

Date
16 February 2018Reference
CU 18:012 E

Saab Year-End Report 2017

Saab presents the results for 2017.

Statement by the President and CEO Håkan Buskhe:

Strong order intake, continued growth

In 2017 geopolitical tensions were evident, and defence and security spending increased in much of the world. At the same time, it has become even more important to deliver effective systems in a short time.

Demand for and interest in Saab's world-leading products and solutions are strong. In 2017, Saab strengthened its market position, at the same time that operating efficiency was improved.

Several important international collaborations were established that strengthen the local position in several countries. In Poland, for example, Saab selected the Nauta Shiprepair Yard to build the special purpose Signal Intelligence vessel for the Swedish Navy. In Australia, targeted market efforts led to the announcement that Saab has been identified by the government to provide the tactical interface to the Royal Australian Navy's fleet of nine Future Frigates.

Order bookings

2017 was a strong year for Saab. Major orders were received in several areas and order bookings rose by 41 per cent to SEK 30.8 billion (21.8). Orders were received from among other areas Airborne Early Warning and Control and support and maintenance for Gripen C/D. We also received important orders for the development of next-generation products, including Sweden's order for the development and production of the next generation of anti-ship missiles and a new signals intelligence vessel. Medium-sized orders increased as well, which is gratifying, since we have maintained a local focus for some time in our various markets to grow the base where we are active.

The order backlog amounted to SEK 106.8 billion (107.6) at the end of the year.

Sales growth and operating income

All business areas saw sales growth during the year and organic sales growth was 10 per cent.

Saab AB (publ)Postal address
SE-581 88 Linköping
SwedenTelephone
+46 (0)13 18 00 00Telefax
+46 (0)13 18 72 00Registered office
LinköpingRegistered No
556036-0793VAT No
SE556036079301Internet address
www.saabgroup.com

Operating income amounted to MSEK 2,155 (1,797) with an operating margin of 6.9 per cent (6.3). In 2017 a number of efficiency improvement projects has been implemented within the company, where we for example focus on streamlining functional processes. Mainly the business area Dynamics and operations related to Airborne Early Warning and Control systems and support operations improved profitability in 2017.

In 2018, the focus on efficiency improvements will continue. This is an important factor for Saab to reach its long-term goal of a 10 per cent operating margin.

Operational cash flow amounted MSEK 1,388 (2,603) and during the year Saab received larger milestone payments related to large projects.

Earnings per share after dilution amounted to SEK 13.10 (10.60).

Outlook statement for 2018

Sales growth in 2018 is expected to be in line with Saab's long-term goal: annual organic growth of 5 per cent.

The operating margin in 2018, excluding material non-recurring items, is expected to improve compared to 2017, bringing Saab a further step closer to its financial goal: an operating margin of 10 per cent over a business cycle.

Financial highlights

MSEK	Full year 2017	Full year 2016	Change, %	Q4 2017	Q4 2016
Order bookings	30,841	21,828	41	6,586	6,868
Order backlog	106,849	107,606	-1		
Sales	31,394	28,631	10	9,819	9,016
Gross income	7,448	6,883	8	2,405	2,451
Gross margin, %	23.7	24.0		24.5	27.2
EBITDA	2,994	2,743	9	1,084	1,206
EBITDA margin, %	9.5	9.6		11.0	13.4
Operating income (EBIT)	2,155	1,797	20	882	960
Operating margin, %	6.9	6.3		9.0	10.6
Net income	1,438	1,175	22	519	639

Saab AB (publ)

Postal address
SE-581 88 Linköping
Sweden

Telephone
+46 (0)13 18 00 00

Telefax
+46 (0)13 18 72 00

Registered office
Linköping

Registered No
556036-0793

VAT No
SE556036079301

Internet address
www.saabgroup.com

The interim report, the presentation material and the webcast will be available on <http://www.saabgroup.com/en/InvestorRelations>.

R.S.V.PE-mail: marie.bergstrom@saabgroup.com

Tel: +46 8 463 02 45

For further information, please contact:*Saab Press Centre,**Ann Wolgers, Press Officer**+46 (0)734 18 70 52**presscentre@saabgroup.com*www.saabgroup.comwww.saabgroup.com/YouTube

Follow us on twitter: @saab

Saab serves the global market with world-leading products, services and solutions within military defence and civil security. Saab has operations and employees on all continents around the world. Through innovative, collaborative and pragmatic thinking, Saab develops, adopts and improves new technology to meet customers' changing needs.

The information is such that Saab AB is obliged to make public pursuant to the EU Market Abuse Regulation and the Securities Markets Act. The information was submitted for publication, through the agency of the contact person set out above, on 16 February 2018 at 07.30 (CET).

Saab AB (publ)Postal address
SE-581 88 Linköping
SwedenTelephone
+46 (0)13 18 00 00Telefax
+46 (0)13 18 72 00Registered office
LinköpingRegistered No
556036-0793VAT No
SE556036079301Internet address
www.saabgroup.com