

Patria Group's Interim Report for 1 January – 31 March 2023: Patria's net sales and order stock developed well in the first quarter, success in vehicle programmes continues

Key figures	1-3/2023	1-3/2022	2022
New orders, EUR million	156.6	176.3	794.8
Order stock, EUR million	1,758.0	1,596.8	1,751.2
Net sales, EUR million	149.4	131.6	627.1
Operating profit, EUR million	3.6	8.4	53.8
Income before taxes, EUR million	3.1	7.2	49.7
Equity ratio, %	43.8	43.0	44.1
Gearing, %	50.7	45.8	27.3
Return on equity, %	14.4	17.3	15.8
Return on capital employed, %	10.2	11.8	11.2
Personnel, end of period (FTE)	3,294	3,148	3,311

The first quarter of 2023

- Patria Group's net sales for the first quarter was EUR 149.4 million (EUR 131.6 million in the comparison period).
- Operating profit was EUR 3.6 million (EUR 8.4 million).
- Equity ratio was 43.8% (43.0%) and net gearing 50.7% (45.8%).
- The second year of Patria's Horizon 2025 strategy commenced according to expectations. Patria's net sales was slightly above the expected level and the development of order stock is at a good level. Profitability exceeded slightly the Q1 target.
- The development of customer-centricity, operational efficiency and productivity and new ways of working has continued during the first quarter.
- Patria's success in 6x6 and 8x8 vehicle programmes has continued, which supports the development of other business operations and Group's internationalization.
- Patria launched a new service concept Patria OPTIME in February. This modular and scalable service model combines robust engineering and maintenance expertise with data analysis for the sustainment of various kinds of fleets on land, at sea and in the air.
- Patria participates in a European defence co-operation project iFURTHER to develop new technologies for long-range air and sea detection. The 3-year research project is funded by the European Defence Fund and participated by 18 partner companies from 10 countries.

Events after the period

- Patria 6x6 vehicle became the selected vehicle platform within the multinational Common Armoured Vehicle System (CAVS) programme, originally established by Finland and Latvia. Germany and Sweden took next steps in the joint programme in April: Germany officially joined the programme by signing the Technical Arrangement and Sweden proceeded by joining the Framework Agreement as the next stage of preparation for the serial procurement phase.
- Patria signed a contract with the Swedish Defence Procurement Agency (FMV) for purchasing 20 Patria 6x6 vehicles. The first deliveries of the vehicles will take place within 2023.

Outlook for the rest of the year

Patria continues to strengthen its operational efficiency and productivity and seeks profitable growth in line with its Horizon 2025 strategy in the second year of the strategy period. Patria's reliable and cost-effective lifecycle support services and top-notch products have a key role also in the future in maintaining required performance of customer fleets in all conditions.

Following Finland's decision in December 2021 to acquire F-35 fighter jets, negotiations concerning industrial participation of the selected aircraft took place through 2022 and will continue this year. The first phase of negotiations is expected to be concluded in 2023.

The joint programme of the Patria 6x6 vehicle is proceeding as planned. Serial production of Latvian vehicles is ongoing and pre-series deliveries for Finland have been made. Germany has officially joined the programme by signing the Technical Arrangement and Sweden has started the preparation for the serial procurement phase. The joint programme has raised interest and is open also for other countries to join by mutual consent of the participating countries.

The impact of long-term development of the current geopolitical situation, general economic uncertainty, inflation and increasing costs for the rest of the year are difficult to evaluate reliably. At the same time Patria's delivery capability is expected to stay at a good level. In the mid and long term, Patria and the defence industry in general are likely to see an increase in demand as defence spends are increasing in the majority of European countries.

Further information:

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Patria is an international provider of defence, security and aviation life cycle support services, technology solutions and pilot training. Patria provides its aerospace and military customers with equipment availability, continuous performance development as well as selected intelligence, surveillance and management system products and services. Patria's mission is to give its customers confidence in all conditions, and the vision is to be the #1 partner for critical operations on land, sea and air. Patria has several locations including Finland, Sweden, Norway, Belgium, the Netherlands, Estonia, Latvia and Spain. Patria employs over 3,000 professionals. Patria is owned by the State of Finland (50.1%) and Norwegian Kongsberg Defence & Aerospace AS (49.9%). Patria owns 50% of Nammo, and together these three companies form a leading Nordic defence partnership.