



**SAAB**

# Strong order intake and continuous focus on capacity increases



Carl-Gustaf M4, the latest version of Saab's man-portable, multi-role weapon system

# Q2

**INTERIM REPORT 2024**

April-June 2024

# Key Highlights

- Order bookings amounted to SEK 39,574m (14,315) with several large contracts signed and booked in the quarter.
- Sales increased 22% and amounted to SEK 15,170m (12,475), driven by growth in all business areas and Combitech.
- EBIT increased 25% and amounted to SEK 1,331m (1,065). The EBIT margin increased to 8.8% (8.5), driven by improved profitability across the business areas and Combitech.
- Net income increased by 27% to SEK 1,012m (798).
- Earnings per share improved to SEK 1.85 (1.44), where the number of shares has been adjusted according to the 4:1 share split implemented in the quarter.
- Operational cash flow in the quarter was SEK -2,251m (-1,548) and related to timing of customer payments.
- Net debt position was SEK 2.4bn (-3.7) at the end of the period.
- The full year 2024 outlook on organic sales growth, EBIT growth and positive operational cash flow is reiterated.

40

Order bookings, SEK bn

21

Organic sales growth, %

8.8

Operating margin, %

## Financial highlights

MSEK	Jan-Jun 2024	Jan-Jun 2023	Change, %	Q2 2024	Q2 2023	Change, %	Full Year 2023
Order bookings	58,069	31,333	85	39,574	14,315	176	77,811
Order backlog	182,721	135,181	35				153,409
Sales	29,355	23,960	23	15,170	12,475	22	51,609
Gross income	6,465	5,262	23	3,380	2,760	22	11,260
Gross margin, %	22.0	22.0		22.3	22.1		21.8
EBITDA	3,780	3,102	22	1,961	1,618	21	6,558
EBITDA margin, %	12.9	12.9		12.9	13.0		12.7
Operating income (EBIT)	2,522	1,993	27	1,331	1,065	25	4,272
Operating margin, %	8.6	8.3		8.8	8.5		8.3
Net income	1,796	1,533	17	1,012	798	27	3,443
of which Parent Company's shareholders' interest	1,770	1,506	18	1,000	774	29	3,381
Earnings per share after dilution, SEK <sup>2)</sup>	3.28	2.80	17	1.85	1.44	28	6.29
Return on equity, % <sup>1)</sup>	11.2	10.4					11.1
Operational cash flow	-4,249	1,524		-2,251	-1,548		3,157
Free cash flow	-4,896	1,561		-2,507	-1,564		1,566
Free cash flow per share after dilution, SEK <sup>2)</sup>	-9.08	2.90		-4.65	-2.91		2.91
Average number of shares after dilution <sup>2)</sup>	539,012,716	537,377,396		539,334,622	537,964,760		537,511,328

<sup>1)</sup> Return on equity is measured over a rolling 12-month period.

<sup>2)</sup> Comparison periods adjusted for share split 4:1.



## CEO comments

# Strong order intake and continuous focus on capacity increases

**Micael Johansson**  
President and CEO

Elevated geopolitical tensions around the world continue to have a significant impact on the global security situation. The urgent need to provide Ukraine with more support and a clear uplift of European defence capabilities will remain a driver of growth in the industry for many years. We have a uniquely positioned portfolio and are strengthening our market presence in areas such as airborne early warning, electronic warfare, advanced support weapons, missiles and radar systems. We continue to invest in capacity and R&D, including autonomy, AI, connectivity and distributed sensors. I strongly believe that new technologies, products with faster time to market and more agile development will be vital for our future success.

As European and NATO countries are building up deterrence capabilities and backfilling their inventories, collaborations are becoming even more important. In the quarter, we strengthened our partnership with Eurenco, a European explosives manufacturer, with an agreement to increase and secure the supply of resources and components for munitions over the next five years.

In the quarter, Saab recorded a strong order intake of SEK 40 billion, an increase of 176% compared to the same period last year. This marks the second highest quarter in terms of order bookings in the company's history, and we have over the last 12 months exceeded SEK 100 billion in total order bookings. Our backlog is now at a record SEK 183 billion (135), up 35% compared to the same period last year.

In the quarter, Sweden announced its largest military support package to Ukraine amounting to SEK 13 billion, including a donation of two airborne early warning aircraft. This was followed by Swedish replacement orders for Saab with a contract for a third GlobalEye aircraft and an order for ten next generation combat boats, based on the CB90 platform. In the quarter, we booked our largest Dynamics contract to date with the previously announced Carl-Gustaf order from Poland of SEK 12.9 billion. We also received

a large defence contract from a Western country of SEK 7.7 billion and a medium-sized order for composite superstructures for surface ships to an international customer. After the reporting period, we received an order of SEK 1.3 billion from Lithuania for our short-range air-defence system MSHORAD, to be booked in the third quarter.

Sales in the quarter amounted to SEK 15.2 billion (12.5) and the organic growth was 21%. This was a result of continued high pace in the execution of our programmes and increased capacity and deliveries. All four business areas delivered double-digit sales growth. Following the lower growth for Dynamics in the first quarter, the business area's sales grew by 37% in the second quarter, primarily driven by Missile Systems and Training & Simulation.

EBIT grew 25% to SEK 1.3 billion (1.1) and the operating margin continued to improve and was 8.8% (8.5) in the quarter. The improvement was driven by scale effects from higher volumes in Aeronautics, Dynamics and Kockums. In Surveillance, margins were impacted by unfavourable mix from a few low-margin legacy contracts, combined with costs related to the high level of recruitment.

Operational cash flow in the quarter amounted to SEK -2.3 billion (-1.5) and was a result of timing effects of large customer payments. We expect large customer payments and positive cash flow in the third and fourth quarter and therefore remain confident that cash flow for the full year will be positive.

With the increased instability in the world, Saab's efforts in contributing to more safe and resilient societies, is even more crucial. I am proud of the goal we have set for ourselves to become a sustainability leader in our industry. In the quarter, Saab became the first major defence company to receive approval for its 2050 targets for greenhouse gas emission reductions by the Science Based Targets initiative. As with all our sustainability targets, to deliver on this requires a

continuous high focus and dedicated effort over a long period of time. With the fast growth and expansion we are experiencing as a company, we continued to reinforce our anti-corruption programmes by rolling out training to cover even more employees in our global operations in the period.

Our strong growth also comes with challenges that we address by ongoing uplift in investments for additional capacity and enhanced resilience, including the decision to establish a new production facility in the U.S. We are also fully focused on securing competences, increasing our workforce and strengthening our culture and organisation. I would like to express my sincere appreciation to all employees for their commitment and hard work, which contribute greatly to our positive development.

## Outlook 2024

### Sales growth:

Organic sales growth between 15-20%

### 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

## Second quarter 2024

Order bookings were strong in the quarter and amounted to SEK 39,574 million (14,315). The increase in order bookings was mainly driven by large orders within Dynamics. On Group level, large orders amounted to SEK 28,872 million (2,983). Small orders increased 29 per cent and amounted to SEK 4,481 million (3,480) while medium-sized orders declined 21 per cent and amounted to SEK 6,221 million (7,852). Key orders in the quarter included the booking of the SEK 12.9 billion Carl-Gustaf contract to Poland, the contract for defence equipment to a Western country of SEK 7.7 billion and the order for an additional GlobalEye to Sweden of SEK 2.6 billion.

## January-June 2024

Order bookings increased by 85 per cent compared to the same period last year and amounted to SEK 58,069 million (31,333). Orders of all sizes increased, driven by particularly strong growth in large orders which amounted to SEK 35,620 million (11,494). Small orders grew 18 per cent and amounted to SEK 9,316 million (7,881) and medium-sized orders increased 10 per cent and amounted to SEK 13,133 million (11,958).

The order backlog increased 19 per cent and amounted to SEK 182,721 million, compared to SEK 153,409 million at the beginning of the year. In total, 70 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

## Second quarter 2024

Sales increased 21.6 per cent in the quarter, of which organic growth was 21.2 per cent, and amounted to SEK 15,170 million (12,475). All four business areas recorded double-digit growth in the quarter, driven by high project activity and material inflow to projects.

## January-June 2024

Sales for the first half-year amounted to SEK 29,355 million (23,960) corresponding to a sales growth of 22.5 per cent, of which organic growth was 22.4 per cent. All business areas and Combitech contributed to the growth.

Sales from international markets increased 27 per cent and amounted to SEK 17,041 million (13,373), corresponding to 58 per cent (56) of total sales. Saab reported sales growth in all regions except Latin America and Australia in the period. 91 per cent (89) of sales were related to the defence business.

## Sales growth

Per cent	Jan-Jun 2024	Jan-Jun 2023	Q2 2024	Q2 2023	Full Year 2023
Organic sales growth	22.4	22.8	21.2	21.5	22.6
Change from acquisitions and divestments	0.1	-0.4	0.4	-0.4	-0.5
Currency translation effects	0.0	1.2	0.0	1.6	0.8
<b>Total sales growth</b>	<b>22.5</b>	<b>23.6</b>	<b>21.6</b>	<b>22.7</b>	<b>22.9</b>

## Sales per region

MSEK	Jan-Jun 2024	Jan-Jun 2023	Change, %
Sweden	12,314	10,587	16
Rest of Europe	7,389	4,810	54
North America	3,146	2,727	15
Latin America	1,500	1,688	-11
Asia	2,467	2,248	10
Africa	89	58	53
Australia, etc.	1,738	1,806	-4
Undisclosed country	712	36	1,878
<b>Total</b>	<b>29,355</b>	<b>23,960</b>	<b>23</b>

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

## Order distribution Jan-Jun 2024

Small orders	16% (25)
Medium-sized orders	23% (38)
Large orders	61% (37)



## Order backlog duration:

2024:	SEK 28.6 billion
2025:	SEK 52.4 billion
2026:	SEK 42.7 billion
2027:	SEK 34.9 billion
After 2027:	SEK 24.1 billion

## Order by market

A total of 80% (67) of the order bookings related to markets outside Sweden during the first half-year 2024.

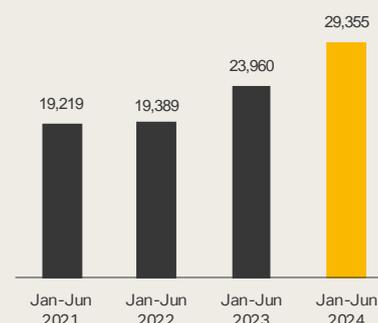


## Sales by market

A total of 58% (56) of the sales related to markets outside Sweden during the first half-year 2024.



## Sales Jan-Jun, MSEK



# Income

## Second quarter 2024

Gross income increased 22 per cent in the quarter and amounted to SEK 3,380 million (2,760). The gross margin improved to 22.3 per cent (22.1), driven by strong volumes in all business areas. EBITDA increased 21 per cent to SEK 1,961 million (1,618) with a margin of 12.9 per cent (13.0). Operating income (EBIT) increased 25 per cent and amounted to SEK 1,331 million (1,065) with an operating margin of 8.8 per cent (8.5). The improvement was driven by strong performance in Aeronautics, Dynamics and Kockums. The comparison period last year included items affecting comparability of net SEK 34 million, which had a positive effect on the operating income and margin.

## January-June 2024

In the first half-year, gross income increased 23 per cent and amounted to SEK 6,465 million (5,262) driven by the strong sales volumes across all business areas and Combitech. The gross margin was in line with the same period last year at 22.0 per cent (22.0).

Total depreciation, amortisation and write-downs amounted to SEK 1,258 million (1,109). Depreciation of tangible fixed assets and right-of-use assets amounted to SEK 837 million (741). Expenditures for internally funded investments in R&D amounted to SEK 1,285 million (943), of which SEK 248 million (250) 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 421 million (368), of which amortisation and write-downs of capitalised development expenditures amounted to SEK 314 million (294). R&D amortisation is mainly related to GlobalEye, amounting to SEK 187 million (187) during the first half-year 2024.

The share of income in associated companies and joint ventures amounted to SEK 22 million (-355). The comparison period included write-downs in the minority portfolio of SEK -284 million classified as items affecting comparability, see also note 5.

EBITDA increased 22 per cent and amounted to SEK 3,780 million (3,102) with an EBITDA margin of 12.9 per cent (12.9). Operating income (EBIT) increased 27 per cent and amounted to SEK 2,522 million (1,993), with a margin of 8.6 per cent (8.3). The improvement was mainly driven by scale effects from the strong sales growth. The comparison period included items affecting comparability of net SEK 44 million, comprising a capital gain from the sale of the Maritime Traffic Management (MTM) operations of SEK 270 million, a capital gain from a property divestment of SEK 58 million and write-downs in the minority portfolio of SEK -284 million, see also note 5.

# Financial net

MSEK	Jan-Jun 2024	Jan-Jun 2023
Financial net related to pensions	-23	-19
Net interest items	60	60
Currency gains/losses	-164	-82
Lease liability interest	-81	-68
Other financial items	3	58
<b>Total</b>	<b>-205</b>	<b>-51</b>

The financial net amounted to SEK -205 million (-51) in the first half-year 2024. The change compared to the same period last year was mainly a result of unfavourable effects from currency depreciation related to hedges of the tender portfolio reported in the first quarter of the half-year 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. In the first quarter of the first half-year, currency movements had a negative impact on Saab's tender hedge portfolio.

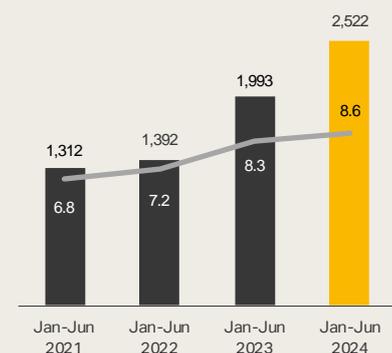
Lease liability interest consists of the interest portion related to lease liabilities recognised in the balance sheet.

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.

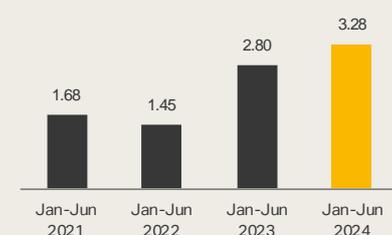
# Tax

Current and deferred taxes amounted to SEK -521 million (-409) for the first half-year, 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 and property, partly offset by negative effects from non-deductible write-downs in the minority portfolio.

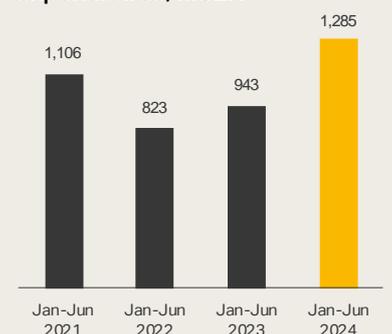
## Operating income (MSEK) and margin (%), Jan-Jun



## EPS after dilution, SEK



## Internally funded R&D expenditures, MSEK



# Financial position and liquidity

At the end of June 2024, Saab had a net debt of SEK 2,354 million, a decrease of SEK 4,697 million compared to a net liquidity of SEK 2,343 million at year-end 2023. Net debt/EBITDA was 0.33 (-0.36) at the end of the period.

Cash flow from operating activities amounted to SEK -2,340 million (2,958).

Contract assets increased by SEK 2,030 million and contract liabilities increased by SEK 1,100 million compared to year-end 2023. Inventories increased by SEK 2,994 million during the first half-year with increases mainly in Dynamics and Surveillance.

Net provisions for pensions, excluding special employer's contribution, amounted to SEK 450 million as of 30 June 2024, compared to SEK 1,490 million at year-end 2023. The effect on net debt of SEK 1,040 million was mainly related to changes in actuarial assumptions regarding discount rate. For further information on Saab's defined-benefit pension plan, see note 13.

Tangible fixed assets amounted to SEK 10,930 million compared to 9,501 at the end of 2023. Right-of-use assets recognised in the balance sheet amounted to SEK 2,617 million compared to 2,554 million at the end of 2023.

Financial investments increased with SEK 1,342 million in the first half-year and amounted to SEK 2,444 million (1,102). The increase was mainly related to revaluation of the investment in Helsing GmbH. Revaluation of the investment in Helsing GmbH is recognised in other comprehensive income.

Net investments in the first half-year amounted to SEK 2,188 million (1,451). Investments in tangible fixed assets amounted to SEK 1,842 million (1,049).

Investments in intangible fixed assets amounted to SEK 370 million (423), of which SEK 248 million (250) 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 122 million (173) was related to other intangible fixed assets.

As of 30 June 2024, short-term investments and liquid assets amounted to SEK 7,496 million, a decrease of SEK 5,973 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 1,595 million during the period to SEK 45,549 million. The return on capital employed was 12.8 per cent (10.5) and the return on equity was 11.2 per cent (10.4), both measured over a rolling 12-month period.

## Change in net debt Jan-Jun 2024

	MSEK
<b>Net liquidity (+) / net debt (-), 31 Dec 2023 <sup>1)</sup></b>	<b>2,343</b>
Cash flow from operating activities	-2,340
Change in net pension obligation	1,040
Net investments	-2,188
Sale of and investments in financial assets, associates and joint ventures	-13
Change through equity swap agreement	-318
Dividend	-427
Dividend to and transactions with non-controlling interest	-28
Additional lease liabilities	-393
Investments in operations	-15
Other items, currency impact and unrealised results from financial investments	-15
<b>Net liquidity (+) / net debt (-), 30 June 2024 <sup>1)</sup></b>	<b>-2,354</b>
<sup>1)</sup> Net liquidity (+) / net debt (-) excluding net provisions for pensions, lease liabilities and interest-bearing receivables, 30 June 2024	502

# Key indicators of financial position and liquidity

MSEK	30 Jun 2024	31 Dec 2023	Change	30 Jun 2023
Net liquidity / debt <sup>2)</sup>	-2,354	2,343	-4,697	3,653
Intangible fixed assets	13,015	12,941	74	12,367
Goodwill	5,516	5,424	92	5,445
Capitalised development costs	6,083	6,106	-23	5,907
Other intangible fixed assets	1,416	1,411	5	1,015
Tangible fixed assets, etc <sup>3)</sup>	11,338	9,915	1,423	8,978
Right of use assets <sup>4)</sup>	2,617	2,554	63	2,574
Inventories	19,780	16,786	2,994	15,907
Accounts receivable	9,218	7,244	1,974	6,034
Contract assets	14,346	12,316	2,030	11,718
Contract liabilities	17,653	16,553	1,100	14,568
Equity/assets ratio, %	39.6	39.1		40.2
Return on equity, %	11.2	11.1		10.4
Return on capital employed, %	12.8	12.6		10.5
Equity per share, SEK <sup>1)5)</sup>	64.39	60.10	4.29	57.90

1) Number of shares excluding treasury shares and repurchased through equity swap <sup>5)</sup> 533,632,490 532,989,260 531,693,568

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.

5) Comparison periods adjusted for share split 4:1.

# Cash flow

## Second quarter 2024

In the second quarter, operational cash flow amounted to SEK -2,251 million (-1,548). The negative cash flow was a result of timing effects of large customer payments and higher investments.

## January-June 2024

Operational cash flow for the first half-year amounted to SEK -4,249 million (1,524). The decline compared to the same period last year was due to the timing of customer payments in the period, combined with increased investments and inventory.

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

Free cash flow in the period amounted to SEK -4,896 million (1,561). For more detailed information on cash flow, see note 11.

MSEK	Jan-Jun 2024	Jan-Jun 2023
<b>Cash flow from operating activities before changes in working capital, excluding taxes and other financial items <sup>1)</sup></b>	<b>3,561</b>	<b>3,073</b>
Change in working capital	-5,622	-98
<b>Cash flow from operating activities excluding taxes and other financial items</b>	<b>-2,061</b>	<b>2,975</b>
Cash flow from investing activities <sup>2)</sup>	-2,188	-1,451
<b>Operational cash flow</b>	<b>-4,249</b>	<b>1,524</b>
Taxes and other financial items	-619	-313
Sale of and investments in financial assets and operations	-28	350
<b>Free cash flow</b>	<b>-4,896</b>	<b>1,561</b>

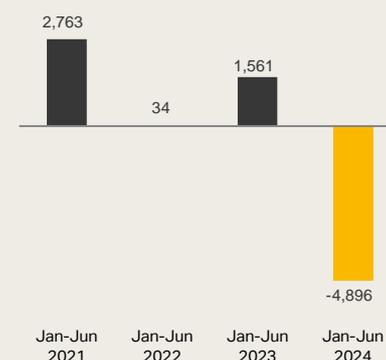
1) Including amortisation of lease liabilities

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 in the quarter were at a similar level to last year and included parts of the GlobalEye order to Sweden.

Interest for the Gripen fighter system continued from several potential customers.

### Sales and operating income

Sales increased in the quarter with good pace in programme execution.

EBIT and EBIT margin improved, supported by the higher sales volumes and improvement in the civil business.

### Cash flow

Cash flow was negative with a low level of customer milestone payments in the quarter.

MSEK	Jan-Jun 2024	Jan-Jun 2023	Change, %	Q2 2024	Q2 2023	Full Year 2023
Order bookings	7,296	3,602	103	2,154	2,176	18,111
Order backlog	46,525	39,781	17			46,995
Sales	7,773	6,467	20	3,726	3,397	13,754
EBITDA	649	451	44	317	239	916
EBITDA margin, %	8.3	7.0		8.5	7.0	6.7
Operating income (EBIT)	533	350	52	257	187	710
Operating margin, %	6.9	5.4		6.9	5.5	5.2
Operational cash flow	-1,184	-41		-360	-123	-370



## Business Area

# Dynamics

### Business Units

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

### Market highlights

Record-high order intake in the quarter was driven by a strong demand for Dynamics' portfolio. Orders included the large Carl-Gustaf contract to Poland announced in Q1 as well as a large defence equipment contract.

Capacity expansion efforts to meet the increased demand continued in the quarter.

### Sales and operating income

Strong sales growth of 37% primarily driven by Missile Systems and Training & Simulation.

EBIT and EBIT margin improved as a result of the increased sales volumes and strong performance in several business units.

### Cash flow

Cash flow amounted to SEK -887m in the quarter, reflecting increased investments and inventory, and timing of customer payments.

MSEK	Jan-Jun 2024	Jan-Jun 2023	Change, %	Q2 2024	Q2 2023	Full Year 2023
Order bookings	32,555	15,080	116	26,964	5,767	26,709
Order backlog	69,790	37,994	84			43,103
Sales	5,934	4,907	21	3,312	2,417	11,160
EBITDA	1,019	827	23	624	377	1,856
EBITDA margin, %	17.2	16.9		18.8	15.6	16.6
Operating income (EBIT)	961	780	23	594	353	1,758
Operating margin, %	16.2	15.9		17.9	14.6	15.8
Operational cash flow	-1,883	2,275		-887	361	3,237

Note: 2023 has been restated due to the transfer of business unit Underwater Systems from Dynamics to Kockums as per 1<sup>st</sup> 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

Significant market interest for Surveillance portfolio resulted in an order intake growth of 74% in the quarter, including Sweden's order for a 3rd GlobalEye aircraft as well as several orders from international customers.

In the quarter, Saab delivered the fourth GlobalEye to UAE and the second Saab 340 AEW aircraft to Poland.

### Sales and operating income

Sales increased 14% in the quarter with strong volumes in several business units. The positive effect on operating income from the sales growth was offset by unfavourable mix from a few low-margin legacy contracts, combined with costs for the high level of recruitment.

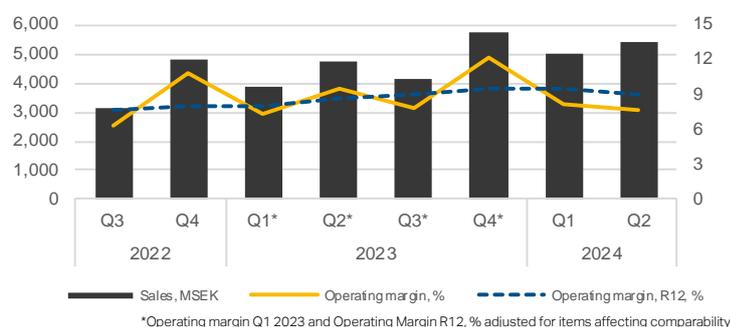
### Cash flow

Cash flow improved compared to the same period last year and amounted to SEK 511m, driven by customer milestone payments.

MSEK	Jan-Jun 2024	Jan-Jun 2023	Change, %	Q2 2024	Q2 2023	Full Year 2023
Order bookings	13,314	9,122	46	7,385	4,250	23,887
Order backlog	49,128	41,570	18			45,780
Sales	10,395	8,633	20	5,406	4,739	18,559
EBITDA	1,278	1,435	-11	645	667	2,933
EBITDA margin, %	12.3	16.6		11.9	14.1	15.8
Operating income (EBIT)	821	1,005	-18	416	451	2,034
Operating margin, %	7.9	11.6		7.7	9.5	11.0
Operational cash flow	75	59		511	-686	1,153



**Market**  
Sales in markets outside Sweden amounted to 74% (70) in the half-year.



## Business Area

# Kockums

### Business Units

Docksta, Submarines, Surface Ships, Underwater Systems.

### Market highlights

Orders in the quarter increased and included a contract for CB90 Next Generation combat boats to Sweden and composite superstructures for surface ships to an international customer.

In the quarter, Sweden's submarine HMS Södermanland was launched after extensive overhaul, modification and enhancement work.

### Sales and operating income

Sales grew 53%, driven by high activity level in the Surface Ships business and material inflow to projects in the period.

The EBIT and margin improved as a result of the strong volumes and favourable project mix.

### Cash flow

Cash flow was negative due to supplier payments and fewer large customer payments in the quarter.

MSEK	Jan-Jun 2024	Jan-Jun 2023	Change, %	Q2 2024	Q2 2023	Full Year 2023
Order bookings	3,901	2,169	80	2,549	1,379	7,497
Order backlog	16,798	15,228	10			17,031
Sales	4,163	2,901	44	2,197	1,433	6,314
EBITDA	331	185	79	188	92	469
EBITDA margin, %	8.0	6.4		8.6	6.4	7.4
Operating income (EBIT)	307	167	84	175	84	432
Operating margin, %	7.4	5.8		8.0	5.9	6.8
Operational cash flow	-152	-126		-1,072	-829	-254

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



**Market**  
Sales in markets outside Sweden amounted to 30% (19) in the half-year.



## Other operating segment

# Combitech

### Market highlights

Interest for Combitech's solutions continued in the quarter. Key orders included extended defence contracts with the Swedish Defence Materiel Administration (FMV) amongst other orders in the defence area, as well as a new cyber security customer to Combitech's Security Operation Center, SOC.

During the quarter, Combitech established a service operation in India to strengthen the competences needed for its customers.

In the beginning of Q3, Combitech divested its Norwegian entity with 30 employees to focus its Nordic operations to the defence segments in Sweden and Finland.

### Sales and operating income

Sales increased in the quarter driven by high activity in projects in the defence segment.

Operating income and margin also improved in the quarter, as a result of improved pricing.

### Cash flow

Cash flow improved compared to last year due to timing of customer and supplier payments.

MSEK	Jan-Jun 2024	Jan-Jun 2023	Change, %	Q2 2024	Q2 2023	Full Year 2023
Order bookings	2,480	2,435	2	1,397	1,354	4,291
Order backlog	1,945	1,676	16			1,595
Sales	2,131	1,989	7	1,082	1,023	3,922
EBITDA	221	191	16	96	78	350
EBITDA margin, %	10.4	9.6		8.9	7.6	8.9
Operating income (EBIT)	215	186	16	93	75	340
Operating margin, %	10.1	9.4		8.6	7.3	8.7
Operational cash flow	247	91		112	-47	387



**Market**  
Sales in markets outside Sweden amounted to 6% (6) in the half-year.



## 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 -315 million (-495) in the first half-year 2024. The comparison period last year included write-downs in the minority portfolio of SEK -284 million, of which SEK -260 million was reported in the first quarter and SEK -24 million in the second quarter 2023, partly offset by a capital gain from the divestment of property amounting to SEK 58 million in the second quarter 2023. See also note 5.

Operational cash flow attributable to Corporate amounted to SEK -1,352 million (-734), driven mainly by changes in working capital and increased investments in tangible fixed assets.

### 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. No acquisitions or divestments took place in the second quarter 2024. In the beginning of the third quarter, Combitech divested its Norwegian entity with 30 employees for a minor consideration.

### Share repurchase and share split

Saab held 8,550,898 treasury shares as of 30 June 2024, compared to 10,394,128 at year-end 2023 (adjusted for the share split 4:1). During the second quarter 2024, Saab also entered an equity swap agreement with a third party to hedge the expected financial exposure of LTI 2024. As of 30 June 2024, the equity swap consisted of 1,200,000 shares. 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 is divided, regardless of series, into four shares of the same series. The record date for the share split was 8 May, 2024. After the share split, the total number of shares in Saab amounts to 543,383,388 of which 9,535,612 are A shares and 533,847,776 B shares, corresponding to 629,203,896 votes in total.

# 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, 30 June 2024:

	% of capital	% of votes
Investor AB	30.2	40.2
Wallenberg Investments	8.7	7.6
Swedbank Robur Funds	4.7	4.1
Vanguard	2.6	2.3
BlackRock	2.6	2.3
Norges Bank	1.6	1.4
First Swedish National Pension Fund	1.2	1.0
Avanza Pension	1.2	1.0
Schroders	1.2	1.0
AFA Insurance	1.0	0.9

Source: Modular Finance

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

## Personnel

	30 Jun 2024	31 Dec 2023
Number of employees	23,037	21,479
FTEs	23,215	21,610

# Sustainability at Saab

With increased instability in the world, Saab aims to contribute to safe and resilient societies. Saab is committed to strengthening the positive impact on sustainability from its operations whilst ensuring that research, innovation and technology help to enable sustainable development.

## Highlights during the quarter

- As the first major defence company, Saab has received approval for its 2050 targets for greenhouse gas emission reductions from the Science Based Targets initiative (SBTi). With this, Saab is committed to reduce emissions by 90% by 2050 from the base year 2020.
- In April, Saab's Annual General Meeting decided to incorporate a target in the Performance Share Plan aimed at increasing the share of women employees. Diversity and inclusion is a key sustainability priority for Saab, and this decision extends the targets to include social aspects, in addition to the climate target on CO<sub>2</sub> reduction.
- The relocation of Surveillance's Stockholm operations to a new site in Solna is expected to reduce the operations' Scope 2 emissions by 50%.

## Saab's Science Based Targets for 2050 approved



In 2021, Saab committed to the UN's Race to Zero initiative to combat climate change and to setting science-based targets in line with the Paris Agreement. In Q2, Saab achieved an important milestone in this process through the receipt of SBTi approval for its long-term science-based targets, aimed at reaching net-zero greenhouse gas emissions across the value chain by 2050. This means that Saab commits to reducing absolute scope 1 and 2 greenhouse gas emissions by 90% by 2050, from the base year 2020, and to reducing absolute scope 3 emissions by 90% within the same timeframe, with neutralisation of the remaining 10%.

## Diversity and inclusion target in Performance Share Plan

Saab's Annual General Meeting 2024 decided on incorporating a sustainability target relating to diversity and inclusion in the Performance Share Plan for Group Management and other senior managers. Starting from 2025, 5 per cent of the maximum allotment in the plan is attributable to the increase of women employees in the Group by the end of 2027. Saab's long-term goal is to have at least 28% women employees by 2027 and 30% women employees by 2030.

## Additive Manufacturing for expedient repair and spare parts

Additive Manufacturing (AM) has the potential to transform spare parts logistics within the aerospace and defence industry through on-site printing and repairs. This reduces cost, lead time and environmental impact, with less quantity and waste of material, shipping and requirements on new production tools. Alluding to the importance of collaboration in driving progress within this area, Saab in the quarter participated in the European Defense Agency's capability workshop "AM Village 2024". In addition to building stronger ties between industry and defence forces, Saab showcased its ability to enable rapid expedient repairs through reverse engineering, digital inventory and AM technology.

## Re-use and climate in focus with new Surveillance site

During the autumn of 2025, Business Area Surveillance will relocate its Stockholm operations, improving its attractiveness as an employer and supporting Saab's growth whilst reducing its environmental impact. The new location has good access to public transportation for employees and will contribute to Saab's environmental targets, with scope 2 emissions from heating and cooling expected to be reduced by 50% compared to the previous site. During the second quarter the floor plan was set and the

renovation process now begins, following a circular approach which leads to reduced waste and resource use.

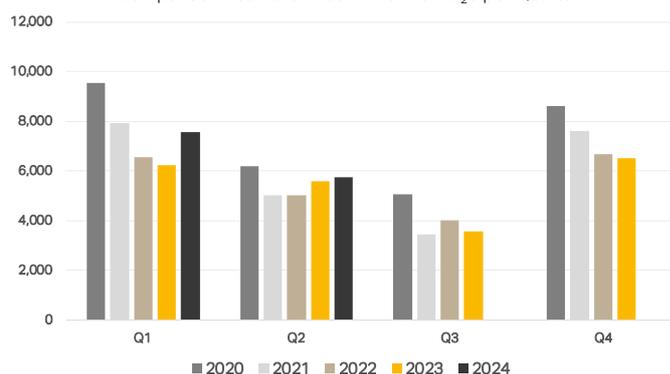
## Ethics and compliance

Saab's ambition is to have an industry-leading anti-bribery and corruption programme and to achieve this whilst expanding internationally. Intensive efforts are therefore being made to train our staff in the mitigation of potential corruption risks. During the quarter, Saab continued its anti-corruption training globally, covering topics such as risk exposure, bribery and corruption. In 2023, Saab also co-sponsored the founding of NIR (International Council of Swedish Industry) Compliance Academy, an initiative aimed at developing compliance professionals through sharing best practice and networking. In the quarter, Saab hosted a training session on "Third Party Risk Management" in the programme, with participants from eight Swedish companies.

## Climate

Emissions increased 3% compared to the same quarter last year. This was primarily due to increased flight testing and business travel reported in scope 1, partly offset by fewer aerial fire fighter missions and an increased share of electric company cars. Increased production activity also resulted in higher emissions from district heating in scope 2.

Quarterly Emissions Scope 1 & 2 Market Based  
Comparison Year-over-Year in Tonne CO<sub>2</sub>e per Quarter



## People

At the end of the quarter, the share of women employees increased to 26% compared to 25% at the end of last year, whilst the proportion of women managers remained at 27%.

In the period, the Lost Time Injury Frequency Rate (LTIFR) decreased compared to the full year 2023 while Total Recordable Injury Frequency Rate (TRIFR) was at a similar level. Reported incidents per workplace injury however decreased, and to further facilitate incident reporting, Saab is focusing on enhancing the process for reporting and handling of incidents.

Performance Indicators <sup>1</sup>	Dec 2022	Dec 2023	YTD 2024
Lost Time Injury Frequency Rate (LTIFR) <sup>2</sup>	0.84	1.33	0.98
Total Recordable Injury Frequency Rate (TRIFR) <sup>3</sup>	2.61	3.57	3.54
Reported incidents per workplace injury <sup>4</sup>	4.4	5.0	4.1
Share of women managers	27%	27%	27%
Share of women employees	24%	25%	26%

<sup>4</sup> Increased incidence reporting leads to fewer accidents

<sup>1</sup> All performance indicators are global

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

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

## Significant events

# January-June 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.

**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 intake was booked by Saab in Q2 2024 as the contract entered into force.

**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 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.

**On 10 April,** Saab announced it has appointed Mikael Adelsberg as Chief Digital Officer and head of the new group function Group Digitalisation. Mikael Adelsberg 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 was 8 May, 2024. 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](http://www.saab.com/agm).

**On 31 May,** Saab received an order from the Government of a Western country for a number of defence systems and equipment. The order value is approximately SEK 7.7 billion with deliveries planned 2027-2028.

**On 4 June,** Saab received an initial investment grade credit rating from S&P Global. The credit rating institute assigned Saab a rating of BBB+ with stable outlook.

**On 18 June,** Saab announced that Anna Wijkander, currently deputy CFO and head of Corporate Control at Saab, will become the company's new CFO and a new member of Saab's Group Management. This follows Saab's announcement on 4 April 2024 that current CFO and deputy CEO Christian Luiga has decided to leave the company. Anna Wijkander assumes the position on 9 September 2024.

**On 27 June,** Saab signed a contract with the Swedish Defence Materiel Administration (FMV) regarding delivery of a third GlobalEye airborne early warning and control aircraft to Sweden. The order value is approximately SEK 2.6 billion and the delivery period is 2024-2029.

**On 28 June,** Saab announced it had received an order from the Swedish Defence Materiel Administration (FMV) for ten combat boats. The order value is approximately 400 MSEK with deliveries over the coming years.

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](http://www.saab.com/newsroom).

### Events after the conclusion of the period

**On 9 July,** Saab announced it had received an order for its Mobile Short Range Air Defence (MSHORAD) solution from Lithuania. The order value is approximately SEK 1.3 billion and deliveries will take place 2025-2027.



### Large defence equipment order

Saab has received an order from the Government of a Western country for a number of defence systems and equipment. The order value is approximately SEK 7.7 billion with deliveries planned 2027-2028.

The order includes systems and equipment from Saab's business areas Dynamics and Surveillance.

### Order for additional GlobalEye to Sweden

Saab has signed a contract with the Swedish Defence Materiel Administration (FMV) for a third GlobalEye airborne early warning and control aircraft to Sweden. The order value is approximately SEK 2.6 billion and the delivery period is 2024-2029.

The order is based on an option included in Saab's contract with FMV from June 2022 which included two GlobalEye as well as options to procure two additional aircraft.

# Consolidated income statement

MSEK	Note	Jan-Jun 2024	Jan-Jun 2023	Rolling 12 Months	Full Year 2023
Sales	4	29,355	23,960	57,004	51,609
Cost of goods sold		-22,890	-18,698	-44,541	-40,349
<b>Gross income</b>		<b>6,465</b>	<b>5,262</b>	<b>12,463</b>	<b>11,260</b>
Gross margin, %		22.0	22.0	21.9	21.8
Other operating income	5	40	397	234	591
Marketing expenses		-1,449	-1,328	-2,859	-2,738
Administrative expenses		-1,180	-941	-2,219	-1,980
Research and development costs		-1,351	-987	-2,481	-2,117
Other operating expenses		-25	-55	-29	-59
Share of income in associated companies and joint ventures	5	22	-355	-308	-685
<b>Operating income (EBIT) <sup>1)</sup></b>	<b>3</b>	<b>2,522</b>	<b>1,993</b>	<b>4,801</b>	<b>4,272</b>
Operating margin, %		8.6	8.3	8.4	8.3
Financial income		292	300	774	782
Financial expenses		-497	-351	-782	-636
<b>Net financial items</b>		<b>-205</b>	<b>-51</b>	<b>-8</b>	<b>146</b>
<b>Income before taxes</b>		<b>2,317</b>	<b>1,942</b>	<b>4,793</b>	<b>4,418</b>
Taxes		-521	-409	-1,087	-975
<b>Net income for the period</b>		<b>1,796</b>	<b>1,533</b>	<b>3,706</b>	<b>3,443</b>
of which Parent Company's shareholders' interest		1,770	1,506	3,645	3,381
of which non-controlling interest		26	27	61	62
Earnings per share before dilution, SEK <sup>2)4)</sup>		3.32	2.84	6.84	6.36
Earnings per share after dilution, SEK <sup>3)4)</sup>		3.28	2.80	6.76	6.29
1) Of which depreciation/amortisation and write-downs		-1,258	-1,109	-2,435	-2,286
2) Average number of shares before dilution <sup>4)</sup>		533,576,038	530,754,232	532,946,536	531,535,632
3) Average number of shares after dilution <sup>4)</sup>		539,012,716	537,377,396	538,961,167	537,511,328
4) Comparison periods adjusted for share split 4:1					

# Consolidated statement of comprehensive income

MSEK	Jan-Jun 2024	Jan-Jun 2023	Rolling 12 Months	Full Year 2023
<b>Net income for the period</b>	<b>1,796</b>	<b>1,533</b>	<b>3,706</b>	<b>3,443</b>
Other comprehensive income/loss:				
Items that will not be reversed in the income statement:				
Revaluation of net pension obligations	1,203	534	-13	-682
Tax attributable to revaluation of net pension obligations	-248	-110	2	140
Equity instruments classified as measured at fair value through other comprehensive income	1,339	2	1,298	-39
Tax attributable to equity instruments classified as measured at fair value through other comprehensive income	-8	-0	0	8
<b>Total</b>	<b>2,286</b>	<b>426</b>	<b>1,287</b>	<b>-573</b>
Items that may be reversed in the income statement:				
Translation differences	341	140	-221	-422
Cash flow hedges	-1,247	-198	-242	807
Tax attributable to cash flow hedges	248	41	37	-170
<b>Total</b>	<b>-658</b>	<b>-17</b>	<b>-426</b>	<b>215</b>
<b>Other comprehensive income/loss for the period</b>	<b>1,628</b>	<b>409</b>	<b>861</b>	<b>-358</b>
<b>Net comprehensive income/loss for the period</b>	<b>3,424</b>	<b>1,942</b>	<b>4,567</b>	<b>3,085</b>
of which Parent Company's shareholders' interest	3,386	1,903	4,521	3,038
of which non-controlling interest	38	39	46	47

# Consolidated statement of financial position

MSEK	Note	30 Jun 2024	31 Dec 2023	30 Jun 2023
<b>ASSETS</b>				
Fixed assets:				
Intangible fixed assets	7	13,015	12,941	12,367
Tangible fixed assets		10,930	9,501	8,568
Biological assets		408	414	410
Right of use assets		2,617	2,554	2,574
Shares in associated companies and joint ventures		262	253	262
Financial investments		2,444	1,102	287
Long-term interest-bearing investments		590	-	-
Long-term receivables		467	515	594
Deferred tax assets		505	482	367
<b>Total fixed assets</b>		<b>31,238</b>	<b>27,762</b>	<b>25,429</b>
Current assets:				
Inventories		19,780	16,786	15,907
Derivatives		966	1,656	1,910
Tax receivables		302	51	249
Accounts receivable		9,218	7,244	6,034
Contract assets		14,346	12,316	11,718
Other receivables		2,568	2,192	1,678
Prepaid expenses and accrued income		1,781	1,283	1,441
Short-term interest-bearing investments		5,686	11,340	11,295
Liquid assets	11	1,810	2,129	2,015
<b>Total current assets</b>		<b>56,457</b>	<b>54,997</b>	<b>52,247</b>
<b>TOTAL ASSETS</b>		<b>87,695</b>	<b>82,759</b>	<b>77,676</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>				
Shareholders' equity:				
Parent Company's shareholders' interest		34,361	32,035	30,784
Non-controlling interest		334	327	419
<b>Total shareholders' equity</b>		<b>34,695</b>	<b>32,362</b>	<b>31,203</b>
Long-term liabilities:				
Long-term lease liabilities		2,120	2,078	2,122
Other long-term interest-bearing liabilities	8	7,127	6,915	6,750
Other liabilities		255	210	88
Provisions for pensions	13	584	1,872	681
Other provisions		2,453	2,888	2,707
Deferred tax liabilities		1,419	1,432	1,253
<b>Total long-term liabilities</b>		<b>13,958</b>	<b>15,395</b>	<b>13,601</b>
Current liabilities:				
Short-term lease liabilities		641	597	579
Other short-term interest-bearing liabilities	8	457	453	174
Contract liabilities		17,653	16,553	14,568
Accounts payable		5,980	6,080	4,412
Derivatives		1,474	1,111	2,438
Tax liabilities		501	235	415
Other liabilities		1,755	1,083	793
Accrued expenses and deferred income		9,590	8,015	8,828
Provisions		991	875	665
<b>Total current liabilities</b>		<b>39,042</b>	<b>35,002</b>	<b>32,872</b>
<b>Total liabilities</b>		<b>53,000</b>	<b>50,397</b>	<b>46,473</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>		<b>87,695</b>	<b>82,759</b>	<b>77,676</b>

# 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
<b>Opening balance, 1 January 2023</b>	2,174	6,099	176	1,192	19,845	<b>29,486</b>	390	<b>29,876</b>
Net comprehensive income/loss for the period January-June 2023			-157	129	1,931	<b>1,903</b>	39	<b>1,942</b>
Transactions with shareholders:								
Share matching plan					98	<b>98</b>		<b>98</b>
Dividend					-703	<b>-703</b>	-21	<b>-724</b>
Acquisition and sale of non-controlling interest					-	<b>-</b>	11	<b>11</b>
<b>Closing balance, 30 June 2023</b>	<b>2,174</b>	<b>6,099</b>	<b>19</b>	<b>1,321</b>	<b>21,171</b>	<b>30,784</b>	<b>419</b>	<b>31,203</b>
Net comprehensive income/loss for the period July-December 2023			794	-536	877	<b>1,135</b>	8	<b>1,143</b>
Transactions with shareholders:								
Share matching plan					116	<b>116</b>		<b>116</b>
Dividend					-	<b>-</b>	-99	<b>-99</b>
Acquisition and sale of non-controlling interest					-	<b>-</b>	-1	<b>-1</b>
<b>Closing balance, 31 December 2023</b>	<b>2,174</b>	<b>6,099</b>	<b>813</b>	<b>785</b>	<b>22,164</b>	<b>32,035</b>	<b>327</b>	<b>32,362</b>
Opening balance, 1 January 2024	2,174	6,099	813	785	22,164	<b>32,035</b>	327	<b>32,362</b>
Net comprehensive income/loss for the period January-June 2024			-999	329	4,056	<b>3,386</b>	38	<b>3,424</b>
Transactions with shareholders:								
Repurchase of shares through equity swap					-319	<b>-319</b>		<b>-319</b>
Share matching plan					112	<b>112</b>		<b>112</b>
Dividend					-853	<b>-853</b>	-31	<b>-884</b>
<b>Closing balance, 30 June 2024</b>	<b>2,174</b>	<b>6,099</b>	<b>-186</b>	<b>1,114</b>	<b>25,160</b>	<b>34,361</b>	<b>334</b>	<b>34,695</b>

# Consolidated statement of cash flows

MSEK	Note	Jan-Jun 2024	Jan-Jun 2023	Full Year 2023
Operating activities:				
Income after financial items		2,317	1,942	4,418
Adjustments for items not affecting cash flows		1,479	1,439	2,950
Dividend from associated companies and joint ventures		16	31	36
Income tax paid		-530	-356	-856
<b>Cash flow from operating activities before changes in working capital</b>		<b>3,282</b>	<b>3,056</b>	<b>6,548</b>
Cash flow from changes in working capital:				
Contract assets and liabilities		-857	1,373	2,915
Inventories		-2,887	-1,864	-2,691
Other current receivables		-2,596	-323	-1,922
Other current liabilities		1,323	837	2,020
Provisions		-605	-121	-408
<b>Cash flow from operating activities</b>		<b>-2,340</b>	<b>2,958</b>	<b>6,462</b>
Investing activities:				
Capitalised development costs		-248	-250	-547
Investments in other intangible fixed assets		-122	-173	-484
Investments in tangible fixed assets		-1,842	-1,049	-2,507
Sales and disposals of tangible fixed assets including biological assets		24	21	4
Investments in and sale of short-term investments		5,677	-1,280	-1,233
Investments in financial assets, associated companies and joint ventures		-604	-238	-1,268
Investments in operations		-15	-	-262
Sale of subsidiaries and other operations		-	382	382
<b>Cash flow from investing activities</b>		<b>2,870</b>	<b>-2,587</b>	<b>-5,915</b>
Financing activities:				
Repayments of loans		-341	-269	-1,075
Amortisation of lease liabilities		-339	-296	-586
Raising of loans and increase in other interest-bearing liabilities		230	-	1,250
Dividend paid to Parent Company's shareholders		-427	-703	-703
Dividend paid to non-controlling interest		-28	-	-126
Transactions with non-controlling interest		-	10	10
<b>Cash flow from financing activities</b>		<b>-905</b>	<b>-1,258</b>	<b>-1,230</b>
<b>Cash flow for the period</b>		<b>-375</b>	<b>-887</b>	<b>-683</b>
Liquid assets at the beginning of the period		2,129	2,869	2,869
Exchange rate difference in liquid assets		56	33	-57
<b>Liquid assets at end of period</b>	<b>11</b>	<b>1,810</b>	<b>2,015</b>	<b>2,129</b>

# Quarterly consolidated income statement

MSEK	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022
Sales	15,170	14,185	16,122	11,527	12,475	11,485	13,866	8,751
Cost of goods sold	-11,790	-11,100	-12,605	-9,046	-9,715	-8,983	-11,017	-6,870
<b>Gross income</b>	<b>3,380</b>	<b>3,085</b>	<b>3,517</b>	<b>2,481</b>	<b>2,760</b>	<b>2,502</b>	<b>2,849</b>	<b>1,881</b>
Gross margin, %	22.3	21.7	21.8	21.5	22.1	21.8	20.5	21.5
Other operating income	20	20	179	15	114	283	101	43
Marketing expenses	-755	-694	-777	-633	-687	-641	-582	-561
Administrative expenses	-595	-585	-596	-443	-491	-450	-463	-334
Research and development costs	-723	-628	-624	-506	-522	-465	-529	-433
Other operating expenses	-2	-23	22	-26	-41	-14	5	-20
Share of income in associated companies and joint ventures	6	16	-301	-29	-68	-287	-68	-8
<b>Operating income (EBIT) <sup>1)</sup></b>	<b>1,331</b>	<b>1,191</b>	<b>1,420</b>	<b>859</b>	<b>1,065</b>	<b>928</b>	<b>1,314</b>	<b>568</b>
Operating margin, %	8.8	8.4	8.8	7.5	8.5	8.1	9.5	6.5
Financial income	135	157	334	148	173	127	42	68
Financial expenses	-158	-339	-131	-154	-226	-125	-7	-201
<b>Net financial items</b>	<b>-23</b>	<b>-182</b>	<b>203</b>	<b>-6</b>	<b>-53</b>	<b>2</b>	<b>35</b>	<b>-133</b>
<b>Income before taxes</b>	<b>1,308</b>	<b>1,009</b>	<b>1,623</b>	<b>853</b>	<b>1,012</b>	<b>930</b>	<b>1,349</b>	<b>435</b>
Taxes	-296	-225	-369	-197	-214	-195	-195	-111
<b>Net income for the period</b>	<b>1,012</b>	<b>784</b>	<b>1,254</b>	<b>656</b>	<b>798</b>	<b>735</b>	<b>1,154</b>	<b>324</b>
of which Parent Company's shareholders' interest	1,000	770	1,223	652	774	732	1,115	305
of which non-controlling interest	12	14	31	4	24	3	39	19
Earnings per share before dilution, SEK <sup>2)4)</sup>	1.87	1.44	2.30	1.23	1.46	1.38	2.11	0.58
Earnings per share after dilution, SEK <sup>3)4)</sup>	1.85	1.43	2.27	1.21	1.44	1.36	2.08	0.57
1) Of which depreciation/amortisation and write-downs	-630	-628	-612	-565	-553	-556	-569	-547
2) Average number of shares before dilution <sup>4)</sup>	533,736,845	533,415,230	532,640,956	531,993,110	531,188,738	530,319,722	529,671,016	529,031,108
3) Average number of shares after dilution <sup>4)</sup>	539,334,622	539,532,640	538,631,236	538,346,168	537,964,760	537,482,588	536,233,844	535,368,700
4) Comparison periods adjusted for share split 4:1								

# Quarterly consolidated statement of comprehensive income

MSEK	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022
<b>Net income for the period</b>	<b>1,012</b>	<b>784</b>	<b>1,254</b>	<b>656</b>	<b>798</b>	<b>735</b>	<b>1,154</b>	<b>324</b>
Other comprehensive income/loss:								
Items that will not be reversed in the income statement:								
Revaluation of net pension obligations	42	1,161	-1,377	161	701	-167	1,173	165
Tax attributable to revaluation of net pension obligations	-9	-239	283	-33	-145	35	-245	-33
Equity instruments classified as measured at fair value through other comprehensive income	1,303	36	-41	0	2	-0	-1	-
Tax attributable to equity instruments classified as measured at fair value through other comprehensive income	-1	-7	8	-0	-0	0	0	-
<b>Total</b>	<b>1,335</b>	<b>951</b>	<b>-1,127</b>	<b>128</b>	<b>558</b>	<b>-132</b>	<b>927</b>	<b>132</b>
Items that may be reversed in the income statement:								
Translation differences	-12	353	-515	-47	311	-171	-268	401
Net gain/loss on cash flow hedges	-212	-1,035	982	23	-152	-46	273	-141
Tax attributable to net gain/loss on cash flow hedges	41	207	-206	-5	32	9	-57	31
<b>Total</b>	<b>-183</b>	<b>-475</b>	<b>261</b>	<b>-29</b>	<b>191</b>	<b>-208</b>	<b>-52</b>	<b>291</b>
<b>Other comprehensive income/loss for the period</b>	<b>1,152</b>	<b>476</b>	<b>-866</b>	<b>99</b>	<b>749</b>	<b>-340</b>	<b>875</b>	<b>423</b>
<b>Net comprehensive income/loss for the period</b>	<b>2,164</b>	<b>1,260</b>	<b>388</b>	<b>755</b>	<b>1,547</b>	<b>395</b>	<b>2,029</b>	<b>747</b>
of which Parent Company's shareholders' interest	2,152	1,234	386	749	1,509	394	2,006	707
of which non-controlling interest	12	26	2	6	38	1	23	40

# Key ratios by quarter

MSEK	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022
Equity/assets ratio, (%)	39.6	39.7	39.1	40.3	40.2	39.6	41.3	39.3
Return on capital employed, % <sup>3)</sup>	12.8	12.6	11.9	11.4	10.5	9.6	8.8	8.4
Return on equity, % <sup>3)</sup>	11.2	10.9	11.1	11.2	10.4	9.5	8.6	7.6
Equity per share, SEK <sup>1)3)4)</sup>	64.39	62.42	60.11	59.35	57.90	56.39	55.64	51.81
Free cash flow, MSEK <sup>3)</sup>	-2,507	-2,389	2,559	-2,554	-1,564	3,125	1,439	398
Free cash flow per share after dilution, SEK <sup>2)3)4)</sup>	-4.65	-4.43	4.75	-4.75	-2.91	5.82	2.68	0.74
1) Number of shares excluding treasury shares and repurchased through equity swap <sup>4)</sup>	533,632,490	533,841,200	532,989,260	532,292,652	531,693,568	530,683,908	529,955,536	529,386,496
2) Average number of shares after dilution <sup>4)</sup>	539,334,622	539,532,640	538,631,236	538,346,168	537,964,760	537,482,588	536,233,844	535,368,700
3) For more information and explanations regarding the usage of these key ratios, please see <a href="http://www.saab.com/investors/financials/financial-data">www.saab.com/investors/financials/financial-data</a>								
4) Comparison periods adjusted for share split 4:1								

## Quarterly information per operating segment

MSEK	Q2 2024	Operating margin	Q1 2024	Operating margin	Q4 2023	Operating margin	Q3 2023	Operating margin
<b>Sales</b>								
Aeronautics	3,726		4,047		4,152		3,135	
Dynamics	3,312		2,622		3,800		2,453	
Surveillance	5,406		4,989		5,777		4,149	
Kockums	2,197		1,966		2,027		1,386	
Combitech	1,082		1,049		1,117		816	
Corporate/elimination	-553		-488		-751		-412	
<b>Total</b>	<b>15,170</b>		<b>14,185</b>		<b>16,122</b>		<b>11,527</b>	
<b>Operating income/loss</b>								
Aeronautics	257	6.9%	276	6.8%	212	5.1%	148	4.7%
Dynamics	594	17.9%	367	14.0%	596	15.7%	382	15.6%
Surveillance	416	7.7%	405	8.1%	705	12.2%	324	7.8%
Kockums	175	8.0%	132	6.7%	192	9.5%	73	5.3%
Combitech	93	8.6%	122	11.6%	111	9.9%	43	5.3%
Corporate	-204		-111		-396		-111	
<b>Total</b>	<b>1,331</b>	<b>8.8%</b>	<b>1,191</b>	<b>8.4%</b>	<b>1,420</b>	<b>8.8%</b>	<b>859</b>	<b>7.5%</b>
MSEK	Q2 2023	Operating margin	Q1 2023	Operating margin	Q4 2022	Operating margin	Q3 2022	Operating margin
<b>Sales</b>								
Aeronautics	3,397		3,070		4,258		2,555	
Dynamics	2,417		2,490		2,782		1,741	
Surveillance	4,739		3,894		4,793		3,152	
Kockums	1,433		1,468		1,634		914	
Combitech	1,023		966		1,035		703	
Corporate/elimination	-534		-403		-636		-314	
<b>Total</b>	<b>12,475</b>		<b>11,485</b>		<b>13,866</b>		<b>8,751</b>	
<b>Operating income/loss</b>								
Aeronautics	187	5.5%	163	5.3%	257	6.0%	60	2.3%
Dynamics	353	14.6%	427	17.1%	618	22.2%	434	24.9%
Surveillance	451	9.5%	554	14.2%	520	10.8%	199	6.3%
Kockums	84	5.9%	83	5.7%	103	6.3%	-57	-6.2%
Combitech	75	7.3%	111	11.5%	95	9.2%	36	5.1%
Corporate	-85		-410		-279		-104	
<b>Total</b>	<b>1,065</b>	<b>8.5%</b>	<b>928</b>	<b>8.1%</b>	<b>1,314</b>	<b>9.5%</b>	<b>568</b>	<b>6.5%</b>

# 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 <sup>1)</sup>	1,566	1,871	2,737	3,753	-2,036
<i>Cash conversion, % <sup>3)</sup></i>	74	79	113	101 <sup>2)</sup>	-44
<i>Return on capital employed, % <sup>1)</sup></i>	11.9	8.8	8.1	4.3	9.1
<i>Return on equity, % <sup>1)</sup></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 <sup>1)4)</sup>	6.36	4.15	3.64	2.02	3.72
Earnings per share after dilution, SEK <sup>1)4)</sup>	6.29	4.10	3.61	2.00	3.70
Dividend per share, SEK <sup>4)</sup>	1.60	1.33	1.23	1.18	-
Equity per share, SEK <sup>1)4)</sup>	60.11	55.64	43.58	40.58	38.62
Number of employees at year-end	21,479	19,002	18,153	18,073	17,420
Number of shares excluding treasury shares 31 December <sup>4)</sup>	532,989,260	529,955,536	527,240,712	528,988,292	531,705,452
Average number of shares before dilution <sup>4)</sup>	531,535,632	528,630,344	528,658,396	532,039,944	532,981,440
Average number of shares after dilution <sup>4)</sup>	537,511,328	534,896,892	533,173,360	535,508,564	535,717,168

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

2) Adjusted for items affecting comparability

3) Cash conversion = operational cash flow / operating income

4) Comparison periods adjusted for share split 4:1

# 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-Jun 2024	Jan-Jun 2023	Full Year 2023
Sales	17,178	13,639	29,204
Cost of goods sold	-14,283	-11,193	-23,993
<b>Gross income</b>	<b>2,895</b>	<b>2,446</b>	<b>5,211</b>
Gross margin, %	16.9	17.9	17.8
Operating income and expenses	-2,080	-1,977	-3,909
<b>Operating income (EBIT)</b>	<b>815</b>	<b>469</b>	<b>1,302</b>
Operating margin, %	4.7	3.4	4.5
Financial income and expenses	134	-82	2,038
<b>Income after financial items</b>	<b>949</b>	<b>387</b>	<b>3,340</b>
Appropriations	-	-	-617
<b>Income before taxes</b>	<b>949</b>	<b>387</b>	<b>2,723</b>
Taxes	-230	-92	-616
<b>Net income for the period</b>	<b>719</b>	<b>295</b>	<b>2,107</b>

## Parent company balance sheet

MSEK	Note	30 Jun 2024	31 Dec 2023	30 Jun 2023
<b>ASSETS</b>				
Fixed assets:				
Intangible fixed assets		1,169	1,174	1,007
Tangible fixed assets		5,986	5,376	5,059
Financial fixed assets		9,516	8,555	7,678
<b>Total fixed assets</b>		<b>16,671</b>	<b>15,105</b>	<b>13,744</b>
Current assets:				
Inventories		11,270	10,651	9,501
Current receivables		23,740	21,026	16,753
Short term investments		5,634	11,283	11,275
Liquid assets		755	753	1,003
<b>Total current assets</b>		<b>41,399</b>	<b>43,713</b>	<b>38,532</b>
<b>TOTAL ASSETS</b>		<b>58,070</b>	<b>58,818</b>	<b>52,276</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>				
Equity:				
Restricted equity		3,354	3,354	3,360
Unrestricted equity		13,416	13,756	11,821
<b>Total shareholders' equity</b>		<b>16,770</b>	<b>17,110</b>	<b>15,181</b>
Untaxed reserves, provisions and liabilities:				
Untaxed reserves		3,926	3,926	3,309
Provisions		2,487	2,677	2,620
Liabilities	8	34,887	35,105	31,166
<b>Total untaxed reserves, provisions and liabilities</b>		<b>41,300</b>	<b>41,708</b>	<b>37,095</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>		<b>58,070</b>	<b>58,818</b>	<b>52,276</b>

### Liquidity, financing, capital expenditures and number of employees

The Parent Company's net debt amounted to SEK 886 million as of 30 June 2024 compared to a net liquidity of SEK 2,635 million at 31 December 2023. Investments in tangible fixed assets amounted to SEK 764 million (392). Investments in intangible assets amounted to SEK 117 million (168). At the end of the period, the Parent Company had 11,659 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 half-year 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 half-year 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 half-year 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](http://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-Jun 2024	Jan-Jun 2023	Change, %	Q2 2024	Q2 2023	Rolling 12 Months	Full Year 2023
Aeronautics	7,296	3,602	103	2,154	2,176	21,805	18,111
Dynamics	32,555	15,080	116	26,964	5,767	44,184	26,709
Surveillance	13,314	9,122	46	7,385	4,250	28,079	23,887
Kockums	3,901	2,169	80	2,549	1,379	9,229	7,497
Combitech	2,480	2,435	2	1,397	1,354	4,336	4,291
Corporate/elimination	-1,477	-1,075	-	-875	-611	-3,086	-2,684
<b>Total</b>	<b>58,069</b>	<b>31,333</b>	<b>85</b>	<b>39,574</b>	<b>14,315</b>	<b>104,547</b>	<b>77,811</b>

### Order bookings per region

MSEK	Jan-Jun 2024	Jan-Jun 2023	Change, %	Q2 2024	Q2 2023	Full Year 2023
Sweden	11,896	10,336	15	7,195	7,178	28,306
Rest of Europe	22,888	5,513	315	15,793	3,342	15,631
North America	3,627	3,457	5	1,092	1,954	9,226
Latin America	851	22	3,768	125	-5	1,563
Asia	4,229	1,354	212	1,529	773	6,075
Africa	340	59	476	8	25	73
Australia, etc.	720	2,081	-65	314	1,048	3,147
Undisclosed country	13,518	8,511	59	13,518	-	13,790
<b>Total</b>	<b>58,069</b>	<b>31,333</b>	<b>85</b>	<b>39,574</b>	<b>14,315</b>	<b>77,811</b>

### Order backlog per operating segment

MSEK	30 Jun 2024	31 Dec 2023	30 Jun 2023
Aeronautics	46,525	46,995	39,781
Dynamics	69,790	43,103	37,994
Surveillance	49,128	45,780	41,570
Kockums	16,798	17,031	15,228
Combitech	1,945	1,595	1,676
Corporate/elimination	-1,465	-1,095	-1,068
<b>Total</b>	<b>182,721</b>	<b>153,409</b>	<b>135,181</b>

### Order backlog per region

MSEK	30 Jun 2024	31 Dec 2023	30 Jun 2023
Sweden	54,913	55,314	48,347
Rest of Europe	56,251	40,636	37,445
North America	12,219	11,510	9,081
Latin America	17,231	17,878	18,343
Asia	11,475	9,600	7,491
Africa	787	535	574
Australia etc.	3,742	4,638	5,425
Undisclosed country	26,103	13,298	8,475
<b>Total</b>	<b>182,721</b>	<b>153,409</b>	<b>135,181</b>

## Sales per operating segment

MSEK	Jan-Jun 2024	Jan-Jun 2023	Change, %	Q2 2024	Q2 2023	Change, %	Rolling 12 Months	Full Year 2023
Aeronautics	7,773	6,467	20	3,726	3,397	10	15,060	13,754
Dynamics	5,934	4,907	21	3,312	2,417	37	12,187	11,160
Surveillance	10,395	8,633	20	5,406	4,739	14	20,321	18,559
Kockums	4,163	2,901	44	2,197	1,433	53	7,576	6,314
Combitech	2,131	1,989	7	1,082	1,023	6	4,064	3,922
Corporate/elimination	-1,041	-937		-553	-534		-2,204	-2,100
<b>Total</b>	<b>29,355</b>	<b>23,960</b>	<b>23</b>	<b>15,170</b>	<b>12,475</b>	<b>22</b>	<b>57,004</b>	<b>51,609</b>

## Sales per region

MSEK	Jan-Jun 2024	% of sales	Jan-Jun 2023	% of sales	Full Year 2023	% of sales
Sweden	12,314	42	10,587	44	21,614	42
Rest of Europe	7,389	25	4,810	20	11,913	23
North America	3,146	11	2,727	11	5,607	11
Latin America	1,500	5	1,688	7	3,690	7
Asia	2,467	8	2,248	9	4,759	9
Africa	89	0	58	0	109	0
Australia, etc.	1,738	6	1,806	8	3,425	7
Undisclosed country	712	2	36	0	492	1
<b>Total</b>	<b>29,355</b>	<b>100</b>	<b>23,960</b>	<b>100</b>	<b>51,609</b>	<b>100</b>

## Information on large customers

During the first half-year 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 10,618 million (9,030).

## 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-Jun 2024	% of sales	Jan-Jun 2023	% of sales	Q2 2024	Q2 2023	Rolling 12 Months	Full Year 2023
Aeronautics	533	6.9	350	5.4	257	187	893	710
Dynamics	961	16.2	780	15.9	594	353	1,939	1,758
Surveillance	821	7.9	1,005	11.6	416	451	1,850	2,034
Kockums	307	7.4	167	5.8	175	84	572	432
Combitech	215	10.1	186	9.4	93	75	369	340
<b>Group segments' operating income</b>	<b>2,837</b>	<b>9.8</b>	<b>2,488</b>	<b>10.4</b>	<b>1,535</b>	<b>1,150</b>	<b>5,623</b>	<b>5,274</b>
Corporate	-315		-495		-204	-85	-822	-1,002
<b>Total</b>	<b>2,522</b>	<b>8.6</b>	<b>1,993</b>	<b>8.3</b>	<b>1,331</b>	<b>1,065</b>	<b>4,801</b>	<b>4,272</b>

## Depreciation/amortisation and write-downs per operating segment

MSEK	Jan-Jun 2024	Jan-Jun 2023	Change, %	Q2 2024	Q2 2023	Rolling 12 Months	Full Year 2023
Aeronautics	116	101	15	60	52	221	206
Dynamics	58	47	23	30	24	109	98
Surveillance	457	430	6	229	216	926	899
Kockums	24	18	33	13	8	43	37
Combitech	6	5	20	3	3	11	10
Corporate	597	508	18	295	250	1,125	1,036
<b>Total</b>	<b>1,258</b>	<b>1,109</b>	<b>13</b>	<b>630</b>	<b>553</b>	<b>2,435</b>	<b>2,286</b>

## Operational cash flow per operating segment

MSEK	Jan-Jun 2024	Jan-Jun 2023	Q2 2024	Q2 2023	Rolling 12 Months	Full Year 2023
Aeronautics	-1,184	-41	-360	-123	-1,513	-370
Dynamics	-1,883	2,275	-887	361	-921	3,237
Surveillance	75	59	511	-686	1,169	1,153
Kockums	-152	-126	-1,072	-829	-280	-254
Combitech	247	91	112	-47	543	387
Corporate	-1,352	-734	-555	-224	-1,614	-996
<b>Total</b>	<b>-4,249</b>	<b>1,524</b>	<b>-2,251</b>	<b>-1,548</b>	<b>-2,616</b>	<b>3,157</b>

## Capital employed per operating segment

MSEK	30 Jun 2024	31 Dec 2023	30 Jun 2023
Aeronautics	12,057	10,403	10,339
Dynamics	6,566	4,346	4,006
Surveillance	12,011	11,676	11,345
Kockums	2,767	3,011	2,340
Combitech	1,134	1,101	1,158
Corporate/elimination	11,014	13,417	12,225
<b>Total</b>	<b>45,549</b>	<b>43,954</b>	<b>41,413</b>

## Full time equivalents (FTEs) per operating segment

Number at end of the period	30 Jun 2024	31 Dec 2023	30 Jun 2023
Aeronautics	5,797	5,568	5,275
Dynamics	3,959	3,557	3,244
Surveillance	6,781	6,275	5,904
Kockums	2,303	2,140	1,952
Combitech	2,273	2,242	2,138
Corporate	2,102	1,828	1,578
<b>Total</b>	<b>23,215</b>	<b>21,610</b>	<b>20,091</b>

## Note 4 Distribution of sales

MSEK	Aeronautics		Dynamics		Surveillance		Kockums		Combitech		Corporate/ elimination		Group	
	Jan-Jun 2024	Jan-Jun 2023	Jan-Jun 2024	Jan-Jun 2023	Jan-Jun 2024	Jan-Jun 2023								
External sales	7,736	6,427	5,821	4,810	10,059	8,386	4,103	2,861	1,355	1,352	281	124	29,355	23,960
Internal sales	37	40	113	97	336	247	60	40	776	637	-1,322	-1,061	-	-
<b>Total sales</b>	<b>7,773</b>	<b>6,467</b>	<b>5,934</b>	<b>4,907</b>	<b>10,395</b>	<b>8,633</b>	<b>4,163</b>	<b>2,901</b>	<b>2,131</b>	<b>1,989</b>	<b>-1,041</b>	<b>-937</b>	<b>29,355</b>	<b>23,960</b>
<b>Sales by customer:</b>														
Military customers	7,198	5,971	5,729	4,722	9,174	7,395	3,828	2,682	652	585	115	74	26,696	21,429
Civilian customers	538	456	92	88	885	991	275	179	703	767	166	50	2,659	2,531
<b>Total external sales</b>	<b>7,736</b>	<b>6,427</b>	<b>5,821</b>	<b>4,810</b>	<b>10,059</b>	<b>8,386</b>	<b>4,103</b>	<b>2,861</b>	<b>1,355</b>	<b>1,352</b>	<b>281</b>	<b>124</b>	<b>29,355</b>	<b>23,960</b>
<b>Sales by significant source:</b>														
Long-term customer contracts	7,204	5,393	2,860	1,713	6,853	6,206	2,350	1,807	-	-	121	77	19,388	15,196
Services	416	821	798	679	2,060	1,425	850	670	1,252	1,264	100	38	5,476	4,897
Products	116	213	2,163	2,418	1,146	755	903	384	103	88	60	9	4,491	3,867
<b>Total external sales</b>	<b>7,736</b>	<b>6,427</b>	<b>5,821</b>	<b>4,810</b>	<b>10,059</b>	<b>8,386</b>	<b>4,103</b>	<b>2,861</b>	<b>1,355</b>	<b>1,352</b>	<b>281</b>	<b>124</b>	<b>29,355</b>	<b>23,960</b>
<b>Sales by domain:</b>														
Air	7,063	5,813	202	128	3,880	4,144	-	-	22	20	16	37	11,183	10,142
Land	83	64	5,018	4,231	2,300	1,381	-	-	647	591	26	9	8,074	6,276
Naval	6	5	569	430	2,928	1,750	4,103	2,861	2	3	136	44	7,744	5,093
Civil Security	13	28	17	13	937	1,025	-	-	190	201	37	26	1,194	1,293
Commercial Aeronautics	563	517	-	-	3	-	-	-	5	4	9	5	580	526
Other/not distributed	8	-	15	8	11	86	-	-	489	533	57	3	580	630
<b>Total external sales</b>	<b>7,736</b>	<b>6,427</b>	<b>5,821</b>	<b>4,810</b>	<b>10,059</b>	<b>8,386</b>	<b>4,103</b>	<b>2,861</b>	<b>1,355</b>	<b>1,352</b>	<b>281</b>	<b>124</b>	<b>29,355</b>	<b>23,960</b>
<b>Sales recognition method:</b>														
Over time	6,750	5,665	3,385	2,275	7,631	6,337	3,857	2,702	1,355	1,352	127	89	23,105	18,420
Point in time	986	762	2,436	2,535	2,428	2,049	246	159	-	-	154	35	6,250	5,540
<b>Total external sales</b>	<b>7,736</b>	<b>6,427</b>	<b>5,821</b>	<b>4,810</b>	<b>10,059</b>	<b>8,386</b>	<b>4,103</b>	<b>2,861</b>	<b>1,355</b>	<b>1,352</b>	<b>281</b>	<b>124</b>	<b>29,355</b>	<b>23,960</b>

## Note 5 Items affecting comparability

Item affecting comparability	Business Area	Line item	Jan-Jun 2024	Jan-Jun 2023	Q2 2024	Q2 2023	Full Year 2023
Write-down of associated companies	Corporate	Share of income in associated companies and joint ventures	-	-284	-	-24	-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	-	58	58
Negative goodwill from a preliminary purchase price allocation	Corporate	Other operating income	-	-	-	-	144
<b>Total</b>			<b>-</b>	<b>44</b>	<b>-</b>	<b>34</b>	<b>-22</b>

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, the first half-year 2023 or the second 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 (SEK 1.60 after implementation of the share split 4:1), 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	30 Jun 2024	31 Dec 2023	30 Jun 2023
Goodwill	5,516	5,424	5,445
Capitalised development costs	6,083	6,106	5,907
Other intangible assets	1,416	1,411	1,015
<b>Total</b>	<b>13,015</b>	<b>12,941</b>	<b>12,367</b>

## Note 8 Net liquidity/debt

MSEK	30 Jun 2024	31 Dec 2023	30 Jun 2023
<b>Assets:</b>			
Liquid assets	1,810	2,129	2,015
Short-term investments	5,686	11,340	11,295
<b>Total liquid investments</b>	<b>7,496</b>	<b>13,469</b>	<b>13,310</b>
Short-term interest-bearing receivables	77	73	76
Long-term interest-bearing receivables	278	333	457
Long-term receivables attributable to pensions	59	59	19
Long-term interest-bearing financial investments	590	-	-
<b>Total interest-bearing assets</b>	<b>8,500</b>	<b>13,934</b>	<b>13,862</b>
<b>Liabilities:</b>			
Lease liabilities	2,761	2,675	2,701
Bonds and other debt instruments	7,469	7,270	6,822
Liabilities to associated companies and joint ventures	53	49	52
Other interest-bearing liabilities	62	48	49
Provisions for pensions <sup>1)</sup>	509	1,549	585
<b>Total interest-bearing liabilities and provisions for pensions</b>	<b>10,854</b>	<b>11,591</b>	<b>10,209</b>
<b>Net liquidity (+) / net debt (-)</b>	<b>-2,354</b>	<b>2,343</b>	<b>3,653</b>

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

### Committed credit lines

MSEK	Facilities	Drawings	Available
Revolving credit facility (Maturity 2026 SEK 6 billion)	6,000	-	6,000
Overdraft facility (Maturity 2025)	93	71	22
<b>Total</b>	<b>6,093</b>	<b>71</b>	<b>6,022</b>

### Parent Company

MSEK	30 Jun 2024	31 Dec 2023	30 Jun 2023
Long-term bonds and other debt instruments	7,074	6,870	6,704
Short-term bonds and other debt instruments	317	400	88
<b>Total</b>	<b>7,391</b>	<b>7,270</b>	<b>6,792</b>

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 half-year, 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 by the end of the first half-year.

No revolving credit facilities have been utilised during the period.

## Note 9 Capital employed

MSEK	30 Jun 2024	31 Dec 2023	30 Jun 2023
Total assets	87,695	82,759	77,676
Less non-interest bearing liabilities	42,146	38,805	36,263
<b>Capital employed</b>	<b>45,549</b>	<b>43,954</b>	<b>41,413</b>

## Note 10 Financial instruments

Classification and categorisation of financial assets and liabilities<sup>2)</sup>

Carrying amount	30 Jun 2024	31 Dec 2023	30 Jun 2023
<b>Financial assets:</b>			
Valued at amortised cost <sup>4)</sup> :			
Accounts receivable, contract assets and other receivables	25,556	21,144	19,165
Liquid assets	1,810	2,129	2,015
Long-term receivables	408	456	576
Valued at fair value through profit and loss <sup>3)</sup> :			
Short-term interest-bearing investments	5,686	11,340	11,295
Derivatives for trading	38	81	13
Financial investments	226	223	233
Valued at fair value through other comprehensive income <sup>3)</sup> :			
Derivatives identified as hedges	928	1,575	1,897
Equity investments elected to be classified as fair value through other comprehensive income	2,218	879	54
Long-term interest-bearing investments	590	-	-
<b>Total financial assets</b>	<b>37,460</b>	<b>37,827</b>	<b>35,248</b>
<b>Financial liabilities:</b>			
Valued at amortised cost:			
Interest-bearing liabilities <sup>1)</sup>	10,345	10,043	9,625
Other liabilities <sup>4)</sup>	14,037	12,426	11,307
Valued at fair value through profit and loss <sup>3)</sup> :			
Contingent consideration payable	129	123	-
Derivatives for trading	58	8	83
Valued at fair value through other comprehensive income <sup>3)</sup> :			
Derivatives identified as hedges	1,416	1,103	2,355
<b>Total financial liabilities</b>	<b>25,985</b>	<b>23,703</b>	<b>23,370</b>
<sup>1)</sup> Fair value	10,582	9,840	9,499

<sup>2)</sup> 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 669 million.

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

<sup>4)</sup> 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 30 June 2024, the Group had the following financial assets and liabilities at fair value:

### Financial assets at fair value

MSEK	30 Jun 2024	Level 1	Level 2	Level 3
Bonds and interest-bearing securities	6,276	6,276	-	-
Forward exchange contracts	717	-	717	-
Currency options	10	-	10	-
Interest rate swaps	238	-	238	-
Electricity derivatives	1	1	-	-
Shares and participations	2,444	-	-	2,444
<b>Total</b>	<b>9,686</b>	<b>6,277</b>	<b>965</b>	<b>2,444</b>

### Financial liabilities at fair value

MSEK	30 Jun 2024	Level 1	Level 2	Level 3
Forward exchange contracts	1,432	-	1,432	-
Currency options	6	-	6	-
Interest rate swaps	10	-	10	-
Electricity derivatives	26	26	-	-
Contingent consideration payable	129	-	-	129
<b>Total</b>	<b>1,603</b>	<b>26</b>	<b>1,448</b>	<b>129</b>

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	3	-
Unrealised gains/losses recognised in other comprehensive income	1,339	-
Foreign currency translation	-	6
<b>Closing balance, 30 June 2024</b>	<b>2,444</b>	<b>129</b>

## Note 11 Supplemental information on statement of cash flows

### Free cash flow

MSEK	Jan-Jun 2024	Jan-Jun 2023	Q2 2024	Q2 2023	Full year 2023
<b>Cash flow from operating activities before changes in working capital, excluding taxes and other financial items <sup>1)</sup></b>	<b>3,561</b>	<b>3,073</b>	<b>1,913</b>	<b>1,674</b>	<b>6,777</b>
Cash flow from changes in working capital:					
Contract assets and liabilities	-857	1,373	914	-727	2,915
Inventories	-2,887	-1,864	-1,292	-844	-2,691
Other current receivables	-2,596	-323	-2,318	-1,387	-1,922
Other current liabilities	1,323	837	39	563	2,020
Provisions	-605	-121	-458	-118	-408
<b>Change in working capital</b>	<b>-5,622</b>	<b>-98</b>	<b>-3,115</b>	<b>-2,513</b>	<b>-86</b>
<b>Cash flow from operating activities excluding taxes and other financial items</b>	<b>-2,061</b>	<b>2,975</b>	<b>-1,202</b>	<b>-839</b>	<b>6,691</b>
Investing activities:					
Investments in intangible fixed assets	-370	-423	-208	-190	-1,031
Investments in tangible fixed assets	-1,842	-1,049	-844	-525	-2,507
Sales and disposals of tangible fixed assets including biological assets	24	21	3	6	4
<b>Cash flow from investing activities <sup>2)</sup></b>	<b>-2,188</b>	<b>-1,451</b>	<b>-1,049</b>	<b>-709</b>	<b>-3,534</b>
<b>Operational cash flow</b>	<b>-4,249</b>	<b>1,524</b>	<b>-2,251</b>	<b>-1,548</b>	<b>3,157</b>
Taxes and other financial items	-619	-313	-245	-87	-815
Sale of and investments in financial assets, associated companies and joint ventures	-13	-32	-11	-4	-896
Investments in operations	-15	-	-	-	-262
Sale of subsidiaries and other operations	-	382	-	75	382
<b>Free cash flow</b>	<b>-4,896</b>	<b>1,561</b>	<b>-2,507</b>	<b>-1,564</b>	<b>1,566</b>

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-Jun 2024	Jan-Jun 2023	Q2 2024	Q2 2023	Full Year 2023
Free cash flow	-4,896	1,561	-2,507	-1,564	1,566
Investing activities – interest-bearing:					
Short-term investments	5,677	-1,280	2,791	1,424	-1,233
Other financial investments and receivables	-590	-206	-590	-93	-372
Financing activities:					
Repayments of loans	-341	-269	-	-21	-1,075
Raising of loans and increase in other interest-bearing liabilities	230	-	230	-	1,250
Dividend paid to the Parent Company's shareholders	-427	-703	-427	-703	-703
Dividend paid to non-controlling interest	-28	-	-28	-	-126
Transactions with non-controlling interest	-	10	-	10	10
<b>Cash flow for the period</b>	<b>-375</b>	<b>-887</b>	<b>-531</b>	<b>-947</b>	<b>-683</b>

### Liquid assets

MSEK	30 Jun 2024	31 Dec 2023	30 Jun 2023
The following components are included in liquid assets:			
Cash and bank balances	1,810	1,629	1,330
Bank deposits	-	500	685
<b>Total according to balance sheet</b>	<b>1,810</b>	<b>2,129</b>	<b>2,015</b>
<b>Total according to statement of cash flows</b>	<b>1,810</b>	<b>2,129</b>	<b>2,015</b>

## 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 and half-year 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 acquisitions or divestments took place in the second quarter 2024.

In the beginning of the third quarter 2024, Combitech divested its Norwegian entity for a minor consideration.

## 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	30 Jun 2024	31 Dec 2023	30 Jun 2023
Defined-benefit obligation	10,066	10,749	9,719
Special employers' contribution	75	323	96
Less assets under management	9,616	9,259	9,153
<b>Total provisions for pensions</b>	<b>525</b>	<b>1,813</b>	<b>662</b>
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 1,203 million in the first half-year 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 half-year 2024.

The return on assets under management was SEK 357 million which resulted in an actuarial gain of SEK 216 million.

The actuarial gain related to the special employer's contribution amounted to SEK 234 million.

## Note 14 Contingent liabilities

No additional significant commitments have arisen during the first half-year 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 half-year 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](http://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 and shares repurchased through equity swaps, 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 amortisation 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

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

The Board of Directors and the President and CEO have ensured that the half-year report provides an accurate overview of the Parent Company's and the Group's operations, financial position and results, and that it describes the significant risks and uncertainties faced by the Parent Company and the companies in the Group.

**Stockholm 19 July 2024**

Saab AB (publ)

Marcus Wallenberg

Chairman

Bert Nordberg  
Board member

Lena Erixon  
Board member

Henrik Henriksson  
Board member

Danica Kragic Jensfelt  
Board member

Johan Menckel  
Board member

Erika Söderberg Johnsson  
Board member

Sebastian Tham  
Board member

Joakim Westh  
Board member

Anders Ynnerman  
Board member

Stefan Andersson  
Board member

Göran Andersson  
Board member

Magnus Gustafsson  
Board member

Micael Johansson

President and CEO and Board member

*This half-year report has not been subject to review by the company's auditors.*



# SAAB



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## Media and financial analyst conference:

19 July 2024 at 10.00 (CET)

### Live webcast:

[www.saab.com/investors/webcast/q2-2024](http://www.saab.com/investors/webcast/q2-2024)

### Conference call:

For information on how to join the call, please register on [www.saab.com/investors/conference-call-q2](http://www.saab.com/investors/conference-call-q2)

The interim report, presentation material and the webcast will be available on [www.saab.com/investors](http://www.saab.com/investors)

## Calendar

### Q3 Interim report 2024

Published 22 October 2024

### Year-end report 2024

Published 7 February 2025

## Important information

This half-year 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 and the Securities Markets Act. The information was submitted for publication, through the agency of the contact person set out above, on 19 July 2024 at 07.30 (CET).*

# Q2