68	-8	2
Operating income (EBIT) ¹⁾	1,191	1,420	859	1,065	928	1,314	568	738
Operating margin, %	8.4	8.8	7.5	8.5	8.1	9.5	6.5	7.3
Financial income	157	334	148	173	127	42	68	52
Financial expenses	-339	-131	-154	-226	-125	-7	-201	-240
Net financial items	-182	203	-6	-53	2	35	-133	-188
Income before taxes	1,009	1,623	853	1,012	930	1,349	435	550
Taxes	-225	-369	-197	-214	-195	-195	-111	-117
Net income for the period	784	1,254	656	798	735	1,154	324	433
of which Parent Company's shareholders' interest	770	1,223	652	774	732	1,115	305	421
of which non-controlling interest	14	31	4	24	3	39	19	12
Earnings per share before dilution, SEK ²⁾	5.77	9.18	4.90	5.83	5.52	8.42	2.31	3.19
Earnings per share after dilution, SEK ³⁾	5.71	9.08	4.84	5.76	5.45	8.32	2.28	3.15
1) Of which depreciation/amortisation and write-downs	-628	-612	-565	-553	-556	-569	-547	-517
2) Average number of shares before dilution	133,353,808	133,160,239	132,998,278	132,797,185	132,579,931	132,417,754	132,257,777	132,067,095
3) Average number of shares after dilution	134,883,160	134,657,809	134,586,542	134,491,190	134,370,647	134,058,461	133,842,175	133,782,303

Quarterly consolidated statement of comprehensive income

MSEK	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022
Net income for the period	784	1,254	656	798	735	1,154	324	433
Other comprehensive income/loss:								
Items that will not be reversed in the income statement:								
Revaluation of net pension obligations	1,161	-1,377	161	701	-167	1,173	165	1,978
Tax attributable to revaluation of net pension obligations	-239	283	-33	-145	35	-245	-33	-407
Equity instruments classified as measured at fair value through other comprehensive income	36	-41	0	2	-0	-1	-	-
Tax attributable to equity instruments classified as measured at fair value through other comprehensive income	-7	8	-0	-0	0	0	-	-
Total	951	-1,127	128	558	-132	927	132	1,571
Items that may be reversed in the income statement:								
Translation differences	353	-515	-47	311	-171	-268	401	414
Net gain/loss on cash flow hedges	-1,035	982	23	-152	-46	273	-141	-84
Tax attributable to net gain/loss on cash flow hedges	207	-206	-5	32	9	-57	31	18
Total	-475	261	-29	191	-208	-52	291	348
Other comprehensive income/loss for the period	476	-866	99	749	-340	875	423	1,919
Net comprehensive income/loss for the period	1,260	388	755	1,547	395	2,029	747	2,352
of which Parent Company's shareholders' interest	1,234	386	749	1,509	394	2,006	707	2,321
of which non-controlling interest	26	2	6	38	1	23	40	31

Key ratios by quarter

MSEK	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022
Equity/assets ratio, (%)	39.7	39.1	40.3	40.2	39.6	41.3	39.3	38.7
Return on capital employed, % ³⁾	12.6	11.9	11.4	10.5	9.6	8.8	8.4	8.1
Return on equity, % ³⁾	10.9	11.1	11.2	10.4	9.5	8.6	7.6	7.8
Equity per share, SEK ^{1) 3)}	249.68	240.42	237.38	231.59	225.57	222.55	207.25	201.55
Free cash flow, MSEK ³⁾	-2,389	2,559	-2,554	-1,564	3,125	1,439	398	395
Free cash flow per share after dilution, SEK ^{2) 3)}	-17.71	19.00	-18.98	-11.63	23.26	10.73	2.97	2.95
1) Number of shares excluding treasury shares	133,460,300	133,247,315	133,073,163	132,923,392	132,670,977	132,488,884	132,346,624	132,168,930
2) Average number of shares after dilution	134,883,160	134,657,809	134,586,542	134,491,190	134,370,647	134,058,461	133,842,175	133,782,303
3) For more information and explanations regarding the usage of these key ratios, please see www.saab.com/investors/financials/financial-data								

Quarterly information per operating segment

MSEK	Q1 2024	Operating margin	Q4 2023	Operating margin	Q3 2023	Operating margin	Q2 2023	Operating margin
Sales								
Aeronautics	4,047		4,152		3,135		3,397	
Dynamics	2,622		3,800		2,453		2,417	
Surveillance	4,989		5,777		4,149		4,739	
Kockums	1,966		2,027		1,386		1,433	
Combitech	1,049		1,117		816		1,023	
Corporate/elimination	-488		-751		-412		-534	
Total	14,185		16,122		11,527		12,475	
Operating income/loss								
Aeronautics	276	6.8%	212	5.1%	148	4.7%	187	5.5%
Dynamics	367	14.0%	596	15.7%	382	15.6%	353	14.6%
Surveillance	405	8.1%	705	12.2%	324	7.8%	451	9.5%
Kockums	132	6.7%	192	9.5%	73	5.3%	84	5.9%
Combitech	122	11.6%	111	9.9%	43	5.3%	75	7.3%
Corporate	-111		-396		-111		-85	
Total	1,191	8.4%	1,420	8.8%	859	7.5%	1,065	8.5%
MSEK	Q1 2023	Operating margin	Q4 2022	Operating margin	Q3 2022	Operating margin	Q2 2022	Operating margin
Sales								
Aeronautics	3,070		4,258		2,555		3,073	
Dynamics	2,490		2,782		1,741		1,927	
Surveillance	3,894		4,793		3,152		3,562	
Kockums	1,468		1,634		914		1,172	
Combitech	966		1,035		703		866	
Corporate/elimination	-403		-636		-314		-429	
Total	11,485		13,866		8,751		10,171	
Operating income/loss								
Aeronautics	163	5.3%	257	6.0%	60	2.3%	178	5.8%
Dynamics	427	17.1%	618	22.2%	434	24.9%	401	20.8%
Surveillance	554	14.2%	520	10.8%	199	6.3%	223	6.3%
Kockums	83	5.7%	103	6.3%	-57	-6.2%	62	5.3%
Combitech	111	11.5%	95	9.2%	36	5.1%	55	6.4%
Corporate	-410		-279		-104		-181	
Total	928	8.1%	1,314	9.5%	568	6.5%	738	7.3%

Multi-year overview

MSEK	2023	2022	2021	2020	2019
Order bookings	77,811	63,116	43,569	42,328	27,216
Order backlog at 31 December	153,409	127,676	105,177	99,816	93,293
Sales	51,609	42,006	39,154	35,431	35,433
<i>Sales in Sweden, %</i>	42	42	38	36	37
<i>Sales in Europe excluding Sweden, %</i>	23	19	17	18	16
<i>Sales in North America, %</i>	11	11	11	11	11
<i>Sales in Latin America, %</i>	7	9	15	13	12
<i>Sales in Rest of the World, %</i>	16	19	19	22	24
<i>Sales in Undisclosed country, %</i>	1	-	-	-	-
<i>Organic sales growth, %</i>	23	5	11	1	6
Operating income (EBIT)	4,272	3,274	2,888	1,315	2,937
<i>Operating margin, %</i>	8.3	7.8	7.4	3.7	8.3
Adjusted operating income	4,272	3,274	2,888	2,738	2,937
<i>Adjusted operating margin, %</i>	8.3	7.8	7.4	7.4	8.3
Depreciation/amortisation and write-downs	2,286	2,127	1,938	1,518	1,368
EBITDA	6,558	5,401	4,826	2,833	4,305
<i>EBITDA margin, %</i>	12.7	12.9	12.3	8.0	12.1
Income after financial items	4,418	2,819	2,577	1,112	2,607
Net income for the year	3,443	2,283	2,025	1,092	2,025
Total assets	82,759	72,365	65,039	60,568	59,858
Equity	32,362	29,876	23,249	21,644	20,809
Free cash flow ¹⁾	1,566	1,871	2,737	3,753	-2,036
<i>Cash conversion, % ³⁾</i>	74	79	113	101 ²⁾	-44
<i>Return on capital employed, % ¹⁾</i>	11.9	8.8	8.1	4.3	9.1
<i>Return on equity, % ¹⁾</i>	11.1	8.6	9.0	5.1	10.0
<i>Equity/assets ratio, %</i>	39.1	41.3	35.7	35.7	34.8
Earnings per share before dilution, SEK ¹⁾	25.44	16.61	14.57	8.07	14.88
Earnings per share after dilution, SEK ¹⁾	25.16	16.41	14.45	8.01	14.81
Dividend per share, SEK	6.40	5.30	4.90	4.70	-
Equity per share, SEK ¹⁾	240.42	222.55	174.31	162.32	154.48
Number of employees at year-end	21,479	19,002	18,153	18,073	17,420
Number of shares excluding treasury shares as of 31 December	133,247,315	132,488,884	131,810,178	132,247,073	132,926,363
Average number of shares before dilution	132,883,908	132,157,586	132,164,599	133,009,986	133,245,360
Average number of shares after dilution	134,377,832	133,724,223	133,293,340	133,877,141	133,929,292

1) For more information and explanations regarding the usage of these key ratios, please see www.saab.com/investors/financials/financial-data

2) Adjusted for items affecting comparability

3) Cash conversion = operational cash flow / operating income

Parent company

The Parent Company includes units within the business areas Aeronautics, Dynamics, Surveillance as well as one unit within Combitech. Group staff and Group support are also included. A major part of the Group's operations is included in the Parent Company. Separate notes to the Parent Company's financial statements and a separate description of risks and uncertainties for the Parent Company have therefore not been included in this interim report.

Parent company income statement

MSEK	Jan-Mar 2024	Jan-Mar 2023	Full Year 2023
Sales	8,598	6,397	29,204
Cost of goods sold	-7,322	-5,411	-23,993
Gross income	1,276	986	5,211
Gross margin, %	14.8	15.4	17.8
Operating income and expenses	-987	-998	-3,909
Operating income (EBIT)	289	-12	1,302
Operating margin, %	3.4	-0.2	4.5
Financial income and expenses	72	-30	2,038
Income after financial items	361	-42	3,340
Appropriations	-	-	-617
Income before taxes	361	-42	2,723
Taxes	-99	-4	-616
Net income for the period	262	-46	2,107

Parent company balance sheet

MSEK	Note	31 Mar 2024	31 Dec 2023	31 Mar 2023
ASSETS				
Fixed assets:				
Intangible fixed assets		1,171	1,174	988
Tangible fixed assets		5,752	5,376	4,963
Financial fixed assets		8,712	8,555	7,679
Total fixed assets		15,635	15,105	13,630
Current assets:				
Inventories		10,939	10,651	9,183
Current receivables		22,321	21,026	15,442
Short term investments		8,393	11,283	12,679
Liquid assets		1,241	753	1,897
Total current assets		42,894	43,713	39,201
TOTAL ASSETS		58,529	58,818	52,831
SHAREHOLDERS' EQUITY AND LIABILITIES				
Equity:				
Restricted equity		3,354	3,354	3,360
Unrestricted equity		14,072	13,756	12,123
Total shareholders' equity		17,426	17,110	15,483
Untaxed reserves, provisions and liabilities:				
Untaxed reserves		3,926	3,926	3,309
Provisions		2,860	2,677	2,642
Liabilities	8	34,317	35,105	31,397
Total untaxed reserves, provisions and liabilities		41,103	41,708	37,348
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		58,529	58,818	52,831

Liquidity, financing, capital expenditures and number of employees

The Parent Company's net liquidity amounted to SEK 102 million as of 31 March 2024 compared to a net liquidity of SEK 2,635 million at 31 December 2023. Investments in tangible fixed assets amounted to SEK 523 million (230). Investments in intangible assets amounted to SEK 44 million (32). At the end of the period, the Parent Company had 11,240 employees compared to 10,970 at the beginning of the year.

Notes to the financial statements

Note 1 Corporate information

Saab AB (publ.), corporate identity no. 556036-0793, has its registered office in Linköping, Sweden. The company's head office is located at Olof Palmes gata 17, 5tr, SE-111 22 Stockholm, Sweden, telephone number +46-8-463 00 00. Saab's B shares are listed on Nasdaq Stockholm since 1998 and on the large cap list as of October 2006. The company's operations, including subsidiaries, associated companies and joint ventures, are described in the Annual and Sustainability Report 2023.

Note 2 Accounting principles

The consolidated accounts for the first quarter 2024 have been prepared in accordance with IAS 34 Interim Reporting and the Annual Accounts Act. The Parent Company's accounts have been prepared in accordance with the Annual Accounts Act and the Swedish Corporate Reporting Board's recommendation RFR 2, Accounting for Legal Entities. The Group's and the Parent Company's accounting principles are described on pages 112-114, and concerning significant income statement and balance sheet items, in each note disclosure in the Annual Report 2023.

The interim report is condensed and does not contain all the information and disclosures in the annual report and should therefore be read together with the Annual Report 2023. All information on pages 1-30 constitutes the interim report for the first quarter 2024.

The Group and the Parent Company use the accounting principles and calculation methods as described in the Annual Report 2023. Important estimates and assumptions are disclosed in note 2 in the Annual Report 2023.

Note 3 Segment reporting

Saab is a leading high-technology company, with its main operations in defence, aviation and civil security. Operations are primarily focused on well-defined areas in defence electronics, missile systems, and naval systems as well as military and commercial aviation. Saab is also active in technical services and maintenance. Saab has a strong position in Sweden and the main part of sales is generated in Europe. In addition, Saab has a local presence in Australia, the U.S., South Africa, and in other selected countries. Saab's operating and management structure is divided into four business areas, which are also operating segments: Aeronautics, Dynamics, Surveillance and Kockums. In addition, Combitech, which provides consulting services, is an independent, wholly owned subsidiary of Saab. Corporate comprises Group staff and departments, a minority portfolio containing Saab's ownership interests in companies in various stages of development as well as other operations outside the core operations. The Group's operating segments recognise all lease contracts as expenses on a straight-line basis over the lease term.

Due to the structural change where business unit Underwater Systems has been transferred from business area Dynamics to Kockums as of 1 January 2024, 2023 has been restated. Proforma statements are available at saab.com/investors/financials/financial-data.

Aeronautics

Aeronautics is a world-leading manufacturer of innovative aerial systems and is engaged in development of military aviation technology. It also conducts long-term future studies of manned and unmanned aircraft as preparation for new systems and further development of existing products.

Dynamics

Dynamics offers a market-leading product portfolio comprising ground combat weapons, missile systems, systems for training and simulation, signature management systems for armed forces around the world, and niche products for the civil and defence markets.

Surveillance

Surveillance provides efficient solutions for safety and security, for surveillance and decision support, and for threat detection, location, and protection. The portfolio covers airborne, ground-based and naval radar, electronic warfare and combat systems and C4I solutions.

Kockums

Kockums develops, delivers, and maintains world-class solutions for naval environments. Its portfolio includes submarines with the Stirling system for air independent propulsion, surface combatants, mine hunting

systems, autonomous vessels, torpedoes and unmanned underwater vehicles. Kockums' unique competence is in signature management, impact strength and advanced stealth technology.

Combitech

Combitech is an independent subsidiary of Saab and from 1 July 2021 reported as an operating segment outside the business area structure within Saab Group. Combitech is one of the largest technology consulting firms in Sweden, combining technology with cutting-edge expertise to create solutions for its customers' specific needs. Combitech is active in aviation, defence, telecom and other industries as well as the public sector. Combitech offers services in systems development, systems integration, information security, systems security, communications, mechanics, technical product information and logistics.

Order bookings per operating segment

MSEK	Jan-Mar 2024	Jan-Mar 2023	Change, %	Rolling 12 Months	Full Year 2023
Aeronautics	5,142	1,426	261	21,827	18,111
Dynamics	5,591	9,313	-40	22,987	26,709
Surveillance	5,929	4,872	22	24,944	23,887
Kockums	1,352	790	71	8,059	7,497
Combitech	1,083	1,081	0	4,293	4,291
Corporate/elimination	-602	-464		-2,822	-2,684
Total	18,495	17,018	9	79,288	77,811

Order bookings per region

MSEK	Jan-Mar 2024	Jan-Mar 2023	Change, %	Full Year 2023
Sweden	4,701	3,158	49	28,306
Rest of Europe	7,095	2,171	227	15,631
North America	2,535	1,503	69	9,226
Latin America	726	27	2,589	1,563
Asia	2,700	581	365	6,075
Africa	332	34	876	73
Australia, etc.	406	1,033	-61	3,147
Undisclosed country	-	8,511	-100	13,790
Total	18,495	17,018	9	77,811

Order backlog per operating segment

MSEK	31 Mar 2024	31 Dec 2023	31 Mar 2023
Aeronautics	48,103	46,995	41,001
Dynamics	46,195	43,103	34,440
Surveillance	47,167	45,780	41,730
Kockums	16,447	17,031	15,248
Combitech	1,631	1,595	1,343
Corporate/elimination	-1,174	-1,095	-1,100
Total	158,369	153,409	132,662

Order backlog per region

MSEK	31 Mar 2024	31 Dec 2023	31 Mar 2023
Sweden	54,516	55,314	46,425
Rest of Europe	44,272	40,636	36,645
North America	12,864	11,510	8,363
Latin America	17,685	17,878	19,362
Asia	11,091	9,600	7,767
Africa	818	535	572
Australia etc.	4,188	4,638	5,017
Undisclosed country	12,935	13,298	8,511
Total	158,369	153,409	132,662

Sales per operating segment

MSEK	Jan-Mar 2024	Jan-Mar 2023	Change, %	Rolling % 12 Months	Full Year 2023
Aeronautics	4,047	3,070	32	14,731	13,754
Dynamics	2,622	2,490	5	11,292	11,160
Surveillance	4,989	3,894	28	19,654	18,559
Kockums	1,966	1,468	34	6,812	6,314
Combitech	1,049	966	9	4,005	3,922
Corporate/elimination	-488	-403		-2,185	-2,100
Total	14,185	11,485	24	54,309	51,609

Sales per region

MSEK	Jan-Mar 2024	% of sales	Jan-Mar 2023	% of sales	Full Year 2023	% of sales
Sweden	5,503	39	5,254	46	21,614	42
Rest of Europe	3,582	25	2,135	19	11,913	23
North America	1,501	11	1,248	11	5,607	11
Latin America	922	6	670	6	3,690	7
Asia	1,345	9	1,152	10	4,759	9
Africa	50	0	34	0	109	0
Australia, etc.	919	6	992	9	3,425	7
Undisclosed country	363	3	-	-	492	1
Total	14,185	100	11,485	100	51,609	100

Information on large customers

During the first quarter 2024, Saab had one customer that separately accounted for 10 per cent or more of the Group's sales. The Swedish Defence is a customer of all business areas and total sales amounted to SEK 4,799 million (3,603).

Seasonal variation

A major part of Saab's business is related to large projects where the revenue is recognised by using the percentage of completion method. The costs incurred in these projects are normally lower during the third quarter compared to other quarters. The fourth quarter is also usually affected by a higher number of deliveries, mainly within Dynamics.

Operating income per operating segment

MSEK	Jan-Mar 2024	% of sales	Jan-Mar 2023	% of sales	Rolling % 12 Months	Full Year 2023
Aeronautics	276	6.8	163	5.3	823	710
Dynamics	367	14.0	427	17.1	1,698	1,758
Surveillance	405	8.1	554	14.2	1,885	2,034
Kockums	132	6.7	83	5.7	481	432
Combitech	122	11.6	111	11.5	351	340
Group segments' operating income	1,302	9.2	1,338	11.6	5,238	5,274
Corporate	-111		-410		-703	-1,002
Total	1,191	8.4	928	8.1	4,535	4,272

Depreciation/amortisation and write-downs per operating segment

MSEK	Jan-Mar 2024	Jan-Mar 2023	Change, %	Rolling % 12 Months	Full Year 2023
Aeronautics	56	49	14	213	206
Dynamics	28	23	22	103	98
Surveillance	228	214	7	913	899
Kockums	11	10	10	38	37
Combitech	3	2	50	11	10
Corporate	302	258	17	1,080	1,036
Total	628	556	13	2,358	2,286

Operational cash flow per operating segment

MSEK	Jan-Mar 2024	Jan-Mar 2023	Rolling % 12 Months	Full Year 2023
Aeronautics	-824	82	-1,276	-370
Dynamics	-996	1,914	327	3,237
Surveillance	-436	745	-28	1,153
Kockums	920	703	-37	-254
Combitech	135	138	384	387
Corporate	-797	-510	-1,283	-996
Total	-1,998	3,072	-1,913	3,157

Capital employed per operating segment

MSEK	31 Mar 2024	31 Dec 2023	31 Mar 2023
Aeronautics	11,514	10,403	9,872
Dynamics	4,855	4,346	3,567
Surveillance	11,869	11,676	10,518
Kockums	2,293	3,011	2,096
Combitech	1,028	1,101	1,065
Corporate/elimination	12,489	13,417	13,977
Total	44,048	43,954	41,095

Full time equivalents (FTEs) per operating segment

Number at end of the period	31 Mar 2024	31 Dec 2023	31 Mar 2023
Aeronautics	5,644	5,568	5,203
Dynamics	3,705	3,557	3,135
Surveillance	6,500	6,275	5,822
Kockums	2,240	2,140	1,909
Combitech	2,243	2,242	2,075
Corporate	2,003	1,828	1,507
Total	22,335	21,610	19,651

Note 4 Distribution of sales

MSEK	Aeronautics		Dynamics		Surveillance		Kockums		Combitech		Corporate/ elimination		Group	
	Jan-Mar 2024	Jan-Mar 2023	Jan-Mar 2024	Jan-Mar 2023	Jan-Mar 2024	Jan-Mar 2023	Jan-Mar 2024	Jan-Mar 2023	Jan-Mar 2024	Jan-Mar 2023	Jan-Mar 2024	Jan-Mar 2023	Jan-Mar 2024	Jan-Mar 2023
External sales	4,030	3,049	2,567	2,442	4,874	3,804	1,938	1,450	688	675	88	65	14,185	11,485
Internal sales	17	21	55	48	115	90	28	18	361	291	-576	-468	-	-
Total sales	4,047	3,070	2,622	2,490	4,989	3,894	1,966	1,468	1,049	966	-488	-403	14,185	11,485
Sales by customer:														
Military customers	3,779	2,838	2,515	2,407	4,414	3,327	1,816	1,393	328	310	28	41	12,880	10,316
Civilian customers	251	211	52	35	460	477	122	57	360	365	60	24	1,305	1,169
Total external sales	4,030	3,049	2,567	2,442	4,874	3,804	1,938	1,450	688	675	88	65	14,185	11,485
Sales by significant source:														
Long-term customer contracts	3,772	2,586	1,333	849	3,249	2,633	1,026	941	-	-	39	42	9,419	7,051
Services	194	390	403	334	937	755	409	307	610	623	31	19	2,584	2,428
Products	64	73	831	1,259	688	416	503	202	78	52	18	4	2,182	2,006
Total external sales	4,030	3,049	2,567	2,442	4,874	3,804	1,938	1,450	688	675	88	65	14,185	11,485
Sales by domain:														
Air	3,700	2,765	90	59	1,750	1,666	-	-	11	12	10	14	5,561	4,516
Land	42	28	2,213	2,147	1,171	654	-	-	327	317	6	7	3,759	3,153
Naval	3	2	248	228	1,472	981	1,938	1,450	2	1	47	23	3,710	2,685
Civil Security	4	15	5	7	476	497	-	-	91	97	19	15	595	631
Commercial Aeronautics	278	239	-	-	2	-	-	-	-	3	4	3	284	245
Other/not distributed	3	-	11	1	3	6	-	-	257	245	2	3	276	255
Total external sales	4,030	3,049	2,567	2,442	4,874	3,804	1,938	1,450	688	675	88	65	14,185	11,485
Sales recognition method:														
Over time	3,548	2,696	1,615	1,134	3,621	2,928	1,828	1,370	688	675	51	49	11,351	8,852
Point in time	482	353	952	1,308	1,253	876	110	80	-	-	37	16	2,834	2,633
Total external sales	4,030	3,049	2,567	2,442	4,874	3,804	1,938	1,450	688	675	88	65	14,185	11,485

Note 5 Items affecting comparability

Item affecting comparability	Business Area	Line item	Jan-Mar 2024	Jan-Mar 2023	Full Year 2023
Write-down of associated companies	Corporate	Share of income in associated companies and joint ventures	-	-260	-494
Capital gain from the divestment of MTM operations	Surveillance	Other operating income	-	270	270
Capital gain from divestment of property	Corporate	Other operating income	-	-	58
Negative goodwill from a preliminary purchase price allocation	Corporate	Other operating income	-	-	144
Total			-	10	-22

The items affecting comparability in the comparison periods are included in the operating income of the group. Operating income adjusted for items affecting comparability was not reported for the full year 2023 or the first quarter 2023.

Note 6 Dividend to Parent Company's shareholders

The Annual General Meeting 2024 held on 11 April decided on a dividend to the Parent Company's shareholders of SEK 6.40 per share, corresponding to a total dividend of SEK 853 million. The dividend is paid out in two equal instalments. Record date for the first instalment was 15 April 2024 and the dividend was paid out on 18 April 2024. At the second instalment, SEK 0.80 per share (after implementation of the share split 4:1) will be paid on 11 October 2024 with the record date 8 October 2024.

Note 7 Intangible fixed assets

MSEK	31 Mar 2024	31 Dec 2023	31 Mar 2023
Goodwill	5,517	5,424	5,371
Capitalised development costs	6,108	6,106	5,927
Other intangible assets	1,424	1,411	975
Total	13,049	12,941	12,273

Note 8 Net liquidity/debt

MSEK	31 Mar 2024	31 Dec 2023	31 Mar 2023
Assets:			
Liquid assets	2,336	2,129	2,918
Short-term investments	8,464	11,340	12,688
Total liquid investments	10,800	13,469	15,606
Short-term interest-bearing receivables	74	73	73
Long-term interest-bearing receivables	275	333	423
Long-term receivables attributable to pensions	59	59	19
Total interest-bearing assets	11,208	13,934	16,121
Liabilities:			
Lease liabilities	2,773	2,675	2,676
Bonds and other debt instruments	6,922	7,270	6,798
Liabilities to associated companies and joint ventures	53	49	48
Other interest-bearing liabilities	60	48	107
Provisions for pensions ¹⁾	564	1,549	1,166
Total interest-bearing liabilities and provisions for pensions	10,372	11,591	10,795
Net liquidity (+) / net debt (-)	836	2,343	5,326

1) Excluding provisions for special employers' contribution attributable to pensions.

Committed credit lines

MSEK	Facilities	Drawings	Available
Revolving credit facility (Maturity 2026 SEK 4 billion, 2025, SEK 2 billion)	6,000	-	6,000
Overdraft facility (Maturity 2024)	92	39	53
Total	6,092	39	6,053

Parent Company

MSEK	31 Mar 2024	31 Dec 2023	31 Mar 2023
Long-term bonds and other debt instruments	6,870	6,870	6,704
Short-term bonds and other debt instruments	-	400	88
Total	6,870	7,270	6,792

Since 2009, Saab has a Medium Term Note (MTN) programme to enable issuance of bonds in the capital market. During 2018 the MTN programme was increased to SEK 10,000 million. A major part of the bonds are issued as Floating Rate Notes (FRN). During the first quarter, loans with short maturity amounting to SEK 400 million were repurchased. No new bonds were issued. Bonds outstanding within the MTN programme amounted to SEK 6,870 million at the end of the first quarter 2024.

No revolving credit facilities have been utilised during the period.

Note 9 Capital employed

MSEK	31 Mar 2024	31 Dec 2023	31 Mar 2023
Total assets	84,782	82,759	76,509
Less non-interest bearing liabilities	40,734	38,805	35,414
Capital employed	44,048	43,954	41,095

Note 10 Financial instruments

Classification and categorisation of financial assets and liabilities²⁾

Carrying amount	31 Mar 2024	31 Dec 2023	31 Mar 2023
Financial assets:			
Valued at amortised cost ⁴⁾ :			
Accounts receivable, contract assets and other receivables	23,595	21,144	17,977
Liquid assets	2,336	2,129	2,918
Long-term receivables	399	456	539
Valued at fair value through profit and loss ³⁾ :			
Short-term investments	8,464	11,340	12,688
Derivatives for trading	17	81	40
Financial investments	228	223	226
Valued at fair value through other comprehensive income ³⁾ :			
Derivatives identified as hedges	949	1,575	1,443
Equity investments elected to be classified as fair value through other comprehensive income	915	879	52
Total financial assets	36,903	37,827	35,883
Financial liabilities:			
Valued at amortised cost:			
Interest-bearing liabilities ¹⁾	9,809	10,043	9,629
Other liabilities ⁴⁾	13,492	12,426	10,888
Valued at fair value through profit and loss ³⁾ :			
Contingent consideration payable	130	123	-
Derivatives for trading	34	8	25
Valued at fair value through other comprehensive income ³⁾ :			
Derivatives identified as hedges	1,536	1,103	1,462
Total financial liabilities	25,001	23,703	22,004
¹⁾ Fair value	10,007	9,840	9,481

²⁾ Derivatives with positive values are recognised as assets and derivatives with negative values are recognised as liabilities. Derivatives with a legal right of offset amount to SEK 657 million.

³⁾ The impact of credit risk on these instruments is considered low given the limits in the current investment policy.

⁴⁾ Carrying amount, in Saab's assessment, essentially corresponds to fair value.

The Group has used the same valuation methods as in the year-end closing of 2023, as described in the Annual Report 2023 on page 155, note 35. As of 31 March 2024, the Group had the following financial assets and liabilities at fair value:

Financial assets at fair value

MSEK	31 Mar 2024	Level 1	Level 2	Level 3
Bonds and interest-bearing securities	8,464	8,464	-	-
Forward exchange contracts	696	-	696	-
Currency options	3	-	3	-
Interest rate swaps	267	-	267	-
Shares and participations	1,143	-	-	1,143
Total	10,573	8,464	966	1,143

Financial liabilities at fair value

MSEK	31 Mar 2024	Level 1	Level 2	Level 3
Forward exchange contracts	1,514	-	1,514	-
Currency options	8	-	8	-
Interest rate swaps	12	-	12	-
Electricity derivatives	36	36	-	-
Contingent consideration payable	130	-	-	130
Total	1,700	36	1,534	130

Movements in the group's Level 3 financial instruments were as follows:

MSEK	Unlisted shares and participations	Contingent consideration payable
Opening balance, 1 January 2024	1,102	123
Acquisitions	-	-
Unrealised gains/losses recognised in the income statement	5	-
Unrealised gains/losses recognised in other comprehensive income	36	-
Foreign currency translation	-	7
Closing balance, 31 March 2024	1,143	130

Note 11 Supplemental information on statement of cash flows

Free cash flow

MSEK	Jan-Mar 2024	Jan-Mar 2023	Full year 2023
Cash flow from operating activities before changes in working capital, excluding taxes and other financial items ¹⁾	1,648	1,399	6,777
Cash flow from changes in working capital:			
Contract assets and liabilities	-1,771	2,100	2,915
Inventories	-1,595	-1,020	-2,691
Other current receivables	-278	1,064	-1,922
Other current liabilities	1,284	274	2,020
Provisions	-147	-3	-408
Change in working capital	-2,507	2,415	-86
Cash flow from operating activities excluding taxes and other financial items	-859	3,814	6,691
Investing activities:			
Investments in intangible fixed assets	-162	-233	-1,031
Investments in tangible fixed assets	-998	-524	-2,507
Sales and disposals of tangible fixed assets including biological assets	21	15	4
Cash flow from investing activities ²⁾	-1,139	-742	-3,534
Operational cash flow	-1,998	3,072	3,157
Taxes and other financial items	-374	-226	-815
Sale of and investments in financial assets, associated companies and joint ventures	-2	-28	-896
Investments in operations	-15	-	-262
Sale of subsidiaries and other operations	-	307	382
Free cash flow	-2,389	3,125	1,566

1) Including amortisation of lease liabilities

2) Cash flow from investing activities excluding change in short-term investments and other interest-bearing financial assets and excluding sale of and investment in financial assets, operations and subsidiaries. If investments in and sale of financial fixed assets are considered to be of operating nature, the item is included in investing activities.

Free cash flow vs. statement of cash flows

MSEK	Jan-Mar 2024	Jan-Mar 2023	Full Year 2023
Free cash flow	-2,389	3,125	1,566
Investing activities – interest-bearing:			
Short-term investments	2,886	-2,704	-1,233
Other financial investments and receivables	-	-113	-372
Financing activities:			
Repayments of loans	-341	-248	-1,075
Raising of loans	-	-	1,250
Dividend paid to the Parent Company's shareholders	-	-	-703
Dividend paid to non-controlling interest	-	-	-126
Transactions with non-controlling interest	-	-	10
Cash flow for the period	156	60	-683

Liquid assets

MSEK	31 Mar 2024	31 Dec 2023	31 Mar 2023
The following components are included in liquid assets:			
Cash and bank balances	1,336	1,629	2,311
Bank deposits	1,000	500	607
Total according to balance sheet	2,336	2,129	2,918
Total according to statement of cash flows	2,336	2,129	2,918

Note 12 Business combinations

In the first quarter 2024, Saab completed the acquisition of the remaining shares in UMS Skeldar AG for a minor consideration. The UMS Skeldar AG Group was an associated company in the comparison quarter 2023. In the fourth quarter 2023, Saab acquired two subsidiaries in Sweden from UMS Skeldar AG for a minor consideration and entered into an agreement to acquire the remaining shares in UMS Skeldar AG. No other acquisitions or divestments took place in the first quarter 2024.

Note 13 Defined-benefit plans

Saab has defined-benefit pension plans where post-employment compensation is based on a percentage of the recipient's salary. Defined-benefit plans mainly relate to the Swedish operations, where the ITP2 plan accounts for more than 90 per cent of the total obligation.

Pension obligation according to IAS 19

MSEK	31 Mar 2024	31 Dec 2023	31 Mar 2023
Defined-benefit obligation	9,976	10,749	10,025
Special employers' contribution	89	323	241
Less assets under management	9,471	9,259	8,878
Total provisions for pensions	594	1,813	1,388
of which reported as long-term receivable	59	59	19

Actuarial gains and losses are recognised in other comprehensive income. The actuarial gain related to the Swedish pension plans amounted to SEK 1,161 million in the first quarter 2024 primarily due to the following:

The assumed discount rate increased from 3.25 per cent to 3.75 per cent. This resulted in a in an actuarial gain of SEK 753 million. The inflation assumption was 1.50 per cent, unchanged during the first quarter 2024.

Experience adjustments resulted in an actuarial gain of SEK 39 million.

The return on assets under management was SEK 212 million which resulted in an actuarial gain of SEK 142 million.

The actuarial gain related to the special employer's contribution amounted to SEK 227 million.

Note 14 Contingent liabilities

No additional significant commitments have arisen during the first quarter 2024. With regard to the Group's so-called performance guarantees for commitments to customers, the likelihood of an outflow of resources is estimated as remote and, as a result, no value is recognised.

Note 15 Transactions with related parties

In the first quarter 2024, Saab completed the acquisition of the remaining shares in UMS Skeldar AG for a minor consideration.

No other significant transactions with related parties have occurred during the first quarter 2024. Related parties with which the Group has transactions are described in note 37 in the Annual Report 2023.

Note 16 Definitions

Below are definitions of financial key ratios that are used in the report. For more information and explanations regarding the usage of these key ratios, please see www.saab.com/investors/financials/financial-data.

Capital employed

Total assets less non-interest-bearing liabilities.

Cash conversion

Operational cash flow divided by operating income (EBIT).

Earnings per share

Net income for the period attributable to the Parent Company's shareholders, divided by the average number of shares before and after full dilution.

EBITDA

Operating income before depreciation/amortisation and write-downs.

EBITDA adjusted for items affecting comparability

Operating income before depreciation/amortisation and write-downs adjusted for items classified as affecting comparability.

EBITDA margin

Operating income before depreciation/amortisation and write-downs as a percentage of sales.

EBITDA margin adjusted for items affecting comparability

Operating income before depreciation/amortisation and write-downs adjusted for items affecting comparability as a percentage of adjusted sales.

Effective tax rate

Current and deferred taxes as a percentage of income before tax.

Equity/assets ratio

Equity in relation to total assets.

Equity per share

Equity attributable to the Parent Company's shareholders divided by the number of shares, excluding treasury shares, at the end of the period.

Free cash flow

Cash flow from operating activities including amortisation of lease liabilities and cash flow from investing activities, excluding acquisitions and divestments of short-term investments and other interest-bearing financial assets.

Free cash flow per share

Free cash flow divided by the average number of shares after dilution.

Full Time Equivalent, FTE

Refers to the number of full-time equivalent employees. Excludes long-term absentees and consultants but includes fixed term employees and part-time employees.

Gross income adjusted for items affecting comparability

Gross income adjusted for items classified as affecting comparability.

Gross margin

Gross income as a percentage of sales.

Gross margin adjusted for items affecting comparability

Gross income adjusted for items affecting comparability as a percentage of adjusted sales.

Items affecting comparability

Items affecting comparability comprise the financial effects from events or transactions with material impact that are relevant to understand the result when comparing periods. Such events or transactions can relate to restructuring programs, costs related to disputes and legal proceedings, macroeconomic developments, impairment charges and gains and losses from divestments of group companies, joint ventures or associated companies.

Net investments

Investments, sales and disposals of intangible and tangible fixed assets.

Net liquidity/net debt

Liquid assets, short-term investments and interest-bearing receivables less interest-bearing liabilities and provisions for pensions excluding provisions for pensions attributable to special employers' contribution.

Net liquidity/net debt to EBITDA

End of period Net liquidity/net debt divided by 12-month rolling reported EBITDA.

Number of employees

Headcount of all employed by the company, excluding fixed term employees and consultants.

Operating income

Income before financial items and tax.

Operating income adjusted for items affecting comparability

Operating income (EBIT) adjusted for items classified as affecting comparability.

Operating margin

Operating income (EBIT) as a percentage of sales.

Operating margin adjusted for items affecting comparability

Operating income adjusted for items affecting comparability as a percentage of adjusted sales.

Operational cash flow

Cash flow from operating activities, excluding taxes and other financial items, amortisation of lease liabilities and investments, sales and disposals of intangible and tangible fixed assets.

Order backlog

Total value of orders at the end of the period.

Order bookings

Total value of orders received during the period.

Organic sales growth

Change in sales in percentage adjusted for effects from exchange rate due to the translation of foreign subsidiaries, and structural changes such as acquisitions and divestments of subsidiaries.

Research and development, R&D

Research and development costs are recognised separately in the income statement and comprise the cost of self-financed new and continued product development as well as amortisation and any write-down of capitalised development costs.

Research and development expenditures comprise both expenses incurred as costs excluding amortization and write-downs, and expenses capitalised as development costs in the statement of financial position.

Total R&D expenses also include the part of Saab's R&D that is conducted in cooperation with customers, which is reported as cost of goods sold.

Return on capital employed

Operating income plus financial income (rolling 12 months) as a percentage of average capital employed.

Return on equity

Net income for the period (rolling 12 months) as a percentage of average equity.

Sales adjusted for items affecting comparability

Sales adjusted for items classified as affecting comparability.

Glossary

AEW&CS	Airborne Early Warning & Control System
C4I	Command, Control, Communications, Computers, and Intelligence
CDP	Global disclosure system for investors, companies, cities, states and regions to manage their environmental impacts
FMV	Swedish Defence Materiel Administration, Sw, "Försvarets materielverk"
FRN	Floating Rate Note
IAS	International Accounting Standards
IFRS	International Financial Reporting Standards
MTN	Medium Term Note, loan facility for issuance of bonds with a duration of 1-15 years
MTM	Maritime Traffic Management
NSPA	NATO Support and Procurement Agency
NLAW	Next Generation Light Anti-Tank Weapon
SBTi	Science Based Targets initiative

Stockholm 26 April 2024

Saab AB (publ)

Micael Johansson

President and CEO

This interim report has not been subject to review by the company's auditors.



SAAB

Contacts

Merton Kaplan, Head of Investor Relations
+46 734 18 20 71

Johanna Hallstedt, Investor Relations Manager
+46 734 18 79 10

Media and financial analyst conference:

26 April 2024 at 10.00 (CET)

Live webcast:

www.saab.com/investors/webcast/q1-2024

Conference call:

For information on how to join the call, please register on www.saab.com/investors/conference-call-q1

The interim report, presentation material and the webcast will be available on www.saab.com/investors

Calendar

Half-year report 2024

Published 19 July 2024

Q3 Interim report 2024

Published 22 October 2024

Important information

This interim report may contain forward-looking statements which reflect Saab AB's current view on future events and financial and operational development. Words such as "intend", "expect", "anticipate", "may", "believe", "plan", "estimate" and other expressions which imply indications or predictions of future development or trends, and which are not based on historical facts, are intended to identify forward-looking statements. Forward-looking statements inherently involve both known and unknown risks and uncertainties as they depend on future events and circumstances. Forward-looking statements do not guarantee future results or development and the actual outcome could differ materially from the forward-looking statements.

This information is such that Saab AB is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out above, on 26 April 2024 at 07.30 (CET).

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