

## Press release

Helsingborg, Sweden, February 10, 2022

# Year-end report for January – December 2021

## CHALLENGING FOURTH QUARTER, CONTINUED POSITIVE MARKET OUTLOOK

### Financial development Q4 2021 (October-December)

- Net sales decreased by 22% to SEK 200.7 million (257.7). Previously communicated delivery delays due to current component shortages have had a negative impact on the company's net sales. The estimation is that net sales of approximately SEK 50 million have been postponed until 2022 due to shifts in planned deliveries.
- Gross margin amounted to 46% (49).
- Adjusted EBITDA amounted to SEK 34.6 million (87.5), equivalent to an adjusted operating margin of 17.2% (34.0).
- Order bookings decreased by 43% to SEK 213.2 million (376.0). During the fourth quarter previous year, MilDef received a very large customer order on the British market. The order value amounted to SEK 275 million. Adjusted for that order, the underlying order bookings increased by 111 percent in the fourth quarter of 2021.
- Operating cash flow amounted to SEK -13.3 million (39,5).

### Financial development full year 2021

- Net sales increased by 18% to 469.6 million (398.5).
- Gross margin amounted to 45% (46).
- Adjusted EBITDA amounted to SEK 32.2 million (72.8), equivalent to an adjusted operating margin of 6,9% (18.3).
- Order bookings decreased by 18% to SEK 589.4 million (718.0).
- The order backlog as of December 31, 2021 increased by 64% to SEK 731.5 million (446.3).
- Operating cash flow amounted to SEK -71.4 million (53.1).
- The Board of Directors proposes unchanged dividend of SEK 0.75 (0.75 SEK adjusted for split 2:1).

## CEO Message

*“MilDef growth journey continued in 2021 and we can summarize the year with several positive achievements. Two value-creating acquisitions, a strategic diversification of our business offering, geographical expansion, growth-oriented investments in technology and to top it off, the Company’s stock exchange listing. During the year MilDef’s sales grew by 18 percent, slightly above our financial growth target. The previously communicated delivery challenges due to the global component shortage resulted in a postponement of planned deliveries in the fourth quarter to the first half of 2022, which in turn led to sales growth not corresponding to the increase in costs. The cost increase in 2021 is mainly due to increased staff to enable MilDef’s planned growth in the coming years.*

*As reported in both the second and third quarters of 2021, the global component shortage in the semiconductor market is causing negative consequences for MilDef. The assessment is that revenues of approximately SEK 50 million have been postponed until 2022 due to delivery delays, which in turn negatively affected operating profit by approximately SEK 20-25 million. Even in 2022, the component shortage is expected to cause continued uncertainty in the delivery precision.*

*MilDef exceeded its long-term growth target despite a market characterized by pandemic effects, logistics problems and a semiconductor component shortage. This outcome was achieved with the help of both existing operations and the two new important acquisitions in Norway and Sweden. The operating margin declined, landing below MilDef’s long-term target. This is a consequence of the aforementioned challenges in the market. Naturally, we are not satisfied with this outcome, but we believe that the market’s challenges are transitional in nature.*

*The two acquisitions implemented in 2021, Defcon and Sysint, both contributed good growth, solid operating margins and a strategic product diversification in software and services. The expanded portfolio created new opportunities in our important home markets and this is reflected in future business opportunities. During the year, MilDef has continued to actively pursue the acquisition agenda and is awaiting the right opportunities for new interesting acquisitions.*

*It is 25 years since MilDef began to pave the way for a growth journey. Today we are a stronger company than ever before and firmly optimistic about our future. The previously reported, fundamentally good market conditions still exist and have even become stronger, with a swift increase in the focus in the Nordics and globally on security and defense. In 2021 MilDef strengthened its positions in our Nordic home markets and in early 2022 we established a subsidiary in Finland. To this we are adding a firm foothold in our growth markets – the UK and the USA.*

*We are entering 2022 with optimism and a strong order backlog which has increased by 64 percent to SEK 731.5 million (446.3). MilDef is not adjusting its long-term targets. We are reiterating the positive view on both organic and acquisition-driven growth”.*

**Björn Karlsson,**  
CEO MilDef Group

## MILDEF GROUP'S YEAR-END REPORT JANUARY-DECEMBER 2021 PRESENTATION

MilDef Group's CEO Björn Karlsson and CFO Daniel Ljunggren will present the year-end report for January-December 2021.

**Date:** Thursday, February 10 at 11:00 a.m. (CET)

The report is published at 08:00 a.m. (CET) the same day at [www.mildef.com](http://www.mildef.com).

You are welcome to watch the live webcast or dial in to the conference call. It is possible to post questions over the conference call and the web.

### Connecting to the meeting

To connect to the meeting, [click this Teams link](#) or phone in on one of the phone numbers below (audio only). Notification is not required for participation in the conference call but please connect/call in five minutes prior to the specified time to ensure a punctual start of the meeting.

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The year-end report, the presentation material and the webcast will be available on [www.mildef.com](http://www.mildef.com).

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### Publication

The information is such that MilDef Group AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above, on February 10, 2022, at 08.00 a.m. CET.

### About MilDef

MilDef was founded in 1997 in Helsingborg, Sweden. The company delivers tactical IT, including rugged hardware, software, and services. MilDef's products are sold to more than 160 customers through MilDef's subsidiaries in Sweden, Norway, Finland, United Kingdom, the United States, and through partner networks in more than 30 countries, predominantly within the EU. MilDef Group is listed on Nasdaq Stockholm. [www.mildef.com](http://www.mildef.com)