

► Patria Group's Financial Review for 2020 – preliminary data

Strong focus on financial performance and future growth

11.2.2021

Key figures	2020	2019
New orders, MEUR	1,400.2	432.4
Order stock, MEUR	1,508.2	649.2
Net sales, MEUR	534.1	507.5
Operating profit, MEUR	40.3	7.8
Income before taxes, MEUR	36.7	3.9
Equity ratio, %	38.8	39.1
Gearing, %	72.1	70.8
Return on equity, %	13.8	1.8
Return on capital employed, %	9.0	2.1
Personnel, end of period (FTE)	2,939	3,055

- Patria Group's financial performance exceeded its key targets and profitability for the financial year 2020 was at a strong level, in spite of COVID-19.
- Net sales totaled EUR 534.1 million. Operating profit was EUR 40.3 million.
- Value of new orders received was EUR 1,400.2 million. Millog's new Strategic Partnership Agreement with the Finnish Defence Forces for 2021-2028 has a significant impact on this.
- Equity ratio was 38.8% and net gearing 72.1%.

Highlights of 2020

- As part of a Finnish-Latvian development program, Patria 6x6 armoured vehicle was chosen as the vehicle platform for sustained army mobility enhancement. Estonia joined the program in April. In October, Finland and Latvia together with Patria signed a research and development (R&D) agreement for a common armoured vehicle system, which is a next step in this collaborative programme after the countries last spring signed a joint technical arrangement (TA).
- Patria and the U.S. Army entered into an agreement for a feasibility study of Patria Nemo 120 mm mortar system.
- Patria announced to consolidate its helicopter maintenance operations in Norway for better customer support and efficiency by selling its Bardufoss operations (Patria Helicopters AS) to Kongsberg Aviation Maintenance Services (KAMS) of which Patria owns 49,9% of the shares.
- Millog and the Finnish Defence Force's Logistics Department signed an updated Strategic Partnership Agreement. The total value of its services for the 2021-2028 pricing period is approximately EUR 1.4 billion to EUR 1.6 billion.
- Millog signed an agreement to acquire entire share capital of Oy Western Shipyard Ltd (WSY) from APX Metalli Ltd.
- MLU upgrade work of the Hamina-class missile boats continued, and of the four missile boats to be repaired, two were turned over for Finnish Naval Forces during 2020.

- Patria's armoured combat vehicle AMV^{XP} was selected for the second phase of Bulgarian vehicle acquisition programme.
- Patria AMV^{XP} 8x8 vehicles were sent to Japan for test purposes of the Japanese Ground Self-Defense Force's project operating under the Japanese Ministry of Defense.
- Patria joined AeroSpace and Defence Association of Europe (ASD) as a Direct Company Member.
- COVID-19 pandemic had a significant impact on commercial aviation. This has a continued negative impact on the demand of civil aviation components and civil pilot training, and therefore Patria had employee co-operation negotiations in its Aerostructures and Pilot Training units.

Outlook for 2021

With focus on its new growth strategy, Patria continues to strengthen further its operational effectiveness and financial performance. Patria's reliable and cost-effective lifecycle support services and top-notch products have a key role also in the future to maintain the required performance of customers' fleets in all conditions.

The significant HX Program for replacing the current Hornet fleet with new fighters continues, and Patria negotiates with the respective manufacturers about the industrial participation, providing an extremely important and long-standing opportunity to Patria.

Patria 6x6 vehicle programme with Finland and Latvia proceeds as planned, and Patria expects the program leading to actual vehicle system procurements during 2021. It is also foreseen that the programme will be of interest to other countries wishing to improve mobility of their armed forces.