

BAE Systems Capital Markets Day - Welcome

Martin Cooper – 15 June 2023

CAUTIONARY STATEMENT Forward-Looking Statements

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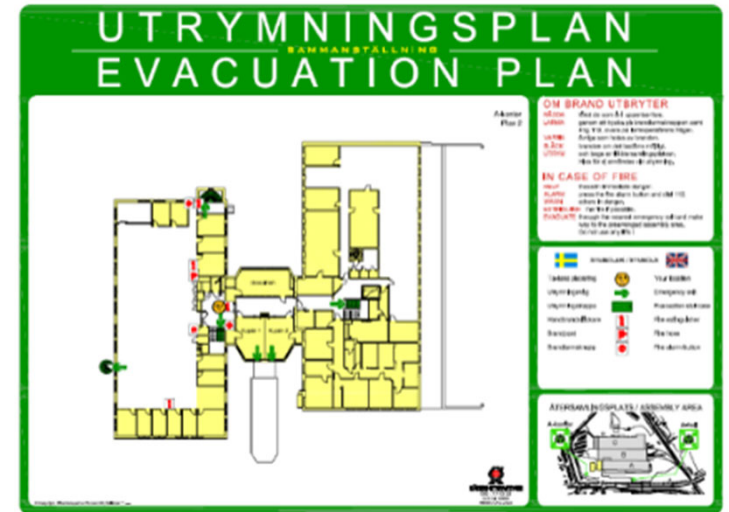
Industry and Market Data

Market and competitive position data in this presentation has generally been obtained from industry publications and surveys or studies conducted by third-party sources. There are limitations with respect to the availability, accuracy, completeness and comparability of such data. BAE Systems has not independently verified such data and can provide no assurance of its accuracy or completeness. Certain statements in this presentation regarding the defence market and competitive position data are based on the internal analyses of BAE Systems, which involves certain assumptions and estimates. These internal analyses have not been verified by any independent sources and there can be no assurance that the assumptions or estimates are accurate."

Welcome to BAE Systems Hägglunds

In case of an emergency or if there is an accident

1. Evacuate according to plan
2. Evacuation routes
3. Assembly point
4. Defibrillators



CEO Welcome

Charles Woodburn and Tom Arseneault



BAE Systems – Creating Long Term Value For Shareholders





Platforms & Services

Jeremy Tondreault

Platforms & Services

Our footprint and our people



Major Site	No. employees
Aberdeen	123
Aiken	222
Anniston	389
Elgin	42
Falls Church	124
Jacksonville	582
Kingsport	873
Louisville	503
Minneapolis	477
Norfolk	1,019
Phoenix	237
Radford	1,116
San Diego	1,179
San Jose	319
Sterling Heights	478
York	1,767
Barrow	168
Örnsköldsvik	1,100
Karlskoga	458
Ankara	429
Total:	11,500

Platforms & Services Overview

Diverse Portfolio with Key Franchise Market Positions

- Combat Vehicles
- Artillery
- Naval Weapon Systems
- Munitions
- US ship repair and modernization

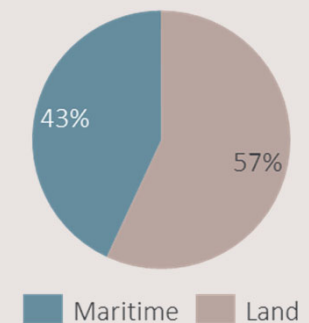
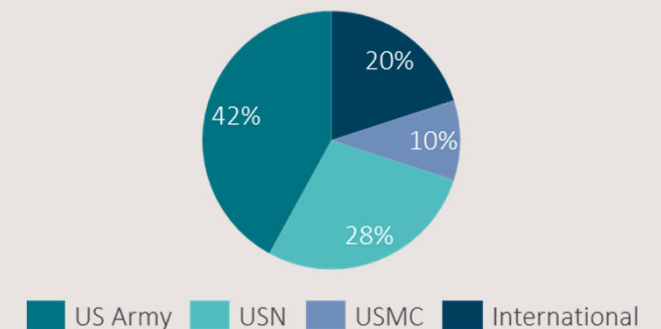
Customer Base

- Home markets: US Army, Navy, Marine Corps; Swedish, UK and Turkish governments
- Direct and FMS international customers across Europe, Asia Pacific and Middle East

Portfolio Differentiation

- Critical national asset technical and production capabilities
- Franchise product positions
- Customer mission/need know-how translated to real solutions
- Engaged and supportive user groups

2022 Sales - Business Mix



Key Franchise Positions

Artillery



Towed Mobile Armored

US Ship Repair



San Diego CA, Norfolk VA and Jacksonville FL Shipyards

Combat Vehicles



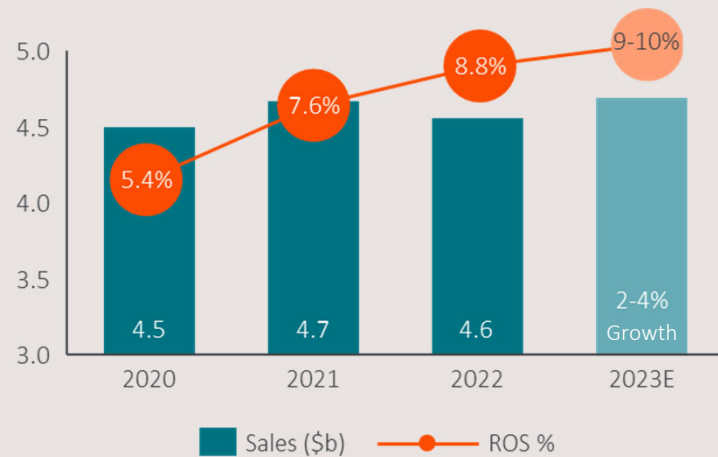
Infantry Fighting Personnel Carriers Support Amphibious

Weapon Systems & Munitions



Naval Guns Missile Launchers Munitions Energetics

How the business has performed



- Margin expansion driven by focus on operational excellence resulting in program performance improvements in US combat vehicles and ship repair
- Sales growth and continued margin expansion paced by transition of US combat vehicles to Full Rate production and international awards

Significant margin expansion demonstrated from 2020-2022 – Expect continued expansion and sales growth in 2023

Our imperatives

Drive Operational Excellence



Advance Our Talent

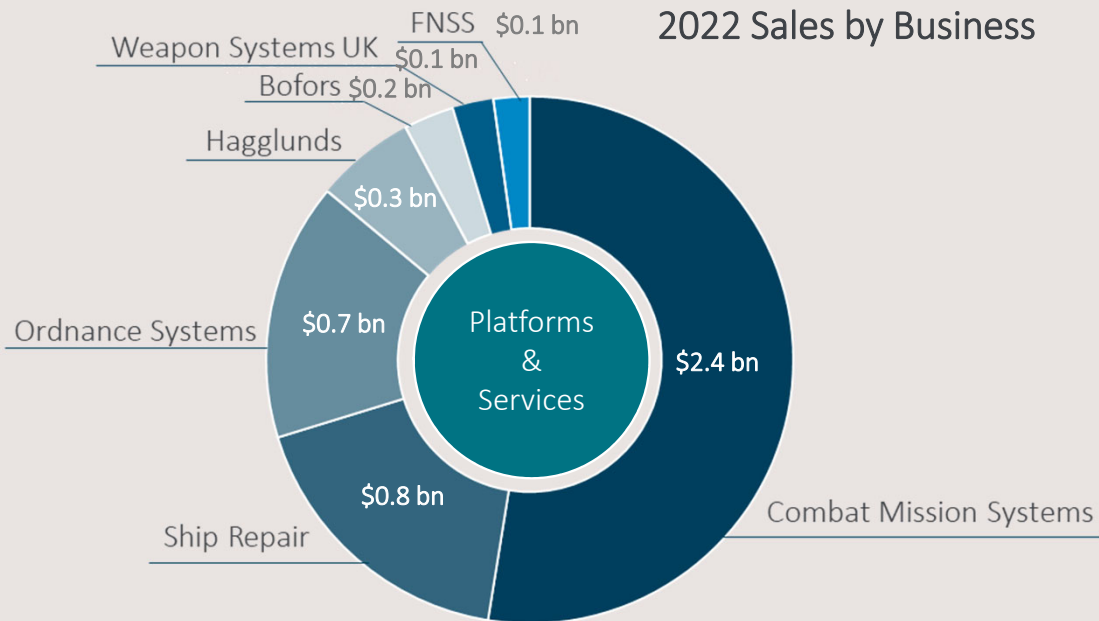


Pursue and Deliver Growth



Platforms & Services Business Structure

2022 Sales by Business



Combat Mission Systems

Industry leader in the design, development, manufacture, systems integration, and lifecycle support for combat vehicles and weapon systems

Ground Combat Vehicles

- Armored Multi-Purpose Vehicle
- Bradley Infantry Fighting Vehicle
- M109 Self-Propelled Howitzer
- M88 Recovery Vehicle
- Military aircraft and vehicle seats

Amphibious Vehicles

- Amphibious Combat Vehicle
- Amphibious Assault Vehicle

Weapon Systems

- Naval gun systems
- Advanced munitions
- Vertical missile launch systems and tubes
- Submarine structures and propulsors



Ordnance Systems

Government-Owned, Contractor-Operated (GOCO) U.S. Army ammunition plants: Holston plant in Kingsport, Tennessee; and the Radford plant in Radford, Virginia

- Explosives and propellants manufacturing
- Facility sustainment and modernization
- Energetics research and development



BAE Systems Hägglunds

Tracked vehicles supporting the Swedish government and international customers, including upgrade and modernization

- Family of CV90 Infantry Fighting Vehicles: 17 variants across multiple user nations
- Series of tracked, all-terrain vehicles: BvS10 (armored) and Beowulf (unarmored)



BAE Systems Bofors

Leading provider of advanced land and naval weapons and precision-guided munitions

- Naval gun systems
 - 57 Mk3 (Mk110)
 - 40 Mk4
- Self-propelled howitzers
 - ARCHER mobile howitzer
- Munitions
 - BONUS
 - 3P



Supporting Ukraine



400 artillery systems, 600 vehicles and millions of munition rounds to Ukraine produced in whole or in part by P&S

Platforms & Services – Opportunity pipeline

P&S well positioned for growth with sustained opportunity pipeline across combat vehicle, artillery, naval gun and ammunition portfolio

	Opportunity	Comment
US OMFV	Optionally Manned Fighting Vehicle	Ongoing pursuit of down-select awards expected in 2023
US FMS	M109, Bradley, M88, M777, ACV, HIMARS	Various FMS opportunities
AMPV	Full Rate Production award	Expected in 2H of 2023
CV90	CV90 Next Gen (NG)	Swedish customer interested in developing next generation of CV90 IFV
	Sweden, Denmark, Norway	New, upgrade and backfill opportunities
BvS10 family of vehicles	Sweden, Netherlands, and other European nations	New vehicle opportunities for both BvS10 and Beowulf
ARCHER mobile howitzer	UK, US & European nations	Responding to customer interest and discussing potential orders
	Sweden	Further orders possible
Naval Guns	Exports	World leader in naval guns
US Ordnance Systems	Enduring franchise	Operating Radford and Holston Army Ammunition Plants and discussing potential increased production capacity



Closing

- Operational Excellence is at our core and continues to underpin our margin expansion performance
- Transitioning US combat vehicles to Full Rate production and International awards pace continued margin expansion and sales growth
- Providing substantial support to key customers supporting the conflict in Ukraine
- Portfolio is well aligned to US and international customer priorities



BAE Systems Hägglunds – now and into the future

Tommy Gusfason-Rask



Agenda

- About BAE Systems Hägglunds – A history of innovations
- Our vehicles
 - CV90
 - BvS10
 - Beowulf
- Business performance

BAE Systems Hägglunds

Building on over 100 years of innovations

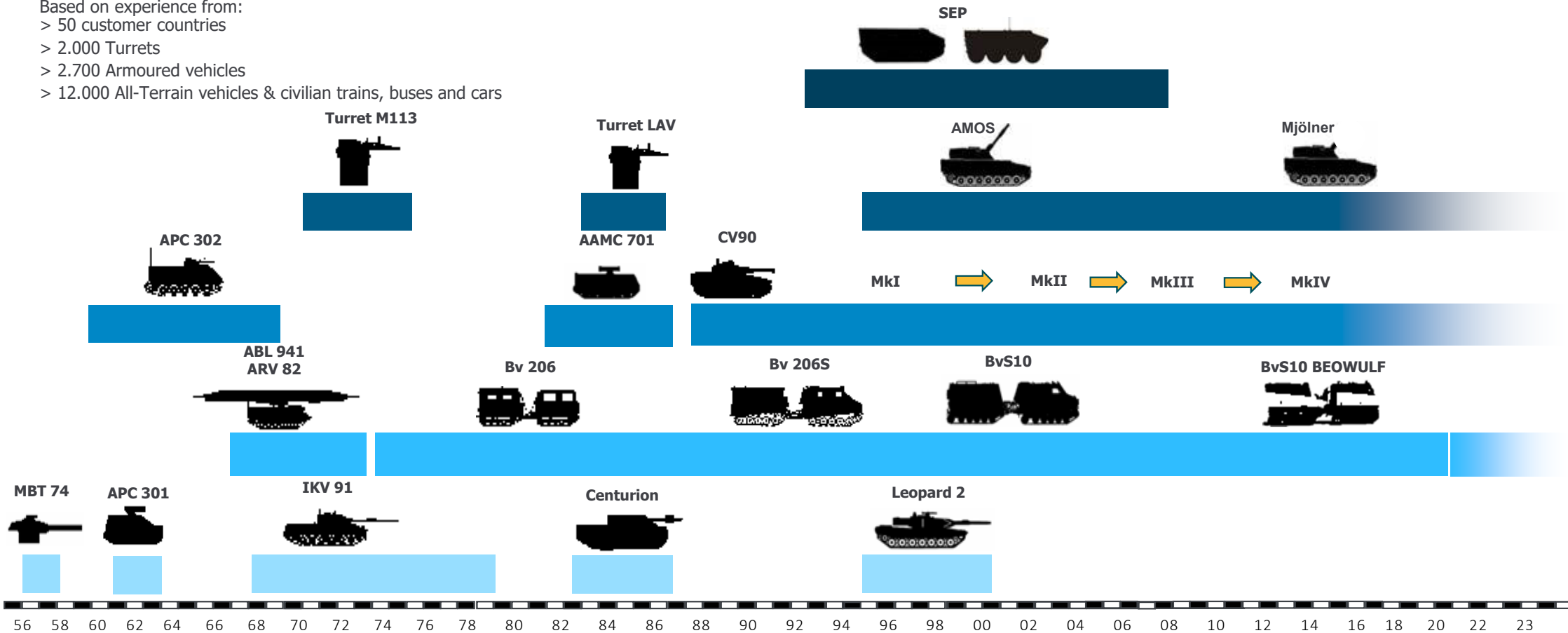
- Start – 1899 when Johan Hägglund founded a carpentry factory. Since then the company has always adjusted and adapted to changed business climates and customer needs.
- Hägglunds & Sons formed 1922. Over the years the company would produce furniture, trucks, buses, airplanes, trams, subway cars, commuter trains, a variety of different engines (electric, hydraulic and compact), mine- and tunnel machines, mine locomotive, electric driveline, loaders, cranes... And more!



Over 60 years of experience in tracked vehicles...

Based on experience from:

- > 50 customer countries
- > 2.000 Turrets
- > 2.700 Armoured vehicles
- > 12.000 All-Terrain vehicles & civilian trains, buses and cars



...have put us where we are today!



CV90

Over 1,700 vehicles sold



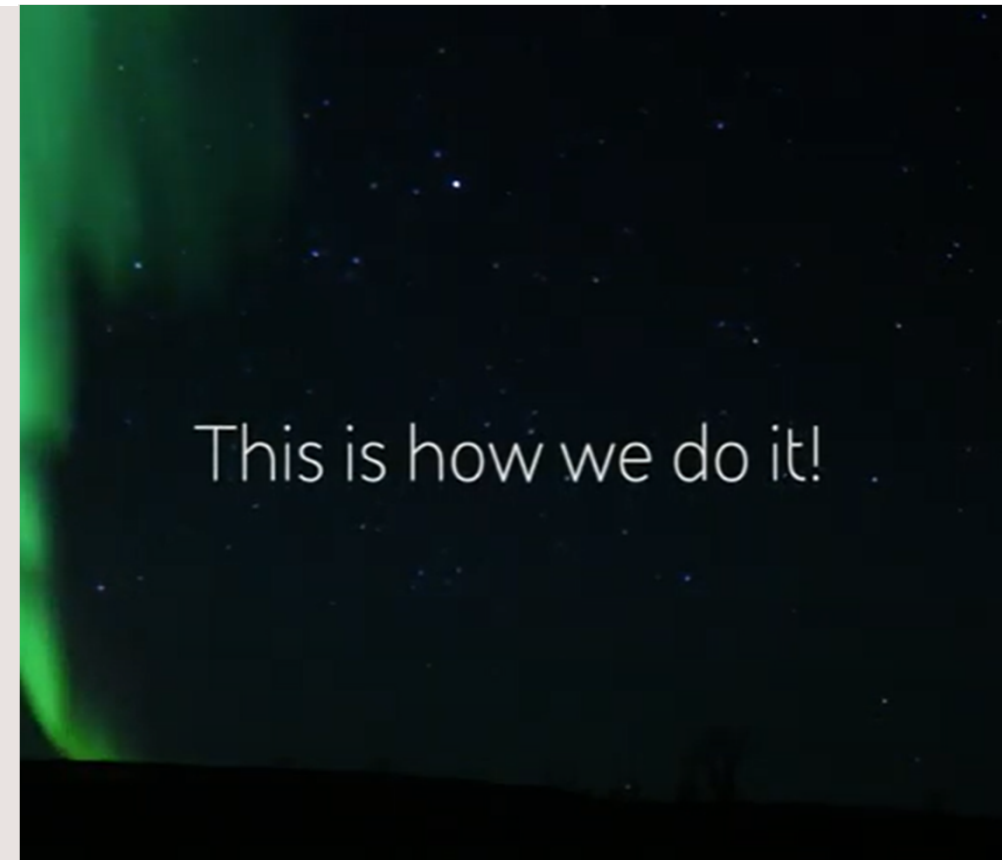
152 CV90MkIV35
December 2022
\$1.37 billion



246 CV90MkIV30
May 2023
\$2.2 billion

Stellar mobility

- Stellar mobility – unique feel that highlights Hägglunds DNA.
- https://www.youtube.com/watch?v=GDQVknWocgc&list=PLhTnE0EbGPLnWo_McY0HCx50DhcGDbReR&index=8&t=12s



BvS10 and Beowulf

Over 1,400 and 163 vehicles sold respectively



New wins

CV90

- CV90 Czech Republic, \$2.2 billion
- CV90 Slovakia, \$1.37 billion
- CV90 MLU the Netherlands, \$500 million
- CV90 MLE Switzerland, \$500 million
- CV90 Sweden, Mortar and new variants, \$202.5 million



BvS10

- CATV BvS10 framework agreement (UK, Germany, Sweden), \$760 million
- + first additional order Germany, \$400 million
- LSS Mark Sweden, \$200 million + \$50 million



Beowulf

- US Army's CATV, Cold Weather All-Terrain Vehicle, \$278 million



Opportunities

CV90

- CV90 Denmark MLU and New vehicles
- CV90 Norway New vehicles
- CV90 Slovakia Additional vehicles
- CV90 Brazil, Greece, Italy, Romania
- Development CV90 NG Sweden



BvS10

- CATV cooperation
- BvS10 Sweden
- BvS10 Italy
- BvS10 Finland



Beowulf

- Additional Beowulf US
- Beowulf Netherlands
- Beowulf Sweden
- Existing Bv206 users



Ukraine

BAE Systems Hägglunds products

- CV90 – 51 CV9040C as Swedish military aid to Ukraine

*Best protected CV9040 (Mk0) in the Swedish CV90 fleet.
Previously on international operations in Afghanistan and Liberia.*

- BvS10 – 28 BvS10 provided by The Netherlands to the Armed Forces of Ukraine

Highly mobile, amphibious, all-terrain armored vehicle.



Ramp to Rate Focus - managing profitable growth

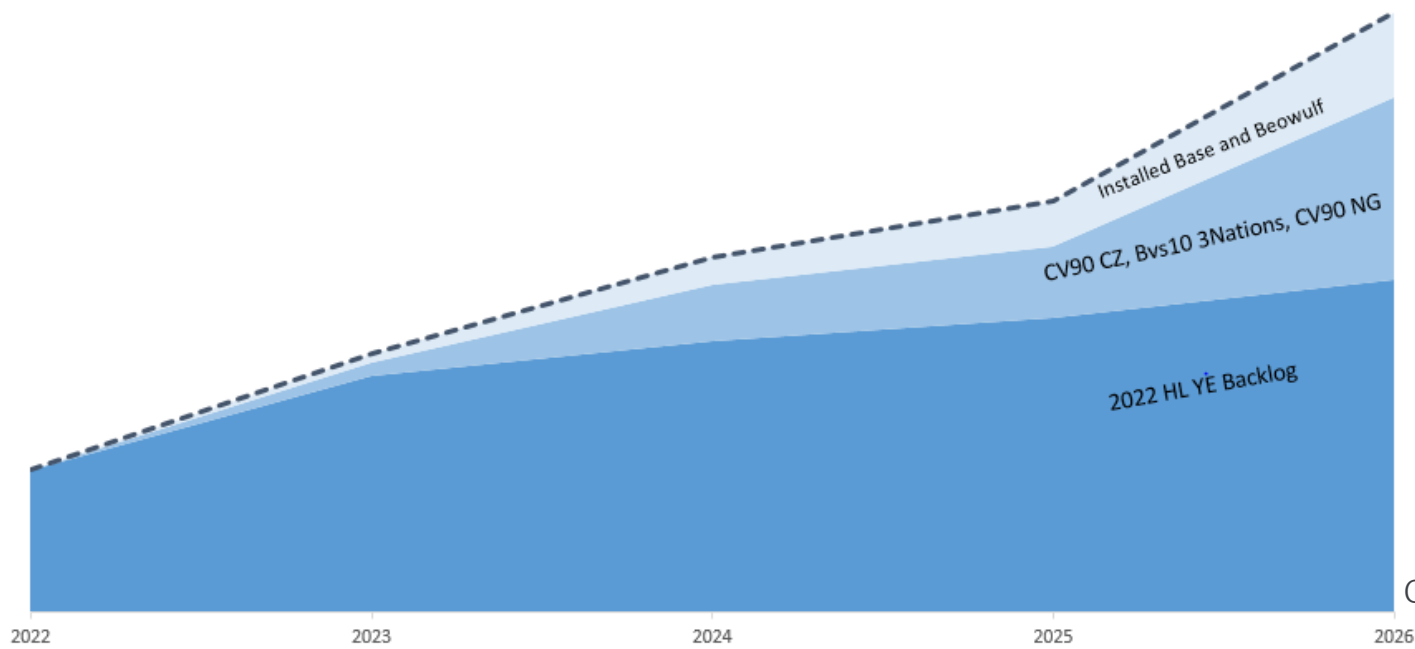
Ramp to Rate work streams

- Manufacturing Optimization
- “Right” Sourcing (Industrial Cooperation and partners)
- Facilities
- External Development HUB
- BvS10 supplier base
- Project Management
- Skilled Labor Workforce



Summary – future sales

BAE Systems Hägglunds Ramp

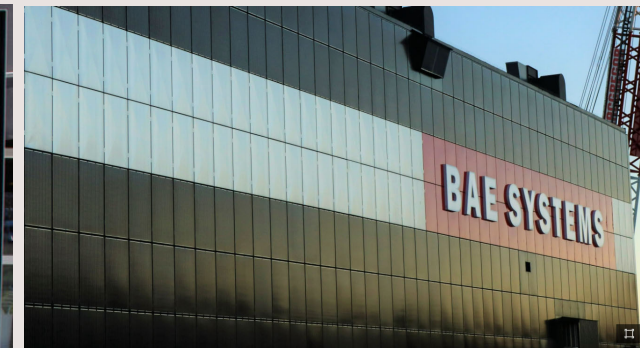


Opportunities to enhance profile in coming years

Chart not to Scale

Sustainable production – Net zero

- Circular economy
- Biggest wall mounted solar panel in Scandinavia.
- New developments – sustainable production with net zero emission goal
 - Solar energy and geothermal heating.
 - Our goal is that the new facilities will be self-sufficient in regards to electricity.
- Geothermal heating at Nordanås Test track
- + 100 new charging stations for electric cars at new parking Loket/HQ, summer 2024



Cirkulär ekonomi

DESIGN
LCC ex gummiband (Stige bärare-förbrukning i slitage),
eflytning mm.
Planera för hela kedjan
Materialval
Livslängd
Resursförbrukning
Digitalisering
Testmetoder

ÅTERVINNING
Källsortering inom alla områden
Omarbeter produkter till L&S, reservdelar
Säljer metall, papp, plast mm.
Återvinner test-specier

EFTERMARKNAD
Digitalisering
Flöden och mätning
Utbilda kund och leverantör
Optioner på support
Inventarieral utveckling
Livslängdsbörning

INÖPP
Kvalitetsjävla och från kund.
Bygger om/återanvänder produkter
Digitala underlag kund/leverantör.

PRODUKTION
Fler automatiska linor
Optimera skärmetoder
Maximera maskinresurser
Belysning: vaxceller, LED
Bergvärme testanläggning

Vad är cirkulär ekonomi?
Enkelt uttryckt kan man säga att en cirkulär ekonomi är motsatsen till den traditionella, linjära ekonomin som vi har idag. Istället för att tillverka, köpa, använda och sedan slänga sakerna, utnyttjar man en cirkulär ekonomisk modell som man tillverkar så länge det går.

Vad gör vi mer?
Nordens största väggmonterade solcellsanläggning
Laddningsstationer elbil
Återvinning från kontoren
Hållbarhetsprogram för utbildningsmedarbetare
Inkluderande ledarskapskultur

BAE Systems Bofors

Lena Gillström



Agenda

- Milestones
- Munitions
- ARCHER
- Moving forward

Milestones

$$t_m = r_m / v_m$$

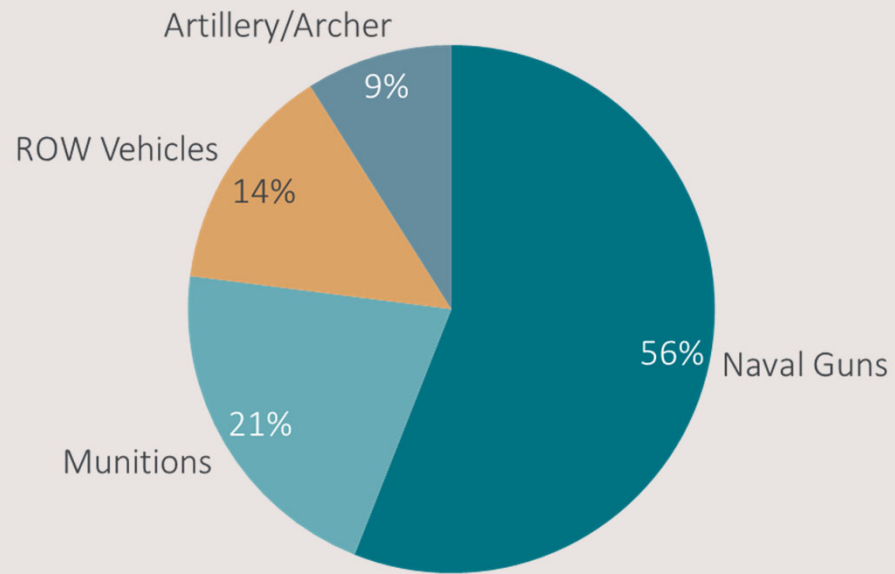
$$r_a = (t_a - t_m) \cdot v_m$$

Milestones in the history of Bofors

- 1646** Bofors is founded
- 1883** First cannon delivery
- 1894** Alfred Nobel acquires Bofors
- 1936** 40mm Anti-Aircraft gun makes worldwide success
- 1947** First Proximity fuzes
- 1970** Bofors has appr. 10,000 employees
- 1986** Indian order of FH77 howitzer
- 2000** United Defence acquires Bofors
- 2003** First US order for 57 Mk3
- 2005** BAE Systems acquires United Defence
- 2010** Serial production contract for ARCHER
- 2015** First order of 40 Mk4
- 2018** US Army procure the BONUS smart munition
- 2020** Major contract for Royal Navy



2022 Sales by area for Bofors



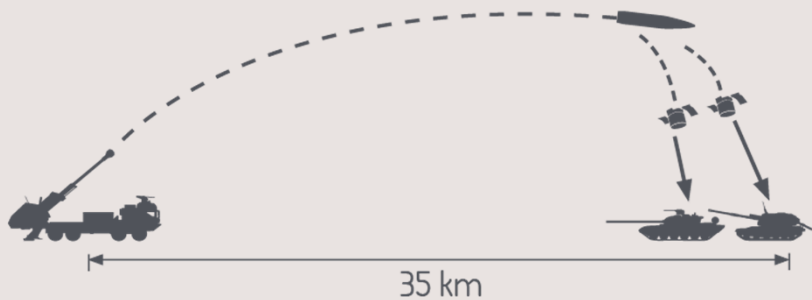
An aerial photograph showing a satellite in orbit over a landscape. The satellite is a large, cylindrical object with a complex, multi-faceted top section. Below the satellite, a road winds through a field, with several military vehicles (armored cars) driving on it. The background consists of a dense forest and rolling hills.

Munitions

155 BONUS



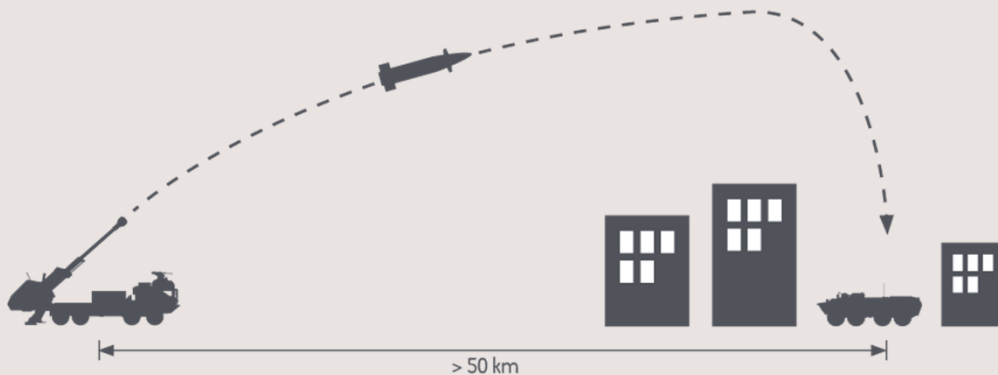
- Artillery-launched, fire-and-forget munition capable of successfully combating armoured personnel carriers and self-propelled guns, infantry fighting vehicles and main battle tanks.
- Two sub-munitions
- Searching for targets within a given footprint, up to 32,000 square meters.
- The munition also features base-bleed design, which increases its range to a maximum of 35 kilometres when fired from a L52 gun.
- Cooperative program



M982 EXCALIBUR



- Designed to engage stationary targets with pinpoint accuracy
- Range in excess of 50km.
- Miss distance less than 2 meters regardless of range
- Used to minimize collateral damage, for targets beyond the range of standard munitions
- Can be programmed for airburst, point and delay detonation
- Cooperative development



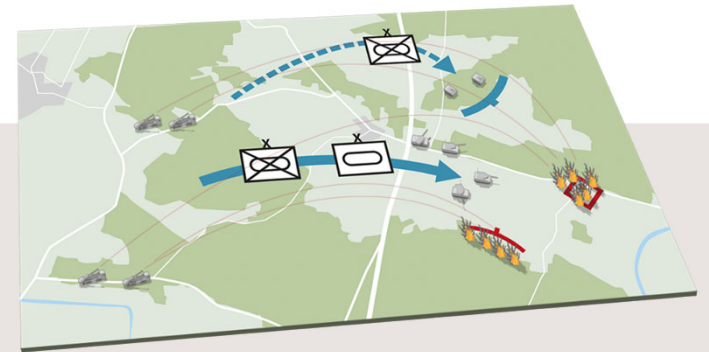
ARCHER 155 ARCHER Artillery System



ARCHER Overview

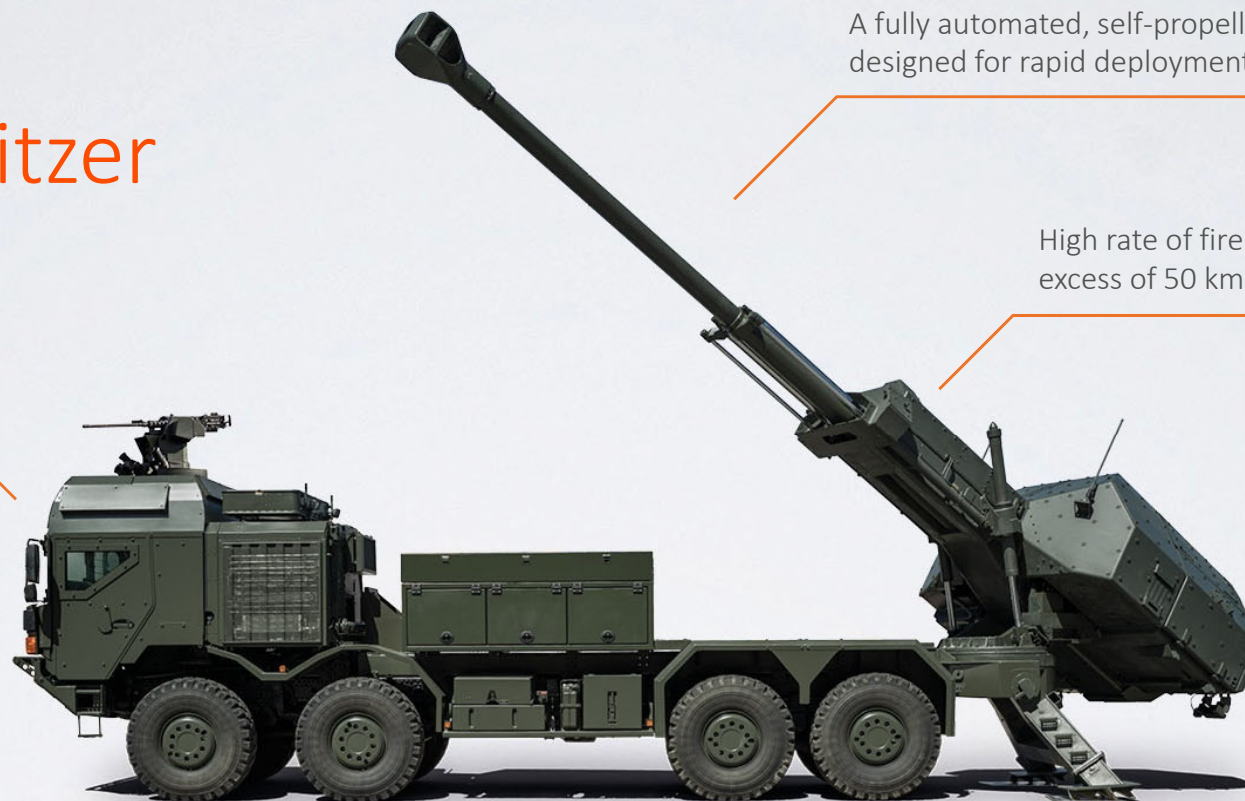
Today's battlefield is characterised by a multitude of threats and challenges. The artillery has to be inherently flexible and solve a number of tasks.

- Fast and effective fire support
- Suppressive fire during longer periods of time
- Keep pace with direct supported manoeuvre forces at high speed
- Constant threat from counter battery fire and armed aerial vehicles
- In and out of action must therefore be very fast
- Avoiding detection and tracking by enemy ISTAR assets – moving is not always the solution, but ARCHER provides flexibility by offering a very good balance between mobility and protection from a platform survivability perspective.



ARCHER

Mobile Howitzer



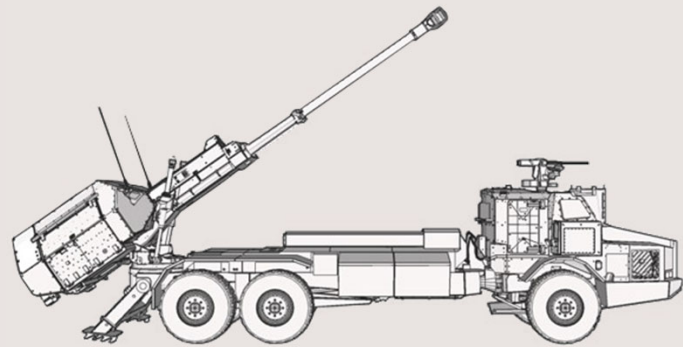
Loading, laying and firing is handled from inside the armoured cabin, offering protection for the crew.

A fully automated, self-propelled 155 mm howitzer designed for rapid deployment.

High rate of fire and a firing range in excess of 50 km.

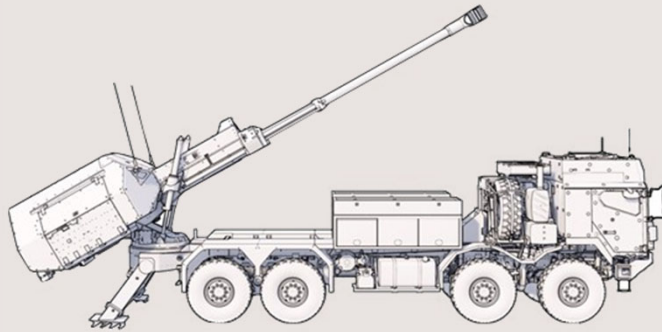
With less than 20 seconds in and out of action for a three-man crew, the ARCHER artillery system provides powerful and swift support – for every mission

ARCHER Variants



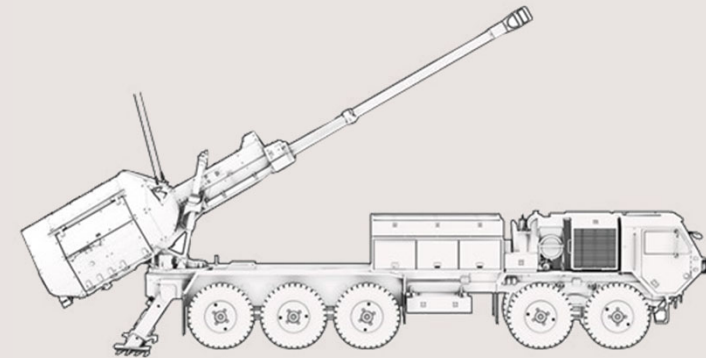
6x6

OPERATIONAL



8x8

ONGOING INTEGRATION
& VERIFICATION



10x10

INITIAL DESIGN

Archer Shoot and Scoot video

- <https://www.youtube.com/watch?v=d8x8ITwd4Vg&t=11s>





Contracts to date

Completed deliveries

48 systems to the Swedish customer

Including:

- Guns
- Ammunition Resupply Systems
- Spares, tools and replacement units
- Training
- Training equipment



Current Contracts 1/2

- A total of more than 15 contracts with the Swedish Defence Material Administration (FMV)
- **ARCHER C (2022-2025)** – is a currently ongoing contract to integrate the Swedish next generation Battle Management System
- **ARCHER Maintenance & Sustainment, (2022-2028)** A multiyear contract to support the systems
- **ARCHER Spares/Tools/Replacement Units, (2021-2027)**. A multiyear framework contract to supply all necessary spares, tools and other equipment as required



Current Contracts 2/2

- **ARCHER Divisional Artillery:** (2023-) A Cost Plus contract for the engineering efforts required to integrate ARCHER gun system onto a 8x8 wheeled military grade truck
- **ARCHER UK Rapid procurement support.** (2023) This contract with FMV is to assist FMV in the sale of the ARCHER systems to UK



Moving forward



Moving forward

- Firm Serial delivery contract for ARCHER C
- Firm Serial delivery contract for ARCHER DivArt (48 systems)
- UK Support contract
- Ongoing campaign in Switzerland
- Interest amongst a large number of countries, including UK, US, Ukraine



Speaker Panel Q&As



Acronyms

- **3P Ammunition** - Pre-fragmented, Programmable, Proximity- fused
- **AAV** - Amphibious Assault Vehicle
- **ACV** - Amphibious Combat Vehicle
- **AMPV** - Armored Multi-Purpose Vehicle
- **CATV Europe** - Collaborative All-Terrain Vehicle
- **CATV US** - Cold Weather All-Terrain Vehicle
- **DivArt** – Divisional artillery
- **FMS** – US Government Foreign Military Sales
- **FMV** - Swedish Defence Material Administration
- **GoCo** - Government-Owned, Contractor-Operated
- **IFV** - Infantry Fighting Vehicle
- **ISTAR** - intelligence, surveillance, target acquisition, and reconnaissance
- **LSS Mark** – Swedish Army’s new C4I
- **MLE** - Mid-Life extension
- **MLU** - Mid-Life upgrade
- **NG** - Next Generation
- **OMFV** - Optionally Manned Fighting Vehicle
- **ROW** – Rest of World