



SAAB

# Taking the next step on our growth journey

The picture shows Sirius Compact, Saab's compact and lightweight electronic warfare sensor

# Q4

YEAR-END REPORT 2023

## Key Highlights

- Order intake amounted to SEK 31,501m (29,866), including SEK 6 bn from reassessment of index clauses. Growth in medium and small orders was 57% and 19%, respectively.
- Group sales amounted to SEK 16,122m (13,866) with an organic sales growth of 16%, driven by most business areas.
- EBITDA increased and amounted to SEK 2,032m (1,883) with an EBITDA margin of 12.6% (13.6) in the quarter.
- EBIT improved to SEK 1,420m (1,314) with strong contributions from Surveillance and Kockums. The EBIT margin in the quarter was 8.8% (9.5).
- Net income amounted to SEK 1,254m (1,154) and the earnings per share was SEK 9.08 (8.32), an increase of 9%.
- Operational cash flow improved and was SEK 3,691m (1,682) in the quarter, driven by higher level of milestone payments.
- Net liquidity position was SEK 2.3 bn (2.4) at the end of period.
- The Board proposes a dividend for 2023 of SEK 6.40 (5.30) per share to the AGM, to be paid in two equal instalments.
- Outlook for 2024: an organic sales growth between 12-16%, operating income growth higher than organic sales growth and positive operational cash flow.
- Upgrading the medium-term target for organic sales growth to now be around 15% (CAGR), from previously around 10%, for the period 2023-2027.

# 32

Order bookings, SEK bn

# 16

Organic sales growth, %

# 8.8

Operating margin, %

## Financial highlights

MSEK	Full Year 2023	Full Year 2022	Change, %	Q4 2023	Q4 2022	Change, %
Order bookings	77,811	63,116	23	31,501	29,866	5
Order backlog	153,409	127,676	20			
Sales	51,609	42,006	23	16,122	13,866	16
Gross income	11,260	8,886	27	3,517	2,849	23
Gross margin, %	21.8	21.2		21.8	20.5	
EBITDA	6,558	5,401	21	2,032	1,883	8
EBITDA margin, %	12.7	12.9		12.6	13.6	
Operating income (EBIT)	4,272	3,274	30	1,420	1,314	8
Operating margin, %	8.3	7.8		8.8	9.5	
Net income	3,443	2,283	51	1,254	1,154	9
of which Parent Company's shareholders' interest	3,381	2,195	54	1,223	1,115	10
Earnings per share after dilution, SEK	25.16	16.41	53	9.08	8.32	9
Return on equity, % <sup>1)</sup>	11.1	8.6				
Operational cash flow	3,157	2,593		3,691	1,682	
Free cash flow	1,566	1,871		2,559	1,439	
Free cash flow per share after dilution, SEK	11.65	13.99		19.00	10.73	
Average number of shares after dilution	134,377,832	133,724,223		134,657,809	134,058,461	

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





## CEO comments

# Taking the next step on our growth journey

**Micael Johansson**  
President and CEO

2023 marked a step change for Saab with a changed market reality and a new growth journey. Our performance in 2023 reflects our ambitions in this new environment, with a strong increase in orders and sales, investments in competence, capacity and R&D, while improving earnings and generating a positive cash flow. Based on our unique position and ability to execute, Saab is a company with significant long-term opportunities.

We are in an era where the issues of geopolitics, security policy, security of supply and defence technology are on top of the agenda. To preserve peace, democracy and freedom, many European countries are putting immense efforts to meet the needs of future deterrent capabilities. Initiatives for capacity and rearmament have already begun and will continue in collaboration with the defence industry over the next decade. Guided by our fundamental purpose, we acknowledge the important role Saab will play in supporting customers in keeping society safe.

In 2023, we added SEK 78 billion (63) to our order backlog, confirming how strategically well-positioned our portfolio is. Sales grew 23% organically, supported by strong backlog execution and our ability to increase operational capacity. EBIT grew 30% and the operating margin improved to 8.3% (7.8). We ended the year with an operational cash flow of SEK 3.2 billion, equivalent to a cash conversion of 74%.

In Q4, sales grew 16% organically, driven by Dynamics and Surveillance. While operating income increased year-over-year, the margin declined to 8.8% (9.5). Good profitability development in Surveillance and unusually high profitability in Kockums was more than offset by a weaker margin in Aeronautics, the normalisation of profitability in Dynamics and losses in the minority portfolio. Operational cash flow in the quarter was SEK 3.7 billion (1.7) and reflected large customer milestone payments.

With the strong market ahead of us, we are accelerating investments for increased capacity, production and competences. During the year, we recruited close to 2,500 new employees across our businesses and we have increased capex with more than 50%. In order to take the

next step on our growth journey, we see a further increase in investments as both attractive and crucial, as this will support our growth and long-term value creation. The increase is planned for a number of our businesses, with a weight on Dynamics and Surveillance. These investments are expected to be front-loaded, which means that cash flow in the coming two years will see pressure, but is still expected to be positive.

During the year, we intensified our R&D investments in targeted capability areas such as autonomy, AI & defence cloud, sensor systems, cyber defence and next generation advanced weapons. Our near-term focus remains on strengthening and protecting Saab's technology leadership. We also see opportunities through collaborations and partnerships.

Looking ahead, delivering on our customer contracts and our strong backlog will be key. Based on current visibility for planned project execution and deliveries, we expect the organic sales growth for the full year 2024 to be between 12-16%. I am satisfied with the steady improvement in our operating income and operating margin over the last two years and we are committed to continue growing the operating income above organic sales growth also in 2024. We expect operational cash flow for 2024 to be positive.

Based on Saab's financial position and performance in 2023 as well as the outlook for 2024, the Board proposes an increase of the dividend to SEK 6.40 (5.30) per share for 2023.

With the increased visibility on future opportunities, we have the confidence to upgrade our organic sales growth target for the medium-term, and now target an organic sales growth of around 15% (CAGR), from previously around 10%. We reconfirm our medium-term targets for operating income growth and cash conversion.

In this new growth environment, we are also revisiting and adapting the pace of our sustainability work to address the rapidly evolving environmental and social responsibility challenges. Therefore, in December, Saab took the decision to update its sustainability strategy. The updated strategy will better position Saab to

become a sustainability leader in our industry through clearer targets and KPIs. As of January 2024, the new strategy is in full effect and my ambition for Saab is to make a difference in the industry in all aspects of sustainability.

Finally, I would like to take the opportunity to acknowledge our 21,600 employees for their commitment and hard work during the year. Their efforts will play a key role in the next phase of Saab's growth journey. I would also like to thank our 115,000 shareholders for investing in the company and for the trust you show in Saab.

## Outlook 2024

### Sales growth:

Organic sales growth between 12-16%

### Operating income:

Operating income growth higher than organic sales growth

### Operational cash flow:

Operational cash flow to be positive

## Targets 2023-2027

### Sales growth:

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

*Previously: an organic sales growth of around 10% (CAGR)*

### 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

## Fourth quarter 2023

Order bookings amounted to SEK 31,501 million (29,866) with strong growth in medium-sized and small orders. Medium-sized orders increased 57 per cent compared to the same quarter last year and amounted to SEK 13,878 million (8,843), and small orders increased 19 per cent amounting to SEK 5,372 million (4,516). Large orders decreased and amounted to SEK 12,251 million (16,507). Orders increased in Asia and North America while orders in Sweden remained at a stable high level.

Key orders in the quarter included a contract for defence equipment to a Western country of SEK 4.3 billion, a Carl-Gustaf order of SEK 1.3 billion to an undisclosed country and an order for the production of T-7A aft fuselage systems to Boeing of SEK 1.0 billion. Order intake in the quarter also included additional order bookings of SEK 6.0 billion related to updated assessment of certain index clauses on previously taken orders of long-term character, by which the backlog value is adjusted to current price level. Of the total SEK 6.0 billion, SEK 4.3 billion was booked in Aeronautics and SEK 1.7 billion in Surveillance.

## January-December 2023

Order bookings for the full year increased 23 per cent compared to 2022 and amounted to SEK 77,811 million (63,116), driven by growth in all order sizes and strong order intake in Dynamics. Medium-sized orders increased 37 per cent and amounted to SEK 30,553 million (22,341) while small orders increased 23 per cent and amounted to SEK 16,385 million (13,302). Large orders also increased and amounted to SEK 30,873 million (27,473).

The order backlog at the end of the period amounted to SEK 153,409 million, compared to SEK 127,676 million at the beginning of the year, corresponding to an increase of 20 per cent. In total, 64 per cent of the backlog is attributable to international markets, compared to 62 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

## Fourth quarter 2023

Sales increased 16.3 per cent in the quarter, with an organic sales growth of 15.8 per cent, and amounted to SEK 16,122 million (13,866). The sales growth was driven by most business areas and Combitech, with particularly strong contributions from Dynamics and Surveillance in the quarter.

## January-December 2023

Sales for the full year amounted to SEK 51,609 million (42,006) corresponding to sales growth of 22.9 per cent, of which organic growth was 22.6 per cent. All business areas and Combitech reported sales growth for the full year.

Sales from international markets amounted to SEK 29,995 million (24,451) and corresponded to 58 per cent (58) of total sales. Saab reported sales growth in most regions during the year while sales in Latin America and Asia declined compared to the full year 2022. 90 per cent (89) of sales were related to the defence business.

## Sales growth

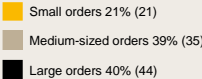
Per cent	Full Year 2023	Full Year 2022	Q4 2023	Q4 2022
Organic sales growth	23	5	16	14
Change from acquisitions and divestments	-1	-	-1	-
Currency translation effects	1	2	1	2
<b>Total sales growth</b>	<b>23</b>	<b>7</b>	<b>16</b>	<b>16</b>

## Sales per region

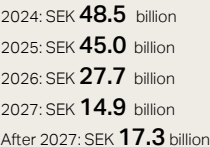
MSEK	Full Year 2023	Full Year 2022	Change, %
Sweden	21,614	17,555	23
Rest of Europe	11,913	7,838	52
North America	5,607	4,466	26
Latin America	3,690	3,901	-5
Asia	4,759	5,910	-19
Africa	109	88	24
Australia, etc.	3,425	2,248	52
Undisclosed country	492	-	-
<b>Total</b>	<b>51,609</b>	<b>42,006</b>	<b>23</b>

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

## Order distribution, Jan-Dec 2023



## Order backlog duration:



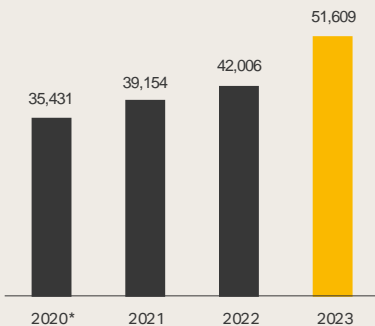
## Defence/Civil

A total of 91% (93) of order bookings were attributable to defence related operations during 2023.

## Market

A total of 64% (50) of order bookings were related to markets outside Sweden during 2023.

## Sales Jan-Dec, MSEK



\*Includes items affecting comparability of SEK 1,331 million

# Income

## Fourth quarter 2023

Gross income increased 23 per cent in the period with the gross margin improving to 21.8 per cent (20.5), driven by the stronger sales volumes and favourable mix in Surveillance and Kockums. EBITDA increased 8 per cent and the EBITDA margin was 12.6 per cent (13.6). Operating income grew 8 per cent to SEK 1,420 million (1,314) with an operating margin of 8.8 per cent (9.5). The operating margin had an unfavourable impact from higher marketing and administration costs due to higher market activity and growth, and results from the minority portfolio, see note 5 and 12 for further information. Items affecting comparability in the quarter had a net negative impact of SEK -66 million related to write-downs in the minority portfolio, partly offset by negative goodwill from a preliminary PPA. See note 5 and 12 for further information.

## January-December 2023

Gross income increased 27 per cent to SEK 11,260 million (8,886) and the gross margin improved to 21.8 per cent (21.2), driven by the increased sales volumes in all business areas and Combitech.

Total depreciation, amortisation and write-downs amounted to SEK 2,286 million (2,127). Depreciation of tangible fixed assets and right-of-use assets amounted to SEK 1,507 million (1,415). Total R&D expenditures amounted to SEK 8,899 million (7,637), corresponding to 17 per cent (18) of sales. Expenditures for internally funded investments in R&D amounted to SEK 2,049 million (1,763), of which SEK 547 million (500) 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 779 million (712), of which amortisation and write-downs of capitalised development expenditures amounted to SEK 615 million (554). R&D amortisation is mainly related to GlobalEye, amounting to SEK 374 million (374) during 2023.

The share of income in associated companies and joint ventures amounted to SEK -685 million (-97), including write-downs in the minority portfolio of SEK -494 million classified as items affecting comparability, see also note 5.

EBITDA grew 21 per cent to SEK 6,558 million (5,401) with a corresponding margin of 12.7 per cent (12.9). For the full year, operating income (EBIT) increased 30 per cent and amounted to SEK 4,272 million (3,274), with a margin of 8.3 per cent (7.8). The improvement was mainly driven by the higher gross income, partly offset by results from the minority portfolio. Items affecting comparability had a net negative impact of SEK -22 million on the results. This was a result of write-downs in the minority portfolio, partly offset by the capital gain related to the sale of the Maritime Traffic Management operations, divestment of property, and negative goodwill from a preliminary PPA. See note 5 for further information.

# Financial net

MSEK	Full Year 2023	Full Year 2022
Financial net related to pensions	-35	-72
Net interest items	110	-70
Currency gains/losses	156	9
Lease liability interest	-139	-106
Other financial items	54	-216
<b>Total</b>	<b>146</b>	<b>-455</b>

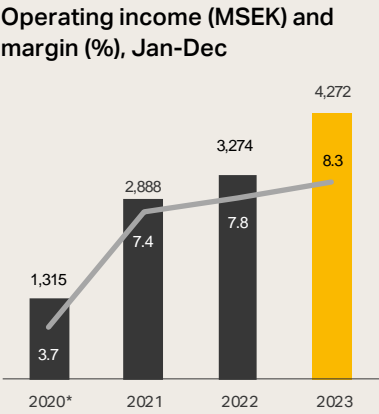
The financial net related to pensions is the financial cost for net pension obligations recognised in the balance sheet. See note 13 for more information regarding defined-benefit pension plans.

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. The favourable effect compared to last year was primarily driven by higher interest in the short-term investment portfolio. 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 2023, SEK appreciation had a favourable impact on the tender portfolio. Lease liability interest consists of the interest portion related to lease liabilities recognised in the balance sheet.

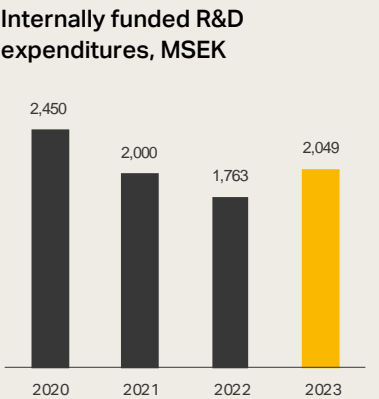
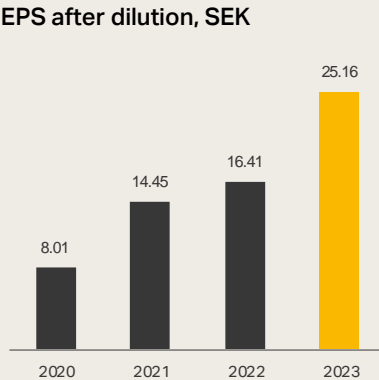
Other financial items consist of realised and unrealised results from short-term investments and derivatives as well as other currency effects, e.g. changes in exchange rates for liquid assets in currencies other than SEK. Other financial items was positive in 2023 reflecting favourable movements in market interest rates and credit spreads compared to last year.

# Tax

Current and deferred taxes amounted to SEK -975 million (-536) for the full year, corresponding to an effective tax rate of 22 (19) per cent. The effective tax rate was affected by unfavourable effects from non-deductible write-downs in the minority portfolio, partly offset by non-taxable income from the capital gains related to the sale of the MTM operations and property as well as recognition of previously unrecognised temporary differences. The effective tax rate in 2022 was affected by high utilisation of previously non-capitalised deductible temporary differences and loss carry forwards.



\*Includes items affecting comparability of SEK 1,423 million



# Financial position and liquidity

At the end of December 2023, Saab had a net liquidity of SEK 2,343 million, a decrease of SEK 89 million compared to SEK 2,432 million at year-end 2022. Net debt/EBITDA was -0.36 (-0.45) at the end of the period.

Cash flow from operating activities amounted to SEK 6,462 million (4,654).

Contract assets increased by SEK 2,405 million and contract liabilities increased by SEK 5,364 million compared to year-end 2022. Inventories increased by SEK 2,591 million during 2023 with increases across business areas.

Net provisions for pensions, excluding special employer's contribution, amounted to SEK 1,490 million as of 31 December 2023, compared to SEK 1,068 million at year-end 2022. The effect on net debt of SEK 422 million was mainly related to changes in actuarial assumptions regarding discount rate and other actuarial adjustments. For further information on Saab's benefit pension plans, see note 13.

Tangible fixed assets amounted to SEK 9,501 million at the end of the quarter compared to 7,965 at the end of 2022. Biological assets amounted to SEK 414 million (408). Right-of-use assets recognised in the balance sheet amounted to SEK 2,554 million compared to 2,682 million at the end of 2022.

Financial investments increased with SEK 984 million in 2023 to SEK 1,102 million (118). The increase was mainly related to the investment in Helsing GmbH. The consideration for the investment in Helsing GmbH was recognised as a short-term liability at the end of the third quarter and was paid in October 2023.

Net investments during the year amounted to SEK 3,534 million (2,193). Investments in tangible fixed assets amounted to SEK 2,507 million (1,624).

Investments in intangible fixed assets amounted to SEK 1,031 million (686), of which SEK 547 million (500) 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 484 million (186) was related to other intangible fixed assets.

As of 31 December 2023, short-term investments and liquid assets amounted to SEK 13,469 million, an increase of SEK 612 million compared to year-end 2022. In addition, the Group had unutilised revolving credit facilities amounting to SEK 6,000 million.

Capital employed increased by SEK 3,003 million during the year to SEK 43,954 million. The return on capital employed was 11.9 per cent (8.8) and the return on equity was 11.1 per cent (8.6), both measured over a rolling 12-month period.

## Change in net debt Jan-Dec 2023

MSEK	
<b>Net liquidity (+) / net debt (-), 31 Dec 2022 <sup>1)</sup></b>	<b>2,432</b>
Cash flow from operating activities	6,462
Change in net pension obligation	-422
Net investments	-3,534
Sale of and investments in financial assets, associates and joint ventures	-896
Write-down of loan receivable to associated company	-639
Dividend	-703
Dividend to and transactions with non-controlling interest	-116
Additional lease liabilities	-490
Investments in operations	-262
Sale of subsidiaries and other operations	382
Other items, currency impact and unrealised results from financial investments	129
<b>Net liquidity (+) / net debt (-), 31 Dec 2023 <sup>1)</sup></b>	<b>2,343</b>
<sup>1)</sup> Net liquidity (+) / net debt (-) excluding net provisions for pensions, lease liabilities and interest-bearing receivables, 31 December 2023	6,102

# Key indicators of financial position and liquidity

MSEK	31 Dec 2023	31 Dec 2022	Change
Net liquidity / debt <sup>2)</sup>	2,343	2,432	-89
Intangible fixed assets	12,941	12,248	693
Goodwill	5,424	5,384	40
Capitalised development costs	6,106	5,958	148
Other intangible fixed assets	1,411	906	505
Tangible fixed assets, etc <sup>3)</sup>	9,915	8,373	1,542
Right of use assets <sup>4)</sup>	2,554	2,682	-128
Inventories	16,786	14,195	2,591
Accounts receivable	7,244	6,045	1,199
Contract assets	12,316	9,911	2,405
Contract liabilities	16,553	11,189	5,364
Equity/assets ratio, %	39.1	41.3	-
Return on equity, %	11.1	8.6	-
Return on capital employed, %	11.9	8.8	-
Equity per share, SEK <sup>1)</sup>	240.42	222.55	17.9
1) Number of shares excluding treasury shares	133,247,315	132,488,884	
2) The Group's net liquidity/debt refers to liquid assets, short-term investments and interest-bearing receivables less interest-bearing liabilities and provisions for pensions excluding provisions for special employers' contribution attributable to pensions. For a detailed break-down of interest-bearing receivables and interest-bearing liabilities, see note 8.			
3) Including tangible fixed assets and biological assets.			
4) Relate to right-of-use assets for leases.			

# Cash flow

## Fourth quarter 2023

Operational cash flow was positive in the fourth quarter and amounted to SEK 3,691 million (1,682). The increase was driven by higher customer payments in Dynamics and Surveillance, partly offset by higher investments.

Operational cash flow is defined as cash flow from operating activities and acquisitions and divestments of intangible and tangible fixed assets. Cash flow from operating activities excludes taxes and other financial items but includes amortisation of lease liabilities.

Free cash flow amounted to SEK 2,559 million (1,439) and was affected by SEK -865 million from the investment in Helsing GmbH. For more detailed information on cash flow, see note 11.

## January-December 2023

Operational cash flow was higher compared to last year and amounted to SEK 3,157 million (2,593) following lower increase in working capital, partly offset by higher investments. The change in working capital was mainly due to higher customer payments compared to the full year 2022.

Free cash flow amounted to SEK 1,566 million (1,871) and included positive effects of SEK 307 million from the divestment of the MTM business and SEK 75 million from divestment of property. Free cash flow also had an effect of SEK -223 million from the acquisition of BlueBear and SEK -865 million from the investment in Helsing GmbH. For more detailed information on cash flow, see note 11.

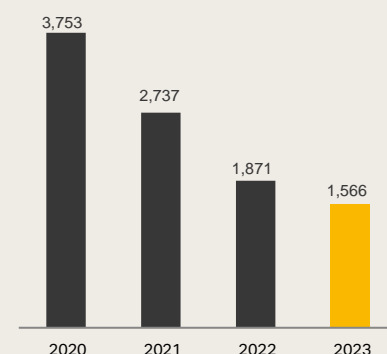
There can be large fluctuations in cash flow between reporting periods as the timing of milestone payments in large projects greatly varies depending on when milestones are reached.

MSEK	Jan-Dec 2023	Jan-Dec 2022
<b>Cash flow from operating activities before changes in working capital, excluding taxes and other financial items <sup>1)</sup></b>	<b>6,777</b>	<b>5,718</b>
Change in working capital	-86	-932
<b>Cash flow from operating activities excluding taxes and other financial items</b>	<b>6,691</b>	<b>4,786</b>
Cash flow from investing activities <sup>2)</sup>	-3,534	-2,193
<b>Operational cash flow</b>	<b>3,157</b>	<b>2,593</b>
Taxes and other financial items	-815	-656
Sale of and investments in financial assets and operations	-776	-66
<b>Free cash flow</b>	<b>1,566</b>	<b>1,871</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, MSEK





## Business Area

# Aeronautics

### Business Units

Advanced Programs, Aerospace Systems, Aviation Services, Gripen.

### Market highlights

Orders in the period included a production order for T-7A fuselage systems to Boeing, a Gripen support contract to Brazil and a follow-on order for Gripen C/D upgrade to Sweden. A contract was also signed for continued aerial firefighting capability to Sweden.

In the quarter, Saab updated the assessment of certain index clauses on previously taken orders of long-term character, whereby the value in the backlog is adjusted to current price level. This resulted in an additional order booking of SEK 4.3 billion in Aeronautics in the fourth quarter relating to the Gripen contract.

### Sales and operating income

Sales decreased slightly in the quarter due to lower activity level in projects in the period.

Operating income and margin decreased as a result of the lower sales volumes and under-utilisation in the T-7A production.

### Cash flow

Cash flow was positive in the quarter as a result of customer milestone payments.

MSEK	Full Year 2023	Full Year 2022	Change, %	Q4 2023	Q4 2022
Order bookings	18,111	13,119	38	9,233	7,021
Order backlog	46,995	42,645	10		
Sales	13,754	12,942	6	4,152	4,258
EBITDA	916	858	7	263	295
EBITDA margin, %	6.7	6.6		6.3	6.9
Operating income (EBIT)	710	694	2	212	257
Operating margin, %	5.2	5.4		5.1	6.0
Operational cash flow	-370	107		240	457



## Business Area

# Dynamics

### Business Units

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

### Market highlights

Dynamics continued to secure significant order intake in the fourth quarter. Orders included defence equipment to a Western country, RBS 70 missiles to NATO as well as Carl-Gustaf and AT4 contracts.

Saab also introduced production of undersea vehicle capability to the U.S. with a contract for Double Eagle Semi-Autonomous Remotely Operated Vehicle for the Kuwait Naval Force.

### Sales and operating income

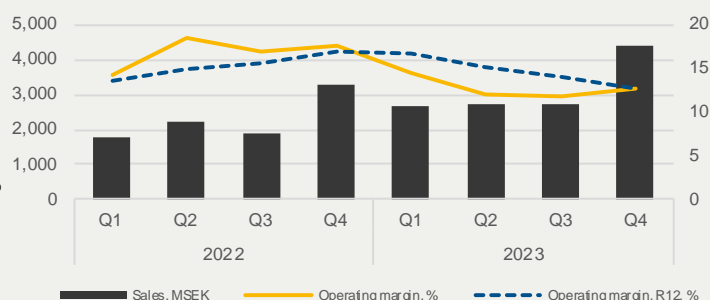
Sales increased 34% in the quarter driven by high activity levels and deliveries in most business units.

The EBIT and EBIT margin declined compared to the same quarter last year which included an exceptionally favourable mix.

### Cash flow

Operational cash flow increased in the quarter and was driven by timing of customer payments.

MSEK	Full Year 2023	Full Year 2022	Change, %	Q4 2023	Q4 2022
Order bookings	28,903	17,811	62	9,340	8,526
Order backlog	46,971	30,821	52		
Sales	12,577	9,168	37	4,405	3,287
EBITDA	1,707	1,658	3	589	606
EBITDA margin, %	13.6	18.1		13.4	18.4
Operating income (EBIT)	1,600	1,562	2	558	580
Operating margin, %	12.7	17.0		12.7	17.6
Operational cash flow	2,784	1,251		1,568	590





# 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

Continued good order momentum driven by orders for sight- and fire control for CV90 to BAE Systems and support for Arthur systems to South Korea. A share of the order for defence equipment to a Western country in the quarter was booked in Surveillance.

Updated assessment of certain index clauses on previously taken orders of long-term character resulted in additional order bookings of SEK 1.7 billion for Surveillance in the quarter.

### Sales and operating income

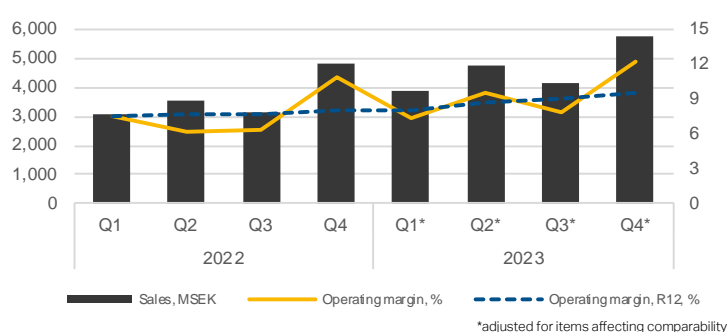
Sales increased 21% in the quarter driven by high activity in several large projects.

EBIT grew 36% in the period and the margin was 12.2%. This was a result of the higher sales volumes and a strong performance in several business units at the end of the year.

### Cash flow

Cash flow was strong in the fourth quarter, driven by customer milestone payments.

MSEK	Full Year 2023	Full Year 2022	Change, %	Q4 2023	Q4 2022
Order bookings	23,887	22,966	4	9,042	8,941
Order backlog	45,780	41,301	11		
Sales	18,559	14,616	27	5,777	4,793
EBITDA	2,933	1,983	48	954	722
EBITDA margin, %	15.8	13.6		16.5	15.1
Operating income (EBIT)	2,034	1,176	73	705	520
Operating margin, %	11.0	8.0		12.2	10.8
Operational cash flow	1,153	1,314		1,913	219



# Business Area

## Kockums

### Business Units

Docksta, Submarines, Surface Ships.

### Market highlights

Orders decreased compared to the same period last year which included a contract for Signal Intelligence ships to Poland.

In the quarter, Kockums received an order for studies of future underwater capabilities for Sweden, including new technologies for submarines.

### Sales and operating income

Sales increased 26% as a result of a higher level of project execution in the last quarter of the year.

Operating income and margin was exceptionally high in the fourth quarter, mainly due to successful closing of international projects in the quarter.

### Cash flow

Operational cash flow was negative due to timing of supplier and customer payments.

MSEK	Full Year 2023	Full Year 2022	Change, %	Q4 2023	Q4 2022
Order bookings	5,294	7,267	-27	3,724	4,668
Order backlog	13,178	12,772	3		
Sales	4,892	3,614	35	1,424	1,134
EBITDA	618	329	88	236	146
EBITDA margin, %	12.6	9.1		16.6	12.9
Operating income (EBIT)	589	300	96	229	139
Operating margin, %	12.0	8.3		16.1	12.3
Operational cash flow	198	-288		-292	19



## Business Area

# Combitech

### Market highlights

A framework agreement was signed with the Swedish Defence Materiel Administration (FMV) for technical resources and a national measurement facility to be certified according to the international Tempest standard for emission security.

In the quarter, Combitech entered into a Swedish-Ukrainian business cooperation with Sigma Software for increased exchange of expertise in areas such as complex systems and secure system integration.

### Sales and operating income

Sales continued to grow in the quarter driven by high business activity with customers.

Operating income and margin improved compared to same quarter last year, as a result of higher sales and improved utilisation.

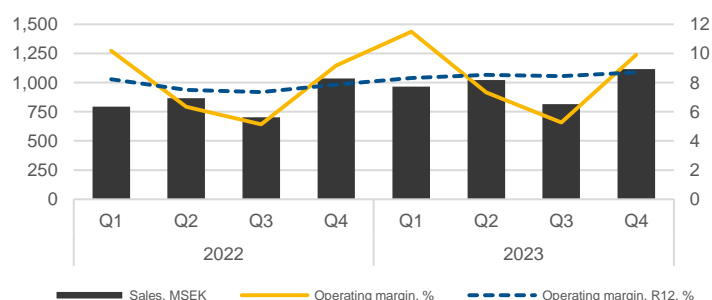
### Cash flow

Cash flow improved in the quarter driven by higher payment collection.

MSEK	Full Year 2023	Full Year 2022	Change, %	Q4 2023	Q4 2022
Order bookings	4,291	3,469	24	1,122	1,083
Order backlog	1,595	1,227	30		
Sales	3,922	3,399	15	1,117	1,035
EBITDA	350	275	27	114	97
EBITDA margin, %	8.9	8.1		10.2	9.4
Operating income (EBIT)	340	267	27	111	95
Operating margin, %	8.7	7.9		9.9	9.2
Operational cash flow	387	177		332	270



**Market**  
Sales in markets outside Sweden amounted to 6% (6) during 2023.



## 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 interests in UMS Skeldar AG and Saab's Venture portfolio.

Corporate reported an operating loss of SEK -1,001 million (-725) for the full year of 2023. The increase in the negative results was mainly related to the write-downs in the minority portfolio of SEK -494 million, of which SEK -210 million was reported in the fourth quarter. This was partly offset by a capital gain from the divestment of property amounting to SEK 58 million in the second quarter and a preliminary negative goodwill of SEK 144 million recognised in the fourth quarter. These items were classified as items affecting comparability (see note 5) and excluding items affecting comparability, the Corporate operating loss was lower and amounted to SEK -709 million (-725). Operational cash flow attributable to Corporate amounted to SEK -995 million (32), driven mainly by timing of group internal transactions and increased investments.

## Acquisitions and divestments 2023

On 31 March, Saab completed the divestment of the Maritime Traffic Management (MTM) operation within business area Surveillance to funds advised by Agilitas Private Equity LLP. The purchase price amounted to EUR 46 million and the transaction generated a capital gain of SEK 270 million with a positive effect on free cash flow of SEK 307 million. The capital gain has been classified as an item affecting comparability, see note 5. In 2022, the divested MTM operations had sales of SEK 356 million and an operating income of SEK 42 million.

During the second quarter 2023, Saab divested property in accordance with the resolution from the Annual General Meeting for the Share Purchase Agreement and a Lease Agreement with Vectura. The divestment resulted in a capital gain of SEK 58 million in the second quarter, classified as an item affecting comparability, and had a positive effect on free cash flow of SEK 75 million. See also note 5 and note 15.

On 31 August, Saab announced the acquisition of 100 per cent of the shares in BlueBear Systems Group Ltd (BlueBear) for approximately SEK 383 million. BlueBear is a provider of AI-enabled autonomous swarm systems for complex defence and security applications. SEK 250 million has been paid at the time of the acquisition and an estimated contingent consideration at fair value of approximately SEK 133 million is included in the total consideration. For more information about the acquisition, see note 12. On 7 September, Saab announced the strategic acquisition of CrowdAI in the U.S. for a minor consideration. On 14 September, Saab announced the strategic partnership and investment in Helsing, a defence company specialising in AI-based software technologies. The investment of EUR 75 million was for a 5 per cent stake in Helsing GmbH and the consideration for the investment was recognised as a short-term liability in the third quarter and was paid in October 2023. Helsing is recognised as a Financial investment.

In the fourth quarter 2023, Saab acquired two subsidiaries in Sweden from its associated company UMS Skeldar AG for a minor consideration. See note 12 for further information.

# Share repurchase

Saab held 2,598,532 treasury shares as of 31 December 2023, compared to 3,356,963 at year-end 2022. The Annual General Meeting in 2023 authorised that Saab may enter into an equity swap agreement with a third party to hedge the expected financial exposure of LTI 2024. 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.

# Proposed dividend

The Board of Directors proposes that shareholders receive a dividend of SEK 6.40 per share (5.30), totalling SEK 853 million (703). The dividend for 2023 is based on the number of shares outstanding as of 31 December 2023, amounting to 133,247,315 (132,488,884). In order to facilitate a more efficient cash management, the dividend is proposed to be paid out in two equal instalments. The proposed record dates to be entitled to receive the dividend are 15 April 2024 and 8 October 2024. The dividend is expected to be paid out on 18 April 2024 and 11 October 2024.

# 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 2022, pages 38-44.

# 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's crisis management organisation continues to focus on security, embargo and sanction practises. 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. 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. Saab is monitoring the situation and has mitigating actions in place and is in close dialogue with its suppliers. Saab has no defence related sales exposure to Israel.

## Owners

Largest owners, 31 December 2023:

	% of capital	% of votes
Investor AB	30.2	40.4
Wallenberg Investments	8.7	7.7
Swedbank Robur Funds	5.1	4.5
Vanguard	2.5	2.2
BlackRock	2.4	2.1
Schroders	1.6	1.4
Norges Bank	1.5	1.3
AFA Insurance	1.0	0.9
First Swedish National Pension Fund	1.0	0.9
Avanza Pension	0.9	0.8

Source: Modular Finance

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

## Personnel

	31 Dec 2023	31 Dec 2022
Number of employees	21,479	19,002
FTEs	21,610	19,121

# Sustainability at Saab

Keeping people and societies safe from threats is fundamental for sustainable development. By developing and providing solutions that also enable customers to achieve their sustainability ambitions, Saab can have a competitive advantage in the market while contributing to sustainable development.

## Highlights during the fourth quarter

- To accelerate Saab Group’s sustainability efforts and better align the sustainability strategy with clear targets and KPIs, the company took the decision to update the sustainability strategy in the quarter.
- In the period, Saab conducted a double materiality assessment based on interpretations of, and guidance on, the European Sustainability Reporting Standards (ESRS) to determine material sustainability topics based on impacts, risks and opportunities.
- Saab’s Barracuda unit received a contribution award for the continued development of camouflage nets made from renewable sources or recycled materials from the Swedish Defence Materiel Administration’s TechDay innovation programme.

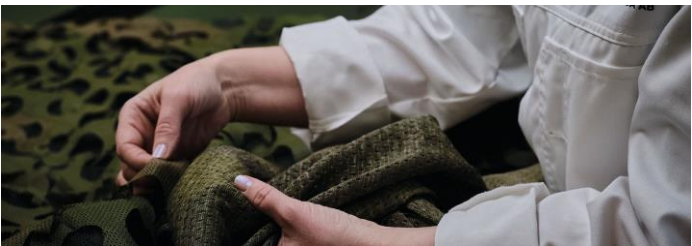
## Updated sustainability strategy



At the end of 2023, Saab’s Board of Directors decided on an updated sustainability strategy that aims to position Saab as a sustainability leader in our industry, and further aligns Saab with stakeholder expectations and new EU regulatory demands. The process involved a double materiality analysis, setting clear targets and KPIs for all material topics, and an extensive analysis of Saab’s risks and opportunities within sustainability.

## Circular economy

Saab’s business unit Barracuda in Dynamics has developed a camouflage net where more than 50% of the product stems from renewable sources or recycled materials, while maintaining the same performance as the reference product. Setting an example for sustainable innovation, Barracuda sees potential to use bio-based materials in a wider range of applications and as a technology advantage for camouflage products.



## Code of Conduct

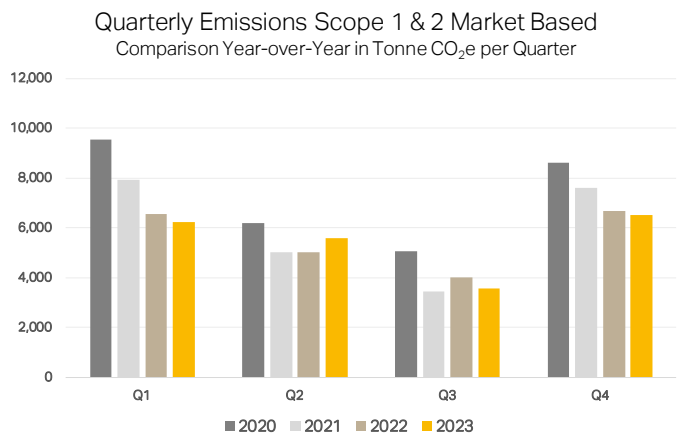
In the first quarter of 2023, Saab launched its new Code of Conduct, which sets the standard of ethical business conduct and behaviour, and which all employees and third parties acting on Saab’s behalf must comply with. The new issue of the Code of Conduct has been well-received throughout Saab’s organisation and in the fourth quarter, an increased submittal of

reports and inquiries in our whistleblowing system has been recorded. The results reflect the increased awareness of the Code of Conduct, our values and strategy, and the possibility to report and follow-up.

## Climate

During the fourth quarter, Saab reduced emissions (Scope 1 and Scope 2) by 2.5% compared to the same period last year. The reduction was achieved while increasing our manufacturing output and was largely the result of improved energy efficiency, higher percentage of fossil-free district heating and the purchase of renewable energy certificates (REC).

For the full year 2023, Saab’s emissions decreased by 1.5% compared to 2022 and by 25.5% compared to our Science-based Targets base year 2020. The reduction was driven by continued work with energy efficiency measures, a reduced mix of emission-intense energy sources from suppliers and the purchase of RECs.



## People

Lost Time Injury Frequency Rate (LTIFR) and Total Recordable Injury Frequency Rate (TRIFR) have increased compared to the previous quarter due to improved accuracy in classifying incidents and the implementation of enhanced system support. During the quarter, efforts have been made to improve the quality of reporting data for 2023 in order to have a solid benchmark for short- and long-term targets going forward. Reported incidents per workplace injury has improved over the year, driven by increased awareness and proactive management of risks and incidents.

As part of our strategy, Saab continues to focus on diversity and inclusion to increase the share of women as managers and employees. At the end of 2023, the share of women managers remained at 27% while the share of women employees increased to 25% from 24% at year-end 2022.

Performance Indicators <sup>1</sup>	2021	2022	2023
Lost Time Injury Frequency Rate (LTIFR) <sup>2</sup>	0.59	0.84	1.33
Total Recordable Injury Frequency Rate (TRIFR) <sup>3</sup>	-	2.61	3.17
Reported incidents per workplace injury <sup>4</sup>	5.1	4.4	5.0
Share of women managers	27%	27%	27%
Share of women employees	24%	24%	25%

<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

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



## Significant events

# January-December 2023

**On 10 February**, Saab announced changes in its Group Management and organisation that took effect on 1 March 2023. Lars Tossman was appointed Head of Business Area Aeronautics. Mats Wicksell assumed the position as Head of Business Area Kockums and became a new member of Saab's Group Management team. Jonas Hjelm took on a new position within Group Management as Head of Government Affairs.

**On 14 February**, Saab announced new medium-term financial targets for the period 2023-2027. These targets replace Saab's long-term targets on sales growth and operating income. The new targets are provided on the back of improved growth opportunities.

**On 24 February**, Saab announced it had signed a framework agreement with a Government of a Western country and received orders within the agreement for a number of defence systems. The total order value is approximately SEK 8 billion with deliveries planned 2023-2026.

**On 5 April**, Saab held its Annual General Meeting in Stockholm, Sweden. The Annual General Meeting decided on a dividend of SEK 5.30 per share. Read more on [www.saab.com/agm](https://www.saab.com/agm).

**On 25 May**, Saab received an order for sight- and fire control capability from BAE Systems Hägglunds for the CV90 combat vehicles ordered by the Slovak Republic. The order value is approx. SEK 900 million and deliveries are scheduled 2023-2029.

**On 29 May**, Saab received an order from the Swedish Defence Materiel Administration (FMV) for Carl-Gustaf ammunition. The order value is approx. SEK 3 billion and deliveries will take place during 2026-2030.

**On 16 June**, Saab announced its Arexis sensor suite has been selected by Germany's defence procurement office (BAAINBw) as the preferred solution for the German Eurofighter Electronic Warfare (EW) variant. At this point, Saab has not yet signed a contract nor received an order for this.

**On 31 August**, Saab acquired all shares in the U.K.-based company BlueBear, a world-leading provider of AI-enabled autonomous swarm systems for complex defence and security applications.

**On 7 September**, Saab announced the strategic acquisition of CrowdAI in the U.S., accelerating the development and implementation of Artificial Intelligence (AI)/Machine Learning (ML) capabilities into Saab's portfolio.

**On 12 September**, Saab received an order for additional functionality and adjusted delivery schedules for Gripen E and Gripen C/D from the Swedish Defence Materiel Administration. The order value is approx. SEK 5.8 billion.

**On 14 September**, Saab announced it had entered into a strategic partnership with Helsing, a defence company specialising in AI-based software technologies. The partnership includes an investment by Saab of EUR 75 million in cash for a 5 percent stake in Helsing GmbH.

**On 18 September**, Saab announced that the U.S. Department of Defense (DoD) had expanded a current framework agreement for AT4 systems and Carl-Gustaf ammunition. A new order was also signed valued at USD 104.9 million (approx. SEK 1 billion) with deliveries during 2024-2026.

**On 29 September**, Saab announced that Dean Rosenfield will leave the role as Chief Marketing Officer and his role in Saab's Group Management. Dean will remain in his position until 29 February 2024.

**On 11 October**, Saab received an order from BAE Systems Hägglunds for sight-and fire control for CV90 vehicles to the Czech Republic. The order value is approx. SEK 970 million and the contract period is 2023-2029.

**On 17 November**, Saab received an order from a government of a Western country for defence systems and equipment with an order value of approximately SEK 4.3 billion and deliveries planned 2025-2027.

**On 22 November**, Saab announced it had received an order for the Carl-Gustaf system with an order value of approximately SEK 1.3 billion and deliveries scheduled 2024-2025.

**On 29 November**, Saab announced it had signed a support contract with South Korea for its Arthur weapon locating systems. The order value is approximately SEK 795 million and the contract period is 2023-2028.

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 <https://www.saab.com/newsroom>.

### Events after the conclusion of the period

**On 22 January**, Saab signed a three-year contract for GlobalEye support to UAE with an order value of approximately USD 190 million.

**On 23 January**, Saab announced an order for production of T-7A aft fuselage systems to Boeing with an order value of USD 101.7 million (approx. SEK 1 billion). The order was booked in Q4 2023.



#### Arthur systems support to South Korea

"The Republic of Korea Armed Forces is the largest operator of our Arthur weapon locating system and we are proud to contribute to its capability by ensuring the systems remain in operation with excellent availability," said Carl-Johan Bergholm, head of Saab's business area Surveillance.



#### T-7A aft fuselage systems to Boeing

"What we are building is the most modern and forward-looking advanced pilot training system on the market and I am confident that this is a programme that will deliver aircraft for many years to come. This order ensures the ramp-up of serial production to meet both current and future customers' increased needs," said Lars Tossman, head of Saab's business area Aeronautics.

# Consolidated income statement

MSEK	Note	Full Year 2023	Full Year 2022	Q4 2023	Q4 2022
Sales	4	51,609	42,006	16,122	13,866
Cost of goods sold		-40,349	-33,120	-12,605	-11,017
<b>Gross income</b>		<b>11,260</b>	<b>8,886</b>	<b>3,517</b>	<b>2,849</b>
Gross margin, %		21.8	21.2	21.8	20.5
Other operating income	5	591	231	179	101
Marketing expenses		-2,738	-2,333	-777	-581
Administrative expenses		-1,980	-1,543	-596	-463
Research and development costs		-2,117	-1,817	-624	-529
Other operating expenses		-59	-53	22	5
Share of income in associated companies and joint ventures	5	-685	-97	-301	-68
<b>Operating income (EBIT) <sup>1)</sup></b>	<b>3</b>	<b>4,272</b>	<b>3,274</b>	<b>1,420</b>	<b>1,314</b>
Operating margin, %		8.3	7.8	8.8	9.5
Financial income		782	194	334	42
Financial expenses		-636	-649	-131	-7
<b>Net financial items</b>		<b>146</b>	<b>-455</b>	<b>203</b>	<b>35</b>
<b>Income before taxes</b>		<b>4,418</b>	<b>2,819</b>	<b>1,623</b>	<b>1,349</b>
Taxes		-975	-536	-369	-195
<b>Net income for the period</b>		<b>3,443</b>	<b>2,283</b>	<b>1,254</b>	<b>1,154</b>
of which Parent Company's shareholders' interest		3,381	2,195	1,223	1,115
of which non-controlling interest		62	88	31	39
Earnings per share before dilution, SEK <sup>2)</sup>		25.44	16.61	9.18	8.42
Earnings per share after dilution, SEK <sup>3)</sup>		25.16	16.41	9.08	8.32
1) Of which depreciation/amortisation and write-downs		-2,286	-2,127	-612	-569
2) Average number of shares before dilution		132,883,908	132,157,586	133,160,239	132,417,754
3) Average number of shares after dilution		134,377,832	133,724,223	134,657,809	134,058,461

# Consolidated statement of comprehensive income

MSEK	Full Year 2023	Full Year 2022	Q4 2023	Q4 2022
<b>Net income for the period</b>	<b>3,443</b>	<b>2,283</b>	<b>1,254</b>	<b>1,154</b>
Other comprehensive income/loss:				
Items that will not be reversed in the income statement:				
Revaluation of net pension obligations	-682	4,719	-1,377	1,173
Tax attributable to revaluation of net pension obligations	140	-975	283	-245
Equity instruments classified as measured at fair value through other comprehensive income	-39	-1	-41	-1
Tax attributable to equity instruments classified as measured at fair value through other comprehensive income	8	0	8	0
<b>Total</b>	<b>-573</b>	<b>3,743</b>	<b>-1,127</b>	<b>927</b>
Items that may be reversed in the income statement:				
Translation differences	-422	816	-515	-268
Cash flow hedges	807	262	982	273
Tax attributable to cash flow hedges	-170	-52	-206	-57
<b>Total</b>	<b>215</b>	<b>1,026</b>	<b>261</b>	<b>-52</b>
<b>Other comprehensive income/loss for the period</b>	<b>-358</b>	<b>4,769</b>	<b>-866</b>	<b>875</b>
<b>Net comprehensive income/loss for the period</b>	<b>3,085</b>	<b>7,052</b>	<b>388</b>	<b>2,029</b>
of which Parent Company's shareholders' interest	3,038	6,936	386	2,006
of which non-controlling interest	47	116	2	23

# Consolidated statement of financial position

MSEK	Note	31 Dec 2023	31 Dec 2022
<b>ASSETS</b>			
Fixed assets:			
Intangible fixed assets	7	12,941	12,248
Tangible fixed assets		9,501	7,965
Biological assets		414	408
Right of use assets		2,554	2,682
Shares in associated companies and joint ventures		253	343
Financial investments		1,102	118
Long-term receivables		515	695
Deferred tax assets		482	403
<b>Total fixed assets</b>		<b>27,762</b>	<b>24,862</b>
Current assets:			
Inventories		16,786	14,195
Derivatives		1,656	1,835
Tax receivables		51	36
Accounts receivable		7,244	6,045
Contract assets		12,316	9,911
Other receivables		2,192	1,232
Prepaid expenses and accrued income		1,283	1,101
Short-term investments		11,340	9,988
Liquid assets	11	2,129	2,869
Assets held for sale	12	-	291
<b>Total current assets</b>		<b>54,997</b>	<b>47,503</b>
<b>TOTAL ASSETS</b>		<b>82,759</b>	<b>72,365</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>			
Shareholders' equity:			
Parent Company's shareholders' interest		32,035	29,486
Non-controlling interest		327	390
<b>Total shareholders' equity</b>		<b>32,362</b>	<b>29,876</b>
Long-term liabilities:			
Long-term lease liabilities		2,078	2,240
Other long-term interest-bearing liabilities	8	6,915	6,749
Other liabilities		210	90
Provisions for pensions	13	1,872	1,304
Other provisions		2,888	2,566
Deferred tax liabilities		1,432	1,140
<b>Total long-term liabilities</b>		<b>15,395</b>	<b>14,089</b>
Current liabilities:			
Short-term lease liabilities		597	554
Other short-term interest-bearing liabilities	8	453	445
Contract liabilities		16,553	11,189
Accounts payable		6,080	4,870
Derivatives		1,111	1,664
Tax liabilities		235	198
Other liabilities		1,083	1,097
Accrued expenses and deferred income		8,015	7,216
Provisions		875	1,035
Liabilities related to assets held for sale	12	-	132
<b>Total current liabilities</b>		<b>35,002</b>	<b>28,400</b>
<b>Total liabilities</b>		<b>50,397</b>	<b>42,489</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>		<b>82,759</b>	<b>72,365</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 2022</b>	2,174	6,099	-34	404	14,333	<b>22,976</b>	273	<b>23,249</b>
Net comprehensive income/loss for the period January-December 2022			210	788	5,938	<b>6,936</b>	116	<b>7,052</b>
Transactions with shareholders:								
Share matching plan					202	<b>202</b>		<b>202</b>
Dividend					-647	<b>-647</b>	-30	<b>-677</b>
Acquisition and sale of non-controlling interest					19	<b>19</b>	31	<b>50</b>
<b>Closing balance, 31 December 2022</b>	<b>2,174</b>	<b>6,099</b>	<b>176</b>	<b>1,192</b>	<b>19,845</b>	<b>29,486</b>	<b>390</b>	<b>29,876</b>
Opening balance, 1 January 2023	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-December 2023			637	-407	2,808	<b>3,038</b>	47	<b>3,085</b>
Transactions with shareholders:								
Share matching plan					214	<b>214</b>		<b>214</b>
Dividend					-703	<b>-703</b>	-120	<b>-823</b>
Acquisition and sale of non-controlling interest					-	<b>-</b>	10	<b>10</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>



# Consolidated statement of cash flows

MSEK	Note	Full Year 2023	Full Year 2022
Operating activities:			
Income after financial items		4,418	2,819
Adjustments for items not affecting cash flows		2,950	3,319
Dividend from associated companies and joint ventures		36	44
Income tax paid		-856	-596
<b>Cash flow from operating activities before changes in working capital</b>		<b>6,548</b>	<b>5,586</b>
Cash flow from changes in working capital:			
Contract assets and liabilities		2,915	-153
Inventories		-2,691	-2,550
Other current receivables		-1,922	-241
Other current liabilities		2,020	2,552
Provisions		-408	-540
<b>Cash flow from operating activities</b>		<b>6,462</b>	<b>4,654</b>
Investing activities:			
Capitalised development costs		-547	-500
Investments in other intangible fixed assets		-484	-186
Investments in tangible fixed assets		-2,507	-1,624
Sales and disposals of tangible fixed assets including biological assets		4	117
Investments in and sale of short-term investments		-1,233	-49
Investments in financial assets, associated companies and joint ventures		-1,268	-240
Sale of financial assets, associated companies and joint ventures		-	2
Investments in operations		-262	-
Sale of subsidiaries and other operations		382	42
<b>Cash flow from investing activities</b>		<b>-5,915</b>	<b>-2,438</b>
Financing activities:			
Repayments of loans		-1,075	-1,386
Amortisation of lease liabilities		-586	-524
Raising of loans		1,250	1,394
Dividend paid to Parent Company's shareholders		-703	-647
Dividend paid to non-controlling interest		-126	-62
Transactions with non-controlling interest		10	47
<b>Cash flow from financing activities</b>		<b>-1,230</b>	<b>-1,178</b>
<b>Cash flow for the period</b>		<b>-683</b>	<b>1,038</b>
Liquid assets at the beginning of the period		2,869	1,701
Exchange rate difference in liquid assets		-57	130
<b>Liquid assets at end of period</b>	<b>11</b>	<b>2,129</b>	<b>2,869</b>

# Quarterly consolidated income statement

MSEK	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022
Sales	16,122	11,527	12,475	11,485	13,866	8,751	10,171	9,218
Cost of goods sold	-12,605	-9,046	-9,715	-8,983	-11,017	-6,870	-8,049	-7,184
<b>Gross income</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>	<b>2,122</b>	<b>2,034</b>
Gross margin, %	21.8	21.5	22.1	21.8	20.5	21.5	20.9	22.1
Other operating income	179	15	114	283	101	43	69	18
Marketing expenses	-777	-633	-687	-641	-582	-561	-638	-553
Administrative expenses	-596	-443	-491	-450	-463	-334	-384	-362
Research and development costs	-624	-506	-522	-465	-529	-433	-439	-416
Other operating expenses	22	-26	-41	-14	5	-20	6	-44
Share of income in associated companies and joint ventures	-301	-29	-68	-287	-68	-8	2	-23
<b>Operating income (EBIT) <sup>1)</sup></b>	<b>1,420</b>	<b>859</b>	<b>1,065</b>	<b>928</b>	<b>1,314</b>	<b>568</b>	<b>738</b>	<b>654</b>
Operating margin, %	8.8	7.5	8.5	8.1	9.5	6.5	7.3	7.1
Financial income	334	148	173	127	42	68	52	32
Financial expenses	-131	-154	-226	-125	-7	-201	-240	-201
<b>Net financial items</b>	<b>203</b>	<b>-6</b>	<b>-53</b>	<b>2</b>	<b>35</b>	<b>-133</b>	<b>-188</b>	<b>-169</b>
<b>Income before taxes</b>	<b>1,623</b>	<b>853</b>	<b>1,012</b>	<b>930</b>	<b>1,349</b>	<b>435</b>	<b>550</b>	<b>485</b>
Taxes	-369	-197	-214	-195	-195	-111	-117	-113
<b>Net income for the period</b>	<b>1,254</b>	<b>656</b>	<b>798</b>	<b>735</b>	<b>1,154</b>	<b>324</b>	<b>433</b>	<b>372</b>
of which Parent Company's shareholders' interest	1,223	652	774	732	1,115	305	421	354
of which non-controlling interest	31	4	24	3	39	19	12	18
Earnings per share before dilution, SEK <sup>2)</sup>	9.18	4.90	5.83	5.52	8.42	2.31	3.19	2.68
Earnings per share after dilution, SEK <sup>3)</sup>	9.08	4.84	5.76	5.45	8.32	2.28	3.15	2.66
1) Of which depreciation/amortisation and write-downs	-612	-565	-553	-556	-569	-547	-517	-494
2) Average number of shares before dilution	133,160,239	132,998,278	132,797,185	132,579,931	132,417,754	132,257,777	132,067,095	131,887,719
3) Average number of shares after dilution	134,657,809	134,586,542	134,491,190	134,370,647	134,058,461	133,842,175	133,782,303	133,267,371

# Quarterly consolidated statement of comprehensive income

MSEK	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022
<b>Net income for the period</b>	<b>1,254</b>	<b>656</b>	<b>798</b>	<b>735</b>	<b>1,154</b>	<b>324</b>	<b>433</b>	<b>372</b>
Other comprehensive income/loss:								
Items that will not be reversed in the income statement:								
Revaluation of net pension obligations	-1,377	161	701	-167	1,173	165	1,978	1,403
Tax attributable to revaluation of net pension obligations	283	-33	-145	35	-245	-33	-407	-290
Equity instruments classified as measured at fair value through other comprehensive income	-41	-	2	-0	-1	-	-	-
Tax attributable to equity instruments classified as measured at fair value through other comprehensive income	8	-	-0	0	0	-	-	-
<b>Total</b>	<b>-1,127</b>	<b>128</b>	<b>558</b>	<b>-132</b>	<b>927</b>	<b>132</b>	<b>1,571</b>	<b>1,113</b>
Items that may be reversed in the income statement:								
Translation differences	-515	-47	311	-171	-268	401	414	269
Net gain/loss on cash flow hedges	982	23	-152	-46	273	-141	-84	214
Tax attributable to net gain/loss on cash flow hedges	-206	-5	32	9	-57	31	18	-44
<b>Total</b>	<b>261</b>	<b>-29</b>	<b>191</b>	<b>-208</b>	<b>-52</b>	<b>291</b>	<b>348</b>	<b>439</b>
<b>Other comprehensive income/loss for the period</b>	<b>-866</b>	<b>99</b>	<b>749</b>	<b>-340</b>	<b>875</b>	<b>423</b>	<b>1,919</b>	<b>1,552</b>
<b>Net comprehensive income/loss for the period</b>	<b>388</b>	<b>755</b>	<b>1,547</b>	<b>395</b>	<b>2,029</b>	<b>747</b>	<b>2,352</b>	<b>1,924</b>
of which Parent Company's shareholders' interest	386	749	1,509	394	2,006	707	2,321	1,902
of which non-controlling interest	2	6	38	1	23	40	31	22

# Key ratios by quarter

MSEK	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022
Equity/assets ratio, (%)	39.1	40.3	40.2	39.6	41.3	39.3	38.7	38.0
Return on capital employed, % <sup>3)</sup>	11.9	11.4	10.5	9.6	8.8	8.4	8.1	8.1
Return on equity, % <sup>3)</sup>	11.1	11.2	10.4	9.5	8.6	7.6	7.8	8.4
Equity per share, SEK <sup>1) 3)</sup>	240.42	237.38	231.59	225.57	222.55	207.25	201.55	188.85
Free cash flow, MSEK <sup>3)</sup>	2,559	-2,554	-1,564	3,125	1,439	398	395	-361
Free cash flow per share after dilution, SEK <sup>2) 3)</sup>	19.00	-18.98	-11.63	23.26	10.73	2.97	2.95	-2.71
1) Number of shares excluding treasury shares	133,247,315	133,073,163	132,923,392	132,670,977	132,488,884	132,346,624	132,168,930	131,965,259
2) Average number of shares after dilution	134,657,809	134,586,542	134,491,190	134,370,647	134,058,461	133,842,175	133,782,303	133,267,371
3) For more information and explanations regarding the usage of these key ratios, please see saab.com, investor, financial data, key ratios.								

## Quarterly information per operating segment

MSEK	Q4 2023	Operating margin	Q3 2023	Operating margin	Q2 2023	Operating margin	Q1 2023	Operating margin
<b>Sales</b>								
Aeronautics	4,152		3,135		3,397		3,070	
Dynamics	4,405		2,750		2,720		2,702	
Surveillance	5,777		4,149		4,739		3,894	
Kockums	1,424		1,084		1,129		1,255	
Combitech	1,117		816		1,023		966	
Corporate/elimination	-753		-407		-533		-402	
<b>Total</b>	<b>16,122</b>		<b>11,527</b>		<b>12,475</b>		<b>11,485</b>	
<b>Operating income/loss</b>								
Aeronautics	212	5.1%	148	4.7%	187	5.5%	163	5.3%
Dynamics	558	12.7%	328	11.9%	325	11.9%	389	14.4%
Surveillance	705	12.2%	324	7.8%	451	9.5%	554	14.2%
Kockums	229	16.1%	127	11.7%	112	9.9%	121	9.6%
Combitech	111	9.9%	43	5.3%	75	7.3%	111	11.5%
Corporate	-395		-111		-85		-410	
<b>Total</b>	<b>1,420</b>	<b>8.8%</b>	<b>859</b>	<b>7.5%</b>	<b>1,065</b>	<b>8.5%</b>	<b>928</b>	<b>8.1%</b>
MSEK	Q4 2022	Operating margin	Q3 2022	Operating margin	Q2 2022	Operating margin	Q1 2022	Operating margin
<b>Sales</b>								
Aeronautics	4,258		2,555		3,073		3,056	
Dynamics	3,287		1,880		2,208		1,793	
Surveillance	4,793		3,152		3,562		3,109	
Kockums	1,134		774		889		817	
Combitech	1,035		703		866		795	
Corporate/elimination	-641		-313		-427		-352	
<b>Total</b>	<b>13,866</b>		<b>8,751</b>		<b>10,171</b>		<b>9,218</b>	
<b>Operating income/loss</b>								
Aeronautics	257	6.0%	60	2.3%	178	5.8%	199	6.5%
Dynamics	580	17.6%	318	16.9%	408	18.5%	256	14.3%
Surveillance	520	10.8%	199	6.3%	223	6.3%	234	7.5%
Kockums	139	12.3%	60	7.8%	55	6.2%	46	5.6%
Combitech	95	9.2%	36	5.1%	55	6.4%	81	10.2%
Corporate	-277		-105		-181		-162	
<b>Total</b>	<b>1,314</b>	<b>9.5%</b>	<b>568</b>	<b>6.5%</b>	<b>738</b>	<b>7.3%</b>	<b>654</b>	<b>7.1%</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
<i>Adjusted operating income</i>	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)</sup>	25.44	16.61	14.57	8.07	14.88
Earnings per share after dilution, SEK <sup>1)</sup>	25.16	16.41	14.45	8.01	14.81
Dividend per share, SEK	6.40 <sup>4)</sup>	5.30	4.90	4.70	-
Equity per share, SEK <sup>1)</sup>	240.42	222.55	174.31	162.32	154.48
Number of employees at year-end	21,479	19,002	18,153	18,073	17,420
Number of shares excluding treasury shares as of 31 December	133,247,315	132,488,884	131,810,178	132,247,073	132,926,363
Average number of shares before dilution	132,883,908	132,157,586	132,164,599	133,009,986	133,245,360
Average number of shares after dilution	134,377,832	133,724,223	133,293,340	133,877,141	133,929,292

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

2) Adjusted for items affecting comparability

3) Cash conversion = operational cash flow / operating income

4) Board of Directors' proposal



# 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 year-end report.

## Parent company income statement

MSEK	Full Year 2023	Full Year 2022	Q4 2023	Q4 2022
Sales	29,204	24,075	8,931	7,932
Cost of goods sold	-23,993	-20,287	-7,226	-6,843
<b>Gross income</b>	<b>5,211</b>	<b>3,788</b>	<b>1,705</b>	<b>1,089</b>
Gross margin, %	17.8	15.7	19.1	13.7
Operating income and expenses	-3,909	-3,366	-1,082	-948
<b>Operating income (EBIT)</b>	<b>1,302</b>	<b>422</b>	<b>623</b>	<b>141</b>
Operating margin, %	4.5	1.8	7.0	1.8
Financial income and expenses	2,038	1,743	2,165	1,774
<b>Income after financial items</b>	<b>3,340</b>	<b>2,165</b>	<b>2,788</b>	<b>1,915</b>
Appropriations	-617	-623	-617	-623
<b>Income before taxes</b>	<b>2,723</b>	<b>1,542</b>	<b>2,171</b>	<b>1,292</b>
Taxes	-616	-206	-466	-225
<b>Net income for the period</b>	<b>2,107</b>	<b>1,336</b>	<b>1,705</b>	<b>1,067</b>

## Parent company balance sheet

MSEK	Note	31 Dec 2023	31 Dec 2022
<b>ASSETS</b>			
Fixed assets:			
Intangible fixed assets		1,174	918
Tangible fixed assets		5,376	4,802
Financial fixed assets		8,555	8,297
<b>Total fixed assets</b>		<b>15,105</b>	<b>14,017</b>
Current assets:			
Inventories		10,651	8,704
Current receivables		21,026	17,459
Short term investments		11,283	9,986
Liquid assets		753	1,603
<b>Total current assets</b>		<b>43,713</b>	<b>37,752</b>
<b>TOTAL ASSETS</b>		<b>58,818</b>	<b>51,769</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>			
Equity:			
Restricted equity		3,354	3,360
Unrestricted equity		13,756	12,132
<b>Total shareholders' equity</b>		<b>17,110</b>	<b>15,492</b>
Untaxed reserves, provisions and liabilities:			
Untaxed reserves		3,926	3,309
Provisions		2,677	2,704
Liabilities	8	35,105	30,264
<b>Total untaxed reserves, provisions and liabilities</b>		<b>41,708</b>	<b>36,277</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>		<b>58,818</b>	<b>51,769</b>

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

The Parent Company's net liquidity amounted to SEK 2,635 million as of 31 December 2023 compared to a net liquidity of SEK 2,647 million at 31 December 2022. Investments in tangible fixed assets amounted to SEK 1,334 million (993). Investments in intangible assets amounted to SEK 222 million (168). At the end of the period, the Parent Company had 10,970 employees compared to 10,055 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 2022.

## Note 2 Accounting principles

The consolidated accounts for 2023 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 Financial Reporting Board's recommendation RFR 2, Accounting for Legal Entities. The Group's and the Parent Company's accounting principles are described on pages 106-108, and concerning significant income statement and balance sheet items, in each note disclosure in the Annual Report 2022.

The year-end 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 2022. All the information on pages 1-29 constitutes the year-end report for 2023.

The Group and the Parent Company use the accounting principles and calculation methods as described in the Annual Report 2022. Important estimates and assumptions are disclosed in note 2 in the Annual Report 2022.

## 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.

### 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, torpedoes, unmanned underwater vehicles, 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 and autonomous vessels. 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	Full Year 2023	Full Year 2022	Change, %	Q4 2023	Q4 2022
Aeronautics	18,111	13,119	38	9,233	7,021
Dynamics	28,903	17,811	62	9,340	8,526
Surveillance	23,887	22,966	4	9,042	8,941
Kockums	5,294	7,267	-27	3,724	4,668
Combitech	4,291	3,469	24	1,122	1,083
Corporate/elimination	-2,675	-1,516		-960	-373
<b>Total</b>	<b>77,811</b>	<b>63,116</b>	<b>23</b>	<b>31,501</b>	<b>29,866</b>

### Order bookings per region

MSEK	Full Year 2023	Full Year 2022	Change, %	Q4 2023	Q4 2022
Sweden	28,306	31,832	-11	11,522	12,719
Rest of Europe	15,631	18,605	-16	6,975	14,314
North America	9,226	6,110	51	3,580	1,109
Latin America	1,563	2,032	-23	1,506	955
Asia	6,075	2,197	177	3,083	342
Africa	73	361	-80	10	13
Australia, etc.	3,147	1,979	59	554	414
Undisclosed country	13,790	-	-	4,271	-
<b>Total</b>	<b>77,811</b>	<b>63,116</b>	<b>23</b>	<b>31,501</b>	<b>29,866</b>

### Order backlog per operating segment

MSEK	31 Dec 2023	31 Dec 2022
Aeronautics	46,995	42,645
Dynamics	46,971	30,821
Surveillance	45,780	41,301
Kockums	13,178	12,772
Combitech	1,595	1,227
Corporate/elimination	-1,110	-1,090
<b>Total</b>	<b>153,409</b>	<b>127,676</b>

### Order backlog per region

MSEK	31 Dec 2023	31 Dec 2022
Sweden	55,314	48,485
Rest of Europe	40,636	36,799
North America	11,510	8,201
Latin America	17,878	20,012
Asia	9,600	8,409
Africa	535	615
Australia etc.	4,638	5,155
Undisclosed country	13,298	-
<b>Total</b>	<b>153,409</b>	<b>127,676</b>

## Sales per operating segment

MSEK	Full Year 2023	Full Year 2022	Change, %	Q4 2023	Q4 2022
Aeronautics	13,754	12,942	6	4,152	4,258
Dynamics	12,577	9,168	37	4,405	3,287
Surveillance	18,559	14,616	27	5,777	4,793
Kockums	4,892	3,614	35	1,424	1,134
Combitech	3,922	3,399	15	1,117	1,035
Corporate/elimination	-2,095	-1,733		-753	-641
<b>Total</b>	<b>51,609</b>	<b>42,006</b>	<b>23</b>	<b>16,122</b>	<b>13,866</b>

## Sales per region

MSEK	Full Year 2023	% of sales	Full Year 2022	% of sales
Sweden	21,614	42	17,555	42
Rest of Europe	11,913	23	7,838	19
North America	5,607	11	4,466	11
Latin America	3,690	7	3,901	9
Asia	4,759	9	5,910	14
Africa	109	0	88	0
Australia, etc.	3,425	7	2,248	5
Undisclosed country	492	1	-	-
<b>Total</b>	<b>51,609</b>	<b>100</b>	<b>42,006</b>	<b>100</b>

## Information on large customers

During 2023, 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 19,029 million (15,298).

## 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	Full Year 2023	% of sales	Full Year 2022	% of sales	Q4 2023	Q4 2022
Aeronautics	710	5.2	694	5.4	212	257
Dynamics	1,600	12.7	1,562	17.0	558	580
Surveillance	2,034	11.0	1,176	8.0	705	520
Kockums	589	12.0	300	8.3	229	139
Combitech	340	8.7	267	7.9	111	95
<b>Group segments' operating income</b>	<b>5,273</b>	<b>10.3</b>	<b>3,999</b>	<b>9.6</b>	<b>1,815</b>	<b>1,591</b>
Corporate	-1,001		-725		-395	-277
<b>Total</b>	<b>4,272</b>	<b>8.3</b>	<b>3,274</b>	<b>7.8</b>	<b>1,420</b>	<b>1,314</b>

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

MSEK	Full Year 2023	Full Year 2022	Change, %	Q4 2023	Q4 2022
Aeronautics	206	164	26	51	38
Dynamics	107	96	11	31	26
Surveillance	899	807	11	249	202
Kockums	29	29	-	7	7
Combitech	10	8	25	3	2
Corporate	1,035	1,023	1	271	294
<b>Total</b>	<b>2,286</b>	<b>2,127</b>	<b>7</b>	<b>612</b>	<b>569</b>

## Operational cash flow per operating segment

MSEK	Full Year 2023	Full Year 2022	Q4 2023	Q4 2022
Aeronautics	-370	107	240	457
Dynamics	2,784	1,251	1,568	590
Surveillance	1,153	1,314	1,913	219
Kockums	198	-288	-292	19
Combitech	387	177	332	270
Corporate	-995	32	-70	127
<b>Total</b>	<b>3,157</b>	<b>2,593</b>	<b>3,691</b>	<b>1,682</b>

## Capital employed per operating segment

MSEK	31 Dec 2023	31 Dec 2022
Aeronautics	10 403	9 547
Dynamics	4 811	5 616
Surveillance	11 676	11 970
Kockums	1 937	1 515
Combitech	1 101	979
Corporate/elimination	14 026	11 324
<b>Total</b>	<b>43 954</b>	<b>40 951</b>

## Full time equivalents (FTEs) per operating segment

Number at end of the period	31 Dec 2023	31 Dec 2022
Aeronautics	5,568	5,131
Dynamics	3,998	3,420
Surveillance	6,275	5,583
Kockums	1,699	1,462
Combitech	2,242	2,064
Corporate	1,828	1,461
<b>Total</b>	<b>21,610</b>	<b>19,121</b>

## Note 4 Distribution of sales

	Aeronautics		Dynamics		Surveillance		Kockums		Combitech		Corporate/ elimination		Group	
MSEK	Full Year 2023	Full Year 2022	Full Year 2023	Full Year 2022	Full Year 2023	Full Year 2022	Full Year 2023	Full Year 2022	Full Year 2023	Full Year 2022	Full Year 2023	Full Year 2022	Full Year 2023	Full Year 2022
External sales	13,664	12,869	12,317	8,973	17,897	14,029	4,814	3,580	2,627	2,358	290	197	51,609	42,006
Internal sales	90	73	260	195	662	587	78	34	1,295	1,041	-2,385	-1,930	-	-
<b>Total sales</b>	<b>13,754</b>	<b>12,942</b>	<b>12,577</b>	<b>9,168</b>	<b>18,559</b>	<b>14,616</b>	<b>4,892</b>	<b>3,614</b>	<b>3,922</b>	<b>3,399</b>	<b>-2,095</b>	<b>-1,733</b>	<b>51,609</b>	<b>42,006</b>
<b>Sales by customer:</b>														
Military customers	12,745	12,150	11,579	8,539	15,992	11,905	4,814	3,580	1,185	993	119	68	46,434	37,235
Civilian customers	919	719	738	434	1,905	2,124	-	-	1,442	1,365	171	129	5,175	4,771
<b>Total external sales</b>	<b>13,664</b>	<b>12,869</b>	<b>12,317</b>	<b>8,973</b>	<b>17,897</b>	<b>14,029</b>	<b>4,814</b>	<b>3,580</b>	<b>2,627</b>	<b>2,358</b>	<b>290</b>	<b>197</b>	<b>51,609</b>	<b>42,006</b>
<b>Sales by significant source:</b>														
Long-term customer contracts	12,075	10,420	4,526	2,181	13,377	10,294	2,916	2,439	-	25	126	64	33,020	25,423
Services	1,261	2,286	1,446	1,238	3,115	2,738	1,106	749	2,450	2,217	137	114	9,515	9,342
Products	328	163	6,345	5,554	1,405	997	792	392	177	116	27	19	9,074	7,241
<b>Total external sales</b>	<b>13,664</b>	<b>12,869</b>	<b>12,317</b>	<b>8,973</b>	<b>17,897</b>	<b>14,029</b>	<b>4,814</b>	<b>3,580</b>	<b>2,627</b>	<b>2,358</b>	<b>290</b>	<b>197</b>	<b>51,609</b>	<b>42,006</b>
<b>Sales by domain:</b>														
Air	12,400	11,914	305	271	7,226	5,551	-	-	34	38	49	26	20,014	17,800
Land	124	107	9,864	7,048	2,833	2,726	-	-	1,192	1,016	22	6	14,035	10,903
Naval	12	6	2,097	1,619	5,820	3,575	4,814	3,580	6	7	145	110	12,894	8,897
Civil Security	57	49	32	24	1,990	2,156	-	-	382	324	55	33	2,516	2,586
Commercial Aeronautics	1,071	793	-	-	9	1	-	-	8	2	15	20	1,103	816
Other/not distributed	-	-	19	11	19	20	-	-	1,005	971	4	2	1,047	1,004
<b>Total external sales</b>	<b>13,664</b>	<b>12,869</b>	<b>12,317</b>	<b>8,973</b>	<b>17,897</b>	<b>14,029</b>	<b>4,814</b>	<b>3,580</b>	<b>2,627</b>	<b>2,358</b>	<b>290</b>	<b>197</b>	<b>51,609</b>	<b>42,006</b>
<b>Sales recognition method:</b>														
Over time	12,064	11,772	5,827	3,194	13,515	11,471	4,782	3,350	2,626	2,323	157	86	38,971	32,196
Point in time	1,600	1,097	6,490	5,779	4,382	2,558	32	230	1	35	133	111	12,638	9,810
<b>Total external sales</b>	<b>13,664</b>	<b>12,869</b>	<b>12,317</b>	<b>8,973</b>	<b>17,897</b>	<b>14,029</b>	<b>4,814</b>	<b>3,580</b>	<b>2,627</b>	<b>2,358</b>	<b>290</b>	<b>197</b>	<b>51,609</b>	<b>42,006</b>

## Note 5 Items affecting comparability

Item affecting comparability	Business Area	Line item	Full Year 2023	Full Year 2022	Q4 2023	Q4 2022
Write-down of associated companies	Corporate	Share of income in associated companies and joint ventures	-494	-	-210	-
Capital gain from the divestment of MTM operations	Surveillance	Other operating income	270	-	-	-
Capital gain from divestment of property	Corporate	Other operating income	58	-	-	-
Negative goodwill from a preliminary purchase price	Corporate	Other operating income	144		144	
<b>Total</b>			<b>-22</b>	<b>-</b>	<b>-66</b>	<b>-</b>

The items affecting comparability are included in the operating income of the group. Operating income adjusted for items affecting comparability is not reported in the full year 2023 or the fourth quarter 2023.

## Note 6 Dividend to Parent Company's shareholders

At its meeting on 8 February 2024, the Board of Directors decided to propose to the Annual General Meeting that the Parent company's shareholders receive a dividend of SEK 6.40 per share, totalling MSEK 853. The dividend is proposed to be paid out in two equal instalments. Proposed record dates for the dividend are 15 April 2024 and 8 October 2024 with expected payments on 18 April 2024 and 11 October 2024.

## Note 7 Intangible fixed assets

MSEK	31 Dec 2023	31 Dec 2022
Goodwill	5,424	5,384
Capitalised development costs	6,106	5,958
Other intangible assets	1,411	906
<b>Total</b>	<b>12,941</b>	<b>12,248</b>



## Note 8 Net liquidity/debt

MSEK	31 Dec 2023	31 Dec 2022
<b>Assets:</b>		
Liquid assets	2,129	2,869
Short-term investments	11,340	9,988
<b>Total liquid investments</b>	<b>13,469</b>	<b>12,857</b>
Short-term interest-bearing receivables	73	67
Long-term interest-bearing receivables	333	564
Long-term receivables attributable to pensions	59	19
<b>Total interest-bearing assets</b>	<b>13,934</b>	<b>13,507</b>
<b>Liabilities:</b>		
Lease liabilities	2,675	2,794
Bonds and other debt instruments	7,270	7,101
Liabilities to associated companies and joint ventures	49	48
Other interest-bearing liabilities	48	45
Provisions for pensions <sup>1)</sup>	1,549	1,087
<b>Total interest-bearing liabilities and provisions for pensions</b>	<b>11,591</b>	<b>11,075</b>
<b>Net liquidity (+) / net debt (-)</b>	<b>2,343</b>	<b>2,432</b>

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

### Committed credit lines

MSEK	Facilities	Drawings	Available
Revolving credit facility (Maturity 2026 SEK 4 billion, 2025, SEK 2 billion)	6,000	-	6,000
Overdraft facility (Maturity 2024)	88	-	88
<b>Total</b>	<b>6,088</b>	<b>-</b>	<b>6,088</b>

### Parent Company

MSEK	31 Dec 2023	31 Dec 2022
Long-term bonds and other debt instruments	6,870	6,704
Short-term bonds and other debt instruments	400	397
<b>Total</b>	<b>7,270</b>	<b>7,101</b>

Since 2009, Saab has a Medium Term Note programme (MTN) 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 quarter, loans with short maturity amounting to SEK 686 million were repurchased. New bonds expiring 2028 were issued for a total of SEK 1,250 million. Bonds outstanding within the MTN programme amounted to SEK 7,270 million by the end of quarter.

No revolving credit facilities have been utilised during the period.

## Note 9 Capital employed

MSEK	31 Dec 2023	31 Dec 2022
Total assets	82,759	72,365
Less non-interest bearing liabilities	38,805	31,414
<b>Capital employed</b>	<b>43,954</b>	<b>40,951</b>

## Note 10 Financial instruments

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

Carrying amount	31 Dec 2023	31 Dec 2022
<b>Financial assets:</b>		
Valued at amortised cost <sup>4)</sup> :		
Accounts receivable, contract assets and other receivables	21,144	17,295
Liquid assets	2,129	2,869
Long-term receivables	456	676
Valued at fair value through profit and loss <sup>3)</sup> :		
Short-term investments	11,340	9,988
Derivatives for trading	81	75
Financial investments	223	66
Valued at fair value through other comprehensive income <sup>3)</sup> :		
Derivatives identified as hedges	1,575	1,760
Equity investments elected to be classified as fair value through other comprehensive income	879	52
<b>Total financial assets</b>	<b>37,827</b>	<b>32,781</b>
<b>Financial liabilities:</b>		
Valued at amortised cost:		
Interest-bearing liabilities <sup>1)</sup>	10,043	9,988
Other liabilities <sup>4)</sup>	12,426	10,740
Valued at fair value through profit and loss <sup>3)</sup> :		
Contingent consideration payable	123	-
Derivatives for trading income <sup>3)</sup> :	8	21
Derivatives identified as hedges	1,103	1,643
<b>Total financial liabilities</b>	<b>23,703</b>	<b>22,392</b>
<sup>1)</sup> Fair value	9,840	9,840

<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 964 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 2022, as described in the Annual Report 2022 on page 149, note 35. As of December 31 2023, the Group had the following financial assets and liabilities at fair value:

### Financial assets at fair value

MSEK	31 Dec 2023	Level 1	Level 2	Level 3
Bonds and interest-bearing securities	11,340	11,340	-	-
Forward exchange contracts	1,374	-	1,374	-
Currency options	41	-	41	-
Interest rate swaps	240	-	240	-
Electricity derivatives	1	1	-	-
Shares and participations	1,102	-	-	1,102
<b>Total</b>	<b>14,098</b>	<b>11,341</b>	<b>1,655</b>	<b>1,102</b>

### Financial liabilities at fair value

MSEK	31 Dec 2023	Level 1	Level 2	Level 3
Forward exchange contracts	1,080	-	1,080	-
Interest rate swaps	19	-	19	-
Electricity derivatives	12	12	-	-
Contingent consideration payable	123	-	-	123
<b>Total</b>	<b>1,234</b>	<b>12</b>	<b>1,099</b>	<b>123</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	118	-
Acquisitions	1,026	133
Unrealised gains/losses recognised in the income statement	-3	-
Unrealised gains/losses recognised in other comprehensive income	-39	-
Foreign currency translation	-	-10
<b>Closing balance, 31 December</b>	<b>1,102</b>	<b>123</b>

## Note 11 Supplemental information on statement of cash flows

### Free cash flow

MSEK	Jan-Dec 2023	Jan-Dec 2022	Q4 2023	Q4 2022
<b>Cash flow from operating activities before changes in working capital, excluding taxes and other financial items <sup>1)</sup></b>	<b>6,777</b>	<b>5,718</b>	<b>2,270</b>	<b>2,121</b>
Cash flow from changes in working capital:				
Contract assets and liabilities	2,915	-153	2,423	517
Inventories	-2,691	-2,550	-89	-165
Other current receivables	-1,922	-241	-973	-1,354
Other current liabilities	2,020	2,552	1,391	1,613
Provisions	-408	-540	-96	-151
<b>Change in working capital</b>	<b>-86</b>	<b>-932</b>	<b>2,656</b>	<b>460</b>
<b>Cash flow from operating activities excluding taxes and other financial items</b>	<b>6,691</b>	<b>4,786</b>	<b>4,926</b>	<b>2,581</b>
Investing activities:				
Investments in intangible fixed assets	-1,031	-686	-427	-211
Investments in tangible fixed assets	-2,507	-1,624	-791	-698
Sales and disposals of tangible fixed assets including biological assets	4	117	-17	10
<b>Cash flow from investing activities <sup>2)</sup></b>	<b>-3,534</b>	<b>-2,193</b>	<b>-1,235</b>	<b>-899</b>
<b>Operational cash flow</b>	<b>3,157</b>	<b>2,593</b>	<b>3,691</b>	<b>1,682</b>
Taxes and other financial items	-815	-656	-248	-225
Sale of and investments in financial assets, associated companies and joint ventures	-896	-108	-863	-18
Investments in operations	-262	-	-21	-
Sale of subsidiaries and other operations	382	42	-	-
<b>Free cash flow</b>	<b>1,566</b>	<b>1,871</b>	<b>2,559</b>	<b>1,439</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	Full Year 2023	Full Year 2022	Q4 2023	Q4 2022
<b>Free cash flow</b>	<b>1,566</b>	<b>1,871</b>	<b>2,559</b>	<b>1,439</b>
Investing activities – interest-bearing:				
Short-term investments	-1,233	-49	-2,006	-1,023
Other financial investments and receivables	-372	-130	29	5
Financing activities:				
Repayments of loans	-1,075	-1,386	-597	-7
Raising of loans	1,250	1,394	1,120	-
Dividend paid to the Parent Company's shareholders	-703	-647	-	-
Dividend paid to non-controlling interest	-126	-62	-126	-35
Transactions with non-controlling interest	10	47	-	-
<b>Cash flow for the period</b>	<b>-683</b>	<b>1,038</b>	<b>979</b>	<b>379</b>

### Liquid assets

MSEK	31 Dec 2023	31 Dec 2022
The following components are included in liquid assets:		
Cash and bank balances	1,629	1,619
Bank deposits	500	1,250
<b>Total according to balance sheet</b>	<b>2,129</b>	<b>2,869</b>
<b>Total according to statement of cash flows</b>	<b>2,129</b>	<b>2,869</b>

## Note 12 Business combinations

On 31 August 2023, Saab announced the acquisition of 100 per cent of the shares in BlueBear Systems Group Ltd (BlueBear) for approximately

SEK 383 million. BlueBear is a provider of AI-enabled autonomous swarm systems for complex defence and security applications. At the time of acquisition, BlueBear had 65 employees based in Bedford, United Kingdom. In 2022, the company had a turnover of GBP 8 million.

The total consideration of approximately SEK 383 million includes an estimated contingent consideration at fair value of SEK 133 million. The contingent consideration is based on fulfilment of targets regarding financial performance and strategic objectives defined by Saab up until September 2025 and September 2027.

The combination of Saab's products, services and solutions, and BlueBear's experience as an agile integrator of AI-enabled autonomous swarm systems will be a driver of Saab's future capabilities. BlueBear will contribute to Saab's existing activities worldwide and Saab will benefit from BlueBear's expertise in autonomy and swarming, as well as command and control systems. Details of the purchase price analysis, net assets acquired and goodwill are as follows:

Preliminary purchase price analysis for BlueBear	MSEK
<b>Purchase price</b>	
Purchase price paid August 30, 2023	250
Contingent consideration	133
<b>Total consideration</b>	<b>383</b>
<b>Effect on liquid assets</b>	
Purchase price paid August 30, 2023	250
Less: Liquid assets in the acquired company	-27
<b>Effect on liquid assets (positive (-) / negative (+))</b>	<b>223</b>

Fair value of identifiable assets and liabilities at the date of the acquisition was:	MSEK
Intangible fixed assets	279
Tangible fixed assets	1
Current assets	53
Liquid assets	27
<b>Total assets</b>	<b>360</b>
<b>Total liabilities</b>	<b>93</b>
Total identifiable net assets at fair value	267
Goodwill	116
<b>Purchase consideration</b>	<b>383</b>

The goodwill of SEK 116 million comprises the value of expected synergies through the consolidation of the operations of Saab and BlueBear arising from the acquisition. None of the acquired goodwill is expected to be deductible for income tax purposes. The fair value of intangible fixed assets amounted to SEK 279 million and is related to previously non-capitalised development costs and customer relations.

From the date of the acquisition, BlueBear has contributed to the consolidated accounts of the Group with SEK 47 million to sales and SEK 11 million to income before taxes. If the acquisition had taken place at the beginning of the year, sales would have increased by SEK 74 million and income before taxes would have increased by approximately SEK 6 million. Transaction costs of SEK 14 million have been expensed and are included in administrative expenses (included in cash flows from operating activities).

On 7 September, Saab announced the strategic acquisition of CrowdAI in the U.S. for a minor consideration.

In the fourth quarter 2023, Saab acquired two subsidiaries in Sweden from its associated company UMS Skeldar AG for a minor consideration. The companies had net assets of SEK 168 million. The transaction resulted in a preliminary negative goodwill of SEK 144 million recognised in Other operating income in the fourth quarter 2023 and an effect on free cash flow of SEK -21 million. In connection with the transaction, Saab recorded write-downs in the minority portfolio related to UMS Skeldar AG of SEK -210 million. These items were classified as items affecting comparability, see note 5.

On 31 March 2023, Saab completed the divestment of the Maritime Traffic Management (MTM) operation within business area Surveillance to funds advised by Agilitas Private Equity LLP. The purchase price amounted to EUR 46 million and the transaction generated a capital gain of SEK 270 million with a positive effect on free cash flow of SEK 307 million. The capital gain has been classified as an item affecting comparability, see note 5. In 2022, the divested MTM operations had sales of SEK 356 million and an operating income of SEK 42 million. The operations were presented separately in the statement of financial position as assets held for sale and liabilities related to assets held for sale as of December 31 2022.

During the second quarter 2023, Saab divested property in accordance with the resolution from the Annual General Meeting for the Share Purchase Agreement and a Lease Agreement with Vectura. The divestment resulted in a capital gain of SEK 58 million, classified as an item affecting comparability, and had a positive effect on free cash flow of SEK 75 million. See also note 5 and note 15.

### Note 13 Defined-benefit plans

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

#### Pension obligation according to IAS 19

MSEK	31 Dec 2023	31 Dec 2022
Defined-benefit obligation	10,749	9,742
Special employers' contribution	323	217
Less assets under management	9,259	8,674
<b>Total provisions for pensions</b>	<b>1,813</b>	<b>1,285</b>
of which reported as long-term receivable	59	19

Actuarial gains and losses are recognised in other comprehensive income. The actuarial loss related to the Swedish pension plans amounted to SEK 733 million net in 2023 primarily due to the following:

Negative experience adjustments resulted in an actuarial loss of SEK 515 million.

The return on assets under management was higher than expected which led to an actuarial gain of SEK 378 million.

The inflation assumption decreased from 1.75 per cent to 1.50 per cent and the assumed discount rate decreased from 3.75 per cent to 3.25 per cent. These changes combined resulted in an actuarial loss of SEK 357 million.

Changes to demographic assumptions resulted in an actuarial loss of SEK 99 million.

The actuarial loss related to the special employer's contribution amounted to SEK 140 million.

### Note 14 Contingent liabilities

No additional significant commitments have arisen 2023. 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

The Annual General Meeting held April 5 2023 approved a Share Purchase Agreement and a Lease Agreement with Vectura, an indirect wholly-owned subsidiary of Investor AB regarding premises to be used by business area Kockums and the subsidiary Combitech AB in southern Sweden. The sale of property was completed in the second quarter 2023, see notes 12 and 5. In the fourth quarter 2023, Saab acquired two subsidiaries in Sweden from its associated company UMS Skeldar AG for a minor consideration. See note 12 for further information. In addition, Saab entered into an agreement to acquire the remaining shares in UMS Skeldar AG. The transaction is subject to Foreign Direct Investment approval from German authorities, in respect of Hirth Engines GmbH, a wholly owned subsidiary to UMS Skeldar AG. Closing is expected in the first quarter 2024.

No other significant transactions have occurred during the year. Related parties with which the Group has transactions are described in note 37 in the Annual Report 2022.

### 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 saab.com, investor, financial data, key ratios.

#### Capital employed

Total assets less non-interest-bearing liabilities.

#### Cash conversion

Operational cash flow divided by operating income (EBIT).

#### Earnings per share

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

#### EBITDA

Operating income before depreciation/amortisation and write-downs.

#### EBITDA adjusted for items affecting comparability

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

#### EBITDA margin

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

#### EBITDA margin adjusted for items affecting comparability

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

#### Effective tax rate

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

**Equity/assets ratio**

Equity in relation to total assets.

**Equity per share**

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

**Free cash flow**

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

**Free cash flow per share**

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

**Full Time Equivalent, FTE**

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

**Gross income adjusted for items affecting comparability**

Gross income adjusted for items classified as affecting comparability.

**Gross margin**

Gross income as a percentage of sales.

**Gross margin adjusted for items affecting comparability**

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

**Items affecting comparability**

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

**Net investments**

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

**Net liquidity/net debt**

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

**Net liquidity/net debt to EBITDA**

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

**Number of employees**

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

**Operating income**

Income before financial items and tax.

**Operating income adjusted for items affecting comparability**

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

**Operating margin adjusted for items affecting comparability**

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

**Operating margin**

Operating income (EBIT) as a percentage of sales.

**Operational cash flow**

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

**Order backlog**

Total value of orders at the end of the period.

**Order bookings**

Total value of orders received during the period.

**Organic sales growth**

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

**Research and development, R&D**

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

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

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

**Return on capital employed**

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

**Return on equity**

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

**Sales adjusted for items affecting comparability**

Sales adjusted for items classified as affecting comparability.

# Glossary

<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>NLAW</b>	Next Generation Light Anti-Tank Weapon
<b>SBTi</b>	Science Based Targets initiative

**Stockholm 9 February 2024**

Saab AB (publ)

The Board of Directors

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





# SAAB

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## Q4 2023 Results and Strategy Execution Update:

Saab invites investors, analysts and media to a combined Q4 2023 Results and Strategy Execution Update. The event will take place in Stockholm, Sweden on 9 February 2024 and will include a mingle with the management team.

The event and conference call starts at 09.30 (CET).

### Live webcast:

[www.saab.com/investors/register-webcast-q4-2023](http://www.saab.com/investors/register-webcast-q4-2023)

### Conference call:

For information on how to join the call, please register on [www.saab.com/investors/conference-call-q4](http://www.saab.com/investors/conference-call-q4)

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

## Calendar

### Annual Report 2023

Published week 9 2024

### Saab Annual General Meeting

To be held 11 April 2024

### Q1 Interim report 2024

Published 26 April 2024

### Half-year report 2024

Published 19 July 2024

### Q3 Interim report 2024

Published 22 October 2024

## Important information

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

*This information is such that Saab AB is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out above, on 9 February 2024 at 07.30 (CET).*

# Q4

