



SAAB

Strong sales growth and cash flow



Saab's next generation
weapon locating radar
system Arthur

Q3

INTERIM REPORT 2024

July-September 2024

Key Highlights

- Order bookings increased 41% and amounted to SEK 21,173m (14,977), driven by strong growth in Dynamics.
- Organic growth was 17% and sales amounted to SEK 13,546m (11,527), with growth from all business areas.
- Operating income increased 38% and amounted to SEK 1,187m (859), corresponding to an EBIT margin of 8.8% (7.5).
- Net income increased to SEK 972m (656) and earnings per share amounted to SEK 1.79 (1.21).
- Operational cash flow improved in the quarter and amounted to SEK 3,188m (-2,058), driven by large customer payments.
- Net debt position was SEK 0.5bn (-1.4) at the end of the period.
- The full year 2024 outlook on organic sales growth, EBIT growth and positive operational cash flow is reiterated.

21

Order bookings, SEK bn

17

Organic sales growth, %

8.8

Operating margin, %

Financial highlights

MSEK	Jan-Sep 2024	Jan-Sep 2023	Change, %	Q3 2024	Q3 2023	Change, %	Full Year 2023
Order bookings	79,242	46,310	71	21,173	14,977	41	77,811
Order backlog	190,056	138,501	37				153,409
Sales	42,901	35,487	21	13,546	11,527	18	51,609
Gross income	9,377	7,743	21	2,912	2,481	17	11,260
Gross margin, %	21.9	21.8		21.5	21.5		21.8
EBITDA	5,668	4,526	25	1,888	1,424	33	6,558
EBITDA margin, %	13.2	12.8		13.9	12.4		12.7
Operating income (EBIT)	3,709	2,852	30	1,187	859	38	4,272
Operating margin, %	8.6	8.0		8.8	7.5		8.3
Net income	2,768	2,189	26	972	656	48	3,443
of which Parent Company's shareholders' interest	2,736	2,158	27	966	652	48	3,381
Earnings per share after dilution, SEK ²⁾	5.08	4.02	27	1.79	1.21	48	6.29
Return on equity, % ¹⁾	11.8	11.2					11.1
Operational cash flow	-1,061	-534		3,188	-2,058		3,157
Free cash flow	-2,274	-993		2,622	-2,554		1,566
Free cash flow per share after dilution, SEK ²⁾	-4.22	-1.85		4.86	-4.75		2.91
Average number of shares after dilution ²⁾	538,636,607	537,472,268		539,056,834	538,346,168		537,511,328

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

²⁾ Comparison periods adjusted for share split 4:1.



CEO comments

Strong sales growth and cash flow

Micael Johansson
President and CEO

The geopolitical situation in the world is unstable and the escalation of the military conflict in the Middle East has deteriorated the security situation even further. In Europe, the increasing need to replenish defence materiel is substantial and will require long-term efforts. Meanwhile, the military aid to Ukraine to protect the country's independence and freedom remains crucial. Rebuilding Ukraine's defence and strengthening Europe's own capabilities will take many years.

We are working hard to meet our customers' increased demand and are investing in capacity, building new production plants and adding competences. We are doing this at the same time as delivering strong growth and improving our profitability. Our ongoing investments in R&D will future-proof Saab as a technology leader and ensure that we remain competitive and prepared to meet the higher long-term industry demand.

During the quarter, we took the decision to invest in a new production facility in Michigan, U.S., that will focus on munitions and precision weapon systems. The new plant will boost U.S. domestic manufacturing and strengthen our capacity to meet the industry's growth. In Sweden, we are increasing capacity in the Ground Combat business, including a fully automated production line for the AT4 and NLAW. These are examples of investments which will increase our efficiency going forward.

The demand for our broad portfolio remains high and in the third quarter Saab continued to deliver strong order growth of 41%, with significant order intake in Dynamics. Total order bookings amounted to SEK 21.2 billion (15.0) and included a large defence equipment and systems contract from a Western customer of SEK 6.6 billion. Moreover, Saab received a first MSHORAD (mobile short-range air defence) order from Lithuania of SEK 1.3 billion, and after the reporting period, Lithuania ordered an additional MSHORAD solution for SEK 1.2 billion, which will be booked in Q4. In the period, we also

received an order of SEK 700 million for the Giraffe 1X radar with associated command and control system from Sweden.

Moreover, Saab was awarded a five-year framework contract by the U.S. Army, with a potential value of SEK 5 billion, for their IAM (Individual Assault Munition) programme, where Saab offered a new version of the AT4 system. The strength of our portfolio is reflected in the order growth of both large and small-sized orders in the quarter. Our backlog is now SEK 190 billion and will support future growth for the company.

Organic sales growth was 17.4% in the quarter and sales amounted to SEK 13.5 billion (11.5). Sales performance was particularly strong in Dynamics, Surveillance and Kockums. Deliveries and activity level across our businesses are high and will continue in the fourth quarter. We reiterate our organic sales growth outlook to be between 15-20%, but at the upper end of the range, for the full year 2024.

Operating income increased 38% to SEK 1.2 billion (0.9) in the quarter with a margin of 8.8% (7.5). The positive trend in our profitability is largely supported by the contribution from Surveillance and Dynamics but also from the growth in our other business areas. In the quarter, Surveillance showed a strong margin uplift from higher volumes and successful project completions, while Dynamics margins were lower due to the phasing of deliveries in Ground Combat. We have a high focus on scale and efficiency in our operations and expect this to support Saab's profitable growth in the years to come without compromising on our investments and R&D. We reconfirm our outlook of operating income growth to be higher than organic sales growth for the full year 2024.

Operational cash flow improved substantially in the third quarter and amounted to SEK 3.2 billion (-2.1). This was a result of large customer

payments partly offset by increased inventory and investments. We remain confident that cash flow for the full year will be positive.

We are continuing our long-term efforts to ensure progress towards our science-based climate targets. Our rapid growth and expansion, however, brings challenges and in the quarter our CO₂ emissions increased by 8%. We remain focused on prioritising our efforts in this area and we finalised Saab's new Energy Strategy in the quarter. The strategy further defines the direction required to achieve energy resilience and offers guidelines to support the business on our growth journey.

I would like to thank all employees for their commitment and contributions to the strong performance in the quarter.

Outlook 2024

Sales growth:

Organic sales growth between 15-20%

Operating income:

Operating income growth higher than organic sales growth

Operational cash flow:

Operational cash flow to be positive

Targets 2023-2027

Sales growth:

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

Operating income:

Operating income growth higher than organic sales growth

Operational cash flow:

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

Orders

Third quarter 2024

Order bookings increased 41 per cent and amounted to SEK 21,173 million (14,977), driven by orders received within Dynamics. Large orders increased 71 per cent and amounted to SEK 12,198 million (7,128). Small orders increased 39 per cent, amounting to SEK 4,347 million (3,132) while medium-sized orders were at similar levels as the third quarter last year and amounted to SEK 4,628 million (4,717). Key orders in the quarter included the large order for defence systems to an undisclosed Western country of SEK 6.6 billion, the contract for MSHORAD to Lithuania of SEK 1.3 billion and the order for the Giraffe 1X surface radar to Sweden of SEK 700 million.

January-September 2024

Order bookings for the first nine months amounted to SEK 79,242 million (46,310), corresponding to an increase of 71 per cent. This was driven by significant growth in large orders, which amounted to 47,818 million (18,622) in the first nine months. Small orders increased 24 per cent and amounted to SEK 13,662 million (11,013) and medium-sized orders increased 7 per cent and amounted to SEK 17,762 million (16,675). Orders increased in all business areas except Aeronautics in the period.

The order backlog amounted to SEK 190,056 million, an increase of 24 per cent compared to SEK 153,409 million at the beginning of the year. In total, 72 per cent of the backlog is attributable to international markets, compared to 64 per cent at the end of last year.

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

Sales

Third quarter 2024

Sales increased 17.5 per cent in the quarter, whereof organic growth was 17.4 per cent, and amounted to SEK 13,546 million (11,527). All business areas and Combitech recorded sales growth in the quarter, driven by continued high activity pace in programmes and deliveries.

January-September 2024

Sales for the first nine months amounted to SEK 42,901 million (35,487) corresponding to a sales growth of 20.9 per cent, of which organic growth was 21.0 per cent. All business areas recorded double-digit sales growth in the period.

Sales from international markets increased 23 per cent and amounted to SEK 24,737 million (20,156), corresponding to 58 per cent (57) of total sales. All regions except Latin America showed growth in the period. 91 per cent (90) of sales were related to the defence business.

Sales growth

Per cent	Jan-Sep 2024	Jan-Sep 2023	Q3 2024	Q3 2023	Full Year 2023
Organic sales growth	21.0	25.6	17.4	31.4	22.6
Change from acquisitions and divestments	0.1	-0.5	0.3	-0.6	-0.5
Currency translation effects	-0.2	1.0	-0.2	0.9	0.8
Total sales growth	20.9	26.1	17.5	31.7	22.9

Sales per region

MSEK	Jan-Sep 2024	Jan-Sep 2023	Change, %
Sweden	18,164	15,331	18
Rest of Europe	10,356	7,858	32
North America	4,434	3,907	13
Latin America	2,369	2,488	-5
Asia	3,896	2,967	31
Africa	106	78	36
Australia, etc.	2,610	2,509	4
Undisclosed country	966	349	177
Total	42,901	35,487	21

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

Order distribution Jan-Sep 2024

Small orders	17% (24)
Medium-sized orders	23% (36)
Large orders	60% (40)



Order backlog duration:

2024:	SEK 17.5 billion
2025:	SEK 55.1 billion
2026:	SEK 46.8 billion
2027:	SEK 37.9 billion
After 2027:	SEK 32.8 billion

Order by market

A total of 80% (64) of the order bookings related to markets outside Sweden during January-September 2024.

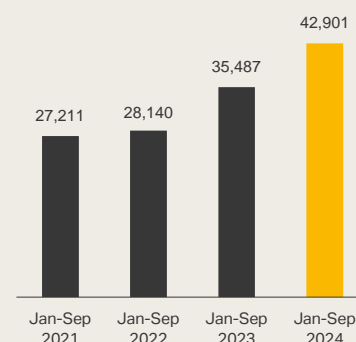


Sales by market

A total of 58% (57) of the sales related to markets outside Sweden during January-September 2024.



Sales Jan-Sep, MSEK



Income

Third quarter 2024

Gross income increased 17 per cent in the quarter and amounted to SEK 2,912 million (2,481). The gross margin was in line with the same period last year and amounted to 21.5 per cent (21.5). EBITDA increased 33 per cent and amounted to SEK 1,888 million (1,424) with a margin of 13.9 per cent (12.4). Operating income (EBIT) improved 38 per cent and amounted to SEK 1,187 million (859) with an operating margin of 8.8 per cent (7.5). The EBIT improvement was mainly driven by strong performance in Surveillance, but also improvements in Aeronautics, Dynamics and Combitech. The quarter included a capital gain from the divestment of Combitech Norway of SEK 18 million.

January-September 2024

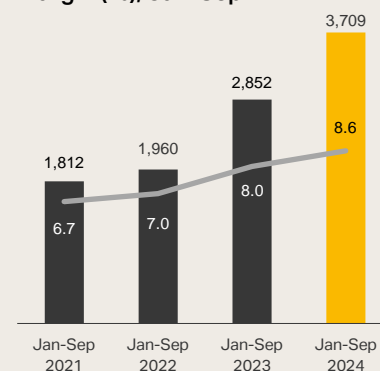
Gross income for the first nine months increased 21 per cent and amounted to SEK 9,377 million (7,743), driven by the strong sales volumes. The gross margin also improved to 21.9 per cent (21.8).

Total depreciation, amortisation and write-downs amounted to SEK 1,959 million (1,674). Depreciation of tangible fixed assets and right-of-use assets amounted to SEK 1,292 million (1,119). Expenditures for internally funded investments in R&D amounted to SEK 1,868 million (1,430), of which SEK 352 million (379) 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 667 million (555), of which amortisation and write-downs of capitalised development expenditures amounted to SEK 475 million (442). R&D amortisation is mainly related to GlobalEye, amounting to SEK 281 million (281) during the first nine months 2024.

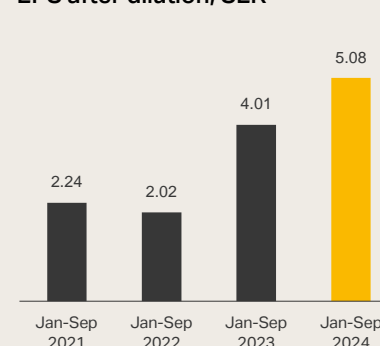
The share of income in associated companies and joint ventures amounted to SEK 28 million (-384). The comparison period included write-downs in the minority portfolio of SEK -284 million classified as items affecting comparability, see also note 5.

EBITDA increased 25 per cent in the nine-month period and amounted to SEK 5,668 million (4,526), with an EBITDA margin of 13.2 per cent (12.8). Operating income (EBIT) increased 30 per cent and amounted to SEK 3,709 million (2,852), with a margin of 8.6 per cent (8.0). The margin improvement was supported by scale effects from the strong sales volumes. The comparison period included items affecting comparability of net SEK 44 million, comprising a capital gain from the sale of the Maritime Traffic Management (MTM) operations of SEK 270 million in , a capital gain from a property divestment of SEK 58 million and write-downs in the minority portfolio of SEK -284 million, see also note 5.

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



EPS after dilution, SEK



Financial net

MSEK	Jan-Sep 2024	Jan-Sep 2023
Financial net related to pensions	-35	-28
Net interest items	84	85
Currency gains/losses	-83	-88
Lease liability interest	-125	-102
Other financial items	14	76
Total	-145	-57

The financial net amounted to SEK -145 million (-57) in the first nine months 2024. The change compared to the same period last year was mainly a result of higher interest expenses on leases and lower results from other financial items relating to currency effects and short-term investments.

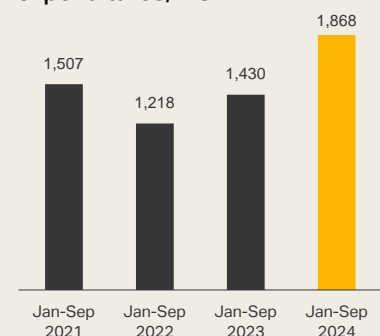
The financial net related to pensions is the financial cost for net pension obligations recognised in the balance sheet. See note 13 for more information regarding defined-benefit pension plans. Net interest items refer to interest on liquid assets, long- and short-term investments and interest expenses on short- and long-term interest-bearing liabilities and interest on interest-rate swaps.

Currency gains/losses recognised in the financial net are mainly related to currency hedges of the tender portfolio, which are measured at fair value through profit and loss.

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.

Internally funded R&D expenditures, MSEK



Tax

Current and deferred taxes amounted to SEK -796 million (-606) during January-September 2024, corresponding to an effective tax rate of 22 (22) per cent.

Financial position and liquidity

At the end of September 2024, Saab had a net debt of SEK 478 million, a decrease of SEK 2,821 million compared to a net liquidity of SEK 2,343 million at year-end 2023. Net debt/EBITDA was 0.1 (-0.4) at the end of the period.

Cash flow from operating activities amounted to SEK 1,734 million (1,632).

Contract assets increased by SEK 3,524 million and contract liabilities increased by SEK 6,384 million compared to year-end 2023. Inventories increased by SEK 4,668 million during the first nine months with increases mainly in Dynamics and Surveillance.

Net provisions for pensions, excluding special employer's contribution, amounted to SEK 1,080 million as of 30 September 2024, compared to SEK 1,490 million at year-end 2023. The effect on net debt of SEK 410 million was mainly a result of positive return on pension plan assets. For further information on Saab's defined-benefit pension plan, see note 13.

Tangible fixed assets amounted to SEK 11,449 million compared to 9,501 at the end of 2023. Right-of-use assets recognised in the balance sheet amounted to SEK 2,719 million compared to 2,554 million at the end of 2023.

Financial investments increased with SEK 1,609 million in the first nine months and amounted to SEK 2,711 million (1,102). The increase was mainly related to an additional investment in and revaluation of shares in Helsing GmbH. Revaluation of the investment in Helsing GmbH is recognised in other comprehensive income.

Net investments in the first nine months amounted to SEK 3,195 million (2,299). Investments in tangible fixed assets amounted to SEK 2,700 million (1,716).

Investments in intangible fixed assets in the first nine months amounted to SEK 538 million (604), of which SEK 352 million (379) 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 186 million (225) was related to other intangible fixed assets.

As of 30 September 2024, long- and short-term interest-bearing investments and liquid assets amounted to SEK 10,565 million, a decrease of SEK 2,904 million compared to year-end 2023. In addition, the Group had unutilised revolving credit facilities amounting to SEK 6,000 million.

Capital employed increased by SEK 3,435 million, from December 31, 2023, to SEK 47,389 million at the end of the nine month period. The return on capital employed was 13.2 per cent (11.4) and the return on equity was 11.8 per cent (11.2), both measured over a rolling 12-month period.

Change in net debt Jan-Sep 2024

	MSEK
Net liquidity (+) / net debt (-), 31 Dec 2023 ¹⁾	2,343
Cash flow from operating activities	1,734
Change in net pension obligation	410
Net investments	-3,195
Sale of and investments in financial assets, associates and joint ventures	-303
Change through equity swap agreement	-318
Dividend	-427
Dividend to and transactions with non-controlling interest	-28
Additional lease liabilities	-683
Sales of and investments in operations	10
Other items, currency impact and unrealised results from financial investments	-21
Net liquidity (+) / net debt (-), 30 September 2024 ¹⁾	-478
¹⁾ Net liquidity (+) / net debt (-) excluding net provisions for pensions, lease liabilities and interest-bearing receivables, 30 September 2024	3,113

Key indicators of financial position and liquidity

MSEK	30 Sep 2024	31 Dec 2023	Change	30 Sep 2023
Net liquidity / debt ²⁾	-478	2,343	-2,821	1,370
Intangible fixed assets	12,870	12,941	-71	12,758
Goodwill	5,455	5,424	31	5,556
Capitalised development costs	6,021	6,106	-85	5,984
Other intangible fixed assets	1,394	1,411	-17	1,218
Tangible fixed assets, etc ³⁾	11,860	9,915	1,945	9,404
Right of use assets ⁴⁾	2,719	2,554	165	2,484
Inventories	21,454	16,786	4,668	16,626
Accounts receivable	6,503	7,244	-741	6,402
Contract assets	15,840	12,316	3,524	13,242
Contract liabilities	22,937	16,553	6,384	15,196
Equity/assets ratio, %	38.9	39.1		40.3
Return on equity, %	11.8	11.1		11.2
Return on capital employed, %	13.2	11.9		11.4
Equity per share, SEK ¹⁾⁵⁾	66.64	60.10	6.54	59.35
1) Number of shares excluding treasury shares and repurchased through equity swap ⁵⁾	534,426,981	532,989,260		532,292,652

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

3) Including tangible fixed assets and biological assets.

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

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

Cash flow

Third quarter 2024

In the third quarter, operational cash flow amounted to SEK 3,188 million (-2,058). The improvement was largely a result of large customer payments received in the quarter.

January-September 2024

Operational cash flow for the first nine months amounted to SEK -1,061 million (-534). The negative cash flow was a result of increased investments and inventory, partly offset by the large customer payments received in the third quarter.

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

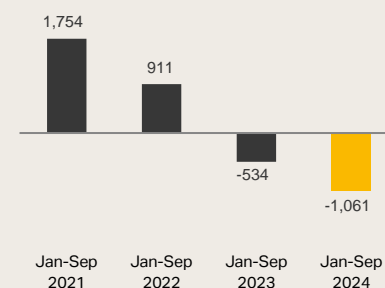
Free cash flow in the period amounted to SEK -2,274 million (-993). During the third quarter, Saab made an additional investment in Helsing GmbH which had an effect of SEK -276 million on free cash flow. For more detailed information on cash flow, see note 11.

MSEK	Jan-Sep 2024	Jan-Sep 2023
Cash flow from operating activities before changes in working capital, excluding taxes and other financial items ¹⁾	5,391	4,507
Change in working capital	-3,257	-2,742
Cash flow from operating activities excluding taxes and other financial items	2,134	1,765
Cash flow from investing activities ²⁾	-3,195	-2,299
Operational cash flow	-1,061	-534
Taxes and other financial items	-920	-567
Sale of and investments in financial assets and operations	-293	108
Free cash flow	-2,274	-993

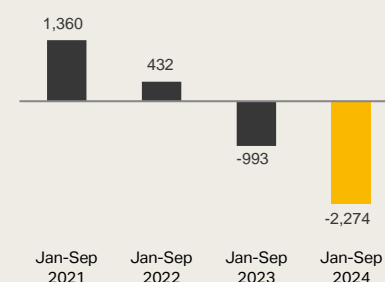
1) Including amortisation of lease liabilities

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

Operational cash flow, MSEK



Free cash flow, MSEK



Business Area

Aeronautics

Business Units

Advanced Programs, Aerospace Systems, Aviation Services, Gripen.

Market highlights

Order intake decreased compared to the same period last year which included a large contract for Gripen E functionality to Sweden.

In the quarter, the Royal Thai Air Force announced that they recommend Gripen E for the country's new fighter aircraft procurement.

Sales and operating income

Sales increased in the quarter and reflected continued solid pace in programme execution.

Operating income and the margin increased driven by the higher volumes, partly offset by under-absorption in the T-7 production.

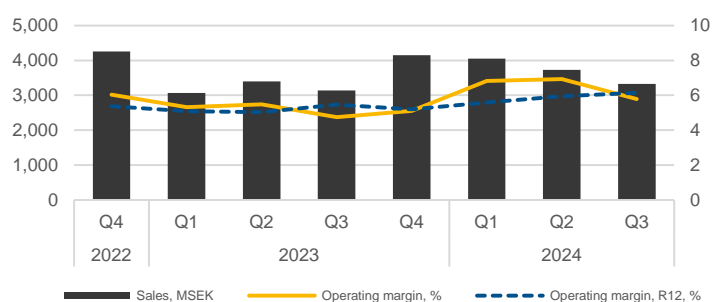
Cash flow

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

MSEK	Jan-Sep 2024	Jan-Sep 2023	Change, %	Q3 2024	Q3 2023	Change, %	Full Year 2023
Order bookings	8,760	8,878	-1	1,464	5,276	-72	18,111
Order backlog	44,650	41,926	6				46,995
Sales	11,095	9,602	16	3,322	3,135	6	13,754
EBITDA	904	653	38	255	202	26	916
EBITDA margin, %	8.1	6.8		7.7	6.4		6.7
Operating income (EBIT)	725	498	46	192	148	30	710
Operating margin, %	6.5	5.2		5.8	4.7		5.2
Operational cash flow	-2,107	-610		-923	-569		-370



Market
Sales in markets outside Sweden amounted to 40% (42) during the first nine months 2024.



Business Area

Dynamics

Business Units

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

Market highlights

Order bookings increased significantly in the quarter, driven by the large defence equipment contract to an undisclosed Western country and the first order for the Mobile Short Range Air Defence (MSHORAD) solution to Lithuania.

In the quarter, Saab was also awarded a 5-year framework agreement, as its AT4 solution was selected for the U.S. Army's Individual Assault Munition programme.

Sales and operating income

Sales grew 25% in the quarter, driven by high activity and deliveries in several business units.

Operating income showed an improvement in the quarter as a result of the increased volumes, while the margin was lower due to phasing of deliveries in Ground Combat.

Cash flow

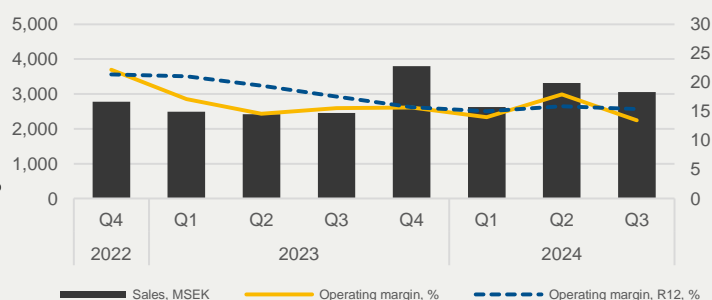
Cash flow improved and amounted to SEK 3.7 billion, driven by a high level of customer payments in the quarter.

MSEK	Jan-Sep 2024	Jan-Sep 2023	Change, %	Q3 2024	Q3 2023	Change, %	Full Year 2023
Order bookings	45,134	17,956	151	12,579	2,876	337	26,709
Order backlog	79,242	38,368	107				43,103
Sales	8,990	7,360	22	3,056	2,453	25	11,160
EBITDA	1,463	1,233	19	444	406	9	1,856
EBITDA margin, %	16.3	16.8		14.5	16.6		16.6
Operating income (EBIT)	1,373	1,162	18	412	382	8	1,758
Operating margin, %	15.3	15.8		13.5	15.6		15.8
Operational cash flow	1,794	1,435		3,677	-840		3,237

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



Market
Sales in markets outside Sweden amounted to 80% (80) during the first nine months 2024.



Business Area

Surveillance

Business Units

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

Market highlights

Order intake increased and included orders for the compact radar Giraffe 1X as well as several naval contracts. Parts of the large MSHORAD order to Lithuania was booked in Surveillance in the quarter.

In the period, Saab delivered the 5th GlobalEye aircraft to the United Arab Emirates as well as next generation Arthur weapon locating radar systems to the British Army.

Sales and operating income

Sales grew 23% in the quarter driven by high activity level in all business units.

Operating income and the margin improved as a result of higher volumes and successful project completions in the quarter.

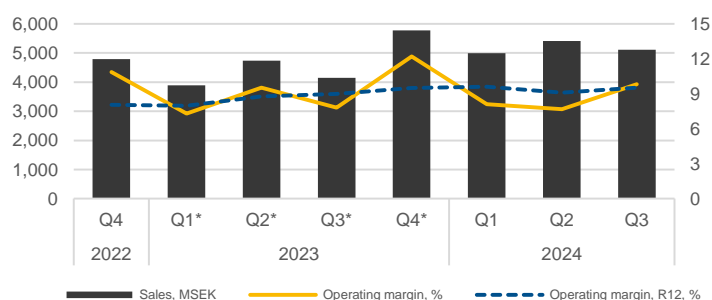
Cash flow

Cash flow in the quarter amounted to SEK -181 million and was impacted by increased inventory and timing of customer payments.

MSEK	Jan-Sep 2024	Jan-Sep 2023	Change, %	Q3 2024	Q3 2023	Change, %	Full Year 2023
Order bookings	19,472	14,845	31	6,158	5,723	8	23,887
Order backlog	49,919	43,092	16				45,780
Sales	15,510	12,782	21	5,115	4,149	23	18,559
EBITDA	2,053	1,979	4	775	544	42	2,933
EBITDA margin, %	13.2	15.5		15.2	13.1		15.8
Operating income (EBIT)	1,323	1,329	0	502	324	55	2,034
Operating margin, %	8.5	10.4		9.8	7.8		11.0
Operational cash flow	-106	-760		-181	-819		1,153



Market
Sales in markets outside Sweden amounted to 72% (70) during the first nine months 2024 .



*Operating margin and Operating margin R12, % adjusted for items affecting comparability and excludes the capital gain of SEK 270 million from the divestment of MTM operations in Q1 2023.

Business Area

Kockums

Business Units

Docksta, Submarines, Surface Ships, Underwater Systems.

Market highlights

During the period, Saab's unmanned AUV62 and Piraya systems were utilised in NATO's maritime exercise, contributing to the development of future naval capabilities.

Sales and operating income

Kockums' sales showed an increase of 14%, driven by high activity level in key programmes.

The operating income and the margin was lower compared to the same quarter last year due to negative contribution from the Underwater Systems business unit.

Cash flow

Cash flow improved in the quarter and was driven by large customer payments.

MSEK	Jan-Sep 2024	Jan-Sep 2023	Change, %	Q3 2024	Q3 2023	Change, %	Full Year 2023
Order bookings	4,636	3,184	46	735	1,015	-28	7,497
Order backlog	15,933	14,804	8				17,031
Sales	5,747	4,287	34	1,584	1,386	14	6,314
EBITDA	403	267	51	72	82	-13	469
EBITDA margin, %	7.0	6.2		4.5	5.9		7.4
Operating income (EBIT)	364	240	52	57	73	-22	432
Operating margin, %	6.3	5.6		3.6	5.3		6.8
Operational cash flow	732	270		884	396		-254

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



Market
Sales in markets outside Sweden amounted to 29% (25) during the first nine months 2024 .



Other operating segment

Combitech

Market highlights

Demand for Combitech's solutions continued to be high in the quarter.

In the quarter Combitech, together with Surveillance and Dynamics, entered into a new partnership with the Swedish Defence Materiel Administration (FMV) for digitalising the ground forces of the Swedish Armed Forces.

Several other contracts were signed in the period, including projects within cyber security.

Sales and operating income

Sales increased in the quarter driven by high customer activity and an increased number of consultants.

Operating income and the margin improved as a result of higher utilisation and a favourable calendar effect. The divestment of the operations in Norway during the quarter had a positive impact of SEK 18 million on results.

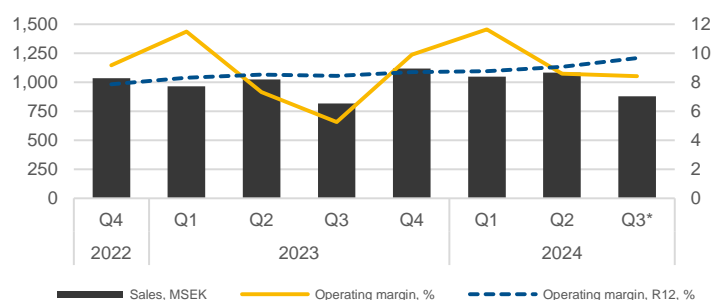
Cash flow

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

MSEK	Jan-Sep 2024	Jan-Sep 2023	Change, %	Q3 2024	Q3 2023	Change, %	Full Year 2023
Order bookings	3,293	3,169	4	813	734	11	4,291
Order backlog	1,880	1,591	18				1,595
Sales	3,008	2,805	7	877	816	7	3,922
EBITDA	315	236	33	94	45	109	350
EBITDA margin, %	10.5	8.4		10.7	5.5		8.9
Operating income (EBIT)	306	229	34	91	43	112	340
Operating margin, %	10.2	8.2		10.4	5.3		8.7
Operational cash flow	227	55		-20	-36		387



Market
Sales in markets outside Sweden amounted to 5% (6) during the first nine months 2024.



*Operating margin and Operating margin R12, % adjusted for items affecting comparability and excludes the capital gain of SEK 18 million from the divestment of Combitech Norway in Q3 2024.

Corporate and other items

Corporate

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

Corporate reported an operating loss of SEK -67 million (-111) in the third quarter, which was lower compared to the same period last year due to timing effects. The operating loss during January-September 2024 was SEK -382 million (-606). The comparison period last year included write-downs in the minority portfolio of SEK -284 million, partly offset by a capital gain from the divestment of property amounting to SEK 58 million. See also note 5.

Operational cash flow attributable to Corporate amounted to SEK -1,601 million (-924), the decrease was mainly driven by changes in working capital and increased investments in tangible fixed assets.

Acquisitions and divestments 2024

In the first quarter 2024, Saab completed the acquisition of the remaining shares in UMS Skeldar AG for a minor consideration. In the beginning of the third quarter, Combitech divested its Norwegian entity with 30 employees for a minor consideration.

Share repurchase and share split

Saab held 7,756,448 treasury shares as of 30 September 2024, compared to 10,394,128 at year-end 2023 (adjusted for the share split 4:1). During the second quarter 2024, Saab also entered an equity swap agreement with a third party to hedge the expected financial exposure of LTI 2024. As of 30 September 2024, the equity swap consisted of 1,199,959 shares. The Annual General Meeting in 2024 authorised the Board of Directors to repurchase a maximum of 1,100,000 shares of series B (or a maximum of 4,400,000 shares of series B following implementation of the share split 4:1) to secure delivery of shares to participants in Saab's long-term incentive programmes 2025. The Annual General Meeting also decided to authorise the Board, before the next Annual General Meeting, to decide on the acquisition of Series B shares up to a maximum of 10 percent of the total number of shares in the company. The purpose of the authorisation is to be able to adjust the company's capital structure and thereby contribute to increased shareholder value as well as to enable continued use of repurchased shares in connection with potential acquisitions of companies and for the company's share-related incentive programmes.

On 11 April 2024, the Annual General Meeting decided on a share split, whereby each share is divided, regardless of series, into four shares of the same series. The record date for the share split was 8 May, 2024. After the share split, the total number of shares in Saab amounts to 543,383,388 of which 9,535,612 are A shares and 533,847,776 B shares, corresponding to 629,203,896 votes in total.

Risks and uncertainties

Saab's operations primarily involve the development, production and supply of technologically advanced hardware and software to military and civilian customers around the world. Operations largely consist of major projects carried out over long periods of time, usually several years, in close cooperation with customers, suppliers, partners and institutions. Projects generally entail significant investments, long periods of time and technological development or refinement of products. In addition to customer and supplier relations, international operations involve joint ventures and collaborations with other industries as well as the establishment of operations abroad. Operations entail risk in various respects. The key risk areas are strategic, market and political, operating, financial and compliance. Various policies and instructions govern the management of material risks. Saab is today growing rapidly with production ramp-up and conducts projects involving a large share of development, which 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 entails a risk for Saab and its operations. The challenges primarily relate to the availability of certain raw materials and defence-specific supply, ramping up production capacity at some suppliers, as well as suppliers' ability to handle the flow-down of increasing regulatory requirements. Saab works actively to manage the supply chain risks through mitigating actions such as contract management, second sourcing, re-planning and intensified forecasting dialogue and negotiations with suppliers.

In October 2024, Saab North America, Inc. received a subpoena from the U.S. Department of Justice (DoJ) requesting information about the Brazilian Government's acquisition of 36 Gripen E/F fighter aircraft in 2014. Saab intends to comply with the request to supply information and to cooperate with the DoJ in this matter. Both Brazilian and Swedish authorities have previously investigated parts of the Brazilian fighter procurement process. These investigations were closed without indicating any wrongdoings by Saab.

For a general description of the risk areas, see the Annual Report 2023, pages 36-41.

Risks related to armed conflicts

The geopolitical tensions in the world, including the conflicts in Ukraine and the Middle East, have resulted in a more complex and diverse security environment for Saab. Therefore, Saab has increased security measures to protect its sites, personnel and IT, as well as measures against cyber risks, which may lead to increased costs for security.

Saab has no defence related sales exposure to Belarus and Russia, but is closely monitoring the effects on the business from the war in Ukraine. Saab is operating on a highly regulated market and it is essential for Saab as a responsible defence company to comply with all applicable regulations and commitments regarding export control and sanctions, i.e. sanctions from EU, UN, OSCE or other applicable country specific sanctions. Saab's crisis management organisation has an ongoing focus on security, embargo and sanction practises.

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

Owners

Largest owners, 30 September 2024:

	% of capital	% of votes
Investor AB	30.2	40.2
Wallenberg Investments	8.7	7.6
Swedbank Robur Funds	4.4	3.9
BlackRock	2.6	2.3
Vanguard	2.3	2.0
Avanza Pension	1.2	1.0
First Swedish National Pension Fund	1.2	1.0
Alliance Bernstein	1.1	1.0
AFA Insurance	0.9	0.8
Avanza Funds	0.8	0.7

Source: Modular Finance

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

Personnel

	30 Sep 2024	31 Dec 2023
Number of employees	23,770	21,479
FTEs	23,986	21,610

Sustainability at Saab

Highlights during the quarter

- In the quarter, Saab finalised its new Energy Strategy. The strategy defines the required direction to achieve energy resilience and meet Saab's Science Based Targets with guidelines to support the business.
- In the period, Saab launched a new tool to assess corruption risks across the Group. The aim is to further raise local awareness and accountability and provide input to the continuous development of the anti-bribery and corruption programme.
- To promote continuous learning and up-skilling in times of strong growth, Saab has introduced a target of 40 learning hours per employee and year. During Q3, an internal information campaign was conducted to increase awareness and ensure progress towards this target.

Circular economy – Saab 340 AEW aircraft



In June, Saab delivered the second and final Saab 340 Airborne Early Warning (AEW) aircraft ordered by the Polish Armed Forces, and in the third quarter final integration and trainings were completed. The aircraft were previously used by another Saab customer and refitted for the Polish customer, enabling the delivery of an airborne surveillance capability in record-time. The case demonstrates how Saab can extend the lifespan and capability of a special mission aircraft with upgrades and reuse of material such as spare parts to increase the utilisation of materials and products to limit its environmental impact and contribute to a more efficient and circular use of resources.

Ethics and Compliance

In the quarter, Saab introduced a new group-wide tool for corruption risk assessment and the Anti-Bribery and Corruption (ABC) programme. The tool will allow Saab's business areas and strategic markets to self-assess corruption risk exposure and status on progress in the ABC programme. The output of the assessments will form action plans as well as constitute the basis for follow-up and reporting. The new tool will also raise awareness and accountability in local operations, and assist in the future development of the programme.

Climate

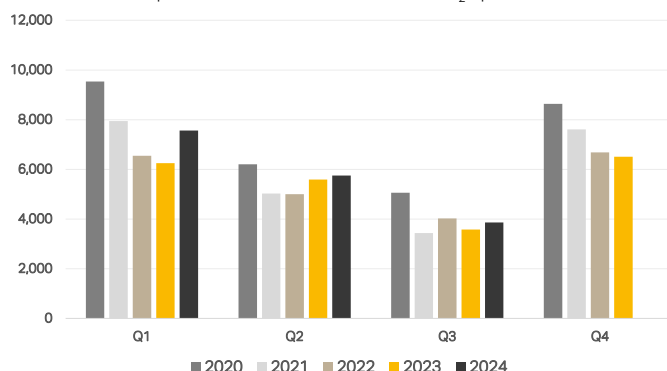
As part of Saab's environmental efforts, business area Aeronautics is working diligently to promote biodiversity on their sites. This includes limiting grass cutting at Linköping airport to protect pollinators as well as restricting tree harvesting in Arboga, Sweden. Since the area is favorable for certain species, Saab has established a 50-year long nature conservation agreement covering 11 hectares of the site.

During the quarter, Saab finalised its new Energy Strategy. The purpose of the strategy is to define required direction and offer guidelines for the business to achieve energy resilience, meet Saab's Science Based Targets and thus ensure our contribution to the climate challenge.

Despite Saab's strong growth and expansion, greenhouse gas emission in Scope 1 and 2 has not increased to the same extent due to prioritised activities primarily in the energy area. These include improvements to buildings, ventilation recovery of heat and time optimisation of heat use. However, there are many challenges, and one example is the availability of sustainable aviation fuel (SAF) as well as the infrastructure for deliveries of SAF to smaller airports.

In the third quarter, emissions increased 8% compared to the same period last year. This was mainly driven by increased business travel reported in scope 1 as well as the generally higher business activity in the Group.

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



People

To support the company's growth ambitions, Saab is increasing its efforts to encourage continuous learning and the development of new skills and knowledge within its workforce. Earlier this year, Saab established a target of 40 learning hours per employee and year, and in the quarter, the initiative and targets were communicated across the Group.

At the end of the quarter, the share of women employees increased to 26%, from 25% at the end of last year. The share of women managers also increased to 28%, from 27%, as a greater proportion of the newly appointed managers are women.

The Lost Time Injury Frequency Rate (LTIFR) and the reported incidents per workplace injury decreased compared to the full year 2023, while the Total Recordable Injury Frequency (TRIFR) increased. Overall, Saab's reporting culture and system support have improved, and as a result more injuries are reported, most evidently in regards to the TRIs. Saab is focusing on improving the process for reporting further and handling the identifications and close calls to prevent future incidents.

Performance Indicators ¹	Dec 2022	Dec 2023	YTD 2024
Lost Time Injury Frequency Rate (LTIFR) ²	0.84	1.33	1.15
Total Recordable Injury Frequency Rate (TRIFR) ³	2.61	3.57	3.89
Reported incidents per workplace injury ⁴	4.4	5.0	4.2
Share of women managers	27%	27%	28%
Share of women employees	24%	25%	26%

⁴ Increased incidence reporting leads to fewer accidents

¹ All performance indicators are global

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

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

Significant events

January-September 2024

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

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

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

On 23 February, Saab signed a contract with the Swedish Defence Materiel Administration (FMV) and received an order for four additional Gripen C fighter aircraft for Hungary.

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

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

On 10 April, Saab announced it had appointed Mikael Adelsberg as Chief Digital Officer and head of the new group function Group Digitalisation. The change came into effect on 1 October and Mikael Adelsberg is now a member of Saab's Group Management.

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

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

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

On 18 June, Saab announced that Anna Wijkander, previously deputy CFO and head of Corporate Control at Saab, will become the company's new CFO and member of Saab's Group Management. She replaces Saab's previous CFO Christian Luiga that decided to leave the company. Anna Wijkander assumed the position on 9 September 2024.

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

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

On 24 July, Saab received an order for defence equipment from the government of a Western country. The order value is approximately SEK 6.6 billion with deliveries planned 2027-2028.

On 30 August, Saab announced it had received an order from the Swedish Defence Materiel Administration (FMV) for the Giraffe 1X surface radar. The contract period is 2024-2027 and the order value is approximately SEK 700 million.

On 30 August, Saab announced that the U.S. Army has selected Saab's AT4 solution for its Individual Assault Munition programme. The contract allows the U.S. Army to place orders for up to USD 494 million over five years, and order values will be established individually.

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

Events after the conclusion of the period

On 4 October, Saab announced it had received an additional order from Lithuania for the Mobile Short-Range Air Defence (MSHORAD) solution. The order value is SEK 1.2 billion with deliveries scheduled 2026-2029.

On 10 October, Saab informed that the U.S. Department of Justice (DoJ) has requested information from Saab North America, Inc. regarding Brazil's acquisition of Gripen fighters in 2014. Saab intends to comply with the request to supply information and to cooperate with DoJ in this matter.



Giraffe 1X order to Sweden

Saab has received an order from the Swedish Defence Materiel Administration (FMV) for the Giraffe 1X radar, associated command and control systems and integration for one of Sweden's Ground Based Air Defence (GBAD) solutions. The contract period is 2024-2027 and the order value is approx. 700 MSEK.

Giraffe 1X provides quality air defence target data, drone detection for counter-UAS, and sense and warn capability. It also offers continuous software upgrades to meet emerging threats.

AT4 solution selected by the U.S. Army

The U.S. Army has selected Saab's AT4CS TW (Confined Space Tandem Warhead) solution for its Individual Assault Munition (IAM) programme. The contract allows the U.S. Army to place orders for up to USD 494 million over five years.

Saab's new AT4 solution combines the capability of multiple existing shoulder-launched munitions while reducing soldier load, training complexity and logistics. AT4 is the U.S. Army's squad weapon since 1985 and Saab has delivered over 700,000 systems to the U.S.

Consolidated income statement

MSEK	Note	Jan-Sep 2024	Jan-Sep 2023	Rolling 12 Months	Full Year 2023
Sales	4	42,901	35,487	59,023	51,609
Cost of goods sold		-33,524	-27,744	-46,129	-40,349
Gross income		9,377	7,743	12,894	11,260
Gross margin, %		21.9	21.8	21.8	21.8
Other operating income	5	151	412	330	591
Marketing expenses		-2,099	-1,961	-2,876	-2,738
Administrative expenses		-1,748	-1,384	-2,344	-1,980
Research and development costs		-1,991	-1,493	-2,615	-2,117
Other operating expenses		-9	-81	13	-59
Share of income in associated companies and joint ventures	5	28	-384	-273	-685
Operating income (EBIT) ¹⁾	3	3,709	2,852	5,129	4,272
Operating margin, %		8.6	8.0	8.7	8.3
Financial income		437	448	771	782
Financial expenses		-582	-505	-713	-636
Net financial items		-145	-57	58	146
Income before taxes		3,564	2,795	5,187	4,418
Taxes		-796	-606	-1,165	-975
Net income for the period		2,768	2,189	4,022	3,443
of which Parent Company's shareholders' interest		2,736	2,158	3,959	3,381
of which non-controlling interest		32	31	63	62
Earnings per share before dilution, SEK ²⁾⁴⁾		5.13	4.06	7.42	6.36
Earnings per share after dilution, SEK ³⁾⁴⁾		5.08	4.02	7.34	6.29
1) Of which depreciation/amortisation and write-downs		-1,959	-1,674	-2,571	-2,286
2) Average number of shares before dilution ⁴⁾		533,727,270	531,167,192	533,455,692	531,535,632
3) Average number of shares after dilution ⁴⁾		538,636,607	537,472,268	539,138,833	537,511,328
4) Comparison periods adjusted for share split 4:1					

Consolidated statement of comprehensive income

MSEK	Jan-Sep 2024	Jan-Sep 2023	Rolling 12 Months	Full Year 2023
Net income for the period	2,768	2,189	4,022	3,443
Other comprehensive income/loss:				
Items that will not be reversed in the income statement:				
Revaluation of net pension obligations	379	695	-998	-682
Tax attributable to revaluation of net pension obligations	-78	-143	205	140
Equity instruments classified as measured at fair value through other comprehensive income	1,322	2	1,281	-39
Tax attributable to equity instruments classified as measured at fair value through other comprehensive income	-8	-0	0	8
Total	1,615	554	488	-573
Items that may be reversed in the income statement:				
Translation differences	113	93	-402	-422
Cash flow hedges	154	-175	1,136	807
Tax attributable to cash flow hedges	-38	36	-244	-170
Interest-bearing assets classified as measured at fair value through other comprehensive income	5	-	5	-
Tax attributable to interest-bearing assets classified as measured at fair value through other comprehensive income	-1	-	-1	-
Total	233	-46	494	215
Other comprehensive income/loss for the period	1,848	508	982	-358
Net comprehensive income/loss for the period	4,616	2,697	5,004	3,085
of which Parent Company's shareholders' interest	4,582	2,652	4,968	3,038
of which non-controlling interest	34	45	36	47

Consolidated statement of financial position

MSEK	Note	30 Sep 2024	31 Dec 2023	30 Sep 2023
ASSETS				
Fixed assets:				
Intangible fixed assets	7	12,870	12,941	12,758
Tangible fixed assets		11,449	9,501	8,993
Biological assets		411	414	411
Right of use assets		2,719	2,554	2,484
Shares in associated companies and joint ventures		274	253	264
Financial investments		2,711	1,102	1,149
Long-term interest-bearing investments		1,121	-	-
Long-term receivables		455	515	780
Deferred tax assets		492	482	455
Total fixed assets		32,502	27,762	27,294
Current assets:				
Inventories		21,454	16,786	16,626
Derivatives		1,511	1,656	1,716
Tax receivables		244	51	35
Accounts receivable		6,503	7,244	6,402
Contract assets		15,840	12,316	13,242
Other receivables		2,912	2,192	2,008
Prepaid expenses and accrued income		1,977	1,283	1,654
Short-term interest-bearing investments		6,248	11,340	9,288
Liquid assets	11	3,196	2,129	1,238
Total current assets		59,885	54,997	52,209
TOTAL ASSETS		92,387	82,759	79,503
SHAREHOLDERS' EQUITY AND LIABILITIES				
Shareholders' equity:				
Parent Company's shareholders' interest		35,616	32,035	31,589
Non-controlling interest		331	327	425
Total shareholders' equity		35,947	32,362	32,014
Long-term liabilities:				
Long-term lease liabilities		2,190	2,078	2,043
Other long-term interest-bearing liabilities	8	7,126	6,915	6,750
Other liabilities		253	210	216
Provisions for pensions	13	1,366	1,872	474
Other provisions		2,034	2,888	2,704
Deferred tax liabilities		1,518	1,432	1,408
Total long-term liabilities		14,487	15,395	13,595
Current liabilities:				
Short-term lease liabilities		661	597	583
Other short-term interest-bearing liabilities	8	326	453	95
Contract liabilities		22,937	16,553	15,196
Accounts payable		5,262	6,080	5,255
Derivatives		619	1,111	2,259
Tax liabilities		439	235	260
Other liabilities		1,465	1,083	1,579
Accrued expenses and deferred income		9,229	8,015	8,016
Provisions		1,015	875	651
Total current liabilities		41,953	35,002	33,894
Total liabilities		56,440	50,397	47,489
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		92,387	82,759	79,503

Consolidated statement of changes in equity

MSEK	Capital stock	Other capital contributions	Net result of cash flow hedges	Translation reserve	Retained earnings	Total parent company's shareholders' interest	Non-controlling interest	Total shareholders' equity
Opening balance, 1 January 2023	2,174	6,099	176	1,192	19,845	29,486	390	29,876
Net comprehensive income/loss for the period January-September 2023			-139	80	2,711	2,652	45	2,697
Transactions with shareholders:								
Share matching plan					154	154		154
Dividend					-703	-703	-20	-723
Acquisition and sale of non-controlling interest					-	-	10	10
Closing balance, 30 September 2023	2,174	6,099	37	1,272	22,007	31,589	425	32,014
Net comprehensive income/loss for the period October-December 2023			776	-487	97	386	2	388
Transactions with shareholders:								
Share matching plan					60	60		60
Dividend					-	-	-100	-100
Closing balance, 31 December 2023	2,174	6,099	813	785	22,164	32,035	327	32,362
Opening balance, 1 January 2024	2,174	6,099	813	785	22,164	32,035	327	32,362
Net comprehensive income/loss for the period January-September 2024			116	110	4,356	4,582	34	4,616
Transactions with shareholders:								
Repurchase of shares through equity swap					-319	-319		-319
Share matching plan					171	171		171
Dividend					-853	-853	-30	-883
Closing balance, 30 September 2024	2,174	6,099	929	895	25,519	35,616	331	35,947

Consolidated statement of cash flows

MSEK	Note	Jan-Sep 2024	Jan-Sep 2023	Full Year 2023
Operating activities:				
Income after financial items		3,564	2,795	4,418
Adjustments for items not affecting cash flows		2,246	2,059	2,950
Dividend from associated companies and joint ventures		16	31	36
Income tax paid		-835	-511	-856
Cash flow from operating activities before changes in working capital		4,991	4,374	6,548
Cash flow from changes in working capital:				
Contract assets and liabilities		2,866	492	2,915
Inventories		-4,569	-2,602	-2,691
Other current receivables		-556	-949	-1,922
Other current liabilities		197	629	2,020
Provisions		-1,195	-312	-408
Cash flow from operating activities		1,734	1,632	6,462
Investing activities:				
Capitalised development costs		-352	-379	-547
Investments in other intangible fixed assets		-186	-225	-484
Investments in tangible fixed assets		-2,700	-1,716	-2,507
Sales and disposals of tangible fixed assets including biological assets		43	21	4
Investments in and sale of short-term investments		5,139	773	-1,233
Investments in financial assets, associated companies and joint ventures		-1,423	-434	-1,268
Investments in operations		-15	-241	-262
Sale of subsidiaries and other operations		25	382	382
Cash flow from investing activities		531	-1,819	-5,915
Financing activities:				
Repayments of loans		-572	-478	-1,075
Amortisation of lease liabilities		-521	-434	-586
Raising of loans and increase in other interest-bearing liabilities		331	130	1,250
Dividend paid to Parent Company's shareholders		-427	-703	-703
Dividend paid to non-controlling interest		-28	-	-126
Transactions with non-controlling interest		-	10	10
Cash flow from financing activities		-1,217	-1,475	-1,230
Cash flow for the period		1,048	-1,662	-683
Liquid assets at the beginning of the period		2,129	2,869	2,869
Exchange rate difference in liquid assets		19	31	-57
Liquid assets at end of period	11	3,196	1,238	2,129

Quarterly consolidated income statement

MSEK	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022
Sales	13,546	15,170	14,185	16,122	11,527	12,475	11,485	13,866
Cost of goods sold	-10,634	-11,790	-11,100	-12,605	-9,046	-9,715	-8,983	-11,017
Gross income	2,912	3,380	3,085	3,517	2,481	2,760	2,502	2,849
Gross margin, %	21.5	22.3	21.7	21.8	21.5	22.1	21.8	20.5
Other operating income	111	20	20	179	15	114	283	101
Marketing expenses	-650	-755	-694	-777	-633	-687	-641	-582
Administrative expenses	-568	-595	-585	-596	-443	-491	-450	-463
Research and development costs	-640	-723	-628	-624	-506	-522	-465	-529
Other operating expenses	16	-2	-23	22	-26	-41	-14	5
Share of income in associated companies and joint ventures	6	6	16	-301	-29	-68	-287	-68
Operating income (EBIT) ¹⁾	1,187	1,331	1,191	1,420	859	1,065	928	1,314
Operating margin, %	8.8	8.8	8.4	8.8	7.5	8.5	8.1	9.5
Financial income	145	135	157	334	148	173	127	42
Financial expenses	-85	-158	-339	-131	-154	-226	-125	-7
Net financial items	60	-23	-182	203	-6	-53	2	35
Income before taxes	1,247	1,308	1,009	1,623	853	1,012	930	1,349
Taxes	-275	-296	-225	-369	-197	-214	-195	-195
Net income for the period	972	1,012	784	1,254	656	798	735	1,154
of which Parent Company's shareholders' interest	966	1,000	770	1,223	652	774	732	1,115
of which non-controlling interest	6	12	14	31	4	24	3	39
Earnings per share before dilution, SEK ²⁾⁴⁾	1.81	1.87	1.44	2.30	1.23	1.46	1.38	2.11
Earnings per share after dilution, SEK ³⁾⁴⁾	1.79	1.85	1.43	2.27	1.21	1.44	1.36	2.08
1) Of which depreciation/amortisation and write-downs	-701	-630	-628	-612	-565	-553	-556	-569
2) Average number of shares before dilution ⁴⁾	534,029,736	533,736,845	533,415,230	532,640,956	531,993,110	531,188,738	530,319,722	529,671,016
3) Average number of shares after dilution ⁴⁾	539,056,834	539,334,622	539,532,640	538,631,236	538,346,168	537,964,760	537,482,588	536,233,844
4) Comparison periods adjusted for share split 4:1								

Quarterly consolidated statement of comprehensive income

MSEK	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022
Net income for the period	972	1,012	784	1,254	656	798	735	1,154
Other comprehensive income/loss:								
Items that will not be reversed in the income statement:								
Revaluation of net pension obligations	-824	42	1,161	-1,377	161	701	-167	1,173
Tax attributable to revaluation of net pension obligations	170	-9	-239	283	-33	-145	35	-245
Equity instruments classified as measured at fair value through other comprehensive income	-17	1,303	36	-41	-	2	-0	-1
Tax attributable to equity instruments classified as measured at fair value through other comprehensive income	-	-1	-7	8	-	-0	0	0
Total	-671	1,335	951	-1,127	128	558	-132	927
Items that may be reversed in the income statement:								
Translation differences	-228	-12	353	-515	-47	311	-171	-268
Net gain/loss on cash flow hedges	1,401	-212	-1,035	982	23	-152	-46	273
Tax attributable to net gain/loss on cash flow hedges	-286	41	207	-206	-5	32	9	-57
Interest-bearing assets classified as measured at fair value through other comprehensive income	5	-	-	-	-	-	-	-
Tax attributable to interest-bearing assets classified as measured at fair value through other comprehensive income	-1	-	-	-	-	-	-	-
Total	891	-183	-475	261	-29	191	-208	-52
Other comprehensive income/loss for the period	220	1,152	476	-866	99	749	-340	875
Net comprehensive income/loss for the period	1,192	2,164	1,260	388	755	1,547	395	2,029
of which Parent Company's shareholders' interest	1,196	2,152	1,234	386	749	1,509	394	2,006
of which non-controlling interest	-4	12	26	2	6	38	1	23

Key ratios by quarter

MSEK	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022
Equity/assets ratio, (%)	38.9	39.6	39.7	39.1	40.3	40.2	39.6	41.3
Return on capital employed, % ³⁾	13.2	12.8	12.6	11.9	11.4	10.5	9.6	8.8
Return on equity, % ³⁾	11.8	11.2	10.9	11.1	11.2	10.4	9.5	8.6
Equity per share, SEK ¹⁾³⁾⁴⁾	66.64	64.39	62.42	60.11	59.35	57.90	56.39	55.64
Free cash flow, MSEK ³⁾	2,622	-2,507	-2,389	2,559	-2,554	-1,564	3,125	1,439
Free cash flow per share after dilution, SEK ²⁾³⁾⁴⁾	4.86	-4.65	-4.43	4.75	-4.75	-2.91	5.82	2.68
1) Number of shares excluding treasury shares and repurchased through equity swap ⁴⁾	534,426,981	533,632,490	533,841,200	532,989,260	532,292,652	531,693,568	530,683,908	529,955,536
2) Average number of shares after dilution ⁴⁾	539,056,834	539,334,622	539,532,640	538,631,236	538,346,168	537,964,760	537,482,588	536,233,844
3) For more information and explanations regarding the usage of these key ratios, please see www.saab.com/investors/financials/financial-data								
4) Comparison periods adjusted for share split 4:1								

Quarterly information per operating segment

MSEK	Q3 2024	Operating margin	Q2 2024	Operating margin	Q1 2024	Operating margin	Q4 2023	Operating margin
Sales								
Aeronautics	3,322		3,726		4,047		4,152	
Dynamics	3,056		3,312		2,622		3,800	
Surveillance	5,115		5,406		4,989		5,777	
Kockums	1,584		2,197		1,966		2,027	
Combitech	877		1,082		1,049		1,117	
Corporate/elimination	-408		-553		-488		-751	
Total	13,546		15,170		14,185		16,122	
Operating income/loss								
Aeronautics	192	5.8%	257	6.9%	276	6.8%	212	5.1%
Dynamics	412	13.5%	594	17.9%	367	14.0%	596	15.7%
Surveillance	502	9.8%	416	7.7%	405	8.1%	705	12.2%
Kockums	57	3.6%	175	8.0%	132	6.7%	192	9.5%
Combitech	91	10.4%	93	8.6%	122	11.6%	111	9.9%
Corporate	-67		-204		-111		-396	
Total	1,187	8.8%	1,331	8.8%	1,191	8.4%	1,420	8.8%
MSEK	Q3 2023	Operating margin	Q2 2023	Operating margin	Q1 2023	Operating margin	Q4 2022	Operating margin
Sales								
Aeronautics	3,135		3,397		3,070		4,258	
Dynamics	2,453		2,417		2,490		2,782	
Surveillance	4,149		4,739		3,894		4,793	
Kockums	1,386		1,433		1,468		1,634	
Combitech	816		1,023		966		1,035	
Corporate/elimination	-412		-534		-403		-636	
Total	11,527		12,475		11,485		13,866	
Operating income/loss								
Aeronautics	148	4.7%	187	5.5%	163	5.3%	257	6.0%
Dynamics	382	15.6%	353	14.6%	427	17.1%	618	22.2%
Surveillance	324	7.8%	451	9.5%	554	14.2%	520	10.8%
Kockums	73	5.3%	84	5.9%	83	5.7%	103	6.3%
Combitech	43	5.3%	75	7.3%	111	11.5%	95	9.2%
Corporate	-111		-85		-410		-279	
Total	859	7.5%	1,065	8.5%	928	8.1%	1,314	9.5%

Multi-year overview

MSEK	2023	2022	2021	2020	2019
Order bookings	77,811	63,116	43,569	42,328	27,216
Order backlog at 31 December	153,409	127,676	105,177	99,816	93,293
Sales	51,609	42,006	39,154	35,431	35,433
<i>Sales in Sweden, %</i>	42	42	38	36	37
<i>Sales in Europe excluding Sweden, %</i>	23	19	17	18	16
<i>Sales in North America, %</i>	11	11	11	11	11
<i>Sales in Latin America, %</i>	7	9	15	13	12
<i>Sales in Rest of the World, %</i>	16	19	19	22	24
<i>Sales in Undisclosed country, %</i>	1	-	-	-	-
<i>Organic sales growth, %</i>	23	5	11	1	6
Operating income (EBIT)	4,272	3,274	2,888	1,315	2,937
<i>Operating margin, %</i>	8.3	7.8	7.4	3.7	8.3
Adjusted operating income	4,272	3,274	2,888	2,738	2,937
<i>Adjusted operating margin, %</i>	8.3	7.8	7.4	7.4	8.3
Depreciation/amortisation and write-downs	2,286	2,127	1,938	1,518	1,368
EBITDA	6,558	5,401	4,826	2,833	4,305
<i>EBITDA margin, %</i>	12.7	12.9	12.3	8.0	12.1
Income after financial items	4,418	2,819	2,577	1,112	2,607
Net income for the year	3,443	2,283	2,025	1,092	2,025
Total assets	82,759	72,365	65,039	60,568	59,858
Equity	32,362	29,876	23,249	21,644	20,809
Free cash flow ¹⁾	1,566	1,871	2,737	3,753	-2,036
<i>Cash conversion, % ³⁾</i>	74	79	113	101 ²⁾	-44
<i>Return on capital employed, % ¹⁾</i>	11.9	8.8	8.1	4.3	9.1
<i>Return on equity, % ¹⁾</i>	11.1	8.6	9.0	5.1	10.0
<i>Equity/assets ratio, %</i>	39.1	41.3	35.7	35.7	34.8
Earnings per share before dilution, SEK ¹⁾⁴⁾	6.36	4.15	3.64	2.02	3.72
Earnings per share after dilution, SEK ¹⁾⁴⁾	6.29	4.10	3.61	2.00	3.70
Dividend per share, SEK ⁴⁾	1.60	1.33	1.23	1.18	-
Equity per share, SEK ¹⁾⁴⁾	60.11	55.64	43.58	40.58	38.62
Number of employees at year-end	21,479	19,002	18,153	18,073	17,420
Number of shares excluding treasury shares 31 December ⁴⁾	532,989,260	529,955,536	527,240,712	528,988,292	531,705,452
Average number of shares before dilution ⁴⁾	531,535,632	528,630,344	528,658,396	532,039,944	532,981,440
Average number of shares after dilution ⁴⁾	537,511,328	534,896,892	533,173,360	535,508,564	535,717,168

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

2) Adjusted for items affecting comparability

3) Cash conversion = operational cash flow / operating income

4) Comparison periods adjusted for share split 4:1

Parent company

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

Parent company income statement

MSEK	Jan-Sep 2024	Jan-Sep 2023	Full Year 2023
Sales	24,911	20,273	29,204
Cost of goods sold	-20,472	-16,767	-23,993
Gross income	4,439	3,506	5,211
<i>Gross margin, %</i>	17.8	17.3	17.8
Operating income and expenses	-2,854	-2,827	-3,909
Operating income (EBIT)	1,585	679	1,302
<i>Operating margin, %</i>	6.4	3.3	4.5
Financial income and expenses	173	-127	2,038
Income after financial items	1,758	552	3,340
Appropriations	-	-	-617
Income before taxes	1,758	552	2,723
Taxes	-423	-150	-616
Net income for the period	1,335	402	2,107

Parent company balance sheet

MSEK	Note	30 Sep 2024	31 Dec 2023	30 Sep 2023
ASSETS				
Fixed assets:				
Intangible fixed assets		1,185	1,174	1,017
Tangible fixed assets		6,119	5,376	5,268
Financial fixed assets		10,310	8,555	8,872
Total fixed assets		17,614	15,105	15,157
Current assets:				
Inventories		11,915	10,651	9,821
Current receivables		22,748	21,026	19,751
Short term investments		6,193	11,283	9,255
Liquid assets		1,975	753	274
Total current assets		42,831	43,713	39,101
TOTAL ASSETS		60,445	58,818	54,258
SHAREHOLDERS' EQUITY AND LIABILITIES				
Equity:				
Restricted equity		3,354	3,354	3,360
Unrestricted equity		14,090	13,756	11,985
Total shareholders' equity		17,444	17,110	15,345
Untaxed reserves, provisions and liabilities:				
Untaxed reserves		3,926	3,926	3,309
Provisions		1,911	2,677	2,607
Liabilities	8	37,164	35,105	32,997
Total untaxed reserves, provisions and liabilities		43,001	41,708	38,913
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		60,445	58,818	54,258

Liquidity, financing, capital expenditures and number of employees

The Parent Company's net debt amounted to SEK 2,949 million as of 30 September 2024 compared to a net liquidity of SEK 2,635 million at 31 December 2023. Investments in tangible fixed assets amounted to SEK 1,207 million (749). Investments in intangible assets amounted to SEK 179 million (64). At the end of the period, the Parent Company had 11,998 employees compared to 10,970 at the beginning of the year.

Notes to the financial statements

Note 1 Corporate information

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

Note 2 Accounting principles

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

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

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

Note 3 Segment reporting

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

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

Aeronautics

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

Dynamics

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

Surveillance

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

Kockums

Kockums develops, delivers, and maintains world-class solutions for naval environments. Its portfolio includes submarines with the Stirling system

for air independent propulsion, surface combatants, mine hunting systems, autonomous vessels, torpedoes and unmanned underwater vehicles. Kockums' unique competence is in signature management, impact strength and advanced stealth technology.

Combitech

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

Order bookings per operating segment

MSEK	Jan-Sep 2024	Jan-Sep 2023	Change, %	Q3 2024	Q3 2023	Rolling 12 Months	Full Year 2023
Aeronautics	8,760	8,878	-1	1,464	5,276	17,993	18,111
Dynamics	45,134	17,956	151	12,579	2,876	53,887	26,709
Surveillance	19,472	14,845	31	6,158	5,723	28,514	23,887
Kockums	4,636	3,184	46	735	1,015	8,949	7,497
Combitech	3,293	3,169	4	813	734	4,415	4,291
Corporate/elimination	-2,053	-1,722		-576	-647	-3,015	-2,684
Total	79,242	46,310	71	21,173	14,977	110,743	77,811

Order bookings per region

MSEK	Jan-Sep 2024	Jan-Sep 2023	Change, %	Q3 2024	Q3 2023	Full Year 2023
Sweden	16,170	16,784	-4	4,274	6,448	28,306
Rest of Europe	28,740	8,656	232	5,852	3,143	15,631
North America	5,392	5,646	-4	1,765	2,189	9,226
Latin America	1,165	57	1,944	314	35	1,563
Asia	4,417	2,992	48	188	1,638	6,075
Africa	349	63	454	9	4	73
Australia, etc.	1,331	2,593	-49	611	512	3,147
Undisclosed country	21,678	9,519	128	8,160	1,008	13,790
Total	79,242	46,310	71	21,173	14,977	77,811

Order backlog per operating segment

MSEK	30 Sep 2024	31 Dec 2023	30 Sep 2023
Aeronautics	44,650	46,995	41,926
Dynamics	79,242	43,103	38,368
Surveillance	49,919	45,780	43,092
Kockums	15,933	17,031	14,804
Combitech	1,880	1,595	1,591
Corporate/elimination	-1,568	-1,095	-1,280
Total	190,056	153,409	138,501

Order backlog per region

MSEK	30 Sep 2024	31 Dec 2023	30 Sep 2023
Sweden	53,352	55,314	50,062
Rest of Europe	59,160	40,636	37,455
North America	12,465	11,510	10,098
Latin America	16,677	17,878	17,577
Asia	10,171	9,600	8,451
Africa	780	535	557
Australia etc.	3,441	4,638	5,131
Undisclosed country	34,010	13,298	9,170
Total	190,056	153,409	138,501

Sales per operating segment

MSEK	Jan-Sep 2024	Jan-Sep 2023	Change, %	Q3 2024	Q3 2023	Change, %	Rolling 12 Months	Full Year 2023
Aeronautics	11,095	9,602	16	3,322	3,135	6	15,247	13,754
Dynamics	8,990	7,360	22	3,056	2,453	25	12,790	11,160
Surveillance	15,510	12,782	21	5,115	4,149	23	21,287	18,559
Kockums	5,747	4,287	34	1,584	1,386	14	7,774	6,314
Combitech	3,008	2,805	7	877	816	7	4,125	3,922
Corporate/elimination	-1,449	-1,349		-408	-412		-2,200	-2,100
Total	42,901	35,487	21	13,546	11,527	18	59,023	51,609

Sales per region

MSEK	Jan-Sep 2024	% of sales	Jan-Sep 2023	% of sales	Full Year 2023	% of sales
Sweden	18,164	42	15,331	43	21,614	42
Rest of Europe	10,356	24	7,858	22	11,913	23
North America	4,434	10	3,907	11	5,607	11
Latin America	2,369	6	2,488	7	3,690	7
Asia	3,896	9	2,967	8	4,759	9
Africa	106	0	78	0	109	0
Australia, etc.	2,610	6	2,509	7	3,425	7
Undisclosed country	966	2	349	1	492	1
Total	42,901	100	35,487	100	51,609	100

Information on large customers

During the first nine months 2024, Saab had one customer that separately accounted for 10 per cent or more of the Group's sales. The Swedish Defence is a customer of all business areas and total sales amounted to SEK 15,724 million (13,409).

Seasonal variation

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

Operating income per operating segment

MSEK	Jan-Sep 2024	% of sales	Jan-Sep 2023	% of sales	Q3 2024	Q3 2023	Rolling 12 Months	Full Year 2023
Aeronautics	725	6.5	498	5.2	192	148	937	710
Dynamics	1,373	15.3	1,162	15.8	412	382	1,969	1,758
Surveillance	1,323	8.5	1,329	10.4	502	324	2,028	2,034
Kockums	364	6.3	240	5.6	57	73	556	432
Combitech	306	10.2	229	8.2	91	43	417	340
Group segments' operating income	4,091	9.6	3,458	9.8	1,254	970	5,907	5,274
Corporate	-382		-606		-67	-111	-778	-1,002
Total	3,709	8.6	2,852	8.0	1,187	859	5,129	4,272

Depreciation/amortisation and write-downs per operating segment

MSEK	Jan-Sep 2024	Jan-Sep 2023	Change, %	Q3 2024	Q3 2023	Rolling 12 Months	Full Year 2023
Aeronautics	179	155	15	63	54	230	206
Dynamics	90	71	27	32	24	117	98
Surveillance	730	650	12	273	220	979	899
Kockums	39	27	44	15	9	49	37
Combitech	9	7	29	3	2	12	10
Corporate	912	764	19	315	256	1,184	1,036
Total	1,959	1,674	17	701	565	2,571	2,286

Operational cash flow per operating segment

MSEK	Jan-Sep 2024	Jan-Sep 2023	Q3 2024	Q3 2023	Rolling 12 Months	Full Year 2023
Aeronautics	-2,107	-610	-923	-569	-1,867	-370
Dynamics	1,794	1,435	3,677	-840	3,596	3,237
Surveillance	-106	-760	-181	-819	1,807	1,153
Kockums	732	270	884	396	208	-254
Combitech	227	55	-20	-36	559	387
Corporate	-1,601	-924	-249	-190	-1,673	-996
Total	-1,061	-534	3,188	-2,058	2,630	3,157

Capital employed per operating segment

MSEK	30 Sep 2024	31 Dec 2023	30 Sep 2023
Aeronautics	13,167	10,403	10,516
Dynamics	4,931	4,346	4,970
Surveillance	12,197	11,676	12,133
Kockums	3,060	3,011	2,590
Combitech	1,258	1,101	1,206
Corporate/elimination	12,776	13,417	10,488
Total	47,389	43,954	41,903

Full time equivalents (FTEs) per operating segment

Number at end of the period	30 Sep 2024	31 Dec 2023	30 Sep 2023
Aeronautics	5,900	5,568	5,467
Dynamics	4,142	3,557	3,409
Surveillance	6,991	6,275	6,158
Kockums	2,373	2,140	2,059
Combitech	2,379	2,242	2,209
Corporate	2,201	1,828	1,611
Total	23,986	21,610	20,913

Note 4 Distribution of sales

MSEK	Aeronautics		Dynamics		Surveillance		Kockums		Combitech		Corporate/ elimination		Group	
	Jan-Sep 2024	Jan-Sep 2023	Jan-Sep 2024	Jan-Sep 2023	Jan-Sep 2024	Jan-Sep 2023	Jan-Sep 2024	Jan-Sep 2023	Jan-Sep 2024	Jan-Sep 2023	Jan-Sep 2024	Jan-Sep 2023	Jan-Sep 2024	Jan-Sep 2023
External sales	11,052	9,540	8,798	7,218	15,051	12,415	5,648	4,223	1,931	1,927	421	164	42,901	35,487
Internal sales	43	62	192	142	459	367	99	64	1,077	878	-1,870	-1,513	-	-
Total sales	11,095	9,602	8,990	7,360	15,510	12,782	5,747	4,287	3,008	2,805	-1,449	-1,349	42,901	35,487
Sales by customer:														
Military customers	10,252	8,832	8,657	7,081	13,774	11,031	5,275	3,914	1,015	880	191	91	39,164	31,829
Civilian customers	800	708	141	137	1,277	1,384	373	309	916	1,047	230	73	3,737	3,658
Total external sales	11,052	9,540	8,798	7,218	15,051	12,415	5,648	4,223	1,931	1,927	421	164	42,901	35,487
Sales by significant source:														
Long-term customer contracts	10,313	8,236	4,207	2,476	10,387	9,393	3,360	2,556	-	-	189	92	28,456	22,753
Services	578	1,049	1,123	1,020	3,102	2,053	1,154	815	1,800	1,826	138	57	7,895	6,820
Products	161	255	3,468	3,722	1,562	969	1,134	852	131	101	94	15	6,550	5,914
Total external sales	11,052	9,540	8,798	7,218	15,051	12,415	5,648	4,223	1,931	1,927	421	164	42,901	35,487
Sales by domain:														
Air	10,105	8,617	279	160	5,889	5,203	-	-	30	29	24	39	16,327	14,048
Land	114	88	7,602	6,465	2,746	1,929	-	-	1,004	883	41	15	11,507	9,380
Naval	6	7	866	558	5,043	3,830	5,648	4,223	3	4	108	61	11,674	8,683
Civil Security	24	41	31	19	1,355	1,444	-	-	265	268	54	39	1,729	1,811
Commercial Aeronautics	792	787	-	-	5	1	-	-	6	4	12	6	815	798
Other/not distributed	11	-	20	16	13	8	-	-	623	739	182	4	849	767
Total external sales	11,052	9,540	8,798	7,218	15,051	12,415	5,648	4,223	1,931	1,927	421	164	42,901	35,487
Sales recognition method:														
Over time	9,635	8,396	4,920	3,341	11,145	9,261	5,311	3,973	1,929	1,926	203	112	33,143	27,009
Point in time	1,417	1,144	3,878	3,877	3,906	3,154	337	250	2	1	218	52	9,758	8,478
Total external sales	11,052	9,540	8,798	7,218	15,051	12,415	5,648	4,223	1,931	1,927	421	164	42,901	35,487

Note 5 Items affecting comparability

Item affecting comparability	Business Area	Line item	Jan-Sep 2024	Jan-Sep 2023	Q3 2024	Q3 2023	Full Year 2023
Capital gain from divestment of Combitech Norway	Combitech	Other operating income	18	-	18	-	-
Write-down of associated companies	Corporate	Share of income in associated companies and joint ventures	-	-284	-	-	-494
Capital gain from the divestment of MTM operations	Surveillance	Other operating income	-	270	-	-	270
Capital gain from divestment of property	Corporate	Other operating income	-	58	-	-	58
Negative goodwill from a preliminary purchase price allocation	Corporate	Other operating income	-	-	-	-	144
Total			18	44	18	-	-22

The items affecting comparability in 2024 and the comparison periods are included in the operating income of the group. Operating income adjusted for items affecting comparability is not reported for the first nine months 2024, the third quarter 2024, full year 2023, the first nine months 2023 or the third quarter 2023.

Note 6 Dividend to Parent Company's shareholders

The Annual General Meeting 2024 held on 11 April decided on a dividend to the Parent Company's shareholders of SEK 6.40 per share (SEK 1.60 after implementation of the share split 4:1), corresponding to a total dividend of SEK 853 million. The dividend was paid out in two equal instalments. Record date for the first instalment was 15 April 2024 and the dividend was paid out on 18 April 2024. At the second instalment, SEK 0.80 per share (after implementation of the share split 4:1) was paid on 11 October 2024 with the record date 8 October 2024.

Note 7 Intangible fixed assets

MSEK	30 Sep 2024	31 Dec 2023	30 Sep 2023
Goodwill	5,455	5,424	5,556
Capitalised development costs	6,021	6,106	5,984
Other intangible assets	1,394	1,411	1,218
Total	12,870	12,941	12,758

Note 8 Net liquidity/debt

MSEK	30 Sep 2024	31 Dec 2023	30 Sep 2023
Assets:			
Liquid assets	3,196	2,129	1,238
Short-term investments	6,248	11,340	9,288
Total liquid investments	9,444	13,469	10,526
Short-term interest-bearing receivables	74	73	74
Long-term interest-bearing receivables	266	333	640
Long-term receivables attributable to pensions	59	59	19
Long-term interest-bearing financial investments	1,121	-	-
Total interest-bearing assets	10,964	13,934	11,259
Liabilities:			
Lease liabilities	2,851	2,675	2,626
Bonds and other debt instruments	7,309	7,270	6,744
Liabilities to associated companies and joint ventures	51	49	53
Other interest-bearing liabilities	92	48	48
Provisions for pensions ¹⁾	1,139	1,549	418
Total interest-bearing liabilities and provisions for pensions	11,442	11,591	9,889
Net liquidity (+) / net debt (-)	-478	2,343	1,370

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

Committed credit lines

MSEK	Facilities	Drawings	Available
Revolving credit facility (Maturity 2026 SEK 6 billion)	6,000	-	6,000
Overdraft facility (Maturity 2025)	93	14	79
Total	6,093	14	6,079

Parent Company

MSEK	30 Sep 2024	31 Dec 2023	30 Sep 2023
Long-term bonds and other debt instruments	7,074	6,870	6,704
Short-term bonds and other debt instruments	215	400	-
Total	7,289	7,270	6,704

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

No revolving credit facilities have been utilised during the period.

Note 9 Capital employed

MSEK	30 Sep 2024	31 Dec 2023	30 Sep 2023
Total assets	92,387	82,759	79,503
Less non-interest bearing liabilities	44,998	38,805	37,600
Capital employed	47,389	43,954	41,903

Note 10 Financial instruments

Classification and categorisation of financial assets and liabilities²⁾

Carrying amount	30 Sep 2024	31 Dec 2023	30 Sep 2023
Financial assets:			
Valued at amortised cost ⁴⁾ :			
Accounts receivable, contract assets and other receivables	24,319	21,144	21,323
Liquid assets	3,196	2,129	1,238
Long-term receivables	396	456	762
Valued at fair value through profit and loss ³⁾ :			
Short-term interest-bearing investments	6,248	11,340	9,288
Derivatives for trading	44	81	64
Financial investments	234	223	229
Valued at fair value through other comprehensive income ³⁾ :			
Derivatives identified as hedges	1,467	1,575	1,652
Equity investments elected to be classified as fair value through other comprehensive income	2,477	879	920
Long-term interest-bearing investments	1,121	-	-
Total financial assets	39,502	37,827	35,476
Financial liabilities:			
Valued at amortised cost:			
Interest-bearing liabilities ¹⁾	10,303	10,043	9,471
Other liabilities ⁴⁾	13,083	12,426	12,169
Valued at fair value through profit and loss ³⁾ :			
Contingent consideration payable	135	158	129
Derivatives for trading	13	8	90
Valued at fair value through other comprehensive income ³⁾ :			
Derivatives identified as hedges	606	1,103	2,169
Total financial liabilities	24,140	23,738	24,028
¹⁾ Fair value	10,621	9,840	9,377

²⁾ Derivatives with positive values are recognised as assets and derivatives with negative values are recognised as liabilities. Derivatives with a legal right of offset amount to SEK 579 million.

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

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

The Group has used the same valuation methods as in the year-end closing of 2023, as described in the Annual Report 2023 on page 155, note 35. As of 30 September 2024, the Group had the following financial assets and liabilities at fair value:

Financial assets at fair value

MSEK	30 Sep 2024	Level 1	Level 2	Level 3
Bonds and interest-bearing securities	7,369	7,369	-	-
Forward exchange contracts	1,349	-	1,349	-
Currency options	7	-	7	-
Interest rate swaps	154	-	154	-
Electricity derivatives	1	1	-	-
Shares and participations	2,711	-	-	2,711
Total	11,591	7,370	1,510	2,711

Financial liabilities at fair value

MSEK	30 Sep 2024	Level 1	Level 2	Level 3
Forward exchange contracts	566	-	566	-
Currency options	3	-	3	-
Interest rate swaps	27	-	27	-
Electricity derivatives	23	23	-	-
Contingent consideration payable	135	-	-	135
Total	754	23	596	135

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

MSEK	Unlisted shares and participations	Contingent consideration payable
Opening balance, 1 January 2024	1,102	158
Acquisitions	284	-
Unrealised gains/losses recognised in the income statement	3	-33
Unrealised gains/losses recognised in other comprehensive income	1,322	-
Foreign currency translation	-	10
Closing balance, 30 September 2024	2,711	135

Note 11 Supplemental information on statement of cash flows

Free cash flow

MSEK	Jan-Sep 2024	Jan-Sep 2023	Q3 2024	Q3 2023	Full year 2023
Cash flow from operating activities before changes in working capital, excluding taxes and other financial items ¹⁾	5,391	4,507	1,830	1,434	6,777
Cash flow from changes in working capital:					
Contract assets and liabilities	2,866	492	3,723	-881	2,915
Inventories	-4,569	-2,602	-1,682	-738	-2,691
Other current receivables	-556	-949	2,040	-626	-1,922
Other current liabilities	197	629	-1,126	-208	2,020
Provisions	-1,195	-312	-590	-191	-408
Change in working capital	-3,257	-2,742	2,365	-2,644	-86
Cash flow from operating activities excluding taxes and other financial items	2,134	1,765	4,195	-1,210	6,691
Investing activities:					
Investments in intangible fixed assets	-538	-604	-168	-181	-1,031
Investments in tangible fixed assets	-2,700	-1,716	-858	-667	-2,507
Sales and disposals of tangible fixed assets including biological assets	43	21	19	-	4
Cash flow from investing activities ²⁾	-3,195	-2,299	-1,007	-848	-3,534
Operational cash flow	-1,061	-534	3,188	-2,058	3,157
Taxes and other financial items	-920	-567	-301	-254	-815
Sale of and investments in financial assets, associated companies and joint ventures	-303	-33	-290	-1	-896
Investments in operations	-15	-241	-	-241	-262
Sale of subsidiaries and other operations	25	382	25	-	382
Free cash flow	-2,274	-993	2,622	-2,554	1,566

1) Including amortisation of lease liabilities

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

Free cash flow vs. statement of cash flows

MSEK	Jan-Sep 2024	Jan-Sep 2023	Q3 2024	Q3 2023	Full Year 2023
Free cash flow	-2,274	-993	2,622	-2,554	1,566
Investing activities – interest-bearing:					
Short-term investments	5,139	773	-538	2,053	-1,233
Other financial investments and receivables	-1,121	-401	-531	-195	-372
Financing activities:					
Repayments of loans	-572	-478	-231	-209	-1,075
Raising of loans and increase in other interest-bearing liabilities	331	130	101	130	1,250
Dividend paid to the Parent Company's shareholders	-427	-703	-	-	-703
Dividend paid to non-controlling interest	-28	-	-	-	-126
Transactions with non-controlling interest	-	10	-	-	10
Cash flow for the period	1,048	-1,662	1,423	-775	-683

Liquid assets

MSEK	30 Sep 2024	31 Dec 2023	30 Sep 2023
The following components are included in liquid assets:			
Cash and bank balances	1,646	1,629	1,238
Bank deposits	1,550	500	-
Total according to balance sheet	3,196	2,129	1,238
Total according to statement of cash flows	3,196	2,129	1,238

Note 12 Business combinations

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

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

Note 13 Defined-benefit plans

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

Pension obligation according to IAS 19

MSEK	30 Sep 2024	31 Dec 2023	30 Sep 2023
Defined-benefit obligation	10,856	10,749	9,547
Special employers' contribution	227	323	56
Less assets under management	9,776	9,259	9,148
Total provisions for pensions	1,307	1,813	455
of which reported as long-term receivable	59	59	19

Actuarial gains and losses are recognised in other comprehensive income. The actuarial gain related to the Swedish pension plans amounted to SEK 379 million during January-September 2024, primarily due to the following:

The return on assets under management was SEK 517 million which resulted in an actuarial gain of SEK 305 million.

The actuarial gain related to the special employer's contribution amounted to SEK 74 million.

The assumed discount rate was unchanged from December 31 2023 and amounted to 3.25 per cent. Also, the inflation assumption was unchanged during the period at 1.50 per cent.

Note 14 Contingent liabilities

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

Note 15 Transactions with related parties

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

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

Note 16 Definitions

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

Capital employed

Total assets less non-interest-bearing liabilities.

Cash conversion

Operational cash flow divided by operating income (EBIT).

Earnings per share

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

EBITDA

Operating income before depreciation/amortisation and write-downs.

EBITDA adjusted for items affecting comparability

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

EBITDA margin

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

EBITDA margin adjusted for items affecting comparability

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

Effective tax rate

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

Equity/assets ratio

Equity in relation to total assets.

Equity per share

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

Free cash flow

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

Free cash flow per share

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

Full Time Equivalent, FTE

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

Gross income adjusted for items affecting comparability

Gross income adjusted for items classified as affecting comparability.

Gross margin

Gross income as a percentage of sales.

Gross margin adjusted for items affecting comparability

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

Items affecting comparability

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

Net investments

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

Net liquidity/net debt

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

Net liquidity/net debt to EBITDA

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

Number of employees

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

Operating income

Income before financial items and tax.

Operating income adjusted for items affecting comparability

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

Operating margin

Operating income (EBIT) as a percentage of sales.

Operating margin adjusted for items affecting comparability

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

Operational cash flow

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

Order backlog

Total value of orders at the end of the period.

Order bookings

Total value of orders received during the period.

Organic sales growth

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

Research and development, R&D

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

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

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

Return on capital employed

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

Return on equity

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

Sales adjusted for items affecting comparability

Sales adjusted for items classified as affecting comparability.

Glossary

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

Stockholm 22 October 2024

Saab AB (publ)

Micael Johansson

President and CEO

Review report

This is a translation of the Swedish language original. In the event of any differences between this translation and the Swedish language original, the latter shall prevail.

Saab AB (publ.), corporate identity number 556036-0793.

Introduction

We have reviewed the condensed interim financial information (interim report) of Saab AB as of 30 September 2024 and the nine-month period then ended. The board of directors and the CEO are responsible for the preparation and presentation of the interim financial information in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, Review of Interim Report Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, ISA, and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act, regarding the Group, and with the Swedish Annual Accounts Act, regarding the Parent Company.

Stockholm 22 October 2024
PricewaterhouseCoopers AB

Fredrik Göransson

Authorised Public Accountant, Auditor in charge

Camilla Samuelsson

Authorised Public Accountant



SAAB



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Media and financial analyst conference:

22 October 2024 at 10.00 (CET)

Live webcast:

www.saab.com/investors/webcast/q3-2024

Conference call:

For information on how to join the call, please register on www.saab.com/investors/conference-call-q3

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

Calendar

Year-end report 2024

Published 7 February 2025

Annual General Meeting

To be held in Linköping, Sweden on 10 April 2025

Q1 Interim report 2025

Published 25 April 2025

Important information

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

This information is such that Saab AB is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out above, on 22 October 2024 at 07.30 (CET).

Q3