



YEAR-END REPORT 2015

Håkan Buskhe
President and CEO

10 February 2016



HIGHLIGHTS 2015

PROFITABLE GROWTH

- Record high order backlog; Gripen to Brazil, submarine A26 to Sweden and an Airborne Early Warning system to UAE*
- Sales growth of 16 per cent, with growth in all business areas

PERFORMANCE

- Continued investments in T-X program**
- Focus on execution of large projects
- Significant milestone payments received early 2016

PORTFOLIO & PEOPLE

- Organisational change as of 1 January 2016: business area Security and Defence Solutions dissolved
- Performance management

STRENGTHENED MARKET POSITION

* United Arab Emirates

** Saab cooperates with Boeing in order to participate in the U.S. Air Force's upcoming procurement regarding trainer aircraft

FROM 2010 AND ONWARDS



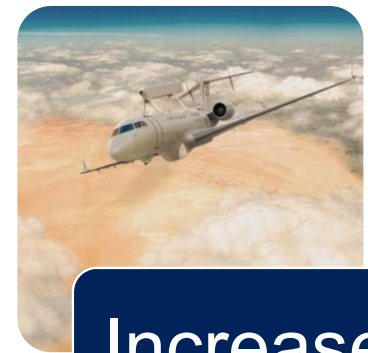
Product
renewal



Market
focus



Order
intake

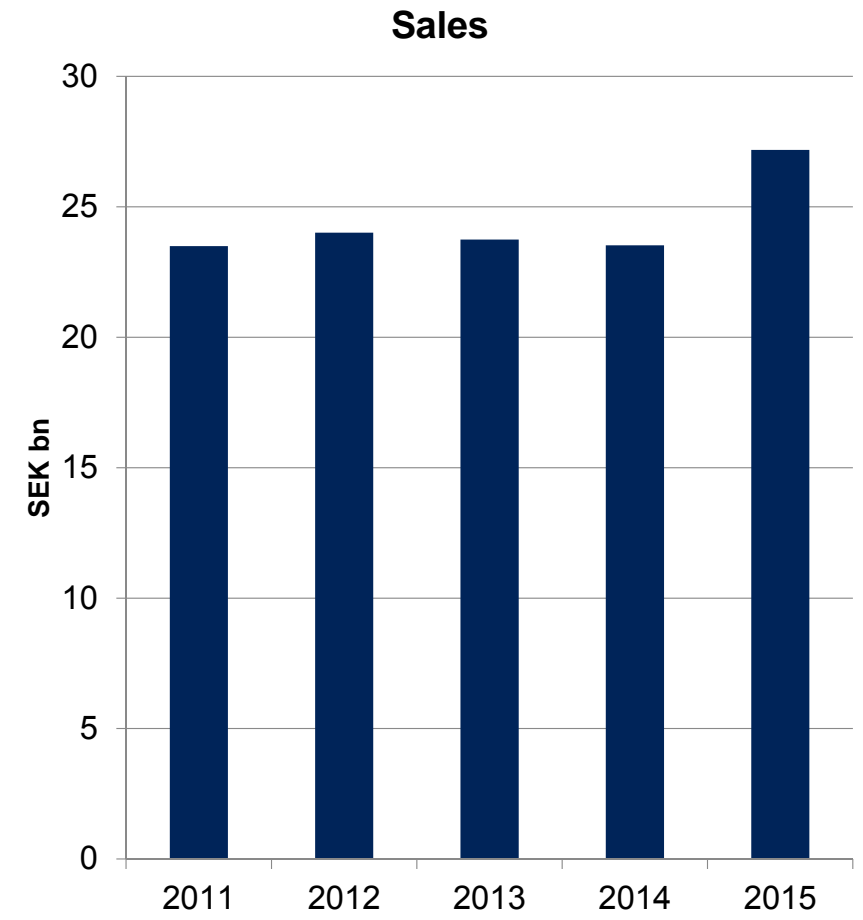
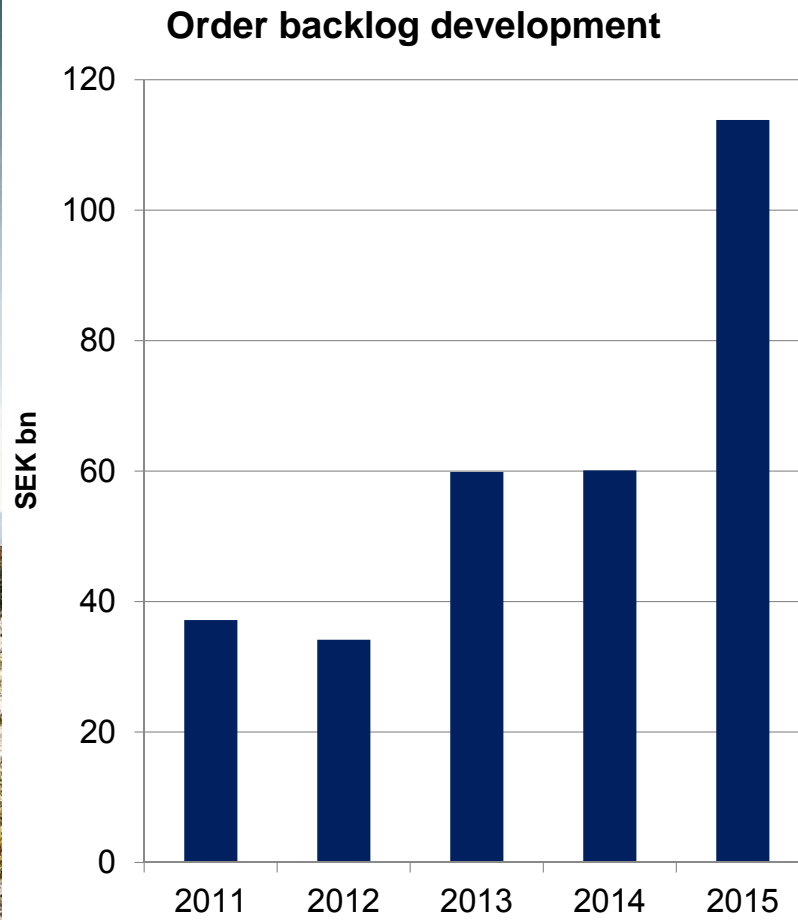


Increase
sales

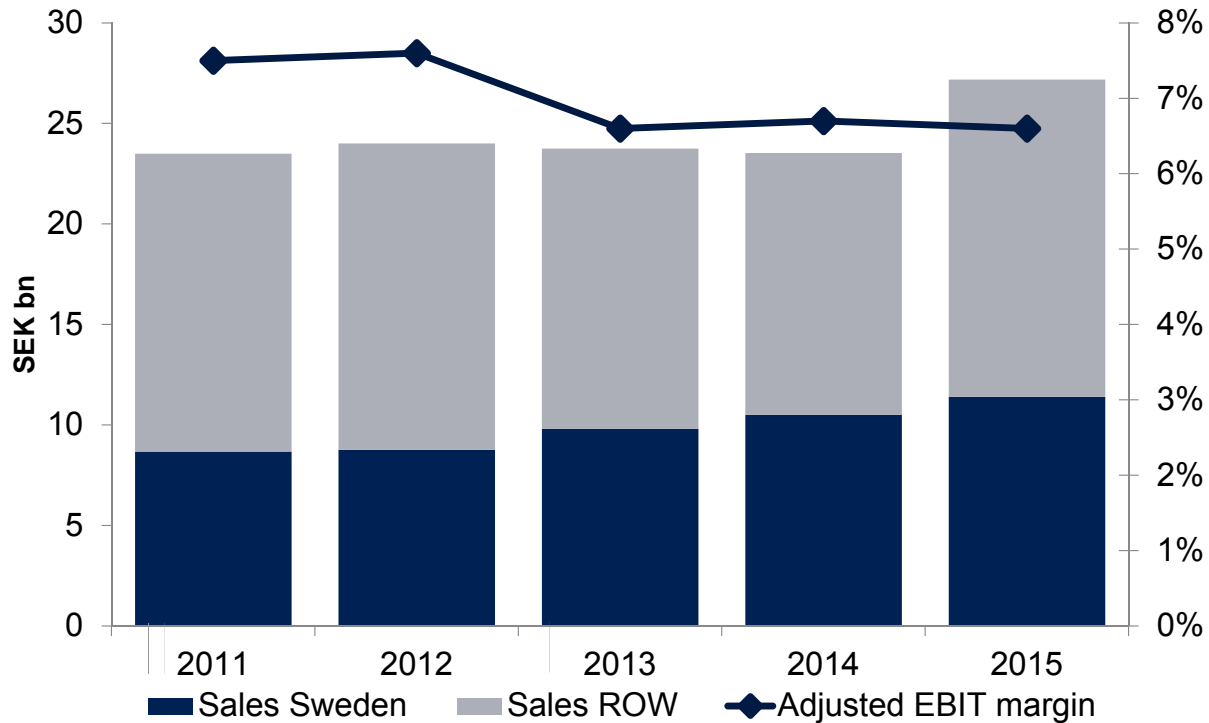
2015



TODAY: MAJOR GROWTH OPPORTUNITY



SALES AND EBIT MARGIN

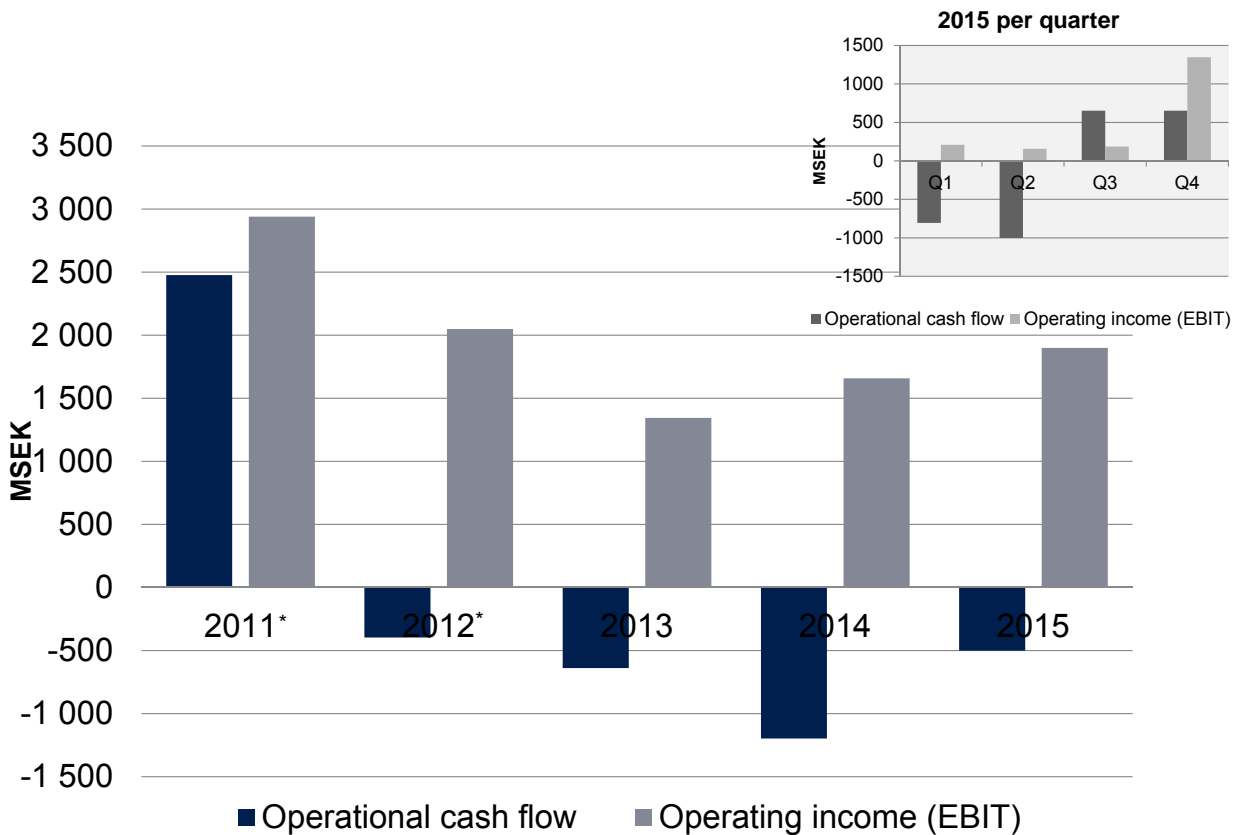


2011: Acquisition of Sensis

2011: Divestment of share in C3 Technologies

2014: Acquisition of Kockums

OPERATING INCOME AND OPERATIONAL CASH FLOW



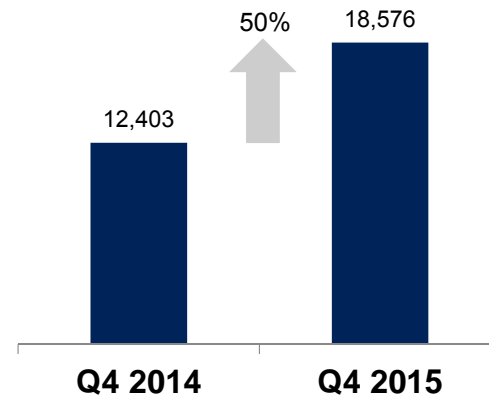
*Free cash flow



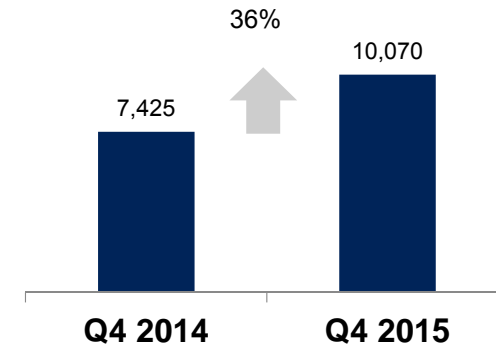
FINANCIAL KEY DATA Q4 2015



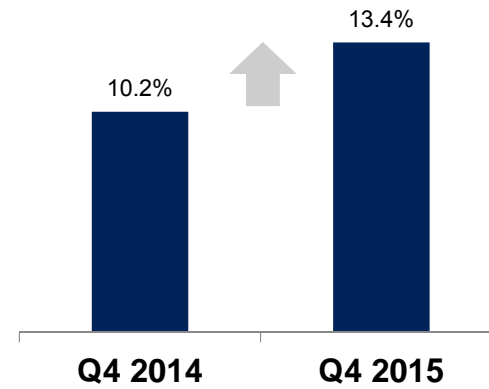
Order bookings



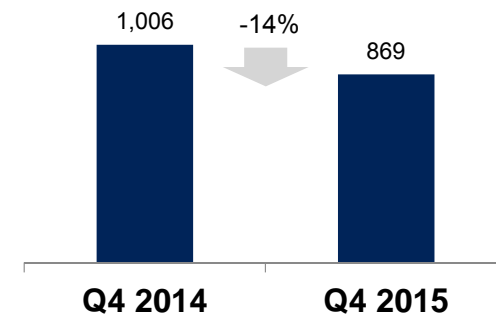
Sales



Operating margin



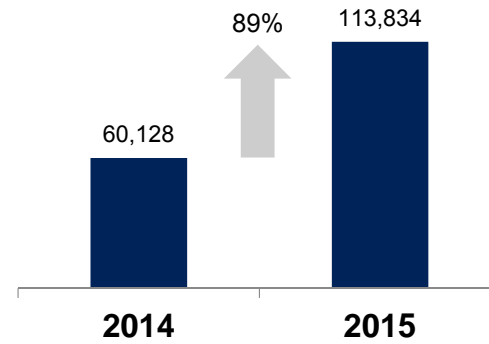
Free cash flow



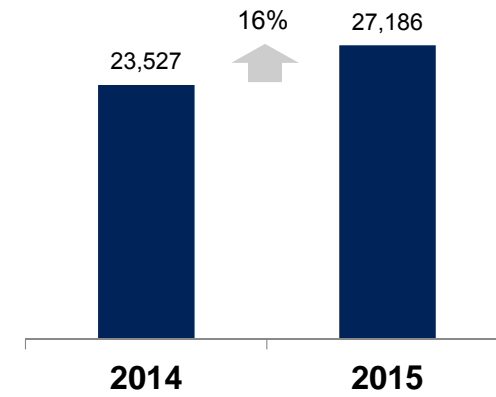
FINANCIAL KEY DATA 2015



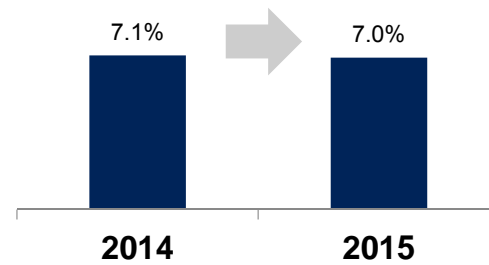
Order backlog



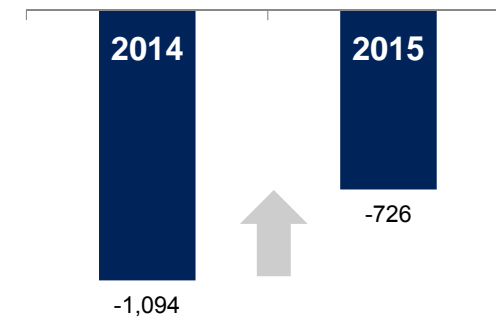
Sales



Operating margin

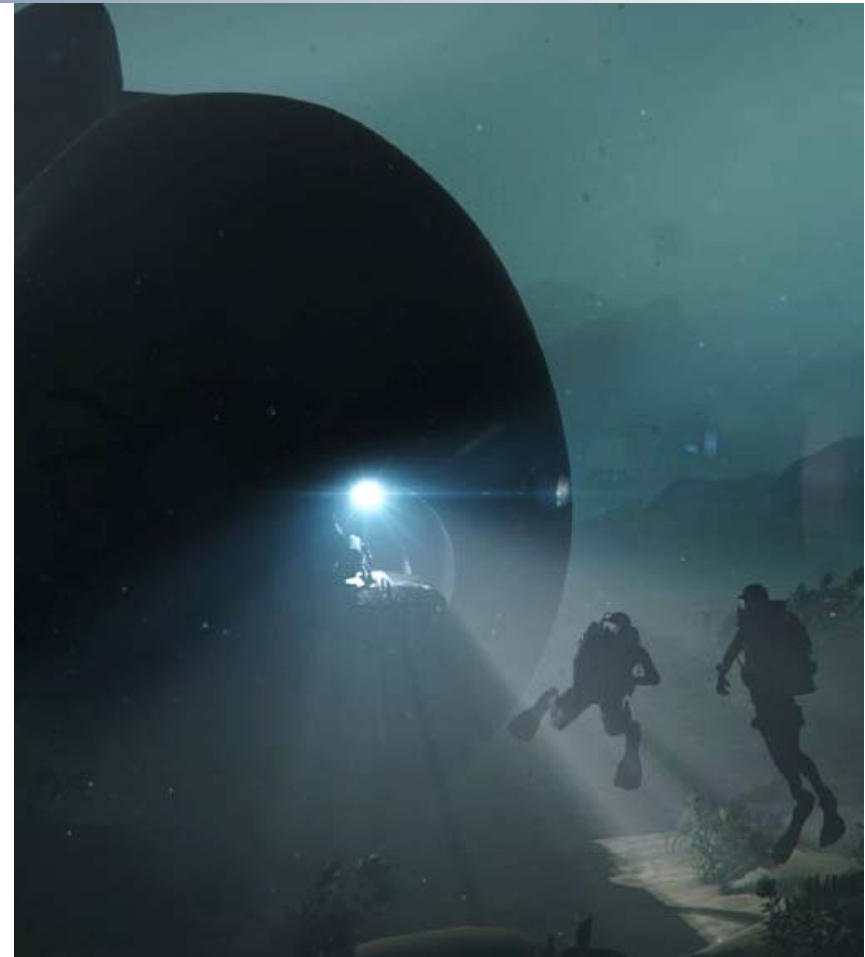


Free cash flow



SUBMARINE BUILDER SAAB

- Saab Kockums delivered strong performance 2015
 - Finalization of contracts
 - Initial integration effects
- Deliveries of A26 2022-2024
- Project according to plan
 - First steel cut 2015



GRIPEN BRAZIL UPDATE

- Order of BSEK 39.3 from Brazil regarding 36 Gripen NG booked in 2015
- Conclusion of the contract with Brazil on external stores for Gripen NG in December 2015
- Industrial cooperation with Brazilian industry in areas such as R&D and transfer of technology important
- Brazilian engineers and technicians in Sweden for technology and knowledge sharing. 53 today and 25 more to come in April
- Deliveries planned 2019-2024



NEW AIRBORNE SWING ROLE SURVEILLANCE SYSTEM (SRSS)

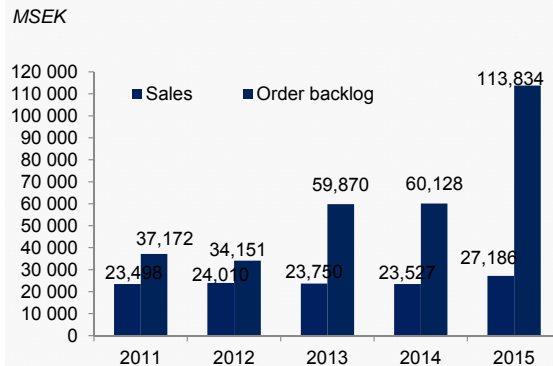
- Contract with United Arab Emirates (UAE) to expand and enhance airborne surveillance capabilities
- New airborne Swing Role Surveillance System (SRSS)
- New version of the Saab Erieye radar system
- Platform - Global 6000 aircraft from Bombardier
- Order value approximately USD1.27 billion



LONG-TERM FINANCIAL GOALS

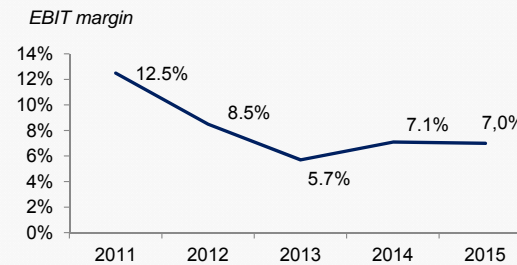
Sales

- Organic sales growth averaging 5 per cent annually over a business cycle.



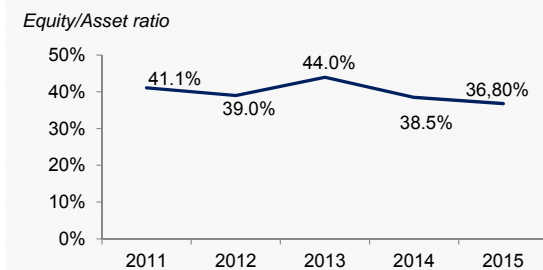
Operating margin

- Operating margin after depreciation and amortisation (EBIT) of at least 10 per cent annually over a business cycle.



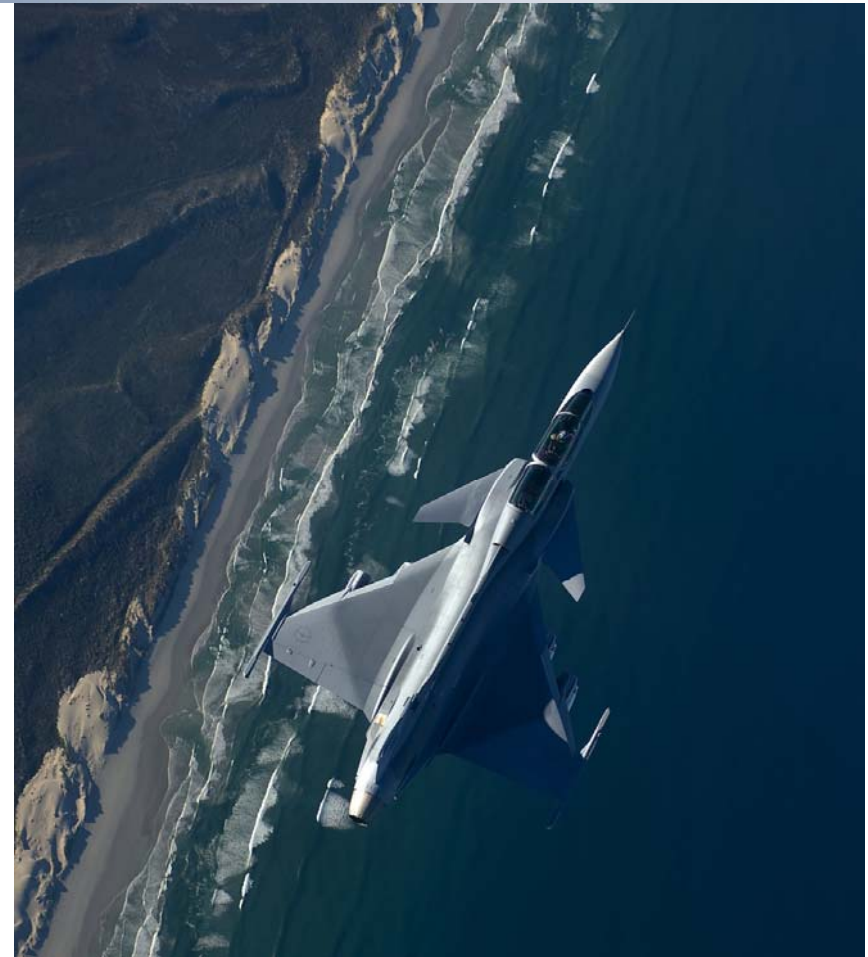
Equity/assets ratio

- Equity/assets ratio of over 30 per cent.



OUTLOOK STATEMENT 2016

- In 2016, we estimate sales to be in line with Saab's long-term goal: annual organic sales growth of 5 per cent.
- The operating margin 2016, excluding material non-recurring items, is expected to be in line with the operating margin in 2015.



FINANCIALS

MAGNUS ÖRNBERG

EVP and CFO

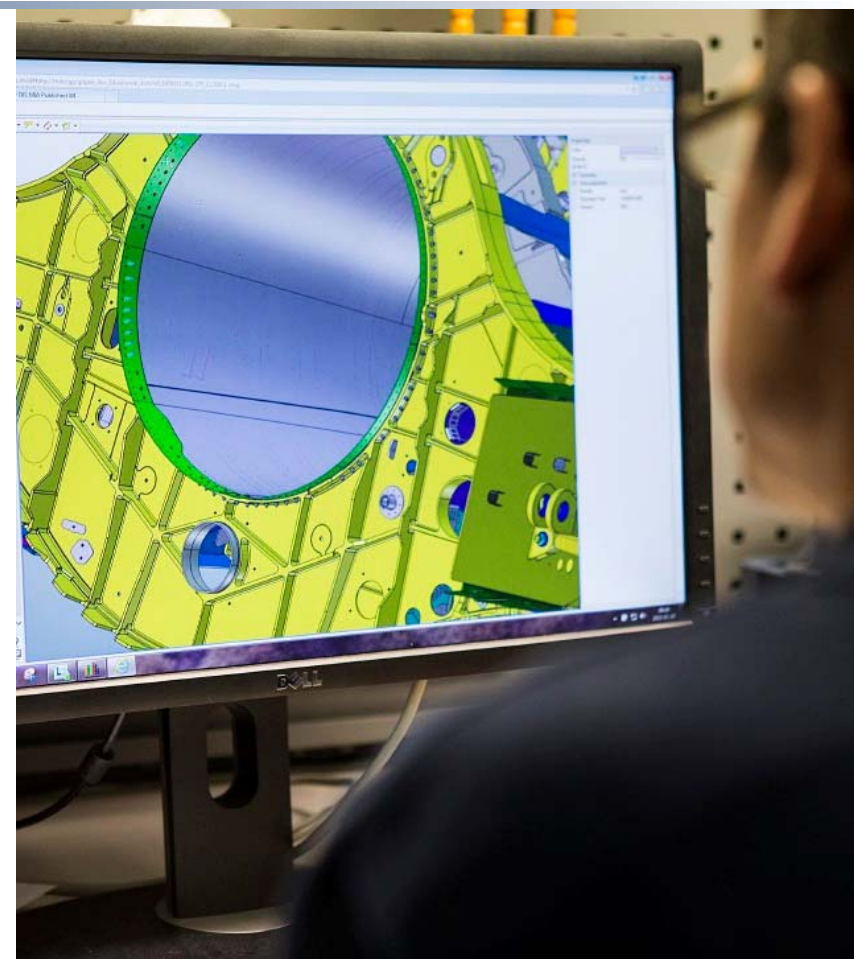
SUMMARY

- Record high order backlog, focus on execution
- Sales increase driven by Gripen, submarine A26 and AEW&C
- Margins supported by AEW&C contract and negatively impacted by continued investments in the T-X program
- Cash flow positive in second half-year, driven by milestone payments related to Gripen and A26 submarine programme
- The liquidity was strengthened at the beginning of 2016 through significant advances and milestone payments



FINANCIAL KEY DATA

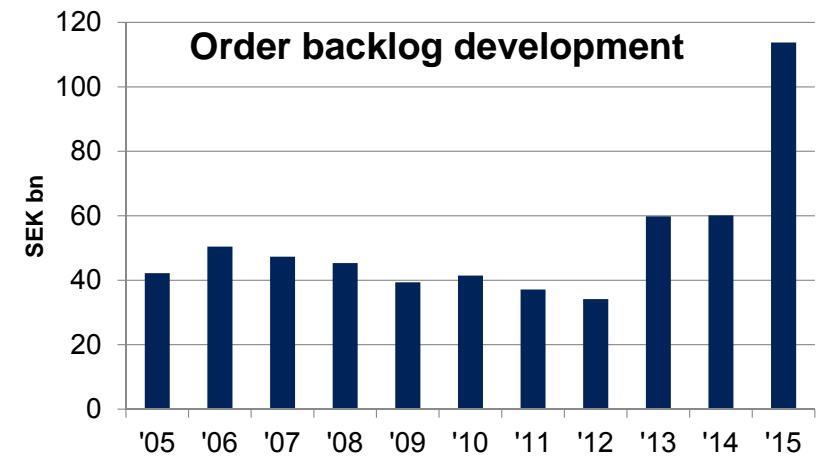
MSEK	2015	2014	Change, %
Order bookings	81,175	22,602	259
Order backlog	113,834	60,128	89
Sales	27,186	23,527	16
Operating income	1,900	1,659	15
<i>Operating margin, %</i>	7.0	7.1	
Net income	1,402	1,168	20
Free cash flow	-726	-1,094	



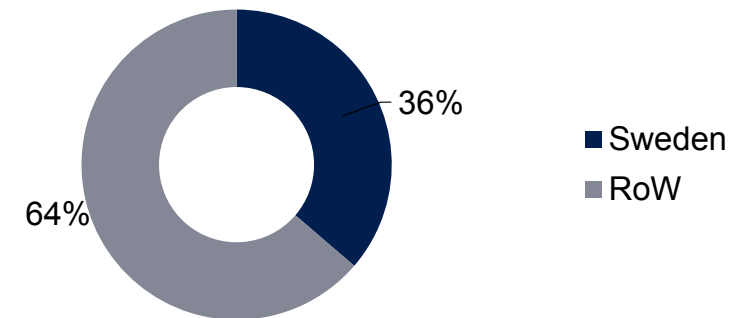
ORDER BACKLOG

Order backlog duration, SEK bn			
31 Dec 2015		31 Dec 2014	
2016:	21.8	2015:	17.8
2017:	15.9	2016:	10.2
2018:	12.3	2017:	5.7
2019:	11.7	2018:	5.6
After 2019:	52.1	After 2018:	20.8
Total:	113.8	Total:	60.1

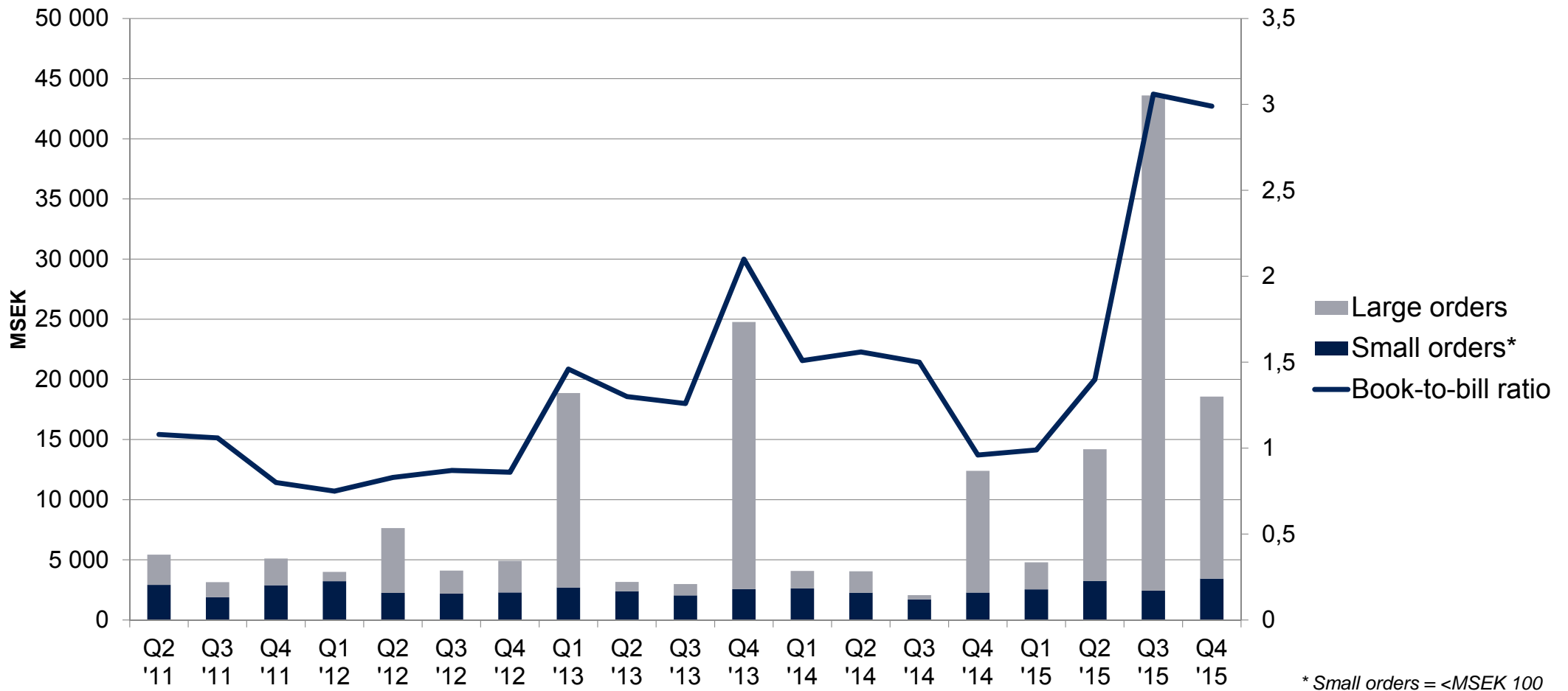
**ORDER BACKLOG INCREASED
IN ALL BUSINESS AREAS 2015 VS 2014**



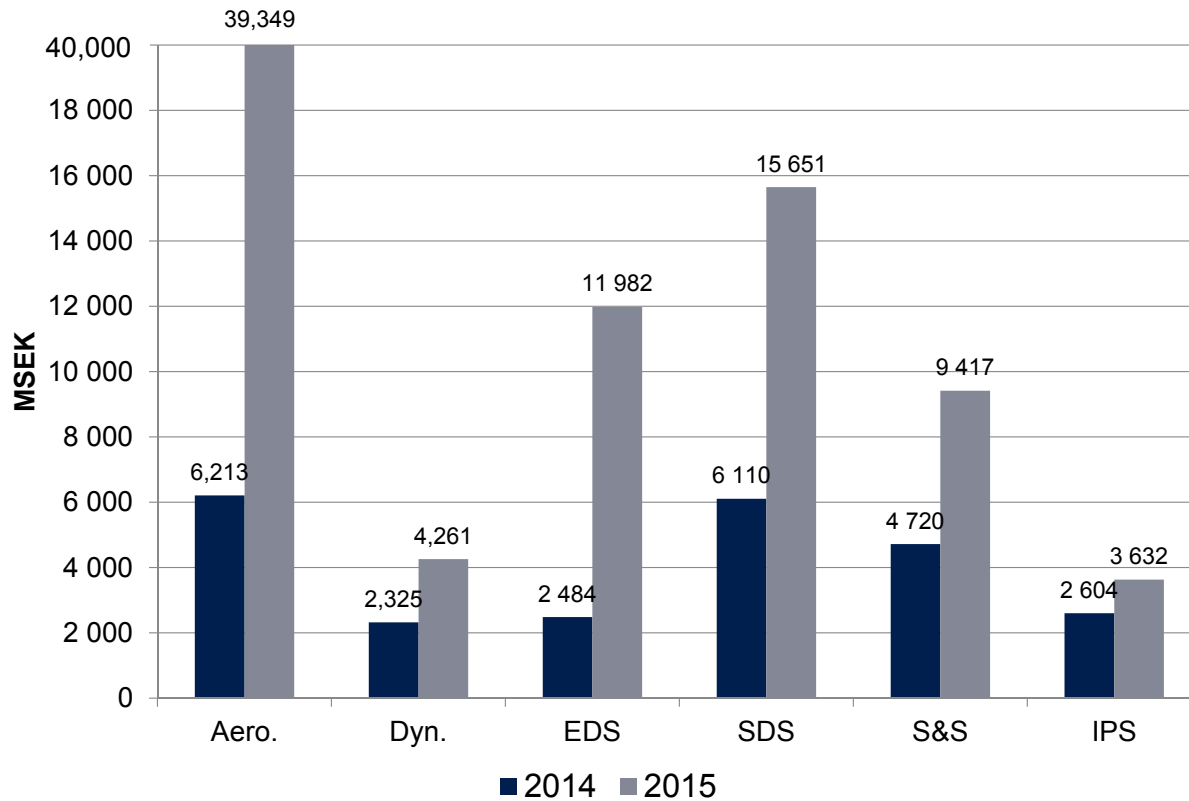
Order backlog distribution



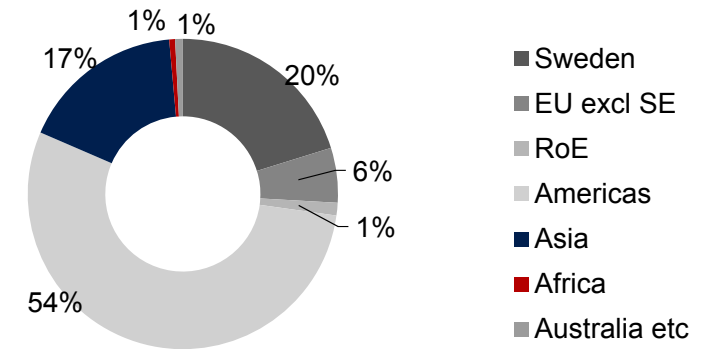
ORDER SIZE DISTRIBUTION



ORDER BOOKINGS DISTRIBUTION

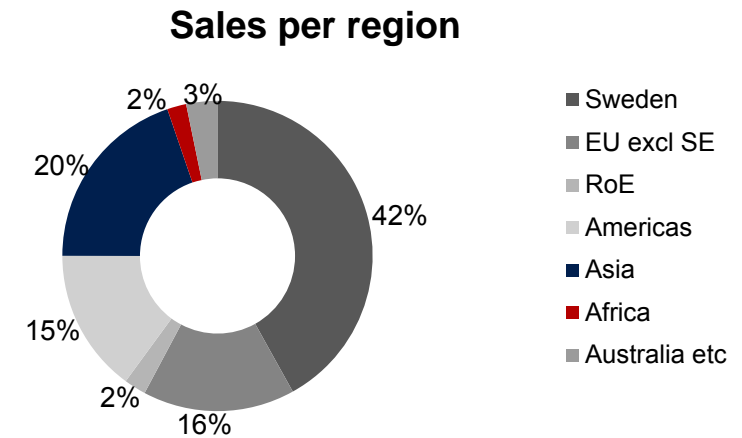
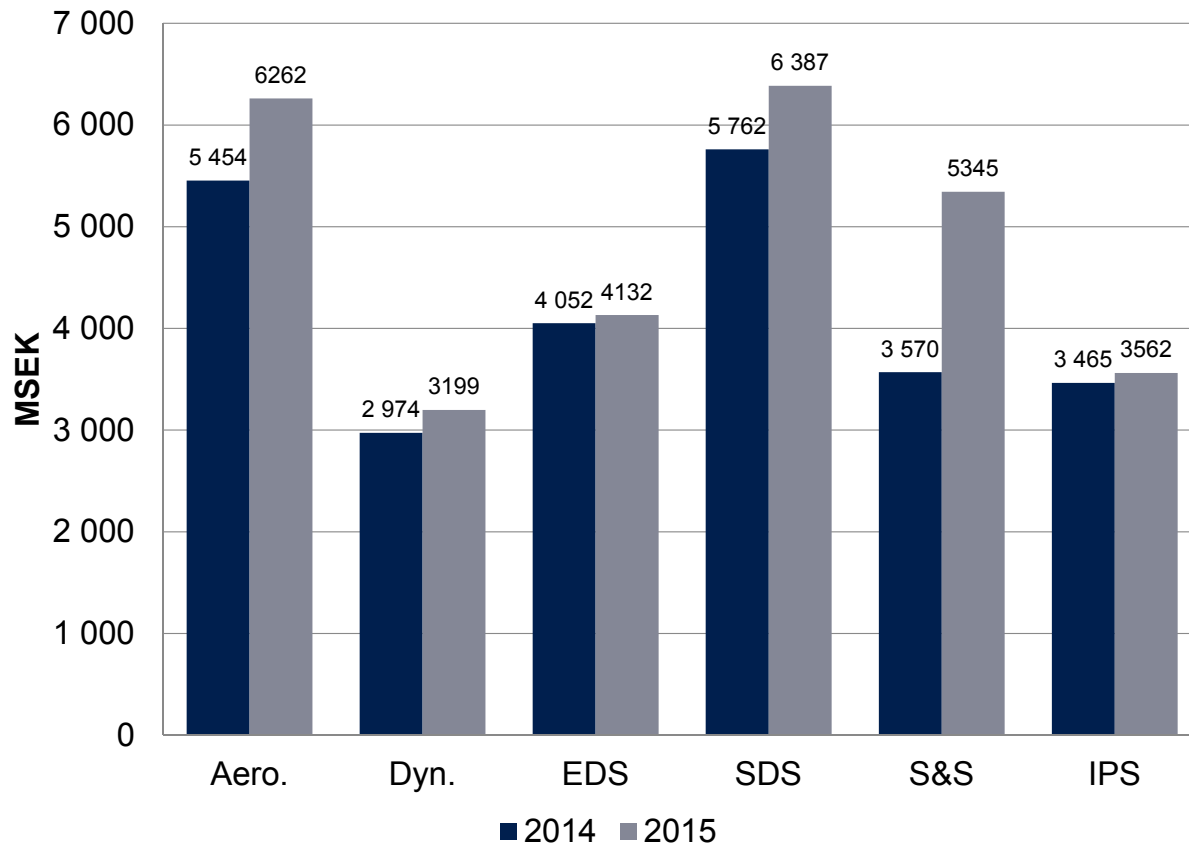


Order bookings per region



Brazil order of Gripen
 Order for submarine A26
 Order for airborne surveillance system
 Strong inflow small and midsize orders

SALES



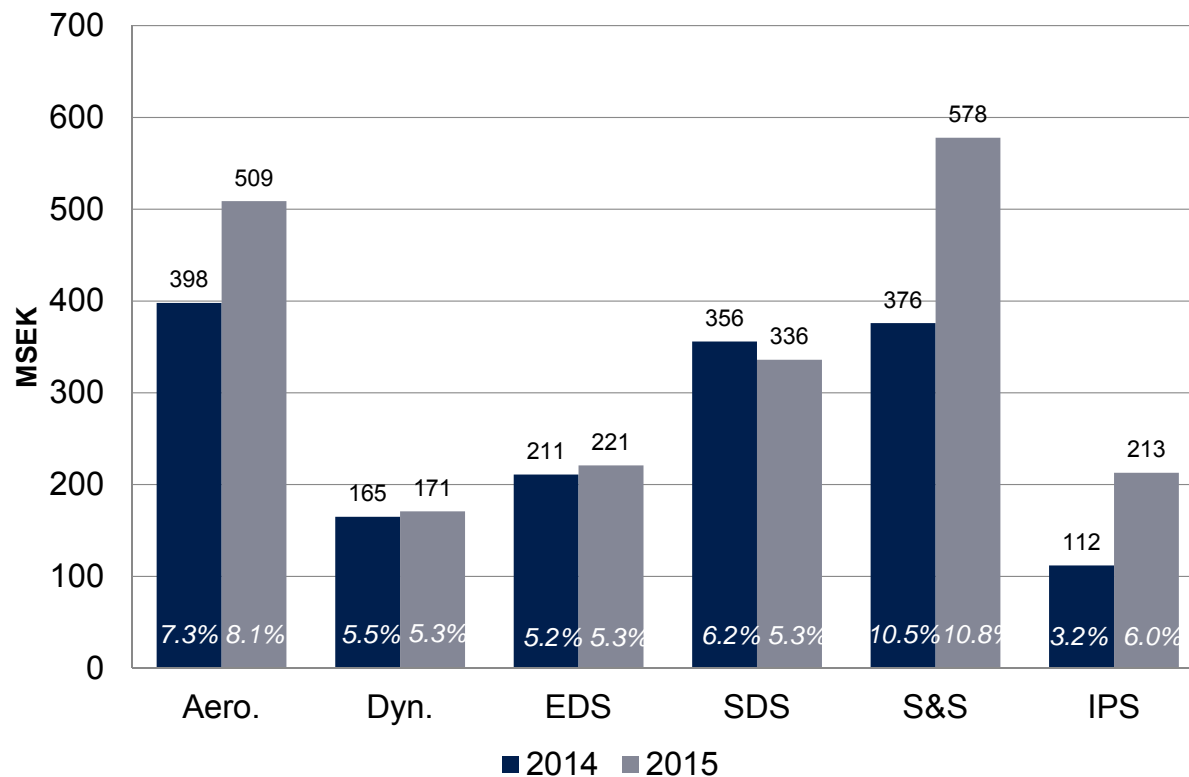
Aeronautics: increased sales related to Gripen

Dynamics: higher activity

EDS and S&S: increased sales related to airborne surveillance system

SDS: Increased sales related to Saab Kockums

OPERATING INCOME

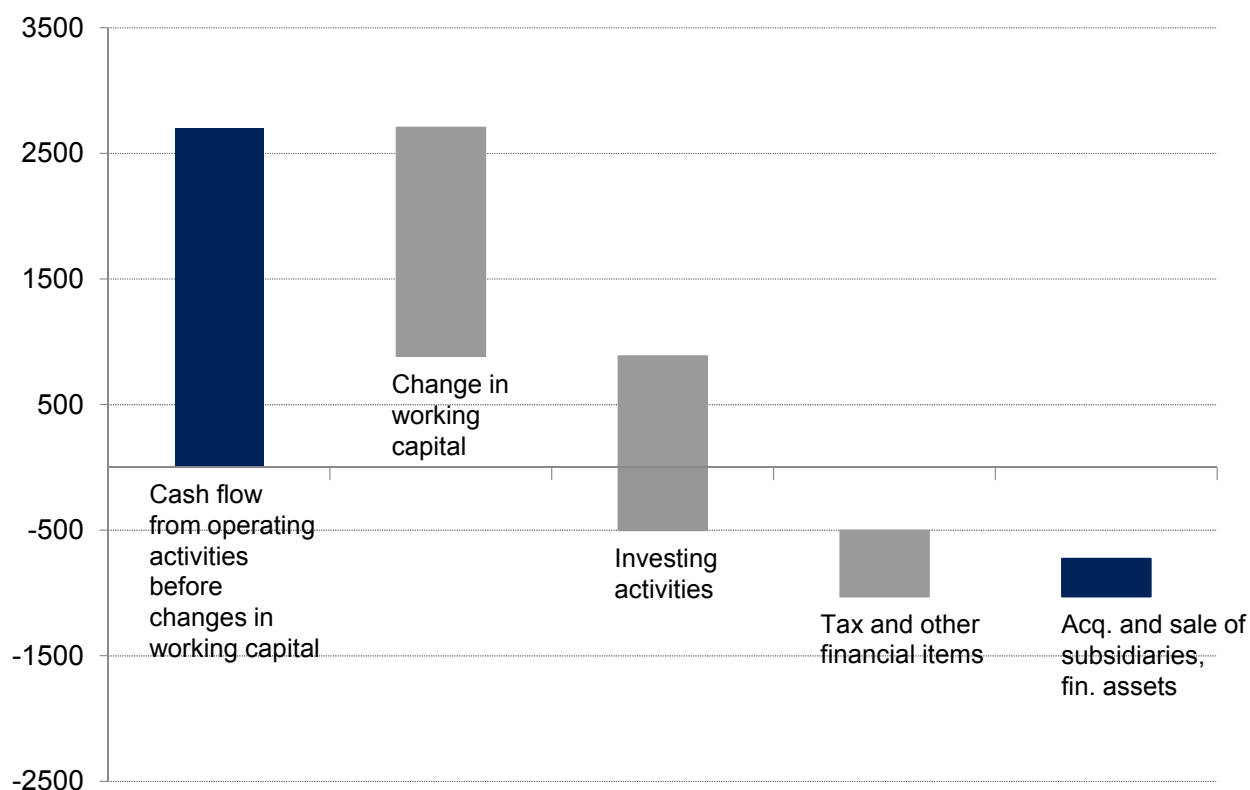


Aeronautics: positive Gripen impact, but continued investments in T-X development

S&S: Operating income strengthened by received AEW order

IPS: Improved margins in Avionics and Saab Ventures

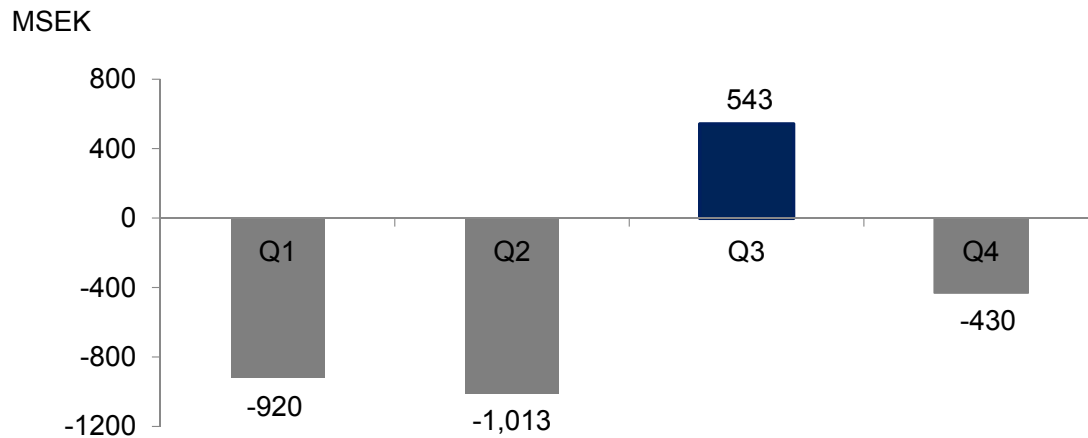
CASH FLOW



2015	MSEK
Cash flow from operating activities before changes in working capital	2,706
Change in working capital	-1,820
Investing activities	-1,386
Operational cash flow	-500
Tax and other financial items	-528
Acquisitions and sale of subsidiaries and other financial assets	302
Free cash flow	-726

CASH FLOW IMPACT FROM WORKING CAPITAL

Cash flow impact from working capital per quarter

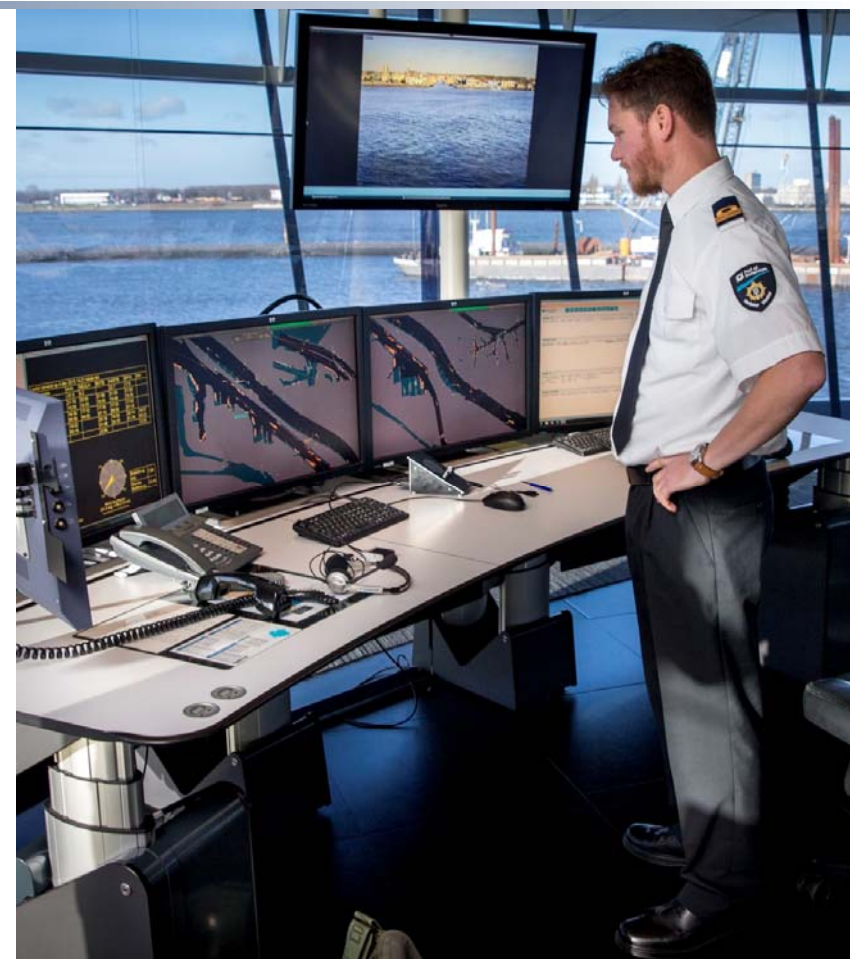


- Negative working capital due to increased receivables in Q4, mainly related to an airborne surveillance system
- Milestone payments in the A26 programme and payments for Gripen Brazil had positive impact for 2015



FINANCIAL POSITION

	Development 2015, MSEK
Net liquidity (+) / Net debt (-), 31 December 2014	-2,113
Cash flow from operating activities	358
Change in net pension obligation	635
Net investments	-1,084
Financial lease	-435
Dividend	-501
Currency impact and unrealised results from financial investments	-77
Net liquidity (+) / Net debt (-), 31 December 2015	-3,217
Net pension obligation, 31 December 2015	1,893
Total interest-bearing assets, 31 December 2015	-556
Liquidity	-1,880
Equity/assets ratio, 31 December 2015	36.8



GOING FORWARD

