



Q2 report 2023

Investor Conference Call July 27, 2023

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President & CEO MilDef



Highlights Q2

■ Continued strong momentum in sales

- Sales increased with 144% in Q2, 104% organic growth
- Sales growth on all geographic markets we operate on
- Sales R12 exceeds SEK 1.0 billion for the first time

■ Clearly improved profitability

- Gross margin improved, 50% in Q2
- 16.5% EBITDA-margin in Q2
- Proves our scalable business model

■ A gradually more active market

- Record high order backlog, close to SEK 1.3 billion
- Order intake R12 exceeds SEK 1.2 billion
- Still, not yet any material impact due to Russia's invasion

■ High demand landscape here to stay

- Largest increase in military spending in Europe in 30 years
- Great need for digitalization in the defense sector
- EU and NATO countries defense investments to continue



Key figures Q2 2023

288.8

Net Sales, SEK m

Continued strong growth in net sales, increased sales on all geographic markets. R12 exceeds SEK 1.0 billion. Organic growth Q2 104%.

144% increase Q2
120% increase 1H 2023

285.5

Order Intake, SEK m

Record high order backlog, order intake R12 exceeds SEK 1.2 billion. Strong growth 1H 2023 despite yet no material impact post Russia's invasion.

11% increase Q2
74% increase 1H 2023

47.7 (16.5%)

EBITDA, SEK m

Clearly improved profitability, proves our scalable business model. Gross margin 50% in Q2.

Q2 2022: -9.6 SEK m
R12: 145 SEK m (13.8%)

-4.2

Operating cash flow, SEK m

Clearly improved operating cash flow despite continued high inventory. We predict working capital as a per cent of R12 sales to be back at 20-25% within 6-12 months.

Q2 2022: -49.0 SEK m
YTD: +24.5 SEK m (-5.6)

Q2 business headlines



Extended
framework
agreement
Norwegian
Defense Material
Agency



MilDef recruits
a new CFO in
Viveca Johnsson



US operations
level up under
leadership of
Jim Rimay



FMV
37 MSEK
contract for
amphibious
vessels



Initial contract
with Astronics
worth 30 MSEK



MilDef/Handheld
win two
contracts in
unmanned air
vehicle domain

Strong market fundamentals

1



Great need of modernization and digitalization in the defense sector
– Pens, compasses and paper maps are replaced by realtime digital information.

2



Increased defense budgets within EU and NATO enables high demand – largest increase in military spending in Europe in 30 years.*

3



Defense planning processes ongoing in several countries – MilDef late in the cycle.

4



Opportunities with potential Swedish NATO membership – clearly positive for the Swedish defense industry in the long run.

Innovation & digitalization drives growth

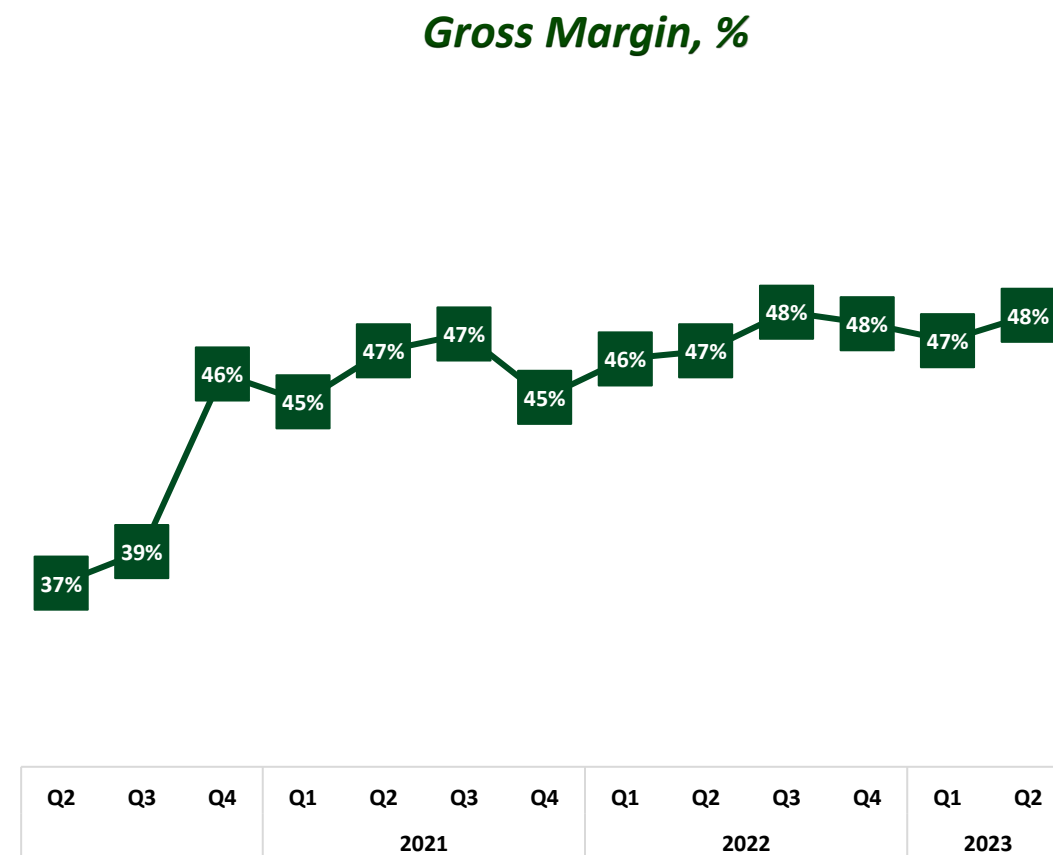
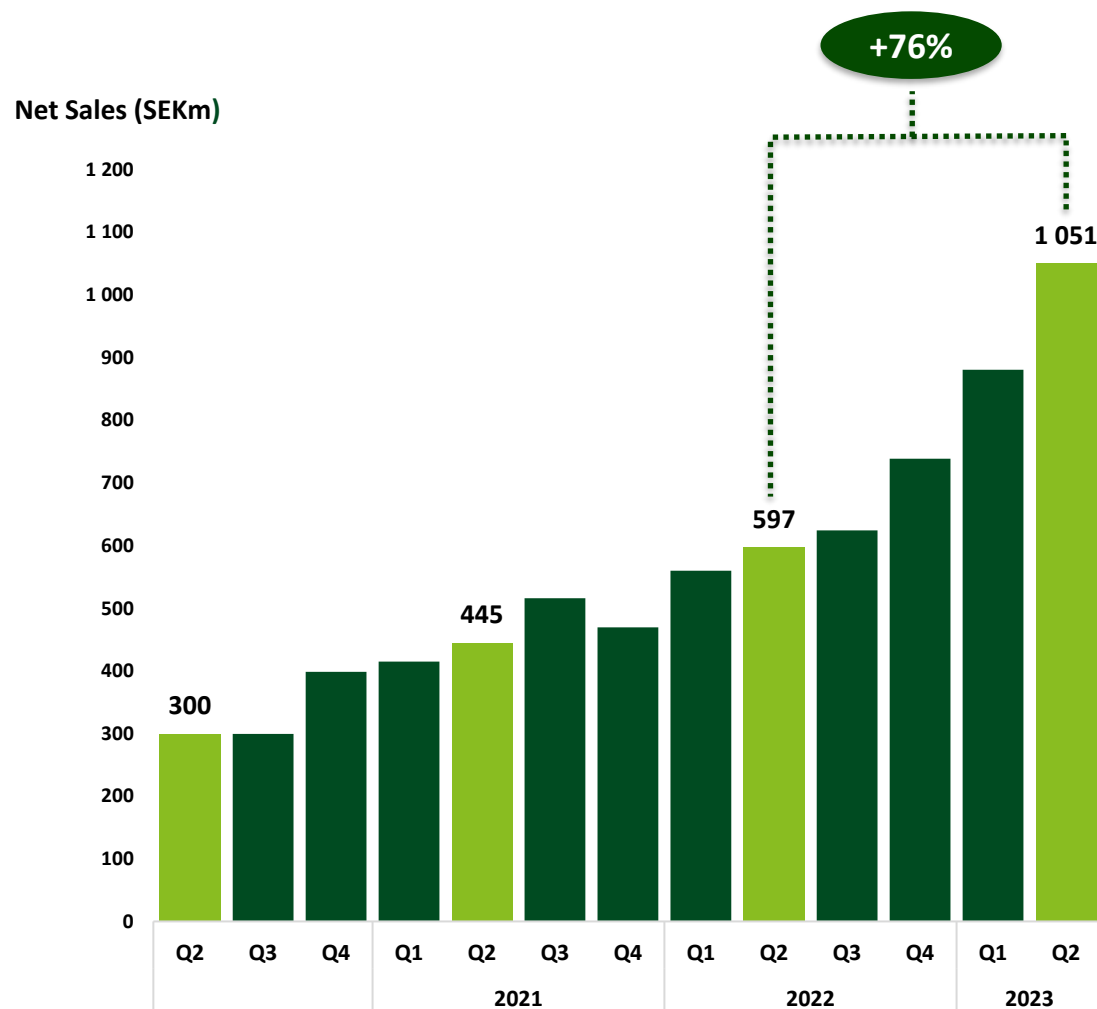
The need for smaller and smarter products with more computing power is accelerating



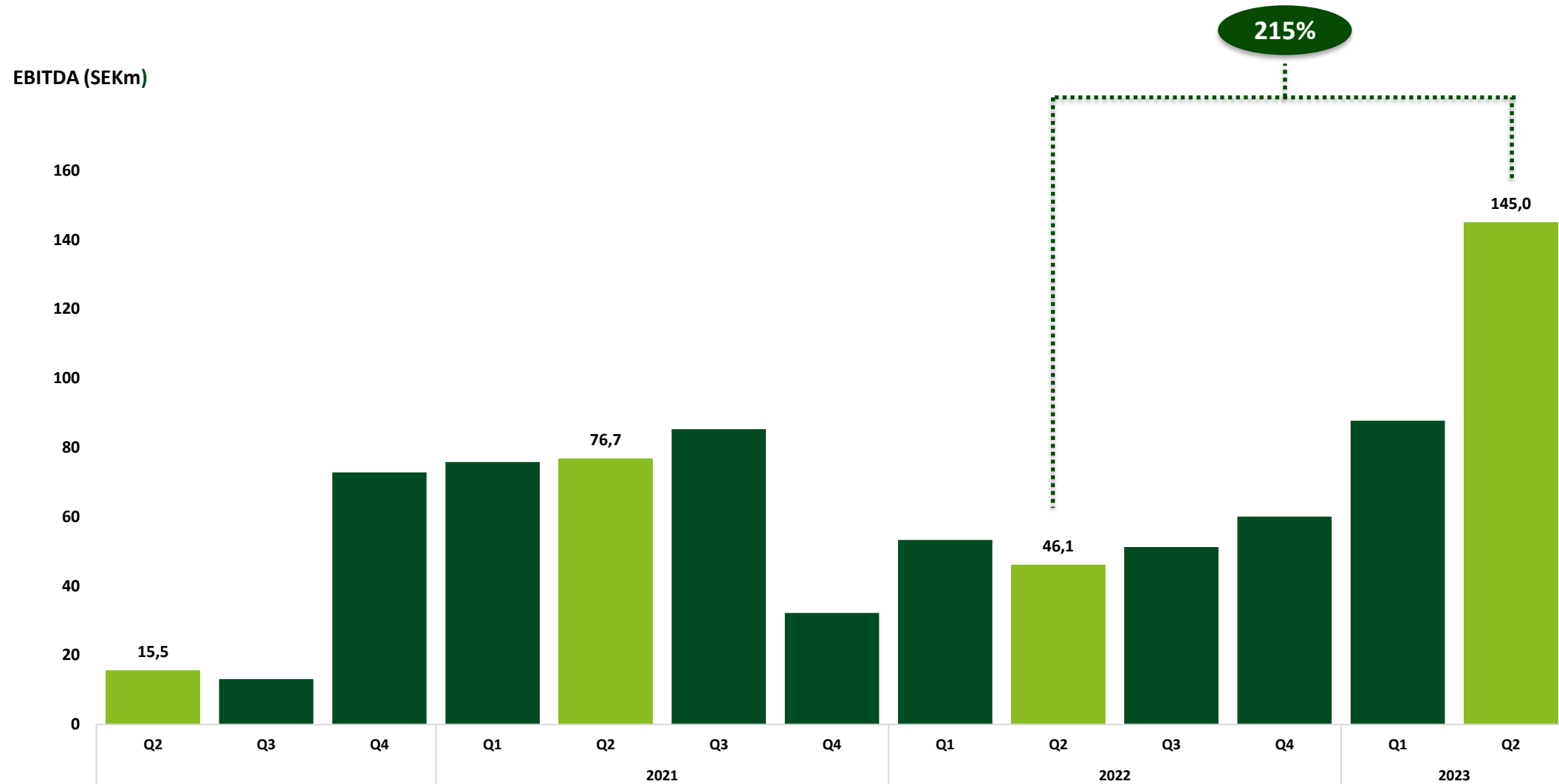
The background of the slide is a dark, close-up photograph of a row of electrical connectors. Each connector is labeled 'DC OUT' in a light-colored font. A blue pen is shown in the upper right, with its tip touching one of the connectors, creating a small blue spark. The title 'Financial summary' is centered over the image in a large, white, sans-serif font.

Financial summary

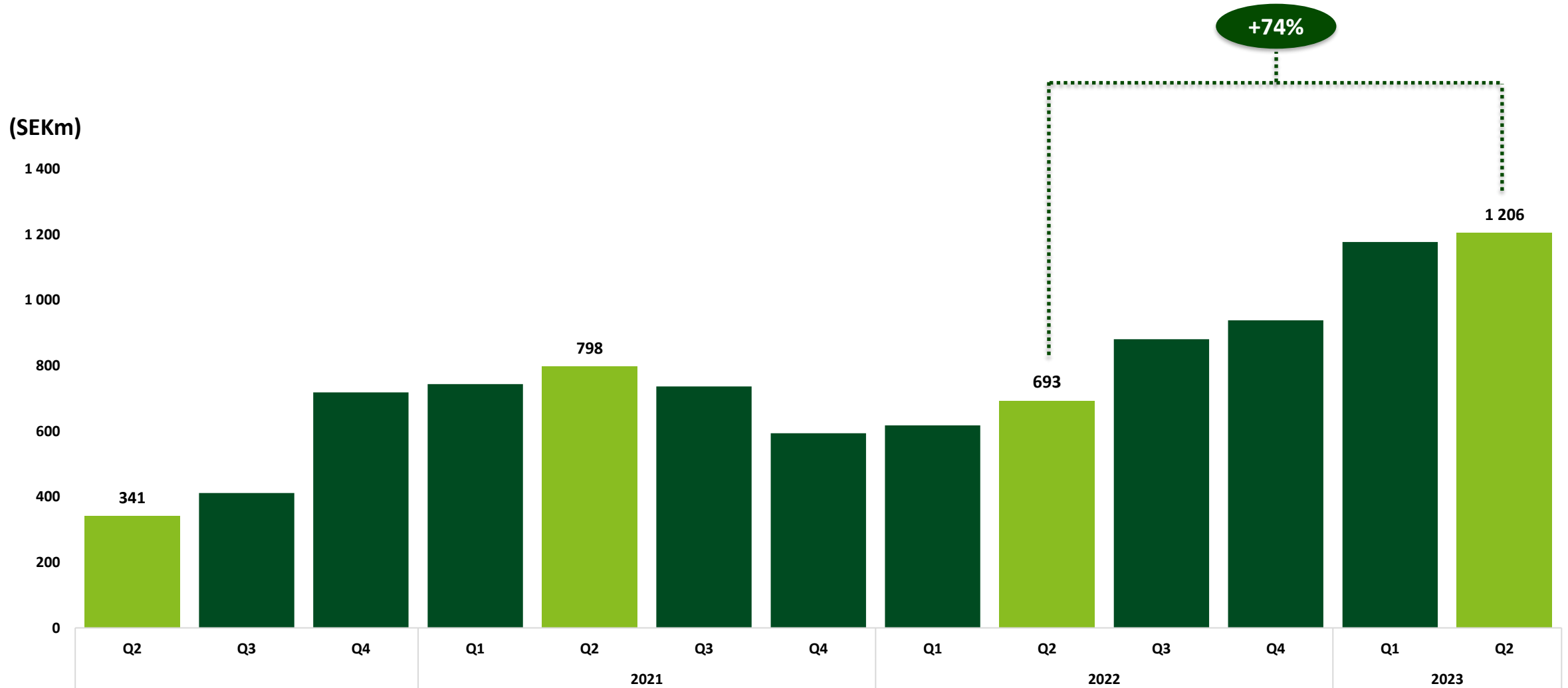
Net sales LTM at all time high (SEK 1.050 million)



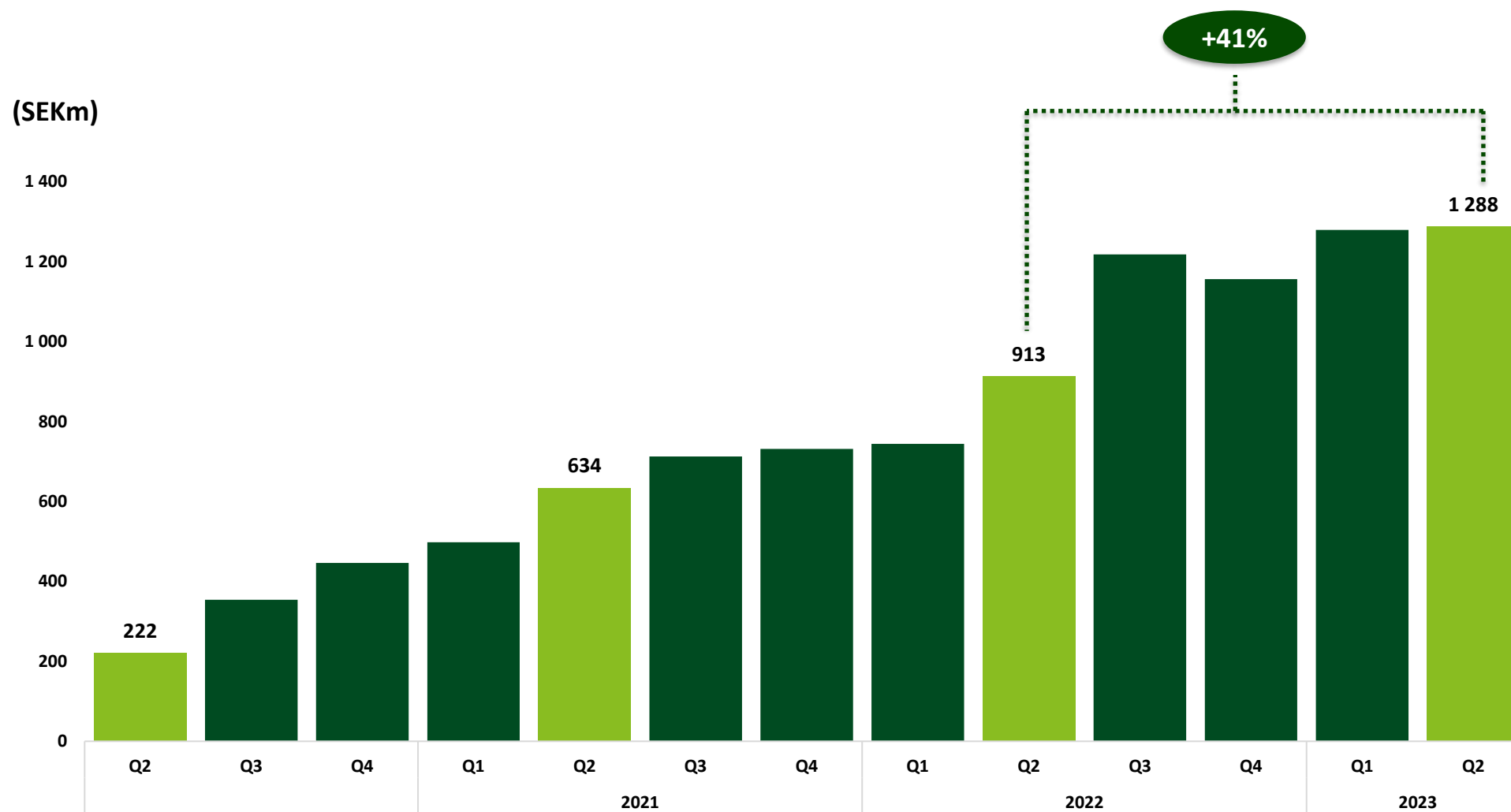
EBITDA LTM at all time high (SEK 145 million)



Order intake LTM at all time high (SEK 1 206 million)

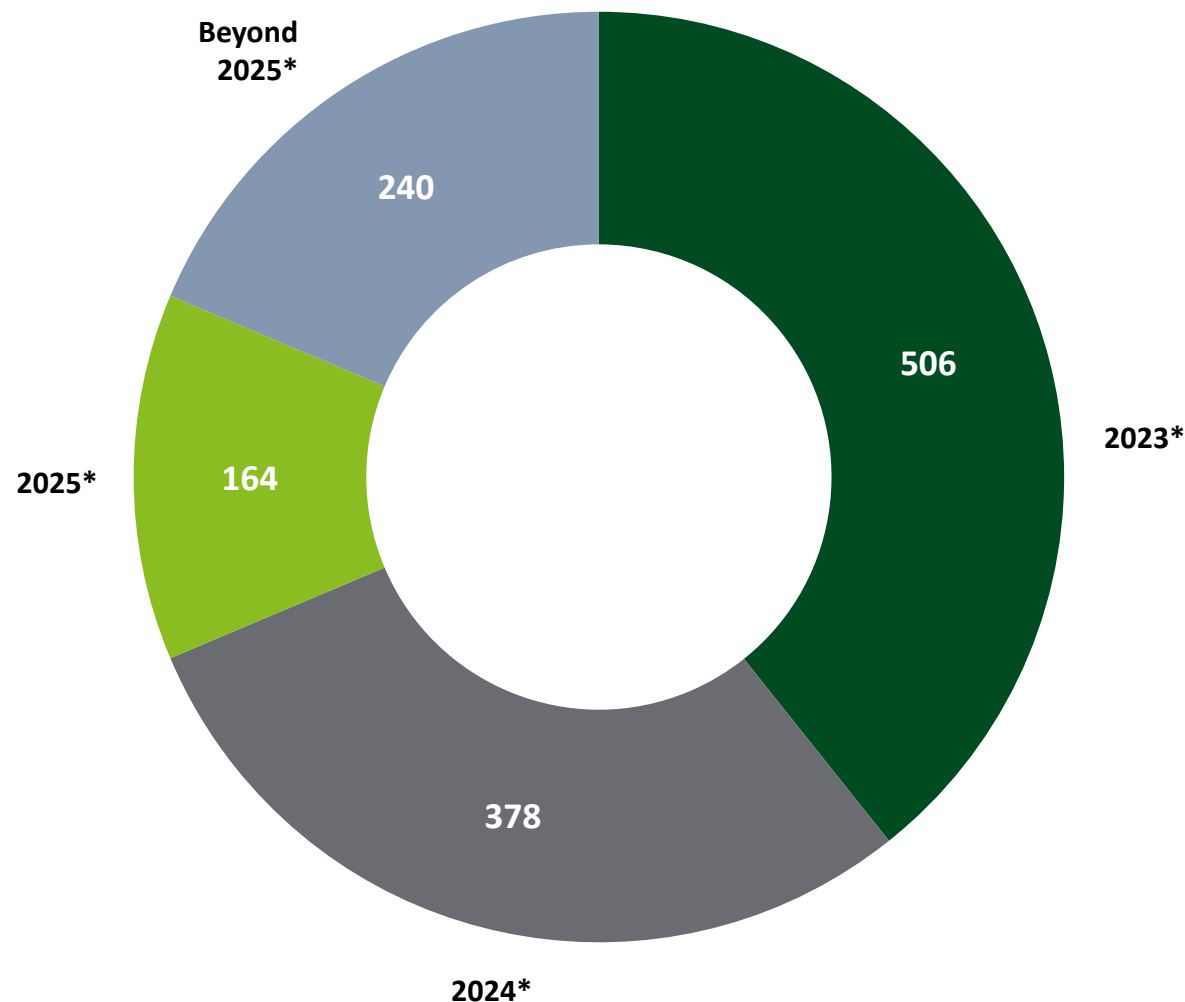


Order backlog at all time high (+41% vs Q2 2022)



Order backlog duration (SEKm)

Duration of the order backlog
per June 30, 2023, based on
planned deliveries

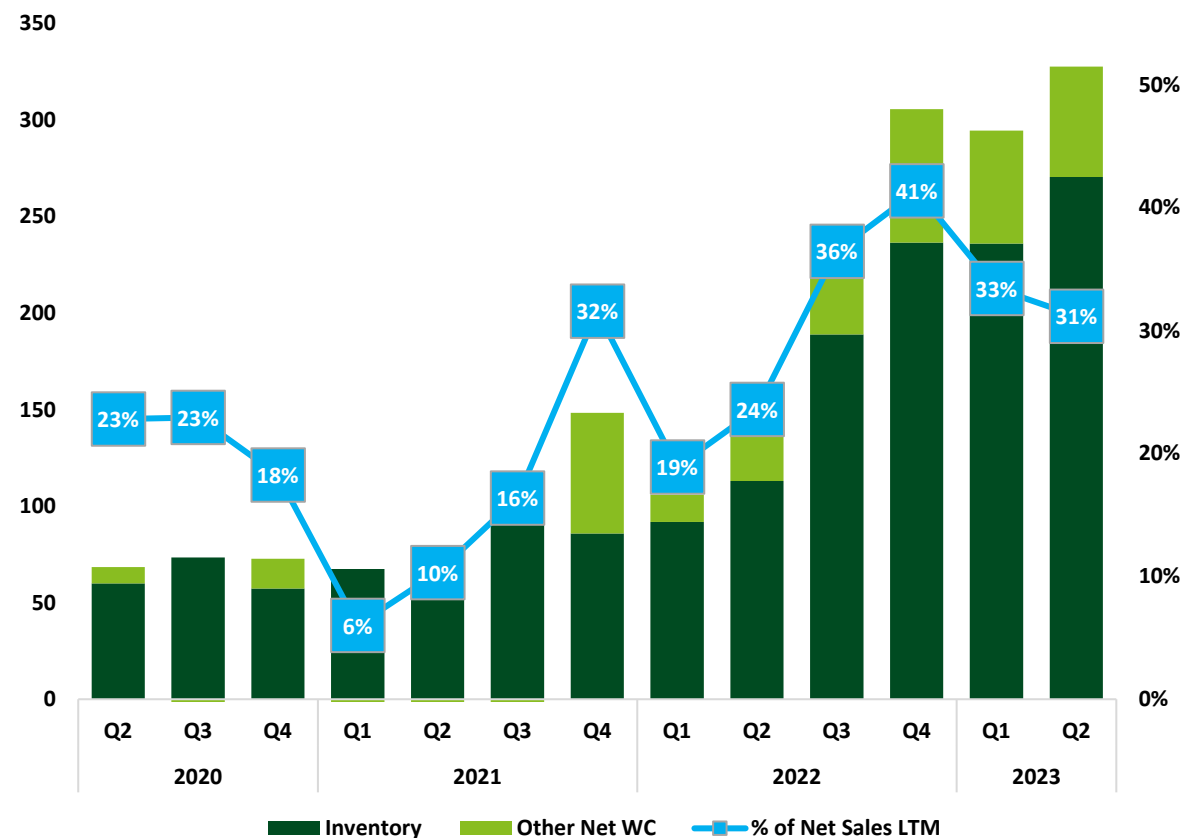


***Important information**

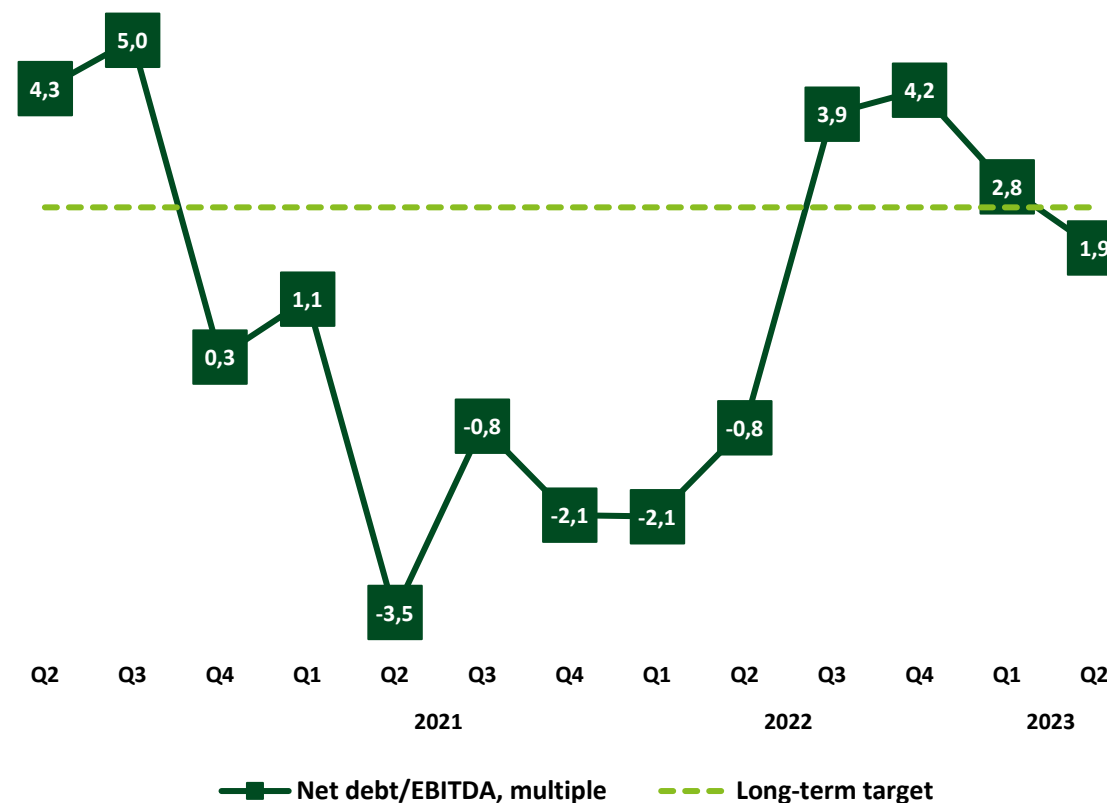
Forward-looking statements do not guarantee future results or development and the actual outcome could differ materially from the forward-looking statements.

Net working capital

(SEKm)



Net debt / EBITDA



Priorities going forward

- Continue strong focus on customer deliveries
- NATO – monitor impact and position MilDef
- Capture increased market opportunities in EU and NATO
- Improve net working capital and operating cash flow
- Materialize additional Handheld synergies
- Continue to accelerate US expansion



Positive expectations for 2023

With a record high order backlog and a more active market, we predict continued strong sales, order intake and profitability in 2023.



Q&A &

Upcoming events

Launch of new brand – September

DSEI London – September 12-15

AUSA Washington DC – October 9-11

Q3 report 2023 – October 26

Year-end report 2023 – February 8



Follow our journey on 