

# Q2 REPORT

July 25, 2024



Daniel Ljunggren  
CEO & President



Viveca Johnsson  
CFO

***ORDER INTAKE BACK AT  
HISTORIC HIGH LEVEL***

WE ARMOR IT.





# HIGHLIGHTS Q2

## Strong order intake – close to ATH

- Sales increased 4.4%, to 302 MSEK (289)
- Order intake increased 43%, to 407 MSEK (286)
- Not yet seen the full impact from increased defense budgets

## Improved margins

- Gross margin improved to 51.1% (50.1%)
- 17.8% EBITDA-margin (16.5%)
- Proof of both our scalable business model and our increased focus on operational efficiency

## A more active market

- ATH order backlog, SEK 1.45 billion - supports future growth
- Expect to see the full effects of the increased defense spending first 2025 and beyond
- MilDef is however well positioned for taking advantage of the opportunities a more active market offers



MilDef staff and equipment in battle vehicle

# QUARTER 2, 2024

## 302

NET SALES, SEK M

4.4% increase Q2

Sales established on a new, higher level.

The comparison quarter (Q2 2023) was a strong quarter in terms of net sales due to delayed deliveries in 2022.

## 407

ORDER INTAKE, SEK M

43% increase Q2

Strong order intake with several large contracts in Q2.

Even if volatility between quarters will remain, the quarter's order intake reflects growing market demand.

## 53.6

EBITDA, SEK M

EBITDA margin Q2 17,8% (16,5%)

Increased EBITDA due to higher net sales & improved operational efficiency.

Gross margin tick up and reaches 51.1%. OPEX develops according to plan.

## 20.3

OPERATING  
CASH FLOW, SEK M

Q2 2023: -4.2 SEK million

Third quarter in a row with a stabile positive operating cash flow.

# IN THE NEWS

Q2

July



Handheld win  
69 MSEK  
contract



BAE Systems  
Bofors place orders  
worth 52 MSEK



Strategic hardware  
contract in Estonia  
worth 53 MSEK



MilDef expands  
integration services  
in Stockholm



MilDef recruits  
Magnus Hagman  
as VP Nordics

174 MSEK



# A PURE TECHNOLOGY ACQUISITION

Advanced Vision Technology Ltd (UK)

- Product portfolio expands with ruggedized displays - 8.0", 13.3" and 15.6".
- The displays are highly price competitive and are designed to meet current and future platform requirements for military use.
- The acquisition strengthen our position in UK and will support us achieving our ambitious long term growth target.
- Acquired assets financed with available cash.



Example image of display in vehicle – not AVT technology



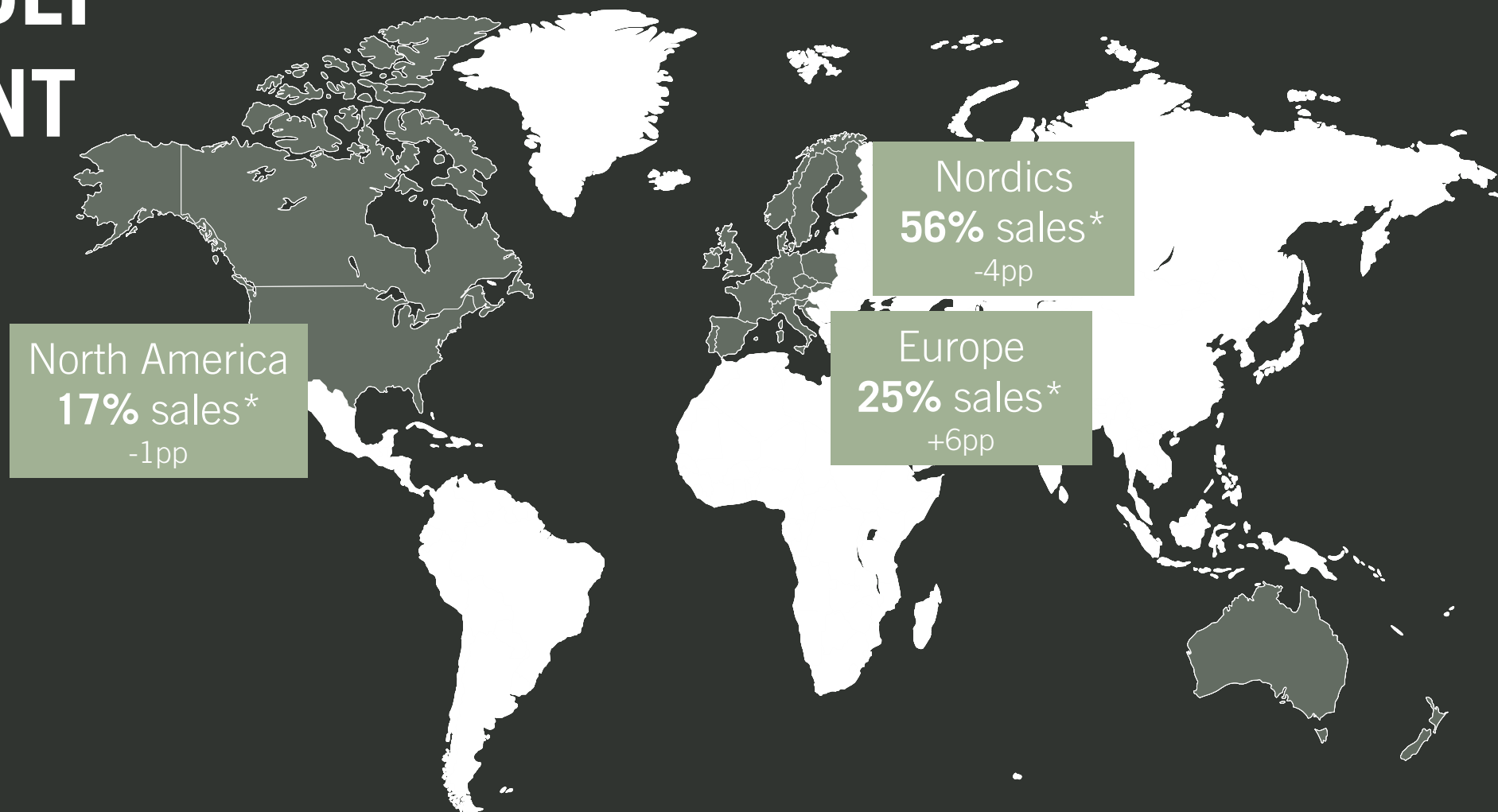


**MILDEF UNIVERSE**

# THE MILDEF FOOTPRINT

## 9 countries

Sweden  
Norway  
Finland  
Denmark  
UK  
US  
Germany  
Switzerland  
Australia



\*LTM rounded (Last 12 months). Other countries 2%

# CUSTOMER SEGMENTS

## DEFENSE

80% of sales



## GOVERNMENT CRITICAL INFRASTRUCTURE

20% of sales





# HARDWARE

70% of sales



# SOLUTIONS

25% of sales



# SOFTWARE

5% of sales



# ROUTE TO MARKET

## END USERS



Swedish Armed Forces



Norwegian Armed Forces



US DoD



Ministry  
of Defence



BUNDESWEHR

## B2G



NORWEGIAN DEFENCE  
MATERIEL AGENCY



DANISH MINISTRY OF DEFENCE  
ACQUISITION AND LOGISTICS ORGANISATION



UTENRIKSDEPARTEMENTET

## GLOBAL B2B (TIER 1,2 & INTEGRATORS)



SAAB



L3HARRIS™  
FAST. FORWARD.

BAE SYSTEMS



AIRBUS  
DEFENCE & SPACE

Patria

ASTRONICS  
CORPORATION



RBSL  
Rheinmetall BAE Systems Land  
A Joint Venture Company

GENERAL DYNAMICS



LOCKHEED MARTIN



KONGSBERG

## LOCAL B2B

Regional and local companies where MilDef doesn't have own representation



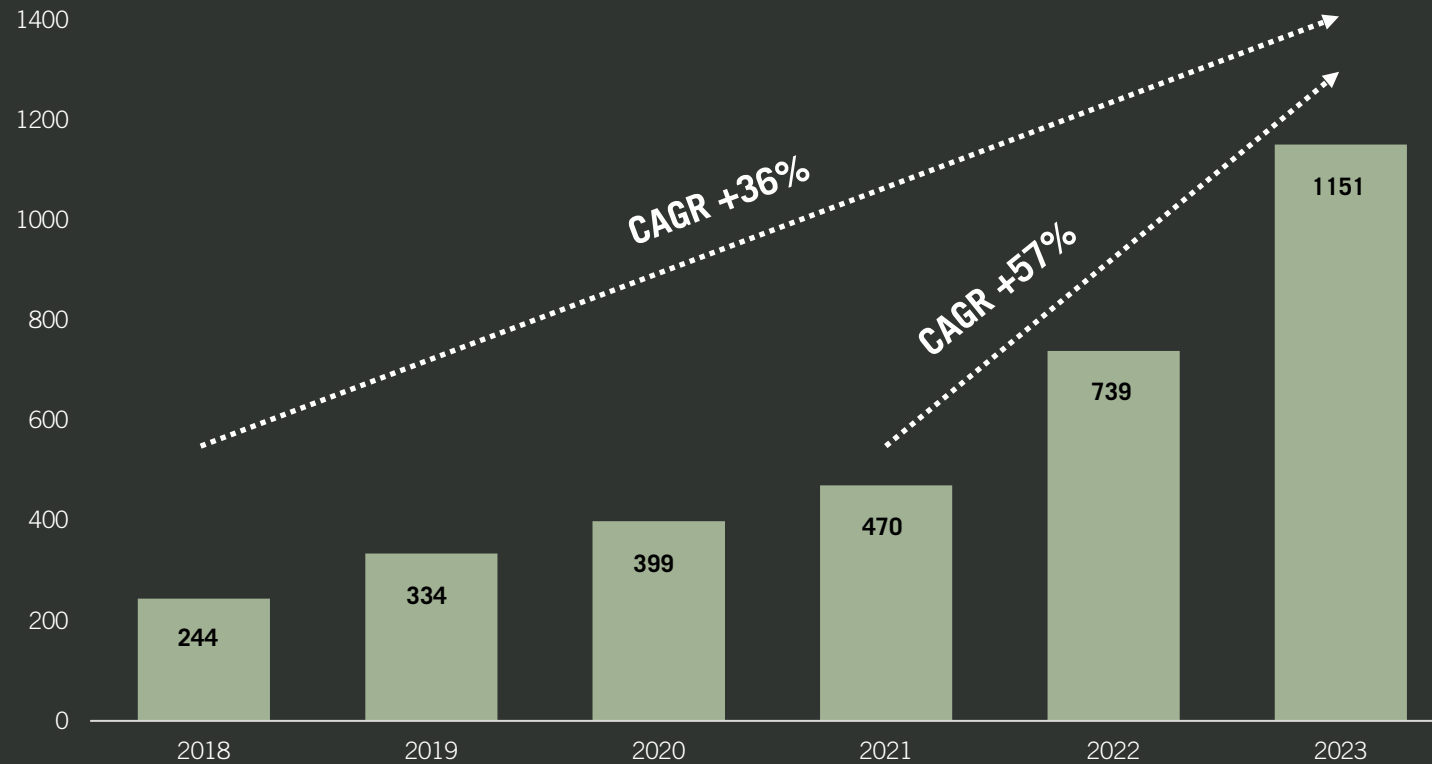


# **FINANCIAL SUMMARY**

**VIVECA JOHNSON, CFO**

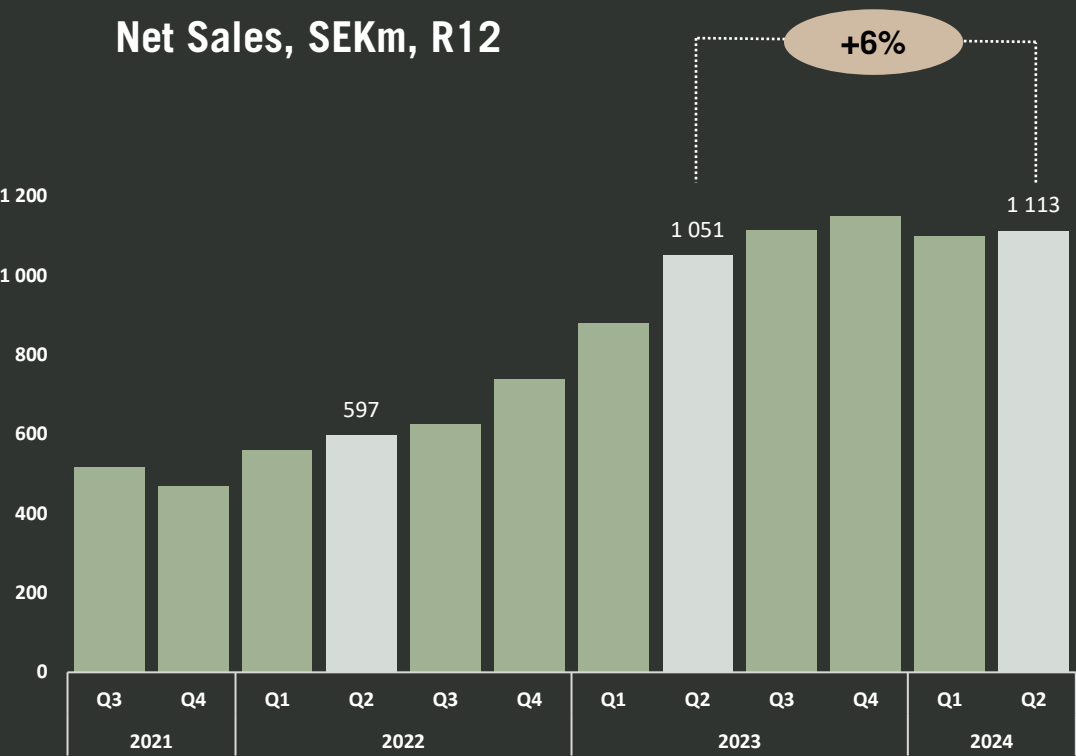
# A STRONG GROWTH JOURNEY CONTINUES

Net Sales (SEKm)

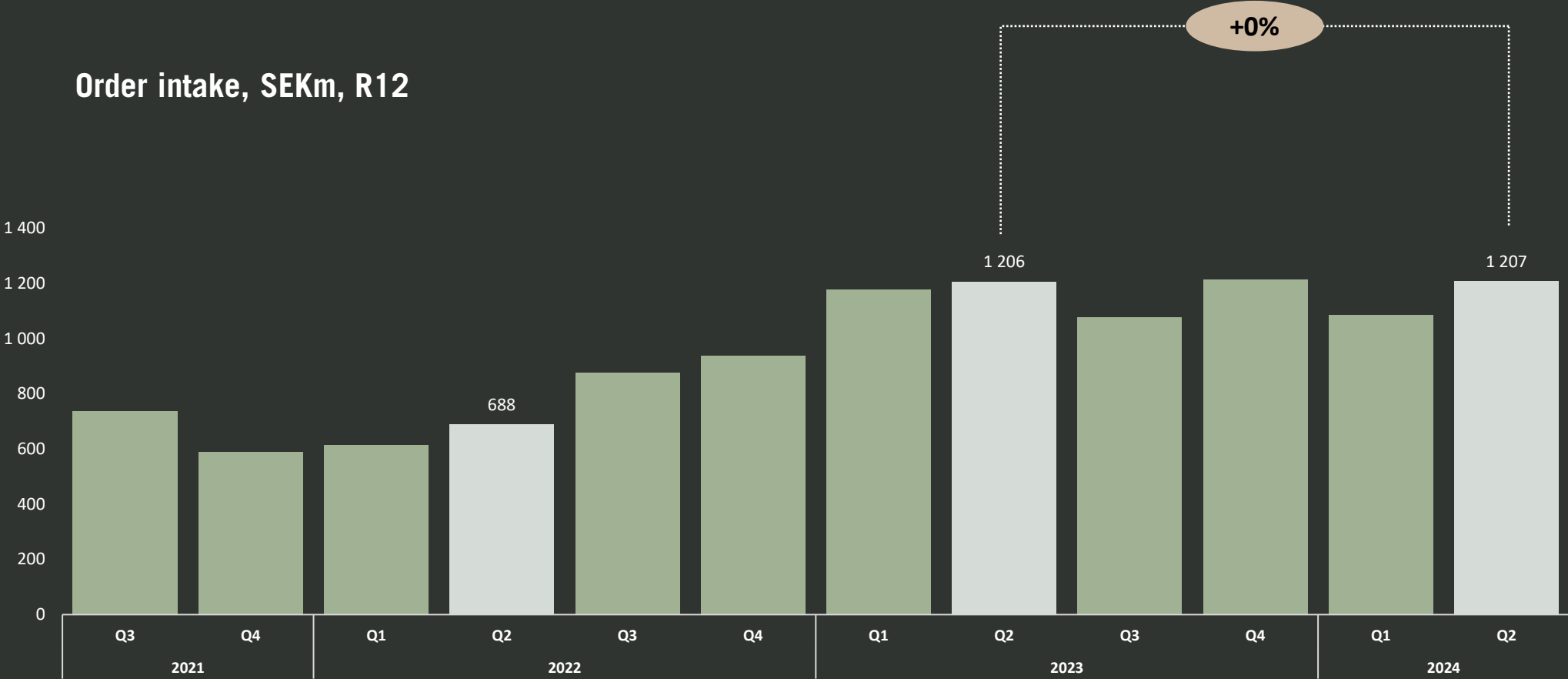




# SOLID GROSS MARGIN DEVELOPMENT



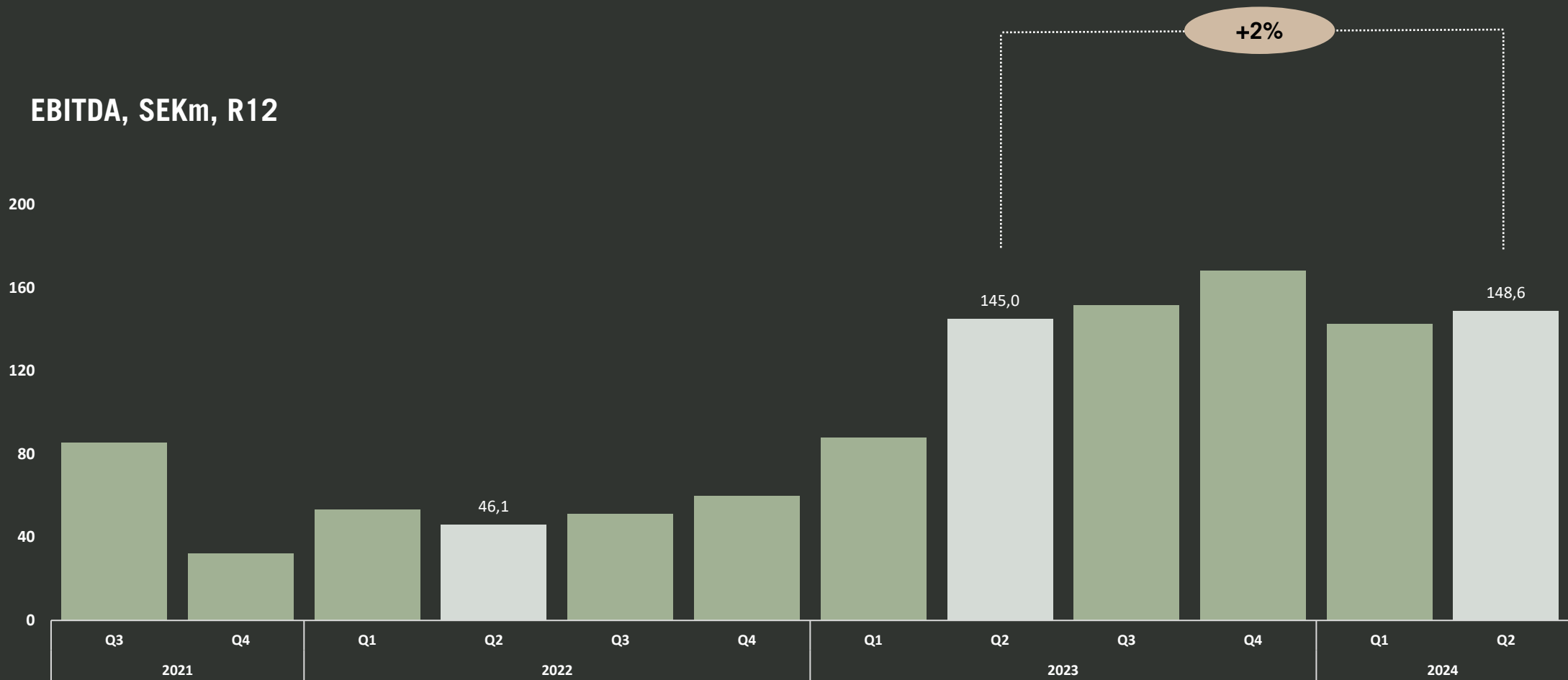
# FLAT ORDER INTAKE



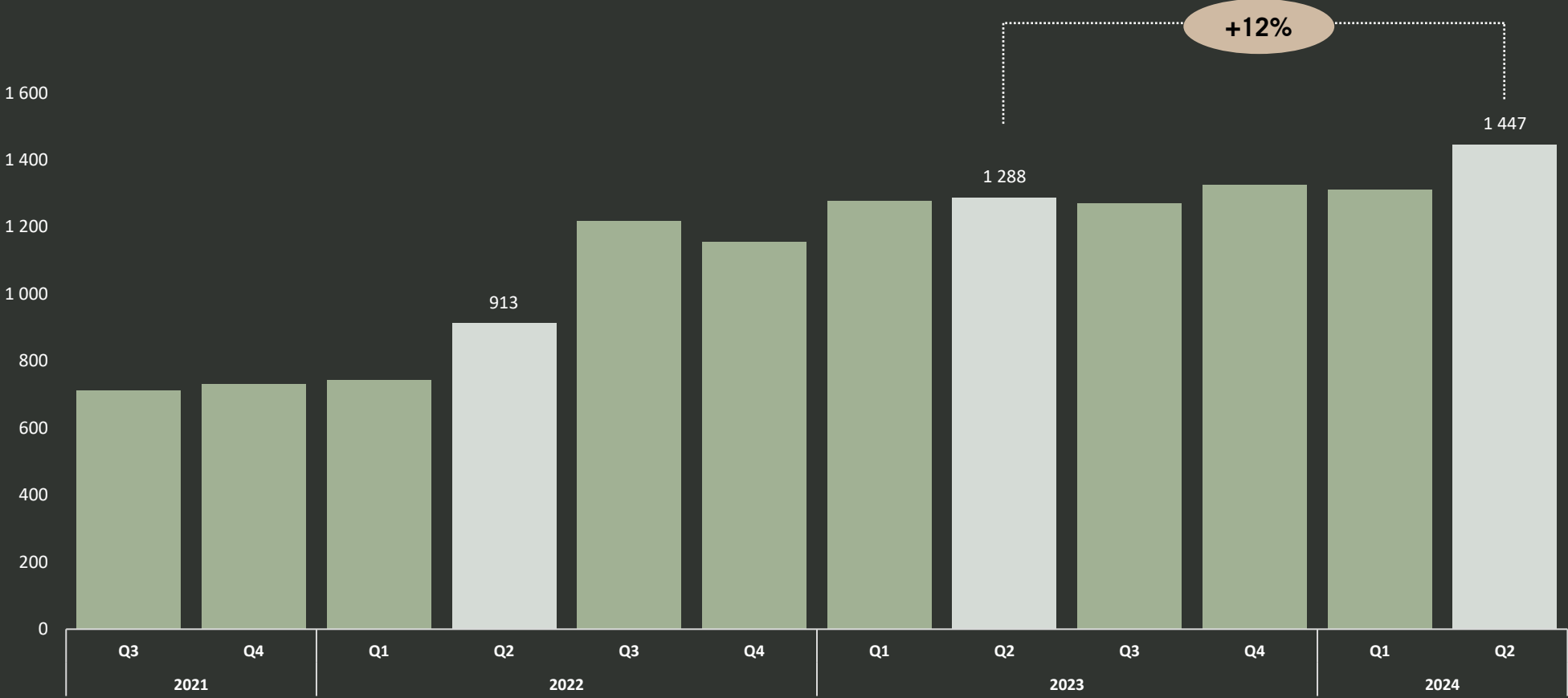


# EBITDA PICK UP FROM Q1

EBITDA, SEKm, R12



# STRONG ORDER BACKLOG

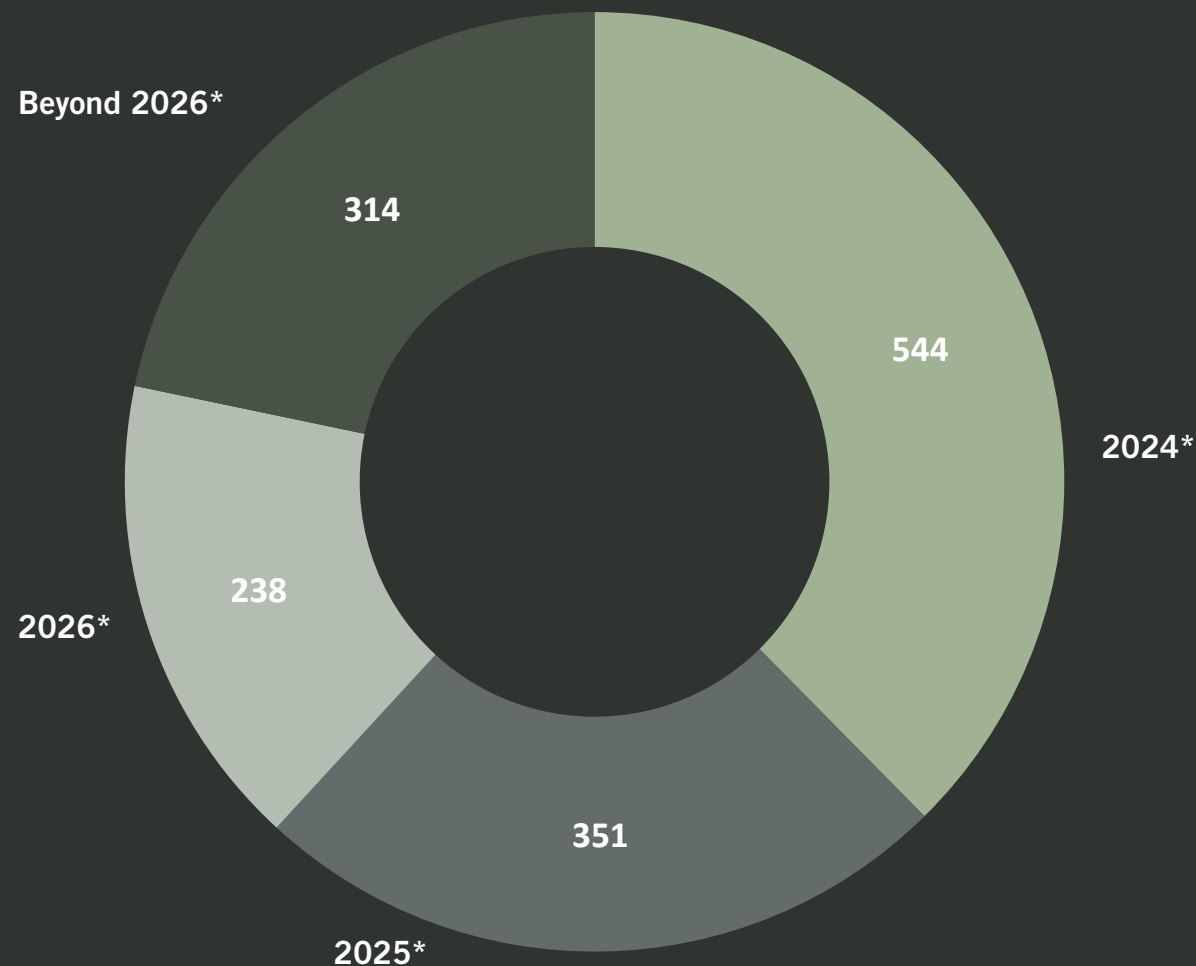


# BACKLOG DURATION

Duration of the order backlog  
(SEKm) per June 30, 2024, based  
on planned deliveries

**\*Important information**

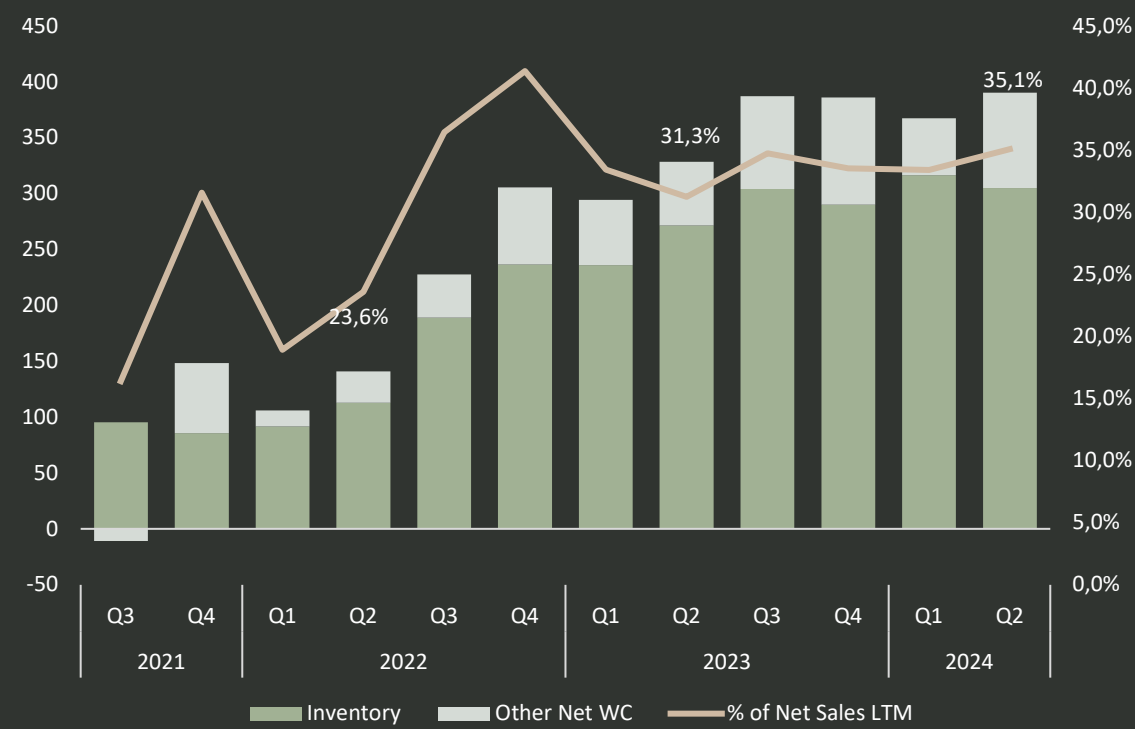
Forward-looking statements do not guarantee future results or development and the actual outcome could differ materially from the forward-looking statements



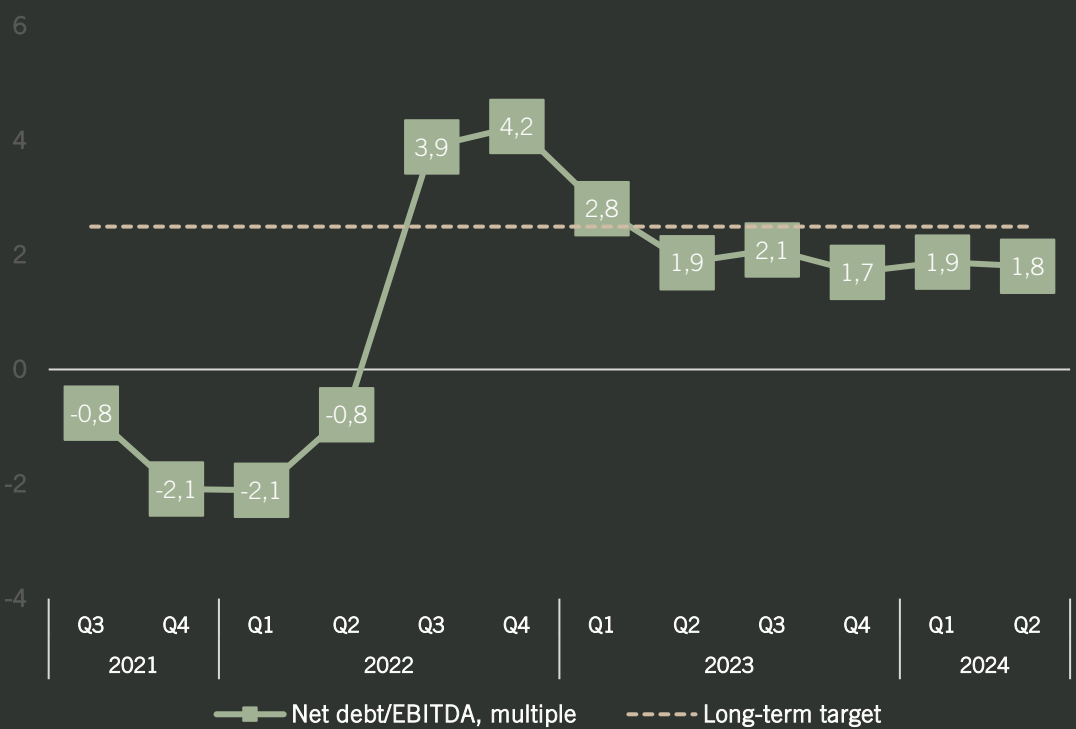


# WORKING CAPITAL NET DEBT

Net Working Capital



Net Debt / EBITDA





# **FUTURE OUTLOOK**

**DANIEL LJUNGGREN, CEO**

# 3 WAVES CUSTOMER PRIORITIES

## POST INVASION OF UKRAINE



### 1. Operational

- Fuel
- Ammunition
- Training
- Drones
- etc...



### 2. Platforms

- Troop transportation
- Battle tanks
- Aircrafts
- Ships
- etc...



### 3. IT power & support systems

- Computers
- Switches
- Servers
- Displays
- etc...



# FOCUS AREAS 2024

## 1. **Capture the growing market**

Geographic expansion and broadened customer base

## 2. **Customer deliveries**

Continued strong focus on ensuring deliveries on time and meet the increased demand

## 3. **Customer offering**

Dismounted soldier system & Tempest, NATO readiness

## 4. **Working capital & operating cash flow**

Continue to improve operating cash flow and reduce working capital



# Q&A & upcoming events

Capital Markets Day Stockholm – September 17, 2024

AUSA Washington DC – October 14-16, 2024

Q3 report – October 25, 2024

Year-End 2024 – February 6, 2025



Follow our journey on 



SEPTEMBER 17, 09.00 – 12.00, ATSIX, STOCKHOLM

# CAPITAL MARKETS DAY 2024



Daniel Ljunggren  
CEO and President



Viveca Johnsson  
CFO



Fredrik Jacobsson  
VP Europe & North  
America



Karin Svalander  
Chief Legal and  
Compliance



Fredrik Persson  
Deputy  
CEO & CTO

WE ARMOR IT.

