



Strong sales growth and cash flow

Micael Johansson, President and CEO
Anna Wijkander, CFO
Merton Kaplan, Head of IR



Important information

This presentation 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.

Highlights

- Long-term demand drives strong interest for Saab's broad portfolio
- Substantial order intake in the quarter
- Continued focus on project deliveries and customer commitments
- Significant efforts to expand capacity and increase industrialisation and efficiency
- Strong cash flow in the quarter

Key figures Q3 2024

Strong market demand drive growth in Dynamics and Surveillance

Order intake, BSEK

21.2

41% increase y-o-y

Sales growth in all business areas and Combitech

Sales, BSEK

13.5

17% organic growth

EBIT margin improvement to 8.8% (7.5)

EBIT, BSEK

1.2

38% EBIT growth

Improved cash flow driven by large customer payments

Operational cash flow, BSEK

3.2

(Q3 23: -2.1 BSEK)

Order intake Q3 2024



	Q3 2024	Jan-Sep 2024
Total orders	21.2 SEK billion (15.0)	79.2 SEK billion (46.3)
International orders	16.9 SEK billion (8.5)	63.1 SEK billion (29.5)
Order backlog	190 SEK billion (37% increase y-o-y)	

Key orders

- Large defence equipment order from Western country
- Saab's MSHORAD air defence solution to Lithuania
- Giraffe 1X radar for GBAD solution to Sweden
- Several naval command and control contracts

MSHORAD: Mobile Short-Range Air Defence
GBAD: Ground-Based Air Defence

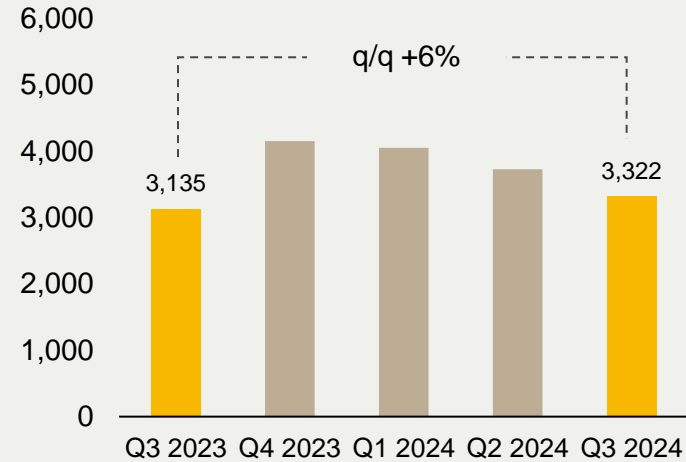
Aeronautics

- Gripen E aircraft delivered to Swedish and Brazilian customer during the period
- Increased volumes drive EBIT and margin improvement y-o-y, partly offset by T-7 production under-absorption
- Royal Thai Air Force down-select Gripen E

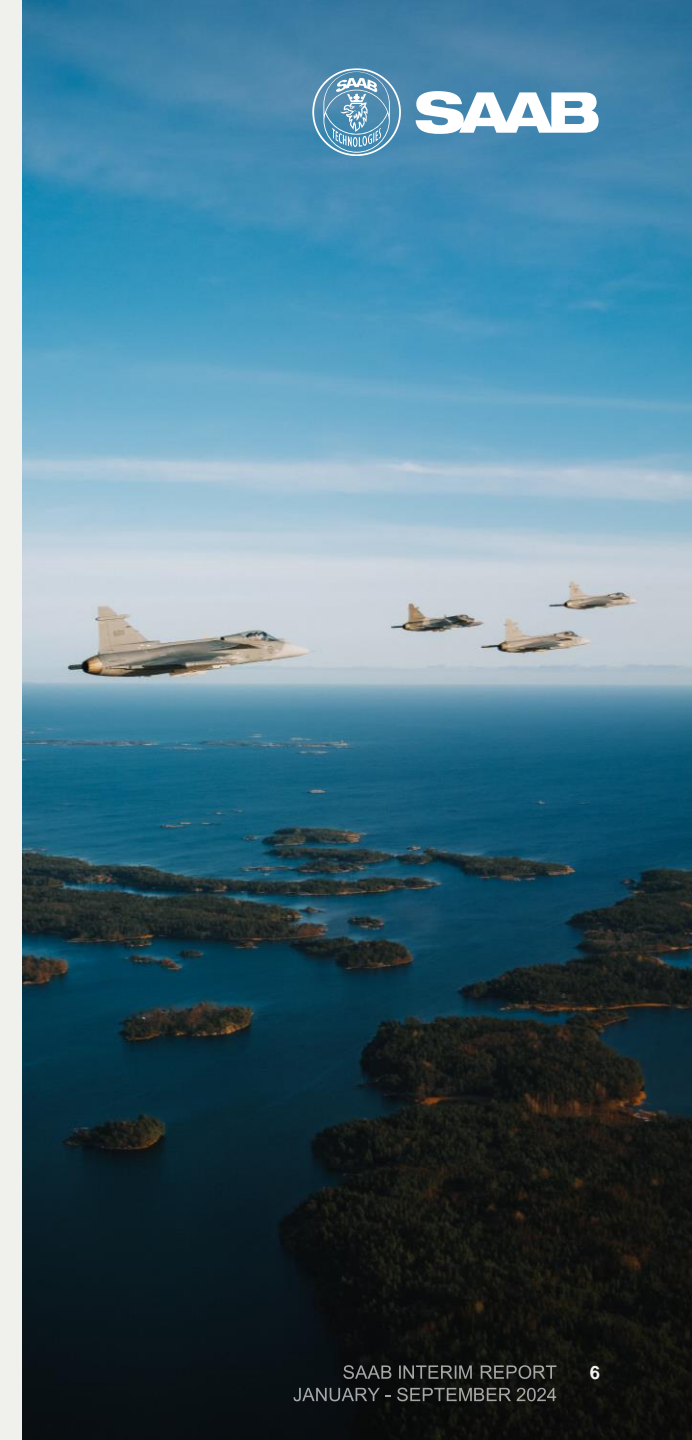
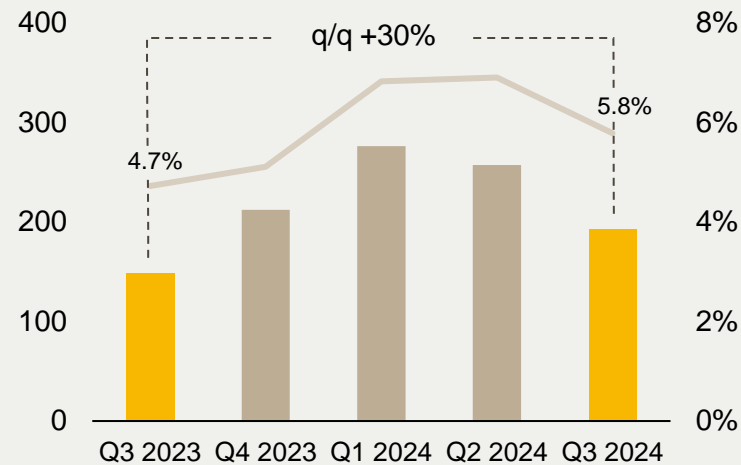
Order intake Q3
1.5
BSEK

Order backlog
44.7
BSEK

Sales, SEK million



EBIT and EBIT margin, SEK million and %



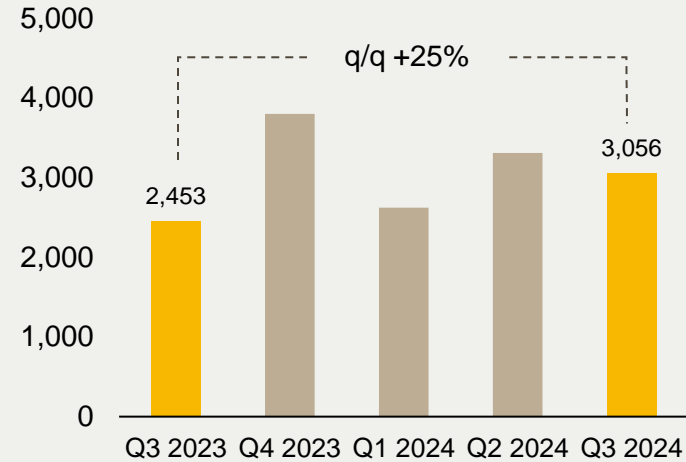
Dynamics

- Strong order intake resulting in record-high order backlog
- Sales growth reflecting high activity and deliveries in several business units
- Lower margins in Q3 due to phasing of deliveries in Ground Combat
- New ammunition facility in Michigan, U.S. announced

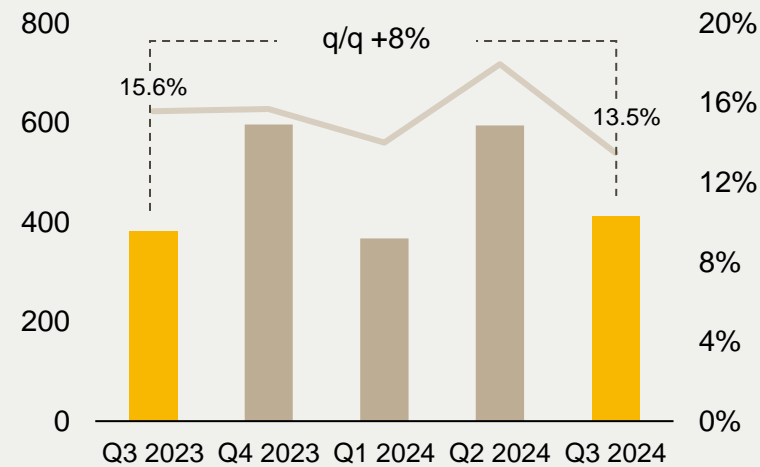
Order intake Q3
12.6
BSEK

Order backlog
79.2
BSEK

Sales, SEK million



EBIT and EBIT margin, SEK million and %



Surveillance

- Continued order growth reflecting the strong market demand
- Sales growth driven by all business units
- Improved margins as a result of higher volumes and successful project completions
- 5th GlobalEye aircraft delivered to UAE
- Delivery of next generation Arthur radar systems to the U.K.

Order intake Q3

6.2

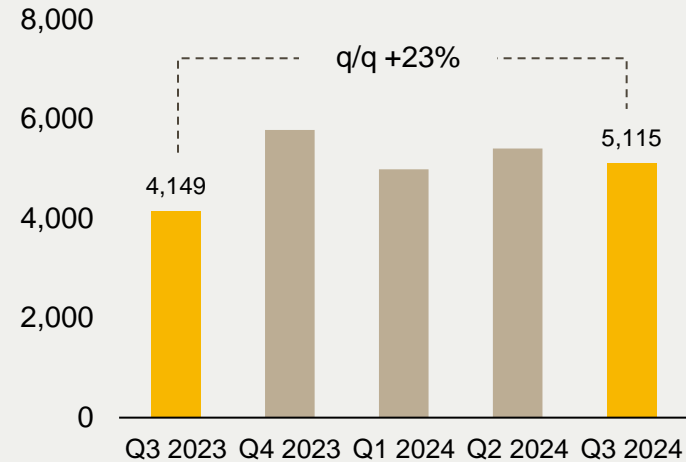
BSEK

Order backlog

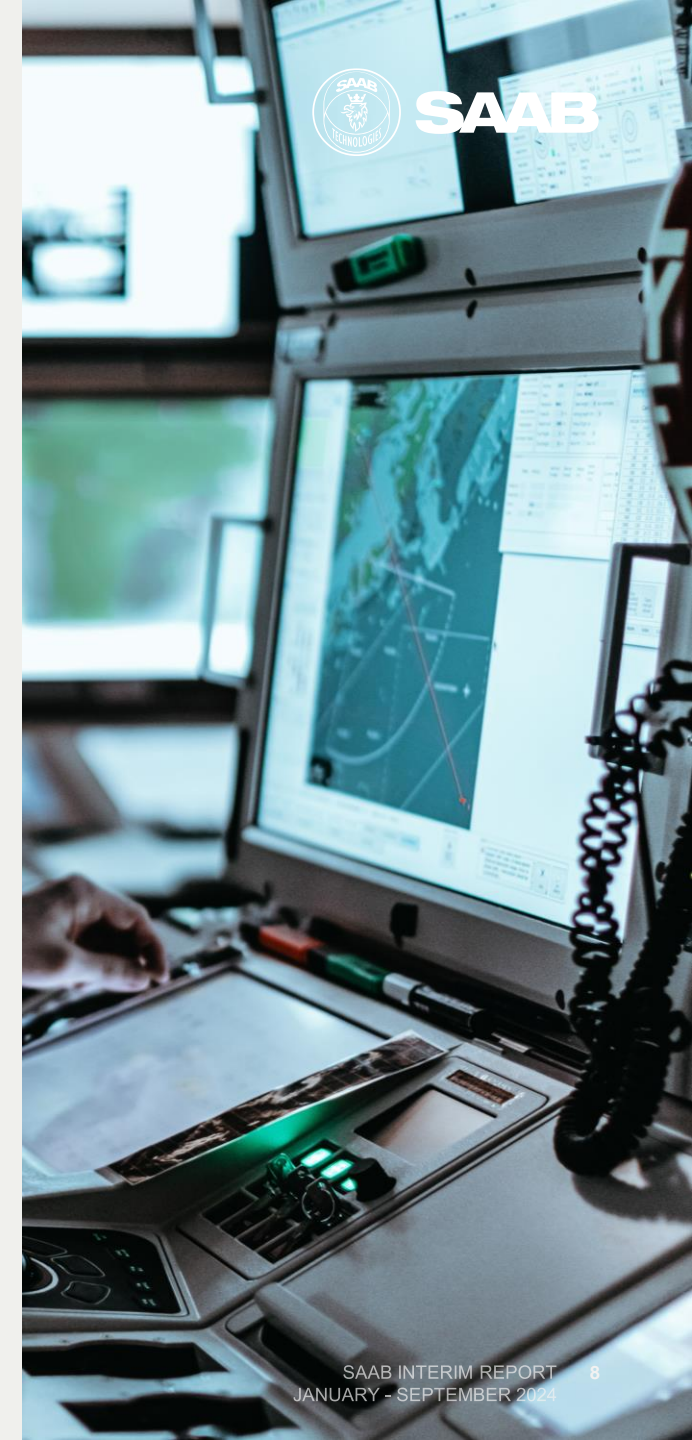
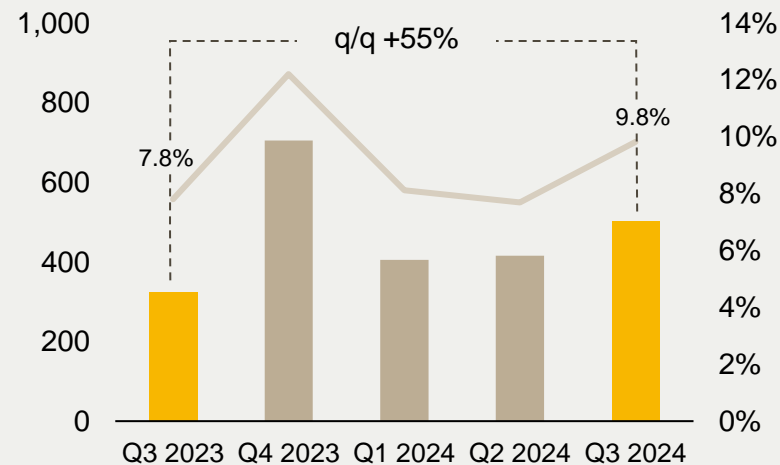
49.9

BSEK

Sales, SEK million



EBIT and EBIT margin, SEK million and %



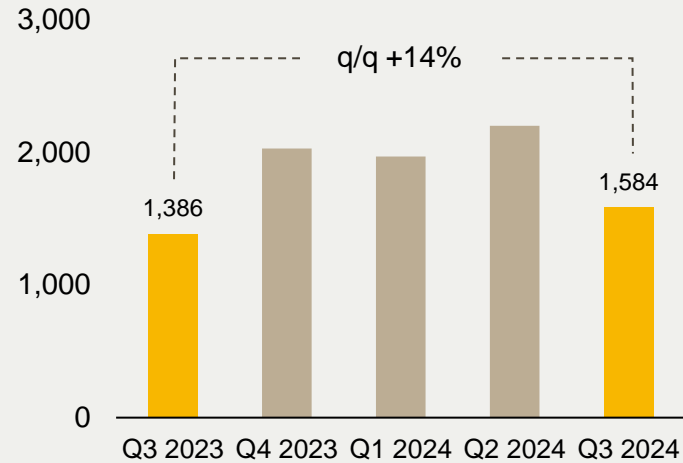
Kockums

- Strong interest for Combat Boat 90 from several customers
- Sales growth driven by high activity level in key programmes
- EBIT and margins impacted by negative contribution from Underwater Systems
- Successful participation in NATO exercise with Saab unmanned systems

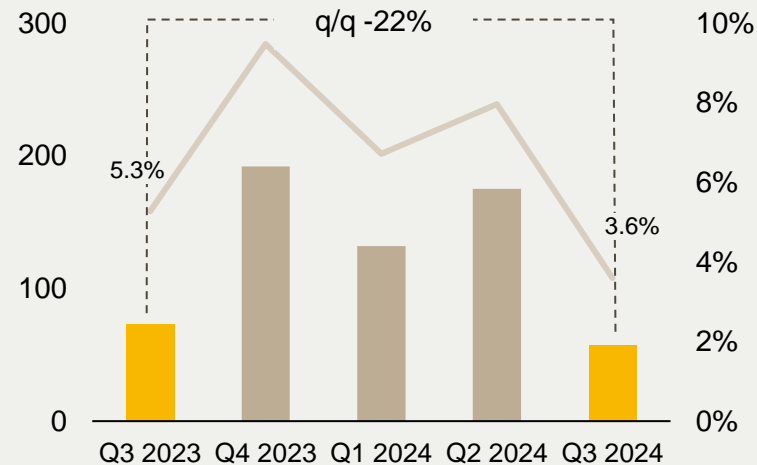
Order intake Q3
0.7
BSEK

Order backlog
15.9
BSEK

Sales, SEK million



EBIT and EBIT margin, SEK million and %



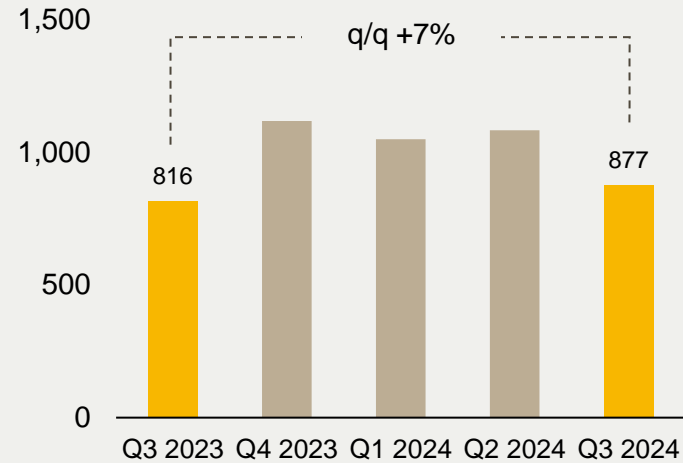
Combitech

- Partnership with FMV for digitalising the ground forces of Swedish Armed Forces
- High customer activity and continued increase in number of employees
- Profitability improvement driven by higher utilisation and favourable calendar effects
- Capital gain from divestment of Norwegian operations of 18 MSEK in the quarter

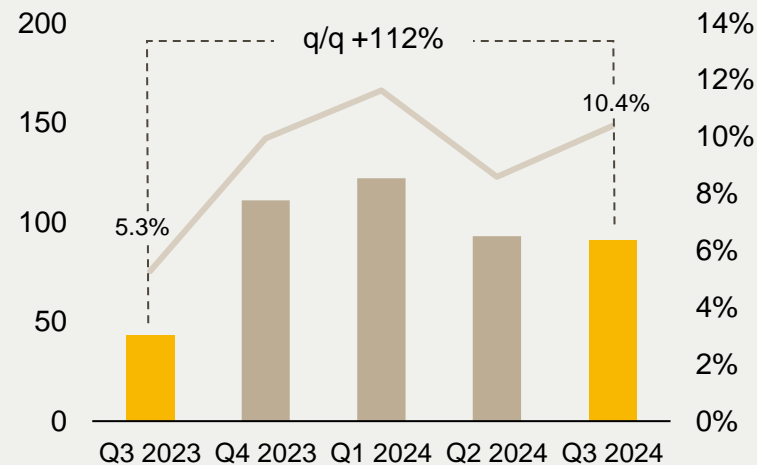
Order intake Q3
0.8
BSEK

Order backlog
1.9
BSEK

Sales, SEK million



EBIT and EBIT margin, SEK million and %



Strengthening position **in the U.S.**

- Expansion of munitions production capacity with new facility in Grayling, Michigan
- Saab's AT4 solution selected by U.S. Army for Individual Assault Munition program
- U.S. Air Force new Carl-Gustaf customer
- Saab's technology accelerator Skapa awarded U.S. AI modelling contract



Employees

1,016

in the U.S.

Sales growth, U.S. operations

54%

y-o-y, Jan-Sep 2024

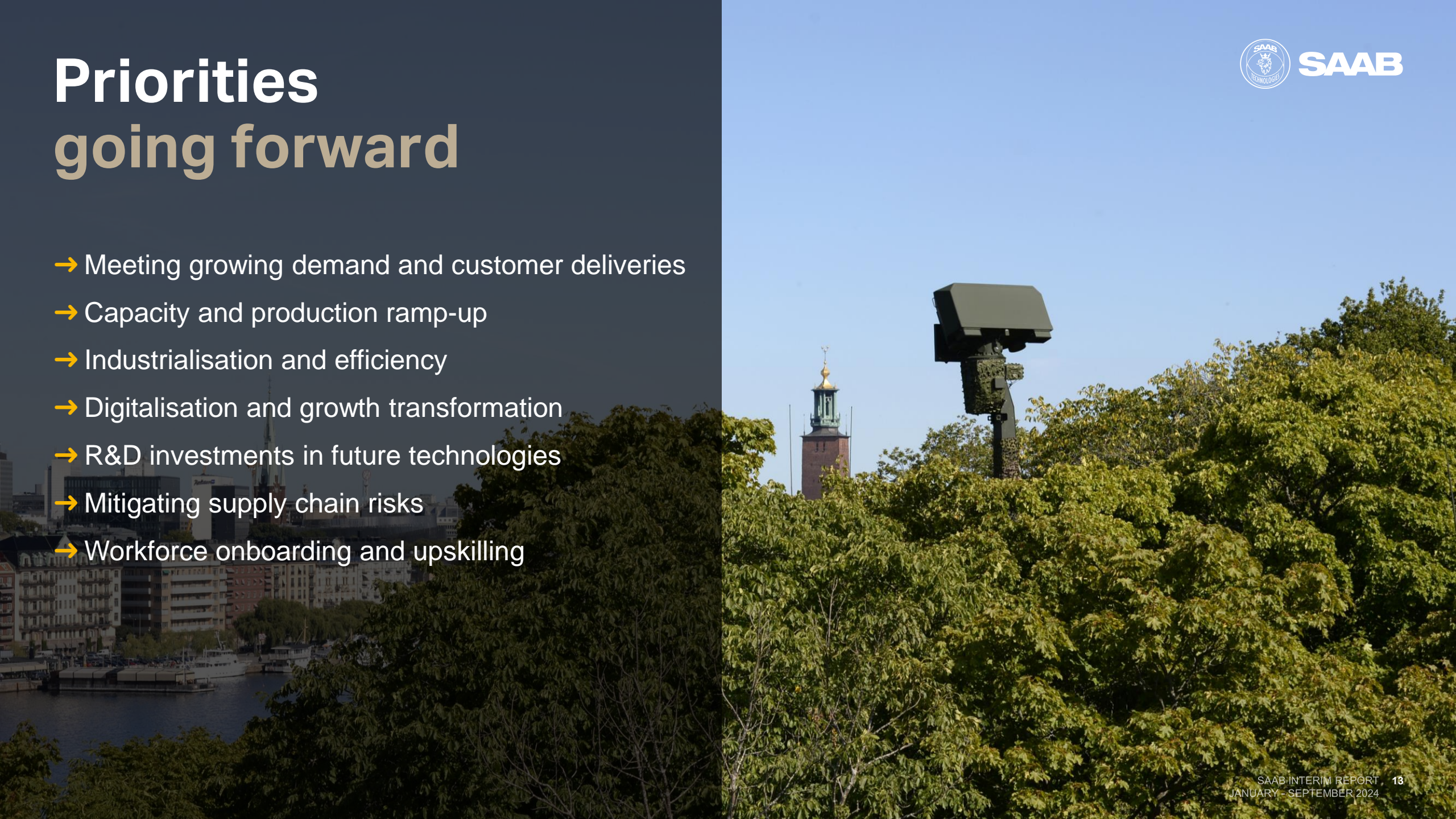
Sustainability Q3 highlights

- Saab's new group-wide Energy Strategy finalised which defines the required direction and guidelines to achieve energy resilience and Science Based Targets
- CO₂ emissions increased 8% y-o-y due to higher business activity reflecting Saab's growth and expansion
- Increased focus on upskilling and learning to ensure progress towards Saab's target of 40 learning hours per employee and year



Priorities going forward

- Meeting growing demand and customer deliveries
- Capacity and production ramp-up
- Industrialisation and efficiency
- Digitalisation and growth transformation
- R&D investments in future technologies
- Mitigating supply chain risks
- Workforce onboarding and upskilling



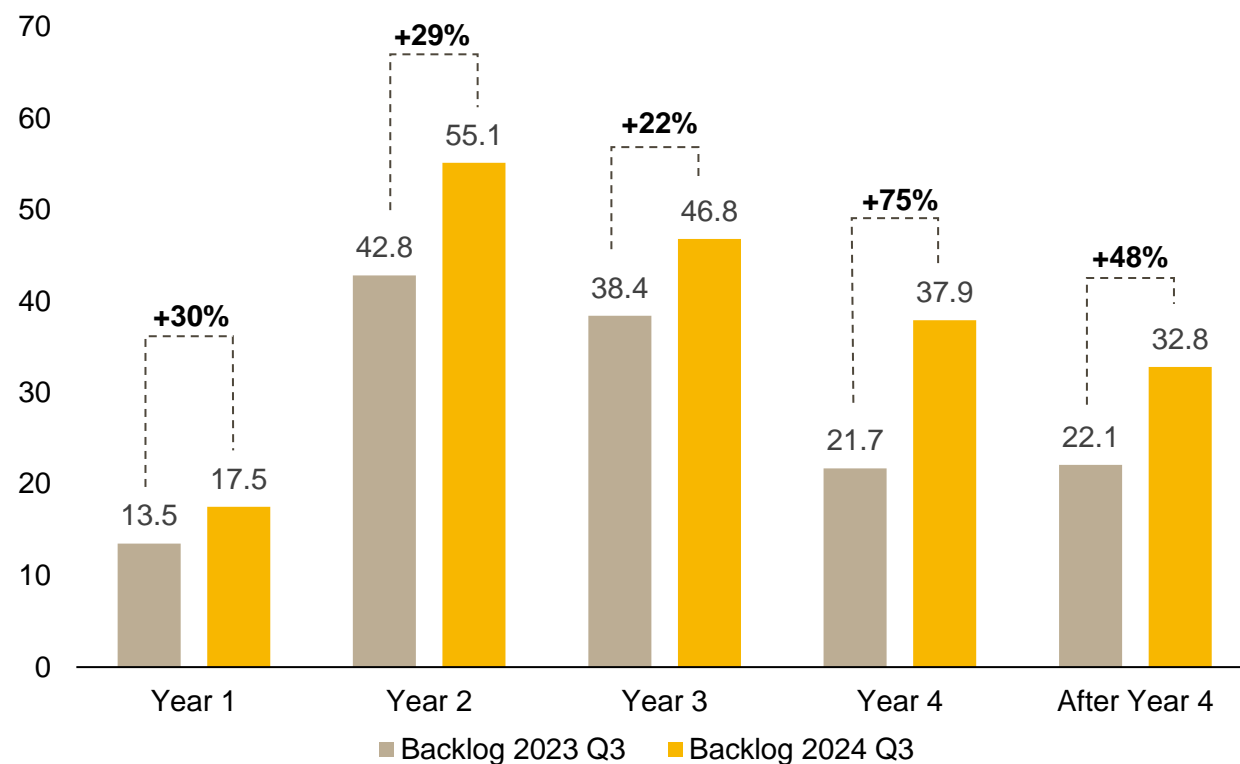
Financial Summary



Anna Wijkander, CFO

Orders supporting long-term growth

Order backlog duration, SEK billion



Q3 2024

21.2

Order bookings, BSEK
(15.0 in Q3 2023)

- Improved book-to-bill at 1.9x (R12M)
- Increasing our backlog for sales conversion at the end of period
- Order backlog of 190 BSEK (up 37% y/y)
- 80% of Q3 orders from international markets
- Share of backlog outside Sweden significantly increasing (72% vs 64% Q3'23)

Financial summary

Q3 2024

Saab Group, SEK million unless otherwise stated

	Q3 2024	Q3 2023	Change
Sales	13,546	11,527	18%
Gross Income	2,912	2,481	17%
<i>Gross margin</i>	21.5%	21.5%	
EBITDA	1,888	1,424	33%
<i>EBITDA margin</i>	13.9%	12.4%	
EBIT	1,187	859	38%
<i>EBIT margin</i>	8.8%	7.5%	
Financial net	60	-6	
<i>Tax rate</i>	22.0%	23.1%	
Net income	972	656	48%
EPS (SEK)	1.79	1.21	48%

Comments

- Sales growth of 17.5%, of which 17.4% organic, -0.2% currency and 0.3% M&A
- Gross income increased driven by higher sales volumes, gross margin flat due to business mix
- EBIT growth and margin improvement supported by strong performance in Surveillance
- Financial net benefit from currency effects related to revaluation of our tender portfolio
- Tax at normal run rate of 21-23%
- Net income and EPS improvement mainly driven by EBIT

Financial summary

Jan-Sep 2024



Saab Group, SEK million unless otherwise stated

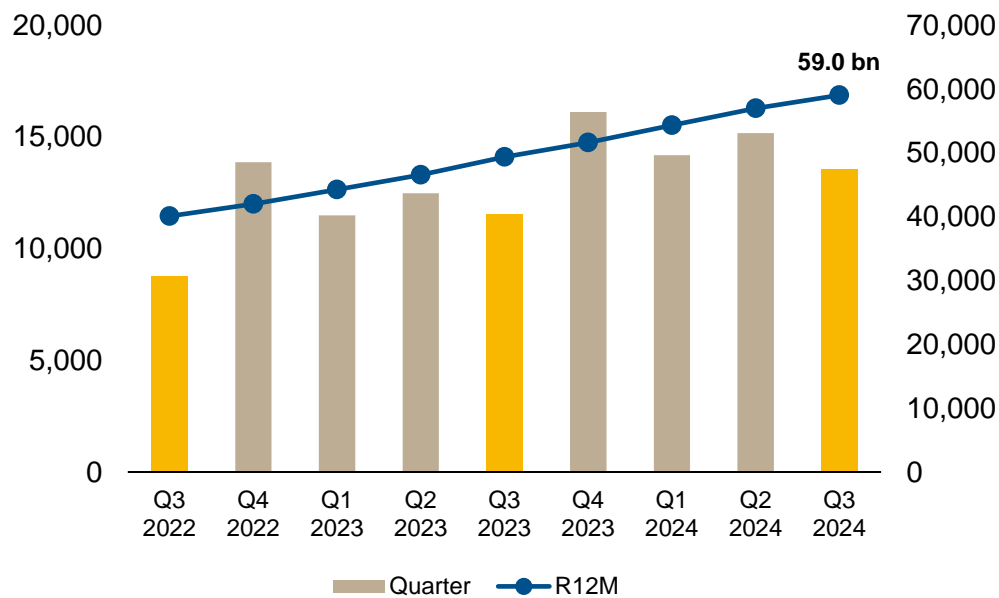
	Jan-Sep 2024	Jan-Sep 2023	Change	FY 2023
Sales	42,901	35,487	21%	51,609
Gross Income	9,377	7,743	21%	11,260
<i>Gross margin</i>	21.9%	21.8%		21.8%
EBITDA	5,668	4,526	25%	6,558
<i>EBITDA margin</i>	13.2%	12.8%		12.7%
EBIT	3,709	2,852	30%	4,272
<i>EBIT margin</i>	8.6%	8.0%		8.3%
Financial net	-145	-57		146
<i>Tax rate</i>	22.3%	21.7%		22.1%
Net income	2,768	2,189	26%	3,443
EPS (SEK)	5.08	4.02	27%	6.29

Comments

- Sales growth of 20.9%, of which 21.0% organic, -0.2% currency and 0.1% M&A
- Increase in gross income from sales volumes
- EBIT growth and margin improvement supported by scale effects from sales volumes
- Financial net lower due to unfavourable currency effects from tender portfolio in Q1
- Tax rate in the comparison period positively affected by the divestment of MTM
- Net income and EPS driven by EBIT growth

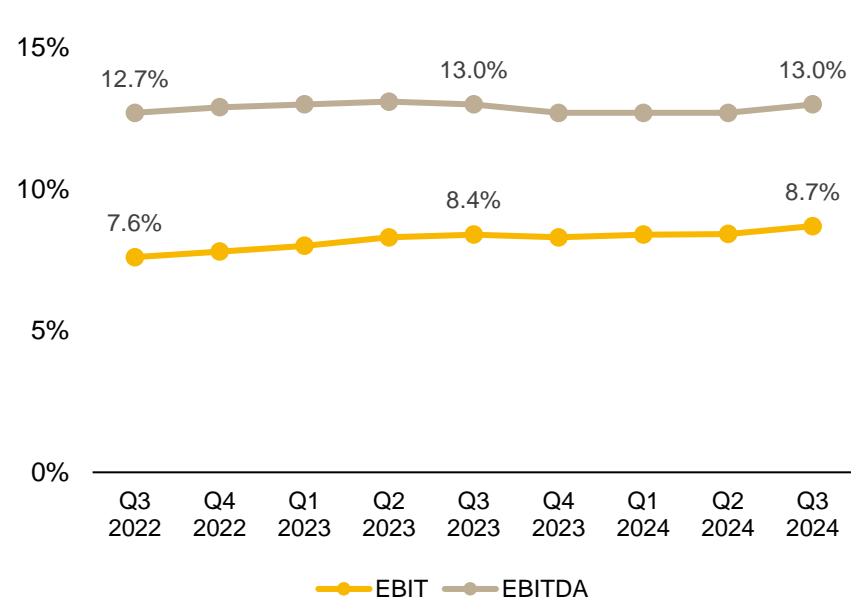
Sales and EBIT development

Group Sales, SEK million



- Strong sales growth of 20% in the last 12 months
- Solid trend of 14% (CAGR) including the last three years on a rolling 12 month basis

Group EBIT and EBITDA margin, %R12M



- EBITDA margin of 13.9% (12.4%) in Q3, supporting the long-term trend positively
- Improved EBIT margin trend with continued EBIT growth higher than sales growth

Key figures per business area

SEK million unless otherwise stated

Aeronautics	Q3 2024	Q3 2023	Change
Sales	3,322	3,135	6%
Operating income	192	148	30%
Operating margin	5.8%	4.7%	+1.1 pp
Operational cash flow	-923	-569	

Dynamics	Q3 2024	Q3 2023	Change
Sales	3,056	2,453	25%
Operating income	412	382	8%
Operating margin	13.5%	15.6%	-2.1 pp
Operational cash flow	3,677	-840	

Comments

- Solid development in Aeronautics sales and margin
- Dynamics deliver growth from several business units but margins lower from changed business mix
- Surveillance margin uplift from strong volume performance and successful project completions
- Kockums margins impacted by negative results in Underwater Systems
- Strong operating margin in Combitech

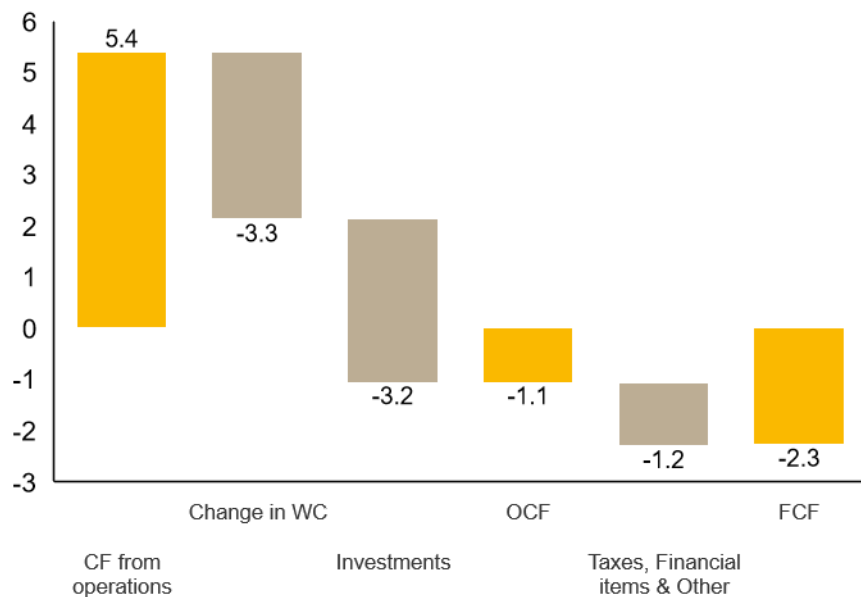
Surveillance	Q3 2024	Q3 2023	Change
Sales	5,115	4,149	23%
Operating income	502	324	55%
Operating margin	9.8%	7.8%	-2.0 pp
Operational cash flow	-181	-819	

Kockums	Q3 2024	Q3 2023	Change
Sales	1,584	1,386	14%
Operating income	57	73	-22%
Operating margin	3.6%	5.3%	-1.7 pp
Operational cash flow	884	396	

Combitech	Q3 2024	Q3 2023	Change
Sales	877	816	7%
Operating income	91	43	112%
Operating margin	10.4%	5.3%	+5.1 pp
Operational cash flow	-20	-36	

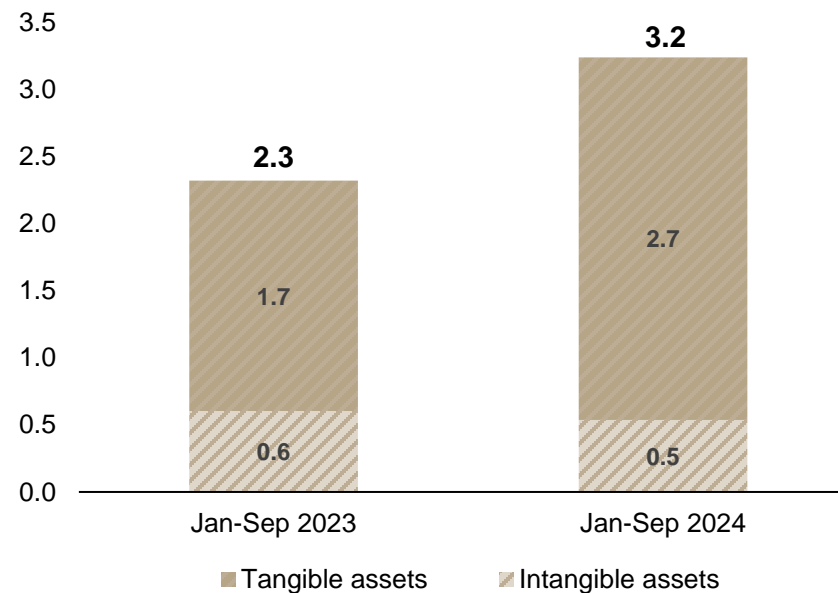
Cash flow and investments

Group Cash Flow YTD, SEK billion



- Strong cash flow improvement driven by large customer payments received in Q3
- Continued inventory build-up and higher level of investments
- Additional investment in Helsing had an effect of -276 MSEK on FCF

Investments, SEK million



- Investments continue to increase driven by Dynamics and Surveillance
- Capitalised R&D slightly below last year, while total R&D spending increased

Jan-Sep 2024

11.8

Return on equity, %

(11.2% in Jan-Sep 2023)

Jan-Sep 2024

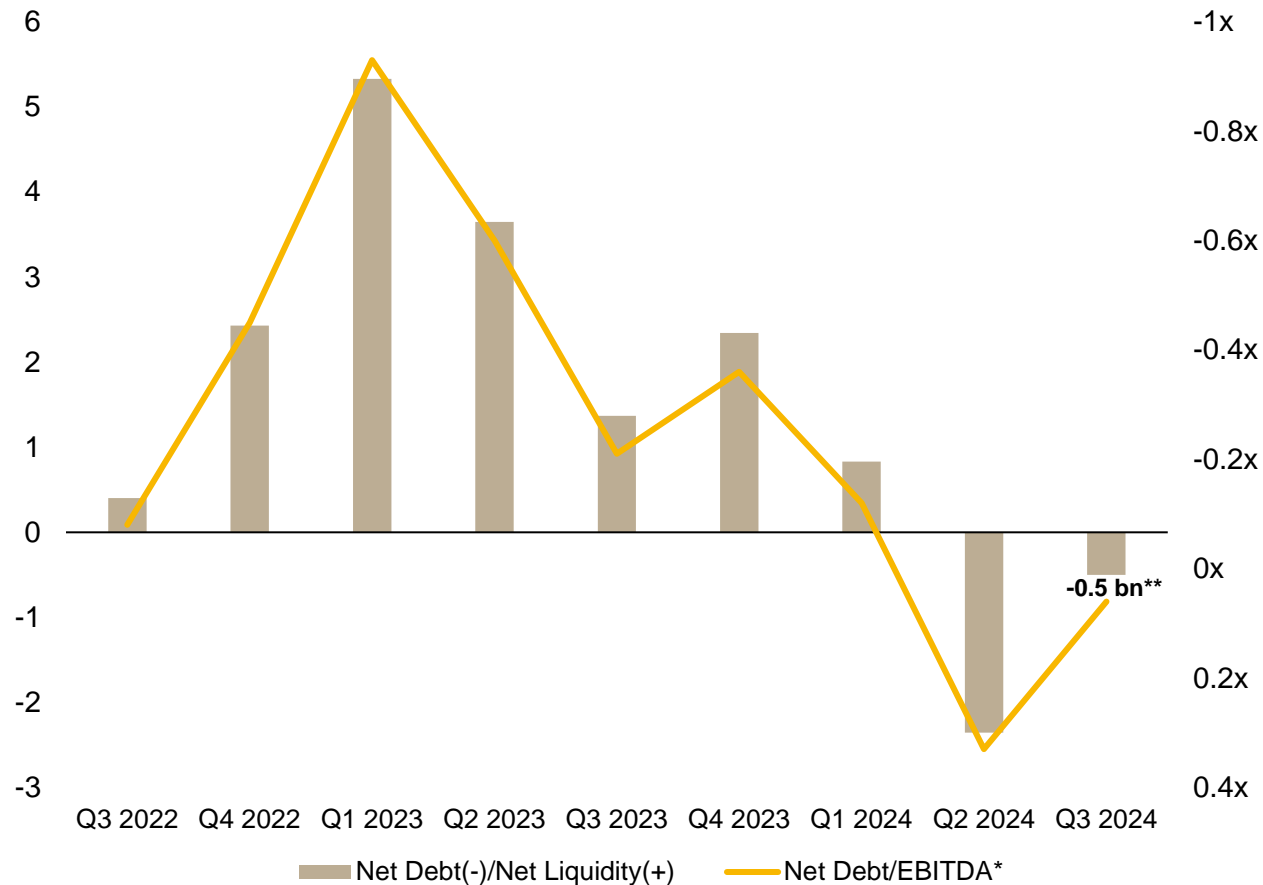
13.2

Return on capital employed, %

(11.4% in Jan-Sep 2023)

Solid balance sheet

Liquidity/debt position, SEK billion



*EBITDA rolling 12 months, adjusted for items affecting comparability
 **Including lease liabilities of SEK 2.9 bn

Q3 2024

0.1x
 Net debt/EBITDA*

Q3 2024

38.9%
 Equity/Asset ratio

Q3 2024

10.6
 Cash and liquid
 investments, SEK bn

Q3 2024

6.0
 Unutilised Revolving Credit
 Facilities, SEK bn

Outlook and targets

Outlook **2024**

Organic sales growth:

Organic sales growth between **15-20%**

Operating income

Operating income growth **higher** than organic sales growth

Cash Flow

Positive operational cash flow

Medium-term **2023-2027**

Organic sales growth:

~15% CAGR*

Operating income

Operating income growth **higher** than organic sales growth

Cash Flow

>70% cash conversion**
(cumulative 5 years)



SAAB



Q & A