

# Q3 report 2022



Björn Karlsson, CEO



**Your number one choice for tactical IT**



Daniel Ljunggren, EVP/CFO

# Q3 Agenda

MilDef's universe  
Business highlights  
Financial overview  
Future outlook  
Q&A

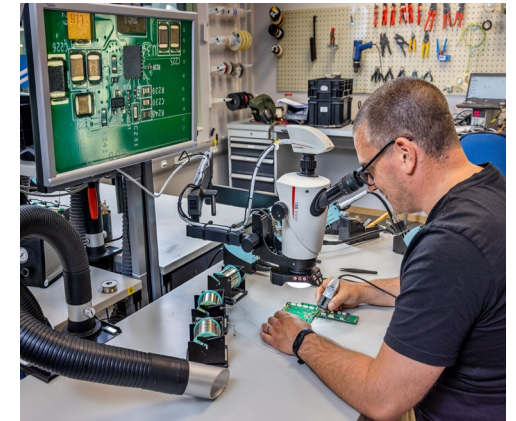


# MilDef's universe

Leading provider of tactical IT



- Founded 1997
- IPO June 4, 2021
- +285 employees in 10 countries
- Core markets: Nordics, EU, NATO
- Customers: Defense, government and critical infrastructure
- Product portfolio: Hardware, software and services
- Expansion through:
  - Organic growth
  - Partner networks
  - Acquisitions



The Fortress. 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.



HARDWARE



SOFTWARE



SERVICES

# Our customer segments



**MILITARY**



**GOVERNMENT**

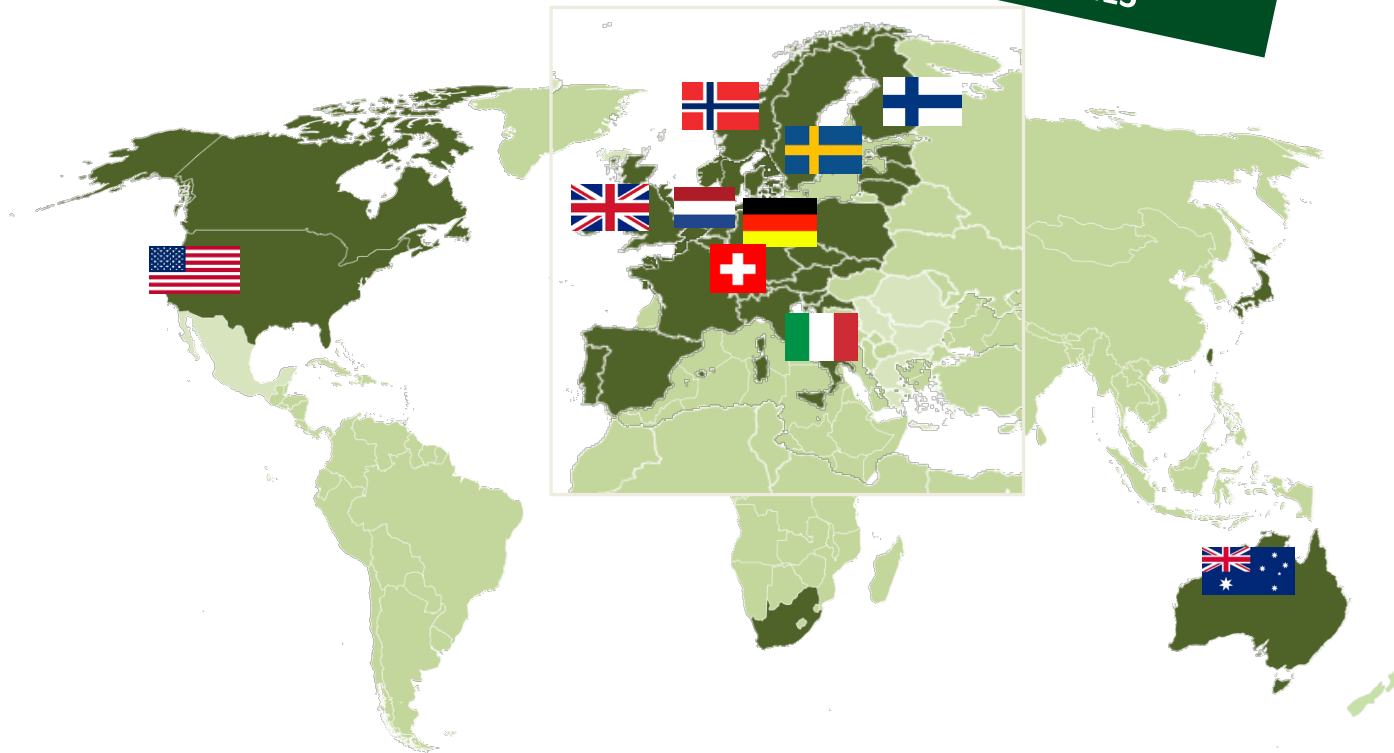


**CRITICAL INFRASTRUCTURE**

# MILDEF'S UNIVERSE



300 EMPLOYEES  
10 COUNTRIES



MilDef has offices in 10 countries and partners across Europe.

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

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

SWEDEN 

USA 

NORWAY 

GERMANY 

UK 

FINLAND 

AUSTRALIA 

THE NETHERLANDS 

ITALY 

SWITZERLAND 



## Q3 2022 highlights

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**+20%**

Net sales 163.7 SEKm (+20%)

**+158%**

Order intake +158% (307 SEKm vs. 119 SEKm)

**+71%**

Order backlog at the end of Q3, 1 218 SEKm

**+6 p.p.**

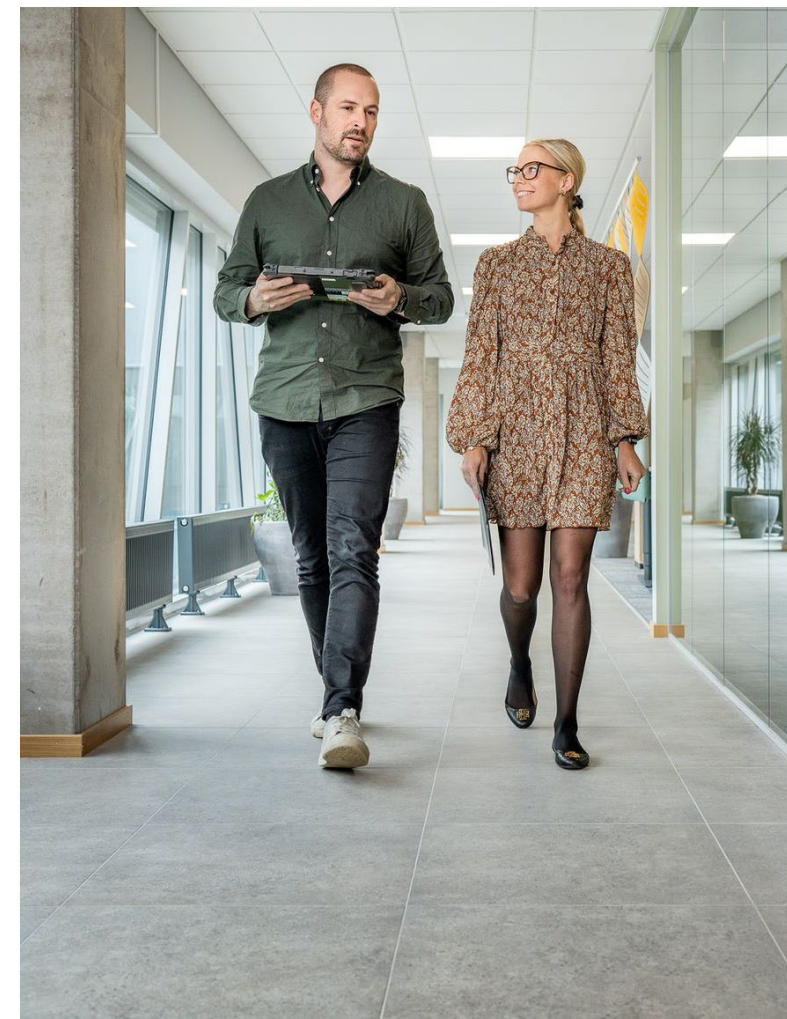
Gross margin improved to 51% (45)

**+34%**

Adj. EBITDA 19.9 SEKm (14.9)

**+1.3  
p.p.**

Adj. EBITDA-margin 12.2% (10.9)



# Q3 2022 business highlights

## Acquisition of Handheld Group



### MilDef acquires Handheld Group AB on September 12, 2022.

#### Expansion in three important directions:

##### Technology

Android support and new rugged products for our military customers.

##### Geography

Twice the footprint, direct access to key markets such as Germany, and doubling US business.

##### Market segments

Adding customers in critical infrastructure, an important segment for total defence.

Handheld is a manufacturer of rugged mobile computers, including rugged tablets and PDAs, headquartered in Lidköping, Sweden.

Together with resellers around the globe, they offer products that withstand the toughest conditions and turnkey solutions that get the job done.





# Q3 2022 business highlights

New framework agreement and first OneCIS sale outside Norway

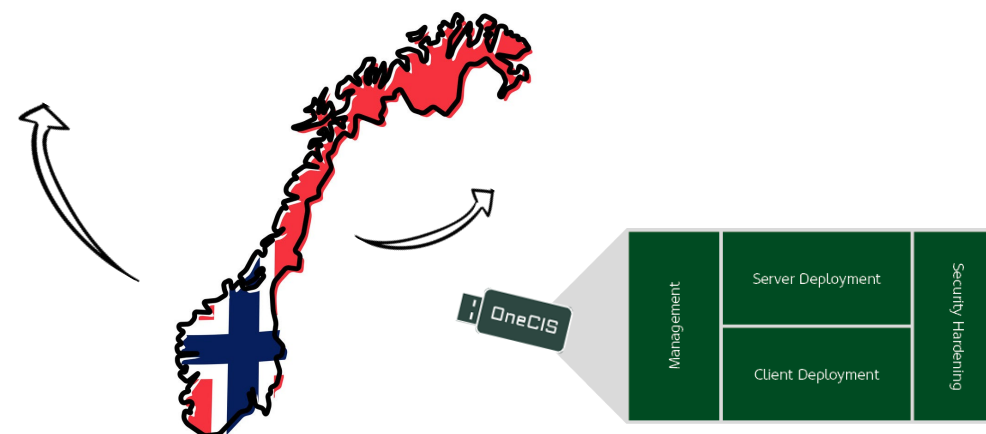


**WORTH SEK 2.8 BILLION**

20-year framework agreement signed with  
European Nato member

.....

## FIRST ONECIS SALE OUTSIDE NORWAY



Interest in our NATO-compliant software is growing fast



# January - September 2022 in numbers

Daniel Ljunggren - CFO

# Financial highlights January - September 2022

| SEKm                      | Jan-Sept 2022 | Jan-Sept 2021 | Change     | LTM   | 2021  | Change               |
|---------------------------|---------------|---------------|------------|-------|-------|----------------------|
| Net sales                 | 423.5         | 268.9         | +57%       | 624.1 | 469.6 | +33%                 |
| Gross Margin, %           | 49%           | 44%           | +5 p.p.    | 48%   | 45%   | +3 p.p.              |
| Adjusted EBITDA           | 16.6          | -2.3          | +18.9 SEKm | 51.2  | 32.2  | +19.0 SEKm<br>(+59%) |
| Adjusted EBITDA margin, % | 3.9%          | -0.9%         | +4.8 p.p.  | 8.2%  | 6.9%  | +1.3 p.p.            |
| EBIT                      | -2.3          | -31.1         | +28.8 SEKm | 25.9  | -2.9  | +28.8 SEKm           |
| EBIT margin, %            | -0.5%         | -11.6%        | +11.1 p.p. | 4.1%  | -0.6% | +4.7 p.p.            |
| Profit after tax          | -6.3          | -21.4         | +15.0 SEKm | 14.4  | -0.7  | +15.1 SEKm           |

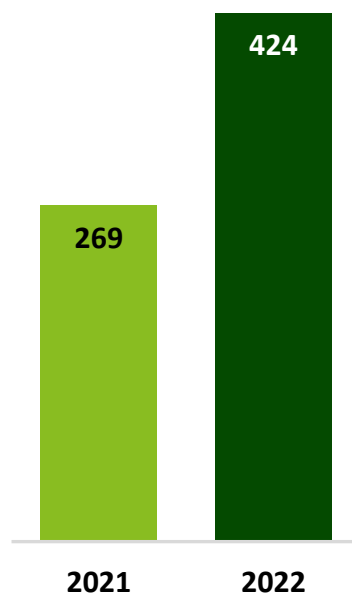
\*p.p. = percentage points



# January – September 2022 Snapshot

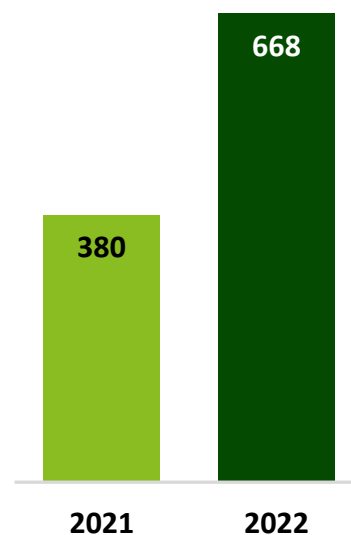
## Net Sales (SEKm)

+57%



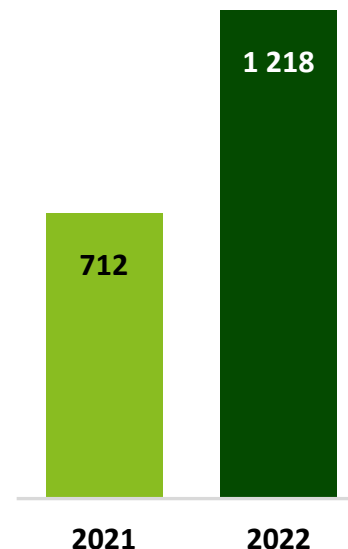
## Order Intake (SEKm)

+75%



## Order Backlog (SEKm)

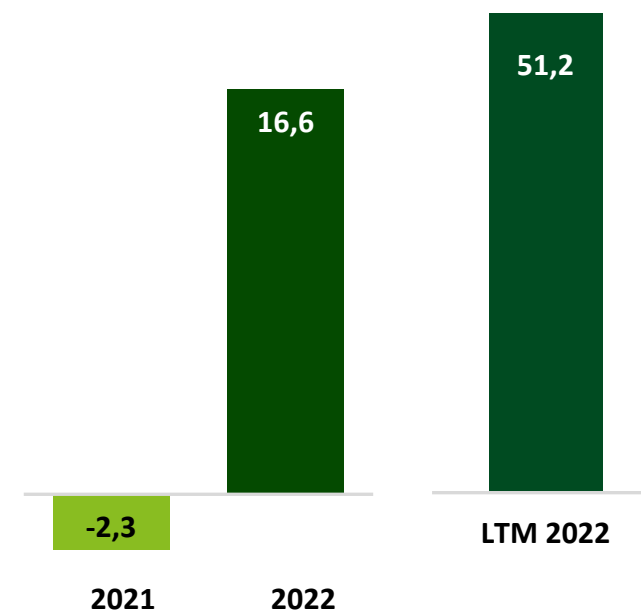
+71%



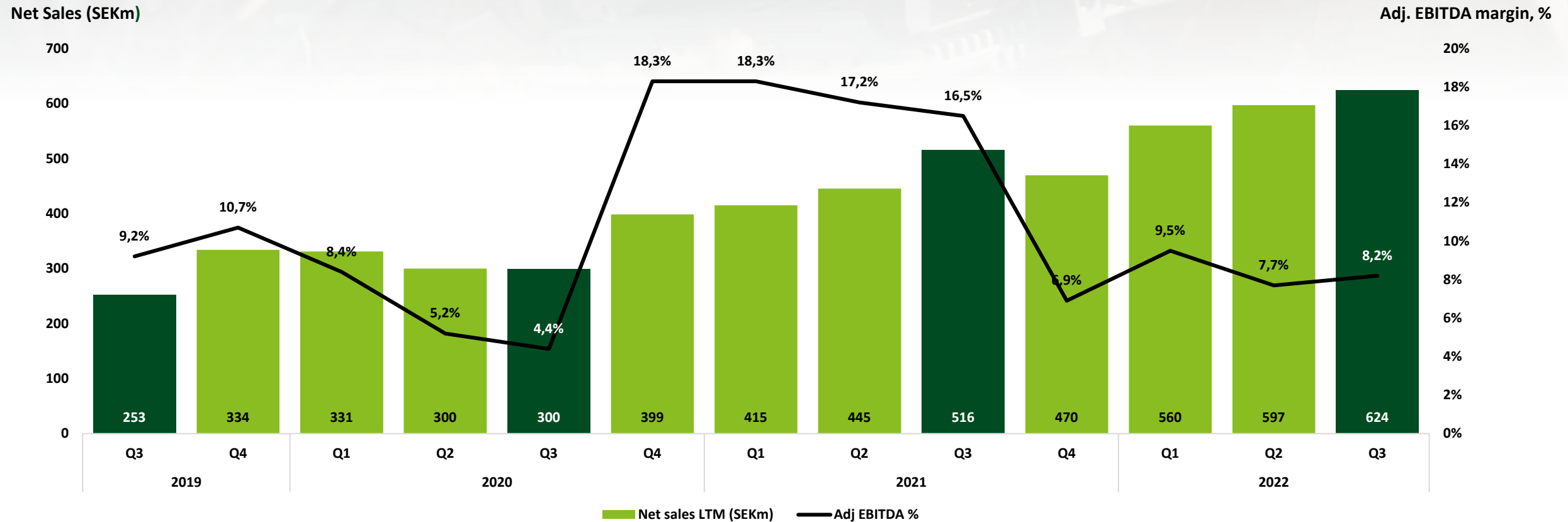
## Adj. EBITDA (SEKm) & Margin (%)

+18.9 SEKm

8.2%



# Net sales LTM at all time high (SEK 624 million)

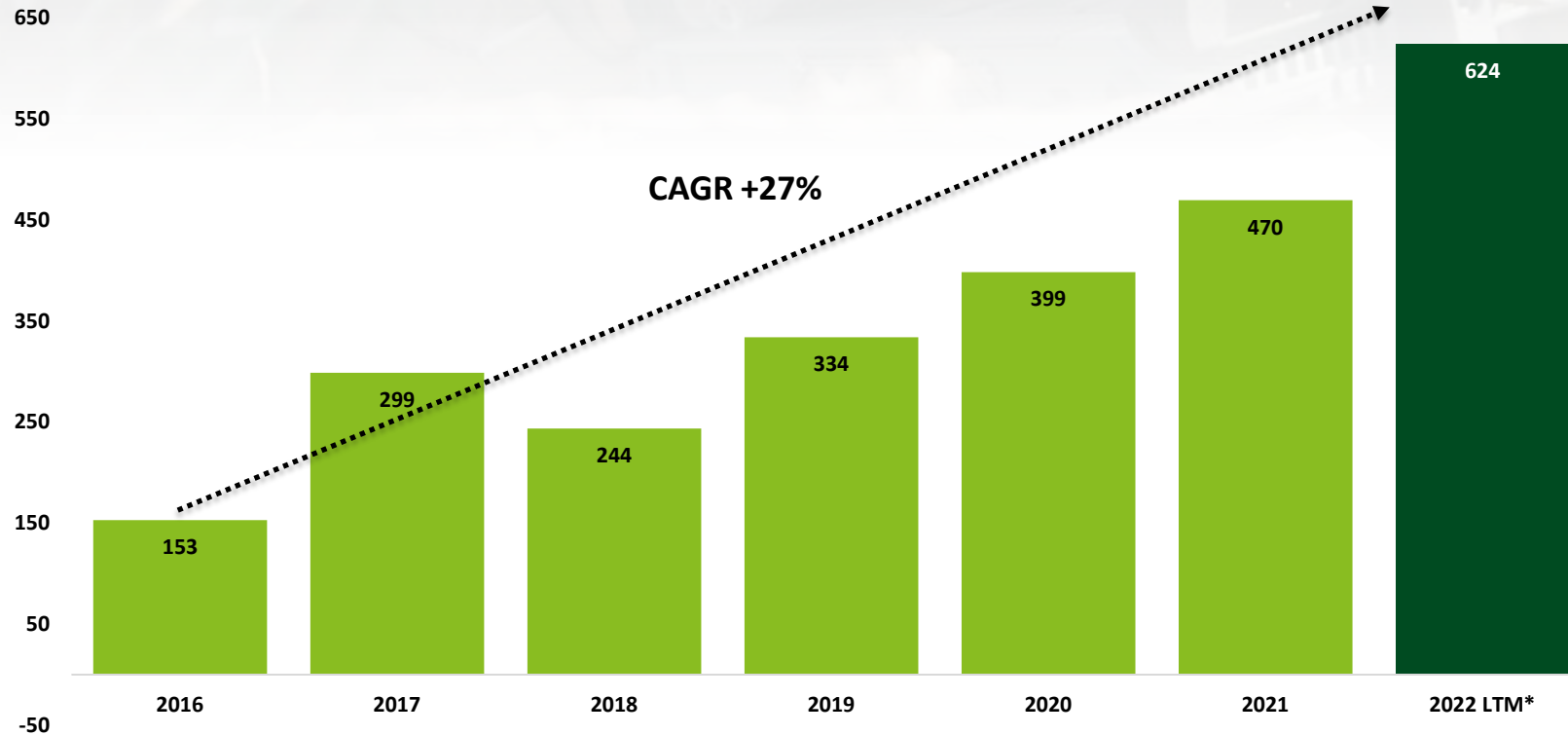


# Net sales CAGR of +27% since 2016

Sales growth of +300% since 2016



Net Sales (SEKm)

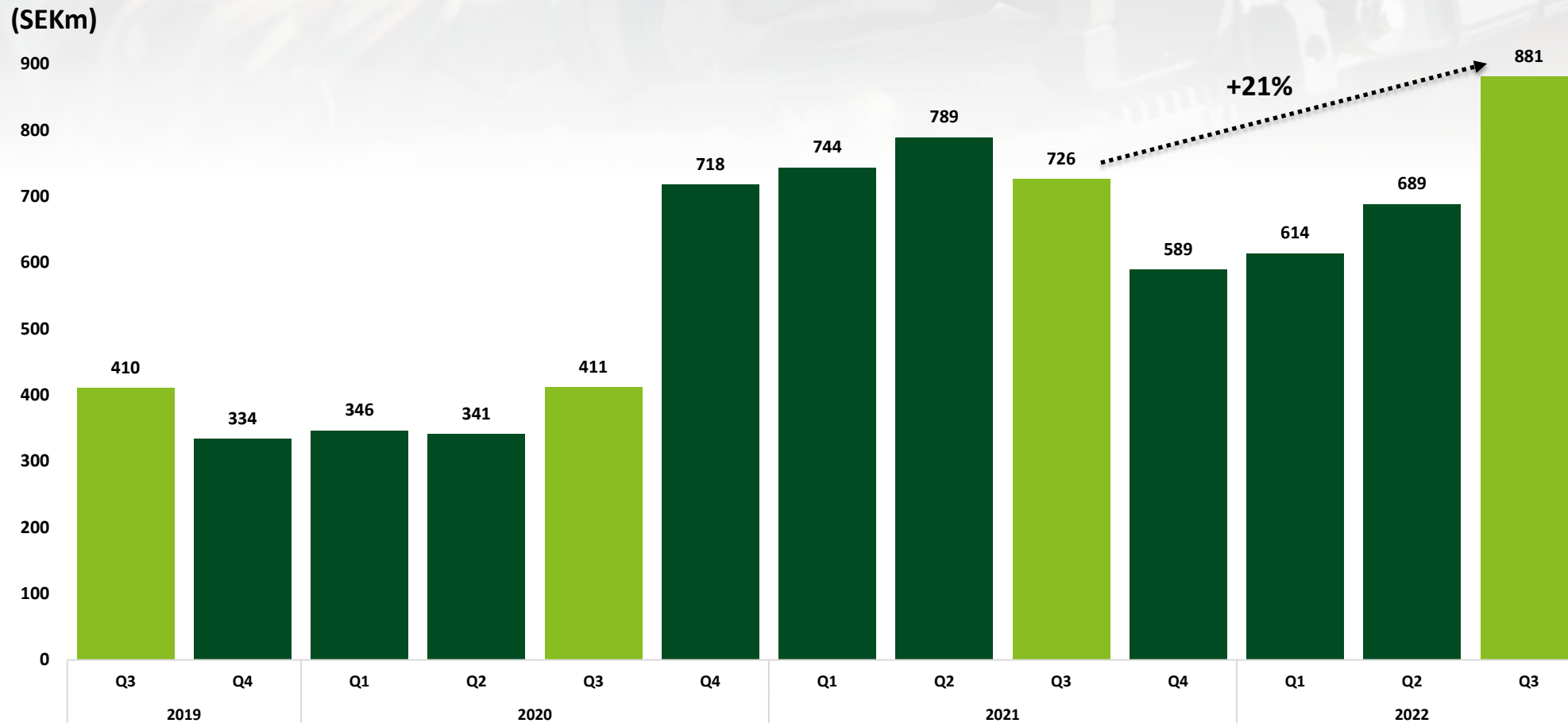


\*2022 LTM = Oct 2021 – Sept 2022



# Order intake LTM +21%

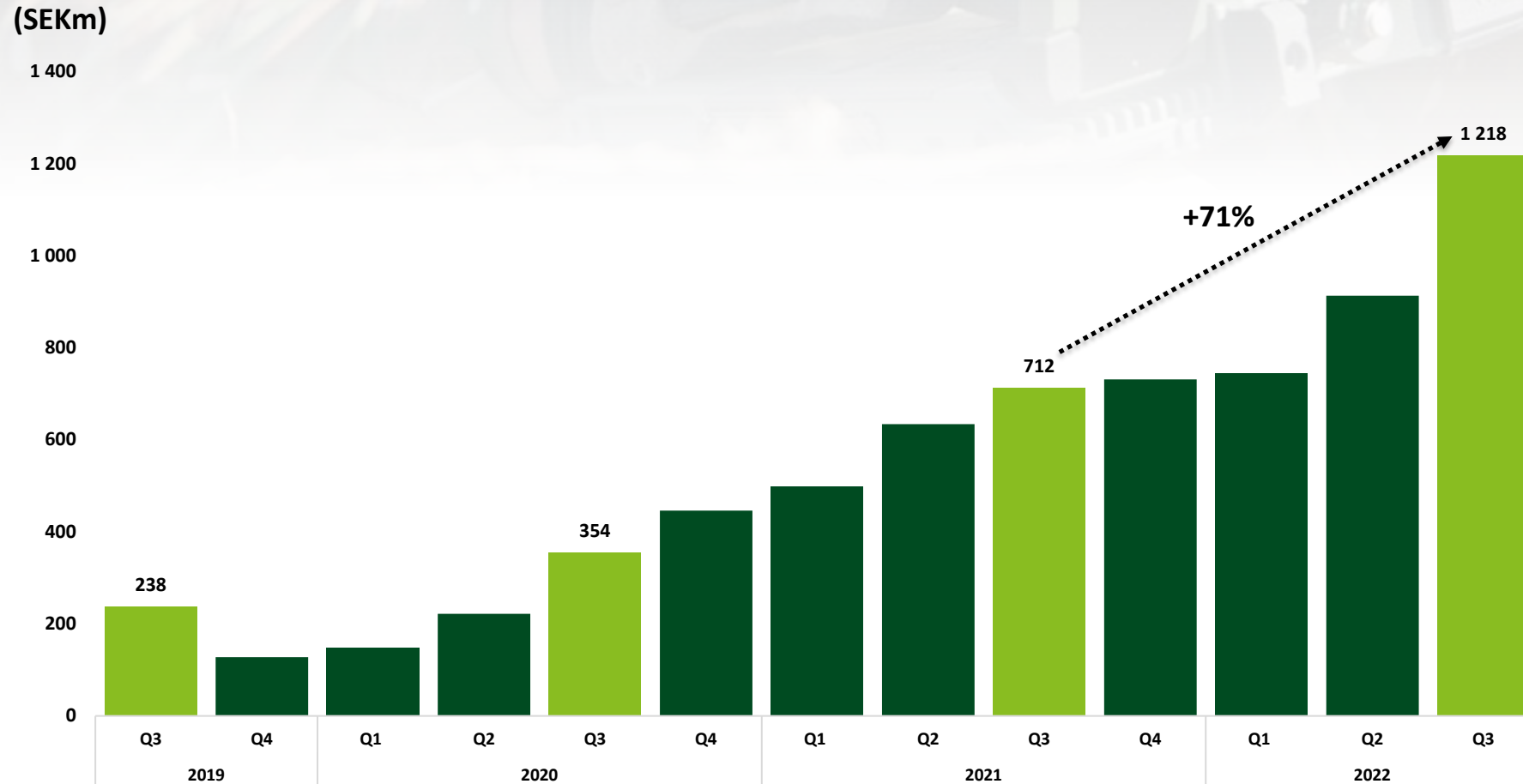
Strong order intake in the third quarter, +158 percent compared to third quarter last year



# Order backlog at all time high, +71% vs Q3 2021

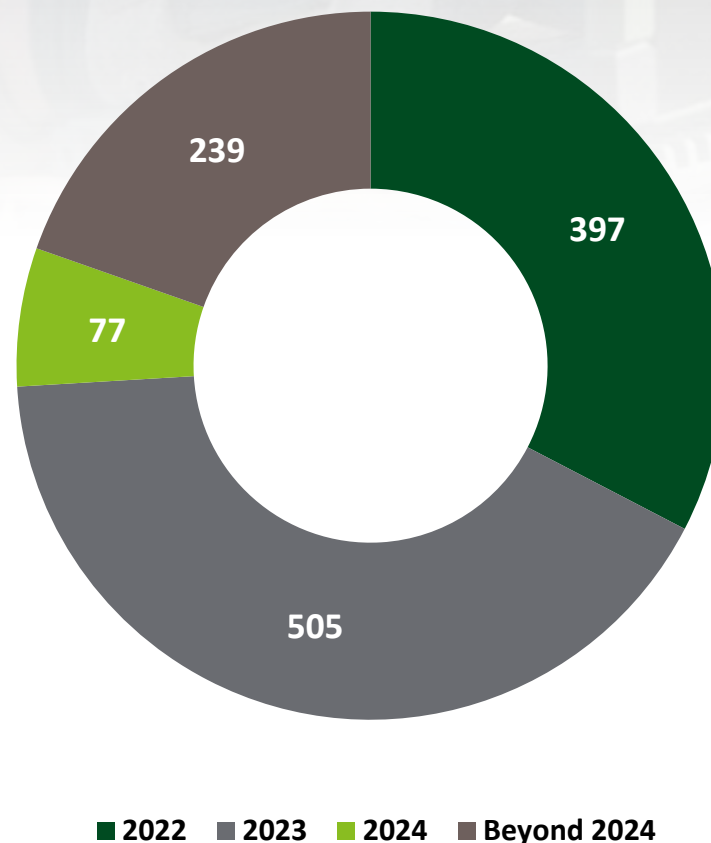


Acquired order backlog the third quarter was 136.8 SEKm



# Order backlog duration (SEKm)

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



**\*Current order backlog indicates a full-year growth 2022 of 75% 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 September 30

Net debt excl lease  
liabilities

112  
MSEK

Net debt excl lease liabilities/Adj EBITDA  
rolling 12 months

2.2x

1

Current cash position

+121  
MSEK

Equity / Asset ratio

59%

## Net debt & current cash position comments

- Financial target that net debt shall not exceed 2.5 times EBITDA
- Equity / Asset ratio of 59% (66)
- Unutilized revolving multicurrency overdraft facilities of SEK 75 million

# Financial summary first nine months of 2022

- Sales growth +57%
- Order intake +75%
- Gross margin 49% vs 44%
- Operating cash flow -45.7 SEKm (-58.2)
- Net sales LTM - All time high 624 SEKm
- Adj. EBITDA-margin LTM 8.2%
- Order backlog - All time high at 1 218 SEKm
- Order Intake – LTM at all time high 881 SEKm



# Future outlook

Björn Karlsson - CEO

# Potential for accelerated growth – investing in the future



Expansion in multiple dimensions to explore untapped potential

## MilDef markets

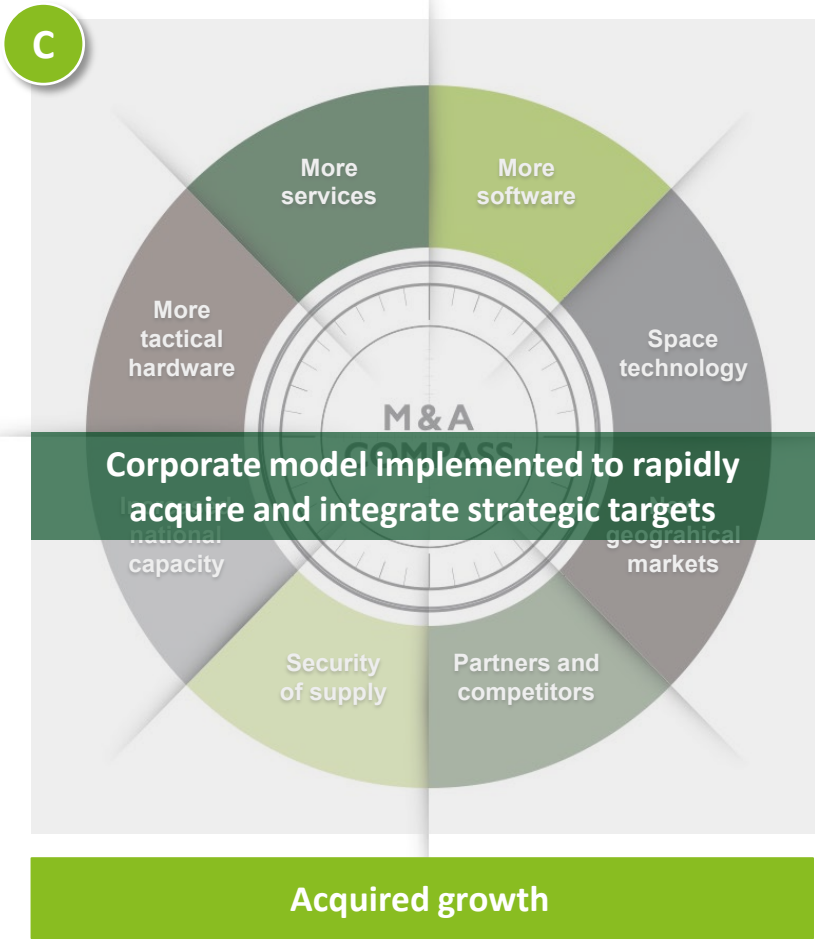


Organic growth

## Portfolio expansion



## M&A agenda



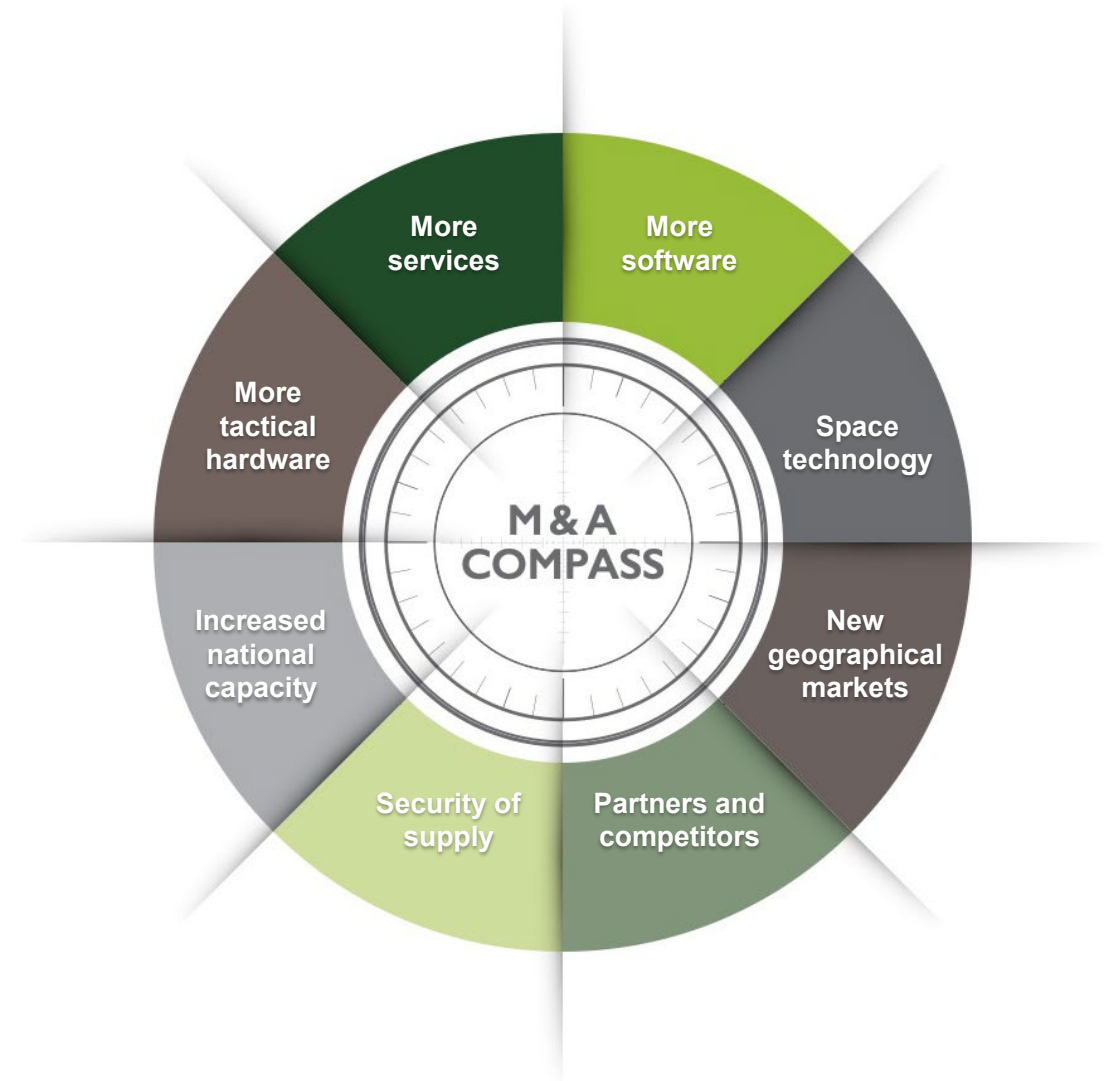


# M&A Agenda

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 Nordic defense companies (“the Arctic division”)
- 2 No longer in the headlines...but Europe is still at war, and defense spending is accelerating
- 3 A sustainable total defence is becoming top priority for many nations → protecting our societies

## Closing summary

- Revenues up 57% (*first nine months of the year*)
- Order intake up 75% (*first nine months of the year*)
- Order backlog now over 1 billion SEK at 1,218 MSEK
- Margins and profitability are protected and improved
- Acquisitions in line with communicated strategy







## QUESTIONS & ANSWERS

### Upcoming events

Year-end report 2022 - February 9, 2023

Q1 report – May 5, 2023

AGM 2023 – May 25

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