

RESULTS UPDATE

07 February 2025
Sweden
Capital Goods

Research analysts:

Hugo Lisjö
Elsa Brismar

MilDef Group

Share price: SEK 147.0

Fair value range: SEK 130.0–165.0

Strong finish to 2024 sets the stage for a solid 2025 – Q4 review

Strong order book for 2025 the highlight of the report

In our view, the most important figure in the Q4 report was the strong order book for 2025, totalling SEK1,149m, and almost as high as full-year 2024 sales. Given that MilDef secured around SEK260m in order intake for 2024 deliveries and considering the sharp increase in order intake towards year-end, we estimate that MilDef will add SEK329m in new orders for delivery in 2025. In addition, we estimate it will generate SEK119m (107) in sales not affecting the order book, bringing total organic sales to SEK1,597m in 2025, equivalent to organic growth of 33%, and significantly above our previous forecast of 13%. We keep our estimates for Roda unchanged until further information is available, meaning a sales contribution of SEK882m and an EBITA margin of 16.4%, as we assume full inclusion from Q2(25) onward.

Strengthened EBITA margin confirms our view of continued improvements

We also view the continued increase in adj. EBITA margin (CAR definition) to 16.3% (13.6%), despite a 0.8%-point lower gross margin, as a positive development. We believe this confirms that MilDef's internal efficiency measures and higher sales volumes are having a tangible impact, and it further strengthens our expectation of continued margin expansion going forward.

Roda acquisition will lead to higher opex

Management emphasises that opex will increase due to the acquisition of Roda. This increase is partially offset by higher sales estimates, leaving EBITA margin largely unchanged.

Fair value range raised to SEK 130–165 per share

We raise our fair value range to SEK 130–165 per share, up from SEK 122–151, corresponding to an EV/EBITA(25e) of 16.8–21.0x and 12.2–15.3x for 2026e. This compares to a peer group of European defence companies which trade at a median multiple of 12.4x for 2026e and an average of 14.8x. Given what we consider MilDef's strong market positioning, above-average margins, and business model that is not politically sensitive, we believe the company deserves a valuation at the upper end of its peer group.

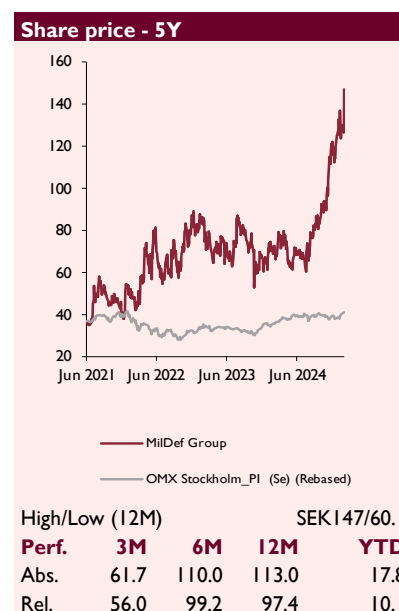
Upcoming events

- Q1 Report: 29 Apr 2025
- AGM 2025: 22 May 2025
- Q2 Report: 18 Jul 2025

Changes in this report			
	From	To	Chg
EPS adj. 2025e	5.4	6.1	+12%
EPS adj. 2026e	7.8	8.3	+6%
EPS adj. 2027e	n.a.	10.0	n.a.

Key facts	
No. shares (m)	45.6
Market cap. (USDm)	614
Market cap. (SEKm)	6,699
Net IB Debt. (SEKm)	466
Adjustments (SEKm)	0
EV (2025e) (SEKm)	7,166
Free float	71.7%
Avg. daily vol. ('000)	295
Risk	High Risk
Fiscal year end	December
Share price as of (CET)	06 Feb 2025 00:00

Key figures (SEK)	2024	2025e	2026e	2027e
Sales (m)	1,201	2,480	3,232	3,669
EBITDA (m)	143	413	564	677
EBIT (m)	-209	322	457	559
EPS	-5.16	4.86	6.91	8.61
EPS adj.	1.27	6.09	8.31	10.0
DPS	0.50	0.50	1.00	1.35
Sales growth Y/Y	4%	107%	30%	13%
EPS adj. growth Y/Y	-44%	380%	36%	21%
EBIT margin	-17.4%	13.0%	14.1%	15.2%
P/E adj.	>100	24.1	17.7	14.6
EV/EBIT	neg.	22.3	15.4	11.9
EV/EBITA	53.4	19.2	13.6	10.7
EV/EBITDA	37.4	17.3	12.5	9.8
P/BV	6.1	5.2	4.3	3.5
Dividend yield	0.3%	0.3%	0.7%	0.9%
FCF yield	2.2%	0.8%	2.1%	6.6%
Equity/Total Assets	65.4%	54.3%	57.5%	63.0%
ROCE	-16.3%	21.3%	24.9%	27.3%
ROE adj.	5.6%	23.1%	26.4%	26.3%
Net IB debt/EBITDA	-2.3	1.1	0.6	-0.1



Source: Carnegie Research, FactSet, Millstream & company data

This report has been commissioned and sponsored by MilDef Group. Commissioned research is considered to be marketing communication (i.e. not investment research under MiFID II). This material may be subject to restrictions on distribution in certain areas. For more information, see disclosures and disclaimers at the end of this report

Equity story

Near term:
6–12m

Since the fall of the Berlin Wall, European military spending has declined, but the war in Europe has spurred a significant increase in defence budgets. As a late-cycle business, MilDef benefits from the maturing ramp-up, especially with the focus on modernisation and digitalisation, boosting demand for IT systems. The acquisition of Roda strengthens MilDef's position in Germany, providing access to government frameworks and helping replicate its successful Nordics market strategy.

Long term:
5Y+

Technology has always been a key driver in the defence sector, and this is unlikely to change. Emerging themes include unmanned vehicles (UVs), digitalisation of military fleets, artificial intelligence (AI), soldier-assisting robots, dismounted soldier systems, space capabilities, and high-precision missiles. These trends suggest that future battlefields will rely heavily on a wide range of electrical devices, and that tomorrow's battlefield will include even more computers than today's. We see these trends as supportive for MilDef's continued growth.

Key risks:

- The defence industry is built on trust, handling highly sensitive information related to national security. Maintaining rigorous compliance standards is crucial for companies, ensuring all documentation is meticulously organised. A small misstep can have severe consequences, potentially jeopardising future business opportunities.
- Increased exposure to Taiwan, the acquisition of Roda increases MilDef's exposure to Crete, a Taiwan-based company.
- Roda integration risks

Company description

MilDef is a supplier of rugged IT systems, designed and built to withstand harsh environments, primarily for military use. The company mainly sells to its home market in the Nordics, Europe and the US. Over the past five years, particularly in Sweden, MilDef has demonstrated its ability to evolve from a product supplier to a systems integrator, marking a significant step up the value chain. Since IT systems are not a short-term priority in the defence sector's ramp-up, the impact of sharply increased defence budgets did not hit MilDef until 2024. As a result, we expect the company to continue demonstrating strong growth in the coming years.

Key industry drivers

- Increased modernisation and digitalisation
- Increased defence spending
- Nearshoring

Industry outlook

- We find it likely that defence budgets will remain high
- US is urging Europe to increase its defence investments
- We consider Europe the most interesting region in the coming years

Largest shareholders

Svolder	9.5%
MilDef Crete	6.4%
Andra AP-fonden	5.8%

Cyclicality

Cyclicality: N/A

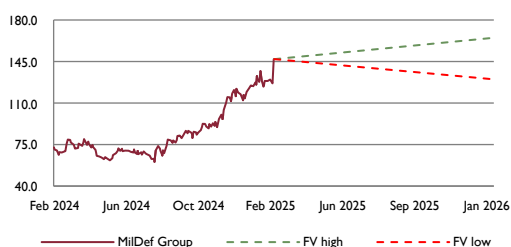
Key peers

Swedish and European defence companies like Kongsberg Gruppen, Saab, W5 Solutions, INVISIO, BAE Systems, Leonardo, Rheinmetall, and US Curtiss Wright.

Valuation and methodology

We evaluate MilDef through a scenario analysis based on a multiples approach, comparing MilDef to defence industry peers. We examine three scenarios: a base scenario aligned with our forecasts, a low-growth scenario, and a scenario where MilDef successfully demonstrates better sales and cost synergies with Roda than our starting scenario. Our peer group consists of both Swedish and international defence companies, where we put a particular focus on European peers. Given MilDef's progression from a product supplier to more of a systems supplier, we find it reasonable to compare the company with larger companies that offer broader product portfolios within the peer group.

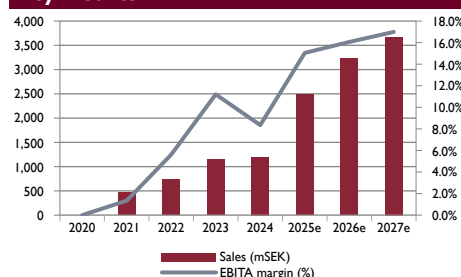
Fair value range 12m



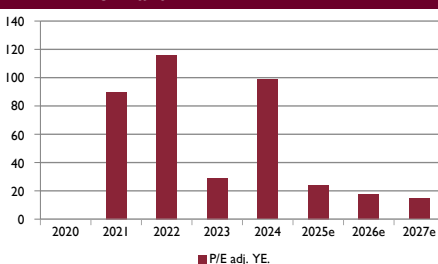
The upper end of our fair value range is based on MilDef achieving a premium valuation relative to the peer group's median multiple.

The lower end of our fair value range reflects a discount to the peer group's median EV/EBITA(26e) multiple. This discount accounts for uncertainty in our estimates, such as limited financial information on Roda and the potential variability in demand.

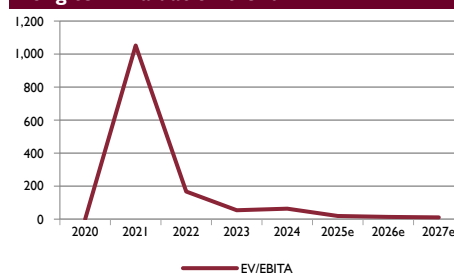
Key metrics



PE 12m forward



Long term valuation trend



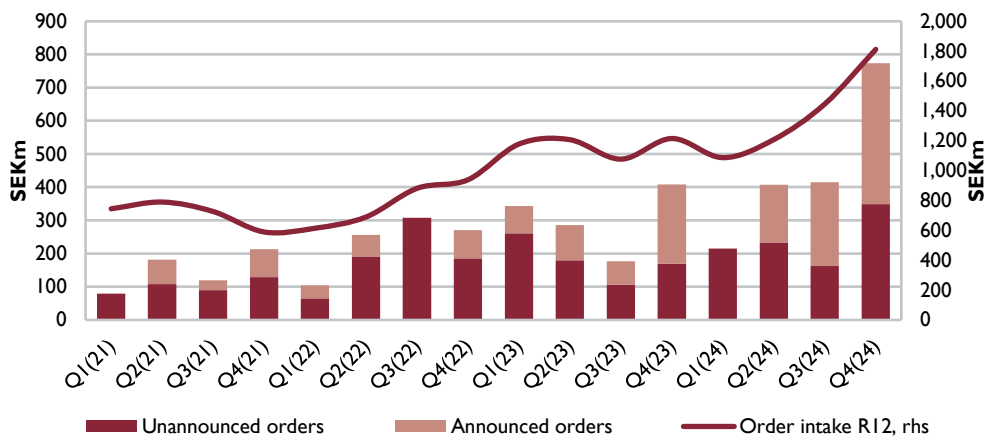
Source: Carnegie Research & company data

Key figures

Management reiterates that MilDef is only beginning to see the effects of increased budgets, expressing strong confidence in 2025

When speaking with both listed and unlisted defence companies, they also highlight that the cycle has now reached a stage where even late-cyclical, typically smaller, defence companies are beginning to experience the impact of increased budgets

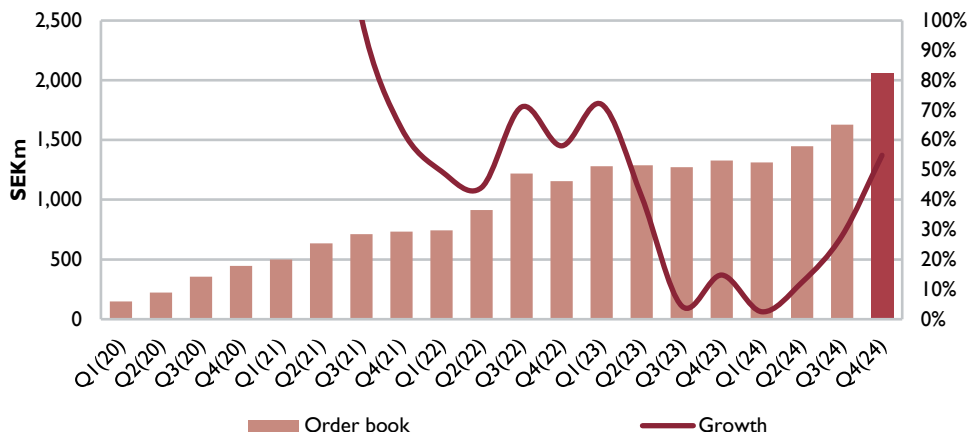
Management remains optimistic about future order intake



Source: Carnegie Research, MilDef

Roughly half of the order book is expected to be delivered in 2025

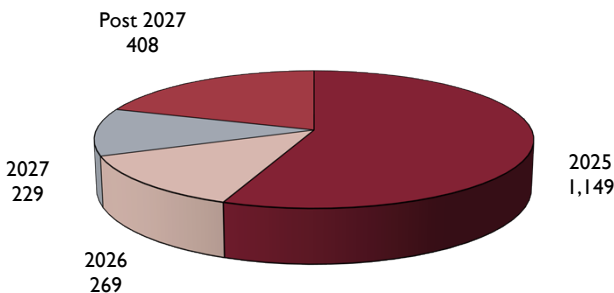
The order book value surpasses SEK2.0bn for the first time



Source: Carnegie Research, MilDef

Order book value per year, Q4(24) SEKm

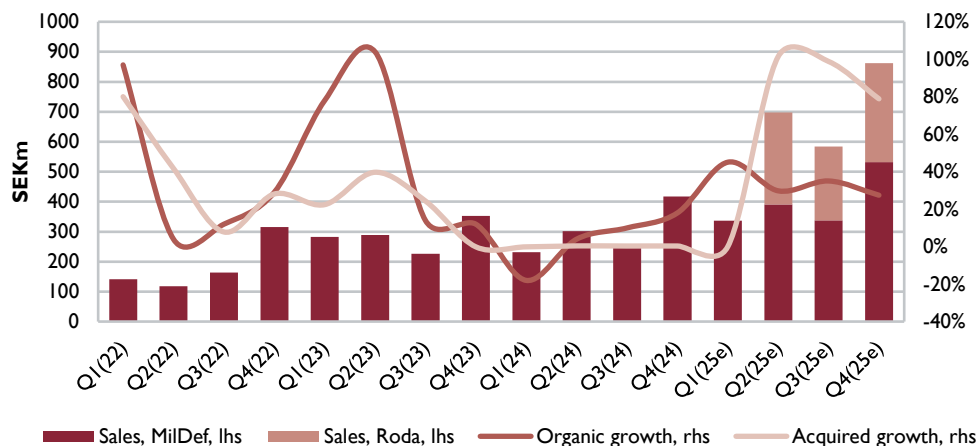
The order book value for the upcoming year is 37% higher than the comparable data point from a year ago



Source: Carnegie Research, MilDef

The software order for FMV is for a NATO navy exercise starting at the end of March, which supports our expectation of a strong Q1(25), a quarter with favourable year-on-year comparisons due to the previous year's weak performance

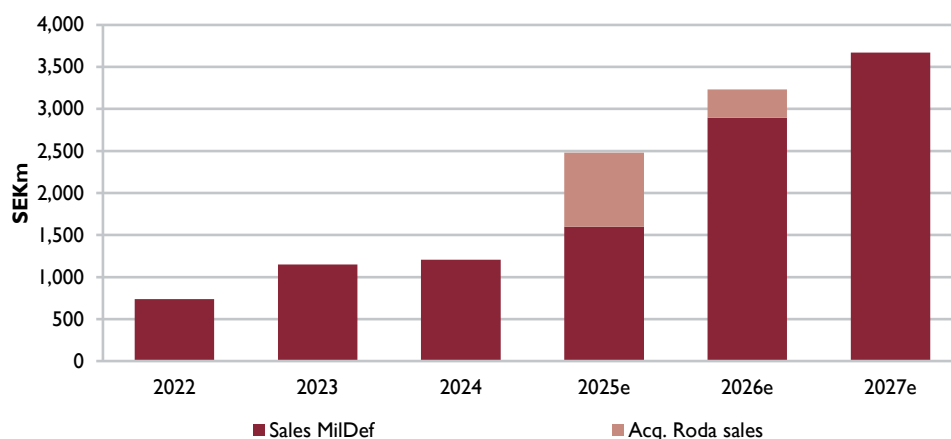
Sales fluctuate from quarter to quarter



Source: Carnegie Research, MilDef

Given the strong order book value for 2025 deliveries, we estimate 33% organic growth for the year

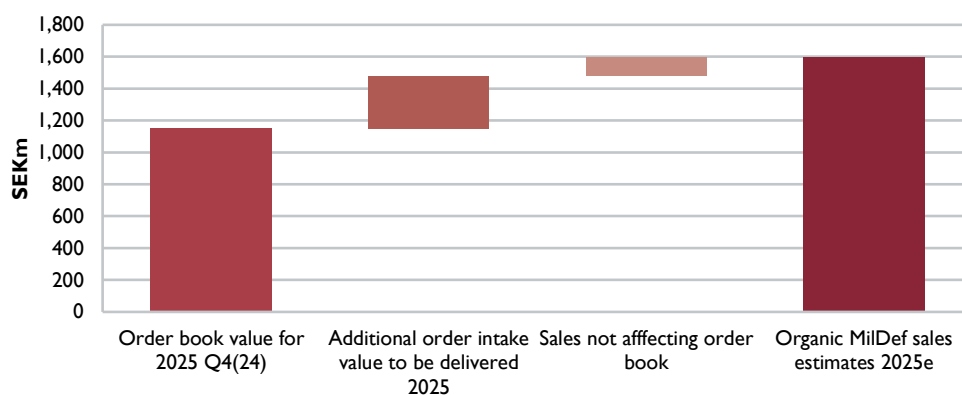
Growth is driven by both organic expansion and acquisitions



Source: Carnegie Research, MilDef

We estimate organic sales of SEK1,597m in 2025. With an order book value of SEK1,149m and SEK119m in sales not affecting the order book, we calculate that MilDef needs to secure SEK329m in new order intake during 2025 for same-year deliveries

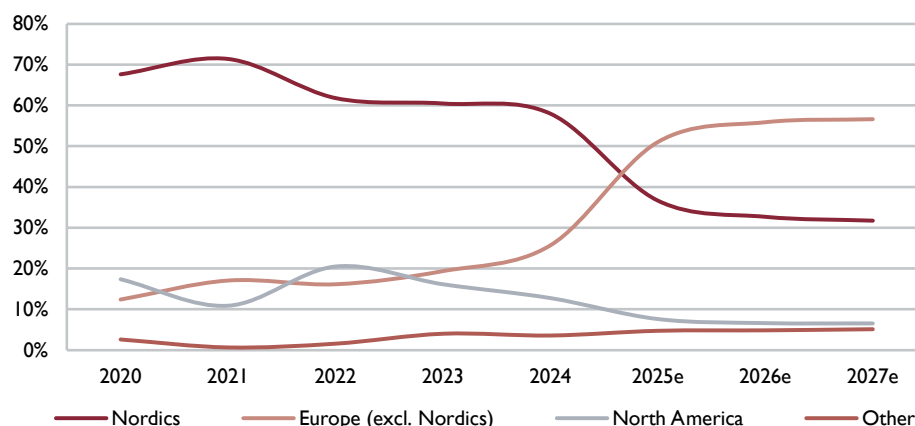
Sales bridge for MilDef's organic business 2025e



Source: Carnegie Research, MilDef

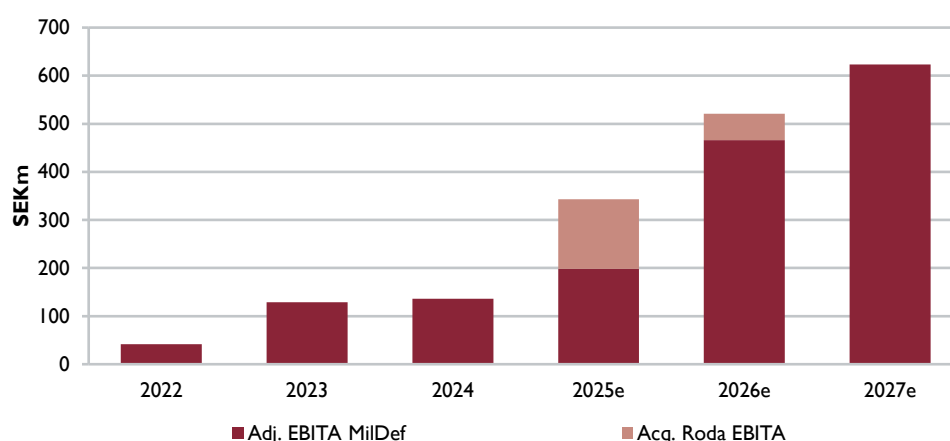
Following the acquisition of Roda, which is expected to close in Q1 2025, Europe will become MilDef's most important region, surpassing the Nordics, which will be the second largest market

Europe will become the most important region



Source: Carnegie Research, MilDef

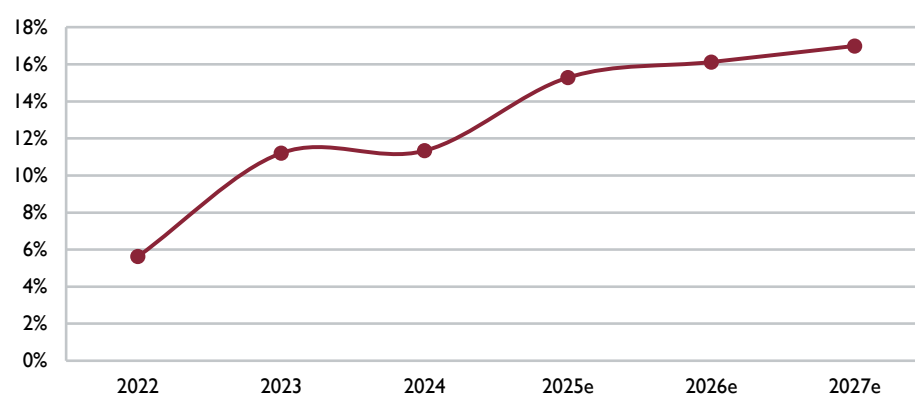
We estimate Roda to add SEK145m EBITA in 2025e



Source: Carnegie Research, MilDef

We identify several key drivers for continued margin expansion in the coming years. As seen in both this and previous quarters, volume growth is a crucial factor for margins, and we expect sales volumes to increase. The shutdown of Handheld's civil business is projected to boost EBIT by SEK20m per year, with full effect expected in 2026e. Additionally, we expect Roda to contribute with an estimated 16% EBITA margin in 2025e

We identify several key drivers for margin expansion



Source: Carnegie Research, MilDef

Estimate revisions

The largest estimate changes we make are for organic growth in 2025e and increased opex. Besides that, we raise the organic gross margin for 2025e to 49.3%, since software will constitute a larger share of sales.

MilDef P&L (SEKm)	New			Old			Changes		
	2024	2025e	2026e	2024e	2025e	2026e	2024e	2025e	2026e
Net sales	1,201	2,480	3,232	1,206	2,241	2,919	0%	11%	11%
Growth Y/Y	4%	107%	30%	5%	86%	30%	-0.4ppt	20.7ppt	0.1ppt
Organic Y/Y	4%	33%	17%	5%	13%	15%	-0.5ppt	20.3ppt	1.5ppt
Acquired Y/Y	0%	73%	14%	0%	73%	15%	0.0ppt	0.3ppt	-1.5ppt
COGS	-612	-1,428	-1,914	-609	-1,306	-1,736	0%	9%	10%
Gross profit	589	1,052	1,318	597	935	1,184	-1%	12%	11%
Gross margin	49.0%	42.4%	40.8%	49.5%	41.7%	40.5%	-0.4ppt	0.7ppt	0.2ppt
OPEX	-469	-730	-861	-523	-647	-750	-10%	13%	15%
Selling expenses	-279	-452	-525	-317	-403	-465	-12%	12%	13%
Admin expenses	-106	-163	-198	-114	-143	-162	-7%	14%	22%
R&D	-84	-116	-139	-93	-102	-123	-10%	14%	13%
Other income/expenses	-329	0	0	-285	0	0	15%	-	-
EO	-36	-6	-2	-25	-6	-2	43%	0%	0%
Adj. EBITDA	179	419	566	168	388	546	7%	8%	4%
Adj. EBITDA margin	14.9%	16.9%	17.5%	13.9%	17.3%	18.7%	1.0ppt	-0.4ppt	-1.2ppt
Depreciation	-29	-40	-45	-44	-45	-50	-33%	-11%	-10%
EBITA - CAR definition	100	373	519	98	337	494	2%	11%	5%
EBITA margin - CAR definition	8.4%	15.0%	16.1%	8.2%	15.0%	16.9%	0.2ppt	0.0ppt	-0.9ppt
Adj. EBITA - CAR definition	136	379	521	124	343	496	10%	11%	5%
Adj. EBITA margin - CAR definition	11.3%	15.3%	16.1%	10.2%	15.3%	17.0%	1.1ppt	0.0ppt	-0.9ppt
Amortisation & impairments - PPA	-309	-51	-62	-310	-49	-60	0%	5%	4%
EBIT	-209	322	457	-212	288	434	-1%	12%	5%
EBIT margin	-17.4%	13.0%	14.1%	-17.6%	12.8%	14.9%	0.2ppt	0.1ppt	-0.7ppt
Adj. EBIT	112	328	459	98	294	436	14%	12%	5%
Adj. EBIT margin	9.3%	13.2%	14.2%	8.1%	13.1%	14.9%	1.2ppt	0.1ppt	-0.7ppt
Net financials	-14	-24	-31	-18	-26	-34	-24%	-5%	-8%
PTP	-223	297	426	-230	262	400	-3%	13%	7%
Tax	2	-76	-111	-16	-67	-104	n.m.	12%	7%
Net profit	-220	221	315	-246	195	296	-10%	14%	7%
EPS	-5.2	4.9	6.9	-5.8	4.3	6.5	-10%	14%	7%
Adj. EPS	1.3	6.1	8.3	0.5	5.4	7.8	n.m.	12%	6%

Source: Carnegie Research

MilDef															
P&L (SEKm)	Q1(24)	Q2(24)	Q3(24)	Q4(24)	Q1(25e)	Q2(25e)	Q3(25e)	Q4(25e)	2022	2023	2024	2025e	2026e	2027e	
Net sales	232	302	250	418	336	697	585	862	739	1,151	1,201	2,480	3,232	3,669	
Growth Y/Y	-18%	4%	10%	18%	45%	131%	134%	106%	57%	56%	4%	107%	30%	13%	
Organic Y/Y	-18%	4%	10%	18%	45%	30%	35%	27%	27%	40%	4%	33%	17%	13%	
Acquired Y/Y	0%	0%	0%	0%	0%	101%	99%	79%	30%	16%	0%	73%	14%	0%	
COGS	-120	-148	-125	-220	-173	-412	-341	-502	-387	-595	-612	-1,428	-1,914	-2,142	
Gross profit	112	154	125	198	164	285	243	360	352	556	589	1,052	1,318	1,527	
Gross margin	48.4%	51.1%	50.0%	47.4%	48.7%	40.9%	41.6%	41.7%	47.7%	48.3%	49.0%	42.4%	40.8%	41.6%	
OPEX	-117	-119	-106	-127	-136	-191	-169	-233	-323	-449	-469	-730	-861	-969	
Selling expenses	-71	-70	-61	-76	-79	-117	-104	-152	-206	-283	-279	-452	-525	-614	
Admin expenses	-25	-25	-27	-29	-32	-45	-38	-48	-67	-86	-106	-163	-198	-203	
R&D	-22	-24	-17	-22	-25	-30	-27	-34	-49	-81	-84	-116	-139	-152	
Other income/expenses	-2	-1	3	-314	0	0	0	0	-1	1	-329	0	0	0	
EBITDA	9	54	38	-243	45	121	97	150	60	168	143	413	564	677	
EBITDA margin	3.7%	17.8%	15.4%	-58.1%	13.3%	17.4%	16.7%	17.4%	8.1%	14.6%	11.9%	16.7%	17.5%	18.4%	
Depreciation	-10	-12	-10	-10	-9	-11	-10	-10	-19	-39	-43	-40	-45	-53	
Adj. EBITA - CAR definition	-2	42	28	68	35	114	89	141	42	129	136	379	521	623	
Adj. EBITA margin - CAR definition	-0.8%	13.9%	11.2%	16.3%	10.5%	16.3%	15.2%	16.4%	5.6%	11.2%	11.3%	15.3%	16.1%	17.0%	
Amortisation - PPA	-5	-8	-6	-5	-8	-16	-14	-14	-12	-21	-24	-51	-62	-65	
EBIT	-7	34	22	-258	28	94	74	126	29	108	-209	322	457	559	
EBIT margin	-3.0%	11.3%	8.7%	-61.8%	8.2%	13.4%	12.7%	14.7%	4.0%	9.4%	-17.4%	13.0%	14.1%	15.2%	
Adj. EBIT	-7	34	22	63	28	98	75	127	29	108	112	328	459	559	
Adj. EBIT margin	-3.0%	11.3%	8.7%	15.0%	8.2%	14.0%	12.9%	14.8%	4.0%	9.4%	9.3%	13.2%	14.2%	15.2%	
Net financials	-7	-5	-1	-2	4	-10	-9	-9	-10	-20	-14	-24	-31	-28	
PTP	-13	29	21	-260	32	84	65	117	19	88	-223	297	426	530	
Tax	2	-6	-4	10	-7	-22	-17	-30	-5	-20	2	-76	-111	-138	
Net profit	-12	23	17	-250	25	62	48	86	14	69	-220	221	315	392	
EPS	-0.3	0.6	0.4	-5.8	0.6	1.4	1.1	1.9	0.4	1.7	-5.2	4.9	6.9	8.6	
Net sales growth Y/Y	-18%	4%	10%	18%	45%	131%	134%	106%	57%	56%	4%	107%	30%	13%	
Organic	-18%	4%	10%	18%	45%	30%	35%	27%	27%	40%	4%	33%	17%	13%	
Acquired	0%	0%	0%	0%	0%	101%	99%	79%	30%	16%	0%	73%	14%	0%	
Gross margin	48.4%	51.1%	50.0%	47.4%	48.7%	40.9%	41.6%	41.7%	47.7%	48.3%	49.0%	42.4%	40.8%	41.6%	
EBITDA margin	3.7%	17.8%	15.4%	-58.1%	13.3%	17.4%	16.7%	17.4%	8.1%	14.6%	11.9%	16.7%	17.5%	18.4%	
EBITDA margin	-0.8%	13.9%	11.2%	7.8%	10.5%	15.8%	15.0%	16.2%	5.6%	11.2%	8.4%	15.0%	16.1%	17.0%	
EBIT margin	-3.0%	11.3%	8.7%	-61.8%	8.2%	13.4%	12.7%	14.7%	4.0%	9.4%	-17.4%	13.0%	14.1%	15.2%	
Share of sales per region															
Nordics	53%	54%	62%	61%	53%	31%	32%	38%	62%	60%	58%	37%	33%	32%	
Europe (excl. Nordics)	23%	34%	22%	23%	28%	58%	56%	51%	16%	19%	26%	51%	56%	57%	
North America	20%	11%	13%	10%	16%	6%	7%	6%	20%	16%	13%	8%	7%	7%	
Other	4%	1%	3%	6%	4%	5%	5%	5%	2%	4%	4%	5%	5%	5%	
Y/Y growth by region															
Nordics	-18%	-20%	41%	9%	45%	34%	21%	26%	36%	53%	0%	30%	16%	10%	
Europe (excl. Nordics)	-27%	181%	-8%	83%	75%	292%	486%	354%	49%	87%	38%	310%	43%	15%	
North America	-14%	43%	-34%	-31%	17%	22%	22%	32%	196%	23%	-18%	23%	13%	12%	
Other	39%	-89%	4%	283%	18%	1036%	322%	83%	287%	299%	-7%	173%	33%	20%	

Source: Carnegie Research, MilDef 1rth, MilDef

Valuation and risks

Scenario analysis

Given the announced significant acquisition of Roda, for which we have limited financial information, we find a scenario analysis to be appropriate in order to outline the three possible outcomes. In our valuation, we primarily focus on 2026e, as we do not know exactly when Roda will fully merge into MilDef during 2025. Therefore, we find higher uncertainty in our 2025 numbers and focus on 2026, when we expect Roda to be fully included.

In our base scenario, we use EV/EBITA(26e) multiples of 12.2–15.3x, which is in line with peer group median and average of 12.4x and 14.8x for 2026e. Using this approach, we reach our fair value range of SEK130–165 per share. This approach corresponds to 2026e EV/sales multiples of 2.0–2.5x.

In our low-growth scenario, we assume the group's sales will increase due to the acquisition but with only a few percentage points of organic growth. Due to the lower sales volumes, we assume a slightly lower EBITA margin. Given the weaker financial performance in this scenario, we assume the company might trade at a lower EV/EBITA(26e) of 10.8–13.4x, resulting in a fair value range of SEK82–104 per share. This valuation range corresponds to 2026e EV/sales multiples of 1.6–2.0x, which align with the market's median and average of 1.6x and 2.0x, respectively.

In our third scenario, the merger with Roda goes well, and the new group shows higher sales and cost synergies than we have estimated, resulting in higher sales growth and EBITA margin. In this case, we primarily find increased group gross margin as the margin driver. Since MilDef is a late-cyclical business showing increased demand, we find this outcome relatively plausible. As a result of the improved financial performance, we believe MilDef could be valued at EV/EBITA(26e) multiples of 13.3–15.9x, slightly higher than our base scenario, leading to a fair value range of SEK184–222 per share.

SEKm	2022	2023	2024	2025e	2026e	2027e	2025e		2026e		
							EV/EBITA	Value per share	EV/EBITA	Value per share	
Base scenario											
Sales	739	1,151	1,201	2,480	3,232	3,669	Higher bound:	17.0x	132	15.3x	165
Growth	57%	56%	4%	107%	30%	13%	Lower bound:	14.4x	110	12.2x	130
EBITA	42	129	136	379	521	623					
Margin	6%	11%	11%	15%	16%	17%					
Low growth scenario											
Sales	739	1,151	1,201	2,161	2,594	2,853	Higher bound:	16.0x	97	13.4x	104
Growth	57%	56%	4%	80%	20%	10%	Lower bound:	13.4x	79	10.8x	82
EBITA	42	129	136	303	389	428					
Margin	6%	11%	11%	14%	15%	15%					
High growth scenario											
Sales	739	1,151	1,201	2,642	3,698	4,808	Higher bound:	18.0x	157	15.9x	222
Growth	57%	56%	4%	120%	40%	30%	Lower bound:	15.4x	133	13.3x	184
EBITA	42	129	136	423	666	865					
Margin	6%	11%	11%	16%	18%	18%					

Source: Carnegie Research, Factset

DCF

While our fair value range is primarily based on the scenario and benchmarking analysis detailed above, we have also conducted a DCF valuation. Following our explicit forecast period, which ends in 2026e, we assume growth will gradually decline linearly to 2%, in line with long-term GDP growth. We apply a WACC of 9.0%, reflecting an equity beta of 1.4x, and use the net debt for 2025e to reflect the increased debt due to the acquisition of Roda. For the terminal period, we use a 2% growth rate and assume an EBIT margin of 15%. Our DCF analysis suggests a fair value of SEK189 per share.

DCF assumptions - Summary	2025e	2026e	2027e	Average year			Terminal	
				4-5	6-10	11-15	16-20	period
Total sales growth	106.5%	30.3%	13.5%	13.9%	11.2%	7.4%	3.5%	2.0%
EBITDA margin	16.7%	17.5%	18.4%	18.5%	18.6%	18.8%	18.9%	19.0%
Depreciation % of sales	-1.6%	-1.4%	-1.5%	-1.5%	-1.6%	-1.8%	-1.9%	-2.0%
EBITA margin	15.0%	16.1%	17.0%	17.0%	17.0%	17.0%	17.0%	17.0%
Amortisations % of sales	-2.1%	-1.9%	-1.8%	-1.8%	-1.8%	-1.9%	-2.0%	-2.0%
EBIT margin	13.0%	14.1%	15.2%	15.2%	15.2%	15.1%	15.0%	15.0%
Capex % of sales	-1.9%	-1.8%	-1.5%	-1.7%	-2.2%	-3.0%	-3.7%	-4.0%
Paid tax rate	-25.5%	-26.0%	-26.0%	-26.0%	-26.0%	-26.0%	-26.0%	-26.0%
NWC to sales	39.7%	38.8%	35.2%	35.5%	36.0%	36.9%	37.7%	38.0%
Sales	2,480	3,232	3,669	4,473	6,694	10,179	12,974	13,961
EBITDA	413	564	677	827	1,246	1,911	2,457	2,653
Capex	-47	-58	-55	-77	-152	-304	-482	-279
Taxes	-76	-111	-138	-198	-296	-450	-573	617
Other	-1,045	-204	7	-199	-249	-269	-184	19,827
Free cash flow	-755	191	491	353	549	888	1,217	22,817
Discounted FCF	-723	168	396	250	285	301	270	4,271
Share of total discounted FCF	-8%	2%	4%	6%	16%	17%	15%	48%

Valuation	(SEK)m	Per share	WACC assumptions	
EV (discounted FCF)	8,897	195.2	Risk free interest rate	4.0%
- Net debt (2026)	-352	-7.7	Debt risk premium	0.5%
+ Associates	0	0.0	Equity risk premium	4.0%
- Minority interest	0	0.0	Equity beta	1.40
- Outstanding warrants	0	0.0	Cost of Equity	9.6%
Other debt adjustments	0	0.0	Tax rate	26.0%
ESG penalty	0	0.0	After tax cost of debt	3.3%
Equity value at YE (24)	8,545	187	Equity weight	90%
Time adjustment	80	1.8	WACC	9.0%
Dividend	0	0.0		
Current equity value	8,624	189		

Source: Carnegie Research

The DCF valuation is highly sensitive to the applied WACC and terminal growth and margin assumptions, as reflected below.

		WACC						
		7.5%	8.0%	8.5%	9.0%	9.5%	10.0%	10.5%
Terminal growth %	4%	348	298	257	225	199	177	158
	3%	317	274	240	211	188	168	151
	3%	292	255	225	199	178	160	144
	2%	271	239	212	189	170	153	139
	2%	254	225	201	180	163	147	134
	1%	240	214	191	173	156	142	129
	1%	227	203	183	166	150	137	125

Source: Carnegie Research

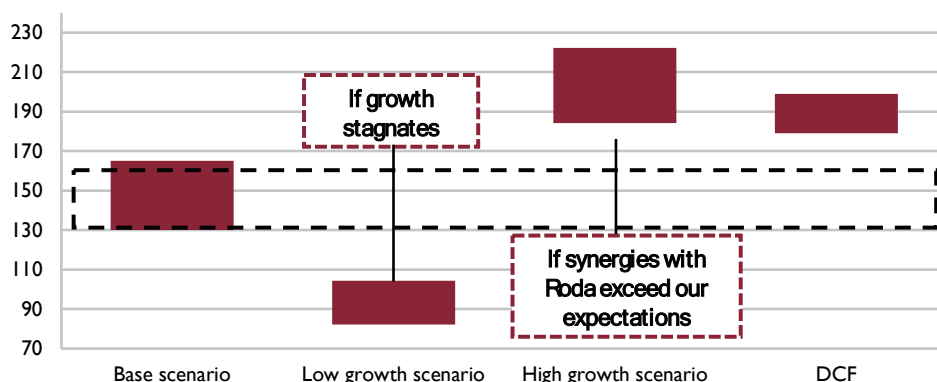
		WACC						
		7.5%	8.0%	8.5%	9.0%	9.5%	10.0%	10.5%
Terminal EBITDA %	22%	304	266	235	209	187	168	151
	21%	293	257	227	202	181	163	147
	20%	282	248	220	196	175	158	143
	19%	271	239	212	189	170	153	139
	18%	261	230	204	183	164	148	135
	17%	250	221	197	176	159	144	130
	16%	239	212	189	170	153	139	126

Source: Carnegie Research

Summary of valuation methodology

We set our fair value range for MilDef at SEK130–165 per share. This corresponds to an EV/S(25e) multiple of 2.6–3.2x and an EV/EBITA(25e) multiple of 16.8–21.0x, and for 2026e, 2.0–2.5x and 12.2–15.3x, respectively. Our fair value range is based on our base scenario and a peer valuation approach, as described above.

Fair value range of SEK130-160



Source: Carnegie Research

Peers financials and valuation

	Mcap. (EURm)	Sales growth			Gross margin			Adj. EBITDA margin			Adj. EBITA margin			Adj. EBIT margin			Net debt/EBITDA		
		2024e	2025e	2026e	2024e	2025e	2026e	2024e	2025e	2026e	2024e	2025e	2026e	2024e	2025e	2026e	2024e	2025e	2026e
Swedish defence companies																			
MilDef Group AB ¹	511	4.3%	106.5%	30.3%	49.0%	42.4%	40.8%	11.9%	16.7%	17.5%	11.3%	15.3%	16.1%	9.3%	13.2%	14.2%	-2.3x	1.1x	0.6x
Kebn AB Class B ¹	23	95.4%	24.2%	22.4%	47.8%	47.2%	47.5%	5.2%	10.2%	11.5%	4.0%	6.2%	7.9%	2.8%	6.2%	7.9%	-1.1x	-0.6x	-0.7x
W5 Solutions AB ¹	67	0.2%	17.1%	14.8%	59.6%	59.2%	59.6%	4.5%	8.7%	13.6%	-1.6%	3.9%	9.7%	-8.2%	-2.3%	4.4%	5.5x	2.1x	0.7x
Saab AB Class B	11,220	20.6%	15.6%	13.7%	21.9%	22.0%	22.4%	13.2%	13.8%	14.2%	9.4%	10.0%	10.7%	9.1%	9.8%	10.4%	-0.2x	-0.3x	-0.4x
INVISIO AB	1,339	37.5%	11.3%	14.5%	54.9%	59.4%	61.2%	23.4%	26.4%	28.2%	21.1%	24.4%	27.5%	20.1%	23.6%	25.7%	-0.7x	-0.9x	-1.0x
4C Group AB	36	3.9%	12.8%	12.1%	-	-	-	10.7%	21.9%	24.3%	-1.2%	9.3%	11.7%	-1.2%	9.3%	11.7%	1.5x	0.4x	0.2x
Clavister Holding AB	41	17.1%	18.1%	12.6%	78.7%	77.5%	77.6%	18.1%	23.4%	28.4%	-5.8%	2.7%	9.8%	-5.8%	2.7%	9.8%	4.8x	2.9x	2.1x
Average	2,121	29.1%	16.5%	15.0%	52.6%	53.0%	53.7%	12.5%	17.4%	20.0%	4.3%	9.4%	12.9%	2.8%	8.2%	11.6%	1.6x	0.6x	0.1x
Median	54	18.8%	16.4%	14.1%	54.9%	59.2%	59.6%	12.0%	17.8%	19.3%	1.4%	7.8%	10.3%	0.8%	7.8%	10.1%	0.6x	0.0x	-0.1x
European defence companies																			
Kongsberg Gruppen ASA	19,734	19.8%	17.4%	12.4%	62.9%	62.7%	82.0%	16.8%	16.6%	16.9%	14.3%	14.4%	14.9%	13.5%	13.7%	14.3%	-0.4x	-0.5x	-0.7x
RENK Group AG	2,411	18.9%	15.8%	14.9%	25.9%	27.3%	28.1%	19.2%	20.6%	21.1%	14.8%	16.5%	17.2%	16.1%	17.1%	17.7%	1.9x	1.3x	0.8x
BAE Systems plc	43,651	11.2%	8.7%	6.0%	10.9%	11.2%	11.3%	13.1%	13.3%	13.4%	10.7%	10.9%	11.1%	10.7%	10.9%	11.1%	1.6x	1.4x	1.2x
Rheinmetall AG	32,617	39.6%	26.2%	26.4%	41.4%	38.0%	38.1%	17.8%	19.2%	20.2%	15.3%	16.9%	18.2%	14.4%	15.8%	17.3%	0.6x	0.4x	0.1x
Thales SA	32,796	9.2%	7.3%	6.3%	27.0%	27.5%	27.9%	15.4%	16.0%	16.2%	11.7%	12.4%	12.9%	11.7%	12.4%	12.9%	1.0x	0.6x	0.3x
Leonardo SpA	17,368	12.5%	6.4%	5.3%	11.4%	11.5%	12.3%	11.5%	12.1%	12.7%	8.0%	8.5%	9.3%	7.7%	8.5%	9.2%	1.0x	0.6x	0.4x
Safran SA	102,223	17.3%	14.6%	10.5%	24.6%	24.3%	24.9%	19.6%	19.8%	20.4%	15.2%	15.5%	15.9%	15.3%	15.7%	16.3%	-0.3x	-0.3x	-0.5x
Dassault Aviation SA	17,212	25.3%	19.9%	21.8%	38.2%	38.2%	38.3%	11.4%	11.9%	12.4%	8.1%	8.3%	9.4%	8.5%	9.2%	9.9%	-10.6x	-8.8x	-6.6x
HENSOLDT AG	4,539	24.9%	14.9%	11.4%	25.2%	25.7%	26.6%	17.6%	17.9%	18.6%	13.3%	14.0%	15.3%	12.4%	13.2%	14.1%	1.5x	1.2x	0.7x
Chemring Group PLC	1,025	8.0%	5.8%	11.5%	-	-	-	16.1%	17.6%	18.0%	13.9%	14.1%	14.7%	13.9%	14.0%	14.5%	0.7x	1.0x	0.9x
Babcock International Group PLC	3,295	7.9%	4.0%	4.4%	7.5%	7.4%	7.5%	9.4%	9.9%	10.2%	7.1%	7.4%	7.7%	7.1%	7.6%	7.9%	0.8x	0.5x	0.2x
QinetiQ Group plc	2,442	6.8%	7.3%	7.1%	-	-	-	14.7%	15.1%	15.2%	12.3%	12.5%	12.6%	11.5%	11.8%	12.1%	0.4x	0.2x	-0.2x
Average	23,276	16.8%	12.3%	11.5%	27.5%	27.4%	29.7%	15.2%	15.8%	16.3%	12.1%	12.6%	13.3%	11.9%	12.5%	13.1%	-0.2x	-0.2x	-0.3x
Median	17,290	14.9%	11.7%	10.9%	25.5%	26.5%	27.3%	15.8%	16.3%	16.6%	12.8%	13.3%	13.8%	12.0%	12.8%	13.5%	0.7x	0.6x	0.3x
Europe and Sweden average	16,224	20.9%	13.7%	12.7%	35.8%	35.9%	37.7%	14.3%	16.4%	17.5%	9.5%	11.6%	13.1%	8.9%	11.1%	12.6%	0.4x	0.1x	-0.1x
Europe and Sweden median	3,917	17.2%	14.7%	12.3%	27.0%	27.5%	28.1%	15.1%	16.3%	16.6%	11.2%	11.6%	12.1%	11.1%	11.4%	11.9%	0.7x	0.5x	0.2x
American defence companies																			
Lockheed Martin Corporation	101,610	5.1%	4.7%	3.8%	9.8%	12.6%	13.6%	12.1%	14.0%	14.1%	-	-	-	9.9%	12.1%	12.1%	2.1x	1.6x	1.5x
RTX Corporation	165,098	8.7%	4.4%	5.8%	19.1%	21.9%	22.5%	15.8%	16.7%	17.0%	12.6%	13.0%	13.9%	12.6%	13.0%	13.6%	2.8x	2.3x	2.0x
Northrop Grumman Corp.	65,608	4.4%	3.4%	4.3%	20.6%	21.3%	20.8%	14.0%	14.7%	14.3%	-	-	-	10.6%	11.3%	10.9%	1.9x	1.7x	1.7x
General Dynamics Corporation	68,226	12.9%	5.5%	4.1%	15.6%	16.6%	16.8%	11.9%	12.2%	12.6%	-	-	-	10.1%	10.4%	10.9%	1.2x	1.0x	0.9x
L3Harris Technologies Inc	38,032	9.8%	3.5%	4.3%	25.9%	27.0%	27.7%	18.7%	18.3%	18.6%	-	-	-	15.4%	15.8%	16.2%	2.9x	2.6x	2.3x
Huntington Ingalls Industries, Inc.	7,343	1.2%	3.7%	4.3%	-	-	-	7.9%	8.6%	8.9%	-	-	-	4.9%	5.6%	6.0%	2.4x	2.0x	1.7x
Leidos Holdings, Inc.	18,090	6.4%	3.3%	3.8%	17.0%	17.0%	17.2%	13.0%	12.7%	12.9%	-	-	-	12.1%	12.0%	12.2%	1.6x	1.5x	1.4x
Booz Allen Hamilton Holding Corporation Class A	15,719	12.9%	7.3%	7.1%	42.0%	42.2%	43.3%	11.0%	11.1%	11.3%	-	-	-	11.2%	9.9%	10.0%	2.2x	2.0x	1.8x
Honeywell International Inc.	138,735	5.0%	7.2%	5.2%	37.5%	37.1%	37.5%	26.0%	27.0%	27.2%	23.8%	24.3%	24.7%	22.6%	23.8%	24.1%	1.6x	1.4x	1.1x
Curtiss-Wright Corporation	12,779	8.4%	7.4%	6.6%	36.7%	36.7%	36.6%	21.0%	21.8%	22.0%	-	-	-	17.5%	18.3%	18.7%	0.9x	0.3x	-0.2x
Average	63,124	7.5%	5.0%	4.9%	24.9%	25.8%	26.2%	15.1%	15.7%	15.9%	18.2%	18.7%	19.3%	12.7%	13.2%	13.5%	2.0x	1.6x	1.4x
Median	51,820	7.4%	4.5%	4.3%	20.6%	21.9%	22.5%	13.5%	14.4%	14.2%	18.2%	18.7%	19.3%	11.6%	12.0%	12.1%	2.0x	1.7x	1.6x
Total average	32,974	16.1%	10.6%	9.9%	31.7%	32.1%	33.4%	14.6%	16.1%	16.9%	10.4%	12.3%	13.8%	10.2%	11.8%	12.9%	1.0x	0.6x	0.4x
Total median	16,466	10.5%	7.3%	7.1%	25.9%	27.2%	27.8%	14.3%	15.5%	15.7%	12.0%	12.4%	12.7%	11.3%	11.9%	12.1%	1.4x	1.0x	0.7x

¹Carnegie Estimates

Note: Estimates collected from Factset as per 06/02/2025

Source: Carnegie Research, Factset

	Mcap. (EURm)	EV/Sales			EV/EBITDA			EV/EBITA			EV/EBIT			PE		
		2024e	2025e	2026e	2024e	2025e	2026e	2024e	2025e	2026e	2024e	2025e	2026e	2024e	2025e	2026e
Swedish defence companies																
MilDef Group AB*	511	4.6x	2.5x	1.9x	30.6x	15.0x	10.9x	54.6x	16.8x	11.9x	48.9x	19.1x	13.4x	-24.7x	26.2x	18.4x
KebNi AB Class B*	23	2.1x	1.7x	1.3x	27.4x	16.2x	11.5x	125.0x	26.5x	16.8x	73.6x	26.5x	16.8x	311.46x	27.4x	17.7x
WS Solutions AB*	67	2.2x	1.8x	1.5x	48.9x	21.3x	11.3x	-140.2x	46.8x	16.0x	-26.6x	-79.2x	35.5x	-21.2x	-36.6x	68.9x
Saab AB Class B	11,220	2.0x	1.8x	1.5x	15.5x	12.7x	10.8x	21.7x	17.5x	14.3x	22.6x	17.9x	14.8x	29.2x	23.1x	19.0x
INVISIO AB	1,339	7.5x	8.1x	7.1x	32.0x	30.9x	25.2x	35.5x	33.4x	25.9x	37.1x	34.6x	27.7x	59.5x	45.0x	36.4x
4C Group AB	36	1.3x	1.4x	1.2x	11.8x	6.2x	5.0x	-	14.6x	10.3x	-	14.6x	10.3x	-	18.0x	10.6x
Clavister Holding AB	41	3.9x	3.1x	2.7x	21.6x	13.0x	9.6x	-	113.4x	27.8x	-	113.4x	27.8x	-	-	44.1x
Average	2,541	3.4x	3.2x	2.8x	26.0x	16.8x	12.4x	-27.6x	45.1x	18.9x	11.0x	20.3x	23.2x	22.5x	12.4x	35.8x
Median	67	2.2x	1.8x	1.5x	21.6x	13.0x	10.8x	21.7x	33.4x	16.0x	22.6x	17.9x	27.7x	29.2x	20.6x	36.4x
European defence companies																
Kongsberg Gruppen ASA	19,734	4.6x	4.0x	3.5x	27.4x	23.8x	20.8x	32.1x	27.5x	23.5x	33.9x	28.9x	24.6x	43.4x	36.0x	30.7x
RENK Group AG	2,411	2.1x	2.2x	2.0x	10.9x	10.9x	9.3x	14.1x	13.6x	11.3x	13.0x	13.1x	11.1x	23.5x	17.7x	14.6x
BAE Systems plc	43,651	1.5x	1.5x	1.4x	11.7x	11.0x	10.3x	14.4x	13.4x	12.4x	14.4x	13.4x	12.4x	17.9x	15.8x	14.3x
Rheinmetall AG	32,617	2.8x	2.7x	2.1x	15.9x	13.9x	10.4x	18.5x	15.7x	11.5x	19.7x	16.8x	12.2x	34.4x	24.4x	17.7x
Thales SA	32,796	1.7x	1.7x	1.6x	10.7x	10.8x	10.0x	14.1x	13.9x	12.6x	14.1x	13.9x	12.6x	19.0x	16.9x	15.0x
Leonardo SpA	17,368	1.1x	1.2x	1.1x	9.7x	9.7x	8.8x	14.0x	13.7x	12.0x	14.6x	13.8x	12.1x	18.7x	17.3x	14.6x
Safran SA	102,223	3.4x	3.4x	3.1x	17.4x	17.0x	15.0x	22.4x	21.9x	19.2x	22.4x	21.5x	18.7x	35.4x	29.4x	24.6x
Dassault Aviation SA	17,212	1.1x	1.1x	0.9x	10.1x	9.5x	7.5x	14.2x	13.7x	9.9x	13.6x	12.2x	9.4x	17.8x	15.2x	12.6x
HENSOLDT AG	4,539	2.2x	2.1x	1.9x	12.4x	11.6x	10.1x	16.4x	14.8x	12.2x	17.6x	15.7x	13.3x	26.1x	20.7x	17.1x
Chemring Group PLC	1,025	2.0x	1.7x	1.5x	12.7x	9.6x	8.4x	14.7x	12.0x	10.3x	14.7x	12.1x	10.5x	16.0x	15.5x	13.4x
Babcock International Group PLC	3,295	0.7x	0.7x	0.7x	7.7x	7.1x	6.5x	10.2x	9.3x	8.6x	10.1x	9.2x	8.4x	13.3x	11.9x	10.8x
QinetiQ Group plc	2,442	1.1x	1.0x	1.0x	7.6x	6.9x	6.4x	9.1x	8.4x	7.8x	9.8x	8.8x	8.1x	11.6x	10.3x	9.3x
Average	23,276	2.0x	1.9x	1.7x	12.8x	11.8x	10.3x	16.2x	14.8x	12.6x	16.5x	14.9x	12.8x	23.1x	19.3x	16.2x
Median	17,290	1.9x	1.7x	1.6x	11.3x	10.9x	9.6x	14.3x	13.7x	11.8x	14.5x	13.6x	12.2x	18.9x	17.1x	14.6x
Europe and Sweden average	16,224	2.4x	2.3x	2.0x	17.3x	13.4x	10.9x	14.8x	23.9x	14.6x	19.0x	17.1x	15.9x	216.2x	18.1x	21.7x
Europe and Sweden median	3,917	2.1x	1.7x	1.5x	12.5x	11.3x	10.0x	14.5x	14.7x	12.3x	14.7x	14.3x	12.5x	21.3x	17.7x	16.0x
American defence companies																
Lockheed Martin Corporation	101,610	1.9x	1.7x	1.6x	15.7x	12.1x	11.6x	-	-	-	19.3x	14.1x	13.5x	20.2x	16.5x	15.1x
RTX Corporation	165,098	2.4x	2.5x	2.4x	15.3x	15.1x	14.0x	19.1x	19.4x	17.2x	19.1x	19.4x	17.5x	22.5x	21.1x	18.9x
Northrop Grumman Corp.	65,608	2.0x	2.0x	1.9x	14.5x	13.4x	13.2x	-	-	-	19.0x	17.4x	17.3x	18.1x	16.8x	16.2x
General Dynamics Corporation	68,226	1.7x	1.6x	1.5x	14.1x	12.8x	11.9x	-	-	-	16.7x	15.0x	13.8x	19.0x	17.1x	15.3x
L3Harris Technologies Inc.	38,032	2.5x	2.3x	2.2x	13.2x	12.7x	12.0x	-	-	-	15.9x	14.8x	13.8x	16.0x	17.2x	15.4x
Huntington Ingalls Industries, Inc.	7,343	0.9x	0.9x	0.8x	11.2x	10.2x	9.5x	-	-	-	18.1x	15.7x	13.9x	13.8x	12.8x	11.2x
Leidos Holdings, Inc.	18,090	1.4x	1.4x	1.3x	11.0x	10.7x	10.1x	-	-	-	11.8x	11.3x	10.8x	14.0x	13.3x	12.2x
Booz Allen Hamilton Holding Corporation Class A	15,719	1.6x	1.5x	1.4x	14.8x	13.7x	12.7x	-	-	-	14.7x	15.4x	14.2x	20.4x	18.5x	16.4x
Honeywell International Inc.	138,735	4.4x	4.0x	3.8x	16.9x	15.0x	14.1x	18.5x	16.6x	15.6x	19.5x	17.0x	16.0x	22.5x	20.4x	18.7x
Curtiss-Wright Corporation	12,779	4.7x	4.3x	4.0x	22.2x	19.7x	18.3x	-	-	-	26.7x	23.5x	21.6x	32.7x	29.5x	26.9x
Average	63,124	2.4x	2.2x	2.1x	14.9x	13.5x	12.8x	18.8x	18.0x	16.4x	18.1x	16.4x	15.2x	19.9x	18.3x	16.6x
Median	51,820	2.0x	1.8x	1.8x	14.7x	13.1x	12.3x	18.8x	18.0x	16.4x	18.6x	15.6x	14.1x	19.6x	17.1x	15.8x
Total average	32,974	2.4x	2.3x	2.0x	16.4x	13.5x	11.6x	15.2x	23.3x	14.8x	18.7x	16.8x	15.7x	21.7x	18.2x	19.9x
Total median	17,212	2.0x	1.8x	1.6x	14.1x	12.7x	10.4x	14.7x	14.8x	12.4x	16.7x	15.0x	13.8x	19.0x	17.2x	15.4x

*Carnegie Estimates

Source: Carnegie Research, Factset

Note: Estimates collected from Factset as per 06/02/2025

Financial statements

Profit & loss (SEKm)	2018	2019	2020	2021	2022	2023	2024	2025e	2026e	2027e
Sales	0	0	0	470	739	1,151	1,201	2,480	3,232	3,669
COGS	0	0	0	-260	-387	-595	-612	-1,428	-1,914	-2,142
Gross profit	0	0	0	210	352	556	589	1,052	1,318	1,527
Other income & costs	0	0	0	-189	-292	-388	-446	-639	-754	-850
Share in ass. operations and JV	0	0	0	0	0	0	0	0	0	0
EBITDA	0	0	0	21	60	168	143	413	564	677
Depreciation PPE	0	0	0	-13	-15	-28	-29	-36	-41	-45
Depreciation lease assets	0	0	0	0	0	0	0	0	0	0
Amortisation development costs	0	0	0	-2	-3	-11	-13	-4	-5	-9
Amortisation other intangibles	0	0	0	0	0	0	0	0	0	0
Impairments / writedowns	0	0	0	0	0	0	0	0	0	0
EBITA	0	0	0	6	41	129	100	373	519	623
Amortization acquisition related	0	0	0	-9	-12	-21	-24	-51	-62	-65
Impairment acquisition related	0	0	0	0	0	0	-285	0	0	0
EBIT	0	0	0	-3	29	108	-209	322	457	559
Share in ass. operations and JV	0	0	0	0	0	0	0	0	0	0
Net financial items	0	0	0	-2	-10	-20	-14	-24	-31	-28
of which interest income/expenses	0	0	0	-2	-10	-20	-14	-24	-31	-28
of which interest on lease liabilities	0	0	0	0	0	0	0	0	0	0
of which other items	0	0	0	0	0	0	0	0	0	0
Pre-tax profit	0	0	0	-5	19	89	-223	297	426	530
Taxes	0	0	0	5	-5	-20	2	-76	-111	-138
Post-tax minorities interest	0	0	0	0	0	0	0	0	0	0
Discontinued operations	0	0	0	0	0	0	0	0	0	0
Net profit	0	0	0	-1	14	69	-220	221	315	392
Adjusted EBITDA	0	0	0	32	60	168	179	419	566	677
Adjusted EBITA	0	0	0	18	42	129	136	379	521	623
Adjusted EBIT	0	0	0	9	29	108	112	328	459	559
Adjusted net profit	0	0	0	17	27	90	54	277	379	457
Sales growth Y/Y	na	na	na	+chg	57.3%	55.8%	4.3%	106.5%	30.3%	13.5%
EBITDA growth Y/Y	na	na	na	+chg	188.5%	180.0%	-14.8%	188.7%	36.6%	19.9%
EBITA growth Y/Y	na	na	na	+chg	558.8%	211.0%	-22.3%	272.0%	39.2%	20.1%
EBIT growth Y/Y	na	na	na	-chg	+chg	270.2%	-chg	+chg	42.1%	22.2%
EBITDA margin	nm	nm	nm	4.4%	8.1%	14.6%	11.9%	16.7%	17.5%	18.4%
EBITA margin	nm	nm	nm	1.3%	5.6%	11.2%	8.4%	15.0%	16.1%	17.0%
EBIT margin	nm	nm	nm	-0.6%	4.0%	9.4%	-17.4%	13.0%	14.1%	15.2%
Tax rate	na	na	na	84.9%	26.0%	22.1%	1.0%	25.5%	26.0%	26.0%
Cash flow (SEKm)	2018	2019	2020	2021	2022	2023	2024	2025e	2026e	2027e
EBITDA	0	0	0	21	60	168	143	413	564	677
Paid taxes	0	0	0	-8	-8	-13	-22	-76	-111	-138
Change in NWC	0	0	0	-66	-123	-90	8	-191	-204	7
Non cash adjustments	0	0	0	-1	-1	9	77	0	0	0
Discontinued operations	0	0	0	0	0	0	0	0	0	0
Total operating activities	0	0	0	-55	-72	74	206	146	250	546
Capex tangible assets	0	0	0	-11	-5	-14	-11	-25	-32	-26
Capitalised development costs	0	0	0	-6	-13	-32	-10	-22	-26	-29
Capex - other intangible assets	0	0	0	0	0	0	0	0	0	0
Acquisitions/divestments	0	0	0	-172	-383	-23	-13	-854	0	0
Other non-cash adjustments	0	0	0	0	0	0	0	0	0	0
Total investing activities	0	0	0	-188	-401	-69	-33	-901	-58	-55
Net financial items	0	0	0	-2	-10	-20	-14	-24	-31	-28
Lease payments	0	0	0	-9	-11	-21	-22	-22	-22	-22
Dividend paid and received	0	0	0	-17	-27	0	-20	-23	-45	-61
Share issues & buybacks	0	0	0	392	223	0	495	0	0	0
Change in bank debt	0	0	0	0	180	60	-118	320	-80	-80
Other cash flow items	0	0	0	0	5	0	0	0	0	0
Total financing activities	0	0	0	363	361	19	322	251	-179	-191
Operating cash flow	0	0	0	-55	-72	74	206	146	250	546
Free cash flow	0	0	0	-82	-111	-13	150	53	138	441
Net cash flow	0	0	0	120	-113	24	495	-504	13	300
Change in net IB debt	0	0	0	132	-279	-17	637	-802	115	402
Capex / Sales	nm	nm	nm	2.3%	0.6%	1.2%	0.9%	1.0%	1.0%	0.7%
NWC / Sales	nm	nm	nm	23.7%	46.0%	43.9%	46.6%	31.3%	34.6%	34.7%

Source: Carnegie Research & company data

Financial statements, cont.

Balance sheet (SEKm)	2018	2019	2020	2021	2022	2023	2024	2025e	2026e	2027e
Acquired intangible assets	0	0	0	285	599	576	379	1,028	966	901
Other fixed intangible assets	0	0	0	1	0	0	0	0	0	0
Capitalised development	0	0	0	11	56	69	13	31	52	73
Tangible assets	0	0	0	15	17	22	20	35	46	41
Lease assets	0	0	0	60	85	101	70	45	25	11
Other IB assets (1)	0	0	0	0	0	0	0	0	0	0
Other non-IB assets	0	0	0	6	15	10	20	20	20	20
Fixed assets	0	0	0	377	772	777	502	1,158	1,108	1,045
Inventories (2)	0	0	0	86	237	290	234	496	743	770
Receivables (2)	0	0	0	136	255	285	330	629	751	777
Prepaid exp. & other NWC items (2)	0	0	0	41	70	93	87	87	87	87
IB current assets (1)	0	0	0	0	0	0	0	0	0	0
Other current assets	0	0	0	0	0	0	0	0	0	0
Cash & cash equivalents (1)	0	0	0	169	60	82	530	26	39	338
Current assets	0	0	0	432	622	749	1,182	1,239	1,621	1,974
Total assets	0	0	0	808	1,394	1,526	1,684	2,396	2,729	3,019
Shareholders' equity	0	0	0	568	788	845	1,102	1,301	1,570	1,901
Minorities	0	0	0	0	0	0	0	0	0	0
Other equity	0	0	0	0	0	0	0	0	0	0
Total equity	0	0	0	568	788	845	1,102	1,301	1,570	1,901
Deferred tax	0	0	0	24	35	33	25	25	25	25
LT IB debt (1)	0	0	0	32	175	133	103	423	343	263
Other IB provisions (1)	0	0	0	0	0	0	0	0	0	0
Lease liabilities	0	0	0	52	71	76	61	39	17	-5
Other non-IB liabilities	0	0	0	0	0	0	0	0	0	0
LT liabilities	0	0	0	107	281	242	188	486	384	282
ST IB debt (1)	0	0	0	10	53	131	31	31	31	31
Payables (2)	0	0	0	40	105	114	86	228	329	343
Accrued exp. & other NWC items (2)	0	0	0	0	0	0	0	0	0	0
Other ST non-IB liabilities	0	0	0	84	167	194	277	350	414	461
Liabilities - assets held for sale	0	0	0	0	0	0	0	0	0	0
Current liabilities	0	0	0	133	326	440	394	609	775	835
Total equity and liabilities	0	0	0	808	1,394	1,526	1,684	2,396	2,729	3,019
Net IB debt (=1)	0	0	0	-76	239	259	-336	466	352	-50
Net working capital (NWC) (=2)	0	0	0	223	457	553	566	984	1,253	1,292
Capital employed (CE)	0	0	0	680	1,107	1,208	1,302	1,799	1,967	2,196
Capital invested (CI)	0	0	0	583	1,158	1,252	1,036	2,091	2,290	2,245
Equity / Total assets	nm	nm	nm	70%	57%	55%	65%	54%	58%	63%
Net IB debt / EBITDA	nm	nm	nm	-3.6	4.0	1.5	-2.3	1.1	0.6	-0.1
Per share data (SEK)	2018	2019	2020	2021	2022	2023	2024	2025e	2026e	2027e
Adj. no. of shares in issue YE (m)	0.00	0.00	23.24	36.39	39.86	39.86	45.57	45.57	45.57	45.57
Diluted no. of Shares YE (m)	0.00	0.00	23.24	36.39	39.86	39.86	45.57	45.57	45.57	45.57
EPS	na	na	0.00	-0.03	0.37	1.73	-5.16	4.86	6.91	8.61
EPS adj.	na	na	0.00	0.58	0.70	2.25	1.27	6.09	8.31	10.0
CEPS	na	na	0.00	0.47	0.90	2.69	2.57	6.39	8.79	10.7
DPS	0.00	0.00	0.00	0.75	0.75	0.00	0.50	0.50	1.00	1.35
BVPS	na	na	0.00	15.6	19.8	21.2	24.2	28.5	34.5	41.7
Performance measures	2018	2019	2020	2021	2022	2023	2024	2025e	2026e	2027e
ROE	nm	nm	nm	-0.3%	2.1%	8.4%	-22.6%	18.4%	21.9%	22.6%
Adj. ROCE pre-tax	na	na	na	na	4.8%	12.0%	11.2%	25.0%	28.3%	30.4%
Adj. ROIC after-tax	na	na	na	na	3.5%	8.3%	11.8%	18.1%	17.6%	20.3%
Valuation	2018	2019	2020	2021	2022	2023	2024	2025e	2026e	2027e
FCF yield	0.0%	0.0%	0.0%	-1.2%	-1.7%	-0.2%	2.2%	0.8%	2.1%	6.6%
Dividend yield YE	na	na	na	1.4%	0.9%	0.0%	0.4%	0.3%	0.7%	0.9%
Dividend payout ratio	na	na	nm	-2795.0%	201.4%	0.0%	-9.7%	10.3%	14.5%	15.7%
Dividend + buy backs yield YE	na	na	na	1.4%	0.0%	0.8%	0.4%	0.7%	0.9%	0.9%
EV/Sales YE	na	na	na	3.89	4.68	2.50	4.46	2.89	2.18	1.81
EV/EBITDA YE	na	na	na	>50	>50	17.1	37.4	17.3	12.5	9.8
EV/EBITA YE	na	na	na	>50	>50	22.3	>50	19.2	13.6	10.7
EV/EBITA adj. YE	na	na	na	>50	>50	22.3	39.3	18.9	13.5	10.7
EV/EBIT YE	na	na	na	neg.	>50	26.6	neg.	22.3	15.4	11.9
P/E YE	na	na	na	nm	>50	38.0	nm	30.2	21.3	17.1
P/E adj. YE	na	na	na	>50	>50	29.1	>50	24.1	17.7	14.6
P/BV YE	na	na	na	3.35	4.09	3.10	5.16	5.15	4.27	3.52
Share price YE (SEK)				52.3	80.8	65.6	125	147		

Source: Carnegie Research & company data

Disclosures and disclaimers

Carnegie Investment Bank AB

Carnegie Investment Bank AB (publ.) is a leading investment bank with a Nordic focus. The Carnegie group of companies, together "Carnegie", generates added value for institutions, companies and private clients in the areas of trade in securities, investment banking and private banking. Carnegie has approximately 600 employees, located in offices in six countries

Valuation, methodology, and assumptions

Commissioned research reports include the analyst's assessment of a fair value range over the coming six to 12 months based on various fundamental valuation methods. A commonly used method is DCF valuation, where future cash flows are discounted to today. Analysts may also use different valuation multiples, e.g. P/E ratio and EV/EBIT multiples, relative to industry peers. For companies where it is appropriate, a fair value range can also be based on the analyst's assessment of a fair ratio relative to the net asset value of the company. Fair value ranges represent the assessment of the analyst(s) at the time of writing

Frequency of update

Carnegie's research analysis consists of case-based analyses, which implies that the frequency of the analytical report may vary over time. Unless otherwise expressly stated in the report, the analysis is updated when considered necessary by the research department, for example in the event of significant changes in market conditions or events related to the issuer/the financial instrument.

Analyst certification

The research analyst or analysts responsible for the content of this commissioned research report certify that, notwithstanding the existence of any potential conflicts of interests referred to herein, the views expressed in this commissioned research report accurately reflect the research analyst's personal views about the companies and securities covered. It is further certified that the research analyst has not been, nor is or will be, receiving direct or indirect compensation related to the specific ratings or views contained in this commissioned research report.

Potential conflicts of interest

Carnegie, or its subsidiaries, may from time to time perform investment banking or other services for, or solicit investment banking or other business from, any company mentioned in this report. Any such publicly announced business activity, during the past 12 months, will be referred to in this commissioned research report. A set of rules handling conflicts of interest is implemented in the Carnegie Group. Investment Banking and other business departments in Carnegie are surrounded by information barriers to restrict the flows of sensitive information. Persons outside such barriers may gain access to sensitive information only after having observed applicable procedures. The remuneration of persons involved in preparing this commissioned research report is not tied to investment banking transactions performed by Carnegie or a legal person within the same group.

Confidential and non-public information regarding Carnegie and its clients, business activities and other circumstances that could affect the market value of a security ("sensitive information") is kept strictly confidential and may never be used in an undue manner.

Internal guidelines are implemented in order to ensure the integrity and independence of research analysts. In accordance with the guidelines the research department is separated from the Investment Banking department and there are no reporting lines between the research department and Investment Banking. The guidelines also include rules regarding, but not limited to, the following issues; contacts with covered companies, prohibition against offering favourable recommendations, personal involvement in covered companies, participation in investment banking activities, supervision and review of research reports, analyst reporting lines and analyst remuneration.

Other material conflicts of interest

This report was commissioned and sponsored by the issuer (issuer-paid research).

Distribution restrictions

This commissioned research report is intended only for distribution to professional investors. Such investors are expected to make their own investment decisions without undue reliance on this commissioned research report. This commissioned research report does not have regard to the specific investment objectives, financial situation or particular needs of any specific person who may receive it. Investors should seek financial advice regarding the appropriateness of investing in any securities discussed in this commissioned research report and should understand that statements regarding future prospects may not be realized. Past performance is not necessarily a guide to future performance. Carnegie and its subsidiaries accept no liability whatsoever for any direct or consequential loss, including, without limitation, any loss of profits arising from the use of this commissioned research report or its contents. This commissioned research report may not be reproduced, distributed or published by any recipient for any purpose. The document may not be distributed to persons that are citizens of or domiciled in any country in which such distribution is prohibited according to applicable laws or other regulations.

This commissioned research report is distributed in Sweden by Carnegie Investment Bank AB. Carnegie Investment Bank AB is a bank incorporated in Sweden with limited liability which is authorised and regulated by the Swedish Financial Supervisory Authority (Finansinspektionen). In Finland this commissioned research report is issued by Carnegie Investment Bank AB, Finland Branch. The Finland branch is authorised by the Swedish Financial Supervisory Authority and subject to limited regulation by the Finnish Financial Supervisory Authority (Finanssivalvonta). In Norway this commissioned research report is issued by Carnegie AS, a wholly-owned subsidiary of Carnegie Investment Bank AB. Carnegie AS is regulated by the Financial Supervisory Authority of Norway (Finanstilsynet). In Denmark this commissioned research report is issued by Carnegie Investment Bank AB, Denmark Branch. The Denmark branch is authorised by the Swedish Financial Supervisory Authority and subject to limited regulation by the Danish Financial Supervisory Authority (Finanstilsynet).

This commissioned research report is distributed in the US by Carnegie, Inc., a US-registered broker-dealer and a member of FINRA and SIPC. Carnegie's research analysts located outside of the US are employed by non-US affiliates of Carnegie Inc. ("non-US affiliates") that are not subject to FINRA regulations. Generally, Carnegie research analysts are not registered with or qualified as research analysts with FINRA, and therefore are not subject to FINRA rule 2241 restrictions intended to prevent conflicts of interest by, among other things, prohibiting certain compensation practices, restricting trading by analysts and restricting communications with the companies that are the subject of the research report. Research reports distributed in the U.S. are intended solely for major US institutional investors and US institutional investors as defined under Rule 15a-6 of the Securities Exchange Act of 1934. This commissioned research report is provided for informational purposes only and under no circumstances is it to be used or considered as an offer to sell, or a solicitation of any offer to buy any securities. Reports regarding equity products are prepared by non-US affiliates of and distributed in the United States by Carnegie Inc. under Rule 15a-6(a)(3). When distributed by Carnegie Inc, Carnegie Inc. takes responsibility for the commissioned research report. Any US person who wishes to effect transactions based on this commissioned research report should contact Carnegie Inc. Investors in the US should be aware that investing in non-US securities entails certain risks. The securities of non-US issuers may not be registered with, or be subject to, the current information reporting and audit standards of the US Securities and Exchange Commission.

This commissioned research report has been issued in the UK by Carnegie UK which is the UK Branch of Carnegie Investment Bank AB. Carnegie UK is authorised and regulated by the Financial Conduct Authority (FCA).

Research Disclaimer

This commissioned research report is provided solely for information. It does not constitute or form part of, and shall under no circumstances be considered as an offer to sell or a solicitation of an offer to purchase or sell any relevant financial instrument.

This commissioned research report has been requested and paid for by the issuer and should therefore be considered a marketing communication (i.e. not investment research). Payment for the report has been agreed in advance on a non-recourse basis. As commissioned research, this material can be considered an acceptable minor non-monetary benefit under MiFID II. It has not been prepared in accordance with the legal requirements designed to promote the independence of investment research. However, it is still subject to a prohibition on dealing ahead of the dissemination of the report.

Carnegie Investment Bank AB is responsible for the preparation of this commissioned research report in Sweden, Finland, Denmark, and the UK. Carnegie AS is responsible for the preparation of this commissioned research report in Norway. Carnegie Inc. is responsible for this research report in the US.

The information in this commissioned research report was obtained from various sources. While all reasonable care has been taken to ensure that the information is true and not misleading, Carnegie gives no representation or warranty, express or implied, about its accuracy or completeness. Carnegie, its subsidiaries and any of their officers or directors may have a position, or otherwise be interested in, transactions in securities that are directly or indirectly the subject of this commissioned research report. Any significant financial interests held by the analyst, Carnegie or a legal person in the same group in relation to the issuer will be referred to in the company-specific disclosures.

Company specific disclosures

The following disclosures relate to relationships between Carnegie Investment Bank AB (with its subsidiaries, "Carnegie") and the issuer or an affiliate.

Parts of this commissioned research report may have been submitted to the issuer prior to its publication.

Copyright © 2025 Carnegie



Commissioned Research sponsored by MilDef Group

07 February 2025

Carnegie Investment Bank AB

Regeringsgatan 56
SE-103 38 Stockholm
Tel +46 8 5886 88 00 Fax +46 8 5886 88 95
www.carnegie.se
A member of the Stockholm Stock Exchange

Carnegie Investment Bank, Denmark Branch

Overgaden neden Vandet 9B PO Box 1935
DK-1414 Copenhagen K
Tel +45 32 88 02 00 Fax +45 32 96 10 22
www.carnegie.dk
A member of the Copenhagen Stock Exchange

Carnegie Investment Bank AB, Finland Branch

Eteläesplanadi 2 PO Box 36
FI-00131 Helsinki
Tel +358 9 618 71 230 Fax +358 9 618 71 720
www.carnegie.fi
A member of the Helsinki Stock Exchange

Carnegie AS

Fjordalleen 16, 5th Floor PO Box 684,
Sentrum NO-0106 Oslo
Tel +47 22 00 93 00 Fax +47 22 00 94 00
www.carnegie.no
A member of the Oslo Stock Exchange

Carnegie, Inc.

20 West 55th St. ,
New York N.Y. 10019
Tel +1 212 262 5800 Fax +1 212 265 3946
www.carnegiegroup.com
Member FINRA / SIPC

Carnegie Investment Bank AB, UK Branch

Finwell House, 26 Finsbury Square
London EC2A 1DS
Tel +44 20 7216 4000 Fax +44 20 7417 9426
www.carnegie.co.uk
Regulated by the FCA in the conduct of Designated
Investment Business in the UK