

# Q2 report 2022



Björn Karlsson, CEO



**Your number one choice for tactical IT**



Daniel Ljunggren, EVP/CFO

# Agenda

MilDef's universe  
Dynamics of new world  
Business highlights  
Financial overview  
Strategies for growth  
Future outlook  
Q&A



# MilDef's universe

Leading provider of tactical IT



- Founded 1997
- IPO June 4, 2021
- +200 employees in 5 countries
- Core markets: Nordics, EU, selected NATO countries
- Customers: Governments, global defense companies
- Product portfolio: Hardware, software and services
- Expansion through:
  - Organic growth
  - Partner networks
  - Acquisitions



State of the art HQ and production facility in Helsingborg



**We digitalize the world –**  
where the stakes are the highest,  
requirements are the toughest,  
and when technology has game-changing potential



# Secure digitalization on land, air and sea

Products and services that connect the world – across all domains

CYBER



LAND



AIR



NAVAL

Photo: Jimmie Adamsson, Försvarsmakten

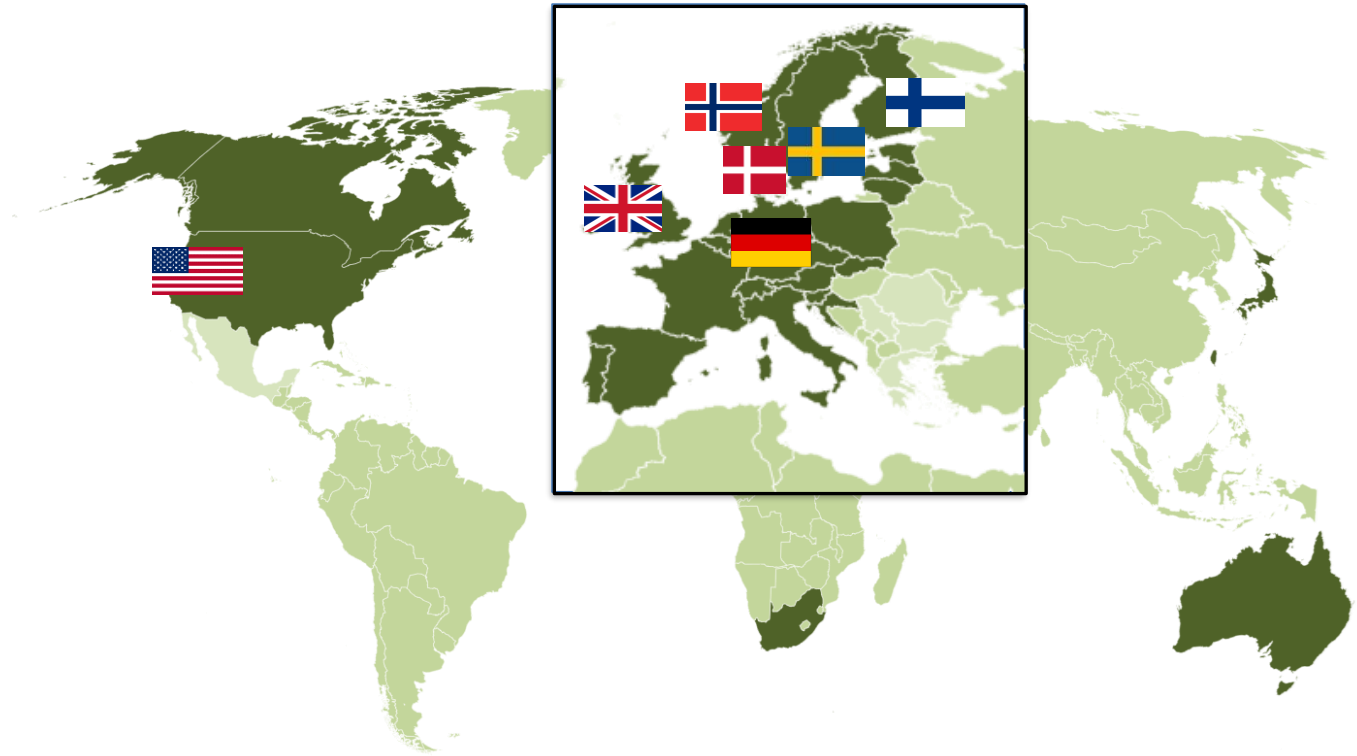
# Markets and customers



MilDef has offices in the Nordics, UK, USA and partners across Europe.

Government customers and industry customers contribute 50% of the revenue each.

Focus is on the Nordics, EU, and selected NATO countries.



BAE SYSTEMS



FMV



KMW  
KRAUSS-MAFFEI WEGMANN





# The Battlefield of Things – Tactical IT by MilDef

Illustration of in-field environment for MilDef's tactical IT





### Hardware portfolio

1



MOBILE COMPUTERS

2

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19"/2 SMALL FORM FACTOR

3



SPECIAL ELECTRONICS

4



INTELLIGENT DISPLAYS

5



TRACKING SOLUTIONS

6



ACCESSORIES



### Services – from system design to installation



### Software for zero-day deployment (FMN)

# First half of 2022 from a macro perspective

1



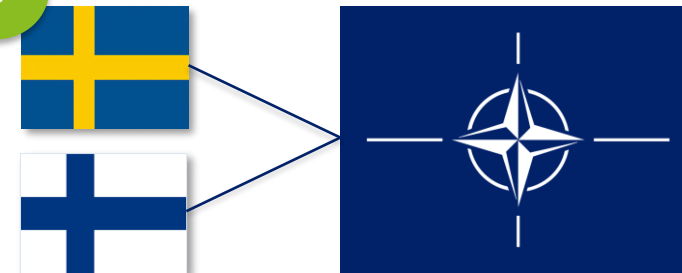
On February 24, Russia invades Ukraine

2



On March 10, the Swedish government informs that defense spending will be increased to 2% of GDP

3



On May 18, Sweden and Finland applies for NATO membership



# Q2 2022 highlights

Order intake	Growth
<b>256.4 SEKm</b>	<b>+41%</b>
(181.7 SEKm)	

Order backlog	Growth
<b>913.4 SEKm</b>	<b>+44%</b>
(634.0 SEKm)	

EBITDA	Margin
<b>-9.6 SEKm</b>	<b>-8.1%</b>
(-2.3 SEKm)	(-2.8%)

Revenue	Growth
<b>118.5 SEKm</b>	<b>+46%</b>
(81.3 SEKm)	

Gross margin
<b>49%</b>
(48%)

- Accelerated order intake
- Strong sales
- Record-high order backlog
- Gross margin close to 50%
- Negative Adj. EBITDA-margin

# Business highlights



**FMV**



SWEDISH ARMED FORCES

WORTH 870 MSEK

MilDef wins framework agreement with FMV and the Swedish Armed Forces.

The agreement contains our whole portfolio;

HARDWARE | SOFTWARE | SERVICES



WORTH 50 MSEK

MilDef wins army business in USA.

MilDef will deliver 400 customized laptops for use within the US Army, through one of the largest defense companies.



WORTH 82 MSEK

MilDef wins new order in Norway.

We will equip armored vehicles with computers, displays and network infrastructure for Command and Control.

# Business highlights

WORTH 15 MSEK



MilDef upgrades combat boats in Sweden



Automation and NATO interoperability

OneCIS DEPLOYS APPLICATIONS AND SERVICES IN A RELIABLE AND EFFICIENT WAY ON SERVERS, DETACHED



OneCIS PROVIDES A NEW FLEXIBLE, FAST AND RELIABLE WAY FOR AUTOMATED DEPLOYMENT OF TACTICAL IT CAPABILITIES



OneCIS growing in importance





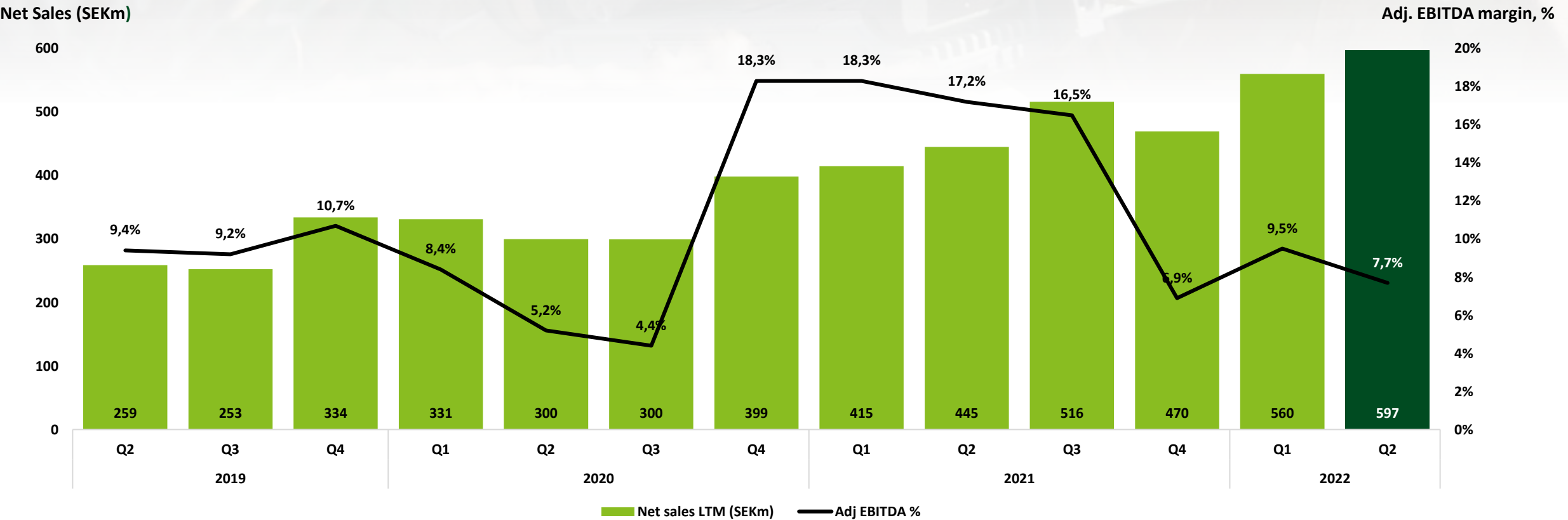
# First half 2022 in numbers

Daniel Ljunggren - CFO

# Financial highlights January - June 2022

SEKm	1H 2022	1H 2021	Change	LTM	2021	Change
Net sales	259.8	132.3	+96%	597.1	469.6	+27%
Gross Margin, %	48%	43%	-	47%	45%	-
Adjusted EBITDA	-3.3	-17.2	+13.9 SEKm	46.1	32.2	+13.9 SEKm
Adjusted EBITDA margin, %	-1.3%	-13.0%	-	7.7%	6.9%	-
EBIT	-14.8	-33.4	+18.6 SEKm	15.7	-2.9	+18.6 SEKm
EBIT margin, %	-5.7%	-25.2%	-	2.6%	-0.6%	-
Profit after tax	-12.9	-22.8	+9.9 SEKm	9.2	-0.7	+9.9 SEKm

# Net sales LTM at all time high (SEK 597 million)

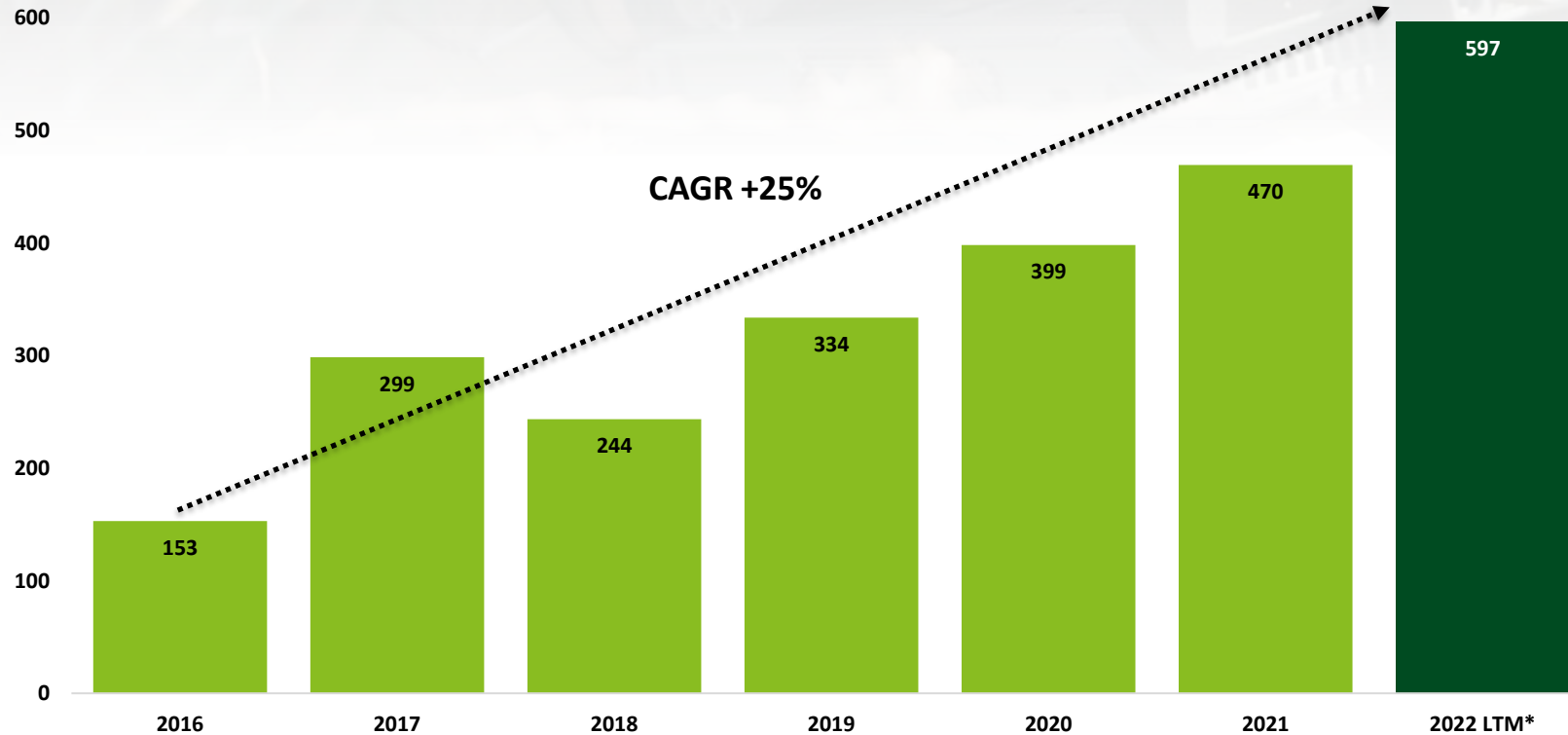




# Net sales CAGR of +25% since 2016

Sales growth of 290% since 2016

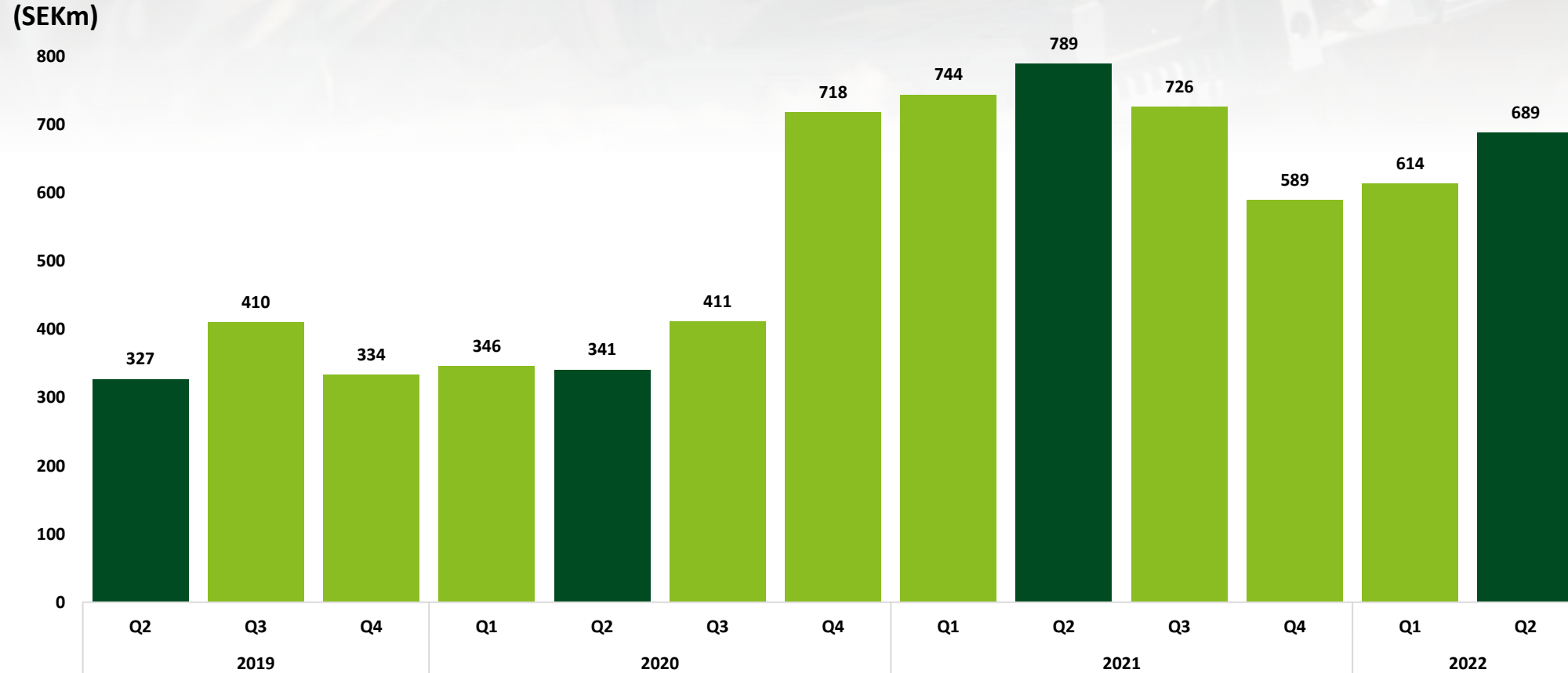
Net Sales (SEKm)



\*2022 LTM = July 2021 – June 2022

# Order intake LTM -13% vs LTM Q2 2021

Impacted by one major order in Q4 2020, +34% vs Q2 2021 excluding that major UK order



# Order backlog at all time high, +44% vs Q2 2022

(SEKm)

1 000

900

800

700

600

500

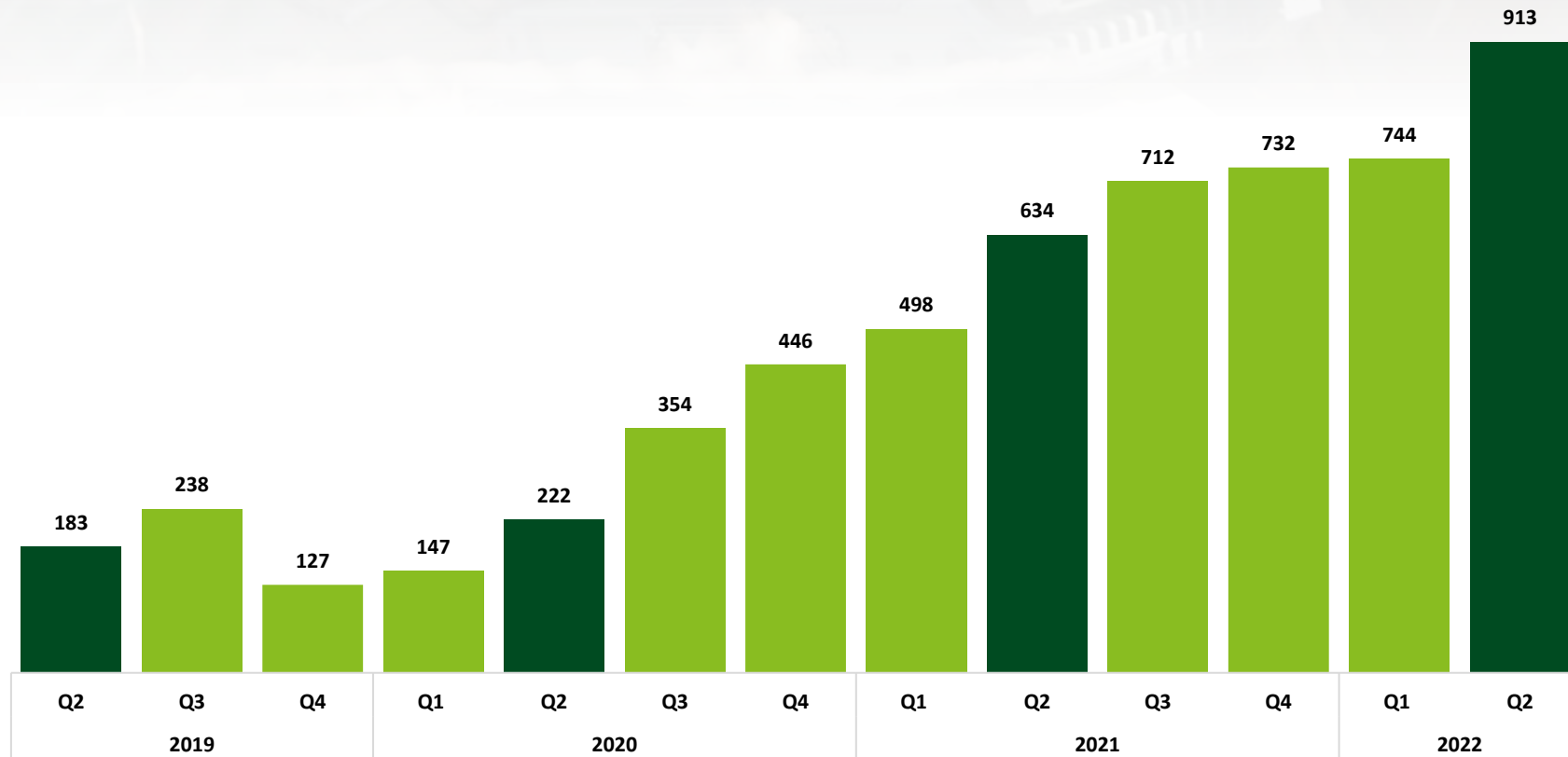
400

300

200

100

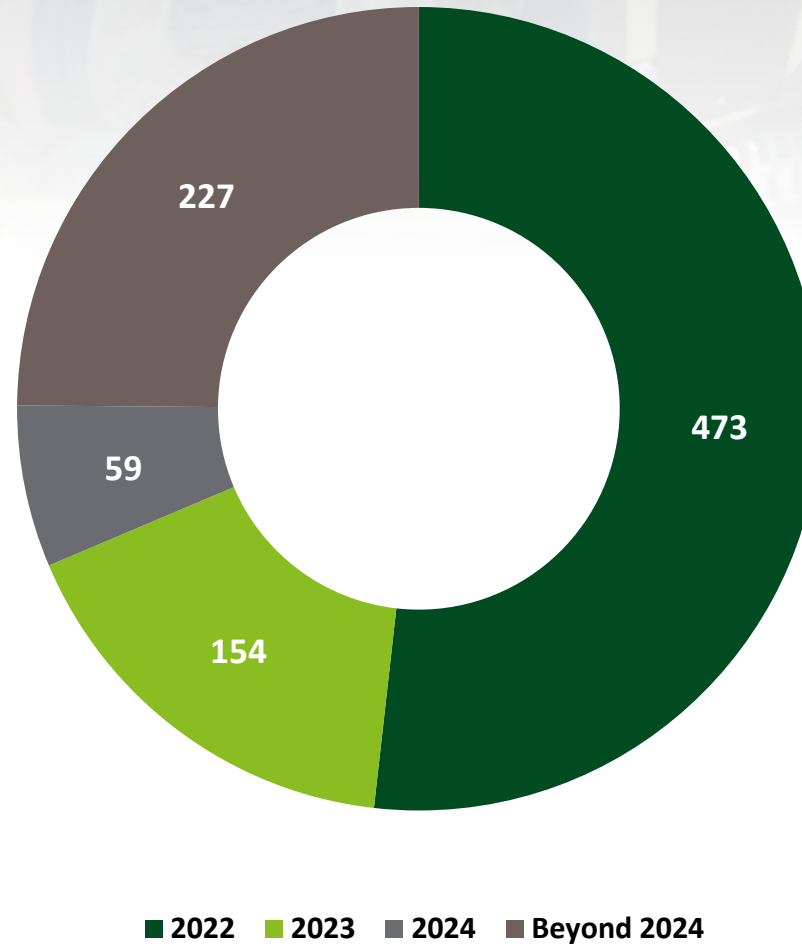
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# Order backlog duration (SEKm)

Duration of the order backlog  
per June 30, 2022, based on  
planned deliveries



**\*Current order backlog indicates a full-year growth 2022 of 56% compared to full-year 2021**

**\*Important information**  
*Forward-looking statements do not guarantee future results or development and the actual outcome could differ materially from the forward-looking statements.*

# Net debt & current cash position June 30, 2022

Net cash

**+36**  
MSEK

Net debt/Adj EBITDA  
rolling 12 months

**-0.8x**

Current cash position

**+123**  
MSEK

Equity / Asset ratio

**70%**

## Net debt & current cash position comments

- Financial target that net debt shall not exceed 2.5 times EBITDA, which provides good potential for additional acquisition
- Net debt/adj EBITDA still negative
- Equity / Asset ratio of 70% (73)
- Unutilized revolving multicurrency credit facilities of SEK 75 million
- Still a solid financial position, which provides conditions for continued M&A-activities

# Financial summary first half 2022

- Sales growth +96% vs 1H 2021
- Order intake +38% vs 1H 2021
- Gross margin 48% vs 43% 1H 2021
- Operating cash flow +14,5 SEKm vs 1H 2021
- Net sales LTM - All time high 597 SEKm
- Adj. EBITDA-margin of 7.7% LTM
- Order backlog - All time high at 913 SEKm
- Financial position and balance sheet still solid





# Future outlook

Björn Karlsson - CEO

# Potential for accelerated growth – investing in the future



Expansion into multiple dimensions to explore untapped opportunities on a quickly growing market

## MilDef markets

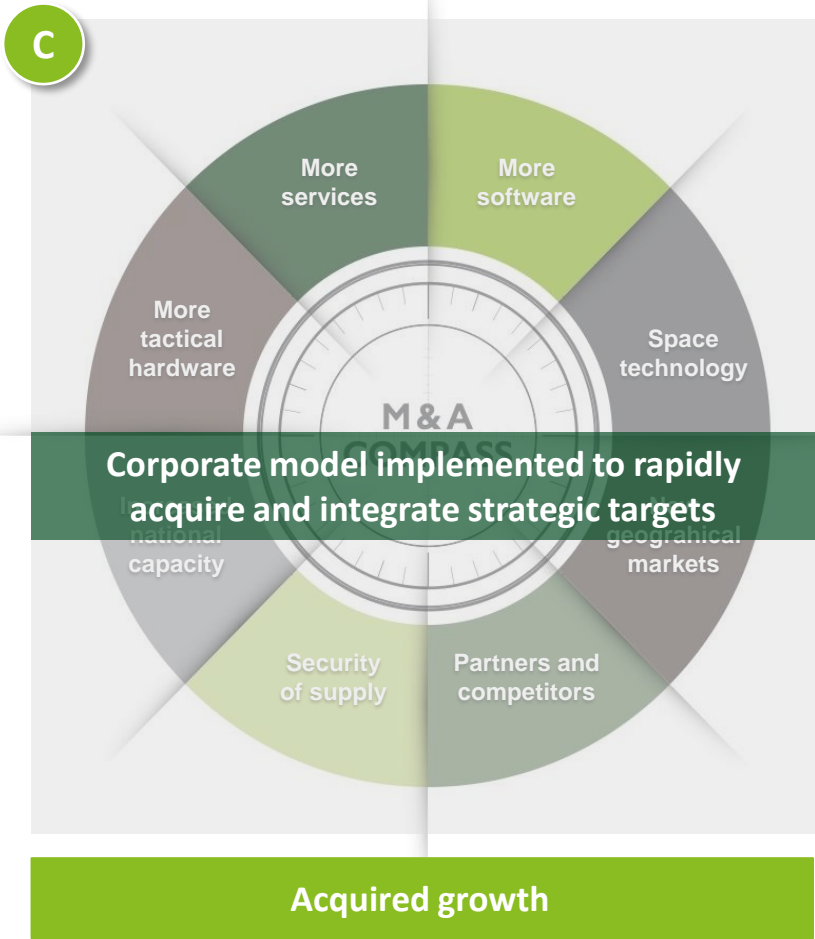


Organic growth

## Portfolio expansion



## M&A agenda

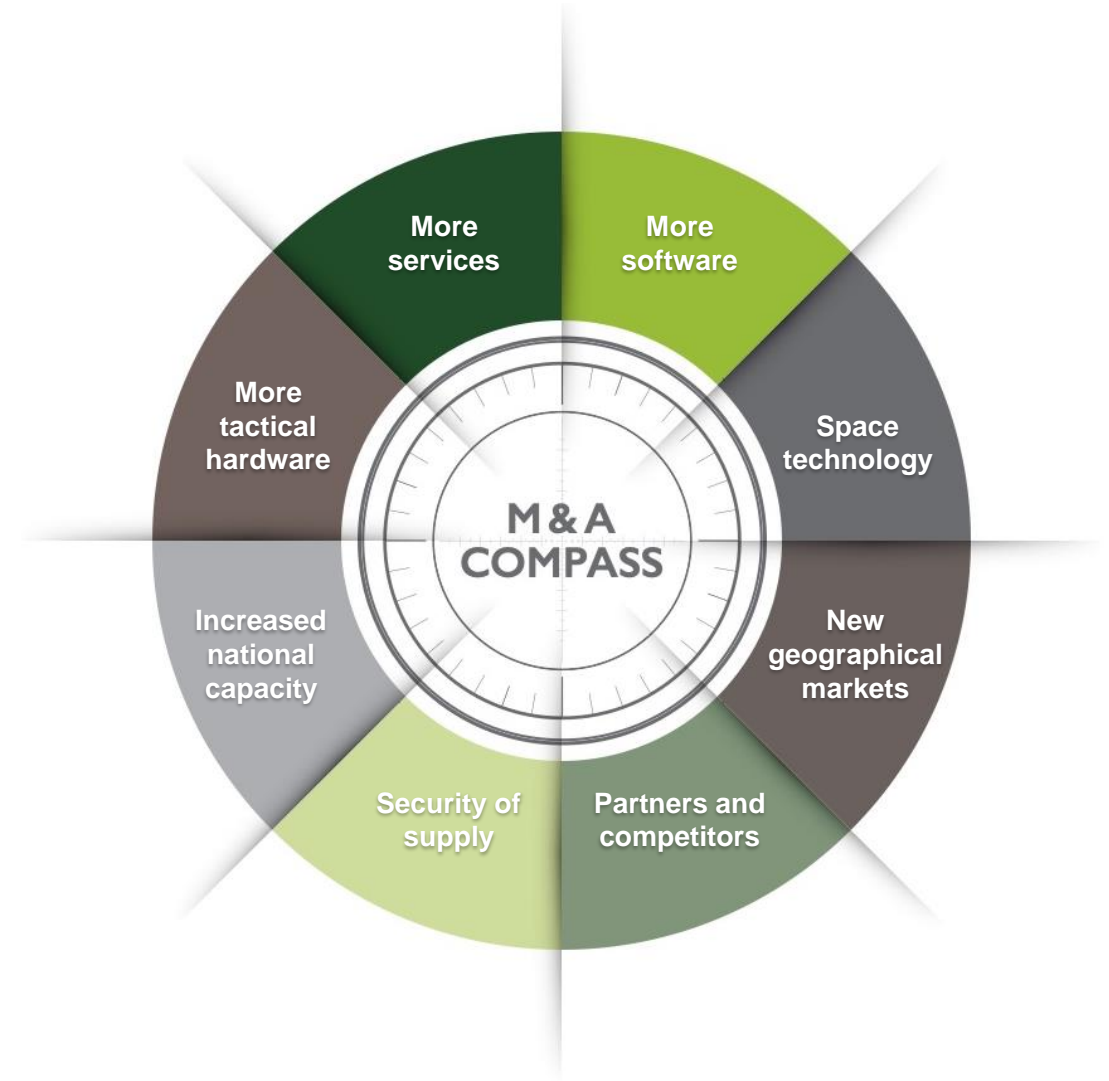


# M&A Agenda

A structured model for profitable growth

## MilDef's M&A strategy includes

- A map highlighting prioritized acquisition targets
- A backlog where M&A opportunities are matured
- A blueprint for valuation and due diligence
- A dedicated organization that focuses on M&A
- A greenhouse model for successful integration





# Three things to look out for...

- 1 NATO effects for Swedish defense industry
- 2 Market consolidation expected to continue
- 3 MilDef aiming to become the “Nordic voice” of digitalization

# Closing summary

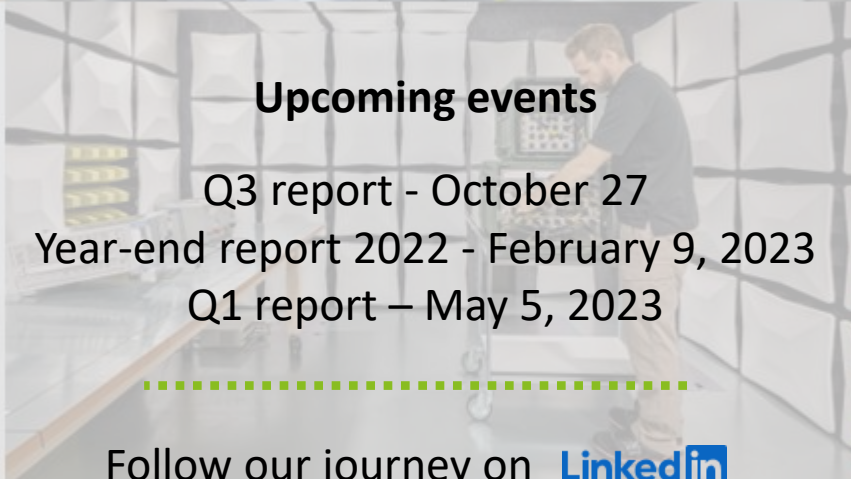
- Second quarter delivers growth far above target
- First half of 2022 shows increased profitability
- Order intake builds all-time high order backlog
- Position in the Nordics strengthened
- Potential for our NATO-compliant software growing







## QUESTIONS & ANSWERS



### Upcoming events

Q3 report - October 27  
Year-end report 2022 - February 9, 2023  
Q1 report – May 5, 2023

Follow our journey on [LinkedIn](#)  
See 25-year anniversary movie on [YouTube](#)

