

Saab Q4 2023

9 February 2024

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SAAB



Important information

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

Highlights FY 2023



Order intake

77.8 BSEK

Growth 23%

Sales

51.6 BSEK

Organic growth 23%

EBIT

4.3 BSEK

Growth 30%

Op. cash flow

3.2 BSEK

FY 2022: 2.6

Outlook for 2023

Organic sales growth
between 19-23%

Operating income growth
higher than organic sales
growth

Positive operational
cash flow

Delivering on 2023 outlook

Highlights Q4 2023

Orders **Growth**

31.5 BSEK **5%**

(29.9 BSEK)

Sales **Growth**

16.1 BSEK **16%**

(13.9 BSEK)

EBITDA **Margin**

2.0 BSEK **12.6%**

(1.9 BSEK) (13.6%)

EBIT **Margin**

1.4 BSEK **8.8%**

(1.3 BSEK) (9.5%)

Op. cash flow

3.7 BSEK

(1.7 BSEK)

- Continued demand momentum
- Ongoing capacity and production build-up
- Approval for 100% ownership of manufacturing facility in India
- Satellite with Saab technology launched by SpaceX
- Saab collaborated at NATO underwater exercise
- Net new recruitments of 700 in the quarter
- Transfer of Underwater business from Dynamics to Kockums as of 1st of January, 2024

Orders Q4 2023



	Q4 2023	Full year 2023
Total orders	31.5	77.8
	SEK billion (29.9)	SEK billion (63.1)

	Q4 2023	Full year 2023
International orders	20.0	49.5
	SEK billion (17.1)	SEK billion (31.3)

Order backlog **153**
SEK billion
20% increase y-o-y

- Defence equipment to undisclosed Western country
- RBS 70 Bolide missiles as well as AT4 orders from NATO Support and Procurement Agency (NSPA)
- T-7A batch order from Boeing on fuselage systems
- Sight- and fire control for the Czech CV90 vehicles
- Ground and naval radar contracts to the U.S.
- Support for Arthur systems to South Korea

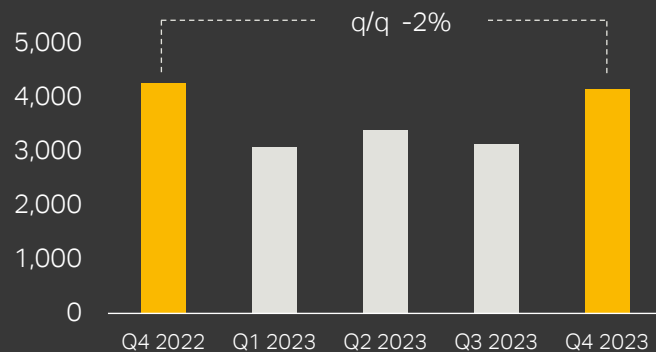


Business Area

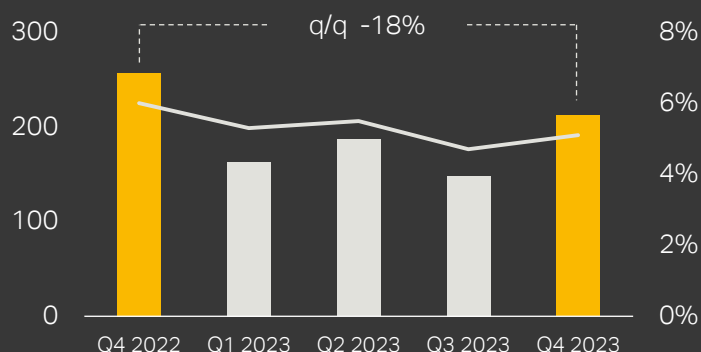
Aeronautics

- 7th Gripen E aircraft received by Brazil Air Force
- First concept study order for FCAS from Sweden
- Continued contract for aerial firefighting capability for Sweden
- Q4 included 4.3 BSEK in orders from reassessment of index clauses
- EBIT impacted by lower volumes in Gripen and underutilisation in the T-7 production

Sales, SEK million



EBIT and EBIT margin, SEK million and %



Order intake
SEK bn

9.2

Order backlog
SEK bn

47.0

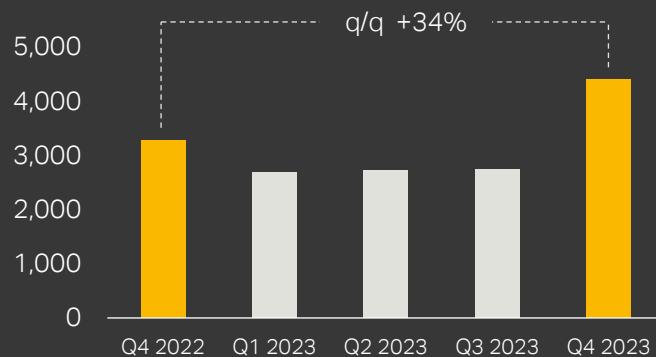


Business Area

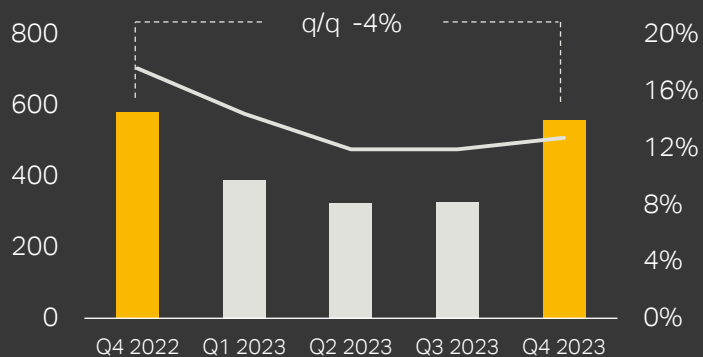
Dynamics

- Portfolio strength driving double-digit order intake, Book-to-bill of 2.2x
- Saab and Boeing's GLSDB system delivered to first customer, U.S.
- Strong sales growth driven by growth in most BUs and deliveries
- Lower margins in Q4 compared to previous year due to expected normalisation of profitability
- Good progress in capacity build-up in Sweden, U.S. and India

Sales, SEK million



EBIT and EBIT margin, SEK million and %



Order
intake
SEK bn

9.3

Order
backlog
SEK bn

47.0

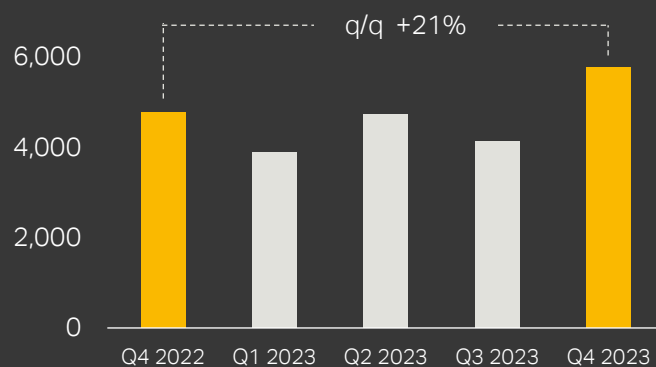


Business Area

Surveillance

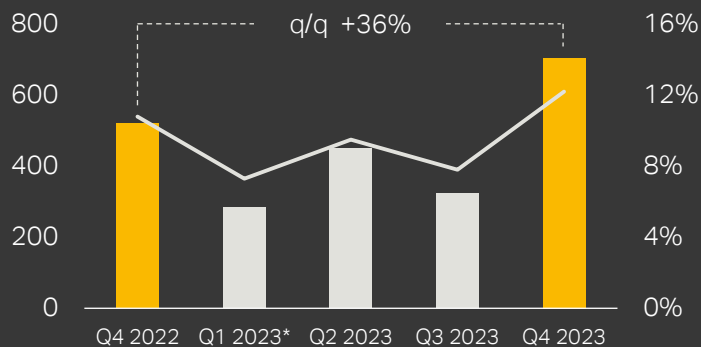
- Strong market momentum reflected in high order intake level, even with inclusion of 1.7 BSEK in orders from reassessment of index clauses
- Increased market interest in Giraffe 1X and Sirius Compact
- Successful first flight of fifth GlobalEye aircraft in the quarter
- First AN/SPN-50 radar installed and operational on the USS Eisenhower
- Strong Q4 performance in several business units on sales and EBIT

Sales, SEK million



EBIT and EBIT margin, SEK million and %

**adjusted for items affecting comparability*



Order
intake
SEK bn

9.0

Order
backlog
SEK bn

45.8

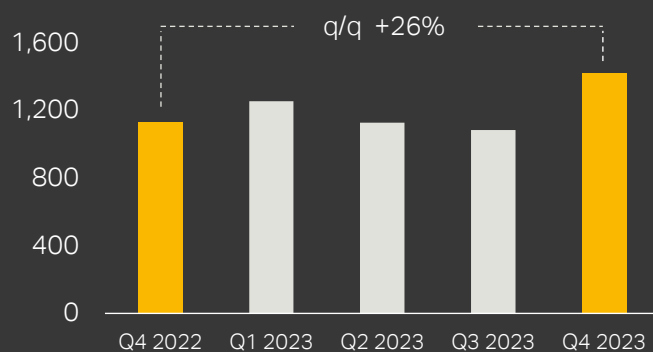


Business Area

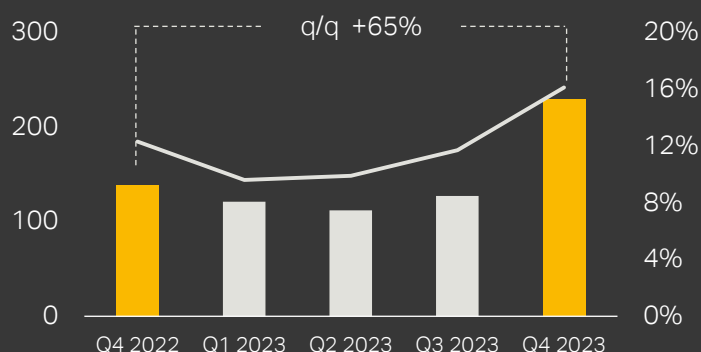
Kockums

- Order for studies of future underwater capabilities for Sweden
- Keel-laying ceremony for second SIGINT ship to Poland
- Walrus campaign entering decision phase in 2024
- Increasing production capacity with new facilities in Landskrona
- EBIT and profitability impacted by unusually strong performance in international surface ship programmes

Sales, SEK million



EBIT and EBIT margin, SEK million and %



Order intake
SEK bn

3.7

Order backlog
SEK bn

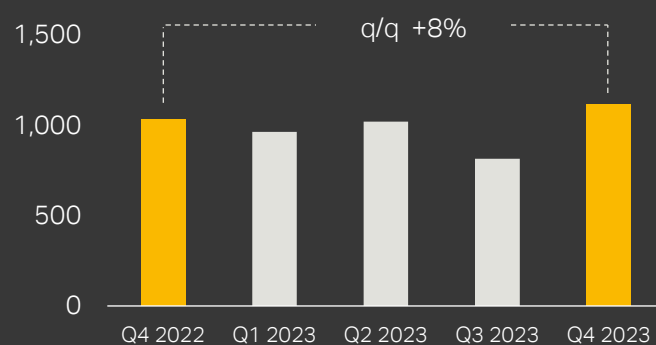
13.2



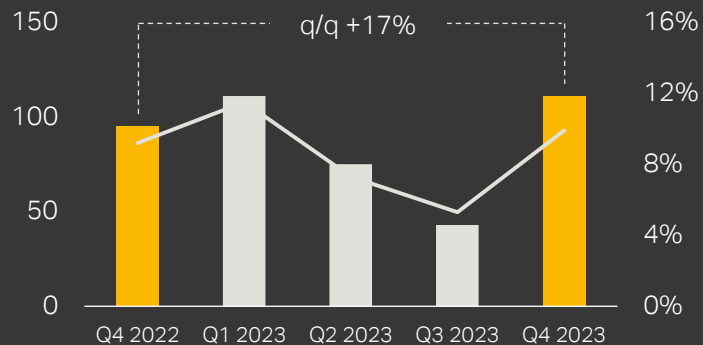
Combitech

- Favourable market within total defence
- Framework agreement with FMV for certified measurement facility
- Swedish-Ukrainian business cooperation on software side
- Sales and EBIT improvement driven by increased number of employees

Sales, SEK million



EBIT and EBIT margin, SEK million and %



Order
intake
SEK bn

1.1

Order
backlog
SEK bn

1.6



Outlook 2024



Organic sales growth

Operating income

Cash flow

Outlook for 2024

Organic sales growth
between 12-16%

Operating income
growth higher than
organic sales growth

Positive operational
cash flow

Delivering on our customer contracts and strong backlog will be key. Scale effects and efficiency improvements will support continued operating income growth above organic sales growth

Financial summary



SAAB

Strong order backlog in all business areas

Years of sales* in order backlog

3.4x

Aeronautics

3.7x

Dynamics

2.5x

Surveillance

2.7x

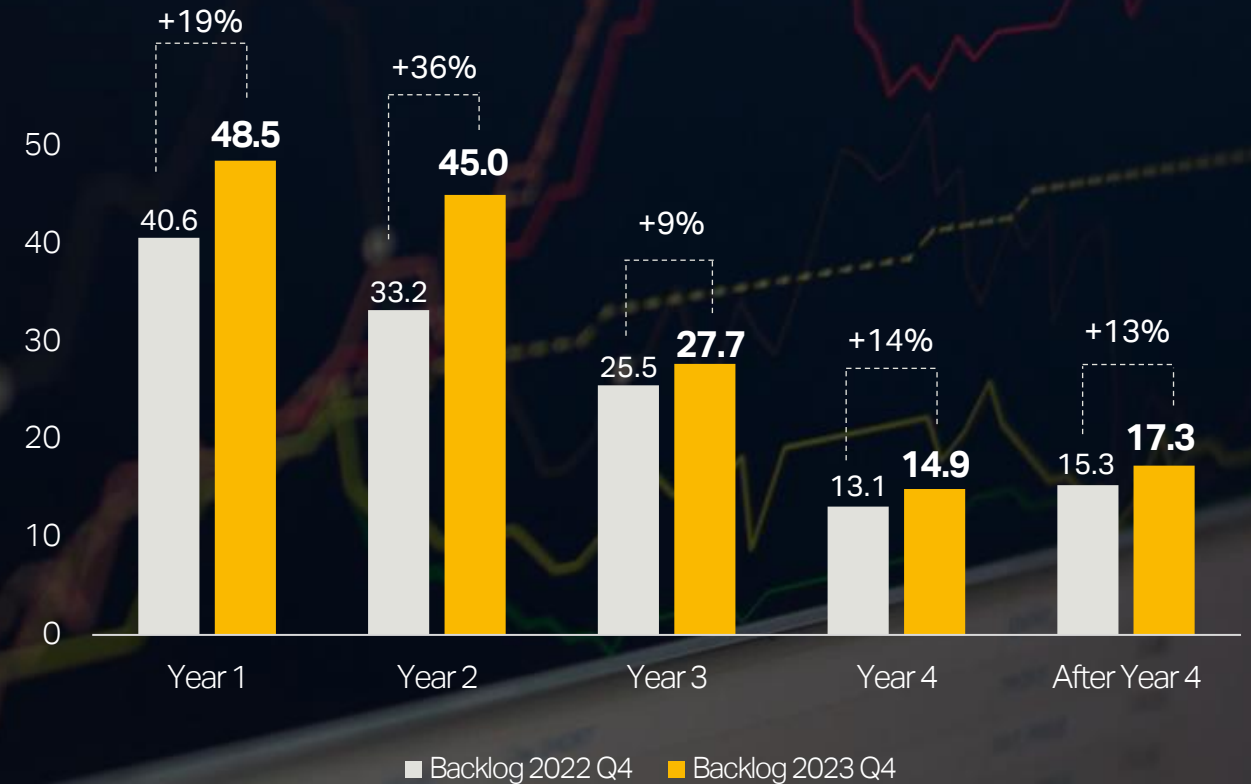
Kockums

Saab Group



3.0x

Order backlog duration, SEK billion



* in 2023 sales level

Financial summary Q4 2023

Saab Group, SEK million unless otherwise stated

	Q4 2023	Q4 2022	Change
Sales	16,122	13,866	16%
Gross income	3,517	2,849	23%
<i>Gross margin</i>	<i>21.8%</i>	<i>20.5%</i>	
EBITDA	2,032	1,883	8%
<i>EBITDA margin</i>	<i>12.6%</i>	<i>13.6%</i>	
EBIT	1,420	1,314	8%
<i>EBIT margin</i>	<i>8.8%</i>	<i>9.5%</i>	
Financial net	203	35	
<i>Tax rate</i>	<i>22.7%</i>	<i>14.5%</i>	
Net income	1,254	1,154	9%
EPS (SEK)	9.08	8.32	9%

Comments

- Organic sales growth of 15.8%, 1.0% from currency and -0.5% from M&A
- Increased gross income and margin, driven by stronger sales volumes
- EBIT growth of 8%, lower margin due to higher marketing and admin expenses, and results from minority portfolio
- IAC of SEK -66m net, from write-down in minority portfolio and effects from preliminary PPA
- Tax rate normalised compared to abnormally low rate in Q4 2022
- Net income and EPS increase supported by financial net, driven by positive results in tender portfolio from strengthened SEK

Financial summary FY 2023

Saab Group, SEK million unless otherwise stated

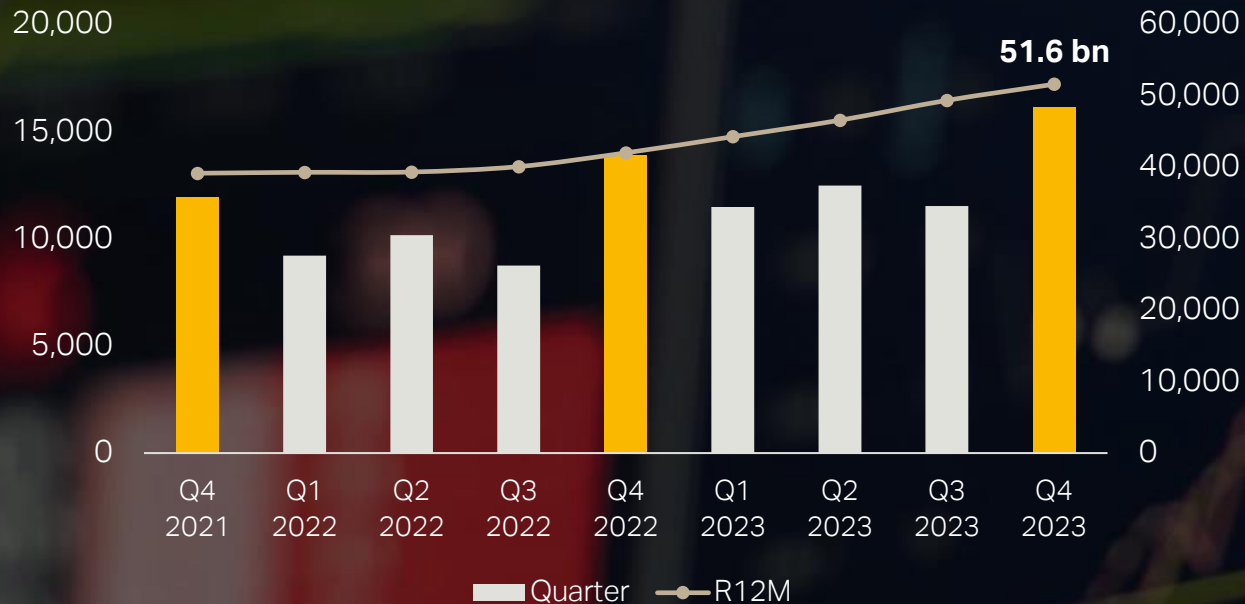
	Full year 2023	Full year 2022	Change
Sales	51,609	42,006	23%
Gross income	11,260	8,886	27%
<i>Gross margin</i>	<i>21.8%</i>	<i>21.2%</i>	
EBITDA	6,558	5,401	21%
<i>EBITDA margin</i>	<i>12.7%</i>	<i>12.9%</i>	
EBIT	4,272	3,274	30%
<i>EBIT margin</i>	<i>8.3%</i>	<i>7.8%</i>	
Financial net	146	-455	
<i>Tax rate</i>	<i>22.1%</i>	<i>19.0%</i>	
Net income	3,443	2,283	51%
EPS (SEK)	25.16	16.41	53%

Comments

- Organic sales growth of 22.6%, 0.8% from currency and -0.5% from M&A
- Gross income and margin driven by the sales growth in all business areas
- EBIT improvement driven by higher gross income, partly offset by minority portfolio
- IAC of SEK -22m net, from divestment of MTM, property divestment, write-down in minority portfolio and prel. PPA effects
- Tax rate normalised compared to abnormally low rate in 2022
- Net income and EPS increase supported by financial net, driven by lower interest rates movements and strengthened SEK impacting the tender portfolio

Sales development

Group Sales, SEK million



Q4 2023

16.1

Sales, SEK bn

(Q4 22: 13.9)

+16%

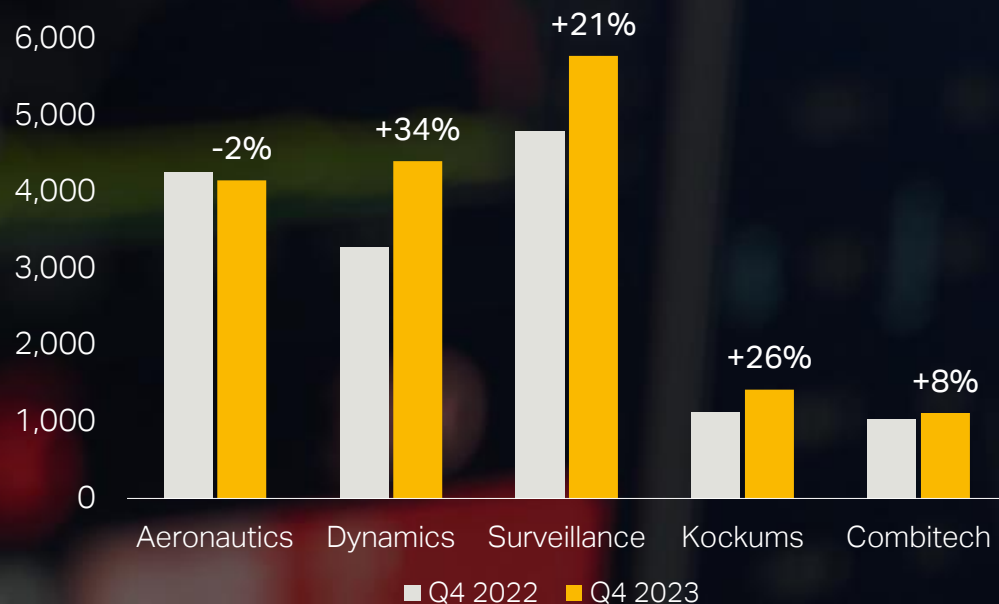
Organic sales growth

16% total growth

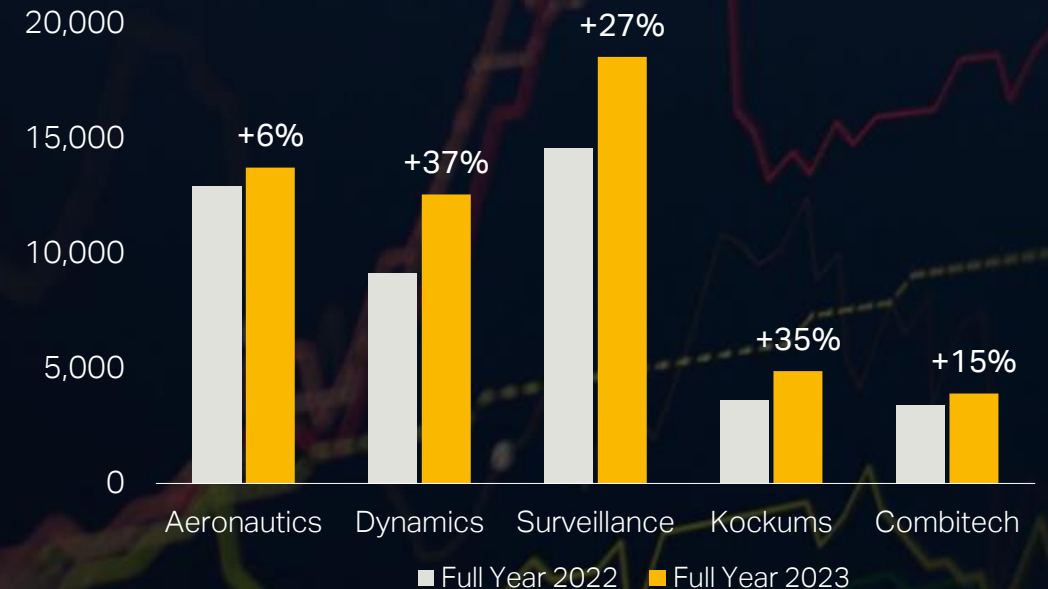
- Strong end to the year with a high level of deliveries and project execution in most business areas
- Growth in all regions in Q4, driven by rest of Europe +41% and Australia +78%
- Sales CAGR of 12% over last 3Y

Sales per business area

Sales Q4 2023, SEK million



Sales Full Year 2023, SEK million

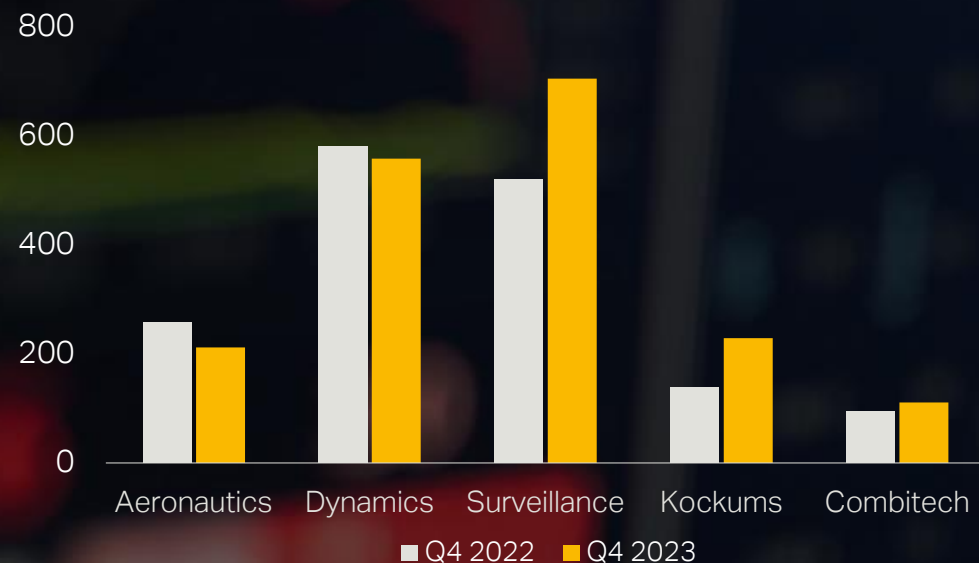


- Strong Q4 in all business areas except Aeronautics
- Aeronautics impacted by lower Gripen volumes compared to strong Q4-22
- Dynamics growth driven by several business units

- Growth in all business areas
- Sales development supported by strong order backlog, program execution and capacity increases

EBIT and EBITDA

EBIT Q4 2023, SEK million



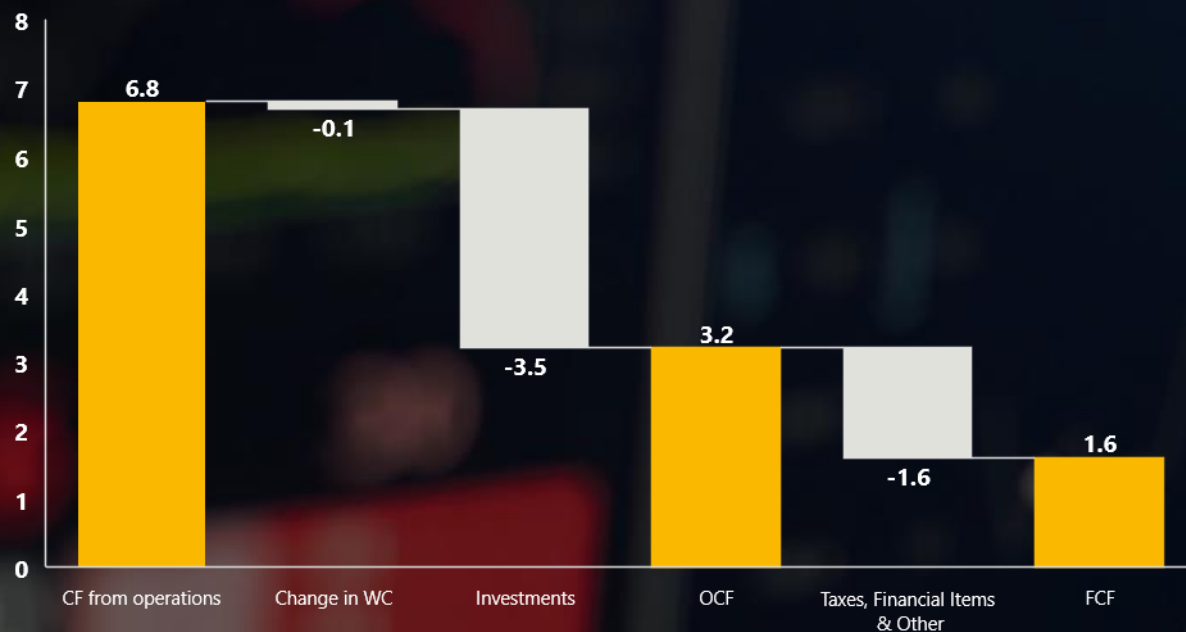
Group EBIT and EBITDA margin, % R12M



- Increase in EBIT mainly as a result of the strong sales volumes
- EBIT growth in the quarter driven by Surveillance and Kockums
- EBITDA margin and EBIT margin impacted by negative results from minority portfolio

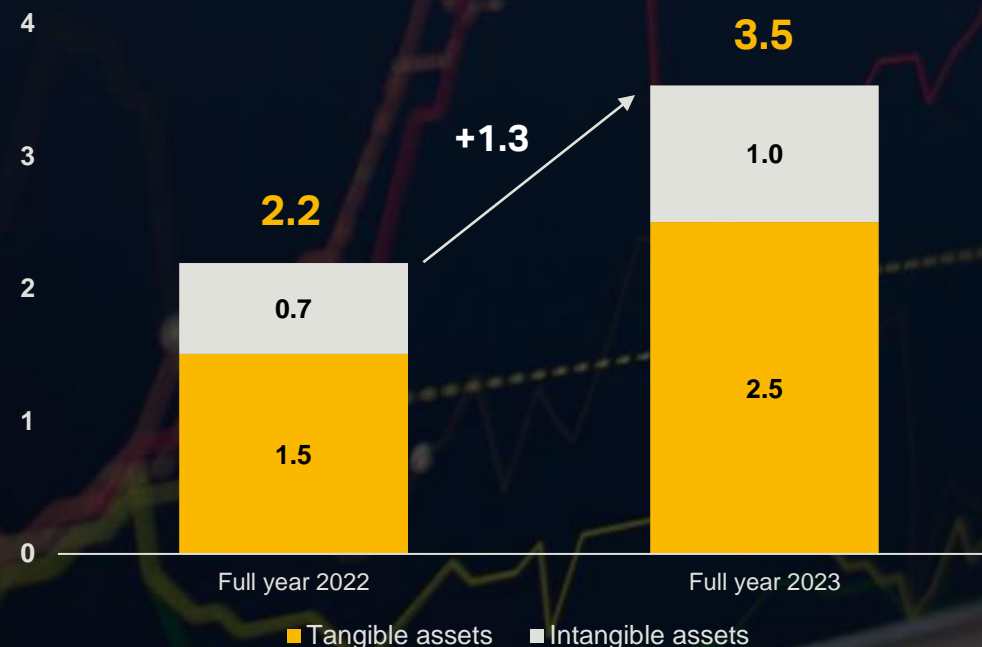
Cash flow analysis and investments

Group Cash Flow FY 2023, SEK billion



- Working capital positively impacted by customer advance payments and offset by higher inventories
- M&A impacted FCF by -223 from BlueBear and by -865 MSEK from Helsing
- Taxes and other financial items increased to -815 MSEK (-656)

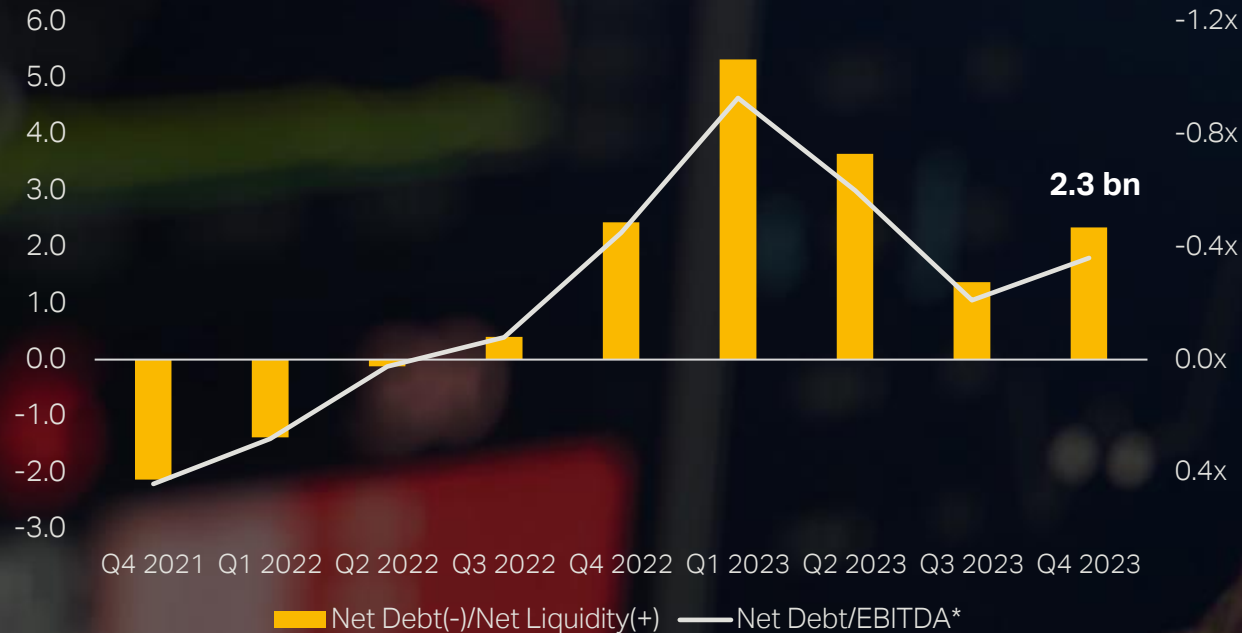
Investments, SEK billion



- Main investment increases in Dynamics, Surveillance and common IT
- Increase in intangible assets driven by IT and capitalisation in Gripen development programme

Solid balance sheet

Liquidity/debt position, SEK billion



Q4 2023

-0.36x
Net debt/EBITDA*

39.1%
Equity/Asset ratio

13.5
Cash and short term
investments, SEK bn

6.0
Unutilised Revolving
Credit Facilities, SEK bn

**Proposed dividend
per share for 2023,
to be paid out in two equal
instalments in 2024**

SEK 6.40
(SEK 5.30)