

11 FEBRUARY 2021



# MIPS' presentation of the Year end report 2020



# Key highlights

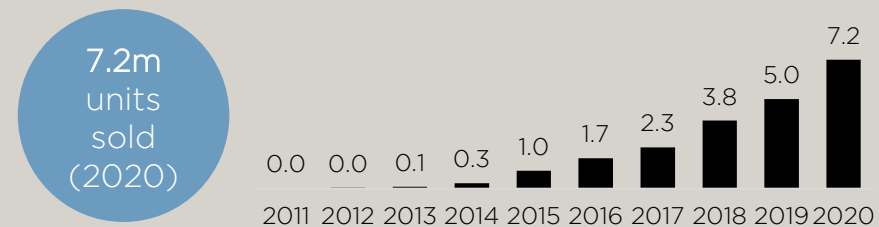
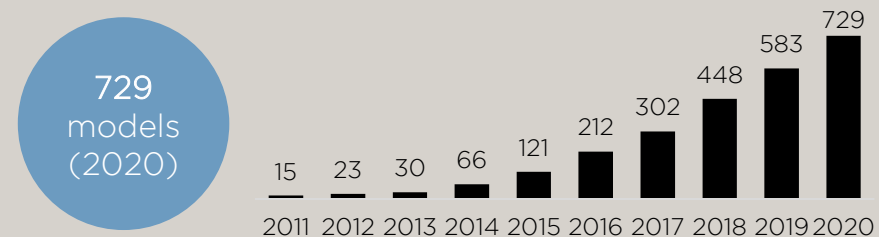
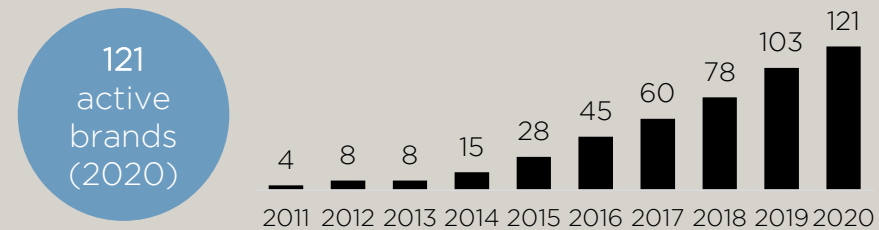
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- Strong performance in the quarter with 60% net sales growth (77% organic). Despite challenging start of the year, we manage to deliver 36% net sales growth (43% organic)
- Good consumer demand in Bike continues. Record amount of customer projects, strong increase of customers and models on the market
- First international customer in Safety announced in January
- MIPS brand awareness - Next MIPS team athlete out. Launch of Product range structure. More consumer centric communication
- Proposed dividend om SEK 3.50 per share, 71% of net earnings, well above ambition of 50%
- Long-term financial target remains intact



# We continue to expand our customer base

- We now have 121 active brands all over the world
- We grew with all our key customers, in all categories and all geographies we are present in
- We have delivered MIPS BPS to 729 different helmet models
- During 2020, we delivered 7.2m MIPS BPS units and have now delivered more than 20m units since inception
- At the end of 2020 we had 6% of our addressable market



# Bike – Good demand continue

- High demand for MIPS solutions in bike helmets
- Sales to bicycle helmets has been the main part of the sales for the fourth quarter
- Industry expectations is that inventory levels will not normalize prior to mid 2021, which means that there will be bike helmets being produced also in Q1 and Q2
- We see good interest for commuter helmets, recreational use and E-bike helmets



# Snow – Different situation around the world

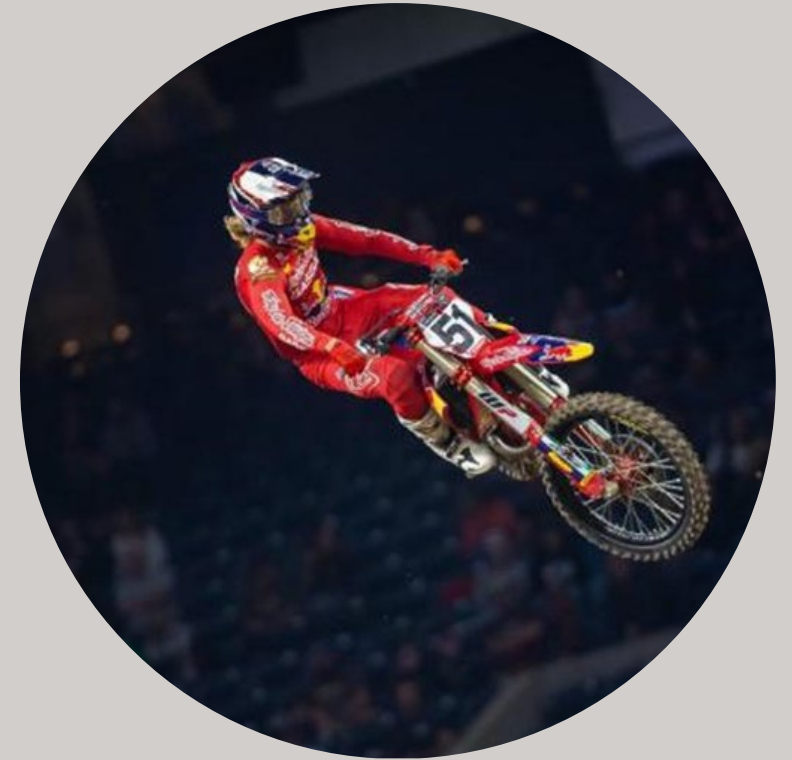
- High interest for winter sports around the world but restrictions limits possibilities
- Nordic and US ski resorts are to large extent open. Still limited possibilities to ski in South and Central Europe
- The uncertainty of winter holiday season remains
  - Mixed retail sales on different markets. Nordic and US markets have decent sell out. Soft performance south and central Europe
  - Our expectations of a soft winter 20/21 remains





# Moto – Strong sales continue

- Strong sales in MOTO continues, mainly through increased penetration with existing customers
- MX still the key driver, but Road motorcycle is gaining traction
- Several initiatives launched to improve our position in Motorcycle
- Good consumer demand expected coming quarters



# Safety – International expansion started

- Good interest in Safety category from both helmet manufacturers and construction companies
- First larger customer onboard. Centurion, key PPE supplier for the UK market
- New harness solution developed, bring possibilities for MIPS also in harness equipped helmets
- No change to previous communication: Volumes will start to ramp up in 2021

















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# Launch of Product ranges

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- Simplified product range makes it easier to choose and diversify our offering
- Focus on educating consumers, empowering them to make more informed decisions when buying a helmet
- MIPS has previously been a B2B-focused company. The launch is another step towards more consumer-centric brand identity

 <b>ESSENTIAL</b>	 <b>EVOLVE</b>	 <b>INTEGRA</b>	 <b>AIR</b>	 <b>ELEVATE</b>
MIPS® ESSENTIAL - THE FIRST RULE OF HELMET SAFETY Mips Essential is a no fuss - robust system, and a perfect first introduction to Mips safety systems for helmets.	MIPS® EVOLVE - A WORLD LEADING HELMET SAFETY SYSTEM With a refined fit, improved ventilation and a lighter construction, Mips Evolve is likely the world's most used Mips helmet safety system.	MIPS® INTEGRA - INVISIBLE HELMET SAFETY Being one of our lightest and slimmest systems, it's also the most integrated. Mips Integra is the premium result of a co-lab between Mips and your favorite brand.	MIPS® AIR - OUR LIGHTEST AVAILABLE HELMET SAFETY SYSTEM This is a system lighter than anything we have made before. With air flowing through your helmet it feels like wearing nothing, except added safety.	MIPS® ELEVATE - THE HARD HAT REVOLUTION Mips Elevate brings the state of the art Mips helmet safety system to the classic hard hat and other harness based helmets for the first time ever. Safety just got elevated.
 LOW FRICTION LAYER	 IMPROVED COMFORT  IMPROVED INTEGRATION  IMPROVED VENTILATION  IMPROVED FIT	 SUPERIOR VENTILATION  SUPERIOR INTEGRATION	 MAXIMUM VENTILATION  MINIMUM WEIGHT	 HARD HAT CUSTOMIZED  NEW INNOVATION



# Team Mips

LEADING WORLD CLASS ATHLETES



HENRIK HARLAUT

Most decorated x-games  
skier of all time



BRANDON SEMENUK

Most ever RedBull  
Rampage wins

# Development in our different categories



## SPORTS



## MOTO



## SAFETY



### Fourth quarter/YTD 2020

Revenue, SEKm	130 / 341
Growth, %	59 / 36
No. of brands	107 (96)

### Fourth quarter/YTD 2020

Revenue, SEKm	10 / 24
Growth, %	79 / 42
No. of brands	26 / (20)

### Fourth quarter/YTD 2020

Revenue, SEKm	0 / 0
Growth, %	- / -
No. of brands	2/(1)

MIPS has in total 121 buying customers (a customer can be active in several categories but only counted once in the “total customer” number)

# Development in the fourth quarter



- Net Sales increased by 60%, organic growth was 77%
- Gross profit up 57%, gross margin down 160 bps to 73.3%
- OPEX – continue to invest in strategic priorities
- EBIT up 96% to SEK 76m (39), EBIT margin 54.4% (44.6)
- Cash flow – strong increase of operating cash flow to SEK 49m (20)

MIPS Group (SEKm)	Q4 20	Q4 19	▲%
Net sales	140	87	60
Gross profit	103	66	57
Gross margin %	73.3	74.9	-
Operating profit (EBIT)	76	39	96
Operating margin (EBIT) %	54.4	44.6	-
Cash flow from operating activities	49	20	146

Organic  
growth  
**77%**

EBIT margin  
**54.4%**

Operating  
cash flow  
**49**  
SEKm

# Development full year 2020



- Net Sales increased by 36%, organic growth was 43%
- Gross profit up 34%, gross margin down 130 bps to 72.8%. Adjusting for acquisitions, gross margin down 100 bps to 73.1%
- OPEX – continue to invest in strategic priorities
- Adjusted EBIT was SEK 168m (110), adjusted EBIT margin 46.2% (41.2)
- Cash flow – increase in operating cash flow to SEK 116m (63)

MIPS Group (SEKm)	FY 20	FY 19	▲ %
Net sales	365	268	36
Gross profit	265	198	34
Gross margin %	72.8	74.1	-
Operating profit (EBIT)	167	108	55
Operating margin (EBIT) %	45.8	40.3	-
Adjusted Operating profit (EBIT)	168	110	53
Adjusted Operating margin (EBIT) %	46.2	41.2	-
Cash flow from operating activities	116	63	83

Organic  
growth  
**43%**

Adjusted  
EBIT  
margin  
**46.2%**

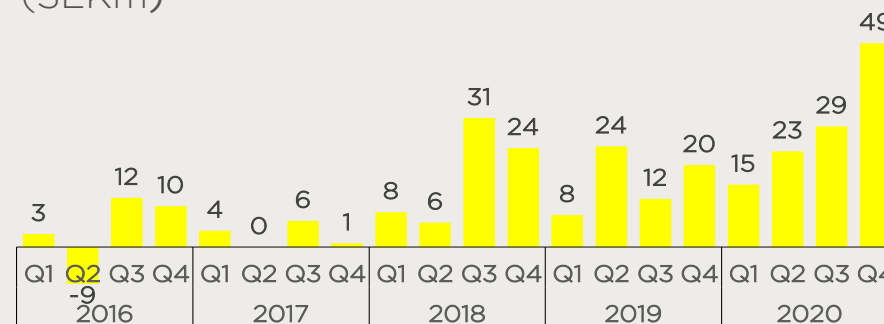
Operating  
cash flow  
**116**  
SEKm

# Balance sheet and cash flow

- Strong improvement of Cash flow from operating activities with SEK 49m (20) in the quarter
- Cash and Cash Equivalents at SEK 272m (192)
- Dividend of 3.50 SEK (3.00) being proposed
- Equity ratio 82% (87)



## CASH FLOW FROM OPERATING ACTIVITIES (SEKm)



## KEY BALANCE SHEET ITEMS AND CASH FLOW

MIPS Group (SEKm)	Q4 20	Q4 19
Total Assets	517	343
Equity	426	298
Equity ratio %	82	87
Cash & Equivalents	272	192

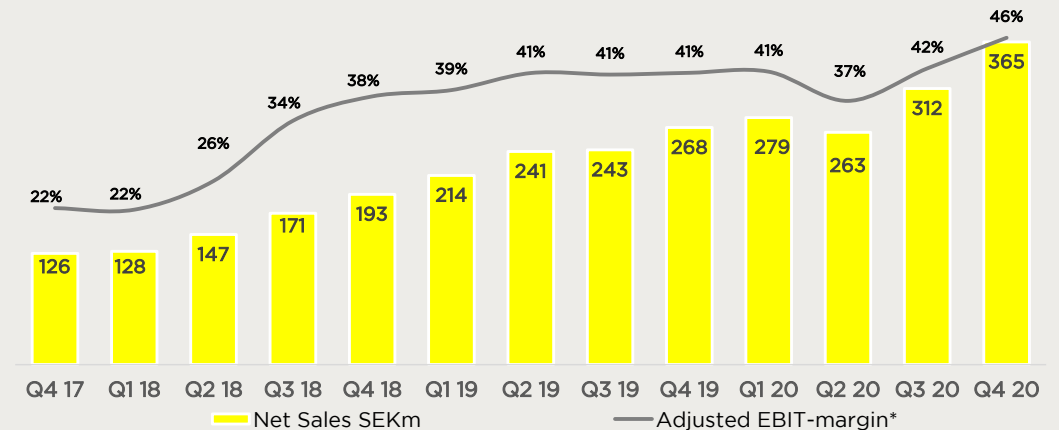
MIPS Group (SEKm)	Q4 20	Q4 19
Cash flow from operating activities	49	20

# Summary

- Strong quarter mainly driven by good demand for bike helmets
- The strong consumer demand is expected to continue, assuming no dramatic change to current situation
- Continued high project activity, strong momentum in all three categories
- We continue our activities to drive the awareness of MIPS brand
- Good position to deliver according to the 2025 plan

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Net sales and adjusted EBIT-margin 12 months rolling



\*Adjusted for costs in connection with the company's IPO during 2016 and 2017 and costs relating to acquisitions during 2019 and first and second quarter 2020. Adjusted EBIT margin includes legal costs relating to the company's previous litigation processes





# Q&A

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