Highlights, January-March 2020

Increased orders
- Increased order bookings of 8% with continued growth in small orders
- Q1 sales at a high level despite organic decline
- Strong backlog supporting operational continuity and future growth

Stable operating income
- Stable earnings development, EBIT margin of 7.0% (7.0)
- Execution of major projects progressing according to plan
- Cost actions taken to mitigate lower demand in the non-defence business

Project execution
- Important production milestones in the Gripen F program
- Good program execution for delivery of GlobalEye
- Progress in the transition from development to production in submarines
- Production started for the T-7A aircraft
- Saab’s new fighter radar in the air

Giraffe 4A radar
COVID-19 update

COVID-19 impact

• Increased uncertainty for individuals as well as the world economy with disruptions in many sectors
• Limited impact on Saab’s business so far
• Impact tangible in Saab’s civil businesses related to the decline in demand in the aviation industry
• Major programs progressing according to plan

Saab actions

• Prioritizing safety and well-being of our employees
• Preserve operations to meet milestones
• Implementation of shorter working hours to adjust capacity within business area IPS
• Strengthened financial flexibility with new credit facility
The industry is showing resilience

Market highlights
• Most procurement programs continue in line with customer’s plans
• Market activity affected by limitations in traveling
• Sharp decline in demand in the commercial market

Saab highlights in Q1
• Successful completion of the Finnish flight evaluation with Gripen E and GlobalEye
• Order intake for Training and Simulation for the British Army
• Continued framework deals with the U.S.
• Modification orders for the Visby corvettes from Sweden
• Tender processes for fighter aircrafts ongoing
Financial highlights, Jan-Mar 2020

Order bookings
- Jan-Mar 2019: 4.5 BSEK
- Jan-Mar 2020: 4.8 BSEK

Sales
- Jan-Mar 2019: 8.5 BSEK
- Jan-Mar 2020: 8.0 BSEK

Operating income
- Jan-Mar 2019: 591 MSEK, EBIT-margin: 7.0%
- Jan-Mar 2020: 560 MSEK, EBIT-margin: 7.0%

Operational cash flow
- Jan-Mar 2019: -1,923 MSEK
- Jan-Mar 2020: -1,582 MSEK
First quarter development

Sales

<table>
<thead>
<tr>
<th>Quarter</th>
<th>MSEK</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1 2016</td>
<td>6,790</td>
</tr>
<tr>
<td>Q1 2017</td>
<td>7,586</td>
</tr>
<tr>
<td>Q1 2018</td>
<td>7,766</td>
</tr>
<tr>
<td>Q1 2019</td>
<td>8,496</td>
</tr>
<tr>
<td>Q1 2020</td>
<td>8,040</td>
</tr>
</tbody>
</table>

Operating income

<table>
<thead>
<tr>
<th>Quarter</th>
<th>MSEK</th>
<th>EBIT margin</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1 2016</td>
<td>294</td>
<td>4.3%</td>
</tr>
<tr>
<td>Q1 2017</td>
<td>539</td>
<td>7.1%</td>
</tr>
<tr>
<td>Q1 2018</td>
<td>447</td>
<td>5.8%</td>
</tr>
<tr>
<td>Q1 2019</td>
<td>591</td>
<td>7.0%</td>
</tr>
<tr>
<td>Q1 2020</td>
<td>560</td>
<td>7.0%</td>
</tr>
</tbody>
</table>

Saab Combat System
Comments on outlook for 2020

In the first quarter of 2020 the COVID-19 pandemic had limited impact on Saabs financial performance.

Due to increased uncertainty related to the scope and duration of the COVID-19 disruption, the previous forecast for the full-year 2020 can currently not be reconfirmed.
Executing on our strategy

- Optimizing the product portfolio
- Significantly increase R&D efficiency
- Resource efficiency through product life-cycle

- Innovation labs in prioritized technology areas
- Increased focus on cybersecurity
- Strategic workforce planning
- AI and 3D research projects

- Continuous cost efficiency measures
- Automation & digitalisation for increased productivity
- Reduced greenhouse gas emissions

- New market organization in place
- International expansion & strategic partnerships
- Local footprint in strategic markets
Financial Summary

Magnus Örnberg, EVP and CFO
### Financial summary, Jan-Mar 2020

- Solid performance with low Covid-19 impact
- Increased order intake of 8%
- Sales in the first quarter at a high level
- Stable earnings with an operating margin of 7.0%
- Good contribution from project execution
- Forward looking visibility lower due to the current uncertainty
- Cash flow in Q1 according to plan
- Strong financial position and liquidity

<table>
<thead>
<tr>
<th></th>
<th>Jan-Mar 2020</th>
<th>Jan-Mar 2019</th>
<th>Change, %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Order bookings</td>
<td>4,823</td>
<td>4,482</td>
<td>8</td>
</tr>
<tr>
<td>Order backlog</td>
<td>90,234</td>
<td>97,401</td>
<td>-7</td>
</tr>
<tr>
<td>Sales</td>
<td>8,040</td>
<td>8,496</td>
<td>-5</td>
</tr>
<tr>
<td>Operating income</td>
<td>560</td>
<td>591</td>
<td>-5</td>
</tr>
<tr>
<td>Operating margin, %</td>
<td>7,0</td>
<td>7,0</td>
<td></td>
</tr>
<tr>
<td>Net income</td>
<td>342</td>
<td>397</td>
<td>-14</td>
</tr>
<tr>
<td>Operational cash flow</td>
<td>-1,582</td>
<td>-1,923</td>
<td></td>
</tr>
<tr>
<td>Free cash flow</td>
<td>-1,700</td>
<td>-2,137</td>
<td></td>
</tr>
</tbody>
</table>
# Order backlog duration

<table>
<thead>
<tr>
<th>BSEK</th>
<th>31 March 2020</th>
<th>Year End 2019</th>
<th>31 March 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020:</td>
<td>22.5</td>
<td>28.9</td>
<td>22.2</td>
</tr>
<tr>
<td>2021:</td>
<td>23.5</td>
<td>22.3</td>
<td>21.6</td>
</tr>
<tr>
<td>2022:</td>
<td>17.0</td>
<td>16.1</td>
<td>17.2</td>
</tr>
<tr>
<td>2023:</td>
<td>13.2</td>
<td>13.2</td>
<td>14.8</td>
</tr>
<tr>
<td>After 2023:</td>
<td>14.0</td>
<td>12.8</td>
<td>21.6</td>
</tr>
<tr>
<td>Total:</td>
<td>90.2</td>
<td>93.3</td>
<td>97.4</td>
</tr>
</tbody>
</table>

Order backlog per Business Area:
- **Aeronautics**: 45%
- **Dynamics**: 16%
- **Surveillance**: 17%
- **S&S**: 9%
- **IPS**: 8%
- **Kockums**: 5%

Order backlog per Region:
- **Sweden**: 30%
- **Rest of Europe**: 18%
- **North America**: 34%
- **Latin America**: 7%
- **Asia**: 3%
- **Australia etc**: 3%
- **Africa**: 0%

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Increased orders in several business areas

Small orders continued to grow

Solid long-term order backlog supporting continuity in operations and future growth
• Overall stable development in operations
• Gripen program proceeding according to plan, however somewhat lower revenue recognition quarter on quarter
• Full pace in production in Dynamics, sales volumes lower due to timing of deliveries
Operating income per business area

- Operating income affected by lower sales volumes, mainly related to timing of planned execution and deliveries
- Strong improvement in Surveillance due to good project execution
- Support & Services profitability impacted by lower project mix and from the slowdown in the aviation market
- IPS earnings impacted by the sharp downturn in civil and commercial aviation
Operational cash flow, Jan-Mar 2020

- No major milestone payments in Q1
- Contract assets and liabilities increased SEK 2.4 billion related to major projects
- Inventory build-up to prepare for deliveries in the next quarters
- Good collection in the quarter
- Continued investments in fixed assets and capitalized R&D expenses
- Several deliveries planned for 2020
### Financial position and maturity profile

<table>
<thead>
<tr>
<th>Description</th>
<th>MSEK</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net debt, 31 December 2019</td>
<td>-7,069</td>
</tr>
<tr>
<td>Cash flow from operating activities</td>
<td>-813</td>
</tr>
<tr>
<td>Change in net pension obligation</td>
<td>485</td>
</tr>
<tr>
<td>Net investments</td>
<td>-798</td>
</tr>
<tr>
<td>Other</td>
<td>-254</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>-8,449</strong></td>
</tr>
<tr>
<td>Net debt, 31 March 2020</td>
<td>-8,449</td>
</tr>
<tr>
<td>Net pension obligation</td>
<td>4,237</td>
</tr>
<tr>
<td>Total interest-bearing receivables</td>
<td>624</td>
</tr>
<tr>
<td>Lease liabilities</td>
<td>2,635</td>
</tr>
<tr>
<td><strong>Net debt excl. net provisions for pensions, lease liabilities and interest-bearing receivables</strong></td>
<td><strong>-2,201</strong></td>
</tr>
</tbody>
</table>

#### Debt Maturity Profile

- **MTN loan**

- As of March 26, a new 24 months 4 000 MSEK Revolving Credit Facility was signed
- Cash buffer ~ 14 500 MSEK
  - Liquidity ~ 6 000 MSEK
  - Committed unutilized credit facility 8 500 MSEK

#### Equity/Assets ratio

- **35.3%**
Focus going forward

- Safety and well-being of our employees
- Execution and delivery of projects
- Secure targeted orders
- Maintain strong financial position
This presentation may contain forward-looking statements which reflect Saab AB’s current view on future events and financial and operational development. Words such as “intend”, “expect”, “anticipate”, “may”, “believe”, “plan”, “estimate” and other expressions which imply indications or predictions of future development or trends, and which are not based on historical facts, are intended to identify forward-looking statements. Forward-looking statements inherently involve both known and unknown risks and uncertainties as they depend on future events and circumstances. Forward-looking statements do not guarantee future results or development and the actual outcome could differ materially from the forward-looking statements.