

WELCOME TO THE MILDEF

CAPITAL MARKETS DAY 2024



Daniel Ljunggren
CEO and President



Viveca Johnsson
CFO



Fredrik Jacobsson
VP Europe & North
America



Karin Svalander
CLCO



Fredrik Persson
Deputy
CEO & CTO



Martina Karlsson
CPO

WE ARMOR IT.

Download CMD presentation on MilDef IR web





HEADLINES

THE MILDEF EVOLUTION...

HOW WE CAPTURE GROWTH...

DRIVING PRODUCTS & INNOVATION...

TO WHOM WE SELL & HOW...

DIVE INTO NUMBERS THAT MATTERS...

THE PATH TO FUTURE GROWTH...

A SMASHING Q&A.

AGENDA

09.00 **Welcome to MilDef CMD**

09.10 **This is MilDef – History, present and future**

09.30 **This is How we ARMOR IT.**

09.50 **This is Where & How we sell**

10.10 **How we conduct Sustainable Business**

10.25 **COFFEE BREAK – 20 min**

10.45 **SOFF – The ecosystem of defence**

11.00 **The numbers that matters**

11.20 **Strategy for future growth & talent pooling**

11.40 **Q&A**

12.00 **Close of show / lunch**

Head of IR – Olof Engvall

President & CEO – Daniel Ljunggren

Deputy CEO & CTO – Fredrik Persson

VP Europe & North America – Fredrik Jacobsson

CLCO – Karin Svalander

Secretary General SOFF – Robert Limmergård

CFO – Viveca Johnsson

CEO – Daniel Ljunggren & CPO Martina Karlsson

All presenters & auditorium

TOUR OF THE FORTRESS

OLOF ENGVALL

HEAD OF IR & CORP COM





THIS IS THE MILDEF STORY

DANIEL LJUNGGREN

CEO & PRESIDENT

WE ARMOR IT.™

We ARMOR your IT when and where the stakes are the highest._

WE ARE PROUD TO BE RELEVANT



- 1 Well reputed supplier on a strong growth market
- 2 Technology & solutions positioned for defense ramp up
- 3 Experienced experts on digitalization of defense & security
- 4 High-level engineering skills and strong industry knowledge
- 5 Proven strategies for accelerated growth & value creation

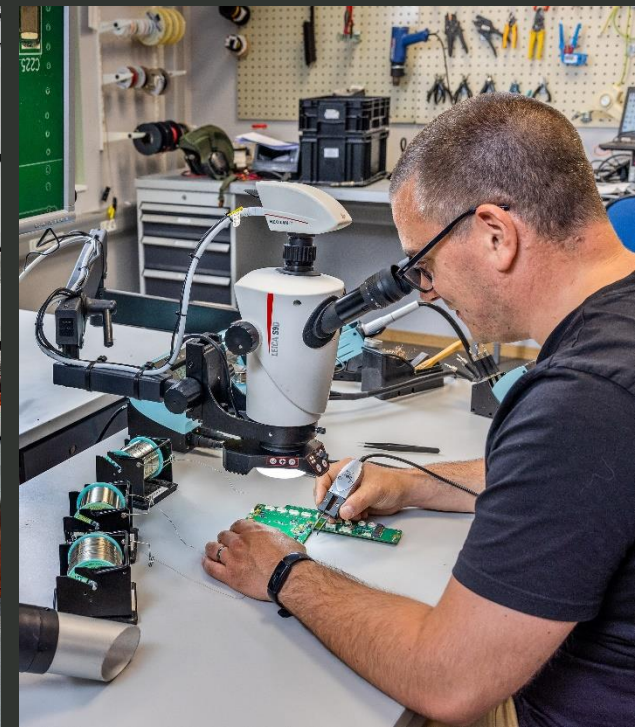
THE MILDEF UNIVERSE

Provider of tactical IT solutions

- Founded 1997
- IPO June 4, 2021
- +300 employees in 9 countries
- Core markets: Nordics and selected EU and NATO countries
- Customers: Defense, government and critical infrastructure
- Product portfolio: Hardware, software and services



The Fortress. HQ and production facility in Helsingborg.



HISTORY MATTERS. 1997-2024



From retailer to a production company

Internationalization and growth

Strategic expansion via acquisition and accelerated growth as a listed company



WHAT, TO WHOM & HOW WE SELL

HARDWARE

70% of sales



SERVICES

25% of sales



SOFTWARE

5% of sales



CUSTOMER SEGMENTS

DEFENSE

80% of sales



GOVERNMENT CRITICAL INFRASTRUCTURE

20% of sales



WHERE WE SELL

9 countries

Sweden
Norway
Finland
Denmark
UK
US
Germany
Switzerland
Australia



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

NOTABLE NEWS EVENTS IN Q3

CORPORATE NEWS



X4 integration
services Stockholm



Magnus Hagman
new VP Nordics

NEW TARGET PROFITABILITY

At least
15%
EBITA-margin

BUSINESS NEWS



European military
vehicle programme,
135 SEKm



BAE Systems Bofors
additional order, 18
SEKm



Norwegian CV90
computer order,
72 SEKm



DALO order,
27,5 SEKm

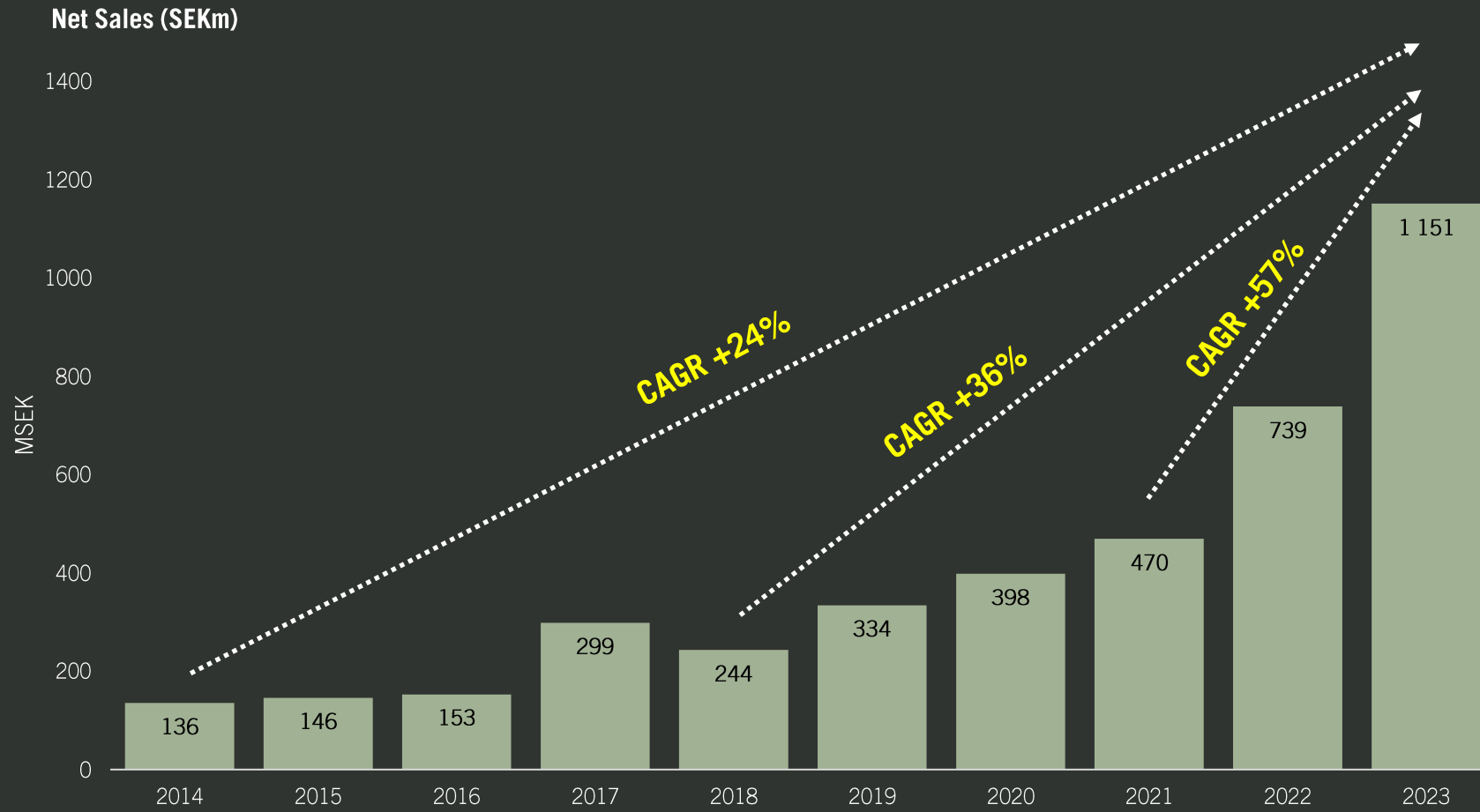
Press released
252 SEKm
Order intake Q3
so far



RECAP FINANCIALS

MORE FROM CFO LATER IN PROGRAM

THE MILDEF GROWTH JOURNEY



JUMP TO Q2, 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 M

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

"THE BEGINNING OF THE BEGINNING"

MILDEF IS LATE-CYCLICAL IN DEFENSE PROCUREMENT



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...



AGENDA

09.30 This is How we ARMOR IT.

Deputy CEO & CTO – Fredrik Persson

09.50 This is Where & How we sell

VP Europe & North America – Fredrik Jacobsson

10.10 How we conduct Sustainable Business

CLCO– Karin Svalander

10.25 COFFEE BREAK – 20 min

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All presenters & auditorium

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HOW WE ARMOR IT.

FREDRIK PERSSON

DEPUTY CEO & CTO

MULTI DOMAIN OFFERING

PRODUCTS AND SERVICES THAT ENABLES DIGITALIZATION WHERE THE REQUIREMENTS ARE THE TOUGHEST

LAND



AIR



NAVAL



TACTICAL IT

Forms the backbone of a system of systems that includes the IT infrastructure and the operator environment, enabling secure communication and function as one integrated unit.

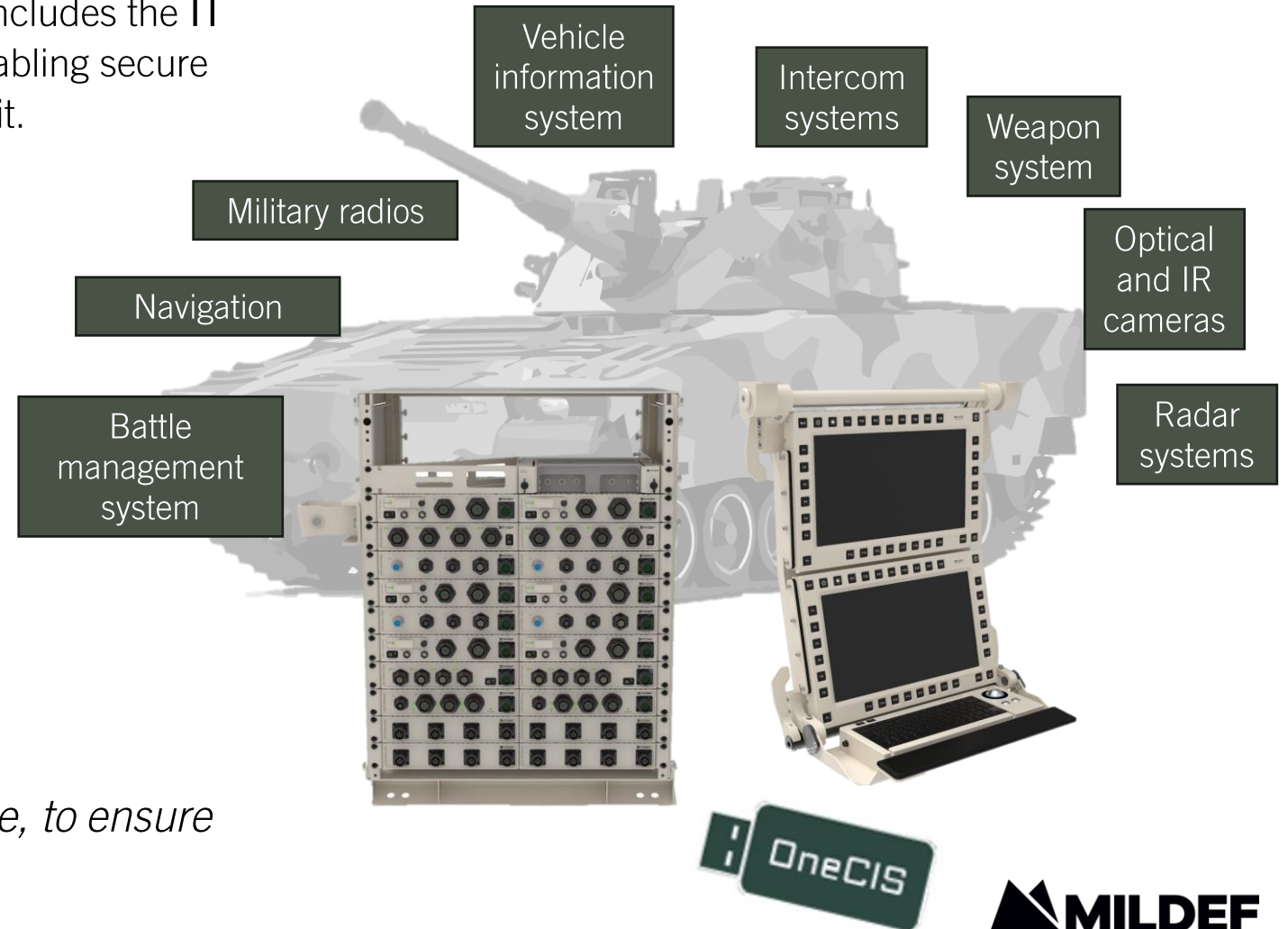
IT Infrastructure

- **Secure Communication**
- **Data processing**
- **Seamless integration**
- **Interoperability**

Operator environment

- **Monitor and control system**
- **Command and control operation**

"Deliver the right information, at the right time, to ensure the right decision, every time."



HARDWARE



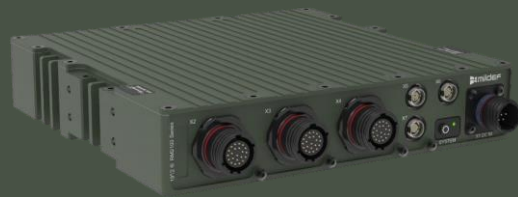
SERVICES



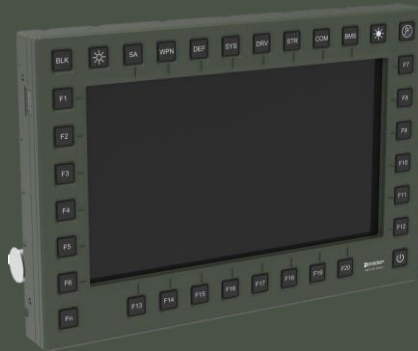
SOFTWARE



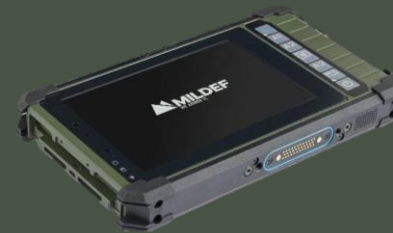
HARDWARE



Small form
factor



Displays



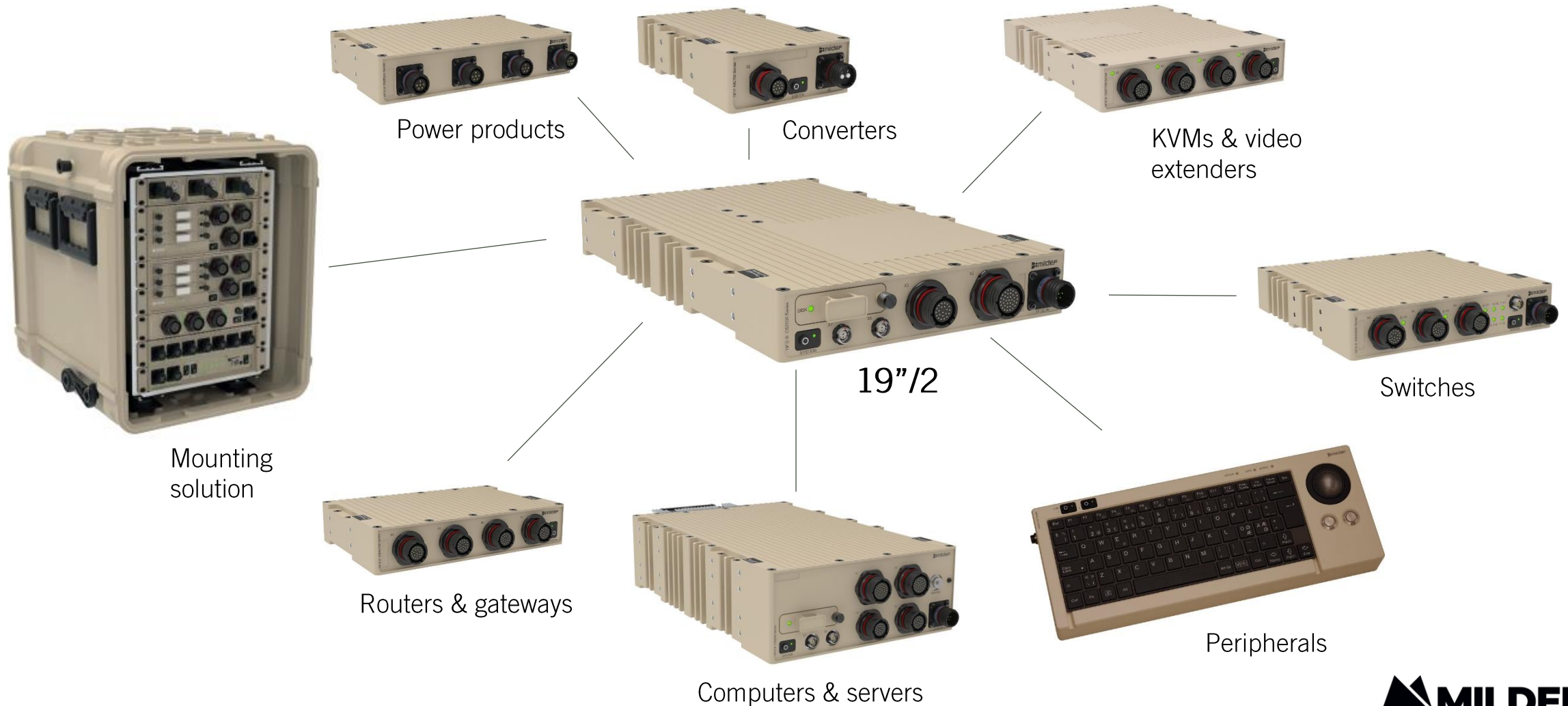
Mobile
computers



Customer
projects



MILDEF - SMALL FORM FACTOR



DISPLAYS



- A complete range of **rugged displays** and **Panel PCs** for tactical scenarios.
- Perfectly **complementing** our small form factor products with equal specification, long-life cycles and relevant for all domains.
- In-house capabilities to design from the ground up and be an industry leader within the display segment.
- Designed and produced in Sweden and UK.

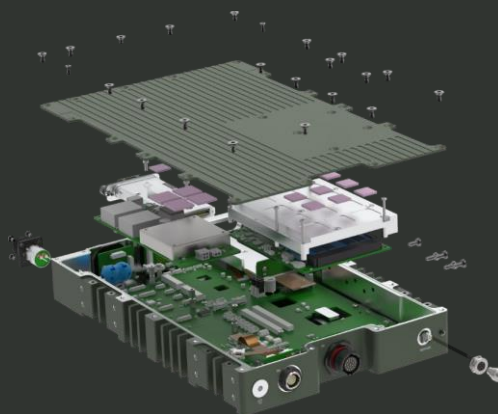
FORM FACTOR



Standardization

- Same form factor over generations
- All 19"/2 units are mounting compatible with each other

CUSTOMIZABLE



- Modular design
- In-house capabilities
 - Concept
 - Design
 - Test & verification
 - Manufacturing
 - Service & support

DESIGNED FOR DEFENSE



- Fanless design
- Long life cycles
- MIL standards
 - EMC
 - Environment
 - Power

MOBILE COMPUTERS

WIDE RANGE OF RUGGED PDA'S, TABLETS AND LAPTOPS

- Consistent form factor over generations
- Rugged design
- Long product life cycles
- Relevant for all domains
- Combat proven – 25+ years of use in field



ONECIS – TACTICAL DEPLOYMENT



- Fully automated deployment
 - Faster and more reliable
 - Improved security
- Flexible and open architecture
- Enables the customer to build systems up to NATO secret level
- NATO Federated Mission Networking (FMN) compliant*

SERVICES

In close cooperation with our customers and partners, we integrate durable, reliable and bespoke hardware into highly flexible and customizable systems and solutions. Solutions that are rigorously tested — not only in our laboratory and environmental test facilities, but also in real life.

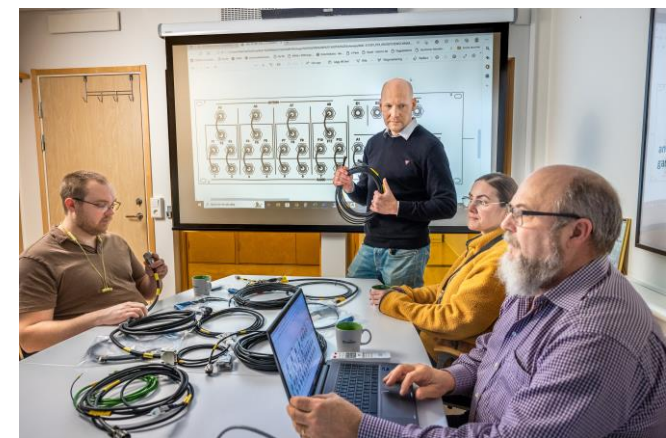
Program & Project Management



Systems Engineering



Integration Services

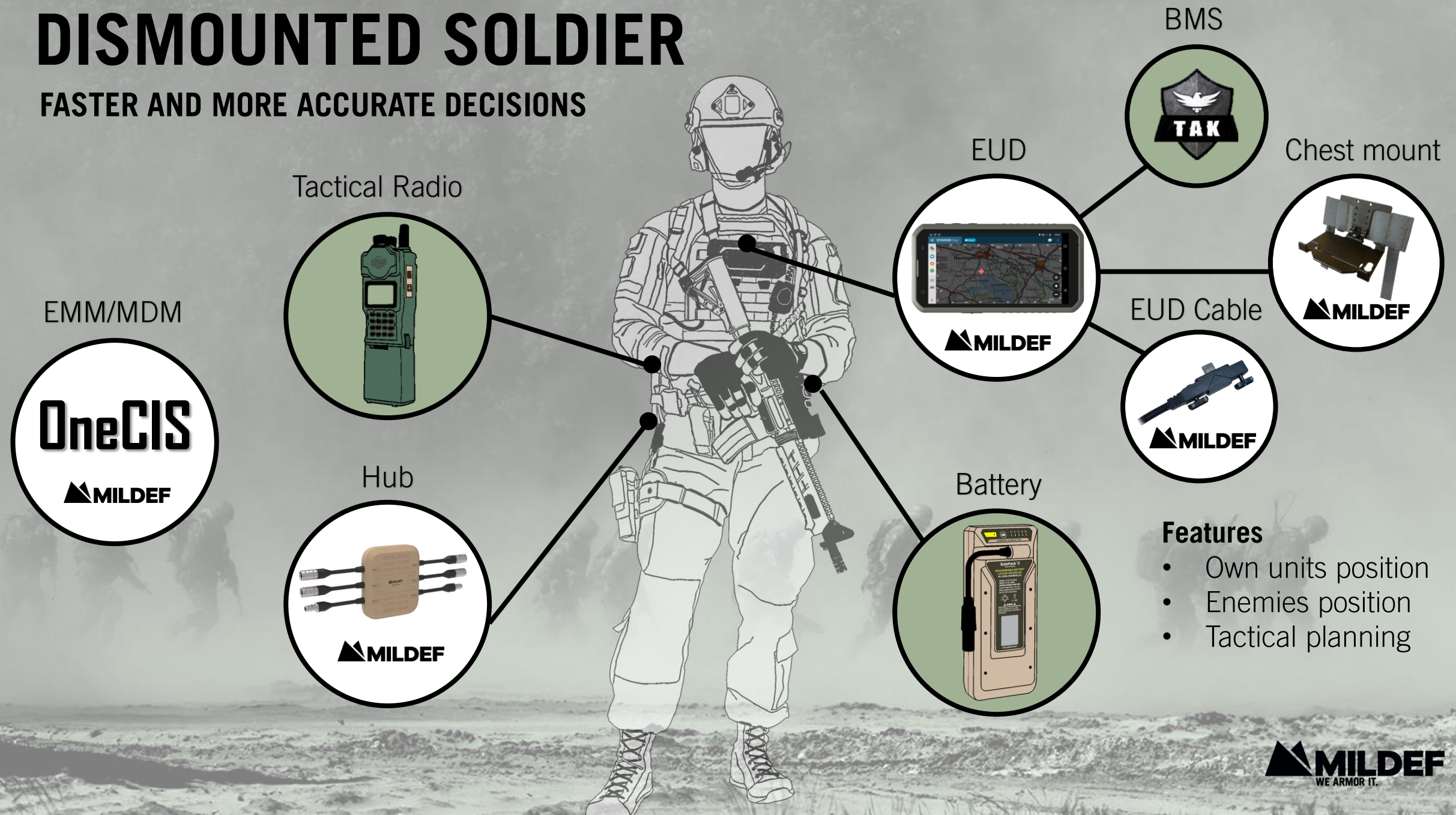




DISMOUNTED SOLDIER AT A GLANCE

DISMOUNTED SOLDIER

FASTER AND MORE ACCURATE DECISIONS

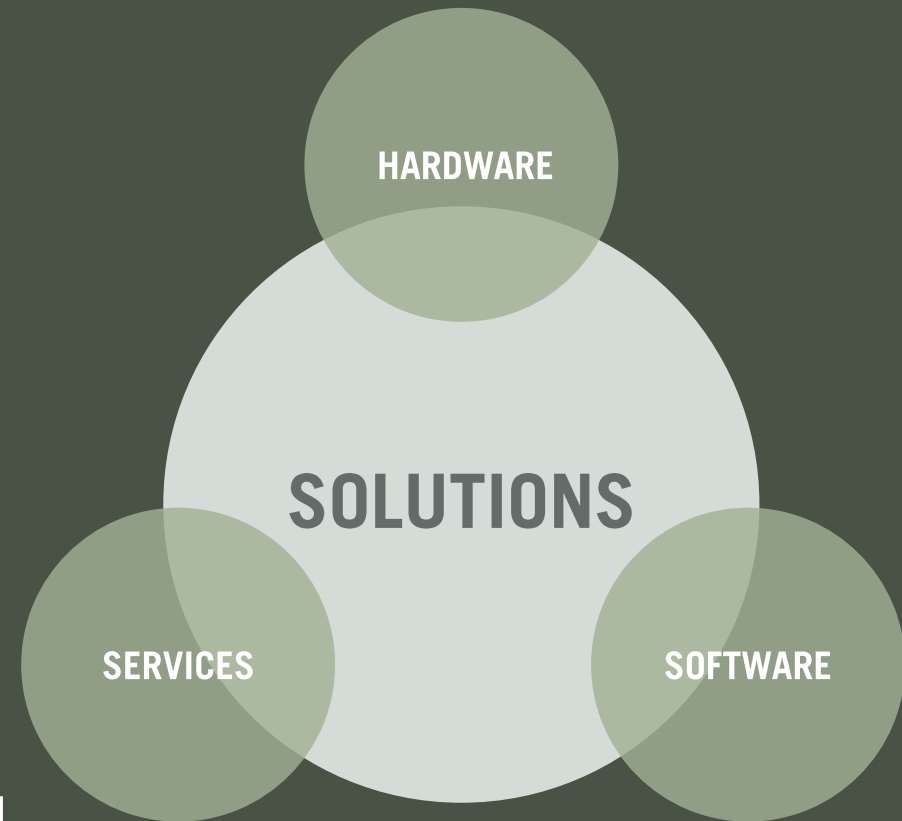


Features

- Own units position
- Enemies position
- Tactical planning

PRODUCTS & SERVICES = SOLUTIONS

**Customized solutions for all kinds
of platforms, objects and facilities**



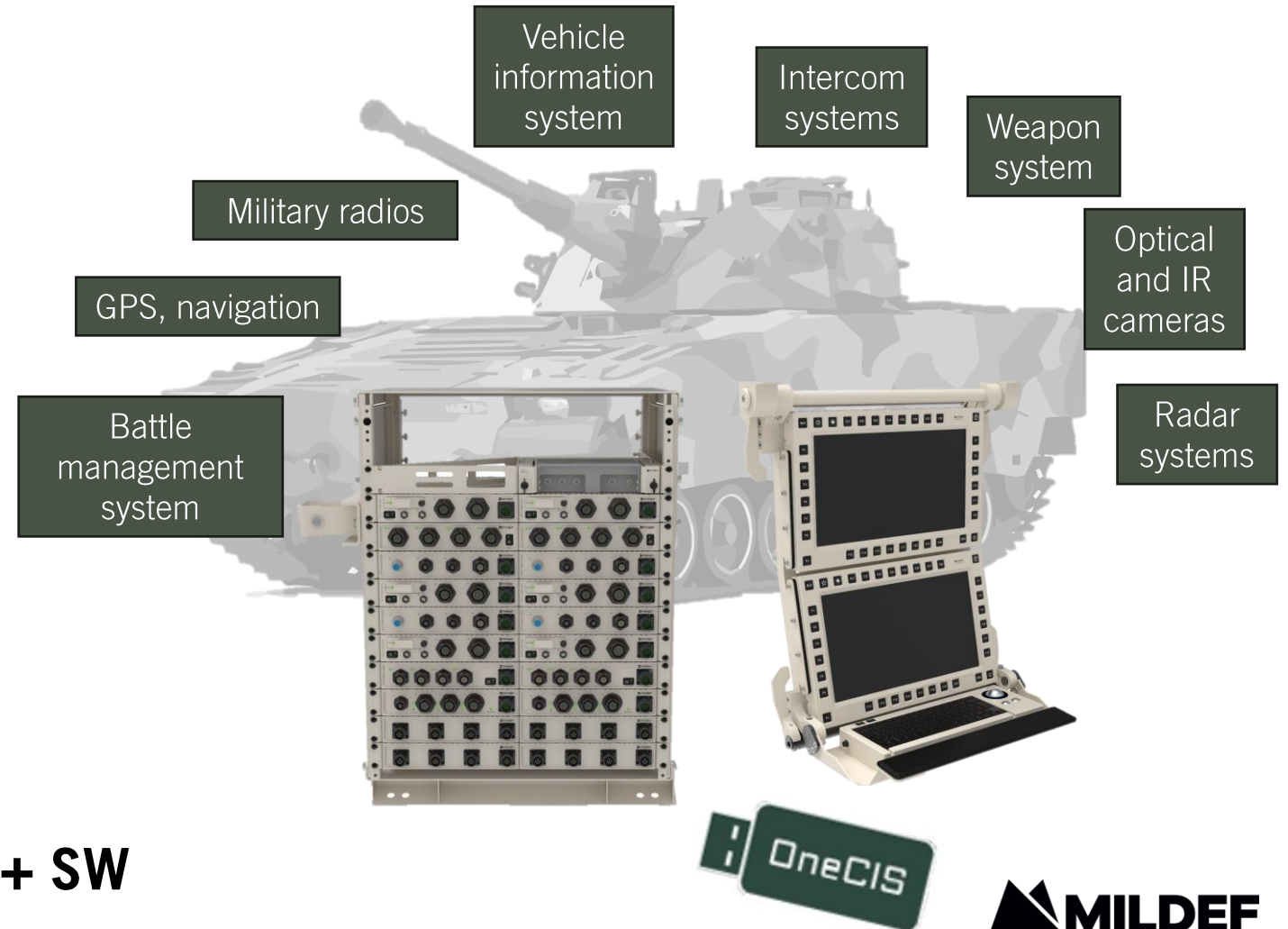
We constitute a reliable partner in development, delivery and integration of complex system solution over the full life-cycle.

MILDEF – A SYSTEM HOUSE

MilDef deliver turn-key solutions that significantly enhance the capabilities for defense forces across all domains.

- Defense industry enhancing Armed Forces capabilities
- Strategic collaboration
- Reduced complexity
- Agile and customer centric approach
- Tailored solutions – standardized products

= enabler to sell more MilDef HW + SW



MULTI DOMAIN OFFERING

PRODUCTS AND SERVICES THAT ENABLES DIGITALIZATION WHERE THE REQUIREMENTS ARE THE TOUGHEST

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CLCO – Karin Svalander

Secretary General SOFF – Robert Limmergård

CFO – Viveca Johnsson

CEO – Daniel Ljunggren & CPO Martina Karlsson

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HOW WE SELL IT

FREDRIK JACOBSSON

VP EUROPE & NORTH AMERICA

HOW MILDEF SALES ARE ORGANIZED

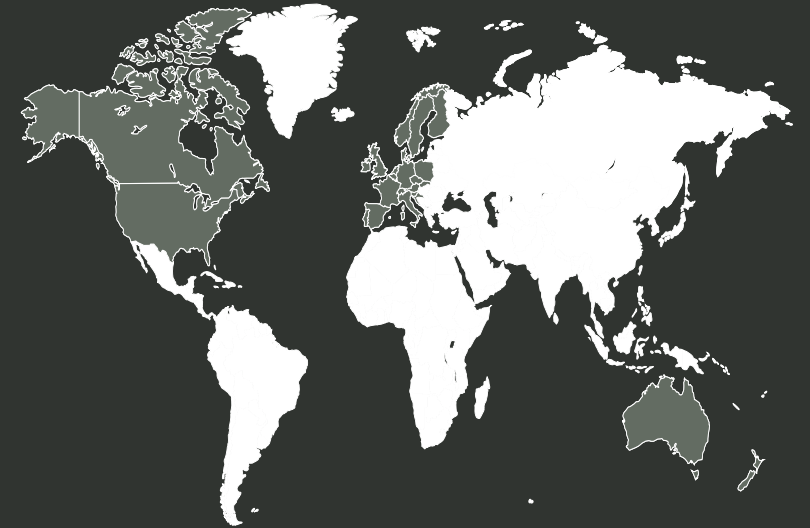
DIVIDED IN TWO BUSINESS AREAS

Business Area Europe & North America

- US, UK, International sales, Handheld
- Production (UK)
- Mainly B2B sales

Business Area Nordics

- Sweden, Norway, Denmark, Finland
- Integration (SWE), Software (NOR)
- Both B2B and B2G sales



HOW WE SELL

- Build long relations and strong network
- Proven supplier for 25+ years
- Track record in existing platforms
- B2G customers ask for MilDef
- Tenders (B2B and public B2G)
- Website, Exhibitions, Seminars, Working groups, Marketing



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



KONGSBERG

LOCAL B2B

roda



akermann
electronic

Telegrupp AS
Communication and security solutions



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

REFERENCE – RBSL MIV PROGRAM



3 x GVA crew station PC



1 x GVA server



MIV = MECHANIZED INFANTRY VEHICLE



2 x GVA 16 port switch (RED)



2 x GVA 16 port switch (BLACK)

528 BOXER VEHICLES – 8 UNITS IN EACH

- Value to MilDef Group: £24m
- Production vehicles: RBSL and WFEL in UK
- Pre-production: KMV and RMV in Germany

REQUIREMENT - UK PRODUCTION

- UK metalwork
- UK PCB manufacture

REFERENCE – SAAB SURVEILLANCE

GLOBAL EYE

- A multi-role airborne early warning & control platform.
- Started in 2006 to develop a rugged display for the SAAB Erieye system.
- Today main supplier for the GlobalEye system for computers, switches and NAS.

BROAD SCOPE DELIVERY

- Delivering rugged IT infrastructure ranging from computers, switches, storage, displays, time servers to surveillance platforms.



REFERENCE – CLAVISTER CYBER SECURITY

CYBER SECURITY BY CLAVISTER & MILDEF

- MilDef agreement 800 units. 97 MSEK.
- BAE Systems have integrated the Clavister Defence Platform Security solution into the CV90 vehicles.
- The CV90 is equipped with active cyber protection against known and unknown cyber threats, mitigating attacks from a variety of attack vectors.





WELCOME TO MILDEF!

MAGNUS HAGMAN

VICE PRESIDENT NORDICS

AGENDA

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CFO – Viveca Johnsson

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All presenters & auditorium

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THIS IS HOW WE DO SUSTAINABLE BUSINESS

KARIN SVALANDER

CLCO - CHIEF LEGAL & COMPLIANCE OFFICER

SUSTAINABLE BUSINESS

*“MilDef considers it to be of great importance **who we do business with** and how and by whom our products are used.*

*As part of our corporate social responsibility and our own ethical stance, MilDef **aims to go above and beyond** the norms set by legal regulations and positively contribute to a sustainable world by caring about how and with whom we do business”.*

A man and a woman are sitting at a desk in an office, looking at a computer monitor. The man is in the foreground, wearing a dark shirt, and the woman is behind him, wearing a light-colored shirt. They are both looking at the screen with interest. The office has large windows in the background, letting in natural light. The overall tone is professional and collaborative.

FIRESIDE CHAT WITH KARIN SVALANDER

SUSTAINABLE BUSINESS

20 MIN COFFEE BREAK

10.45 SOFF – THE ECOSYSTEM OF DEFENCE

SECRETARY GENERAL SOFF – ROBERT LIMMERGÅRD

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THE ECOSYSTEM OF DEFENSE

ROBERT LIMMERGÅRD

SECRETARY GENERAL SOFF

QUESTIONS?

AGENDA

11.00 The numbers that matters

CFO – Viveca Johnsson

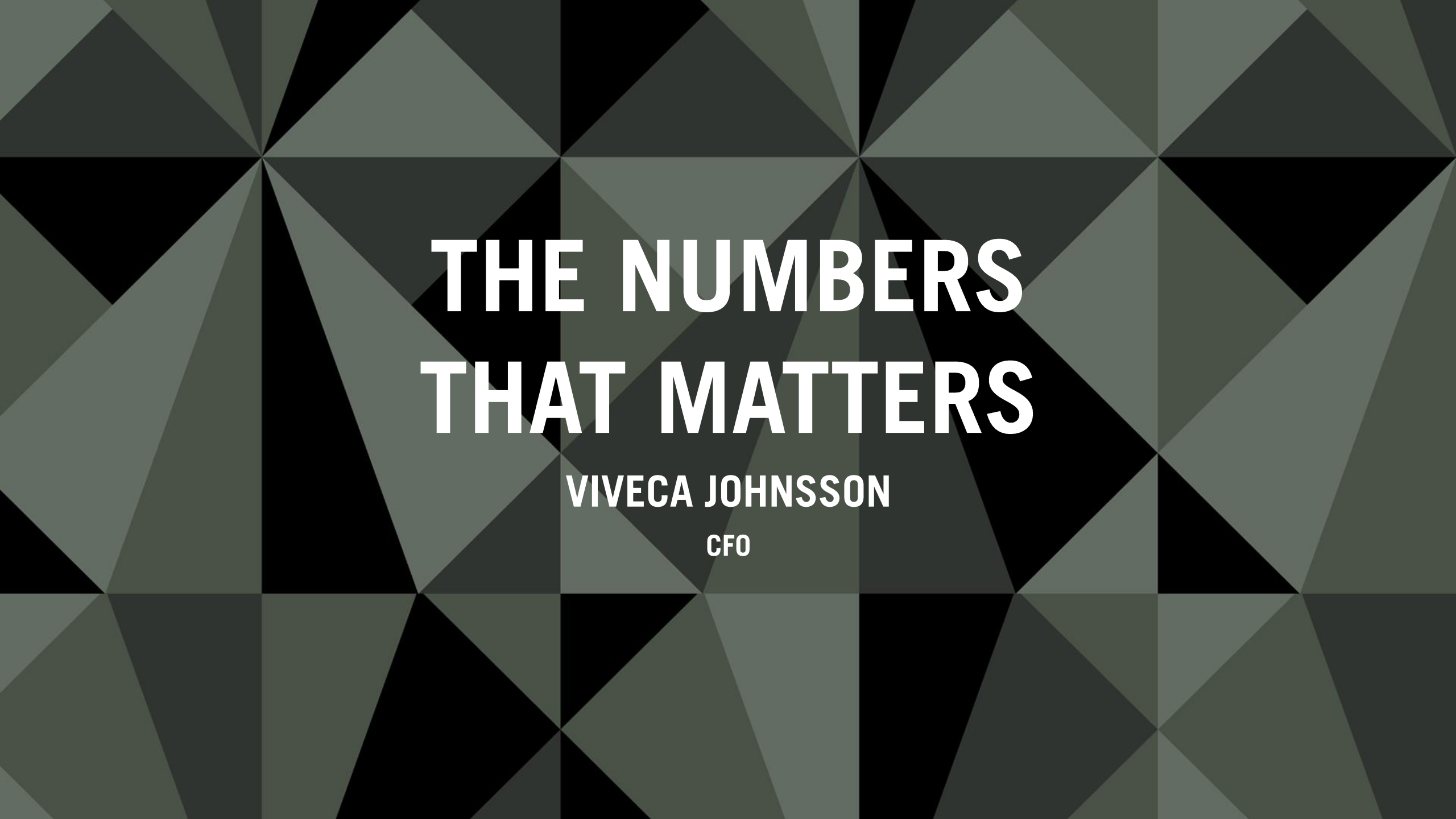
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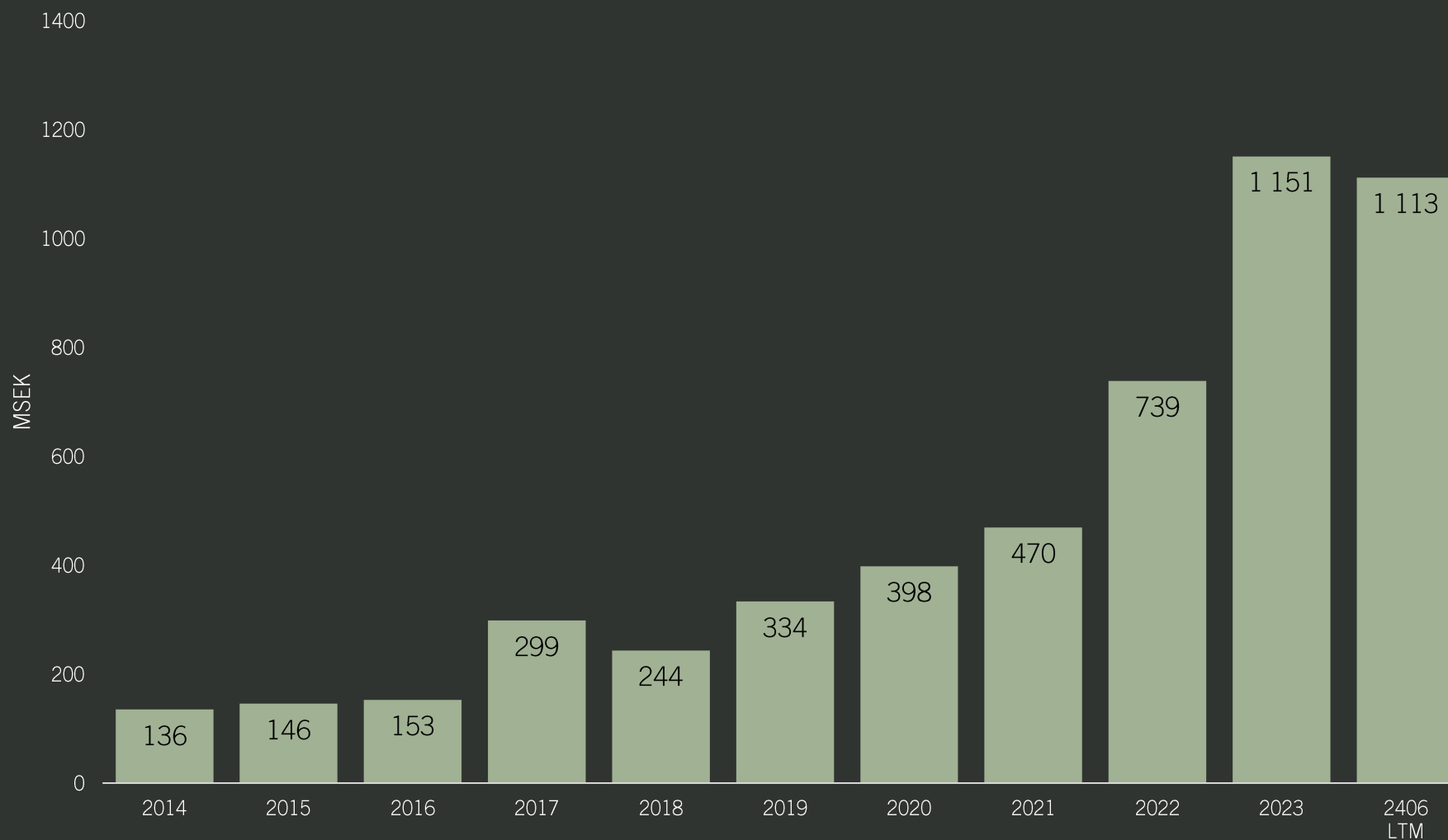


THE NUMBERS THAT MATTERS

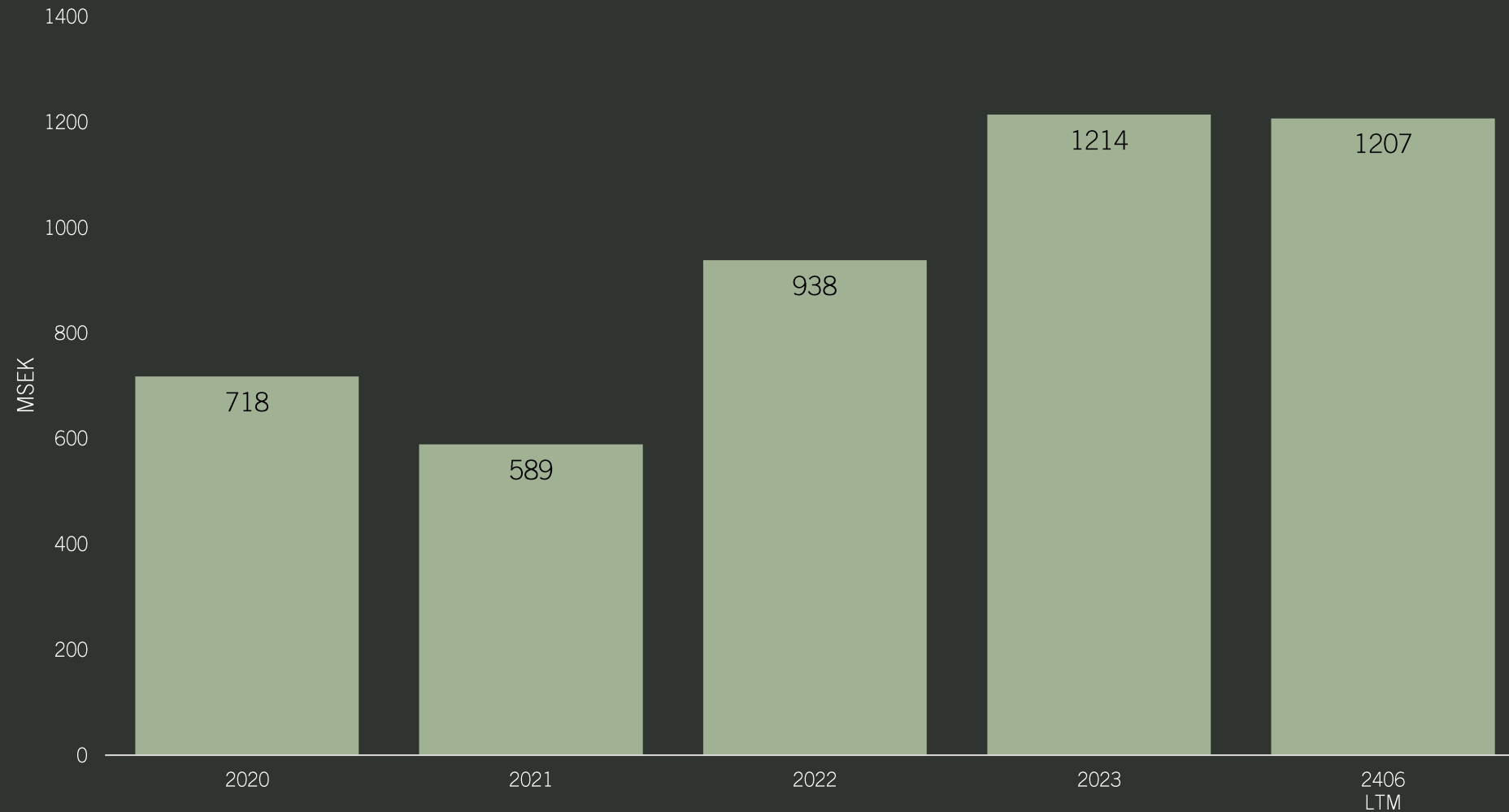
VIVECA JOHNSON

CFO

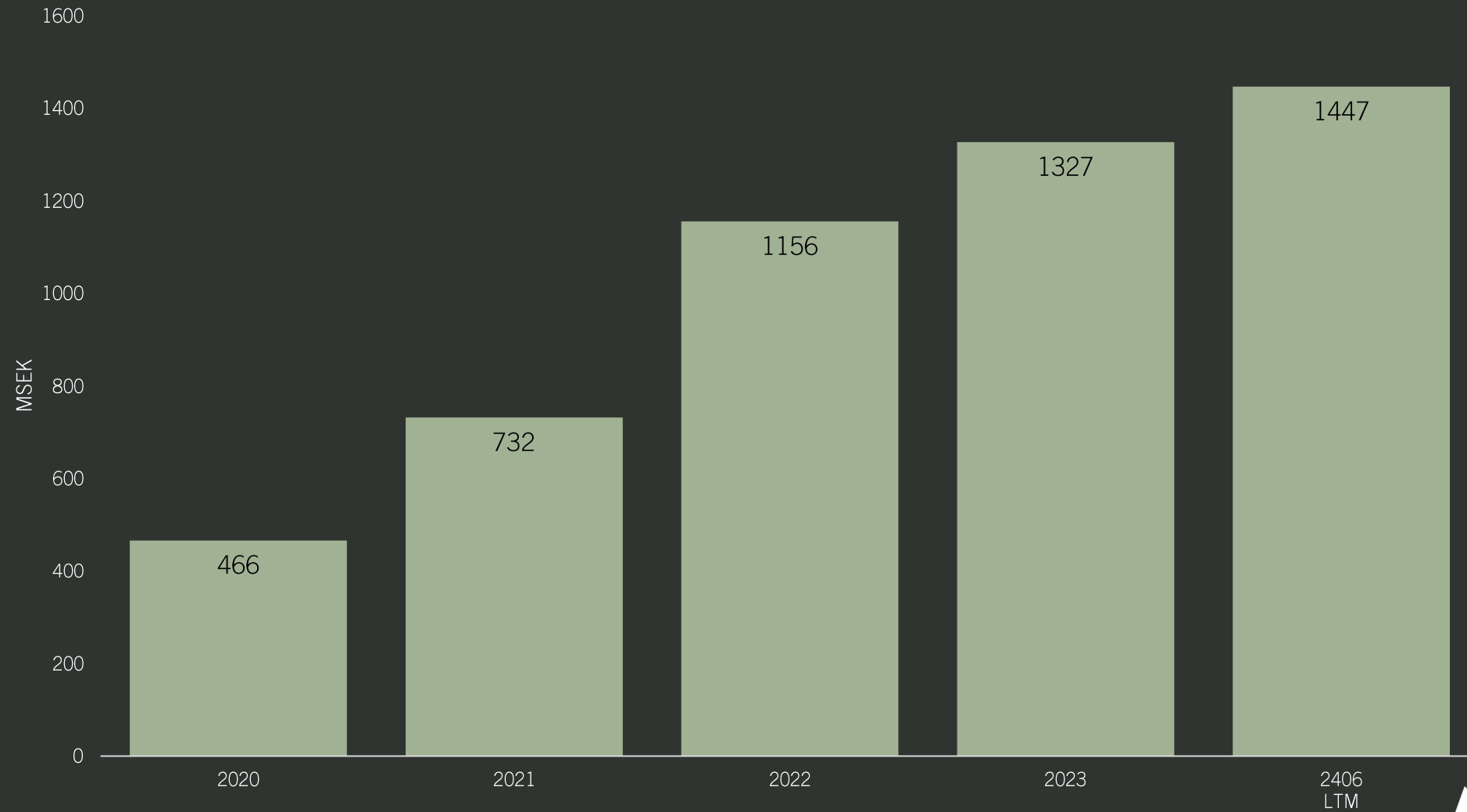
NET SALES 2014 - 2024LTM



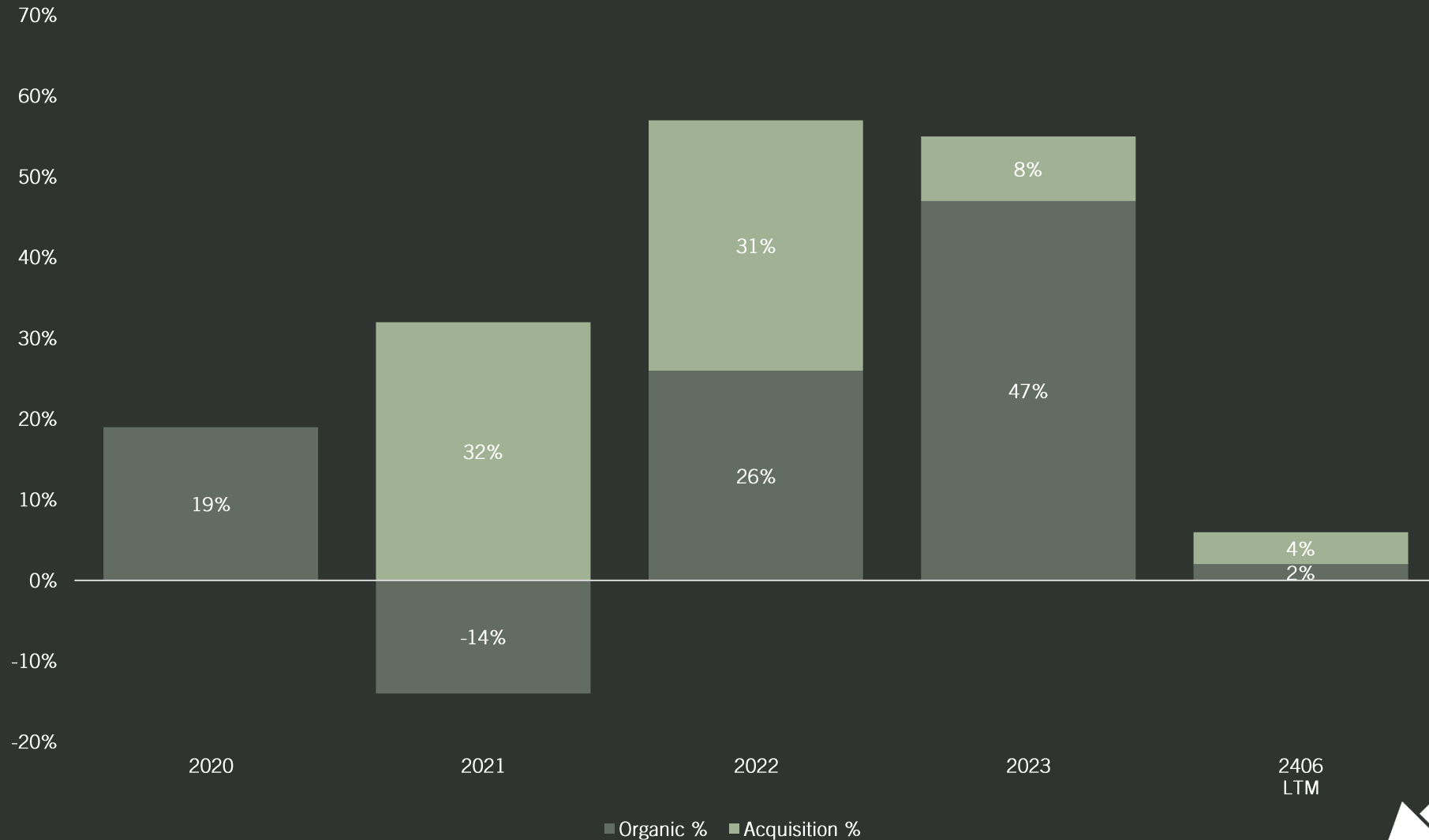
ORDER INTAKE



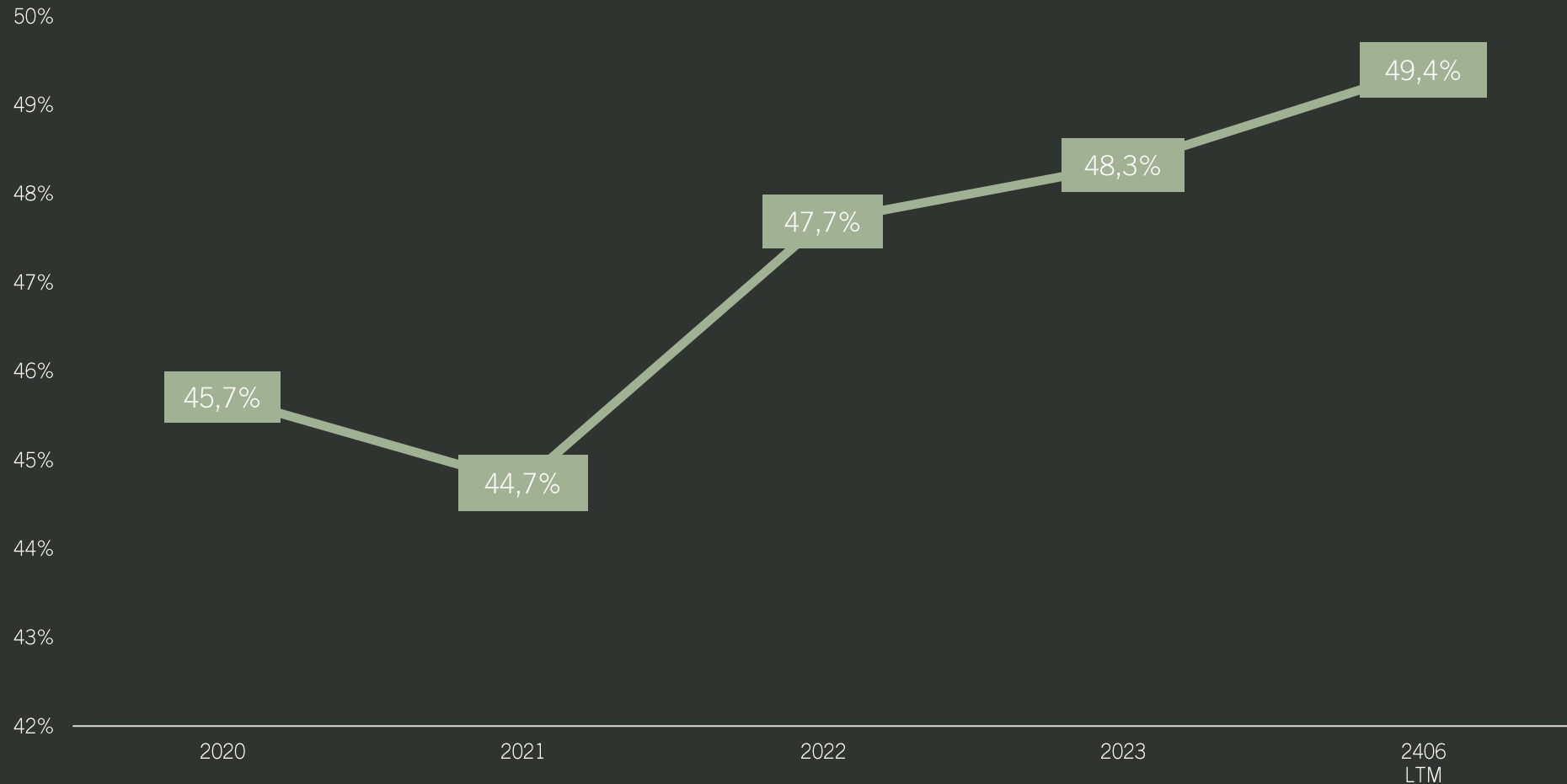
ORDER BACKLOG



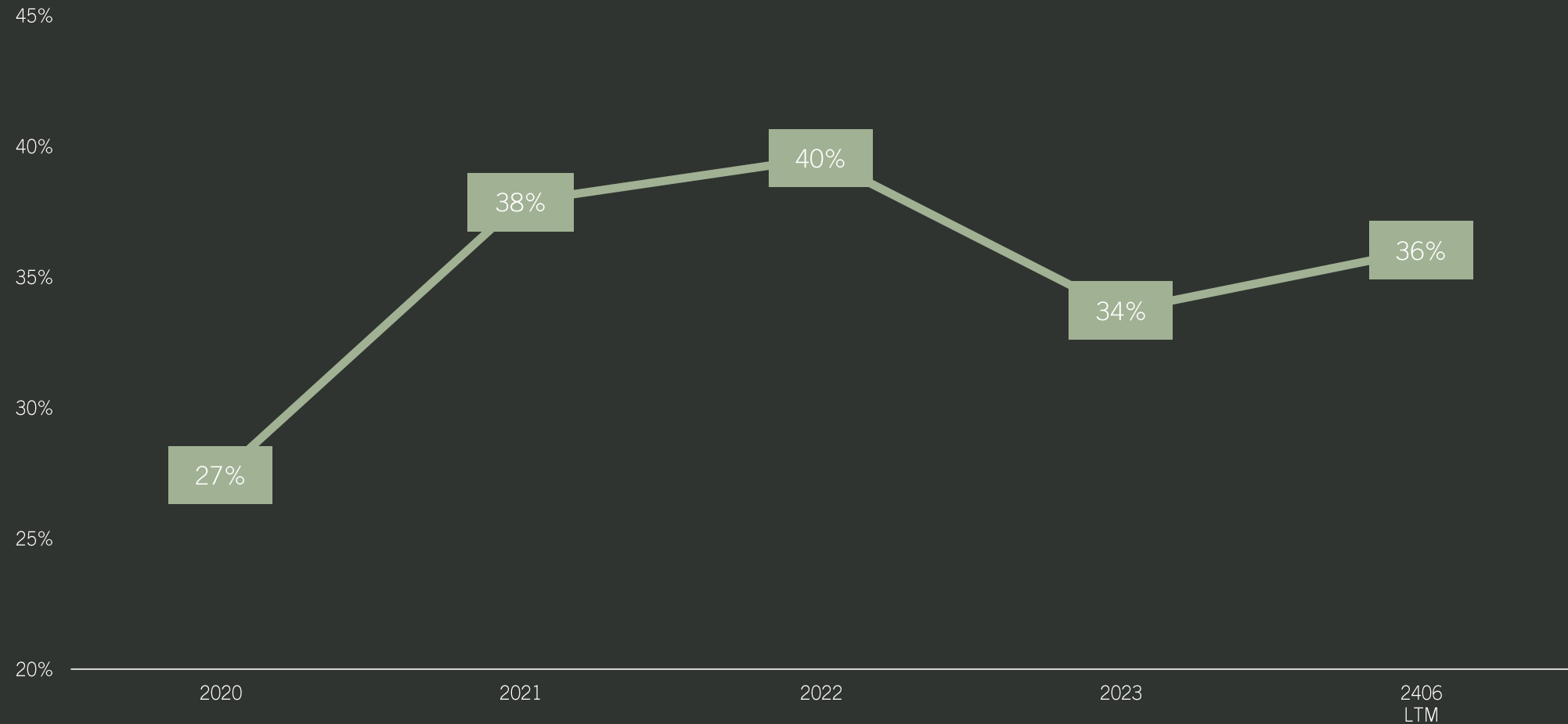
ORGANIC AND ACQUIRED GROWTH



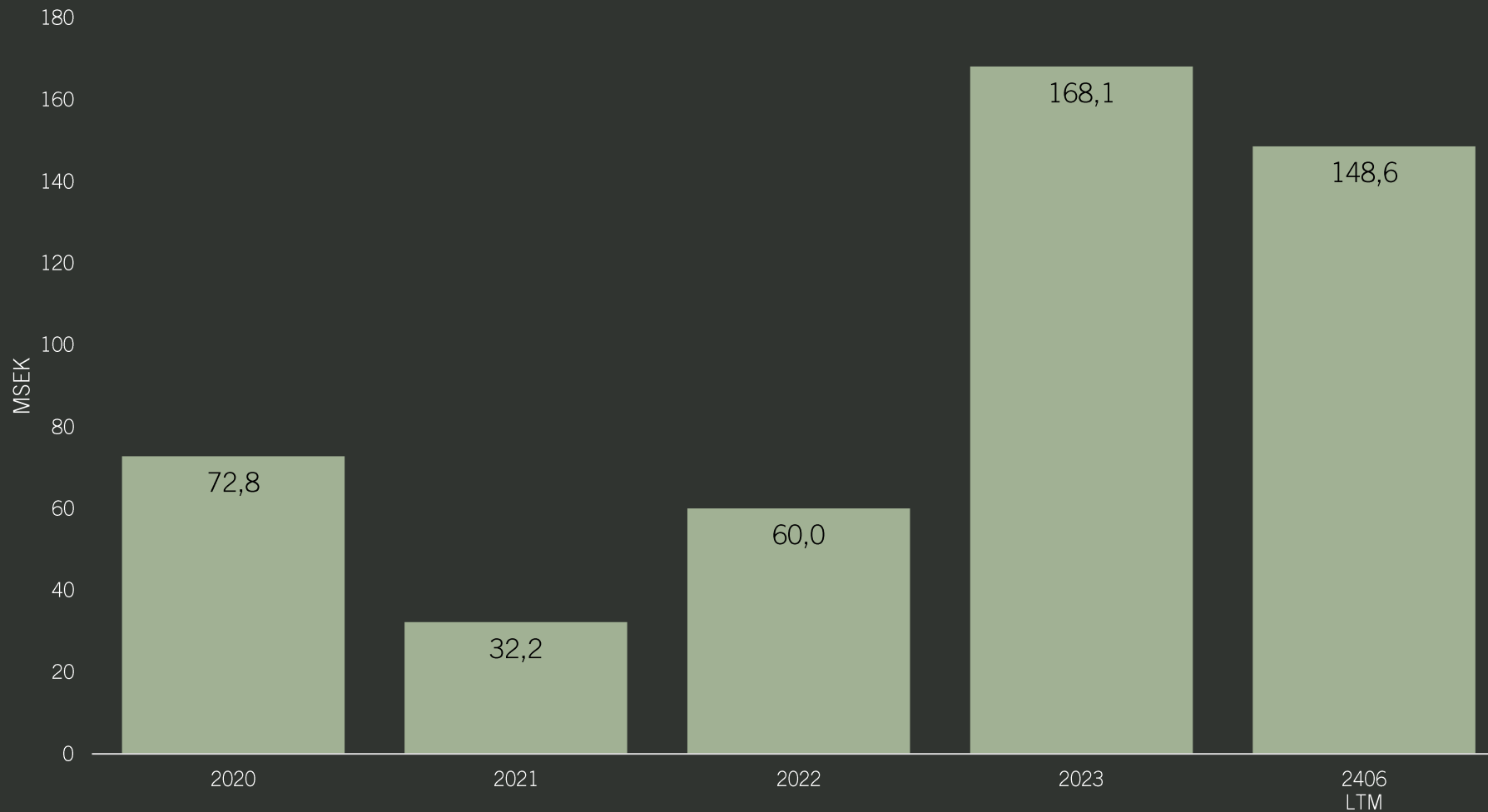
GROSS MARGIN DEVELOPMENT



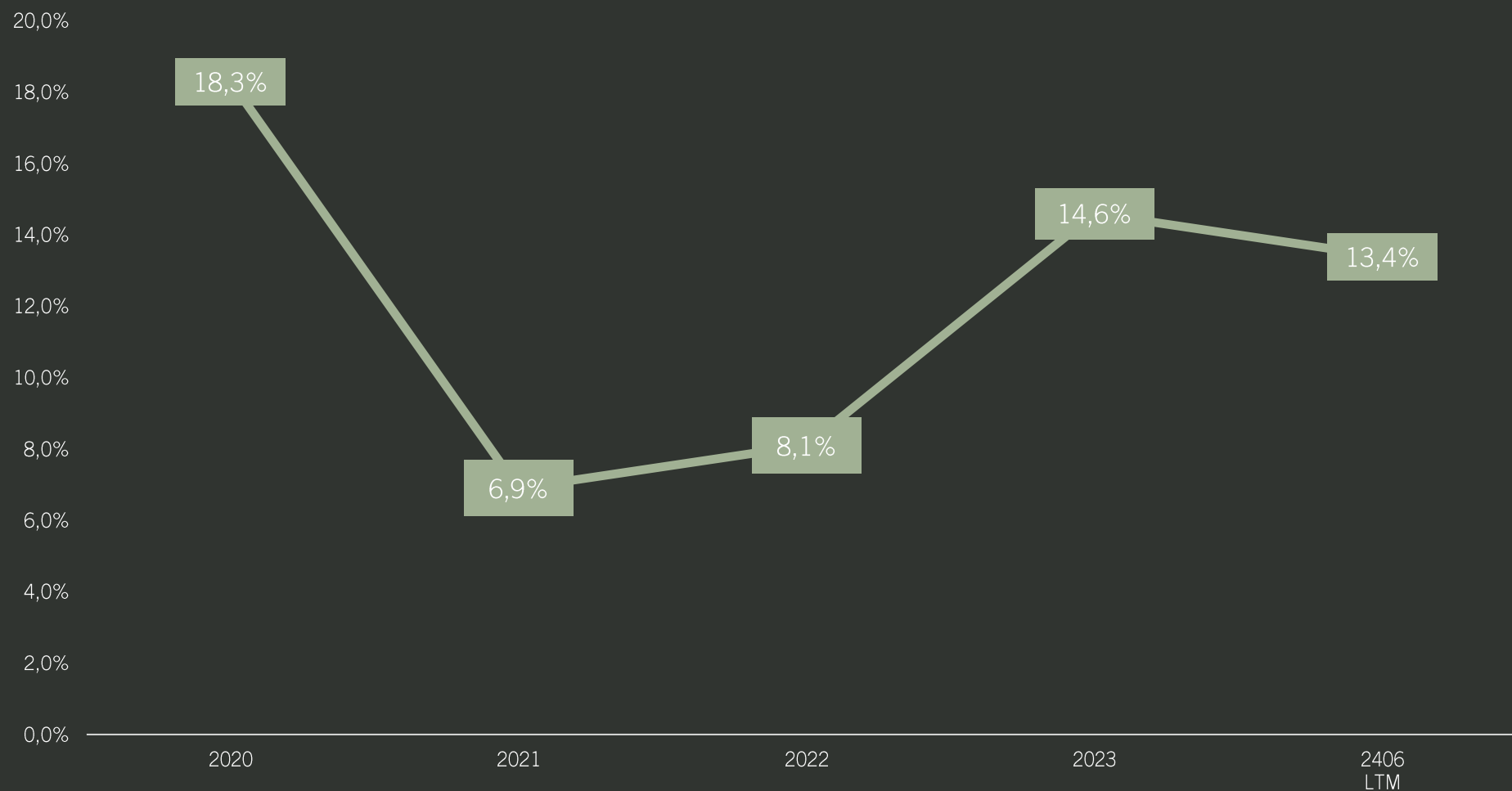
COST TO SERVE - OPEX/SALES



EBITDA - SCALABLE GROWTH



EBITDA MARGIN



FINANCIAL GOALS UPGRADE

GROWTH

At least
25%
growth per year

NEW TARGET PROFITABILITY

At least
15%
EBITA margin

CAPITAL STRUCTURE

Net debt shall not
exceed 2.5x EBITDA

DIVIDEND POLICY

Distribute
20-40%
of the net profit

Outcome 2023

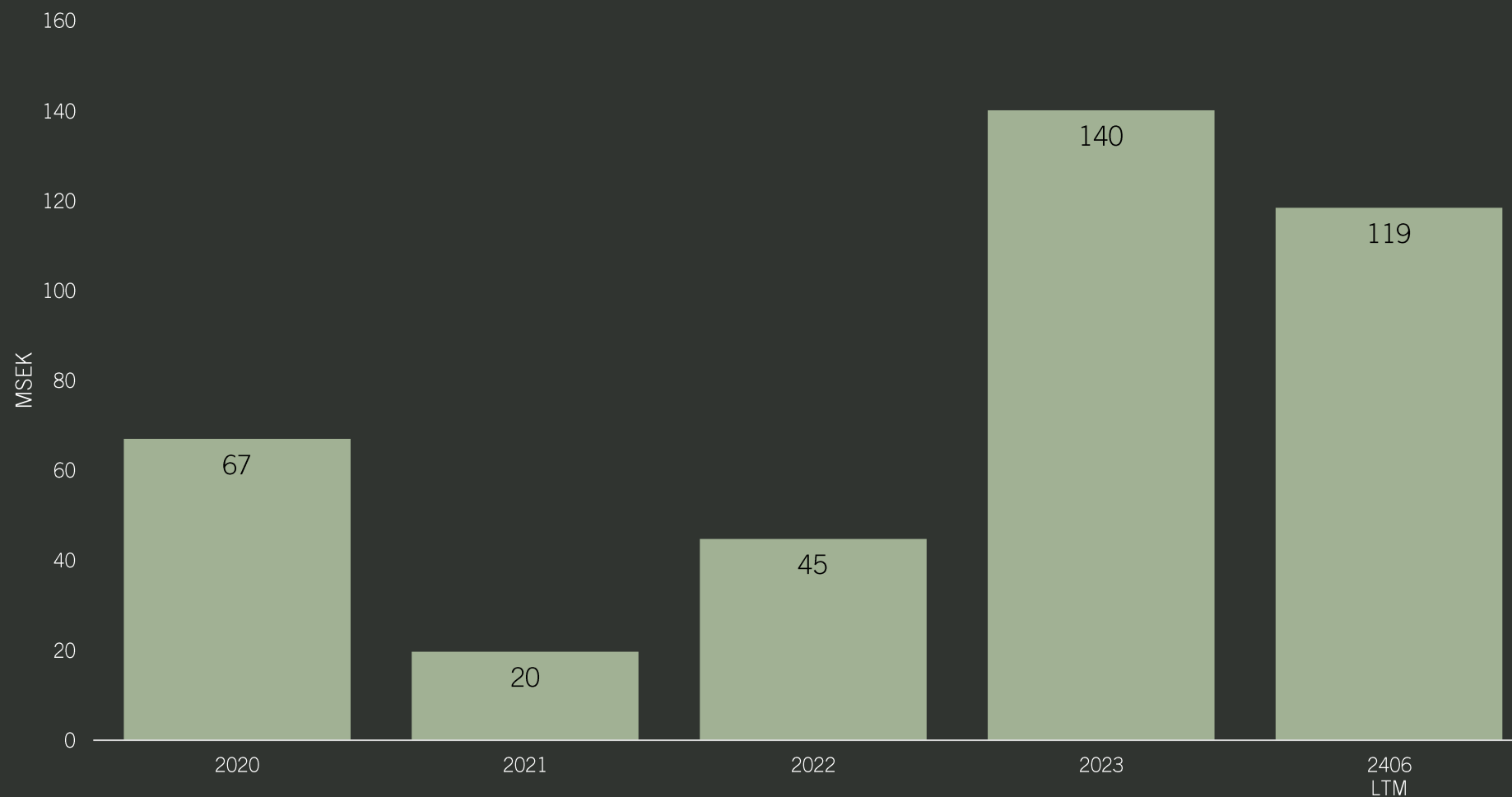
56%
Growth

12.2%
EBITA margin

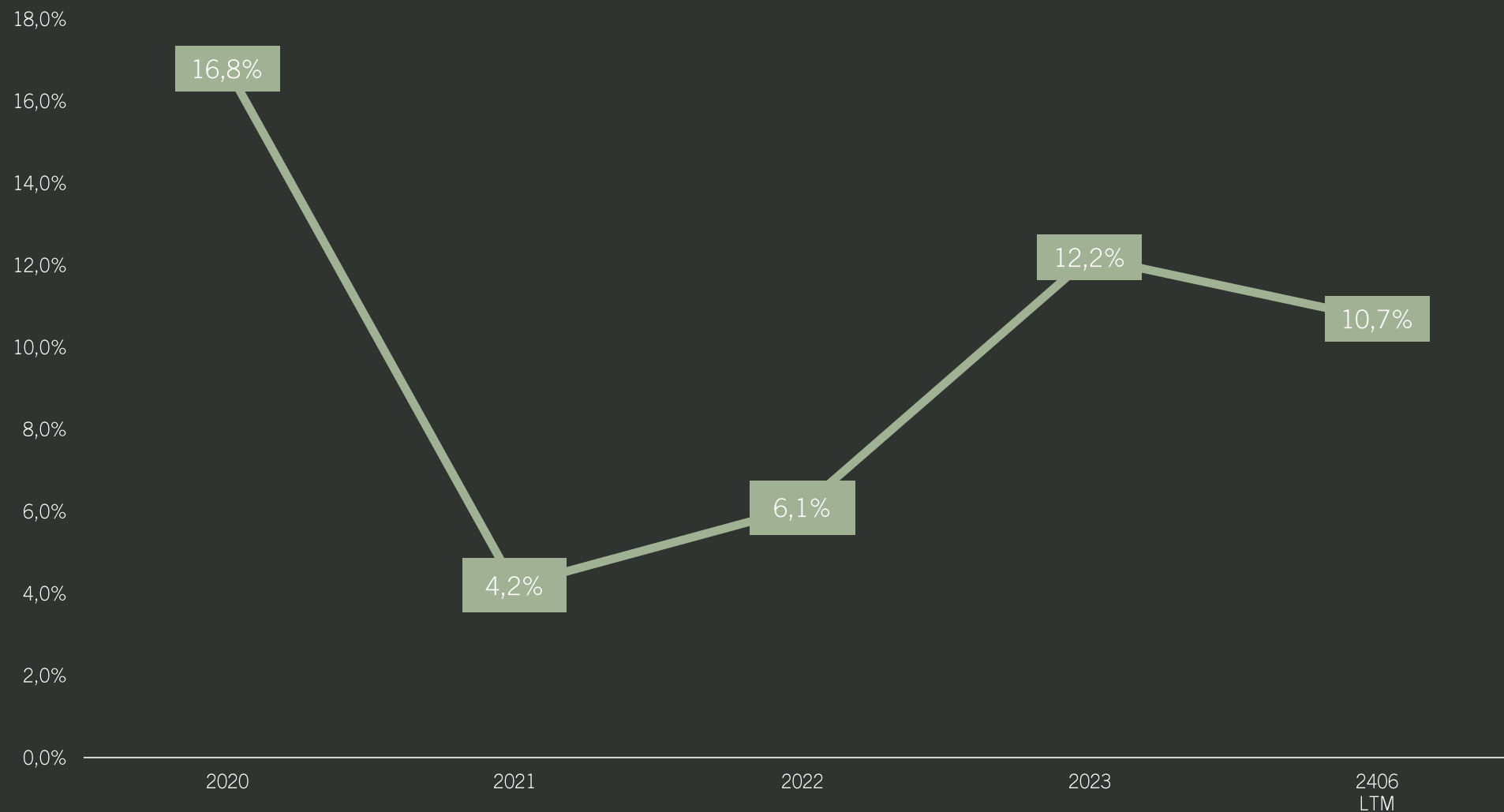
1.7x
Net debt-to-EBITDA

~30%
Dividend pay-out

PROFITABILITY TARGET CHANGED TO EBITA

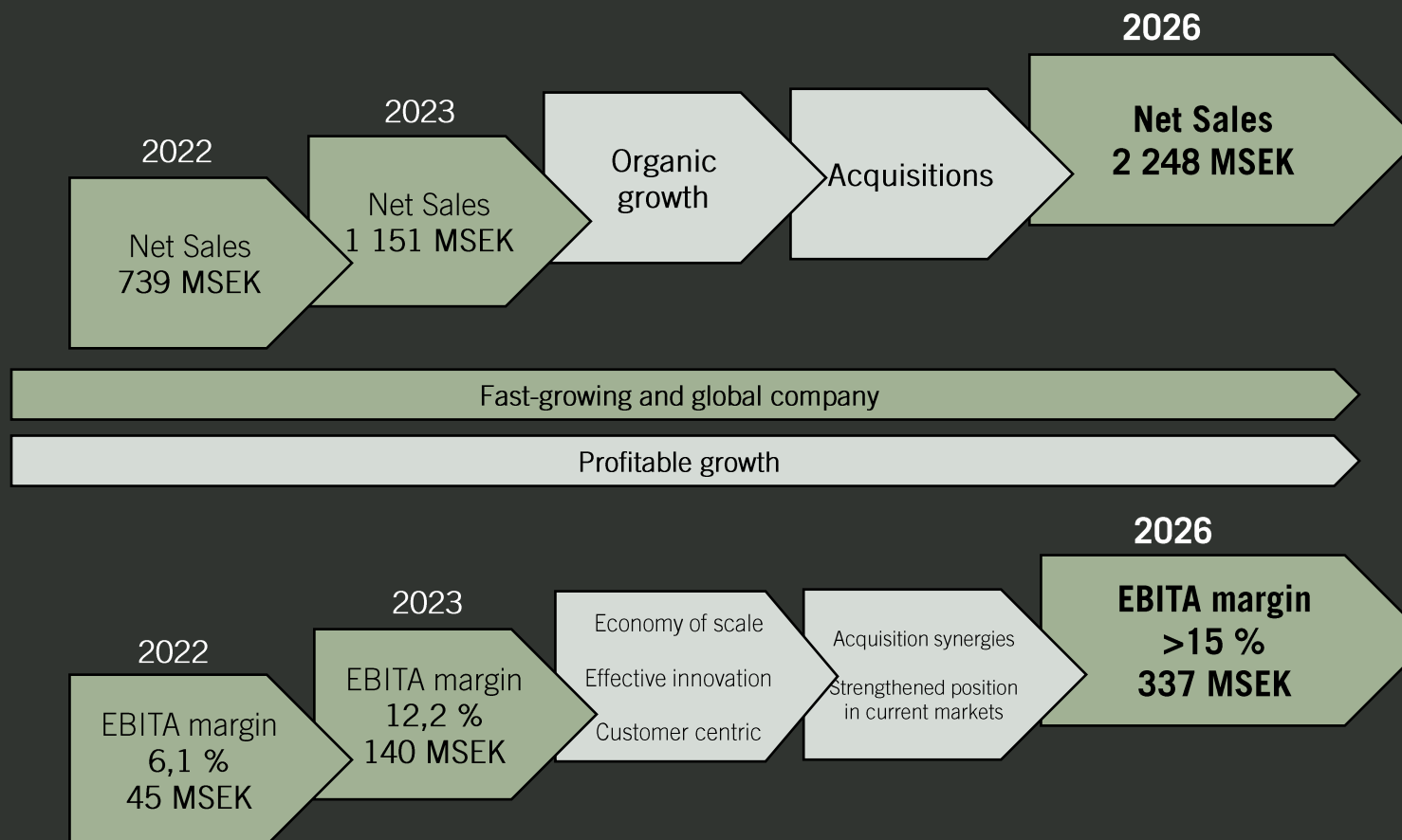


EBITA MARGIN - TARGET 15%



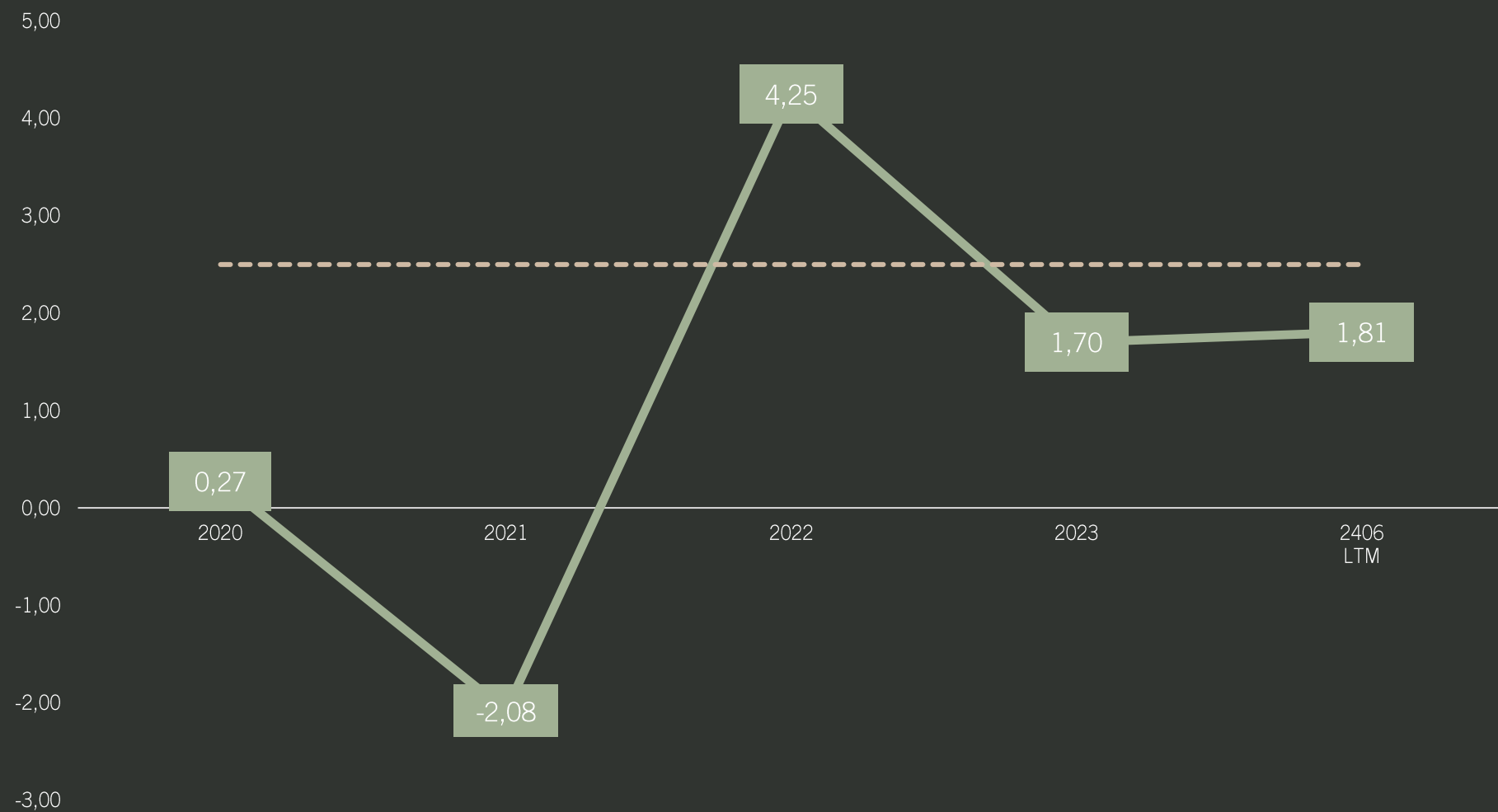
POTENTIAL TARGETING 2026

(GROWTH AND EBITA)

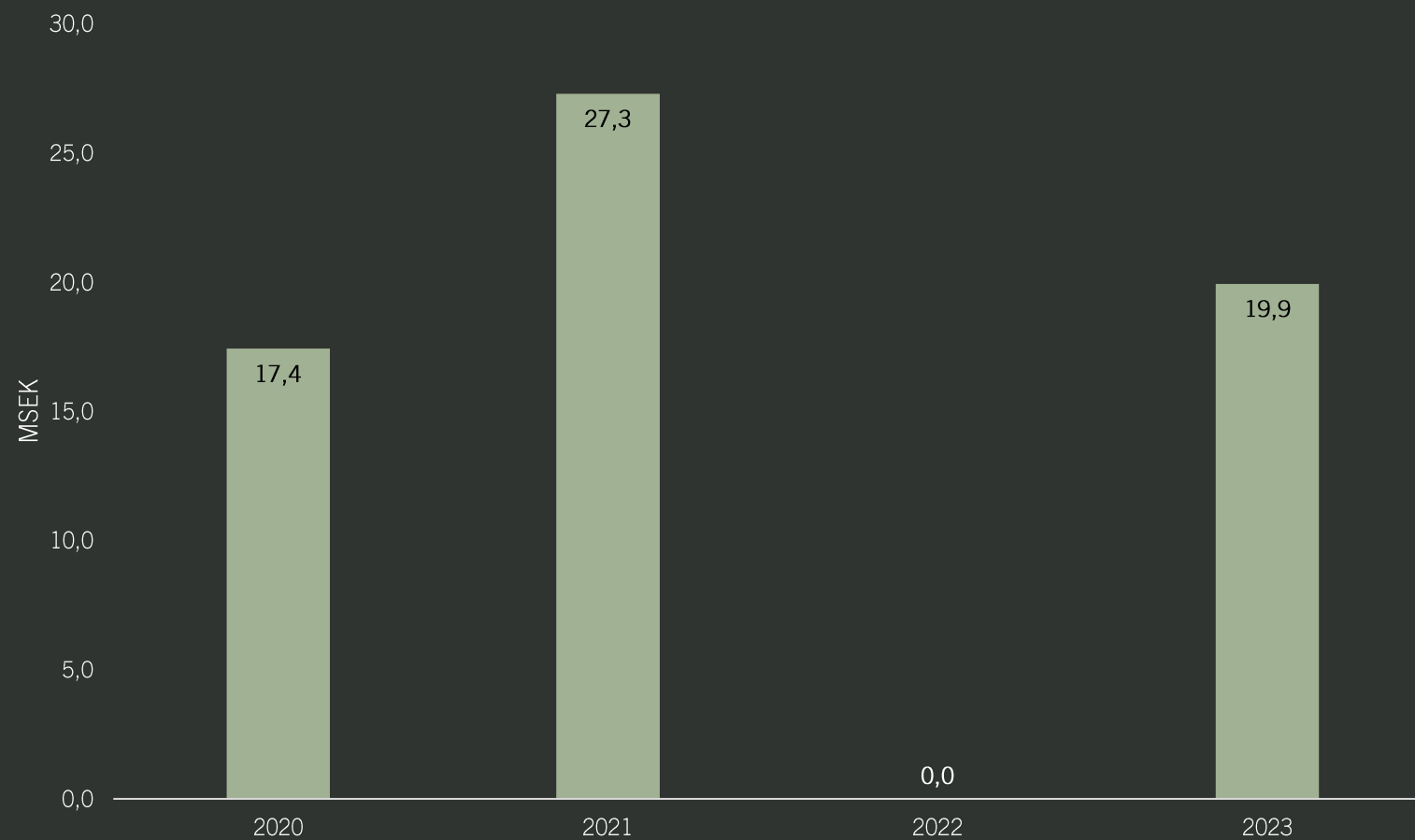


* Calculations is based on financial targets being met as per 2024. This should be seen as an illustration and not a forward-looking statement

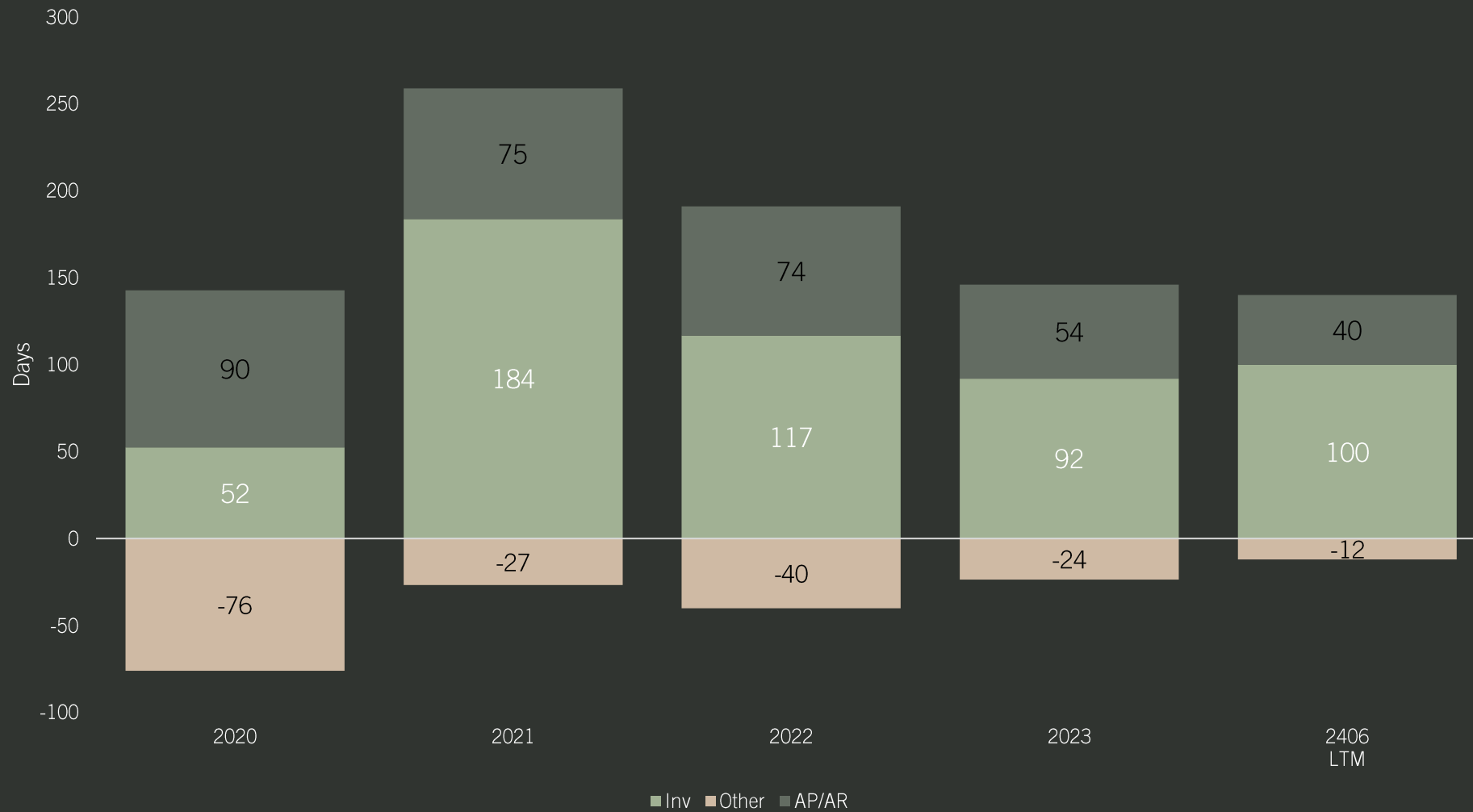
NET DEBT / EBITDA



DIVIDEND

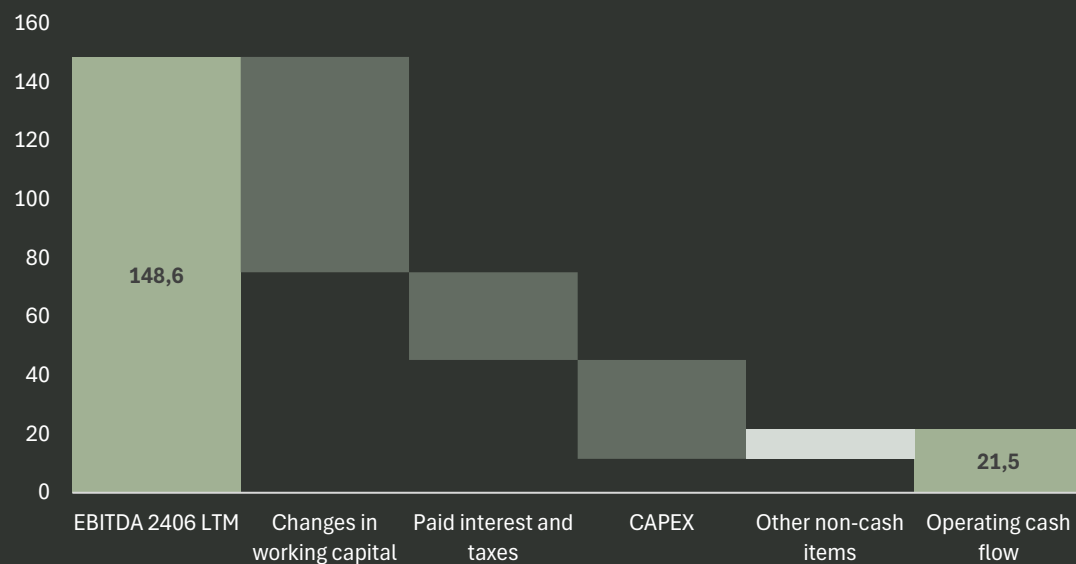


WORKING CAPITAL DAYS

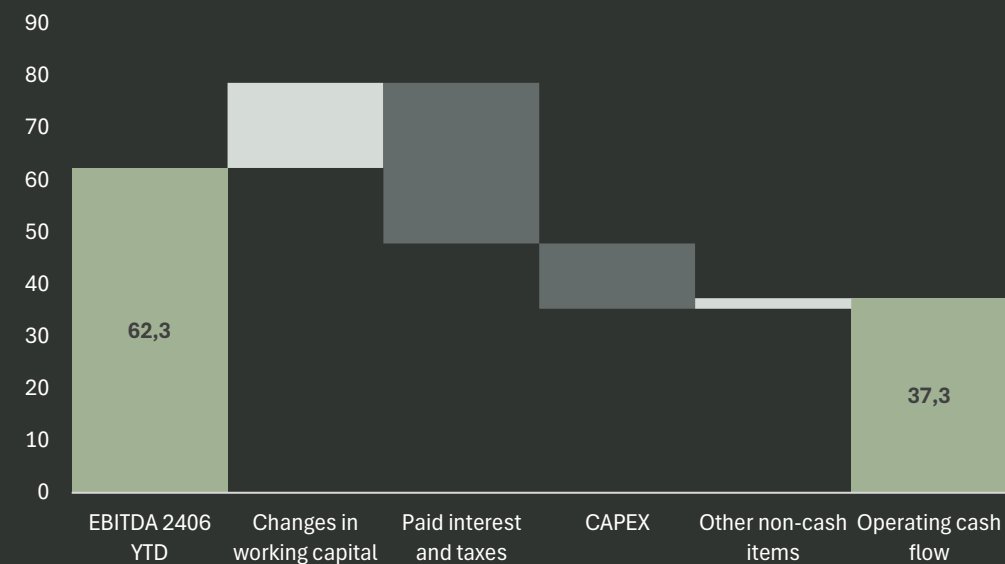


OPERATING CASH FLOW

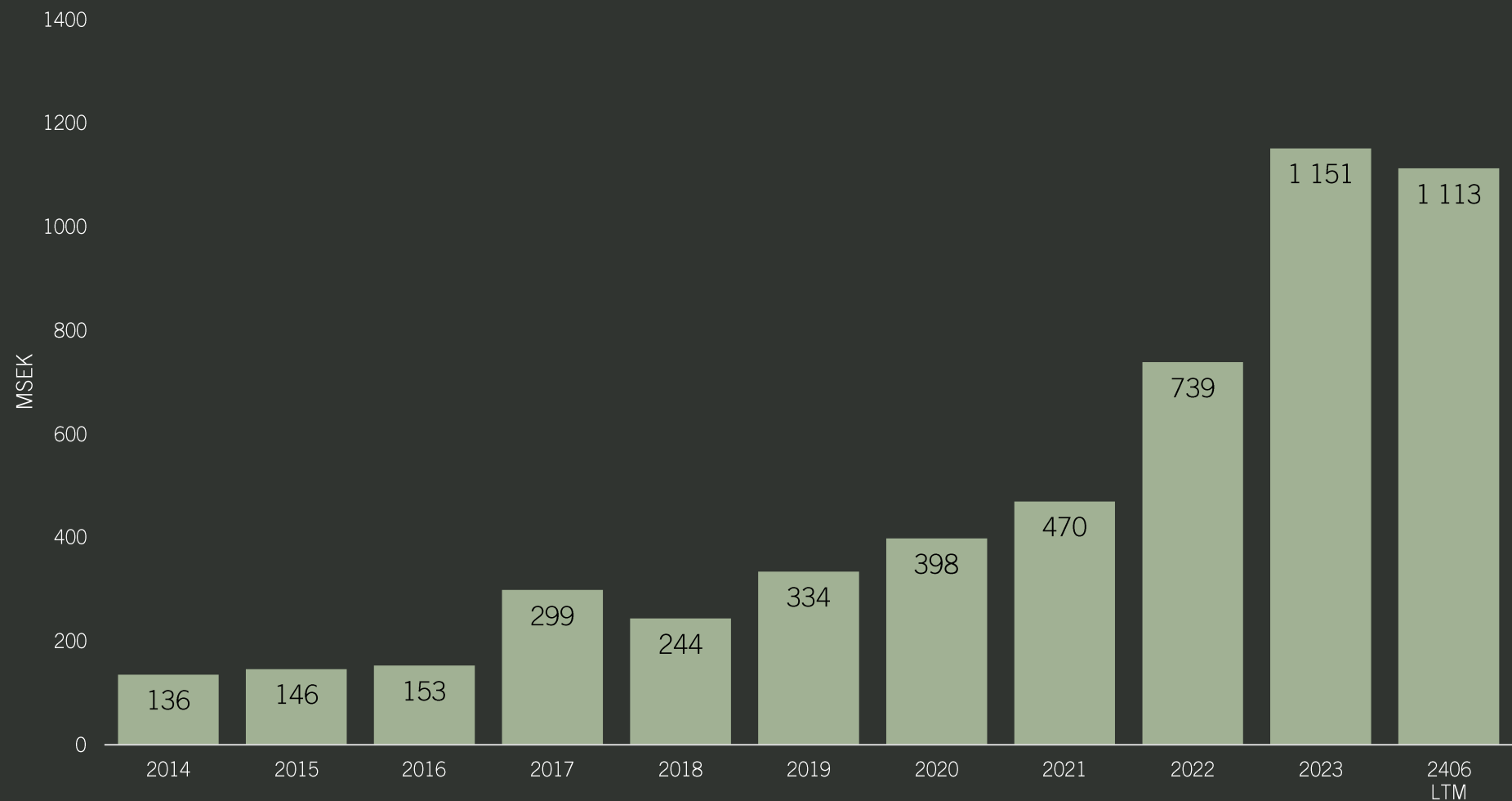
Cash Flow 2406 LTM



Cash Flow 2406 YTD



IN SUMMARY - THE JOURNEY



AGENDA

11.20 Strategy for future growth & talent pooling

CEO – Daniel Ljunggren & CPO Martina Karlsson

11.40 Q&A

All presenters & auditorium

12.00 Close of show / lunch



STRATEGIES FOR GROWTH

DANIEL LJUNGGREN

CEO & PRESIDENT

THE FUNDAMENTALS FOR ADDITIONAL GROWTH

1



Largest increase in
defense spending in Europe
in 30 years

2



Great need of modernization
and digitalization in the
defense sector

3



Potential NATO Boost

ROUTES TO ACCELERATED GROWTH

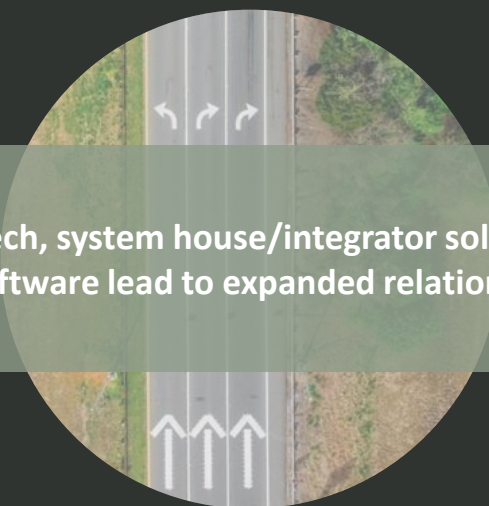
EXPANSION IN MULTIPLE DIMENSIONS TO EXPLORE UNTAPPED POTENTIAL

MilDef markets



Unleash potential in “classic” portfolio to overperform market growth coming years

Portfolio expansion



New tech, system house/integrator solutions and software lead to expanded relationships

Organic growth

M&A activities



M&A compass in order to find the right targets

Acquired growth

DIGITALIZATION DRIVE HIGHER VOLUMES

NEED FOR SMALLER PRODUCTS WITH MORE COMPUTING POWER ACCELERATES





A THRIVING WORKPLACE

MARTINA KARLSSON

CPO



HOW TO ATTRACT AND RETAIN FOR GROWTH?

A man with a beard and short brown hair, wearing a dark blue polo shirt, is looking intently at a rack of server units. He is holding the metal frame of the rack with his right hand. The background shows more server racks in a dimly lit room.

STRONG WITHIN



FUTURE OUTLOOK

DANIEL LJUNGGREN

CEO & PRESIDENT

FUTURE OUTLOOK

- 1 High demand landscape here to stay
- 2 End-user needs drives innovation and volumes - great need for digitalization
- 3 Active M&A agenda - strategic acquisitions create value

FUTURE OUTLOOK IN SUMMARY

“For the coming years, we expect an accelerated growth, as we predict that the increased defense spendings will have full impact on MilDef from 2025 onwards.”



Q&A

ALL MANAGEMENT ON STAGE

THANK YOU ALL FOR YOUR SUPPORT!

Upcoming events

AUSA Washington DC – October 14-16, 2024

Q3 report – October 25, 2024

Year-End 2024 – February 6, 2025

Follow our journey on 

